

# WORLD RENTAL LEVELS

Richard Ellis Research compiled a table and graph on the cost of renting office property in the business centers of the world as of January 1981. Equivalent costs for this guide were provided in British currency. The table and graph here have been modified to reflect the exchange rate as of May 26, 1981, and equivalent costs have been converted to U. S. measure and currency based on the more recent exchange rate.

Several factors have combined to produce changes in rents: the differing rates of inflation in each country, the changes in exchange rates, and local demand and supply conditions.

All countries have been affected by inflation since the mid-seventies but some have been more successful than others in dealing with it. Many European countries, North America, Australia and the Far East have had inflation over the last two years from about 20 percent to 30 percent.

Particular countries such as Switzerland, West Germany and Belgium have had a two-year rate at or just under 10 percent, whereas South American countries have recorded inflation in excess of 100 percent over this time.

The effect of local demand and supply conditions has influenced rental levels and growth in particular centers. In general terms, high rental growth indicates an undersupplied market with demand greater than new supply, and an absence of rental growth suggests a deficiency in demand.

*Richard Ellis, Inc.* is a leading real estate consulting firm with offices throughout the world. The firm provides real estate advice to institutions, major corporations and individuals in the areas of investment, management and development. In the U.S. the firm is headquartered in Chicago.

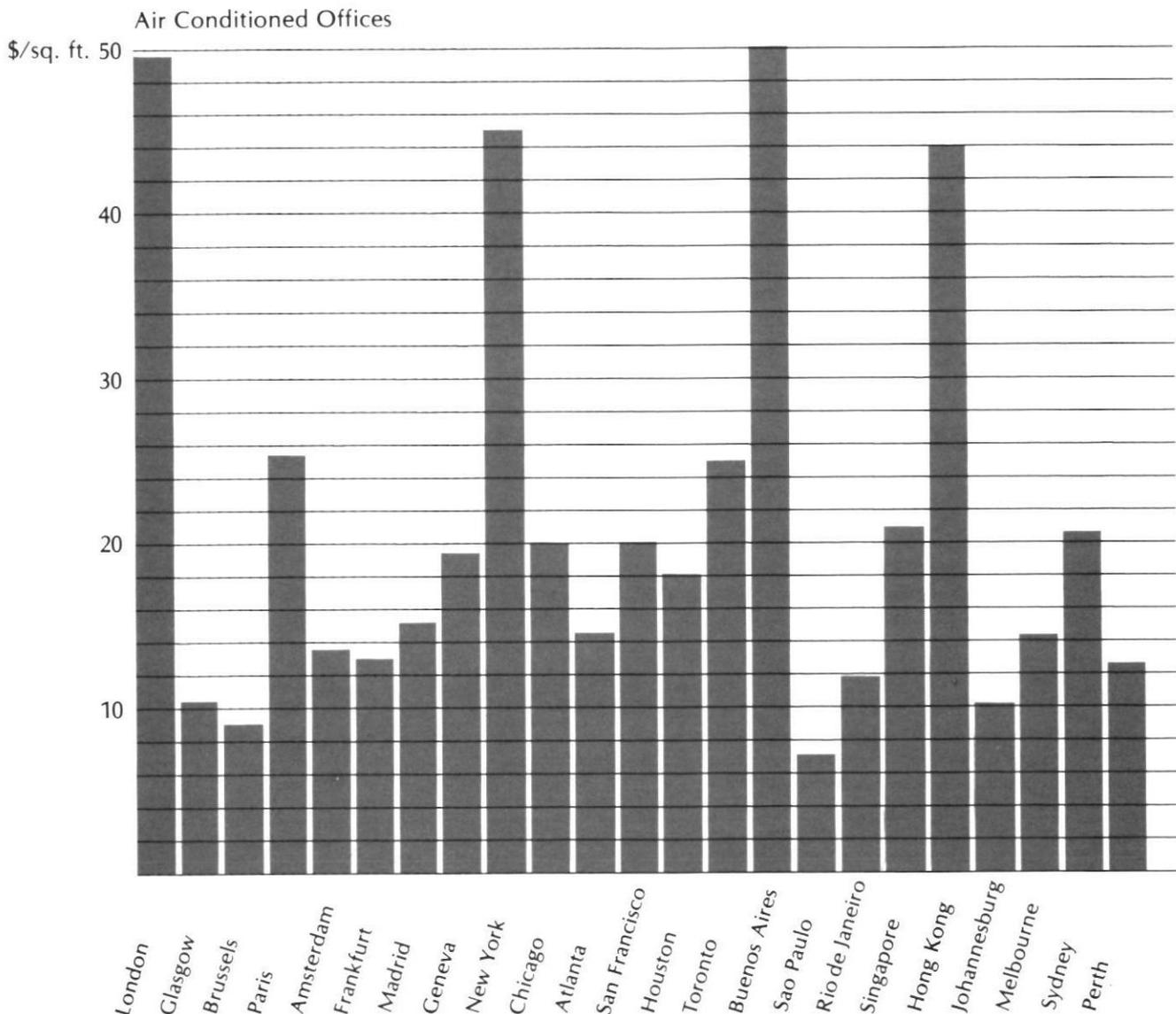


TABLE								
Offices								
City	Suite of 5,000 sq. ft. Highest standard with air conditioning		Suite of 5,000 sq. ft. Reasonable standard		Other terms and method of area measurement			Exchange Rate (5/26/81)
	Rent in local currency	Equivalent rent on net area in dollars per sq. ft. per annum	Rent in local currency	Equivalent rent on net area in dollars per sq. ft. per annum	Additional charge for services	Rent review or indexation	Area measurement	
London	£24.00 per sq. ft. p.a.	\$49.52	£17.00 per sq. ft. p.a.	\$35.08	15%	R/R 5 yearly	Net usable	£2.0635
Glasgow	£5.00 per sq. ft. p.a.	10.32	£4.50 per sq. ft. p.a.	9.29	20%	R/R 5 yearly	Net usable	£2.0635
Brussels	BF 3250 M <sup>2</sup> p.a.	8.55	BF 2400 M <sup>2</sup> p.a.	6.31	30%	Indexation p.a.	Gross internal incl. core	BF .0263
Paris	FF 1400 M <sup>2</sup> p.a.	25.30	FF 1000 M <sup>2</sup> p.a.	18.07	20%	Indexation p.a.	Gross internal excl. core	FF .1807
Amsterdam	DFL 350 M <sup>2</sup> p.a.	13.50	DFL 250 M <sup>2</sup> p.a.	9.64	20%	Indexation p.a.	Net + toilets	DFL .3856
Frankfurt	DM 30 M <sup>2</sup> p.m.	12.85	DM 20 M <sup>2</sup> p.m.	8.57	20%	Indexation or R/R every 2/3 years	Gross internal	DM .4284
Madrid	PTS 1400 M <sup>2</sup> p.m.	15.12	PTS 1000 M <sup>2</sup> p.m.	10.80	15%	Indexation p.a.	Gross internal	PTS .0108
Geneva	SF 400 M <sup>2</sup> p.a.	19.27	SF 250 M <sup>2</sup> p.a.	12.04	10%	Indexation p.a.	Gross internal	SF .4817
New York	\$45.00 per sq. ft. p.a.	45.00	\$30.00 per sq. ft. p.a.	30.00	Nil	None	Gross internal	N/A
Chicago	\$20.00 per sq. ft. p.a.	20.00	\$11.00 per sq. ft. p.a.	11.00	Nil	R/R expiring	Gross internal	N/A
Atlanta	\$14.50 per sq. ft. p.a.	14.50	\$9.50 per sq. ft. p.a.	9.50	Nil	R/R expiring	Net usable	N/A
San Francisco	\$30.00 per sq. ft. p.a.	30.00	\$18.00 per sq. ft. p.a.	18.00	Nil	None	Net usable	N/A
Houston	\$18.00 per sq. ft. p.a.	18.00	\$13.50 per sq. ft. p.a.	13.50	Nil	R/R every 3/5 years	Gross internal	N/A
Toronto	C\$30.00 per sq. ft. p.a.	24.99	C\$20.00 per sq. ft. p.a.	16.66	Nil	None	Gross internal	C\$.833
Sao Paulo	CZ 600 M <sup>2</sup> p.m.	7.08	CZ 350 M <sup>2</sup> p.m.	4.13	Nil	Indexation p.a.	Gross internal	CZ .0118
Rio de Janeiro	CZ 1000 M <sup>2</sup> p.m.	11.80	CZ 600 M <sup>2</sup> p.m.	7.08	Nil	Indexation p.a.	Gross internal	CZ .0118
Buenos Aires	US\$50.00 M <sup>2</sup> p.m.	50.00	US\$25.00 M <sup>2</sup> p.m.	25.00	Nil	Indexation	Gross internal	N/A
Singapore	S\$45.00 per sq. ft. p.a.	20.87	S\$35.00 per sq. ft. p.a.	16.23	10%	R/R expiring	Gross internal	S\$.4638
Hong Kong	HK\$24.00 per sq. ft. p.m.	43.87	HK\$12.00 per sq. ft. p.m.	21.94	Nil	R/R 3 yearly	Net usable	HK\$.1828
Johannesburg	R 8.50 M <sup>2</sup> p.m.	10.05	R 6.00 M <sup>2</sup> p.m.	7.10	Nil	6% compound p.a.	Gross internal	R 1.1825
Melbourne	A\$12.50 per sq. ft. p.a.	14.24	A\$7.50 per sq. ft. p.a.	8.55	Nil	R/R 3 yearly	Gross internal	A\$1.1395
Sydney	A\$18.00 per sq. ft. p.a.	20.51	A\$12.50 per sq. ft. p.a.	14.24	Nil	R/R 3 yearly	Gross internal	A\$1.1395
Perth	A\$11.00 per sq. ft. p.a.	12.53	A\$9.00 per sq. ft. p.a.	10.26	Nil	R/R 3 yearly	Gross internal	A\$1.1395