

MarketView

European Investment Quarterly

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Q4 2009

Q4 Investment Turnover

Compared to:

Q4 2008 ↑

Q3 2009 ↑

European commercial real estate investment grew to €25.7 billion in Q4 2009, a 42% increase on Q3 2009. This is the highest quarterly total since the Lehman's collapse – and a confirmation that the upturn in investor interest, that started across major markets in mid 2009, has now spread further afield.

This brings the total 2009 turnover to €70 billion, well below the €121 billion reported for 2008. However, as investment activity only started to recover around the mid-year point, H1 2009 results were fairly muted €25.7 billion. In H2 2009 investment turnover grew to €43.9 billion, a 71% increase over the first six months of the year.

Almost every market saw an increase in investment activity q-on-q, as well as on a half-yearly basis. Only a handful of small markets, often influenced by the timing of a relatively large deal, departed from this trend. Although below the European average, activity levels in the UK continued

to increase – up 64% on H1 2009. This reflects the fact that recovery in the UK was already underway by the mid year. Most notable was the fact that two of continental Europe's largest markets, Germany and France, saw H2 2009 investment activity at double the levels reported in the first half of the year.

Traditionally Q4 is the busiest quarter, so of course seasonal effects have played a part. Many European markets saw a rush of deals being completed towards the year-end, and 17 out of the 26 markets covered reporting Q4 as the highest quarterly turnover in 2009.

The German Open-ended Funds alone spent over €1 billion in December 2009, with at least 13 separate acquisitions spread across seven European markets. Sovereign Wealth Funds also contributed to the uplift in Q4 activity. Overall, cross-border investment was generally on a rise in H2 09, in contrast to H1 2009 which was dominated by domestic investors.

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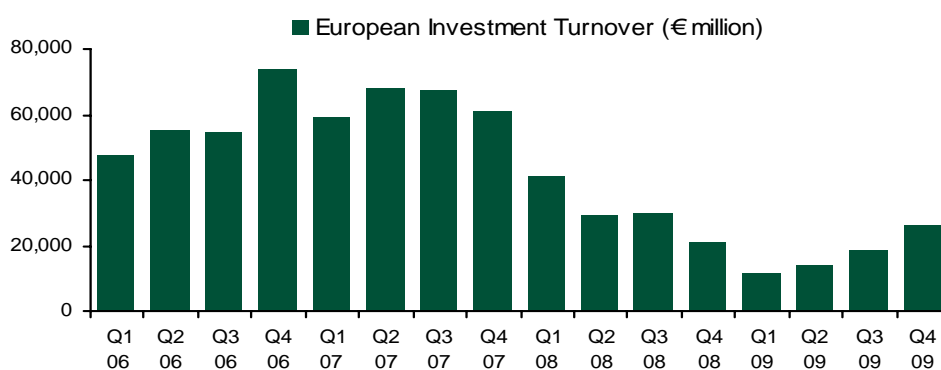
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Market Turnover € million	H2 2009	H1 2009	change
UK	15,435	9,385	64%
Germany	7,146	3,307	116%
France	5,086	2,514	102%
Nordics	4,406	2,659	66%
Benelux	4,070	2,129	91%
Italy	2,970	2,128	40%
Iberia	2,242	1,895	18%
CEE	1,606	486	231%
Europe*	43,917	25,713	71%

* Also includes Austria, Greece, Ireland and Switzerland

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