

# PRESS RELEASE



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Contact:

Raymond Wong

416 815 2353

raymond.wong@cbre.com

## TIGHT MARKET CONDITIONS FUEL STRONG RENTAL GROWTH IN KEY GLOBAL BUSINESS CENTERS

### Vacancy Falls to Single Digits in 10 Leading Global Business Centers

**New York – August 9, 2006** – Recent research concluded by CB Richard Ellis Group, Inc (NYSE: CBG) noted that asking rent for prime office space increased by 37% in Hong Kong and 17% in London over the past year, as these two premier business centers set a brisk pace for rental rate growth in major commercial real estate markets worldwide.

The jump in asking rent reflects tightening market conditions around the globe. In Hong Kong, asking rents shot up 37% in the past 12 months to an average of \$69.12, as vacancy receded to 4.1% from 6.2% at mid-year 2005. Tokyo's razor-thin vacancy of 0.6% at mid-year (down from 2.2% a year earlier) spurred a 12% jump in average asking rent to \$148.17.

Key business centers in Europe also posted strong, double-digit increases in rental rates. London asking rent rose 17% year-over-year to an average of \$163.23, and Madrid also logged a 17% increase to a \$43.18 average. London and Madrid vacancy stood at 5.7% and 8.2%, respectively, at mid-year 2006.

In North America, Toronto asking rents rose 9% to an average of \$24.58 at mid-year, as vacancy slid to 5.2% from 8.4% at mid-year 2005. New York registered a 7% increase in asking rent – to an average of \$47.30 – as market-wide vacancy fell 1.8 percentage points to 6.3%.

Vacancy dropped sharply in Los Angeles, declining 4.6 percentage points over the past year to 9.1%. This marks the first time in more than two decades that average vacancy has fallen to single digits in Los Angeles. At 9.4% Sydney's mid-year 2006 vacancy also stands at single digits for the first time since 2003. All 10 global business centers now have vacancy rates below 10%, a significant milestone in the ongoing recovery of commercial real estate worldwide.

"Leasing markets around the world are gaining momentum, fueled by expanding economies," said Ward S. Caswell of CBRE Research. "This is especially true in the world's largest business centers, where growing demand for office space is causing vacancy rates to fall to single digits.

As a result, we are seeing rental rate increases all over the world, and in cities such as Tokyo, where supply-demand conditions are extremely tight, rents are spiking.”

Below is a list of the 10 markets surveyed by CBRE Research. They were selected based on the fact that they are among the largest and most active office markets in the world.

| Market           | 2006 Rent/sf | % Change from 2005 | Vacancy Rate | Change from 2005 |
|------------------|--------------|--------------------|--------------|------------------|
| Hong Kong        | \$69.12      | +37.1%             | 4.1%         | -2.1 pt.         |
| London           | \$163.23     | +17.4%             | 5.7%         | -2.3 pt.         |
| Los Angeles      | \$30.00      | +3.3%              | 9.1%         | -4.6 pt.         |
| Madrid           | \$43.18      | +17.3%             | 8.2%         | -0.1 pt.         |
| New York         | \$47.30      | +7.3%              | 6.3%         | -1.8 pt.         |
| Paris            | \$80.00      | +5.1%              | 4.8%         | -0.7 pt.         |
| Sydney           | \$42.20      | +4.6%              | 9.4%         | -1.1 pt.         |
| Tokyo            | \$148.17     | +12.1%             | 0.6%         | -1.6pt.          |
| Toronto          | \$24.58      | +9.2%              | 5.2%         | -3.2 pt.         |
| Washington, D.C. | \$45.40      | +0.6%              | 7.3%         | -0.6 pt.         |

Source: CBRE Research

### Notes to Editors

1. Unless otherwise stated, the figures given in this press release refer to asking rental rates, per annum only. This does not include local taxes and service charges.
2. Foreign currency was converted to US dollars per square foot using prevailing currency exchange rates as of June 30, 2005 and 2006.

### About CB Richard Ellis

CB Richard Ellis Group, Inc. (NYSE:CBG), a FORTUNE 1000 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2005 revenue). The company serves real estate owners, investors and occupiers through more than 300 offices (including affiliate and partner offices) worldwide. CB Richard Ellis offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; investment management; appraisal and valuation; and research and consulting. Founded in 1906, CB Richard Ellis marks a century of excellence in client service this year. Please visit our Web site at [www.cbre.com](http://www.cbre.com).