

Yearly Decline Masks Recent Positive Changes

According to Real Capital Analytics, global sales of significant properties approximated 338 billion in 2009 barring any unexpected major transactions that occurred at yearend. This level of volume represents a 38% decline from 2008 and is just over a quarter of the peak volume recorded in 2007. Barely a handful of countries saw transactions increase in 2009.

REAL CAPITAL ANALYTICS
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While these headline figures show a market in decline, quarterly numbers illustrate a market that is improving. Volume hit its low in Q1 and has consistently improved each quarter since. Half of all countries experienced a more active second half

in 2009. The expected increase in transactions in Q4 is more modest than the growth for either Q2 or Q3, but it is more broad-based across countries and continents than earlier gains that were driven primarily by China. With property investment in most major countries now on the upswing, the forecast for 2010 is cautiously optimistic.

Another first class instruction for Colliers London

Colliers London is delighted to bring to the market 40,201 sq ft (3,734.7sqm) of mixed used commercial property, including offices, retail, nightclub and restaurant,



▲ 35 Dover Street

located in London's Mayfair.

Fronting two of the area's most prestigious streets, Dover and Berkley Street, the freehold site offers significant future development opportunities, including part residential and/or part owner occupier. The total current income of £1,840,641 per annum, with over 50% of the income being until 2019 and a low capital value of only £802 per sq ft.

Offers invited in excess of £32,270,000 reflecting a 5.4% Net Initial Yield after standard purchaser's costs of 5.7625%.



▲ 15 Berkley Street

For more information, please visit the website: www.colliersdocuments.co.uk/doverandberkeley or contact Dominic Amey on +44 207 344 6604 dominic.amey@colliersgv.co.uk

Collaboration at its best

► Colliers in Germany has collaborated with Colliers Boston in regards to a major German bank with assets in Boston. The existing relationships built in Germany have helped to facilitate an in

with the Bank and as a result the Boston team may assist the lender in disposing of a key asset and establish Colliers as a global investment resource for the bank.

► The London investment team is working with a major client of the Hong Kong office who is looking to acquire investments in Central London, up to £200 million.

Why invest in... Shanghai

By Lina Wong, Managing Director, Colliers East and West China



The investment market turned notably more active at the end of 2009 as investment sentiment improved on the back of ample liquidity, with domestic investors the major buyers. While we expect this trend to continue in 2010, foreign investors will take an increasingly proactive stance in acquisition, backed by their increased confidence in the China market due to its prompt economic recovery coupled with their improved balance sheets.

Apart from foreign funds, several policy initiatives will also widen the sources of capital in the investment market. It is likely that the pilot scheme on REITs will be launched in 2010. The establishment of real estate RMB funds will also take shape during the year. Although the revised Insurance Law of October 2009 allows insurance companies to invest in the property market, it is worth noting that, on January 21, 2010, the Chairman of the China Insurance Regulatory Commission stated that insurance funds would not be allowed to invest directly in development projects or the residential and commercial property

markets. This statement may be interpreted as having a short-term negative impact on the investment market, although we consider it helpful for the development of a stable commercial market, preventing the overheating of property values, as seen in the residential sector last year.

Barring adverse tightening by the government, capital values are expected to hold firm in 2010, underpinned by the optimistic economic outlook and improved investment sentiment. By contrast, rentals of most commercial properties will stay flat or continue their downward spiral in the year, further compressing investment yields. That said, as investors tend to be less risk-averse, their lower yield expectations will help close the gap. Notwithstanding the yield compression, we believe that the expectation of a positive rent reversion and the appreciation of the RMB, as well as future capital gains, will be the key drivers underscoring investors' interest in acquisitions.

Florida Investment is on the move again

BY JOHN STONE

Colliers in Florida is celebrating two impressive closings for the Florida Market, One is the purchase of a \$69 million mortgage for \$25.4 million on a multi family scheme in Fort Myers. The other is a seller agent assignment in the amount of \$23.5 million, where a

Norwegian Investment firm purchased Waterscape Resort in Fort Walton Beach, Florida. Colliers represented the seller of the Fort Myers scheme and the buyers of the Waterscape resort.

Colliers Arnold and Colliers Abood Wood-Fay have also been



▲ Oasis Comdominiums

retained to sell a \$142 million non-performing note collateralised by the remaining units of the Oasis Condominiums in Ft Myers Florida. Though it is un-priced the team already has three offers above \$50M, the most prominent

buyer is also a foreign capital source.

For more information on any of the above instructions or transactions please contact John W. Stone, CCIM +1 727 442 2635 or email john.stone@colliers.com



▲ Fort Myers Scheme

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COLLIERS
INTERNATIONAL

Colliers Poland concludes two major transactions

€70.8 million office complex in Warsaw

Colliers Poland, acting on behalf of Skanska Property Poland, the Polish real estate development business of Skanska AB has sold Marynarska Point, a two-building, 27,000 sqm, Class A office complex in Warsaw, Poland to the Luxembourg based closed-end real estate fund Investec GLL Global Special Opportunities Fund FCP. The purchase price of approximately €70.8 million (US\$102 million) reflects a capital value of €2,600 per sqm.



The transaction took eight months to complete and Colliers was the exclusive agent in the sale. German bank Helaba provided the purchaser with senior financing for the acquisition.

Marynarska Point is 100% leased to clients

such as Bank DnB Nord, Generali, AC Nielsen. It is also just the second building in Poland to obtain EU Green Building status. The property's energy requirements are 31 percent lower than the stipulated Polish standard.

“The sale of Marynarska Point is a milestone investment transaction in Poland as it represents the first major transaction to originate and close since the collapse of Lehman Brothers,” said Neil Gregory-Eaves, Director of Central & Eastern Europe (CEE) at Colliers International, who represented Skanska.

“Several major assets in Poland are currently in due diligence and we expect transaction activity

to accelerate in the coming months and this market will most certainly out-pace the rest of CEE for the near term,” Neil Gregory-Eaves added. “Poland’s macroeconomic dynamics are healthy and the national economy continues to expand.”

€236 million shopping centre portfolio



▲ Karolinka Shopping Centre, Opole

MPGA Europe Fund III acquired a € 236 million real estate portfolio developed and managed by Mayland Real Estate. Colliers International represented the vendor as exclusive agent in the sale.

The portfolio of shopping centers in Poland include Karolinka in Opole and Pogoria in Dabrowa

Gornicza, as well as a sale option on a third shopping centre in northern Poland. The acquisitions have been made by MGPA Europe Fund III, a fund advised by MGPA, an independently managed private equity real estate investment advisory company.

Both transactions closed in December 2009.

Client engagement

In an effort to build our international client engagement offer, Milton Lamb from Canada’s National Investment Team is joining the UK team at

the end of February at an international rugby match at Twickenham (England v Ireland) bringing with him guests from Cadillac Fairview, OMERS and Kan Am.