

### Demand for distressed assets rising across globe

- Demand for distressed property rises in more countries than in Q3
- Supply is still expected to rise in the majority of countries
- Supply of distressed property expected to rise at fastest pace in Europe

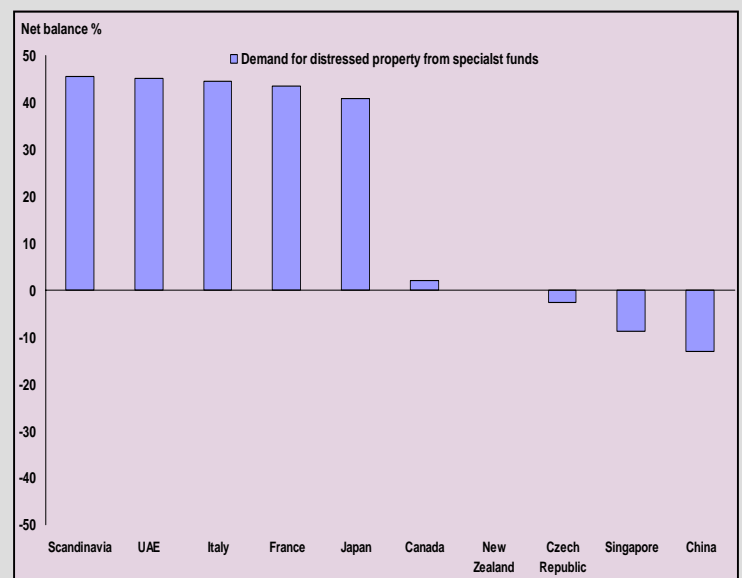
The results of the latest RICS Global Distressed Property Monitor suggest that demand for distressed assets rose in Q4, as more countries reported increasing levels of demand from specialist funds than in Q3. Respondents in 21 of the 25 countries included in the report indicated that interest in foreclosed real estate increased between the third and fourth quarter. Indeed, in most cases the pace of rising demand picked up at a faster pace than previously seen.

Demand for distressed assets rose at the fastest pace in Scandinavia, followed closely by the UAE, Italy, France and Japan. At the opposite end of the spectrum, only three countries indicated investor appetite for foreclosed property fell in Q4.

Significantly, the level of distressed property coming to market is set to continue rising into Q1 2012, as respondents in 17 countries say they expect supply to increase. The expected supply of property is once again rising at the fastest pace in the euro area, with Republic of Ireland, Portugal, Spain and Italy at the top of the rankings. The continuing debt crisis in the area is clearly adversely affecting sentiment, as property professionals in France and Germany also anticipate further rises in distressed selling.

Interestingly, there was a rise in the number of countries reporting an expected fall in supply (up to seven from five in Q3), and the net balance eased in 13 countries, suggesting that even where supply is forecast to rise, it will do so at a lesser pace.

The number of countries where supply is outstripping demand (in net balance terms) fell in Q4. Predictably, expected supply outpaced rising demand the most in the peripheral European economies of Portugal, Republic of Ireland and Spain.



*\*A distressed property is defined as a property that is under a foreclosure order or is advertised for sale by its mortgagee. Distressed property usually fetches a price that is below its market value.*

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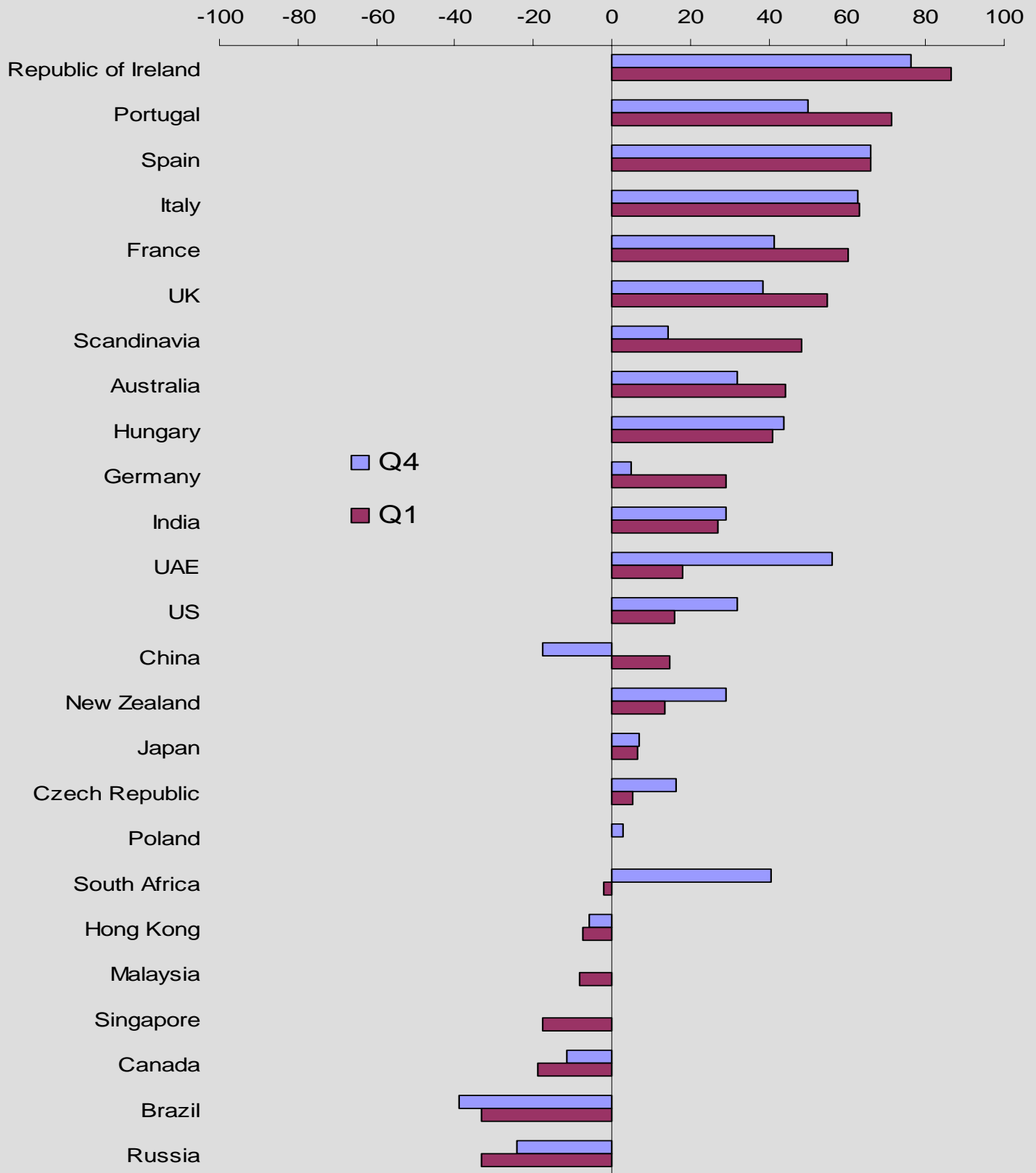
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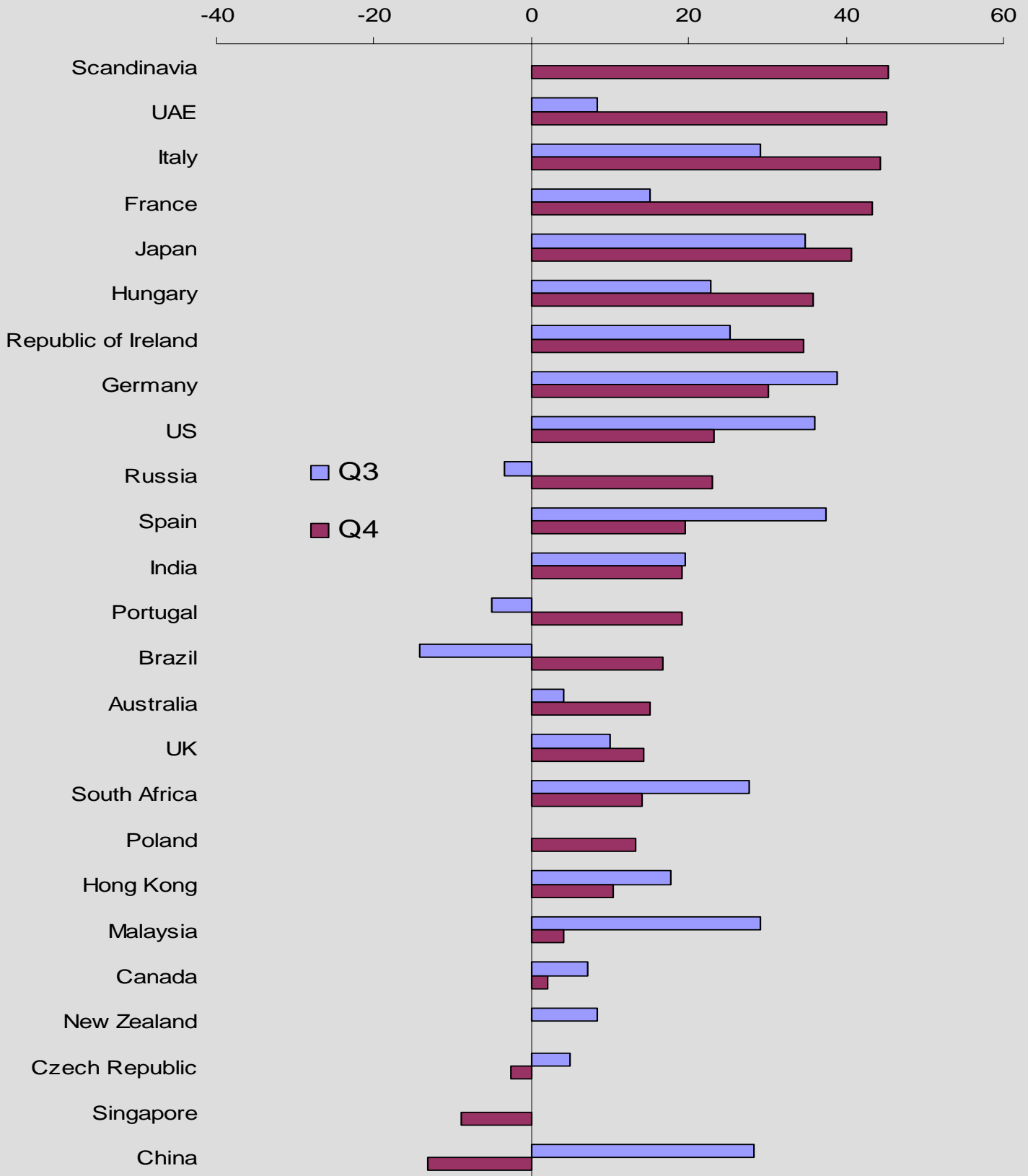
# Country statistics - for Q4 2011

Level of distressed properties expected next quarter ranked by net balance scores (compared to the previous quarter)



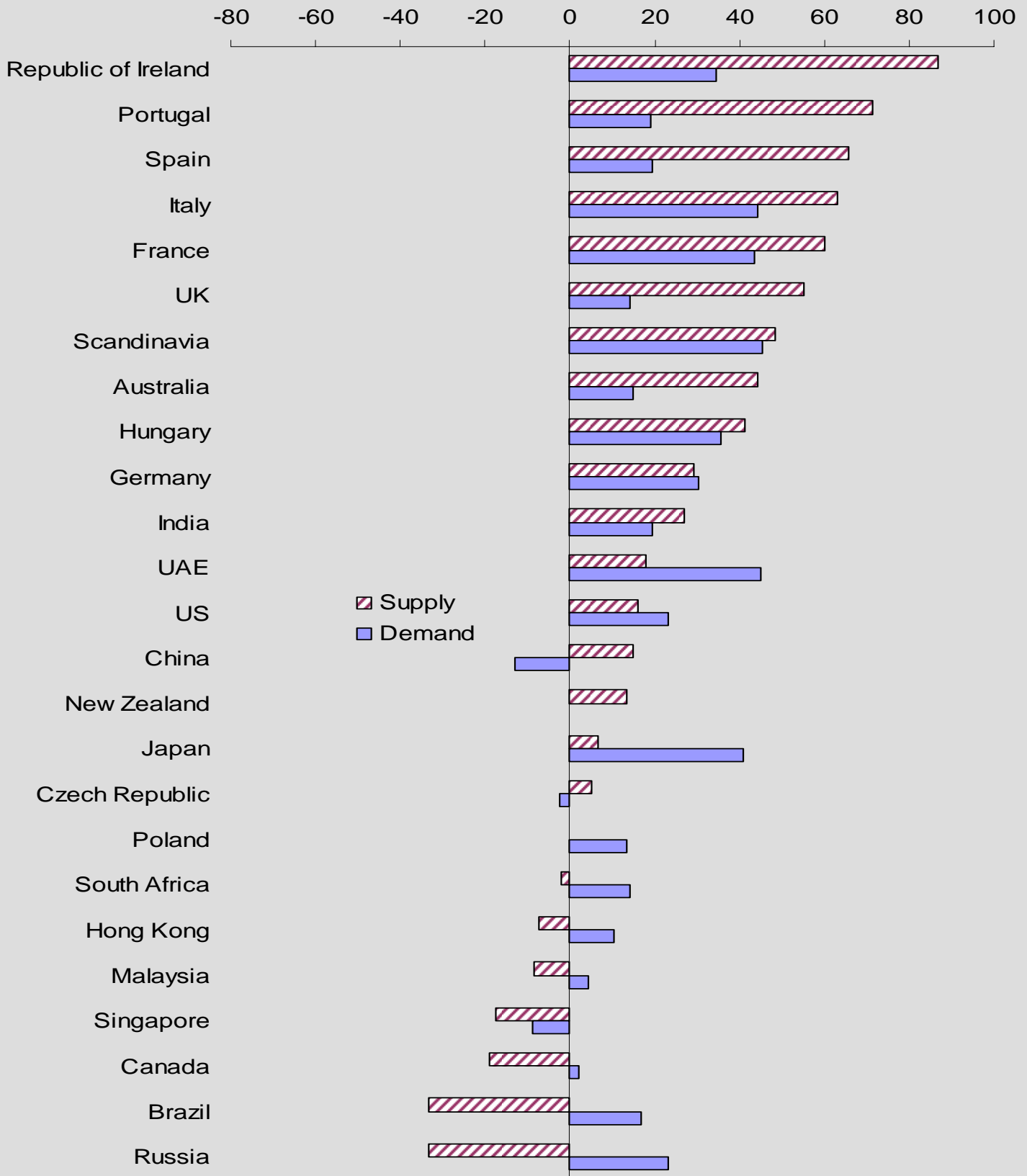
# Country statistics - for Q4 2011

Level of interest from specialist funds ranked by net balance scores



# Country statistics - for Q4 2011

Difference between expected supply of distressed property next quarter and demand, ranked by net balance scores



## Survey methodology

### RICS Global Commercial Property Survey

RICS' Global Commercial Property Survey is a quarterly guide to the developing trends in the commercial property investment and occupier market.

This edition details market conditions for the final three months of 2011, based on information collected from leading international real estate organisations and local firms.

### Methodology

Survey questionnaires were sent out on 1<sup>st</sup> December 2011, with responses received up until the 23<sup>rd</sup> of December. Respondents were asked to compare conditions over the latest three months with the previous three months. A total of 979 company responses were received, with 189 from the UK.

Responses have been amalgamated across the three real estate sub-sectors of offices, retail and industrial property at a country level, to form a net balance reading for the commercial market as a whole.

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## Subscription information and contributor enquiries

The Global Commercial Property Survey is available from the RICS web site - [www.rics.org/economics](http://www.rics.org/economics) along with other surveys covering the housing market, residential lettings, commercial property, construction activity, the farmland market and arts and antiques.

For access to city level agents' comments and contributor details please view the rics economics website.

### RICS Global Commercial Property Survey

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