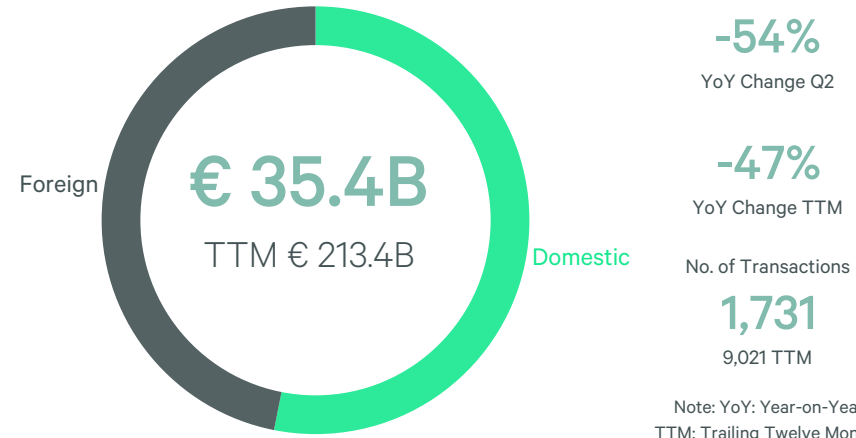


European Real Estate Investment Volumes Q2 2023

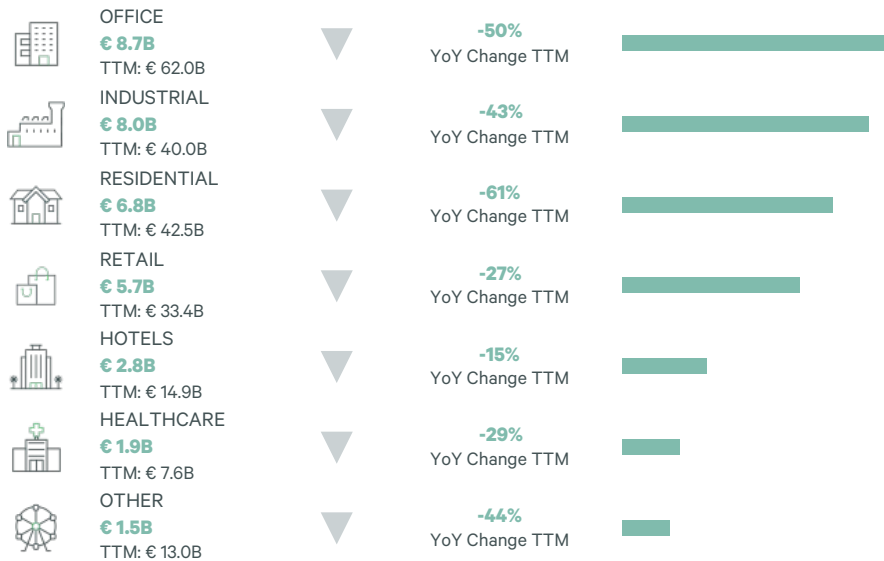
Continued slowdown in 2023 Q2

Investment into European commercial real estate reached €35bn in 2023 Q2, down -54% on 2022 Q2, and showed a continued decline of -9% compared to the €39bn we observed in 2023Q1.

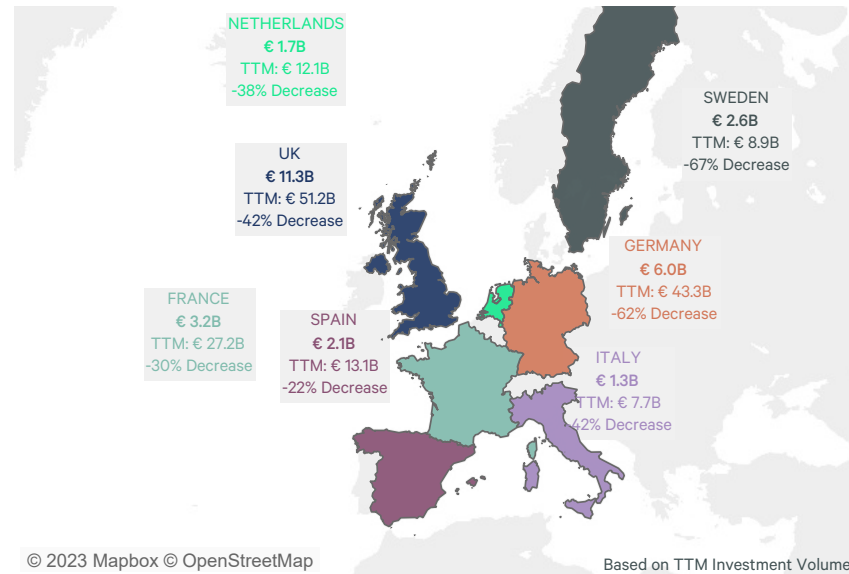
There are markets showing increases in investment activity in 2023Q2 compared to the first quarter of the year (Nordics 40%, Italy 35%, Netherlands 25%, Switzerland 17%, and Austria 13%). On the flipside, 2023 Q2 investment volumes in France (-40%), Germany (-21%) and Spain (-30%) declined compared to 2023 Q1. In addition, it should be noted that a year-to-date comparison trend (2023 YTD vs 2022 YTD) shows investment volumes in most markets across Europe declined from -40% to -70%. Investment volumes by sector also declined, ranging between -25% and -60%, when comparing 2023 Q2 with 2023 Q1, and 2023 H1 with the same period of the previous year.



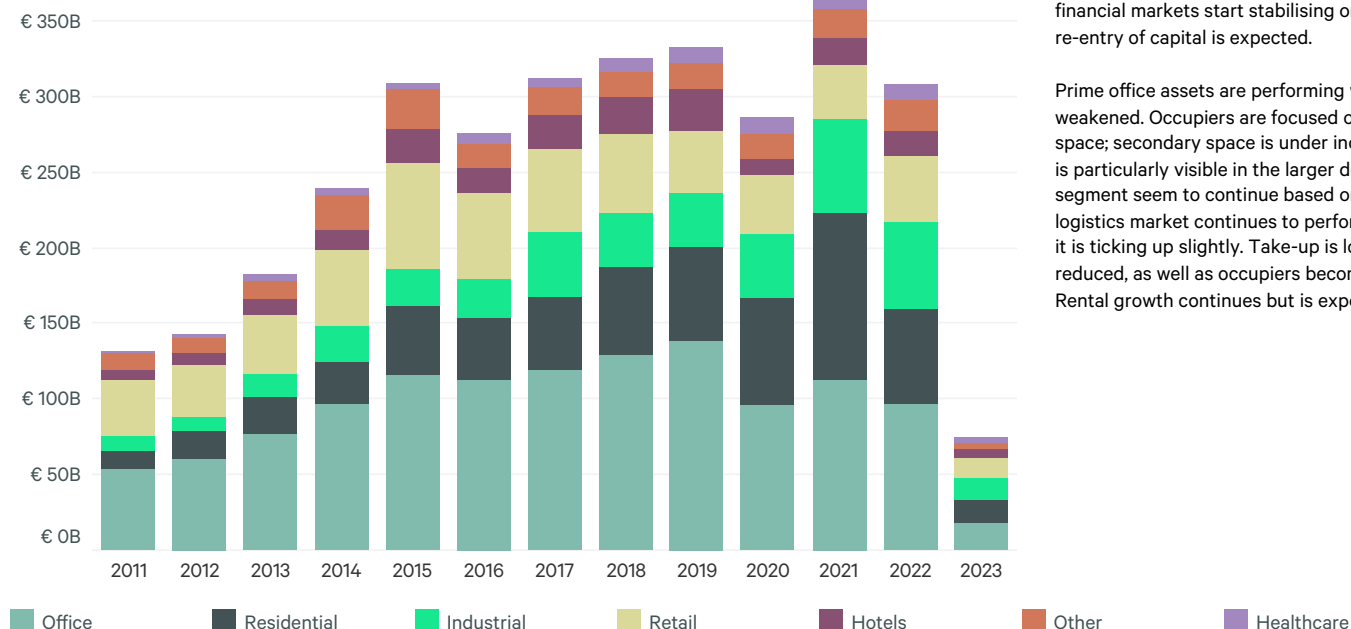
Investment by sector



Investment in top seven countries



Investment volumes (annual by sector)



First signs of recovery anticipated in the second half of this year

For the Eurozone, one or two more interest rate increases are expected. As soon as financial markets start stabilising on the back of this, and inflation is under control, a re-entry of capital is expected.

Prime office assets are performing well, but general sentiment in the office market has weakened. Occupiers are focused on improving quality of footprint but occupying less space; secondary space is under increased scrutiny. The slowdown in the leasing market is particularly visible in the larger deals, whereas activity in the smaller and medium sized segment seem to continue based on preliminary feedback from the markets. The logistics market continues to perform well. Generally, vacancy remains low, even though it is ticking up slightly. Take-up is lower as a result of e-commerce expansion being reduced, as well as occupiers becoming more cautious as a result of economic slowdown. Rental growth continues but is expected to moderate in most markets.

Note: 2023 annual figures included through to 30/06/23

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