

MarketView

European Investment Quarterly

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Q1 2010

Q1 Investment Turnover

Compared to:

Q1 2009



Q4 2009



European commercial real estate investment reached €19.1 billion in Q1 2010, 65% above the Q1 2009 level, confirming the general recovery in investment activity that began in the latter part of 2009. As expected, the Q1 figures show a marked decline on Q4 2009. The last few months of the year are traditionally the most active, with investors pushing transactions through to complete them by the year-end.

Despite this there were several regions where there was a quarter-on-quarter increase in activity, most notably Germany, Iberia and the Nordic region. This was heavily driven by an upturn in retail sector investment, which accounted for more than a half of the total transacted in all of these markets. Retail sector indeed has become a strong feature of the European market in 2010 so far. With a 42% share of the Q1 total it outpaced office investments.

In contrast, France and the UK reported a more moderate level of activity. In both cases, whilst this quarter's investment was higher than the Q1 2009 level, it was lower than in Q4 and even below 2009's quarterly average. France in particular saw investment levels held back by a lack of product and was one of the main markets where offices continued to dominate, with around 65% of the total.

A notable feature of the European market this quarter was the growing number of large deals. Preliminary results suggest at least twelve €200+ million assets changed hands in the first quarter of the year. This compares to an average of only eight deals per quarter in 2009 in the €200+ million lot category. With quite a few larger deals already in pipeline and due to complete later in a year, this should help to boost the activity levels further.

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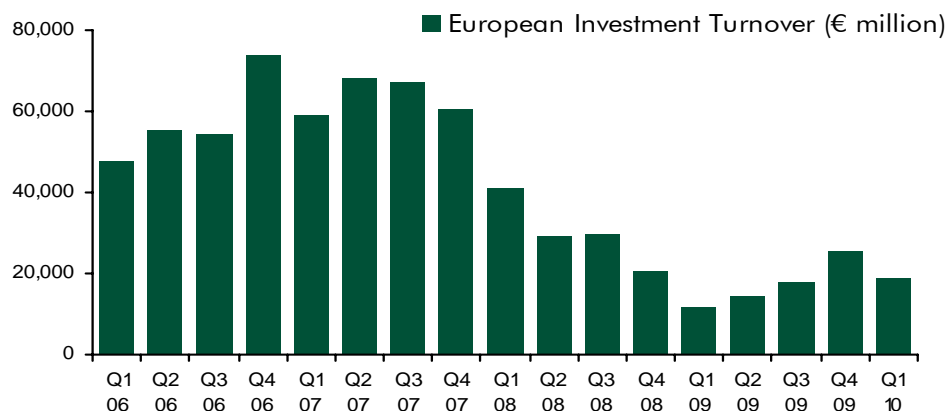
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Market Turnover € million	Q1 2010	Q1 2009	change
UK	5,861	4,490	31%
Germany	4,646	1,687	175%
France	1,470	738	99%
Nordics	3,194	1,272	151%
Benelux	1,152	928	24%
Italy	688	732	-6%
Iberia	1,015	836	21%
CEE	587	252	133%
Europe*	19,027	11,614	64%

* Also includes Austria, Greece, Ireland and Switzerland

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