ASIA INVESTMENT MARKETVIEW 2H 2009

CBRE RESEARCH | ASIA

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CONTENTS

EXECUTIVE SUMMARY

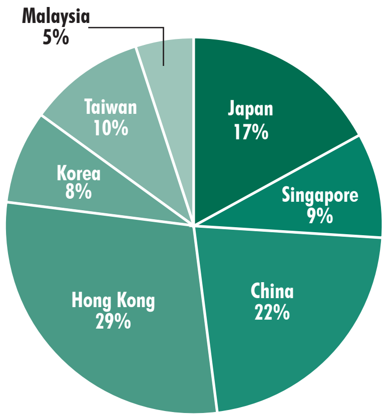
"ASIAN REAL ESTATE INVESTMENT MARKETS REBOUNDED IN THE SECOND HALF OF 2009"

Asian real estate investment markets recovered strongly in the second half of 2009 after enduring a difficult start to the year. Investment turnover bottomed out in the first quarter but improved thereafter as investor confidence returned, underpinned by low financing costs, the recapitalisation of private and public real estate funds/investors and the stabilisation of prices across key markets. Direct real estate investment in the region jumped 56% y-o-y in the second half of 2009 to an estimated US$25 billion. The rising value of investment transactions in the second, third and fourth quarters of 2009, indicating the emergence of a consistent trend as opposed to a one-off improvement. Despite the relatively high turnover in the second half, the overall transaction volume of US$38 billion for 2009 was still 22% lower than that recorded in the previous year.

The period saw almost every Asian market record an increase in investment activity on a half-yearly basis. Renewed activity by domestic investors ensured Hong Kong was the most active market, accounting for US$7.3 billion or 29% of the regional total in the second half. China, Japan and Singapore also witnessed a strong rebound in investment activity, accounting for 22%, 17% and 10% of the total volume respectively.

Easier access to local lending facilities and leverage provided domestic real estate funds and investors with a competitive edge, allowing them to dominate the Asian investment market in the second half of 2009. Domestic and intraregional investors accounted for 83% and 15% of total volume respectively during the review period. The amount of inter-regional cross border investment activity accounted for just 2% of the total investment volume, down from the 4.5% recorded in the first six-months of 2009 and significantly behind the usual 16% to 30% of total investment activity recorded in recent years.

INVESTMENT TURNOVER BY MARKET (2H 2009)

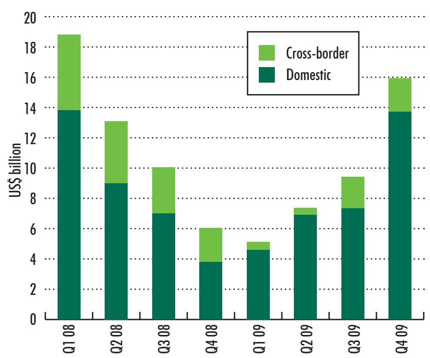


Source: CBRE Research

TRANSACTION TURNOVER IN ASIA

	US$ Equivalent (billion)	% Change
2009	37.8	-22% (y-o-y)
2H 2009	25	56% (y-o-y)

INVESTMENT TURNOVER BY BUYER ORIGIN



Source: CBRE Research

BRISK ACTIVITY IN GREATER CHINA

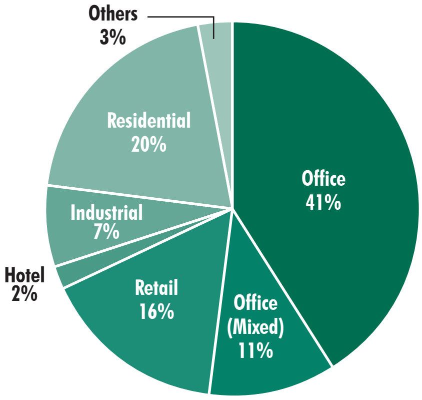
Property markets in Greater China were at the forefront of the recovery in the second half with China, Hong Kong and Taiwan accounting for 60% of total investment turnover. The US$15 billion worth of transactions completed in Greater China during the review period was 169% higher than the amount recorded in the corresponding period of 2008.

China witnessed buoyant investment market conditions with US$5.5 billion worth of deals completed in the second half of 2009, a figure 146% greater than that recorded in the first six months of the year. However, the period also saw the Chinese government aggressively shift policy settings related to the property market. Policy risk remained a major concern to developers, lenders and end-users but the new measures are expected to be effective and should ensure the long term sustainable growth of the mainland real estate market.

The Taiwanese real estate investment market was upbeat during the second half of 2009 as evidenced by the 100% y-o-y growth in total investment turnover of commercial properties, which hit a record high of US$2.5 billion. Investment sentiment was largely driven by the signing of cross-strait financial MOUs during the fourth quarter, and transactions were recorded across a wide range of sectors and locations. While office and mixed-use industrial and office buildings in Taipei remained a much sought-after investment product, vacant sites situated outside Taipei City with strong development potential also attracted interest from local developers.

The brisk investment activity which prevailed in Hong Kong throughout the third quarter continued into the fourth quarter, accounting for 29% of total regional investment turnover in the second half. Acquisitions by local high net worth investors accounted for 80% of all deals recorded in the territory.

INVESTMENT TURNOVER BY SECTOR (2H 2009)



Source: CBRE Research

REITS RECAPITALISE IN JAPAN AND KOREA

J-REITs were largely absent from the market during the second half as they focused on M&A, refinancing maturing loans and sponsorship issues, although they did make a number of acquisitions towards the end of the year. Investment turnover in Japan accounted for just 17% of the regional total in the second half, in contrast to the average of 30% recorded before the financial crisis. Nevertheless, Tokyo remained an attractive investment destination for core international investment funds, Japanese REITs and large cash-rich domestic institutional investors.

In Korea, the government's decision to extend tax benefits given to real estate investment vehicles mitigated concerns over the deterioration of returns on project financing. Sentiment subsequently improved and investors were encouraged to return to the market. The review period saw K-REITs dominate acquisition activity while REFs upon maturity were major sellers. Transaction volume improved substantially as the year drew to an end, climbing by 85% y-o-y in the second half to US$1.9 billion.

MALAYSIA OUTPERFORMS, SINGAPORE FIRMS UP

The Malaysian real estate investment market ended 2009 on a strong note with a surge in activity in the final two months of the year. Klang Valley witnessed 24 major investment deals involving prime office buildings, shopping centres, warehousing facilities and development sites, accounting for over US$1.2 billion or 5% of total regional turnover. The rise in activity was attributed partly to the reinstatement of the Real Property Gains Tax (RPGT), which will be applicable to the transfer of property within five years of its purchase. The reinstatement was announced in October and came into effect on 1st January 2010 and was cited as a major factor behind the spike in property investment activity in November and December as investors looked to make the most of tax benefits by transferring property before the reinstatement of the RPGT.

Total investment sales in Singapore for the second half of the year stood at US$2.3 billion, an 8% increase on the US$2.1 billion recorded in the same period of 2008 and

ESTIMATED INITIAL YIELDS

City	Prime Office	Luxury Residential	Retail	Industrial
Greater China				
Beijing*	7.0 - 8.0%	4.0 - 6.0%	8.0 - 9.0%	8.5 - 10.0%
Shanghai*	4.5 - 6.0%	5.0 - 6.0%	4.5 - 6.0%	6.0 - 7.0%
Guangzhou*	5.6 - 7.6%	2.2 - 4.0%	6.0 - 8.0%	na
Hong Kong^	3.0%	2.7%	3.8%	5.8%
Taipei	3.6 - 4.5%*	na	4.0 - 5.0%^	3.8 - 4.2*
Tokyo^	3.5 - 4.0%	5.5 - 6.5%	3.8 - 4.3%	5.5 - 6.0%
Seoul	6.0 - 7.0%*	1.0 - 1.8%^	7.0 - 8.0%*	9.0 - 11.0%*
India*				
New Delhi	9.0 - 10.0%	2.0 - 3.0%	9.0 - 10.0%	11.0 - 12.0%
Mumbai	12.0 - 13.5%	3.5 - 5.0%	13.5 - 14.0%	na
Singapore^	3.9%	2.2%	6.3%	5.3%
Kuala Lumpur	6.5 - 7.0%^	6.0 - 7.6%*	7.0 - 7.5%^	na
Bangkok^	3.5 - 5.0%	4.0 - 4.5%	6.5 - 7.5%	9.0 - 10.5%
Manila*	6.5 - 9.5%	7.0 - 10.0%	na	na
Jakarta^	10.0 - 12.0%	11.0 - 12.5%	10.5 - 13.5%	8.5 - 10.3%

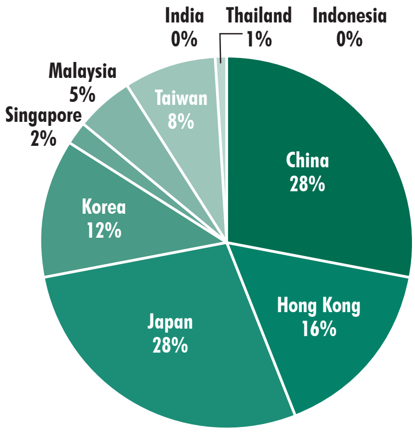
Reported initial yields for different cities are based on individual city's market practice and may be gross or net yields.

The reported estimated initial yields for Shanghai refers to estimated achievable yield, which replaced the previously reported buyer's expected entry yield.

* Gross yields - defined as the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

^ Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

OFFICE INVESTMENT IN ASIA (2H 2009)



Source: CBRE Research

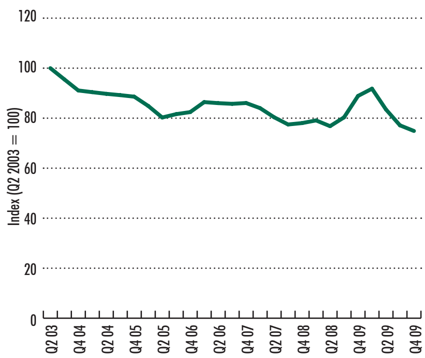
a big improvement on the US$880 million recorded in the first half of 2009. Investors in Singapore are expected to be actively looking for opportunities in 2010 but the challenge will be the limited deal flow. The collective sales market may continue to lag behind as property owners remain reluctant to reduce asking prices in view of the ongoing property market recovery.

SOLID RECOVERY UNDERWAY IN OFFICE SECTOR

Investor demand in the office sector remained focused on prime assets offering stable income returns generated from existing anchor tenants and growth over the longer term as rents recover from the downturn.

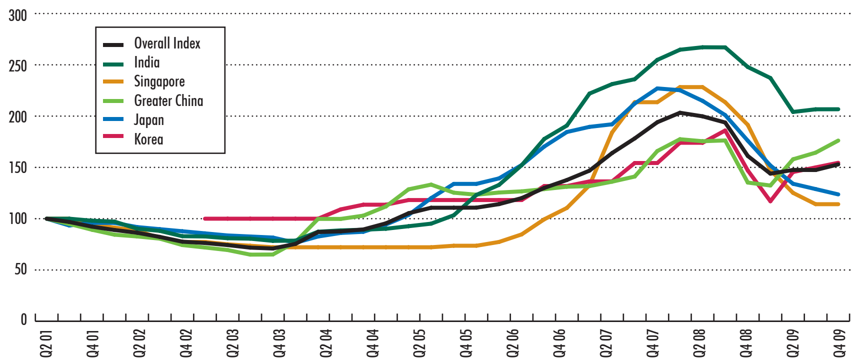
The office sector attracted US$13 billion of investment in the second half, 41% of the total flow of capital in US dollar terms, and accounted for eight of the ten largest transactions, including mixed-use office properties. Deals involving prime office properties were most prevalent in Japan and China, which both accounted for 28% of total investment in the region.

CBRE ASIA OFFICE YIELD INDEX



Source: CBRE Research

ASIA PRIME OFFICE CAPITAL VALUE INDEX



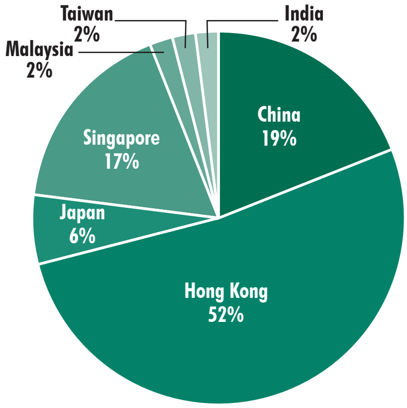
Source: CBRE Research

TOP 10 INVESTMENT DEALS

	CITY	DISTRICT	PROPERTY	SECTOR
1	Tokyo	Chiyoda-ku	Pacific Century Place	Office
2	Tokyo	Minato-ku	30% share in Shiodome Building	Office
3	Hong Kong	Central	Nexxus Building	Office
4	Tokyo	Chiyoda-ku	27% share in Resona Maruha Building	Office
5	Guangzhou	Office	Guangzhou Kaisa Plaza	Office
6	Beijing	Xicheng	Times Square	Mixed
7	Singapore	West	Retail Mall at Commonwealth Avenue West/Clementi Avenue 3	Retail
8	Shanghai	Huangpu	Xing Li Pu Building	Mixed
9	Taipei	Neihu	Asia Plaza (Building A, B and C)	Industrial/Office
10	Shanghai	Jing'an	The Exchange - SOHO	Mixed

* Top 10 investment deals table excludes land transactions

RESIDENTIAL INVESTMENT IN ASIA (2H 2009)



Source: CBRE Research

According to the CBRE Asian Office Yield Index, which reflects the changes in prime office yields in major Asian cities, overall quoted average prime office yields fell for the third consecutive quarter by 120 bps to 5.32%. The yield compression was due to the solid rebound in price levels of prime office properties across key markets, which, to a certain extent, offset the rental decline.

CAUTIOUS OPTIMISM IN LUXURY RESIDENTIAL SECTOR

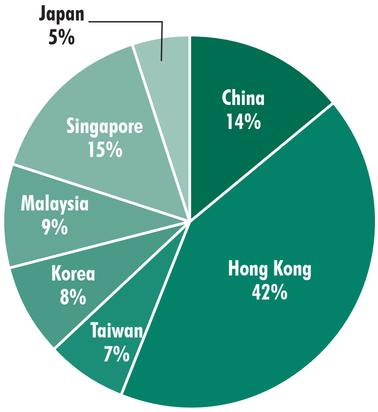
The luxury residential sector saw an encouraging end to the year as investor confidence solidified. Prices for luxury homes in Beijing, Shanghai, Guangzhou and Hong Kong rose by increments ranging from 6% to 10% q-o-q, while prices in other markets remained largely stable.

Deals totaling US$5 billion or 20% of the total regional transaction turnover by sector were concluded in the luxury and high-end residential sector during the second half of 2009. Total transaction volume for 2009 reached US$6.7 billion, 23% higher than the US$5.4 billion recorded in 2008. Hong Kong accounted for US$2.8 billion worth of deals, over 50% of the total volume, while China and Singapore were responsible for 19% and 17% respectively.

Looking ahead, the somewhat volatile equity market conditions witnessed in January and the uncertainty over policy settings could exert a restraining effect on sales activity in key Asian residential markets as 2010 progresses.

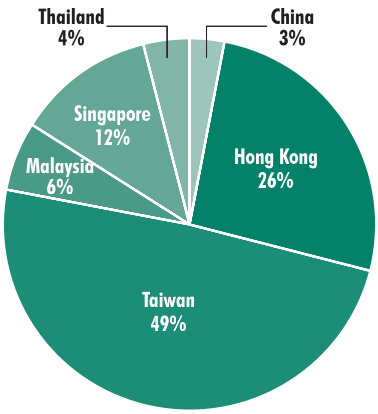
APPROX. TRANSACTION VALUE (million US$)	SELLER	BUYER	LOCAL/ FOREIGN BUYER
1,507	Consortium of domestic & International lenders	Secured Capital Japan	Local
588	SPC of Mitsubishi Estate, Mitsui, Tokyu Land & Heiwa Real Estate	Japan Real Estate REIT	Local
465	Morgan Stanley & Pamfleet Asset Management	Private Individual investor	Foreign
452	Tokyu REIT	Otemachi Development TMK (SPC of Mitsubishi Estate)	Local
403	Kaisa Group	Private individual investor	Local
395	Wharf Holdings	China Huarong Asset Management Corporation	Local
386	Singapore Government	CM Domain Pte Ltd	Local
369	Xing Li Pu Real Estate Co. Ltd.	Shanghai Jiushi Group	Local
360	Citi Property Investors	Shin Kong Life Insurance	Local
359	MSR Asia Acquisitions XVIII & Anderson Commercial Property Limited	SOHO China	Local

RETAIL INVESTMENT IN ASIA (2H 2009)



Source: CBRE Research

INDUSTRIAL INVESTMENT IN ASIA (2H 2009)



Source: CBRE Research

RETAIL SECTOR UPBEAT BUT HOSPITALITY LAGS BEHIND

Activity in the Asian retail property investment market picked up considerably in the latter half of 2009, underpinned by the improved business sentiment in the retail sector and stronger-than-expected economic recovery. Investment turnover in the second half improved 75% y-o-y to reach US$4.2 billion. Overall transaction volume in the retail sector for 2009 grew by 27% y-o-y to reach an estimated US$6.35 billion.

Despite the relatively low transaction volume in the hospitality sector, a total of seven hotel transactions worth a combined total of US$380 million were concluded during the second half of 2009, surpassing the US$270 million worth of deals recorded in the first half of the year.

INDUSTRIAL SECTOR WITNESSES SIGNS OF RECOVERY

The value of industrial output continued to grow in the major Asian economies in the fourth quarter in line with the gradual recovery of the export sector and continued expansion of domestic demand. The industrial property sector in Tokyo, Beijing, Shanghai and Chengdu began to see increased demand from domestic companies and foreign firms looking to relocate. Transactions involving industrial property rebounded strongly in the second half of 2009, climbing 155% compared to the first six months of the year, accounting for a combined total of US$1.8 billion or 7% of total investment turnover.

A total of 60 transactions involving industrial assets were concluded in the second half of 2009, surpassing the 24 deals recorded in the first six months of the year. However, total investment sales in the industrial sector in 2009 amounted to just US$2.6 billion, 60% lower than the US$6.4 billion worth of transactions recorded in 2008.

INVESTMENT MARKET OUTLOOK

Selected core international institutional investors are gradually returning to Asian real estate markets. Meanwhile, private equity players and REITs that recapitalised after the financial crisis, along with those that were able to raise money during the second half of 2009, are beginning to scout for attractive investment objects.

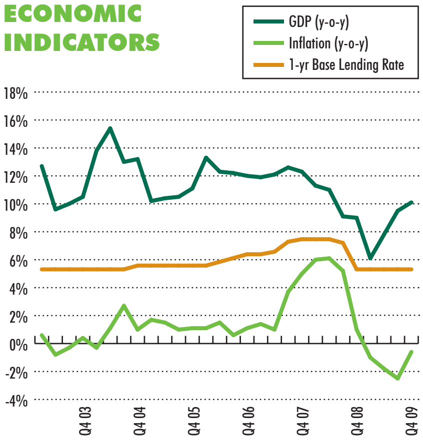
Investment activity in China, Hong Kong, Japan and Singapore will continue to firm up in the first half of 2010. These markets are traditional centres for investment activity and account for the largest proportion of capital inflow into the region over the past few years. The biggest challenge they will face will be the limited availability of prime and yield-accretive investment properties and slowing deal flow which has resulted as property owners have remained generally reluctant to reduce their asking prices in light of the ongoing market recovery.

Looking ahead, policy and macro risks in the property sector will likely persist in the first half of 2010, particularly in markets where property prices have rebounded substantially. However, Asia is expected to be less affected by these macro risks as compared to other global regions as its regional economic fundamentals are relatively stronger and have left it positioned to experience a more solid recovery.

Note:
1. Asia property investment sales volume is based on preliminary surveys carried out by CBRE Research Asia on major notable property transactions in major Asian cities, excluding land transactions and subject to final revision.
2. CBRE Research Asia has adopted relevant measurements and definitions in calculating real estate investment capital flow figures in Asia (i.e. we only track publicly announced deals above a minimum threshold which are converted to US dollars using exchange rates recorded during each survey period.)
3. Investment volume excludes development site transactions.

GREATER CHINA
BEIJING

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	10.1% (Q4 09)	9.5% (Q3 09)
Inflation Rate (y-o-y)	-0.6% (Dec 09)	-2.5% (Sep 09)
1-year Lending Rate (end of period)	5.31% (Q4 09)	5.31% (Q3 09)

INITIAL YIELDS

Prime Office	7.0 - 8.0%
Luxury Residential	4.0 - 6.0%
Retail	8.0 - 9.0%
Industrial	8.5 - 10.0%

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

Beijing witnessed a buoyant property investment market in the fourth quarter of 2009 with transaction volume rising significantly. Domestic investors were most active while foreign companies continued to dispose of assets. In a move to curb the soaring property market, the government issued several measures and policies during the review period. Measures included reducing the time to land transfer instalment to no more than one year in principle and requiring that the first payment should not be less than 50% of the land transfer price if the developer intends to acquire a certain plot. The policy change also stipulated that the sale of residential property within the last five years shall be levied on full turnover (Business) tax, as the government moved to clamp down on speculative activity.

The capital and rental value of prime office space in Beijing rebounded during the review period as investment interest in office buildings remained strong. Major deals included two unnamed domestic enterprises purchasing the 463,000-sf Power Land office building located in Gongzhufen, Haidian District for RMB 1,120 million (US$164 million) and the 420,000-sf North Ring International Center located in Madianqiao, Xicheng District for RMB 700 million (US$102 million). Elsewhere, SOHO China continued to follow its preferred strategy of converting en-bloc buildings to strata-title ownership with its purchase of Nexus Centre located in East Third Ring Road, Chaoyang District from KaiLong REI for RMB 2,340 million (US$343 million). The building is situated close to the CBD and has a total floor area of 1.1 million sf.

Serviced apartments were much sought after by investors during the review period as many property owners took advantage of the positive market conditions and disposed of their assets at a gain. Despite the fact that rents and leasing activity for service apartments softened, the fourth quarter saw the completion of two transactions in this sector, namely the disposal of the 174-unit Embassy House located in Dongzhimen, Dongcheng District, which was acquired by GAW Capital for RMB 1,350 million (US$198 million). The other transaction involved 202 units which were acquired by Shimao Group from Colony company for RMB 810 million (US$119 million).

The Beijing real estate investment market should continue to strengthen in 2010 with demand increasing and rents recovering, although performance will vary across the various property classes. The mood in the residential market is bullish due to the rising trend in market demand and prices, while non-performing assets are also increasingly attracting the attention of investors. A number of projects in prime areas such as the CBD and surrounding areas have failed to complete on schedule or have been left unfinished for various reasons. These projects are located in prime locations and have great potential for up-valuation. If purchased at a lower price, they will produce considerable returns in the future.

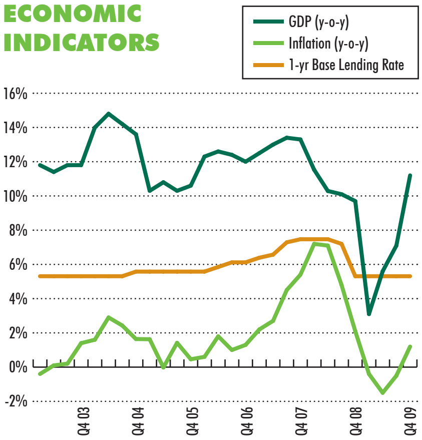
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = RMB 6.826 (Q3 2009)* US$1 = RMB 6.827 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) RMB	US$
Mixed	Xicheng	Times Square	2,700	395
Mixed	Chaoyang	Nexus Centre	2,340	343
Retail	Fengtai	Bixi Furniture Plaza	1,250	183
Office	Chaoyang	Sunny Region	1,200	176*

GREATER CHINA
SHANGHAI

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	11.2% (Q4 09)	7.1% (Q3 09)
Inflation Rate (y-o-y)	1.2% (Dec 09)	-0.5% (Sep 09)
1-year Lending Rate (end of period)	5.31% (Q4 09)	5.31% (Q3 09)

INITIAL YIELDS

Prime Office	4.5 - 6.0%
Luxury Residential	5.0 - 6.0%
Retail	4.5 - 6.0%
Industrial	6.0 - 7.0%

Note:
The reported estimated initial yields for Shanghai refers to estimated achievable yield, which replaced the previously reported buyer's expected entry yield.

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

The residential and office sectors saw brisk activity in the final months of 2009 as the Shanghai property investment market enjoyed a busy fourth quarter. Capital values continued to rise with the average price of luxury apartments and prime offices increasing by 10% and 4.8% q-o-q respectively. The period saw the State Council move to curb speculation in the property market by restoring the five-year minimum holding period for the exemption of business tax on the sale of residential properties, which was followed shortly afterwards by further cooling measures implemented by the Shanghai municipal government.

Major domestic investors continued to look for gross yields of 6% to 7% while overseas institutional investors demanded higher returns in view of the various costs involved with respect to property acquisitions. Consequently mainland and Hong Kong investors continued to account for the bulk of investment activity while overseas institutions were generally quiet. The review period also saw activity from buyers from the manufacturing and trading sectors seeking to acquire premises for their own self-occupation, further demonstrating the abundant liquidity in the market and the prevailing upbeat mood.

In October, Chousha Building, an office block located in Zhabei District, was sold at auction for RMB 131.23 million (US$19.2 million). The building has a total GFA of 102,000 sf and was bought by a local company whose name was not disclosed. Elsewhere, the state-owned Shanghai Jiushi Group purchased Xing Li Pu Building via auction for RMB 2.52 billion (US$369 million). Situated at a prime location within Huangpu District, the mixed-use office and retail building has a total GFA of 808,000 sf and comprises 19 floors above ground and three floors below.

Another major transaction completed during the quarter was HNA Property's acquisition of Development Mansion in Lujiazui CBD through its purchase of the entire equity and creditor's rights of Shanghai Development Mansion Real Estate Co. Ltd, which held 500,000 sf of space in the building. The total consideration of the deal was RMB 1.475 billion (US$216 million). Meanwhile, Embry Holdings Limited, a Hong Kong listed manufacturing company, announced that it had signed an agreement to purchase Block B of North America Plaza, an office building in Yangpu District. The 14-storey building provides a total GFA of123,000 sf and was reportedly sold for a consideration of RMB 380.638 million (US$55.8 million), equivalent to an accommodation value of approximately RMB 33,300 psm. Another significant deal completed during the fourth quarter was Zhejiang Honglou Group's acquisition of Infiniti from Morgan Stanley. Infiniti is the 438,000 sf GFA retail podium of Shanghai Square and cost a total of RMB 1.42 billion (US$208 million). The deal marked Honglou Group's second acquisition in Shanghai following its purchase of Fudu Building in September.

While short-term uncertainties will continue to arise in the residential sector with the government continuing to implement its cooling policies and credit control, the outlook for commercial property investment remains more promising. The growth in commercial property prices has not been as rapid compared with the residential sector, but the stabilisation and recovery of commercial property rents across China's larger financial centre is expected to improve yields and sustain capital value growth.

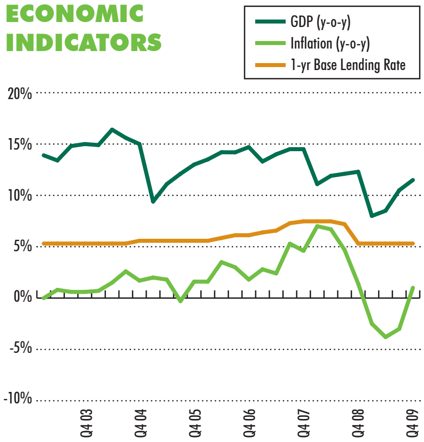
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = RMB 6.826 (Q3 2009)* US$ 1 = RMB 6.827 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) RMB	US$
Mixed	Huangpu	Xing Li Pu Building	2,520	369
Mixed	Jing'an	The Exchange - SOHO	2,450	359*
Mixed	Pudong	100% equity of Shanghai Development Mansion Real Estate Co. Ltd	1,475	216

GREATER CHINA
GUANGZHOU

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	11.5% (Q4 09)	10.5% (Q3 09)
Inflation Rate (y-o-y)	1.0% (Dec 09)	-3.0% (Sep 09)
1-year Lending Rate (end of period)	5.31% (Q4 09)	5.31% (Q3 09)

INITIAL YIELDS

Prime Office	5.6 - 7.6%
Luxury Residential	2.2 - 4.0%
Retail	6.0 - 8.0%
Industrial	na

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

The Guangzhou real estate investment market witnessed a busy fourth quarter with the completion of nine major deals amounting to RMB 7.74 billion (US$1.13 billion). Local and Hong Kong investors dominated investment activity, while the period also witnessed the government implement a number of tightening policies regarding idle land and development sites. Developers were increasingly willing to acquire second-hand plots considering the relatively high bidding prices for development sites in the primary market. A large proportion of investment transactions recorded during the second half involved undeveloped bare sites and half-developed projects.

Major deals completed during the fourth quarter included Vanke's acquisition of the St Prado Villa project in Huadu via an equity transfer. The project covers a site area of 2.26 million sf and will have 111 detached villas and 60 low-rise duplex units upon completion. In November, Zhuguang Group acquired a development project in Nansha District for RMB 62.86 million (US$9.21 million). The project consists of a 375,660-sf undeveloped site, two suspended development projects and four partially sold buildings. The same month saw New World China Land (NWCL) spend RMB 465 million (US$68.1 million) to purchase the remaining 25% interest in a residential project known as Guangzhou Covent Garden located in Liwan District, Phase I and Phase II of the project have been completed and were nearly sold out. Phase III is currently under construction with a total gross floor area of approximately 3.1 million sf and is expected to be completed by November 2011.

Prime office properties remained one of the most sought-after asset classes and the quarter witnessed the sale of two forthcoming prime office developments in Pearl River New City (PRNC). Kaisa Plaza, a 1.29 million sf Grade A office tower scheduled to be completed in 2010, was sold to an independent party by Kaisa Group for RMB 2.75 billion (US$403 million). Meanwhile, Hopefluent Group announced the acquisition of an office site for a consideration of HK$ 88.2 million (US$ 11.4 million). The development provides a total GFA of 784,000 sf, of which 75,000 sf will be reserved for self-occupation.

December saw Guangzhou R&F Properties Co, Agile Property Holdings Ltd, and Country Garden Holdings Co jointly set a new national land sale record by lodging the RMB 25.5 billion (US$3.74 billion) winning bid for the 28 million sf Guangzhou Asian Games City land package. The three companies' proportionate interests in the venture are 34%, 33% and 33% respectively. The package comprises 14 undeveloped land plots with a buildable GFA of 35 million sf, the majority of which is designated for residential development.

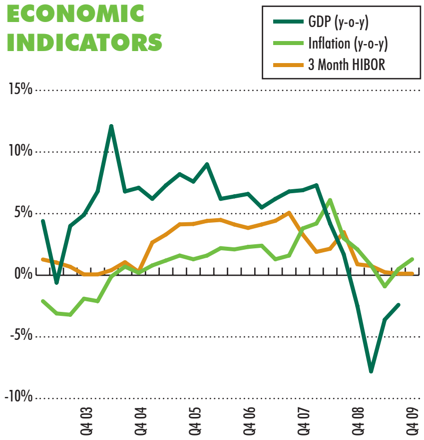
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = RMB 6.826 (Q3 2009)* US$ 1 = RMB 6.827 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) RMB	US$
Office	Tianhe	Guangzhou Kaisa Plaza	2,750	403
Mixed	Tianhe	R&F Yingyue International Office Tower (4/F-11/F & retail podium, G/F & 1/F)	420	62*

GREATER CHINA
HONG KONG

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	-2.4% (Q3 09)	-3.6% (Q2 09)
Inflation Rate (y-o-y)	1.3% (Dec 09)	0.5% (Sep 09)
3 Month HIBOR (end of period)	0.14% (Q4 09)	0.22% (Q3 09)

INITIAL YIELDS

Prime Office	3.0%
Luxury Residential	2.7%
Retail	3.8%
Industrial	5.8%

Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

Transaction activity in the Hong Kong real estate investment market remained fairly moderate during the fourth quarter. The largest transaction recorded during the review period saw Morgan Stanley dispose of its Shama serviced apartment portfolio comprising four separate properties for approximately HK$1.3 billion (US$168 million). Prior to the government's moves to cool the market in mid-October, the sale of a luxury duplex apartment on Conduit Road in Mid Levels West earlier that month for a new world record price of HK$71,280 psf (US$9,200 psf) on gross floor area and a total cost of HK$439 million led many market observers to question whether the luxury residential market was peaking. Luxury residential apartment prices on Hong Kong Island increased 6.5% over the fourth quarter and rose a total of 48% y-o-y.

Investment activity in the office sector softened with only two en-bloc transactions completed during the fourth quarter. They involved Fee Tat Commercial Centre in Mong Kok and The Pemberton in Sheung Wan, which were sold for HK$558 million (US$72 million) and HK$344 million (US$44.4 million), respectively. Office price levels gradually hardened during the review period as vendors considered the potential appreciation of future rental reversion or changes in land use. Transaction volume in this sector remained low.

December was notable for the largest government land auction of the year. Domestic developers Sino Land and K. Wah International jointly purchased two waterfront residential sites in Tai Po in the New Territories for HK$10.4 billion (US$1.3 billion), or about HK$7,200 psf (US$730 psf) on accommodation value. Since the land plots adjoining the sites were already owned by consortiums led by Sino Land, other developers were less aggressive in bidding up the price as they would have had to compete with rival projects on adjacent sites already under construction.

The retail sector continued to benefit from the increase in tourist arrivals from Mainland China. One prime street shop located in Tsim Sha Tsui was reportedly acquired by Emperor International Holdings (EIH) for a record unit price of HK$695,544 psf (US$89,710 psf), or HK$843 million (US$109 million). The shop, on Canton Road, provides a total GFA of 1,212 sf and has been leased to a EIH sister company, Emperor Watch & Jewelry, for a monthly rental of HK$1.4 million (US$180,570).

The Hong Kong investment market is expected to turn more active in the first quarter of 2010 with capital values remaining largely stable. Although banks are expected to maintain a low interest rate policy with respect to commercial property lending, they have turned more conservative towards lending for speculative purposes. The market is likely to see more properties being made available for sale as vendors are less keen on chasing larger capital gains and are thus more willing to dispose of their assets at current price levels. Potential buyers will continue to be lured by low interest costs and will have a strong appetite for income-producing commercial properties with yields averaging around 4%.

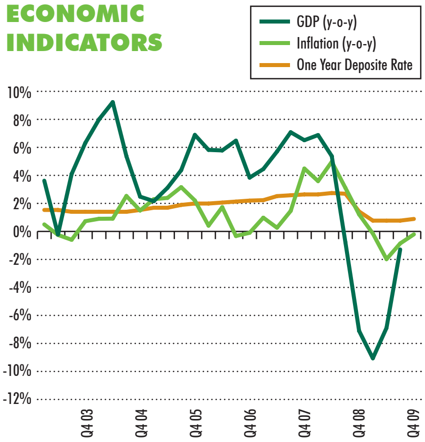
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = HK$ 7.749 (Q3 2009)* US$ 1 = HK$ 7.753 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) HK$	US$
Office	Central	Nexxus Building En-Bloc	3,600	465*
Residential	Happy Valley	Winfield Building En-Bloc	2,143	276
Retail	Cental & Mongkok	Silver Fortune Plaza, Golden Plaza & Pakpolee Commercial Centre	1,590	205*
Residential	Various Districts	Four En-Bloc Shama Service Apartments	1,300	168
Office	Sheung Wan	Grand Millennium Plaza Low Block & High Block	1,030	133*
Retail	North Point	Healthy Gardens	935	121
Residential	Repulse Bay	Repulse Bay Road 73	900	116*
Retail	Tsim Sha Tsui	Retail Shops No. 6 & 8 on G/F, 4-8 Canton Road	843	109

GREATER CHINA
TAIPEI

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	-1.29% (Q3 09)	-6.85% (Q2 09)
Inflation Rate (y-o-y)	-0.22% (Dec 09)	-0.88% (Sep 09)
One Year Deposit Rate (end of period)	0.89% (Q4 09)	0.77% (Q3 09)

INITIAL YIELDS

Prime Office	3.6 - 4.5%*
Luxury Residential	n.a.
Retail	4.0 - 5.0% ^
Industrial	3.8 - 4.2%*

* Gross yield
^ Net yield

Investment sentiment in the Taiwanese property market was robust in the final quarter of 2009 as investor confidence improved on the back of the gradual recovery in the local economy and enhanced cross-strait relations following the signing of financial MOUs between Taiwan and China in November. Both domestic and overseas investors showed increasing interest in a wide range of property types during the quarter and transaction turnover of investment commercial properties reached a new high of NT$43.3 billion (US$1.36 billion), representing a q-o-q increase of 43% and growth of approximately 14% from the peak recorded in the fourth quarter of 2007.

The fourth quarter saw a number of local developers actively bid for land located in prime locations while others which had previously focused on development sites within Taipei City began to eye properties outside the region. In one example of the latter trend, Fubon Land Development bought its first residential site in Taichung City for NT$2.1 billion (US$66.4 million). Land acquisition activity outside Taipei City largely took place in Taipei County and Taichung City, with transactions recorded in these two areas accounting for 44% of total land sales in the fourth quarter. Given the fact that Taipei County and Taichung City will be upgraded to municipalities following a local government reorganisation to be carried out in late 2010, developers have moved quickly to expand their land banks in these locations.

The industrial/office market in Taipei's Neihu area continued to attract local buyers during the fourth quarter. Shin Kong Life Insurance acquired Asia Plaza, a prime I/O property in Neihu, for NT$11.5 billion (US$360.2 million) in October, and followed it up with the purchase of 550 Rui-guang Road for nearly NT$3 billion (US$93.9 million) in November.

Investment transactions were also recorded in the retail and hospitality sectors. Cathay Life Insurance bought the Cashbox SOGO building for NT$2.99 billion (US$93.6 million) while L'Hotel de Chine Group acquired a hotel property for NT$845 million (US$26.4 million). The Cashbox SOGO building is located in the prime shopping area along Zhongxiao East Road. Its current tenant, the largest karaoke operator in Taiwan, will continue to occupy the entire building. L'Hotel de Chine Group's purchase of a 230,000-sf hotel in Taoyuan City reflected the stronger investor interest witnessed in the hotel market following a good year for the local tourism industry, which reported a y-o-y increase of 14.3% in visitor arrivals despite the global economic downturn. The local hotel group also plans to renovate its existing hotels and open new ones over the next couple of years.

The market also witnessed the return of foreign investors during the fourth quarter. In December, Tokyo-based Asia Pacific Land acquired a portfolio consisting of three properties from Capmark for approximately NT$5 billion (US$156.5 million). As local investors aggressively purchased properties, investment yields for almost all types of assets experienced moderate compression during the review period. In view of the limited choice of investment vehicles, cash-rich life insurance companies are likely to continue chasing prime properties in the near future. Properties that can provide a yield of around 3.5% to 4% will remain popular among institutional investors and are very attractive, compared to the 0.9% 1-year deposit rate and 1.5% 10-year government bond rate.

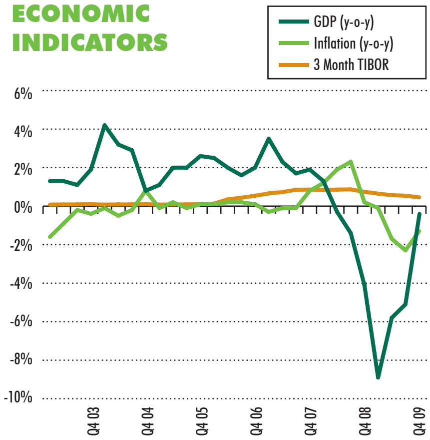
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = NT$ 31.980 (Q3 2009)* US$ 1 = NT$ 31.950 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) NT$	US$
Industrial/Office	Neihu	Asia Plaza (Building A, B & C)	11,509	360
Mixed	NSA	Asiaworld Building (B2-2/F, 6/F-15/F & parking)	10,000	313*
Mixed	XJA	37% equity of Taipei Financial Centre Corporation (Taipei 101)	7,100	222*
Mixed	Chiayi City	Nice Plaza	4,300	134*

JAPAN
TOKYO

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	-0.4% (Q4 09)	-5.2% (Q3 09)
Core Inflation Rate (y-o-y)	-1.3% (Dec 09)	-2.3% (Sep 09)
3 Month TIBOR (end of period)	0.46% (Q4 09)	0.54% (Q3 09)

INITIAL YIELDS

Prime Office	3.5 - 4.0%
Luxury Residential	5.5 - 6.5%
Retail	3.8 - 4.3%
Industrial	5.5 - 6.0%

Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

The Tokyo real estate investment market looked to be close to bottoming out in the fourth quarter as domestic investors concluded a number of landmark transactions. December saw Secured Capital Japan acquire the Pacific Century Place Marunouchi in Chiyoda-ku, Tokyo for JPY 140 billion from the debtors of daVinci Holdings, making the largest investment deal of 2009. daVinci Holdings purchased the property in 2006 for JPY 200 billion but relinquished it in September 2009 after failing to agree terms for maturing its debt. The complex completed in 2001, comprises a 32-storey office tower with a five-star hotel occupying its lower floors. The transaction involved the acquisition of the office component, which provides a total floor area NLA of approximately 407,000 sf, or equivalent of a unit price of approximately JPY 11.8 million per tsubo (US$3,700 psf) with an estimated NOI cap rate of 3.2% on today's market rent.

December also saw a SPC of Mitsubishi Estates acquire a 27% stake in the Resona Marunouchi Building from Tokyu REIT for JPY 42 billion. The building, completed in 1978, provides a GFA of 800,630 sf over 25 storeys above ground and two storeys below. Mitsubishi Estates previously acquired a 73% interest in the property in April 2008 and is expected to redevelop the building as the sole owner. Tokyu REIT acquired its stake in the building in December 2003 for JPY 23.3 billion, representing a gain in absolute terms.

J-REITs were largely absent from the market during the third quarter as they focused on M&A, refinancing maturing loans and sponsorship issues. However, the fourth quarter saw them step up their acquisitional activity. In October, Japan Real Estate acquired a 30% stake in the Shiodome Building in Minato-ku, Tokyo for JPY 54.6 billion. The property was completed in 2007 and was developed by a consortium comprising Mitsubishi Estate, Mitsui Fudosan, Tokyu Land & Heiwa Real Estate. It provides a NLA of 1.2 million sf over 24-storeys above ground and two storeys below, with an estimated NOI cap rate of 5.5% on passing rents.

Other major deals completed during the quarter saw Top REIT acquire the Sumitomo Shoji Nishikicho Building in Chiyoda-ku, Tokyo from Sumitomo Corporation. The building, completed in 1973, provides a NLA of 86,390 sf over nine-storeys above ground and two basement levels. The purchase price of JPY 12.7 billion (US$137 million) represented an equivalent unit price of JPY 5.2 million per tsubo (US$1,630 psf).

Overseas investors remained comparatively inactive during the review period with most continuing to monitor economic fundamentals ahead of a possible return to acquisition activity in the first quarter of 2010 or later. Major deals completed during the review period involving foreign investors included SEB acquiring portions of Aeon Chiba New Town Shopping Center in Inzai City, Chiba prefecture to the east of Tokyo for JPY 11.8 billion. Whilst the quarter saw continued demand for good quality, well located assets in Tokyo, there remained little appetite for buildings in cities elsewhere in Japan. The exceptions were more opportunistic transactions in which investors were able to take advantage of market conditions to secure essentially sound assets at attractive prices. This situation is expected to remain unchanged in the short-to-medium term.

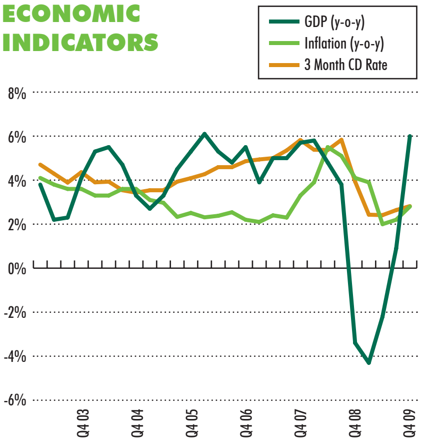
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = JPY 89.750 (Q3 2009)* US$ 1 = JPY 92.900 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) JPY	US$
Office	Chiyoda-ku	Pacific Century Place	140,000	1,507
Office	Minato-ku	30% share of Shiodome Building	54,600	588
Office	Chiyoda-ku	27% share of Resona Maruha Building	42,000	452
Office	Osaka City	Shinsaibashi Urban Building	24,400	272*

SOUTH KOREA
SEOUL

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	6.0% (Q4 09)	0.9% (Q3 09)
Inflation Rate (y-o-y)	2.8% (Dec 09)	2.2% (Sep 09)
3 Month CD Rate (end of period)	2.82% (Q4 09)	2.64% (Q3 09)

INITIAL YIELDS

Prime Office	6.0 - 7.0%*
Luxury Residential	1.0 - 1.8% ^
Retail	7.0 - 8.0%*
Industrial	9.0 - 11.0%*

* Gross yield
^ Net yield

The fourth quarter has traditionally been a quiet period for investment activity in the Seoul real estate market but the brisk investment activity which prevailed throughout the third quarter continued. K-REITs dominated acquisition activity while a number of REFs having reached maturity were the major sellers during the review period. Local end-users continued to display a strong appetite for quality office properties. Despite the brisk investment activity witnessed during the review period, the rebound in capital values faltered and capitalisation rates stabilised at between 6-7% across the major business districts. The slowdown in the strong bounce back witnessed in the second and third quarter providing evidence that some buyers were becoming more cautious as values for quality commercial properties climbed back to less attractive levels.

The period saw the Korean government decide to extend tax benefits given to real estate investment vehicles including K-REITs, REFs (Real Estate Funds), ABSs (Asset Backed Securities) and PFVs (Project Finance vehicles). The tax benefits, which were previously scheduled to end by 2009, will be extended to 2012. ABSs and PFVs will continue to receive a 50% deduction on their acquisition tax and registration tax with regards to real estate acquisitions, but tax deductions for K-REITs and REFs have decreased from 50% to 30%. Nevertheless, K-REITs saw brisk investment activity across all sectors during the review period, thanks to the optimistic economic forecast for 2010.

Major deals completed within the three major business districts during the review period involved one Grade A building and two Grade B buildings. Dohwa Consulting Engineer, a local enterprise, acquired the Pacific Tower (Grade A, GFA 311,061 sf) in the GBD from MAPS Frontier REF 4 & 6 for KRW 151 billion. Elsewhere, KTB's Asia Number One Korea First REF disposed of the Asia One building (Grade B, GFA 268,128 sf) in the YBD to US-based Pramerica Real Estate Investors for KRW 88 billion. Daelim Industrial currently occupies over 95% of the Asia One building under a long term lease contract. Meanwhile, KOCREF 15, a CR-REIT established by KORAMCO, acquired Insong building (Grade B, GFA 336,616 sf) from D&DS for KRW 115 billion. The property currently records 98% occupancy. One other major deal was concluded outside the three main business hubs. MAPS Frontier REF 5 disposed of MAPS Songpa Tower (Grade B, GFA 250,589 sf) in southeast Seoul to a local firm, Hansol Textile, for KRW 67 billion with a cap rate of 6%.

The review period saw Korea's National Pension Service become very active overseas, investing a total of KRW 2 trillion (US$1.72 billion). The NPS was established in 1988 and is Korea's largest and the world's fifth largest pension fund with US$232 billion of fund reserves. In the fourth quarter the fund acquired 88 Wood Street and half ownership of 40 Grosvenor Place in London, spending a total of US$300 million for the two prime office properties. The NPS also purchased the 45-storey landmark HSBC headquarters in London for US$1.29 billion and completed a notable transaction in Sydney, acquiring the 44-storey Aurora Place office tower for US$644 million. Looking ahead, a number of institutional investors are expected to follow the NPS in seeking investment opportunities overseas.

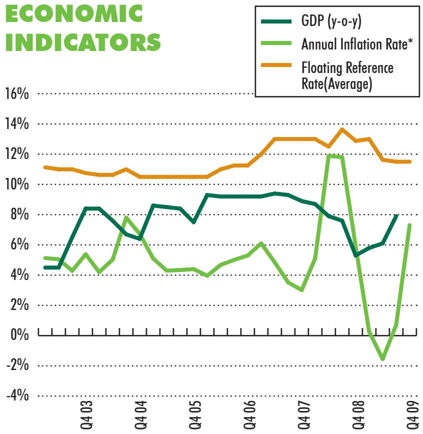
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = KWR 1,175 (Q3 2009)* US$ 1 = KWR 1,164 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) KWR	US$
Office	GBD	ING Tower	400,528	341*
Office	CBD	Kukdong Building	310,000	264*
Retail	Gangnam	Newcore, Kims Club & Fashion Outlet	220,000	187*
Office	GBD	DACOM Building	187,640	160*
Office	GBD	Pacific Tower	151,000	130
Office	GBD	MAPS Songpa Tower	67,000	58

INDIA
MUMBAI

ECONOMIC INDICATORS



* based on Wholesale Price Index (WPI)

INDIA	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	7.9% (Q3 09)	6.1% (Q2 09)
Inflation Rate*	7.3% (Dec 09)	0.7% (Sep 09)
Floating Reference Rate (end of period)	11.00-12.00% (Q4 09)	11.00-12.00% (Q3 09)

*Wholesale Price Index (WPI) is the base for calculating the inflation rate in India (y-o-y)

INITIAL YIELDS

Prime Office	12.0 - 13.5%
Luxury Residential	3.5 - 5.0%
Retail	13.5 - 14.0%
Industrial	n.a.

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

Sentiment in the Mumbai real estate investment market turned more optimistic during the fourth quarter with steady demand being witnessed in both the residential and commercial segments. This resulted in the firming up of capital and rental values in certain micromarkets and improved end-user confidence. Investors exhibited a clear preference for rationally priced residential developments and commercial developments in established business districts with good infrastructure. However, overall investors still remained cautious and only completed deals when a substantial discount was offered.

The revival in the residential segment was primarily driven by latent demand and the improved availability of credit. The downward adjustment in prices witnessed in the first half of 2009 eased in the second half with some micromarkets registering a minor rebound. The launch of Indiabulls Sky by Indiabulls Real Estate and Orchid Crown by DB Realty in Lower Parel received a positive response from the market. Nevertheless, selected large developers were observed to be pruning their portfolios to divest land parcels which do not fit in their overall long term strategy.

Notable transactions completed during the fourth quarter included DB Realty's acquisition of 7 acres of land in Crown Mills in Prabhadevi for approximately US$129 million and Vijay Wadhwa Associate's purchase of Hindustan Composite Mills in Ghatkopar (Eastern Mumbai) for US$123 million. Elsewhere, SBI Life Insurance bought an office building in Andheri East from Rustomjee for US$45 million, and an unlisted pharmaceutical chemical company bought 15,000 sf of space in Crescenzo, a standalone corporate building at Bandra Kurla Complex.

The second half saw a steady flow of domestic developers line up for IPO listings on the back of improved market sentiment in the capital market. Developers raised around US$2.96 billion (INR 138 billion) by issuing shares through the Qualified Institutional Placement (QIP) during the second half, effectively mitigating their debt obligations. Developers who have not yet tapped the equity markets such as DB Realty, Lodha Developers and Oberoi Constructions also announced IPOs to raise funds for expansion.

Following a series of relaxations of monetary policy in the form of allowing loan restructurings, ECB in townships and lower provisioning norms, the directive to increase standard provisioning norms on loans to commercial real estate from 0.4% to 1.0% was interpreted as a signal from the Reserve Bank of India that it will gradually withdraw the policy support it initiated to fuel the revival of the sector. Developers will therefore be focusing on execution and maintaining rationalised pricing in the first half of 2010 in order to ensure their cashflow is sufficient to service their high levels of debt.

MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = INR 48.090 (Q3 2009)* US$ 1 = INR 46.520 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) INR	US$
Office	Andheri	Rustomjee	2,110	45
Office	Bandra Kurla Complex	Crescenzo Building	450	10

INDIA

NEW DELHI

"THE NEW DELHI PROPERTY INVESTMENT MARKET TURNED MORE POSITIVE IN THE FOURTH QUARTER"

The New Delhi property investment market picked up in the fourth quarter of 2009, largely driven by improved demand in the residential sector. The period saw prices continue to correct to more realistic levels and institutional investors become more active in the market, although most focused solely on New Delhi and other Tier-1 cities. Developers continued to stall speculative projects in order to concentrate on completing projects for which clear end user demand exists.

The fourth quarter saw a marked increase in the launching of new projects to the market. The majority of the new supply in the residential segment was in the affordable housing segment, where the price and size of units is smaller than in the projects more commonly seen in 2007 and early 2008. Sales in the mid-segment residential market were also encouraging in the fourth quarter as the softening of home loan interest rates, reduction in prices and improvement in economic sentiment helped to draw buyers back to the market.

While both the commercial and IT market segments were hit hard during 2008 and most of 2009, the commercial segment began to pick up during the second half of the year, as evidenced by the marked increase in the number of enquiries for leasing office space. This pick up in leasing activity was a major factor contributing to the continued popularity of commercial real estate projects, with many institutional investors now eyeing this asset class as capital values continued to stabilise.

Most developers have managed to sustain themselves since the onset of the global economic crisis either through internal accruals in ongoing projects, primarily in the residential sector, through debt re-structuring or the QIP (Qualified Institutional Placement) route.Developers such as Unitech, Parsvnath, Sobha Developers, HDIL, Puravankara, Anantraj Industries, Akruti City and Orbit Corp raised additional long-term funds through the sale of shares in the second half, mostly through QIPs, to both domestic and international funds and financial institutions.

Private equity investment witnessed a sharp decline in 2009. However, with improving liquidity conditions, a number of international private equity funds returned to the country in the fourth quarter. In one instance of such a return to market activity, Sun-Apollo signed an agreement with Delhi based realty firm Parsvnath Developers Ltd to invest US$16 million (INR 75 crore) in a premium luxury residential project being developed by Parsvnath in Gurgaon. The fund will acquire a 50% stake in the project SPV, which will develop Parsvnath Exotica Part - II in the same city.

INITIAL YIELDS

Prime Office	9.0 - 10.0%
Luxury Residential	2.0 - 3.0%
Retail	9.0 - 10.0%
Industrial	11.0 - 12.0%

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

MAJOR TRANSACTIONS

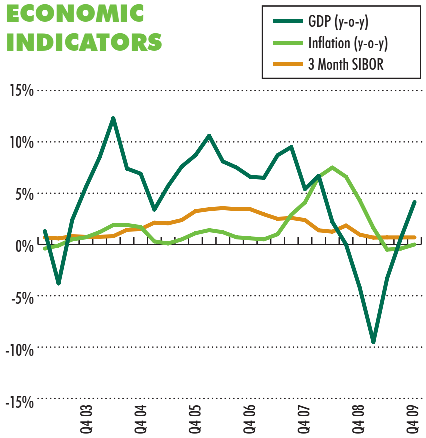
EXCHANGE RATE: US$ 1 = INR 48.090 (Q3 2009)* US$ 1 = INR 46.520 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) INR	APPROX. PRICE (MILLION) US$
Residential	Gurgaon	Parsvnath Exotica Part-II	750	16

SINGAPORE

SINGAPORE

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	4.0% (Q4 09)	0.6% (Q3 09)
Inflation Rate (y-o-y)	0.0% (Dec 09)	-0.4% (Sep 09)
3 Month SIBOR (end of period)	0.69% (Q4 09)	0.69% (Q3 09)

INITIAL YIELDS

Prime Office	3.9%
Luxury Residential	2.2%
Retail	6.3%
Industrial	5.3%

Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

The Singapore real estate investment market enjoyed a solid fourth quarter with total investment sales for the period standing at S$10.21 billion, 43.1% less than the S$17.939 billion recorded in the corresponding period of 2008, but much improved on the S$1.35 billion initially estimated at the beginning of 2009.

Total residential investment sales including Good Class Bungalow's (GCBs) accounted for S$2,549 million of transacted value, or 66.1% of the quarter's total investment sales. This was 17.2% lower from the S$3,039.15 million in residential investment sales recorded in the previous quarter as the residential market entered a cooling phase following the strong pace of sales in previous months.

The review period witnessed the first collective sale of 2009. Dragon Mansion at Spottiswoode Park was sold to RL Developments Pte Ltd (a unit of Roxy-Pacific Holdings) for S$101.2 million (US$72 million), reflecting a unit price of S$863 psf/plot ratio. Dragon Mansion consists of a land area of 41,874 sf with a maximum buildable GFA of about 117,248 sf, or 120 apartments of 1,000 sf each.

The most significant investment transactions of the quarter took place in the retail sector with the sale of Katong Mall by Tuan Sing Holdings for S$247.6 million (US$176 million) to a consortium of investors. The property will reportedly be refurbished and its lettable area increased by about 20% to over 206,000 sf with an investment of approximately S$55 million. Another major retail transaction during the review period involved a shopping mall being developed in Clementi Town Centre by the Housing & Development Board (HDB). A consortium comprising Times Properties, a subsidiary of Singapore Press Holdings (SPH), NTUC FairPrice Co-op and NTUC Income Insurance Co-op acquired the property with a winning bid of S$541.898 million (US$386 million). Clementi Town Centre is a 5-storey 193,750 sf retail complex with two basement levels. The purchase price represented an equivalent unit price of S$2,797 psf on maximum allowable retail net floor area or S$3,055 psf on an estimated fitting-out cost of about S$50 million.

The period also saw a major acquisition in the industrial sector with MacarthurCook Industrial REIT's acquisition of four industrial properties from AMP Capital Properties for a combined total of S$68.6 million (US$48.8 million).

The luxury residential market is expected to perform well in 2010 in anticipation of the return of economic growth and the opening of the Integrated Resorts. The office leasing market will continue to pick up gradually and rents should bottom out during the course of the year. Office property prices have already bottomed. The suburban retail sector will continue to be resilient and could easily trend upwards when the economy returns to growth. More investors should proactively look for investment opportunities in Singapore in 2010 but the challenge will be the limited deal flow. Total investment sales for 2010 are estimated to reach S$15 billion, similar to 2005 levels. The collective sales market may continue to lag behind as property owners remain reluctant to reduce their asking prices in view of the ongoing property market recovery.

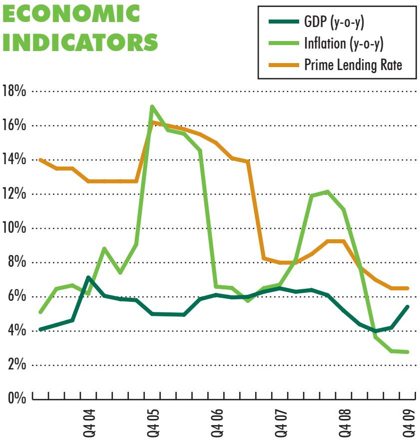
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = S$1.409 (Q3 2009)* US$ 1 = S$1.405 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) S$	US$
Retail	West	Retail Mall at Commonwealth Avenue West/Clementi Avenue 3	542	386
Residential	Central Region	The Parisian	283	201
Hotel	Central Region	Swissotel Merchant Court	260	185*
Retail	East	Katong Mall	248	176
Mixed	Central Region	Suntec Singapore International Convention & Exhibition Centre	235	167*
Office	Central Region	Prudential Tower (six floors)	106	75

INDONESIA
JAKARTA

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	5.4% (Q4 09)	4.2% (Q3 09)
Inflation Rate (y-o-y)	2.78% (Dec 09)	2.83% (Sep 09)
Prime Lending Rate (end of period)	6.50% (Q4 09)	6.50% (Q3 09)

INITIAL YIELDS

Prime Office	10.0 - 12.0%
Luxury Residential	11.0 - 12.5%
Retail	10.5 - 13.5%
Industrial	8.5 - 10.3%

Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

The Indonesian real estate investment market witnessed greater activity in the second half of 2009 as local developers continued to pursue new development projects in view of the persistence of the low interest rate environment and stronger-than-expected economic recovery. The period saw Bank Indonesia keep the interest rate unchanged at 6.5%.

The launching of one mixed-use development project was announced in the fourth quarter. Cimandala City is located in Bogor-West Java and is to be developed by The Megapolitan Group. The proposed development will consist of an office building, shopping centre and residential apartments on a 17-hectare site. The project cost is estimated at around IDR 3.6 trillion (US$382 million) and the development is expected to become a landmark building in Bogor city upon completion.

The office sale market witnessed a local financial consultant acquire a small building consisting 10 floors with a total lettable area of 145,000 sf for an estimated transaction price of IDR 45 billion (US$4.78 million). Yield levels for office property ranged from 9.5% - 10.25%.

The luxury residential market continued to firm up in the fourth quarter and demand for high end residential property posted a strong recovery. Capital values edged up to IDR 13.53 million psm (US$133.4 psf) while rental values softened to IDR 133,100 sm (US$1.31 psf). Two major new home projects came on stream in the fourth quarter with the handover of The St. Regis located in Jl. Setiabudi (Sudirman area) and Keraton Residence located in Jl. MH. Thamrin (Thamrin area).

No major investment transactions were completed in the retail sector although the period did witness the launch of a number of new malls including Central Park, Pavilion Mall PX St.Moritz, Seasons City and Pusat Grosir Senen Jaya. The new additions brought a total of 1.15 million sf of new retail space to the market. Yield levels for the retail sector ranged from 10.5% - 13.5%.

The Indonesian industrial sector continued to lag behind other sectors, with PT. Kreasi Pratama's acquisition of a 43,056 sf site in Cibitung-West Java, being the only transaction completed in the fourth quarter. The company plans to construct a distribution facility on the site which it expects to complete by the end of the first quarter of 2010. Yield levels for industrial property ranged from 8.5% - 10.25%.

Investor confidence in the Indonesian real estate investment market and its long-term prospects is expected to remain quite solid in view of the stronger-than-expected economic recovery underpinned by the relatively low level of inflation, falling unemployment rate and rising consumer confidence. Domestic developers should continue to display a strong interest in the development of mixed-used projects in both the CBD and secondary areas.

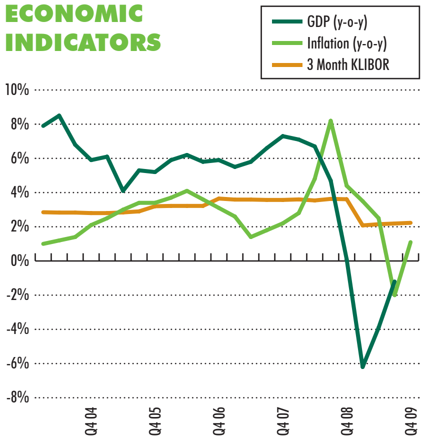
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = IDR 9,640 (Q3 2009)* US$ 1 = IDR 9,420 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) IDR	US$
Office	Central	Menteng Office Park	93,500	10*
Office	South	Office Building at Kebayoran Baru Area	45,000	5

MALAYSIA
KUALA LUMPUR

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	-1.2% (Q3 09)	-3.9% (Q2 09)
Inflation Rate (y-o-y)	1.1% (Dec 09)	-2.0% (Sep 09)
3 Month KLIBOR (end of period)	2.23% (Q4 09)	2.19% (Q3 09)

INITIAL YIELDS

Prime Office	6.5 - 7.0% ^
Luxury Residential	6.0 - 7.6%*
Retail	7.0 - 7.5% ^
Industrial	n.a.

* Gross yield
^ Net yield

The Malaysian real estate investment market ended 2009 on a strong note with a surge in activity in the final two months of the year. At least 24 major investment deals were reported in the Klang Valley alone, involving prime office buildings, shopping centres and warehousing facilities in addition to nine development sites. Elsewhere, three significant sales involving a warehouse facility and two development sites were completed in Penang and Johor. The big players were mostly domestic investors comprising developers, M-REITs, funds and other real estate related companies. The rise in activity was attributed partly to the reinstatement of the Real Property Gains Tax (RPGT), which will be applicable to the transfer of property within five years of purchase. The reinstatement was announced in October and came into effect on January 1, 2010, and was clearly a major factor behind the spike in property investment activity in November and December.

Major transactions reported during the fourth quarter included Genting Malaysia's acquisition of Oakwood, which owns Wisma Genting, a 24-storey office building, for RM 213 million, representing 100% of Oakwood's NAV. Elsewhere, CIMB Group Holdings Bhd entered into a related-party sale and leaseback agreement with the Employees Provident Fund with respect to 65 nationwide properties owned by the group. The sale of the group's banking offices totaled RM 302.45 million with an initial leaseback period of 15 years, yielding returns in excess of 7% per annum.

Other notable news during the fourth quarter included the termination of the off-plan sale of three office buildings to Kuwait Finance House, which were originally signed in 2007 and 2008, namely Menara YNH, The Icon @ Tun Razak East Wing and The Icon @ Mont Kiara. The Icon @ Tun Razak East Wing was later resold for RM 814 psf reflecting a 16% decline on the RM 969 psf price tag agreed in the 2007 off-plan sale. Elsewhere in the decentralised Kuala Lumpur area, Glomac Berhad sold its third en-bloc office building this year with the off-plan sale of Tower D at Glomac Damansara to Lembaga Tabung Haji, the Pilgrim Fund Board of Malaysia, at RM 170.73 million (RM 670 psf).

Foreign investors made three significant acquisitions during the review period. A Taiwanese investor paid RM 63.1 million for Apex Tower, an office-retail tower at Southgate, while a Hong Kong-based firm acquired a condominium tower at Wing C, Block B, Armanee Terrace for RM 180 million. The Singapore listed Starhill Global REIT acquired Lot 10 Shopping Centre at RM 401 million (RM 1,561 psf) and Starhill Gallery at RM 629 million (RM 2,115 psf).

Axis REIT was also active during the review period with the purchase of two warehouses from the existing occupants at Shah Alam in Selangor (RM 71.75 million) and Seberang Perai in Penang (RM 24.25 million). The deals came with 15 year leaseback agreements at a yield of 8.3%

Looking ahead, market sentiment is likely to remain relatively bullish on the back of the perceived improvement in the economy. The investment market is expected to remain active in the first half of 2010 as capital and rental values stabilise further.

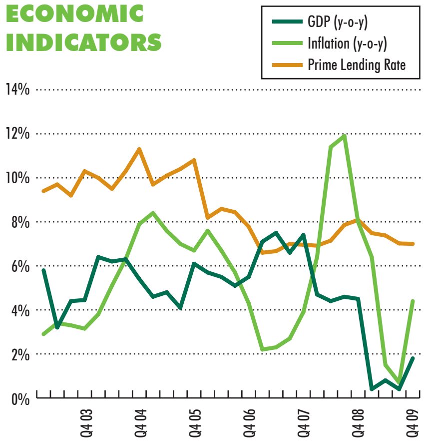
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = RM 3.459 (Q3 2009)* US$ 1 = RM 3.422 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) RM	US$
Retail	Kuala Lumpur	Starhill Gallery	629	184
Retail	Kuala Lumpur	Lot 10 Shopping Centre	401	117
Mixed	Various Cities	CIMB Group Branches & Offices	302	88
Office	Kuala Lumpur	Kenanga International	250	73

PHILIPPINES
MANILA

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	1.8% (Q4 09)	0.4% (Q3 09)
Inflation Rate (y-o-y)	4.4% (Dec 09)	0.7% (Sep 09)
Prime Lending Rate (end of period)	7.00% (Q4 09)	7.02% (Q3 09)

INITIAL YIELDS

Prime Office	6.5 - 9.5%
Luxury Residential	7.0 - 10.0%
Retail	n.a.
Industrial	n.a.

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

The Manila real estate investment market remained relatively stable in the second half of 2009 with a steady flow of transactions in the residential, retail and hospitality sectors. Local developers took advantage of the quiet period to purchase development sites for use when the downturn eases and demand picks up. Perhaps the most significant piece of news during the period was the passage of the new REIT Law. Pending the release of the Implementing Rules and Regulations, the REIT Law should strengthen the real estate sector by opening the market to smaller investors.

One of the most notable investment deals completed during the second half was SM Development Corporation's acquisition of a six hectare residential development for a total cost of PHP2.4 billion (US$51.7 million). The SM Group made a series of additional investments across several other market segments during the period, reflecting the high level of optimism it has in the local real estate market. It also commenced the development of Two-ECom Center, the second office building in its Mall of Asia Complex. The PHP2.7 billion (US$58.1 million) project aims to recruit tenants from technology-based companies and business process outsourcing companies.

The fourth quarter saw the sale of the Hyatt Regency Hotel, a 265 room hotel in Manila, to Sunwest Group, a local company. Sunwest owns the Misibis Bay Raintree luxury resort in Cagraray Island, Albay. The hotel is scheduled to reopen by April 2010 and will be rebranded as the Midas Hotel and Casino, managed by Genesis Hotels and Resorts. The transaction cost was not disclosed but was understood to be somewhere near PHP1 billion (US$21.5 million). The sale was through the acquisition of shares of the holding company Hotel Enterprises of the Philippines Inc., which owned the said hotel.

Market conditions in the first half of 2010 are expected to remain favourable as the economy continues to improve. The passage of the REIT Law and its implementation is seen as particularly significant. The resulting infusion of capital into the market through the sale of shares in REITs will provide a solid source of funding for future real estate projects. Properties in REIT portfolios will also need to improve the maintenance and management of their facilities in order to ensure their continued profitability.

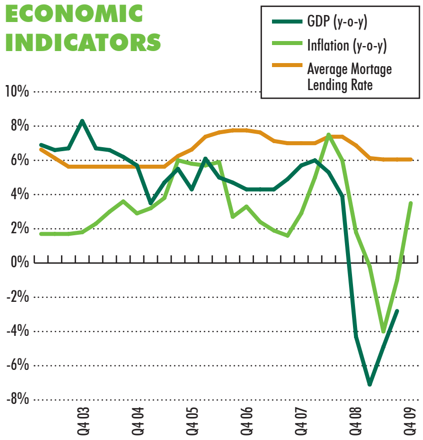
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = PHP 47.550 (Q3 2009)* US$ 1 = PHP 46.450 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) PHP	US$
Mixed	Fort Bonifacio	North Bonifacio	3,151	66*

THAILAND
BANGKOK

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	-2.8% (Q3 09)	-4.9% (Q2 09)
Inflation Rate (y-o-y)	3.5% (Dec 09)	-1.0% (Sep 09)
Average Lending Rate (end of period)	6.05% (Q4 09)	6.05% (Q3 09)

INITIAL YIELDS

Prime Office	3.5 - 5.0%
Luxury Residential	4.0 - 4.5%
Retail	6.5 - 7.5%
Industrial	9.0 - 10.5%

Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

The Bangkok real estate investment market remained fairly quiet in the fourth quarter with only a few isolated medium size deals concluded. However, condominium sales in the mid- to high-end segments picked up during the review period, especially in downtown areas or areas in close proximity to mass transit routes. The period also saw development companies LPN and Supalai sell over 4,000 units in four condominium projects in a single weekend, highlighting the persistence of real market demand for condominium units in Bangkok. Along with the market recovery, property developers including Preuksa Real Estate, Land & Houses, Sansiri, LPN Development, Noble Development and Asian Property Development continued to strengthen their cash reserves for the purpose of land acquisition and future development.

Prices for luxury residential property remained largely static for unsold units in projects launched before 2009. Resale prices in some recently completed condominium projects increased in buildings such as Park Chidlom and Athenee Residence. Developers of new condominium projects focused on building smaller units and keeping prices at affordable levels. Other trends saw developers offer fully furnished units in areas with high levels of demand for "buy to rent" investors.

One of the highlights in the retail sector was the announcement by Robinson Department Store Plc that it would speed up its expansion plan across the country by investing THB 3-4 billion to open eight new stores over the next three years. The quarter also saw the opening of the Central Plaza Khon Kaen by Central Pattana (CPN) providing a total lettable area of 574,000 sf. The occupancy rate of the mall stood at over 80% at its opening and is expected to reach 90% by the end of 2010.

The only office transaction to occur in the fourth quarter was the disposal of the 12,700 sm (136,703 sf) CIMB Thai Bank Plc-Sathorn Building on North Sathorn Road by CIMB Thai Bank for approximately THB 1 billion (US$30 million).

As the overall investment market gradually improved, activity in the property funds sector turned more active. Four new property funds were listed during the second half of 2009, three of which are industrial REITs and one which focuses on office properties. The most notable addition to the T-REIT market during the review period was TLOGIS, which was listed on the Stock Exchange of Thailand during the fourth quarter. The fund, with a market capitalisation at IPO of THB 1.53 billion (US$45.9 million), has invested in 15 warehouses with a usable area of 761,300 sf. The properties are located at the TICON Logistics Park Wangnoi, Ayudhya Province and TICON Logistics Park Bangna, Chacheongsao Province. The fund will offer a minimum guaranteed return of 7% for 7 years.

MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = THB 33.410 (Q3 2009)* US$ 1 = THB 33.340 (Q4 2009)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) THB	US$
Office	Sathorn	Sala @ Sathorn	1,670	50*
Industrial	Ayutthaya & Bang Na	15 Warhouses on TICON Logistics Park - Wangnoi & Bangna	1,530	46
Office	Sathorn	Office Building in Sathorn En-Bloc	1,000	30

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ASIA REAL ESTATE INVESTMENT GUIDE

		GREATER CHINA			NORTH ASIA	
		CHINA	**HONG KONG**	**TAIWAN**	**JAPAN**	**SOUTH KOREA**
Land	**Land system**	Leasehold. Land use rights can be granted by the State for designated public uses. General lease term of land use for Residential is 70 yrs; Industrial 50 yrs; Commercial, tourism, recreation 40 yrs and Comprehensive mixed 50 yrs.	Leasehold. Before 1997, land lease terms usually ranged from between 75 and 999 years. Post-1997, land leases shall generally be granted or renewed with a lease term of 50 years.	Freehold and leasehold. The majority of land comes under freehold. Leasehold land usually applies to government-owned lands. The lease terms of leasehold usually range from 30 to 50 years and subject to approval.	Freehold, conventional land leasehold and fixed term land leasehold. There are 3 types of fixed term land leasehold: general fixed term leasehold, fixed term with building assignment right and business use fixed term leasehold.	Freehold. The majority of land is held on fee simple. Generally, leasehold land is very rare and the lease term usually less than 10 years and renew for 10 years upon expiration.
Restriction	**Land use related restriction**	Property developments in China are required to comply with local government regulations on zoning, plot ratio, site coverage, environmental planning and building height. A simplified procedure of the whole development approval process is depicted as follows: 1) A land premium is paid to acquire the Land Ownership Certificate; 2) Development master plan is submitted to the local Planning Bureau for approval to acquire the Permit for the Planned Use of Land 3) A project construction plan is submitted to the local Planning Bureau for approval to acquire the Planning Permit of Construction Engineering; construction conditions are prepared for the approval of local Construction Commission and to acquire the Construction License.	Land use rights in Hong Kong are subject to various restrictions as set out in the Land Leases, the Town Planning Ordinance and Buildings Ordinance. The development of land is subject to plot ratio, zoning, site coverage, environmental impact and development density.	Property developments in Taiwan are required to comply with government regulations on zoning, plot ratio, site coverage, environmental planning and building height. Foreign investors are not allowed to invest in certain property types: forest land; land for fishery; hunting land; salt industry land; mining industry land; land for water sources; boarder land or military land.	Property developments in Japan are required to comply with regulations and laws, most important of such being zoning. Regions where zoning is not in place, permission from the government is required. The urban planning area is divided into Urban Promotion Area (UPA) and Urban Controlled Area (UCA). The former includes the developed region and the regions that are to be developed in the next ten years, whereas urbanization is strictly controlled for the latter. Except for special conditions and approval from the authority, all development activities within UCA are prohibited under city planning laws and related regulations.	Property developments in South Korea are required to comply with regulations and laws on zoning, plot ratio, site coverage and building height. The Ministry of Construction & Transportation is a key administrative body in charge of territorial management, balanced regional development, and construction and management of major infrastructures.
	Holding related restriction	Foreign investors have to register the onshore entities to hold non-self use properties. Given the changing market dynamic, China's land and housing systems are subject to change from time to time. Investors shall mindful about the latest policies, regulations, taxes and measures on holding of land, development project and real estate.	No restriction	A "reciprocal principal" should be met: foreign investors can obtain land rights in Taiwan only if Taiwanese people enjoy the same rights in their countries.	No restriction	No restriction
	Foreign exchange control	The exchange of FX has to be approved in advance and supervised by the State Administration of Foreign Exchange. Effectively ban the use of FX loans.	No restriction	Cumulative remittances (per year) exceeding US$50 million (corporate) or US$5 million (individual) are subject to permission by the government	No restriction	No restriction
Property related fees & taxes	**Transaction (acquisition / transfer / disposal) fees & taxes**	Please note that a number of property-related taxes have been exempted recently for individual. For the purpose of this investment guide, all listed Taxes and tax rates are generally applicable to corporate investors in Shanghai and Beijing only. **Business Tax**, a developer of real estate properties is subject to a 5% (with 11% surcharge) business tax levied upon the sales turnover of the properties. In case of companies or individuals sell purchased properties, 5% business tax is levied upon the capital gain of the transaction. **Stamp Duty**, varies one cities to another and is levied upon the buyer and seller ranging from 0.03% to 0.05% of the contract prices of the property in first tier one cities. **Land Appreciation Tax**, is levied upon the transferor of the land and its attached properties. The tax is levied on a progressive basis, ranging from 30% to 60% of the capital gain produced by the transaction. **Deed Tax**, is levied upon the buyer. The amount varies from one city to another, and is usually between 1.5% and 5% of the property's sale price.	**Stamp Duty**, is payable on Agreements and Assignments (sales and purchase) and Tenancy Agreement (lease). The maximum taxable rate is 3.75% which is to be shared equally by both parties.	**Land Value Incremental Tax**, is payable by the seller on 20% to 40% of the unearned increase in the value of land – the unearned increment is the difference between the officially assessed value at the time of sale and its assessed value at the time of purchase period. **Value Added Tax (VAT)**, is borne by the seller and levied at 5% of the transaction price of the building (land price is deducted from the total sales). **Income Tax**, is payable by the seller (Corporate: 20%; Personal: 5% to 40%) **Deed Tax**, is payable by the purchaser at 6% of the assessed building value. **Stamp Duty**, is levied at 0.1% of assessed values of land and building and usually payable by the buyer. **Registration Fee**, is levied at 0.1% of assessed building value and assessed land price which is different from assessed land value.	New tax law was promulgated this year with new amendments to be enforced progressively over the next few years. **Stamp Duty**, for the sales contract of a property is derived from the property value on a progressive basis from JPY200 to JPY600,000. (Discount rate applicable only until Dec 31 2009) **Real Estate Acquisition Tax**, is borne by the purchaser. Standard tax rate is 4% of assessed value of the property value at the time of purchase. However, derogation is in place from April 1, 2003 to March 31, 2012 for land and building for residential use, which the rate is reduced to 3%. **Registration Tax**, is levied on the registration of ownership and leasehold right. The tax rate registration of newly constructed building is at 0.4% of the asset value. Standard tax rate in connection to transfer of ownership (purchase/sales, etc.) is at 2%; however, following derogation for tax rates are in place for land ownership transfer. **Capital Gain Tax**, is taxable for individual and corporate income tax purposes. (Please refer to the **Other fees / taxes** section)	**Acquisition Tax**, is payable by the purchaser at 2% of the property transaction price **Special Rural Development Tax**, is levied at 10% of Acquisition Tax **Registration Tax**, is levied at 3% of the property transaction price **Local Educational Tax** 20% of Registration Tax Tax to be paid by individual for the disposition of property: **Transfer Income Tax**, is payable at between 9% and 36% of capital gains Inhabitant Tax, is levied at 10% of Transfer Income Tax Tax to be paid by corporation for the disposition of property: Corporation Tax of 10%–20% of capital gains Inhabitant Tax, is levied at 10% of Corporate Tax
	Holding (possession) costs & taxes	Please note that a number of property-related taxes have been exempted recently for individual. For the purpose of this investment guide, all listed Taxes and tax rates are generally applicable to corporate investors in Shanghai and Beijing only. For leased properties with rental income; **Business Tax**, 5% of rental income. **Income Tax**, to be settled and paid by the owner annually together with the company's other profits, usually at 25% of profit before tax. **Stamp Duty**, 0.1% of contract rental. **Urban Real Estate Tax**, is applicable to the holders of land use rights. The tax rates vary from one city from another. For Beijing and Shanghai, the tax is levied annually at 1.2% based on 70% of the initial contract price of the property. **City Maintenance and Construction Tax**, is levied at 11% of Business Tax	**Property Tax**, is payable by the owner at the standard rate (2008/09 onwards 15%) by the year of assessment on "net assessable value" (NAV). Where the owner receives only rent and no other benefit, the annual rent is the "assessable value" (AV). Rent receivable (due but not yet received) should be included in the AV. Irrecoverable rent can be excluded from tax charge in the year in which it became irrecoverable. Any amount subsequently recovered is assessable to tax as income in the year of recovery. If the tenant pays rates, NAV is equal to the AV less a standard allowance of 20% for repairs and outgoings. If the owner is responsible for paying rates, rates paid can be deducted before allowing the 20% deduction. **Profits Tax**, is charged only on net profits arising business. Incorporated and unincorporated businesses are taxed at different rates - incorporated businesses at 16.5% and unincorporated at 15%.	**Land Value Tax** is levied at a rate of between 1% to 5.5% of assessed land price; special rate of 0.2% for self-used residential land, 0.6% for land reserved for public infrastructures and 1% for industrial land. **Building Tax** is levied annually at a rate of between 3% to 5% of assessed building value for business premises and 1.2% to 2% for self-used housing.	**Fixed-asset Tax**, is levied annually on fixed assets including land, buildings, and other depreciable assets for business purpose. The fixed-asset tax rate is at 1.4% of the asset value, where the asset value is reviewed every 3 years for land and buildings. **City Planning Tax**, Tax in the Urban Promotion Area (UPA) is levied at maximum rate of 0.3% for land and buildings. **Business Facility Tax**, is payable by owner of a property and corporations that occupy the property. Tax amount will be the total of following two calculations. **Floor area**: JPY600 per sq m (Exemption: the first 1,000 sq m) **Employees' salary**: Total salary amount x tax rate of 0.25% (Exemption: the first 100 employees)	**Property Tax** is payable as follows; **Property Tax for Buillding**, the tax rate is ranging from 0.25% to 4% of the value of the building. **Property Tax for Land**, the tax rate is ranging from 0.2% to 0.4% of the land value. **General real estate tax**, the tax rate is ranging from 0.5% to 0.7% of the property value as assessed by the government.
	Other fees / taxes	**Transaction Fee**, is payable to the government. The rate varies from one city to another, and is payable and/or shared by developer and/or purchaser and seller, the rate can be based on contract price of the property or derive by a unit price on the GFA. Transaction Fee related to both new properties and second hand properties (residential and non-residential).	**Government Rent**, is 3% of the rateable value of the property, payable quarterly. The responsibility of the property owner. **Government Rates**, are levied at 5% on the rateable value of a property. Both the owner and the occupier are liable for Rates. In practice, this will depend on the terms of the agreement between the owner and occupier of the property. In the absence of any agreement to the contrary, liability of rates rests with the occupier.	N/A	**Corporate Tax**, corporate will be levied under corporate tax with tax rate of 30% for companies with capital over JPY100 million. Companies with capital JPY100 million or less will be levied with tax rate of 22% for income less than JPY8 million per annum and 30% for over JPY8 million per annum. (Discount rate applicable from April 1, 2009 - March 31, 2011)	**Value Added Tax (VAT)** is levied at 10% of the property transaction price
Property financing	**Investment loan**	3-year to 5-year term, 50%-70% LTV ratio	5-year to 7-year term, 50% to 70% LTV ratio	Various terms, 50% LTV ratio for land loan, 60% to 80% LTV ratio (with collateral)	1, 2 or 3 year terms, 50% to 60% LTV ratio	50% LTV ratio on commercial real estate
	Cost of fund	Usually based on the benchmark lending rate set by PBOC, at least 10% higher for non-residential property loans, at most 30% discount for the residential loans.	Traditionally based on prime lending rate plus / minus spread. More recently banks have offered funding based on HIBOR plus a mark-up.	Usually based on 1-year deposit rates plus spread	Usually based on TIBOR plus spread	Usually based on CD Rate plus spread
	Mode of loan	Bullet Loan is popular for the institutional investors	Balloon Payment is quite popular	Repayment, with recourse (most common)	Repayment in full on the maturity date, non-recourse Repayment, non-recourse	Repayment

Note: The investment guide only provides a brief comparison, summary of major property related issues and taxes associated with the acquisitions, disposition, transfer and possession of real estate assets in Asia

SOUTH EAST ASIA					SOUTH ASIA
SINGAPORE	**THAILAND**	**PHILIPPINES**	**MALAYSIA**	**INDONESIA**	**INDIA**
Freehold includes Grant in Fee Simple and Statutory Land Grant. The most common leasehold term is 99 years. 60 years or 30 years are also issued for various industrial, commercial and recreational uses.	Mainly freehold with Individual and corporate landholding. Leasehold land lease term generally ranging from 30 years plus options to renew.	Freehold for local (foreigners are not allowed to own land) Freehold / Leasehold for JV Company [60% Filipino owned (min), 40% Foreign owned (max)] Leasehold (local and foreigners)	State Freehold and Leasehold. The government/ state can grant individuals with land titles for a specific lease term.	Freehold and Leasehold. Freehold land consists of two types: Certified Land ad Adat land (Right to own) by Indonesian citizen only. Leasehold consists of three types of land: Hak Guna Usaha (Right to exploit), Hak Pakai (Right to use), Hak Guna Bangunan (Right to build).	Freehold and Leasehold. For leasehold land, land use or occupation is granted by the government for a specific lease term. The leaser term generally ranging from 90 to 99 years.
Property developments in Singapore are required to comply with regulations and laws on zoning, plot ratio, site coverage and building height.	Property developments in Thailand are required to comply with regulations and laws on zoning, plot ratio, site coverage, environmental impact assessments and building height. The Town Planning Act and Building Control Act are statutory building construction controls. The zoning regulations empower local government to identify land uses in specific areas in each province. The restrictions are subdivided into several uses with different colors. In Bangkok, the zoning will also restrict the floor area ratio and the open space ratio of the new development.	Property developments in Philippines are required to comply with regulations and laws on zoning, plot ratio, site coverage and building height.	Property developments in Malaysia are required to comply with regulations and laws on zoning, plot ratio, site coverage, environmental impact assessments and building height.	All the property developments in Indonesia are required to comply with the local government's regulations including building density, plot ratios, coverage of buildings and heights. **Leasehold lands: Right to Exploit**, is the right granted by the government to Indonesian citizens, entities or certified Penanaman Modal Asing (Foreign Capital Investor) for agricultural, fishery or husbandry purposes. **Right to Use**, is the right to held by citizens, permanent residents of foreign nationality in Indonesia, foreign corporations with offices in Indonesia, including banks and embassies. **Right to Build**, is the rights to build buildings on the land and hold the land building rights by citizens, legal entities incorporated in Indonesia including foreign-owned enterprises, JV).	Land use (State Owned Land & Private Land) is subject to zoning uses designated by development plan including height, ground coverage, plot ratios, etc.
Development sites sold under GLS programme	No foreign ownership of land except via Board of Investment promoted companies. Freehold foreign ownership of condominiums permitted but capped so that the maximum proportion of foreign ownership within a condominium building is restricted to 49% of the saleable floor area of all the units. Foreigners are generally restricted from owning freehold title to landed properties. There are exceptions, principally for companies with Board of Investment Approval. In general, a foreigner may lease land in Thailand not exceeding 30 years but may also have options to renew.	Foreigners not allowed to own land	In an effort to boost investment in the country, the Government of Malaysia has recently repealed the Foreign Investment Committee (FIC) guidelines effective 30 June 2009. This resulted in the abolition of most restrictions on the purchase of properties by foreign investors. Some very minor restrictions remaining are detailed below: 1) Approval from the Economic Planning Unit (EPU) is required where a direct or indirect property transaction involves the dilution of Bumiputra or Government interest for properties valued at RM20 million and above; 2) Foreign investors are allowed to purchase commercial and residential properties priced above RM500,000 per unit effective 1 January 2010. 3) Foreign investors are restricted from purchasing properties built on Malay reserved land or properties allocated to Bumiputra interest.	Foreigners are not allowed to own Certified freehold land. However, foreign joint-venture entity and wholly foreign-owner enterprises can hold "rights to build", the lease term can be at most 30 years and governments sells the rights to build through transactions, tenders and auctions.	Privately held properties - Nil Government allotted land – Construction should be initiated within 24 months from the allotment date in most cases.
No restriction	Subject to permission by Bank of Thailand	Needs clearance from Bangko Sentral ng Pilipinas (BSP)	No restriction	No restriction	Minimum investment in land through FDI capped at 10 hectares Minimum investment in built up area through FDI capped at 50,000 sm Other restrictions on FDI as per Press Note.
Stamp Duty, is levied at 3.0% of the property transation price.	**Transfer Fee**, is levied at 2% of the property value assessed by the government. **Stamp Duty**, is levied at 0.5% of the government's assessed value, will be charged upon any person who sells land or property held for 5 years or longer. However, if the Specific Business Tax is imposed, stamp duty will not be payable. **Specific Business Tax (SBT)**, is imposed only on sales of land and property held for less than 5 years in transactions of properties listed below: 1. Property for which the land allocation is permitted 2. Condominiums 3. Property developed for sale 4. Property which is used for corporate purposes 5. Property which is re-sold within five years of its purchase The SBT rate for real estate is 3.3% of the government's assessed value or transaction price, whichever is greater. **Withholding Tax for corporate**, in case the sale corporate entities or companies, the Withholding Tax for real estate is 1% of the government's assessed value or transaction price, whichever is greater.	**Capital Gains Tax**, is levied at 6% of the property transaction and payable by the seller. **Withholding Tax**, is levied at 6% of the property tranaction price and is payable by seller/lessor for corporate entity. **Documentary Stamp Tax**, is levied at 1.5% of the contract price, zonal value and the market value, whichever is higher. **Value Added Tax (VAT)**, is levied at 12% of the contract price and payable by seller/lessor. **Transfer Tax**, is payable by the purchaser and is levied at 0.5% of the contract price, zonal value and the market value, whichever is higher. **Registration Fee**, is generally payable by purchaser and is based on the contract price or assessed value of the property whichever is the higher and the rates vary per city / municipality.	**Stamp Duty**, shall be borne by the buyer. The tax is levied at 1% for the first RM100,000; 2% for RM100,001 to RM500,000; 3% for RM500,001 & above. **Legal Fees**, are charged at 1% on the first RM100,000 of the market value, plus 0.5% on the next RM4.9 million of the market value. **Real Property Gains Tax (RPGT)**, has been reinstated effective 1 January 2010 at a fixed rate of 5% on chargeable gains arising from the disposal of any land, interest option or right in or over such land or the disposal of shares in a 'real estate company'. The RPGT is applicable to transfer of property within five (5) years of purchase. The RPGT is also subject to the following exemptions: 1. Transfer as gifts between parent and child, husband and wife, grandparent and grandchild; 2. Disposal of a residential property once in a lifetime; 3. Exemption of RM10,000 or 10% of the chargeable gain, whichever is higher, for each disposal of a property by an individual.	**Stamp Duty**, is levied on various legal documents to which a monetary value is affixed. The rates are fixed as follows: Fixed amount of Rp. 3,000 for transaction price between Rp. 250,001 to Rp. 1,000,000; fixed amount of Rp. 6,000 for transaction price over Rp. 1 million. **Notary fees**, for the processing of legal documents are usually charged at about 0.5% to 1.5% of the transacted price. Individuals or companies obtaining rights to land or buildings are required to pay a **Land and Building Transfer Duty** ("Bea Peralihan Hak Atas Tanah dan Bangunan / BPHTB") of 5%. The 5% duty is computed based on the transaction value or the assessed value, whichever is higher. Transaction below Rp. 60 million are not to subject to BPHTB. For acquisitions by inheritance, the non taxable property value is stipulated by the regional authorities but may not exceed Rp 300 million. **Capital Gains Tax**, the net gains from asset revaluations are subject to a 10% final tax. An additional income tax of 15% is imposed if the revalued assets are sold or transferred within 5 years.	**Stamp Duty**, shall be levied on the property transaction price and generally borne by the purchaser or lessee of the properties. The tax rates generally range from 2% to 10% in major cities of India, such as Mumbai, New Delhi and Bangalore. **Registration Fees**, is levied at 1% of the transaction value and payable by the purchaser. **Capital Gain Tax**, is taxable on the profit realized from property transfer. For property holding less than 3 years, the tax rate is 30%. For property with a holding period of 3 years or more, the tax rate is generally 20% (however this varies with the type of assesses).
Property Tax, is payable to government on residential, commercial, industrial properties as well as land. The tax rate is calculated as follows: Property Tax for land, the tax rate is 5% of the land value. Property Tax for owner-occupied properties, the tax rate is ranging from 4% to 10% of annual rental value.	There are two kinds of Property Tax in Thailand, namely, Household Tax and Local Development Tax. **Household Tax**, is imposed on the owners of a house, building, structure or land, which is rented or otherwise put to commercial use. The tax rate is 12.5% of the actual or assessed annual rental value of the property. **Local Development Tax**, is imposed upon any person who either owns land or is in possession of land. The tax rates vary according to the appraised value of the property being determined by the Land Department. There is an allowance granted for land utilized for personal dwellings, the raising of livestock and the cultivation of crops by the owner. The extent of the allowance differs according to the location of the land.	**Real Property Tax**, is payable by owner which is based the property value assessed by the local government Unit.	**Quit Rent** and **Assessment Fee**, are property related taxes. The amount varies and depends on the category of the land and size. **Quit Rent**, is a form of land tax. Its amount varies from state to state. Assessment fee, collected twice a year, is computed based on the value of the property.	**Property Tax (PBB)**, on land and buildings is generally fixed at 0.1% of the assessed value. A rate of 0.2% of the assessed value is applicable to land and buildings worth more than Rp. 1 billion. The non-taxable threshold of property is stipulated by each regional government but may not exceed Rp. 12 million. **Withholding Tax**, on Property Income Income derived from rental payments and service charges are subject to a final withholding tax of 10% of the transaction value, which is considered an advance payment of income tax. **Corporate Taxation**, the income of resident and non-resident corporate entities is taxed annually at 28%.	**Property Tax**, is payable by the owner. The tax is levied at a certain percentage of the rateable value of properties. Local governments determine the rateable values.
N/A	N/A	N/A	**Income Tax**, rental income from property is taxable under Income Tax. Generally, rental income received by a non-resident individual is taxed at a flat rate of 26% without any personal deductions. Corporations are taxed at 25% of the chargeable income from the property.	**Value Added Tax (VAT)**, the sale of raw land is not subject to VAT, but the sale of land already prepared for development is subject to a VAT of 8%. VAT on rental payments is 10%, while VAT on Service Charge is 4%. **Sales Tax**, a 20% Sales Tax on Luxury Goods is applicable to luxury houses. "Luxury Houses" include condominium with a unit size of more than 150 sqm and landed houses with a building size of above 400 sqm or electricity of above 6,600 watt.	N/A
3-yr to 5-yr term, 50% to 60% LTV ratio	50% to 70% LTV ratio on commercial real estate with various terms	60% to 70% LTV ratio	5-year to 10-year term, 60–70% LTV	5-year to 7-year term, 50%–70% LTV	Up to 8-year to 10-year term and 50% to 70% LTV ratio
Usually based on SIBOR plus a mark-up	Minimum Lending Rate + spread	Philippine Dealing System Treasury Fixing Rate (5, 7, 10 year rate depending on loan term)+ 3% to 5% risk premium	Usually based on KLIBOR plus a markup	Usually according on Bank Interest (Approx 14%)	Usually based on Floating Reference Rate or Prime Lending Rate plus a mark-up
Balloon Payment (common)	Repayment with recourse most common	Repayment with recourse most common	Conventional mortgage Mixture of mortgage/bond issue/ debentures Mezzanine financing	Repayment	Repayment with recourse (most common)

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