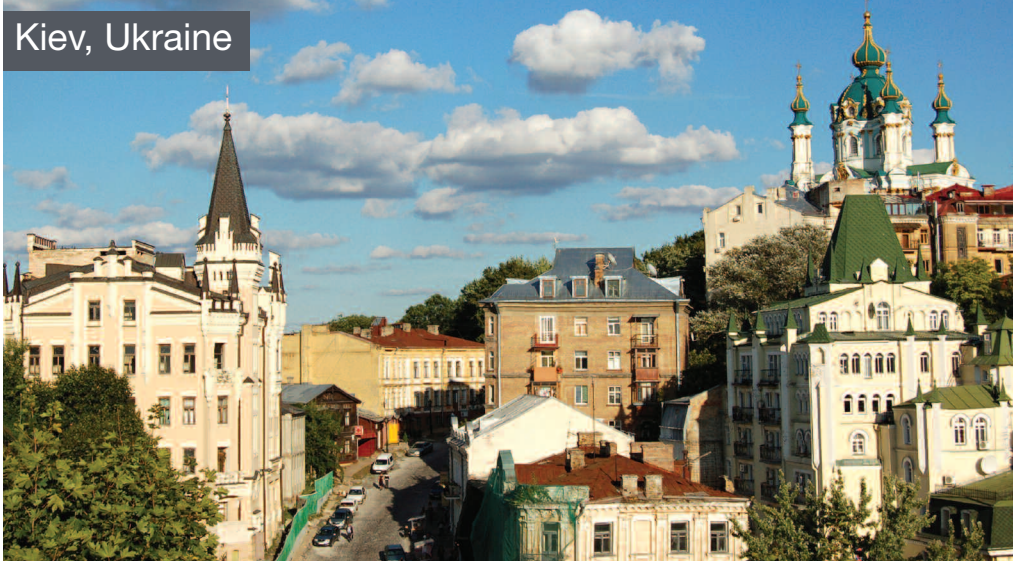


GLOBAL SPOTLIGHT

Kiev, Ukraine



Kiev is the country's largest, wealthiest, and most service – oriented economy. It outperforms the rest of the country by a significant margin in economic output, corporate presence and share of foreign direct investment.

- Ukraine's strong economic growth is creating high demand for office space. The market has a total inventory of 790,000 square meters. With occupancy rates averaging 97%, rental rates are increasing 10%-15% annually. Approximately 200,000 square meters of high-quality space is in the development pipeline for 2007.
- According to the AT Kearney report, Ukraine is the 4th most promising retail market in the world and the most rapidly growing retail market in Central and Eastern Europe. Retail trade turnover grew by 23.5% in 2006 to total US \$31 billion, doubling the previous year's growth. With virtually no vacancy, rental rates increased by 50%. Yields in the retail segment are high relative to Eastern European markets or Moscow, ranging from 13%-15% for shopping centers.
- Ukraine's retail growth has led to a considerable increase in demand for modern warehousing. The unmet demand is estimated at about 600,000 square meters up to 1,000,000 square meters in the Kiev region. Net rents for modern warehousing facilities are \$10-\$12 per square meter per month. There is no vacancy in modern warehousing facilities in the Kiev region.
- Investment returns across the whole commercial property market sector are considerably higher than in the rest of Europe. Foreign direct investment in Kiev's economy amounts to USD \$5.5 billion. The largest amount of investment has been devoted to financial institutions, retail, real estate and metallurgical industries.

Kiev At A Glance

City Population	2.7 million 5 million (Greater Kiev)
Location	Capital and largest city of Ukraine
GDP	\$81.53 billion (2006 est.)
Inflation	11.6% (2006)
Interest	4.95 % Euro benchmark government bond – 7 yr
Unemployment	2.7% (officially registered) 6.7% (International Labor Organization)

1 Ukraine Hryvnia = 0.20768 US Dollar

Property	Net Rent /M2/Year		Net Rent/SF/Year	
	Low	High	Low	High
City Centre Office Class A (Prime)	\$600	\$960	N/A	N/A
Suburban Office Class A (Prime)	\$540	\$600	N/A	N/A
Industrial Bulk Warehouse	\$120	\$144	N/A	N/A
Retail City Centre	\$1,140	\$2,400	N/A	N/A

NAI Pickard offers local market expertise in Kiev, Odessa, Lviv, Nickolaev and soon in Kharkiv.

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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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