

# PRESS RELEASE



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**TOKYO NOW WORLD'S MOST EXPENSIVE OFFICE MARKET AT \$231/SQ. FT.;  
CALGARY, TORONTO CRACK TOP 50  
ACCORDING TO CB RICHARD ELLIS GLOBAL OFFICE OCCUPANCY SURVEY**

*- Global Occupancy Costs Down; Economy Helps Buoy Several Canadian Markets -*

**(TORONTO) — June 3, 2009** — Tokyo's Inner Central District has replaced London's West End as having the world's most expensive office space, according to CB Richard Ellis Group, Inc. (CBRE) Global Research and Consulting's Global Office Occupancy Costs survey.

**In Canada**, lower global occupancy costs prompted Calgary and Toronto to take the 39<sup>th</sup> and 46<sup>th</sup> positions, respectively, in this year's survey of more than 170 global office markets. Across the pond, London's West End emerged as the world's second most expensive office market, while Moscow, Hong Kong's Central Business District (CBD), and Tokyo's Outer Central District rounded out the world's top five. (The CBRE report tracks office occupancy costs in more than 170 markets around the globe. It is issued semi-annually.)

Globally, financial centres have been most significantly affected by declining occupier demand and have registered most material decreases in office rents. In many cases, major global office markets have seen occupancy costs fall by 20 per cent or more over the last 12 months. Across all cities surveyed, office occupancy costs fell by 2.8 per cent over the 12-month period ending March 31, 2009 (on an un-weighted average basis) compared with an increase of 8 per cent in the 12-month period ending September 30, 2008. Singapore had the largest year-over-year decrease in occupancy costs with a drop of 34 per cent.

"The great global recession has clearly taken its toll on the world's office markets, particularly those with significant concentrations of financial industry employers," said Dr. Raymond Torto, CBRE's Global Chief Economist. "The most expensive office markets, as measured in dollars, are considerably less expensive than a year ago and tenants are now in a strong position to procure prime space at attractive costs. For instance, a year ago office space in London's West end was nearly \$300 per sq. ft., while today that space goes for \$172 per sq. ft."

Some markets did record increases in costs over the last 12 months, however these markets—such as Charlotte (U.S.), Marseille (France) and Perth (Australia)—are the exception rather than the rule. Generally, increases are either due to exceptional local market conditions, such as the completion of a top quality new building in a market where none was available previously, or simply that occupancy costs remain above the level of a year ago despite the fact that they are now falling. These types of situations illustrate the unevenness with which the economic downturn is impacting markets around the globe, according to the CBRE report.

Here at home, Calgary – which ranked 42<sup>nd</sup> in the last Global Occupancy survey – saw average occupancy costs drop from \$66.27 per sq. ft. to \$54.57 while in Toronto – up one spot in the semi-annual ranking – average prices per sq. ft. went from \$62.44 to \$51.82.

"Calgary, Toronto, Edmonton and Montreal all rose in this year's Global Office Occupancy Costs survey due in part to the strength of our economy in relation to global markets," said John O'Bryan, vice-chairman, CB Richard Ellis Limited. "Generally, occupancy costs in Canada held steady when compared to declines in other international markets and our ranking increased accordingly."

**(more)**

## Asia-Pacific

Tokyo (Inner Central) was the world's most expensive market with an occupancy cost of \$183 per sq. ft. Hong Kong (CBD) was the fourth most expensive global market with occupancy costs of \$150 per sq. ft. Tokyo (Outer Central) and Mumbai were the other two Asia-Pacific markets in the top 10 most expensive cities roster.

Singapore, while experiencing the largest drop in occupancy costs, was not alone among Asia-Pacific financial centers in seeing a sharp decline. Hong Kong, Tokyo and Mumbai posted large drops in office occupancy costs. Conversely, Perth had the second fastest growing occupancy cost during the past 12 months with costs rising 22 per cent, although it's important to note that the increase took place in 2008.

## Europe

London's West End was the world's second most expensive office market at \$172 per sq. ft. and Moscow was a close third with occupancy costs at \$170 per sq. ft. Dubai, Paris, the City of London and Dublin all were in the top ten most expensive markets.

Twelve cities in the region posted double digit declines in office cost. Moscow had the sharpest decline in the region followed closely by Oslo (Norway), while occupancy costs in London's West End, previously the most expensive market in our report, fell 20 per cent. In addition to Marseille, Durban (South Africa) was among the world's top five markets with occupancy cost growing by 18 per cent during the past 12 months.

## Americas

The most expensive office location in the Americas is still New York's Midtown with occupancy costs of \$68 per sq. ft. However, that market's occupancy costs declined 32 per cent--the second steepest decline in the global survey. While occupancy costs in New York's Midtown are high for North America, it ranked just 21st globally. Boston's suburban market posted a decrease of nearly 30 per cent, putting that market in fourth position in the top decreases chart in the report.

São Paulo (Brazil) posted the Latin American region's highest occupancy costs at \$57 per sq. ft. and is ranked 33rd globally. Latin America has held up better than the rest of the world with only three cities posting small negative growth rates, the worst being Mexico City with a 5.6 per cent decrease. Nine markets in North America posted double digit declines.

### Top Ten

#### Most Expensive Markets

(In US\$ per sq. ft. per annum)	US\$/SF/annum
1. Tokyo, (Inner Central)	183.62
2. London (West End)	172.62
3. Moscow	170.24
4. Hong Kong (CBD)	150.42
5. Tokyo (Outer Central)	149.58
6. Mumbai	131.04
7. Dubai	122.52
8. Paris	114.89
9. London (City)	103.50
10. Dublin	93.56

### Fastest Changing Occupancy Costs

(In local currency & measure)	% Change
<b>Top 5 Decreases</b>	
1. Singapore	-34.4
2. New York (Midtown)	-29.9
3. Hong Kong (CBD)	-29.7
4. Boston (suburban)	-28.5
5. Hong Kong (Citywide)	
<b>Top 5 Increases</b>	
1. Marseille	30.4
2. Perth	22.2
3. Santo Domingo	21.7
4. Durban	18.2
5. Charlotte	14.2

### **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 2008 revenue). The Company has approximately 30,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 300 offices (excluding affiliates) worldwide. 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 has been named a BusinessWeek 50 "best in class" company three years in a row and a Fortune 100 fastest growing company two years in a row. Please visit our Web site at [www.cbre.com](http://www.cbre.com).

### **Notes to Editors**

1. Global MarketView/Office Occupancy Costs is a survey of office occupation costs for prime office space in more than 170 cities worldwide.
2. The latest survey provides data on office rents and occupancy costs as of March 31, 2009
3. The Fastest Changing rankings are based upon occupancy costs in local currency and measure. The Most Expensive ranking is based upon occupancy costs in US\$ per sq. ft. per annum.
4. The figures given in this release refer to occupancy cost. This represents rent, plus local taxes and service charges. The occupation cost figures have also been adjusted to reflect different measurement practices from market to market.
5. To obtain a full copy of the report or to arrange to speak with a CBRE expert, please contact Mark Cohen at 416.599.0024 ext.240 or [mark@mcipr.com](mailto:mark@mcipr.com)

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

**Top 50 Most Expensive Office Markets as of March 31, 2009 (converted to U.S. dollars)**

Rank	Market	US\$/sq	€/sq	£/sq	Aus \$/sq	Can\$/sq	¥ /sq
		ft/annu m	m/month	ft/annum	m/annum	ft/annum	ft/annum
1	Tokyo, (Inner Central), Japan	183.62	124.30	128.17	2,856	231.49	18,149
2	London (West End), England	172.62	116.85	120.49	2,685	217.62	17,061
3	Moscow, Russia	170.24	115.25	118.83	2,648	214.62	16,827
4	Hong Kong (CBD)	150.42	101.83	104.99	2,340	189.63	14,867
5	Tokyo (Outer Central), Japan	149.58	101.26	104.41	2,327	188.58	14,785
6	Mumbai, India	131.04	88.71	91.47	2,038	165.20	12,952
7	Dubai, United Arab Emirates	122.52	82.94	85.52	1,906	154.46	12,110
8	Paris, France	114.89	77.78	80.20	1,787	144.85	11,356
9	London (City), England	103.50	70.06	72.24	1,610	130.48	10,230
10	Dublin, Ireland	93.56	63.33	65.30	1,455	117.95	9,247
11	Abu Dhabi, United Arab Emirates	91.21	61.74	63.66	1,419	114.99	9,015
12	New Delhi, India	86.94	58.86	60.69	1,352	109.61	8,593
13	Paris La Defense, France	86.04	58.24	60.05	1,338	108.47	8,504
14	Hong Kong (Citywide)	84.47	57.18	58.96	1,314	106.49	8,349
15	Singapore, Singapore	82.79	56.04	57.78	1,288	104.37	8,183
16	Milan, Italy	80.89	54.76	56.46	1,258	101.98	7,996
17	Luxembourg City, Luxembourg	77.58	52.52	54.15	1,207	97.81	7,668
18	Zurich, Switzerland	76.69	51.91	53.53	1,193	96.68	7,580
19	Geneva, Switzerland	73.42	49.70	51.25	1,142	92.56	7,257
20	Ho Chi Minh City, Vietnam	70.27	47.57	49.05	1,093	88.59	6,945
21	New York Midtown, U.S.	68.63	46.46	47.90	1,067	86.52	6,783
22	Frankfurt am Main, Germany	68.30	46.24	47.67	1,062	86.11	6,751
23	Edinburgh, Scotland	66.61	45.09	46.49	1,036	83.98	6,584
24	Madrid, Spain	66.47	45.00	46.40	1,034	83.80	6,570
25	Shanghai (Pudong), China	65.22	44.15	45.52	1,014	82.22	6,446
26	Rome, Italy	64.93	43.96	45.32	1,010	81.86	6,418
27	Manchester, England	63.75	43.15	44.49	991	80.36	6,301
28	Birmingham, England	63.03	42.67	43.99	980	79.46	6,230
29	Leeds, England	60.88	41.21	42.50	947	76.75	6,018
30	Perth, Australia	59.15	40.04	41.29	920	74.57	5,847
31	Glasgow, Scotland	58.73	39.76	41.00	914	74.04	5,805
32	Stockholm, Sweden	58.59	39.66	40.90	911	73.87	5,791
33	São Paulo, Brazil	57.74	39.09	40.30	898	72.79	5,707
34	Bristol, England	57.30	38.79	40.00	891	72.24	5,664
35	Rio de Janeiro, Brazil	57.26	38.76	39.97	891	72.19	5,660
36	Shanghai (Puxi), China	57.01	38.59	39.79	887	71.88	5,635
37	Munich, Germany	56.00	37.91	39.09	871	70.60	5,535
38	Oslo, Norway	54.75	37.07	38.22	852	69.03	5,412
39	Calgary, Canada (CBD)	54.57	36.94	38.09	849	68.80	5,394
40	Seoul, South Korea	54.18	36.68	37.82	843	68.30	5,355
41	Warsaw, Poland	54.16	36.67	37.81	842	68.28	5,354
42	Prague, Czech Republic	53.23	36.03	37.15	828	67.10	5,261
43	Aberdeen, Scotland	53.00	35.88	37.00	824	66.82	5,239
44	New York Downtown, U.S.	52.92	35.82	36.94	823	66.72	5,231
45	Los Angeles (sub), U.S.	52.83	35.76	36.88	822	66.60	5,222
46	Toronto, Canada (CBD)	51.82	35.08	36.17	806	65.33	5,122

47	Washington, DC (CBD), U.S.	51.77	35.05	36.14	805	65.27	5,117
48	Athens, Greece	51.62	34.95	36.03	803	65.08	5,102
49	Brussels, Belgium	50.43	34.14	35.20	784	63.58	4,985
50	Beijing, China	49.44	33.47	34.51	769	62.32	4,886

Source: CB Richard Ellis Research