



Contact: Euan Blake
Phone: +44 (0)207 399 5973
Email: euan.blake@eu.jll.com
Reference: NR3266

European Commercial Property Sector Faces Two Tier Market

Property Industry Faces Biggest Challenge Yet Over Cross-border Building Energy Rating Systems

London, 14th February 2008 – Jones Lang LaSalle is advising clients across Europe they face a multitude of complex challenges following the introduction of the EU's 'Energy Performance of Buildings Directive' (EPBD) in 2009.

Over the next 12 months owners and investors will need to take a number of steps to avoid falling foul of this impending EU directive. They will need to:

- Evaluate the current conditions of properties in Europe
- Understand the cross-border differences in ratings systems
- Strategically plan for the refurbishment and/or sale of properties
- Prepare for a possible two tier market

Jones Lang LaSalle Director Chris Hiatt comments: "Our research into the EU's 'Energy Performance of Buildings Directive' concluded that whilst there is no doubt the implementation will prove challenging, for those who are prepared the process should not prove to be major headache. However saying that, for those with less well developed 'energy measurement strategies' the directive may have long lasting financial consequences for older existing office stock particularly when it comes to selling or leasing these properties."

"We strongly advise that commercial property owners and investors evaluate their portfolios and if actions are required to improve a property's energy performance, 'priority lists' are drawn up on older buildings to help manage any improvements needed in advance of the EU directive."

With the arrival of the EPBD, Jones Lang LaSalle research states that government guidelines currently vary across the EU and have the potential to create 'value difference' between properties with low and high energy efficiency ratings. If this scenario takes effect, there are opportunities for property investors who prepared for the EPBD's arrival to take advantage and actively promote new and "retrofitted" properties with good ratings certificates, ultimately creating a top tier within the marketplace.

European Commercial Property Sector Faces Two Tier Market

A secondary tier would naturally evolve of established buildings that have low energy ratings potentially less desirable to the future investor as occupier demand shifts towards 'greener' properties.

The report additionally highlights that whilst there is general awareness of the pending EPBD legislation amongst investors, developers and occupiers, more could be done in preparation for its arrival. Lack of universal systems in European countries means that investors with portfolios spread across the Continent could have problems when conducting critical building energy analyses required prior to EPBD implementation.

- Ends -

Notes to Editors

A copy of Jones Lang LaSalle's latest research paper titled, "Energy Ratings: Ready To Take Stock?" is available from Euan Blake on 0207 399 5973 or email euan.blake@eu.jll.com

About Jones Lang LaSalle

Jones Lang LaSalle (NYSE: JLL), the only real estate money management and services firm named to Forbes magazine's "400 Best Big Companies" for three consecutive years, has approximately 170 offices worldwide and operates in more than 700 cities in over 60 countries. With 2007 revenue of \$2.7 billion, the company provides comprehensive integrated real estate and investment management expertise on a local, regional and global level to owner, occupier and investor clients. Jones Lang LaSalle is an industry leader in property and corporate facility management services, with a portfolio of approximately 1.2 billion square feet worldwide. LaSalle Investment Management, the company's investment management business, is one of the world's largest and most diverse real estate money management firms, with approximately \$49.7 billion of assets under management.

For further information, please visit our Web site, www.joneslanglasalle.com | 200 East Randolph Drive Chicago Illinois 60601 | 22 Hanover Square London W1A 2BN | 9 Raffles Place #39-00 Republic Plaza Singapore 048619