

WINNING IN GROWTH CITIES



A Cushman & Wakefield Capital Markets Research Publication

2013/2014



A Cushman & Wakefield Capital Markets Research Publication

INTRODUCTION

This report has been prepared by the Research team at Cushman & Wakefield to identify the winning cities in today's international real estate investment market. The report looks at the largest and fastest growing cities in investment terms and differences in pricing, as well as demand and activity between sectors. After identifying today's winning cities, the report goes on to look at some of the fundamental drivers of city performance, impacting now or in the near future, and considers how the pattern of winning cities will change and evolve going forward. The final section of the report provides a range of contact points for Cushman & Wakefield Research and Capital Markets globally.

While every effort has been made to provide comparable and robust city level data, definitions used in different sources will necessarily vary, with regard most notably to the geographical scope of the city or metro area. Such potential differences must be borne in mind in comparing data items. For further information on this or other matters, please contact the authors in the Cushman & Wakefield research team.

www.winninggrowthcities.com



CONTENTS

Market Summary	2
Market Outlook	2
Patterns of Market Activity	3
Trends by Sector	4
International Investors	4
Regional Trends	5
Drivers of City Success	6
City Winners	8
Top destinations for Investment	10
Global Yields	13
Investment Volumes	14
The Report	20
Contacts	21



Austin, USA

MARKET SUMMARY

The global property market performed well in the past year with volumes up 16.7% to US\$649bn, driven by the biggest cities which saw a near 21% rise.

New York is the top city overall and in fact moved further ahead in the past year with a 39% increase to \$49.2bn. London saw a 6% increase and remains second while, with the fastest growth in the top 25, Los Angeles leapt ahead of Tokyo into 3rd spot. The makeup of the top 25 was little changed however, with Beijing and Stockholm dropping down the list and Denver and Frankfurt moving up as US and German cities outperformed.

The biggest gainers were Austin, Milan, Las Vegas, Montreal and Tampa. North America had 15 of the top 25 fastest growing major markets, 14 in the US plus Montreal. Europe managed 4 (Milan, Frankfurt, Berlin and Hamburg) while Asia took 6 (Seoul plus Perth, Brisbane and Sydney in Australia and Nagoya and Osaka in Japan).

Paris was the main faller in the top 10 thanks to a drop in larger deals. Other major cities to fall include Toronto and Chicago but some of the more notable were in China, with Shanghai, Beijing, Guangzhou, Chengdu and Tianjin all down 40% or more – driven largely by a fall in domestic rather than cross border spending. A number of European cities also fell – led by St Petersburg, Istanbul and Budapest.

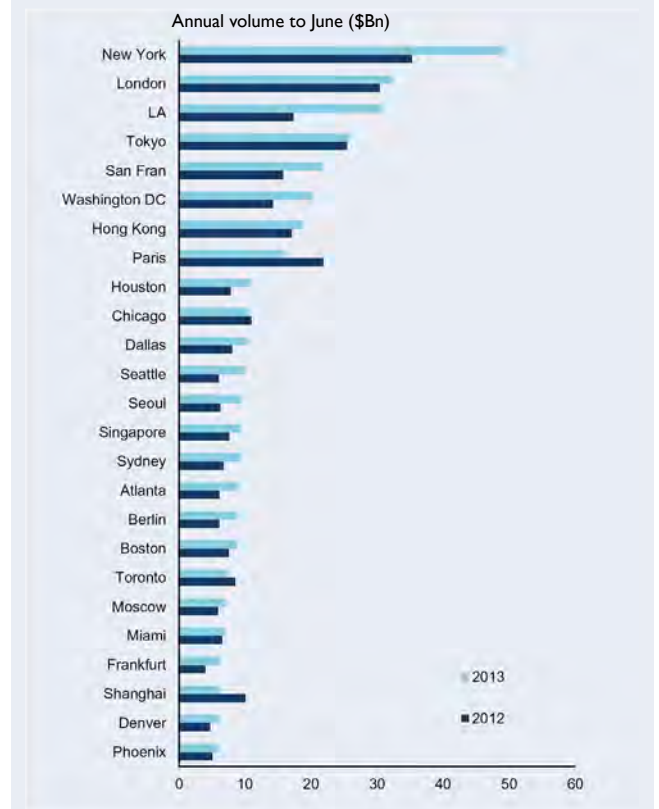
The top cities continue to be popular across multiple sectors although different cities tend to dominate different markets, with London the largest office market, Hong Kong top for retail, LA the largest industrial and New York winning out in multifamily and hospitality.

Non-domestic investors remain key but domestic players increased their activity at a faster rate last year, 18.5% versus 11.8%. However this under represents international players since much of their investment is channelled via domestic platforms and looking forward, accessing local partners and platforms will remain vital to attracting foreign capital.

Office are the most demanded sector in top cities, but they did lose market share last year (from 48% to 45%) with residential the big winner, moving up to 26% for all top 25 cities.

Indeed, while to date many of the largest global players have focussed on offices- arguably the most global and easiest to understand property type across borders - these players are now broadening their interest to other sectors and in particular, focussing on large scale mixed commercial and residential developments.

TOP CITIES FOR INVESTMENT (EX DEVELOPMENT)



Source: Cushman & Wakefield, RCA

MARKET OUTLOOK

Looking forward to 2014, most indicators suggest property demand will both increase and broaden to embrace new markets and a higher share of investment will be cross border as investors increase their risk tolerance. The impact of the withdrawal of quantitative easing may be negative for some emerging markets as "hot money" flows reverse and some second tier assets are hit as costs and competing returns increase. However, assuming the US recovery continues, the overall 2014 environment will be favourable for much of the market as stimulus measures and recovery spark an appreciation in capital values for effective, occupied space.

Europe will perhaps be the top target for cross border players due to the mix of low risk together with scope for recovery and release of distressed assets. The USA however may be the best performer as the ingredients for a stronger economic recovery are coming together and whilst highly competitive, the deep

A Cushman & Wakefield Capital Markets Research Publication

liquidity of most US cities should be attractive to global players. At the same time, interest in growth markets in Asia and Latin America will keep the key cities in these markets in demand among long term global players.

In all areas however property will increasingly be defined by cities, not regions or countries and the emphasis will not just be on the biggest but also the best, be that in culture and experience or business and resources. The hierarchy of global cities will change as a result and with a levelling playing field on regulation and forces pushing against agglomeration, such as new technology, there will be a stimulus for faster change which should pick-up in 2014 as investors look for the “next” market and seek out value, stock and diversification.

For cross border players, London and New York will remain preeminent but other global hubs - Tokyo, Paris and Hong Kong and Shanghai in particular - should see greater global attention as will other tier 1 cities in the world's largest economies, the USA and China. A focus on the desirability of a city, its quality and brand, will lead to a range of others gaining attention such as Amsterdam, Berlin, Vienna, Taipei, Auckland and Melbourne.

In emerging markets, new players such as Bogotá and Ho Chi Minh will be worth considering alongside the BRIC cities and emerging Asian markets while in Africa and the Middle East, Dubai is starting to stabilise but may still be vulnerable to regional geopolitical events while markets such as Nairobi, Cairo and Beirut will be of interest in time.

Finally, with cities competing on a global scale, this may encourage more flexibility from city leaders to deliver the sort of attractive and dynamic business and living environment that will both bring in property investors and benefit from the renewal and modernisation their investment produces – investment which will grow more crucial in the future where public sector cash is less forthcoming, debt for development remains limited and the need to modernise to compete, harness technology and embrace sustainability will only increase.



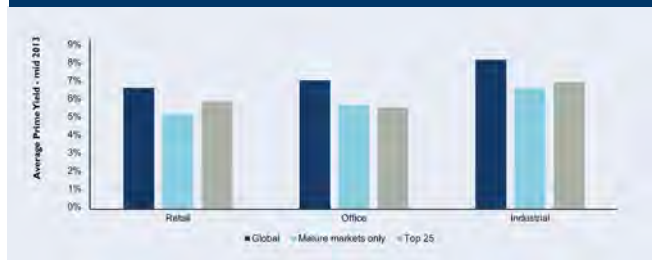
Sydney, Australia

PATTERNS OF MARKET ACTIVITY

The top 25 cities saw their market share rise from 53% to 55% over the year to June, with volumes ahead by 20.7% versus a 12.1% rise in the rest of the market. However there may be signs that this heavy focus is starting to waiver as investors seek new opportunities, with the market share of the largest 25 cities down from 58% in Q1 to 50% in Q2.

The cities being pursued meanwhile continue to have a generally low yield profile, albeit for retail and industrial the top 25 had a higher average yield than mature markets in general.

YIELD AVERAGES FOR THE TOP 25 INVESTMENT TARGETS



Source: Cushman & Wakefield.

It remains notable that increased global demand and transparency are slowly leading to more uniform pricing of top prime markets globally, while the pricing for riskier or second tier markets is more extreme and locally driven. This may change as investors spread their focus but a critical issue for large scale investors will continue to be finding an adequate pool of assets to invest in. Large funds may enjoy being dominant but they don't want to be just a very big fish in a small pond driving up prices – they need a market which is scalable, offers choice and a potential exit and enough opportunities to build a portfolio efficiently.

Unfortunately few cities have real liquidity in the sort of lot sizes global funds prefer. The top 100 cities for larger deals had an average of 40 transactions per annum above \$100mn over the past 2 years for example while the next tier of 100 had just 5. US cities dominate the list, led by New York with an average of 215, followed by Los Angeles (191 deals) and San Francisco (163). For Asia the most liquid market for major deals was Tokyo (148) although the development of the Asian market is underlined by the fact that Shanghai and Beijing both also rank in the top 20 with over 80 deals of this size per annum.

In Europe London leads the way (109 deals) followed by Paris (68). Other markets such as Berlin and Munich are also competitors for major deals while among currently less favoured targets, Madrid, Milan and Amsterdam offer clear potential for major global players.

TRENDS BY SECTOR

Patterns of demand by sector across top cities were not dissimilar to those seen in the wider market, with offices taking most attention (44.8% of all investment in the top 25 cities), followed by multifamily (26.1%) and retail (17.7%). Growth however was strongest away from offices, which, as in the wider market, saw only a modest increase.

Multifamily residential and development sites saw the biggest increase in the year to June, followed by industrial which was the only sector that failed to see stronger growth for top cities than for the market as a whole.

As a result, over the year, concentration levels rose in all sectors bar industrial and most notably for retail (up 600bp) and multifamily (up 530 bp).

The strongest degree of market concentration is currently seen in the office sector however, with the top 25 cities taking 68% of all trading, followed by multifamily (65%) and development sites (59%). By contrast other sectors have a markedly lower level of concentration with hospitality at 51%, industrial 48% and retail 44%.

Looking at the cities attracting investment in each sector, the top markets continue to be popular across multiple sectors although different cities do tend to dominate in each, with London the largest office market, Hong Kong top for retail, Los Angeles the largest for industrial and New York winning out in multifamily and hospitality.

Only the US cities of New York, Los Angeles and San Francisco appear in the top 10 list for all five sectors, but London and Tokyo make the top 10 in four sectors, with Hong Kong, Sydney and Washington appearing in the top 10 for three sectors.

INTERNATIONAL INVESTORS

Among international players, London remains by far the most favoured market with a 13% share versus 4% for Paris and 3.6% for New York. Overall, 10 of the top 25 are in Europe, the same number as in Asia, while 5 are in the USA. The fastest growth was in Seoul, moving up the ranking among international players from 167th to 24th, but growth in a range of Chinese cities was perhaps most notable, led by Hangzhou, Suzhou and Tianjin. Among European cities, Milan and Frankfurt fared well with cross border buyers.

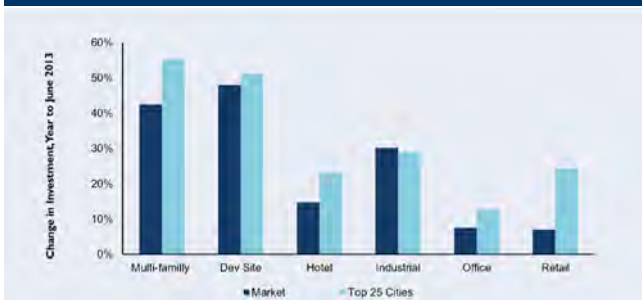
The biggest source of this cross border capital was Asia meanwhile, with US\$55.4bn invested non-domestically, 32% of the total. A significant share of this was targeted within the Asian region however and in relative and absolute terms, American investors have been the strongest players outside their own region in the last year, with US\$40.8bn invested, 44% of the total amount spent outside the investor's home region.

The fastest growing stream of investment however has been Asian capital flowing out of the region. This increased by 58% last year compared to a 34% increase in global investment by Middle Eastern and African players, a 15% increase by American players and a 9% rise for Europeans.

Within this, the biggest increases came from Chinese and Singaporean buyers who moved-up the ranking to become the most dominant Asian buyers last year, accounting for 26.5% and 25.5% of the Asian total respectively, replacing Malaysian funds who had been number one in the previous year. Malaysians had a 14.3% share in the past year and were followed by investors from Hong Kong (13.8%) and South Korea (13.1%).

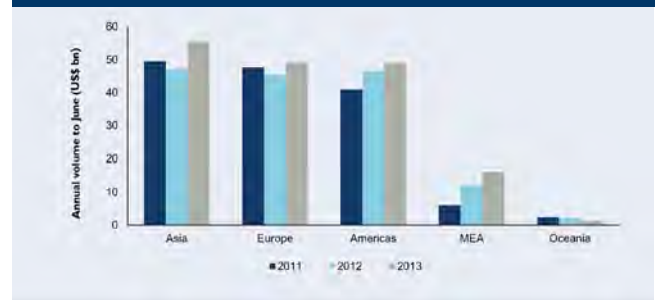
Nearly 45% of all Asian investment targets the office sector, with hotels next in line (20%). However it has been the less favoured sectors which have attracted the biggest increase in the past year, led by industrial and retail, which have doubled while offices rose just 8%.

SECTORS OF ACTIVITY



Source: Cushman & Wakefield, RCA

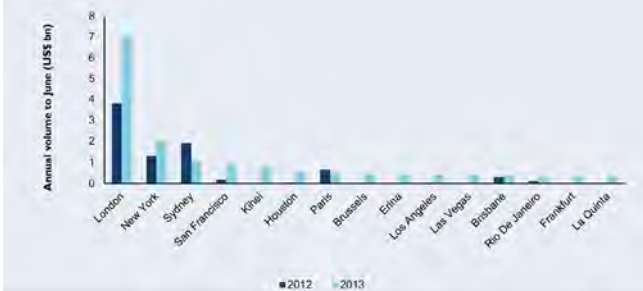
SOURCES OF INTERNATIONAL CAPITAL



Source: Cushman & Wakefield, RCA

A Cushman & Wakefield Capital Markets Research Publication

TOP CITY TARGETS FOR CROSS BORDER ASIAN INVESTORS



Source: Cushman & Wakefield, RCA

Geographically, the UK has been the top country target, followed by the USA, Australia, Brazil and Germany, whilst by city London is far and away the main target, attracting 32% of all Asian investment outside Asia and seeing an 85% increase last year. New York is in second place and saw a 55% increase, while a range of smaller cities such as Los Angeles, Brussels and Houston saw the biggest gains, if from a lower base.

REGIONAL TRENDS

American cities dominate the rankings for all sectors, while Asia scores highest for retail and offices (10 and 7 cities in the top 25 respectively) and EMEA has most concentration for offices and industrial (7 for each). Retail is the most varied sector globally (with 10 Asian, 10 American and 5 EMEA cities) and multifamily is the most concentrated (with 21 American cities in the top 25).

A recovering housing market has certainly stoked US buyers interest but demand has in fact been very strong on the debt and equity side across all US sectors and with risk tolerances improving, interest has spread away from core cities to embrace secondary cities as well as overseas markets. With economic growth steadily coming through and a tapering of QE drawing closer, a rise in interest rates has been shaping market expectations but with demand for space rising and construction still subdued, the strong flow of capital into real estate is likely to remain. As a result, rising interest rates will have only a limited impact on core markets but a slower CMBS market will mean secondary markets are more vulnerable.

In Canada the weight of demand remains very strong and alongside the country's safe haven image, this has pushed yields down further, encouraging some to look overseas and in some cases to take more risk at home, in development for example. From the risk averse, Canada will continue to attract capital and with REITS highly liquid, demand overall should remain high, particularly as the global economy starts to grow and the occupier market responds.

Economic sentiment is cooler towards Latin America with commodity prices down and areas of social unrest but trends in the region have in reality become more diverse. Occupier and investor demand has held up better than many anticipated and cities such as Mexico City and Sao Paulo have performed well in terms of investment activity. Nonetheless, investment has tended to become more focussed, with retail generally up and Mexico gaining over South America, and while the long term appeal of the market is not in doubt, in the short term the efficacy of government decision making and market stability will remain under the microscope.

In Asia, investment volumes overall have been stable while leading cities have picked up market share as investors have grown somewhat more risk averse in the face of renewed economic tensions. With a tapering in quantitative easing drawing closer in the US at least, the mood may remain cautious but there are now adequate signs that the economy globally and regionally is starting to stabilise and hence while "hot" money may continue to move on, strategic investors should grow increasingly active as corporate confidence returns.

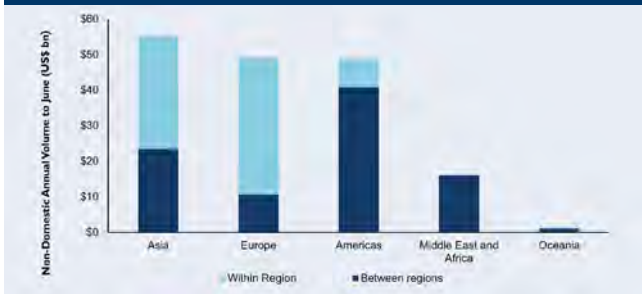
Conditions are however far from uniform city by city, with local economics and property market fundamentals all differing and definitions of mature and emerging changing as markets develop and the impact of technology and infrastructure development accelerates.

In EMEA, investment activity has started to respond to an easing in fears over the euro zone as well as a somewhat better supply of finance and investment opportunities. At the same time, buyers are changing their risk tolerances due to greater certainty but also a lack of well-priced opportunities in preferred markets and a



Stockholm, Sweden

REGIONAL VERSUS GLOBAL INVESTMENT



Source: Cushman & Wakefield, RCA

search for yield. Larger lots are most in demand among the global pension, insurance and sovereign wealth funds who are driving the market and London. Paris and key German cities continue to dominate. However a wide range of other locations are coming to the fore as investors start to look further afield, with some seeking out second tier assets in core locations but a growing number ready to accept more macro risk in other countries, but choosing to focus on the top cities in each.

Occupier sentiment is cautious but improving and prime supply is tight or falling in many European cities. Indeed, pressure is now mounting for prime property yields to fall. In the medium term this will be justified by the lack of recent development which will underpin an eventual return of rental growth but for now it is income and income sustainability which will drive performance.

DRIVERS OF CITY SUCCESS

Cities are more important in market terms than their size suggests – with the top 100 accounting for 13% of population but 38% of GDP. However what is even more notable is that the same cities account for over 86% of property investment activity. But if power clearly lies increasingly with the city rather than the nation, the hierarchy of cities is changing, with some forces pushing towards a handful of mega cities but others ripping power from the established elite and spreading it to new urban centres.

Growth forces are in fact heavily polarised between those demand-side factors which favour convergence and a self-perpetuating focus on the biggest and the best – such as clustering of industries and human capital and the agglomeration benefits that can follow – and other forces spreading power between a broader group of cities, facilitated by supply side factors such as technology and urbanisation as well as “scale sensitive” issues such as sustainability, security and changing living and working patterns and the inefficiency of crowded systems.

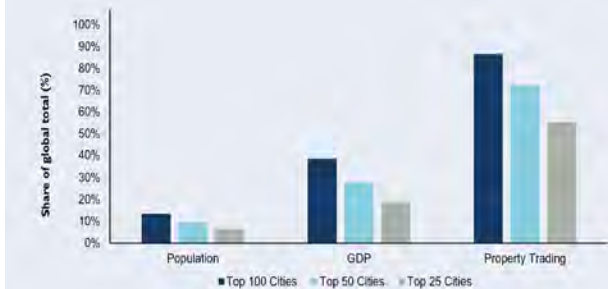
What is more, while some drivers are persistent– such as urbanisation and the growing middle class – others are changing, such as technology and resource use. Physical and intellectual capital are also clearly key but softer issues such as culture and history have a growing impact not just on image and quality of life but also on attracting resources in the first place. A range of factors are in fact currently in focus including:



Montreal, Canada

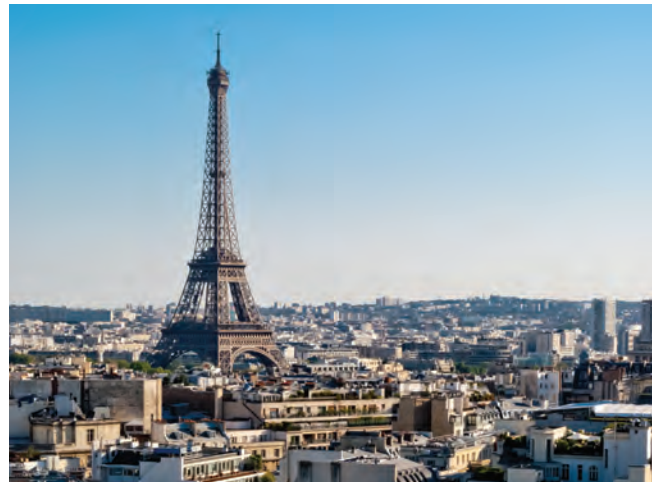
A Cushman & Wakefield Capital Markets Research Publication

MARKET CONCENTRATION



Source: Cushman & Wakefield, RCA, Various

- Increasing attention on the quality of human capital - on education and skills on one hand but on health and living standards as well, and on the quality of the living and working environments that make a place enjoyable and attractive.
- The stability offered by the social structures are of increasing importance for their ability to support business as well as to promote a higher quality and more satisfied workforce.
- Political structures are important in supporting society but also in delivering action and accountability. This can be more variable city to city than many other characteristics of urban areas and hence have a stronger influence on which city ranks highest. The quality of the political set-up is also being actively scrutinised as public sector spending pressures open the door to more private investment.
- Patterns of corporate behaviour are always important and current trends such as re-shoring are notable, as some businesses repatriate parts of production and support from lower cost markets. Equally however off-shoring continues as businesses seek cost-effective solutions



Paris, France

- Pressure on the cost base is being seen in all areas of business, demanding an efficient, flexible but sustainable office environment in all cities to succeed.
- Everyone acknowledges the scale of change being driven by technology but some investors may underestimate that this will continue to change rapidly due to existing as well as new developments impacting on society and business.
- Technology is likely to be particularly important in dealing with the issues generated by congestion and population density. In transportation this may include providing an information or mobility grid to link all aspects of transportation information for example on parking, charges, ticketing and traffic to keep people and goods moving.

Many of these factors feed into the brand of the city and this is becoming increasingly important in demonstrating the qualities of an area through events, attractions and experiences. The brand then adds value to the city but also to its real estate market.

From a real estate perspective meanwhile, major investors need to find markets they are comfortable doing business in – which comes from a combination of transparency, the ease and fairness of doing business and the availability of trustworthy partners and advisers.



Berlin, Germany

TABLE 1: A RANKING OF MARKETS

	INVESTMENT PAST 3 YEARS	TOP RETAIL CITIES	TOP CITIES FOR OFFICES	TOP CITIES FOR DISTRIBUTION	GLOBAL BUSINESS HUBS
1	New York	London	New York	Shanghai	New York
2	London	New York	Paris	Hong Kong	London
3	Tokyo	Paris	Singapore	Singapore	Paris
4	Hong Kong	Hong Kong	London	New York	Tokyo
5	Paris	Tokyo	Tokyo	London	Hong Kong
6	Los Angeles	Los Angeles	Hong Kong	Paris	Singapore
7	Singapore	Shanghai	Boston	Tokyo	Shanghai
8	Washington	Seoul	Chicago	Chicago	Beijing
9	San Francisco	Beijing	Washington	Beijing	Seoul
10	Beijing	Moscow	San Francisco	Shenzhen	Los Angeles
11	Chicago	Shenzhen	Stockholm	Amsterdam	Chicago
12	Seoul	Singapore	Zurich	Guangzhou	San Francisco
13	Stockholm	Amsterdam	Sydney	Busan	Amsterdam
14	Dallas	Madrid	Melbourne	Madrid	Sydney
15	Miami	Istanbul	Los Angeles	Munich	Moscow
16	Shanghai	Taipei	Seoul	Abu Dhabi	Stockholm
17	Sydney	Miami	Vienna	Memphis	Munich
18	Toronto	Milan	Houston	San Francisco	Frankfurt
19	Moscow	San Francisco	Philadelphia	Taipei	Taipei
20	Boston	Barcelona	Taipei	Louisville	Berlin

Cushman & Wakefield, Real Capital Analytics

CITY WINNERS

The concentration of activity we see in a handful of cities is difficult to break down. However, when combined with the fact that the real estate investment market should be growing and the range of participants broadening, then it is only to be expected that competition between cities will increase. At the very least we will in the future have a broader range of large dominant cities, if not that some existing “alpha cities” could drop down the hierarchy.

Assessing by sector who the winners may be, we have compiled rankings based on key factors driving potential in each area (table 1). Looking across the results, Europe’s stalwarts, London and Paris are clearly in a strong position but North America has a stronger mix of large, innovative and fast growing cities and its share of global investment should remain strong as a result.

Among emerging markets, Asian cities offer a stronger blend of scale, growth and innovation than key hubs in Latin America or Eastern Europe but that may change as Latin America gets used to a higher global profile and as larger cities in emerging Europe –

Moscow, Istanbul and Warsaw – develop as regional hubs. The leading growth cities in Asia meanwhile are largely in China as urbanisation and modernisation roll on and given the high levels of development, the potential for these cities in the global property market is significant.

In the retail market, a diverse mix of international traders, tourist attractions, ample modern space, an affluent and large population, an efficient logistics industry and a favourable tax system are some of the core ingredients for a successful city. According to our analysis of these indicators, London ranks as the top retail city, followed closely by New York. Notably however five Asian cities make up half of the retail top 10, highlighting the new global retail hierarchy emerging due to Asia’s expanding middle class.

For offices, a mix of economic size, diversity of companies and job prospects, as well as a broad spectrum of social factors is key to the draw of one city over another. Historically, the ‘pull factor’ of a city was more limited with the majority of people gravitating towards centres that could offer the best employment prospects. This has changed over the last few decades whereby size and employment are still important but, increasingly, so is a city’s

A Cushman & Wakefield Capital Markets Research Publication

business and social environment. With choice and mobility more available, levels of crime, quality and availability of healthcare and pollution are all increasing considerations. On this basket of measures, New York leads, followed by Paris, Singapore, London and Tokyo.

In order to assess the most developed logistics infrastructure for each city, six indicators were analysed: busiest cargo airports and port, urban rail networks, congestion, the location of manufacturing company headquarters and innovation. Based on these factors, Asian cities take the top three spots, with Shanghai in first place, Hong Kong in second and Singapore in third. New York and London were not too far behind to round off the top five cities.

Near the head of the list in all areas in fact, New York and London clearly back up their winning position in the property investment rankings. Paris, Tokyo, Hong Kong, Singapore and San Francisco also demonstrate strength across the board in all sectors, closely followed by Shanghai, Beijing, Seoul and Los Angeles. Compared to the property investment ranking today meanwhile, some of the markets that may deserve more attention from property investors are Taipei, Amsterdam, Shenzhen, Madrid, Munich and Berlin.

“Most indicators suggest property demand will both increase and broaden to embrace new markets, and a higher share of investment will be cross-border as investors increase their risk tolerance. Assuming the US recovery continues to gain traction helping confidence and growth across all economies, we anticipate that next year will be favourable for much of the market as both stimulus measures and recovery spark an appreciation in capital values for good quality space with strong occupier demand.”



Tokyo, Japan

TOP DESTINATIONS FOR INVESTMENT

While the market continues to grow more global, the range of countries that many players have been willing to invest in has actually got smaller in recent years. However with investors not just eager for new stock but also higher yields or returns, more are now turning towards emerging, second tier or overlooked markets.

Looking at 2014, US markets should remain high on the buying agenda for domestic and international players thanks to more economic upside with steady jobs growth supporting the recovery in the housing market and this feeding back into improvements in consumer and business spending that will benefit all sectors of the market. Increased risk tolerances will lead more investors to look towards either second tier assets in gateway cities or secondary cities. Where employment fundamentals are secure and there are multiple drivers of growth, the latter is likely to be well rewarded in the current under supplied market but investors need to avoid over exuberance and for long term international players, gateway cities will remain of primary interest.

High pricing makes Canada a hard market to enter but still an attractive one for either the risk averse looking for capital preservation or for those that can take more risk in markets with an under supply, such as offices or residential in Toronto or Vancouver.

In Latin America, a return of global economic growth will set the framework for more stability and a focus on the longer term growth drivers of wealth and population together with foreign investor and corporate demand to access markets, resources and production. The largest cities in the region will continue to push up the global rankings, led by Mexico but also Brazil as World Cup and Olympic fever gains ground— however the mismatch in supply and demand for modern space is more acute in second tier cities in general and at least for those with access to a secure platform and high enough risk tolerance, this will be a growing focus as infrastructure and investment opens up new markets.

What's more, a greater acceptance of risk should also lead investors to look more widely in the region, with increasing trade set to bolster Colombia's market for example, focused on Bogotá but with a range of larger urban centres also offering opportunities. Peru is also expected to out-perform but offers less opportunities due to its smaller scale and Lima's dominance.

Parts of Asia may be vulnerable to yield shifts as capital flows change and liquidity is diverted from emerging markets by an end to QE but better economic performance should help spur portfolio investors seeking medium term growth opportunities. Logistics growth is likely to be widespread as consumer demand, trade and market changes impact on demand patterns. In other sectors a return of growth will not be uniform and may be led by markets such as Jakarta and Tokyo in the office sector but with others such as Singapore and Seoul also bottoming out. Bangkok and Jakarta will lead for retail growth, with key Chinese cities also steadily gathering pace.



San Francisco, United States

A Cushman & Wakefield Research Publication

TABLE 2: CITY TARGETS FOR INVESTMENT IN 2014

	AMERICAS	ASIA	EMEA
CORE	<ul style="list-style-type: none"> • Offices: US CBD Gateway cities (New York, San Francisco and Washington), core Canadian cities (Toronto and Vancouver) • Retail: Core 24 hr gateway cities in USA and Canada • Apartments: Multifamily in top US cities eg NY, Boston, SF and LA 	<ul style="list-style-type: none"> • Offices: Sydney, Melbourne, Shanghai, Beijing and Tokyo • Retail and Hospitality: Hong Kong, Tokyo and Sydney • Residential: Japan • Logistics: Top Australian cities 	<ul style="list-style-type: none"> • Office: London, Paris, Stockholm, Munich, Frankfurt and Berlin • Retail: Dominant shopping centres and luxury/flagship high streets in core German cities including Munich, Berlin and Stuttgart plus Paris, London • Logistics: London, Paris, Munich, Hamburg, Rotterdam and Antwerp
CORE-PLUS	<ul style="list-style-type: none"> • Offices: Core space, growth markets (Atlanta, Houston, Dallas, Denver, Boston, and LA) • Suburban offices in core US and Canada cities • Logistics: Core assets: South California, New Jersey, Miami and Chicago • Core leased assets: Mexico 	<ul style="list-style-type: none"> • Offices: Singapore, Hong Kong and Seoul • Retail: Growth markets such as Beijing, Shanghai, Chengdu, Jakarta, Singapore, and Seoul • Logistics: Tokyo, Singapore and Hong Kong 	<ul style="list-style-type: none"> • Offices: Amsterdam, Tier 2 German Cities, UK Thames Valley, Prague, Warsaw plus development in core cities: London, Paris, Stockholm, Frankfurt • Retail: Retail refurbishment in core cities in northern Europe. Core space in larger cities in Italy, Poland and Spain • Logistics: German second tier, Warsaw, Prague and Budapest
OPPORTUNISTIC	<ul style="list-style-type: none"> • Logistics: market servicing key Brazilian, Mexican and Colombian cities • Retail and residential development: Santiago, 1st and 2nd tier Brazilian, Mexican and Colombian cities • Offices: Mexican cities for short term gain and possibly Lima • Under rented class A US office and apartment property: South Florida, Dallas, Chicago 	<ul style="list-style-type: none"> • Offices in emerging growth markets: Jakarta, Kuala Lumpur and Mumbai • Retail: Emerging markets: Hanoi, Kuala Lumpur, Bangkok, New Delhi and other top Indian and Chinese cities • Logistics: Gateway China Cities: Shanghai, Beijing and Guangdong 	<ul style="list-style-type: none"> • Offices: Lisbon, Moscow, Istanbul, Milan and Madrid • Retail: Moscow, major cities in Turkey and active management/ development in larger cities • Logistics: Development and units serving large Eastern European cities and peripheral western cities: eg Oporto, Barcelona and Milan • Distress: Italy, Spain and Portugal

Cushman & Wakefield, Global Capital Markets Group

Quantitative easing in Japan is likely to boost property demand and with a potential boost to retail and logistics as deflation ends, the market should see increased activity. High quality shopping centres meanwhile are likely to benefit from the increasing growth and modernisation of retailing in China as well as demand for effective modern space. In China more generally, sentiment is improving beyond just the usual top cities. Shanghai is highly regarded for growth potential across all sectors as well as for its scale and liquidity and hence relative stability. Beijing is not far behind but other tier one cities such as Suzhou, Wuhan, Chengdu and Guangzhou are becoming mainstream targets for international capital due to their scale, growth and increasing individual identity.

In Europe, investors will continue to seek out new areas of opportunity but in so doing they need to focus on the drivers for sustaining long term income—not on the short term level of yield. That may involve a focus on markets in the Nordics, the UK and Germany where the supply of modern space is falling and a modest increase in demand is already starting which could create

early growth pressures. More generally however limited development in recent years and an ageing stock profile will create growth pressures and asset management or development opportunities in all sectors in gateway cities followed by second tier cities where the quality and diversity of the local business base is of the right standard.

Germany will be particularly favoured and offers a range of opportunities, from wealth preservation in Munich through to growth in a major core city like Berlin. In taking on more risk meanwhile, investors can choose between anticipating recovery in distressed but mature tier 1 cities such as Milan, Madrid, Barcelona, and Amsterdam or looking towards less mature markets, currently favouring offices and residential in Istanbul as well as retail in Moscow and key cities in Turkey. A key focus for those looking towards development in core markets meanwhile should be the large scale infrastructure investment going into London and Paris in particular, which will undoubtedly create opportunities.

GLOBAL DATA

GLOBAL YIELDS

INVESTMENT VOLUMES



Beijing, China

A Cushman & Wakefield Capital Markets Research Publication

GLOBAL YIELDS

GLOBAL YIELDS - JUNE 2013				
REGION	COUNTRY	OFFICES	SHOPS	INDUSTRIAL
Americas	Argentina	9.00%	9.00%	12.00%
Asia Pacific	Australia	6.50%	5.50%	8.35%
EMEA	Austria	4.90%	4.25%	7.50%
EMEA	Bahrain	10.00%	10.00%	10.00%
EMEA	Belgium	6.35%	4.35%	7.35%
Americas	Brazil	9.00%	7.50%*	12.00%
EMEA	Bulgaria	9.50%	9.25%	11.75%
Americas	Canada	5.00%	4.30%	5.50%
EMEA	Channel Islands	6.00%	6.50%	-
Americas	Chile	8.00%	7.50%*	9.50%
Asia Pacific	China	5.55%	5.20%*	8.00%
Americas	Colombia	10.00%	14.00%*	12.50%
EMEA	Croatia	8.00%	7.75%	9.50%
EMEA	Czech Republic	6.25%	5.75%*	8.25%
EMEA	Denmark	5.00%	5.00%	7.50%
Americas	Ecuador	11.80%	14.00%*	12.90%
EMEA	Estonia	7.90%	8.25%	9.50%
EMEA	Finland	5.25%	5.00%	7.50%
EMEA	France	4.25%	3.75%	7.25%
EMEA	Germany	4.65%	3.80%	6.50%
EMEA	Greece	9.50%	7.80%	13.00%
Asia Pacific	Hong Kong	2.90%	2.30%	2.70%
EMEA	Hungary	7.50%	7.25%*	9.00%
Asia Pacific	India	10.00%	10.00%	9.00%
Asia Pacific	Indonesia	7.00%	10.00%	9.50%
EMEA	Ireland	7.00%	6.60%	8.75%
EMEA	Israel	7.50%	7.25%	7.75%
EMEA	Italy	5.75%	7.00%*	8.15%
Asia Pacific	Japan	4.00%	4.10%	5.60%
EMEA	Latvia	7.75%	8.00%	9.25%

GLOBAL YIELDS - JUNE 2013				
REGION	COUNTRY	OFFICES	SHOPS	INDUSTRIAL
EMEA	Lithuania	7.00%	8.00%	8.50%
EMEA	Luxembourg	6.00%	5.00%	8.50%
Asia Pacific	Malaysia	6.00%	5.00%*	7.80%
Americas	Mexico	10.50%	10.50%	12.00%
EMEA	Netherlands	6.30%	4.70%	7.70%
Asia Pacific	New Zealand	7.50%	6.00%	7.25%
EMEA	Norway	5.15%	5.25%	6.50%
Americas	Peru	8.50%	15.80%	11.50%
Asia Pacific	Philippines	7.20%	3.00%*	3.80%
EMEA	Poland	6.25%	6.00%*	7.50%
EMEA	Portugal	7.75%	7.00%	9.75%
Asia Pacific	Republic of Korea	5.55%	7.00%*	-
EMEA	Romania	8.50%	8.50%*	9.50%
EMEA	Russia	8.50%	9.25%*	11.50%
EMEA	Serbia	9.50%	10.50%	13.00%
Asia Pacific	Singapore	3.85%	5.30%	6.70%
EMEA	Slovakia	7.25%	7.25%*	8.75%
EMEA	Slovenia	8.00%	6.75%	9.50%
EMEA	South Africa	8.90%	7.25%*	9.75%
EMEA	Spain	6.00%	4.85%	8.25%
EMEA	Sweden	4.50%	4.50%	6.50%
EMEA	Switzerland	3.75%	3.80%	5.50%
Asia Pacific	Taiwan	2.50%	2.00%	2.50%
Asia Pacific	Thailand	7.00%	9.00%*	8.00%
EMEA	Turkey	7.00%	7.00%	9.00%
EMEA	Ukraine	15.00%	16.00%	16.00%
EMEA	United Arab Emirates	7.50%	7.50%*	9.00%
EMEA	United Kingdom	3.75%	2.75%	5.50%
Americas	USA	5.00%	5.00%	5.90%
Asia Pacific	Vietnam	11.25%	11.50%*	10.00%

*Shopping Centres

Note: Yields marked in red are calculated on a net basis to include transfer costs, tax and legal fees.

Data relates to top city/cities only and is not a country average

Source: Cushman & Wakefield

INVESTMENT VOLUMES

TOTAL INVESTMENT VOLUMES (EX DEV SITES)

METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
1 New York Metro	49,179,522,147	39.4%
2 London Metro	32,274,829,182	6.1%
3 Los Angeles Metro	30,757,876,871	77.3%
4 Tokyo	25,858,887,222	1.6%
5 San Francisco Metro	21,749,045,653	37.9%
6 Washington DC Metro	20,265,322,883	42.1%
7 Hong Kong	18,796,372,373	9.9%
8 Paris	15,934,354,781	-27.0%
9 Houston	10,810,882,837	37.6%
10 Chicago	10,628,537,456	-3.4%
11 Dallas	10,501,531,152	30.2%
12 Seattle	9,921,952,882	64.5%
13 Seoul	9,471,408,178	50.9%
14 Singapore	9,312,055,865	22.2%
15 Sydney	9,245,126,391	37.7%
16 Atlanta	9,023,834,872	47.8%
17 Berlin-Brandenburg	8,830,629,935	44.5%
18 Boston	8,734,169,067	15.9%
19 Toronto	7,379,599,481	-13.6%
20 Moscow	7,132,864,084	20.5%
21 South Florida (Miami)	6,954,384,645	6.3%
22 Frankfurt/Rhine-Main	6,193,528,051	55.3%
23 Shanghai	6,080,963,676	-39.8%
24 Denver	6,021,335,355	26.8%
25 Phoenix	5,961,139,217	17.7%

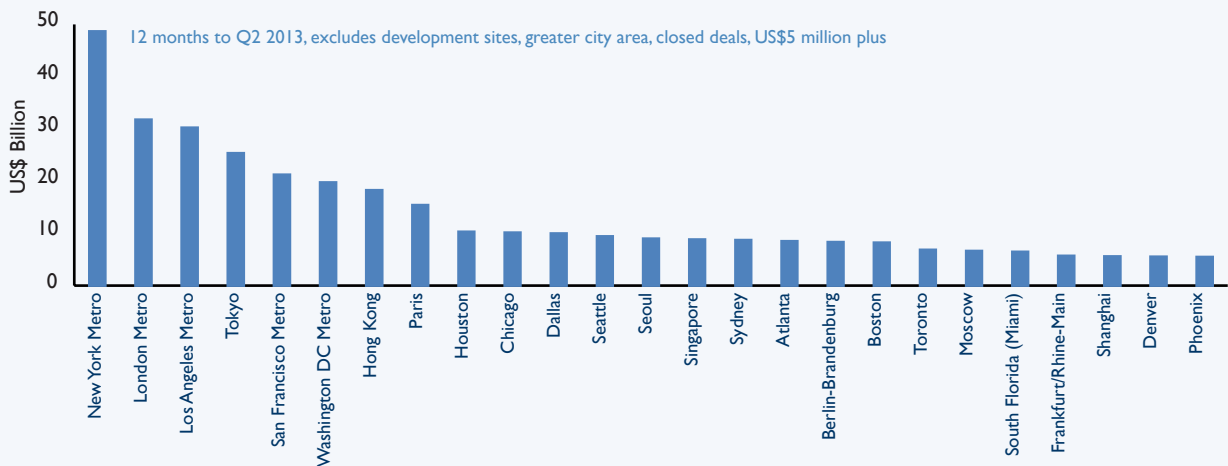
Source: Cushman & Wakefield, Real Capital Analytics

TOTAL INVESTMENT VOLUMES (EX DEV SITES)

METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
26 Austin	5,582,238,365	91.7%
27 Munich	5,263,635,146	23.8%
28 Stockholm	5,162,909,447	-21.7%
29 San Diego	5,103,490,410	11.5%
30 Melbourne	4,786,635,398	36.7%
31 Osaka	4,774,924,788	53.5%
32 Brisbane	4,737,027,907	46.2%
33 Hamburg	3,901,571,328	39.1%
34 Tampa	3,547,864,901	80.1%
35 Philadelphia Metro	3,359,001,021	12.9%
36 Perth	3,152,698,581	55.5%
37 Minneapolis	3,064,639,984	44.3%
38 Amsterdam/Randstad	2,967,905,045	-20.1%
39 Montreal	2,879,882,348	81.0%
40 Oslo	2,792,355,150	-3.1%
41 Beijing	2,661,127,220	-62.6%
42 Taipei	2,652,403,560	-38.7%
43 Charlotte	2,630,368,552	-9.2%
44 Orlando	2,606,403,045	26.1%
45 Baltimore	2,601,888,152	-10.4%
46 Las Vegas	2,565,782,800	82.9%
47 Warsaw	2,376,765,902	20.8%
48 Calgary	2,337,328,925	-10.0%
49 Portland	2,238,853,434	42.5%
50 Zurich	2,084,452,384	317.3%

Source: Cushman & Wakefield, Real Capital Analytics

TOP 25 CITIES FOR GLOBAL PROPERTY INVESTMENT



INVESTMENT VOLUMES

RETAIL SECTOR

METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
1 Hong Kong	8,904,073,227	-0.9%
2 New York Metro	8,190,918,829	141.4%
3 Tokyo	5,016,083,157	33.9%
4 Los Angeles Metro	4,294,734,331	10.1%
5 London Metro	3,584,509,195	-26.0%
6 Sydney	2,896,825,718	181.6%
7 Seoul	2,685,679,636	229.3%
8 Chicago	2,541,477,831	2.0%
9 Shanghai	2,111,309,162	-13.0%
10 San Francisco Metro	1,908,367,244	4.9%
11 South Florida (Miami)	1,851,645,821	-11.5%
12 Moscow	1,813,303,253	35.4%
13 Dallas	1,579,141,741	21.7%
14 Osaka	1,471,222,332	138.2%
15 Toronto	1,437,910,357	67.6%
16 Melbourne	1,423,671,104	113.7%
17 Paris	1,419,639,955	-37.4%
18 Sheffield	1,383,131,270	907.8%
19 Tampa	1,363,675,178	343.7%
20 Las Vegas	1,307,270,613	187.7%
21 Brisbane	1,261,873,975	63.1%
22 Singapore	1,198,694,788	-0.6%
23 Stockholm	1,164,944,780	-0.6%
24 Beijing	1,152,875,983	-64.4%
25 Boston	1,121,040,280	-2.9%

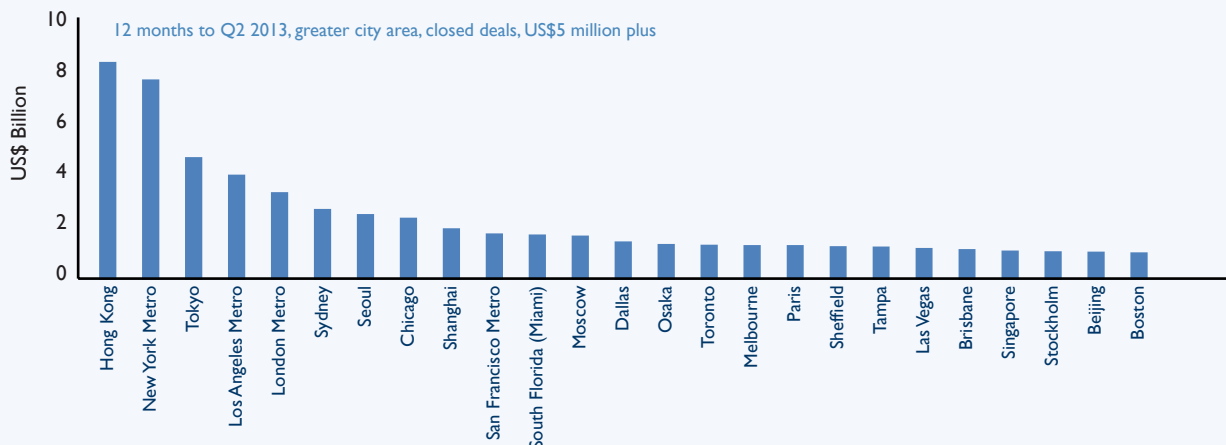
Source: Cushman & Wakefield, Real Capital Analytics

RETAIL SECTOR

METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
26 Washington DC Metro	1,108,464,920	-29.2%
27 Atlanta	1,073,193,704	47.6%
28 Leeds	1,041,702,833	664.9%
29 Montreal	969,266,931	105.5%
30 Phoenix	968,342,871	-19.6%
31 Frankfurt/Rhine-Main	873,438,967	-3.7%
32 Perth	852,016,259	86.0%
33 Seattle	851,195,881	-9.4%
34 Houston	843,450,321	-14.9%
35 Oslo	830,454,528	331.9%
36 Berlin-Brandenburg	818,393,608	-22.5%
37 Amsterdam/Randstad	797,506,892	52.6%
38 Portland	730,559,000	252.0%
39 Milton Keynes	724,070,073	415.4%
40 Denver	653,820,433	22.8%
41 Birmingham	647,365,384	16.6%
42 Calgary	645,580,749	47.1%
43 San Diego	634,621,638	-41.9%
44 Philadelphia Metro	601,700,795	-48.3%
45 Nagoya	592,384,672	192.7%
46 Taipei	566,902,050	-46.4%
47 Orlando	563,859,298	35.9%
48 Edmonton	550,795,718	53.2%
49 Hanover	523,198,125	-4.6%
50 Hamburg	498,562,659	60.0%

Source: Cushman & Wakefield, Real Capital Analytics

TOP 25 CITIES FOR RETAIL PROPERTY INVESTMENT



INVESTMENT VOLUMES

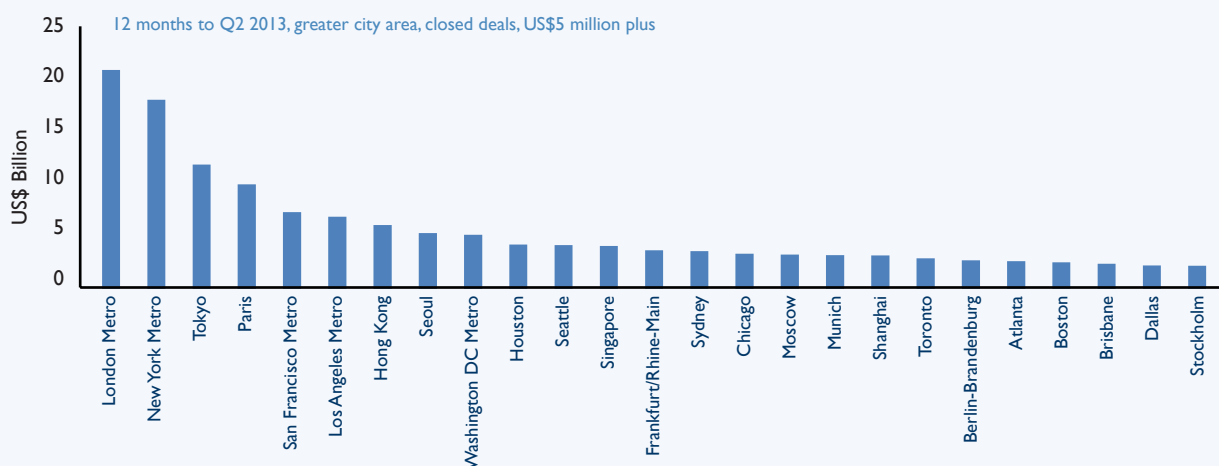
OFFICE SECTOR		
METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
1 London Metro	23,546,672,088	31.0%
2 New York Metro	20,340,082,488	17.7%
3 Tokyo	13,383,455,234	1.5%
4 Paris	11,235,446,263	-33.2%
5 San Francisco Metro	8,269,015,600	36.2%
6 Los Angeles Metro	7,756,021,461	97.7%
7 Hong Kong	6,867,602,728	49.3%
8 Seoul	5,995,050,957	19.7%
9 Washington DC Metro	5,815,811,938	-10.4%
10 Houston	4,775,094,012	59.8%
11 Seattle	4,698,000,290	72.2%
12 Singapore	4,600,499,821	36.1%
13 Frankfurt/Rhine-Main	4,153,877,819	89.1%
14 Sydney	4,052,321,748	-6.2%
15 Chicago	3,765,443,567	-13.1%
16 Moscow	3,692,716,248	5.0%
17 Munich	3,619,225,193	86.7%
18 Shanghai	3,590,982,493	-39.6%
19 Toronto	3,297,587,541	-35.3%
20 Berlin-Brandenburg	3,072,389,837	71.9%
21 Atlanta	2,976,179,786	105.0%
22 Boston	2,848,685,056	-14.7%
23 Brisbane	2,707,395,882	40.0%
24 Dallas	2,511,532,990	21.5%
25 Stockholm	2,493,795,200	-35.0%

Source: Cushman & Wakefield, Real Capital Analytics

OFFICE SECTOR		
METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
26 Melbourne	2,326,605,961	12.6%
27 Austin	2,090,317,192	303.6%
28 Hamburg	1,990,480,874	54.3%
29 Perth	1,826,065,212	49.8%
30 Warsaw	1,804,601,306	97.4%
31 Milan	1,759,690,922	287.0%
32 Oslo	1,755,896,813	-29.4%
33 Denver	1,577,344,218	-12.1%
34 Zurich	1,522,797,386	1102.4%
35 Minneapolis	1,502,072,405	109.7%
36 Osaka	1,482,873,325	112.3%
37 Helsinki	1,251,634,918	135.4%
38 Beijing	1,159,040,293	-59.4%
39 San Diego	1,158,479,902	-16.4%
40 Brussels	1,077,705,714	188.1%
41 Phoenix	1,073,949,603	-2.4%
42 Taipei	1,022,018,176	-35.6%
43 South Florida (Miami)	1,006,544,689	-19.6%
44 Amsterdam/Randstad	909,543,616	-48.2%
45 Philadelphia Metro	903,109,948	22.6%
46 Calgary	892,463,990	-50.1%
47 Charlotte	884,358,620	-0.9%
48 Madrid	838,649,096	-33.1%
49 Ottawa	825,741,958	43.8%
50 Dublin	764,547,505	483.3%

Source: Cushman & Wakefield, Real Capital Analytics

TOP 25 CITIES FOR OFFICE PROPERTY INVESTMENT



A Cushman & Wakefield Research Publication

INVESTMENT VOLUMES

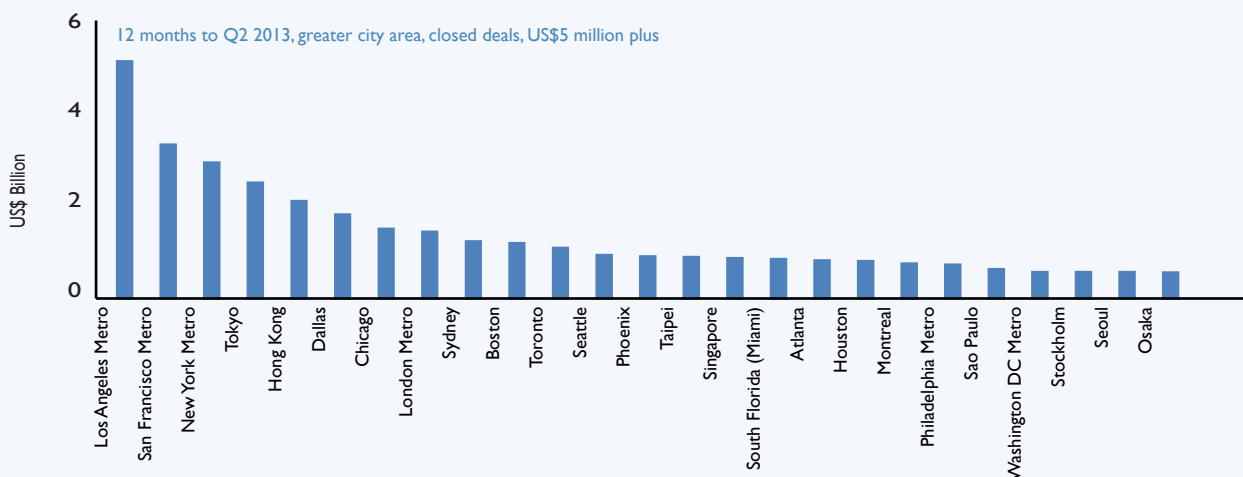
INDUSTRIAL SECTOR		
METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
1 Los Angeles Metro	5,348,131,964	27.8%
2 San Francisco Metro	3,487,036,528	7.7%
3 New York Metro	3,087,562,873	105.3%
4 Tokyo	2,640,222,998	-9.3%
5 Hong Kong	2,231,102,244	67.5%
6 Dallas	1,929,131,565	43.2%
7 Chicago	1,610,813,242	9.0%
8 London Metro	1,547,279,312	42.8%
9 Sydney	1,328,627,871	35.8%
10 Boston	1,290,121,470	14.8%
11 Toronto	1,183,969,549	13.5%
12 Seattle	1,026,833,538	46.9%
13 Phoenix	994,374,255	55.5%
14 Taipei	981,231,012	-28.4%
15 Singapore	954,119,437	11.5%
16 South Florida (Miami)	934,952,739	2.4%
17 Atlanta	907,432,012	-4.5%
18 Houston	891,625,085	46.8%
19 Montreal	836,905,775	179.9%
20 Philadelphia Metro	810,137,044	223.9%
21 Sao Paulo	712,963,258	219.6%
22 Washington DC Metro	645,631,368	-21.4%
23 Stockholm	644,794,214	55.6%
24 Seoul	644,736,104	63.1%
25 Osaka	635,850,634	21.6%

Source: Cushman & Wakefield, Real Capital Analytics

INDUSTRIAL SECTOR		
METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
26 Baltimore	633,730,134	6.5%
27 Sacramento	624,712,748	676.5%
28 San Diego	621,072,456	2.5%
29 Melbourne	607,204,445	169.4%
30 Vancouver	578,974,608	36.0%
31 Munich	578,382,178	-8.2%
32 Rio de Janeiro	542,491,328	xxxxx%
33 Rhine-Ruhr	510,421,312	13.7%
34 Paris	509,176,969	192.7%
35 St Louis	491,906,520	-41.7%
36 Brisbane	468,998,432	-7.5%
37 Birmingham	452,350,899	-6.4%
38 Calgary	426,563,943	305.9%
39 Hamburg	414,894,636	82.7%
40 Minneapolis	400,452,866	-3.7%
41 Austin	395,661,903	37.6%
42 Denver	393,309,360	19.3%
43 Memphis	361,901,703	35.7%
44 Perth	334,607,507	-57.2%
45 Columbus	326,778,692	-6.0%
46 Moscow	324,955,641	9.9%
47 Gothenburg	312,866,605	129.0%
48 San Antonio	298,839,725	72.2%
49 Stuttgart	286,243,847	-32.7%
50 Detroit	277,926,617	131.7%

Source: Cushman & Wakefield, Real Capital Analytics

TOP 25 CITIES FOR INDUSTRIAL PROPERTY INVESTMENT



INVESTMENT VOLUMES

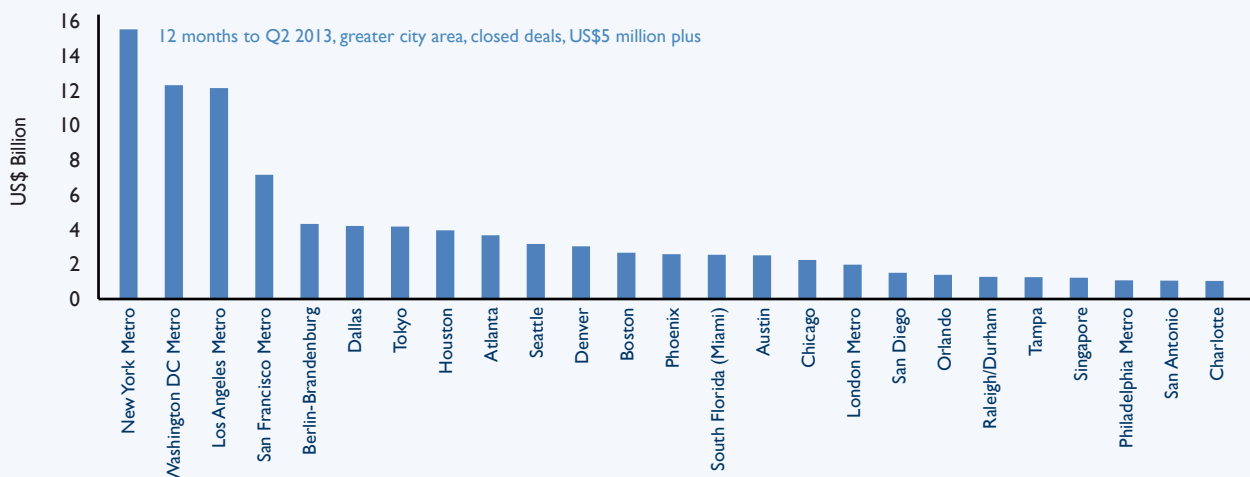
MULTIFAMILY SECTOR		
METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
1 New York Metro	14,730,065,115	54.4%
2 Washington DC Metro	11,674,804,786	146.7%
3 Los Angeles Metro	11,525,455,337	163.8%
4 San Francisco Metro	6,780,178,318	124.9%
5 Berlin-Brandenburg	4,104,301,423	44.0%
6 Dallas	3,994,399,929	46.2%
7 Tokyo	3,961,310,687	-9.6%
8 Houston	3,748,795,483	29.1%
9 Atlanta	3,479,947,755	30.9%
10 Seattle	3,012,627,220	88.8%
11 Denver	2,882,233,202	60.8%
12 Boston	2,535,994,660	71.5%
13 Phoenix	2,452,936,244	16.7%
14 South Florida (Miami)	2,421,896,044	69.3%
15 Austin	2,380,092,301	72.5%
16 Chicago	2,128,087,862	4.1%
17 London Metro	1,881,523,539	-31.9%
18 San Diego	1,435,065,837	22.4%
19 Orlando	1,316,967,307	33.9%
20 Raleigh/Durham	1,216,401,068	-9.6%
21 Tampa	1,199,188,898	14.2%
22 Singapore	1,158,036,970	-33.1%
23 Philadelphia Metro	1,013,741,177	67.5%
24 San Antonio	999,996,151	61.8%
25 Charlotte	988,497,907	47.5%

Source: Cushman & Wakefield, Real Capital Analytics

MULTIFAMILY SECTOR		
METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
26 Jacksonville	903,833,352	106.7%
27 Las Vegas	879,769,256	157.8%
28 Toronto	871,419,467	-21.3%
29 Baltimore	821,297,497	-7.3%
30 Paris	795,696,603	-23.6%
31 Hanover	773,688,998	398.1%
32 Montreal	768,900,531	56.9%
33 Osaka	728,512,556	31.3%
34 Stockholm	713,896,757	-40.8%
35 Portland	696,169,350	-13.5%
36 Nashville	681,838,400	47.9%
37 Hamburg	639,636,166	-14.0%
38 Amsterdam/Randstad	632,128,101	-25.5%
39 Frankfurt/Rhine-Main	610,274,757	147.7%
40 Minneapolis	520,570,129	65.4%
41 St Louis	504,127,556	433.9%
42 Copenhagen	502,172,234	-26.5%
43 Hong Kong	457,754,252	-50.9%
44 Munich	453,027,717	-8.7%
45 Kansas City	446,281,239	34.5%
46 Moscow	445,000,000	456.3%
47 Nottingham	412,647,677	xxxx%
48 Calgary	372,720,244	1529.1%
49 Sacramento	371,480,500	-13.8%
50 Rochester	344,191,226	493.4%

Source: Cushman & Wakefield, Real Capital Analytics

TOP 25 CITIES FOR MULTIFAMILY SECTOR INVESTMENT



A Cushman & Wakefield Research Publication

INVESTMENT VOLUMES

CROSS-BORDER SECTOR

METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
1 London Metro	22,409,206,269	5.6%
2 Paris	6,982,111,604	-29.2%
3 New York Metro	6,242,567,788	-6.1%
4 Shanghai	3,886,841,965	27.6%
5 Sydney	3,492,073,875	-2.3%
6 Frankfurt/Rhine-Main	3,329,416,644	119.8%
7 Berlin-Brandenburg	3,112,437,681	28.9%
8 Los Angeles Metro	3,022,699,716	90.4%
9 Tokyo	2,544,152,843	-46.4%
10 Singapore	2,469,502,161	8.6%
11 Hong Kong	2,446,926,157	-45.0%
12 San Francisco Metro	2,265,363,762	8.2%
13 Hangzhou	2,262,174,769	310.9%
14 Warsaw	2,119,154,347	13.1%
15 Moscow	2,075,739,170	62.4%
16 Munich	1,999,767,688	5.6%
17 Suzhou	1,957,143,332	190.5%
18 Melbourne	1,789,625,423	34.7%
19 Houston	1,726,453,537	22.2%
20 Tianjin	1,610,765,908	226.1%
21 Washington DC Metro	1,535,923,996	-3.0%
22 Milan	1,476,892,280	116.4%
23 Zurich	1,399,297,358	n/a
24 Seoul	1,358,923,210	2323.2%
25 Stockholm	1,333,582,348	2.5%

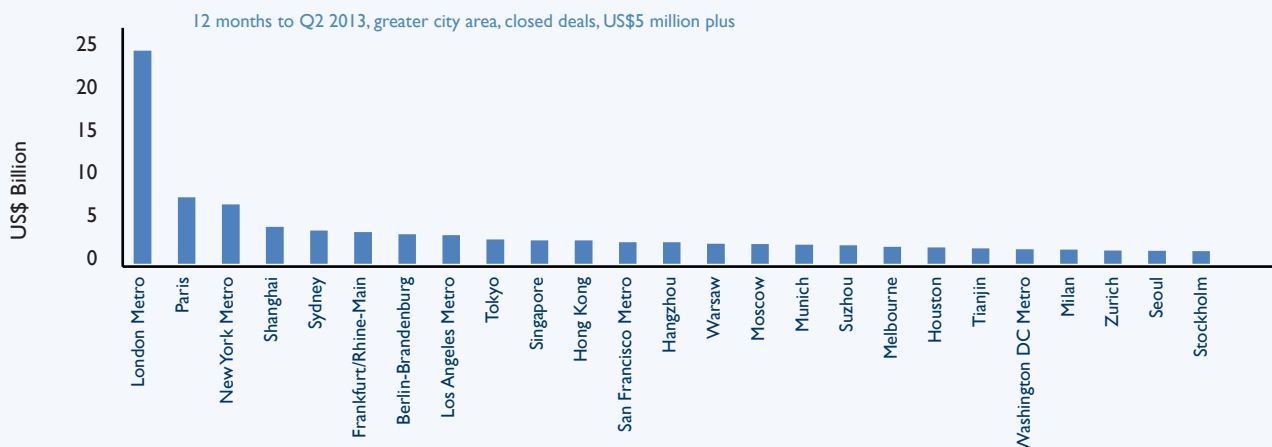
Source: Cushman & Wakefield, Real Capital Analytics

CROSS-BORDER SECTOR

METRO	Q3 2012 - Q2 2013 (US\$)	GROWTH (COMPARED WITH PREVIOUS 12 MONTHS)
26 Wuhan	1,298,424,922	1382.8%
27 Ningbo	1,297,518,764	237.7%
28 Sheffield	1,289,083,911	700.9%
29 Chicago	1,189,878,092	-24.3%
30 Osaka	1,184,023,656	6.2%
31 Beijing	1,138,778,590	-46.7%
32 Foshan	1,107,472,942	108.4%
33 Amsterdam/Randstad	1,089,162,618	-40.3%
34 Birmingham	1,080,002,658	53.9%
35 Helsinki	1,012,134,560	218.2%
36 Brisbane	1,000,171,102	27.7%
37 Guangzhou	994,989,326	-66.2%
38 Leeds	970,633,931	308.8%
39 Chongqing	947,831,722	-26.1%
40 Shenzhen	943,977,717	106.4%
41 Seattle	905,541,936	32.2%
42 Hamburg	872,439,101	6.0%
43 Chengdu	833,479,558	-9.4%
44 Dublin	824,908,327	220.2%
45 Brussels	808,375,002	175.1%
46 Dallas	805,817,856	-2.9%
47 Hawaii	781,000,000	279.6%
48 Copenhagen	751,152,631	-26.1%
49 Phoenix	750,962,378	104.9%
50 Vienna	691,981,865	7.5%

Source: Cushman & Wakefield, Real Capital Analytics

TOP 25 CITIES FOR CROSS-BORDER SECTOR INVESTMENT



THE REPORT

INFORMATION ABOUT THE REPORT

This report has been prepared based on data collected through our own research as well as information available to us from public and other external sources. The deals data used relates to non-confidential reported market transactions excluding indirect investment. In respect of all external information, the sources are believed to be reliable and have been used in good faith. However, Cushman & Wakefield cannot accept responsibility for their accuracy and completeness, nor for any undisclosed matters that would affect the conclusions we have drawn. Certainty of the assumptions and definitions used in this research work are given within the body of the text. Information on any other matters can be obtained from the European

A number of the rankings contained within this Winning in Growth Cities 2013/2014 publication (including the Overview as well as the individual Office, Industrial and Retail reports) are Cushman & Wakefield composite rankings, collated using a variety of in-house proprietary data, reliable secondary sources and a range of data indicators. These individual data indicators, scores and other forms of discreet data have been further weighted, scored and ranked using a strict methodology, which varies depending on sector or indicator.

Sources of information used are provided in the report, but for further detail contact our Cushman & Wakefield research team:



David Hutchings
Head of the European Research Group
david.hutchings@eur.cushwake.com
+44 207 152 5029



Joanna Tano
Director, European Research Group
Joanna.tano@eur.cushwake.com
+44 207 152 5944



Erin Can
Publications Editor & Research Analyst
erin.can@eur.cushwake.com
+44 207 152 5206

REPORT SOURCES

The Overview

Cushman & Wakefield, Real Capital Analytics, Oxford Economics. The sources listed below are specific to the focused sector reports that have been produced for Winning in Growth Cities 2013/2014:

The Office Sector

Cushman & Wakefield, Real Capital Analytics, Brookings Institution, Economist Intelligence Unit, National Statistics, PWC, Z/Yen Group, QS World University Ranking, United Nations, Oxford Economics and World Bank

The Industrial Sector

2thinknow, Airports Council International (ACI), TomTom, LTA Academy and the Journal of Commerce.

The Retail Sector

Cushman & Wakefield, Real Capital Analytics, Euromonitor International, Economist Intelligence Unit City Data, and Brookings Institution's analysis of data from Oxford Economics, Moody's Analytics, and U.S. Census Bureau.

A Cushman & Wakefield Capital Markets Research Publication

CONTACTS

OUR CAPITAL MARKETS SERVICES

Capital Markets provides comprehensive advice and execution services to clients engaged in buying, selling, investing in, financing or developing real estate and real estate-related assets. Our solutions are tailored to meet the objectives of private and institutional owners and investors, as well as corporate owners and occupiers.

Whether you are seeking to dispose of an asset in London, finance the purchase of a hotel in Italy, or structure a complex cross border portfolio deal, Cushman & Wakefield's expertise in the capital markets is the gold standard.

Our services include:

- Investment sales & acquisitions
- Equity, Debt & Structured Finance
- Corporate Finance & Investment Banking

GLOBAL CAPITAL MARKETS CONTACTS



GLOBAL/THE AMERICAS

Greg Vorwaller

Executive Vice President
Global Head of Capital Markets
greg.vorwaller@cushwake.com
+1 312 470 1855



THE AMERICAS

Janice Stanton

Senior Managing Director
Investment Strategy
janice.stanton@cushwake.com
+1 212 841 5025



ASIA PACIFIC

John Stinson

Managing Director, Capital Markets
Asia Pacific
john.stinson@ap.cushwake.com
+65 6232 0878



EMEA

Jan-Willem Bastijn

Partner, Head of Capital Markets
EMEA
janwillem.bastijn@eur.cushwake.com
+31 20 800 2081

OUR RESEARCH SERVICES

The Research Group provides a strategic advisory and supporting role to our clients. Consultancy projects are undertaken on a local and international basis, providing in-depth advice and analysis, detailed market appraisals and location and investment strategies.

- Reliable and comparable data and market intelligence
- Analysis of future development activity
- Market research and demand analysis by industry sector
- Investment and portfolio strategy
- Site-specific location analysis, ranking and targeting for either occupation or investment
- Examination of existing supply and competition
- Rental analysis including current trends, forecasts and location comparisons

GLOBAL RESEARCH CONTACTS



EMEA

David Hutchings

Head of the European Research Group
EMEA
david.hutchings@eur.cushwake.com
+44 20 7152 5029



THE AMERICAS

Maria Sicola

Executive Managing Director
The Americas
maria.sicola@cushwake.com
+1 415 773 3542



ASIA PACIFIC

Sigrid Zialcita

Managing Director
Asia Pacific
sigrid.zialcita@ap.cushwake.com
+65 6232 0875

A Cushman & Wakefield Capital Markets Research Publication

THE AMERICAS

ARGENTINA

+54 11 5555 1111

Herman FaigenbaumManaging Director
herman.faigenbaum@sa.cushwake.comCarlos Pellegrini 1141 6° piso
C1009ABX
Buenos Aires
Argentina

BRAZIL

Marcelo da Costa SantosHead of Capital Markets and V&A
marcelo.santos@sa.cushwake.com
+ 55 11 3014 5201**Fernanda Rosalem**Director, Head of Capital Markets
fernanda.rosalem@sa.cushwake.com
+55 11 550 15494**Fernando Belloube**Director of Capital Markets
fernando.belloube@sa.cushwake.com
+55 11 5501 5481Edifício Berrini 500
Praça Prof. José Lannes 40 – 3rd Floor
04571-100 Sao Paulo
Brazil

CANADA

Tom McCarthyVice Chairman
tom.mccarthy@ca.cushwake.com
+1 416 359 254233 Yonge Street, Suite 1000
Toronto, Ontario M5E 1S9
Canada

CHILE

Maclean OliveiraExecutive Manager -Transactions SA
maclean.oliveira@sa.cushwake.com
+ 55 11 5501 5463Praça Professor José Lannes, 40 – 3rd Floor
04571-100 - São Paulo
Brazil

MEXICO

Ander LegorretaHead of Capital Markets, Mexico
ander.legorreta@sa.cushwake.com
+52 55 8525 8027Paseo de los Tamarindos 60-B Piso 2
Col. Bosques de las Lomas
México, D.F. 05120

UNITED STATES

CHICAGO

Greg VorwallerExecutive Vice President, Global Head, Capital Markets
greg.vorwaller@cushwake.com
+1 312 470 1855200 South Wacker Drive
Suite 2700
Chicago, IL 60606
USA

LOS ANGELES

Curtis MaglebySenior Managing Director, Capital Markets
curtis.magleby@cushwake.com
+ 1 213 955 6467601 S. Figueroa Street
47th Floor
Los Angeles, CA 90017

NEW YORK

Fred HarmeyerSenior Managing Director, Capital Markets
fred.harmeyer@cushwake.com
+1 212 841 7515**Steven Kohn**President, Equity, Debt & Structured Finance
steven.kohn@cushwake.com
+1 212 841 9216**Michael Rotchford**Executive Vice President, Corporate Finance & Investment Banking
michael.rotchford@cushwake.com
+1 212 841 7616**Janice Stanton**Senior Managing Director, Investment Strategy
janice.stanton@cushwake.com
+1 212 841 50251290 Avenue of the Americas
New York
NY 10104-6178
USA

SAN FRANCISCO

Steve WeilbachSenior Managing Director, Capital Markets
steve.weilbach@cushwake.com
+1 415 773 3510425 Market Street
Suite 2300
San Francisco, CA 94105
USA

For all other Americas enquiries contact:

Greg VorwallerExecutive Vice President, Global Head Capital Markets
greg.vorwaller@cushwake.com
+1 312 470-1855

SOUTH AMERICA

Marcelo C. SantosVice President Capital Markets & V&A
Marcelo.santos@sa.cushwake.com
+ 55 11 3014-5201Edifício Berrini 500
Praça Prof. José Lannes 40 – 4rd Floor
04571-100 Sao Paulo
Brazil

ASIA PACIFIC

AUSTRALIA

Tony DixonDirector, Investment Sales
tony.dixon@ap.cushwake.com
+ 612 92296853Level 18, 175 Pitt Street
Sydney
NSW 2000
Australia

CHINA

Jack YeDirector
jack.ye@ap.cushwake.com
+ 8621 2320 0808
Units 2606-2609, The Headquarters Building168 Xi Zang Zhong Lu
Shanghai 200001
China

HONG KONG

Kent FongSenior Director
kent.fong@ap.cushwake.com
+ 852 2956 70819/F St George's Building,
2 Ice House Street
Hong Kong

INDIA

Manish AggarwalDirector
manish.aggarwal@ap.cushwake.com
+ 91124 469 555514th Floor, Tower C
Building 8, DLF Cyber City
Gurgaon 122002
India

INDONESIA

Handa SulaimanExecutive Director
handa.sulaiman@ap.cushwake.com
+ 6221 2550 9570Indonesia Stock Exchange Building
Tower 2
15/F, Jl. Jend. Sudirman Kav.52-53
Jakarta 12190
Indonesia

JAPAN

Yoshiyuki TanakaExecutive Director
yoshiyuki.tanaka@ap.cushwake.com
+ 81 33596 7060
Sanno Park Tower 13F
2-11-1 Nagatacho, Chiyoda-ku
Tokyo 100-6113
Japan

REPUBLIC OF KOREA

Shawna YangAssociate Director
shawna.yang@ap.cushwake.com
+82 2 3708 8831
5/F Korea Computer Building
21, Sogong-dong
Seoul
Republic of Korea

SINGAPORE

Priyaranjan KumarRegional Director, Capital Markets Asia Pacific
Priyaranjan.Kumar@ap.cushwake.com
+65 8339 53353 Church Street
#09-03, Samsung Hub
Singapore 049483

VIETNAM

Chris BrownAssociate Director
Chris.brown@ap.cushwake.com
+84 8629147072/F, 52 Dong Du, District 1
Ho Chi Minh City
Vietnam

For all other APAC enquiries contact:

John StinsonManaging Director - Capital Markets, Asia Pacific
john.stinson@ap.cushwake.com
+65 6232 0878

A Cushman & Wakefield Capital Markets Research Publication

EMEA

BELGIUM

Maxime Xantippe

Partner, Head of Capital Markets
maxime.xantippe@eur.cushwake.com
+32 2 514 4000
Avenue des Arts, 56
Kunstlaan 56
1000 Brussels
Belgium

CZECH REPUBLIC

James Chapman

Partner, Head of Capital Markets
james.chapman@eur.cushwake.com
+420 234 603 210
Na Prikope I
110 00 Prague I
Czech Republic

FRANCE

Thierry Juteau

Partner, Head of Capital Markets
thierry.juteau@eur.cushwake.com
+33 1 53 76 95 51
11-13 Ave de Friedland
Paris 75008
France

GERMANY

BERLIN

HannsJoachim Fredrich

Partner, Head of Capital Markets
hannsjoachim.fredrich@eur.
cushwake.com
+49 30 2021 44620
Leipziger Str. 126

10117 Berlin
Germany

FRANKFURT

Michael J. Morgan

Partner, Head of Capital Markets
michael.morgan@eur.cushwake.com
+49 69 506073 230

Westhafenplatz 6
60327 Frankfurt am Main

HAMBURG

Dr. Michael Thiele

Partner
michael.thiele@eur.cushwake.com
+49 40 300 88 11 10
Hermannstraße 22
20095 Hamburg

MÜNCHEN

Thomas Müller

Partner, Capital Markets
thomas.mueller@eur.cushwake.com
+49 89 242 14 33 44
Maximilianstraße 40
80539 München
Germany

HUNGARY

Mike Edwards

Partner
Mike.edwards@eur.cushwake.com
+36 1 484 1385
Deák Palota
Deák Ferenc utca 15
Budapest 1052
Hungary

ITALY

MILAN

Stephen Screene

Partner, Head of Capital Markets
stephen.screene@eur.cushwake.com
+39 02 63 7991

Via F. Turati 16/18
20121 Milan
Italy

ROME

Carlo Vanini

Partner, Head of Rome office
carlo.vanini@eur.cushwake.com
+39 06 4200791

Via Vittorio Veneto 54b
00187 Rome
Italy

THE NETHERLANDS

Mathijs Flierman

Partner, Head of Capital Markets
mathijs.flierman@eur.cushwake.com
+31 20 800 2089

Atrium, 3e verdieping/3rd Floor
Strawinskylaan 3125
1077 ZX Amsterdam
Netherlands

POLAND

Charles Taylor

Partner, Head of Capital Markets
charles.taylor@eur.cushwake.com
+36 1 268 1288

Metropolitan
Plac Pilsudskiego 1
00-078 Warsaw

PORTUGAL

Luis Antunes

Partner, Head of Capital Markets
luis.antunes@eur.cushwake.com
+351 21 322 4753

Avenida da Liberdade 131
2nd Floor
1250-140 Lisbon
Portugal

ROMANIA

Costel Florea

Partner, Head of Capital Markets
costel.florea@eur.cushwake.com
+40 21 4080312

Opera Center, 2 Dr. Nicolae Staicovici St.
4th Floor, Sector 5, Bucharest
Romania

RUSSIA

Tom Cashel

Partner, Head of Capital Markets
tom.cashel@eur.cushwake.com
+7 495 799 9875

Ducat Place III BC, 6th Floor
Gashka Street, 6
125047 Moscow
Russia

SLOVAKIA

James Chapman

Partner, Head of Capital Markets
james.chapman@eur.cushwake.com
+420 234 603 210

Mostová 2
811 02 Bratislava
Slovakia

SPAIN

BARCELONA

Reno Cardiff

Partner, Capital Markets
reno.cardiff@eur.cushwake.com
+34 93 488 18 81

Passeig de Gràcia 56-7°C
08007 Barcelona
Spain

MADRID

Rupert Lea
Head of Retail Capital Markets
rupert.lea@eur.cushwake.com
+34 91 781 00 10+34 91 781 00 10

Edificio Beatriz

José Ortega y Gasset, 29-6a Plta
28006 Madrid
Spain

SWEDEN

Magnus Lange

Managing Partner
magnus.lange@eur.cushwake.com
+46 85 456 7714

Sergels Torg 12
SE-111 57 Stockholm
Sweden

TURKEY

Togrul Gonden

Managing Partner
togrul.gonden@eur.cushwake.com
+90 530 173 01 42

Inönü Cad. Devres Han No. 50 2/A
Gümüssuyu 34437
Beyoglu
Istanbul
Turkiye

UNITED KINGDOM

EDINBURGH

Steven Newlands

Partner, Capital Markets
steven.newlands@eur.cushwake.com
+44 131 226 8756

66 Hanover Street
Edinburgh EH2 1EL

Scotland
GLASGOW

David Davidson

Partner, Capital Markets
david.davidson@eur.cushwake.com
+44 141 223 8767

223 West George Street
Glasgow G2 2ND
Scotland

BIRMINGHAM

Scott Rutherford

Partner, Capital Markets
scott.rutherford@eur.cushwake.com
+44 121 232 49009

9 Colmore Row
Birmingham B3 2BJ

LONDON

David Erwin

CEO of Capital Markets
david.erwin@eur.cushwake.com
+44 207 152 5016

43/45 Portman Square
London W1A 3BG
England

MANCHESTER

Matthew Stretton

Partner
matthew.stretton@eur.cushwake.
com
+44 207 152 5310

26 Spring Gardens
Manchester M2 1AB
England

For all other EMEA enquiries contact:
Jan-Willem Bastijn
Partner, Head of EMEA Capital
Markets
janwillem.bastijn@eur.cushwake.com
+31 20 800 2081

Cushman & Wakefield is the world's largest privately held commercial real estate services firm. The company advises and represents clients on all aspects of property occupancy and investment, and has established a preeminent position in the world's major markets, as evidenced by its frequent involvement in many of the most significant property leases, sales and assignments. Founded in 1917, it has 253 offices in 60 countries, employing more than 15,000 professionals. It offers a complete range of services for all property types, including leasing, sales and acquisitions, equity, debt and structured finance, corporate finance and investment banking, corporate services, property management, facilities management, project management, consulting and appraisal. The firm has more than \$3.7 billion in assets under management globally. A recognized leader in local and global real estate research, the firm publishes its market information and studies online at www.cushmanwakefield.com/knowledge.

Cushman & Wakefield, LLP
43-45 Portman Square
London W1A 3BG
www.cushmanwakefield.com



