

PRESS RELEASE



LONDON (WEST END) REMAINS WORLD'S MOST EXPENSIVE OFFICE MARKET; HONG KONG (CBD) SECOND; TOKYO INNER CENTRAL THIRD

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Survey Finds Global Rents Beginning To Stabilize, 1.3% Decline from One Year Ago

London's West End continues to be the world's most expensive office market, according to CB Richard Ellis Group, Inc. (CBRE) Global Research and Consulting's semi-annual Global Office Rents survey. Hong Kong's Central Business District (CBD) continued in second place and also recorded the fastest year-over-year occupancy cost rise with a 34.2% increase. Tokyo's Inner Central remained the third most expensive market for office space. Mumbai held its fourth place position on the list while Moscow remains fifth in the CBRE rankings, which track occupancy costs for prime office space in 175 cities around the globe.

"Major markets in emerging economies feature prominently at the top of the list of most expensive office costs as measured in dollars per square foot," said Dr. Raymond Torto, CBRE's Global Chief Economist. "This pattern developed just a few years ago and it is more pronounced today."

The survey finds that on a year-over-year basis, occupancy costs are beginning to find their cyclical lows worldwide. Ninety-nine of these markets—still a majority—experienced decline, with 19 still registering double-digit percentage-point drops over the past 12 months. However, sixty-one markets saw occupancy costs for the year rise. Occupancy costs in fifteen markets were unchanged during that time period. The year-over-year change in office occupancy costs for the 175 markets monitored revealed a drop of only 1.3% worldwide.

Among the markets exhibiting the most significant gains were global gateway markets such as Hong Kong (Central CBD), London City and São Paulo. Gateway markets that posted more moderate gains included Paris, Shanghai and Washington, D.C.

While comparisons in dollars are affected by currency exchange rates, annual percent change calculations are based upon occupancy costs in local currency and measurement and not influenced by currency changes.

Asia-Pacific

Asia Pacific once again had 13 markets rank in the top 50 most expensive, with three of the top five (Hong Kong Central CBD, Tokyo Inner Central and Mumbai) most expensive markets. Hong Kong (Central CBD), with an occupancy cost of US\$184.21 per sq. ft. (up from US\$153.20 per sq. ft. six months ago), was first in the region followed by Tokyo's Inner Central, with an occupancy cost of US\$158.08 per sq. ft. Mumbai, with an occupancy cost of US\$130.41 per sq. ft., ranked third in the region.

The most expensive market in the global ranking from the Pacific Region was Perth (US\$59.63 per sq. ft.), which came in at 35th, despite also experiencing the sixth-largest decline in local currency, at negative 15.8%.

Asia Pacific has shown measurable improvement over the past six months, led by substantial year-over-year occupancy-cost increases in Hong Kong (Central CBD), Hong Kong (Citywide) and Beijing, with gains of 34.2%, 23.9% and 11.5%, respectively. More than half of the markets in the region are now posting gains in occupier costs compared to a year ago. Increased economic activity in the Pacific Rim has bolstered demand, and increases in the strength of the Chinese yuan allowed costs to rise relative to other markets. Twelve of these markets experienced declines and 13 markets saw occupancy costs for the year rise.

Europe Middle East & Africa (EMEA)

EMEA continues to have the most markets on the top 50 list with 30 markets. London's West End is still the world's most expensive market with an occupancy cost of US\$193.69 per sq. ft., up from US\$182.94 per sq. ft. six months ago. Other markets in the region that top the list are Moscow (occupancy cost of US\$128.33 per sq. ft.), London (City) (US\$124.59 per sq. ft.), Paris (US\$115.72 per sq. ft.), and Dubai (US\$95.32 per sq. ft.).

EMEA showed some signs of stabilization as the Eurozone recovery continued. Less than one-third of all EMEA markets posted occupancy cost gains. London City posted the largest gain for the region as its occupier costs grew by 17.5%, followed by Tel Aviv (13.4%). The largest declines were again among markets impacted by real estate overbuilding and speculation, such as Dubai (-12.5%) and Dublin (-12.4%). Twenty-eight of these markets experienced declines and 16 markets saw occupancy costs for the year rise.

Americas

North America is led by Midtown New York, which posted an office occupancy cost of US\$66.59 per sq. ft. While office occupancy costs in Midtown New York are high for North America, that market ranked just 26th globally.

North American markets, for the most part, have not seen occupancy costs begin to recover yet. Less than one-third of North American office markets experienced increases in occupancy costs over the past year. Atlanta (CBD) experienced the largest year-over-year increase, at 7.0%. New York, the largest office market in the U.S., saw occupancy costs decline by 7.6% (Downtown) and 4.5% (Midtown). Fifty-five of these markets experienced declines and 21 markets saw occupancy costs for the year rise.

In Latin America, São Paulo, which ranked just ahead of Rio de Janeiro, remains the most expensive market, posting an office occupancy cost of US\$109.03 per sq. ft. São Paulo now ranks as the 9th most expensive market globally. Meanwhile, with an occupancy cost of \$104.40 per sq. ft., Rio de Janeiro has moved into the global top 10 on the strength of its local premium office market combined with the appreciation of the Brazilian real against the U.S. dollar over the past year.

Latin America is holding up better than the rest of the world and continues to post gains. Of the region's 15 markets, only four experienced declines. Brazil saw the largest increases, in São Paulo (26.9%) and Rio de Janeiro (13.7%). Brazil's recovery began in 2Q 2009, so the annual change is reflective of the trough for that country's office market.

Top Ten

Most Expensive Markets

(In US\$ per SF per annum)

US\$/SF/annum

| | |
|-------------------------------------|--------|
| 1.) London West End, United Kingdom | 193.69 |
| 2.) Hong Kong (Central CBD) | 184.21 |
| 3.) Tokyo, (Inner Central), Japan | 158.08 |
| 4.) Mumbai, India | 130.41 |
| 5.) Moscow, Russian Federation | 128.33 |
| 6.) Tokyo (Outer Central), Japan | 127.31 |
| 7.) London City, United Kingdom | 124.59 |
| 8.) Paris Ile-de-France, France | 115.72 |
| 9.) São Paulo, Brazil | 109.03 |
| 10.) Rio de Janeiro, Brazil | 104.40 |

Fastest Changing

Occupancy Costs

(In local currency & measure)

Top 5 Decreases

% Change

| | |
|----------------------------|-------|
| 1.) Edmonton, Canada | -19.4 |
| 2.) Orlando, United States | -17.8 |
| 3.) Monterrey, Mexico | -16.9 |
| 4.) Valencia, Spain | -15.9 |
| 5.) Perth, Australia | -15.8 |

Top 5 Increases

% Change

| | |
|---------------------------------|------|
| 1.) Hong Kong (Central CBD) | 34.2 |
| 2.) São Paulo, Brazil | 26.9 |
| 3.) Hong Kong (Citywide) | 23.9 |
| 4.) London City, United Kingdom | 17.5 |
| 5.) Rio de Janeiro, Brazil | 13.7 |

Note: The full Top 50 Most Expensive Markets chart is located at the end of this press release.

Notes to Editors

1. Global MarketView/Office Occupancy Costs is a survey of office occupation costs for prime office space in 175 cities worldwide.
2. The latest survey provides data on office rents and occupancy costs as of September 30, 2010
3. The Fastest Changing rankings are based upon occupancy costs in local currency and measure. The Most Expensive ranking is based upon occupancy costs in US\$ per sq. ft. per annum.
4. The figures given in this release refer to occupancy cost. This represents rent, plus local taxes and service charges. The occupation cost figures have also been adjusted to reflect different measurement practices from market to market.
5. To obtain a full copy of the report or to arrange to speak with a CBRE expert, please contact Robert McGrath at 212.984.8267 or robert.mcgrath@cbre.com.

Top 50 Most Expensive Office Markets as of September 30, 2010

| Rank | Market | US\$/sq ft/annum | € /sq m/annum | £/sq ft/annum | Aus \$/sq m/annum | Can\$/sq ft/annum | ¥ /sq ft/annum |
|------|---------------------------------|---------------------|------------------|------------------|----------------------|----------------------|-------------------|
| 1 | London West End, United Kingdom | 193.69 | 1529.62 | 123.28 | 2,157 | 199.24 | 16,163 |
| 2 | Hong Kong (Central CBD) | 184.21 | 1454.78 | 117.25 | 2,051 | 189.49 | 15,372 |
| 3 | Tokyo, (Inner Central), Japan | 158.08 | 1248.40 | 100.61 | 1,760 | 162.61 | 13,191 |
| 4 | Mumbai, India | 130.41 | 1029.89 | 83.00 | 1,452 | 134.15 | 10,883 |

| | | | | | | | |
|----|---------------------------------|--------|---------|-------|-------|--------|--------|
| 5 | Moscow, Russian Federation | 128.33 | 1013.46 | 81.68 | 1,429 | 132.01 | 10,709 |
| 6 | Tokyo (Outer Central), Japan | 127.31 | 1005.42 | 81.03 | 1,418 | 130.96 | 10,624 |
| 7 | London City, United Kingdom | 124.59 | 983.93 | 79.30 | 1,387 | 128.16 | 10,397 |
| 8 | Paris Ile-de-France, France | 115.72 | 913.86 | 73.65 | 1,288 | 119.04 | 9,656 |
| 9 | São Paulo, Brazil | 109.03 | 861.06 | 69.40 | 1,214 | 112.16 | 9,099 |
| 10 | Rio de Janeiro, Brazil | 104.40 | 824.50 | 66.45 | 1,162 | 107.40 | 8,712 |
| 11 | New Delhi, India | 101.21 | 799.30 | 64.42 | 1,127 | 104.11 | 8,446 |
| 12 | Dubai, United Arab Emirates | 95.32 | 752.75 | 60.67 | 1,061 | 98.05 | 7,954 |
| 13 | Hong Kong (Citywide) | 92.53 | 730.72 | 58.89 | 1,030 | 95.18 | 7,721 |
| 14 | Geneva, Switzerland | 86.08 | 679.84 | 54.79 | 959 | 88.55 | 7,184 |
| 15 | Zurich, Switzerland | 84.19 | 664.89 | 53.59 | 937 | 86.61 | 7,026 |
| 16 | Luxembourg City, Luxembourg | 82.57 | 652.07 | 52.55 | 919 | 84.94 | 6,890 |
| 17 | Istanbul, Turkey | 78.77 | 622.11 | 50.14 | 877 | 81.03 | 6,574 |
| 18 | Milan, Italy | 78.62 | 620.88 | 50.04 | 875 | 80.87 | 6,561 |
| 19 | Stockholm, Sweden | 73.27 | 578.64 | 46.64 | 816 | 75.37 | 6,114 |
| 20 | Abu Dhabi, United Arab Emirates | 72.11 | 569.46 | 45.90 | 803 | 74.18 | 6,017 |
| 21 | Seoul CBD, South Korea | 70.97 | 560.51 | 45.17 | 790 | 73.01 | 5,923 |
| 22 | Frankfurt am Main, Germany | 70.26 | 554.84 | 44.72 | 782 | 72.27 | 5,863 |
| 23 | Edinburgh, United Kingdom | 69.91 | 552.14 | 44.50 | 778 | 71.92 | 5,834 |
| 24 | Manchester, United Kingdom | 68.34 | 539.74 | 43.50 | 761 | 70.30 | 5,703 |
| 25 | Singapore, Singapore | 67.56 | 533.59 | 43.00 | 752 | 69.50 | 5,638 |
| 26 | New York Midtown, U.S. | 66.59 | 525.89 | 42.38 | 741 | 68.50 | 5,557 |
| 27 | Dublin, Ireland | 66.35 | 524.00 | 42.23 | 739 | 68.25 | 5,537 |
| 28 | Birmingham, United Kingdom | 64.88 | 512.38 | 41.29 | 722 | 66.74 | 5,414 |
| 29 | Rome, Italy | 64.01 | 505.49 | 40.74 | 713 | 65.84 | 5,341 |
| 30 | Glasgow, United Kingdom | 63.63 | 502.51 | 40.50 | 708 | 65.46 | 5,310 |
| 31 | Aberdeen, United Kingdom | 63.57 | 502.08 | 40.47 | 708 | 65.40 | 5,305 |
| 32 | Shanghai (Pudong), China | 61.82 | 488.25 | 39.35 | 688 | 63.60 | 5,159 |
| 33 | Oslo, Norway | 61.55 | 486.13 | 39.18 | 685 | 63.32 | 5,137 |
| 34 | Athens, Greece | 61.47 | 485.45 | 39.13 | 684 | 63.23 | 5,130 |
| 35 | Perth, Australia | 59.63 | 470.93 | 37.95 | 664 | 61.34 | 4,976 |
| 36 | Toronto (CBD), Canada | 59.07 | 466.54 | 37.60 | 658 | 60.77 | 4,930 |
| 37 | Leeds, United Kingdom | 58.13 | 459.09 | 37.00 | 647 | 59.80 | 4,851 |
| 38 | Madrid, Spain | 57.65 | 455.29 | 36.69 | 642 | 59.31 | 4,811 |
| 39 | Sydney (Core), Australia | 57.12 | 451.10 | 36.36 | 636 | 58.76 | 4,767 |
| 40 | Beijing, China | 56.90 | 449.39 | 36.22 | 634 | 58.54 | 4,749 |
| 41 | Shanghai (Puxi), China | 55.58 | 438.96 | 35.38 | 619 | 57.18 | 4,638 |
| 42 | Brussels, Belgium | 55.25 | 436.36 | 35.17 | 615 | 56.84 | 4,611 |
| 43 | Munich, Germany | 55.10 | 435.16 | 35.07 | 614 | 56.68 | 4,598 |
| 44 | Helsinki, Finland | 53.89 | 425.56 | 34.30 | 600 | 55.43 | 4,497 |
| 45 | Buenos Aires, Argentina | 53.26 | 420.62 | 33.90 | 593 | 54.79 | 4,445 |
| 46 | Washington, DC (CBD), U.S. | 53.03 | 418.80 | 33.75 | 590 | 54.55 | 4,425 |
| 47 | Jersey, United Kingdom | 53.02 | 418.72 | 33.75 | 590 | 54.54 | 4,425 |
| 48 | Tel Aviv, Israel | 52.95 | 418.21 | 33.71 | 590 | 54.47 | 4,419 |
| 49 | Vancouver (CBD), Canada | 52.81 | 417.10 | 33.62 | 588 | 54.33 | 4,407 |
| 50 | Warsaw, Poland | 52.34 | 413.33 | 33.31 | 583 | 53.84 | 4,368 |

Source: CB Richard Ellis Global Research and Consulting