GLOBAL MARKET RENTS
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Office Rents and Occupancy Costs Worldwide

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Global Dispatch

The global economy continues its positive growth momentum. February's sell-off in China's A-share markets and the reversal of Yen carry trade precipitated a short lived shock to global markets with recoveries in most sectors returning financial markets to health. The U.S. housing bubble has deflated without too dramatic an effect. Oil and other commodity prices have settled, at least for the short term. The European economy has gained momentum as the U.S. cools with further currency and central bank policy implications. Asia leads the world in economic expansion with every major Asian economy posting robust growth figures.

The war on terror, predictions of another deadly storm season and growing default rates of the highly extended U.S. consumer lead the potential threats to the North American economy. Potential overheating in some Asian markets bear close watching. In Europe, the Italian markets have not yet seen the growth experienced by their northern neighbors. The flood of available capital in recent years has led to a highly leveraged economy where low levels of transparency hides risk. Overall, however, the positives outweigh the negatives as the global and regional economic engine powers through the issues.

Investment in commercial real estate is highlighted by cross border investing in search of opportunities in the increasingly competitive capital placement markets. The evolution of derivative trading in commercial real estate further exposes the maturing trade. Yields remain at near record lows as investors hope for continued increases in rent to boost returns. Capital is increasingly flowing into emerging markets as investors are willing to accept greater risk.

Job creation in the financial industry is a key driver of office demand in many larger markets. Oil sands in Canada, ever increasing exports from Asia, the Australian resources industry, business-to-business revenues in the U.S. and the powerful European consumer are evidence of diversity in the drivers fueling growth. This mix inspires confidence that the global markets should be well positioned to withstand shocks.

Positive leasing trends in most markets have allowed for the absorption of space in excess of construction in all but the most rapidly building markets. Limited construction levels and ever lower vacancy and availability rates have increased pressure on rents in the premium locations. The high cost of building materials and construction is expected to continue to mitigate the level of building. All this leads to predictions of continued rental expense increases. Attempts by many larger U.S. landlords to increase rents ahead of market demand appear to be working in the short run, but do raise concerns for a correction if demand suffers a major unpredicted shock in the next year. The European markets are accelerating as employment trends outpace new development.

Global Snapshot

Office Markets closely mirror the economic picture with tightening vacancies and rising rents. Ninety percent of the markets surveyed are showing flat or rising rents. The effects of the new globally interconnected economy is shown clearly in the distribution of markets with the greatest increase in occupancy costs: Abu Dhabi, New Delhi, Sofia and Edmonton. The highest occupancy costs are still in London followed by Tokyo, Mumbai and Moscow.

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Cover Photograph: Panama City by Raúl Pinzón

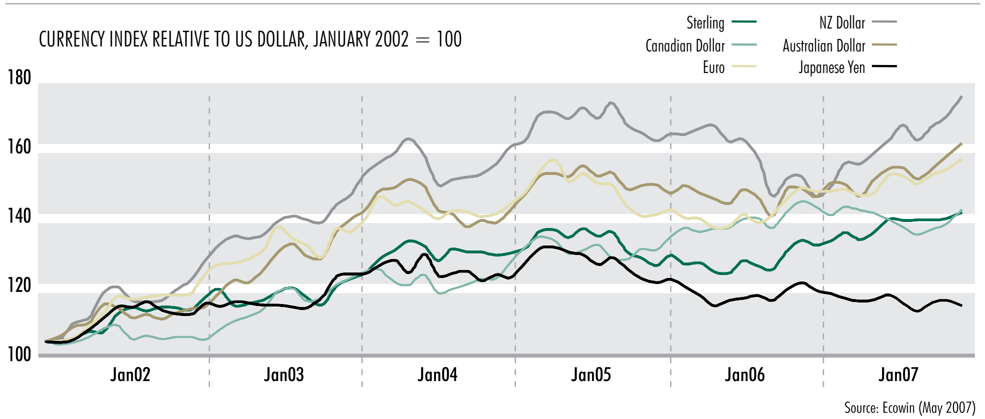
The World's Most Expensive Office Markets

London continues to dominate the list of the Top 50 Global Office Markets ranked by occupation cost, with its West End market remaining significantly more expensive than the nearest rival Tokyo. The composition of the Top 10 is largely unchanged over the last 12 months; New Delhi is the only new entrant, moving up from 17th place a year ago and becoming the second Indian city in the Top 10, joining Mumbai which itself moved up from 7th to 5th place. With Moscow ranked 6th on the list, the growing importance of the major emerging economies is clear. Markets in the Middle East have become increasingly more expensive, with Dubai just outside the Top 10 and Abu Dhabi rising from 50th to 17th over the last twelve months.

Overall, the EMEA region dominates the Top 50 with 33 markets, followed by Asia Pacific with 11 cities; North America and Latin America have three representatives each. In part this is influenced by the methodology used in the United States, where costs represent an average for Grade A space in the market concerned, whereas elsewhere the measure reflects typical costs for the best buildings and locations in the market. However, it is still notable that costs are significantly higher in many parts of Europe, Asia and the Middle East than they are in most North American cities.

The other factor that has influenced movement in dollar-denominated occupancy costs is changes in currency exchange rates. The weakening of the US dollar in recent years has had a significant impact on the rankings. As the chart shows, most international currencies have strengthened against the dollar, raising occupation costs in dollar terms. Thus office occupation costs in London rose 15% during the year in local currency, but by 30% in US dollar terms. Since the start of 2002, rents expressed in dollars have risen by between 40% and 70% in the UK, Europe, Canada and the Pacific region simply as a result of shifting exchange rates. This is over and above the strong growth that has been seen in local occupation costs in many markets over the same period.

Currency Movements Are Boosting Dollar Occupation Costs Outside the US



GLOBAL 50 INDEX – MOST EXPENSIVE

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

1	London (West End), England	241.22	26	Aberdeen, Scotland	67.66
2	London (City), England	165.72	27	Luxembourg City, Luxembourg	62.96
3	Tokyo (Inner Central), Japan	162.09	28	Stockholm, Sweden	62.68
4	Tokyo (Outer Central), Japan	143.52	29	Frankfurt am Main, Germany	60.80
5	Mumbai (Bombay), India	138.41	30	Jersey, England	60.64
6	Moscow, Russia	120.56	31	Geneva, Switzerland	59.36
7	New Delhi, India	116.19	32	Brussels, Belgium	55.77
8	Paris, France	111.70	33	Calgary, Canada (CBD)	55.47
9	Dublin, Ireland	106.48	34	Rio de Janeiro, Brazil	55.03
10	Hong Kong	97.21	35	Munich, Germany	54.96
11	Dubai, United Arab Emirates	89.60	36	Athens, Greece	52.72
12	Edinburgh, Scotland	88.74	37	Toronto, Canada (CBD)	52.23
13	Birmingham, England	87.27	38	Shanghai (Pudong), China	51.98
14	Manchester, England	85.31	39	Oslo, Norway	51.41
15	Glasgow, Scotland	78.45	40	Rome, Italy	50.37
16	Madrid, Spain	78.39	41	Caracas, Venezuela	50.17
17	Abu Dhabi, United Arab Emirates	76.25	42	São Paulo, Brazil	49.58
18	Leeds, England	74.52	43	Barcelona, Spain	49.54
19	Paris La Defense, France	74.07	44	Sydney (Core), Australia	49.18
20	Seoul, South Korea	73.45	45	Ho Chi Minh City, Vietnam	49.05
21	New York Midtown	69.44	46	Liverpool, England	49.03
22	Bristol, England	68.64	47	Amsterdam, Netherlands	48.74
23	Milan, Italy	68.14	48	Warsaw, Poland	48.64
24	Singapore, Singapore	67.97	49	Sofia, Bulgaria	48.06
25	Zurich, Switzerland	67.73	50	Shanghai (Puxi), China	46.70

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Global Office Rents Experience Strong Growth

Abu Dhabi, in the United Arab Emirates, scored the #1 position in the global rankings of fastest growing office occupation costs in the 12 months to the 1st quarter 2007. Rents in the oil-rich capital grew a staggering 103%. Ninety percent of the 176 office markets monitored in Global Market Rents showed positive growth in the 12 months to the first quarter 2007 (change measured off local currencies). The Top 50 fastest growing markets enjoyed average growth of 28%, while the Top 10 increased an impressive 58% on average.

While the economies of Asia are still well represented in this Top 50 ranking, the more established regions of North America and Europe are starting to see more growth, from more markets.

Despite concerns of a stalling US economy, there are more office markets from North America (16) in the Top 50 (including 3 in the Top 10) than from any other global region. North America's rent growth performance is headed by oil-and-gas-rich Edmonton, Canada, with a #4 ranking, where rents grew 60%, while in West Palm Beach, Florida rents grew 45%, to rank the market at #7 worldwide. New York Downtown slotted in at #10, where occupation costs increased 43%.

After many years in the economic doldrums, many parts of Europe are starting to show signs of life. Eleven markets in Europe made the Top 50 rankings in this reporting period; another three if you include Eastern Europe (categorized separately here to facilitate comparative analysis). Most notable in the region was one of those Eastern European cities, Sofia, where rents jumped 63% in the last year to put the Bulgarian capital third in the overall global rankings. The other European city to make the top ten was at the other end of the region, Belfast, where rents grew 43%, to come in at #9.

Market fundamentals in Asia's business hubs are being boosted by an influx of international companies, as well as expansion of local corporations. Ten Asian markets made it into the Top 50 global ranking this time around, including three in the Top 10: New Delhi in #2 with rent growth at 79%; Singapore was #5, with a 54% increase; Mumbai was #6, having experienced 45% rents growth over the last 12 months.

The Pacific Region had just two markets in the Top 50; one in the Top 10 and one just outside (Brisbane CBD at #11). Perth CBD made it to eighth in the global ranking, with a rent increase of 44% over the 12 months, fuelled by a booming resources industry and vacancy below 1.0%.

While Latin America had four markets in the Top 50 (Caracas, Venezuela #26; Bogotá, Colombia #32; Buenos Aires, Argentina #33; and Quito, Ecuador #44), none featured in the Top 10.

GLOBAL 50 INDEX – FASTEST GROWING

(ranked by annual % increase in occupation cost in local currency & measure)

1	Abu Dhabi, United Arab Emirates	102.9%	26	Caracas, Venezuela	21.6%
2	New Delhi, India	79.1%	27	Warsaw, Poland	20.4%
3	Sofia, Bulgaria	62.9%	28	Tel Aviv, Israel	19.8%
4	Edmonton, Canada	60.1%	29	Cape Town (Claremont), South Africa	18.9%
5	Singapore, Singapore	53.6%	30	Birmingham, England	18.7%
6	Mumbai (Bombay), India	45.1%	31	Boston (CBD)	17.6%
7	West Palm Beach	45.0%	32	Bogotá, Colombia	17.4%
8	Perth, Australia	43.8%	33	Buenos Aires, Argentina	17.2%
9	Belfast, Northern Ireland	42.9%	34	Palma De Mallorca, Spain	17.2%
10	New York Downtown	42.8%	35	Denver	17.0%
11	Brisbane, Australia	40.6%	36	Seattle (CBD)	17.0%
12	Manila, Philippines	38.2%	37	San Francisco	16.8%
13	Istanbul, Turkey	34.8%	38	Fort Lauderdale	16.6%
14	Ho Chi Minh City, Vietnam	33.3%	39	London (City), England	15.0%
15	Madrid, Spain	31.7%	40	London (West End), England	15.0%
16	Bangalore, India	31.2%	41	Honolulu	14.8%
17	Calgary, Canada (sub)	29.4%	42	Los Angeles (sub)	14.4%
18	Moscow, Russia	27.2%	43	Glasgow, Scotland	14.3%
19	New York Midtown	25.5%	44	Quito, Ecuador	14.3%
20	Valencia, Spain	25.3%	45	Athens, Greece	13.9%
21	Tokyo (Inner Central), Japan	24.7%	46	Vancouver, Canada (CBD)	13.4%
22	Hong Kong	24.1%	47	Shanghai (Pudong), China	13.2%
23	Oslo, Norway	22.8%	48	Miami (CBD)	12.6%
24	Johannesburg (Sandton), South Africa	22.8%	49	Phoenix	12.5%
25	Tokyo (Outer Central), Japan	21.8%	50	Calgary, Canada (CBD)	12.0%

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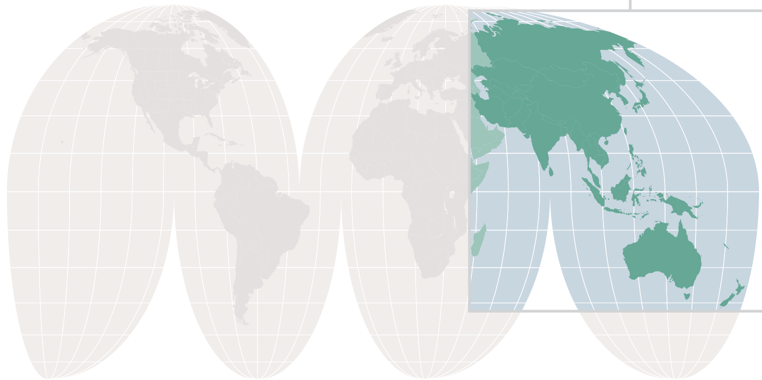

Regional Snapshot

Asia's sustained economic growth has spurred an ongoing influx of international companies and expansion by local corporations that in turn continue to drive strong demand for prime office space in Asia's major business hubs. Supply of Grade A office space remained extremely tight in the Core CBD areas of Hong Kong, Singapore, Tokyo, Mumbai and New Delhi, with vacancy rates hovering at 5% or lower in the first quarter.

Despite the buoyant conditions in most Asian leasing markets, office take-up in some Asian cities slowed over the first quarter, notably Bangkok and Taipei. Notwithstanding this easing in demand growth, the limited supply helped to support rents as no new Grade A office space was completed in the core business areas of both cities. The office leasing markets are mixed in the key Chinese cities. Beijing and Shanghai have generally continued to exhibit favorable momentum, particularly in the Finance Street area of Beijing and Pudong in Shanghai; while office rents softened slightly in Guangzhou due to the drop in rents of Grade B office space as well as the large quantity of new supply.

Leasing activity predominantly positive in Australia and New Zealand

Australian corporate profits and white collar employment have continued to grow and business investment remains strong across Australia. This has helped drive strong positive net absorption in the office markets. Many of the markets are also in the midst of a construction cycle. Australian CBD supply is expected to average above 323,000 square meters per year from 2007-2011. Overall, 2007 vacancy is likely to drop before increasing slightly in 2008. In the resource-rich states of Western Australia and Queensland, the commodities boom and population growth have continued to drive strong property markets. New Zealand net absorption has returned to positive territory in 2006 after dipping in 2005. The overall vacancy rate has fallen in Auckland but increased in Wellington and Christchurch over the last six months of 2006. Continuing robust demand has sustained prime rental growth over the same period across the three major New Zealand office markets.

Asia Pacific Key Market Snapshots

Tokyo

The Tokyo office leasing market remained strong in the first quarter of 2007 on the back of robust tenant demand. Four Grade A buildings, providing approximately 2.3 million square feet of net lettable area (NLA), were fully absorbed by the market prior to opening. Robust demand for prime space saw vacancy contract by 70 bps over the quarter to 0.7%, after briefly rebounding to above the 1% level during the second half of 2006. Upcoming 2007 schemes totaling approximately 3.7 million square feet NLA of prime office space, are expected to open at close to full occupancy. We anticipate tight market conditions and further upward pressure on prime rents to persist throughout the remainder of 2007.

Singapore

The leasing market remained active in the first quarter of 2007 in spite of the tight supply situation. Leasing deals continued to be dominated by the expanding financial and banking sectors. Prime office rent rose 10.1% in the quarter and 53.6% in the year to average S$8.60 per square foot per month. In a span of nine quarters, a three-fold rental increase was witnessed in buildings such as OUB Centre, Singapore Land Tower and Republic Plaza. Occupiers who upgraded in 2002/2003 may be faced with an affordability crunch in upcoming lease renewals/rent reviews. It is likely that some demand may divert to business parks and hi-tech industrial space.

Hong Kong

Demand for prestigious office space in Central continued to remain strong, with limited stock available in some premium grade A buildings. As a result of the persistent demand, especially from banking and hedge fund tenants, Central has witnessed rapid rental growth, despite record-high rents quoted. Some tenants are making tentative plans to move to new buildings which will soon be launched in the market, such as International Commerce Centre at Kowloon Station and One Island East in Quarry Bay. Given limited availability of quality stock in the CBD market, we expect office activity in non-core business areas to increase further in 2007.

Sydney

Leasing activity remained strong in the second half of 2006 in the Sydney CBD office market, with net absorption reaching 70,500 square meters. Positive net absorption is forecast to continue over 2007. With encouragement from high incentives still on offer, many tenants are expanding from locations already within the Sydney CBD. Market rent growth has picked up, driven by falling vacancy rates. Prime net face rental growth for the year to March 2007 was 9.2%. Reduction of incentives has commenced and this is likely to drive further growth in underlying effective rents in the short to medium term.

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Office Rents and Occupancy Costs

	RENT - LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST – LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US$/ANNUM*			TOTAL OCCUPATION COST EUROS [€] /ANNUM			TERMS	
	Current per local measure	% change 12 months	Current per local measure	% change 12 months	Current per sq.ft.	Current per sq.m.	% change 12 months	Current per sq.ft.	Current per sq.m.	% change 12 months	Typical lease term (yrs)	Typical rent free (months)
Adelaide, Australia	A$ 271 sq.m. p.a.	12.4	A$ 303 sq.m. p.a.	9.2	US$ 22.77	US$ 245	23.2	€ 17.11	€ 184	12.3	5	9.6
Auckland, New Zealand	NZ$ 308 sq.m. p.a.	7.3	NZ$ 414 sq.m. p.a.	11.0	27.50	296	28.8	20.66	222	17.5	9	2.2
Bangalore, India	Rs 75 sq.ft. p.m.	38.9	Rs 99 sq.ft. p.m.	31.2	36.44	392	34.5	27.38	295	22.3	6	1
Bangkok, Thailand	Baht 741 sq.m. p.m.	5.3	Baht 741 sq.m. p.m.	5.3	23.60	254	16.9	17.73	191	6.3	3	1–2
Beijing, China	RMB 175.16 sq.m. p.m.	2.1	RMB 200.46 sq.m. p.m.	1.3	40.15	432	6.2	30.16	325	-3.5	2–4	1–3
Brisbane, Australia	A$ 532 sq.m. p.a.	49.4	A$ 621 sq.m. p.a.	40.6	46.64	502	58.6	35.04	377	44.6	5	1.8
Canberra, Australia	A$ 304 sq.m. p.a.	0.1	A$ 369 sq.m. p.a.	1.9	27.69	298	15.0	20.80	224	4.8	5	0
Christchurch, New Zealand	NZ$ 194 sq.m. p.a.	1.4	NZ$ 245 sq.m. p.a.	3.7	16.27	175	20.3	12.23	132	9.7	5	0
Guangzhou, China	RMB 90.95 sq.m. p.m.	-0.1	RMB 114.15 sq.m. p.m.	0.6	23.52	253	4.5	17.67	190	-5.0	2	1–2
Ho Chi Minh City, Vietnam	US$ 40 sq.m. p.m.	33.3	US$ 44 sq.m. p.m.	33.3	49.05	528	33.3	36.85	397	21.2	2	1
Hong Kong#	HK$ 53.68 sq.ft. p.m.	26.9	HK$ 63.30 sq.ft. p.m.	24.1	97.21	1,046	23.3	73.03	786	12.0	3 or 6	2–3
Jakarta, Indonesia	IDR 76,950 sq.m. p.m.	7.8	IDR 127,450 sq.m. p.m.	5.7	15.57	168	5.2	11.70	126	-4.4	3	1
Manila, Philippines	PhP 900 sq.m. p.m.	47.5	PhP 1,085 sq.m. p.m.	38.2	25.07	270	46.6	18.83	203	33.2	3 to 5	2
Melbourne, Australia	A$ 360 sq.m. p.a.	10.1	A$ 399 sq.m. p.a.	10.4	29.98	323	24.5	22.52	242	13.5	10	19.5
Mumbai (Bombay), India	Rs 320 sq.ft. p.m.	52.4	Rs 376 sq.ft. p.m.	45.1	138.41	1,490	48.7	103.98	1,119	35.2	9	1
New Delhi, India	Rs 275 sq.ft. p.m.	83.3	Rs 316 sq.ft. p.m.	79.1	116.19	1,251	83.6	87.28	940	66.9	9	1
Perth, Australia	A$ 473 sq.m. p.a.	43.0	A$ 595 sq.m. p.a.	43.8	44.65	481	62.2	33.55	361	47.9	5	0
Seoul, South Korea	Won 86,306 pyung p.m.	2.7	Won 123,112 pyung p.m.	3.1	73.45	791	6.5	55.18	594	-3.2	2–3	1–2
Shanghai (Pudong), China	RMB 217.03 sq.m. p.m.	13.1	RMB 245.10 sq.m. p.m.	13.2	51.98	560	15.9	39.05	420	5.3	2–3	1–2
Shanghai (Puxi), China	RMB 200 sq.m. p.m.	4.9	RMB 226.69 sq.m. p.m.	5.3	46.70	503	7.9	35.08	378	-1.9	2–3	1–2
Singapore, Singapore	S$ 8.60 sq.ft. p.m.	53.6	S$ 8.60 sq.ft. p.m.	53.6	67.97	732	63.7	51.06	550	48.8	3	1
Sydney (Core), Australia	A$ 635 sq.m. p.a.	9.2	A$ 655 sq.m. p.a.	10.2	49.18	529	24.3	36.95	398	13.3	8	16.7
Taipei, Taiwan	NT$ 2,333 ping p.m.	2.8	NT$ 2,583 ping p.m.	2.5	40.57	437	0.6	30.47	328	-8.6	2–6	1–5
Tokyo (Inner Central), Japan	¥ 50,750 tsubo p.m.	28.5	¥ 56,750 tsubo p.m.	24.7	162.09	1,745	24.6	121.77	1,311	13.3	5	1
Tokyo (Outer Central), Japan	¥ 44,250 tsubo p.m.	25.5	¥ 50,250 tsubo p.m.	21.8	143.52	1,545	21.7	107.82	1,161	10.7	5	1
Wellington, New Zealand	NZ$ 295 sq.m. p.a.	7.2	NZ$ 395 sq.m. p.a.	7.2	26.24	282	24.4	19.71	212	13.5	6	2

* Asia locations only: On net floor basis, including all occupation expenses.
# 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.
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 local currency, Euros and in U.S. dollars for all markets. A complete explanation of the reported data appears at the end of this publication.

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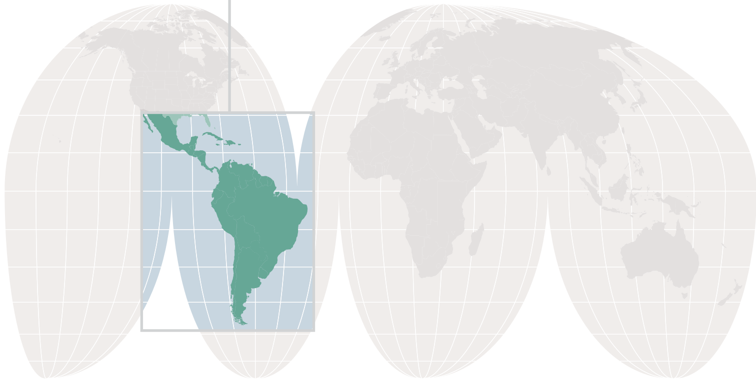

Regional Snapshot

With a positive economic outlook for the Latin America and the Caribbean region, the key regional office markets continue to be characterized by strong demand and decreasing vacancy rates. Lease rates have been increasing in some locations; some have even experienced double digit increases over the past year, most notably Caracas, Bogotá, Quito and Buenos Aires. Office markets in the Caribbean have remained stable showing moderate growth. Construction activity has finally resumed at an accelerated pace in all Latin American markets which had previously been limited or stagnant. In São Paulo, there are currently almost 400,000 square meters of new Class A space under construction, 305,000 square meters in Santiago and 217,000 square meters in Mexico City in addition to an increasing number of renovation projects.

Latin America continues to increase its importance as an institutional investment destination. After the first wave of acquisitions by a leading German investment fund in Mexico, it is now Chile's turn. The first acquisition was closed in December 2006 and it represented an initial cap of just over 9%. Future yield compression is anticipated. In Brazil, investment has taken the indirect route, and various US and Canadian institutional players have made the most of the recent IPOs and other corporate transactions to enter that market, particularly in the retail sector. The smaller countries are vying for attention too. Costa Rica has been joined by Panama as a destination for investment. Recently a major UK developer won a public bid to develop Howard Air Force Base, a former American facility at the mouth of the Panama Canal. This will be the first of various future developments around the government's recently approved project to widen the canal to increase ship traffic.

Key Market Snapshots

Buenos Aires, Argentina

Fuelled by strong economic growth, the Buenos Aires office market has for the most part recovered from the devaluation of the peso in 2002; prime lease rates have almost reached pre-devaluation levels and rate increases have slowed down. Furthermore, vacancy rates and absorption register normal levels, and cap rates are recovering. Construction activity has also regained momentum with over 100,000 square meters of Class A office space under development, which is expected to be completed within the next two years.

Panama City

Panama City's Class A vacancy is still recovering from the sudden 25% increase of new inventory registered during the first half of 2006, which caused vacancy to shoot up to 35%. With an improving economy fueled by increases in the tourism and cargo movement sectors, and subsequent demand from both local and foreign companies, Class A vacancy already decreased to 25% by the end of 2006.

Mexico City

Class A office demand remains strong; during 2006, approximately 425,000 square meters have been leased or sold. By the end of the first quarter of 2007, Class A vacancy registered 6.1%, representing a decrease of 36% compared to the previous year. The current total inventory of 217,000 square meters under construction is expected to be completed during 2007 and 2008. In addition, 500,000 square meters are in the pipeline for completion during the following two years.

São Paulo & Rio de Janeiro

Office demand in São Paulo is on the increase as take up during the first quarter of 2007 hit a new record, exceeding the quarterly average of the previous year by 36.5%. A similar trend, although with more moderate increases, could be observed in Rio de Janeiro. As vacancy rates are generally decreasing in both markets, Class A lease rates are showing an upward trend. During the past year, new supply in São Paulo has been averaging approximately 36,000 square meters per quarter. Due to a lack of development sites, new supply in Rio de Janeiro has been mostly limited to building renovations.

Santiago de Chile

Class A vacancy dipped below 10% during the second half of 2003 and has been gradually decreasing ever since, reaching a record 1.03% by the end of the first quarter of 2007. While Class A lease rates have been increasing at a moderate pace during the past years, they have registered accelerated growth during the first quarter of 2007. At present, there are over 305,000 square meters of Class A office space under construction, much of which has already been absorbed; the completion of the new inventory is not expected to have a significant impact on lease rates.

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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)*
Asuncion, Paraguay	US$ 6 sq.m. p.m.	0.0	US$ 9 sq.m. p.m.	0.0	US$ 8.92	US$ 96	0.0	€ 6.70	€ 72	-9.1	2	None
Bogota, Colombia	COP 61,000 sq.m. p.m.	17.3	COP 67,498 sq.m. p.m.	17.4	34.16	368	24.2	25.66	276	13.1	1–3	None
Buenos Aires, Argentina	US$ 30 sq.m. p.m.	15.4	US$ 37.78 sq.m. p.m.	17.2	42.11	453	17.2	31.64	341	6.6	3	1–3
Caracas, Venezuela	US$ 41.50 sq.m. p.m.	22.1	US$ 45 sq.m. p.m.	21.6	50.17	540	21.6	37.68	406	10.5	1–3	1–3
Lima, Peru	US$ 14 sq.m. p.m.	3.7	US$ 16 sq.m. p.m.	3.2	17.84	192	3.2	13.40	144	-6.2	3–5	1–2
Mexico City, Mexico	US$ 30 sq.m. p.m.	7.1	US$ 35.26 sq.m. p.m.	6.3	39.31	423	6.3	29.53	318	-3.3	3–5	1–3
Montevideo, Uruguay	US$ 16 sq.m. p.m.	6.7	US$ 22.78 sq.m. p.m.	5.6	23.53	253	5.6	17.68	190	-4.1	2–5	None
Nassau, Bahamas	US$ 32 sq.ft. p.a.	0.0	US$ 38 sq.ft. p.a.	0.0	38.00	409	0.0	28.55	307	-9.1	3–5	1–3
Panama City, Panama	US$ 18 sq.m. p.m.	12.5	US$ 20.40 sq.m. p.m.	11.5	22.74	245	11.5	17.08	184	1.3	3–5	1–2
Quito, Ecuador	US$ 14 sq.m. p.m.	16.7	US$ 16 sq.m. p.m.	14.3	17.84	192	14.3	13.40	144	3.9	2–5	None
Rio de Janeiro, Brazil	R$ 85 sq.m. p.m.	0.0	R$ 101 sq.m. p.m.	0.0	55.03	592	0.0	41.34	445	-3.4	5	1–2
San Jose, Costa Rica	US$ 22 sq.m. p.m.	10.0	US$ 24 sq.m. p.m.	9.1	26.76	288	9.1	20.10	216	-0.8	5	1–3
San Juan, Puerto Rico	US$ 21 sq.ft. p.a.	0.0	US$ 28.24 sq.ft. p.a.	0.0	28.24	304	0.0	21.21	228	-9.1	5	None
Santiago, Chile	UF 0.60 sq.m. p.m.	7.1	UF 0.68 sq.m. p.m.	6.2	25.82	278	6.3	19.44	209	-3.2	3–5	1–2
Santo Domingo, Dominican Republic	US$ 19 sq.m. p.m.	0.0	US$ 21 sq.m. p.m.	0.0	23.41	252	0.0	17.59	189	-9.1	3–5	1–3
São Paulo, Brazil	R$ 75 sq.m. p.m.	10.3	R$91 sq.m. p.m.	11.0	49.58	534	11.0	37.25	401	7.2	5	3

The numbers for Latin America have been revised to reflect the average asking lease rates of the best and most desirable office buildings in each market.
The quality, size and technical standards of the best buildings in each location may differ from market to market

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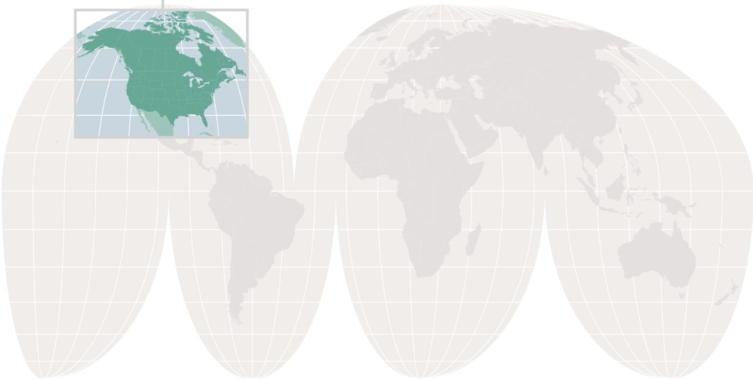

Regional Snapshot

Canada

The Canadian office market continues to thrive as market fundamentals, for the most part, have remained solid for the last two years. The overall vacancy rate dropped another 30 basis points for the seventh consecutive quarter to 7.4%. This is the lowest national vacancy rate in over two decades. Fueled by a combination of low vacancy rates and steadily rising rents in Calgary, Edmonton and Vancouver, national average rents, at $20.29 per square foot, for downtown Class A office space in Canada climbed to their highest level since 2003. In Toronto, vacancy in Premier Class A buildings have reached an historic low of 2.5% and asking rents have increased to $30.39 per square foot. As downtown vacancy continues to decline, tenant incentives, in some buildings, have also followed suit.

Of the 15.5 million square feet currently under construction in Canada, the majority of shovels in the ground are in downtown, with 9.0 million square feet of new buildings. Over 80% of the total amount underway is located in the red hot office development markets of Calgary and Toronto. With the booming oil and gas industry fueling office demand, Calgary has 7 buildings under construction in downtown alone, totaling 4.3 million square feet. Looking forward, as vacancy looks poised to decrease even further in 2007, and tenant incentives have slowly tapered off in this landlord's market, asking rates are set to increase further in most markets across Canada.

United States

The economic expansion continues to weaken yet remains firmly intact. First quarter real GDP is on track to post an annualized gain of near 2%, which would mark the fourth consecutive quarter of below-potential growth as the economy's potential is estimated to be just under 3%. Downturns in housing and throughout much of manufacturing are weighing on growth; however, activity in the other sectors continues to expand. Evidence of this is clearest in the job market, where monthly employment gains have slowed over the past year, but are still running at no less than 150,000 per month. This is at the upper end of estimated trend job growth and the unemployment rate is thus edging down, falling to a cyclical low of 4.4% in March. Labor compensation gains are accelerating in response to the tight job market, providing a sturdy foundation to consumer spending and, by extension, the broader economy.

The dynamic US office market slowed slightly but remained very active in the first quarter. Nationally, 34 markets reported positive net absorption, with 15 showing a reduction in the measure of occupied space. Overall absorption totaled 9 million square feet, down from 26.7 in fourth quarter 2006. Delivery of newly constructed space of just over 11.36 million square feet suggests a mostly balanced market condition in which the amount of space being added is in line with the increased demand; yet many markets are enjoying their lowest vacancy rates in five years.

North America Key Market Snapshots

Edmonton

The tremendous level of capital investment in the conventional oil and gas industry and the oil sands directly are having a significant effect on the Edmonton economy. Total occupancy costs continue to rise dramatically downtown, with Class 'AA' buildings increasing to $40.00 per square foot, and Class 'A' product consistently above $30.00 per square foot. Several factors have contributed to the continued increase in rents, most notably, a steadily decline in vacancy and ever-increasing construction costs. At 4.8%, vacancy is at a historic low not seen in over 20 years. By the end of year, gross rental rates are anticipated to break the $40.00 threshold for the best quality buildings.

Ottawa

The first quarter of 2007 saw a nominal rise in the overall vacancy rate to 4.7%, up 10 basis points from fourth quarter 2006. Space continues to be very limited in downtown with Class A vacancy at just 1.5%. With such a tight market in the core, some landlords of Class A and AAA properties are gaining slightly more confidence in the market, leading them to edge asking net rents upwards into the upper end of the $20 range as net effective rents approach $23.00 per square foot. Looking forward, expect an increase in new office construction as developers respond to demand for more space.

Downtown Manhattan

The indicators continue to be very encouraging in Downtown Manhattan, where first-quarter leasing activity of 1.25 million square feet paced 15% ahead of first-quarter 2006's 1.09 million square feet. The availability rate rose 0.8 points to 10.1% in March, Downtown's largest single-month increase since January 2005's 1.6-point rise, when 7 World Trade Center came online. Still, at this rate, Downtown's availability is down 2.9 points from first-quarter 2006's 13.0%. Moreover, with no significant new available inventory expected to come online in the near term, the market is poised for reduced availability throughout the coming months.

Los Angeles

Overall vacancy for Los Angeles County decreased to 8.7% during the first quarter of 2007 from 8.9% in the fourth quarter of 2006. Generally, tenants are migrating to newer quality space resulting in Class B buildings reporting higher vacancy rates (9.6%) than Class A (8.5%). Los Angeles County absorbed 797,000 square feet of Class A space the first quarter while Class B space posted negative net absorption of 593,000 square feet for a total positive net absorption of 204,000 square feet. Currently, 1.5 million square feet of space is under construction, of which 38% is pre-leased.

Washington, D.C.

Washington, D.C. is consistently recognized as one of the strongest and steadiest real estate investment markets globally. As evident by increased levels of development and investment activity, developers and owners are displaying confidence in the D.C. market's ability to provide returns on investment. The city delivered over 700,000 square feet of office product during the first quarter of 2007, with 200,000 square feet pre-leased. During the first quarter, vacancy saw a moderate increase to 7.5 percent from a year-end 2006 rate of 6.6 percent, due to supply outpacing demand in the quarter.

Dallas/Fort Worth

The Dallas/Fort Worth office market experienced stable growth in the first quarter of 2007, with over 390,000 square feet of positive net absorption. The increased occupancy kept vacancy rates in check, and resulted in the 10th consecutive quarter of positive net absorption in the market dating back to year-end 2004. Over that time, nearly 8.3 million square feet of office space has been absorbed, and market vacancy has declined to its lowest point in five years. Despite a quarter of strong positive net absorption, the overall Dallas/Fort Worth office vacancy rose slightly to 20.24% as a result of vacant space delivered to the market via new construction.

Denver

Office landlords continue to have reasons for optimism as the Denver office market posted positive absorption for the 12th straight quarter during the first quarter of 2007. Consequently, vacancy has fallen to 13.3%, its lowest point since 2001. In the first quarter of 2007, vacancy fell to 13.3%, down from 14.3% in the previous quarter. This marks the lowest vacancy rate in the market since 2001. The Denver office market continues its trend of positive absorption, with an impressive 623,257 square feet absorbed in the first quarter marketwide.

Orange County

The overall Orange County office market, which includes nearly 95 million square feet, experienced a minimal 30 basis point rise in the direct vacancy rate during the first quarter, to stand at 6.9%. Renewed demand for office space resulted in positive 222,727 square feet of net absorption, following a relatively flat fourth quarter. The 2007 pipeline of new office product totals 4.6 million square feet, of which 31% is pre-leased, while an additional 659,000 square feet is expected to be completed in early to mid 2008.

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Office Rents and Occupancy Costs

	RENT - LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM		
	Current per local measure	*% change 12 months*	*Current per sq.ft.*	*Current per sq.m.*	*% change 12 months*	*Current per sq.ft.*	*Current per sq.m.*	*% change 12 months*
Albuquerque	US$ 19.54 sq.ft.	4.8	US$19.54	US$ 210	4.8	€ 14.68	€ 158	-4.8
Atlanta (CBD)	US$ 20.16 sq.ft.	0.4	20.16	217	0.4	15.14	163	-8.7
Atlanta (sub)	US$ 20.81 sq.ft.	2.5	20.81	224	2.5	15.63	168	-6.8
Austin	US$ 21.81 sq.ft.	4.9	21.81	235	4.9	16.38	176	-4.6
Baltimore	US$ 23.68 sq.ft.	1.3	23.68	255	1.3	17.79	191	-7.9
Boston (CBD)	US$ 40.86 sq.ft.	17.6	40.86	440	17.6	30.69	330	6.9
Boston (sub)	US$ 24.34 sq.ft.	11.8	24.34	262	11.8	18.28	197	1.6
Calgary, Canada (CBD)	C$ 64 sq.ft.	12.0	55.47	597	13.4	41.67	448	2.9
Calgary, Canada (sub)	C$ 36 sq.ft.	29.4	31.20	336	31.0	23.44	252	18.9
Charlotte	US$ 19.69 sq.ft.	3.6	19.69	212	3.6	14.79	159	-5.8
Chicago (CBD)	US$ 22.44 sq.ft.	-2.8	22.44	241	-2.8	16.86	181	-11.6
Chicago (sub)	US$ 22.48 sq.ft.	3.8	22.48	242	3.8	16.89	182	-5.6
Cincinnati	US$ 15.79 sq.ft.	9.0	15.79	170	9.0	11.86	128	-0.9
Cleveland	US$ 19.68 sq.ft.	-2.2	19.68	212	-2.2	14.78	159	-11.1
Columbus	US$ 16.44 sq.ft.	5.7	16.44	177	5.7	12.35	133	-3.9
Dallas	US$ 17.20 sq.ft.	-1.9	17.20	185	-1.9	12.92	139	-10.8
Denver	US$ 22.17 sq.ft.	17.0	22.17	239	17.0	16.65	179	6.4
Detroit	US$ 20.91 sq.ft.	-2.3	20.91	225	-2.3	15.71	169	-11.2
Edison	US$ 22.78 sq.ft.	0.9	22.78	245	0.9	17.11	184	-8.3
Edmonton, Canada	C$ 40 sq.ft.	60.1	34.67	373	62.0	26.05	280	47.0
Fort Lauderdale	US$ 27.26 sq.ft.	16.6	27.26	293	16.6	20.48	220	6.0
Fort Worth	US$ 19.75 sq.ft.	-1.3	19.75	213	-1.3	14.84	160	-10.3
Halifax, Canada	C$ 30.20 sq.ft.	5.9	26.18	282	7.2	19.67	212	-2.7
Hartford	US$ 20.47 sq.ft.	-0.4	20.47	220	-0.4	15.38	165	-9.5
Honolulu	US$ 32.16 sq.ft.	14.8	32.16	346	14.8	24.16	260	4.3
Houston	US$ 21.53 sq.ft.	10.5	21.53	232	10.5	16.17	174	0.5
Indianapolis	US$ 18.77 sq.ft.	1.3	18.77	202	1.3	14.10	152	-7.9
Jacksonville	US$ 19.60 sq.ft.	1.4	19.60	211	1.4	14.72	158	-7.8
Kansas City	US$ 17.89 sq.ft.	-2.8	17.89	192	-2.8	13.44	145	-11.7
Las Vegas	US$ 32.38 sq.ft.	10.5	32.38	348	10.5	24.32	262	0.4
London, Canada	C$ 25.02 sq.ft.	-6.5	21.69	233	-5.3	16.29	175	-14.1
Long Island	US$ 29.23 sq.ft.	5.6	29.23	315	5.6	21.96	236	-4.0
Los Angeles (CBD)	US$ 23.74 sq.ft.	3.0	23.74	255	3.0	17.83	192	-6.3
Los Angeles (sub)	US$ 31.11 sq.ft.	14.4	31.11	335	14.4	23.37	251	4.0
Miami (CBD)	US$ 35.68 sq.ft.	12.6	35.68	384	12.6	26.80	288	2.3
Miami (sub)	US$ 31.07 sq.ft.	10.1	31.07	334	10.1	23.34	251	0.1
Montreal, Canada (CBD)	C$ 36.35 sq.ft.	2.4	31.51	339	3.6	23.67	255	-6.0
Montreal, Canada (sub)	C$ 25.10 sq.ft.	0.2	21.76	234	1.4	16.34	176	-8.0

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One Euro [€] equals C$1.54 and US$1.33. One US$ equals C$1.15. Source of U.S. rents: 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$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM		
	Current per local measure	% change 12 months	Current per sq.ft.	Current per sq.m.	% change 12 months	Current per sq.ft.	Current per sq.m.	% change 12 months
Minneapolis	US$ 16.50 sq.ft.	-14.2	US$ 16.50	US$ 178	-14.2	€ 12.39	€ 133	-22.0
Nashville	US$ 19.66 sq.ft.	3.4	19.66	212	3.4	14.77	159	-6.0
New York Downtown	US$ 46.06 sq.ft.	42.8	46.06	496	42.8	34.60	372	29.8
New York Midtown	US$ 69.44 sq.ft.	25.5	69.44	747	25.5	52.16	561	14.1
Newark	US$ 25.67 sq.ft.	2.6	25.67	276	2.6	19.28	207	-6.7
Oakland	US$ 26.89 sq.ft.	9.0	26.89	289	9.0	20.20	217	-0.9
Orange County	US$ 32.21 sq.ft.	8.5	32.21	347	8.5	24.20	260	-1.3
Orlando	US$ 23.04 sq.ft.	5.4	23.04	248	5.4	17.31	186	-4.1
Ottawa, Canada	C$ 43.50 sq.ft.	1.8	37.70	406	3.0	28.33	305	-6.5
Philadelphia	US$ 22.60 sq.ft.	0.7	22.60	243	0.7	16.98	183	-8.4
Phoenix	US$ 27.32 sq.ft.	12.5	27.32	294	12.5	20.52	221	2.3
Pittsburgh	US$ 21.48 sq.ft.	-0.5	21.48	231	-0.5	16.14	174	-9.6
Portland	US$ 23 sq.ft.	6.6	23.00	247	6.6	17.28	186	-3.1
Raleigh	US$ 19.97 sq.ft.	4.3	19.97	215	4.3	15.00	161	-5.2
Riverside	US$ 24.47 sq.ft.	7.4	24.47	263	7.4	18.38	198	-2.3
Sacramento	US$ 25.17 sq.ft.	2.8	25.17	271	2.8	18.91	203	-6.5
Salt Lake City	US$ 22.87 sq.ft.	5.8	22.87	246	5.8	17.18	185	-3.8
San Diego	US$ 33.33 sq.ft.	-0.8	33.33	359	-0.8	25.04	269	-9.8
San Francisco	US$ 35.81 sq.ft.	16.8	35.81	385	16.8	26.90	289	6.1
San Jose	US$ 29.37 sq.ft.	11.0	29.37	316	11.0	22.06	237	0.9
Seattle (CBD)	US$ 29.04 sq.ft.	17.0	29.04	312	17.0	21.81	235	6.3
Seattle (sub)	US$ 25.93 sq.ft.	10.2	25.93	279	10.2	19.48	210	0.1
St. Louis	US$ 21.21 sq.ft.	0.4	21.21	228	0.4	15.93	171	-8.7
Stamford	US$ 30.46 sq.ft.	5.0	30.46	328	5.0	22.88	246	-4.5
Tampa	US$ 22.46 sq.ft.	9.1	22.46	242	9.1	16.87	182	-0.8
Toledo	US$ 18.04 sq.ft.	3.0	18.04	194	3.0	13.55	146	-6.3
Toronto, Canada (CBD)	C$ 60.26 sq.ft.	2.3	52.23	562	3.6	39.24	422	-6.0
Toronto, Canada (sub)	C$ 29.35 sq.ft.	6.8	25.44	274	8.1	19.11	206	-1.9
Tucson	US$ 22.01 sq.ft.	5.2	22.01	237	5.2	16.53	178	-4.4
Vancouver, Canada (CBD)	C$ 49.37 sq.ft.	13.4	42.79	460	14.8	32.15	346	4.1
Vancouver, Canada (sub)	C$ 28.81 sq.ft.	2.9	24.97	269	4.1	18.76	202	-5.5
Ventura	US$ 25.02 sq.ft.	-0.7	25.02	269	-0.7	18.80	202	-9.7
Washington, D.C. (CBD)	US$ 44 sq.ft.	3.3	44.00	473	3.3	33.05	356	-6.1
Washington, D.C. (sub)	US$ 30.13 sq.ft.	8.0	30.13	324	8.0	22.63	244	-1.8
Waterloo Region, Canada	C$ 23.51 sq.ft. p.a.	1.3	20.38	219	2.5	15.31	165	-7.0
West Palm Beach	US$ 22.08 sq.ft.	45.0	22.08	238	45.0	16.59	178	31.8
Wilmington	US$ 22.58 sq.ft.	5.1	22.58	243	5.1	16.96	183	-4.5
Winnipeg, Canada	C$ 27.92 sq.ft. p.a.	0.0	24.20	260	1.2	18.18	196	-8.2

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EMEA Regional Snapshot

There is a huge variety of performance in the Western European economy at present, with some areas of very strong economic growth—of which Scandinavia is probably the clearest example—and some, such as Italy, where the recovery has yet to gain significant momentum. The most significant trend in 2006 was the strong growth of the German economy, after many years of below trend performance. Looking forward, growth is expected to slow on average in Europe, but to an extent this does not reflect the underlying trend, being caused by changes to Value Added Tax (VAT) in Germany.

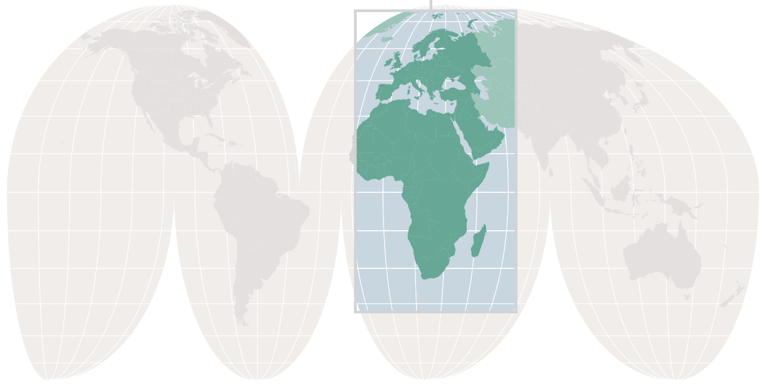
The pattern of office demand is equally uneven, with some cities, i.e., for example Paris and Madrid, seeing record levels of gross take-up, low levels of vacancy and strong rental growth. In contrast there are many others where supply and demand are still only just coming back into balance following the development boom of 2000 through 2003, and so the first signs of rental growth in the current cycle are only now being seen. Underlying demand for offices remains healthy across Europe, and so although the first few months of 2007 showed a slight fall in letting activity, this is being viewed as a lull rather than the start of a downward trend.

In contrast to Western Europe, economies in the East are showing very strong rates of growth, both in terms of GDP and employment. This is feeding through into strong demand for office space, and markets such as Warsaw and Prague have seen vacancy rates fall substantially over the last year. In Warsaw CBD, for example, the vacancy rate has fallen from 12.6% at the end of Q1 2006 to 2.3% in Q1 2007. This shortage of space in the city center is now driving up rents in Warsaw for the first time many years.

EMEA Key Market Snapshots

London

Take-up has been very strong over the past six months and the market remains buoyant, with over 4 million square feet under offer. Available space has fallen to a five-year low and this is reflected in the current Central London vacancy rate which has fallen to 3.6%. A rise in development completions is expected during 2007 as the large number of schemes started during the past 18 months are completed. Even with higher completion levels, the market will remain supply constrained, especially as most space under construction has already been pre-let. The strong rental growth experienced this quarter indicates that demand will be healthy during 2007 and further rental growth is forecast.



Frankfurt

With an improved economic outlook and the unexpected recovery of the job market, the Frankfurt office market is seeing the first signs of a recovery. Rents have increased for the first time in two years and supply is starting to tighten in prime locations such as the banking district, Westend and City submarkets. Tenant demand appears to be growing, especially in these areas, and as the bulk of new developments are not due to complete in these areas until 2008 at earliest, the vacancy rate should decline further.

Paris

The letting market in Paris continues to be very active and strong demand is expected to continue for the rest of 2007. However, net absorption is relatively low and so the overall vacancy rate is declining quite slowly. Looking forward, the amount of space under construction is still very low and so there will be a lack of good quality space for some time. The demand for high specification space is also causing lots of second-hand space to be taken off the market for refurbishment, particularly in the CBD, bringing the vacancy rate here to a record low of 3.9%. Increasing competition for prime locations in the CBD is therefore driving up rents, which have shown an 11% rise in the past year.

Stockholm

The Swedish economy showed stronger growth in 2006 than at any time in the past 30 years. This has started to impact the property market, with a strong labor market and increasing employment raising demand for modern stock in the CBD. The vacancy rate has fallen to just over 10%, and refurbishment and speculative development is starting to occur in the CBD, representing future confidence in the market. Prime rents have increased by 7% over the past 12 months. This has not yet filtered through to the other sub-markets, although that may start to change in the coming year.

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Office Rents and Occupancy Costs

	RENT - LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST – LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM			TERMS	
	Current per local measure	% change 12 months	Current per local measure	% change 12 months	Current per sq.ft.	Current per sq.m.	% change 12 months	Current per sq.ft.	Current per sq.m.	% change 12 months	Typical lease term (yrs)	Typical rent free (months)
Aberdeen, Scotland	£22.50 sq.ft.p.a.	12.5	£34.50 sq.ft.p.a.	5.3	US$ 67.66	US$ 728	19.1	€ 50.83	€ 547	8.3	10+5	6
Abu Dhabi, United Arab Emirates	AED 250 sq.ft.p.a.	108.3	AED 280 sq.ft.p.a.	102.9	76.25	821	102.9	57.28	617	84.5	2+1 or 3+2	1
Amsterdam, Netherlands	€ 325 sq.m.p.a.	8.3	€ 366.50 sq.m.p.a.	7.7	48.74	525	18.4	36.61	394	7.7	5	3–12
Athens, Greece	€ 29 sq.m.p.m.	3.6	€ 33.04 sq.m.p.m.	13.9	52.72	568	25.3	39.61	426	13.9	12	0–2
Barcelona, Spain	€ 25.50 sq.m.p.m.	6.3	€ 29.71 sq.m.p.m.	3.3	49.54	533	13.6	37.22	401	3.3	3 + 2	2
Belfast, Northern Ireland	£14.50 sq.ft.p.a.	13.7	£22.50 sq.ft.p.a.	42.9	44.13	475	61.5	33.15	357	46.9	10–15	3
Berlin, Germany	€ 21 sq.m.p.m.	0.0	€ 24 sq.m.p.m.	0.0	35.62	383	10.0	26.76	288	0.0	5	3–6
Birmingham, England	£30 sq.ft.p.a.	9.1	£44.50 sq.ft.p.a.	18.7	87.27	939	34.2	65.57	706	22.0	10	18
Bratislava, Slovakia	€ 18 sq.m.p.m.	5.9	€ 21.50 sq.m.p.m.	4.9	35.45	382	15.4	26.63	287	4.9	5+5	2–3
Bristol, England	£26 sq.ft.p.a.	6.1	£35 sq.ft.p.a.	-1.4	68.64	739	11.5	51.57	555	1.4	5–10	5–10
Brussels, Belgium	€ 300 sq.m.p.a.	0.0	€ 372 sq.m.p.a.	0.0	55.77	600	10.0	41.89	451	0.0	3/6/9	6
Bucharest, Romania	€ 19.50 sq.m.p.m.	2.6	€ 23 sq.m.p.m.	4.5	38.79	418	15.0	29.14	314	4.5	3–5 or 7–10	0–3
Budapest, Hungary	€ 21 sq.m.p.m.	5.0	€ 24.50 sq.m.p.m.	4.7	40.40	435	15.2	30.35	327	4.7	3–5	4–6
Cape Town (Claremont), South Africa	R 110 sq.m.p.m.	22.2	R 126 sq.m.p.m.	18.9	19.37	208	1.0	14.55	157	-8.1	3–5	0
Cöpenhagen, Denmark	DKr 1750 sq.m.p.a.	6.1	DKr 2150 sq.m.p.a.	7.5	41.98	452	18.4	31.54	339	7.7	3–5	0
Dubai, United Arab Emirates	AED 350 sq.ft.p.a.	25.0	AED 329 sq.ft.p.a.	2.2	89.60	964	2.2	67.31	724	-7.1	1/3/5	1–2
Dublin, Ireland	€ 673 sq.m.p.a.	13.7	€ 861 sq.m.p.a.	10.7	106.48	1146	21.7	79.99	861	10.7	25	3
Durban, South Africa	R 100 sq.m.p.m.	11.1	R 118 sq.m.p.m.	9.3	18.14	195	-7.1	13.63	147	-15.6	3–5	1
Edinburgh, Scotland	£28 sq.ft.p.a.	5.7	£45.25 sq.ft.p.a.	7.7	88.74	955	21.8	66.67	718	10.8	15	24
Frankfurt am Main, Germany	€ 34.50 sq.m.p.m.	3.0	€ 38.10 sq.m.p.m.	1.9	60.80	654	12.1	45.67	492	1.9	5	4–5
Geneva, Switzerland	SF 730 sq.m.p.a.	2.8	SF 780 sq.m.p.a.	2.6	59.36	639	9.9	44.59	480	-0.1	5	0–3
Glasgow, Scotland	£27.50 sq.ft.p.a.	19.6	£40 sq.ft.p.a.	14.3	78.45	844	29.2	58.94	634	17.5	10	12
Gothenburg, Sweden	SKr 1850 sq.m.p.a.	-11.9	SKr 2025 sq.m.p.a.	-11.4	29.79	321	-1.6	22.38	241	-10.5	3–5	0
Hamburg, Germany	€ 23 sq.m.p.m.	2.2	€ 26.20 sq.m.p.m.	2.3	41.81	450	12.6	31.41	338	2.3	5	3–6
Helsinki, Finland	€ 320 sq.m.p.a.	6.7	€ 320 sq.m.p.a.	6.7	43.97	473	17.3	33.03	356	6.7	3–5	0
Istanbul, Turkey	US$ 25 sq.m.p.m.	38.9	US$ 31 sq.m.p.m.	34.8	41.39	446	34.8	31.09	335	22.5	3–5	1–3
Jersey, England	£26 sq.ft.p.a.	4.0	£30.92 sq.ft.p.a.	3.1	60.64	653	16.5	45.56	490	6.0	15	18
Johannesburg (Sandton), South Africa	R 110 sq.m.p.m.	22.2	R 124 sq.m.p.m.	22.8	19.06	205	4.4	14.32	154	-5.1	5–7	0
Leeds, England	£25 sq.ft.p.a.	0.0	£38 sq.ft.p.a.	-1.3	74.52	802	11.6	55.99	603	1.5	10/15	18
Lille, France	€ 175 sq.m.p.a.	6.1	€ 240 sq.m.p.a.	4.3	31.92	344	14.8	23.98	258	4.3	3/6/9	3–6
Lisbon, Portugal	€ 20 sq.m.p.m.	0.0	€ 24 sq.m.p.m.	4.3	39.14	421	14.8	29.40	316	4.3	5	3–6
Liverpool, England	£20 sq.ft.p.a.	8.1	£25 sq.ft.p.a.	-13.8	49.03	528	-2.5	36.84	396	-11.4	5/10	5–10

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 local currency, Euros and in U.S. dollars for all markets. A complete explanation of the reported data appears at the end of this publication.

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Office Rents and Occupancy Costs

	RENT - LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST – LOCAL CURRENCY/MEASURE		TOTAL OCCUPATION COST US$/ANNUM			TOTAL OCCUPATION COST EUROS [€] /ANNUM			TERMS	
	Current per local measure	% change 12 months	Current per local measure	% change 12 months	Current per sq.ft.	Current per sq.m.	% change 12 months	Current per sq.ft.	Current per sq.m.	% change 12 months	Typical lease term (yrs)	Typical rent free (months)
London (City), England	£59 sq.ft.p.a.	22.9	£84.50 sq.ft.p.a.	15.0	US$ 165.72	US$ 1784	30.0	€ 124.50	€ 1340	18.2	10	12–15
London (West End), England	£100 sq.ft.p.a.	17.6	£123 sq.ft.p.a.	15.0	241.22	2597	30.0	181.23	1951	18.2	10	6–9
Luxembourg City, Luxembourg	€ 35 sq.m.p.m.	4.5	€ 35 sq.m.p.m.	4.5	62.96	678	14.9	47.30	509	4.5	3/6/9	0
Lyon,France	€ 210 sq.m.p.a.	2.4	€ 275 sq.m.p.a.	1.9	36.57	394	12.0	27.47	296	1.9	3/6/9	3–6
Madrid, Spain	€ 36.50 sq.m.p.m.	28.1	€ 44.90 sq.m.p.m.	31.7	78.39	844	44.8	58.89	634	31.7	3–5	1–2
Malaga, Spain	€ 17 sq.m.p.m.	0.0	€ 21.27 sq.m.p.m.	10.5	37.14	400	21.5	27.90	300	10.5	2–3	1–2
Manchester, England	£28.50 sq.ft.p.a.	1.8	£43.50 sq.ft.p.a.	3.6	85.31	918	17.1	64.09	690	6.5	10	9–12
Marseille, France	€ 210 sq.m.p.a.	0.0	€ 275 sq.m.p.a.	0.0	36.57	394	10.0	27.47	296	0.0	3/6/9	3–6
Milan, Italy	€ 460 sq.m.p.a.	2.2	€ 501.40 sq.m.p.a.	3.2	68.14	733	13.5	51.19	551	3.2	6–6	2–3
Moscow, Russia	US$ 850 sq.m.p.a.	30.8	US$ 1103 sq.m.p.a.	27.2	120.56	1,298	27.2	90.56	975	15.7	5–7	0–6
Munich, Germany	€ 30.50 sq.m.p.m.	1.7	€ 33.70 sq.m.p.m.	0.6	54.96	592	10.7	41.29	444	0.6	5	3–6
Nicosia, Cyprus	CYP 7 sq.m.p.m.	0.0	CYP 7.20 sq.m.p.m.	2.9	19.78	213	12.2	14.86	160	2.0	2–5	2–4
Oslo, Norway	NKr 2750 sq.m.p.a.	25.0	NKr 3040 sq.m.p.a.	22.8	51.41	553	32.1	38.62	416	20.1	3–5	0
Palma De Mallorca, Spain	€ 13 sq.m.p.m.	8.3	€ 15.59 sq.m.p.m.	17.2	27.22	293	28.9	20.45	220	17.2	2–3	1–2
Paris, France	€ 732 sq.m.p.a.	11.4	€ 840 sq.m.p.a.	9.8	111.70	1,202	20.8	83.91	903	9.8	3/6/9	3–6
Paris La Defense, France	€ 417 sq.m.p.a.	-3.9	€ 557 sq.m.p.a.	-3.0	74.07	797	6.7	55.64	599	-3.0	3/6/9	3–6
Prague, Czech Republic	€ 19.75 sq.m.p.m.	6.8	€ 23.25 sq.m.p.m.	8.1	38.34	413	19.0	28.80	310	8.1	3–5	1–3
Rome, Italy	€ 340 sq.m.p.a.	0.0	€ 370.60 sq.m.p.a.	0.9	50.37	542	11.0	37.84	407	0.9	6–6	2–3
Sofia, Bulgaria	€ 25 sq.m.p.m.	61.3	€ 28.50 sq.m.p.m.	62.9	48.06	517	79.1	36.11	389	62.9	5	0
Stockholm, Sweden	SKr 3800 sq.m.p.a.	8.6	SKr 4260 sq.m.p.a.	7.6	62.68	675	19.5	47.08	507	8.6	3–5	1
Tel Aviv, Israel	US$ 18.40 sq.m.p.m.	31.4	US$ 26.60 sq.m.p.m.	19.8	37.07	399	19.8	27.85	300	8.9	1–3	0
Thessaloniki, Greece	€ 16 sq.m.p.m.	-11.1	€ 19.58 sq.m.p.m.	5.0	31.24	336	15.5	23.47	253	5.0	12	0–2
Valencia, Spain	€ 17 sq.m.p.m.	9.0	€ 22.05 sq.m.p.m.	25.3	38.50	414	37.8	28.92	311	25.3	2–5	1–2
Vienna, Austria	€ 20.50 sq.m.p.m.	2.5	€ 24.20 sq.m.p.m.	2.1	37.80	407	12.3	28.40	306	2.1	3–5	3
Warsaw, Poland	€ 25 sq.m.p.m.	25.0	€ 29.50 sq.m.p.m.	20.4	48.64	524	32.4	36.54	393	20.4	5	3–5
Zurich, Switzerland	SF 850 sq.m.p.a.	6.3	SF 890 sq.m.p.a.	5.0	67.73	729	12.4	50.88	548	2.2	5	2–3

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 local currency, Euros and in U.S. dollars for all markets. A complete explanation of the reported data appears at the end of this publication.

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

In order 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.

Prior editions of the Global Market Rents were published in January and August. Starting with the May 2006 edition, we are publishing in May and November. The rental change percentages are based upon a true twelve month comparison. Due to the publication schedule differences readers should be wary of attempting to construct long timelines using prior editions or press releases.

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