EMEA Offices

FOURTH QUARTER 2005

Recovery in demand over 2005 has resulted in a stronger development pipeline going forward.

2005 was a record year for investment turnover in the office sector and yields were driven down sharply almost everywhere in the EMEA region.

MARKET OVERVIEW

Despite the weak economy, the European office leasing market has been strong. In fact, 2005 saw the total European take-up register a five-year high of 8.86 million sq m, a 13% increase over 2004's total. Although some of this was driven by consolidation, it is clear that office demand is finally recovering across Europe.

More than half of the major European office markets saw 2005's total take-up increase by more than 12% over 2004's level. There were a few exceptions: Dublin, Central London and Madrid all registered a slight fall in 2005 compared to 2004's levels. However, this was mainly due to the fact that 2004 was an exceptional year for these markets, rather than a clear slowdown in demand.

Recovery in the occupier markets across Europe continued to support the supply characteristics of the market. The downward trend in availability continued throughout 2005, with the European vacancy rate falling to 8.95% by the year end. The most notable falls in vacancy rate in the last quarter of the year were in Barcelona and London, at 83 and 50 basis points respectively.

The rapid fall in vacancy generally witnessed across Europe in the second and third quarters of the year continued into Q4. In the last quarter of the year the CB Richard Ellis EU-15 Vacancy Index fell by 20 basis points, compared to shifts in Q2 and Q3 of 17 and 15 basis points respectively.

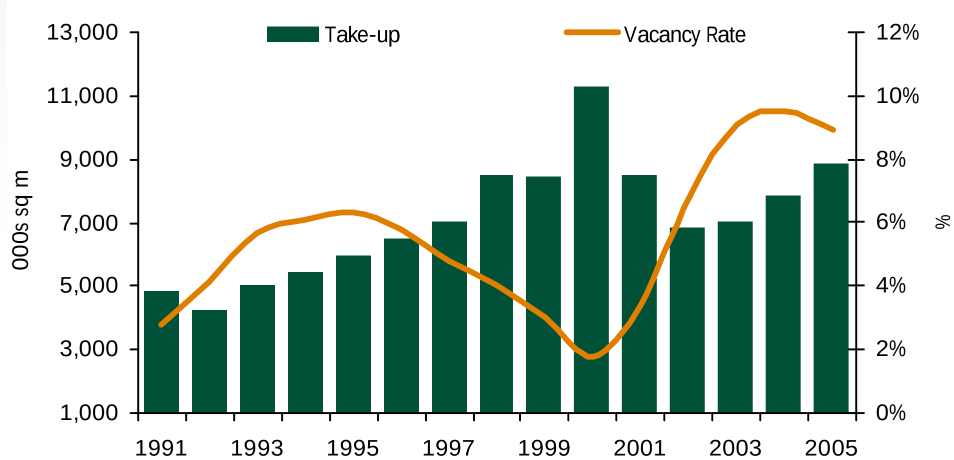
The combination of high demand and falling vacancy is fuelling new development starts in some cities. The locations that have seen the strongest growth in the development pipeline are the two main Spanish markets and Central London, especially the City. These are the markets that were first to register strong demand back in 2004. A few German markets, as well as Vienna, also registered a pick-up in their development pipeline, but generally only where pre-lets could be achieved.

Looking ahead, 2006 is set to bring the European office market into a more established upturn. Stronger economic forecasts and record-high cross-border investment activity should support further growth in confidence in all aspects of the market – supply, demand and investment.

4th QUARTER AT A GLANCE

Take-up	↑
Availability	↓
Yields	↓
Rental values	↑

European Supply and Demand



Take-up based on a sample of 16 European Markets
Vacancy rate based on the CB Richard Ellis EU-15 Index

EU-15 OFFICE RENT INDEX

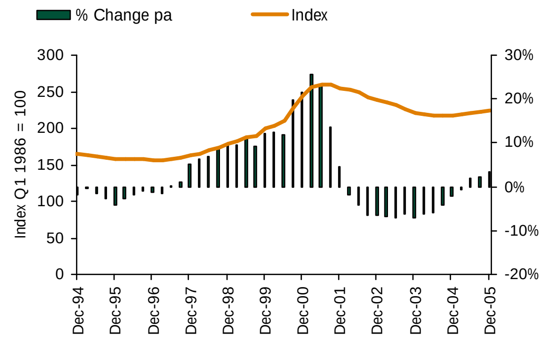
On the back of a very active final quarter, the CB Richard Ellis rent index has recorded its fourth consecutive quarterly increase to 224. This contrasts sharply with the picture this time last year, when rents were still falling, albeit only very slowly. Over the course of this year the rent index has increased by 3.4%.

Nine of the 36 markets included in the index saw rental growth this quarter. Of these, the strongest growth was in London, where both the West End and City markets saw increases.

The prime rent in Madrid increased for the third consecutive quarter, reaching €327/sq m/annum as demand, particularly for prime space, remains strong. The Lisbon prime rent also increased to €21/sq m/month in Q4, however, this level is only achievable very selectively.

The common feature of the locations showing growth is that they are nearly all markets where supply has been constrained, particularly in their prime locations where demand tends to concentrate first during an upturn. Most other markets have seen little movement in prime rents so far, as confirmed upswings in demand are just beginning to erode excess supply, prior to putting upward pressure on rents.

EU-15 OFFICE RENT INDEX



Source: CB Richard Ellis

EU-15 Office Rent Index	Q1 05	Q2 05	Q3 05	Q4 05
Index (Q1 1986 = 100)	219	221	223	224
Quarter on Quarter (% Change)	0.9	1.2	0.4	0.7
Year on Year (% Change)	-0.7	2.0	2.2	3.4

Source: CB Richard Ellis

OFFICE TAKE-UP

Following a strong pick-up in the European office leasing market over the course of 2004, the outlook for 2005 was always positive. The outturn has lived up to expectations, with an increase of 12.5% in gross take-up over 2004, despite the sluggish economy. Moreover, in addition to the year on year growth, take-up is now at a five-year high and some 9.5% higher than the ten-year average.

Of 22 locations monitored, only six saw a year-on-year fall in take-up. These were mainly the Spanish and Central London markets, all of which continued to enjoy strong letting activity throughout 2005, although lower than that recorded for 2004.

The drivers of growth vary in those markets that have seen significant year-on-year increases. Growth in occupiers' property requirements is evident in Brussels, for example, where strong demand from the corporate sector is now apparent. Consolidation of operations to generate cost savings is the driver in some locations, such as Frankfurt, whereas public sector demand is the source of take-up in others such as Berlin. However, with the European economy forecast to perform well in 2006 there is every reason to expect further expansion in take-up with net absorption becoming more evident.

Office Take-Up (000s sq m)	Q4 04	Q4 05	% Change
Central London	383	299	-22
Paris (Ile-de-France)	605	709	17
Madrid	139	154	11
Barcelona	125	123	-2
Frankfurt	87	98	13
Brussels	98	282	188

Source: CB Richard Ellis

Office Take-Up (000s sq m)	Q1&2 2005	Q3&4 2005	% Change
Central London	523	592	13
Paris (Ile-de-France)	958	1207	26
Madrid	399	301	-25
Barcelona	182	221	21
Frankfurt	255	218	-15
Brussels	228	405	78

Source: CB Richard Ellis

CBRE
CB RICHARD ELLIS

		PRIME OFFICE RENT		% CHANGE		NET EQUIVALENT RENT	PRIME OFFICE YIELD
Country	City	Local	€ /sq m/annum	Last 3 months	Last 12 months	€ /sq m/annum	%
Austria	Vienna	€ 20/sq m/month	240	0	0	253	4.80
Belgium	Brussels	€ 300/sq m/annum	300	0	0	364	6.25
Botswana	Gaborone	P 55/sq m/month	101	0	-8.3	98	14.00
Bulgaria	Sofia	US$ 15.50/sq m/month	157	0	-11.4	175	10.30
Czech Republic	Prague	€ 18.50/sq m/month	222	0	-2.6	247	6.75
Denmark	Copenhagen	DKr 1,650/sq m/annum	221	0	0	260	5.25
Finland	Helsinki	€ 295/sq m/annum	295	1.7	9.3	291	6.00
France	Lyon	€ 200/sq m/annum	200	-2.4	2.6	215	6.75
France	Marseille	€ 210/sq m/annum	210	0	0	226	6.75
France	Paris	€ 639/sq m/annum	639	1.4	2.2	687	4.50
Germany	Berlin	€ 21.50/sq m/month	258	0	0	277	5.60
Germany	Frankfurt	€ 33.50/sq m/month	402	0	-1.5	432	5.30
Germany	Hamburg	€ 22/sq m/month	264	0	10.0	284	5.30
Germany	Munich	€ 30/sq m/month	360	3.4	3.4	387	5.20
Greece	Athens	€ 30/sq m/month	360	0	0	396	7.50
Hungary	Budapest	€ 20/sq m/month	240	0	21.2	267	7.00
Ireland	Dublin	€ 538/sq m/annum	538	0	10.9	538	4.50
Italy	Milan	€ 450/sq m/annum	450	-4.3	4.7	495	5.25
Italy	Rome	€ 340/sq m/annum	340	3.0	3.0	374	5.50
Luxembourg	Luxembourg City	€ 33.50/sq m/month	402	0	3.1	487	6.25
Netherlands	Amsterdam	€ 300/sq m/annum	300	0	0	323	6.00
Norway	Oslo	NKr 2,100/sq m/annum	263	5.0	23.5	292	5.90
Poland	Warsaw	US$ 24/sq m/month	243	0	-4.0	270	6.50
Portugal	Lisbon	€ 252/sq m/annum	252	5.0	5.0	277	6.50
Romania	Bucharest	€ 18.50/sq m/month	222	0	2.8	213	8.50
Russia	Moscow	US$ 610/sq m/annum	515	4.3	8.0	606	10.00
Slovak Republic	Bratislava	€ 18/sq m/month	216	0	5.9	240	7.00
South Africa	Cape Town*	R 90/sq m/month	144	0	20.0	109	8.50
South Africa	Durban	R 85/sq m/month	136	0	18.1	101	9.50
South Africa	Johannesburg**	R 90/sq m/month	144	0	20.0	115	9.00
Spain	Barcelona	€ 288/sq m/annum	288	0	4.3	308	4.75
Spain	Madrid	€ 327/sq m/annum	327	0.9	9.0	337	4.50
Sweden	Stockholm	SEK 3,500/sq m/annum	372	0	6.1	392	5.00
Switzerland	Geneva	SFR 710/sq m/annum	455	0	1.4	455	4.85
Switzerland	Zurich	SFR 800/sq m/annum	513	0	3.9	513	5.50
Turkey	Istanbul	US$ 18/sq m/month	182	0	20.0	218	10.00
UK	Belfast	£ 12.75/sq ft/annum	199	0	2.0	199	5.75
UK	Birmingham	£ 27.50/sq ft/annum	430	0	0.0	430	5.25
UK	Edinburgh	£ 26.50/sq ft/annum	414	0	3.9	414	5.10
UK	Glasgow	£ 23.00/sq ft/annum	360	0	4.5	360	5.25
UK	London City	£ 46.00/sq ft/annum	719	2.2	5.7	719	4.85
UK	London West End	£ 80.00/sq ft/annum	1,251	6.7	6.7	1,251	4.00
UK	Manchester	£ 28.00/sq ft/annum	438	0	3.7	438	5.35

Note: Net equivalent rent calculated from prime rent, deducting any element of tax or service charge and converting from gross area to net internal area

*Claremont **Sandton

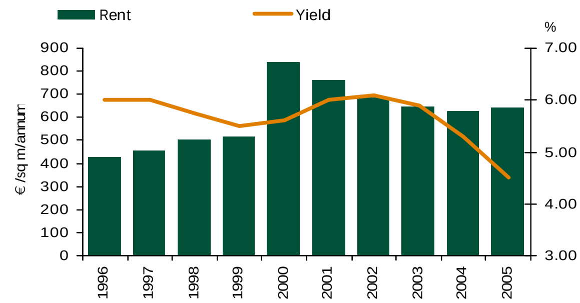
PARIS

The final quarter is traditionally the strongest for take-up in Paris. However, even allowing for that, take-up in Q4 2005 was high at over 700,000 sq m. Looking at 2005 as a whole, take-up was up 12% on the previous year. A large proportion of this demand was concentrated on the Paris Centre West and La Défense submarkets, which have seen a number of large deals throughout the year. However, net absorption has remained limited, as occupiers remain cautious about their property acquisitions in an uncertain economic environment.

However, the resurgence of demand has tightened the supply situation and the vacancy rate now stands at 5.8% in the Ile-de-France and just 5% in the Paris Centre West (CBD) submarket. Large floorplates are particularly scarce and this has encouraged an expansion in the development pipeline throughout the second half of 2005. It is notable that the schemes being brought forward are mainly those that are able to deliver such large floorplates throughout the city. Despite the fall in vacancy rates, the prime rent has remained fairly stable over the year, currently standing at €639/sq m/annum.

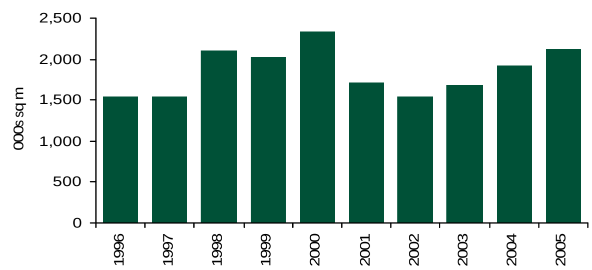
On the investment front, the Parisian market has been particularly active, with over €4.5 billion invested in offices in Q4. On the back of this activity, the prime yield has fallen sharply to 4.5% and falls have also been seen in the prime yield in La Défense and other sub-markets.

ILE-DE-FRANCE
PRIME OFFICE RENT & YIELD



Source: CB Richard Ellis Bourdais

ILE-DE-FRANCE
OFFICE TAKE-UP



Source: CB Richard Ellis Bourdais

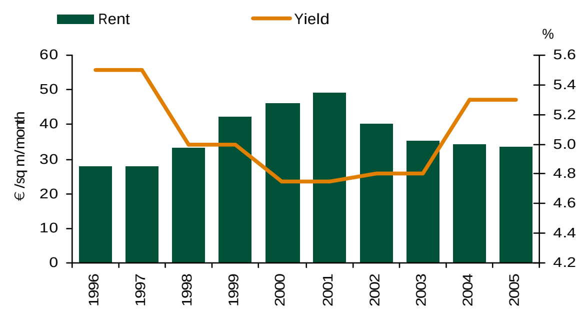
FRANKFURT

Over the course of 2005 the Frankfurt take-up was strong, with 476,000 sq m transacted, a 40% rise over 2004's total. However, despite an improved economic outlook for Germany, particularly with regard to employment, the driver of demand is cost-saving. An interesting trend within the high level of take-up was the proportion made up by sales to owner occupiers. This accounted for 16% of take-up as a result of the combination of relatively low prices and the low cost of debt to fund the purchase.

The high gross take-up in Q4 2005 did not generate much net absorption. Furthermore, as another 100,000 sq m of new space was completed, the vacancy rate has actually edged upwards by 30 basis points to 14.8%. Prime rents stayed unchanged at €33.50/sq m/month, although there are high pricing variations on a submarket level.

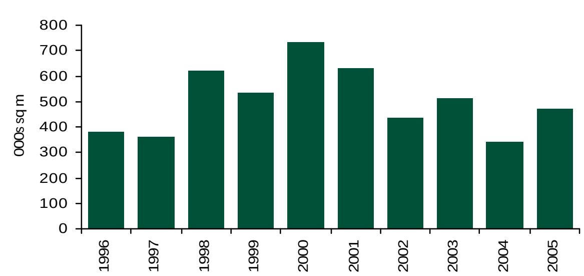
Current expectations for strengthening of occupier demand and strong development pipeline going forward project a mixed outlook for the market. Although more than half of new space in the pipeline is already pre-let, the implication is that, with so much new space available, out-of-date stock will almost certainly remain vacant unless refurbished or redeveloped.

FRANKFURT
PRIME OFFICE RENT & YIELD



Source: CB Richard Ellis

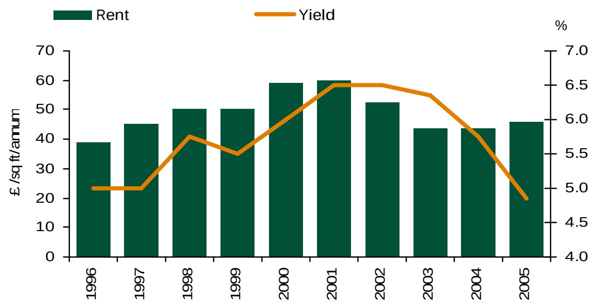
FRANKFURT
OFFICE TAKE-UP



Source: CB Richard Ellis

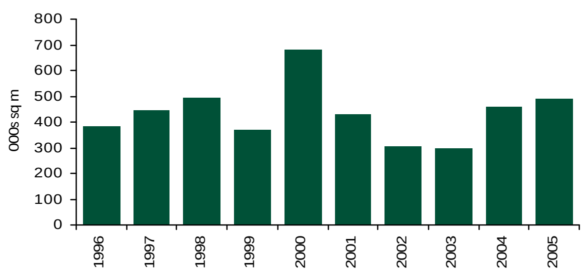
CB RICHARD ELLIS

LONDON CITY
PRIME OFFICE RENT & YIELD



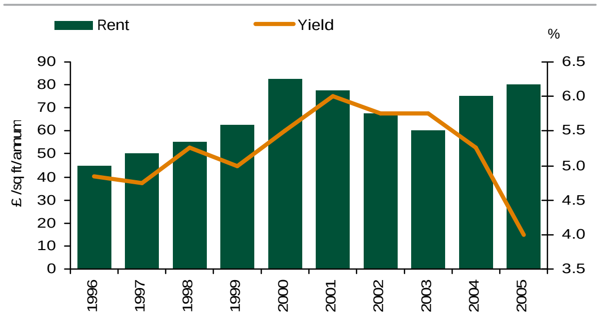
Source: CB Richard Ellis

LONDON CITY
OFFICE TAKE-UP



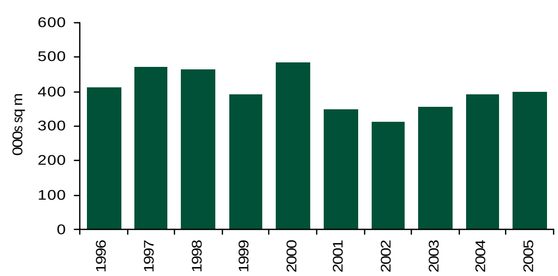
Source: CB Richard Ellis

LONDON WEST END
PRIME OFFICE RENT & YIELD



Source: CB Richard Ellis

LONDON WEST END
OFFICE TAKE-UP



Source: CB Richard Ellis

LONDON CITY

The City market saw a further quarter of take-up close to 100,000 sq m, albeit down on the third quarter figure. This takes the full-year total to just under 490,000 sq m, which is 4.5% above the corresponding 2004 total, and the highest annual total since 2000.

The market is benefiting from a period of strong performance in the financial markets. This is illustrated by the high levels of turnover in equities, bonds and commodities markets, and in strong earnings growth from the major investment banks. This in turn is encouraging them to expand aggressively with a consequent demand for office space.

On the supply side, availability levels continue to contract sharply, with the end-year figure standing at just under 650,000 sq m, taking the vacancy rate for the City market down to 9.8%. The short-term development pipeline remains very constrained, with only one major speculative scheme due to complete this year and availability levels are therefore expected to fall further.

This will serve to boost the rate of rental growth, which has been moderate so far. The annual rate of rental growth in the CB Richard Ellis Prime City rent index accelerated to 1.9% in the fourth quarter, and the prime City headline rent rose to £46.00/sq ft/annum from £45.00/sq ft/annum the previous quarter.

LONDON WEST END

After a very subdued first half, West End take-up recovered in the second half of 2005. Final quarter take-up of nearly 140,000 sq m pushed the full-year total to 400,000 sq m, almost equal to the level achieved in 2004 and some way above mid-year expectations.

The business services sector was the dominant force, accounting for 40% of take-up in 2005, with the banking & finance sector contributing a further 24% of space let.

Availability has continued to fall through 2005, down by nearly a third over the course of the year to 446,000 sq m. This is about half the level of availability that was reached in mid-2003, when availability was at its peak. With take-up not showing substantial growth, it is the low level of development completions and a reduced flow of second hand space to the market that have contributed to the shrinkage in available supply.

The CB Richard Ellis prime West End rent index rose by 5.9% over the course of 2005, and tenant incentives continue to tighten in response to reduced supply. The prime headline rent has risen as anticipated, up from £75 per sq ft to £80/sq ft/annum in the final quarter. We expect the trends of falling tenant incentives and rising headline rents to be sustained into 2006.

CBRE CB RICHARD ELLIS

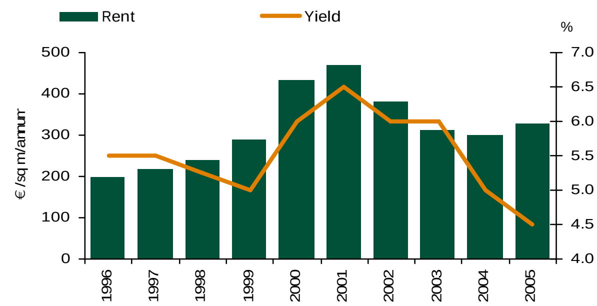
MADRID

Rental growth continued in Q4, with the prime rent finishing the year at €327/sq m/annum, a 9% increase over the year as a whole. This is despite the fact that the vacancy rate in Madrid has essentially been stable for about the last 2.5 years, between 8% and 9.3%. However, there is a sharp differential between the city centre and the periphery which means that increasingly there is a distinct shortage of good quality space in the centre. The vacancy rate for the CBD, North and City submarkets combined is just 3.6%.

Take-up is now concentrated in the outer sub-markets (the M-30 and M-40 areas), mostly because this is where the available space is located. Together these two accounted for 63% of take-up in Q4.

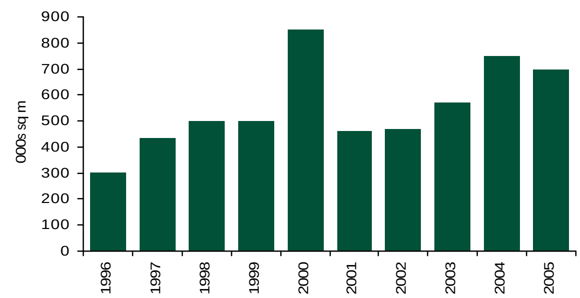
Overall the trend in demand is still strong. Although total take-up in 2005 was slightly lower than in 2004, the difference is more than accounted for by one exceptional transaction in 2004. The trend, therefore, still appears to be up. This increase in demand, however, is being matched by a growth in development and the two-year development pipeline is currently estimated at about 8% of stock. However, a very high proportion of these new schemes are in the periphery; and therefore the shortage of space in the city centre is likely to persist, driving growth in the prime rent.

MADRID
PRIME OFFICE RENT & YIELD



Source: CB Richard Ellis

MADRID
OFFICE TAKE-UP



Source: CB Richard Ellis

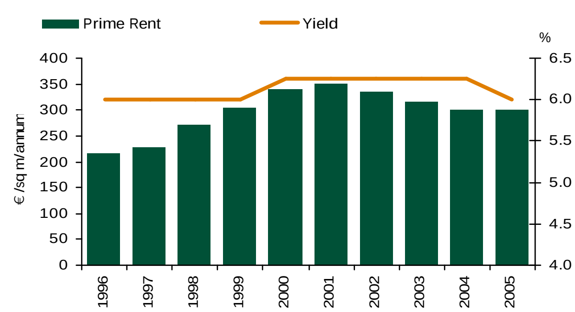
AMSTERDAM

In common with many other European cities this year, Amsterdam has seen an increase in demand over the course of 2005. Overall, total gross take-up improved by 15% on the previous year, reaching 354,000 sq m. However, the subdued economic climate has impacted upon the market and thus the key drivers are cost reduction and space efficiency. Consequently, net absorption remains minimal.

As a result of this, the level of vacancy has risen further over the year as cautious occupiers are tending to vacate more space than they let. The rate of increase in the vacancy rate has been slowed somewhat by the contraction of the development pipeline. There were significantly fewer new buildings completed in 2005 and looking forward there is very little under construction except for pre-let buildings. Overall, the market does appear to have bottomed out, as headline rents have remained stable at €300/sq m/annum for 12 months now, albeit with the aid of incentives to attract occupiers.

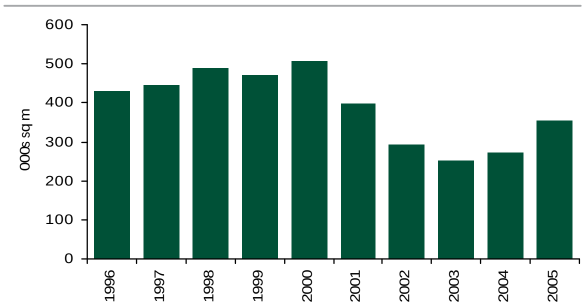
Looking forward, the upswing of the office market is dependant on an upturn in the economy. Forecasts for 2006 suggest that the economic outlook is positive, with growth in service sector employment expected. Over time this should encourage net absorption, aid the erosion of the oversupply and an upturn in the market.

AMSTERDAM
PRIME OFFICE RENT & YIELD



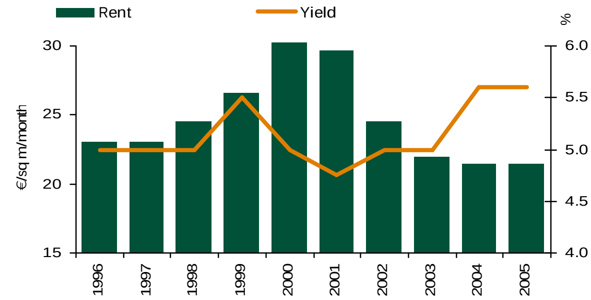
Source: CB Richard Ellis

AMSTERDAM
OFFICE TAKE-UP



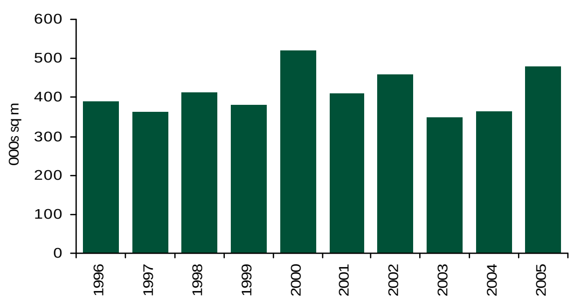
Source: CB Richard Ellis

BERLIN
PRIME OFFICE RENT & YIELD



Source: CB Richard Ellis

BERLIN
OFFICE TAKE-UP

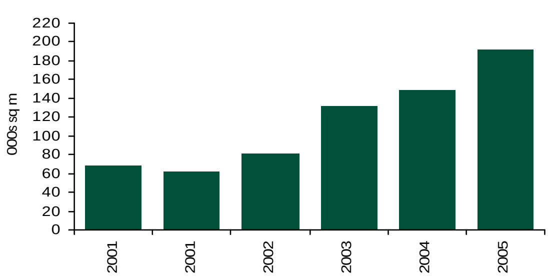


Source: CB Richard Ellis

BUCHAREST
PRIME OFFICE RENT & YIELD

Source: CB Richard Ellis

BUCHAREST
OFFICE TAKE-UP



Source: CB Richard Ellis

BERLIN

2005 brought some improvement in the Berlin office market. Total take-up was at its highest level since 2001 at 479,000 sq m, well above the ten-year average. Demand from the public sector, predominantly from the Federal Labour Agency, was the main driver of the sudden recovery in take-up. On the back of this, the outlook going forward is certainly more positive.

Despite the strong letting market, the vacancy rate has only fallen by 40 basis points this year, as new completions continued to flow on to the market. In total 138,000 sq m of new stock was delivered over the course of 2005. Looking further ahead, the office development pipeline is on the increase once again, with the equivalent of 2.7% of the stock forecast for delivery over the next two years. The new stock is mainly being targeted at public sector occupiers, as the relocation of the capital to Berlin starts to generate significant levels of demand.

Although there were no significant changes in pricing this year, there has been a substantial increase in investment activity. This has occurred in the context of increasing investor interest in the German market overall. On the rental side, the prime office rents remained unchanged at the end of 2005, but the general view is that the market is yet to reach the bottom of the rental cycle, with further falls likely to take place, especially in secondary markets.

BUCHAREST

The Bucharest office market has developed rapidly over the last three years and is quickly gaining more international attention. Over the course of 2005, the office stock grew by a remarkable 35% and now comprises 820,000 sq m in total. A further 200,000 sq m are planned for completion before end of 2006, 50% of which is already pre-let. The quality of office stock is improving and 40% of space is class A office, with floor plates of around 1,000 sq m.

As far as the letting market is concerned, 2005 saw strong occupier interest, with annual take-up registering a record-high of 192,000 sq m. On a quarterly basis, the level of leasing activity has also being strong at 53,000 sq m in both Q2 and Q3, and 50,000 sq m in Q4. The vacancy has trended downwards, but the small size of the market means that individual deals can alter the overall trend.

Strong investor interest in Central and Eastern Europe is having an impact on pricing in the Bucharest office market. Prime office yields have fallen by 350 basis points over the course of 2005 alone. This compression of office yields should continue in 2006 although at a slower pace.

MARKET BRIEFING

Improvements in infrastructure have resulted in demand in Athens shifting away from the centre. Occupiers are now more sensitive to price than location.

Due to limited office stock in Abu Dhabi, the office market is expected to see over 1.5 million sq m of new space delivered over the next 6 years or so. Rents are expected to remain low, with no growth expectations in a mid-term.

Barcelona has seen strong levels of take-up in Q4, bringing the year end total to over 400,000 sq m. With demand remaining robust, especially in the city centre and the CBD, availability remains very low in these areas. Prime rents have remained stable at €24/sq m/month.

By the end of 2005 the Belfast office market saw an increase in occupier demand due to the expansion activity of the private sector. The majority of new space requirements were for relatively small units. Despite the pick-up in demand, the prime office rents remained unchanged at £12.75/sq ft/annum.

A strong pre-letting trend is occurring in Bratislava as developers are increasingly cautious over the high level of development activity. As a result, aggressive marketing has forced developers to agree on pre-lettings at a bargain rents as low as €10/sq m/month.

Brussels experienced a sharp increase in take-up in the final quarter, with both public and private sector occupiers active. However, a high proportion of the deals were pre-lets and so vacancy fell only slightly.

The vacancy rate has taken a sharp downturn in Budapest this quarter to 11.63%. A lack of new developments coming onto the market this quarter and sustained levels of demand, have contributed to the erosion in the supply.

Copenhagen has seen strong office demand throughout 2005 and the vacancy rate has fallen to around 6%. In the short term there is a very limited supply of good quality office space, which could put further pressure on the vacancy rate.

The prime office rent for Dubai reached AED280/sq ft/annum at the end of 2005, a 40% increase over the year. Strong demand characteristics, combined with lack of immediately available space, are driving the rents up. But recent government cap rate has been introduced to limit office rental growth to maximum15% per annum.

A further strong quarter saw take-up in Dublin reach over 150,000 sq m for the year. The vacancy rate is now below 5% in the city centre, with the majority of space being on the suburban business parks.

The downward trend in demand that was observed in the Gaborone market in Q3 has continued into Q4. Headline rents remain under strong downward pressure, with landlords offering incentive packages to keep rents stable.

Investors have been showing a much greater level of interest in Switzerland over the last few quarters and Geneva is seen as particularly attractive because of its stable office market characteristics and low vacancy rate. The prime yield has fallen significantly over the last six months.

Supply of modern office stock remains restricted in Grenoble. This is putting upward pressure on the prime rents; which have edged up to €135/sq m/annum this quarter.

The trend towards yield compression continues across Europe and The Hague has been no exception. This quarter prime office yields fell to 6.0%, which is a 50 basis point compression from their end-2004 level.

Strong trend toward owner-occupation is supporting the Hamburg leasing market, although 2005's take-up registered lower then in 2004. Slight concern over the availability situation may arise in a mid-term, as two-year development pipeline is forecast to reach 380,000 sq m.

Demand in Helsinki has been weak in Q4; however, the vacancy rate remains relatively low in the CBD at around 4.0%. Prime rents have steadily increased throughout the year to reach €295/sq m/annum.

Strongly supported by the robust economic expansion at a national level, the Istanbul office market performed well throughout 2005. Closer to the year end, rapid expansion of multinational companies has further driven the occupational demand.

Demand in Krakow has increased this quarter, and the outlook is positive as interest from offshoring financial and IT services companies increases. This has eroded some of the excess supply and the vacancy rate has fallen to 20%.

Despite no new developments being delivered in 2005, and none planned for the immediate future, the Katowice remains oversupplied. The vacancy rate has edged up this quarter to 25%.

Due to strong demand from investors, the yield compression in the Lille office market has been very sharp in 2005, falling 200 basis points to 7%.

There are signs that the office market is strengthening in the core CBD of Lisbon, with some deals agreed at rents of €21 to €22/sq m/month. The investment market is also strong and yields of below 6.75% have been recorded even outside the city core.

The prime rent in Lyon continues to come under downward pressure as supply edges up once again. Currently prime rents in the Part Dieu district are €200/sq m/annum.

The prime rents have fallen in Milan this quarter to €450/sq m/annum, as cautious occupiers continue to be driven by cost rationalisation and efficiency.

Considerable upward pressure remains on prime rents in Moscow, as the supply picture remains tight. Grade A space around the Kremlin is now fetching $610/sq m/annum, a level which is expected to rise further into 2006.

MARKET BRIEFING

Totalling to 590,000 sq m, annual leasing activity in the Munich office market increased by 15% over last years' level. This rise was mainly due to a strong activity from other services sector. On the back of occupational market upturn, prime rents have increased slightly to €30/sq m/month.

Prime rents in Oslo have increased for the fourth successive quarter, reaching NKr 2,100/sq m/annum. This has been due to strong levels of demand in the market for good quality office space, which looks set to continue in 2006.

The supply situation in Poznan has eased slightly this quarter as a result of healthy demand and no new developments. However, at 28% the vacancy rate remains high.

The prime office yield in Prague fell further in Q4 to 6.75%, representing a full 100 basis points fall over the year. Strong investor demand means that further compression in yields is expected in the near future.

Supply in the Sofia office market remains constrained with a limited level of quality stock. New completions equalled 28% of stock over 2005 alone, with further 126,000 sq m planned for completion over the next two years. Overall vacancy levels are still above 16%, although the majority of available space is of a poorer quality.

Demand has been weak in the Stockholm office market in Q4 and the high vacancy rate of 10% has remained unchanged throughout the year. However, with a bright outlook for the Swedish economy, occupier demand is expected to rise for prime modern office space.

The Tel Aviv office market started to see some improvement in occupancy level, which reached 82% at the end of 2005. Falling vacancy has positively impacted on rental levels, with the average rents registering at USD12.30/sq m/month in H2 2005, a 10% increase over 2004.

Over the course of 2005, there has been a noticeable improvement in demand in Vienna. The final quarter of the year, was one of the strongest yet, and has contributed to a total take-up figure of 390,000 sq m. This represents almost a 40% improvement on the previous year.

There are signs that the office market in Warsaw is in the first stages of upswing as the development pipeline is easing, and vacancy is falling as a result of healthy demand. However, this has not translated into rental growth as yet.

After a weak start to 2005, letting activity in Zurich showed signs of recovery in Q4. Availability has fallen and this is expected to continue, with an increase in demand expected throughout 2006.

For additional information please contact:

Michael Haddock
michael.haddock@cbre.com
Tel. +44 207 182 3274

Kristian Bandy
kristian.bandy@cbre.com
Tel. +44 207 182 3235

Iryna Pylypchuk
Iryna.pylypchuk@cbre.com
Tel. +44 207 182 3184

EMEA Offices

Abu Dhabi
(971) 0 2674 3399

Aix-en-Provence
(33) 442 60 01 31

Amsterdam
(31) 20 626 2691

Amsterdam
B&O Partners BV
(31) 20 676 4676

Athens
Danos & Associates
(30) 210 756 7567

Barcelona
(34) 93 444 7700

Belfast
(44) 28 9043 8555

Berlin
(49) 30 72 61 54 0

Birmingham
(44) 121 609 7666

Bratislava
(421) 259 110 181

Bristol
(44) 117 943 5757

Brussels
(32) 2 643 3333

Bucharest
(40) 21 312 7000

Budapest
(36) 1 374 3040

Bulawayo
(263) 9 630 20

Cape Town
Broll Property Group
(21) 419 7373

Casablanca
(212) 229 584 92

Copenhagen
CB Richard Ellis Cederholm
(45) 70 22 96 01

Dubai
(971) 4 362 0818

Dublin
(353) 1 618 5500

Durban
Broll Property Group
(27) 31 277 2900

Edinburgh
(44) 131 469 7666

Frankfurt
(49) 69 17 00 77 0

Gaborone
(267) 3188 200

Geneva
CB Richard Ellis
PI Performance
(41) 22 322 80 60

Glasgow
(44) 141 204 7666

Gothenburg
(46)31 761 8750

Hamburg
(49) 40 80 80 20 0

Harare
(263) 4 707 1018

Hoofddorp
(31) 23 565 7700

Istanbul
CB Richard Ellis LS
(90) 212 259 36 29

Jersey
(44) 1534 874141

Johannesburg
Broll Property Group
(27) 11 441 4229

Kampala
(256) 41 345165

Leeds
(44) 113 233 7666

Lisbon
(351) 21 311 4400

Liverpool
(44) 151 227 4611

London
(44) 20 7182 2000

Lyon
(33) 472 83 48 48

Madrid
(34) 91 598 1900
(34) 91 678 2078

Malaga
(34) 95 207 0710

Manchester
(44) 161 455 7666

Marbella
(34) 95 276 5130

Marseille
(33) 496 11 46 11

Milan
(39) 02 303 7771
(39) 02 655 6701

Moscow
Noble Gibbons
(7) 501 258 3990

Munich
(49) 89 2420 600

Nairobi
(254) 20 248 106

Neuilly sur Seine
(33) 1 46 24 53 46

Oslo
Atrium AS
(47) 40 00 57 66

Palma de Mallorca
(34) 97 145 6768

Paris
(33) 1 5364 0000

Port Elizabeth
Broll Property Group
(27) 41 363 5559

Prague
(420) 224 814 060

Pretoria
Broll Property Group
(27) 12 431 7180

Rome
(39) 06 4523 8501
(39) 06 4544 1550

Sofia
Elta Consult AD
(359) 2 987 7647

Stockholm
(46) 8 4101 8700

Tel Aviv
M.A.N. Properties Real Estate
(972) 3 561 6161

The Hague
(31) 70 750 8900

Thessaloniki
Danos & Associates
(30) 2310 244 962

Valencia
(34) 96 316 2890

Vienna
(43) 1 533 4080

Warsaw
(48) 22 653 7000

Zagreb
(385) 1 487 8600

Zurich
CB Richard Ellis
PI Performance
(41) 1 226 30 00

CBRE
CB RICHARD ELLIS