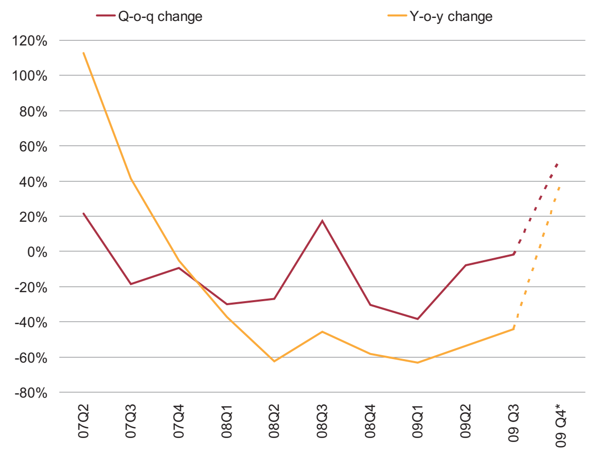
European Investment Bulletin

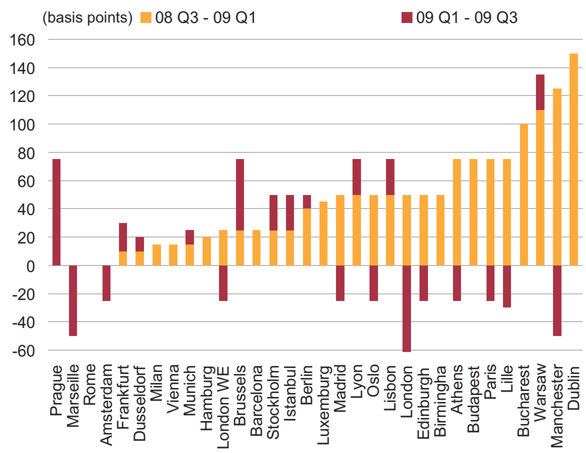
Winter 2009

Investment volumes are beginning to recover



Source: Savills Research / * forecast

Prime office yields are stabilising



Source: Savills Research

"With some encouraging economic data emerging, especially for France and Germany, investor focus is concentrated on the uncertainty surrounding the occupational & debt markets to unlock the current pricing hiatus in Continental European investment.'"

Giles Wilcox - European Investment

- The pace of the EU27 GDP contraction slowed during the first half of the year from -2.4% in the first quarter to -0.2% in the following three months. At the same time, in some markets, we have noticed signs of improving debt availability, notably for the smaller deals.
- UK investors are the dominant investor group in the European arena.
- The office sector remains the main magnet for investors, who target fully let prime assets in the major European CBD locations. However, the proportion of retail deals has also increased since the beginning of the year.
- Upward pressure on yields has reduced, notably on prime assets. In the office sector, the European average prime yield reduced to 6.32% from 6.40% in the preceding quarter. We expect that prime yields in the industrial and retail sectors will begin to stabilise in the final quarter of 2009.
- According to our end-year projection, the investment volume in the second half of 2009 should increase by nearly 34% compared to the first half. However, it will still be sharply down on 2008's level.

Savills Research

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Economy and investment market

Economy

Some signs of recovery have been noticed in the global economy, with the industrial production and trade flow rebounds seen in the US and Asia. In Europe, the pace of GDP contraction slowed during the first half of the year from -2.4% during the first quarter to -0.2% during the following three months according to the European Commission. The Economic Sentiment Indicator (ESI) also increased for the fifth consecutive month to 82.6.

Nevertheless, in recent months, the European economy has been heavily supported by stimulus packages and it remains to be seen whether the recovery signs will last in the longer term. The deterioration in the household sector, notably the number of unemployed in Europe and in the corporate sector could lead to further losses in the bank sector.

European investment market

In this gloomy context, the EMEA investment market has performed relatively well during the three quarters of the year compared with the US and the Asia Pacific region, still representing the largest share of investment deals in commercial properties (49.2% invested in EMEA, 18.8% in Americas and 32.0% in Asia Pacific, according to Real Capital Analytics).

The rate of decline in quarterly investment volumes across the 18 countries covered in this report slowed in the first and second quarter of 2009. As we enter the fourth quarter of 2009 it is clear that the second half of this year will see a higher volume of transactions than the first half, but overall we expect that the total volume of investment activity will be down approximately 47% on 2008.

The amount of stock on the market remains very limited, particularly assets with longer term and more secure income streams. However, availability has increased slightly over the last six months due to loans reaching maturity or requiring re-fiancing. Additionally, the weakening of the letting market is increasingly positioning owner-occupiers as potential sellers.

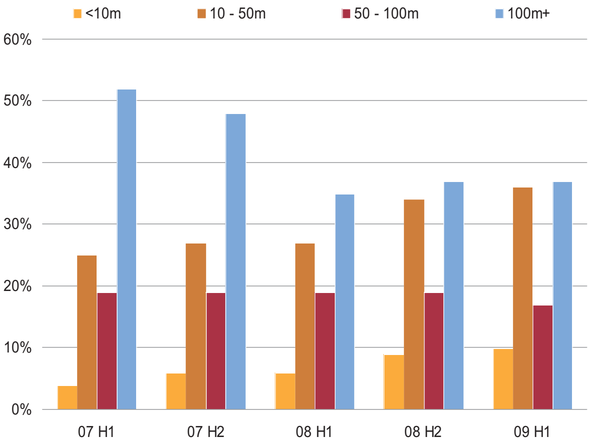
In some countries, predominantly in the UK, but also France and Spain, loan conditions are less strict when rental income is strongly secured, enabling larger deals and portfolio transactions to take place. Although it should be noted that lending margins remain higher than they were previously. The numbers of transactions exceeding €100 million remains significantly lower than a year before, but at the end of the second quarter 2009, its proportion went from 35% during 2008 H1 to 37%.

However, banks remain cautious and the debt market remains limited. Therefore equity buyers are the most active while opportunistic funds are actively hunting, seeking distressed sales at discounted rates.

The Economic Sentiment Indicator increased for the fifth consecutive month

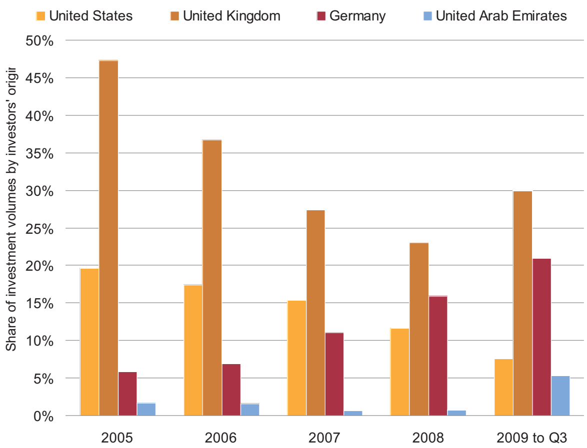
Source: European Commission

The share of large deals is still down compared to 2007, but is slowly improving



Source: Real Capital Analytics

UK Investors remain dominant, German funds are more active



Source: Real Capital Analytics

Yields and outlook

The share of cross border investments remains low but is stabilising in some countries. UK investors remained dominant and increase their market share in Europe during 2009, from 23% at the end of 2008 to 30% in Q3 2009. German funds are more active and represented 21% of the total investments made during the first three quarters of 2009, against 16% and 11% the two previous years. North American investors are withdrawing from the European markets, while interest from the United Arab Emirates is growing, representing more than 5% of the invested amount during 2009 against less than 2% the previous years.

The office sector remains the main focus for investors who are targeting fully let prime assets in the major European CBD locations. However, the proportion of retail transactions out of the cross total of investments increased from 25% at the end of 2008 to 38% during the first three quarters of 2009. This is mainly due to the distressed sales and a number of recently developed retail properties that provided good opportunities.

Those markets that entered the downturn first, such as the UK and France, are beginning to stabilise or harden in respect of well-let properties, notably in CBD locations, whereas in most other European countries, the yield instability is leaving buyer and seller negotiations in deadlocked situations.

Yields

Upward pressure on yields has generally reduced, notably for prime assets. In the office sector, the European average prime yield reduced to 6.32% in the third quarter from 6.40% in Q2 and 6.15% at the end of 2008. In the UK and the Netherlands, where the prices started first to drop in mid-2007, prime office yields decreased by 25 basis points this quarter. At the other end of the spectrum, Dublin and Warsaw still show a 3-digit basis points upward shift.

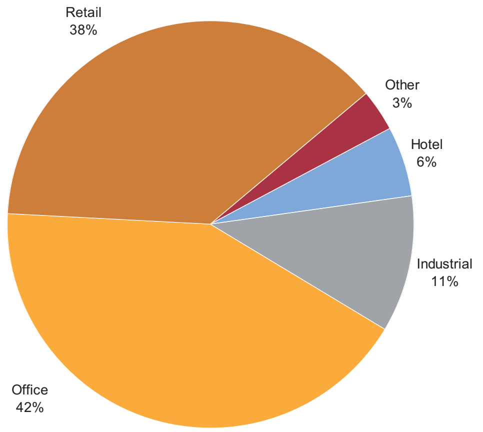
Prime industrial yields increased quite substantially across the 18 countries in the first half of 2009. In Q2 2009 the average European prime yield recorded an annual upward shift of 79 basis points on average and stood at 7.56%. In Dublin, Madrid and Lisbon, the yield change exceeded 100 basis points. However, some signs of stabilisation are beginning to emerge in the final quarter of the year. The same is true in the retail sector, where in Q2, the average annual change was 141bps and the average prime yield was 6.68%.

Outlook

According to our end-year projection, the investment volume in the second part of 2009 should increase by nearly 56% compared to H1. However, the total invested amount at the end of the year will be down by approximatly 47% on 2008's level.

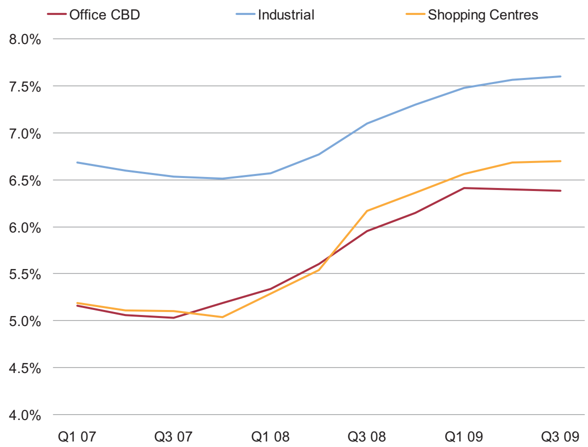
Yields are expected to further increase in most countries but only moderately and should stabilise in the middle of 2010. We do not expect investment volumes to return to normal levels until 2011-2012.

The office sector remains predominant but investor interest in retail assets is increasing



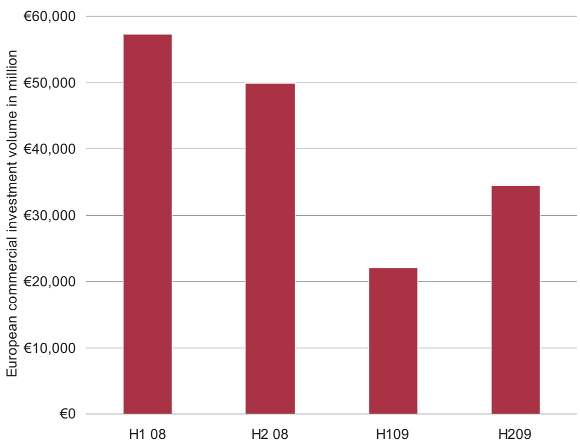
Source: Real Capital Analytics / 2009 to Q3

Upward pressure on yields is slowing down, notably for office assets



Source: Savills Research

End-year projection suggests an increase in investment volume

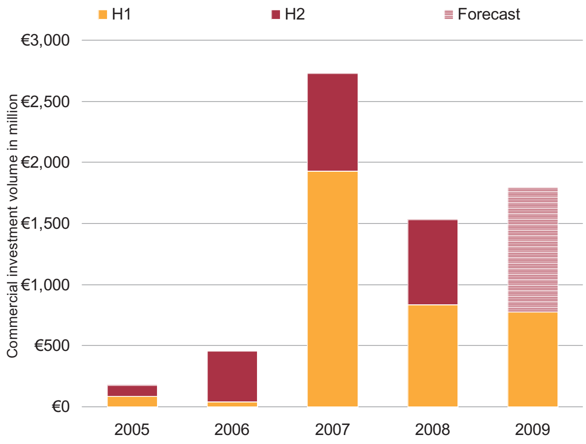


Source: Savills Research

Austria, Belgium, Czech Republic

Austria

Property prices were under pressure in the first half of 2009. The market volume expanded substantially after the virtual standstill in the second half of 2008 with investors clearly focused on low-risk properties, predominantly well-let grade A office buildings in central locations. Although private investors still dominate the market, the return of the institutional investors is now apparent. As there are many deals still under negotiation, a further rise in the investment volume can be expected for the second half year, with an upwards trend for 2010. In H1 2009 transaction volume in the non-residential market was €780 million, for the full year a volume of €1.8 billion is expected. Yields are expected to further increase only moderately depending on the general development of the economic climate and the situation on the capital markets. Nevertheless, yields for grade B properties will continue to rise due to investor risk aversion.

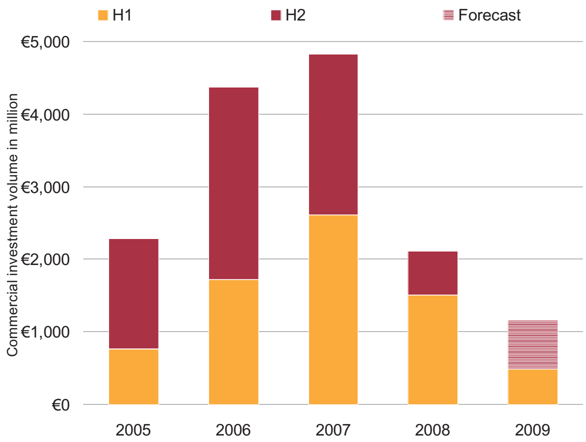


Source: EHL Immobilien Gmbh

08 H1 -09 H1	↘	-7.2%
08-09 end-year forecast	↗	17.5%

Belgium

During Q3 2009, 11 investment deals were closed in Belgium representing a total investment volume of €276 million for the quarter. Although this is a decrease compared to the same period last year, down 47%, this quarter was exceptionally active given the current market conditions. In Brussels, activity was finally re-ignited due to some key deals closing. In Brussels, €142 million of notable deals were closed during Q3 alone representing a drop of 62% compared to the same period last year however increasing activity over 4 times compared to Q2 2009. Year-to-date, €204 million has been traded in Brussels, down 83% to the first three quarters in 2008 and €571 million has been transacted in Belgium as a whole. The main points this quarter included the return of the German funds which have been the first to close after a stagnant 9 months.

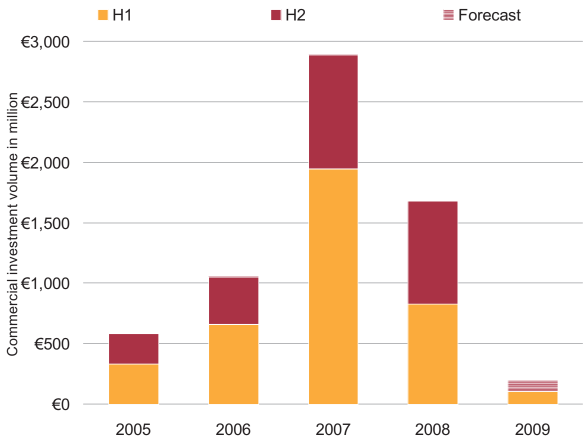


Source: Savills Research

08 H1 -09 H1	↘	-67.4%
08-09 end-year forecast	↘	-44.6%

Czech Republic

This investment market in the Czech Republic has been at a standstill since the beginning of the year. A few deals, mainly targeting office properties took place, notably the sale by ING REIM to a domestic investor of Budejovicka Alej, a 11,600 sqm grade A office building in Prague 4 for €30 million and the acquisition by another domestic investor of the 6,500 sqm office building in Thamova 18, Karlin sold by Invesco. Most investment took place in Prague whereas there is less interest in the regional cities from institutional investors. Investors are focused on prime property with optimal investment characteristics. The limited investment activity is due to the continuing scarcity of debt financing. Equity buyers are therefore the most active players in the market while opportunistic funds are waiting for the right moment to re-enter the market. The yield gap between prime and secondary properties is widening.



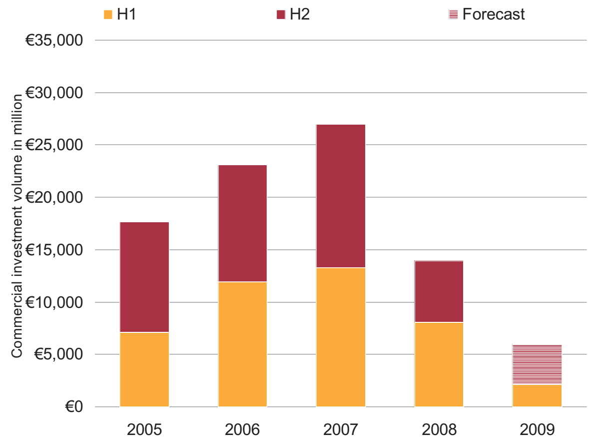
Source: EHL Immobilien Gmbh

08 H1 -09 H1	↘	-87.1%
08-09 end-year forecast	↘	-87.9%

France, Germany, Greece

France

Less than €2.2 billion was invested during the first half of 2009, 70% less than in 2008. If investors' interest for secondary products remains apathetic, some signs of recovery were noticed in the prime market. Banks remain cautious but are prepared to lend on well-let secured properties, although lending margins are still in the spotlight. Four investment deals exceeding €50 million were signed between April and June. Besides, the number of products for acquisition is slightly increasing. Most opportunities are supplied by investors, and more particularly by SIIC (Property listed companies) that have started debt pay down strategies. Owner-occupiers are also increasingly positioning themselves as potential sellers. Finally, in spite of very long periods of negotiation, the pricing issue between buyers and sellers is slowly unfreezing. First estimations on Q3 figures suggest that investment volume will rise to circa €3.9 billion resulting in a end of year total of circa €6 billion

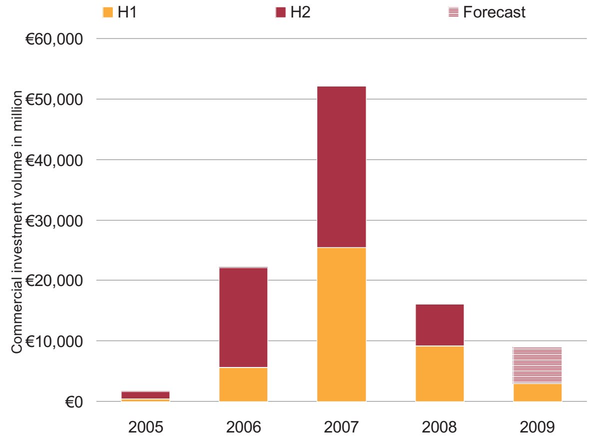


Source: Savills Research

08 H1 -09 H1	↘	-73.0%
08-09 end-year forecast	↘	-56.9%

Germany

The downswing in the German investment market continued throughout the first half 2009 Approximately €3.41 billion was invested, a decrease of roughly 75% compared to the first half of last year. The investors' focus has been on retail (36%) and office (32%) properties. Most transactions were single assets whereas only a few portfolio deals have taken place. Due to the restrictions on financial markets, debt-driven buyers have nearly disappeared. Another phenomenon of the current market is the dominance of domestic buyers; less than 10% of all purchasers came from abroad. With a share of nearly 25% in terms of transaction volume, real estate funds have been the largest group of investors. Since the spread in price expectations of potential buyers and sellers is getting smaller we expect a slight increase in transaction volumes in the remainder of the year. Consequently, prime yields in particular, are not expected to significantly increase further.

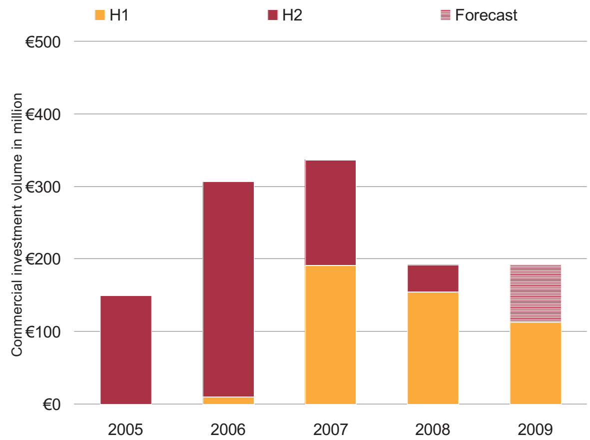


Source: Real Capital Analytics / Savills Research (forecast)

08 H1 -09 H1	↘	-66.8%
08-09 end-year forecast	↘	-44.3%

Greece

Investment activity has slowed down since the end of 2008. In the first three quarters of 2009 we have noticed a slight recovery of investor interest mainly for prime assets. Equity buyers are looking for attractively priced opportunities as yields have softened since their peak at the end of 2007. Additionally, well let properties with inflation indexed rents offer secure, rising income. Prime offices and retail remain the preference of investors; however the number of transactions is low, due to the scarcity of product. We expect to see more product coming onto the market over the next 3-6 months as the holding period of investments made in 2004-2005 comes to an end, while some owners are trying to restore their levels of liquidity through selective disposals. Moreover opportunities may arise from sale and leaseback deals that could also emerge. Currently local private investors and REITS are the most active buyers, while funds are potential sellers.



Source: Real Capital Analytics / Savills Research (forecast)

08 H1 -09 H1	↘	-26.9%
08-09 end-year forecast	→	0.0%

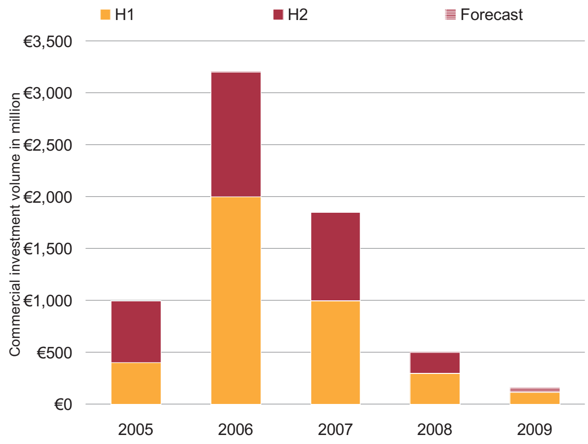
Ireland, Italy, Luxembourg

Ireland

Activity in the Irish investment market has been very limited so far during 2009. Prime values have fallen by up to 50% over the last 18 months with yields moving out by over 300 basis points. Secondary assets have been affected to a greater degree.

The significant reductions in values that have taken place and the attractive returns now on offer in Ireland have prompted renewed interest from International Investors. In recent weeks several European funds have agreed deals to acquire prime properties in Ireland.

Supply of prime assets with secure long-term income remains very limited. Many “prime” property investments will now produce net income office yields of between 6.50 and 7.50% per annum. Demand is now outstripping supply.

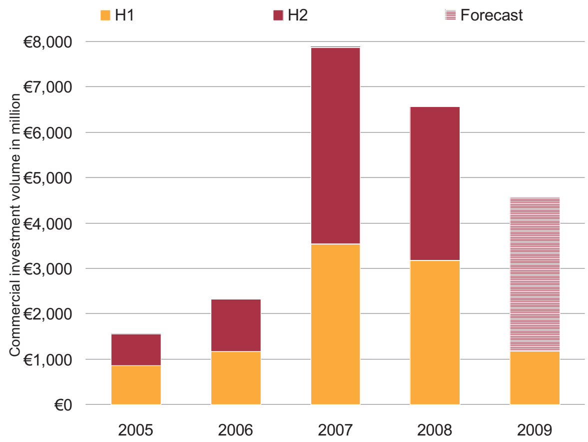


Source: Savills Research

08 H1 -09 H1	↘	-60.0%
08-09 end-year forecast	↘	-68.0%

Italy

The first half of 2009 saw Italy’s office investment market, in line with other European countries, at an ongoing standstill, due to restricted lending conditions and uncertainty around pricing. International banks have eliminated activity in the market, whilst those Italian banks that remain active will only tend to lend on lot sizes of up to circa €50 million maximum and lower transactions ratios than previously. Italian funds are the most active buyers although there is reluctance to buy as further falls in capital values are anticipated. Prime yields have been edging up in the two major markets of Milan and Rome, where they now stand at 6.00%. Current conditions are, however, in a certain sense favourable for investors as competition is limited and prime Milan and Rome occupier markets remain stable.

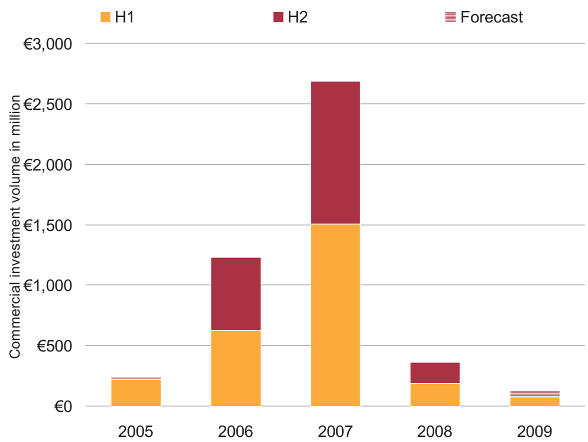


Source: Real Capital Analytics / Savills Research (forecast)

08 H1 -09 H1	↘	-62.7%
08-09 end-year forecast	↘	-30.2%

Luxembourg

During the first three quarters of 2009, €88 million of turnover was transacted in the Luxembourg office market, representing a decrease of 71% compared to the first three quarters of 2008, and a drop of 96% in comparison with the €2.2 billion investment volume during the same period in 2007. The Luxembourg office market is clearly suffering the lack of buyers and a lack of assets. The main group, the German open-end funds which represented 80% of the investments made in Luxembourg in the past, are still taking a wait-and-see attitude. Additionally, as the number of transactions is very small and limited, it remains very difficult to quote exact yields. Estimated yields have moved from 5.35% to 6.00% today for core, long-let product in top locations. The spread between a 10-year OLO and the prime yield has widened again and is at 233 basis points.



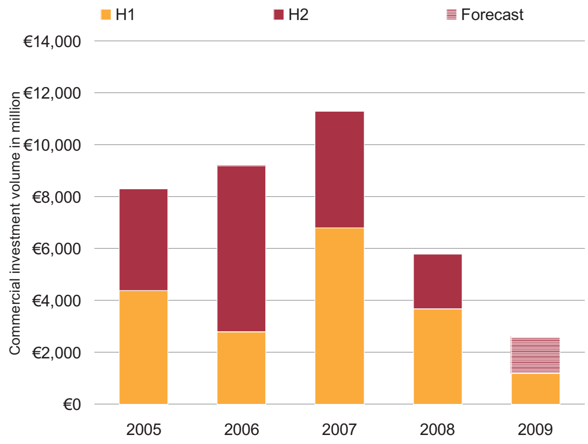
Source: Savills Research

08 H1 -09 H1	↘	-59.7%
08-09 end-year forecast	↘	-65.0%

Netherlands, Norway, Poland

The Netherlands

The effects of the financial crisis and the subsequent economic recession are clearly visible in The Netherlands investment market. While total investments were €5.8 billion during 2008, the first half of 2009 totalled €1.2 billion. One positive sign is the 40% increase in investment activity between Q1 and Q2 2009, indicating that investor confidence in the market is beginning to return. This increase is for a large part caused by the return to the Dutch property market of the German closed and open-ended funds. These funds are focusing on triple A investments and the result is that demand for long leased prime property has increased. Recent transactions of prime office property, like the Unilever HQ in Rotterdam and the Say A building in Amsterdam, show that yield levels have actually contracted during 2009. For non-prime property this is not yet the case.



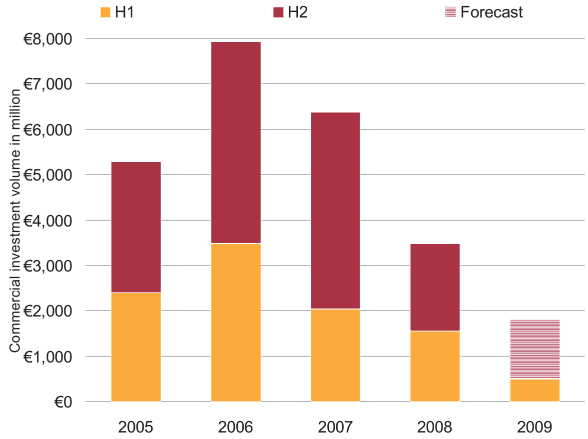
Source: Vastgoedmarkt / Savills Research

08 H1 -09 H1	↘	-66.7%
08-09 end-year forecast	↘	-55.2%

Norway

The investment activity is picking up as buyers start to reappear and the price gap between sellers and buyers is slowly narrowing. Additionally, banks are less reluctant in their lending policies and risk margins are slowly coming down. Nevertheless, investors remain cautious and still focus on well-let prime properties mainly located in CBD locations. Overall commercial investment volume as of the third quarter of 2009 amounts to €528 million (NOK 6.6 billion) which is a 60% decrease compared to the same period last year. We estimate the investment turnover to reach approximately €1.8 billion (NOK 15 billion) at the end of the year.

Yields have remained stable at a 7.00% for prime office properties, although it is difficult to estimate due to the lack of comparables on the market.

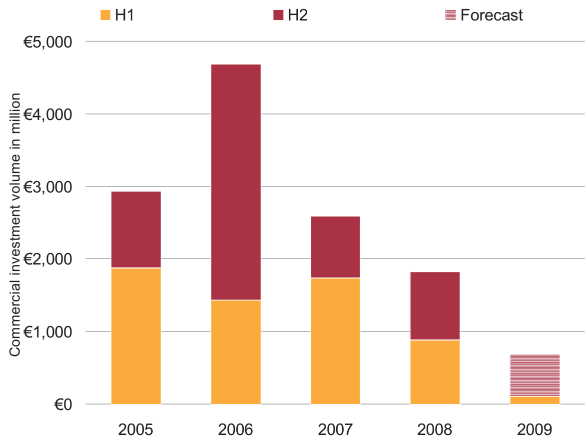


Source: Heilo Eiendom AS

08 H1 -09 H1	↘	-67.7%
08-09 end-year forecast	↘	-48.3%

Poland

The dramatic fall in investment activity has continued during the first half of 2009. The easing of yields and the lack of deal evidence has created a greater bid-ask spread, with the effect of stagnating deal-flow. There is a rising volume of investment products on the market, which is estimated at about €4 billion. This represents nearly two years of potential sales, of which 50% is made up of retail property. Loan finance is still limited to core clients on strict conditions and high margins, up to 400 basis points. Although property as an asset class should become more attractive as inflation rises, providing stable returns on the back of indexed leases, we anticipate at least another six months of this 'wait and see' attitude from the investor's point of view. The recovery depends on the credit situation, the trends in the occupational market and the position of the German funds who have been the most active buyers over the previous years.



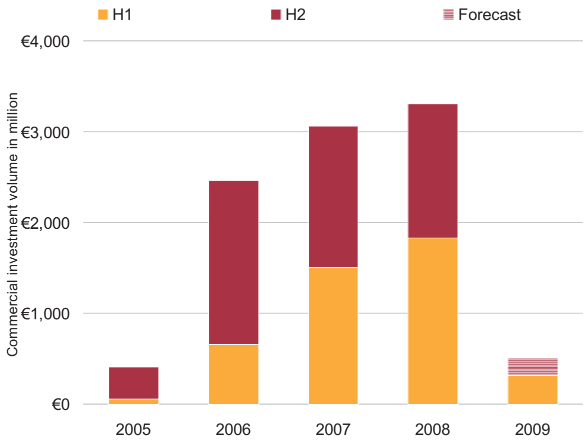
Source: Savills Research

08 H1 -09 H1	↘	-87.6%
08-09 end-year forecast	↘	-61.7%

Portugal, Romania, Spain

Portugal

The retreat of both domestic and international property funds has left the Portuguese investment market in a dramatically less liquid position than ever before. Investment activity in the first half of 2009 has been almost non-existent. The office market has seen a handful of deals closing in the third quarter, with current investor demand coming from private investors and one or two international core-plus funds. The shopping centre market, long seen as the healthiest sector in Portugal, has seen the core institutional investors replaced by opportunistic funds, with a dramatic fall in capital values as a result. The sale of two major centres (50% stakes), namely Cascaishopping and Dolce Vita Tejo, are underway and the results will give some much-needed life to the market. The recently announced return to economic growth will highlight Portugal's economic independence from Spain, and is hoped will stimulate more investor interest.

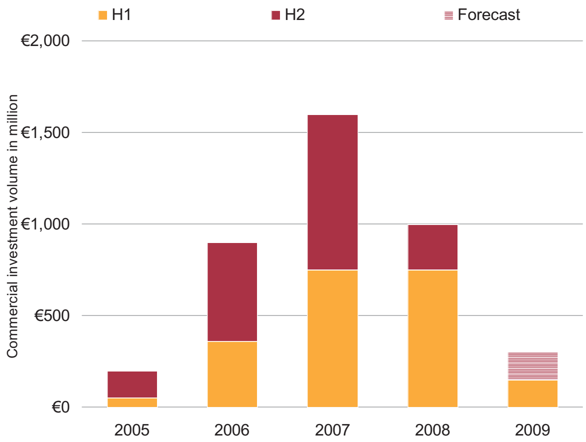


Source: Real Capital Analytics / Savills Research (forecast)

08 H1 -09 H1	↘	-87.6%
08-09 end-year forecast	↘	-84.3%

Romania

The investment volume has fallen dramatically in Romania since the beginning of 2009. The wide gap between buyer and seller expectations in terms of yields is the main cause of the lack of activity in the market. Depending on the occupancy rates and the quality of leasing contracts, sellers are ready to accept prime yields of 7.5%-8.5% for grade A office properties. Most international investors have disappeared from the scene considering the Romanian market as too risky. During the second quarter of the year, not a single deal exceeded €50 million. Therefore, the buyer's side is dominated by bargain hunters seeking distressed sales at discounted rates. Distressed sales are unlikely to occur for the next two to three quarters in Bucharest, but they could happen in regional cities, especially involving retail properties with very low occupancy rates. Yields are expected to rise further but the prime office yield should not exceed 8.5%.

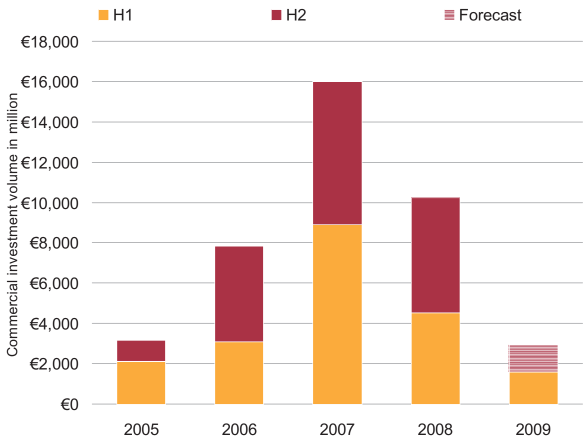


Source: EHL Immobilien Gmbh

08 H1 -09 H1	↘	-59.7%
08-09 end-year forecast	↘	-65.0%

Spain

Madrid and Barcelona continue to be the core centres of the Spanish office investment market. Jointly they account for more than 80% of the total volume of investment. Madrid has registered 53% (€375 million), Barcelona 26% (€180 million) with the remainder being divided into isolated transactions in other cities such as Valencia, Corunna, Valladolid or Pamplona. National investors are the most active, both on the buy and sell side, although several international funds have reappeared in Barcelona. Currently the most active buyers are private investors who are outbidding the foreign investors. The most coveted assets are well specified CBD office buildings, with long-term leases. The rise in yields has started to show signs of slowing in the most central areas. The general decline forecasted in rents for the next few months will prevent capital values from growing in absolute terms, although the rate of decline is already slowing.



Source: Real Capital Analytics / Savills Research (forecast)

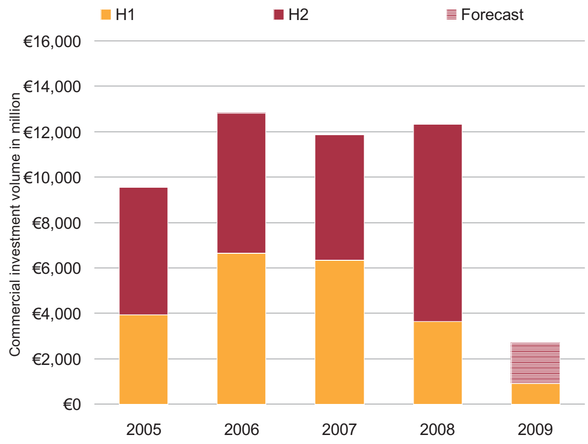
08 H1 -09 H1	↘	-64.9%
08-09 end-year forecast	↘	-71.15%

Sweden, Turkey, UK

Sweden

The commercial investment market turnover in 2008 amounted to just under €12.3 billion (SEK 128 billion), but if the Vasakronan related transactions are excluded the turnover dropped by more than 30% compared to 2006 and 2007. The transaction volume during the first ten months in 2009 have been extremely weak with a turnover just exceeding €1.8 billion (SEK 19.1 billion). The interest from international investors has with a few exceptions been very weak and most buyers have been domestic investors. Financing is still a critical issue in many transactions.

Yields are expected to soften and the spread between prime and secondary properties is expected to increase further.

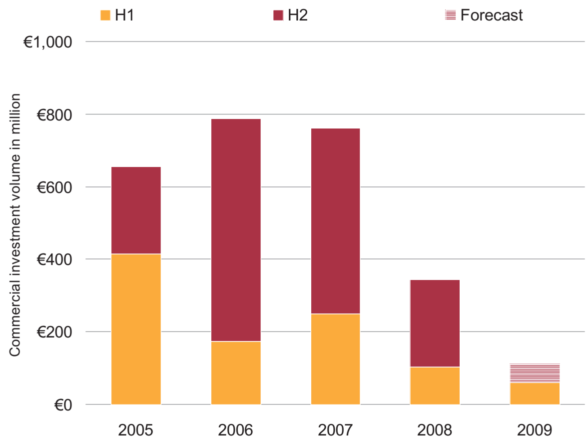


Source: Savills Research

08 H1 -09 H1	↘	-74.7%
08-09 end-year forecast	↘	-78.1%

Turkey

Investment activity in Turkey has decreased sharply since the beginning of the global financial crisis. Investment volume during the first half of the year totalled €62 million against €103 million last year during the same period. Turkish private and institutional buyers have been the most active buyers, whereas the share of foreign buyers has declined sharply. Whilst in 2007 and 2008 the retail sector had a major role within the investment market, no new retail investment deal was signed during the first half of this year. This is mainly because of the slowdown in the number of retail developments providing limited forward funding opportunities. Office investment volumes reached €62 million (USD 80 million) during the period under consideration, whereas little activity has been seen in the logistics investment market. Prime yields have increased by 100-125 basis points since Q3 2008.

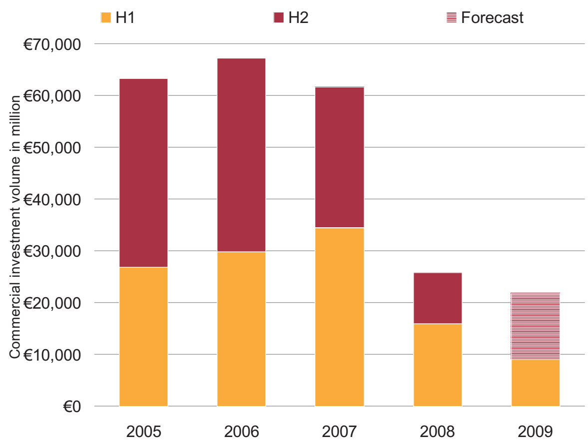


Source: Kuzey Bati

08 H1 -09 H1	↘	-40.0%
08-09 end-year forecast	↘	-67.0%

UK

The first half of 2009 saw €9.1 billion (£7.9 billion) of property investment. This is 43% lower than 1H 2008. The quarter-on-quarter level had fallen since Q2 2008, but Q2 2009 saw an increase of 8%, and Q3 a 37% rise on Q2. Sentiment in the investment markets has improved significantly and some sectors have seen prime yields falling since April as investors accepted that values had fallen too far. However, the prime market represents a small proportion of the market so sourcing product will remain challenging. Through Q2 and Q3, prime yields moved lower for most sectors and it seems that average yields are beginning to slow their rise. Another positive factor is a slight increase in the availability and pricing of debt. More lenders are prepared to lend and for more secure investment deals the loan-to-value has risen slightly. However, tenants remain subdued and rents remain under pressure.



Source: Property Data / Savills Research (forecast)

08 H1 -09 H1	↘	-42.9%
08-09 end-year forecast	↘	-15.9%

Key data

GDP growth, rental growth[1], prime yields[2 3] and yield change[4]

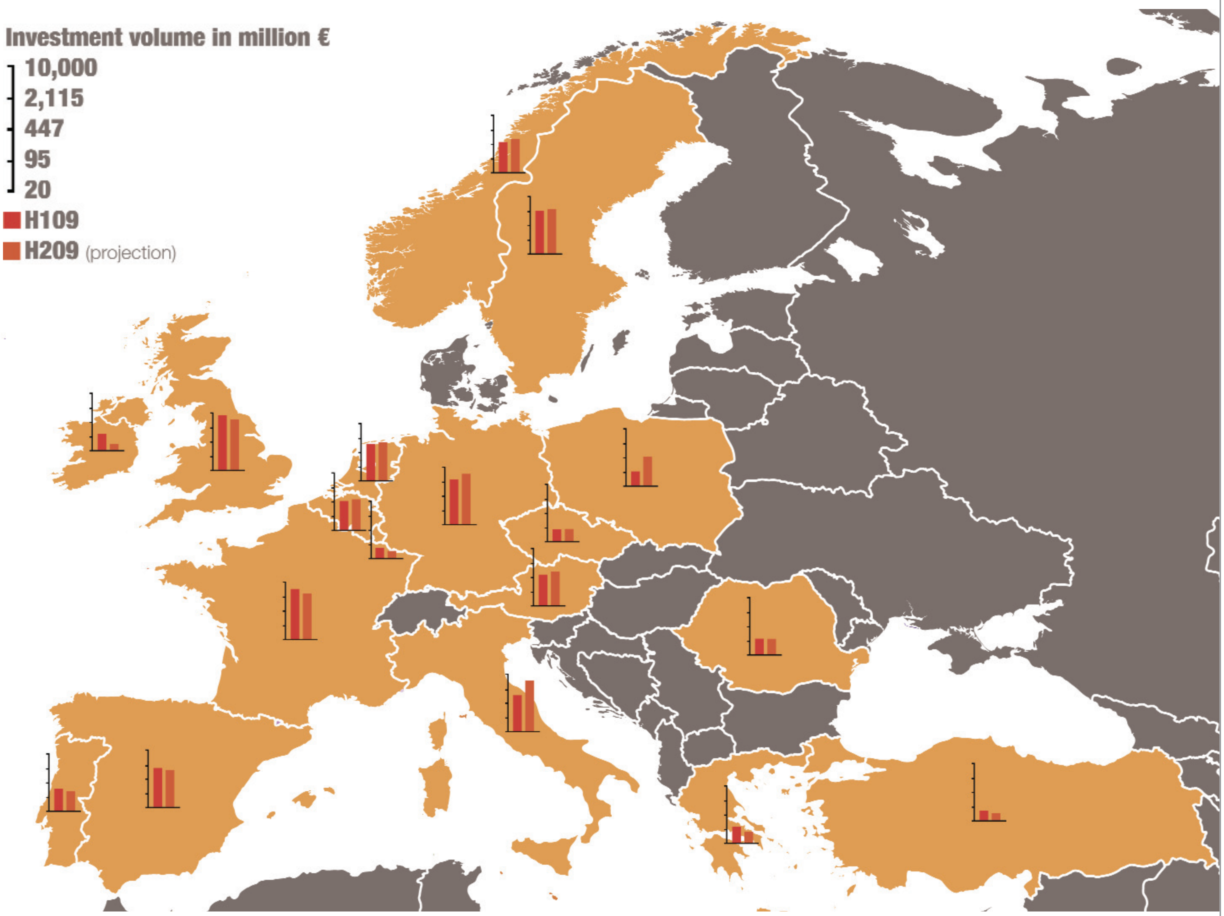
Cities	GDP Growth 2009	Office rental growth	Office yield	Office yield change	Industrial rental growth	Industrial yield	Industrial yield change	SC[5] rental growth	SC yield	SC yield change
Amsterdam	-4.3%	-8.7%	6.00% (G)	-25	0.0%	7.50% (G)	50	0.0%	6.50% (G)	50
Athens	-1.6%	-6.7%	7.00% (N)	50	0.0%	8.50% (N)	100	-12.0%	7.00% (N)	90
Barcelona	-3.8%	-22.2%	6.25% (G)	50	N/A	7.50% (G)	125	-10.0%	7.25% (G)	125
Berlin	-5.0%	-3.7%	5.60% (N)	50	3.1%	N/A	N/A	N/A	N/A	N/A
Brussels	-3.3%	-5.3%	6.75% (N)	75	0.0%	6.50% (N)	50	0.0%	6.00% (N)	150
Bucharest	-4.0%	-16.7%	8.50% (G)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dublin	-8.5%	-18.9%	7.00% (N)	150	-14.4%	8.00% (N)	200	-15.5%	7.50% (N)	300
Dusseldorf	-5.0%	N/A	5.30% (N)	20	N/A	6.90% (N)	0	N/A	6.30% (N)	40
Frankfurt	-5.0%	-7.9%	5.50% (N)	30	0.0%	6.50% (N)	-20	N/A	5.60% (N)	40
Hamburg	-5.0%	-7.3%	5.00% (N)	20	1.8%	6.80% (N)	50	N/A	5.70% (N)	N/A
Istanbul	-3.7%	-25.6%	8.25% (G)	50	-25.3%	8.75% (G)	100	-35.9%	8.25% (G)	125
Lisbon	-3.7%	-16.3%	7.25% (G)	75	-21.4%	8.50% (G)	120	-7.7%	7.50% (G)	200
London[6]	-4.3%	-21.5%	5.25% (N)	-100	-3.6%	6.50% (N)	-50	-9.6%	7.00% (N)	75
Luxembourg	-3.0%	-12.5%	6.25% (N)	45	N/A	N/A	N/A	N/A	N/A	N/A
Lyon	-2.2%	-4.8%	7.00% (G)	75	-2.0%	8.75% (G)	125	0.0%	6.00% (G)	50
Madrid	-3.8%	-28.6%	6.00% (G)	25	N/A	8.00% (G)	125	-10.0%	7.25% (G)	200
Milan	-5.0%	0.0%	6.00% (G)	15	-12.9%	7.50% (G)	100	-6.3%	6.25% (G)	125
Munich	-5.0%	-2.1%	4.90% (N)	25	1.6%	N/A	N/A	N/A	5.00% (G)	10
Oslo	-1.1%	-21.9%	6.75% (N)	25	-10.1%	7.60% (N)	60	0.0%	7.20% (N)	70
Paris	-2.2%	-18.7%	6.00% (G)	50	-5.5%	8.00% (G)	100	0.0%	7.25% (G)	125
Prague	-2.7%	0.0%	7.50% (G)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rome	-5.0%	-11.1%	6.00% (G)	0	-7.7%	7.50% (G)	70	0.0%	6.75% (G)	125
Stockholm	-4.7%	-17.8%	5.75% (N)	50	0.0%	7.00% (N)	25	0.0%	6.00% (N)	100
Vienna	-3.8%	-8.7%	5.75% (G)	15	0.0%	7.50% (G)	40	0.0%	6.40% (G)	N/A
Warsaw	-1.4%	-18.8%	6.75% (G)	135	-5.4%	8.00% (G)	100	-38.9%	7.25% (G)	150

Source: Savills Research, Consencus Forecasts, European Commission

Note 1: Rental growth is annual and calculated in local currencies
Note 2: Prime yields refer to modern, minimum 1,000 sqm, fully let, standard leased building
Note 3: N= Net, G= Gross
Note 4: Prime yield change is annual - in basis points
Note 5: SC = Shopping Centres
Note 6: London West-End for the office market

Survey map and top 10 deals

Survey Map



Top 10 European commercial investments 2009

Country	Asset	Building	Type	Area in sqm	Price in €m	Yields	Buyer	Seller
UK	Office / Retail	Dawnay Day Portfolio	Portfolio	316,789	686.31	N/A	F&C Reit Asset Management	Receivers
UK	Retail	Meadowhall SC - Sheffield	Single	139,350	672.24	6.75%	London & Stamford	British Land
UK	Office / Retail	1-10 Bishops Sq London	Single	71,905	381.75	7.30%	Oman Investment Fund	Hammerson plc
UK	Industrial	Industrious Portfolio	Portfolio	706,040	265.48	10.30%	Max Property Group	Receivers
Spain	Office / Retail	Plenilunio / Las Rozas -Madrid	Single	93,100	262.00	N/A/ 7.25%	Orion Columba	BANIF
UK	Industrial	Equiton Portfolio	Portfolio	269,410	224.19	8.70%	USS	Brixton plc
France	Retail	Les trois Quartiers - 21M - Paris	Single	29,700	210.00	9.40%	MGPA	Hammerson
UK	Office / Retail	Cheapside, 107 - London	Single	17,094	185.30	N/A	Menolly Group	Carlyle Group
Italy	Retail	Antegnate SC - Rome	Single	11,600	180.00	N/A	Sorgente SGR	Immobiliare Colonna 92
UK	Office	Portman House - London	Single	13,610	177.29	7.00%	Lafico	Land Securities plc

Source: Savills Research

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