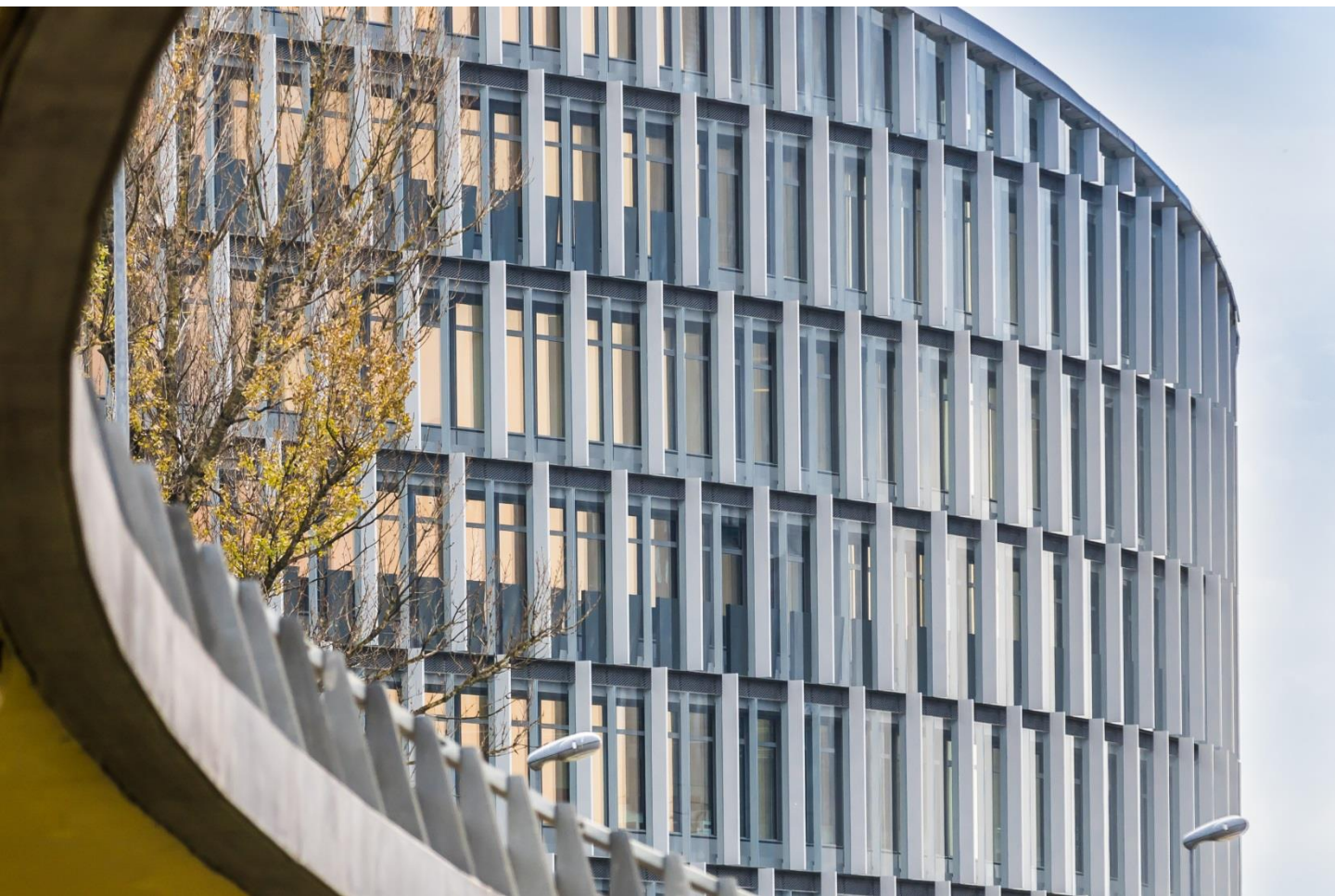


INSIDE VILNIUS OFFICE MARKET

Q3 2015



Vilnius. K29

Supply

By the end of Q3 2015, gross leasable area (GLA) of modern office premises in Vilnius was 435,600 sq. m or 0.82 sq. m per capita. This number excludes entirely built-to-suit and partially sold projects. In Q3 2015 business centre “Premium” of 8,400 sq. m was officially opened as well as first tenants moved into 14,250 sq. m project “k29”.

Low market vacancy boosted office construction in Vilnius, therefore approx. 200,000 sq. m of modern office space is scheduled to be completed in 2015-2017.

Vacancy

Office vacancy in Vilnius continued to fall in Q3 and stood at total of 1.4%, having dropped by 1.9 pps over the last twelve months. Prime office vacancy rate fell below 1% in the second half of 2014 and remained very low throughout three quarters of 2015 as well.

New openings did not affect vacancy rate as they were mainly pre-let. However, future supply of new offices is expected to satisfy the demand, thus vacancy rate is forecasted to exceed 10% by the end of 2017.

Demand

The largest office lease transactions in Q3 2015 were made by “Nasdaq” and “Barclays”. Public sector companies and shared service centres (SSC) working in insurance and finance sectors have lately been creating the main share of the demand. Both existing tenants are expanding and new companies are entering the market. In 2015, SSC newcomers included “AIG”, “Lindorff”, “Nasdaq”, “Skandia”, “Teleperformance” and others. It was estimated that SSC and IT companies already occupy around 20% of all office stock in Vilnius with expectation to grow further.

Sufficient talent pool and attractive doing business conditions attract more and more new companies to Vilnius as well as foster growth of existing ones – what, of course, has a direct effect on office market growth. 6-12 months pre-lets prior to physical move into a new office have become typical in the market again.

Rent rates

In Q3 2015, the average market rent of prime office space in Vilnius CBD ranged 14.5-16 EUR/sq. m/month in some individual cases reaching 17 EUR/sq. m/month. In other central areas rents ranged 10-15 EUR/sq. m/month, while B class offices further from the city centre were rented for 8.5-13 EUR/sq. m/month. With highest rents in campuses and professionally managed buildings. Rent rates are slightly increasing as new projects offer higher quality standards.

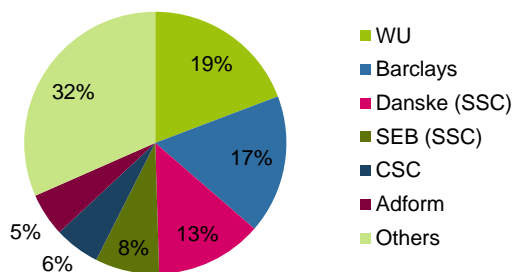
Office Stock Development: Dynamics



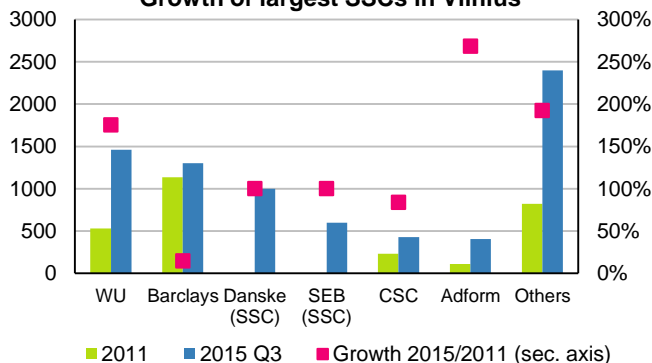
Office development in Vilnius 2015-2017

No	Project	Class, GLA	Finishing
1	Sostena	B, 2,300 sq. m	2015 Q1
2	NBP group, BC One	B, 6,000 sq. m	2015 Q2
3	Evolis, Premium	B, 8,400 sq. m	2015 Q2
4	Lords LB, k29	A, 14,250 sq. m	2015 Q3
5	Vastint Lithuania, Uniq	A, 6,816 sq. m	2015 Q4
6	Schage, Quadrum	A, 40,000 sq. m	2016/2017
7	Upes Projektai, Hall 2	A, 8,000 sq. m	2016
8	Eika, BC 135	B, 8,000 sq. m	2016
9	Hanner, City	B, 20,000 sq. m	2016
10	Technopolis, Delta	B, 21,000 sq. m	2016
11	YIT, Duetto	B, 16,410 sq. m	2017
12	Realco, Pentagon	B, 13,400 sq. m	2017
13	ELL, Narbuto 5	B, 4,600 sq. m	2017
14	MG Valda, Park Town I	A, 8,000 sq. m	2017
15	Saltoniskiu 7 (stage I)	A, 10,000 sq. m	2017

SSCs' structure in Vilnius by number of employees



Growth of largest SSCs in Vilnius



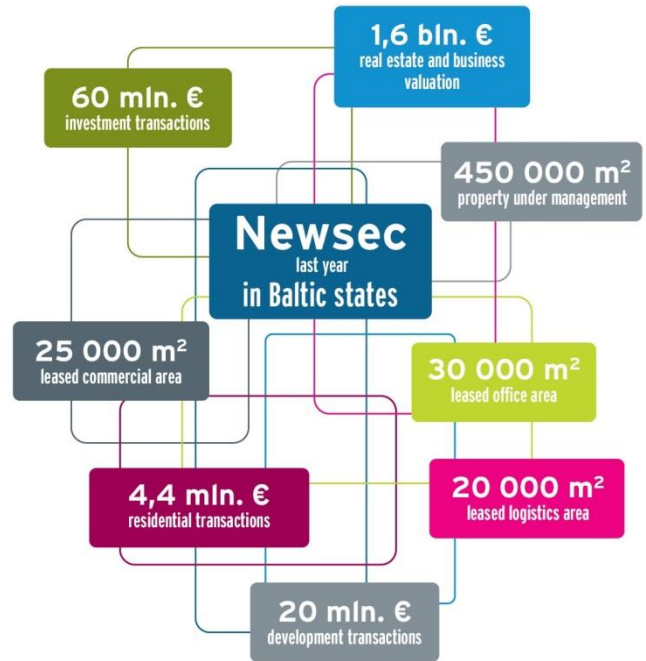
About NEWSEC

Newsec – The Full Service Property House in Northern Europe – is by far the largest specialised commercial property firm in Northern Europe. Newsec manages more properties and carries out more transactions, more lettings and more valuations than any other firm in Northern Europe. Through this great volume, and the knowledge and depth of our various operations, we acquire extensive and detailed knowledge of the real estate market. In turn, we can quickly identify business opportunities that create added value.

Newsec is a stable and long-term player. The company was founded in Sweden in 1994. The founding family have been the main owners from the start, with the rest of the company owned by key executives in the Group. The Group expanded internationally into Finland in 2001, Norway in 2005 and the Baltic countries in 2009.

Our prime market is Northern Europe, but through our alliance membership with BNP Paribas Real Estate, we offer our services on the global market. This makes Newsec Northern Europe's only full service property house, and provides us with a unique ability to forecast the future.

Today, Newsec employs over 600 professionals in over 20 offices and covers all parts of the commercial property market. Newsec provides services to most of the leading property owners, investors and corporates in the region.



More analytical information at Newsec:

Head of Research and Analysis, Baltics
Mindaugas Kulbokas
m.kulbokas@newsecbaltics.com
Tel. +370 5 252 6444

Office solutions at Newsec:

Senior Advisor
Martynas Babilas
m.babilas@newsec.lt
Cell +370 616 12216

Advisor
Indrė Narauskaitė
i.narauskaite@newsec.lt
Cell +370 698 83827

LITHUANIA
info@newsec.lt

Vilnius
Gedimino ave. 20
LT-01103 Vilnius,
Lithuania
Tel: +370 5 252 6444

LATVIA
info@newsec.lv

Riga
Vilandes str. 1
LV-1010 Riga,
Latvia
Tel: +371 6750 8400

ESTONIA
info@newsec.ee

Tallinn
Roseni ave. 7
EE-10111 Tallinn,
Estonia
Tel: +372 664 5090