Q3 2006

ASIAN OFFICE MARKET FLASH

Office Leasing Market Quarterly Bulletin

CBRE RESEARCH

CBRE
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REGIONAL MARKET OVERVIEW

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PRC-Beijing - Demand for prime office space remained strong in the third quarter of 2006 as overseas companies continued to expand their presence in Beijing. High-end office facilities in prime locations were the most sought after space, and availability is tightening in this sector.

PRC-Shanghai - The completion of 2 Plaza 66 by the end of this year will end the four-year supply drought of Grade A office buildings along Nanjing Road West. Corporate interest in this office micro market is strong and 2 Plaza 66 has already reached a pre-commitment rate as high as 70%. The 2007 completion of Park Place will also help alleviate the tight supply pressure in this major office hub, and the 1.9 million sf of new space released by the two buildings should be rapidly absorbed by the market.

PRC-Guangzhou - As Guangzhou's rapid economic growth continues, overseas enterprises seeking to establish or expand their presence are spurring demand for Grade A office space. Demand for space in the Tianhe District, including the Pearl River New City and Tianhe Sports Centre, was vigorous. The biggest leasing transaction in the quarter was IBM's take-up of 53,800 sf in Tianhe's Centre Plaza, in which Jardines also rented about 7,500 sf of space. Activity elsewhere was concentrated in the Yuexiu District, where PCCW leased about 12,900 sf of space in the Hotel Landmark Canton Office Tower and Bossini rented about 21,500 sf in Time International Plaza.

PRC-Hong Kong - The polarisation of Hong Kong's Grade A office market became more evident in the third quarter as rents for the best quality space in Central continued to increase due to strong finance-related demand, while there were signs the pace of the upswing was easing in the remainder of the market. In light of the approaching release of a considerable quantum of office space in decentralised markets, a number of landlords are beginning to look towards tying in tenants on longer lease terms. Landlords across Kowloon, for example, were offering leasing packages at rates approximately 10% below the previous quarter's.

Taiwan-Taipei - Despite the current political instability the office leasing market remained upbeat in the third quarter. Demand picked up, with Grade A take-up increasing from 8,700 sf in the second quarter to 74,300 sf in the third. This pushed the vacancy rate down from 16.4% to 15.9%. Many landlords revised Grade A office rents upwards during the quarter after conducting rent reviews to align with the current optimistic market conditions. Due to the shortage of new Grade A supply and the continued influx of foreign investment, Grade A office rents are expected to trend upwards in the near future.

Japan-Tokyo - The upward momentum of Tokyo prime office rents persisted in the third quarter amid buoyant demand. Encouraged by the upbeat leasing activity and limited availability in forthcoming schemes, major landlords are substantially raising rents and advocating the use of fixed-term leases, which are considered to offer the potential for superior rental uplift. The average prime rent for the third quarter of 2006 reached JPY 45,000 per tsubo (US$10.7 psf) per month, excluding common area management fees (CAM), an increase of 2.9% q-o-q and 19.2% y-o-y. Prime office vacancy rebounded to 1.5%, up 90 basis points over the quarter, with the opening of three new buildings.

South Korea-Seoul - The Seoul Grade A office market's trend of decreasing vacancy and increasing rental continued in the third quarter. Leasing was upbeat in all three office sub-markets, and especially so in the CBD and Gangnam, where vacancy rates remained at the 2% level. The Samsung Group is scheduled to relocate its headquarters to Gangnam in April 2007, and office expansion by Samsung affiliates and partner companies was the major factor behind the compression of vacancy in Gangnam during the quarter. With demand for office space continuing to outstrip new supply, vacancies across all three of the major business districts are expected to remain at their troughs.

India-New Delhi - The prime office market remained brisk, with steep increases in both rentals and capital values. The municipal government's 2006 drive to clamp down on the unauthorised occupation of non-commercial facilities for office use is adding to the soaring requirement for office space. Significant infrastructure improvements in Gurgaon helped spur the district's ongoing emergence as a preferred business destination, and the partial opening of the Delhi-Gurgaon expressway by the end of the year will further enhance Gurgaon's attractiveness.

India-Mumbai - A court decision that could result in substantially higher property taxes, especially in the Nariman Point CBD, continues to be an issue in the market. The Supreme Court is reviewing the matter after receiving special petitions from numerous parties. However, the performance of the overall Mumbai office market was not affected by the issue and rentals continued to spiral upwards across all sub-markets. The Bandra Kurla Complex saw q-o-q rental growth of 34.3%, while Nariman Point CBD rentals rose 15.9% q-o-q driven by demand from overseas institutions.

India-Bangalore - Bangalore's CBD continues to face a supply crunch and the situation is not expected to ease in the medium future as there is an absence of quality land with clear title available for development. Due to the shortage of available supply, landlords holding space to be vacated in the CBD have been able to secure new tenants during the notice stage. As the imbalance in demand and supply continues some office developers and landlords are not marketing buildings under construction in order to capture potential rental increases at completion.

Indonesia-Jakarta - Three prime office buildings: Sudirman Plaza, Plaza Marein and the Sahid Office Boutique were completed during the third quarter of 2006. Situated in the Sudirman CBD, the buildings collectively provided 568,100 sf of new office space. Provided with more choices, tenants grew more selective in picking premises, while potential buyers in the strata-title sales market held back on purchasing decisions. Overseas companies continued to drive demand in the prime office market as they sought space to expand or relocate. In the quarter's largest leasing deal, PetroChina committed to relocating from the Landmark Building in Sudirman to Menara Kuningan in Kuningan by the end of the year.

Malaysia-Kuala Lumpur - The prime office leasing market was fairly active in the third quarter, with large-scale occupations of office buildings completed earlier in the year. Notable transactions within the quarter included the en-bloc lease (150,000 sf) of Plaza Sentral's Block 1A by Maxis Broadband Sdn Bhd, while IBM Malaysia Sdn Bhd took up approximately 100,000 sf of space in 8 First Avenue, located in suburban Kuala Lumpur (Bandar Utama). The Chartered Institute of Management Accountants has also moved into 8 First Avenue.

Philippines-Manila - As average vacancy levels for Grade A office space in the Makati CBD continued to tighten, reaching 2.7% in the third quarter, landlords have increasingly commanded a high premium in rents. Average lease rates in Makati escalated 11.5% q-o-q to PHP 747 psm (US$1.38 psf) per month. Makati Grade A office rents have increased by nearly a third (29.9%) since the fourth quarter of 2005 due to lack of space and the limited availability of new supply in the district.

Singapore - Continued high demand and tightening availability of office space underpinned further escalation of rents through the third quarter. The overall vacancy rate for offices in the core CBD continued its rapid tightening, dropping to 4.5% in the third quarter from 7.1% in the second and 9.5% in the first. Average prime rents rose 15% over the quarter to S$6.90 (US$4.35) psf per month and have now returned to levels last seen in 2000/2001. While some rents are now 73% above the 2004 trough, the current average is still 30% below mid-1990s levels. Looking ahead, rents are likely to increase further in the next 12 months, boosted by demand for space from financial institutions and logistics and energy companies.

Thailand-Bangkok - Thailand's slowing economy and uncertain political environment had a sobering effect on the Bangkok prime office market during the third quarter. Net absorption of Grade A office space in the CBD shrank to 60,100 sf in the quarter, a significant reduction from the average take-up of 256,100 sf over the previous four quarters. Growth in prime office rentals also slowed, increasing just 1.3% q-o-q to THB 723 psm (US$1.79 psf) per month. Prime office rent is expected to remain steady until the economic upturn anticipated next year. No new prime office supply was added during the quarter, and none will come on stream until mid-2007.

Vietnam-Ho Chi Minh City - Due to the prolonged scarcity of prime office space in the CBD, both foreign companies and new domestic businesses have been forced to accept Grade C space and space in buildings with floor areas below 10,000 sf. To alleviate this scarcity of space about 35 projects were under construction in the third quarter. However, there is some doubt whether these projects will proceed as scheduled due to various factors, including inadequate capital and delays in obtaining relevant approvals. As a result of the scarcity of supply, MNCs seeking expansion are increasingly likely to construct build-to-suit premises in District 7 or Tan Binh, where vacant land is available.

REGIONAL MARKET OVERVIEW

SUMMARY OF PRIME OFFICE RENTS (AS AT Q3 2006)

COUNTRY	CITY	MARKET RENT local currency/measure	MARKET RENT US$ psf	Quarter-on-Quarter Change	Year-on-Year Change
GREATER CHINA	**Beijing**				
	Jianguomen	US$24.80 psm[1]	2.30	0.4%	3.4%
	Zhongguancun	US$18.66 psm[1]	1.73	4.8%	7.8%
	Finance Street	US$23.82 psm[1]	2.21	0.0%	4.4%
	Shanghai				
	Pudong	US$24.54 psm[1]	2.28	0.8%	9.9%
	Puxi	US$24.88 psm[1]	2.31	1.4%	10.6%
	Guangzhou	US$11.50 psm[1]	1.07	0.4%	5.7%
	Hong Kong	HK$43.73 psf[3]	5.61	5.8%	36.4%
	Taipei	NT$2,316 pping[2]	1.97	0.6%	3.8%
JAPAN	**Tokyo**	JPY 45,000 ptsubo[3]	10.71	2.9%	19.2%
SOUTH KOREA	**Seoul**				
	CBD	KRW 84,424 ppyung[1]	2.51	0.3%	2.1%
	Gangnam	KRW 67,676 ppyung[1]	2.01	0.4%	3.3%
	Yeouido	KRW 52,886 ppyung[1]	1.57	0.0%	0.8%
INDIA	**New Delhi**				
	Connaught Place	INR 200 psf[1]	4.35	21.2%	100.0%
	Gurgaon	INR 55 psf[1]	1.20	31.0%	71.9%
	Mumbai				
	Nariman Point	INR 255 psf[1]	5.55	15.9%	75.9%
	Bandra Kurla Complex	INR 235 psf[1]	5.12	34.3%	80.1%
	Bangalore	INR 56 psf[1]	1.22	0.0%	12.0%
INDONESIA	**Jakarta**	US$7.74 psm[5]	0.72	2.1%	15.9%
MALAYSIA	**Kuala Lumpur**	RM 4.55 psf[4]	1.23	1.1%	2.2%
PHILIPPINES	**Manila**	PHP 747 psm[3]	1.38	11.5%	35.8%
SINGAPORE	**Singapore**	S$6.9 psf[4]	4.35	15.0%	40.8%
THAILAND	**Bangkok**	THB 723 psm[4]	1.79	1.3%	14.0%
VIETNAM	**Ho Chi Minh City**	US$31 psm[6]	2.88	3.3%	10.7%

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

EXCHANGE RATE TO US$ (AS AT 30 SEPT 2006)

PRC	7.90	Japan	118.07	Indonesia	9,225.00	Singapore	1.59
Hong Kong	7.79	South Korea	946.50	Malaysia	3.69	Thailand	37.59
Taiwan	33.10	India	45.93	Philippines	50.19	Vietnam	16,054.50

PEOPLE's REPUBLIC OF CHINA — BEIJING

MONTHLY RENTAL - CBD: US$24.80 psm (+0.4%, Q-o-Q) - Zhongguancun: US$18.66 psm (+4.8%, Q-o-Q) - Finance Street: US$23.82 psm (-0.0%, Q-o-Q)	VACANCY RATE - 13.2% (-1.4% pts, Q-o-Q)	NEW SUPPLY - 904,200 SF (Q3 06)

The Beijing prime office market continued to perform buoyantly during the quarter, recording a high level of leasing activity supported by a steady increase in demand. Prime office average rentals increased 1.8% q-o-q to US$21.78 psm (US$2.02 psf) per month, while the vacancy rate in the sector dropped 1.4 percentage points q-o-q to 13.2%.

The strong demand for prime office space in a number of office areas has been fuelled by a wave of expansionary plans by overseas enterprises in various industries. There were a number of significant leasing deals during the quarter, the largest being Internet firm MSN's agreement to take 161,500 sf of office space in Torch Tower in the Tsinghua Science Park. Automaker BMW rented 139,900 sf of office space in Chaoyang District's Gateway Plaza, which also secured agreements from Fuji Xerox and Cummins, both of which will rent over 10,000 sf of space. In the CBD the expansion of financial institutions was the major demand driver, with UBS committing to take up 32,300 sf of space in the LG Building.

To capitalise on their advantageous position and enhance their competitiveness in the market, landlords of top Grade A offices have begun to adjust their tenant mix, becoming increasingly selective in picking office tenants so as to attain higher rental levels. A number of office buildings in the CBD completed such adjustments to their tenant mix during the quarter. Several recently completed projects have also been refining their tenant selection strategies after attaining satisfactory occupancy levels.

Sino Steel Plaza, the only building completed during the quarter, provided 904,200 sf of prime office space in Zhongguancun, far less than the 1.6 million sf of net absorption recorded for the period.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Torch Tower	Haidian	161,500	MSN
Gateway	Chaoyang	139,900	BMW
LG Building	Chaoyang	32,300	UBS

PEOPLE's REPUBLIC OF CHINA — SHANGHAI

MONTHLY RENTAL - Pudong: US$24.54 psm (+0.8%, Q-o-Q) - Puxi: US$24.88 psm (+1.4%, Q-o-Q)	VACANCY RATE - 5.9% (+0.3% pts, Q-o-Q)	NEW SUPPLY - 1,054,700 sf (Q3 06)

Shanghai prime office rentals continued their upward trajectory during the third quarter, with the average rental of Puxi and Pudong prime offices rising 1.4% to US$24.88 psm (US$2.31 psf) per month and 0.8% to US$24.54 psm (US$2.28 psf) per month respectively, q-o-q. As the keen demand outstripped available space, the market warmly welcomed the launch or pre-commitment of high-quality projects.

Demand for prime office space remained strong, with total take-up reaching 858,000 sf in the third quarter. MOL committed to 32,300 sf of space in Hongyi Plaza on Nanjing Road East, while Michelin took up 23,700 sf of space in Cloud Nine near Zhongshan Park. Elsewhere, Tesco leased two whole floors in 2 Grand Gateway and Crane China occupied 14,900 sf in Huaihai Plaza. Four Grade B office buildings were completed during the quarter, releasing about 1.1 million sf of office space. This led to a slight increase in the vacancy rate, which increased 30 basis points to 5.9% during the quarter.

In Pudong, the Zhuyuan area is expected to develop into the second major office micro market after Lujiazui. Zhuyuan will boast a better transportation link, as it will be the confluence of four metro lines. Market interest has also been boosted by Hutchison's Century Avenue project, an integrated complex that will include office space, a shopping mall and a hotel. In the next five years, at least five office projects will be completed in Zhuyuan, including the Shengda Centre, Gezhouba Mansion, CSCEC Building, Hope Mansion and the office tower of Century Avenue.

In the strata-title sales market, average capital value in both Puxi and Pudong increased 1.7% q-o-q to US$3,218 psm (US$299 psf) and US$2,943 psm (US$273 psf) respectively. The Changning District in Puxi saw the most activity, with the DZ Finance Tower and Metrobank Plaza selling about 35,500 sf and 77,500 sf respectively. In Pudong, the east tower of Eton Place sold another 12 units totaling 19,400 sf, boosting the overall sales rate above 95%.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Huaihai Plaza	Xuhui	14,900	Crane China
Citigroup Tower	Pudong	14,300	Chia Tai Land
Bund Centre	Huangpu	4,700	WHL Consultants

MONTHLY RENTAL - US$11.50 psm (+0.4%, Q-o-Q) **VACANCY RATE - 15.4% (-0.4% pts, Q-o-Q)** **NEW SUPPLY - 2,414,000 (Q3 06)**

Both demand and supply were strong in Guangzhou's Grade A office market during the quarter. The two prime office projects completed in the third quarter, R&F Profit Plaza and Yuexie City Plaza, provided a total of 2.4 million sf of new office space. Most available space was absorbed by companies entering Guangzhou or expanding their presence in the city, supporting Grade A office rents. Total take-up during the quarter was 2.2 million sf, driving the vacancy rate down 40 basis points q-o-q to 15.4%. Average rent for prime offices increased 0.4% q-o-q to US$11.5 psm (US$1.07 psf) per month. Grade A office rents in Tianhe North and Pearl River New City remained stable, with vacancies below 10%.

Optimistic about Guangzhou's future office market, many developers are working to build up their land banks in Pearl River New City, the city's planned new CBD. Some, including the domestic developer Agile Properties, have shifted part of their investment from residential projects into the commercial sectors. In August, Agile purchased an office plot in Pearl River New City for RMB 325 million (US$40.6 million). In its first office development, Agile plans to develop a Grade A office building with a total GFA of 952,200 sf on the site. In August, Guangdong Rising Assets Management Co Ltd purchased a plot in the new CBD for RMB 480 million (US$60.7 million), at an accomodation value of over RMB 4,052 psm (US$47 psf). R&F Properties also increased their Pearl River New City land reserves, adding two plots at a total consideration of RMB 448 million (US$56.7 million).

Between now and the end of 2007 over 10 million sf of office space is slated to reach market. Grade A office buildings scheduled for completion in this period include the R&F Centre, China Plaza and Teem Plaza. The release of this huge supply of office space is expected to increase vacancy rates in the first half of 2007.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Tianhe	Centre Plaza	53,800	IBM
Tianhe	Xin Yuan Building	21,500	Accenture
YueXiu	Time International Plaza	21,500	Bossini

PEOPLE's REPUBLIC OF CHINA — HONG KONG

MONTHLY RENTAL - HK$43.73 psf (+5.8%, Q-o-Q) **VACANCY RATE - 3.5% (-0.6 pts, Q-o-Q)** **NEW SUPPLY - NIL (Q3 06)**

On the back of the strong demand for top grade space in Central, space in premium Grade A buildings is being rapidly taken up as existing banking and finance tenants remain keen on internal expansion.

In a CBRE Research occupancy analysis of the top ten Grade A buildings in Central, vacancy in the third quarter fell to 1.3%. This further compression, to half the rate seen in the previous quarter, reflects the considerable gravitational pull of the best space available in the market. On the back of this compression, as well as that across other prime districts, take-up was fairly low during the quarter.

Meanwhile rentals in most prime office precincts continued to harden, the exception being Tsim Sha Tsui, which registered a q-o-q downward adjustment of 2.8%.

The hardening of rentals and absence of availability in prime districts fuelled rental growth and take-up in Hong Kong Island's decentralised office districts. Over 320,000 sf was taken up in these areas, ahead of all other districts during the quarter.

Looking ahead, the tight market conditions for prime offices on Hong Kong Island are expected to continue in the near and medium term, as the fourth-quarter release of 114,700 sf (net) in York House in Central is unlikely to ease the demand pent up in the market. CBRE forecasts that the ongoing market squeeze will heighten the flight-to-cost-savings trend. The shortage of new prime-located supply, the resulting firm uptick in core rentals, and the upsurge of new non-core supply should lead to an increasing geographical shift in the Grade A office market over the medium term.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
York House	Central	8,300	Legg Mason
Warwick House	Quarry Bay	40,000	ACNielsen
One Kowloon	Kowloon Bay	100,000	Maersk

TAIWAN TAIPEI

MONTHLY RENTAL - NT$ 2,316 pping (+0.6%, Q-o-Q) **VACANCY RATE - 15.9% (-0.5% pts, Q-o-Q)** **NEW SUPPLY - NIL (Q3 06)**

The Grade A office market saw further hardening in both asking rentals and average achievable rentals during the quarter. The market's tightening vacancy, combined with the low foreseeable volume of new supply and the persistence of robust demand is giving landlords the upper hand in most leasing negotiations. Major landlords in the TWTC Building and Taipei 101 are leading the way in the rental increases, while relocating insurance companies and financial institutions are the most active participants in the prime office leasing market.

The Xinyi Planned District saw intense demand for high quality space, with major transactions including ING's commitment to 188,800 sf of floor space in Taipei 101 and GE Capital taking up approximately 57,600 sf of office space in the Shin Kong Min Shen Building. The buoyant leasing activity in Xinyi compressed its vacancy rate to 26.4%, a q-o-q fall of 90 basis points. Districts other than Xinyi recorded vacancy rates ranging between 4.5% and 6.6%.

Rentals in Xinyi appreciated at the steepest rate among the major office markets, rising 1.6% q-o-q, while overall Grade A office rents rose 0.6% q-o-q to NT$2,316 per ping (US$1.97 psf) per month. Rentals are expected to increase by 5% during the coming year given the continued lack of new supply and the persistence of strong demand. Rising construction costs and the lack of quality land for development are also expected to contribute to the increase in Grade A office rents. The demand for Grade B office space was stable with the vacancy rate in Xinyi remaining at 7.6%.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Taipei 101	Xinyi	188,800	ING
Shin Kong Min Sheng	Minsheng - Dunhua North	57,600	GE Capital
CEC Dun Nan Tower	Dunhua South - Renai	14,400	CLSA

JAPAN TOKYO

MONTHLY RENTAL - JPY 45,000 ptsubo (+2.9%, Q-o-Q) **VACANCY RATE - 1.5% (+0.9% pts, Q-o-Q)** **NEW SUPPLY - 1,093,000 sf (Q3 06)**

Rents for prime office space sustained level growth through the third quarter. The average prime rent reached JPY 45,000 per tsubo (US$10.7 psf) per month (excluding common area management fee), an increase of 2.9% q-o-q and 19.2% y-o-y. Rent-free incentives have fallen dramatically over the past year, dropping from an average of four months to one month. This quarter saw the first major wave of fixed-term lease renewals since their introduction in 2000, and landlords are leveraging the opportunity to increase rents to new highs. DaVinci Advisors has set a new benchmark for prime office asking rents by seeking JPY 65,000 per tsubo (US$15.5 psf) per month (inclusive) at Pacific Century Place Marunouchi Building, representing a premium of approximately 30% to the market average.

Meanwhile Mitsubishi Estate, owner of the Marunouchi Building, is understood to be seeking rental uplift of 20-30% for tenants with fixed-term leases and 15-20% increases for those with conventional two-year perpetually renewable leases. Similarly, Mori Trust, with more than half of its tenants under fixed-term leases, is purported to be planning to lift rents by up to 50% to bring them in-line with rents achieved for new lettings.

Landlords' rising rental expectations and their belief in the value of withholding some vacant stock gave rise to the 90-basis point rebound in vacancy from the all-time low of 0.6% recorded in the previous quarter. Unlike the typical full-occupancy openings seen earlier in the year, this quarter's nearly 1.1 million sf of prime office stock completions, Toranomon Towers Office and Mita Twin Buildings East and West, opened with 20-30% availability. Confirming the trend is Sumitomo Realty and Development's strategy of maintaining its office portfolio vacancy at the 5% level as a mechanism to allow for further rental upswing in light of the continued robust tenant demand.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Shinagawa Seaside South Tower	Shinagawa-ku	64,000	Bank of Tokyo Mitsubishi UFJ
Kamisugaseki R7 Project Kanminto*	Chiyoda-ku	130,250	Teijin Limited
Toyosu Centre Building Annex	Koto-ku	721,250	NTT Data

* *Tentative name*

SOUTH KOREA SEOUL

MONTHLY RENTAL - CBD: KRW 84,424 ppyung (+0.3%, Q-o-Q)
- Gangnam: KRW 67,676 ppyung (+0.4%, Q-o-Q)
- Yeouido: KRW 52,886 ppyung (+0.0%, Q-o-Q)

VACANCY RATE* - 2.6% (-0.1% pts, Q-o-Q)

NEW SUPPLY *- NIL (Q3 06)

Seoul's office leasing market maintained its upbeat performance, with vacancy continuing the downward trend it has displayed since 2005. At 2.3%, vacancy in the CBD was the lowest of the three major business districts, decreasing 60 basis points q-o-q. Gangnam's vacancy also tightened slightly, declining 30 basis points to 2.5%, while Yeouido's vacancy rate increased to 3.4% due to EMC's relocation from the 63 Building to the Star Tower in Gangnam. Prime rental values meanwhile continued to edge upwards, increasing 0.23% q-o-q, with Gangnam showing the steepest increase.

Two Grade B office buildings were completed in Gangnam during the quarter, providing approximately 260,000 sf of total GFA. However only one of the two, JS Tower, was released to the leasing market, the Lotte Canon Headquarters Building being owner-occupied. The small quantum of new space was unable to relieve the current strong demand for prime office facilities, and the limited supply of new prime office space in the Gangnam business district is exerting upward pressure on both rentals and capital values in the area.

In Incheon, on Seoul's western fringe, development of the large-scale prime office New Songdo City is progressing smoothly. In September, the Morgan Stanley Real Estate Fund announced that it would invest US$350 million in the development of Songdo International City, beginning with US$150 million this year to construct a 65-storey mixed-use building.

Although South Korea's economy is expected to become slightly sluggish in late 2006, the demand for high quality office space is expected to remain firm over the short-term. The persistent imbalance between demand and supply of prime office facilities is expected to continue until the large-scale release of new supply in 2007. In the meantime, vacancy is expected to remain at low levels while rentals will continue to rise.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Hungguk Life Insurance Building	CBD	41,900	Morgan Stanley
Star Tower	Gangnam	81,800	EMC
Star Tower	Gangnam	35,600	Kumho Life Insurance

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

INDIA NEW DELHI

MONTHLY RENTAL - CBD: INR 200 psf (+21.2%, Q-o-Q)
- Gurgaon: INR 55 psf (+31.0%, Q-o-Q)

VACANCY RATE* - 7.0% (-2.0% pts, Q-o-Q)

NEW SUPPLY* - 400,000 sf (Q3 06)

The strong upward movement of office rents and capital values in Delhi and the surrounding National Capital Region gained momentum during the third quarter, with prime office rentals in the CBD and Gurgaon rising 21.2% and 31%, respectively, q-o-q. CBD rents reached INR 200 (US$4.35) psf per month, while rent in Gurgaon averaged INR 55 (US$1.2) psf per month. Rentals and capital values are expected to stabilise or marginally appreciate in the short term, after experiencing steep increases in the past four quarters. The CBD vacancy rate shrank two percentage points q-o-q to 7%, while vacancy in Gurgaon fell to 2.3%.

The major demand drivers for prime office space are smaller local enterprises and expansion by existing occupiers. Landlords holding available space in prime office buildings under construction in Nehru Place, Jasola and Saket are in active negotiations with potential tenants. Significant leasing deals included commitments for additional space by ICICI Bank, Amway Bose, Boeing and Idemitsu. Existing Grade B office facilities in Okhla and Mohan Co-operative have attracted smaller clients dislodged by the first-quarter 2006 municipal government order forbidding the use of residential units as commercial offices.

The peripheral office markets also remained strong due to constant demand from the banking, insurance and IT/ ITES sectors. Insufficient availability and the pre-commitment of most supply drove both rental and capital values in these markets to all time highs, and no significant correction is expected in the short-to-medium term.

As the preferred destination for homegrown IT companies, NOIDA has reenergised itself with a new round of completions by reputable developers such as DLF and Unitech. New campus size developments and refurbished industrial buildings have been added to the existing stock in NOIDA.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
DLF Building 7A	Gurgaon	140,000	Royal Bank of Scotland
DLF Buildings 9A & 9B	Gurgaon	350,000	NOKIA
DLF Building 10	Gurgaon	450,000	Google

** The figures refer to the Connaught Place CBD area only.*

INDIA MUMBAI

MONTHLY RENTAL - CBD: INR 255 psf (+15.9%, Q-o-Q)
- Bandra Kurla: INR 235 psf (+34.3%, Q-o-Q)

VACANCY RATE* - 5.6% (-4.3% pts, Q-o-Q)

NEW SUPPLY* - NIL (Q3 06)

The increasing demand for commercial properties, coupled with the lack of new supply, resulted in a continued spike in rental and capital values across all micro markets in Mumbai during the quarter. Rentals in the CBD recorded a 15.9% increase to INR 255 (US$4.35) psf per month, while Bandra Kurla Complex saw a 34.3% rental appreciation to INR 55 (US$1.2) psf per month, q-o-q.

As availability of prime office space in the CBD remained tight and rentals continued their steep rise, tenants again searched for alternative locations in the Extended Business District (EBD), including Worli and Lower Parel, and the Bandra Kurla Complex.

However, since the EBD and Bandra Kurla generally provide large floor plates, new entrants requiring small units remained focused on the Nariman Point CBD. Thapar House, Fort, which is in the final stages of finishing, is attracting significant interest from a number of financial institutions given its prominent location.

A large portion of the new supply expected in the first quarter of 2007 will be situated in the Bandra Kurla Complex. Over a million sf of prime office space will be introduced as a number of projects by quality developers such as Maker Group, K Raheja Corp, Naman and Wadhwa are nearing completion. However, due to the demand-supply mismatch and high land acquisition costs, these developments are unlikely to impact the upward trend in rental and capital values in the near future.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Kamala Mills	Lower Parel	40,000	KPMG
Peninsula Corporate Park	Lower Parel	12,000	AIG
Windsor	Kalina	12,000	ING

** The figures refer to the Nariman Point CBD area only.*

INDIA BANGALORE

MONTHLY RENTAL - INR 56 psf (+0.0%, Q-o-Q)

VACANCY RATE - 3.7% (-0.9% pts, Q-o-Q)

NEW SUPPLY - 129,000 sf (Q3 06)

The CBD remains the location of choice for most corporates and demand continues to exceed supply; 129,000 sf of new supply entered the market during the quarter, while take-up was 171,000 sf. New supply included Adarsh Crystal and Shankar Narayan Group's office building. The majority of the space that became vacant within the quarter was committed or leased by the end of the period.

The vacancy rate in the CBD continued to shrink, contracting 90 basis points q-o-q to 3.7%. The situation looks likely to remain the same in the near future; of the 793,000 sf of new supply expected to enter the market in the final quarter of 2006, 80% to 90% has been committed, and 209,000 sf of space in projects under construction was committed during the third quarter.

Prime office rentals in the CBD remained stable at INR 56 (US$1.22) psf per month in the third quarter, but are expected to increase in the next six months.

Prominent transactions in the quarter included Trianz Consulting leasing 78,000 sf of fully furnished space in the Embassy Icon, Swiss Re leasing 70,000 sf in the Safina Tech Park, AXA leasing 60,000 sf in the newly opened Adarsh Crystal, and ABB leasing 50,000 sf in the Prestige Opal.

In addition to the projects currently under construction, several medium (30,000 sf to 50,000 sf) and large projects (100,000 sf to 200,000 sf) in the pipeline should commence construction by the end of 2006 or in the first quarter of 2007, following delays over regulatory approvals.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Embassy Icon	CBD	78,000	Trianz Consulting
Prestige Opal	CBD	50,000	ABB
Safina Tech Park	CBD	70,000	Swiss Re

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INDONESIA JAKARTA

MONTHLY RENTAL - US$ 7.74 psm (+2.1%, Q-o-Q) **VACANCY RATE - 13.5% (+0.2% pts, Q-o-Q)** **NEW SUPPLY - 568,100 sf (Q3 06)**

Several projects, including the 473,900 sf The East, are slated to come on stream in the Sudirman CBD in the fourth quarter, following close on the heels of the three prime office buildings completed there during the third quarter. With supply trended upwards, landlords have had to adopt a competitive pricing strategy, retaining rentals at the IRD 71,400 psm (US$0.72 psf) per month level, the same rate recorded in the second quarter. Vacancy edged up 20 basis points to 13.5% in the quarter under review.

Large-scale domestic and overseas companies were the major demand drivers. In addition to the 80,700 sf PetroChina commitment in Menara Kuningan, a number of buildings under construction were able to secure large anchor tenants. Grand Indonesia, a mixed-use project in the CBD developed by the Djarum Group, obtained commitments from the BCA banking group and the electronics company Polytron. BCA will be the building's largest tenant and has reserved the right to rename the project as the BCA Tower. Also in the Sudirman CBD, Senayan City secured local television group Surya Citra Telivisi as anchor tenant. The electronics company, APC, took a larger space in the Mid Plaza Building.

In the quarter ahead the vacancy rate is expected to rise as more new office space is released while demand remains stable. With more choices available in the market, corporate occupiers will continue to have the upper hand in rental negotiations.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Menara Kuningan	Kuningan Area	80,700	PetroChina
Mid Plaza 2	Sudirman Area	2,900	APC
Jakarta Stock Exchange Tower 2	Sudirman Area	2,600	Nike S'pore Pte, Ltd (representative office)

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

MONTHLY RENTAL - RM 4.55 psf (+1.1%, Q-o-Q) **VACANCY RATE - 10.7% (-0.2% pts, Q-o-Q)** **NEW SUPPLY - NIL (Q3 06)**

Kuala Lumpur's prime office leasing market saw a number of large-scale leasing commitments in the third quarter. Overall vacancy declined 20 basis points to 10.7% during the quarter. Excluding the Petronas Twin Towers, which are leasing at a higher-than-market level ranging from RM 9 to RM 12 (US$2.44-3.25) psf per month, average prime office monthly rental saw a q-o-q increase of 1.1% to RM 4.55 (US$1.23) psf per month as a result of the tightening supply of prime office space. Prime capital values remained stable at RM 600 (US$162.7) psf at the end of the quarter.

No new prime office space came on stream in the period under review and only two prime projects are in the pipeline for completion in 2008. One of these, Menara Commerce, will be entirely owner occupied. The quantum of prime office space to be released onto the leasing market in the near to medium term is thus limited. As the supply of prime space is expected to trail the healthy demand, the outlook for the next six months remains stable to optimistic. The prime office rental rate, which has hovered at the current level for two years, is likely to face upward pressure in the short to medium future.

Demand will continue to be driven largely by the services sector, but some relocations of financial institutions, local government agencies, educational institutions and existing occupiers are also expected over the next quarter.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Plaza Sentral (Block 1A)	Kuala Lumpur	150,000	Maxis Broadband Sdn Bhd
8 First Avenue	Petaling	100,000	IBM Malaysia Sdn Bhd
Chulan Tower	Kuala Lumpur	45,000	Affin Securities Sdn Bhd

PHILIPPINES — MANILA

MONTHLY RENTAL - PHP 747 psm (+11.5%, Q-o-Q) | **VACANCY RATE - 2.7% (-0.3% pts, Q-o-Q)** | **NEW SUPPLY - NIL (Q3 06)**

At the end of the quarter average rents for Grade A office space in the Makati CBD were PHP 747 psm (US$1.38 psf) per month, an 11.5% increase q-o-q, while vacancy levels tightened from 3.0% to 2.7%. Rental rates in some prime buildings such as the Philamlife Tower and the Enterprise Center are testing the PHP 800 psm (US$1.48 psf) level, and some Grade A buildings continue to report 100% occupancy rates.

Call centres/BPO companies continue to expand their operations to new space located in alternative districts and Metro Manila fringe areas. A major BPO company committed to around 328,500 sf or 17 floors, in Robinsons Cybergate II, a 28-storey building located in Mandaluyong City scheduled for completion in the first quarter of 2007. Meanwhile, ICICI One Source took up three floors or approximately 59,200 sf at Plaza@D in the Northgate Cyberzone in Alabang. In order to accommodate demand due to the continued growth of the call centre/ BPO sector, developers are increasingly looking to provide more build-to-suit facilities and IT buildings in various locations.

Despite the emergence of new space in alternative districts and other areas of Metro Manila, demand for office space is forecast to outpace new supply in the short and medium term. Office rentals in the Makati CBD are expected to rise further while vacancy rates will remain in single digits over the medium term. Meanwhile, rental rates should continue to outpace increases in capital values, leading to moderate growth in yields over the next two to three years.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Ayala Tower One and Exchange Plaza	Makati	8,500	ING Bank
Ayala 6750 Bldg.	Makati	3,500	NGL Pacific Inc.
RCBC Plaza	Makati	2,700	Accela Inc.

SINGAPORE — SINGAPORE

MONTHLY RENTAL - S$ 6.90 psf (+15.0%, Q-o-Q) | **VACANCY RATE - 0.7% (-2.0% pts, Q-o-Q)** | **NEW SUPPLY - NIL (Q3 06)**

Sustained strong demand and tightening availability underpinned the further escalation of rents through the third quarter. At the end of September, the vacancy rate in the core CBD had dropped to 4.5%, while rates in the decentralised office markets averaged 1.5%. Demand in these districts was driven by strong demand from banking and financial institutions.

Strong tenant expansion and limited space have placed landlords in a strong position and their expectations have risen accordingly. Average prime rents soared 15% q-o-q to S$6.9 (US$4.35) psf per month, returning to the previous peak level of 2000/2001.

CBRE projects that prime rents will reach S$7.3 (US$4.6) psf per month by the end of 2006. Rents are also likely to increase further in 2007, boosted by ongoing growth in the sectors mentioned above.

Known new office supply from 2007 to 2010 will average 610,000 sf per annum, 65% less than the average released between 1996 and 2005. There is some concern that the absence of suitable premises could constrain new entrants and businesses seeking to expand. Relief is likely to come in 2010 with the completion of phase one of the Marina Bay Financial Centre and any supply resulting from the sites sold by the government in the second half of 2006.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Gateway West	Beach / Middle Road	54,000	DHL
Harbourfront Centre	Harbourfront	52,000	Merrill Lynch
Hitachi Towers	Raffles Place	50,000	Hitachi

THAILAND — BANGKOK

MONTHLY RENTAL - THB 723 psm (+1.3%, Q-o-Q) | **VACANCY RATE - 9.3% (-0.4% pts, Q-o-Q)** | **NEW SUPPLY - NIL (Q3 06)**

The next office building slated for completion in the CBD is the Athenee Tower on Wireless Road, scheduled to open in mid-2007. However the market is still digesting the 1.4 million sf pocket of office space released in the first quarter of 2006, and is not expected to come under pressure despite the lack of new supply in the short term.

The net take-up of Grade A offices in the CBD during the quarter was 60,100 sf, a 78.3% drop q-o-q and 65.2% lower than the same period last year. This major decrease in net take-up was attributed primarily to the slowing economy and the political uncertainty concerning the interim government, though company relocations to Grade B facilities in search of lower costs were also a factor.

The vacancy rate of prime office space decreased to 9.3%, representing a compression of 0.4 percentage points from last quarter and 2.5 percentage points from the first quarter.

The average rent of Grade A offices in the CBD edged up 1.3% to THB 723 psm (US$1.79 psf) per month during the quarter. This was the smallest quarterly increase during the past two years, reflecting the diminishing momentum of rental growth. Under current market conditions there should be only limited increases in prime rentals.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Exchange Tower	Klong Toei	49,500	Bristol-Myers Squibb
Exchange Tower	Klong Toei	19,400	Aeon Thanasinsap Co., Ltd.

VIETNAM — HO CHI MINH CITY

MONTHLY RENTAL - US$ 31.0 psm (+3.3%, Q-o-Q) | **VACANCY RATE - 0.0% (-0.0% pts, Q-o-Q)** | **NEW SUPPLY - NIL (Q3 06)**

The imbalance of demand and supply in the prime office market is expected to persist in the medium term, particularly in the CBD. There is no new supply of prime office space, while huge demand has accumulated due to the rapid development of the private sector and the influx of foreign companies since 2004.

Since no prime office facilities are available in the market, landlords of HCMC prime office space continue to quote higher rents. In the third quarter, rent increased 3.3% q-o-q to US$31 psm (US$2.88 psf) per month, including service charge but excluding 10% value-added tax. The extended period of near-total occupancy in the CBD means that some multi-national companies and large Vietnamese businesses requiring large office floor plate have opted to build their own premises outside the CBD. Examples include Petro VN, Manulife, Unilever, Bao Minh and Vietcombank.

Several buildings outside the CBD will be completed early next year, including E-Town 2 (290,600 sf) and the CETPA Building (124,800 sf) in the Tan Binh District, Manulife (64,600 sf) in District 7 (largely reserved for self-use) and the N'Orch Building (64,600 sf) in District 1. These buildings are taking reservations from prospective tenants.

In the final quarter of 2006 the limited office supply, especially in the CBD, will continue to exert upward pressure on rental rates, which CBRE forecasts to reach US$34-37 psm (US$3.16-3.44 psf) per month by the end of 2006. Developers able to rapidly complete projects under construction in the CBD will benefit from the continued upward momentum on rentals.

MAJOR LEASING TRANSACTIONS IN Q3 2006

Property	District	Size (sf)	Tenant
Miss Ao Dai	1	4,900	ILA International Language School
Capital Place	1	1,900	AIG Insurance Company
Saigon Centre	1	11,400	GE

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 cost reflects all costs of occupancy, including base rent and other occupancy-related expenses such as service charges/management fees, property taxes and the opportunity cost of any large deposit paid to landlords 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 purposes and taking into the account the differences in 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 terms of US dollars 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 fees and/ or property taxes) or exclusive (excluding management fees and property taxes) - 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 lobbies, plant rooms, stairs and corridors are excluded.

LETTABLE AREA

The Lettable Area of whole floors 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

The Saleable Area of a 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. is 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 lobbies for each relevant floor.

TAKE-UP

Take-up figures represent the net increase in occupied floor space in the period. The figures are arrived at using the following method:

Take-up = New Completions
+ Vacancy figures at the beginning of period
– Demolition
– Vacancy figures at period-end

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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 a 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	The 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 a semi-gross floor area basis (90% efficiency), in US$ psm per month, excluding monthly service charges and government taxes. Prices are quoted on a 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 an 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 comprises 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: 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 Chinese 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.
Shanghai	Prime office properties are found in both the 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 the Zhuyuan Commercial and Trade Zone.	
Guangzhou	Prime office properties in Guangzhou are concentrated in the Tianhe and Yuexiu districts. In Tianhe, prime office properties are located in both Tianhe Sports Centre and Pearl River New City. In Yuexiu, prime office properties are clustered along Huanshi East Road, Dongfeng Road and Zhongshan Road.	
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 on either 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 psf on a 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 remainder located in the city's outlying regional centres.	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$1.30 psf per month. Most leases provide that the service charge may be adjusted at any time during the lease term if the cost of providing the specified services to the building increases.
SOUTH KOREA Seoul	There are three major office districts in Seoul, including CBD in Chung Gu, Gangnam and Yeouido.	Rents are quoted in Won per pyung per month, measured on a net floor area basis. "Pyung", which is the same as "tsubo" and "ping", is equivalent to 3.3 sm (i.e.35.58 sf). The typical efficiency of Grade A office buildings is around 65%. Usually, a substantial rental deposit is payable at the commencement of the lease and this may impact on the effective rent.
TAIWAN Taipei	In Taipei, prime office sub-markets are situated in areas near the Taipei Railway Station (TMS), along Chung Chan North Road (CSN), and in Nanking-Sung Chiang (NK-SC), Min Sheng-Tun Hwa North (MS-THN) and Hsin Yi-Keelung areas (HY-KL) in central Taipei City.	The local unit of measurement is the "ping", which is the same as "tsubo" and "pyung", and is equivalent to 3.3 sm. Rents and prices are quoted in local currency on a gross floor area basis.
THAILAND Bangkok	The Central Business District in Bangkok incorporates the Silom, Sathorn, early Sukhumvit and Lumpini sub-markets.	Rents are quoted in Baht psm per month on internal floor area basis, including service charges and household taxes. Prices are also quoted on an internal floor area basis in local currency.
VIETNAM Ho Chi Minh City	The Central Business District in Ho Chi Minh City is District 1.	Rents are quoted in US$ psm per month on the net floor area, including service and management charges but excluding 10% VAT.

ASIAN OFFICE MARKET FLASH

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