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Savills World Research
Asia Pacific

Asia Pacific
Investment Quarterly

Q3 2015

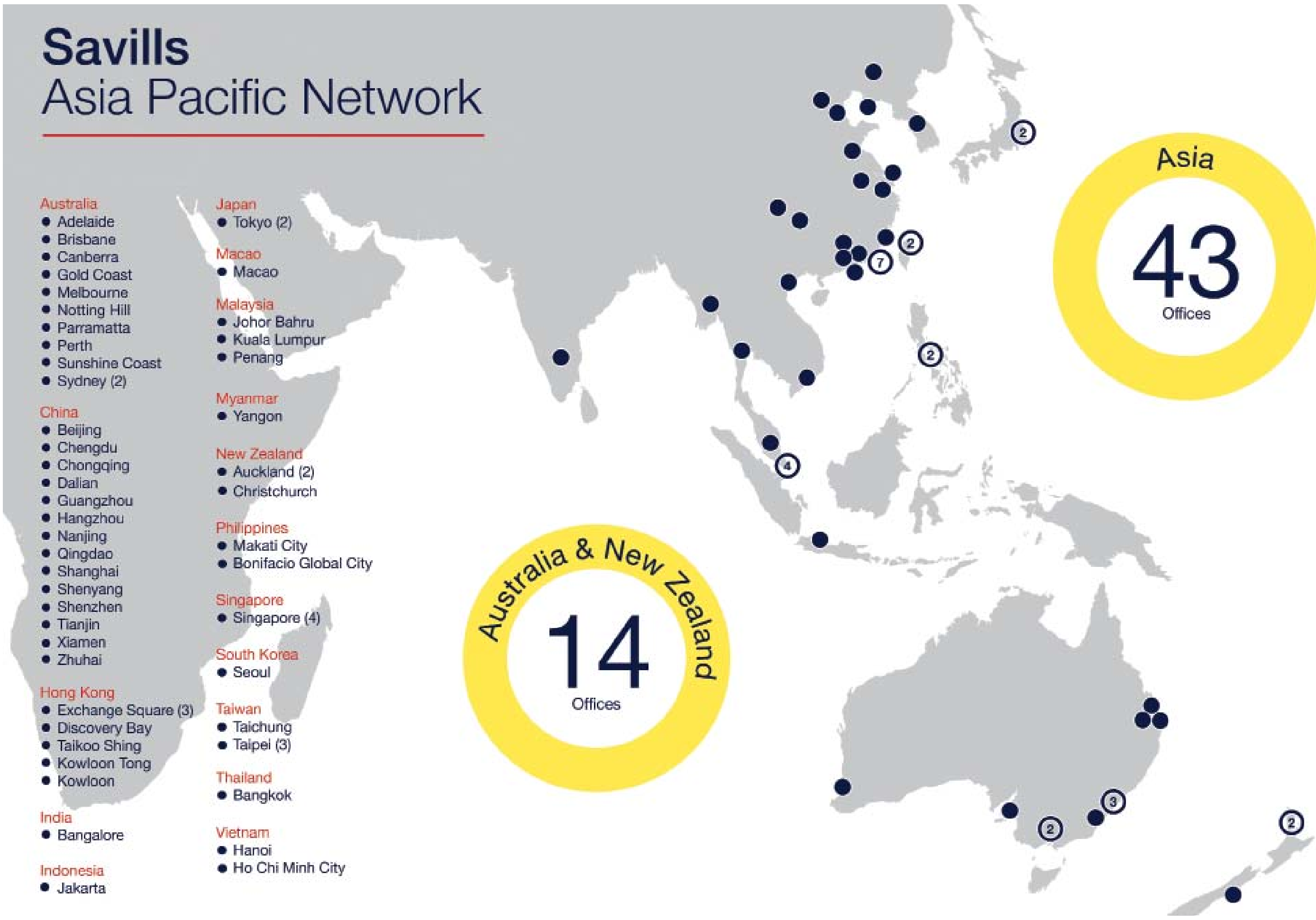
HIGHLIGHTS

Whilst the Japanese recovery appears to have stalled, strong support from the Bank of Japan is expected to continue. Real estate transactions remained robust in Q3/2015, in both value and volume terms. China continues to loosen its monetary policy to prop up its economy, raising expectations for capital value appreciation in both the residential and commercial market sectors.

In Australia, macro-prudential controls have been put in place to cool investor appetite for residential property and early signs suggest this may be effective. Meanwhile, yields on commercial property continue to firm as investors pursue opportunities in state capitals. In Hong Kong and Singapore, volumes remain low as far reaching government measures continue to cause investors concern and rents show signs of weakening. Vietnam is witnessing its strongest GDP growth since 2010 (6.5%) while initial negotiations for the TPP, the world’s largest trade pact, have now been successfully concluded. Total year-to-date registered FDI meanwhile is up 53% year-on-year.

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 57 regional offices comprising over 24,000 staff.Asia Pacific markets include Australia, China, Hong Kong, Indonesia, Japan, Korea, Macau, Malaysia, Myanmar, 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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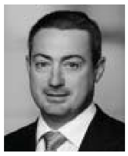

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In the lead up to the Paris climate negotiations in December this year it is timely to look at the climate, our environment and reflect on the role property plays. According to the United Nations the human population has grown from around 1 billion in 1800 to over 7 billion currently and is projected to rise to 9 billion by 2050. It is currently estimated that over half this population currently lives in cities and that number is also projected to grow towards 70%. There is a concept in biology known as "carrying capacity" – a population can only grow to the limits of its environment. Given the finite amount of resources on the planet and the spectacular growth in human population it is reasonable to ask: What is our carrying capacity?

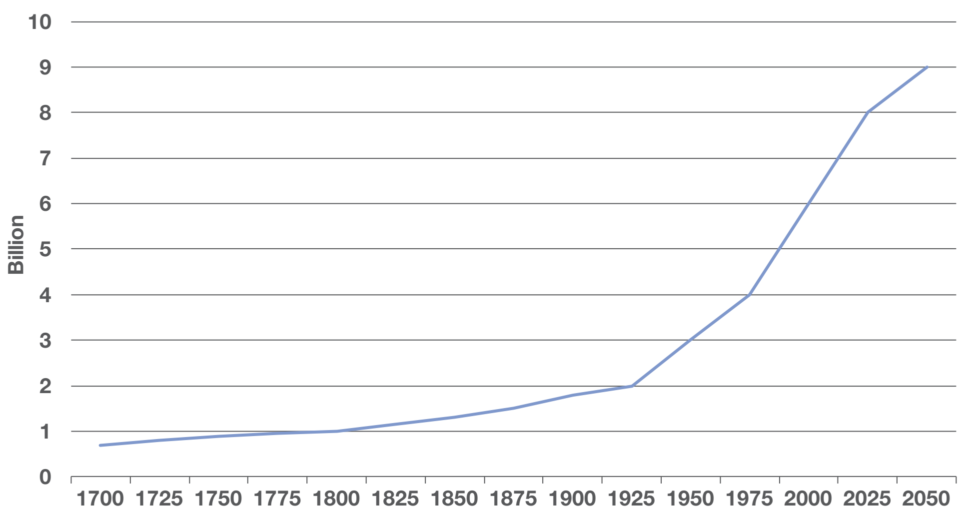
The amount of carbon accumulating in our atmosphere is trapping heat and causing the planet to warm, accelerating the melting of the world's ice, changing the oceans by warming them thereby affecting currents, rainfall patterns and weather systems. The carbon in the atmosphere is also leading to increasing ocean acidification. High school chemistry teaches us that as water warms, it expands. As the world's oceans warm, they too expand (and thereby rise). The last time the world was 2 degrees warmer, oceans were 5 metres higher than they are today. The number of severe weather events have increased from around 600 in the 1970's to over 3,000 in the 2000's. The costliest year to date was 2011 at US$380 billion in damages.

Buildings, through their consumption of energy and use of resources, contribute to this and have a role to play in rectifying the growing imbalance. For example, switching to 100% renewable energy, design buildings for climate (hot and cold), the materials used and the building systems that manage heating, cooling, and lighting – all these and more have a role to play in minimising the impact on the environment.

A failure to do all we can to ameliorate the impact on our environment is already taking a toll through extreme weather damage to property by fire, flood, wind, hail and snow. It is estimated by the Environmental Justice Foundation that up to 150 million people worldwide will need to be relocated due to adverse environmental conditions over the next 40 years. According to the Asian Development Bank, in the 23 East Asian cities vulnerable to flooding, there is an estimated value of $864 billion in assets exposed to inundation.

GRAPH 1

Australian property – Human population of the Earth, 1700–2050



Source: United Nations World Population Prospects

TABLE 1

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
3 Roberts Road	Eastern Creek, NSW	AU$253.0 mil/US$177.1 mil	Mapletree	Industrial
222 Exhibition Street	Melbourne, VIC	AU$231.0 mil/US$161.7 mil	LaSalle Investment Management	Office
215 Adelaide Street	Brisbane, Qld	AU$224.0 mil/US$156.8 mil	Challenger Life	Office & arcade
Space 207	St Leonard, NSW	AU$170.0 mil/US$119.0 mil	Altis	Office
913 Whitehourse Road	Box Hill, VIC	AU$156.0 mil/US$109.2 mil	FG Asset Management	Office
Stud Park Shopping Centre	Rowville, VIC	AU$154.0 mil/US$107.8 mil	AMP Capital	Retail
504 Pacific Highway	St Leonard, NSW	AU$150.0 mil/US$105.0 mil	New Hope Real Estate Development and JV, VIC Investment Management Group	Office
155 Clarence Street	Sydney, NSW	AU$142.4 mil/US$99.7 mil	Union Investment Real Estate	Office

Source: Savills Research & Consultancy

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While the residential and retail markets have had a bumpy ride, the office market has continued to be stable through the third quarter of 2015. Supported by the traditional peak season falling in the period, net take-up in the Grade A office market boomed to 96,100 sq m in Q3/2015, up 40.4% quarter-on-quarter (QoQ) and down 21.6% year-on-year (YoY). As a reflection of general confidence within the market, Grade A office rents remained largely stable during the period, up 0.2% QoQ and 0.9% YoY to RMB319.3 per sq m per month by the end of Q3/2015. Traditional business areas continued to command the highest rents, with Beijing Financial Street and the CBD averaging RMB534.1 and RMB362.1 per sq m per month, respectively.

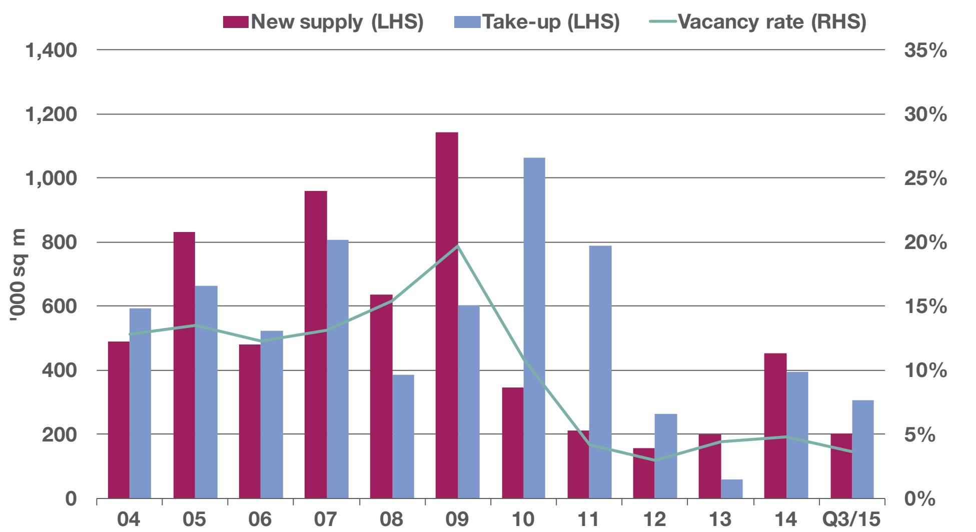
One new project entered the market in Q3/2015, contributing an additional 52,000 sq m of office GFA. As a result, Grade A office leasable stock increased to nearly 10 million sq m, leaving Beijing as the largest office market in mainland China. AVIC Plaza Ph1, located in the Zhongguancun area, was launched in August. Despite new supply, rental incentives offered by landlords have resulted in high levels of pre-commitment rates in recently-launched projects. As a result, city-wide vacancy rates fell by 0.4 of a percentage point (ppt) to 3.7% by the end of the quarter.

The remainder of 2015 will see the Grade A office market receive an influx of supply, with six new projects scheduled for handover for a combined leasable office GFA of 312,000 sq m. The market will continue to further decentralise as approximately 56% of the new supply is to be located in non-prime areas such as Wangjing and Asian & Olympic. The distribution of the new supply is expected to place downwards pressure on both rents and occupancy rates in the short term, with city-wide vacancy rates anticipated to increase to around 6 to 7%. Meanwhile, traditional business areas such as the CBD and BFS are expected to continue to see strong performances and remain largely stable in terms of vacancy rates and rents. Limited investment grade stock available for purchase will continue to support capital values in the market, while Grade A office gross yields are expected to compress further to 5.0%-5.5% over the next three years.

The ongoing sluggish performance of the retail environment is in contrast to the office market, which is experiencing positive growths in both rents and capital values. Looking for new profit generating avenues, a new trend is starting to emerge in the market in which an increasing amount of landlords are exploring converting retail space into office space.

GRAPH 2

Supply, net take-up and vacancy rates, 2004–Q3/2015



Source: Savills Research & Consultancy

TABLE 2

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
HP Tower (8/F-18/F)	CBD	RMB1.3 bil/US$206 mil	Foresea Life Insurance	Office
Guoson Centre	East 2nd Ring Road	RMB10.5 bil/US$1.65 bil	China Cinda Asset Management	Mixed-use

Source: Savills Research & Consultancy

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Despite receiving much lower levels of supply than in previous years, Tianjin's land market has seen signs of recovery and is beginning to stabilise. In Q3/2015, 36 land plots were launched onto the market, totalling 1.57 million sq m. Five of these land plots had been on the 2015 list of 31 main launches in the city centre planned by the government. The city centre was the biggest contributor to this quarter's total supply.

The third quarter saw 45 land plots transacted, totalling 1.91 million sq m, up 55% quarter-on-quarter (QoQ). While the city's core areas accounted for the least in terms of total transacted site area, premium accommodation values make it the front runner in terms of total consideration at RMB8.9 billion, accounting for more than 50% of the total consideration of the quarter.

Tianjin Realty Development (Group) Co. Ltd. acquired two land plots for a total consideration of RMB5.86 billion after purchasing six land plots (totalling 422,000 sq m) for a total consideration of RMB7.6 billion during Q2/2015. The well-known local residential developer was consequently nicknamed "Tuhao" – a very popular name loosely translated as "nouveau riche".

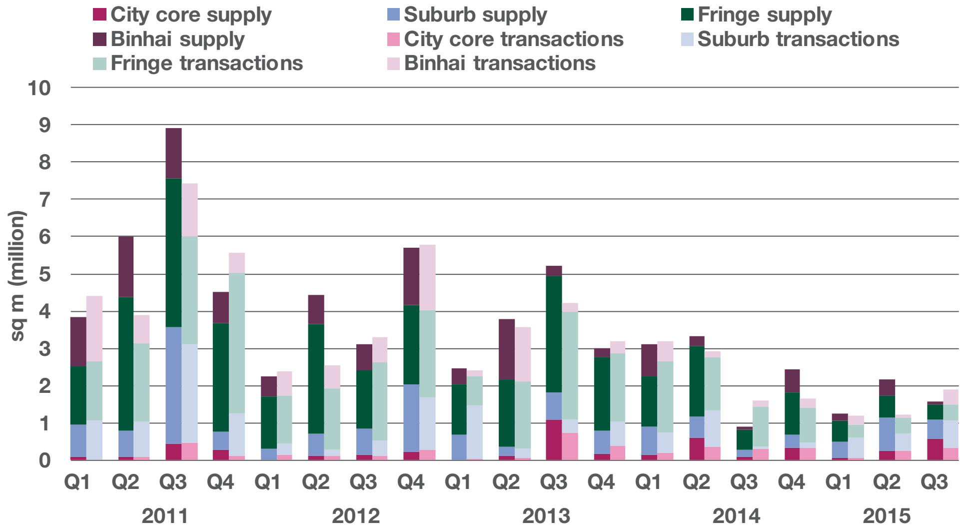
In July, Tian Fang Jinbin Investment Co. Ltd., a subsidiary of Tianjin Realty Development Group, acquired a 158,000-sq m mixed-use land plot located along Jinbin Avenue in the Hedong district. The plot became the new "land king" of the year as it was purchased for a total consideration of RMB4.1 billion. This land plot had garnered much attention since its unveiling, due to its favourable location and improved surroundings and amenities. Additionally, metro line 4, which began construction in 2015, has a station planned for this area which will greatly increase accessibility. Currently, average prices for newly-built commodity housing in the vicinity are around RMB20,000 to RMB22,000 per sq m.

The pick-up in overall activity by the developer had a mixed message for the market: On the one hand this activity has placed greater pressure on the company's financial situation; on the other, it also indicates an increased confidence in Tianjin's residential market

The remainder of 2015 is expected to see more key land plots launched onto the market. As these favourably-located land plots are regarded as rare resources in the core areas of Tianjin, it is anticipated to result in increased competition among developers and more record land deals witnessed.

GRAPH 3

Land supply and transaction volumes by area, Q1/2011–Q3/2015



Source: Savills Research & Consultancy

TABLE 3

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
Plot 2015-075 (JDJ)	Hedong district	RMB4.1 bil/US$643.3 mil	Tianfang Jinbin Investment Ltd. Co	Mixed-use
Plot 2015-091 (JNS)	Nankai district	RMB1.76 bil/US$276.1 mil	Tiangang Zhuohui Real Estate Ltd. Co.	Mixed-use
Plot 2015-097 (JHG)	Hongqiao district	RMB2.37 bil/US$371.9 mil	Shenzhen Lianxin Investment Management Ltd. Co.	Mixed-use
Plot 2015-090 (JXW)	Xiqing district	RMB1.0 bil/US$156.9 mil	Fujian Rongqiao Real Estate Ltd. Co.	Mixed-use

Source: Savills Research & Consultancy

China (Western) - Chengdu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The Chengdu City of Gastronomy Association (CCGA) published the 2014 Chengdu Catering Industry Investment Report in June 2015. According to the report, the decline in the growth rate in Chengdu's catering industry has stopped, with the market beginning to stabilise. In 2014, Chengdu's catering industry turnover reached RMB480.8 million, up 10.5% year-on-yyepyear (YoY). The growth rate increased 4.2 percentage points (ppts) compared to last year's rate of 6.3% – 0.4 of a ppt higher than Sichuan province's average rate of 10.1%, and 0.8 of a ppt higher than the national average rate of 9.7%.

In line with this trend, more innovative and specialised restaurants have been introduced into shopping malls across the city. By the end of 2014, Seahood (水货), a seafood restaurant, opened stores in both the GTC Galleria Plaza and Chicony Department Store. Seahood attracted a large number of customers due to the absence of cutlery-style dining, ship's cabin style decoration and metal music playing in the background. In June 2015, XiaoZhuZhu (小猪猪) – a famous BBQ style restaurant – opened its first store in Chengdu in the GTC Galleria Plaza. XiaoZhuZhu's design incorporates unique elements such as pig cartoon characters, red and yellow lighting and pig style aprons, attracting long waiting lines during their dinner service.

In June 2015, Tanyu (探鱼) opened its third store in Chengdu, having opened stores in Raffles City and Shuijinjie in 2014. Tanyu is characterised by its vintage style interiors, soft lighting, cartoon menu, graffiti on the walls and unique tableware. These particular features differentiate Tanyu from other traditional grilled fish restaurants, helping it stand out from the crowd. In September 2015, Wuu's (吴系茶餐厅) opened in Tai Koo Li. Wuu's is styled like a 1960s Hong Kong restaurant, with vintage booths and small round tables. Around the same time, Huangjihuang restaurant (黄记煌) opened its first themed restaurant in China in the GTC Galleria Center. The restaurant's interior includes an open kitchen and design elements reflect key aspects of Chengdu, such as pandas and bamboo.

As F&B becomes an increasingly important experiential format within shopping malls, the number of restaurants has risen, resulting in increased competition. Restaurants have begun to shift strategies from focusing on lowering prices to being more innovative to attract customers. In addition, themed restaurants have received more attention from shopping malls due to their unique decoration, strong word-of-mouth attraction, and most importantly, their strong consumer attraction element. In the near future, shopping malls are expected to introduce additional specialty restaurants.

GRAPH 4

Shopping mall and department store supply and stock, 2000–2017E

Source: Savills Research & Consultancy

TABLE 4

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
Plot JN14	Jinniu district	RMB426.8 mil/US$68.7 mil	Vanke	Mixed-use
Plot CH17	Chenghua district	RMB564.7 mil/US$90.9 mil	Ruixin Industrial Group	Mixed-use
Plot JJ04	Jinjiang district	RMB146.9 mil/US$23.7 mil	Fuyu Xiao	Office and retail

Source: Savills Research & Consultancy

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The White Swan Hotel - reportedly the first five-star hotel to open in mainland China (in 1983) - reopened for business in July after a three-year renovation and redecoration. The renovations have cut the number of suites from 852 to 520. The hotel is located on Shamian Island in the Liwan district to the west of Guangzhou city. Over the years, the venue has played host to many foreign dignitaries such as President Richard Nixon, Margaret Thatcher and Deng Xiao Ping, as well as countless domestic and international tourists.

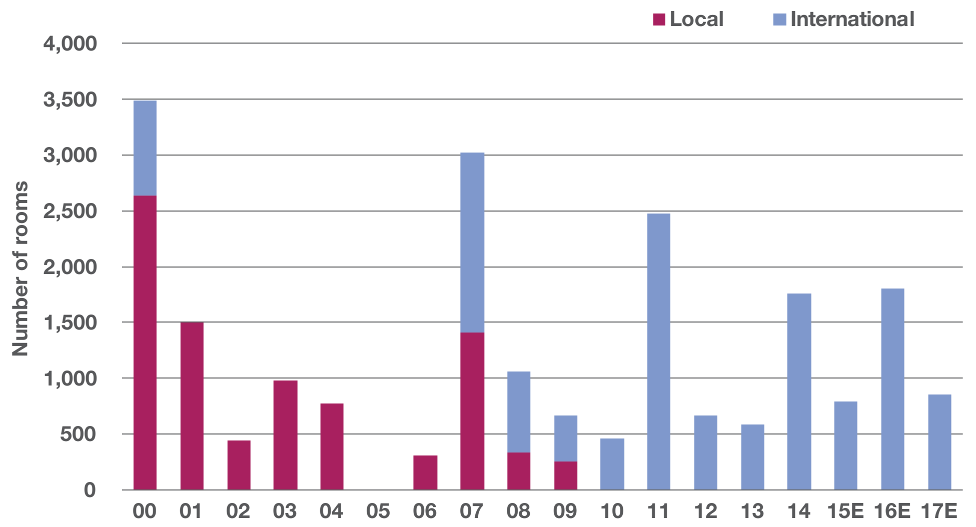
Local brands such as the White Swan Hotel initially dominated the five-star hotel market in Guangzhou, due to the strong support of capital and human resources from Hong Kong. However, international brands such as Intercontinental, Starwood and Hilton have flooded into the city since the 1990s, opening a number of luxury hotels. Between 2010 and 2015, 19 new five-star hotels opened for business, all of which were internationally-branded, with the majority located within prime areas and industrial parks. By the end of Q3/2015, international brands accounted for over 54% of the five-star hotel market stock – totalling over 10,000 rooms. Over the next two years, ten hotels are expected to enter the market, all internationally-branded, bringing total five-star hotel stock to over 21,000 rooms.

The large influx of new supply, as well as the recent slowing economic growth, has placed a downward pressure on the performance of the hotel market. According to data released by the China National Tourism Administration (CNTA), revenue per available room (RevPAR) of five-star hotels in Guangzhou decreased 10.8% year-on-year (YoY) to RMB463.2 in 2014, the lowest level over the last five years. However, 1H/2015 has seen a slight recovery in the five-star hotel market as average daily rates (ADR) increased 11.1% YoY, while occupancy rates dropped 2.1 percentage points (ppts) to 62.1% YoY.

In addition, the Guangzhou market continues to see the launch of luxury hotel projects, with seven five-star hotels currently under construction and scheduled to open for business in 2016, adding around 2,000 rooms. Of these projects, three are located in Zhujiang New Town, while the Pazhou area, home to the conference and exhibition centre, will also see one new project in 2016.

GRAPH 5

Guangzhou five-star hotel market supply by origin of brand, pre-2000–2017E



Source: Savills Research & Consultancy

TABLE 5

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
Guangzhou Innovation Center	Panyu district	RMB81 mil/US$12.7 mil	Guangdong GuanghuaSci-Tech Co., Ltd	Office
Rui An Chuang Yi	Tianhe district	RMB50 mil/US$7.8 mil	Diandude Catering Co., Ltd	Retail
Guangzhou plot 2015-0723	Huadu district	RMB2.68 bil/US$422.1 mil	Wanda Group	Commercial
Guangzhou plot AH051025	Haizhu district	RMB2.27 bil/US$357.3 mil	Financial Street Holdings	Residential
Guangzhou plot AH040224	Haizhu district	RMB1.85 bil/US$291.8 mil	Guangzhou Huaduo Internet	Office
Guangzhou plot AH050906	Haizhu district	RMB1.47 bil/US$230.8 mil	Agile Group	Residential

Source: Savills Research & Consultancy

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The Dachong redevelopment project, undertaken by China Resource Enterprise, is the largest urban renewal project in Guangdong province. Upon completion, the project will be called CR City – an urban mixed-use development with a GFA of three million sq m. Of this, the newly upgraded MixC (万象天地) will have a retail GFA of 240,000 sq m. The CR Enterprise officially signed a contract with the Eslite Spectrum Corporation on 11 September 2015, confirming the rumour that the next Eslite Bookstore will be located in MixC in CR City. Many believe CR Enterprise is aiming to combine commercial real estate with the cultural industry, so as to improve the overall experience for customers.

Eslite Spectrum, best known for the Eslite bookstore, is a brand that focuses on art exhibitions, performances and creative products. According to Qingyou Wu, the founder of the brand, Eslite Bookstore attracts over 15 million customers worldwide every year, with each store attracting approximately 1,000 customers each day.

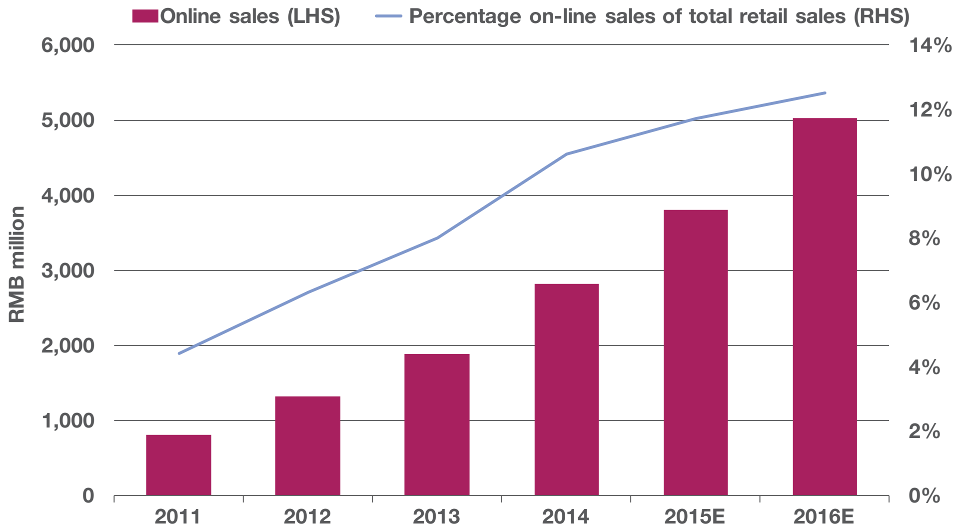
Many wonder if the increase in customer footfall will lea d to higher sales volumes, however, several other factors need to be considered first. It is a well-known trend that the traditional retail industry is facing increased challenges from online retailers. According to a survey conducted by the China Electronic Commercial Center (CECC), the percentage of online shopping sales volumes in terms of total retail sales increased from 3.5% in 2010 to 10.6% in 2014. This number is expected to continue to rise and may reach 12% by the end of 2015.

Online shopping and mobile shopping are more common in China than in most other countries. According to PricewaterhouseCoopers, 85% of Chinese consumers will obtain information about new products online, while 58% will choose to purchase these items online – both higher than the global average. Many consumers also opt to experience the product in physical stores but make the final purchase online.

Statistics show that 91% of Chinese online consumers choose to conduct field visits before they purchase items online – higher than the global average of 85%. Additionally, 86% of the consumers are willing to compare prices between online and traditional retailers before making the purchase. From these results we can conclude that price is a major factor that encourages consumers to shop online. As Eslite Spectrum is a leader in high-end cultural products and services, the prices tend to be higher. Despite a good environment and high-quality activities such as art exhibitions and lectures, Eslite Spectrum may not appeal to many customers that are actually willing to purchase items, especially the younger generations who prefer online shopping. Although introducing Eslite Spectrum is expected to increase footfall within MixC, there is a long way to go to save the traditional retail industry.

GRAPH 6

Online sales as a percentage of total retail sales in Shenzhen, 2011–2016E



Source: China Electronic Commercial Research Center

TABLE 6

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
Jianan Shanhai Center (Half of 23/F, 27/F-28/F)	Futian district	RMB225.1 mil/US$35.7 mil	Yihua Healthcare Co. Ltd	Office
T102-0257	Qianhai	RMB981.0 mil/US$153.8 mil	Shenzhen QianhaiHengchang Technology Co. Ltd	Retail
A002-0047	Baoan	RMB809.0 mil/US$126.8 mil	Shenzhen Yishang Digital Technology Co. Ltd	Office and retail

Source: Savills Research & Consultancy

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When it comes to the devaluation of the RMB, it is not what has happened that is most important, but expectations of what will happen in the future and how to hedge investments against this outlook. At the moment, the vast majority of investors and bystanders are expecting the RMB to continue to depreciate against the US dollar. In this situation there is likely to be more interest in investing in US dollar denominated investments – one of which would be US properties. Based on this and the RMB remaining weak against the US dollar, investors who were looking at investing overseas may bring forward their purchases, while some of those that may not have been considering the purchase of property in the US may now look at doing so. Nevertheless, there are a number of other factors that need to be taken into consideration before buying a property, especially in an overseas country – including financing (a US dollar mortgage being paid off in RMB will become more expensive as the RMB weakens against the US dollar), market fundamentals, taxes and laws.

It is worth noting that no one is actually aware of the amount of money leaving China currently, let alone what the changes will be moving forward. The continuous process of the opening up of the Chinese economy to the rest of the world (and vice versa) still has a long way to go before it stabilises. The challenges that come along with a slowing domestic economy or a weaker currency will merely contribute to the speeding up or slowing down of this process.

Real funding costs for US dollar debt are likely to be higher due to the recent RMB devaluation and the on-going prospects for interest hikes by the US Federal Reserve. This will be a negative for Chinese developers that hold existing US dollar debt, as the RMB devaluation is expected to increase their debt burden in general.

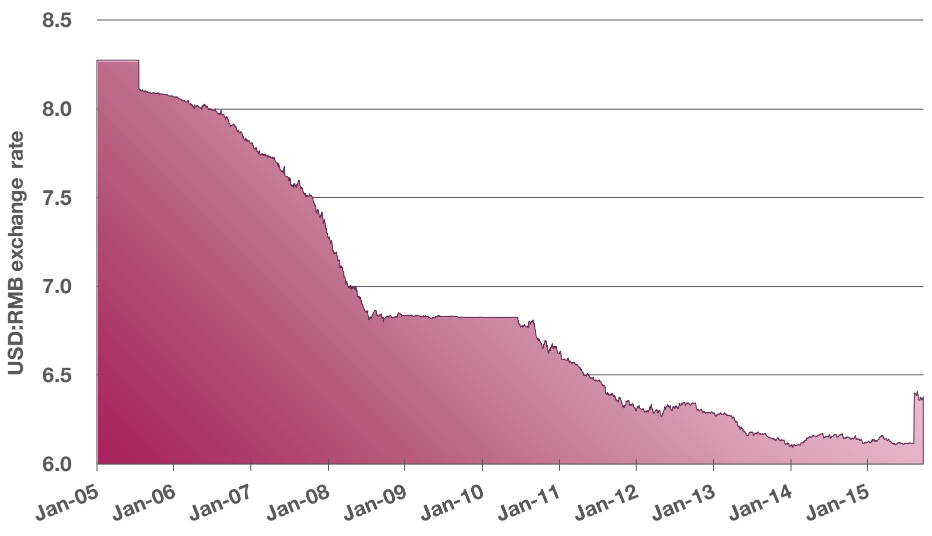
Meanwhile, the continued interest rate cuts by the People's Bank of China (PBoC) also decreased onshore financing costs by 20%. This combination of the elements mentioned above will encourage Chinese developers to increasingly turn to RMB financing over US dollar-denominated debt. Nevertheless, the impact is limited at the current stage given the relatively low 4% - 5% devaluation.

While many believe that the devaluation will not affect the Chinese domestic market, others believe it may affect Chinese buyers purchasing real estate overseas.

Firstly, it is worth noting that the devaluation means that overseas purchases are now 3% more expensive than they were a couple of weeks ago; this is not necessarily something that prompts people to rush out to buy something new. According to Real Capital Analytics, China buyers purchased properties in the US worth an estimated US$5.1 billion in the first eight months of 2015, an increase from US$3.5 billion for the whole of 2014. It is believed this number will continue to increase over the coming year. This is also expected to be the trend within many other countries, including Australia and the UK, over the coming years.

GRAPH 7

USD : RMB exchange rate, Jan 2005–Sep 2015



Source: National Bureau of Statistics, Savills Research & Consultancy

TABLE 7

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
Corporate Avenue 1 & 2	Huangpu	RMB6.6 bil/US$1.03 bil	Link REIT	Office
Hongjia Tower	Pudong	RMB2.6 bil/US$412 mil	Yuexiu REIT	Office
American Homes	Changning	RMB540 mil/US$85 mil	Landsea	Serviced apartment

Source: Savills Research & Consultancy

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Amid fairly bleak retail market news during the third quarter, shopping malls generally continued to perform well as rents rose modestly by 1.6%. While rent review negotiations are becoming tougher, most retailers would acknowledge that they cannot afford to leave prime malls for street fronting units. As availability remains tight in the malls, landlords still have leverage, even if this is less than it was even a few months ago.

One negative indicator for prime malls has been the declining overnight visitors over the first eight months of the year, which saw a 5.3% fall year-to-date. This led to a decline in hotel occupancy across the board over the same period, and the fall in the number of hotel guests was mostly felt by luxury retailers in core areas as many of these tourists are traditionally big spenders on shopping.

If the malls have weathered the recent storm in reasonably good shape, this has not been the case for street fronting shops where rents on prime thoroughfares are down by 30% to 40% when renewing a 3-year lease. Landlords are struggling to lease anything for over HK$2 million per month while the age of the duplex flagship store seems to be coming to a close. Retail sales are 20% to 30% down but appear to have stabilised at a 'new norm' for now.

In the retail sales market record low volumes persist and prices have fallen by 13.4% YTD in 2015 compared with 2014. With the recent stock market turbulence and concerns over broader economic growth, combined with weaker rents, price rises are unlikely. We would expect prime street shops prices to fall by 15% to 20% over the full year.

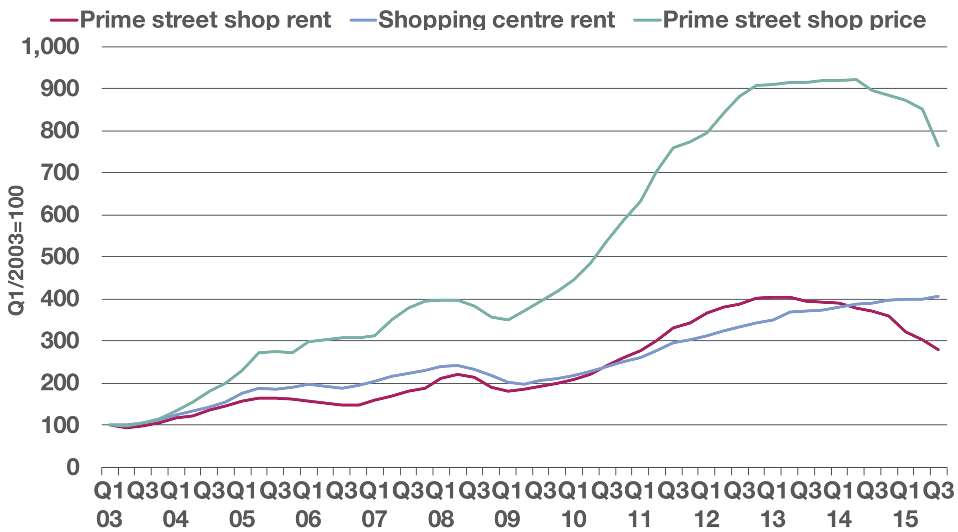
The industrial sector investment market was quiet in the summer months with only three transactions of over HK$100 million recorded. The only enbloc transaction was the sale of Kader Industrial Building (202,000 sq ft) in Fanling for HK$715 million (HK$3,540 per sq ft). Purchasers faced an uncertain investment environment with both the stock market and the China economy tumbling, this, coupled with a lack of choice, meant that many were kept on the sidelines.

With trading performance drifting and retail sales nowhere near a full-blown recovery, we may see more logistics operators reducing their businesses in Hong Kong in the next three to six months, meaning more warehouse space may become available towards the beginning of next year. The rise of e-commerce has induced new demand as well as new operating models for the logistics sector, as evidenced by a few new entrants to the market. However, their ability to absorb the new modern warehouse space, as well as the potential space to be vacated by trading and retail logistics operators is far from certain. We may expect some softening in warehouse rents towards the end of this year as a result.

The quiet industrial investment sentiment should continue into the last quarter of the year given the lack of available stock, with the space which is actually available likely to be highly sought after. With the warehouse leasing prospects moderating, we would expect end users and investors looking for redevelopment potential to be the most active in the market in the short-term.

GRAPH 8

Retail rental and price indices, Q1/2003 vs Q3/2015



Source: Savills Research & Consultancy

TABLE 8

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
Intercontinental Hotel	Tsim Sha Tsui	HK$7,270 mil/US$938.1 mil	GAW Capital	Hotel
22 Barker Road	The Peak	HK$1,500 mil/US$193.5 mil	TBC	Residential
Wincome Centre	Central	HK$1,300 mil/US$167.7 mil	Emperor	Office
Park Building	Cheung Sha Wan	HK$998 mil/US$128.8 mil	TBC	Office
L Plaza	Central	HK$810 mil/US$104.5 mil	TBC	Office

Source: EPRC, Savills Research & Consultancy

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Japan's GDP for Q2/2015 was revised up to -1.2% (annualised rate) from the initial estimate of a 1.6% contraction. Meanwhile, whilst core inflation (headline inflation ex. fresh food) for August 2015 was -0.1%, core-core inflation (ex. food and energy), stood at 0.8%.

After winning his party's leadership on 20 September, PM Abe has shifted his focus back to stimulating the economy. According to Abe on 24th September, the government plans to raise nominal GDP to JPY600 trillion, an increase of over 20% from JPY490 trillion in FY2014, by strengthening the employment market and social security.

The Bank of Japan's (BOJ) purchase of J-REITs during Q3/2015 stood at JPY28.1 billion, and the 2015 year-to-date total stands at JPY76.6 billion, or 85% of the planned annual purchases of JPY90 trillion announced a year ago by the BOJ. At press conferences after the policy meeting, Kuroda, the BOJ governor, repeated that he will not hesitate to deploy further support if the 2% inflation target is threatened. So far, BOJ still maintains a positive economic outlook including the view of moderate inflation to come.

Although the close of the TSE REIT index on 30th September (1,677.60) was lower than the end of Q2/2015 (1,803.13), the J-REIT share price has rebounded by over 11% from its recent lowest point, 1,509.63 on 8th September. In addition, after hitting 0.524% on 10th June, the 10-year Japanese Government Bond yield steadily fell to 0.348% on 30th September.

Nomura Real Estate Office Fund, Nomura Real Estate Residential Fund, and Nomura Real Estate Master Fund merged and a new entity, new Nomura Real Estate Master Fund, got listed on 2nd October. The total assets of the new REIT amount to over JPY900 billion, making it one of the largest J-REITs. With the merger, the number of listed J-REITs totals 51. As of 30 September, their total market cap was JPY9.5 trillion.

The number of property acquisitions by J-REITs in Q3/2015 totalled 107 for a value of JPY383.9 billion. Particularly noticeable were 13 nursing home transactions for JPY26.4 billion by Japan Senior Living Investment Corporation upon its IPO and 14 hotel transactions for JPY37.5 billion by Invincible Investment Corporation.

Grade A and large-scale Grade B office vacancy rates[1] in Tokyo's Central Five Wards in Q3/2015 stood at 2.2% and 2.5%, respectively. By ward, Grade A office vacancy in both Chiyoda and Chuo was 1.4%, significantly down from the previous quarter (1.6% and 2.2%, respectively). Shibuya's Grade A office vacancy also improved to 0.5%.

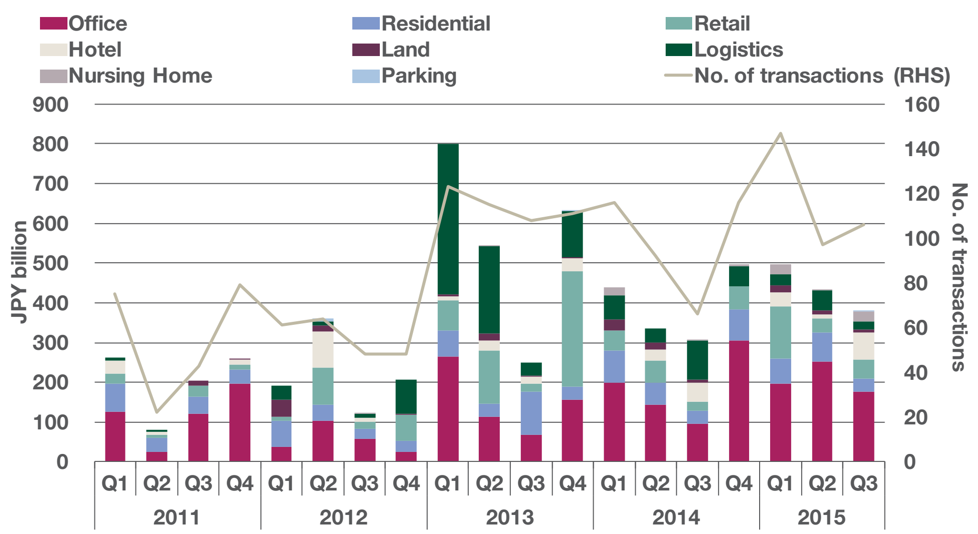
Occupancy rates[2] of J-REIT residential properties in the Central Five Wards remained well above 95%. Rents in the Central Five Wards increased by approximately 0.2% on the quarter (QoQ) on average. In particular, monthly rents in Chuo increased by more than 1.5% QoQ on average.

1 Three-month rolling average between July and September 2015.

2 July to September 2015 data is based on Nippon Accommodation Fund and Advanced Residence Investment Corporation.

GRAPH 9

J-REIT property acquisitions by sector, Q1/2011–Q3/2015



Source: Savills Research & Consultancy

TABLE 9

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
Kirarito Ginza	Ginza, Chuo Ward, Tokyo	JPY52.3 bil/US$420 mil	The State Oil Fund of Azerbaijan	Retail
Ark Yagi Hills	Roppingi, Minato Ward, Tokyo	JPY30.0 bil/US$240 mil (estimated)	Mitsui Fudosan Private REIT	Office
Cube Kawasaki	Kawasaki, Kawasaki City, Kanagawa	JPY20.1 bil/US$160 mil	MCUBS MidCity REIT	Office
AER (co-ownership: 55.3%)	Aoba, Sendai City, Miyagi	JPY18.6 bil/US$150 mil	Japan Real Estate REIT	Mixed-use
Omiya Center Building	Omiya, Saitama City, Saitama	JPY15.3 bil/US$120.7 mil	Nippon REIT	Office

Source: Savills Research & Consultancy

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Q3/2015 was another active quarter in the investment market with a total of 15 transactions worth RM5.037 billion. 12 of these transactions, all for land, totalled RM3.901 billion, and involved local developers. Four land transactions were in Kuala Lumpur, two in Selangor and another two in Johor. There was a single land transaction in each of the states of Sabah, Kedah, Pahang and Penang.

The sale of the French Embassy site located on Jalan Ampang was completed in August 2015. The 7.89-acre of land was purchased by Putrajaya Holdings Berhad for an undisclosed sum, reportedly nearing RM1 billion, Tradewinds Corporation Berhad bought 12.2 acres of development land at Jalan Belfield, Kuala Lumpur in early July 2015 for a sum of RM258 million or RM485 per sq ft. The land will be developed into a mixed-use development in the future.

Mulia Group from Indonesia is reported to have purchased a piece of development land from 1MDB Real Estate in May 2015 for a total of RM665 million. In early August, another piece of land of about 1.246 acres was sold to Affin Holdings Berhad by 1MDB Real Estate for a sum of RM255 million or RM4,699 per sq ft. The land is located within the proposed Tun Razak Exchange in Kuala Lumpur and was approved for a plot ratio of 15.2. Both buildings are earmarked for the development of office space within TRX.

In Selangor, Eco World Development Group Berhad has announced plans to acquire a combined 2,198.4 acres of leasehold land in Ijok, Kuala Selangor for a sum of RM1.181 billion. The land is about 45km from the Kuala Lumpur city centre and the developer plans to develop the land into three property projects i.e. a mixed-eco township known as Eco Gardens (566.5ha), an integrated gated industrial hub known as Eco Business Park V (209.6ha) and another affordable township known as Laman Indah (113.3ha).

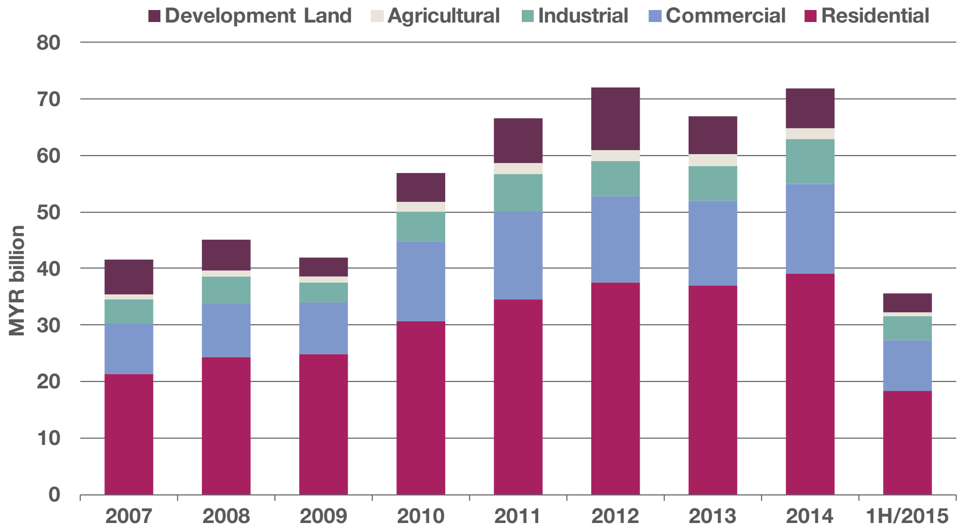
In Johor, I-Park Sdn Bhd purchased 188.7 acres of industrial land in Senai Airport City, Johor for a sum of RM369.97 million or RM45 per sq ft. The land will be developed into an integrated industrial park. During the same period, YTL Cement Berhad acquired 258 acres of freehold agricultural land in Kulaijaya, Johor for an aggregate of RM60.67 million.

The property investment market was also active in Q3/2015 with three major transactions. A 33-storey purpose-built stratified office building referred to as Office Tower A in Damansara City, Kuala Lumpur was sold to Hong Leong Bank Berhad for a sum of RM582 million or RM1,150 per sq ft in early July. In mid-September, Pavilion REIT announced its purchase of da:men USJ Shopping Mall together with all its 1,672 car parking bays for a consideration of RM488.00 million. Another transaction involved two blocks of stratified office towers in Pandan Indah Kuala Lumpur known as Block C and Block D of Menara Pandan which were sold for a total of RM66 million to Mayapada Capital Sdn Bhd.

The first nine months of 2015 saw local developers and Malaysian institutions aggressively focused on the acquisition of quality land banks and assets. However, we are cautious that acquisition activity may slowdown.

GRAPH 10

Total values of property transactions in Greater Kuala Lumpur, 2007–1H/2015



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

TABLE 10

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
2,198.4-acre of land in Ijok	Kuala Selangor, Selangor	RM1.181 bil/US$265.74 mil	Eco World Development Group Berhad	proposed to mixed-use
Approximately 3.47-acre of land	Tun Razak Exchange, Kuala Lumpur	RM665.0 mil/US$149.59 mil	Mulia Group	Mxied-use
33-storey purpose-built stratified office building currently referred to as Office Tower A	Damansara City, Kuala Lumpur	RM582.00 mil/US$130.92 mil	Hong Leong Bank Berhad	Office
da:men USJ Shopping Mall	USJ 1, Selangor	RM488.00 mil/US$109.77 mil	Pavilion REIT	Retail
188.7-acre of land in Senai Airport City	Senari Airport City, Johor	RM369.97 mil/US$83.22 mil	I-Park Sdn Bhd	Industrial

Source: Company announcements, Savills Research & Consultancy

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Despite the weakening global growth, the Philippine economy is still seen as a strong performer. Its economic growth is highly domestically driven and rather less export dependent, due to high levels of private consumption (nearly 70% of GDP). This type of structure is sustained by two main drivers; overseas Filipino worker remittances; and the growing outsourcing industry.

Historically speaking, the global downturn is unlikely to have a negative impact on the remittances. Remittances have been steadily growing over the past 10 years at 6.2% CAGR in real terms, even during the GFC. Although the importance of remittances to the economy is declining, they are still a crucial component, accounting for more than half of capital inflows and representing a significant source of national income, further fuelling consumption.

Meanwhile, the growing outsourcing industry, which is the biggest and fastest growing job provider in the private sector, has likewise posted strong growth figures, its importance growing year by year with an industry revenue CAGR of 27.7% over the past 10 years. This is expected to continue as Manila remains one of the top outsourcing destinations with its low occupancy costs associated with cheap labor costs, offering significant cost savings for foreign companies.

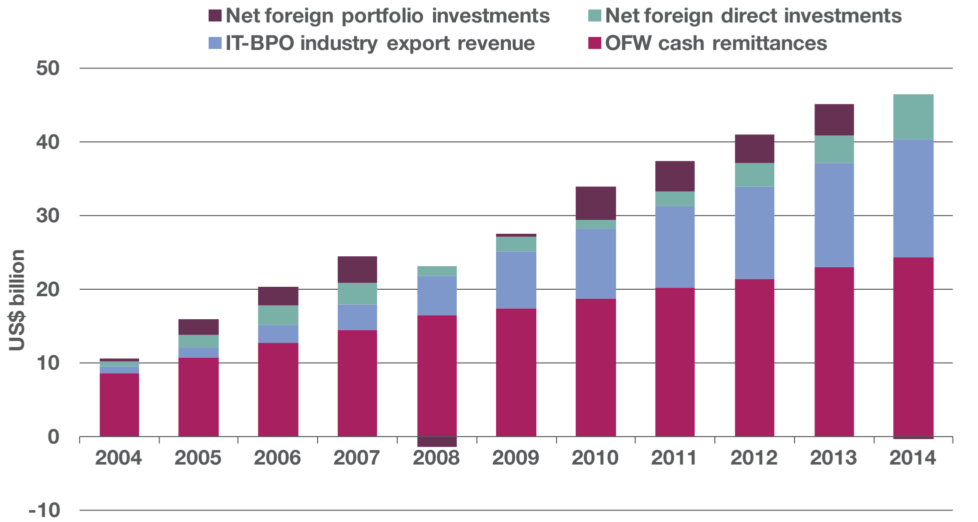
With regard to the Fed interest rate hike, the risk is likewise minimal given the healthy external balance sheet, minimal fiscal deficit (0.6% of GDP in 2014), and limited exposure to external debt (26.1% of GDP). By looking at the sovereign CDS spreads, the Philippines (124 bps) is traded lower than its counterparts Vietnam (265 bps), Indonesia (221 bps), Malaysia (203 bps) and Thailand (141 bps) suggesting positive sentiment towards Philippine debt papers. However, once the US economy gains momentum and rate hikes take place, this is expected to accelerate hot money outflows as seen last year. Nevertheless, foreign portfolio transactions are just the tip of the iceberg, with last year's FDI growth compensating for the outflow of hot money.

Ultimately, the key risk to the Philippine economy appears to be its exposure to China, as evidenced by the latest market rallies. With China being the Philippines' third largest trading partner (15% share), weakened Chinese demand could turn the current trade balance to deficit. However, as most growth remains domestically driven, weaker growth in China is expected to have a relatively low impact on the country.

In summation, despite the underlying global threats, we expect the current sentiment to remain favourable into next year, whilst the property markets will remain one of the top beneficiaries of the growth.

GRAPH 11

Inflows of capital, 2004–2014



Source: BSP, KMC MAG Group, Savills Research & Consultancy

TABLE 11

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
Clark Green City (First phase)	Clark	PHP160 mil/US$3.4 mil	Filinvest Land JV BCDA	Development site
Acqua 6 - Debt facility	Mandaluyong	PHP1.0 bil/US$22.4 mil	Standard Chartered	Development site
Forbes Media Tower	Century City	PHP4.5 bil/US$96.4 mil	Mitsubishi JV Century Properties	Development site
Mandaue Property	Mandaue City, Cebu	PHP432.6 mil/US$9.3 mil	The Urban Apex Resources Group Inc.	Development site
RFC Mall	Zapote Road, Las Piñas	N/A	Cosco Capital	Retail
Light Industrial and Science Park	Calamba, Laguna	N/A	Ionics	Development site

Source: KMC MAG Group, Savills Research & Consultancy

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In the third quarter of 2015, the investment sales market recorded the lowest transaction value of S$2.89 billion since Q2/2009. The quiet quarter is attributed to weak global economic conditions and unexpected negative developments pertaining to the Chinese currency which then translated to increased volatility in the global financial markets. The expected hike in US interest rates this September which did not materialize also persuaded markets that economic conditions in the US are still weak. The slate of property cooling measures, such as those related to the ABSD and TDSR also continued to surpress transaction volumes. Other than this, the reduced availability of sites under the Government Land Sales Programme (GLS) also played a part.

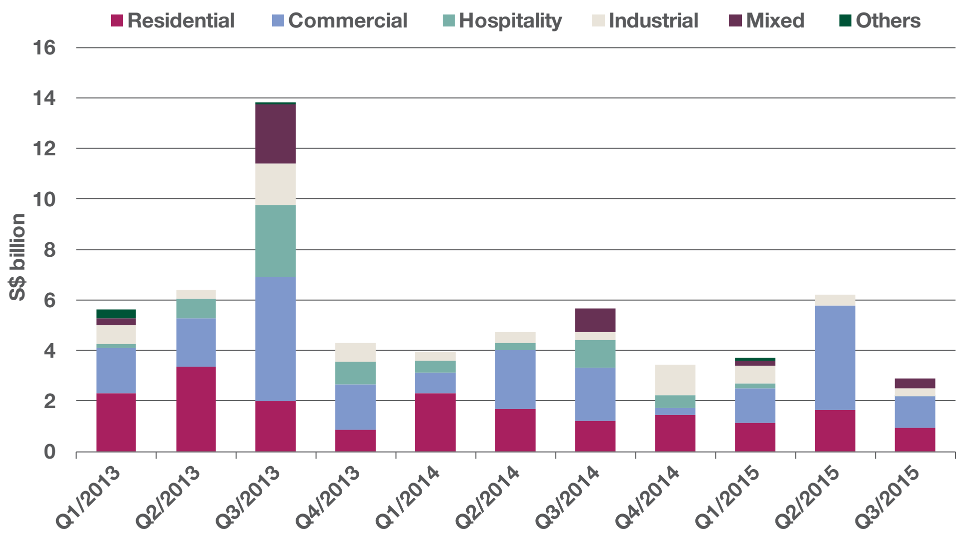
The residential segment totaled S$950.8 million of investment sales in Q3/2015, accounting for 32.9% of total investment value. On a quarterly basis, sales fell 42.1%. Only two GLS sites were awarded in the reviewed quarter - a private residential site at West Coast Vale with a top bid of S$314.1 million or S$551 per sq ft per plot ratio (psf ppr) and an Executive Condominium site at Choa Chu Kang Avenue 5 which was sold for S$156.2 million or S$295 psf ppr. In the private sector, 20 houses worth at least S$10 million each were transacted in the quarter, a drop from 31 in Q2. Meanwhile, 23 units at Draycott Eight, a 99-year leasehold condominium in District 10, were sold collectively to the Tang Group of Companies, part of Hong Kong's Far East Consortium International Ltd for about S$150.0 million.

With S$1.23 billion worth of properties transacted in Q3/2015, the commercial sector remained the best performer in the reviewed quarter, although this is a 70.3% drop from a quarter ago. The biggest deal is CapitaLand Mall Trust's acquisition of Bedok Mall at S$780.0 million or S$3,506 psf of net lettable area (NLA). It was noted that Chinese buyers remained active in acquiring office properties. A Chinese businessman from Shanghai paid around S$210-215 million for a newly-refurnished freehold office building at 137 Cecil Street in July. Based on its 67,550 sq ft NLA, the unit price was above S$3,100 per sq ft. Later in August, a Chinese buyer snapped up three floors in Prudential Tower, an office building with a remaining tenure of about 80 years, for S$100.6 million or S$2,750 per sq ft of strata area. Both prices are on the high side in the current market.

Separately, Thong Sia Building, which is located on Bideford Road, was sold through a collective sale for S$380.0 million or S$2,431 per sq ft of GFA. This freehold development comprises seven levels of commercial space and a 19-storey residential tower with 37 units. The buyer is Sin Capital Partners, who is expected to redevelop the property. This en-bloc deal is considered a one-off and we do not expect many large value deals in the near term.

GRAPH 12

Investment sales transaction volumes, Q1/2013–Q3/2015



Source: Savills Research & Consultancy

TABLE 12

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
Bedok Mall	New Upper Changi Road	S$780.0 mil/US$547.1 mil	CapitaLand Mall Trust	Commercial
Thong Sia Building	Bideford Road	S$380.0 mil/US$266.6 mil	Sin Capital Partners	Commercial & Residential
Government land	West Coast Vale	S$314.1 mil/US$220.4 mil	EL Development Pte Ltd	Residential
Government land	Choa Chu Kang Avenue 5	S$156.2 mil/US$109.6 mil	Qingjian Realty (Residential) Pte Ltd, Suntec Property Ventures Pte Ltd and Bohai Investments (Sengkang) Pte Ltd	Residential
23 units at Draycott Eight	Draycott Park	S$150.0 mil/US$105.3 mil	Tang Group of Companies	Residential

Source: Savills Research & Consultancy

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During the third quarter in 2015, transactions concluded were mostly led by small and medium-sized companies, which sought asset liquidation or office buildings for their own use in secondary markets. The total office transaction volume reached approximately KRW283 billion.

Centreville Asterium in Yongsan was disposed to Hana Asset Management from LS Networks for KRW40 billion under a sale and lease-back arrangement to help stabilize their financial structure. STX Namsan Tower and DSME Building, which are currently under negotiation, are also believed to be trying for a sale and lease-back deal.

Over the last three years, the annual office transaction volume has exceeded KRW5 trillion each year but the total transaction of the first three quarters of 2015 has fallen far short of even half that amount, amounting to only KRW2 trillion. Currently, transactions are underway for 15 properties located in major office districts and the total transaction value is expected to be on a par with, or slightly less than, the amount posted last year.

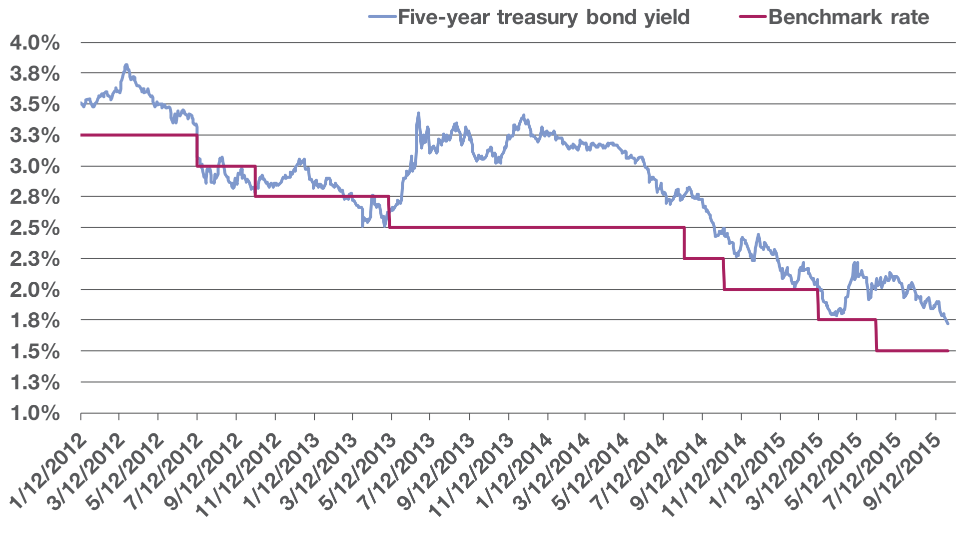
The transaction of the headquarters building of Citibank, which has been delayed for over a year, will be concluded. Mastern Asset Management, a preferred bidder applied for a business license for Mastern REIT 14 in September. Citibank is also known to be considering a master lease option for one year after the sale before relocating to IFC in Yeouido.

The Bank of Korea, which lowered the benchmark interest rate to 1.5% in Q2 to boost the economy, has maintained the interest rate at the same level in Q3. The average yield of five-year government bonds remained at 1.95% and the prime office cap rate is expected to remain in the 5% range.

In the meantime during Q3/2015, investment activity in other sectors proved to be reasonably strong. In the retail sector, two portfolios of large discount stores and one large discount store were transacted. Their combined asset value was KRW749.5 billion. Cap rates were reported in the high-4% to mid-5% ranges, mostly secured by a long-term master lease, depending on their location and transaction conditions. Transactions in the logistics market were also brisk. A total of two logistics properties were transacted in Q3/2015. Gimpo TJ Logistics Center was sold for KRW62 billion and Ever Gain's logistics center for KRW46.6 billion.

GRAPH 13

Five-year treasury bond yield and benchmark rate, Jan 2012–Sep 2015



Source: Savills Research & Consultancy

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Taiwan's economy is slowing as its technology exports face increased competition from China, where growth is also moderating. The recent string of poor data from Taiwan has raised concerns that external demand will remain sluggish. Taiwan's annual export orders marked the worst contraction so far this year with decreasing 9.4% year-on-year (yoy) in overall exports since August 2009.

The sense of economic gloom has grown pervasive since the government recently lowered its forecast for Taiwan's growth this year to 1.56%, down from an estimate of 3.28% growth at the beginning of the year. While the largest emerging nation, China has been resorting to rate cuts over the last few months, Taiwan's central bank finally decided to cut rates in September to 1.75 % from 1.875 % for the first time since 2009 to stimulate the economy.

Transactions of residential and commercial property have continued to fall by 17% yoy in the first eight months of 2015 because of government measures to cap speculation. In addition to the government's efforts to restrain high-flying home prices, property investors grew cautious because of signs that Taiwan's economy is slowing and it seems likely that prices will soon begin to correct.

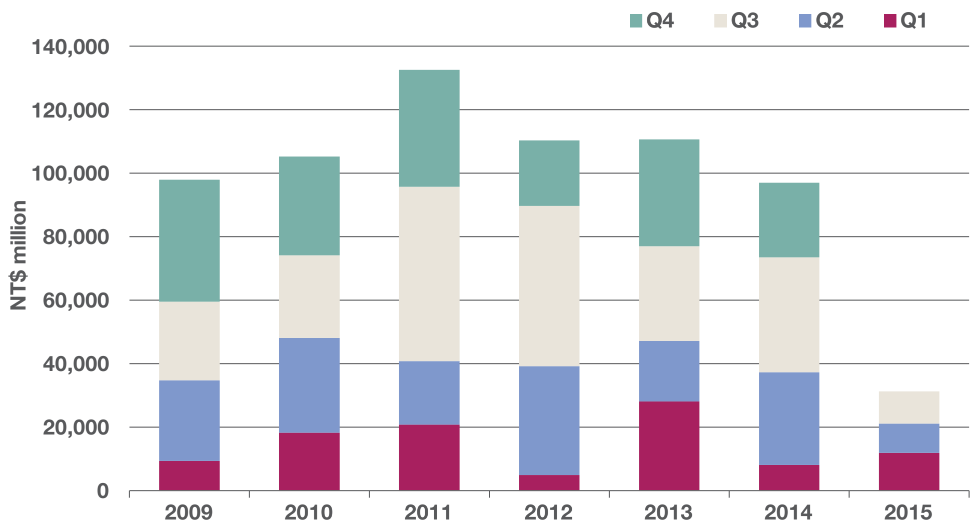
The total transaction volume of commercial property stood at NT$10.1 billion in Q3/2015 with 8 deals concluded. More than half of this volume was accounted for by the acquisition of a pre-sale industrial office by Chinatrust Commercial Bank who plan to turn it into their corporate data center.

In the Grade A office sector, one floor of Uni-President International Building was sold for NT$1.07 billion, the only Grade A office transaction this year, representing a unit price of NT$1.53 million per ping and an expected yield of 2.35%.

The market is hoping to regain some vigor as rare opportunities are released to the market including T. CBD in Neihu district (NT$9 billion), Shin Kong Manhattan Building (NT$90 billion), Shin Kong Mitsukoshi Department Store A8 Branch (NT$28 billion) and the ex-Chinatrust Commercial Bank HQ (NT$15 billion) in a prime location of Xinyi planned district. However, market transactions have been mainly driven by occupational needs and potential investors are limited as the properties currently generate returns of less than 2.5%, which compares unfavourably with the 4 to 5% yields of international bonds.

GRAPH 14

Commercial real estate transaction volumes, 2009–Q3/2015



Source: Savills Research & Consultancy

TABLE 13

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
Pre-sale industrial office in Neihu	Neihu district, Taipei City	NT$5.14 bil/US$156 mil	Chinatrust Commercial Bank	Industrial office
17/F, Uni-President International Building	Xinyi district, Taipei City	NT$1.07 bil/US$32.4 mil	Chia Tai Land Business Co, Ltd	Office

Source: Savills Research & Consultancy

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Vietnam's economy witnessed a boost in Q3/2015 with an upward revision to the gross domestic product growth rate to 6.5% YoY in the first nine months, achieving the highest growth since 2010. The Asian Development Bank has raised the expected growth rate to 6.5% for 2015 and 6.6% YoY for 2016. FDI inflow to Vietnam continues to be promising and plays a vital role in strengthening the economy. Total YTD registered FDI was approximately US$17.2 billion, up 53% YoY while FDI disbursement grew by 8% YoY to US$9.7 billion.

Negotiations of the Trans-Pacific Partnership (TPP) – the world's largest trade pact – were successfully finalised. Vietnam, whose low-wage economy relies on exports, is likely to be the biggest winner of the TPP among the dozen participating countries. In a decade, the country's GDP will be boosted by 11%, according to the World Bank. Reduced import duties will not only stimulate the country's apparel, footwear, seafood, and logistics industries but also attract international companies to build factories and shift manufacturing operations to Vietnam. The real estate industry will therefore see a remarkable boost in the coming years.

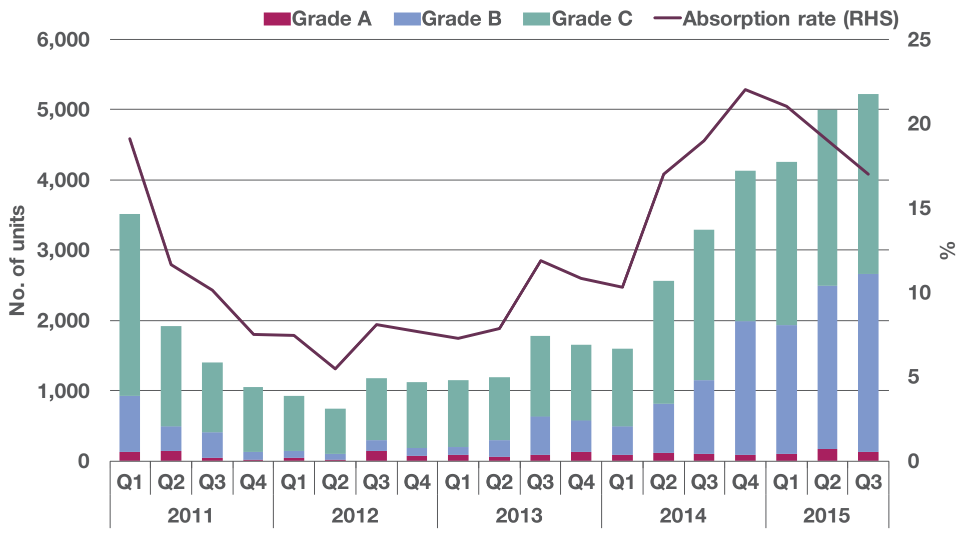
Whilst still early, Vietnam's capital markets have witnessed various moves in the industrial real estate sector to capture the benefits of the TPP. Amata Corporation from Thailand, has invested approximately US$280 million into the Amata City project in Dong Nai, which will be a base for international technology firms. In HCMC, Ascendas has entered into a joint venture with Saigon Bund Capital Partners to develop OneHub Saigon. This 12-hectare integrated business park in Saigon Hi-Tech Park will accommodate companies in IT, media and logistics sectors.

As for the residential sector, Q3/2015 has witnessed Aseana Properties disposing its 55% interest in a joint venture with Nam Long Investment Corporation for the Waterside Estates project located in District 9, HCMC. After the strategic disposal, Aseana received a total consideration of approximately US$9.3 million from Nam Long.

In the office market, Hoa Binh Group recently disposed Hoa Binh International Towers, an office property operating in Hanoi since 2006. An Cu Property Management was the buyer with a price of approximately US$34 million. Another notable transaction in Hanoi was the acquisition of Starcity Centre, a mixed-use development on a site of approximately 5 hectares. Vingroup has acquired the project for approximately US$95.5 million. Empire City, a large-scale 15 hectare project, broke ground in Thu Thiem New Urban Area in early October with total registered capital of about US$1.2 billion. Empire City will feature a high-end shopping mall, a 5-star hotel, offices, apartments and one of the tallest buildings in SE Asia.

GRAPH 15

HCMC apartment transaction volumes and absorption rate, Q1/2011–Q3/2015



Source: Savills Research & Consultancy

TABLE 14

Major investment transactions, Jul–Sep 2015

Property	Location	Price	Buyer	Usage
265 Cau Giay	Ha Noi	N/A	FLC Group	Mixed-use
Hoa Binh International Towers	Ha Noi	VND751.9 bil/US$33.7 mil	An Cu Property Management	Office
Amata City Long Thanh	Long Thanh	VND6,224.9 bil/US$279.0 mil	Amata Corporation	Industrial
Starcity Centre	Ha Noi	VND2,130.7 bil/US$95.5 mil	Vingroup	Mixed-use
Thanh My Loi Site	Ho Chi Minh City	N/A	Capitland Vietnam	Residential
Waterside Estates	Ho Chi Minh City	VND207.5 bil/US$9.3 mil	Nan Long	Residential

Source: RCA, Press releases

Australia

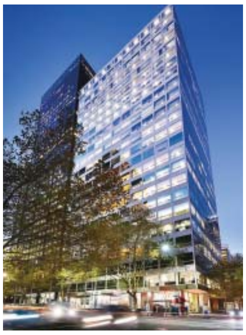
◀ Space 207
St. Leonards
AU$170.0M/US$119.0M
in August

3 Roberts Road ▶
Eastern Creek
AU$253.0M/US$177.1M
in July

◀ Stud Park Shopping Centre
Ronwville, Victoria
AU$154.0M/US$107.8M
in September

◀ 155 Clarence Street
Sydney
AU$142.4M/US$99.7M
in August

▼ 114 William Street
Melbourne, Victoria
AU$125.0M/US$87.5M
in August



504 Pacific Highway ▲
St. Leonards
AU$150.0M/US$105.0M
in August

Westfield ▲
North Rocks
AU$127.5M/US$89.3M
in August

Spencer Outlet Centre ▲
Melbourne, Victoria
AU$125.0M/US$87.5M
in August

◀ 913 Whitehorse Road
Box Hill, Victoria
AU$156.0M/US$109.2M
in September

◀ 45 Francis Street
Northbridge, West Australia
AU$101.0M/US$70.7M
in September

◀ 222 Exhibition Street
Melbourne
AU$231.0M/US$161.7M
in September

Guangzhou/Shenzhen

▲ **Guangzhou Innovation Center**
Panyu district, Guangzhou
RMB81.0M/US$12.7M
in August

Kingkey TimeMark ▼
Dongchong Road, Shenzhen
RMB2.0B/US$315.2M
in September

Jianan Shanhai Center ▲
Shennan Avenue, Shenzhen
RMB225.1M/US$35.7M
in August

Shanghai

▲ **Crystal Galleria**
Jing An
RMB820M/US$129M
in September

▲ **Hongjia Tower**
Pudong
RMB2.6B/US$412M
in August

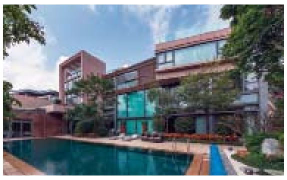
▼ **Towers 1 & 2, Corporate Avenue**
Huangpu
RMB6.6B/US$1.03B
in July

American Homes ▲
Changning
RMB540.0M/US$85M
in July

Hong Kong

◄ **Opus Hong Kong (7/F)**
Mid-Levels
HK$415M/US$53.5M
in August

22 Barker Road ►
The Peak
HK$1.5B/US$193.5M
in August



◄ **1 Purves Road**
Jardine's Lookout
HK$760M/US$98.1M
in August

▼ **Trinity Towers (G/F-2/F)**
Sham Shui Po
HK$423.6M/US$54.7M
in August

L Plaza ▲
Sheung Wan
HK$810M/US$104.5M
in August

◄ **Wincome Centre**
Central
HK$1.3B/US$167.7M
in August

Park Building ►
Cheung Sha Wan
HK$998M/US$128.8M
in July

Cheuk Nang 21st Century Plaza ▼
Wanchai
HK$790M/US$101.9M
in July

◄ **Intercontinental Hotel**
Tsim Sha Tsui
HK$7.27B/US$938.1M
in July

▲ **Various units on M/F & 1/F, State Theatre Building**
North Point
HK$680M/US$87.7M
in August

Worldwide House (17/F) ►
Central
HK$509M/US$65.7M
in July

AXA Centre (17/F-19/F + 10 carparks) ►
Wanchai
HK$677M/US$87.4M
in August

AXA Centre (20/F-21/F) ▼
Wanchai
HK$477M/US$61.5M
in July

▲ **Exchange Tower (11/F & 12/F)**
Kowloon Bay
HK$551M/US$71.1M
in September

◄ **5-7 Homantin Street**
Ho Man Tin
HK$628M/US$81M
in September

Japan

AER
Chuo, Aoba Ward, Sendai City
JPY18.6B/US$150.0M
in September

Kirarito Ginza
Ginza, Chuo Ward, Tokyo
JPY52.3B/US$433.0M
in September

Ark Yagi Hills
Roppongi Minato Ward, Tokyo
JPY30.0B/US$248.0M (estimated)
in September

GLP Shinkiba
Koto Ward, Tokyo
JPY11.54B/US$91.0M
in September

Four ANA hotels
Kanazawa, Toyama, Hiroshima, Fukuoka City
JPY40.0B/US$320.0M
in July

Singapore

Bedok Mall
311 New Upper Changi Road
S$780.0M/US$547.1M
in July

Draycott Eight (23 units)
8 Draycott Drive
S$150.0M/US$105.3M
in August

137 Cecil Street
137 Cecil Street
S$212.5M/US$153.0M
in July

Thong Sia Building
30 Bideford Road
S$380.0M/US$266.6M
in July

South Korea

◀ **Amazing Tower**
GBD
KRW53.5B/US$45.8M
in August

El Crew Building ▶
GBD
KRW48.5B/US$41.5M
in July

Kosmo Tower ▼
Others
KRW69.5B/US$59.5M
in September

Taiwan

◀ **Uni-President International Building (17/F)**
Taipei City
NT$1.07B/US$32.4M
in July

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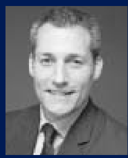

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