



ANNUAL REPORT OF THE DEC PROPERTY

Foreign real estate in Ukraine

CONCERNING UKRAINE, THE FIRST AGENCIES, WHICH ARE INDULGED IN FOREIGN REAL ESTATE TRADE IN UKRAINE, BEGAN TO APPEAR ABOUT 8 YEARS AGO. BUT THIS SECTOR GAINED AN ACTIVE DEVELOPMENT ONLY 3 YEARS AGO. THE MOST POPULAR MARKET PROPOSITIONS AMONG UKRAINIANS ARE BULGARIA, CYPRUS, TURKEY, EGYPT, AND UAE. MORE EXPENSIVE VARIANTS ARE CROATIA AND TURKEY. I. E. THOSE COUNTRIES, WHERE MIDDLE CLASS UKRAINIANS PREFER TO SPEND THEIR HOLIDAYS. THE AVERAGE PRICE OF THE REAL ESTATE READY FOR LIVING, WHICH PURCHASE UKRAINIAN CITIZENS, IS EUR 100-150 THOUSANDS. THE MOST COMMON SALES OBJECT IN THIS PRICE RANGE — THESE ARE FIRST-CLASS APARTMENTS WITH THE TOTAL AREA MORE THAN 100 SQ. M. FULLY TRIMMED AND WITH FITTED DOMESTIC APPLIANCES FOR EVERY CLIENT INDIVIDUALLY.

ACCORDING TO THE MARKET EXPERTS, THE INCREASE OF DEMAND IS EVIDENT FROM SEPTEMBER TILL JANUARY. JANUARY — TRADITIONAL LULL DUE TO THE HOLIDAYS. IN SUMMER, WHEN UKRAINIANS VISIT FOREIGN RESORTS, THE DEMAND FOR THE REAL ESTATE ABROAD INCREASES.

THE REAL ESTATE OWNERS IN THIS MARKET SEGMENT ARE OFTEN WELL-OFF PEOPLE IN THE AGE RANGE OF 35-40 YEARS. BIG FINANCIAL COMPANIES' MANAGERS, AS WELL AS BUSINESS OWNERS, OFTEN EMPLOYERS BECOME PROPRIETORS. TODAY REAL ESTATE ABROAD IS AVAILABLE TO ABSOLUTELY DIFFERENT LEVELS OF POPULATION. THIS MAY BE EXPLAINED BY THE FULL-GROWN RESOURCES OF THE WORKING PEOPLE, BY A WIDENED RANGE OF INTERESTS AND PREFERENCES. EVERYONE, WHO AT LEAST ONCE A YEAR CAN AFFORD HIM/HERSELF A HOLIDAY ABROAD — IS A POTENTIAL CUSTOMER.

UKRAINIANS BUY REAL ESTATE ABROAD FOR A NUMBER OF REASONS:

1. RECREATION (PRESTIGE ETC.)
2. BUSINESS ORGANIZATION (AS A RULE TOURISM IN WARM COUNTRIES)
3. GETTING A CITIZENSHIP
4. INVESTMENT
5. DIVERSIFICATION OF RISKS

BUT MOSTLY THE PURCHASE OF REAL ESTATE ABROAD IS CONNECTED WITH BUSINESS, NOT WITH RECREATION. TODAY CUSTOMERS ARE MORE INTERESTED IN INVESTMENT PROJECTS (UP TO 70% OF CUSTOMERS ARE INVESTORS). THAT IS WHY MORE ATTENTION IS GIVEN TO THE SELECTION OF INVESTMENT-ATTRACTIVE PROJECTS AND OPTIMIZATION OF THE FINANCIAL INSTRUMENTS. UKRAINIANS IN INCREASING FREQUENCY ARE DOING THEIR PURCHASES ON CREDIT WITH THEIR FURTHER RENTING AND THUS REPAYING THE CREDIT PERCENTAGE.

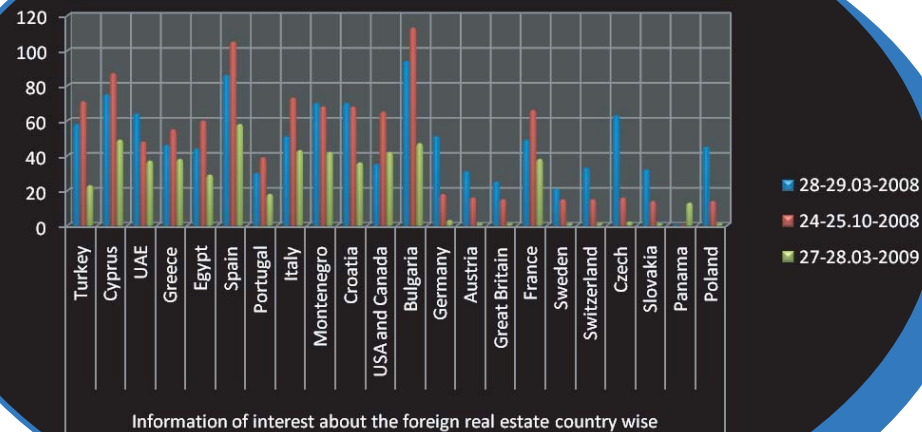
NOW UKRAINIAN CITIZENS CAN GET A CREDIT ON THE PURCHASE HOUSING IN FOREIGN BANKS. IT IS POSSIBLE TO BUY REAL ESTATE ON CREDIT AND REPAY THE PERCENTAGE FROM RENT. THE PARTICULAR INCREASE OF THE INTEREST TO PURCHASE REAL ESTATE ABROAD IS DUE TO THE LULL ON THE NATIVE REAL ESTATE MARKET. AMUSING IT IS, THAT ONE OF THE TENDENCIES FOR CITIZENS ON THE UKRAINIAN REAL ESTATE MARKET HAS BECOME TO SELL PROPERTY IN UKRAINE WITH THE FURTHER PURCHASE OF REAL ESTATE ABROAD.

FURTHER, YOU COULD ACQUAINT YOURSELF WITH DIAGRAMS, WHICH REFLECT PREFERENCES OF POTENTIAL CUSTOMERS OF FOREIGN REALTY.

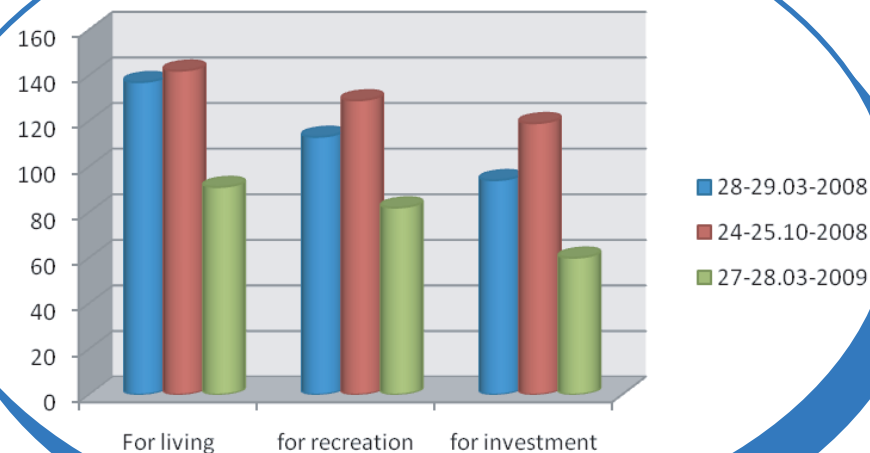
Information of interest about the foreign real estate country wise

(FROM LEFT TO RIGHT): TURKEY, CYPRUS, UAE, GREECE, EGYPT, SPAIN, PORTUGAL, ITALY, MONTENEGRO, CROATIA, USA AND CANADA, BULGARIA, GERMANY, AUSTRIA, GREAT BRITAIN, FRANCE, SWEDEN, SWITZERLAND, CZECH, SLOVAKIA, PANAMA, POLAND.

(FROM LEFT TO RIGHT): FOR LIVING, FOR RECREATION, FOR INVESTMENT



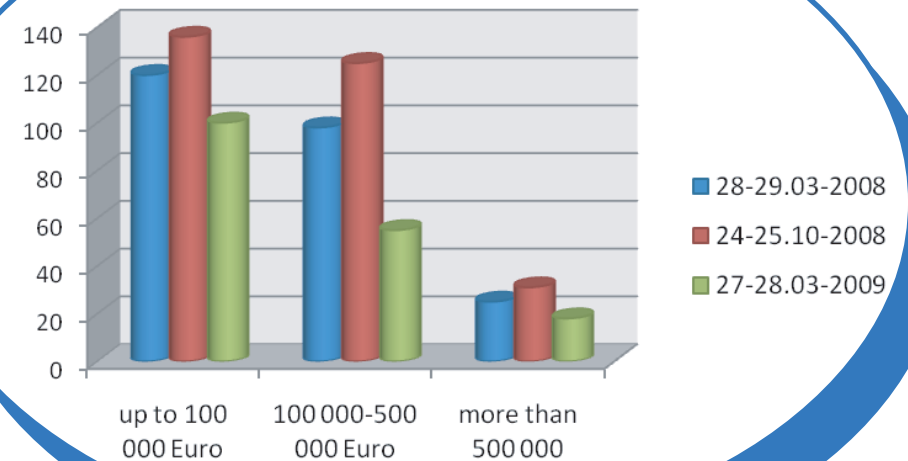
The type of real estate of interest



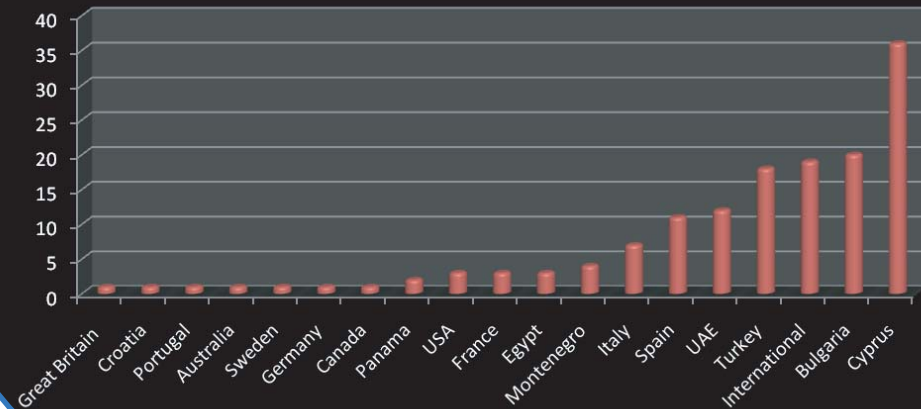
(FROM LEFT TO RIGHT): UP TO 100000 EURO,
100000-500000, MORE THAN 500000

THE SOURCE OF THE REPRESENTED DIAGRAMS —
QUESTIONNAIRES, FILLED OUT BY VISITORS TO 3
DEC'S EXHIBITIONS. FURTHER FROM THE PARTICI-
PANTS' ANALYSIS OF THE 4 EXHIBITIONS CONDUCT-
ED BY DEC FOLLOW THE GRAPHS ACCORDING TO THE
NUMBER OF REPRESENTED COMPANIES AT THE DEC
EXHIBITIONS AND THEIR SUBDIVISION INTO COUN-
TRIES.

The price of real estate under consideration



**Presence of participants at exhibitions 2007-2009
country wise**



(FROM LEFT TO RIGHT): GREAT BRITAIN, CROATIA, PORTUGAL, AUSTRALIA, SWEDEN, GERMANY, CANADA, PANAMA, USA, FRANCE, EGYPT, MONTENEGRO, ITALY, UKRAINE, SPAIN, UAE, TURKEY, INTERNATIONAL, BULGARIA, CYPRUS

Number of participants



- participants November 2-3, 2007
- participants March 28-29, 2008
- participants October 24-25, 2008
- participants March 27-28, 2009