GENEVA

OFFICE MARKET RENT INDICATOR & FORECASTS

(ILBColliers – Indicateur des Loyers de Bureaux)

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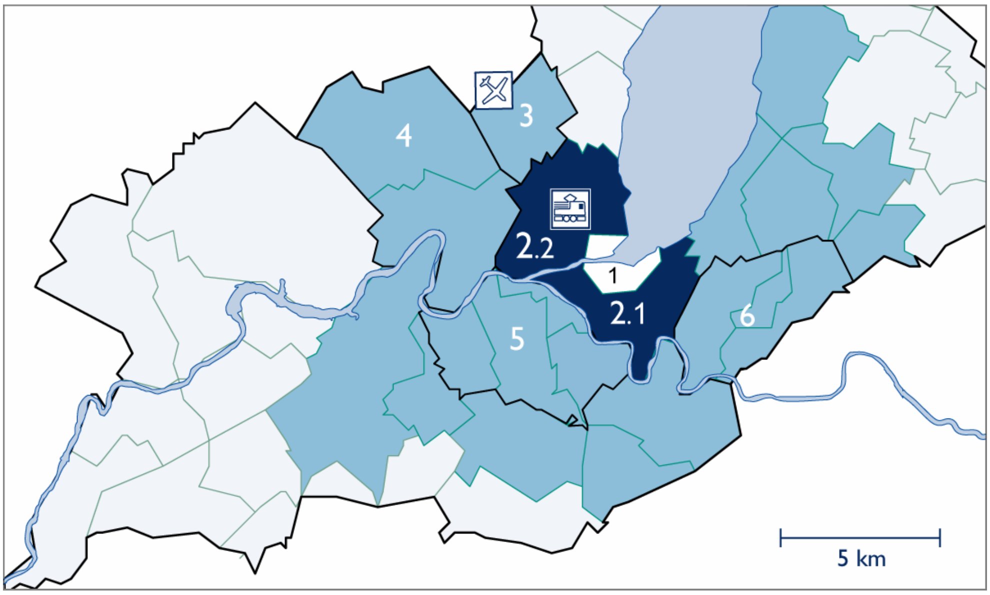

		1st Semester 2006				2nd Semester 2006				1st Semester 2007	
	Quality	Standard		High		Standard		High		Standard	High
Area	Rent	Min	Max	Min	Max	Min	Max	Min	Max	Trend	Trend
1	Hypercenter	438	550	533	822	463	583	583	850	⇧	⇧
2.1	Center left bank / Eaux-Vives	298	435	415	600	295	429	408	600	⇧	⇧
2.2	Center right bank	293	428	413	550	293	413	423	560	⇔	⇔
3	Airport / International Organizations (IO)	250	320	350	517	263	368	369	543	⇩	⇧
4	Meyrin / Vernier	180	250	250	327	185	258	250	327	⇔	⇔
5	Lancy / Carouge / Acacias	188	313	322	423	195	316	332	430	⇧	⇧
6	Chêne / Thônex	192	285	292	367	199	264	280	360	⇩	⇔

Comments

Most office rent prices grow and this, for the second consecutive six-month period. This trend is especially observed in the districts 1, 3 and 5, as well as in the 2.2 zone (high quality) and 4 (standard).

The demand mostly focuses on the downtown district where both equipment and standing factors are not the main decision issues. Location only justifies the prices, despite the fact that in 2008, about 30’000 sqm will come on the market, due to banks moves. The 3 – 6 districts’ demand affords - more and more - modern and efficient installations which means more investments on the offer side.

A high interest is shown for the Acacias- Praille district (5) where both the Swiss railways and the State of Geneva plan large developments, transforming the current industrial zone into a mixed one within the three coming years.

Definition ILB is an empiric indicator based on the advice of Geneva real estate experts. The figures given for the current period reflect an estimate of the (net) annual rents per sqm of office areas, available for rent and rented during the semester.

Criteria The estimates are made more accurate according to two criteria: real estate quality and localization. Quality is divided into two categories, i.e. "standard quality" and "high quality". "Standard" quality corresponds to basic equipments and "high" quality to more sophisticated equipments (modular walls, insulation, air-conditioning, recent IT cabling, etc.).

Sectors ILB analyses seven different geographic sectors, each with an identifiable market of its own. The sectors and their boundaries were selected for the purpose of price homogeneity. Some areas of the canton are not covered because the market is too small to account for further segmentation.

Indicator ILB is an indicator, not an index. This is because ILB is based on expert advice rather than on a complex econometric architecture or on advertisement. ILB prefers the experience of real estate professionals to academic opinions. Therefore, it should be distinguished from indexes based: on advertisement (which could be biased compared with effective rents), on economic data (which sometimes have little to do with real estate activities), or on old leases (which are poor indicators of the market at a certain time).

Partners Colliers AMI (Suisse) SA, Comptoir Genevois Immobilier SA, Grange & Cie SA, Naef & Cie SA, Régie du Rhône SA and Rosset & Cie. The estimates of these partners are not only based on the commercial areas under their own management, but also on values ascertained on the market, representing a sample of approx. 600,000 sqm (i.e. 15% of the Geneva office stock).

Methodology Each partner gives its estimate of the market values for the considered periods without consulting the other experts. In order to make the estimates more accurate, ILB leaves out the highest and lowest values for each category. Then an average estimate is made out of the four remaining expert estimates. The data shown of the table (reverse side) thus represent the "centered" arithmetical average of the estimates.

Frequency ILB is reviewed each semester, as the short term volatility of renting prices per sqm for offices in Geneva is quite low.

Trend The trends indicated for the next semester reflect the experts' knowledge of the market. ILB has deliberately chosen not to give figures for future prospects, but to keep to trends. Because giving a price can only lead to mistakes. Furthermore, if estimates on past and present periods are homogeneous, heterogeneous predictions would delegitimize the average values.

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