

## Market Trends

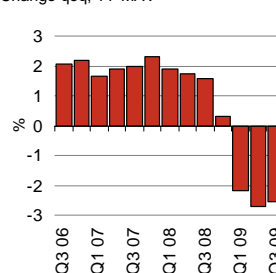
## Russia Q4 2009

### Economy

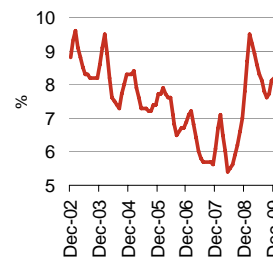
Russia's economy still faces an unexpected deep recession with highly negative growth rates, despite large stimulus packages. Due to the rebound of commodity prices and returning international capital flows a slight recovery of Russia's economy is expected. This can also be seen in the OECD Composite Indicator. Nevertheless, pre-crisis growth levels are unlikely even in the long term.

### GDP

Change qoq, 1Y-MAV



### Unemployment Rate



### Investment

There were no remarkable investments taken for more than one year now, particularly not from international investors. But the investment market seemed to have reached the bottom recently with prime yields peaking during last quarters. An increase in market values is expected in a 12 months horizon. Investors increasingly look for opportunities, whereas capital availability is still restricted.

### Prime Yields Moscow



### Market Value Changes

Real Estate

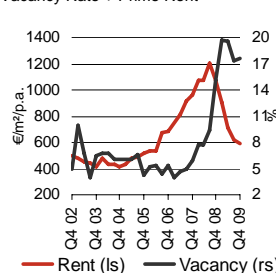
	Previous 12 Months	Outlook 12 Months
Office	-40%	0%
Retail	-30%	10%
Logistics	-20%	10%

### Office

The Moscow office market experienced a sharp correction. Overall vacancy is very high, but some positive developments will derive from the supply side due to lasting difficulties in construction financing and, therefore, a considerably constrained pipeline. The rent level came almost down to a level seen at the beginning of the cycle and shows first signs of stabilization. Due to the fact that the economic environment is still difficult, demand will remain depressed in the upcoming quarters.

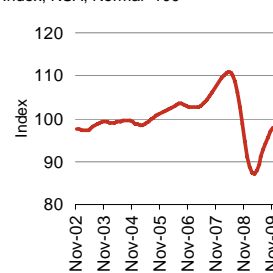
### Office Moscow

Vacancy Rate + Prime Rent



### Composite Indicator

Index, NSA, Normal=100

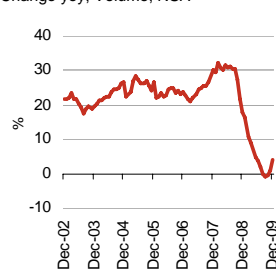


### Retail

The still depressed economy and high unemployment affected both consumption and retail trade turnover negatively pointing to a difficult business environment for retailers. In addition, supply has been increasing continuously. As retailers acted more cautiously letting of new space became more challenging. Hence vacancy increased and rents declined particularly in new schemes. During next quarters negative impact from the economy will ease.

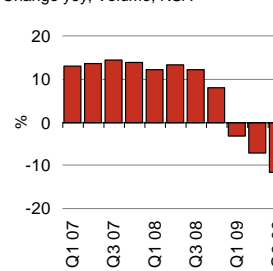
### Retail Trade Turnover

Change yoy, Volume, NSA



### Consumption

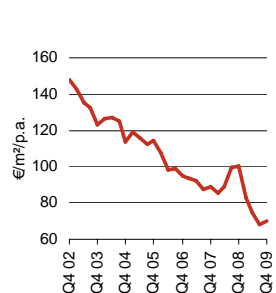
Change yoy, Volume, NSA



### Logistics

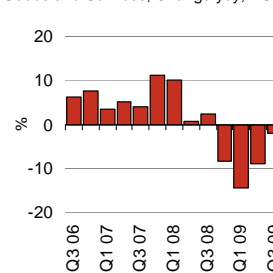
The logistic market went through a sharp correction since the end of 2008 with rapid increase of vacancy and rental decline, but signs of stabilization appeared recently. Exports are expected to increase again in the upcoming quarters, albeit very moderate, which will probably affect demand for logistic space positively. Nevertheless, there is still a high number of new projects reaching the market putting further pressure on the letting market.

### Industrial Moscow



### Exports

Goods and Services, Change yoy, NSA



### GRM-CR-ABF-RAC Research

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