



# Survey Prime Benchmark

1 July 2017



# An introduction to Savills

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 700 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

In Asia Pacific, Savills has 66 regional offices comprising over 25,000 staff. Asia Pacific markets include Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Macau, Malaysia, Myanmar, New Zealand, Taiwan, Thailand, Singapore and Viet Nam,

with associate offices in Cambodia and 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.

## savills asia pacific services

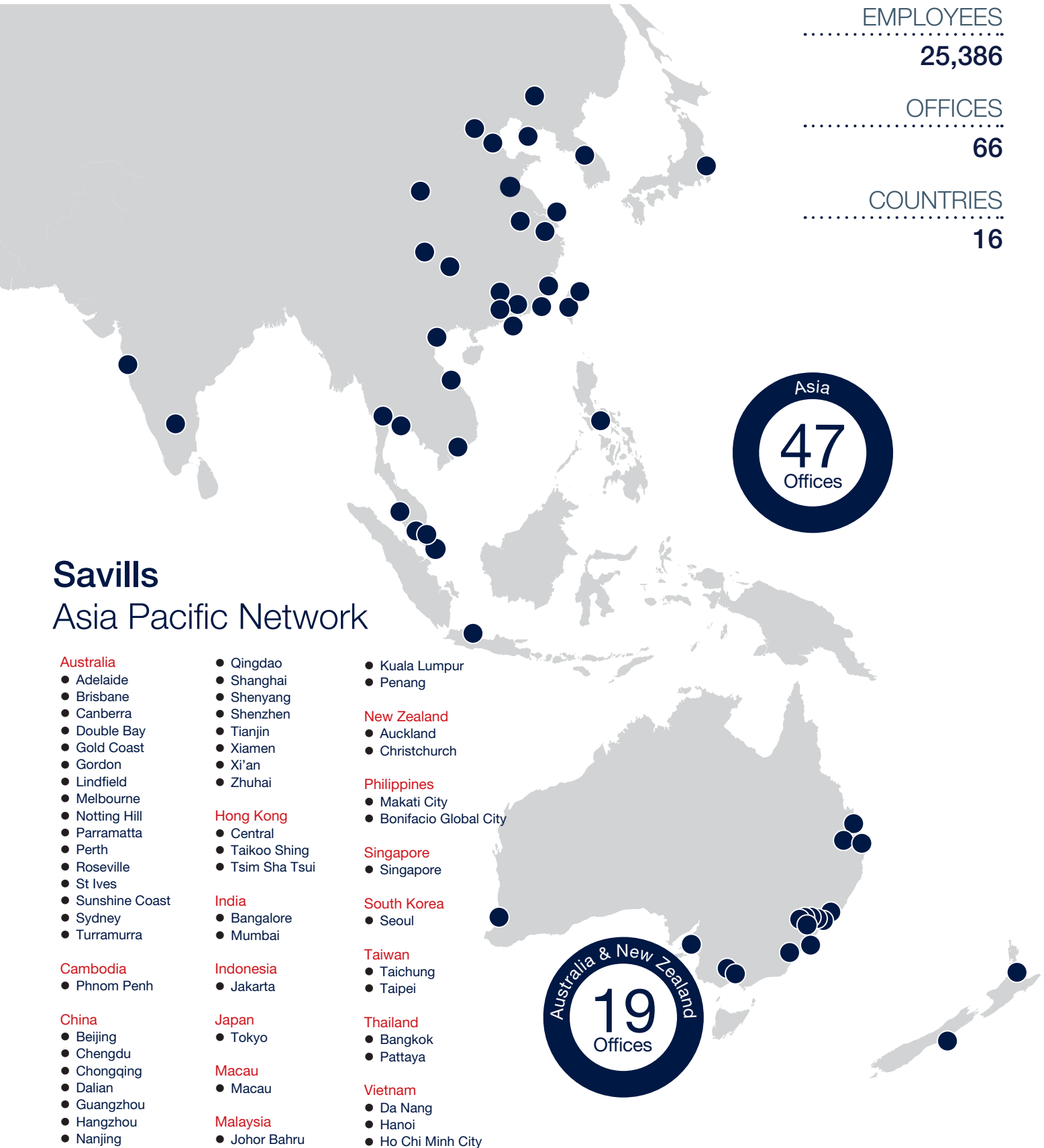
- Asset Management
- Facilities Management
- Hotels
- Industrial Services
- International Residential
- Investment & Sales
- Occupier Services
- Office Services
- Project Management
- Property Management
- Research & Consultancy
- Residential Services
- Retail Services
- Serviced Apartment Services
- Valuation & Professional Services

### Assumptions:

1) 1 sq m = 10.7639 sq ft/0.3025 ping/0.3025 tsubo

2) As of 30 June 2017, USD/RMB = 6.7744; USD/HKD = 7.8060; USD/NTD = 30.265; USD/JPY = 112.015; USD/KRW = 1,139.6; USD/SGD = 1.3773; USD/MYR = 4.2940; USD/VND = 22,800; USD/AUD = 0.7692; USD/PHP = 50.466; USD/IDR = 13,319

This report has been prepared to provide a benchmark of occupancy costs of selective prime properties in various cities in Asia, inclusive of rents, management fees and government taxes/rates. Except for the hotel sector, all the costs are quoted on a net floor area basis per month, which is defined as the floor area exclusively allocated to a unit, excluding common areas. As only a small basket of 5 to 10 prime buildings are monitored in each sector, the rental data and occupancy costs reported in this publication might be higher than the average market figures being reported elsewhere. Given varying local market practices, necessary assumptions and judgments are made by our real estate professionals in local offices to achieve comparable results among the different cities.



EMPLOYEES  
 .....  
**25,386**

OFFICES  
 .....  
**66**

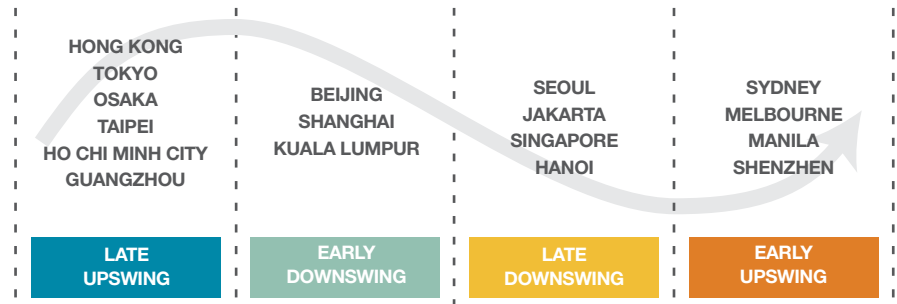
COUNTRIES  
 .....  
**16**

# Savills

## Asia Pacific Network

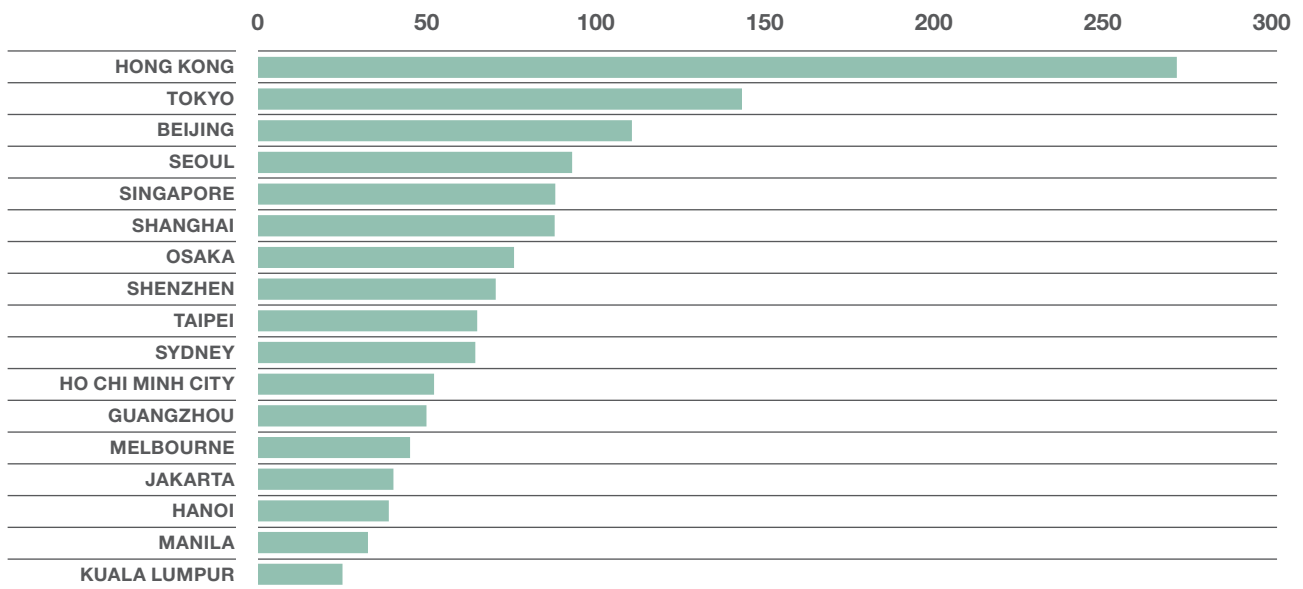
- Australia**
  - Adelaide
  - Brisbane
  - Canberra
  - Double Bay
  - Gold Coast
  - Gordon
  - Lindfield
  - Melbourne
  - Notting Hill
  - Parramatta
  - Perth
  - Roseville
  - St Ives
  - Sunshine Coast
  - Sydney
  - Turramurra
- China**
  - Beijing
  - Chengdu
  - Chongqing
  - Dalian
  - Guangzhou
  - Hangzhou
  - Nanjing
- India**
  - Bangalore
  - Mumbai
- Indonesia**
  - Jakarta
- Japan**
  - Tokyo
- Macau**
  - Macau
- Malaysia**
  - Johor Bahru
- Qingdao**
- Shanghai**
- Shenyang**
- Shenzhen**
- Tianjin**
- Xiamen**
- Xi'an**
- Zhuhai**
- Hong Kong**
  - Central
  - Taikoo Shing
  - Tsim Sha Tsui
- Kuala Lumpur**
- Penang**
- New Zealand**
  - Auckland
  - Christchurch
- Philippines**
  - Makati City
  - Bonifacio Global City
- Singapore**
  - Singapore
- South Korea**
  - Seoul
- Taiwan**
  - Taichung
  - Taipei
- Thailand**
  - Bangkok
  - Pattaya
- Vietnam**
  - Da Nang
  - Hanoi
  - Ho Chi Minh City

MARKET CYCLE



TOTAL OCCUPANCY COST (TOP 5 AVERAGE)

US\$ psm net pm



CITY TOTAL COST

US\$ psm net pm

RENT (US\$ psm net eff. pm) | MANAGEMENT FEE (US\$ psm net pm) | GOV'T RATES/TAX (US\$ psm net pm)

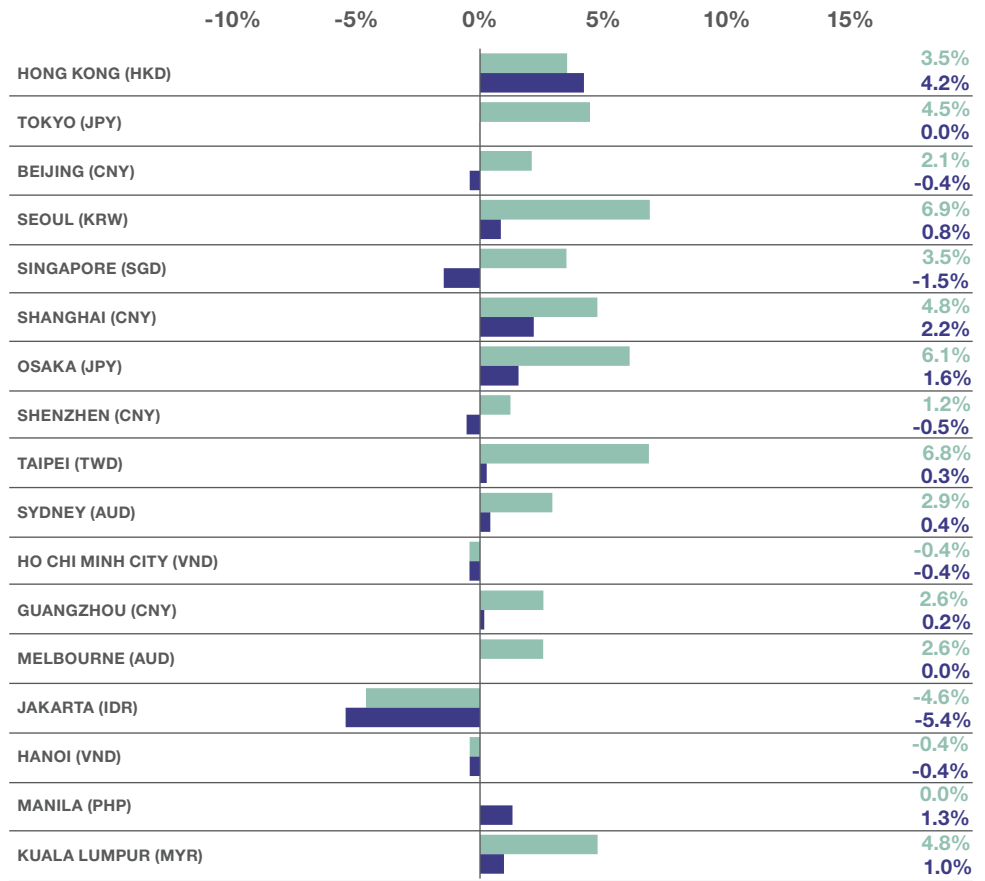
|  |  |   |  |   |
|--|--|---|--|---|
| <p>HONG KONG</p> <p><b>271.9</b></p> <p>242.9   16.9   12.1</p>    | <p>TOKYO</p> <p><b>143.3</b></p> <p>133.4   Inclusive   9.8</p>            | <p>BEIJING</p> <p><b>110.7</b></p> <p>103.5   7.2   Inclusive</p> | <p>SEOUL</p> <p><b>93.0</b></p> <p>70.3   22.7   Inclusive</p> | <p>SINGAPORE</p> <p><b>88.0</b></p> <p>88.0   Inclusive   Inclusive</p> |
| <p>SHANGHAI</p> <p><b>87.9</b></p> <p>78.8   9.1   Inclusive</p>   | <p>OSAKA</p> <p><b>75.8</b></p> <p>70.2   Inclusive   5.6</p>              | <p>SHENZHEN</p> <p><b>70.4</b></p> <p>65.0   5.5   Inclusive</p>  | <p>TAIPEI</p> <p><b>64.9</b></p> <p>57.7   4.3   2.9</p>       | <p>SYDNEY</p> <p><b>64.3</b></p> <p>61.4   0.6   2.3</p>                |
| <p>HO CHI MINH CITY</p> <p><b>52.2</b></p> <p>41.5   6.5   4.2</p> | <p>GUANGZHOU</p> <p><b>49.9</b></p> <p>43.6   6.3   Inclusive</p>          | <p>MELBOURNE</p> <p><b>45.1</b></p> <p>40.4   0.8   3.8</p>       | <p>JAKARTA</p> <p><b>40.2</b></p> <p>29.0   7.5   3.7</p>      | <p>HANOI</p> <p><b>38.8</b></p> <p>35.2   Inclusive   3.6</p>           |
| <p>MANILA</p> <p><b>32.6</b></p> <p>26.8   4.0   1.9</p>           | <p>KUALA LUMPUR</p> <p><b>25.1</b></p> <p>25.1   Inclusive   Inclusive</p> |   |  |   |

Source: Savills Research & Consultancy

**COST CHANGES**

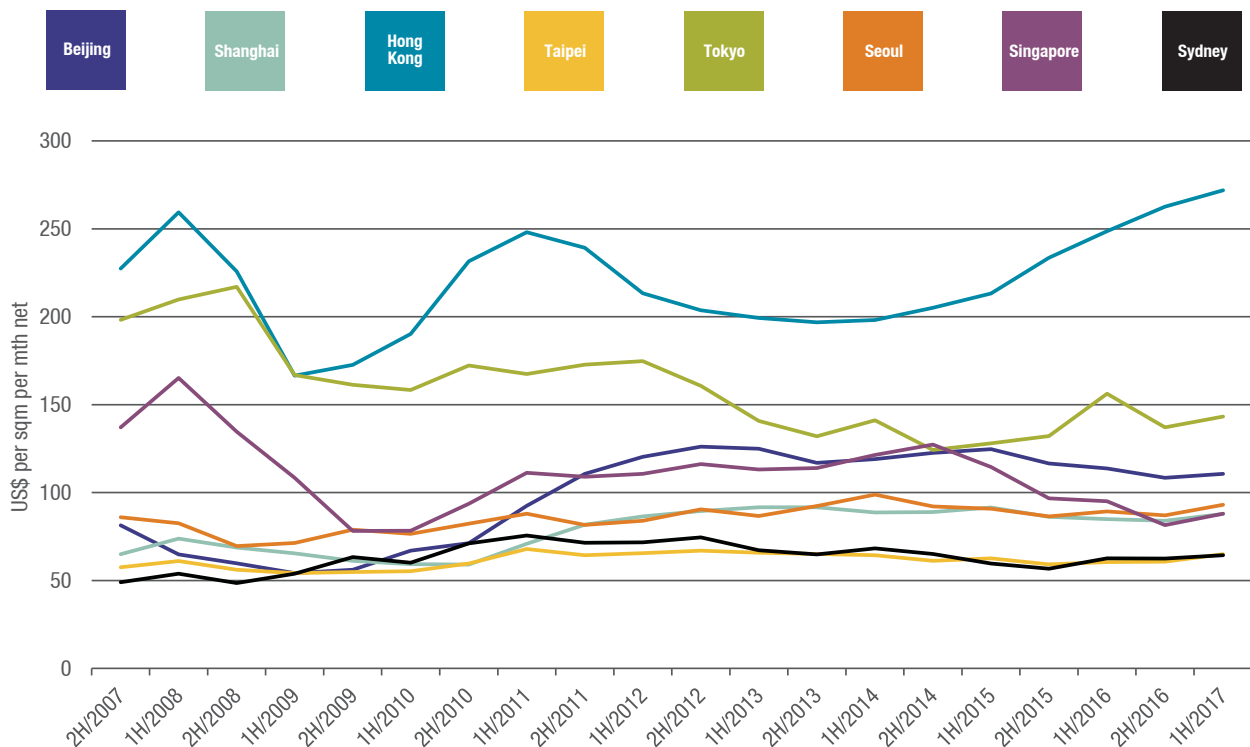
JAN-JUN 2017

- Rental changes in US\$
- Rental changes in local currency



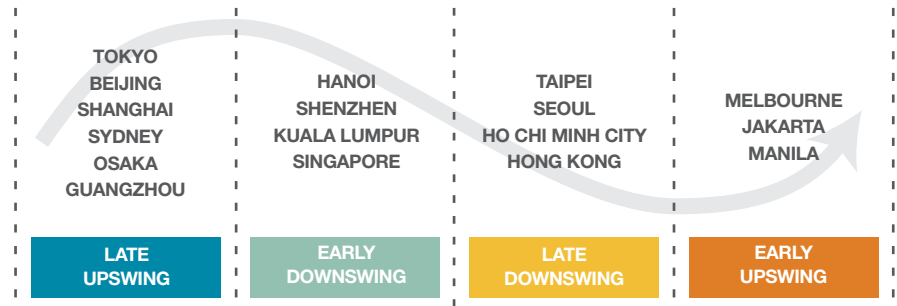
**TOTAL OCCUPANCY COST**

2H/2007-1H/2017



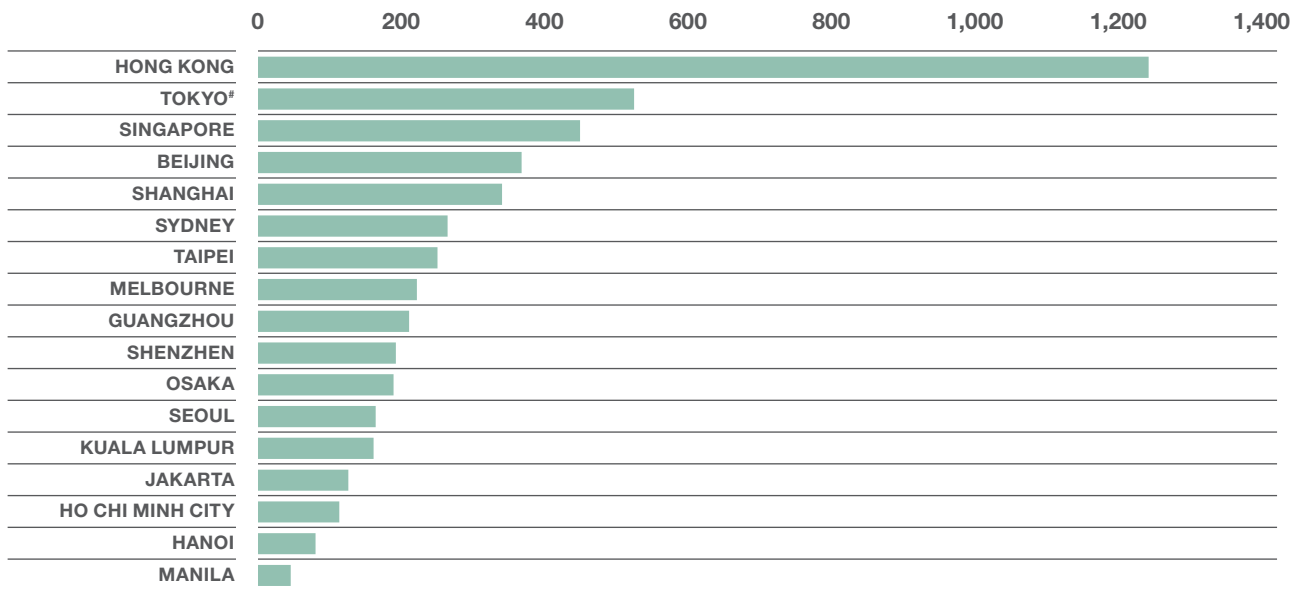
Source: Savills Research & Consultancy

MARKET CYCLE



TOTAL OCCUPANCY COST (TOP 5 AVERAGE)

US\$ psm net pm



CITY TOTAL COST

US\$ psm net pm

RENT (US\$ psm net eff. pm) | MANAGEMENT FEE (US\$ psm net pm) | GOV'T RATES/TAX (US\$ psm net pm)

|  |   |  |   |   |
|--|---|--|---|---|
| <p>HONG KONG</p> <p><b>1,242.2</b></p> <p>1,153.1   31.4   57.7</p>    | <p>TOKYO*</p> <p><b>525.0</b></p> <p>486.1   Inclusive   38.9</p> | <p>SINGAPORE</p> <p><b>449.4</b></p> <p>449.4   Inclusive   Inclusive</p>    | <p>BEIJING</p> <p><b>367.9</b></p> <p>355.5   12.5   Inclusive</p>  | <p>SHANGHAI</p> <p><b>340.8</b></p> <p>327.7   13.1   Inclusive</p> |
| <p>SYDNEY</p> <p><b>264.8</b></p> <p>264.8   Inclusive   Inclusive</p> | <p>TAIPEI</p> <p><b>250.8</b></p> <p>227.3   12.2   11.4</p>      | <p>MELBOURNE</p> <p><b>222.1</b></p> <p>216.0   1.7   4.4</p>                | <p>GUANGZHOU</p> <p><b>211.2</b></p> <p>202.5   8.7   Inclusive</p> | <p>SHENZHEN</p> <p><b>192.8</b></p> <p>186.0   6.8   Inclusive</p>  |
| <p>OSAKA</p> <p><b>189.6</b></p> <p>175.5   Inclusive   14.0</p>       | <p>SEOUL</p> <p><b>164.4</b></p> <p>147.0   17.4   Inclusive</p>  | <p>KUALA LUMPUR</p> <p><b>161.5</b></p> <p>161.5   Inclusive   Inclusive</p> | <p>JAKARTA</p> <p><b>126.4</b></p> <p>101.0   13.9   11.5</p>       | <p>HO CHI MINH CITY</p> <p><b>113.7</b></p> <p>95.4   8.8   9.5</p> |
| <p>HANOI</p> <p><b>80.7</b></p> <p>73.4   Inclusive   7.3</p>          | <p>MANILA</p> <p><b>46.0</b></p> <p>38.0   5.3   2.7</p>          |  |   |   |

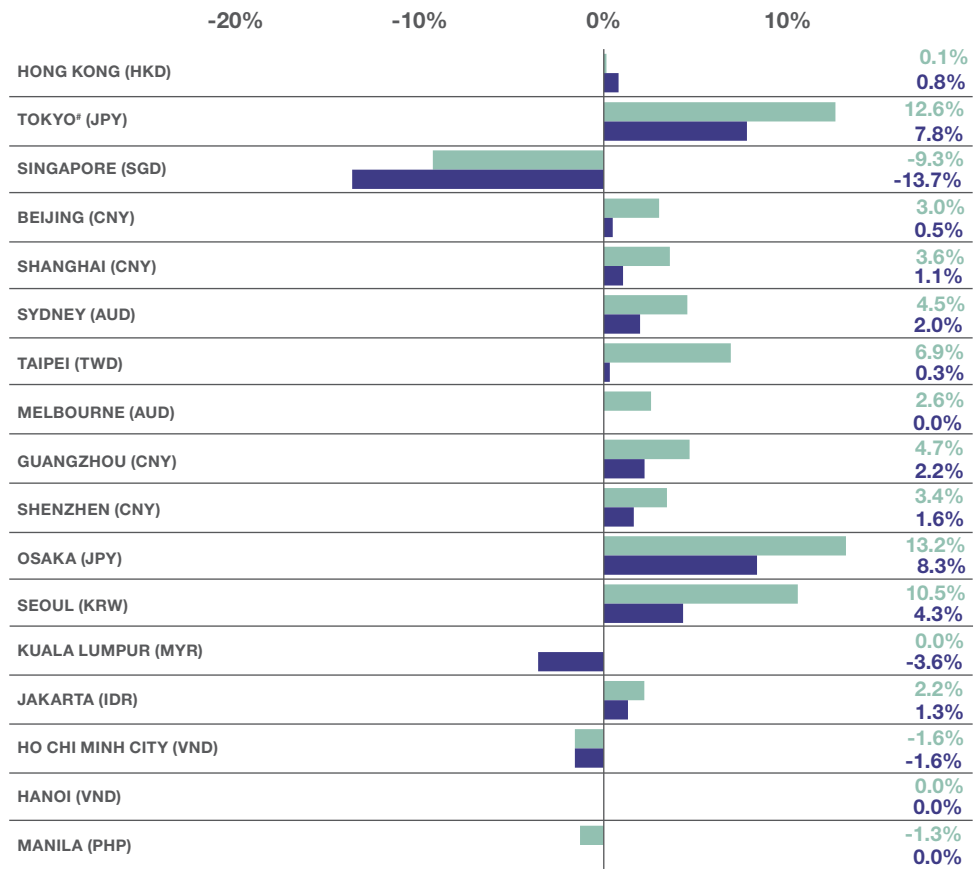
Source: Savills Research & Consultancy

\* As prime retail mall rental figures are not available for Tokyo, average prime high street retail rents are used instead.

## COST CHANGES

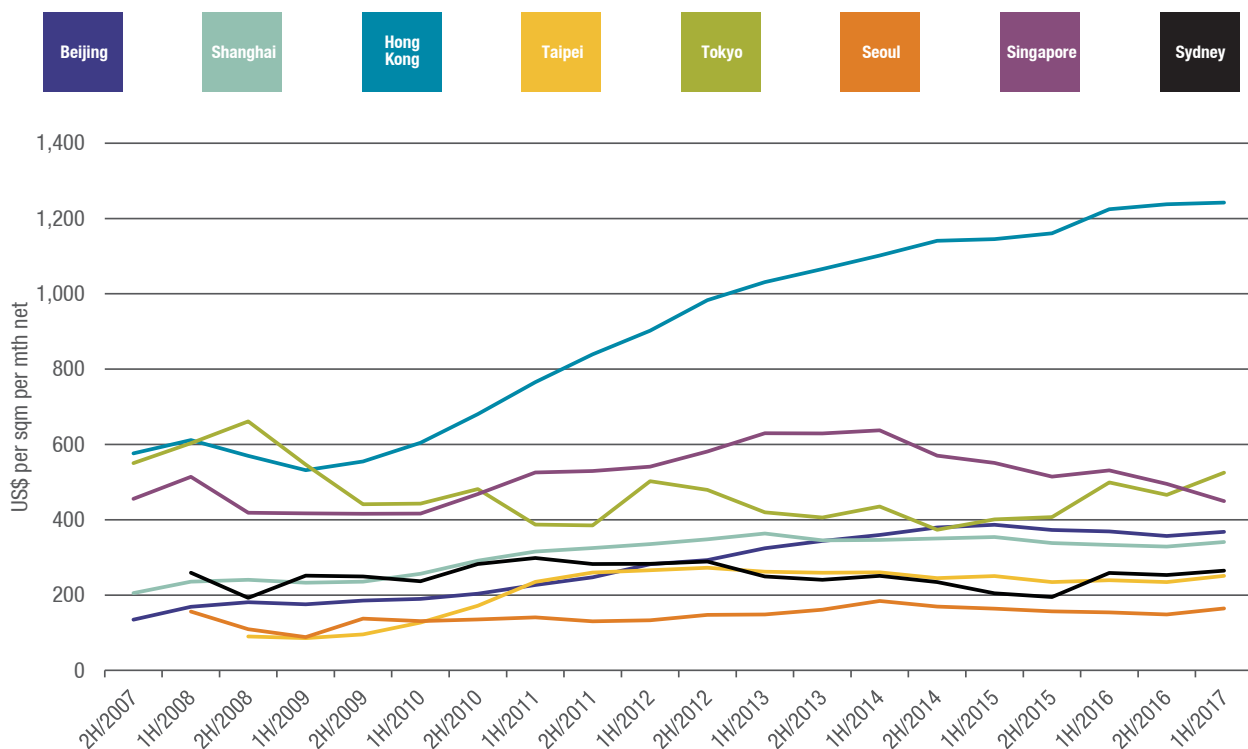
JAN-JUN 2017

- Rental changes in US\$
- Rental changes in local currency



## TOTAL OCCUPANCY COST

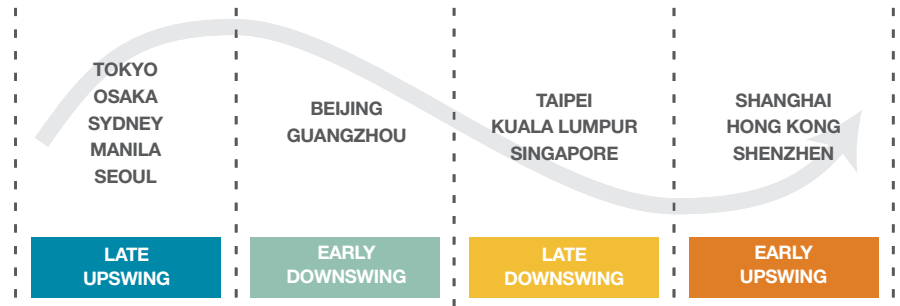
2H/2007-1H/2017



Source: Savills Research & Consultancy

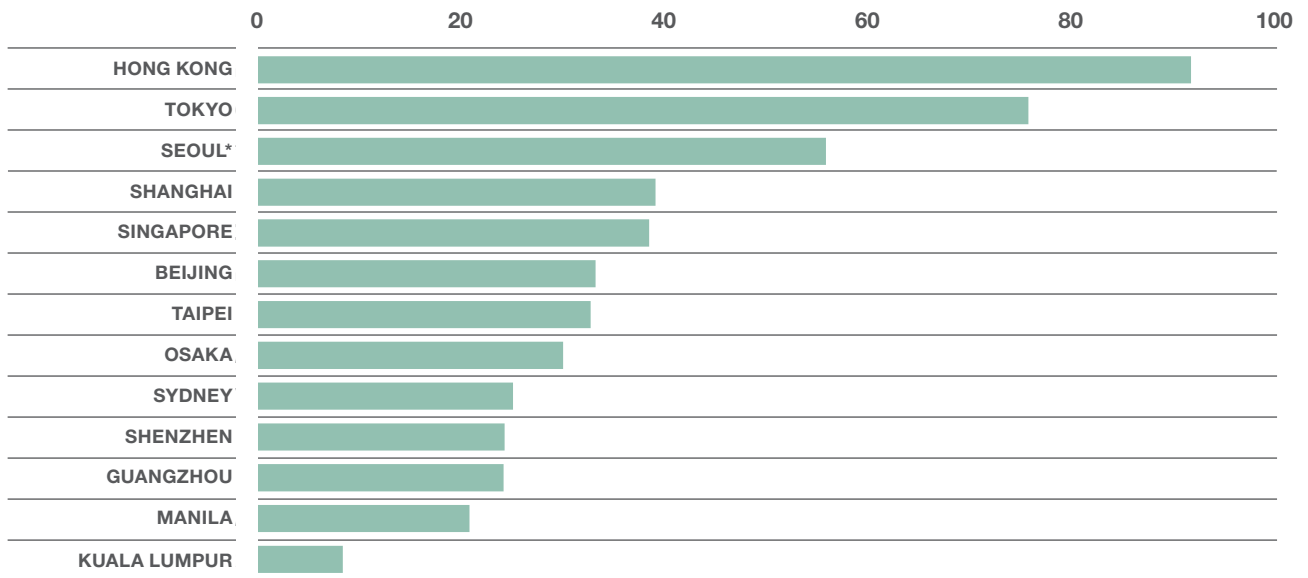
\* As prime retail mall rental figures are not available for Tokyo, average prime high street retail rents are used instead.

MARKET CYCLE



TOTAL OCCUPANCY COST (TOP 10 AVERAGE)

US\$ psm net pm



CITY TOTAL COST

US\$ psm net pm

RENT (US\$ psm net eff. pm) | MANAGEMENT FEE (US\$ psm net pm) | GOV'T RATES/TAX (US\$ psm net pm)

HONG KONG  
**91.8**  
79.1 | 8.7 | 4.0

TOKYO  
**75.8**  
75.8 | Inclusive | Inclusive

SEOUL\*  
**55.9**  
55.9 | Inclusive | Inclusive

SHANGHAI  
**39.2**  
39.2 | Inclusive | Inclusive

SINGAPORE  
**38.5**  
38.5 | Inclusive | Inclusive

BEIJING  
**33.3**  
33.3 | Inclusive | Inclusive

TAIPEI  
**32.8**  
28.8 | 2.6 | 1.4

OSAKA  
**30.1**  
30.1 | Inclusive | Inclusive

SYDNEY  
**25.1**  
25.1 | Inclusive | Inclusive

SHENZHEN  
**24.3**  
24.3 | Inclusive | Inclusive

GUANGZHOU  
**24.2**  
23.4 | 0.8 | Inclusive

MANILA  
**20.9**  
20.9 | Inclusive | Inclusive

KUALA LUMPUR  
**8.4**  
8.4 | Inclusive | Inclusive

Source: Savills Research & Consultancy

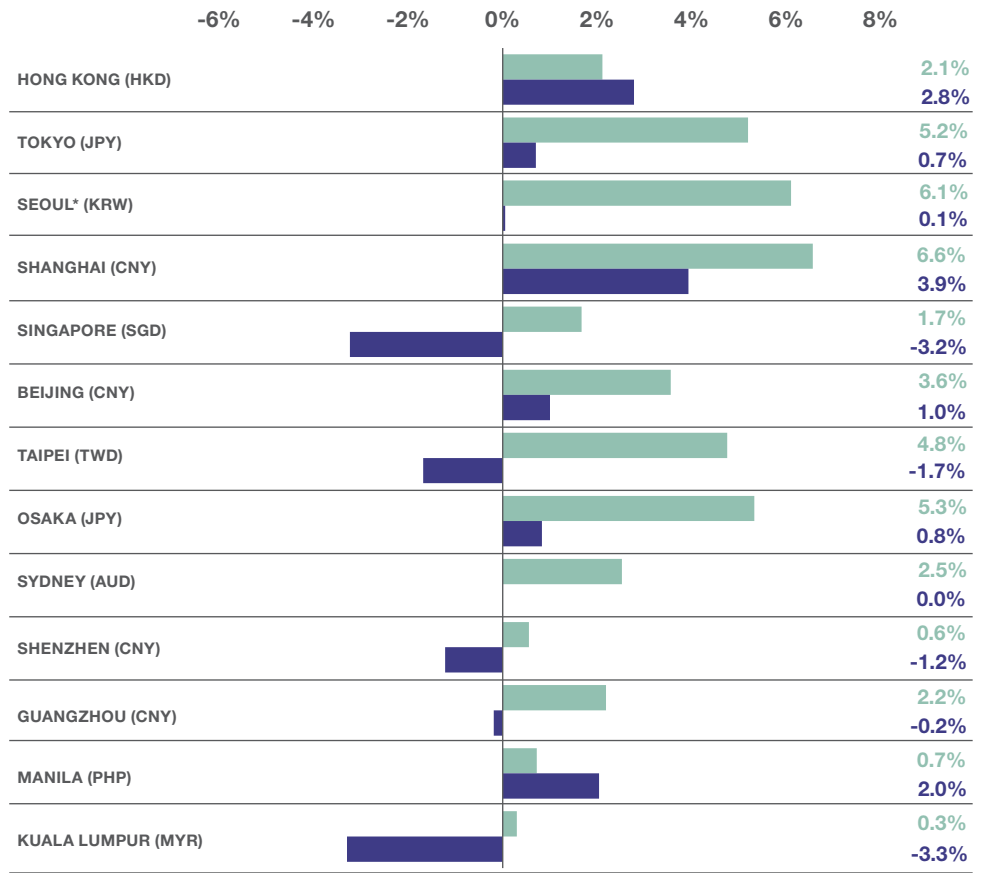
\* Seoul's rent = (Security deposit x Interest rate) / 12 + Monthly payment



**COST CHANGES**

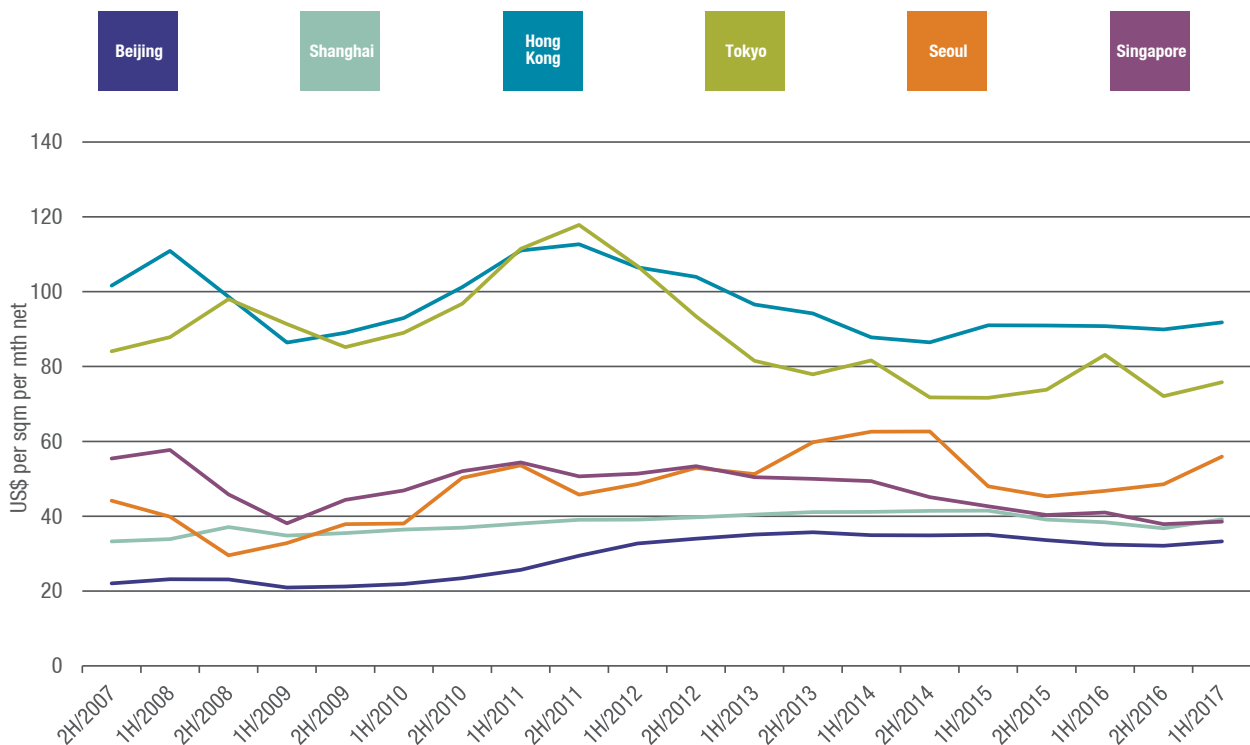
JAN-JUN 2017

- Rental changes in US\$
- Rental changes in local currency



**TOTAL OCCUPANCY COST**

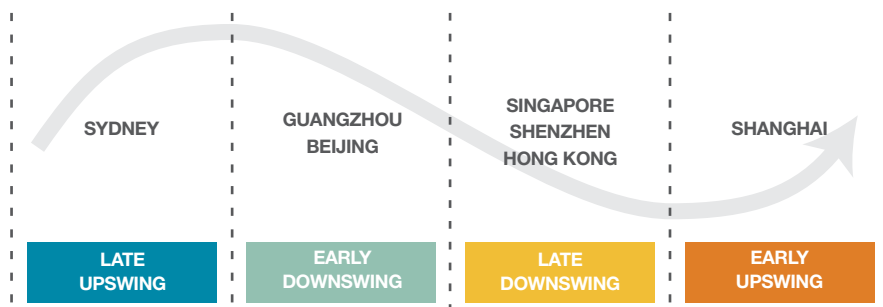
2H/2007-1H/2017



Source: Savills Research & Consultancy

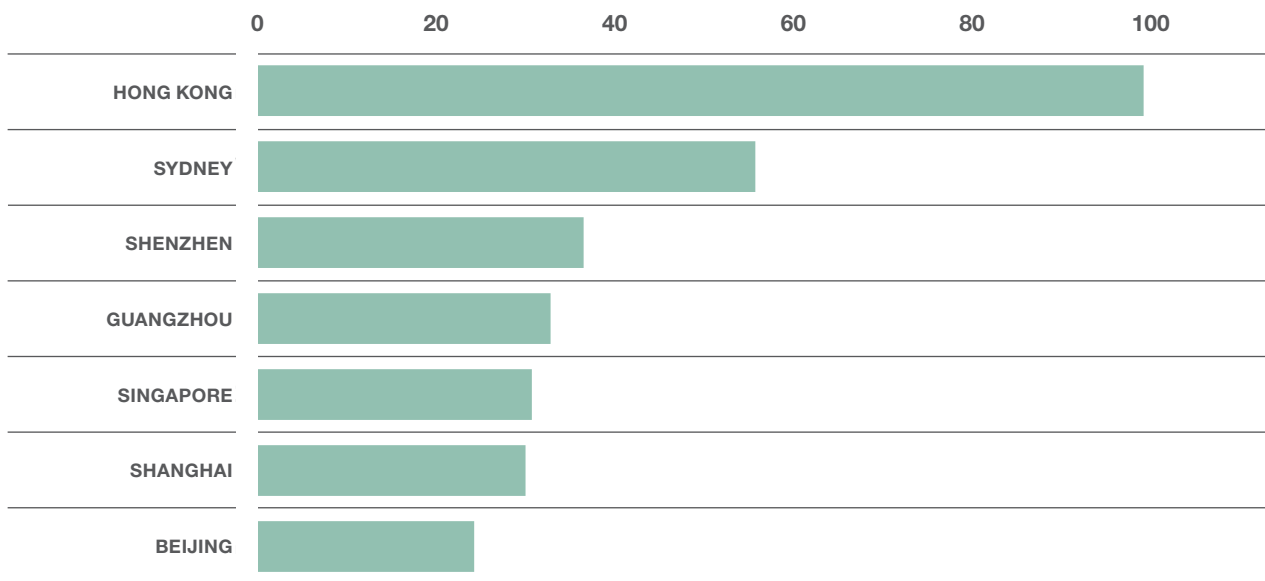
\* Seoul's rent = (Security deposit x Interest rate) / 12 + Monthly payment

MARKET CYCLE



TOTAL OCCUPANCY COST (TOP 5 AVERAGE)

US\$ psm net pm



CITY TOTAL COST

US\$ psm net pm

RENT (US\$ psm net eff. pm) | MANAGEMENT FEE (US\$ psm net pm) | GOV'T RATES/TAX (US\$ psm net pm)

HONG KONG  
**99.2**  
84.7 | 10.3 | 4.2

SYDNEY  
**55.7**  
55.7 | Inclusive | Inclusive

SHENZHEN  
**36.5**  
36.5 | Inclusive | Inclusive

GUANGZHOU  
**32.8**  
32.8 | Inclusive | Inclusive

SINGAPORE  
**30.7**  
30.7 | Inclusive | Inclusive

SHANGHAI  
**30.0**  
30.0 | Inclusive | Inclusive

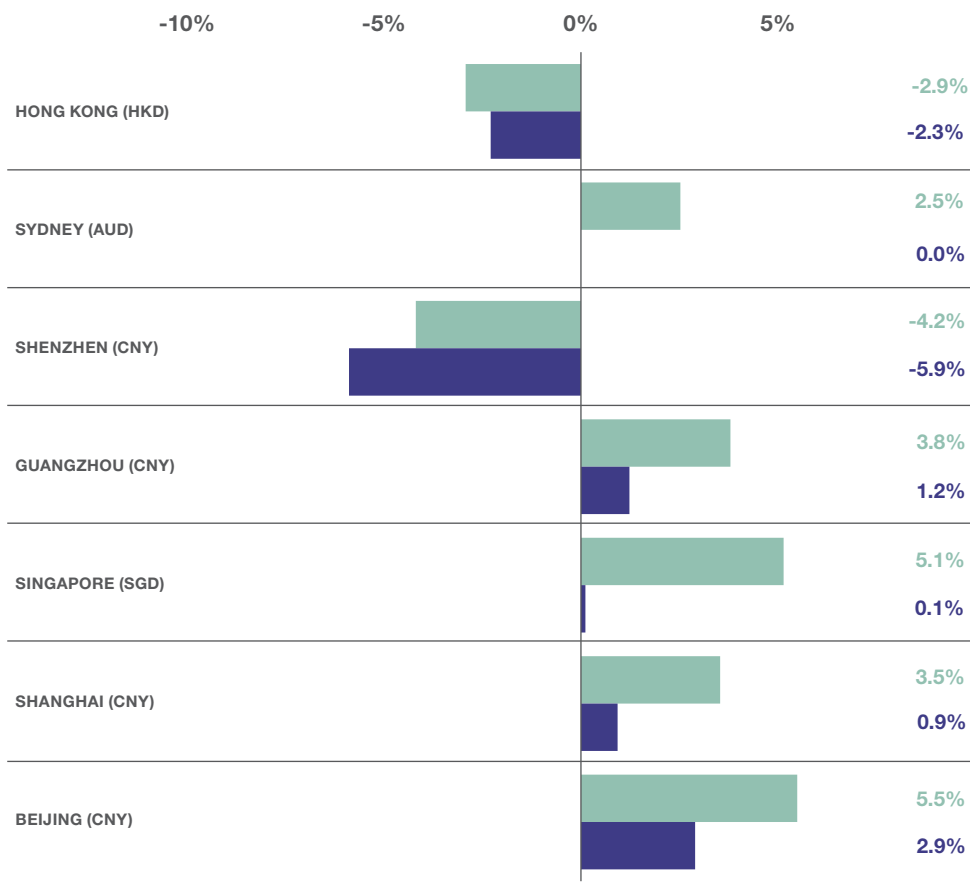
BEIJING  
**24.2**  
24.2 | Inclusive | Inclusive

Source: Savills Research & Consultancy

**COST CHANGES**

JAN-JUN 2017

- Rental changes in US\$
- Rental changes in local currency

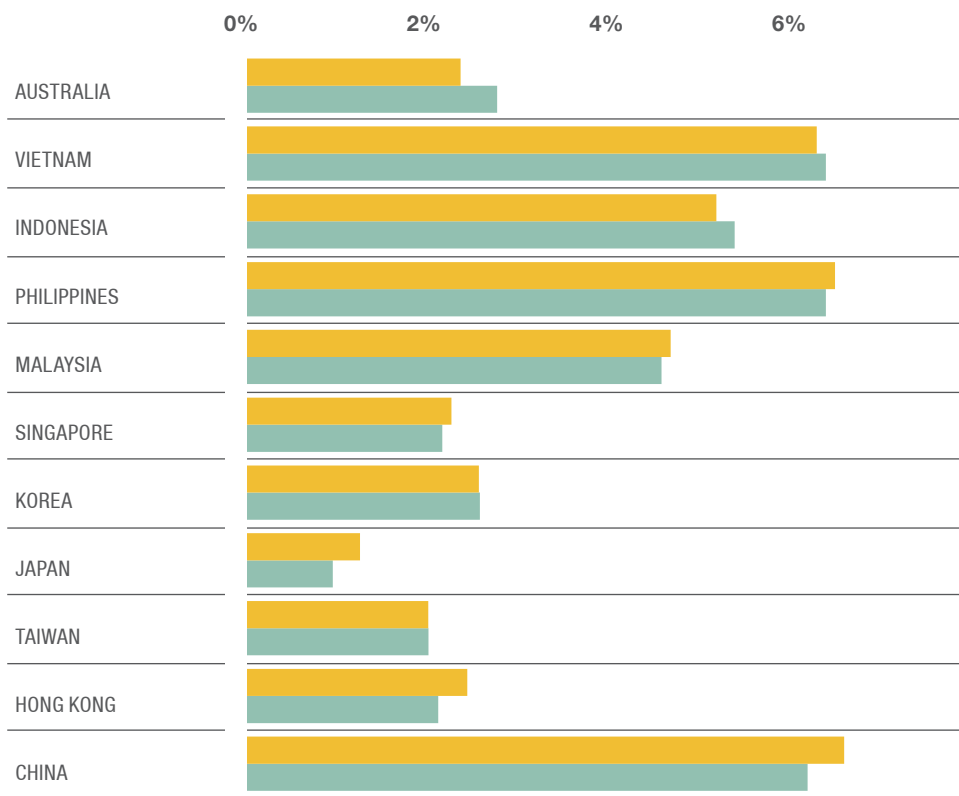


Source: Savills Research & Consultancy

**REAL GDP GROWTH FORECASTS**

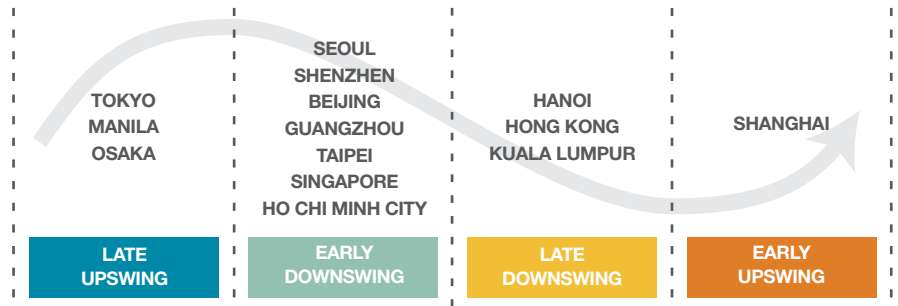
2017-2018

- 2017
- 2018



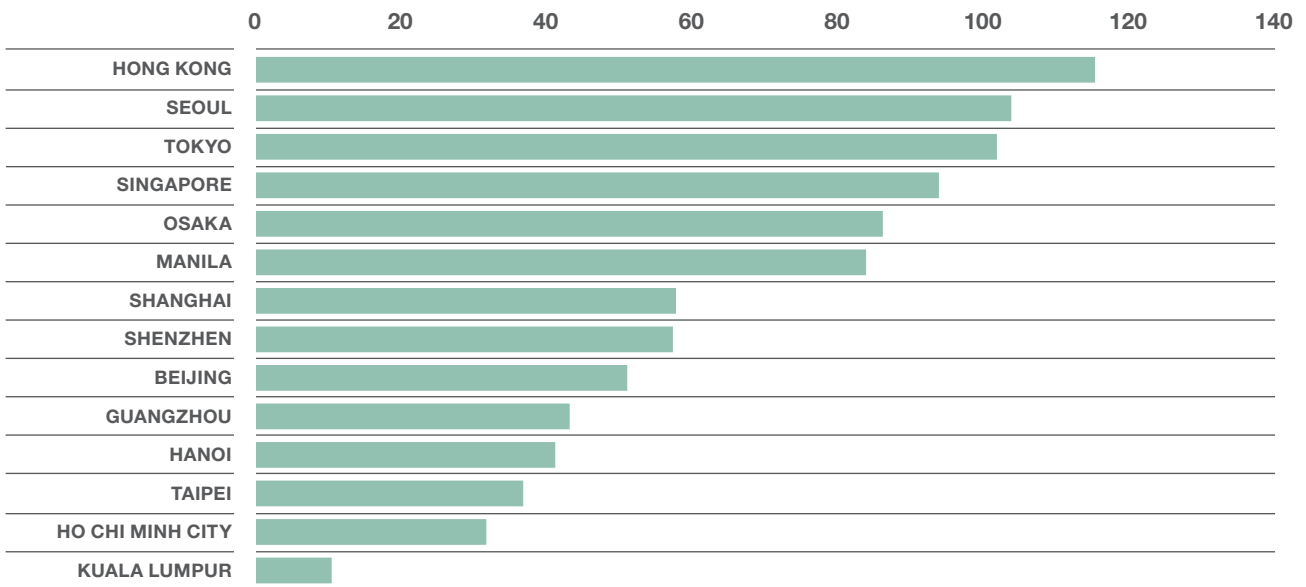
Source: FocusEconomics

## MARKET CYCLE



## TOTAL OCCUPANCY COST (TOP 5 AVERAGE)

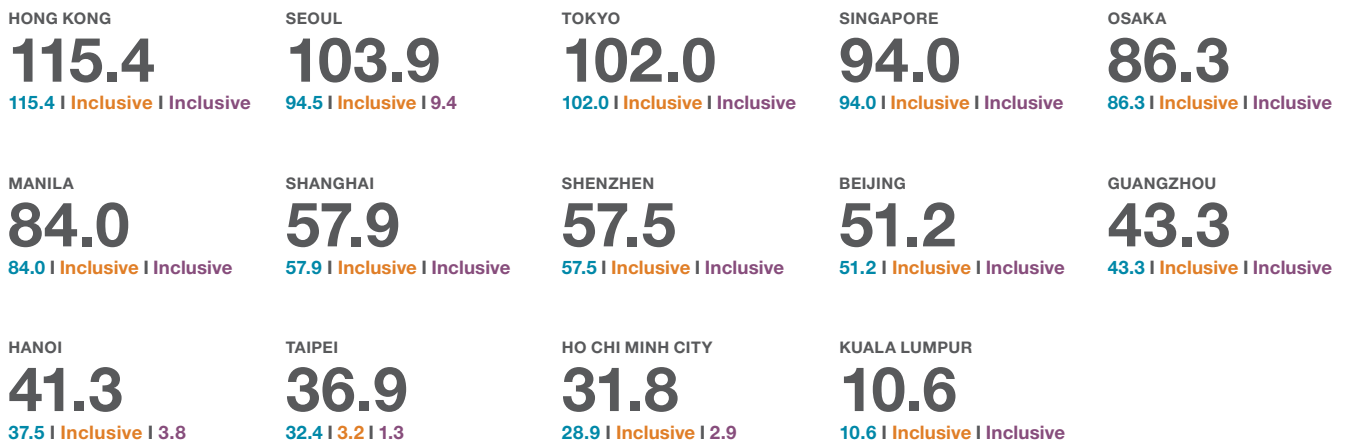
US\$ psm net pm



## CITY TOTAL COST

US\$ psm net pm

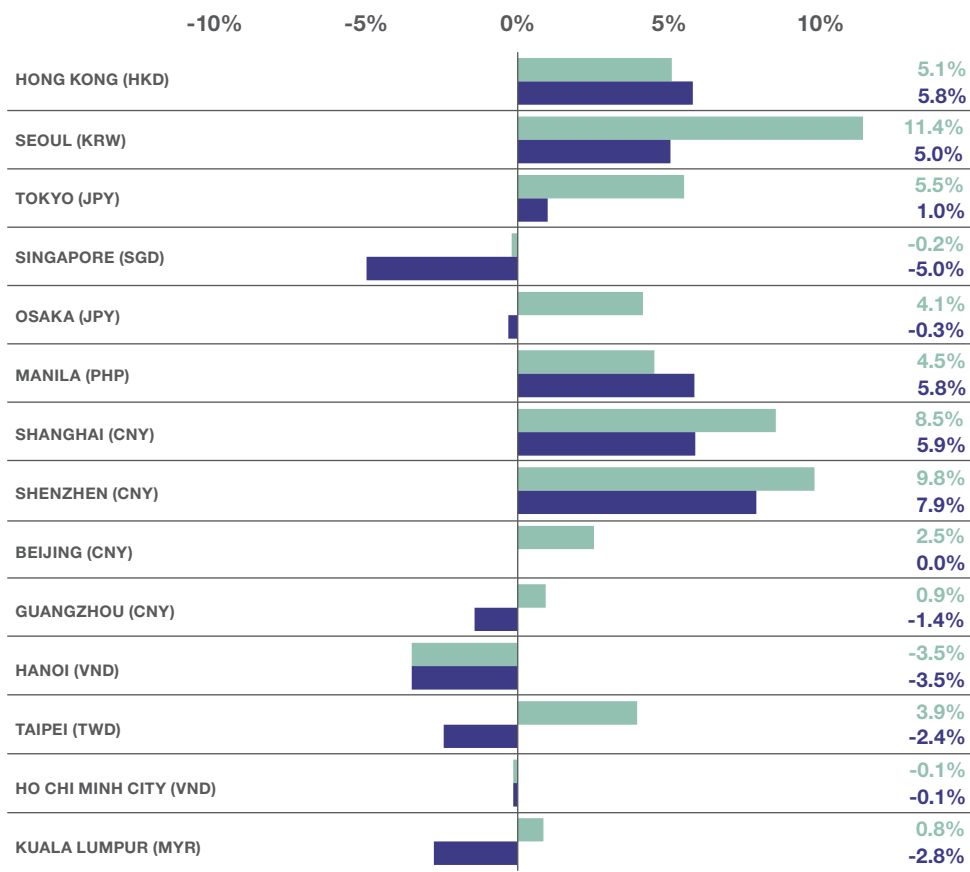
RENT (US\$ psm net eff. pm) | MANAGEMENT FEE (US\$ psm net pm) | GOV'T RATES/TAX (US\$ psm net pm)



## COST CHANGES

JAN-JUN 2017

- Rental changes in US\$
- Rental changes in local currency

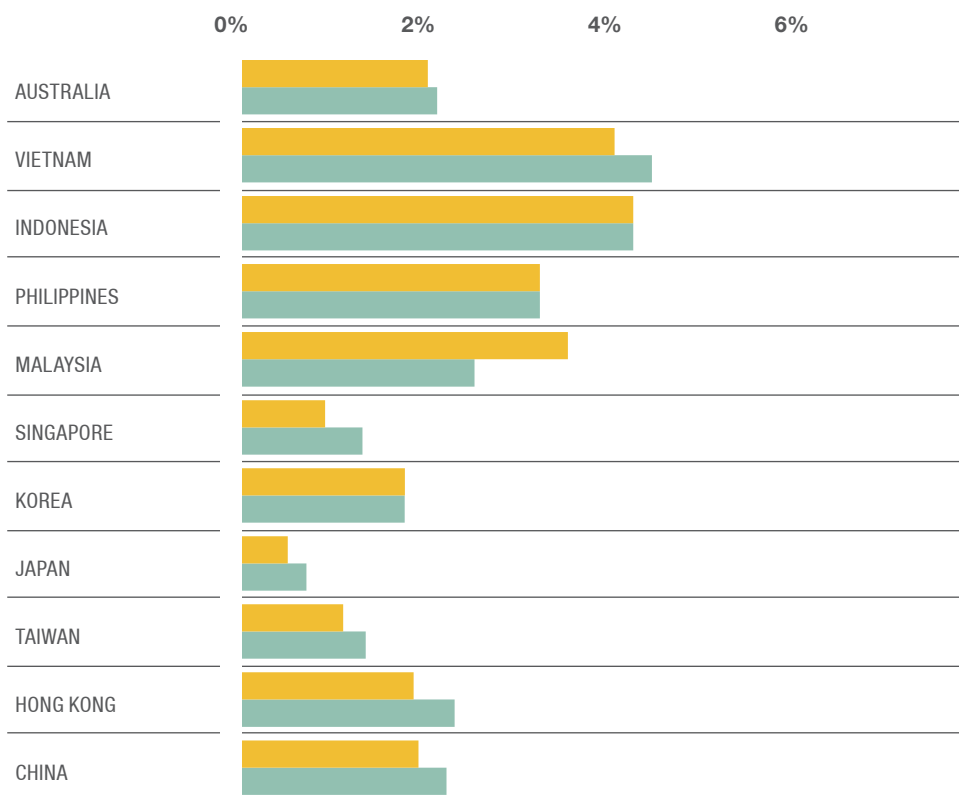


Source: Savills Research & Consultancy

## INFLATION FORECASTS

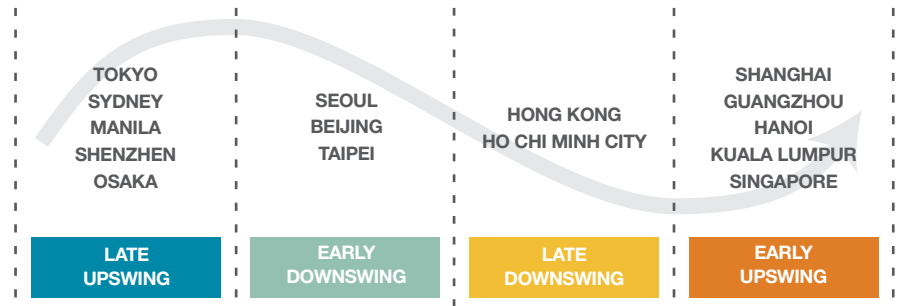
2017-2018

- 2017
- 2018



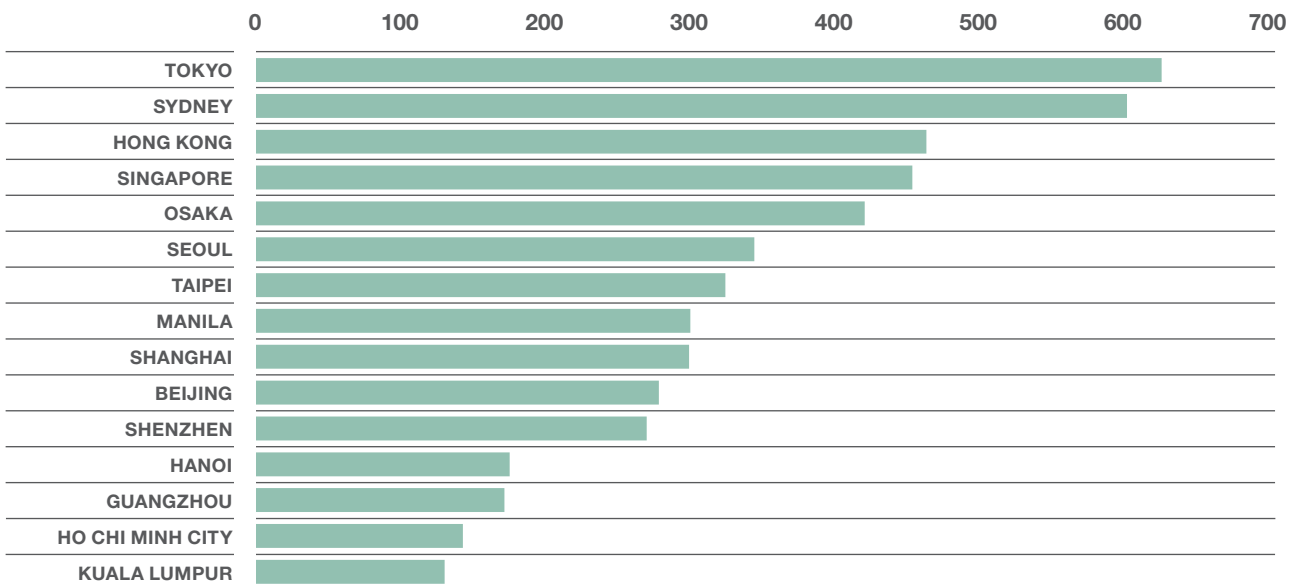
Source: FocusEconomics

MARKET CYCLE



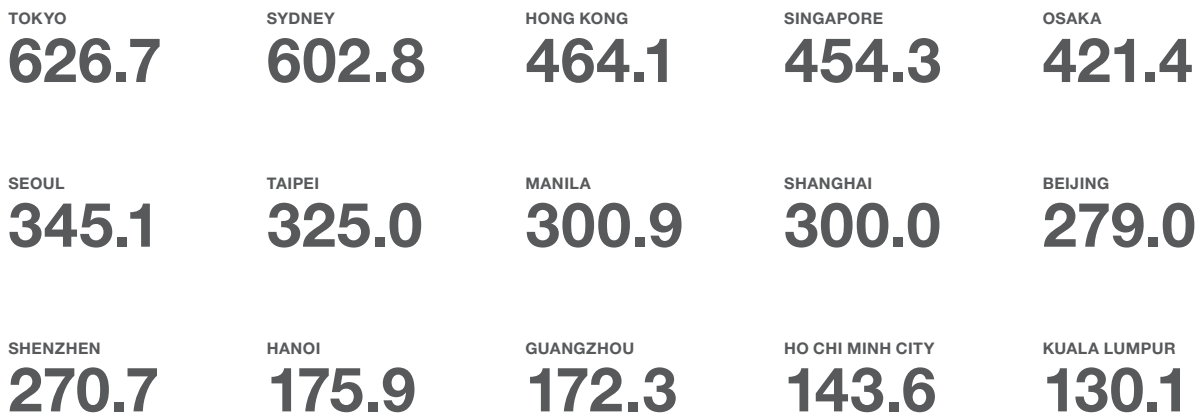
TOTAL OCCUPANCY COST (TOP 5 AVERAGE)

US\$ per room per night



CITY ROOM RATE

US\$ per room per night

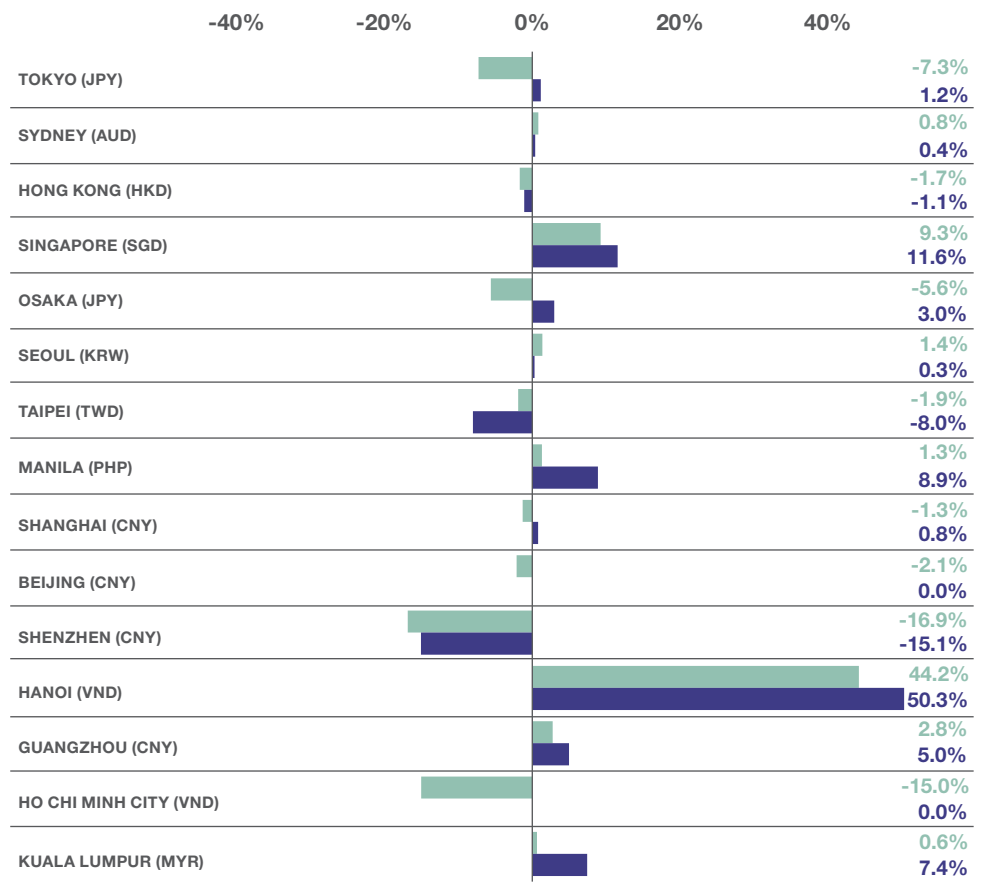


Source: Savills Research & Consultancy

## COST CHANGES

Jun 2017 YoY

- Rental changes in US\$
- Rental changes in local currency

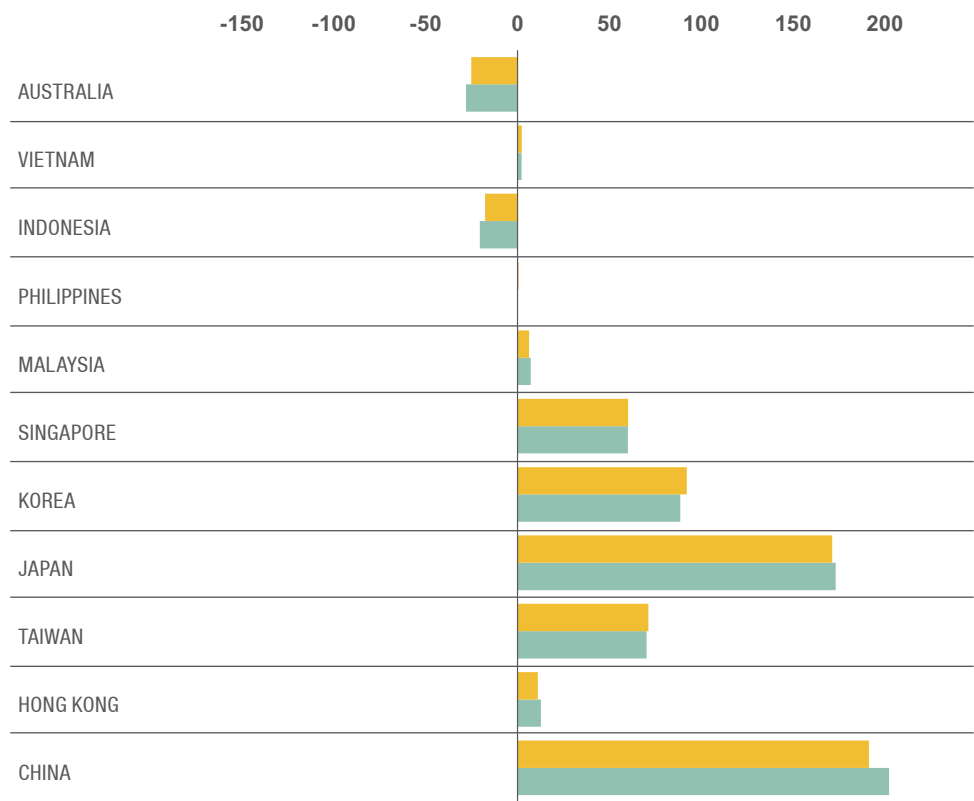


Source: Savills Research &amp; Consultancy

## CURRENT ACCOUNT FORECASTS (US\$ BILLION)

2017-2018

- 2017
- 2018



Source: FocusEconomics

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Contact: Robert Collins E-mail: rcollins@savills.co.th

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