



NEWS RELEASE

California Department of General Services

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California Signs Deal with Broker to Sell \$2 Billion in Real Estate

CB Richard Ellis Group, Inc. to market 8.7 million square feet of prime office space

SACRAMENTO, Calif — The California Department of General Services (DGS) has awarded a contract to CB Richard Ellis Group, Inc (NYSE:CBG) to sell 17 state office buildings to investors. In June, Governor Schwarzenegger directed the sale of the properties located in Los Angeles, Oakland, Sacramento, San Francisco and Santa Rosa in order to raise more than \$660 million to offset cuts in the state budget.

"The Governor was clear that we must re-think how we manage the state's real estate. The awarding of this contract is a significant step forward in DGS' effort to carry out that mission," said Acting DGS Director Ron Diedrich. "We look forward to working with the talented and experience team that CB Richard Ellis has assembled to seek out the investors worldwide that want to purchase these prime office buildings and allow the state to tap the needed equity."

CBRE has already begun marketing the properties to investors in the global capital markets. The 11 properties range from the 97,000 square foot Judge Joseph A. Rattigan Building in Santa Rosa, to the LEED Gold Certified Capital Area East End Complex in Sacramento and the 24-story, 863,000 square foot Elihu M. Harris Building in downtown Oakland.

"We are very pleased to be selected as the State of California's advisor on this exciting disposition assignment," said Kevin Shannon, CBRE Vice Chairman. "This will be the largest office portfolio available for sale in the nation currently. The offering is ideally suited for what the majority of investment capital is seeking right now which is stable leased product. We will conduct an expansive global marketing campaign appropriate for this generational acquisition opportunity, and we expect to attract tremendous domestic and international interest."

DGS plans to sell the office buildings during the first half of 2010 and then enter into long-term leases with the new owners. The state will continue to maintain nearly 100 percent occupancy in all the buildings; this provides a unique opportunity for investors in a market that normally offers similar properties with an average vacancy rate of up to 20 to 30 percent.

CBRE earned the contract for the brokerage services with the state after competing alongside five other companies. Each company was scored in multiple categories including: history of sales over \$20 million over the past seven years; sales of at least \$7.5 million over the last 10 years; experience of the proposed sales team; an interview with each bidder's sales team; and the bidder's proposal for its percentage of sales compensation. Commissions for commercial real estate sales range from approximately one-half of one percent for high valued properties to as high as 4% for smaller valued

properties. Through a very competitive process, all of the proposals received by the State were under one percent and the winning proposal was substantially less than one-half of one percent representing a good value for the State.

The Department of General Services (www.dgs.ca.gov) serves as the business manager for the State of California, with more than 4,000 employees and a budget in excess of \$1 billion. DGS helps state government better serve the public by providing services to state agencies including innovative procurement and acquisition solutions, creative real estate management, leasing and design services, environmentally friendly transportation, and architectural oversight and innovative funding for the construction of safe schools.

CB Richard Ellis Group, Inc. (www.cbre.com) (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2008 revenue). The Company has approximately 30,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 300 offices (excluding affiliates) worldwide.

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