

Brazil continues to outperform; US shows more signs of recovery

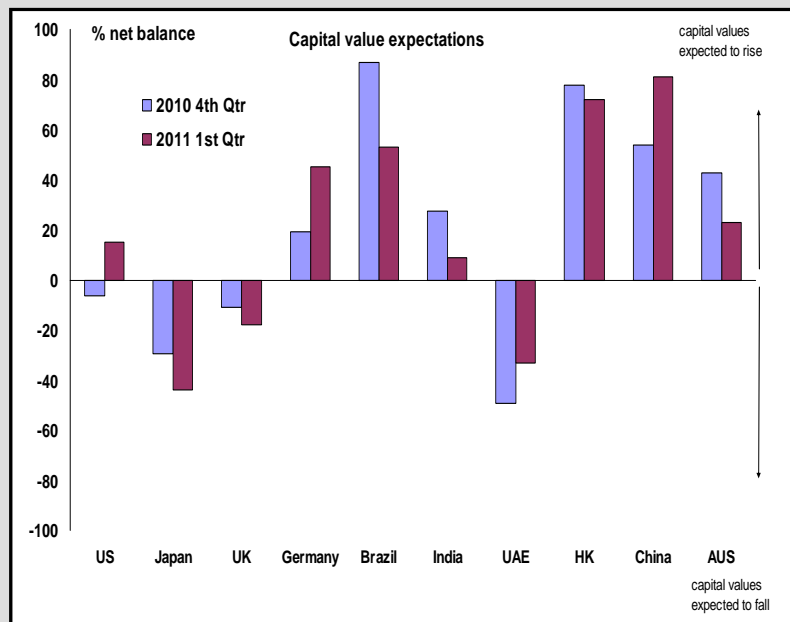
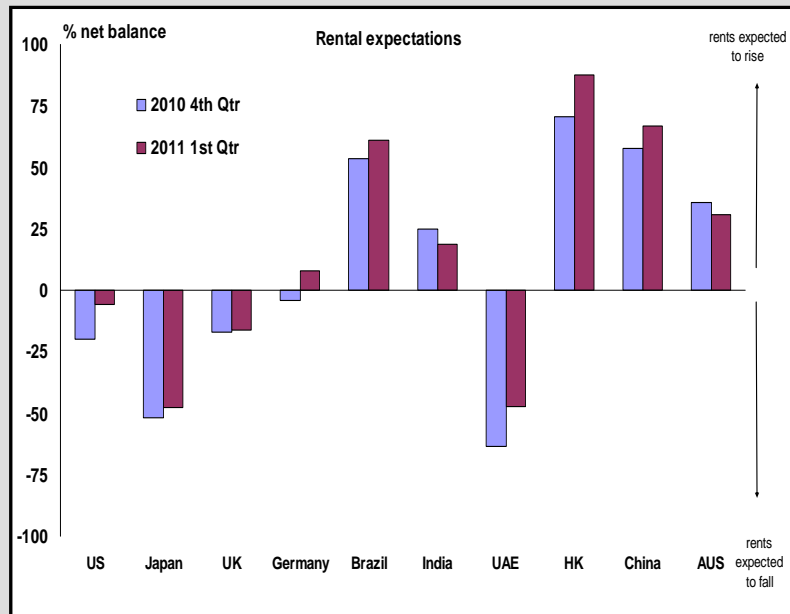
- **Brazil continues to post strongly positive readings for both rental and capital value expectations**
- **U.S. capital value expectations finally turn positive although the rental outlook remains more subdued**
- **Canadian capital value and rental expectations improve again**

The Q4 2010 RICS Global Commercial Property Survey suggests that sentiment in North America has rebounded, with respondents in the US and Canada more optimistic that the worst is behind them. Meanwhile, Latin America continues to record robust results, particularly Brazil and Argentina, where confidence is high.

The US results show an encouraging shift in market sentiment, with capital value expectations at last turning positive (the net balance increased from -6 to 15). Also, tenant demand posted a strong rise, with the net balance rising from 3 to 25 and rental expectations, while still negative, are now falling at their slowest pace since Q1 2008. The rise in investment demand (with the net balance increasing from 28 to 36) could help explain the forecast rise in capital values over the coming 12 months. Additionally, availability of commercial property is growing at its slowest pace since the second half of 2007, and new development starts are still falling. These factors are limiting supply and helping to underpin prices. At a sector level, offices are on balance showing the most positive readings both in the occupier and investment markets.

In Canada, the recovery process is a little more advanced. Capital value expectations moved further into positive territory (the net balance increased from 43 to 46) helped by a sharp jump in investment demand. It showed a significant improvement in Q4, with the net balance jumping from 31 to 74. Tenant demand also recorded strong growth in the fourth quarter while the availability of stock fell for the first time since the first quarter of 2008. Against this backdrop, it is not surprising that rental expectations continue to rise (the net balance jumped from 4 to 19).

Meanwhile, respondents in Brazil remain upbeat about the prospects for the commercial property market. Capital values are projected to continue rising sharply albeit at a slightly slower pace than in Q3 (the net balance eased from 87 to 53). Tenant demand and rental expectations have both increased over the last quarter. Alongside this, the availability of commercial property is still contracting. However, the strong reading for new developments should help ease supply constraints in 2011. All sectors are producing broadly similar positive results.



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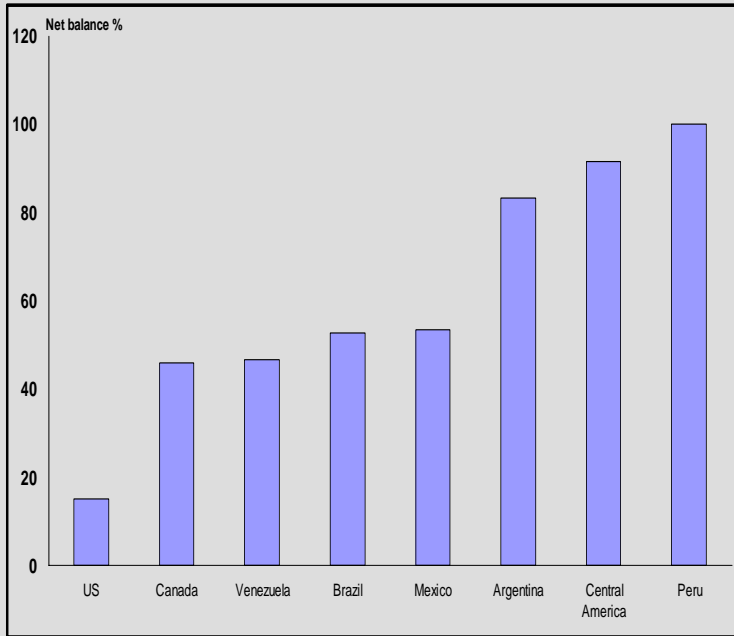
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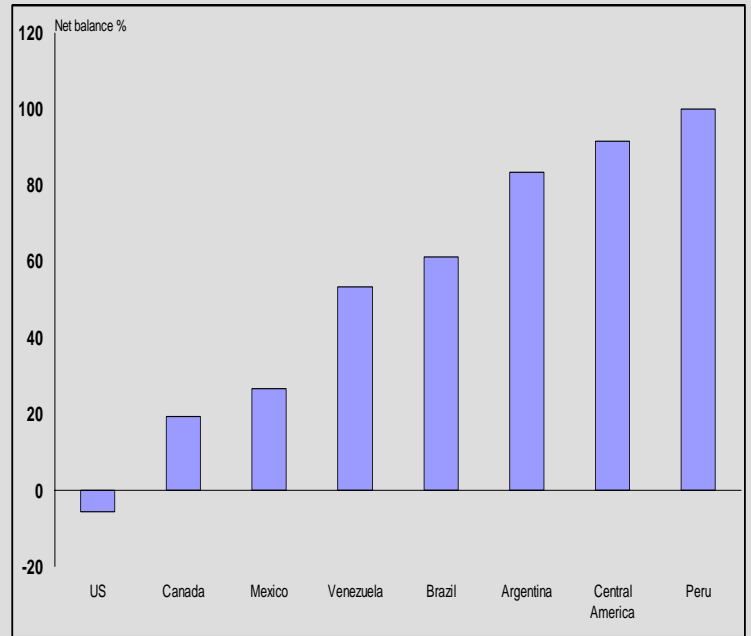
the mark of
property
professionalism
worldwide

Americas - key indicators

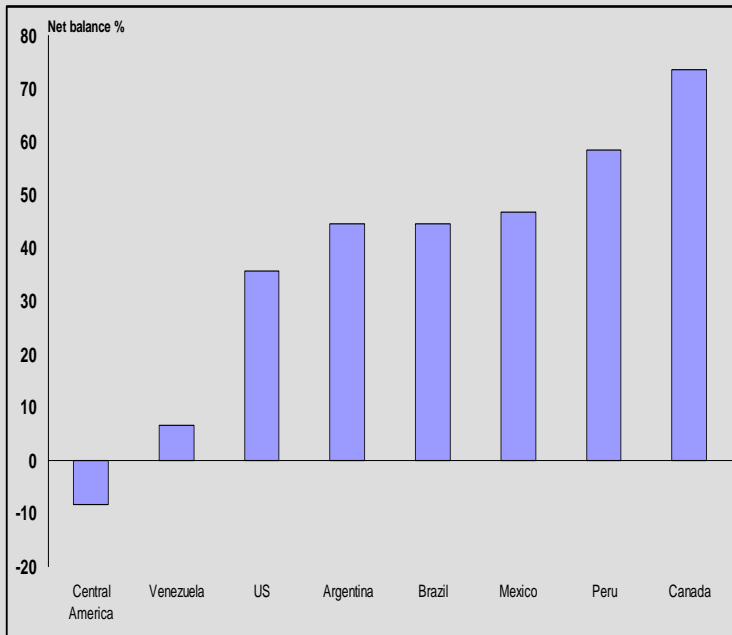
Capital Value Expectations



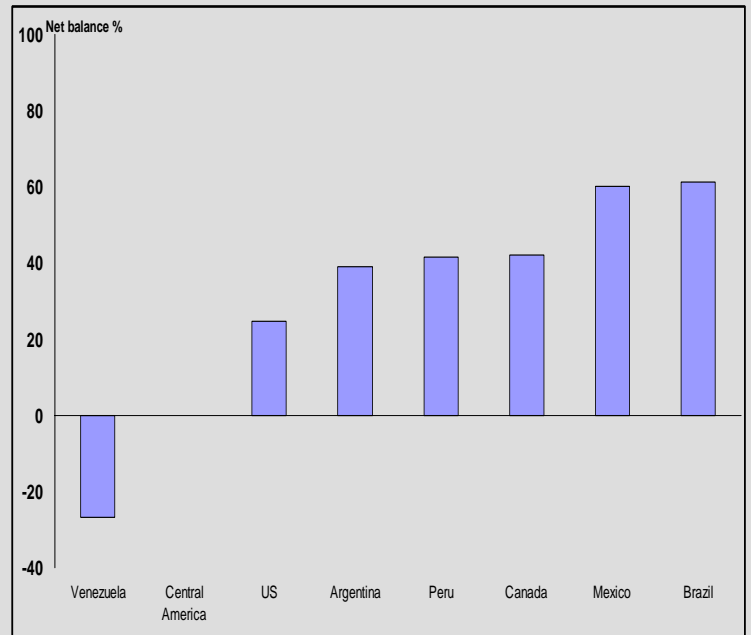
Rent Expectations



Investment Activity

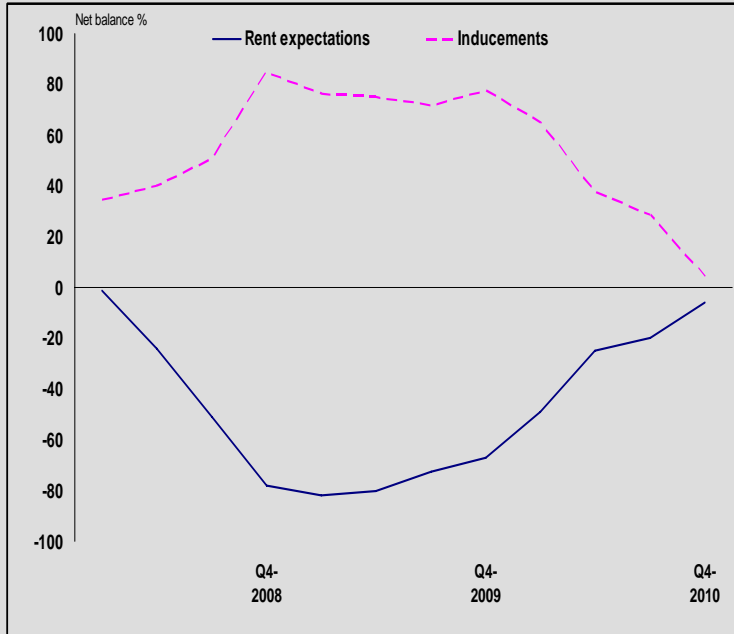


Tenant Demand

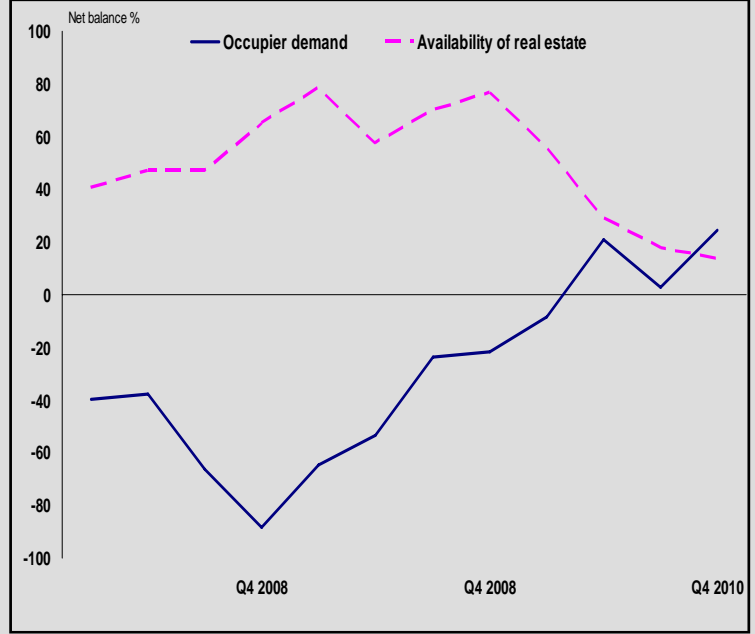


US focus

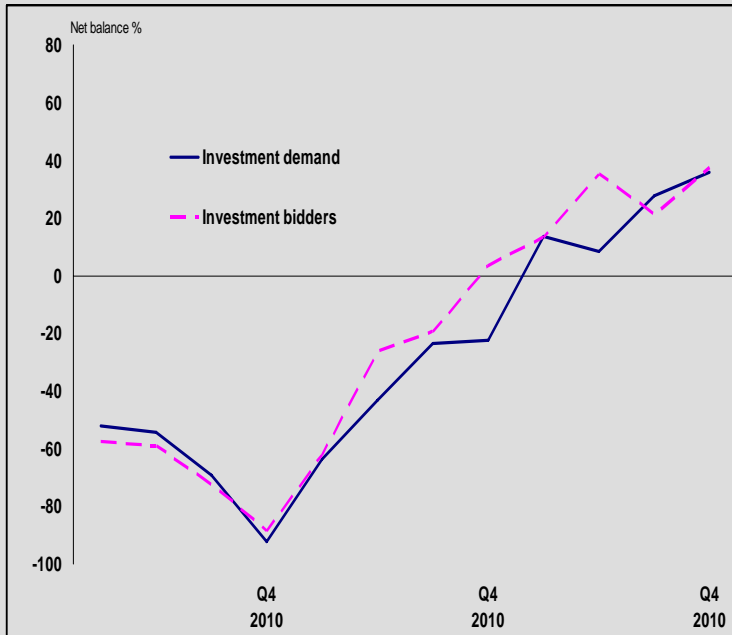
Rent Expectations and Inducements



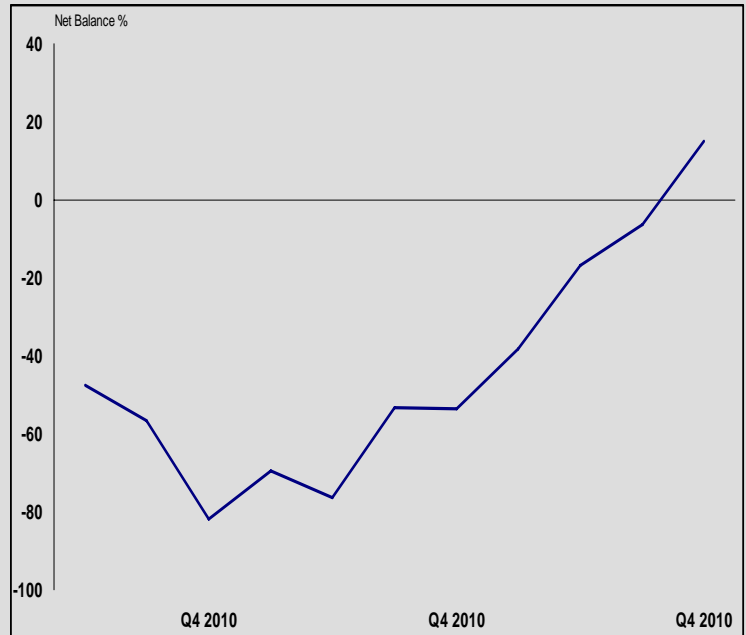
Occupier demand and Availability



Investment Demand & Number of Bidders

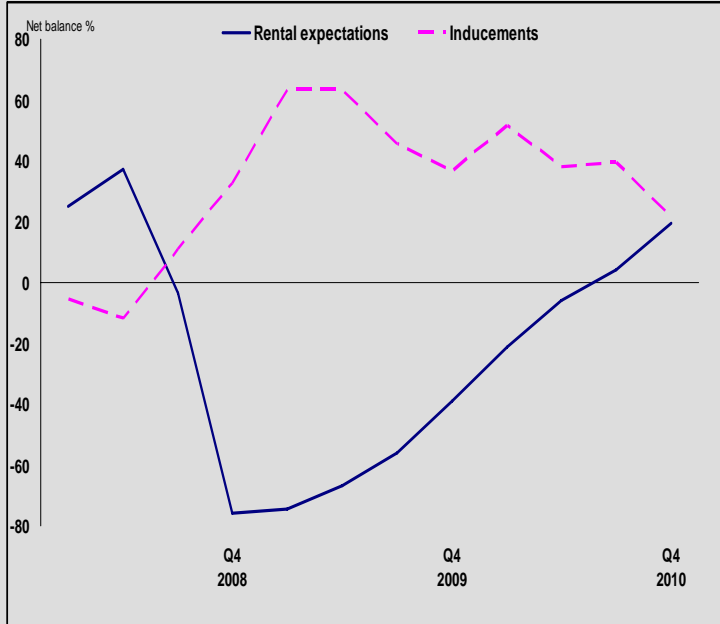


Capital Value Expectations

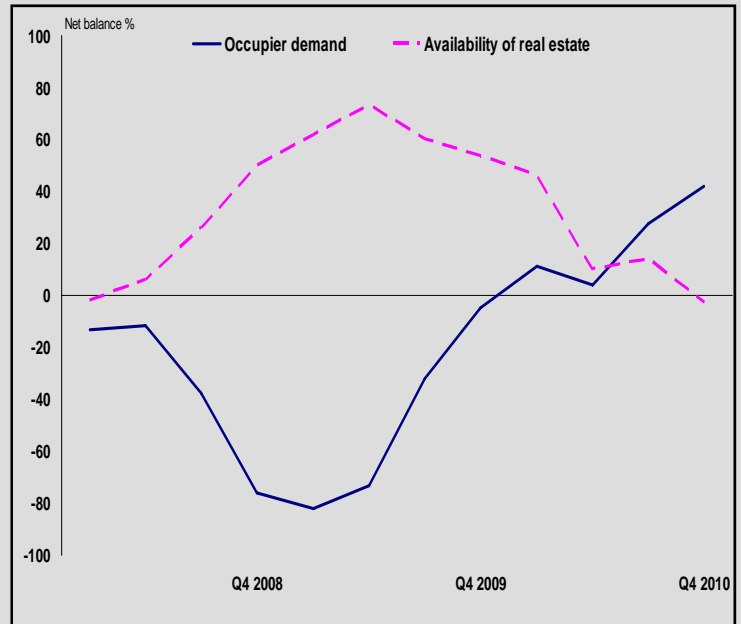


Canada focus

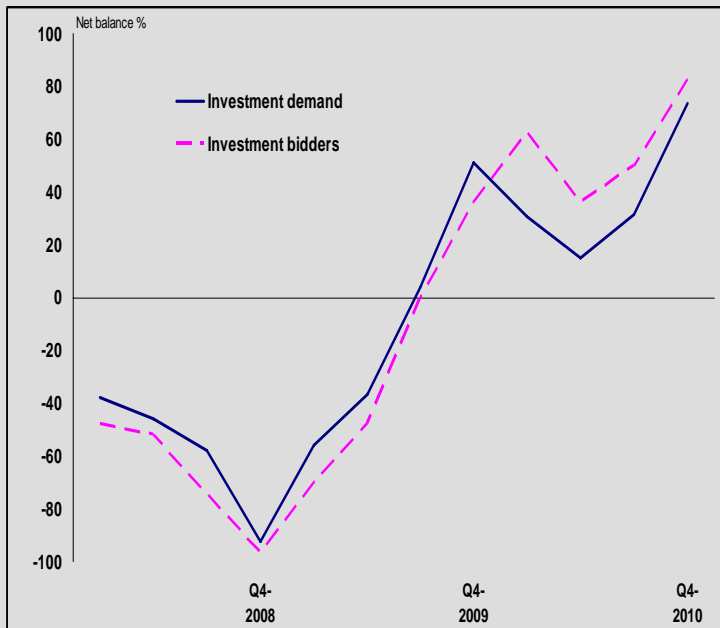
Rent Expectations and Inducements



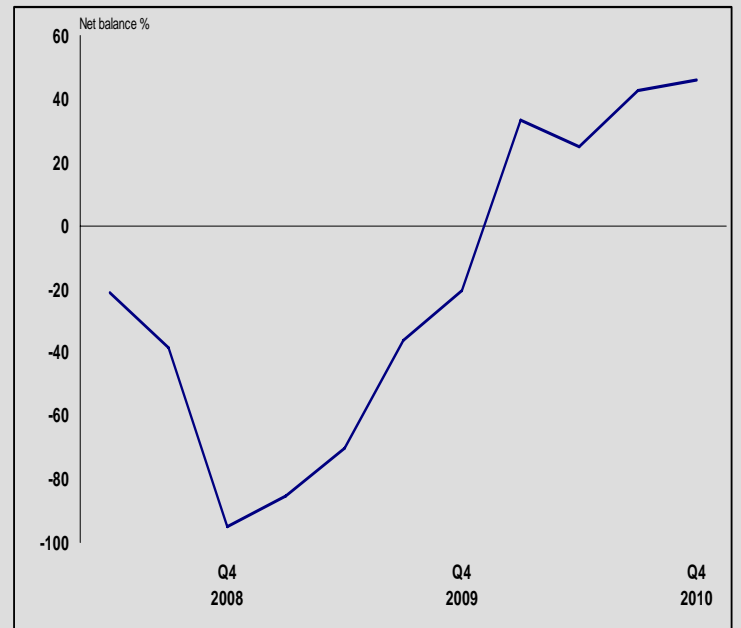
Occupier demand and Availability



Investment Demand & Number of Bidders

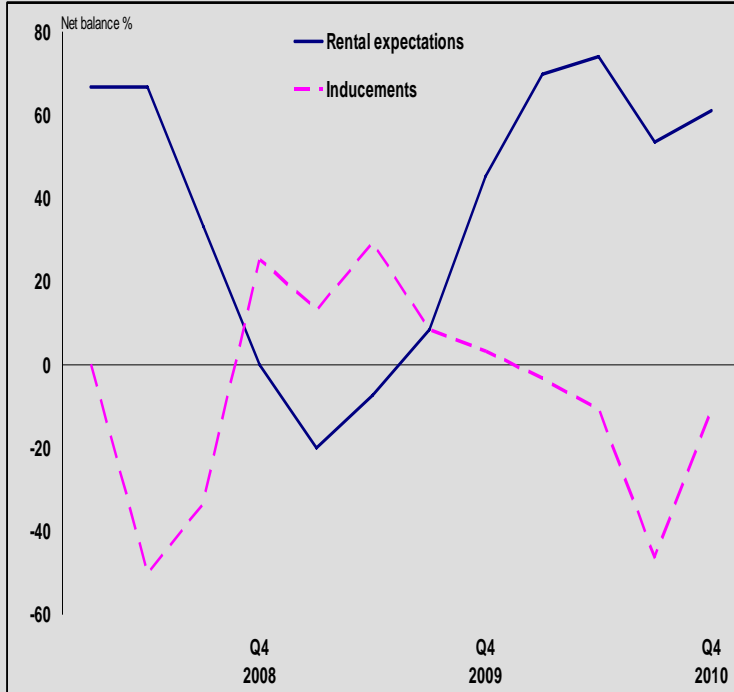


Capital Value Expectations

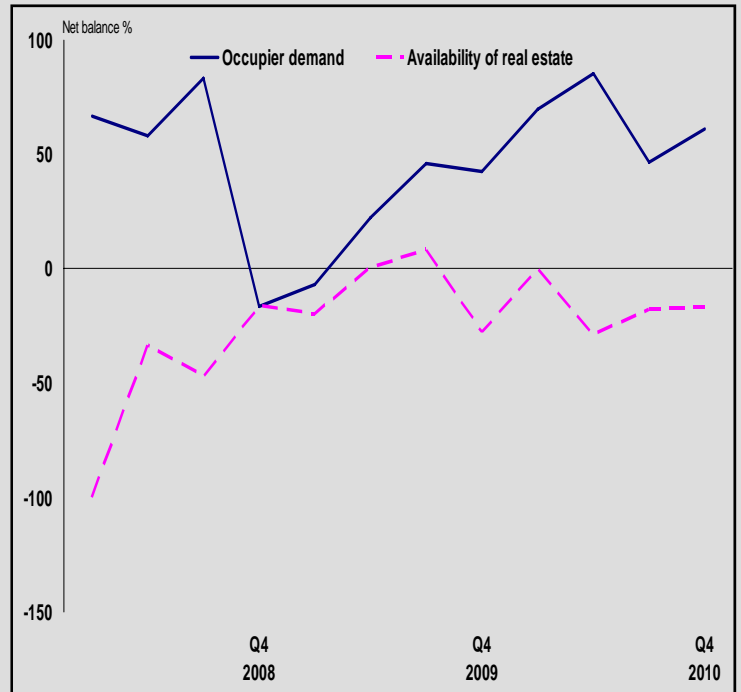


Brazil focus

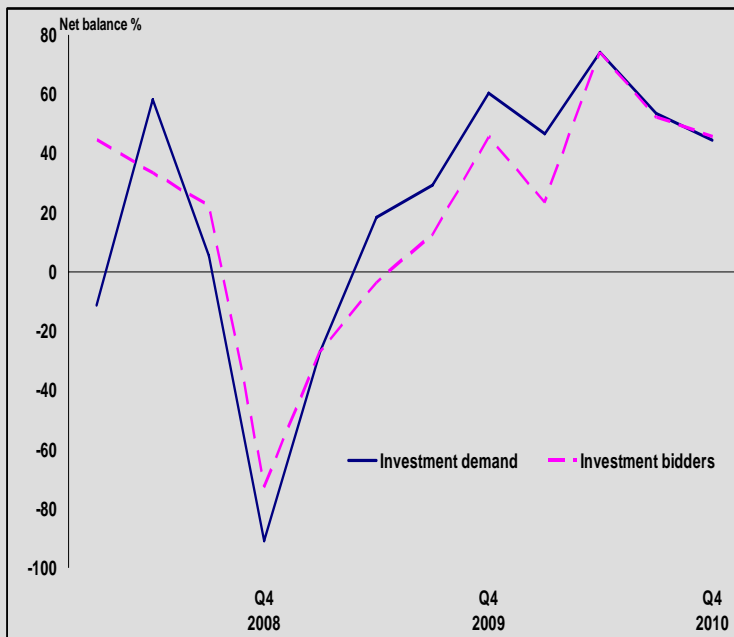
Rent Expectations and Inducements



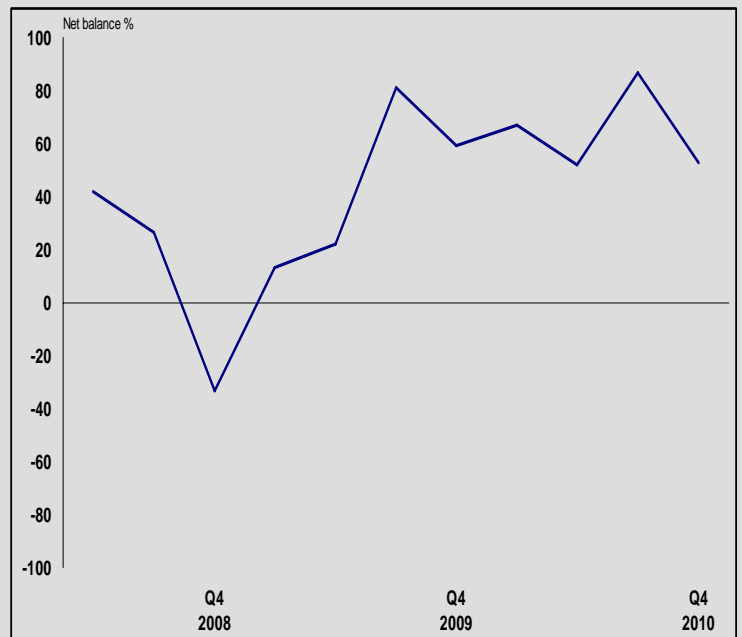
Occupier demand and availability



Investment Demand & Number of Bidders



Capital Value Expectations



Survey methodology

RICS Global Commercial Property Survey

RICS' Global Commercial Property Survey is a quarterly guide to the developing trends in the commercial property investment and occupier market.

This edition details market conditions for the fourth quarter of 2010 based on information collected from leading international real estate organisations and local firms.

Methodology

Survey questionnaires were sent to real estate organisations on 3rd December 2010, with responses received up until the 10th of January 2011. Respondents were asked to compare conditions over the latest three months with the previous three months. A total of 410 company responses were received.

Responses have been amalgamated across the three real estate sub-sectors of offices, retail and industrial property at a country level, to form diffusion indices for the commercial market as a whole.

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If you wish to participate in the quarterly survey, please email jguilfoyle@rics.org to register your details. Please provide your name, company details and the location(s) you wish to cover within the email or register online at www.rics.org/globalproperty

RICS Global Commercial Property Survey

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