

PRESS RELEASE



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OFFICE RENTS RISE ACROSS THE BOARD IN KEY GLOBAL BUSINESS CENTERS; FOUR OUT OF 10 SEE INCREASES OF 20% OR GREATER

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Vacancies in Single Digits in all 10 Leading Markets

New York, NY – January 10, 2007 – Asking rent for prime office space increased in 10 major global business centers in 2006, with four posting increases of more than 20%, according to new research from CB Richard Ellis (CBRE). Vacancy rates declined virtually across the board and remained in single digits in all 10 markets, CBRE reported.

All percentage changes in rent reflect local currencies. The increase in rents reflects tightening office market conditions around the globe. In Europe, Madrid and London experienced the most significant rises. Madrid recorded a 25% increase in prime rent during 2006—the second-highest of all 10 global markets—while London posted a 22% increase. In the West End of London—the most expensive office market in the world—the prime rent rose to £97.50 (US\$191) per square foot, while top rents in Madrid reached €408 (US\$50) per square meter. At year end, vacancies in London and Madrid had fallen to 4.3% and 7.8%, respectively.

In North America, New York registered an 18% jump in asking rent—its largest year-over-year increase since 2000—to an average of \$54.62, as market-wide vacancy fell 2.0 percentage points to 5.0%. Washington, D.C. asking rents rose 6% to an average of \$48.08 at year-end, as vacancy slid to 6.1% from 6.4% at the end of 2005.

Asking rents shot up 30% in Hong Kong, the strongest increase of the 10 markets, to an average of HK\$591.60 (US\$75.90) per square foot, as vacancy receded to 3.8% from 4.8% at year-end 2005. Tokyo's miniscule vacancy increased minimally (0.3 points) to 1.4%. Tokyo rents posted the third sharpest rise, jumping 24% to JPY18,971 (US\$159.20) per square foot.

Vacancy dropped in Los Angeles, declining 2.0 percentage points over the past year to 8.7%. Los Angeles' asking rent increased 9% to \$31.44. At 8.0% Sydney's year-end 2006 vacancy dropped 1.6 points and continued to stay in single digits, while rent rose 8% to AUS\$629.28 (US\$45) per square meter.

"Though the demand for quality office space in the global markets has risen steadily in recent years, this is the first time rents have simultaneously increased while vacancies dropped in every major market," said Steven Dunn, CBRE's Chief of Global Research Publications. "Continued

rent increases and declining vacancies underscore the growth in both global business and the rising need for high-end office space in the corporate sector.”

Below is a list of the 10 markets surveyed by CBRE Research, in order of descending percentage change in annual office rent from 2005 (local currency).

Market	Annual Office Rent			Vacancy Rate	
	At YE2006 (local currency/measure)	At YE2006 (US\$ psf pa)	% Change from '05 (local currency)	At YE 2006	Change from 2005
Hong Kong	HK\$591.60 psf	\$75.90	30.00%	3.80%	-1.0 pt.
Madrid	€408 psm	\$50.00	24.8%	7.8%	-1.3 pt.
Tokyo	JPY18,971 psf	\$159.20	24.3%	1.4%	0.3 pt.
London	£97.50 psf	\$191.00	21.9%	4.3%	-2.7 pt.
Paris	€698 psm	\$85.60	9.2%	5.0%	-0.7 pt.
Los Angeles	\$31.44 psf	\$31.40	8.7%	8.7%	-2.0 pt.
Sydney	AUS\$629.28 psm	\$45.00	8.3%	9.4%	-1.1 pt.
New York	\$54.62 psf	\$54.60	7.9%	5.0%	-2.0 pt.
Washington, D.C.	\$48.08 psf	\$48.10	6.0%	6.1%	-0.3 pt.
Toronto	CAN\$60.35 psf	\$51.90	2.2%	5.2%	-3.2 pt.

Source: CBRE Research

Note 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.

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