SPRING 2004

Poznan Office Update

Much Space Left to Fill

Economy

Poland's economy is strong, with 3.6% GDP growth in 2003 and 4.5% growth predicted for 2004. Inflation decreased to 0.8% last year. Interest rates are at an all time low and are not expected to rise significantly in 2004. Corporate taxes were slashed from 24% to 19% this year. The unemployment rate in Poznan is 7.1%.

Supply

The Poznan office market is more developed than other secondary cities in Poland, with seven recently built buildings and 81,100 sqm of modern office space. The amount of Class A and B offices has been growing rapidly since 2001 despite the 50% vacancy rate. Recent new offerings include:

Globis – GTC's 12,000 sqm class A building located in the city centre. Globis is 40% leased, the primary tenant being Bank BPH PBK.

Delta – 11,000 sqm office building by local developers, is 90% leased. The building is mostly occupied by investors (Ataner and Automobilklub Wielkopolski) for their own use.

PGK II – opened in 2003 by local developers, the 9,500 sqm PGK II building is 30% leased.

Stary Browar – a newly renovated mixed use complex with 6,000 sqm of class A office space over the city centre's largest new retail centre. Developed by Fortis (Grazyna Kulczyk), the building rents for 14 EUR per sqm. For leasing information contact Ober-Haus.

Other major existing buildings include:

Poznanskie Financial Centre – Completed in 2001, the 18,000 sqm building is the first class A office building in Poznan. The building is 90% leased, with the primary tenant being the Polish Bank BZ WBK.

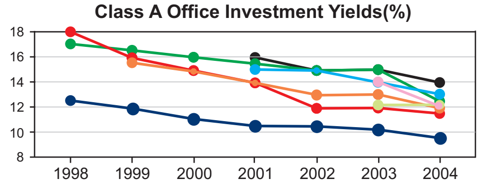
Winogrady Business Centre – a 5,000 sqm, class B building. The building opened in 2002 and is 50% let.

PGK – built in 2002 by local developers, the 9,500 sqm PGK building is 40% vacant.

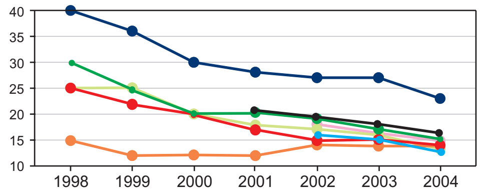
Developments will slow down in the future. Only an additional 10,000 sqm is scheduled for completion within this period. The only large future offering is the **Andersia** building, a 40,000 sqm project planned next to the Poznanskie Financial Centre, will consist of 10,000 sqm of office space with the remainder being a high standard hotel. Completion is scheduled for 2006.

PGK – Two modern buildings deliver 19,000 sqm to the suburban market

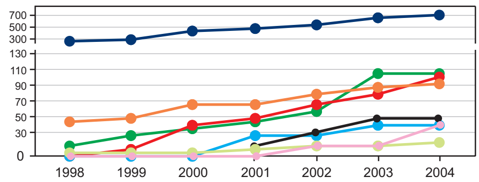
Class A Office Investment Yields(%)



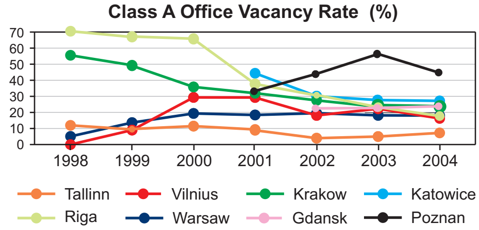
Avg Class A Office Rent (EUR)



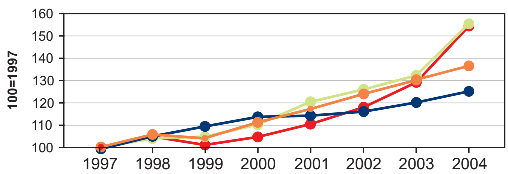
Total Class A Office Space (1000 sqm)



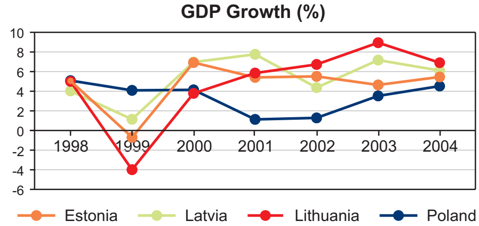
Class A Office Vacancy Rate (%)



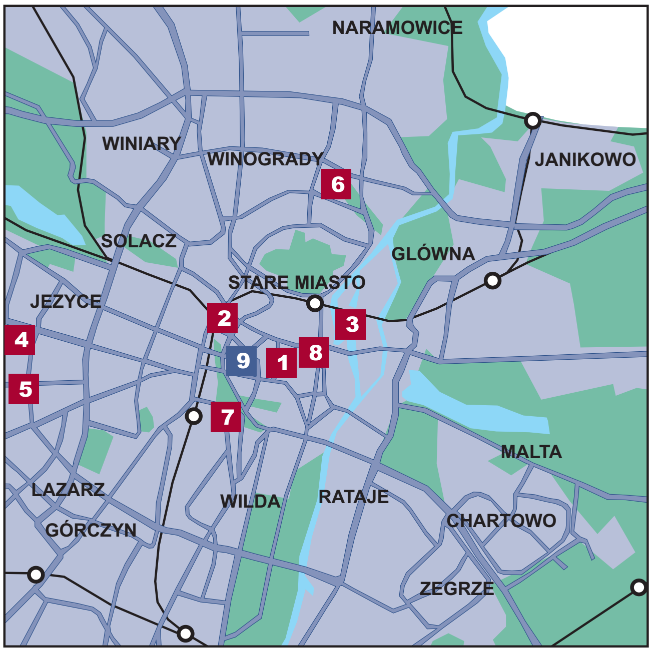
GDP Index



GDP Growth (%)



See other city reports and commercial property offers online at www.ober-haus.com



Office sqm existing in Poznan

	Property name	sqm
1	Poznanskie Financial Centre	18 000
2	Centrum Biurowe Globis	12 000
3	Kupiec Poznanski	10 000
4	PGK I Centrum	9 500
5	PGK II Centrum	9 500
6	Winogrady Business Center	5 100
7	Delta	11 000
8	Stary Browar	6 000
	TOTAL	**81 100**

Office sqm planned in Poznan

	Nazwa	sqm
9	Andersia	10 000
	TOTAL	**10 000**

Demand

Demand is relatively weak for class A space, due to the poorer economic situation. Most demand is focused on small, 120 200 sqm office spaces, for local medium sized businesses or branch offices of national companies.

Rents

Rents have been steadily decreasing over the last two years to the present 12 to 17 EUR per sqm. They look to decrease more during the next few months by owners trying to attract tenants.

FOR COMMERCIAL LEASING OPPORTUNITIES THROUGHOUT THE REGION, PLEASE CONTACT:

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