

RESEARCH

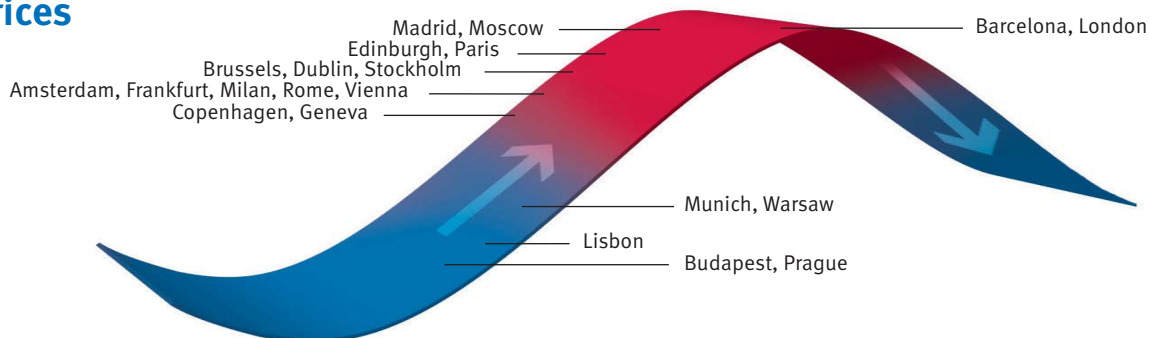
AUTUMN 2008 EUROPEAN

Market indicators

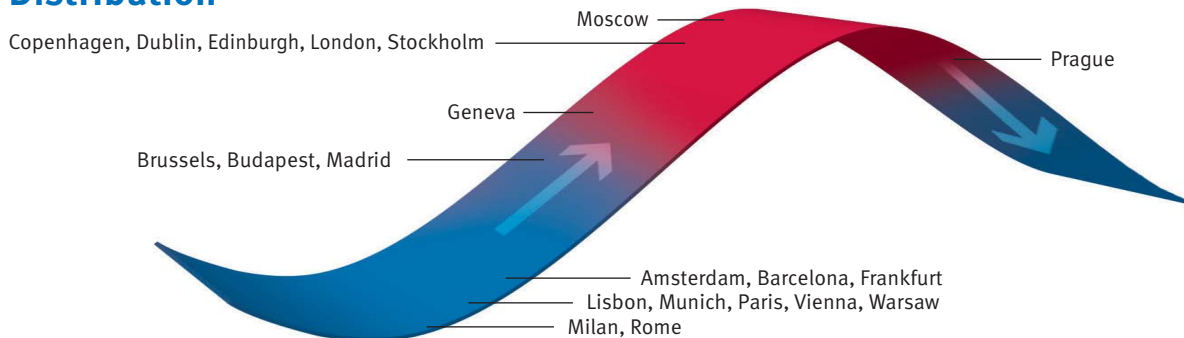
Knight Frank

EUROPEAN RENTAL CYCLES

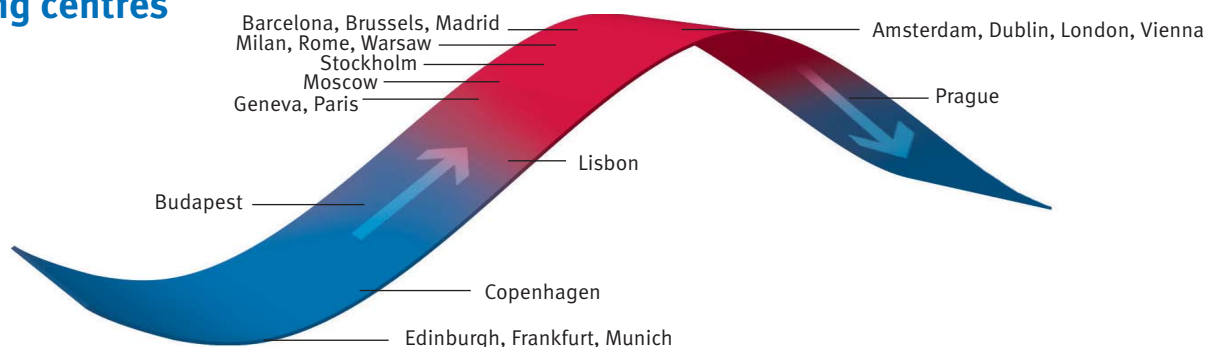
Offices



Distribution



Shopping centres



The Knight Frank wave depicts the current position of selected European centres with respect to their local prime rental cycle. As demand swells relative to supply and rents rise, centres move towards the crest of the wave. As demand ebbs and rental levels weaken, centres start to move down the wave towards the trough. Some markets will ride the wave more quickly than others. Similarly, some markets will tread water for periods of time or move only gently through the wave.

Market monitor – Autumn 2008

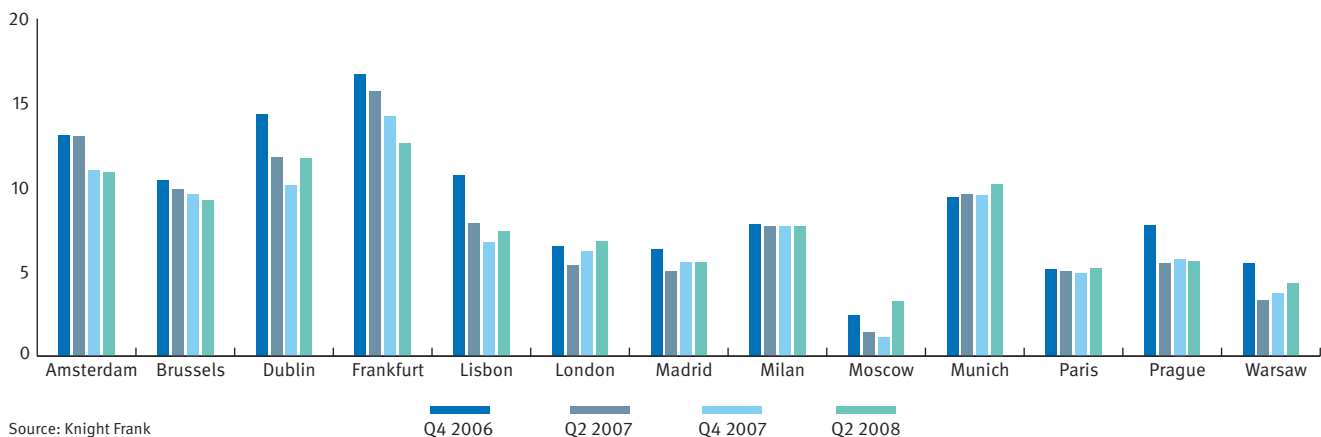
City	Offices		Distribution		Retail (shopping centres)	
	Prime rents (€/sq m/yr)	Prime yields (%)	Prime rents (€/sq m/yr)	Prime yields (%)	Prime rents (€/sq m/yr)	Prime yields (%)
Amsterdam	350	6.00	95	6.50	1,200	5.25
Barcelona	330	5.50	103	6.75	1,458	5.50
Brussels	285	5.75	55	6.75	1,200	5.25
Budapest	240	6.25	72	7.25	1,200	6.25
Copenhagen	250	5.25	75	6.50	1,000	5.50
Dublin	700	4.75	116	6.25	4,500*	4.75
Edinburgh	388	6.25	95	7.25	2,381*	6.25
Frankfurt	468	5.25	78	6.75	1,920*	5.75
Geneva	496	5.25	112	7.00	650	5.75
Lisbon	258	6.25	84	7.25	900	6.25
London	1,497	5.50	176	6.75	5,987*	5.75
Madrid	504	5.25	104	7.00	1,625	5.25
Milan	550	5.25	70	7.00	700	5.50
Moscow	1,267	8.50	95	9.50	1,330	8.50
Munich	378	5.00	78	6.75	1,800*	5.75
Paris	840	4.75	56	6.50	3,000	5.00
Prague	258	5.75	54	7.50	600	6.25
Rome	500	5.50	60	7.25	650	5.50
Stockholm	500	5.00	100	6.75	1,100	5.50
Vienna	276	4.75	60	7.00	960	5.50
Warsaw	420	5.75	78	7.00	1,080	5.75

Source: Knight Frank

Indicative prime yields, as quoted locally, based upon a hypothetical Grade A unit. Office rents are for prime city area Grade A space, 2,000 sq m. Shopping Centre rents are based on prime covered shopping malls, quoted on best position, 100 sq m units. Distribution rents are for prime industrial space of units over 5,000 sq m. The data above is provided for general reference purposes only. Local market conditions will vary. *Zoned/weighted figure.

Figure 1

European office vacancy rates (%)



Source: Knight Frank

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