

RICS Americas Commercial Property Survey

RICS Economics Q1 2010

www.rics.org

Brazil steams ahead; North America begins to recover

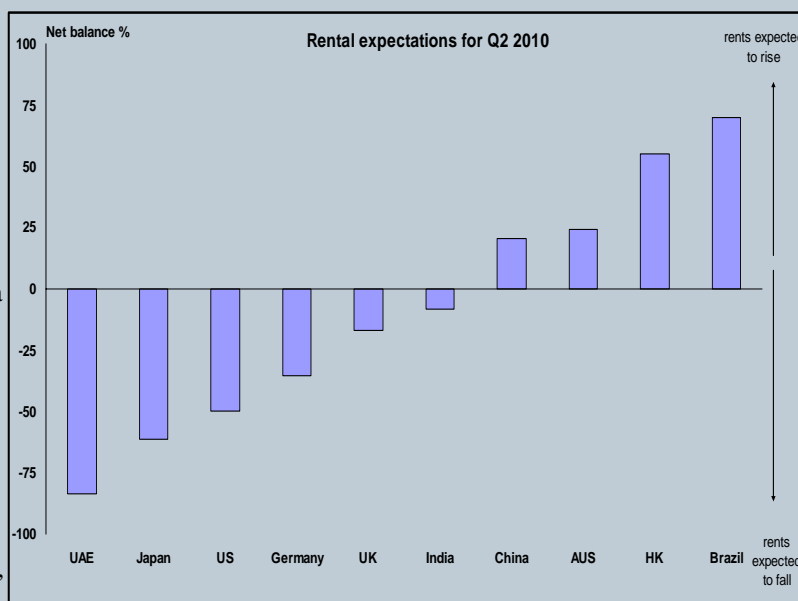
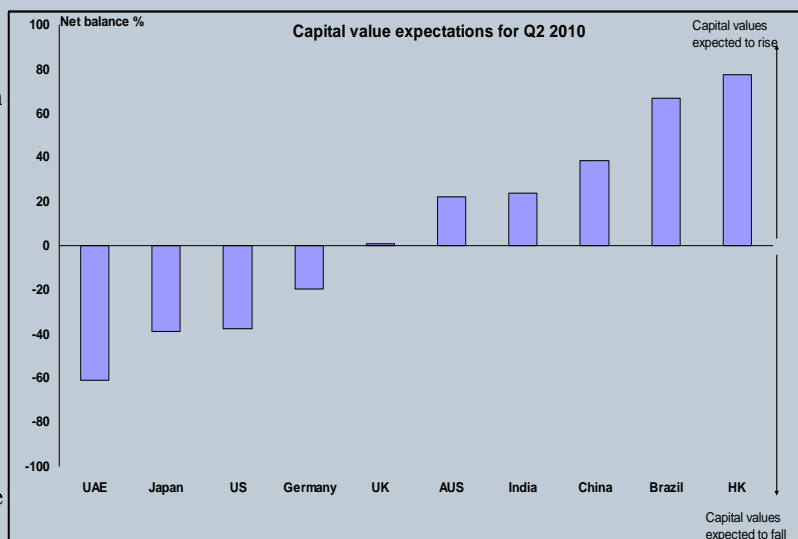
- **Brazil tops the table in terms of rental expectations for Q2 2010**
- **The US, while still having a negative net balance for both rental and capital expectations, is improving**
- **Capital expectations in Canada swing back into the positive territory**

The latest Global Commercial Property Survey from RICS points to a continuing improvement in sentiment in real estate markets around the world, with spring expected to bring more positive news. Specifically in the Americas, the results are generally firmer although divergent trends are still visible across the continent.

Nowhere is the mood more upbeat than in Brazil with rent expectations at their best level since Q1 2008. The country was one of the few that did not see a further rise in available space in the first three months of the year and actually reported a drop in the level of inducement on offer to tenants. Meanwhile, capital value expectations remained strong even though the net balance for both investment demand and the number of investment bidders per property was slightly less positive than in the last survey.

By way of contrast, the net balance for both rental and capital expectations in the US remain negative. However, they did record their best results since Q2 2008 and Q1 2008 respectively. More importantly, the net balance for investment demand was positive for the first time since the first half of 2007 while the number of investment bidders per property continued its upward trend reflecting the renewed appetite for risk. Capitalisation rates according to respondents to the survey are continuing to edge upwards albeit at a much more modest pace than previously. Significantly, development starts still remain heavily in negative territory which is not altogether surprising given that available space has been increasing for the past two and a half years.

Finally, Canada's economic recovery is being reflected in the responses on capital expectations in the real estate sector which have turned positive after two years of negative readings. The rise in prices is being reflected in a drop in capitalisation rates. In addition, the number of investment bidders per property has also increased, showing a continued positive net balance of +63 while investment demand edged back slightly although still remaining comfortably in positive territory.



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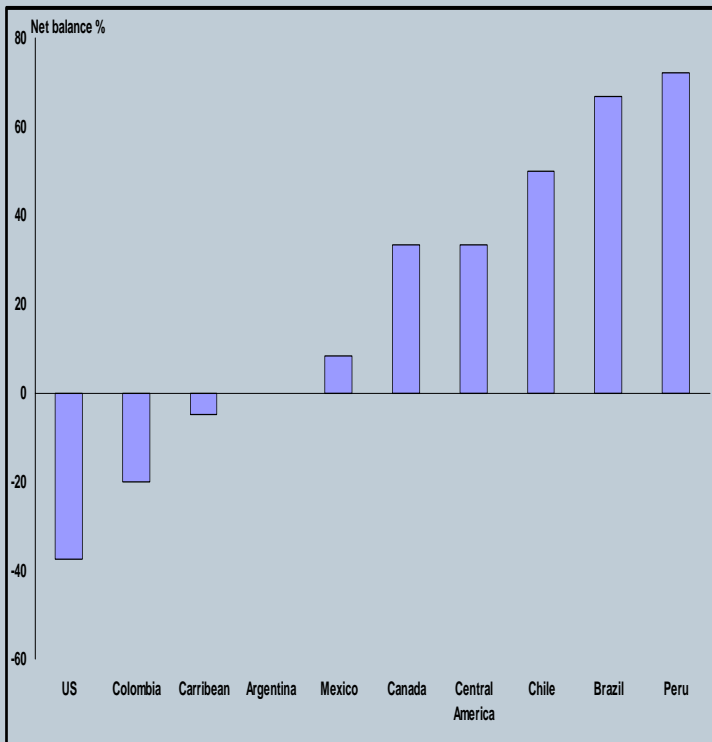
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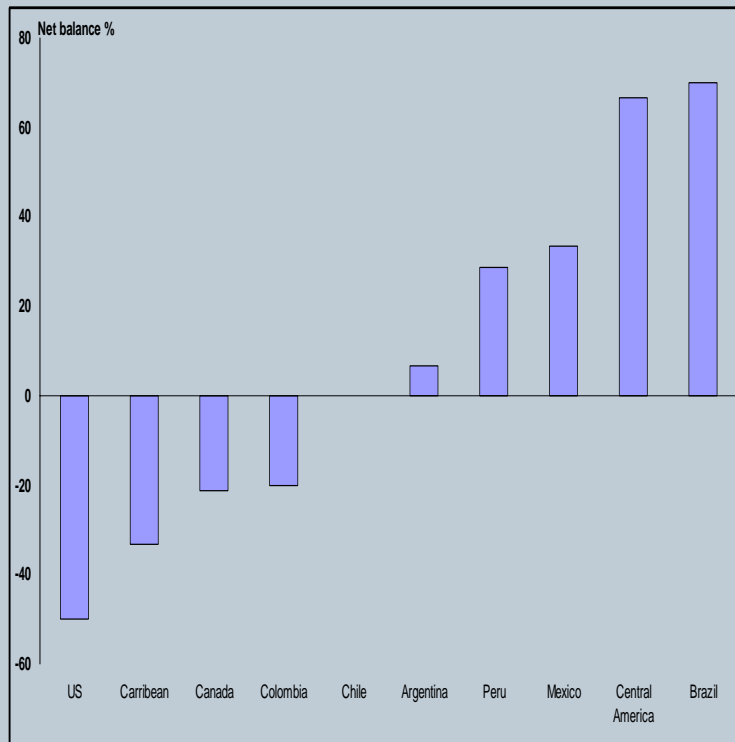
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Americas—Key Indicators

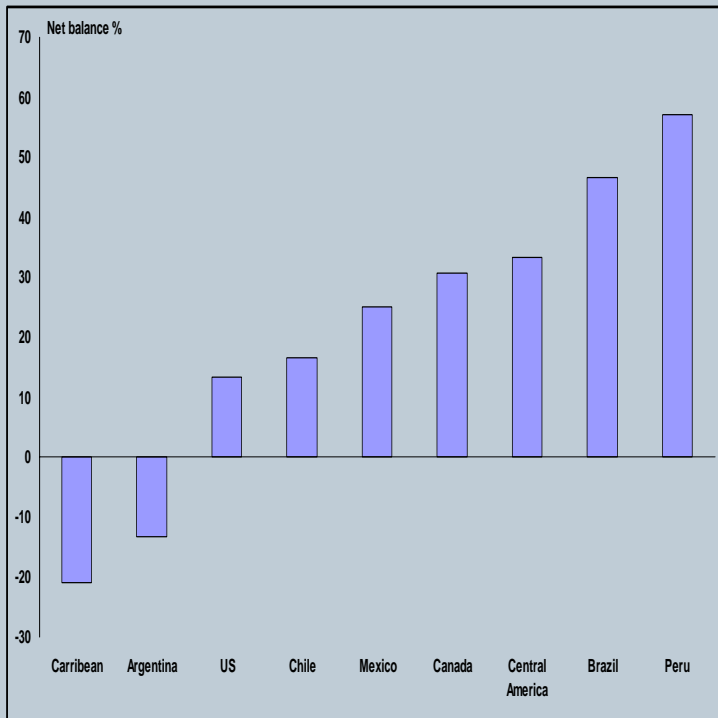
Capital Value Expectations



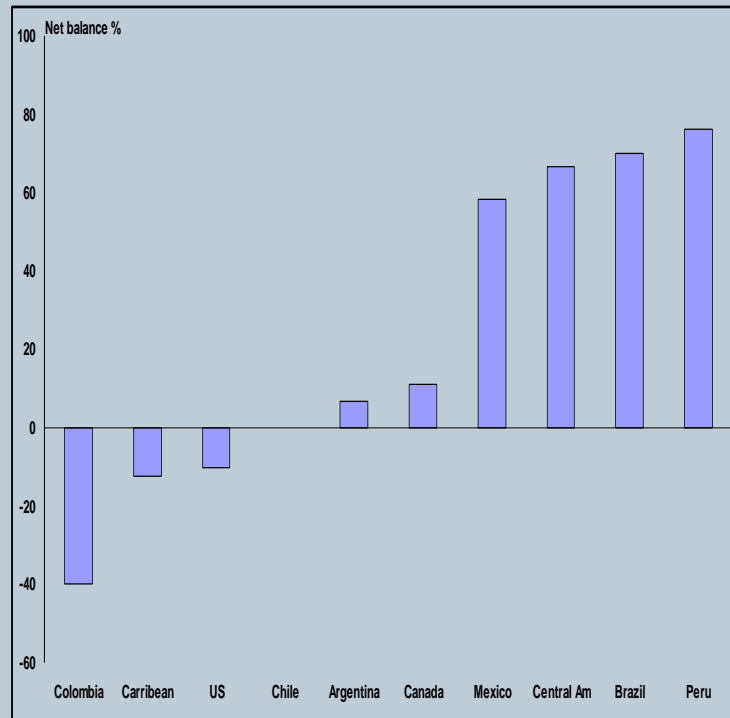
Rent Expectations



Investment Activity



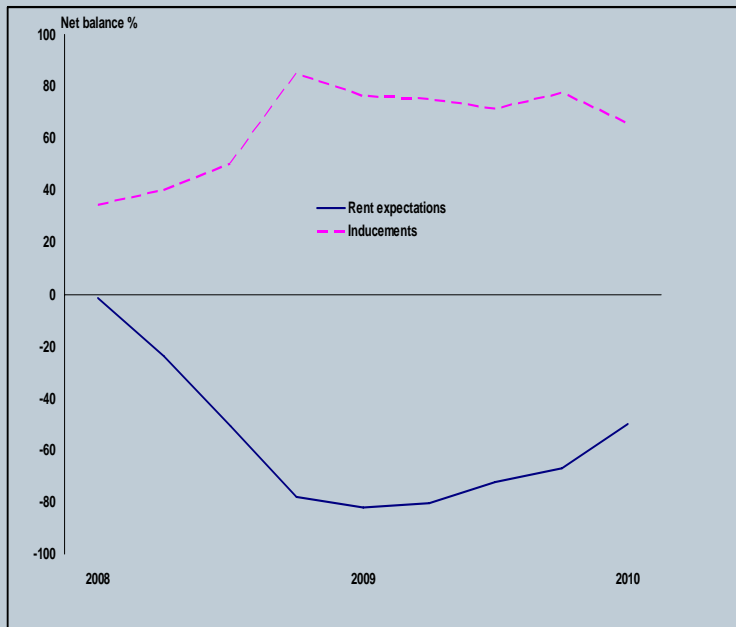
Tenant Demand



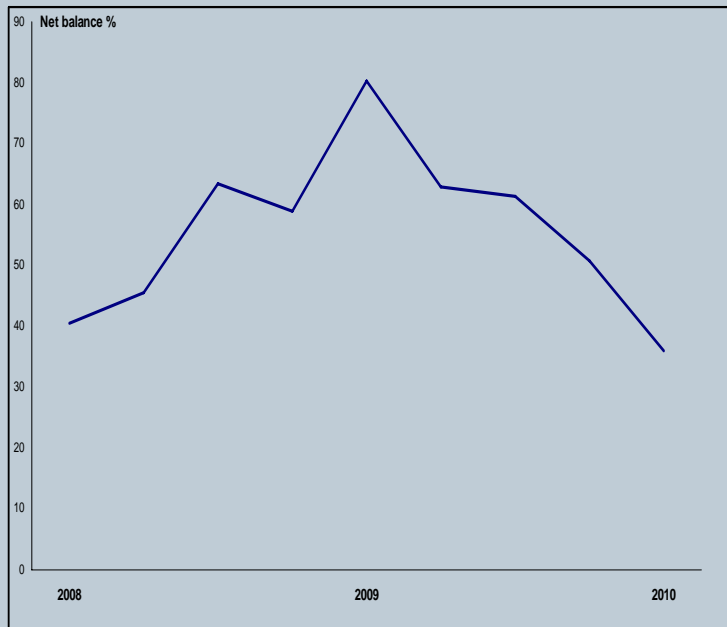
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US

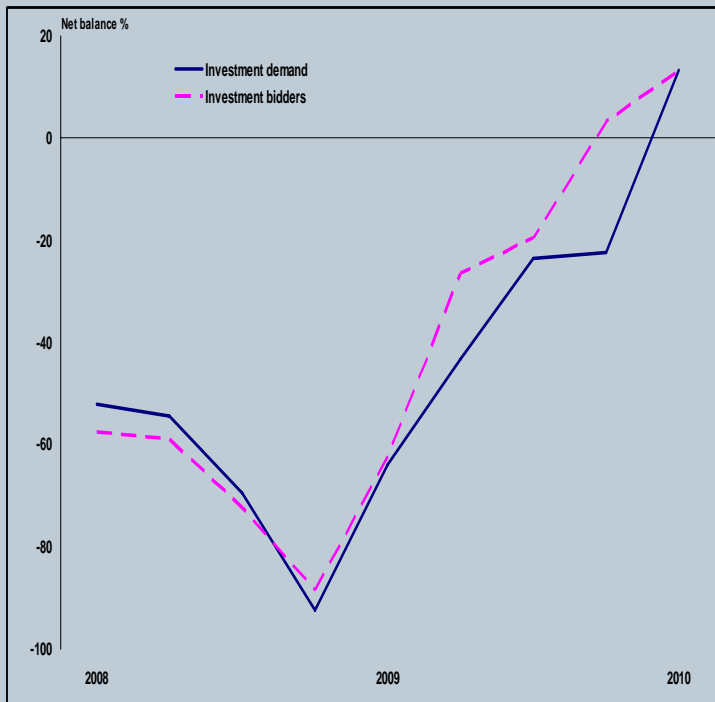
Rent Expectations and Inducements



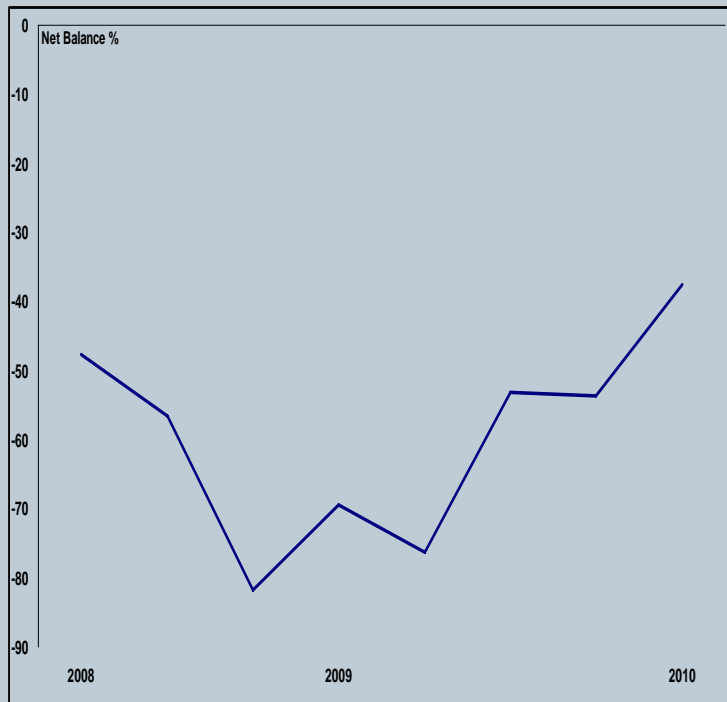
Capitalisation Rates



Investment Demand & Number of Bidders



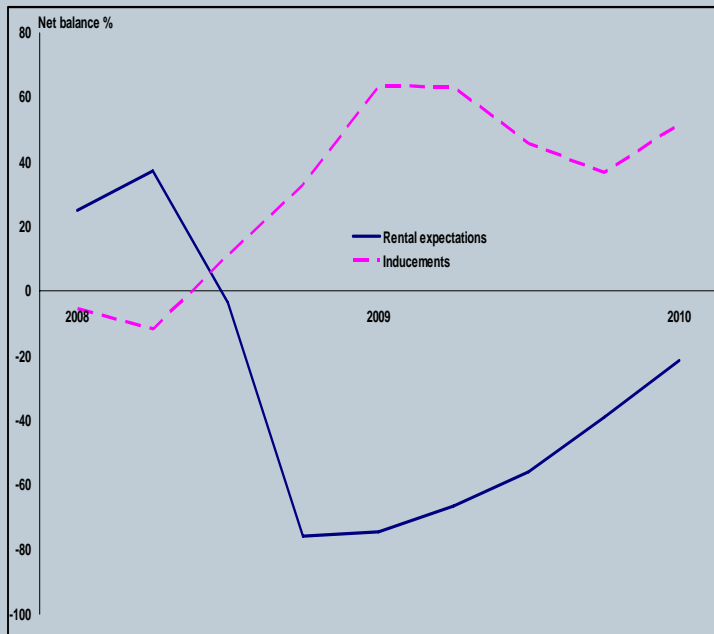
Capital Value Expectations



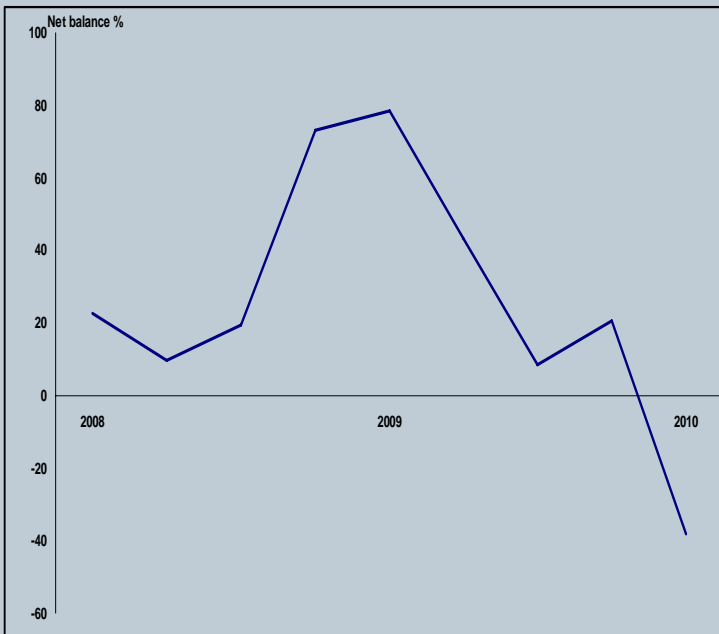
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Canada

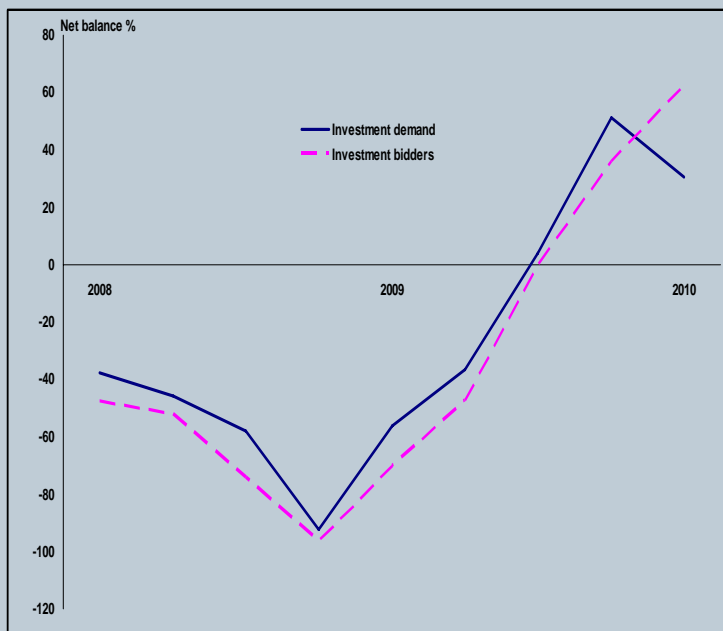
Rent Expectations and Inducements



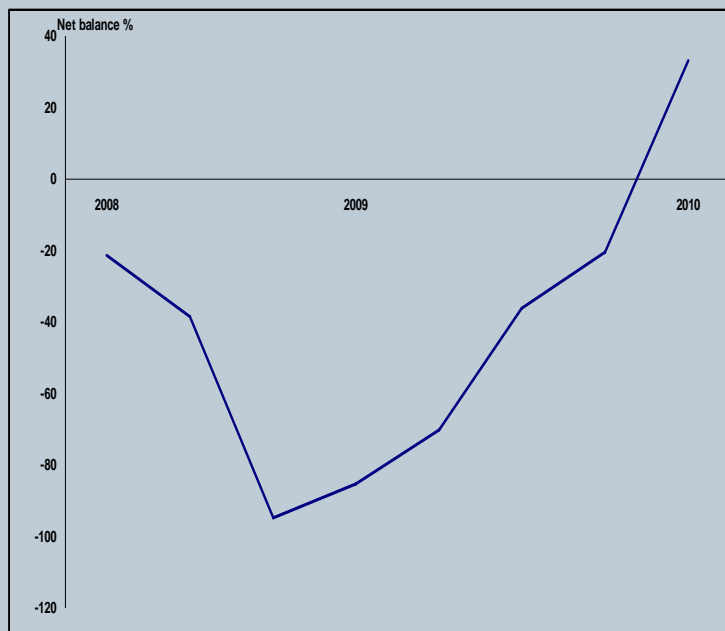
Capitalisation Rates



Investment Demand & Number of Bidders



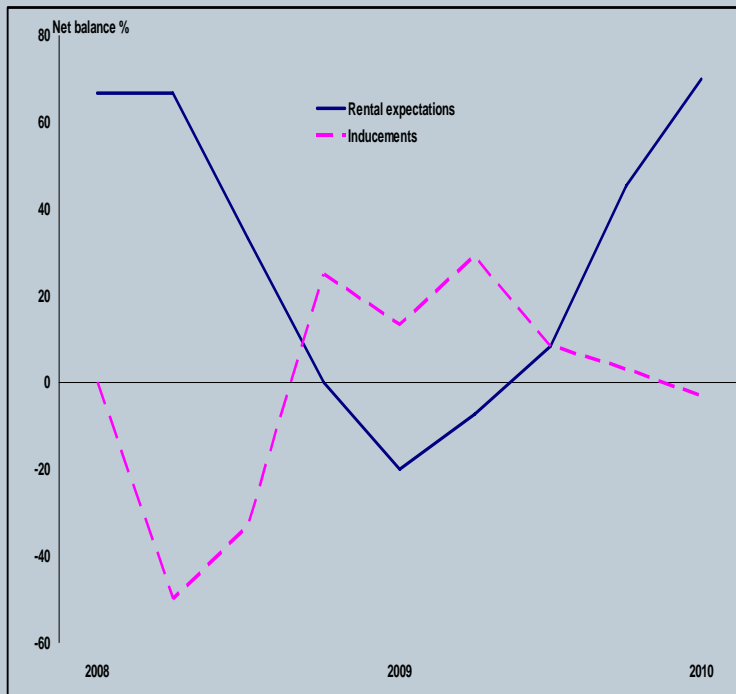
Capital Value Expectations



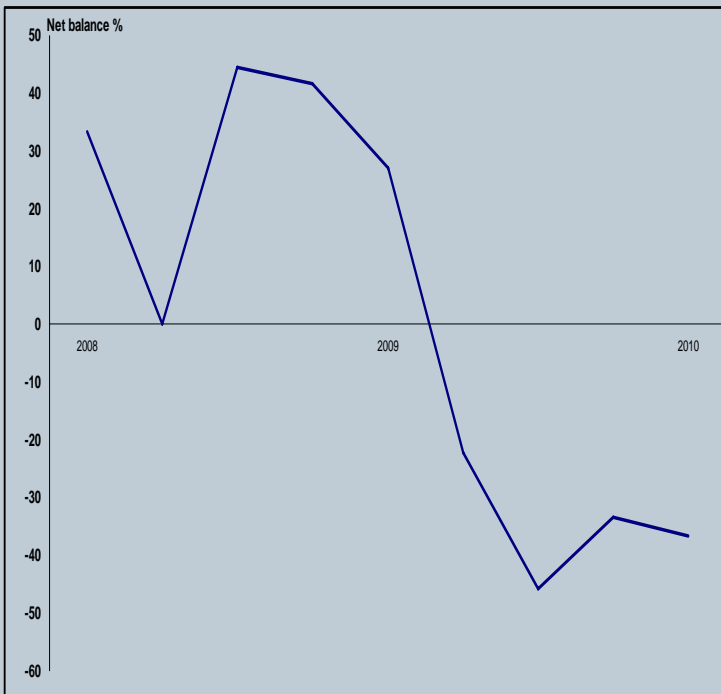
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Brazil

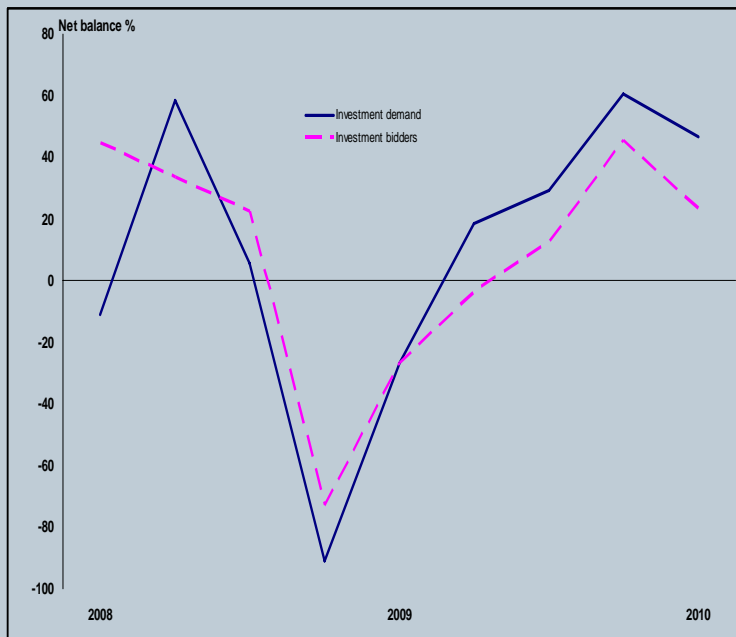
Rent Expectations and Inducements



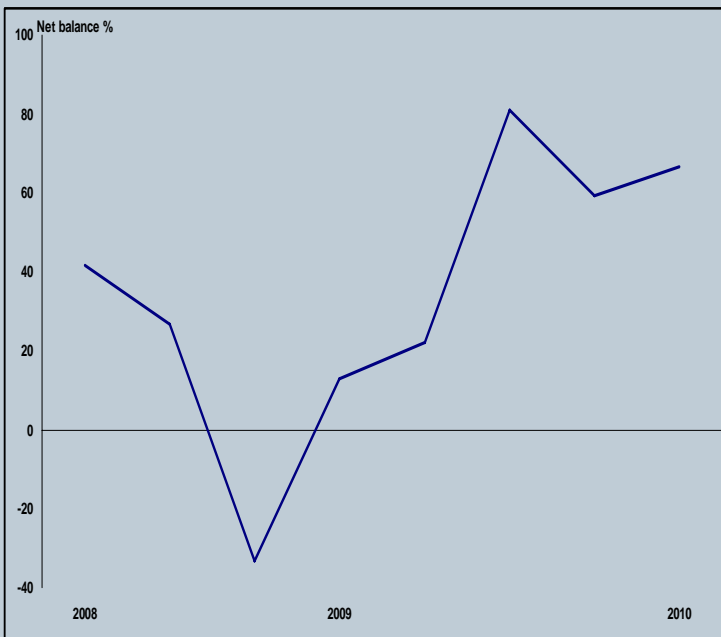
Capitalisation Rates



Investment Demand & Number of Bidders



Capital Value Expectations



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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 first quarter of 2010 based on information collected from leading international real estate organisations and local firms.

466 surveyor offices responded to the questionnaire conducted between 24/2/2010 and 24/03/2010.

Methodology

Survey questionnaires were sent to real estate organisations in February 2010, with responses received up until the 24th of March 2010. Respondents were asked to compare conditions over the latest three months with the previous three months. A total of 466 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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Taking part in the RICS Global Property Survey

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

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RICS Global Commercial Property Survey

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Subscription information and contributor enquiries

The Quarterly Global Commercial Property Survey is available from the RICS web site - www.rics.org, along with other quarterly surveys covering the housing market, residential lettings, commercial property, construction activity, the farmland market and arts and antiques.

This publication has been produced by RICS Economics. For economic and statistical enquiries regarding this publication, please contact.

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www.rics.org/GPScomments2009q4

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