

# MarketView

## European Retail Investment

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Q3 2008

### Q3 Retail Investment Turnover

Compared to:

Q2 2008



Q3 2007



Retail investment activity in Europe totalled €6.2 billion in Q3 2008, a decline of 12% relative to the previous quarter. This was in slight contrast to the overall commercial real estate market, where Q3 turnover was broadly equal to Q2 levels. As a result, the retail sector's share of total investment activity in Q3 fell back into line with the last few years' average of 24%.

The most active markets during the quarter were the UK, the Nordics and Germany – which together accounted for almost 70% by value of the retail deals concluded during the quarter. The UK and Swedish markets, in particular, saw a number of large portfolio deals change hands. This included €460 million portfolio of prime designer outlets acquired by Henderson Global Investors in the UK, and Europe's largest retail transaction this quarter – the €2.7 billion corporate acquisition of Steen & Ström by Klépierre and ABP.

Historically, retail has always made up a large proportion of total investment in CEE. However, this was not the case in Q3 2008, as retail activity accounted for only around 20% of overall turnover. Nevertheless, a handful of larger retail deals did take place in the region, notably in Russia and Poland.

Overall, retail property continues to account for a significant proportion of investment activity in many of the European markets. This is potentially surprising, given current concerns over the outlook for the consumer economy and the large lot size of many prime retail investments. However, many investors see shopping centres as good defensive assets, and recent transactions clearly demonstrate that good quality product has continued to attract interest from major investors. That said, given the highly uncertain environment at present, it remains to be seen whether this interest will be sustained through the final quarter.

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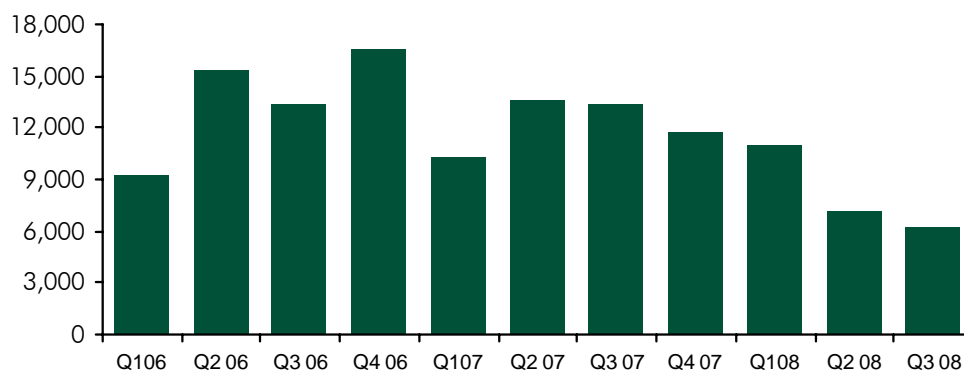
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■ European Retail Investment (€ million)



### Notable Retail Deals in Q3 2008

Market	Name/Address	Price (€ million)
Nordics	Steen & Ström Corporate Acquisition	2,700
UK Nationwide	Portfolio Swan, Designer outlet centres	459
Spain, Barcelona and Alicante	La Maquinista and Habaneras Shopping Centres	434
UK Nationwide	Tesco Stores, Sale & Leaseback	224
UK, Cambridge	Cambridge Retail Park	117
Italy, Udine	Terminal Nord Retail Park	106
Bulgaria, Sofia	City Center Sofia Mall	101
Poland, Katowice	3 Stawy Shopping Centre	95