

MarketView

Spanish Investment Snapshot

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Q4 2009

Trends in 2009

- Sale & leaseback deals.
- Real estate disposals by financial entities.
- Private investor activity
- Strong yield correction.
- Investor interest for prime product.

To follow in 2010

- Rising investor interest.
- The return of institutional investors.
- Potential tightening of yields.
- Price stabilization.

Market activity

• Low volume, but rising interest.

2009 closed with a total of almost 4 billion euros invested, showing a year-on-year drop of 38%, in line with corrections seen through Europe. Total investment volume during Q4 fell 64% on Q3 figures (which included the largest deal of the year, that of BBVA). However the year-on-year fall was similar to that shown through the year.

• Sale & leaseback, private investors and financial entities.

Without doubt, the highlight of the year's activity was the proliferation of sale & leaseback deals, which accounted for 50% of total investment. Private investors also played a lead role by providing 28% of investments, up from 12% the previous year. On the disposal side, the major players were financial entities, principally banks and building societies. In fact, 6 out of the 10 largest disposals realised by this grouping in Europe in 2009 took place in Spain, including the largest of the year, the sale of the BBVA portfolio to RREEF (1.15 billion euros, in a deal advised by CB Richard Ellis).

• Changing trend in yields.

Prime office yields tightened during the last quarter of 2009 for the first time in four years. As a result, the CBRE index of capital values rose by 4% on the previous quarter. An upturn in investor interest is noticeable, principally for product located in consolidated areas, let on long-term contracts, although supply of prime assets remains scarce.

Key data

	VOLUME (million euros)			YIELD		
	2007	2008	2009	2007	2008	2009
Offices	5,879	4,289	1,200	4.50%	6.00%	6.25%
Retail*	3,591	1,261	2,288	4.75%	6.00%	7.00%
Industrial**	609	605	117	6.25%	7.00%	8.25%
Other	9	0	218	-	-	-

*Yield relates to Shopping Centres
**Yield relates to Logistics

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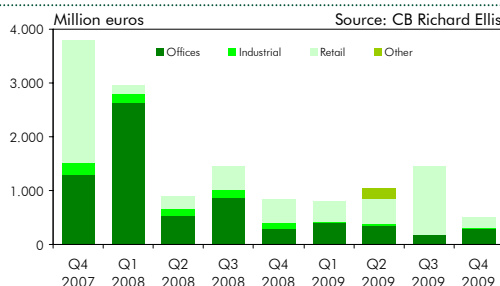
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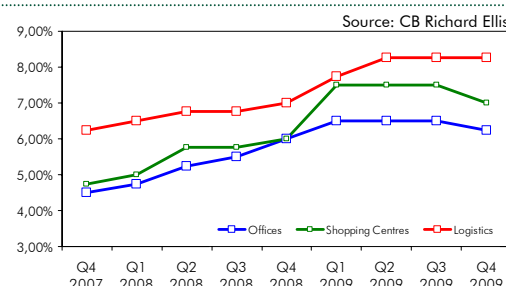
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Investment Volume



Yields



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