


# Rating the National Market -

Results as of November 15th, 2003

Country: Spain

**PAM**  
Property and Market Rating for Completed Properties



Valuer / Date:		Valuation dated:									
Address:		Original rating on:	Rating updated on:								
Property Type:	Office	Country:	Region:								
<b>Criteria Class 1</b>											
<b>Market</b>											
<b>national</b>			<b>20%</b>								
Acts of God			5%								
Socio-demographic development			10%								
Overall economic development and international attractiveness			30%								
Political, legal, taxation and monetary conditions			15%								
Property market: residential			45%								
<b>Region</b>											
Acts of God			5%								
Socio-demographic development			15%								
Economic situation and attractiveness			35%								
Property market: residential			45%								
<b>Rating for Criteria Class 1:</b>			<b>20%</b>								
<b>Criteria Class 2</b>											
<b>Location</b>											
	1	2	3	4	5	6	7	8	9	10	weight (appr.)
Suitability of the micro location for property type and target occupiers		2									45%
Image of the quarter and the location			3								5%
Quality of transportation infrastructure of the plot and quarter		2									23%
Quality of local supply facilities of the plot and quarter for target occupiers		2									23%
Acts of God			3								5%
<b>Rating for Criteria Class 2:</b>		<b>2</b>									<b>30%</b>
<b>Criteria Class 3</b>											
<b>Objekt</b>											
	1	2	3	4	5	6	7	8	9	10	weight (appr.)
Architecture / type of construction					5						7%
Fitout				4							9%
Structural condition		2									30%
Plot situation		2									50%
Ecological sustainability				4							9%
Profitability of the building concept					5						7%
<b>Rating for Criteria Class 3:</b>		<b>3</b>									<b>20%</b>
<b>Criteria Class 4</b>											
<b>Quality of the Property Cash Flow</b>											
	1	2	3	4	5	6	7	8	9	10	weight (appr.)
Tenant / occupier situation			3								10%
Rental growth potential / value growth potential							7				15%
Letting prospects /fungibility		2									60%
Vacancy / letting situation					5						5%
Recoverable and non-recoverable operation expenses			3								5%
Usability by third parties			3								5%
<b>Rating for Criteria Class 4:</b>		<b>3</b>									<b>30%</b>
<b>Definition property and market rating for completed properties:</b>											
Property and market rating is a standardized procedure aiming to display the sustainable quality of a property in its relevant market. The quality of a property is judged by the medium-term sales prospects at an adequate price between professionals who have access to all property and market information. The credit standing of the tenant and the borrower, as well as the default risk of the loan are not subjects of the property and market rating.											

# Spain

## The overall national rating

### PaM

Property and Market Rating for Completed Properties



Property Type:	Office
Country:	Spain

### Criteria Class 1

Market	1	2	3	4	5	6	7	8	9	10	weight
<b>national</b>											20%
Acts of God						x					5%
Socio-demographic development							x				10%
Overall economic development and international attractiveness				x							30%
Political, legal, taxation and monetary conditions					x						15%
Property market: office				x							40%
<b>Overall rating</b>					x						



# Spain

## Acts of God

Criterion	Indicator / Comments	Sources	Spain	OECD-Average <sup>1</sup>	Rating <sup>2</sup>	Weight
<b>Natural disasters</b>	Index of natural disasters	Munich Re	6	5	6	70%
<b>Emissions</b>	CO2 Emissions per capita	OECD	7,1	9,7	3	20%
<b>Man-made disasters</b>	Number of man-made disasters per 10 mio inhabitants	Swiss Re, Centre for Research on the Epidemiology of Disasters (Université Catholique de Louvain)	14901	15564	5	10%
<b>Overall Score</b>					<b>6</b>	<b>100%</b>

1: Arithmetic average of the 19 OECD countries under consideration

2: on a scale from 1 (excellent) to 10 (disastrous)



# Spain

## Socio- economic development

Criterion	Comments	Sources	Spain	OECD-Average <sup>1</sup>	Rating <sup>2</sup>	Weight
<b>Population Growth</b>	forecasted av. growth rate, 2004-07	OECD, United Nations	0,20%	0,26%	6	1/3
<b>GDP per capita</b>	forecast f. 2004, in purchasing power parities	OECD	22.173	25.256	6	1/3
<b>Unemployment rate</b>	forecast, av. 2003-04	OECD	11,8%	7,6%	10	1/3
<b>Overall Score</b>					<b>7</b>	<b>1</b>

1: Arithmetic average of the 19 OECD countries under consideration

2: on a scale from 1 (excellent) to 10 (disastrous)



# Spain

## Overall economic development

Criterion	Indicator/ Comments	Sources	Spain	OECD-Average <sup>1</sup>	Rating <sup>2</sup>	Weight
<b>GDP growth</b>	forecasted av. ann. growth rate, 2003-04	OECD	2,60%	2,32%	4	20%
<b>Inflation</b>	forecast f. 2004	OECD	2,65%	2,06%	3	20%
<b>Exchange rate volatility</b>	forecast, based on historic volatility or Euro-zone membership	OECD	0,0	4,2	1	10%
<b>Economic structure</b>	Share of services in GDP	OECD	67,5%	67,7%	5	10%
<b>Infrastructure</b>	Index, ranging from 0 (worst) to 100.000 (best infrastructure)	IMD Business School	52.614	60.182	6	20%
<b>International competitiveness</b>	Ranking on scale from 1 (best) to 51 (worst)	World Economic Forum	22	21	5	20%
<b>Overall Score</b>					<b>4</b>	<b>100%</b>

1: Arithmetic average of the 19 OECD countries under consideration

2: on a scale from 1 (excellent) to 10 (disastrous)

