Q3 2007

ASIAN OFFICE MARKET FLASH

CBRE RESEARCH

CBRE
CB RICHARD ELLIS

TABLE OF CONTENTS

PRC - Beijing

Beijing's prime office market was active in the third quarter as take-up reached 1.7 million sf, up 18.3% q-o-q. Average rent continued its steady increase, rising 1.6% q-o-q to RMB 17.3 psf per month. Of the five projects scheduled for completion during the quarter, only two came on stream: the 409,032 sf Zhongyu Building, in Sanlitun, Chaoyang District and the 430,560 sf Gemdale Center Tower B, also in Chaoyang.

PRC - Shanghai

Shanghai's office market remained buoyant in the third quarter. Average rent grew by 2.7% q-o-q to RMB 20.9 psf per month. In Puxi, rents rose by 2.6% q-o-q to RMB 20.4 psf per month, while Pudong rents increased by 3.3% q-o-q to RMB 22.3 psf per month. Two Grade B buildings added 685,300 sf of space to the market. Vacancy continued to tighten, falling 0.9 percentage points q-o-q to a record low of 3.5%.

PRC - Guangzhou

The pace of rental growth and take-up increased in Guangzhou in the third quarter. Expansions and relocations drove average prime office rent up 6.4% q-o-q, to RMB 9.65 psf; average Grade A rents registered an even sharper rise of 8.8% q-o-q. Three new projects, two of them Grade A, added 2.98 million sf of space to the market. Despite strong absorption, the new supply saw overall vacancy rise 1.4 percentage points q-o-q to 17.4%.

PRC - Hong Kong

Strong expansionary demand and insufficient supply combined to keep vacancy rates of prime Central buildings at historic lows while pushing core Central office rents to new highs. Both Two IFC and Exchange Square, for instance, saw record or near-record transactions. The effects of high demand were widespread, as rental hardening extended from Central to CBD-fringe areas (e.g. Admiralty and Wan Chai/Causeway Bay) and upcoming projects attracted strong pre-commitment interest.

Taiwan - Taipei

Following a relatively sluggish second quarter, net take-up increased markedly in the third quarter of 2007. Activity was upbeat across sub-markets, with prominent leasing transactions including Hontai Life Insurance leasing 75,735 sf in the Hung Tai Century Building and Bank of America occupying 50,330 sf in Taipei 101. The lack of new supply and robust demand are expected to continue to drive rents upward, albeit slowly.

Japan - Tokyo

A shortage of prime office space amid rising demand continued to drive rents upward during the third quarter. Average prime office rent, inclusive of common area management fees, reached JPY 61,250 per tsubo (US$14.88 psf) per month, showing an increase of 6.5% q-o-q and 20.1% y-o-y. However, a widening gap between landlords' rental expectations and tenants' willingness to absorb higher occupational costs saw Grade A vacancy increase 40 basis points q-o-q to 1.3%.

South Korea - Seoul

Keen demand pushed office rents higher in the third quarter. Average Grade A office rent reached KRW 21,543 psm (US$2.15 psf) per month, up 1.08% q-o-q. Overall vacancy increased marginally due to increased vacancy in Gangnam as new buildings came on stream, however vacancy in the CBD reached an all-time low. Three new buildings added 1.9 million sf of office space, with the market actively absorbing the approximately 50% of this space which was available for lease.

India - New Delhi

Leasing momentum remained strong in the National Capital Region (NCR). Demand was especially robust in the IT/ITeS sector, and approximately 30% of the IT/IteS supply entering the market next year has already been pre-committed. The same trend is evident in Gurgaon and Noida. A wave of IT/IteS-oriented facilities in special economic zones (SEZs) will begin entering the NCR market in the fourth quarter. Interest is expected to be intense, given the tax benefits available in SEZs.

India - Mumbai

Vacancy in the CBD remained at an all-time low, hovering at approximately 1% and driving rental increases. ABN AMRO's widely reported lease renewal at Sakhar Bhavan in Nariman Point at a considerably higher rent of INR 500 (US$12.25) psf per month has raised rent expectations in the CBD, and most landlords now quote rents in excess of INR 400 (US$9.80) psf per month. Rents in the CBD are increasingly being charged on built-up area instead of net leasable area, with this trend being seen in both new transactions and renewals.

India - Bangalore

New entrants and newly established companies were the primary drivers of the Bangalore office market in the third quarter, with the CBD the preferred location for these firms. A substantial amount of supply re-entered the market as Intel and HP vacated CBD space to move into their own campus developments. Prospective tenants are actively evaluating the vacated space. One building, of approximately 22,000 sf, was completed and is undergoing fit-out in the CBD.

Indonesia - Jakarta

Leasing activity remained robust in the third quarter of 2007, with the positive momentum expected to continue as Indonesia's economic recovery drives business activity and results in additional expansion and relocation-related demand for office space. Several projects in the CBD are expected to come on stream in the fourth quarter of 2007 or early 2008, including the Pacific Place Office Tower in Sudirman and the Menara Prima and The East in Kuningan.

Malaysia - Kuala Lumpur

In the first new supply to reach the market in 2007, the Grade A Capital Square (The Signature Offices) came on stream in central Kuala Lumpur during the third quarter. The prime office leasing market maintained its positive momentum, with large-scale leasing activity in buildings completed in the first half of 2007. Major transactions included the relocation of PricewaterhouseCoopers to 1 Sentral and ALSTOM Power Asia Pacific taking up 36,000 sf in Chulan Tower.

Philippines - Manila

Prime office rents in the Makati CBD reached an all-time high after jumping nearly 20% q-o-q in the third quarter. Rents for prime office space averaged PHP 1,200 psm (US$2.43 psf) per month, with rents in some buildings reaching PHP 1,300 psm (US$2.64 psf) per month. Given that there are no prime office buildings under construction in Makati, and vacancy is at 1%, rents are expected to continue to increase, prompting some occupiers to consider alternate locations.

Singapore

The recent uncertainty in global financial markets has had no discernible impact on demand for office space. Prime office rents averaged S$12.60 psf per month, increasing 16.7% q-o-q and 82.6% y-o-y, and now exceed the 1990 historical high of S$11.50 psf per month. Demand remained broad-based, though the financial and insurance sectors were predominant among those with larger space requirements. Though we foresee further rental increases, we expect the pace of growth to ease.

Thailand - Bangkok

Bangkok's office market was sluggish in the third quarter as demand remained weak, due to the slowing economy and uncertain political environment, as well as concern about regulations governing foreign companies. However the ratification of a new constitution in August, and prospects of a December 2007 election could help dissipate the political cloud that has overshadowed the Thai economy; and events will be closely watched.

Vietnam - Ho Chi Minh City

During the first three quarters of 2007 approximately 93,209 sm (1.0 million sf) of office space was completed and almost fully occupied. However, the supply has been in the form of small buildings, and the third quarter saw the completion of no new Grade A or B office space. Some multinationals looking to expand their operations have delayed their plans until new Grade A buildings come on stream. After numerous delays, two Grade A buildings are likely to be completed in 2008.

SUMMARY OF PRIME OFFICE RENTS (AS AT Q3 2007)

COUNTRY	CITY	MARKET RENT local measure/month		MARKET RENT US$ psf/month	Quarter-on-Quarter Change	Year-on-Year Change
GREATER CHINA	**Beijing**					
	Jianguomen	RMB 221.1	psm(1)	2.74	2.6%	3.6%
	Zhongguancun	152.0		1.88	0.4%	-3.1%
	Finance Street	198.5		2.46	2.0%	5.3%
	Shanghai					
	Pudong	RMB 239.9	psm(1)	2.97	3.3%	12.9%
	Puxi	219.6		2.72	2.6%	6.4%
	Guangzhou	RMB 103.9	psm(1)	1.29	6.4%	8.2%
	Hong Kong	HK$59.0	psf(3)	7.59	5.4%	23.4%
	Taipei	NT$2,345	pping(2)	2.03	0.2%	0.8%
JAPAN	**Tokyo**	JPY 55,250	ptsubo(3)	13.43	7.3%	22.8%
SOUTH KOREA	**Seoul**					
	CBD	KRW 26,303	psm(1)	2.67	-0.2%	2.8%
	Gangnam	21,631		2.20	2.2%	5.5%
	Yeouido	16,696		1.70	1.7%	4.2%
INDIA	**New Delhi**					
	Connaught Place	INR 275.0	psf(1)	6.90	0.0%	37.5%
	Gurgaon	90.0		2.26	0.0%	63.6%
	Mumbai					
	Nariman Point	INR 400.0	psf(1)	10.04	11.1%	56.9%
	Bandra Kurla Complex	375.0		9.41	15.4%	59.6%
	Bangalore	INR 90.0	psf(1)	2.26	0.0%	60.7%
INDONESIA	**Jakarta**	IDR 78,300	psm(6)	0.80	1.8%	9.7%
MALAYSIA	**Kuala Lumpur**	RM 5.4	psf(4)	1.59	1.9%	14.9%
PHILIPPINES	**Manila**	PHP 1,225	psm(3)	2.54	22.5%	64.0%
SINGAPORE	**Singapore**	S$12.60	psf(4)	8.53	16.7%	82.6%
THAILAND	**Bangkok**	THB 739	psm(4)	2.00	0.0%	2.2%
VIETNAM	**Ho Chi Minh City**	US$40	psm(5)	3.72	0.0%	29.0%

(1) Gross rent excluding service charges / management fees
(2) Gross rent including property taxes but excluding service charges / management fees
(3) Net rent excluding service charges / management fees and property taxes
(4) Net rent including service charges / management fees and property taxes
(5) Net rent including service charges / management fees but excluding VAT
(6) Semi-gross rent excluding service charges / management fees and property taxes

EXCHANGE RATE TO US$ (AS OF SEPTEMBER 2007)

PRC	RMB 7.51	Japan	JPY 115.66	Indonesia	INR 9,085.00	Singapore	S$1.48
Hong Kong	HK$7.77	South Korea	KRW 913.75	Malaysia	RM 3.40	Thailand	THB 34.26
Taiwan	NT$32.57	India	INR 39.85	Philippines	PHP 44.85	Vietnam	VND 16,085.00

PEOPLE'S REPUBLIC OF CHINA — BEIJING

MONTHLY RENTAL : - CBD: RMB 221.1 psm (+2.6%, Q-o-Q)
- Zhongguancun: RMB 152.0 psm (+0.4%, Q-o-Q)
- Finance Street: RMB 198.5 psm (+2.0%, Q-o-Q)

VACANCY RATE : 11.3% (-1.5% pts, Q-o-Q)

NEW SUPPLY : 839,600 SF (Q3 07)

Demand has remained strong across industries, and the market continued to digest the large amount of new supply that entered the market in the second quarter. Following a slight decline in the second quarter, strong demand and limited new supply saw rents for prime office buildings in the CBD rise 2.6% q-o-q to RMB 20.5 psf per month. The asking price for prime CBD office buildings rose 9% q-o-q, to RMB 2,332 psf.

Major transactions recorded in and around the CBD included HP leasing 31,215 sf and Fujitsu 78,577 sf in Ocean International Centre, GE's renewal of a contract in Hanwei Building for 53,820 sf and Statoil ASA's lease of 13,993 sf in Twin Towers. Underpinned by supportive government policies and the entry of investment banks including Goldman Sachs, JP Morgan Chase and UBS over the past year, Finance Street has become increasingly popular with global financial institutions. In the third quarter JP Morgan Chase expanded by 24,748 sf in the Beijing Winland International Finance Centre and IBP leased 15,064 sf in the Excel International Centre. Strong demand drove prime office rents in the district up 2% q-o-q, to RMB 18.4 psf per month.

After ending several quarters of decline in the second quarter, rents for prime Zhongguancun office buildings continued to edge upward, increasing 0.4% q-o-q to RMB 14.1 psf per month. In the sales market, asking prices rose to RMB 1,440 psf, up 3.3% q-o-q.

Four projects are expected to come on stream in the fourth quarter, providing 3.4 million sf of prime office space, including 2.6 million sf in the CBD and 839,280 sf in the Second East Ring area. Despite the new supply, rents are expected to steadily increase due to strong demand and the high quality of the new projects. Anticipating the new supply, some landlords in older buildings have begun to lower asking rents.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
Ocean International Centre	Chaoyang	78,577	Fujitsu
Ocean International Centre	Chaoyang	31,251	HP
Beijing Winland Int'l Finance Centre	Xicheng	24,748	JP Morgan

PEOPLE'S REPUBLIC OF CHINA — SHANGHAI

MONTHLY RENTAL : - Pudong: RMB 239.9 psm (+3.3%, Q-o-Q)
- Puxi: RMB 219.6psm (+2.6%, Q-o-Q)

VACANCY RATE : 3.5% (-0.9% pts, Q-o-Q)

NEW SUPPLY : 685,000 SF (Q3 07)

As robust activity continued in Shanghai's office market in the third quarter of 2007, the vacancy rate dipped to a record low of 3.5%, with the vacancy rate in Grade A properties reaching 2.1%. The absence of new Grade A supply in 2007 amid persistent demand drove a further 2.8% increase in Grade A rents during the third quarter. Despite the addition of two Grade B buildings, Metro Plaza in Hongqiao and Urban Development International Tower in Xujiahui, providing 685,300 sf of space, Grade B rents rose by a further 2.7% q-o-q, demonstrating the magnitude of demand.

Net take-up was 1.27 million sf, with leasing activity remaining strong across the main office hubs. In Pudong, China Universal Asset Management took up 12,920 sf in Aurora Plaza, while UOB leased 53,820 sf in Shanghai Bay. In Puxi, NEC renewed 53,820 sf in Ciro's Plaza, and Konica Minolta leased 32,290 sf in Golden Bell Plaza. Limited availability in major Grade A buildings led to a number of medium-sized transactions: BSH Electrical Appliance and Sequoia Capital leased 4,630 sf and 3,220 sf respectively in Phase 2 of Plaza 66, while SIG leased 3,620 sf in Corporate Avenue.

The scarcity of whole floor space in prime buildings is resulting in increased pre-commitment activity in buildings that will be coming on stream in Puxi and Pudong over the next 12 months. The average pre-commitment rate of prime buildings that will enter the market during the fourth quarter is about 30%, while pre-commitments to projects due for completion in early 2008 should increase significantly in the fourth quarter.

While some tenants have been relocating to decentralised areas, projects converted from old industrial properties provide another option for tenants as the market tightens, and Red Town, previously a steel factory in the Xuhui District, secured leasing deals from Newell, GN Resound, CGEN Digital Media and a number of others during the quarter.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
Ciro's Plaza	Huangpu	53,820	NEC
Shanghai Bay	Pudong	53,820	UOB
The Centre	Xuhui	15,922	Avaya

PEOPLE'S REPUBLIC OF CHINA — GUANGZHOU

MONTHLY RENTAL :	VACANCY RATE :	NEW SUPPLY :
RMB 103.9 psm (+6.4%, Q-o-Q)	17.4% (+1.4% pts, Q-o-Q)	2,981,000 SF (Q3 07)

The pace of growth in Guangzhou's prime office rents accelerated in the third quarter. Leasing demand from MNCs expanding or relocating to quality space was a major driver, pushing prime office rents up 6.4% q-o-q. Tenants entering new high quality offices drove Grade A office rents to RMB 12.02 psf per month, up 8.8% q-o-q.

Tianhe Sports Centre and Pearl River New City (PRNC) remained the most sought-after locations. As infrastructure and public facilities improve, PRNC is emerging as a CBD, and prime office rents in the area increased 16.8% q-o-q during the quarter, leading Guangzhou's major office sub-markets.

Occupiers from districts including Huanshidong, Dongfeng and Zhongshan Road are expanding and relocating to Tianhe Sports Centre and PRNC as premium space comes on stream there. KPMG, for instance, relocated from Huanshidong to Tianhe, expanding to take 86,112 sf in Teem Tower. Elsewhere in Tianhe, New Balance (10,764 sf) and HSBC (32,292 sf) leased space in the new China Shine Plaza.

Demand was strongest from tenants in the banking, consumer products and professional services sectors. Bank of Tokyo-Mitsubishi took up about 21,500 sf in the new International Finance Place, in PRNC.

The completion of the Grade A China Shine Plaza (Tianhe) and International Finance Place (PRNC) and the Grade B Fengxing Plaza (Tianhe) added about 2.98 million sf of new space. Despite net take-up of 1.9 million sf, the vacancy rate rose 1.4 percentage points q-o-q to 17.4%.

By the end of 2008, approximately 10 million sf prime office space will come on stream in Guangzhou. Solid MNC demand for quality accommodations is likely to provide some support for rents in premium buildings, but aged premises in less than prime locations are likely to face rental and vacancy pressure as tenants consider the abundance of new, quality space.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
Teem Tower	Tianhe	86,112	KPMG
International Finance Place	Tianhe	21,528	Bank of Tokyo - Mitsubishi
China Shine Plaza	Tianhe	32,292	HSBC

PEOPLE'S REPUBLIC OF CHINA — HONG KONG

MONTHLY RENTAL :	VACANCY RATE :	NEW SUPPLY :
HK$59.0 psf (+5.4%, Q-o-Q)	3.4% (-0.5% pts, Q-o-Q)	0 SF (Q3 07)

Insufficient quality supply in core Central and continued strong expansionary demand from MNCs, especially financial institutions, nudged office rentals to record highs. Two IFC achieved a record renewal of HK$160 psf per month while a hedge fund leased 6,000 sf at HK$138 psf per month (effective) in Exchange Square, on the verge of the record high registered in the mid-1990s. The supply-demand imbalance in core Central is unlikely to be alleviated in the near future, and prime office rents are not expected to face near-term downward pressure. The situation has enabled landlords in second-tier Central buildings to raise asking rents to unprecedented levels, with net effective rents in these Grade A premises increasing by up to 30% over the quarter.

Rental hardening has now spread from Central to CBD-fringe areas such as Admiralty and Wan Chai/Causeway Bay, where average rents surged 8.0% and 7.9% q-o-q, respectively, in the third quarter, outpacing the overall prime office average of 5.4% growth q-o-q.

Hong Kong's close economic ties with China should underpin further expansion by banking and financial institutions. In the present situation, MNCs have little choice but to decentralise and/or split their operations to meet cost and space demands, thus providing extremely strong pre-commitment support to prime office buildings nearing completion, especially the International Commerce Centre (ICC) above Kowloon Station (Phase I opening in late 2007), and One Island East in Quarry Bay, scheduled to open in early 2008. Morgan Stanley, for example, has confirmed its relocation by end-2008 from Exchange Square to ICC, where they have pre-committed to not less than 300,000 sf.

The Kowloon office market is expected to remain stable, as approximately 1 million sf of total new supply will have entered the market over 2007. Change should only be expected with the next wave of new supply in 2008.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
One IFC	Central	11,150	Bain & Company (Hong Kong)
Caroline Centre	Causeway Bay	32,000	RSM Nelson Wheeler
One Island East	Quarry Bay	53,500	Aedas

TAIWAN

TAIPEI

MONTHLY RENTAL : NT$ 2,345 pping (+0.2%, Q-o-Q)	VACANCY RATE : 9.9% (-1.2% pts, Q-o-Q)	NEW SUPPLY : 0 SF (Q3 07)

The total stock of Taipei office space remained unchanged for the eighth consecutive quarter, further compressing vacancy: the overall vacancy rate has fallen to 8.13% in the third quarter of 2007 from 10.24% at the end of 2006.

After a relatively stagnant second quarter, take-up rebounded dramatically in the third quarter, with net take-up increasing approximately 200% q-o-q to approximately 311,780 sf.

The flight-to-quality continued, and about 175,580 sf of the buoyant take-up was of Grade A space. The largest leasing transactions in terms of area included Hontai Life Insurance's relocation to 75,735 sf in the Hung Tai Century Building in the Minsheng-Dunhua area, and two deals in the Xinyi-Jilong area (XJA): Bank of America's occupancy of 50,330 sf in Taipei 101 and AIG General's leasing of 47,730 sf in the President International Building (also known as the Uni-President Building).

The XJA experienced the largest compression in vacancy during the quarter, as the area's premium office facilities continued to draw occupiers. Demand for Grade B space in the district has also grown. Net take-up of Grade B space in XJA was approximately 93,470 sf in the third quarter, with MassMutual Mercuries Life occupying roughly 65,550 sf in the Horizon Securities Building. The company had purchased several floors and parking space in the building for NT$1.8 billion (US$54.7 million) in the second quarter.

Average achievable rentals for all-grade buildings in Taipei's six office sub-markets continued to edge upward in the third quarter. The average achievable rent for Grade A buildings crept up 0.2% q-o-q to NT$2,345 pping (US$2.00 psf) per month, an increase of 0.8% y-o-y. Grade B office rents, on the other hand, decreased by 0.3% q-o-q to NT$1,714 ping (US$1.46 psf) per month. In view of the continued flight-to-quality, the rental spread between Grade A and Grade B buildings is likely to increase.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
Taipei 101	Xinyi-Jilong Area	50,330	Bank of America
President Int'l Building (Uni-President)	Xinyi-Jilong Area	47,730	AIG General Insurance
Horizon Securities Building	Xinyi-Jilong Area	65,544	MassMutual Mercuries Life

JAPAN

TOKYO

MONTHLY RENTAL : JPY 55,250 ptsubo (+7.3%, Q-o-Q)	VACANCY RATE : 1.3% (+0.4% pts, Q-o-Q)	NEW SUPPLY : 281,000 SF (Q3 07)

Tight market conditions continued to drive up rents in the third quarter, with average prime office rent increasing 6.5% q-o-q to JPY 61,250 per tsubo (US$14.88 psf) per month (including common area management fees). Steady rent increases have encouraged cost-conscious occupiers with expansion requirements to explore more affordable locations, and Grade A vacancy increased to 1.3% over the quarter. However the vacancy rate for all-grade office buildings in Tokyo's 23 Wards declined 20 basis points q-o-q to 1.7%.

Prime office landlords in Tokyo's Central Five Wards hold bullish views on rental growth, and many have sought substantial rent increases from existing tenants. Under Japanese lease legislation, both landlords and tenants are free to propose a rental review at any time during a lease term, unless otherwise stipulated in the initial lease. If the parties cannot reach an agreement, either party can request judicial arbitration. A judge will then offer a resolution, e.g. a new rent. If both parties accept the resolution, the negotiations are completed; if one party refuses the resolution, the other may file a civil suit to increase or decrease the rent.

It has been rare for reviews to be invoked outside the renewal period, however the quarter saw DaVinci Advisors in negotiations with 20 Shinjuku Maynds Tower tenants to lift rents by as much as 40%. As of August, it is understood that DaVinci had agreed rental increases with 11 tenants and filed suits against six others after failing to reach agreement at arbitration. Media reports suggest that other landlords plan to adopt the same approach in buildings where in-place rents are substantially below market.

Kasumigaseki Common Gate in Chiyoda-ku was the only Grade A completion during the quarter, providing 281,000 sf of leasable space. Given the shortage of prime space and persistent strong demand, rents are expected to continue to trend upward.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
Ministry of Education, Culture, Sports Science and Technology Bldg.	Marunouchi	495,000	Mizuho Financial Group
Grand Tokyo South Tower	Marunouchi	327,000	Sumitomo Trust & Banking Co.
Osaki Gate City West Tower	Osaki	61,000	Japan Steel Works

SOUTH KOREA — SEOUL

MONTHLY RENTAL : - CBD: KRW 26,303 psm (-0.2%, Q-o-Q)
- Gangnam: KRW 21,631 psm (+2.2%, Q-o-Q)
- Yeouido: KRW 16,696 psm (+1.7%, Q-o-Q)

VACANCY RATE* : 1.4% (+0.1% pts, Q-o-Q)

NEW SUPPLY* : 783,000 SF (Q3 07)

The Seoul Grade A office market remained buoyant in the third quarter, with MNC expansion and relocation the key demand drivers. Grade A rents in the major sub-markets continued to edge upward in the third quarter, increasing 1.08% q-o-q. Gangnam and Yeouido saw rents rise, while the average rent in the CBD declined very slightly (0.20% q-o-q) due to a decline in Seoul City Tower rents. The building was sold to Koramco in July, and Koramco adjusted rents after injecting parking space into gross leasable area, decreasing prime rents.

Overall vacancy increased minimally, rising 0.09 percentage points q-o-q, due largely to an increase in vacancy in Gangnam to 2.6%. The completion of two new buildings, Hanshin Inter Valley 24 and KT Tower, added 603,000 sf of leasable space in the sub-market. Approximately 231,300 sf also became available for lease in Samsung Life Insurance Seocho Tower (completed in April) when Samsung Life Insurance decided to relocate only 200 employees to the new building, maintaining its headquarters in the CBD.

The vacancy rate in the CBD reached a record low of 0.48% during the quarter, despite the opening of the Post Tower (GFA 783,000 sf). Half of the building was reserved for self-use by the Central Post Office. Shinhan Card, which merged with LG Card in August, took all remaining space, and the building will serve as its headquarters.

South Korea's economic recovery continued and demand for office space remained strong during the third quarter. New supply is not expected until 2008, when 4.9 million sf of space is expected to come on stream, primarily in Gangnam. Given the strong market conditions, improving economy and lack of new supply, vacancy rates are likely to remain at record lows while upward pressure on rents will continue.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
Post Tower	CBD	341,600	Shinhan Card
Seoul Finance Center	CBD	30,000	ING Investment
YTN Tower	CBD	67,600	GS E&C

** The figures refer to Grade A office markets in the three major office districts in Seoul, including CBD in Chung Gu, Gangnam and Yeouido.*

INDIA — NEW DELHI

MONTHLY RENTAL : - CBD: INR 275 psf (0.0%, Q-o-Q)
- Gurgaon: INR 90 psf (0.0%, Q-o-Q)

VACANCY RATE* : 2.0% (-1.0% pts, Q-o-Q)

NEW SUPPLY* : 0 SF (Q3 07)

Rental and capital values continued to increase in the NCR during the third quarter as demand again exceeded supply. In the absence of new supply in the CBD, and with vacancy extremely low, transactions are occurring only when tenants vacate space. Given the high rents and age of most buildings, only tenants for whom location is of prime importance are considering space in the CBD.

Current rentals in the core CBD area range between INR 175-500 (US$4.29-$12.25) psf per month. ICICI Prudential (5,000 sf), Strategic Value Partners (3,500 sf) and BG India (3,500 sf) all took space in the area during the quarter.

Rents also increased in the secondary markets of Nehru Place, Saket and Jasola. The majority of the buildings under construction in Jasola are expected to enter the market by the end of 2007, adding as many as six buildings to this developing micro-market. Prominent transactions in secondary markets included those by CNN IBN (10,000 sf) in Jasola, Haldor Topsoe (10,000 sf) in Jasola and Virgin Atlantic (7,000 sf) in Nehru Place.

Gurgaon remained the most popular of the suburban markets, with pre-commitment levels reaching 30%-35% for supply entering the market in 2008. Rents for investment grade space ranged between INR 85-140 (US$2.08-$3.43) psf per month. Prominent transactions in non-SEZ Gurgaon projects included those by HT Media Ltd. (80,000 sf), PWC (100,000 sf) and Coca-Cola (40,000 sf), while SITEL (80,000 sf), Evalueserve (100,000 sf) and WNS (150,000 sf) took space in SEZs.

Noida remains a preferred destination for the IT/ITeS industry due to its lower costs and adequate infrastructure. Average rents of investment grade properties averaged INR 50-60 (US$1.22-$1.47) psf per month. Significant transactions in Noida during the quarter included those by Sapient (200,000 sf), Reliance (8,000 sf) and IRMC (40,000 sf).

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
Green Boulevard	Noida	200,000	Sapient Technologies
Park Centra	Gurgaon	75,000	HT Media Ltd
DLF Building No. 6	Gurgaon	150,000	WNS

** The figures refer to the Connaught Place CBD area only*

INDIA

MUMBAI

MONTHLY RENTAL : - CBD: INR 400 psf (+11.1%, Q-o-Q) - Bandra Kurla: INR 375 psf (+15.4%, Q-o-Q)	VACANCY RATE : 0.5% (-0.2% pts, Q-o-Q)	NEW SUPPLY : 0 SF (Q3 07)

In addition to ABN AMRO's renewal in the CBD, both the Extended Business District (the Central Mumbai regions of Lower Parel, Worli and Prabhadevi) and Bandra Kurla Complex saw landmark transactions during the third quarter. In Lower Parel, Morgan Stanley leased approximately 10,000 sf in the Peninsula Corporate Park at INR 410 (US$10.04) psf per month, and in Bandra Kurla Complex Dubai developer Nakheel leased approximately 12,000 sf in the IL&FS Financial Centre at INR 450 (US$11.02) psf per month.

With the introduction of the 12.36% service tax on commercial rentals, certain Mumbai districts are now among the world's most expensive office markets in terms of net occupancy costs, prompting some occupiers to trim their space requirements or relocate back office staff. The anticipated increase in municipal property taxes -- likely to be phased in across micro-markets, and to double or even triple current tax exposure -- would accelerate this trend.

Tight vacancy in prime districts has increased demand for serviced offices/ business centres. Regus is expanding aggressively and plans to open four to five additional centres in leading micro-markets by 2009. Regus has begun marketing its 90,000-sf Bandra Kurla Complex centre, which is expected to open by December. With Stylus and Servcorp also entering the market, substantial activity is anticipated from this sector.

Despite rent increases and the growing prominence of other Indian markets, Mumbai remains a preferred financial institution back-office location, and a number of insurance companies and banks are in advanced negotiations regarding IT/IteS space across Mumbai.

The severe demand-supply mismatch is expected to ease somewhat in 2008, with a significant amount of supply -- approximately 3.5 million sf in the Extended Business Distict and almost 1 million sf in Bandra Kurla Complex -- expected to enter the market in the second half.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
NESCO	Goregaon	100,000	Intelenet
Eupharma	Vile Parle	90,000	Religare
Kotak Towers	Dindoshi	50,000	Integreon

** The figures refer to the Nariman Point CBD area only.*

INDIA

BANGALORE

MONTHLY RENTAL : INR 90 psf (0.0%, Q-o-Q)	VACANCY RATE : 3.3% (-0.4% pts, Q-o-Q)	NEW SUPPLY : 22,000 SF (Q3 07)

The Bangalore office market remained buoyant during the third quarter of 2007 across all micro-markets, with new entrants and IT/ITeS companies exhibiting robust demand levels. The CBD and peripheral business districts saw limited new supply, however there has been a significant increase in the amount of space under development in the peripheral micro-markets.

Rents in the CBD increased marginally during the quarter, while those in peripheral locations were stable. Warm shell rents in the CBD are currently in the range of INR 68-78 (US$1.67-$1.91) psf per month. However developers are quoting warm shell rents of INR 120-130 (US$2.94-$3.18) psf per month for investment grade buildings such as UB City and Salarpuria Windsor completed in the past year or under construction.

Warm shell rents in the SBD areas range from INR 52-55 (US$1.27-$1.35) psf per month in preferred locations to INR 42-46 (US$1.03-$1.13) in more distant areas such as the outer ring road sector. There was no significant increase in rents in peripheral areas such as Whitefield and Electronic City, where rents range from INR 24-28 (US$0.59-$0.69) psf per month and INR 23-26 (US$0.56-$0.64) psf per month, respectively.

A significant amount of supply re-entered the market during the quarter as HP and Intel vacated their CBD premises and relocated to campus developments in the peripheral areas of Whitefield Road and Sarjapur Ring Road (respectively). Vacated space therefore accounted for all but 22,000 sf of the 440,000 sf that entered the market in the third quarter. The majority of vacated supply is fully furnished commercial space that is currently under evaluation by potential tenants.

Notable transactions included Spice Telecom leasing 25,000 sf on Richmond Road, TSI Ventures leasing 15,000 sf in UB City and American Express leasing 7,400 sf on Residency Road.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
Independent Building	CBD	25,000	Spice Telecom
Prestige Poseidon	CBD	7,400	American Express
UB City	CBD	15,000	TSI Ventures

INDONESIA JAKARTA

MONTHLY RENTAL :	VACANCY RATE :	NEW SUPPLY :
IDR 78,300 psm (+1.8%, Q-o-Q)	14.0% (-0.9% pts, Q-o-Q)	0 SF (Q3 07)

The CBD continued to see strong leasing activity, with demand strongest from the financial sector and consultants, with many tenants expanding or relocating. With significant demand and no new supply in the CBD in the third quarter, the CBD vacancy rate declined from 14.9% to 14%.

Increasing office requirements have driven growth in capital values and rents, with capital values for prime buildings, increasing 1%-2% q-o-q, during the quarter, while prime office rents rose 1.5%-3% q-o-q to IDR 78,300 psm (US$0.79 psf) per month. The average service charge increased slightly, rising 3.3% q-o-q to IDR 52,200 psm per month.

The developer of the Senayan City mixed-use development in the CBD, PT Manggala Gelora Perkasa (a member of the Agung Podomoro Group), will convert the planned five-star hotel component to office space to meet the requirements of Panin Bank, which will take-up over 200,000 sf in the project, and to cater to the rising demand for quality office space on the part of other occupiers.

Following the recent success of strata-title sales in the CBD, additional buildings under development or nearing completion are offering space for strata-title sale, including the Permata Kuningan Building, Bakrie Tower in the Rasuna Epicentrum, Cyber 2 in Jl. HR Rasuna Said (Kuningan) and City Tower in Jl. MH Thamrin.

Looking at upcoming supply, The East, which is being offered strata-title, will come on stream in the fourth quarter in Mega Kuningan, adding 473,907 sf to the market. In the CBD, the Menara Prima (517,469 sf) and the Pacific Place Office Tower (204,516 sf), located in Mega Kuningan, and Sudirman, respectively, will also enter the market in the fourth quarter.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
Senayan City	South	214,203	Panin Bank

MALAYSIA (This section is contributed by CH Williams Talhar & Wong) KUALA LUMPUR

MONTHLY RENTAL :	VACANCY RATE :	NEW SUPPLY :
RM 5.4 psf (+1.9%, Q-o-Q)	7.7% (0.0% pts, Q-o-Q)	145,000 SF (Q3 07)

Activity in the prime office leasing market remained brisk in the third quarter, with several large-scale leasing commitments. Major leasing transactions during the quarter included PricewaterhouseCoopers' relocation into about 105,000 sf of 1 Sentral, where General Electric International and Wilhelmsen Maritime Services Sdn Bhd also each took approximately 23,000 sf. ALSTOM Power Asia Pacific leased approximately 36,000 sf in Chulan Tower. Net take-up within the quarter registered at 132,000 sf.

One new office building was released onto the market during the period under review, making it the first new supply of 2007. Capital Square (The Signature Offices) added 145,000 sf of net leasable area to the market in central Kuala Lumpur. The project consists of four blocks of four- to five-storey offices, two of which have been leased en-bloc, while the other two are still on the market. Only one building is scheduled to come on stream in the final quarter of 2007 and four are scheduled for completion in 2008.

The services sector continued to be the major demand driver in the prime office market, as expansion and relocation by MNCs and other occupiers continued. The vacancy rate remained stable at 7.7% during the quarter, after tightening throughout the first half of 2007.

With demand remaining steady and new supply limited over the course of the year, the market continued to show positive rental and capital value growth in the period under review. With the exception of the Petronas Twin Towers, which are leasing at a higher-than-market rental level ranging from RM 9 to RM 12 psf per month, average prime office monthly rent rose 1.9% q-o-q and 14.9% y-o-y, to about RM 5.40 psf per month. Prime capital values increased by 5.6%, q-o-q and 8.2% y-o-y to RM 660 psf.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
1 Sentral	Kuala Lumpur	105,000	PricewaterhouseCoopers
1 Sentral	Kuala Lumpur	23,000	General Electric International
1 Sentral	Kuala Lumpur	23,000	Wilhelmsen Maritime Services

PHILIPPINES MANILA

MONTHLY RENTAL* : PHP 1,225 psm (+22.5%, Q-o-Q) | **VACANCY RATE* : 1.0% (-0.1% pts, Q-o-Q)** | **NEW SUPPLY* : 1,361,000 SF (Q3 07)**

The prime office leasing market remained bullish not only in Makati but across sub-districts. Makati registered the largest jump in rents, with rates increasing 18.1% q-o-q to PHP 1,200 psm (US$2.43 psf) per month.

Prime office vacancy in Makati grew to 1.23% from 1.1%, due in part to the increase in rents. However vacancy tightened in other sub-districts as occupiers sought lower rents in the face of Makati's rental appreciation. No vacancy was recorded in Fort Bonifacio Global City, where office space under development has also been fully pre-committed. Ortigas and Eastwood City registered vacancy rates of 0.30% and 1.18% respectively. Vacancy in Alabang was at 1.66%.

Business process outsourcing (BPO) companies are likely to re-evaluate their presence in Makati and may look for lower-cost locations. Some BPO companies are also shifting to campus facilities, such as the Northgate Cyberzone in Alabang. Campus developments under construction include the 14-hectare McKinley Hill Cyberpark in Taguig and the 38-hectare University of the Philippines North Science and Technology Park in Quezon City.

The BPO industry saw strong growth despite concerns over the peso's appreciation, with BPO companies expanding outside Metro Manila, with leasing deals in Northern Luzon, Western Visayas and parts of Mindanao by companies including People Support (Baguio City), Accenture (Cebu), Teletech (Bacolod, Iloilo, Cebu), Convergys (Cebu) and Sutherland Global Services (Davao). An increasing number of Indian BPO companies, including Genpact, Allsectech, Infosys, EXL, WNS and Wipro have entered or are actively considering establishing operations in the Philippines.

Upcoming developments are significantly committed, with substantial space often pre-committed before construction begins. Projections show that up to 70% of upcoming office space is likely to be taken up by BPO companies. Cebu City is emerging as a centre for BPO and non-BPO companies from the financial services sector, which see it as the service hub for the Visayas region.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
5132 Building Northgate Cyberzone	Alabang CBD	101,276	Genpact
Citibank Tower	Makati CBD	22,055	Deltek Inc.
Wynsum Corporate Plaza	Ortigas CBD	13,422	Re:Source Partners Inc.

** The figures refer to the Makati CBD area only.*

SINGAPORE

MONTHLY RENTAL : S$ 12.6 psf (+16.7%, Q-o-Q) | **GRADE A VACANCY RATE : 0.3% (-0.2% pts, Q-o-Q)** | **GRADE A NEW SUPPLY : 0 SF (Q3 07)**

With rents at record levels there is increasing tenant resistance to rental hikes, and occupiers are more prepared to explore lower cost locations and consider relocating to business parks or high-tech space.

The government reacted to escalating office costs and the strong demand for office space by offering more sites for sale under the Government Land Sales (GLS) programme in the second half of 2007. However the time lag before any additional supply comes on stream will do little to ease the present situation.

At the end of August, full potential supply (the aggregate of known private sector project supply, awarded GLS sites as well as potential supply from expected future land sales) amounted to 10.8 million sf for 2007-2012. This reflects an increase of 147% from the potential supply of 4.4 million sf identified at the beginning of 2007, and works out to an average annual supply of 1.8 million sf for the next six years, exceeding the average supply of 1.5 million sf per annum over the past decade. An estimated 788,000 sf will come on stream in 2008, while the majority of the new space will enter the market in 2010-2011.

Based on projected average annual take-up of 1.6 million sf for 2007-2012, even if full potential supply materialises we anticipate relative equilibrium between supply and take-up over this period, with occupancy levels expected to remain in the range of 91% to 95%.

Several sizeable pre-commitments by companies in the banking and insurance sectors are expected over the next two quarters. On the supply side, the government's reaction to the changing dynamics in the office market has been measured thus far, but office demand trends bear close watching in the present economic environment and landlords, tenants and policy-makers will be keeping an attentive eye on the market.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
135 Cecil Street	Shenton Way	32,000	State Bank of India
Marina Bay Financial Centre (Phase 1)	Marina Bay	22,000	Wellington International
Novena Square Tower A	Novena / Thomson	14,000	Energy Market Company Pte Ltd

Note: CBRE Research Singapore conducted a review on the gradation of office buildings and revised the office property basket in the first quarter of 2007 accordingly.

THAILAND BANGKOK

MONTHLY RENTAL :	VACANCY RATE :	NEW SUPPLY :
THB 739 psm (0.0%, Q-o-Q)	6.2% (-0.7% pts, Q-o-Q)	0 SF (Q3 07)

With the approval of a new constitution by referendum in August, and the military government's promise of an election in December 2007, improvement in the political situation looks possible; though businesses are likely to delay expansion plans until after the election.

The number of office enquiries, a key demand indicator, declined 30% q-o-q and 27% y-o-y in the third quarter, with most enquiries concerning for small space, indicating that large expansion plans remained on hold. The stock of Grade A office space in the CBD remained at 14.1 million sf during the quarter, making it the sixth consecutive quarter without new supply.

Net take-up of Grade A CBD space dropped from 135,283 sf in the second quarter to 81,297 sf in the third, a decrease of 40% q-o-q, but an increase of 35% y-o-y (the military coup occurred in September 2006). Nevertheless, the limited supply provided some support for rents and the vacancy rate remained stable in the third quarter.

Rents remained flat, at an average of THB 739 psm (US$1.99 psf) per month in the third quarter. Grade A CBD vacancy was estimated at 6.5% in the third quarter, reflecting a slight tightening.

However downward pressure on rents is likely to increase in the fourth quarter as the 400,000-sf Grade-A Athenee Tower enters the market. The building may attract occupiers looking for prime space at low prices ahead of the potential economic resurgence that could follow successful elections and a return to political stability, spurring business and consumer confidence. If confidence improves, the market could see significantly higher take-up levels and a return to rental growth.

Additional new supply is expected in 2008, with 1.45 million sf of new Grade A supply scheduled to come on stream in the CBD over the course of the year, and an additional 0.91 million sf in 2009.

MAJOR LEASING TRANSACTIONS IN Q3 2007

Property	District	Size (sf)	Tenant
Rasa II	Phaholyothin	14,945	TATA Steel

VIETNAM HO CHI MINH CITY

MONTHLY RENTAL :	VACANCY RATE :	NEW SUPPLY :
US$40.0psm (0.00%, Q-o-Q)	0 (+0 pts, Q-o-Q)	0 SF (Q3 07)

HCMC office rents have increased rapidly since early 2007 as demand continues to increase and construction delays push back new supply. Grade A office rents averaged US$50 psm (US$5.38 psf) per month (net lettable area) excluding service charge and VAT in September 2007, an increase of 33% q-o-q. Tenants negotiating lease renewals in prime office buildings have been faced with the choice of renewing their contracts with much higher rents or relocating to buildings offering lower rents, often in secondary locations.

Space becoming available in prime office buildings has been immediately leased by companies prepared to pay open market rents, and there has been fierce competition among companies vying for prime CBD office locations.

A number of MNCs and large local corporations have decided to lease land and develop purpose-built headquarters. Leading local insurance company Bao Viet will do so in District 1, while Manulife and Unilever have opted for decentralised locations in Phu My Hung, District 7. The Manulife facility has been completed and the Bao Viet and Unilever projects are expected to come on stream in 2008. Other companies are likely to follow suit if the self-development track successfully accelerates the construction process.

In the short term, the HCMC office market will continue to suffer from limited supply amid strong demand, as a number of office developments scheduled to open in 2008 will be wholly or partly owner-occupied, while other large-scale developments under construction are unlikely to be completed on schedule. The resulting delay in new supply will place further upward pressure on Grade A office rents. Amid strong and increasing demand, this trend is expected to continue until significant supply of Grade A space comes on stream.

PRIME OFFICE PROPERTIES

Modern office facilities with exceptional accessibility and a definite market presence along with high-quality standard finishes; state-of-the-art systems, flexible layout and large floor pates; effective central air-conditioning; good management and parking facilities are normally available.

TOTAL OCCUPANCY COST

Total occupancy cost reflects all costs of occupancy, including base rent and other occupancy-related expenses such as service charges/ management fees, property taxes and the opportunity cost of any large deposit paid to landlords on the commencement of the lease term. This corresponds to "inclusive" rents in most of the Asian markets or "gross" rents in the Australia/New Zealand markets.

For comparison purposes and taking into the account the differences in space measurement and rent quotation in various markets in the Asia Pacific region, the total occupancy cost figures in our publication are calculated on a net lettable area basis and are quoted in terms of US dollars per square foot on a per month basis.

RENT - LOCAL CURRENCY / MEASURE

The rent quoted is usually the typical "achievable" rent for a unit in a Grade A office building in a prime location. **Rents are expressed as headline rent, without accounting for any tenant incentives which may be necessary to achieve it.**

Rents are stated in the local currency and prevailing unit of measure, as well as in those terms - gross or net, inclusive (including management fees and/or property taxes) or exclusive (excluding management fees and property taxes) - that are customarily employed in the respective market.

GROSS FLOOR AREA

Gross Floor Area shall include all areas contained within the external walls at each floor level and the whole thickness of the external walls.

In general, mechanical and electrical services rooms, refuse chambers and rooms, water tanks, car parking floors and all lifts and staircases passing through these floors shall be excluded from the Gross Floor Area calculation.

INTERNAL FLOOR AREA

Internal Floor Area shall be measured to the internal finish of structural, external and / or party walls. All common areas such as toilets, lift lobbies, plant rooms, stairs and corridors are excluded.

LETTABLE AREA

The Lettable Area of whole floors shall include toilets and lift lobbies but exclude common areas such as lift shafts, stairs, plant rooms and smoke lobbies.

Lettable Area for sub-divided units shall be the Saleable Area of that unit plus a proportionate share of the communal toilets, lift lobbies and passageways among sub-divided units on that floor.

SALEABLE AREA

The Saleable Area of a unit is measured up to the centre line of the wall separating adjoining units. The full thickness of the walls separating the units from common areas, lift shafts, light wells, staircases, etc. is included.

NET FLOOR AREA

Net Floor Area shall exclude all common areas such as common corridors, stairs, lift lobbies, toilets and plant room. It shall be measured from the centre of the enclosing external and /or party walls.

SEMI-GROSS FLOOR AREA

Semi-Gross Floor Area equates to Net Floor Area plus proportion of the common areas and lift lobbies for each relevant floor.

Net TAKE-UP

Net take-up figures represent the net increase in occupied floor space in the period. The figures are arrived at using the following method:

Net take-up = New Completions
\+ Vacancy figures at the beginning of period
– Demolition
– Vacancy figures at period-end

	Definition of Prime Office Markets	Leasing Practices in Local Markets
INDIA		
Bangalore	The Bangalore CBD refers to the City of Bangalore which comprises MG Road and its immediate environs including Residency Road, Richmond Road, Ulsoor, St. Marks Road and K.B. Road.	The market practices in these three Indian cities are generally the same. The efficiency rate of Grade A office properties in India is around 75%. Rents are quoted on a gross floor area basis, in Rupees psf per month, exclusive of service charges.
Mumbai	The traditional office sub-markets are situated in South Mumbai around Nariman Point and Ballard Estate, but new office sub-market areas are emerging in Bandra Kurla Complex, Malad and Andheri.	
New Delhi	The central New Delhi CBD area comprises all commercial developments in and around Connaught Place, which is the traditional prime office sub-market. New office sub-markets are emerging in suburban areas like Gurgaon.	
INDONESIA Jakarta	The central business district, namely Jakarta's Golden Triangle, comprises five major sub-markets, including Jl. MH Thamrin, North Jl. Jend. Sudirman, South Jl. Jend. Sudirman, Jl. HR Rasuna Said and Jl. Gatot Soebroto.	Rents are quoted on a semi-gross floor area basis (85% efficiency), in IDR psm per month, excluding monthly service charges and government taxes. Prices are quoted on a saleable floor area basis.
JAPAN Tokyo	The Central Five Wards, where the majority of prime office property in Tokyo is located, are collectively referred to as the central business district of Tokyo, comprising Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku.	The market covered in this publication refers to the Central Five Wards of Tokyo. Rents in the Tokyo office market are asking rents quoted by landlords to brokers or the public. The rents are quoted in local currency per tsubo per month excluding consumption tax and are calculated on an internal floor basis. One "tsubo" is equal to approximately 3.3 sm (i.e. 35.58 sf), which is equivalent to two tatamis. Service charges are referred to as "common area maintenance fees" and they are usually paid in addition to the base rent.
MALAYSIA Kuala Lumpur	The Kuala Lumpur office market is defined by the Kuala Lumpur Central Area (KLCA) and Kuala Lumpur Metropolitan (KLM). The KLCA comprises areas generally within the central business district while the KLM comprises major suburban areas located at the city fringe areas.	Rents are quoted in RM psf per month on net lettable area, including services charges and property taxes.
PHILIPPINES Manila	The premier central business district in Manila is Makati, which is one of the two major business districts in Metro Manila.	Rents are quoted in PHP psm per month on lettable area basis. Prices are based on saleable floor area.
PRC		
Beijing	Prime office properties in Beijing are concentrated in four main districts: the Jianguomenwai CBD in Chaoyang; Wangfujing/Chang'an East Avenue in Dongcheng; Zhongguancun in Haidian and the Fuchengmenwai/ Fuxingmen Finance Street areas in Xicheng.	Office rents in these three Chinese cities are quoted in RMB psm per month, excluding management fees/service charges as well as incentives offered by the landlord.
Shanghai	Prime office properties are found in both the Puxi and Pudong areas. In Puxi, prime office properties are concentrated in the Huangpu, Jingan and Luwan districts along Nanjing West and Huai Hai Middle roads. In Pudong, prime office properties are mainly clustered in Lujiazui, Shanghai Commercial City and the Zhuyuan Commercial and Trade Zone.	In Beijing, Shanghai and Guangzhou rents and prices are quoted in terms of gross floor area.
Guangzhou	Prime office properties in Guangzhou are concentrated in the Tianhe and Yuexiu districts. In Tianhe, prime office properties are located in both Tianhe Sports Centre and Pearl River New City. In Yuexiu, prime office properties are clustered along Huanshi East Road, Dongfeng Road and Zhongshan Road.	
Hong Kong	Prime office districts in Hong Kong are situated along both sides of Victoria Harbour, comprising Central, Wan Chai, Causeway Bay and Tsim Sha Tsui.	In the general market, rents are quoted in HK$ psf per month on either net, lettable or gross basis, excluding management fees, taxes, government rents and incentives. For the purpose of publication, rental figures provided in this report are based on net floor area. Prices are quoted psf on a gross basis.

	Definition of Prime Office Markets	Leasing Practices in Local Markets
SINGAPORE	Singapore comprises an islandwide office market of which 90% of office space is located in the Central Region, with the remainder located in the city's outlying regional centres.	The gross rent, based on the net floor area, comprises the base rent plus service charge and is payable either monthly or quarterly in advance. The service charge is an amount to be paid by the tenant to the landlord for providing specified services to the premises including lift maintenance, common area cleaning, security and air-conditioning during normal office hours, just to name a few. The amount varies from building to building. For office buildings, the service charge ranges between S$1.00 and S$1.30 psf per month. Most leases provide that the service charge may be adjusted at any time during the lease term if the cost of providing the specified services to the building increases.
SOUTH KOREA Seoul	There are three major office districts in Seoul, including CBD in Chung Gu, Gangnam and Yeouido.	Rents are quoted in Won per pyung per month, measured on a net floor area basis. "Pyung", which is the same as "tsubo" and "ping", is equivalent to 3.3 sm (i.e.35.58 sf). The typical efficiency of Grade A office buildings is around 65%. Usually, a substantial rental deposit is payable at the commencement of the lease and this may impact on the effective rent.
TAIWAN Taipei	In Taipei, prime office sub-markets are situated in areas near the Taipei Main Station (TMS), along Zhongshan North Road (ZNR), and in Nanjing-Songjiang Area (NJA), Minsheng-Dunhua Area (MDA), Dunhua-Renai Area (DRA), and Xinyi-Jilong Area (XJA) in central Taipei City.	The local unit of measurement is the "ping", which is the same as "tsubo" and "pyung", and is equivalent to 3.3 sm. Rents and prices are quoted in NT$ on a gross floor area basis.
THAILAND Bangkok	The Central Business District in Bangkok incorporates the Silom, Sathorn, early Sukhumvit and Lumpini sub-markets.	Rents are quoted in THB psm per month on internal floor area basis, including service charges and household taxes. Prices are also quoted on an internal floor area basis in local currency.
VIETNAM Ho Chi Minh City	The Central Business District in Ho Chi Minh City is District 1.	Rents are quoted in US$ psm per month on the net floor area, including service and management charges but excluding 10% VAT.

CBRE
CB RICHARD ELLIS

ASIAN OFFICE MARKET FLASH

Q3 2007

Hong Kong
34/F Central Plaza
18 Harbour Road, Wanchai
Hong Kong
Telephone: (852) 2820 2800
Facsimile: (852) 2810 0830

Suite 2109-12, 21/F
Sun Life Tower, The Gateway,
15 Canton Road, Tsimshatsui
Kowloon, Hong Kong
Telephone: (852) 2820 8100
Facsimile: (852) 2521 9517

Beijing
Suite 1203-1205, 12/F, Tower A
Beijing Fortune Plaza
7 Dong San Huan Middle Road
Chaoyang District, Beijing 100020
People's Republic of China
Telephone: (86) 10 5820 9288
Facsimile: (86) 10 5820 9088/9188

Shanghai
Suite 3201, 3203-3206
32/F, K. Wah Center
1010 Huai Hai Middle Road
Shanghai 200031
People's Republic of China
Telephone: (86) 21 2401 1200
Facsimile: (86) 21 5403 7519

Suite 1004, 10/F, Azia Center
1233 Lu Jia Zui Ring Road
Shanghai 200031
People's Republic of China
Telephone: (86) 21 2401 1200
Facsimile: (86) 21 5047 1171

Guangzhou
Suite 1401-1402,
Guangzhou International Electronics Tower
403 Huan Shi East Road
Guangzhou 510095
People's Republic of China
Telephone: (86) 20 2883 9200
Facsimile: (86) 20 2883 9248

Shenzhen
Suite 2404-05
Excellence Times Square Building
Yi Tian Road, Futian District
Shenzhen 518048
People's Republic of China
Telephone: (86) 755 3395 3700
Facsimile: (86) 755 2399 5370

Hangzhou
Suite 1201, 12/F, North Tower
Anno Domini Plaza, 8 Qiu Shi Road
Hangzhou 310013
People's Republic of China
Telephone: (86) 571 2880 6818
Facsimile: (86) 571 2880 8018

Chengdu
Suite 704A-706, Office Tower at
Shangri-La Centre Chengdu, Block B
9 Bin Jiang East Road, Chengdu 610021
People's Republic of China
Telephone: (86) 28 8447 0022
Facsimile: (86) 28 8447 3311

Tianjin
Suite 903, Tower A, The Exchange
189 Nanjing Road, Heping District
Tianjin 300051
People's Republic of China
Telephone: (86) 22 8319 2178
Facsimile: (86) 22 8319 2180

Dalian
Suite 2104, 21/F
Tian An International Tower
88 Zhongshan Road
Zhongshan District, Dalian 116001
People's Republic of China
Telephone: (86) 441 3980 5855
Facsimile: (86) 441 3980 5866

Qingdao
Suite 401-404, Crowne Plaza Qingdao
76 Hong Kong Middle Road, Shinan District
Qingdao 266071
People's Republic of China
Telephone: (86) 532 8077 7286
Facsimile: (86) 532 8077 7267

Taipei
13F/A, Hung Tai Center
170 Tun Hua North Road
Taipei 105, Taiwan
Telephone: (886) 2 2713 2266
Facsimile: (886) 2 2712 3065

Singapore
6 Battery Road #32-01
Singapore 049909
Telephone: (65) 6224 8181
Facsimile: (65) 6225 1987

Tokyo, Japan
5/F, Shuwa Daiichi Hamamatsucho Building
2-2-12 Hamamatsucho, Minato-ku
Tokyo 105-0013, Japan
Telephone: (81) 3 5470 8711
Facsimile: (81) 3 5470 8715

1/F, Shuwa Daiichi Hamamatsucho Building
2-2-12 Hamamatsucho, Minato-ku
Tokyo 105-0013, Japan
Telephone: (81) 3 5470 8800
Facsimile: (81) 3 5470 8801

**20 offices throughout Japan*

Seoul, Korea
12/F, SC First Bank Building
100 Gongpyeong-dong, Jongno-gu
Seoul, Korea 110-702
Telephone: (822) 2170 5800
Facsimile: (822) 2170 5899

New Delhi, India
G/F P.T.I Building
4 Parliament Street
New Delhi 110 001, India
Telephone: (91) 11 4239 0200
Facsimile: (91) 11 2331 7670

Mumbai, India
#5, 3/F Tower C, Laxmi Towers
G-block, Bandra Kurla Complex
Bandra (E), Mumbai 400 051, India
Telephone: (91) 22 4069 0200
Facsimile: (91) 22 2652 7655

Bangalore, India
3/F The Hulkul
81/37 Lavelle Road
Bangalore 560 001, India
Telephone: (91) 80 4112 1240-49
Facsimile: (91) 80 4112 1239

Chennai (Madras), India
2H, 2/F Gee Gee Emerald 2C & 2D
151 Village Road, Nungambakkam
Chennai 600 034, India
Telephone: (91) 44 2821 4599/4571
Facsimile: (91) 44 2821 4607

Hyderabad, India
Eden Garden 8-2-595/3/5
Road No.10, Banjara Hills
Hyderabad 500 034, India
Telephone: (91) 40 2335 8887/6683 4446
Facsimile: (91) 40 2335 8886

Pune, India
705-706, 7/F Nucleus, Church Road
Pune 411 001, India
Telephone: (91) 20 2605 5437/5367
Facsimile: (91) 20 2605 5405

Jakarta, Indonesia
7/F Permata Bank Tower I
Jalan Jenderal Sudirman Kav. 27
Jakarta 12920, Indonesia
Telephone: (62) 21 523 7337
Facsimile: (62) 21 523 7227

Manila, Philippines
Suite 1002-1005, 10/F
Ayala Tower One & Exchange Plaza
Ayala Avenue, Makati City
Metro Manila 1226, Philippines
Telephone: (632) 752 2580
Facsimile: (632) 752 2571

Cebu, Philippines
3/F, i2 Building
Asiatown I.T. Park, Lahug
Cebu City, Philippines 6000
Telephone: (632) 238 4211

Bangkok, Thailand
46/F, CRC Tower, All Seasons Place
87/2 Wireless Road
Lumpini, Pathumwan
Bangkok 10330, Thailand
Telephone: (66) 2 654 1111
Facsimile: (66) 2 685 3300-1

Phuket, Thailand
12/9 Moo 4, Thepkrasattri Road
Kohkaew, Muang
Phuket 83000, Thailand
Telephone: (66) 76 239 967
Facsimile: (66) 76 239 970

Samui, Thailand
3/6 Moo 1, Baan Bophut-Plailaem Road
Bophut, Koh Samui
Surat Thani 84320, Thailand
Telephone: (66) 77 430 737
Facsimile: (66) 77 430 740

Pattaya, Thailand
306/96-97 Moo12, Thappraya Road
Nongprue, Banglamung,
Chonburi 20150, Thailand
Telephone: (66) 38 364 969
Facsimile: (66) 38 364 963

Hanoi, Vietnam
Floor 12A, Vincom City Tower B
191 Ba Trieu Street
Hanoi, Vietnam
Telephone: (844) 220 0220
Facsimile: (844) 220 0210

Ho Chi Minh City, Vietnam
Suite 1301, Me Linh Point Tower
2 Ngo Duc Ke Street, District 1
Ho Chi Minh City, Vietnam
Telephone: (848) 824 6125
Facsimile: (848) 823 8418

Contribution from
CH Williams Talhar & Wong
32nd Floor, Menara Tun Razak
Jalan Raja Laut, P.O. Box 12157
50768 Kuala Lumpur
Malaysia
Telephone: (603) 2693 8888
Facsimile: (603) 2693 6655/6565

CBRE
CB RICHARD ELLIS