

European Investment Quarterly

MarketView

Q3 2014

CBRE Global Research and Consulting

CHANGE FROM Q2 2014
+4.1%

CHANGE FROM Q3 2013
+27.2%

RELATIVE TO 2-YEAR QUARTERLY AVERAGE
+19.3%

CRE INVESTMENT ACTIVITY IN Q3 UP BY 27% ON Q3 2013 AT €48.4 BILLION

ACTIVITY IN SPAIN AND IRELAND CLOSE TO RECORD LEVELS

Q3 Investment totals €48.4 billion

European CRE investment totalled €48.4 billion in Q3 2014, a 4% increase on Q2 2014, but a more substantial 27% increase on Q3 2013. For the year-to-date the total is €133 billion compared to €105 billion for the first three quarters of 2013.

Spain and Ireland exceptional

Particularly notable were Ireland and Spain. At €1.6 billion the Q3 total for Ireland represented the highest quarterly total ever achieved in Ireland, with the €3.5 billion for Spain being the country's second highest ever quarter. Based on the year-to-date figures Ireland is almost certain to beat its previous highest annual total for CRE investment (2006) and Spain is also likely to get close to a record total.

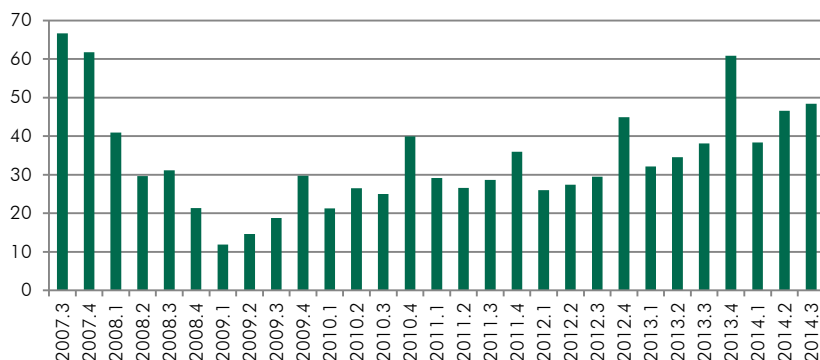
Investment activity in the other 'recovery' markets (Netherlands, Italy and Portugal) was also strong over the last quarter although not to the same extent as in Spain and Ireland.

UK and Germany also strong

The other key areas of strong growth in investment activity were UK and Germany. Both showed growth of over 20% compared to the previous quarter and to Q3 2013.

In the UK the growth is clearly being driven by an increase in non-core strategies by investors. In particular the level of investment outside London is increasing much faster than in the capital. A similar pattern is evident in Germany, with the share of the market made up of the 'Big 5' markets falling and even within those cities greater interest in class B locations.

Chart 1: European Investment Turnover (€ billion)



Market Turnover (€m)	Q3 2014	Q3 2013	Change Q3 on Q3 (%)
UK	18,390	14,804	24%
Germany	8,502	6,520	30%
Spain	3,474	1,270	174%
France	3,112	4,929	-37%
Sweden	1,965	1,850	6%
Netherlands	1,819	1,345	35%
Ireland	1,626	478	240%
Finland	1,536	408	276%
Italy	1,227	876	40%
Norway	1,211	459	164%
Austria	770	520	48%
Denmark	729	1,059	-31%
Other Western Europe	740	919	-19%
Russia	1,586	984	61%
Czech Republic	844	413	105%
Poland	253	976	-74%
Other CEE	654	268	144%
Europe	48,439	38,078	27%

Source: CBRE Research, PropertyData

CONTACTS

For more information about this Regional MarketView, please contact:

EMEA Research and Consulting

Michael Haddock
Senior Director
EMEA Research and Consulting
CBRE
Henrietta House
Henrietta Place
London W1G 0NB
t: +44 207 182 3274
e: michael.haddock@cbre.com

Iryna Pylypchuk
Associate Director
EMEA Research and Consulting
CBRE
WestendDuo,
Bockenheimer Landstrasse 24
60323, Frankfurt am Main, Germany
t: +49 69 1700 77 92
e: iryna.pylypchuk@cbre.com

Hind Essoussi
Researcher
EMEA Research and Consulting
CBRE
Henrietta House
Henrietta Place
London W1G 0NB
t: +44 207 182 2221
e: hind.essoussi@cbre.com

EMEA Capital Markets

Jonathan Hull
Managing Director
EMEA Capital Markets
CBRE
Henrietta House
Henrietta Place
London W1G 0NB
t: +44 207 182 4706
e: jonathan.hull@cbre.com

John Welham
Executive Director
EMEA Capital Markets
CBRE
Henrietta House
Henrietta Place
London W1G 0NB
t: +44 207 182 2755
e: john.welham@cbre.com

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