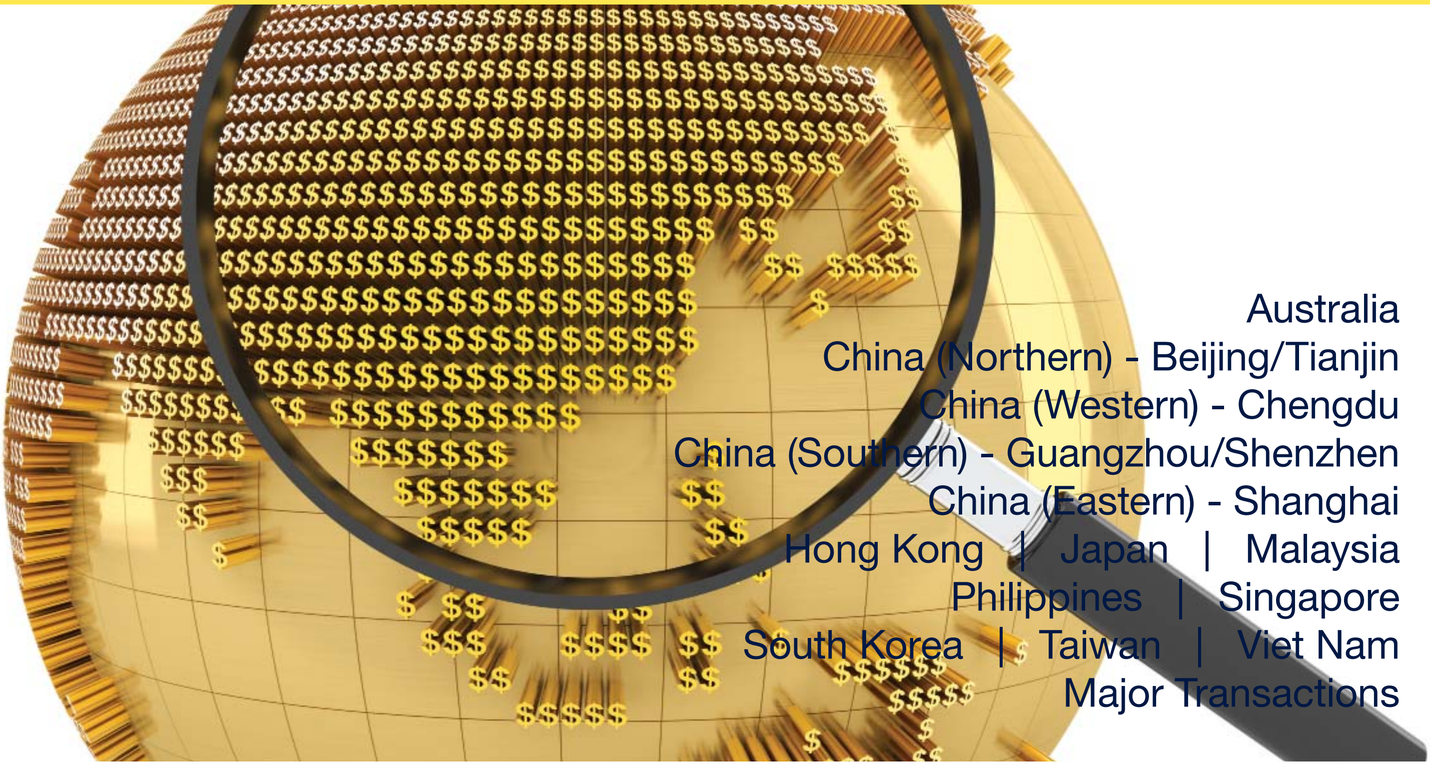
Asia Pacific **Investment Quarterly**

Q1 2015



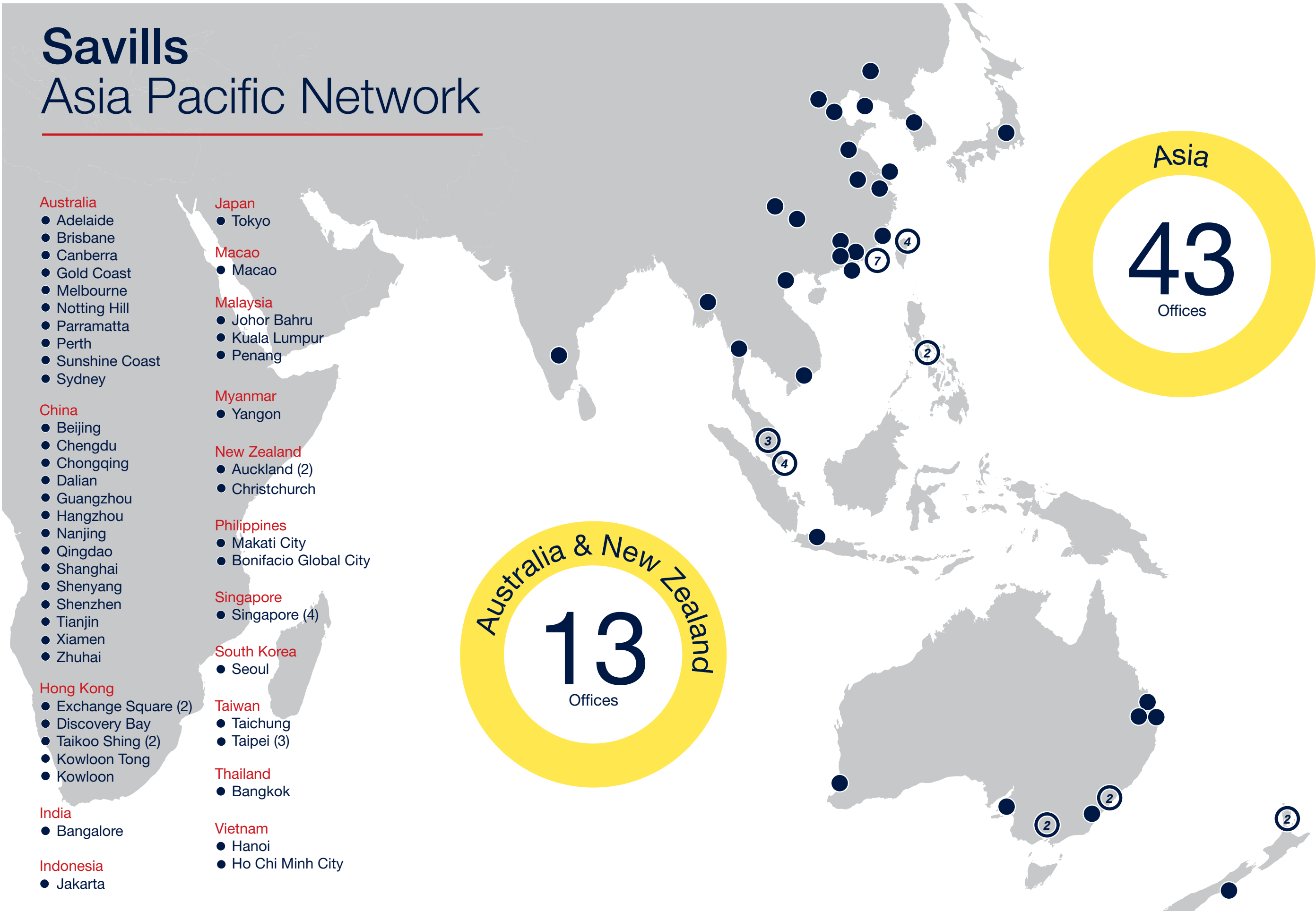
Australia
China (Northern) - Beijing/Tianjin
China (Western) - Chengdu
China (Southern) - Guangzhou/Shenzhen
China (Eastern) - Shanghai
Hong Kong | Japan | Malaysia
Philippines | Singapore
South Korea | Taiwan | Viet Nam
Major Transactions

HIGHLIGHTS

In Japan, high liquidity levels in the J-REIT market are being sustained by an increasing number of listed J-REIT companies and the Bank of Japan purchases of J-REIT shares. Office demand is expected to rise, supported by healthy levels of economic activity. In Australia, further stimulus has been provided to the economy by a second interest rate cut this year. Investment in residential and commercial property remains at near record levels. China meanwhile is adopting a looser monetary policy to spur economic growth and this, along with a red hot stock market, is expected to stimulate demand in the luxury housing segment in leading cities as investors take profit. Institutional investment demand should return as borrowing costs continue to fall. In Singapore, together with government cooling measures, high capital values, yield compression and recent spikes in interest rates have continued to put pressure on the market. Lacklustre sentiment in Hong Kong has seen volumes fall to historical lows as pricing drifts.

Simon Smith, Savills Research

An introduction to Savills



Source: Savills Research & Consultancy

Savills is a leading global real estate service provider listed on the London Stock Exchange. The company, established in 1855, has a rich heritage with unrivalled growth. The company now has over 600 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

In Asia Pacific, Savills has 56 regional offices comprising over 22,000 staff.Asia Pacific markets include Australia, China, Hong Kong, Indonesia, Japan, Korea, Macau, Malaysia, New Zealand, Taiwan, Thailand, Singapore and Viet Nam, with associate office in the Philippines. Savills provides a comprehensive range of advisory and professional property services to developers, owners, tenants and investors. These include consultancy services, facilities management, space planning, corporate real estate services, property management, leasing, valuation and sales in all key segments of commercial, residential, industrial, retail, investment and hotel property.

A unique combination of sector knowledge and entrepreneurial flair gives clients access to real estate expertise of the highest calibre. We are regarded as an innovative-thinking organisation supported by excellent negotiating skills. Savills chooses to focus on a defined set of clients, offering a premium service to organisations and individuals with whom we share a common goal. Savills is synonymous with a high-quality service offering and a premium brand, taking a long-term view of real estate and investing in strategic relationships.

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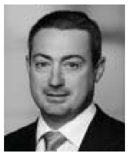
Australia



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AU$49 billion of commercial property has been traded in Australia over the last two years. These are numbers not seen since 2005 and 2006 and are equivalent to the sum of all activity in the four years 2009 to 2012. There are several forces at work:

- global liquidity levels have increased substantially following Quantitative Easing in the United States, United Kingdom, Europe and Japan;

- this has combined with record low interest rates in most countries around the world, making investment in commercial property attractive; and

- substantial levels of economic stimulus were delivered by governments globally (including Australia) to stave off some of the effects of the global financial crisis in 2009/10.

Property investment markets in Australia have been the recipients of cheaper global equity and debt as well as enjoying greater investor confidence and activity domestically. Whilst the Australian economy has been growing strongly over this period, the growth has been uneven. Office market vacancy rates have been steady to rising; incentives have grown substantially in all office markets and supply has outstripped demand. In the face of fairly benign market fundamentals, investment yields have fallen substantially. Market yields for Grade A office buildings in Australian CBDs have firmed by up to 175 basis points over recent years. This is not an Australian phenomenon but has been widely reported in many office markets around the world.

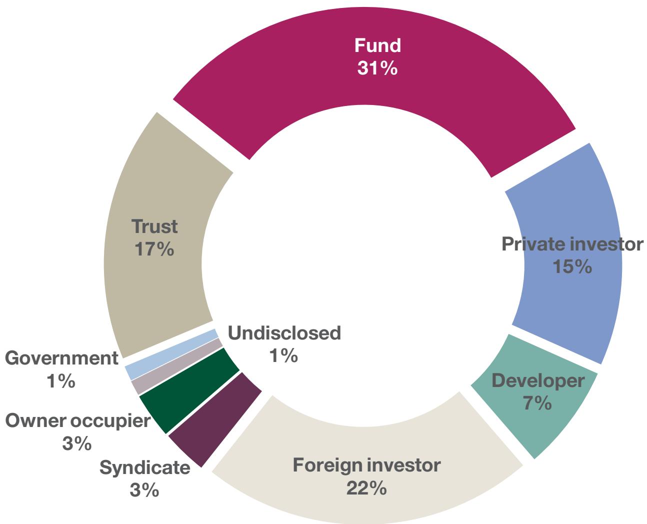
In 2014, Savills Research monitored just over AU$24 billion of transactions in commercial property – AU$14 billion of office property (same as previous year), AU$5.6 billion of retail property (down on the previous year) and AU$4.6 billion of industrial property (up on the previous year). Australian professional investors purchased most of the stock traded – funds, trusts and syndicates reportedly purchased 51% or just over AU$12.3 billion. Foreign investors led by the United States were the next largest buyer group, purchasing AU$5.3 billion. It would be remiss not to mention money from Asia that continued to dominate foreign purchases with Singapore, China, Hong Kong and Malaysia leading the countries involved.

Australian office markets continue to be the most popular of the sub-classes of commercial property. Approximately AU$14 billion changed hands in both 2013 and 2014. Foreign investors remained largely focussed on CBD locations whilst domestic buyers turned their attention towards non-CBD locations in search of value. Retail property saw AU$7.4 billion traded in 2013 and AU$5.6 billion traded in 2014. Large shopping malls in key locations continue to be keenly contested. Finally, industrial property transacted AU$3.4 billion in 2013 and AU$4.6 billion in 2014. Higher investment yields continue to make this sector attractive to a wide range of investors. Also, owner occupiers and developers are more active in this sector than office and retail.

With global liquidity levels remaining elevated and commercial property yields remaining relatively attractive, Savills believe transaction levels will remain high in 2015.

GRAPH 1

Commercial property sales buyer profile, 12 months–Dec 2014



Source: Savills Research

TABLE 1

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Liberty Place, 161 Castlereagh Street (25%)	Sydney	AU$240.0 mil/US$184.8 mil	Blackstone Real Estate Asia	Office
168 Walker Street	North Sydney	AU$157.5 mil/US$121.3 mil	Aqualand Australia	Office
Next Hotel	Brisbane	AU$133.0 mil/US$102.4 mil	Challenger Ltd	Hotel/retail
130 Elizabeth Street	Sydney	AU$121.3 mil/US$93.4 mil	Aoyuan Property JV Ecove	Office
The Marketplace, 92 Parramatta Road	Auburn	AU$120.0 mil/US$92.4 mil	Novian Property Group	Retail
73 Miller Street	North Sydney	AU$116.5 mil/US$89.7 mil	Fosun Group	Office

Source: Savills Research & Consultancy

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As the real estate market undergoes a period of readjustment, the first quarter of 2015 saw the residential and retail sectors experiencing challenges, while the office market remained strong. This was reflected in net take-up in the Grade A office market continuing its positive growth for the sixth consecutive quarter, reaching 142,000 sq m in Q1/2015, up 163.0% year-on-year. Indicating stability and growing confidence, Grade A office rents continued to grow by 0.6% to RMB320.7 per sq m per month by the end of Q1/2015. Beijing Financial Street and the CBD continued to command the highest rents at RMB521.0 and RMB364.7 per sq m per month, respectively.

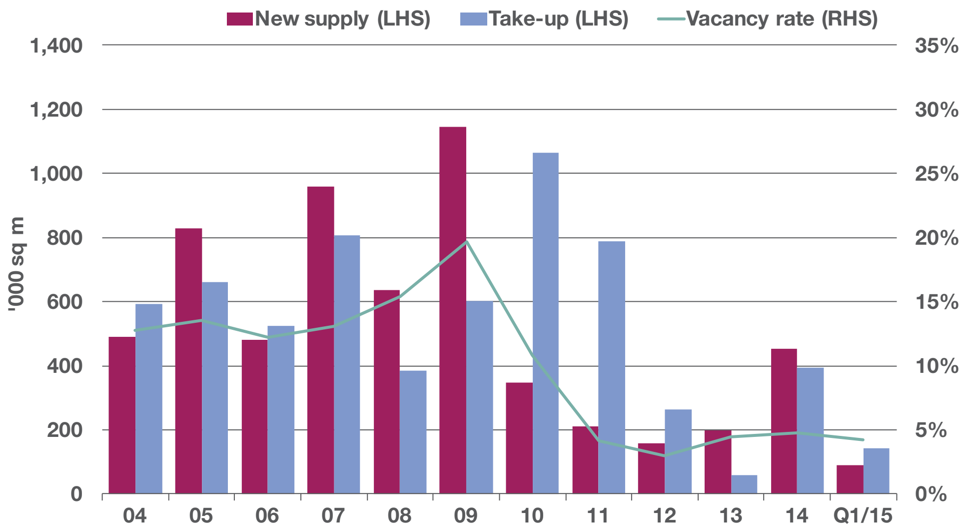
Q1/2015 saw financial, IT & high-tech, e-commerce and professional services companies continue to be the strongest demand drivers for Grade A office space, accounting for 73% of all recorded transactions. In contrast, demand from manufacturing companies continued to decrease, accounting for just 4% of all recorded transactions. Domestic companies began dominating demand in 2010 and have continued to do so, making up 75% of recorded transactions in the first quarter; overseas companies, suffering from national and global economic slowdowns, accounted for just 25% of the total.

Two new projects entered the market in Q1/2015, contributing an additional total office GFA of 89,000 sq m. However, strong demand (reflected in positive pre-commitment rates in new projects), coupled with further digestion of vacant space in recently-launched projects, saw city-wide vacancy rates decrease 0.6 of a percentage point (ppt) to 4.2% quarter-on-quarter. (QoQ). While Beijing Financial Street (BFS) received 58,000 sq m of new supply, it was not adequate to satisfy demand, with the area continuing to register the lowest vacancy rates in the city at 2.0%. Other traditional business areas also recorded low vacancy rates ranging from 2.1% to 5.9%.

The remainder of 2015 will see the Grade A office market receive an influx of supply with seven new projects scheduled for handover, adding 487,000 sq m of office GFA. Fuelling the decentralisation trend, approximately half of this new supply is to be located in non-prime markets such as Wangjing and the Asian & Olympics areas, which is expected to place a downward pressure on both rents and occupancy rates in the short term. Meanwhile, traditional business areas such as the CBD and BFS are expected to remain stable in terms of vacancy rates and rents. Given that limited investment grade stock available for purchase is expected to support capital values, Grade A office gross yields are expected to compress further to 5.0%-5.5% over the next three years.

GRAPH 2

Supply, net take-up and vacancy rates, 2004–Q1/2015



Source: Savills Research & Consultancy

TABLE 2

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Ascott Raffles City Beijing	CBD	RMB2.9 bil/US$467.9 mil	Fantian Capital	Residential
Xinyicheng Shopping Center	Wangjing	RMB780 mil/US$125.9 mil	SCPG	Retail
ECMall	Zhongguancun	RMB2.5 bil/US$403.3 mil	Linghui Capital	Retail

Source: Savills Research & Consultancy

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The first quarter remained typically quiet for the land market, due to the impact of the Chinese New Year holiday. The overall downward trend continued, with both supply and transaction volumes remaining low. Q1/2015 saw only 35 land plots, totalling 1.3 million sq m, launched onto the market, down 49% QoQ. Concurrently, the municipal government revoked the rights to three state-owned construction land plots located in the Heping, Hedong and Hebei districts.

Q1/2015 saw 27 land plots transacted, totalling more than 927,000 sq m, with plots in the Binhai New Area accounting for 28%. Over the last year, the Binhai New Area has continued to see a large portion of the city-wide transaction volumes. Transaction volumes for Q1/2015 stood at RMB4.31 billion, down 60% QoQ, with most transactions dealt at base prices or with lower premiums. This may, to some extent, provide an explanation as to why the local land market prices returned to relatively normal levels.

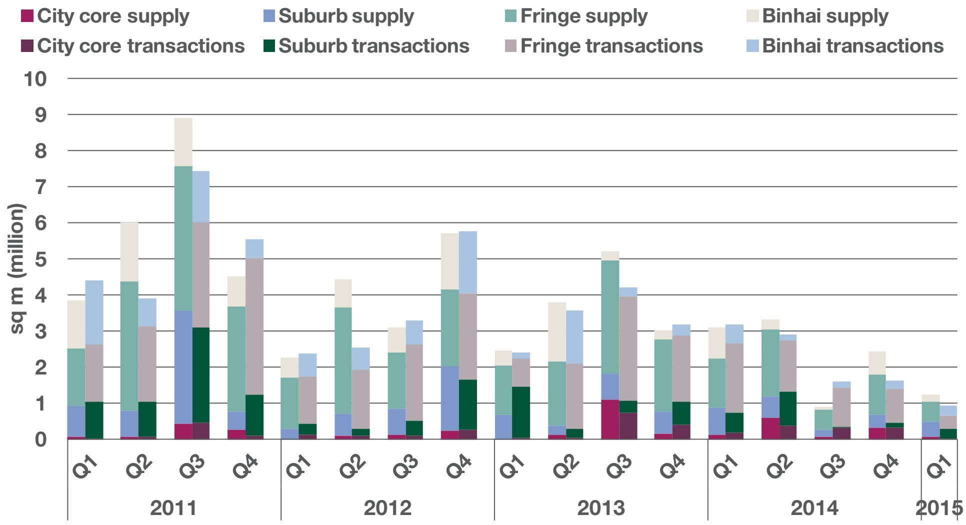
February 2015 saw Beijing Capital Land Co. Ltd. acquire Plot 2015-006 (JBZ), located at the intersection of Zhongshan Road and Kunwei Road in the Hebei district, for a base price of RMB1.05 billion, an accommodation value of RMB8,500 per sq m. Located above the already operational Zhongshan Road station (metro line 3), the land plot is zoned for residential development and is expected to include several supporting commercial components. Currently, average prices for newly-built commodity housing in the vicinity are around RMB18,000 to RMB20,000 per sq m.

Tianjin's municipal government is expected to launch 31 key land plots in the city centre by the end of 2015, with a total site area of around 5.25 million sq m and a total GFA of approximately 11.36 million sq m. The plots are expected to be developed as mixed-use projects, with around 66% zoned for residential purposes, further satisfying demand for residential land within the city centre.

With developers prioritising the offloading of inventory, prices are likely to fall as further discounts are offered. As a result, "land kings" may be seen less frequently in the coming months. Additionally, with the ongoing construction of the Tianjin Free Trade Zone, the Binhai New Area is expected to see increased development in terms of infrastructure, which is likely to result in a wave of land transactions in the near future.

GRAPH 3

Land supply and transaction volumes, Q1/2011–Q1/2015



Source: Savills Research & Consultancy

TABLE 3

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Plot 2015-006 (JBZ)	Hebei district	RMB1.05 bil/US$169.7 mil	Beijing Capital Land Co. Ltd	Mixed-use
Plot 2014-04 (JXQ)	Xiqing district	RMB672 mil/US$108.6 mil	CIFIGroup	Residential
Plot 2015-013 (JHH)	Hongqiao district	RMB438 mil/US$70.8 mil	Tianjin New-Type Construction Materials Real Estate Co.	Mixed-use

Source: Savills Research & Consultancy

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January 2015 saw the one year anniversary of the opening of Chengdu IFS, Wharf Holdings' first flagship project in mainland China. Sales turnover has increased 3.5 times over the last year.

The Chengdu Lunar New Year Shopping Festival, which lasted 72 days, saw total retail sales reach RMB32 billion with notable performances coming from Itoyokado and Wangfujing department store with RMB1 billion and RMB800 million in retail sales, respectively. Chengdu witnessed an increase in consumption power in 2014 indicating heightened confidence in the local market despite the national economic slowdown.

An increasing number of internationally and domestically renowned retail brands have begun adjusting their expansion strategies in China to accommodate this trend. These brands have started shifting their focus from the traditional markets in developed coastal cities to Chengdu in order to benefit from western China's burgeoning retail market. The second half of 2014 saw rapid growth of specialty brands, especially in Chengdu IFS and Tai Koo Li.

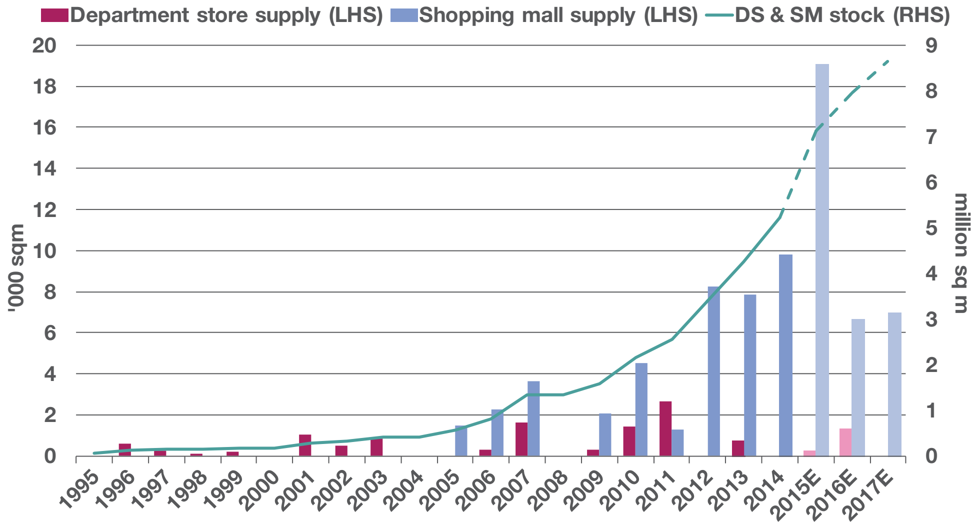
In September 2014, well-known Singaporean bookstore Page One, famous for art and design books, opened its first store in south-western China in Chengdu IFS. Additionally, Fangsuo Commune, which also sells books as well as clothing, opened in Tai Koo Li. Japanese retail brand, Muji, opened its largest flagship store in the world in Tai Koo Li, which includes the first Café & Meal Muji restaurant in China. The flagship also includes the first Muji household and electrical goods department in China and incorporated their home furnishing brand Muji Idée.

This year Tai Koo Li saw Line, a popular Japanese communications app, open its first physical store in Chengdu selling novelty items, while Starbucks opened its first flagship store in western China built around its 'coffee tribute' design. At the beginning of 2015, Green Tea, a popular restaurant originating in Hangzhou, opened two new locations in CapitaLand Tianfu and Tai Koo Li.

Brands continue to seek diversification and to become more innovative in order to perform successfully in an increasingly competitive market. In 2014, these aforementioned retailers were aggressive in their expansion and establishment within the Chengdu market. However, with introduction of Chengdu IFS and Tai Koo Li over last year, core areas of the market have become saturated. This may lead to the decentralising of the retail market allowing larger retail projects to increase in non-prime areas, particularly to the south of the city. Consequently, retailers' expansion plans may become more cautious as companies attempt to gauge the performance of the market before making decisions.

GRAPH 4

Shopping mall and department store supply and stock, 1995–2017E



Source: Savills Research & Consultancy

TABLE 4

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Plot QY04	Qingyang district	RMB818.9 mil/US$131.8 mil	Dalian Wanda Group Commercial Properties Co. Ltd	Mixed-use
Plot JJ01	Jinjiang district	RMB923.6 mil/US$149 mil	Dazhou Haohua Industrial Co. Ltd	Mixed-use
Plot WH01	Wuhou district	RMB1.07 bil/US$171.4 mil	Dazhou Haohua Industrial Co. Ltd	Mixed-use

Source: Savills Research & Consultancy

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Plans for three new Free Trade Zones (FTZ), Tianjin-port city and Fujian and Guangdong provinces, have recently been approved by the central government, as well as a plan to deepen reforms and expand the Shanghai FTZ. The three new zones will be modelled after the Shanghai FTZ while introducing new specialties based on the local area strengths. Additionally, the zones are expected to emulate the Shanghai FTZ in terms of reducing the negative list for sectors that allow foreign investment.

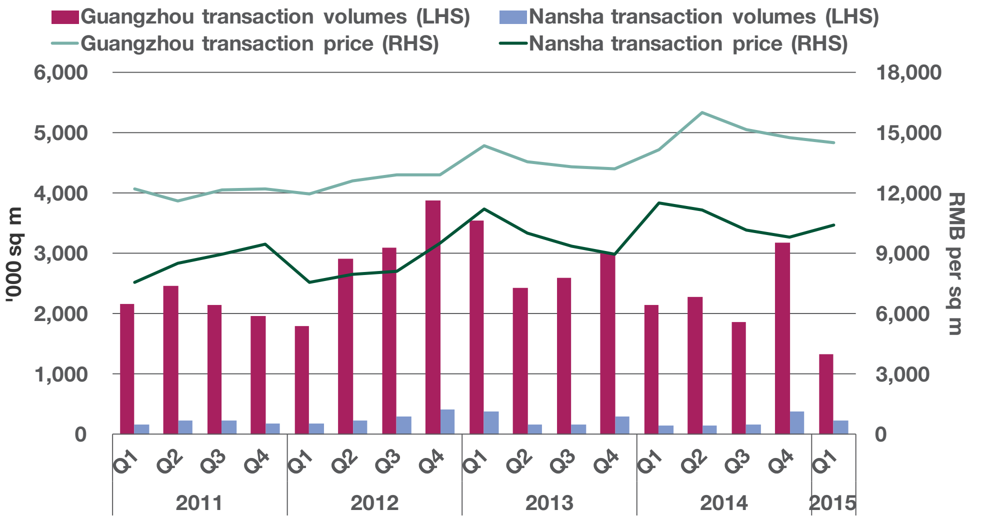
The Guangdong FTZ encompasses three cities – the Nansha Development Zone in Guangzhou, the Qianhai and Shekou areas in Shenzhen (which is adjacent to Hong Kong), and the Hengqin New Area of Zhuhai (which borders Macau). According to plans, the Guangdong FTZ will cover around 116.2 sq km and aims to prioritise the development of high-end services sectors such as finance and technology related research and development. Following in the footsteps of the Shanghai FTZ, the Guangdong FTZ is expected to introduce a series of policies to reduce red-tape, simplify customs procedures, and widen market access across service sectors.

The liberalisation of trade in services with the Hong Kong and Macau Special Administrative Regions is expected to be the main aim of the Guangdong FTZ. In addition to the beneficial geographical proximity to these three regions, the economic and trade corporations have been boosted over the last 12 years with the policy support of the CEPA (Closer Economic Partnership Arrangement), which was signed by all three entities in 2003.The establishment of the Guangdong FTZ is expected to strengthen the regional development of southern China, Hong Kong and Macau.

The Nansha Development Zone in Guangzhou has been divided into seven areas totalling 60 sq km. The areas specialise in industries such as manufacturing, shipping and transportation. Over the last 12 years, Nansha has seen a period of industrial development prompting significant progress in the automotive and marine industries, as well as port logistics. Companies such as Toyota Auto, Guangzhou Pharmaceutical and Guangdong Electronic Information have established their manufacturing bases or regional headquarters in Nansha. Industry-related domestic and overseas companies are expected to express further interest in the Nansha FTZ after more detailed policies are released in April. In the short term, the FTZ is expected to boost demand in the logistics, office leasing and residential sales markets.

GRAPH 5

Nansha residential sales market, Q1/2011–Q1/2015



Source: CRIC, Savills Research & Consultancy

TABLE 5

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Ruiwei Yujing Garden	Liwan district	RMB1.11 bl/US$180.3 mil	Guangzhou Zhuguang Group	Residential
Guangzhou 2014-55	Tianhe district	RMB2.79 bil/US$454.6 mil	Sino Ocean Land	Mixed-use
Guangzhou 2014-41	Huangpu district	RMB944 mil/US$153.7 mil	Times Group	Residential
Guangzhou 2014-39	Huangpu district	RMB742 mil/US$120.8 mil	Guangzhou R&F Real Estate	Residential
Guangzhou 2014-40	Huangpu district	RMB388 mil/US$63.2 mil	TImes Group	Residential

Source: Savills Research & Consultancy

China (Southern) - Shenzhen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In 2010, the Shenzhen government published Document No.80 and Document No.82, dealing with "Property Purchasing Limitation Policy" and "Credit Limitation Policy" respectively. Heavily influenced by these policies, the traditional residential market witnessed a downturn, allowing business apartments (residential towers on 50-year land usage sites) to become one of the most popular markets to invest in, reaching a peak in 2013.

Business apartment transaction volumes in Shenzhen have continued to rise since 2008. Transaction volumes recorded a year-on-year (YoY) growth of 117.3% in 2012, up to 522,000 sq m from 240,000 sq m. 2013 saw rapid growth continue as transaction volumes reached 791,000 sq m, up 51.5% YoY, with newer projects gradually becoming more concentrated towards western Shenzhen.

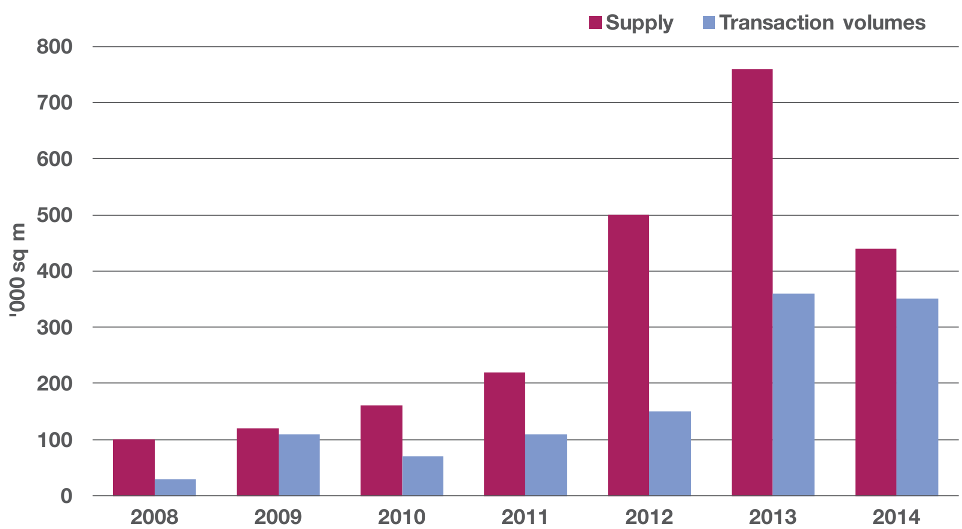
Several benefits have allowed business apartments to flourish; including the fact the market has no purchase or credit limitations. Additionally, in order to benefit from a rapid return on investment, developers prefer to build business apartments on commercial land rather than traditional holding properties. Rents in these commercial properties, including business apartments, have increased exponentially in the last few years, with yields generally hovering around 5%, sometimes even more than 10%, which is much higher than the 2% yields seen in traditional residential apartments. Furthermore, compared to traditional Grade A office projects, business apartments span smaller areas and are able to command lower transaction costs.

However, the growth of business apartments decelerated for several reasons, leading to only 20 business apartment projects, with a total pre-sale area of 605,000 sq m, launched onto the market in 2014, down 24% YoY.

These reasons include a relaxation of the credit limitation policy and a large influx of traditional residential supply expected in 2015 leading to a revival of purchaser enthusiasm to invest in the traditional residential market instead of business apartments, which currently have many drawbacks. Most business apartments have a 50-year property right with down-payments of over 50% of the total price. Thelon rate is 20% over base loan rates with a loan period of 10years. Utilities, along with management fees, also tend to be higher. While these factors have deterred demand for business apartments to some extent, the large amount of stock that has built up in recent years has also created fierce competition in the market.

In 2015, the government may continue to relax limitation policies on the residential market which may further curb demand for business apartments. Business apartment stock is expected to increase due to declining demand, causing developers to adjust the proportion of business apartments in mixed-use projects.

GRAPH 6
Business apartment supply and transaction volumes, 2008–2014



Source: Shenzhen Statistics Bureau, Savills Research & Consultancy

TABLE 6
Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Shenzhen 2014-28	Guangming New Area	RMB99 mil/US$15.9 mil	Mingfa Group (Shenzhen)	Retail
Shenzhen 2014-26	Guanlan sub-district	RMB238.7 mil/US$38.5 mil	Jieshun Science & Technology	Industrial
Shenzhen 2014-27	Qianhai	RMB3.86 bil/US$621.9 mil	China Nuclear Power Engineering	Retail
Zhizhuo Feigao Building and Land	4 Gongye 6th Road	RMB499.5 mil/US$80.5 mil	Sail Group	Industrial

Source: Savills Research & Consultancy

China (Eastern) - Shanghai

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China's National Development and Reform Commission (NDRC) and Ministry of Finance (MoF) issued a handbook and guiding opinions on carrying out Public-Private Partnerships (PPP) in December 2014 and then rolled out 30 projects, worth a total of RMB180 billion, for possible private investments under the PPP program. Tax guidelines and other supporting regulations are expected to be rolled out in 2015, aiming to initiate a robust legal system to boost private participation and accelerate urbanisation in China.

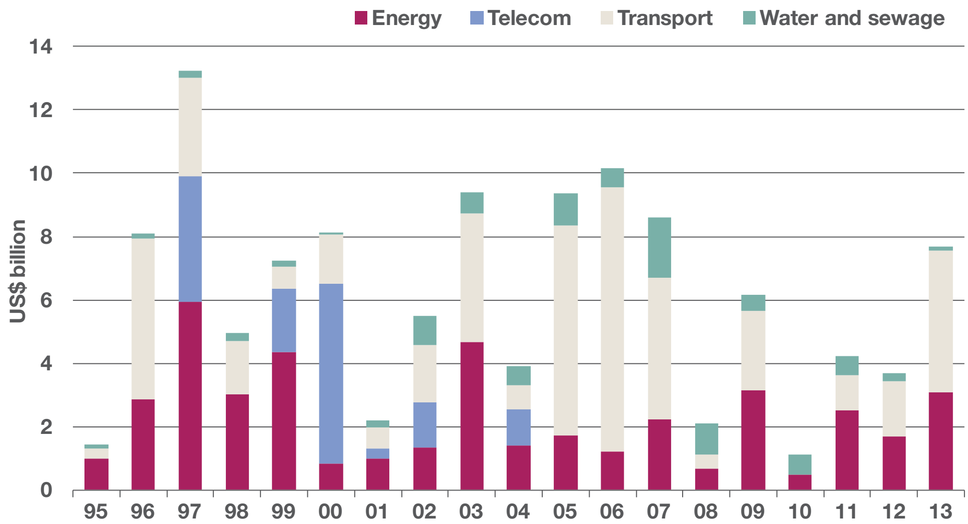
The ambitious PPP scheme was introduced amid a slowing economy, as well as record high fiscal deficits and local government debt. Government spending in the past has played an important role in driving infrastructure construction and domestic spending, which has helped ensure higher economic growth rates. Two of the biggest perceived risks for China are government debt (55% of GDP) and corporate debt (190% of GDP) by Q2/2014 and the fact that the shadow banking sector continues to grow (roughly RMB15 trillion). The increased scale and cost of required investments for new projects dictate that government financing alone is not sufficient while public institutions generally lack the expertise required. The present situation has pushed the government to seek out new drivers to improve economic efficiency. Many of the new initiatives, particularly those currently being introduced through a third wave of PPP, are intended to lower government debt while improving public services and infrastructure projects.

PPP in China is currently focused on the energy, telecom, transport, water and sewerage sectors through build-operate-transfer (BOT), build-transfer-operate (BTO) and transfer-operate-transfer (TOT) models. The transport sector attracts the most investment, accounting for 44% of total private participation to date. There have been over 1,200 projects reaching financial closure. The central government intends to expand cooperation models by issuing government licences, purchasing services and equity participation. Additionally, sectors open for investment will be extended to public housing, elderly care and hospitals.

Despite the fact that PPP schemes are expected to increase and improve the overall quality of infrastructure projects in the future, there still remain significant hurdles for the market to overcome over the next year or two, including the lack of sufficient legal systems, financing and taxation incentives. While there are many obstacles to overcome, a focused, determined, realistic and powerful central government should help to identify hurdles, clear them and capitalise upon the opportunities presented by PPP.

GRAPH 7

China's private partcipation in infrastructure, 1995–2013



Source: World Bank, Savills Research & Consultancy

TABLE 7

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
#18-2, Shanghai International Shipping Service Centre	Hongkou	RMB1.57 bil/US$255 mil	AVIC Joy Holdings	Office
Qiantan mixed-use site (50%)	Pudong	RMB1.21 bil/US$197 mil	Joy City	Mixed-use
China Garden	Changning	RMB340 mil/US$55 mil	China City Construction Corporation	Serviced apartment

Source: Savills Research & Consultancy

Hong Kong

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Hong Kong's industrial market has had a strong run since 2009, showing remarkable resilience even as other sectors have begun to show signs of fatigue. The reason is that the alchemy which exists in the industrial sector is unique as limited quality warehouse stock, a severely restricted supply pipeline, plenty of redevelopment potential and a substantial weight of funds have combined to push prices to unprecedented highs.

After a busy Q4/2014, investment sentiment quietened in the first quarter of 2015, not only in terms of the number of transactions of over HK$100 million, but also in regards to the size of the deals, as no billion dollar deals were inked over the quarter (the largest one being slightly below HK$500 million). Notably, the buyers of the few larger lot sizes were more focused on redevelopment potential, including Soundwill's purchase of the en-bloc Chip Tak Weaving Factory Building in Kwai Chung for HK$452 million, as well as the sale of Yue Fung Industrial Building in Yuen Long for HK$430 million.

Slowing retail sales has had a knock-on effect on retail-related logistics demand, and many operators have put expansion plans on hold. Coupled with the traditionally quiet period for logistics between Christmas and Chinese New Year, significant leasing transactions have been hard to come by.

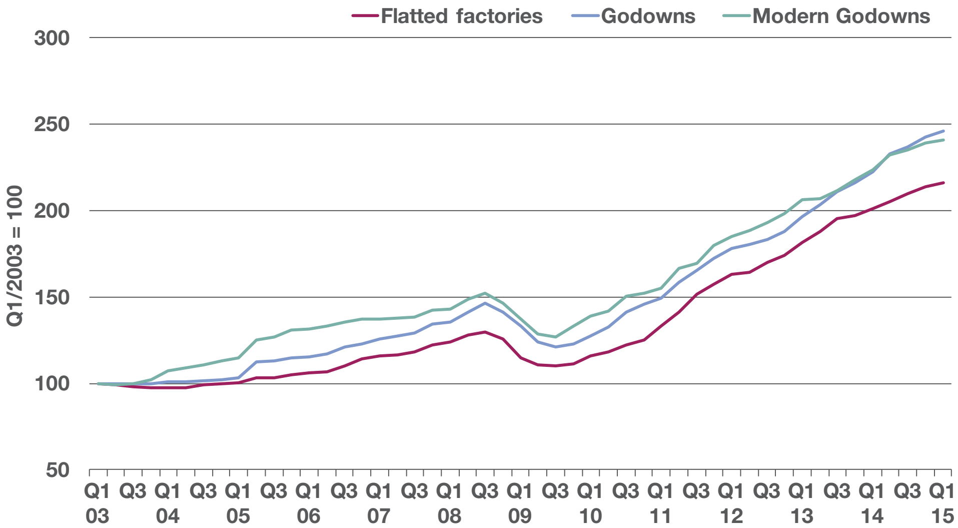
While many logistics operators, including some multinationals, switched to cost-saving mode, we nevertheless saw an upturn in interest for one-storey sheds in the New Territories, in particular those which have genuinely been granted waiver to operate as storage space. However, we saw the government taking a much tougher stance on handling illegal operations on brownfield sites, which should be a welcome sign for both warehouse and one-storey shed landlords.

With warehouse vacancy gradually rising, we expect to see more space being made available to the market in the next few quarters of 2015, mainly in Kwai Chung/Tsing Yi, where almost all warehouses around the port areas are likely to release more space over the next few months. In addition, there will also likely be a release of some single-owned, smaller warehouses in Tuen Mun and Yuen Long. With a few recently transacted industrial buildings earmarked for revitalisation/redevelopment also coming available for lease, we expect vacancy for both warehouses and flatted factories to rise in the near future, putting some pressure on rents.

Investment sentiment was somewhat dampened in the first quarter but this was due more to a lack of quality stock for sale, and to some extent the increasing difficulty in securing financing. With availability of stock likely to remain limited and the government not likely to loosen its control over credit in the near future, we expect transaction volumes to remain low, and buildings with redevelopment/revitalisation potential to continue to attract market attention.

GRAPH 8

Flatted factory and warehouse rental indices, Q1/2003–Q1/2015



Source: Savills Research & Consultancy

TABLE 8

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Ho Tung Garden	The Peak	HK$5,100 mil/US$658 mil	Season Glitter Ltd	Residential
75-79 Lockhart Road	Wanchai	HK$683 mil/US$88 mil	Emperor International Holdings Ltd	Residential
Nob Hill Square	Lai Chi Kok	HK$648 mil/US$84 mil	Pamfleet Group	Retail
Centre Hollywood	Sheung Wan	HK$550 mil/US$71 mil	Jinshang International Investment Co Ltd	Office
House, Twelve Peaks	The Peak	HK$506 mil/US$65 mil	Fortune Runner Hong Kong Investments Ltd	Residential
Yue Fung Industrial Building	Yuen Long	HK$430 mil/US$55 mil	Spring Moon Investment	Industrial

Source: Savills Research & Consultancy

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The commercial land prices of the Tokyo, Osaka, and Nagoya metropolitan areas reflect the increasing economic recovery for the second year in a row. A healthy momentum in real estate investments continued in the first quarter of 2015, where total transaction value was over JPY1.3 trillion, predominantly in Tokyo. Office investments accounted for over 46%, followed by retail (20%). The momentum reached to overseas investors, who contributed approximately 25% of total transaction values.

With over 130 single-asset and portfolio acquisitions, the transaction value by J-REITs totalled over JPY460 billion in Q1/2015. Targets were mainly office (41%) and retail properties (30%). In the J-REIT market, high liquidity was strengthened by two IPOs in March: Kenedix Retail REIT and Healthcare & Medical Investment. The number of listed J-REITs now totals 51, and market capital at end of Q1/2015 was over the JPY10 trillion threshold.

High liquidity is also backed by the Bank of Japan (BOJ). In the first quarter alone, BOJ purchased JPY27.6 billion worth of J-REIT, 75% of total purchases in 2014. With the current monetary policy of an annual purchase of JPY90 billion J-REIT shares, BOJ will add another JPY60 billion for further liquidity in the market. Equally important, BOJ will keep purchasing JPY80 trillion worth of government bonds annually for the foreseeable future. This is an obvious downward pressure for long-term yields, which are already at historically low levels. Hence, investment demands for properties with high yields will be maintained.

A stable pre-commitment trend is likely to continue because of an increase in office space demands, backed by healthier economic activities. For example, the first quarter in 2015 recorded low unemployment rates and high job-to-application ratio. In addition, higher corporate profitability is another tailwind for office demand.

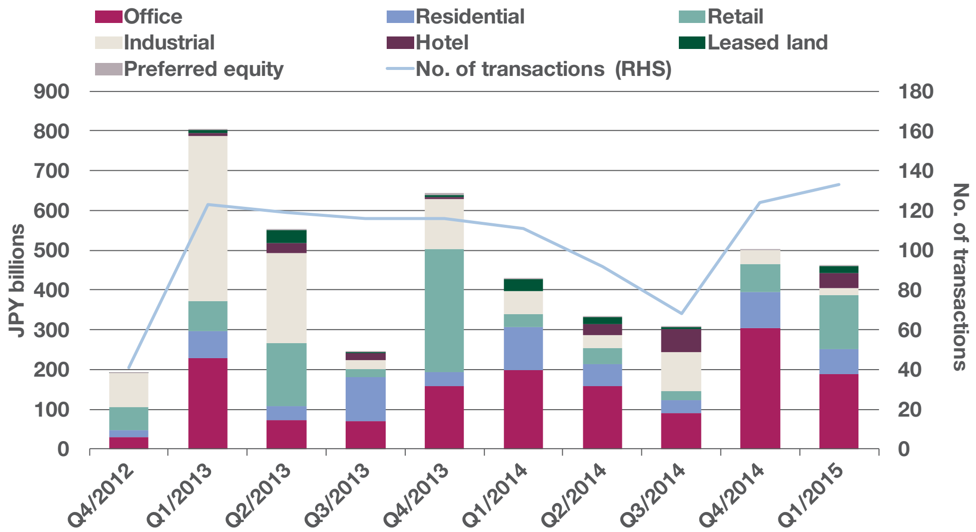
The vacancy rate is lowering, particularly in centrally-located office buildings. Moreover, Grade A office rents in Tokyo improved further, 22% higher than the benchmark low of 2012. Furthermore, office cap rates have shown a downward trend, approaching cyclical lows.

Three of the top five transactions in Q1/2015 were office investments. In January, Activia Properties purchased 15% quasi-joint ownership of Shiodome Building for JPY30 billion. Other large office acquisitions were a 95% co-ownership acquisition of Aoyama Building (JPY46 billion) by GreenOak Real Estate in February, and 11% co-ownership acquisition of Gran Tokyo South Tower (JPY38.8 billion) by an SPC of Goldman Sachs.

The largest transaction in Q1/2015 was the JPY140 billion deal by LaSalle Investment Management with China Investment Corporation for funding Meguro Gajoen, a mixed-use property, which was a five-month flip by Mori Trust.

GRAPH 9

J-REIT property acquisitions by sector, Q4/2012–Q1/2015



Source: Savills Research & Consultancy

TABLE 9

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Meguro Garden	Shimo-Meguro, Meguro-ku, Tokyo	JPY140.0 bil/US$1.2 bil (estimated)	LaSalle Investment Management	Mixed-use
Aoyama Building (95% co-ownership interest)	Kita-Aoyama, Minato-ku, Tokyo	JPY46.0 bil/US$370 mil (estimated)	GreenOak Real Estate	Office
Gran Tokyo South Tower (11% co-ownership interest)	Marunouchi, Chiyoda-ku, Tokyo	JPY38.8 bil/US$320 mil (estimated)	GK Tokyo Central Property (SPC of Goldman Sachs)	Office
Shiodome Building (15% of quasi-joint ownership)	Kaigan, Minato-ku, Tokyo	JPY30.3 bil/US$250 mil	Activia Properties	Office
Aeon Mall Kyoto	Minami-ku, Kyoto City, Kyoto	JPY21.5 bil/US$170.0 mil	Aeon REIT	Retail

Source: Savills Research & Consultancy

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All attention in 2015 will be focused on seeing the impact of the 6% Goods and Services Tax (GST), effective from 1st April 2015, on the overall property market. While residential properties are exempted from GST, developers will nevertheless have to factor in taxed goods and services such as raw materials, which will in turn impact property prices. With rising difficulties for purchasers seeking to secure a housing loan and a potential lending rate revision this year, the residential sector is predicted to continue to be depressed for most of 2015. However, we anticipate there might be some relaxation of current restrictions on lending policies in the near future, which would see the market perk up in early 2016.

The commercial property sector was active during the first quarter of 2015. The sale of Tropicana City Mall, a four-storey shopping mall, together with a 12-storey office tower, located in Petaling Jaya, Selangor, was announced in January 2015 by Tropicana Corporation Bhd to CapitaMalls Malaysia Trust for a purchase consideration of RM540 million.

In the city centre of Kuala Lumpur, the Integra Tower was sold by Blackrock Inc. to Retirement Fund Incorporated (KWAP) for RM1.065 billion. The 33-year old Plaza Pekeliling office tower was also sold for RM28.28 million and is expected to be converted into a "SOHO" (Small Office/Home Office) building. The conversion or demolition of old and/or underperforming office buildings in Kuala Lumpur has been frequent over the past couple of years, similarly illustrated by the potential conversion of a part of Menara ING, sold in December 2014, into a hotel.

Development of major infrastructure projects in Greater Kuala Lumpur (Greater KL) will continue to drive up residential property prices and will boost footfall for shopping malls located along the MRT and LRT lines. It was recently announced that the MRT2 line will be likely to pass through Bandar Malaysia, one of the two large-scale projects undertaken by 1MDB, who is also developing the Tun Razak Exchange project. Bandar Malaysia is also expected to be a terminus station for the Kuala Lumpur – Singapore high speed rail.

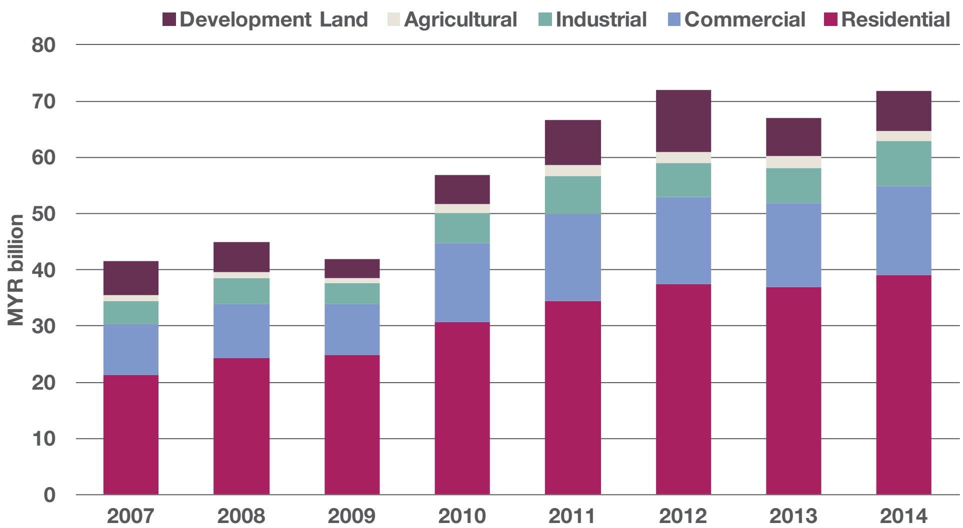
Well-located development land is still highly sought after, with tenders for both the German and French embassy parcels in Kuala Lumpur city centre having closed in this quarter and currently being finalised. Developers are also taking the opportunity to expand their land banks on the fringes of Greater KL, with 62 acres in Semenyih sold for RM95 million, and 237 acres in Dengkil sold for close to RM230 million.

In Penang, a 53-acre piece of land in Georgetown transacted for RM150 million, while another 21-acre parcel in Seberang Perai transacted for close to RM20 million.

Overall, 2015 will be a challenging year for the property market. However, the current slowdown in the market marks a good time for acquisition activities, particularly with Malaysian institutions focusing more on the local market in recent months, which will keep the market momentum going in 2015.

GRAPH 10

Cumulative values of property transactions per type in Greater KL*, 2007–2014



Source: NAPIC
* In this chart, Greater KL consists of the State of the Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

TABLE 10

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Tropicana City Mall and Office Tower	Petaling Jaya, Selangor	RM540.0 mil/US$145.6 mil	CapitaMalls Malaysia Trust	Office and Retail
Plaza Pekeliling	Jalan Tun Razak, Kuala Lumpur	RM28.3 mil/US$7.6 mil	Fitters Diversified Berhad	Office
25.43 hestares of freehold land	Semenyih, Selangor	RM95.8 mil/US$25.8 mil	Crimson Villa Sdn Bhd	Residential

Source: Company announcements, Savills Research & Consultancy

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The Philippines' growth engine keeps purring, showing remarkable macroeconomic indicators and consistent GDP growth, which reached 6.1% in 2014. The country is still one of the fastest-growing economies in the region, and while business sentiment in the country remains very optimistic, it is expected that the property markets will also continue to be highly active throughout 2015.

Local developers are pouring in massive amounts of liquidity through their capital expenditure programmes. The lion's share of the estimated PHP350 billion (USD7.9 billion) total CAPEX programme will be carried out by the nation's top builders: Ayala Land is in the lead with its allocation of PHP100 billion this year, followed by SM Prime with PHP70 billion and Megaworld with PHP65 billion.

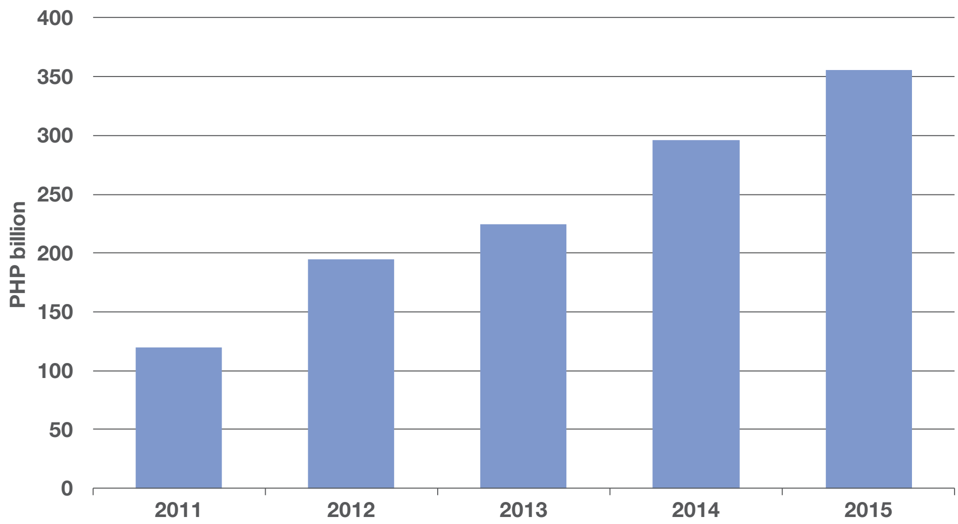
Despite being well-capitalised, however, developers are still in need of additional financing, causing increased activity in the bond market. The issuance of bonds almost doubled last year as developers raised PHP63.9 billion in total from the debt market, and is expected to continue increasing as a reflection of the central bank's net tightening on bank lending. The debt raised from the bond market was mainly used to support the massive investment agendas and partly to refinance earlier debts as the cost of borrowing has reduced significantly.

As the market is taking steps towards a more mature and liquid property sector, the majority of this money is allocated to project developments rather than acquisitions of existing assets. More precisely, this capital is flowing into large-scale, mixed-use, township-type developments. Given the country's robust economic growth and the lack of infrastructure, the pressure on real estate to facilitate all this business has become greater, which has increased the demand in alternative destinations, helping township projects thrive. At the moment, there are around 35 emerging townships scattered all over Metro Manila sized between 10 and 100 hectares. The largest single project thus far is Ayala Land's 74-hectare Arca South in Taguig, expected to reach PHP80 billion in investments within the next 5 years.

In terms of transactions, the highlight of the quarter was the transfer of ownership of Tower 6789, the country's latest premium building in Makati. Despite high overseas interest in the building, the tower still ended up being bought by a local retailer. The cap rate for the transaction was estimated to be between 8.25% and 8.50%, illustrating the high returns the office sector is currently generating.

GRAPH 11

Estimated capital expenditure plans of listed developers, 2011–2015



Source: KMC MAG Group, Savills Research & Consultancy

TABLE 11

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Tower 6789 (former Alphaland Tower)	Makati CBD	PHP6.5 bil/US$147.4 mil	A local investor	Office
TriNoma Mall	Quezon City	PHP752.0 mil/US$17.0 mil	Ayala Land	Retail
MMC Cainta Property	Cainta, Rizal	N/A	Robinsons Land	Development site
Five commercial properties	Various	N/A	Cosco Capital	Retail
Nine supermarkets	Various	N/A	Cosco Capital	Retail

Source: KMC MAG Group, Savills Research & Consultancy

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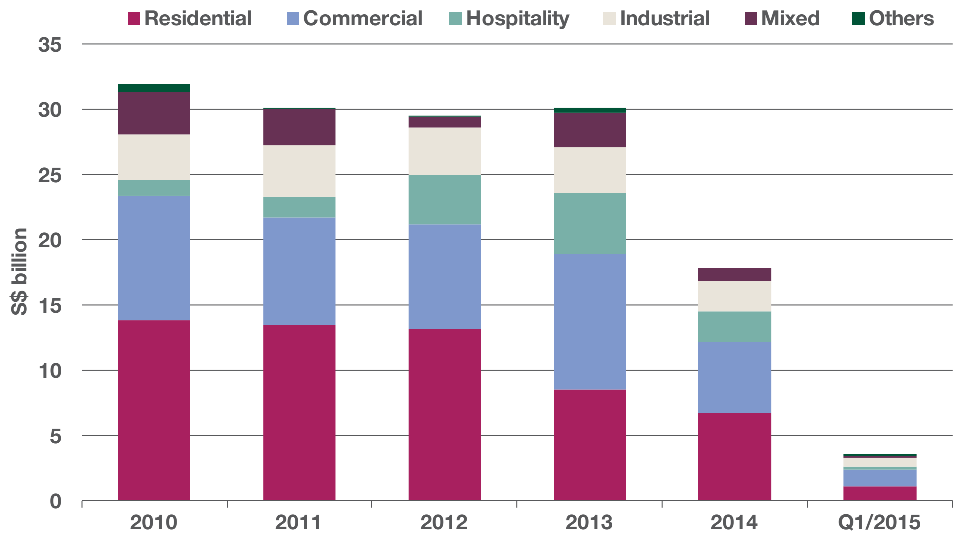
The investment market experienced another slow quarter in Q1/2015. Transaction volume totalled S$3.63 billion which is only 5.0% above that of Q4/2014. The market environment remained tough, as there has been no sign that the government will consider relaxing some property cooling measures, such as those relating to the additional buyer's stamp duty (ABSD) and total debt serving ratio (TDSR). Together with these cooling measures, high capital values, yield compression and recent spikes in interest rates have continued to exert pressure on the market, the residential segment in particular. As a result, investment sales in Q1/2015 showed a decline of 8.4% from the same period of last year.

The private sector saw transaction value of S$2.63 billion (72.5% of the market share) over 40 transactions. The number of deals plummeted by 33.3% from the 60 recorded in Q4/2014. However, the transaction value was boosted by the big-ticket deal of AXA Tower which was transacted at S$1.17 billion in January. This means a much smaller quarterly decline of 0.9% from S$2.66 billion in the previous quarter. In the residential market, 14 units worth at least S$10 million each were transacted in Q1, down from the 23 in Q4 last year. This quarter has also seen another bulk purchase of 16 remaining units at 111 Emerald Hill for about S$75 million. Although developers are still reluctant to lower the prices of unsold units in their high-end projects because of their strong holding power, some individual investors or funds have started to offload their investments at discounted prices in view of rising interest rates, a tougher leasing market ahead and the end of fund life which necessitates the disposal of assets.

In the public sector, four residential sites, five industrial sites and one commercial and residential site were awarded under the GLS programme with a total value of S$999.5 million, accounting for 27.5% of Q1's total investment value. The 30% Mortgage Servicing Ratio (MSR) cap on executive condominium (EC) units which has slowed demand at recent EC projects, as well as oversupply concerns in some areas, have reduced developers' interest and confidence for such sites. Therefore, the top bids for the latest two EC sites in Sengkang and Woodlands were the lowest seen in the last few years. In contrast, market response to two private condominium sites launched in Q1 was much better than expected given the backdrop of tepid market sales activity thus far. The site at Jurong West Street 41 (Parcel B) was awarded to MCL Land for around S$630 per sq ft per plot ratio (per sq ft ppr). This site attracted a healthy number of bids (nine) and the top bid was considered reasonable. Meanwhile, the other site at Sturdee Road drew a whopping 16 bids, while Sustained Land's top bid of S$787 per sq ft ppr was higher than the market expectation of S$700 to S$750 per sq ft ppr.

GRAPH 12

Investment sales transaction volumes by property type, 2010–Q1/2015



Source: Savills Research & Consultancy

TABLE 12

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
AXA Tower	Shenton Way	S$1.17 bil/US$870.7 mil	A consortium led by Perennial Real Estate Holdings	Commercial
Government land	Jurong West Street 41 (Parcel B)	S$338.1 mil/US$251.6 mil	MCL Land (Vantage) Pte Ltd	Residential
Capri By Fraser Changi City	Changi Business Park Central 1	S$203.4 mil/US$151.4 mil	A unit of Frasers Centrepoint Ltd	Hospitality
Government land	Yishun Avenue 4	S$185.1 mil/US$137.8 mil	Northern Resi Pte Ltd and Northern Retail Pte Ltd	Commercial & Residential
Government land	Sturdee Road	S$181.2 mil/US$134.8 mil	SL Capital (1) Pte Ltd	Residential

Source: Savills Research & Consultancy

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In Q1/2015, two transactions were concluded for major office buildings: Ssangyong Cement Industrial's office building City Center and Hana Daetoo's office building in Yeongdeungpo. The total value of transactions executed in Q1 reached only a quarter of the amount posted for Q1/2014. Such a decline is believed to be attributable to a rush of transactions completed in Q4/2014 before the acquisition tax cut was revoked at the end the year.

City Center changed hands from the Ssangyong Town PFV to Igis Asset Management for KRW202.5 billion (KRW18.3 million per 3.3058 sq m). The investors in the building are AEW Capital and Samsung Fire & Marine Insurance. AEW is a global real estate investment company and City Center marks its first investment in Korea. With this, cases of foreign capital investment in 2014 include the K Twin Towers, Pine Avenue A, State Tower Namsan, Olive Tower and YG Tower, suggesting a clear preference for buildings in core CBD areas.

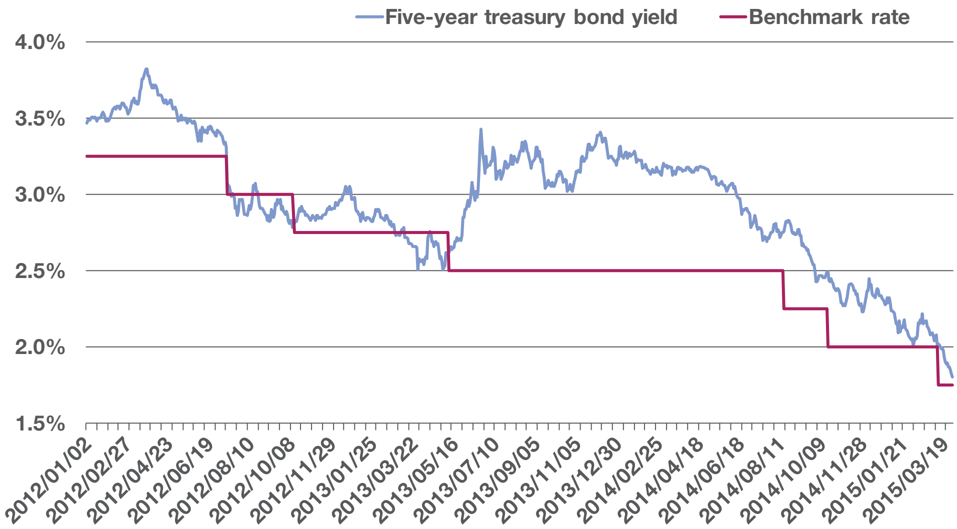
As for retail properties, the sale process is underway for D-Cube City Department Store to change hands from Daeseong to JR Asset Management. Daeseong is selling its assets to improve its financial standing. D-Cube City is a mixed-use building featuring five facilities (hotel, office, department store, art centre and theatre, as well as residential). Of the five facilities, the hotel and office sections have already been acquired and are operated by JR Asset Management. The department store, which is under transaction process, is estimated will fetch KRW300 billion. GIC and CPPIB are known to be the investors. The deal is slated for completion in Q2/2015.

The Bank of Korea (BOK) lowered the benchmark interest rate 25bps from 2.0% to 1.75% in March 2015. It is believed that the BOK's decision is attributable to low upward pressure on prices due to the downward trends in raw material and oil prices, along with the downward adjustment of the economic growth rate. Even though effective rents are on the decrease, as the vacancy rate rises, the cap. rates of prime office buildings will remain in the low 5% range. This is thanks to the abundant liquidity that has resulted from low interest rates. It has translated into the spreads between five-year government bonds and the average cap rate climbing for three quarters in a row.

Amid such market conditions, the top 10 domestic pension funds, including the National Pension Service, announced that they will expand the proportion of alternative investments in their portfolio. In particular, with the ultra-low interest rates for bonds, pension funds are known to be diversifying their investments to achieve target profit levels.

GRAPH 13

Trend in the five-year national bonds and benchmark interest rate, Jan 2012–Mar 2015



Source: Savills Research & Consultancy

TABLE 13

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
City Center	CBD	KRW202.5 bil/US$184.0 mil	Igis Asset Management	Office
Hana Daetoo office building	Non-core	KRW18.4 bil/US$16.7 mil	Samgyeong BM Korea	Office

Source: Savills Research & Consultancy

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Due to the steady economic recovery in the second half of 2014, Taiwan's GDP growth reached 3.74% in 2014, which is higher than expectations of 2.82% at the beginning of the year. In 2015, the government predicts that economic growth will reach 3.78%, mainly driven by investment by the private sector and private consumption. Total revenue of the three largest science parks in Taiwan climbed to NT$2.3 trillion in 2014, and exports of electronic products increased. Demand for plant expansions and upgrading of manufacturing processes could see private investment grow by 5.98% year-on-year (YoY). In addition, the economic recovery and healthy job market resulted in strong growth in the retail sector. Total sales of department stores are anticipated to reach NT$3.2 billion in 2015, representing a 5% annual growth.

In the area of financial policy, Taiwan's central bank kept basic interest rates unchanged at 1.875%, in consideration of the fragile economic recovery and low inflation situation. However, the tight mortgage policy will remain and is considered to be an effective measure to cool down the property market. According the data from by Taiwan's central bank, loan-to-value (LTV) ratios for the high-end residential sector decreased to 48% from 85%, and the mortgage interest rate increased by an average of 25 basis points (bps) to 2.09%. Land mortgages faced an even more severe situation, with mortgage rates climbing to 2.79% from 2.08%.

In the first quarter of 2015, the real estate market continues to languish. Total sales of significant commercial property only reached NT$8.2 billion, the third lowest quarterly sales since the global financial crisis, and total transaction numbers in the residential sector shrank 20% YoY in the first two months of 2015. The amended building tax has had a significant influence on private owners. More than 140,000 houses in Taipei City are to be taxed at a higher rate, rising from 1.2% to between 2.4% and 3.6% this May. For owners of some specific luxury and multiple houses, the building taxes could even rise more than five fold, with the highest tax bill being NT$2.7 million for one unit.

Even though slow sales in the residential sector have made developers more cautious about increasing land inventory, several public tender cases were successfully sold in the first quarter, and total land transaction volumes reached NT22.3 billion in Q1. The most competitive case was a commercial land lot in Taipei City, with a land size of 289 ping (953 sq m). Ten bids were received, with Yuanta Life winning with a bid of NT$2.9 billion, a 40% premium over the reserve price. This deal represented over NT$10 million per ping and broke the price record in the area. Another notable land public tender was in Kaohsiung City, which was acquired by a local developer. The bid price reached NT$900 million, with a 35% premium.

GRAPH 14

Significant land transaction volumes, Q1/2012–Q1/2015

Source: Savills Research & Consultancy

TABLE 14

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Reihu Technology Building	Neihu district, Taipei City	NT$2.39 bil/US$77 mil	Gamania	Industrial office
Leofoo Resort Kenting	Pingtung County	NT$900 mil/US$29 mil	Kenting Resort	Hotel
Tera Auto Technology Taichuang Factory	Daya district, Taichuang City	NT$1.06 bil/US$34.1 mil	Sunspring Metal Corporation	Factory
Retek Corporation Miaoli Factory	Miaoli County	NT$1.26 bil/US$40.6 mil	Everlight Electronics Co. Ltd	Factory

Source: Savills Research & Consultancy

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In the first quarter of 2015, Vietnam's GDP growth reached 6.03%, the highest rate in the last three years. FDI disbursement surged by 7% year-on-year, reaching US$3.05 billion. According to the General Statistics Office of Vietnam, the real estate sector has been ranked second in terms of total FDI inflow with approximately US$203 million, representing a share of 11%. The amendments on foreign ownership of property from the Housing Law that will come into effect this July are expected to boost market sentiment and add greater liquidity to the market. In addition, Vietnam maintained its position in the world's top 10 recipients of overseas remittances whilst real estate continued to be a favourite channel to invest large amounts of remittances into Vietnam.

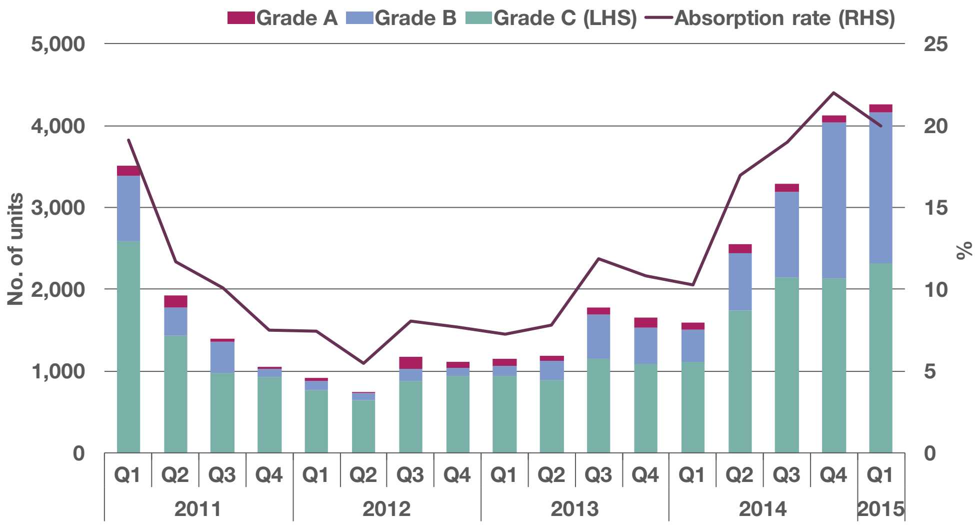
Most sectors have witnessed relatively stable growth, with the residential sector showing remarkable performance, signalling a robust start to 2015. There was a 245% increase in apartment transaction volumes in Ha Noi compared with the same period last year, while the corresponding figure in Ho Chi Minh City is 167%. Likewise, the residential sector continued to dominate the investment market. A recent prominent deal was the joint venture agreement between Hong Kong-based Hamon Developments Corporation and Son Kim Land to develop the Gateway Thao Dien Apartment project in Ho Chi Minh City, with a total investment of over US$100 million. Japanese firms Hankyu Realty & Nishi Nippon Railroad partnered with Nam Long Investment JSC to invest in the VND500 billion (US$23.4 million) development of the Flora Anh Dao apartment project, aiming at middle- and stable-income classes. Another residential deal is the joint development agreement between Dat Xanh Real Estate and Saigon Five Commerce Construction in the VND380 billion (US$17.8 million) Binh Dang project in Ho Chi Minh City. In addition, the office sector has also gained traction with significant interest from a range of investors. Both foreign and local investors are chasing office investment opportunities, mainly operating assets and prime developments, which have proven difficult to find, and therefore we have not witnessed many transactions. At the end of March, Hoang Quan Group acquired 100% ownership of the HQC Royal Tower for VND950 billion (US$44 million).

In line with the positive prospects for the property market, local real estate corporations have been actively seeking to expand their charter capital to boost their investment portfolios. Notably, Hoang Quan Group and Sacomreal Group increased up to VND2,000 billion (US$92 million) and VND1,877 billion (US$82.8 million) in charter capital respectively.

The M&A activities in real estate are projected to accelerate as the country is highlighted as an attractive investment market. Aside from that, upcoming outcomes from the Trans-Pacific Partnership (TPP) and Free Trade Agreement between the EU and Vietnam (EVFTA) will result in a stronger outlook for manufacturing in Vietnam and hence support the economic recovery.

GRAPH 15

HCMC apartment transaction volumes and absorption rate, Q1/2011–Q1/2015



Source: Savills Research & Consultancy

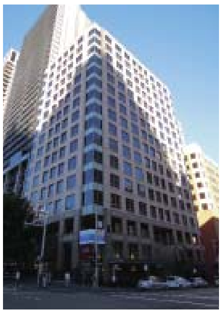
TABLE 15

Major investment transactions, Jan–Mar 2015

Property	Location	Price	Buyer	Usage
Flora Anh Dao	Ho Chi Minh City	N/A	JV among Hankyu Realty - Nishitetsu - Nam Long JSC	Residential
HQC Royal Tower	Ho Chi Minh City	VND950.0 bil/US$44.0 mil	Hoang Quan Group	Commercial & office
Binh Dang	Ho Chi Minh City	NA	Dat Xanh Corp	Commercial & residential
Gateway Thao Dien	Ho Chi Minh City	N/A	JV between Hamon Developments Corporation and Son Kim Land	Residential
Azura Garden	Hue	N/A	Cotana Group	Residential & commercial

Source: RCA, Press releases

Australia



130 Elizabeth Street
Sydney
AU$121.3M/US$93.4M
in February

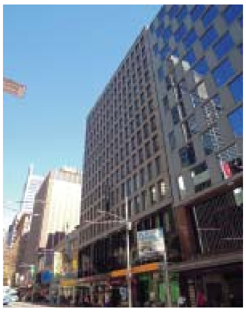
The Marketplace
92 Parrammatta Road, Auburn
AU$120.0M/US$92.4M
in February

Oasis Shopping Centre Broadbeach
Gold Coast
AU$103.5M/US$79.7M
in March

Next Hotel
Brisbane
AU$133.0M/US$102.4M
in March

73 Miller Street
North Sydney
AU$116.5M/US$89.7M
in January

309 George Street
Sydney
AU$112.3M/US$86.5M
in March



Liberty Place (25%)
161 Castlereagh Street, Sydney
AU$240.0M/US$184.8M
in February

Beijing/Guangzhou

EC Mall
Zhongguancun, Beijing
RMB2.5B/US$403.3M
in March

Ruiwei Yujing Garden
Liwan district, Guangzhou
RMB1.11B/US$180.3M
in March

Poly International Plaza T3
Chaoyang district, Beijing
RMB1.3B/US$214.2M
in Q1/2015

Shanghai

#18-2, Shanghai International Shopping Service Centre
Hongkou
RMB1.57B/US$255.0M
in January

China Garden
Changning
RMB340M/US$55.0M
in February

#1B, Sincere Space
Zhabei
RMB908.0M/US$146.0M
in January

Hongqiao Sincere Centre
Minhang
RMB325.0M/US$52.4M
in March

COFCO Tower
Xuhui
RMB344.0M/US$55.5M
in Q1/2015

Hong Kong

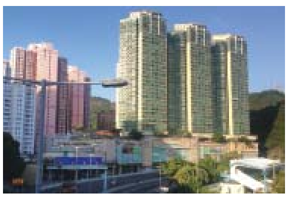
Ho Tung Garden
The Peak
HK$5,100M/US$658M
in January

Central Hollywood
Sheung Wan
HK$550M/US$71M
in March

Kowloon Commerce Centre (23, 25/F & 26/F)
Kwai Chung
HK$683M/US$88M
in March

Empireland Commercial Centre
Wanchai
HK$819M/US$106M
in January

75-79 Lockhart Road
Wanchai
HK$683M/US$88M
in February



Nob Hill Square and 43 carparks
Kwai Chung
HK$648M/US$84M
in January

Japan

◀ **Aeon Mall Kyoto**
Minami-ku, Kyoto City, Kyoto
JPY21.5B/US$170.0M
in January

Meguro Gajoen ▼
Shimo-Meguro, Meguro-ku, Tokyo
JPY140.0B/US$1.2B (estimated)
in January

Aoyama Building (95% co-ownership interest) ▶
Kita-Aoyama, Minato-ku, Tokyo
JPY46.0B/US$370.0M (estimated)
in February

Gran Tokyo South Tower ▶
(11% co-ownership interest)
Marunouchi, Chiyoda-ku, Tokyo
JPY38.8B/US$320.0M (estimated)
in March

Shiodome Building
(15% quasi-joint ownership) ▶
Kaigan, Minato-ku, Tokyo
JPY30.3B/US$250.0M
in January

Singapore

▼ **72 Loyang Way**
72 Loyang Way
S$97.0M/US$73.4M
in March

Homestay Lodge ▼
31 Kaki Bukit Avenue 3
S$127.0M/US$95.2M
in March

The Kendall ▲
50 Science Park Road
S$112.0M/US$83.9M
in March

◀ **Capri by Fraser**
Changi Business Park Cental 1
S$203.4M/US$151.4M
in March

AXA Tower ▶
Shenton Way
S$1.17B/US$870.7M
in January

South Korea

◄ **City Center**
CBD
KRW202.5B/US$184.0M
in March

Hana Daetoo Office's Office Building in Yeongdeungpo ►
Others (Yeongdeungpo-gu)
KRW18.4B/US$16.7M
in February

Taiwan

◄ **Leofoo Resort Kenting**
Pingtung County
NT$900M/US$29.0M
in January

▲ **Tera Auto Technology Taichuang Factory**
Daya district, Taichuang City
NT$1.06B/US$34.1M
in March

▲ **Reihu Technology Building**
Neihu district, Taipei City
NT$2.39B/US$77M
in January

▲ **Retek Corporation Miaoli Factory**
Miaoli County
NT$1.26B/US$40.6M
in March

Major transactions Q1 2015

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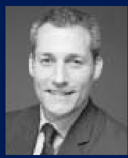

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