ERA® EUROPE

Leaders in Residential Real Estate

ERA®

Market Trends
2009 vs 2008 & Outlook
www.eraeurope.com

2010

ERA® EUROPE

RESIDENTIAL REAL ESTATE MARKET TRENDS

Interim Market Review: 2009 Results & Outlook for 2010
Date of Publication: June 2010

This is the first edition of the ERA Europe Market Trends Report, and one of two reports that will be published annually by ERA Europe. Within this report we offer a comprehensive and up to date perspective on the status of the residential real estate market in Europe by comparing 2009 to 2008 results as they are available. In addition we offer insights into the trends of the first quarter 2010 and perspectives for the future. ERA Europe Master Franchise managers set forth country statistics (available upon the publishing date) from reliable sources such as governmental statistical offices, bank and mortgage institutions, and equally as important, analyze trends based on information from their respective ERA networks of brokers and agents. 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 an EU level, it is far from truly being achieved. Therefore the expertise of our Country Managing Directors and their keen market insights help bring perspective and balance to each market overview.

The ERA Europe network was founded in France in 1993 and today has grown to 18 European countries with approximately 1.100 agencies. This report includes only 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; both buyers and sellers of residential real estate. Only then can complete trust be established between all parties involved in realizing a transaction and our goal of creating enduring, fruitful relationships with our customers be fulfilled.

Team ERA Europe

Contacts

ERA EUROPE
120 University Park Drive,
Suite 285
Winter Park, FL 32792 USA
Tel: +1 407 657-7992
Fax: +1 407 551-2031
info@eraeurope.com
www.eraeurope.com

François Gagnon
President
francois@eraeurope.com

Kathy Auclair
Master Franchise Development
kauclair@eraeurope.com

Hélène Gagnon
Chief Financial Officer
hgagnon@eraeurope.com

Paul Van den Putten
Development
paul@eraeurope.com

ERA AUSTRIA
Gmunden, Austria
Tel: +43 7612 64420
Fax: +43 7612 64430
info@era.at
www.eraaustria.com

ERA BELGIUM
Aartselaar, Belgium
Tel: +32 3 227 41 85
Fax: +32 3 227 41 82
info@era.be
www.era.be

ERA BULGARIA
Varna, Bulgaria
Tel: +359 52 66 13 00
Fax: +359 52 66 13 15
info@erabulgaria.com
www.erabulgaria.com

ERA CYPRUS
Famagusta, Cyprus
Tel: +357 23 816 444
Fax: +357 23 725 263
info@eracyprus.com
www.eracyprus.com

ERA CZECH REPUBLIC
Prague, Czech Republic
Tel: +420 224 83 59 52
info@era-reality.cz
www.era-reality.cz

ERA FRANCE
Versailles, France
Tel: +33 1 39 24 69 00
Fax: +33 1 39 24 69 01
info@erafrance.com
www.erafrance.com

ERA GERMANY
Duesseldorf, Germany
Tel: +49 211 440 37 680
Fax: +49 211 440 37 689
info@eradeustchland.de
www.eradeustchland.de

ERA GREECE
Athens, Greece
Tel: +30 210 322 2254
Fax: +30 210 322 2257
info@eragreece.com
www.eragreece.com

ERA IRELAND
Dublin, Ireland
Tel: +353 1 89 01 722
Fax: +353 1 89 01 723
info@eraireland.com
www.eraireland.com

ERA ITALY
Milano, Italy
Tel: +39 02 393 59 491
Fax: +39 02 393 59 441
info@eraitaly.com
www.eraitaly.com

ERA LUXEMBOURG
Luxembourg
Tel: +352 40 38 981
Fax: +352 40 37 9750
info@eraluxembourg.com
www.eraluxembourg.com

ERA NETHERLANDS
Utrecht, The Netherlands
Tel: +31 30 289 9900
Fax: +31 30 287 1109
era@era.nl
www.era.nl

ERA PORTUGAL
Lisbon, Portugal
Tel: + 351 213 600 150
Fax: +351 213 600 159
info@era.pt
www.era.pt

ERA ROMANIA
Bucharest, Romania
Tel: + 359 888 25 83 94
Fax: + 359 887 94 2217
info@eraromania.com
www.eraromania.com

ERA SPAIN
Alcobendas (Madrid), Spain
info@eraspain.com
www.eraspain.com

ERA SWEDEN
Stockholm, Sweden
Tel: +46 8 442 88 80
Fax: +46 8 442 88 89
info@erasweden.com
www.erasweden.com

ERA SWITZERLAND
Dübendorf, Switzerland
Tel: +41 448 821 004
Fax: +41 448 821 005
info@eraswitzerland.com
www.eraswitzerland.com

ERA TURKEY
Izmir, Turkey
Tel: +90 232 445 14 28
Fax: +90 232 445 14 28
info@eraturkey.com
www.eraturkey.com

www.eraeurope.com

Your contact for this report:
Market Research &
Master Franchise Development
Kathy Auclair
+33 6 61 60 06 29
kauclair@eraeurope.com

Table of Contents

A European Perspective on Residential Real Estate 5

ERA Austria 12

ERA Belgium 14

ERA Bulgaria 16

ERA Czech Republic 19

ERA France 21

ERA Germany 23

ERA Greece 25

ERA Ireland 27

ERA Italy 29

ERA Luxembourg 31

ERA Netherlands 33

ERA Portugal 35

ERA Romania 37

ERA Sweden 41

ERA Switzerland 43

ERA Turkey 45

Summary of Tables & Charts 47

A European Perspective on Residential Real Estate

Long & short term views... Important divergences in residential real estate trends emerge in 2010

2010: A tangible recovery in nearly every market where ERA Europe brokers are present.

Perspective. Given the economic turmoil and market uncertainty during this past year we hope to offer some perspective, (less hype) on how these factors have impacted the European housing sector. It is clear from the ERA Europe country reports included in this compilation, that there is an important and growing divergence between the various EU housing markets. Some are faring much better than others, and for different reasons. There is a relative calm noticed in Northern markets (Netherlands excluded), while economies to the South (ie. Spain, Greece, Portugal) are still struggling. Other contrasts exist when comparing Western Europe and how they rebounded from the 2008 setback versus Eastern Europe's emerging markets. Again, it is all about history, cycles and internal market dynamics.

To begin, one can clearly state that the home market in Europe during 2009 and thus far in 2010 remains a buyers market in nearly all countries reporting herein, with the exception of Sweden and Switzerland. As expected, there are important variations from country to country, each with its own market cycle and macro economic influences. Furthermore, differences were seen within county regions, as well as rural versus urban centers.

Austerity measures being implemented in the southern European markets versus crisis rescue plans in northern European markets, all had, and continue to have, a direct influence on the home buying/selling process, and more precisely consumer confidence.

Having said this, there are clear indications from our 2010 Country Reports that a recovery is being experienced in nearly every market where we are present. There are important differences in the depth and pace of the rebounds, and there are a number of factors that could still adversely affect the gains made thus far in 2010. So the markets remain fragile in many regions.

Nearly all European countries are reporting increase in buyer demand in the first quarter 2010, a slowing in the pace of price declines, and in the stronger markets, actual price growth when compared to the first quarter of 2009. Transaction levels are either stabilizing or increasing across-the-board. Mortgage rates remain at historic lows (with the exception of Bulgaria, Romania and Turkey), and in some cases are even edging slightly upward. Accessibility to financing still remains a challenge for many buyers who must abide by stricter loan requirements, and more hefty down payments.

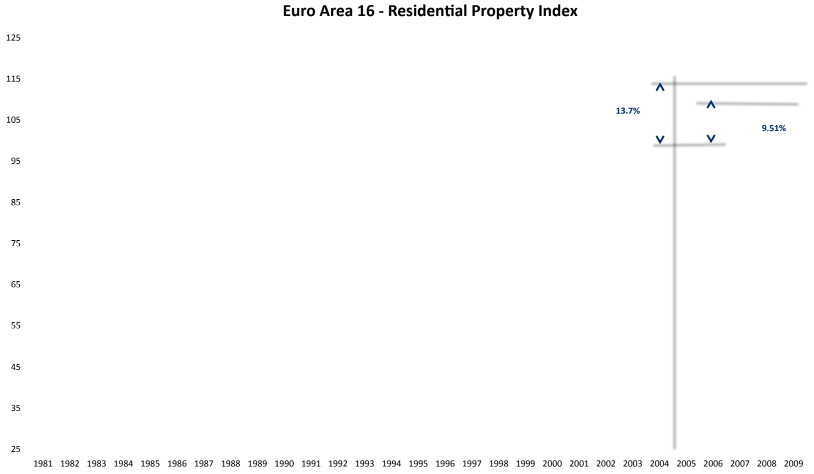
ERA Europe management is on the ground dealing with buyers and sellers of real estate each day; working with real estate brokers who's singular goal is to address the needs of their valued clients and to bring greater knowledge, professionalism, and transparency to the market place. ERA Europe has been operating in the European market for nearly 20 years, and ERA Franchise Systems, Inc., globally for nearly 40 years. Our Master Franchisors include within these reports their personal experiences and knowledge of their markets. We know that markets are cyclical; this is normal and should be anticipated. The 2008 sub-prime crisis that began in the US and so severely impacted the home market there and subsequently spread to Europe and elsewhere, however, was unprecedented. Therefore it is our goal with this summary report to offer a balanced and informed view of that market reaction, a clear perspective of each residential market where ERA Europe is present.

*(**Important note to reader:** a more comprehensive version of this report will be issued and posted towards the end of the year on www.eraeurope.com web portal. Pending reports from Cyprus and Spain will be included in the second edition. Please contact your local ERA Country Headquarters or ERA Europe (contact information noted within report) for any questions or clarifications concerning the reports herein.)*

European Prices - a view of how the crisis affected prices over the long term

Before viewing specific country reports it is important to understand price history on a European level. A recent report issued by the European Central Bank (ECB) on residential housing prices for the EU 16 combined (using 2005 as a base year), showed that housing prices peaked in the second half of 2008 with an overall increase of 13,7%. By the second half of 2009 prices on average grew by 9,51% off the base year; thereby establishing a trend of softening prices (-4,91% off the index high point in 2008) but still remaining in positive-growth territory. When stepping back even further and viewing longer term price trends, the solid price growth the EU 16 experienced over the past 20+ years is clear (Chart 1).

Chart 1: Residential Property Price Index Statistics



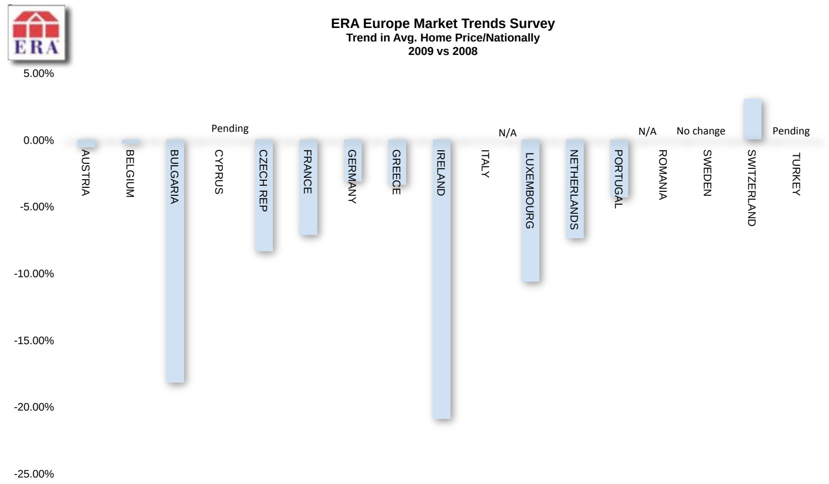
Source: ECB Statistical Data Warehouse

Referring to the same report, statistics show Euro area countries that fared the best, in terms of price growth, and those with double digit increases include: Belgium, Slovenia, Slovakia and Sweden. These countries were followed by more modest increases in Greece, France, Italy and Austria. Countries that experienced net negative price growth over the past 5 years include Ireland (the most dramatic decreases of all Euro zone markets), the UK and Malta.

Short Term YOY European House Price Trends

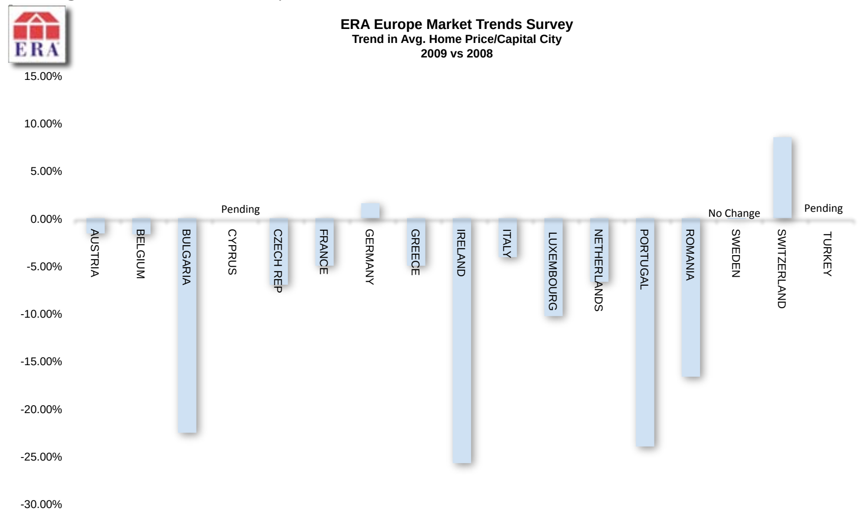
The housing markets where ERA is established in Europe most affected by the global downturn as well as by difficult internal economic dynamics in Western Europe, were Ireland and the Netherlands. In Central Europe, Bulgaria and Romania were the most affected. According to our ERA Ireland Managing Director, Frank Doonan, there are niches in Ireland where prices have rebounded and some signs of stability within the country are noticed, however, the overall picture remains bleak with a likely slow, drawn out recovery. Not all housing markets were touched as dramatically. On the other end of the spectrum were Germany, Switzerland and Sweden. Stable economies and tightly controlled lending practices helped sustain consistent demand. Sweden was one of the few European markets exhibiting minimal affects from the crisis. In the middle we find the markets of Austria, Belgium, and France, with modest transactions declines and modest price corrections, now also showing continued signs of recovery in 2010.

Chart 2: Change in Average Home Price Capital City



Source: ERA Europe

Chart 3: Change in Average Home Price Nationally

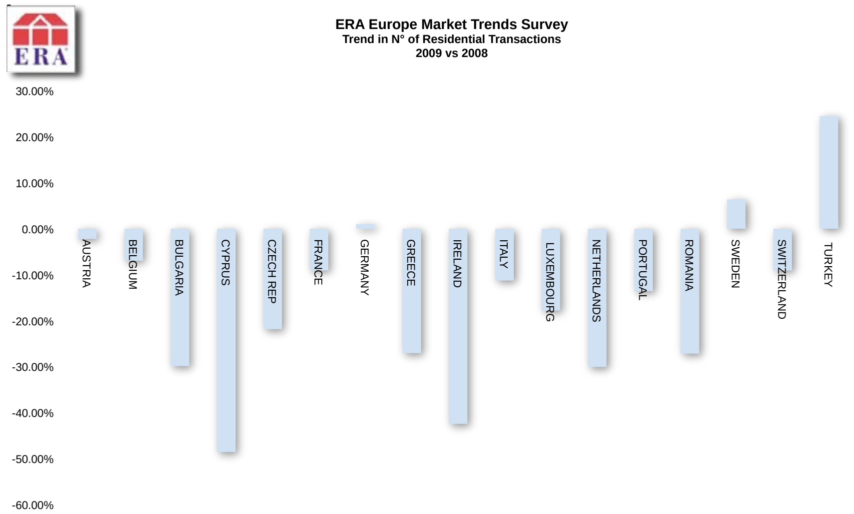


Source: ERA Europe

Residential Transactions in Europe

Year 2009 was a period of withdrawal and hold for many buyers of residential real estate. Despite attractive mortgage rates, accessibility to financing was curtailed by implementation of stricter lending practices. Exacerbating the situation were the many uncertainties in the market place: job security, affordability issues, fear of investment loss (stock market declines), fear of overpaying (buying too high) or of not selling at the right price (too little negotiating on the part of sellers), and so on. This is clearly reflected in transaction levels noted below. The most dramatic downward shifts (declines in the range of 30%) in transactions closed year-on-year (YOY) were found in the countries Bulgaria, Cyprus, Greece, Ireland, Luxembourg the Netherlands and Romania. Cyprus with -48% and Bulgaria and the Netherlands with approximately -30%, recorded the most dramatic drops in transaction levels. These were also countries which, in pre-crisis times, had the steepest price increases. Sweden was surprisingly resilient in contrast to all other markets.

Chart 4: Change in Residential Transactions



Source: ERA Europe

European Mortgage Markets 2009

According to the European Mortgage Federation (EMF), the market response to the USA initiated sub-prime/securitization crisis resulted in significant attitude changes on the part of both consumers and lenders in Europe. European consumer attitudes were to adopt a more cautious approach to spending when taking out loans, while lenders reassessed their underwriting conditions and the prices of their higher risk loans/products.

The EMF states there were several key observations during 2009 in the mortgage markets:

1. Most mortgage markets continued to experience falls in new lending over the previous year. These falls have

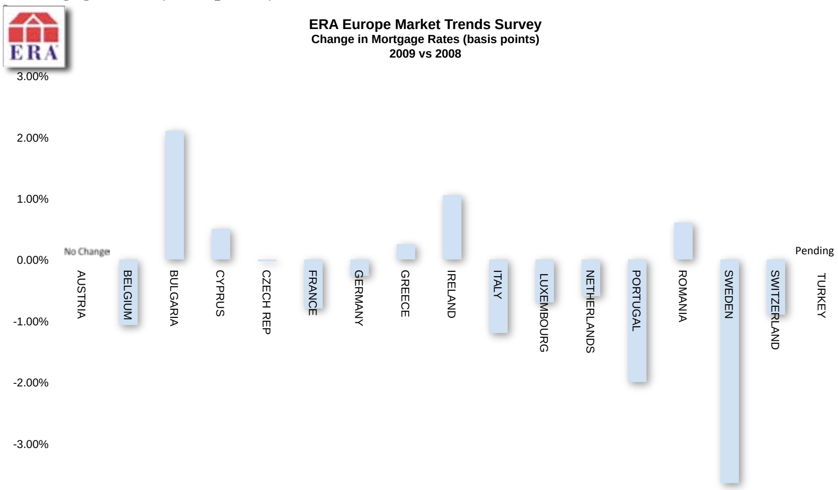
generally stabilized now due to a number of factors: the continued expansionary interest rate environment, improved housing affordability and some short-term recovery at the macroeconomic level.

2. New lending activity showed some progress in year-on-year terms in Belgium, Sweden and Denmark and, on the previous quarter, in France, Germany and the UK.
3. House prices continued to decrease over the previous year in all markets surveyed (except for Belgium and Portugal), but positive developments on a quarter-on-quarter basis were recorded in France, Sweden and the UK.
4. Mortgage interest rates continued to record substantial decreases both on a quarter-to-quarter basis and on the previous year, reaching historical lows in some markets.

In 2010 continued stabilization of Euro Zone interest rates is expected. It is the ECB's policy to maintain its Euro Zone lending rate which currently stands at 1%, at the same level throughout 2010.

Continued decrease in mortgage interest rates throughout 2009 also impacted consumers' preferences in terms of mortgage interest type for new mortgage loans according to the EMF. Their data shows, for example, that there was a remarkable shift from Q4 2008 to Q4 2009 towards variable rate products in some markets, such as in Belgium (from 3.7% of total new mortgage loans in Q4 2008 to 47.6% in Q4 2009) and Italy (from 21.9% to 66.5%), where fixed-rate mortgages are traditionally predominant.

Chart 5: Change in Mortgage Rates (basis points)



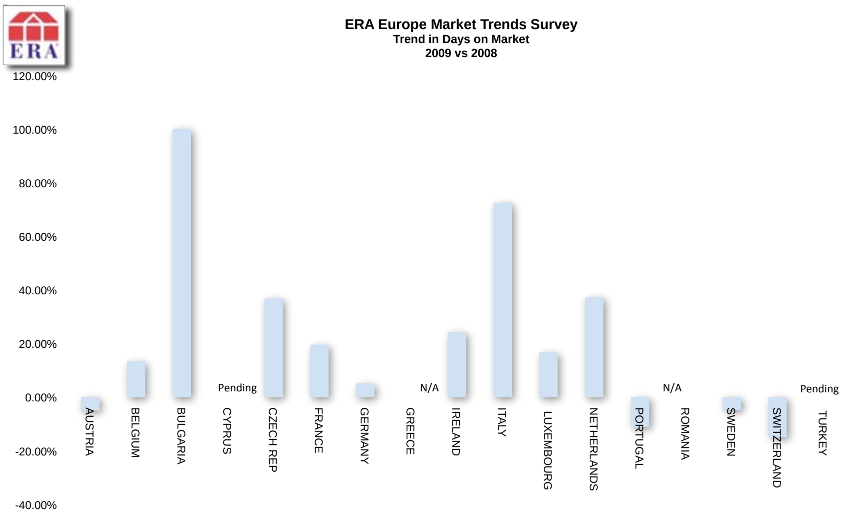
Source: ERA Europe

Real Estate Agency Trends

There has been a severe retraction in the number of real estate agencies operating in numerous European markets, such as Bulgaria, Cyprus, Ireland, Spain, and the Netherlands. Cyprus reports there were over 50% fewer brokers in 2009 followed by the Netherlands with 44% less brokers operating. Smaller independent brokers with one or two sales agents, and non-network affiliated offices with tight budgets, narrow operating margins and less service support, were the most exposed to the swift market downturn. They were not capable of responding quickly enough, nor did they have ample financial reserves to survive. A sort of 'cleansing' of the industry is taking place and consolidation of the brokerage market is underway. Further office closures are anticipated throughout 2010 in most of the markets mentioned above. It is now evident that brokers with more substantial operations who have forged long term business plans and those associated with reputable companies, such as the ERA Europe network, not only survived the downturn but gained market share. Most importantly, these brokers have also gained credibility.

The percentage of change YOY in the number of days a listed property remained on the market 2009 vs. 2008, was rather important in most markets. As residential listing prices come in line with the market demand we see a shortening of the number of days a property as seen in Portugal, Sweden and Switzerland. On the other hand, where there is continued resistance to price adjustments listing periods remain more lengthy as seen in the markets of Bulgaria, Italy and the Netherlands.

Chart 6: Change in Days on Market



Source: ERA Europe

Drivers of the European Housing Market

The diversity of the European housing market is evident as the full spectrum of market conditions are being reported within this report; however, there are a few key factors, wherever the market, that influence demand for residential property, they can be divided into three categories; structural, economic and opportunity factors.

1. Structural: Demographic growth is the most important structural factor to influence demand for housing. This can emanate from local growth in population and population shifts in the form of inward migration. Demographic growth is inextricably linked to economic growth as a growing economy will attract larger numbers of foreign economic migrants.

   There will be long term growing demand for residential property if there is net growth in population. Migration is a much more volatile factor as inward migration can reverse quickly if an economy contracts. The age profile of a population is also crucially important as demand will be strong if large numbers of people move into the family forming age group of 30 to 40 years.

   Geographic shifts of people within a market will also give rise to local variations in demand and therefore variations in prices paid for residential property. This must be borne in mind when expressing property prices as national averages.

2. Economic: Income levels and interest rate trends are the most important influencers of demand for residential property and are usually short term and cyclical. Any positive impact on demand for accommodation from improving demographics will only be factor if potential investors and homeowners have access to sufficient capital (percentage of loan to value) at an affordable interest rate. Income levels encompass the hugely important factors of unemployment and fear of salary reductions as negative demand influencers for residential property.

   The recent and sustained period of low interest rates in Europe led to an increase in owner occupation as buying a property has become more affordable (percentage of average industrial wage needed to service an average mortgage). Despite continuing low interest rates, however, demand for residential property in many European markets has contracted due to tighter bank financed money supply and rising unemployment.

3. Opportunity: This factor relates to the opportunity cost of acquiring accommodation. It is the relative price of buying or renting a residential property as compared to the prices of other goods. If servicing a mortgage or rental of a property compares favorably (better value) to how one might otherwise dispose of income, this will drive demand for suitable accommodation. Opportunity is also a main factor in the level of demand for various geographic areas and across the various housing categories such as rented accommodation, owner occupied detached houses, apartments, etc. *Contributing source for 'Drivers': Frank Doonan, CEO - ERA Ireland*

USA Market Trend Glance - First Quarter 2010

The US home marked peaked in 2006 in contrast to Europe where markets began peaking in various countries from 2006 to mid 2008. It is often said that the European markets follow the US market. So does a US housing recovery imply a European housing recovery as well? Here we set forth some market trends for 2010 in the US market and there are striking similarities. Though, the situation remains fragile in the US home market as fears of a double-dip recession set in, many positive results have been recorded during the initial months of 2010.

Transactions

Existing home sales (completed transactions that include single-family, town-homes, condominiums and co-ops) increased 7,6% to a seasonally adjusted annual rate of 5,77 million units in April 2010, from an upwardly revised 5,36 million in March, and are 22,8% higher than the 4,70 million unit pace in April 2009. Monthly sales rose 7,0% in March. The US housing market peaked in 2006 when nearly 7 million housing transactions closed.

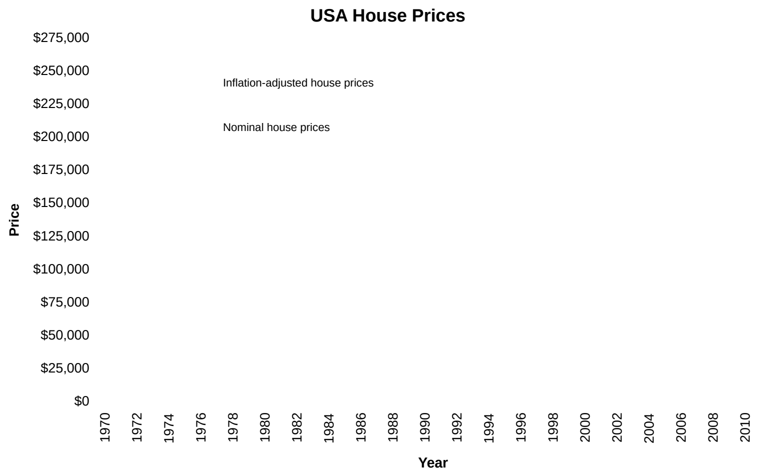
Inventory

Total housing inventory at the end of April rose 11,5% to 4,04 million existing homes available for sale. This represents an 8,4-month supply at the current sales pace, up from an 8,1-month supply in March. Raw unsold inventory is 2,7% higher than a year ago, but remains 11,6% below the record of 4,58 million in July 2008.

Prices - a view of how the crisis affected prices over the long term

The national median existing home price for all housing types in the US was $173,100 in April 2010, up 4% from April 2009. Distressed homes accounted for 33% of sales in April, compared with 35% in March.

Chart 7: USA House prices 1970 - Q1 2010

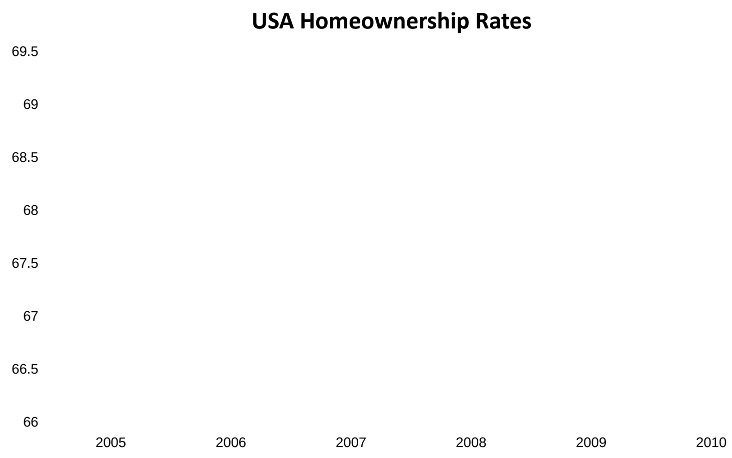


Source: US National Association of Realtors (NAR)

Homeownership Rate:

US Homeownership rate is currently at 67,1%, a reversal back to levels recorded in quarter one of the year 2000, and dropping from a peak of over 69,1% in 2005. The US Federal Reserve Bank of New York states that the rate could potentially fall even further by another 5 percentage points to levels seen in the mid 1980's.

Chart 7: USA Homeownership Rate 2005 to Q1 2010



Source: US Census Bureau

What will continue to drive the US market?:

- Continued low interest rates
- Government tax credit inducements (ending on 30 April 2010)
- Improved consumer confidence
- Favorable affordability conditions

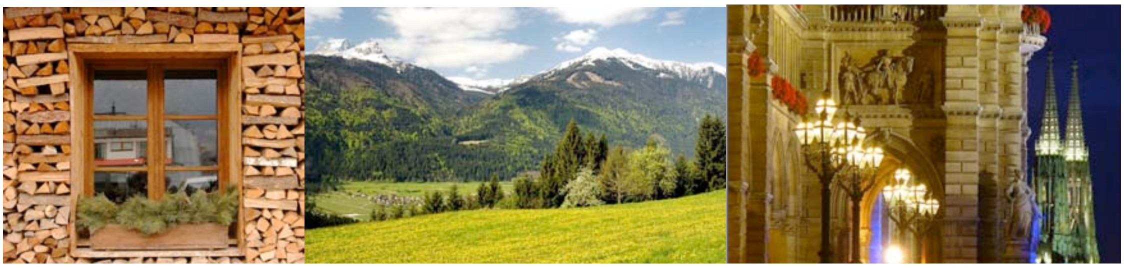
European and USA Market Comparisons	**EU 27**	**Statistical year/ Source**	**USA**	**Statistical year/ Source**
Population in Millions (1)	500	2009	307	2009
Households in Millions	209	2009	106	2009
Housing units in Millions	N/A		130	2010 est
Persons per household (2)	2.4	2007	2.59	2009
Homeownership	71.0%	Eurostat	67.10%	US Census Bureau
Broker market share	50.0%	ERA Europe est.	79%	NAR
Average Home Price	N/A		$173.000	Apr-10/NAR
Average Home Price	N/A		€141.455	Conversion 1€ = 1,22$
Supply of homes	N/A		8 Months	NAR
Owner Occupied w/o Mortgages	44,8%	Eurostat	N/A	
Owner Occupied with Mortgages	27,2%	Eurostat	N/A	
Disposable income spent on Housing	21,9%	Eurostat	N/A	
Unemployment 2010	10%	Eurostat - 2010	9,7%	US BoLS - 2010

(1) An increase of 3,2% over 2008 to 500.482.231. Most populated EU 27 country is Germany, least populated is Malta. Population increases are due to immigration (8 out 10 new people). Germany and Spain are the countries with highest number of new immigrants

(2) Highest density was in Turkey, lowest in Germany. A total of 27,7% of European households have only 1 person, compared to the equivalent US average of 27,3% (2006 est.)

ERA Austria

Austrian homebuyers feel pressure from the global downturn. Rental demand rises, sale of flats vs. homes increases, pursuit for urban centers accelerates.



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
2009 vs 2008	-2.22%	-1.61%	-0.59%	0.00%	-3.95%	0.00%	Buyer	-5.00%
Trend 2010	Decrease	Decrease	Decrease	Unchanged	Decrease	Unchanged	Buyer	Decrease

General

Among those seeking a residence in Austria in 2009, over one-third sought to purchase a single family home. However, based on comparisons with 2008 figures, the demand for these type of homes was down by as much as 20%. Additionally, when reviewing the demand for mortgage loans only every second loan was honored by mortgage bank institutions. This is mainly due to exercising of restrictions of the Basel II banking regulations, which is an attempt to regulate finance and banking internationally. Contrarily, in 2009 demand for rental properties was on the rise by 30% year on year and these rental seekers represented about one-third of the demand for housing.

Buyers who sought high loan-to-value ratios (i.e. 80 to 90%) in the past years when purchasing their home, had to explore other options in 2009 or simply put-off their plans to purchase a home. Those decided to buy, in spite of the market difficulties, opted for flats. This group of buyers represented 34% of the homebuyer market in 2009; a significantly higher portion than in 2008. Many buyers who were flush with cash opted to purchase flats in the city centers, as this is still considered a secure and traditional form of investment in Austria. However, a good portion of potential buyers simply gave up. According to a 2009 survey of home buyers: 38% of respondents stated that securing financing had become more difficult; 6% of respondents stated that they had to entirely abandon their dreams of a purchase and as an alternative chose to rent; 20% stated that due to the many difficulties encountered when seeking to buy, they instead chose to remain in their existing residence for a longer period of time.

The majority of real estate seekers in Austria desire to live in the city center or in the immediate vicinity,. Only one-third desires to live in the suburbs, a trend which intensified following the crisis. Currently we are experiencing a renaissance of the cities. In general, it is perceived that cities with a developed infrastructure and business environment offer more security in terms of jobs. Homeowners also have to consider both the time and costs of traveling to and from their workplace. This further intensifies trends toward purchasing a home in the city.

In 2008 the majority of homeowners in rural areas wished to keep their countryside residences under any circumstance; however, more recent trends for this group indicate they are prepared to move closer to city centers. Even so, the move will not be too far from their current residence. It is reported that 56% of buyers seek homes close to their current residence, 26% in the neighborhood within 15km of their actual residence and only 10% seek homes in another province.

The top reasons for changing a residence are 1) size/space 2) infrastructure 3) energy efficiency and a desire for more attractive surroundings. In general, homes with quality features and amenities are in greater demand. Poorly equipped dwellings in low-grade condition and inadequate energy efficiency are a very difficult sell.

In 2009 there was an increase of 11% of buyers who said that they wished to improve energy efficiency when seeking another home. Top criteria such as having a nice terrace and a garden, remain. Two-thirds of the buyers are looking for "new built" property while only 25% is willing to live in old buildings. Properties constructed between 1950 and 1980 are experiencing a serious image problems as they must be renovated, modernized and made more energy-efficient in an effort to improve their salability.

Regional Tendencies

The capital cities (of the 8 provinces) are the clear winners in terms of real estate demand. Strongest demand was found in Kärnten (Carinthia) and on the other end of the spectrum was Burgenland with lowest demand. In the most southern parts of Austria demand concentrates around the Vienna suburbs, especially the southwest region towards Tulln and St.Pölten.

The most attractive region was Mödling, with the strongest increase in house moves indicated in St.Pölten county. In Burgenland, only the more charming areas around the lake Neusiedlersee were attractive buys. The Südburgenland area (Vinearea), however, became less interesting for buyers. In upper Austria; Linz, Wels and Steyer (center line), all experienced good demand. As did the lake areas of Salzkammergut. In Salzburg county, the city of Salzburg remains a sought after location (price increase for houses were around 6% in 2009). Tyrol, the capital City of Innsbruck, and the holiday region Kitzbühel also experienced great demand. In Vorarlberg we can see the highest demand for homes in the area of the capital city Dornbirn.

Research from the leading Realestate Media Immobilienmagazin revealed that due to the unprecedented difficulties experienced in the real estate market in 2009, four out of ten Austrian real estate brokers are in serious danger of either losing or closing their businesses. This group is mainly found in the segment of non-network brokers. Nevertheless, certain networks, such as ERA Austria, have not only been able to maintain existing offices but have improved their business results and reached extraordinary achievements under these difficult circumstances.

Transactions

The increased regulations in the banking sector had its influence on the number of transactions registered in 2009. Transactions decreased from about 90.000 in 2008 to 88.000 in 2009;,a modest decline of 2,2%. At the time of this writing, transaction data was not yet available for 2010; however, indications are that transactions are showing a very stable trend in comparison to 2009, with an up-tick in new housing sales as mortgage financing remains very attractive for this particular sector.

Price Tendencies

While the general trend is negative, price tendencies tend to differ in the various regions of Austria. For example, home prices in Salzburg City, at the northern part of Austria, increased by approximately 6%, while Salzburg County, experienced an overall decrease of 15% in prices over the year. This trend, however, already changed in 2010. There are other areas where prices dropped dramatically, by up to 20%. Prices were more stable in the most attractive areas of the country, and in some cases higher, because of decreasing number of sellers in these parts of Austria. In Innsbruck and Salzburg, for example, the number of buyers is four times as high as the number of sellers.

Mortgage Rates

The banking/mortgage industry in Austria is highly competitive which has resulted in interest rates remaining quite low, and they should remain so for the coming year. According to the European Central Bank rates were at 67% of the September 2008 peak by June 2009. Typically loan terms range between 10 to 20 years. According to the Austrian MFI's the average loan rate was 3,51% in mid 2009. Only one in two loans were honored by mortgage bank institutions in 2009, mainly due to exercising of restrictions of the Basel II banking regulations. Buyers that have 20-30% cash on hand have a better chance of getting more attractive loans with a lower interest rate: the better their Basel II-rating, the lower the mortgage rate applied.

However, a possible change in this dynamic may occur in 2010 despite historically low ECB rates, if there is increased pressure on Austrian banks (already with comparatively low margins to the rest of Europe) from a growing exposure to bad real estate loans. A weakening in the banking sector can have an additional impact on this trend. It is yet to be seen how these developments may affect the mortgage markets.

Outlook

For the short term it is anticipated that the housing market will remain relatively stable without dramatic shifts, up or down, with regard to house pricing, transaction levels and interest rates. Consumer confidence will be swayed during the year by concerns over the Euro devaluation and inflation. Many uncertainties on the horizon allow only a short term view of the housing markets. Nevertheless, we can say that many consumers wish to invest their funds in real estate for fear of greater losses elsewhere. All in all buying real estate in Austria is currently an attractive investment for people with cash.

ERA AUSTRIA Tel: +43 7612 64420 info@era.at
Gmunden, Austria Fax: +43 7612 64430 www.eraaustria.com

ERA Belgium

Prices remain stable, transactions decline slightly, the Belgian housing market resist; with a gradual recovery anticipated during 2010

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
2009 vs 2008	-6.95%	-1.69%	-0.31%	-1.07%	0.00%	0.00%	Buyer	13.40%
Trend 2010	Increase	Decrease	Increase	Decrease	Unchanged	Unchanged	Buyer	Increase

Summary

As expected, Belgium came through the worldwide real estate crisis relatively unscathed. In 2009 112.719 homes were sold, this was only 7% less than in 2008 and the average sales price was down by only 0,31% to an average of € 192.000. The number of transactions in the capital Brussels was down 17,5% but the average transaction price was down by only 1,69%, at an average of €231,814.

Houses versus Apartments

The Belgians mainly live in single-family homes as opposed to apartments. About two-thirds of residential properties sold, 77.000 out of a total of 112.000, are houses. The average transaction price of € 198.721 for a house in 2009 was down by only 1,4% compared to the year before and the total number of houses sold was 5,6% less for the year.

In 2009 a total of 36.000 apartments were sold in Belgium, this is 10% less than 2008. Contrary to what might be expected, the average sales price was, at €177.775; up by 2%.

In Belgium newly build apartments sell at a premium compared to existing apartments. As there was a large supply of new builds, more of these apartments were sold, which led to the indicated increase in the average sales price of all apartments compared to the previous year.

Prices & Transactions-2010 Market Conditions

Belgian notaries reported that after a sluggish start, mainly due to an unusual cold and long winter, sales have boomed in the first quarter of 2010. Transactions were up by 13,7% compared to the first quarter of 2009; a strong recovery from the exceptionally weak start experienced in 2009.

The average sales price of a house in 2010 has remained more or less unchanged compared to 2009, with a modest increase in most provinces and a slight decrease in others. The prices of apartments across the country have increased about 1% on average. ERA brokers report a continued increase in average transaction prices but warn that this is mainly due to a stronger recovery in the middle price range compared to prices in the lower range. It appears that the confidence of middle-income families has already picked up whereas lower-income families remain hesitant to buy. Buyers are aware of the exceptionally low interest rates and they also know that, contrary to general expectations, property prices have not come down and are not likely to come down as much as in most other European countries and the US.

Mortgages

Long term fixed mortgage rates dropped in early 2009 to just under 5% from a little above 6% in late 2008. These rates further decreased gradually to around 4,5% at the time of writing.

Outlook

At the time of writing, ERA Belgium is positive about the outlook and expects a further gradual recovery of the market, with sales in the lower end market picking up by the end of the year. However, prices in this category are expected to remain unchanged. The number of units sold should also see an upturn in the year, but total units sold are not expected to return to the high levels seen in 2007 for some time.

ERA Belgium warns that when long term interest rates increase substantially, the average transaction price will decrease again. It is our experience that buyers do not increase the amount spent on mortgage payments when rates go up, instead they just buy at a lower price. The net amount spent on mortgage payments as percentage of their income remains unchanged and the average Belgian will buy a cheaper property at a time of higher interest rates. Based on the above, ERA Belgium recommends buyers not to postpone the acquisition of a home. By postponing, they run the risk of not being able to buy the same property with an unchanged budget.

ERA BELGIUM
Aartselaar, Belgium
Tel: +32 3 227 41 85
Fax: +32 3 227 41 82
info@era.be
www.era.be

ERA Bulgaria

Hit hard by the global crisis, both transactions and prices plunge in 2009; Cautious optimism in 2010

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
2009 vs 2008	-29.88%	-22.56%	-18.23%	2.10%	N/A	N/A	Buyer	100.00%
Trend 2010	Decrease	Decrease	Increase	Increase	N/A	Unchanged	Buyer	Unchanged

General

Bulgarians enjoy one of the highest homeownership rates in the world. Almost 97% of Bulgarian homes are privately owned. In urban areas one's home represents the largest part of household wealth. There are a number of reasons behind the high level of homeownership in Bulgaria: the rapid residential market growth over the last years, dynamic construction activity, the constantly intensifying competition among residential developers (thus providing greater choice for consumers), and the large number of Bulgarians working abroad. While homeownership is considered a key indicator of social status in Europe, in Bulgaria it is not necessarily a sign of financial prosperity. About 13% of the Bulgarians own more than one property, and 5% of Bulgarians also have a country house. The owners inhabit 94% of the properties while 5% are rented out.

Real Estate Transactions

The number of real estate transactions in Bulgaria in 2009 declined by almost 30% to 217.223, according to data provided by Registry Agency, Ministry of Justice. The number of closed deals in 2008 was 309.788. In the last trimester of 2009 the number of transactions was 69.115 with this number for the same period last year being 96.989. This indicates a fall of 28,7% in the number of transactions when comparing the periods.

Foreign Investment Market

The total inflow of "emigrants' money", comprised of income from abroad and current transfers, declined by 5% over the past year while foreign direct investment (FDI) in real estate declined by 60%. In the first half of 2009, FDI in construction and real estate amounted to € 208 million, a decrease of 59,3% compared to the same period in 2008 when the this category amounted to € 511,2 million. For the 12 months until September 2009 Bulgaria has managed to attract € 836 million of FDI in real estate.

Prices

Official data for regional cities showed an annual price decline of 28% in the third quarter of 2009. In absolute terms, average housing prices declined to BGN 1.021 per M2 in this quarter. Relative to the second quarter, market prices have decreased by 5%, and relative to September 2008 - by 27%, which is the biggest decline on annual basis reported thus far. Varna remained the city with the most expensive housing, as the difference between prices in Varna and Sofia kept expanding.

Nominal differences between prices in cities with the most expensive and most affordable housing remain significant. One M2 of living space in Varna costs BGN 1.224 more on average than one M2 of a residential property in Kyustendil, where prices are at BGN 550 per M2.

Decreases in selling prices outpaced the decline in construction costs significantly, which means that the starting of new projects for residential buildings will be severely limited in the coming quarters, especially in cities where there is little difference between market prices and construction costs.

The decline in asking prices in Sofia is about 3 to 4% relative to our last observation in early September 2009. However, this decline varies depending on the size of the apartment and the price segment. The most dramatic drop in prices is seen in the high-end segment of the market. This type of housing is traditionally more sensitive to potential changes in the business cycle. In Varna, in contrast to Sofia, the asking price decline is nominal for one-room apartments (about 2%) and more tangible for two-room and three-room apartments (on average 5% and 4%, respectively).
A gradual slow is expected in the decline of both housing asking and market prices. The slower annual decrease is partly attributable to the lower starting

point, namely the third quarter of 2008 which was the first quarter in which the global crisis reflected tangibly on the dynamics of housing prices in Bulgaria.

2010 Price Trends: Price Declines Ebb Dramatically

According to data provided by the Bulgarian National Statistical Institute, the average decrease in market prices of dwellings throughout the country for the first quarter of 2010 was 2,3% compared to quarter four of 2009 and 17,8% compared to the corresponding period last year. The average decrease in market values in larger cities was 4,21% compared to last quarter of 2009. Prices of specific types of dwellings, namely those of concrete structures typical of the communistic era, have fallen at an average of 2% and in some areas of larger cities at about 9,51%. The prices for newly built apartments have decreased approximately 3%.

Real Estate Agencies

Over the last 6 months many of the real estate agencies in Bulgaria have closed down as a result of the slowing real estate market – some permanently and others only for a short period with the intention to reopen when the market starts to rehabilitate from the crisis. In cooperation with ERA global network, ERA Bulgaria is developing entirely new and modern managing and training methods to meet the requirements and the needs of its Bulgarian customer base. These services will build trust, customer satisfaction and bring real value added services for buyers and sellers of real estate.

Mortgages

Early in 2009 adverse affects were already being seen in Bulgaria from the US and subsequent European economic crisis. The average volume of a mortgage loan decreased by 22% and amounted to € 36.260 against € 46.800 in 2008 and € 38.600 in 2007. The main reasons for the negative shift were: an extremely weak activity (demand) within the first half of the year as well as decline in property prices combined with the requirement for higher levels of buyer funding (down payment).

The major share of lending volumes concluded at the beginning of the year, were realized by pre-approved credit transactions agreed to before the crisis occurred. Furthermore an increase in re-payment difficulties was seen in the proportion of home sales that included mortgages.

April 2009 was the first month of revival of the mortgage market caused by the activation of the housing market. Within the second quarter of 2009 buyers in the middle class returned to the market. Early in quarter three of 2009, the average volume of mortgage loans rose to € 39.200 nationally. Younger consumers of mortgage products returned to the scene as well. Requests for mortgage loans grew by 15%. The average size of a mortgage loan has now reached 2008 levels and exceeds € 40.000.

Mortgages Issued - % by Age Group

Age Group - Years	2007	2008	2009
18 – 25	10%	7,24%	3%
26 – 35	48,38%	48,46%	53,5%
36 – 45	24,58%	30,79%	26,3%
Over 45	17,07%	13,51%	17,2%

These trends persisted through the end of the year and the industry reported significant growth compared to beginning of 2009.

Interest rates in 2009 varied between 8,5% and 9,5% for a Euro-based loan and between 9,5% and 11% for BGN loans. During the last quarter of 2009 consumers in Bulgaria have borrowed amounts averaging between € 30.000 and € 50.000. The general economic situation in the country led to a decline in allocations over € 70.000.

The majority of loans are granted for a 16 to 20 year duration followed by the other most common term of between 10 and 15 years. Loans with a maturity between 26 and 30 years that were the most popular in 2008 experienced a sharp drop in 2009 as significant rate hikes startled cautious buyers. The shortening of the mortgage re-payment period continued until the end of the year, however consumers continued to seek optimal repayment terms.

Mortgage Duration - Distribution by Age

Years	2007	2008	2009
Up to 10	3,6%	9,92%	6,85%
10 to 15	16,6%	8,24%	24,66%
16 to 20	24,3%	22,75%	31,5%
21 to 25	43,2%	23,97%	21,92%
26 to 30	12,3%	28,09%	9,59%
Over 30	-	7,03%	5,48%

About 8% of residential property in the country is financed by mortgage debt. Relatively low mortgage indebtedness of the population is an indicator of financial health of households and their ability to adapt relatively painlessly to adverse external shocks.

2010 Mortgage Trends

In first quarter of 2010 we observe renewed activity from banks now willing to resume financing of up to 80% of the selling price. A growth in the number of transactions finalized with bank loans has also been noticed.

Transacting the Sale - New Developments

In November 2009 the Bulgarian government voted to change laws for notaries and notary activities, adding statements requiring that all payments for real estate transactions take place through a bank. The purpose of the legislative change is to prevent the use of real estate transactions for money laundering and to counter problems concerning property fraud.

This new approach involves a complete transition to a system of pecuniary transactions. The law will establish a state deposit insurance fund in which one must enter and distribute all notary fees and taxes related to notary acts. Intentions are that it will not compete with commercial banks and will not bear interest. The fund will be sustained by a percentage fee deducted from each transaction.

On second reading it was held that this rule for paying via bank transfers will only apply to properties exceeding BGN 10.000. For transactions of lower priced properties, there will be no requirements on how the payment should be done. A new section will be included in the deed, stating the exact price of the transaction. It serves as a declaration, thus, each party/signatory bears criminal responsibility, if it is proven that the amount paid varies from the declared amount. Penalties for falsely declaring transaction prices can range from 1 to 6 years imprisonment and a fine of 100 to 250 Leva.

2010 Outlook

There are two main factors that will determine the state of the housing market in 2010 in Bulgaria: the level of buyer income and the credit markets. In the first months of 2010 we have already noticed the activity of buyers with stable income engaging in transactions through bank financing. In early 2010 two groups of buyers were noticed. The first group of buyers is between 25 and 30 years old, and has bought their home with a mortgage. This group is even inclined to withdraw a 100% financing. Those in this group often work in the sector of information technologies, in banks or in private medical practices. The second group consists of buyers of 40 to 50 years that are investment minded. The return of this partly speculative interest is a good sign for the future of real estate market, especially if it remains present over time. The number of Bulgarians working abroad and buying property in Bulgaria is now very small. Interest rates continue to follow a declining trend, which was initially tracked in late 2009. We anticipate a further reduction in rates of between 0,5 and 1%, while some loans in BGN may decrease by as much as 1,5%. Financing for properties will remain around 55 to 70% of the transaction price, a more liquid property may reach 80%. This still requires a minimum 20 to 45% down payment on behalf of buyers, a healthy balance by any standard.

ERA BULGARIA
Varna, Bulgaria
Tel: +359 52 66 13 00
Fax: +359 52 66 13 15
info@erabulgaria.com
www.erabulgaria.com

ERA Czech Republic

Residential prices decline nationwide, transactions stall in 2009; mortgage credit restrictions continue downward pressure on demand expected to result in another challenging year for the residential market.

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
2009 vs 2008	-21.85%	-7.00%	-8.38%	-0.03%	-4.12%	-5.13%	Buyer	36.84%
Trend 2010	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Buyer	Increase

Price trends

In year 2009 ERA brokers in the Czech Republic noted an average decrease of 7,3% in prices throughout the country's residential market. Year 2009 was the first decrease experienced after several years of steady growth that began in 2005 when prices rose consistently at a healthy pace of 8% annually. This continuous trend of rising prices changed direction in year 2009 because of effects linked to the economic crisis and the fact that property prices began to stray from their real value and affordability levels.

It is important to point out, once again, the utmost importance of property location. In sites such as the center of Prague and in the areas where employment is more secure, house prices remained at the same 2008 level. The reason for this stability is that owners of properties in such locations do not have the need to reflect market trends and economic situations. However, there were some other regions in the country where prices dropped by over 30%. This occurred mainly in areas where unemployment exceeded 15% and in locations where the trend of increasing prices rose to such high levels that people simply could not afford to buy.

During the 2009 economic crisis Czech people learned to negotiate the price of the property, a tool that will eventually lead to stabilization of asking prices. It is a natural process necessary for renewal of customer trust in the real estate market and its indicators. In 2005 the asking price and selling price were almost identical. In some cases, the selling price was even a few percentage points higher. In 2009 the selling price was 6% less on average than the asking price (Czech Statistic Office).

Transactions

There was also a decline in residential mortgages in 2009 and this is one of the best indicators for tracing the number of transactions. In 2009 banks approved 39.385 mortgages; this is almost 50% less compared to 2008 (Hypoindex). The chance of obtaining a loan was at its lowest point, given tighter restrictions, often including a requirement of over 40% down payment to secure the mortgage.

Development of new residential properties, after almost 15 years of continual growth, noted a radical break in year 2009. The Czech Statistics Office states the volume of new developments in 2009 was lower than volume of completed development projects. This occurred for the first time since the start of the 90´s. Newly started development projects during the year amounted to 37.319 units which is 14% less than in 2008. Completed developments were at 1.000 units higher year-on-year.

Another factor contributing to the decrease in number of transactions is the fact that purchases from property speculators totally came to a halt. The motivation for buying a property changed: motivation was now based on the real needs of customers to own a residence at an affordable price.

Outlook Autumn 2010 and beyond

Keys to the continued progress of real estate market are now in the hands of the banks. The banks will also determine the market of the basic home mortgages, and that for loans to development companies. For a home mortgage the buyer still needs to prove high credibility and reliability; standards that almost 40% of customers cannot show. To obtain a loan for a development project one must to have a 30% personal investment capital and the same percentage of pre-sold units. These conditions are extremely difficult to reach when most buyers will not consider investing in an apartment unit of a developing project that is not certain to ever be launched.

In February 2010 the situation had not yet improved. Bank institutions approved only 5.385 mortgages during the first two months of 2010; this is 500 less compared to the same months of 2008. However, March is showing some signs of revival as banks approved 50% more mortgages than in February 2010. Lenders are focusing once again on their clients' needs by lowering mortgage rates which are now at their lowest point since the start of the real estate crisis (Association of mortgage Brokers).

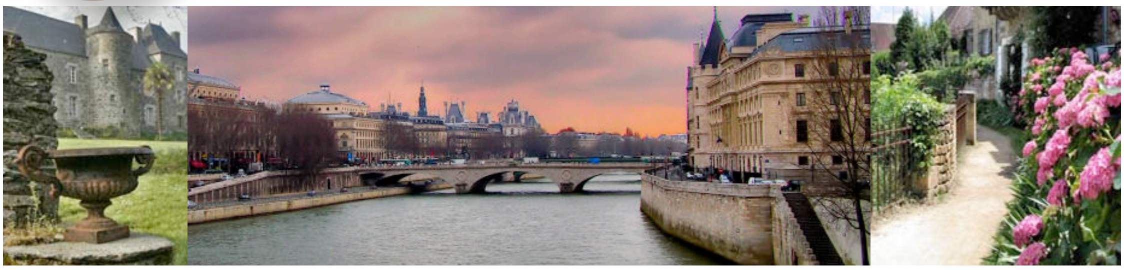
Sales prices for second-hand properties reflected a slight decrease of 0,90% during the first quarter of 2010, compared to the last quarter of 2009. Though now, signs of an ever so slight increase in prices are already being seen in second quarter of 2010. Based on the research of Deloitte, a Hyposervis, not even development companies expect any major price shifts in the near future. Research states that developers expect prices in 2010 to remain at the level of approximately 89% of year 2008 prices and 92% of 2009 prices. Developers believe that in year 2010 prices will increase by 6% and in 2011 by another 3%.

If one is considering buying a property as a primary residence then most observers will say there is no reason to wait for further price reductions. However, if buyers wish to purchase for investment purposes then real estate experts do not have good news for these types of buyers. Another boom, as experienced before the crisis, will not be seen any time soon nor should one expect prices to increase beyond the range of 10%, as was the case in 2007, for at least another two years.

ERA CZECH REPUBLIC
Prague, Czech Republic
Tel: +420 224 83 59 51
info@era-reality.cz
www.era-reality.cz

ERA France

Modest price corrections in 2009; Cautiously optimistic 2010 Outlook



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
2009 vs 2008	-9.08%	-5.00%	-7.17%	-0.80%	0.00%	-3.57%	Buyer	19.54%
Trend 2010	Increase	Increase	Increase	Unchanged	Unchanged	Decrease	Buyer	Unchanged

General

Market contractions encountered in France during the first semester of 2009 subsided during the second half of the year resulting in a slight recovery; this trend has been confirmed in the first quarter of 2010. Though year-end market statistics show an average yearly decline in both prices and transactions, trends also reflected that larger city metropolis' better resisted these downward pressures. Media estimates of plunges in the residential market were clearly less dramatic than originally foreseen; nonetheless, results in 2009 could not rival the record transaction figures of 2007.

According to the *Observatoire du Financement des Marchés Résidentials* more than half of buyers in 2009 were under the age of 35, a sector of buyers that continues to grow every year in both the new-home and re-sale markets. The crises did not dampen their dreams for a first time home. The foreign home buyer market (topped by British, Italian, Belgian, and Portuguese, followed by Dutch, Spanish and Tunisian) declined during the year to 4%, compared to 5% in 2008, representing a 20% decline.

Estimates by ERA France put the number of real estate agencies currently operating on the market at 58.000 professionals, and about 27.000 real estate agencies. Market share for real estate professionals is estimated at 60% with average broker fees of 5,21%. The average percentage of taxes per transaction is at 7%. Estimated number of days a property remains on the market is about 104 days. The average size of a home sold is 135 M2 and an average size apartment sold is 64 M2.

Transactions

A total of 695.000 transactions were closed during year 2009, of which 105.000 were new homes. New home sales increased by 32% over 2008 when 79.400 transactions were recorded. Expansion of the new home market is being largely sustained by the *Scellier* program, a government initiative designed to aid new homeowners enter the market, which is incentivized by tax reductions. Of the 105.000 new home transactions only 35.000 (33%) became homeowners, compared to 56% in 2008, largely shifting the buyer profile share to the investors. This is was not in line with French government objectives since the idea was to increase homeownership and not investor driven purchases.

Resale transactions continued to decline, however more modestly than anticipated in early in 2009. Though there is relief at the more clear and positive market trends seen during late 2009, the viability of the housing market is still subject to the solvability and morale of households (consumer sentiment), and shifts in interest rates. According to a monthly market study completed by the *INSEE* (March 2010) consumers are pessimistic about their futures; particularly concerning unemployment, inflation, and their capacity to save. Though interest rates remain favorable, they question for how much longer? Many uncertainties persisted at the start of 2010.

Prices

According to data from the *Notaires de France/INSEE*, in 2009 the price of resale homes declined by 5,6% in the Ile de France, and 3,5% in the Province for both houses and apartments. In the Paris metropolitan area the downswing was more pronounced: -7,5% for houses and -4,5% for apartments. The average price for a Parisian dwelling in 2009 was €6.208 per M2, 5% less than in 2008.

Rankings for the more expensive regions in France begins with Alpes Maritimes where an average home costs around €400.000, and then Ile de France €275.000, followed by les Bouches du Rhône (€258.000). At the lower end of the market was Pas de

Calais (€128.000), le Nord (€140.000) and the Loire-Atlantique (€175.000).

Concerning the new home market, the *Fédération des Promoteurs Constructeurs*, (Federation of Builders and Developers) announced price increases nationally in 2009 of 4,2% in 2009 for new homes, however there were regional disparities. Price declines were noted in Pays de Loire, Corse, Bourgogne, and PACA, while price hikes were seen in Basse-Normandie, Aquitaine, Champagne-Ardenne, Picardie, Alsace and France-Compté.

Mortgages

The average 15-year fixed rate mortgage was 3,6% in 2009, a 1% decrease over the 2008 average rate; this is equivalent to a volume of 100 million Euro issued, compared to 141 million Euro issued in 2008, or a 28% reduction in mortgage volume (*Observatoire de Production de Crédits Immobiliers*). The Bank of France states that during the first trimester of 2010 there was strong demand for mortgages given the loosening of lending criteria.

Outlook

2010 will be a year of positive transition and stabilization for the residential real estate market in France. There is no doubt that the effects of the financial crisis on the housing market are still in play; increasing unemployment (3,4 million in France), an unpredictable economic situation, and a persistent and low level consumer confidence combined with an important decline of new starts in housing. On the other hand, interest rates remain historically low and there appears to be a softening of seller demands, which further encourages a return of buyers to the market. This might be best reflected in recent sales figures from notaries in the Ile de France region stating an 80% increase in transaction levels over 2007 peak figures for the first quarter of 2010.

Average home prices are at €6.430; a 3,4% increase in just three months for the Ile de France region. This effectively erases the price declines of 2009. On a national level the average home price was €201.000 in the first quarter 2010, compared to €187.000 in 2008: a 10% increase approximately. Listings on the market dropped by 10% and an increase of 18% in the volume of transactions closed has been recorded thus far in (first quarter) 2010.

Lack of product on the market particularly in the French Metropolis combined with overall strong demand nationally, plus the increasing mobility of the French and weakening dollar are all factors that will help drive this market area to more positive and stable territory.

ERA France is optimistic on perspectives for the 2010 home market.

ERA FRANCE
Versailles, France
Tel: +33 1 39 24 69 00
Fax: +33 1 39 24 69 01
info@erafrance.com
www.erafrance.com

ERA Germany

Stable home market for both prices and transactions, slight increases expected in both areas in 2010

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
2009 vs 2008	1.00%	1.57%	-3.15%	-0.27%	-5.26%	-2.68%	Buyer	5.11%
Trend 2010	Increase	Decrease	Decrease	Decrease	Decrease	Decrease	Buyer	Decrease

Stable home market for both prices and transactions, slight increases expected in both areas in 2010

Germany enjoys one of the most stable housing markets in Europe. No extreme boom or bust scenarios occurred in this residential market in recent years. This largely contrasts the turmoil seen elsewhere in Europe.

General

Germany's homeownership rate of 43% remains unchanged, as in the last several years, and still lags far behind the EU average of 62%. Germany therefore remains a nation of renters. This, in fact, may be one of the market stabilizing factors, making it less vulnerable to supply/demand peaks and valleys, especially when combined with its traditional, conservative lending practices. Other stabilizing factors include the low level of investment in residential real estate at 5,5% of the GDP, and the government emergency measures implemented in 2009 that helped maintain relatively low unemployment levels, now at 7,5%.

According to the research institute Empirica, 37% of Germans own houses and 6% own apartments. Of all Germans, 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, as land is far cheaper there compared to city plots. In rural areas, 60% of people live in an owned house or apartment while homeownership rates average about 25% in German cities.

Of current tenants 59% wish to buy property in the future, but only 20% have concrete plans, and just 4% want to buy within the next 2 to 3 years. Though many Germans are able to afford buying property, as prices are reasonable and interest rates are low, the trend is stubbornly unchanged partly due to the highly affordable rental rates.

Transactions

National real estate statistics are difficult to obtain in Germany since this is generally managed on a regional level. However, in 2009, for the first time ever, 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. Though the data published in this April 2010 report includes all forms of real estate, not just residential, there are indications that residential transaction levels in 2008 mirrored those of 2007 and that in 2009 had an increase in the figures. The historically low level of interest rates on mortgages are inciting buyers to invest now, since they understand these low rates will not last forever. Inflation concerns which may cause demand to spike (thus prices to rise) are also motivating buyers to invest now. Nevertheless, transaction levels have and will remain relatively flat due to the consistency in buyer and seller motivations, which include: increase in family size, death, divorce, relocation and scaling up or down in property size.

Prices

As stated above if there are no market exaggerations no bubbles can explode. This describes the German real estate market best. Home prices in Germany were, and still remain, very stable. Germany seems to be the only country in the EU that did not demonstrate pricing excesses and therefore experienced no significant price corrections.

Price variations can be seen, however, when comparing newly built homes with second-hand homes and when comparing rural with urban areas. Prices in city centers as well as in metropolitan areas edged slightly upwards by 1% to 2% due to the influx of people to inner city districts and tight supply as the pace of new developments remains slow in these areas. On the other hand, prices for apartments and houses in smaller cities and rural areas edged downward.

Berlin's market proves to be panic-proof. Prices per M2 for apartments increased on an average of 2,8% (to €1.612 per M2) compared to 2008, while apartment buildings increased by 0,4% (to € 1.066 per M2). However, more recent indications are that house prices in this capital city may slide back by a few points in 2010.

Mortgages

Mortgages are at historically low rates, ranging from 3,5% to 4,2%. In mid-June the ECB pegs the average variable rate mortgage at 3,73%. Therefore financial options for clients are improved compared a year or two ago. Banks are also prepared to finance private buyers who have 20% equity. The majority of these mortgages are closed at 10 to 15 year fixed rates because of the favorable conditions.

Outlook

The residential housing sector is, again, expected to remain relatively stable. However, market observations thus far for 2010 show a strong upswing in demand to nearly double that of 2009. Continued historically low interest rates, inflation fears, and loss of trust in the financial (stock) market appear to be driving this demand. Paradoxically, there is lack of supply right now, as sellers are uncertain how to reinvest their funds once their property is sold. As home values are considered more-or-less assured, sellers are choosing to stay put for now, until the situation becomes clearer.

Future trends are for buyers to move toward the more affluent suburbs near larger city centers, where there is good infrastructure, retail shops, meadows and greenery. The elder population will be an important sector of buyers taking part in this trend as they sell their rural estates and move to the greater comfort and convenience of a city center. As a result, prices are expected to increase in these areas. If we compare 2008 to 2009 second semester figures prices increased in eight German cities, the most dramatic increase being Berlin +4,5% (to €2.100€ per M2), followed by Hamburg +3,8% (to € 2,750 per M2) and Düsseldorf +3,5% (to €2.330 per M2).

Germany in effect has two distinct markets. The dividing line is no longer between East and West Germany, but between rural and urban areas. There are often large price disparities within city centers as well. Home buyers seek a sound and safe investment in housing with reliable returns compared to what is viewed as the more volatile financial markets, and uncertainties present today in the Euro zone derived from unprecedented deficit financing.

ERA GERMANY Tel: +49 211 440 37 680 info@eradeustchland.de
Duesseldorf, Germany Fax: +49 211 440 37 689 www.eradeustchland.de

ERA Greece

Sharp fall in transactions and decline in prices, although real estate is expected to maintain its fundamental value, stabilization not expected before 2013

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
2009 vs 2008	-27.08%	-5.00%	-3,40%	0,25	N/A	N/A	Buyer	N/A
Trend 2010	Decrease	Decrease	Decrease	Increase	Decrease	Decrease	Buyer	Increase

General Economic outlook

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. The austerity measures promised during negotiations that led to the Agreement will put further pressure on an economy which is already in recession. Although forecasts concerning the level of GDP reduction and increase in unemployment rates greatly vary, there is little doubt that both these indicators, critical for Real Estate market performance, will fare worse than hitherto expected.

The generalized insecurity and fear of a State default that preceded the international bailout led to a localized collapse in real estate transaction numbers over a few short months. Consumer sentiment deteriorated quickly, as both State finances and the economic outlook for the coming years worsened. This process will undoubtedly take some time to fully resolve, a fact that is expected to be reflected for some time in residential sales.

Transactions

The number of transactions peaked in 2005, shortly before the new VAT regime was imposed (2006), at 215.148. On average about 160-170.000 properties changed hands each year in Greece, something that was confirmed by published Bank of Greece Statistics for 2006-2008. The latter year saw the peak of the relevant house price index, which started to decline with the credit crunch that followed the collapse of Lehman Bros in September 2008. In the months that followed the fated event, Greek banks severely reduced the flow of funds to all economic activity and gave specific instructions to appraisers to lower their estimates of property prices. Last year, 2009, was the worse year in decades with transactions falling below the 100.000 mark: only 94.801 transactions took place in 2009 according to Bank of Greece data. Prices also declined from their nominal peak in 2008, albeit slightly, in the area of 10% for metropolitan Athens and slightly higher in other areas.

Prices

According to the Bank of Greece (BoG) residential property prices continued drifting downwards in 2009 for all dwellings and in all areas. Contrarily, property rentals rates have increased, though at a diminished pace. For 2009 the most important YOY price drops for 2009 were recorded in Thessaloniki at 6,2% followed by Athens at 5,0% for both apartments and dwellings. All urban areas combined recorded a decline of 3,4%. BoG estimates tend to be on the conservative side. Several areas have experienced double digit drops, although this also has to do with the movement of populations to newly built areas or away from inner city quarters now rapidly re-populated by economic immigrants.

Mortgages

A substantial decline in the value of residential real estate transactions closed was recorded in 2009. According to the BoG-Eurosystem real estate market analysis for 2009, the number residential property transactions involving a mortgage lending institution declined by 39,6%, the equivalent value of those transactions declined by 42,1%. These are significant YOY declines under any circumstances. Both of these statistics concern sales involving a mortgage institution and not cash sales. Furthermore, a decline of 41,2% in the overall volume of square meters was recorded; therefore smaller size properties are selling. According to the BoG, interest rates in March 2010 for a variable rate housing loan or an initial fixed rate one-year loan, increased by 13 basis points to 3,21%. Fixed rate loans from one to five years increased by 12 basis points to an average of 4,79%. The true problem though is the reluctance of the banking sector to give loans to anyone but the most credit-worthy candidates, who also must place a large down payment.

Outlook 2010

Mortgage lending is expected to tighten with further restrictions on new lending being imposed. Under the International Economic Control agreements, additional taxes are expected to be levied on property. This is already escalating the number of properties on the market, as owners of large property portfolios seek to liquidate their positions to avoid a heightened tax burden and/or anticipated price declines. Depending on the willingness of banks to lend, we estimate 45-80.000 transactions for the year. Falling in this range is an estimate of about 50.000 sales nationwide which was published in the daily press.

The sellers' resistance to lower the prices is expected to be somewhat dampened by increased unemployment rate and the deepening recession. We already have a steady stream of people seeking to sell in order to alleviate the consequences of losing a job or closing their business.

2010 will be another buyers market with some spectacular opportunities materializing, 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 price movements will occur in different degrees depending on local parameters. Although it may sound like little solace, real estate will retain its intrinsic value.

Special thanks for report preparation to:
Dr. Kosmas Theodorides, Broker – Owner
ERA Polis – ERA Acropolis

ERA GREECE Tel: +30 210 322 2254 info@eragreece.com
Athens, Greece Fax: +30 210 322 2257 www.eragreece.com

ERA **Ireland**

Further declines in both prices and transactions, though pace slowing thus far in 2010 with regional disparities.



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
2009 vs 2008	-42.46%	-25.75%	-20.95%	1.05%	N/A	N/A	Buyer	24.22%
Trend 2010	Decrease	Decrease	Decrease	Increase	Decrease	Decrease	Buyer	Increase

A recent survey of ERA Estate Agents across Ireland shows up some interesting residential property price trends.

"It is unhelpful to speak of average property market prices as if there were just one national residential property market. The ERA Ireland survey which is representative of forty urban and rural markets in all counties in Ireland has thrown up some interesting variations" says Frank Doonan CEO of ERA Ireland.

Generally where demand exists at present it is for three and four bedroom second hand homes, in or adjacent to population centers with good local services. This reflects the fact that first time buyers with secure employment is the sector most likely to secure mortgage financing from the main Irish banks at present.

There are several locations in Ireland where there is less oversupply of good quality starter homes and therefore property prices have stabilized faster in these areas. Price drops in this new home sector, range from -33% to -50% and an average decline off peak* of 40%.

Apartments in secondary locations are the least sought after property type at present. Many previous buyers of such apartments can now afford to buy a two or three bedroom house in the area of their choice. For the moment, this trend change will lead to a reduction in the number of moves a person makes in their early life stage. Apartment living for many first time buyers was generally seen as a necessary starter property before moving on to a family home. This was especially true in the main urban areas. Because of the density of apartment developments many areas have gross oversupply relative to demand. Price drops in the apartment sector range from -33% to -60% and an average decline off peak of 46%

One off properties in the country, commonly referred to as the 'bungalow on the half acre' have dropped in price within a range of -27% to -45% with an average price drop off peak 2006 prices of 37%.

Apartments in provincial towns with significant oversupply are reported at -60% off peak and demonstrate the largest price decrease in the ERA Ireland report.

Suburban bungalows on their own site have suffered smallest price decreases with some areas reporting a 27% price decrease from peak.

The lesson to be learned for property sellers and buyers alike is to think local when valuing an individual property.
Your local ERA estate agent with local knowledge and national marketing capability will help you wade through all the factors influencing the price you should guide your house for sale.
** For the purposes of this survey property prices peaked in Ireland in autumn 2006.*

Transactions
The most reliable method of tracking property transaction numbers can be observed from the Irish Banking Federation (IBF) quarterly report on residential mortgage drawdowns.

A total of 45,818 residential mortgages were drawn down in 2009, 42,46% fewer than in 2008. In quarter four of 2009, 9.946 mortgages were drawn down which was 18.4% fewer than in the third quarter; so the decrease in mortgage lending continues. The first time buyer sector experienced the lowest decline in the fourth quarter of 2009 with 3,4% fewer mortgages when compared with the previous quarter.

Mortgage loans totaling € 8.076 million were issued in 2009, 65% less than in 2008.

First time buyer average loan volume peaked in quarter one of 2008 at € 251.831 and has dropped to €206.865 in quarter four of 2009.

Due to the crash in Irish property prices the Irish banking sector is in deep distress with the Irish government having to guarantee all banking activity and relieve the major banks of billions of toxic loans lent into the sector throughout the Celtic tiger property price bubble. This is being managed by the newly created National Asset Management Agency (NAMA).

Irish tax payers now foot the bill for massive developer loan write offs and the Irish government is forced to recapitalize the banking sector on taxpayers' behalf. There is hope that as property prices bottom out at roughly 50% off peak, and the recapitalized banks get back to prudent lending to the sector, we will begin to see residential property transaction levels rebound during 2011.

Outlook Autumn 2010 and beyond

Asking prices for properties across Ireland have continued to fall; however, the rate of decrease in asking prices has eased for the second successive quarter. The most notable exception was Dublin City South where the average asking price rose by 1.1%. Asking prices nationally fell by 3.3% in the first quarter of 2010 compared to a fall of -3.5% in the last quarter of 2009. In Dublin asking prices fell by 3.9% in the first quarter of 2010 bringing the total fall over the last 12 months to 15,2%. Asking prices in the capital have now fallen by 33.4% since their peak in 2006. New homes recorded the largest drop in asking prices in quarter one, declining by 4.4%. This was the largest decrease on any of the MyHome.ie property barometer indices. The asking prices for second hand homes fell by 3,2%, the smallest decrease in percentage of any sector covered. Actual sales prices have on average decreased by 40%+ since peak in 2006. Commenting on the results, independent economist Paul Murgatroyd said the -3,3% rate of decrease in quarter one was significantly lower than the -6,13% recorded over the same period in 2009. "Asking prices have continued to fall as have actual sales with plentiful anecdotal evidence showing peak to trough declines in sales prices in the order of 40 to 50% depending on property type and location. "There has been a three fold increase in sale agreed properties in Dublin compared to the same period last year, which is encouraging.

It is also interesting to note that three quarters of first time buyers are looking to purchase a second hand property while one in five is seeking a newly built home. Nearly half of the first time buyers have a preference for a semi-detached home while 10% prefer an apartment. *Source: myhome.ie*

ERA IRELAND Tel: +353 1 89 01 722 info@eraireland.com
Dublin, Ireland Fax: +353 1 89 01 723 www.eraireland.com

ERA Italy

Demand remains week, home values decline 4,1% nationally in 2009, no signs of price growth in the short term

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
2009 vs 2008	-11.28%	-4.10%	N/A	-1.20%	-7.41%	-9.52%	Buyer	72.5%
Trend 2010	Decrease	Decrease	not available	Decrease	Decrease	Decrease	Buyer	Increase

General

The deep global economic, financial and real estate crisis that began in mid 2007 seems to have bottomed out for Italy during the first half of 2009. After the economic difficulties experienced between September 2008 and April 2009, 2010 is showing slight indications of a comeback.

Compared to other countries such as the United States and Spain, the economic crisis has been relatively contained in Italy and more connected to the macro-economic weakness of the country as opposed to the so-called housing bubble. If the economies of countries such as the US, Spain and the UK were weakened as a result of financial problems originating in the real estate sector, the opposite can be said for Italy, where the weakness of the macro-economic situation was the principle factor in the deterioration of the real estate market, in part due to a decrease in the quantity of transactions as opposed to prices.

Prices and Transactions

The volume of investment in construction fell 9,4% in 2009, dropping to €143 billion after having peaked in 2007 at more than €152 billion. Meanwhile, the total value of real estate transactions between 2008 and 2009 decreased by 18,1%, a loss of € 24 billion, dropping to a total of €109 billion.

From the end of 2006 when the market was at maximum expansion to today, the total number of real estate transactions has dropped 21,2%, from 1,709,176 to 1,347,368. Real estate values including home prices, began declining during the second half of 2008 in tandem with the fall of Lehman Brothers, at which time there was also an increase in yield.

In recent months however, it has been noted that global macro-economic trends seem to be heading in a positive direction. Although values still remain much lower than a few years ago, some countries are already showing clear signs of recovery with consistent increases in volume as well as in prices in significant sectors of the European real estate market. The effects of the improved real estate market overview are still rather weak in Italy. In some countries where prices dropped, the demand has already returned significantly, whereas in Italy the demand remains weak and prices are not yet showing signs of growth.

Research firm, Nomisa's last market survey of the 13 largest Italian cities revealed a negative variation of 4,1% in the average price of a home in 2009. The last semester indicated a slowdown in the pace of decrease in prices that could be indicative of a comeback.

Data regarding these positive market trends has been confirmed in a preliminary survey held in March 2010, by a panel of real estate experts from the 13 main cities. They agree that house prices are not rising due to the fact that supply still largely exceeds the level of demand, as was the case during the final semester of 2009. Therefore, in 2010 prices still appear to be declining, albeit in a limited manner.

The data regarding the abundant supply and the scarce demand shows however, an active market for the following categories:

- Dwellings in energy efficient buildings that are well situated and that offer parking, services, green space, etc.
- Dwellings in prestigious buildings in prestigious locations, in the city centre or in buildings with a high architectural quality
- Dwellings in prestigious tourist locations with strong appeal

On the other hand, the market is particularly weak if not completely absent for:

- Low quality dwellings normally in buildings poorly situated and in the outskirts
- Buildings located in not particularly prestigious tourist areas in a poor environment
- Developments with low architectural and construction quality and low energy efficiency

Mortgages

In 2009, the important drop in interest rates for new mortgages helped sustain the demand for dwellings. The typical average monthly mortgage payment fell by 15%, from €821 to €704 per month, returning to well under pre-crisis average amounts. Lower mortgages rates in 2009 however, were not enough to sustain the total number of mortgages closed during the year; these actually decreased by 10,7%, from 271.000 in 2008 to 242.000 in 2009. Of the 609.000 homes bought in 2009, only 205.000 were purchased with a mortgage and at an average value of just under €130.000.

ERA ITALY Tel: +39 02 393 59 491 info@eraitaly.com
Milan, Italy Fax: +39 02 393 59 441 www.eraitaly.com

ERA Luxembourg

Transactions down by 17%, home values drop nationally by 10,6%, signs of recovery on the 2010 horizon

LUXEM-BOURG	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
2009 vs 2008	-17.80%	-10.29%	-10.66%	0.70%	-7.69%	-12.50%	Buyer	16.67%
Trend 2010	Decrease	Unchanged	Unchanged	Unchanged	Decreased	Decreased	Buyer	Increased

General

Homeownership is slowly reversing course and moving downwards in Luxembourg. Once averaging 72% today homeownership is estimated at 67%, due to the ongoing difficult economic situation. Nevertheless, the rate remains comparatively higher than in neighboring European countries. As financing becomes more difficult to access, demand for apartments or smaller properties has increased; conversely the desire for higher priced areas and/or homes has waned. Population tendencies are increasingly toward moving to urban areas, due to the high concentration of jobs, work facilities and/or general opportunities the city center offers. Today, access to convenient transportation and the ease of getting to and from work have a significant impact on the choices people make on where to work and live.

Prices and Transactions

Transactions, as well as real prices paid by home buyers fell from 2007 to 2009, though demand for homes remain high. People who cannot afford buying at still relatively high prices opt now for renting solutions. Though many sellers are still slow to adjust prices downward, a truly motivated seller will in the end sell at market value. Buyers simply will not purchase at asking prices they feel are over valued nor will banks finance these properties.

So, there is a clear difference between asking prices and the end price paid at the notary. This pricing disparity has also had a negative impact on transactions figures that have dramatically fallen these last 2 years. As long as the Government of Luxembourg Government continues to provide statistics that make buyers feel that the market is overpriced, many buyers will not feel comfortable in buying. Unfortunately the Government publishes figures, mixing asking price statistics and the real prices paid to the notaries, thereby confusing the public. The only reason that might explain this approach is that the Government has its own real estate projects to sell. These programs have a clear social purpose, and they sell poorly. So propagating the image of a real estate market that is overpriced (I.e. too expensive), allows the Government to present a better price/quality ratio.

Real Estate Offices

There was most likely some attrition in the number of real estate offices last year, but there are still a high number of agencies and agents on the market to sell the properties offered on the market.

Mortgages

Though local retail banks are offering mortgage loans at historically low interest rates, loans are still difficult to obtain if the buyer does not have a significant down payment. On average a 25% minimum down payment is required together with and a good salary and employment history. Fixed rates are not typically used in Luxembourg, but due to the low interest rates, and the need for buyers who dare to buy now (and it's the best time to buy now) for security in the future, as a result many more banks now offer attractive fixed rate loans for periods up to 20 years.

Outlook 2010

The market clearly experienced a slow down between 2007 and 2009, however now we are seeing signs of a recovery. Demand remains healthy, especially given the constant need for homes and the fact that many investors choose real estate as an alternative to banks and/or stock market investments. With a more regulated real estate market, buyers are reassured in transacting real estate, but remain concerned about valuations. With an uncertainty about the future buyers remain conservative and will only pay real market value and no goodwill.

Second-hand homes sell better and faster than new properties, as the latter are comparatively higher priced. Most developers are having serious problems to lower their prices, because their purchase costs were much too high and in doing so would lose money.

2010 will bring an increase in real estate investments (and home rentals) with a tendency toward a stabilizing market after the serious market corrections during 2008 and 2009.

ERA LUXEMBOURG Tel: +352 40 38 981 info@eraluxembourg.com
Luxembourg Fax: +352 40 37 9750 www.eraluxembourg.com

ERA Netherlands

A search for new balance in the Dutch housing market

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
2009 vs 2008	-30.08%	-6.69%	-7.41%	-0.60%	-44.44%	-33.33%	Buyer	37.18%
Trend 2010	Decrease	Decrease	Decrease	Decreased	Decreased	Decreased	Buyer	Increase

During the last quarter of 2008 the real estate market changed in the Netherlands. That was when the housing market seemed to almost reach a complete standstill overnight. Everyone held their breath: sellers, who needed to sell their homes, were wondering how much they would have to lower their asking price. The real estate agents were agonizing how long this total lack of showings and sales would last, and how long they would last during this situation. Homebuyers were waiting for the economy to recover, and did nothing in the meantime. Banks were in dire need of government support to survive their own internal crises. Financing homes was definitely not their top priority. Hence, buying a home was not an easy thing to do neither during this quarter nor during the early months of 2009.

The government realized that it had to act. They were missing 6% on every transaction on taxes and they needed the tax income. They had to make sure that homebuyers would get some sort of compensation for the risk they were taking when buying a home. Therefore they stretched the criteria for a mortgage guarantee, the NHG (Dutch Mortgage Guarantee Fund). That made buying a home up to €350.000 less risky for banks. Consumers would get a discount on their mortgage rate in return. Furthermore, the government would subsidize homebuyers in the lower segments. During the years before the crisis young newcomers in the market without capital had almost no chance at all to afford and finance a home. One of the symptoms of the economic crisis was a huge listing inventory and a subsequent sharp decrease in home prices. Combined with the buying subsidy this would be a golden opportunity for newcomers to finally be able to buy their first home. Unfortunately banks were not very keen on supplying mortgages, while they were still working on their internal troubles. Therefore this opportunity was not the huge dreamed of success.

During the year the Dutch market showed an unstable pattern of occasional recovery and relapse into inertia. The real estate offices have had to downsize as much as they could. Offices nowadays are often half the size in man power compared to their size before the crisis. Listing inventories have doubled, in most cases. There is a contrast between older and recent inventory. A section of a real estate office's inventory was listed quite a while ago for asking prices which today are no longer realistic, and hence do not attract any attention from homebuyers. There is only one option for these homes: lower their price until homebuyers do respond. Due to the over-financing in the past, a certain number of these sellers are faced with a huge debt, should they sell their home for a realistic amount. These people are neither willing nor able to lower their asking price. However a buyer does not care what amount of money the seller needs. He just wants to pay the lowest possible price for a home.

More recent listings sell faster and are less difficult because of a more realistic asking price. The average transaction numbers do not say much. In some regions the number of transactions seemed to increase gradually, until April of this year. At that point in time, the Dutch government collapsed. A new parliament will be elected in June of 2010. Due to the economic stagnation, heavy cuts on government expenses will be necessary. The allegedly fixed in stone tax deduction amenity for paid interest on home mortgages, for many people their stepping stone to owning their home, has come under siege. That has created huge uncertainties with potential homebuyers. Again, showings have decreased severely. People are waiting to see what the elections in June might bring. Until then they are quite reluctant to buy a home with the risk of not being able to afford it.

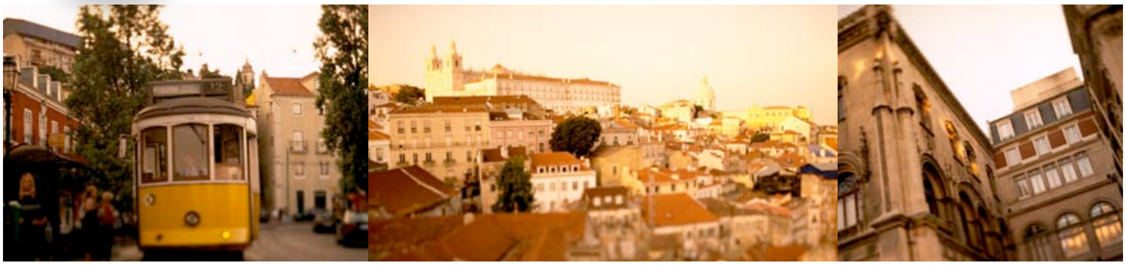
Outlook

The real estate market in 2010 will remain volatile, as a result of local political and economic instability. Price corrections will remain necessary for older listings, if they cannot be retracted from the market.

ERA NETHERLANDS
Utrecht, The Netherlands
Tel: +31 30 289 9900
Fax: +31 30 287 1109
era@era.nl
www.era.nl

ERA Portugal

New building activity at its lowest point in 15 years, transactions and prices down, 2010 pace more positive



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
2009 vs 2008	-13.59%	-24.00%	-4.35%	-2.00%	-1.26%	-1.26%	Buyer	-11.11%
Trend 2010	Decrease	Decrease	Unchanged	Decrease	Decrease	Decrease	Buyer	Decrease

General

The Portuguese economy slowed in 2009 a shift that began toward the end of 2006 in other main European economies. The 2008 financial crisis further exacerbated this trend and has contributed to a more severe retraction of the economy in 2009.

Due to its high degree of exposure and indebtedness level, the economy was adversely affected, this was reflected in a GDP decrease of 2,5% in 2009 (after a 0,3% growth in 2008). As a result of convergence of this international financial crisis with general global economic woes, structural economic weaknesses were exposed within the country. The crisis also 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 2009 there were nearly 500,000 unemployed people, or a 10% unemployment rate.

Main indicators of Portuguese real estate market in 2009 show a downward correction in supply that had already commenced in 2003; and a deceleration as well in demand. Construction licenses issued in the residential sector reached a total of 45,400 representing a 30% decrease versus 2008. In year 2009 there was an additional reduction of 21% in approved construction licenses.

Transactions

Concerning the number of properties sold in Portugal, a decrease was verified in 2008 compared to 2007. The Portuguese official source (INE), states in 2008 the number of properties sold in Portugal declined by 18%, meaning 37,000 properties less sold in the Portuguese market. Despite the lack of official figures for 2009, market specialists estimate an additional reduction of 14,000 properties sold (meaning roughly 150,000 properties sold in 2009).

The percentage of decline was not uniform over the entire nation. Regions where residential construction associated with tourism were most dense such as Madeira Autonomous Region and South of the continental territory (Alentejo and Algarve) were the regions contributing most to the decline. Historically attractive to British investors, the Algarve region suffered particularly from the pound devaluation versus the euro currency (roughly 30% devaluation since the start of 2008). Data relating to new build activity is at its lowest levels in the past 15 years.

Prices

Unlike in other European countries, the speculative bubble in real estate was not strongly noticed in Portugal, although a growing supply versus demand adjustment was verified during the last year, with a slight average price decrease in 2009 (-2,6% versus 2008). A slight negative growth rate of square meter (m2) average price in housing in 2009 was verified in most of the quarters along the year (- 0.3% in Q1, +1.7% in Q2, - 0,3% in Q3, - 0,9% in Q4). The current situation offers very attractive buying and investment opportunities in 2010.

Mortgages

With the Euribor currently at 1% (and average spreads of 1, 5% for new mortgages), the average interest rate for Portuguese families in 2009 was roughly 3%. Buyers are experiencing greater difficulties in obtaining mortgages as restrictions are tighter and loan to values increased, from an average of 90% to 80%. Mortgaged loans issued declined 31% in 2009 versus 2008 (from € 13,526 million in 2008 to €9,330 million in 2009). The 1st semester 2009 reflected declines across the board with the largest fall occurring in the 1st quarter. A reversal of this trend began in June. By the end of the year mortgage loans continued an upward growth trend.

The indebtedness of the Portuguese families has reached a historic maximum of 134% of the total available income.

Outlook 2010

Despite the decline in construction licenses issued and in completed conventional dwellings, the residential stock will remain high as there continues to be persistently weak demand.

Tighter restrictions on mortgage lending practices due to a growing risk of non-payment issues, increased demand for housing in the rental market. The convergence of three factors (low interest rates, downward adjustment of sales prices and more fierce competition from the financial institutions) may however in the short terms lead to a recovery, although not yet sustainable, of the buying and selling process.

An important factor that still needs to be clarified is the impact on interest rate spreads (given by banks to property buyers), after the rating agencies' (Standard & Poor's, Moody's Investor Service and Fitch Ratings) gave recent negative assessments of the financial risk of the Portuguese economy. The higher the risk perception of the Portuguese economy, the more expensive the Portuguese banks will have to pay for their funding operations in other markets. And, the higher 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.

This clearly has potential to have a further negative influence on an already fragile housing market.

Trends

- Growing level of real estate industry market share, due to the sector higher professionalism and the private clients' growing need to search the real estate services to sell their houses.

- Consolidation of real estate businesses into main real estate networks.

- Recovery of residential market growth, in transactions and mortgage loans, at a slower and more selective rhythm.

- Increase in quality of delivery of new services by real estate agencies, in light of demand from new market segments including the senior market and individuals living alone (including divorced people).

- Real estate product differentiation based on factors such as location, construction quality, architecture, design and environmental efficiency.

- Growth in higher quality project developments of resorts, golf courses and SPA's (Algarve, Setubal peninsula, Alentejo and West sea coast), to continue to attract residential tourism, and the senior residential market.

- Urban rehabilitation: implementation of public space improvement and historic centers.

ERA PORTUGAL
Lisbon, Portugal
Tel: + 351 213 600 150
Fax: +351 213 600 159
info@era.pt
www.era.pt

ERA Romania

Prices drop by 19% on average, -28% drop in transactions, 2009 was a year of market corrections and stricter mortgage requirements; 2010 shows a continued downward price trend.

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
2009 vs 2008	-27.18%	-16.67%	N/A	0.60%	N/A	N/A	Buyer	0.0%
Trend 2010	Decrease	Decrease	Decrease	Increase	N/A	N/A	Buyer	Unchanged

General

The Romanian residential market is characterized by relatively high number of homeowners (97%). Demand for residential property comes mainly from the new upper class, middle class and foreign investors, targeting middle to high quality offers, which are difficult to find in the market. The quality of the housing stock is very low throughout the country. According to statistics its volume is estimated at about 8.270.000 flats and houses, which roughly translates to 384 units per 1.000 inhabitants.

Nearly 55% of Romania's housing stock is located in urban areas, and most of it represents blocks of flats made of prefabricated concrete slabs built in the socialist era. In 2008, 52,8% of the delivered dwellings were built in the rural areas. In 2009 around 52% of the units were delivered in the cities, while the remaining 48% were built in the rural areas.

The number of housing units delivered in the first six months of 2009 went up by 1.248 units against the first six months of 2008, reaching 23.000 dwellings, according to the National Statistics Institute (INS). At the end of Q3 2009, developers still declared their readiness to deliver a record-breaking number of more than 3.000 units in Bucharest in 2009. Compared to 2008 situation, market conditions have been slowly stabilizing from a developer's point of view. A good signal is the clearly reduced number of available stock of unsold apartments, though the price reductions have not resulted in a satisfactory pick up in sales as expected by developers.

Competition in the residential construction market is getting tougher, with larger projects and more offers, but fewer buyers. The market for smaller residential projects and re-sale property is governed by mid to small-size real estate agencies. As many as 15.700 companies were engaged in real estate activities in Romania at the start of 2008 in addition to the leading top-20 companies. However, out of this number, only 1.700 had real estate as their main business activity. From these 1.700 real estate agencies, only 125 generated more than € 10.000 in turnover and had more than four employees. With the decrease in the number of transactions many small real estate agencies withdrew from the real estate market; some of them for good while others intend to so only temporarily.

Prices

After the spectacular price growth in 2007 and stabilization in 2008, the year 2009 saw a visible price correction downward. The average asking price of residential space in Bucharest came to a net of approximately of € 1.260 per M2 of built area. This is 15% less on average, compared to the third quarter of 2008. The level of price correction in real prices does not seem extremely high, if we look at the Euro prices during that period of time. The appreciation of this currency versus the RON can be estimated at 18,5% (30 Oct 2009 / 30 Oct 2008). As prices are quoted in Euros, the price correction was partially consumed by the currency fluctuations. The prices of currently listed new dwellings generally range between € 900 and €1.200 per M2, with approximately 60% of the entire supply below the market average.

In reality, not all residential prices experienced a drop in Bucharest. The decrease in prices was mostly noticed in flats located in the old communist buildings and in certain locations far from the central Bucharest. Investment fear persists though, primarily due to bad media and tighter bank polices for mortgages.

The 2009 end of year analysis shows reduction in prices of new apartments by 19%, comparable to the price decrease registered for second-hand units which was 20%. The average price for a new dwellings closed the year at €1.300 per M2 (without VAT), a 19% drop from December 2008 levels.

The prices for apartments targeting the medium and upper-medium segments of the market varied between €1.100 and €1.500 per M2, with apartments located in peripheral areas at the lower end of this range. A higher price level of between €1.500 and €1.700 per M2 was requested for projects located in secondary areas, as they benefited from several competitive advantages compared with the ones listed at a price lower than €1.500 per M2 .

Most developers preferred to maintain high asking prices, but were flexible when negotiating with clients. Therefore, the effective price for a closed transaction may be 10 to 15% less. Moreover, developers offer a variety of incentives such as: fully furnished and equipped kitchens, parking spaces, storage rooms or discounts for a limited number of units. Developers also had flexibility when it came to pricing of their units, as they could personalize offers according to each client's payment capacity. Consequently, the price decrease doubled when allowing for adaptations, such as renting the apartment with an option to buy at a later point in time or offering alternative payment methods to temporarily avoid bank financing.

Price policies were not uniform; some developers/investors maintained the same price levels in 2009 or just slightly decreased them with no more than 10%, compared to 2008. Even in the context of a very slow selling rhythm, developers opted to maintain a stable pricing policy for projects with attractive price/quality ratios or that were located in prime residential areas. Additionally, the constant price level was determined by several other factors: the contracts signed with banks for the project financing, low competition between projects located in central and secondary areas, pressure from clients who had already purchased properties at a higher price within the same complex.

In some cases price decreases were spurred by the competition between developers and the investors who purchased apartments off-plan during 2007-2008 and later offered them for sale. Still, as the market does not allow for expected profit margins at this time, investors prefer to rent the apartments until a future market recovery.

Hot Spots

The city of Bucharest attracts most of the investors, while the other cities remain quite 'undiscovered'. According to the estimates, Bucharest may double its population in the next 10 to 15 years to over 4 million inhabitants. Attractive working opportunities created by Romanians and foreign investors who launch businesses in Bucharest will attract an increasing number of people to the capital city.

In Bucharest, price levels are permanently ahead of other big cities, thus, the residential market in Bucharest also dictates price drops. The average price continued to decrease in Bucharest for both new houses and older flats in 2010. The price per M2 of used area in Bucharest (IMO index) registered in March 2010 was 11,9% lower for the new houses (€1.506€ per M2) and 12,5% lower for the old ones (€1.241€ per M2).

The real estate market in Bucharest continues to be the most expensive nationwide. New construction in the capital is 42% more expensive than in the second ranking city, Constanta (south-eastern Romania). When it comes to retail homes, prices surpass the second ranking city, Cluj-Napoca (central Romania) by 19%. Other major cities with an active real estate market are: Constanta, Timisoara, Cluj-Napoca, Iasi, Brasov and Craiova.

Constanta is located in the southeast area of Romania's Black Sea coast. One of the main sources of income driving the development of this city is tourism. Constanta is one of Romania's largest cities with a population surpassing 300.000. Because of its attractive location, Constanta's real estate market is driven by demand for holiday homes and from investors hoping to get a share of the income generated from the growing tourism industry. Among the big cities, Constanta has the highest price decrease for houses. From March 2009 to March 2010, the average price for the new houses dropped by 13,3% to €1.058 per M2 while the average for the old houses dropped by 20,1% to €1.031 per M2.

Cluj Napoca is the third largest city in Romania. After over a decade of continuing stagnation in housing construction, Cluj-Napoca's residential market experienced the beginning of a construction boom in 2003. The total output was brought to a level of 900 to 1.200 residential units per year compared to 200 units in earlier years. Cluj-Napoca is the only big city in Romania where the prices for new constructions increased at the beginning of 2010, contributing to an annual increase (March 2009 to March 2010) of 5,1%. On the other hand, the average price for second-hand flats dropped by 5% over the same period.

Iasi (eastern Romania) is currently the cheapest city in the large Romanian cities group. The average price for resale houses is €913 per M2 and €1.022 per M2 for new homes.

Real Estate Transactions

According to the National Union of Notaries Public in Romania, the number of transactions involving housing and land dropped 28% in 2009, when compared to 2008, down to 353.000 transactions. Early in 2008, notaries had estimated a drop of at least 40 to 50% in 2009 real estate transactions taking into account signals of the market situation and the developments in the industry during the first month of the year.

In the first semester of 2009, Romanian housing market transaction volumes were down 92%, from €815 million for the first half of 2008 to just €62 million for the same period of 2009. At that same time, the commercial property rental market dropped 60%.

In total, approximately 1.300 apartments were sold during 2009 (in apartment complexes with over 200 units), a 63% contraction compared to the year before. Putting aside investors' share in demand (which accounted for 30% of the total sales in 2008), the reduction in end-users' demand was 50% in 2009.

Demand behaved differently throughout the year. The first half of the year started with three months of virtual deadlock that ended with total sales of 515 units, driven by projects that accepted the new market conditions by offering lower prices and favorable methods of payment.

In the second half of 2009, demand was supported by the governmental program "First House". However, the program only influenced sales activity in the projects with price reductions and offered apartments in the limited range of € 60.000. In spite of this, an additional 800 units were sold in the second half of the year.

Mortgages

High financing costs drastically restricted the number of clients eligible for mortgage loans. This was reflected in the total volume of credit granted for residential acquisitions. According to the National Bank of Romania, at the end of the first half of 2009, the annual average interest rate for mortgage loans was 11,89% for loans granted in RON and 9% for Euro loans. When compared with the same period of the year before (2008) the increase in interest rate levels was significant, with a peak recorded in January 2009.

The conditions that ordinary people have to meet to qualify for a mortgage (or other loan), are very strict which caused the numbers of approved loans to decrease considerably during the year. Mortgage interest rates in Romania are dramatically higher when compared to other European countries.

Demand from investors from abroad is low. A significant negative effect on the sales rhythm was induced by the RON/Euro depreciation. Between January and June 2009 the exchange rate varied between 4,02 and 4,20 RON/Euro, with a peak of 4,31 RON/Euro registered in the first quarter. Compared to June 2008, when the RON/Euro exchange rate was 3,64%, the depreciation was significant. Because of the depreciation of the national currency, the decrease in prices quoted in Euros was tempered or even cancelled out in some cases.

New Developments

Before the accession of Romania into the European Union there were a number of strict rules that prevented foreign investors, to purchase land in Romania. Since 1 January 2007, when Romania joined the European Union, these rules have been adapted; foreign investors are now allowed to purchase land under certain conditions.

The applicable law divides the foreign investors in two main categories:

1. EU persons: Citizens of EU member states; legal persons incorporated in the EU member states and stateless people domiciled in an EU member state.

2. Non-EU persons: Citizens, legal persons and stateless people not from an EU member state.

EU persons can purchase land in Romania under the following conditions:

- Land used for secondary residences or for secondary headquarters after a 5-year term from the accession of Romania into the EU (i.e. starting with January 1st, 2012).

- Agricultural land and forest land 7-years term from the accession of Romania to the EU (i.e. starting with January 1st, 2014).

Non-EU persons may purchase land in Romania under the conditions of international treaties between Romania and the states of origin of the buyers, under a reciprocity basis.

The Romanian government set up a national property registry office. The property tax system is now also being restructured with the introduction of a new property tax of 2 to 3% depending on the value, price and year the property was built.

It is likely that there will be further changes to the real estate laws in Romania. Most of these changes will need to integrated into the Romanian Constitution as well. The entry of Romania into the EU in 2007 is the primary reason why the Romanian government is likely to set upon a course to liberalize the real estate laws and Constitutional provisions.

Outlook

Limited accessibility of mortgage loans will keep the sales pace rather low. However, 2010 should bring a slight improvement both in the number of new loans and the number of units sold. Assuming the economic slowdown will last for another two years in Romania, an improvement in housing demand might be expected in early 2011. This shall eventually result in the stabilization of prices.

Bucharest's demography shall be perceived as a fundamental factor with positive influence on the development of the primary residential market in the long-term. However, its current impact seems to be hampered by the general economic situation. The standstill, which resulted from a lower residential lending volume in 2009, will not turn into an immediate increase of transactions in 2010. It may take up a year until a new offer will finally meet the local buyer requirements and consumers buying power capacities.

The 9.000 unsold units at the end of 2009, qualifies the residential market in Bucharest as oversupplied at the moment. However, when comparing the stock of new apartments in Bucharest to other capital cities in east and central Europe, it's evident Bucharest lags significantly behind in stock per capita basis. Thus, over the medium to long term, we believe that Bucharest's residential market has great potential for further development. Over the short term (2010), real demand will greatly depend on the "First House" program and any new governmental initiatives (e.g.: 5% VAT for all new apartments regardless of price and size).

Most likely, 2010 will follow a similar pattern as the previous year: supply levels will show very little change; demand will depend greatly on governmental initiatives and end-user confidence. Prices are expected to continue a declining trend, but at a slower pace.

ERA ROMANIA Tel: + 359 888 25 83 94 info@eraromania.com
Bucharest, Romania Fax: + 359 887 94 2217 www.eraromania.com

ERA Sweden

Average national increase in prices + 9%, and +13% in the capital city of Stockholm, outlook positive

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
2009 vs 2008	6.38%	0.03%	0.00%	-3.65%	2.06%	4.08%	Seller/ Buyer	-4.76%
Trend 2010	Increase	Increase	Increase	Increase	Increase	Unchanged	Seller/ Buyer	Unchanged

General

2009 has been a rather rough year for brokers in Sweden, due to anxiety over the financial crisis which began in fall 2008. The outlook for the central government budget and public finances though is favorable. Despite troubled times in Europe, an economic recovery, together with currently sound finances, will nearly bring balance to the Swedish economy as early as next year, with substantial surpluses expected further ahead. This forecast brings positive energy to households in Sweden and many more real estate transactions are expected to occur in 2010 compared to last year.

The majority of Swedes live in owner occupied dwellings. The rate of homeownership for 2009 has increased to 75% compared to 74% in 2008. Low mortgage interest rates and taxes have played a significant role in the high level of homeownership. The propensities to own a home together with financial incentives and benefits have been the major factors to the high percentage of homeowners.

The last few years we have also seen increased interest in buying a home through a condominium conversion. In real estate, a condominium conversion or condo conversion is the process of entitling an income property held under one title to convert from sole ownership of the entire property (which often already is a multi unit property) into individually sold 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). Of the reconstituted apartments are 94% located in metropolitan areas and 74% in Stockholm.

Last year the number of households was 4.447.025 and has risen to 4.555.032 by year 2009. The average persons per households are 1,97 individuals. The average age of a homeowner/buyer is between 45 to 65 years old, but due to the low mortgage interests at the moment, also younger people can afford to buy their own place to an ever increasing extent.

The number of real estate agents was 6.432 in 2009 (6.380 in 2007). These agents were spread over 2.500 broker offices. The offices are divided between about 1000 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 taking 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 2009 was 166.469 compared to 156.487 closed transactions previous year (2008) a 6,38% year on year increase. The Swedish capital of Stockholm contributes around 42% of the total sales revenue but only 26% of the total numbers of real estate transactions.

Internet is the major marketing channel when selling or buying a property in Sweden. The most common site 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 1600.

For 2010 we see an increased number of properties for sale, probably due to a more secure financial market.

Prices

Because of the economic situation, the Swedish Central Bank decided to lower interest rates in the second half of 2008. The average percentage lies somewhere between 1 and 2%, the lowest rate since a very long time.

During the first half of 2009 Sweden was for the first time in a long time experiencing falling prices on the real estate market. After the summer the prices started to rise again but moderately and more cautiously than in earlier periods. The average home in Stockholm was sold for €315.199 in 2008.

House prices during the last 12 month period on average nationally:
- Apartments increased: 16%
- Houses increased: 10%

Mortgages

The average Swedish buyer has a good and stabile income situation. The buyer is therefore often offered to borrow up to 90 - 95% of the purchase price from a reputed bank. For the balance one needs to either pay cash or offer other property as security. The normal repayment period is between 30 to 50 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 mortgage rate for a 5 year fixed rate is 4,30%, a 10 year fixed rate 5,10% and the variable rate 1,65% (April 2010).

ERA Sweden has recently launched its own house mortgage, a product which is unique on the Swedish market. "ERA house-mortgage" is predicted to give substantial competitive advantages.

Outlook/Trends 2010

Housing has been identified as a segment with good prospects in future years and is expected to have a relatively rapid recovery due to stable cash flows. The bottom of the Swedish property market has been reached - and passed. Now buyers are available mainly for residential properties. It is still a bit tougher for commercial properties.

The average price for a house in the country has now passed € 205.100 (2 million SEK). The price increase is 2% during the last three months (December-February) compared with the previous period (September-November 2009). If we look back on progress on an annual basis, December 2009 - February 2010 compared with December 2008 - February 2009, we see that the housing price increase all over Sweden. The average price increase during the period is 9%. The largest percentage change in Stockholm by 13%. In 2010 we can see a more stabile market overall and the prices will probably continue to rise.

Bank economists expect the Swedish Central Bank to raise prime lending rate to 2% by the end of 2010 and then another increase to 3% is anticipated by 2011.

Forecasts indicate that the figures of new house construction during year 2010 will increase compared to 2009 when the numbers were extremely low. The new ownership form, apartments with similar ownership as houses, may contribute to a positive trend in the future. However, this is yet to be seen.

Summary

2010 is a year of hope for agents and brokers in Sweden. After several tough years we now see a brighter future with a more flexible housing market and increasing prices.

ERA SWEDEN
Stockholm, Sweden
Tel: +46 8 442 88 80
Fax: +46 8 442 88 89
info@erasweden.com
www.erasweden.com

ERA Switzerland

Stabile housing market, sideward price movements, crisis free

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
2009 vs 2008	-9.09%	N/A	3.18%	-0.90%	20.00%	40.00%	Buyer	-15.00%
Trend 2010	Decrease	0	Increase	Decrease	Increase	Increase	Buyer	Decrease

Overall the Swiss real estate market proved to be resilient in 2009, as was the case in 2008 when home prices peaked during the 3rd quarter. In contrast to other European countries, there was no crisis at all.

Prices

There was a sideward trend in real estate prices from late 2008 through 2009. This trend appears to be continuing into 2010. According to a Swiss real estate index, the private house price index for the first quarter 2010 reflected an incremental drop of ,34% YOY change and the price index for condominiums during the same period slightly rose by ,36%. The over all private real estate index for the first quarter 2010 showed a slight decline of 0,04% YOY change.

Hot spots remain in the Swiss market, and are located primarily in the Gold Coast area namely (Pfannenstil), in tourist regions (Engadin); over a one year period prices rose at around 3%, while in previous years (e.g. 2007) the pace of increase ranged between 10 and 15%. The least attractive markets were found in the Seeland, Baselbiet and surrounding areas.

More than 90% of house transactions in the Geneva Canton were over 1 Million CHF and in Zurich 40%. Average prices per M2 for a single family home range between 3.000 CHF/M2 (Jura) and 11.000 CHF/M2 in Zug and Geneva. Condominium price averages per M2 were 2.000 CHF/M2 (Jura) and 8.000 to 9.000 CHF/M2 (Zug, Genva) resulting in an average price of 1 Million CHF.

Transactions

Construction activity has been robust for several years. On average about 40,000 new housing units are constructed annually. This trend is decreasing again at a rapid pace. Over 45% of all building permits were for condominiums. The proportion of newly constructed private houses has been decreasing continually for years and is now below 25%. The proportion of projects for apartment buildings (rental apartments) lies at 35%. Rental apartments are in competition with condominiums. When interest rates are low, condominiums "win", however if rates go up again, then there is a preference for rental apartments.

Construction is primarily taking place in the two business regions of Zurich and Lake Geneva. These newly constructed projects are generally absorbed without any problems (at most there are local exceptions). The market receives its best demand through immigration: after the peak level of 2008 (net migration of around 100,000 persons) 2009 still 65,000 persons. In 2001 to 2006 it was in each case around 40,000. In most cases the immigrants are highly educated and wealthy. Hence, the vacancy rate in 2009 sunk further. New figures from the SNB show: around 43% of the total Swiss private assets are invested in property. Private property assets for SNB as of the end of 2009 were 1.315 billion CHF.

Mortgages

Currently interest rates are low with variable rate mortgages since June 2009 at about 2.74% There was a tendency towards longer-term mortgages until end of 2009, then this began to shift. Many people wish to profit from the current low rates of interest. In 2009 there was a sharp increase in mortgage volumes at the cantonal and regional banks,, at the expense of the margins. There has been a partial loosing of qualifying criteria which normally requires a 20% down payment, 5% load, and payments being 33% of a wages. There is a risk of a moderate slowdown should interest rates increase.

Outlook

In 2010 price developments are expected to continue their sidewards movement, and sustaining current positive market tendencies on the short term, does not appear to be a problem as interest rates remain attractive. There is a risk that banks will revise their requirement downwards, as there is far too much cheap money on the market and competitive pressures remain high.

- Sustainability not a problem at present, as interest rates very lo

- Risk exists that banks will revise their requirements downwards, as they have far too much cheap money and the market competition pressure is high

- An interest rate rise is inevitable, bringing about the risk of sustainability (above all, given the number of short term mortgage agreements that are currently being issued

- Should rates rise to a level causing the stock of properties for sale to increase, this would cause downward pressure on prices and weakened the market. Hence the warning from the Swiss National Bank and the tighter controls.

- Strong dependency on the further development of immigration (i.e. in the last analysis a dependency also on politics, and the topic concerning termination of bilateral agreements)

- A crucial question remains of how quickly interest rates will rise.

ERA SWITZERLAND Tel: +41 448 821 004 info@eraswitzerland.com
Dübendorf, Switzerland Fax: +41 448 821 005 www.eraswitzerland.com

ERA Turkey

After an extended period of growth, the housing market takes a step back in 2009

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
2009 vs 2008	24.50%	N/A	N/A	11.88%	N/A	N/A	Buyer	Unchanged
Trend 2010	Unchanged	Decrease	Decrease	Decrease	Unchanged	Unchanged	Unchanged	Increase

General Outlook

After enjoying a growth of 27 quarters, the Turkish economy experienced a decline, which lasted four consecutive quarters. This period of contraction was an effect of the global economic crisis and lasted until the last quarter of 2009 when a growth of 6% was recorded. Since then, the growth tendency continued into the first quarter of 2010. Indications are that this expansion in the economy will continue.

Economic indicators show that the real estate industry in Turkey reached its lowest point between the last quarter of 2009 and the first quarter of 2010. The tendency is now a gradual but steady rise, which indicates that this process of development will be extended over time.

Forecasts predict 2010 to be a year of normalization and improvement for the real estate industry, though the indicators from the first quarter of 2010 have been rather diverse.

Despite the growth in the economy, the construction industry continued to diminish resulting in a period of decline lasting 8 quarters. In the second quarter of 2009 the recorded decrease rate of the construction industry was 21%. Although this decline slowed in the last quarter of 2009, the industry was rather debilitated as the construction industry, together with production and imports-exports industries are the steam engines of the Turkish market place.

This could be considered a paradox as the latent demand for up to 7 million units to be built by 2015 remains presenting a significant challenge due to the mismatch between supply and demand.

In the last quarter of 2009 the rate of decrease of the real estate industry began to decelerate and an increase of granted residential building licenses, building permits, number of residential transactions and mortgages was recorded.

The number of building licenses granted in the last quarter of 2009 peaked at a total of 186.992. The total number of residential building permits for the last quarter of 2009 was 113.549. This is an encouraging development when compared to the third quarter of 2009, where the total number of licenses granted for each segment was below 100.000. This is considered a positive indicator of a revival in the market.

Transactions

The number of residential transactions has increased in the last quarter of 2009, when compared to the third quarter, adding up to a total of 116.229. Government incentives on deeds and registration taxes in the second quarter of 2009 have accelerated the number of transactions resulting in the highest number of transactions since the fourth quarter of 2007.

The total number of residential transactions in Istanbul in the last quarter of 2009 was 25.254. The cumulative transactions number for the three major cities was 55.687 while the total number of residential transactions for the remaining cities was 60.542. Compared to 2008, these "other" cities experienced a higher number of transactions in 2009 if we look at the quarter to quarter results. Revival of the market and transaction scores was notably higher outside the 3 major cities.

Transaction Summary 2008-2009

Interval	Total Turkey	Istanbul	3 Major Cities	Other Cities
2008 Q1	112.168	29.411	60.783	51.385
2008 Q2	113.088	28.346	59.230	53.858
2008 Q3	109.333	24.360	52.559	56.774
2008 Q4	92.516	21.386	44.645	47.871
2009 Q1	108.861	26.091	55.068	53.793
2009 Q2	194.743	56.909	102.988	91.755
2009 Q3	111.913	22.896	52.464	59.449
2009 Q4	116.229	25.254	55.687	60.542

**TUIK (Turkish Statistics Institute)*

Compared to residential markets, investments in commercial real estate were rather limited in the last quarter of 2009. The drop in sales and rental prices did impede and transitioned into a process of a conservative rise.

Prices

According to the Reidin Real estate Index some prominent features of 2010 are as follows: In February 2010, taken that June 2007=100, Turkish composite residential real estate sales prices have increased at a rate of 0,44% compared to January 2010, 0,68% compared to December 2009 and 6,06% compared to February 2009.

Residential sales prices have fluctuated throughout Turkey. Some price increase values of major cities are: Kocaeli +0,83%, Istanbul +0,73%, Ankara +0,48%, Bursa +0,55% Adana +0,26%, Antalya +0,55%. Izmir on the other hand experienced a price decrease of -0,41%.

When compared to 2007, a decrease rate of 8,3% in prices has been recorded in the 2010 Turkish real estate market. The rate of decrease in home prices for this same period in some of the major cities is: Istanbul -10,5%, Ankara -11,2%, Antalya -14,6% and Bursa -9,3%. In Adana, Izmir and Kocaeli price increases recorded are respectively; 3,1%, 0.4% and 5,2%.

Buying Tendency

According to a report published by the Turkish Republic Central Bank, residential real estate buying tendencies of consumers contracted with the effect of the global crisis in the first quarter of 2009. In the second quarter the buying tendency gained momentum with government incentives, but this decreased again in the third quarter of the year. In the final quarter of 2009 a modest increase was recorded. As of February 2010 buying tendencies have slightly diminished yet again adding to the ongoing fluctuating rates.

Rentals

Residential rental prices had also reached their lowest point in the first quarter of 2009. Despite a small increase rate in the second and third quarters of 2009, the general trend in residential rentals is decreasing prices due to residual stock. This trend can be noticed throughout the last quarter of 2009 and first quarter of 2010.

Mortgage

According to research conducted by The Association of Real Estate Investment Companies (GYODER), with an increased stock rate of € 1,2 billion, the total mortgage stock rate has reached a total of € 22,5 billion in the first quarter of 2010. A gradual increase in mortgages has been recorded in the past eight quarters. Mortgages constitute 10,4% of collective bank credits. According to current legislation, only banks are permitted to issue mortgages.

According to the same research the number of issued mortgages increased rapidly in the third quarter of 2009. The weakest interval with the effect of the global crisis for mortgages was recorded to be the last quarter of 2008 with a total of 27.441 issued mortgages adding up to an estimated € 790 million. In the subsequent quarters mortgages increased in numbers issued and volume and displayed a strong position in the third quarter of 2009 with a total of 96.808 issued totaling € 3 billion. In the last quarter of 2009, mortgages were consumed mainly for transfers and second hand homes rather than new structures due to diminishing interest rates.

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. The average monthly interest rate in 2010 was 0,90%, however, a further decrease is not likely at this point.

The mortgage system has had a slow but steady rise in Turkey. In 2003 the total number of issued mortgages was 14.000 for the whole country. Five years later, in 2008, there were 280.000 issued mortgages. Between 2004 and 2009 the mortgage volume was multiplied by 13 reaching € 18,7 billion. In financial circles it is predicted that there will be an approximate 10% growth in mortgage volume this year to a total of €20,5 billion. Though even at this rate the ratio of mortgage to GNP will still remain at a very low of 4%.

Given that the growth rate and stability of the economy are sustained, predictions are that the total volume of mortgages will reach 40 to 50 billion Euros in 4 to 5 years. Currently, the mortgage volume is at €19 billion.

ERA TURKEY Izmir, Turkey
Tel: +90 232 445 14 28
Fax: +90 232 445 14 28
info@eraturkey.com
www.eraturkey.com

Summary of Tables & Charts

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
2009 vs 2008	-2.22%	-1.61%	-0.59%	0.00%	-3.95%	0.00%	Buyer	-5.00%
Trend 2010	Decrease	Decrease	Decrease	Unchanged	Decrease	Unchanged	Buyer	Decrease

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
2009 vs 2008	-6.95%	-1.69%	-0.31%	-1.07%	0.00%	0.00%	Buyer	13.40%
Trend 2010	Increase	Decrease	Increase	Decrease	Unchanged	Unchanged	Buyer	Increase

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
2009 vs 2008	-29.88%	-22.56%	-18.23%	2.10%	N/A	N/A	Buyer	100.00%
Trend 2010	Decrease	Decrease	Increase	Increase	N/A	Unchanged	Buyer	Unchanged

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
2009 vs 2008	-21.85%	-7.00%	-8.38%	-0.03%	-4.12%	-5.13%	Buyer	36.84%
Trend 2010	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Buyer	Increase

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
2009 vs 2008	-9.08%	-5.00%	-7.17%	-0.80%	0.00%	-3.57%	Buyer	19.54%
Trend 2010	Increase	Increase	Increase	Unchanged	Unchanged	Decrease	Buyer	Unchanged

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
2009 vs 2008	1.00%	-1.57%	-3.15%	-0.27%	-5.26%	-2.68%	Buyer	5.11%
Trend 2010	Increase	Decrease	Decrease	Decrease	Decrease	Decrease	Buyer	Decrease

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
2009 vs 2008	-27.08%	-5.00%	N/A	N/A	N/A	N/A	Buyer	N/A
Trend 2010	Decrease	Decrease	Decrease	Increase	Decrease	Decrease	Buyer	Increase

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
2009 vs 2008	-42.46%	-25.75%	-20.95%	1.05%	N/A	N/A	Buyer	24.22%
Trend 2010	Decrease	Decrease	Decrease	Increase	Decrease	Decrease	Buyer	Increase

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
2009 vs 2008	-11.28%	-4.10%	N/A	-1.20%	-7.41%	-9.52%	Buyer	72.5%
Trend 2010	Decrease	Decrease	N/A	Decrease	Decrease	Decrease	Buyer	Increase

LUXEM-BOURG	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
2009 vs 2008	-17.80%	-10.29%	-10.66%	0.70%	-7.69%	-12.50%	Buyer	16.67%
Trend 2010	Decrease	Unchanged	Unchanged	Unchang	Decreased	Decreased	Buyer	Increased

NETHER-LANDS	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
2009 vs 2008	-30.08%	-6.69%	-7.41%	-0.60%	-44.44%	-33.33%	Buyer	37.18%
Trend 2010	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Buyer	Increase

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
2009 vs 2008	-13.59%	-24.00%	-4.35%	-2.00%	-1.26%	-1.26%	Buyer	-11.11%
Trend 2010	Decrease	Decrease	Unchanged	Decrease	Decrease	Decrease	Buyer	Decrease

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
2009 vs 2008	-27.18%	-16.67%	N/A	0.60%	N/A	N/A	Buyer	0.00%
Trend 2010	Decrease	Decrease	Decrease	Increase	N/A	N/A	Buyer	Unchanged

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
2009 vs 2008	6.38%	0.03%	0.00%	-3.65%	2.06%	4.08%	Seller/Buyer	-4.76%
Trend 2010	Increase	Increase	Increase	Increase	Increase	Unchanged	Seller/Buyer	Unchanged

SWITZER-LAND	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
2009 vs 2008	-9.09%	N/A	3.18%	-0.90%	20.00%	40.00%	Buyer	-15.00%
Trend 2010	Decrease	0	Increase	Decrease	Increase	Increase	Buyer	Decrease

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
2009 vs 2008	24.50%	N/A	N/A	11.88%	N/A	N/A	Buyer	Unchanged
Trend 2010	Unchanged	Decrease	Decrease	Decrease	Unchanged	Unchanged	Unchanged	Increase

Chart 8

Total number of residential transactions (including new and resale properties) as reported for 2009:

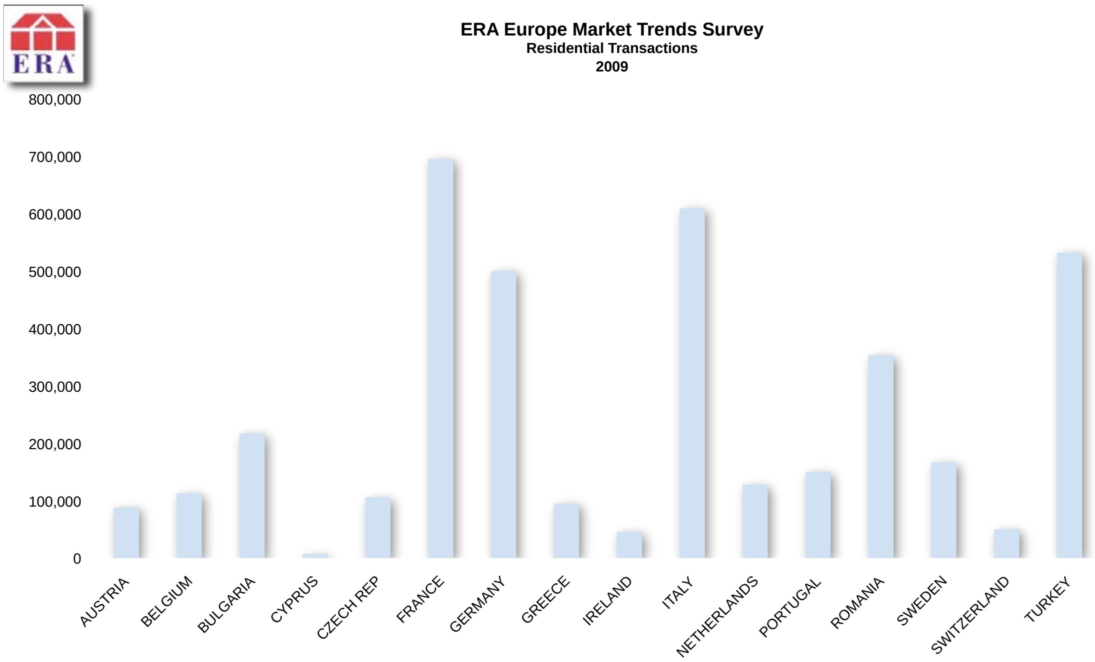


Chart 9

The average price of a residence sold nationally in 2009:

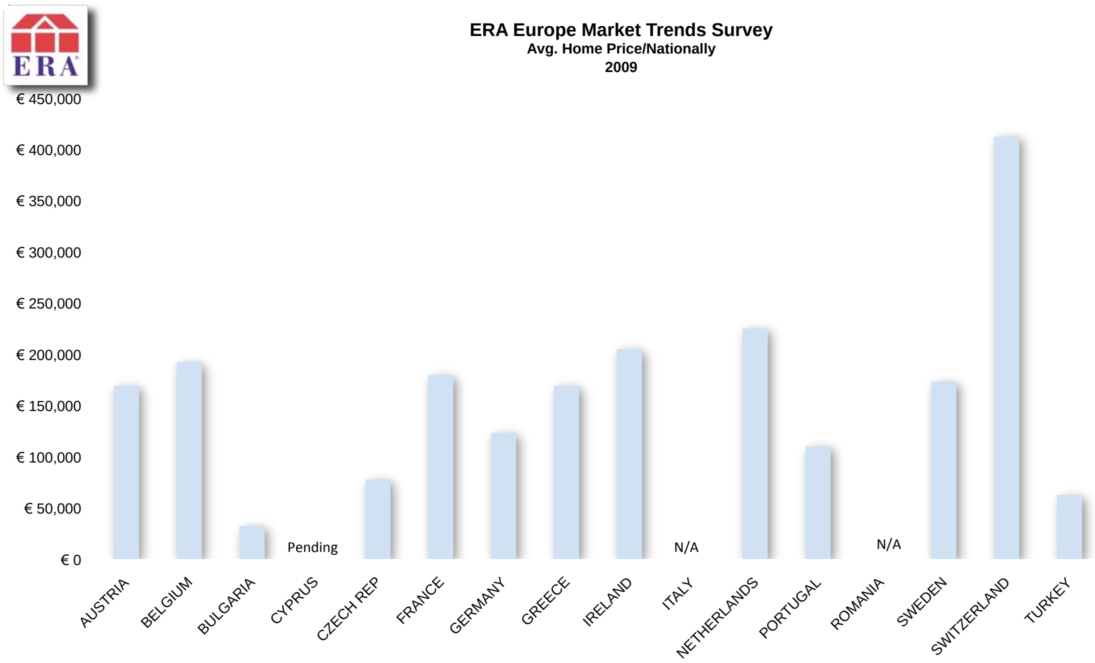


Chart 10

The average price of a residence sold in the capital city in 2009:

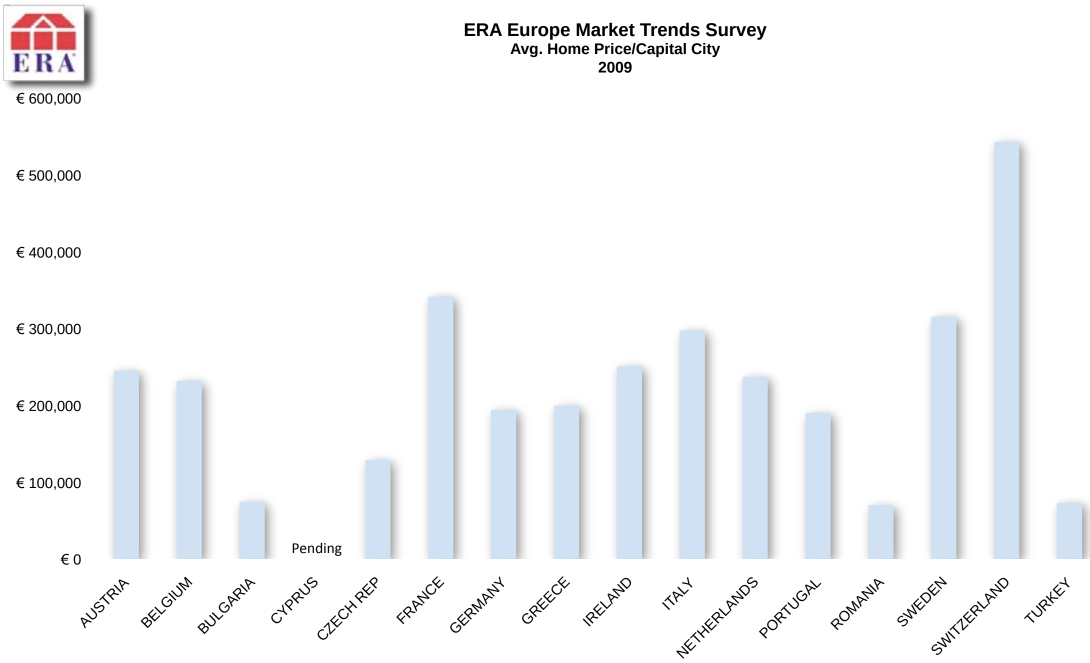


Chart 12

The average mortgage rates for 2009; for more details on the terms and conditions please refer to the country reports. There are variations in average length of mortgages and in variable and fixed rate loans offered:

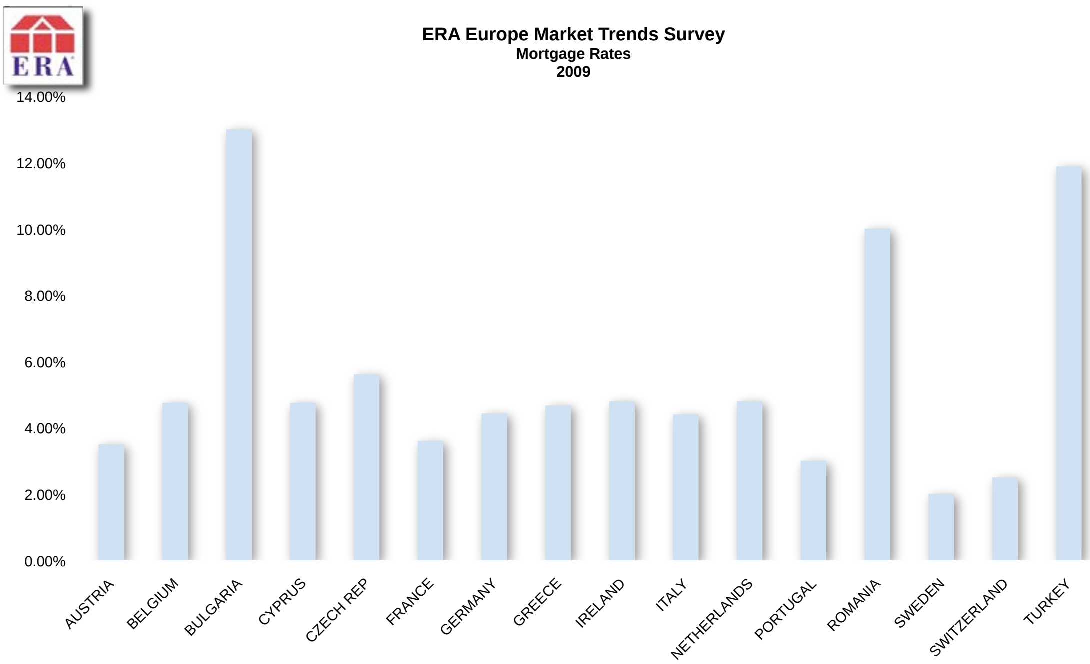
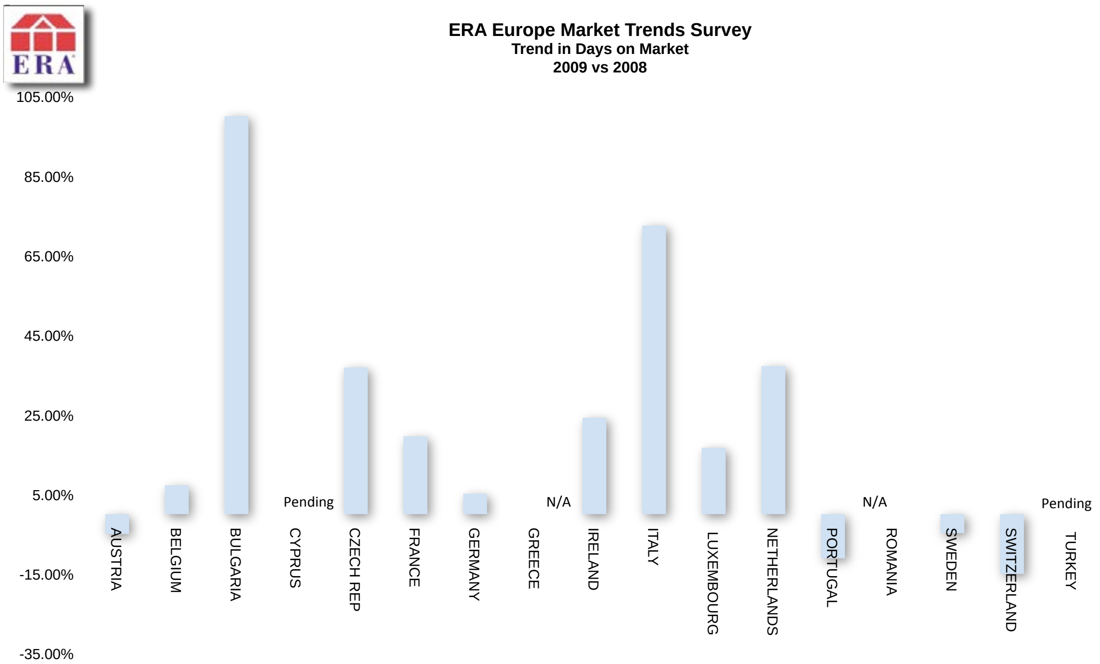


Chart 13

Average time a property listing remains on the market before being sold, Days on Market:



ERA EUROPE
Winter Park, FL 32792
USA

Tel: +1 407 657-7992
Fax: +1 407 551-2031
info@eraeurope.com
www.eraeurope.com

In Europe:
Kathy Auclair
+33 6 61 60 06 29