

Press release



12 August 2009

INVESTMENT SENTIMENT SHOWING SIGNS OF IMPROVEMENT IN UK COMMERCIAL PROPERTY

According to the latest research from Invista Real Estate Investment Management (“Invista” / the “Company”), there has been a noticeable thawing in the near-term outlook for UK Commercial Property, driven by increasing economic optimism and tangible evidence of buyers re-entering the commercial property market. In particular, it points to a growth in demand, primarily from overseas investors, for prime, well located, long-let properties.

These early positive signs need to be considered against the ongoing fall in capital values for UK Commercial Property, which according to IPD figures are down 4.0% for the three months ending June 2009. Nevertheless these falls seem to be slowing, pointing to a potential stabilisation in capital values. This, together with above trend yields we are seeing, could make the UK Commercial property market relatively attractive.

However, according to IPD UK commercial property rental values fell by 2.7% during Q2 2009. This pace of decline has not been seen since the end of 1992 and the emergence of the UK from its last major recession. Despite the falling rental values, Invista believes that the prospects are encouraging for a quicker recovery in rental values than was witnessed in the 1990s, assuming that there are no further major financial shocks in store. It attributes this difference to an economically driven contraction in rental values as opposed to a glut of new space in the market and says that this comparatively steady positioning is reinforced by the fact that rents have not risen sharply over the preceding years.



Mark Long, Head of Investment Strategy and Research at Invista, says:

“We are seeing a growing investor appetite for good quality UK commercial property investments, lead principally by overseas investors, who are attracted by the high level of investment yields and the relative weakness of sterling. However, the broader investment market is likely to continue to see further falls in values as weak occupier demand continues to push rents down. That said we are cautiously optimistic of the near-term prospects of the UK Commercial Property market and believe that a recovery in the market will be quicker than in the 1990s providing there are no further shocks to the system. ”

- Ends -

For further information, please contact:

Invista Real Estate	Mark Long / Jayne Phelan	+44 20 7153 9424
Financial Dynamics	Dido Laurimore / Olivia Goodall	+44 20 7831 3113

Notes to editors:

About Invista Real Estate Investment Management

Invista Real Estate Investment Management is the largest UK listed real estate fund management group. The Group manages both commercial and residential property across the UK and continental Europe, and has a total of £5.4 billion of assets under management as at 30 June 2009. Invista Real Estate manages a total of 23 funds as at 30 June 2009, some of which are for the largest UK providers of savings and investment products such as Clerical Medical, Halifax and St. James's Place. Invista Real Estate also manages a number of collective investor funds, including real estate investment trusts and open ended funds such as Invista Foundation Property Trust and Invista European Real Estate Trust which are listed on the main market of the London Stock Exchange as well as the fund of specialist funds, the Invista Property Portfolio Fund. Invista Real Estate has offices in London, Paris, Guernsey and Hong Kong and operations in Luxembourg and Singapore.

For more information on Invista Real Estate or the funds it manages visit www.invistarealestate.com.

Issued by Invista Real Estate Investment Management Limited. Registered office, Exchequer Court, 33 St Mary Axe, London, EC3A 8AA. Registered in England and Wales. Registered number 04459443. Authorised and regulated by the Financial Services Authority. Ref: Inv-363