Q2 2005

ASIA PACIFIC OFFICE MARKET REVIEW

Asia Pacific Office Rents & Occupancy Costs

CBRE
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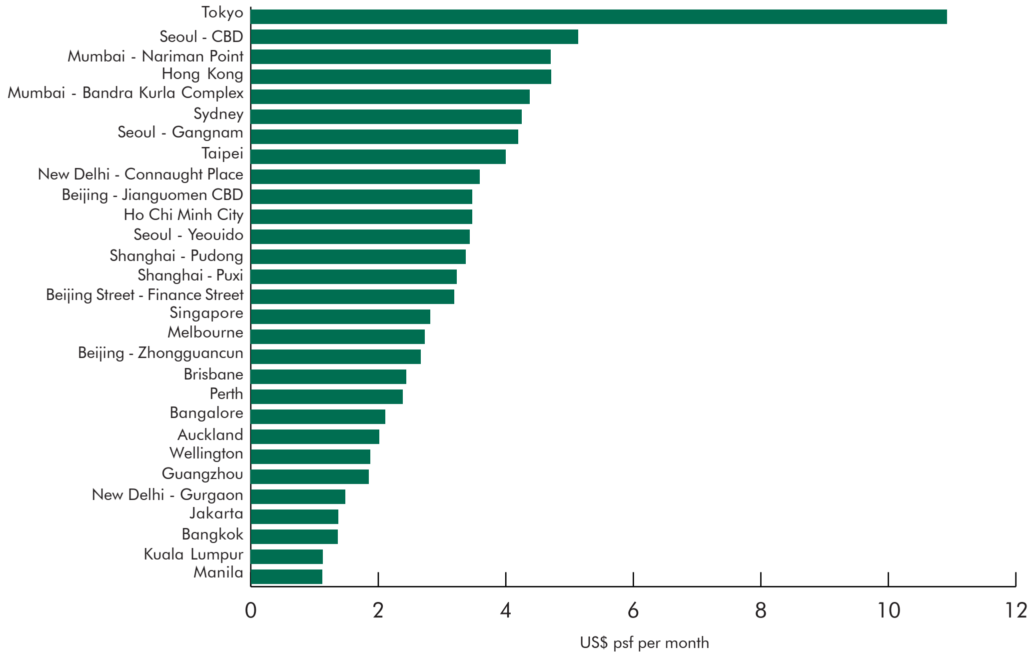
MAJOR ECONOMIC INDICATORS

	GDP Growth Rate (Q1 05)	Consumer Price Index (May-05)	Unemployment Rate (May-05)	Bank Prime Lending Rate (Jun-05)	Exchange Rate to US$ (as of 24 Jun 05)
GREATER CHINA					
Beijing	10.40%(Q2 05)	1.70% (Jun-05)	1.88% (Jun-05)	5.76%	8.28*
Shanghai	10.80%	0.50%	N/A	5.76%	8.28*
Guangzhou	9.40%	2.10%	N/A	5.76%	8.28*
Hong Kong	6.00%	0.80%	5.70%	5.75%	7.77
Taiwan	2.54%	2.39% (Jun-05)	4.10%	6.48%	31.36
NORTH ASIA					
Japan	1.30%	0.20%	4.40%	1.45%	109.33
South Korea	2.70%	2.70% (Jun-05)	3.40%	5.80-6.30%	1,013.50
SOUTH ASIA					
India	6.90%	5.33%[1] (Jun-05)	N/A	10.25-10.75%	43.53
SOUTHEAST ASIA					
Indonesia	6.35%	7.40%	N/A	12.75%	9,645.00
Malaysia	5.70%	2.50% (Jun-05)	3.50% (Jun-05)	5.98%	3.80
Philippines	4.60%	7.60% (Jun-05)	8.30% (Apr-05)	8.77-10.79%	55.63
Singapore	3.90%[2](Q2 05)	0.00%	3.90% (Mar-05)	5.30%	1.67
Thailand	3.30%	3.80% (Jun-05)	1.40%	5.50-5.75%	41.11
Vietnam	7.63%[2](Q2 05)	5.20% (Jun-05)	6.13% (Dec-04)	9.96%	15,860.00
PACIFIC					
Australia	1.90% (Q1 05)	2.40% (Mar-05)	5.10% (Jun-05)	7.05%[3]	1.30
New Zealand	4.20%	2.80% (Mar-05)	3.90% (Mar-05)	8.76%	1.42

** Following the public annoucement of the People's Bank of China (China's central bank) on reforming the RMB exchange rate regime on 21st July 2005, the RMB appreciated by about 2% and being traded at RMB 8.11 to US$1.00 on 21st July.*
1 This refers to Wholesale Price Index (WPI), which is the base for calculation of inflation in India
2 Preliminary figure
3 Variable home loan rate average across major banks in Australia.

TABLE OF CONTENTS

COMPARSION OF TOTAL OCCUPATION COST (ON NET FLOOR BASIS, INCL. ALL OCCUPATION EXPENSES)



GREATER CHINA

Beijing - The Beijing office leasing market witnessed both the coming on stream of substantial new supply and the continuation of strong demand in the second quarter of 2005. The Jianguomen CBD sub-market witnessed its first increase in supply since 2001 with the release of Phase I of Fortune Plaza. The block, offering a total GFA of 1.08 million sf, saw take-up from anchor tenant PriceWaterhouse Coopers, which took 215,300 sf of space within the second quarter. Demand, meanwhile, remained strong for high quality office space in both the core CBD as well as its greater environs. At the same time, Zhongguancun was witnessed as continuing to build on its reputation as a hi-tech hub in attracting both domestic and overseas engineering-based and R&D-oriented companies, while the leasing market in Finance Street was stable.

Despite the release of substantial new space to the Grade A office market, second quarter vacancy still edged downwards by 0.6 percentage points to 14.2%, as a consequence of the take-up of over 1.69 million sf.

The sales market within the past three months also displayed positive performance. China Life Insurance acquired just under 753,500 sf of office space in Tower A of Financial City in Finance Street. Within the same time frame, a US-based real estate fund entered into an agreement with Financial Street Holding Company to purchase 430,600 sf of office space in Finance Street, reflecting both the growing interest of overseas investors in this office sub-market and also representing the first foray into this area by an overseas investor.

Shanghai - The Shanghai office leasing market continued to witness acceleration in rental growth within the second quarter of 2005. The presence of robust demand, coupled with limited new supply, resulted in upward pressure on Grade A rentals in Puxi. Average rentals in the Puxi sub-market rose by 8.3%, fuelling an overall 7.5% q-o-q increase in Shanghai Grade A office rentals within the period under review. Meanwhile, positive market conditions in the second quarter resulted in average rentals in Pudong registering an increase of 4.3%. As of the end of the second quarter, overall Shanghai Grade A office rents were recorded at US$21.1 psm (US$1.95 psf) per month. The surge in demand for top grade office space resulted in vacancy dropping by 0.7 percentage points, q-o-q, to 4.7%. Meanwhile, on the back of increasing supply of investment grade stock, the strata-title sales market witnessed a


Azia Centre, Shanghai.

marked pick-up in activity during the period under review. Average Grade A office capital values continued to rise within the quarter, to be recorded at US$2,817 psm (US$261.71 psf), representing a boost of 4.7% in the first quarter of 2005.

Guangzhou - Supported by the sustained growth of Guangdong's economy, the city of Guangzhou continued to demonstrate strong drawing power in attracting MNCs to establish operation in this major commercial hub of southern China. According to official statistics, the establishment of new, foreign-invested companies in Guangzhou exceeded 800 in 2004, bringing their total number to over 7,000, many of them ranking amongst the Fortune 500. The continued influx of overseas organisations has resulted in an increased demand for prime office space in this up and coming city. It is anticipated that demand for office space will be further augmented by the fact that the newly issued "Regulations on Guangzhou Property Leasing Management", mandates that commencing from May 1, the Guangzhou Commercial and Industrial Bureau has halted approval for new applications and renewals of business licenses for companies operating out of residential properties. This in turn pushed a number of small and medium-sized enterprises into the office market for the first time. This regulatory change further boosted the already robust level of demand witnessed in the market within the second quarter of 2005. Major office micro-markets, including Tianhe (N) Road and the immediately adjacent Tianhe Sports Centre area began to register a lack of available supply.

AIG Tower, Hong Kong.

Hong Kong - The continued robust level of activity in Hong Kong's financial market worked to underpin office expansion and stimulate demand in the second quarter of 2005. Fierce competition for space in Core Central has led to an aggressive increase in asking rentals. Turning to the market, for example, asking rentals for Two IFC and Chater House have been increased to HK$70 psf per month.

Also noted within the quarter was the emergence of a new landlord practice of using the transacted rents of smaller leasing deals to harden asking rentals with reference to larger-space deals. It is believed that this new form of benchmarking is overstating market rental levels and has resulted in overly-ambitious expectations on the part of landlords. It is found that the rental level for smaller space of between 5,000 and 7,000 sf in Central is 10.8% higher than for larger space, while leasing just 1,000-2,000 sf is 17.7% higher. Some landlords are meanwhile trying to narrow this rental difference by rising the rental for larger space.

As Core Central displays increasingly strong rental growth due to declining vacancy, some tenants are now securing alternative opportunities. However, Core Central proximity is key for many companies, particularly financial institutions. As a result of the squeeze, these companies are intent on achieving proximity to their business sphere and are therefore opting for offices within Central's immediate periphery, such as Admiralty.

Taipei - The Taipei prime office market continued its upbeat performance in the second quarter of 2005. Prime office take-up within the period was registered at stepped-up levels as a number of tenants who had postponed their relocation plans at year-end 2004 initiated those plans in the first two quarters of 2005. While take-up in the first quarter was already witnessed at heightened levels, take-up of prime space in the second quarter was still recorded as 1.26 times more than the first quarter's quantum. In the second quarter, Nokia expanded their office in the Minsheng Tunhwa N. Area, thereby demonstrating that even though the new Hsin Yi Planned Area is gaining popularity as a prime office location, there is persistent demand for top grade stock in Taipei's more mature districts. On the other hand, a certain amount of "flight-to-quality" is still being seen as Taipei 101 continues to draw new occupiers, with Bayer and Winterthur committing to lease space in the property in the second quarter. Also within the period under review, we noted several large, high-end tenants are presently in the market searching for new top quality office space in Taipei. This demand, comprised of both new arrivals as well as relocation requirements, is very much being directed towards Taipei 101 due to the acute lack of other top grade options available in the market.

North ASIA

Tokyo - The second quarter of 2005 saw the Tokyo office leasing market remain very strong with domestic companies, buoyed by two consecutive years of increased profits and an improving economic outlook, emerging as the main force behind demand for prime office accommodation.

With no new Class A properties completed during the quarter, take-up was concentrated on existing high specification buildings. This resulted in a further constriction of an already tight market and a decline in the Class A office vacancy rate to 2.2%, a drop of 0.7 percentage points over the period. In the prime business sub-districts comprising Marunouchi, Otemachi and Yurakucho, the vacancy rate ended the quarter at just 0.4%.

For companies with large requirements, availability became severely restricted, with only five buildings able to accommodate occupiers seeking 70,000 sf or more. Consequently, many prospective occupiers continued to focus on developments under construction, leading a number of landlords to stop taking new enquiries in respect of space scheduled for 2006 completion. Take-up during the quarter is estimated to have been 288,700 sf, on par with take-up recorded in the fourth quarter of 2004, but substantially below that of the first quarter of 2005, reflecting limited availability rather than a decline in the quantum of office requirement.

Seoul - With no new supply released to the market in any of Seoul's three major office districts within the second quarter of 2005, net absorption and vacancy did not register any change over the previous three-month period. Within the period under review, a number of occupiers were witnessed relocating from the Seoul CBD to the more desirable business precinct of Gangnam (GBD). At the same time companies were seen taking up space in Yeouido (YBD) on the back of incentive packages being offered by landlords with large quantities of space available for lease. Furthermore, prospective tenants were viewing the area's transport links more favourably in light of the new subway line, which is being constructed to serve the area and is slated for completion in 2007. Yet while there was a trend towards migration away from the CBD by some tenants, some occupiers, such as government agencies and domestic tenants, still favour the CBD and were witnessed absorbing available space in this district within the second quarter. As a result, the overall vacancy rate in the CBD increased only slightly from 3.2% to 3.4%. The Gangnam office market meanwhile continues to be very strong as it remains the most desirable business precinct in Seoul. Although, the rental rates in Gangnam remain unaffordable for many occupiers, demand in the area remains strong as was reflected by the compression of vacancy rate in the second quarter from 2.7% to 1.9%, over the previous quarter.

SOUTH ASIA

New Delhi - The third quarter opening of the Delhi Metro underground railway in the city is expected to directly impact on the level of demand for office space in the CBD following a recent waning of leasing interest in this relatively congested downtown commercial area. Along with the commencement of operation of the new metro from 3rd July 2005, the level of traffic congestion is expected to ease leading to a renewal in corporate interest in the area, with as many as 70,000 commuters expected to make the mass rapid transit commute to work. Recent transactions, however, have been restricted to small format offices, largely in Grade B buildings. No new supply was registered within the second quarter of 2005 in the Connaught Place CBD, thereby leading to a slight compression of vacancy in the city. Rentals in Grade B buildings increased by 10% to 15% within the period under review.

Turning to the city's secondary business districts (SBD), new supply was witnessed in Nehru Place, Jasola and Saket in the form of new commerical buildings developed with retail outlets on the lower floors. In addition, new Grade A office space is expected to come on stream in the West Delhi location of Pitampura in the near future. This increased supply is likely to breathe new life into the New Delhi office market.

While Okhla Industrial Estate and Mohan Cooperative remain as the main locations for low-cost offices, the office leasing market in the suburban satellite area of Gurgaon continues to be driven by strong occupier demand from IT/ ITES sectors. Nearly two million sf of space has been taken up in the first half of 2005 in Gurgaon alone, the majority of which was attributed to expansionary requirements of existing market players.

Mumbai - Mumbai's office market in the second quarter of 2005 carried forward the momentum generated in the first three months of the year, building on the strong foundation laid since the start of 2005. Mumbai witnessed a considerable level of activity in its office market, not only on the leasing front but also in the creation of a sizeable new central city development area through the divestment of the National Textile Corporation's (NTC) mill portfolio and the assembly of various other development sites in the city. The sizeable effort which was made to assemble this development area indicates the present keenness of developer interest on undertaking new commercial projects in the city. Meanwhile, vacancy in Grade A office facilities continued to compress in the second quarter, with take-up from Boston Consulting Group, General Atlantic Partners and IndusInd Bank. Central Mumbai continues to remain the centre of the real estate limelight with more mills up for sale. Subsequent to the successful bid for Jupiter Mills in the first quarter of 2005, the NTC auctioned off two more mills within the second quarter. The Mumbai Textile Mills smashed market expectations with a winning bid of Rs 7.02 billion for a 17-acre land parcel. The second mill that invited offers was Apollo Mills, which fetched Rs 1.80 billion for a 7.5-acre site. Also within the second quarter, a rising level of leasing activity was witnessed in the Bandra Kurla Complex (BKC), which acted to further tighten supply in the area. The continued squeeze on availability of prime office space in BKC has led to a significant amount of pre-leasing of still incomplete projects, some of which are as much as eight to 10 months away from commencing occupancy.

Bangalore - The Bangalore office market witnessed a pick-up in activity in the second quarter of 2005 as buoyant demand was witnessed to drive further growth in the market. While an increase in facilities available in Bangalore's secondary business districts (SBDs) met the heightened levels of demand, this was not the case in the city's CBD, where supply continued to fall well short of demand, as had been seen in the first quarter. The sizeable quantum of demand seen in the CBD, driven mainly by tech- and engineering-based companies, acted to compress Grade A office vacancy while also driving up rental levels. This trend, continuing on from that seen in the first quarter, worked to encourage companies to consider non-CBD options despite the positive agglomeration effect derived from the clustering of large amounts of entertainment, leisure and commercial facilities in the central city area. However, demand persists for top grade CBD space on the part of many small- and medium-sized companies, which, in an attempt to keep down their costs, tend to seek fully furnished office space in the area. Yet there exists a shortage of smaller space suitable for such users as most developers concentrate on producing properties with larger floor plates catering to companies in the IT/ITES industries. Further fueling demand in the smaller space requirement market are companies in industries such as law, trading, marketing and auditing, and the facilities they seek remain in short supply in the CBD. Looking towards the short-term future, however, approximately 200,000 sf of Grade A office space is expected to come on stream in Bangalore's CBD in the third quarter.

SOUTHEAST ASIA

Jakarta - The Jakarta office leasing market witnessed some upwards momentum in the second quarter of 2005 on the back of Indonesia's economic upturn, which continued to drive new demand and expansion in take-up. Positive absorption was witnessed not only in Jakarta's CBD but also in the city's secondary business districts during the period under review. The major transaction of the second quarter saw petrochemical giant MNC ConocoPhillips' relocation from Menara Mulia to Ratu Prabu 2 Building at Jl. TB. Simatupang. The US-based energy company took up 215,000 sf in the block, located to the south of Jakarta's golden triangle CBD. This move stemmed both from expansionary requirement as well as to avoid traffic congestion in the city centre. Reviewing activity in the overall market, relocation activity within the review period was driven by companies operating in the IT and banking sectors. Meanwhile the persistent rising trend in fuel costs, including gas, is continuing to push up service charges for running office properties, which is adding further upwards pressure to incremental occupational cost increase across Jakarta's business districts. Turning to new supply, there are a number of office buildings currently nearing completion including Menara Nusa in Rasuna Said and Office Park E3.3, located in Mega Kuningan, which are slated to become available for occupancy in the second half of 2005.


Wisma Mulia, Jakarta.


Plaza Cygal Tower I, Kuala Lumpur.

Kuala Lumpur - Kuala Lumpur's prime office rental market was relatively quiet in the second quarter of 2005 with no significant leasing deals witnessed. On the sales front, activity within the period under review was limited to the RM 15-million purchase of Puncak Bangsar. Located on the city's fringe, the building is now being proposed for conversion for serviced apartment use. Vacancy rates in Kuala Lumpur's Grade A office market, meanwhile, were witnessed to edge down to 12.5% within the second quarter of 2005 from 12.8% in the first quarter compared to 14.4% in the second quarter of 2004. The compression of vacancy is attributable to the lack of leasing supply released to the market within the review period.

Menara OCBC, OCBC Bank's new Kuala Lumpur head office came on stream in the second quarter. However, the building was developed for owner occupation and has now been fully occupied. Prime office take-up in the Malaysian capital in the second quarter of 2005 registered at approximately 221,300 sf, while prime effective rents and prime yields remained unchanged. The quarter's Grade A take-up figures were bolstered by the occupation of Menara OCBC, as the bank relocated to the top quality building after leaving their former, non-prime, premises.

Manila - Leasing activity in the Makati CBD prime office market was up during the second quarter, with net take-up registered at 108,800 sf, as existing call centres and BPOs (Business Process Outsourcing) continued to expand their operations. Given the limited supply of prime office stock in the Makati CBD, the sustained upturn in demand during the second quarter continued to exert upward pressure on rental levels, which increased 13.3% q-o-q to Php 510 psm (US$0.85 psf) per month. Vacancy levels remained in the single digits, to be recorded at 8.1% for the quarter. With limited prime office space available, landlords continue to achieve relatively long lease terms while rental escalation clauses have increased from 5% to 7% range per year to 5% to 10% per year over the past three months.

The only new supply expected to come on stream in the third quarter of 2005 are two new build-to-suit e-services buildings in Makati: the 170,100-sf People Support Centre and a second 172,200-sf e-services facility for Convergys (end of third quarter). For the remainder of 2005, it is forecast that overall growth in demand for office space will be sustained by the robust expansion of support service industries in the near to medium future. In light of this trend, rental levels are projected to continue to follow a steady upward trend while capital values are expected to witness further recovery over the near-term.

Singapore - Prime office rents continued to rise in the second quarter of 2005, although at a slightly slower pace as compared to the previous quarter. This is somewhat surprising given the overall healthy level of leasing activity. The slower rate of rental growth may in part be explained by increased tenant resistance to higher rents, in particular from companies that have the option to proceed with relocation. By renewing rather than relocating, some tenants were able to achieve more competitive rents than might be expected. However, we believe that this may be a fairly short-term phenomenon, as the tightened availability of office space will ultimately act as a stronger driver for future rental escalation. Landlords remain highly optimistic about the outlook of the office sector over the medium-term.

Grade A office occupancy fell to 91% at the end of second quarter, from 94% three months ago, a shift which resulted from the introduction of One George Street into the basket of prime office stock. Occupancy level in the Grade A sector would have remained unchanged from the previous quarter but for this new addition.

Leasing activity for the quarter were dominated by expansion and consolidation of offices by Singapore-based financial institutions.

Bangkok - Strong leasing activity in Bangkok's Grade A office market placed office rentals under strong upward pressure within the second quarter of 2005. Average prime office rents were recorded at Baht 603 psm (US$1.36 psf) on robust demand and tightening supply, a 2.6% increase q-o-q and 24.6% y-o-y. Only three Grade A offices are presently under construction in Bangkok's CBD, namely Pornpat Tower, Q House Lumpini Park and The Column, while strengthening demand is expected to stimulate further appreciation in rents. Completion of construction of the Pornpat Tower, expected in the fourth quarter of 2005, will add about 387,000 sf of space to Bangkok's prime office market. Meanwhile, completion of Q House Lumpini and The Column will add another 717,000 sf of supply to the market in early 2006.


Q House Lumpini, Bangkok.

Bangkok's prime office supply edged up to 12.7 million sf from 12.6 million sf within the period under review, following the completion of upgrading work to Zuellig House on Silom Road. Originally completed in 1970, renovation work on Zuellig House commenced in 2003. In the second quarter of 2005, net take-up of Grade A office space in Bangkok's CBD was registered at approximately 250,000 sf, resulting in total occupancy increasing to 11.6 million sf, which equates to a drop in vacancy to 8.2% from the 9.8% recorded in the previous quarter.

Ho Chi Minh City - Supply remained tight in the Ho Chi Minh City (HCMC) Grade A office market in the second quarter of 2005, with occupancy ranging from between 98% and 100%. The HCMC market for top end space is forecast to tighten further on the back increased FDI, new corporate entry and expansion of existing businesses. HCMC in the first six months of 2005 attracted 150 foreign direct investment (FDI) projects with total registered investment capital of US$255 million, up 30.4% in terms of project number and 183% in terms of capital committed as compared with the first half of 2004.

While there has been no new Grade A office completion in HCMC for the past four years, rising demand has recently fuelled a surge in development activity. A number of new projects, including Times Square, Financial Tower, Gemadept Building and Petro Vietnam Tower are slated to come on stream in the first half of 2007. In the lead up to their completion it is forecast that average Grade A rents will increase by between 10% and 15%. Compounding the tight supply conditions currently witnessed in the HCMC office market is the emergence of demand from local Vietnamese companies, who have become increasingly conscious of the benefits that a prime office address brings to corporate image.

PACIFIC

Sydney - Demand for office space in the Sydney CBD continued to improve in the first half of 2005, resulting in strong positive net absorption. One of the major highlights for the period under review was law firm Allens Arthur Robinson signing a lease to occupy 140,000 sf at the soon-to-be-completed 126 Phillip Street. Another building which saw a lot of activity in the first half of 2005 was the Ernst & Young Centre (World Square). Major tenants that have signed up for leases in this building include Ernst & Young, Parsons Brinckerhoff, AAPT, Austereo and Galileo Southern Cross.

Sales activity is set to be strong in 2005 due to the sale of 2 Chifley Place in the first half-year and the likely sale of 1 O'Connell Street which is expected to sell at a yield of around 6% in the second half of 2005.

Melbourne - The Melbourne CBD/Docklands office market continued its strong recovery in the six months to June 2005. Net absorption for the CBD and Docklands for the period is estimated at 322,900 sf, with prime net absorption expected to account for the majority of space (215,300 sf). Total vacancy as at June 2005 is expected to remain unchanged from December 2004 at around 9.8%. Prime vacancy is thought to have increased slightly from 6.9% in December 2004 to 7.6% as at June 2005, as new supply hits the market. Tenants continue to be attracted to the CBD from suburban office markets as a result of the attractive leasing terms on offer and limited opportunities in the suburbs. Strong white-collar employment growth and increasing business confidence should continue to keep the office vacancy rate in check in the middle of the current construction cycle.


140 St Georges Terrace, Perth.

Brisbane - The Brisbane CBD is going through a period of controlled expansion. Just over 602,800 sf of new and refurbished supply is set to enter the market in 2004, a further 914,900 sf is due in 2005-06 and 538,200 sf in 2007. These supply additions are likely to outstrip demand through this period leading to an increase in vacancy. The overall vacancy rate has reached a low of just 5% in June 2005, with the vacancy rate in the prime market expected to be around 2.6%.

The strong demand along with project delays, resulting in the tight vacancy rate, is continuing to place upward pressure on rentals. Incentives are trending down with effective rents growing strongly.

Perth - The Perth CBD office market continued to strengthen in 2005. Strong demand has resulted in positive net absorption of approximately 538,200 sf for the first half of 2005, following the 180,800 sf achieved in the last six months of 2004. We are anticipating that the majority of this net absorption will be in prime stock.

While total vacancy is expected to reach 12.3% in June 2005, we forecast this figure is likely to drop to around 11.5% by the end of 2005 and fall further to 9.7% by the end of 2006. Prime vacancy is also expected to drop in June 2005 to reach 7.8%.

Prime rental growth has increased by 5.5% over the 12 months to June 2005, reaching A$290 psm per annum (US$1.72 psf per month) on a net face basis and is forecast to increase by a further 2.4% for the second half of 2005 as vacancy tightens. Incentive levels are likely to decrease over the next few years contributing to even higher effective rental growth.


Majestic Centre, Wellington.

Auckland - Auckland's office leasing market is maintaining a positive momentum with vacancy reaching a 15-year low. Overall Auckland CBD office vacancy, inclusive of the Symonds St Ridge and Viaduct Harbour precincts, is 9%, the lowest since 1988. Vacancy has improved from 10.7% since mid-2004. Vacancy continues to be the lowest at the top end of the market with prime quality offices at 5.2%. The expansion of existing occupiers played a strong role in net absorption. Rents continue to firm and new rental benchmarks have been achieved in both the prime and secondary sectors. For the year ended June 2005, prime net effective rents increased by 7.3% y-o-y to an indicative rate of NZ$263 psm per annum (US$1.44 psf per month) with secondary net effective rents increasing by 8.6%. At the same time, prime net face rents rose by 4.7% y-o-y to NZ$270 psm per annum (US$1.47 psf per month).

Indicative incentives have now fallen to around three months equivalent rent-free for nine-year leases. The falling incentives are placing an increasing upward pressure on face rentals.

Wellington - Tight occupancy market conditions and positive lessor, developer and investor sentiment characterise the Wellington office market. There is a general lack of leasing options and a scarcity of vacant contiguous floors. Currently, in Premium grade only one part floor of 3,800 sf is available in the Majestic Centre with some 14,000 sf in Mobil on the Park in a combination of sublease and direct lease vacancies. Developers are active with several major projects underway. This is expected to result in over 323,000 sf of new space being completed during the next two years. Rents are reaching new benchmarks. At the top end, rents are pushing past NZ$400 psm per annum (US$2.18 psf per month) inclusive of service charges. Indicative prime rents increased by 7.2% during the past year, reaching NZ$346 psm per annum (US$1.89 psf per month) inclusive of service charges. In addition to rental growth, tenants are also benefiting from some easing in operating expenses due to changes to the rating differential and lower insurance costs.

SUMMARY OF GRADE A OFFICE RENTS AND OCCUPANCY COSTS

City	Market Rent			
	As at Q2 2005 local currency/measure	As at Q2 2005 US$ psf	% change over previous quarter	% change over previous year
GREATER CHINA				
Beijing				
CBD	US$23.74 psm(1)	2.21	1.2%	6.2%
Zhongguancun	US$17.41 psm(1)	1.62	-2.4%	2.0%
Finance Street	US$21.57 psm(1)	2.00	0.8%	2.6%
Shanghai				
Pudong	US$21.30 psm(1)	1.98	4.3%	9.6%
Puxi	US$21.01 psm(1)	1.95	8.3%	18.6%
Guangzhou	US$10.96 psm(1)	1.02	1.2%	11.7%
Hong Kong	HK$28.70 psf(3)	3.69	14.9%	54.7%
Taipei	NT$2,656 pping(2)	2.38	-2.2%	1.1%
NORTH ASIA				
Tokyo	Yen 36,500 ptsubo(3)	9.38	12.3%	19.7%
Seoul				
CBD	Won 82,676 ppyung(1)	2.29	0.2%	0.6%
Gangnam	Won 65,122 ppyung(1)	1.81	-	3.6%
Yeouido	Won 52,019 ppyung(1)	1.44	-	1.6%
SOUTH ASIA				
New Delhi				
Connaught Place	Rs 95 psf(1)	2.18	5.6%	5.6%
Gurgaon	Rs 32 psf(1)	0.74	-	-3.0%
Mumbai				
Nariman Point	Rs 120 psf(1)	2.76	9.1%	14.3%
Bandra Kurla Complex	Rs 100 psf(1)	2.30	5.3%	17.7%
Bangalore	Rs 48 psf(1)	1.10	-	6.7%
SOUTHEAST ASIA				
Jakarta	US$7.03 psm(5)	0.65	6.5%	0.7%
Kuala Lumpur	RM 4.30 psf(4)	1.13	-	-
Manila	Peso 510 psm(3)	0.85	13.3%*	27.2%
Singapore	S$4.70 psf(4)	2.81	1.1%	16.0%
Bangkok	Baht 603 psm(4)	1.36	2.6%	24.6%
Ho Chi Minh City	US$34.00 psm(6)	3.16	18.9%	26.5%
PACIFIC				
Sydney	A$567 psm / annum(3)	3.37	0.5%	0.4%
Melbourne	A$346 psm / annum(3)	2.06	-	0.9%
Brisbane	A$312 psm / annum(3)	1.85	2.0%	5.8%
Perth	A$290 psm / annum(3)	1.72	-1.7%	5.5%
Auckland	NZ$270 psm / annum(3)	1.47	0.4%	4.7%
Wellington	NZ$238 psm / annum(3)	1.30	1.7%	11.2%

(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) Semi-gross rent excluding service charges / management fees and property taxes
(6) Net rent including service charges / management fees but excluding VAT

** Revision: Prime office rent in Manila as of Q1 2005 revised to Peso 450 psm per month*

Total Occupancy Cost (on Net Floor Basis, incl. all occupation expenses)			
As at Q2 2005 local currency/measure	As at Q2 2005 US$ psf	% change over previous quarter	% change over previous year
US$37.36 psm	3.47	0.9%	4.6%
US$28.60 psm	2.66	-2.2%	0.9%
US$34.37 psm	3.19	0.5%	1.5%
US$36.32 psm	3.37	3.7%	8.3%
US$34.83 psm	3.23	7.2%	15.9%
US$19.92 psm	1.85	1.1%	9.1%
HK$36.60 psf	4.71	11.9%	40.8%
NT$4,471 pping	4.00	-2.1%	1.0%
Yen 42,500 ptsubo	10.92	7.6%	13.3%
Won 185,231 ppyung	5.13	0.1%	-0.8%
Won 150,917 ppyung	4.19	-	1.8%
Won 123,602 ppyung	3.43	-	0.4%
Rs 156 psf	3.59	4.8%	4.8%
Rs 65 psf	1.48	-	-2.2%
Rs 205 psf	4.70	2.0%	6.0%
Rs 190 psf	4.37	9.5%	17.3%
Rs 92 psf	2.11	-	5.1%
US$14.76 psm	1.37	4.7%	2.3%
RM 4.30 psf	1.13	-	-
Peso 670 psm	1.12	12.6%	24.8%
S$4.70 psf	2.81	1.1%	16.0%
Baht 603 psm	1.36	2.6%	24.6%
US$37.40 psm	3.47	18.9%	26.5%
A$716 psm / annum	4.25	0.4%	0.7%
A$460 psm / annum	2.73	-	1.1%
A$410 psm / annum	2.44	1.5%	4.3%
A$400 psm / annum	2.38	-1.2%	3.9%
NZ$368 psm / annum	2.01	0.8%	4.0%
NZ$346 psm / annum	1.89	1.2%	8.5%

CBRE
CB RICHARD ELLIS

SUMMARY OF PRIME OFFICE NEW SUPPLY, NET ABSORPTION AND VACANCY RATE IN 1H 2005

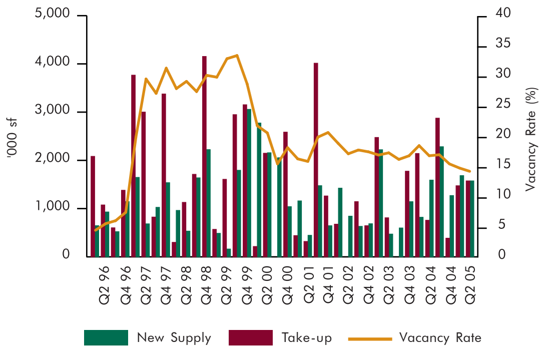
	New Supply (sf)	Net Absorption (sf)	Vacancy Rate (as of Jun-05)	Change in Vacancy (6-month)
GREATER CHINA				
Beijing	3,050,000	3,260,200	14.2%	-1.2
Shanghai	2,901,300	4,076,600	4.7%	-2.3
Guangzhou	1,129,000	1,139,900	13.0%	-0.6
Hong Kong	335,900	586,800	6.2%	-0.7
Taipei	0	209,400	55.0%	-8.4
NORTH ASIA				
Tokyo	1,452,800	1,743,900	2.2%	-1.4
Seoul(1)	976,200	1,366,400	3.5%	-0.7
SOUTH ASIA				
New Delhi(2)	0	70,000	15.2%	-4.2
Mumbai(3)	0	125,500	16.0%	-8.3
Bangalore	40,000	113,100	4.3%	-2.0
SOUTHEAST ASIA				
Jakarta	592,300	721,900	13.7%	-0.7
Kuala Lumpur	170,000	365,100	12.5%	-0.9
Manila	0	264,600	8.1%	-
Singapore	0	258,400	9.1%	2.3
Bangkok	60,300	606,600	8.2%	-4.7
Ho Chi Minh City	0	24,000	0.0%	-1.2
PACIFIC (4)				
Sydney	0	484,400	10.9%	-2.1
Melbourne	382,100	215,300	7.6%	-0.2
Brisbane	328,300	26,900	2.5%	-0.4
Perth	0	322,900	7.8%	-2.6
Auckland	232,900	314,300	5.2%	-0.1
Wellington	0	71,000	2.2%	-1.0

(1) The figures refer to the three major office districts in Seoul, including CBD in Chung Gu, Gangnam and Yeouido.
(2) The figures refer to Connaught Place CBD area only.
(3) The figures refer to Nariman Point CBD area only.
(4) Note data for Australia and New Zealand may be revised historically from time to time. This is because the timing for submission of data to this publication is typically before the release or compilation of official data. Early estimates published may be replaced with official actuals in a later edition.

PRIME MONTHLY RENTAL (Jianguomen) ↑ PRIME MONTHLY RENTAL (Zhongguancun) ↓ PRIME MONTHLY RENTAL (Finance Street) ↑
NET TAKE-UP ↓ VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

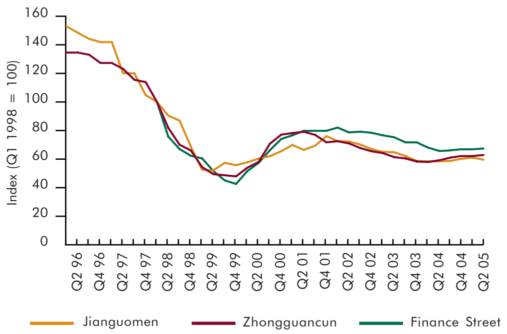
Supply, Take-up and Vacancy of Prime Office Properties



- Two projects, Phase I of Fortune Plaza in Beijing's CBD and Jinze Tower in Finance Street, came on stream in the second quarter of 2005, collectively providing a total prime GFA of 1.58 million sf.
- Turning to individual sub-markets, demand for office facilities in Beijing's eastern business areas was witnessed to be on the rise in the second quarter of 2005.
- Despite the release of substantial new quantum of Grade A office facilities onto the market, second quarter vacancy was still seen to edge down by 0.6 percentage points over the previous quarter to 14.2%, following a take-up of over 1.69 million sf in the second quarter.
- Well-known MNCs continued to dominate the office leasing market within the second quarter of 2005. Sony and Tyco both leased 64,600 sf of office space in Gateway and NCI, respectively.

RENTAL TREND

Prime Office Rental Index



- The firming trend in rents in Beijing's eastern business areas was counterbalanced by the emergence of rental softening in the city's western office locales within the second quarter of 2005, resulting in a situation in which office rents in the city as a whole were largely unchanged.
- Prime office rentals in Chaoyang and Dongcheng districts remained at a high level, driven by low average vacancy in most quality buildings and persistence of strong demand for high-end office accommodation. However, average vacancy in the western office precincts, especially in Zhongguancun, remained high, resulting in some rental compression as landlords sought to stimulate demand by dropping their asking rents.
- By sub-markets, average prime rents in the CBD and Finance Street rose slightly over the quarter, to be recorded at US$37.36 psm (US$3.47 psf) and US$34.37 psm (US$3.19 psf) per month, respectively. While rental value in Zhongguancun sub-market dropped by 2.2% q-o-q to US$28.60 psm (US$2.66 psf) per month as the result of high level of vacancy rate in the area.

MARKET OUTLOOK

The rapid rate of completion of new office properties in Beijing continues apace with a large quantum of new supply forecast to come onto the market over the next half-year. Nine projects, offering approximately 9.69 million sf of office space, are slated for completion before year-end 2005. This sizeable group of office properties comprises both developments to be held for leasing and also properties to be offered for sale. While pre-sale and pre-leasing demand in the first half of 2005 for projects planned for release in the latter half-year was seen to remain firm, however, demand levels are expected to subside somewhat over the next six months. It is forecast that the substantial new supply combined with the slowdown in demand will begin to exert compression on average rents in the Beijing prime office market over the near- to medium-term.

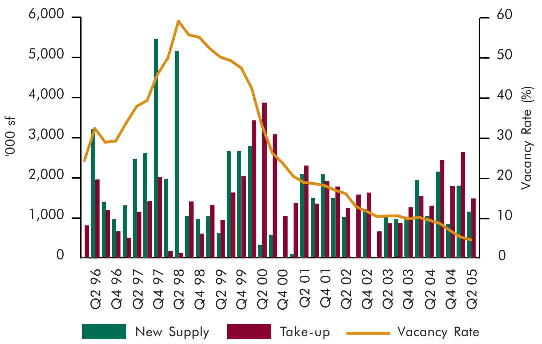
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Gateway	Chaoyang	64,600	Sony
NCI Tower	Chaoyang	64,600	Tyco International Ltd.
Raycom Infotech Park Tower C	Haidian	23,700	WYSE

PRIME MONTHLY RENTAL (Puxi) ↑
PRIME MONTHLY RENTAL (Pudong) ↑
NET TAKE-UP ↓
VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

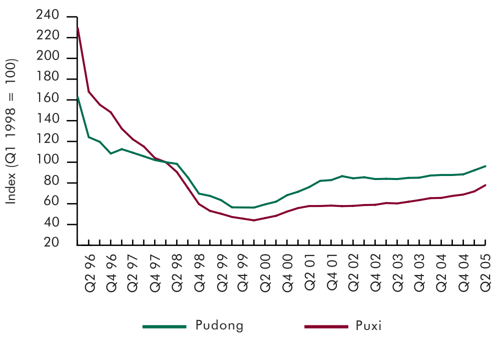
Supply, Take-up and Vacancy of Prime Office Properties



- Two new office properties were completed within the second quarter of 2005, namely the Azia Centre in Pudong and the Sheng Gao International Building in Changning, collectively providing approximately 1.13 million sf of space to the Shanghai prime office market.
- GIC's first wholly-owned Grade A office development in Shanghai, Azia Centre (753,500 sf), was witnessed high take-up within the period under review.
- Keen market demand for quality office space within the second quarter resulted in a further compression in the average vacancy levels, which dropped by 0.7 percentage points q-o-q to be recorded at 4.7%.

RENTAL TREND

Prime Office Rental Index



- The Shanghai Grade A office leasing market witnessed continued rental growth within the second quarter, which was mainly attributable to the rise of rents for top grade office buildings in the Puxi sub-market.
- The presence of robust demand, coupled with limited new supply, put upward pressure on Puxi office rentals within the second quarter. Average prime office rents in Puxi rose by 8.3% q-o-q to US$21.01 psm (US$1.95 psf) per month. At the same time, the rental level of Pudong prime office segment grew by 4.3% q-o-q to US$21.30 psm (US$1.98 psf) per month.
- The faster rate of rental growth in Puxi saw achieved rental levels in that sub-market fall more in line with those recorded in Pudong.

MARKET OUTLOOK

It is anticipated that three new Grade A office properties will come on stream in Shanghai within the next six months, namely the Grand Gateway, The Headquarters Building, and the Xin Mao Tower. These buildings, which are all located in Puxi, are slated to provide a total GFA of approximately 2.15 million sf to the city's top grade office market. As a result of this string of completions, Puxi will be the major focus of market activity for the remainder of the present year.

With demand on the rise for prime office space in the Puxi sub-market, it is expected that rentals in the district will continue to move closer to the levels already recorded in Pudong. Finally, as a result of the impact of the government's austerity measures, and particularly those measures targeting speculation in the residential sector, it is expected that investment activity will be increasingly diverted towards income generating properties in Shanghai's commercial sector.

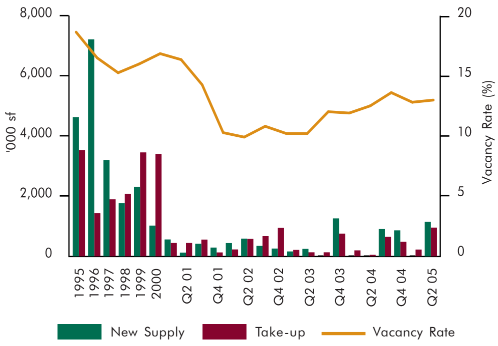
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Grand Gateway 1	Xuhui	10,800	Invitrogen
K. Wah Centre	Xuhui	43,100	Ubisoft
World Trade Tower	Huangpu	10,800	AC Nielson

PRIME MONTHLY RENTAL ↑ NET TAKE-UP ↑ VACANCY RATE ↑

SUPPLY & CONSTRUCTION ACTIVITY

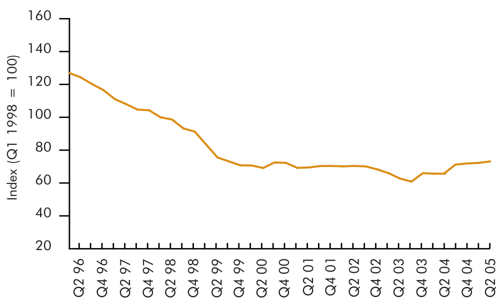
Supply, Take-up and Vacancy of Prime Office Properties



- Two new prime office properties came onto the market within the second quarter of 2005, namely The Hub in Haizhu District, and Qinjian Business Plaza in Pearl River New City of Tianhe District, providing a total office GFA of 1.13 million sf.
- The prime office market witnessed a heightened level of leasing activities in the first half-year. Take-up was registered at 1.14 million sf.
- Following the commencement of the newly issued "Regulations on Guangzhou Property Leasing Management" on May 1, a number of small and medium-sized enterprises operating out of residential properties were forced to relocate to office buildings. This, in turn, acted to boost the already robust level of demand in the Guangzhou prime office market within the second quarter.
- Overall vacancy rose slightly to 13% q-o-q within the second quarter on the back of new supply to hit the market.

RENTAL TREND

Prime Office Rental Index



- Driven by strong market demand, prime office rentals continued to follow an upward trajectory in the second quarter of 2005.
- Rentals for prime office on Tianhe (N) Road continued to rise. CITIC Square recorded its highest rental level transacted in the past several years, which was recorded at RMB 160 psm (US$1.80 psf) per month.
- Overall, average prime office rents in Guangzhou rose for the fourth consecutive quarter, up by 1.2% q-o-q, to the level of US$10.96 psm (US$1.02 psf) per month.
- As a consequence of increasing new supply, capital values rose just slightly over the previous quarter.

MARKET OUTLOOK

Supported by a number of favourable factors including the implementation of CEPA (Closer Economic Partnership Arrangement), the development of regional economic cooperation through the Pan-Pearl River Delta group, and the launch of the new regulations banning the use of residential properties for commercial use, it is expected that demand for Guangzhou prime office will see a further rise. However, as several new developments are slated to come on stream over the near- and medium-term, the recently witnessed tightening in supply is expected to be largely alleviated. It is forecast that the new supply of prime office space in Guangzhou will reach 7.53 million sf by year-end 2005, which, in turn, is expected to exert downward pressure on prime office rentals.

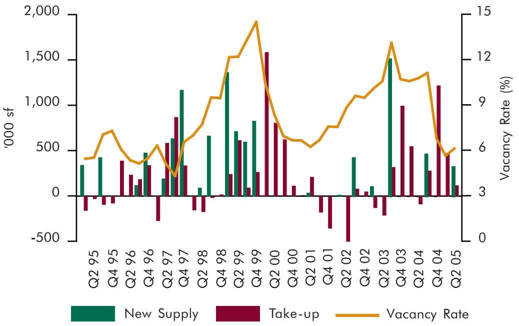
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Fortune Plaza	Tianhe	91,500	HSBC
JLB Tower	Yuexiu	9,700	UPS
Guangzhou International Commercial Centre	Tianhe	6,460	AVON

PRIME MONTHLY RENTAL ↑ NET TAKE-UP ↓ VACANCY RATE ↑

NEW SUPPLY, DEMAND & VACANCY

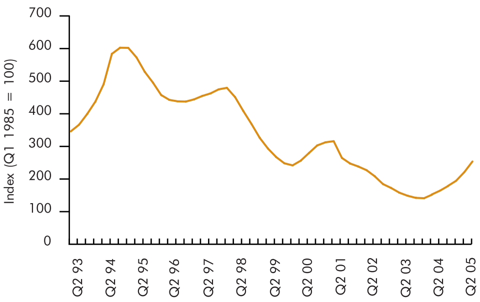
Supply, Take-up and Vacancy of Prime Office Properties



- As AIG Tower is the only new Grade A office supply in Central in 2005, the leasing response continued to be robust in the second quarter. AIG themselves are slated to be the largest occupier in the building with their take-up of 95,000 sf.
- Bank of Tokyo Mitsubishi committed to take approximately 105,000 sf of space on floors 5 to 11 in the new AIG Tower. Meanwhile, at the high zone of the building, Royal Bank of Scotland entered into an agreement to take four floors, amounting to approximately 54,000 sf.
- Average office vacancy went on the increase in the second quarter to register at 6.2% in June 2005, while vacancy in Central, moving in the same direction, was recorded at 8.1%. The increase in vacancy in Central, however, is the result of the recent completion of AIG Tower, and it should be noted that the tower has already been 80% pre-committed.

RENTAL TREND

Prime Office Rental Index



- In view of the solid demand for office space amid a severe shortage of supply in prime areas, Grade A office rentals were witnessed to have hardened by 14.9% in the second quarter of 2005.
- Underlining the extent of the upward pressure on the leasing market was telecommunication and Internet investor 21CN CyberNet's deal with Two IFC. 21CN agreed terms at HK$68 (US$8.74) psf lettable per month, the highest rental achieved in Central during the current upturn.
- With a number of tenants in Central coming up for lease review, including JP Morgan in Chater House and Deutsche Bank in Cheung Kong Centre, it is expected that benchmark rentals will continue to harden. The effects of the current upturn will particularly impact on those companies that took advantage of lower rents during the market trough of 2003.

MARKET OUTLOOK

Tight supply and continued take-up of office space on the back of positive economic conditions have resulted in substantial increases in office rental and capital values. The upswing in rents has emerged as a major factor driving the relocation of companies as they seek to soften the impact of rents on their bottom-line. Financial companies, keen to benefit from agglomeration value that Core Central provides but seeking to push rentals down, may move to Admiralty, in the peripheral Central area. Companies in other sectors, which previously took advantage of depressed rental levels in prime areas during 2003, may shift their operations to decentralised business precincts. However, the sales market has been struck by an interest-rate rise that may have a short-term psychological impact on potential buyers and result in a slow-down in acquisitional activity.

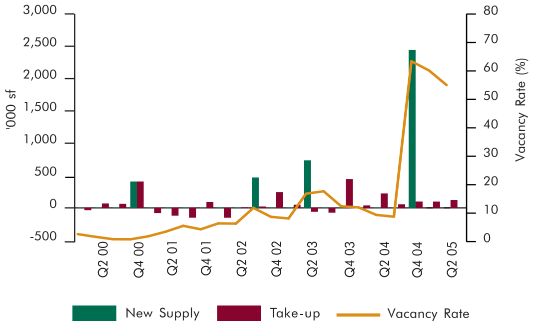
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
AIG Tower	Central	105,000	Bank of Tokyo Mitsubishi
AIG Tower	Central	54,000	Royal Bank of Scotland
Three Pacific Place	Wan Chai	64,000	Tricor

PRIME MONTHLY RENTAL ↓ NET TAKE-UP ↑ VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

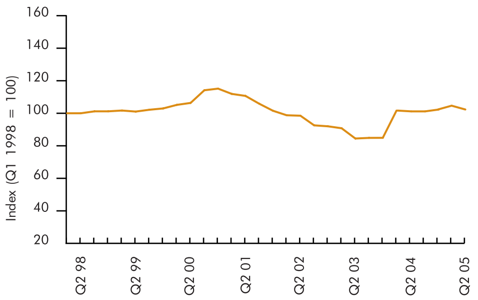
Supply, Take-up and Vacancy of Prime Office Properties



- There was no new prime office supply in the second quarter. The next prime office property which is scheduled for completion, the Macoto Bank Headquarters building, is slated to be placed on the market in the fourth quarter, providing a total of 516,200 sf of office space to Taipei prime office leasing market.
- The level of take-up in the second quarter witnessed further rise on the already-high level recorded in the first quarter, being registered at 116,800 sf.
- Bayer and Winterthur committed to lease about 81,500 sf in total in Taipei 101 within the second quarter.
- The prime office sub-market of the Minsheng Tunhwa N. Area currently registers full occupancy. At the same time the vacancy rate for the Tunhwa S. Jen Ai Area is 1.5% while the Hsin Yi Keelung Area registers 68.5%, primarily due to Taipei 101.

RENTAL TREND

Prime Office Rental Index



- Despite the improvement in market sentiments, prime office rentals edged down by 2.2% in the second quarter, to be recroded at NT$2,656 pping (US$2.38 psf) per month. This slight softening was mainly due to Taipei 101's market entry pricing strategy.
- Taipei 101 has entered the market offering below-market leasing packages in order to attract more tenants. However, it is predicted that the landlord will drop this leasing strategy in the third quarter of 2005 as nearly all the major targeted tenants of Taipei 101 have either signed leasing contracts or have already entered the negotiation stage.
- Because of the low vacancy rates recorded across Taipei's prime office market (excluding Taipei 101), the slight decrease in rental rates in this quarter is viewed as a temporary phenomenon. It is expected that prime office rents will begin to firm up in the third quarter.

MARKET OUTLOOK

Given the fact that there are very limited options for tenants in the Taipei office market, it is believed that prime office demand will continue to focus mostly on Taipei 101 in the coming quarters. The growing levels of interest recently witnessed in Taipei 101 from companies seeking large floor plate demonstrates that the previous concerns of some space seekers with respect to the viability of the giant tower have proved to be largely unfounded. This shift in sentiment will speed up the pace of absorption of the remaining vacant space in Taipei 101. Although there will be one new prime office building coming to the market in the fourth quarter, it is not anticipated that this will have a substantial impact on the prime office market. Moreover, gradual acceptance by the market will give the landlord of Taipei 101 the confidence to progressively raise its asking rent. This will in the end boost average Taipei prime office rentals and work to further improve market sentiment. Thus, we believe that the performance of the prime office market will remain strong in the coming quarters.

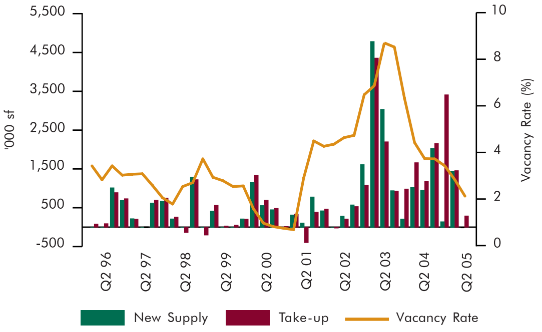
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Taipei 101	Hsin Yi	56,600	Bayer
Taipei 101	Hsin Yi	24,900	Winterthur
CEC Hander Minsheng Building	Shun Shan	10,200	Nokia

PRIME MONTHLY RENTAL ↑ NET TAKE-UP ↓ VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

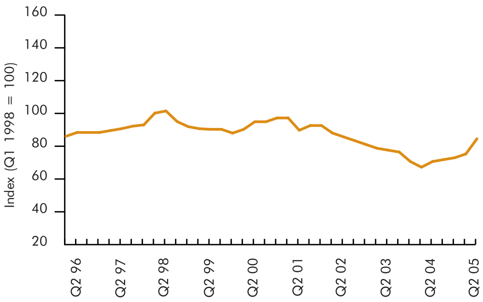
Supply, Take-up and Vacancy of Class A Office Properties in Central Five Wards



- Demand for Tokyo Class A office space continued to exceed supply. While international companies remained active, it was domestic companies seeking to upgrade their standard of accommodation which continued to drive the market.
- No new Class A buildings were completed during the second quarter. For requirements of more than 70,000 sf only five building options were available.
- Class A supply during the remainder of 2005 is estimated at 2.15 million sf, of which it is estimated more than 90% has been pre-committed. Occupiers able to defer requirements are instead focusing on schemes due for completion during 2006 and 2007.
- With sustained demand and tightening supply, the Class A vacancy rate declined to 2.2%, a drop of 0.7 percentage points over the previous quarter.

RENTAL TREND

Prime Office Rental Index



- Landlords have taken advantage of the tight Class A market and increased asking rents for premium buildings in core office locations.
- At Mitsui Fudosan's Tokyo Mid-Town project in Minato-ku, scheduled for completion in October 2007, it is estimated that achievable rents are more than 15% higher than when marketing commenced some 12 months ago.
- The average Class A headline rent excluding the common area maintenance costs for the second quarter is estimated at JPY 36,500 ptsubo (US$9.38 psf) per month, up from JPY 32,500 ptsubo in the first quarter, an increase of 12.3%. Similarly, the average Class A net effective rent for the second quarter also increased by 5.8% q-o-q, to have reached JPY 36,500 per tsubo (US$9.38 psf) per month inclusive of common area maintenance costs.
- There is evidence of some landlord's favouring the traditional Japanese lease of two-year duration, over the newer fixed term lease structure typically granted for a term of five years or more, in order to benefit from quicker reversions.

MARKET OUTLOOK

Demand for Class A office space looks set to remain buoyant for the foreseeable future, driven by domestic companies seeking to upgrade accommodation on the back of strong corporate performance, relatively low rents (when considered from a historic standpoint), and the prestige of operating from a prime office location. With new Class A supply for 2005 and 2006 largely pre-committed it is expected that demand will continue to outstrip supply and vacancy rates will further compress. This will translate into increased upward pressure on prime rents. Thus, despite the significant appreciation in rental levels witnessed during the first half of the year, an additional 10% rental growth is anticipated over the next six months as landlords continue to take advantage of the strengthening market conditions.

MAJOR LEASING TRANSACTIONS IN Q2 2005

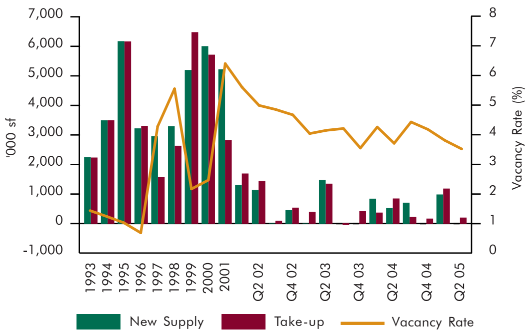
Property	District	Size (sf)	Tenant
Shinagawa Seaside	Shinagawa-ku	106,800	Diamond Computer
Tokyo Mid-Town	Minato-ku	355,900	Yahoo Japan
Tokyo Opera City	Shinjuku-ku	53,400	Procter & Gamble

PRIME MONTHLY RENTAL (CBD) ↑ PRIME MONTHLY RENTAL (Gangnam) ↔ PRIME MONTHLY RENTAL (Yeouido) ↔

NET TAKE-UP ↓ VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

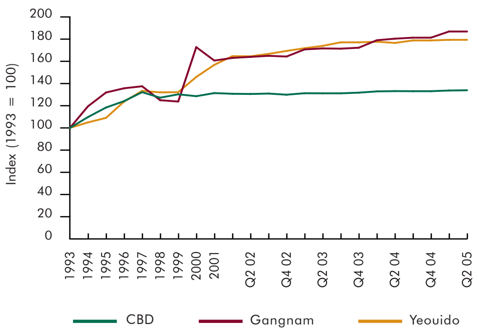
Supply, Take-up and Vacancy of Prime Office Properties



- No new prime office supply available for third party lease was released to the market in Seoul's CBD, Yeouido or Gangnam within the second quarter. However, the Financial Supervisory Service began their relocation into their newly constructed HQ building from KT Tower (YBD). At the same time, the National Agricultural Cooperative Federation also completed their new Nonghyup HQ building, located in the CBD, which they have fully occupied.
- In Gangnam, vacancy reached its lowest level since the completion of Star Tower in 2001, to be recorded at 1.9%. Yeouido, meanwhile, continues to show improvement, with vacancy dropping to 6.5% from the high of 9.8% recorded in September 2004.
- Demand in Gangnam remained very strong within the period under review. Meanwhile, government agencies requiring facilities in the CBD rapidly absorbed the space vacated by occupiers which relocated to alternative districts. Yeouido office demand derives substantial support from tenants seeking to take advantage of rental incentives offered by landlords in the area.

RENTAL TREND

Prime Office Rental Index



- Rentals held steady in the second quarter of 2005 across the three Grade A office sub-markets following the rental adjustments witnessed in the first three-month period of the year.
- Major leasing transactions registered in the second quarter include Unysis Korea's relocation from the KITC Building, which saw them take up approximately 49,000 sf in KT Tower. This relocation was compelled by the new owners of KITC, Dongwon Securities, as they themselves required the entire building for self-occupation. Also in Yeouido, the Korea Tripartite Commission leased 35,000 sf in the Dongyang Securities Building, relocating from the CBD mainly to achieve cost savings. In the GBD, Hyundai Motors Co. expanded by approximately 16,000 sf in the Nara Investment Banking Corporation Building. LG Card, meanwhile, took an extra 22,400 sf in YTN Tower, located in the CBD.

MARKET OUTLOOK

The short-term outlook on the overall Seoul office market is stable. It is expected that the Gangnam sub-market will continue to remain the focus of Seoul’s Grade A office leasing activities, with vacancies expected to continue to hover around 2%. Turning to Yeouido, it is forecast that demand for office facilities in this area will persist as long as landlords are willing to offer higher incentives than those offered in other districts. However, this competitive incentive policy is expected to be withdrawn once Yeouido's major pockets of vacant space are filled. The CBD market has proven that even in a market that apparently has a very low level of activity, there will always be tenants waiting for a good opportunity. New supply in the CBD is quite limited and will remain so due to the lack of developable land. Looking forward to new completions slated to occur over the near-term include the Dongyang Fire Insurance Building in the GBD (providing a total of 618,000 sf, of which 60% will be available for third party lease) and the fully renovated KORCHAM Building (1.2 million sf), located in the CBD.

MAJOR LEASING TRANSACTIONS IN Q2 2005

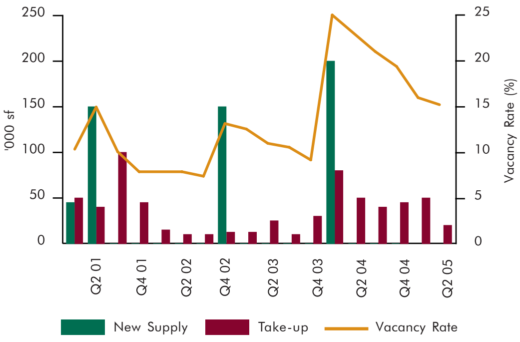
Property	District	Size (sf)	Tenant
Heungkuk Life Building	CBD	71,200	Kim & Chang Law Office
KT Tower	YBD	48,800	Unysis Korea
Prudential Tower	GBD	46,000	Hyundai INI Steel

CBRE CB RICHARD ELLIS

PRIME MONTHLY RENTAL (Connaught Place) ↑
PRIME MONTHLY RENTAL (Gurgaon) ↔
NET TAKE-UP ↓
VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

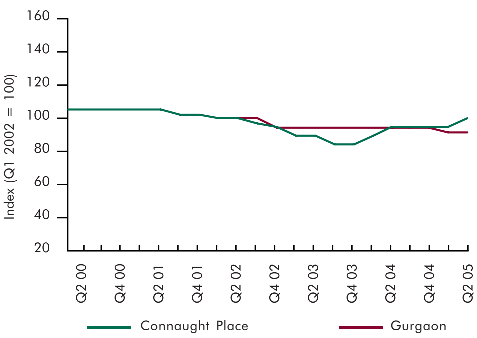
Supply, Take-up and Vacancy of Prime Office Properties in CBD



- There was no new office supply in the CBD within the second quarter of 2005, which has resulted in a firming up of rentals for Grade A office facilities, for which supply remains fairly tight. Vacancy fell, however, only marginally as most activity in the market stemmed from the relocation of small- and medium-sized corporates within the CBD itself.
- New supply is expected in Noida soon with some leading developers having acquired large tracts of land with an eye to providing space to cater to the BPO and software market.

RENTAL TREND

Prime Office Rental Index



- The expected opening of the Delhi Metro has led to a renewal in leasing interest in the area. Average Grade A office rents in the Connaught Place CBD rose by 5.6%, q-o-q, to be recorded at Rs 95 psf (US$2.18 psf) per month.
- Rentals for Grade B office space in the New Delhi CBD are also projected to increase by between 10% and 15% from the current range of Rs 45-50 psf per month in the remaining months of 2005, also driven by the opening of the new metro system in the third quarter of 2005.
- In Gurgaon, on the other hand, rents experienced a minor correction in the second quarter of 2005 following the release to the market of a substantial quantum of 3 million sf of new supply in the first six months of 2005.

MARKET OUTLOOK

With the completion of the Delhi Metro, rentals for Grade A and Grade B office space in the CBD are projected, respectively, to remain firm and rise by 10%-15% q-o-q in the third quarter. Supply in both Gurgaon and Noida is expected to continue to increase along the improvement in the supporting infrastructure for these areas. A total of 1.2 million sf of new office space came on stream in Gurgaon in the second quarter, acting to counterbalance the very buoyant level of demand seen there, thereby leaving vacancy at the same 3% level where it was recorded in the previous quarter. Gurgaon looks set to maintain its status as the favoured destination of corporates while those which already relocated there are expected to continue expanding. Indeed, the last quarter witnessed absorption of over one million sf in this popular, decentralised sub-market. Meanwhile, over the medium-term, substantial new supply is expected in the satellite business district of Noida, as a number of leading developers have acquired large tracts of land with the intention of developing space to cater to BPO and software occupiers.

MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Okhla Phase III	Okhla	40,000	O&M
Unitech Cyber Park	Gurgaon	120,000	Vertex
Vatika Atrium	Gurgaon	20,000	Copal Partners

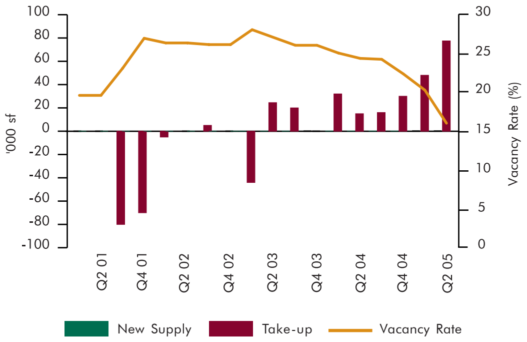
PRIME MONTHLY RENTAL (Nariman Point) ↑
PRIME MONTHLY RENTAL (Bandra Kurla Complex) ↑

NET TAKE-UP ↑

VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

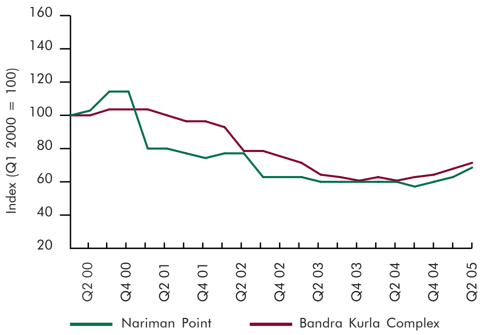
Supply, Take-up and Vacancy of Prime Office Properties in CBD



- The Central Mumbai office micro-market witnessed new supply of approximately 375,000 sf within the second quarter of 2005. Mumbai's CBD area and the Bandra Kurla Complex (BKC), meanwhile, did not witness any new properties coming on stream within the period under review.
- Demand in Mumbai was mainly driven by the establishment of corporate offices by MNCs in addition to demand from foreign financial institutions and consulates within the second quarter. This was the case particularly in the city's CBD and within the BKC.
- Vacancy rate across Mumbai's Grade A office markets was seen to further compress during the second quarter as the rate of new supply failed to keep up with the continued expansion of both existing corporate and financial occupiers and the influx of new locators. Grade A vacancy in Mumbai's CBD was recorded at approximately 15% within the second quarter of 2005, while in the BKC it was registered at 5%.

RENTAL TREND

Prime Office Rental Index



- Rentals in Mumbai's three major top grade office markets registered increases of between 5% and 10% within the second quarter of 2005.
- Looking forward, rentals are expected to follow a stable upwards trajectory, with a potential further appreciation of approximately 5% in the third quarter of 2005 on the back of continued diminishing supply.
- In the longer term, however, following the redevelopment of the entire NTC mills complex in the Central Mumbai market, it is expected that the resulting sizeable quantum of new office supply that will be brought on stream will exert downward pressure on the larger Mumbai office leasing market.

MARKET OUTLOOK

Looking forward, Grade A office demand is expected to continue to head north in Mumbai in the near- to medium-term, driven by the requirement of MNCs, financial institutions and foreign consulates. This rising tide of demand is set to be met by a counterwave of supply provided by the redevelopment of much of the NTC's mill portfolio. The land auctions for the mill portfolio sites, carried out by the NTC itself, have elicited very keen acquisitional interest on the part of land-hungry developers seeking to cash in on the current prevailing positive office market conditions. The extent of optimism with respect to the potential presented by the Mumbai office market was highlighted by the expectation-smashing winning bid of Rs 7.02 billion for the 17-acre site of the Mumbai Textile Mills. Due to the ongoing sale of NTC mills for redevelopment purposes, substantial supply in the Central Mumbai micro-market is expected to come on stream within the next 18-24 months, which should serve to ease the current tightness of supply which has caused Grade A vacancy levels to drop throughout the entire office market.

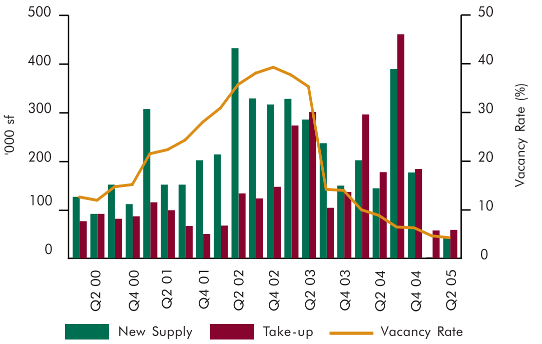
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Ceejay House	Central Mumbai	40,000	UBS
Fort House	Nariman Point	10,000	Canadian Consulate
Maker Chambers VI	Nariman Point	4,200	General Atlantic Partners

PRIME MONTHLY RENTAL ↔ NET TAKE-UP ↑ VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

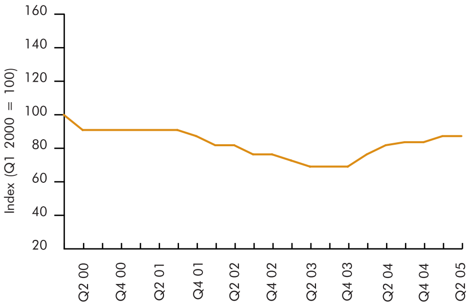
Supply, Take-up and Vacancy of Prime Office Properties



- No new development sites were released within the CBD during the quarter and the assembly of such sites is becoming increasingly difficult for developers.
- There has been a strong increase in expansionary demand from IT companies in addition to the marked boost recorded from the high level of start-ups in the city. A number of companies that had been situated in older facilities in Bangalore are currently planning to relocate in order to boost their corporate image while at the same time benefiting from the greater efficiency to be had from working out of more modern office premises.
- Vacancy continued to compress from the level of 4.7% recorded in the first quarter of 2005 to 4.3% in the second quarter on the back of static supply and continued rise in demand. The increase in demand for high quality office facilities in the CBD saw approximately 57,100 sf of space leased in the period under review.

RENTAL TREND

Prime Office Rental Index



- Grade A office rentals continued to appreciate in the second quarter as a result of the tightened conditions attendant upon the limited supply of quality space. Furthermore, the increasing tendency of developers to include ancillary facilities in their buildings, such as central air-conditioning, power back-up and fire detection facilities has led to an increase in construction costs and gross rentals.
- Along with the ramped up construction levels currently underway in the market, there has been a sharp boost in construction costs on the back of the increased cost of raw material and labour inputs. This in turn is causing developers to raise the target rentals for properties which are currently at the construction stage.
- Looking at take-up within the second quarter, 3M and Amba Research made pre-construction commitments of 75,000 sf and 21,000 sf, respectively, in UB City, an office property which will be ready for fit-out in June 2006.

MARKET OUTLOOK

The outlook for the Bangalore office market overall is extremely positive for both the third and fourth quarters, with the exception of the Electronic City and Whitefield micro-markets, in which supply currently exceeds demand. Further exacerbating the oversupply in these two areas, developers of new office properties in these areas, where pre-commitment take-up is generally less substantial, have continued to pursue their developments according to a fast-track schedule. Therefore supply in these sub-markets is ample meaning there is minimal upward pressure on rentals. In contrast, in the Outer Ring Road and non-CBD areas, strong pre-leasing demand ensures higher pre-commitment levels. It is anticipated that supply will remain scarce in these non-CBD areas until the fourth quarter when a substantial wave of completions in these decentralised areas will cause the situation to ease somewhat.

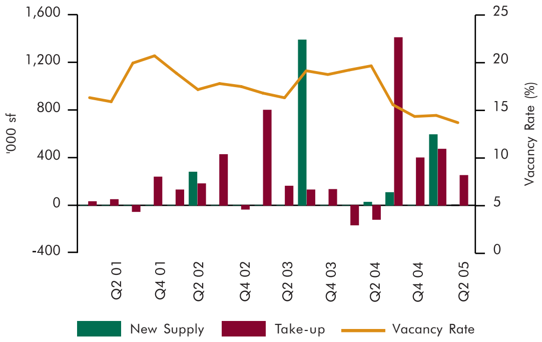
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Embassy Prime	C. V. Raman Nagar	363,000	HP
Embassy Golf Links	Indiranagar	119,200	McAfee
Divyashree Chambers	CBD	57,000	SunMicro Systems

PRIME MONTHLY RENTAL ↑ NET TAKE-UP ↓ VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

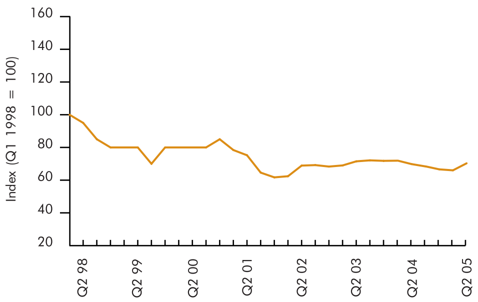
Supply, Take-up and Vacancy of Prime Office Properties



- No new office supply came on stream in the Jakarta market in the second quarter of 2005.
- Demand for office space was stable upwards in the second quarter of 2005. Net take-up was recorded at 721,900 sf in the first half 2005, a vastly improved performance over the same period in 2004, which registered a negative take-up of approximately 283,200 sf.
- Vacancy was recorded at approximately 13.7% as of the end of the second quarter, markedly down from the 14.4% recorded in the first quarter of 2005.
- Several buildings remain under construction and are slated to be completed ahead of schedule, such as Menara Nusa, Office Park E3.3 and Graha MIK, estimated entering the market in the coming quarters.

RENTAL TREND

Prime Office Rental Index



- Positive office leasing activity in the Jakarta market has resulted in a steady rise in rentals, while at the same time escalating fuel costs have put service charges under upward pressure. Rentals were recorded at US$7.03 psm (US$0.65 psf) per month in the second quarter of 2005, up from US$6.60 psm (US$0.61 psf) per month in the previous quarter. Service charge was, meanwhile noted at US$0.65 psm (US$0.06 psf) per month in the period under review.
- In the second quarter, a number of occupiers made relocation moves for the purpose of achieving expansion in the Jakarta office market. They included energy giant ConocoPhillips' move to Ratu Prabu 2 Building and telecommunications company PT. Altelindo Karyamandiri's move to Altel Building at Jl. TB Simatupang.
- Leasing activity in Jakarta's secondary precincts in the second quarter was concentrated in South and West Jakarta, and was especially notable in higher quality buildings offering competitive rental rates.

MARKET OUTLOOK

Following the recent upturn of demand in Jakarta's office market, an increase in development activity has been witnessed in the city's non-core business locales. The pick-up in construction of decentralised office space is expected to exert downward pressure on rents in both Jakarta's core CBD as well as its non-core office precincts. Meanwhile, we are seeing increased competition between landlords as they vie with one another to maximise their occupancy rates. Landlords were seen competing in the second quarter with respect to flexibility of payment terms and service charge levels. At the same time, along with the increase in office market rents, it is expected that investment sentiment will witness an upturn. On the back of this improved outlook, it is expected that strata-title office demand will witness an increase over the near term.

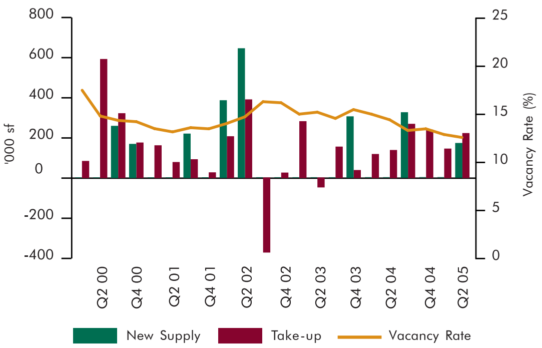
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Bapindo Plaza	Central	9,700	Sanyen Oil & Gas Pte
Menara Jamsostek	South	N/A	PT. Calmic & PT Rentokil Indonesia
Ratu Prabu 2	South	215,200	Conoco Phillips

PRIME MONTHLY RENTAL ↔ NET TAKE-UP ↑ VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

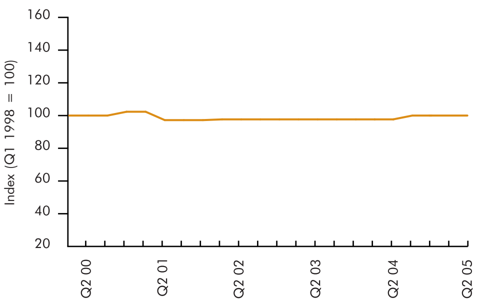
Supply, Take-up and Vacancy of Prime Office Properties



- New supply of office space in Kuala Lumpur in the second quarter of 2005 was supplied by the opening of Menara OCBC. Developed for owner occupation, the building was fully occupied within the second quarter. Total supply of prime office space currently stands at 24.5 million sf.
- Leasing activity within the second quarter was subdued. Net take-up registered at 221,300 sf, which was mainly contributed by the relocation of OCBC from their former, non-prime, premises.
- Vacancy rates edged down to 12.5% within the period under review, from 12.8% recorded in the previous quarter.
- Demand for office space is driven primarily by the service sector, which is one of the main contributors to Malaysia's GDP. Occupancy rates and rentals within prime office buildings in Kuala Lumpur are mainly impacted by limited supply of prime office space and building location within the prime areas.

RENTAL TREND

Prime Office Rental Index



- Office leasing activity in the Kuala Lumpur market within the second quarter of 2005 was relatively subdued with no major transactions reported within the period.
- Both average prime office monthly rentals (excluding the Petronas Twin Towers) and prime capital values remained unchanged at the respective rates of RM 4.30 psf (US$1.13 psf) per month and RM 570 psf (US$150.00 psf).
- Rental levels at the Petronas Twin Towers at the end of the second quarter were recorded at RM 8.00 to 9.00 psf on lower floors and RM 11.00 to 15.00 psf on higher levels.

MARKET OUTLOOK

Continuing the trend witnessed in the second half of 2004, very limited activity was noted in Kuala Lumpur's prime office market in the first half of 2005. The remainder of the year is expected to be stable, with some smaller space transactions expected, but no change in effective rents. New Grade A office supply slated to come on stream in the second half of 2005 is limited to Plaza Sentral at KL Sentral. Meanwhile, office buildings scheduled for completion over the next two to four years include Lot N - KL Sentral, Menara Commerce and Menara See Hoy Chan. The completion of this new supply is forecast to push up vacancy as the relocation of occupiers out of existing premises is expected for Lot N - KL Sentral, which is substantially pre-let, and Menara Commerce, which is slated for owner occupation. With the present consolidating trend of the Malaysian economy, the outlook for the office market in the next six months is expected to be stable, with limited leasing activities expected.

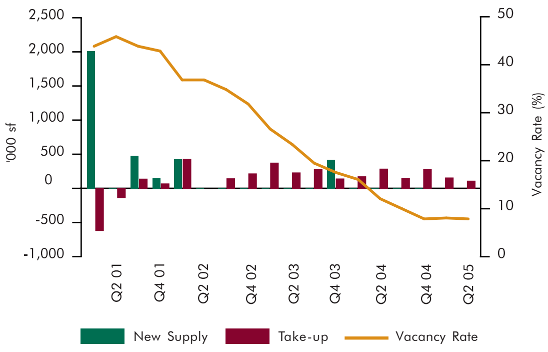
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Menara Milenium	Damansara Heights	10,600	Eastern & Oriental Bhd

PRIME MONTHLY RENTAL ↑ NET TAKE-UP ↓ VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

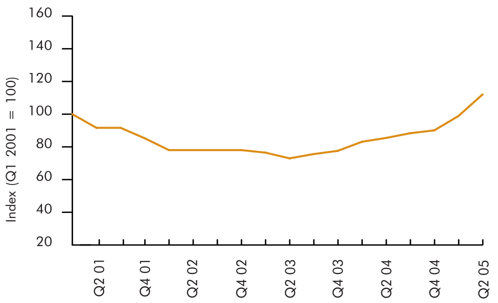
Supply, Take-up and Vacancy of Prime Office Properties



- The main driver for the Manila office market is the continued rise in take-up by call centres/BPOs already operating in the Philippine market as well as newly arrived operations setting up facilities in the country for the first time.
- Vacancy rates are presently in single digits at 8.1% and this is where they are expected to remain for the near- to medium-term.
- In its continued efforts to turn its Philippine operation into a major global back office support centre, JP Morgan Chase's second quarter take-up of 53,800 sf in Makati demonstrates the strong continued interest on the part of many MNCs to increase their present level of outsourcing to the Philippines.
- Teletech's take-up of approximately 129,200 sf of space in Robinsons Cainta, a shopping mall located in Cainta (near the Ortigas CBD) displays the evolution of the Manila office market towards diversification into new kinds of commercial space and represents one tenant's creative solution to the problem of limited office supply in the major CBDs.

RENTAL TREND

Prime Office Rental Index



- Average prime office rents in Makati CBD continued to trend upward in the second quarter, attaining the level of Php 510 psm (US$0.85 psf) per month, which translates into a 13.3% increase q-o-q.
- With limited office stock available, landlords are presently able to enforce longer lease terms, ranging from three to five years. Rent escalation clauses have gradually been marked upwards, increasing from 5%-7% range per year to a new range of 5%-10% per year.
- Sales transactions of prime office properties remain limited. As a consequence, estimated capital values remain flat at Php 57,325 psm (US$95.73 psf).

MARKET OUTLOOK

Call centres/BPOs will continue to remain the main driver of Manila office market activity and overall demand is not expected to plateau at any time in the near future. However, limited supply of office space has forced some large locators to become more creative, most notably, Teletech took up 129,200 sf of space in a Cainta shopping mall. The only new office supply in the pipeline consists of two Makati build-to-suits, comprising Ayala Land's 170,100-sf e-services-enabled People Support Centre in Legaspi Village, and a second Ayala Land e-services facility (172,200 sf) which has been purpose-built for Convergys. Both properties are slated for completion in the third quarter of 2005. Groundbreaking for a third Ayala Land e-services building on Dela Rosa Street, which had been due to take place in the first quarter of 2005, has been deferred indefinitely until a commitment is signed to pre-let the facility. As a consequence of this prevailing tightness in office supply, prime office rental rates are projected to rise further while vacancy is expected to continue to diminish.

MAJOR LEASING TRANSACTIONS IN Q2 2005

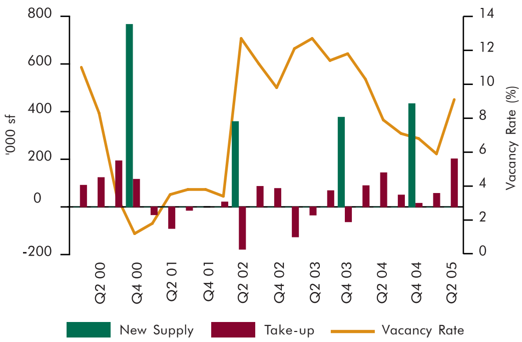
Property	District	Size (sf)	Tenant
Philam Life	Makati	53,800	JP Morgan
Robinsons Cainta	Cainta	129,200	Teletech
Robinsons Cybergate	Ortigas	107,400	Accenture

SINGAPORE

PRIME MONTHLY RENTAL ↑ NET TAKE-UP ↑ VACANCY RATE ↑

NEW SUPPLY, DEMAND & VACANCY

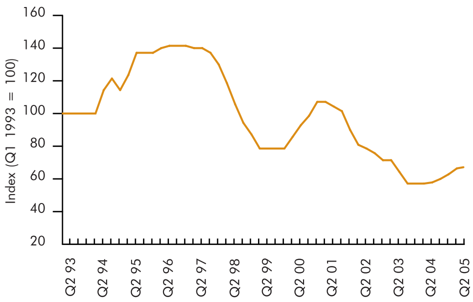
Supply, Take-up and Vacancy of Prime Office Properties



- There were no new office completions in the second quarter nor are any completion slated for the rest of the year. The bulk of new supply (1.88 million sf) currently in the pipeline is expected to come on stream in 2006, with the completion of One Raffles Quay, 3 Church Street and VisionCrest.
- Grade A office occupancy fell to 91% at the end of second quarter, from 94% recorded three months ago. This anomaly was solely due to the introduction of One George Street into the basket of prime office stock. The 23-storey building has an estimated take-up rate of 50% currently. Occupancy in the Grade A sector would have remained unchanged from the previous quarter but for this new addition.
- With the current limited number of high quality office options available in the market, new developments like One George Street and One Raffles Quay are experiencing strong pre-leasing momentum.

RENTAL TREND

Prime Office Rental Index



- Prime office rents averaged S$4.70 (US$2.81) psf per month at the end of the second quarter, registering a marginal 1.1% increase as compared with the robust 5.7% growth recorded in the first quarter. This trend was also witnessed for Grade A offices, which is a subset of the larger group of prime office properties.
- Average rent for Grade A space rose from S$4.80 to $4.90 (US$2.87 to $2.93) psf per month. The 2.1% increase in the second quarter lagged the 4.3% growth observed in the previous quarter. Prime rents increased 16% whilst Grade A rents rose 7.7% on a y-o-y basis.
- Leasing deals for the quarter were dominated by financial sector companies. Citibank took up an additional 18,000 sf at Centennial Tower and another 25,000 sf at Millenia Tower. Kim Eng Securities relocated to 63 Market Street (36,000 sf), while the ANZ Bank moved to OUB Centre (21,000 sf). One George Street was also successful in securing the tenancy of a number of asset management firms.

MARKET OUTLOOK

We expect the overall uptrend in prime office rents to continue for the remainder of the year, in view of the tightening supply situation. According to an IBM Business Consulting poll, Singapore is set to become the world's fastest-growing offshore banking centre by 2007. Therefore, the financial sector will undoubtedly remain the key driver of office demand. Supply of prime office space is limited, as no new office projects are slated for completion during the remainder of 2005. The major new infrastructure projects centred around the emerging Marina Downtown will further boost accessibility of the CBD, enhancing the appeal of prime office properties within the district. We therefore forecast that prime office rents will rise 10%-15% for the whole year.

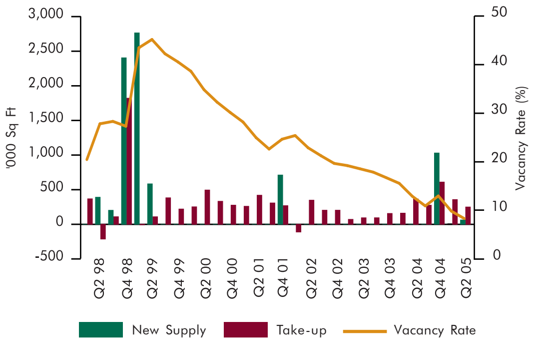
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Centennial Tower	Marina Centre	18,000 (Additional)	Citibank
Millenia Tower	Marina Centre	25,000	Citibank
OUB Centre	Raffles Place	21,000	ANZ Bank

PRIME MONTHLY RENTAL ↑ NET TAKE-UP ↓ VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

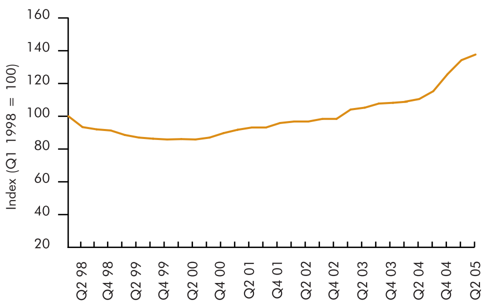
Supply, Take-up and Vacancy of Prime Office Properties



- Bangkok's prime office market will continue to perform robustly in the near term on the back of strong demand and limited new supply as there are only three new projects slated for completion in 2005 and 2006.
- The net take-up of office space is expected to increase in the second half of 2005 on the business expansion of both local and overseas corporates. Demand is still currently linked to the domestic economy.
- Prime office vacancy was recorded at 8.2% in the second quarter, a dip of more than four percentage points, y-o-y. Since demand is expected to increase faster than new supply, it is forecast that the prime vacancy level will continue to slide to 6% or 7% in 2006. We consequently project there will be further appreciation in prime office rentals in Bangkok.

RENTAL TREND

Prime Office Rental Index



- As a result of tightening supply conditions and the strong level of interest displayed in top grade space in Bangkok, prime office rents were recorded as having risen by 24.6% y-o-y (the highest increase since 2000) to Baht 603 psm (US$ 1.36 psf) per month in the second quarter.
- Although there are indications that economic growth in Thailand will slow in 2005, given the very limited supply and the presence of strong underlying demand, it is expected that rents will continue to rise in the range of 5% to 10% during the remainder of 2005.

MARKET OUTLOOK

Although the economic growth in Thailand eased to 3.3% in the first quarter fo 2005 due to global growth slowdown, the hike in oil prices and impact of the tsunami, Bangkok's prime office market currently displays strong supporting fundamentals. The present condition of tightened supply, which is not expected to be alleviated by new completions in 2005 and 2006, coupled with strong demand, is expected to continue to strongly support the market over the near- to medium-term.

Meanwhile, with supply already significantly tightened, rising construction costs are likely to put pressure on developers as oil price hikes, the positive interest rate cycle and infrastructure development policies look set to narrow down profit margins. Yet despite this inflation in construction costs, it is expected that development of a number new office properties to be held for lease will be launched on the back of forecast increases in office rental levels, which are approaching historic highs.

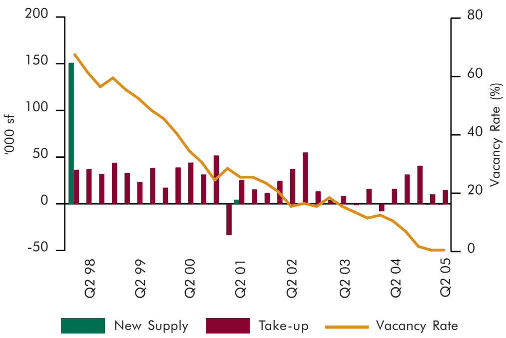
MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Capital Tower	Lumpini	14,000	Gata Embassy
The Offices at Central World	Pathumwan	24,000	A local law firm
U-Chu Liang	Bangrak	25,000	Hewlett Packard

PRIME MONTHLY RENTAL ↑ NET TAKE-UP ↑ VACANCY RATE ↓

NEW SUPPLY, DEMAND & VACANCY

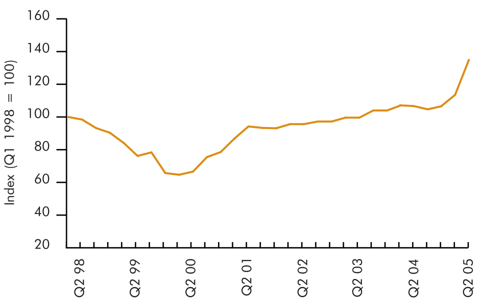
Supply, Take-up and Vacancy of Prime Office Properties



- At least five Grade A office developments, with a total aggregate GFA of approximately 2.74 million sf, are currently either under planning or construction in HCMC. The projects, which are slated to start coming on stream in the second quarter of 2006 and onwards, include the suspended Petro Vietnam Tower, the Gemadept Building, Financial Tower, Bonday-Vietcombank Tower and Times Square.
- A number of factors including the growing rate of FDI influx into Vietnam and increased expansion of MNC presence in the city collectively to boost demand and are serving to drive the Grade A office market in HCMC.
- Grade A office space in HCMC was almost fully occupied within the second quarter as a result of limited supply and robust demand.

RENTAL TREND

Prime Office Rental Index



- Average asking rents of Grade A office space in HCMC's CBD were registered at US$34.00 psm (US$3.16 psf) per month in the second quarter of 2005 (inclusive of service charges range between US$5.00 to $7.00 psm per month).
- The tightening of Grade A office supply currently witnessed in the HCMC office market is being further exacerbated by the emergence of demand from local Vietnamese companies, conscious of the benefits that a prime office address brings to corporate image.
- With Grade A office occupancy in HCMC hovering around 100% and demand on the rise for top quality space, it is forecast that rentals will increase by between 10% and 15% until the group of office buildings which have been launched for construction under the current cycle are completed and come on stream in the second quarter of 2006.

MARKET OUTLOOK

New supply of office space in the HCMC market for the remainder of the year, slated at approximately 185,100 sf, is limited to Grade C office space located in and around Districts 2, 3 and 4. Meanwhile, no Grade A office supply is expected to be released onto the market until the second quarter of 2006. Some office building projects are presently under construction and will be completed in 2006, providing new supply of GFA of about 327,200 sf. In the run-up to the completion of these buildings, market rents are expected to experience further appreciation of between 10% and 15%. Yet, while rental levels for centrally located office facilities are expected to rise over the next two to three years, we may witness a degree of rental compression following the release onto the market of a relatively large quantum of new supply, which may potentially be compounded by the re-commencement of a number of stalled projects.

MAJOR LEASING TRANSACTIONS IN Q2 2005

Property	District	Size (sf)	Tenant
Saigon Centre, 65 Le Loi Street	District 1	32,300	Parkway Clinique

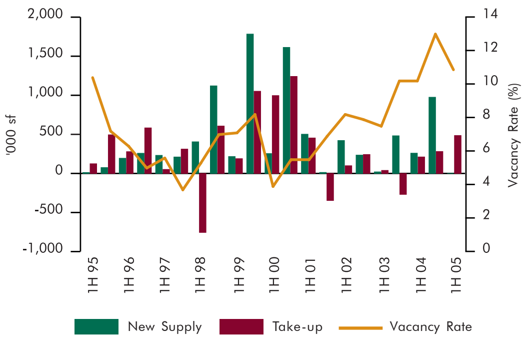
PRIME MONTHLY RENTAL ↑

NET TAKE-UP (as compared with 2H 04) ↑

VACANCY RATE (as compared with 2H 04) ↓

NEW SUPPLY, DEMAND & VACANCY

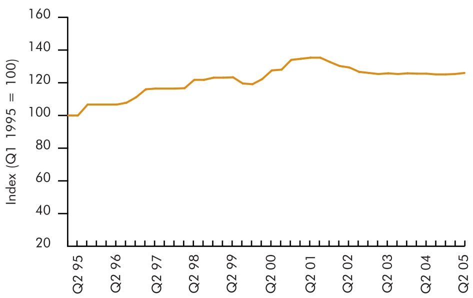
Supply, Take-up and Vacancy of Prime Office Properties



- There were no completions of new or refurbished supply in the first half of 2005. There is, however, 2.47 million sf of space still to complete before the end of 2006, including the Westpac HQ (792,200 sf) and 126 Phillip Street (462,900 sf). The development on Phillip Street is the next major project due on line with completion expected in the second half of 2005.
- Demand continued to build in the Sydney CBD market in the first half of 2005. Churn continues to dominate the leasing market but there are growing numbers of tenants increasing their take-up of space. There are also a small number of new tenants entering the market either expanding from overseas or centralising from suburban locations.
- The sectors driving this recovery are the local finance, legal and accounting industries.
- This improved leasing activity is likely to assist in holding prime office vacancy reasonably steady at about 11% despite the new supply entering the market.

RENTAL TREND

Prime Office Rental Index



- Sydney CBD prime office rents were largely stable in the first half of 2005. Although leasing activity is picking up, there's still a lot of net take-up required before a reduction in the vacancy leads to upward pressure on rents.
- The other key feature of the market at current is the high level of incentives being offered by landlords. These incentives increased slightly in the first half of 2005 and are still driving leasing activity. Incentives have been variable across quality grades and owners, however, they currently average at 24% of the value of a lease or almost 21 months on an eight-year lease. Incentives take the form of either rent-free periods or a contribution to fit out or relocation, or a combination of both.

MARKET OUTLOOK

The outlook for the Sydney CBD office market remains moderate due to the large amount of supply due to enter the market over 2006, after this supply completes vacancy is set to improve steadily over the five-year outlook. At this stage, we are forecasting vacancy to remain high at around 11%-13% for the next 18 to 24 months. This is due to the expectation that the peak in the construction cycle will be in late 2006. The tenant moves associated with the completion of these substantially pre-leased new buildings are unlikely to impact vacancy significantly as much of the take-up is from within the market.

By precinct, the Western Corridor is expected to be the main improver and it stands out as offering the chance to restore the most value after suffering the highest vacancy in the CBD, which recorded at 16.9% in January 2005. The Core precinct is forecast to experience rising vacancy as new and refurbished stock enters this market, such as 126 Phillip Street and AAP Centre.

MAJOR LEASING TRANSACTIONS IN 1H 2005

Property	District	Size (sf)	Tenant
Ernst & Young Centre	Mid Town	38,600	Galileo Southern Cross
Gateway (expansion)	Core	12,300	Allco Finance
MLC Centre	Mid Town	31,200	GPT

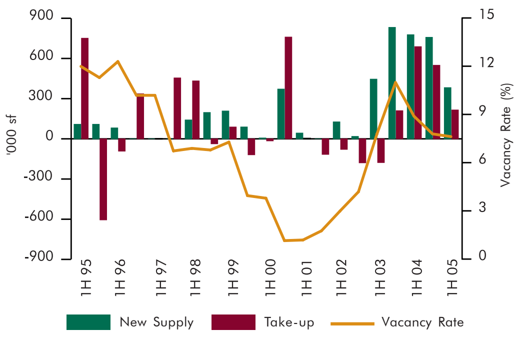
PRIME MONTHLY RENTAL ↔

NET TAKE-UP (as compared with 2H 04) ↓

VACANCY RATE (as compared with 2H 04) ↓

NEW SUPPLY, DEMAND & VACANCY

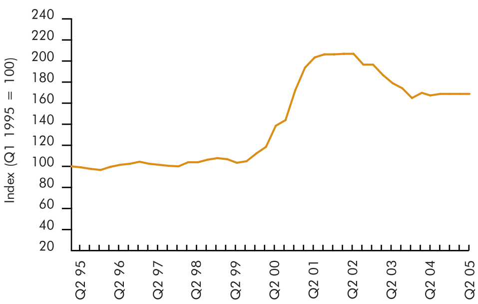
Supply, Take-up and Vacancy of Prime Office Properties



- Melbourne is in the midst of a construction cycle which is set to deliver around 5.33 million sf of office space to the CBD and Docklands between 2002 and 2006. Of this, 2.71 million sf of space is yet to be completed. There were two office buildings completed in the first half of 2005 within the CBD/Docklands office market, these were 11 Exhibition Street (226,000 sf) and RACV Centre, 501 Bourke Street (150,700 sf).
- Demand for prime office space appears to have again been reasonably strong in the first half of 2005 with around 215,300 sf of positive net take-up. Driving this demand has been growth in white-collar employment, particularly observed in the finance and legal sectors.
- We estimate prime vacancy has increased slightly across the CBD during the first half of 2005, to now be approximately 7.6%.

RENTAL TREND

Prime Office Rental Index



- Attractive lease terms in the CBD and Docklands have seen tenants upgrade from secondary office stock into buildings of better quality. Tenants have also been attracted to the CBD from other office markets within Melbourne.
- Prime incentives offered in leasing terms are expected to have fallen slightly to around 21% of the value of a lease or 25 months on a 10-year lease. As much of the new supply expected to hit the market over the next 12-18 months is already pre-committed to, incentives should remain reasonably steady.
- Prime grade net face rent in the CBD remained stable in the first half of 2005 at A$308 psm per annum (US$1.83 psf per month). Premium net face rents as at June 2005 were A$346 psm per annum (US$2.06 psf per month) and Grade A rents were A$270 psm per annum (US$1.60 psf per month).

MARKET OUTLOOK

Demand for prime office space is forecast to remain strong over the next few years. This strong demand is likely to result in vacancy remaining reasonably steady with a small peak in 2006, despite strong levels of new supply under construction. White-collar employment is forecast to grow strongly over the next few years with business investment and confidence appears to also be increasing. Annual net absorption is forecast to average 613,500 sf per annum over the next three years, largely driven by the property and business services sector. An average of 812,700 sf per annum of net new and refurbished supply is expected to be completed over the same period, with the construction cycle peaking in 2006. Total vacancy is forecast to peak in that year at 11.3% before trending downwards over the medium- to long-term. As vacancy drops rental growth should occur, particularly in prime office stock.

MAJOR LEASING TRANSACTIONS IN 1H 2005

Property	District	Size (sf)	Tenant
120 Collins Street	Eastern	107,600	Citigroup
150 Lonsdale Street	North Eastern	124,100	Telstra
277 William Street	Flagstaff	107,400	Tenix

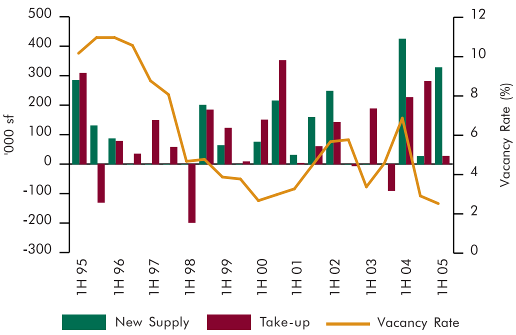
PRIME MONTHLY RENTAL ↑

NET TAKE-UP ↓
(as compared with 2H 04)

VACANCY RATE ↓
(as compared with 2H 04)

NEW SUPPLY, DEMAND & VACANCY

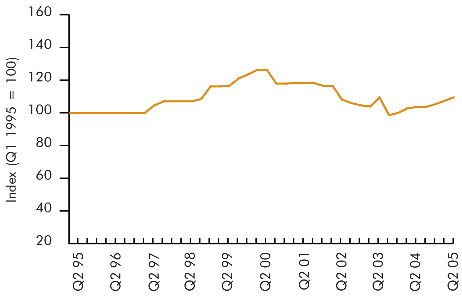
Supply, Take-up and Vacancy of Prime Office Properties



- The only addition to stock in 2005 is likely to be the 328,300-sf Riparian Plaza.
- The new headquarters for Brisbane City Council and Suncorp-Metway, the 592,000-sf Brisbane Square, is scheduled to complete during the first half of 2006. Beyond this, the next major new project on the horizon is likely to be Austcorp's Vision, which is a mixed use project containing 312,100 sf of office space.
- Overall net absorption during 2004 totalled over 683,500 sf significantly exceeding the 10-year annual average of 255,100 sf. Net absorption for the first half of 2005 is expected to slow to around 232,500 sf due to the lack of quality space available.
- The Brisbane CBD vacancy rate at December 2004 has tightened considerably to 3.5%. At the quality end of the market (Premium and Grade A buildings), vacancy is expected to have reached a new low of just 2.6% in the second quarter of 2005.

RENTAL TREND

Prime Office Rental Index



- Upward pressure has been felt on rentals throughout 2004 and into the first half of 2005. The average prime net face rent has now reached A$312 psm per annum (US$1.85 psf per month), representing an increase of 5.8% y-o-y. Secondary net face rentals have also increased over the same period, by 5.1%, to now be A$205 psm per annum (US$1.22 psf per month).
- Incentives are continuing the steady downward trend that has prevailed throughout 2004. The Brisbane CBD prime office market is averaging 13.3% of the value of a lease or eight months on a five-year lease. They do, however, vary significantly on a case-by-case basis. If the downward movement can be sustained when Riparian Plaza enters the market, then it will prove to be a significant change in sentiment in a market that has been characterised by incentives for more than a decade.

MARKET OUTLOOK

The outlook for demand and rental growth for the Brisbane CBD office market is strong. Vacancy is expected to remain below 5% to 8% over the next three years (to June 2008). This is well below the previous peak of 13% in the early 90s. Site availability is becoming more of an issue, with developers being forced to look to longer-term redevelopment opportunities (with a holding income) or site amalgamations. This adds significantly to the cost of development and will see mixed-use projects become more common. Parts of the CBD not considered prime locations, such as the western fringe, are also likely to be considered for redevelopment.

While the completion of Riparian Plaza and Brisbane Square are likely to cause a temporary slowdown in the upward pressure on rents, further major prime development appears some way off. With tenant demand expected to continue, well-located office space is likely to stay in relatively short supply. The underlying fundamentals, therefore, remain conducive to sustained growth in rents and values.

MAJOR LEASING TRANSACTIONS IN 1H 2005

Property	District	Size (sf)	Tenant
215 Adelaide Street	CBD	67,800	Rio Tinto Coal
Riparian Plaza	CBD	66,700	Clayton Utz
Citygate Stage 2	Near City	47,500	Australian Bureau of Statistics

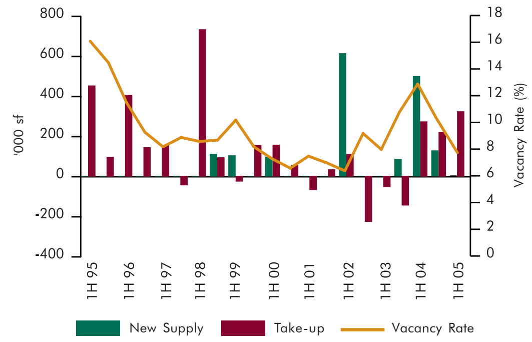
PRIME MONTHLY RENTAL ↓

NET TAKE-UP (as compared with 2H 04) ↑

VACANCY RATE (as compared with 2H 04) ↓

NEW SUPPLY, DEMAND & VACANCY

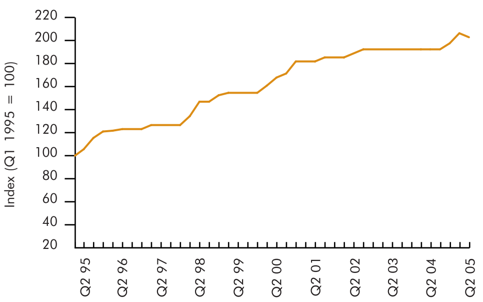
Supply, Take-up and Vacancy of Prime Office Properties



- No prime office buildings were completed in the first half of 2005. The next building to enter stock in the Perth CBD office market is likely to be the 77,500-sf Allendale II which is currently under construction and is likely to complete by the end of 2005 or early 2006. After this completes the next major project is not expected to hit the market until 2007. Further proposals are only likely to go ahead if significant pre-commitment is achieved.
- Tenant demand is very strong, from all sectors in Perth. By the end of 2005 annual net absorption is forecast to be approximately 383,200 sf. For 2006 and 2007 net absorption is expected to reach 215,300 sf and 161,500 sf, respectively.
- Overall vacancy is expected to reach 12.3% as at June 2005. This represents a decrease from the 13.9% witnessed in June 2004. Prime vacancy edged down to 7.8% in June from the 10.4% level recorded six months ago.

RENTAL TREND

Prime Office Rental Index



- Average prime net face rent as at June 2005 was approximately A$290 psm per annum (US$1.72 psf per month). This represents an increase of 5.5% as compared y-o-y.
- Incentives are still very high, averaging 25% of the value of a lease in the prime market or 15 months on an average five-year lease. Incentives are likely to decrease over the next few years as vacancy falls in response to limited supply and continuing demand.
- Premium net face rent, as at June 2005 averaged A$301 psm per annum (US$1.79 psf per month), whereas Grade A rentals averaged A$275 psm per annum (US$1.63 psf per month).

MARKET OUTLOOK

Tenant demand has returned to the CBD office market with strong positive net absorption over 2004 of 484,400 sf. This trend is forecast to continue with average annual net absorption of 244,300 sf for the next three years. This demand is being underpinned by strong economic growth in Western Australia, booming resource markets, very strong employment growth and strength in base office demand. These factors are likely to combine with limited new supply to reduce future vacancies to approximately 9% by year-end 2007 with an annual average level of vacancy below 10% for the next five years. Premium grade net face rentals averaged A$301 psm per annum as at June 2005 and are expected to increase to A$315 psm per annum by the end of 2005. Our current forecast for Premium grade accommodation indicates growth rates of approximately 13.4% for 2005, 12.9% for 2006 and 8% for 2007.

MAJOR LEASING TRANSACTIONS IN 1H 2005

Property	District	Size (sf)	Tenant

No major leasing transactions recorded within the period under review.

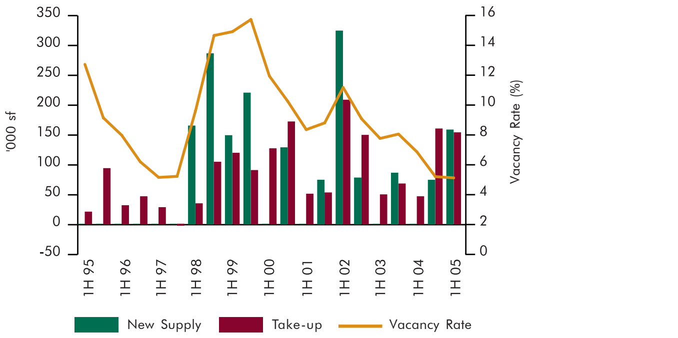
PRIME MONTHLY RENTAL ↑

NET TAKE-UP ↓
(as compared with 2H 04)

VACANCY RATE ↓
(as compared with 2H 04)

NEW SUPPLY, DEMAND & VACANCY

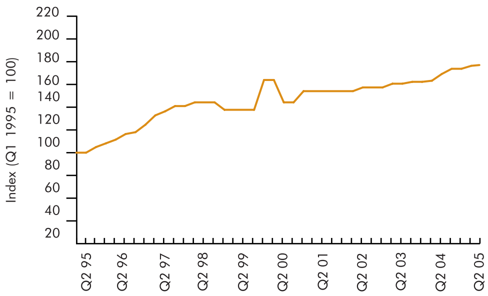
Supply, Take-up and Vacancy of Prime Office Properties



- The new Vodafone building of 158,800 sf was completed during the first half of 2005. Vodafone occupies some 150,700 sf of the building with the balance remaining available for lease.
- Lumley Tower has been slightly delayed and is now due to be completed in August 2005. Some 90% of this 193,800-sf building will be occupied on completion.
- Demand is positive although it appears that the level of leasing inquiry has dropped from the 2004 levels.
- New prime supply of about 312,200 sf is forecast to come on stream in 2006.

RENTAL TREND

Prime Office Rental Index



- For the year ended June 2005, prime net effective rents increased by 7.3% y-o-y to an indicative rate of NZ$263 psm per annum (US$1.44 psf per month), while net face rent rose by 4.7% to NZ$270 psm per annum (US$1.47 psf per month) over the same period of time.
- Indicative incentives have fallen to around three months equivalent rent-free for a nine-year lease. The falling incentives are placing an increasing upward pressure on face rentals.
- Recent prime leasing evidence ranges from OCG taking low elevation space at the ANZ Centre for NZ$215-$220 psm per annum to NZ$255 psm per annum for a higher elevation space in the ASB Centre at NZ$255 psm per annum. Both of these are older generation Premium grade buildings.

MARKET OUTLOOK

After steady improvement over most of the last four years, vacancy in Auckland office market will likely stabilise in 2005. This will reflect increasing supply at the time of moderating demand. Into 2006 we are forecasting a further deterioration in the supply demand balance. However, because the vacancy increases will take place from a low base, vacancies will remain comparatively low in a historical context. Rental growth is forecast to reflect the above supply/demand balance. We expect growth rates to fall away into 2006.

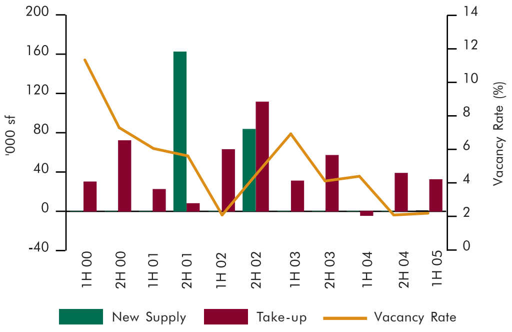
MAJOR LEASING TRANSACTIONS IN 1H 2005

Property	District	Size (sf)	Tenant
Air NZ	CBD Fringe	167,800	Air NZ
ANZ Centre	CBD Core	15,900	OCG
ASB Bank Centre	CBD Core	9,400	ASB Bank

PRIME MONTHLY RENTAL ↑ | NET TAKE-UP (as compared with 2H 04) ↓ | VACANCY RATE (as compared with 2H 04) ↑

NEW SUPPLY, DEMAND & VACANCY

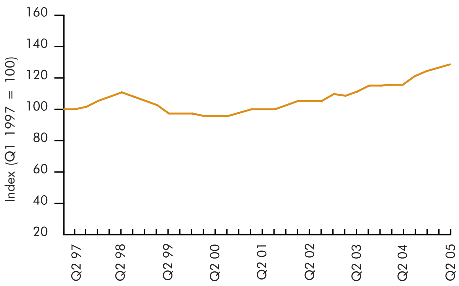
Supply, Take-up and Vacancy of Prime Office Properties



- No new office stock was completed in the Wellington market during the past six months.
- A number of projects are currently under construction and two of these, the 49,700-sf Odlins refurbishment which is fully committed to by the New Zealand Stock Exchange and P&O Shipping and the 59,200-sf new building for the Ministry of the Environment are scheduled to be completed by the end of 2005. Both of these buildings are 100% pre-committed.
- Demand remains strong with the government being the leading driver of occupier expansion.
- New prime supply of about 269,100 sf is forecast to come on stream in 2006.

RENTAL TREND

Prime Office Rental Index



- Prime office indicative rents increased by 7.2% during the past year, reaching NZ$342 psm per annum (NZ$1.87 psf per month) gross or NZ$228 psm per annum (US$1.24 psf per month) on net effective basis.
- In addition to rental growth, tenants are also benefiting from some easing in operating expenses due to changes to the rating differential and lower insurance costs.
- Apart from large leases in new or refurbished buildings there is little evidence of incentives.
- Recent prime leasing evidence ranges from NZ$310 psm per annum gross in the Grade A quality ASB Tower to NZ$436 psm per annum gross or NZ$325 psm per annum net in the Premium grade Mobil on the Park.

MARKET OUTLOOK

Given the continuing strong demand from the government sector, underlying office demand in Wellington is forecast to remain positive. However, some vacancy increases are likely to occur towards the end of 2005 as tenants upgrading to new premises create a vacancy backlog in secondary buildings. Rental trends are forecast to be positive to the end of 2005 with rental growth in existing buildings benefiting from new benchmark rents being achieved in some of the new built premises. In 2006, as vacancies increase, we are forecasting a more subdued period for rental growth.

MAJOR LEASING TRANSACTIONS IN 1H 2005

Property	District	Size (sf)	Tenant
Mobil on the Park	CBD Core	10,800	Farmers Mutual
Todd Tower	CBD Core	6,200	Oracle
Wool House	CBD Core	45,700	Deloitte

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 costs reflects all costs of occupancy, including base rent and other occupancy-related expenses such as service charge/management fee, property taxes and opportunity cost of any large amount of deposit being paid to landlord 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 purpose and taking into the account the difference of space measurement and rent quotation in various markets in the Asia Pacific region, the total occupancy cost figure in our publication is calculated on a net lettable area basis and is quoted in the term of US dollar 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 - 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 lobby, plant rooms, stairs and corridors are excluded.

LETTABLE AREA

Lettable Area of whole floor 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

Saleable Area of the 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. are 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.

TAKE-UP

Take-up figures represent the net increase in occupied floor space in the year. The figures are arrived at:

Take-up	=	New Completions
	+	Vacancy figures at the beginning of year
	–	Demolition
	–	Vacancy figures at year-end

LOCAL MARKET INFORMATION

	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 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, Malard and Andheri.	
New Delhi	Central New Delhi CBD area comprises all commercial developments in and around Connaught Place, which is the traditional prime office sub-markets. 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 smie-gross floor area basis (90% efficiency), in US$ psm per month, excluding monthly service charges and government taxes. Prices are quoted on 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 Tokyo office market are asking rent quoted by landlord to brokers or the public. The rents are quoted in local currency per tsubo per month and are calculated on internal floor basis. One "tsubo" is equal to approximately 3.3 sm (i.e. 35.5 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 comprise 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 Peso 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, comprising 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 China cities are quoted in US$ psm per month, excluding management fees/service charges as well as incentives offered by the landlord. 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 Dongshan, Yuexiu, Luwan and Tianhe districts where they are clustered along Huanshi East Road, Tianhe East Road, Tianhe North Road and Zhongshan First Road.	
Shanghai	Prime office properties are found in both 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 Zhuyuan Commercial and Trade Zone.	
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 either on 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 in psf on gross basis.

	Definition of Prime Office Markets	Leasing Practices in Local Office Markets
SINGAPORE	Singapore comprises an islandwide office market of which 90% of office space is located in the Central Region, with the remaining 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$1.30 psf per month. Most leases provide that the service charge may be adjusted at any time during the lease term if the cost of providing the specified services to the building increases.
SOUTH KOREA Seoul	There are three major office districts in Seoul, including CBD in Chung Gu, Gangnam and Yeouido.	Rents are quoted in Won per pyung per month, measured on net floor area basis. "Pyung", which is the same as "tsubo" and "ping", is equivalent to 3.3 sm. The typical efficiency of Grade A office buildings is around 65%. Usually, a substantial rental deposit is payable at the commencement of the lease and this may impact on the effective rent.
TAIWAN Taipei	In Taipei, prime office sub-markets are situated in areas near the Taipei Railway Station (TMS), along Chung Chan North Road (CSN), and in Nanking-Sung Chiang (NK-SC), Min Sheng-Tun Hwa North (MS-THN) and Hsin Yi-Keelung areas (HY-KL) in central Taipei City.	Local unit of measurement is "ping", the same as "tsubo", which is equivalent to 3.3 sm. Rents and prices are quoted in local currency on gross floor area basis, respectively.
THAILAND Bangkok	The central business district in Bangkok incorporates the Silom, Sathorn, early Sukhumvit and Lumpini sub-markets.	Rents are quoted in Baht psm per month on internal floor area basis, including service charges and household taxes. Prices are also quoted on internal floor area basis in local currency.
VIETNAM Ho Chi Minh City	The Central Business District in Ho Chi Minh City is District 1.	Rents are quoted in US$ psm per month on the net floor area, including service & management charges but excluding 10% VAT.
AUSTRALIA		
Sydney	Includes all office buildings above 1,000 sqm of net lettable area, located in the CBD area broadly bounded by Port Jackson in the north, Darling Harbour to the west, Royal Botanic Gardens/The Domain/Hyde Park to the east and Central Station to the South.	In Australia, rents are calculated from the net lettable area, which is defined by the pre-eminent industry association, the Property Council of Australia in its publication, Method of Measurement, March, 1997. Rents are quoted in local currency psm per annum and usually excluding taxes and service charges.
Melbourne	Includes all office buildings above 1,000 sqm of net lettable area, located in the CBD area broadly bounded by Flinders Street to the south, Spring Street to the east, Victoria Street/ Peel Street/ Latrobe Street to the north and Spencer Street to the West.	
Brisbane	Includes all office buildings above 1,000 sqm of net lettable area, located in the CBD area broadly bounded by the Botanic Gardens to the south, the Brisbane River to the east and west and Turbot Street to the North.	
Perth	Includes all office buildings above 1,000 sqm of net lettable area, in the area broadly bounded by Riverside Drive to the south, the Mitchell Freeway to the west, Wellington Street to the north and Plain Street to the east.	
NEW ZEALAND Auckland/Wellington	The Prime market includes Premium and Grade A quality buildings in the CBD. The buildings offer high to top quality space for corporate occupiers and are generally the pace setters in establishing rental benchmarks	Net floor area is the most widely used and accepted measurement for property leasing transactions. Rents are quoted in NZ$ psm per annum, excluding taxes, GST and management fee. Typical lease length is six to nine years. Rent reviews are generally three yearly to market.

ASIA PACIFIC MAP

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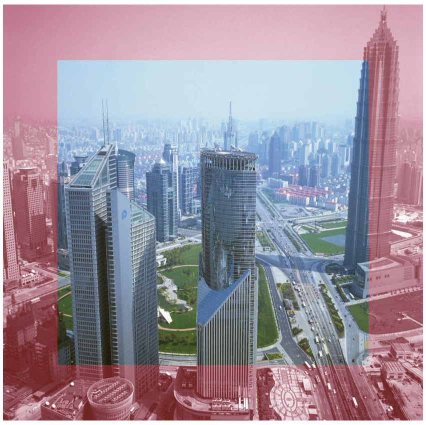
ASIA PACIFIC OFFICE MARKET REVIEW

Asia Pacific Office Rents & Occupancy Costs

Q2 2005



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