



WORLD TRADE CENTERS

A Special Report prepared for the World Trade Centers Association

Global Connections

**Value and Impact for
Communities and Investors**





The Value of World Trade Centers

The World Trade Centers Association (WTCA) is a worldwide organization created to promote, enhance and facilitate world trade. Headquartered in New York City, it has the exclusive worldwide right to grant the use of the name "World Trade Center" for one entity per economic region. The WTCA achieves its mission by providing a wide variety of services that help companies engage in global trade. There are currently more than 300 licensed World Trade Centers around the globe.



ADVANTAGES FOR INVESTORS

Based on its case study analysis, Johnson Consulting has identified five basic advantages which a WTC license provides for investors and their community marketplaces:

- **The WTC Brand.** The high-profile WTC name, along with typically high-image events and large volumes of people who visit WTCs, provides implicit value to tenants.
- **Concentration of Services.** WTCs consolidate international trade agencies and private sector firms involved in global trade and commerce, providing single-point access.
- **Real Estate Premiums.** Due to the high caliber of their international clients, as well as the draw of co-located facilities, WTCs typically achieve premium rental rates and demand.
- **Redevelopment Impact.** Because of scale or government sponsorship, WTCs in most cases dramatically upgrade local real estate patterns, providing strong investor ROI.
- **Economic Impact.** With hotel, conference and exhibition facilities, WTCs attract substantial out-of-town visitation, producing positive fiscal impact for their communities.

The purpose of this report is to illustrate the value created for communities and investors when a World Trade Center is established. Specifically, when a WTC building or complex is developed using the WTCA name and license, the unique services offered enhance value by attracting tenants that are leaders in international trade and commerce. These services include: one-stop-shopping for government and trade offices; access to WTCA Online; TradeCard services; trade information services; seminars & trade missions; translation, research and office services; publications; and a WTC Club for members.

Following a comprehensive analysis by C.H. Johnson Consulting, Inc., this report examines the impact and value added by five different World Trade Centers, ranging from small WTCs to centers with major global impact. They include (from smallest to largest): San Marino, Amsterdam, Boston, São Paulo and Seoul. All five demonstrate the positive economic impact to their communities and the enhanced value of real estate under the WTC banner.



WORLD TRADE CENTERS AMSTERDAM



Amsterdam is the capital of the Netherlands, and its largest city. With a population of 1.5 million, it is the Dutch business center as well as a major European business hub, especially for banking, transportation and energy. Amsterdam has a stable economic and political climate, with strong international connections (IBM, Sony and Canon have their European headquarters there).

Average Office Lease Rates

WTC: \$37.77 psf
Market: \$35.69 psf
% Difference: 5.8%

WTC Amsterdam officially opened in 1985 in the Zuidas ("south") area of the city, with one 17-story and two 12-story office towers. Another 17-story tower was added in 2002. More recently, Kantoren Fonds Nederland and ING Real Estate, the current owners of WTC Amsterdam, invested 300 million Euros in a 27-story tower and a series of smaller buildings. Today WTC Amsterdam has nine buildings, 1.2 million square feet of office space, a 35,000 square-foot shopping center and a 200-seat auditorium.

CONCENTRATION OF SERVICES

WTC Amsterdam calls itself a "miniature commercial city populated by a few hundred internationally active companies." WTC Amsterdam members are admitted to on-site trade events; participate in international trade courses, seminars and workshops; receive access to data on regional products and market conditions; and are introduced to local business contacts.

REAL ESTATE PREMIUMS

WTC Amsterdam rental rates range from \$30 to \$46 per square foot, rates that are among the

highest rates in the city for prime space, and relatively high for many urban centers in Europe. The retail space is 100 percent occupied. WTC Amsterdam has no in-house hotel facilities.

REDEVELOPMENT IMPACT

WTC Amsterdam has catalyzed development in Zuidas, now one of the most vibrant areas of Amsterdam, offering world-class business facilities as well as restaurants, retail and services. The WTC has inspired plans for a land bridge that will cover 1.2 kilometers of adjacent highway and rails, as well as the expansion of the Zuid/WTC rail station, to be fully inter-modal by 2020.

ECONOMIC IMPACT

WTC Amsterdam attracts an estimated 193,600 overnight visitor-days and 14,600 day-trip visitor days annually. The combined estimated direct, indirect and induced spending associated with WTC Amsterdam equals \$150.9 million annually (2006 dollars). Fiscal impact (i.e. new city taxes): \$43.6 million.



WORLD TRADE CENTERS BOSTON

Boston is the state capital of Massachusetts, and the regional New England hub for finance, government, professional services, higher education and medical facilities. Its port is the oldest continually active major port in the Western Hemisphere, and its Logan International Airport is the 6th busiest in the nation. Boston is also one of the most historic cities in the U.S.



WTC Boston was first built in 1986 for \$110 million as a redevelopment of the historic Commonwealth Pier. Today the core WTC Boston has 590,000 square feet of office space, 250,000 square feet of convention/conference space, a 418-seat amphitheater, and 18,000 square feet of retail space. Two new facilities – World Trade East and World Trade West – add another 500,000 and 580,000 square feet of office space respectively. The Seaport Hotel offers 427 rooms and 17,000 square feet of meeting space.

CONCENTRATION OF SERVICES

WTC Boston houses the U.S. Export Assistance Center, which includes the U.S. Department of Commerce, and offers one of the largest venues in the Northeast U.S. for international meetings, exhibitions and conventions. WTC Boston works with the state of Massachusetts, the Massachusetts Port Authority, local universities, industry associations, foreign consulates and foreign World Trade Centers to host visiting trade delegations.

REAL ESTATE PREMIUMS

WTC Boston rental rates average \$45 per square foot, with a vacancy rate of 2 percent, compared

with an overall Boston office rental rate of \$33.75 and an overall vacancy rate of 10.8 percent. The Seaport Hotel enjoys an average daily rate of \$192 at 72 percent occupancy, compared with a citywide rate of \$172 at 74 percent occupancy.

REDEVELOPMENT IMPACT

WTC Boston has dramatically impacted commercial development of the South Boston waterfront. Major projects in the revived 1,000-acre “Seaport District” since the WTC arrived include apartments and condominiums, hotels, retail centers, office buildings, meeting and convention facilities (the Boston Convention and Exposition Center), industrial properties and a new subway station.

ECONOMIC IMPACT

WTC Boston attracts an estimated 1 million overnight visitor-days and 600,000 day-trip visitor days annually. The combined estimated direct, indirect and induced spending associated with WTC Boston equals \$582.8 million annually (2006 dollars). Fiscal impact (i.e. new city taxes): \$142.9 million.

Average Office Lease Rates

WTC: \$45 psf
Market: \$33.75 psf
% Difference: 33.3%

Average Office Occupancy

WTC: 98 percent
Market: 89.2 percent
% Difference: 9.9%



WORLD TRADE CENTERS SAN MARINO

At 61 square kilometers, the Republic of San Marino is the third smallest country in Europe. It is located in the Apennines Mountains, just west of the Adriatic Sea, and is completely surrounded by Italy. Founded in 300 AD, San Marino is the oldest independent republic still in existence. With just 29,000 citizens, San Marino’s demographic makeup, per-capita output and standard of living is comparable to that of Italy.



Average Office Lease Rates

WTC: \$29.74 psf
Market: \$22.88 psf
% Difference: 30.0%

WTC San Marino opened in 2004 as a major Class-A, office-based development with state-of-the-art technology and premium services. The development was spearheaded by the San Marino government as a symbol of future economic development. To fulfill this mission, San Marino engaged internationally acclaimed architect Sir Norman Foster to design twin, signature towers in curved, wafer shapes. The towers house 13,000 square meters of space (approximately 117,000 square feet), with another 12,000 square meters of parking and plaza space.

CONCENTRATION OF SERVICES

WTC San Marino provides members with services that include assistance in planning and executing international trade missions; access to on-line research about 750,000 businesses affiliated with WTCs; legal, administrative, commercial and financial consulting; use of temporary offices and meeting rooms; and secretarial and technological services.

REAL ESTATE PREMIUMS

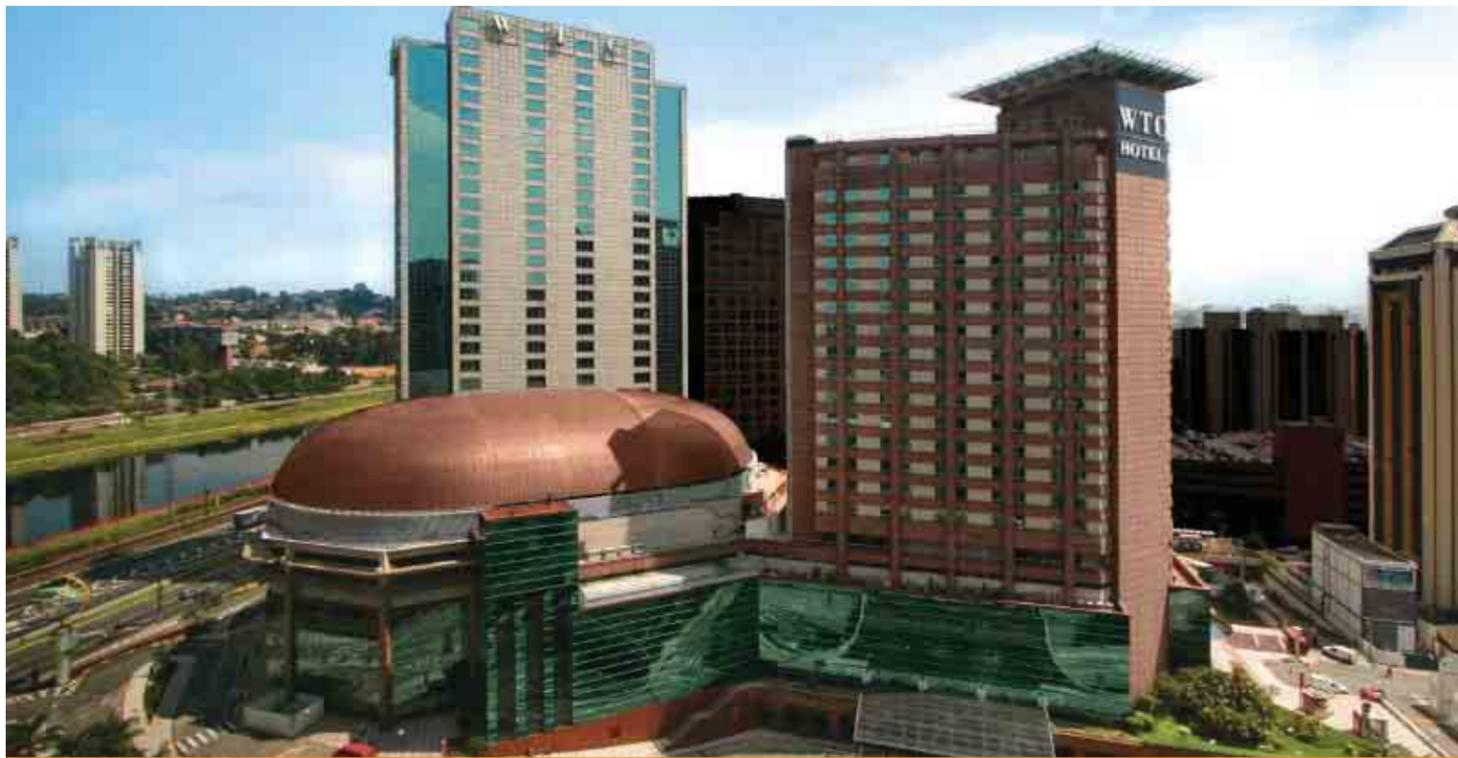
WTC San Marino enjoys a 95 percent occupancy rate with annual rental rates of 250 Euros per square meter, 30 percent more than the average rate at other office facilities in San Marino. The recently opened Ixo Hotel had an average 60 percent occupancy in its first six months.

REDEVELOPMENT IMPACT

Following the opening of WTC San Marino, a wave of new business and residential development has taken place between the WTC and the old historic district of the city. These developments are not the result of foreign investment, but rather represent the efforts of local investors for local businesses and residents.

ECONOMIC IMPACT

Because San Marino boasts 3 million visitors annually in a nation of 29,000 – tourism accounts for 50 percent of the GDP – the impact of WTC overnight visitor-days and day-trip visitor days is most likely negligible compared to the existing tourism market.



WORLD TRADE CENTERS **SAO PAULO**

The City of São Paulo, with a population 20.2 million, is now the 6th largest city in world and the financial and industrial center of Brazil. Founded in the 1500s by the Portuguese, the city is the central business hub of the State of São Paulo, the richest and most populous state in the country. The state is responsible for more than half of Brazil's manufacturing output, and a third of its coffee output.

WTC São Paulo opened in 1995 in the Brooklin neighborhood of São Paulo. WTC São Paulo was built for \$230 million and financed by 34 pension funds and the Servlease Group. Most of its facilities are contained in its 26-story office tower, including 209,000 square feet of office space, 184,000 square feet of retail (the Decoration and Design Center); the 300-room Gran Meliô São Paulo Hotel; a 40,000 square-foot trade mart; and a 30,240 square foot convention center with a 550-seat auditorium.

CONCENTRATION OF SERVICES

The mission of WTC São Paulo is to stimulate the international business of its members through physical, technological infrastructure and services, and by concentrating businesses in a single location. In addition to the standard array of WTCA services and products, WTC clients may also join the private WTC Club, located on the first three floors of the office tower, which includes exercise facilities, a restaurant, bar and meeting spaces.

REAL ESTATE PREMIUMS

WTC São Paulo's office tower and Decoration and Design Center both enjoy occupancy rates

of 96 percent, compared to 89 percent in the central business district, and 85 percent city wide. At \$46.30 annually a square foot, rates are among the highest in the city, which average \$38 for top Class A buildings.

REDEVELOPMENT IMPACT

WTC São Paulo was the first major investment venture in the Brooklin area of the city, and quickly led to other nearby developments built to meet the demand of organizations housed within the WTC. Just six miles from the city center, the former residential neighborhood is now the second largest commercial, shopping and entertainment district in the city. In recent years, Brooklin has become home to many large multinationals, including the 30-story Bank Boston South American headquarters, completed in 2002.

ECONOMIC IMPACT

WTC São Paulo attracts an estimated 500,000 overnight visitor-days and 312,500 day-trip visitor days annually. The combined estimated direct, indirect and induced spending associated with the WTC São Paulo equals \$371.6 million annually (2006 dollars). Fiscal impact (i.e. new city taxes): \$33.6 million.

Average Office Occupancy

WTC: 96 percent
Market: 85 percent
% Difference: 12.9%

Average Office Lease Rates

WTC: \$46.3 psf
Market: \$38.28 psf
% Difference: 20.9%



WORLD TRADE CENTERS **SEOUL**

Seoul is the capital of South Korea. The city proper has a population of 10.3 million, with nearly 22 million in the metropolitan area, making it the fourth largest metro area in the world. Major industries in this global city include electronics, telecommunications, automobile production, chemicals and shipbuilding. Due to density and government policies, Seoul is one of the most digitally wired cities in the world.

Average Office Lease Rates

WTC: \$69.58 psf
Market: \$56.61 psf
% Difference: 22.9%

Average Office Occupancy

WTC: 100 percent
Market: 94.3%
% Difference: 6.1%

WTC Seoul was established in 1972 by the Korea International Trade Association (KITA). The complex, which recently underwent a six-year, \$1 billion expansion, consists of a 2 million square-foot Convention and Exhibition Center (COEX), a 54-story Trade Tower, a 42-story Asia European Meeting (ASEM) tower, two Intercontinental Hotels with 530 and 649 rooms respectively, a 280-unit residential tower, and the COEX Mall. With a performing arts hall, 500,000 square feet of retail, a 230,000 square-foot multiplex movie theater and an aquarium, COEX Mall is the largest underground shopping and cultural center in Asia.

CONCENTRATION OF SERVICES

WTC Seoul is a comprehensive mixed-use development with full-service trade facilities within a single complex. Its mission is to support members' import, export and investment activities with international exhibitions, trade delegations, a World Trade Academy, state-of-the-art convention space, and office space for domestic and foreign corporations.

REAL ESTATE PREMIUMS

Occupancy is 100 percent for the office towers at WTC Seoul. The annual lease rates for both

its ASEM tower (\$658 per square meter) and Trade Tower (\$823 per square meter) exceed the neighborhood Kangnam Business District and Central Business District rates of \$635 and \$675 respectively. The Grand Intercontinental Hotel average daily rate of \$227 beats the \$200 average rate for Seoul's other 5-star hotels.

REDEVELOPMENT IMPACT

Thanks largely to WTC Seoul and the associated development it spawned in the southwest Kangnam Business District (KBD), the KBD is now predicted to surpass the Central Business District (CBD) as the city's commercial and financial center. The KBD is home to new-economy type businesses, such as information technology and pharmaceuticals, and recently announced plans to build a \$205 million, 6.7 kilometer monorail.

ECONOMIC IMPACT

WTC Seoul attracts an estimated 2.1 million overnight visitor-days and 1.1 million day-trip visitor days annually. The combined estimated direct, indirect and induced spending associated with WTC Seoul equals \$1.9 billion annually (2006 dollars). Fiscal impact (i.e. new city taxes): \$386.9 million.



WORLD TRADE CENTERS

Abu Dhabi	Cordoba	Jakarta	Muscat	Santo Domingo
Aguascalientes	Cornella	Jeddah	Nansha	Santos
Al Khobar	Curaçao	JeJu	Nantes	São Paulo
Albany	Cyprus	Johannesburg	Naples	Schiphol Airport
Aleppo	Daegu	Kabul	Nassau	Seattle
Algiers	DaeJeon	Kansas City	New Orleans	Sebes-Alba
Almaty	Dallas/Fort Worth	Kaohsiung	New York	Seoul
Almere	Damascus	Karachi	Nice	Sevilla
Amman	Dead Sea	Kiel	Nizhny Novgorod	Shanghai
Amsterdam	Delhi / Gurgaon	Kiev	Norfolk	Sharjah
Anchorage	Denver	Kingsport	Northern N.J.	Shenzhen
Ankara	Detroit	Koeln	Novosibirsk	Singapore
Antwerp	Doha	Kuala Lumpur	Okinawa	Sioux Falls
Aqaba	Dresden	Kuwait	Orange County	Sofia
Arkansas	Dubai	Lagos	Orlando	Sofia (Af)
Arnhem Nijmegen	Dublin	Las Palmas	Osaka	Southampton
Astana	Dulles Airport	Las Vegas	Osaka (Af)	Stockholm
Athens	Dusseldorf	Lausanne	Oslo	Strasbourg
Atlanta	Edinburgh	Le Havre	Ottawa Gatineau	Stuttgart
Baghdad	Edmonton	Leeuwarden	Oxnard	Surabaya
Bahrain	Eindhoven	Leipzig	Palm Beach	Suwon
Baltimore	Ekaterinburg	Lexington	Palm Springs	Tacoma
Bangalore	El Paso/Juarez	Lille	Panama	Taichung
Barcelona	Fort Lauderdale	Long Beach	Paris	Taipei
Basel	Frankfurt	Los Angeles	Penang	Tallinn
Basra	Frankfurt (Oder)	Luanda	Pescara	Tampa
Beijing	Gdynia	Lugano	Philadelphia	Tbilisi
Beijing (China)	Geneva	Lyon	Pittsburgh	Tel-Aviv
Beirut	Genoa	Macau	Pointe-a-Pitre	Tenerife
Belfast	Ghent (Af)	Madrid	Poitiers	The Hague
Belgrade	Glasgow	Malaga	Portland	Thessaloniki
Benghazi	Goa	Malmo	Poznan	Tokyo
Berlin	Gothenburg	Malpensa Airport	Prague	Tokyo (Af)
Bogota	Greenville-Spartanburg	Malta	Providence	Toluca
Boston	Grenoble	Managua	Pyongyang	Toronto
Brasilia	Guadalajara	Manaus	Quanzhou	Trieste
Bratislava	Guangzhou	Manila	Raleigh-Durham	Tripoli
Bremen	Guarulhos	Marseille	Ramallah	Tunis
Brescia	Gwangju	Masan	Riga	Turku
Brisbane	Halifax	McAllen	Rio de Janeiro	Twente
Brussels	Hamburg	Mecca	Riyadh	Ufa
Bucharest	Hangzhou	Medellin	Rome	Utrecht
Budapest	Hannover	Memphis	Rostock	Valencia, Spain
Buffalo	Harrisburg	Messina	Rotterdam	Valencia, Venezuela
Busan	Havana	Metz-Saarbrücken	Ruhr Valley	Vancouver
Cairo	Heerlen Aachen	Mexico City	Sacramento	Veracruz
Cardiff	Helsinki	Miami	Saigon	Verona
Casablanca	Helsinki-Vantaa Airport	Milan	St. Louis	Vienna Airport
Changzhou	Hong Kong	Milton Keynes	St. Petersburg	Vigo
Charleston	Hong Kong (Af)	Milwaukee	Salt Lake City	Vilnius
Chelyabinsk	Honolulu	Minsk	Sanaa	Warsaw
Cheongju	Houston	Missoula	San Antonio	Washington, DC
Cheongna	Hudson Valley	Modena	San Diego	Wichita
Chicago	Hull	Monterrey	San Francisco	Wilmington
Chittagong	Hyderabad	Montevideo	San Jose	Wuxi
Chongqing (Af)	Incheon	Montreal	San Juan	Xi'an
Chuncheon	Islamabad	Morelos	San Luis Potosi	Yeosu
Cleveland	Istanbul	Moscow	San Marino	Zagreb
Colombo	Jackson	Mumbai	San Salvador	Zaragoza
Copenhagen	Jacksonville	Munich	Santander	Zurich



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