

GLOBAL SPOTLIGHT

Prague, Czech Republic



Prague has been the political, cultural and economic center of the Czech state for over 1,000 years.

- The office market is outperforming previous years with an increase in supply to 250,000 SM. Office demand is dominated by the finance, professional services, manufacturing and IT sectors. Vacancy rates in older buildings continue to rise as tenants seek modern office space with good technical specs, large floor plates, convenient access by car and public transport and ample parking facilities.
- Retail is a strong performer with 20+ shopping centers opening over the last few years. Total inventory has grown to approximately 1.5 million SM. Demand is fueling strong real wage growth and relatively low inflation and an improving unemployment situation. Six new centers are scheduled to open before the end of 2008.
- The Industrial market is experiencing increasing activity, driven largely by international companies seeing the benefits of setting up manufacturing or logistical activities in the Czech Republic.
- The Investment market has seen very high demand as one fund after another is created to buy into what is seen as a relatively safe investment climate both financially and politically. Prague is a member of both NATO and the EU. Many of the tenants in the investment properties are international companies with leases and rents fixed to the Euro.

Prague At A Glance

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|--------------|--|
| Population | 1,194,407 (2007 est.) |
| Location | Capital and largest city of the Czech Republic |
| GDP | \$118.8 billion (2006 est.) |
| Inflation | 2.7% (2006 est.) |
| Interest | 4.59% Czech National Bank 10 yr |
| Unemployment | 8.4% (2006 est.) |
| Conversion | \$1 US = € 0.7417 Euro(s) |

| Property | Rent/SM/Year Low | High | Effective Avg. | Vacancy Rate |
|------------------------------------|---------------------|-------|-------------------|-----------------|
| Downtown Office Class A (Prime) | €15 | €17.5 | €17 | 3% |
| Suburban Office Class A (Prime) | €12 | €14 | €13.5 | 8% |
| Industrial Bulk Warehouse | €4 | €4.5 | €4.25 | 7% |
| Retail Downtown | €100 | €150 | €110 | 2% |

NAI MIPA offers local market expertise in Prague.

About NAI Global:

NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

At A Glance

| | |
|--------------|----------------------------|
| 350 | Offices |
| 45 | Countries |
| 5,000 | Professionals |
| \$40 billion | Annual Transaction Volume |
| 200 | MSF of Property Management |

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