Economic Outlook

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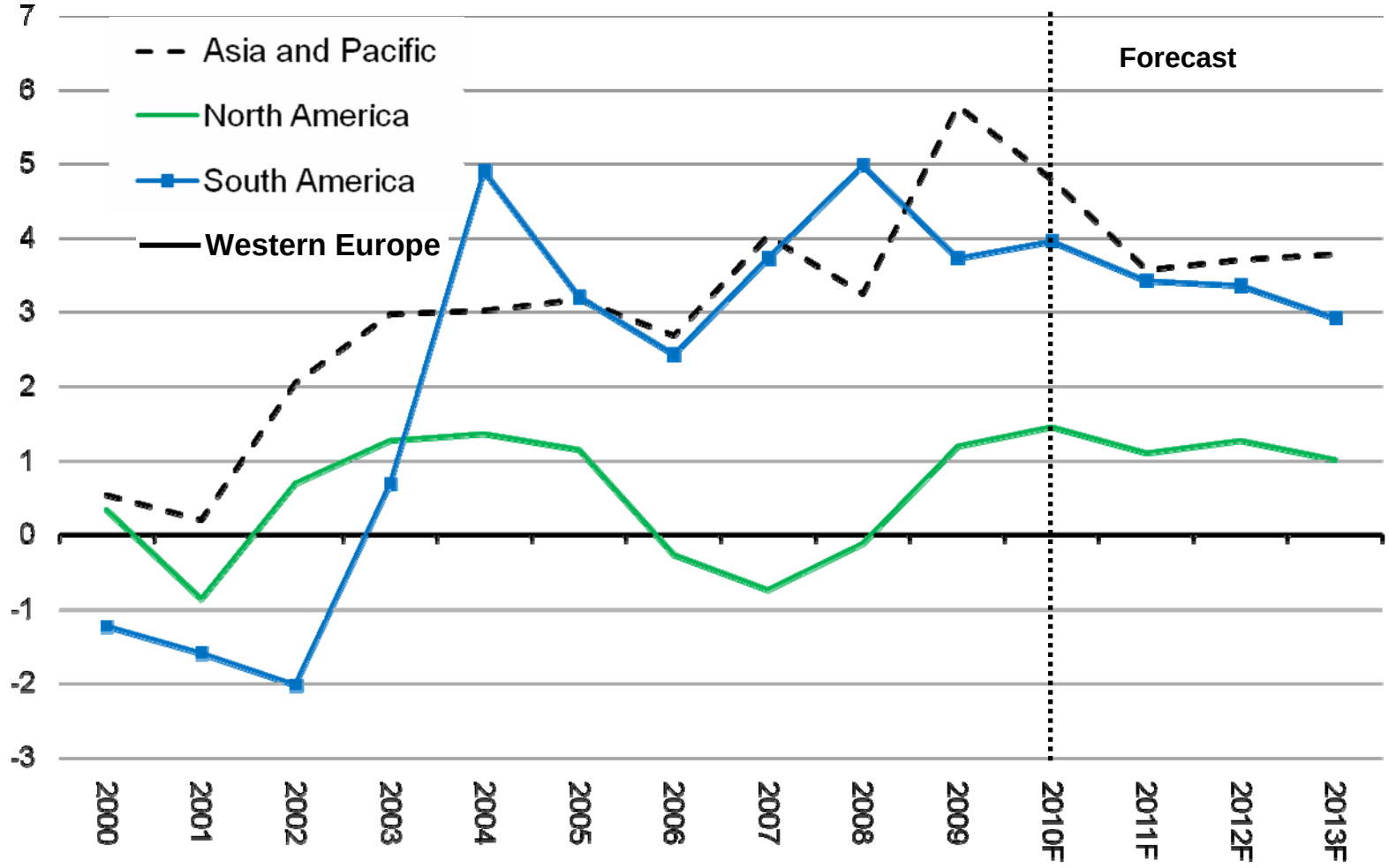
Regional Growth Disparities Have Widened

Real GDP (Annual Percent Change)
Spread from Western Europe



Source: CBRE Global Research and Consulting, Global Insight, October 2010

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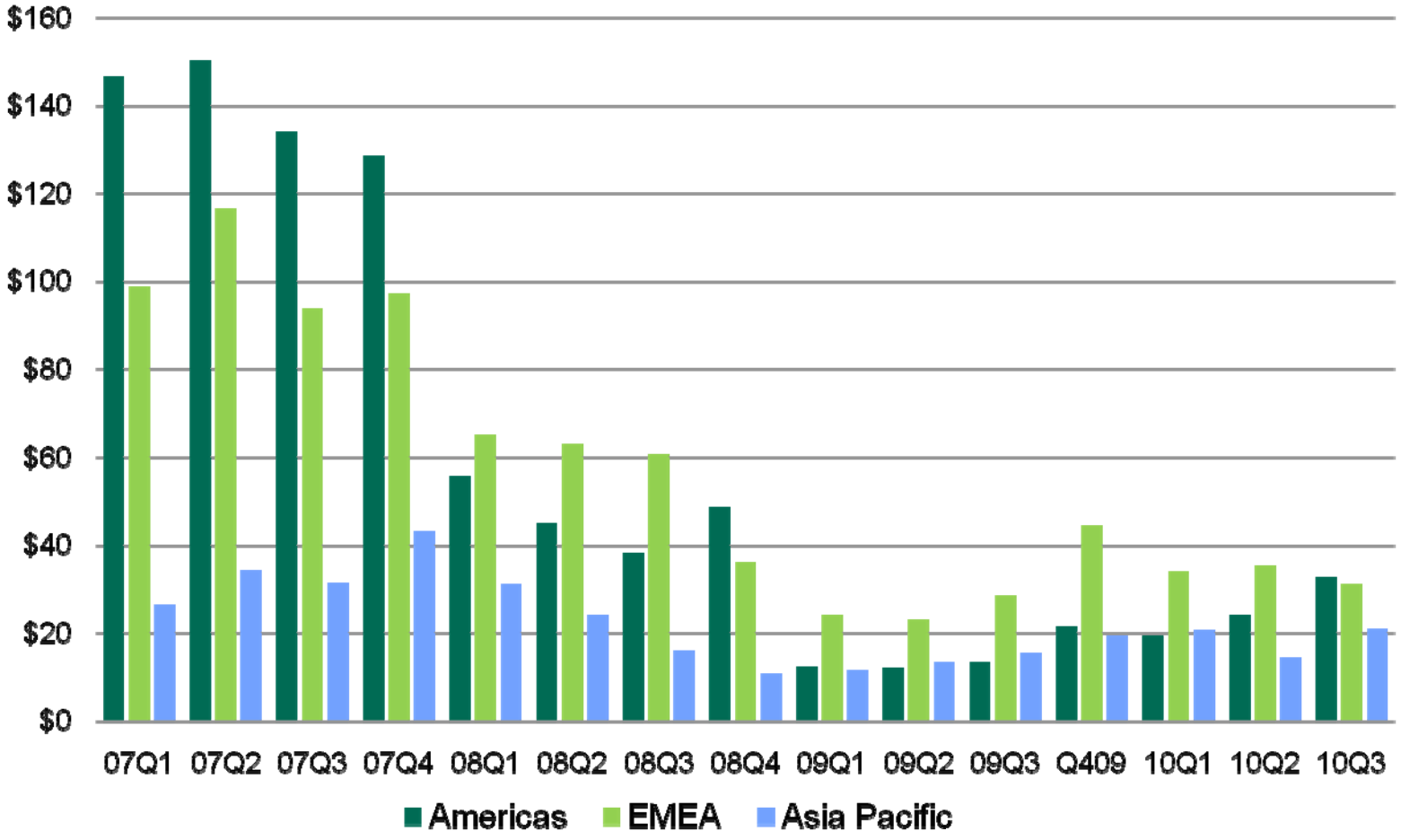
Global Deal Flow Better, but…

Transaction Volume
($ billions)



Source: Real Capital Analytics (October 2010).
*Does not include sales of Chinese development sites.

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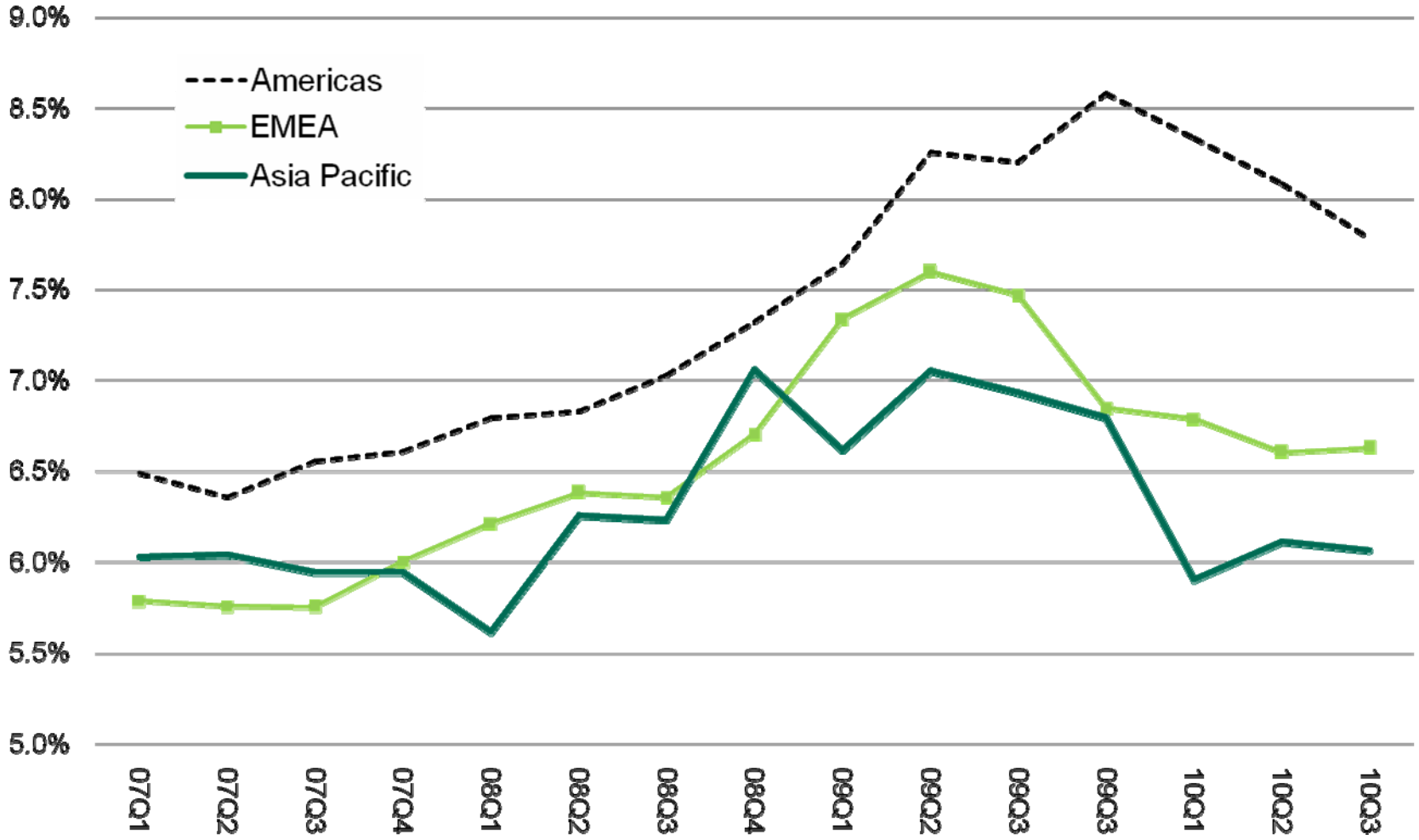
Data is Limited, but Cap Rates Recovering

Average Quarterly Cap Rates By Region



Source: Real Capital Analytics (October 2010).
* Cap rates for commercial properties only.

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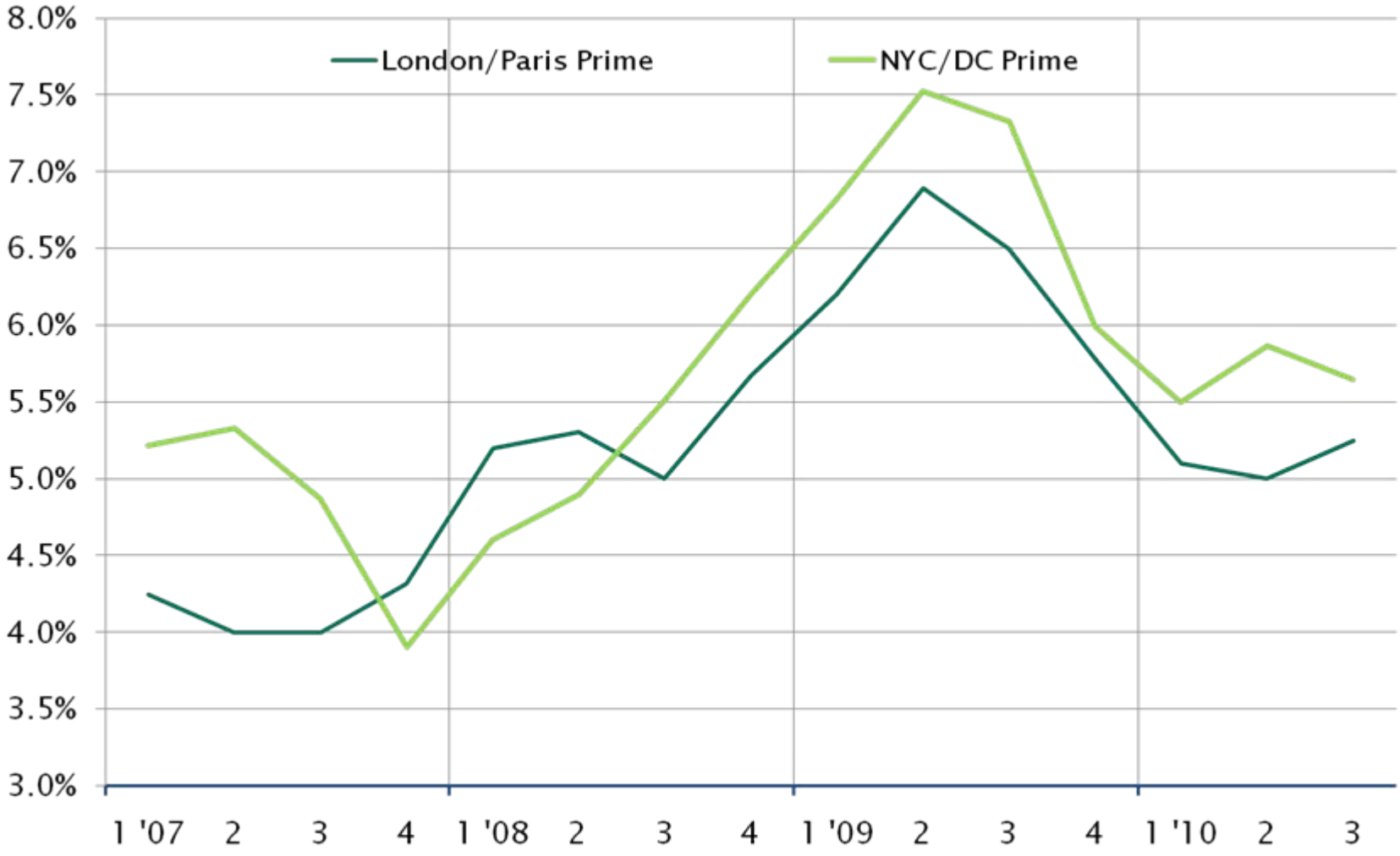
Prime Cap Rates: London/Paris vs. NY/DC



Source: RCA, October 2010

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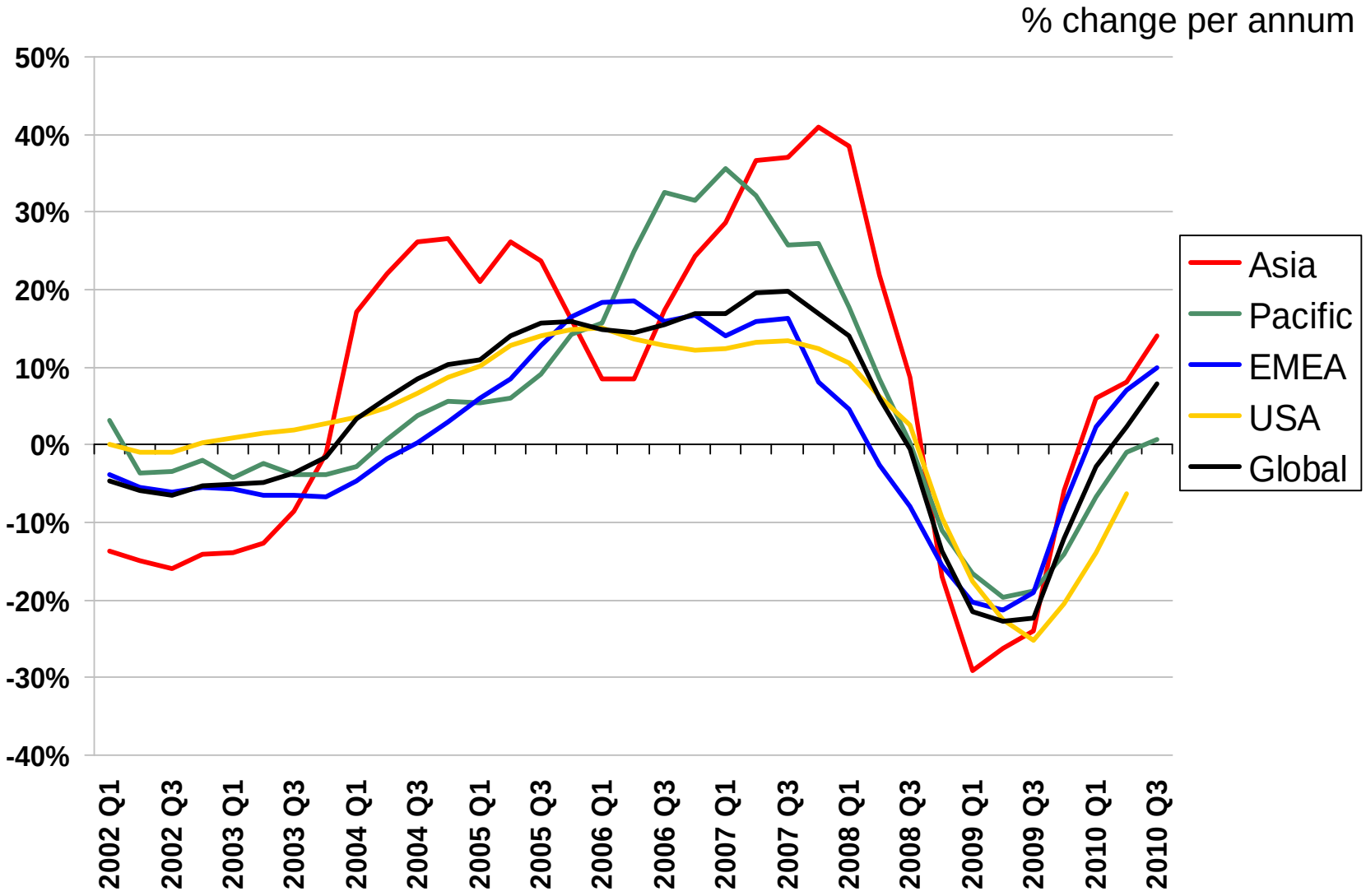
Global Capital Value Trends



Source: CB Richard Ellis, NCREIF

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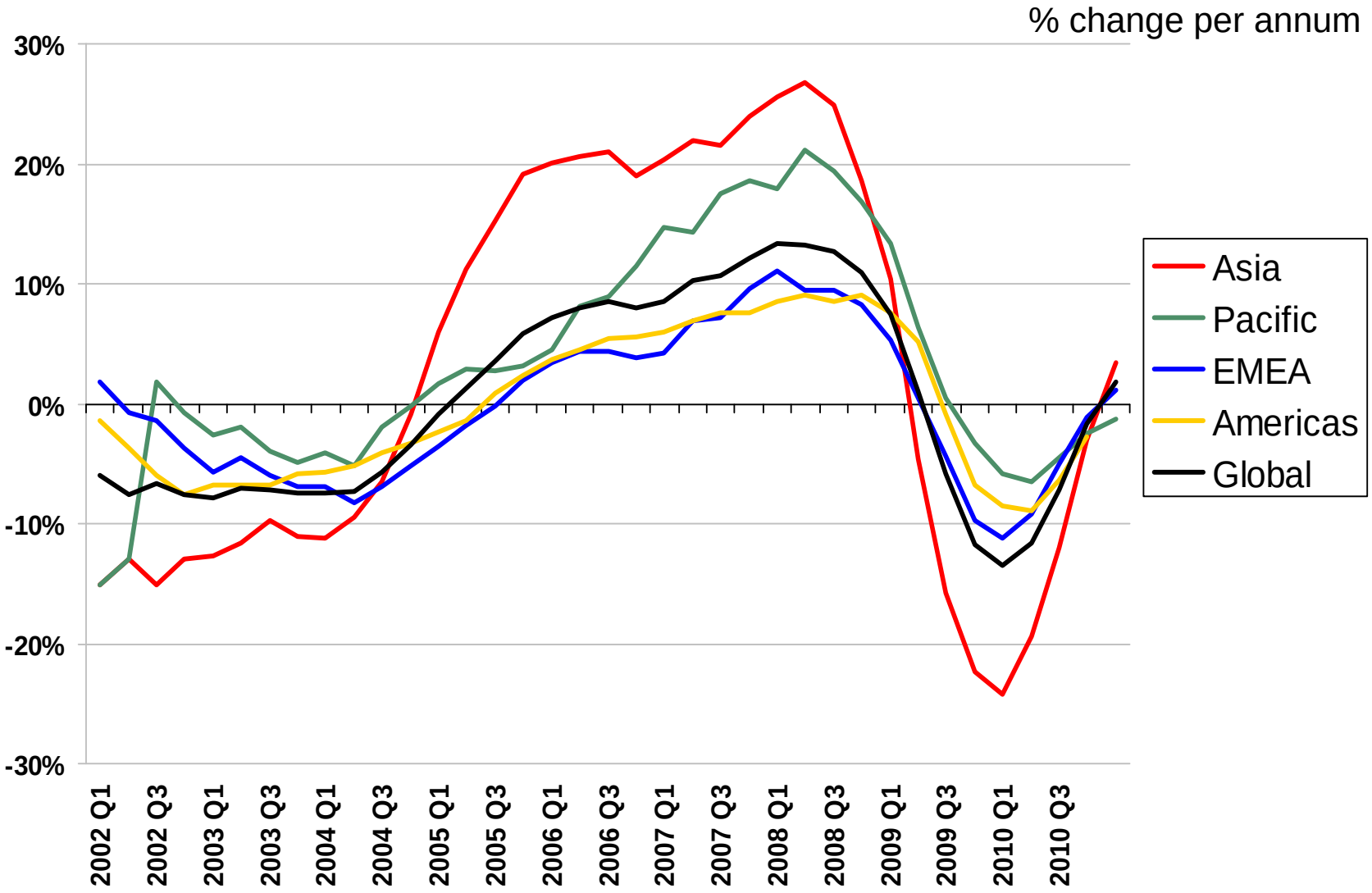
Global Rental Trends



Source: CB Richard Ellis

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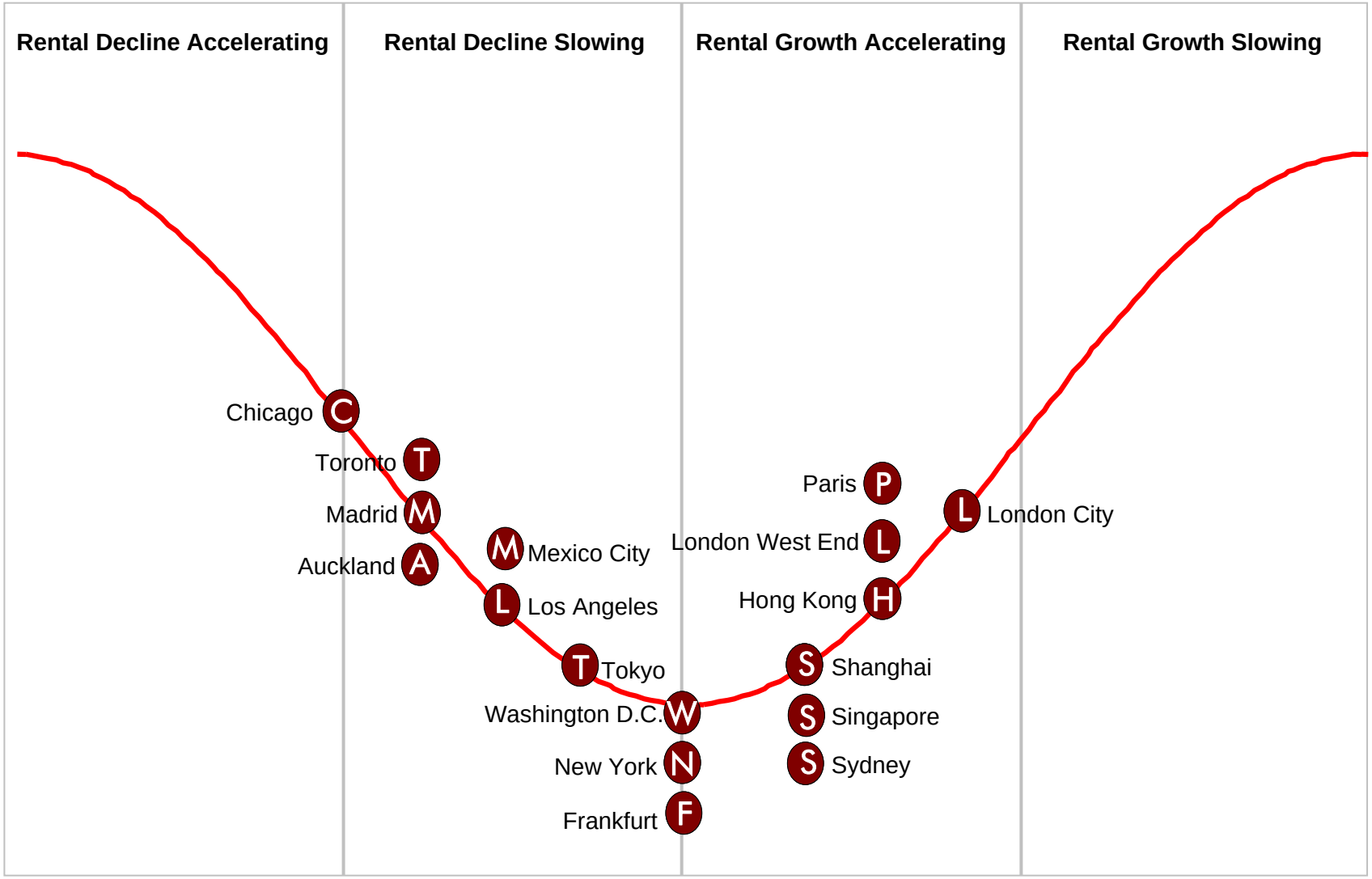
Rental "Traction" Snapshot: 3Q



Source: CBRE Global Research and Consulting, November 2010

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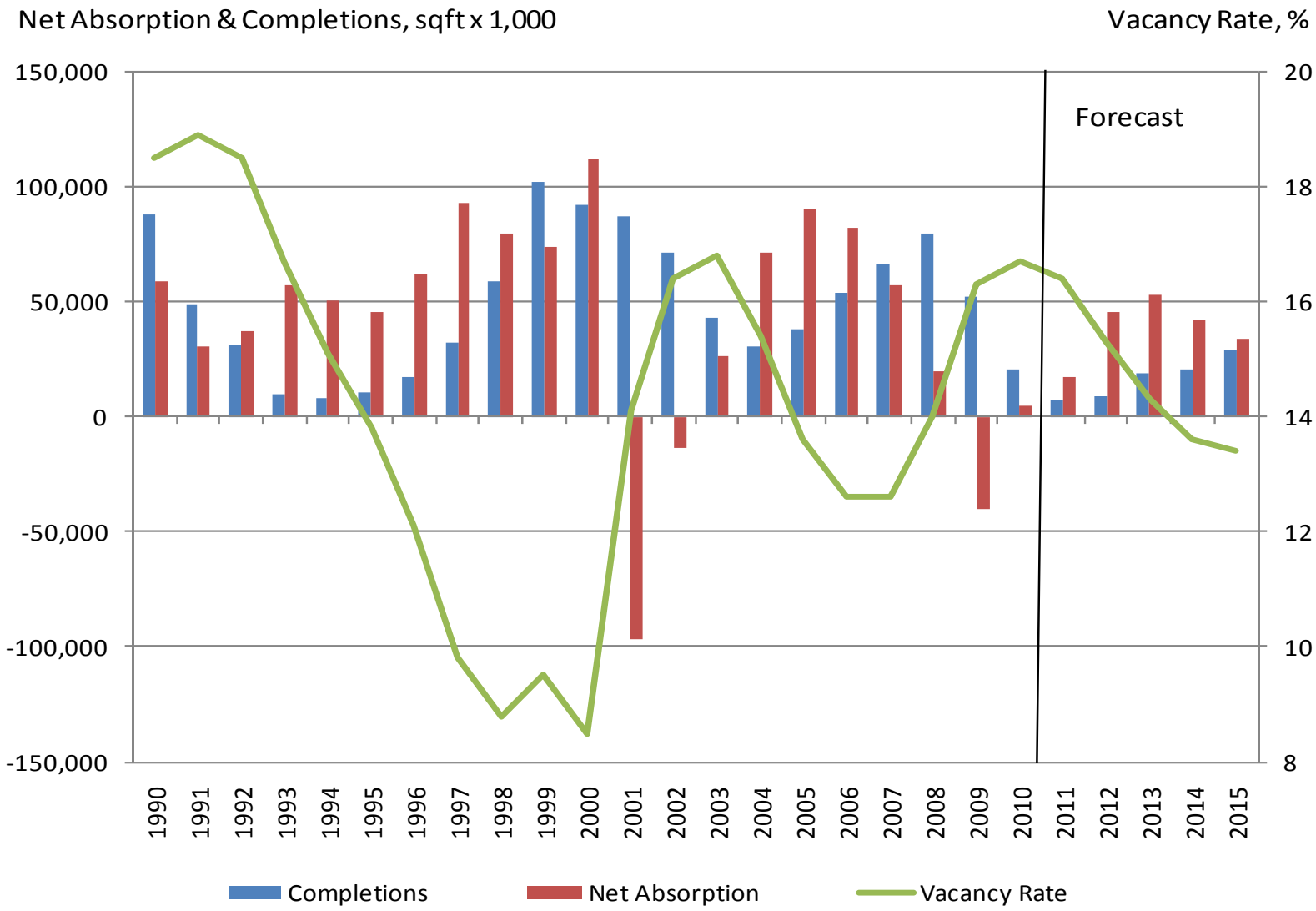
Limits on US Supply Push Office Vacancy Downward



Source: CBRE-EA Outlook, Winter 2011

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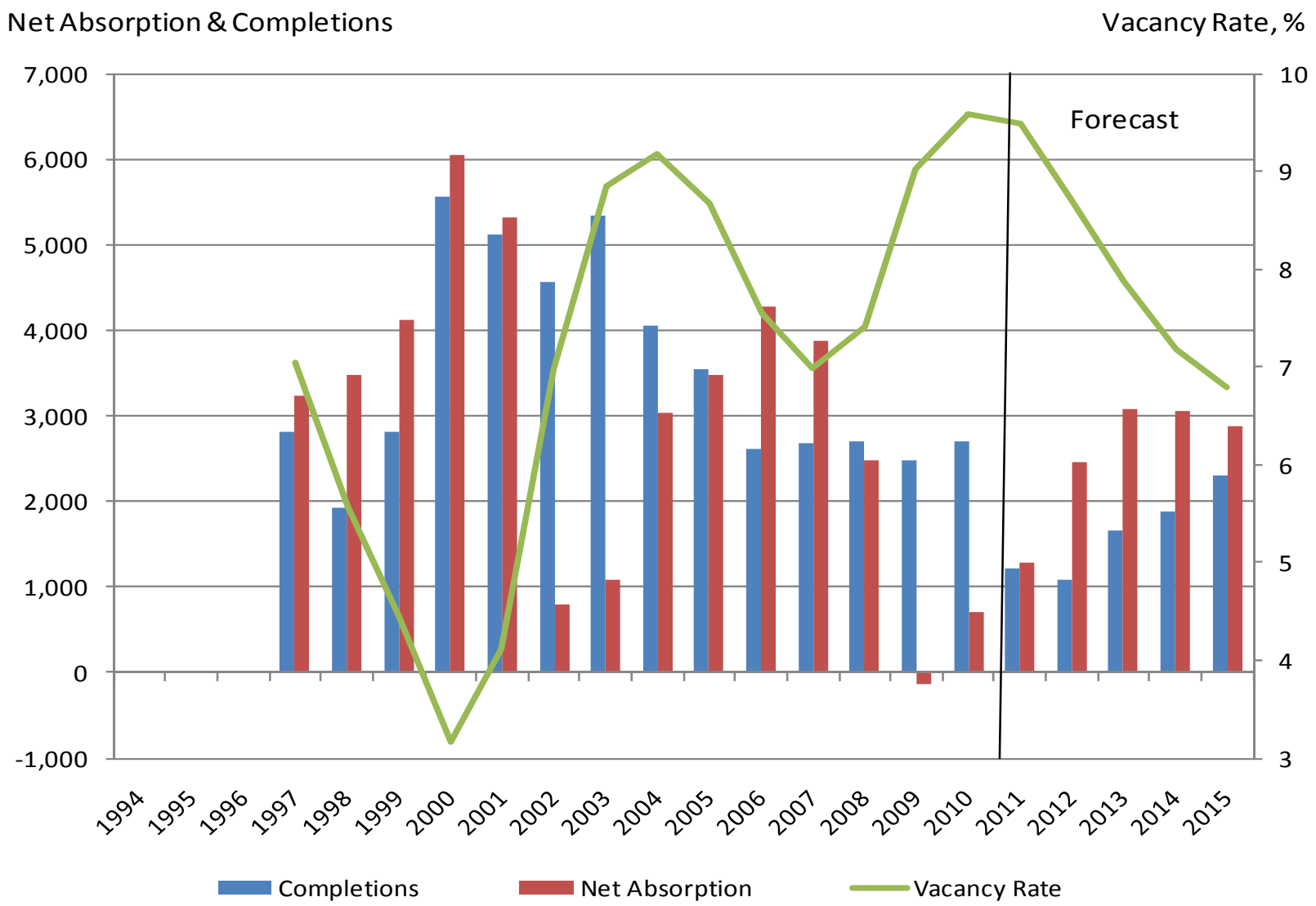
Similar Story in EU Office Market



Source: CBRE-EA Outlook, Fall 2010

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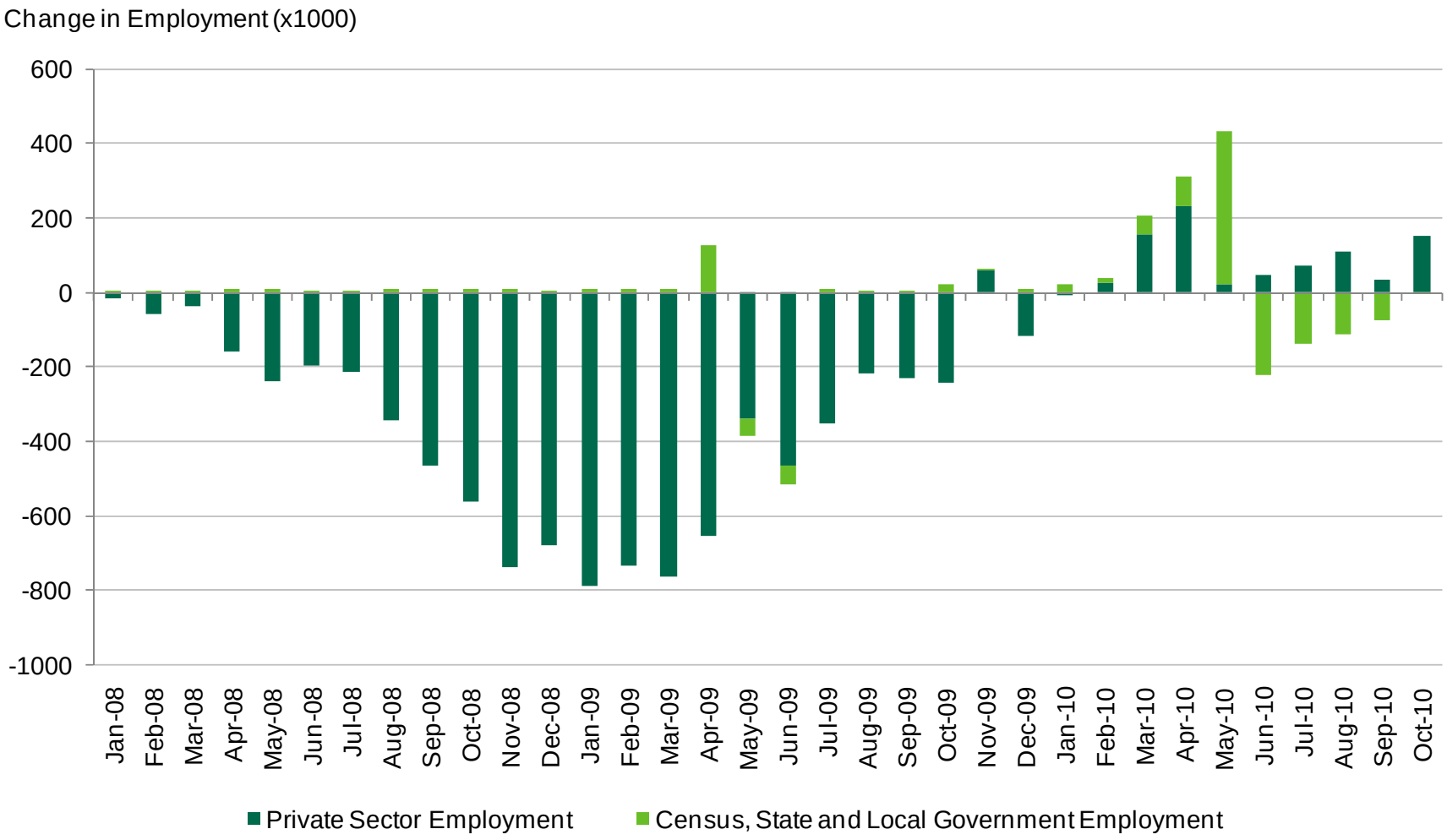
The Private Sector is Adding Jobs



Source: Bureau of Labor Statistics

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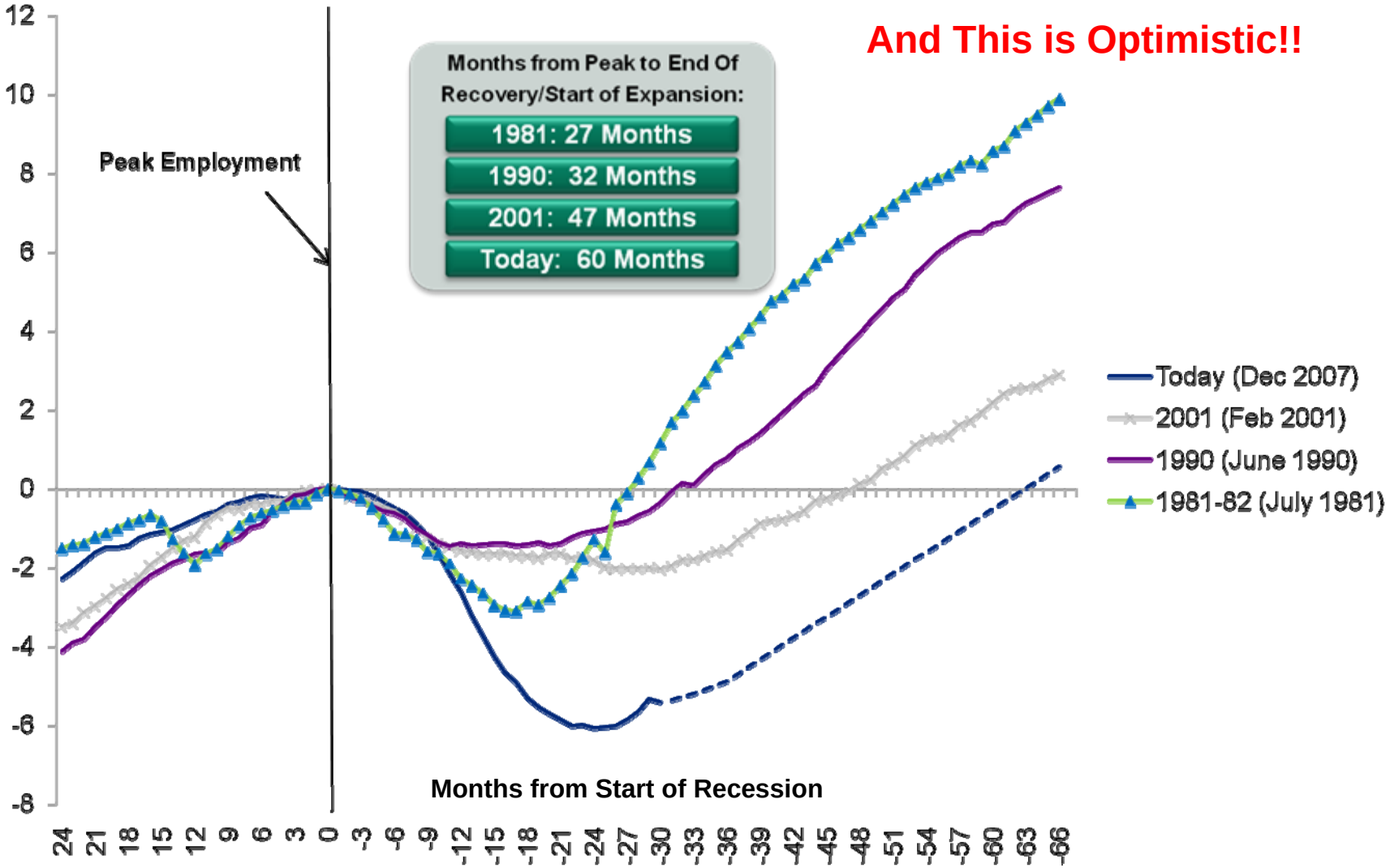
But a Long Recovery to Former Health

Employment, % Change From Peak



Source: Bureau of Labor Statistics, CBRE Econometric Advisors (September, 2010).

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Vacancy at 3Q

Vacancy and Availability Rates

	2010Q3	Peak/Year	Previous Peak Year
Office	16.6	16.7 / 2010	17.0 / 2003
Industrial	14.0	14.1 / 2010	11.8 / 2004
Retail	13.0	13.1 / 2010	11.4 / 1992
Multifamily	5.7	7.5 / 2009	6.7 / 2003
Hotels*	30.6	42.7 / 2009	44.2/ 2001

Sources: CBRE-EA Winter 2011 Outlook

*Full service only

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Economic Rent by Property Type: Past & Future

	Economic Rent Growth (%)		
	History	**Forecast**	
	2007q4 – 2010q2	*2010q2 – 2012q2 (Base case)*	*2010q2 – 2012q2 (Double Dip)*
Office	-14.3	*4.5*	*-4.6*
Industrial	-17.6	*2.4*	*-3.0*
Multi-Housing	-4.7	*5.6*	*1.4*
Retail	-12.7	*0.1*	*-5.4*

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