

European market indicators

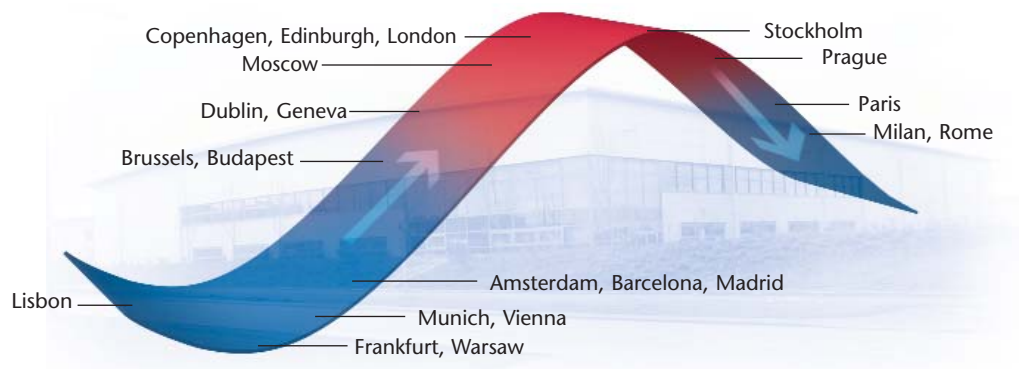
Autumn • 2006

European rental cycles

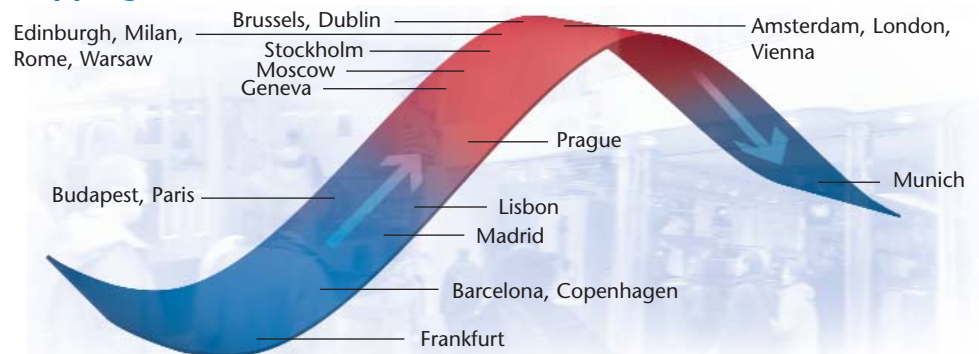
Offices



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 2006

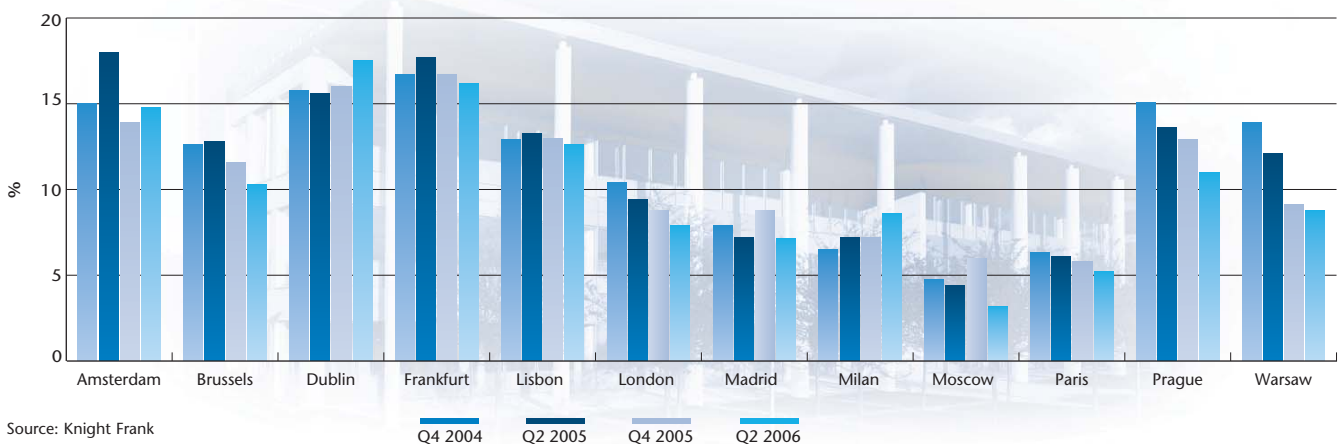
Town	Offices		Distribution		Retail (shopping centres)	
	Prime rents (€/sq m/yr)	Prime yields (%)	Prime rents (€/sq m/yr)	Prime yields (%)	Prime rents (€/sq m/yr)	Prime yields (%)
Amsterdam	355	5.75	80	7.00	1,200	5.00
Barcelona	300	4.00	88	6.25	700	5.00
Brussels	285	5.50	65	7.50	880	6.25
Budapest	198	6.00	55	7.75	1,200	7.00
Copenhagen	241	4.75	67	5.75	1,075	5.25
Dublin	592	4.25	120	5.00	4,306*	4.00
Edinburgh	438	4.75	92	5.75	2,395*	5.00
Frankfurt	408	5.25	70	7.00	1,600*	5.50
Geneva	440	5.25	90	7.00	600	5.50
Lisbon	234	6.50	66	7.50	775	6.00
London	1,360	4.00	217	5.25	5,052*	4.75
Madrid	375	3.75	84	6.00	720	5.00
Milan	450	5.25	57	7.50	600	6.00
Moscow	605	9.50	101	12.00	1,032	12.00
Munich	345	5.00	75	7.00	1,800*	5.50
Paris	730	4.50	55	6.00	2,000	5.00
Prague	216	5.75	57	7.00	600	6.50
Rome	400	5.50	57	7.50	650	6.00
Stockholm	418	4.75	85	7.25	1,100	5.25
Vienna	252	5.25	60	6.75	840	5.25
Warsaw	240	5.75	60	7.00	840	6.00

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. 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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