

PRESS RELEASE

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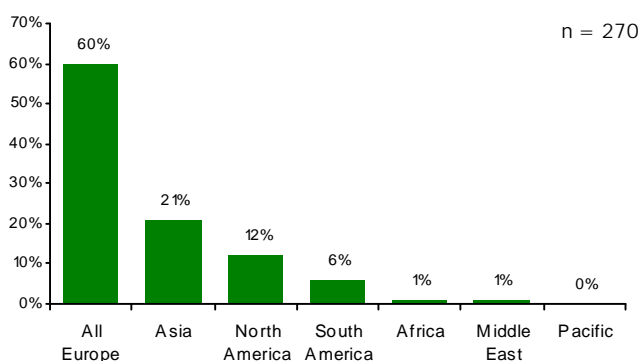
WHILE SOME PROPERTY INVESTORS FOCUS ON HOME, OTHERS PREFER GLOBAL INVESTMENT OPPORTUNITIES

**Europe, Asia Pacific and North America all offer opportunities
in a real estate investment market that remains firmly global**

MIPIM, Cannes, 17 March 2010 – European investors' intentions for 2010 show striking similarities with the intentions expressed by investors elsewhere in the world, according to the results of a new survey by CB Richard Ellis, announced at the company's European Investment Briefing held today at MIPIM, the international real estate event held annually in Cannes, France.

In the CB Richard Ellis European survey of over 270 investors, 60% identified Europe as their primary geographic target, whilst the remainder identified other regions as offering the best buying opportunity in 2010. Asia is preferred by 21% of respondents, whilst 12% see North America as the most attractive place to purchase real estate in 2010.

Question 1 – “Which global region do you believe to be the most attractive for making investment purchases in 2010?”



These results echo findings from elsewhere in the world. “A similar survey of comparable size in the United States¹ recently found that 58% of US investors were domestically focused, with 16% preferring Asia and 12% targeting Europe,” commented **Raymond Torto, Global Chief Economist for CB Richard Ellis**. “The results of our European survey confirm our view that whilst some investors are seeking out opportunities close to home, many view the current market as a great opportunity to find value in other regions.”

Commenting on the sector preferences of North American investors, Torto highlighted some key differences with Europe: "Whilst European investors clearly favour the office sector followed by retail, US investors are currently most attracted by the residential sector; the office sector ranks only third." Pricing in the office market has adjusted more slowly than in Europe, yet other areas of the market are attracting interest. "The existence of a mature, well established institutional market in multi-family residential investments offers buyers an opportunity to take advantage of attractive pricing and resurgent demand from renters," suggests Torto.

Interestingly, with economic recovery more firmly established, US investors also have a slightly different strategic focus. There is a much more even split between investors who are prioritising value-add purchases and those focussing on prime, core acquisitions. Torto believes that US investors are less concerned about the prospects of a "double-dip" recession (which emerged as the primary concern for European respondents to the CBRE survey), but that they clearly still believe that the recovery will be protracted. Nevertheless, this has meant that more players are looking to take advantage of attractive pricing in the secondary areas of the market.

Elsewhere, the resurgent Asian market is seeing a strong rebound in both transaction volumes and pricing as investor confidence returns, underpinned by a solid bounce back in the equity markets, the persistence of low financing costs and a stabilising trend in price levels across key markets. Direct real estate investment in the region jumped 56% year-on-year in the second half of 2009 to an estimated US\$25 billion, with China, Hong Kong and Taiwan accounting for 57% of total investment volume in the period. "Local buyers and domestic real estate funds have been dominating transaction activity in recent months, but core international institutional investors are beginning to return to Asian markets in light of the ongoing market rebound," comments **Andrew Ness, Head of Asia Research** at CBRE. "The strength of the recent recovery may be deterring some investors, but there remain plenty of opportunities across the region for international capital as well as domestic players," Ness added.

While the Pacific region may not be top priority for European investors, this doesn't mean they aren't interested in the opportunities available in Australia and New Zealand, according to **Kevin Stanley, Executive Director, Research and Consulting for the Pacific Region** at CBRE. "The largest volume of global capital appears to be flowing to the markets where pricing has adjusted most aggressively, and where there is transparency and a sound economic outlook. The Pacific region qualifies on the latter of these criteria, but probably not the first," Stanley concedes.

"Prime property values have adjusted around 20% in the Pacific Region; about half the adjustment experienced in the UK and America. The strength of purchasing in the Pacific is not so much from a lower price-point perspective, but the quality and strength of the income flow from the assets available here," he explained.

"We're still seeing plenty of interest from Europe, with acquisitions continuing to come through, although the strength of the Australian dollar is a challenge," Stanley noted. Rising interest rates are also a potential issue, although most investors are not borrowing significantly at present. "The strongest interest in the Pacific right now is coming from Asia, especially the 'new breed' of institutions such as pension funds and emerging market Sovereign Wealth Funds. But don't be misled into thinking that the Europeans aren't interested. These days, the market is truly global and capital from Europe is still active here alongside that from other regions," Stanley concluded.

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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 2009 revenue). The Company has approximately 29,000 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 for three years in a row. Please visit our website at www.cbre.com.

Note to Editors:

- **CB Richard Ellis European Investor Intentions for 2010** is based on the results of an online survey in which 271 leading investors in European real estate responded to six questions regarding their investment intentions and preferences
- Further details of the specific questions asked, and a detailed breakdown of responses, are provided in the report.

¹ The Kingsley Survey, sponsored by Institutional Real Estate Newsletter.