

NY Office Space A 'Bargain', Survey

CRAIG J. McGUIRE

NEW YORK - Compared to commercial real estate in other major cities that serve as international centers of commerce, namely London, Tokyo, and Paris, office space in New York can be had at a relative bargain. That is according to this year's edition of *Business Space Across the World*, a survey produced by **Cushman & Wakefield**, the global real estate services firm.

NY RANKS 4th OVERALL

In C&W's annual ranking, analyzing 209 locations in 45 countries, New York came in as the world's four most expensive city for office space, behind London, Tokyo, and Paris, respectively.

"New York remains the international capital of finance and communications, and is a relative bargain versus its global competitors," said **Bruce Mosler**, president of U.S. Operations for C&W. "That is one of the reasons why New York is a must for

global corporations."

Specifically, a square foot of prime office space in New York's Midtown is now priced at an average of \$71.53 to rent each year. This compares with \$137.31 in the West End of London, \$102.56 in Tokyo. In terms of C&W's ranking, New York is followed by Moscow (\$67.73,) and Frankfurt (\$63.64), while Hong Kong (\$52.49) has continued downward from 5th to the 12th position.

RANK GAP WIDENING

However, the gap has widened between the cost of locating an office in London, Tokyo or Paris and the world's other key business locations. These three top cities have not only experienced less downward pressure on rents, but also suffered to a lesser extent from the appreciation of the Euro, according to C&W's survey.

David Hutchings, C&W's head of European Research, commented: "The threat of war and an increase in geopolitical ten-

WHERE NEW YORK RANKS: Top 25 Cities in Annual Office Occupancy Costs (rent, taxes and operating expenses)*

Rank '03	Rank '02	Country	City	\$per sq. ft.
1	1	UK	London (West End)	\$137.31
2	2	Japan	Tokyo	\$102.56
3	3	France	Paris	\$89.28
4	4	US	New York (Midtown)	\$71.53
5	7	Russia	Moscow	\$67.73
6	6	Germany	Frankfurt	\$63.64
7	12	Sweden	Stockholm (Birger Jarlsgatan)	\$59.09
8	10	Italy	Milan	\$57.97
9	8	Switzerland	Geneva	\$55.00
10	11	Greece	Athens (Syntagma Square)	\$54.72
11	13	Korea	Seoul	\$52.68
12	5	China	Hong Kong	\$52.49
=13	14	Ireland	Dublin	\$48.77
= 13	17	Poland	Warsaw	\$48.77
15	15	Luxembourg	Luxembourg	\$46.54
16	16	Spain	Madrid	\$44.69
17	9	India	Mumbai	\$42.18
18	21	Netherlands	Amsterdam	\$38.83
19	29	Belgium	Brussels (Quartier Leopold)	\$36.32
20	18	Singapore	Singapore	\$36.05
21	26	Norway	Oslo	\$34.47
22	19	Romania	Bucharest	\$33.72
23	28	Lebanon	Beirut	\$33.54
24	20	Taiwan	Taipei	\$32.70
25	31	Austria	Vienna	\$32.51
25	24	Australia	Sydney	\$32.51

* This data comes from a report issued by Cushman & Wakefield. To obtain a copy of this report, call 1.800.376.3133, or visit the firm's Web site at www.cushmanwakefield.com.

sions, as well as the large-scale financial scandals that took place last year, have marred the performance of the world's economies. And this has had an effect on the demand for offices."

Looking ahead at the global situation for

offices, Mosler said, "Companies that occupy office space are likely to show ongoing caution through the rest of this year, particularly while uncertainty surrounding the Iraq crisis exists."

"When the anticipated global recovery does

happen, many markets will be in a much stronger position than during the last economic downturn given that the amount of new supply of office space and the new additions of sub-lease space is expected to slow considerably in 2003," he added.

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