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Property investment exceeds 27 billion pounds

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LONDON (Reuters) - Investment in commercial real estate exceeded 27 billion pounds (\$54.48 billion) in the first half of 2007, broadly in line with last year's record pace, provisional figures from research firm Property Data showed.

A spokesman for Property Data told Reuters that the figures also showed a greater reliance on foreign buyers, with 42 percent of transactions going to non-UK based investors versus 31 percent in 2006, drawing a mixed response from analysts.

Global property services firm Jones Lang LaSalle (JLL) said the data -- collated from the country's leading commercial property agencies -- provided some evidence that the market was levelling off, with the number of bidders falling.

Julian Stocks, JLL's head of capital markets for England, said he expected a slightly lower level of activity during the remainder of the year.

"With the inflows into the UK retail funds slowing and swap rates over 6 percent, there is definitely a change occurring in many of the markets in the UK," he said.

He said there was a chance of debt-backed buyers becoming more active again in 2008, assuming interest rates fell.

Bigger rival CB Richard Ellis (CBG.N: [Quote](#), [Profile](#), [Research](#)) was more positive.

"One can overdo the idea that the market will run out of steam in the second half," Peter Damesick, head of research and consulting at CB Richard Ellis, said. "There are still significant volumes of money out there looking to find a home in real estate."

"It's still a very active market," he said.

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