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Leaders in Residential Real Estate



Market Trends
2010 vs 2009 & Outlook
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2011

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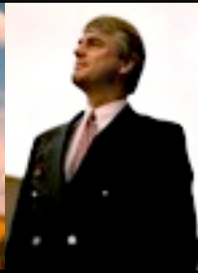
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RESIDENTIAL REAL ESTATE MARKET TRENDS

Interim Market Review: 2010 Results & Outlook for 2011

Date of Publication: October 2011



This second edition of the ERA Europe Market Trends Report offers a comprehensive review on the status of the residential real estate market across Europe by comparing 2009 to 2010 key residential real estate figures. Also included in some market reports are charts of the pre-crisis period up to today, insights into trends based on analysis of 2011 figures as they are available, and an outlook for the future.

Within the report ERA Europe Master Franchise managers set forth country statistics (as available upon date of publishing) from reliable sources such as governmental statistical offices, bank and mortgage institutions, industry experts, and equally important, an analysis of trends based on information from their respective ERA network of brokers. Pure comparison of some figures, however, is very challenging given the wide variation in types of data tracked in each country. Though there are efforts underway to harmonize the collection of data on a EU level, it is far from being truly achieved. Therefore, the expertise of our country Managing Directors and their keen market insights help bring a first hand perspective and balance to each market review.

The ERA Europe network was founded in France in 1993 and today has grown to 18 European countries with approximately 1.100 agencies. ERA globally is present in 47 countries and was the first US residential real estate brand to develop internationally. This report includes 17 countries where ERA Real Estate is present. For more information on ERA Europe, visit www.eraeurope.com.

We believe that transparency is key to optimizing results for our clients; buyers and sellers of residential real estate. Now more than ever, market knowledge is essential when making a decision to move. When our customers are informed on as many aspects of a home purchase as possible, trust is enhanced and this we hope will lead to complete satisfaction on the 'ERA experience'. At ERA Europe it is our goal to promote professional practices, full transparency, and create enduring, fruitful relationships with our customers.

Team ERA Europe

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A European Perspective on Residential Real Estate

Long & short term views... Emerging residential real estate trends for 2011-2012



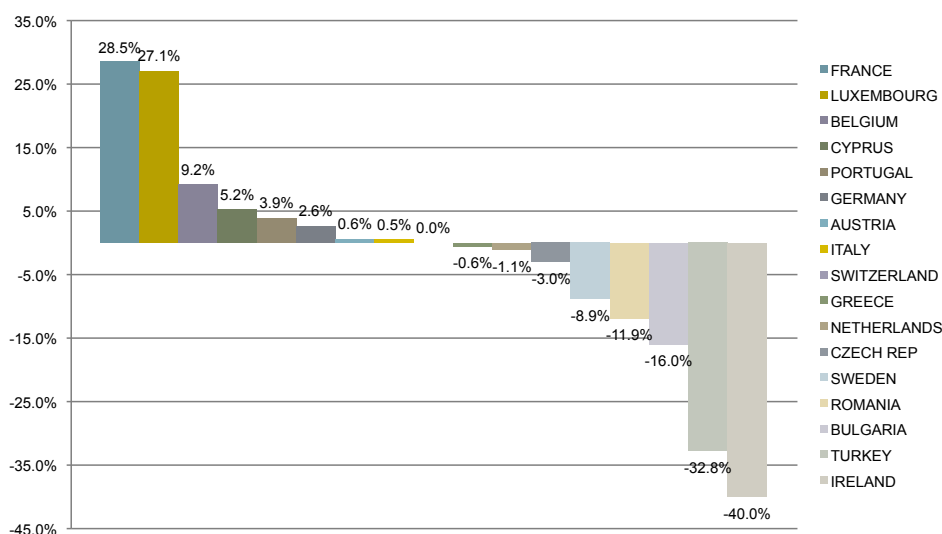
ERA Europe management is in the field working on supporting our residential real estate customers everyday. It is our singular goal to address the needs of our valued clients and to bring greater knowledge, professionalism, and transparency to the market place. ERA Europe's management team has been operating in the European market for nearly 20 years, and ERA Franchise Systems, Inc., globally for almost 40 years. ERA Europe Master Franchisors divulge within these reports their personal experiences and inside knowledge of their markets. We know that markets are cyclical; this is normal and should be anticipated. The banking crisis that began in the US and so severely impacted the home market there and subsequently spread to Europe and elsewhere, however, is unprecedented. Then came the European sovereign debt crisis in a number of EU countries. Therefore, it is our goal within this summary report to offer a continuing inside view of the reactions, and a clear outlook on each residential market where ERA Europe is present.

What a difference a year makes - 2011 proves to be another unpredictable period. 2010 was to be a year of recovery or at least stabilization for many European housing markets that were adversely affected by the crisis of one year earlier. What we have observed in 2011-2010 in the countries where ERA Europe residential offices are present is, in-fact, a more pronounced divergence between countries and regions. Some European economies, and consequently housing markets, have further deteriorated, and others have steadfastly resisted the downturn. Countries in the northern region of Europe fared, in general, much better than those countries in the South. Good markets improved further and marginal markets worsened.

The most resilient markets in 2011? France, Luxembourg, Belgium, Sweden, Turkey:

The most buoyant countries surveyed in this report were France, Luxembourg, Belgium and to some extent Sweden. In France significant increases of well over 20% were achieved in both transactions and prices (for apartments) during 2010 and the positive price and transaction trend continued into 2011, albeit at a more modest pace. France's spectacular 2010 results defied the downward and sideways trends seen in so many other European markets. As the stock market plunged, the French chose to invest in real estate as a safe haven. Other factors contributed to the French housing surge, but it is the clearest demonstration of how diverse the reactions have been both by consumers and governments that have been quick to enact policies to support the housing sector and investors. Read the French market report to learn more about these dynamics.

Chart A: Percentage change in the number of transactions closed 2010 vs 2009.



Luxembourg followed the French trend in transactions, and in prices. Inward migration helped to sustain healthy demand and to spur the market forward. Belgium has proven to be one of the most consistent and steady housing markets in all Europe in terms of gradual and steady upward price growth for the past 8 years, and experiencing only one year where a sharp decline in transaction activity was recorded (during the 2009 crisis period). Sweden is another housing market that has proven to be quite resilient. Though transactions fell in 2010 as indicated in Chart A, this was due primarily to tightening housing supply, not lack of demand; as a result prices were pushed upwards as a growing number of customers vied for a dwindling selection of property listings.

Though Turkey recorded a decline in transactions in 2010 this is due more to administrative issues, as new property registration processes are being implemented (creating an important backlog). This should self-correct in 2011; latest results for the year show +18% in closings over the 2010 figure and prices up by +2%. Loans increased by 36% through Q2 in year 2011. As the mortgage market becomes more developed in Turkey and rates more competitive, the number of transactions is anticipated to continue to grow in 2012. Healthy demand, both internally and from foreign customers, continues to push prices upward; this is also supported by an expanding economy and lowering unemployment. The outlook for these five markets remains positive and on the upside as we move into 2012.

Consistent and steady, positive outlook, no peaks and valleys - Austria, Germany, Switzerland:

Austria, Germany and Switzerland continued their trend of steadfast but modest growth during the year 2010 and into 2011, nothing phenomenal, but consistent and almost predictable figures continue to emanate from these housing markets. The highs and lows move within the lower single digit range when looking at the past 8 years since we have conducted the study. The current year (2011) for these markets was stable with modest increases in activity. The only exception being in East Germany where price declines were more pronounced than the rest of Germany as a whole. Real estate here is considered a financial safe haven and low risk investment, especially when compared to the volatility of the stock market over the past few years.

Sideways movement or modest improvements during the year - Bulgaria, Italy, Netherlands, Portugal, Romania:

Reports for 2011 are showing that Bulgaria has begun an upward trend in activity, this after steady year to year drops in both prices and sales from its peak housing phase in 2007. Stabilization has taken hold and no dramatic shifts either up or down are expected in 2012.

During the last year, the Italian housing market has been relatively insulated from its country's growing economic woes. This is in part to the cash rich Italian buyer who is not dependent on a mortgage to purchase a property, making them less susceptible to rate shifts and affordability issues. Prices have dropped slightly in 2011, in the low single digit range (1% to 3%). This dynamic may change as we enter 2012 as the trend toward a growing supply of homes on the market is becoming more pronounced.

The Netherlands appears to have reached a stabilized situation, as transactions finally flattened out with only a slight -1% YOY drop in 2010; and prices began an upward trend (+3% Nationally). The market is however still trying to reach a good supply/demand balance. As the number of homes listed on the market increased in 2011 and demand has not kept up, pushing transactions back into deeper negative territory. The situation going into 2012 is expected to be stagnant.

The market in Portugal has been relatively stable, with sales increasing slightly in 2010 (+4%); this after a decline of 40% from peak sales in 2002. Prices remained flat during year 2010 and in 2011 declined by a modest 3% nationally. Mortgages remain very affordable and attractive, a factor that for now helps to offset the supply/demand imbalance. As we head into 2012 demand is expected to remain weak as consumer confidence wanes due to growing unemployment and the Portuguese government debt crisis currently being assessed by the IMF.

Though activity continued to decline in 2010 in Romania, the downward trend has clearly slowed in 2011. This year was a period of improved consumer confidence and a (downward) correction in prices. Transactions for 2011 are expected to be equal to 2010 levels, the supply/demand gap is closing, prices are stabilizing and unemployment has improving. The 2012 outlook for the Romanian housing market is cautiously optimistic.

Not out of the woods yet, consumer confidence lacks as economies struggle to find a foothold - Cyprus, Czech Republic, Greece, Ireland:

It was another tenuous year for these markets as difficult economic realities continue to fuel fear and undercut a housing recovery. After a dreadful drop in transactions in 2009 of 44% in 2009, Cyprus housing sales recovered somewhat in 2010 as shown in Chart A. However in 2011 sales, once again, fell back into negative territory with a YTD annualized decline of about 6%.

The Czech Republic housing market contracted in 2010, but indications thus far show a slowing of this trend with a better balance in supply/demand as we near the closing months of 2011; the market remains fragile however and exposed to potential negative external economic factors.

Greece had an arduous year and there are no signs yet of any impending change to the situation. Sales are off by more than 60% from the peak seen in 2007, housing supply continues to increase and demand continues to weaken. As austerity measures are implemented, unemployment will rise and uncertainty about the future deepen; 2012 will prove to be another troublesome year for the housing sector.

The downward spiral Ireland experienced in 2010 (-40% in transactions) seemed to abate somewhat in 2011 and the downhill pace appears to be slowing; there is hope that this market has finally hit bottom. In 2011 sales prices are off by 40% from peaks of 2007; in 2011 prices decreased by 13% alone; it is anticipated that 2012 will be a year of stabilization and perhaps slight recovery as housing affordability improves. This will depend on improved consumer confidence and on mortgage costs and flexibility of terms.

Current market statistics for Europe are very difficult to obtain, it takes months to gather. However below are the country trends thus far. To learn more details on 2011 trends refer to the country market report for a more detailed update:

2011 Trends				
Country	Transactions	Prices Nationally	Mortgages	Period
Austria	Flat	Increase	Flat	
Belgium	Increase	Increase	Decrease	
Bulgaria	Decrease	6%	Increase	Q3
Cyprus	-18%	-7.00%	Increase	Q1
Czech Republic	Decrease	Decrease	Decrease	
France	-4%	+13%	Increase	Q1; Ile de France
Germany	Increase	Increase	Increase	
Greece	Decrease	Decrease	Increase	
Ireland	Decrease	Decrease	Increase	
Italy	-3.70%	Decrease	Decrease	Q2
Luxembourg	Decrease	Increase	Increase	
Netherlands	Decrease	Decrease	Decrease	
Portugal	Decrease	-2.84%	Decrease	Q2
Romania	Decrease	- 1 to 3%	Decrease	Est.
Sweden	Decrease	+3%	Increase	Q1
Switzerland	Flat	Increase	Increase	
Turkey	Increase	6%	Increase	Q2

2010 Results Charts 1 to 5:

The ten charts shown on the following pages list the 17 European countries surveyed in alphabetical order and reflect actual 2010 results compared to 2009 in five key areas (transactions, national prices, capital city prices, mortgage rates and days on market -'DOM'). Charts 1a to 5a reflect the YOY on year change (2010 vs 2009) on a percentage basis.

Chart 1 & Chart 1a : Residential Transactions 2010 vs. 2009

The number of transactions closed in 2010 increased YOY in only 7 out of the 17 markets we studied. France, the largest home market in this study enjoyed the most significant increase of nearly 29%, with almost 900,000 new and resale property closings. However, when looking at the historical charts within each country report we note that in all but three countries; Belgium, Luxembourg and Germany, the number of transactions closed in 2010 were all lower than when compared to the pre-crisis year 2008 transaction levels.

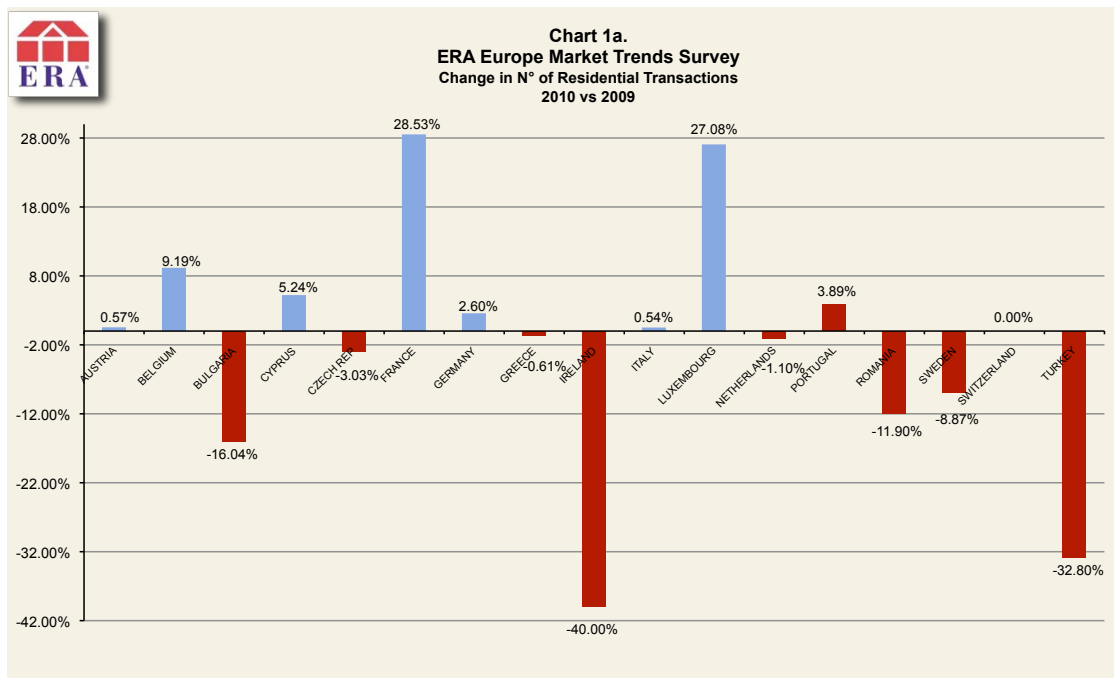
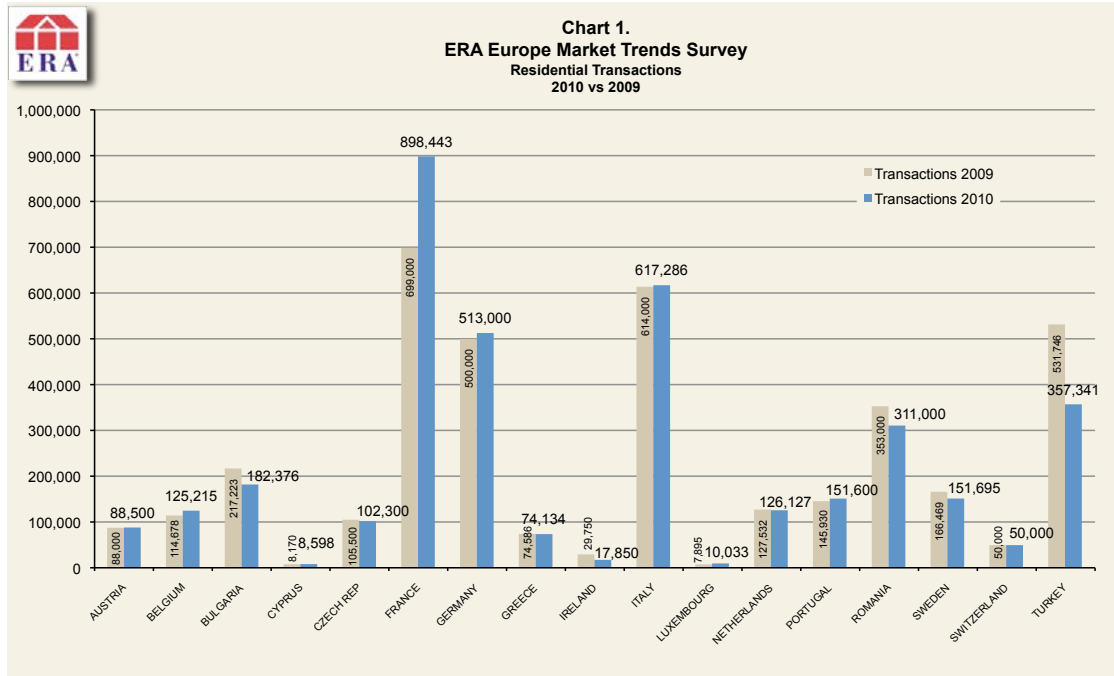


Chart 2 & Chart 2a: Average Home Price Capital City

The most expensive home purchase can be made in the capital city Basel, Switzerland. This strength of the Swiss Franc in comparison to the Euro (Eur. 1 = CHF: 1.465 Dec 2010) help push this market into a significantly expensive place to live for Europeans. The Swiss Franc has even further strengthened in 2011. France and Belgium however topped the list when it came to YOY capital city price increase, especially Paris with a 20% spike in the average price for an apartment, followed by Brussels and Stockholm where prices grow by about +7%. Bulgaria and Ireland capital cities suffered the most significant declines of 18% and 15% respectively. Both of these markets appear to be recovering in 2011.

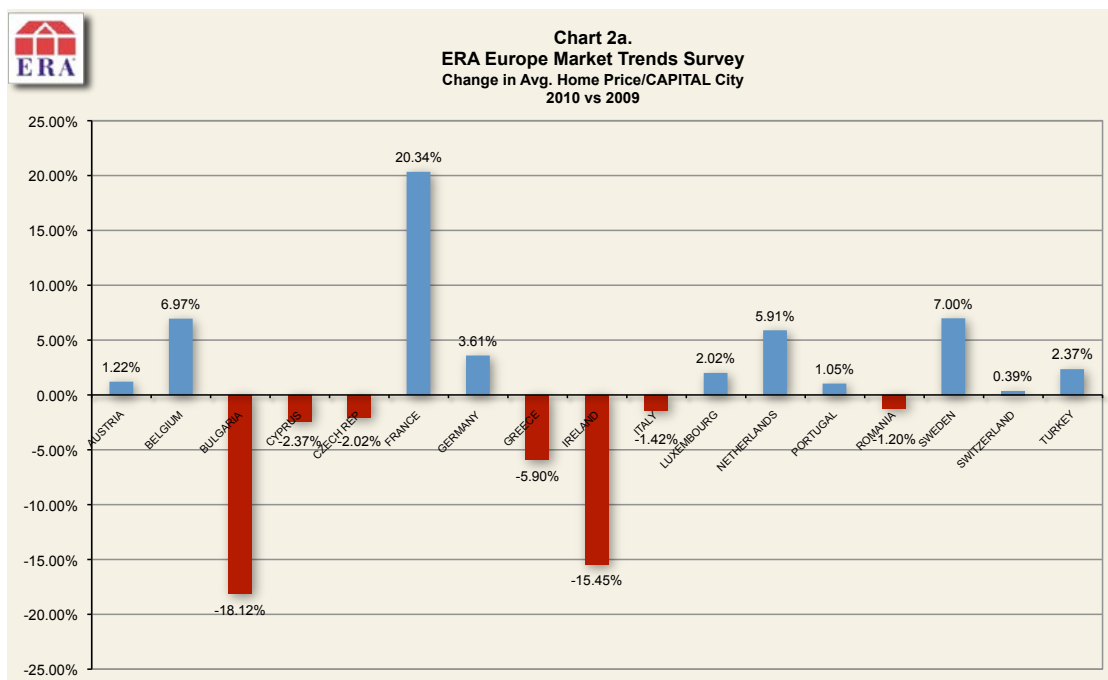
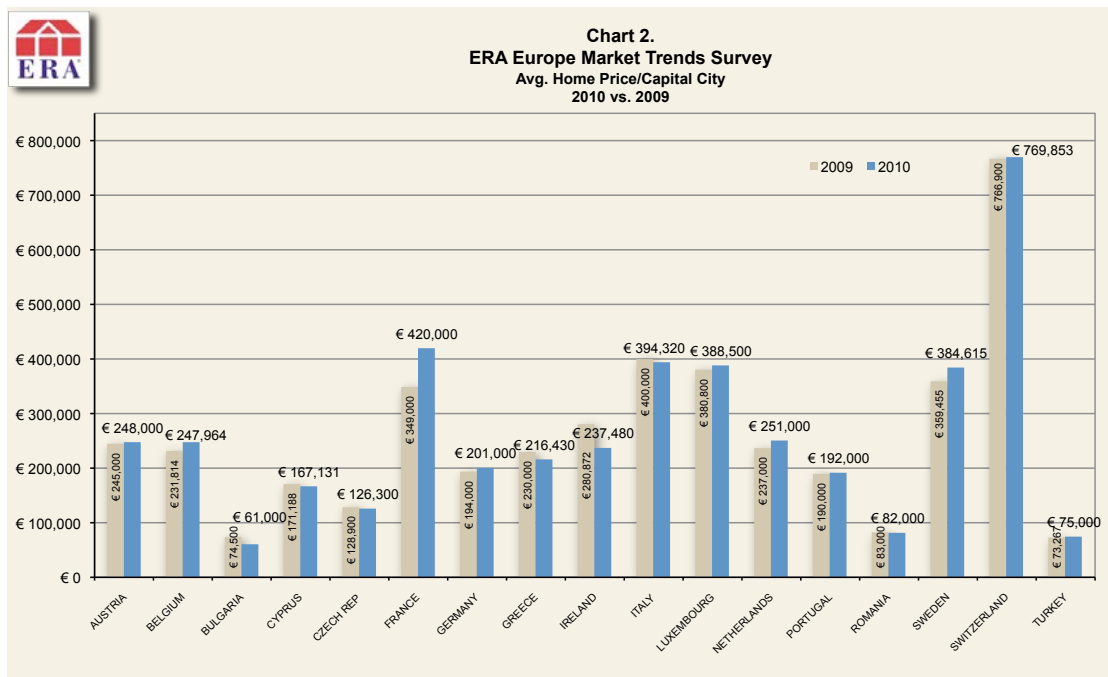


Chart 3 & Chart 3a : Average Home Price Nationally 2010 vs 2009

Again, due to the currency exchange rates, Switzerland remained the most expensive place to buy a home of the countries we have surveyed. Nationally, housing prices in 7 of the 17 markets surveyed fell during the year 2010. Most significant declines were seen in Ireland, Cyprus and the Czech Republic, ranging from -7% to -10%. Modest increases in the 1% to 6% range were seen in the remaining 10 markets.

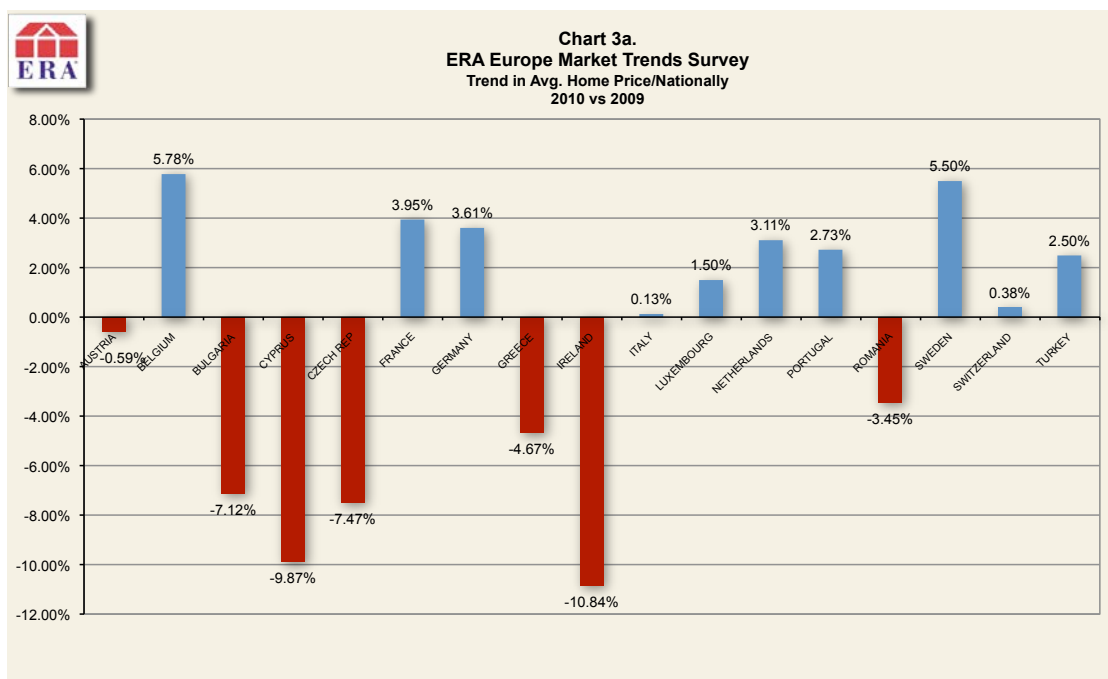
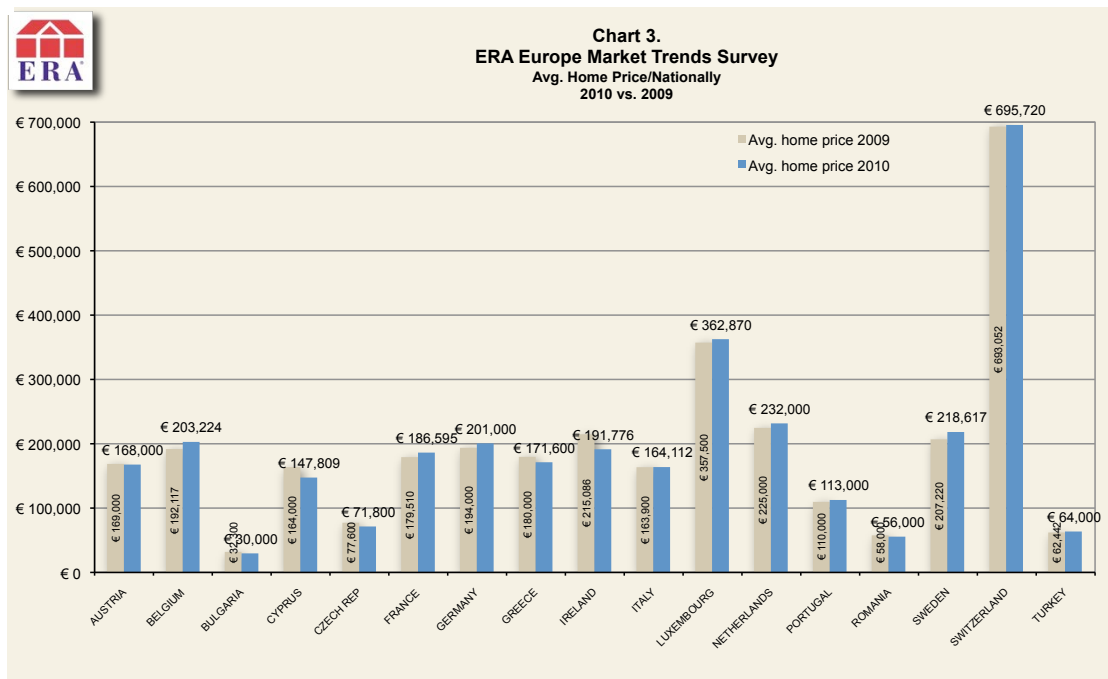


Chart 4 & 4a : Mortgage Rates

Chart 4 depicts the average mortgage rates charged in year 2010. There are many variations within Europe on the loan durations, variable vs. fixed rate loans and cultural habits when securing a house loan. Therefore it is important to read each country report to understand these differences. Here we have tried to harmonize, as much as possible, the typical lending rates. Chart 4a. represents the percentage change in the average long term mortgage rate (*not change in basis points*). In the majority of markets surveyed lending rates continued to decline in 2010, (though we are seeing a reversal of this trend in 2011). Lending rates in most markets are at the most affordable and attractive levels ever. In France for example for the lending rate for the most qualified buyers (3,2% - *Bank of France*) has not been seen since the early 1900's. The challenge for many buyers however is the ability to meet stricter lending criteria imposed by banks today and having the necessary cash down-payment required to obtain the loan. Economic and employment fears also weighed on whether a buyer is prepared to make a long term commitment on a new mortgage. The *European Mortgage Federation* has confirmed this trend in Q1 2011 as new lending across Europe declined in most markets, mortgage rates began to increase, and consumer confidence weakened.

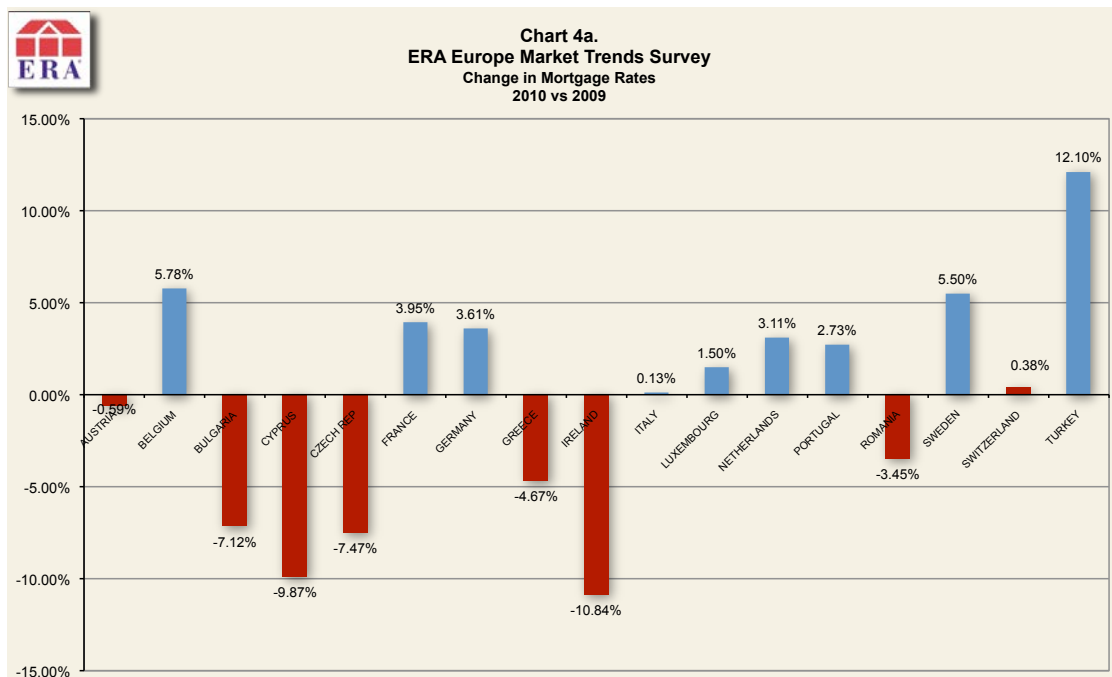
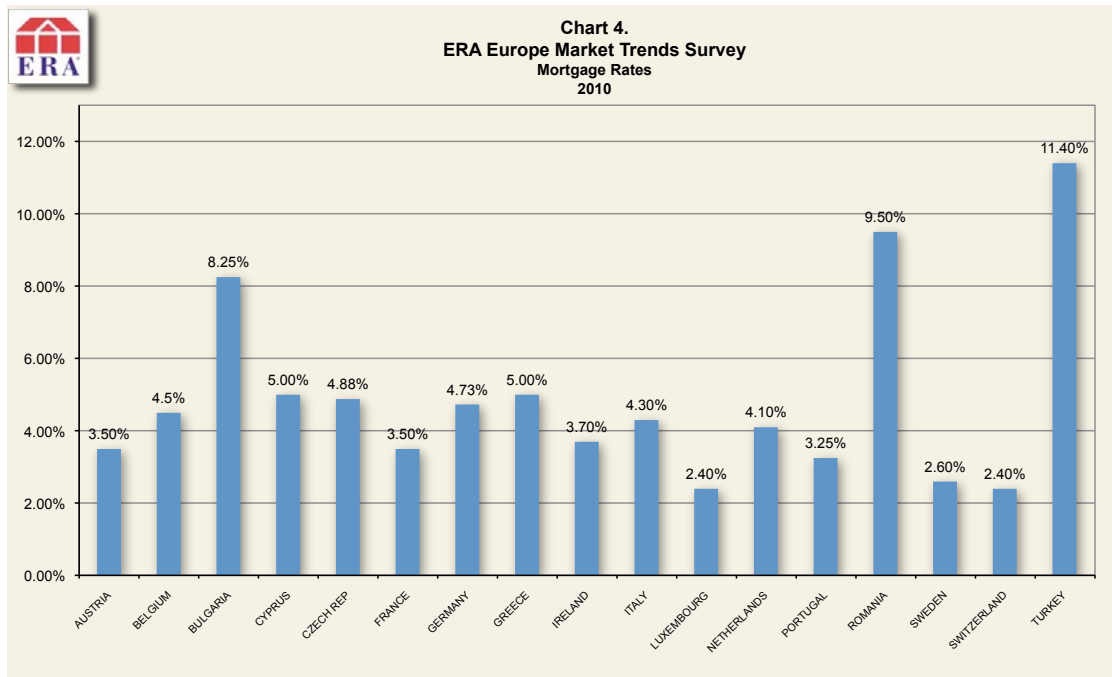
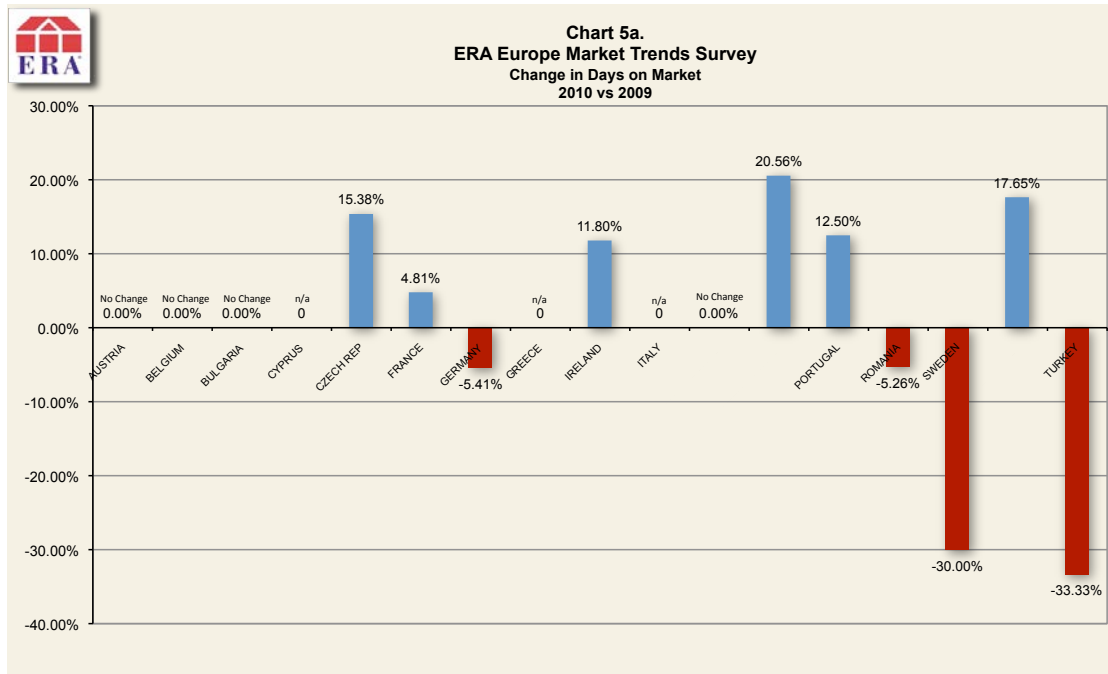
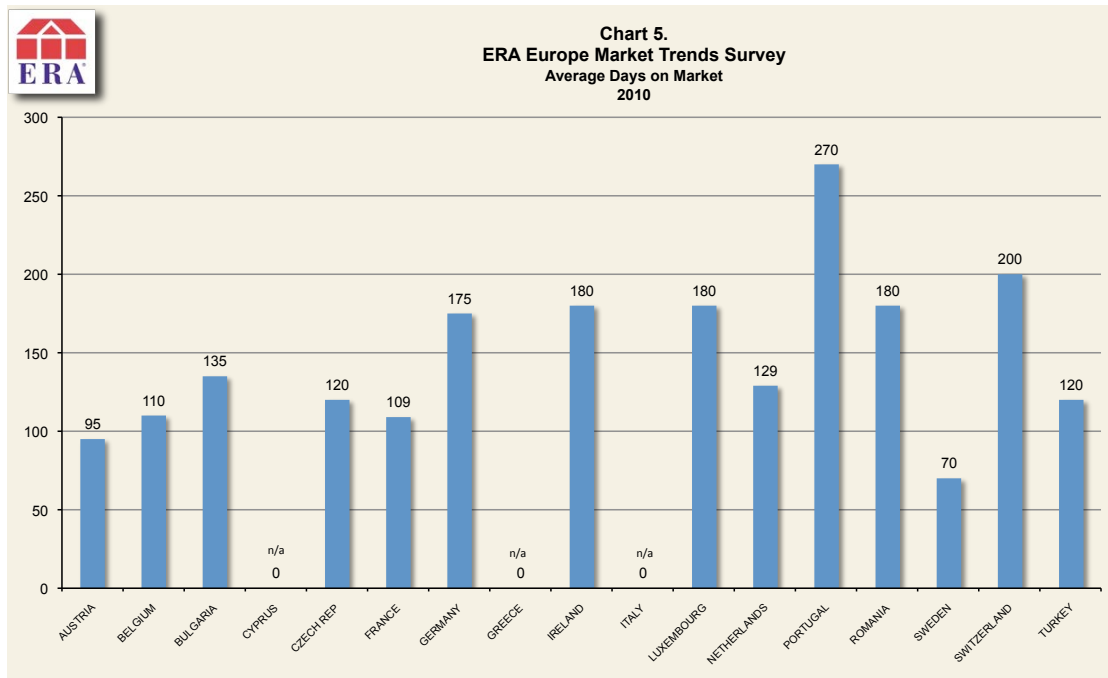


Chart 5 & 5a : Change in Days on Market

The ‘Days on Market’ (DOM) chart indicates the health and balance of supply and demand. The longer the number of days a property remains on the market the more it signifies a potential disparity in asking price versus the market price meaning the price a buyer is willing to pay for a property. DOM may also be an indication of weakening demand, and/or an oversupply of property on the market. Note below that four countries, German, Romania, Sweden and Turkey enjoyed faster selling times, but the majority of markets in 2010 were either unchanged or endured lengthening selling times. This signals a weakening of market conditions.



The Business of Real Estate Brokerage

So what does all this mean for the residential brokerage business? ERA Europe has observed a number of key issues regarding real estate agencies. Here are some observations direct from our masters in the market place:

- The number of agencies has declined in many countries, especially those hit hard by the recession. Though this is a figure difficult to track in many markets since it is not officially tracked.

- The significant drop in transactions seen in markets such as in Bulgaria and Ireland have been devastating to brokers whose income has simply dried up, and for months on end.
- The profile of those agencies leaving the market and closing down tend to be independent, smaller one or two person operations.
- Real estate agencies are consolidating, increasing the number of sales staff in the office but reducing the number of branches, if they have one.
- Greater emphasis is placed on more efficient, cost effective means of communications via IT sources.
- Networking has proven to be a critical factor in the survival of many real estate brokers.
- Downward pressure on commissions is being observed, as buyers seek to minimize costs.

Interestingly, we have not seen any significant decline in the percentage of market share in sales allotted to the brokerage community. We believe this is attributed to fewer offices securing a, more or less, equal number of buyers. Also the need for both buyer and seller support from a qualified expert in an ever-changing landscape is evident.

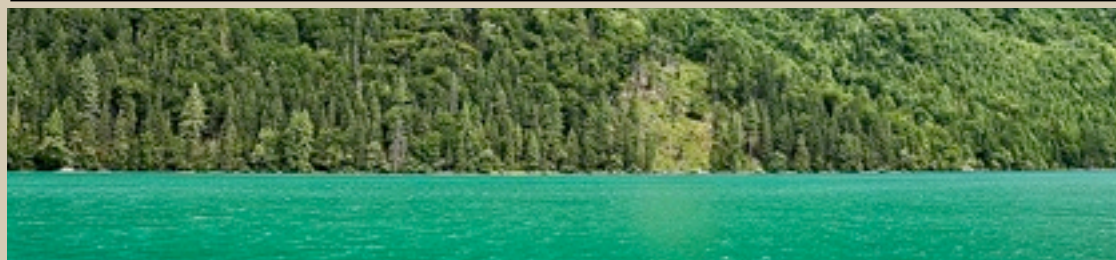
Networks are consolidating and gaining in market share. Where the market is down they are resisting the negative impact; and where the market is upbeat, brokers are even more motivated to affiliate. It is precisely because the market is changing, and contracting in some places, that we believe the expert advice offered to buyers and sellers, particularly by their local real ERA real estate expert, is absolutely critical. Why is it so important to use a real estate professional within a network? Here are the top 5 reasons:

1. Brokers within a network have a the ability to expose the sellers property to a greater number of buyers. A greater number of buyers viewing a property translates into a better selling price. This is what all sellers seek.
2. Brokers within a network have a greater selection of listings to present to buyers. Thereby simplifying the buying experience. One stop shopping saves valuable time for buyers.
3. Access to comprehensive information about the latest sales and market data have a direct and profound impact on determining the price of a home and hence marketability. Being part of a network allows for collaboration and information sharing that does not exist with independent brokers.
4. Proven, innovating marketing techniques and IT resources offered by a network help save a brokers valuable time and resources that can be better spent working with buyers and sellers.
5. Trained professionals who are educated by experts on offering a full service and turn key approach ensures a smooth and seamless sale, and less stress for the customer.



ERA Austria

Austria's stable economy benefits the housing sector resulting in slight price and transaction growth. Mortgage rates remain affordable and supply tight.



% CHANGE YOY	AUSTRIA	N° of Residential Transactions	Avg. Home Price/ Capital City	Avg. Home Price/ Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
	2010 vs 2009	+0.57%	+1.22%	-0.59%	-12.50%	-1.37%	-2.70%	Buyer	0.00%
Trend 2011	Unchanged	Increase	Decrease	Unchanged	Decrease	Decrease	Buyer	Unchanged	

GENERAL

Austria's macroeconomic indicators were positive in 2010. A number of combined factors contributed to a favorable environment for the housing market.

GDP growth was 2,0% and is expected to grow further in 2011 to around 2,5% (Statistics Austria). While this market was affected by the global property downturn in 2009, it was less severe and the economy recovered quickly in comparison with most of its European neighbors. Part of this recovery can be tied to current low unemployment levels, strong performance of its industrial sector, and the strong economy of its largest trading partner, Germany. The largest economic sector in Austria is the service sector, which accounts for 65,8% of the country's GDP, followed by a sound industrial sector (32,3%) and a very small but developed agricultural sector (1,7%). Both exports and imports increased by 22% in 2010, adding further stability to the market.

Increase in the size of population: About 8.4 million people were living in Austria on 1 January 2011 according to the final results of Statistics Austria, an increase of 28.962 people (0,3%) in relation to the beginning of 2010. The population growth was mainly due to a positive balance of international migration and to a small extent due to a natural population increase. This growth was significantly higher than in the year before (2009: 20.030 inhabitants). The number of foreign citizens in 2010 increased to 11,0% (0,3%). There are approximately 4 million dwellings and 3.6 million households in Austria. The average size of a household is 2.32 persons.

Investing in the Viennese residential property market is particularly attractive, especially considering the fact that Vienna remains one of the best valued residential

capitals in Europe; rental rates in the city are still around 50% lower than those reported in Paris, Rome and London. The market in Vienna is also strong due to its long-term demographic trends: the predicted growth in population is between 2.2 and 2.4 million, the unbroken trend towards single family households and steady per-person increases in demand for residential space are driving the market. Another key factor is the shortage of residential space caused by low levels of construction activity in Vienna. With building work around 50% below the annual requirement, demand for living space is always quite high in Austria's capital city.

PRICING

The healthy level of demand continues to drive housing prices upwards in the Vienna residential property market. Our statistics reflect a 1,22% YOY increase for 2009 vs. 2010 in Vienna, and a slight decline nationally of 0,59% for 2011. "Rather than any dramatic upward shifts we expect it is more likely that prices will carry on at a moderate incline of 2% to 3% per year. This goes for both investment apartments and apartment houses, although one exception is the apartment house market in the first district of Vienna, due to its low-yields. The same applies to the urban expansion zones outside the Gürtel ring road – these have much more development potential but are considered as rather risky" – Gottfried Hackbarth, ERA Austria Managing Director. Certain local bank institutions recommend investing in the central city districts 2 to 9 based on the stable development of prices and consistently high demand from tenants. It is important to keep in mind that quality real estate must address clients' needs at many levels – apart from location and infrastructure, the size, layout and fittings of a residential unit as well as its attractiveness to tenant, are all critical factors.

TRANSACTIONS

Residential property transactions reversed their 2009 downward trend and in 2010 rose modestly by 0,57% or about 88.500 total closings. However, effects of the downturn for the residential brokerage community crossed over into 2010; a contraction in both the number of real estate offices and number of brokers operating in this sector was observed.

HOMEOWNERSHIP

The proportion of dwellings that are owner occupied (57,5% Eurostat 2009) is very close to that of the proportion that are rented, which means that the rental sector is particularly well-developed in Austria, especially in the affordable housing sector, which accounts for 23% of all rented dwellings.

MORTGAGE MARKET

Austria has a contractual savings system, the Bauspar system, that is characterized by low interest rates on loans and a government interest premium paid on savings, a product offered by specialized credit institutions called the Bausparkassen. The government grants an interest premium between 3 to 6% of the amount saved (up to a set maximum). The actual size of the premium is readapted every year according to the interest rates on the Austrian capital markets (2009: 4,0%, 2010: 3,5%). The most popular type of mortgage products chosen by borrowers today is variable rate loans and, although foreign currency loans entail certain risks, such loans are not an

uncommon type of product in Austria (House Finance Org.).

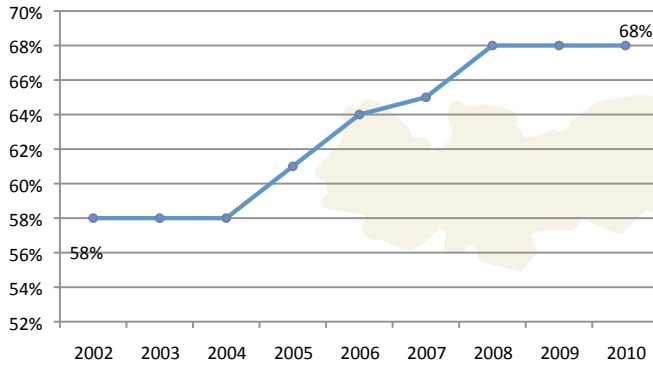
OUTLOOK

A shortage of residential properties still exists in the major cities of Austria such as Graz-Steiermark, Salzburg-County, Innsbruck-Tyrol and Linz Upper-Austria (Oberösterreich). The demand for apartments and single-family homes, in Salzburg City and Innsbruck, far exceeds supply (four times higher demand than availability) which drives the prices, especially in Salzburg City, excessively high. Therefore there is an increase of property prices in good to reasonable areas over all nine Austrian counties (Bundesländer), except in Burgenland, where there is a steady but modest upward trend.

The transition from lower priced residential homes to premium and high-end, luxury properties has been noticed throughout the nation in 2010. Many new homes and projects were constructed in and around the major cities and the resale home brokerage market was positively affected and driven by the general stimulation and increase of housing inventory.

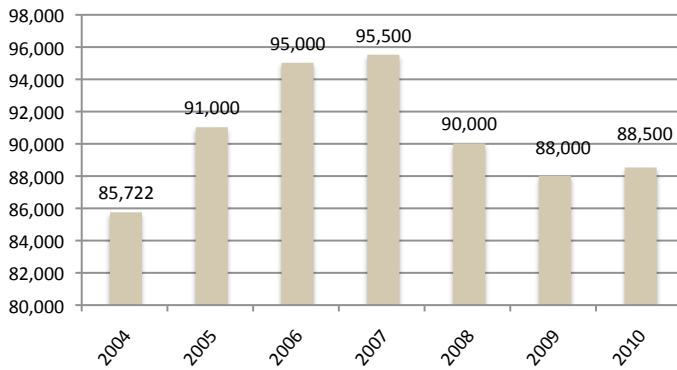
The consolidation of bank policies and favorable mortgage conditions, combined with positive developments in new construction, lead to generally positive housing market results in 2010. It is expected that these moderate but encouraging trends in the residential sector will continue throughout 2011.

Highlights - Austria



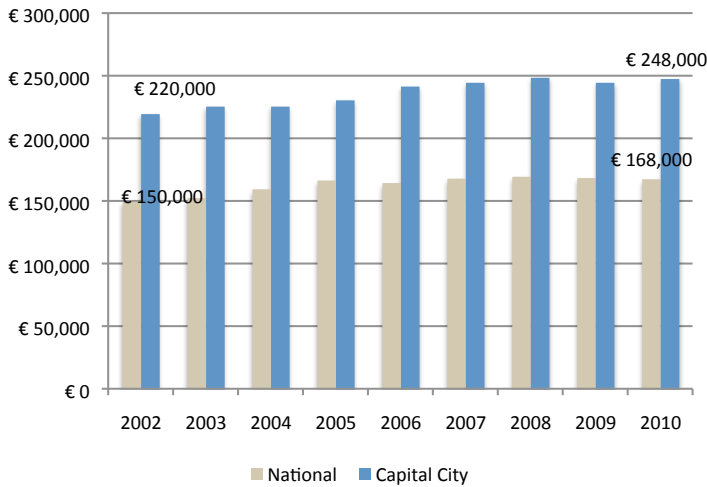
Homeownership:

- Stable level of Homeownership over past three years
- Increase of 10% in the past 8 years
- Current level at 68%
- Just below the EU average of 71%



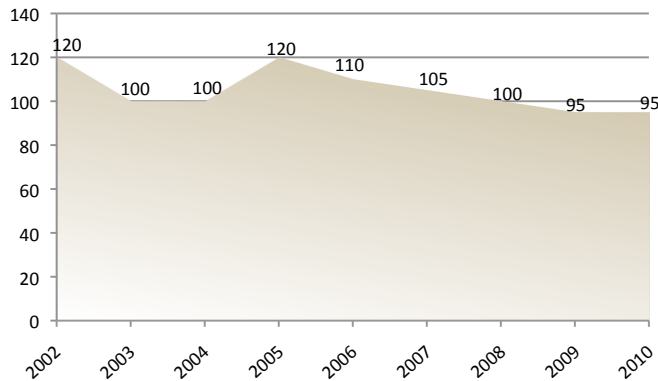
Transactions Closed:

- Slight increase of 0,57% in transaction levels over 2009 to 88.500
- -7% off peak sales results achieved in 2007 of 95.500
- Austria nevertheless, proves to be a relatively stable market in comparison with some of it's European neighbors



Home Prices:

- Home prices in the capital city Vienna continue an upward trend, however very slight. The trend on a national level shows a modest decline.
- + 1,22% in Vienna
- -0,59% Nationally



Days on Market:

- Number of days a listing remains consistent with previous years, no significant shifts are recorded
- Selling times are similar to other western European markets such as France, Germany and Belgium.

ERA Belgium

Belgium enjoys a full recovery in its housing market - transaction levels at pre-crisis peaks of 2007



% CHANGE YOY

BELGIUM	N° of Residential Transactions	Avg. Home Price/Capital City	Avg. Home Price/ Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	+9.19%	+6.97%	+5.78%	-5.26%	0.00%	0.00%	Seller/Buyer	0.00%
Trend 2011	Increase	Increase	Increase	Decrease	Unchanged	Unchanged	Buyer	-10%

GENERAL

The Belgian, the sixth largest economy in Europe, grew by 2,1% in 2010 and unemployment inched slightly upward (from 8,19% in 2009) to 8,3%. Current estimates put 2011 GDP growth at 2,25% and unemployment is expected to decline to 7,6% by year end 2011. In contrast to many other economies in Europe, Belgium's budget deficit actually decreased from 6% of GDP to 4,1% in 2010. The debt ratio is expected to continue to decline to about 4% in 2011. Three-quarters of Belgian trade is with other European countries, and it has largely benefited from the stable market of its neighbor Germany. All this in the context of what is in essence, a nonfunctioning government, a factor that may actually be contributing to its stability.

TRANSACTIONS

In 2010 over 125.000 homes were sold. This is just 200 transactions short of the record in 2007. Transactions were up by 9,2% from 2009 and prices were up by 5,8%. The average transaction price was €203.224, an all time high.

PRICES

The prices in Brussels, the capital of Belgium, went up by 6,9% to an average of €248.000. In the Flemish area they were up by 5,5% to €216.000 and in the Walloon area by 4,6% to an average sales price of just under €160.000.

The Belgian market appears to be very stable and unlike many European markets the financial crisis had minimal impact on the Belgian housing sector. In 2009 the first year after the start of the crisis, transactions were down by only 5,3% from 2008 and prices declined by a modest 0,26%.

Other European real-estate markets that suffered little from the crisis were countries such as Germany and Switzerland, where, contrary to Belgium, homeownership is very low, far below 50%. The

Belgian residential market seems to be one of the very few countries, with a very high ownership rate, at just under 80%, that did not get hit hard over the past few years.

With an average of 110 days on the market, it took just a few days more than in 2009 to sell a home.

WHAT MAKES BELGIUM DIFFERENT?

An explanation for this unique situation might be found in that the Belgians are probably the least mobile in all of Europe, when it comes to moving. A Belgian family on average moves only once every 33 years. Because Belgium is a small country Belgians do not need to move when they embark a new job. Typically the Belgians prefer to remain close to family and friends, often living in the same town for many generations.

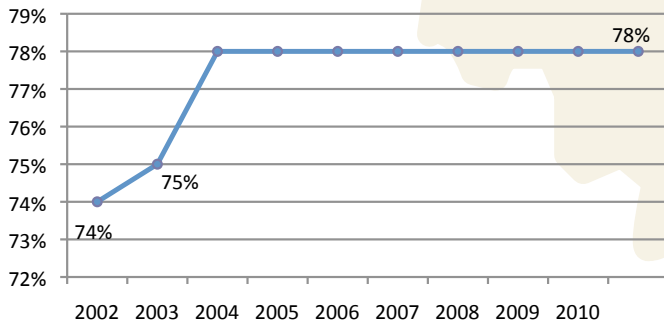
CURRENT MARKET

2011 began well. Both supply and demand were healthy; nonetheless due to an increased number of listings on the market, Belgium has slowly evolved into a buyers market. Potential buyers who were hesitant to invest in a property, anticipating that prices might come down as they did in neighboring countries and around the world, have also realized they were wrong and now need to act soon if they want to profit from the low mortgage rates. Mortgage rates that averaged 4,5% during the year, bottomed out at 4% near the end of 2010. Rates in 2011 have remained constant at 4,0% for a 20 year fixed rate loan, but are almost certainly going to rise further in the months to come.

OUTLOOK

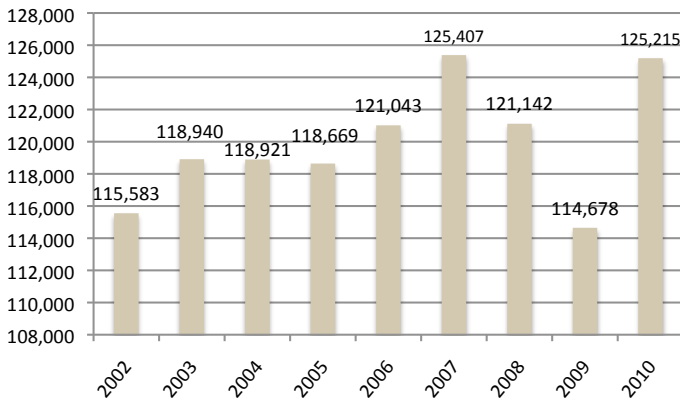
Given the present economic growth, ERA Belgium's management is generally optimistic about the future of the residential home market. The greatest concern lies with home mortgages and the ongoing upward trend in lending rates today that may have an adverse affect on new buyers entering the market.

Highlights - Belgium



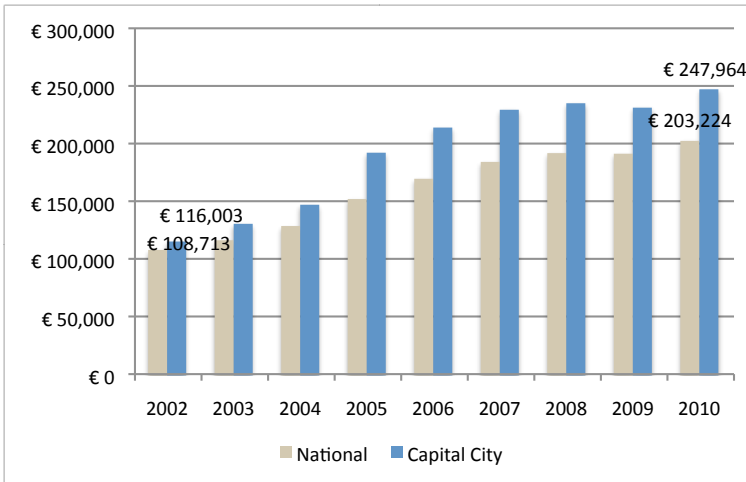
Homeownership:

- Stable level of Homeownership
- 78% for past 6 years
- Higher than the EU average of 71%



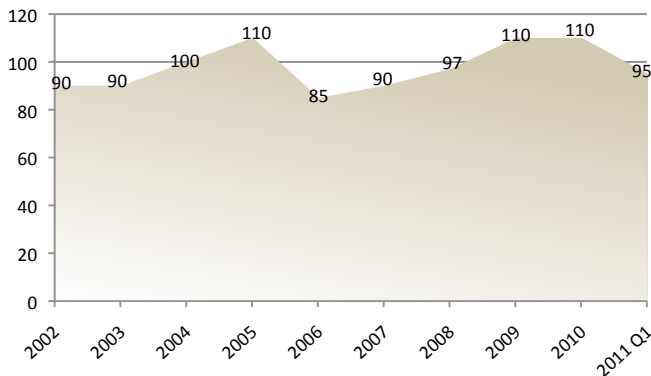
Transactions Closed:

- Strong recovery in 2010 home sales, closings reach near pre-crisis peaks seen in 2007
- + 9,19% YOY
- 2010 sales approach record sales achieved in 2007 of 125.215



Home Prices:

- Steady price growth on both a national level and in the capital city of Brussels over the past eight years, with only a slight decline in 2009
- + 6,87% YOY in Brussels for 2010
- +5,78% YOY Nationally for 2010



Days on Market:

- Homes are selling faster: as the number of days a listing remains on the market declines
- -10% drop in selling time based on most recent data Q1 2011

ERA Bulgaria

Long awaited stabilization arrives and signs of recovery on the horizon for Bulgarian housing market.



% CHANGE YOY

BULGARIA	N° of Residential Transactions	Avg. Home Price/Capital City	Avg. Home Price/Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	-16.04%	-18.12%	-7.12%	-17.5%	n/a	n/a	Buyer	0.00%
Trend 2011	Decrease	Decrease	Decrease	Increase	n/a	n/a	Buyer	Unchanged

GENERAL

Bulgaria has a very strategic geographic location. Its position on the European continent allows investors to reach the entire market of the European Union and the markets of Central and Eastern Europe, which represent a total population of 853 million.

REAL ESTATE TRANSACTIONS

Bulgaria's property market experienced a nearly twofold decline in real estate sales compared with the record-high number of deals registered in 2007, according to the National Statistical Institute (NSI) and the Registry Agency statistics. During the period, property prices lost one-third of their peak value registered in 2007 and fewer building permits were issued.

The number of property deals in the country, including sales of land, residential real estate and buildings, has almost halved in the past four years. According to the Registry Agency data, deals in Sofia, Varna and Bourgas also declined 5% to 9% respectively in comparison to 2009.

The weakening of 2010 sales was accompanied by a decrease in property prices, which were about 33% lower than in 2009, according to NSI. The average price of real estate in 2010 was 964 BGN/M² (€493/M²) including Bulgaria's capital Sofia which is the most expensive city with 1.569 BGN/M² (€803/M²). The lowest property prices were registered in the town of Kyustendil, 567 BGN/M² (€290/M²). According to figures from the INS, the country's construction sector continued to deteriorate as reflected by the lower number of building permits and a 50% decline in the total built-up area.

FOREIGN DIRECT INVESTMENT (FDI) MARKET

FDI's represent an important driver for the Bulgarian residential market as large portions are invested in real estate; they also shrank dramatically in 2010. Real estate FDI was only €61 million in Q1 2010, down from €182.2 million in Q1 2009, and significantly low from the peak of €853.6 million in Q3 2007. The

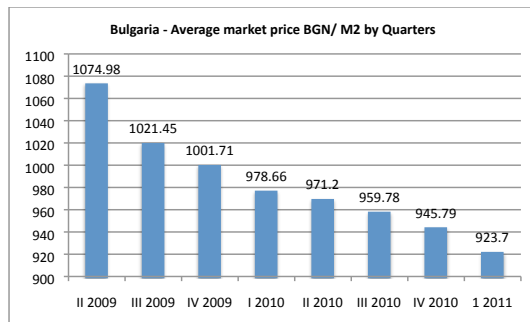
housing downturn in Bulgaria began when the global financial crisis hit Europe in late 2008.

PRICES

Bulgaria housing prices declined in 2010. It was to be the beginning of the highly anticipated stabilization on the Bulgarian real estate market and as a whole it proved to be a more successful year than 2009. However, it did not manage to convincingly end the fall in real estate prices.

Prices for housing dropped by 7,12% in 2010, in comparison to the previous year, according to data from the Bulgarian National Statistics Institute (NSI). The data revealed that the average price per square meter was 964 BGN in 2010. The most expensive housing was in Sofia –1.566 BGN/M², while the lower-end properties were located in the city of Kyustendil –567 BGN/M². The biggest price drop for residential properties was registered in the regions of Varna and Burgas – about 20%. In Sofia, the average price decline in 2010 was 9,7%. An increase in the prices for residential properties was registered in four Bulgarian districts. The biggest growth by 15,5% was registered in housings in the Sofia district, followed by Silistra with 5,2%. Minimal growth was also registered in 2010 in Kardzhali (2,6%) and Kyustendil (0,1%). The drop in the prices was 1,5% in Q4 of 2010, compared to Q3. In 2009, the drop in the prices was 5,6% in the last quarter of the year, according to NSI. A decrease in the residential property prices was registered in 19 regional cities in the last quarter of 2010, the biggest ones being in the city of Vidin (5,5%), Gabrovo (5,3%) and Pernik (5%).

The other nine districts saw a minimal increase of prices (less than 1%) in the same period of the year. The average market price of housing in Bulgaria in the fourth quarter of 2010 was 945 BGN/M². The highest average market prices were registered in Sofia –1.566 BGN/M², followed by Varna –1.531 BGN/M², and Burgas –1.142 BGN/M².



Note: 1 Eur = 1.95583 BGN; Source: National Statistical Institute (NSI)

2011 PRICE TRENDS

Stabilization of prices during the year and increase in the number of recorded sales; we expect this trend in flattening home values to continue, with a more convincing increase in the number of sales to be coupled with a slowing in the pace of decline in residential prices as we move into the new year 2012.

Currently, positive economic news is very important. If the economy goes in the right direction the forecast for 2011 is that the market will overcome the shock from the dramatic price decline in 2009, property prices will remain relatively stable, and toward the end of 2011 property prices will begin increasing. As the market is already well segmented we can expect some diversions from this trend in the different segments. However, what is common for all segments is that prices have already reached the bottom or are very close to it, and in some cases there may even be signs of recovery.

NEW CONSTRUCTION

The business climate in the construction sector improved in the past few months. Growth rates of issued construction permits are still negative, but slowly accelerating.

Newly issued construction permits are a leading indicator, meaning that they mainly reflect swings in expectations of investors, for the foreseeable future. In addition, construction permits mark the upper boundary of potential housing stock increases in the short to medium term. The number and floorage of newly issued permits declined both in the residential and non-residential segment for a 10th quarter in a row. However, the pace of decline is steadily slowing down compared to the previous few quarters. The total floorage of residential projects mounted to 2 million/ M2 in obtained permits in the twelve months before Q2 2010. On a trailing twelve-month (TTM) basis the floorage of permits for new residential construction fell in the four biggest cities (Sofia, Plovdiv, Varna and Burgas). Varna, the city with the most expensive housing, has the biggest new supply of residential housing (in terms of floorage), slightly ahead of Sofia.

Housing in some secondary cities has depreciated to values close to construction costs, which would reduce construction activity in some of these cities. Despite the decline of prices, Varna and Sofia remained the cities with most vibrant housing markets and supply is expected to further increase in these two districts. The biggest non-residential supply is planned in Plovdiv, reflecting new business construction projects, including

office, retail and industrial space. With regard to non-residential construction, the data from NSI shows that most of it has been concentrated in the biggest Bulgarian cities. Accordingly the excessive supply of retail and office space is located in the big cities, while secondary cities still have some upside potential.

VACATION PROPERTIES

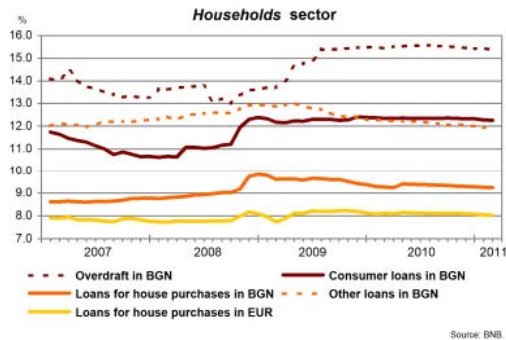
Russians are now the main players on the Bulgarian property market. Bulgaria still ranks first in terms of countries that attract the most buyers in the middle segment. However, there is an interest towards Bulgarian holiday homes from Greece and Romania as well.

A growing number of Russian investors are replacing British buyers in Bulgarian vacation property market. Wealthy investors are replacing Brits who bought second homes on credit several years ago and are now re-selling them at half-price following the economic crisis. The similarities of the Bulgarian and Russian languages, the close cultural ties and the religion are among the factors that contribute to the growing number of Russians buying property in Europe. The slowly increasing interest toward holiday apartments is showing that this market segment is starting to recover. It is still possible to find affordable deals in the holiday resorts.

MORTGAGES

Outstanding amounts of housing credit grew by 6% YOY in July 2010 compared to a growth rate of 11% a year ago. Some of the month-to-month volatility is due to the loans foreclosed by the Bulgarian banks. Unlike many European countries that saw substantial contraction of lending and even bankruptcies of financial institutions, the Bulgarian banking system came out of the crisis relatively unscathed. The household credit portfolio kept on expanding in July 2010 – by 4% YOY on annual basis interest rates moderated in all credit segments. The decline was particularly evident in the mortgage segment, where interest rates fell by more than 1.1 p.p. for loans denominated in levas and by 0.3 p.p. for loans denominated in euros. However, the spread between interest rates on housing credit in levas and euros expanded in July compared to previous months to almost 1 p.p. Still, relative to the levels reached a year ago, the spread between loans in euros and levas has diminished. The base interest rate continues to be at historically low levels, indicating high liquidity on the domestic interbank market. Hence, the spread between interest rates on housing credit in levas and the base interest rate remained above 9 p.p. Overdue loans reached 1.2 billion BGN (600 million EUR) in absolute terms, thus amounting to 13% of the total housing loans' portfolio of local commercial banks. This relatively high share of credit in arrears however does not reflect accurately the risk profile of these loans, meaning that the actual share of non-performing loans is considerably smaller. The elevated share of non-performing loans means that banks will be more reluctant to expand the mortgage portfolio in the months to come. However, the share of credit in arrears is projected to decrease gradually, as the financial train eases. It is worth noting that mortgage

lending still grows more rapidly than consumer credit. As the Bulgarian credit market reaches maturity, the share of housing loans will continue to increase at the expense of consumer financing.



2010 was the year of optimism and revival of the mortgage market caused by the increased activity in the housing market.

Younger consumers of mortgage products returned to the scene. The average size of a mortgage loan exceeds €30,000 – €40,000.

Mortgage size - Distribution by Euro			
Mortgage Value in €	2008	2009	2010
up to €10,000	2,02%	1%	1,3%
€10,000 to €30,000	35,27%	37,5%	51,03%
€30,000 to €50,000	36,46%	44,3%	32,6%
€50,000 to €70,000	13,53%	10,1%	12,05%
€70,000 to €90,000	6,29%	3%	2,15%
over €90,000	6,43%	4,1%	0,87%

Mortgages Issued - % by Age Group			
Age group	2008	2009	2010
18 - 25	7%	3%	5,95%
26 - 35	48%	54%	55,60%
36 - 45	31%	26%	26,72%
Over 45	14%	17%	11,73%

Interest rates in 2010 varied from 7% to 8% for Euro-based loans and between 8,5% and 9,5% for BGN loans that declined by 1% compared to 2009.

The majority of loans are granted for a 16 to 20 year duration followed by the other most common term, between 10 and 15 years.

Mortgage Duration - Distribution by Years			
Term	2008	2009	2010
up to 10	9,92%	6,85%	3,85%
10 to 15	8,24%	24,66%	31,76%
16 to 20	22,75%	31,50%	35,80%
21 to 25	23,97%	21,92%	17,24%
26 to 30	28,09%	9,59%	9,84%
over 30	7,03%	5,48%	1,51%

BAD LOANS

The number of loans that are overdue with more than 90 days rose to 11,24% of total lending in October, up

from 10,61% recorded at the end of September, according to the central bank. Total lending rose by 1,4% in the third quarter, after a 0,3% decline in the previous three months.

There is an improvement in the demand for distressed assets and all banks have programs in place to help the clients pass the difficult times. In a way, the banking sector's success in handling bad loans is dependent on the legal system and the further improvement of the legal framework to tackle fraudulent client behavior including deliberate insolvencies.

2010 IN BRIEF

Though 2010 ushered in the expected market stabilization it did not manage to convincingly end the decline in real estate prices. The decrease in property prices based on closed deals slowed in 2010 by 7% YOY; this percentage varies for different market segments between 2% to 15%. Buyers are very well informed and have become much more demanding and selective when it comes to choosing their home. Uncertain about the future, they seek an optimal balance between price and quality. The surrounding environment and the neighborhoods are also an important factor; some key highlights:

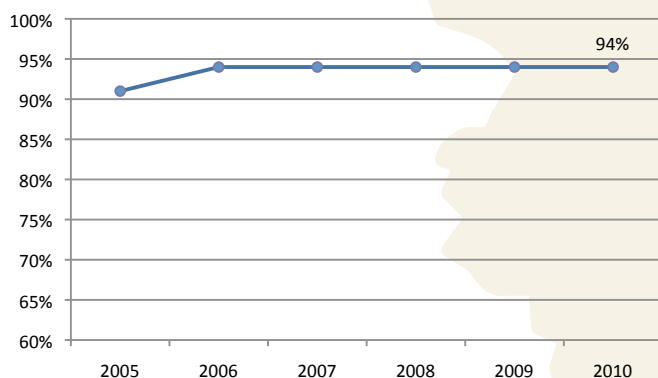
- Stabilization of the real estate market
- Bargain prices that will attract investors
- Competitive prices on the new developments
- Increase in the market dynamics in the capital Sofia and the other big cities in Bulgaria
- The market was driven by buyers with a budget between €45 and €65,000 for property
- The business climate in the construction sector improved
- Growth in the number of construction permits issued
- Housing debt increased by 6% YOY
- Revival of the mortgage market
- Historically low level of interest rates on housing loans
- Increase in the number of the Russian buyers
- Complete withdrawal of British buyers from the Bulgarian market

2011-2012 OUTLOOK

2011 is a year of continued positive transition and stabilization for the residential real estate market as bank financing became more active, and demand strengthened. Most current results in Q3 2011 show a 6% decline in prices (annualized figure) and modest decrease in transaction levels. Transactions closed thus far (Q3) have reached 157.273 compared to a total of 182.376 for the prior 12-month period. The pace of sales picked up in Q3 by 17% and by year-end the gap in sales is expected close, resulting in only a modest YOY decline.

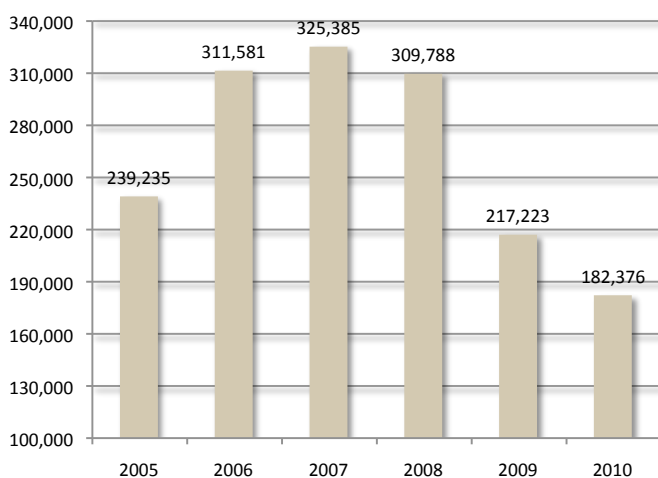
As 2012 approaches, we expect the housing market to remain relatively stable without dramatic shifts in house values, transaction levels and interest rates. Bargain prices, a good choice of supply and more suitable credit conditions are poised to lift the real estate market out of the doldrums. Sofia, Bulgaria's capital and the most populous cities are likely to lead the recovery. Developers will continue to offer competitive prices and other solutions to match clients' needs. ERA Bulgaria is optimistic on perspectives for the 2012 home market.

Highlights - Bulgaria



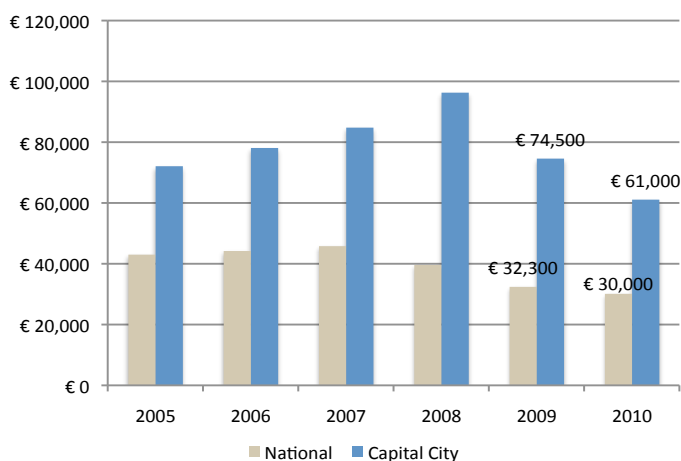
Homeownership:

- Level of Homeownership remains stable and is one of the highest in comparison with the rest of Europe
- 94% Homeownership rate



Transactions Closed:

- Significant decline from 2008 peak
- Historically low transaction levels in both 2009 & 2010
- Decrease of 9,19% YOY in 2010
- And a decline of 43,9% off the peak number of closings in 2007
- Combined results for the first 3 quarters of 2011 show a slight YOY decline; however a positive recovery in Q3 results of 17% is noted when compared to Q3 2010; over 8.000 more transactions closed during Q3 2011



Home Prices:

- Important decrease in average home price in the capital city
- Continued but more moderate drop on a national level
- -18% in the capital of Sofia
- -7% Nationally
- Q3 2011 results show a 6% annualized decline thus far in prices

ERA Cyprus

Residential sales recovered slightly in 2010; position reversed in 2011 as market becomes more tenuous.



% CHANGE YOY

CYPRUS	N° of Residential Transactions	Avg. Home Price/Capital City	Avg. Home Price/Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	+5.24%	-2.37%	-9.87%	+5.26%	n/a	n/a	Buyer	0.00%
Trend 2011	-18.2%	Decrease	Decrease	Increase	n/a	n/a	Buyer	n/a

GENERAL ECONOMIC OUTLOOK

Over the past two years the Cypriot market was severely affected by a number of negative influences that resulted in an important decline in foreign buyers, particularly the English. Uncompleted developments, questionably financed projects, together with the developers' refusal to convey title deeds, contributed to investor uncertainty, fear and withdrawal. The foreign buyer represented, at peak market in 2007, over 53% of all sales in the country. The second, and equally important factor to the severe downturn in the residential sector, was of course the general global crisis of 2009 and weaker currency ratios (Pound to Euro). In 2010, Cyprus was the third worst performing European housing market just behind Ireland and Lithuania.

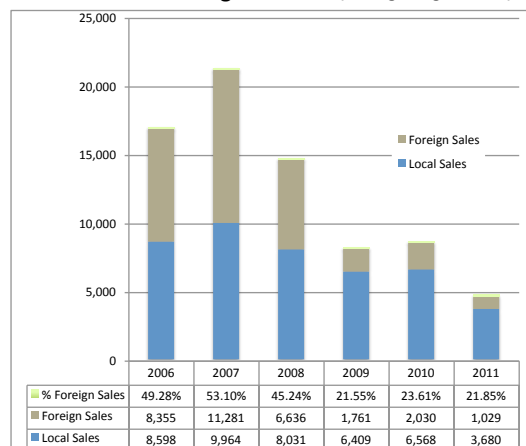
Unemployment has steadily increased to 7,9% (April 2011) up from 7,3% in 2010 and 6,1% in 2009. The government debt is at 7% (above the 3% EU ceiling); the debt to GDP ratio is at 80%, both ratios are high but not unique among Euro States. Tourism arrivals declined by 3,3%, a very important economic component of this holiday vacation destination. Though the British have pulled back from the market for now, there is a notable increase now in tourists from Russia of +29,9%. Russians and English however, remain the larger share of foreign buyers in the country.

TRANSACTIONS

A total of 8.598 transactions closed in 2010, up by 5% over 2009 when 8.170 closing occurred, yet still far off peak levels seen in prior years when over 21.000 transactions closed annually. Of the 8.598 closings 2.030 were foreign buyers (or 23,6%). The modest improvement in the transactions trend seen in 2010 shifted dramatically downward in 2011. Through August 2011 a total of 4.709 sales have closed in Cyprus compared to 5.205 for the same period in

2010. This represents a 18,2% plunge in sales activity thus far in 2011 compared to same 8 month period in 2010. Through August 2011, Limassol seems to have escaped the general downturn with sales just 1,7% below those of last year. But in Larnaca sales have fallen by 29,3%, in Paphos they are down 24,4%, in Famagusta they are down 21,6% and sales in Nicosia have fallen by 21,3%. Most recent data for the month of August 2011 also shows a decline in sales to foreign buyers of 21,85%. This figures is close to the crises year, when the ratio reached an all time low of 21,55%.

TRANSACTIONS Foreign vs. Local (through August 2011):



Source: Cypriot Dept. of Lands & Surveys

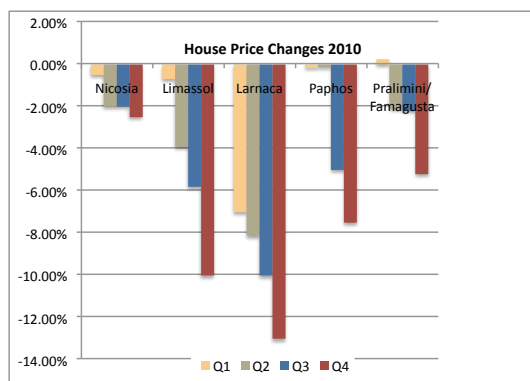
PRICES

Currently the average price for an apartment is €147,809 with an average square footage of 85M²; a home on a national level averages €426.809 with an average floor space of 250M². A home in the capital city of Nicosia, averages €510.082 and an apartment €167.131.

Residential prices for houses and apartments fell by 1,6% and 0,9% respectively during the first quarter

2011. The biggest drop in house prices took place in Limassol, where they fell 2,9%, while the biggest drop in apartment prices was in Paphos, where they fell 4,1%. Compared to the first quarter of 2010, Q1 2011 prices have fallen across the board; apartments (-8.3%), and houses (-7.0%).

Many Cypriot properties were purchased as income generating investments. This sector has followed the same downward trend as prices and transactions. Residential rents weakened with apartment returns diminishing by 0,9% and houses by 1,3%. This simply means that since yields are less attractive today, so is investment in a residential property. This is a contributing factor to the downward slide in both transactions and prices.



MORTGAGES

Another challenge facing the Cypriot market today relates to foreign buyers who took Swiss denominated mortgage loans; many of these loans were secured during the market peak, and just prior to the crisis. As the global crisis intensified the strength of the Swiss Franc nearly doubled in value; as did the cost of mortgage payments for many homeowners. This phenomena has placed many mortgages 'underwater' thereby increasing the risk of foreclosure, potentially increasing supply as well as placing additional downward pressure on prices.

Most Cypriot banks today will ask for a 60-70% LTV ratio for a long-term loan of 15-30 years with at rates ranging from 4,25% to 5,50%. Though mortgage interest rates have been relatively low, and affordability good, the weakness in demand is expected to continue for the short term.

2011 Mortgages Cypriot Lender	Max Loan	Rate	Bank Fee	Max Term
Typical Rates	70%	5.10%	1%	30 years
Bank of Cyprus	60%	5.50%	1% - 1.5%	15 years
Laiki Bank	70%	4.25%	1%	25 years
Hellenic Bank	70%	4.25%	1%	10 years

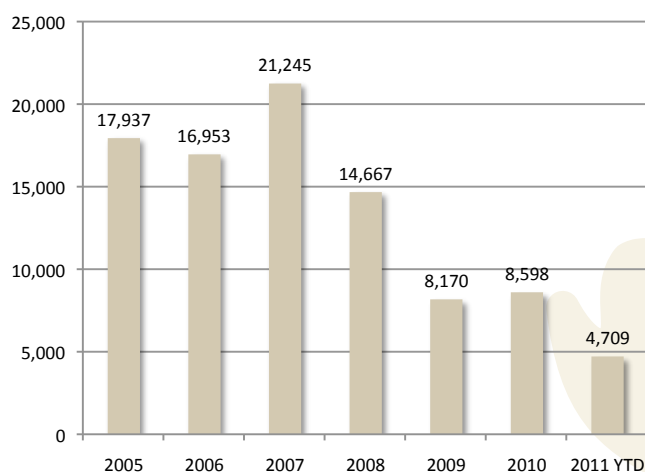
OUTLOOK

Recovery of the Cypriot market will most likely not be seen until the latter half of 2012 and perhaps beyond. The government is attempting to address the numerous legal issues regarding property ownership, and title deeds but it is proving to be a long and arduous process. Cypriot banks are particularly exposed to Greece and is directly influenced by its economy. Cyprus is reported to have at least one-third of their banking assets booked as exposed to Greek subsidiaries in Cyprus. Cyprus also has debt challenges of its own, and must refinance over 2,5 billion Euros in debt in early 2012. This combined with ongoing instability in the southern European economies, are factors we expect to continue to dampen investor interest in the short term.

Though we anticipate 2012 to be a year of improved stability, there remain many unknowns as to which direction the residential market will take.

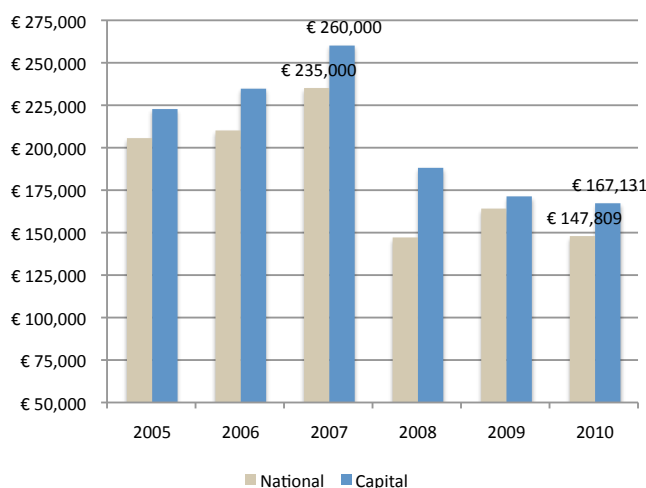
Government estimates are for the economy to grow by 1 to 1,5% in 2012. The good news in general is that the pace of decline appears to be slowing as we head toward the end of the year. Also, the Government is seriously attempting to address numerous challenges; and at the same time is courting new markets to boost the real estate sector (China, Russia...). Currently under review is possible implementation of VAT cuts for first time buyers, suspension of an unpopular property transfer fee, as well as other stimulus measures specific to the property market. This situation gives rise to interesting buying opportunities in housing for investors with cash.

Highlights - Cyprus



Transactions Closed:

- 2010 sales reflect a significant drop of -59,5% from 2007 peak sales
- Historically low levels in 2009; falling off by 44% from previous year
- +5% in 2010 closings signal a brief respite
- Annualized 2011 YTD figures show a -6,1% drop and a reversal of market momentum
- This, due in part to ongoing woes in the European market spurred on by the Greek debt crisis.
- Cyprus banks and economy are closely tied to Greece



Home Prices:

- 2010 home prices are off from 2007 peak prices by 36% in Nicosia; and off by 37% nationally
- Slight but gradual decrease in average home price in the capital city, continued price decline on a national level:
- -2,37% in Nicosia 2010 vs 2009
- -10% Nationally 2010 vs 2009
- Compared to the first quarter of 2010, Q1 2011 prices have fallen across the board; apartments by -8.3%, and houses by -7.0%

ERA Czech Republic

Residential sales continued to contract in 2010; sellers re-evaluate listing prices, market stabilization on the horizon.



% CHANGE YOY

CZECH REPUBLIC	N° of Residential Transactions	Avg. Home Price/Capital City	Avg. Home Price/Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	-3.03%	-2.02%	-7.47%	-13.01%	-8.60%	-10.81%	Buyer	+15.38%
Trend 2010	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Buyer	Increase

GENERAL

The Czech economy grew by 2,2% compared to 2009, a year that proved to be one of the most difficult residential market periods in the recent history of this country. Final GDP numbers were off by just 0,1% from initial estimates given by the Czech Statistical Office (CSO). It is modest growth, but it is growth nonetheless. Economic growth was more pronounced in the Czech Republic when compared to the EU average. The Euro Zone GDP grew by 1,8% (*Source: Eurostat*). According to the same source, exports of products and services increased by 10,3% and unemployment decreased. Both figures were better than their equivalent EU averages.

Exports and imports are the strongest drivers of the Czech economy; their combined share of GDP totaled 75% in year 2010. It appears the Czech economy is progressing in a healthy direction, especially in comparison to 2009. However, it is still far off the pace of pre-crisis periods, particularly the years of 2006, 2007 and 2008.

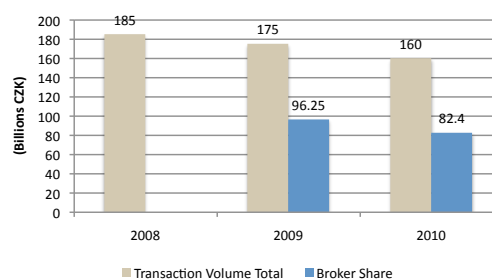
TRANSACTIONS

Transactions closed for year 2010 declined by 3,03% with a total of 102,300 total sales compared to 105,500 in 2009.

Transaction volumes for 2010 also decreased by 9%, compared to 2009, generating a total of 160 billion CZK; when comparing the same figure to 2008, this represents a total decline of 14% (*study from Mind Bridge Consulting*).

Transaction volume is composed of the value of properties exchanged by either an owner or tenant. This figure includes both new and resale flats, houses and recreational properties. Sources for data are derived from the Land Register Office, CSO, business

registry and information collected from real estate offices.



According to this study, lower activity was attributed to continuing reverberations from the worldwide financial crisis, an event that had a very real and negative influence on demand for property and created downward pressure on Czech real estate prices.

The main factors that played a role in this market contraction included a slump in the number of closed transactions as a result of diminished demand, consequently this influenced the (over) supply, and finally property prices.

Real estate agency market share was estimated at 52%, which is 3% lower when compared to 2009 (55%). This means real estate professionals handled transaction volumes in the amount of about 83 billion CZK. This crisis has also affected the commission amounts earned by brokers. In 2009, total commission turnover by long-term tracked real estate offices was 3.26 billion CZK, equivalent to an average commission rate of 3,39%. In 2010 commission turnover dropped by about 16%, to roughly 2.75 billion CZK or an average commission rate of 3,34%.

When comparing these declines for years 2010 vs. 2009, one can see that the decrease in commission turnover (14.39%) was significantly larger than the

decrease in total transaction volume (9%). This means brokers lost not only market share, but their commissions rates declined as well. The main reason for this disparity is attributed to the vigorous competition between real estate offices that are now competing for a reduced number of transactions, consequently by lowering commission fees.

PRICES

ERA brokers in Czech Republic observed yet another price decline for 2010; throughout the country an average drop of 7,47% was recorded when compared to 2009. Based upon further findings and market monitoring it appears that the downward trend continued into Q1 of 2011, with the most recent price averages showing declines of 1,5% in Prague and 1,8% on a national level.

After recording consistent price growth since 1997, properties in Czech Republic eventually became overpriced when compared to the European average. At the start of 2009 and in spite of the global downturn, prices began to stall. However; for most observers this was considered to be a normal price correction. Because supply is now much higher than demand, sellers are re-evaluating listing prices to ensure they are more aligned with market reality by making homes, once again, attractive and affordable for buyers. This is a healthy reaction to the current market dynamics.

Another factor pushing sellers toward lower asking prices is the financially strong, younger generation has started investing in housing and the next generation is tending to show a preference for rentals. Real estate professionals generally agree that the declines of 2010 and moderate decreases seen thus far in Q1 2011 will continue throughout the end of the year.

MORTGAGES

The gradual lowering of interest rates during the year 2010 had a soothing affect on the housing market.

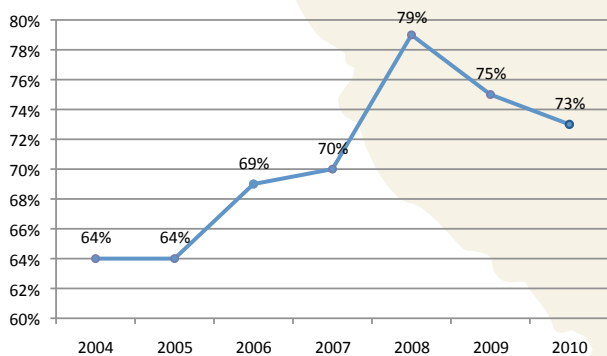
During the last month of 2010, mortgage banks concluded loans for over 10 billion CZK or 4.3 billion CZK more than the same period last year. Thanks to the favorable progression in mortgage rates, decreases in property prices and other influences, banks in 2010 closed a total of 50.385 mortgages for a total amount of 84.26 billion CZK. This is a 13% increase when compared to 2009 and the 4th best result in recent banking history for mortgage institutions. Most popular were mortgages with 5 year fixed rates at 4,21% representing a share of 51,9% of total mortgages closed. The average mortgage rate during the year 2010 was 4,88% (*Hypindex.cz*). It is interesting to note that though the overall number of transactions closed declined in 2010, the number of mortgages closed actually increased, as did the mortgage institutions market share.

OUTLOOK 2011 & BEYOND

The Czech real estate market is experiencing difficult times, triggered in part by the normal (downward) cyclic tendencies in real estate, this in addition to the global economic crisis. Because of the newness of the housing market and little experience in dealing with it, there are no clear predictions for the future. In fact, there are many conflicting statements and opinions from analysts and economists about what comes next. What is clear for ERA Czech Republic, based on preliminary Q1 2011 observations, the pace of decline in home prices and transactions has slowed and a more realistic approach to dealing with supply/demand issues, on the part of sellers, is taking hold.

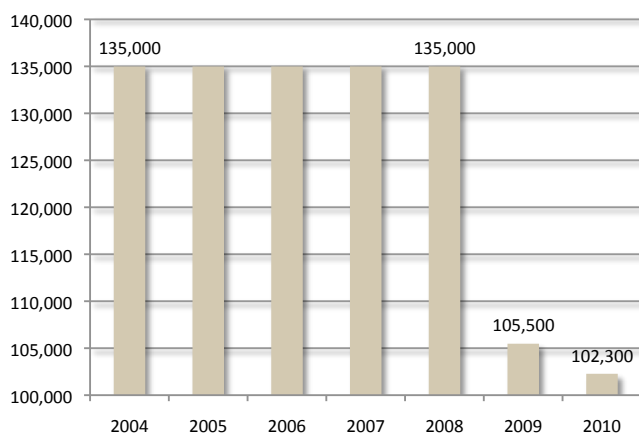
While 2011 is expected to be yet another tenuous year, the ongoing favorable mortgage conditions combined with the general recovery taking place in many European markets, offers encouraging signs that a recovery will soon take a permanent hold in the country.

Highlights - Czech Republic



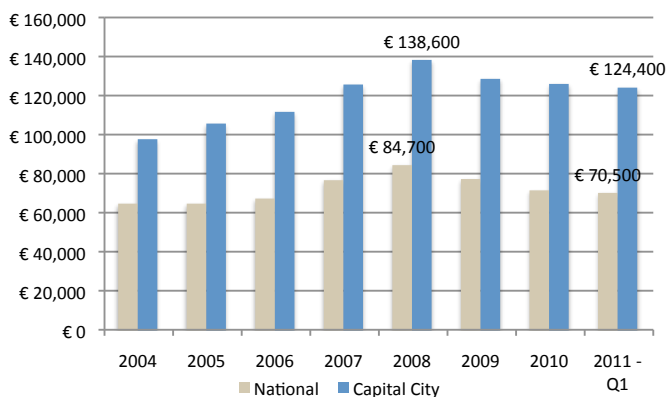
Homeownership:

- Declining level of Homeownership
- 73%
- Plunges from high of over 78%



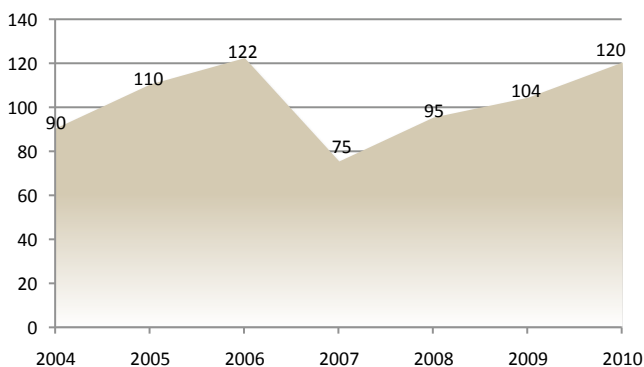
Transactions Closed:

- Significant drops from 2008 peak of -24.2%
- Historically low levels in both 2009 & 2010
- - 3.03% YOY drop 2010 vs 2009



Home Prices:

- Slight but gradual decrease in average home price in the capital city, continued price drops on a national level:
- -2,0% in Prague 2010 vs 2009
- -7,5% Nationally 2010 vs 2009
- -10,25% in Prague 2010 vs Peak in 2008
- -20,14% Nationally 2010 vs Peak in 2008



Days on Market:

- Increased number of days a listing remains on the market rises to an average of 120 days
- Up by 15,3%% from 2009
- Longer selling times indicate a growing disparity between supply and demand, meaning supply is exceeding demand

ERA France

In stark contrast to other European markets, transactions soar in 2010; prices in Paris and Ile-de-France increase substantially, market in 2011 softens moderately outlook remains positive with another upbeat year predicted.



% CHANGE YOY	FRANCE	N° of Residential Transactions	Avg. Home Price/ Capital City	Avg. Home Price/ Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
	2010 vs 2009	+28.53%	+20.34%	+3.95%	-2.78%	n/a	n/a	Seller	+4.81%
Trend 2011	Decrease	Increase	Increase	Decrease	n/a	n/a	Seller	Increase	

GENERAL

After a period of somewhat up and down activity, prices in the residential real estate market in France have overall increased during 2010. Furthermore, the price corrections experienced in France have not been as profound and the period of declining values was for a shorter duration than seen in other developed European markets.

According to the *Notaires de Paris*: “Nearly two times the number of homes were sold in the fourth quarter of 2010, compared to the same period in 2008. 2010 was a period of record results with over 200.000 new and resale housing transactions closed, compared to 140.000 in 2009, or a YOY increase of over 40%. Evolution was strongest in the suburbs which notably benefited from the significantly improved new home sales, whether they occurred in the ‘Petite Couronne’ or in the ‘Grande Couronne’. This strong performance was attributed mainly to a strong fourth quarter sales result following the first part of the year when sales mainly stabilized.

After a 10% decline in prices from the period of 2008 to Spring 2009, a rather modest drop considering the scope of economic and financial crisis, the Paris region has experienced price increases, during the last 18 months, in the range of 14% for all types of properties; in Paris’ city center increases as high as 21% have been recorded. *Source: Notaires Paris Ile de France – dossier de Presse du 03/03/2011*

The Ile-de-France region has proven to be a very resistant housing market in spite of challenging social and economic environments, however; a market ready for a return to more favorable fiscal dispositions and easier financing.

TRANSACTIONS

Overall, including both houses and apartments, new and resale property, a total of 898.443 housing transactions closed in France in 2010 (783.000 resale and 115.443 new), a significant 28,53% increase over the previous year, and just slightly off the peak level seen in 2008 of 928.000 transactions. When comparing YOY change in only resale properties, (excluding new build) transactions increased by 32%.

Certain districts in the Paris region, during the year 2010, have experienced significant activity in the closings of resale apartments, similar to peak levels experienced between 1999 and 2007. In the Seine and Marne neighborhoods, a jump of 13% was observed in resale apartments.

The new apartment market in Ile-de-France saw a record number of sales in 2010. A reduction in the number of fiscal advantages taking effect on 1 January 2011 had a significant and dynamic impact on fourth quarter sales results. At the same time, the fiscal interventions of 2010 also modified the parameters for transactions subject to VAT, which makes comparisons more difficult.

The resale home market in all departments within Ile-de-France returned to average levels seen during peak periods, thanks to a highly active fourth quarter, or a 22% increase in comparison with an average fourth quarter peak.

When comparing these same peak figures to the new home market, in 2010 new housing transactions dropped by 38% on average in the Petite Couronne, and declined by 13% in the Grande Couronne.

PRICES

The most important price increases in 2010 occurred

within the Paris 'intra-muros', where prices rose by over 20% on average for an apartment surpassing the 7.500 M2 barrier, the most representative dwelling in the city center. The average size of property sold was 56 M2. In Lyon, another important city center, prices of apartments increased by 8,3%, in Montpellier by 7% and in Strasbourg by 5,3%.

Outside the Ile-de-France region (where prices jumped on average by 14,1%) price increases were a little less pronounced. For example, Lorraine experienced a relatively modest growth of 2,8%, the Rhône Alpes region of 5% and the PACA region with an increase of 4,1%.

Throughout the country, there was a strong price growth and in the lead was Corsica at 18,8%. Other regions with increases in excess of 7% included Lower Normandy at 7,4%, La Picardie at 7,1% and the PACA region at 7,3%. The area recording the most modest price growth was in the Langedoc-Roussillon region at 1,7%. Among the largest metropolitan areas, those of Lyon and Le Havre registered sales price increases of more than 10% (10,1% and 10,8% respectively). The only metropolitan areas with more modest rises beneath 4% included the cities of Grenoble (1,7%), Nice (2,7%) and Orléans (3,2%).

MORTGAGES

The capacity for households to borrow was not too adversely affected by the rising mortgage rates seen in 2010. Over a period of 20 years, for an average loan of €165.000, the rate increase on a monthly basis represented only €35. This is an inconsequential amount that does not affect the ability of homeowners to borrow. In fact it is fast becoming a very favorable period for borrowers to secure fixed rate loans, as opposed to the variable rate loan. One must also keep in mind that current fixed rates for a 20 year loan are at an average of 4,15% today, a rate that remains very appealing and affordable; especially when compared with the not too distant past, in 2008, when the rate for the same type of loan was averaging 5,2%.

OUTLOOK

In terms of transactions for the resale market, we do not foresee a return to the crisis levels of 2009 where only 592.100 sales occurred. Nor do we anticipate another highly productive year as was experienced in 2010 with over 760.000 transactions closed. It is our estimation that transaction levels for 2011 will even out somewhat yet remain at a healthy pace finishing the year near the 600.000 level.

In terms of prices for resale property, we anticipate the evolution of prices for the most sought after locations will soften somewhat as demand levels out; especially considering that peak price levels of 2007 were already attained or surpassed last year. However, due to the limited level of supply and consistent, healthy demand,

we anticipate to see continued upward pressure on prices, on a national level, that will be in the 5% range during the year. Particularly in the most attractive and trendy cities like Paris, Lyon and Bordeaux, as long as the number of pre-sale contracts continue at the current pace in terms of pricing as the market remains a sellers market.

2011 UPDATE

Ile-de-France – Paris & Regions:

The Ile-de-France region has reported a YOY increase in the number of resale transactions of 5% over the same period in 2010 (4,5% for apartments and 7,6% for houses). The average price per square meter for an apartment in Ile-de-France for May of 2011 is recorded at €5.420/M2, off from the recent highs attained in 2010 when values exceed €6.200/M2. First indications regarding transaction levels, when comparing the month of June 2010 to June 2011, are showing another YOY increase in sales, but a slowing tendency in the pace of growth.

In the city of Paris apartment prices continue their upward spiral with average increases of 1,4% to 2,0% monthly; on an annualized basis this represents a significant 22,7% YOY increase (May 2011 vs. May 2010). The average price of a Parisian apartment now stands at €8.020/M2 (May 2011).

Prices for a home in the Ile-de-France area have stagnated in recent months and not one region in this sector has regained its peak price levels of 2008. The average price of a home in the Ile-de-France for the month of May stands at €302.000 (+0,3% during the trimester), representing an annualized increase of 13,9%. Transactions for resale homes in this region when comparing March-May 2010 vs. 2011 have increased by 8% and on an annualized basis by 5%.

May 2010 vs May 2011	Prices	Number of Sales
Paris	+22,7%	+2%
Small Couronne	+12,3%	+2%
Grande Couronne	+7,1%	+10%
Ile de France	+13,9%	+5%

Source: Chambre de Notaire de Paris

Mortgage rates 2011: Good buying conditions

According to the most recently published information by financial institutions, mortgage rates for the year remain very attractive though a slight trend upward has been noted in recent months. The following shows national averages found in the French market as of August 2011; the rates vary based on loan type (fixed rate or variable) and also by region. Variable rate loans, normally indexed to the Euribor, have benefited from relatively low Euribor rates in the recent months.

The Euribor short term loan rate today (1 year) stands around 2,08% and for longer term notes 2,83%, bank margins are normally in the 0,5% to 1,5% range.

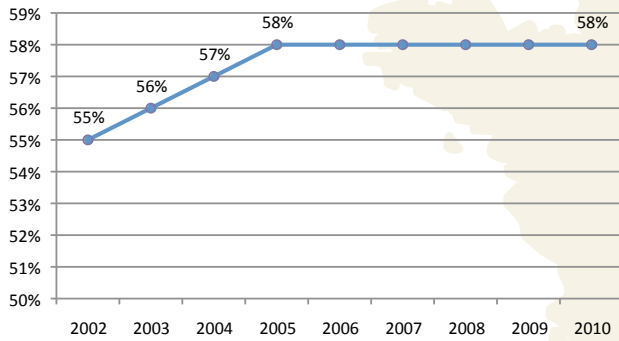
Interest Rates Nationally - August 2011			
	Maximum Rate	Market Rate	Minimum Rate
7 year	4,2%	3,65%	2,97%
10 year	4,3%	3,75%	3,29%
15 year	4,5%	4,05%	3,69%
20 year	4,75%	4,30%	3,90%
25 year	5,00%	4,45%	4,05%
30 year	5,30%	4,90%	4,45%

Source: Immoempruntis

In conclusion, we expect mortgage rates to remain at affordable and stable levels for homebuyers in the coming months and potentially for the duration of the year. Competition between mortgage institutions for customers remains very healthy and some analysts suggest a softening of rigid mortgage approval criteria is taking place. These factors combined will have a positive influence on transactions levels as we head into the final months of the year.

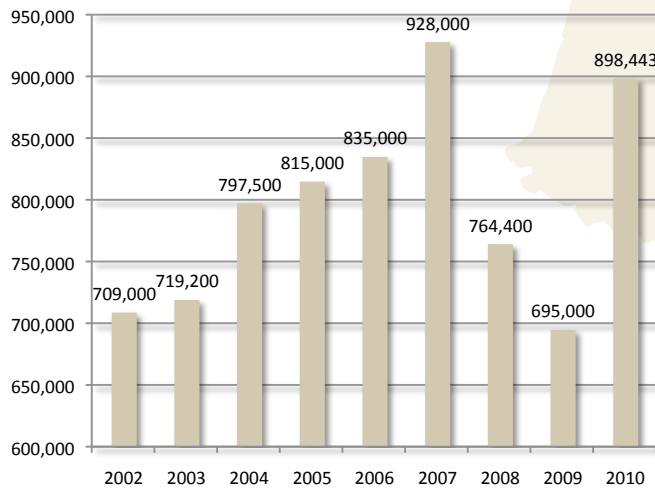
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Highlights - France



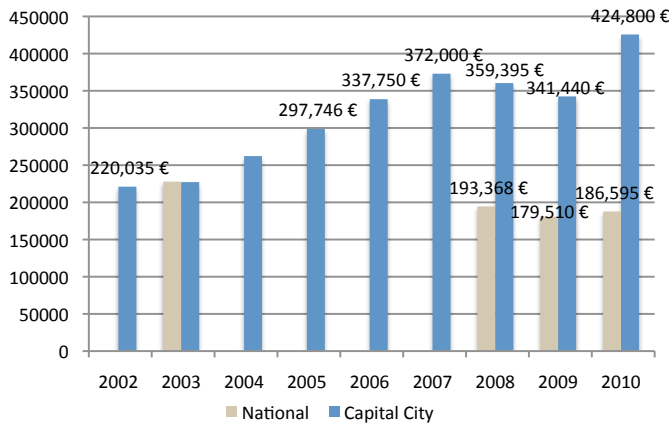
Homeownership:

- Stable level of Homeownership for the past 5 years
- 58% ownership in 2010 for a primary residence



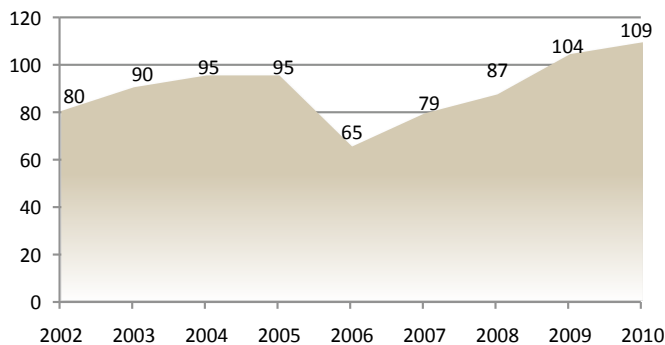
Transactions Closed:

- Significant increase in 2010 for sales closed (new and resale combined) by +29% vs. 2009
- Resale transaction alone increased by 32%
- Only -3,19% off peak of 2007 when 928.000 transactions closed



Home Prices:

- Slight increase in average home price in the capital city Paris
- On a national level prices inched upwards
- +20% in 2010 vs. 2009 in Paris
- +4% Nationally 2010 vs. 2009
- Both figures represent apartment sales only



Days on Market:

- Increased number of days a listing remains on the market before it is sold rises to an average of 109 days
- Up by 4,8% from 2009
- Longer listing times on the horizon for 2011-2012 for certain regions

ERA Germany

Stable home market for both prices and transactions, modest growth expected to continue into 2011.



% CHANGE YOY

GERMANY	N° of Residential Transactions	Avg. Home Price Capital City	Avg. Home Price Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	+2.6%	+3.61%	+3.61%	+6.77%	0.00%	0.00%	Seller	-5.41%
Trend 2011	Increase	Increase	Increase	Increase	Unchanged	Unchanged	Seller	Decrease

GENERAL ECONOMIC OUTLOOK

Germany enjoys one of the most stable housing markets in Europe. This market has avoided the pricing peaks and valleys in large contrast to the huge price increases seen elsewhere in Europe during the 2001-2007 era. Year 2010 was actually one of the best periods to buy residential real estate as conditions were ideal for investment in the residential sector. Financing of a home for an average family with one child required an investment of a mere 13% of average household income. In 1994 the same investment required 38%, and in 2003 the rate was 21%, of average income. Financing of a home has never been as attractive as it is today.

The reasons behind the low mortgage rates of recent times is largely due to the ECB prime rate of only 1% since May 2009. The European Central Bank (ECB) maintained the low rate due to the unstable economic situation throughout Europe. However, this strategy changed in 2011; in April the prime rate was increased by 25 basis points, to 1,25% and was marked up again in July up to 1,5%. Reasons cited were to slow inflation and the ongoing national debt crises in Greece and other EU countries. German economists expect, however, the rate to settle at 1,5% for now with a possible rate cut around November 2011 due to Euro zone recession fears; this signaling a sharp reversal in ECB strategy.

HOMEOWNERSHIP

Germany's homeownership rate of 43% remains unchanged during the last several years and is quite low when compared to the EU average. It has the largest share of renters of all the EU countries, and is surpassed only by Switzerland, in Europe. Reasons for this are largely structural as German offers many advantages to renters

According to the research institute *Empirica*, 37% of German's own houses and 6% apartments; 46% live in

rented properties and 8% live with their parents. Recent trends show homeownership differences between West Germany (47%) and East Germany (38%) are diminishing. Highest homeownership rates are found in rural areas since land is far cheaper compared to city plots. Here, 60% live in an owned house or apartments, in German cities homeownership rates average about 25%.

Of current tenants 59% wish to buy property in the future but only 20% have concrete plans and 4% want to buy in the next 2 to 3 years. Though many Germans are able to afford to buy property, as prices are reasonable and interest rates low, the trend is stubbornly unchanged partly due to the highly affordable rental rates. Another reason is the new discussion and current percentage increase in the real estate transfer tax. Up to 1996 the transfer tax was 2% for all of Germany. In 1997 it increased to 3,5%. Since federalism reform in 2006 each federal state can decide itself the percentage rate. Hamburg and Berlin increased the rate to 4,5% immediately but the other 14 federal states maintained the 3,5% rate. Today, most of the federal states have increased the real estate transfer tax to 5%, generating increased tax dollars for the German Government at the expense of the homebuyer. Federal states that have not adjust their rates thus far will make the change between now and the end of the year, or beginning of 2012. Though the German government states that it would like to see the rate of homeownership increase, changes to long-term taxes and subsidies have made this transition, from renter to owner, difficult. It is likely, therefore, to be a long and gradual transition.

TRANSACTIONS

National real estate statistics are difficult to obtain in Germany due to its expansive size, and independent nature of its regions this is typically managed on a regional level (16 states, 22 government districts).

However, for the first time ever in 2009 an initiative was taken by a professional group of valuation experts to seek cooperation from all German regions to share real estate statistics and consolidate information on a national level. Most recent statistics for 2010 show that a total of 513.000 sales closed, a slight increase over the previous year of 500.000 (est.) or a 2,6% YOY increase. In 2009 the number of transactions increased as well. So 2010 confirmed an enduring upward trend in sales that is expected to continue for the first half of 2011. Reasons for this are not only attributed to attractive interest rates for financing but more importantly people seeking to invest into real estate as tangible asset to offset the uncertainty of international capital markets, fear of the EU crises as well as the a potential increase in the inflation rate.

PRICES

During the crises period 2010/2009 German investors withdrew from the stock market and began focusing on long-term investments like real estate. One observes a clear correlation between the uncertainty of the stock market and the German real estate market and its prices. There were, in particular, pronounced changes in the metropolitan regions where significant price increases were noted, (depending upon to where the property is situated), while prices in rural areas modestly decreased or remained flat.

Prices for condominiums increased by 0,5% compared to quarter-over-quarter (Q4 vs. Q3). The increase is actually 2,3% when compared to the same quarter one year ago. This again, demonstrates the consumers belief in real estate as a safe, long-term investment. Price developments for single-family homes reflected a slight decrease of 0,9% in comparison with houses located in rural areas.

Price differences can be seen when comparing various regions and city size. Cities with more than 300.000 inhabitants have an average increase of 2,2%. Municipalities with less than 200.000 inhabitants only have modest price increases. Prices decreased in cities with less than 30.000 inhabitants. E. g. one pays on average €2.900/M2 for a condominium in Munich but only €650/M2 in Froendeberg/Ruhr. Cities with very high living conditions also garner higher prices than areas with inferior conditions and interior equipment.

MORTGAGES

Mortgages are at historically low rates, ranging around 3,75%. Banks are prepared to finance buyers who have 20% equity to put toward their mortgage; the majority of these mortgages are closed at 10 to 15 year fixed rates because of the favorable conditions offered. The recently increased central rate by the European Central Bank (ECB) to 1,50% does not mean that everything gets more expensive. Quiet the contrary, if the ECB reaches its goal and slows down inflation the consumer will profit from stable prices that in turn also applies to real estate purchases.

OUTLOOK 2011

The economy was off to a very impressive start in the new-year; 2011 will be the second consecutive year of GDP growth over 3% (est. for 2011). This phenomenon has not occurred in some time. The scope of this economic revival offers Germans a positive outlook for the future. Growth spurts are coming from nearly every economic sector. New construction starts increased during the first quarter of this year (2011). Low construction costs, but also inflation fears continue to fuel interest in investing into real estate assets. The low unemployment rate and positive perspectives on the job market also add to the healthy level confidence of private investors and consumers. They are well advised to buy now. E. g. an interest rate increase of 1% translates into an increase in real estate prices of around 15%. The German economic rebound will boost the employment market and give consumers added sense of security, who are then more willing to buy and invest in a new home. The basic need for good living conditions as well as retirement provisions, in the form of an owned property, remains strong.

The heightened interest to invest in real estate assets that manifested itself in 2009 because of the crisis, has not abated. Consequently, the real estate market here has transitioned into a seller's market, a trend that has continued into 2011. Real estate – especially in urban areas – suffered under a shortage of houses and condominiums available for sale. The result was an upward pressure on property prices. Prices of condominiums in urban municipalities, thus far in 2011, have increased by 5,9% compared to last year; in rural districts property prices climbed by 2,6%; resulting in a national average increase of 3,9% for the whole of Germany. The highest property prices are found in the Bavarian capital city of Munich (€3.911/M2). Compared to home prices seen in other major city centers on a EU level, German property is a very attractive buy, as are the mortgage financing options available today.

Concerning higher demand – especially in the luxury segment – builders have been quick to react. Luxury real estate began booming in 2010 and the trend continues today. The most significant increases were seen in luxury condominiums where prices jumped by a substantial 19,9% compared to single homes, that increased by only 2,2%. The most active markets thus far in 2011, for new luxury home building and construction permits issued, are seen in metropolitan cities such as Hamburg, Berlin, Frankfurt, Düsseldorf and Stuttgart. Not only are more German investors buying real estate, but an increasing number of foreign buyers are as well. The foreign buyer prefers luxury real estate in the capital city Berlin. These buyers are coming from distant locations like Hong Kong and Australia, but also from its closer neighbor, Italy. Investors can buy

property on relatively good terms including apartments in prime locations of Berlin, in contrast to what can be found for example in the city of Paris or London where prices per square meter are at least double the cost. Experts do not foresee a real estate bubble developing because the German market has been so stable, with no marked increases; residential price developments up to now are viewed as having been steady and sustained. They also comment that buyers of German real estate have a real substance behind the investment. They are not speculators; buying during the planning phase and reselling before the property is even constructed. The German investor of today buys for the long term.

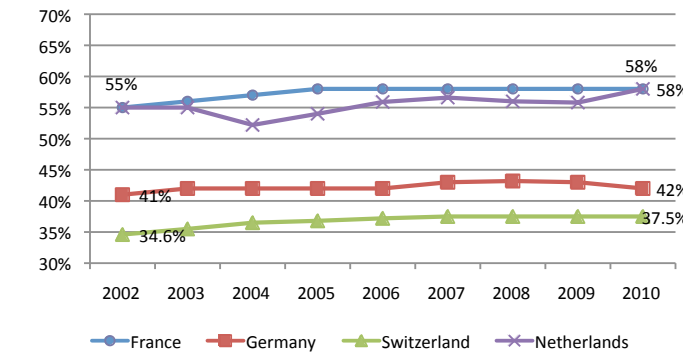
Increases in the real estate transfer tax in large federal states like Nordrhein Westfalia or Baden-Württemberg planned for October 1st as well as in Rhineland-Pfalz beginning 2012 is also a reason cited for the increase in property transactions.

Interested buyers want to arrange for a notary appointment for their contract before October 1st as they can save 1,5% on the transfer tax. Depending on the sales price it can represent a good sum of money that could otherwise be invested in a new kitchen, or other renovations.

Other federal states that have maintained the 3,5% transfer tax up to now, will eventually increase their rates as well. In the end we expect the standard transfer tax rate to settle around 5%. We must wait to see what real affect this will have regarding buying behavior on the long term. From past experience we know that normally there is an increase in buying before the hike in a tax, followed by a brief lull. But in the end, real estate will always be sold and bought on a relatively sustained level.

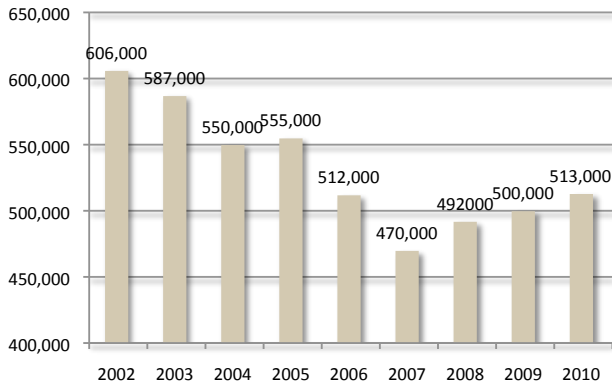
Data Sources: Empirica; ifo Institut, ifs Städtebauinstitut, empirica, IDN Immodaten.net, infratest, Manager-magazin, BulwienGesa, immobilienfinanzierung.com, F+B- Index, ERA Immobilien-ERA Real Estate

Highlights - Germany



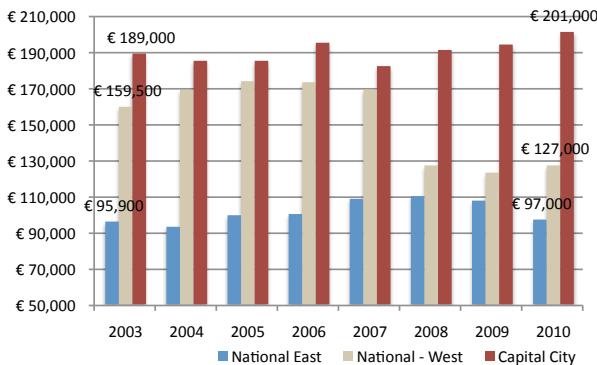
Homeownership:

- Homeownership remains stable at 42%
- One of the lowest in Europe
- Switzerland is the only country with a lower rate.
- Germany and Switzerland are among the countries with the highest percentage of renters



Transactions Closed:

- Relatively stable sales over the past three years with 2010 showing modest growth of 2,6%
- Lowest sales levels were seen in 2007



Home Prices:

- Slight but gradual increase in average home price in the capital city Berlin, +2,6%
- Prices on a national level in West Germany increase by +3,9%
- Prices on a national level in East Germany decline by -9%

ERA Greece

Housing market suffers as the Greek Economy struggles to maintain stability. Sales and homes prices are down but pace of decline slows.



% CHANGE YOY	GREECE							
	N° of Residential Transactions	Avg. Home Price/Capital City	Avg. Home Price/Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
	2010 vs 2009	-0.61%	-5.90%	-4.67%	+7.07%	n/a	n/a	Buyers
Trend 2011	Decrease	Decrease	Decrease	Increase	n/a	n/a	Buyers	n/a

GENERAL ECONOMIC OUTLOOK

The economic situation in Greece during 2010 and thus far in 2011 has been grim. Under the burden of heavy fiscal imbalances, Greece had to seek international assistance in April 2010. Under the joint IMF-EU Agreement, government debt is expected to climb to 150% of GDP by 2013 before beginning to fall. Austerity measures being implemented, in order to secure IMF funding, is placing increased pressure on an economy that is already in recession. The Bank of Greece (BoG) confirms that Q4 2010 unemployment was at -14.2%, GDP -6.6% and building activity 2010 January – 2011 January declined in volume by 73.1%. There is little doubt that these indicators, critical for real estate market performance, will have an ongoing negative impact.

The generalized insecurity and fear of a state default, which preceded the international bailout, led to a localized collapse in real estate transaction numbers. Consumer sentiment continues to deteriorate as the economic outlook and state finances for the coming year worsen. This process will take some time to fully resolve, a fact that we expect to be reflected in a continued slowing of residential sales and deteriorating prices in the foreseeable future.

TRANSACTIONS

Year 2009 was one of the worst in decades for residential real estate when transactions fell below the 100.000 mark. Only 74.586 transactions took place in 2009 and according to the BoG data, this was a dramatic fall of 35,72% over the previous year. In 2010 the situation stabilized somewhat with 74.134 recorded transactions (by Greek Monetary Financial Institutions or MFI's), a YOY decline of 0,61%. However, in 2011 momentum shifted and a downward trend intensified; confirmed figures from the BoG for Q1 2011 show only 12,718 transactions closed, representing a sizable YOY drop of 47,8%.

PRICES

According to the BoG, prices for residential property prices declined on average by 4,6%. In 2010, the situation progressively worsened by each quarter (Q1: -1,8%, Q2: -4,7%, Q3: -5,2% and Q4: -6,9%). The downward trend continued in Q1 2011 with a further decline on average of 5%, (compared to 2009 when prices declined by 3,7%). Properties most affected were apartments older than 5 years (-5,6% YOY Q1 2011). Newer apartments are faring better and only dropped by 4,2% for the same period. The city most affected by the slump in prices was Thessaloniki at -7,4%, followed by Athens at -5,9% (YOY Q1 2011). Other areas that were hit hard included cities where there were high concentrations of secondary residences or holiday homes.

Other trends confirmed in 2010/2011 show both a drop in the value of MFI appraisals for houses and in the size of a property purchased. The volume, or aggregate values for property, dropped by 6,6% in 2010, and for Q1 2011 appraised values on a YOY basis fell dramatically by 44,2%. The size of an average property sold for the whole of 2010 was reduced by 0,5% (compared to -37,9% in 2009). Thus far in 2011 the downsizing trend continued with a Q1 2011 YOY change of -43,9% in the size of a property sold.

The oversupply of residential units, currently projected in the range of 200,000, is another factor contributing to lower prices (University of Athens Statistical Department). The absorption of these units will take some time; supply is disproportionate to the needs of its inhabitants, given the slowing trend in population growth in Greece.

Below is a chart of average purchase prices for ATHENS apartments and suburban homes, their property sizes and property yields on a per square meter basis for the month of July 2010.

Rental Yields Jul-2010 ATHENS APARTMENTS (m2)	COST (€)		YIELD (p.a.)	PRICE/SQ.M. (€)	
	TO BUY	MONTHLY RENT		TO BUY	MONTHLY RENT
CENTER KOLONAKI					
70	€392.910	€910	2,78%	€5.613	€13.00
120	€747.480	€1.472	2,36%	€6.229	€12.27
200	€1.461.400	€2.550	2,09%	€7.307	€12.75
SUBURBS Kifisia, Psychiko, Glyfada					
70	€275.870	€732	3,18%	€3.941	€10.46
120	€437.160	€1.118	3,07%	€3.643	€9.32
160	€613.440	€1.781	3,48%	€3.834	€11.13
225	€961.425	€2.275	2,84%	€4.273	€10.11
SUBURB HOUSES Kifisia, Psychiko, Glyfada					
150	€571.050	€1.260	2,65%	€3.807	€8.40
250	€987.750	€2.253	2,74%	€3.951	€9.01
350	€1.305.150	€3.525	3,24%	€3.729	€10.07
600	€2.457.000	€5.544	2,71%	€4.095	€9.24

Source: Global Property Guide

MORTGAGES

According to the BoG, interest rates for 2010 for a new housing loan averaged 3,7%; in Q1 2011 the rate jumped to 5%. A problem for consumers today is the reluctance of the banking sector to give loans to anyone but the most credit-worthy candidates, who then must also pay a large down payment of at least 30%. Over 70% of housing loans in Greece have initial fixed rates for only the first twelve months, making them vulnerable to the volatile rate fluctuations seen today.

A new Property Tax Law in Greece, recently passed by the Greek Parliament, went into effect in October 2011. The property tax will range from €0.50 cents to €20.00 and taxes each square meter of a home according to the age of the building (the older the building, the less tax percentage), tax value and average house prices of the neighborhood. This new tax will be in effect for a period of three years and will be collected in installments through electricity bills. Those who do not pay will have their electricity cut off. All property owners in Greece are required to pay this new tax whether one lives in Greece or not.

Housing loans in Greece represent only 35% of GDP, rather low when compared to other European countries such as the Netherlands where housing loans exceed 100% of GDP.

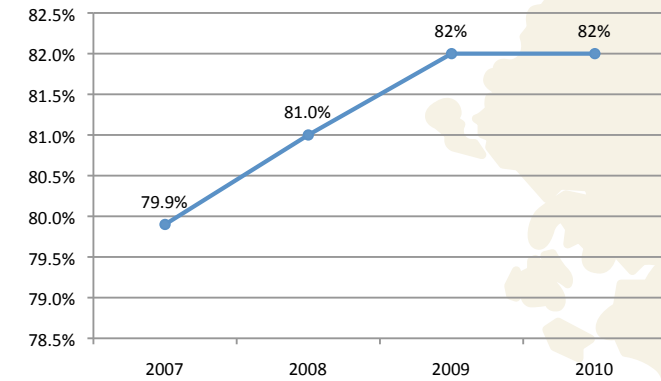
OUTLOOK 2011

Mortgage lending is expected to tighten with further restrictions on new lending being imposed; mortgage rates will most likely continue to inch upward. The anticipation of a new property tax levy had already begun to contribute to the oversupply of properties on the market in 2010, as owners of large property portfolios sought to liquidate their positions to avoid a heightened tax burden and/or anticipated price declines. Excess supply is not anticipated to be absorbed prior to 2014 and perhaps beyond. Depending on the willingness of banks to lend, we estimate 50-70.000 transactions to close by the end of the year.

The sellers' resistance to lower listing prices will be offset by the increasing unemployment rate and the deepening recession. Brokers are already seeing a steady stream of customers seeking to sell in order to alleviate the consequences of losing a job or closing a business.

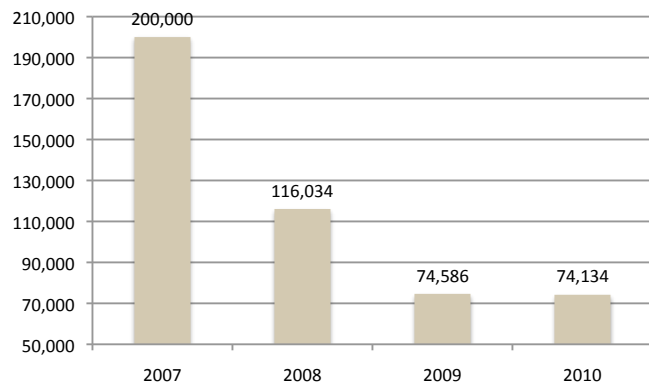
2011 and 2012 will be another buyers market with some spectacular opportunities materializing, with buys that were unimaginable just a few years ago. Overall however, real estate is expected to fare better than other more exposed sectors of the economy where sales have collapsed. The anticipated downward price movements will occur in different degrees depending on local dynamics. Although it may sound like little solace, real estate will retain its intrinsic value.

Highlights - Greece



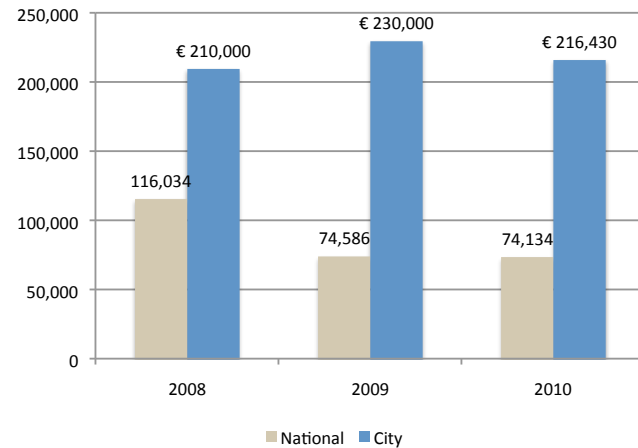
Homeownership:

- Stable level of Homeownership for the past 2 years
- Based on latest statistics available (2009 - Istat)
- May see a drop in rate as new information arrives



Transactions Closed:

- YOY drop in 2010 of -0,61%
- Significant decrease in 2010 sales 2008 vs.2009 crisis of -41,98%
- Off peak sales in 2007 of -63%



Home Prices:

- Slight but gradual decrease in average home price in the capital city, continued drops on a national level
- - 5,9% in Athens for 2010 vs 2009
- -4,6% Nationally 2010 vs 2009

ERA Ireland

Further declines in both prices and transactions, 2010 was another dismal year for the Irish housing market; 2011 shows no signs of meaningful recovery.



% CHANGE YOY

IRELAND	N° of Residential Transactions	Avg. Home Price/ Capital City	Avg. Home Price/ Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	-40.00%	-15.45%	-10.84%	-22.92%	-12.31%	-5.00%	Buyer	+11.80%
Trend 2011	Decrease	Decrease	Decrease	Increase	Decrease	Decrease	Buyer	Increase

GENERAL

Ireland remains in the grip of severe recession, therefore 2011 has proved to be another tough year in the Irish property market. Property prices have now dropped for four consecutive years which leaves prices 40% to 50% off peak prices in 2006.

Ireland's unemployment rate continues to grow and is now registering 14,7%.

PRICE

The average price for homes in Ireland dropped to less than €200.000 in 2010, however; the rate of decline was significantly lower than in 2009. The reduction in prices in 2010 was 10,8% compared to a fall of 18,5% in 2009.

The price decline in the capital city of Dublin in 2010 was 15,1% compared to a fall of 23,4% in 2009. Outside Dublin, house prices fell by 8,1% compared to a decline of 15,6% in 2009.

TRANSACTIONS

The transaction volume in home sales was seriously depressed in 2010 with just 17.850 units being sold. This amounts to just over 15% of the average number sold per annum at the end of the property boom in 2006.

Currently, there is an excess in supply of homes with an estimated overhang of 140.000 units. At current transaction levels it will take some time for this overhang to sell but with regional variations and an increase in mortgage finance availability, the major urban markets should have much less impact from oversupply. 2011 is expected to see property prices stabilize in these key urban markets.

The rationalization and re-capitalization of the Irish

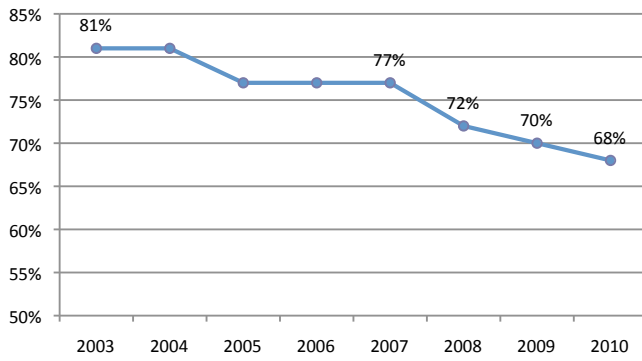
banking system should reduce the negative impact of restricted mortgage availability and should support a recovery in property prices into 2012 and beyond.

With such dramatic falls in property prices affordability has improved considerably but any increase in demand is being subdued by restricted mortgage finance and expected continuing increases in ECB interest rates.

OUTLOOK

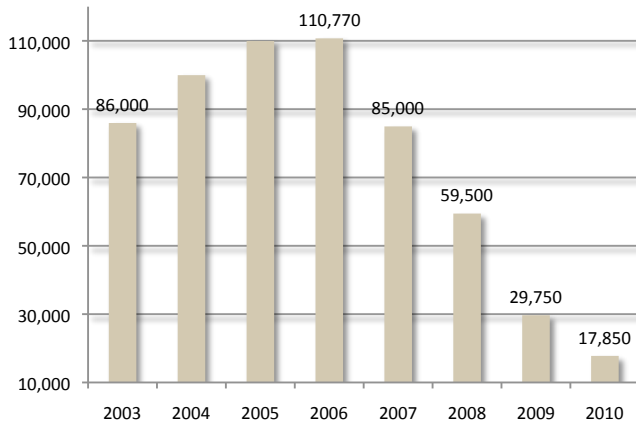
Irish property market watchers are still waiting for the market to hit a price floor in 2011. The first time buyer market has seen increased activity, mainly due to it being the only sector currently being favored by banks for residential mortgages.

Highlights - Ireland



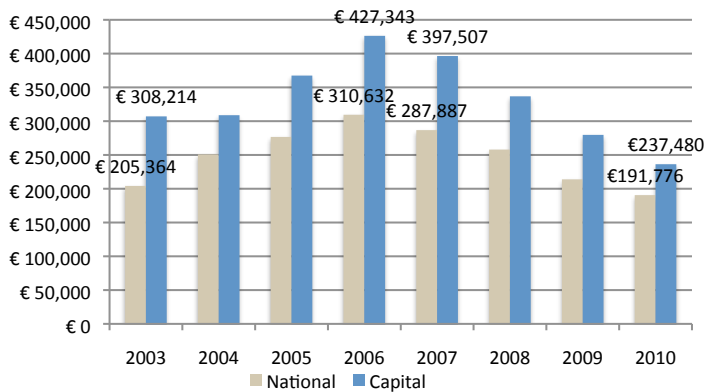
Homeownership:

- The level of homeownership since the crises began declines by 5%
- 68% ownership in 2010 nears the EU average



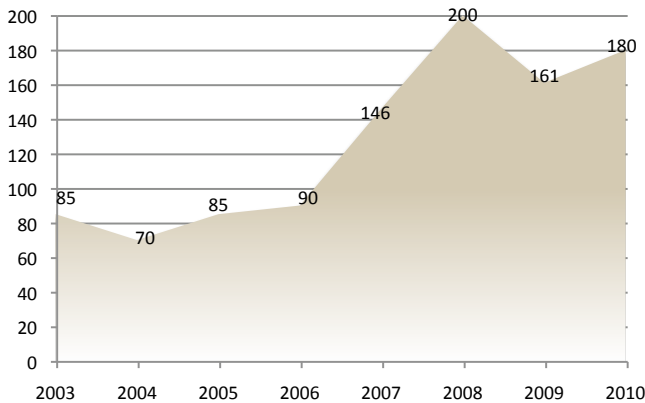
Transactions Closed:

- Closings plunge in 2010 by -40% over 2009
- Sales are a stunning -83,8% off peak figures of 2006 when 110.770 transactions closed



Home Prices:

- Prices continue their gradual decline in both the capital city, and on a national level
- -15,45% in Dublin 2010 vs. 2009
- -10,84% Nationally 2010 vs. 2009
- Dublin prices are off by -44% from peak of 2006
- Nationally prices are off by 38% from peak of 2006



Days on Market:

- Increased number of days a listing remains on the market before it is sold to an average of 180 days
- Selling time increases by 11% over 2009

ERA Italy

Market resists a bleak economic situation, housing market contracts modestly



% CHANGE YOY

ITALY	N° of Residential Transactions	Avg. Home Price/ Capital City	Avg. Home Price/ Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2011	+0.54%	-1.42%	+0.13%	-12.60%	n/a	-21.05%	Buyer	n/a
Trend 2011	-3,7% (Q2)	Decrease	Decrease	Decrease	Decrease	Decrease	Buyer	Increase

GENERAL ECONOMIC OUTLOOK

Italy is experiencing one of the largest economic recessions of all the major European economies. The government's outstanding debt ratio to GDP is at 120%, the highest of the 27 EU economies (including Greece, Ireland, Portugal and Spain); therefore, it is surprising that the housing market was not more greatly affected in 2010/2011. Austerity measures to correct imbalances were recently passed (on 7 September 2011) by the Italian legislative body; this can only weigh on the minds of real estate investors and potentially affect consumer confidence. Unemployment hovers in the 8% to 9% range thus far in 2011, a figure that may inch upward as austerity measures are implemented. These factors, combined with the overall weakness in the global market, leave many questions as to what the coming year will bring for the Italian housing sector.

HOMEOWNERSHIP

It is interesting to note that though the homeownership rate for Italy is relatively high at 74% (2009 *Istat*), the use of mortgages as an instrument for purchasing a home is, conversely, one of the lowest in Europe. For example if we compare the latest figures (the ratio of mortgage debt to GDP - European Mortgage Federation 2009), Italy is at 21% compared to the Netherlands at 105%, Ireland at 90,3%, Sweden at 82%, the USA at 81%, and the EU average of about 50%; the lowest ratio being Romania at 4,9%. About 20% of households are renters, but the majority of Italians own their homes outright. One could conclude that the cash rich Italian household, known to be big savers, and its 'gray-economy' have played a factor in a more stable housing market. As stated in a recent study by RICS, real estate in Italy appears to be 'the final resting place for undeclared income'. The highest percentage of homeownership, exceeding 80%, is found in the southern regions of Italy in communities of less than 20.000 in population.

PRICES

According to *Nomisma* (an Italian research institute) house prices declined moderately in 2010 in the 2% range; in the top thirteen Italian cities the fall in prices was slightly less at 1,6% (*Scenari Immobiliare*). Nationally, 2010 prices have dropped approximately 10% from peak figures recorded in 2008. Heightened economic uncertainties are expected to result in a continued sideways price movement with perhaps modest increases in more sought after regions (Lombardy, Tuscany, Lazio) and key city centers (Milan, Florence, Rome). Italian households are relatively free of debt and mortgages are available to consumers at attractive rates. An affordable access to credit helps offset the many negative economic realities affecting the market.

According to latest research (*Borsino Immobiliare di Confedilizia*) Venice is Italy's most expensive city for property buyers. The central neighborhood averages \$12.972/M2 (€9.265/M2). At \$12.282/M2 (€8.773/M2) and \$10,488/M2 (€7.491/M2) respectively, average square meter prices in the centers of Rome and the fashion capital Milan follow close behind; keep in mind these are the most sought after property locations in key downtown areas.

Although Milan surpasses the capital city of Rome, when it comes to semi-central (city center and the immediate surrounding) neighborhoods, this trio of cities is where the priciest properties in Italy are found. An apartment in "semi-central" Venice typically costs \$8.804/M2 (€6.289/M2), in Milan \$7.093/M2 (€5.066/M2); and in Rome \$6.900/M2 (€4.929/M2).

Homes in major city centers have mostly held their value in Italy because supply is limited and newly constructed housing is controlled; also, city properties attract both investors and residential buyers.

Tuscany, another sought after region, and its key cities of Siena and Florence, all rank high on the more costly

venues. Average prices in their respective historic centers are \$7.355/M2 (€5.254/M2) and \$7.038/M2 (€5.027/M2).

Property prices get slightly less expensive in the neighboring region of Emilia Romagna. The average price for an apartment in its central zone is \$6.251/M2 (€4.465/M2).

The national average price per square meter of a home sold in 2010 was €1.578 or an average total price of €164.112. Price increases were greater in central Italy at 5,5% compared to the northern region where the increase was more modest at 2,6%. Total estimated value of residential real estate trade was €103.9 billion, a 2,6% YOY increase.

TRANSACTIONS

According to latest statistics by the *Italian Land Registry*, a total of 617.276 transactions closed in 2010, this was a slim YOY increase of 0,5%. Sales growth was more pronounced in the regional capital cities where transactions rose by 5,2%, but in all other municipalities transactions dropped by a modest 1,6%. Today the average size of an Italian property sold is 104/M2.

MORTGAGE

Standard financing in Italy requires that 30% of an applicant's total income must be available to pay for a mortgage loan and based on recent studies, the number of Italians who can achieve this today has improved to 51% (roughly 13 million families). This is an increase from 2008 where the same figure was 46%, though still a decline from the peak of 62% recorded in 2004. Nevertheless, according the EMF (European Mortgage Federation) gross lending for households fell

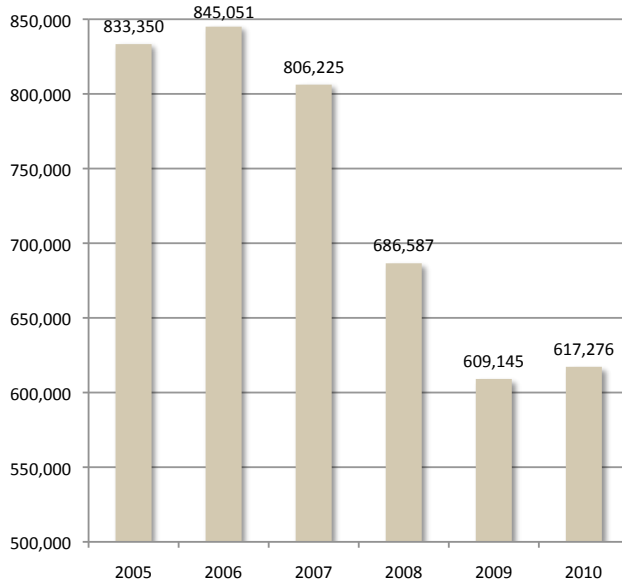
in Italy during the year 2010 by 7,6% and rates declined by 1%. In the fourth quarter of 2010, a 10+ year maturity for fixed mortgage rates averaged 4,30%; this is compared to 4,92% during the same fourth quarter in 2009 or a 12% YOY drop in the average rate of interest.

OUTLOOK 2011

During the first six months of 2011 home prices declined by approximately 0,7%, this was observed in Italy's main thirteen cities (according to *Nomisma*); confirming a stagnation of property values in Italy. Though a stall in prices (vs. an ongoing downward price trend) might be welcome in some southern European markets, this lack of movement has only contributed to a growing uncertainty and minimized growth perspectives on the short term. Furthermore, a 3,7% decline in transaction figures has been confirmed in these thirteen cities for the first semester of 2011. This, attributed to an excess of properties listed for sale and tightening of liquidity from financial institutions for mortgages. These two factors, excess supply and restricted access to capital, plus ongoing economic turmoil (both in Italy and in Europe) have exacerbated the situation; these are the most significant factors influencing Italian housing thus far in 2011. Therefore, a sluggish recovery remains on the horizon for Italy throughout 2011, delaying an anxiously awaited and anticipated rebound.

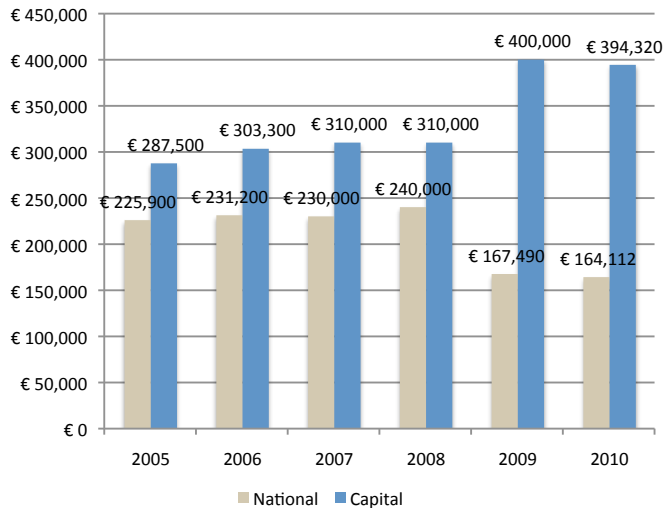
Perspectives for 2012 and beyond are closely aligned with the European and global economic recovery and their direct influence on the Italian economy as well as other micro economic factors, such as austerity measures to be implemented soon. The next general election is planned for 2013, another aspect that will surely affect the Italian housing market.

Highlights - Italy



Transactions Closed:

- Closings increase in 2010 by a very modest 1,33% over 2009
- However a significant decline of -27% off peak sales in 2004 when 845,051 transactions closed
- Thus far into 2011 sales slowed and have fallen back by -3,7%



Home Prices:

- Prices continue a sideways price movement, with a modest decline in both the capital city, and on a national level
- -1,42% in Rome 2010 vs. 2009
- -2,02% Nationally 2010 vs. 2009

ERA Luxembourg

Sustained demand in 2010 results in strong sales and prices growing at slow but steady pace.



% CHANGE YOY

LUXEMBOURG	N° of Residential Transactions	Avg. Home Price/ Capital City	Avg. Home Price/ Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	+27.08%	+2.02%	+1.5%	+4.35%	0.00%	-5.00%	Buyer	0.00%
Trend 2011	Decrease	Increase	Increase	Increase	Unchanged	Unchanged	Buyer	Unchanged

GENERAL

Luxembourg is a small, stable and high-income economy that was nonetheless affected by the crisis of 2009. The government reacted by implementing stimulus measures, which included infusing capital into the banking system to boost the economy. We can say today that, for the most part, these measures have been effective. The current government deficit is at 3% GDP and unemployment is at 5,5% (2010 est.); and the economy is expected to grow by 3,2% in 2011 (*IMF*). Luxembourg continues to enjoy a high standard of living and its GDP ranks third highest in the world.

HOMEOWNERSHIP

Ongoing economic difficulties adversely affected homeownership in Luxembourg. A figure that today stands at 68%, appreciably lower than what was recorded in prior years when the rate exceeded 70%. However, the country homeownership rate remains comparatively higher than its European neighbors such as Belgium, Germany and France. As a result of difficult access to financing for higher priced homes, an increasing number of buyers opt for buying an apartment. Apartment prices are lower than a house and are therefore easier to finance. As prices remain quite high in the capital city of Luxembourg, more affordable projects have been developed in the surrounding areas. Many of these projects are now offered in the country's second largest city, Esch and its industrial sites, which now shows the highest population concentration. This area is currently where the most significant share of available listings exists and where the majority of transactions were observed.

PRICES & TRANSACTIONS

As a result of continual increase in the migration rate, demand for property in Luxembourg remains strong. The number of listings currently available has increased, growing from 7.000 houses offered for sale

in 2010 to 7.700 in 2011 and from 14.800 apartments offered for sale up to 17.900 in early 2011. This strong demand, matched with the influx of new buyers, has helped maintain a healthy supply/demand scenario. Many sellers have remained slow to adjust to the often excessive asking prices, downward to the true market value level, therefore some listings remain on the market for lengthy periods.

As a result of the sustained demand for homes and apartments, the number of closed transactions increased in 2010. The latest transaction figures for Luxembourg are derived from official publications showing actual transactions completed by notaries, figures that were not available in this form and detail in prior years. A total of 10.033 transaction closed, a jump of 27,08% over the previous year. According to this official report the number of transactions increased dramatically, particularly in the final quarter of 2010. This is due to rumors suggesting the government would eliminate certain support programs for homeownership. In fear that these decisions might have a negative influence on the real estate sector, sellers were encouraged to accept prices for their homes that were closer to market reality (market value) and rather buy now, with help from the government, instead of waiting until 2011 and the eventual adverse change in these government incentives.

The first quarter of 2011 showed a clear decrease in the number of transactions, especially when compared to the fourth quarter 2010 results during which the number of transactions virtually exploded. Thus far in 2011 prices of sold houses and apartments are close to market value, and banks remain hard pressed to finance properties they believe to be overpriced.

Prices did in fact increase, but more modestly when compared to transactions levels. A home in the capital

city of Luxembourg moderately rose by 2,02% and nationally, the average price rose by 1,50%.

REAL ESTATE OFFICES

The number of real estate broker offices in the country remains steady. Though one might think otherwise due to the many economic uncertainties of today, but there is a constant high level of new agents filing for a license. Therefore, the number of agencies conducting real estate transactions remains fairly constant.

MORTGAGES

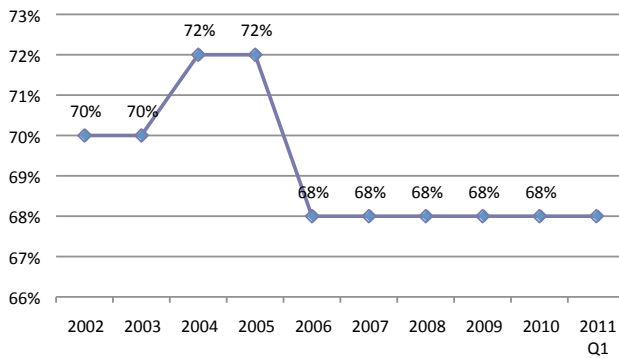
Local retail banks are still offering mortgage loans at low fluctuating interest rates, as well as attractive offers for fixed rates up to 15 years. Low interest rates are an obvious and real incentive when buying property today. However, banks remain very prudent and cautious when it comes to granting a loan to buyers who lack a significant down payment to offer. To secure a loan, a 25% minimum down payment is normally required, together with a good salary and employment history.

OUTLOOK 2011

The market slowed between 2007 and 2009; however a recovery finally took hold in 2010, as prices paid on closed transactions have now stabilized. It is yet to be seen if prices in 2011 will continue this stabilized trend at healthy market values, or perhaps even increase further. This is despite the fact that prices at which the banks are willing to finance a loan, often do not correspond to current asking prices still hoped by many sellers.

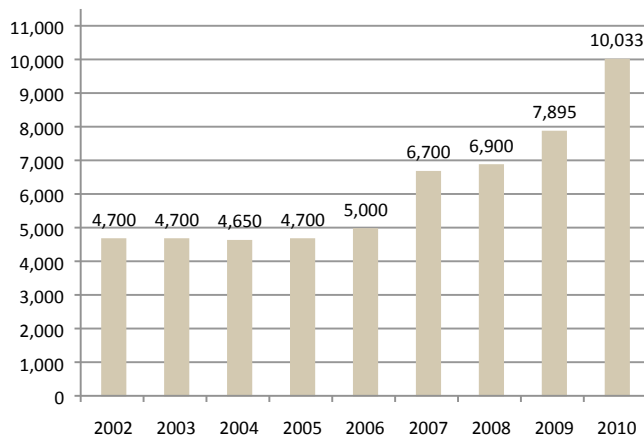
Luxembourg has yet to return to the peak 2007 levels, as the gap between seller asking prices and what a buyer is willing to pay (and a bank is willing to finance) remains consequential. This phenomenon will contribute to ongoing long listing periods or extended 'days on market' conditions. Resale properties will continue to sell better and faster than new home projects, as the latter are higher priced and developers have more difficulties in making downward price adjustments due to high fixed development costs and needed profit margins.

Highlights - Luxembourg



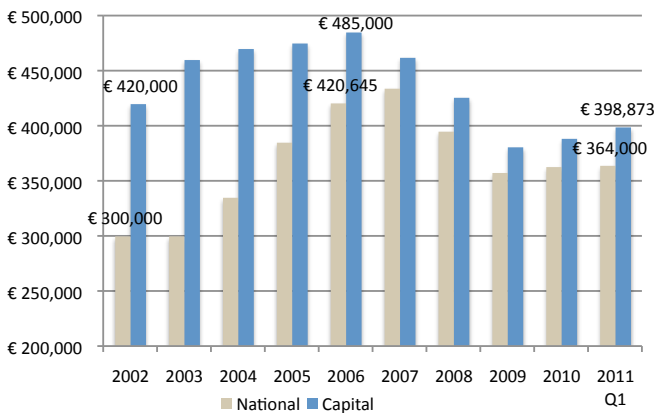
Homeownership:

- The level of homeownership has stabilized
- 68% ownership in 2010 nears the EU average



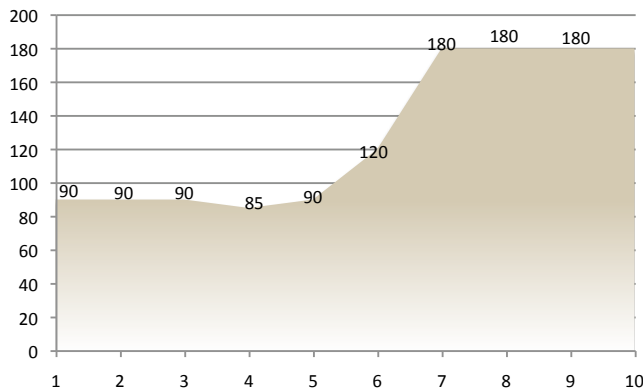
Transactions Closed:

- Closings increased significantly in 2010 by +27% over 2009
- More than doubling the number of closings 8 years earlier
- The transaction trend thus far shows a slowing down in transactions levels compared to 2010 of -5,1%



Home Prices:

- Prices continue a modest upswing in both the capital city, and on a national level
- +2,02% in Luxembourg 2010 vs. 2009
- +1,50% Nationally 2010 vs. 2009
- 2011 the upward trend continues with prices increasing in Q1 by +2,67% and +0,31% respectively



Days on Market:

- Number of days a listing remains on the market before it is sold is stable at an average of 180 days
- Important variation in sales times exist depending on pricing in relation to real market value and whether or not it is a prime location within the city vs. an outlying rural area

ERA Netherlands

Housing market remains sluggish and lacks confidence; 2011 to be another lack luster year for residential



% CHANGE YOY

Netherlands	N° of Residential Transactions	Avg. Home Price/Capital City	Avg. Home Price/Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	-1.10%	+5.91%	+3.11%	-14.58%	-1.67%	-5.0%	Buyer	+20.56%
Trend 2011	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Buyer	Increase

GENERAL

The Dutch housing market is in a state that could be likened to sailing in the eye of a hurricane where it's seemingly calm, but in no way reassuring or secure. The Dutch housing market was overtaken by stagnation in 2008 and consequently by government action in 2009. Insecurity rose, not only economically but also politically, when the Dutch cabinet dissolved. With the smallest possible majority, a right-wing government was installed in the latter half of 2009, after a long and laborious process. The situation today looks grim; the government needs to cut back €18.5 billion in expenditures. This has everyday consequences ranging from hospital care, culture, education and cost of living. Combined with the political turmoil in the Middle East and the rising cost of oil as a consequence, consumers are fraught with uncertainty and lack of confidence.

MORTGAGES

Most Dutch consumers have been vastly over financing their homes during the past 15 years and never paid a penny toward their principle loan. Many mortgages involved interest payments only, so that the maximum tax deduction on interest paid could be applied, leaving the initial debt intact. The government has imposed measures beginning in January 2011 with the intention of protecting consumers from ending up with an unaffordable monthly payment schedule. The cost of living must be between 20% and 31,6% of one's annual income, according to a gliding scale. Furthermore, mortgages that leave the total debt intact and only demand interest payments may no longer be sold.

Banks have to deal with stricter regulations for selling mortgages and have become more cautious on the whole. The rate of interest declined in 2010 to around 4,1%, the lowest level in the past four years.

The unemployment rate seems stable at 5,1%, but this is also due to the increasing number of self-employed individuals. Their entrepreneurship is laudable, but nevertheless they also have trouble in securing a loan for both their enterprise as well as a new home.

TRANSACTIONS

The total number of closed transactions in 2010, compared to the previous year, dropped by a modest 1,10%, reflecting the slowing pace of the crisis; yet it was also the third consecutive year of declines in the number of home sales. Sales totaled 126.127 transactions, the lowest in eight years (since this Market Survey report has been published) and off by 43% from peak sales in 2005 when a total of 224.500 homes were sold.

PRICES

Home prices have dropped dramatically since 2009, though price decreases differ per region and per type of home. National averages are statistical over simplifications and there is a more complex situation on the ground. Similar to 2008 and 2009, the demand for high-end real estate was extremely weak in 2010. The trend for moving was toward less expensive homes rather than to more expensive ones, therefore buyers were downsizing. Due to government support for first time buyers, there were more transactions on the other side of the scale toward the lower-end extreme of the market. Unfortunately, the budget for this support ran out in July of 2010, so this trend dried up as quickly as it began. However, this did generate an increase in demand for homes in the price range from €200.000 to €450.000.

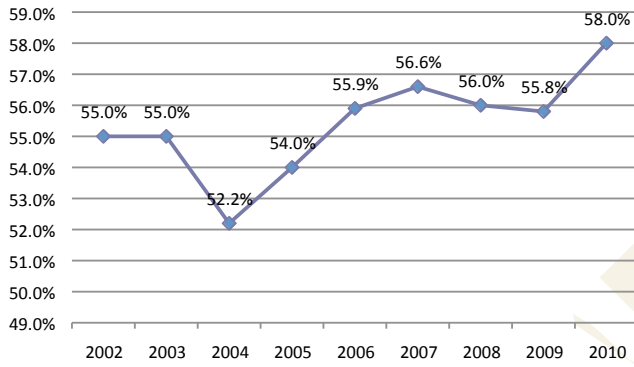
The number of broker offices has not dropped as steeply as one would expect. Apparently brokers have been able to cut costs in many ways. However, it is expected that if stagnation continues through 2011, many offices will close.

OUTLOOK

Thus far in 2011 there are mixed developments in the Dutch market, which understandably give cause to mixed sentiments among consumers. There has been economic growth for the past five quarters in a row, albeit a very modest growth. Still, the housing market does not show any structural recovery. In June 2011 the government temporarily lowered the transfer tax from 6% to 2% for the duration of one year. This is a positive development. Homes have instantly become more affordable and immediately the market showed an increase in property showings. At the same time the regulations for financing a home have been tightened. Regional differences strongly influence the national average. Urban areas in the West are more densely populated and will presumably do better than the rural areas in the northern and eastern parts of the country. Interestingly enough, consumers have indicated a willingness to pay more for an existing home with an energy label. This label has been poorly implemented

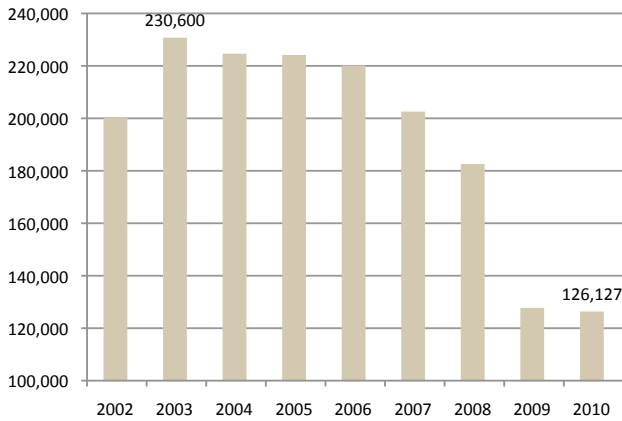
in the Netherlands. Sellers are unwilling to have their home assessed for fear an energy label will negatively influence the salability. Statistics show, however, that this is an unnecessary concern. Nevertheless, the government is expected to take a firmer stand and demand every home to be inspected and labeled accordingly. The number of homes listed is approximately 191.000 midway 2011, which is roughly 12% more than 12 months ago. The number of transactions is 29.500, which is more than 7% lower than 12 months ago. Extended outlooks from leading developers like Bouwfonds and other important players in the real estate markets estimate that the number of home sales on the whole will not increase in the coming years, and therefore stagnation will continue.

Highlights - the Netherlands



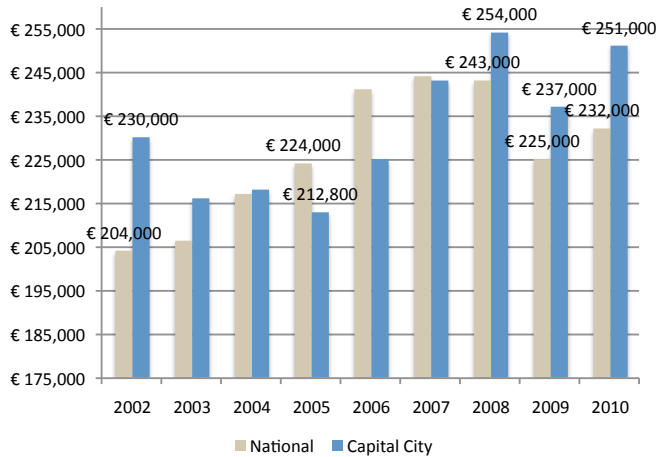
Homeownership:

- Increased homeownership due to new 1st time homebuyers entering the market
- Rises to 58%
- Increases by 3,9% over previous year



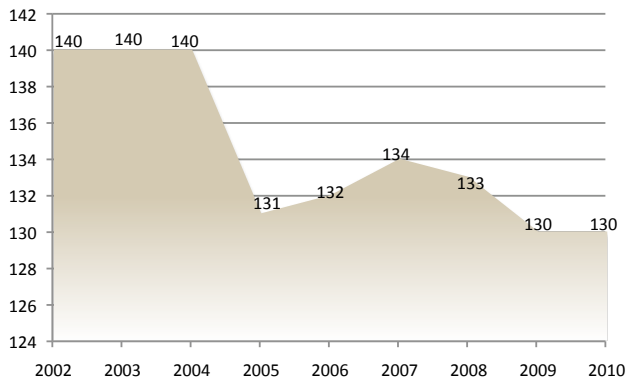
Transactions Closed:

- Significant drops from 2003 peak
- Historically low levels in both 2009 & 2010
- - 1,10% Y-oY drop recorded in 2010
- - 43% off peak of 2003



Home Prices:

- Slight but gradual YOY increase in average home price in the capital city, increases also on a national level.
- Price jumps can be attributed to limited housing supply
- +5,9% in Amsterdam 2010 vs 2009
- +3,11% Nationally 2010 vs 2009

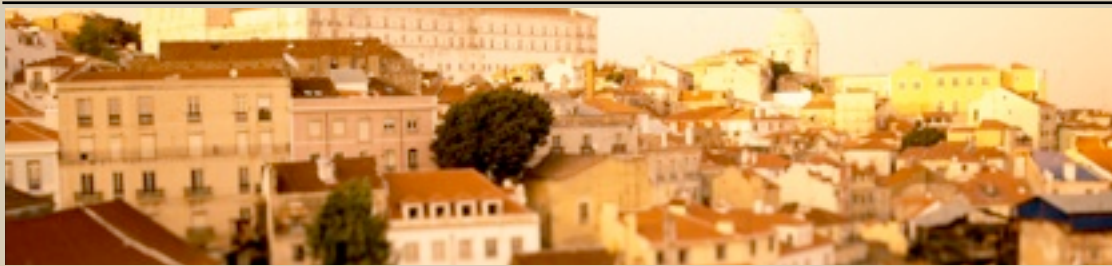


Days on Market:

- The number of days a listing remains on the market before it is sold stabilizes at 130 days
- Resulting in faster selling times in 2010
- Average selling time has shortened from a 2004 peak by -23%

ERA Portugal

Confidence in the residential real estate sector begins to wane as economic worries grow.



% CHANGE YOY

PORTUGAL	N° of Residential Transactions	Avg. Home Price/ Capital City	Avg. Home Price/ Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	+3,89%	+1.05	+2.73%	+8.33%	n/a	n/a	Seller	+12.5%
Trend 2011	Decrease	Decrease	Decrease	Increase	Decrease	Decrease	Seller	Unchanged

GENERAL ECONOMIC OUTLOOK

Portugal managed to avoid the 2009 international financial crisis; however, in 2010 significant negative impacts struck its economy. The official numbers (*source: INE - Portuguese Institute of Statistics*) even show a 1,4% GDP increase in 2010, after a 2,5% GDP decrease in 2009. Yet, as a result of convergence to this downturn, a general global economic situation, internal structural economic weaknesses were exposed within the country. Particularly during the second half of the year, this consequently provoked a fragile economic situation for the remainder of 2011.

The ongoing crisis has had a negative impact on Portuguese families' income and wealth as well as their future expectations, resulting in a hastening of both investment and consumption. By the end of 2010 there was a 10,8% unemployment rate and the indebtedness of the Portuguese government has currently reached €160.470 million, 94% of the GDP (*official source INE*).

TRANSACTIONS

Concerning the number of properties sold in Portugal, an increase was verified in 2010 compared to 2009. Transactions were up by 3,9%. According to the Portuguese official source (INE) in 2009 the number of properties sold, in Portugal, was 145.930 and in 2010 a total of 151.600 transactions were closed during that year.

PRICES

Contrast to other European countries, the speculative bubble in real estate was not strongly pronounced in Portugal, though a growing supply versus demand adjustment was confirmed during the last year. A slight increase in average pricing occurred in 2010 (versus 2009) as well as a positive growth rate of price per square meter (M2). The pricing averages in 2010 had

increased in nearly all quarters during the year (Q1 +3,6%, Q2 +2,9%, Q3 +0,4%, Q4 -2,2%).

Regions such as the Azores, Madeira and Algarve, where residential construction is associated with tourism, contributed most to the increase in the average prices nationally.

MORTGAGES

The higher the risk perception of the Portuguese economy, the more expensive it becomes for Portuguese banks for their funding operations in other markets. And the higher the price Portuguese banks will pay, to obtain credit abroad, the more they will have to increase the spreads of mortgages approved to people willing to purchase a house in Portugal.

Buyers are experiencing greater difficulties in obtaining mortgages, as restrictions are tighter and loan to values rates are now at a maximum of 80% (this ratio was up to 100% only two years ago). Loans are still difficult to obtain, particularly if the buyer does not have a significant down payment (a 20% minimum down payment is required today together with a good salary and employment history).

Nevertheless, mortgaged loans issued increased by 8,3% in 2010, versus 2009 (from €9.330 million in 2009 to €10.105 million in 2010).

OUTLOOK 2011

It is clear that the effects of the financial crisis are still playing out in the Portuguese housing market. Many uncertainties on the horizon allow for only a short-term view of the situation.

Information available thus far, however, indicates that the Portuguese market in 2011 has clearly weakened.

According to most recent data from the National Statistical Institute (INE), through June 2011 average property prices declined by 2,84% (nominal) to an average of €1128/M², based on bank evaluations on housing. When adjusted to inflation prices dropped by 6%. During this same period, average values in the capital city Lisbon, dropped by 4,7% and by 4,5% in the Porto metropolitan areas. New housing completions have declined (-13,2%) as well as new housing permits (-9,3%) through Q2 2011.

The mortgage rate in June 2011 stood at 2,34%; lower than recorded in the previous year.

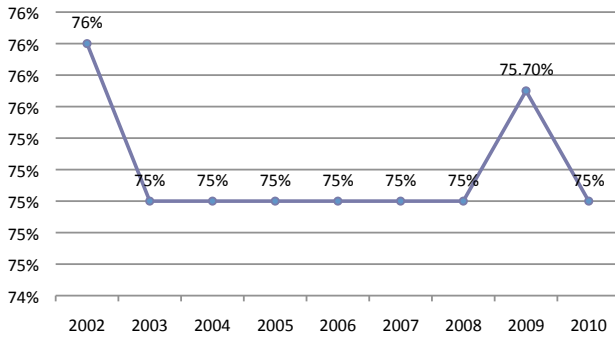
Today the Portuguese housing market faces weak demand, high unemployment (12,3% in August 2011) and a very depressed level of consumer confidence.

Currently, the IMF is in Portugal assessing the state of affairs regarding the Government debt.

TRENDS

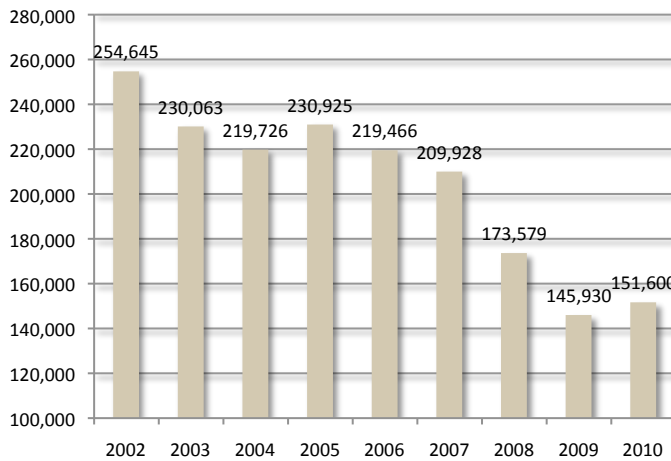
- Consolidation of real estate businesses into core real estate networks
- Private clients' growing need to search for real estate services to help sell their home
- Growing level of real estate industry market share
- Higher professionalism of the sector
- Increase in quality and enhanced service offered by real estate agencies.
- Real estate product differentiation based on factors such as location, construction quality, architecture, design and environmental efficiency
- Downward adjustment of sales prices
- Tighter restrictions on mortgage lending practices, higher margins assessed by banks on mortgage loans due to a growing risk of non-payment issues
- Increased demand for housing in the rental market
- Urban rehabilitation: implementation of public space improvement and historic centre.
- Shift from buying to renting pushed by IMF

Highlights - Portugal



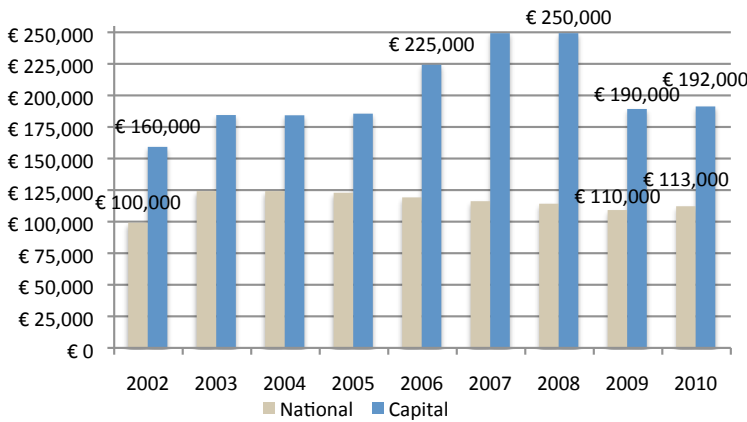
Homeownership:

- Homeownership declines slightly due to contraction of the market
- Modest downward adjustment to 75% from 75,70%
- A minimal but perhaps prescient indicator of times to come



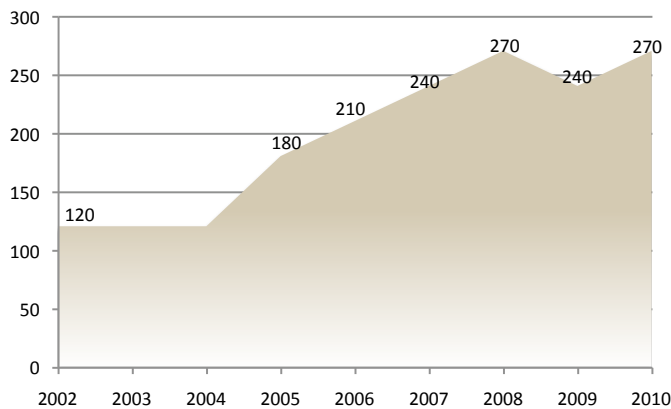
Transactions Closed:

- Significant drop in sales from 2002 peak
- - 40,47% off peak of 2002
- Historically low levels in 2009, with a slight recovery seen in 2010
- +3,89% YOY increase in sales recorded in 2010



Home Prices:

- Significant decrease in average home price in the capital city for 2010 vs. peak prices in 2008 of -23%
- Slight decline in prices on a national level 2010 vs. 2008 of -2%
- Prices +1% in Lisbon 2010 vs 2009
- Prices +2,7 Nationally 2010 vs 2009
- Downward trend in national prices recorded thus far in 2011, -3% nominal, -6% when adjusted for inflation



Days on Market:

- Increased number of days a listing remains on the market before it is sold to an average of 120 days
- Up by 8,3% from 2009

ERA Romania

GDP contracts for another consecutive year, market remains sluggish with activity primarily in low end of market, the 2011 is expected to stabilize.



ROMANIA	N° of Residential Transactions	Avg. Home Price/ Capital City	Avg. Home Price/ Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	-11.90%	-1.20%	-3.45%	-5.00%	n/a	n/a	Buyer	-5.26%
Trend 2011	Decrease	Decrease	Decrease	Decrease	n/a	n/a	Buyer	Decrease

ECONOMIC OVERVIEW

Romania's economy was one of the most effected, in Central and Eastern Europe (CEE), by the global crisis. While most of the economies in CEE showed initial signs of recovery towards the end of 2009 and rebounded to varying degrees in 2010, the Romanian economy continued to contract.

In 2010, Romanian GDP fell by 1,2% following a sharp contraction of 6,9% in 2009. However, the decline appears to have bottomed out and a gradual recovery is expected in 2011. Despite Romania's weak domestic demand (household consumption fell by 1,7% in 2010, primarily as a result of continuing wage cuts and VAT increase), industrial production grew by over 5% in order to meet the needs of its trading partners. Also, the increasing external demand is expected to bolster exports and thus contribute to an overall GDP growth of at least 1,3% in 2011. However, Romania's GDP growth rate in the years ahead are expected to come in below levels recorded between 2000 and 2008, reflecting the fact that foreign capital inflows will be lower.

Unemployment rate, government reform brought good results in the beginning of 2011: In line with the positive expectations for the economy as a whole, the employment expectations have increased for both employers and employees. The unemployment rate fell to 5,9% in March this year as the labor market is rebounding with increases in competitiveness following the implementation of the government's labor reform.

Inflation – still a major problem: In March 2011, Romania registered the largest increase in the annual inflation rate within the EU. The inflation rate reached 8% after increasing 7,6% the month before. The significant increase was largely due to the effects of last year's VAT increase and the 8,8% growth in food

prices. If the inflation rate does not begin to ease and fall once the impact of the VAT increase dissipates, the central bank may be forced to keep its relatively high 6,25% interest rate. Maintaining a high interest rate would hamper recovery in domestic demand and add pressure to government bond yields.

HOUSING SUPPLY

The Romanian residential real estate market did not show much progress in 2010. The continuing economic crisis has limited the number of newly launched projects on the market and has increased the stock of units completed and unsold. Romanian developers are currently focused on their ongoing projects and since discouraged by the market response, have decided to stop or postpone future investments. Very limited construction activity was observed in Bucharest and Constanta, dominated by financially independent developers. The current market offerings, despite the dramatic price falls in the last two years, continue to be unattractive for the domestic market – both because of the size (usually too large for the customers' needs) and the price of the units offered. Therefore the extension of the government's First Home program into 2011 represents a vital opportunity for market development. However, due to the low activity and pessimistic attitude of the Romanian construction and development companies and the mortgage market nearly at a standstill, the major beneficiary of the program was the secondary market - dominated mainly by small units in old pre-1989 year stock. More than half of the units available for sale were dominated by low quality residential properties.

According to figures of National Statistical Institute of Romania, the number of construction permits has continued to decline on a national level, slightly exceeding 40.000 buildings at the end of 2010. The

number of completed dwellings has declined as well, registering a 22% fall in 2010 compared to 2009 activity, and reaching a number of 48.812 at the year end.

MORTGAGES

Financing continues to be the key factor impacting market dynamics; however, it does not yet offer positive development prospects. The weak performance of mortgage lending at the end of 2010 continues into 2011. Although financing costs have slightly decreased in the final months of 2010, they have remained high especially for mortgage loans, denominated in local currency, at an average of 11% in 2010. These high rates combined with strict credit standards resulted in weak lending activity, supporting primarily the secondary market under the Prime House program, rather than new developments. Thus the residential market in 2010 was foremost supported by a certain group of cash buyers, who still constitute a large portion of the demand.

In the last months of 2010 and the beginning of 2011, the credit lending institutions have started to loosen their credit standards and reduced the overall mortgage rate. Mortgage rates for Euro-denominated loans have stabilized around 6% and the rates for loans granted in RON were reduced to 9,7% in the first quarter of 2011.

TRANSACTIONS

Current market offerings continue to be unappealing due both to their price level and to their size and structure. Most new units are large and totally unaffordable. New, smaller and reasonably priced developments could be very competitive on the market in the current moment. However, due to the lack of such new developments, the price has become the dominant driver and nearly 70% of the residential transactions represented sales of low-quality, low-priced units.

The total number of transactions has dropped further by 12% on an annual basis to a new record low level of 311.000 transactions.

With the mortgage market slightly improving, the extension of the government programs in 2011 and wise price-adjusted developments, the market could stabilize and even improve in 2011. However, past construction activity resulting in many unfinished residential units creates a heavy burden for today's market.

PRICE TRENDS

A further drop in prices continued in 2010 and into early 2011, however at a much slower pace than in 2009, declining annually by 1 to 3% on a national level. This implicit trend in the last two years suggests a stabilizing price level. Current market prices have

started to show signs of stabilization close to the level of 2006-2007. The same movement has been followed across the various regional markets in the country, without any outstanding exceptions. Constanta and the regional centers appeared to be the most stable and best performing in 2010.

The largest drop in market prices came from the middle to high-end market, where developers were very reluctant to reduce prices. However at the end of the second year of highly restricted activity, the market players began to seek ways to adapt to the market needs. As a result, high-end properties in the range of €3.000 to €4.000/m² are virtually nonexistent and are now limited to levels of around €1.800/m². The low-end housing market has remained stable and experienced only modest price decreases.

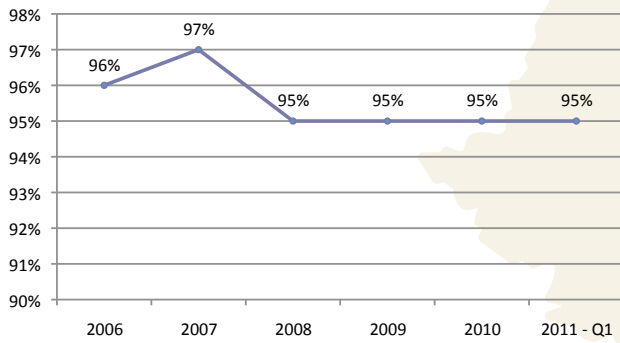
The average price nationally for a dwelling in 2010 has stabilized in the range of the €50.000 to €60.000. In Bucharest, the capital city, average prices continue to provide a 30% to 40% premium over the level nationwide, stabilizing at around the €80.000 to €85.000 level.

OUTLOOK

2011 will be a year of stabilization, adaptation to market conditions and closure of the gap between current supply and demand. In terms of supply, new developments will emerge most likely in 2012-2013. More flexible and price-adjusted offers are expected to emerge. The government program that has been supporting the market in the last years, although extended in 2011, will offer smaller volume and therefore future market development will be in the hands of the private sector. The mortgage market will need more time to become an active market driver and therefore flexibility will emerge as a key success factor in the year to come.

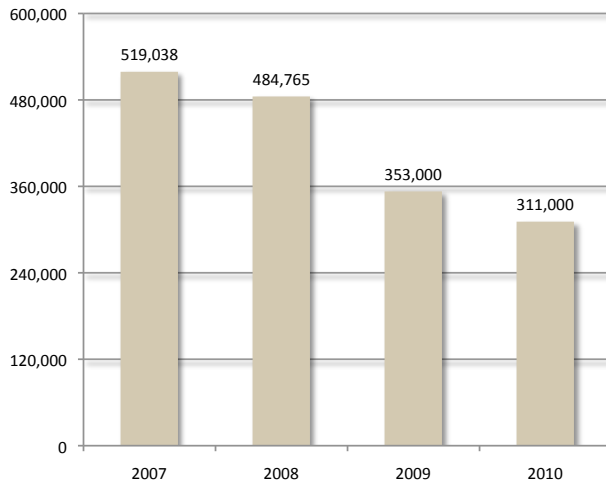
Buyers' confidence in the market has improved in the last quarter of 2010, in line with the relatively good economic prospects and expectations for the country as a whole and the decreasing unemployment rate. Prices have stabilized and lending market conditions have slightly improved, which bolsters this positive outlook. The total number of transactions closed in 2011 is expected to attain 2010 levels and maybe even surpass this annual figure.

Highlights - Romania



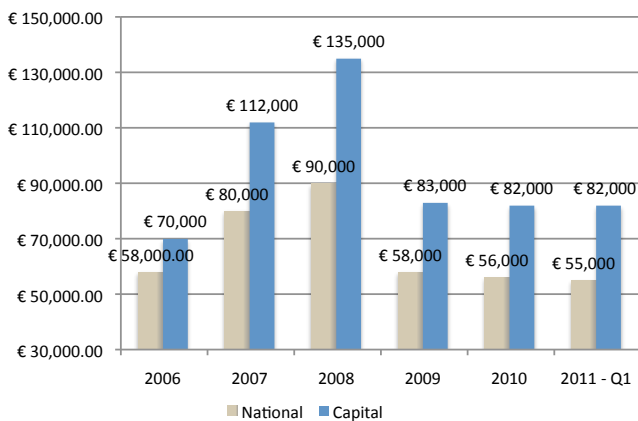
Homeownership:

- Homeownership remains stable
- 95% rate is one of the highest in all the EU countries



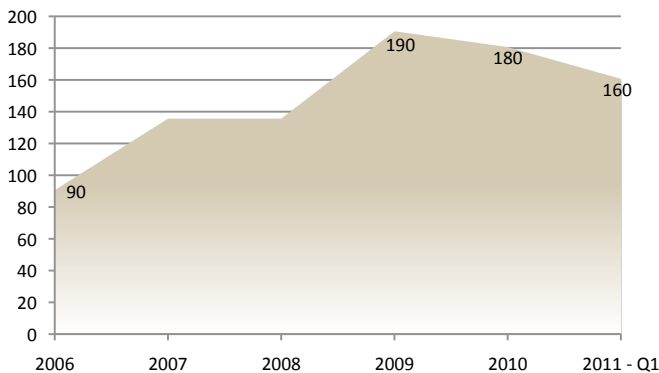
Transactions Closed:

- In 2010 transactions closed declined by -12%
- Represents a -40% drop off peak transactions in 2007
- Figures for 2011 not yet available, however indications are that market will remain flat with a possible continued downward trend in 2011 in the number of homes sold



Home Prices:

- Slight but gradual decrease in average home price in the capital city, continued drops on a national level
- Available figures suggest no change in sales prices in the capital city of Bucharest 2010 vs 2009
- Nationally 2010 vs 2009 records a modest decline in sales values



Days on Market:

- 2011 shows a decrease in the number of days a listing remains on the market before it is sold to an average of 160 days
- Or an 11% faster selling time in Q1 2011
- Confirms a gradual decline for the past 18 months
- Signals sellers' willingness to adjust sale price to a new reality of lower values

ERA Sweden

A steady housing market reflects the general good health of the Swedish economy, prices stable and on the rise.



% CHANGE YOY

SWEDEN	N° of Residential Transactions	Avg. Home Price/Capital City	Avg. Home Price/Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
2010 vs 2009	-8.87%	+7.0%	+5.5%	30.00%	3.65%	0.00%	Seller	-30.00%
Trend 2011	Decrease	Increase	Increase	Increase	Increase	Unchanged	Seller	*Decrease

*DOM 40 to 100 depending on location ei: Stockholm vs. rural areas

GENERAL

2010 was a reasonably good year for residential brokers in Sweden, primarily due to the strong recovery in the Swedish economy. The outlook for the central state budget and public finances are very favorable. Despite troubled times in Europe, Sweden currently has sound finances and the Swedish economy is stable and enjoys significant surpluses. This outcome has had a direct positive affect on Swedish households and led to a revival in the residential housing market, even though interest rates rose during the year.

The majority of Swedes live in owner occupied housing. The proportion of homeownership in 2010 is about 74% and remains unchanged compared to 2009. Low mortgage interest rates and taxes have played a significant role in the high level of homeownership.

The propensity to own a home combined with financial incentives and benefits have been the major factors driving this high percentage of homeownership. During the last few years we have also seen increased interest in buying a home through a condominium conversion. A condominium conversion or 'condo conversion' is the process of allowing an income property presently held under a single ownership title, which is then converted from sole ownership of the entire property (which is often a multi-unit property), into individual units as condominiums. Such entitlement is generally derived from approvals granted by state/provincial and/or local municipal authorities (and often other relevant agencies, such as conservation authorities).

In 2009 the number of households was 4,447,025, this figure has risen to 4,628,000 by year-end 2010, an increase of 4,07%. The average persons per household remains unchanged from the previous year, is 2,03 individuals. The average age of a homeowner/buyer ranges between 45 to 65 years old, but due to the low

mortgage interest rates at the moment, younger people have also been empowered to become first time homeowners, this to an ever increasing extent.

The number of real estate agents was 6,667 in 2010 (6,432 in 2009), an increase of 3,65%. These agents were distributed over a total of 2,500 broker offices. The offices are divided between about 1,000 owners/entrepreneurs. The 10 largest real estate agencies have between 20 and 80 employees. Two-thirds of all agencies have 2 or less people employed. Recent trends show major agencies securing a larger share of the total market. This allows for both marketing and cost efficiency advantages. These advantages have driven smaller agencies together and to collaborate in a quest to become more cost efficient to better compete. On average, 86% of house sellers and buyers use a registered broker when trading homes. In Stockholm the number is as high as 92%. Statistic shows that using a broker results in an 18% higher sales price.

REAL ESTATE TRANSACTIONS

The number of closed transactions in 2010 was 151,695 compared to 166,469 closed transactions in the previous year (2009) an 8,87% YOY decrease. Internet is the major marketing channel when selling or buying a property in Sweden. The most common web portal for residential real estate is www.hemnet.se. Approximately 90% of apartments involve a trade through the Internet. The number of properties on the Internet is at the moment around 17,000. For 2011 we anticipate either an unchanged or small increase in the number of properties for sale.

PRICES

During the second half of 2008 due to the worsening economic situation, the Swedish Central Bank decided to lower interest rates. Throughout 2009 the interest rate has been at a historic low level, approximately 2 percent. More recently, during 2010, interest rates have increased in correlation with the strong recovery in the

Swedish economy. Housing prices during 2010 rose moderately. Prices during the 12-months of 2010 on average rose nationally by:

- Apartments increased: 7%
- Houses increased: 3%

The average home in Stockholm was sold for €384.615 in 2010

MORTGAGES

The average Swedish buyer has a good and stable income situation, nevertheless, banks in Sweden have become more restrictive with their lending and they are now requiring a higher capital investment and an amortization of loans exceeding 75% of the property value.

For the balance one needs to either pay cash or offer other property as security. The normal repayment period is between 10 to 20 years with almost no installments on the first mortgage loans. As a buyer, typically one can choose between fixed and variable rate. The normal range for a fixed rate loan is between 1 to 5 years but sometimes longer. Today, it is more common to fix the rate for a shorter period such as 2 years, compared to the last decade where a 7-year fixed rate loan was a more standard time frame. The current (2011) mortgage rate for a 2-year fixed rate is 3,93%, a 5-year fixed rate 5,25%, a 10 year fixed rate 5,65% and the variable rate 3,93% (April 2011).

ERA Sweden launched its own house mortgage in 2008, a product that is unique on the Swedish market. "ERA house-mortgage" offers substantial competitive advantages.

OUTLOOK/TRENDS 2011

Housing has been identified as a segment with good prospects in the coming years. The bottom of the Swedish property market has been reached and an upward cycle has taken hold. The average price for a house nationally has now surpassed € 218.617 (2 million SEK). At the start of the year prices increased by 1% during each of the last three months (February – April 2011) compared with the previous period (November - January 2010). If we look back on progress on an annual basis, December 2010 - February 2011 compared with December 2009 - February 2010, we see that the housing prices increased across all regions in Sweden. The average price increase during the period was 3%.

Therefore 2011 was a more stable market overall and we anticipate prices to remain unchanged or to moderately rise. Bank economists expect the Swedish Central Bank to raise the prime lending rate to 2,5% by the end of 2011 and then another increase to 3,25% is anticipated by 2012. Forecasts indicate that the figures for new house construction during year 2011 will increase compared to 2010. The new form of

ownership referenced within this report of condominium conversions (apartments with similar ownership as houses), may contribute to a positive sales trend in the future. However, this is yet to be seen.

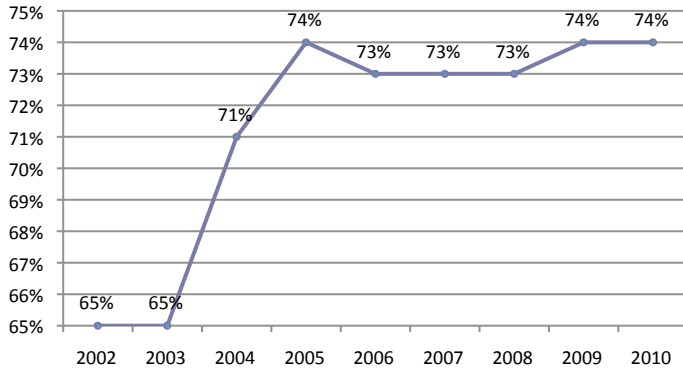
We anticipated during 2011 banks would become more restrictive with their lending practices. This became a reality, as a result of this, and as the year comes to an end, we can confirm price trends that have remained relatively flat (nationally) or have moderately increased (capital city) in 2011 compared to 2010. There was a limited selection of properties for sale during the first months of 2011 but from April forward the supply increased significantly, adding to the slight downward pressure on prices. The number of transactions closed during the period of January to October 2011 are almost exactly the same compared to the same period last year (2010).

Prices during the last 12-months period (November 2010 – October 2011 (nationally):

- Apartments decreased: -1% (Capital City: +4%)
- Houses decreased: -2% (Capital City: -1%)

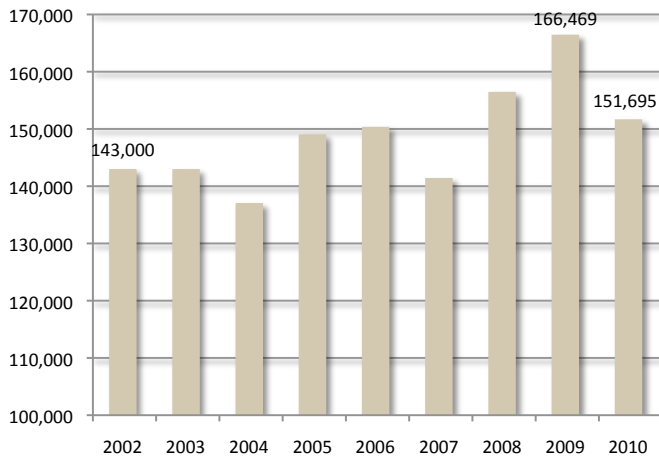
Supply and demand remain relatively well balanced in this housing market.

Highlights - Sweden



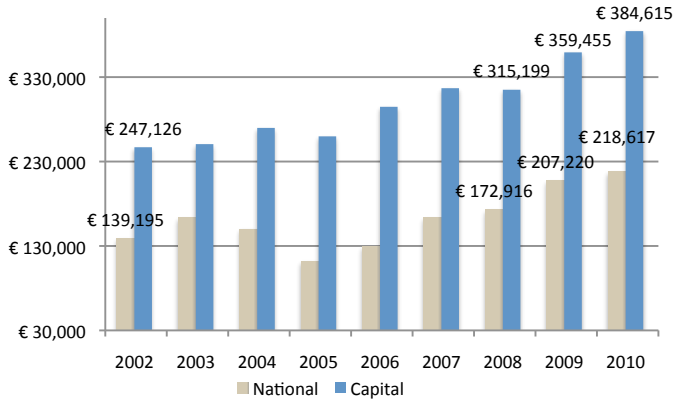
Homeownership:

- Homeownership stabilizes
- At 74% is just above the EU average



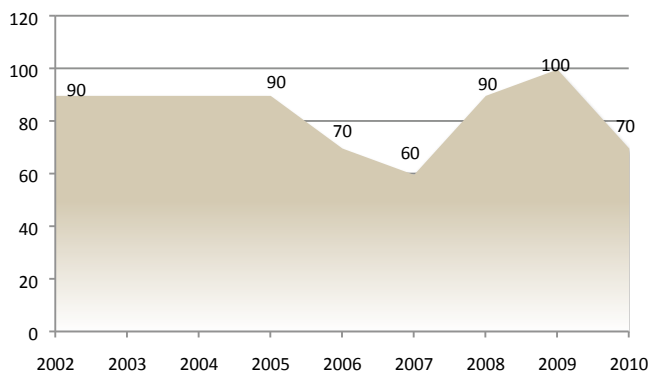
Transactions Closed:

- Due to limited supply, transactions in 2010 closed declined by -8,87%
- In stark contrast to the rest of Europe, Sweden had a record year in 2009
- Transactions levels for 2010 nevertheless remain in line and healthy when compared to the prior 8 years.



Home Prices:

- Continued upward increases in average home price in both the capital city and on a national level in 2010
- +7,0% Stockholm 2010 vs 2009
- +5,5% Nationally 2010 vs 2009
- 2011 results in a more modest upward trend of +4% in Apartments in Stockholm; -1% nationally, and a slowing trend in house prices in both Stockholm and nationally of -1% and -2%, respectively (Q3)



Days on Market:

- Number of days a listing remains on the market before it is sold declines in 2010 to an average of 70 days
- Faster selling times by 33% in 2010
- Average selling times vary greatly between the city of Stockholm and rural areas, ranging from 40 to 100 days in 2010, respectively

ERA Switzerland

Stabile housing market, sideward price movements, crisis free & resilient



% CHANGE	Switzerland	N° of Residential Transactions	Avg. Home Price/Capital City	Avg. Home Price/Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
	2010 vs 2009	0.00%	+0,39%	+0,38%	+17.07%	0.00%	0.00%	Seller	17.65%
Trend 2011	Unchanged	Increase	Increase	Increase	Unchanged	Unchanged	Seller	Unchanged	

GENERAL

The Swiss economy was fairly robust during the year 2010 and strengthened even further in 2011. After dipping into negative territory in 2009 (1,9%) the crisis year, GDP grew by 2,6% in 2010 and is forecasted to grow by 2,7% in 2011. The real estate and construction sector in Switzerland represents a total of 15% of all full time employees. So this sector is a significant contributor to the overall Swiss economy. The unemployment rate stood at 3,6% in 2010 and is forecasted to decline further to 3,2% in 2011.

The Swiss population has grown on average 0,8% per annum during the past 10 years, a trend that has accelerated in recent times (source: Credit Suisse). The net population growth has been concentrated in the urban centers and suburban areas and contracted in the rural, outlying regions. These trends have had an affect on housing prices. The Lake Zurich and Lake Geneva areas have been the beneficiaries of this inward migration, which has resulted in a corresponding upward pressure on housing prices. This inward migration trend to rural areas is expected to continue in the near future, but slow slightly to an estimated pace of 0,7% per annum.

An unusual feature of the Swiss housing market is the organization of the cantons, which for the most part operate independently of each other, including varying corporate tax structures. Because both employees and movement of capital is very mobile, the tax burden of any one canton can be a very important driver on where a company may choose to locate. This in turn affects where homeowners may choose to purchase. Areas with high corporate tax burdens may also enjoy a low cost of living. So these varying factors play a clear role and have a direct influence in the housing market as well, including supply/demand issues and pricing.

PRICING

There was a continuous sideward trend in home pricing from the end of 2008 through 2009. In 2010 only negligible increases were reported; in the first months of 2011, however, prices began a more important upward price trend rising by 3,3% for a single-family home and for condominiums by 3,6% (SWX IAZI Real Estate Price Indices). It is important to note that both condominiums and houses enjoyed significant increases during the past six to seven years of 25% and 30% (land value included.) The tendencies for condo prices are expected to continue to drop modestly throughout 2011 and for single-family properties to rise; thus a continued sideways price movement on the national level, is anticipated again for 2011. The average price of a condominium in Switzerland is CHF 5.860/M2 and for a single-family home CHF 6.475/M2. It is important to note that both condominiums and houses enjoyed significant increases during the past six to seven years of 25% and 30% (land value included).

TRANSACTIONS

It is estimated that a similar number of residential transactions closed in 2010 as in 2009, for a total of 50.000 closings. Building activity has been very intense over the past several years. During the past five years alone an average of 40.000 new housing units were built annually. In 2010 there was an increase of 2,4% in new construction activity. The number of building licenses issued were for 49.000 units in 2010, a drop of 5,6% over the previous year. These units were comprised of 23% single-family homes, 42% condominiums and 35% rental properties. As prices reached maximal levels in the city citers, a shift in transaction activity was observed in the municipalities with less than 10.000 inhabitants where sales improved, while the metropolises of Berne, Zurich, and Basel reported decreases. One can also see a direct correlation between the types of units sold and interest rates. As rates decline, sales of condominiums

improve; in contrast as rates increase the rental units become more popular.

Immigration amounted to 60.000 people in 2010 and remained at a similarly constant level as seen in 2009. As mentioned already, this influx of new citizens has a positive affect on the housing market and is a source of new demand. Thus the market is well supported by immigration, especially given that the immigrant profile is generally very well educated and wealthy.

The level of residential vacancies rose slightly compared to 2009 and amounted to 0,94% or an increase of 0,04%. The canton of Geneva exhibits the lowest vacancy rate and the canton of Jura has the highest number of residential vacancies.

Approximately 53% of Swiss households' total assets were invested in real estate in 2010. This corresponds to an increase of 10% in comparison to the previous year. The main reason attributed to the increase is the decline in value exhibited by other investment categories. Precisely in times of crises, real estate has proven itself to be a positive investment opportunity.

MORTGAGE RATES

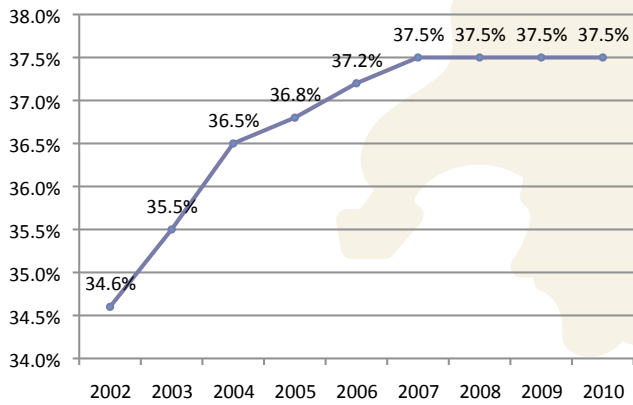
The mortgage situation in Switzerland remains very attractive for now. Adjustable rates remain low, in 2010 at 2,4% (2,74% in 2009). These are the lowest rates seen since the year 1850. Mortgage rates are one of the most important factors driving residential demand in this market. The demand for loans increased again

in 2010, during this time there was a partial relaxation of qualifying criteria. Today a 20% down payment is required to obtain a fixed rate of 5%, and the loan amount cannot exceed 33% of the applicant's wage. Rates are expected to climb in 2011, due to both internal and external stress factors. These pressures may include more severe controls imposed by regulatory authorities and general concern about the Euro zone debt crisis.

OUTLOOK 2011 and BEYOND

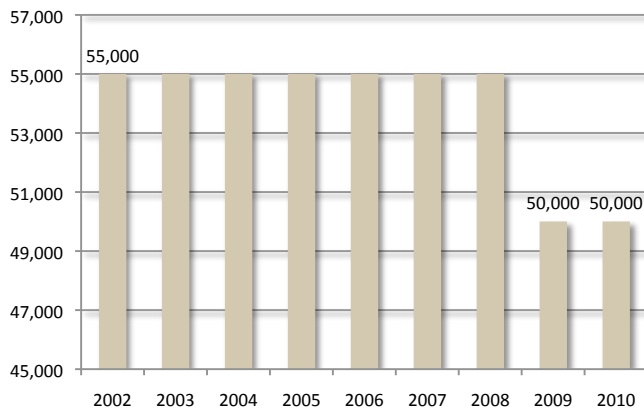
Overall, as in 2009, the 2010 Swiss residential real estate market proved to be extremely resilient. Especially when compared to its southern neighbors, no outward signs of a crisis were visible. This stability is expected to continue throughout 2011. The continued sideways movement of prices is a trend that is probable to continue to play out through year-end. The anticipated upward movement in interest rates could push some homeowners to their limits and might have a dampening affect on activity, especially if repossessions occur and bank owned properties are placed back on the market. Banks are also coming under increased pressure from regulators (the Swiss Financial Market Supervisory Authority - FINMA) to increase their 'buffers' against bad loans, and will require them to increase minimum equity levels. This factor may limit or at least constrain the number of mortgage loans offered. The market will continue to rely on the influx of immigrants to bolster transaction levels.

Highlights - Switzerland



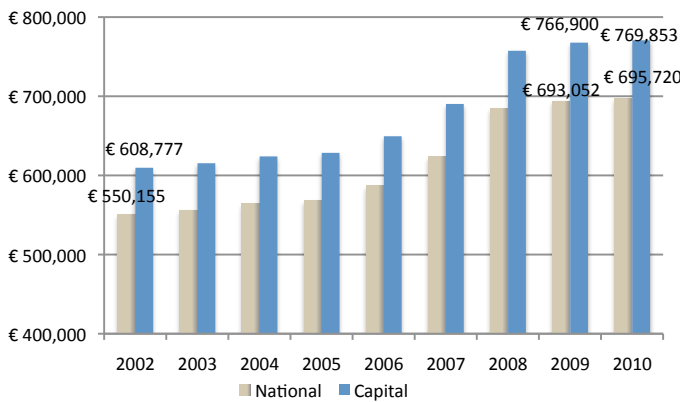
Homeownership:

- Homeownership stable
- One of the lowest rates in Europe at 37.5%



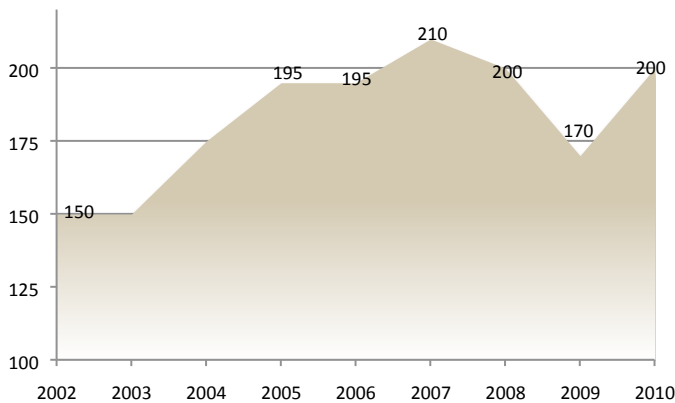
Transactions Closed:

- Transactions remain constant at about 50,000 closings annually
- These are estimates only as compilation of figures on a national level are not done due to the independent administrative nature of each of the Swiss cantons



Home Prices:

- Slight YOY increase in average home price in the capital city, and on a national level
- +0,38% in Bern 2010 vs 2009
- +0,39% Nationally 2010 vs 2009



Days on Market:

- Increased number of days a listing remains on the market before it is sold rises to an average of 200 days
- Up by 15% from 2009

ERA Turkey

Continued normalization and strengthening of the market in 2010: Mortgage rates remained at historic lows. Gap between supply and demand shortens, indicating strong growth potential into 2011.



% CHANGE YOY	TURKEY	N° of Residential Transactions	Avg. Home Price/Capital City	Avg. Home Price/Nationally	Mortgage Rates	Number of Brokers	Total N° of Broker Offices	Buyer or Seller Market	Average Days on Market
	2010 vs 2009	-32.80%	+2.37	+2.5%	-21.05%	+15%	+30%	Buyer/Seller	-33.33%
	Trend 2011	Increased	Increase	+6% (Q2)	Decrease	Increase	Increase	Buyer/Seller	Increase

GENERAL

Despite being affected by the global crisis in late 2008 and early 2009 Turkey's real estate sector remained one of the safest market segments for investors in 2010, due to reasonable asset prices and responsible actions on the part of financial institutions.

The Turkish construction sector and the real estate market transitioned into a growth phase in 2010 and significant improvements were made in terms of launching new projects and mortgage loan placements in the housing sector.

International surveys show increase of both local and foreign investor interest in the Turkish real estate sector and also gained prominence due to noteworthy developments in its economy. Such developments include the decrease in inflation to reasonable levels, the achieving of price stability, the transition to the New Turkish Lira and political developments, such as its European Union candidacy.

Based on results of Emerging Trends in Real Estate Europe (Urban Land Institute and Price Waterhouse Coopers, 2009) Istanbul is ranked as the third most attractive real estate investment market among all European Cities, after Munich and Hamburg.

RESIDENTIAL REAL ESTATE

According to GYODER, the Housing sector in 2010 could be summed up as: gradually accelerating housing operations throughout the year due to economic recovery, increase in consumer confidence, low interest rates and high lending appetite of the banks, development of new housing projects and the expansion in cross-border contracts.

According to recent studies on housing needs, supply does not currently meet demand. However, this is due

to the fact that the number of housing units constructed legally is insufficient to accommodate buyer demand. Colliers states that the shortage is mostly due to unlicensed construction, a common feature of the sector in Turkey. As a result of this probable deficit in supply, growth can be expected in the construction of higher quality structures that will most likely result in increased housing prices.

Turkey's housing requirement as of today is about 2.5 million for renewal/conversion projects or quality house production projects. Due to population growth and urbanization, Turkey will require an additional 5.5 million housing units by 2015. Added to the existing housing shortage this represents a requirement of more than 500.000 new housing units to be constructed each year.

Furthermore, with a growing economy and rapid urban expansion there is a need for commercial buildings, such as plaza buildings with residences. Likewise a demand for more shopping malls and retail establishments will drive construction in this sector, as consumer spending is consistently increasing.

PRICES AND TRANSACTIONS

Residential rental prices had reached their lowest point in the first quarter of 2009. In 2010, house prices and rental properties improved modestly by +2%. House prices were at affordable levels for purchase, so the increase in housing demand was in line with the recovering economy in 2010. Though the number of transactions recorded dropped rather dramatically this is attributed to delays in the registration process, and signs of the correction have already been observed thus far into 2011. Moving forward to the second quarter of the year 2011, home sales nationwide increased by 17.8% over the first quarter, totaling 107.308. After five consecutive quarters, home sales,

once again, exceeded 100.000 units. Home sales in Istanbul reached 22.343 in the second quarter. Home sales in cities other than the three big cities are also on the rise. With regards to home sales, these cities observed their largest increase in the last eight quarters.

MORTGAGE RATES

According to research conducted by the association of Real Estate Investment Companies; the number of issued mortgages increased rapidly following the decrease in loan rates. Today, mortgage rates remain at historic lows. The decreasing trend of mortgage interest rates seen in the previous four quarters was sustained in the last quarter of 2009 and through the first quarter of 2010. Monthly interest rates on Turkish Lira house loans had been reduced to around 1.25%-1.30 % (monthly) in the second half of 2009, down from 1.89% reached in November 2008. Starting August 2010, some banks have reduced their monthly interest rates below 1%. However, a further decrease is not likely at this point. These recent adjustments in rates had a positive affect on sales and the real estate sector in the period that ensued.

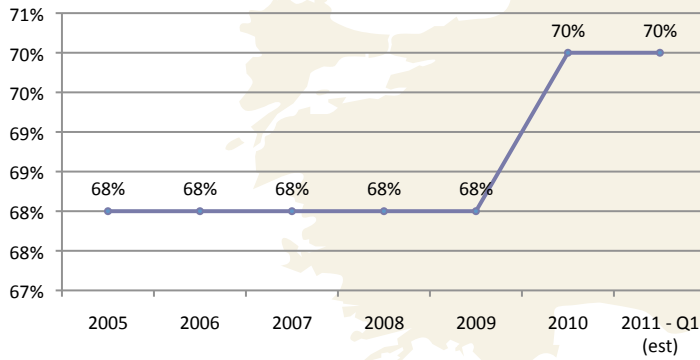
Now, with house prices undervalued by European standards, strong population pressures, a growing tourism industry and low interest rates on housing loans, sales volumes are growing rapidly. The anticipation is a 10% increase in construction permits and a 20% increase in mortgage credit over the next year. The anticipated volume of mortgage credit is expected to reach nearly 68 billion Turkish Liras in 2011.

OUTLOOK 2011

It is anticipated that 2011 will be a positive year for the real estate sector in Turkey. Looking forward, the real estate market in Turkey demonstrates possibilities for vast growth as a network, an income generating industry and high profit margins in general. The expectation is a steady rise in property prices in the range of 6 to 8% and rentals in the domestic real estate market. Thus far (October 2011) the index *Reidin* is reporting a 6,22% increase in prices nationally over the previous year.

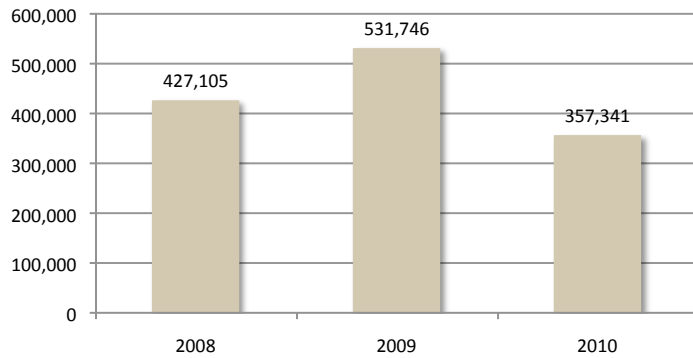
The brokerage market remains for the most part unregulated. There are significant challenges as well as immense potential for brokers. Though statistics illustrate that using a broker results in a faster sale and higher sales price, on average, only 30% of house sellers and buyers use the services of a registered broker. Therefore, a considerable number (70%) of Turkish properties are still sold by the owner. ERA Turkey is determined to take advantage of all the opportunities in the market and expand in a rapid rate.

Highlights - Turkey



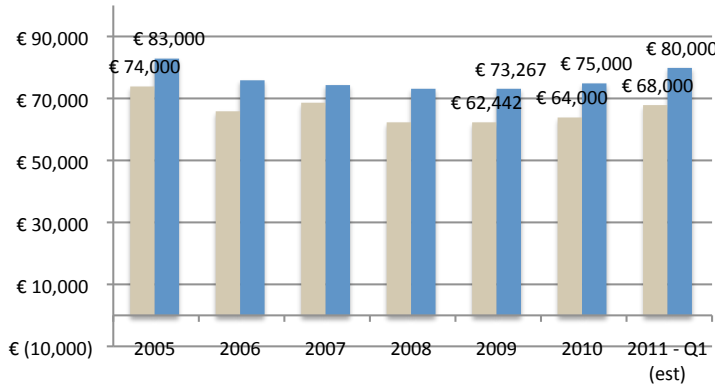
Homeownership:

- Homeownership Rises to 70%



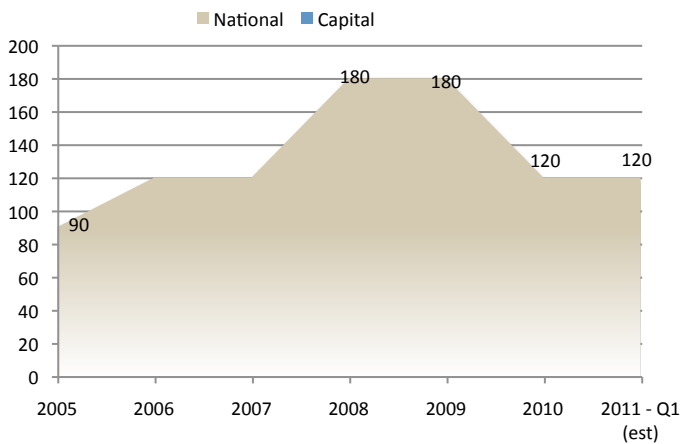
Transactions Closed:

- Transactions decline in 2010 to lowest levels in three years
- This primarily due to backlog in property deed registrations, that should appear in 2011 figures
- The may result in artificially high sales numbers in the first semester 2011.



Home Prices:

- Slight YOY increase in average home price in the capital city, and on a national level Q1 2011
- +7% increase Q1 in 2011 in Istanbul
- +6% Nationally Q1 2011



Days on Market:

- Listing time drops in 2010 to 120 days
- Remains constant through Q2 2011
- Up by 15% from 2009



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