

Global Real Estate Markets Survey

As of April 2011

SURVEY OVERVIEW

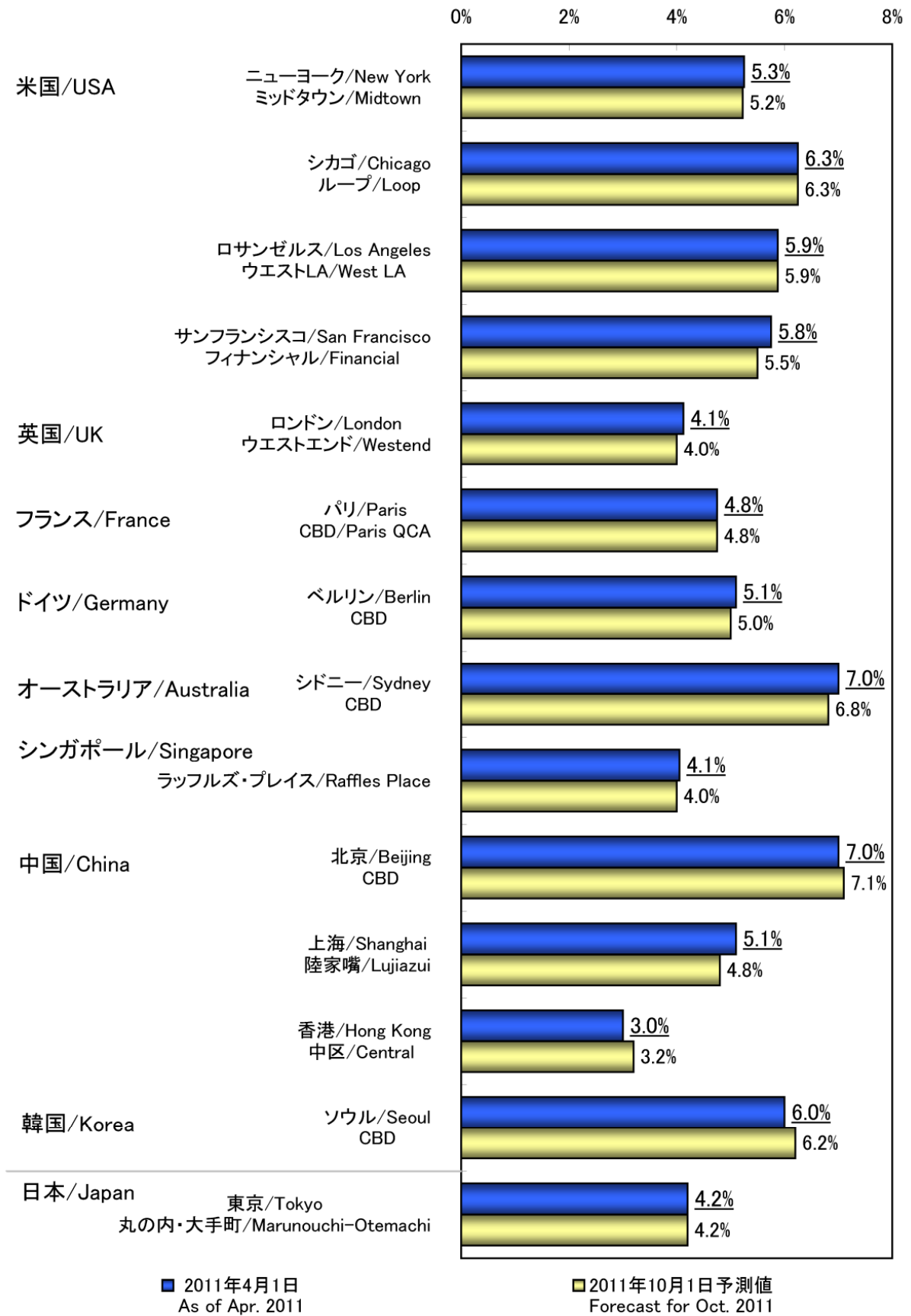
- Survey Method: Questionnaire corresponded by e-mail, web site, and interview.
 - Surveyed Firms: Pension funds, life insurers, real estate brokers, investment banks, commercial banks, developers, asset managers, real estate securitization arrangers, rating agencies, real estate appraisers/valuers, etc.
 - Date of Survey: April 1, 2011
 - Number of Responded Firms: 105
 - Unless otherwise mentioned, the numbers appeared in this report are medians.
 - Surveyed Use: Office Building
 - **Monitored Cities:**
 - USA: New York City, Chicago, Los Angeles, and San Francisco
 - UK: London
 - France: Paris
 - Germany: Berlin
 - Australia: Sydney
 - Singapore: Singapore
 - China: Beijing, Shanghai, Hong Kong
 - South Korea: Seoul*
- Note: * Joint survey with Korea Appraisal Board for Seoul

● Selected Statistics (Available data as of May 2011 except Population)

Region	Country	City	Population ¹ (Ten thousand)		GDP ² (Billions U.S. dollars)	GDP ³ per capita (U.S.dollars)	Unemployment ⁴ (%)	Bond yields ⁵ (%)	REIT	
			Country	City					Market cap ⁶ (Billions Japanese Yen)	Number of companies ⁷
North America	USA	New York		836	14,658	47,284	9.63	3.17	237,521	173
		Chicago	30,406	285						
		Los Angeles		383						
		San Francisco		81						
Europe	UK	London	6,138	828	2,247	36,120	7.84	3.36	24,223	19
	France	Paris	6,228	213	2,583	41,019	9.73	3.42	43,165	44
	Germany	Berlin	8,213	339	3,316	40,631	6.86	3.08	459	2
Asia Pacific	Australia	Sydney	2,150	440	1,236	55,590	5.23	5.37	50,168	60
	Singapore	Singapore	364	484	223	43,117	2.20	2.33	16,646	21
	China	Beijing	132,466	1,151	5,878	4,382	4.10	3.85	-	-
		Shanghai		1,435						
		Hong Kong	-	698						
	South Korea	Seoul	4,861	1,003	1,007	20,591	3.73	4.37	230	6
Japan	Tokyo	12,770	849	5,459	42,820	5.06	1.13	24,338	36	

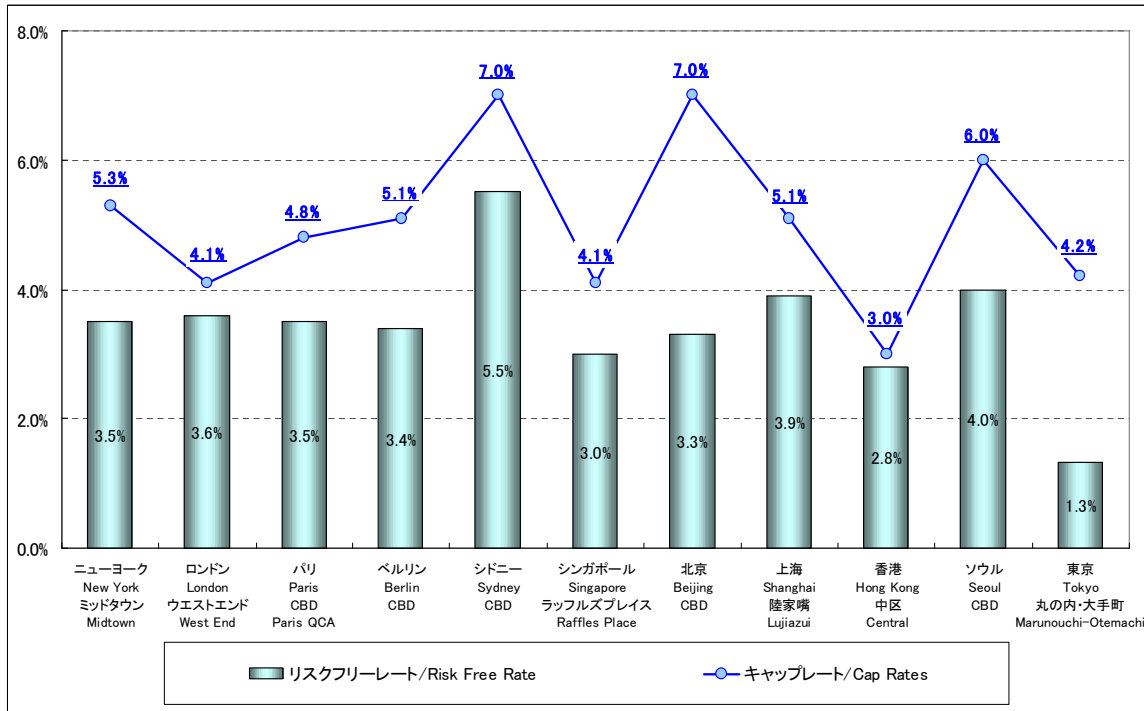
Sources: 1) UNITED NATIONS "Demographic Yearbook 2007", 2~4) IMF, 5) Compiled by JREI based on various statistics, 6~7) European Public Real Estate Association

● Cap Rates (Yields)



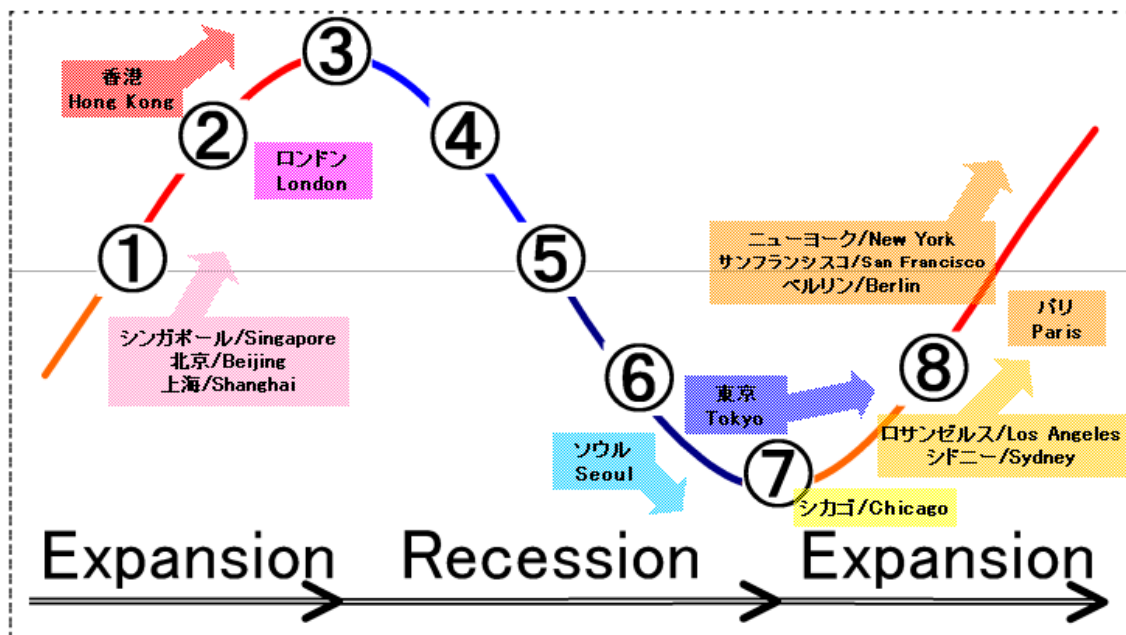
- Cap rates in the US were down from the previous survey in Oct. 2010. Many respondents forecasted cap rates would be flat or down in the next six months. In other words, they indicated that the US investment markets were at the bottom or on a recovery path.
- The trend of cap rates in Europe was similar to that in the US, providing an evidence of improving market conditions.
- Strong office demand also helped market recovery in Australia.
- No clear directions of cap rates were observed in Asia, probably due to less developed investment markets in the region compared to Australia, Europe, and the US. In terms of market sentiment, there was a contrast between upbeat atmosphere in China, Hong Kong and Singapore, and uncertain prospect in Korea.

● Risk Free Rates and Cap Rates



※Risk Free Rate: Interest rate on the safest investments (10-year JGB in Japan and its equivalent in other countries)

● View on Prime Office Investment Markets



※Based on the most frequent answers. An arrow indicates upward or downward forecast in the next six months.

- **Location of Monitored Cities**



- **Responded Firms**

AMUNDI	Knight Frank Pte Ltd (Singapore)
Beijing K & G Consultants Ltd	Knight Frank Valuations (Australia)
BEIJING RENDA REAL ESTATE APPRAISAL	Kyobo Realco Inc
Beijing ShouJia Real Estate Appraisal Co., Ltd	Landmark White
BNP Paribas Real Estate	LG Serveone
BulwienGesa Valuation GmbH	MEC UK LIMITED
CB Richard Ellis (Australia)	Mirae Asset MAPS Global Investments
CB Richard Ellis (France)	Mitsubishi Corp. Singapore Branch
CB Richard Ellis (Hong Kong)	New York University
CEA REAL ESTATE APPRAISAL	Otake Global Capital LLC
Colliers Deutschland Holding GmbH (Germany)	Pacific Star Holdings Pte Ltd
Colliers International (Australia)	RHL International
CREDIT FONCIER EXPERTISE	RREEF
DekaBank	Savills (Australia)
DTZ	Savills (UK)
GLOSTAR. CO., Ltd.	SHANGHAI LIXIN APPRAISAL LTD.
Hudson Real Estate Limited	SHINHAN BNP PARIBAS ASSET MANAGEMENT Co.,Ltd.
Icade expertise	Shinoken Group. Co., Ltd
Integra Realty Resources	Shinyoung Asset
Investa Property Group	Stasia Capital Holding Limited
Invista REIM	TAK Development, Inc.
Kajima Overseas Asia Pte Ltd (Hong Kong)	The GPT Group
Knight Frank (China)	The Rockefeller Group
Knight Frank (Hong Kong)	UFG LFP

The above 48 firms permitted us to disclose their names although they do not expect to receive any direct enquiries from the readers.

Please direct your questions regarding this survey to:

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