

# MarketView


## European Investment Quarterly

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Q2 2010

### Q2 Investment Turnover

Compared to:

Q2 2009 Q1 2010 

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#### • Strong Q2 2010

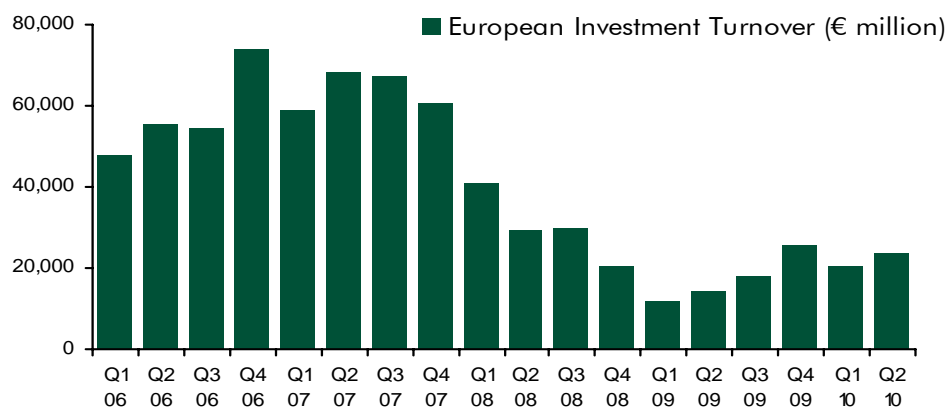
The second quarter saw €23.5 billion transacted in the European investment market, a 15% increase on the €20.3 billion reported in Q1 2010. This is despite the stress factors emerging in the broader capital markets, such as the sovereign debt crisis and the introduction of austerity measures by many European governments. Investor interest continued to concentrate at the core end of the market. As the market's concern over issues of sovereign debt grew during the quarter, the flight to quality seems to have intensified even further. Q2 2010 investment activity concentrated in the UK, Germany and France, which accounted for 62% of the European total.

#### • Increased interest in the Polish and the Nordic markets

Of the 27 markets covered, some of the smaller ones, such as Austria, Ireland and Czech Republic, reported the highest quarterly increases, albeit from a very low base. However, whilst not yet fully reflected in the level of the actual deals closed, Poland and the Nordic region (Sweden in particular) are starting to emerge as a focus of investor demand. This increased interest is driven by investors' recognition of the robust fundamentals, as low government deficits and consequent lack of government spending cuts make these markets look more favorable.

#### • Large deal liquidity boosts cross-border investment

There has been a genuine increase in 'large deal liquidity' in some markets. Germany stands out, with thirteen €100 million-plus deals reported in H1 2010. This is alongside the UK, which has been in recovery for longer and where 25 €100 million-plus deals have been reported so far this year. With a growing number of larger transactions in Europe, the level of cross-border activity is also on the increase. This is already evident in Germany, where cross-border investment grew to 44% of the market in H1 2010, compared to only about 10% in H2 2009. The same is true of the UK, and Central London in particular, where most buyers in the €100+ million deals have been international.



Market Turnover € million	Q2 2010	Q1 2010	change
UK	8,338	6,715	24%
Germany	4,004	4,646	-14%
France	2,150	1,470	46%
Nordics	3,661	3,208	14%
Benelux	1,365	1,276	7%
Italy	1,309	703	86%
Iberia	689	1,175	-41%
CEE	953	721.3	32%
<b>Europe*</b>	<b>23,454</b>	<b>20,327</b>	<b>15%</b>

\* Also includes Austria, Greece, Ireland and Switzerland

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