



TallinnProperty.com's *In Touch* with Estonia

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Staying *In Touch*

As we predicted, 2006 brought a banner year for Estonian property investors. While all signs continue to point to an upward trajectory for our favourite Baltic State, the media are finally beginning to get in on the game. This month, I was honoured to be interviewed for Buy Associations' radio show, "The Baltics Show" by Adrian Mills. I spoke about the current situation in Latvia,

Lithuania and Estonia, why to buy, hot tips for first-time buyers and where to buy your first property. On the same show, Peter Conradi, property editor for *The Times*, spoke about why all three Baltic countries have a growing economy and property market. You can listen to the entire broadcast online at:

<http://www.buyassociation.co.uk/property/radio/the-baltics/the-baltics-show.html>.



Darren Goodson, Editor, Appears on "TV Property Kings"

Aside from the radio show, I also appeared this month on the Overseas Property television channel's "TV Property Kings," a programme that interviews entrepreneurs who have shown exceptional skills and experience in the property business, where I was interviewed by John Daley. Daley and I discussed why Estonia is the best place in Eastern Europe to buy property for the long term. Visit our website at: www.TallinnProperty.com for pictures and other exciting details.

If you were "waiting to see" what happened in 2006 before investing in the world's hottest property markets, surely this year's double figures property growth (among other factors) has convinced you that now is the time to secure your first (or another!) investment in Estonia. At Tallinn Property, we've helped dozens like you navigate the waters in this Baltic state, even first time investors. No one knows Tallinn like we do; if you haven't already, call or email us today to get started. We'll walk you through the process in time to complete your New Year's resolutions.

Tallinn Takes First Bite from Apple



Aripaev reported this month that one of the world's most famous computer and household electronics manufacturers, Apple, opened its newest store in Tallinn on December 1.

The new store, which will be Apple's largest in Tallinn, opened in Tallinn Department Store, offering Apple computers, peripheral equipment, iPods, etc, according to Enn Parel, sales and marketing manager of Tallinn Department Store. The store occupies around 80 square metres of floor space.

Tallinn's thriving information-based economy will likely be a ripe source of profitability for Apple, introducing a wave of new popular electronics to the booming economy.

Äripäev

Olympic Entertainment Group invests EEK 144 million in new casino in Tallinn

15 December 2006- Olympic Entertainment Group has invested EEK 14.4 million (EUR 0.92 million) into the new slot casino in Tallinn.

The 24h operating casino is located at Sõpruse puistee 2a.

The new sport thematic 182 sq.m casino is equipped with 40 newest slots, 3 different jackpot systems and a bar.

The new casino will be able to operate in the current premises until January 2009 after which the building will be demolished. According to the current plans a five-storey office building will be developed on the same site in 18 months and Olympic Entertainment Group has a contractual right to continue its operations on long-term basis on approximately 250 square metres.

More Estonians stay in domestic accommodation establishments

15 December 2006- According to Statistics Estonia, compared to October of the previous year, the number of domestic tourists increased.

In October compared to the same period a year ago, 8 pct more tourists stayed in accommodation establishments. Characteristic of the beginning of the low tourist season the share of domestic tourism increased — 35 pct of served visitors were Estonian residents.

Compared to October 2005, the number of domestic tourists increased by 13,000 or 29 pct. Traditionally more than half of foreign tourists (57 pct) came from Finland, but the share of Finnish tourists in accommodation establishments decreased compared to October of the previous year. The share of Finnish tourists has showed a declining trend starting from May 2005.

In October 605 accommodation establishments with 14,700 rooms and 31,200 beds were available for tourists. The room occupancy rate was highest in Northern Estonia. The average cost of a guest night in an accommodation establishment was 475 kroons, in Tallinn 587 kroons, in accommodation

establishments outside Tallinn 365 kroons. The average cost of a guest night increased by one kroon compared to October a year ago.

Port of Tallinn expects to handle 10 pct more cargo in 2007

15 December 2006 - Based on the 2007 budget the average increase of port tariffs amounts to 3.8 pct. Operating income is expected to be EEK 1.3 billion and operating profit 0.6 billion. Net profit is forecasted to amount to 0.4 billion.

Based on the 2007 state budget draft Port of Tallinn has planned to pay dividends in the amount of 300 million.

The investments of 2007 amount to ca 1.55 billion kroons, of which 1 billion kroons will be directed into the realization of new development projects and 0.55 billion kroons into the updating of the existing infrastructure. 0.2 billion kroons of investments shall be covered from EU Cohesion Fund assistance.

Ca 0.9 billion kroons of total investments shall be directed to the development of Muuga Harbour. The largest project entails Muuga Harbour eastern part extension in the amount of 0.6 billion kroons. The rest shall be used for the realization of different projects, including preparation of Muuga industrial park territory.

0.3 billion kroons shall be invested into Old City Harbour for improvement of the existing infrastructure due to the coming to the line of new passenger ferries and the rearrangements performed.

A total of 0.3 billion kroons shall be invested into Pladiski South Harbour, which will be mainly directed into the construction of new quays.

Net sales of enterprises in Estonia up 20 pct in Q3

15 December 2006- Net sales of enterprises in the 3rd quarter of 2006 were 21 pct larger than in the same period of the previous year.

According to Statistics Estonia, net sales of enterprises totalled 142.1 billion kroons, which is 24.3 billion kroons more than in the 3rd quarter of 2005. The net sales of trade enterprises contributed 41 pct to the total net sales, the net sales of

manufacturing enterprises formed 20 pct, that of transport, storage and communication enterprises accounted for 13 pct, construction enterprises 11 pct and real estate, renting and business activities enterprises 6 pct.

In the 3rd quarter of 2006, enterprises' investments in tangible fixed assets totalled 9.2 billion kroons, which was 1.6 billion kroons or 21 pct more than in the 3rd quarter 2005.

Investments were made mainly for the construction, alteration of buildings and structures and for the acquisition of machinery, equipment and inventory.

Compared to the same period of last year the growth of investments was the largest in acquisition of buildings, structures (2.2 times) and in computers (45 pct). The biggest investors were real estate, renting and business and manufacturing enterprises with 22 pct and 21 pct of total investments. 24 pct of investments were made by large enterprises with over 249 persons employed and 23 pct by micro enterprises with 1–9 persons employed.

The labour productivity of enterprises (on the basis of the net sales) in the 3rd quarter was 15 pct bigger than in the 3rd quarter of 2005. Personnel expenses per person employed increased 21 pct compared to the period a year ago.

Port of Tallinn to invest record EEK 1.5 billion in 2007

14 December 2006- Estonia's state owned Port of Tallinn plans to invest EEK 1.5 billion next year, its highest-ever annual investment amount.

Around 20 percent of the funds will be provided by EU structural funds.

Most of the investments will be made in the Port of Muuga near Tallinn.

Rail freight carried in Nov up 6 pct in a year in Estonia

13 December 2006- A total of 3.7 mln tons of freight was carried by rail in Estonia in November, up by 6 pct in a year.

"It as a relatively difficult month, but we were able to meet our targets," said Rene Varek, head of marketing of Estonian Railways.

Oil and oil product freight fell from 2.2 mln

tons last Nov to 2 mln tons this year.

Grain transit trade amounted to 0.25 mln tons while a year ago only 28,000 tons were carried in Estonia by rail. "Kazakhstan grain is again finding its way to Estonian ports," explained Varek.

Varek said that also container shipments has been growing and that 1,009 TEUs of containers were carried in November, the history's third-best month.

Coal shipments went up by half to 0.6 mln. Fertilizers amounted to 0.2 mln, oil shale was 0.1 mln tons.

In 11 months, 40.1 mln tons of freight has been carried by rail in Estonia that is practically unchanged from last year. Oil and oil products that still make up 59 pct of total shipments are down 11 pct in a year.

Gastrolink brings world's most prestigious chocolate to Estonia

12 December 2006- Gastrolink will bring to Estonia the high-quality Valrhona chocolate that is the most favoured choice of master professionals all over the world.

"Since 1 August 2006, Gastrolink is the authorized representative of Valrhona chocolate and the reseller in Estonia, Finland and the Baltic States," said Aarno Antikainen, Chairman of Board of AS Gastrolink. "We represent Valrhona also in the Baltic States and in Finland. In Estonia we sell Valrhona to top class restaurants, confectioners, hotels and chocolate makers who make high-quality chocolate delicacies from it."

Oma Ehitaja to build a restaurant street in Tallinn for EEK 60 mln

11 December 2006- Estonian builder Oma Ehitaja will develop the EEK 60 mln so-called restaurant street in the centre of Ulemiste City in Tallinn.

The street shall be located in a former production building that is 80 meters long. The building shall include a gallery street that opens through three floors. Office spaces have been

planned on the II and III floor of the gallery street.

According to Gunnar Kobin, the building, which just received a construction contract is going to be the heart of Ulemiste City. The building is located in the centre of the first development quarter, next to the park and waterhole completed by the next summer and it is without any doubt the most outstanding edifice in our city," said Gunnar Kobin.

"The idea of Ulemiste City and the enthusiastic development plans inspired us since the first meeting," said Imre Kose. "Next autumn, after the completion of the restaurant street, there will be more than 2500 people working or learning in Ulemiste City and it is them to whom we would like to offer a diverse selection in a developed environment", added Imre Kose.

Construction of the building that recently received a construction contract starts in January and according to plans, it should be completed by September 1, 2007.

Justice Minister supports building a Palace of Justice in Tallinn

11 December 2006- Justice Minister Rein Lang says the dilapidated area around the Lennusadama port in Tallinn is a perfect venue for the new Palace of Justice.

In addition to the court building also the Ministry of Justice and the Prosecutors Office could relocate there, said Lang, adding that he would also recommend the Tallinn City Government to build its new administrative centre in the area.

The 14-hectare area belongs to the state and allows to build 80,000 square metres of office space.

State Real Estate Company will be responsible for obtaining the detailed plan for the area and organizing a two-phase architectural design contest by the summer 2008.

Estonia offers to set up NATO cyber defense centre

08 December 2006- NATO newcomer Estonia has proposed setting up a cyber defense centre for the military alliance, officials said Thursday.

"The aim of the centre would be to

promote cooperation between NATO members on cyber defense, to draft training programs, and deal with the legal aspects of fighting cyber terrorism," Lauri Allmann, undersecretary at the Estonian defense ministry, told reporters.

The NATO Cyber Defense Center of Excellence would open in Estonia in 2008, if the military alliance approves its creation.

Estonia is a world pioneer in IT solutions, and ranks in front of the 15 older EU members and just behind the United States on a World Bank list of countries that are well advanced in preparing for a knowledge-based society.

Average monthly wages could exceed 10,000 in fourth quarter

06 December 2006- According to forecast, average wages in Estonia should exceed 10,000 a month for the first time in the fourth quarter 2006.

This will in turn push up wages of civil servants whose pay is indexed to the official average wage. By Statistics Estonia, average wages are up 15 percent in a year and the growth will continue. In the fourth quarter 2005 average wages were EEK 8,700 a month.

Estonian economy grew 11.6 pct in third quarter year on year

04 December 2006- According to the flash estimation of Statistics Estonia, Estonian economy grew 11.6 pct in the third quarter year on year.

According to Statistics Estonia, the economic growth was the most influenced by the fast growth of the wholesale and retail trade economic activity. Big impact on the economic growth was exerted by manufacturing, transport and storage and construction economic activities. Besides non-financial institutions sector, financial institutions had substantial role in the economic growth as well.

The economy grew 11.7 pct in the second quarter year on year. The economy grew 11.9 percent in the same period last year.

According to experts, the economy keeps growing because of rising wages and growing loan portfolios. Unemployment rate is at 5.4 percent in the third quarter while wages increased 17 pct.