

MarketView

European Investment Quarterly

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Q4 2011

Q4 Investment Turnover

Change from:

Q3 2011



Q4 2010



- Year-end boost to investment sales figures bring annual total to €115m**

The first estimates of activity in the commercial real estate (CRE) investment market for Q4 2011 suggest that the European commercial real estate investment activity grew to €32m, an increase of 15% compared with Q3. As expected, however, the pick up in Q4 was not as strong as in 2009 or 2010 when capital values were still rising. Our European value indices suggest that there was virtually no change in capital values across Europe this quarter. Taking into account the final quarter figures the annual investment total, of €115bn, therefore represents only a slight increase on the 2010 full-year figure.

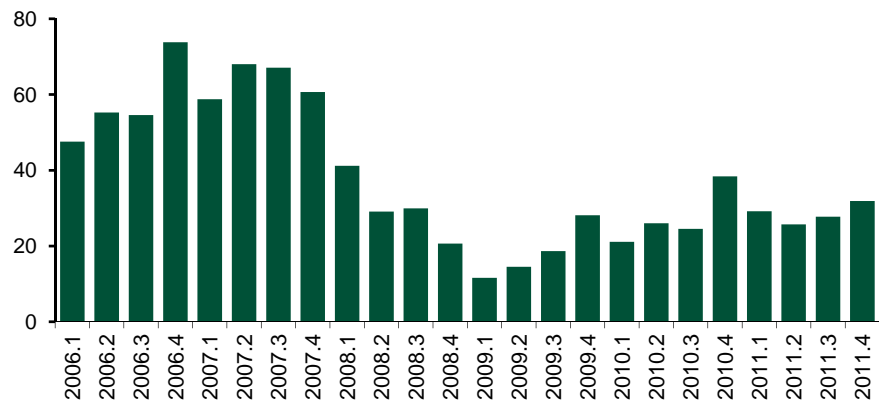
- Exceptional performance for France during the quarter**

Given current economic circumstances the French market posted an exceptional fourth quarter, with c.€6.5bn transacting in the final three months of the year. Almost 80% of this activity is attributable to the office market and it includes a mixture of large single-asset and portfolio deals. This was the highest quarterly turnover for France since Q3 2007. On an annual basis France, Belgium, Germany and the Nordics all showed strong growth.

- Polarised investment activity across Europe reflects underlying economic sentiment**

Reflecting the economic divide between northern and southern Europe, commercial real estate investment in 'core' northern markets – in particular the UK, France, Germany and Sweden - have shown growth on an annual basis. In contrast to this, investment in Italy, Portugal and Spain suffered from lower levels of activity in 2011 compared with 2010.

European Investment Turnover (€billion)



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Market Turnover	Q4 2011	Q3 2011	Change
€ million			
UK	8,339	7,731	8%
Germany	5,832	5,690	2%
France	6,510	3,950	65%
Nordics	5,126	3,671	40%
Benelux	1,835	1,295	42%
Italy	851	1,309	-35%
Iberia	890	331	169%
CEE	1,572	2,911	-46%
Europe*	31,909	27,766	15%

* Also includes Austria, Greece, Ireland and Switzerland