

P R E S S R E L E A S E

EUROPEAN INVESTMENT ACTIVITY STABILISES IN THE THIRD QUARTER OF 2008

London, 22 October 2008 – CB Richard Ellis Group, Inc. announced today that European commercial real estate investment activity remained stable in the third quarter of 2008 at €26.4 billion, slightly below the €27 billion registered in the second quarter of 2008. The stronger-than-expected third quarter activity brings European investment market turnover for the first nine months of 2008 to €92.9 billion, a level comparable to that which was transacted for the same period in 2004.

Europe's largest markets continue to see the greatest impact of the credit crunch on investment volume. Total activity in the UK, Germany and France fell to €11.4 billion in the third quarter, representing 43% of the European market as a whole, compared to an historical share of around 65%. By contrast, seven of the remaining 23 countries in Europe saw investment market activity increase quarter-on-quarter. Most notable was the Nordic region, where investment turnover was boosted by two major transactions. Activity was also robust in the Central and Eastern Europe region, specifically the Czech Republic, Russia and Poland.

As was the case earlier in the year, the market continued to rely heavily on equity-based investors in the third quarter. Such long-term investors are in many cases looking at the market opportunistically and are being extremely selective in their investment criteria. In particular, the German Open-ended Funds (GOEFs) built further on their €4.2 billion spend in the first six months of 2008, with a further €2.9 billion of property acquisitions in the third quarter. Across Europe, the GOEFs accounted for 11% of all third quarter acquisitions, including some of the largest deals closed this quarter.

Overall the majority of the deals in the quarter were below the €100 million mark as financing for larger transactions continued to become more difficult over the summer. However, a number of attractive one-off transactions are still being completed. The Steen and Strøm transaction in Scandinavia is a good example of a large transaction involving strategic assets that are rarely traded.

The recent bank rescue packages announced by U.S., UK and Eurozone governments are aimed at addressing the current lack of financing. Looking ahead, Michael Haddock, Director of EMEA Capital Markets Research, CB Richard Ellis, said: "The fact that market turnover remained at nearly €27 billion in the third quarter is encouraging. However, the dramatic events in the banking sector at the beginning of the final quarter have obviously changed the investment landscape yet again."

He continued: "At the moment it appears that the injection of government equity into the major banks is stabilising the banking sector and, in the long and medium term, we expect this development to have a positive impact on the commercial property sector. In the short term, whether this increased equity will be directed towards the commercial property market remains to be seen."