



ASIAN OFFICE MARKET FLASH

Office Leasing Market Quarterly Bulletin

REGIONAL MARKET OVERVIEW

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PRC-Beijing - Four projects came on stream in the third quarter of 2005, providing 3.63 million sf of space to the Beijing office market, marking the largest quantum of new office stock to be released in the city since the first quarter of 2002. This sizeable spike in new supply acted to ease some of the pressure on supply witnessed in the market, particularly in the popular Jianguomen business hub. Overall rentals edged up slightly within the period under review, on the back of higher rentals being asked for new office projects released to the market.

PRC-Shanghai - Shanghai's office leasing market again witnessed high levels of activity in the third quarter of 2005 as the business and financial hub remained a major focus for business expansion and new office establishment by both local and overseas corporates. As a result of the general declining trend in office vacancy, a number of larger space users began to look for options outside of the centralised CBD areas. With office rentals in Shanghai heading north and rising levels of occupancy witnessed in the market, an occupier's ability to accelerate its leasing decision-making is becoming a more critical factor in securing their preferred space.

PRC-Guangzhou - Demand for prime office space in Guangzhou remained strong in the third quarter, with net absorption registered at 2.91 million sf. Foreign enterprises were witnessed as cornerstone occupiers in driving this considerable wave of absorption, with notable deals within the period including the take-up of space by ABB, Samsung and CISCO. During the third quarter of 2005, five new office properties came on stream, adding a total of 4.95 million sf of space to the Guangzhou prime office market. Under the impact of this major quantum of new completion, vacancy grew by 4.5 percentage points, q-o-q, to register at 17.5%.

PRC-Hong Kong - Office rents in Hong Kong continued to trek north in the third quarter of 2005 as average rentals closed in on the highs not witnessed since year-end 2000 and in early 2001, just before the IT bubble implosion led to the commencement of a period of market consolidation. While the start of the quarter covered the traditionally slow summer period, the market nevertheless registered upbeat leasing activity, with demand stemming from a number of sectors. Landlords strengthened their grip on the market as Hong Kong climbed up to eighth position in CBRE's most recent global survey of prime office occupational cost.

Taiwan-Taipei - In the third quarter of 2005, the Taipei office market continued to follow a positive trajectory. Prevailing strong demand for office space within the city saw absorption of prime office space in Taipei continue at a steady pace. Due to this demand, the Taipei prime office market witnessed a significant increase in net absorption within the period under review. Recent trends in the market have pointed to increased demand from tenants for high-grade management and building services. This is a trend which is fuelling an increasing disparity in rent between the general and prime office markets.

Japan-Tokyo - Three new Grade A office buildings were completed during the third quarter, adding in excess of 3.03 million sf of leaseable space to the Central Five Wards market. With continued strong occupier demand, all three properties were fully committed several months prior to opening and net absorption of almost 290,000 sf resulted in a decrease in the prime office vacancy rate to 1.7%, the lowest level at which it has been recorded for 4½ years. Intense competition for new, high-quality space saw the average asking rent for Grade A office accommodation increase to JPY 37,750 per tsubo per month, excluding common area charges.

South Korea-Seoul - The fairly rapid rate of recovery witnessed in the Yeouido Business District office market eased off at the end of the third quarter of 2005 as this sub-market entered into a phase of stabilisation. Since August 2005, the YBD has been witnessing an incremental incline in demand for office premises. On one hand landlords were witnessed offering improved incentives, while the availability of large pockets of space provided occupiers the opportunity to execute consolidation plans. Finally, further recovery from the credit card crisis and continuing signs of improvement in both the stock market and the overall economy are acting in tandem to boost market sentiment.

India-New Delhi - Noida is poised at the threshold of a major breakthrough as an IT destination with large developments on the horizon in Sector 62 and along the Gautam Buddha Expressway. Various leading developers including Unitech and DLF have acquired large tracts of land in these areas. Several global IT majors are also eyeing Noida as a potentially lucrative destination due to its relatively lower real estate costs. Several developers have also added to their land banks with acquisitions in Greater Noida in anticipation of eventual development saturation in the area. These large plots also offer the opportunity for campus-style developments not possible elsewhere in Delhi.

India-Mumbai - The market for office space in Mumbai came under pressure in the third quarter of 2005 with vacancy continuing to trend downwards, thereby reducing the number of options available in the market for potential occupiers. The tightening of supply in the market has given landlords the upper hand in leasing negotiations. CBD rentals and capital values were seen to have risen by 20.8% and 10%-15%, respectively, over the second quarter of 2005. Meanwhile, rentals and prices within the Bandra Kurla Complex also continued to trek north on the back of supply compression.

India-Bangalore - Bangalore's office market in the third quarter witnessed an occupiers' shift towards non-CBD office locales (areas between 2 and 6 km radii from CBD) located in the suburbs or on the periphery of the city centre. These areas have emerged as the most favoured locations for the establishment of offices for high-end engineering companies, R&D centres/labs as well as support functions. A major factor contributing to this shift is the fact that these areas lie within the immediate environs of the two major mid-level residential hubs of Indiranagar and Koramangala, which house a sizeable portion of the workforce of the companies which operate in these areas.

Indonesia-Jakarta - Demand for office space in Jakarta exhibited relative stability within the third quarter of 2005 while rentals moved sideways in IDR terms as landlords endeavoured to maintain steady occupancy levels in their buildings. However, with the continued slide of the IDR, US\$ rentals edged down within the review period. Landlords were witnessed renewing leasing terms at existing rates, particularly for long-standing leases as they sought to retain tenants in the face of the growth in the strata title sales market, continuing a trend which emerged in the previous quarters. The recent uptick in strata-title office investment demand has led some owners to reposition their office properties for disposition.

Malaysia-Kuala Lumpur - The prime office market witnessed an active level of lease transactions during the third quarter. Large tenants with NLA of about 100,000 sf moved into their new premises following completion of office fit-out. The completion of Menara See Hoy Chan added about 354,550 sf of office space to the market within the review period. Only one office building is expected in the next quarter.

Philippines-Manila - Tightening supply of suitable existing office space in Metro Manila is leading call centres/BPO operations to locate to shopping malls and other kinds of large format retail establishments. Their good access to public transportation networks and amenities, large floor plates, excellent utility infrastructure and close proximity to residential areas make shopping malls and other retail establishments a highly attractive alternative to traditional office space.

Singapore - Prime office rents strengthened in the third quarter, boosted by better-than-expected economic performance, growth in financial services and more hiring by the services sector. In addition, the successful award of the Business and Financial Centre (BFC) site in Marina Bay, at a higher than expected price, boosted landlord sentiment. Leasing activity was not limited to new developments as the market observed strong take-up of pocket vacancies in existing CBD office stock. Furthermore, some decentralised office micro-markets have recently recorded vacancy rates that are substantially lower than that of Grade A offices within the CBD.

Thailand-Bangkok - Thailand's upbeat economic performance continued to drive demand for office space in the Bangkok market in the third quarter of 2005. Prime office rents increased by 26%, y-o-y, as a result of a further tightening of availability and the growing incidence of corporate expansion and new corporate formation. Current leasing rates have already reached levels close to those witnessed prior to the Asian financial crisis in 1997. In fact, rents have reached such attractive levels that developers are now considering breaking ground on new projects, rather than just recommencing halted projects as has been the predominant form of office development activity in Bangkok in recent years.

Vietnam-Ho Chi Minh City - Take-up in the Ho Chi Minh City Grade A office market in the third quarter was supported by a number of factors including the growing level of foreign direct investment to HCMC itself as well as its surrounding environs; increased expansion by both multinational and local corporations as well as the establishment of new representative offices by overseas companies which combined to support overall demand for HCMC office facilities. As a result of the present buoyant conditions in the HCMC market, both Grade A and B office properties registered almost full occupancy.

REGIONAL MARKET OVERVIEW

SUMMARY OF PRIME OFFICE RENTS (AS AT Q3 2005)

COUNTRY	CITY	MARKET RENT		Quarter-on-Quarter Change	Year-on-Year Change
		local currency/measure	US\$ psf		
PRC	Beijing				
	<i>Jianguomen</i>	US\$ 23.99 psm ⁽¹⁾	2.23	1.1%	4.0%
	<i>Zhongguancun</i>	US\$ 17.20 psm ⁽¹⁾	1.60	-1.2%	0.2%
	<i>Finance Street</i>	US\$ 22.82 psm ⁽¹⁾	2.12	5.8%	7.9%
	Shanghai				
	<i>Pudong</i>	US\$ 22.33 psm ⁽¹⁾	2.07	4.8%	14.9%
	<i>Puxi</i>	US\$ 22.49 psm ⁽¹⁾	2.10	7.0%	23.4%
	Guangzhou	US\$ 11.00 psm ⁽¹⁾	1.02	0.4%	4.2%
	Hong Kong	HK\$ 32.07 psf ⁽³⁾	4.13	11.7%	58.8%
TAIWAN	Taipei	NT\$ 2,672 pping ⁽²⁾	2.25	0.6%	1.8%
JAPAN	Tokyo	JPY 37,750 ptsubo ⁽³⁾	9.35	3.4%	21.8%
SOUTH KOREA	Seoul				
	<i>CBD</i>	KRW 82,676 ppyung ⁽¹⁾	2.24	-	0.6%
	<i>Gangnam</i>	KRW 65,490 ppyung ⁽¹⁾	1.77	0.6%	3.6%
	<i>Yeouido</i>	KRW 52,482 ppyung ⁽¹⁾	1.42	0.9%	1.2%
INDIA	New Delhi				
	<i>Connaught Place</i>	INR 100 psf ⁽¹⁾	2.27	5.3%	11.1%
	<i>Gurgaon</i>	INR 32 psf ⁽¹⁾	0.73	-	-3.0%
	Mumbai				
	<i>Nariman Point</i>	INR 145 psf ⁽¹⁾	3.30	20.8%	45.0%
	<i>Bandra Kurla Complex</i>	INR 125 psf ⁽¹⁾	2.84	25.0%	42.0%
	Bangalore	INR 50 psf ⁽¹⁾	1.14	-	8.7%
INDONESIA	Jakarta	US\$ 6.68 psm ⁽⁶⁾	0.62	-5.0%	-2.3%
MALAYSIA	Kuala Lumpur	RM 4.45 psf ⁽⁴⁾	1.18	3.5%	3.5%
PHILIPPINES	Manila	PHP 550 psm ⁽³⁾	0.91	7.8%	36.8%
SINGAPORE	Singapore	S\$ 4.90 psf ⁽⁴⁾	2.90	4.3%	16.7%
THAILAND	Bangkok	THB 634 psm ⁽⁴⁾	1.43	5.1%	25.5%
VIETNAM	Ho Chi Minh City	US\$ 28.60 psm ⁽⁵⁾	2.66	-	8.4%

(1) Gross rent excluding service charges / management fees

(2) Gross rent including property taxes but excluding service charge / management fees

(3) Net rent excluding service charges / management fees and property taxes

(4) Net rent including service charges / management fees and property taxes

(5) Net rent including service charges / management fees but excluding VAT

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

(7) Rent for Q2 2005 has been revised and no change was recorded on a quarterly basis

EXCHANGES RATE TO US\$ (AS AT 28-SEP-05)

PRC	8.09	Japan	113.37	Indonesia	10,375.00	Singapore	1.69
Hong Kong	7.76	South Korea	1,037.50	Malaysia	3.78	Thailand	41.17
Taiwan	33.28	India	44.00	Philippines	56.05	Vietnam	15,890.00

MONTHLY RENTAL - CBD: US\$ 23.99 psm (+1.1%, Q-o-Q)
 - Zhongguancun: US\$ 17.20 psm (-1.2%, Q-o-Q)
 - Finance Street: US\$ 22.82 psm (+5.8, Q-o-Q)

VACANCY RATE - 17.2% (+3.0% pts, Q-o-Q)

NEW SUPPLY - 3,628,300 sf
 (Q3 05)

The major news of the third quarter saw China's central bank, the People's Bank of China (PBOC), announce a change to the RMB's exchange rate regime with the adoption of a managed floating system, with reference to a basket of currencies. The change, on 21st July, 2005, saw the RMB initially appreciate by approximately 2% to RMB 8.11 to the US\$. The announcement immediately impacted the Beijing real estate market, most notably that for office leasing, as a number of owners of office projects switched to quoting rentals and management fees in RMB rather than US\$. Increasing number of landlords are expected to adopt this rental quotation strategy. At the same time, a large quantum of new office properties came on stream in Beijing within the third quarter, in the CBD, Zhongguancun and Finance Street areas. Rental values of these recently completed office properties were comparatively higher than those

for established office buildings in these areas, acting to support overall rental levels. The individual performance of Beijing's three major office precincts was varied within the third quarter of 2005. Market demand for office space in Beijing's CBD remained upbeat, leading to upward pressure on office rentals, which continued to rise with the support of the high rental levels achieved in the best new buildings. In Finance Street, a number of state-owned companies and investment institutions purchased en bloc or strata-title office space within the third quarter while the rebound in office rentals recorded strong acceleration with a q-o-q rise of 5.8%, driven by positive market demand. Breaking the upward trend, office rentals in Zhongguancun edged downward on the back of high vacancy in the tech hub, which was registered at 25% as a result of the waves of new supply which have recently come on stream in the market.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Fortune Plaza	Chaoyang	64,050	Bayer
LG Twin Tower	Chaoyang	53,520	Nike
Raycom Infotech Park Tower C	Haidian	54,580	AMD

MONTHLY RENTAL - Pudong: US\$ 22.33 psm (+4.8%, Q-o-Q)
 - Puxi: US\$ 22.49 psm (+7.0%, Q-o-Q)

VACANCY RATE - 5.1% (+0.4% pts, Q-o-Q)

NEW SUPPLY - 2,621,938 sf
 (Q3 05)

The PBOC's Headquarters Building and Grand Gateway 1 came on stream in the Puxi area within the period under review, and both registered a steady rate of take-up. The completion of several high quality office properties in the western central city districts in recent quarters has resulted in average Puxi rentals exceeding Pudong rentals for the first time in the past six years, having been recorded as averaging US\$22.49 psm. Keen market demand pushed average citywide rentals up by 6.5% within the quarter to US\$22.44 psm per month. Meanwhile, dampened investment sentiment in the residential sector, buffeted by government macro control measures, fuelled a steady rise of interest in the strata-title office sales market as investors and short-term speculators exhibited strong interest in this segment. Underpinned by this shift, as well as the launch of a number of new highly-priced properties within the quarter, office capital value climbed up to US\$3,042 psm, representing a q-o-q increase of 8%.

Seven new office developments came on stream within the third quarter, providing a total office GFA of approximately 2.62 million sf. This major quantum of new supply helped to ease some of the pent-up demand for top quality office facilities in Shanghai, and resulted in a q-o-q rise in take-up of 54.5%, at 2.25 million sf. While demand for this space was robust, its sheer volume resulted in a marginal climb of 0.4 of a percentage point in vacancy, within the period.

The inauguration of the PBOC's Shanghai headquarters is forecast to inject added impetus to Shanghai's reemergence as a financial capital. With this new catalyst supporting already upbeat leasing demand, the Shanghai office market is expected to continue to draw strong interest from overseas financial sector occupiers.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Citigroup Tower	Pudong	28,675	Citiinsurance
Citigroup Tower	Pudong	12,490	VISA
CITIC Square	Jing'an	18,300	BD Medical

MONTHLY RENTAL - US\$ 11.00 psm (+0.4%, Q-o-Q)

VACANCY RATE - 17.5% (+4.5% pts, Q-o-Q)

NEW SUPPLY - 4,950,000 sf (Q3 05)

Zhujiang New City, the latest building block of the local municipal authority's masterplan for the second phase expansion of Guangzhou's new CBD, witnessed the completion of a number of new prime office projects within the third quarter. These properties comprised the Huapu Plaza, Development Centre Plaza, Zhujiang Investment Plaza and Xinghe Plaza, which provided a total GFA of 3.2 million sf to the Guangzhou market. Current supply in Zhujiang New City has attracted a broad mixture of corporations to relocate to this new business district, including Hopson Development Holdings. This new area's growing gravitational pull is exerting greater levels of office market competition on Guangzhou's traditional business hub, the Dongfeng East Road area. The latest batch of new completion in the Zhujiang New City has, as a result, influenced local Yuexiu district authorities to implement a number of measures to help this traditional western hub retain its tenants.

Meanwhile, two major office deals were recorded within the third quarter of 2005, the first one was the en bloc acquisition of Xinguang Business Plaza by a Hong Kong-based company for RMB 100 million. The other major deal saw a local bank purchase over 100,000 sf of office space in Science Centre Plaza located in Zhujiang New City for RMB 140 million.

Furthermore, in a land auction held on 15th September, Guangzhou Yuexiu Holdings Ltd, a local real estate developer prevailed in a bout of intense bidding between five developers for the right to develop the Pearl River New City West Tower site for RMB 1 billion. The plot has been zoned for commercial purpose including office, hotel and serviced apartment use. According to reports the developer has proposed to invest RMB 6 billion in constructing a landmark development comprising Guangzhou's tallest building at 1,417 ft (432 m) tall.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Development Centre Plaza	Tianhe	21,500	ABB
Center Plaza	Tianhe	17,200	CISCO
Fortune Plaza	Tianhe	10,700	Caltex

MONTHLY RENTAL - HK\$ 32.07 psf (+11.7%, Q-o-Q)

VACANCY RATE - 4.6% (-1.6% pts, Q-o-Q)

NEW SUPPLY - NIL (Q3 05)

The importance of financial services providers in leading the continued market rebound witnessed in Hong Kong's Grade A market, particularly in Core Central, was highlighted as both expansion and new demand by financial industry occupiers fuelled office market activity. The recent spate of new market entry into Hong Kong by financial service providers was particularly evident in the third quarter with new players undertaking a number of notable transactions. For instance, US hedge fund Citadel took up the full floor in Chater House which had earlier been surrendered by JP Morgan.

Meanwhile, major players already established in Hong Kong were witnessed taking desirable expansion space when it became available, conscious of the diminishing availability of such opportunities, particularly in Core Central. This take-up was for both immediate use and as a

result of a forward-looking strategy of accommodating an expected further rise in headcount on the back of the continued rise in demand for financial services in the SAR. With many companies locked into long-term lease commitments, their scope for manoeuvre with respect to expansion has been declining recently, leaving landlords with the upper hand in lease negotiations. Highlighting this was the sharing of the ex-Invesco floors in Three Exchange Square between Morgan Stanley and CSFB at a high rental. The Swiss banking giant secured the entire 11/F and half of the 12/F, while Morgan Stanley took the remainder of the 12/F. The level of competition seen in the market, coupled with strong expansionary requirement, has in turn led to markedly increased levels of demand and compressing vacancy in top quality decentralised facilities. In one notable example, Wachovia Bank took up approximately 71,000 sf over three floors in Cityplaza 4, in addition to space in AIG Tower for their Core Central operational requirement.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Chater House	Central	18,000	Citadel
Three Exchange Square	Central	18,000	CSFB
Cityplaza 4	Island East	71,000	Wachovia Bank

MONTHLY RENTAL - NT\$ 2,672 pping (+0.6%, Q-o-Q)

VACANCY RATE - 57.1% (+2.1% pts, Q-o-Q)

NEW SUPPLY - 345,035 sf
(Q3 05)

The prime office leasing market in Taipei displayed strong supporting fundamentals within the third quarter of 2005 despite the hike in oil prices. In the third quarter of 2005, Macoto Bank Headquarters Building released 190,000 sf of space to the open office market in Taipei while the remaining 154,000 sf in the block was reserved for self-use, lifting total prime office stock up to 3.6 million sf. Continued market demand drove prime office take-up to a robust 5,972 pings (212,600 sf) within the review period from 116,800 sf in the previous quarter. Major leasing transaction activity in Taipei within the third quarter was driven by financial institutions and pharmaceutical companies for both relocation and expansion requirement. ABN AMRO has committed to vacate IBM Building for 143,740 sf in Taipei 101. It is anticipated that the lack of alternative prime office availability, excluding Taipei 101, will lead to upward pressure on the wider market. Taiwan-based Da Chong Bank has

committed to a two-level expansion within Aurora International Building, equating to 28,820 sf of space. Following Da Chong's additional take-up in Aurora, the building achieved full vacancy. Meanwhile, Japanese pharmaceutical company Yamanouchi and Fujisawa took up 31,630 sf in Macoto Bank Headquarters Building in Ming Sheng District.

Looking forward, the outlook for Taipei's office market is positive, given the fact that the supply of prime office space is limited in the future and that the market is set to witness a number of lease expiries, which should drive some churn in the market giving landlords the opportunity to take advantage of the constrained supply situation. As a result of the tightening market on the back of strong take-up and limited Grade A supply in the pipeline, we forecast rents to continue on their upward trajectory over the short to medium term.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Taipei 101	Hsin Yi	143,740	ABN AMRO
Macoto Bank Headquarters Building	Ming Sheng	31,630	Yamanouchi and Fujisawa
Aurora International Building	Hsin Yi	28,820	Da Chong Bank

MONTHLY RENTAL - JPY 37,750 psubo (+3.4%, Q-o-Q)

VACANCY RATE - 1.7% (-0.5% pts, Q-o-Q)

NEW SUPPLY - 3,037,250 sf
(Q3 05)

The third quarter of 2005 saw continued strong levels of occupier demand and tightening of supply, with net absorption driving down Grade A vacancy by 50 basis points to 1.7%. In the core financial district comprising Marunouchi, Otemachi and Yurakucho, the vacancy rate for all office grades declined to just 0.3%. Three Grade A buildings were completed during the quarter, offering in excess of 3.03 million sf (net) of new office accommodation. The Ginza Mitsui Building, Mitsui Nihonbashi Tower and Toonare Nihonbashi-Hamacho Building all enjoyed full occupancy at opening. The three Grade A buildings scheduled for completion within the fourth quarter are also set to open fully leased. Take-up during for the quarter is estimated at almost 3.19 million sf with domestic companies remaining the primary source of demand. Existing Grade A properties, which suffered falling occupancy rates as businesses relocated to the new Grade A supply completed since 2003, also enjoyed high occupancy

levels following works to upgrade facilities. Demand for non-Grade A buildings continued to be mixed. Increased interest in older buildings with large floor plates helped reduce the Central Five Wards vacancy rate to 4%, a drop of 1.7 percentage points over the same period in 2004. Nevertheless, vacancy rates for older buildings with small floor plates in secondary markets remained high, further demonstrating that occupiers seeking to upgrade accommodation remained the primary drivers of the leasing market. Over the course of the quarter, the average asking rent for Grade A buildings increased by 3.4% to JPY 37,750 per tsubo per month (exclusive of CAM). With continued intense competition for quality space, rental growth is expected to continue into the fourth quarter. The upward pressure on rents has filtered through to the best non-Grade A buildings but for other stock rental levels have stabilised or else continued to moderately decline.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
JR Yaesu North Tower	Chiyoda-ku	416,200	Daiwa Securities Group
Akasaka Intercity Building	Minato-ku	53,300	Symantec
Tokyo Mid-Town Project	Minato-ku	n.a.	State Street

MONTHLY RENTAL - CBD: KRW 82,676 ppyung (Flat, Q-o-Q)
 - Gangnam: KRW 65,490 ppyung (+0.6%, Q-o-Q)
 - Yeouido: KRW 52,482 ppyung (+0.9%, Q-o-Q)

VACANCY RATE* - 4.2% (+0.7% pts, Q-o-Q)

NEW SUPPLY* - NIL
 (Q3 05)

Seoul's overall prime office market remained stable in the third quarter of 2005. Leasing activity was spread fairly evenly throughout the three major business districts, a phenomenon not witnessed in Seoul for more than four quarters. Slight vacancy increases in the CBD and Gangnam sub-markets were mainly attributable to tenant downsizing and relocation for cost-based reasons. Rentals in these areas, however, were maintained at high levels as landlords, optimistic about the market's prospects, were not seen accepting lowered rentals. A widespread trend of tenants consolidating their premises to one location has also begun to emerge with more than one third of demand in the third quarter coming from corporations wishing to consolidate their real estate portfolios to minimise costs. Seoul leasing activity in the third quarter was led by the IT sector, followed by government agencies, insurance and legal firms.

The CBD office market remained stable, however, new tenant demand eased within the period resulting in a declining level of leasing activity. However, larger pockets of reasonably priced space did not stay on the market for long with many tenants exhibiting a preference to remain in the CBD. At the same time in Gangnam, vacancy continued to hover around the expected level of 2%, with demand there led by small- to mid-sized IT firms. The overall GBD market continued to witness upbeat performance within the review period with the lowest vacancy rate in Seoul. The Yeouido Business District experienced the biggest transformation in the third quarter. Following fairly subdued performance in July, potential tenants began to take advantage of the improved incentives and the availability of contiguous floors of vacant office space. The YBD market is forecast to stabilise further in the fourth quarter and it is expected that upward pressure on YBD rentals will emerge in 2006 on the back of tightening supply.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
SK C&C Building	Bundang Business District	247,000	NHN
KT Tower	Yeouido Business District	49,000	Unisys
Dongyang Securities Building	Yeouido Business District	42,000	Ernst & Young

* The figures refer to the three major office districts in Seoul, including CBD in Chung Gu, Gangnam and Yeouido.

INDIA

NEW DELHI

MONTHLY RENTAL - CBD: INR 100 psf (+5.3%, Q-o-Q)
 - Gurgaon: INR 32 psf (Flat, Q-o-Q)

VACANCY RATE* - 15.2% (-1.3% pts, Q-o-Q)

NEW SUPPLY* - NIL (Q3 05)

The overall NCR office market registered relative inactivity within the third quarter of 2005 on the back of the shortage of ready supply of large format space. Continued compression in supply acted to exert upward pressure on both rentals and capital values across the NCR within the period under review. No new properties came on stream in the CBD area, leading to a decrease in vacancy rates in Grade A buildings like Birla House, Narain Manzil and Statesman House. Significant demand was manifested in the market from the corporate sector for the occupancy of larger space within the CBD. However, the majority of recent leasing transactions were confined to small format offices, within Grade B buildings, due to the lack of market availability.

A similar trend in the waning of leasing activity in Gurgaon was witnessed in the third quarter due to the near exhaustion of ready supply. However,

the market continues to be driven by strong demand from the IT/ITES businesses and quite a few developers are planning new projects with these occupiers in mind. At the same time, Unitech and DLF, the two leading developers in Gurgaon, have almost completely pre-leased their upcoming developments, clear evidence of the level of pent-up demand in the market. Most other office buildings that are under construction in the area have also achieved sizeable pre-leasing take-up. However, rentals in this sub-market have remained stable due to the availability of large tracts of land for future development. The IT hubs of Sectors 58-64 in Noida recorded average business by local players, with leasing restricted primarily to mid-sized developments. The rentals, however, have firmed up in the area. Another area witnessing significant interest from the IT and other corporates is the Gautam Buddha Expressway which connects Noida to Greater Noida due to its good connectivity with Delhi.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Mayfield Towers	Noida	150,000	HCL
DLF Infinity	Gurgaon	100,000	Dell
Sector 32	Gurgaon	90,000	Ciena

* The figures refer to Connaught Place CBD area only.

MONTHLY RENTAL - CBD: INR 145 psf (+20.8%, Q-o-Q)
- Bandra Kurla: INR 125 psf (+25.0%, Q-o-Q)

VACANCY RATE* - 13.9% (-2.1% pts, Q-o-Q)

NEW SUPPLY* - NIL (Q3 05)

Strong absorption has been witnessed in the Mumbai Grade A office market throughout 2005, driving vacancy in Mumbai's CBD, Nariman Point, down to 13.9% within the period under review, from over 22% last year. Demand in this micro-market is led by the space requirement of a number of multinational financial institutions, consultancies and consulates, all of which have clustered in the area. Notable transactions within the CBD in the third quarter involved the take-up of space by Barclays Bank and Société Générale. At the same time, other multinational financial players were seen to be close to finalising deals in the CBD within the period under review.

At the same time, the Bandra Kurla Complex (BKC) continues to draw heightened levels of interest on the back of its effective transport links with Mumbai, as well as the planned development and improvement of

other infrastructure works in the area. The BKC office micro-market is attracting many multinationals to establish representative offices there. Major leasing transactions witnessed in the BKC within the third quarter included a major letting by Western Union as well as another large MNC in Wockhardt Towers, and Rentwork's agreement to take space in Laxmi Towers. As a result of strong demand, coupled with the lack of new supply in the market, the vacancy rate in Grade A buildings within this sub-market shrank to 1.5% during the period under review, down from 5% in the previous quarter.

Rentals are expected to increase by a further 10% by the next quarter given the continued lack of supply and the persistence of strong demand. However, looking forward, substantial supply is expected in Central Mumbai and the Eastern suburbs within the next 24 to 36 months, which should act to ease some of the pent-up pressure in the market.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Interface	Malad	100,000	Bharti Telecom
Prism - B wing	Malad	32,000	Ugam Solutions
Wockhardt Towers	Bandra Kurla Complex	9,050	Western Union

* The figures refer to Nariman Point CBD area only.

MONTHLY RENTAL - INR 50 psf (Flat, Q-o-Q)

VACANCY RATE - 6.4% (+2.1% pts, Q-o-Q)

NEW SUPPLY - 204,000 sf
(Q3 05)

Strong demand from IT/ITES companies is the primary driving force behind Bangalore's real estate market. Companies in these sectors have been achieving positive business results and are continuing to expand their presence within the city. Some of them have initiated office consolidation strategies while others have continued to take up more space in the city's growing urban fringe, trying to situate their offices close to residential clusters from where they may draw their workforces.

Services sectors such as banking, financial services and outsourcing have also shown steady growth, and this has been progressively reflected in their level of take-up and expansion. Companies in these sectors have committed to taking large office premises, reinforcing their positions in Bangalore. As a consequence of this surge in leasing activity, rental values have shown a marginal increase across the city. Other factors,

which have contributed to the continued uptick in rents are rising construction costs and the lack of availability of quality land for development. However, this upward pressure on rentals will be eased by the soon expected release of a considerable quantum of new supply onto the market. Capital values have also shown a similar upward trend in the non-CBD, suburban and peripheral micro-markets. This trend is particularly visible in areas like Whitefield and the Outer Ring Road, where demand for high quality office space has pushed up land values considerably.

Bangalore's CBD continues to maintain its attraction for new companies/startups as their primary office search area for initial or small office requirement. There has been a shortage of quality space in the CBD for some time now but good quality space is expected to come up in this area in the next year.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Safina Tech Park	Millers Road	37,500	Likwid Kristal
Safina Tech Park	Millers Road	25,000	Amazon
Prestige Obelisk	Kasturba Road	16,000	ICICI Ventures

MONTHLY RENTAL - US\$ 6.68 psm (-5.0%, Q-o-Q)

VACANCY RATE - 13.7% (+0.0% pts, Q-o-Q)

NEW SUPPLY - 473,600 sf (Q3 05)

Landlords in Jakarta held rentals steady in IDR terms within the third quarter of 2005 in the wake of the rising level of interest in acquiring office space for the purpose of self-occupation, a phenomenon which has itself been supported by the improved prospects for the Jakarta office market. This trend, which has been witnessed in the market over the past few quarters, has resulted in an upswing in office capital values. Indeed, the rate of appreciation has persuaded some landlords to reposition their leased office facilities as strata title properties, as was the case in the third quarter with Citra Graha office building in Jalan Jenderal Gatot Subroto. Investment interest in the acquisition of strata-title office space within the third quarter was witnessed in both primary and secondary areas. Office vacancy, meanwhile, held steady at 13.7% within the period, despite the release of 473,600 sf to Jakarta's Grade A office market. New office space was provided to the market by Menara

Anugerah, Menara Nusa, Graha MIK and Sudirman Place, the completion of which took the overall supply of Grade A space in the market to the level of 33.46 million sf. Average office occupancy rates in Jakarta were buoyed by expansion as well as new take-up on the part of local Indonesian financial services providers taking space within Jakarta's CBD. Notable deals witnessed within the quarter saw PT. Bina Danatama Finance take up 14,618 sf of space in Chase Plaza, while broker PT. Investindo Nusantara Sekuritas took 8,802 sf in Plaza ABDA, both of which are located in the Sudirman Area in Jakarta's Golden Triangle CBD.

Looking forward, new supply slated for release over the next 15 months comprises Sudirman Plaza, Istana Sahid, Menara NISP, Manhattan Sudirman Superblock and Satrio Tower, all of which are located within the Golden Triangle CBD.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Chase Plaza	Sudirman Area	14,620	Bina Danatama Finance
Plaza ABDA	Sudirman Area	8,800	Investindo Nusantara Sekuritas
Gedung Sentra Mulia	Kuningan Area	5,870	Busan Auto Finance

MALAYSIA (THIS SECTION IS CONTRIBUTED BY CH WILLIAMS TALHAR & WONG) KUALA LUMPUR

MONTHLY RENTAL - RM 4.45 psf (+3.5, Q-o-Q)

VACANCY RATE - 12.1% (+0.5% pts, Q-o-Q)

NEW SUPPLY - 354,550 (Q3 05)

The prime office market witnessed an upbeat level of leasing transactions during the third quarter with activity concentrated in the KLCA area. Notable deals included a 12,000-sf take-up at Menara HLA by iPerintis; CLSA's absorption of 7,000 sf in Menara Dion; and a deal for 4,000 sf in Menara Standard Chartered by Profitable Plots. Meanwhile the review period also saw some large tenants, with occupation requirement of around 100,000 sf NLA, enter their new premises following the completion of office fit-out. This included Amanah Raya Bhd's move from Damansara Heights to their new headquarters at Wisma Amanah Raya in the KLCA area and the relocation of a division of the Department of Public Works to Menara Maju Junction. Within the period, California Fitness opened a new outlet at Menara Standard Chartered, with an area of 33,000 sf, following the end to renovation works.

The completion of Menara See Hoy Chan injected about 354,550 sf of new space to Kuala Lumpur's top end office market, pushing vacancy slightly higher to 12.1%. Average prime office monthly rent (excluding the Petronas Twin Towers), however, still registered an increase to approximately RM 4.45 psf, as a result of buoyant market demand amid a general downtrend in the level of prime office availability witnessed in Kuala Lumpur. Prime capital values, meanwhile, edged upwards to RM 600 psf.

New office supply expected in the fourth quarter of 2005 is limited to one building, which has been pending completion for several years. The outlook of the office sector remains stable with little change expected in the remaining months of 2005 while relocation of some large government-related occupiers is expected in the KLM area in the next quarter.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Menara HLA	KLCA	12,000	iPerintis Sdn Bhd
Menara Dion	KLCA	7,000	CLSA Malaysia
Menara Standard Chartered	KLCA	4,000	Profitable Plots

MONTHLY RENTAL - PHP 550 psm (+7.8%, Q-o-Q)

VACANCY RATE - 5.4% (-1.4% pts, Q-o-Q)

NEW SUPPLY - 170,000 sf (Q3 05)

At the end of the third quarter of 2005, rents for Prime/Grade A office space averaged at PHP 550 psm (PHP 51.16 psf) while vacancy rates further declined to 5.4%. With limited amounts of Prime/Grade A office space available, landlords continue to achieve relatively long lease terms while maintaining rental escalation clauses within the range of 5%-10% per annum. Meanwhile, capital values for Prime/ Grade A office space remain steady at PHP 57,325 psm (PHP 5,326 psf) as office sales transactions remained relatively thin in the period under review.

The only new office supply to come on line in the Makati CBD within the third quarter of 2005 was the new 170,100-sf People Support Centre, a build-to-suit e-services building, located along Ayala Avenue. Meanwhile, on the fringes of the Ortigas CBD and adjacent to the Robinsons Metro Gateway Mall is the 18-storey Robinsons Cybergate Centre I, which was

released to the market in the second quarter. Developed by the Robinsons Land Corporation, the 278,850-sf GLA building offers a large column-free floor plate, making it ideal for call centres and BPOs. Following the rapid commitment of this space, groundbreaking for the 27-storey Robinsons Cybergate Centre II began in October 2005 with a target completion date of the first quarter of 2007.

Call centres/ BPOs and other ITES-related companies will continue to drive the Manila office market for the foreseeable future. The current rise in demand is not expected to plateau at any time in the near future. Due to the lack of new supply of Prime/Grade A office space, vacancy rates in the Makati CBD will remain at the single digit level for the short- to medium-term. Rental levels are projected to remain on a steady upward trend while capital values are expected to begin to recover over the near term.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Robinsons Cybergate	Ortigas CBD (Fringe)	64,350	Accenture
Robinsons Cybergate	Ortigas CBD (Fringe)	42,900	West
Equitable Bank Tower	Makati CBD	13,975	Spanish Embassy

MONTHLY RENTAL - S\$ 4.90 psf (+4.3%, Q-o-Q)

VACANCY RATE - 8.8% (-0.3% pts, Q-o-Q)

NEW SUPPLY - NIL (Q3 05)

The average prime office rent rose 4.3%, to S\$4.90 psf per month in the third quarter of 2005, an acceleration on the level of 1.1% growth seen in the previous quarter. At the same time, average Grade A office rent grew 7.1% q-o-q, compared to 2.1% previously, to S\$5.25 psf per month.

Grade A office vacancy dipped to 8.8% from 9.1% three months ago, as tenants took up additional space within the CBD. It is worth noting that there is limited office space in some decentralised office micro-markets. For example, vacancy rates at the Tampines Regional Centre and Novena/ Thomson area were substantially lower than that of Grade A offices within the CBD.

There were a number of significant leasing commitments at One Raffles Quay and One George Street, mainly by financial sector companies.

Leasing activity was not limited to new developments as the market witnessed strong take-up of pocket vacancies in existing stock. Office take-up is expected to accelerate in the next six to 12 months, assuming no external factors derail economic growth and business confidence. We have reviewed and revised our full-year office take-up outlook to 1.65 million sf, up from the 1.2 million sf estimated previously. This is 55.7% higher than the 1.06 million-sf take-up registered in 2004.

Rentals are forecast to harden at a more accelerated rate as the market moves from recovery into a strengthening phase. Grade A and prime rents are likely to reach S\$5.60 psf per month and S\$5.20 psf per month, respectively, by end-2005. Such rental levels were last attained in 2002. It should be noted that these levels are still 29% below the 10-year average (1995-2004) prime rent of S\$6.70 psf per month, so there appears to be ample room for rental growth.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Six Battery Road	Raffles Place	30,000	Standard Chartered Bank
One Raffles Quay	Raffles Quay	18,000	RZB Group
One George Street	Raffles Place	14,000	Diageo Greater China Ltd

MONTHLY RENTAL - THB 634 psm (+5.1%, Q-o-Q)

VACANCY RATE - 6.8% (-1.4% pts, Q-o-Q)

NEW SUPPLY - NIL
(Q3 05)

As a result of the strong demand and lack of new supply in Bangkok's top grade office market, Grade A rentals continued to rise in the third quarter of 2005. Prime office rents were registered to have climbed 26% y-o-y (or 5% on the previous quarter) to an average of THB 634 psm per month within the review period. Vacancy in the third quarter was compressed by 1.4 percentage points to 6.8% as a result of strong take-up witnessed within the same time frame.

While construction costs are expected to increase in the remainder of 2005 and 2006, it is forecast that robust market demand may stimulate some developers to break ground on fresh projects because of the dramatic recent rise in office rentals. It is observed that the level of new supply slated for release to the market will not meet demand. Indeed only three Grade A office buildings will be scheduled for completion in late

2005 and 2006 in the Bangkok CBD area. These projects comprise the Pornpat Tower, Q House Lumpini and The Column, totaling 1.36 million sf. In addition, the owners of existing buildings who wish to develop new office properties may dispose of their existing office facilities to listed property funds in order to raise finance for new projects, a move which would help to shield them from the effects of rising interest rates.

Meanwhile, as a result of the strong positive rental performance witnessed in the Bangkok market in the first nine months of 2005, increasing numbers of foreign investors have shown interest in acquiring office investment properties in Bangkok. During the third quarter of 2005, it was reported that the Grade A Q House Lumpini, under construction on the corner of Sathorn and Rama IV Road, is going to be sold to a property fund upon completion in late 2005 or early 2006.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Abdulrahim Place	Bangrak	8,700	Kasetsart University

VIETNAM

HO CHI MINH CITY

MONTHLY RENTAL - US\$ 28.60 psm* (Flat, Q-o-Q)

VACANCY RATE - 0.9% (+0.9% pts, Q-o-Q)

NEW SUPPLY - NIL
(Q3 05)

Within the third quarter, the Ho Chi Minh City market for top grade office properties continued to receive support from conditions of robust demand and tight vacancy. Average HCMC office occupancy, which was registered at approximately 99% within the review period, is being supported by both MNC demand as well as a growing local requirement on the part of domestic corporates who have become conscious of the business value of maintaining a prestigious office address. The pressure on the market is expected to maintain over the short-term as there is no new supply slated for release in the HCMC market for the remainder of the year.

With respect to new supply in the pipeline, SPN Tower is the next building expected to come on stream in the city's Grade A office market. Slated for completion before the end of 2007, it will provide the market with

172,000 sf of top quality office facilities. In the wider office market meanwhile, a number of Grade B projects expected to come on stream in 2006 and 2007 include Sacombank Building, Bao Minh Building, E-Town 2 Building and Times Square Building. Further down the line, Bonday-Vietcombank Tower, located at 5 Me Linh Square in HCMC's CBD, is a joint venture development project by Vietcombank and Ben Thanh Tourist of Vietnam and Hong Kong's Bonday Investments. The US\$55 million office and retail development will provide 829,000 sf of space to the market on 35 storeys and three basement levels. The project was granted a license in March 2005 and is estimated to complete by year-end of 2008. In the run-up to the completion of these projects, office market rents in Ho Chi Minh City are expected to experience further appreciation of between 10% and 15%.

MAJOR LEASING TRANSACTIONS IN Q3 2005

Property	District	Size (sf)	Tenant
Broadway	District 7	10,760	Ikea
Saigon Trade Centre	District 1	4,310	Panasonic
Saigon Tower	District 1	3,380	BNP Paribas

* Rent for Q2 2005 has been revised and no change was recorded on a quarterly basis.

PRIME OFFICE PROPERTIES

Modern office facilities with exceptional accessibility and a definite market presence along with high-quality standard finishes; state-of-the-art systems, flexible layout and large floor pates; effective central air-conditioning; good management and parking facilities are normally available.

TOTAL OCCUPANCY COST

Total occupancy costs reflects all costs of occupancy, including base rent and other occupancy-related expenses such as service charge/management fee, property taxes and opportunity cost of any large amount of deposit being paid to landlord on the commencement of the lease term. This corresponds to "inclusive" rents in most of the Asian markets or "gross" rents in the Australia/New Zealand markets.

For comparison purpose and taking into the account the difference of space measurement and rent quotation in various markets in the Asia Pacific region, the total occupancy cost figure in our publication is calculated on a net lettable area basis and is quoted in the term of US dollar per square foot on a per month basis.

RENT - LOCAL CURRENCY / MEASURE

The rent quoted is usually the typical "achievable" rent for a unit in a Grade A office building in a prime location. **Rents are expressed as headline rent, without accounting for any tenant incentives which may be necessary to achieve it.**

Rents are stated in the local currency and prevailing unit of measure, as well as in those terms - gross or net, inclusive (including management fee and/or property tax) or exclusive (excluding management fee and property tax) - that are customarily employed in the respective market.

GROSS FLOOR AREA

Gross Floor Area shall include all areas contained within the external walls at each floor level and the whole thickness of the external walls.

In general, mechanical and electrical services rooms, refuse chambers and rooms, water tanks, car parking floors and all lifts and staircases passing through these floors shall be excluded from the Gross Floor Area calculation.

INTERNAL FLOOR AREA

Internal Floor Area shall be measured to the internal finish of structural, external and / or party walls. All common areas such as toilets, lift lobby, plant rooms, stairs and corridors are excluded.

LETTABLE AREA

Lettable Area of whole floor shall include toilets and lift lobbies but exclude common areas such as lift shafts, stairs, plant rooms and smoke lobbies.

Lettable Area for sub-divided units shall be the Saleable Area of that unit plus a proportionate share of the communal toilets, lift lobbies and passageways among sub-divided units on that floor.

SALEABLE AREA

Saleable Area of the unit is measured up to the centre line of the wall separating adjoining units. The full thickness of the walls separating the units from common areas, lift shafts, light wells, staircases, etc. are included.

NET FLOOR AREA

Net Floor Area shall exclude all common areas such as common corridors, stairs, lift lobbies, toilets and plant room. It shall be measured from the centre of the enclosing external and /or party walls.

SEMI-GROSS FLOOR AREA

Semi-gross Floor Area equates to Net Floor Area plus proportion of the common areas and lift lobby for each relevant floor.

TAKE-UP

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

$$\begin{aligned} \text{Take-up} &= \text{New Completions} \\ &+ \text{Vacancy figures at the beginning of year} \\ &- \text{Demolition} \\ &- \text{Vacancy figures at year-end} \end{aligned}$$

LOCAL MARKET INFORMATION

	Definition of Prime Office Markets	Leasing Practices in Local Markets
INDIA		
Bangalore	The Bangalore CBD refers to the City of Bangalore which comprises MG Road and its immediate environs including Residency Road, Richmond Road, Ulsoor, St. Marks Road and K.B. Road.	The market practices in these three Indian cities are generally the same. The efficiency rate of Grade A office properties in India is around 75%. Rents are quoted on gross floor area basis, in Rupees psf per month, exclusive of service charges.
Mumbai	The traditional office sub-markets are situated in South Mumbai around Nariman Point and Ballard Estate, but new office sub-market areas are emerging in Bandra Kurla Complex, Malad and Andheri.	
New Delhi	Central New Delhi CBD area comprises all commercial developments in and around Connaught Place, which is the traditional prime office sub-market. New office sub-markets are emerging in suburban areas like Gurgaon.	
INDONESIA		
Jakarta	The central business district, namely Jakarta's Golden Triangle, comprises five major sub-markets, including Jl. MH Thamrin, North Jl. Jend. Sudirman, South Jl. Jend. Sudirman, Jl. HR Rasuna Said and Jl. Gatot Soebroto.	Rents are quoted on semi-gross floor area basis (90% efficiency), in US\$ psm per month, excluding monthly service charges and government taxes. Prices are quoted on saleable floor area basis.
JAPAN		
Tokyo	The Central Five Wards, where the majority of prime office property in Tokyo is located, are collectively referred to as the central business district of Tokyo, comprising Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku.	The market covered in this publication refers to the Central Five Wards of Tokyo. Rents in the Tokyo office market are asking rents quoted by landlords to brokers or the public. The rents are quoted in local currency per tsubo per month and are calculated on internal floor basis. One "tsubo" is equal to approximately 3.3 sm (i.e. 35.58 sf), which is equivalent to two tatamis. Service charges are referred to as "common area maintenance fees" and they are usually paid in addition to the base rent.
MALAYSIA		
Kuala Lumpur	The Kuala Lumpur office market is defined by the Kuala Lumpur Central Area (KLCA) and Kuala Lumpur Metropolitan (KLM). The KLCA comprise areas generally within the central business district while the KLM comprises major suburban areas located at the city fringe areas.	Rents are quoted in RM psf per month on net lettable area, including services charges and property taxes.
PHILIPPINES		
Manila	The premier central business district in Manila is Makati, which is one of the two major business districts in Metro Manila.	Rents are quoted in Peso psm per month on lettable area basis. Prices are based on saleable floor area.
PRC		
Beijing	Prime office properties in Beijing are concentrated in four main districts, comprising the Jianguomenwai CBD in Chaoyang; Wangfujing/Chang'an East Avenue in Dongcheng; Zhongguancun in Haidian and the Fuchengmenwai/Fuxingmen Finance Street areas in Xicheng.	Office rents in these three China cities are quoted in US\$ psm per month, excluding management fees/service charges as well as incentives offered by the landlord. In Beijing, Shanghai and Guangzhou rents and prices are quoted in terms of gross floor area.
Guangzhou	Prime office properties in Guangzhou are concentrated in the Yuexiu and Tianhe districts where they are clustered along Huanshi East Road, Tianhe East Road, Tianhe North Road, Zhongshan First Road and Dongfeng East Road.	
Shanghai	Prime office properties are found in both Puxi and Pudong areas. In Puxi, prime office properties are concentrated in the Huangpu, Jingan and Luwan districts along Nanjing West and Huai Hai Middle roads. In Pudong, prime office properties are mainly clustered in Lujiazui, Shanghai Commercial City and Zhuyuan Commercial and Trade Zone.	
Hong Kong	Prime office districts in Hong Kong are situated along both sides of Victoria Harbour, comprising Central, Wan Chai, Causeway Bay and Tsim Sha Tsui.	In the general market, rents are quoted in HK\$ psf per month either on net, lettable or gross basis, excluding management fees, taxes, government rents and incentives. For the purpose of publication, rental figures provided in this report are based on net floor area. Prices are quoted in psf on gross basis.

	Definition of Prime Office Markets	Leasing Practices in Local Office Markets
SINGAPORE	Singapore comprises an islandwide office market of which 90% of office space is located in the Central Region, with the remaining located in the city's outlying regional centres.	<p>The gross rent, based on the net floor area, comprises the base rent plus service charge and is payable either monthly or quarterly in advance. The service charge is an amount to be paid by the tenant to the landlord for providing specified services to the premises including lift maintenance, common area cleaning, security and air-conditioning during normal office hours, just to name a few. The amount varies from building to building. For office buildings, the service charge ranges between S\$1.00 and S\$1.30 psf per month.</p> <p>Most leases provide that the service charge may be adjusted at any time during the lease term if the cost of providing the specified services to the building increases.</p>
SOUTH KOREA Seoul	There are three major office districts in Seoul, including CBD in Chung Gu, Gangnam and Yeouido.	Rents are quoted in Won per pyung per month, measured on net floor area basis. "Pyung", which is the same as "tsubo" and "ping", is equivalent to 3.3 sm (i.e.35.58 sf). The typical efficiency of Grade A office buildings is around 65%. Usually, a substantial rental deposit is payable at the commencement of the lease and this may impact on the effective rent.
TAIWAN Taipei	In Taipei, prime office sub-markets are situated in areas near the Taipei Railway Station (TMS), along Chung Chan North Road (CSN), and in Nanking-Sung Chiang (NK-SC), Min Sheng-Tun Hwa North (MS-THN) and Hsin Yi-Keelung areas (HY-KL) in central Taipei City.	Local unit of measurement is "ping", the same as "tsubo", which is equivalent to 3.3 sm. Rents and prices are quoted in local currency on gross floor area basis, respectively.
THAILAND Bangkok	The central business district in Bangkok incorporates the Silom, Sathorn, early Sukhumvit and Lumpini sub-markets.	Rents are quoted in Baht psm per month on internal floor area basis, including service charges and household taxes. Prices are also quoted on internal floor area basis in local currency.
VIETNAM Ho Chi Minh City	The Central Business District in Ho Chi Minh City is District 1.	Rents are quoted in US\$ psm per month on the net floor area, including service & management charges but excluding 10% VAT.

ASIAN OFFICE MARKET FLASH
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