

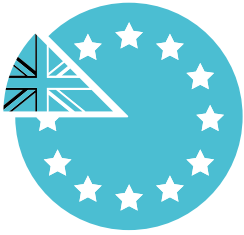
# EUROPEAN OCCUPIER MARKET DASHBOARD

Q2 2016



# KEY STATISTICS

## ECONOMY



**EUROZONE'S GROWTH**  
post-Brexit has been downgraded.



**ECONOMY IS FORECAST TO GROW**  
by 1.6% in 2016 and 1.4% in 2017.



**EUROZONE PMI SERVICES BUSINESS**  
Activity Index rose slightly to 52.9.



**JOB CREATION STRENGTHENED**  
in eurozone, fastest growth in 5.5 years.

-0.9pts to  
**104.8%**



## SENTIMENT

**ECONOMIC SENTIMENT IN THE EU** decreased in the wake of the Brexit referendum.

## GROWTH

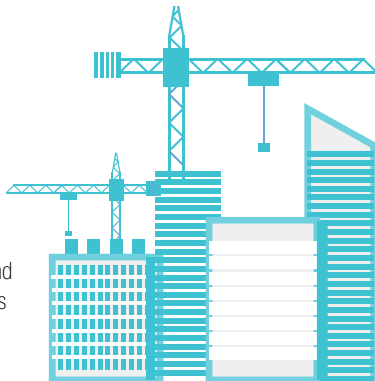
**ON AN ANNUAL BASIS, AGGREGATE TAKE-UP ROSE BY 5.4%.** This was driven by strong take-up in the Brussels and Munich markets, with public sector activity boosting volumes.



## SUPPLY

**SUPPLY PIPELINE** has lifted, fuelled by booming construction in Bucharest, Dublin, Frankfurt and Warsaw markets.

**VACANCY RATES** average around 9% but are expected to increase as ample stock is delivered to some markets.



## RENTS

Rental Index rose by  
**2.5%**



**PRIME RENTS REMAINED STABLE** in the majority of markets in Q2 but Rental Index rose by 2.5% on an annual basis, driven by increases in Budapest, Dublin, London (City), Madrid and Stockholm.



**COST IMPORTANT  
CONSIDERATION IN DECISIONS**



**DEALS LARGELY INFLUENCED BY  
LEASE EVENTS / RESTRUCTURING  
RATHER THAN EXPANSION**

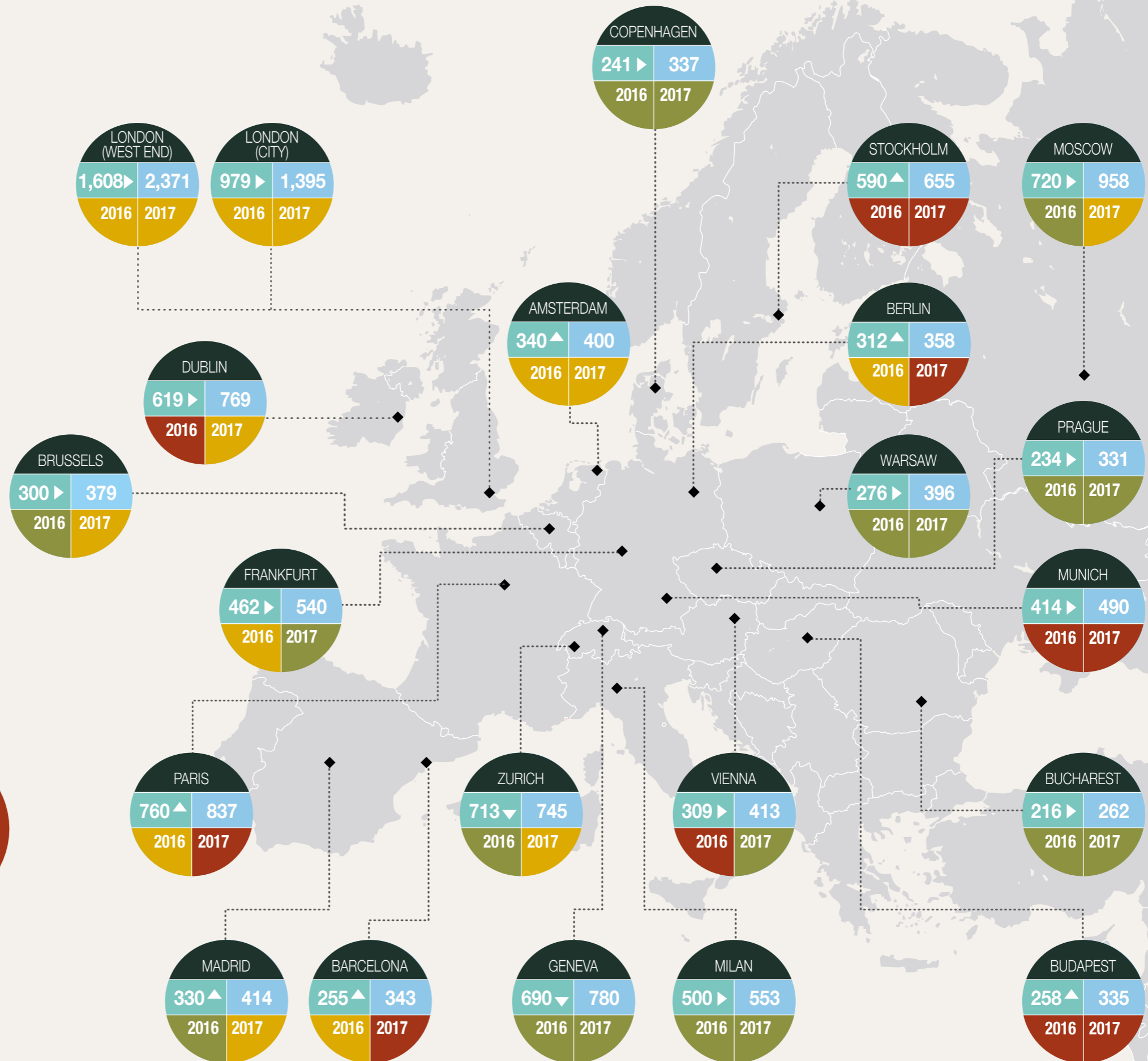
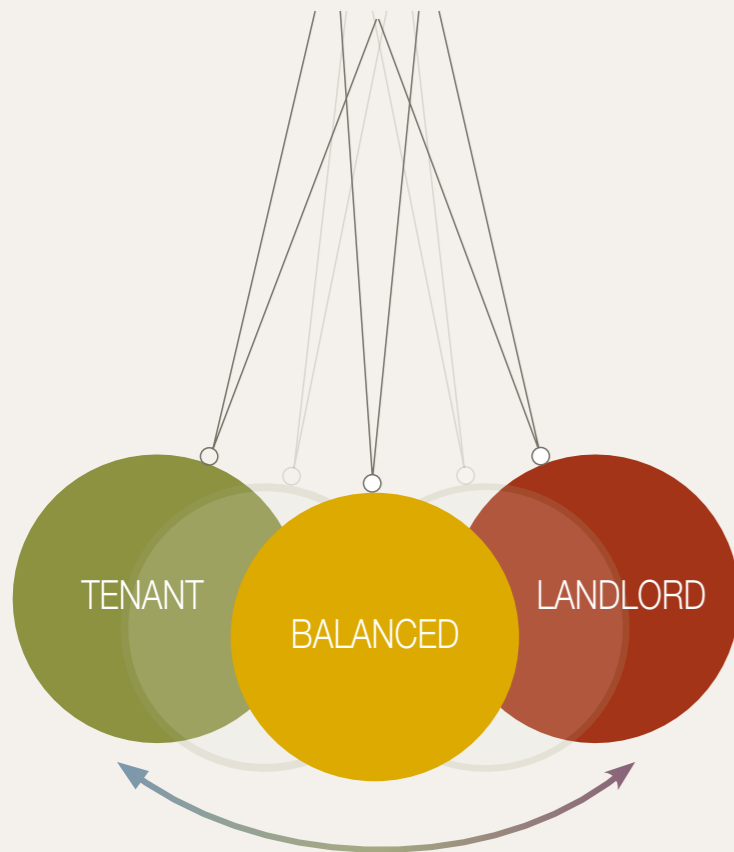


**A CLEAR FLIGHT TO QUALITY**

## EUROPEAN TRENDS

PRIME RENTS (€/SQ M/YR)  
OCCUPANCY COSTS  
POSITION ON MARKET PENDULUM  
LANDLORD  
BALANCE  
TENANT

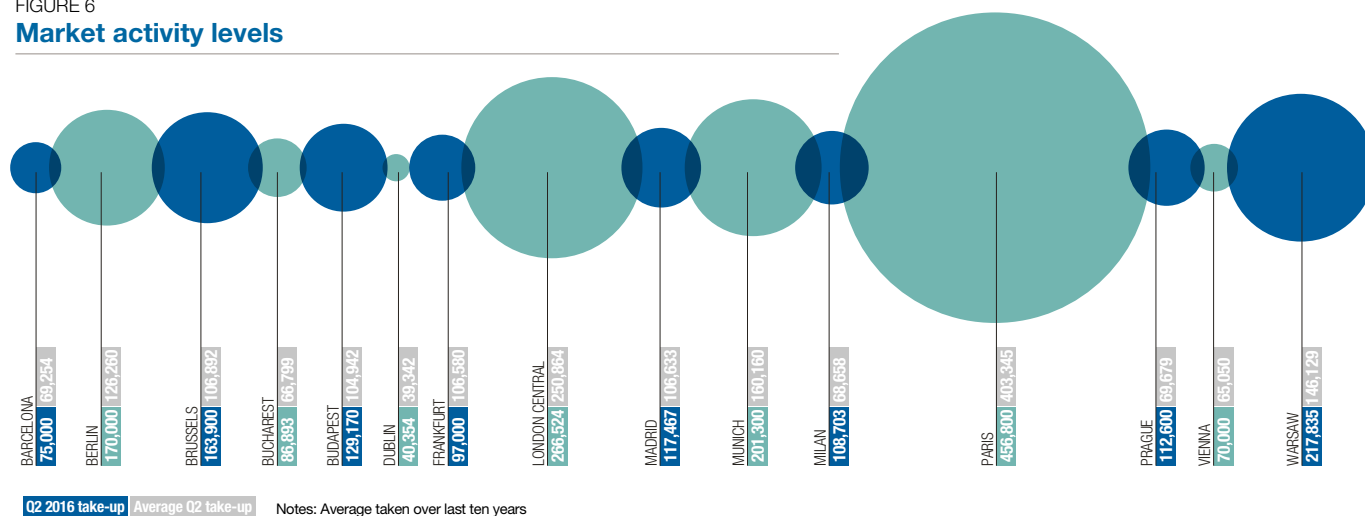
### MARKET PENDULUM



Source: Knight Frank Research  
Occupancy costs = prime rent + service charge + taxes

FIGURE 6

## Market activity levels

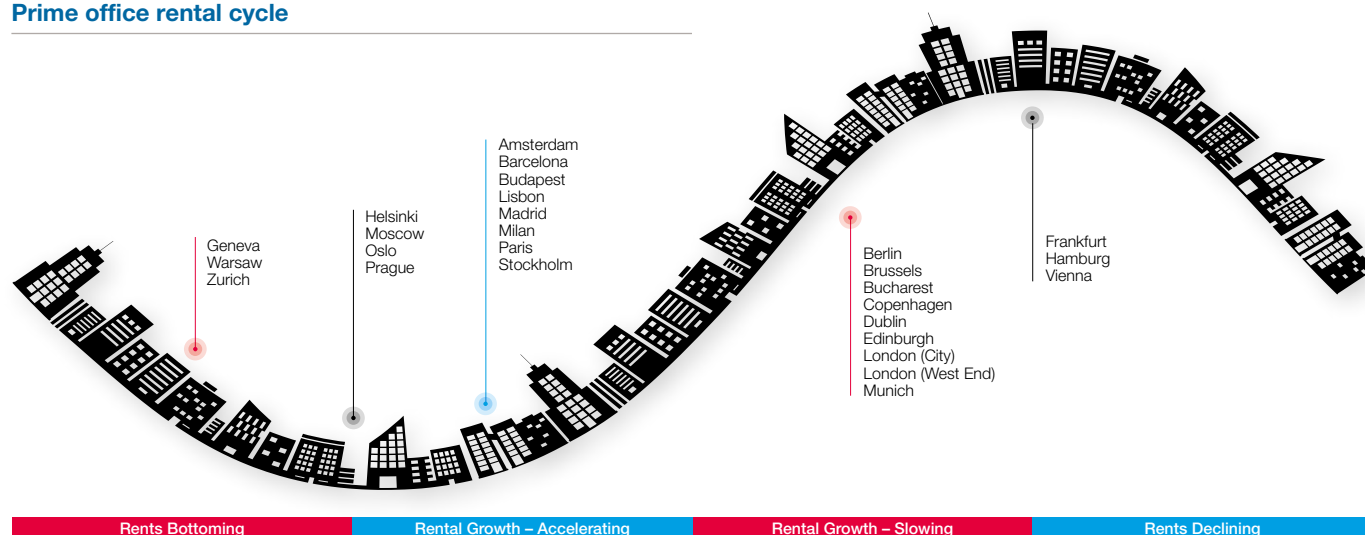


## Major Leasing Transactions, Q2 2016 (Deals over 10,000 sq m)

Market	Property	Tenant	Sector	Size (sq m)
Paris La Defense	M2 Tower	Saint Gobain	Business Services	49,000
Brussels	Pacheco	Belgium Federal State	Public Sector	30,000
Bucharest	The Bridge	BCR	Finance & Insurance	20,000
Munich	Sendling	Institute of Federal Real Estate (BlmA)	Public Sector	15,200
Munich	Ramersdorf	City of Munich	Public Sector	14,900
Brussels	Mérode, av. de Tervuren 41	EU Commission	Public Sector	12,794
Paris La Defense	Triangle de La'Arche	Bureau Veritas	Business Services	12,000
Barcelona	Via Augusta 85. La Guinardera building (San Cugat)	Labortorios Dr. Echevarne	Medical	12,000
Brussels	Black Pearl, Montoyer 15	EU Commission	Public Sector	11,013
Berlin	Dorotheenstraße 94-96	Einstein Foundation Berlin	Public Sector	11,000

FIGURE 7

## Prime office rental cycle



The above diagram is intended to provide a comparative guide to the current positions of European prime office markets in their rental cycles. Markets will move through their cycles at different speeds and, sometimes, in different directions. The positions indicated in the diagram do not constitute formal forecasts of future rental trends.

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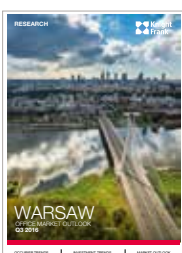
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