

PRESS RELEASE

April 17th 2007

'FUTURE SHOCK – PROPERTY CRASH' PROGRAMME IRRESPONSIBLE JOURNALISM SAY CBRE

Property consultants CB Richard Ellis today dismissed last night's *Future Shock – Property Crash* programme, which explored the possibility of a housing market crash in Ireland over the next few years, as *'irresponsible journalism'*. Whilst the housing market is to some extent outside the core remit of CB Richard Ellis, who focus specifically on commercial property, they feel it is necessary to comment on last night's programme on the basis that such unbalanced negative speculation could ultimately unnecessarily create imbalance in the Irish economy and property market overall. According to the property consultants, no-one is denying that there has been a notable change in the performance of the Irish housing market in the first quarter of 2007, compared to the extraordinary market conditions witnessed this time last year but the biggest threat to housing market performance is actually confidence. They believe that airing sensationalist programmes like this focussing on *'what if'* scenarios will actually serve to further fuel negative sentiment rather than facilitating the welcome soft landing that has been emerging in recent months.

CB Richard Ellis says that it had been expected that a combination of higher interest rates and increased supply would ease demand to some extent in the first half of 2007 and that this would inevitably result in an easing in the pace of price appreciation. However, they say that no-one anticipated the negative impact that recent political interference and unfounded negative commentary in the media in recent weeks would have on sentiment and confidence levels. They say that we are now in a situation where all the fundamentals that have been supporting the Irish housing market for the last decade are still intact but the pace of buying activity has essentially halved as a result of nervousness and uncertainty. On this basis, the company take particular issue with the unfounded doomsday scenarios presented in last night's programme which they feel will only fuel this negativity further.

For many years, the independent research team at CB Richard Ellis, Ireland have been dismissing many of the sensationalist reports that have predicted the demise of the Irish housing market, particularly those like last night's programme that use examples of boom-bust scenarios that have occurred in other economies. According to Marie Hunt, Director of Research at CB Richard Ellis *"The property market is in simple terms a sub-set of economic activity and the fundamentals that have been driving the Irish housing market for many years now are completely unique and cannot be compared to other economies. No other country can boast the levels of economic growth that have been witnessed in Ireland in the*

last decade; no other country has generated the level of employment generation that Ireland has seen; no other country has seen the phenomenal population growth and levels of immigration that Ireland has witnessed and no other economy can match the decline in the average household size that has materialised in Ireland in recent years. It is simply technically incorrect to assume that that Irish house prices will decline significantly simply on the basis that this has occurred in other economies where the fundamentals were so different. It is also irresponsible to suggest that the 'negative equity' scenario that occurred in the late 1980's in the UK could occur in Ireland considering that Irish lending institutions are working under the remit of the Central Bank and continue to stress-test potential borrowers to 2% above ECB rates. The sensationalist approach of last nights programme is in our view irresponsible as property is a very important issue and ultimately the general public will take the sentiments expressed last night on board when deciding whether or not to make what will essentially be the biggest financial decision of their lifetime. Would-be first time buyers who have heeded equally dramatic and incorrect predictions in the past have lost out significantly as they 'sat on the fence' and watched prices escalate because of the underlying fundamentals in Ireland. All we ask is that the media consider these fundamentals and adopt a balanced, informed and considered approach when dealing with such an important issue".

CB Richard Ellis agree that it now appears that we will have to adjust to somewhat lower economic growth in Ireland over the coming years and the natural result is that property market performance will in turn decline. However, they say that we should not be entertaining negative speculation and unfounded worst-case doom and gloom scenarios when all that is being experienced is a levelling in the extraordinary pace of growth we previously experienced. They say that last nights programme should be dismissed as fiction and that a soft landing for the Irish housing market is still possible and is the most likely scenario.

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For further information, please contact

Marie Hunt
Director of Research
CB Richard Ellis
1 Burlington Road
Dublin 4
Ireland

Tel + 353 1 6185543
Mob + 353 87 2727115
E-mail marie.hunt@cbre.com

About CB Richard Ellis

CB Richard Ellis Group, Inc. (NYSE:CBG), an S&P 500 company headquartered in Los Angeles, California, is the world's largest commercial real estate services firm (in terms of 2006 revenue). With over 24,000 employees, the Company serves real estate owners, investors and occupiers through more than 300 offices worldwide (excluding affiliate and partner offices). 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; research and consulting.