Trends

	Q1 2012
Prime Rents	←→
Prime Yields	←→

- Forecasts for 2012 remain in line with those for 2011, therefore, the same weak level of transactions, both on rentals and investment is expected.
- However, the aggravation of rents and prime yields is expected to stabilise, and as a result in the upcoming quarter these two indicators should remain stable in the majority of the sectors and zones.
- For the next quarter an increase in the gap between prime and secondary product continues to be projected.

SUMMARY

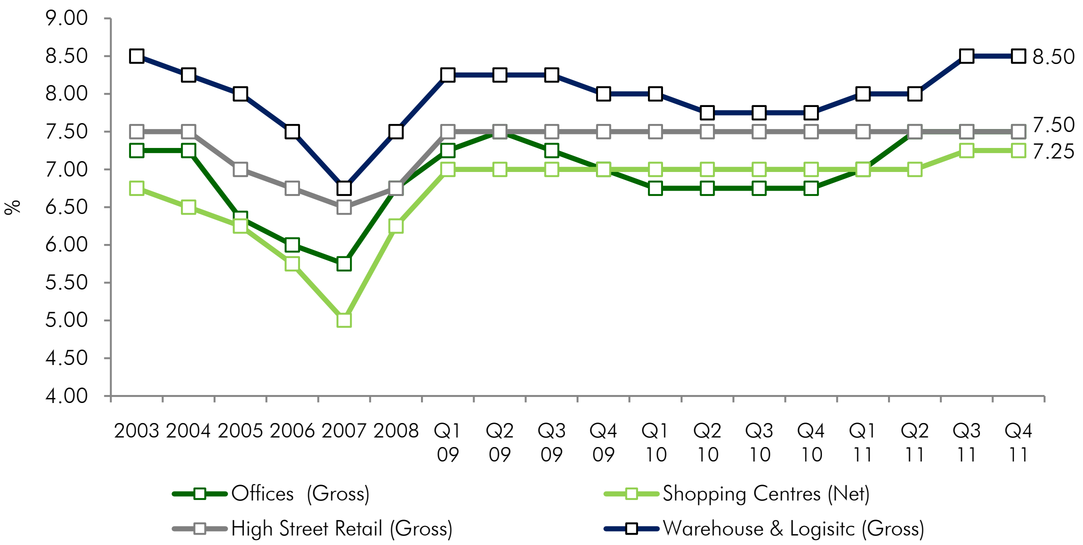
- The growing uncertainties as to the future of Europe, resulting from the aggravation and apparent lack of solution to the Euro Zone sovereign debt crises, continues to create a climate of immense instability, affecting liquidity and making if difficult to access bank financing, increasingly driving away the reduced number of possible investors from potential deals.
- This systematic crisis of the European sovereign debt led to a reduced number of transactions and investment turnover during 2011 with a continued increase of prime yields throughout the year. When compared to the end of last year, increases between 25 and 150 b.p. were registered in all sectors and zones of the market, with exception to the prestigious Lisbon high street retail areas, this indicator remained stable due to the elevated levels of demand.
- In the 4th quarter prime yields remained unchanged in comparison to the previous period, with exception to Shopping Centres, which increased 25 b.p. for the second consecutive quarter, standing at 7,5%.
- Prime rents remained unchanged during this quarter in all market sectors, following a gradual decrease during the entire year.

Market Indicators

Sector	Rent (€/sq m/month)	Quarterly Change (%)	Annual Change (%)	*Yield* (%)	Quarterly Change (b.p.)	Annual Change (b.p.)
Offices Lisbon (CBD)	18.50	0.0%	-2.6%	7.50	0	75
Offices Porto	13.50	0.0%	0.0%	9.00	0	50
Shopping Centres	85.00	0.0%	0.0%	7.50 *	25	50
Retail Parks	10.00	0.0%	-4.8%	8.50 *	0	100
High Street Retail Lisbon	80.00	0.0%	0.0%	7.50	0	0
High Street Retail Porto	30.00	0.0%	-14.3%	8.75	0	25
Warehouse & Logistics Lisbon	3.50	0.0%	0.0%	8.50	0	75
Warehouse & Logistics Porto	3.50	0.0%	-6.7%	9.00	0	100

*:Net Yield
Source: CBRE

Prime Yields Evolution



Source: CBRE

DEFINITIONS

Prime Rent

Represents the top open-market tier of rent that could be expected for a unit of standard size commensurate with demand in each location The unit is of the highest quality and specification and in the best location in a market at the survey date. It is assumed that the occupier will also be agreeing to a package of incentives that is typical of the market at the time.

- For the Lisbon offices the standard size considered is 200 sq m and location is the Liberdade-Saldanha zone;
- For the Porto offices the standard size considered is 100 sq m and location is the Boavista zone;
- For shopping centers the standard size considered is 100 sq m and locations are Lisbon and Porto;
- For retail parks the standard size considered is 1,000 sq m and location is Greater Lisbon;
- For the Lisbon high street retail the standard size considered is 100 sq m and locations are Av. da Liberdade and Chiado;
- For the Porto high street retail the standard size considered is 100 sq m and locations are Rua de Santa Catarina and Boavista zone;
- For the Lisbon industrial & logistics assets the standard size considered is 10,000 sq m and location is the Azambuja-Carregado submarket;
- For the Porto's industrial & logistics assets the standard size considered is 2,000 sq m and location is the Maia Industrial zone.

Prime Yield

Represents the Yield which an investor would receive when acquiring a Class A building in a prime location, which is fully let at current market value rents. A Class A building is one that has recently been built, has modern equipment and an efficient layout. The locations are the same appointed in the prime rent definition.

In office, high street retail and industrial & logistics assets, prime yield is estimated based on the gross revenue; while in the shopping centres and retail parks it is based on the net revenue, this is gross revenue less non recoverable costs.

Prime Rent and Prime Yield should reflect the level at which relevant transactions are being completed in the market at the time but need not be exactly identical to any of them, particularly if deal flow is very limited or made up of unusual one-off deals. If there are no relevant transactions during the survey period, the quoted figure will be more hypothetical, based on CBRE' experts opinion of market conditions.

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