

# Market report European investment

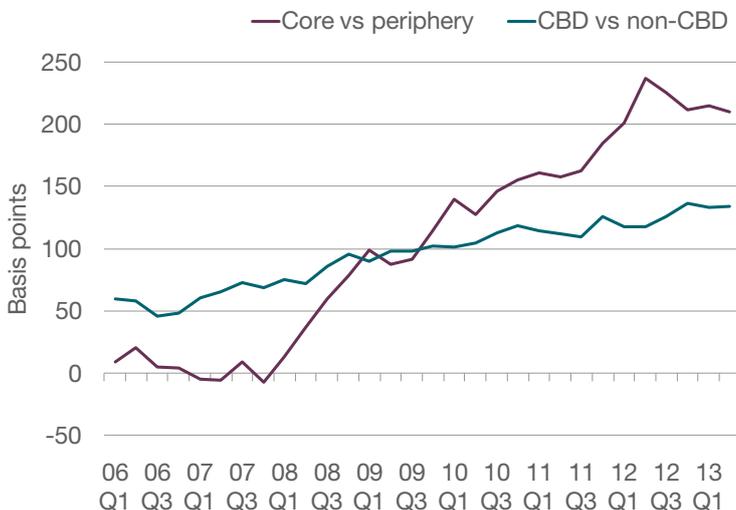
H1 2013

GRAPH 1  
Investment activity in the periphery is rising



Graph source: Savills / \* Forecast

GRAPH 2  
Yield gaps are narrowing (prime CBD offices)



Graph source: Savills

## SUMMARY

### Signs of recovery in the periphery

■ In the first half of 2013 the total commercial investment volume in our survey area was close to €50bn, about 3% higher compared to the same period last year. Investment activity in the peripheral markets increased by 19% pa compared to 2% pa increase in the core markets.

■ The top 3 markets of UK, Germany and France once again accounted for 76% of the total investment volume of the 12 countries surveyed.

■ The improved investment activity that was evident in the peripheral markets was supported by cross border investor demand, accounting for about 60% of the total volume in this region in H1 13.

■ The majority of investors are still chasing prime opportunities across all market segments. The scarcity of prime shopping centres has led to reduced retail volumes (-11% pa) across our study area in the first half of 2013. Industrial investments increased by 22% pa.

■ The prime yield differential between core and peripheral markets has started narrowing mainly led by yield compression in Ireland. The average yield in our area is at 5.3% for prime CBD offices, at 5.9% for prime shopping centres and at 7.5% for prime logistics sheds.



“Investors seek opportunities beyond core assets, to benefit from market repricing” Eri Mitsostergiou, Savills European Research

### Economy

According to the first estimations of the European Commission GDP grew by 0.3% in the Eurozone during the second quarter of the year thus ending six quarters of contraction. This is notably thanks to a good level of growth in Germany and better than expected output in France. Growth rates in peripheral countries remained negative but to a lesser degree, whilst Portugal returned to growth. Economic activity was driven by both domestic and external demand. This follows some improvement in industrial production recorded in April and slightly boosted economic sentiment. Indeed, in July the Economic Sentiment Indicator (ESI) increased by 1.2 points in the Euro area (to 92.5) and by 2.4 points in the EU (to 95.0), continuing the upward trend observed since May. Yet the weakness of the Eurozone economy persists. A number of headwinds are still hanging over the future prospects for the European economy. Although unemployment has stopped rising it remains at a record high (12.1%) and continues to weigh on consumer spending. Additionally government finances remain under stress and credit conditions remain tight. On the other hand, some economists caution that the recent activity pick up may be just a mechanical rebound after a harsh winter. As a result the forecast for 2013 as a whole remained unchanged. Eurozone GDP is still expected to shrink by about 0.6%, before growing modestly in 2014.

### Core dominates but periphery is picking up

In the first half of the year the total commercial investment volume in our survey area was close to €50bn, about 3% higher compared to the same period last year, but almost a quarter below the strong second half of 2012. Markets with relatively stable or growing economies such as Germany and Poland have seen increased investment activity compared to the H1 12 at 36% and 47% respectively. Ireland also evidenced an over 300% increase in investment volume thanks to the improved economic outlook and investor confidence in the market. In Italy the first half of 2013 outperformed the same period in 2012 by almost 10%, while Spain also witnessed a 51% pa rise (excluding the Torre Picasso €400m deal of Q1 2012). Smaller increases were noted in Belgium (6%) and the UK (6%). It is evident that investor interest is partially recovering for the peripheral markets (Spain, Italy, Ireland), as investors are seeking opportunities beyond the core markets. The re-pricing that has taken place in these markets offers higher income return potential and better prospects for yield compression, as the economic outlook gradually improves. In H1 13 this region accounted for about 4% of the total investment activity, while the share of the top three markets (UK, DE, FR) has dropped slightly from 78% in 2012 to 76% in the first half of the year.

GRAPH 3 Economic growth vs investment volume

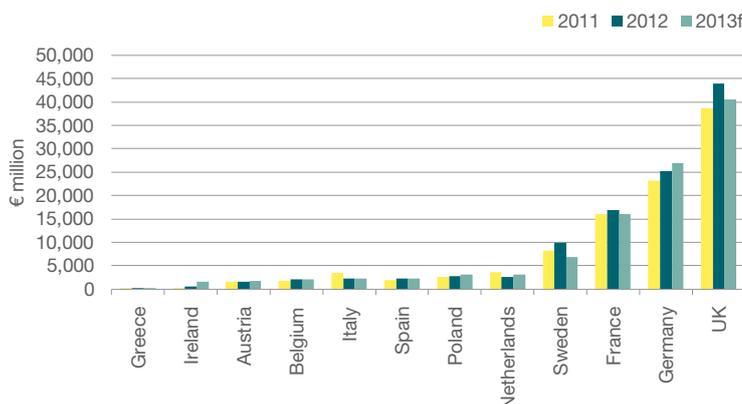


Graph source: Eurostat, Savills

### Cross border investment rising in the periphery

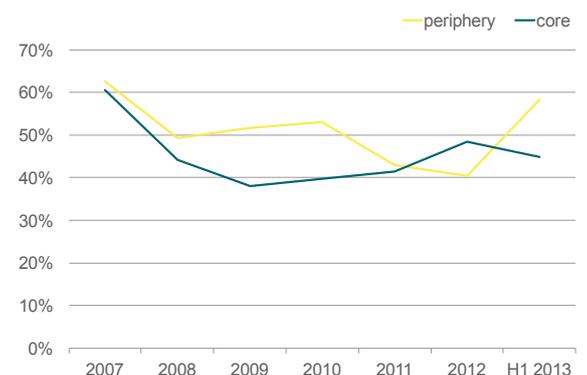
A breakdown of cross border investment between the core and peripheral markets of our report, shows that 12% of the cross border money that entered Europe in H1 13 went into the peripheral markets of Italy, Ireland and Spain, which is three times more than last year and back in line with the five-year average. In Italy cross border investors accounted for about half of the investment volume, increasing their share by 35% pa, with Qatari investors being the protagonists in the two largest transactions. In Spain 75% of the transacted volume was led by foreign investors including European and non-European ones. Qatari investors once again were

GRAPH 4 Investment volume Top 3 countries account for 76% of the European volume



Graph source: Savills

GRAPH 5 Cross-border share of investment rising in the periphery



Source: RCA, Savills

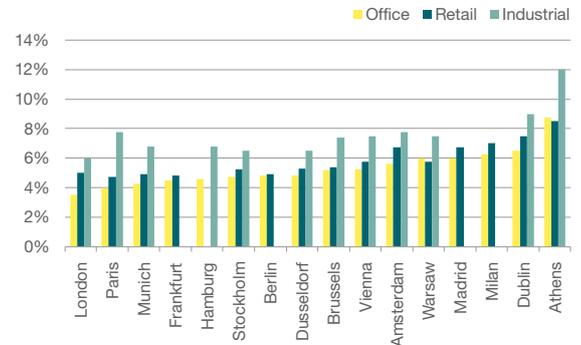
“The geographical polarisation of office yields persists between core and peripheral markets. Nevertheless the gap has been reducing since Q2 12.” Eri Mitsostergiou, Savills European Research

behind the largest deal in that period. In Ireland the share of cross border investors has increased significantly to 49% compared to pre crisis levels when Irish investors were dominating the market. The dynamics are different in the larger core markets, which have strong domestic players such as Germany, France and Sweden. In France almost 70% of activity was led by French investors compared to 50% last year. Domestic investors also accounted for two thirds of activity in Germany and 95% of all acquisitions made in H1 in Sweden. Asian and Middle Eastern investors that were particularly active last year in France, were more active in other markets such as Germany, where this year activity from Middle Eastern investors increased by six times. The improved share of cross border investors is supported by the rising influx of international funds into Europe, with sovereign wealth funds from the Middle East, international pension funds, new German investors, opportunistic funds and other new players who are seeking opportunities in different European sectors.

**Core in demand but lack of supply**

Investors continue to focus on the core and the shift of attention to secondary product is limited by more restricted lending policies towards this segment of the market. Nevertheless the lack of suitable product has restricted the activity in some core markets, such as Austria (-24%), France (-22%) and Sweden (-33%), which have experienced reduced investment volumes compared to the same period in 2012. The first signs of investor shift towards regional markets are more evident in the UK, where the proportion of total investment outside the capital rose from 40% in 2012 to 45% in H1 13. In parallel this has led to the start of a repricing trend for regional assets with a downward trend of yields. Interest in regional office markets is also expressed in Poland, where prime assets trade at Warsaw non-CBD yield levels. In the Netherlands interest from value-add and opportunistic buyers is increasingly satisfied by assets in the regional markets.

GRAPH 6 Prime yields Wide regional yield spread offers diversification options

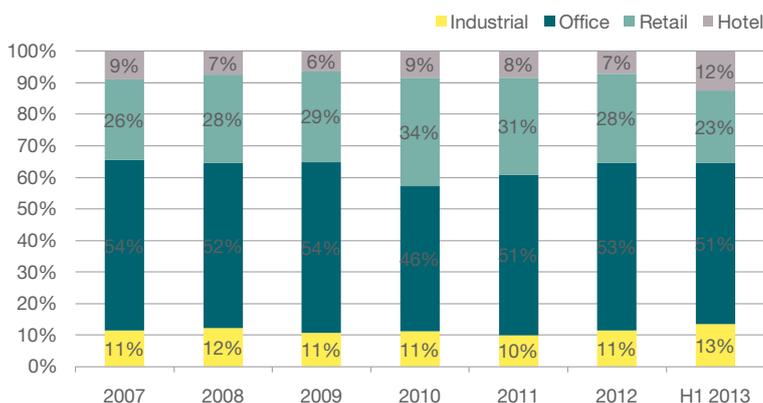


Graph source: Savills

**Falling retail - rising industrial and hotels share**

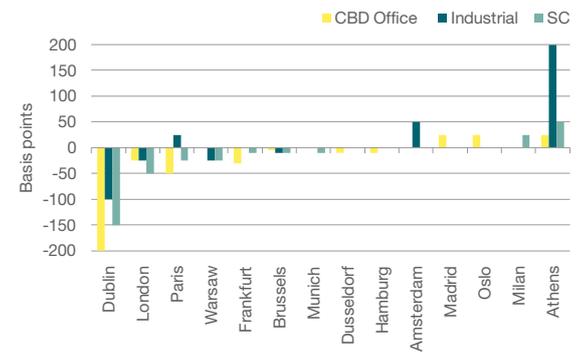
In terms of asset types (office, retail, industrial and hotels) the traditional dominance of offices is sustained as it accounts for over 50% of the investment volume in our survey area, which is in line with the last five year average. The industrial share increased from 11% to 13% in H1 13, particularly in regions that are established transportation hubs eg the Netherlands, Belgium and certain regions of France, Germany and Poland, where industrial deal volume was 50% higher on average compared to the same period last year, predominantly led by demand for logistics properties, low speculative

GRAPH 7 Investment by type of asset Offices still dominate, Hotels and Industrial properties on the rise



Graph source: RCA, Savills (survey area)

GRAPH 8 Prime yields Markets where prime yields have shifted year-on-year



Graph source: Savills

development and attractive pricing levels.

The retail share decreased from 28% to 23%, this year, which is below its last five year average (29%). This can be attributed to the scarcity of prime opportunities in the market and the slowdown in development activity; however, we may see a rise in refurbishments, extensions and add value type of investments. Nevertheless, due to the lower value of investment the retail share might not be boosted significantly. Finally, the hotel sector jumped in the first half of the year from 7% in 2012 to 12%, while its share was around 8% the past five years.

### Prime yields are stabilising in most markets

The strength of the core markets of Germany and the UK, which maintain their safe haven status and the gradual recovery of investor confidence in Ireland are reflected in the hardening of prime yield levels across all sectors in these markets. The remaining markets are gradually stabilising in terms of pricing, except from some further adjustments in the peripheral ones, which have translated into softer yield levels.

The average prime CBD office yield in our survey area was at 5.3% in Q2 13, virtually stable compared to the previous quarter and about 15bp lower compared to Q2 12. The average prime non-CBD office yield was 135bp higher at 6.65%, a gap which has stabilised during the last three

quarters. The geographical polarisation of office yields persists as the prime CBD office yield for the core markets is at 4.8% (just 15bp above 2007 peak level) and for the peripheral ones at 6.9%. Nevertheless their gap has been reducing since Q2 12 from 225bp to 210bp.

The highest annual yield compression was noted in Dublin (-200bp), followed by Paris (-50bp) and Frankfurt (-30bp). Prime CBD office yields have softened further in Athens and Madrid, as well as Oslo, all by 25bp.

Prime shopping centre yields have also stayed mostly stable between Q1 13 and Q2 13, while the European average is 13bp points lower compared to Q1 12 at 5.9%. The strongest annual yield compression was recorded in Dublin (-150bp), followed by London (-50bp), Paris (-25bp) and Warsaw (-25bp). Prime shopping centre yields have moved out in Athens (50bp) and Milan (25bp). The prime industrial yield in our survey area was at about 7.5%, 8bp higher compared to Q1 12 and 2bp lower compared to Q1 13. Overall yields in this segment have not changed significantly except from London and Warsaw that have experienced an inward prime yield movement of -25bp each, Brussels by -10bp and Dublin by -100bp. Prime achievable industrial yields have moved further out to about 12% in Athens and to 7.75% in Amsterdam, 50bp higher compared to Q2 12. ■

## OUTLOOK

### Improved output expected in the second half of the year

■ A number of deals that are in negotiation stages could lead to an improved output in the second half of the year. We anticipate an increase of about 20% in investment turnover compared to H1, nevertheless the annual figures may remain about 1.6% lower than in 2012.

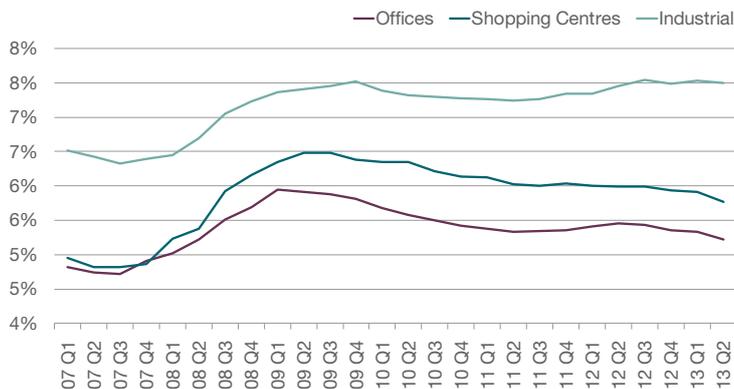
■ The strongest growth in volumes for the whole of 2013 are expected to be in Austria, Ireland, The Netherlands and Poland with double digit investment volume growth, while slight decreases are expected in the core markets of the UK, France and Sweden, mainly due to the lack of prime product.

■ There is a rising influx of new funds into Europe, with sovereign wealth funds from Middle East, international pension funds, new German investors, opportunistic funds and other new players who are seeking opportunities in different European sectors.

■ Investor focus on core assets is restricting investment volumes in some markets and there are more signs of a shift towards value-add and opportunistic investment types. This trend should attract further attention to the regional and peripheral markets of Europe.

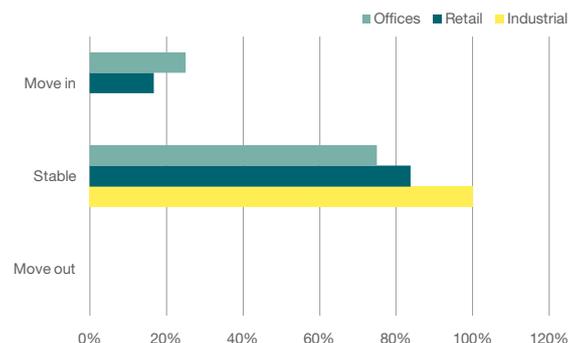
■ Overall prime yield levels should remain stable, as core markets are reaching the peak levels of the last cycle, while investor confidence improves for the peripheral markets. We predict that prime yields may harden further in Austria, Ireland and the UK, while we do not expect any major changes elsewhere until the end of 2013.

GRAPH 10 **European prime yield averages** Slight inward yield shift underpinned by core markets and Ireland



Graph source: Savills

GRAPH 11 **End-year yield outlook** Expected stabilisation of prime yields in Europe\*



Graph source: Savills/ \*Savills survey (AT, BE, FR, DE, GR, IR, IT, NL, PL, SP, SW, UK)

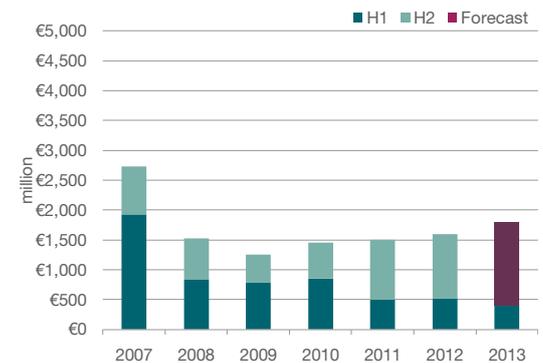
# European country review

## Austria

Austria is considered a safe haven by investors due to relatively good economic and real estate fundamentals. The Vienna investment market did not meet the initial high expectations in H1 with a transaction volume of only €400m, which is a decrease of €175m compared to last year. This affected all segments, only the hotel segment reached last year's level. Nevertheless, the outlook for H2 is positive due to several large scale transactions that are in advanced negotiation status. Overall, last year's

transaction volume of €1.65bn should be exceeded. Investors with sufficient capital are still largely focused on core objects and are not willing to lower their sights regarding quality. While there is some interest in non-core properties, the banks' restrictive lending policy slows down the market. At least 50% equity is usually required and risk premium on interest rates remain high. Demand in the core segment still exceeds supply and thus prices are slightly increasing. Prime yields are at 5.25% and are expected to slightly decrease towards 5%.

GRAPH 12  
Austria



Graph source: EHL

**PRIME YIELDS**

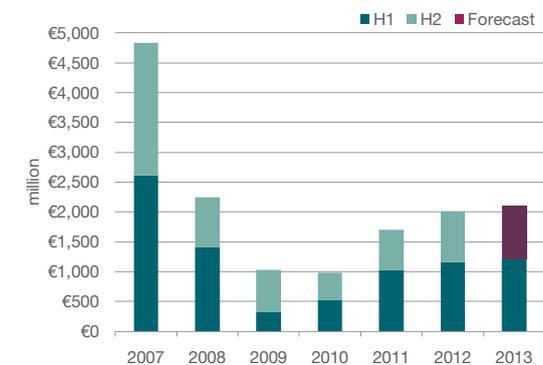
**END-YEAR OUTLOOK** Offices: **move in** Retail: **move in** Industrial: **stable**

## Belgium

The first semester of 2013 saw an above average investment volume of €1.23bn transacted, approaching the pre-crisis levels. This is 6% higher than 2012 and is 51% above the five year average. In 2013, investors focused on offices which accounted for 67% of the investments. On the other hand, the retail market that outperformed last year, is now slowing down with 18% market share, due to a lack of good quality products. The industrial sector remained stable representing 9% of the total volume. The Brussels Capital

Region and Flanders remain the most attractive areas with 61% and 31% of the total volume respectively. During the six first months of 2013, German funds have been particularly active on the market with €418m invested - 34% of the total volume. Demand for well let prime assets remains strong. Due to the current scarcity of these assets and the low long-term interest rates, prime office yields declined in 2013. Prime buildings in Brussels with standard 6/9 year leases are now trading at 6% (-0.25% compared to Q4 2012).

GRAPH 13  
Belgium



Graph source: Savills

**PRIME YIELDS**

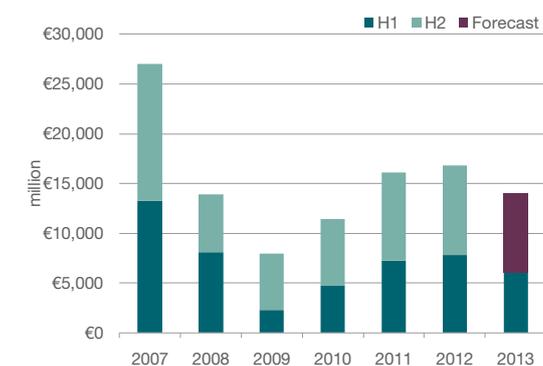
**END-YEAR OUTLOOK** Offices: **stable** Retail: **stable** Industrial: **stable**

## France

For the first time since 2009, the volume of investments in H1 13 declined by -22% yoy, reflecting about €6.1bn of transactions. The French market has become less competitive due to the weak economic situation. Demand remains focused on prime assets. € 4.1bn was invested in offices accounting for 67% of the total. The retail sector represents 17%, followed by serviced-properties at 10% and industrial properties at 5%. French investors are increasingly dominating the market and they accounted for

69% of the amount invested in H1 2013 versus 51% in H1 2012. Eastern and Middle eastern investors, who were very dynamic in 2012 (33% of the market), are currently absent accounting for the fact that there have not been any large-scale deals (>€200m) to date this year. After a decrease at the beginning of the year, prime office yields remain stable, at 4% for the CBD. The spread between treasury bonds and office yields remains attractive. We anticipate increased performance in H2 2013 with the total volume to exceed €14bn.

GRAPH 14  
France



Graph source: Savills

**PRIME YIELDS**

**END-YEAR OUTLOOK** Offices: **stable** Retail: **stable** Industrial: **stable**

## Germany

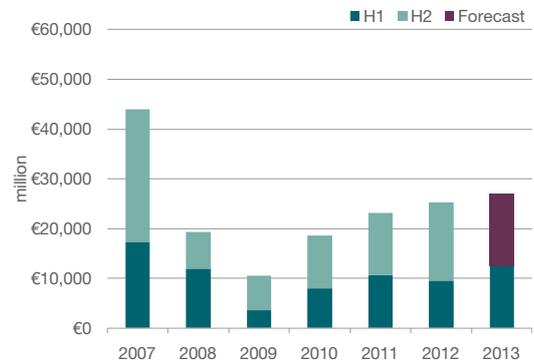
Given the healthy economic and property fundamentals, German properties remain in the focus of domestic and international investors. The transaction volume in H1 climbed to €12.5bn, an increase of 36% yoy. The shift from retail to offices continued, leading to an office share of 39% in total transaction volume, almost double compared to H1 2012. The retail sector saw an increase of only 10%, which is not due to diminishing demand but a result of the scarcity of the most sought-after core properties. The market is mainly fuelled by domestic buyers, accounting for

about two thirds of the total transaction volume. The most active types of investors in H1 were insurances and pension funds. Other lively buyers were private investors / family offices and listed property companies. Private equity funds took advantage of the high demand from these equity driven buyers and acted more on the sell than on the buy side, while banks, took the opportunity to sell off troubled assets. Activity from Middle Eastern investors increased six times compared to last year and as they are still seeking investment opportunities, we expect this volume to increase further.

### PRIME YIELDS

**END-YEAR OUTLOOK** Offices: **stable** Retail: **stable** Industrial: **stable**

GRAPH 15  
Germany



Graph source: Savills

## Greece

Currently the investment market is at a standstill, gridlocked by the lack of financing. The long awaited recapitalisation of the banking system, has not improved the liquidity in the market. Despite the fact that the interest for opportunistic investments and non performing loans is gradually rising, we do not expect the impact on the actual transaction activity to be significant without an increase in lending intentions.

The consolidation of the banking sector may have as a result the

disposal of some assets, while the first portfolio of public assets is under tender process. This comprises 28 offices for sale and leaseback to public administration and there is interest from both national and foreign investors.

Prime values could drop further by up to 15% this year, nevertheless we anticipate to see achievable yields stabilising in 2014. Prime achievable yields for the best offices and retail schemes are in the region of 8.5%-9.0%.

### PRIME YIELDS

**END-YEAR OUTLOOK** Offices: **stable** Retail: **stable** Industrial: **stable**

GRAPH 16  
Greece



Graph source: RCA, Savills

## Ireland

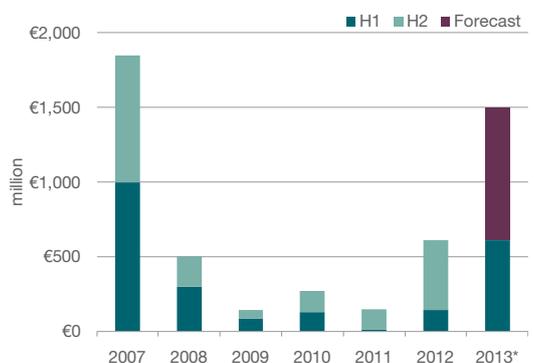
Turnover in the Irish commercial property investment market was €610m in the first 6 months of 2013. This compares with a turnover of €170m for the first half of 2012 and shows that the momentum which was witnessed in the second half of last year has continued. Reassuringly, the demand for investment property has been broadly-based. On one hand, the Irish institutions are once again active in the market. At the same time, foreign investors are being attracted by growing confidence in the Irish economy and by the value on offer. Investors are also attracted by reduced

stamp duty and capital gains tax relief on properties bought before the end of 2013 and held for seven years. As we enter the second half of 2013 demand from foreign buyers, particularly those from the U.S., Europe and Asia, remains strong. With approximately €100m of investment property sale agreed, a further €320m currently available, and an additional €450m likely to come to the market in Q3, the outlook for the remainder of the year remains extremely positive. Investment turnover may exceed €1.5bn for the year - a level which has not been reached since the highs of 2007.

### PRIME YIELDS

**END-YEAR OUTLOOK** Offices: **move in** Retail: **stable** Industrial: **stable**

GRAPH 17  
Ireland



Graph source: Savills

## Italy

Although investment volume is traditionally lower in the first half of a year, in H1 13 investment volume stood at €1,700m, more than half the total volume seen in 2012. However, a lack of accessibility to debt continues to severely limit investment volume. The success of an investment transaction is also determined by the extent to which economic terms reflect the current market conditions, with a reluctance to re-price often slowing down activity. Italian investors remain the most active in the market. However, the purchasers in this quarter's two largest

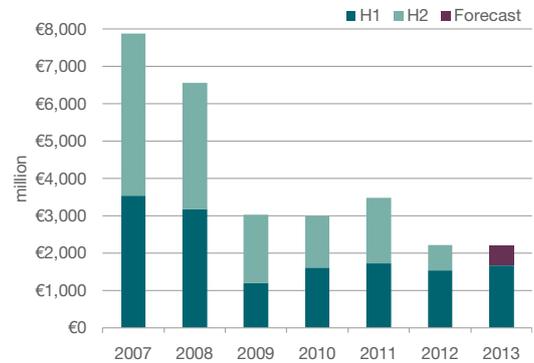
transactions, regarding 40% of the Porta Nuova development in Milan and the 4 Seasons Hotel in Florence, were Qatar Holding and the Emir of Qatar El Mirqab, confirming our forecast of a return of interest from international investors. These two transactions also confirm that Italy remains an interesting marketplace, limited more by a lack of accessibility to debt and slow repricing, rather than by a lack of potentially suitable opportunities. The majority of the investment transactions in the second quarter of 2013 involved office premises, at over 75%, skewed by the Porta Nuova deal. The retail market accounted for 8% of the total.

### PRIME YIELDS

**MID-YEAR OUTLOOK** Offices: **stable** Retail: **stable** Industrial: **NA**

GRAPH 18

## Italy



Graph source: Savills

## Netherlands

The investment volume in H1 13 in the office, retail and industrial sectors totalled €1.3bn, 16% less than in the first half-year of 2012. However, if we exclude the Philips High Tech Campus mega deal (€425m) from last year's calculations, both Q1 13 and Q2 13 show higher volumes than their respective 2012 quarters. The office market took the largest share with 54% of all investments. The retail sector again showed almost 40% yoy lower investment volumes. The industrial sector shows a much better picture, with an 85% yoy increase in activity in H1 13. Especially the logistics market,

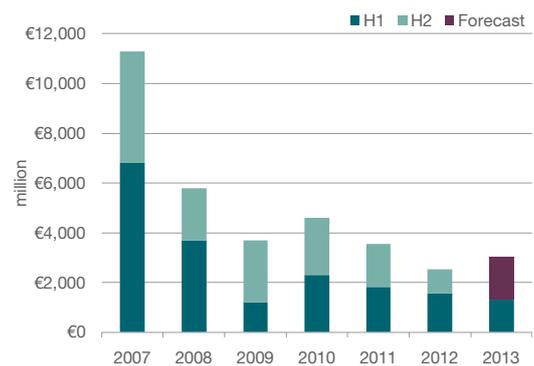
with an ongoing demand for high quality distribution centres and thus one of the few markets where new developments are still realised, plays an important part in this increasing demand. While the economy is not supporting the occupier market and financing remains challenging, a further increase in investments is to be expected in H2 13. Appetite from German funds for prime property remains significant, while interest from value add and opportunistic buyers is increasing. This will likely lead to a year-end total of around €3bn for the combined office, retail and industrial sector.

### PRIME YIELDS

**MID-YEAR OUTLOOK** Offices: **stable** Retail: **stable** Industrial: **stable**

GRAPH 19

## Netherlands



Graph source: Savills

## Poland

The investment market continues to benefit from a stable and relatively fast growing economy with the transaction volume in H1 13 reaching €1.26bn, a 47% increase compared to H1 12. For year-end we expect the investment volume to reach €3bn which would be a record level since 2006. Offices were the most popular segment accounting for 51% of all transactions, followed by the retail sector (36%). Prime offices located in Warsaw's CBD are still the most sought after product for investors looking for a stable income and limited risk. Prime yields in the CBD now stand at 6.0%. Increasing interest in

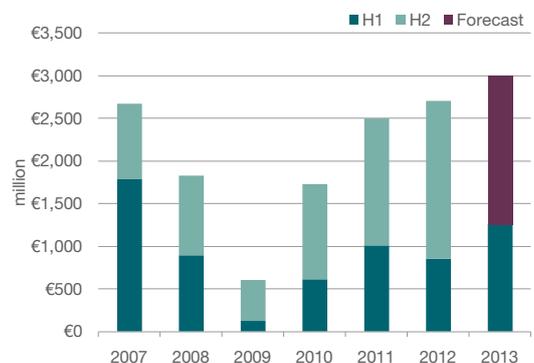
the regional office markets means that prime assets there are traded at yield levels similar to non-CBD locations in Warsaw at about 7.5%. In the retail sector, investors are focused on prime shopping centres as well as on older but well established secondary assets in all cities. Prime shopping centre yields in Warsaw are estimated at 5.75% and at 6.0% in regional cities. Increased activity in the warehouses sector continued in the first half of 2013, as investors here appreciate low speculative development activity and falling vacancy levels, and want to benefit from the widened yield gap compared to other asset classes.

### PRIME YIELDS

**MID-YEAR OUTLOOK** Offices: **stable** Retail: **stable** Industrial: **stable**

GRAPH 20

## Poland



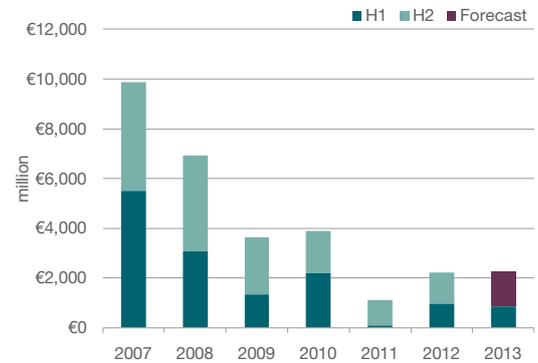
Graph source: Savills

## Spain

Activity has returned to the Spanish commercial investment market, although the majority of the deals were carried over from the previous year. The first half year volume reached little more than €865m, which represents a 51% rise over the figure signed in the same period of 2012 (excluding Torre Picasso, €400 m). International investor interest in Spain begins to materialise, but at a very slow pace. Foreign investors accounted for 75% of the total transacted volume between January and June. Apart from the usual Europeans players

(from Germany, France and the United Kingdom) also non-European investors (from the US, Canada and Qatar) are increasing their activity. The largest transactions of the semester accounting for 43% of the total were both signed by foreign buyers. The Qatar sovereign fund acquired Hotel Vela in Barcelona for €200m and French insurer Axa bought thirteen buildings of the regional government of Catalonia for €172 m. Regarding the type of deal, 57% of the volume can be regarded as core transactions and 30% as opportunistic.

GRAPH 21  
Spain



Graph source: Savills

### PRIME YIELDS

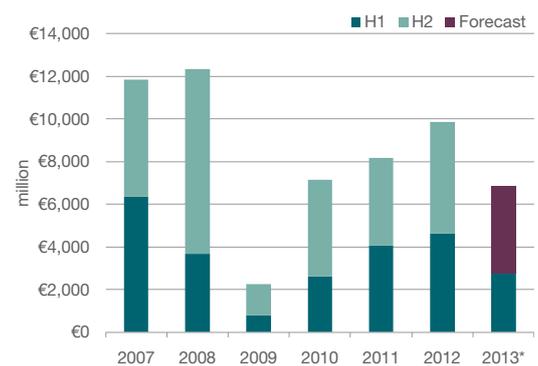
**END-YEAR OUTLOOK** Offices: **stable** Retail: **stable** Industrial: **stable**

## Sweden

The investment activity in Q4 12 was exceptionally high, which led to a slow first quarter in 2013, but transaction activity gradually picked up. The transaction volume in Q2 13 amounted to SEK 27bn which was about 12% higher compared to Q2 12. The continuous drop in the number of transactions has finally been broken after ten quarters of negative figures and Q2 13 indicated an increase by 23% yoy. The investment market is still dominated by domestic investors and particularly the Swedish pension funds. Domestic buyers accounted for 95% of all acquisitions made

in H1 13. Cross-border activity stood at 36%, which means that foreign investors have been active in disposals. Nevertheless the interest among international investors remains strong, but in most cases they cannot compete against domestic buyers in structured processes. The market is well supplied with equity, financing conditions are improving and the interest in properties is very strong, but investment volumes are mostly held back by the lack of prime product on the market. Yield spreads between prime and secondary are still significant. We expect transaction pace to continue to improve.

GRAPH 22  
Sweden



Graph source: Savills

### PRIME YIELDS

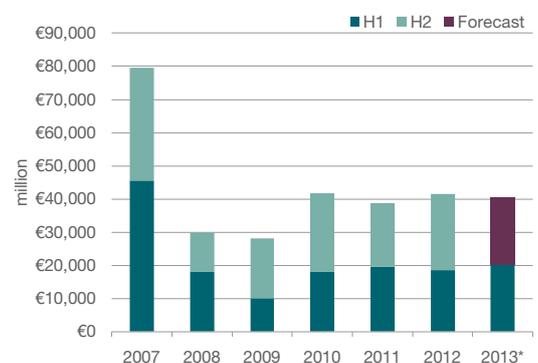
**END-YEAR OUTLOOK** Offices: **stable** Retail: **stable** Industrial: **stable**

## UK

2013 has seen the beginning of the relaxation of the very binary split in the UK investment market between London and the rest of the country. The combination of a widening yield gap between London and the regions (as well as between prime and secondary assets) has led to a rise in investor interest in assets outside London. The London office and retail investment markets remain highly sought after, particularly by risk-averse non-domestic investors, but the UK institutions and property companies are becoming more active in the key regional cities and strong sub-regional

retail and industrial markets. Indeed, the proportion of total investment that was outside London rose from 40% in 2012 to 45% in the first half of 2013. This has led to the beginning of a repricing of some regional assets, with prime provincial office, retail and industrial yields all expected to trend downwards over the next three months. Investors are also beginning to forecast some upward rental growth outside London as the UK economic recovery story becomes more credible. Investment volumes are expected to remain around current levels due to the scarcity of stock.

GRAPH 23  
UK



Graph source: Savills

### PRIME YIELDS

**END-YEAR OUTLOOK** Offices: **move in** Retail: **move in** Industrial: **move in**

# Key investment indicators

GDP growth, prime rental growth<sup>1</sup>, prime yields and yield shift<sup>2</sup> in Q2 2013

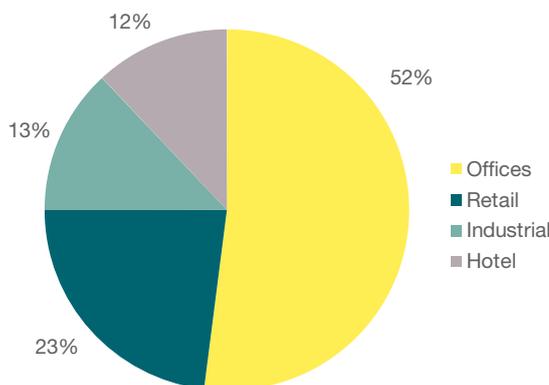
City	GDP growth 2013 (f) <sup>3</sup>	Office rental growth	Office yield	Office yield shift	Industrial rental growth	Industrial yield	Industrial yield shift	SC <sup>4</sup> rental growth	SC yield	SC yield shift
Amsterdam	-0.9%	0.0%	5.60%	0	-5.3%	7.75%	50	0.0%	6.75%	0
Athens	-5.5%	-21.7%	8.75%	25	0.0%	12.00%	200	0.0%	8.50%	50
Berlin	0.3%	-4.9%	4.8%	0	NA	NA	NA	9.0%	4.90%	0
Brussels	-0.1%	1.7%	5.2%	-5	0.0%	7.4%	-10	0.0%	5.40%	-10
Dublin	0.8%	4.2%	6.5%	-200	0.0%	9.00%	-100	0.0%	7.5%	-150
Dusseldorf	0.3%	11.5%	4.8%	-10	NA	6.5%	0	20.0%	5.30%	0
Frankfurt	0.3%	4.2%	4.5%	-30	NA	NA	NA	0.0%	4.80%	-10
Hamburg	0.3%	-3.8%	4.6%	-10	NA	6.8%	0	NA	NA	NA
London <sup>5</sup>	1.0%	9.1%	3.5%	-25	6.0%	6.0%	-25	1.7%	5.0%	-50
Madrid	-1.7%	-3.0%	6.0%	25	NA	NA	NA	0.0%	6.75%	0
Milan	-1.9%	-5.8%	6.25%	0	NA	NA	NA	-5.9%	7.00%	25
Munich	0.3%	3.8%	4.25%	0	NA	6.8%	0	NA	4.90%	-10
Paris	-0.2%	4.6%	4.0%	-50	-3.7%	7.75%	25	0.0%	4.75%	-25
Stockholm	1.5%	0.0%	4.75%	0	5.6%	6.5%	0	0%	5.25%	0
Vienna*	0.4%	0.0%	5.25%	0	8.3%	7.5%	0	6.7%	5.75%	0
Warsaw	0.9%	-11.6%	6.00%	0	-8.3%	7.5%	-25	12.5%	5.75%	-25

**Note 1:** Rental growth is annual and calculated in local currencies  
**Note 2:** Prime yield shift is annual - in basis points  
**Note 3:** GDP is national, growth is annual and it is the Oxford Economics forecast for the year 2013.  
**Note 4:** SC=Regional Shopping Centre. Rental growth refers to prime standard unit of approx 100sqm  
**Note 5:** London offices refer to West End  
**Note 6:** Prime yields are quoted gross except in London, Dublin, Athens, Stockholm and the German markets where they are quoted net.

Source: Savills / \*EHL

GRAPH 24 Investment share by asset type in H1 2013

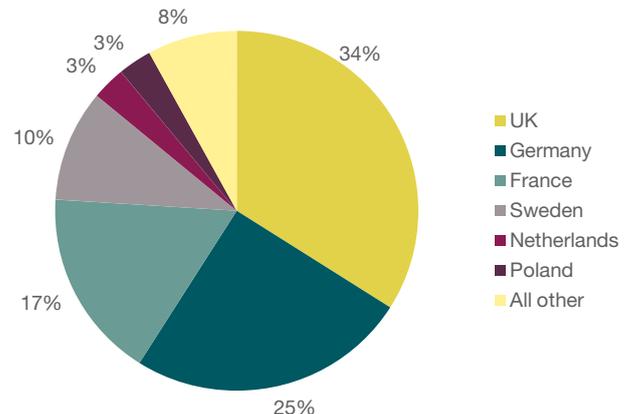
Offices account for about half of the turnover



Source: RCA (Survey area)

GRAPH 25 Investment share by country in H1 2013

Core markets account for three quarters of total



Source: Savills (Survey area)

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### Savills plc

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