

Press Release: For Immediate Distribution

First repeat-sales index of commercial property prices launched in the UK

London – July 31, 2013 – Real Capital Analytics (RCA) announced today the launch of the RCA/PD UK Commercial Property Price Indices (RCA/PD UK CPPI™) — the UK's first transaction-based indices using repeat-sales regression methodology. The UK indices have been launched in conjunction with Property Data, RCA's data partner in the United Kingdom.

The RCA/PD UK CPPI are part of a global suite of indices that continue RCA's history of pioneering advancements in commercial real estate information and analysis. The suite includes the Moody's/RCA CPPI in the US, first launched in 2007. To complement this national benchmark, RCA recently launched over 200 US market and regional indices. In addition, RCA has executed an agreement with Nikkei Business Publications to launch a transaction-based index for Japan later this year.

Simon Mallinson, RCA Executive Managing Director EMEA said, "At RCA we strive to find new ways of helping our clients' understanding of market price movements. This new index will allow users to look for leading indicators and understand how sentiment has impacted actual pricing. In fact, the latest data illustrates changes in sentiment are afoot."

Commercial property prices in the UK were up a modest 0.3% in Q2 and 4.3% over the past year. As prices of office properties in Central London have nearly returned to peak levels, investors have started to put pressure on office prices elsewhere in the UK and on retail properties where these indices are just 70% of peak levels. In Q2, price growth for offices ex-London and for the retail sector was the strongest for 10 quarters. Transactions volumes for offices outside London also rose strongly, while volumes for offices in Central London were up only modestly.

"There has been a growing demand for a UK transaction-based index, driven by the change in investor composition over the last decade. This is a unique opportunity to combine our market leading investment transaction data with the recognised global leader in commercial real estate information," said Mark Pickering, Director of Property Data.

The initial release of the RCA/PD UK CPPI includes 3 national-level indices focused on the office, retail, and commercial (combined office, industrial, and retail) property types and 2 office indices focused on Central London and the UK excluding London. The indices, which will be published quarterly in the month after quarter's end, utilize repeat-sales regression methodology, an approach that produces quality-controlled property price indices and is widely acknowledged as the most accurate way to track real estate price movements. To learn more about the RCA/PD UK CPPI or to register to receive quarterly updates, visit at http://www.rcanalytics.com/public/rca_cpqi.aspx.

About Real Capital Analytics, Inc.

Real Capital Analytics, Inc. (RCA) is the industry's leading global provider of commercial property data. The firm's proprietary research is focused exclusively on the investment market for commercial real estate. The firm publishes a series of *Capital Trend* reports and offers an online service that provides current transactional information for all markets globally. For more information, visit <http://www.rcanalytics.com>.

About Property Data, Ltd.

Property Data, Ltd (PD), based in the United Kingdom, provides UK commercial investment, development, and retail property data. PD is an RCA data partner in the UK, and provides co-branding on the RCA/PD UK CPPI. During the last 13 years Property Data's investment service has become the acknowledged market leader in UK commercial investment transaction capture. For more information, visit <http://www.propertydata.com>.

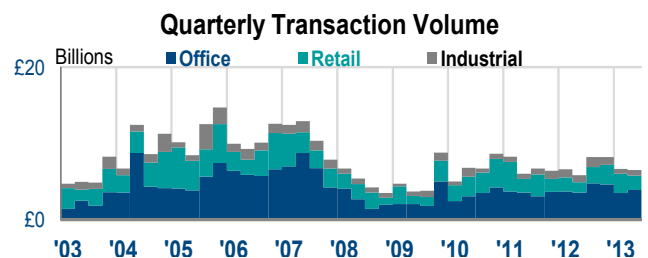
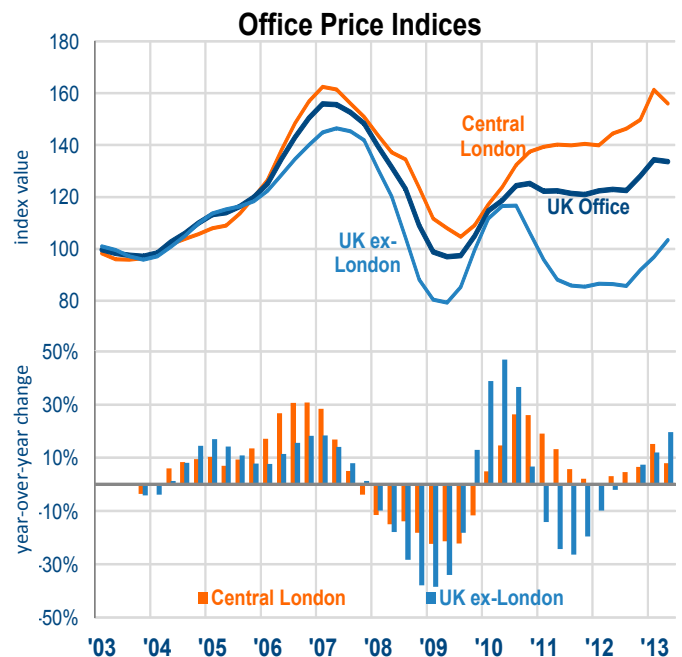
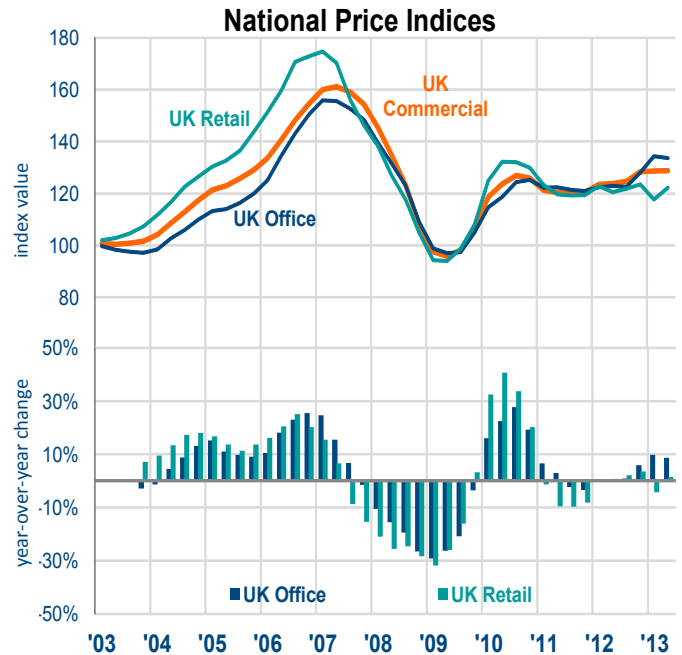
- Commercial property prices in the UK were up a modest 0.3% in Q2 and 4.3% over the past year. However, recent movements reflect some changing trends with prices of office properties in Central London moderating while those for office properties ex-London and for retail properties may be staging a rebound.
- National office prices have grown 8.9% over the past 12 months, outpacing the 1.4% gain in the retail sector, but over the most recent quarter prices for retail significantly outperformed the office sector. Prices in the retail sector, at 70% of peak levels, still have a ways to catch up with the office sector where prices are now 86% of peak levels.
- Investors have been cautious of the retail sector given the number of UK retail failures in the last 12 months although the strong performance in the most recent quarter may reflect that sentiment is changing.

RCA/PD UK CPPI Summary Table

Index Name	CPPI Changes†				Transactions†		
	Qtr	YOY	% Peak	% Trough	Vol YOY	Avg Cap	Avg £/SF
UK Office	-0.4%	8.9%	86%	138%	10%	6.2%	£ 521
Central London	-3.2%	8.1%	96%	145%	6%	4.8%	£ 707
UK ex-London	6.7%	19.6%	71%	130%	31%	6.1%	£ 259
UK Retail	3.9%	1.4%	70%	130%	42%	6.4%	£ 359
UK Commercial	0.3%	4.3%	81%	135%	12%	6.6%	£ 350

† Peak defined as Q1'07; Trough defined as Q2'09
Avg. cap rate and avg. price per square foot are for the past 4 quarters (Q3'12 - Q2'13)

- The sentiment for office properties outside of Central London also appears to be changing. Prices for office ex-London have increased 19.6% over the past year and recorded strong gains again in Q2. Prices still remain well below peak levels whereas office prices in Central London have nearly recovered back to peak levels.
- In the most recent quarter, Central London prices have tapered, recording the first quarter-on-quarter decline since Q1'12. Whether this is a mid-year lull in pricing or a turning point remains to be seen.
- Price indices along with other investment trends seem to indicate that investors are becoming less risk adverse and increasingly looking outside the capital.



The RCA/PD UK CPPI™ are part of RCA's global suite of repeat-sales, transaction-based indices. The UK index is produced in collaboration with RCA's UK data partner, Property Data Ltd. Data is subject to revision.

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