

# DTZ Occupier Perspective

## Global Occupancy Costs - Offices

### Weak outlook to benefit occupiers

17 February 2012

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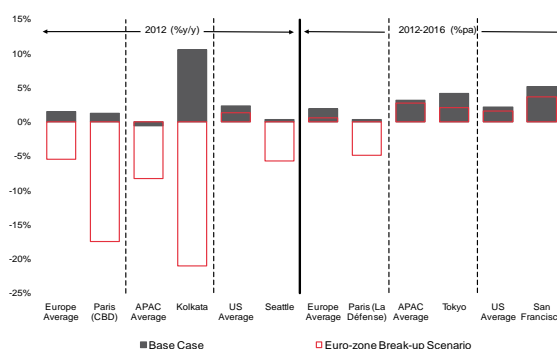
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- Average global office occupancy costs remained stable in 2011 for the second year running as highlighted in this fifteenth edition of our 'Global Occupancy Costs - Offices' report. Whilst occupiers benefitted from the greatest cost savings in the Middle East & Africa, the ongoing European sovereign debt crisis also brought about falling occupancy costs across Europe. Central & South America, Asia Pacific and North America all recorded varying degrees of occupancy cost increases during the year. But, even these increases were below inflation, still offering real cost savings.
- While Tier II cities in India and China dominate the list of top 10 most affordable markets globally (including Qingdao, Chengdu, Dalian, Chennai and Pune), Surabaya in Indonesia remains number one. Once again, Hong Kong, London, Geneva, Tokyo and Zurich were the five least affordable office markets in 2011, with Moscow and Oslo re-entering the ranking of 10 least affordable global locations since 2009. With 38% for the year, Beijing showed the highest cost increase of any market globally.
- Looking forward, our base case forecasts show yearly increases in occupancy costs across all regions over the five year period. Asia Pacific is projected to have the highest levels of increase (3%), particularly in China (3%) and India (5%). At 2%, occupiers in Europe are anticipated to experience more muted occupancy cost increases over the same period, as austerity measures and financial uncertainty strengthen occupier positions. US costs are forecasted to show sustained if sometimes modest increases.
- We forecast little change to our top 10 most and least affordable markets by 2016, although there will be a change in ranking. At the lower cost end, the secondary Indian cities are forecast to show strong cost increases; whilst at the least affordable end, we forecast Tokyo will return to the top three.
- Under our downside Euro-zone break-up scenario, European markets will have a sustained period of rental stagnation or decline, offering long term cost savings. In Asia Pacific, the short term impact (2012) is bigger than expected. But, rental growth resumes with little net impact in the long term (Figure 1). This would provide a limited window of opportunity for occupiers to re-negotiate their leases. The impact on US markets is more muted in the short term, but slightly bigger in the long term when compared to Asia Pacific.

Figure 1

#### Regional impact of scenarios on office rents, % pa change



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## Global Occupancy Costs - Offices

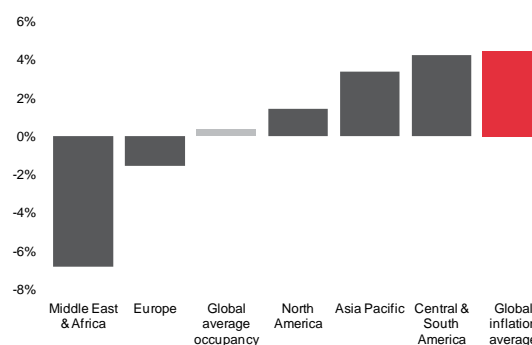
### Global ranking

Global occupancy costs expected to increase to 2016, with biggest increases in Asia Pacific

- Average global occupancy costs per workstation recorded no significant change during 2011, increasing by a mere 0.3% (Figure 2). There were marked regional differences, however. Central & South America showed the highest increase in costs at 4%, due primarily to a growing confidence in Brazil's economy. This was followed by Asia Pacific at 3%. Despite costs increasing in both regions, these remained below increases witnessed in the previous year, and more importantly, below the global inflation rate for the same period, at 4.5%. North America witnessed a pick up from the previous year, of 1%. The biggest cost savings were to be found in the Middle East & Africa, where costs fell by -7%.
- Looking forward, we expect occupancy costs to increase to 2016, and Asia Pacific to experience the highest level of growth. While occupiers in Europe are anticipated to experience muted growth of around 1-2% per annum, the pace will gradually increase, as demand in the European markets picks up, with growth exceeding that of the US by 2014 (Figure 3).
- While Tier II cities in India and China dominate the list of top ten most affordable markets globally (including Qingdao, Chengdu and Chennai), Surabaya in Indonesia remains the most affordable. Hong Kong, London and Geneva remain the least affordable locations, whilst Moscow and Oslo re-joined the list of top ten least affordable markets since 2009.
- We forecast little change to our top ten and bottom 10 markets by 2016, although there will be a slight shift in ranking. At the lower cost end, the secondary Indian cities will shift slightly on the back of strong growth in costs; whilst at least affordable end, Tokyo will regain its position in the top three. Beijing emerges as the biggest mover over the next five years (Figure 4), shifting 13 places to enter the top 25 least affordable markets globally by 2016 (Appendix 4).
- Our base case forecasts show that occupiers in Rome and Milan will benefit from falling occupancy costs over the next five years, as sharp decreases in rents are expected in 2012 and 2013 (Figure 4). While the booming markets of China and India are forecast to experience continued growth and solid rental increase, occupiers will still enjoy relatively low costs in Tier II cities, and these markets will remain in the top ten most affordable markets in 2016 (Appendix 4).

Figure 2

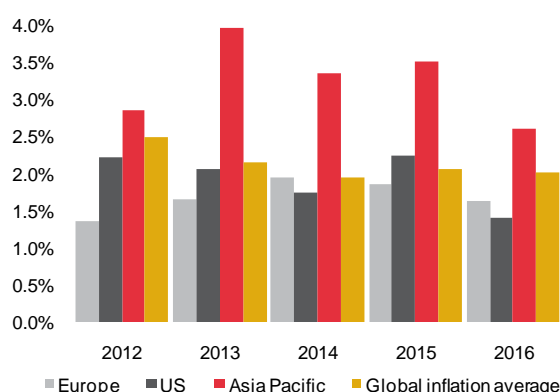
**Growth in total occupancy costs per workstation by region, 2010-2011 (in USD)**



Source: DTZ Research/Reis/CMI Grupo/Herzog Immobilienaria Ltda

Figure 3

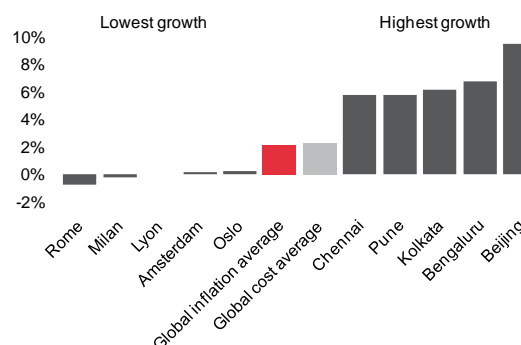
**Forecast growth in total occupancy costs per workstation by region, 2012-2016 (in USD)**



Source: DTZ Research/Reis

Figure 4

**Average annual growth in total occupancy costs per workstation, end 2011-2016 (in USD)**



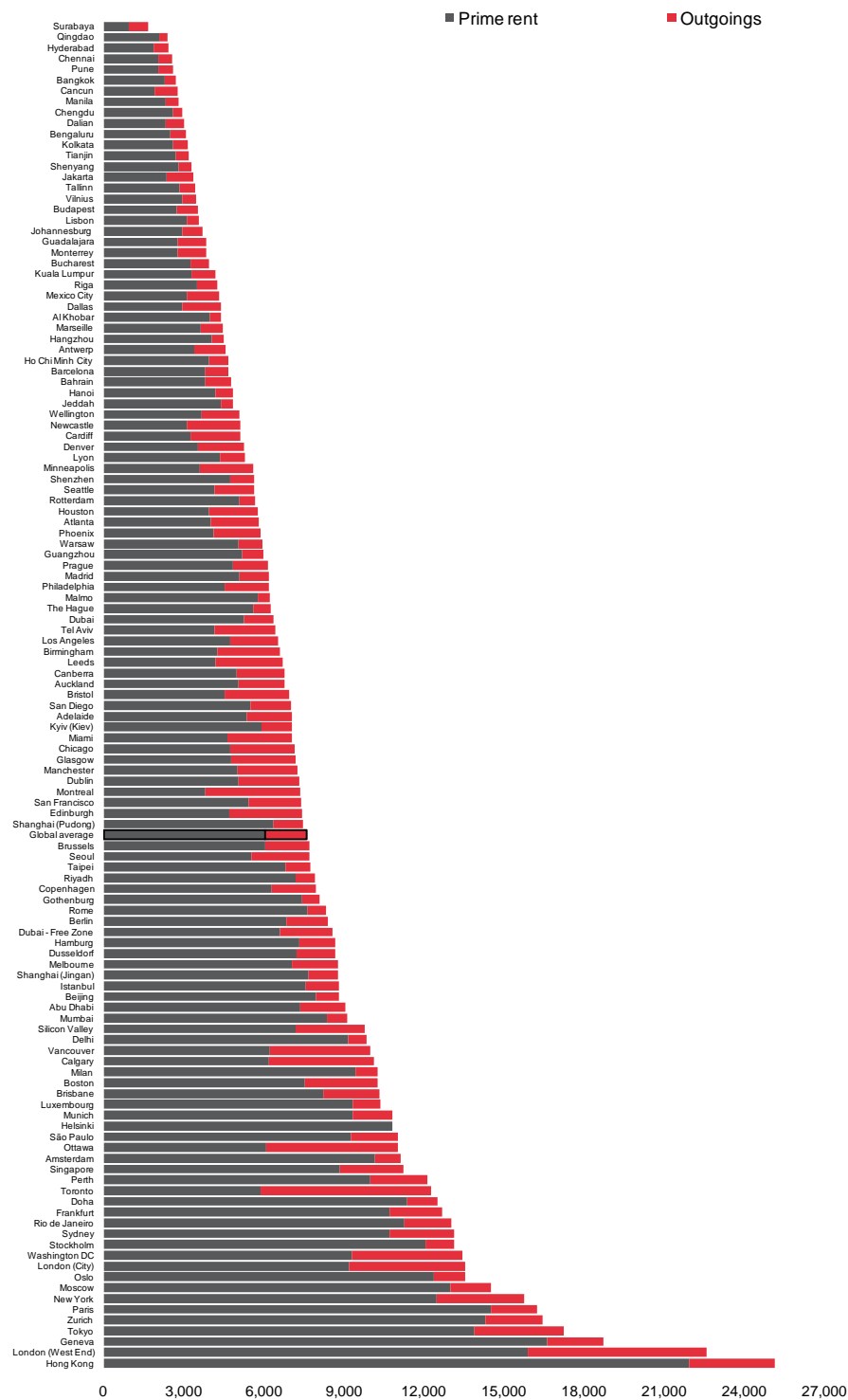
Source: DTZ Research

# DTZ Occupier Perspective

## Global Occupancy Costs - Offices

Figure 5

Global occupancy costs per workstation by location as per year-end 2011 (in USD)

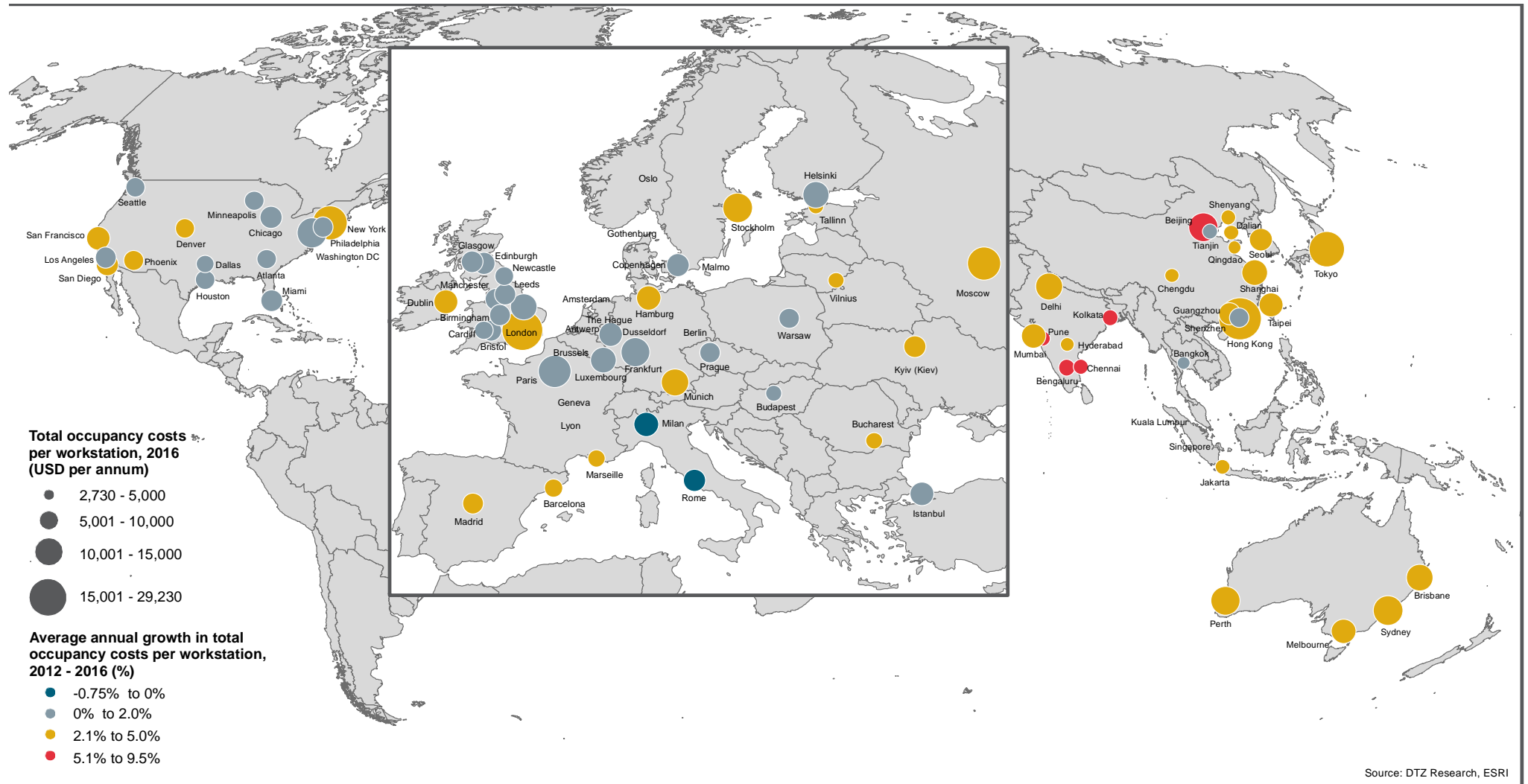


Source: DTZ Research/Reis/CMI Grupo/Herzog Imobiliaria Ltda

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## Global Occupancy Costs - Offices

Global occupancy cost forecast growth to 2016



# DTZ Occupier Perspective

## Global Occupancy Costs - Offices

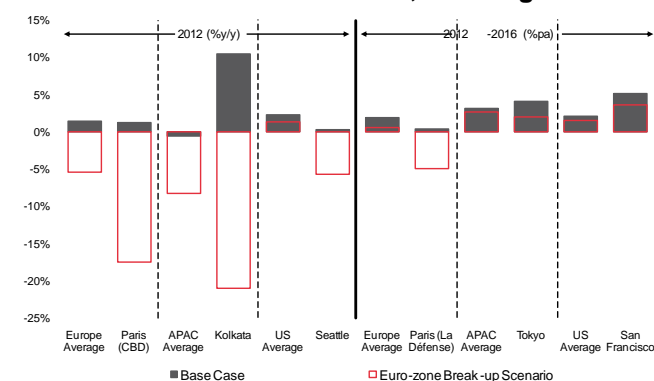
### Downside scenario

Potential short-term cost savings for occupiers in Asia Pacific under euro-zone break-up scenario

- Our base case forecast is for positive growth in occupancy costs over the next five years across the majority of office markets in the US, Asia Pacific and Europe. But, many occupiers have put expansion plans on hold as they are unsure about the demand for their own products and services in the current macro outlook. To assist with this, we also consider the effect of a downside economic scenario on global office markets. The downside scenario assumes a double-dip recession in Europe resulting from a break-up of the euro-zone whereby five countries leave the monetary union.
- Under the euro break-up scenario, Europe suffers a deep recession in 2012 and 2013, while trade and financial market linkages cause growth in the Asia Pacific economies and the US to be pared back. The downside scenario has the biggest impact on office rents in Asia Pacific, reflecting their greater volatility and export dependency than rents in Europe. Under the scenario, office rents in the least resilient markets show falls in Europe, Asia Pacific and the US (Figure 6). However, in Asia Pacific rents show a good recovery over the five-year period, as strong economic growth triggers a sharp rebound. By contrast, the impact on Europe's office markets is more enduring. The US is more insulated from the impact of the downside scenario, due to its more limited trade linkages with Europe
- Under the downside scenario, 2012 offers occupiers a window of opportunity in which to realise cost savings as rents decline. The scenario sees office rents in the lower cost Indian cities show double-digit declines in 2012, compared to significant rises under the base case forecasts (Figure 7). In the top five least affordable cities of Paris, Tokyo, Geneva, London and Hong Kong, office rents fall in 2012 under the euro break-up scenario.
- In the cities with the lowest occupancy costs, which are all located in Asia Pacific, the euro break-up scenario sees occupancy costs rise over the next five years, but at a slower pace than under the base case forecasts (Figure 8). In Hong Kong and Tokyo, the least affordable markets in Asia Pacific, occupancy costs also rise, but at a slower pace. In Paris, on the other hand, the severity of the recession sees occupancy costs fall under the scenario over the next five years, compared to rising under the base case.

Figure 6

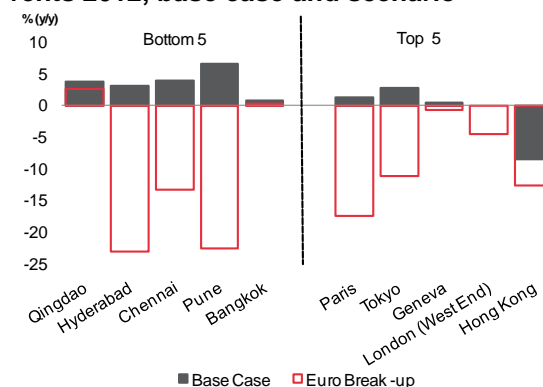
2012 and 2012-2016 office rents, % change



Source: DTZ Research

Figure 7

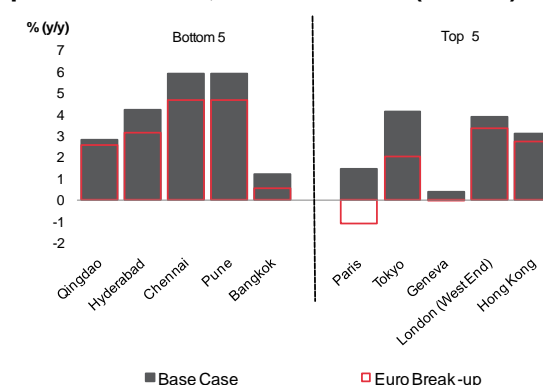
GOCO 2012 top and bottom five, forecast growth in rents 2012, base case and scenario



Source: DTZ Research

Figure 8

Average annual growth in total occupancy costs per workstation, end 2011-2016 (in USD)



Source: DTZ Research

# DTZ Occupier Perspective

## Global Occupancy Costs - Offices

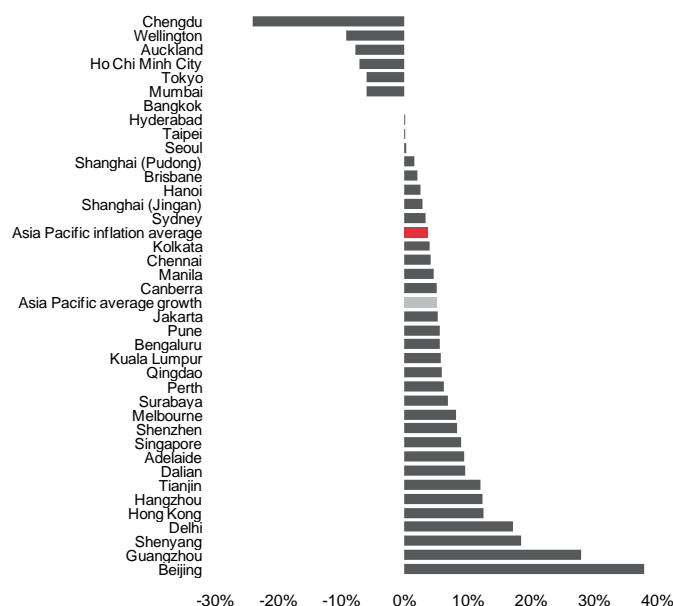
### Asia Pacific

Cost saving opportunities to emerge as some high cost markets falter in 2012, before returning to growth

- 2011 was a year of mixed fortunes for office occupiers in the Asia Pacific region, with some benefiting from cost savings and others being hit by strong increases. Of the 38 Asia Pacific markets, 10 offered occupiers either static or falling occupancy costs per workstation in 2011, although a further fifteen stood below or just above the Asia Pacific inflation average, bringing further good news for occupiers in search of value. (Figure 9).
- Occupiers in Chengdu saw the greatest savings due primarily to improved efficiency. Declines were also registered in Auckland, Wellington, Mumbai, Ho Chi Minh City, and Tokyo. Declines in the latter two markets were due to rental falls, whilst in the others, the adoption of better space utilisation pushed down costs. Surabaya remained the cheapest market globally, despite a 7% increase in costs y-o-y.
- The trend towards greater space efficiency was evident in many markets - especially since the global financial crisis. This resulted in the average space utilisation standard per workstation dropping to 13 sq m in 2011, down from 14 sq m last year.
- There were significant increases in outgoings other than rents across many markets, driven by high inflation (India and China) and rising energy prices. In Australia, across the board increases in the cost of energy pushed up occupancy costs, whilst net rents remained fairly static.
- Looking ahead, Singapore and Kuala Lumpur will offer occupiers the lowest growth in costs over the next five years (Figure 10). In Singapore this will be driven by negative rental growth in 2012 and 2013 on the back of weakening sentiment and increased new supply. This will create some good opportunities for occupiers seeking to base their Asian operations there and landlords are already offering longer rent free and fit-out periods. Despite expectations of falling costs in 2012, we forecast Hong Kong to remain the least affordable office location in the region in 2016, although the gap between it and Tokyo is narrowing as the latter sees a gradual return to growth (Figure 11).

Figure 9

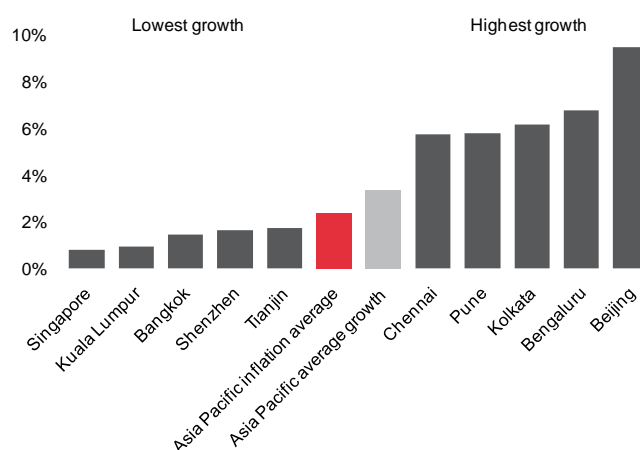
% change 2010-2011 in total occupancy costs per workstation (in local currency) – Asia Pacific



Source: DTZ Research

Figure 10

Average annual growth in total occupancy costs per workstation, end 2012-2016 (in USD)



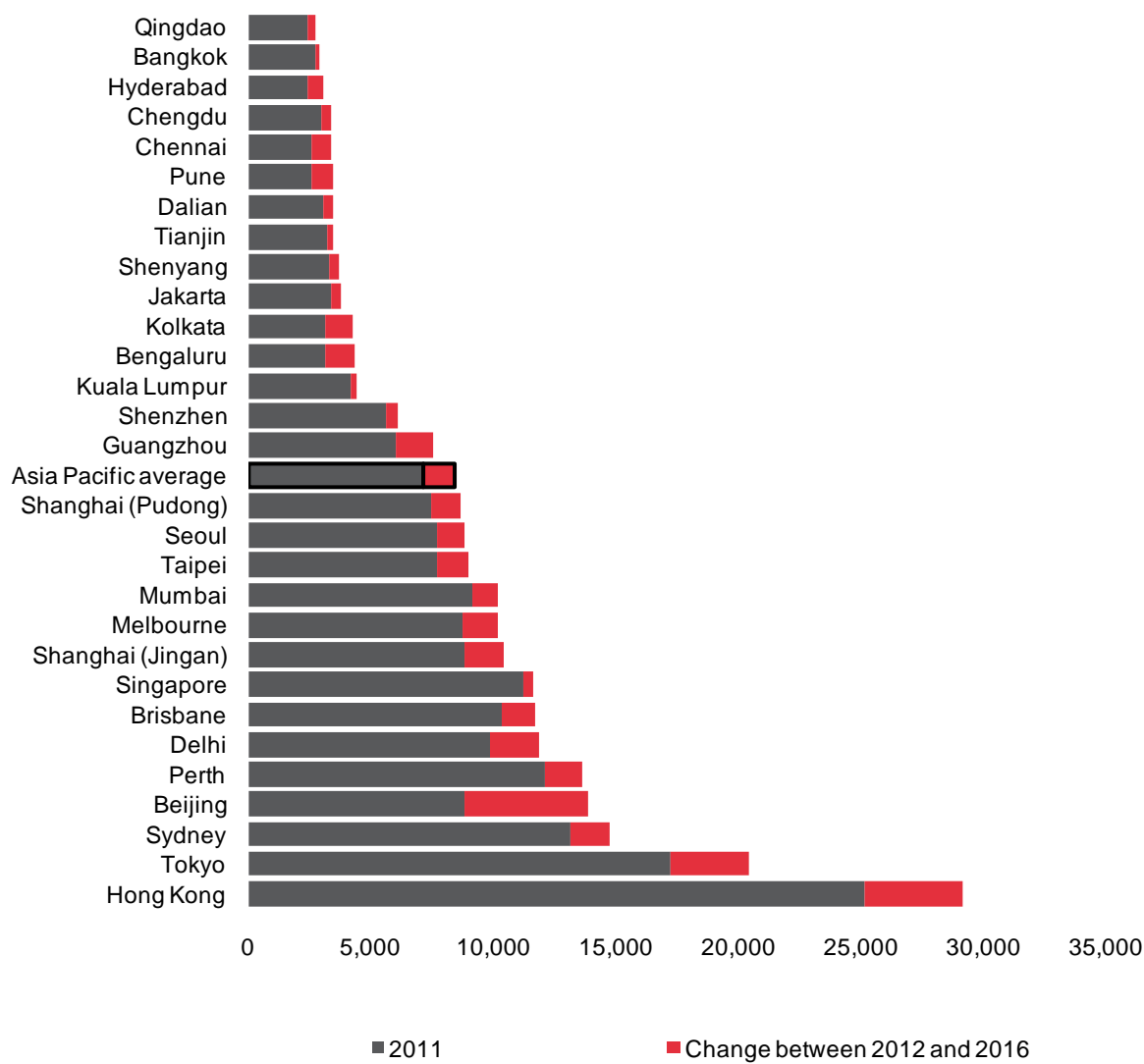
Source: DTZ Research

# DTZ Occupier Perspective

## Global Occupancy Costs - Offices

Figure 11

Total occupancy costs per workstation – Asia Pacific (in USD)



Source: DTZ Research



# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

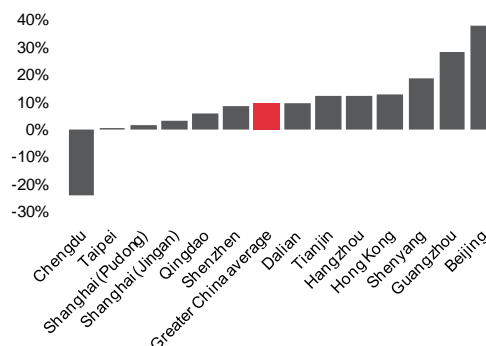
### Greater China

Greater China bucks the trend with continued strong growth in costs across most markets

- Corporate occupiers in all but one of the Greater China markets experienced rising occupancy costs per workstation in 2011, with average costs increasing by 10% y-o-y. The markets were generally characterised by strong demand and rising rents throughout 2011. Whilst the rest of Asia Pacific showed signs of weakening sentiment towards the end of 2011, take-up in the majority of Greater China markets continued apace, driven by expansionary demand from domestic companies keen to have their brands associated with trophy office buildings. The highest increase in costs was seen in Beijing CBD, at 38% y-o-y, driven by aggressive rent rises by landlords on the back of limited supply (Figure 12).
- At the other end of the scale, occupiers taking new space in Chengdu benefitted from a fall in overall costs. This was due to a reduction in the average space utilisation standard and not falling rents, as occupiers reigned in overheads by improving space efficiency. This trend was evident across much of Mainland China.
- Outgoings other than rents increased in most markets in 2011. Increases were highest in Shanghai, where other outgoings rose by around 15% as a result of rising property management fees and sustained high inflation. Despite this, Shanghai saw a relatively limited increase in total costs per workstation, by only 2-3% as a reduction in the amount of space per workstation helped offset the increase in costs per sq m.
- There is no end in sight to even higher occupancy costs for corporates in Beijing, as we forecast costs to rise by an annual average of nearly 10% over the next five years (Figures 13 & 14). This makes Beijing the fastest growing market in the world by cost and the fourth least affordable office market in Asia Pacific in 2016. Despite sustained growth, Greater China is also home to some of the most affordable markets globally - Qingdao, Chengdu, Dalian, Tianjin. These tier II markets are gradually being transformed by the injection of good quality grade A space to the market, providing tenants with more choice at relatively low cost compared to elsewhere in the region.

Figure 12

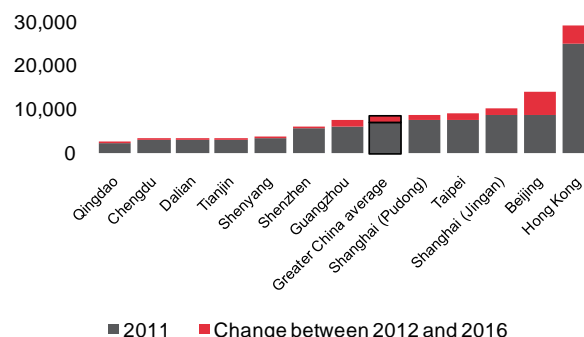
% change 2010-2011 in total occupancy costs per workstation (in local currency) – Greater China



Source: DTZ Research

Figure 13

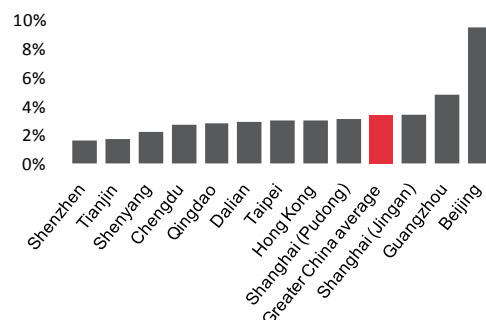
Total occupancy costs per workstation (in USD) – Greater China



Source: DTZ Research

Figure 14

Average annual growth in total occupancy costs per workstation, end 2011-2016 (in USD)



Source: DTZ Research



# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

### Europe

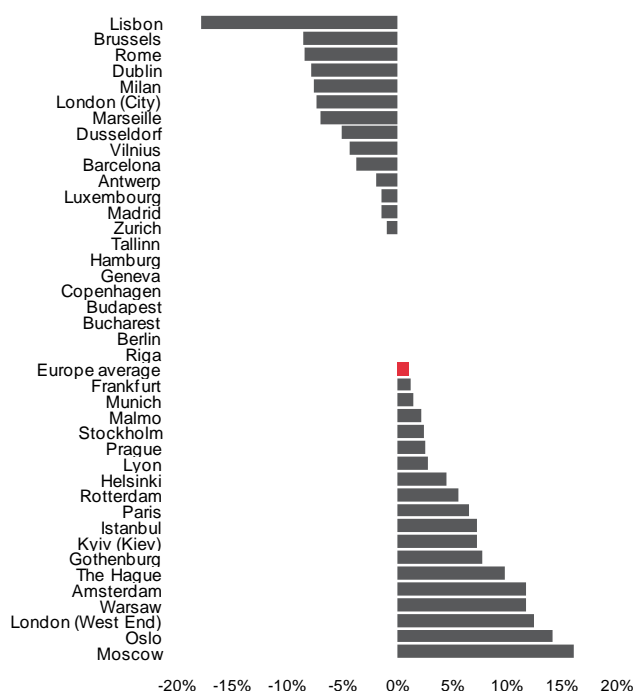
Occupancy costs feel the heat as the European sovereign debt crisis takes its toll on confidence levels

- Total average occupancy costs per workstation in Europe increased (in local currency) by a mere 1% during 2011, as mounting concerns over the European sovereign debt crisis led to an easing of occupier activity. This led in turn to a softening in occupancy costs across many markets.
- Over half the markets surveyed witnessed either static or falling occupancy costs during the year; with occupiers in Lisbon, Brussels and Rome seeing the greatest cost savings (with declines of -18%, -9% and -9% respectively) (Figure 15). Whilst falls in Brussels and Rome were the result of falling rents, the sharp decline in Lisbon was due to a reduction in the space utilisation standard per workstation.
- Greater space efficiency is becoming more apparent across Europe, with many occupiers focusing on cost control and efficient space use, rather than expansion. As a result, space utilisation standards have fallen, on average, by -2%.
- The strongest yearly increase in costs was witnessed in Moscow (16%) and Oslo (14%), on the back of strong rental growth. Moscow is expected to witness the highest average annual growth in total occupancy costs per workstation over the next five years (Figure 16), due to limited supply of new office space placing continued upward pressure on rents.
- We expect Budapest to become the most affordable location for occupiers in 2016 (Figure 17), followed closely by two of the Baltic states - Tallinn and Vilnius. Geneva will continue to command the highest costs on the continent, although the highest cost increase will be in Moscow which will see occupancy costs rise by 5%. Other markets to witness increases are Dublin (4%), London City (4%), Vilnius (4%). Rome and Milan will see further decreases in cost, as the financial markets in Italy struggle to recover.
- As markets slowly recover, we forecast average total occupancy costs per workstation in Europe to reach 9,811 USD per workstation in 2016, compared to 8,991 USD per workstation in 2011, representing a 9% increase.

<sup>1</sup>Excludes the UK regional cities

Figure 15

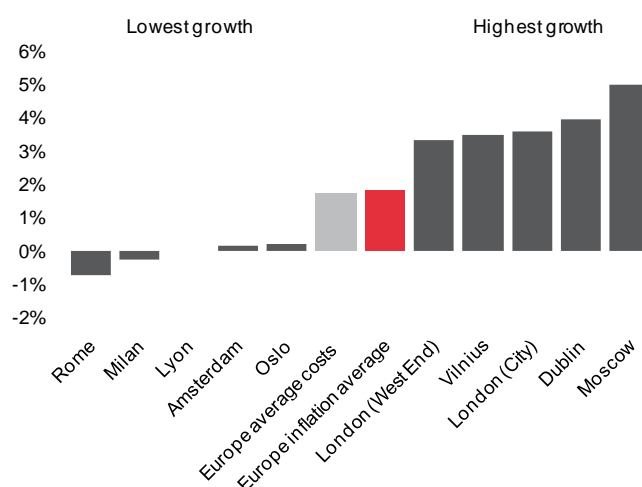
% change 2010-2011 in total occupancy costs per workstation (in local currency) – Europe<sup>1</sup>



Source: DTZ Research

Figure 16

Average annual growth in total occupancy costs per workstation, end 2011-2016 (in USD)



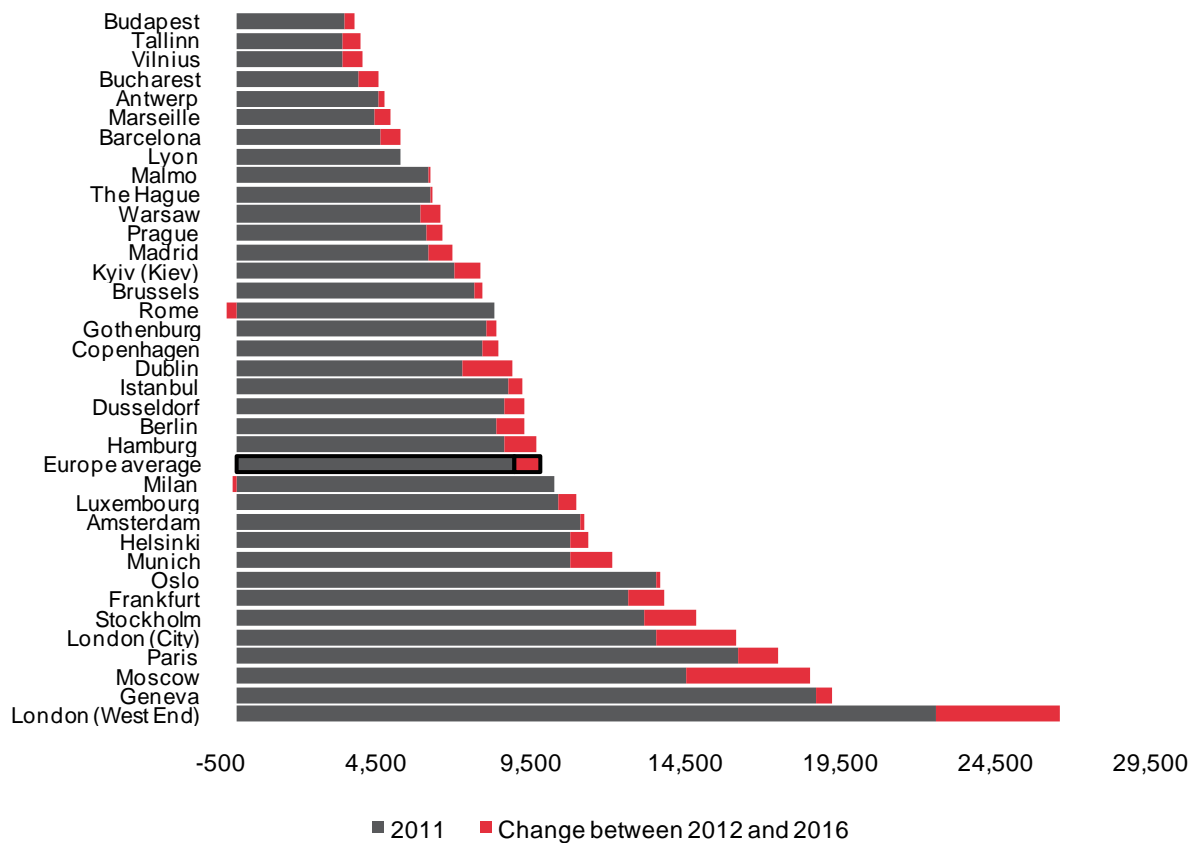
Source: DTZ Research

# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

Figure 17

Total occupancy costs per workstation – Europe (in USD)



# DTZ Occupier Perspective

## Global Occupancy Costs - Offices

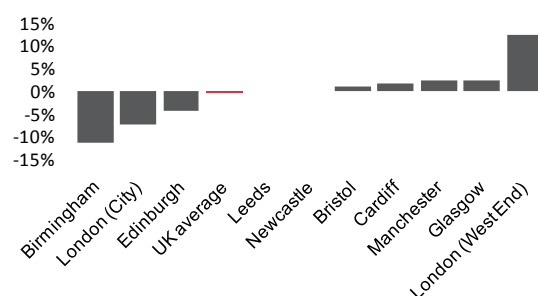
### UK

Cost consciousness is back on UK occupiers' agenda with changes to occupancy costs during 2011 driven primarily by falls in space utilisation standards

- Weakening sentiment across the UK led to average occupancy costs per workstation remaining stable during 2011. There were marked regional differences, however, with occupiers in Birmingham and London City benefiting from large decreases (-12% and -7% respectively), and at the other end of the scale, London West End, witnessing a sharp increase of 13% (Figure 18).
- There was little evidence of pressure upon headline rents during 2011 in any of the regional markets. Where occupancy costs fell, this was attributed to improved space use. This was particularly evident in the banking and insurance companies who are increasingly seeking occupational densities of one person per 8 sq m (rather than 10 sq m).
- Figure 19 shows percentage changes in space utilisation stands per workstation in 2010/11. As we can see Birmingham and London (City) witnessed the greatest fall in utilisation space standard which explains their sharp fall in total costs.
- Costs increased in London West End by 13%, outstripping all the other UK markets. This was due to increases in both rents, as well as outgoings. London West End is the second least affordable market in our global ranking of office occupancy costs and is expected to remain so up to 2016.
- On average, UK occupancy costs are expected to grow by 2% over the next five years, reaching 9,883 USD per workstation (Figure 20). This growth will be driven by increases in both rents and outgoings. Only London West End and London City will see above-average growth, where rents are expected to grow by an average of 4%, stabilising out in year 2016. In fact, London City will be the fastest growing market over the next five years.
- Whilst occupancy costs are expected to rise by 4% in London West End and in London City over the 5-year forecast period, occupiers will see costs outside London rise below the UK average of 2% - ranging between 1% (Glasgow) and 2% (Newcastle).

Figure 18

**% change 2010-2011 in total occupancy costs per workstation (in local currency) – UK**



Source: DTZ Research

Figure 19

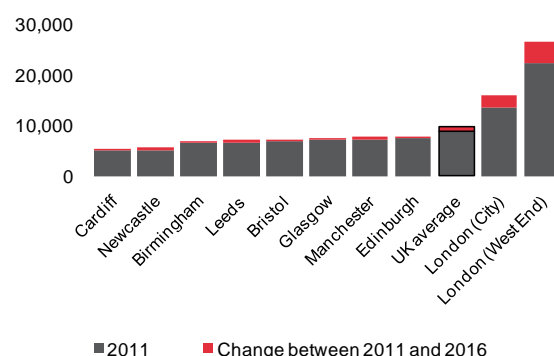
**% change 2010-2011 in space utilisation standard per workstation in key UK cities**



Source: DTZ Research

Figure 20

**Total occupancy costs per workstation, 2011 (in USD) – UK**



Source: DTZ Research

# DTZ Occupier Perspective

## Global Occupancy Costs - Offices

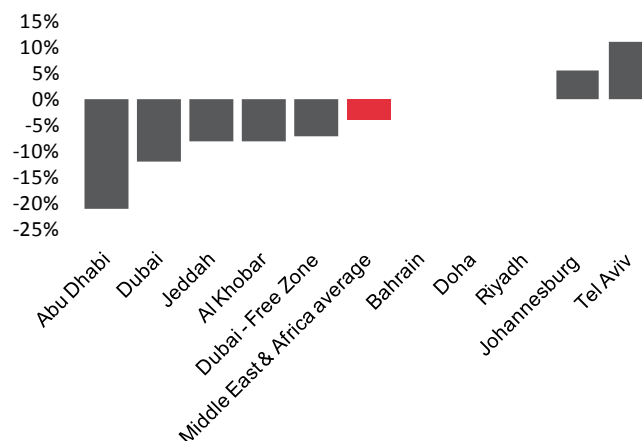
### Middle East and Africa

Declining occupancy costs during 2011 made the Middle Eastern real estate markets favourable to tenants

- Occupancy costs in the Middle East fell by 4% during 2011 - continuing the downward trend initiated after the 2008 recession. Costs in Abu Dhabi declined by a sharp 21% (in local currency), as both rents and outgoings fell due to weakening demand. Costs also declined in Dubai (-12%), Al Khobar (-8%) and Jeddah (-8%) (Figure 21). The only locations in the region to experience an increase in costs were Tel Aviv and Johannesburg, whereas costs in Bahrain, Doha and Riyadh remained static.
- In terms of ranking, Johannesburg was once again the most affordable market in the region (at \$3,700 per workstation) despite witnessing an increase in costs. Occupiers also benefitted from low costs in Al Khobar, Bahrain and Jeddah. At the other end of the scale, Doha became the least affordable market in the region, at \$12,510. This made Johannesburg 3 times cheaper than Doha (Figure 22).
- Despite Tel Aviv witnessing strong rental growth during the year (11%), going forward, we expect a softening of occupancy costs as there are a number of new projects in the pipeline, leading us to believe that there will be some slight easing on rents. Meanwhile, electricity costs are expected to rise again due to the disruption of the natural gas supply from Egypt, which will cause an increase in outgoings. Unlike many European markets, spaces per workstation are expected to remain stable as Israeli occupiers do not favour full open space office plans.
- The Bahrain office market is characterised by static rents and weak prospects, as political unrest continues to dampen demand.

Figure 21

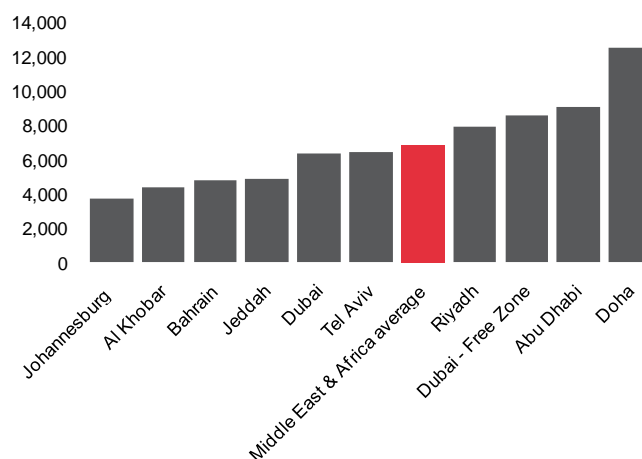
**% change 2010-2011 in total occupancy costs per workstation (in local currency) – Middle East and Africa**



Source: DTZ Research

Figure 22

**Total occupancy costs per workstation, end 2011 (in USD) – Middle East and Africa**



Source: DTZ Research

# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

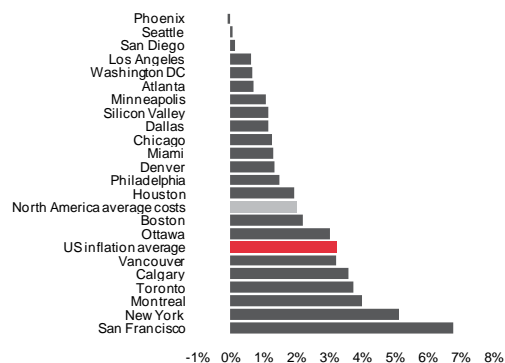
### North America

After two years of decline occupancy costs return to growth, albeit still marginal in majority of markets

- Total occupancy costs increased across the majority of North American office markets in 2011, but the increase was marginal with only a handful of markets seeing growth in excess of 3% y-o-y. Only Phoenix witnessed a slight decrease due to an easing in occupier activity feeding through to a softening of occupancy costs (Figure 23).
- Corporates in San Francisco faced the biggest increase in costs as rents rose close to pre-recession levels on the back of recovering demand, particularly from technology companies. This saw San Francisco become the fourth least affordable market in North America, posting a 7% y-o-y increase in costs (Figure 24). New York remains the least affordable market, with accelerating asking rents in trophy buildings contributing to a 5% y-o-y increase in costs.
- Across the border, following double digit declines in 2010, cost savings diminished in Canada in 2011 with all five markets seeing an above-average increase in total occupancy costs at around 3-4% y-o-y. Toronto recorded the biggest uplift, driven by growing rents on the back of strong demand and falling vacancy in both downtown and suburban markets. As well as rental increases, accelerating occupancy costs in Canada are being driven by rising utility costs, and in some cases, higher property taxes, which offsets the benefits of the weak Canadian dollar.
- Occupancy costs are forecast to increase across the US over the next five years. Occupiers in San Francisco will face the greatest uplift, by 4% y-o-y to reach USD 9,180 per workstation in 2016 (Figure 25). This is due to job growth in the IT sector and falling vacancy, although vacancy is around 15% so there is still room for negotiation. New York, Phoenix and San Diego will also see above-average growth in costs, whilst occupiers in Miami and Chicago will benefit from more muted growth, of 1% per annum (Figure 25). Dallas, Denver, Minneapolis and Seattle will continue to offer the lowest office occupancy costs in the region (Figure 24). Costs in Canada are anticipated to rise over the forecast horizon.

Figure 23

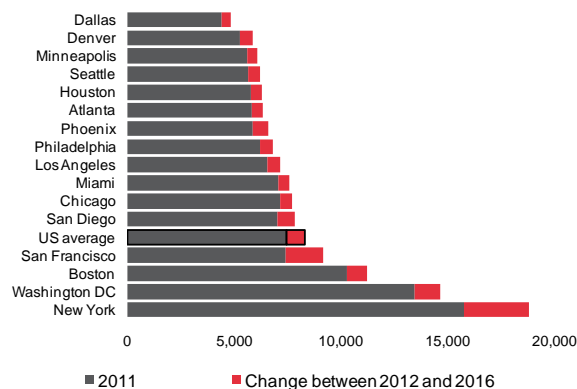
**% change 2010-2011 in total occupancy costs per workstation (in local currency) – North America**



Source: DTZ Research/Reis

Figure 24

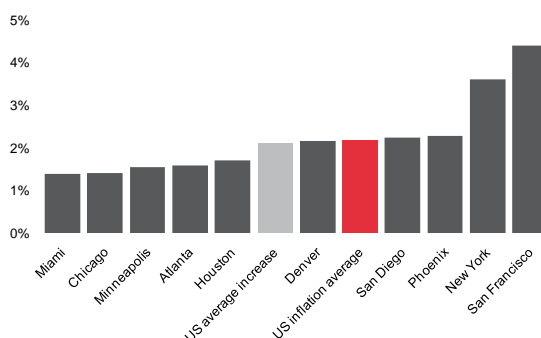
**Total occupancy costs per workstation (in USD) – the US**



Source: DTZ Research/Reis

Figure 25

**Average annual growth in total occupancy costs per workstation, end 2011-2016 (in USD)**



Source: DTZ Research/Reis

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## Global Occupancy Costs – Offices

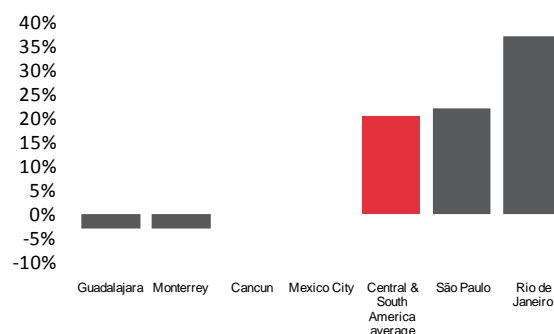
### Central & South America

No respite for occupiers in Brazil as costs continued to rise, buoyed by strong economic growth. By contrast, the Mexican markets offered static or falling costs

- Growing confidence in Brazil's economy and subsequent strong employment and wage growth drove demand for office space in Rio de Janeiro and São Paulo in 2011. In Rio de Janeiro, strong demand was combined with tight supply and this resulted in a substantial 37% y-o-y increase in total occupancy costs (Figure 26). By contrast, an influx of new supply in São Paulo partly alleviated the pressure of a rental hike for occupiers. Nevertheless, costs still rose by 22% y-o-y and given that new supply was quickly absorbed and pre-let levels are high, further increases in costs can be expected going forward. With such growth, these once low cost markets are becoming less and less affordable. Indeed, Rio de Janeiro now ranks as the 14<sup>th</sup> least affordable market globally, compared to 28<sup>th</sup> in 2010 and 58<sup>th</sup> in 2009.
- By contrast, the economic recovery in Mexico has been more gradual and 2011 represented another year of cost savings for occupiers, with occupancy costs in all four markets surveyed recording either no growth or decline. Whilst net absorption in Mexico City almost doubled in 2011, occupiers remained in a favourable position due to the projected release of an additional 1 million sq m of space over the next three years.
- Outgoings in Mexico are set to increase by 10-15% in 2012 as the government-owned Electricity Federal Commission (which has a monopoly on the sector) is expected to raise power tariffs. The cost of security, insurance and property tax is also likely to increase. However, limited rental growth on the back of global uncertainties and the moderate national economic outlook should balance out the increase in outgoings.
- In 2014, Rio de Janeiro will stage the FIFA World Cup followed by the Olympics in 2016. In the light of this, and the continued development of the oil and mining industry, we forecast continued increases in occupancy costs in this market. Occupiers in both Rio de Janeiro and São Paulo will face limited choice as availability declines amid strong demand.

Figure 26

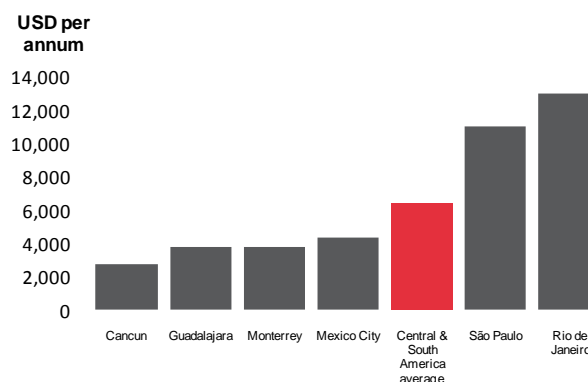
**% change 2010-2011 in total occupancy costs per workstation (in local currency) – Central and South America**



Source: CMI Grupo/Herzog Imobiliaria Ltda

Figure 27

**Total occupancy costs per workstation, end 2011 (in USD) – Central and South America**



Source: CMI Grupo/Herzog Imobiliaria Ltda



# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

### Appendix 1

Top 50 ranking of markets: total occupancy costs per workstation per annum (in USD and local currency)

| Rank 2011 | Rank 2010* | Region                  | Market           | Country/Territory | Total occupancy cost per workstation pa** |       | YOY change | Total occupancy cost per workstation pa** |            |            | YOY change |
|-----------|------------|-------------------------|------------------|-------------------|---|-------|------------|---|------------|------------|------------|
|           |            |                         |                  |                   | (USD)                                     |       |            | (Locally quoted)                          |            |            |            |
|           |            |                         |                  |                   | 2011                                      | 2010  |            | Unit                                      | 2011       | 2010       |            |
| 1         | 1          | Asia Pacific            | Surabaya         | Indonesia         | 1,680                                     | 1,590 | 6%         | IDR                                       | 15,231,480 | 14,252,880 | 7%         |
| 2         | 2          | Asia Pacific            | Qingdao          | Chinese Mainland  | 2,380                                     | 2,150 | 11%        | RMB                                       | 15,000     | 14,160     | 6%         |
| 3         | 9          | Asia Pacific            | Hyderabad        | India             | 2,430                                     | 2,860 | -15%       | INR                                       | 128,040    | 127,920    | 0%         |
| 4         | 11         | Asia Pacific            | Chennai          | India             | 2,570                                     | 2,920 | -12%       | INR                                       | 135,720    | 130,320    | 4%         |
| 5         | 10         | Asia Pacific            | Pune             | India             | 2,590                                     | 2,900 | -11%       | INR                                       | 136,800    | 129,480    | 6%         |
| 6         | 8          | Asia Pacific            | Bangkok          | Thailand          | 2,690                                     | 2,830 | -5%        | THB                                       | 85,200     | 85,200     | 0%         |
| 7         | 7          | Central & South America | Cancun           | Mexico            | 2,780                                     | 2,780 | 0%         | USD                                       | 2,760      | 2,760      | 0%         |
| 8         | 5          | Asia Pacific            | Manila           | Philippines       | 2,820                                     | 2,710 | 4%         | PHP                                       | 123,600    | 118,200    | 5%         |
| 9         | 17         | Asia Pacific            | Chengdu          | Chinese Mainland  | 2,960                                     | 3,700 | -20%       | RMB                                       | 18,600     | 24,480     | -24%       |
| 10        | 3          | Asia Pacific            | Dalian           | Chinese Mainland  | 3,010                                     | 2,610 | 15%        | RMB                                       | 18,960     | 17,280     | 10%        |
| 11        | 13         | Asia Pacific            | Bengaluru        | India             | 3,100                                     | 3,450 | -10%       | INR                                       | 163,200    | 154,440    | 6%         |
| 12        | 14         | Asia Pacific            | Kolkata          | India             | 3,150                                     | 3,550 | -11%       | INR                                       | 165,600    | 159,120    | 4%         |
| 13        | 6          | Asia Pacific            | Tianjin          | Chinese Mainland  | 3,190                                     | 2,720 | 17%        | RMB                                       | 20,160     | 18,000     | 12%        |
| 14        | 4          | Asia Pacific            | Shenyang         | Chinese Mainland  | 3,310                                     | 2,660 | 24%        | RMB                                       | 20,760     | 17,520     | 18%        |
| 15        | 12         | Asia Pacific            | Jakarta          | Indonesia         | 3,360                                     | 3,210 | 5%         | IDR                                       | 30,487,680 | 28,944,000 | 5%         |
| 16        | 15         | Europe                  | Tallinn          | Estonia           | 3,430                                     | 3,600 | -5%        | EUR                                       | 2,640      | 2,640      | 0%         |
| 17        | 18         | Europe                  | Vilnius          | Lithuania         | 3,460                                     | 3,710 | -7%        | EUR                                       | 2,640      | 2,760      | -4%        |
| 18        | 16         | Europe                  | Budapest         | Hungary           | 3,530                                     | 3,640 | -3%        | EUR                                       | 2,760      | 2,760      | 0%         |
| 19        | 29         | Europe                  | Lisbon           | Portugal          | 3,580                                     | 4,530 | -21%       | EUR                                       | 2,760      | 3,360      | -18%       |
| 20        | 25         | Middle East & Africa    | Johannesburg     | South Africa      | 3,720                                     | 4,320 | -14%       | ZAR                                       | 30,120     | 28,560     | 5%         |
| 21        | 20         | Central & South America | Guadalajara      | Mexico            | 3,840                                     | 3,950 | -3%        | USD                                       | 3,840      | 3,960      | -3%        |
| 21        | 20         | Central & South America | Monterrey        | Mexico            | 3,840                                     | 3,950 | -3%        | USD                                       | 3,840      | 3,960      | -3%        |
| 23        | 22         | Europe                  | Bucharest        | Romania           | 3,940                                     | 4,060 | -3%        | EUR                                       | 3,000      | 3,000      | 0%         |
| 24        | 23         | Asia Pacific            | Kuala Lumpur     | Malaysia          | 4,180                                     | 4,090 | 2%         | MYR                                       | 13,200     | 12,480     | 6%         |
| 25        | 24         | Europe                  | Riga             | Latvia            | 4,260                                     | 4,280 | 0%         | EUR                                       | 3,240      | 3,240      | 0%         |
| 26        | 25         | Central & South America | Mexico City      | Mexico            | 4,320                                     | 4,320 | 0%         | USD                                       | 4,320      | 4,320      | 0%         |
| 27        | 27         | North America           | Dallas           | United States     | 4,390                                     | 4,360 | 1%         | USD                                       | 4,400      | 4,350      | 1%         |
| 27        | 32         | Middle East & Africa    | Al Khobar        | Saudi Arabia      | 4,390                                     | 4,800 | -9%        | SAR                                       | 16,500     | 18,000     | -8%        |
| 29        | 34         | Europe                  | Marseille        | France            | 4,470                                     | 4,960 | -10%       | EUR                                       | 3,450      | 3,710      | -7%        |
| 30        | 19         | Asia Pacific            | Hangzhou         | Chinese Mainland  | 4,520                                     | 3,840 | 18%        | RMB                                       | 28,440     | 25,320     | 12%        |
| 31        | 33         | Europe                  | Antwerp          | Belgium           | 4,570                                     | 4,840 | -6%        | EUR                                       | 3,540      | 3,610      | -2%        |
| 32        | 36         | Asia Pacific            | Ho Chi Minh City | Vietnam           | 4,660                                     | 5,020 | -7%        | USD                                       | 4,680      | 5,040      | -7%        |
| 33        | 36         | Europe                  | Barcelona        | Spain             | 4,680                                     | 5,020 | -7%        | EUR                                       | 3,610      | 3,750      | -4%        |
| 34        | 31         | Middle East & Africa    | Bahrain          | Bahrain           | 4,780                                     | 4,780 | 0%         | BHD                                       | 1,800      | 1,800      | 0%         |
| 35        | 30         | Asia Pacific            | Hanoi            | Vietnam           | 4,830                                     | 4,710 | 3%         | USD                                       | 4,800      | 4,680      | 3%         |
| 36        | 41         | Middle East & Africa    | Jeddah           | Saudi Arabia      | 4,840                                     | 5,280 | -8%        | SAR                                       | 18,150     | 19,800     | -8%        |
| 37        | 46         | Asia Pacific            | Wellington       | New Zealand       | 5,100                                     | 5,640 | -10%       | NZD                                       | 6,560      | 7,230      | -9%        |
| 38        | 39         | Europe                  | Newcastle        | United Kingdom    | 5,140                                     | 5,150 | 0%         | GBP                                       | 3,300      | 3,300      | 0%         |
| 38        | 38         | Europe                  | Cardiff          | United Kingdom    | 5,140                                     | 5,090 | 1%         | GBP                                       | 3,310      | 3,250      | 2%         |
| 40        | 40         | North America           | Denver           | United States     | 5,250                                     | 5,180 | 1%         | USD                                       | 5,250      | 5,180      | 1%         |
| 41        | 42         | Europe                  | Lyon             | France            | 5,300                                     | 5,340 | -1%        | EUR                                       | 4,100      | 3,990      | 3%         |
| 42        | 44         | North America           | Minneapolis      | United States     | 5,610                                     | 5,560 | 1%         | USD                                       | 5,610      | 5,550      | 1%         |
| 43        | 34         | Asia Pacific            | Shenzhen         | Chinese Mainland  | 5,640                                     | 4,960 | 14%        | RMB                                       | 35,520     | 32,760     | 8%         |
| 44        | 46         | North America           | Seattle          | United States     | 5,650                                     | 5,640 | 0%         | USD                                       | 5,640      | 5,640      | 0%         |
| 45        | 45         | Europe                  | Rotterdam        | Netherlands       | 5,690                                     | 5,570 | 2%         | EUR                                       | 4,390      | 4,160      | 6%         |
| 46        | 48         | North America           | Houston          | United States     | 5,780                                     | 5,670 | 2%         | USD                                       | 5,780      | 5,670      | 2%         |
| 47        | 49         | North America           | Atlanta          | United States     | 5,830                                     | 5,790 | 1%         | USD                                       | 5,820      | 5,780      | 1%         |
| 48        | 51         | North America           | Phoenix          | United States     | 5,870                                     | 5,890 | 0%         | USD                                       | 5,880      | 5,880      | 0%         |
| 49        | 43         | Europe                  | Warsaw           | Poland            | 5,970                                     | 5,500 | 9%         | EUR                                       | 4,560      | 4,080      | 12%        |
| 50        | 28         | Asia Pacific            | Guangzhou        | Chinese Mainland  | 6,000                                     | 4,460 | 35%        | RMB                                       | 37,800     | 29,520     | 28%        |

\*Note that the ranking for some locations has changed compared to last year as a result of data revisions

\*\*Figures have been rounded to the nearest 10

# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

### Appendix 2

Top 50 ranking of markets: total occupancy costs per 1,000 sq m (NIA) per annum (in USD)

| Ranking 2011 | Region                  | Market           | Countries/Territories | Lease conversion rate | Typical building in prime market | Equivalent to 1,000 sq m (NIA) space requirement | Total Occupancy Cost (USD per sq m per annum) | Total Occupancy Cost (USD per annum) per 1,000 sq m (NIA) |
|--------------|-------------------------|------------------|-----------------------|-----------------------|----------------------------------|--|---|---|
| 1            | Asia Pacific            | Surabaya         | Indonesia             | 1.10                  | Mid/High Rise                    | 1,100  | 138.95  | 152,847   |
| 2            | Asia Pacific            | Kuala Lumpur     | Malaysia              | 1.00                  | Mid/High Rise                    | 1,000  | 257.26  | 257,257   |
| 3            | Asia Pacific            | Bangkok          | Thailand              | 1.06                  | Mid/High Rise                    | 1,060  | 244.73  | 259,410   |
| 4            | Asia Pacific            | Jakarta          | Indonesia             | 1.10                  | Mid/High Rise                    | 1,100  | 250.51  | 275,556   |
| 5            | Europe                  | Tallinn          | Estonia               | 1.06                  | Average                          | 1,060  | 264.02  | 279,861   |
| 6            | Asia Pacific            | Manila           | Philippines           | 1.00                  | Mid/High Rise                    | 1,000  | 282.01  | 282,014   |
| 6            | Europe                  | Vilnius          | Lithuania             | 1.06                  | Average                          | 1,060  | 266.05  | 282,014   |
| 8            | Asia Pacific            | Dalian           | Chinese Mainland      | 1.47                  | Mid/High Rise                    | 1,470  | 200.63  | 294,931   |
| 9            | Europe                  | Riga             | Latvia                | 1.06                  | Average                          | 1,060  | 284.33  | 301,389   |
| 10           | North America           | Dallas           | United States         | 1.28                  | Average                          | 1,281  | 236.15  | 302,466   |
| 11           | Asia Pacific            | Wellington       | New Zealand           | 1.16                  | Mid/High Rise                    | 1,160  | 274.67  | 318,611   |
| 12           | Middle East & Africa    | Al Khobar        | Saudi Arabia          | 1.10                  | Mid/High Rise                    | 1,100  | 292.58  | 321,841   |
| 13           | Europe                  | Antwerp          | Belgium               | 1.28                  | Low Rise                         | 1,279  | 254.12  | 325,070   |
| 14           | Asia Pacific            | Qingdao          | Chinese Mainland      | 1.43                  | Mid/High Rise                    | 1,430  | 233.34  | 333,681   |
| 15           | North America           | Atlanta          | United States         | 1.28                  | Average                          | 1,281  | 261.37  | 334,757   |
| 16           | Asia Pacific            | Hyderabad        | India                 | 1.61                  | Mid/High Rise                    | 1,610  | 208.59  | 335,834   |
| 17           | Middle East & Africa    | Johannesburg     | South Africa          | 1.36                  | Mid/High Rise                    | 1,360  | 247.73  | 336,910   |
| 18           | Europe                  | Rotterdam        | Netherlands           | 1.16                  | Low Rise                         | 1,161  | 290.18  | 336,910   |
| 19           | Europe                  | Budapest         | Hungary               | 1.21                  | Low Rise                         | 1,210  | 280.28  | 339,063   |
| 20           | Middle East & Africa    | Bahrain          | Bahrain               | 1.06                  | Mid/High Rise                    | 1,065  | 318.51  | 339,063   |
| 21           | North America           | Phoenix          | United States         | 1.28                  | Average                          | 1,281  | 268.93  | 344,445   |
| 21           | North America           | Denver           | United States         | 1.28                  | Average                          | 1,281  | 268.93  | 344,445   |
| 23           | Middle East & Africa    | Jeddah           | Saudi Arabia          | 1.10                  | Mid/High Rise                    | 1,100  | 322.92  | 355,209   |
| 24           | Europe                  | Malmö            | Sweden                | 1.06                  | Low Rise                         | 1,061  | 336.80  | 357,361   |
| 25           | North America           | Minneapolis      | United States         | 1.28                  | Average                          | 1,281  | 280.69  | 359,514   |
| 26           | Asia Pacific            | Shenyang         | Chinese Mainland      | 1.43                  | Mid/High Rise                    | 1,430  | 254.42  | 363,820   |
| 27           | Europe                  | The Hague        | Netherlands           | 1.16                  | Low Rise                         | 1,161  | 318.92  | 370,278   |
| 28           | Asia Pacific            | Chennai          | India                 | 1.61                  | Mid/High Rise                    | 1,610  | 232.66  | 374,584   |
| 28           | Asia Pacific            | Pune             | India                 | 1.61                  | Mid/High Rise                    | 1,610  | 232.66  | 374,584   |
| 30           | Europe                  | Marseille        | France                | 1.10                  | Low Rise                         | 1,100  | 343.47  | 377,813   |
| 31           | Central & South America | Cancun           | Mexico                | 1.12                  | Low Rise                         | 1,118  | 347.51  | 388,577   |
| 32           | North America           | Houston          | United States         | 1.28                  | Average                          | 1,281  | 310.95  | 398,264   |
| 33           | North America           | Philadelphia     | United States         | 1.36                  | Mid/High Rise                    | 1,363  | 296.17  | 403,646   |
| 34           | Asia Pacific            | Auckland         | New Zealand           | 1.16                  | Mid/High Rise                    | 1,160  | 354.47  | 411,181   |
| 35           | Asia Pacific            | Bengaluru        | India                 | 1.61                  | Mid/High Rise                    | 1,610  | 257.40  | 414,410   |
| 36           | Asia Pacific            | Chengdu          | Chinese Mainland      | 1.43                  | Mid/High Rise                    | 1,430  | 289.80  | 414,410   |
| 37           | Europe                  | Barcelona        | Spain                 | 1.25                  | Low Rise                         | 1,247  | 334.12  | 416,563   |
| 38           | Asia Pacific            | Canberra         | Australia             | 1.02                  | Mid/High Rise                    | 1,020  | 414.73  | 423,021   |
| 39           | Europe                  | Göteborg         | Sweden                | 1.06                  | Low Rise                         | 1,061  | 404.77  | 429,480   |
| 40           | Europe                  | Lisbon           | Portugal              | 1.22                  | Low Rise                         | 1,218  | 357.86  | 435,938   |
| 41           | Europe                  | Lyon             | France                | 1.10                  | Low Rise                         | 1,100  | 408.05  | 448,855   |
| 42           | North America           | San Diego        | United States         | 1.28                  | Average                          | 1,281  | 351.29  | 449,931   |
| 43           | Asia Pacific            | Kolkata          | India                 | 1.61                  | Mid/High Rise                    | 1,610  | 282.13  | 454,237   |
| 44           | Asia Pacific            | Tianjin          | Chinese Mainland      | 1.43                  | Mid/High Rise                    | 1,430  | 319.15  | 456,389   |
| 44           | Central & South America | Guadalajara      | Mexico                | 1.19                  | Mid/High Rise                    | 1,190  | 383.52  | 456,389   |
| 44           | Central & South America | Monterrey        | Mexico                | 1.19                  | Mid/High Rise                    | 1,190  | 383.52  | 456,389   |
| 47           | Europe                  | Bucharest        | Romania               | 1.28                  | Average                          | 1,281  | 358.01  | 458,542   |
| 48           | Asia Pacific            | Ho Chi Minh City | Vietnam               | 1.00                  | Mid/High Rise                    | 1,000  | 466.08  | 466,077   |
| 49           | Middle East & Africa    | Dubai            | United Arab Emirates  | 1.10                  | Mid/High Rise                    | 1,100  | 424.68  | 467,153   |
| 50           | Europe                  | Helsinki         | Finland               | 1.04                  | Low Rise                         | 1,039  | 450.67  | 468,230   |

#### Box 1: Occupancy costs per 1,000 sq m per annum

DTZ's Global Occupancy Costs: Offices report tracks occupancy costs per workstation. For the second consecutive year, we have also analysed the cost of taking the equivalent of 1,000 sq m NIA across the markets. This approach cuts through variability of space utilisation standards, taking into account the fact that more people can occupy a building than there are workstations and businesses go through cycles of under- and over- occupancy.

Except for some countries using BOMA (Building Owners and Managers Association) as a generally accepted market practice, every country has a different approach to and definition of "lease area". Whilst a handful of countries have an official measuring code, the majority rely on accepted local market practice, whilst in some emerging markets the definition of a "leasable square metre" may vary depending on the landlord. This means that €200 per sq m in Paris does not compare to €200 per sq m in Delhi.

When leases are based on the UK definition of Net Internal Area (NIA), the tenant pays for net usable space only. Where lease area is based on gross space, floor plate inefficiency is passed onto the tenant, who not only pays for usable floor area, but also for common areas, lifts, structural columns, exterior walls etc. Thus increasing total occupancy costs per sq m.

# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

### Appendix 3

#### Actual & forecast total occupancy costs per workstation per annum (in USD)

| Actual and forecast total occupancy costs per workstation (USD) |        |        |           |                               |
|---|--------|--------|-----------|-------------------------------|
|   | 2011   | 2016   | RANK 2016 | Average annual growth 2012-16 |
| Rome  | 8,350  | 8,040  | 51        | -0.75%                        |
| Milan   | 10,260 | 10,130 | 63        | -0.25%                        |
| Lyon  | 5,300  | 5,300  | 22        | 0.00%                         |
| Amsterdam   | 11,140 | 11,230 | 69        | 0.16%                         |
| Oslo  | 13,560 | 13,690 | 76        | 0.19%                         |
| The Hague   | 6,250  | 6,310  | 31        | 0.19%                         |
| Malmö   | 6,230  | 6,290  | 29        | 0.19%                         |
| Geneva  | 18,740 | 19,240 | 86        | 0.53%                         |
| Gothenburg  | 8,100  | 8,380  | 52        | 0.68%                         |
| Brussels  | 7,690  | 7,970  | 49        | 0.72%                         |
| Singapore   | 11,220 | 11,670 | 71        | 0.79%                         |
| Antwerp   | 4,570  | 4,770  | 18        | 0.86%                         |
| Kuala Lumpur  | 4,180  | 4,380  | 16        | 0.94%                         |
| Istanbul  | 8,820  | 9,270  | 59        | 1.00%                         |
| Helsinki  | 10,820 | 11,390 | 70        | 1.03%                         |
| Luxembourg  | 10,380 | 10,960 | 67        | 1.09%                         |
| Glasgow   | 7,190  | 7,620  | 44        | 1.17%                         |
| Bristol   | 6,940  | 7,360  | 41        | 1.18%                         |
| Copenhagen  | 7,960  | 8,470  | 53        | 1.25%                         |
| Manchester  | 7,280  | 7,770  | 46        | 1.31%                         |
| Cardiff   | 5,140  | 5,500  | 23        | 1.36%                         |
| Miami   | 7,060  | 7,560  | 42        | 1.38%                         |
| Birmingham  | 6,600  | 7,070  | 38        | 1.39%                         |
| Düsseldorf  | 8,690  | 9,310  | 60        | 1.39%                         |
| Edinburgh   | 7,440  | 7,980  | 50        | 1.41%                         |
| Chicago   | 7,160  | 7,680  | 45        | 1.41%                         |
| Bangkok   | 2,690  | 2,890  | 2         | 1.44%                         |
| Leeds   | 6,690  | 7,190  | 40        | 1.45%                         |
| Paris   | 16,230 | 17,480 | 83        | 1.49%                         |
| Minneapolis   | 5,610  | 6,060  | 26        | 1.56%                         |
| Atlanta   | 5,830  | 6,310  | 31        | 1.59%                         |
| Prague  | 6,150  | 6,660  | 35        | 1.61%                         |
| Newcastle   | 5,140  | 5,570  | 24        | 1.62%                         |
| Shenzhen  | 5,640  | 6,120  | 27        | 1.65%                         |
| Frankfurt   | 12,690 | 13,800 | 77        | 1.69%                         |
| Houston   | 5,780  | 6,290  | 29        | 1.71%                         |
| Washington DC   | 13,450 | 14,660 | 79        | 1.74%                         |
| Budapest  | 3,530  | 3,850  | 11        | 1.75%                         |
| Tianjin   | 3,190  | 3,480  | 7         | 1.76%                         |
| Boston  | 10,260 | 11,220 | 68        | 1.80%                         |
| Los Angeles   | 6,540  | 7,160  | 39        | 1.83%                         |
| Philadelphia  | 6,190  | 6,790  | 36        | 1.87%                         |
| Dallas  | 4,390  | 4,820  | 19        | 1.89%                         |
| Seattle   | 5,650  | 6,220  | 28        | 1.94%                         |
| Warsaw  | 5,970  | 6,590  | 34        | 2.00%                         |
| Berlin  | 8,410  | 9,320  | 61        | 2.08%                         |
| Marseille   | 4,470  | 4,960  | 20        | 2.10%                         |
| Denver  | 5,250  | 5,840  | 25        | 2.15%                         |
| Jakarta   | 3,360  | 3,740  | 10        | 2.17%                         |
| Shenyang  | 3,310  | 3,690  | 9         | 2.20%                         |
| San Diego   | 7,020  | 7,840  | 47        | 2.23%                         |
| Phoenix   | 5,870  | 6,570  | 33        | 2.28%                         |
| Mumbai  | 9,130  | 10,220 | 64        | 2.28%                         |
| Hamburg   | 8,680  | 9,720  | 62        | 2.29%                         |
| Kyiv (Kiev)   | 7,050  | 7,900  | 48        | 2.30%                         |
| Sydney  | 13,140 | 14,750 | 80        | 2.34%                         |
| Perth   | 12,150 | 13,650 | 75        | 2.36%                         |
| Munich  | 10,810 | 12,150 | 74        | 2.36%                         |
| Stockholm   | 13,150 | 14,850 | 81        | 2.46%                         |
| Madrid  | 6,180  | 6,990  | 37        | 2.46%                         |
| Barcelona   | 4,680  | 5,290  | 21        | 2.48%                         |
| Brisbane  | 10,350 | 11,710 | 72        | 2.50%                         |
| Chengdu   | 2,960  | 3,380  | 4         | 2.69%                         |
| Seoul   | 7,720  | 8,840  | 55        | 2.75%                         |
| Qingdao   | 2,380  | 2,730  | 1         | 2.78%                         |
| Dalian  | 3,010  | 3,480  | 7         | 2.94%                         |
| Taipei  | 7,730  | 8,950  | 57        | 2.97%                         |
| Bucharest   | 3,940  | 4,570  | 17        | 3.01%                         |
| Hong Kong   | 25,160 | 29,230 | 89        | 3.04%                         |
| Melbourne   | 8,770  | 10,220 | 64        | 3.11%                         |
| Shanghai (Pudong)   | 7,450  | 8,690  | 54        | 3.13%                         |
| Tallinn   | 3,430  | 4,030  | 12        | 3.28%                         |
| London (West End)   | 22,590 | 26,600 | 88        | 3.32%                         |
| Shanghai (Jingan)   | 8,790  | 10,400 | 66        | 3.42%                         |
| Vilnius   | 3,460  | 4,110  | 13        | 3.50%                         |
| Tokyo   | 17,230 | 20,480 | 87        | 3.52%                         |
| London (City)   | 13,550 | 16,170 | 82        | 3.60%                         |
| New York  | 15,750 | 18,800 | 85        | 3.60%                         |
| Delhi   | 9,860  | 11,880 | 73        | 3.80%                         |
| Dublin  | 7,330  | 8,890  | 56        | 3.93%                         |
| San Francisco   | 7,400  | 9,180  | 58        | 4.41%                         |
| Hyderabad   | 2,430  | 3,020  | 3         | 4.44%                         |
| Guangzhou   | 6,000  | 7,580  | 43        | 4.79%                         |
| Moscow  | 14,500 | 18,510 | 84        | 5.0%                          |
| Chennai   | 2,570  | 3,400  | 5         | 5.76%                         |
| Pune  | 2,590  | 3,430  | 6         | 5.78%                         |
| Kolkata   | 3,150  | 4,250  | 14        | 6.17%                         |
| Bengaluru   | 3,100  | 4,300  | 15        | 6.76%                         |
| Beijing   | 8,830  | 13,890 | 78        | 9.48%                         |

NB Figures have been rounded to the nearest 10

# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

### Appendix 4

Forecast total occupancy costs per workstation per annum - change in rank (end 2011-2016)

| Actual and forecast total occupancy costs per workstation (in USD) |        |           |        |           |                |
|--|--------|-----------|--------|-----------|----------------|
|  | 2011   | RANK 2011 | 2016   | RANK 2016 | Change in rank |
| Qingdao  | 2,380  | 1         | 2,730  | 1         | -              |
| Hyderabad  | 2,430  | 2         | 3,020  | 3         | ▼              |
| Chennai  | 2,570  | 3         | 3,400  | 5         | ▼              |
| Pune   | 2,590  | 4         | 3,430  | 6         | ▼              |
| Bangkok  | 2,690  | 5         | 2,890  | 2         | ▲              |
| Chengdu  | 2,960  | 6         | 3,380  | 4         | ▲              |
| Dalian   | 3,010  | 7         | 3,480  | 7         | -              |
| Bengaluru  | 3,100  | 8         | 4,300  | 15        | ▼              |
| Kolkata  | 3,150  | 9         | 4,250  | 14        | ▼              |
| Tianjin  | 3,190  | 10        | 3,480  | 7         | ▲              |
| Shenyang   | 3,310  | 11        | 3,690  | 9         | ▲              |
| Jakarta  | 3,360  | 12        | 3,740  | 10        | ▲              |
| Tallinn  | 3,430  | 13        | 4,030  | 12        | ▲              |
| Vilnius  | 3,460  | 14        | 4,110  | 13        | ▲              |
| Budapest   | 3,530  | 15        | 3,850  | 11        | ▲              |
| Bucharest  | 3,940  | 16        | 4,570  | 17        | ▼              |
| Kuala Lumpur   | 4,180  | 17        | 4,380  | 16        | ▲              |
| Dallas   | 4,390  | 18        | 4,820  | 19        | ▼              |
| Marseille  | 4,470  | 19        | 4,960  | 20        | ▼              |
| Antwerp  | 4,570  | 20        | 4,770  | 18        | ▲              |
| Barcelona  | 4,680  | 21        | 5,290  | 21        | -              |
| Newcastle  | 5,140  | 22        | 5,570  | 24        | ▼              |
| Cardiff  | 5,140  | 22        | 5,500  | 23        | ▼              |
| Denver   | 5,250  | 24        | 5,840  | 25        | ▼              |
| Lyon   | 5,300  | 25        | 5,300  | 22        | ▲              |
| Minneapolis  | 5,610  | 26        | 6,060  | 26        | -              |
| Shenzhen   | 5,640  | 27        | 6,120  | 27        | -              |
| Seattle  | 5,650  | 28        | 6,220  | 28        | -              |
| Houston  | 5,780  | 29        | 6,290  | 29        | -              |
| Atlanta  | 5,830  | 30        | 6,310  | 31        | ▼              |
| Phoenix  | 5,870  | 31        | 6,570  | 33        | ▼              |
| Warsaw   | 5,970  | 32        | 6,590  | 34        | ▼              |
| Guangzhou  | 6,000  | 33        | 7,580  | 43        | ▼              |
| Prague   | 6,150  | 34        | 6,660  | 35        | ▼              |
| Madrid   | 6,180  | 35        | 6,980  | 37        | ▼              |
| Philadelphia   | 6,190  | 36        | 6,790  | 36        | -              |
| Malmo  | 6,230  | 37        | 6,290  | 29        | ▲              |
| The Hague  | 6,250  | 38        | 6,310  | 31        | ▲              |
| Los Angeles  | 6,540  | 39        | 7,160  | 39        | -              |
| Birmingham   | 6,600  | 40        | 7,070  | 38        | ▲              |
| Leeds  | 6,690  | 41        | 7,190  | 40        | ▲              |
| Bristol  | 6,940  | 42        | 7,360  | 41        | ▲              |
| San Diego  | 7,020  | 43        | 7,840  | 47        | ▼              |
| Kyiv (Kiev)  | 7,050  | 44        | 7,900  | 48        | ▼              |
| Miami  | 7,060  | 45        | 7,560  | 42        | ▲              |
| Chicago  | 7,160  | 46        | 7,680  | 45        | ▲              |
| Glasgow  | 7,190  | 47        | 7,620  | 44        | ▲              |
| Manchester   | 7,280  | 48        | 7,770  | 46        | ▲              |
| Dublin   | 7,330  | 49        | 8,890  | 56        | ▼              |
| San Francisco  | 7,400  | 50        | 9,180  | 58        | ▼              |
| Edinburgh  | 7,440  | 51        | 7,980  | 50        | ▲              |
| Shanghai (Pudong)  | 7,450  | 52        | 8,690  | 54        | ▼              |
| Brussels   | 7,690  | 53        | 7,970  | 49        | ▲              |
| Seoul  | 7,720  | 54        | 8,840  | 55        | ▼              |
| Taipei   | 7,730  | 55        | 8,950  | 57        | ▼              |
| Copenhagen   | 7,960  | 56        | 8,470  | 53        | ▲              |
| Gothenburg   | 8,100  | 57        | 8,380  | 52        | ▲              |
| Rome   | 8,350  | 58        | 8,040  | 51        | ▲              |
| Berlin   | 8,410  | 59        | 9,320  | 61        | ▼              |
| Hamburg  | 8,680  | 60        | 9,720  | 62        | ▼              |
| Dusseldorf   | 8,690  | 61        | 9,310  | 60        | ▲              |
| Melbourne  | 8,770  | 62        | 10,220 | 64        | ▼              |
| Shanghai (Jingan)  | 8,790  | 63        | 10,400 | 66        | ▼              |
| Istanbul   | 8,820  | 64        | 9,270  | 59        | ▲              |
| Beijing  | 8,830  | 65        | 13,890 | 78        | ▼              |
| Mumbai   | 9,130  | 66        | 10,220 | 64        | ▲              |
| Delhi  | 9,860  | 67        | 11,880 | 73        | ▼              |
| Milan  | 10,260 | 68        | 10,130 | 63        | ▲              |
| Boston   | 10,260 | 68        | 11,220 | 68        | -              |
| Brisbane   | 10,350 | 70        | 11,710 | 72        | ▼              |
| Luxembourg   | 10,380 | 71        | 10,960 | 67        | ▲              |
| Munich   | 10,810 | 72        | 12,150 | 74        | ▼              |
| Helsinki   | 10,820 | 73        | 11,390 | 70        | ▲              |
| Amsterdam  | 11,140 | 74        | 11,230 | 69        | ▲              |
| Singapore  | 11,220 | 75        | 11,670 | 71        | ▲              |
| Perth  | 12,150 | 76        | 13,650 | 75        | ▲              |
| Frankfurt  | 12,690 | 77        | 13,800 | 77        | -              |
| Sydney   | 13,140 | 78        | 14,750 | 80        | ▼              |
| Stockholm  | 13,150 | 79        | 14,850 | 81        | ▼              |
| Washington DC  | 13,450 | 80        | 14,660 | 79        | ▲              |
| London (City)  | 13,550 | 81        | 16,170 | 82        | ▼              |
| Oslo   | 13,560 | 82        | 13,690 | 76        | ▲              |
| Moscow   | 14,500 | 83        | 18,510 | 84        | ▼              |
| New York   | 15,750 | 84        | 18,800 | 85        | ▼              |
| Paris  | 16,230 | 85        | 17,480 | 83        | ▲              |
| Tokyo  | 17,230 | 86        | 20,480 | 87        | ▼              |
| Geneva   | 18,740 | 87        | 19,240 | 86        | ▲              |
| London (West End)  | 22,590 | 88        | 26,600 | 88        | -              |
| Hong Kong  | 25,160 | 89        | 29,230 | 89        | -              |

NB Figures have been rounded to the nearest 10

# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

### Appendix 5

#### Secondary occupancy costs per workstation per annum (in USD) – selected markets

| Secondary Rank 2011 | Prime Rank 2011 | Region       | Countries/Territory | Market            | Total occupancy cost per workstation pa - secondary space (USD pa) | Total occupancy cost per workstation pa - prime space (USD pa) | Difference (%) |
|---------------------|-----------------|--------------|---------------------|-------------------|--|--|----------------|
| 1                   | 2               | Asia Pacific | Chinese Mainland    | Shanghai (Jingan) | 3,450  | 8,790  | 154.8          |
| 2                   | 1               | Asia Pacific | Chinese Mainland    | Shanghai (Pudong) | 4,540  | 7,450  | 64.1           |
| 3                   | 3               | Asia Pacific | India               | Delhi             | 5,980  | 9,860  | 64.9           |
| 4                   | 9               | Europe       | Russia              | Moscow            | 6,700  | 14,500   | 116.4          |
| 5                   | 5               | Europe       | Germany             | Frankfurt         | 8,390  | 12,690   | 51.3           |
| 6                   | 4               | Asia Pacific | Singapore           | Singapore         | 8,490  | 11,220   | 32.2           |
| 7                   | 11              | Europe       | Switzerland         | Zurich            | 8,930  | 16,440   | 84.1           |
| 8                   | 13              | Europe       | Switzerland         | Geneva            | 8,980  | 18,740   | 108.7          |
| 9                   | 6               | Asia Pacific | Australia           | Sydney            | 10,290   | 13,140   | 27.7           |
| 10                  | 10              | Europe       | France              | Paris             | 10,660   | 16,230   | 52.3           |
| 11                  | 8               | Europe       | United Kingdom      | London (City)     | 10,980   | 13,550   | 23.4           |
| 12                  | 7               | Europe       | Sweden              | Stockholm         | 11,400   | 13,150   | 15.4           |
| 13                  | 12              | Asia Pacific | Japan               | Tokyo             | 11,670   | 17,230   | 47.6           |
| 14                  | 14              | Europe       | United Kingdom      | London (West End) | 15,260   | 22,590   | 48.0           |
| 15                  | 15              | Asia Pacific | Hong Kong SAR       | Hong Kong         | 19,590   | 25,160   | 28.4           |

#### Box 2: A look at secondary occupancy costs

DTZ's Global Occupancy Costs: Offices Survey tracks occupancy costs per workstation in prime markets globally. Whilst occupier interest is expected to remain focused on the prime end of the market, especially in locations where prime rents are still well below their pre-crisis levels, in some markets where prime stock is severely limited, occupiers have no choice but to consider good secondary space.

We have analysed occupancy costs per workstation for average-grade buildings in 15 major centres in Europe and Asia Pacific (see above).

The biggest difference in costs can be seen in Shanghai and in the high cost locations of Moscow and Geneva, where occupying prime space costs over 100% more than taking space in an average grade building. The difference in cost in Geneva is made more pronounced by the fact that usage of space in prime buildings is less efficient than in average grade buildings.

Prime offers more value in markets such as Stockholm, London City and Sydney where the difference in cost in occupying prime compared to secondary is less pronounced.

Not only is Hong Kong the least affordable location in the world for prime, it also is for occupying secondary space.

# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

### Appendix 6

#### Breakdown of total occupancy costs: Asia Pacific

| Country/Territory         | Market            | Unit |       |       | Space utilisation<br>standard per<br>worker | Prime rent | Outgoings  | Total<br>occupancy<br>cost | Space<br>utilisation<br>standard per<br>worker | Prime rent | Outgoings | Total<br>occupancy<br>cost | Total<br>occupancy cost<br>per<br>workstation* | YOY<br>change | Prime rent | Outgoings | Total<br>occupancy<br>cost | Total<br>occupancy cost<br>per<br>workstation* | YOY<br>change | Prime rent | Outgoings | Total<br>occupancy<br>cost | Total<br>occupancy cost<br>per<br>workstation* | YOY<br>change           |        |      |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|---------------------------|-------------------|------|-------|-------|---|------------|------------|----------------------------|--|------------|-----------|----------------------------|--|---------------|------------|-----------|----------------------------|--|---------------|------------|-----------|----------------------------|--|-------------------------|--------|------|--|--|--|--|--|--|--|--|--|------------------------|--|--|--|--|--|--|--|--|--|--|--|
| Gross Lettable Area (GLA) |                   |      |       |       |   |            |            |                            |  |            |           |                            |  |               |            |           |                            |  |               |            |           |                            |  | Net Internal Area (NIA) |        |      |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Asia Pacific              |                   |      |       |       |   |            |            |                            |  |            |           |                            |  |               |            |           |                            |  |               |            |           |                            |  | EUR per sq m per annum  |        |      |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Locally quoted**          |                   |      |       |       |   |            |            |                            |  |            |           |                            |  |               |            |           |                            |  |               |            |           |                            |  | USD per sq ft per annum |        |      |  |  |  |  |  |  |  |  |  | EUR per sq m per annum |  |  |  |  |  |  |  |  |  |  |  |
| sq m                      | sq ft             |      |       |       |   | sq m       | sq ft      |                            |  |            |           |                            |  |               |            |           |                            |  |               |            |           |                            |  |                         |        |      |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Australia                 | Adelaide          | AUD  | sq m  | Year  | 15.30                                       | 164.69     | 343.14     | 107.84                     | 450.98   | 15.00      | 161.46    | 350.00                     | 110.00   | 460.00        | 6,900      | 10%       | 33.20                      | 10.40  | 43.60         | 7,040      | 9%        | 275.80                     | 86.70  | 362.50                  | 5,440  | 13%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Brisbane          | AUD  | sq m  | Year  | 14.28                                       | 153.71     | 563.73     | 147.06                     | 710.78   | 14.00      | 150.69    | 575.00                     | 150.00   | 725.00        | 10,150     | 2%        | 54.50                      | 14.20  | 68.70         | 10,350     | 2%        | 453.00                     | 118.20   | 571.20                  | 8,000  | 5%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Canberra          | AUD  | sq m  | Year  | 16.32                                       | 175.67     | 299.02     | 107.84                     | 406.86   | 16.00      | 172.22    | 305.00                     | 110.00   | 415.00        | 6,640      | 5%        | 28.90                      | 10.40  | 39.30         | 6,770      | 5%        | 240.30                     | 86.70  | 327.00                  | 5,230  | 8%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Melbourne         | AUD  | sq m  | Year  | 15.30                                       | 164.69     | 450.98     | 110.78                     | 561.76   | 15.00      | 161.46    | 460.00                     | 113.00   | 573.00        | 8,600      | 8%        | 43.60                      | 10.70  | 54.30         | 8,770      | 8%        | 362.40                     | 89.00  | 451.40                  | 6,770  | 11%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Perth             | AUD  | sq m  | Year  | 14.28                                       | 153.71     | 686.27     | 147.06                     | 833.33   | 14.00      | 150.69    | 700.00                     | 150.00   | 850.00        | 11,900     | 6%        | 66.40                      | 14.20  | 80.60         | 12,150     | 6%        | 551.50                     | 118.20   | 669.70                  | 9,380  | 10%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Sydney            | AUD  | sq m  | Year  | 14.28                                       | 153.71     | 735.29     | 166.67                     | 901.96   | 14.00      | 150.69    | 750.00                     | 170.00   | 920.00        | 12,880     | 3%        | 71.10                      | 16.10  | 87.20         | 13,140     | 3%        | 590.90                     | 133.90   | 724.80                  | 10,150 | 7%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Mainland China            | Beijing           | RMB  | sq m  | Month | 15.70                                       | 168.99     | 265.77     | 29.52                      | 295.29   | 10.98      | 118.18    | 380.05                     | 42.21  | 422.26        | 4,640      | 38%       | 67.20                      | 7.50   | 74.70         | 8,830      | 45%       | 558.80                     | 62.10  | 620.90                  | 6,820  | 49%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Dalian            | RMB  | sq m  | Month | 15.00                                       | 161.46     | 80.79      | 24.70                      | 105.49   | 10.20      | 109.84    | 118.76                     | 36.31  | 155.07        | 1,580      | 10%       | 21.00                      | 6.40   | 27.40         | 3,010      | 15%       | 174.60                     | 53.40  | 228.00                  | 2,330  | 19%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Chengdu           | RMB  | sq m  | Month | 10.20                                       | 109.79     | 134.16     | 18.00                      | 152.16   | 7.13       | 76.78     | 191.85                     | 25.74  | 217.59        | 1,550      | -24%      | 33.90                      | 4.60   | 38.50         | 2,960      | -20%      | 282.10                     | 37.90  | 320.00                  | 2,280  | -18% |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Guangzhou         | RMB  | sq m  | Month | 14.50                                       | 156.08     | 187.75     | 29.33                      | 217.08   | 10.00      | 107.64    | 272.24                     | 42.53  | 314.77        | 3,150      | 28%       | 48.20                      | 7.50   | 55.70         | 6,000      | 35%       | 400.30                     | 62.50  | 462.80                  | 4,630  | 39%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Hangzhou          | RMB  | sq m  | Month | 12.50                                       | 134.55     | 170.03     | 19.85                      | 189.88   | 8.74       | 94.09     | 243.14                     | 28.39  | 271.53        | 2,370      | 12%       | 43.00                      | 5.00   | 48.00         | 4,520      | 18%       | 357.50                     | 41.70  | 399.20                  | 3,490  | 22%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Shanghai (Pudong) | RMB  | sq m  | Month | 13.10                                       | 141.01     | 254.89     | 43.73                      | 298.62   | 9.16       | 98.61     | 364.49                     | 62.53  | 427.03        | 3,910      | 2%        | 64.50                      | 11.10  | 75.60         | 7,450      | 6%        | 536.00                     | 92.00  | 628.00                  | 5,750  | 10%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Shanghai (Jingan) | RMB  | sq m  | Month | 13.10                                       | 141.01     | 307.51     | 44.48                      | 351.99   | 9.16       | 98.61     | 439.74                     | 63.61  | 503.35        | 4,610      | 3%        | 77.80                      | 11.30  | 89.10         | 8,790      | 8%        | 646.60                     | 93.50  | 740.10                  | 6,780  | 11%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Shenzhen          | RMB  | sq m  | Month | 14.00                                       | 150.69     | 177.67     | 34.00                      | 211.67   | 9.52       | 102.51    | 261.17                     | 49.98  | 311.15        | 2,960      | 8%        | 46.20                      | 8.80   | 55.00         | 5,640      | 14%       | 384.10                     | 73.50  | 457.60                  | 4,360  | 18%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Shenyang          | RMB  | sq m  | Month | 13.00                                       | 139.93     | 113.67     | 19.67                      | 133.34   | 9.09       | 97.85     | 162.54                     | 28.13  | 190.67        | 1,730      | 18%       | 28.80                      | 5.00   | 33.80         | 3,310      | 24%       | 239.00                     | 41.40  | 280.40                  | 2,550  | 28%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Tianjin           | RMB  | sq m  | Month | 10.00                                       | 107.64     | 142.38     | 25.40                      | 167.78   | 6.99       | 75.27     | 203.61                     | 36.32  | 239.93        | 1,680      | 12%       | 36.00                      | 6.40   | 42.40         | 3,190      | 17%       | 299.40                     | 53.40  | 352.80                  | 2,470  | 21%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Qingdao           | RMB  | sq m  | Month | 10.20                                       | 109.79     | 106.97     | 15.41                      | 122.38   | 7.13       | 76.78     | 152.97                     | 22.04  | 175.00        | 1,250      | 6%        | 27.10                      | 3.90   | 31.00         | 2,380      | 11%       | 224.90                     | 32.40  | 257.30                  | 1,840  | 14%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Hong Kong SAR             | Hong Kong         | HKD  | sq ft | Month | 14.59                                       | 157.09     | 90.38      | 13.29                      | 103.67   | 10.97      | 118.11    | 120.20                     | 17.68  | 137.88        | 16,290     | 13%       | 185.70                     | 27.30  | 213.00        | 25,160     | 13%       | 1,541.70                   | 226.80   | 1768.50                 | 19,410 | 16%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| India                     | Bengaluru         | INR  | sq ft | Month | 12.03                                       | 129.50     | 85.00      | 20.00                      | 105.00   | 7.47       | 80.43     | 136.85                     | 32.20  | 169.05        | 13,600     | 6%        | 31.20                      | 7.30   | 38.50         | 3,100      | -10%      | 256.80                     | 60.40  | 317.20                  | 2,370  | -8%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Delhi             | INR  | sq ft | Month | 10.68                                       | 115.00     | 350.00     | 26.00                      | 376.00   | 6.64       | 71.43     | 563.50                     | 41.86  | 605.36        | 43,240     | 17%       | 128.50                     | 9.50   | 138.00        | 9,860      | 0%        | 1,057.60                   | 78.60  | 1136.20                 | 7,540  | 2%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Chennai           | INR  | sq ft | Month | 11.06                                       | 119.00     | 75.00      | 20.00                      | 95.00  | 6.87       | 73.91     | 120.75                     | 32.20  | 152.95        | 11,310     | 4%        | 27.50                      | 7.30   | 34.80         | 2,570      | -12%      | 226.60                     | 60.40  | 287.00                  | 1,970  | -10% |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Hyderabad         | INR  | sq ft | Month | 11.66                                       | 125.50     | 65.00      | 20.00                      | 85.00  | 7.24       | 77.95     | 104.65                     | 32.20  | 136.85        | 10,670     | 0%        | 23.90                      | 7.30   | 31.20         | 2,430      | -15%      | 196.40                     | 60.40  | 256.80                  | 1,860  | -13% |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Kolkata           | INR  | sq ft | Month | 11.15                                       | 120.00     | 95.00      | 20.00                      | 115.00   | 6.92       | 74.53     | 152.95                     | 32.20  | 185.15        | 13,800     | 4%        | 34.90                      | 7.30   | 42.20         | 3,150      | -11%      | 287.10                     | 60.40  | 347.50                  | 2,410  | -9%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Mumbai            | INR  | sq ft | Month | 10.50                                       | 113.00     | 325.00     | 29.00                      | 354.00   | 6.52       | 70.19     | 523.25                     | 46.69  | 569.94        | 40,000     | -6%       | 119.40                     | 10.70  | 130.10        | 9,130      | -20%      | 982.00                     | 87.60  | 1069.60                 | 6,970  | -18% |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Pune              | INR  | sq ft | Month | 11.15                                       | 120.00     | 75.00      | 20.00                      | 95.00  | 6.92       | 74.53     | 120.75                     | 32.20  | 152.95        | 11,400     | 6%        | 27.50                      | 7.30   | 34.80         | 2,590      | -11%      | 226.60                     | 60.40  | 287.00                  | 1,990  | -8%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Indonesia                 | Jakarta           | IDR  | sq m  | Month | 13.40                                       | 144.24     | 133,500.00 | 56,100.00                  | 189,600.00                                     | 12.18      | 131.12    | 146,850.00                 | 61,710.00                                      | 208,560.00    | 2,540,640  | 5%        | 18.00                      | 7.60   | 25.60         | 3,360      | 5%        | 149.80                     | 62.90  | 212.70                  | 2,590  | 8%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Surabaya          | IDR  | sq m  | Month | 12.10                                       | 130.24     | 59,900.00  | 45,000.00                  | 104,900.00                                     | 11.00      | 118.40    | 65,890.00                  | 49,500.00                                      | 115,390.00    | 1,269,290  | 7%        | 8.10                       | 6.10   | 14.20         | 1,680      | 6%        | 67.20                      | 50.50  | 117.70                  | 1,290  | 9%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Japan                     | Tokyo             | JPY  | tsubo | Month | 11.80                                       | 127.00     | 24,959.00  | 6,000.00                   | 30,959.00                                      | 11.80      | 127.00    | 24,959.00                  | 6,000.00                                       | 30,959.00     | 110,520    | -6%       | 109.40                     | 26.30  | 135.70        | 17,230     | -1%       | 908.80                     | 218.50   | 1127.30                 | 13,300 | 2%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Malaysia                  | Kuala Lumpur      | MYR  | sq ft | Month | 16.26                                       | 175.00     | 4.95       | 1.35                       | 6.30   | 16.26      | 175.00    | 4.95                       | 1.35   | 6.30          | 1,100      | 6%        | 18.80                      | 5.10   | 23.90         | 4,180      | 2%        | 155.80                     | 42.50  | 198.30                  | 3,220  | 5%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| New Zealand               | Auckland          | NZD  | sq m  | Year  | 19.14                                       | 206.02     | 340.52     | 116.38                     | 456.90   | 16.50      | 177.60    | 395.00                     | 135.00   | 530.00        | 8,750      | -8%       | 28.50                      | 9.70   | 38.20         | 6,780      | -8%       | 237.00                     | 81.00  | 318.00                  | 5,250  | -5%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Wellington        | NZD  | sq m  | Year  | 18.56                                       | 199.78     | 254.31     | 99.14                      | 353.45   | 16.00      | 172.22    | 295.00                     | 115.00   | 410.00        | 6,560      | -9%       | 21.30                      | 8.30   | 29.60         | 5,100      | -10%      | 177.00                     | 69.00  | 246.00                  | 3,940  | -6%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Philippines               | Manila            | PHP  | sq m  | Month | 10.00                                       | 107.64     | 845.00     | 185.00                     | 1,030.00                                       | 10.00      | 107.64    | 845.00                     | 185.00   | 1,030.00      | 10,300     | 5%        | 21.50                      | 4.70   | 26.20         | 2,820      | 4%        | 178.50                     | 39.10  | 217.60                  | 2,180  | 8%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Singapore                 | Singapore         | SGD  | sq ft | Month | 11.50                                       | 123.78     | 7.74       | 2.06                       | 9.80   | 10.85      | 116.78    | 8.20                       | 2.18   | 10.39         | 1,210      | 9%        | 75.90                      | 20.20  | 96.10         | 11,220     | 8%        | 630.50                     | 167.80   | 798.30                  | 8,660  | 11%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| South Korea               | Seoul             | KRW  | sq m  | Month | 18.00                                       | 193.75     | 29,844.47  | 11,766.73                  | 41,411.20                                      | 10.78      | 116.02    | 49,506.27                  | 19,650.44                                      | 69,156.70     | 745,400    | 0%        | 47.60                      | 18.90  | 66.50         | 7,720      | -3%       | 397.70                     | 157.80   | 555.50                  | 5,990  | 1%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Taiwan                    | Taipei            | TWD  | ping  | Month | 20.11                                       | 216.50     | 2,829.00   | 379.00                     | 3,208.00                                       | 13.50      | 145.30    | 4,215.21                   | 564.71   | 4,779.92      | 19,520     | 0%        | 46.90                      | 6.30   | 53.20         | 7,730      | -4%       | 389.40                     | 52.20  | 441.60                  | 5,960  | -1%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Thailand                  | Bangkok           | THB  | sq m  | Month | 11.00                                       | 118.40     | 545.00     | 100.00                     | 645.00   | 10.38      | 111.70    | 577.70                     | 106.00   | 683.70        | 7,100      | 0%        | 20.40                      | 3.70   | 24.10         | 2,690      | -5%       | 169.50                     | 31.10  | 200.60                  | 2,080  | -2%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
| Vietnam                   | Hanoi             | USD  | sq m  | Month | 10.00                                       | 107.64     | 35.00      | 5.30                       | 40.30  | 10.00      | 107.64    | 35.00                      | 5.30   | 40.30         | 400        | 3%        | 39.00                      | 5.90   | 44.90         | 4,830      | 3%        | 324.00                     | 49.10  | 373.10                  | 3,730  | 6%   |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |
|                           | Ho Chi Minh City  | USD  | sq m  | Month | 10.00                                       | 107.64     | 33.00      | 5.80                       | 38.80  | 10.00      | 107.64    | 33.00                      | 5.80   | 38.80         | 390        | -7%       | 36.80                      | 6.50   | 43.30         | 4,660      | -7%       | 305.50                     | 53.70  | 359.20                  | 3,590  | -4%  |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |  |  |

\*Figures have been rounded to the nearest 10

\*\*In some cases, where widely accepted, a currency other than the local currency is quoted



# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

### Appendix 7

#### Breakdown of total occupancy costs: EMEA

| Country/Territory         | Market            | Unit           | Space utilisation standard per worker | Prime rent | Outgoings        | Total occupancy cost | Space utilisation standard per worker | Prime rent       | Outgoings | Total occupancy cost | Total occupancy cost per workstation* | YOY change              | Prime rent | Outgoings | Total occupancy cost | Total occupancy cost per workstation* | YOY change | Prime rent | Outgoings | Total occupancy cost | Total occupancy cost per workstation* | YOY change |        |      |
|---------------------------|-------------------|----------------|---------------------------------------|------------|------------------|----------------------|---------------------------------------|------------------|-----------|----------------------|---------------------------------------|-------------------------|------------|-----------|----------------------|---------------------------------------|------------|------------|-----------|----------------------|---------------------------------------|------------|--------|------|
| Gross Lettable Area (GLA) |                   |                |                                       |            |                  |                      |                                       |                  |           |                      | Net Internal Area (NA)                |                         |            |           |                      |                                       |            |            |           |                      |                                       |            |        |      |
|                           |                   |                | sq m                                  | sq ft      | Locally quoted** | sq m                 | sq ft                                 | Locally quoted** |           |                      |                                       | USD per sq ft per annum |            |           |                      | EUR per sq m per annum                |            |            |           |                      |                                       |            |        |      |
| EMEA                      |                   |                |                                       |            |                  |                      |                                       |                  |           |                      |                                       |                         |            |           |                      |                                       |            |            |           |                      |                                       |            |        |      |
| Europe                    |                   |                |                                       |            |                  |                      |                                       |                  |           |                      |                                       |                         |            |           |                      |                                       |            |            |           |                      |                                       |            |        |      |
| Belgium                   | Antwerp           | EUR sq m Year  | 18.00                                 | 193.75     | 145.00           | 51.50                | 196.50                                | 14.07            | 151.46    | 185.49               | 65.88                                 | 251.37                  | 3,540      | -2%       | 22.30                | 7.90                                  | 30.20      | 4,570      | -6%       | 185.50               | 65.90                                 | 251.40     | 3,540  | -2%  |
|                           | Brussels          | EUR sq m Year  | 18.00                                 | 193.75     | 260.00           | 70.00                | 330.00                                | 14.07            | 151.46    | 332.60               | 89.55                                 | 422.14                  | 5,940      | -9%       | 40.00                | 10.80                                 | 50.80      | 7,690      | -12%      | 332.60               | 89.50                                 | 422.10     | 5,940  | -9%  |
| Czech Republic            | Prague            | EUR sq m Month | 14.80                                 | 159.31     | 21.00            | 5.70                 | 26.70                                 | 12.55            | 135.09    | 24.76                | 6.72                                  | 31.49                   | 400        | 3%        | 35.80                | 9.70                                  | 45.50      | 6,150      | -3%       | 297.20               | 80.70                                 | 377.90     | 4,740  | 1%   |
| Denmark                   | Copenhagen        | DKK sq m Year  | 20.00                                 | 215.28     | 1,800.00         | 480.00               | 2,280.00                              | 15.40            | 165.76    | 2,337.66             | 623.38                                | 2,961.04                | 45,600     | 0%        | 37.90                | 10.10                                 | 48.00      | 7,960      | -3%       | 314.40               | 83.80                                 | 398.20     | 6,130  | 0%   |
| Estonia                   | Tallinn           | EUR sq m Month | 13.00                                 | 139.93     | 14.00            | 3.00                 | 17.00                                 | 12.26            | 132.01    | 14.84                | 3.18                                  | 18.02                   | 220        | 0%        | 21.40                | 4.60                                  | 26.00      | 3,430      | -5%       | 178.10               | 38.20                                 | 216.30     | 2,650  | -1%  |
| Finland                   | Helsinki          | EUR sq m Month | 24.00                                 | 258.33     | 29.00            | n/a***               | 29.00                                 | 23.10            | 248.65    | 30.13                | n/a***                                | 30.13                   | 700        | 4%        | 43.50                | n/a***                                | 43.50      | 10,820     | 1%        | 361.60               | 0.00                                  | 361.60     | 8,350  | 4%   |
| France                    | Lyon              | EUR sq m Year  | 13.00                                 | 139.93     | 260.00           | 55.00                | 315.00                                | 11.82            | 127.21    | 286.00               | 60.50                                 | 346.50                  | 4,100      | 3%        | 34.40                | 7.30                                  | 41.70      | 5,300      | -1%       | 286.00               | 60.50                                 | 346.50     | 4,100  | 3%   |
|                           | Marseille         | EUR sq m Year  | 13.00                                 | 139.93     | 215.00           | 50.00                | 265.00                                | 11.82            | 127.21    | 236.50               | 55.00                                 | 291.50                  | 3,450      | -7%       | 28.50                | 6.60                                  | 35.10      | 4,470      | -10%      | 236.50               | 55.00                                 | 291.50     | 3,450  | -7%  |
|                           | Paris             | EUR sq m Year  | 14.00                                 | 150.69     | 800.00           | 94.61                | 894.61                                | 12.73            | 137.00    | 880.00               | 104.07                                | 984.07                  | 12,520     | 6%        | 106.00               | 12.50                                 | 118.50     | 16,230     | 3%        | 880.00               | 104.10                                | 984.10     | 12,520 | 6%   |
| Germany                   | Berlin            | EUR sq m Month | 20.00                                 | 215.28     | 22.00            | 5.00                 | 27.00                                 | 17.28            | 186.04    | 25.46                | 5.79                                  | 31.24                   | 540        | 0%        | 36.80                | 8.40                                  | 45.20      | 8,410      | -3%       | 305.50               | 69.40                                 | 374.90     | 6,480  | 0%   |
|                           | Düsseldorf        | EUR sq m Month | 20.00                                 | 215.28     | 23.25            | 4.70                 | 27.95                                 | 16.67            | 179.47    | 27.89                | 5.64                                  | 33.53                   | 560        | -5%       | 40.30                | 8.10                                  | 48.40      | 8,690      | -8%       | 334.70               | 67.70                                 | 402.40     | 6,710  | -5%  |
|                           | Frankfurt         | EUR sq m Month | 20.00                                 | 215.28     | 34.50            | 6.30                 | 40.80                                 | 16.10            | 173.34    | 42.85                | 7.82                                  | 50.67                   | 820        | 1%        | 61.90                | 11.30                                 | 73.20      | 12,690     | -2%       | 514.20               | 93.90                                 | 608.10     | 9,790  | 1%   |
|                           | Hamburg           | EUR sq m Month | 20.00                                 | 215.28     | 23.50            | 4.40                 | 27.90                                 | 16.10            | 173.34    | 29.19                | 5.46                                  | 34.65                   | 560        | 0%        | 42.20                | 7.90                                  | 50.10      | 8,680      | -3%       | 350.20               | 65.60                                 | 415.80     | 6,700  | 0%   |
|                           | Munich            | EUR sq m Month | 20.00                                 | 215.28     | 30.00            | 4.70                 | 34.70                                 | 17.28            | 186.04    | 34.71                | 5.44                                  | 40.15                   | 690        | 1%        | 50.20                | 7.90                                  | 58.10      | 10,810     | -2%       | 416.60               | 65.30                                 | 481.90     | 8,330  | 1%   |
| Hungary                   | Budapest          | EUR sq m Month | 12.60                                 | 135.63     | 14.00            | 4.00                 | 18.00                                 | 10.42            | 112.11    | 16.94                | 4.84                                  | 21.78                   | 230        | 0%        | 24.50                | 7.00                                  | 31.50      | 3,530      | -3%       | 203.20               | 58.10                                 | 261.30     | 2,720  | 0%   |
| Ireland                   | Dublin            | EUR sq m Year  | 12.50                                 | 134.55     | 312.00           | 140.00               | 452.00                                | 12.50            | 134.55    | 312.00               | 140.00                                | 452.00                  | 5,650      | -8%       | 37.60                | 16.90                                 | 54.50      | 7,330      | -11%      | 312.00               | 140.00                                | 452.00     | 5,650  | -8%  |
| Italy                     | Milan             | EUR sq m Year  | 14.00                                 | 150.69     | 520.00           | 45.00                | 565.00                                | 11.37            | 122.40    | 640.21               | 55.40                                 | 695.61                  | 7,910      | -8%       | 77.10                | 6.70                                  | 83.80      | 10,260     | -10%      | 640.20               | 55.40                                 | 695.60     | 7,910  | -8%  |
|                           | Rome              | EUR sq m Year  | 14.00                                 | 150.69     | 420.00           | 40.00                | 460.00                                | 11.37            | 122.40    | 517.09               | 49.25                                 | 566.34                  | 6,440      | -9%       | 62.30                | 5.90                                  | 68.20      | 8,350      | -11%      | 517.10               | 49.20                                 | 566.30     | 6,440  | -9%  |
| Latvia                    | Riga              | EUR sq m Month | 15.00                                 | 161.46     | 15.00            | 3.25                 | 18.25                                 | 14.15            | 152.32    | 15.90                | 3.45                                  | 19.35                   | 270        | 0%        | 23.00                | 5.00                                  | 28.00      | 4,260      | 0%        | 190.80               | 41.30                                 | 232.10     | 3,280  | 2%   |
| Lithuania                 | Vilnius           | EUR sq m Month | 13.00                                 | 139.93     | 14.48            | 2.60                 | 17.08                                 | 12.26            | 132.01    | 15.35                | 2.76                                  | 18.10                   | 220        | -4%       | 22.20                | 4.00                                  | 26.20      | 3,460      | -7%       | 184.20               | 33.10                                 | 217.30     | 2,670  | -4%  |
| Luxembourg                | Luxembourg        | EUR sq m Month | 15.00                                 | 161.46     | 40.00            | 4.50                 | 44.50                                 | 13.16            | 141.63    | 45.60                | 5.13                                  | 50.73                   | 670        | -1%       | 65.90                | 7.40                                  | 73.30      | 10,380     | -5%       | 547.20               | 61.60                                 | 608.80     | 8,010  | -2%  |
| Netherlands               | Amsterdam         | EUR sq m Year  | 19.60                                 | 210.97     | 400.00           | 38.50                | 438.50                                | 16.88            | 181.71    | 464.42               | 44.70                                 | 509.12                  | 8,590      | 12%       | 55.90                | 5.40                                  | 61.30      | 11,140     | 8%        | 464.40               | 44.70                                 | 509.10     | 8,590  | 12%  |
|                           | Rotterdam         | EUR sq m Year  | 19.60                                 | 210.97     | 200.00           | 23.75                | 223.75                                | 16.88            | 181.71    | 232.21               | 27.57                                 | 259.78                  | 4,390      | 6%        | 28.00                | 3.30                                  | 31.30      | 5,690      | 2%        | 232.20               | 27.60                                 | 259.80     | 4,390  | 6%   |
|                           | The Hague         | EUR sq m Year  | 19.60                                 | 210.97     | 220.00           | 25.50                | 245.50                                | 16.88            | 181.71    | 255.43               | 29.61                                 | 285.04                  | 4,810      | 10%       | 30.80                | 3.60                                  | 34.40      | 6,250      | 7%        | 255.40               | 29.60                                 | 285.00     | 4,810  | 10%  |
| Norway                    | Oslo              | NOK sq m Year  | 20.00                                 | 215.28     | 3,700.00         | 350.00               | 4,050.00                              | 15.40            | 165.76    | 4,805.19             | 454.55                                | 5,259.74                | 81,000     | 14%       | 74.70                | 7.10                                  | 81.80      | 13,560     | 11%       | 620.40               | 58.70                                 | 679.10     | 10,480 | 15%  |
| Poland                    | Warsaw            | EUR sq m Month | 12.00                                 | 129.17     | 27.00            | 5.00                 | 32.00                                 | 9.30             | 100.10    | 34.84                | 6.45                                  | 41.29                   | 380        | 12%       | 50.30                | 9.30                                  | 59.60      | 5,970      | 9%        | 418.10               | 77.40                                 | 495.50     | 4,610  | 12%  |
| Portugal                  | Lisbon            | EUR sq m Month | 10.00                                 | 107.64     | 20.00            | 3.00                 | 23.00                                 | 8.21             | 88.36     | 24.36                | 3.65                                  | 28.02                   | 230        | -18%      | 35.20                | 5.30                                  | 40.50      | 3,580      | -21%      | 292.40               | 43.90                                 | 336.30     | 2,760  | -18% |
| Romania                   | Bucharest         | EUR sq m Month | 11.00                                 | 118.40     | 19.00            | 4.00                 | 23.00                                 | 8.59             | 92.44     | 24.34                | 5.12                                  | 29.46                   | 250        | 0%        | 35.20                | 7.40                                  | 42.60      | 3,940      | -3%       | 292.00               | 61.50                                 | 353.50     | 3,040  | 0%   |
| Russia                    | Moscow            | USD sq m Year  | 10.00                                 | 107.64     | 1,300.00         | 150.00               | 1,450.00                              | 8.34             | 89.80     | 1,558.31             | 179.81                                | 1,738.12                | 14,500     | 16%       | 144.80               | 16.70                                 | 161.50     | 14,500     | 16%       | 1,202.10             | 138.70                                | 1,340.80   | 11,190 | 20%  |
| Spain                     | Barcelona         | EUR sq m Year  | 14.00                                 | 150.69     | 210.00           | 48.00                | 258.00                                | 11.23            | 120.87    | 261.82               | 59.84                                 | 321.66                  | 3,610      | -4%       | 31.50                | 7.20                                  | 38.70      | 4,680      | -7%       | 261.80               | 59.80                                 | 321.60     | 3,610  | -4%  |
|                           | Madrid            | EUR sq m Year  | 14.00                                 | 150.69     | 280.00           | 60.00                | 340.00                                | 10.57            | 113.73    | 371.00               | 79.50                                 | 450.50                  | 4,760      | -1%       | 44.70                | 9.60                                  | 54.30      | 6,180      | -4%       | 371.00               | 79.50                                 | 450.50     | 4,760  | -1%  |
| Sweden                    | Stockholm         | SEK sq m Year  | 18.00                                 | 193.75     | 4,600.00         | 420.00               | 5,020.00                              | 16.96            | 182.60    | 4,880.78             | 445.64                                | 5,326.42                | 90,360     | 2%        | 66.00                | 6.00                                  | 72.00      | 13,150     | 0%        | 546.90               | 49.90                                 | 596.80     | 10,120 | 3%   |
|                           | Gothenburg        | SEK sq m Year  | 20.00                                 | 215.28     | 2,550.00         | 230.00               | 2,780.00                              | 18.85            | 202.89    | 2,705.65             | 244.04                                | 2,949.69                | 55,600     | 8%        | 36.60                | 3.30                                  | 39.90      | 8,100      | 5%        | 303.20               | 27.30                                 | 330.50     | 6,230  | 9%   |
|                           | Malmö             | SEK sq m Year  | 18.50                                 | 199.13     | 2,150.00         | 170.00               | 2,320.00                              | 17.44            | 187.68    | 2,281.23             | 180.38                                | 2,461.61                | 42,920     | 2%        | 30.80                | 2.40                                  | 33.20      | 6,230      | 0%        | 255.60               | 20.20                                 | 275.80     | 4,810  | 3%   |
| Switzerland               | Geneva            | CHF sq m Year  | 16.00                                 | 172.22     | 975.00           | 125.00               | 1,100.00                              | 14.84            | 159.77    | 1,050.97             | 134.74                                | 1,185.71                | 17,600     | 0%        | 104.00               | 13.30                                 | 117.30     | 18,740     | -1%       | 864.00               | 110.80                                | 974.80     | 14,470 | 3%   |
|                           | Zürich            | CHF sq m Year  | 16.00                                 | 172.22     | 840.00           | 125.00               | 965.00                                | 14.84            | 159.77    | 905.45               | 134.74                                | 1,040.19                | 15,440     | -1%       | 89.60                | 13.30                                 | 102.90     | 16,440     | -2%       | 744.40               | 110.80                                | 855.20     | 12,690 | 2%   |
| Turkey                    | Istanbul          | USD sq m Month | 15.00                                 | 161.46     | 42.00            | 7.00                 | 49.00                                 | 9.30             | 100.10    | 67.74                | 11.29                                 | 79.03                   | 740        | 7%        | 75.50                | 12.60                                 | 88.10      | 8,820      | 7%        | 627.10               | 104.50                                | 731.60     | 6,800  | 10%  |
| Ukraine                   | Kyiv (Kiev)       | USD sq m Month | 12.00                                 | 129.17     | 41.00            | 8.00                 | 49.00                                 | 9.30             | 100.85    | 52.51                | 10.25                                 | 62.76                   | 590        | 7%        | 58.50                | 11.40                                 | 69.90      | 7,050      | 6%        | 486.10               | 94.80                                 | 580.90     | 5,440  | 10%  |
| United Kingdom            | Birmingham        | GBP sq ft Year | 9.29                                  | 100.00     | 27.50            | 15.00                | 42.50                                 | 9.29             | 100.00    | 27.50                | 15.00                                 | 42.50                   | 4,250      | -11%      | 42.70                | 23.30                                 | 66.00      | 6,600      | -12%      | 354.80               | 193.50                                | 548.30     | 5,090  | -9%  |
|                           | Bristol           | GBP sq ft Year | 10.00                                 | 107.64     | 27.00            | 14.50                | 41.50                                 | 10.00            | 107.64    | 27.00                | 14.50                                 | 41.50                   | 4,470      | 1%        | 42.00                | 22.50                                 | 64.50      | 6,940      | 1%        | 348.40               | 187.10                                | 535.50     | 5,350  | 4%   |
|                           | Cardiff           | GBP sq ft Year | 9.30                                  | 100.10     | 21.00            | 12.05                | 33.05                                 | 9.30             | 100.10    | 21.00                | 12.05                                 | 33.05                   | 3,310      | 2%        | 32.60                | 18.70                                 | 51.30      | 5,140      | 1%        | 271.00               | 155.50                                | 426.50     | 3,970  | 5%   |
|                           | Edinburgh         | GBP sq ft Year | 10.22                                 | 110.00     | 27.50            | 16.00                | 43.50                                 | 10.22            | 110.00    | 27.50                | 16.00                                 | 43.50                   | 4,790      | -4%       | 42.70                | 24.90                                 | 67.60      | 7,440      | -5%       | 354.80               | 206.40                                | 561.20     | 5,740  | -2%  |
|                           | Glasgow           | GBP sq ft Year | 10.00                                 | 107.64     | 28.50            | 14.50                | 43.00                                 | 10.00            | 107.64    | 28.50                | 14.50                                 | 43.00                   | 4,630      | 2%        | 44.30                | 22.50                                 | 66.80      | 7,190      | 2%        | 367.70               | 187.10                                | 554.80     | 5,550  | 5%   |
|                           | London (City)     | GBP sq ft Year | 10.00                                 | 107.64     | 55.00            | 26.00                | 81.00                                 | 10.00            | 107.64    | 55.00                | 26.00                                 | 81.00                   | 8,720      | -7%       | 85.50                | 40.40                                 | 125.90     | 13,550     | -8%       | 709.60               | 335.50                                | 1,045.10   | 10,450 | -5%  |
|                           | London (West End) | GBP sq ft Year | 10.00                                 | 107.64     | 95.00            | 40.00                | 135.00                                | 10.00            | 107.64    | 95.00                | 40.00                                 | 135.00                  | 14,530     | 12%       | 147.70               | 62.20                                 | 209.90     | 22,590     | 12%       | 1,225.80             | 516.10                                | 1,741.90   | 17,420 | 16%  |
|                           | Leeds             | GBP sq ft Year | 10.00                                 | 107.60</   |                  |                      |                                       |                  |           |                      |                                       |                         |            |           |                      |                                       |            |            |           |                      |                                       |            |        |      |

# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

### Appendix 8

#### Breakdown of total occupancy costs: The Americas

| Country/Territory       | Market         |  | Unit |       | Space utilisation standard per worker |       | Prime rent       | Outgoings | Total occupancy cost | Space utilisation standard per worker |                         | Prime rent | Outgoings        | Total occupancy cost | Total occupancy cost per workstation* | YOY change | Prime rent              | Outgoings | Total occupancy cost | Total occupancy cost per workstation* | YOY change             | Prime rent | Outgoings | Total occupancy cost | Total occupancy cost per workstation* | YOY change |     |
|-------------------------|----------------|--|------|-------|---------------------------------------|-------|------------------|-----------|----------------------|---------------------------------------|-------------------------|------------|------------------|----------------------|---------------------------------------|------------|-------------------------|-----------|----------------------|---------------------------------------|------------------------|------------|-----------|----------------------|---------------------------------------|------------|-----|
|                         |                |  |      |       | Gross Lettable Area (GLA)             |       |                  |           |                      |                                       | Net Internal Area (NIA) |            |                  |                      |                                       |            |                         |           |                      |                                       |                        |            |           |                      |                                       |            |     |
| The Americas            |                |  |      |       | sq m                                  | sq ft | Locally quoted** |           |                      |                                       | sq m                    | sq ft      | Locally quoted** |                      |                                       |            | USD per sq ft per annum |           |                      |                                       | EUR per sq m per annum |            |           |                      |                                       |            |     |
| North America           |                |  |      |       |                                       |       |                  |           |                      |                                       |                         |            |                  |                      |                                       |            |                         |           |                      |                                       |                        |            |           |                      |                                       |            |     |
| Canada                  | Calgary        |  | CAD  | sq ft | Year                                  | 22.30 | 240.00           | 26.41     | 16.67                | 43.08                                 | 17.50                   | 188.35     | 33.65            | 21.24                | 54.89                                 | 10,340     | 4%                      | 32.90     | 20.80                | 53.70                                 | 10,110                 | 1%         | 273.50    | 172.60               | 446.10                                | 7,810      | 5%  |
|                         | Montreal       |  | CAD  | sq ft | Year                                  | 17.19 | 185.00           | 21.04     | 19.65                | 40.69                                 | 13.49                   | 145.19     | 26.81            | 25.04                | 51.85                                 | 7,530      | 4%                      | 26.20     | 24.50                | 50.70                                 | 7,360                  | 2%         | 217.90    | 203.50               | 421.40                                | 5,680      | 5%  |
|                         | Ottawa         |  | CAD  | sq ft | Year                                  | 21.83 | 235.00           | 26.49     | 21.51                | 48.00                                 | 17.13                   | 184.43     | 33.75            | 27.41                | 61.16                                 | 11,280     | 3%                      | 33.00     | 26.80                | 59.80                                 | 11,030                 | 1%         | 274.30    | 222.80               | 497.10                                | 8,520      | 4%  |
|                         | Toronto        |  | CAD  | sq ft | Year                                  | 22.30 | 240.00           | 25.06     | 27.15                | 52.21                                 | 17.50                   | 188.35     | 31.93            | 34.59                | 66.53                                 | 12,530     | 4%                      | 31.30     | 33.90                | 65.20                                 | 12,280                 | 2%         | 259.50    | 281.20               | 540.70                                | 9,460      | 5%  |
|                         | Vancouver      |  | CAD  | sq ft | Year                                  | 18.58 | 200.00           | 31.86     | 19.19                | 51.05                                 | 14.58                   | 156.96     | 40.60            | 24.45                | 65.05                                 | 10,210     | 3%                      | 39.70     | 23.90                | 63.60                                 | 9,980                  | 1%         | 330.00    | 198.70               | 528.70                                | 7,710      | 4%  |
| United States           | Atlanta        |  | USD  | sq ft | Year                                  | 22.30 | 240.00           | 16.75     | 7.50                 | 24.25                                 | 17.41                   | 187.38     | 21.45            | 9.61                 | 31.06                                 | 5,820      | 1%                      | 21.50     | 9.60                 | 31.10                                 | 5,830                  | 1%         | 178.10    | 79.80                | 257.90                                | 4,490      | 4%  |
|                         | Boston         |  | USD  | sq ft | Year                                  | 22.02 | 237.00           | 31.80     | 11.50                | 43.30                                 | 16.16                   | 173.89     | 43.34            | 15.67                | 59.01                                 | 10,260     | 2%                      | 43.30     | 15.70                | 59.00                                 | 10,260                 | 2%         | 359.90    | 130.10               | 490.00                                | 7,920      | 6%  |
|                         | Chicago        |  | USD  | sq ft | Year                                  | 19.97 | 215.00           | 22.00     | 11.30                | 33.30                                 | 14.66                   | 157.75     | 29.98            | 15.40                | 45.38                                 | 7,160      | 1%                      | 30.00     | 15.40                | 45.40                                 | 7,160                  | 1%         | 249.00    | 127.90               | 376.90                                | 5,520      | 5%  |
|                         | Dallas         |  | USD  | sq ft | Year                                  | 18.58 | 199.99           | 14.70     | 7.30                 | 22.00                                 | 14.51                   | 156.15     | 18.83            | 9.35                 | 28.18                                 | 4,400      | 1%                      | 18.80     | 9.30                 | 28.10                                 | 4,390                  | 1%         | 156.30    | 77.60                | 233.90                                | 3,390      | 4%  |
|                         | Denver         |  | USD  | sq ft | Year                                  | 19.51 | 210.00           | 16.80     | 8.20                 | 25.00                                 | 15.23                   | 163.96     | 21.52            | 10.50                | 32.02                                 | 5,250      | 1%                      | 21.50     | 10.50                | 32.00                                 | 5,250                  | 1%         | 178.70    | 87.20                | 265.90                                | 4,050      | 5%  |
|                         | Houston        |  | USD  | sq ft | Year                                  | 18.58 | 200.00           | 19.70     | 9.20                 | 28.90                                 | 14.51                   | 156.15     | 25.23            | 11.78                | 37.02                                 | 5,780      | 2%                      | 25.20     | 11.80                | 37.00                                 | 5,780                  | 2%         | 209.50    | 97.80                | 307.30                                | 4,460      | 5%  |
|                         | Los Angeles    |  | USD  | sq ft | Year                                  | 16.26 | 175.00           | 27.10     | 10.30                | 37.40                                 | 11.93                   | 128.40     | 36.93            | 14.04                | 50.97                                 | 6,550      | 1%                      | 36.90     | 14.00                | 50.90                                 | 6,540                  | 0%         | 306.70    | 116.60               | 423.30                                | 5,050      | 4%  |
|                         | Miami          |  | USD  | sq ft | Year                                  | 18.58 | 200.00           | 23.30     | 12.00                | 35.30                                 | 14.51                   | 156.15     | 29.84            | 15.37                | 45.21                                 | 7,060      | 1%                      | 29.80     | 15.40                | 45.20                                 | 7,060                  | 1%         | 247.80    | 127.60               | 375.40                                | 5,450      | 5%  |
|                         | Minneapolis    |  | USD  | sq ft | Year                                  | 19.97 | 215.00           | 16.80     | 9.30                 | 26.10                                 | 15.60                   | 167.86     | 21.52            | 11.91                | 33.43                                 | 5,610      | 1%                      | 21.50     | 11.90                | 33.40                                 | 5,610                  | 1%         | 178.70    | 98.90                | 277.60                                | 4,330      | 4%  |
|                         | New York       |  | USD  | sq ft | Year                                  | 20.90 | 225.00           | 55.40     | 14.60                | 70.00                                 | 15.34                   | 165.09     | 75.50            | 19.90                | 95.40                                 | 15,750     | 5%                      | 75.50     | 19.90                | 95.40                                 | 15,750                 | 5%         | 626.90    | 165.20               | 792.10                                | 12,150     | 9%  |
|                         | Philadelphia   |  | USD  | sq ft | Year                                  | 20.90 | 225.00           | 20.10     | 7.40                 | 27.50                                 | 15.34                   | 165.09     | 27.39            | 10.09                | 37.48                                 | 6,190      | 1%                      | 27.40     | 10.10                | 37.50                                 | 6,190                  | 1%         | 227.50    | 83.70                | 311.20                                | 4,770      | 5%  |
|                         | Phoenix        |  | USD  | sq ft | Year                                  | 21.83 | 235.00           | 17.50     | 7.50                 | 25.00                                 | 17.05                   | 183.48     | 22.41            | 9.61                 | 32.02                                 | 5,875      | 0%                      | 22.40     | 9.60                 | 32.00                                 | 5,870                  | 0%         | 186.10    | 79.80                | 265.90                                | 4,530      | 3%  |
|                         | San Diego      |  | USD  | sq ft | Year                                  | 19.97 | 214.96           | 25.55     | 7.10                 | 32.65                                 | 15.59                   | 167.83     | 32.72            | 9.09                 | 41.82                                 | 7,020      | 0%                      | 32.70     | 9.10                 | 41.80                                 | 7,020                  | 0%         | 271.70    | 75.50                | 347.20                                | 5,410      | 3%  |
|                         | San Francisco  |  | USD  | sq ft | Year                                  | 15.79 | 169.96           | 31.90     | 11.60                | 43.50                                 | 11.59                   | 124.71     | 43.48            | 15.81                | 59.29                                 | 7,390      | 7%                      | 43.50     | 15.80                | 59.30                                 | 7,400                  | 7%         | 361.00    | 131.30               | 492.30                                | 5,700      | 10% |
|                         | Seattle        |  | USD  | sq ft | Year                                  | 15.79 | 170.00           | 24.50     | 8.70                 | 33.20                                 | 11.59                   | 124.73     | 33.39            | 11.86                | 45.25                                 | 5,644      | 0%                      | 33.40     | 11.90                | 45.30                                 | 5,650                  | 0%         | 277.30    | 98.50                | 375.80                                | 4,350      | 3%  |
|                         | Silicon Valley |  | USD  | sq ft | Year                                  | 17.65 | 190.00           | 37.89     | 13.60                | 51.49                                 | 12.95                   | 139.41     | 51.64            | 18.54                | 70.18                                 | 9,780      | 1%                      | 51.60     | 18.50                | 70.10                                 | 9,770                  | 1%         | 428.80    | 153.90               | 582.70                                | 7,550      | 5%  |
|                         | Washington DC  |  | USD  | sq ft | Year                                  | 23.23 | 250.00           | 37.20     | 16.60                | 53.80                                 | 17.04                   | 183.43     | 50.70            | 22.62                | 73.32                                 | 13,450     | 1%                      | 50.70     | 22.60                | 73.30                                 | 13,450                 | 1%         | 421.00    | 187.90               | 608.90                                | 10,380     | 4%  |
| Central & South America |                |  |      |       |                                       |       |                  |           |                      |                                       |                         |            |                  |                      |                                       |            |                         |           |                      |                                       |                        |            |           |                      |                                       |            |     |
| Brazil                  | Rio de Janeiro |  | BRL  | sq m  | Month                                 | 12.50 | 134.55           | 140.00    | 22.00                | 162.00                                | 9.12                    | 98.14      | 191.94           | 30.16                | 222.10                                | 2,030      | 37%                     | 114.80    | 18.00                | 132.80                                | 13,030                 | 22%        | 953.30    | 149.80               | 1103.10                               | 10,060     | 26% |
|                         | São Paulo      |  | BRL  | sq m  | Month                                 | 12.50 | 134.55           | 115.00    | 22.00                | 137.00                                | 9.12                    | 98.14      | 157.66           | 30.16                | 187.82                                | 1,710      | 22%                     | 94.30     | 18.00                | 112.30                                | 11,020                 | 9%         | 783.10    | 149.80               | 932.90                                | 8,510      | 13% |
| Mexico                  | Cancun         |  | USD  | sq m  | Month                                 | 8.00  | 86.11            | 20.00     | 9.00                 | 29.00                                 | 7.15                    | 77.01      | 22.36            | 10.06                | 32.43                                 | 230        | 0%                      | 24.90     | 11.20                | 36.10                                 | 2,780                  | 0%         | 207.00    | 93.20                | 300.20                                | 2,150      | 3%  |
|                         | Guadalajara    |  | USD  | sq m  | Month                                 | 10.00 | 107.64           | 23.00     | 9.00                 | 32.00                                 | 8.40                    | 90.45      | 27.37            | 10.71                | 38.08                                 | 320        | -3%                     | 30.50     | 11.90                | 42.40                                 | 3,840                  | -3%        | 253.40    | 99.10                | 352.50                                | 2,960      | 0%  |
|                         | Mexico City    |  | USD  | sq m  | Month                                 | 10.00 | 107.64           | 26.00     | 10.00                | 36.00                                 | 8.40                    | 90.45      | 30.94            | 11.90                | 42.84                                 | 360        | 0%                      | 34.50     | 13.30                | 47.80                                 | 4,320                  | 0%         | 286.40    | 110.20               | 396.60                                | 3,330      | 3%  |
|                         | Monterrey      |  | USD  | sq m  | Month                                 | 10.00 | 107.64           | 23.00     | 9.00                 | 32.00                                 | 8.40                    | 90.45      | 27.37            | 10.71                | 38.08                                 | 320        | -3%                     | 30.50     | 11.90                | 42.40                                 | 3,840                  | -3%        | 253.40    | 99.10                | 352.50                                | 2,960      | 0%  |

\*Figures have been rounded to the nearest 10

# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

### Definitions

- **Total occupancy cost**

Total occupancy cost is defined as the average total cost of leasing prime net usable space.

It includes rents and outgoings, such as maintenance costs and property tax, if these are normally payable by the occupier.

It excludes leasing incentives, such as rent-free periods and fitting-out costs, as well as facilities costs specific to the tenant, such as cleaning or IT. It also excludes amortization of capital and related expenditure.

- **Total occupancy cost per workstation**

Total occupancy cost on a per workstation basis provides a better comparison of costs around business districts, as it reflects the way organisations occupy and use space in different parts of the world.

- **Prime space**

Buildings newly developed or comprehensively refurbished (involving structural alteration, and/or the substantial replacement of the main services and finishes), not previously occupied, including sublet space not previously occupied.

- **Prime rent**

The highest rent that could be achieved for a typical building/unit of the highest quality and specification in the best location to a tenant with a good (i.e. secure) covenant.

(NB. This is a net rent, excluding service charge or tax, and is based on a standard lease, excluding exceptional deals for that particular market.

- **Gross lettable area (GLA)**

GLA is the total of all covered areas occupied by the tenant. There is no standard global definition of “lease area”; whilst a handful of countries have an official measuring code, the majority rely on accepted local market practice, whilst in some emerging markets the definition of a “leasable square metre” may vary depending on the landlord. This means that €200 per sq m in Paris does not compare to €200 per sq m in Delhi. For cross-border comparison, this report uses conversion rates based on the RICS Net Internal Area (NIA) definition.

- **Net internal area (NIA)**

NIA refers to space functional to the occupier.

It includes internal circulation space and meeting rooms. The area occupied by partitions within the premises is considered part of the net usable area as partitions are often an occupier’s option.

It excludes areas occupied by structural columns and common areas such as stairwells, lifts, lobbies, external walls, vertical ducts and common passages that are not used exclusively by the occupier.

- **Space utilisation standard per workstation**

Space utilisation standard per workstation is defined as the net internal area divided by the number of planned workstations for which the space is intended. It relates to the type of occupier that typically occupies prime Grade A office space for which this survey is intended. It gives a comparison of the amount of space required in different business districts, based on a given number of workstations.

Space utilisation standard does not change significantly from year to year as it is closely correlated to long-established working cultures/styles, building design and nature of the office markets. Nevertheless, it does evolve over time, reflecting changing work styles and technology.

### Methodology

- Our 2011 Global Occupancy Costs – Offices (GOCO) report presents office occupancy costs per workstation across 124 business districts in 49 countries and territories worldwide.
- Using data collected from our extensive network of local offices around the world, this survey looks at the main components of occupancy costs across the globe and provides a ranking based on annual costs per workstation, taking into account differences in space utilisation per workstation in all markets.
- The data is submitted in local currency and according to local measurement practices. The methodology used in the calculation of occupancy cuts through these local market practices to provide standardised cost units. We do this by converting all data into Net Internal Area (NIA) and USD. The data in this report uses the exchange rate as at 30 December 2011.

# DTZ Occupier Perspective

## Global Occupancy Costs – Offices

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