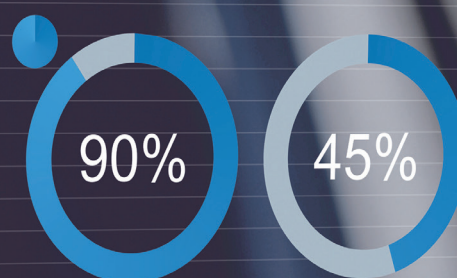


RESEARCH



EUROPEAN OCCUPIER MARKET DASHBOARD

Q3 2016

KEY MARKET INDICATORS FOR OFFICE OCCUPIERS

KEY STATISTICS

ECONOMY



EUROZONE'S ECONOMY
expanded by 0.3% in Q3.



ECONOMIC GROWTH EXPECTED
to continue at a moderate pace.



EUROZONE PMI SERVICES BUSINESS
Activity Index rose to 52.8 in October.



SOLID JOB CREATION
seen in Germany, Spain & Ireland.

+1.4pts to
106.9%
IN OCTOBER

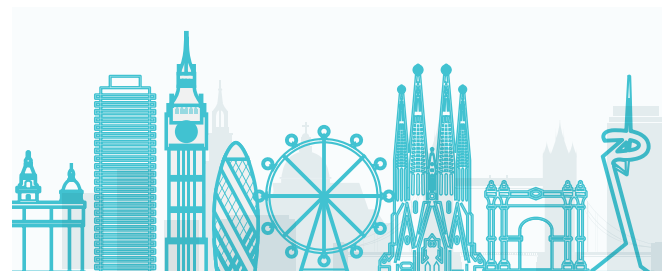


SENTIMENT

ECONOMIC SENTIMENT IN THE EU increased driven by marked improvements to industry and services confidence.

GROWTH

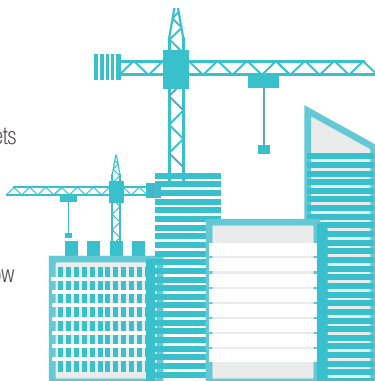
ON AN ANNUAL BASIS, AGGREGATE OFFICE TAKE-UP WAS DOWN 5% IN Q3. Both the UK and Spanish markets registered notably lower take-up compared to the same period last year.



SUPPLY

SUPPLY PIPELINE is relatively restricted although construction activity is increasing in some markets such as Paris, Dublin, Berlin, Munich and Warsaw.

EUROPEAN VACANCY RATES have fallen marginally in Q3 to below 9%, although are expected to rise once new stock is delivered to some markets.



RENTS

European Prime
Rental Index rose by
2.4%
year-on-year



PRIME RENTS INCREASED IN Q3 in Amsterdam, Berlin, Dublin, Munich, Paris, Stockholm, Warsaw and Zurich.



**COST IMPORTANT
CONSIDERATION IN REAL
ESTATE DECISIONS**



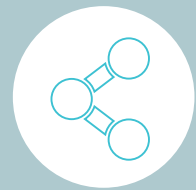
**DEALS LARGELY
INFLUENCED BY LEASE
EVENTS / RESTRUCTURING
RATHER THAN EXPANSION**



**A CLEAR FLIGHT TO
QUALITY**



**CEE MARKETS
BENEFITING FROM
GROWTH IN BPO / SSC**

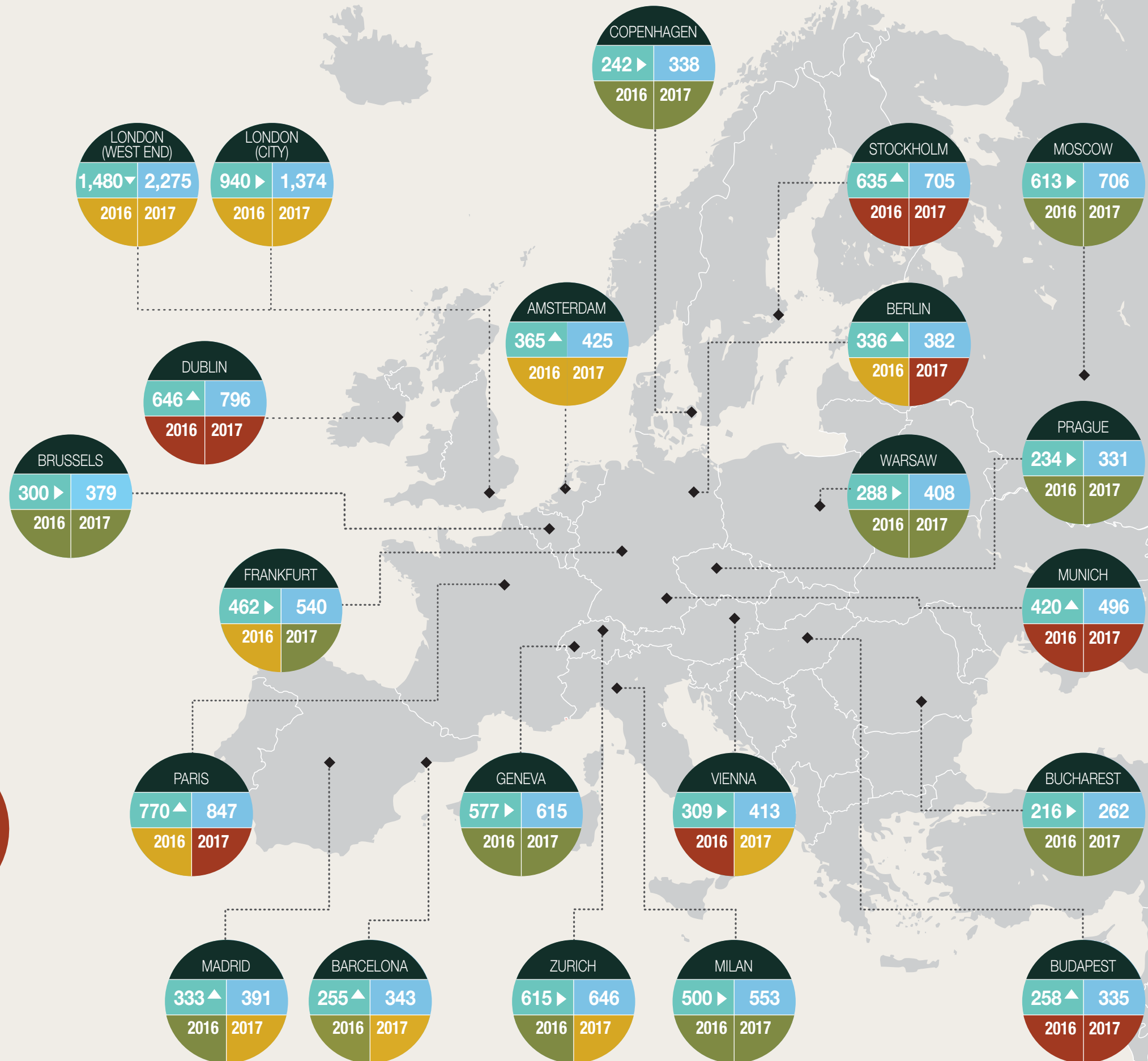
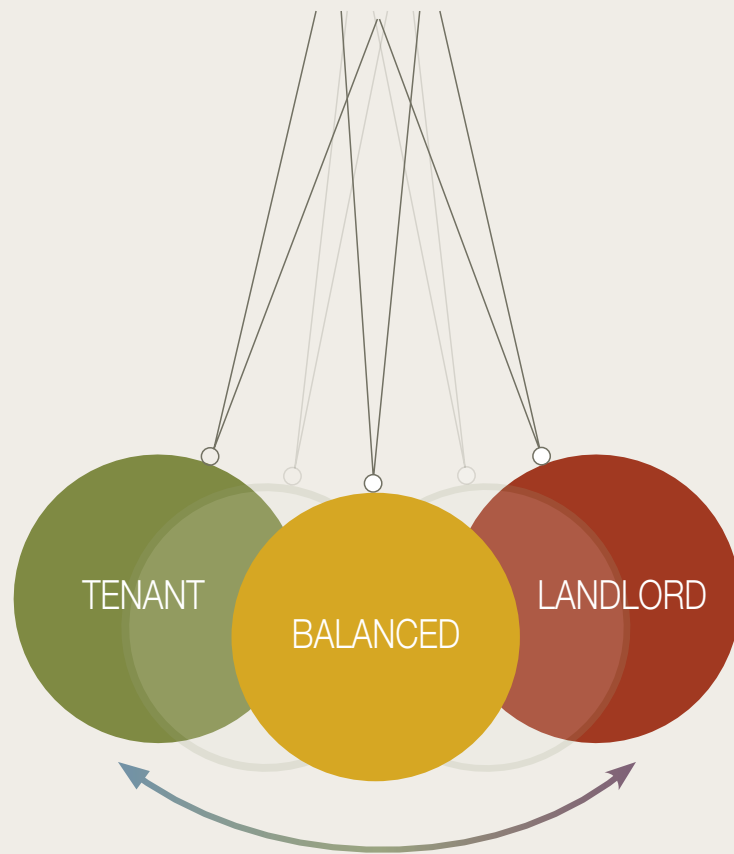


**TECHNOLOGY FIRMS
REMAIN MOST
DOMINANT LEASING
SECTOR**

EUROPEAN TRENDS

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

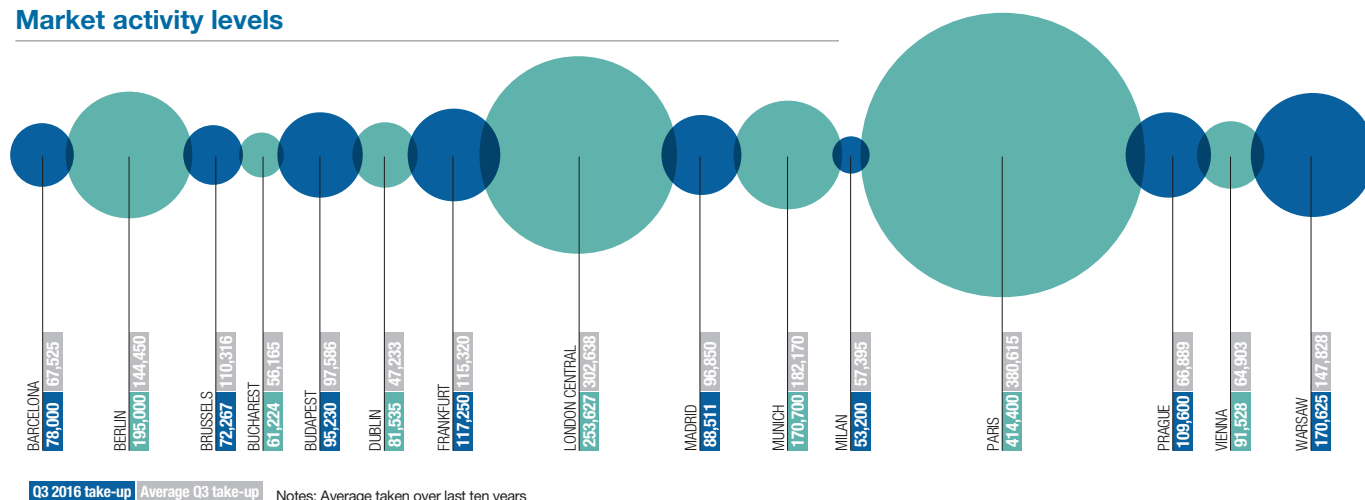
MARKET PENDULUM



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

FIGURE 6

Market activity levels

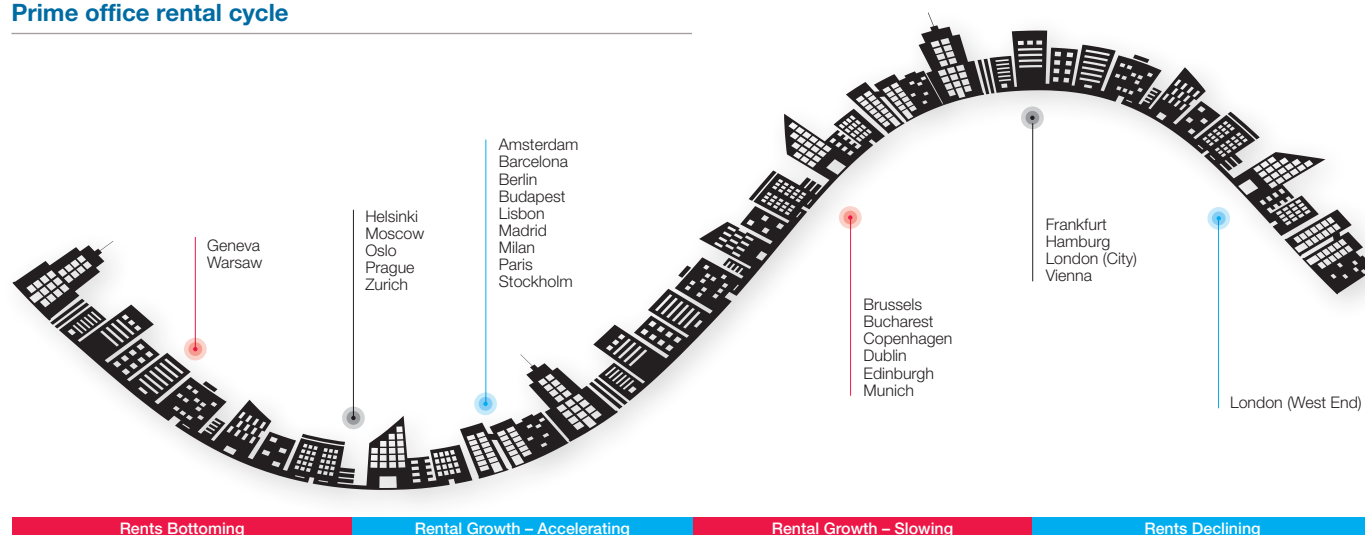


Major Leasing Transactions, Q3 2016 (Deals 10,000 sq m +)

Market	Property	Tenant	Sector	Size (sq m)
Paris	Window	RTE	Energy and Resources	44,000
London	Battersea Power Station	Apple	TMT	43,400
Paris	Le White	INSEE	Public Sector	23,800
Paris	10 Grenelle	LVMH Media (Les Echos / Le Parisien)	TMT	18,700
Vienna	DC Tower	PWC	Professional Services	15,700
Prague	Mechanica 01	Johnson & Johnson	Medical	15,100
Munich	Werinherstraße 83	Landeshauptstadt München	Public Sector	15,000
Munich	Microcity, Konrad-Zuse-Str. 1"	Alphabet	Finance	11,400
Bucharest	GreenGate	Teamnet	TMT	11,000
Bucharest	Iride Business Park	Hospital	Medical	11,000
Dublin	13-18 City Quay	Grant Thornton	Professional Services	10,963
Frankfurt	Theodor-Heuss-Allee 106, Frankfurt am Main	Commerzbank	Finance	10,757
Moscow	Novinskiy Passage	Samsung	TMT	10,000

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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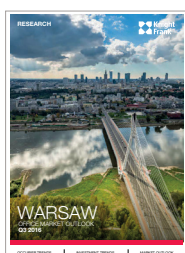
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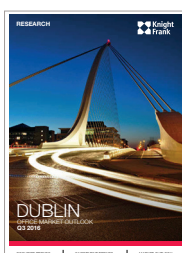
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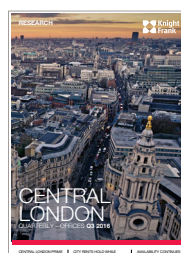
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