

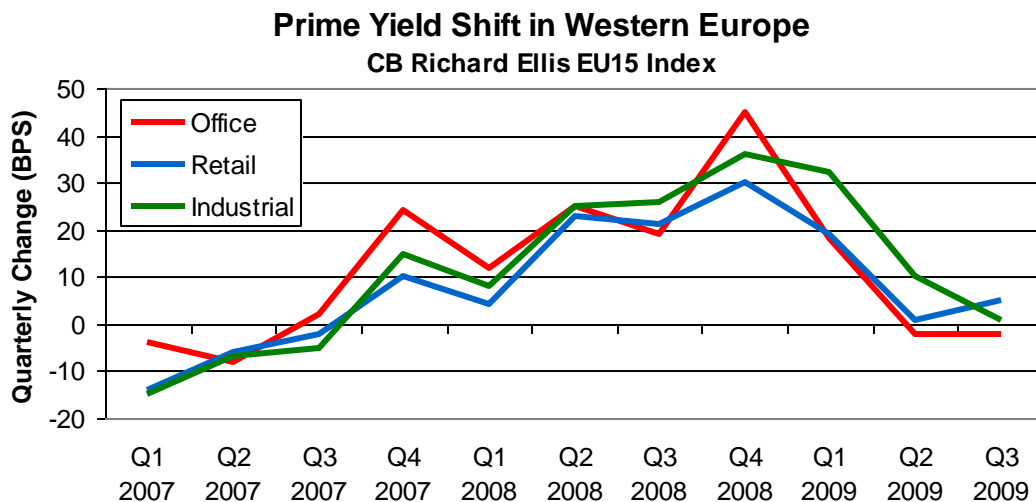
# PRESS RELEASE

## INVESTOR INTEREST TO SPREAD FROM PRIME INTO SECONDARY PROPERTY IN KEY EUROPEAN MARKETS

**Shortages of product rather than equity emerge as stronger investor sentiment builds across UK and the Continent**

**Munich, 6 October 2009** – CB Richard Ellis’ European investment market briefing at Expo Real in Munich today revealed that investor sentiment is improving across much of Western Europe, mirroring the better economic performance that has been seen and the strong run in Europe’s stock markets since March. Many REITs are now trading at a premium to NAV, indicating an expectation of improving capital values.

In most locations interest is quite concentrated on prime property. The majority of interest is coming from equity investors who operate with a low level of leverage and whose investment is mainly in core property. The exception to this rule is the UK, where investor interest has spread from the prime segment into nearly all parts of the market, largely due to the lack of prime property that is on the market. This trend is expected to spread to other parts of Europe over the next few months, with Paris expected to be one of the first places where demand expands to include the semi-prime part of the market.



Source: CB Richard Ellis

Increased demand for prime property is yet to be reflected in data on the turnover of Europe’s real estate investment market. However, it is already evident in the trend in prime yields. These have stabilised over the second and third quarters and in some instances are now showing a marked downward trend. In 2008, prime office yields increased by an average of 25 basis points each quarter. The speed of the turn-around is shown in the fact that the average yield fell in both Q2 and Q3 this year.

The panellists commented:

Simon Barrowcliff, Executive Director London Investment, CB Richard Ellis UK, said: “The London market, both prime and secondary, is proving very attractive to foreign investors, who made up more than 70% of buyers in the first half of the year. The weight of money entering the market has however had difficulty finding product, resulting in rising prices in virtually all sectors.”

Peter Schreppel, Head of International Investment, CB Richard Ellis Germany, said: “The German market continues to be viewed as very stable for core product and is still attracting strong interest, particularly from domestic institutions; and values have therefore been relatively stable.”

Adolfo Ramirez-Escudero, Head of Investment, CB Richard Ellis Spain, said: “The rapid repricing of Spanish property, coupled with the active approach being taken by the banks, means that investors are finding that Spain offers both value and opportunities.”

Nicolas Verdillon, Director, CB Richard Ellis Capital Markets Paris, said: “Paris is attracting interest due to the combination of a diverse tenant profile, the relative strength of the French economy and the lack of new space in the pipeline. So far it is the prime end of the market that has been the centre of attention, but with such limited supply in this segment, prime yields have stabilised and are compressing slightly. Some investors are expected to start looking at more secondary locations for potential opportunities.”