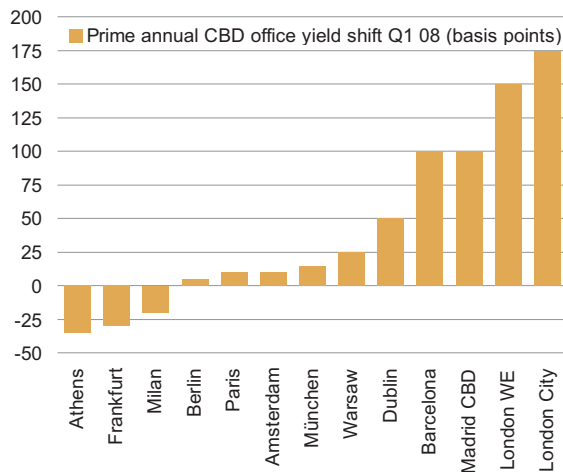


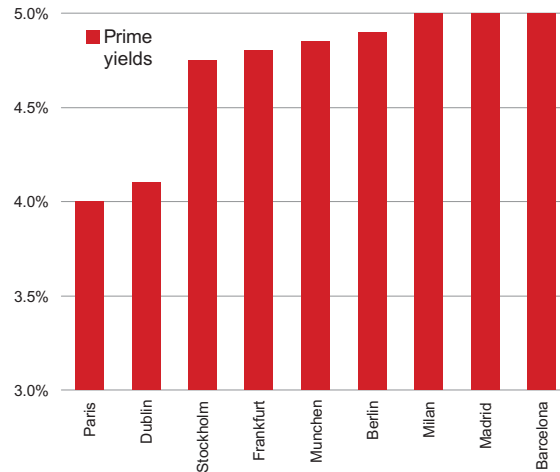
Quarterly data bulletin European commercial markets

Quarter 1 2008

Prime CBD office yields are softening



Prime shopping centre yields are more resilient



“Price correction continues at a more rational rate in comparison to the latter half of 2007. Rental growth remains positive but is advancing at a lesser rate.”

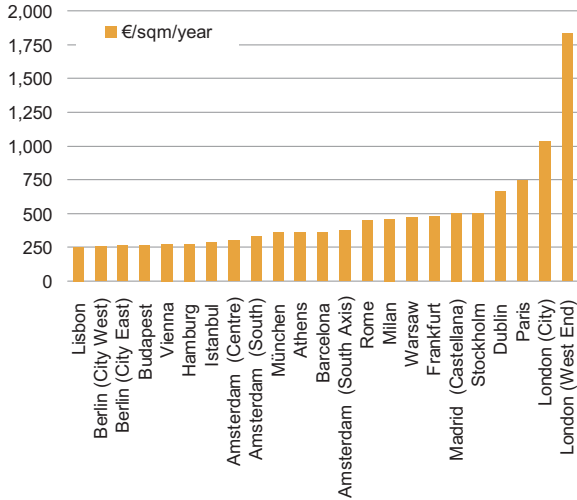
Eri Mitsostergiou - European Research



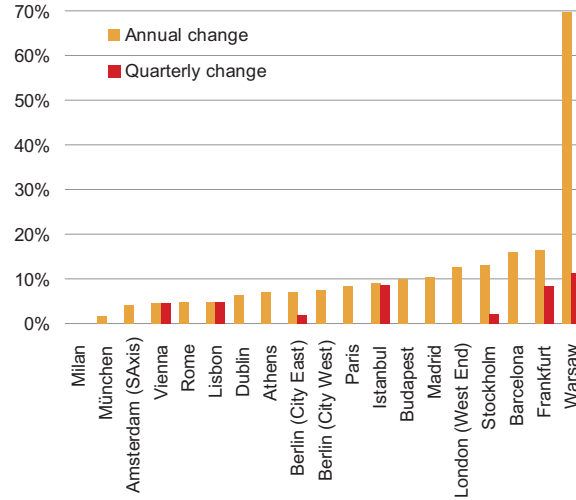
- Annual prime rental growth remained positive in the first quarter of 2008 across the CBD office markets of the study area, at 11.1% against 12.1% the previous quarter. Prime rental growth in non-CBD office locations showed a more significant slowdown from 11.8% pa in Q4 07 to 5.9% pa in Q1 08.
- We expect prime CBD office rental growth to slow down further, as rents are stabilising in most markets. The prime average office rent in the markets covered by the report stands at €392.56/sqm/year.
- Prime industrial rents increased by 6.0% pa due to the imbalance of demand and supply in some urban areas. Prime industrial yields remained quite stable in the first quarter of 2008.
- Rents for prime units in shopping centres and retail parks remained virtually stable over the first quarter of 2008 and only 1% to 3% on average higher compared to the year before.
- Yields continue softening in most European office markets, however less dramatically than in the final quarter of 2007. Prime CBD rents were in Q1 08 12 basis points higher than the previous quarter and 21 basis points higher than a year before.
- Prime shopping centre rents have been more resilient to the yield shift although still 10 basis points higher compared to last year. Significant softening of yields in Spain and UK retail warehousing sector has pushed out prime yields by 27 basis points compared to last year.

Office and industrial rents

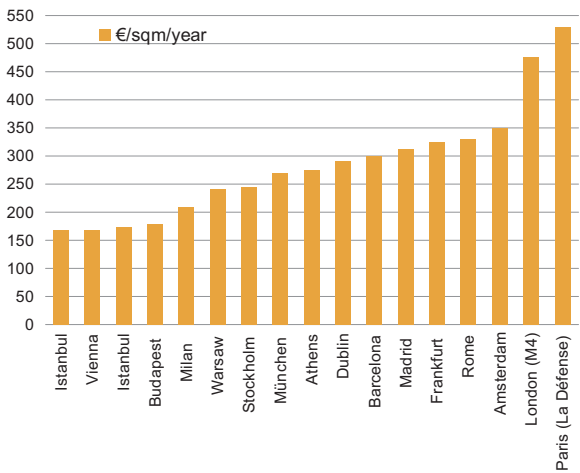
Prime CBD office rents



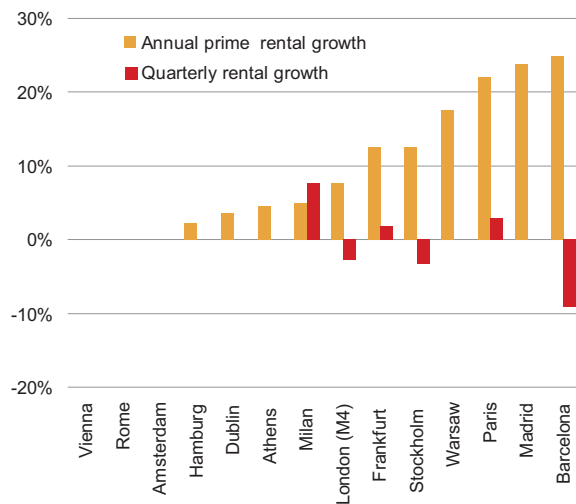
Prime CBD office rental growth



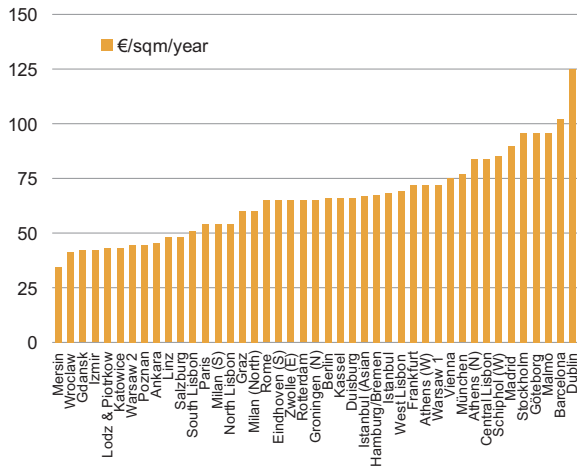
Prime non-CBD office rents



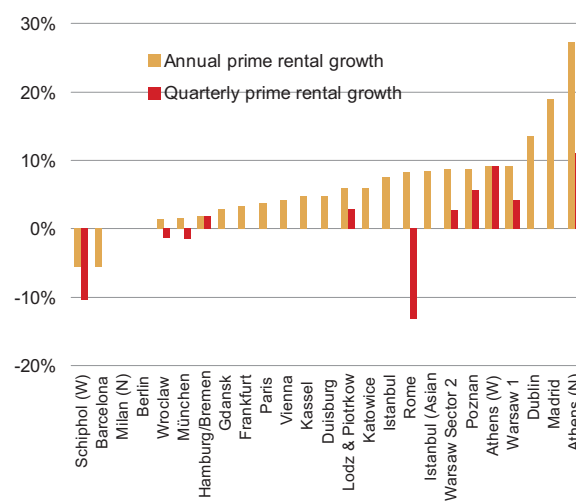
Prime non-CBD office rental growth



Prime warehousing rents

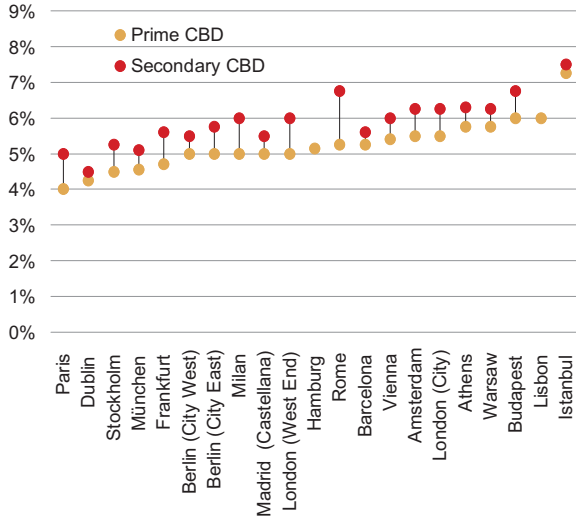


Prime warehousing rental growth

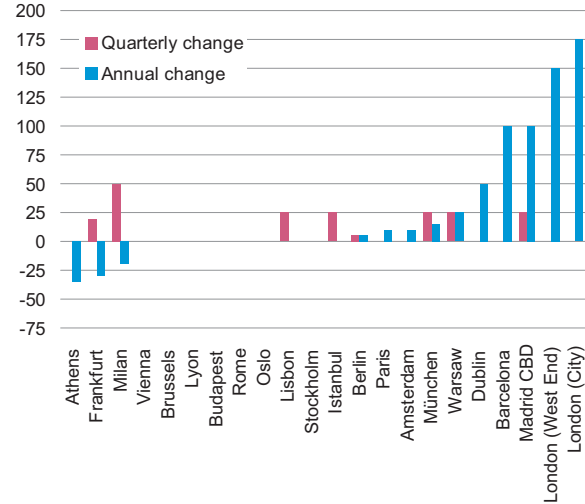


Office and industrial yields

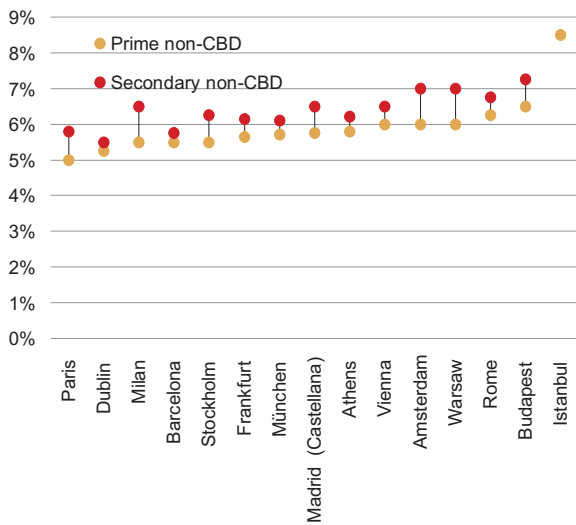
CBD office yields



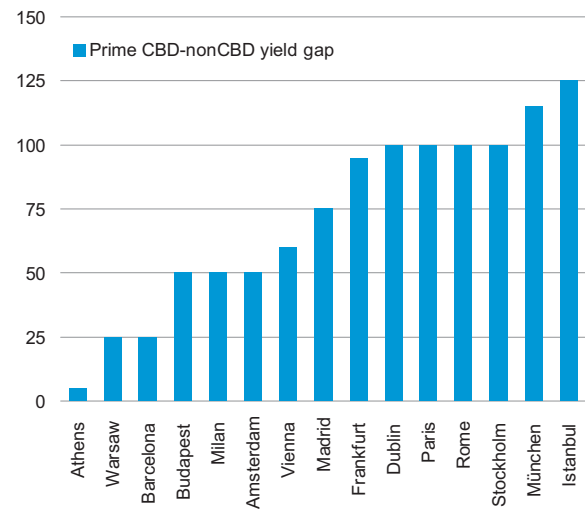
Prime CBD office yield compression



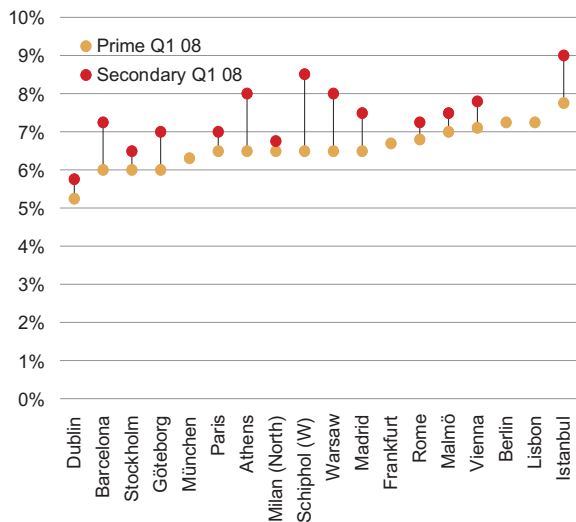
Non-CBD office yields



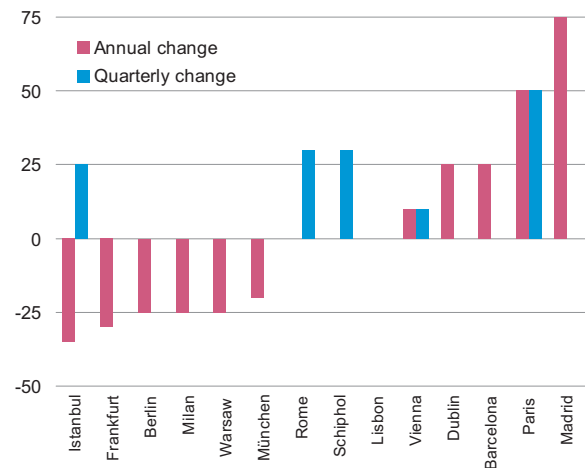
CBD - Non CBD prime office yield gap



Prime warehousing yields

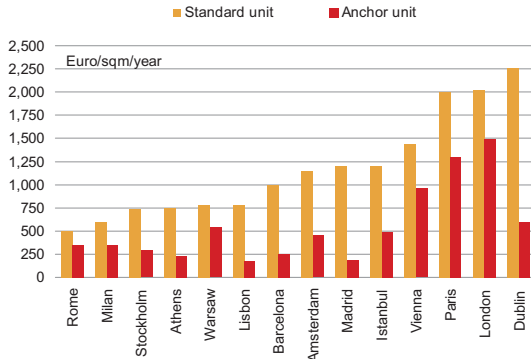


Prime warehousing yield compression

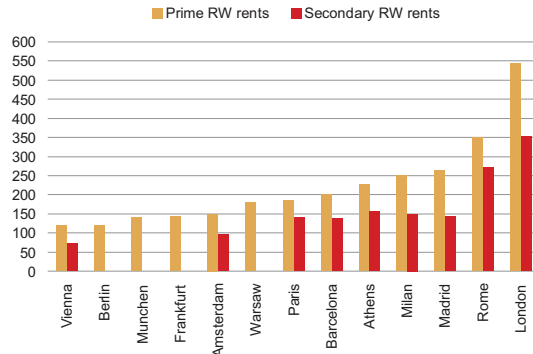


Retail rents and yields

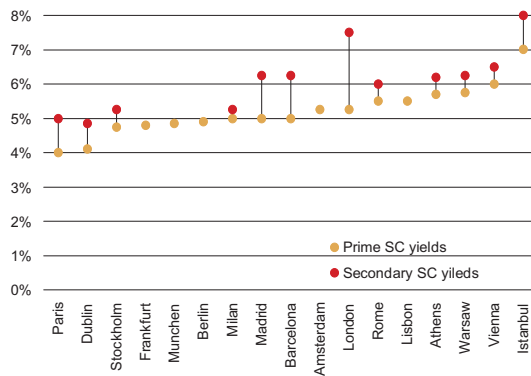
Prime shopping centre rents



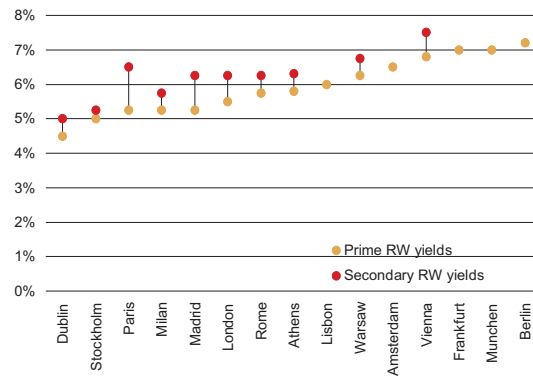
Retail warehousing rents



Prime shopping centre yields



Prime retail warehousing yields



For further information please contact



Eri Mitsostergiou
Research Europe
+30 210 699 6311
emitso@savills.com



Lydia Brissy
Research Europe
+44 20 7016 3776
lbrissy@savills.com

Definitions and abbreviations

Rents: Achievable rents for prime and secondary properties in the defined areas.

Yields: Achievable yields for prime and secondary assets as quoted in local markets.

CBD: Central Business District

Non CBD: The most important business area for the city after the CBD.

High street: Prime standard unit approx 100sqm

Shopping centres: Standard unit approx 100-150sqm in prime shopping centre

Retail Warehouses: Standard unit approx 1,500sqm stand alone or in prime retail park

qoq: quarter-on-quarter

yoy: year-on-year

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