

RESEARCH



# EUROPEAN

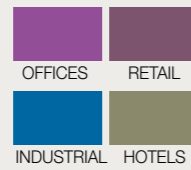
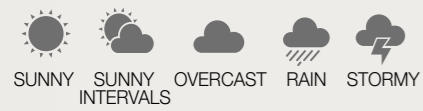
COMMERCIAL PROPERTY  
OUTLOOK **2015**



**MIPIM SPECIAL: A VIEW FROM LA CROISSETTE**

**KEY**

The weather symbols represent our view of investment sentiment for commercial property for 2015



**KEY FINDINGS**

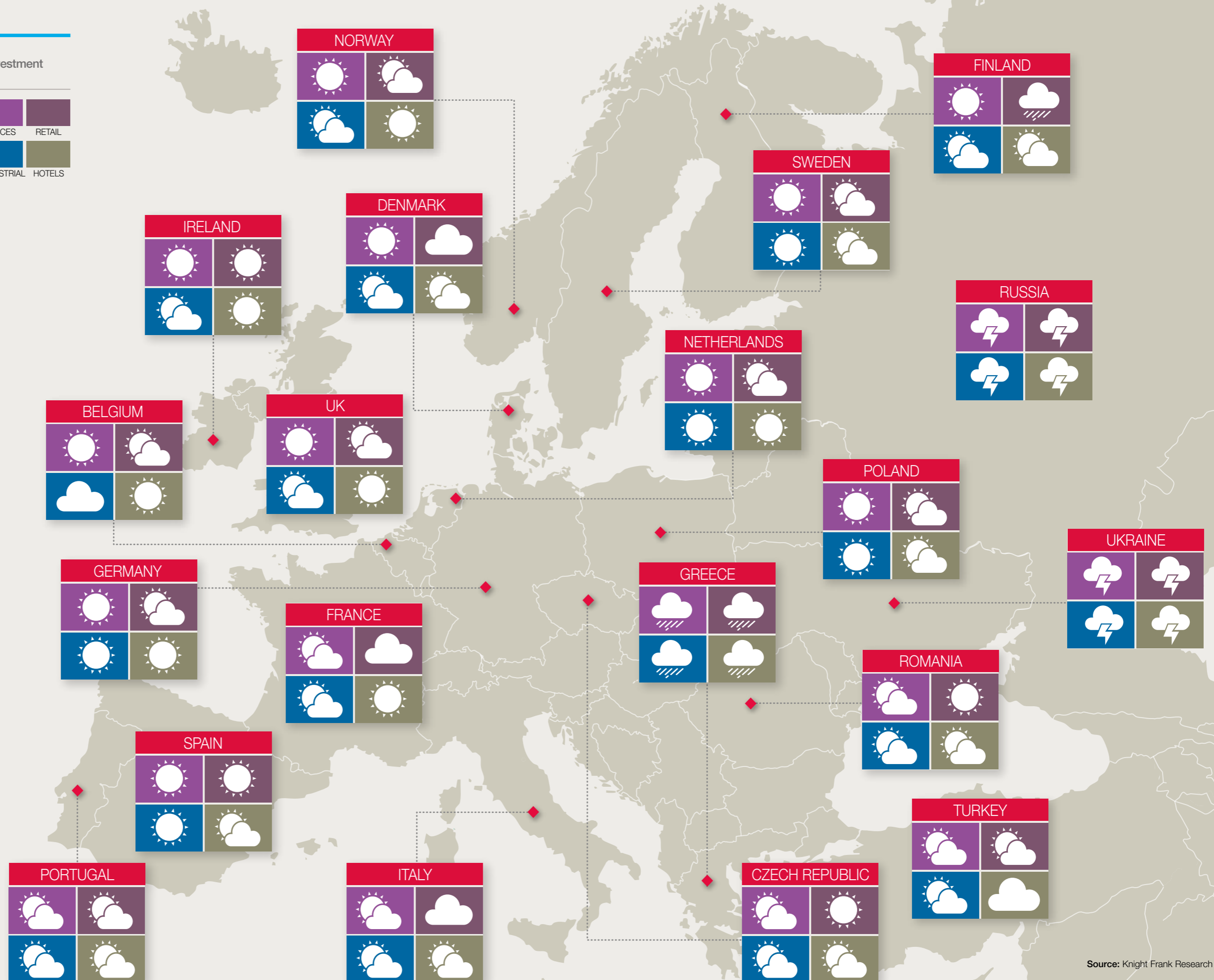
European commercial investment volumes totalled €177.6 billion in 2014, up 21% on 2013 and the highest since 2007. Further growth in activity is expected in 2015, despite various economic and political headwinds facing the continent.

The ECB's €1.1 trillion programme of quantitative easing (QE) announced in January 2015 promises to stimulate economic growth and keep borrowing costs down. While inflation remains low or negative in parts of Europe, surveys show that consumers still believe prices will increase in the medium term.

Occupier markets are likely to continue to move in line with wider economic trends. In most markets, rents remain lower than their pre-recession peaks, which should boost activity in 2015.

Following a period of yield compression in major European cities in 2014, particularly in the office and retail sectors, investors' appetite for risk has grown as they focus their interest increasingly on secondary opportunities and alternative sectors.

Specialist property such as hotels, healthcare and student accommodation are set for a strong year in terms of investment activity, with the sector becoming increasingly international.



Source: Knight Frank Research



#### COMMERCIAL BRIEFING

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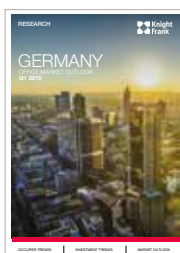
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