COLLIERS INTERNATIONAL
QUARTERLY RESEARCH REPORT

SINGAPORE

OCTOBER 2005

THE KNOWLEDGE

Property Market Overview

Market Conditions as at September 2005

Executive Summary

First Nine Month's Economic Growth Exceeded Forecast for Year

The Singapore economy continued its growth momentum in 3Q 2005, growing by 6% YoY according to government's advanced estimates. This brings the first nine month's GDP growth to 4.7%, exceeding the official growth forecast for the entire year!

The third quarter's growth was led by the manufacturing sector which expanded by a robust 10%. Growth was propelled by an upsurge in biomedical manufacturing. The services producing industries maintained their growth at 5.1%, fuelled by accelerated pace of expansion in the financial services and business services sectors.

For the whole of 2005, economists are now forecasting a growth in the region of 5% whilst the government is likely to revise its official forecast of 3.5% to 4.5% upwards.

Market Confidence Riding High On Integrated Resorts

The positive impact of the development of two integrated resorts, both with gaming components continued to spill into the third quarter. In addition, market sentiments was further buoyed by the announcement of the better-than-expected 2Q 2005 economic performance, bullish price achieved for the Business and Financial Centre (BFC) site at Marina Bay and the Government's announcement on 19 July of a package of policy changes affecting the property market.

The office property market appears to be enjoying a second wave of revival even before the first has subsided. Rental growth which was rather muted in the previous quarter rebounded in the third quarter to

YEAR-ON-YEAR GROWTH IN GROSS DOMESTIC PRODUCT

	1Q2005	2Q2005	3Q2005 (Advanced Estimates)
Overall GDP	2.7%	5.4%	6.0%
Goods Producing Industries			
Manufacturing	3.5%	6.3%	10.0%
Construction	-5.6%	-0.8%	-0.7%
Services Producing Industries	3.5%	5.1%	5.1%

Source: Ministry of Trade and Industry, Singapore

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record a strong average QoQ growth of 3.7%. In the prime Raffles Place, average monthly gross rents of Grade A space rose by some 3.8% to $4.86 per sq ft as at September 2005 compared to 0.2% recorded for 2Q 2005. Healthy demand, fuelled by aggressive expansion plans by existing firms and, to a lesser extent, new set-ups continued to raise occupancy rates. With new supply being limited, choice options especially within the CBD have grown gradually constrained.

In the retail property market, retailers and consumers' confidence continued to rise, boosted by a combination of factors including resurrection of economy and developers' aggressive bids for commercial properties and development sites. Healthy demand and stable supply of retail space provided the support for prime rents to maintain at previous quarter's level of $37.75 per sq ft for retail space in Orchard Road, $30.25 per sq ft for those in secondary CBD locations and $29.63 per sq ft for retail space in regional malls.

On the industrial front, multi-national industrialists continued with significant investments in Singapore, leading to improved occupancy rates of single-user and high-specs industrial space. Stronger leasing activities for space catering to high-tech and R&D activities continued to result in fast rising hi-specs rents. For the conventional factories, although demand is healthy, supply will take considerable time to be reduced to a moderate level. As such, their rents had stayed flat.

The government's 19 July announcement on policy changes affecting the property market raised hopes that the residential property market will see significant improvement. However, potential purchasers remained prudent and had refrained from rushing to take advantage of the changes. This has resulted in the market remaining relatively stable in the quarter. The new sales market was generally listless with developers opting to remarket existing projects to test market's reaction to the policy changes instead of launching new ones. However, the quiet new sales market was more than compensated by the active resale market in which transaction volume surpassed its previous high to reach 2,300. This reflects a 30% growth from last quarter's resale transaction volume. Price recovery picked up pace in the quarter, rising by 1.1% according to URA's 3Q 2005 flash estimate.

The investment market was particularly robust in the quarter, with a total of $4.46 billion of transactions being recorded. Prime Reit's purchase of stakes in Wisma Atria and Ngee Ann City amounting to $1.30 billion accounted for close to 30% of this total amount. Even excluding these two transactions, total investment sales for the quarter amounted to $3.16 billion, 68% more than that accumulated in the previous quarter and the highest since the general property market bottomed in 1Q 2004. The brisk level of activity seen in the investment sales market is a clear indication of developers' confidence in the mid- to long-term prospects of Singapore's property market.

INVESTMENT SALES IN 3Q 2005

Property Sector	Private ($ million)	Public ($ million)	Total ($ million)
Industrial	$363.01	$6.69	$369.70
Commercial	$2,519.17	$546.39*	$3,065.56
Residential	$915.52	$108.93	$1,024.45
Total	**$3,797.70**	**$662.01**	**$4,459.71**

* Includes an estimated $410.10 million for the first phase of BFC comprising 1.08 million sq ft of commercial space.

Source: Colliers International Singapore Research

Office

Bullish Expectations by Landlords Drove Up Rents

The cautious mood of the second quarter gave way to renewed confidence in the third quarter. Buoyed by the better-than-expected second quarter economic growth and bullish price achieved for the BFC site, the office sector is enjoying a second wave of revival even before the first has subsided.

Where rental growth of Grade A office space was muted in the last quarter hinting at the possibility of rents reaching resistance level, they rebounded in the third quarter to record a strong average QoQ growth of 3.7%. In the prime Raffles Place, average monthly gross rents of Grade A space rose by some 3.8% to $4.86 per sq ft as at September 2005 compared to 0.2% recorded for 2Q 2005.

MONTHLY GROSS RENTS OF GRADE A OFFICE SPACE

Micromarket	Average Monthly Gross Rents ($ per sq ft)			QoQ Change		
	1Q 2005	2Q 2005	3Q 2005	1Q 2005	2Q 2005	3Q 2005
Raffles Place	$4.67	$4.68	$4.86	8.0%	0.2%	3.8%
Shenton Way / Tanjong Pagar	$4.02	$4.02	$4.17	2.3%	0.0%	3.8%
Marina / City Hall	$4.65	$4.65	$4.72	2.4%	0.0%	1.5%
Beach Road	$3.53	$3.58	$3.69	5.1%	1.4%	3.1%
Orchard Road	$4.58	$4.58	$4.75	3.4%	0.0%	3.8%
Suburban	$3.86	$3.86	$3.99	7.0%	0.0%	3.4%
Regional	$2.70	$2.70	$2.83	5.9%	0.0%	4.8%

Source: Colliers International Singapore Research

Leasing activity was active in 3Q 2005 with demand stemming from a mixture of expansions, relocations and renewals. The market also saw demand from new set ups although these were of a smaller scale. Tenants who required office space also came from a much wider spectrum of industries, spanning from asset management enterprises to professional services and manufacturing enterprises, although the financial and information technology sectors still dominated leasing demand.

Some of the leasing deals concluded in the quarter include: -

- Software firm Autodesk expanded its office space from 20,000 sq ft to 35,000 sq ft in Ngee Ann City Tower B;
- Shipping firm Tee Kay Shipping took up an additional half a floor in Temasek Tower; and
- Apparel company Gap International renewed its lease for 21,000 sq ft in Ngee Ann City Tower B.

While large firms were lacking in alternatives due to limited supply of quality office buildings with large floor plates, smaller firms comparatively had more selections. However, choice options especially within the CBD also grew gradually constrained as healthy demand for office space continued to raise occupancy levels alongside limited new supply.

As at 3Q 2005, 89.1% of Grade A office space in Raffles Place was occupied, up 0.8 percentage point from the 88.3% achieved as at end of last quarter.

OCCUPANCY RATES OF GRADE A OFFICE SPACE

Micromarket	Average Occupancy Rate	
	3Q 2005	QoQ Change
Raffles Place	89.1%	0.8 pps
Shenton Way / Tanjong Pagar	97.7%	1.4 pps
Marina / City Hall	89.6%	0.8 pps
Beach Road	94.4%	-1.0 pps
Orchard Road	92.6%	-0.3 pps
Suburban	88.4%	5.1 pps
Regional	98.0%	0.0 pps

Source: Colliers International Singapore Research

New supply of office space in the third quarter was limited to the completion of addition and alteration works at the Great Eastern @ Changi development that yield 64,067 sq ft of net lettable area. This additional space is, however, for owner occupation and not available for lease.

In the investment sales market, some $760.12 million worth of properties were transacted in the quarter. This was more than double the $354.82 million of private office investment sales amassed in 1H 2005. The largest deal in the quarter was the sale of Marsh and McLennon Centre at Cross Street to Allco Commercial Trust for $390 million. A private development site was transacted in the quarter. This is the freehold site of a Shell station in Newton. The purchaser, SC Global is considering developing this site into a commercial building with a showroom on the ground floor and offices or medical suites on the upper floors.

Over at the public sector, the quarter saw the successful tender and award of the high-profile BFC site at Marina Bay to the consortium of Hongkong Land, Keppel Land and Li Ka-shing's Cheung Kong/ Hutchison Whampoa for $381 per square foot of potential gross floor area in July. The higher than expected price paid for the BFC site reflected developers' confident outlook for Singapore's real estate market, in particular, the office sector in the medium term.

Demand for office space will continue to improve with expansion needs from companies and new set-ups. Supply, on the other hand, will remain constrained till the first phase of BFC comes on stream in circa 2009/10. No new office development is scheduled for completion in the final quarter of the year. Over the next three years (till 2008), potential new supply will be limited to 2.3 million sq ft, just about a quarter of historical new supply over the same period. Coupled with the expected rise in incidences of redevelopment of old office buildings into other uses, supply of office space will remain tight.

The supply shortfall situation will further boost rents and landlords' rental expectations. As a result, we expect to see broad-based increase in rents across all micro markets. Rentals for Grade A office space in Raffles Place is likely to rise further by 3% in 4Q 2005 while rents of Grade B Raffles Place buildings and Grade A buildings in other micro markets such as Shenton Way/Tanjong Pagar, Marina/City Hall and Orchard will experience greater increases of up to 5% in the last quarter of the year.

Retail

Poised for Bright Outlook

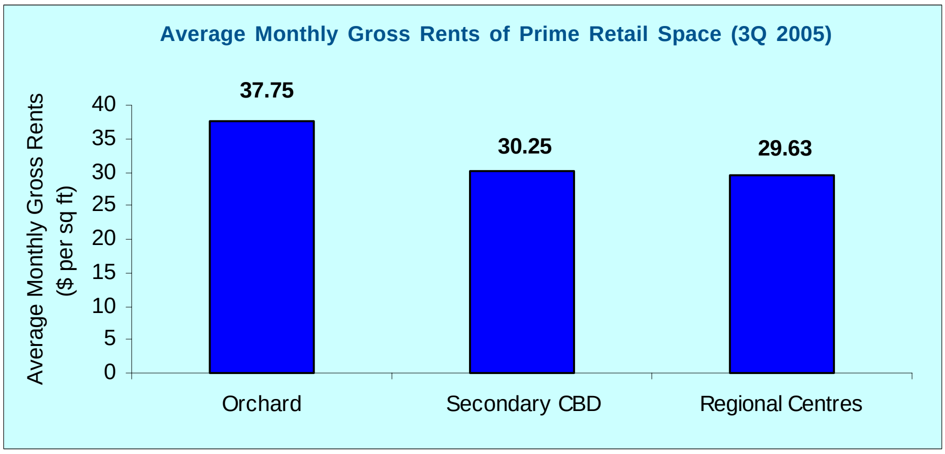
The buzz in the retail industry and property market continued into 3Q 2005 and peaked towards the end of the quarter with the launch of the crown commercial site at Orchard Turn.

The announcements of the development of two integrated resorts, both with gaming components as well as the better-than-expected 2Q 2005 economic performance continued to raise retailers and consumers' confidence level in 3Q 2005. Retail sales (excluding motor vehicles) registered strong YoY growth of 9.9% in July, faster than the previous month's 6.5%. Visitor arrivals, on the other hand, recorded a breakthrough figure of 876,561 in July, followed by 810,423 in August. For the first eight

PRIVATE INVESTMENT SALE OF OFFICE DEVELOPMENTS/SITES IN 3Q 2005

Development Name/Address	Micromarket	Price ($ mil)	Price ($ per sq ft)
Bugis Junction Tower	Beach Road	$140.00	$569
Marsh and McLennon Centre	Raffles Place	$390.00	$1,043
Ngee Ann City	Orchard	$118.00	$840
Suntec City #40-02 / 03	Marina / City Hall	$7.12	$1,350
UIC Building (Upper Ground Floor)	Shenton Way / Tanjong Pagar	$11.50	$602
Wisma Atria	Orchard	$80.00	$809
Land at 200 Newton Road	Suburban	$13.50	$291 (per plot ratio)

Source: Colliers International Singapore Research



Source: Colliers International Singapore Research

months of the year, some 5,875,466 visitors arrived in Singapore, reflecting an 8.4% increase compared to the same period last year.

Demand for retail space remained buoyant in the quarter. Leasing activities stemmed from a mix of relocations, expansions, renewals as well as new leases. Examples include the relocation of Times Bookshop from the second to the first level in Suntec City Mall and the expansion of upmarket boutique, Dior's newly renovated flagship store on the ground floor of Ngee Ann City in Orchard by 872 sq ft to 3,924 sq ft. As for new leases, Guardian Beauty Hall opened its first Singapore store in Suntec City Mall.

Of significance is the rise in new start-ups with low capital margins. These retailers typically carry merchandise such as youth apparels, accessories, gifts and novelties, which are locally designed or imported from overseas, and target the young adults and student population.

To capitalize on this fast growing niche market, mall owners are actively carving out smaller leaseable space and introducing more pushcarts. Suntec City Mall, under its new owner Suntec REIT, has jumped on this bandwagon by reconstructing some 39,319 sq ft of retail space on the third level into 32 small shops and a larger one of 11,485 sq ft. Repositioned as a New Happy Kidz Zone, some of the new tenants there include Osh Kosh B' Gosh, Cloud9 Baby & Kids, Crosscom, Lucie & Oscar and Toys R Us. In addition, the number of pushcarts in the mall, which had been increased to 31 from eight previously, will be further increased to 42 by year-end.

No major retail malls were completed in the quarter. Healthy demand and stable supply provided the support for rents to maintain at previous quarter's level.

Developers' sentiments were running high in the quarter, resulting in a total of $1.90 billion being chalked up in the retail investment sales market. Out of the seven properties transacted, five properties worth some $1.76 billion were from the private sector. Of these, four were Reits-related acquisition. In July, CapitaMall Trust acquired Parco Bugis Junction and Jurong Entertainment Centre for a total of $648.80 million. In September, a third Singapore-based retail Reit, Prime REIT, was launched. Its initial portfolio comprises stakes in two prominent shopping centres in Orchard Road - Wisma Atria and Ngee Ann City. Prior to its initial public offering launch, Prime REIT purchased from its parent company Ergo Versicherungsgruppe AG, stakes in the retail components of Wisma Atria and Ngee Ann City at a total price of $1.11 billion.

INVESTMENT SALE OF RETAIL PROPERTIES IN 3Q 2005

Property Name	Location	Tenure	Sale Price ($ mil)
Private			
Parco Bugis Junction	200 Victoria Road	99-year	$580.80
Jurong Entertainment Centre	2 Jurong East Central 1	99-year	$68.00
Wisma Atria	435 Orchard Road	99-year	$583.00
Ngee Ann City	391 Orchard Road	69.36-year	$522.00
N.A.	302 Jalan Besar #01-01 ETC	Freehold	$5.25
		Sub-total	***$1,759.05***
Public			
Urban Entertainment Centre	Victoria Street	60-year	$46.00
Mixed Commercial and Residiential Site*	Yew Tee Close/Choa Chu Kang North	99-year	$90.29
		Sub-total	***$136.29***
		TOTAL	**$1,895.34**

*As at end-September, this site has yet to be awarded. Thus it is excluded from the total investment sales figure for 3Q 2005.

Source: URA Realis/Colliers International Singapore Research

In the public sector, URA awarded a 60-year leasehold site at Victoria Street zoned for entertainment use to Jack Investments Pte Ltd at a price of $46 million in July. The 96,005 sq ft site will be developed into an entertainment hub, which will include a 16-storey Urban Entertainment Centre with a mix of arts, entertainment and leisure-related uses. It has a gross floor area of 288,020 sq ft, of which a maximum of 115,208 sq ft is likely to be retail space.

During the quarter, tender closed for a 91,493 sq ft mixed commercial and residential development site at Yew Tee Close/Choa Chu Kang North 6. The site, which can be built to a maximum gross floor area of 292,778 sq ft, of which a maximum of 40% is slated for commercial development, attracted nine bids. The highest bid of $90.29 million or $308.39 per sq ft per gross plot ratio was submitted by Choice Homes Alpha Pte Ltd.

The buzz in the retail investment market peaked in the quarter with the successful triggering of the release of the crown jewel of Orchard Road – the Orchard Turn site. In September, the Urban Redevelopment Authority (URA) released the Orchard Turn site from its Reserve List for tender after a boutique developer, SC Global, triggered it with an offer price of $443 per sq ft per gross plot ratio. This 1.8-hectare site is designated for a 40-storey commercial development with at least 40% of the maximum permissible gross floor area of 1.35 million sq ft dedicated to retail, food and beverage, or entertainment uses.

With the second commercial site in Orchard Road (the Somerset site) expected to be released for tender in the final quarter of the year, the remaking of Orchard Road is surely and rapidly taking shape.

Supply in the pipeline appears substantial compared to that of the last ten years with the successful award of these development sites in addition to the scheduled completion of numerous sizeable malls such as the 1.1 million sq ft VivoCity at Harbourfront, City Square Mall at Kitchener Road and the retail component in the two integrated resorts. However, we are of the view that they will be matched by demand which is expected to continue to strengthen due to:-

- Continued consumer confidence resulting from sustained economic and employment growth;
- Increase in tourist spending resulting from Singapore Tourism Board's (STB) efforts to double visitor arrivals and triple tourism receipts by 2015; and
- Increase in foreign student population from the current 60,000 to 150,000 by 2012

Rents and capital values are unlikely to be unduely pressured and are expected to remain stable in the short term.

Industrial

Strong Recovery in Manufacturing Sector Boosts Demand for Business Space

The manufacturing sector rebounded from its weak performance in the first half of the year. The higher than expected total factory output of 11.8% in August resurrected by a surge in pharmaceutical output and increased activity in aircraft repairs and production of oil rigs, was much higher than market forecasts of 8% YoY. In addition, the increase in oil prices had not affected Singapore's economy significantly. In fact, there were even some positive effects arising from the stronger performance of the oil refining, marine and offshore engineering industries.

Multi-national industrialists continued with significant investments in Singapore. These included logistics heavyweight Nippon Express; shipping corporations Mitsubishi Corporation and J Lauritzen Group; data management company Fujitsu, and semiconductor firms Micron Semiconductor and Siemens; and life sciences company Lonza Group.

Due to such large-scaled investments from these multi-nationals, take-up for high-specs and business park spaces and single-use factories continued to grow. For example, Maxtor Peripherals took up some 100,000 sq ft of space in Northtech. Average occupancy rates of business park spaces had likely edged up further to 78% in 3Q 2005, up from 77.3% in 2Q 2005, while that of single-user factories to 92.5% in 3Q 2005, up from 91.9% in 2Q 2005.

Stronger leasing activities for space catering to high-tech and R&D activities continued to result in fast rising hi-specs rents while rents of conventional factories stayed flat.

GROSS RENTS OF FACTORIES AND WAREHOUSES AS AT END-SEPTEMBER 2005

Type	Floor	Average Gross Rents ($ per sq ft per month)	QoQ Change (%)
Prime Flatted Factory	Ground	$1.57	0.0%
	Upper	$1.17	0.0%
Prime Flatted Warehouse	Ground	$1.42	0.0%
	Upper	$1.00	0.0%
High-Specs Industrial Space	Ground	$1.97	4.2%
	Upper	$1.80	2.9%

Source: Colliers International Singapore Research

CAPITAL VALUES OF FACTORIES AND WAREHOUSES AS AT END-SEPTEMBER 2005

Type	Floor	Average Capital Values ($ per sq ft)	QoQ Change (%)
Freehold			
Prime Flatted Factory	Ground	$461	0.0%
	Upper	$327	0.0%
Prime Flatted Warehouse	Ground	$426	0.0%
	Upper	$282	0.0%
Leasehold			
Prime Flatted Factory	Ground	$237	0.0%
(60-year)	Upper	$155	0.0%

Source: Colliers International Singapore Research

Private investment sales of industrial properties surged strong ahead, growing by 34% to $363.01 million from $270 million accumulated last quarter. Reits-related acquisitions accounted for 93% of the total industrial investment sales in the quarter. In addition, Cambridge Real Estate Investment Management (Creim) was known to have acquired some five properties for a total of $49.5 million in the period. However, the completion of these sales transactions is subject to Creim's successful listing.

In the public sector, all three industrial land sites on the Confirmed List for 2H 2005 were released for tender in the quarter. One of the sites, that at Alexandra/Leng Kee Road has since been awarded to Wintech Land Pte Ltd for $6.688 million or $49.40 per sq ft per gross plot ratio. This 30-year leasehold 54,149 sq ft site can be built to a maximum gross plot ratio of 2.5 and is zoned for Business 1 type of use.

The two remaining sites will see their tenders closing in 4Q 2005. Their details are as shown in the table below.

Demand for industrial properties is likely to remain strong with the Government's strong commitment to double manufacturing output to $300 billion by 2018. Supply, however, will take considerable time to be reduced to a moderate level. Rents and prices of flatted factories and warehouses are likely to remain stable. However, as supply of hi-specs spaces are being taken up at a much faster rate, their rents may still see moderate upside in the medium term.

PRIVATE INVESTMENT SALE OF INDUSTRIAL PROPERTIES IN 3Q 2005

Property Name	Location	Tenure	Sale Price ($ mil)
Acquisitions by A-REIT			
Techview	1 Kaki Bukit View	60 yrs	$76.00
Techquest	7 International Business Park	JTC 60 yrs	$7.50
LogisHub @ Clementi	2 Clementi Loop	JTC 60 yrs	$18.07
Hoya Building	455A Jalan Ahmad Ibrahim	JTC 30 yrs	$5.30
Hamilton Sundstrand Building	Changi North Rise	JTC 30 + 30 yrs	$31.00
Thales Building	Changi North Rise	JTC 30 + 12 yrs	$5.80
Cityneon Design Centre	84 Genting Lane	JTC 30 + 13 yrs	$10.00
NNB Industrial Building	10 Woodlands Link	JTC 30 + 30 yrs	$12.00
Senkee Logistics Hub	21 Pandan Ave	JTC 30 + 15 yrs	$106.10
Trivec Centre	11 Tampines Street 92	HDB 60 yrs	$16.75
Dynasty Industrial Building	1 Jalan Kilang	99 yrs	$18.65
Accord Famous Distri Centre	1 Changi South Lane	JTC 60 yrs	$34.80
Acquisitions by Other Parties			
ACS Innovations Building	12 International Business Park	JTC 30 + 30 yrs	$7.30
ASA Building	54 Serangoon North Ave 4	HDB 30 + 30 yrs	$7.50
21 Tuas Ave 13	21 Tuas Ave 13	JTC 30 + 30 yrs	$6.24
	TOTAL FOR 3Q 2005#		**$363.01**

#Total excludes properties acquired by Cambridge Real Estate Investment Management.

Source: Colliers International Singapore Research

GOVERNMENT INDUSTRIAL DEVELOPMENT SITES AVAILABLE ON TENDER

Location	Site Area	Proposed Development	Plot Ratio	Tenure	Tender Closing Date	Sales Agent
Woodlands Ave 4	1.05 ha	Business 2	1.0	60 yrs	26 Oct 05	URA
Pioneer Road	1.98 ha	Business 2	1.0	30 yrs	22 Nov 05	JTC

Source: URA/JTC/Colliers International Singapore Research

Residential

Brisk Resale Activities Propped Up Market

There was much excitement in the residential property market when the Government announced, on 19 July, a slew of 13 policy changes affecting the property market in three major areas, namely caps on bank financing for residential properties, limit on the use of Central Provident Fund (CPF) for property purchases and restrictions on foreign ownership of lands and properties. However, potential purchasers remained prudent and had refrained from rushing to take advantage of the changes. This has resulted in the market remaining relatively stable in the quarter.

The vibrant new sales market in the last quarter slowed sharply in 3Q 2005 with major developers holding back launches. The estimated 959 new units launched in the quarter was a 68% decrease from last quarter's 2,952 units. Of these, only 49% of them found buyers, down sharply from last quarter's 65%.

Major reasons for the slow sales are the limited visitations to show flats during the Lunar Seventh Month period and lack of large mass-market projects. Out of the 14 non-landed projects launched in the period, nine were developments with less than 100 units. Developers were adopting a wait-and-see attitude, opting to remarket existing projects to test the market's response to the policy changes instead of launching new ones.

The only project that created some stir in the period was The Azure (116 units) at Sentosa Cove. Despite being priced at an average of $950 per sq ft, some 12% higher than Ho Bee's The Berth at Sentosa Cove, The Azure saw about 95% of its total 116 units sold within a week of its soft launch.

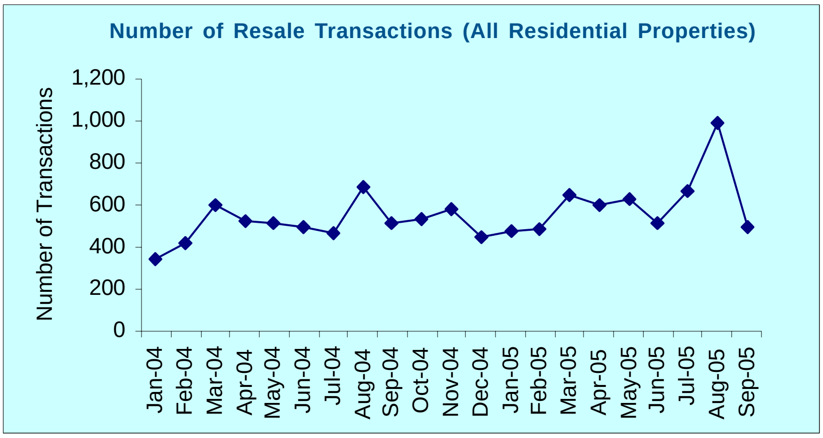
Nonetheless, the active resale market more than made up for the quiet new sales market. More than 2,300 resale transactions were recorded, almost 30% higher than last quarter's volume. The market was the most active in August, the month immediately after the announcement of the policy changes. Some 1,027 resale transactions took place, surpassing the last high of 697 resale transactions achieved in August 2004. This surge in volume was likely contributed by a lack of new launches by developers and to a certain extent, the delayed effects of the policy changes announced by the Government on 19 July.

Condominiums and apartments appeared to have moved the fastest in the resale market in the quarter. Resale transactions of these properties grew by 34% and 35% respectively, a marked improvement from the 8% and 2% growth recorded in the last quarter. Resale transactions involving 99-year leasehold properties grew by a larger magnitude (30%) than those involving their freehold and 999-year counterparts (25%).

NON-LANDED DEVELOPMENTS LAUNCHED IN 3Q 2005

Property Name	Location	Tenure	Developer	Average Launch Price ($ per sq ft)	Total No of Units
2RVG	River Valley Close	Freehold	Affluence Properties	$880	60
Cliften	Ewe Boon Road	Freehold	Soilbuild	$860	32
Dengfu Ville	Kampong Eunos	Freehold	Eastwood Park Pte Ltd	$580	44
Domain 21	River Valley Road	99 yrs	Kheng Leong	$650	141
Leonie Studio	Leonie Hill	Freehold	Guocoland	$880	97
Montview	Mount Sinai Drive	Freehold	Ho Bee Group	$720	115
One K Green Lane	Tanjong Katong Road	Freehold	Natural Landscape Pte Ltd	$680	17
Sims Dorado	11 Lor 39 Geylang	Freehold	Bravo Building Construction	$500	35
Sunshine Residence	61 Lor K Telok Kurau	Freehold	Fragrance Land	$620	18
The Azure	Sentosa Cove	99 yrs	Centrepoint Properties	$950	116
The Geranium	31/33 Mangis Road	Freehold	Fragrance Land	$600	62
The NClave	Lor N Telok Kurau	Freehold	Roxy Homes Pte Ltd	$600	30
Visioncrest	Penang Road	Freehold	Wing Tai	$1,200	265
Watermark	Robertson Quay	Freehold	Hong Leong Holdings	$900	206

Source: Colliers International Singapore Research



Source: Colliers International Singapore Research/Realis

Recovery of residential property prices picked up pace in the quarter. According to URA's flash estimate, prices of residential properties rose 1.1% in the quarter, the highest quarterly growth in five years. Based on caveats lodged, this price growth is likely to have been contributed by higher prices commanded by new freehold and 999-years leasehold non-landed units sold by developers as well as 99-year leasehold resale landed units. The median price of these categories of properties rose by 15.6% and 16.0% respectively on a QoQ basis during the quarter.

Developers' confidence in the mid to long-term prospects of the residential property market was clearly manifested in the robust investment sales market. Investment sales of residential properties amounted to $1.02 billion in the quarter, or 86% of the $550.51 million amassed in the previous quarter. The total of 20 investment sales were the cumulating of 19 private land sales (including eight collective sales) and one public sale. Collective sales for the quarter surged strong ahead in the quarter, one of the strongest in the last few years, making up $563.63 million or 55% of the total investment sales.

The most expensive transaction in the quarter in terms of its unit price was The Habitat II. Located in the prestigious luxury residential belt, it was sold collectively to Wheelock Properties for $103.9 million, or $876 per sq ft of potential gross floor area inclusive of development charge. The site could be redeveloped into a 36-storey luxury condominium with some 64 units of 2,000 sq ft each. The largest transaction in terms of absolute price was the acquisition of Nos. 27 and 33 Thomas Walk for $210 million, or $601 per sq ft of gross floor area inclusive of development charge, by Centrepoint Homes. This was some 22% higher than the $492 per sq ft of gross floor area achieved for the nearby Quelin Gardens sold in June last year. With a gross plot ratio of 2.8, this 139,842 sq ft prime site can be developed into a 36-storey condominium with some 300 units.

In the public sector, one residential site was sold through open tender. The 170,737 sq ft condominium site at One North was bought for $108.93 million by Vista Development, a joint venture between Kheng Leong, UOL and Low Keng Huat. This 99-year leasehold site is the first residential

RESIDENTIAL PROPERTY PRICE MOVEMENTS IN 3Q 2005

	Median Price ($psf)						QoQ Change (%)					
	Freehold & 999-year			99-year			Freehold & 999-year			99-year		
	New Sale	Sub-Sale	Resale	New Sale	Sub-Sale	Resale	New Sale	Sub-Sale	Resale	New Sale	Sub-Sale	Resale
Landed	$560	$530	$416	$440	$269	$376	2.7%	4.7%	0.2%	2.1%	-8.5%	16.0%
Non-Landed	$738	$691	$560	$519	$507	$395	15.6%	-0.5%	3.9%	-20.0%	-1.5%	2.4%

Source: Realis/Colliers International Singapore Research site made available in One North, a 200 ha development concentrating on hi-tech research and development activities complemented with residential, entertainment and recreational facilities.

Looking forward, at least one site from the reserve list will be put up for open tender in 4Q 2005 following URA's acceptance of one developer's minimum bid of $102.8 million ($200 per sq ft per gross plot ratio). The 0.97 ha site located next to Redhill MRT is earmarked for a residential development with a maximum gross floor area 513,823 sq ft.

In the last quarter of 2005, the residential property market can expect more launches in the prime districts and from the luxury segment. Of great anticipation are the St Regis Residences, the second tower of The Sail @ Marina, as well as the third condominium on Sentosa Cove, all by City Developments Limited.

The robust economy, policy changes and the fact that numerous high-profile projects are scheduled for launch in the final quarter of the year will likely lead to residential prices rising by some 2% to 3% by the end of the year. Prices of luxury apartments currently standing at $1,430 per sq ft on average are forecast to lead the market by chalking up 5% rise.

PRIVATE RESIDENTIAL INVESTMENT SALES IN 3Q 2005

Property Name	Location	Tenure	Site Area (sq ft)	Gross Plot Ratio	Land/ Builidng Cost (excl DC)	Estimated Price (incl DC) ($psf/gpr)
21 Balmoral Road	Balmoral Road	Freehold	26,945	1.6	$19,500,000**	476
32 landed properties	Lengkok Angsa	Freehold	78,100	2.1	$117,200,000	650*
Bougainvillea Court	Lor H Telok Kurau	Freehold	15,899	1.4	$5,665,000	N.A.
Eastern Mansion	off Meyer / Amber Road	Freehold	134,609	2.8	$152,870,000	406
Fernhill Grove	Fernhill Road	Freehold	86,347	1.4	$66,300,000	620
Good Class Bungalow	Swiss Club	Freehold	42,270	-	$12,800,000	303
Good Class Bungalow	Bukit Tunggal Road	Freehold	38,389	-	$11,300,000	294
Mount Rosie	Mount Rosie	Freehold	18,248	-	$7,500,000	411
N.A.	Carlisle Road	Freehold	13,933	1.4	$5,180,000	266
N.A.	Duke's Road / Tan Kim Cheng Road	Freehold	12,969	1.4	$5,830,000	321
N.A.	Martaban Road	Freehold	13,229	2.8	$7,600,000	N.A.
N.A.	110/110A/112/112A Lor G Telok Kurau	Freehold	24,601	1.4	$9,280,000	N.A.
27/33 St Thomas Walk	St Thomas Walk	Freehold	139,842	2.8	$210,000,000	601
One North Condo site	One North	99 yrs	170,737	2.5	$108,930,000	255
Paradise Island	Sentosa Cove	99 yrs	247,849	-	$64,400,645	260
Phoenix Mansion	Cairnhill Road	Freehold	28,873	2.8	$57,900,000	716
Riveria View	River Valley Grove	Freehold	14,057	2.8	$14,690,000	421
Sommerville Court	Sommerville Road	Freehold	40,132	1.4	$15,300,000	272
The Habitat II	Ardmore Park	Freehold	45,512	2.8	$103,900,000	876
Vacant site at Amber Gardens	Amber Gardens	Freehold	20,280	2.8	$18,000,000	317
Woodleigh Grove	Woodleigh Close	Freehold	41,694	2.8	$29,800,000	281

*Taking into consideration of substation and road measuring 14,400 sq ft.

**Sale is subject to granting of Outline Planning Permission by URA to build a residential development with plot ratio of 1.6. This transaction is excluded from the investment sales summation.

SINGAPORE

OCTOBER 2005

Note:

248 Offices Worldwide

131 Americas
- 100 United States
- 17 Canada
- 14 Latin America

75 Europe, Middle East & Africa

42 Asia Pacific

51 Countries on 6 Continents

Argentina	Mexico
Australia	Netherlands
Austria	New Zealand
Azerbaijan	Northern Ireland
Belgium	Norway
Brazil	Peru
Bulgaria	Philippines
Canada	Poland
Chile	Portugal
China	Republic of Ireland
Colombia	Romania
Croatia	Russia
Czech Republic	Scotland
Denmark	Singapore
England	Slovakia
France	South Africa
Germany	South Korea
Hungary	Spain
India	Sweden
Indonesia	Switzerland
Israel	Taiwan
Italy	Turkey
Japan	Ukraine
Kazakhstan	United Arab Emirates
Lithuania	United States
Malaysia	Yugoslavia

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