

NEWS RELEASE

Meiji Yasuda Seimei Building, 18F
2-1-1, Marunouchi,
Chiyoda-ku, Tokyo
100-0005, JapanT 03 5288 9288
www.cbre.co.jp
Twitter: @cbrejapan

July 19, 2018

The Japanese translation of this release was disseminated in Japan on the date above. Please note that the original English-language version of this release was disseminated on June 27.

For further information:

CBRE

Marketing & Communications

03-5288-9283

HONG KONG CENTRAL REMAINS MOST EXPENSIVE OFFICE MARKET IN THE WORLD, ACCORDING TO CBRE

Vancouver Downtown Sees Fourth-Fastest Prime Office Occupancy Cost Growth

Costs in Midtown South Manhattan Reach All Time High

Hong Kong — June 27, 2018 —Hong Kong Central remained the most expensive office market in the world, according to CBRE's annual [Global Prime Office Occupancy Costs report](#).

Hong Kong Central's overall prime occupancy costs of US\$307 per sq. ft. per year topped the "most expensive" list, followed by London West End (US\$235 per sq. ft.), Beijing Finance Street (US\$201 per sq. ft.), Hong Kong Kowloon (US\$190 per sq. ft.) and Beijing Central Business District (US\$189 per sq. ft.).

Global prime office occupancy costs—which reflect rent, plus local taxes and service charges for the highest-quality, "prime" office properties—rose 2.4 percent year-over-year, with the Americas up 3.2 percent, EMEA up 2 percent and Asia Pacific up 1.7 percent.

"For the first time in this cycle, prime office occupancy cost growth was consistent across all regions," said [Richard Barkham](#), global chief economist, CBRE. "Global economic growth has stimulated robust leasing activity, particularly in EMEA and APAC. While occupancy cost growth in the Americas slowed slightly compared to a year earlier, it remains the region with the overall largest increase in costs. We expect global office occupancy costs to increase by approximately 2 percent in the year ahead."

Durban, South Africa, fueled by strong demand from business-process outsourcing companies, had the highest increase in year-over-year occupancy cost overall, followed by Bangkok, Marseille, Vancouver Downtown and Oslo.

Vancouver Downtown showed the largest increase in the Americas, followed by Downtown Manhattan, Toronto Downtown, Los Angeles Suburban, Midtown South Manhattan and Dallas Downtown. Costs in Midtown South Manhattan reached an all-time high as strong demand for premium space continued.

In Asia Pacific, Bangkok had the highest growth, followed by Hong Kong Kowloon, Singapore, Melbourne and Wellington.

Durban, Marseille, Oslo, Stockholm and Berlin led EMEA in occupancy cost growth.

Dubai, Shanghai Puxi, Midtown Manhattan, Moscow and Abu Dhabi saw the largest decreases year-over-year.

“The dominant trend among markets with notably rising prime occupancy costs is strong demand from the finance, technology and e-commerce sectors,” said Dr. Barkham. “Markets with declining occupancy costs are primarily affected by supply/demand imbalances resulting from new completions. Since reduced costs due to excess inventory tend to be relatively short-lived, companies looking for space in those markets should move quickly.”

Top 10

Most Expensive Markets

(In US\$ per sq. ft. per annum; as of Q1 2018)

Rank	Market	Occupancy Cost
1	Hong Kong (Central), Hong Kong	306.57
2	London (West End), United Kingdom	235.01
3	Beijing (Finance Street), China	200.91
4	Hong Kong (Kowloon), Hong Kong	189.56
5	Beijing (CBD), China	189.44
6	New York (Midtown Manhattan), U.S.	183.78
7	New York (Midtown-South Manhattan), U.S.	171.56
8	Tokyo (Marunouchi/Otemachi), Japan	171.49
9	New Delhi (Connaught Place - CBD), India	153.26
10	London (City), United Kingdom	144.95

Largest Annual Changes

Occupancy Costs

(In local currency and measure; as of Q1 2018)

Top 5 Increases

Rank	Market	% Change
1	Durban, South Africa	21.4
2	Bangkok, Thailand	16.9
3	Marseille, France	16.7
4	Vancouver (Downtown), Canada	16.1
5	Oslo, Norway	15.1

Top 5 Decreases

Rank	Market	% Change
1	Dubai, United Arab Emirates	-15.4
2	Shanghai (Puxi), China	-12.8
3	New York (Midtown Manhattan), U.S.	-9.4
4	Moscow, Russian Federation	-7.5
5	Abu Dhabi, United Arab Emirates	-7.3

Visit the report for the full list of the Top 50 Most Expensive Markets.

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (based on 2017 revenue). The company has more than 80,000 employees (excluding affiliates), and serves real estate investors and occupiers through approximately 450 offices (excluding affiliates) worldwide. CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.com.

Official Twitter account for Japan: [@cbrejapan](https://twitter.com/cbrejapan)