



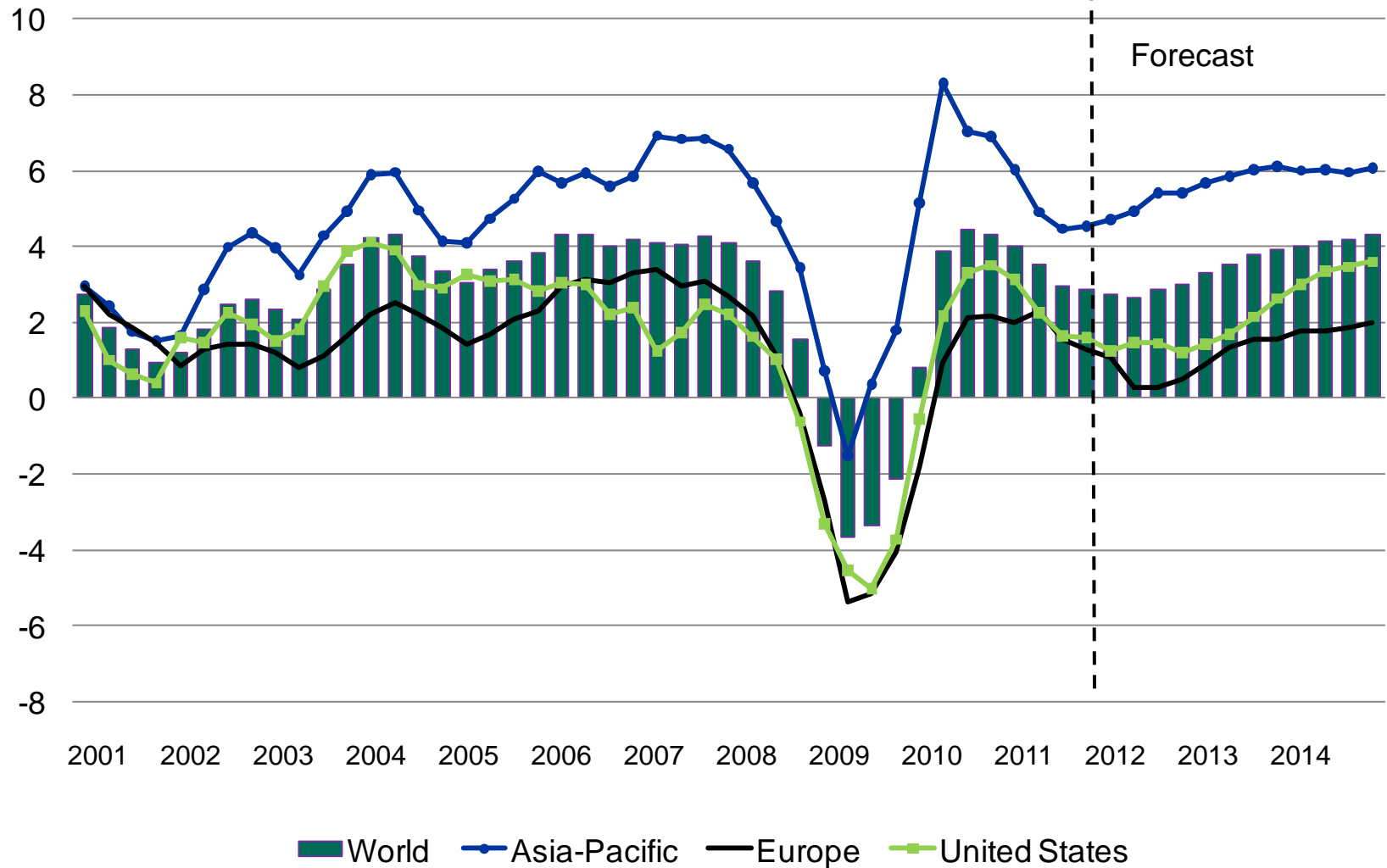
Economic and Real Estate Outlook

Raymond Torto, CRE, Ph.D.
Global Chief Economist

Asieh Mansour, Ph.D.
Head of Americas Research

Asia-Pac Leads, Europe Lags

Real GDP Year-over-Year % Change



Source: IHS Global Insight as of Q3 2011.

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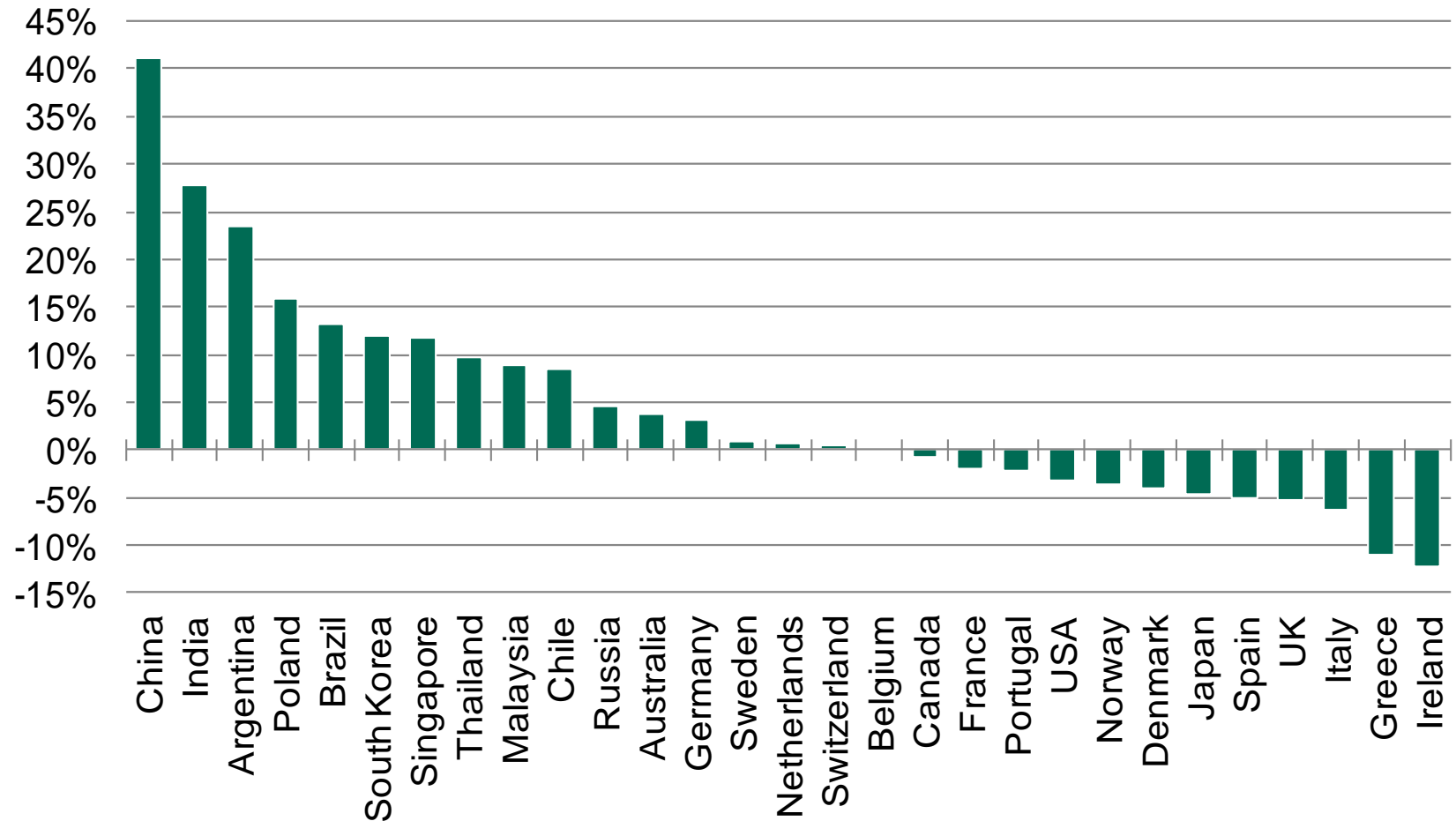
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A World of Divergence

% Change in Real GDP per Person

Q2 2007 to Q2 2011



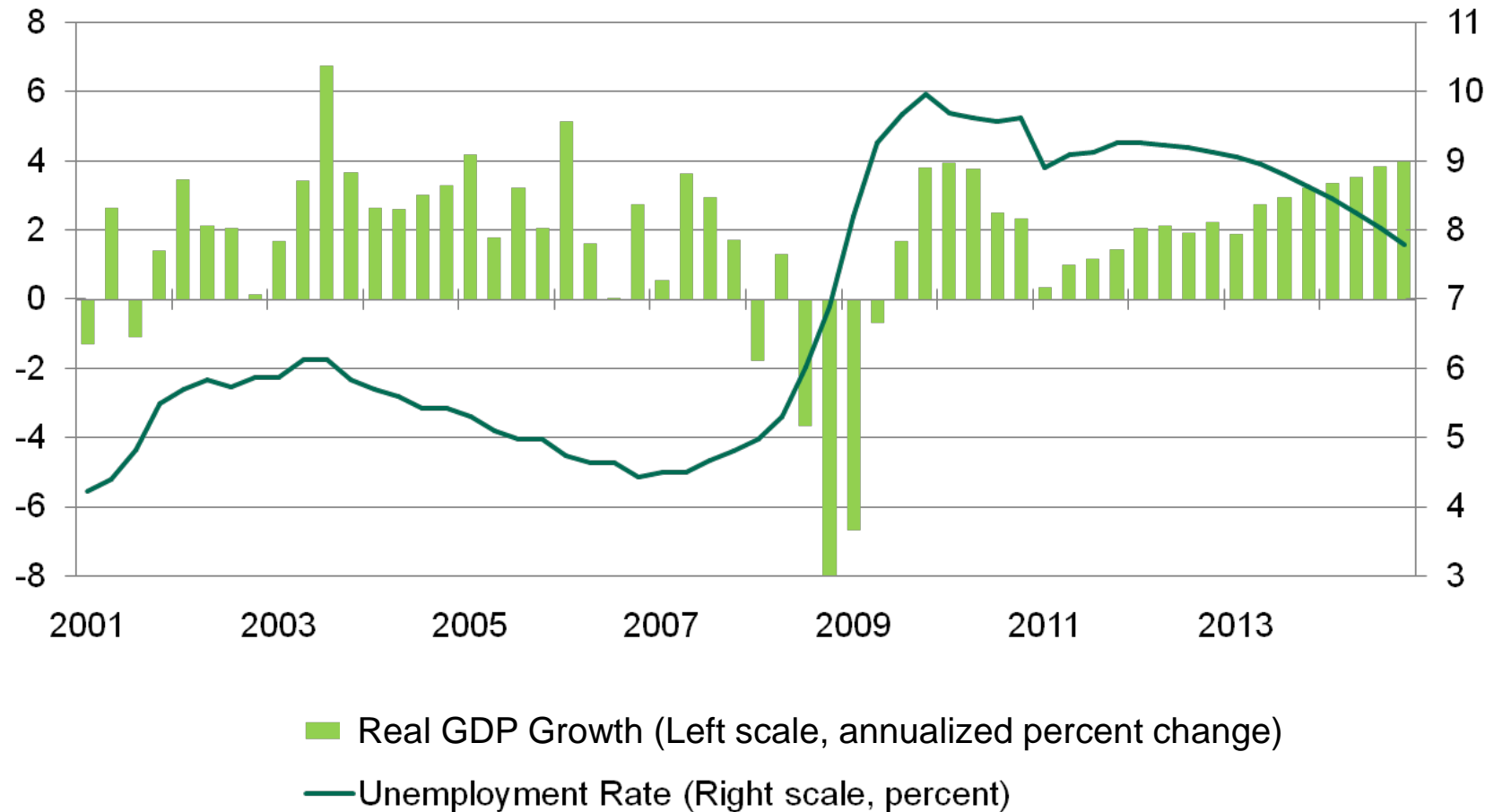
Source: Oxford Economics, Q2 2011

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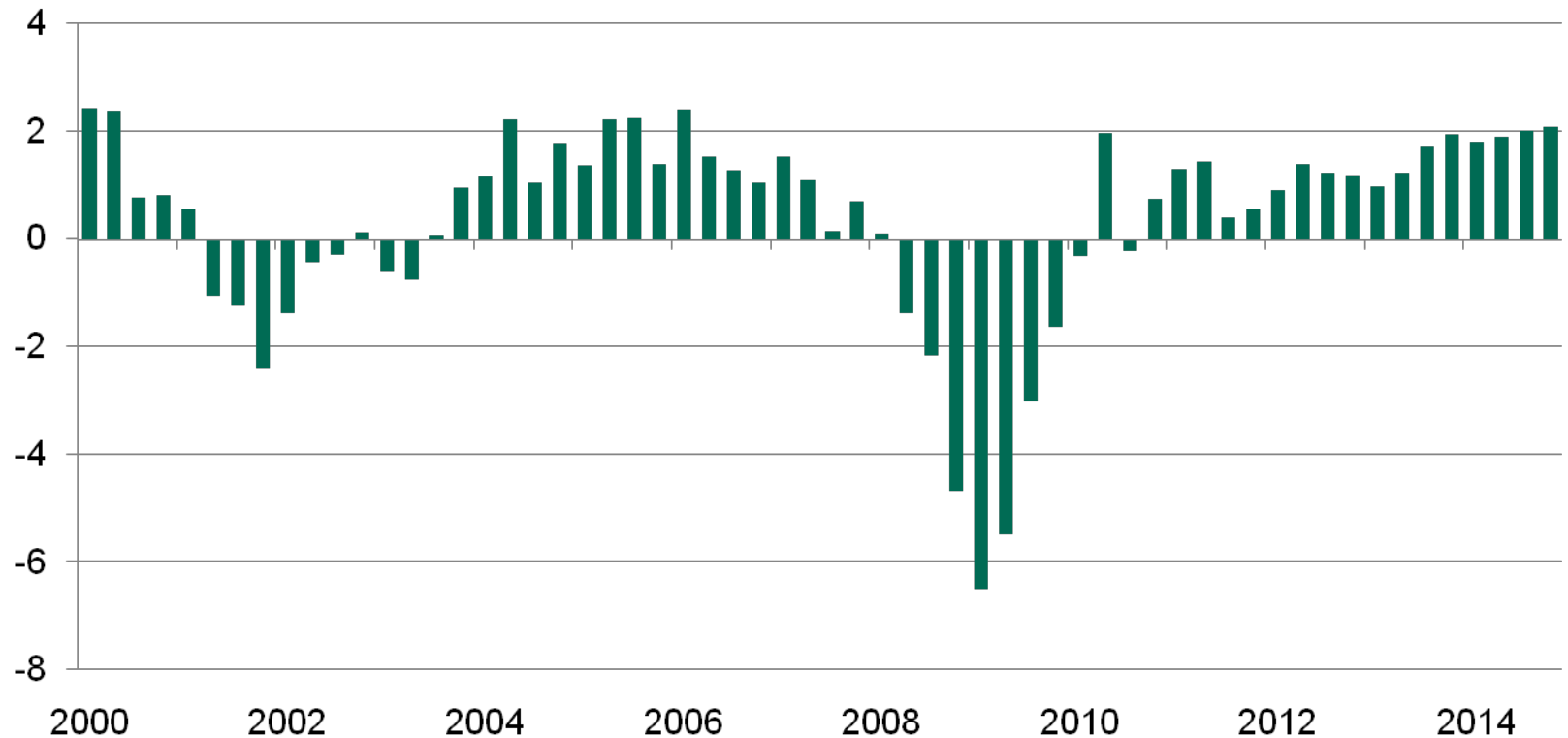
U.S. Outlook: Modest Growth and No Recession



U.S. Employment Will Slowly Recover

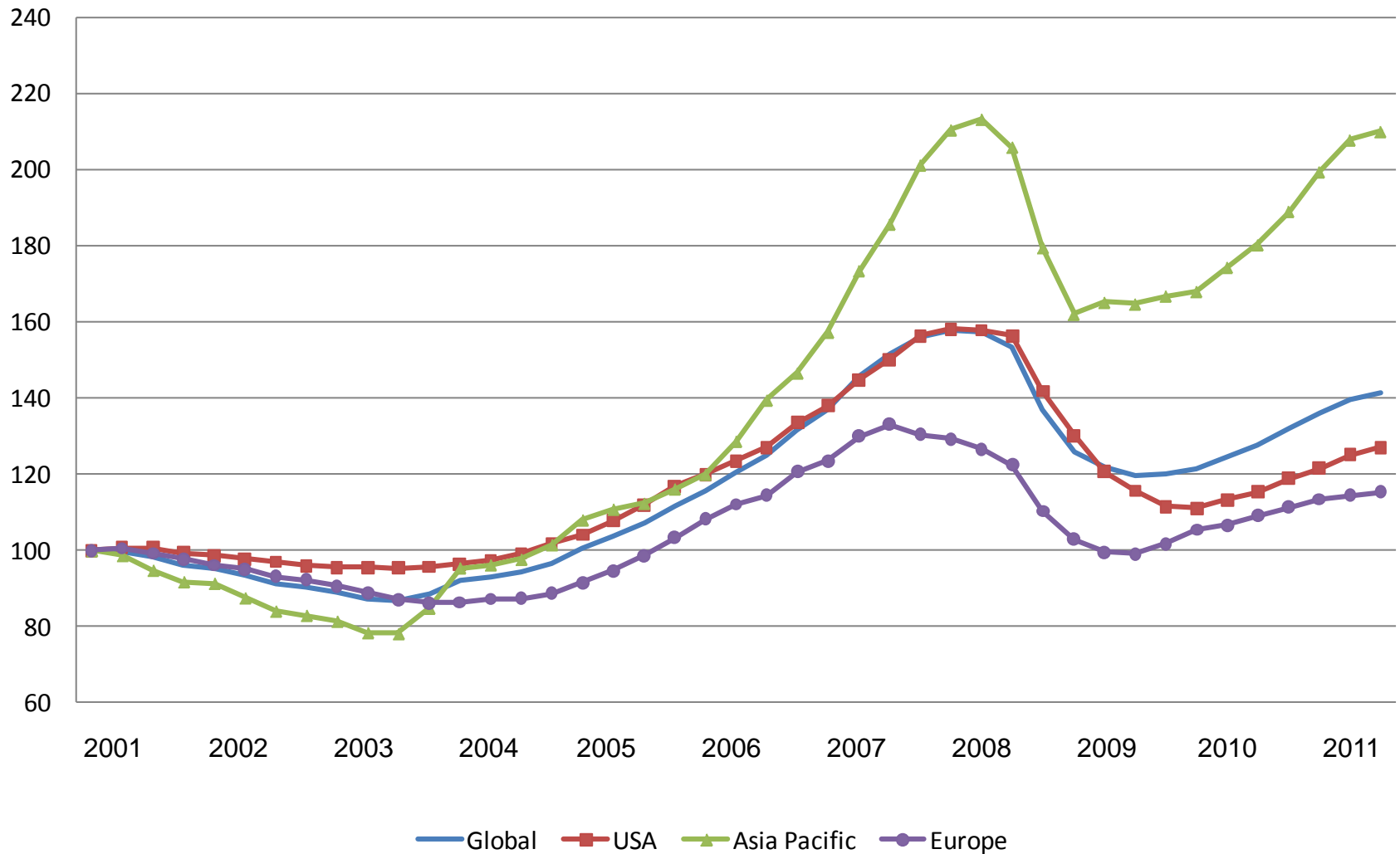
Regaining Its December 2007 Peak in Early 2015

(Percent change, annualized rate)



CBRE Global Capital Value Index

Index Q1 2001 = 100



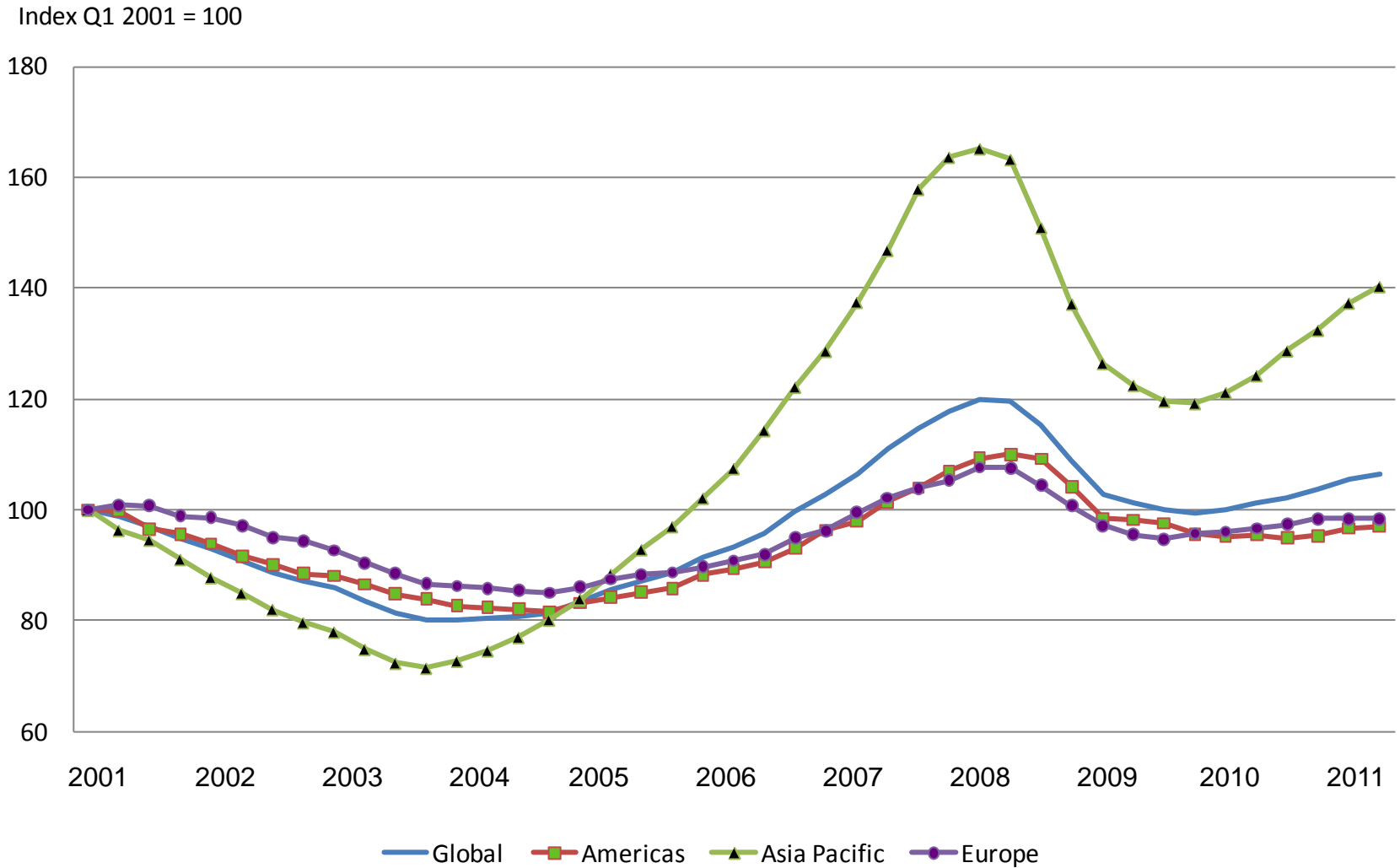
Source: CBRE Research, NCREIF.

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CBRE Global Office Rent Index



Source: CBRE Research.

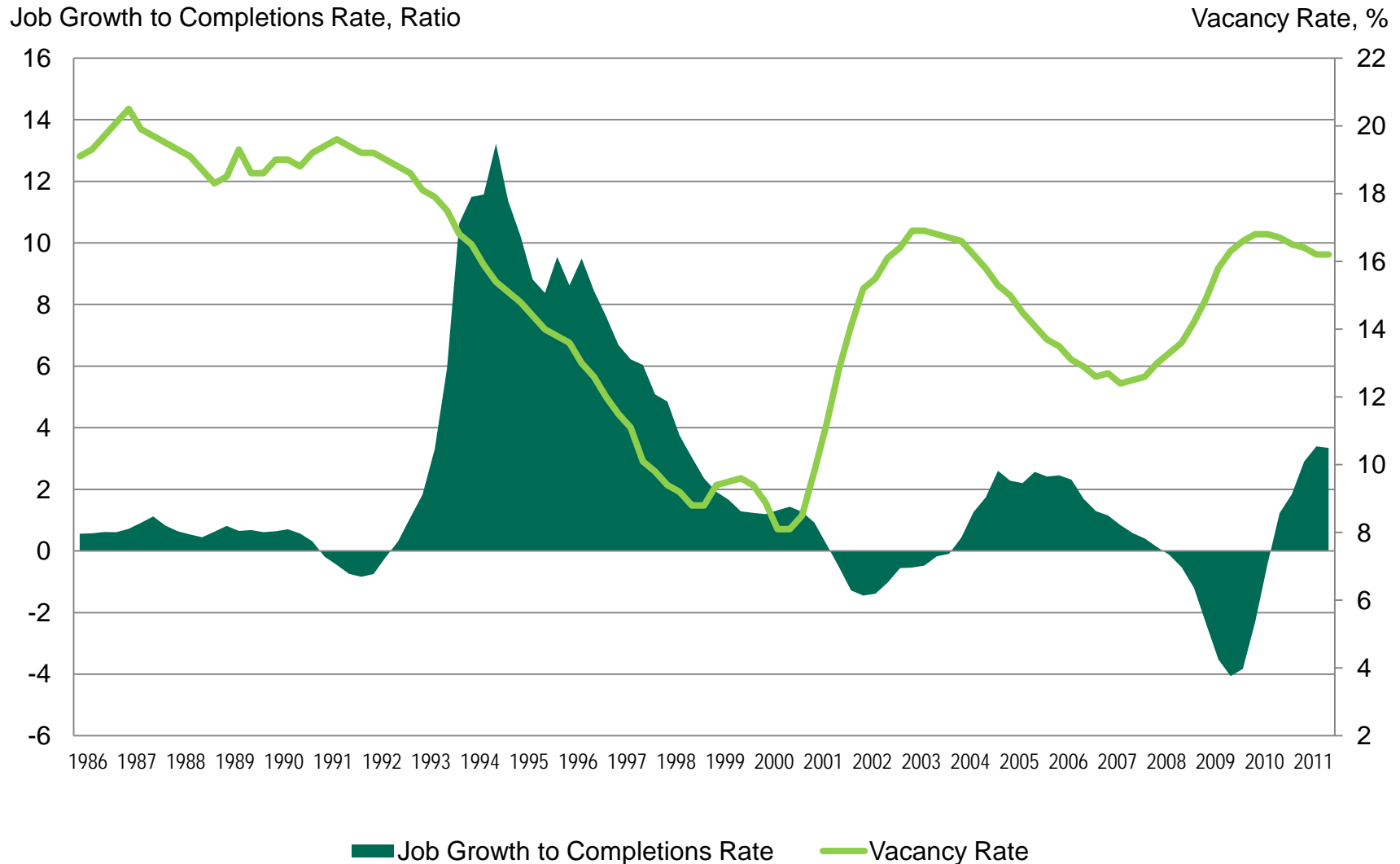
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Low Completions Environment Throughout the Recovery

U.S. Office Market



Source: CBRE-EA as of Q3 2011.

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- Three sources of risk dominate the outlook
 - Policymakers may now have limited ability to aggressively stimulate the economy whether through fiscal or monetary policy
 - European disunion and sovereign debt crises weighing on market sentiment
 - Premature fiscal tightening in the U.S.
- Mounting risks continue to weigh on markets but driven more by fear rather than macroeconomic fundamentals

Sustained but Modest Growth

- Two-year economic recovery continues to shape our commercial real estate outlook
 - Improvements in real estate fundamentals trail the capital market recovery
 - Record-low interest rates have driven more capital to real estate, compressing cap rates for the prime product across all global markets
- Recovery of real estate values/prices has been surprisingly swift
 - The office sector, however, continues to suffer from high vacancy and slow rent growth
 - Performance of the global economy will ultimately resolve dichotomy between real estate fundamentals and capital markets