



CUSHMAN & WAKEFIELD RESEARCH

OFFICE SPACE ACROSS THE WORLD 2009

GLOBAL OFFICE MARKET REPORT

Cushman & Wakefield is committed to providing the highest quality of service to its business space clients through the continuous monitoring of office and industrial trends and practices. This edition of Office Space Across the World provides a detailed analysis of prime office property rental performance and occupancy costs across the globe in the twelve months to December 2008.

The information and data provided in this report are based on a comprehensive survey of Cushman & Wakefield's international offices and the editors are extremely grateful to them for their time, effort and assistance.

Our international representation is designed to facilitate the rapid flow of information across borders and is supported by a comprehensive database of market information and regular liaison meetings. This allows for the exchange of local market knowledge and expertise and for the co-ordination of strategy for international investment and locational decision-making.

Information on the markets has been provided by Cushman & Wakefield, its alliance partners and its associate offices listed in the table below:

AUSTRIA	Inter-pool/FaciCon
BULGARIA	Forton International
DENMARK	RED - Property Advisers
IRELAND	Lisney
ISRAEL	Inter Israel Real Estate Agency Ltd
LEBANON	Michael Dunn & Co S.A.L
LUXEMBOURG	Property Partners S.A
MALAYSIA	YY Property Solutions
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SOUTH AFRICA	Pace Property Group (PTY) Ltd
SWITZERLAND	SPG Intercity
TAIWAN	REPro International Inc.
THAILAND	Nexus Property Consultants Ltd

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2008 was a year of dramatic change in the global occupational market, following the heady performance of 2007. Global rents rose by 3%, significantly below 2007 when they rose by 14%, and is the lowest growth rate since 2004

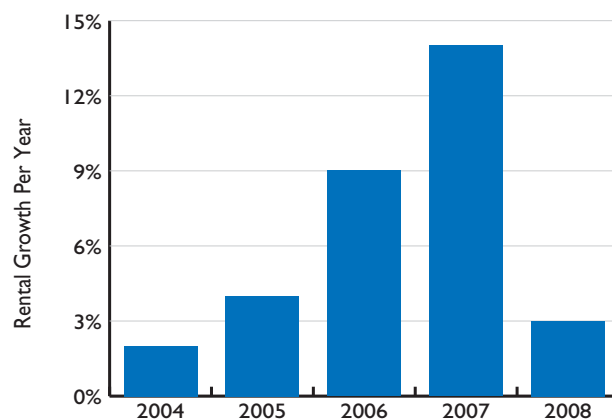
No market escaped from the global economic slowdown during 2008, although the timing and impact was not uniform. In general, supply and demand were fairly supportive of the market over the first two to three quarters of the year, with modern supply typically constrained, demand for good space holding up well and positive rental levels. With economic performance clearly deteriorating over the latter part of 2008, this was reflected in declining occupier demand and a subsequent downward pressure on rents in the final quarter.

The emerging office markets showed the best performance in terms of rental growth, with South America and Africa & the Middle East recording rental growth of 12% and 9% respectively. Growth in the Africa & the Middle East region was driven by the result of strong demand within South Africa and Abu Dhabi, while South America's performance was supported by good, albeit slowing, rental growth in the Brazilian and Colombian office markets. Asia saw the greatest rate of decline in rents over the year, with annual growth falling back from 25% in 2007 to just 4% in 2008. This was mainly due to the downturn in the markets of Hong Kong, Tokyo and Singapore.

The top 10 most expensive locations are largely the same as 2007, although there has been some movement in the ranking. The most expensive location in 2008 was Hong Kong, which has risen from second position in 2007, knocking London from the top spot. As a result of rental falls of 23% in London – West End and currency fluctuations influencing property values, London actually fell to third place globally with Tokyo leapfrogging into second place. Dublin fell outside the top 10 and Damascus took its place at number 8. Dubai moved most places up the ranking, up from 8th to 5th, while Mumbai, Paris and Singapore became relatively more cost effective, falling in the top 10 most expensive locations.

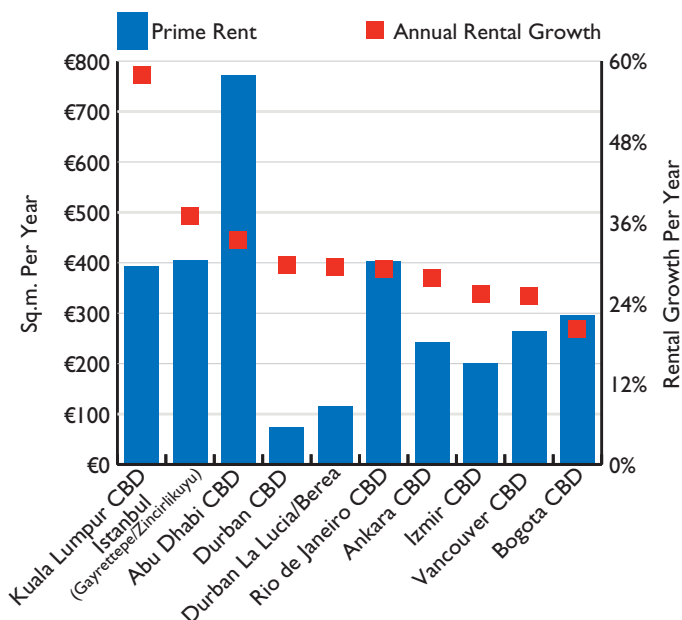
Although rental growth has eased globally, there were still a number of locations that experienced positive rental growth over the year. The highest rental growth was seen in Kuala Lumpur CBD with an uplift of almost 58%, which was as the result of strong demand throughout the first three quarters of the year. The Turkish markets also performed well, with annual rental growth of 27% nationally. Strong growth was seen in Istanbul, Izmir and Ankara, although there was a notable weakening in rents in the second half of the year.

GLOBAL: RENTAL GROWTH OVER FIVE YEARS



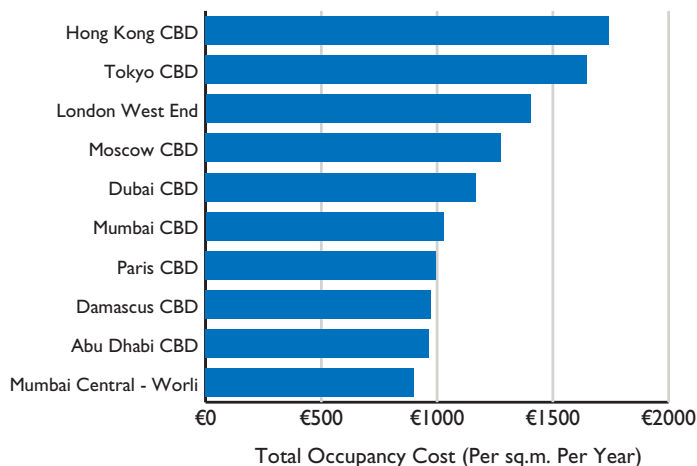
Source: Cushman & Wakefield, February 2009

GLOBAL: TOP TEN BEST PERFORMING LOCATIONS 2008



Source: Cushman & Wakefield, February 2009

GLOBAL: TOP TEN MOST EXPENSIVE LOCATIONS 2008



Source: Cushman & Wakefield, February 2009

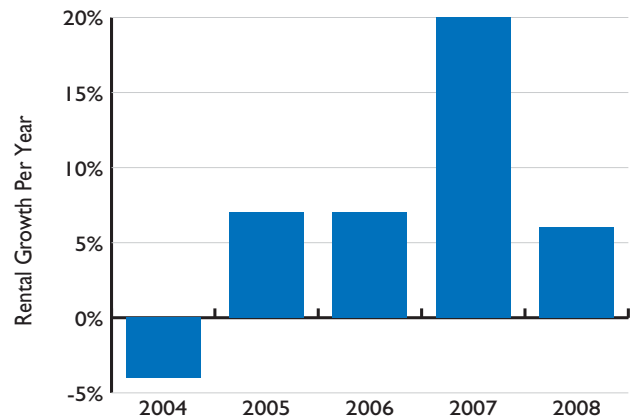
Overall, the Americas have performed well in 2008, with rental growth rising by 6%. South America outperformed the regional average with rents rising by 12% over the year, while in North America the primary markets of Canada and the USA saw steady performance, with rental growth of 6% and 4% respectively. As with many parts of the world, the first half of 2008 saw the market fundamentals of supply and demand support stable and increasing rents but as the year progressed slowing occupier demand was observed in most parts of the region.

South American growth was driven by the impressive performance seen in Brazil. Both São Paulo and Rio de Janeiro saw strong rental growth over the year, with rents in Rio de Janeiro moving up by almost 30%. Absorption rates were at record levels, and despite new office completions increasing year on year, the markets were still characterised by a lack of Grade A space. Both Mexico and Colombia performed well with 9% and 20% rental growth respectively. The Bogota market in particular was characterised by a lack of Grade A space and the highest level of absorption for five years. As a direct result of the disequilibrium in the market, development activity increased during the year and the vacancy started to trend upwards, although still at low levels.

The US market saw a gradual downturn in business sentiment throughout the year but the final quarter of the year saw a significant decline in the number of job losses which resulted in a sharp reduction in occupier demand. Consolidation and renewals were the main drivers of occupier activity. Sublet space started to rise and combined with significant development, overall vacancy rates in central business districts and suburban markets rose through the fourth quarter. Year on year rental analysis showed positive growth across most of the key central business districts (CBD) markets, with only Boston and Dallas recording an annual decrease. However, this disguises the fact that rents in the majority of office centres peaked in Q2 or Q3 and have subsequently fallen back.

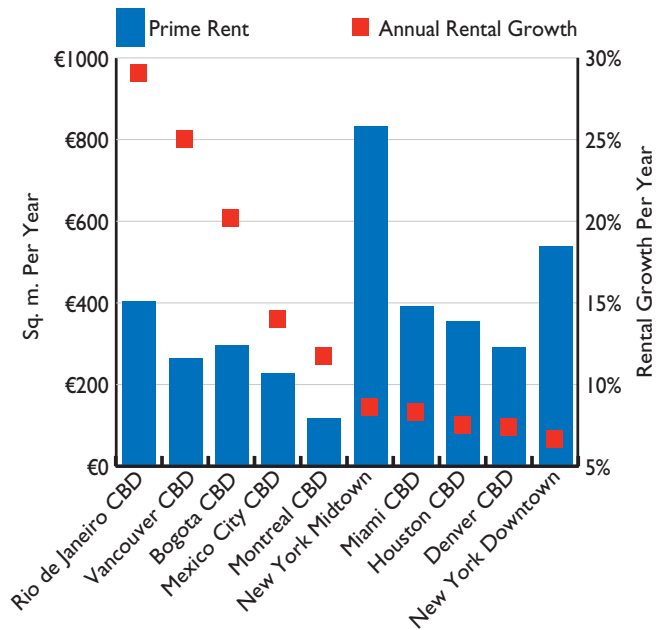
In Canada demand for space weakened as the year progressed. What was evident, particularly towards the year end, was that occupiers were halting decisions and reassessing their space needs. The national vacancy rate rose in the final quarter, for the first time in 26 quarters, in part due to high levels of development completions. CBD supply in Ottawa and Montreal continued to contract, with Ottawa CBD now having the lowest vacancy rate in the country. Ottawa has performed relatively well due to the recent federal election and the subsequent steady demand from public bodies. However, markets such as Calgary have been vulnerable to the fluctuations within the oil and gas sectors and coupled with high volumes of development completion, rents in Calgary fell by 7% over the year.

AMERICAS: RENTAL GROWTH OVER FIVE YEARS



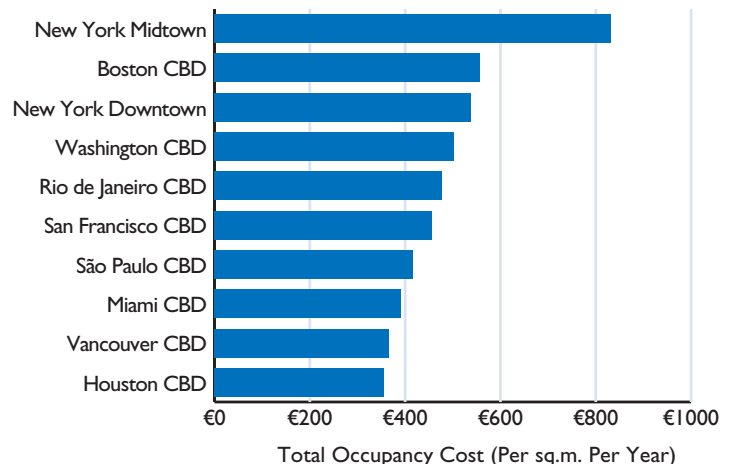
Source: Cushman & Wakefield, February 2009

AMERICAS: TOP TEN BEST PERFORMING LOCATIONS 2008



Source: Cushman & Wakefield, February 2009

AMERICAS: TOP TEN MOST EXPENSIVE LOCATIONS 2008



Source: Cushman & Wakefield, February 2009

European rental growth grew by just 2% year on year as the occupier market slowed markedly in the light of the deteriorating economic climate. Those markets with a greater exposure to financial markets and with greater debt exposure such as London, key Spanish cities and Dublin faltered in the first half of the year but the majority of European office markets held up well and were generally characterised by a lack of good quality supply and stable occupier activity.

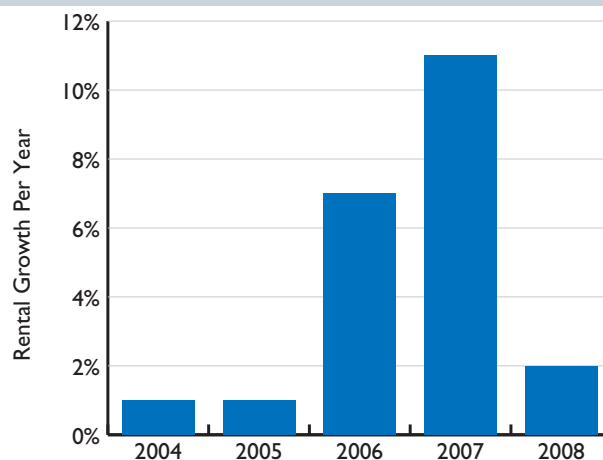
However, there was a sea change in the latter part of 2008, as all markets were exposed, to a greater or lesser extent, to the global economic slowdown. Occupier activity declined as corporates became increasingly cost conscious. In addition, supply started to increase, albeit at a slow pace, due to a combination of increasing speculative development completions and some subletting activity.

Central Europe saw a relatively stronger rental performance, as most markets returned relatively robust economic growth. Eastern Europe, for so long the best performing sub-region of Europe dipped sharply as the exceptional market fundamentals in both Russia and Ukraine came to a halt. Growth across the Central and Eastern Europe region stood at 4%, well ahead of the 1% rise seen in Western Europe over the year. Nonetheless this disguises significant variations in rental performance within the region. For the second year running, Turkey recorded the largest individual rental rises within Europe, with Istanbul, Ankara and Izmir all seeing rents increase by over 25% during the year. Nevertheless, growth in the first half of 2008 was significantly ahead of that seen in the latter 6 months. The Czech Republic saw strong growth not only in the Prague but also in regional cities, while Kyiv also recorded high, albeit slowing, levels of rental growth.

Central London was the first market to show a marked slowdown, given the dominance of the Banking and Financial services sector in the City and Docklands markets specifically. Market conditions weakened throughout the year as take-up activity lessened. Prime rents fell by 19% over the year in the City submarket and in the West End, where rents were noticeably higher, they fell by 23%. Rents in Oslo fell by 15% as the slowdown in the economy was exacerbated by the decline in the price of oil during the year.

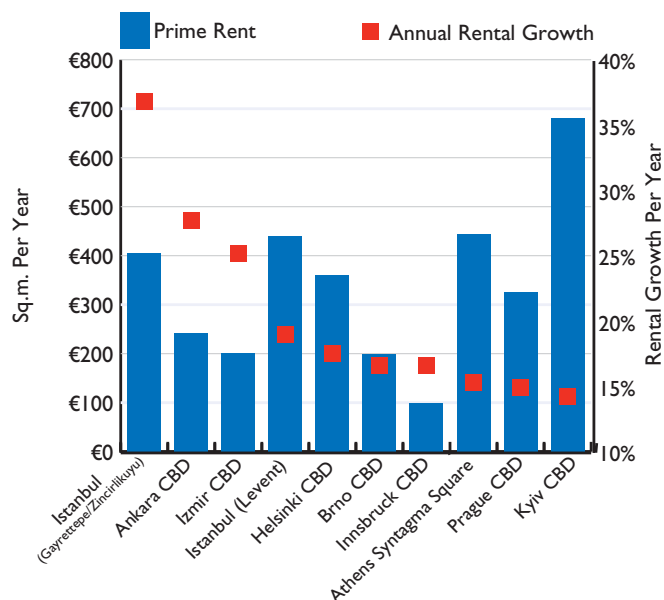
Despite significant rental falls, London-West End remains the most expensive location in Europe. Total occupancy costs stood at €1,403 per sq.m per year at December 2008. The gap between London and second placed Moscow (€1,276 per sq.m per year) has closed. The weakening of Sterling against other major currencies means that London is more cost effective from a global perspective than 12 months ago.

EUROPE: RENTAL GROWTH OVER FIVE YEARS



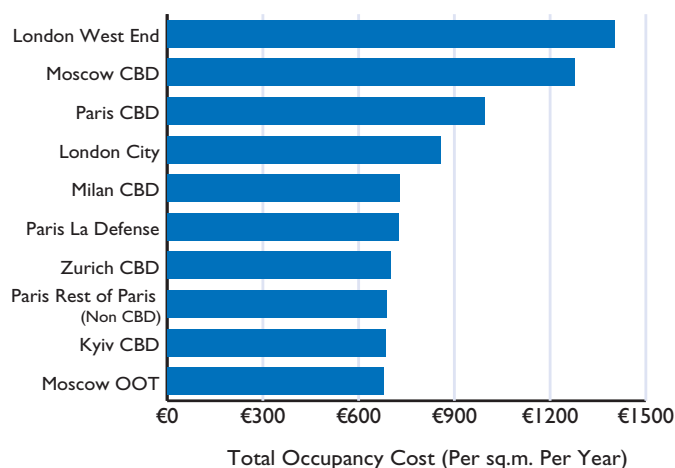
Source: Cushman & Wakefield, February 2009

EUROPE: TOP TEN BEST PERFORMING LOCATIONS 2008



Source: Cushman & Wakefield, February 2009

EUROPE: TOP TEN MOST EXPENSIVE LOCATIONS 2008



Source: Cushman & Wakefield, February 2009

ASIA PACIFIC OVERVIEW

The strong rate of rental growth seen in Asia Pacific in 2007 could not be maintained in the face of the slowdown in the global economy. Average rental growth fell from 25% in 2007 to just 4% in 2008, and the relative downturn in rents has been the most severe in regional terms. Nevertheless, rental performance has been mixed throughout the region and a number of locations are still performing relatively well. However, the positive trends reversed in the final quarter of 2008 and demand for space was more restrained, while supply began to rise. Development activity slowed and it has been reported that a number of schemes will be delayed in the region. Occupier led space increased, as tenants reorganise in the current climate, and absorption rates have moderated across the region.

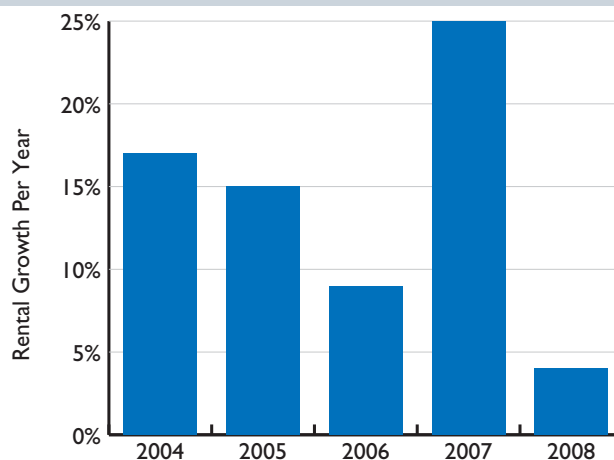
Hong Kong has maintained its position as the most expensive location in Asia Pacific, despite rents falling by 4%, and has overtaken London as the most expensive location in the world. Total occupancy costs stand at €1,743 per sq.m per year. Tokyo remains the second most expensive location in the region and now the world, with a total occupancy cost of €1,649 per sq.m per year. Both markets, along with Singapore, have suffered to a greater extent than many other office markets in the region due to their exposure to the international financial markets. The slowdown in international demand started much earlier in the year, with downsizing and lease renegotiation characterising occupier activity.

Elsewhere, Kuala Lumpur has recorded the highest level of rental growth not only in Asia but also globally. Prime CBD rents increased by more than 50% year on year fuelled by strong expansion activity, particularly over the first three quarters of the year. Unlike a number of other Asian cities, rents continued their upward trend throughout the course of 2008.

China delivered one of the strongest annual country performances, with overall rental growth of 12% recorded. Nevertheless, this disguises the fact that all the main office markets suffered from falling rents in the final quarter. Demand from occupiers, primarily from MNCs, decreased as the turmoil in the western economies influenced occupier sentiment which coincided with an increase in supply.

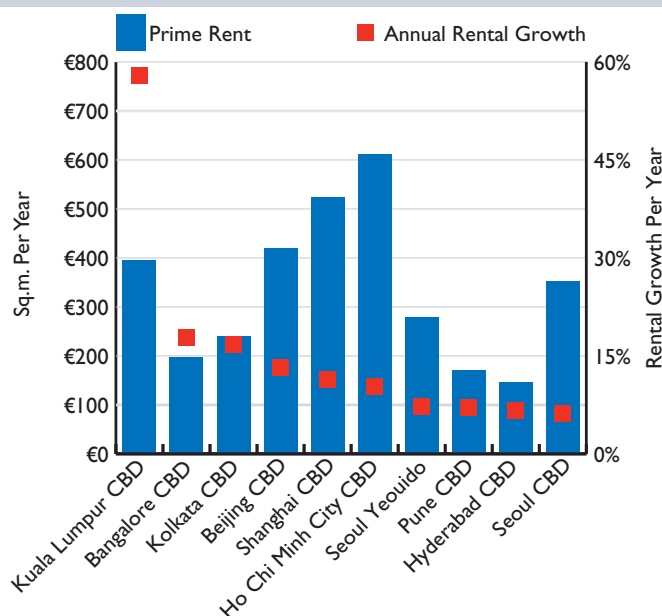
The Indian office markets had a much more muted year in terms of rental growth, with performance down on the previous year in all key cities. There was a wide variation in rental performance year on year, with Bangalore and Kolkata recording double digit growth, while Chennai and Mumbai slipped into negative growth. Without exception, the final quarter 2008 saw a deterioration in rental levels as levels of vacancy increased and demand slowed down.

ASIA PACIFIC: RENTAL GROWTH OVER FIVE YEARS



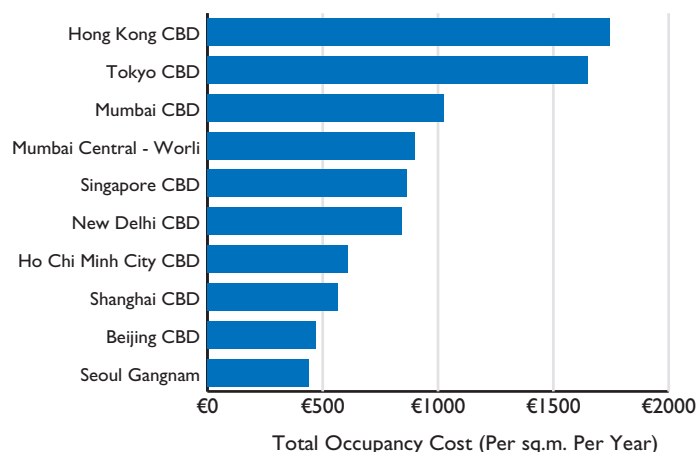
Source: Cushman & Wakefield, February 2009

ASIA PACIFIC: TOP TEN BEST PERFORMING LOCATIONS 2008



Source: Cushman & Wakefield, February 2009

ASIA PACIFIC: TOP TEN MOST EXPENSIVE LOCATIONS 2008



Source: Cushman & Wakefield, February 2009

AFRICA & THE MIDDLE EAST OVERVIEW

Africa & the Middle East recorded a robust performance and relatively strong rental growth of 9% was seen over the last 12 months, albeit down on 2007 growth. The most notable rise in rents was seen in South Africa, where rents rose nationally by 21%, and in the UAE, with rents rising by 20% over the year. The latter was principally as a result of increased activity within the Abu Dhabi Emirate.

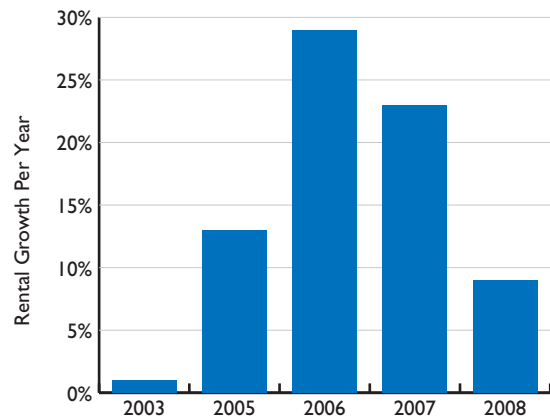
Dubai remained the most expensive location in the region and is now established as one of the most expensive office destinations in the world. However, the Dubai office market started to cool towards the end of 2008, with transaction volumes declining and a number of the largest development schemes being postponed or cancelled. Rental growth, while still positive, slowed sharply year on year, and landlords are offering greater incentives to lure occupiers. In contrast to the preceding year, the Emirate of Abu Dhabi outperformed Dubai in 2008. Abu Dhabi currently has a severe shortage of Grade A space, and as demand from both international and domestic occupiers held firm, rental levels have risen by a third over the year. Nevertheless, demand has started to focus on smaller floorplates as occupiers look to scale down their operations.

Interestingly, the second most expensive location in the region is Damascus. The office market in Damascus is fairly immature and demand for office space is comfortably outstripping supply. With very few Grade A buildings rental levels are currently high. However, new supply is expected to be delivered to the market during 2009 and rents should readjust to reflect the more balanced market.

The South African office market continued to expand over the year as a result of good levels of occupier demand across the country. Low vacancy rates characterised the markets, with a lack of Grade A space evident in key markets. The disequilibrium in the market has seen rents move up in Durban by 30% over the year and by almost 20% in Cape Town over the same period. High levels of development have taken place in Sandton, the most expensive office location in South Africa, and rental growth has been below the national average. With speculative development still underway throughout the country and increasing volumes of sublet space anticipated, rents may ease down over the year.

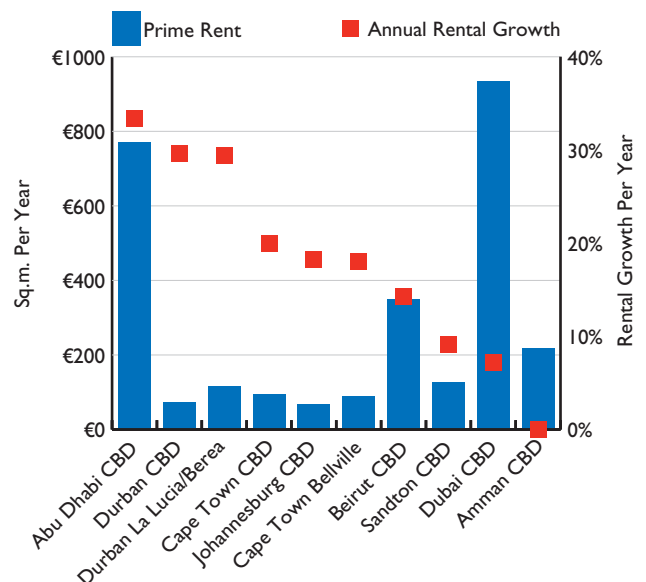
Israel was the only office market in the region to experience a decline in rents during 2008. In line with many locations across the globe, rents only fell in the second half of the year. Rents held firm within a number of sub-markets because of a lack of speculative development and steady demand. However, in Herzliya and Ramat Hahayal, Tel Aviv occupier demand fell due to the exposure to global high tech companies and as a result rents fell more severely.

AFRICA & THE MIDDLE EAST: RENTAL GROWTH OVER FIVE YEARS



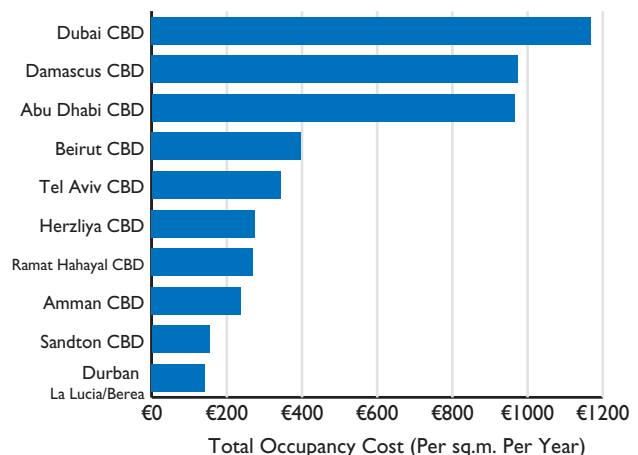
Source: Cushman & Wakefield, February 2009

AFRICA & THE MIDDLE EAST: TOP TEN BEST PERFORMING LOCATIONS 2008



Source: Cushman & Wakefield, February 2009

AFRICA & THE MIDDLE EAST: TOP TEN MOST EXPENSIVE LOCATIONS 2008



Source: Cushman & Wakefield, February 2009

There is no doubt that office occupational markets around the world are now feeling the impact of the global economic slowdown. 2009 is set to be a tougher year from an economic perspective and this will continue to influence the direction of the global occupational office markets. It is already evident that occupational demand is slowing in most regions with tenants more cautious, decisions delayed and deals taking longer to negotiate.

Supply levels are rising due to development completions and space rationalisation, resulting in an increase in second hand space. Vacancy is now most likely to peak in 2010 rather than 2009. On the plus side, many markets remain undersupplied with modern, efficient property and many proposed developments have been delayed over the last 12 months, which should prevent oversupply in many markets.

The outlook for occupational activity is subdued in the short term. Even in those markets where take-up has held up, future demand is down and the outlook for 2009 has deteriorated across all regions. Businesses continue to delay expansion plans and increasingly will look to reduce employee numbers which will impact on property supply and demand. As such, the leasing market has shifted in the tenants favour and will present opportunities for occupiers to renegotiate existing lease commitments or to seek more cost-effective space.

Rents are steady in some markets, underlining the lack of modern space that exists but the outlook is now for a widespread fall in rents as businesses cut back and availability rises due to consolidation. These trends will be evident across the globe but the scale of the impact will vary regionally. The most affected markets will be those located in economies with excess debt and other structural imbalances and with more exposure to international corporates. Asia and Africa & the Middle East are likely to see recovery in advance of both Europe and North America. These regions will not be immune from the slowing occupational market, but the availability of Grade A space is still particularly low which will help support rents in a number of key office markets. Nevertheless, occupiers are likely to play a waiting game anticipating further falls in rents.

The US and Canada will see rents come under further pressure across the region and double digit falls are anticipated. With employment levels set to decrease, corporate restructuring will continue and sublease space will be increasingly brought to the market throughout 2009. Europe will also see mixed performances with Western European office markets continuing to bear the brunt of the slowdown, in the face of weaker economic growth. Negative rental growth will be evident across all the key office markets, with the UK and Eastern Europe anticipated to see the sharpest falls in 2009.

GLOBAL RENTAL PERFORMANCE IN THE YEAR TO DECEMBER 2008

Countries Showing	Number	% of Total
Rental Growth	35	58%
Fall in Rents	7	16%
Stable Rents	15	26%

Locations Showing	Number	% of Total
Rental Growth	109	53%
Fall in Rents	51	27%
Stable Rents	42	20%

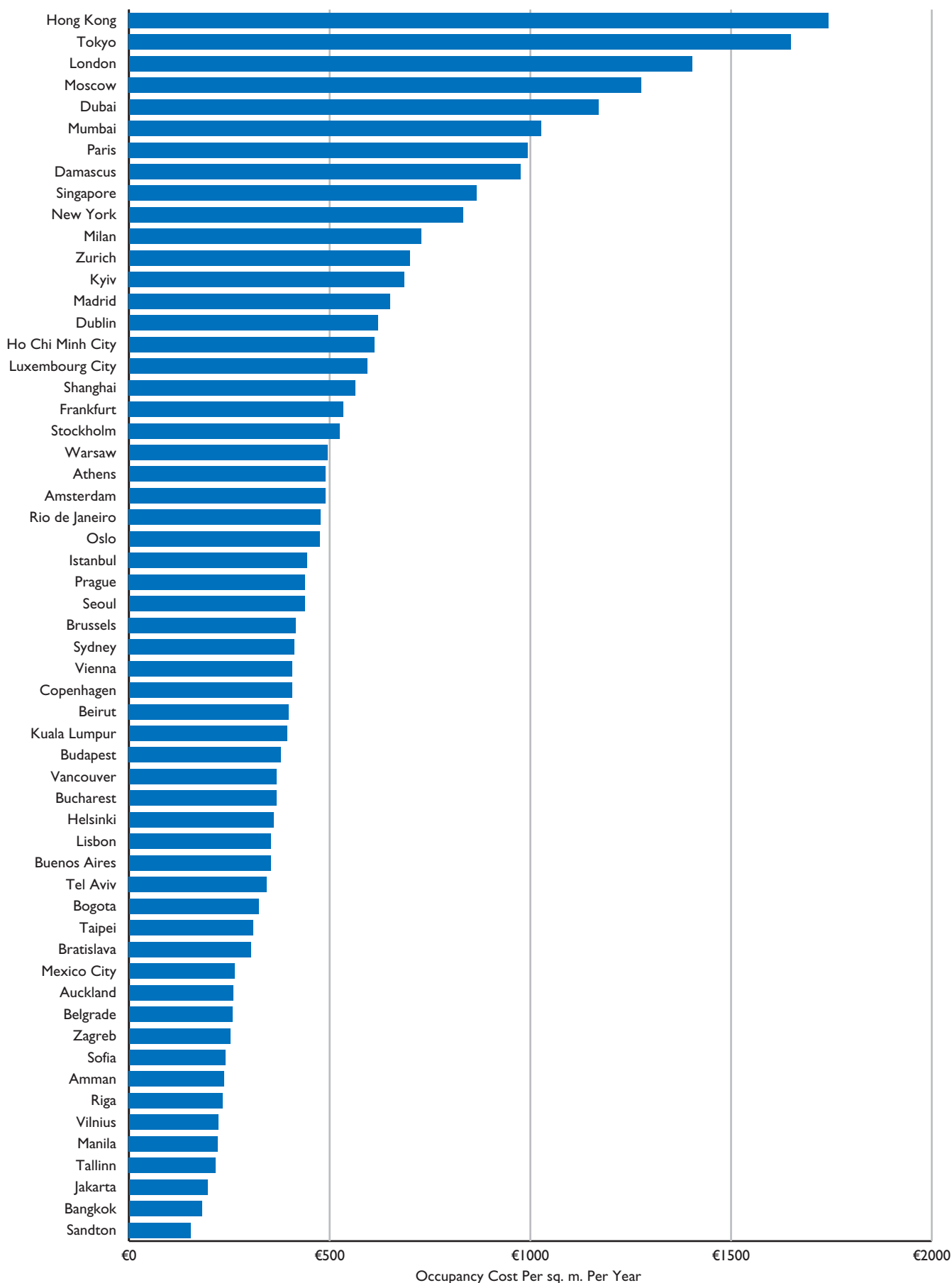
Average Rents (net internal area)	€/sq. m./Year
Americas	333
North America	330
USA & Canada	344
South America	308
Asia Pacific	462
Europe	311
Western Europe	323
Central & Eastern Europe	281
Africa & the Middle East	268
Global	331

Average Rental Growth	% Rental Growth
Americas	6%
North America	5%
USA & Canada	4%
South America	12%
Asia Pacific	4%
Europe	2%
Western Europe	1%
Central & Eastern Europe	4%
Africa & the Middle East	9%
Global	3%

The World's Most Expensive Office Location	€/sq. m./Year
Hong Kong CBD	1,743

In summary, the global office market faces a considerable period of uncertainty and substantial downside risks will persist throughout 2009. Nevertheless, all current indicators point to some recovery during 2010.

MOST EXPENSIVE LOCATIONS IN EACH COUNTRY



Figures relate to prime rents, property tax and service charge
Source: Cushman & Wakefield, February 2009

LOCATION RANKING

LOCATION RANKING

	Rank	Country	City	Location	Occupancy Cost
2008	2009				€/sq. m./Year
2	1	China	Hong Kong	CBD	1,743
3	2	Japan	Tokyo	CBD	1,649
1	3	UK	London	West End	1,403
5	4	Russia	Moscow	CBD	1,276
8	5	UAE	Dubai	CBD	1,169
4	6	India	Mumbai	CBD	1,027
6	7	France	Paris	CBD	994
n/a	8	Syria	Damascus	CBD	975
7	9	Singapore	Singapore	CBD	866
10	10	USA	New York	Midtown	832
12	11	Italy	Milan	CBD	728
13	12	Switzerland	Zurich	CBD	699
16	13	Ukraine	Kyiv	CBD	686
14	14	Spain	Madrid	CBD	651
9	15	Ireland	Dublin	2/4 Districts	620
17	16	Vietnam	Ho Chi Minh City	CBD	611
18	17	Luxembourg	Luxembourg City	CBD	593
24	18	China	Shanghai	CBD	564
21	19	Germany	Frankfurt	CBD	534
15	20	Sweden	Stockholm	Birger Jarlsgatan	525
22	21	Poland	Warsaw	CBD	494
27	22	Greece	Athens	Syntagma Square	489
26	23	Netherlands	Amsterdam	Zuidas	489
23	24	Brazil	Rio de Janeiro	CBD	478
11	25	Norway	Oslo	CBD	475
34	26	Turkey	Istanbul	European side (Levent)	444
38	27	Czech Republic	Prague	CBD	439
20	28	South Korea	Seoul	Gangnam	438
28	29	Belgium	Brussels	Quartier Leopold	416
19	30	Australia	Sydney	CBD	412
31	31	Austria	Vienna	Central	407
30	32	Denmark	Copenhagen	Harbour Area	406
37	33	Lebanon	Beirut	CBD	398
49	34	Malaysia	Kuala Lumpur	CBD	394
36	35	Hungary	Budapest	Pest CBD	379
40	36	Canada	Vancouver	CBD	367
35	37	Romania	Bucharest	CBD	367
42	38	Finland	Helsinki	CBD	360
33	39	Portugal	Lisbon	Av de Liberdade	353
29	40	Argentina	Buenos Aires	CBD	353
32	41	Israel	Tel Aviv	CBD	343
52	42	Colombia	Bogota	CBD	323
44	43	Taiwan	Taipei	CBD	309
39	44	Slovakia	Bratislava	CBD	304
43	45	Mexico	Mexico City	CBD	263
41	46	New Zealand	Auckland	CBD	259
47	47	Serbia	Belgrade	CBD	258
48	48	Croatia	Zagreb	CBD	252
51	49	Bulgaria	Sofia	CBD	240
n/a	50	Jordan	Amman	CBD	237
53	51	Latvia	Riga	CBD	234
55	52	Lithuania	Vilnius	CBD	222
50	53	Philippines	Manila	Makati	221
56	54	Estonia	Tallinn	CBD	216
57	55	Indonesia	Jakarta	CBD	196
58	56	Thailand	Bangkok	CBD	182
54	57	South Africa	Sandton	CBD	154

ARGENTINA

Economy



Rental Growth



The Buenos Aires office market ended 2008 with an easing of demand and supply levels remaining scarce. There were no new Grade A office buildings delivered on to the market in 2008, with development completions comprising of Grade B buildings located in new developing submarkets within Buenos Aires. However, as a result of the global economic slowdown and local uncertainty, rental values are anticipated to ease down over the year.

AUSTRALIA

Economy



Rental Growth



The primary office markets were increasingly affected by the global economic slowdown as the year progressed. Both vacancy rates and speculative development are relatively low and the downturn in rental performance was primarily driven by slowing demand. In 2009 it is anticipated that many companies will scale down, releasing sublet space on to the market, with incentive packages rising and downward pressure on rents increasing.

AUSTRIA

Economy



Rental Growth



Prime office rents increased nationally by some 9%, with the largest rises seen in the secondary cities of Graz and Innsbruck. However, demand slowed in the second half of the year and a number of companies delayed their expansion plans or were looking for smaller premises. Year on year availability decreased in Vienna but with rising construction levels the vacancy rate will trend upwards in 2009.

BELGIUM

Economy



Rental Growth



The Brussels office market has been relatively stable in 2008, largely due to the high levels of domestic and international governmental take up. The principal office submarket in Brussels, Quartier Leopold, has seen rental growth fall by 4% over the year. However, there were pockets of growth in the decentralised districts of Brussels and a number of secondary cities witnessed rental growth over the year as occupiers sought less expensive premises.

BRAZIL

Economy



Rental Growth



In terms of rental growth, 2008 was a good year for the Brazilian office market. Rents rose nationally by 17%, due to a combination of a lack of Grade A space and strong levels of absorption. The global economic slowdown just started to have an impact on the market, with approximately 10% of the office schemes expected for 2009-10 having their completion dates postponed. As a result the market is expected to remain fairly stable in the short term.

BULGARIA

Economy



Rental Growth



Rental growth over the year in Sofia was an encouraging 6%, although rental levels fell back slightly in the last quarter of the year. However, in light of the global economic slowdown, occupier demand levels declined as a number of new schemes came on to the market. A number of planned schemes have now been postponed in the light of expectations of a weakening market.

CANADA

Economy



Rental Growth



The office market largely performed well during 2008, with the effects of the global economic slowdown only becoming apparent towards the year end. The national vacancy rate increased for the first time in Q4 after more than six years of declining vacancy rates. Demand for office space weakened as the year progressed and tenant activity paused as occupiers tried to understand the changing economic conditions.

CHINA

Economy



Rental Growth



Although rental growth was positive over the course of the year in China, the second half of the year saw the market slow significantly. Demand from international occupiers has contracted and many tenants in Shanghai cancelled expansion plans or moved to lower grade office buildings to save money. The market throughout China is expected to weaken throughout the course of 2009.

COLOMBIA

Economy



Rental Growth



The primary office market in Colombia, Bogota, still suffered from a lack of Grade A space in 2008. Although rental growth figures were not as significant as in 2007, rental levels rose by 20% over 2008. Occupier demand was strong for most of the year, only easing slightly in the final quarter. There are a number of schemes due to be delivered to the market in 2009, which will result in a rise in the vacancy rate.

CROATIA

Economy



Rental Growth



Rental levels eased down in Croatia during 2008, with the principal office location of Zagreb seeing rents fall by 3%. Occupier demand levels slowed over the year as business sentiment decreased. In addition, a number of office schemes were delivered to the market in early 2008, resulting in the current situation of supply exceeding demand. Rents are anticipated to fall further in 2009.

CZECH REPUBLIC

Economy



Rental Growth



The Czech office market saw an encouraging performance in terms of rental growth in 2008, with rents rising by 13%. However, rents were stable over the final quarter as demand slowed considerably. Expectations are for supply to continue to rise in 2009, as there are a number of schemes due to enter the market. Beyond that however, it is anticipated that a number of planned schemes will be postponed in the current climate.

DENMARK

Economy



Rental Growth



Occupier demand has eased noticeably in the primary office market of Copenhagen over the course of 2008, with the global economic slowdown causing tenants to become increasingly risk averse. Supply has also risen as a number of speculative development completed while tenants sublet space. Consequently, rents fell by 10% across the city, with the national picture only marginally better with rents decreasing by 6%.

ESTONIA

Economy



Rental Growth



Rents remained stable in Tallinn over the year. There is a lack of high quality space in the Tallinn office market, but as corporate activity became more cautious, upward pressure on rents eased noticeably. Moreover, the lack of Grade A space should see rental values hold firm in 2009, with supply satisfying demand.

FINLAND

Economy



Rental Growth



Year on year rental growth was relatively strong, with rents rising in Helsinki by 14%. However, the increase in rents was only evident in the first half of the year and performance weakened subsequently. Demand cooled and occupiers have become increasingly risk averse, and as a result letting activity declined sharply at the end of the year.

FRANCE

Economy



Rental Growth



The French office market was steady in 2008, with regional cities leading the way in terms of rental growth, notably Lyon. A weakening economic picture and a decline in occupier demand had a negative effect on the Paris CBD office market, with supply rising and rents falling by 5% in 2008. Occupiers in Paris have been seeking lower rents and the inner suburbs saw increasing occupier demand as a result.

GERMANY

Economy



Rental Growth



The German office market has largely been steady over the year, with rental growth nationally moving up by 4%. This was driven by double digit rental growth that occurred in both Essen and Leipzig over the year, although growth was positive in all the key cities. Occupier demand eased in most of the main office locations in the second half of the year but supply levels held up well to date but are expected to rise in 2009.

GREECE

Economy



Rental Growth



Strong fundamentals in the first half of the year saw rents rise by 15% in the Syntagma Square submarket year on year. However, the economic slowdown started to affect the Greek office market in Q3 2008 and occupiers have become increasingly risk averse with many postponing or cancelling their relocation or expansion plans. Supply is increasing but there is limited development underway.

HONG KONG

Economy



Rental Growth



Hong Kong was one of the first Asian markets to be impacted by the slowing global economy. Performance deteriorated throughout the course of the year, with rents declining noticeably in the final quarter of 2008. Occupiers became increasingly price sensitive and lease renegotiation, downsizing or relocating to peripheral locations are key trends that are likely to continue into 2009.

HUNGARY

Economy



Rental Growth



The office market in Hungary was fairly subdued over the year in the light of slower economic performance. Nationally rental levels increased by just 1%, with growth in the prime office submarkets negligible. Occupier demand declined and supply rose in Budapest. Supply is anticipated to increase further and rents will come under further pressure in 2009 in conjunction with increasing incentives.

INDIA

Economy



Rental Growth



Rental growth in India was a steady 3% nationally over 2008. However, this is a significant decline in comparison to the previous year where rents rose across the country by 36%. The global economic slowdown particularly affected locations such as Mumbai, Chennai and NCR most notably in the second half of the year. There were some pockets of growth with both Bangalore and Kolkata seeing double digit growth over the year.

COUNTRY SUMMARIES

INDONESIA

Economy



Rental Growth



In the first three quarters of the year, the office market in Jakarta performed well in terms of steady demand and rental growth. However in the final quarter of 2008, the banking and financial sectors slowed significantly as a result of the global economic slowdown, causing the market to grind to a halt. The outlook for 2009 is for occupier demand to fall further, but landlord incentive packages to increase accordingly.

IRELAND

Economy



Rental Growth



The office market in Ireland has been seriously affected by recessionary conditions. Rents fell by 9% over the year and Dublin saw rental levels fall furthest, by 13%. The falls were primarily demand led as a consequence of the marked slowdown in occupier demand and activity. Rents are likely to come under further pressure in 2009 as occupier demand is anticipated to fall further.

ISRAEL

Economy



Rental Growth



Office letting activity has held firm over 2008 in the most popular locations such as Ramat Gan CBD, Diamond Exchange District and the Tel Aviv CBD. However, rental values have eased in the main submarkets over the year as many firms in these locations have been affected by the global economic slowdown. Demand levels fell in light of declining sentiment.

ITALY

Economy



Rental Growth



The office market in Italy has slowed steadily over the year. Demand levels declined in the major centres as occupiers exercised a degree of caution. Following minimal rental growth seen over the past year, rents are anticipated to remain stable into 2009, although the level of incentive packages offered by landlords will increase.

JAPAN

Economy



Rental Growth



Rental levels eased down significantly over the year within the primary Tokyo market. The market is currently characterised by an increasing amount of sublease space coming on to the market and tenants becoming more risk averse. The outlook for the year ahead is for declining occupier demand and growing landlord incentives.

JORDAN

Economy



Rental Growth



Rents have largely held firm over the year, as Amman suffers from a lack of Grade A space. Currently, there is no specific area that serves as the CBD of Amman, and there are a number of new office buildings are nearing completion being developed in various parts of the city with more in the pipeline. It is likely that there will be an oversupply of space and that rents will reduce in the medium term.

LATVIA

Economy



Rental Growth



Rental growth was steady over the year, with the principal office market of Riga showing a 3% increase in rents in 2008. Demand levels eased in the second half of the year as occupiers become increasingly risk averse. Similar trends are anticipated for 2009 as business sentiment remains weakened.

LEBANON

Economy



Rental Growth



The market has been subdued over 2008, with little change observed in the market and a certain amount of stagnation due to the ongoing political problems. However, there remains a shortage of good quality office accommodation and this has led to rental values for Grade A space moving up by 14% over the year.

LITHUANIA

Economy



Rental Growth



The office market in Vilnius saw steady rental growth in the first half of the year but stabilised in the second. A slowing economy and downturn in tenant activity were evident. Rents should come under further downward pressure in 2009 because significant volumes of space are expected on to the market soon, while occupier demand is anticipated to fall further.

LUXEMBOURG

Economy



Rental Growth



Luxembourg was one of the better performing European office markets in 2008. Rents continued their upward trend, increasing by 9% from the previous year. However, 2009 is anticipated to be a more difficult year with occupier demand falling and supply levels, especially in the periphery, rising. As a result, pressure on rental values is likely to increase over the course of the year.

MALAYSIA

Economy



Rental Growth



The office space market experienced a high level of demand due to the domestic expansion in the public and private sectors, although activity slowed in the final quarter of 2008. There were a number of Grade A buildings delivered to the market in the primary Kuala Lumpur market over the year, with new supply scheduled for 2009 mostly situated within the City Centre and CBD.

MEXICO

Economy



Rental Growth



Rental levels in Mexico eased upwards as the market performed well in the first half of the year. However, economic conditions weakened in the second half of the year and supply levels have remained fairly tight, with a number of office schemes having their completion dates postponed. Rents are expected to come under further pressure in 2009.

NETHERLANDS

Economy



Rental Growth



The Dutch office market held up for most of 2008, but there were signs that demand was waning towards the year end, particularly in the regional cities. Occupiers are focused on primarily good quality, well-located space. Year on year rental growth was positive at a national level, but a number of areas, such as the prime Zuidas submarket, witnessed no change. With occupier demand slowing, the outlook for 2009 in terms of rental growth is subdued.

NEW ZEALAND

Economy



Rental Growth



Demand for office space has cooled over 2008, although rents for prime space remained firm as a result of limited supply and vacancy rates remaining low. There is a considerable amount of space due for completion in 2009, beyond this, there are few schemes due onstream. Developers now require significant tenant precommitment before gaining funding and starting on site.

NORWAY

Economy



Rental Growth



Rental levels fell by 15% as the global economic slowdown and the reduction in the price of oil impacted on occupier sentiment. Demand for the best buildings fell, as consolidation and replacement activity drove occupier activity. Supply rose marginally but vacancy rates still remained low. With available space set to rise amidst further depression in demand, rents are anticipated to remain under pressure throughout 2009.

PHILIPPINES

Economy



Rental Growth



Over the course of 2008, the Philippine office market saw increasing pressure on rents as occupiers were looking to move to less expensive locations. This was a characteristic of the principal Makati CBD, where a number of BPO operators moved away. The trend for 2009 is anticipated to be a further fall in rents, with the Makati CBD expected to be the first affected.

POLAND

Economy



Rental Growth



Rental levels in Poland ended the year virtually unchanged as the underlying market fundamentals held firm and supported good levels of occupier activity in the Polish office market. Nonetheless, occupier demand was slowing towards the year end, with the focus on smaller rather than larger requirements, and a number of tenants started to sublease space back on to the market.

PORTUGAL

Economy



Rental Growth



Prime rents recorded a marginal year on year decline, although increased incentives and concessions were evident. The office market has slowed but, to date, it has been mainly banking and financial occupiers located in the CBD that are most affected. Occupiers are increasingly driven by cost and are renegotiating leases to take advantage of the better deals on offer. Vacancy rates increased but speculative construction is slowing down.

ROMANIA

Economy



Rental Growth



Rents were unchanged in Romania over the course of 2008. Occupier demand has started to decline in the prime office submarkets of Bucharest with occupiers taking longer to make decisions. Despite supply levels rising, the vacancy rate remains low. A number of developments should complete in 2009 adding to the supply. Occupiers will seek cheaper premises, with demand likely to increase in the peripheral submarkets of the city.

RUSSIA

Economy



Rental Growth



Rental growth across Moscow ground to a halt with CBD rents ending the year unchanged from the end of 2007, and out of town rents falling by 25%. Companies have scaled back expansion plans and reverted to cost cutting policies and, as a result, occupier demand has fallen accordingly. This coincided with large scale speculative development and the vacancy rate looks set to rise further.

SERBIA

Economy



Rental Growth



The Serbian office market has seen rental levels unchanged over the year, with occupier demand largely steady. Demand remains firmly focused on the new Belgrade area and primarily on new better quality space. Supply started to rise towards the year end, as a number of new schemes completed. Demand will be tempered as the global economic slowdown impacts the market, while further development completions add to the supply.

SINGAPORE

Economy



Rental Growth



Despite prime rents reaching a mid year high, annual rental growth was negative. The initial growth was driven by a shortage of Grade A space, however demand was kept in check as the effect of the economy impacted on occupier behaviour in the second half of the year. Most companies are adopting a cautious attitude and some are looking to sublet excess space.

SLOVAKIA

Economy



Rental Growth



In contrast to the impressive level of rental growth seen in 2007, the office market in Slovakia slowed significantly during 2008. Rents fell over the year, as letting activity eased. On the supply side, the pipeline has also shrunk, with many developers struggling to secure finance. Headline rents are likely to hold firm during 2009 as occupiers now need a compelling business case in order to secure approvals to move.

SOUTH AFRICA

Economy



Rental Growth



Letting activity was strong during 2008, and nationally rents rose by 21%, with Durban (CBD) seeing the highest rental rise of 30%. The market is currently characterised by low vacancy rates for Grade A space which has fuelled rental growth. However, demand is anticipated to slow resulting in increasing volumes of sublease space.

SOUTH KOREA

Economy



Rental Growth



The occupier market within Seoul has largely held firm over 2008, with an encouraging 6% rental growth seen over the year. The market is currently characterised by low vacancy, and this trend should continue in the short term. However, the global economic slowdown will impact on the market in the medium term, with both domestic and international occupiers looking to dispose of space and scale down their operations.

SPAIN

Economy



Rental Growth



A faltering in occupier sentiment has seen the volume of lettings decrease across the country. A mix of new completed speculative projects, second hand space coming back to the market and a few sublettings has resulted in rising supply. Nationally, rental values fell by 4%. 2009 will remain challenging and rents are likely to drop further.

SWEDEN

Economy



Rental Growth



The office market in Sweden has largely held firm over 2008, although occupier demand declined noticeably towards the end of the year. Supply also started to rise across the country. Rental growth Stockholm was steady with all submarkets seeing a 2% rise, while in Gothenburg and Malmo rents were stable.

SWITZERLAND

Economy



Rental Growth



Rental levels in both of the principal markets of Zurich and Geneva were unchanged over the year, with occupier demand largely holding firm. Demand for space is concentrated in the CBD submarkets where high quality supply is currently tight. The development pipeline is limited, particularly in Geneva but supply may rise as occupiers look to offload space.

SYRIA

Economy



Rental Growth



Demand for Grade A office space within the primary office location of Damascus has been strong over the course of 2008. As an emerging office market, Grade A space is limited and consequently rents are currently high. Increasing volumes of new supply are expected on to the market in 2009-2010 and this should lead to a readjustment in rental values.

TAIWAN

Economy



Rental Growth



Rental levels of prime office space within Taipei continued to grow over the year, rising by 5%. Demand for Grade A space exceeded supply but this is anticipated to change as there are a number of Grade A buildings due to enter the market in 2009. A combination of this increase in space and the general market slowdown impacting demand will result in an easing in rental growth in 2009.

THAILAND

Economy



Rental Growth



Despite the uncertain political climate endured in Thailand and the increasing effects of the global economic slowdown, the office market was largely steady over the year. The CBD vacancy rate rose marginally over the last quarter and occupier demand started to decrease as the economic downturn took hold. Net demand will fall marginally over the coming year and there will be some further moderation in vacancy.

TURKEY

Economy



Rental Growth



Rental growth has continued to be impressive throughout Turkey in 2008, rising nationally by 27%. In line with most other markets, rental values eased slightly towards the end of the year, after the highs seen in Q2 and Q3. Occupier demand has declined quickly as many international companies have either scaled back or postponed their current office requirements.

UAE

Economy



Rental Growth



The UAE recorded annual rental growth of 20%, although most of this was seen in the first half of the year. Abu Dhabi saw the strongest uplift in rents whilst the Dubai market slowed with both occupier demand and rents falling and landlords starting to offer greater incentives. Meanwhile, a shortage of good quality office stock in Abu Dhabi should ensure rents will remain stable for the next 6 months with a possible increase towards the end of 2009.

UK

Economy



Rental Growth



Rental values fell in 2008, as corporate restructuring and rising unemployment impacted on demand. Central London has borne the brunt, with rents falling in the City by 19% and in the West End by 23% over the year. Nationally, take-up activity was patchy, with some regional office markets experiencing strong levels of demand. Rents are expected to fall further across the country in 2009, as occupier demand weakens and landlord incentives continue to rise.

UKRAINE

Economy



Rental Growth



Although rental growth in Kyiv over the year has been a strong 14%, the market slowed significantly in the latter part of the year. In light of difficult economic conditions, from both a domestic and international perspective, occupier demand fell sharply in the final quarter of the year. Rental levels are anticipated to fall in 2009, with tenants releasing a large amount of sublease back on to the market.

USA

Economy



Rental Growth



The office market within the US continued to weaken throughout the final quarter of the year. Supply is rising with increases in sublet space, while demand is contracting. Rents increased by 4% nationally, with the highest annual rise seen in New York – Midtown. With the economy forecast to contract, further easing in market activity is anticipated and the market is expected to remain weak throughout 2009.

VIETNAM

Economy



Rental Growth



Rental levels in Vietnam have largely held firm over the year, with rents in Ho Chi Minh City easing up over the year. However, the global economic slowdown has started to have a significant effect on the market with rents under increasing pressure. It is anticipated that rents will decline during 2009 as occupier demand slows further.

KEY INDICATORS

Down ↓ Up ↑ Stable → Stable/Up ↗ Stable/Down ↘

Key indicator arrows show the anticipated trend for the coming 12 months relative to recent performance.

EXCHANGE RATES

Country	Rent Quoted	US\$	Euro
South African	Rand	0.10565	0.07503
Brazilian	Real	0.42444	0.30108
Canadian	Dollar	0.81783	0.58013
Australian	Dollar	0.69027	0.48963
Hong Kong	Dollar	0.12902	0.09136
Indian	Rupee, INR	0.02011	0.01427
Indonesian	Rupiah	0.0000899	0.00006377
Japanese	Yen	0.01106	0.007848
South Korea	Won, SKR	0.00079	0.0005604
Malaysian	Ringgit	0.28677	0.20342
New Zealand	Dollar	0.57851	0.41037
Norway	Kroner	0.14221	0.10087
Philippine	Peso	0.02097	0.01488
Singapore	Dollar	0.69317	0.4917
Taiwan	Dollar	0.03047	0.02161
Thai	Baht	0.02832	0.02009
Danish	Krone	0.18943	0.1342
Swedish	Krona	0.12876	0.09102
Swiss	Franc	0.94684	0.67168
British	Pound	1.44727	1.02655
Estonian	Kroon	0.09007	0.0639
Kuwaiti	Dinar	3.59131	2.5475
UAE	Dirham	0.27212	0.19303
Euro		1.40953	1
US Dollar		1	0.70935

Source: www.oanda.com, 31 December 2008.

GLOBAL OFFICE RENTS

						NET INTERNAL AREA	
Country	City	Location	Local Measure	Rent Currency	Annual Rental Growth %	Rent US\$/sq.ft/yr	Rent €/sq.m/yr
AMERICAS							
Argentina	Buenos Aires	CBD	US\$ per sq.m per month	36.00	-5%	40.13	306.44
Brazil	São Paulo	CBD	Reals per sq.m per month	81.14	6%	45.30	345.92
Brazil	Rio de Janeiro	CBD	Reals per sq.m per month	94.53	29%	52.78	403.01
Canada	Toronto	CBD	C\$ per sq.ft per year	26.16	5%	21.39	163.36
Canada	Montreal	CBD	C\$ per sq.ft per year	19.00	12%	15.54	118.64
Canada	Calgary	CBD	C\$ per sq.ft per year	39.08	-7%	31.96	244.03
Canada	Vancouver	CBD	C\$ per sq.ft per year	42.50	25%	34.76	265.39
Canada	Ottawa	CBD	C\$ per sq.ft per year	24.24	-6%	19.82	151.37
Colombia	Bogota	CBD	US\$ per sq.m per month	34.91	20%	38.92	297.16
Mexico	Mexico City	CBD	US\$ per sq.m per month	26.90	14%	29.99	228.98
Mexico	Monterrey	CBD	US\$ per sq.m per month	22.00	5%	24.53	187.27
United States	Atlanta	CBD	US\$ per sq.ft per year	21.26	2%	25.09	191.55
United States	Boston	CBD	US\$ per sq.ft per year	61.88	-7%	73.02	557.52
United States	Chicago	CBD	US\$ per sq.ft per year	37.82	3%	44.63	340.75
United States	Dallas	CBD	US\$ per sq.ft per year	23.71	-4%	27.98	213.62
United States	Denver	CBD	US\$ per sq.ft per year	32.47	7%	38.31	292.55
United States	Houston	CBD	US\$ per sq.ft per year	39.41	8%	46.50	355.07
United States	Los Angeles	CBD	US\$ per sq.ft per year	38.65	6%	45.61	348.23
United States	Miami	CBD	US\$ per sq.ft per year	43.49	8%	51.32	391.83
United States	New York	Downtown	US\$ per sq.ft per year	59.77	7%	70.53	538.51
United States	New York	Midtown	US\$ per sq.ft per year	92.32	9%	108.94	831.78
United States	Philadelphia	CBD	US\$ per sq.ft per year	27.43	5%	32.37	247.14
United States	San Francisco	CBD	US\$ per sq.ft per year	50.75	5%	59.89	457.24
United States	San Jose/Silicon Valley	CBD	US\$ per sq.ft per year	35.90	0%	42.36	323.45
United States	Seattle	CBD	US\$ per sq.ft per year	38.83	1%	45.82	349.85
United States	Washington	CBD	US\$ per sq.ft per year	55.74	6%	65.77	502.20
ASIA PACIFIC							
Australia	Sydney	CBD	A\$ per sq.m per year	650.00	5%	41.68	318.26
Australia	Melbourne	CBD	A\$ per sq.m per year	450.00	0%	28.86	220.33
Australia	Brisbane	Centre	A\$ per sq.m per year	650.00	-7%	41.68	318.26
China	Beijing	CBD	US\$ per sq.m per month	49.16	13%	54.81	418.46
China	Shanghai	CBD	US\$ per sq.m per month	61.57	11%	68.64	524.10
Hong Kong	Hong Kong	CBD	HK\$ per sq.ft per month	140.80	-4%	217.99	1661.54
India	Mumbai	CBD	INR per sq.ft per month	400.00	-9%	119.69	914.23
India	Mumbai	Central - Worli	INR per sq.ft per month	350.00	-13%	104.73	799.95
India	New Delhi	CBD	INR per sq.ft per month	328.00	-1%	98.15	749.67
India	Bangalore	CBD	INR per sq.ft per month	86.00	18%	25.73	196.56
India	Chennai	CBD	INR per sq.ft per month	78.00	-5%	23.34	178.28
India	Hyderabad	CBD	INR per sq.ft per month	64.00	7%	19.15	146.28
India	Pune	CBD	INR per sq.ft per month	75.00	7%	22.44	171.42
India	Kolkata	CBD	INR per sq.ft per month	105.00	17%	31.42	239.99
Indonesia	Jakarta	CBD	US\$ per sq.m per month	17.59	-2%	19.61	149.73
Japan	Tokyo	CBD	Yen per tsubo per month	57,000.00	-19%	212.60	1623.82
South Korea	Seoul	CBD	KRW per sq.m per month	52,319.00	6%	46.08	351.83
South Korea	Seoul	Gangnam	KRW per sq.m per month	54,356.00	5%	47.87	365.53
South Korea	Seoul	Yeouido	KRW per sq.m per month	41,548.00	7%	36.59	279.40
Malaysia	Kuala Lumpur	CBD	RM per sq.ft per month	15.00	58%	51.62	394.13
New Zealand	Auckland	CBD	NZ\$ per sq.m per month	45.00	0%	29.02	221.60
Philippines	Manila	Makati	PhP per sq.m per month	1,000.00	-1%	28.99	221.41
Philippines	Manila	Ortigas	PhP per sq.m per month	650.00	4%	18.84	143.92
Singapore	Singapore	CBD	S\$ per sq.ft per month	12.44	-14%	103.48	790.08
Taiwan	Taipei	CBD	NT\$ per ping per month	3,661.00	5%	37.62	287.18
Thailand	Bangkok	CBD	Baht per sq.m per month	757.00	0%	23.90	182.50
Vietnam	Ho Chi Minh City	CBD	US\$ per sq.m per month	75.00	10%	83.61	611.06
EUROPE							
Austria	Vienna	Central	Euro per sq.m per month	23.00	10%	42.52	324.71
Austria	Vienna	Guertal	Euro per sq.m per month	13.00	4%	24.03	183.53
Austria	Graz	CBD	Euro per sq.m per month	8.00	14%	14.79	112.94
Austria	Linz	CBD	Euro per sq.m per month	7.00	0%	12.94	98.82
Austria	Salzburg	CBD	Euro per sq.m per month	10.00	11%	18.49	141.18
Austria	Innsbruck	CBD	Euro per sq.m per year	7.00	17%	12.94	98.82
Belgium	Brussels	Quartier Leopold	Euro per sq.m per year	270.00	-4%	43.68	333.53
Belgium	Brussels	Decentralised	Euro per sq.m per year	190.00	9%	30.73	234.71
Belgium	Antwerp	Decentralised	Euro per sq.m per year	140.00	3%	22.65	172.94
Belgium	Liege	CBD	Euro per sq.m per year	115.00	10%	18.60	142.06
Bulgaria	Sofia	CBD	Euro per sq.m per year	204.00	6%	26.71	204.00
Croatia	Zagreb	CBD	Euro per sq.m per year	18.00	-3%	28.29	216.00

Country	City	Location	Local Measure	Rent Currency	Annual Rental Growth %	NET INTERNAL AREA	
						Rent US\$/sq.ft/yr	Rent €/sq.m/yr
Czech Republic	Prague	CBD	Euro per sq.m per month	23.00	15%	42.65	325.68
Czech Republic	Prague	Decentralised	Euro per sq.m per month	15.00	7%	27.81	212.40
Czech Republic	Brno	CBD	Euro per sq.m per month	14.00	17%	25.96	198.24
Denmark	Copenhagen	Harbour Area	DKr per sq.m per year	2,000.00	-7%	43.48	331.55
Denmark	Copenhagen	Decentralised	DKr per sq.m per year	1,000.00	-13%	21.74	165.78
Denmark	Aarhus	CBD	DKr per sq.m per year	1,150.00	-4%	25.00	190.64
Denmark	Odense	CBD	DKr per sq.m per year	1,000.00	0%	21.74	165.78
Estonia	Tallinn	CBD	Euro per sq.m per month	18.00	0%	28.29	216.00
Finland	Helsinki	CBD	Euro per sq.m per month	30.00	18%	47.14	360.00
Finland	Helsinki	Decentralised	Euro per sq.m per month	15.50	11%	24.36	186.00
France	Paris	CBD	Euro per sq.m per year	780.00	-5%	120.17	917.65
France	Paris	Rest of Paris (Non CBD)	Euro per sq.m per year	520.00	0%	80.11	611.76
France	Paris	La Defense	Euro per sq.m per year	550.00	6%	84.73	647.06
France	Lyon	CBD	Euro per sq.m per year	260.00	8%	40.06	305.88
France	Marseille	CBD	Euro per sq.m per year	215.00	0%	33.12	252.94
France	Bordeaux	CBD	Euro per sq.m per year	170.00	6%	26.19	200.00
France	Strasbourg	CBD	Euro per sq.m per year	195.00	5%	30.04	229.41
France	Lille	CBD	Euro per sq.m per year	185.00	0%	28.50	217.65
France	Toulouse	CBD	Euro per sq.m per year	195.00	5%	30.04	229.41
France	Nice	CBD	Euro per sq.m per year	210.00	5%	32.35	247.06
France	Nantes	CBD	Euro per sq.m per year	170.00	3%	26.19	200.00
Germany	Berlin	CBD	Euro per sq.m per month	22.00	5%	34.57	264.00
Germany	Frankfurt	CBD	Euro per sq.m per month	38.00	3%	59.71	456.00
Germany	Hamburg	CBD	Euro per sq.m per month	24.00	4%	37.71	288.00
Germany	Munich	CBD	Euro per sq.m per month	31.00	2%	57.31	437.65
Germany	Dusseldorf	CBD	Euro per sq.m per month	23.00	2%	36.14	276.00
Germany	Stuttgart	CBD	Euro per sq.m per month	19.00	3%	29.86	228.00
Germany	Cologne	CBD	Euro per sq.m per month	21.00	2%	33.00	252.00
Germany	Essen	CBD	Euro per sq.m per month	14.00	12%	22.00	168.00
Germany	Leipzig	CBD	Euro per sq.m per month	11.00	10%	17.29	132.00
Germany	Dresden	CBD	Euro per sq.m per month	9.00	0%	14.14	108.00
Germany	Berlin	Decentralised	Euro per sq.m per month	10.00	5%	15.71	120.00
Germany	Frankfurt	Decentralised	Euro per sq.m per month	14.00	0%	22.00	168.00
Greece	Athens	Syntagma Square	Euro per sq.m per month	30.00	15%	58.23	444.71
Greece	Athens	Kifissias Avenue	Euro per sq.m per month	23.00	0%	44.65	340.94
Greece	Athens	Syngrou Avenue	Euro per sq.m per month	20.00	0%	38.82	296.47
Hungary	Budapest	Pest CBD	Euro per sq.m per month	22.00	5%	40.67	310.59
Hungary	Budapest	Buda	Euro per sq.m per month	16.00	0%	29.58	225.88
Hungary	Budapest	Decentralised	Euro per sq.m per month	15.00	0%	27.73	211.76
Hungary	Debrecen	CBD	Euro per sq.m per month	11.00	0%	20.34	155.29
Hungary	Miskolc	CBD	Euro per sq.m per month	9.00	0%	16.64	127.06
Hungary	Gyor	CBD	Euro per sq.m per month	11.00	0%	20.34	155.29
Hungary	Szekesfehervar	CBD	Euro per sq.m per month	10.00	0%	18.49	141.18
Ireland	Dublin	2/4 Districts	Euro per sq.m per year	560.00	-13%	73.33	560.00
Ireland	Dublin	Suburbs	Euro per sq.m per year	215.00	-9%	28.15	215.00
Ireland	Dublin	Int'l Fin. Svcs. Centre	Euro per sq.m per year	484.00	-14%	63.38	484.00
Ireland	Cork	CBD	Euro per sq.m per year	300.00	0%	39.28	300.00
Italy	Rome	CBD	Euro per sq.m per year	510.00	2%	82.81	632.40
Italy	Rome	EUR	Euro per sq.m per year	335.00	5%	54.40	415.40
Italy	Rome	Periphery	Euro per sq.m per year	190.00	0%	30.85	235.60
Italy	Milan	CBD	Euro per sq.m per year	550.00	4%	89.31	682.00
Italy	Milan	Periphery	Euro per sq.m per year	225.00	0%	36.53	279.00
Italy	Milan	Semi Centre	Euro per sq.m per year	310.00	7%	50.34	384.40
Italy	Bologna	CBD	Euro per sq.m per year	180.00	-10%	29.23	223.20
Italy	Bologna	Secondary	Euro per sq.m per year	170.00	6%	27.60	210.80
Italy	Naples	CBD	Euro per sq.m per year	175.00	-5%	28.42	217.00
Italy	Turin	CBD	Euro per sq.m per year	190.00	6%	30.85	235.60
Latvia	Riga	CBD	Euro per sq.m per month	18.50	3%	29.07	222.00
Lithuania	Vilnius	CBD	Euro per sq.m per month	17.50	3%	27.50	210.00
Luxembourg	Luxembourg City	CBD	Euro per sq.m per month	38.00	9%	70.25	536.47
Netherlands	Amsterdam	Zuidas	Euro per sq.m per year	375.00	0%	57.77	441.18
Netherlands	Amsterdam	Central	Euro per sq.m per year	275.00	4%	42.37	323.53
Netherlands	Amsterdam	South East	Euro per sq.m per year	195.00	0%	30.04	229.41
Netherlands	Rotterdam	CBD	Euro per sq.m per year	185.00	3%	28.50	217.65
Netherlands	The Hague	CBD	Euro per sq.m per year	205.00	2%	31.58	241.18
Netherlands	Utrecht	Station Area/Papendorp	Euro per sq.m per year	205.00	5%	31.58	241.18
Netherlands	Maastricht	Station Area/Ceramique	Euro per sq.m per year	150.00	0%	23.11	176.47
Netherlands	Eindhoven	Business Park Flight Forum	Euro per sq.m per year	175.00	0%	26.96	205.88

GLOBAL OFFICE RENTS

Country	City	Location	Local Measure	Rent Currency	Annual Rental Growth %	NET INTERNAL AREA	
						Rent US\$/sq.ft/yr	Rent €/sq.m/yr
Norway	Oslo	CBD	NKr per sq.m per year	4,000.00	-15%	62.17	474.68
Poland	Warsaw	CBD	Euro per sq.m per month	29.00	-3%	53.61	409.41
Poland	Warsaw	OOT	Euro per sq.m per month	18.00	0%	33.28	254.12
Poland	Krakow	CBD	Euro per sq.m per month	18.00	-5%	33.28	254.12
Poland	Wroclaw	CBD	Euro per sq.m per month	17.00	6%	31.43	240.00
Poland	Poznan	CBD	Euro per sq.m per month	18.00	0%	33.28	254.12
Poland	Lodz	CBD	Euro per sq.m per month	16.00	7%	29.58	225.88
Poland	Katowice	CBD	Euro per sq.m per month	16.00	0%	29.58	225.88
Poland	Szczecin	CBD	Euro per sq.m per month	17.00	0%	31.43	240.00
Poland	Gdansk	CBD	Euro per sq.m per month	17.00	6%	31.43	240.00
Portugal	Lisbon	Av de Liberdade	Euro per sq.m per month	20.00	-5%	36.97	282.35
Portugal	Lisbon	Avenidas Novas	Euro per sq.m per month	18.00	0%	33.28	254.12
Portugal	Lisbon	OOT	Euro per sq.m per month	14.00	0%	25.88	197.65
Portugal	Porto	CBD	Euro per sq.m per month	17.00	6%	31.43	240.00
Romania	Bucharest	CBD	Euro per sq.m per month	21.00	0%	38.82	296.47
Romania	Bucharest	Suburban	Euro per sq.m per month	15.00	0%	27.73	211.76
Romania	Brasov	CBD	Euro per sq.m per month	15.00	0%	27.73	211.76
Romania	Timisoara	CBD	Euro per sq.m per month	15.00	0%	27.73	211.76
Romania	Constanta	CBD	Euro per sq.m per month	15.00	0%	27.73	211.76
Russia	Moscow	CBD	US\$ per sq.m per year	1,300.00	0%	142.09	1084.89
Russia	Moscow	OOT	US\$ per sq.m per year	600.00	-25%	65.58	500.72
Serbia	Belgrade	CBD	Euro per sq.m per year	216.00	0%	33.38	254.88
Slovakia	Bratislava	CBD	Euro per sq.m per month	18.00	-10%	33.38	254.88
Spain	Madrid	CBD	Euro per sq.m per year	480.00	0%	77.94	595.20
Spain	Madrid	OOT	Euro per sq.m per year	288.00	-4%	46.76	357.12
Spain	Barcelona	CBD	Euro per sq.m per year	300.00	-7%	48.71	372.00
Spain	Barcelona	OOT	Euro per sq.m per year	204.00	-6%	33.13	252.96
Sweden	Stockholm	Normalmstorg	SKr per sq.m per year	4,300.00	2%	60.51	460.45
Sweden	Stockholm	Birger Jarlgatan	SKr per sq.m per year	4,200.00	2%	59.11	449.75
Sweden	Stockholm	Regeringsgatan	SKr per sq.m per year	4,200.00	2%	59.11	449.75
Sweden	Stockholm	OOT	SKr per sq.m per year	2,200.00	0%	30.96	235.58
Sweden	Goteburg	CBD	SKr per sq.m per year	2,300.00	0%	32.37	246.29
Sweden	Malmo	CBD	SKr per sq.m per year	2,000.00	0%	28.15	214.16
Switzerland	Zurich	CBD	SFr per sq.m per year	850.00	0%	87.96	671.68
Switzerland	Geneva	CBD	SFr per sq.m per year	750.00	0%	77.62	592.66
Turkey	Istanbul	European side (Gayrettepe/Zincirlikuyu)	US\$ per sq.m per year	460.00	37%	52.99	404.61
Turkey	Istanbul	European side (Levent)	US\$ per sq.m per year	500.00	19%	57.60	439.80
Turkey	Izmir	CBD	US\$ per sq.m per year	228.00	25%	26.27	200.55
Turkey	Ankara	CBD	US\$ per sq.m per year	276.00	28%	31.80	242.77
Ukraine	Kyiv	CBD	US\$ per sq.m per year	960.00	14%	89.19	680.98
United Kingdom	London	City	£ per sq.m per year	565.00	-19%	75.97	580.00
United Kingdom	London	West End	£ per sq.m per year	1,076.00	-23%	144.67	1104.57
United Kingdom	London	Midtown	£ per sq.m per year	565.00	-13%	75.97	580.00
United Kingdom	London	Canary Wharf	£ per sq.m per year	430.40	-16%	57.87	441.83
United Kingdom	London	Decentralised (Hammersmith)	£ per sq.m per year	430.00	4%	57.82	441.42
United Kingdom	Manchester	CBD	£ per sq.m per year	323.00	0%	43.43	331.58
United Kingdom	Birmingham	CBD	£ per sq.m per year	355.00	1%	47.73	364.43
United Kingdom	Bristol	CBD	£ per sq.m per year	296.00	0%	39.80	303.86
United Kingdom	Leeds	CBD	£ per sq.m per year	280.00	4%	37.65	287.43
United Kingdom	Newcastle	CBD	£ per sq.m per year	237.00	0%	31.87	243.29
United Kingdom	Reading	CBD	£ per sq.m per year	307.00	8%	41.28	315.15
United Kingdom	Cardiff	CBD	£ per sq.m per year	226.00	5%	30.39	232.00
United Kingdom	Belfast	CBD	£ per sq.m per year	156.00	0%	20.98	160.14
United Kingdom	Edinburgh	CBD	£ per sq.m per year	312.00	0%	41.95	320.28
United Kingdom	Glasgow	CBD	£ per sq.m per year	306.00	3%	41.14	314.12
AFRICA & THE MIDDLE EAST							
Israel	Tel Aviv	CBD	US\$ per sq.m per month	22.00	-19%	30.30	231.33
Israel	Herzliya	CBD	US\$ per sq.m per month	15.50	-23%	21.35	162.98
Israel	Ramat Hahayal	CBD	US\$ per sq.m per month	15.00	-17%	20.66	157.73
Jordan	Amman	CBD	US\$ per sq.m per year	250.00	0%	28.80	219.90
Lebanon	Beirut	CBD	US\$ per sq.m per year	400.00	14%	45.91	350.50
South Africa	Durban	CBD	R per sq.m per month	70.00	30%	9.70	74.15
South Africa	Durban	La Lucia/Berea	R per sq.m per month	110.00	29%	15.24	116.52
South Africa	Cape Town	CBD	R per sq.m per month	90.00	20%	12.47	95.33
South Africa	Cape Town	Bellville	R per sq.m per month	85.00	18%	11.78	90.04
South Africa	Johannesburg	CBD	R per sq.m per month	65.00	18%	9.01	68.85
South Africa	Sandton	CBD	R per sq.m per month	120.00	9%	16.63	127.11
Syria	Damascus	CBD	US\$ per sq.m per year	400.00	0%	46.08	351.84
United Arab Emirates	Dubai	CBD	AED per sq.ft per year	450.00	7%	122.45	934.99
United Arab Emirates	Abu Dhabi	CBD	AED per sq.m per year	4,000.00	33%	101.12	772.12

TECHNICAL SPECIFICATION

For each location a standard definition of a prime unit is employed to endeavour to make the results as comparable as possible given varying local practices. Rents are often quoted on different measurement basis and for this reason we have standardised the office rents used in this guide by adjusting the rent to a net internal area basis. Some countries quote their rents inclusive and some exclusive of service charge and property taxes, so in order to make a more detailed comparison across regions, the total occupancy costs should be used.

Office figures relate to new prime centre, high specification units of a standard size commensurate with demand in each location. The definition employed for Out of Town (OOT) offices assumes an acceptable site of good access, adequate car parking, services and of a size and standard in keeping with the local demand characteristics.

The Net Internal Areas figures have been calculated by standardising the floorspace measurements on which the quoted rent is based. Cushman & Wakefield Asia quote all rents on a net usable area and quote effective rents, which takes into account rent free period or capital contributions where appropriate. These rents have not been adjusted. Direct Class A rents are quoted in all US locations.

Rents have been expressed in US\$ per sq. ft per year and Euros per sq. m per year, converted using exchange rates as at December of the relevant year. Rental growth figures are quoted in local currency unless otherwise indicated. Total occupancy costs take into account service charges and local taxes to allow direct comparison between countries.

CONTACTS



David Hutchings
Head of European Research Group
LONDON
Tel: +44 (0)207 152 5029
david.hutchings@eur.cushwake.com



Elaine Rossall
European Research Group
LONDON
Tel: +44 (0)207 152 5319
elaine.rossall@eur.cushwake.com



Barrie David
European Research Group
LONDON
Tel: +44 (0)207 152 5937
barrie.david@eur.cushwake.com

Further information and copies of this report are available from Michelle Mejia.

Telephone: +44 (0)207 152 5800
Fax: +44 (0)207 152 5366
Email: michelle.mejia@eur.cushwake.com

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A detailed analysis of retail property rental performance across the globe, with a strong focus on the occupational market. The report covers over 40 countries and 240 locations and also looks at regional trends.

INDUSTRIAL SPACE ACROSS THE WORLD

Analysis of the 2008 global industrial market fundamentals and its main trends for 2009. The report's main focus is on prime industrial rental performance and occupancy costs across the globe in the 12 months to December 2008. It ranks the most expensive locations across the world in which to occupy industrial space. The report also provides a brief country overview for all countries analysed.

INTERNATIONAL INVESTMENT ATLAS

A review of global investment markets, country by country, detailing market characteristics and key data, recent trading activity and market outlook.

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UK CITIES MONITOR

A market survey based report looking at the UK's top office markets, the factors determining success and occupiers views as to how each city ranks on these factors.

MARKETBEAT SNAPSHOTS

One page summary including rent and yield information on various European countries for Economic, Office, Industrial and Retail sectors.

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