

# RICS Americas Commercial Property Survey

RICS Economics Q4 2009

www.rics.org

## Latin America leads the way but the US lags some way behind

- **Latin American countries top the tables for both rent and capital value expectations in Q1 2010**
- **The US, by way of contrast, stands towards the bottom end of the rankings with negative readings for both indicators**
- **Canada lies towards the middle for both rent and capital value expectations**

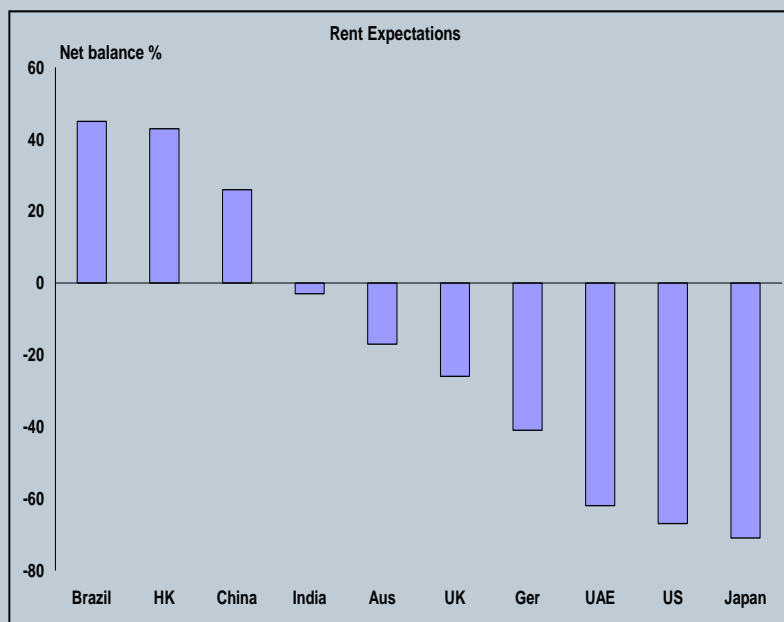
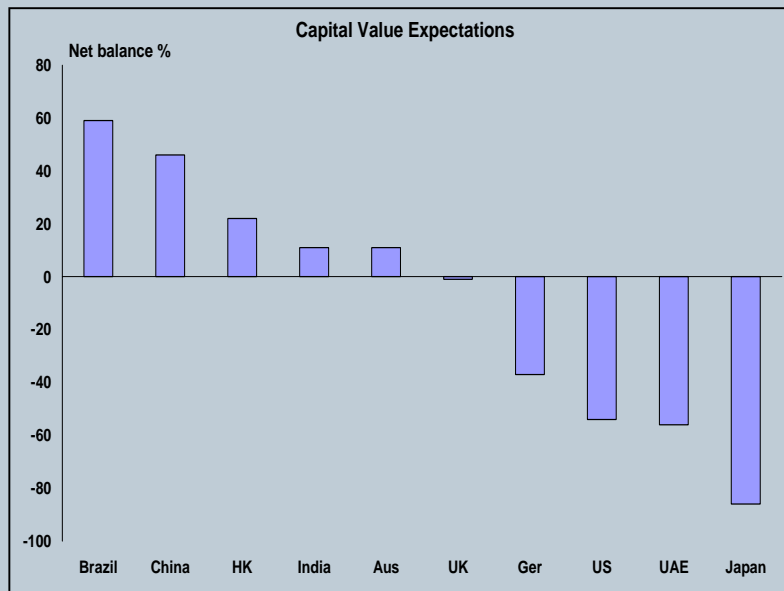
The latest Commercial Property Survey from RICS suggests that that there was a marked improvement in sentiment towards real estate in the final three months of last year. Moreover, this better tone was expected to persist in the early part of 2010. However, there was a pronounced divergence in the results from much of the emerging world and many of the more mature economies.

Property professionals in Latin America are most upbeat about the outlook for property markets. Four out of the top five countries in terms of the net balances regarding the outlook for both rents and capital values are from this region. The Asian markets also produced generally strong responses with Hong Kong, China and Singapore amongst the countries generating positive results.

Specifically in Brazil, the number of respondents to the survey expecting rents to rise rather than fall over the next quarter climbed to its best level since the second quarter of 2008 helped by a fall in available space. The net balance for capital expectations was actually a little lower than the previous reading but still strongly positive at 59 (compared with 81 in the third quarter of 2009).

In the case of the US, substantially more respondents still anticipate further rent declines than rises. While the latest reading is still heavily in negative territory at 67, it has shown modest improvements in each of the last three quarters. Consistent with this weak picture, tenant demand is continuing to soften and the level of inducements is increasing. Significantly, the number of investment bidders per property did actually edge up in the final quarter of the year which is consistent with a gradual pick-up in investment demand.

Meanwhile in Canada, capital value expectations are the least negative since the second quarter of 2008. Both investment demand and the number of bidders per property continued to rise over the final three months of 2009. Indeed, the net balance reading for the former was the third highest out of all the countries surveyed in the fourth quarter suggesting that activity in the real estate market has begun to turnaround quite sharply in Canada.



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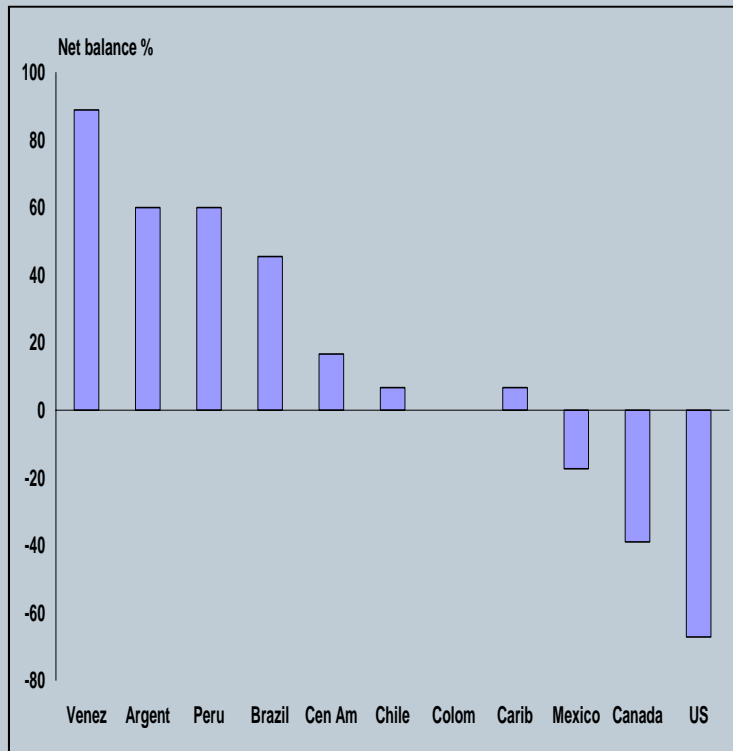
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## The America—Key Indicators

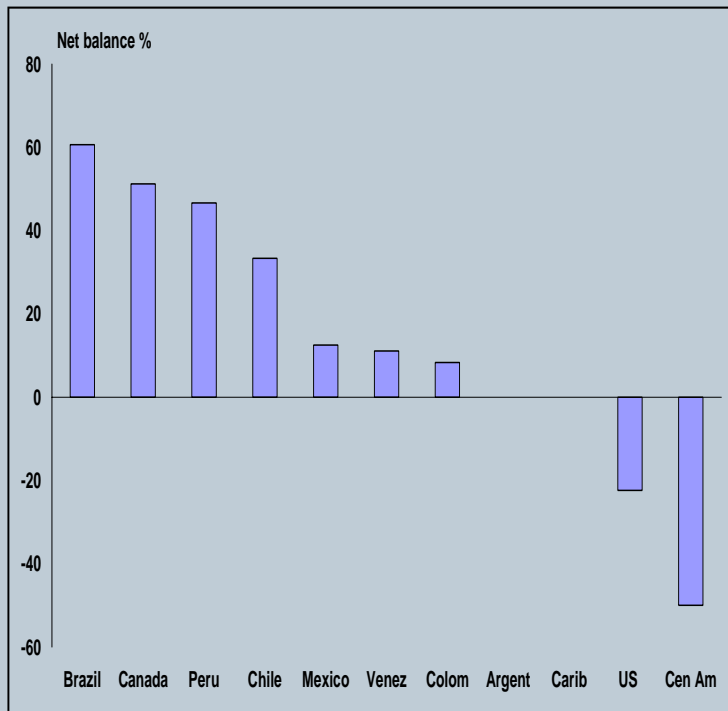
### Capital Value Expectations



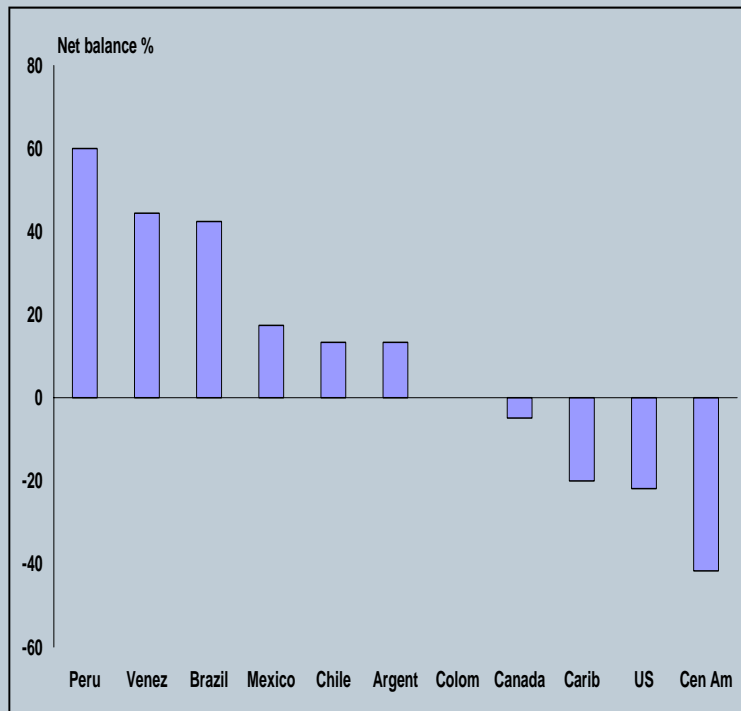
### Rent Expectations



### Investment Activity



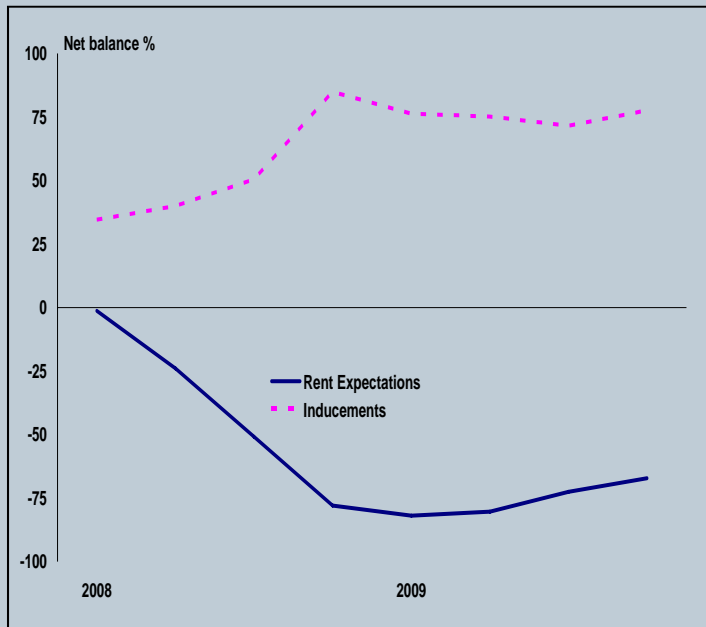
### Tenant Demand



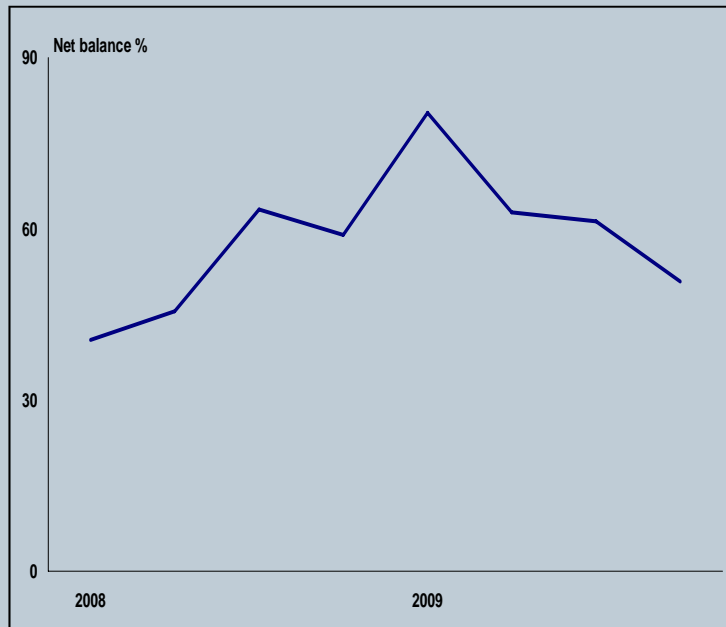
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## US

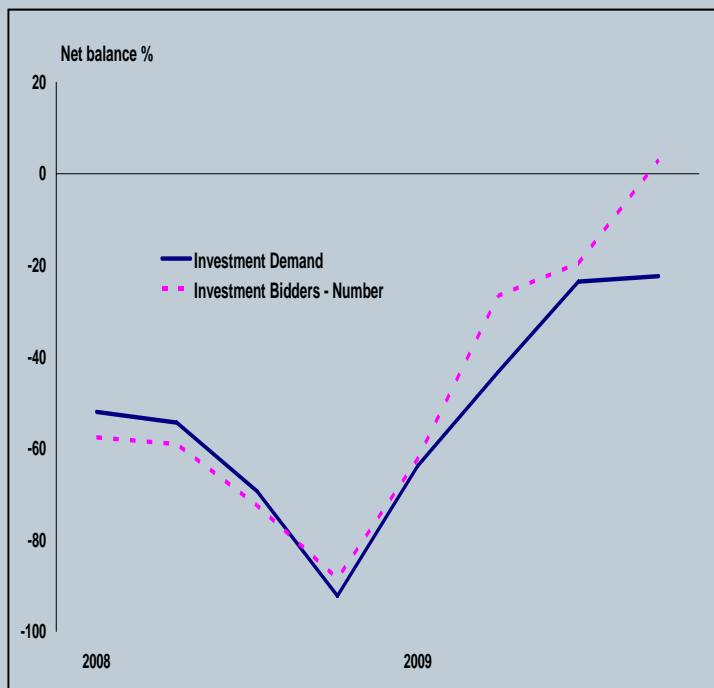
### Rent Expectations and Inducements



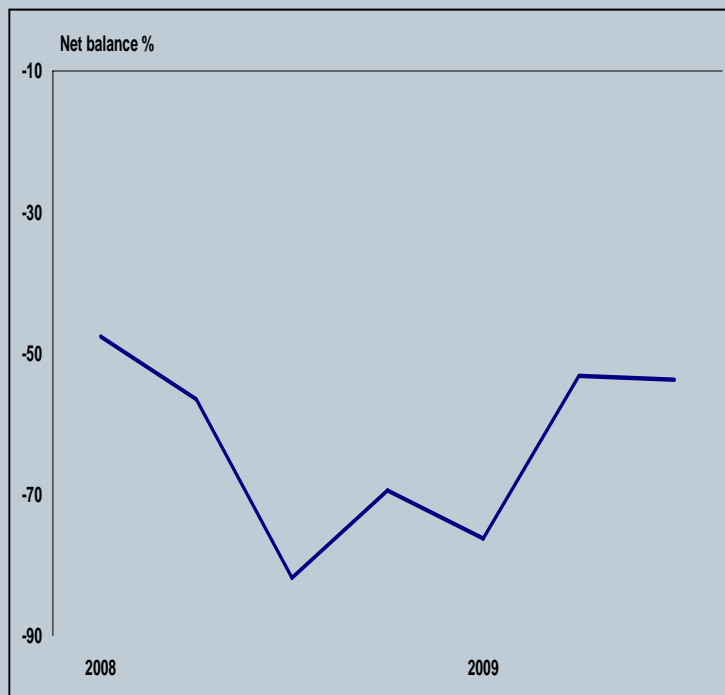
### Capitalisation Rates



### Investment Demand & Number of Bidders



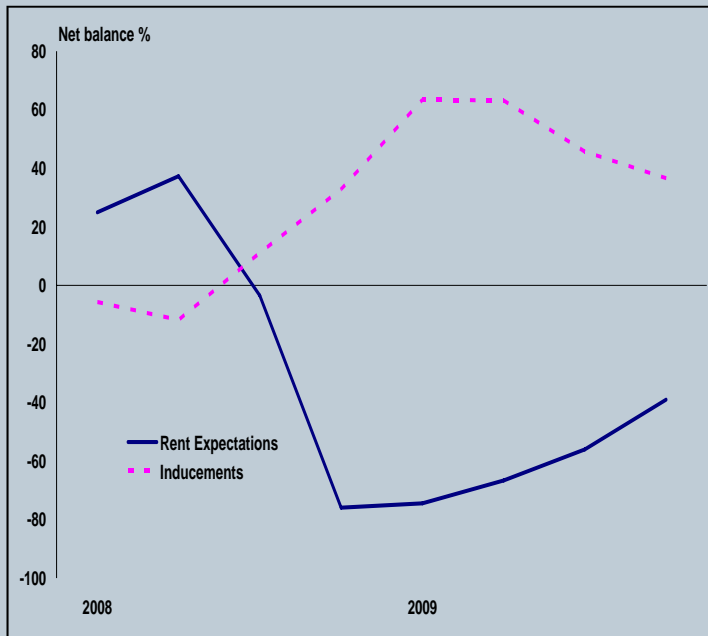
### Capital Value Expectations



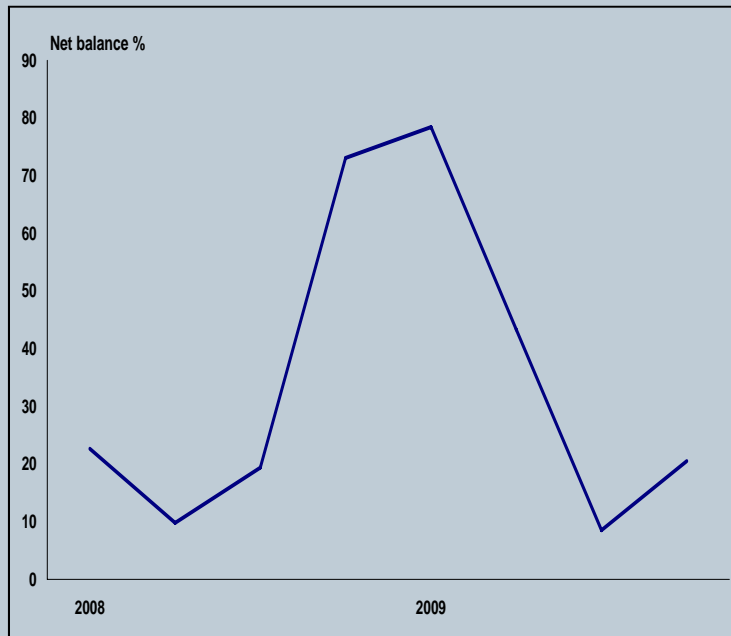
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## Canada

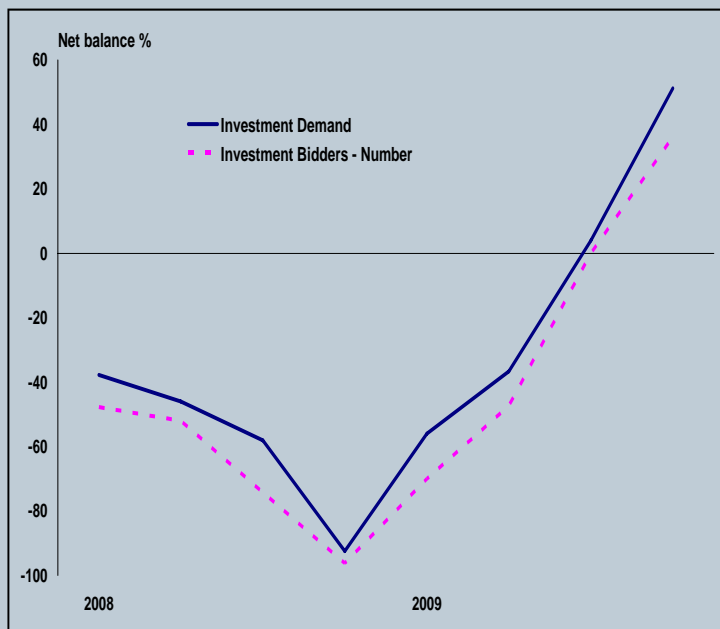
### Rent Expectations and Inducements



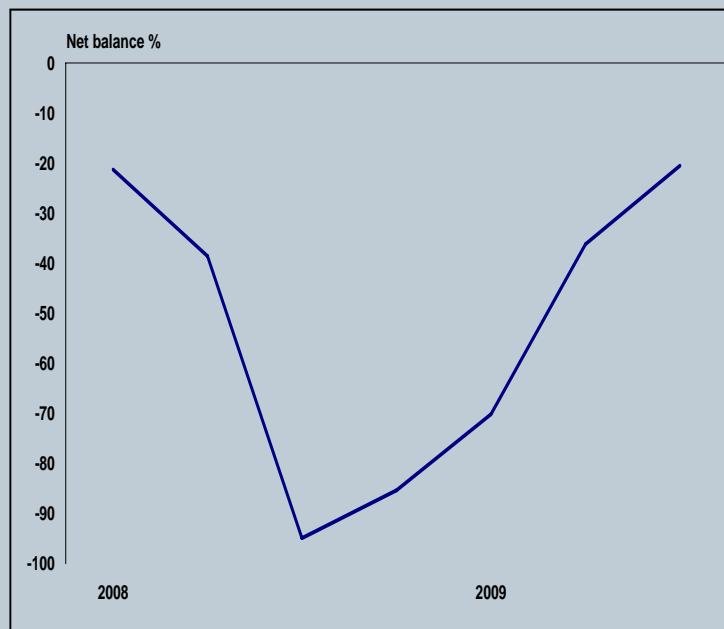
### Capitalisation Rates



### Investment Demand & Number of Bidders



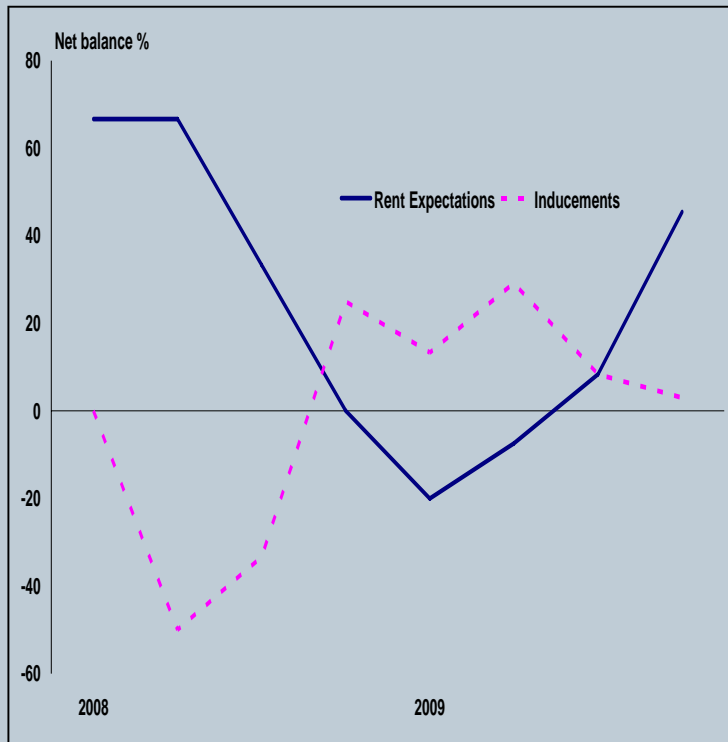
### Capital Value Expectations



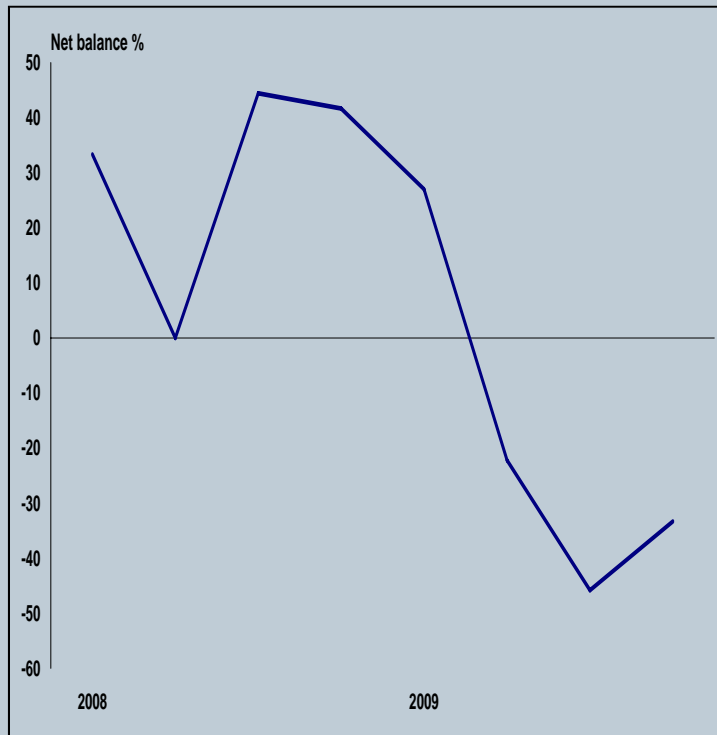
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## Brazil

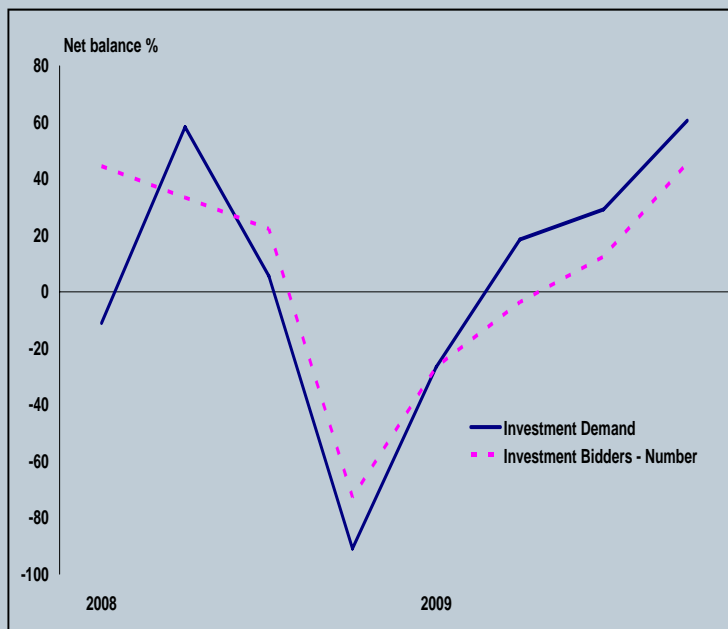
### Rent Expectations and Inducements



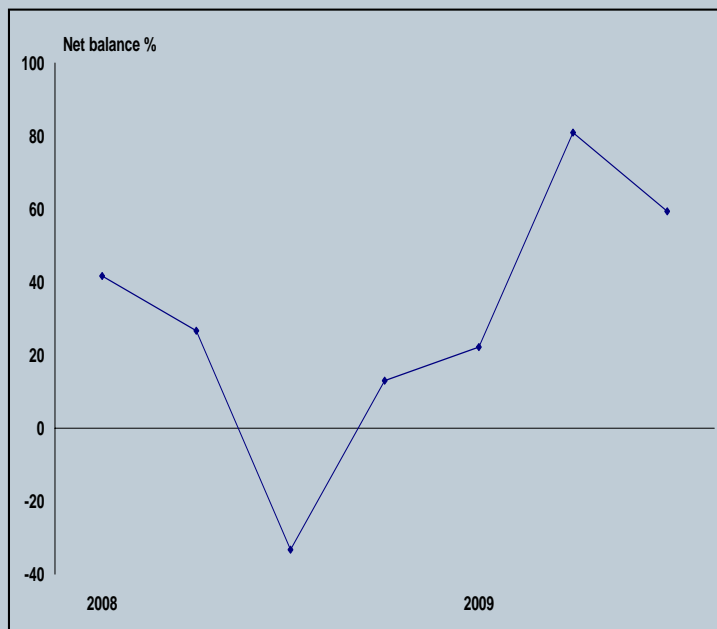
### Capitalisation Rates



### Investment Demand & Number of Bidders



### Capital Value Expectations



# RICS Americas Commercial Property Survey

## 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 2009 based on information collected from leading international real estate organisations and local firms.

424 surveyor offices responded to the questionnaire conducted between 01/12/2009 and 18/01/2010.

### Methodology

Survey questionnaires were sent to real estate organisations in December 2009, with responses received up until the 18th of January 2010. Respondents were asked to compare conditions over the latest three months with the previous three months. A total of 424 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.

### Contact details

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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](mailto: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](http://www.rics.org/globalproperty)

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### RICS Global Commercial Property Survey

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# RICS Americas Commercial Property Survey

## Subscription information and contributor enquiries

The Quarterly Global Commercial Property Survey is available from the RICS web site - [www.rics.org](http://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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