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PRESS RELEASE

CONTACT:
Aaron Richardson
CBRE
+44 20 7182 3146
+44 7985 876 212
aaron.richardson@cbre.com

GLOBAL REAL ESTATE INVESTMENT ACTIVITY INCREASES IN Q1 2011

EMEA Region's Recovery Held Back By European Sovereign Debt Crisis

London, June 14, 2011 – The global real estate investment market continues its path to recovery with both values and sales activity increasing in the first quarter of 2011, according to the latest research by leading global property adviser CB Richard Ellis (CBRE).

CBRE's new *Global Capital MarketView* report analyses global capital environments across Europe, Middle East and Africa (EMEA), Asia Pacific, and the Americas, including office capital value trends, development completions, debt financing availability, global investment volumes, cross-border capital flows, and yield spreads.

The CBRE Global Office Capital Value Index increased 12% year over year (y-o-y) in Q1 representing a strengthening of the positive trend evident for the past three quarters. In the Americas, capital values increased by 9.5%, while the Asia Pacific region experienced strong growth of 18.9%. The EMEA region has essentially been flat over the past several quarters as capital values rose just 2.6% in Q1 2011 - slightly lower than its last reading. However, the most highly regarded markets, such as the United Kingdom, France, and Germany, are witnessing relatively stronger increases in capital values for prime properties.

Global investment activity also continued to improve during Q1 2011, with investment volumes increasing by 22.9% y-o-y. The Americas experienced the most substantial increase of 77.2% y-o-y. Asia Pacific weathered devastating natural disasters in both Japan and New Zealand during Q1 2011 that hindered short-term quarterly investment volumes for the region as a whole and resulted in an increase of just 5.5% y-o-y. EMEA continues to be affected by the European sovereign debt crisis, which is impeding much of the region's recovery; as a result, transaction volumes increased by just 35.4% y-o-y. EMEA recorded the greatest transaction volumes at US$41.9 billion in Q1 2011; however, this amount is below its quarterly average of $51.7 billion, which again reflects continued uncertainty and caution arising from the sovereign debt crisis.

Dr. Raymond Torto, CBRE's Global Chief Economist, commented:

"The German market in particular has seen rapid growth in property investment turnover, perhaps influenced by the fact that its economy has been one of the most robust in the region over the last year; both local and international investors have been active, with the retail sector attracting a high share of investment activity. The Central and Eastern Europe (CEE) region also stands out, with investors attracted to the higher yields on prime property compared with the main Western

European markets. Investors remain very wary of taking short leases or secondary locations, so competition for prime assets in major cities is intense."

The limited number of active lenders has also hindered growth in investment activity in the EMEA region. The debt capital constraints, together with higher interest rates in the Eurozone, are restraining transaction levels. Nevertheless, EMEA's sales volume grew 35.4% y-o-y in Q1 2011.

Dr. Raymond Torto added:

"Lenders have not forgotten the legacy of bad debts that remains from the global crisis period. Although some new players have entered the market, their interest is mainly in cherry-picking the best deals and providing senior debt for transactions involving high-quality, core property."

Findings in the report include:

Global Capital Value Trends: Office

- In the EMEA region as a whole, capital values started to recover in late 2009, but these increases concealed a wide differential in trends at the city level. For example, office rental value growth has proven more robust in London and Paris than elsewhere in the region.
- The CB Richard Ellis Prime Office Capital Value Index for Asia Pacific increased a significant 18.9% year over year - the largest increase since Q2 2008 and twice the next-largest increase for the period, which was in the Americas.
- Capital Values in the Americas have mainly increased in the major markets such as New York, Washington, DC, and San Francisco; in particular, values have increased for the prime product.

Debt Financing Availability

- For the EMEA region, the limited number of active lenders has hindered growth in investment activity. The debt capital constraints, together with higher interest rates in the Eurozone, are restraining transaction activity in EMEA. Nevertheless, EMEA's sales volume grew 35.4% year over year in Q1 2011.
- For the Asia Pacific region, the issue is not the availability of debt, but rather, its cost. Spreads between interest rates and cap rates are already remarkably tight, and with rising inflation, there are concerns about the potential for interest-rate increases.
- The commercial mortgage market in the U.S. is recovering; CMBS issuance this quarter alone nearly reached the level recorded during the entirety of 2010.

Global Investment Volumes

- Despite the European debt crisis, the commercial real estate investment market in the EMEA region had a solid quarter, with transaction activity amounting to US$41.9 billion.
- Transaction volume in Asia Pacific as a whole rose 5.5% year over year to US$21.3 billion in Q1; however, there was a large variation in activity across the region, with an increase of 14.9% in Asia and a decrease of 44.8% in the Pacific region, year over year.

- The Americas' economies continued to improve in the first part of 2011, albeit slowly. High unemployment levels in the U.S. are still a major concern, and until we see employers increasing their hiring, the recovery remains fragile.

Cross-Border Capital Flows

- Despite the strong growth in investment market turnover that has been recorded in the EMEA region over the past two years, cross-border capital flows have not been increasing markedly and comprise approximately one-third of total market activity.
- Since the global financial crisis, Asia Pacific has emerged as a key target for cross-border global real estate investors. The high economic growth witnessed through most of the region during the recovery is now translating into strongly rising rents and values, especially for Hong Kong, Singapore and China.
- While the majority of transactions occurring in the Americas are domestic, cross-border transactions in the region in Q1 2011 showed strong growth, with a 50.3% year-over-year increase. The vast majority (93.9%) of cross-border acquisitions in this region occurred in the U.S., with these transactions increasing 141% year over year in Q1 2011.

Yield Spreads

- Within the Eurozone, the difference between the various countries' government bond yields has increased enormously, but in most cases for reasons that are not relevant to the pricing of real estate.
- The spread between cap rates and long-term nominal interest rates in Asia Pacific continued to fall in Q1 and remains the tightest of all the global regions.
- Within the Eurozone, the difference between the various countries' government bond yields has increased enormously, but in most cases for reasons that are not relevant to the pricing of real estate.
- Interest rates in the Americas remain abnormally low. There is no intention by the Federal Reserve to increase short-term interest rates anytime soon due to the pace of the economic recovery.

To speak with a CBRE expert, please contact Aaron Richardson (+442071823146 or Aaron.Richardson@cbre.com).

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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 2010 revenue). The Company has approximately 31,000 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. Please visit our website at www.cbre.com.