

GLOBAL SPOTLIGHT

Caracas, Venezuela



Caracas is a regional center for the distribution of products. The high concentration of population is also an important factor for the growth of retail wholesale markets, which form the fastest-growing segment of commerce in the region

- Oil prices are a key driver of the Venezuelan economy and with oil prices in record-breaking territory at year-end 2007, the investment market outlook is very strong. Along with high oil prices, Venezuela's strategic position, the reduction of high unemployment and a longer period of political stability than expected make Venezuelan's believe the country will continue on its way to recovery.
- Venezuela is in the process of becoming a member of Mercosur, a Latin American trading area that includes Argentina, Brazil, Uruguay, Paraguay and Chile. We expect that this commercial association, as well as Venezuela's excellent relations with Brazil and the Andean countries, will be a big boost to Venezuelan trade in the next few years.
- The office market in Caracas is dependent on foreign companies and has become thin. Sale and rental prices in U.S. dollars have increased from their lows in 2003 while construction of new projects have started but will not enter the market until mid-2008 or later. Vacancy is very low and prices have increased accordingly. Prices are expected to rise in 2008 as there is a backlog of required space.
- Venezuela's manufacturing sector had been depressed since 1999 but improved in 2007 and is expected to continue its expansion in 2008. Prices for bulk warehouse space and manufacturing facilities have recovered. This sector will benefit from plans by the Chavez Administration to reduce unemployment through development of the manufacturing, construction and agricultural sectors.
- Venezuela's shopping center industry has shown spectacular growth. The majority of the retail space in local shopping centers is owned by separate companies. Efforts are being made to find more professional and efficient ways to administer and market the country's shopping centers.

Caracas At A Glance

Population	5,452,320 (2007)
Location	Capital and largest city of Venezuela
GDP	\$226.9 billion (2006 est.)
Inflation	18%
Interest	14.9%
Unemployment	8.9%
Conversion	1 USD = 2,144.60 VEB

Property	Rent/SF/Year Low	High	Effective Avg.	Vacancy Rate
Downtown Office Class A	\$15.18	\$28.07	N/A	N/A
Suburban Office Class A	N/A	N/A	N/A	N/A
Industrial Bulk Warehouse	\$2.05	\$14.01	N/A	N/A
Retail Downtown	\$37.74	\$77.07	N/A	N/A

NAI Ferca provides local market expertise in Venezuela.

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At A Glance

375	Offices
55	Countries
8,000	Professionals
\$45 billion	Annual Transaction Volume
250	MSF of Property Management

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