

# P R E S S   R E L E A S E

CB Richard Ellis Pty Ltd  
ABN 57 057 373 574

Level 26, 363 George Street  
Sydney NSW 2000  
DX 10262

T 61 2 9333 3333  
F 61 2 9333 3330

[www.cbre.com.au](http://www.cbre.com.au)

FOR IMMEDIATE RELEASE — 30 November 2009

For further information:  
Kathryn House  
Communications Manager  
61 2 9333 3585  
61 402 465 440

Australia takes centre stage in the ranks of the world's most expensive retail markets

Sydney, NSW (30 November 2009)

Sydney, Melbourne and Brisbane are ranked among the 20 most expensive retail markets in the world according to a new CB Richard Ellis report which highlights the relative resilience of the Australian retail sector.

CBRE's latest Global MarketView on the retail sector shows that New York has continued its reign as the most expensive retail market in the world, despite a 20% rental decline over the past 12 months.

Sydney moved up the global rankings in Q3 to 7<sup>th</sup> position, ahead of Brisbane in 9<sup>th</sup> place and Melbourne at 12<sup>th</sup> in the rankings. Auckland - the only other Pacific market included in the survey - was ranked in 49<sup>th</sup> position.

CBRE Global Research and Consulting Executive Director Kevin Stanley said Australia's strong showing could be partly attributed to the strengthening of the Australian dollar, given that the global rankings were calculated on a US dollar basis.

However, even stripping out currency movements, Mr Stanley said prime CBD retail rents in Australia had remained relatively stable - and even increased in some markets - over the past 12 months, in stark contrast to some other centres.

Mr Stanley said the result was particularly strong given the "significant amount of trauma" that had occurred in Melbourne and Sydney as a result of redevelopment activity, which had resulted in tenant closures and temporary relocations.

"When these new centres in the Melbourne and Sydney CBD's are completed, there's expected to be a boost to destination retailing and probably an increase in rents as well," Mr Stanley said, adding that low interest rates and the Federal Government's cash hand-outs had helped keep the tills ringing in Australia's CBD retail markets over the past 12 months.

The Regional Director of CBRE's Retail Group, Joshua Loudoun, attributed the strong Brisbane result to a similar scenario, following the displacement of retailers from the redevelopment of Wintergarden.

Mr Loudoun said low vacancy rates and strong retailer demand had helped underpin the performance of most of Australia's capital city retail markets during the Global Financial Crisis.

The flagship development projects currently underway in Sydney and Melbourne had helped to attract the attention of international retailers, particularly Fast Fashion brands.

"Groups such as Esprit, Uniqlo, Forever 21 and H&M are ideally suited to this market as price conscious consumers are looking to buy the latest high street fashion at affordable prices," Mr Loudoun said.

The MarketView report also highlights the strong performance globally of discount retailers in an environment where consumers have become increasingly price conscious.

"In Australia, discount retailers have fare exceptionally well through the support of the Federal Government's stimulus measures and also the 'tumble down' affect which has seen retailers move down the aspirational scale," Mr Loudoun said.

"This has been particularly evident in the electronics sector with JB Hi Fi and Harvey Norman producing exceptionally strong year-on-year sales growth."

Interestingly, Mr Loudoun said the luxury market was also performing well in Australia, in defiance of international trends.

"Luxury brands retailers are looking to expand their presence in Australia," Mr Loudoun said.

"Last week, Melbourne's Chadstone Shopping Centre opened its luxury mall, which for many brands provided their first foothold in a non-CBD location. We have also noticed that Brisbane has become a hot spot for luxury retailers, with a number of major brands about to announce new boutiques fronting Edward Street."

#### Global trends

The Global Marketview highlights that prime retail rents began to stabilise in many markets across the world in the third quarter of 2009, as economic and retail indicators started to show signs of greater stability and retailer confidence gained positive momentum.

While retail rents globally fell by an average of 1% from the second quarter to the third quarter of 2009, the report shows that the prime retail markets in Hong Kong, Paris, Sydney and London have demonstrated resilience to the global economic crisis, with stable rents over the 12 months to September. In contrast, Tokyo has seen an 18% decline in rents over the same period, but nevertheless maintained its ranking as the fifth most expensive market globally.

Peter Gold, Head of Cross-Border Retail in the Europe, Middle East and Africa (EMEA) region, commented: "Although consumers continue to take a cautious approach to spending, consumer confidence has been slowly recovering and is in positive territory in some economies. There are undoubtedly more challenges ahead for many retailers, but retailer confidence has also picked up over the course of the year and expansion into key mature markets and prime locations remains firmly on the agenda across many sectors, including grocery and value clothing retailers."

### Top 20 Most Expensive Retail Markets – Q3 2009

Rank	City	Rent Q3 2009 US\$ Sq Ft p.a	Rent Q3 2009 €Sq M p.a	Rank Q2 2009
1	New York	1,640	12,062	1
2	Hong Kong	976	7,177	2
3	Paris	857	6,300	3
4	Sydney	796	5,859	7
5	Tokyo	774	5,694	5
6	London	756	5,561	4
7	Moscow	735	5,407	6
8	Zurich	673	4,947	8
9	Brisbane	644	4,738	9
10	Dublin	543	3,995	11
11	Los Angeles	540	3,972	10
12	Melbourne	505	3,714	16
13	Milan	503	3,700	14
14	Guangzhou	502	3,691	12
15	Chicago	500	3,677	13
16	Munich	489	3,600	15
17	Rome	476	3,500	17
18	Singapore	448	3,296	19
19	Frankfurt	441	3,240	18
20	Berlin	383	2,820	20

Source: CB Richard Ellis

#### About CB Richard Ellis

CB Richard Ellis Group, Inc. (NYSE:CBG), a *Fortune* 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2008 revenue). The Company has approximately 30,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 300 offices (excluding affiliates) worldwide. CB Richard Ellis offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting. CB Richard Ellis has been named a *BusinessWeek* 50 "best in class" company for three years in a row. Please visit our website at [www.cbre.com](http://www.cbre.com).