

# PRESS RELEASE



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## LONDON REMAINS WORLD'S MOST EXPENSIVE OFFICE MARKET; RAPIDLY-RISING MOSCOW JUMPS TO SECOND PLACE

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### Ho Chi Minh City Sets Pace For Fastest Occupancy Cost Growth

**Los Angeles — May 28, 2008** — London's West End is once again the world's most expensive office market, while rapidly-rising Moscow climbed to second place, according to CB Richard Ellis Group, Inc. (CBRE) Research's semi-annual Global Market Rents survey. The report tracks world markets with the highest as well as fastest-growing occupancy costs for the 12 months ended March 31, 2008. Tokyo's Inner Central Five Wards, Mumbai's Nariman Point and Tokyo's Outer Central Five Wards rounded out the top five most expensive markets.

"Office occupancy costs are continuing to defy sluggish economic conditions and the credit crunch, as they rise faster than global inflation," said Dr. Raymond Torto, CBRE's Global Chief Economist. "These cost increases are dominated by emerging markets, caused by both supply and demand imbalance and the depreciation of the dollar relative to local currencies. In some of these emerging markets, Class A office space is seriously lacking."

Ho Chi Minh City had the fastest-growing occupancy costs during this period, up 94%. Moscow was not far behind at 93%, followed by Singapore at 86%. Overall, EMEA (Europe, Middle East and Africa) dominated the list of markets with the fastest growing occupancy costs, accounting for five of the top 10 and 19 of the top 50 markets. Worldwide, 88% of the 173 office markets monitored posted higher occupancy costs.

Among the most expensive markets, Singapore and Dubai were newcomers to the top 10. Singapore ranked ninth with an occupancy cost of \$139.31 (occupancy cost in US\$/sq. ft./annum used throughout this release), while Dubai debuted at number 10 with an occupancy cost of \$128.49. With a near-doubling of occupancy costs, Moscow rose four places to second at \$232.37. Midtown Manhattan was still the priciest market in North America, at \$103.43, and ranked number 13 worldwide.

### **Asia Pacific**

Ho Chi Minh City jumped from 45<sup>th</sup> to 23<sup>rd</sup> most expensive globally, with occupancy costs rising to \$85.84. Occupancy costs in Tokyo's Inner Central Five Wards rose to \$220.25, while Tokyo's Outer Central Five Wards increased to \$175.35. Perth, Australia, joined the top 50 most expensive, coming in at number 41. Asia Pacific had 11 markets among the 50 with the fastest growing occupancy costs, paced by Singapore (86%) and Mumbai (41%).

## Europe

At \$299.54, London's West End remained the world's most expensive office market. Occupancy costs in that market are 29% higher than Moscow, where occupancy costs rose to \$232.37, the world's second-most expensive; and 82% more than the City of London's \$164.18 occupancy cost. In Europe, occupancy costs grew fastest in Moscow, with a 93% increase, and Oslo, Norway, with a 58% increase.

## Americas

Four North American cities are among the world's Top 50 most expensive office markets: Midtown Manhattan (13<sup>th</sup> at \$103.43); Calgary Central Business District (CBD) (42<sup>nd</sup> at \$66.27); Toronto CBD (47<sup>th</sup> at \$62.44); and suburban Los Angeles (48<sup>th</sup> at \$62.06). Rio de Janeiro rose to \$74.60 (32<sup>nd</sup>), while São Paulo increased seven spots to 35<sup>th</sup> at \$71.41. North America totaled 16 of the top 50 markets with the fastest growing occupancy costs. The fastest gains were recorded by Miami (29%), Panama City (28%), Seattle (26%) and Houston (25%).

### Top Ten Most Expensive Markets

(In US\$ per sq. ft. per annum)

1. London (West End), England
2. Moscow, Russia
3. Tokyo (Inner Central), Japan
4. Mumbai, India
5. Tokyo (Outer Central), Japan
6. London (City), England
7. New Delhi, India
8. Paris, France
9. Singapore
10. Dubai, United Arab Emirates

### Top Ten Markets with Fastest Growing Occupancy Costs

(In local currency & measure)

1. Ho Chi Minh City, Vietnam
2. Moscow, Russia
3. Singapore
4. Nicosia, Cyprus\*
5. Oslo, Norway
6. Tel Aviv, Israel
7. Dubai, United Arab Emirates
8. Mumbai, India
9. Manila, Philippines
10. Perth, Australia

\*Nicosia, Cyprus, adopted the Euro at the start of 2008. The Euro equivalent has been used to calculate percentage change.

Note: The full Top 50 Most Expensive and Top 50 Markets with Fastest Growing Occupancy Costs charts are located at the end of this press release.

### About CB Richard Ellis

CB Richard Ellis Group, Inc. (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2007 revenue). With over 29,000 employees, the Company serves real estate owners, investors and occupiers through more than 300 offices worldwide (excluding affiliate offices). CB Richard Ellis offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting. CB Richard Ellis is the only commercial real estate services company named one of the 50 "best in class" companies by BusinessWeek, and was also named one of the 100 fastest growing companies by Fortune. Please visit our Web site at [www.cbre.com](http://www.cbre.com).

## Notes to Editors

1. Global Market Rents is a survey of office occupation costs in 173 cities worldwide.
2. The Fastest Growing ranking is based upon occupancy costs in local currency and measure. The Most Expensive ranking is based upon occupancy costs in US\$ per sq. ft. per annum.
3. The figures given in this release refer to occupancy cost. This represents rent, plus local taxes and service charges. The occupation cost figures have also been adjusted to reflect different measurement practices from market to market.
4. To obtain a full copy of the report or to arrange to speak with a CBRE expert, please contact Robert McGrath at 212.984.8267 or [robert.mcgrath@cbre.com](mailto:robert.mcgrath@cbre.com).

## Top 50 Most Expensive Office Markets as of May 2008

Rank	Market	US\$/sq ft/annum	€/sq m/month	£/sq ft/annum	Aus \$/sq m/annum	Can\$/sq ft/annum	¥ /sq ft/annum
1	London (West End), England	299.54	169.57	150.70	3,532	307.36	29,815
2	Moscow, Russia	232.37	131.54	116.90	2,740	238.43	23,129
3	Tokyo (Inner Central), Japan	220.25	124.68	110.81	2,597	226.00	21,922
4	Mumbai, India	210.97	119.43	106.14	2,488	216.47	20,999
5	Tokyo (Outer Central), Japan	175.35	99.27	88.22	2,068	179.93	17,454
6	London (City), England	164.18	92.94	82.60	1,936	168.47	16,342
7	New Delhi, India	145.16	82.18	73.03	1,712	148.95	14,449
8	Paris, France	141.98	80.38	71.43	1,674	145.69	14,132
9	Singapore, Singapore	139.31	78.86	70.09	1,643	142.95	13,866
10	Dubai, United Arab Emirates	128.49	72.73	64.64	1,515	131.84	12,789
11	Hong Kong	126.79	71.77	63.79	1,495	130.10	12,620
12	Dublin, Ireland	126.60	71.67	63.69	1,493	129.90	12,601
13	New York Midtown, United States	103.43	58.55	52.04	1,220	106.13	10,295
14	Paris La Defense, France	103.20	58.42	51.92	1,217	105.90	10,272
15	Birmingham, England	100.38	56.82	50.50	1,184	103.00	9,991
16	Oslo, Norway	97.30	55.08	48.95	1,147	99.84	9,685
17	Madrid, Spain	96.64	54.71	48.62	1,140	99.16	9,619
18	Zurich, Switzerland	92.99	52.64	46.78	1,096	95.41	9,256
19	Luxembourg City, Luxembourg	92.78	52.52	46.68	1,094	95.20	9,235
20	Edinburgh, Scotland	92.43	52.32	46.50	1,090	94.84	9,200
21	Manchester, England	87.46	49.51	44.00	1,031	89.74	8,705
22	Stockholm, Sweden	86.69	49.07	43.61	1,022	88.95	8,629
23	Ho Chi Minh City, Vietnam	85.84	48.59	43.19	1,012	88.08	8,544
24	Milan, Italy	85.41	48.35	42.97	1,007	87.64	8,502
25	Abu Dhabi, United Arab Emirates	84.14	47.63	42.33	992	86.33	8,375
26	Frankfurt am Main, Germany	82.63	46.77	41.57	974	84.78	8,224
27	Bristol, England	81.49	46.13	41.00	961	83.62	8,112
28	Glasgow, Scotland	80.50	45.57	40.50	949	82.60	8,013
29	Geneva, Switzerland	78.43	44.40	39.46	925	80.48	7,806
30	Warsaw, Poland	76.55	43.33	38.51	903	78.55	7,619
31	Leeds, England	76.53	43.32	38.50	902	78.52	7,617
32	Rio de Janeiro, Brazil	74.60	42.23	37.53	880	76.54	7,425

33	Athens, Greece	73.79	41.77	37.13	870	75.72	7,345
34	Aberdeen, Scotland	72.55	41.07	36.50	856	74.44	7,221
35	São Paulo, Brazil	71.41	40.42	35.93	842	73.27	7,108
36	Seoul, South Korea	71.40	40.42	35.92	842	73.26	7,107
37	Rome, Italy	71.18	40.29	35.81	839	73.04	7,085
38	Sydney (Core), Australia	68.52	38.79	34.47	808	70.31	6,820
39	Shanghai (Pudong), China	68.45	38.75	34.44	807	70.23	6,813
40	Munich, Germany	67.55	38.24	33.99	797	69.32	6,724
41	Perth, Australia	66.58	37.69	33.50	785	68.32	6,627
42	Calgary, Canada (CBD)	66.27	37.52	33.34	781	68.00	6,596
43	Brussels, Belgium	64.77	36.67	32.59	764	66.46	6,447
44	Liverpool, England	64.60	36.57	32.50	762	66.29	6,430
45	Barcelona, Spain	64.43	36.47	32.41	760	66.11	6,413
46	Brisbane, Australia	63.32	35.84	31.86	747	64.97	6,303
47	Toronto, Canada (CBD)	62.44	35.35	31.41	736	64.07	6,215
48	Los Angeles (sub), United States	62.06	35.13	31.22	732	63.68	6,177
49	Jersey, England	61.46	34.79	30.92	725	63.06	6,117
50	Shanghai (Puxi), China	61.26	34.68	30.82	722	62.86	6,097

Source: CBRE Research

The Top 50 Markets with Fastest-Growing Occupancy Costs as of May 2008  
(ranked by 12-month % change increases in local currency & measure)

Rank	Market	% Change
1	Ho Chi Minh City, Vietnam	94.4
2	Moscow, Russia	92.7
3	Singapore, Singapore	86.0
4	Nicosia, Cyprus	58.0
5	Oslo, Norway	57.6
6	Tel Aviv, Israel	53.2
7	Dubai, United Arab Emirates	43.4
8	Mumbai, India	40.7
9	Manila, Philippines	32.7
10	Perth, Australia	32.3
11	Warsaw, Poland	32.2
12	Liverpool, England	30.0
13	Hong Kong	29.9
14	Miami (suburban), United States	28.9
15	Panama City, Panama	28.3
16	Seattle (CBD), United States	25.8
17	Houston, United States	24.7
18	Sydney (Core), Australia	23.2
19	São Paulo, Brazil	23.1
20	Prague, Czech Republic	22.8
21	New York Midtown, United States	22.7
22	Bangalore, India	22.6
23	London (West End), England	22.5
24	Edmonton, Canada	22.5

25	San Francisco, United States	22.0
26	Los Angeles (suburban), United States	21.7
27	Brisbane, Australia	20.1
28	Miami (CBD), United States	19.8
29	Rome, Italy	18.7
30	Los Angeles (CBD), United States	18.6
31	Gothenburg, Sweden	18.3
32	Seattle (suburban), United States	17.8
33	Istanbul, Turkey	17.7
34	Johannesburg (Sandton), South Africa	17.7
35	Athens, Greece	17.6
36	Bristol, England	17.1
37	Paris La Defense, France	17.1
38	Buenos Aires, Argentina	16.9
39	Stockholm, Sweden	16.9
40	Calgary, Canada (suburban)	16.7
41	Christchurch, New Zealand	16.7
42	Rio de Janeiro, Brazil	15.8
43	Vancouver, Canada (suburban)	15.5
44	New York Downtown, United States	15.4
45	New Delhi, India	15.3
46	Boston (suburban), United States	15.3
47	Vancouver, Canada (CBD)	15.2
48	Bratislava, Slovakia	14.7
49	Lyon, France	14.5
50	Albuquerque, United States	14.5

Source: CBRE Research