

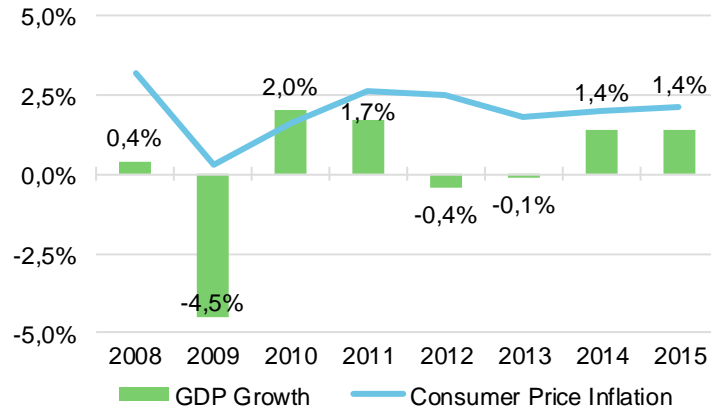
Real Estate X-Border Market Developments



European macroeconomic environment

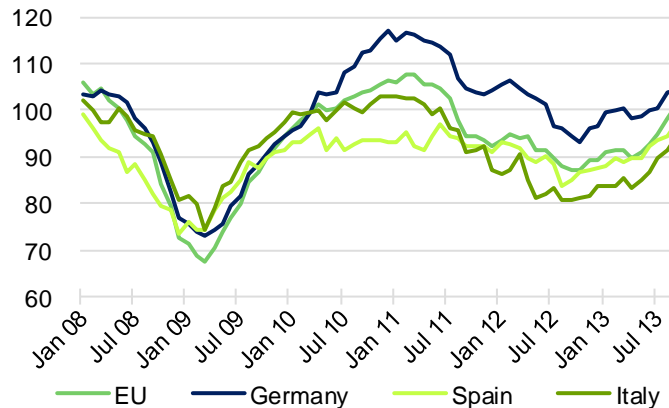
The European economy recovers from recession in the second quarter along with a modest growth in the second half of 2013, but still some uncertainties remain.

GDP growth and price inflation in the EU 27



Source: Eurostat

European Economic Sentiment Indicator (ESI)



Source: European Commission

Comments

- GDP rose by 0.4% in the EU27 during the second quarter of 2013, compared with the previous quarter
- Business surveys suggest similar expansion in the third and fourth quarter of 2013 with long-suffering economies such as Italy and Spain showing signs of stabilizing from crippling downturns and soaring unemployment
- Consumer price inflation is expected to remain stable in the next year, suggesting higher prices aren't an impediment to additional economic stimulus
- Interest rates will stay at current or lower levels
- In September the Economic Sentiment Indicator (ESI) for the EU in its entirety has climbed above the long-term average of 100 increasing by 2,4 to 100,6
- The strong increase resulted from markedly improved confidence across all business sectors indicating further economic growth in the EU countries
- Still a number of threats remain like the uncertainty of Italy's fragile government concerning its ability to rein in one of the largest government-debt loads in the world as well as additional financial assistance or debt relief required by Greece

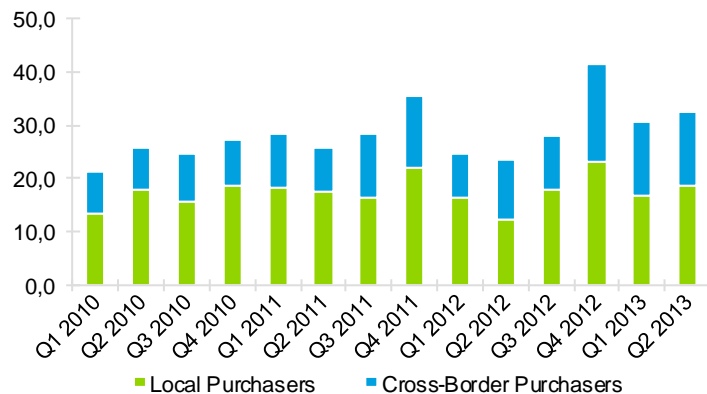
Note: The economic sentiment indicator is composed of the industrial confidence indicator (40%), the service confidence indicator (30%), the consumer confidence indicator (20%), the construction confidence indicator (5%), and the retail trade confidence indicator (5%). Its long term average (1990-2011) equals 100.

Real Estate investment activity in Europe

The level of cross-border investment in Europe continues to increase.

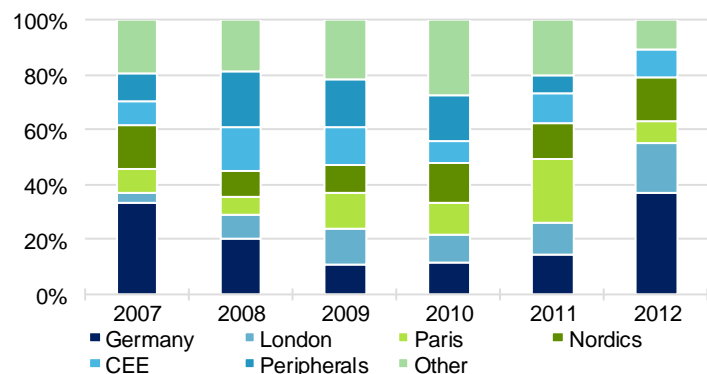
Investment capital from outside Europe is becoming increasingly important. Especially North American and Middle East buyers drive the European property investment market.

Cross-Border Investment Activity in Europe (€ bn)



Source: CBRE

X-Border Acquisitions within EU by European Investors



Source: Real Capital Analytics

Comments

- The level of cross-border investment in Europe has continued to increase. Over the first half of 2013, foreign buyers accounted for 44% of all transactions (by value) compared to 40% in the second half of 2012
- Capital flows between European countries appear to be slowing. Intra-European investment accounted for just 16% of transactions in H1 2013
- Capital from outside Europe is becoming increasingly important to real estate, accounting for 28% of all transactions in H1 2013 (up from 19% in H2 2012), especially buyers from North America and the Middle East
- Within Europe, German investors remain the largest group of cross-border investors; the open-ended funds continue to be active buyers around Europe with acquisitions totaling well over € 1 billion in H1 2013
- German Spezial funds are also active at the moment, but their acquisitions have been strongly focused on Germany in the first half of the year
- Direct institutional investments have been growing steadily over the last six years from 9% in 2007 to 26% of the total in H1 2013, signaling that insurance companies and pensions funds are far more active than before the financial crisis

Country Profiles

International Investment Opportunities

Germany – Trends & Facts 2013



	Offices	Retail	Residential
Market Volume	Approx. 80m m ² (Top 6)	122 m m ² total (shopping centre 10.7m m ²)	Approx. 9.5m (out of 40.5m total)
Transaction Volume (2004 – H1 2013)	<p>Source: BNP Paribas Real Estate</p>	<p>Source: CBRE</p>	<p>Source: Jones Lang LaSalle</p>
Prime rents (m ² /month)	€ 20 – 38	€ 240 - 350	Ø 7.0 – 11.90 (Top 6)
Prime yields	4.25 - 5.20 %	3.75 - 4.5 % (high street)	3.5 - 4.9 % (multi-family)
Vacancy	5.4 % - 13.7 %	n.a.	n.a.
Trends:	<ul style="list-style-type: none"> – Vacancy – Rent levels prime side locations – Yields 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Regional Focus	Berlin, Munich, Hamburg, Duesseldorf, Frankfurt, Stuttgart, Cologne		
Capital Inflow from	Rest of the world		
Capital Outflow to	German investor net sellers in other European countries		
Main Trends	Still focus on prime assets and locations Rent levels in prime locations almost stabilized, no further rental growth expected going forward	Demand for German high street retail and shopping centers remains high, in addition focus on value add investments increasing	Demand for German residential properties remains high, market has grown in depth, Secondary locations in focus as prime locations are not available

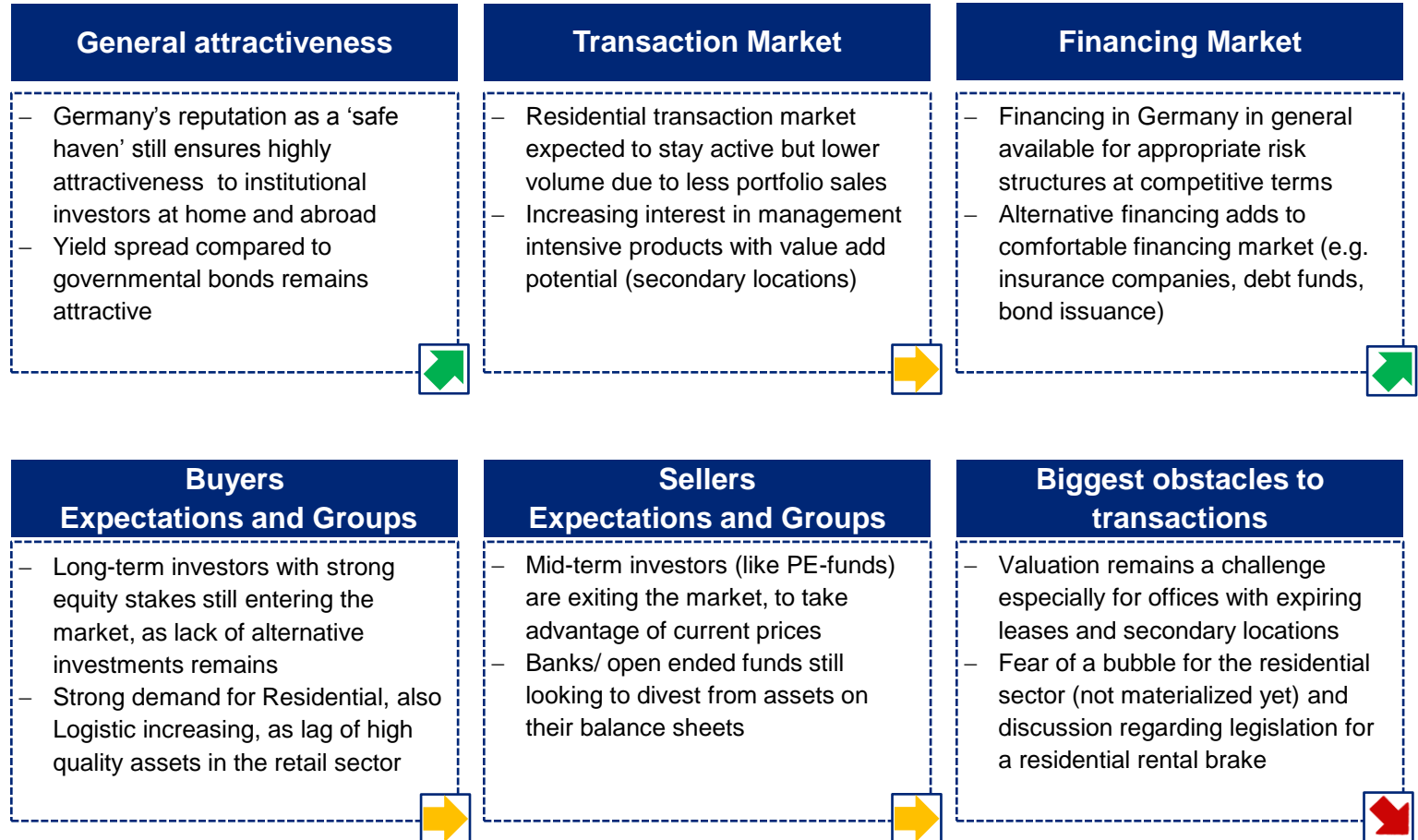
International Investment Opportunities

Germany – Opportunities (2014)



Germany will remain an attractive market, however the German real estate investment market could lose its elevated role due to a stabilized euro area.

Therefore the excess demand could consolidate and lead to an appropriate balancing between supply and demand.



International Investment Opportunities

Austria – Trends & Facts 2013

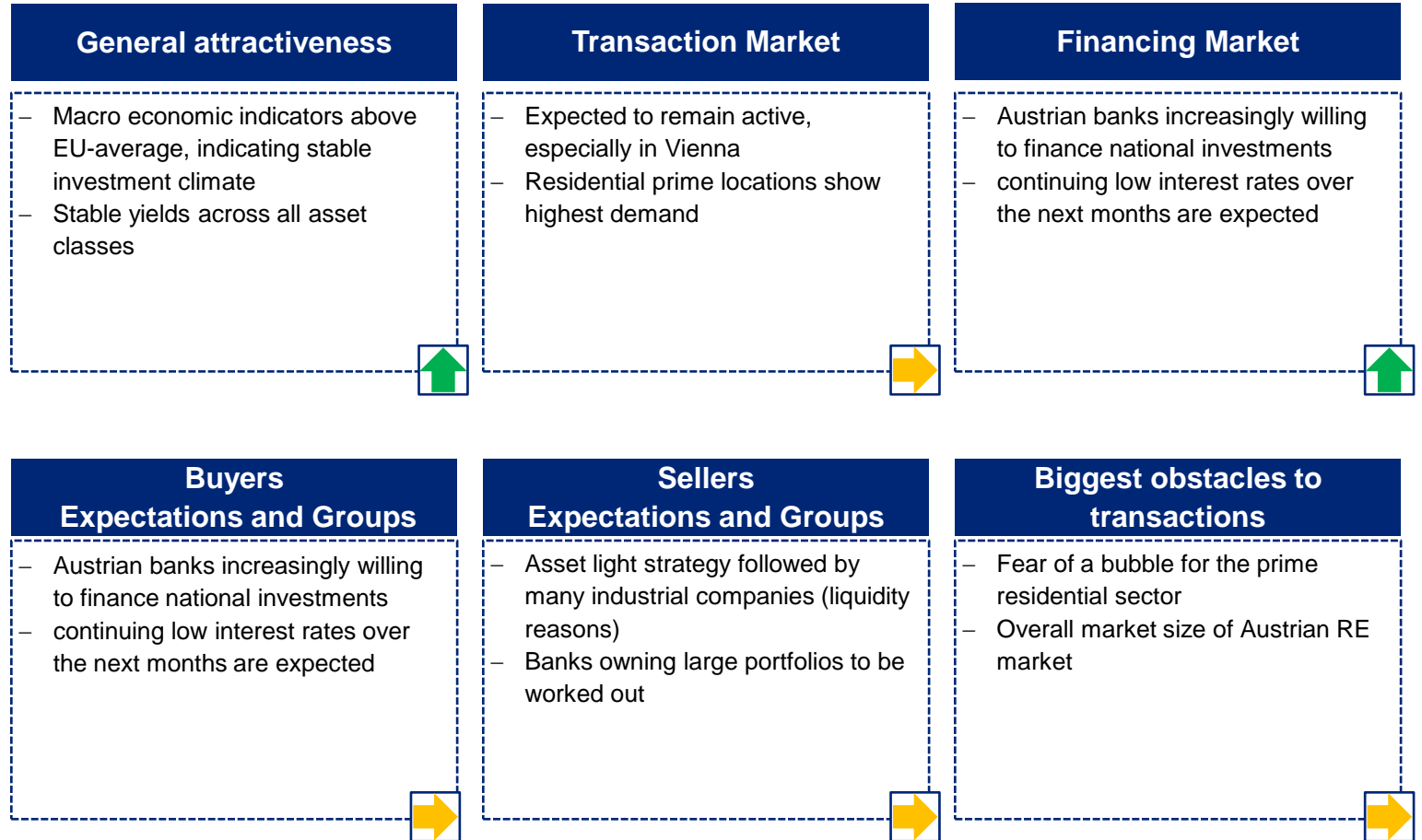


	Offices	Retail	Residential																														
Market Volume	Approx. 10.7m m ² (Vienna)	Approx. 327k m ² (Vienna's largest shopping streets)	Approx. 4.5m Apartments																														
Transaction Volume (2009 – 2013)	<table border="1"> <tr><th>Year</th><td>2009</td><td>2010</td><td>2011</td><td>2012</td></tr> <tr><th>Volume (€ millions)</th><td>151</td><td>182</td><td>179</td><td>125</td></tr> </table>	Year	2009	2010	2011	2012	Volume (€ millions)	151	182	179	125	<table border="1"> <tr><th>Year</th><td>2009</td><td>2010</td><td>2011</td><td>2012</td></tr> <tr><th>Volume (€ millions)</th><td>186</td><td>142</td><td>144</td><td>197</td></tr> </table>	Year	2009	2010	2011	2012	Volume (€ millions)	186	142	144	197	<table border="1"> <tr><th>Year</th><td>2009</td><td>2010</td><td>2011</td><td>2012</td></tr> <tr><th>Volume (€ millions)</th><td>1399</td><td>1358</td><td>1331</td><td>1282</td></tr> </table>	Year	2009	2010	2011	2012	Volume (€ millions)	1399	1358	1331	1282
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Prime Rents (m ² /month)	€ 16 - 27	€ 180 - 400 Kohlmarkt	€ 10 - 16																														
Prime Yields	5.00% - 5.25%	4.00% - 4.50%	2.00 – 3.50%																														
Trends:																																	
– Vacancy	➔	➔	➔																														
– Rent levels	➔	➔	➔																														
– Yields	➔	➔	➔																														
Regional Focus	Vienna plus federal capitals																																
Capital Inflow from	Germany, Eastern Europe, Russia, China																																
Capital Outflow to	Germany, Eastern Europe																																
Main Trends	Investor demand is focused on prime assets, declining demand for offices with poor infrastructure, trend to energy efficient-design	Stable consumer demand, strong demand in prime locations combined with low supply, stable demand in shopping centres	Demand for prime locations is still strong, Vienna is a popular location of high quality residential properties																														

International Investment Opportunities

Austria – Opportunities (2014)

Austria will remain a stable investment market for institutional as well as private investors with increasing capital inflow from non-EU markets.



International Investment Opportunities

Spain – Trends & Facts 2013



	Offices	Retail	Residential
Market Volume	18.5m m ²	14.7m m ² ¹⁾	Over 25.4m houses ^{1) 2)}
Transaction Volume (2004 – 2013YTD)			
Rents (m ² /year)	€ 130 - 278	€ 90 - 520	€ 65 - 130
Yields	6.00 – 7.75 %	6.75 – 8.00 %	3,5-6%
Trends:			N/A
– Vacancy	↑	↑	→
– Rent levels	↓	↓	→
– Yields	→	→	→
Regional Focus	Madrid & Barcelona	Madrid, Murcia & Asturias	Countrywide
Main Trends	Oversupply	Forced sales	Portfolio sales

1) Stock in the whole Spain.

2) Residential market stock includes new, second-hand houses and financial institutions ones.

3) Transaccion Volume of Shopping Centres

4) Residencial Transaction Volume magnitudes refer to sold units (thousands).

Source: Spanish National Statistics Institute ("Instituto Nacional de Estadística") and Deloitte Real Estate

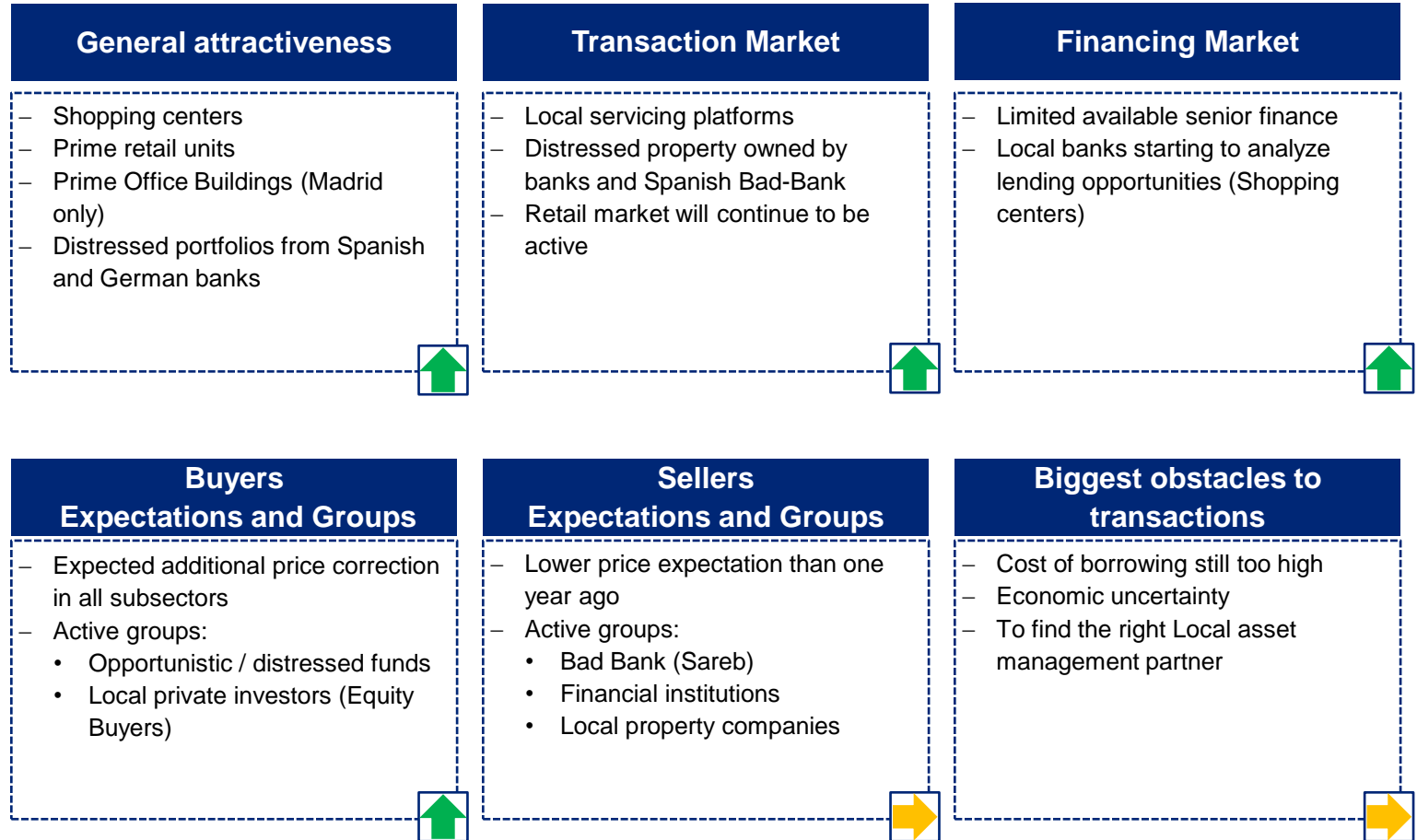
International Investment Opportunities

Spain – Opportunities (2014)



The Spanish Real Estate primary investment market will be focused in the distressed sectors, where most of the assets are coming from banks.

There will be still investment appetite from private investors willing to buy trophy assets.



International Investment Opportunities

Italy – Trends & Facts (2013 – 2014)



	Offices	Retail	Residential																																														
Market Volume	19.3m m ²	17.7m m ²	Over 33.7m houses																																														
Transaction Volume (2004 – 2013YTD)	<table border="1"> <tr><th>Year</th><td>2007</td><td>2008</td><td>2009</td><td>2010</td><td>2011</td><td>2012</td><td>2013 YTD</td></tr> <tr><th>Volume (EUR M)</th><td>2,815</td><td>1,760</td><td>1,300</td><td>1,590</td><td>1,100</td><td>660</td><td>695</td></tr> </table>	Year	2007	2008	2009	2010	2011	2012	2013 YTD	Volume (EUR M)	2,815	1,760	1,300	1,590	1,100	660	695	<table border="1"> <tr><th>Year</th><td>2007</td><td>2008</td><td>2009</td><td>2010</td><td>2011</td><td>2012</td><td>2013 YTD</td></tr> <tr><th>Volume (EUR M)</th><td>2,490</td><td>1,520</td><td>1,380</td><td>1,370</td><td>2,320</td><td>1,350</td><td>360</td></tr> </table>	Year	2007	2008	2009	2010	2011	2012	2013 YTD	Volume (EUR M)	2,490	1,520	1,380	1,370	2,320	1,350	360	<table border="1"> <tr><th>Year</th><td>2007</td><td>2008</td><td>2009</td><td>2010</td><td>2011</td><td>2012</td></tr> <tr><th>Volume (EUR B)</th><td>127.3</td><td>111.2</td><td>99.9</td><td>102.4</td><td>101.9</td><td>75.4</td></tr> </table>	Year	2007	2008	2009	2010	2011	2012	Volume (EUR B)	127.3	111.2	99.9	102.4	101.9	75.4
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Rents (m ² /year)	€ 160 - 475	€ 200 – 850	€ 85 – 160																																														
Yields	5.75 – 8.75 %	7.00 – 8.25 %	3.80 – 6.20 %																																														
Trends:																																																	
– Vacancy	↑	↑	→																																														
– Rent levels	↓	↓	↓																																														
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Regional Focus	Rome & Milan	Countrywide	Countrywide																																														
Main Trends	Oversupply	Sector Under pressure	Turnover limited by lending																																														

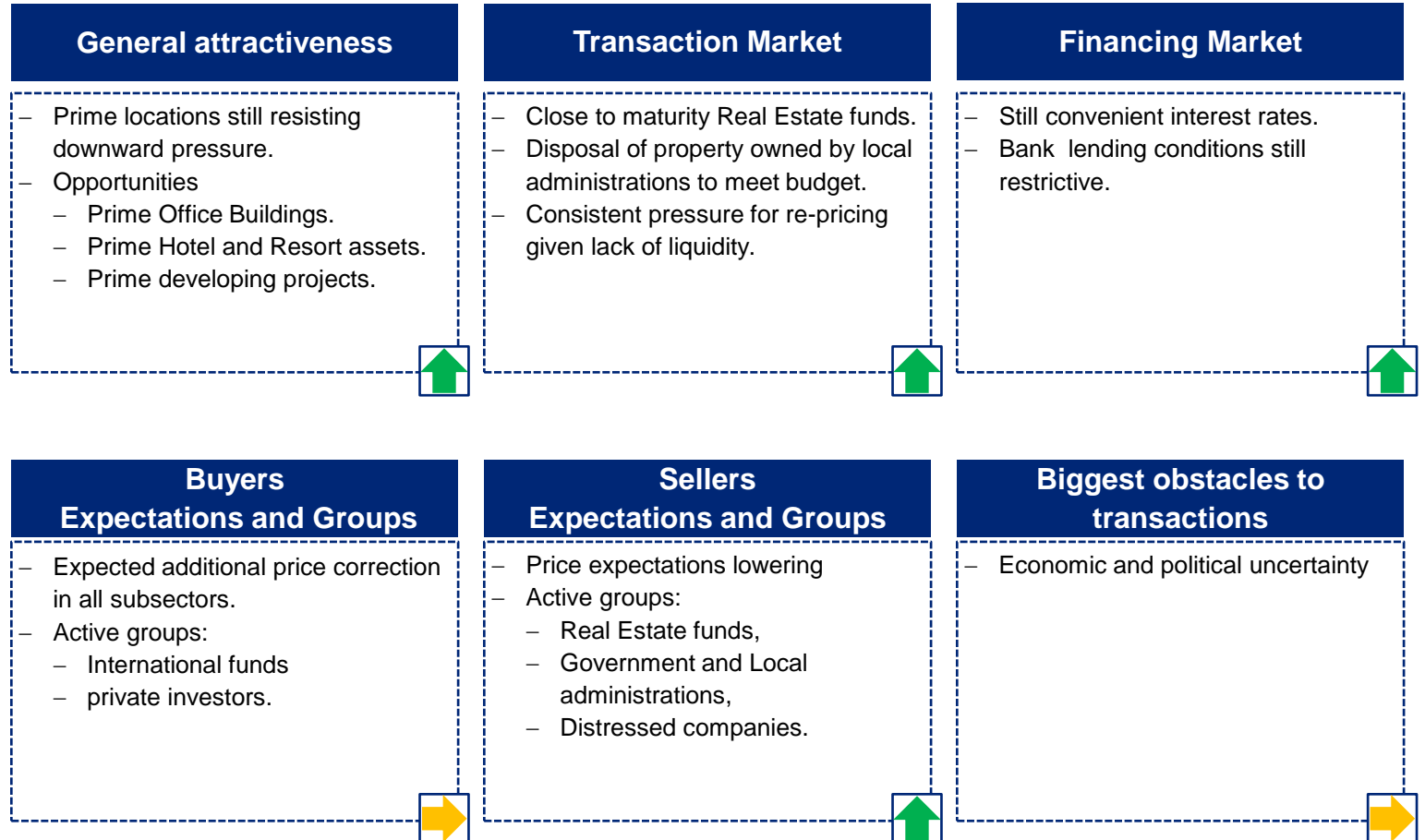
International Investment Opportunities

Italy – Opportunities (2014)



The Italian Real Estate primary investment market will be focused on trophy assets and distressed sectors.

Significant opportunities for international players to invest in the market.



International Investment Opportunities

Greece – Trends & Facts 2013



	Offices	Retail	Residential																				
Market Volume	6.9m m ²	Shopping Centre Stock: 0.4m m ²	About 180,000 remain unsold																				
Transaction Volume (2004 – 2012) <i>For all types of properties</i>	<table border="1"> <caption>Property Transactions (Units Th)</caption> <thead> <tr> <th>Year</th> <th>Units Th</th> </tr> </thead> <tbody> <tr><td>2004</td><td>166</td></tr> <tr><td>2005</td><td>215</td></tr> <tr><td>2006</td><td>173</td></tr> <tr><td>2007</td><td>168</td></tr> <tr><td>2008</td><td>158</td></tr> <tr><td>2009</td><td>136</td></tr> <tr><td>2010</td><td>118</td></tr> <tr><td>2011</td><td>82</td></tr> <tr><td>2012</td><td>47</td></tr> </tbody> </table>			Year	Units Th	2004	166	2005	215	2006	173	2007	168	2008	158	2009	136	2010	118	2011	82	2012	47
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Rents (m ² /year)	€ 100 - 275	€ 1,150 – 1,800 (prime rents)	N/A																				
Net initial yields	9.50 – 10.20 %	7.80 – 8.20 % (High Street) 8.80 % (Shopping Centres)	Selling Prices: € 1,500 – 4,000 / m ²																				
Trends:	<ul style="list-style-type: none"> → ↓ → 	<ul style="list-style-type: none"> → ↓ ↑ 	<ul style="list-style-type: none"> → ↓ ↑ 																				
Regional Focus	Athens & Thessaloniki	Athens & Thessaloniki	Countrywide																				
Main Trends	High vacancy / Offloading troubled portfolios. Privatisations programme will input more properties in the market.	Secondary retail locations pressurised. First time after a long period, prime yields seem to have slowed down (Q2 2013).	High availability even in prime locations, despite slowdown of construction activity. Big reduction in prices / rents. Decreased purchasing power of consumers.																				

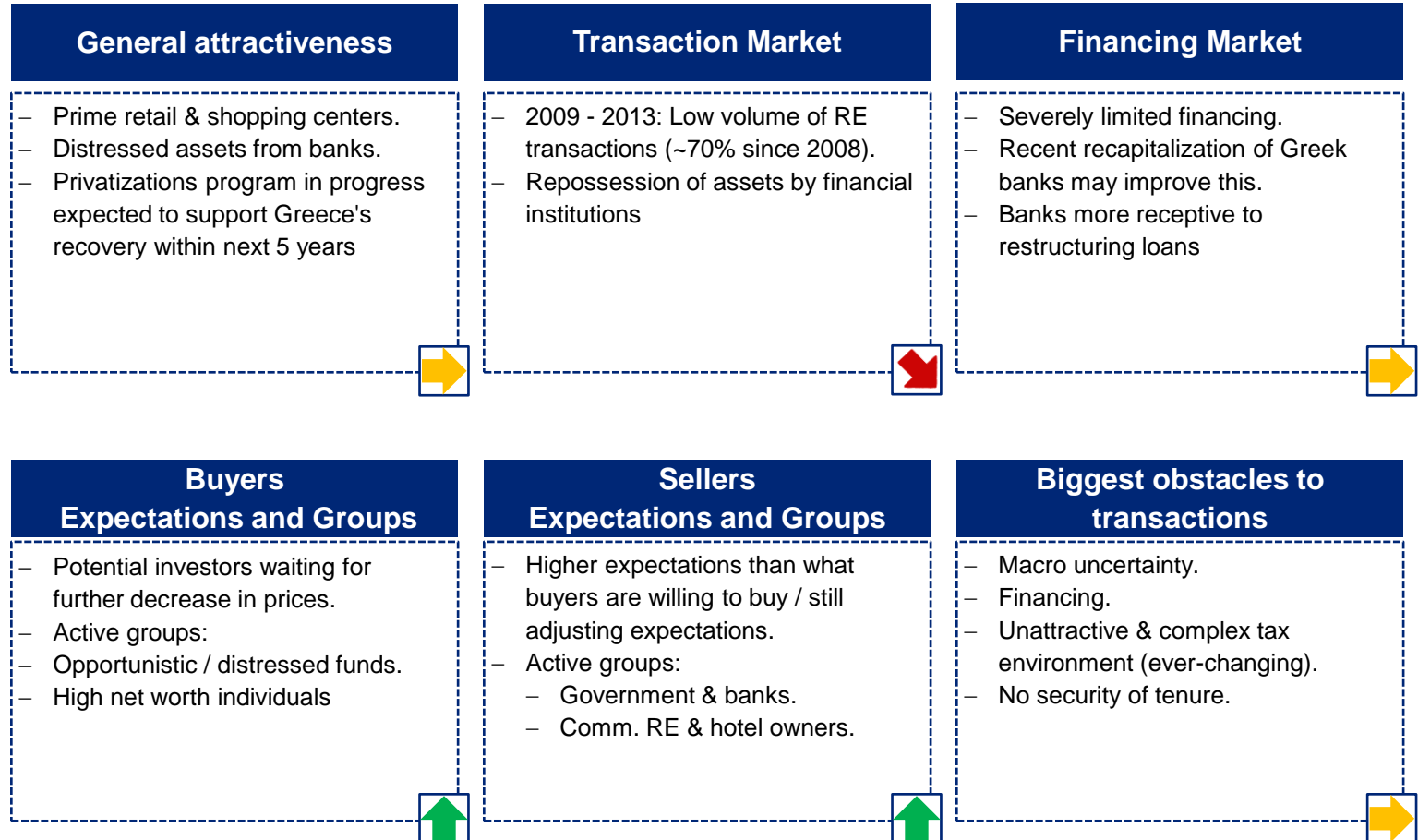
International Investment Opportunities

Greece – Opportunities (2014)



Main focus on the distressed sectors, where most of the assets will be coming from the banks and the privatizations program, with many interesting targets for opportunistic investors.

Residence permit (visa) for 5+5 years for non-EU citizens (e.g. Russians, Arabs, Chinese, etc.) & debt restructuring opportunities expected to further boost demand.



International Investment Opportunities

The Netherlands – Trends & Facts 2013

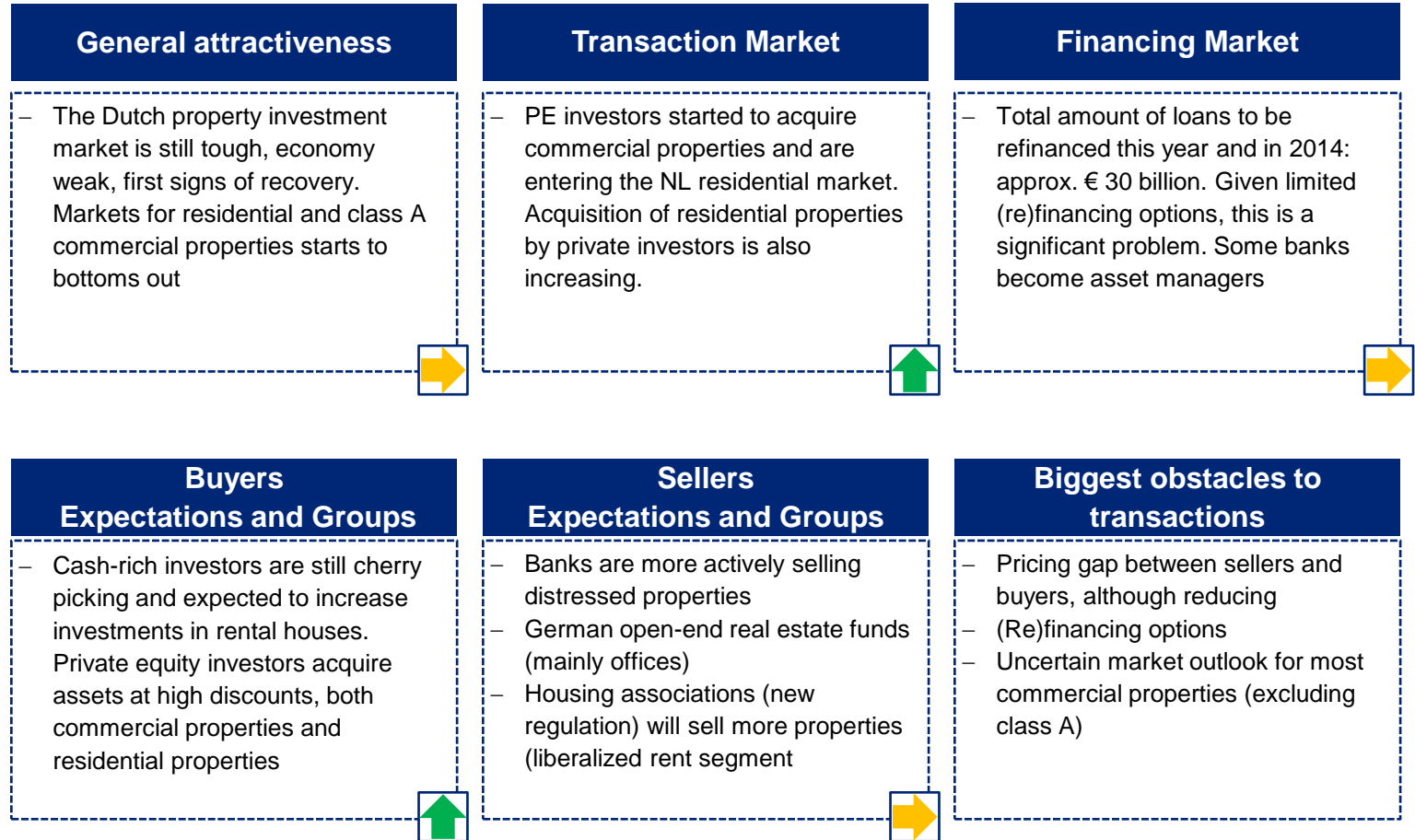


	Offices	Retail	Residential
Market Volume	approx. 49m m ²	approx. 28m m ²	approx. 7.4 m houses
Transaction Volume (in € billion)			
Rents (m ² /year)	€ 65 - 400	€ 1,400 – 2,900 (prime rents)	€110 - 250
Net initial yields	6.3 - 12.5 %	4.0 – 6.6 % (prime yields)	4.8 – 7.5 %
Trends:			
– Vacancy	↑	↑	↓
– Rent levels	↓	→	↑
– Yields	↑	→	→
Regional Focus	Amsterdam, The Hague	Central / Western NL	Central / Western, Eindhoven
Capital Inflow from	Total capital inflow for all real estate sectors amounted to € 850 million between Aug '12 – Aug '13 (Aug '11 – Aug '12: € 950 million and Aug '10 – Aug '11: € 1,400 million)		
Capital Outflow to	Net asset value of real estate assets outside The Netherlands, owned by Dutch investors, amounted to € 72 billion (year-end 2012) (year-end 2011: € 62 billion).		
Main Trends	High vacancy / Decreasing rent prices / Decreasing values. Investors don't expect recovery before 2015.	Increasing on-line sales pressures secondary retail locations. Vacancy period between emptying and new occupier is lengthening.	Shortage of affordable rental housing: demand outgrows supply.

International Investment Opportunities

The Netherlands – Opportunities (2014)

Although the real estate market remains tough in The Netherlands, first signs of increasing deal activity are seen, mainly cash-rich private investors (residential properties) as well as PE investors (commercial and residential properties), signaling that market is bottoming out.



International Investment Opportunities

Belgium – Trends & Facts 2013



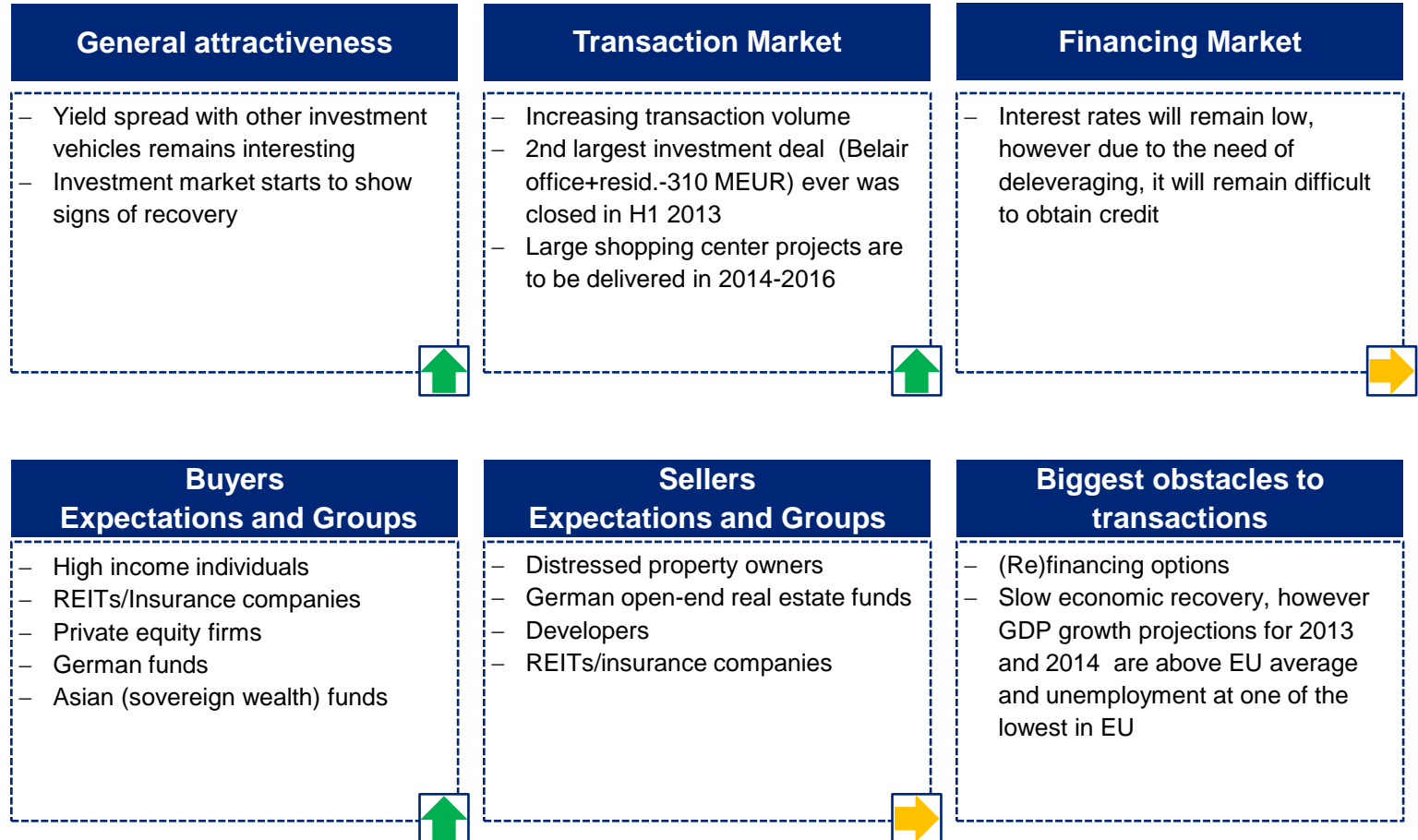
	Offices	Retail	Residential																																														
Market Volume	13,2m m ²	4,5m m ²	3,7m residential buildings (incl. houses and apartment buildings)																																														
Transaction Volume (in € billion)	<table border="1"> <caption>Transaction Volume (in € billion) - Offices</caption> <thead> <tr><th>Year</th><th>Volume (€ billion)</th></tr> </thead> <tbody> <tr><td>2007</td><td>2.7</td></tr> <tr><td>2008</td><td>1.5</td></tr> <tr><td>2009</td><td>0.5</td></tr> <tr><td>2010</td><td>0.6</td></tr> <tr><td>2011</td><td>1.1</td></tr> <tr><td>2012</td><td>0.8</td></tr> <tr><td>estim. 2013</td><td>0.9</td></tr> </tbody> </table>	Year	Volume (€ billion)	2007	2.7	2008	1.5	2009	0.5	2010	0.6	2011	1.1	2012	0.8	estim. 2013	0.9	<table border="1"> <caption>Transaction Volume (in € billion) - Retail</caption> <thead> <tr><th>Year</th><th>Volume (€ billion)</th></tr> </thead> <tbody> <tr><td>2007</td><td>0.65</td></tr> <tr><td>2008</td><td>0.7</td></tr> <tr><td>2009</td><td>0.55</td></tr> <tr><td>2010</td><td>0.2</td></tr> <tr><td>2011</td><td>0.35</td></tr> <tr><td>2012</td><td>0.5</td></tr> <tr><td>estim. 2013</td><td>0.3</td></tr> </tbody> </table>	Year	Volume (€ billion)	2007	0.65	2008	0.7	2009	0.55	2010	0.2	2011	0.35	2012	0.5	estim. 2013	0.3	<table border="1"> <caption>Transaction Volume (in € billion) - Residential</caption> <thead> <tr><th>Year</th><th>Volume (€ billion)</th></tr> </thead> <tbody> <tr><td>2007</td><td>25</td></tr> <tr><td>2008</td><td>25</td></tr> <tr><td>2009</td><td>23</td></tr> <tr><td>2010</td><td>28</td></tr> <tr><td>2011</td><td>29</td></tr> <tr><td>2012</td><td>28</td></tr> </tbody> </table>	Year	Volume (€ billion)	2007	25	2008	25	2009	23	2010	28	2011	29	2012	28
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Rents (m ² /year)	€ 140 - € 275	€ 175 (retail parks) – € 1.850 (high-street) (prime rents)	n.a.																																														
Net initial yields	6% - 7,5% (prime yields)	4,25% (high-street) – 6,25% (retail parks) (prime yields)	4% (apartments) – 6% (senior housing)																																														
Trends:																																																	
– Vacancy	↓	↑ (non-prime areas in city centres)	n.a.																																														
– Rent levels	→	→	n.a.																																														
– Yields	→ ↓	→	→																																														
Regional Focus	Main Belgian cities	Brussels & Antwerp area	Countrywide																																														
Capital Inflow from	Mainly German investors (offices) and increasingly so from Asian sovereign wealth funds (cfr. Belair deal) total of 601 MEUR foreign capital inflow in H1 2013 for all asset classes																																																
Capital Outflow to	Mainly to Luxembourg																																																
Main Trends	Vacancy decreasing in CBD, ageing stock, major office transactions in H1 2013	Investors focusing on prime assets, non-prime areas in city centres are suffering from the decentralisation trend whereby retail in the periphery is preferred due to better accessibility	Prices show a steady growth, reform of fiscal bonus (“Woonbonus”) in the pipeline with a possible downwards effect on prices																																														

International Investment Opportunities

Belgium – Opportunities (2013)



Office investment market is improving, investors predominantly focus on prime assets on core locations, resulting in a possible prime yield drop for offices in the near future as supply is limited. Residential market remains stable with prices increasing slightly.



International Investment Opportunities

Ireland – Trends & Facts 2013



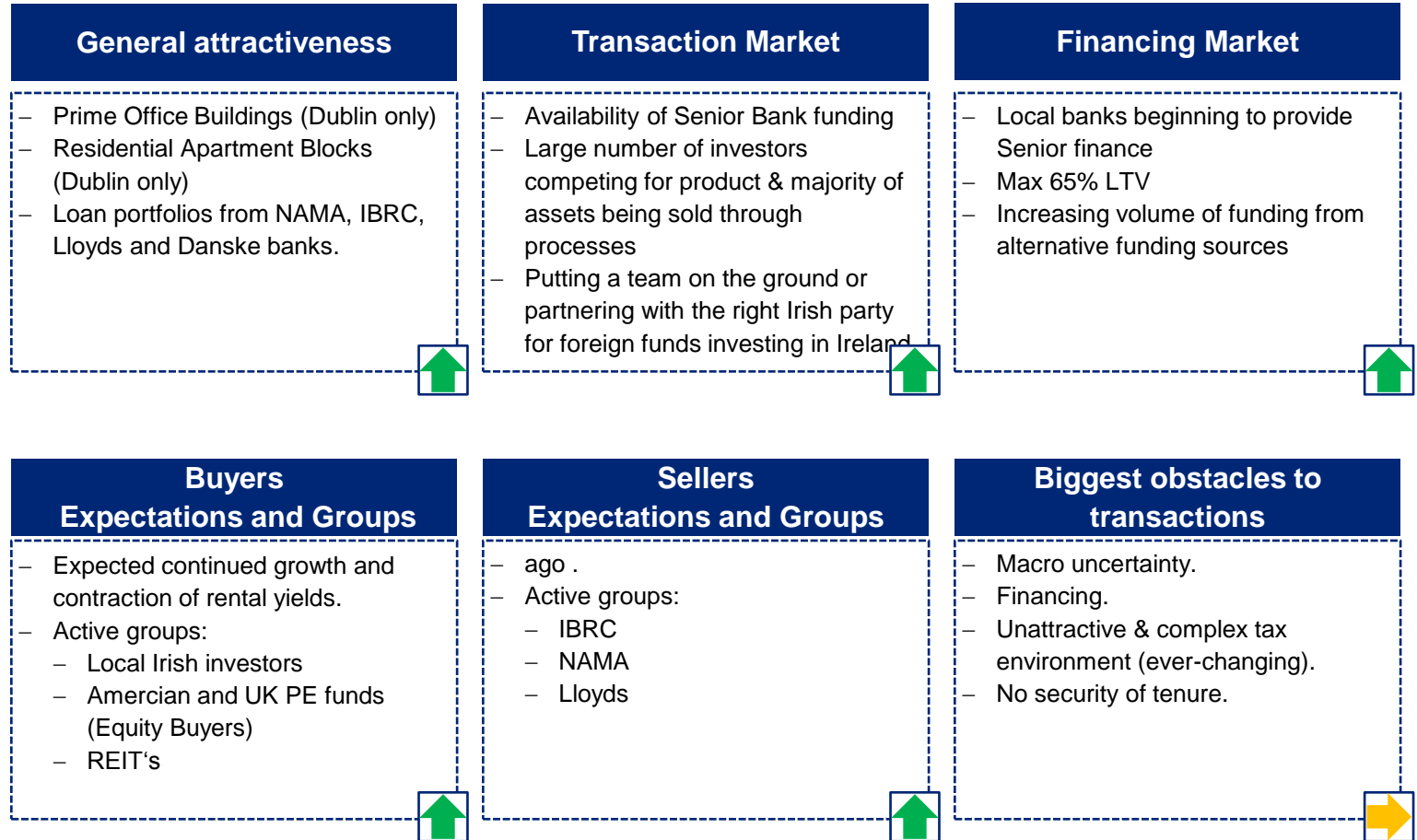
	Offices	Retail	Residential																						
Market Volume	67,500 m ² (H1 2013)	N/A	N/A																						
Transaction Volume (2004 – H1 2013) All Investments	<table border="1"> <caption>Transaction Volume (EUR M)</caption> <thead> <tr> <th>Year</th> <th>Transaction Volume (EUR M)</th> </tr> </thead> <tbody> <tr><td>2004</td><td>1,000</td></tr> <tr><td>2005</td><td>2,000</td></tr> <tr><td>2006</td><td>3,150</td></tr> <tr><td>2007</td><td>1,750</td></tr> <tr><td>2008</td><td>750</td></tr> <tr><td>2009</td><td>200</td></tr> <tr><td>2010</td><td>350</td></tr> <tr><td>2011</td><td>50</td></tr> <tr><td>2012</td><td>600</td></tr> <tr><td>2013 H1</td><td>650</td></tr> </tbody> </table>		Year	Transaction Volume (EUR M)	2004	1,000	2005	2,000	2006	3,150	2007	1,750	2008	750	2009	200	2010	350	2011	50	2012	600	2013 H1	650	2013 H1: <ul style="list-style-type: none"> - 48% Office - 14% Retail - 28% Multi-family - 10% Other
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2012	600																								
2013 H1	650																								
Rents	€135 - €323 (m ² /year)	Zone A Prime Dublin: €4,000 Secondary City: €1000 (m ² /year)	€972 - €1301 per unit per month																						
Yields (Prime)	6.25%	5.75% (High Street) 7.75% (Shopping Centre)	5.5%																						
Trends: -Vacancy -Rent levels -Yields																									
Regional Focus	Dublin	Dublin	Dublin																						
Main Trends	Shortage of good quality large floor space particularly in Dublin	Steady level of demand for prime retail spaces	Shortage of supply																						

International Investment Opportunities

Ireland – Opportunities (2014)



The Irish Real Estate primary investment market will be focused on Dublin (91% of turnover in H1 2013). Highest demand for Dublin Office space and Dublin multi-family, where most of the assets are coming from deleveraging banks or banks exiting the Irish market.



International Investment Opportunities

Poland – Trends & Facts 2013



	Offices	Retail	Industrial
Market Volume	6.5m m ²	11.2m m ²	7.7m m ²
Transaction Volume (2004 – 2012)			
Prime Rent (EUR/m ² /year)	€ 288 - € 306 Warsaw	€ 900 - € 1 020 Warsaw	€ 54 - € 70 Warsaw
Yields	6.15% Warsaw CBD	6.00%	7.50%
Trends:			
– Vacancy	↑	↑	→
– Rent levels	→	→	→
– Prime yields	↓	↓	↓
Regional Focus	Warsaw CBD, Major regional cities	Dominant projects in their locations	Warsaw area and Upper Silesia
Capital Inflow from	Mainly German and US Investors. Transactions in 1H 2013 totalling € 660 m	Mainly French and UK Investors. Transactions in Poland in 1H 2013 totalling € 247 m	Mainly US Investors and Norwegian (indirectly). Transaction in 1H 2013 totalling € 173 m
Capital Outflow to		n/a	
Main Trends	High level of new supply on CBD fringes in Warsaw increases expectation of vacancy and pressure on rents.	Focus on retail parks in smaller towns as well as redevelopment and remodelling of older and suffering projects.	Only built-to-suit projects, new speculative projects started to be considered by developers

International Investment Opportunities

Poland – Opportunities (2013)



Poland is the largest and most liquid market in the CEE, offering yield premium comparing to core Euro-Zone markets.

Despite the slowdown in macroeconomic situation, the GDP growth should pick-up in line with recovery of German economy.



International Investment Opportunities

United Kingdom – Trends & Facts 2013



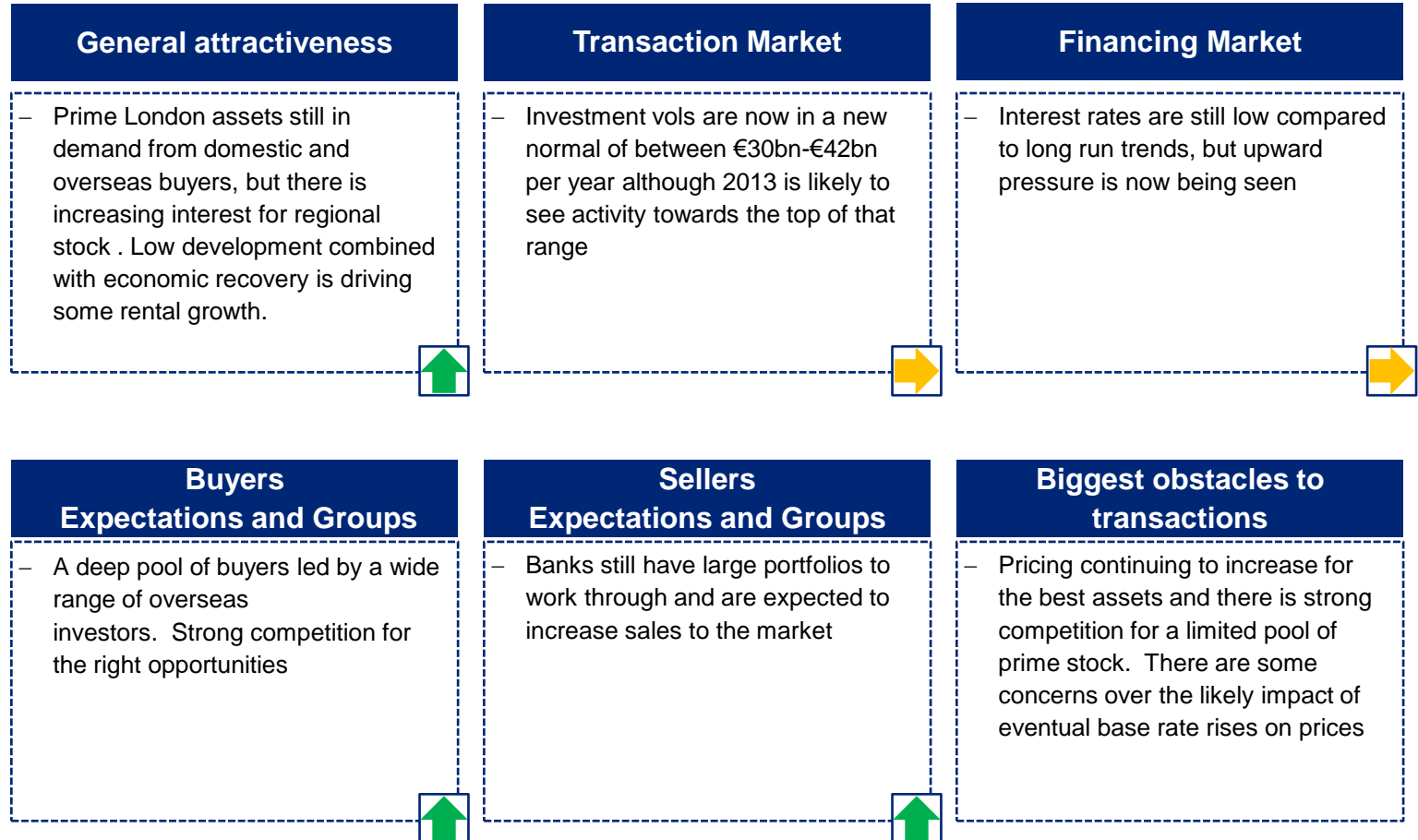
	Offices	Retail	Residential
Market Volume	56.7m m ²	64.0m m ² (ex. Shopping centres)	2,495m m ²
Transaction Volume (2004 – 2012)			
Prime Rent (m ² /year)	€ 745 City € 1,360 West End	€ 3,000 City € 15,500 West End	€ 800 – 1,000 West End
Prime Yields	4.75% City 3.75% West End	5.25% City 3.00% West End	3.50% Central London 4.30% UK
London market trends:			n/a
– Vacancy	↓	↓	
– Rent levels	↑	→	↑
– Yields	→	→	→
Regional Focus	Central London	Central London	Central London
Capital Inflow from	Overseas investors: 60 transactions in London year to date, accounting for 70% of total investment (€7.6bn)	Overseas investors and owner occupiers who are pushing yields to below 2% on some prime West End shops	New build schemes in demand from Far Eastern investors. Prime Central London demand from global investors.
Capital Outflow to	n.a.	n.a.	n.a.
Main Trends	Central London remains the investment focus. Further modest yield compression a possibility.	Investors heavily focused on prime stock especially in Central London and the South East.	Prices rising, but driven by London. Overseas demand continues to buoy London market.

International Investment Opportunities

United Kingdom – Opportunities (2014)



The UK will continue to be a key target for global investors in 2014.



International Investment Opportunities

France – Trends & Facts 2013



	Offices	Retail	Industrial
Market Volume	52m m ² (Greater Paris)	70m m ² (France)	33m m ² (France)
Transaction Volume (2009 – 2013)	<p>Source: BNP Real Estate</p>	<p>Source: Cushman & Wakefield</p>	<p>Source: DTZ</p>
Prime Rents (m ² /year)	€ 750	€ 18,000 (Champs Elysées)	€ 50
Prime Yields	4 to 4.25 % (under pressure)	4.00 %	7.25 % (logistics)
Trends:	<ul style="list-style-type: none"> – Vacancy – Rent levels – Yields <p>for “prime”</p>	<p>for secondary locations</p>	
Regional Focus	Paris Area (75%)	Paris Area (90%)	Paris - Lyon - Marseille - Lille
Capital Inflow from	France (>60%); US (15%); Germany (<10%)		
Main Trends	Transactions are driven by “core” assets in Prime locations.	A growing gap between prime and secondary assets. Most of transactions involved major supermarket chains or retailers	The take-up remained low in France and development activity still at low pace

International Investment Opportunities

France – Opportunities (2013)



French core markets are still sought after, especially in Paris.

Investors are diversifying; sellers are moderating their expectations for secondary.

General attractiveness

- Paris is still high up on investors' list, especially for both office and retail assets, regional towns are also attractive for retail. investment (Lyon, Toulouse...)
- Vacancy rates still are stable and remain low.



Transaction Market

- H1 2013 showed a low level of activity.
- H2 is yet much more active with some large size transactions closed. Total volume for 2013 should reach the €15 bn mark, in line with 2012.



Financing Market

- Core assets can be financed (banks and insurers are competing).
- Leverage difficult to be obtained on non-core assets.
- The LTV ratios range from 50% to 60% for prime assets.



Buyers Expectations and Groups

- Investors are looking for long term secured investments in established locations; turn-keys and pre-lets on "prime" are leading the market.
- Competition lead investors to diversify their criteria.
- US are the first foreign investors, but French are the most active.



Sellers Expectations and Groups

- Sellers have started to accept price reductions for assets with secondary location or asset-management requirements (vacancy, works...).
- Funds and insurers are closing deals (48% of H1's volume), Property companies are only.



Biggest obstacles to transactions

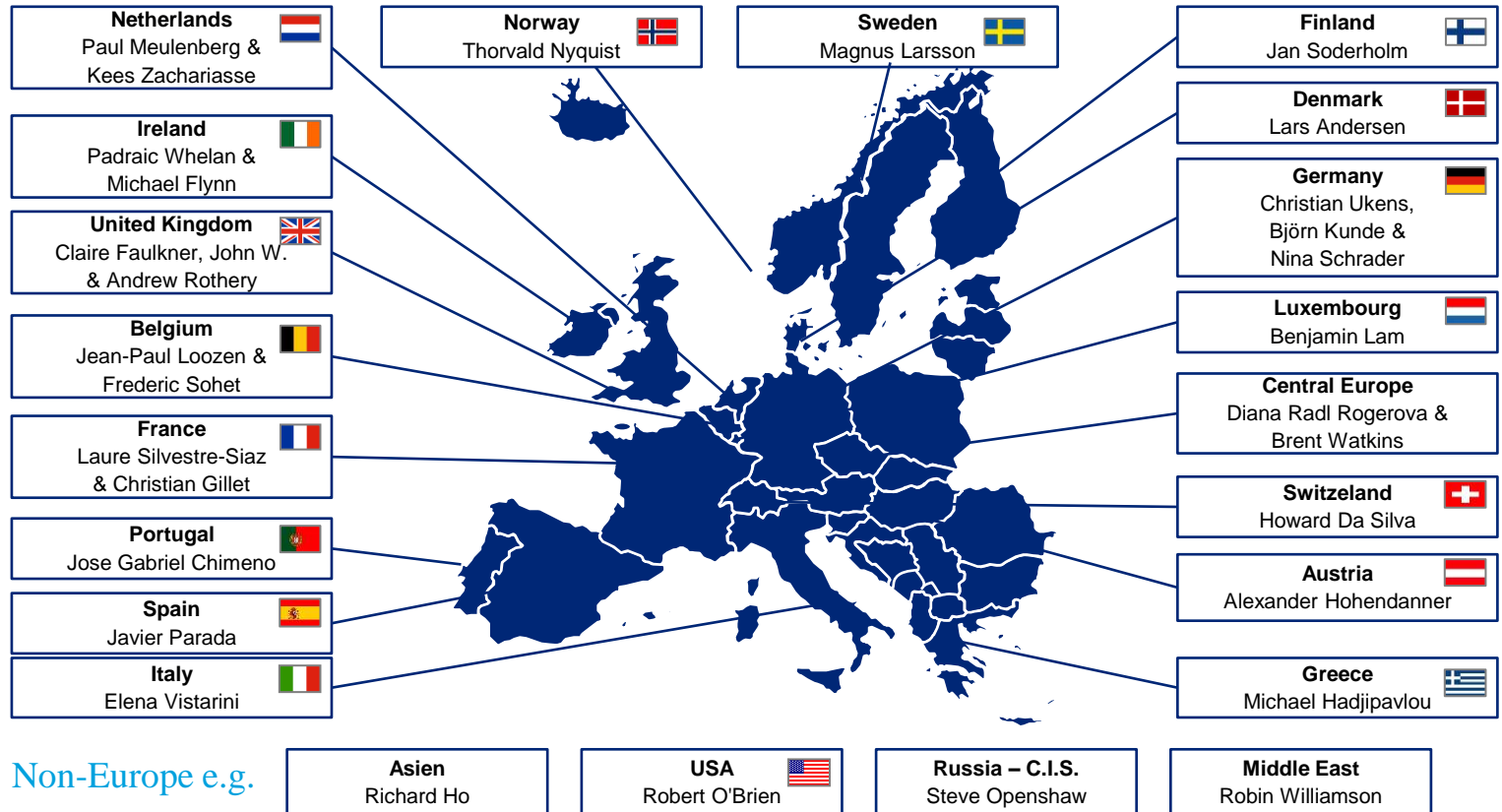
- A low level of take-up limiting the number of investment opportunities.
- A price gap between buyers and sellers as to "non-prime" assets outside of historical locations.
- 10yr French bond rate has move out by 100 bps since May 2013 at 2,7% (mid-September)



Your Contacts

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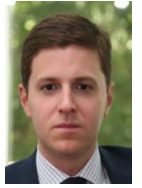
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