



REGIONAL RESEARCH
APRIL 2005

COLLIERS INTERNATIONAL

Asia Pacific Office Market Overview



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REGIONAL OVERVIEW

**Corporate Profitability Spurs
Upgrading and Relocation**

Sound economic growth in the region continues and the positives experienced in 4Q 2004 have spilled over into 1Q 2005. This optimism is gradually translating into an increase in demand for quality office space across the board. The bulk of MNCs proceeded with their expansion plans after seeing a good year of profitability in 2004, and more importantly the sustained volume of business growth in the beginning of 2005. In addition, local companies have also been boldly upgrading to better and larger premises in anticipation of growing business needs. Despite the recent interest rate hikes, there is a spate of companies preferring to own their office premises rather than opting to lease, particularly when the weighted cost of capital is significantly lower than the expected return.

**Absorption Far Exceeds
New Supply**

In general, prime office rentals have been edging up amid a steady decline of new stock. The growth rate of rentals was phenomenal for individual markets currently experiencing a dearth of new supply. In the greater China region, Hong Kong, Shanghai and Taipei all performed well with the overall absorption rate far exceeding the available supply in the market during 1Q 2005. In Australia, signs of sustained recovery emerged and more MNCs moved towards taking on more quality office space. The markets in Auckland and Wellington continued to follow an upward trend thanks to the pro-active demand from the public sector.

**Keen Buying Interests
by Institutions**

China remains under the investment spotlight. Institutional players are still keenly strengthening their positions in key Chinese cities in view of the exciting economic growth over the medium term. Notable investment transactions concluded during 1Q 2005 include the acquisition of Central International Trade Centre (1,141,000 sq ft) by **CapitaLand** in Beijing and the purchase of Xin Mao Tower (346,000 sq ft) by **Macquarie Global Property Advisors Limited** in Shanghai.

Yields Compression

Other markets in the region also exhibited buoyant investment demand for quality offices because of the sustained positive environment. Real estate investment funds in Japan are seeking to acquire prime office buildings for net yields as low as 3.8% to 4.3%. In Singapore, the investment market was encouraged by the introduction of a number of incentives including the 5-year waiver on stamp duty for real estate investment trusts.

**Occupational Demand
Looks Strong**

Going forward, the occupational demand for quality offices in the region remains rosy. MNCs are generally recruiting and feel confident enough to expand and upgrade their premises to achieve additional productivity and efficiency gains. On the investment front, institutional investors are anticipated to remain active with an abundance of liquidity in the marketplace chasing limited quality stock. It seems the countering scenario of future interest rate rises over the next twelve months is not enough to dampen current market optimism.

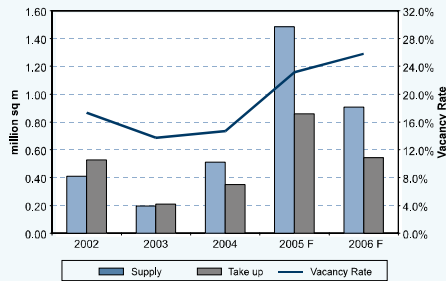


CHINA

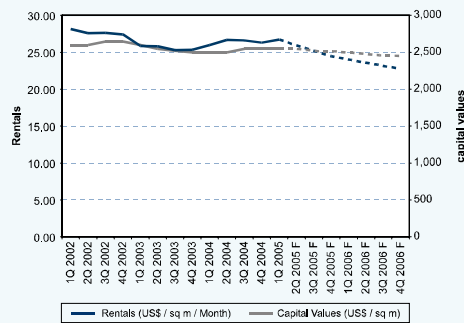
Beijing

- Prime office rents grew mildly by 2% QoQ to an average of US\$26.73 per sq m per month during 1Q 2005 amid modest growth in demand.
- Due to the completion of a spate of new buildings and the traditional slow season in 1Q 2005, the average vacancy rate edged up by 3 percentage points to 18%.
- Overseas investors continue to snap up good quality office buildings. **CapitaLand** for example purchased two blocks of Central International Trade Centre with a total of 106,000 sq m while Morgan Stanley acquired 30,000 sq m at Block B of R&F Twins Tower.
- In 2005, the level of new office supply is forecast to increase by nearly two fold to 1.5 m sq m, pushing vacancy to over 23%. Rentals are therefore predicted to drop by about 10% over the next 12 months. Capital values might remain flat due to steady investment flows.

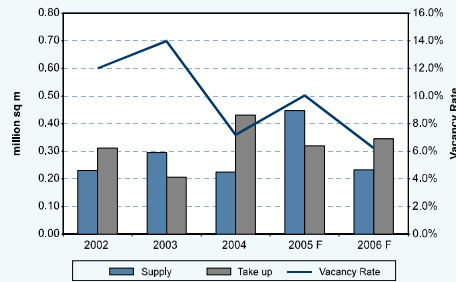
Beijing Office Supply, Take-up & Vacancy Rate



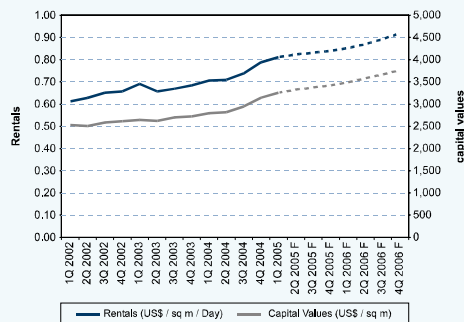
Beijing Office Capital and Rental Values



Shanghai Office Supply, Take-up & Vacancy Rate



Shanghai Office Capital and Rental Values



MAJOR TRANSACTIONS

Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
China Resources	L	Jun He Law Office	18,300
NCI Tower	L	Apple Computer	43,100
NCI Tower	L	Olympus	29,100
Central International Trade Centre	L	Zhongyue Group	14,000
Central International Trade Centre	S	CapitaLand	1,141,000
R&F Twin Towers	S	Morgan Stanley	322,900

Shanghai

- With a net absorption of 72,000 sq m prime office space and a mild increase in newly completed space at 62,000 sq m in 1Q 2005, the average vacancy edged down further from 7.2% in 4Q 2004 to 6.7% at the end of 1Q 2005.
- Average office rent rose by 2.8% QoQ to US\$0.81 per sq m per day due to the keen demand for prime office buildings. The sub-markets in Puxi CBD, Huangpu, Jing'an, Luwan and the fringe of Huaihai Road in Xuhui saw the most significant gains in 1Q 2005.
- Thanks to the keen buying interests from foreign investors, capital values of prime office buildings increased 3.5% QoQ to an average of US\$3,260 per sq m at the end of 1Q 2005. Office investment yields edged down from 7.7% in late 2004 to 7.5% in 1Q 2005. The latest landmark transaction was the acquisition of Xin Mao Tower near Xintiandi by **Macquarie Global Property Advisors Limited** for US\$100 m in February 2005.
- In anticipation of sustained investment demand, office rentals and capital values are predicted to rise by about 5% and 7% respectively over the next 12 months. Investment yields are going to fall to 7.3%.

MAJOR TRANSACTIONS

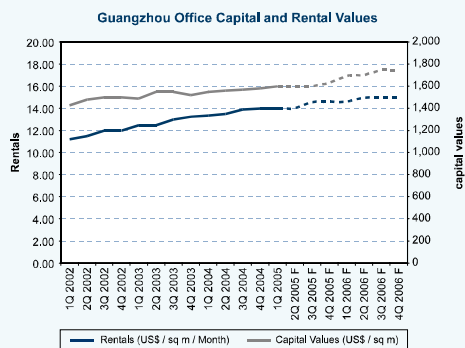
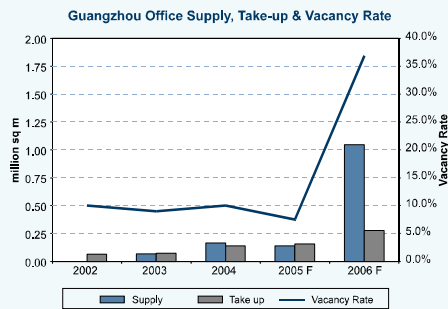
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
Xin Mao Tower	S	Macquarie Global Property Advisors	468,100
Maersk Logistics	L	Tian An Center	107,600
Azia Center	L	Bank of Tokyo-Mitsubishi	86,100
Grand Gateway	L	Adidas	53,800
Azia Center	L	DBS Bank	43,100
Pos Plaza	L	Panalpina China	33,400



CHINA

Guangzhou

- Encouraged by the 15% YoY economic growth in 2004 and strong investment flows, demand for Grade A offices remained buoyant in 1Q 2005.
- Average office rents stayed largely flat at US\$13.98 per sq m as at the end of 1Q 2005.
- Leasing demand attributed to MNCs remained active. **Sharp** and **Yusen Shenda Air & Sea Service (Shanghai) Limited** for example took 500 sq m and 400 sq m respectively in Centre Plaza.
- In anticipation of a decline of new supply and a growing demand over the next 12 months, the vacancy rate is projected to drop from the current 12% to 8% by the end of 2005
- On the back of buoyant investment sentiment and growing MNC demand for leasing space, both rental and capital values are predicted to stage moderate growth of 5-10% over the next 12 months.



MAJOR TRANSACTIONS

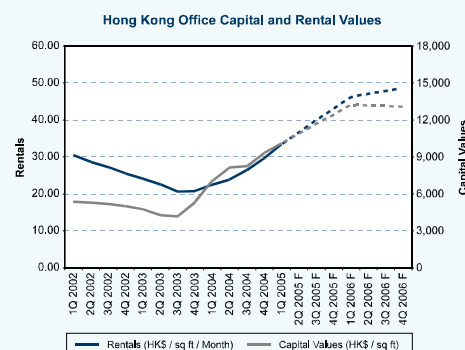
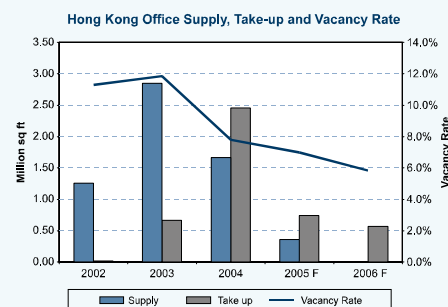
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
Centre Plaza	L	Sharp Corporation	5,400
Centre Plaza	L	Yusen Shenda AIR&SEA Service (Shanghai) LTD.	4,300



HONG KONG

Hong Kong

- Due to buoyant finance and insurance sectors and the continued decline in quality stock, Grade A office rents grew 17% QoQ in 1Q 2005
- Primarily driven by the strong absorption in Central, the average vacancy rate in the Grade A sector edged further down to 7.42% in 1Q 2005 (4Q 04: 7.90%).
- Individual companies have been prompted to consolidate their space in decentralized areas with more alternatives and a wider range of floor areas. For example, **TESCO** consolidated their various offices in Kowloon and Admiralty to a 37,000 sq ft office in Island East.
- With decentralization and expansionary needs amongst major tenants, the Grade A office sector is expected to pick up momentum with rentals anticipated to rise 40% over the next 12 months.



MAJOR TRANSACTIONS

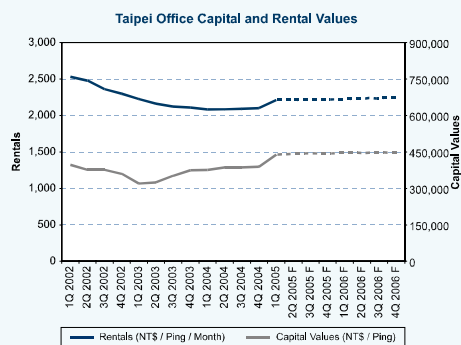
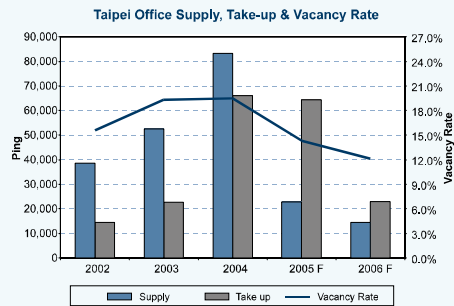
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
Pacific Place, Queensway	L	Deloitte	100,000
China Resources Building, Wan Chai	L	Orbotech Pacific Ltd	10,400
Manulife Plaza, Causeway Bay	L	Caterpillar China Ltd	10,300
Mass Mutual Tower, Wan Chai	L	Noble Group Limited	37,700
Cityplaza One, Quarry Bay	L	HSBC	78,000
Devon House, Quarry Bay	L	TESCO	37,000
8 Wyndham Street, Central	S	Nan Fung	97,700
Fullcorp Centre, Tsim Sha Tsui	S	Local developer	49,000



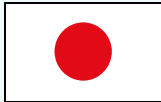
TAIWAN

Taipei

- On the back of steady economic growth and buoyant demand from both local and foreign companies, prime office rents rosed by about 5% QoQ to an average of NTD2,212 per ping per month as at the end of 1Q 2005.
- Brand-new Taipei 101, with its 60,000 ping (198,000 sq m) floor area, displayed a satisfactory overall absorption rate. It is reported that a total of 18,000 ping was committed by tenants including Taiwan Stock Exchange Corporation, Bayer Taiwan and Royal Gold.
- In anticipation of further growth in the local office market, both foreign and local companies acquired quality buildings for either end-user or investment purposes. For example, Anhon Corporation, a major local company engaged in education and construction, recently acquired Ruentex Financial Building for NTD1.125 billion in 1Q 2005.
- The steady office market in Taipei is expected to gradually edge up over the next 12 months. Vacancy is predicted to fall while the sub-market at Hsin-Yi will see the most significant improvement.



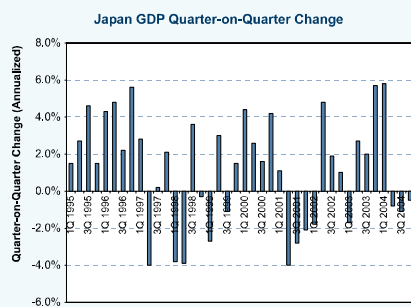
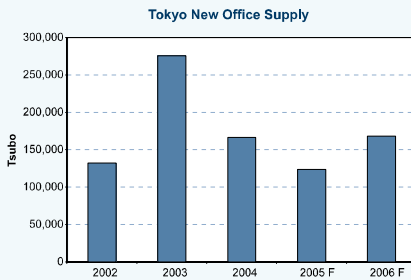
MAJOR TRANSACTIONS			
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
JhongShan-JingHua Building (Funding construction & Development Co.)	S	E,Sun Bank	108,900
Ruentex Tower	S	Anhon Corporation	92,900
Taipei 101	L	Taiwan Stock Exchange Corp.	142,300
Taipei 101	L	Bayer Taiwan	56,900
Taipei 101	L	Royal Gold	53,400



JAPAN

Tokyo

- After several quarters of weak growth, the local economy showed signs of strengthening in IQ 2005. A trend of trade-up demand for offices emerges as tenants opt for better and larger space in central locations amid a general increase in head counts.
- For example, **Nikkei BP** has taken 13,000 sq m space at NBF Platinum Tower while **Merck/Banyu** recently leased 17,000 sq m at Kudan Kita Project. Due to the lower level of new completion in 2005, options for large relocations will be fewer this year.
- Rents have been firm in IQ 2005 and are expected to remain so for at least the next two quarters. Vendors of better quality buildings continue to enjoy higher occupancy rates.
- Investment demand remains strong as indicated by the keen competition for quality office assets and a decline in capitalization rates in IQ 2005. Some real estate investment funds offer to acquire quality buildings for net yields as low as 3.8 – 4.3%.



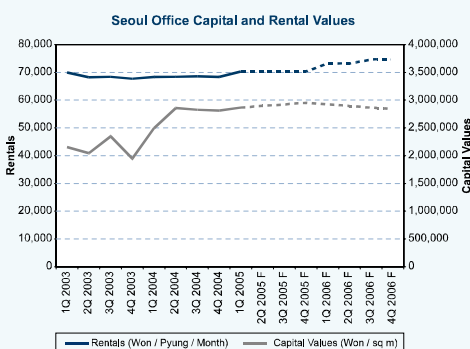
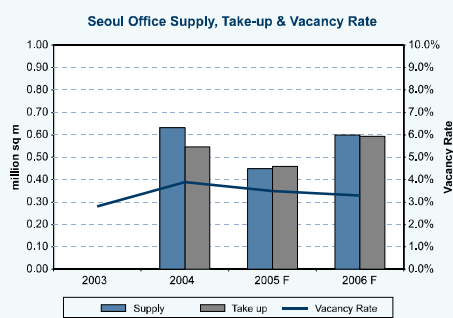
MAJOR TRANSACTIONS			
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
Kudan Kita Project	L	Merck/Banyu	183,000
NBF Platinum Tower	L	Nikkei BP	140,000
Ark Yagi Hills	L	Reins International	64,600
Shinsen Daiichi Seimei	L	Parco	53,820
Nihonbashi Tornare	L	Kureha Kagaku	53,820



SOUTH KOREA

Seoul

- The prevailing economic recovery remained uninspiring and continued to be undermined by the high levels of personal debt. There were however signs of improvement in consumer sentiment in early IQ 2005.
- Despite the rise in vacancy and the fact that rent-free periods were offered for the first time in Yoido and the CBD areas, rentals continued to edged up in IQ 2005. CBD rentals increased 3% to KRW70,452 per Pyung per month.
- With the buoyant investment demand for commercial real estate and the limited supply of stock, the average office capital value in the CBD area increased 2% to KRW2,870,280 per sq m in IQ 2005. One of the major sale transactions was the disposal of Star Tower in Kangnam to **GIC**.
- The office market is predicted to stage very steady growth and the average vacancy is projected to come down to 3.3% by late 2005. Rental and capital values will grow further by 2-4% over the next 12 months.

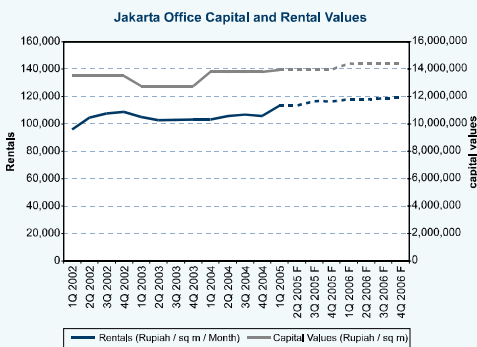




INDONESIA

Jakarta

- Demand for prime office buildings in the CBD remained active and the bulk of the transactions involved companies upgrading to better quality premises.
- Average office rent increased by 7% QoQ to Rp113,268 per sq m per month as at the end of IQ 2005. The recent increase in maintenance fees by about 10% also contributed to an increase in total occupation costs for tenants.
- With only a marginal increase in the level of new supply in 2005 and growing demand for upgrading and expansion, the overall vacancy of quality office space is predicted to drop by just one percentage point to 16% over the next 12 months. Office rents are forecast to increase by about 5% during the period.
- Beside the CBD, TB Simatupang located in South Jakarta will continue to be the prime focus for tenants searching for quality offices outside the CBD.



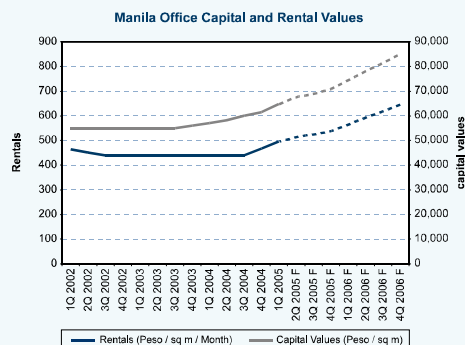
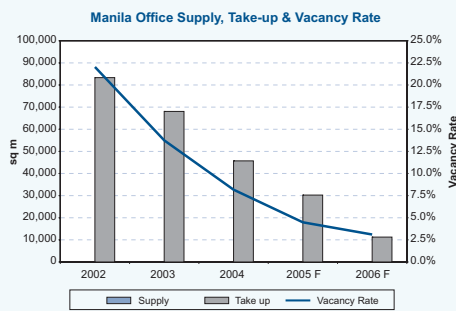
MAJOR TRANSACTIONS			
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
Menara Thamrin (CBD)	L	PT. Leo Burnett Kreasindo Indonesia	13,900
Wisma Standard Chartered (CBD)	L	PT. Jasa Cita (Castle Asia)	2,600
Gedung Arthaloa (CBD)	L	PT. Bahana Syso Utama	1,200
Wisma Nugra Santana 10th floor (CBD)	L	Ingram Micro Asia Ltd	1,000
Mayapada Tower (CBD)	L	PT. BWL Indonesia	2,700



PHILIPPINES

Manila

- The total stock of quality offices in Makati CBD remained steady in IQ 2005. Two Grade B buildings, namely the People Support Center and Convergys, will be completed by 2005 but they only contribute 30,100 sq m, about 1% of the total stock.
- On the back of sustained demand attributed to call centers and the financial sector, CBD-wide office vacancy edged further down from 9.5% in late 2004 to 9.1% in the end of IQ 2005.
- Office rents in Makati CBD continued to grow for the 5th consecutive quarter in IQ 2005 to reach an average of P495 per sq m per month, representing 6% QoQ growth. One of the most significant transactions was **Deutsche Bank** taking 2,888 sq m at Enterprise Center.



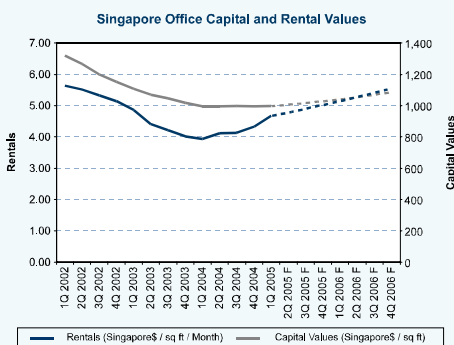
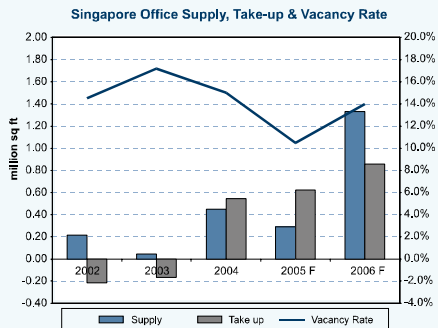
MAJOR TRANSACTIONS			
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
Enterprise Center	L	Deutsche Bank	31,100
RCBC	L	South African Embassy	10,800
RCBC	L	Global Exchange	37,700
PBCom	L	Wireless Asia	7,500
RCBC Plaza	L	GEX	36,600
RCBC	L	Intellirisk	10,800



SINGAPORE

Singapore

- One of the most significant investment transactions in 1Q 2005 was the acquisition of the 200,633 sq ft HSBC Building by **CapitaCommercial Trust**. The investment market is expected to be more active due to the introduction of a number of incentives e.g. 5-year waiver on stamp duty for acquisitions for the purpose of real estate investment trust.
- The office leasing market continued to be driven by the relocations of financial institutions and legal firms to newer premises. For example, **Khattar Wong & Partners** will be relocating from UOB Plaza I to the newly retrofitted MacDonald House where the firm has recently leased 33,000 sq ft floor area.
- Prime office rents picked up momentum again and the average rent at Raffles Place surged 8% QoQ to S\$4.67 per sq ft per month as at the end of 1Q 2005.
- Looking ahead, the major market worry remains the massive increase in new supply during 2005 – 2006, which will expand the existing Raffles Place Grade A stock by 24%. However, at only 9 million sq ft, there is still room for more Grade A office space in the market to cater to the growing needs of financial institutions and corporate firms.



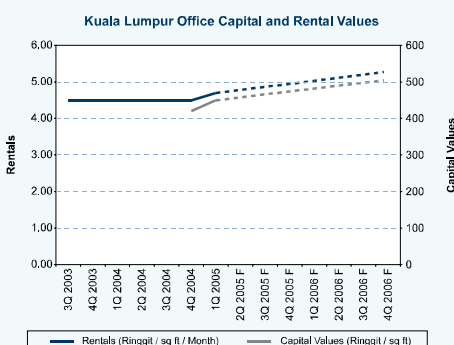
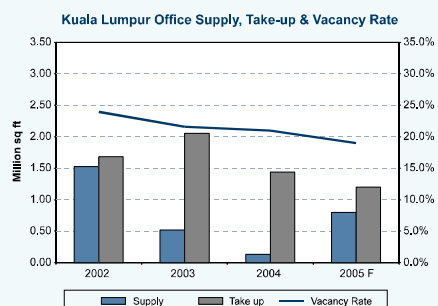
MAJOR TRANSACTIONS			
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
HSBC Building	S	CapitaCommercial Trust	200,633
Telepark	S	Ascendas REIT	261,046
Keppel Tower	L	Singapore Business Federation	20,000
MacDonald House	L	Khattar Wong & Partners	33,000
One George Street	L	The Northern Trust Co	18,000
OUB Centre	L	ANZ Banking Corp	20,000



MALAYSIA

Kuala Lumpur

- Thanks to the increase in overseas companies and the buoyant banking industry, demand for quality office space continued to grow. Individual older buildings however found it increasingly difficult to secure tenants.
- The prime office market was generally in an upswing while average rentals rose by 4% to MR4.70 per sq ft per month as at the end of 1Q 2005.
- The projected new supply is anticipated to be plentiful owing to the many developments waiting in the wings.
- In anticipation of more real estate investment trusts bolstering their positions and a growing demand attributed to the banking sector, office rentals are expected to increase 7% over the next 12 months.



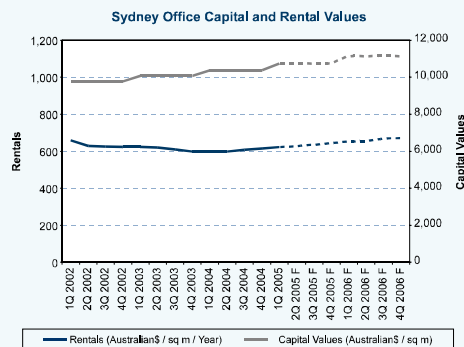
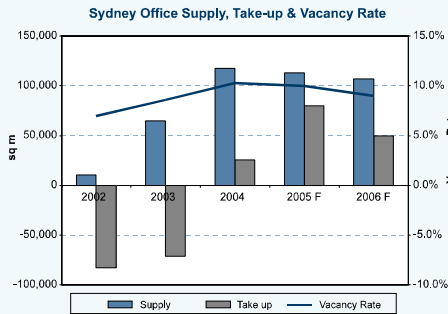
MAJOR TRANSACTIONS			
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
Menara Tan & Tan	L	Baker Hughes	26,000
Enterprise 3, Cyberjaya	L	Compuware	2,500
Wisma Consplant	L	Procter & Gamble	16,000
Menara Uni Asia	S	Uni Asia	21,000



AUSTRALIA

Sydney

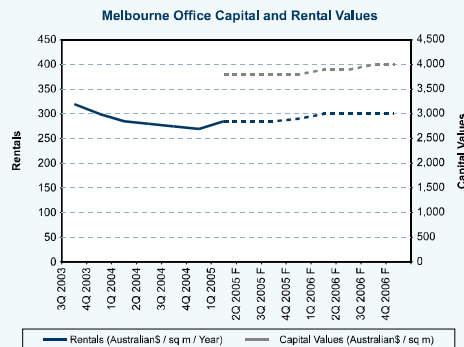
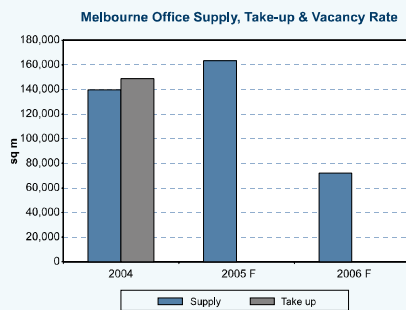
- The office market in Sydney continued to recover. Sizeable MNCs remained keen to upgrade to better and larger premises. Average office rents increased 1% QoQ to A\$624 per sq m per annum during 1Q 2005.
- A glut of supply in large pockets of vacancy in individual buildings meant vendors remained flexible with incentives. Effective rentals have been generally gauged at a discount of about 25% to headline rents.
- Investment demand for quality offices remained strong despite a mild rate rise of 25 basis point in March 2005. Transactions included Reserve Bank of Superannuation purchasing 107 Pitt Street for an initial yield of 6.53% per annum.
- In anticipation of a limited new supply coming onto the market in 2005 and 2006, both rental and capital values are predicted to grow 4% over the next 12 months.



MAJOR TRANSACTIONS			
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
126 Phillip Street	L	Allens Arthur Robinson	139,900
477 Pitt Street Sydney Central	L	Health Administration Board	17,000
2 Park Street Citigroup Centre	L	Royal Bank of Canada	18,700
107 Pitt Street	S	Reserve Bank Superannuation	34,000
307 Pitt Street Manchester Unity Building	S	City of Sydney	53,800
39 Hunter Street	S	A private investor	77,400
140 Sussex Street	S	Eureka Funds Management	131,700
154 Sussex Street	S	Lend Lease REP No. 2	46,300

Melbourne

- Underpinned by the encouraging economic climate, prime office rents in Melbourne rose by an average of 6% QoQ to A\$285 per sq m per annum as at the end of 1Q 2005. Meanwhile, the continued fall in vacancy for prime grade stock prompted more lessors to cut back their lease incentives.
- MNCs keenly took up new space. For example, **Vanguard** leased 31,400 sq ft at 2 Southbank Boulevard while **Quantum Multimedia Communications** rented 20,100 sq ft at 277 William Street.
- Investment demand for quality offices remained strong. Major transactions included the purchase of 80 Collins Street by QIC Real Estate and the sale of 470 Collins Street to Opus Capital for an initial yield of 8.66%.
- Given the current market momentum, office rents are predicted to increase 5-10% over the next 12 months while capital values might rise 5% during the same period.



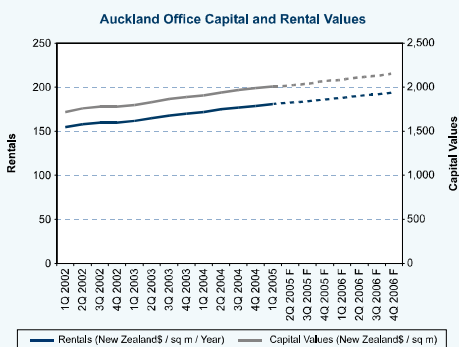
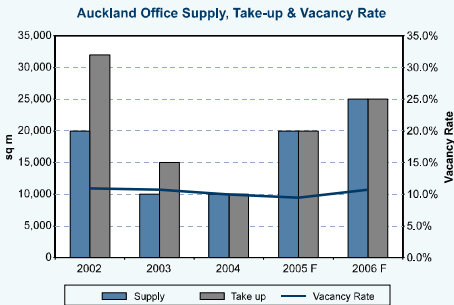
MAJOR TRANSACTIONS			
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
80 Collins Street	S	QIC	543,500
470 Collins Street	S	Opus Capital	343,400
2 Southbank Boulevard	L	PMP	48,800
2 Southbank Boulevard	L	Vanguard	31,400
277 William Street	L	Quantum Multimedia Communications	20,100
460 Lonsdale Street	L	Victorian Workcover Authority	12,500
367 Collins Street	L	ABN Amro	6,000

NEW ZEALAND

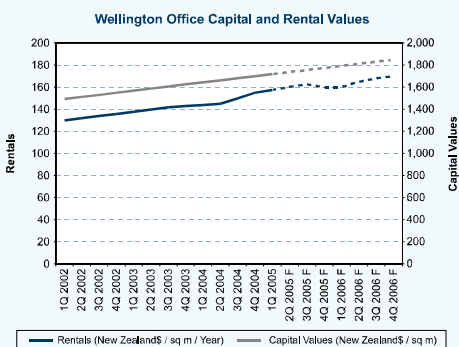
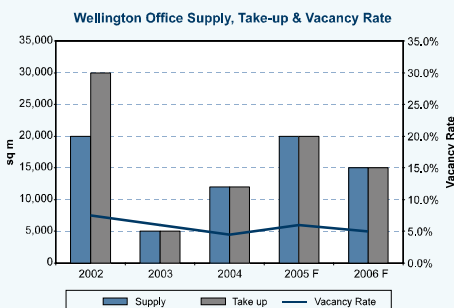


Auckland

- Despite a rise in interest rates, the strong end-users demand the strengthening of New Zealand dollar pushed office rents up in IQ 2005. Meanwhile, the buoyant investment demand continued to exert downward pressure on rental yields.
- Vacancy continued to drop and there was significant increase in occupancy rates for the top premium grade office premises. Net office rents edged up by 1% QoQ to NZD181 per sq m per annum as at the end of IQ 2005.
- In anticipation of a further decline in vacancy rates, rental and capital values are forecast to grow 4% over the next 12 months. Manson's Lumley Centre at Shortland Street, comprising 30,000 sq m floor area, will be the major new completion in 2005.
- A high level of buying interests from small to medium sized investors in New Zealand is likely to continue and investment yields will be firm for both secondary and non-institutional grade stock.



MAJOR TRANSACTIONS			
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
Qantas House	S	R J Holdings	188,700
Cnr Fanshawe & Beaumont St	L	Air New Zealand	212,500
66 Wyndham Street	L	Pacific Retail Group	22,100
Vodafone Building	L	Vodafone	150,700



Wellington

- With a limited number of new developments and the continued conversion of office properties into residential, the overall vacancy level remained low at about 4.5% in IQ 2005.
- Propelled by strong investment demand, net office rents of quality stock continued to shift up by 2% to NZD158 per sq m per annum.
- The government announced it will hire 6,500 employees, thus pushing the demand growth for offices over the next 12 months. One of the latest benchmark deals is The Ministry of Defence commitment to 18,000 sq m space in a new building in the Thorndon area of the CBD due for completion in 2007.
- With office rents rising at a rate of 5% per annum, the investment demand for quality office stock is anticipated to remain buoyant. Office capital values are projected to rise 4% to NZD1,794 per sq m over the next 12 months.

MAJOR TRANSACTIONS			
Building	Lease (L) / Sale (S)	Tenant / Purchaser	Area (sq ft)
125 The Terrace	L	Business World Travel	1,400
The Majestic Centre	L	Earthquake Commission	11,800
Williams Clayton Building	L	The Ministry of Health	86,100
Pastoral House	L	The Ministry of Agriculture & Forestry	129,200
Gilmer Terrace	S	Undisclosed	108,600

TRENDS & FORECASTS

City	New Supply (sq ft)		Take-up (sq ft)		Average Vacancy (%)		Total Stock (sq ft)		Average Rentals (US\$ / sq ft / year)	
	2004	2005 F	2004	2005 F	2004	2005 F	2004	2005 F	2004	2005 F
Beijing										
CBD	0	3,605,907	59,632	2,524,135	2.0	13.7	4,987,475	8,593,381	33.68	32.67
Zhongguancun	2,471,897	2,524,135	1,626,830	1,382,560	24.0	30.3	5,012,178	7,536,312	27.67	25.73
Financial Street	0	4,197,921	748,836	1,679,168	4.2	26.9	6,104,251	10,302,172	29.36	28.19
Lufthansa	914,932	1,416,260	308,859	1,031,531	22.7	23.5	7,117,091	8,533,351	28.94	28.07
Chang'an Avenue	0	2,368,058	-209,315	1,499,338	11.1	18.0	7,091,537	9,459,595	31.01	30.08
Chaoyang Men	1,270,140	1,291,668	732,322	850,162	26.7	29.1	2,811,864	4,103,532	28.25	26.27
Other areas	839,584	563,113	484,376	278,204	20.5	25.9	2,583,336	3,146,449	20.30	20.30
Shanghai										
Huangpu	0	529,584	768,542	443,473	4.0	5.7	3,968,650	4,498,234	25.08	26.59
Jingan	0	0	45,208	64,583	2.2	1.4	4,449,796	4,449,796	29.26	31.61
Lujiazui-Pudong	0	2,023,613	700,730	1,453,127	8.3	12.3	8,911,433	10,935,046	26.01	27.05
Changning	0	258,334	36,597	179,757	3.8	5.3	5,140,839	5,399,172	19.37	20.53
Luan	837,744	0	2,089,273	75,347	2.7	1.7	6,360,389	6,360,389	27.83	30.06
Xuhui	1,585,522	2,002,085	998,890	1,228,161	29.5	37.2	2,037,606	4,039,692	22.30	23.19
Guangzhou										
Dongshan	0	861,112	41,775	489,900	8.0	14.0	4,177,610	5,038,722	15.05	15.83
Yuexiu	0	0	18,169	23,124	12.4	11.0	1,651,710	1,651,710	13.38	13.94
Tianhe	1,776,044	631,841	1,154,385	1,177,248	18.9	10.0	6,762,119	7,393,960	16.17	16.95
Hong Kong										
Central	0	357,222	1,695,335	901,174	3.5	3.0	20,764,588	21,121,810	58.37	86.73
Wanchai	534,686	0	317,087	49,956	7.5	7.1	10,299,696	10,299,696	32.25	44.29
HK Island East	0	0	-20,783	197,012	13.1	11.0	6,324,868	6,324,868	23.47	29.35
Tsim Sha Tsui	0	0	214,492	207,657	5.6	3.3	9,028,759	9,028,759	37.47	53.11
Taipei										
Nanking Sung Chiang	434,011	277,483	237,212	N/A	30.0	N/A	1,960,112	2,237,577	21.17	22.02
Minseng Tun Hwa North	98,364	0	382,464	N/A	10.2	N/A	4,403,436	4,403,436	22.50	23.45
Hsin Yi	2,433,309	227,678	230,666	N/A	34.5	N/A	8,628,250	8,855,930	22.66	25.06
West	0	0	808,826	N/A	4.6	N/A	3,268,354	3,268,354	20.57	20.70
Tun Hwa South	0	309,500	667,346	N/A	5.9	N/A	4,128,426	4,437,908	22.86	23.55
Jen Ai Hsin Sheng	0	0	0	N/A	0.0	N/A	115,582	115,582	21.18	21.53
Nanking East Road	0	0	22,056	N/A	17.5	N/A	924,622	924,622	19.52	19.81
Tokyo										
CBD	5,930,160	4,402,440	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Seoul										
CBD	2,205,695	1,565,663	N/A	N/A	3.9	3.6	19,905,121	21,470,784	20.95	21.58
Gangnam	2,427,238	1,113,891	N/A	N/A	2.7	2.4	22,559,132	23,673,024	15.80	16.28
Yeouido	809,198	735,497	N/A	N/A	5.1	5.3	13,270,080	14,005,578	14.21	14.64
Jakarta										
CBD	-9,688	460,942	673,641	729,337	17.3	16.3	34,072,781	34,533,723	12.40	13.52
Non-CBD	277,289	150,135	150,503	435,305	26.3	24.3	16,085,648	16,235,782	9.29	9.75
Manila										
Makati	0	0	491,846	325,565	8.2	4.5	8,825,289	8,825,289	9.51	10.94
Ortigas	0	0	472,255	100,137	7.1	4.4	3,674,386	3,674,386	6.49	7.46
Singapore										
CBD	450,000	291,395	544,428	621,955	15.0	10.5	7,954,987	8,246,382	31.46	36.58
Kuala Lumpur										
Golden Triangle	130,000	800,000	1,437,000	1,200,000	21.0	19.0	68,200,000	69,000,000	14.21	15.63
Melbourne										
CBD	1,504,040	1,757,594	1,601,022	N/A	9.8	N/A	36,202,031	37,959,625	19.36	20.80
Sydney										
CBD	1,195,738	860,815	263,948	1,601,024	10.3	10.0	34,395,425	36,202,031	44.17	48.19
Auckland										
CBD	107,639	538,195	107,639	538,195	10.0	9.5	12,378,485	12,916,680	11.85	12.18
Wellington										
CBD	129,167	430,556	129,167	215,278	4.5	6.0	13,993,070	14,208,348	10.53	10.53

DEFINITIONS AND TERMINOLOGY

GREATER CHINA

Beijing

Prime office buildings in Beijing are located in 7 principal sub-markets – CBD (Central Business District), Lufthansa, Chaoyang Men, Financial Street, Chang'an Avenue, Zhongguancun and other areas.

Rents are quoted in US\$ per sq m per month on gross floor area basis, and inclusive of management fees. Capital values are quoted on US\$ per sq m.

Shanghai

Prime office buildings in Shanghai are located in 6 principal sub-markets – Huangpu, Jingan, Lujiazui-Pudong, Changning, Luwan and Xuhui.

Rents are quoted in US\$ per sq m per month on gross floor area basis, and inclusive of any management fees. Capital values are quoted on US\$ per sq m.

Guangzhou

Prime office buildings in Guangzhou are located in 3 principal sub-markets – Dongshan, Yuexiu and Tianhe.

Rents are quoted in US\$ per sq m per month on gross floor area basis, and exclusive of any management fees and government taxes. Capital values are quoted on US\$ per sq m.

Hong Kong

Prime office properties in Hong Kong are concentrated in 4 sub-markets – Central, Wanchai / Causeway Bay, Island East and Tsim Sha Tsui.

Rents are commonly quoted in HK\$ per sq ft per month on either gross, net or lettable floor area basis, which are exclusive of management fees, and government tax. Prices are quoted in HK\$ per sq ft, and are measurable on gross floor area basis.

Taipei

Prime office properties in Taipei are concentrated in 7 districts, comprising Nanking Sung Chiang (NK-SC), Minsheng Tun Hwa North (MS-THN), Hsin Yi (HY), West, Tun Hwa South (THS), Jen Ai Hsin Sheng (JA-HS) and Nanking East Road (NK-4&5).

The local unit of measurement is a "ping" (i.e. 3.3 square metre). Rents and prices are quoted in local currency i.e. New Taiwan dollar (NT\$) on gross floor area basis.

NORTH ASIA

Seoul

Major office districts in Seoul include the traditional central business area (CBD), Kangnam Business District (KBD) and Yeouido Business District (YBD).

Rents are quoted in Won per pyung (also equivalent to 3.3 sq m) per month on gross floor area basis. Generally, a deposit equivalent to 10 months is required, and is usually paid up front. Management fees are excluded from quoted rents. Space is measured on gross floor area basis. Capital values are quoted in Won per sq m.

Tokyo

The quality office buildings in Tokyo are located in the central business area (CBD) area covering six wards namely, Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shibuya-ku and Shinagawa-ku.

Rents are asking rents quoted in Yen per tsubo (i.e. 3.3 sq m) per month, which are inclusive of service charges. Office space is measured on an internal floor area basis. Capital values are quoted in Yen per tsubo.

DEFINITIONS AND TERMINOLOGY

SOUTH ASIA**Bangkok**

Rents are quoted in Baht per sq m per month on a net floor area basis, and inclusive of service charges and government taxes. Capital values are quoted in Baht per sq m.

Jakarta

The quality office buildings in Jakarta are located in the CBD covering the districts Thamrin, Sudirman, Gatot Subroto, Rasuna Said and Mega Kuningan. The areas outside the above districts are collectively called as "non-CBD".

Rents are commonly quoted in Rupiah per sq m per month, which are inclusive of service charges but exclusive of government taxes. Office space is measured on lettable floor area basis. Capital values are quoted in Rupiah per sq m.

Manila

Prime office buildings in Manila are located in two principal sub-markets – Makati and Ortigas.

Rents are quoted in Peso per sq m per month on net floor area basis, and exclusive of any management fees. Capital values are quoted in Peso per sq m.

Singapore

The quality office buildings covered in the report are primarily situated in Raffles Place.

Rents are quoted in S\$ per sq ft per month on net floor area basis (i.e. area less common areas such as corridors, toilets, lift lobby etc. but including columns), and are inclusive of service charge. Capital values are quoted on the basis of strata-area for strata-titled buildings, and net area for non-strata-titled developments.

Kuala Lumpur

The quality office buildings in Kuala Lumpur are located in the central business district (CBD).

Rents are commonly quoted in Ringgit per sq ft per month on net floor area basis, which are inclusive of service charges but exclusive of government taxes. Capital values are quoted in Ringgit per sq ft.

AUSTRALASIA**Australia**

Prime office buildings are located in the CBD and generally favored by MNCs.

Rents are quoted on net floor area basis, and in A\$ per sq m per annum excluding management fee and government charges. Capital values are quoted on A\$ per sq m.

New Zealand

Prime office buildings are located in the CBD.

Rents are quoted on net floor area basis, and in NZ\$ per sq m per annum excluding management fee and government charges. Capital values are quoted on NZ\$ per sq m.

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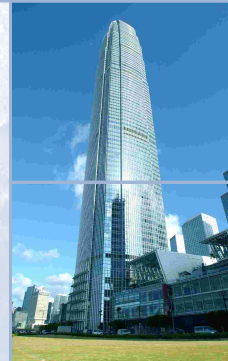
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