GLOBAL MARKET RENTS
May 2008

Office Rents and Occupancy Costs Worldwide

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PREFACE

CB Richard Ellis' global team of researchers is pleased to provide the industry with our semi-annual analysis of the level and direction of global office market rents and occupancy costs. This report is the product of more than 500 local researchers pulling together to monitor, assemble and analyze the data and to provide it to our clients in a timely manner.

Global Market Rents is a comparative snapshot that can be used for benchmarking purposes. Every effort has been made in the analysis to adjust for the myriad differences in the manner that local markets measure and report quoted lease rates, and there is a wealth of detail available to clients of CB Richard Ellis.

As always, clients come first. If this report is not meeting your expectations or if you have suggestions on how we can improve our publications and the methods in which we deliver information to you, please do not hesitate to contact me at raymond.torto@cbre.com.

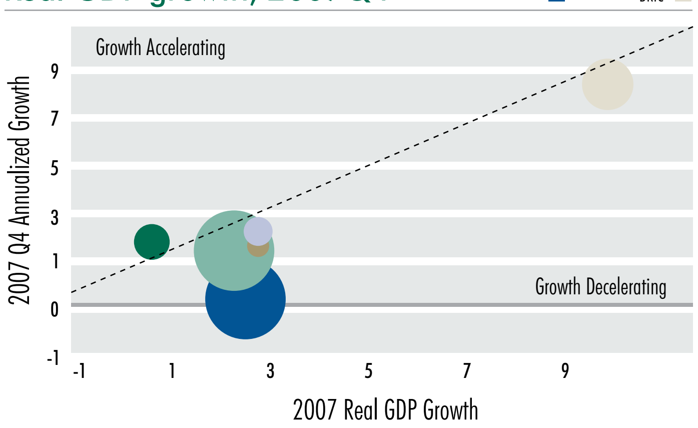
Warm regards,

Raymond G. Torto, PhD, CRE
Global Chief Economist
May 9, 2008

It has not been an easy time. Global economies have been buffeted by three significant events leading to an economic slowdown toward the end of first quarter 2008: the disruption in the credit and financial institutional markets in North America; surging energy prices, which affect countries that are net energy consumers; and soaring food prices worldwide, which disproportionately affect developing countries where a larger share of GDP is spent on food. Together, these shocks turned a soaring global economy to one of widespread concern.

The graphic below—which plots fourth quarter GDP growth for 2007 against the growth rate for all of 2007—shows a slowed rate of growth for most major economies at the onset of 2008. The size of the bubble represents the relative size of the economy. The fact that most bubbles are hovering at or below the 45 degree line indicates that they were slowing in the fourth quarter relative to their annual pace for 2007.

Real GDP growth, 2007Q4



Source:Economist Intelligence Unit, EcoWin

It appears the worst of the financial crisis is over. While the fallout from the subprime defaults and falling home prices will take time to work itself out, the Federal Reserve acted swiftly to calm the markets and stabilize Wall Street. The U.S. surprised many forecasters by posting a 0.6% annualized rate of GDP growth in the first quarter of 2008. With the U.S. skirting a recession, April's job losses slowing, a falling unemployment rate and aggressive fiscal and monetary policy initiatives taken, the U.S economy appears poised to turn the corner in the latter half of this year.

Although the impact of the financial crisis was also felt in Europe, the European economies have weathered the storm better than the U.S. One problem that will plague the region is the appreciating euro vs. the dollar and dollar-pegged currencies. This has hurt the competitiveness of European exports worldwide. A strong euro has positive effects as well; as the euro strengthens, it helps to counter the effects of climbing commodity and oil prices, which are typically priced in dollars.

Asia, with its limited exposure to the financial crisis, is set to experience another year of stronger relative growth compared to the rest of the world, but slower than recent historical growth. The major concern for the Asian economies is the rapid rate of food inflation. With some countries having experienced food riots in response to escalating food prices, the concern is both economic and political. The BRIC Economies (Brazil, Russia, India and China) started to slow during the fourth quarter of 2007; however, they still expanded at a rapid rate of 8.3%.

Global Office Snapshot

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 during the last six months, although the property markets remain fairly well occupied. Based on our first quarter survey, more than ninety percent of the markets are showing flat or rising rents, as opposed to declining occupancy costs. 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 in the long-standing, very mature markets. The greatest increases in occupancy costs are found in such diverse places as Ho Chi Minh City, Moscow, Oslo, Tel Aviv and Perth, while the highest occupancy costs are still in London, followed by Tokyo. Two newer markets—Moscow and Mumbai—are at the top of list as well, reflecting the paucity of Class A office space in these quickly emerging locations.

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 Cover Photograph: Los Angeles, CA

The World's Most Expensive Office Markets

The Europe, Middle East and Africa (EMEA) region is home to the world's two most expensive office markets. London's West End sits at the top of the list once again, with an occupancy cost of $299.54, followed by Moscow at $232.37, or $67.17 less expensive than London.

The Asia Pacific region holds the third and fourth spots. Tokyo's Inner Central Five Wards, with a reported occupancy cost of $220.25, is the third most expensive market globally and the most expensive market in the Asia Pacific region. Mumbai, with an occupancy cost of $210.97, came in at fourth globally and second for the region.

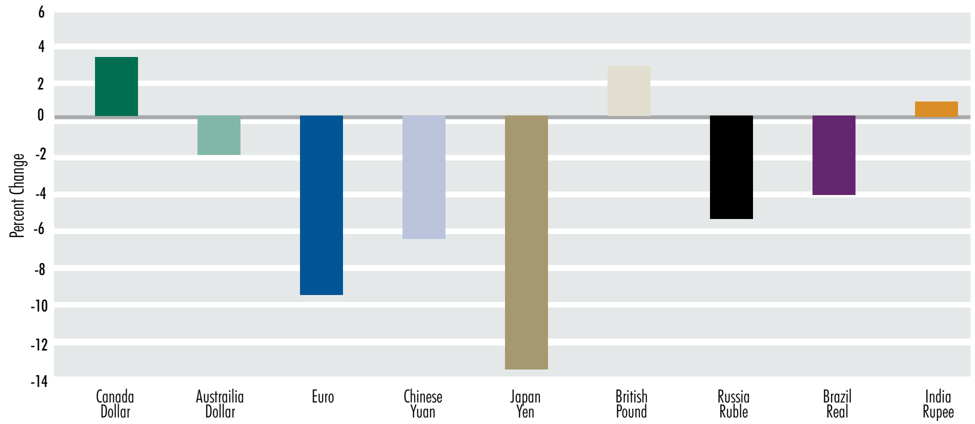
North America is led by Midtown Manhattan, which posted average occupancy costs of $103.43. While the occupancy cost in New York is high for North America, it is ranked 13th globally. Rio de Janeiro posted Latin America's highest occupancy cost at $74.60.

Occupancy costs measured in U.S. dollars during the last six months have been affected by changes in the dollar's value versus the respective local currencies. Hence occupancy costs when converted into dollars are driven by both local market dynamics of supply and demand, as well as currency changes. The graphic shows how the U.S. dollar has changed vs. major world currencies during the last six months. The most dramatic depreciation of the dollar has been against the Japanese yen, where the dollar has fallen approximately 14%. Interestingly, during the last six months the dollar has actually appreciated against the British pound about 3%, even though it is down 18% year over year.

As mentioned previously, two factors affect the growth rate in rents as reported here. One is the interplay of supply and demand and the other is currency fluctuations. For example, Moscow's results show an increase of nearly 30%, but about two-thirds of the increase was due to supply/demand factors versus currency fluctuations. Tokyo's Inner Central Five Wards essentially experienced the opposite effect.

Change in U.S. Dollar Strength over the Past Six Months

Source: EcoWin



GLOBAL 50 INDEX—MOST EXPENSIVE

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

1	London (West End), England	299.54	26	Frankfurt am Main, Germany	82.63
2	Moscow, Russia	232.37	27	Bristol, England	81.49
3	Tokyo (Inner Central), Japan	220.25	28	Glasgow, Scotland	80.50
4	Mumbai, India	210.97	29	Geneva, Switzerland	78.43
5	Tokyo (Outer Central), Japan	175.35	30	Warsaw, Poland	76.55
6	London (City), England	164.18	31	Leeds, England	76.53
7	New Delhi, India	145.16	32	Rio de Janeiro, Brazil	74.60
8	Paris, France	141.98	33	Athens, Greece	73.79
9	Singapore, Singapore	139.31	34	Aberdeen, Scotland	72.55
10	Dubai, United Arab Emirates	128.49	35	São Paulo, Brazil	71.41
11	Hong Kong	126.79	36	Seoul, South Korea	71.40
12	Dublin, Ireland	126.60	37	Rome, Italy	71.18
13	New York Midtown, United States	103.43	38	Sydney (Core), Australia	68.52
14	Paris La Defense, France	103.20	39	Shanghai (Pudong), China	68.45
15	Birmingham, England	100.38	40	Munich, Germany	67.55
16	Oslo, Norway	97.30	41	Perth, Australia	66.58
17	Madrid, Spain	96.64	42	Calgary, Canada (CBD)	66.27
18	Zurich, Switzerland	92.99	43	Brussels, Belgium	64.77
19	Luxembourg City, Luxembourg	92.78	44	Liverpool, England	64.60
20	Edinburgh, Scotland	92.43	45	Barcelona, Spain	64.43
21	Manchester, England	87.46	46	Brisbane, Australia	63.32
22	Stockholm, Sweden	86.69	47	Toronto, Canada (CBD)	62.44
23	Ho Chi Minh City, Vietnam	85.84	48	Los Angeles (sub), United States	62.06
24	Milan, Italy	85.41	49	Jersey, England	61.46
25	Abu Dhabi, United Arab Emirates	84.14	50	Shanghai (Puxi), China	61.26

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Where are Occupancy Costs Rising the Fastest?

Worldwide, the cost of occupying office space grew rapidly during the 12 months ending March 31, 2008. The average rate of growth for office occupancy cost among the 173 markets monitored was 11.3%, more than double last year's world inflation rate.

The growing economy and urbanization of Ho Chi Minh City, Vietnam, led to that market's stunning 94.4% growth rate, pushing it to the top of the rankings. Not surprisingly, cities termed "emerging" captured six of our top ten markets. Occupancy costs in the top ten grew an astounding 59.1% on average during the last 12 months, while the top 50 markets grew an average of 28%.

The slowing economic situation in North America does not appear to have dampened occupancy cost growth rates. Growth rates among the North American markets in the top 50 rankings averaged 20.1%. However, the number of North American markets in our top 50 rankings fell from 19 in our last report to 16 as of the end of the first quarter of 2008. Suburban Miami was the region's fastest-growing market with a growth rate of 28.9%, down slightly from 31.1% in our previous report.

The four Latin American markets making the top 50 rankings grew an average of 21%. Strong demand driven by large public works projects, most notably the expansion of the Panama Canal, helped to push Panama City into the top 15. Three other markets from the Latin American region—São Paulo, Buenos Aires and Rio de Janeiro—also recorded impressive growth rates.

The Asia Pacific region continued to show strength with an average growth rate of 37.6% among the region's eleven entries into our top 50. Singapore, which was number one in the previous edition of this report, continued its impressive growth streak as rents increased by an extraordinary 86%. Mumbai experienced a slowdown in occupancy cost growth, decreasing from 55% in our last report to a still-impressive 40.7%.

With an average growth rate of 30.7%, the markets from the Europe, Middle East and Africa (EMEA) region that made the top 50 ranking, continued to grow at an impressive rate. Moscow remained the fastest-growing market in the region, experiencing a remarkable increase of 92.7%, up from 65.4% in our previous report. Nicosia, Cyprus, which recorded a 2.9% growth rate in last November's report, has grown an impressive 58% in the last 12 months. Growth in London's West End slowed to 22.5%, down from a rate of 41.9% in our last report.

GLOBAL 50 INDEX—FASTEST GROWING

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

1	Ho Chi Minh City, Vietnam	94.4	26	Los Angeles (sub), United States	21.7
2	Moscow, Russia	92.7	27	Brisbane, Australia	20.1
3	Singapore, Singapore	86.0	28	Miami (CBD), United States	19.8
4	Nicosia, Cyprus	58.0	29	Rome, Italy	18.7
5	Oslo, Norway	57.6	30	Los Angeles (CBD), United States	18.6
6	Tel Aviv, Israel	53.2	31	Gothenburg, Sweden	18.3
7	Dubai, United Arab Emirates	43.4	32	Seattle (sub), United States	17.8
8	Mumbai, India	40.7	33	Istanbul, Turkey	17.7
9	Manila, Philippines	32.7	34	Johannesburg (Sandton), South Africa	17.7
10	Perth, Australia	32.3	35	Athens, Greece	17.6
11	Warsaw, Poland	32.2	36	Bristol, England	17.1
12	Liverpool, England	30.0	37	Paris La Defense, France	17.1
13	Hong Kong	29.9	38	Buenos Aires, Argentina	16.9
14	Miami (sub), United States	28.9	39	Stockholm, Sweden	16.9
15	Panama City, Panama	28.3	40	Calgary, Canada (sub)	16.7
16	Seattle (CBD), United States	25.8	41	Christchurch, New Zealand	16.7
17	Houston, United States	24.7	42	Rio de Janeiro, Brazil	15.8
18	Sydney (Core), Australia	23.2	43	Vancouver, Canada (sub)	15.5
19	São Paulo, Brazil	23.1	44	New York Downtown, United States	15.4
20	Prague, Czech Republic	22.8	45	New Delhi, India	15.3
21	New York Midtown, United States	22.7	46	Boston (sub), United States	15.3
22	Bangalore, India	22.6	47	Vancouver, Canada (CBD)	15.2
23	London (West End), England	22.5	48	Bratislava, Slovakia	14.7
24	Edmonton, Canada	22.5	49	Lyon, France	14.5
25	San Francisco, United States	22.0	50	Albuquerque, United States	14.5

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Regional Snapshot

Asia's commercial real estate market was stable in the first quarter of 2008, despite the uncertain global economic climate. However, investor sentiment softened slightly as some markets experienced a slowdown in investment activity from the peak recorded in 2007.

Leasing fundamentals across Asia remained strong, reflecting substantial demand from both domestic and multinational occupiers and limited available space in many markets. In the CBD areas of Hong Kong, Singapore, Seoul, Ho Chi Minh City and Mumbai, available Class A office space remained insufficient to meet the expansion needs of occupiers. As a result, vacancy rates remained at extremely low levels in these business hubs.

Shanghai continued to set the pace in mainland China with high levels of leasing activity and strong pre-commitment on new construction, which pushed the overall vacancy rate down by 0.2 percentage points to 3.3%. However, the pace of rental increases has begun to slow in most Asian markets, following strong appreciation during the past few years. In India, prime office rents remained largely stable across major cities, with Mumbai continuing to register the highest occupation costs for prime office space.

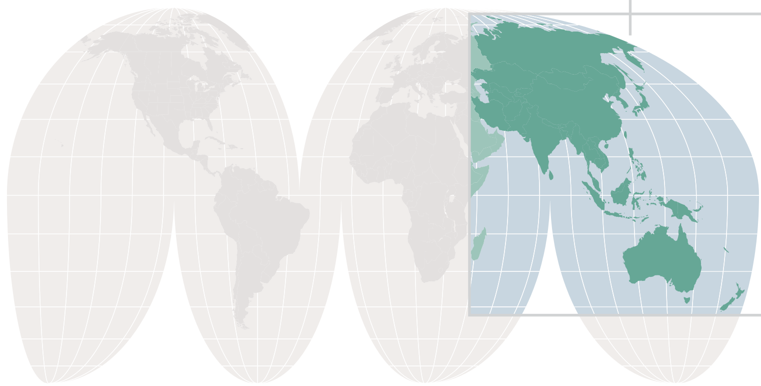
Pacific

Demand remained solid and supply low across most of the Australian office markets during 2007 and into the first quarter of 2008. Over the year to December 2007, net absorption in the Pacific region's central business districts totalled 611,500 sq. m. Many markets have already completed construction cycles with the net increase in inventory over the year ending December 2007 reaching a modest 251,500 sq. m. Looking ahead, net supply over the next four years is expected to increase by an average of 433,600 sq. m. annually. Australian CBD vacancy is forecast to fall to approximately 3.0% during 2008, and increase slightly in 2009. The resource-rich states of Western Australia and Queensland experienced strong leasing and investment activity in 2007 due to a commodities boom and population growth. Activity in the New Zealand occupier market remained strong, albeit at a slower pace than in 2007. With vacancies near long-term lows and rentals having posted moderate increases, the office markets, compared with the other property sectors, have shown the strongest short-term potential.

Key Market Snapshots

Tokyo

Market conditions remained tight during the first quarter. However, with business activity slowing in the face of the continuing U.S. credit crunch, a number of larger occupiers put expansion plans on hold, pushing Class A vacancy up 0.3 percentage points to 1.5%. While landlords in prime office districts remained optimistic regarding rental growth amid tight supply conditions, the past few quarters have shown signs of a slowdown in the rate of rental growth, and the first quarter saw rents decline in some submarkets.



Singapore

The office leasing market remained strong in the first quarter, with activity dominated by renewals and relocations. Prime rents averaged S$16.00 per sq. ft. per month, reflecting an increase of 6.7% quarter-over-quarter; however, this was a modest increase compared to the quarterly increases seen in 2007 (i.e., 19.0% in the fourth quarter). There was significant interest for expansion space from banks and financial institutions as well as business support and professional service providers such as IT consultants and law firms. Rising rents and CBD space limitations led some occupiers to relocate to refurbished state properties, business parks or fringe developments such as Scotts Spazio.

Hong Kong

Although rental growth slowed slightly amid the uncertainty in the global economic marketplace, overall prime office rent still climbed 9.1% quarter-over-quarter. The Central submarket's average rent rose 9.4% quarter-over-quarter to HK$124.05 per sq. ft., while growth was even stronger in CBD-fringe locations. With expansion demand remaining high and vacancy in prime office locations near 2.2%, landlords have continued to raise rents, especially in the Central submarket. However, some tenant resistance has emerged, with numerous occupiers implementing space-saving options rather than committing to additional space at current rents. Companies seeking expansion space have been forced to compete for limited availability in decentralized locations.

Sydney CBD

Leasing activity was strong in the Sydney CBD office market in 2007, with net absorption reaching 105,300 sq. m. Net absorption is forecast to decrease during 2008 due to the lack of available space and the uncertainty in the global market. Following significant rates of rental growth during 2007, rents continued to rise during the first quarter of 2008, due in part to the competition for limited space.

Office Rents and Occupancy Costs

	RENT - LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST - LOCAL CURRENCY/MEASURE*		TOTAL OCCUPATION COST US$/ANNUM*			TOTAL OCCUPATION COST EUROS [€] /ANNUM			TERMS	
	Current per local measure	*% change 12 months*	*Current per local measure*	*% change 12 months*	*Current per sq. ft.*	*Current per sq. m.*	*% change 12 months*	*Current per sq. ft.*	*Current per sq. m.*	*% change 12 months*	*Typical lease term (yrs.)*	*Typical rent free (months)*
Adelaide, Australia	A$ 300 sq. m. p.a.	10.7	A$ 342 sq.m. p.a.	12.8	US$ 29.03	US$ 312	27.0	€ 18.37	€ 198	4.2	5	7.7
Auckland, New Zealand	NZ$ 337 sq. m. p.a.	9.4	NZ$ 443 sq.m. p.a.	7.0	32.35	348	10.0	20.47	220	-0.9	9	1.0
Bangalore, India	Rs 95 sq. ft. p.m.	26.7	Rs 161.87 sq. ft. p.m.	22.6	48.41	521	32.9	30.55	329	11.6	3+3	1
Bangkok, Thailand	Baht 743 sq. m. p.m.	0.3	Baht 743 sq. m. p.m.	0.3	26.31	283	11.1	16.60	179	-6.3	3	1–2
Beijing, China	RMB 200.44 sq. m. p.m.	7.4	RMB 317.67 sq. m. p.m.	7.0	50.51	544	18.0	31.87	343	-0.9	2–3	1–2
Brisbane, Australia	A$ 654 sq. m. p.a.	23.0	A$ 747 sq.m. p.a.	20.1	63.32	682	35.2	40.07	431	11.0	5	1.0
Canberra, Australia	A$ 362 sq. m. p.a.	13.3	A$ 425 sq.m. p.a.	10.7	36.06	388	24.6	22.82	246	2.3	5	0.4
Christchurch, New Zealand	NZ$ 225 sq. m. p.a.	22.2	NZ$ 286 sq.m. p.a.	16.7	20.87	225	19.9	13.21	142	8.1	5	0.0
Guangzhou, China	RMB 108.95 sq. m. p.m.	12.6	RMB 190.27 sq. m. p.m.	10.9	30.25	326	22.2	19.09	205	2.7	2–4	1–3
Ho Chi Minh City, Vietnam	US$ 70 sq. m. p.m.	94.4	US$ 77 sq. m. p.m.	94.4	85.84	924	94.4	54.17	583	63.4	2	1
Hong Kong #	HK$ 71.74 sq. ft. p.m.	33.6	HK$ 82.23 sq. ft. p.m.	29.9	126.79	1,365	30.4	80.02	861	9.6	3 or 6	2–3
Jakarta, Indonesia	IDR 78,850 sq. m. p.m.	2.5	IDR 131,850 sq. m. p.m.	3.5	15.97	172	2.6	10.08	108	-13.9	3	1
Manila, Philippines	Php 1,250 sq. m. p.m.	38.9	Php 1,440 sq. m. p.m.	32.7	38.43	414	53.3	24.25	261	29.1	3	1
Melbourne, Australia	A$ 401 sq. m. p.a.	11.2	A$ 454 sq.m. p.a.	13.7	38.54	415	28.0	24.39	262	5.1	10	12.2
Mumbai, India	Rs 450 sq. ft. p.m.	40.6	Rs 705.33 sq. ft. p.m.	40.7	210.97	2,271	52.4	133.14	1,433	28.0	3+3+3	1
New Delhi, India	Rs 320 sq. ft. p.m.	16.4	Rs 485.33 sq. ft. p.m.	15.3	145.16	1,563	24.9	91.61	986	5.0	3+3+3	1
Perth, Australia	A$ 663 sq. m. p.a.	40.1	A$ 785 sq.m. p.a.	32.3	66.58	717	48.9	42.13	453	22.3	5	0.0
Seoul, South Korea ^	KRW 26,152.39 sq. m. p.m.	5.3	KRW 63,427.45 sq. m. p.m.	4.8	71.40	769	-0.4	45.06	485	-16.3	2–3	1–2
Shanghai (Pudong), China	RMB 264.26 sq. m. p.m.	15.3	RMB 430.51 sq. m. p.m.	13.8	68.45	737	25.5	43.20	465	5.4	2–3	1–2
Shanghai (Puxi), China	RMB 242.14 sq. m. p.m.	14.7	RMB 385.29 sq. m. p.m.	13.4	61.26	659	25.0	38.66	416	5.0	2–3	1–2
Singapore, Singapore	S$ 16 sq. ft. p.m.	86.0	S$ 16 sq. ft. p.m.	86.0	139.31	1,500	105.0	87.92	946	72.2	3	1
Sydney (Core), Australia	A$ 752 sq. m. p.a.	18.5	A$808 sq.m. p.a.	23.2	68.52	738	38.7	43.36	467	13.9	8	9.9
Taipei, Taiwan	NT 2,400 ping p.m.	2.9	NT 4,076.92 ping p.m.	2.6	45.36	488	11.8	28.63	308	-6.1	3–5	1–3
Tokyo (Inner Central), Japan	¥ 59,000 tsubo p.m.	16.3	¥ 65,000 tsubo p.m.	14.5	220.25	2,371	35.9	139.00	1,496	14.2	5	1
Tokyo (Outer Central), Japan	¥ 45,750 tsubo p.m.	3.4	¥ 51,750 tsubo p.m.	3.0	175.35	1,887	22.2	110.67	1,191	2.6	5	1
Wellington, New Zealand	NZ$ 332 sq. m. p.a.	12.4	NZ$ 441 sq.m. p.a.	11.6	32.19	346	14.7	20.37	219	3.4	6	0.0

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.
# CBRE Research Hong Kong conducted a review on the gradation of office buildings and revised the office property basket in the first quarter of 2007 accordingly.
The reported rental figure refers to average Grade A rent in Hong Kong covering all prime office districts, which replace the previously quoted core Central rents

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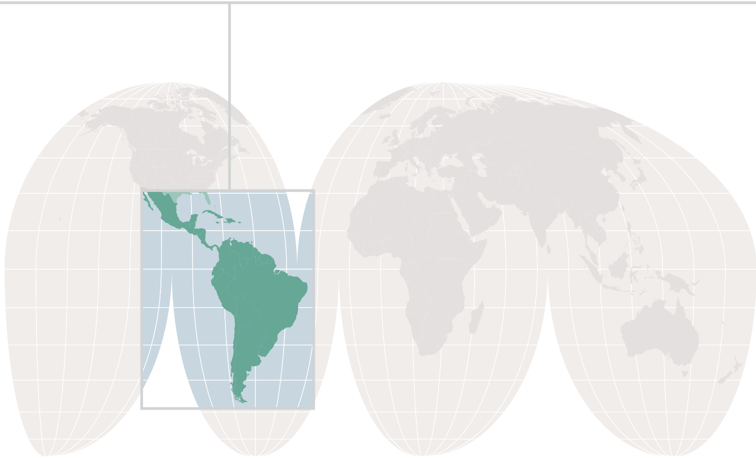

Regional Snapshot

The economic outlook remained positive in Latin America during the first quarter of 2008, although the region is projected to have a more moderate rate of growth of 4.7% on average, according to the Economic Commission for Latin America and the Caribbean. Panama is expected to be the top performer in terms of economic growth (estimated at 8.0%), while Mexico is projected to be the weakest (with estimated growth of 2.7%). The region's key office markets continued to be characterized by low vacancy rates, increasing lease rates and a boost in development activity. It is important to note that the region was essentially dormant until the beginning of this decade, and its office stock was primarily comprised of outdated buildings. The sudden economic growth of many key cities and the subsequent development booms have resulted in a fundamental change in the office market profiles of several cities, which are now marked by business districts with sophisticated Class A buildings offering facilities and amenities that meet international standards.

Latin America appears, so far, to have escaped the effects of the subprime mortgage crisis and the accompanying fall in optimism for commercial real estate. The reason may be that most investors looking at the region focus strictly on its future. While it may be too early to say that the region will escape unscathed, demand for investment product has remained extremely high, and there are no signs of waning for the remainder of the year. Capitalization rates for prime transactions in three major markets—Brazil, Chile and Mexico—continue to tighten, while evidence from individual transactions in secondary markets also confirms this decline in capitalization rates.

Key Market Snapshots

Buenos Aires

Fueled by strong ongoing demand, consistently low vacancy rates and increases in lease rates, the Buenos Aires office market finally experienced a boost in construction activity after years of stagnation; currently, there are more than 520,000 sq. m. of Class A and B office space under construction. Class A lease rates continue to increase, rising to an average of $31 per sq. m. overall, with prime rates exceeding $35 per sq. m. However, the rate of increase slowed, and it is expected that lease rates will stabilize or possibly decrease once a substantial volume of new supply is delivered to the market.

Mexico City

Lease rates for Class A office space remained stable overall, while rates in prime buildings increased marginally. Class A vacancy dropped to nearly 4.0% by the end of the first quarter in the absence of new supply. However, there is 575,000 sq. m. of new inventory under construction, nearly a third of which represents Class A office space. While only approximately 100,000 sq. m. will be completed during the current year, the delivery of larger quantities of space during the following two years is likely to result in more competitive lease rates.

Panama City

Several large-scale projects of national importance, including the expansion of the Panama Canal, played a role in Panama City's increased office market activity. New supply lagged behind demand, with new inventory completions not being expected until 2009. As a result, vacancy stood at less than 3.0%. For the past two years, Class A lease rates and market values have been increasing at an accelerated pace; this trend is likely to continue during the rest of the year.

Santiago de Chile

Despite regular deliveries of new supply to the Santiago office market, the new product was not enough to satisfy current demand levels. As a result, the overall vacancy rate for Class A and B offices combined reached a record-low 0.8% at the end of the first quarter of 2008. With only 63,000 sq. m. of new Class A office space likely to be completed during the current year, vacancy rates will undoubtedly remain remarkably low and lease rates will continue to increase.

São Paulo & Rio de Janeiro

São Paulo experienced record-high absorption levels during the first quarter, with more than 210,000 sq. m. of take-up, resulting in a decrease in the vacancy rate for combined Class A and B office product to 7.3%. Take-up in Rio de Janeiro was significantly lower as a result of continuously limited supply. Both markets registered increases in prime lease rates exceeding R$100 per sq. m. per month. However, lease rates are expected to stabilize in the medium term, as there is a significant volume of new inventory in the pipeline for both markets.

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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 62,000 sq. m. p. m.	1.6	COP 68,500 sq. m. p. m.	1.5	US$ 41.69	US$ 449	22.0	€ 26.31	€ 283	2.5	3–5	1–2
Buenos Aires, Argentina	US$ 35.00 sq. m. p. m.	16.7	US$ 44.17 sq. m. p. m.	16.9	49.24	530	16.9	31.07	334	-1.8	3–5	1–3
Caracas, Venezuela	VEF 225 sq. m. p. m.*	152.2	VEF 232.50 sq. m. p. m.	141.0	n/a *	n/a	n/a	n/a	n/a	n/a	1–3	1–3
Lima, Peru	US$ 15.50 sq. m. p. m.	10.7	US$ 17.50 sq. m. p. m.	9.4	19.51	210	9.4	12.31	133	-8.1	3–5	1–2
Mexico City, Mexico	US$ 32.00 sq. m. p. m.	6.7	US$ 37.37 sq. m. p. m.	6.0	41.66	448	6.0	26.29	283	-11.0	3–5	1–2
Montevideo, Uruguay	US$ 18.00 sq. m. p. m.	12.5	US$ 23.33 sq. m. p. m.	10.5	26.01	280	10.5	16.42	177	-7.1	2–5	None
Nassau, Bahamas	US$ 32.00 sq. ft. p. a.	0.0	US$ 41.00 sq. ft. p. a. **	0.0	41.00	441	0.0	25.87	279	-16.0	3–5	1–3
Panama City, Panama	US$ 23.50 sq. m. p. m.	30.6	US$ 26.18 sq. m. p. m.	28.3	29.18	314	28.3	18.41	198	7.8	3–5	1–2
Quito, Ecuador	US$ 16.00 sq. m. p. m.	14.3	US$ 18.00 sq. m. p. m.	12.5	20.07	216	12.5	12.66	136	-5.5	2–5	None
Rio de Janeiro, Brazil	R$ 100.00 sq. m. p. m.	17.6	R$ 117.00 sq. m. p. m.	15.8	74.60	803	35.6	47.09	507	13.9	5	1–2
San Jose, Costa Rica	US$ 23.00 sq. m. p. m.	4.5	US$ 25.50 sq. m. p. m.	6.3	28.43	306	6.2	17.94	193	-10.7	3–5	1–3
San Juan, Puerto Rico	US$ 21.00 sq. ft. p. a.	0.0	US$ 29.41 sq. ft. p. a.	0.0	29.41	317	0.0	18.56	200	-16.0	3–5	2–3
Santiago, Chile	UF 0.67 sq. m. p. m.	11.7	UF 0.77 sq. m. p. m.	13.2	39.02	420	51.1	24.60	265	26.5	3–5	1–2
Santo Domingo, Dominican Republic	US$ 21.00 sq. m. p. m.	10.5	US$ 23.00 sq. m. p. m.	9.5	25.64	276	9.5	16.18	174	-8.0	3–5	1
São Paulo, Brazil	R$ 95.00 sq. m. p. m.	26.7	R$112.00 sq. m. p. m.	23.1	71.41	769	44.0	45.07	485	21.0	5	3

* 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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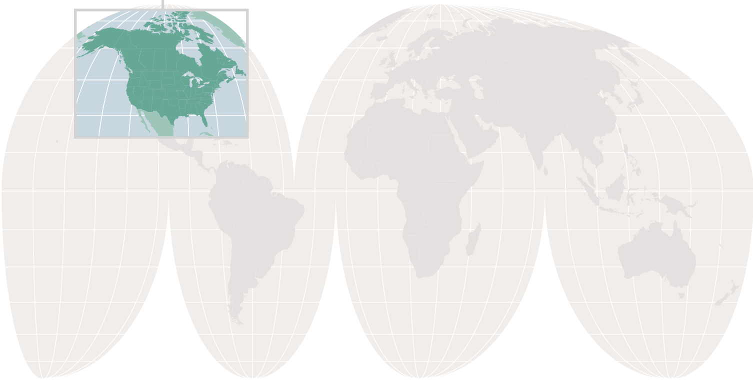

Regional Snapshot

Canada

The national office vacancy rate in Canada dropped for the eleventh consecutive quarter, ending the first quarter of 2008 at 6.4%. In light of the economic slowdown in the U.S., the persistent strength in the Canadian market highlights the fact that solid market fundamentals can ease the pain during harder economic times. The national vacancy rate continued its downward trend, and there were six markets with a downtown Class A vacancy rate at or below 4.0%—Vancouver, Calgary, Edmonton, Ottawa, Montreal and Halifax, with Toronto closely behind at 4.5%.

In contrast to the decrease in vacancy rates in downtown markets, overall vacancy rates increased in seven of the 10 suburban office markets in the first quarter of 2008, resulting in a 0.2-percentage-point increase in the national overall suburban vacancy rate to 8.4%. With 7.4 million sq. ft. currently under construction in the suburban markets across the country, combined with a slowing economy, there will likely be an excess of office space in suburban areas that may continue to drive up vacancy rates in the near term.

Downtown national average asking rents increased only slightly in the first quarter of 2008 to $23.64 per sq. ft. The eastern markets had stable or increasing asking rents, whereas the western markets, except for Edmonton, showed downward pressure on their downtown rents. Calgary and Vancouver experienced 1.8% declines. Calgary had 2.6 million sq. ft. of new supply come online in 2007; when this is combined with new construction totaling 9.3 million sq. ft., it is anticipated that the upward pressure will ease on Calgary's office rents for the foreseeable future.

United States

Although the economic climate remains uncertain, the most dire predictions from some analysts have not materialized. The U.S. posted 0.6% annualized growth during the past two consecutive quarters, not overly impressive, but still not the contraction needed to be considered a recession. However, the recessions in both the housing sector and certain financial services areas have affected the economy, as 232,000 jobs were shed in the first three months of the year followed by another 20,000 in April. On the other hand, exports, because of the weaker dollar, have grown well, resulting in a U.S. economy that is sputtering forward.

Nevertheless, the slowness in the economy is being felt in the property markets. Office vacancy increased by 40 basis points (bps) to 12.9% in the first quarter of 2008. This rise in the vacancy rate came with downtown and suburban markets once again parting ways, in what appears to be an emerging trend. While downtown markets held their ground for a second straight quarter at 9.6%, suburban markets posted a 50 bps increase to 14.7%. This marks the third straight quarter of rising suburban office vacancy rates.

Key Market Snapshots

Vancouver

The overall Downtown vacancy was a record-low 3.0% in the first quarter of 2008. The city is buzzing with activity as the 2010 Winter Olympic Games approach; as such, demand for quality office space will continue to be high in the Downtown core, and vacancy rates are expected to continue to decrease modestly. Landlords remain in control of the Downtown market, and with no new supply expected until 2010, asking rates will continue to achieve record highs. Tenants are now faced with a difficult decision: outbid their competitors to lease the limited space remaining in the Downtown core or seek alternatives in emerging suburban markets.

Montreal

In the first quarter of 2008, Montreal's overall vacancy rate dropped 1.5% to 7.9%. Moreover, Montreal was the only suburban market in Canada with a declining vacancy rate, dropping 2.6% to close the quarter at 11.5%. Absorption remained strong in the first quarter, with 670,000 sq. ft. of absorption evenly split between the downtown and suburban markets. Strong leasing activity and increased asking rents underscored a transformation from a tenant's market to a landlord's market. With only 150,000 sq. ft. of new supply anticipated in 2008 and limited large blocks of contiguous space, the market will remain tight, further driving up net asking rents and making proposed projects economically feasible.

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Atlanta

Economic ills took their toll on the Atlanta office market in the first quarter of 2008, as leasing activity trailed off sharply. While the market posted an increase in vacancy rate and available space, the local thinking is that this is cyclical for the office market. Atlanta will be affected by the slowdown in financial jobs in 2008, but its long-term prospects remain bright. Atlanta's suburban market posted an occupancy cost growth rate of 6.5%, while the central business district experienced a decrease in occupancy costs of 1.1%.

Austin

With office employment growing in 2007 and forecast to continue in 2008, demand for office space in the city should remain strong. Supply growth—approximately 1.44 million sq. ft. of new office space was added in 2007, and an additional 2.77 million sq. ft. is expected in 2008—also remains strong. Vacancy in downtown Austin has decreased for the past two and a half years, and fell to 13.9% in the first quarter of 2008. Vacancies in the North Central and Round Rock submarkets also declined, dropping to 22.9% and 10.6%, respectively. Occupancy costs for Austin increased 8.8% during the twelve months ending March 31, 2008.

Boston

At the end of the first quarter of 2008, Boston leasing fundamentals appeared strong on the surface, as the vacancy rate and average asking lease rates were at their lowest and highest respective levels since 2001. Downtown Boston, with middle single-digit vacancy rates, continues to post one of the lowest downtown vacancy rates in the U.S. While vacancy rates were low, new construction projects have increased availability to 12.4%, the highest rate Boston has seen since the first quarter of 2006. With an increase of 15.3%, Boston's suburban market posted the highest occupancy cost growth in the area.

Denver

Absorption in Denver remained positive for the 16th straight quarter, bringing vacancy to 12.5% and leading to an occupancy cost increase of 10.3% during the last twelve months. Sublease space has increased since the first quarter of 2007, largely attributed to home lending and building companies vacating. Demand continued to be driven by organic growth in the form of companies expanding and requiring more space. However, a handful of major announcements this year by companies such as Charles Schwab and ConocoPhillips prove that major corporations are also actively pursuing Denver for relocation or significant expansion.

Seattle

With occupancy costs increasing 25.8% in the twelve months ending March 31, 2008, the Seattle central business district office market remained a true "landlords' market." While institutional investors may finally see some slowdown in activity, strong absorption is enabling current owners to keep lease rates high to validate their "top dollar" purchases of 2007. Total vacancy declined slightly during the first quarter of 2008, ending at 10.6%. The decrease of 0.3 percentage points is attributed to smaller office users moving to Class B and suburban buildings. Absorption of Class B space exceeded Class A, with 191,000 sq. ft. compared to only 116,000 sq. ft. of Class A space occupied on a net basis.

Washington, DC

The continued influx of new developments throughout the District is giving tenants a wide range of options for their commercial real estate needs and contributing to the changing face of the nation's capital. The continued demand for "live, work, play" environments in the District is growing, as evidenced by the success of the Verizon Center at 7th Street, NW. District-wide, net absorption has continued to remain below five-year and ten-year averages as a result of the slowing economy and tenant hesitation. In addition to slowing absorption, the vacancy rate has risen slightly to 6.8%, up from 6.6% at the end of 2007, while occupancy costs increased in the mid single digits.

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Office Rents and Occupancy Costs

	RENT - LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM		
	Current per local measure	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months
Albuquerque	US$ 22.58 sq. ft.	14.5	US$ 22.58	US$ 243	14.5	€ 14.25	€ 153	-3.8
Atlanta (CBD)	US$ 21.76 sq. ft.	-1.1	21.76	234	-1.1	13.73	148	-16.9
Atlanta (sub)	US$ 24.59 sq. ft.	6.5	24.59	265	6.5	15.52	167	-10.5
Austin	US$ 20.38 sq. ft.	13.0	28.84	310	8.8	18.20	196	-8.6
Baltimore	US$ 26.00 sq. ft.	3.8	26.00	280	3.8	16.41	177	-12.8
Boston (CBD)	US$ 50.92 sq. ft.	7.8	50.92	548	7.8	32.14	346	-9.5
Boston (sub)	US$ 39.70 sq. ft.	15.3	39.70	427	15.3	25.05	270	-3.2
Calgary, Canada (CBD)	C$ 68.00 sq. ft.	6.3	66.27	713	19.5	41.82	450	0.4
Calgary, Canada (sub)	C$ 42.00 sq. ft.	16.7	40.93	440	31.2	25.83	278	10.2
Charlotte	US$ 20.32 sq. ft.	0.4	20.32	219	0.4	12.82	138	-15.6
Chicago (CBD)	US$ 24.75 sq. ft.	8.7	35.41	381	6.0	22.35	240	-11.0
Chicago (sub)	US$ 17.60 sq. ft.	11.5	25.07	270	7.8	15.82	170	-9.5
Cincinnati	US$ 14.17 sq. ft.	-0.6	21.30	229	-0.4	13.44	145	-16.3
Cleveland	US$ 21.42 sq. ft.	-2.5	21.42	230	-2.5	13.52	145	-18.1
Columbus	US$ 11.92 sq. ft.	-2.4	14.95	161	-1.9	9.43	102	-17.6
Dallas	US$ 22.96 sq. ft.	3.0	32.12	346	2.1	20.27	218	-14.2
Denver	US$ 27.15 sq. ft.	10.3	27.15	292	10.3	17.13	184	-7.4
Detroit	US$ 23.12 sq. ft.	-1.3	23.12	249	-1.3	14.59	157	-17.1
Edison	US$ 23.90 sq. ft.	2.7	23.90	257	2.7	15.08	162	-13.8
Edmonton, Canada	C$ 49.00 sq. ft.	22.5	47.75	514	37.7	30.14	324	15.7
Fort Lauderdale	US$ 20.56 sq. ft.	4.6	29.87	321	3.1	18.85	203	-13.3
Fort Worth	US$ 20.13 sq. ft.	0.0	20.13	217	0.0	12.70	137	-16.0
Halifax, Canada	C$ 31.13 sq. ft.	3.1	30.34	326	15.9	19.15	206	-2.6
Hartford	US$ 20.50 sq. ft.	0.1	20.50	221	0.1	12.94	139	-15.9
Honolulu	US$ 23.09 sq. ft.	2.9	31.68	341	2.1	19.99	215	-14.3
Houston	US$ 28.92 sq. ft.	24.7	28.92	311	24.7	18.25	196	4.7
Indianapolis	US$ 19.49 sq. ft.	-3.0	19.49	210	-3.0	12.30	132	-18.5
Jacksonville	US$ 21.38 sq. ft.	5.0	21.38	230	5.0	13.49	145	-11.8
Kansas City	US$ 20.49 sq. ft.	4.3	20.49	220	4.3	12.93	139	-12.4
Las Vegas	US$ 34.93 sq. ft.	7.3	34.93	376	7.3	22.04	237	-9.9
London, Canada	C$ 24.32 sq. ft.	-2.8	23.70	255	9.3	14.96	161	-8.2
Long Island	US$ 32.54 sq. ft.	4.6	32.54	350	4.6	20.54	221	-12.1
Los Angeles (CBD)	US$ 30.52 sq. ft.	18.6	30.52	328	18.6	19.26	207	-0.4
Los Angeles (sub)	US$ 62.06 sq. ft.	21.7	62.06	668	21.7	39.17	421	2.3
Memphis	US$ 20.70 sq. ft.	3.2	20.70	223	3.2	13.06	141	-13.3
Miami (CBD)	US$ 45.67 sq. ft.	19.8	45.67	491	19.8	28.82	310	0.7
Miami (sub)	US$ 46.36 sq. ft.	28.9	46.36	499	28.9	29.26	315	8.3
Minneapolis	US$ 16.73 sq. ft.	9.3	24.39	262	6.2	15.39	166	-10.8
Montreal, Canada (CBD)	C$ 37.54 sq. ft.	3.3	36.59	394	16.1	23.09	248	-2.5

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$1.63 and US$1.58. One US$ equals C$1.03. U.S. Rents Compiled by Torto Wheaton Research (TWR) an independent subsidiary of CB Richard Ellis

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Office Rents and Occupancy Costs

	RENT - LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM		
	Current per local measure	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months
Montreal, Canada (sub)	C$ 25.58 sq. ft.	1.9	US$ 24.93	US$ 268	14.6	€ 15.73	€ 169	-3.7
Nashville	US$ 20.00 sq. ft.	1.2	20.00	215	1.2	12.62	136	-15.0
New York Downtown	US$ 57.54 sq. ft.	15.4	57.54	619	15.4	36.31	391	-3.1
New York Midtown	US$ 103.43 sq. ft.	22.7	103.43	1113	22.7	65.27	702	3.1
Newark	US$ 26.63 sq. ft.	1.6	26.63	287	1.6	16.81	181	-14.7
Oakland	US$ 33.77 sq. ft.	13.1	33.77	363	13.1	21.31	229	-5.0
Orange County	US$ 39.03 sq. ft.	6.3	39.03	420	6.3	24.63	265	-10.7
Orlando	US$ 28.73 sq. ft.	7.9	28.73	309	7.9	18.13	195	-9.4
Ottawa, Canada	C$ 45.00 sq. ft.	3.4	43.86	472	16.3	27.68	298	-2.3
Philadelphia	US$ 24.35 sq. ft.	2.0	34.04	366	1.4	21.48	231	-14.8
Phoenix	US$ 29.14 sq. ft.	2.1	29.14	314	2.1	18.39	198	-14.2
Pittsburgh	US$ 22.59 sq. ft.	-5.3	22.59	243	-5.3	14.26	153	-20.4
Portland	US$ 25.85 sq. ft.	4.0	25.85	278	4.0	16.31	176	-12.6
Raleigh	US$ 21.26 sq. ft.	5.2	21.26	229	5.2	13.42	144	-11.6
Riverside	US$ 25.48 sq. ft.	4.0	25.48	274	4.0	16.08	173	-12.7
Sacramento	US$ 29.80 sq. ft.	3.6	29.80	321	3.6	18.81	202	-13.0
Salt Lake City	US$ 25.00 sq. ft.	2.8	25.00	269	2.8	15.78	170	-13.6
San Diego	US$ 39.48 sq. ft.	4.3	39.48	425	4.3	24.92	268	-12.4
San Francisco	US$ 49.71 sq. ft.	22.0	49.71	535	22.0	31.37	338	2.5
San Jose	US$ 44.08 sq. ft.	12.2	44.08	474	12.2	27.82	299	-5.8
Seattle (CBD)	US$ 41.85 sq. ft.	25.8	41.85	450	25.8	26.41	284	5.7
Seattle (sub)	US$ 39.56 sq. ft.	17.8	39.56	426	17.8	24.97	269	-1.0
St. Louis	US$ 22.82 sq. ft.	2.0	22.82	246	2.0	14.40	155	-14.3
Stamford	US$ 38.42 sq. ft.	9.9	38.42	413	9.9	24.25	261	-7.6
Tampa	US$ 25.30 sq. ft.	5.9	25.30	272	5.9	15.97	172	-11.0
Toledo	US$ 17.85 sq. ft.	-1.1	17.85	192	-1.1	11.27	121	-16.9
Toronto, Canada (CBD)	C$ 64.07 sq. ft.	6.3	62.44	672	19.5	39.41	424	0.4
Toronto, Canada (sub)	C$ 30.21 sq. ft.	2.9	29.44	317	15.7	18.58	200	-2.8
Tucson	US$ 25.03 sq. ft.	11.0	25.03	269	11.0	15.80	170	-6.7
Vancouver, Canada (CBD)	C$ 56.87 sq. ft.	15.2	55.42	596	29.5	34.98	376	8.8
Vancouver, Canada (sub)	C$ 33.28 sq. ft.	15.5	32.43	349	29.9	20.47	220	9.1
Ventura	US$ 27.44 sq. ft.	5.3	27.44	295	5.3	17.32	186	-11.5
Washington, DC (CBD)	US$ 51.05 sq. ft.	7.0	51.05	549	7.0	32.22	347	-10.1
Washington, DC (sub)	US$ 39.36 sq. ft.	6.9	39.36	424	6.9	24.84	267	-10.2
Waterloo Region, Canada	C$ 24.80 sq. ft.	5.5	24.17	260	18.6	15.25	164	-0.4
West Palm Beach	US$ 20.97 sq. ft.	1.0	34.54	372	0.6	21.80	235	-15.5
Wilmington	US$ 23.52 sq. ft.	4.4	32.26	347	3.2	20.36	219	-13.3
Winnipeg, Canada	C$ 27.92 sq. ft.	0.0	27.21	293	12.4	17.17	185	-5.5

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Regional Snapshot

Weakening economic prospects began to affect the European occupier markets during the first quarter of 2008, although the market performance statistics provide a more positive picture than market sentiment might suggest. The EU27 rent index continued to rise, with the increase of 1.9% on par with a year ago. Annual rental growth was down, however, largely due to a moderation of rental growth in the EU-10 markets such as Warsaw, which saw very strong rental growth last year. The majority of the key Western markets—including the German cities, Brussels, Stockholm and London's West End—had static rents, although incentives began to increase in a number of these markets. A notable exception is London City, where a heavy reliance on the financial sector drove a more rapid slowdown than elsewhere in Europe; in fact, the first rental depreciation in four years occurred in the City market.

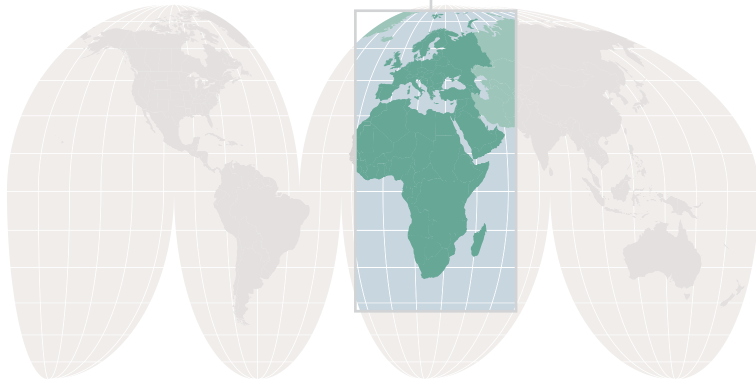
Financial uncertainty began to impact take-up in other European markets, as business expansion plans were put on hold. This was evident in the financial centers of London, Frankfurt, Madrid and Paris, most of which saw take-up fall by more than 10% in the quarter. The slowdown in demand also began to push vacancy rates up in many markets and, combined with the increasing cost of development finance, forced speculative schemes to be postponed or cancelled.

European property markets are no longer homogeneous, as distinct variations between financial office markets and non-financial centers have emerged. This overlays a split between the more established Western markets and those with continuing economic growth forecasts (particularly in the CEE). Both the Nordic and Central and Eastern European regions continue to be less affected by global economic concerns than the rest of Europe. While take-up has decreased slightly, there is continuing evidence of rental growth and tightening supply in these markets.

Key Market Snapshots

London

The aftershocks of the subprime mortgage crisis affected financial sector activity in the U.K., resulting in a decrease in business volume, optimism and employment. As a result, occupier demand fell in the Central London market compared to mid-2007. Leasing levels rebounded in the City; however, this was offset by falling demand in all other markets. Supply conditions remained tight in Central London and the vacancy rate stayed low at 3%, although this is expected to increase, particularly in the City as the market heads toward the peak of the development cycle. The Central London prime rent index fell for the first time in four years (by 2.1%), with falling rental values in all submarkets except the West End. Although the Central London market experienced significant growth during the last 12 months, rents are now on a clear downward trajectory.



Frankfurt

After exceptional take-up during the second half of 2007, occupier activity declined at the start of 2008, although it was still 22% higher than the first quarter of 2007. Take-up from professional services firms decreased, but the financial sector remained robust. Indeed, business sentiment was still strong across Germany, and increased take-up and further rental growth is expected in 2008. While global economic factors will dampen activity, the German economy itself is expected to remain positive, and changes to corporate income tax at the start of 2008 should maintain buoyancy. Strong demand, with limited prime office space, should translate into further rental growth during the year.

Paris

Office demand in Paris at the start of 2008 was above the long-term average but weaker than both the year-earlier and previous quarter's activity, as doubts persisted about the economy. Occupiers tended to upgrade but not expand, or extended their current leases, resulting in increased vacancy rates. The general slowdown in the market was also evident in development, with a drop in forecast completions as well as a decline in the level of speculative developments slated for the next 24 months, which are down from 70% to 60% of the pipeline.

Moscow

Moscow's economy was robust during the first quarter of 2008, and early indications suggested that office demand for the year was likely to be on a par with the record level seen in 2007. Rapid rental growth of almost 50% in the past 12 months drove high levels of development activity in the market, and around 2 million sq. m. is forecast for delivery in 2008. Although supply and demand are difficult to predict as a result of the global credit crisis, it is very possible that new space will outpace demand in 2008 and vacancy will increase from its current extraordinarily low level. Strong rental growth is still forecast.

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	€ 24.00 sq. m. p. a.	6.7	€ 36.50 sq. m. p. a.	5.8	US$72.55	US$781	7.2	€ 45.78	€ 493	-9.9	10+5	9
Abu Dhabi, United Arab Emirates	AED 279.00 sq. ft. p. a.	11.6	AED 309.00 sq. ft. p. a.	10.4	84.14	906	10.3	53.10	572	-7.3	3+	1
Amsterdam, Netherlands	€ 325.00 sq. m. p. a.	0.0	€ 366.50 sq. m. p. a.	0.0	58.01	624	19.0	36.61	394	0.0	5	3–12
Athens, Greece	€ 32.00 sq. m. p. m.	10.3	€ 38.85 sq. m. p. m.	17.6	73.79	794	40.0	46.57	501	17.6	12	0–2
Barcelona, Spain	€ 28.00 sq. m. p. m.	9.8	€ 32.46 sq. m. p. m.	9.3	64.43	693	30.0	40.66	438	9.3	3+2	2
Belfast, Northern Ireland	£ 14.00 sq. ft. p. a.	-3.4	£ 22.50 sq. ft. p. a.	0.0	44.72	481	1.4	28.22	304	-14.9	10	3
Berlin, Germany	€ 22.00 sq. m. p. m.	4.8	€ 25.00 sq. m. p. m.	4.2	44.16	475	24.0	27.87	300	4.2	3–5	1–6
Birmingham, England	£ 32.50 sq. ft. p. a.	8.3	£ 50.50 sq. ft. p. a.	13.5	100.38	1080	15.0	63.34	682	-3.4	10	15
Bratislava, Slovakia	€ 18.00 sq. m. p. m.	0.0	€ 24.67 sq. m. p. m.	14.7	48.42	521	36.6	30.56	329	14.7	5	3
Bristol, England	£ 27.50 sq. ft. p. a.	5.8	£ 41.00 sq. ft. p. a.	17.1	81.49	877	18.7	51.42	554	-0.3	10	12
Brussels, Belgium	€ 300.00 sq. m. p. a.	0.0	€ 363.00 sq. m. p. a.	-2.4	64.77	697	16.2	40.88	440	-2.4	3/6/9	1/year secured
Budapest, Hungary	€ 22.00 sq. m. p. m.	4.8	€ 26.00 sq. m. p. m.	6.1	51.03	549	26.3	32.21	347	6.1	3–5	4–6
Cape Town (Claremont), South Africa	R 115.00 sq. m. p. m.	4.5	R 115.00 sq. m. p. m.	4.5	15.78	170	-6.7	9.96	107	-21.6	5	0
Copenhagen, Denmark	DKr 1850.00 sq. m. p. a.	5.7	DKr 2250.00 sq. m. p. a.	4.7	52.25	562	24.5	32.98	355	4.6	3–5	0
Dubai, United Arab Emirates	AED 450.00 sq. ft. p. a.	28.6	AED 471.88 sq. ft. p. a.	43.4	128.49	1383	43.4	81.09	873	20.5	3–5	1
Dublin, Ireland	€ 673.00 sq. m. p. a.	0.0	€ 860.00 sq. m. p. a.	-0.1	126.60	1363	18.9	79.90	860	-0.1	25	3
Durban, South Africa	R 110.00 sq. m. p. m.	10.0	R 133.00 sq. m. p. m.	12.7	18.25	196	0.6	11.51	124	-15.5	5	0
Edinburgh, Scotland	£ 29.00 sq. ft. p. a.	3.6	£ 46.50 sq. ft. p. a.	2.8	92.43	995	4.2	58.32	628	-12.5	10	12
Frankfurt am Main, Germany	€ 39.00 sq. m. p. m.	13.0	€ 43.50 sq. m. p. m.	14.2	82.63	889	35.9	52.15	561	14.2	5+5	3–5
Geneva, Switzerland	SF 780.00 sq. m. p. a.	6.8	SF 835.00 sq. m. p. a.	7.1	78.43	844	32.1	49.50	533	11.0	5	0–3
Glasgow, Scotland	£ 27.50 sq. ft. p. a.	0.0	£ 40.50 sq. ft. p. a.	1.3	80.50	867	2.6	50.80	547	-13.8	10	12
Gothenburg, Sweden	SKr 2200.00 sq. m. p. a.	18.9	SKr 2395.00 sq. m. p. a.	18.3	41.69	449	39.9	26.31	283	17.6	3–5	0
Hamburg, Germany	€ 24.00 sq. m. p. m.	4.3	€ 27.10 sq. m. p. m.	3.4	51.48	554	23.1	32.49	350	3.4	5+5	3
Helsinki, Finland	€ 350.00 sq. m. p. a.	9.4	€ 350.00 sq. m. p. a.	9.4	57.25	616	30.2	36.13	389	9.4	3/5	0
Istanbul, Turkey	US$ 30.00 sq. m. p. m.	20.0	US$ 36.50 sq. m. p. m.	17.7	48.73	525	17.7	30.75	331	-1.1	3+2	1–2
Jersey, England	£ 26.00 sq. ft. p. a.	0.0	£ 30.92 sq. ft. p. a.	0.0	61.46	662	1.4	38.78	417	-14.9	15	18
Johannesburg (Sandton), South Africa	R 125.00 sq. m. p. m.	13.6	R 146.00 sq. m. p. m.	17.7	20.03	216	5.1	12.64	136	-11.7	5	0
Leeds, England	£25.00 sq. ft. p. a.	0.0	£ 38.50 sq. ft. p. a.	1.3	76.53	824	2.7	48.29	520	-13.8	10/15	18
Lille, France	€ 175.00 sq. m. p. a.	0.0	€ 240.00 sq. m. p. a.	0.0	37.99	409	19.0	23.98	258	0.0	3/6/9	3–6
Lisbon, Portugal	€ 20.50 sq. m. p. m.	2.5	€ 24.50 sq. m. p. m.	2.1	47.56	512	21.5	30.01	323	2.1	5	3–6
Liverpool, England	£ 22.00 sq. ft. p. a.	10.0	£ 32.50 sq. ft. p. a.	30.0	64.60	695	31.8	40.76	439	10.7	5/10	15
London (City), England	£ 60.00 sq. ft. p. a.	1.7	£ 82.60 sq. ft. p. a.	-2.2	164.18	1767	-0.9	103.60	1115	-16.8	10	15–18

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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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Office Rents and Occupancy Costs

	RENT - LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST - LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM			TERMS	
	Current per local measure	% change 12 months	Current per local measure	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Current per sq. ft.	Current per sq. m.	% change 12 months	Typical lease term (yrs.)	Typical rent free (months)
London (West End), England	£ 120.00 sq. ft. p. a.	20.0	£ 150.70 sq. ft. p. a.	22.5	US$ 299.54	US$ 3224	24.2	€ 189.01	€ 2035	4.3	10–15	9
Luxembourg City, Luxembourg	€ 40.00 sq. m. p. m.	14.3	€ 43.33 sq. m. p. m.	13.0	92.78	999	34.6	58.55	630	13.0	3/6/9	1/year secured
Lyon, France	€ 250.00 sq. m. p. a.	19.0	€ 315.00 sq. m. p. a.	14.5	49.86	537	36.3	31.47	339	14.5	3/6/9	3–6
Madrid, Spain	€ 40.50 sq. m. p. m.	11.0	€ 46.50 sq. m. p. m.	3.6	96.64	1040	23.3	60.99	656	3.6	3–5	1–2
Malaga, Spain	€ 18.00 sq. m. p. m.	5.9	€ 20.40 sq. m. p. m.	-4.1	42.40	456	14.2	26.76	288	-4.1	3–5	1–2
Manchester, England	£ 28.50 sq. ft. p. a.	0.0	£ 44.00 sq. ft. p. a.	1.1	87.46	941	2.5	55.19	594	-13.9	10	12
Marseille, France	€ 215.00 sq. m. p. a.	2.4	€ 280.00 sq. m. p. a.	1.8	44.32	477	21.2	27.97	301	1.8	3/6/9	3–6
Milan, Italy	€ 480.00 sq. m. p. a.	4.3	€ 528.00 sq. m. p. a.	5.3	85.41	919	25.3	53.90	580	5.3	6+6	6
Moscow, Russia	US$ 1700.00 sq. m. p. a.	100.0	US$ 2126.00 sq. m. p. a.	92.7	232.37	2501	92.7	146.64	1578	61.9	7	6
Munich, Germany	€ 31.50 sq. m. p. m.	3.3	€ 34.80 sq. m. p. m.	3.3	67.55	727	22.9	42.63	459	3.3	5+5	3–6
Nicosia, Cyprus	€ 17.00 sq. m. p. m.	41.7	€ 19.50 sq. m. p. m.	58.0	37.04	399	88.1	23.38	252	58.0	2–5	0
Oslo, Norway	NKr 4500.00 sq. m. p. a.	63.6	NKr 4790.00 sq. m. p. a.	57.6	97.30	1047	89.3	61.40	661	59.0	5–10	0
Palma De Mallorca, Spain	€ 15.00 sq. m. p. m.	15.4	€ 16.50 sq. m. p. m.	5.8	34.29	369	26.0	21.64	233	5.8	2–5	1–2
Paris, France	€ 789.00 sq. m. p. a.	7.8	€ 897.00 sq. m. p. a.	6.8	141.98	1528	27.1	89.61	965	6.8	3/6/9	3–6
Paris La Defense, France	€ 512.00 sq. m. p. a.	22.8	€ 652.00 sq. m. p. a.	17.1	103.20	1111	39.3	65.13	701	17.1	3/6/9	3–6
Prague, Czech Republic	€ 20.50 sq. m. p. m.	3.8	€ 28.56 sq. m. p. m.	22.8	56.06	603	46.2	35.38	381	22.8	5	3
Rome, Italy	€ 400.00 sq. m. p. a.	17.6	€ 440.00 sq. m. p. a.	18.7	71.18	766	41.3	44.92	484	18.7	6+6	6
Stockholm, Sweden	SKr 4400.00 sq. m. p. a.	15.8	SKr 4980.00 sq. m. p. a.	16.9	86.69	933	38.3	54.71	589	16.2	3–5	2–3
Tel Aviv, Israel	US$ 30.00 sq. m. p. m.	63.0	US$ 40.75 sq. m. p. m.	53.2	56.79	611	53.2	35.84	386	28.7	3–5	0–2
Thessaloniki, Greece	€ 16.00 sq. m. p. m.	0.0	€ 22.35 sq. m. p. m.	14.2	42.45	457	35.9	26.79	288	14.2	12	0–2
Valencia, Spain	€ 18.00 sq. m. p. m.	5.9	€ 20.75 sq. m. p. m.	-5.9	43.12	464	12.0	27.22	293	-5.9	3–5	1–2
Vienna, Austria	€ 22.50 sq. m. p. m.	9.8	€ 26.00 sq. m. p. m.	7.4	48.35	520	27.9	30.51	328	7.4	3–5	3
Warsaw, Poland	€ 33.00 sq. m. p. m.	32.0	€ 39.00 sq. m. p. m.	32.2	76.55	824	57.4	48.31	520	32.2	3–5	1–6
Zurich, Switzerland	SF 950.00 sq. m. p. a.	11.8	SF 990.00 sq. m. p. a.	11.2	92.99	1001	37.3	58.68	632	15.3	5+5	1-3

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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.

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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