

CB RICHARD ELLIS

Global

MarketView

Office Occupancy Costs

November 2008

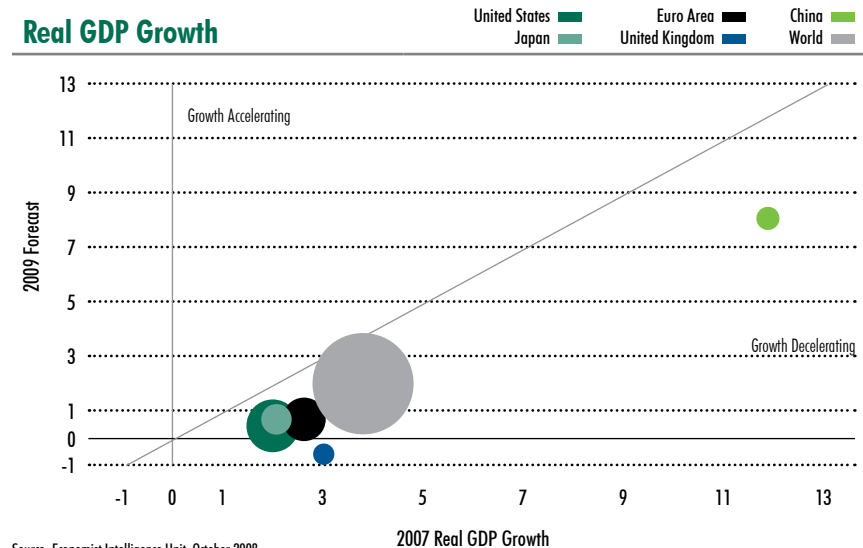


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Introduction

Global Economies

A year of economic tumult and change! The foundation of the world's economy has been shaken, hit by one shock after another. The year started off with a housing crisis in the United States, and as the extent of the crisis was uncovered, it quickly became apparent the world's other large economies would be affected. As the crisis spread, we saw large-scale bank failures and massive government intervention. All the while, energy and commodity prices were setting records through mid summer, with oil hitting a record in July. As we close out 2008, much uncertainty surrounding the global economy remains. With many of the world's major economies expected to slow dramatically toward the end of this year and next, it will be a challenge for the world economy to stay out of recessionary territory.



The above graph illustrates the fact that the world's major economies are forecast to grow at a slower pace in 2009 than what they experienced in

2007. The size of each bubble is representative of the size of each economy. Each of the economies represented on the graph are located below the 2007 growth trend line, regardless of their size.

It is unclear if the worst of the financial crisis is over, as it will take time for banks to purge their balance sheets of the toxic assets plaguing them. Home prices continue to fall in the U.S. after over a decade of surging prices led to massive overbuilding. It will take time for the excess housing inventory to work itself out. The U.S. posted a decline in real GDP growth during the third quarter, and as the brunt of the financial crisis happened toward the end of the quarter, it is expected the U.S. will post negative growth for the final quarter of 2008 and likely again during first quarter 2009.

The financial crisis started in the U.S., but it has had global consequences. As the depth of Europe's exposure to the financial crisis became clear, several nations intervened to prevent massive bank failures and to increase bank liquidity. Some European nations will be more adversely affected by the financial crisis than others and some may be worse off than the U.S. The rising value of the U.S. dollar offers some hope for European economies as European products become increasingly competitive in world markets.

Asia has minimal exposure to the financial crisis and is expecting another year of strong economic growth. The pace of economic growth in Asia will exceed most other economies, but will be slower than what these economies have experienced in recent years. China's rapidly developing economy appears to be feeling the effects of decreased foreign demand and investment. Chinese economic growth recently slowed to less than 10% after five years of double-digit economic growth. Japan, Asia's largest economy, is grappling with the recent rapid appreciation of its currency. A strong Yen will severely hamper the ability of Japan's export-based economy to compete in world markets.

Global Office Markets

Office markets closely mirror the economic picture of the cities in our survey. We have seen some slowing of the rapid inflation in occupancy costs over the last six months, although the property markets remain fairly well occupied. Based on our third quarter survey, just over 80% of the markets are showing flat or rising occupancy costs. As one would expect, the markets at the top of the list as measured by greatest increases over the half-year are in emerging, as opposed to mature, markets, while the highest occupancy costs are mostly in the long-standing, very mature markets.

Where is Office Occupancy Most Expensive?

The Europe, Middle East and Africa (EMEA) region has the world's two most expensive office markets. At the top of the list once again sits London's West End. With an occupancy cost of \$248.66 per sq. ft., it is almost \$14 more expensive than the second place city, Moscow, whose occupancy cost is \$234.73 per sq. ft.

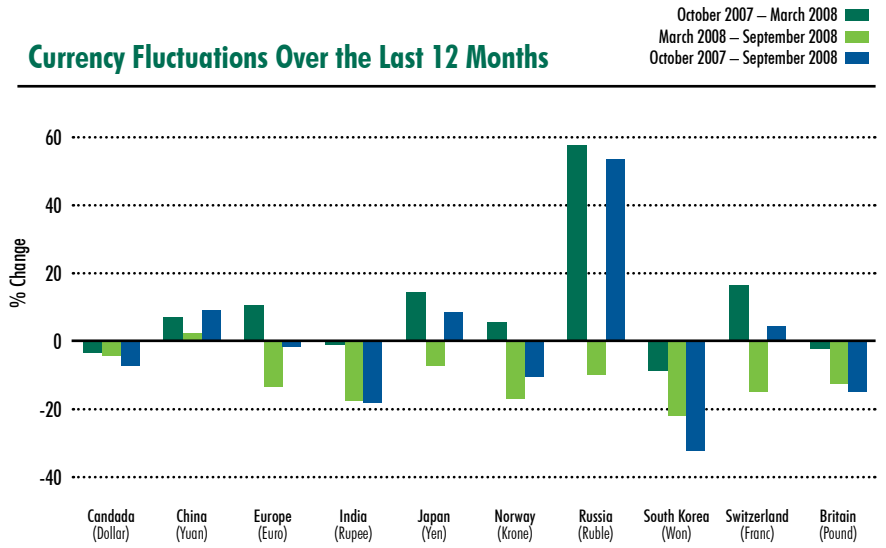
The Asia Pacific region holds the third and fourth spots. Hong Kong's CBD, with a reported occupancy cost of \$231.59 per sq. ft., holds third place globally and is the most expensive market in the Asia Pacific region. Tokyo's inner central district, with an occupancy cost of \$184.26, came in at fourth globally, while Mumbai's Nariman Point finished out the top five, at \$170.85 per sq. ft.

North America is led by Midtown New York, which posted an occupancy cost of \$98.08 per sq. ft. While occupancy costs in New York are high for North America, it is ranked just 15th globally. São Paulo, Brazil, posted the Latin America region's highest occupancy costs at \$75.13.

Occupancy costs measured in U.S. dollars are affected by changes in the dollar's value versus the respective local currency. Hence, when converted

into U.S. dollars, occupancy costs in other global cities are driven both by local market dynamics of supply and demand, as well as currency changes.

Currency markets have been very volatile over the last 12 months. The dollar, while weaker during much of the first part of the year, has appreciated, in some cases dramatically, against most currencies during the past six months. Figure 1 shows how currencies have fluctuated against the U.S. dollar over the last 12 months ending September 30, 2008. Since the end of September, we have continued to see dramatic fluctuations in various currencies around the world, with the strength of the Japanese Yen and the weakness in the Hungarian Forint making recent headlines. With increasing global uncertainty and continuing volatility in the currency markets, real estate values in dollar terms will continue to be affected by currency markets.



Source: Financial Times: FT Guide to World Currencies

Global 50 Index—Most Expensive

(ranked by occupation cost in US\$/SF/annum)

1	London (West End), England	248.66	14	Dublin, Ireland	108.58	27	Shanghai (Pudong), China	75.01	40	Tel Aviv, Israel	65.50
2	Moscow, Russia	234.73	15	New York Midtown, U.S.	98.08	28	Frankfurt am Main, Germany	74.09	41	Los Angeles (sub), U.S.	63.58
3	Hong Kong (Central CBD)	231.59	16	Ho Chi Minh City, Vietnam	92.83	29	Glasgow, Scotland	73.98	42	Athens, Greece	63.04
4	Tokyo, (Inner Central), Japan	184.26	17	Madrid, Spain	88.43	30	Stockholm, Sweden	73.72	43	Toronto (CBD), Canada	61.54
5	Mumbai (CBD), India	170.85	18	Zurich, Switzerland	88.01	31	Perth, Australia	73.72	44	Seoul (CBD), South Korea	60.24
6	Dubai, United Arab Emirates	156.53	19	Milan, Italy	85.76	32	Aberdeen, Scotland	73.08	45	Munich, Germany	60.23
7	Tokyo (Outer Central), Japan	151.69	20	Birmingham, England	84.67	33	Warsaw, Poland	71.34	46	Sydney (Core), Australia	59.39
8	London (City), England	146.61	21	Oslo, Norway	83.63	34	Leeds, England	71.30	47	Jersey, England	59.29
9	Singapore, Singapore	135.13	22	Luxembourg City, Luxembourg	82.25	35	Bristol, England	70.41	48	New York Downtown, U.S.	59.16
10	Hong Kong (Prime Districts)	132.97	23	Edinburgh, Scotland	82.00	36	Rome, Italy	68.84	49	Liverpool, England	57.93
11	Abu Dhabi, United Arab Emirates	132.44	24	Manchester, England	79.32	37	Rio de Janeiro, Brazil	68.77	50	Brussels, Belgium	57.42
12	Paris, France	131.62	25	Geneva, Switzerland	78.07	38	Calgary (CBD), Canada	66.58			
13	New Delhi (CBD), India	122.18	26	São Paulo, Brazil	75.13	39	Shanghai (Puxi), China	65.97			

Where are Occupancy Costs Rising the Fastest?

Worldwide, the cost of occupying office space grew rapidly during the 12 months ending September 30, 2008. The average rate of growth for office occupancy cost among the 172 markets monitored was 8%, almost double last year's world inflation rate.

Three of the top five fastest growing markets are Middle Eastern. Such dramatic growth in occupier costs is being fuelled by continued investment into the region. Abu Dhabi, United Arab Emirates, with an occupancy cost growth rate of 94.6%, was the leader during the 12 months ending September 30, 2008, while Dubai, United Arab Emirates, with a growth rate of 50.9%, was third. Tel Aviv, Israel wrapped up the top five, at 40.7%.

The slowing economic situation in North America has started to dampen occupancy cost growth rates. Of the nine markets in the top 50 rankings for North America—down from the last report's 15 markets—occupancy cost growth rates averaged 14.5%, the slowest of all the regions covered.

Occupancy costs in the six Latin American markets that made the top 50 rankings grew an average of 21.5%. Favorable office fundamentals across the region have pushed two new cities—Santo Domingo, Dominican Republic, and Lima, Peru—into this report's top 50 rankings. São Paulo, Brazil, led the region, with an increase of 34% during the last 12 months. Occupancy costs for the Asia Pacific markets in the top 50

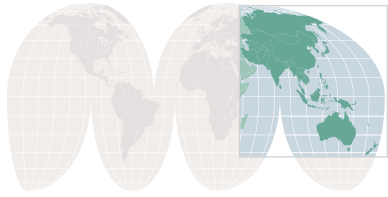
boasted the fastest growth of all regions, at an average rate of 26.2% during the 12 months ending September 30. Among the region's ten entries into our top 50, Ho Chi Minh City led with a stunning 51.4%

growth rate. Perth, Australia, with a growth rate of 45.2%, came in second, while Hong Kong had the third largest increase in the region, with a 29.1% growth rate.

Global 50 Index—Fastest Growing

(ranked by 12-month % increase in occupation cost in local currency and measure)

1	Abu Dhabi, United Arab Emirates	94.6	14	Johannesburg (Sandton), South Africa	27.3	27	Oslo, Norway	17.1	40	Valencia, Spain	12.5
2	Ho Chi Minh City, Vietnam	51.4	15	Santo Domingo, Dominican Republic	27.3	28	Gothenburg, Sweden	17.0	41	Sydney (Core), Australia	12.2
3	Dubai, United Arab Emirates	50.9	16	Christchurch, New Zealand	26.6	29	Vancouver (CBD), Canada	17.0	42	Charlotte, U.S.	11.6
4	Perth, Australia	45.2	17	Boston (CBD), U.S.	25.5	30	Shanghai (Puxi), China	16.2	43	Frankfurt am Main, Germany	11.4
5	Tel Aviv, Israel	40.7	18	Hong Kong (Prime Districts)	25.0	31	Ventura, U.S.	15.7	44	Stamford, U.S.	11.2
6	Durban, South Africa	36.8	19	Luxembourg City, Luxembourg	23.8	32	Palma De Mallorca, Spain	15.4	45	Rio de Janeiro, Brazil	11.2
7	São Paulo, Brazil	34.0	20	Helsinki, Finland	20.0	33	Malaga, Spain	14.9	46	Montreal (CBD), Canada	11.1
8	Panama City, Panama	30.9	21	Aberdeen, Scotland	19.7	34	Adelaide, Australia	14.9	47	Marseille, France	10.9
9	Cape Town (Claremont), South Africa	30.0	22	Lima, Peru	19.4	35	Lyon, France	14.5	48	New York Downtown, U.S.	10.6
10	Moscow, Russia	29.8	23	Milan, Italy	19.3	36	New Delhi (CBD), India	13.6	49	Calgary (CBD), Canada	10.6
11	Rome, Italy	29.5	24	Geneva, Switzerland	17.8	37	Lille, France	13.0	50	Quito, Ecuador	10.0
12	Hong Kong (Central CBD)	29.1	25	Buenos Aires, Argentina	17.7	38	Prague, Czech Republic	13.0			
13	Singapore, Singapore	27.8	26	Los Angeles (CBD), U.S.	17.4	39	Zurich, Switzerland	13.0			



Asia Pacific Regional Snapshot

Asia

Asia is bracing itself for an economic slowdown. Given the present global financial crisis, the region is facing its most severe economic challenge since the more localized crisis it experienced in 1997-98.

The third quarter saw real estate market fundamentals weaken and office leasing momentum slow. Increases in office vacancy rates were recorded in 12 of the 17 markets tracked, led by Bangkok and Shanghai which were up 6.8% and 2.8% respectively. These trends reflect the deterioration of business sentiment in region.

Tokyo's prime office rental rates registered a decline for the third consecutive quarter, after previously enjoying a four year period of consecutive quarterly growth. Average prime office rents also started to decline in Mumbai, Shanghai and Manila. Elsewhere, prime office rents were largely unchanged in major CBDs across the region, including those in Beijing, Hong Kong, Seoul, Ho Chi Minh City and Singapore.

Pacific

Demand remained solid and supply was low across most of the Australian office markets during 2007 and into the first half of 2008. From the beginning of the year until June 2008, net absorption in the Pacific region reached over 429,900 sq. m. in CBDs; however, absorption is expected to ease over the second half of 2008 and into 2009. Many markets have completed construction cycles and net supply only reached 312,600 sq.m. during the first half of 2008. Looking forward, net supply is expected to increase 392,800 sq. m. annually until 2011. During the remainder of 2008, Australian CBD vacancy is forecast to increase to around 6.6% before increasing again in 2009 to just over 8.0%. The New Zealand occupier

market remains positive, although its growth momentum has slowed compared to 2007. Declining business confidence has led to rental growth being traded for longer lease terms.

Key Market Snapshots

Tokyo: Ongoing turmoil in the global economy contributed to a further deterioration in business sentiment, which had a strong impact on the office leasing market. The quarter witnessed several large occupiers in the financial sector either curtail expansion plans or relocate to smaller offices following headcount reductions. Average prime office rents (exclusive of common area management fees) declined 7.1% quarter-on-quarter to JPY 52,000 tsubo per month. The Grade A vacancy rate dropped 10 bps from the previous quarter to 1.9%, while the average vacancy rate for all-grade buildings in Tokyo's 23 Wards edged up 10 bps, hitting 2.5%.

Singapore: Office leasing momentum slowed in the third quarter, particularly for prime offices. While occupiers are understandably cautious given the challenging financial and economic environment, a number of announced pre-commitments demonstrated a certain degree of underlying confidence in Singapore's relative position. However, offices rents appear to have peaked. The slowing rental growth trend that started during the first quarter of 2008 looks to have run its course, with prime rents having remained static at S\$16.10 per sq. ft. per month.

Hong Kong: The Grade A office leasing market came under strain in the third quarter as businesses grew increasingly concerned with the global economic crisis. Demand from the financial sector—the dominant driving force for rental growth over the past five years—fell as investment banks delayed or in many cases cancelled expansionary plans. Rents plateaued after slow quarter-on-quarter growth since the beginning of 2008. The average net effective rent for prime areas was recorded at HK\$75.30 per

sq. ft. per month, although the Central CBD managed to enjoy a further 2% quarter-on-quarter growth in rentals to HK\$134.70 per sq. ft. per month.

Sydney CBD: Leasing activity in the Sydney CBD office market was positive over the year to June 2008, with net absorption reaching 40,600 sq. m. Net absorption is forecast to ease over the second half of 2008, due to firms focusing on the bottom line given financial and economic uncertainty in

the global markets. Market rent growth remained strong over the first half of 2008 before easing in the September. Prime net face rent growth in the Sydney CBD Core for the year to September 2008 was 13.8%. Incentives have started to increase over the June and September quarters, resulting in a 4.4% decrease in effective rents over the six months to September despite a 15.2% increase over the year.

Asia Pacific: Office Rents and Occupancy Costs

	RENT—LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST—LOCAL CURRENCY/MEASURE*		TOTAL OCCUPATION COST US\$/ANNUM*			TOTAL OCCUPATION COST EUROS [€] /ANNUM			TERMS	
	Current per local measure	% change 12 months	Current per local measure	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Typical lease term (yrs.)	Typical rent free (months)
Adelaide, Australia	A\$ 308 sq.m. p.a.	13.4	A\$ 348 sq.m. p.a.	14.9	US\$ 26.53	US\$ 286	16.1	18.36	198	4.0	5	8
Auckland, New Zealand	NZ\$ 346 sq.m. p.a.	5.8	NZ\$ 457 sq.m. p.a.	5.5	28.89	311	-6.0	20.00	215	-7.6	9	1
Bangalore, India	Rs 95 sq. ft. p.m.	5.6	Rs 161.87 sq. ft. p.m.	4.8	41.36	445	-11.0	29.44	317	-9.8	3+3	1
Bangkok, Thailand	Baht 744 sq. m. p.m.	0.7	Baht 744 sq. m. p.m.	0.7	24.51	264	-0.9	17.45	188	-1.7	3	1-2
Beijing, China	RMB 205.82 sq. m. p.m.	7.8	RMB 324.94 sq. m. p.m.	7.3	52.90	569	17.6	37.66	405	19.3	2-3	1-2
Brisbane, Australia	A\$ 655 sq.m. p.a.	6.9	A\$ 696 sq.m. p.a.	-0.7	53.06	571	0.4	36.72	395	-9.7	5	5
Canberra, Australia	A\$ 362 sq.m. p.a.	7.9	A\$ 393 sq.m. p.a.	-2.7	29.96	322	-1.7	20.74	223	-11.4	5	5
Christchurch, New Zealand	NZ\$ 225 sq.m. p.a.	22.2	NZ\$ 314 sq.m. p.a.	26.6	19.85	214	13.1	13.74	148	11.2	5	0
Guangzhou, China	RMB 107.24 sq. m. p.m.	3.2	RMB 188.11 sq. m. p.m.	3.3	30.62	330	13.7	21.80	235	14.8	2-4	1-3
Ho Chi Minh City, Vietnam	US\$ 75.7 sq. m. p.m.	51.4	US\$ 83.27 sq. m. p.m.	51.4	92.83	999	51.4	66.09	711	53.5	2	1
Hong Kong (Central CBD)	HK\$ 134.7 sq. ft. p.m.	31.3	HK\$ 149.85 sq. ft. p.m.	29.1	231.59	2,493	29.2	164.88	1,775	31.0	3 or 6	2-3
Hong Kong (Prime Districts) #	HK\$ 75.33 sq. ft. p.m.	27.7	HK\$ 86.03 sq. ft. p.m.	25.0	132.97	1,431	25.1	94.66	1,019	26.8	3 or 6	2-3
Jakarta, Indonesia	IDR 81,720 sq. m. p.m.	4.4	IDR 136,130 sq. m. p.m.	4.3	16.09	173	1.4	11.46	123	1.6	3	1
Manila, Philippines	Php 1,200 sq. m. p.m.	-2.0	Php 1,390 sq. m. p.m.	-1.8	32.94	355	-6.4	23.45	252	-5.1	3	1
Melbourne, Australia	A\$ 418 sq.m. p.a.	7.6	A\$ 471 sq.m. p.a.	7.5	35.91	386	8.6	24.85	268	-2.4	5	7
Mumbai (CBD), India	Rs 425 sq. ft. p.m.	6.3	Rs 668.67 sq. ft. p.m.	6.2	170.85	1,839	-9.8	121.63	1,309	-8.6	3+3+3	1
New Delhi (CBD), India	Rs 315 sq. ft. p.m.	14.5	Rs 478.17 sq. ft. p.m.	13.6	122.18	1,315	-3.6	86.98	936	-2.2	3+3+3	1
Perth, Australia	A\$ 818 sq.m. p.a.	49.7	A\$ 967 sq.m. p.a.	45.2	73.72	794	46.4	51.02	549	31.4	5	0
Seoul (CBD), South Korea ^	KRW 26,625 sq. m. p.m.	6.1	KRW 65,222 sq. m. p.m.	5.9	60.24	648	-18.6	42.89	462	-20.5	2-3	1-2
Shanghai (Pudong), China	RMB 284.89 sq. m. p.m.	10.5	RMB 460.78 sq. m. p.m.	9.4	75.01	807	28.1	53.40	575	29.9	2-3	1-2
Shanghai (Puxi), China	RMB 255.44 sq. m. p.m.	17.5	RMB 405.24 sq. m. p.m.	16.2	65.97	710	26.1	46.96	506	27.9	2-3	1-2
Singapore, Singapore	S\$ 16.1 sq. ft. p.m.	27.8	S\$ 16.1 sq. ft. p.m.	27.8	135.13	1,455	32.0	96.20	1,036	33.8	3	1
Sydney (Core), Australia	A\$ 755 sq.m. p.a.	13.8	A\$779 sq.m. p.a.	12.2	59.39	639	13.5	41.10	442	1.9	8	13
Taipei, Taiwan	NT 2506.72 ping p.m.	6.9	NT 4375.75 ping p.m.	9.6	45.98	495	11.0	32.73	352	12.5	3-5	1-3
Tokyo (Outer Central), Japan	¥ 41750 tsubo p.m.	-11.2	¥ 47750 tsubo p.m.	-9.9	151.69	1,633	-1.9	108.24	1,165	-0.5	5	1
Tokyo, (Inner Central), Japan	¥ 52000 tsubo p.m.	-5.9	¥ 58000 tsubo p.m.	-5.3	184.26	1,983	3.2	131.47	1,415	4.6	5	1
Wellington, New Zealand	NZ\$ 348 sq.m. p.a.	8.2	NZ\$ 463 sq.m. p.a.	10.0	29.27	315	-2.2	20.26	218	-3.5	6	0

Prime Net Face Rents used for Australian rents, Prime Gross Effective rents used for Occupancy costs

* All Asia markets are reported on a net floor basis, including all occupation expenses

^ CBRE Research Seoul revised the office property basket in the first quarter of 2008 accordingly.

Prime Office Districts reflect Central CBD, Peripheral Central, Wan Chai, Causeway Bay and Tsim Sha Tsui



Latin America and the Caribbean Regional Snapshot

In spite of the deteriorating global economic environment, the economy of Latin America and the Caribbean is expected to grow by 4.7% in 2008, according to the Economic Commission for Latin America and the Caribbean. This is in part due to the consistent growth of the region during the past few years and current account surpluses. However, rising inflation continues to be a major issue throughout the region. Furthermore, decreasing liquidity and global demand for commodities is likely to affect the region's economic performance.

Particularly during the past twelve months, the region's main (and some secondary) office markets have experienced increased development activity, fueled by higher rents and prices resulting from strong local economic growth and subsequent demand for quality office space. Prime office rates have been increasing for the most part, while vacancy rates remain low. Nonetheless, values will likely peak in the near future, with absorption of newly delivered product expected to slow, depending on the severity of the global crisis.

The global financial and economic crisis has also begun to slow investment activity in Latin America; various funds, active in the first half of the year, have placed their investments on hold. Some of the remaining active buyers are feeling that the market is turning their way for the first time in four years. Capitalization rates for prime transactions in the three major markets—Brazil, Chile and Mexico—have not softened yet, but are expected to as yields in North America and Europe start to climb. We anticipate activity to continue, but we are seeing a shift toward a buyer's market.

Key Markets Snapshot

Buenos Aires, Argentina: Office construction came to a dead halt in the years following Argentina's 2002 economic default. Since then, lease rates have increased to new record highs, exceeding US\$40 for some prime properties in 2008, fueled by consistent demand and low vacancy. Consequently, development activity picked up again by the end of 2007, with more than 500,000 sq. m. of office space actively under construction. While some of the new inventory will satisfy latent demand, new demand has significantly dropped, which is expected to have a reverse effect on vacancy and lease rates in the medium term.

Mexico City: Class A vacancy and average lease rates have both remained stable during the past six months, at approximately 4% and US\$25 per sq. m. per month, respectively. Demand has been consistently strong over the past five years, and continuous construction activity has been matched by corresponding absorption, averaging approximately 400,000 sq. m. per year. At present, more than 500,000 sq. m. of office space is under construction, scheduled for delivery over the next two years. Buildings nearing completion have enjoyed significant prelease activity; however, in light of the current economic slowdown, it is expected that the market will become more competitive next year.

Lima, Peru: Peru has experienced unprecedented economic growth during the past three years, which has caught Lima's office market off guard, faced with sudden strong demand and a relatively small inventory of quality office space. As a result, Class A vacancy has been essentially zero since 2007, and any new projects have been for the most part fully pre-leased by completion. Subsequently, lease rates, which had been stable at US\$13 per sq. m. per month for over a decade, have now jumped to an average asking rate of US\$18. Current construction volume is still comparatively moderate.

Santiago de Chile: Although construction activity has been increasing, Santiago has maintained Class A office vacancy below 3% since 2006, as net absorption consistently exceeded new supply. This has led to continuing increases in prime lease rates, which have just recently started to show signs of stabilization, as a relatively large volume of new inventory is slated for delivery over the next two years. While vacancy rates are expected to increase and lease rates may become more competitive, current latent demand levels are likely to prevent critical variations.

São Paulo & Rio de Janeiro: Brazil's two main office markets—São Paulo and Rio de Janeiro—continue to show solid performance, evidenced by strong demand and high absorption volumes, which for the most part exceed new supply, further lowering vacancy rates. Subsequently, both markets have experienced unprecedented increases in lease rates, leading São Paulo's prime office rates to rank globally in the top ten in terms of growth. However, as substantial new inventory is in the pipeline to meet with pent-up demand, lease rates in both markets are expected to stabilize in the near future.

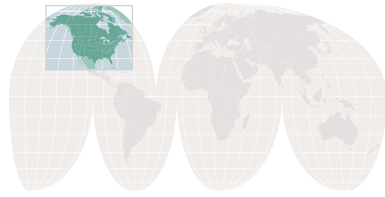
Latin America and The Caribbean: Office Rents and Occupancy Costs

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	Current per local measure	% change 12 months	Current per local measure	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Typical lease term (yrs.)	Typical rent free (months)
Bogota, Colombia	COP 63,000 sq.m. p.m.	3.3	COP 69,500 sq.m. p.m.	3.0	US\$ 35.50	US\$ 382	-4.7	€ 25.27	€ 272	-3.4	3-5	1-2
Buenos Aires, Argentina	USD 39.00 sq.m. p.m.	21.9	USD 48.61 sq.m. p.m.	17.7	53.20	573	17.7	37.87	408	19.3	3	1-3
Caracas, Venezuela	VEF 225 sq.m. p.m.*	50.0	VEF 232.50 sq.m. p.m.	47.6	n/a *	n/a	n/a	n/a	n/a	n/a	1-3	1-3
Lima, Peru	USD 17.50 sq.m. p.m.	20.7	USD 19.70 sq.m. p.m.	19.4	21.96	236	19.4	15.63	168	21.1	3-5	1-2
Mexico City, Mexico	USD 32.00 sq.m. p.m.	3.2	USD 37.37 sq.m. p.m.	2.9	41.66	448	2.9	29.66	319	4.3	3-5	1-2
Montevideo, Uruguay	USD 18.00 sq.m. p.m.	0.0	USD 23.33 sq.m. p.m.	0.0	26.01	280	0.0	18.52	199	1.4	2-5	None
Nassau, Bahamas	USD 30.00 sq.ft. p.a.	0.0	USD 39.00 sq.ft. p.a. **	0.0	39.00	420	0.0	27.76	299	1.4	3-5	1-3
Panama City, Panama	USD 24.00 sq.m. p.m.	33.3	USD 26.70 sq.m. p.m.	30.9	29.77	320	30.9	21.19	228	32.7	3-5	1-2
Quito, Ecuador	USD 20.00 sq.m. p.m.	11.1	USD 22.00 sq.m. p.m.	10.0	24.53	264	10.0	17.46	188	11.5	2-5	None
Rio de Janeiro, Brazil	BRL 100.00 sq.m. p.m.	11.1	BRL 119.00 sq.m. p.m.	11.2	68.77	740	5.2	48.96	527	6.7	5	1-2
San Jose, Costa Rica	USD 25.00 sq.m. p.m.	8.7	USD 27.50 sq.m. p.m.	7.8	30.66	330	7.8	21.82	235	9.3	3-5	1-3
San Juan, Puerto Rico	USD 21.00 sq.ft. p.a.	0.0	USD 31.76 sq.ft. p.a.	3.8	31.76	342	3.8	22.61	243	5.3	5	2-3
Santiago, Chile	UF 0.68 sq.m. p.m.	4.6	UF 0.79 sq.m. p.m.	6.8	34.87	375	12.6	25.23	272	15.8	3-5	1-2
Santo Domingo, Dominican Republic	USD 25.00 sq.m. p.m.	25.0	USD 28.00 sq.m. p.m.	27.3	31.21	336	27.3	22.22	239	29.0	3-5	1
São Paulo, Brazil	BRL 110.00 sq.m. p.m.	37.5	BRL 130.00 sq.m. p.m.	34.0	75.13	809	26.8	53.49	576	28.6	5	1-2

* In Venezuela, foreign exchange is government controlled at a fixed exchange rate of VEF 2.15/USD (introduced on January 1, 2008; previously VEB 2,150/USD until year end 2007). Market rents reflect perceived exchange rate value that may differ from the fixed exchange rate. Therefore, USD and Euro values for the Caracas market are not applicable in the above table.

** includes electricity

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United States and Canada Regional Snapshot

United States

The economic climate in the U.S. has weakened dramatically in the past few months. After posting strong growth due to the stimulus payment in the second quarter, the economy contracted by 0.3% in the third quarter, as the largest decrease in consumer spending in 28 years wreaked havoc on many sectors. The recession in housing has now fully engulfed the financial industry and has trickled its way through the rest of the economy. The majority of sectors are now shedding jobs, and unemployment as of September stood at 6.1%.

Exports were the economy's one bright spot in the third quarter. On the back of the weak dollar, U.S. manufacturers enjoyed surging demand for American-made products, with exports contributing an estimated 1% to the quarter's GDP. However, with the recent strengthening of the dollar, the positive effect of exports may begin to diminish.

The weakness in the economy is being felt in the property markets. In the third quarter, office vacancy rates increased by 60 basis points (bps), to 13.5%, and in what appears to be an emerging trend, the rise in vacancy rates came with downtown and suburban markets once again parting ways. While downtown vacancy rates increased a modest 10 bps to 9.7%, suburban markets posted an 80-bps increase to 15.5%, marking the fifth straight quarter of rising suburban office vacancy rates. On the bright side, even in the face of a severe financial crisis, we have yet to see negative absorption during this downturn.

Canada

It is difficult to predict what impact the ongoing financial crisis will have on the Canadian economy, but one can assume that our economic prospects will improve significantly once investors regain confidence. The bigger question is: Will this global economic slowdown manifest into a full-blown recession?

So far, market fundamentals in Canada remain strong. Furthermore, as banks and investment firms around the world are struggling, the Canadian banking system was recently ranked as the world's soundest by the World Economic Forum.

The overall national office vacancy rate continues to decline, ending the third quarter of 2008 at 6.3%, down 10 basis points (bps) from the second quarter.

The national downtown vacancy rate has been stable throughout 2008, dropping only 10 bps this year to the end of the third quarter, at 4.7%. Five downtown markets—Vancouver, Ottawa, Calgary, Halifax and Toronto—have vacancy rates under 5.0%. Vacancy rates should remain stable until a significant amount of new supply is completed in late 2009.

Suburban office markets gained 3.8 million sq. ft. of new supply as of September 30, 2008; however, the national suburban vacancy rate has returned to the 8.3% recorded in the first quarter after a slight increase to 8.6% in the second quarter. Tenants in several markets have relocated or established satellite offices in suburban markets in order to reduce occupancy costs. Vacancy rates are likely to increase in 2009 due to the slowing economy and the expected completion of 7.5 million sq. ft. of new space in suburban markets across the country.

Key Market Snapshots

Chicago: Demand for office space in the third quarter was strong, with more than one million sq. ft. absorbed. Net absorption remained positive, reflecting the high volume of transactions signed in 2007, when the market was more stable and tenants more optimistic. The third quarter of 2008 exhibited a decline in leasing activity, however, as economic uncertainty started to weigh in on businesses' leasing decisions. Vacancy was 14.9%.

Miami: Miami experienced 411,000 sq. ft. of positive absorption during the third quarter of 2008, with the vacancy rate increasing 20 bps to 12.9%. Foreign businesses and investors are looking at South Florida for investment and expansion opportunities as the office market stabilizes after several years of strong activity.

Minneapolis: Minneapolis experienced 133,000 sq. ft. of negative absorption during the third quarter of 2008, while vacancy was 14.9%, a 60-bps increase from the previous quarter. The current economic uncertainty is clearly starting to be felt across the Minneapolis office market.

New York City: The vacancy rate in New York City, the largest office market in the U.S., was 6.2% in the third quarter, representing an increase of 10 bps from the previous quarter. The financial crisis is weighing heavily on New York's large financial sector, which in turn is affecting demand for the city's office space. The city has experienced negative absorption every quarter of 2008.

Phoenix: The current depressed local housing market and general uncertainty in the national economy is stressing demand for office space in Phoenix. The city's vacancy rate rose 160 bps to 20.3% in the third quarter, while the city saw negative absorption during that time.

San Diego: The negative housing market and contracting California economy has depressed demand for San Diego office space. In the third quarter, the vacancy rate increased 190 bps, to 17.7%. San Diego has experienced negative absorption every quarter of 2008, as well as during the final quarter of 2007.

Halifax: The vacancy rate in Halifax's CBD has dropped 40 bps points from year-end 2007 to end the third quarter of 2008, near an historic low at 4.5%. Available space in the CBD is in short supply while rental rates continue to trend upward, reaching levels that make new development necessary and viable. After years of limited development, a number of potential projects are seeking municipal approval or have entered the pre-leasing phase; however, no construction on these planned projects has commenced to date. Although the CBD remains tight, an increase in sublet space has provided options for tenants in need of large contiguous space. Additional new supply in the suburban markets will entice tenants from the CBD; therefore, the overall vacancy rate is expected to increase slightly by the end of 2008.

Edmonton: The vacancy rate in Edmonton's Downtown core was 5.3% in the third quarter of 2008, down 40 bps from year-end 2007. The strong demand for high-quality office space continues as Class AA vacancy hit 3.8%, while Class A vacancy sat at 4.0%. Downtown continues to be a landlord's market. Asking rates are on the rise, with the vacancy rates expected to remain near current levels at least until new supply is introduced in late 2009. Frustrated tenants have been faced with a difficult decision: continue to pay increasing rates to secure space in the core, or look to the suburban markets for reduced costs in one of the many new developments underway.

United States and Canada: Office Rents and Occupancy Costs

	RENT—LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US\$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM		
	Current per local measure	% change 12 months	Current per sq. ft. US\$ 21.30	Current per sq. m. US\$ 229	% change 12 months	Current per sq. ft. € 15.16	Current per sq. m. € 163	% change 12 months
Albuquerque	US\$ 21.30 sq.ft.	-4.9	21.30	229	-4.9	15.16	163	-3.5
Atlanta (CBD)	US\$ 21.23 sq.ft.	-6.4	21.23	228	-6.4	15.11	163	-5.1
Atlanta (sub)	US\$ 24.67 sq.ft.	4.1	24.67	265	4.1	17.56	189	5.5
Austin	US\$ 20.84 sq.ft.	5.4	29.40	316	5.3	20.93	225	6.7
Baltimore	US\$ 25.83 sq.ft.	3.0	25.83	278	3.0	18.39	198	4.5
Boston (CBD)	US\$ 52.86 sq.ft.	25.5	52.86	569	25.5	37.63	405	27.3
Boston (sub)	US\$ 32.02 sq.ft.	-5.8	32.02	345	-5.8	22.80	245	-4.5
Calgary, Canada (CBD)	C\$ 70.79 sq.ft.	10.6	66.58	716	3.3	47.40	510	4.6
Calgary, Canada (sub)	C\$ 39.29 sq.ft.	5.9	36.95	398	-1.1	26.31	283	0.2
Charlotte	US\$ 21.87 sq.ft.	11.6	21.87	235	11.6	15.57	168	13.1
Chicago (CBD)	US\$ 24.78 sq.ft.	3.5	35.46	382	3.9	25.24	272	5.4
Chicago (sub)	US\$ 16.97 sq.ft.	-0.5	24.16	260	1.1	17.20	185	2.5
Cincinnati	US\$ 14.37 sq.ft.	1.8	21.54	232	2.9	15.33	165	4.3
Cleveland	US\$ 22.52 sq.ft.	2.9	22.52	242	2.9	16.03	173	4.3
Columbus	US\$ 11.96 sq.ft.	-0.5	15.02	162	0.6	10.69	115	2.0
Dallas	US\$ 23.72 sq.ft.	3.0	33.14	357	3.6	23.59	254	5.0
Denver	US\$ 27.55 sq.ft.	6.5	27.55	296	6.5	19.61	211	8.0
Detroit	US\$ 22.46 sq.ft.	-3.0	22.46	242	-3.0	15.99	172	-1.6
Edison	US\$ 23.79 sq.ft.	0.8	23.79	256	0.8	16.94	182	2.3
Edmonton, Canada	C\$ 49.00 sq.ft.	6.5	46.09	496	-0.5	32.81	353	0.8
Fort Lauderdale	US\$ 20.35 sq.ft.	-2.3	29.60	318	-0.1	21.07	227	1.3
Fort Worth	US\$ 20.49 sq.ft.	-8.1	20.49	220	-8.1	14.59	157	-6.8
Halifax, Canada	C\$ 31.75 sq.ft.	5.0	29.86	321	-1.9	21.26	229	-0.6
Hartford	US\$ 21.14 sq.ft.	2.5	21.14	227	2.5	15.05	162	4.0
Honolulu	US\$ 22.61 sq.ft.	-1.4	31.04	334	0.2	22.10	238	1.6
Houston	US\$ 26.83 sq.ft.	9.4	26.83	289	9.4	19.10	206	10.9
Indianapolis	US\$ 19.61 sq.ft.	-16.7	19.61	211	-16.7	13.96	150	-15.5
Jacksonville	US\$ 20.90 sq.ft.	1.9	20.90	225	1.9	14.88	160	3.3
Kansas City	US\$ 20.96 sq.ft.	4.3	20.96	226	4.3	14.92	161	5.7
Las Vegas	US\$ 34.87 sq.ft.	4.7	34.87	375	4.7	24.82	267	6.1
London, Canada	C\$ 25.66 sq.ft.	4.6	24.13	260	-2.3	17.18	185	-1.0
Long Island	US\$ 33.57 sq.ft.	8.3	33.57	361	8.3	23.90	257	9.8
Los Angeles (CBD)	US\$ 30.51 sq.ft.	17.4	30.51	328	17.4	21.72	234	19.1
Los Angeles (sub)	US\$ 63.58 sq.ft.	0.1	63.58	684	0.1	45.26	487	1.5
Memphis	US\$ 20.22 sq.ft.	-2.0	20.22	218	-2.0	14.39	155	-0.6
Miami (CBD)	US\$ 46.53 sq.ft.	8.6	46.53	501	8.6	33.12	356	10.1
Miami (sub)	US\$ 41.40 sq.ft.	-10.5	41.40	445	-10.5	29.47	317	-9.2
Minneapolis	US\$ 17.17 sq.ft.	4.7	24.95	268	4.8	17.76	191	6.3
Montreal, Canada (CBD)	C\$ 39.83 sq.ft.	11.1	37.46	403	3.8	26.67	287	5.1

Unless otherwise indicated, all data reflect office space in the central commercial district. The term "sub" means suburban and is used primarily in North American markets. The local rent data is expressed in either gross or net terms depending on the prevailing local practice. Total occupation costs (i.e., gross rents) are expressed in Euros and in U.S. dollars for all markets. A complete explanation of the reported data appears at the end of this publication.

One Euro [€] equals C\$1.49 and US\$1.40. One US\$ equals C\$1.06.

US Rents Compiled by Torto Wheaton Research (TWR) an independent subsidiary of CB Richard Ellis

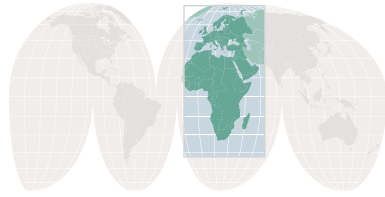
United States and Canada: Office Rents and Occupancy Costs

	RENT—LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US\$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM		
	Current per local measure	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months
Montreal, Canada (sub)	C\$ 25.92 sq.ft.	2.6	24.38	262	-4.2	17.36	187	-3.0
Nashville	US\$ 21.31 sq.ft.	4.9	21.31	229	4.9	15.17	163	6.4
New York Downtown	US\$ 59.16 sq.ft.	10.6	59.16	637	10.6	42.12	453	12.2
New York Midtown	US\$ 98.08 sq.ft.	-2.7	98.08	1055	-2.7	69.82	751	-1.3
Newark	US\$ 26.69 sq.ft.	1.3	26.69	287	1.3	19.00	204	2.7
Oakland	US\$ 31.69 sq.ft.	-1.8	31.69	341	-1.8	22.56	243	-0.4
Orange County	US\$ 36.95 sq.ft.	-12.5	36.95	398	-12.5	26.30	283	-11.3
Orlando	US\$ 28.00 sq.ft.	-3.2	28.00	301	-3.2	19.93	214	-1.9
Ottawa, Canada	C\$ 44.07 sq.ft.	-0.4	41.45	446	-7.0	29.51	318	-5.8
Philadelphia	US\$ 25.26 sq.ft.	3.1	35.24	379	3.6	25.09	270	5.1
Phoenix	US\$ 29.17 sq.ft.	0.9	29.17	314	0.9	20.77	223	2.3
Pittsburgh	US\$ 22.79 sq.ft.	-0.8	22.79	245	-0.8	16.22	175	0.6
Portland	US\$ 27.62 sq.ft.	6.5	27.62	297	6.5	19.66	212	8.0
Raleigh	US\$ 22.44 sq.ft.	6.1	22.44	241	6.1	15.98	172	7.6
Riverside	US\$ 27.20 sq.ft.	7.5	27.20	293	7.5	19.36	208	9.0
Sacramento	US\$ 30.58 sq.ft.	1.8	30.58	329	1.8	21.77	234	3.2
Salt Lake City	US\$ 25.38 sq.ft.	1.6	25.38	273	1.6	18.07	194	3.0
San Diego	US\$ 39.88 sq.ft.	6.0	39.88	429	6.0	28.39	305	7.4
San Francisco	US\$ 48.57 sq.ft.	3.0	48.57	523	3.0	34.58	372	4.5
San Jose	US\$ 42.07 sq.ft.	-4.3	42.07	453	-4.3	29.95	322	-3.0
Seattle (CBD)	US\$ 41.70 sq.ft.	7.3	41.70	449	7.3	29.69	319	8.8
Seattle (sub)	US\$ 39.33 sq.ft.	3.1	39.33	423	3.1	28.00	301	4.6
St. Louis	US\$ 22.42 sq.ft.	1.5	22.42	241	1.5	15.96	172	2.9
Stamford	US\$ 41.64 sq.ft.	11.2	41.64	448	11.2	29.64	319	12.8
Tampa	US\$ 26.11 sq.ft.	3.9	26.11	281	3.9	18.59	200	5.4
Toledo	US\$ 18.85 sq.ft.	-3.7	18.85	203	-3.7	13.42	144	-2.4
Toronto, Canada (CBD)	C\$ 65.43 sq.ft.	3.3	61.54	662	-3.5	43.81	471	-2.3
Toronto, Canada (sub)	C\$ 30.26 sq.ft.	2.6	28.46	306	-4.2	20.26	218	-3.0
Tucson	US\$ 24.12 sq.ft.	7.3	24.12	260	7.3	17.17	185	8.8
Vancouver, Canada (CBD)	C\$ 58.47 sq.ft.	17.0	54.99	592	9.3	39.15	421	10.7
Vancouver, Canada (sub)	C\$ 33.18 sq.ft.	-0.8	31.21	336	-7.4	22.22	239	-6.2
Ventura	US\$ 32.27 sq.ft.	15.7	32.27	347	15.7	22.97	247	17.3
Washington, DC (CBD)	US\$ 51.26 sq.ft.	2.2	51.26	552	2.2	36.49	393	3.6
Washington, DC (sub)	US\$ 39.10 sq.ft.	4.1	39.10	421	4.1	27.84	300	5.6
Waterloo Region, Canada	C\$ 23.11 sq.ft.	-5.0	21.74	234	-11.2	15.47	167	-10.1
West Palm Beach	US\$ 23.68 sq.ft.	0.0	38.18	411	1.8	27.18	292	3.3
Wilmington	US\$ 23.75 sq.ft.	-2.0	32.57	350	-0.2	23.19	249	1.2
Winnipeg, Canada	C\$ 28.52 sq.ft.	2.1	26.82	289	-4.6	19.10	205	-3.4

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One Euro [€] equals C\$1.49 and US\$1.40. One US\$ equals C\$1.06.

US Rents Compiled by Torto Wheaton Research (TWR) an independent subsidiary of CB Richard Ellis



Europe, Middle East and Africa Regional Snapshot

Against the backdrop of severe dislocations in the financial markets, the economic outlook for all European countries has deteriorated sharply in

recent months. Despite various government intervention schemes designed to instil confidence in the banking system and promote greater liquidity, there is increasing concern that a number of European economies are about to enter recession, if not contracting already. In Eastern Europe, meanwhile, both Hungary and the Ukraine have applied for IMF assistance.

After lagging economic performance by a few months, leasing activity and rental movements in the main European markets are now starting to reflect the weaker overall outlook across these markets. Indeed, much of the leasing activity in the third quarter has been in negotiation for some time, and general occupier caution suggests that a reduced volume of new deals is now being initiated. As occupier caution grows, take-up is now predominantly driven by relocations and consolidation rather than expansion plans.

Despite the economic uncertainty, rents remained broadly stable in the third quarter. The CBRE EU-15 office rent index showed a slight fall quarter-on-quarter (-0.2%), but year-on-year growth of 5%. However, there is an increasing split between markets which are showing actual rental falls (notably London, Barcelona and Dublin) and those where prime rents remain steady. Meanwhile, prime rents in key markets such as Paris, Frankfurt and Madrid have not yet fallen but are expected to experience downward pressure within the next six months.

Key Market Snapshots

Frankfurt: The German economy has experienced a rapid deterioration in recent months and, with industrial output declining, some indicators suggest that Germany is already in a recession. Year-to-date office take-up figures,

however, are comparable with 2007, although in recent months this has included a sharp fall in activity amongst financial occupiers. Meanwhile, the vacancy rate is currently stable, but as 50% of the completions in 2009 will be on a speculative basis, this may increase moderately. Rents also remain stable, but these are expected to fall as economic distress weakens demand.

London: The global banking crisis is creating instability in the London occupier market. While the problems with the U.K. economy are rooted in the financial industry, the uncertainty clearly affects other types of business activity. Year-to-date take-up is down 33% year-on-year in London which includes a significant fall in activity in the West End (a market with a diverse tenant base). This is reflected in the first fall in West End prime rents since 2003, to £115/sq ft/annum this quarter. On the supply side, 476,000 sq. m. of new developments are due in 2009. This pipeline is not excessive by historic standards, but in the face of weaker demand, this will contribute to the downward pressure on rents throughout 2009.

Paris: Paris is also feeling the impact of the global economic slowdown and banking upheaval. Demand remains weak, and many businesses are now reducing staffing levels to cut costs. While subdued take-up is starting to push up the amount of vacant space, the market for high-quality space in prime locations is expected to remain relatively strong compared with other markets such as London, given that the Paris Centre West vacancy rate remains low, at 3.9%. This could help limit rental falls, even though some downward movement is expected and is already evident in average rents.

Moscow: Business in Russia has been affected in recent months, with property fundamentals starting to weaken amid growing economic concern. This has resulted in a drop in take-up over recent months and a significant increase in vacant space, to 9.3%, which has been exacerbated by an increase in new completions. Rents have remained stable since the start of the year, and there is now potential for some downward movement if demand does not pick up again.

Europe, Middle East and Africa: Office Rents and Occupancy Costs

	RENT—LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST—LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US\$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM			TERMS	
	Current per local measure	% change 12 months	Current per local measure	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Typical lease term (yrs.)	Typical rent free (months)
Aberdeen, Scotland	£30.00 sq.ft.p.a.	37.9	£41.00 sq.ft.p.a.	19.7	US\$ 73.08	US\$ 787	4.5	€ 52.03	€ 560	3.0	10	9
Abu Dhabi, United Arab Emirates	AED 465.00 sq.ft.p.a.	86.0	AED 486.50 sq.ft.p.a.	94.6	132.44	1426	94.5	94.29	1015	75.5	2 - 3	1
Amsterdam, Netherlands	€ 340.00 sq.m.p.a.	4.6	€ 375.00 sq.m.p.a.	2.3	52.62	566	0.9	37.46	403	2.3	5 + 5	6-12
Athens, Greece	€ 33.00 sq.m.p.m.	10.0	€ 37.44 sq.m.p.m.	9.9	63.04	679	8.3	44.88	483	9.9	12 + 4	0-3
Barcelona, Spain	€ 26.50 sq.m.p.m.	1.9	€ 30.75 sq.m.p.m.	1.7	54.11	582	0.3	38.52	415	1.7	3 + 2	2-3
Belfast, Northern Ireland	£14.50 sq.ft.p.a.	3.6	£23.50 sq.ft.p.a.	4.4	41.89	451	-8.9	29.82	321	-10.1	10	6
Berlin, Germany	€ 22.50 sq.m.p.m.	2.3	€ 25.50 sq.m.p.m.	2.0	39.93	430	0.6	28.43	306	2.0	3 - 5	1-6
Birmingham, England	£32.50 sq.ft.p.a.	0.0	£47.50 sq.ft.p.a.	1.1	84.67	911	-11.8	60.28	649	-13.0	12	15
Bratislava, Slovakia	€ 18.00 sq.m.p.m.	0.0	€ 24.92 sq.m.p.m.	0.0	43.36	467	-1.4	30.87	332	0.0	5	3
Bristol, England	£27.50 sq.ft.p.a.	0.0	£39.50 sq.ft.p.a.	-3.7	70.41	758	-15.9	50.13	540	-17.1	10	12
Brussels, Belgium	€ 300.00 sq.m.p.a.	0.0	€ 363.00 sq.m.p.a.	-2.4	57.42	618	-3.8	40.88	440	-2.4	3/6/9	1/year secured
Budapest, Hungary	€ 22.50 sq.m.p.m.	2.3	€ 26.70 sq.m.p.m.	4.7	46.46	500	3.3	33.07	356	4.7	3 - 5	6
Cape Town (Claremont), South Africa	R 130.00 sq.m.p.m.	30.0	R 130.00 sq.m.p.m.	30.0	17.50	188	8.0	12.46	134	10.0	5	0
Copenhagen, Denmark	DKr 1850.00 sq.m.p.a.	2.8	DKr 2250.00 sq.m.p.a.	2.3	46.30	498	0.8	32.96	355	2.2	3 - 5	0
Dubai, United Arab Emirates	AED 550.00 sq.ft.p.a.	37.5	AED 575.00 sq.ft.p.a.	50.9	156.53	1685	50.9	111.44	1200	36.1	2 - 3	1
Dublin, Ireland	€ 645.00 sq.m.p.a.	-4.2	€ 832.00 sq.m.p.a.	-3.1	108.58	1169	-4.5	77.30	832	-3.1	25	3
Durban, South Africa	R 130.00 sq.m.p.m.	36.8	R 130.00 sq.m.p.m.	36.8	17.50	188	13.7	12.46	134	15.8	5	0
Edinburgh, Scotland	£29.00 sq.ft.p.a.	3.6	£46.00 sq.ft.p.a.	1.1	82.00	883	-11.8	58.38	628	-13.0	15	24
Frankfurt am Main, Germany	€ 39.00 sq.m.p.m.	8.3	€ 44.00 sq.m.p.m.	11.4	74.09	798	9.9	52.75	568	11.4	5 + 5	3-5
Geneva, Switzerland	SF 820.00 sq.m.p.a.	9.3	SF 942.32 sq.m.p.a.	17.8	78.07	840	22.5	55.58	598	18.8	5	1-3
Glasgow, Scotland	£28.50 sq.ft.p.a.	3.6	£41.50 sq.ft.p.a.	3.8	73.98	796	-9.5	52.66	567	-10.7	10	18
Gothenburg, Sweden	SKr 2300.00 sq.m.p.a.	9.5	SKr 2685.00 sq.m.p.a.	17.0	39.75	428	8.1	28.30	305	10.9	3 - 5	0
Hamburg, Germany	€ 24.00 sq.m.p.m.	2.1	€ 27.10 sq.m.p.m.	1.9	45.63	491	0.5	32.49	350	1.9	5 + 5	3
Helsinki, Finland	€ 360.00 sq.m.p.a.	5.9	€ 360.00 sq.m.p.a.	20.0	52.20	562	18.3	37.16	400	20.0	3 / 5	0
Jersey, England	£28.00 sq.ft.p.a.	7.7	£33.26 sq.ft.p.a.	7.6	59.29	638	-6.1	42.21	454	-7.4	10	12
Johannesburg (Sandton), South Africa	R 140.00 sq.m.p.m.	27.3	R 140.00 sq.m.p.m.	27.3	18.85	203	5.8	13.42	144	7.7	5	0
Leeds, England	£26.00 sq.ft.p.a.	4.0	£40.00 sq.ft.p.a.	3.9	71.30	767	-9.3	50.76	546	-10.6	10	18
Lille, France	€ 195.00 sq.m.p.a.	18.2	€ 260.00 sq.m.p.a.	13.0	36.48	393	11.5	25.97	280	13.0	3/6/9	3-6
Lisbon, Portugal	€ 20.50 sq.m.p.m.	1.2	€ 23.75 sq.m.p.m.	-2.1	40.87	440	-3.4	29.10	313	-2.1	5	3-6
Liverpool, England	£22.00 sq.ft.p.a.	0.0	£32.50 sq.ft.p.a.	0.0	57.93	624	-12.7	41.24	444	-13.9	5/10	15
London (City), England	£57.50 sq.ft.p.a.	-8.0	£82.25 sq.ft.p.a.	-7.1	146.61	1578	-18.9	104.38	1124	-20.0	10	12
London (West End), England	£115.00 sq.ft.p.a.	-4.2	£139.50 sq.ft.p.a.	-5.1	248.66	2677	-17.2	177.03	1906	-18.3	10	6

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Local figures are based on local measurements. The standardized Euro occupancy costs account for differing values in net and gross measurements.

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Europe, Middle East and Africa: Office Rents and Occupancy Costs

	RENT—LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST—LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US\$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM			TERMS	
	Current per local measure	% change 12 months	Current per local measure	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Typical lease term (yrs.)	Typical rent free (months)
Luxembourg City, Luxembourg	€ 40.00 sq.m.p.m.	14.3	€ 43.33 sq.m.p.m.	23.8	82.25	885	22.1	58.55	630	23.8	3/6/9	1/year secured
Lyon, France	€ 250.00 sq.m.p.a.	19.0	€ 315.00 sq.m.p.a.	14.5	44.20	476	13.0	31.47	339	14.5	3/6/9	3-6
Madrid, Spain	€ 40.00 sq.m.p.m.	2.6	€ 48.00 sq.m.p.m.	6.7	88.43	952	5.2	62.96	678	6.7	5 + 2	3-5
Malaga, Spain	€ 18.00 sq.m.p.m.	5.9	€ 22.30 sq.m.p.m.	14.9	41.08	442	13.4	29.25	315	14.9	2 + 3	1
Manchester, England	£28.50 sq.ft.p.a.	0.0	£44.50 sq.ft.p.a.	1.1	79.32	854	-11.8	56.47	608	-13.0	10	12
Marseille, France	€ 240.00 sq.m.p.a.	14.3	€ 305.00 sq.m.p.a.	10.9	42.80	461	9.4	30.47	328	10.9	3/6/9	3-6
Milan, Italy	€ 550.00 sq.m.p.a.	19.6	€ 598.00 sq.m.p.a.	19.3	85.76	923	17.6	61.05	657	19.3	6 + 6	6
Moscow, Russia	US\$ 1700.00 sq.m.p.a.	30.8	US\$ 2147.60 sq.m.p.a.	29.8	234.73	2527	29.8	167.10	1799	17.1	7	6
Munich, Germany	€ 31.50 sq.m.p.m.	3.3	€ 35.00 sq.m.p.m.	4.0	60.23	648	2.6	42.88	462	4.0	5 + 5	3-4
Nicosia, Cyprus	€ 17.00 sq.m.p.m.	11.5	€ 19.50 sq.m.p.m.	9.9	32.84	353	8.3	23.38	252	9.9	2 - 5	0
Oslo, Norway	NKr 4500.00 sq.m.p.a.	18.4	NKr 4790.00 sq.m.p.a.	17.1	83.63	900	5.7	59.54	641	16.4	5 - 10	0
Palma De Mallorca, Spain	€ 14.00 sq.m.p.m.	7.7	€ 16.50 sq.m.p.m.	15.4	30.40	327	13.8	21.64	233	15.4	2 + 3	1
Paris, France	€ 830.00 sq.m.p.a.	-2.4	€ 938.00 sq.m.p.a.	-2.1	131.62	1417	-3.4	93.70	1009	-2.1	3/6/9	3-6
Prague, Czech Republic	€ 21.50 sq.m.p.m.	7.5	€ 30.94 sq.m.p.m.	13.0	53.84	579	11.5	38.33	413	13.0	5	3
Rome, Italy	€ 440.00 sq.m.p.a.	29.4	€ 480.00 sq.m.p.a.	29.5	68.84	741	27.7	49.00	527	29.5	6 + 6	6
Stockholm, Sweden	SKr 4400.00 sq.m.p.a.	4.8	SKr 4980.00 sq.m.p.a.	4.2	73.72	794	-3.7	52.49	565	-1.2	3 - 5	0-6
Tel Aviv, Israel	US\$ 35.00 sq.m.p.m.	52.2	US\$ 47.00 sq.m.p.m.	40.7	65.50	705	40.7	46.63	502	26.9	3 - 5 + 3-5	0
Thessaloniki, Greece	€ 17.00 sq.m.p.m.	6.3	€ 20.36 sq.m.p.m.	4.0	34.28	369	2.6	24.41	263	4.0	12 + 4	0-3
Valencia, Spain	€ 18.00 sq.m.p.m.	0.0	€ 22.50 sq.m.p.m.	12.5	41.45	446	11.0	29.51	318	12.5	2 + 3	1-2
Vienna, Austria	€ 23.50 sq.m.p.m.	9.3	€ 27.50 sq.m.p.m.	10.0	45.33	488	8.5	32.27	347	10.0	3 - 5	6
Warsaw, Poland	€ 35.00 sq.m.p.m.	6.1	€ 41.00 sq.m.p.m.	5.1	71.34	768	3.7	50.79	547	5.1	3 - 5	3-6
Zurich, Switzerland	SF 950.00 sq.m.p.a.	5.6	SF 1062.20 sq.m.p.a.	13.0	88.01	947	17.6	62.66	674	14.0	5	1-3

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Terms and Definitions

Global Market Rents provides a semi-annual snapshot of occupancy costs for prime office space throughout the world. Because office occupancy lease rates and expenses can vary substantively not only across world markets, but also within the same market area, these data are meant to provide comparative benchmarks only.

Comparative Office Occupancy Costs

In comparing international office cost quotations and leasing practices, the most common differences in reporting are the units of measure and currency, and how occupancy-related costs are reflected in quoted lease rates. For example, in the United States, office units are measured in square feet, while Japan uses the tsubo. Great Britain measures currency in pounds, while Thailand uses the baht. Also in the United States, rents are most often reported in “gross” terms that reflect virtually all costs of occupancy, while lease rates in many countries may be reported on a “net” basis and exclude such costs as management, property taxes and basic ongoing building maintenance.

Benchmarks For Measure, Currency and Terms

To facilitate comparisons across markets, Global Market Rents also reports local office occupancy costs in two common currencies, U.S. dollars and Euros, as well as two units of measure, square feet (sq. ft.) and square meters (sq. m.).

Changes over the past 12 months are also reported in local currency, U.S. dollars and Euros.

Explanation of Columns

Rent-Local Currency/Measure: The rent quoted is the typical “achievable” rent for a 1,000 sq. m. (10,000-sq.-ft.) unit in a top-quality (Class A) building in a prime location. Rents are expressed as headline rent, without accounting for any tenant incentives which may be necessary to achieve it.

Rents are stated in the local currency and prevailing unit of measure, as well as in those terms—gross or net—that are customarily employed in the respective market.

Office rents in Taiwan are quoted as “ping p. m.,” in Japan as “tsubo p. m.,” and in Korea as “pyung p. m.” The ping, tsubo and pyung all are approximately 36 sq. ft. Each is the traditional measure of area in its respective country, based on the equivalent measurement of two tatami mats.

Percentage Change: Documents the rate of change in local rents over the preceding 12 months. Because these data are expressed in the local currency, they can vary dramatically from the Euro and U.S. dollar-adjusted changes reported under Total Occupation Cost.

Total Occupation Cost: Local office costs are reported in local currency, Euros and U.S. dollars on a per annum basis; both per-sq.-ft. and per sq. m. measurements are quoted. This number reflects all occupancy costs, and therefore corresponds to “gross” rents.

Typical Rent Free Period & Typical Lease Term: The rent free column documents the time period, if any, for which no rent is collected for prime office space in the respective local market. Typically, the less “free rent” available, the stronger the market. Typical lease term refers to the usual duration of contracted leases in each respective market.

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