ASIA INVESTMENT MARKETVIEW Q3 2010

CBRE RESEARCH | ASIA

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CB RICHARD ELLIS

CONTENTS

EXECUTIVE SUMMARY

"DIRECT REAL ESTATE INVESTMENT IN ASIA REVIVES IN THE THIRD QUARTER OF 2010"

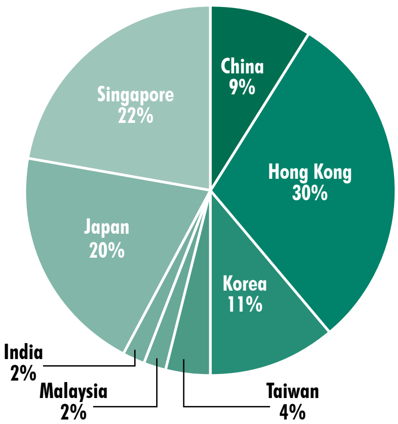
Activity in the Asian real estate investment market rose significantly during the third quarter of 2010 and the period saw a noticeable improvement in investor sentiment. The quarter saw most of the region's major real estate markets regain momentum after they had endured a brief period of uncertainty following the onset of the eurozone sovereign debt crisis. Direct real estate investment in the region excluding land transactions grew by 53% q-o-q to an estimated US$18 billion in the third quarter. Overall transaction volume in the first nine months of 2010 totalled US$46 billion, representing a surge of 102% compared with the corresponding period of 2009. The significant quarterly increase of investment volume in Asia was to a certain extent attributable to the strengthening of Asian currencies against the US dollar over the course of the review period, a trend which substantially inflated the overall volume in US dollar terms.

The majority of acquisitions completed during the third quarter were made by domestic investors, which accounted for US$15.1 billion or 83% of the total transaction volume. Cross border real estate investment activity in the region surged during the period, accounting for US$3.1 billion, a rise of over 80% q-o-q, although this figure was still low compared to the 2007 peak of US$6.3 billion. Investment by non-Asian international investors also picked up markedly, reaching an estimated US$1.7 billion. Investment made by US and European capital and investors recorded a strong rebound during the third quarter, reaching US$535 million and US$849 million, a q-o-q increase of 583% and 219% respectively. Investment activity by institutional investors and REOCs (Real Estate Operating Companies) also took off, with total investment volume collectively reaching US$7.8 billion, a surge of 66% from the corresponding period of 2009. Investment activity by Asian REITs fell by 30% q-o-q to US$1.5 billion.

The period saw investors continue to place their capital in the most liquid locations, a trend which ensured that Hong Kong was the largest investment destination during the quarter in terms of investment volume. The city accounted for US$5.2 billion, or 30% of the total regional investment volume, followed by Singapore and Japan, which accounted for 22% and 20% of the total volume respectively. Japan has witnessed the largest transaction volume for the first nine months of 2010, accounting for US$12.4 billion.

Elsewhere in Asia, China, South Korea and Singapore all posted strong q-o-q increases in transaction volume in the third quarter, rising by 191%, 165% and 161% respectively, as institutional investors continued to display a strong appetite for prime investment property in these markets.

INVESTMENT TURNOVER BY MARKET (Q3 2010)

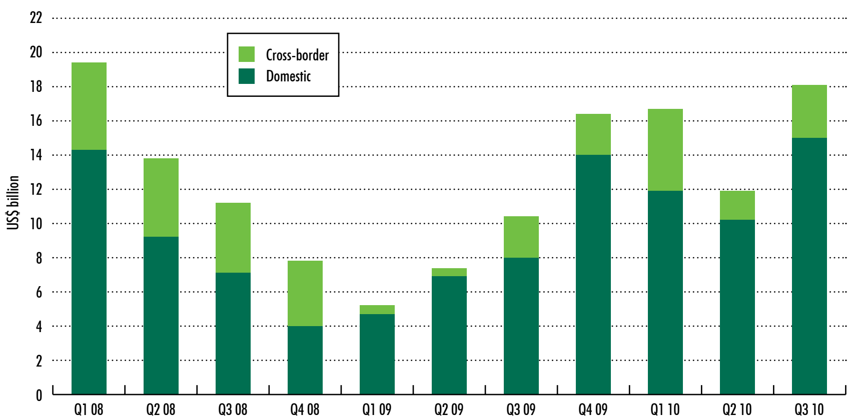


Source: CBRE Research

TRANSACTION TURNOVER IN ASIA

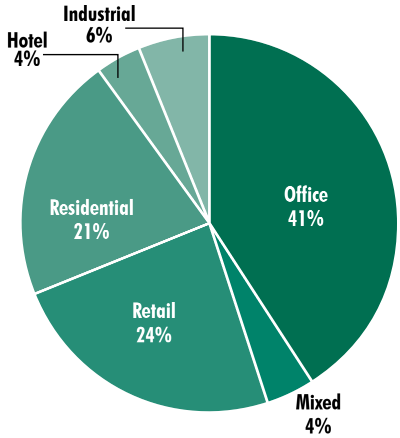
	US$ Equivalent (billion)	% Change
Q1-Q3 2010	46.4	102% (y-o-y)
Q3 2010	18.2	74.5% (vs. Q3 2009)
Q3 2010	18.2	53.6% (vs. Q2 2010)

INVESTMENT TURNOVER BY BUYER ORIGIN



Source: CBRE Research

INVESTMENT TURNOVER BY SECTOR (Q3 2010)



Source: CBRE Research

China recorded US$1.7 billion of investment in the third quarter, 9% of the total investment volume in the region. Buyers and sellers in China remained evenly split between foreign and domestic investors although the former still comprised of a small club of traditional investors as it remained difficult for new players to enter the market. The vast majority of deals were for office properties with the most notable transaction being Evergrande Real Estate Group's acquisition of the Kaisa Plaza, a prime office building currently under construction in the Pearl River New City district of Guangzhou, for a total consideration of RMB1.9 billion (US$284 million) from Kaisa Group.

South Korea endured a sluggish start to the year but enjoyed a more active third quarter as a number of deals for office development projects were completed in Seoul. Total investment in South Korea concluded during the third quarter reached US$2 billion, up 165% and 125% from the second and third quarter, respectively, resulting in an aggregate total for the first nine months of the year of approximately US$3.6 billion.

In Singapore there was a significant surge in office transactions both for conversion to residential redevelopment as well as to hold for investment purposes. Total investment sales excluding site transactions amounted to US$4 billion, a surge of 22% over the previous quarter. The office investment market burst into life during the review period, chalking up US$1.6 billion or 44% of total investment sales. With the office leasing market having turned the corner and rentals expected to strengthen in the near future, the fourth quarter is expected to see the completion of further deals in this sector.

Bucking the upwards trend, Taiwan registered a decline in transaction volume during the third quarter, with investment falling 24% q-o-q to an estimated US$747 million, a trend which was mainly due to the fall in I/O deals. However, retail and office assets remained much sought-after and the period saw institutional investors, and in particular insurance companies, aggressively seeking to purchase en-bloc and strata-titled properties.

ESTIMATED INITIAL YIELDS

City	Prime Office	Luxury Residential	Retail	Industrial
Greater China				
Beijing*	5.0–8.0%	3.0–5.0%	6.0–11.0%	9.5–11.0%
Shanghai*	4.5–5.5%	4.5–5.0%	4.5–5.0%	6.0–7.0%
Guangzhou*	5.3–7.4%	2.4–3.7%	6.0–8.0%	na
Hong Kong ^	3.3%	2.8%	3.6%	4.9%
Taipei	2.6–3.5%*	na	3.5–4.0% ^	3.0–3.8*
Tokyo ^	3.5–4.0%	5.5–6.5%	3.8–4.3%	5.5–6.0%
Seoul	5.5–6.8%*	2.0–2.2% ^	6.0–7.0%*	9.0–10.0%*
India*				
New Delhi	7.0–8.0%	2.0–3.0%	8.8–9.5%	10.0–12.0%
Mumbai	10.0–12.0%	3.5–5.0%	12.0–14.0%	13.0–14.0%
Singapore ^	3.4%	2.0%	5.7%	5.6%
Kuala Lumpur	6.0–6.5% ^	5.0–6.0%*	7.0–7.5% ^	na
Bangkok ^	5.5–7.0%	3.5–7.0%	6.0–7.5%	8.0–9.5%
Manila*	6.5–9.5%	7.0–10.0%	na	na

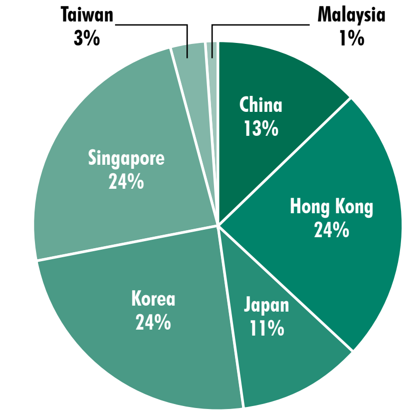
Reported initial yields for different cities are based on individual city's market practice and may be gross or net yields.

The reported estimated initial yields for office and retail in Beijing refers to estimated achievable yield, which replaced the previously reported buyer's expected entry yield.

* Gross yields - defined as the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

^ Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

OFFICE INVESTMENT IN ASIA (Q3 2010)

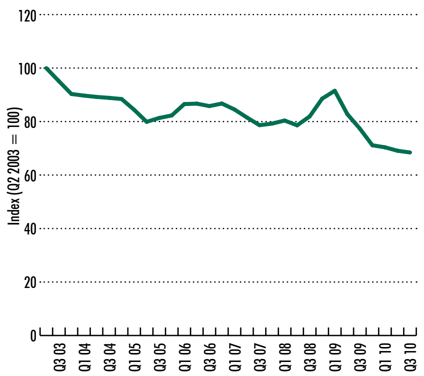


Source: CBRE Research

OFFICE

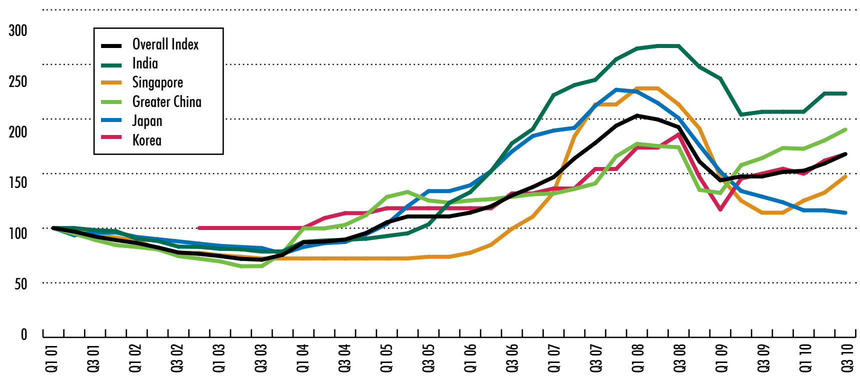
The office sector attracted a total of US$7.4 billion worth of investment in the third quarter, representing 41% of total investment volume. The segment also accounted for six of the ten largest transactions recorded during the period. Deals involving office properties were most prevalent in Singapore, Hong Kong and South Korea, and these markets collectively accounted for a total of US$5.3 billion worth of deals during the quarter. In Japan, investment volume for office properties lost some momentum following a strong first half, but was nevertheless much improved on a y-o-y basis compared to the US$588 million recorded in the third quarter of 2009. The largest office transaction concluded during the review period was the sale of DBS Towers 1 and 2 to Overseas Union Enterprise for a total of S$870.50 million (US$662 million) in Singapore. With the exception of Japan, office capital values continued to recover strongly and the rate of increase was noticeably faster than that which was witnessed in the previous two quarters. The overall weighted average office yield fell for the fifth consecutive quarter by a marginal 5 bps to 4.80%, and this minor downward yield compression reflected the fact that office yields have generally stabilised at current levels.

CBRE ASIA OFFICE YIELD INDEX



Source: CBRE Research

ASIA PRIME OFFICE CAPITAL VALUE INDEX



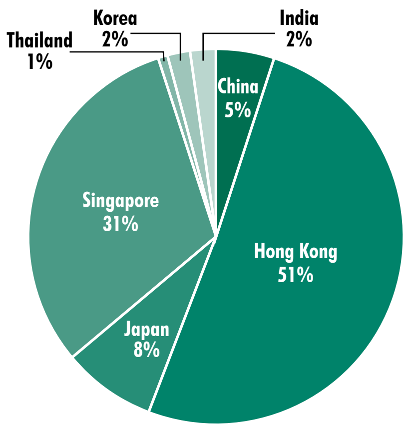
Source: CBRE Research

TOP 10 INVESTMENT DEALS

	MARKET	CITY	PROPERTY	SECTOR
1	Japan	Tokyo	Seibu Ikebukuro Department Store ^	Retail
2	Singapore	Singapore	DBS Tower 1 and 2	Office
3	Singapore	Singapore	Chevron House	Office
4	Japan	Tokyo	Shinjuku Subaru Building	Office
5	Japan	Various Cities	Japan Retail Fund's property portfolio (18 properties)	Mixed
6	South Korea	Seoul	Parc 1 - Office Tower 2 (Project)	Office
7	India	Mumbai	Mangal Kunj	Retail
8	Hong Kong	Hong Kong	Central Mansion	Residential
9	South Korea	Seoul	SmartPlex (Project)	Office
10	Singapore	Singapore	Starhub Centre	Office

* Top 10 investment deals table excludes land transactions
^ Connected Transaction

RESIDENTIAL INVESTMENT IN ASIA (Q3 2010)

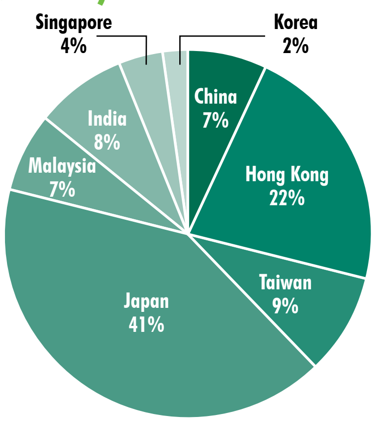


Source: CBRE Research

RESIDENTIAL

Deals for luxury homes, apartments and en-bloc residential properties during the quarter totalled US$3.9 billion, or 21% of the total regional transaction turnover by sector. The figure was a similar volume to that which was recorded in the previous quarter. Hong Kong, Japan and Singapore were the most active markets, collectively accounting for US$3.5 billion worth of transactions, with investment deals in Hong Kong amounting to US$2 billion. During the period the upbeat market sentiment and rising demand for prime development sites encouraged developers and investors in Hong Kong and Singapore to look to acquire majority stakes in en-bloc older residential buildings for redevelopment opportunities. Highlighting this trend was the collective sale of Central Mansion in Causeway Bay, Hong Kong, the majority stake in which was reportedly acquired by a real estate fund for approximately US$366 million. The property is expected to be redeveloped as a mixed development comprising residential, retail and office space. Elsewhere, in Singapore, nine properties were sold for residential redevelopment for a total of S$552.21 million (US$ 420million), of which Meng Garden fetched the highest unit price of S$1,380 psf/plot ratio. The building was sold to TG Development for US$104 million.

RETAIL INVESTMENT IN ASIA (Q3 2010)



Source: CBRE Research

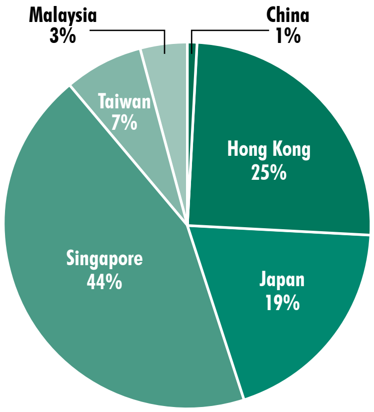
RETAIL AND HOSPITALITY

Investment in retail assets recorded a noticeable improvement in the third quarter as the sector was underpinned by the persistence of robust domestic demand in Asia and a rise in the number of inbound tourists. Transactions of major retail properties accounted for US$4.3 billion, or 24% of total investment turnover. Japan recorded the largest proportion of retail deals in the region during the period, accounting for US$1.7 billion. However, it should be noted that the US$1.7 billion worth of transactions in the country was partly inflated by the US$1.5 billion Seibu Department Store deal, which reportedly involved the equity holding of the property being transferred from a SPC to a new asset holding subsidiary of Seven & I Holdings. A total of six hotel transactions worth a combined total of US$670 million were reported during the review period, a figure similar to the volume recorded in the pervious quarter, but much improved on the US$470 million recorded in

APPROX. TRANSACTION VALUE (million US$)	SELLER	BUYER	LOCAL/ FOREIGN BUYER
1,474	Asset Ikesei Inc.	Seven & I Asset Management	Local
662	Goldman Sachs Real Estate Fund	Overseas Union Enterprise	Local
416	Goldman Sachs	Deka Immobilien Investment GmbH	Foreign
407	Fuji Heavy Industries	Odakyu Railway	Local
398	Japan Retail Fund	Sonic Investment 7	Local
365	Skylan Group	MAPS Frontier Real Estate Fund #29	Local
336	N/A	Matka King	Local
335	N/A	Phoenix Property Investors	Local
289	N/A	National Pension Services	Local
289	CapitaCommercial Trust	Frasers Centrepoint Limited	Local

the corresponding period of 2009. The quarter saw two major hotel deals in Singapore, with Park Regis Hotel sold for about US$166 million and the Ibis Singapore on Bencoolen transacted for US$152 million.

INDUSTRIAL INVESTMENT IN ASIA (Q3 2010)



Source: CBRE Research

INDUSTRIAL

Demand for industrial space in Asia generally remained firm in the third quarter with the logistics sector particularly active as companies actively looked for new facilities for expansion. Transactions for industrial assets amounted to US$1.1 billion, a similar figure to that which was recorded in each of the first and second quarters of 2010, but nevertheless a 66% y-o-y improvement on the US$668 million recorded in the third quarter of 2009. The largest industrial investment transaction during the period was recorded in Japan and involved Prologis' sale of Ichikawa Logistics Center II to Japan Logistics Fund for US$209 million. Singapore also saw one notable industrial transaction with the disposal of C&P Logistics Hub to AIMS AMP REIT for US$122 million in August. The prime yield for industrial and logistics properties across the region stood at 6.9% during the third quarter, a figure that was largely unchanged from the second quarter.

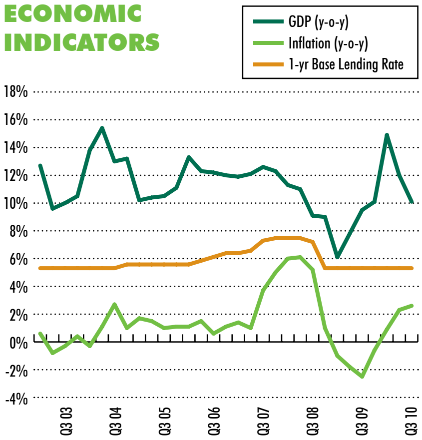
OUTLOOK

Although the market recovery in Asia has been uneven thus far, the strengthening of Asian currencies against the US dollar coupled with the recent introduction of the second round of quantitative easing measures by the US Government should mean that investment funds will reallocate an increasing portion of their portfolios to real estate across the region. Investment capital will initially be funnelled into the most liquid and open markets such as Hong Kong and Singapore, and eventually flow into emerging markets including China and Southeast Asian locations offering higher returns and opportunities for real estate development. However, the growth of the Asian real estate investment market will increase the downward risks relating to potential asset price bubbles and inflation, while monetary policy settings by major Asian governments will also remain a cause for concern. Nevertheless, the market outlook remains generally optimistic and CBRE Research Asia continues to retain its earlier forecast that the total volume of real estate investment in 2010 should reach around US$60 billion.

Note:
1. Asia property investment sales volume is based on preliminary surveys carried out by CBRE Research Asia on major notable property transactions in major Asian cities, excluding land transactions and subject to final revision.
2. CBRE Research Asia has adopted relevant measurements and definitions in calculating real estate investment capital flow figures in Asia (i.e. we only track publicly announced deals above a minimum threshold which are converted to US dollars using exchange rates recorded during each survey period.)
3. Investment volume excludes development site transactions.

GREATER CHINA
BEIJING

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	10.1% (Q3 10)	12.0% (Q2 10)
Inflation Rate (y-o-y)	2.6% (Sep 10)	2.3% (Jun 10)
1-year Lending Rate (end of period)	5.31% (Q3 10)	5.31% (Q2 10)

INITIAL YIELDS

Prime Office	5.0 - 8.0%
Luxury Residential	3.0 - 5.0%
Retail	6.0 - 11.0%
Industrial	9.5 - 11.0%

Note:
The reported estimated initial yields for prime office and retail in Beijing refers to estimated achievable yield, which replaced the previously reported buyer's expected entry yield.

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

Activity in the Beijing real estate investment market picked up in the third quarter as investor confidence gradually returned after a quiet six months. The period saw selected foreign and local investors actively scouting for investment opportunities. Domestic investors accounted for the bulk of transaction activity as foreign investors continued to find it difficult to compete with local buyers who were more aggressive on pricing. One en-block office transaction was completed during the month, with Sohu.com, a leading Chinese provider of internet media, search, online games, and wireless value-added services announcing that its subsidiary company Changyou.com Ltd., had signed an agreement with a real estate developer to purchase an office building development with a total area of 600,000 sf for RMB 977 million (US$146 million). The building will serve as Changyou.com's headquarters and is scheduled to be completed by the end of 2012. The project is located in the Shijingshan Digital Creative Industry Park in Shijingshan District, and the developer is Raycom Real Estate Development Co., Ltd.

The Interim Measures for Insurance Funds Investing in Real Estate were promulgated in the third quarter, The guidelines state the means by which insurance funds can invest in real estate on the mainland. Insurance funds are not permitted to invest in private residential property, directly participate in real estate development or establish any real estate enterprise. Despite these restrictions it is expected that insurance funds will provide the real estate investment market in China with a big boost in the medium to long term, although most insurance companies have adopted a wait-and-see attitude towards real estate investment and are still in the process of formulating their investment strategy.

Also during the quarter the Ministry of Land and Resources and Ministry of Housing and Urban-rural Development jointly issued a directive strengthening regulation and governing the use of land by real estate firms and the management of real estate development companies. The core idea of the directive is that if an enterprise opts to leave a parcel of land idle for over a year, the enterprise and its controlling shareholders will be prohibited from bidding for future land plots, thereby discouraging developers from hoarding land. Looking ahead, the market is expected to remain somewhat quiet over the remainder of the year as confidence slowly returns to the market.

MAJOR TRANSACTIONS

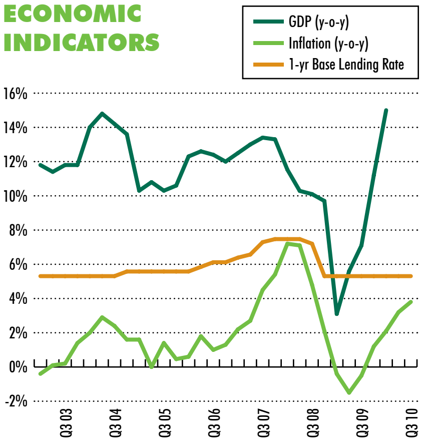
EXCHANGE RATE: US$ 1 = RMB 6.691 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) RMB	US$
Hotel	Chaoyang	Ascott Beijing*	1,536	230
Office	Shijingshan	Raycom Creative Industrial Centre	977	146

* Connected transaction

GREATER CHINA
SHANGHAI

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	15.0% (Q1 10)	11.2% (Q4 09)
Inflation Rate (y-o-y)	3.8% (Sep 10)	3.2% (Jun 10)
1-year Lending Rate (end of period)	5.31% (Q3 10)	5.31% (Q2 10)

INITIAL YIELDS

Prime Office	4.5 - 5.5%
Luxury Residential	4.5 - 5.0%
Retail	4.5 - 5.0%
Industrial	6.0 - 7.0%

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

Shanghai saw a steady flow of investment deals in the third quarter and a number of major transactions were under discussion. Buyers and sellers remained evenly split between foreign and domestic investors although the former still comprised of a small club of long standing China investors as it remained difficult for new overseas players to enter the market. A number of overseas funds put assets up for sale but did so only because their fund life had expired. The decrease in the number of investment deals and investment turnover could, to a large extent, be attributed to the lack of investable stock, and the period saw the market remain very competitive with tight yields and a continued rise in prices.

Income-producing properties in prime locations attracted the most interest from investors during the period. The capital values of luxury apartments and offices rose further by 0.9% and 1.2% q-o-q respectively. The quarter also witnessed a number of important regulatory changes. New tax, land and financial regulations were released to further cool the residential market, while legislation allowing insurance companies to invest in real estate for usages including retail, office, senior housing, hospitality and automobile services was promulgated. According to the latter set of measures, the maximum amount of capital insurance companies can invest in real estate is 10% of their total assets as of the end of the previous quarter. This theoretically means as much as RMB 450 billion could be injected into the market. The policy is expected to further institutionalise the Shanghai real estate market and support commercial property investment over the longer run.

Major deals completed during the period included JP Morgan Chase's acquisition of Shama Century Park from Morgan Stanley for a total consideration of RMB 1.2 billion. Shama Century Park is a serviced apartment project near Century Park in Pudong with 284 units. Morgan Stanley bought the property in 2006 for approximately RMB 700 million and subsequently converted it into serviced apartments.

In September Ascendas China Commercial Trust (ACCF) announced its acquisition of Cross Tower from SEB and Pacific Star for a total consideration of RMB 1.33 billion. Cross Tower is a 24-storey office tower in Huangpu District and has a total lettable area of about 452,000 sf. SEB and Pacific Star originally purchased Cross Tower from Goldman Sachs for a total price of about RMB 1.126 billion in the third quarter of 2007. Also in September, reports emerged that Grosvenor had acquired MGM Studio World in the Changfeng area of Putuo from Tianhong Land. The project is an entertainment themed shopping centre development and was reported to have been transacted for RMB 2,230 psf.

The central government released a second round of macro control measures at the end of September to curb the further growth of residential prices, a move which has increased the possibility of a price drop over the next six months. However, both domestic and overseas institutional investors are expected to remain active as domestic insurance companies are now eligible to invest in real estate and also because of growing pressure on the appreciation of the RMB due to international political and economic factors. Commercial assets in prime locations providing stable income will continue to be of greatest interest to investors.

MAJOR TRANSACTIONS

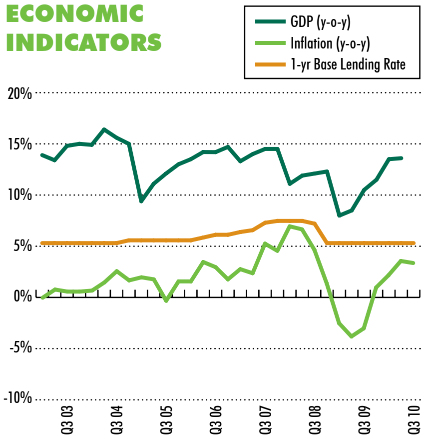
EXCHANGE RATE: US$ 1 = RMB 6.691 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) RMB	US$
Office	Huangpu	Cross Tower	1,330	199
Residential	Pudong	Pinnacle Century Park	1,200	179

GREATER CHINA

GUANGZHOU

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	13.6% (Q2 10)	13.5% (Q1 10)
Inflation Rate (y-o-y)	3.4% (Sep 10)	3.6% (Jun 10)
1-year Lending Rate (end of period)	5.31% (Q3 10)	5.31% (Q2 10)

INITIAL YIELDS

Prime Office	5.3 - 7.4%
Luxury Residential	2.4 - 3.7%
Retail	6.0 - 8.0%
Industrial	n.a.

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

The Guangzhou real estate investment market witnessed robust activity in the third quarter of 2010 after turning quiet in the April – June period, with seven major transactions totaling RMB 5.38 billion recorded. Corporates acquiring prime office properties for self-use accounted for the bulk of transaction activity and most properties changing hands during the quarter were situated in Pearl River New City, Guangzhou's new CBD. The quarter also saw one transaction involving a fully operational income-generating prime retail property, the first such investment deal of this type recorded since 2005.

Prime office buildings remained the most sought-after asset class during the third quarter and office end-users were particularly active. Four of the seven deals reported during the period involved such transactions. The most notable transaction saw Evergrande Real Estate Group Limited complete the en-bloc purchase of Kaisa Plaza, a prime office building currently under construction in Pearl River New City, for a total of RMB 1.9 billion from Kaisa Group. The deal was the largest transaction for an office building in Guangzhou in recent years. Kaisa Plaza has a salable space of 1 million sf, is comprised of an office tower and a retail podium and is scheduled for completion by the end of 2010. Reports say Evergrande will reserve a portion of the building's office area to accommodate its headquarters and make the remainder of the space available for lease. The remaining three deals for office buildings recorded during the quarter also involved end-users acquiring properties in Pearl River New City. The Bank of Guangzhou purchased approximately 320,000 sf of office space in Premier International Plaza and also obtained the naming rights to the building.

The quarter also saw one investment deal for a prime retail property, with local department store owner and operator Guangzhou Grandbuy Co Ltd announcing plans to acquire 204,000 sf of retail space on the second, third and fourth floors of Grandbuy Sunny Mall for RMB 357 million. Sunny Mall has 786,000 sf of GFA and is located in Haizhu District. The first five storeys of the mall are currently leased to Grandbuy with the lease term expiring in 2018. Although there has been no lack of investment demand for large, en-bloc, quality retail premises in Guangzhou, the limited supply of investment grade stock available for acquisition in recent years has meant that relatively few deals of this type have been completed. Once the deal is concluded it will become the first prime retail investment deal recorded in Guangzhou since 2005.

Investors also showed an interest in development sites and distressed assets during the quarter. HNA Hotel paid RMB 1.09 billion through an entity-level acquisition for a 77,680 sf commercial site on Tianhe Bei Road from Skyfame Realty Holdings. HNA will construct a hotel, office tower and retail facility with a total GFA of 1.2 million sf on the site.

It is anticipated that demand for prime office buildings will continue to drive the real estate investment market in Guangzhou in the short term. As the same time as demand for quality office premises from corporate end-users expands on the back of the upbeat economic outlook, the next 12 months will see a steady flow of new office supply, and further deals are likely to be completed in the quarters ahead.

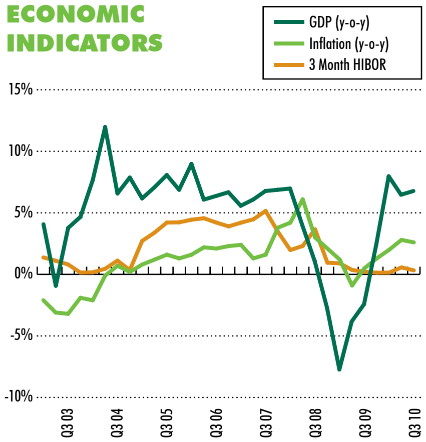
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = RMB 6.691 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) RMB	US$
Office	Tianhe	Guangzhou Kaisa Project	1,900	284
Office	Liwan	Guangzhou New China Building	973	145

GREATER CHINA
HONG KONG

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	6.8% (Q3 10)	6.5% (Q2 10)
Inflation Rate (y-o-y)	2.6% (Sep 10)	2.8% (Jun 10)
3 Month HIBOR (end of period)	0.33% (Q3 10)	0.57% (Q2 10)

INITIAL YIELDS

Prime Office	3.3%
Luxury Residential	2.8%
Retail	3.6%
Industrial	4.9%

Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

The Hong Kong real estate investment market witnessed a steady flow of transactions during the third quarter, although the market turned somewhat quiet towards the end of the period in September. The slowdown in investment activity was largely due to the limited availability of assets for en-bloc or majority portion sale following the closure of several major deals in the first two months of the quarter, and should not be interpreted as a sign that the investment market was cooling down. Investors continued to display a strong appetite for prime office buildings and were actively scouting for potential investment opportunities, including strata-titled single and multiple-unit acquisitions.

A number of trophy assets in the office and retail sectors changed hands during the review period. At present, vendors are generally able to enjoy impressive capital gains if they dispose of their assets at current price levels, while investors view holding property as a viable investment for potential yield appreciation under the prolonged low interest rate regime. The most significant deal of the quarter was Swire Properties' acquisition of the remaining 80% interest in PCCW Tower in Quarry Bay for HK$3.2 billion (US$412 million) from Pramerica Real Estate Investors. Swire Properties now owns the building outright after it previously paid Pramerica HK$560 million for a 20% interest in the property. Buyers in general became more selective during the period and displayed a distinct preference for assets offering long-term investment value. Two transactions recorded in the prime retail district of Causeway Bay reflected this trend; Emperor International acquired 22-24 Russell Street for a total consideration of HK$1.1 billion or HK$117,021 psf, while a local investor purchased Matheson Centre for HK$700 million. Both properties are in close proximity to Times Square, the landmark shopping centre in the area.

Investment in the industrial property segment also revived in the third quarter following the government's unveiling of new regulations further facilitating the conversion of industrial building for other uses. Major deals included the acquisition of two industrial blocks by Billion Development in September for a combined value of HK$125 million. Elsewhere, a developer purchased an industrial block in San Po Kong for HK$601 million. In the residential, market developers remained optimistic given continued robust demand, rising prices, the lack of new supply and low interest rates. The period saw several residential sites sold at government land auctions at higher than expected prices.

The market is expected to remain active in the months ahead, supported mainly by the low interest rate environment and the influx of hot money. The likelihood of any significant transactions closing before year end will largely depend on the availability of prime investment stock. The present scarcity of quality assets available for sale will ensure vendors holding prime properties will continue to enjoy far greater bargaining power than buyers.

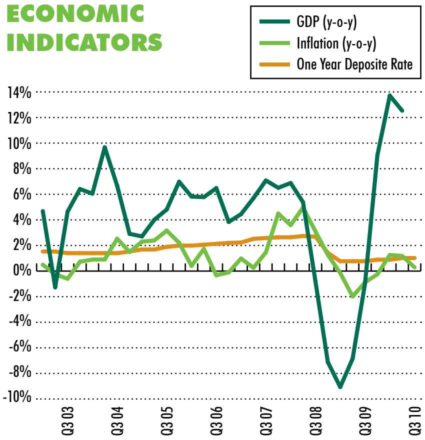
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = HK$ 7.759 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) HK$	US$
Residential	Causeway Bay	Central Mansion (90% interest)	2,600	335
Office	Causeway Bay	68 Yee Wo Street (50% interest)	1,150	148
Retail	Causeway Bay	22-24 Russell Street (En-Bloc)	1,100	142
Office	Wanchai	88 Gloucester Road (En-Bloc)	960	124
Retail	Mongkok	Mongkok Computer Centre (En-Bloc)	950	122
Office	Wanchai	Neich Tower (80% interest)	828	107
Office	Causeway Bay	Matheson Centre (En-Bloc)	700	90
Office	Sheung Wan	69 Jervois Street (En-Bloc)	650	84

GREATER CHINA
TAIPEI

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	12.53% (Q2 10)	13.71% (Q1 10)
Inflation Rate (y-o-y)	0.28% (Sep 10)	1.19% (Jun 10)
One Year Deposit Rate (end of period)	1.02% (Q3 10)	1.02% (Q2 10)

INITIAL YIELDS

Prime Office	2.6 - 3.5%*
Luxury Residential	n.a.
Retail	3.5 - 4.0% ^
Industrial	3.0 - 3.8%*

* Gross yield
^ Net yield

Investor sentiment in Taipei remained strong in the third quarter with transaction volume totaling NT$80.2 billion (US$2.6 billion). Investment activity largely centered on site acquisitions, which accounted for 71% of the total transaction volume recorded during the period. Domestic corporates and developers were the major buyers in the land sales market with end-users purchasing land parcels across the country to build their own facilities and property developers primarily investing in raw development sites in Taipei County. Transaction volume in the commercial property market decreased 24% q-o-q to NT$23.29 billion (US$747 million), a decline that was due mainly to a fall in I/O deals. Retail and office assets, on the other hand, were the subject of much attention during the quarter. The market saw institutional investors including life insurers, real estate companies and corporates aggressively purchase en-bloc and strata-titled properties for retail or office use. Investment yields across property sectors decreased to new lows during the review period, largely resulting from rising prices pushed up by stiff competition among local investors. While foreign buyers have displayed a stronger interest in Taiwanese real estate this year compared to 2009, most remained on the sidelines during the third quarter, possibly because of the low investment yield compression casued by rising capital values. Capital values for investment grade commercial property continued to trend upwards, partially pushed up by domestic companies acquiring properties for self occupation, but with many buyers intending to retain ownership over the longer term.

Local property developers actively engaged in obtaining development sites during the period, despite a fall in the transaction volume of residential units following the introduction of measures by the Central Bank in June to cool the Taipei housing market. The total transaction turnover of land acquisitions increased considerably by 77% q-o-q to reach NT$56.95 billion (US$1.83 billion), largely due to the sale of government-owned plots in Sinjhuang City at two public auctions held by the Taipei County government. Large local developers replenished their land banks in Taipei County, reflecting their confidence in the area's future development prospects. Local insurance companies and end-users also joined developers in obtaining development sites in Taipei County. Notable transactions included Hongtai Life Insurance purchasing several pieces of land for NT$8.17 billion (US$262 million) and Ability Enterprise paying NT$2.47 billion (US$79 million) for a 44,000 sf land lot to build its headquarters and R&D center.

The commercial property sector was less busy, with NT$23.29 billion (US$747 million) worth of deals reported. The quarter saw institutional buyers actively purchase retail and office properties in Taipei City, apparently undeterred by high prices. There were no industrial/office deals recorded in Neihu, an area favoured by local investors in recent years, which may indicate that investors interested in this asset class are being hindered by high asking prices and flat rental rates coupled with high vacancy in the area. On the other hand, a number of institutional investors seized rare opportunities to obtain prime retail and office properties. In one such example, Asia Pacific Land completed the only deal by an overseas investor during the quarter by acquiring the Galaxy Department Square retail building en-bloc for NT$3.05 billion (US$98 million). The property is located in the bustling Ximenting shopping area of Taipei City.

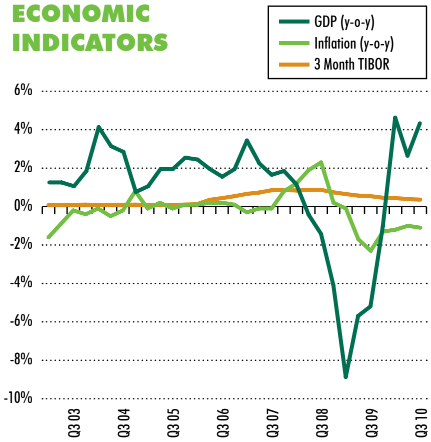
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = NT$ 31.19 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) NT$	APPROX. PRICE (MILLION) US$
Retail	Neihu	Lake Square	6,000	192
Retail	Ximenting	Galaxy Department Square	3,050	98
Office	Zhongzheng	Chinfon Bank Headquarters Building	2,560	82
Office	Minsheng-Dunhua Area	Taipei Financial Centre (B1-2/F, 8-9/F)	1,820	58

JAPAN
TOKYO

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	4.4% (Q3 10)	2.7% (Q2 10)
Core Inflation Rate (y-o-y)	-1.1% (Sep 10)	-1.0% (Jun 10)
3 Month TIBOR (end of period)	0.36% (Q3 10)	0.39% (Q2 10)

INITIAL YIELDS

Prime Office	3.5 - 4.0%
Luxury Residential	5.5 - 6.5%
Retail	3.8 - 4.3%
Industrial	5.5 - 6.0%

Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

The third quarter saw a brisk flow of investment deals for real estate in Tokyo as market sentiment continued to improve. Domestic investors accounted for the majority of deals but the period saw a noticeable shift among foreign buyers, many of whom have started to increase their allocations towards Japan. J-REITs made some piecemeal acquisitions but their overall activity declined following a very active first and second quarter.

Notable transactions completed during the third quarter included the sale of the Shinjuku Subaru Building in Shinjuku-ku by Fuji Heavy Industries to Odakyu Railway in August for JPY 34 billion (US$407 million). The seller was a middle-sized automobile manufacturer which will continue to lease the building as its headquarters for four years. The building, which was completed in 1966 and is one of the oldest office properties in Tokyo, is located in front of Shinjuku Station and provides a GFA of 219,422 sf over 9 upper and 5 basement floors. Odakyu is expected to eventually utilise the property as a part the redevelopment of Odakyu Department Store and Odakyu HALC, both of which are also located in front of Shinjuku Station and are also of a similar age. The deal was seen as a positive sign given that it involves a conservative company such as Odakyu undertaking a real estate investment with a long-term time horizon (the redevelopment will take a decade) and limited near-term return. The estimated annual rental revenue of the property is circa JPY1.5 billion (US$18 million), giving a gross yield of circa 4.4%.

The review period was also notable for several transactions involving modern logistics facilities, including Japan Logistics Fund REIT's purchase of a 90% stake in the Ichikawa Logistics Center II. Completed in 2009, the building provides a GFA of 827,125 sf over 5 upper floors and has good port access. The purchase price of JPY 17.4 billion (US$209 million) equated to a 5.6% NOI cap rate. Elsewhere, July saw Mapletree Logistics Trust purchase three logistics centres in the Tokyo metropolitan area for JPY 13 billion (US$156 million) at a reported 7.3% NOI cap rate. The purchase of these Grade B assets was seen as a remarkable achievement by the S-REIT.

July was notable for Munich-based private real estate investment firm AM alpha (Singapore) Pte Ltd acquiring the Renai Aoyama Building in Tokyo's commercial district of Aoyama for a reported price of around US$100 million. The building, which is a high specification Grade B+ asset, typifies the type of property that core international investors are seeking. There continues to be a lack of such quality stock on the market hence pricing is becoming more competitive. Whilst Tokyo remains the main focus for investors, selective interest in very good quality assets in cities such as Osaka and Fukuoka is returning.

Investor sentiment and cap rates in the Tokyo office sector have now come back fairly strongly. Softening rents have offset improvements in capital values but the general perception is that rents are very close to stabilising and any further cap rate compression will improve values. The next 12 months should see further activity as several funds have cash to spend and are under pressure to do so. Increased interest in mass-market residential and modern logistics facilities is expected from both domestic and overseas investors in forthcoming quarters.

MAJOR TRANSACTIONS

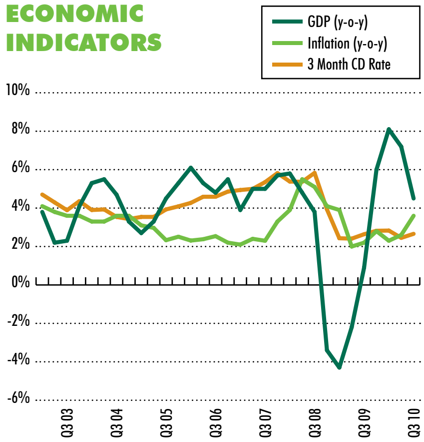
EXCHANGE RATE: US$ 1 = JPY 83.450 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) JPY	US$
Retail	Toshima-ku	Seibu Ikebukuro Department Store*	123,000	1,474
Office	Shinjuku-ku	Shinjuku Subaru Building	34,000	407
Retail	Shibuya-ku	Laforet Harajuku	21,820	261
Industrial	Chiba	Ichikawa Logistics Centre II	17,415	209

* Connected Transaction

SOUTH KOREA
SEOUL

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	4.5% (Q3 10)	7.2% (Q2 10)
Inflation Rate (y-o-y)	3.6% (Sep 10)	2.6% (Jun 10)
3 Month CD Rate (end of period)	2.66% (Q3 10)	2.45% (Q2 10)

INITIAL YIELDS

Prime Office	5.5 - 6.8%*
Luxury Residential	2.0 - 2.2% ^
Retail	6.0 - 7.0%*
Industrial	9.0 - 10.0%*

* Gross yield
^ Net yield

Activity in the Seoul real estate investment market was muted during the third quarter as investors remained cautious about the eurozone debt crisis and the potential negative impact a downturn in the external economic environment could have on the Korean economy. Banks were therefore generally reluctant to lend for real estate investment and development, and only a few small to medium sized deals were concluded during the period. Buyers continued to comprise mostly local institutional investors or local companies purchasing office buildings for self use.

Notable deals completed during the third quarter included Mirae Asset Securities injecting funds into one of MAPS' real estate trusts investing in Office Tower 2 of the Parc 1 development project currently under construction in Seoul. The deal highlighted the opportunities available to liquid investors looking to acquire existing development projects following the onset of credit tightening. Elsewhere, selected domestic companies continued to review opportunities to purchase office buildings for self-use and the period saw the completion of one such transaction. Local chemicals company Kochem Co. acquired the 14-storey HI Building in Seoul for KRW54.8 billion (US$44.4 million) from the Germany-based Union Investment Real Estate fund. Other news of note included KT, the country's biggest telephone company, announcing plans to launch its own specialist property arm, KT Estate, which will be dedicated to developing real estate projects. Other Korean conglomerates including Hyundai-Kia, Lotte Group and the Aekyung Group have also been turning to property development amid the current weak market as they look to snap up potentially valuable assets at low prices.

Selected foreign investors see the present market conditions as an opportunity for medium to long term holding. The period saw RREEF complete its purchase of Prime Tower and Alpha Building from GIC Real Estate and MAPS respectively while Pramerica acquired an office project currently under construction in the CBD and scheduled to complete in the fourth quarter of this year for KRW 285.8 billion (US$250.7 million). The project is to be named Twin Tree Tower and has a total GFA of approximately 590,000 sf. A number of K-REITs were also active, with MAPS Frontier Real Estate Fund #29 acquiring a 50% stake in Center 1 (Grade A+) to be completed later this year in the CBD from BoA Merrill Lynch for KRW 550.0 billion (USD $482.4 million) through MAPS Frontier Real Estate Fund #28.

There has been talk of future oversupply in the Seoul CBD dissuading investor interest in the office sector but a number of these projects have been delayed and hence this large quantum of space will come on stream over a period of several years. In addition, a portion of the new buildings under construction are being considered for conversion into business hotels and small apartment studios. Market players remain interested in investing in real estate in Seoul but appear to be holding back because of concerns over the global economic picture, and are being particularly cautious because the office leasing market appears to be only slowly moving away from the bottom of the present cycle.

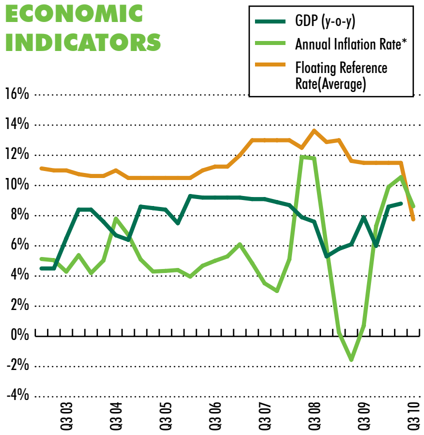
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = KWR 1,140 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) KWR	US$
Office	YBD	Parc 1 - Office Tower 2 (Project)	416,700	365
Office	CBD	SmartPlex (Project)	330,000	289
Office	CBD	Twin Tree Tower	285,770	251
Office	Seohyeon-dong	Samsung Bundang Plaza	119,950	105
Retail	Yongsan-gu	Hyundai Department Store - Trade Centre	119,500	105
Office	Jongno-gu	Alpha Building	70,340	62

INDIA
MUMBAI

ECONOMIC INDICATORS



* based on Wholesale Price Index (WPI)

INDIA	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	8.8% (Q2 10)	8.6% (Q1 09)
Inflation Rate*	8.5% (Sep 10)	10.6% (Jun 10)
Floating Reference Rate (end of period)	7.50-8.00% (Q3 10)	11.00-12.00% (Q2 10)

*Wholesale Price Index (WPI) is the base for calculating the inflation rate in India (y-o-y)

INITIAL YIELDS

Prime Office	10.0 - 12.0%
Luxury Residential	3.5 - 5.0%
Retail	12.0 - 14.0%
Industrial	13.0 - 14.0%

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

Activity in the Mumbai real estate investment market remained stable in the third quarter although deal flow slowed to a certain extent after an active first half year. The rise in investor activity prior to the third quarter was attributable to pricing touching the bottom, meaning that investment options were available at attractive pricing and yields. However, a speculation-led rise in capital values during the third quarter led to the marginal slowdown of investment activity during the period. The commercial sector saw several large scale land deals, while capital values and yields remained largely stable. The residential sector accounted for the bulk of investment activity, although a significant quantum of new supply is expected to come on stream over the next few quarters and this, combined with increasing interest rates and seller expectations, is expected to slow market activity to a certain extent. The commercial sector was stable with a few high profile deals taking place.

During the third quarter Indiabulls Real Estate (IBRE) won bids for two land parcels owned by the public sector National Textile Corporation (NTC) mill. IBRE paid INR 474 crores (US$106 million) for 2.34 acres of mill land in Lower Parel and a hefty INR 1,505 crores (US$337 million) for a 8.37 acre plot at the Worli seafront. No other major land transactions were recorded in and around the city in the third quarter. There were also no major private equity deals in the review period aside from Lodha Developers raising INR 500 crores (US$112 million) via the sale of a 10% stake in its recently launched 117 storey residential tower in Central Mumbai to HDFC Venture Funds. The project is planned to be constructed on a 6.1 acre land parcel in Wadala, a central Mumbai suburb, which was bought by Lodha developers for a sizeable INR 4,053 crores (US$908 million) via a government auction earlier this year.

The Reserve Bank of India (RBI) has raised key interest rates by a total of 50 basis points since July this year in an attempt to contain current inflation to single digits. Market players will be looking out for further upward adjustments, which could see banks respond by increasing interest rates on home loans, a move which would impact the residential market. Nevertheless, the overall outlook remains reasonably positive and the market should remain active as we move into the final quarter of the year. Forthcoming quarters may also see the launch of REITs in the India market. The move would provide developers with a vehicle to monetise less liquid assets, and thereby provide liquidity for injecting into capital intensive development projects like commercial real estate and retail malls. This investment option furthermore has the potential to channel fragmented retail savings into real estate and is perceived to be relatively low risk with steady returns.

MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = INR 44.660 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) INR	US$
Retail	Borivali	Mangal Kunj	15,000	336
Residential	South Mumbai	A 60-year old property	3,000	67

INDIA

NEW DELHI

"INVESTOR CONFIDENCE STRENGTHENED WITH CAPITAL VALUES HOLDING FIRM ACROSS ALL ASSET CLASSES"

Sentiment in the New Delhi real estate investment market turned more positive in the third quarter with prices holding steady across all asset classes and even recording a steady increase in selected micromarkets. Investor confidence was strengthened further by the robust improvement in the local stock market witnessed during the period. The recovery continued to be led by the residential sector although the period saw signs of a slowdown in high-end residential sales, with pent-up demand appearing to have largely been satisfied by the steady flow of major launches since the beginning of the year. The affordable housing segment, which became the focus for many developers following the onset of the economic downturn, also consolidated to a certain extent, a trend which was largely due to the large quantum of new supply coming on stream in major locations.

Transaction volume was boosted by strong and sustained demand from domestic occupiers in the office sector and the review period saw a significant increase in demand for build-to-suit office space and campuses in newly master planned areas in Gurgaon. The IT SEZ (Special Economic Zone) sector also witnessed increased occupier interest owing to the STPI sunset clause in March 2011. IT SEZ spaces are expected to witness continued activity over the next few quarters and investor interest should center upon new projects. Rental values in the office sector remained steady and edged up in some cases while capital values continued to hold firm. Investment yields are likely to show marginal increases going forward because of the rising rental levels. The heightened occupier interest during the period was noted by the investor community and the period saw construction begin on a number of new commercial real estate projects across the region.

The period also saw reports that the government was conducting further discussions over the possibility of relaxing foreign direct investment in the country's retail segment. At present India does not allow foreign direct investment in multi-brand retailing and limits it to 51% equity in single brand retail. Whilst this is a positive development, it will undoubtedly be a lengthy process given the various concerns that local retailers have about greater foreign participation in the domestic retail sector.

INITIAL YIELDS

Prime Office	7.0 - 8.0%
Luxury Residential	2.0 - 3.0%
Retail	8.8 - 9.5%
Industrial	10.0 - 12.0%

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

MAJOR TRANSACTIONS

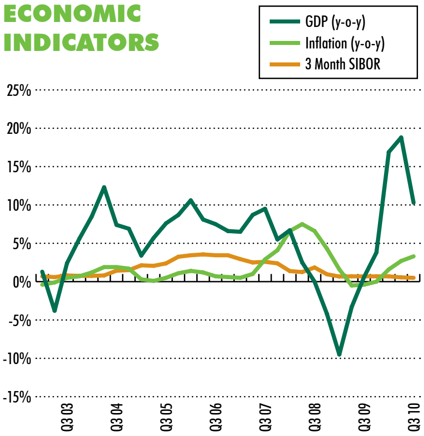
EXCHANGE RATE: US$ 1 = INR 44.660 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) INR	APPROX. PRICE (MILLION) US$
NO MAJOR TRANSACTIONS WERE RECORDED IN THE THIRD QUARTER OF 2010				

SINGAPORE

SINGAPORE

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	10.3% (Q3 10)	18.8% (Q2 10)
Inflation Rate (y-o-y)	3.7% (Sep 10)	2.7% (Jun 10)
3 Month SIBOR (end of period)	0.50% (Q3 10)	0.56% (Q2 10)

INITIAL YIELDS

Prime Office	3.4%
Luxury Residential	2.0%
Retail	5.7%
Industrial	5.6%

Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

The third quarter saw a steady flow of transactions in the Singapore real estate investment market and the period was notable for seeing a rebound in deals for office properties, both for residential redevelopment as well as for investment purposes. Total investment sales amounted to US$4 billion during the review period, a figure 22% higher than the previous quarter and 110.9% greater than the volume registered in the third quarter of 2009.

Sales for residential GLS sites were down on the previous quarter but activity in the collective sales market remained stable as nine properties were sold for residential redevelopment for a total of S$552.21 million. Meng Garden, which was sold for S$137.00 million (S$1,380 psf/plot ratio) to TG Development, and Pastoral View with adjoining land, which was sold to Far East Organization for S$122.00 million (S$847 psf/plot ratio), were among these deals fetching the highest land prices. The price of GCBs also remained firm despite a slowdown in sales, and the review period saw 16 GCBs change hands for a total of S$253.36 million. The first nine months of the year have seen 80 GCB sales totaling S$1.49 billion and it is expected that around 100 to 120 GCBs will be sold in 2010 as a whole, with total transaction volume reaching around S$1.70 - S$1.80 billion.

The office investment market burst into life in the third quarter, accounting for US$1.7 billion or 23.8% of total investment sales. The most significant deal was the sale of DBS Towers 1 and 2 to Overseas Union Enterprise for S$870.50 million or S$986 psf on net lettable area. The deal was brokered by CB Richard Ellis. Elsewhere, the eighth to 11th floors at Samsung Hub were sold for S$111.42 million (S$2,125 psf on lettable area), while Frasers Centrepoint Ltd bought Starhub Centre for S$380.00 million. Frasers reportedly plans to redevelop the property into a high-end mixed development comprising residential and retail space. Also during the quarter, an office GLS site at one-north closed in August with a top bid of S$410.99 million (S$342 psf/plot ratio). It was awarded to Ho Bee Developments, which will develop an office complex with a gross floor area of approximately 1.2 million sf on the site. The quarter also saw two hotel deals, with Park Regis Hotel sold for about S$160 million and the Ibis Singapore on Bencoolen transacted for S$200.00 million.

Despite the recent government measures targeted at cooling the residential sector, property developers remain keen to acquire GLS parcels in good locations with access to MRT stations. The collective sale of several small-to-medium sized private land/development lots is expected to be completed in the coming months and a few larger sites with a price of over S$300 million could also be transacted. Total investment sales for the first three quarters of 2010 have already reached S$21.90 billion, surpassing the previous projection of S$17.90 billion, and it is now envisaged that total investment sales for 2010 will be between 2008's S$17.98 billion and 2006's S$28.38 billion, and could perhaps just exceed the S$25 billion mark.

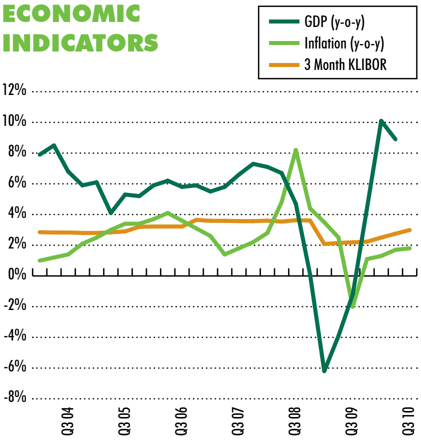
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = S$1.314 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) S$	US$
Office	Central	DBS Tower 1 and 2	871	662
Office	Central	Chevron House	547	416
Office	Central	Starhub Centre	380	289
Retail	Central	Chinatown Point Retail Mall	250	190
Hotel	Central	Park Regis Hotel	218	166
Office	Central	The Corporate Office	215	164

MALAYSIA
KUALA LUMPUR

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	8.9% (Q2 10)	10.1% (Q1 10)
Inflation Rate (y-o-y)	1.8% (Sep 10)	1.7% (Jun 10)
3 Month KLIBOR (end of period)	3.0% (Q3 10)	2.8% (Q2 10)

INITIAL YIELDS

Prime Office	6.0 - 6.5% ^
Luxury Residential	5.0 - 6.0%*
Retail	7.0 - 7.5% ^
Industrial	n.a.

* Gross yield
^ Net yield

Kuala Lumpur enjoyed a steady level of real estate investment activity during the third quarter and the period saw a large number of transactions involving development land for commercial, residential, institutional and agricultural purposes. The most notable transaction during the period was the sale of a piece of land next to the Pavilion KL mall which sold for a per square foot price of almost three times the previous record. The review period also witnessed a number of transactions involving office buildings and shopping malls. Of these properties, three M-REITs including Axis, Amanahraya and AmFIRST; and a foreign fund - ARA Asia Dragon Fund - were the buyers, suggesting that local and foreign property funds are still looking to expand their portfolios. There were no significant regulatory changes during the period.

The vast majority of significant deals during the third quarter involved land sales. There were 19 major land sales during the period, of which nine were within the Klang Valley. The deal for the piece of land located next to Pavilion KL Mall was the most high profile transaction during the quarter. The plot in question is less than one acre in size, but the transaction price of RM 210 million priced the land at RM 7,200 psf, almost three times the previous record. There was much speculation in the press about the buyer's intentions but no official announcement has been made as yet. The seller was CDL Hotels, a unit of London-based Millenium & Copthorne Hotels, which is 53% owned by Singaporean Kwek Leng Beng, while the buyer was Urusharta Cemerlang, which owns and operates the Pavilion KL Mall. The land was earlier earmarked for a proposed high-end residential development, Millennium Residences, which was subsequently put on hold.

In the Golden Triangle area, Menara PanGlobal, a mixed development consisting of eighteen levels of office space and nine levels of hotel suites operated by Pacific Regency, changed hands for around RM 160 million. The property also contains eight levels of parking with 420 bays. It has been reported that the purchaser, Kwong Hing Group, will invest further to upgrade both the office and hotel space in order to allow the property to better compete with other developments within this prime area.

Property funds continued to be active during this period, with Amanahraya REIT (ARREIT) purchasing three properties from the Selangor Economic Development Corporation (PKNS) in a single transaction of RM 270 million. The three properties in question were Kompleks PKNS, a four-storey retail and office development; SACC Mall, a five-storey retail complex; and Menara PKNS, a 20-storey purpose built office building. All three properties currently enjoy high occupancy rates in excess of 95%. In Johor, Axis REIT purchased a Tesco hypermarket complex, together with 1,096 parking bays, for RM 75.6 million. The other transaction involving a REIT was the purchase of FSBM Plaza in Cyberjaya by AmFIRST REIT for RM 51.5 million. Earlier in the quarter, ARA Asia Dragon Fund (ADF), a flagship private real estate fund of the ARA group (an affiliate of the Hong Kong based Cheung Kong group), announced the acquisition of two commercial properties, Aeon Bandaraya Melaka Mall in Melaka and 1 Mont Kiara in Kuala Lumpur, for a total of RM 710 million.

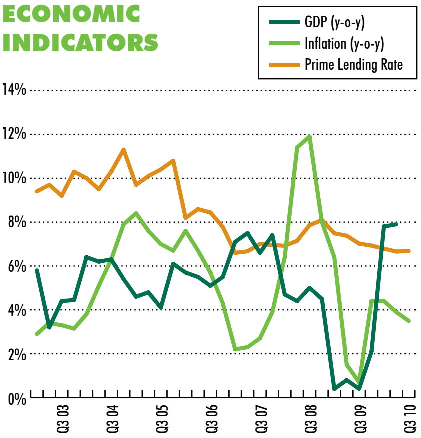
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = RM 3.086 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) RM	US$
Office	Golden Triangle	Menara Pan Global	160	52
Retail	Petaling Jaya	Menara PKNS	91	29
Retail	Shah Alam	SACC Mall	90	29
Mixed	Shah Alam	Kompleks PKNS	89	29

PHILIPPINES
MANILA

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	7.9% (Q2 10)	7.8% (Q1 10)
Inflation Rate (y-o-y)	3.5% (Sep 10)	3.9% (Jun 10)
Prime Lending Rate (end of period)	6.7% (Q3 10)	6.7% (Q2 10)

INITIAL YIELDS

Prime Office	6.5 - 9.5%
Luxury Residential	7.0 - 10.0%
Retail	n.a.
Industrial	n.a.

Gross yields - the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.

Sentiment in the Manila real estate investment market remained upbeat during the third quarter and the period saw new residential projects continue to proliferate across the metropolis as well as in some of the peripheral districts. Bonifacio Global City attracted growing interest from developers seeking opportunities for acquisition and development with asking prices for prime development sites in the area increasing by as much as 15% during the review quarter. The period also saw a number of developers announce plans to develop several new hotel developments, some including gaming facilities, in the CBD and in some of the alternative business districts.

Investment activity in the retail property sector was observed to be spreading from convenience stores to larger shopping malls during the third quarter. Many larger malls spent the period renovating, refitting or expanding their facilities to prepare for the forthcoming Christmas holiday shopping season. Despite a rise in the availability of new retail space, vacancy in major shopping malls remained at single digit levels on the back of higher demand. The pending implementation of the Philippines REIT Law is expected to boost the development of retail facilities for later acquisition by P-REITs due to the high yields available. However, the tendency of the residential and retail market segments towards over-development could become a cause for concern given the rapid pace at which these two segments are growing.

The BPO industry, which continuous to be the main driver of the market, showed signs of a steady recovery and the period saw several BPO companies raise requirements for additional space. Due to the limited supply of space suitable for such businesses, occupiers requiring large contiguous space were forced to take up space in a number of newly constructed or renovated buildings located outside of the main business districts of Manila. The trend prompted some developers to undertake new office developments to address this growing demand. Another trend has seen BPO companies setting up operations in different major cities around the Philippines where their facilities and labour requirements can be met at a relatively lower cost.

The upbeat economic outlook encouraged foreign companies to establish a growing number of operations in prime industrial zones during the quarter, most notably in the Clark Freeport Zone. Phoenix Semiconductors Philippines Inc., a company which is majority owned by STS of Korea, signed an agreement to develop 15 hectares of industrial space in the zone and is currently constructing a manufacturing plant on the site. The general outlook for the Manila industrial property market remains positive as manufacturing activity reverts to normal in line with continued demand for offshoring and outsourcing services from the global advanced economies.

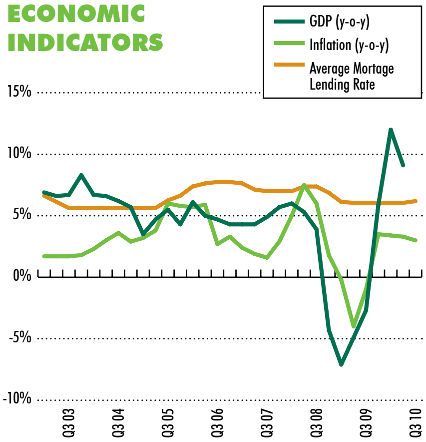
MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = PHP 43.885 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) PHP	APPROX. PRICE (MILLION) US$
NO MAJOR TRANSACTIONS WERE RECORDED IN THE THIRD QUARTER 2010				

THAILAND
BANGKOK

ECONOMIC INDICATORS



	Latest Available Data	Previous Period
Real GDP Growth Rate (y-o-y)	9.1% (Q2 10)	12.0% (Q1 10)
Inflation Rate (y-o-y)	3.0% (Sep 10)	3.3% (Jun 10)
Average Lending Rate (end of period)	6.19% (Q3 10)	6.05% (Q2 10)

INITIAL YIELDS

Prime Office	5.5 - 7.0%
Luxury Residential	3.5 - 7.0%
Retail	6.0 - 7.5%
Industrial	8.0 - 9.5%

Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

Sentiment in the Bangkok real estate investment market strengthened further during the third quarter. Local developers continued to pursue new development projects amid the persistent low interest rate environment. The period under review saw the likes of Pruksa Real Estate, Land & Houses and Sansiri build up their budget for the purpose of land acquisition and future development. Given the various restrictions on foreign investment in the country, the real estate investment market remained largely dominated by domestic investors.

Prices for luxury condominiums edged up during the quarter, particularly for large, high quality projects recently completed in central areas. Projects with unsold units were seen to be offering discounts but price levels otherwise remained firm. The price of new pre-sale projects continued to rise due to increasing land prices and construction costs. The supply of small residential units in downtown, mid-town and suburban areas surged during the review period but there were only a limited number of new project launches of large sized condominiums in the city centre. The period saw a few development site transactions including the acquisition of a 22,969 sm site in Rama III and a 5,690 sm site in Klongtoey by LPN Development Plc. for a combined price of THB 1.2 billion.

The review period saw one major equity investment with Asian Property Development Plc. purchasing 49% equity in AP Pacific Star (Ratchada) Co., Ltd. and AP Pacific Star (Sathorn) Co., Ltd from AREPDF Evergreen RAT Limited for THB 489 million and THB 343 million respectively. After the completion of the transaction Asian Property Development Plc. will own 99.99% of the shares in both entities. The two acquisitions were joint venture companies with Pacific Star to develop The Sathorn and The Rhythm Ratchada condominiums.

The retail sector showed an improvement during the quarter with the Retail Sales Index increasing to 162.88 in July from an average of 157.7 in the previous quarter. Overall occupancy rates bounced back during the review period, largely thanks to the partial re-opening of the Central World mall, which was partly burnt down in May during the political unrest.

Along with the revival of the capital market, Mercure Samui Property Fund (MSPF) was listed on the Stock Exchange of Thailand in August. The MSPF is a freehold fund that has invested in the Mercure Samui Buri Resort, comprising a total of 88 hotel rooms in Koh Samui. Meanwhile, the Talaad Thai Leasehold Property Fund (TTLPF) commenced its Initial Public Offering process in August, TTLPF has invested in a 20 year lease for Talaad Thai, an Agricultural Distribution centre.

The Bank of Thailand raised the policy interest rate twice during the quarter by a total of 25 bps each time to 1.75%, although the move did not have any major impact on the property market. It is expected that yields will remain unchanged until there is a significant increase in bank deposit rates or government bond yields.

MAJOR TRANSACTIONS

EXCHANGE RATE: US$ 1 = THB 30.320 (Q3 2010)

SECTOR	DISTRICT	PROPERTY	APPROX. PRICE (MILLION) THB	US$
Hotel	Phuket	Dusit Laguna Phuket	2,716	90
Residential	Sukhumvit	Baan Sansiri Sukhumvit 67 (24 houses)	819	27

ASIA REAL ESTATE INVESTMENT GUIDE

		GREATER CHINA			NORTH ASIA	
		CHINA	**HONG KONG**	**TAIWAN**	**JAPAN**	**SOUTH KOREA**
Land	**Land system**	Leasehold. Land use rights can be granted by the State for designated public uses. General lease term of land use for Residential is 70 yrs; Industrial 50 yrs; Commercial, tourism, recreation 40 yrs and Comprehensive mixed 50 yrs.	Leasehold. Before 1997, land lease terms usually ranged from between 75 and 999 years. Post-1997, land leases shall generally be granted or renewed with a lease term of 50 years.	Freehold and leasehold. The majority of land comes under freehold. Leasehold land usually applies to government-owned lands. The lease terms of leasehold usually range from 30 to 50 years and subject to approval.	Freehold, conventional land leasehold and fixed term land leasehold. There are 3 types of fixed term land leasehold: general fixed term leasehold, fixed term with building assignment right and business use fixed term leasehold.	Freehold. The majority of land is held on fee simple. Generally, leasehold land is very rare and the lease term usually less than 10 years and renew for 10 years upon expiration.
Restriction	**Land use related restriction**	Property developments in China are required to comply with local government regulations on zoning, plot ratio, site coverage, environmental planning and building height. A simplified procedure of the whole development approval process is depicted as follows: 1) A land premium is paid to acquire the Land Ownership Certificate; 2) Development master plan is submitted to the local Planning Bureau for approval to acquire the Permit for the Planned Use of Land 3) A project construction plan is submitted to the local Planning Bureau for approval to acquire the Planning Permit of Construction Engineering; construction conditions are prepared for the approval of local Construction Commission and to acquire the Construction License.	Land use rights in Hong Kong are subject to various restrictions as set out in the Land Leases, the Town Planning Ordinance and Buildings Ordinance. The development of land is subject to plot ratio, zoning, site coverage, environmental impact and development density.	Property developments in Taiwan are required to comply with government regulations on zoning, plot ratio, site coverage, environmental planning and building height. Foreign investors are not allowed to invest in certain property types: forest land; land for fishery; hunting land; salt industry land; mining industry land; land for water sources; boarder land or military land.	Property developments in Japan are required to comply with regulations and laws, most important of such being zoning. Regions where zoning is not in place, permission from the government is required. The urban planning area is divided into Urban Promotion Area (UPA) and Urban Controlled Area (UCA). The former includes the developed region and the regions that are to be developed in the next ten years, whereas urbanization is strictly controlled for the latter. Except for special conditions and approval from the authority, all development activities within UCA are prohibited under city planning laws and related regulations.	Property developments in South Korea are required to comply with regulations and laws on zoning, plot ratio, site coverage and building height. The Ministry of Construction & Transportation is a key administrative body in charge of territorial management, balanced regional development, and construction and management of major infrastructures.
	Holding related restriction	Foreign investors have to register the onshore entities to hold non-self use properties. Given the changing market dynamic, China's land and housing systems are subject to change from time to time. Investors shall mindful about the latest policies, regulations, taxes and measures on holding of land, development project and real estate.	No restriction	A "reciprocal principal" should be met: foreign investors can obtain land rights in Taiwan only if Taiwanese people enjoy the same rights in their countries.	No restriction	No restriction
	Foreign exchange control	The exchange of FX has to be approved in advance and supervised by the State Administration of Foreign Exchange. Effectively ban the use of FX loans.	No restriction	Cumulative remittances (per year) exceeding US$50 million (corporate) or US$5 million (individual) are subject to permission by the government	No restriction	No restriction
Property related fees & taxes	**Transaction (acquisition / transfer / disposal) fees & taxes**	For the purpose of this investment guide, all listed Taxes and tax rates are generally applicable to corporate investors in Shanghai and Beijing only. **Business Tax**, a developer of real estate properties is subject to a 5% (with 11% surchange) business tax levied upon the sales turnover of the properties. In case of companies or individuals sell purchased properties, 5% business tax is levied upon the capital gain of the transaction. **Stamp Duty**, varies one cities to another and is levied upon the buyer and seller ranging from 0.03% to 0.05% of the contract prices of the property in first tier one cities. **Land Appreciation Tax**, is levied upon the transferor of the land and its attached properties. The tax is levied on a progressive basis, ranging from 30% to 60% of the capital gain produced by the transaction. **Deed Tax**, is levied upon the buyer. The amount varies from one city to another, and is usually between 1.5% and 5% of the property's sale price.	**Stamp Duty**, is payable on Agreements and Assignments (sales and purchase) and Tenancy Agreement (lease). The maximum taxable rate is 3.75% which is to be shared equally by both parties. With effect from 1 April 2010, stamp duty on transaction of properties valued more than HK$20 million be increased from 3.75% to 4.25% and buyers will no longer be allowed to defer payment of stamp duty on such transactions.	**Land Value Incremental Tax**, is payable by the seller on 20% to 40% of the unearned increase in the value of land – the unearned increment is the difference between the officially assessed value at the time of sale and its assessed value at the time of purchase period. **Value Added Tax (VAT)**, is borne by the seller and levied at 5% of the transaction price of the building (land price is deducted from the total sales). **Income Tax**, is payable by the seller (Corporate: 20%; Personal: 5% to 40%) **Deed Tax**, is payable by the purchaser at 6% of the assessed building value. **Stamp Duty**, is levied at 0.1% of assessed values of land and building and usually payable by the buyer. **Registration Fee**, is levied at 0.1% of assessed building value and assessed land price which is different from assessed land value.	**Stamp Duty**, for the sales contract of a property is derived from the property value on a progressive basis from JPY200 to JPY600,000. (Discount rate applicable only until Dec 31 2009) **Real Estate Acquisition Tax**, is borne by the purchaser. Standard tax rate is 4% of assessed value of the property value at the time of purchase. However, derogation is in place from April 1, 2003 to March 31, 2012 for land and building for residential use, which the rate is reduced to 3%. **Registration Tax**, is levied on the registration of ownership and leasehold right. The tax rate registration of newly constructed building is at 0.4% of the asset value. Standard tax rate in connection to transfer of ownership (purchase/ sales, etc.) is at 2%; however, following derogation for tax rates are in place for land ownership transfer. **Capital Gain Tax**, is taxable for individual and corporate income tax purposes. (Please refer to the **Other fees / taxes** section)	**Acquisition Tax**, is payable by the purchaser at 2% of the property transaction price **Special Rural Development Tax**, is levied at 10% of Acquisition Tax **Registration Tax**, is levied at 3% of the property transaction price **Local Educational Tax** 20% of Registration Tax Tax to be paid by individual for the disposition of property: **Transfer Income Tax**, is payable at between 9% and 36% of capital gains Inhabitant Tax, is levied at 10% of Transfer Income Tax Tax to be paid by corporation for the disposition of property: Corporation Tax of 10%–20% of capital gains Inhabitant Tax, is levied at 10% of Corporate Tax
	Holding (possession) costs & taxes	For the purpose of this investment guide, all listed Taxes and tax rates are generally applicable to corporate investors in Shanghai and Beijing only. For leased properties with rental income; **Business Tax**, 5% of rental income. **Income Tax**, to be settled and paid by the owner annually together with the company's other profits, usually at 25% of profit before tax. **Stamp Duty**, 0.1% of contract rental. **Urban Real Estate Tax**, is applicable to the holders of land use rights. The tax rates vary from one city from another. For Beijing and Shanghai, the tax is levied annually at 1.2% based on 70% of the initial contract price of the property. **City Maintenance and Construction Tax**, is levied at 11% of Business Tax	**Property Tax**, is payable by the owner at the standard rate (2008/09 onwards 15%) by the year of assessment on "net assessable value" (NAV). Where the owner receives only rent and no other benefit, the annual rent is the "assessable value" (AV). Rent receivable (due but not yet received) should be included in the AV. Irrecoverable rent can be excluded from tax charge in the year in which it became irrecoverable. Any amount subsequently recovered is assessable to tax as income in the year of recovery. If the tenant pays rates, NAV is equal to the AV less a standard allowance of 20% for repairs and outgoings. If the owner is responsible for paying rates, rates paid can be deducted before allowing the 20% deduction. **Profits Tax**, is charged only on net profits arising business. Incorporated and unincorporated businesses are taxed at different rates - incorporated businesses at 16.5% and unincorporated at 15%.	**Land Value Tax** is levied at a rate of between 1% to 5.5% of assessed land price; special rate of 0.2% for self-used residential land, 0.6% for land reserved for public infrastructures and 1% for industrial land. **Building Tax** is levied annually at a rate of between 3% to 5% of assessed building value for business premises and 1.2% to 2% for self-used housing.	**Fixed-asset Tax**, is levied annually on fixed assets including land, buildings, and other depreciable assets for business purpose. The fixed-asset tax rate is at 1.4% of the asset value, where the asset value is reviewed every 3 years for land and buildings. **City Planning Tax**, Tax in the Urban Promotion Area (UPA) is levied at maximum rate of 0.3% for land and buildings. **Business Facility Tax**, is payable by owner of a property and corporations that occupy the property. Tax amount will be the total of following two calculations. **Floor area**: JPY600 per sq m (Exemption: the first 1,000 sq m) **Employees' salary**: Total salary amount x tax rate of 0.25% (Exemption: the first 100 employees)	**Property Tax** is payable as follows; **Property Tax for Buillding**, the tax rate is ranging from 0.25% to 4% of the value of the building. **Property Tax for Land**, the tax rate is ranging from 0.2% to 0.4% of the land value. **General real estate tax**, the tax rate is ranging from 0.5% to 0.7% of the property value as assessed by the government.
	Other fees / taxes	**Transaction Fee**, is payable to the government. The rate varies from one city to another, and is payable and/or shared by developer and/ or purchaser and seller, the rate can be based on contract price of the property or derive by a unit price on the GFA. Transaction Fee related to both new properties and second hand properties (residential and non-residential).	**Government Rent**, is 3% of the rateable value of the property, payable quarterly. The responsibility of the property owner. **Government Rates**, are levied at 5% on the rateable value of a property. Both the owner and the occupier are liable for Rates. In practice, this will depend on the terms of the agreement between the owner and occupier of the property. In the absence of any agreement to the contrary, liability of rates rests with the occupier.	N/A	**Corporate Tax**, corporate will be levied under corporate tax with tax rate of 30% for companies with capital over JPY100 million. Companies with capital JPY100 million or less will be levied with tax rate of 22% for income less than JPY8 million per annum and 30% for over JPY8 million per annum. (Discount rate applicable from April 1, 2009 - March 31, 2011)	**Value Added Tax (VAT)** is levied at 10% of the property transaction price
Property financing	**Investment loan**	3-year to 5-year term, 50%-70% LTV ratio	5-year to 7-year term, 50% to 70% LTV ratio	Various terms, 50% LTV ratio for land loan, 60% to 80% LTV ratio (with collateral)	1, 2 or 3 year terms, 50% to 60% LTV ratio	50% LTV ratio on commercial real estate
	Cost of fund	Usually based on the benchmark lending rate set by PBOC, at least 10% higher for non-residential property loans, at most 30% discount for the residential loans.	Traditionally based on prime lending rate plus / minus spread. More recently banks have offered funding based on HIBOR plus a mark-up.	Usually based on 1-year deposit rates plus spread	Usually based on TIBOR plus spread	Usually based on CD Rate plus spread
	Mode of loan	Bullet Loan is popular for the institutional investors	Balloon Payment is quite popular	Repayment, with recourse (most common)	Repayment in full on the maturity date, non-recourse Repayment, non-recourse	Repayment

Note: The investment guide only provides a brief comparison, summary of major property related issues and taxes associated with the acquisitions, disposition, transfer and possession of real estate assets in Asia

SOUTH EAST ASIA					SOUTH ASIA
SINGAPORE	**THAILAND**	**PHILIPPINES**	**MALAYSIA**	**INDONESIA**	**INDIA**
Freehold includes Grant in Fee Simple and Statutory Land Grant. The most common leasehold term is 99 years. 60 years or 30 years are also issued for various industrial, commercial and recreational uses.	Mainly freehold with Individual and corporate landholding. Leasehold land lease term generally ranging from 30 years plus options to renew.	Freehold for local (foreigners are not allowed to own land) Freehold / Leasehold for JV Company [60% Filipino owned (min), 40% Foreign owned (max)] Leasehold (local and foreigners)	State Freehold and Leasehold. The government/ state can grant individuals with land titles for a specific lease term.	Freehold and Leasehold. Freehold land consists of two types: Certified Land ad Adat land (Right to own) by Indonesian citizen only. Leasehold consists of three types of land: Hak Guna Usaha (Right to exploit), Hak Pakai (Right to use), Hak Guna Bangunan (Right to build).	Freehold and Leasehold. For leasehold land, land use or occupation is granted by the government for a specific lease term. The leaser term generally ranging from 90 to 99 years.
Property developments in Singapore are required to comply with regulations and laws on zoning, plot ratio, site coverage and building height.	Property developments in Thailand are required to comply with regulations and laws on zoning, plot ratio, site coverage, environmental impact assessments and building height. The Town Planning Act and Building Control Act are statutory building construction controls. The zoning regulations empower local government to identify land uses in specific areas in each province. The restrictions are subdivided into several uses with different colors. In Bangkok, the zoning will also restrict the floor area ratio and the open space ratio of the new development.	Property developments in Philippines are required to comply with regulations and laws on zoning, plot ratio, site coverage and building height.	Property developments in Malaysia are required to comply with regulations and laws on zoning, plot ratio, site coverage, environmental impact assessments and building height.	All the property developments in Indonesia are required to comply with the local government's regulations including building density, plot ratios, coverage of buildings and heights. **Leasehold lands: Right to Exploit**, is the right granted by the government to Indonesian citizens, entities or certified Penanaman Modal Asing (Foreign Capital Investor) for agricultural, fishery or husbandry purposes. **Right to Use**, is the right to held by citizens, permanent residents of foreign nationality in Indonesia, foreign corporations with offices in Indonesia, including banks and embassies. **Right to Build**, is the rights to build buildings on the land and hold the land building rights by citizens, legal entities incorporated in Indonesia including foreign-owned enterprises, JV).	Land use (State Owned Land & Private Land) is subject to zoning uses designated by development plan including height, ground coverage, plot ratios, etc.
Development sites sold under GLS programme	No foreign ownership of land except via Board of Investment promoted companies or on industrial estates. Freehold foreign ownership of condominiums permitted but capped so that the maximum proportion of foreign ownership within a condominium building is restricted to 49% of the saleable floor area of all the units. There are exceptions, principally for companies with Board of Investment Approval. In general, a foreigner may lease land for a term in Thailand not exceeding 30 years but may also have options to renew.	Foreigners not allowed to own land	In an effort to boost investment in the country, the Government of Malaysia has recently repealed the Foreign Investment Committee (FIC) guidelines effective 30 June 2009. This resulted in the abolition of most restrictions on the purchase of properties by foreign investors. Some very minor restrictions remaining are detailed below: 1) Approval from the Economic Planning Unit (EPU) is required where a direct or indirect property transaction involves the dilution of Bumiputra or Government interest for properties valued at RM20 million and above; 2) Foreign investors are allowed to purchase commercial and residential properties priced above RM500,000 per unit effective 1 January 2010. 3) Foreign investors are restricted from purchasing properties built on Malay reserved land or properties allocated to Bumiputra interest.	Foreigners are not allowed to own Certified freehold land. However, foreign joint-venture entity and wholly foreign-owner enterprises can hold "rights to build", the lease term can be at most 30 years and governments sells the rights to build through transactions, tenders and auctions.	Privately held properties - Nil Government allotted land – Construction should be initiated within 24 months from the allotment date in most cases.
No restriction	Subject to permission by Bank of Thailand	Needs clearance from Bangko Sentral ng Pilipinas (BSP)	No restriction	No restriction	Minimum investment in land through FDI capped at 10 hectares Minimum investment in built up area through FDI capped at 50,000 sm Other restrictions on FDI as per Press Note.
Stamp Duty, is levied at 3.0% of the property transation price. Seller's stamp duty is imposed on all residential properties and residential lands bought on or after 20 February 2010 and sold within one year from the date of purchase.	**Transfer Fee**, is levied at 2% of the property value assessed by the government. **Stamp Duty**, is levied at 0.5% of the government's assessed value, will be charged upon any person who sells land or property held for 5 years or longer. However, if the Specific Business Tax is imposed, stamp duty will not be payable. **Specific Business Tax (SBT)**, is imposed only on sales of land and property held for less than 5 years in transactions of properties listed below: 1. Property for which the land allocation is permitted 2. Condominiums 3. Property developed for sale 4. Property which is used for corporate purposes 5. Property which is re-sold within five years of its purchase The SBT rate for real estate is 3.3% of the government's assessed value or transaction price, whichever is greater. **Withholding Tax for corporate**, in case the sale corporate entities or companies, the Withholding Tax for real estate is 1% of the government's assessed value or transaction price, whichever is greater.	**Capital Gains Tax**, is levied at 6% of the property transaction and payable by the seller. **Withholding Tax**, is levied at 6% of the property tranaction price and is payable by seller/lessor for corporate entity. **Documentary Stamp Tax**, is levied at 1.5% of the contract price, zonal value and the market value, whichever is higher. **Value Added Tax (VAT)**, is levied at 12% of the contract price and payable by seller/lessor. **Transfer Tax**, is payable by the purchaser and is levied at 0.5% of the contract price, zonal value and the market value, whichever is higher. **Registration Fee**, is generally payable by purchaser and is based on the contract price or assessed value of the property whichever is the higher and the rates vary per city / municipality.	**Stamp Duty**, shall be borne by the buyer. The tax is levied at 1% for the first RM100,000; 2% for RM100,001 to RM500,000; 3% for RM500,001 & above. **Legal Fees**, are charged at 1% on the first RM100,000 of the market value, plus 0.5% on the next RM4.9 million of the market value. **Real Property Gains Tax (RPGT)**, has been reinstated effective 1 January 2010 at a fixed rate of 5% on chargeable gains arising from the disposal of any land, interest option or right in or over such land or the disposal of shares in a 'real estate company'. The RPGT is applicable to transfer of property within five (5) years of purchase. The RPGT is also subject to the following exemptions: 1. Transfer as gifts between parent and child, husband and wife, grandparent and grandchild; 2. Disposal of a residential property once in a lifetime; 3. Exemption of RM10,000 or 10% of the chargeable gain, whichever is higher, for each disposal of a property by an individual.	**Stamp Duty**, is levied on various legal documents to which a monetary value is affixed. The rates are fixed as follows: Fixed amount of Rp. 3,000 for transaction price between Rp. 250,001 to Rp. 1,000,000; fixed amount of Rp. 6,000 for transaction price over Rp. 1 million. **Notary fees**, for the processing of legal documents are usually charged at about 0.5% to 1.5% of the transacted price. Individuals or companies obtaining rights to land or buildings are required to pay a **Land and Building Transfer Duty** ("Bea Peralihan Hak Atas Tanah dan Bangunan / BPHTB") of 5%. The 5% duty is computed based on the transaction value or the assessed value, whichever is higher. Transaction below Rp. 60 million are not to subject to BPHTB. For acquisitions by inheritance, the non taxable property value is stipulated by the regional authorities but may not exceed Rp 300 million. **Capital Gains Tax**, the net gains from asset revaluations are subject to a 10% final tax. An additional income tax of 15% is imposed if the revalued assets are sold or transferred within 5 years.	**Stamp Duty**, shall be levied on the property transaction price and generally borne by the purchaser or lessee of the properties. The tax rates generally range from 2% to 10% in major cities of India, such as Mumbai, New Delhi and Bangalore. **Registration Fees**, is levied at 1% of the transaction value and payable by the purchaser. **Capital Gain Tax**, is taxable on the profit realized from property transfer. For property holding less than 3 years, the tax rate is 30%. For property with a holding period of 3 years or more, the tax rate is generally 20% (however this varies with the type of assesses).
Property Tax, is payable to government on residential, commercial, industrial properties as well as land. The tax rate is calculated as follows: Property Tax for land, the tax rate is 5% of the land value. Property Tax for owner-occupied properties, the tax rate is ranging from 4% to 10% of annual rental value.	There are two kinds of Property Tax in Thailand, namely, Household Tax and Local Development Tax. **Household Tax**, is imposed on the owners of a house, building, structure or land, which is rented or otherwise put to commercial use. The tax rate is 12.5% of the actual or assessed annual rental value of the property. **Local Development Tax**, is imposed upon any person who either owns land or is in possession of land. The tax rates vary according to the appraised value of the property being determined by the Land Department. There is an allowance granted for land utilized for personal dwellings, the raising of livestock and the cultivation of crops by the owner. The extent of the allowance differs according to the location of the land.	**Real Property Tax**, is payable by owner which is based the property value assessed by the local government Unit.	**Quit Rent** and **Assessment Fee**, are property related taxes. The amount varies and depends on the category of the land and size. **Quit Rent**, is a form of land tax. Its amount varies from state to state. Assessment fee, collected twice a year, is computed based on the value of the property.	**Property Tax (PBB)**, on land and buildings is generally fixed at 0.1% of the assessed value. A rate of 0.2% of the assessed value is applicable to land and buildings worth more than Rp. 1 billion. The non-taxable threshold of property is stipulated by each regional government but may not exceed Rp. 12 million. **Withholding Tax**, on Property Income Income derived from rental payments and service charges are subject to a final withholding tax of 10% of the transaction value, which is considered an advance payment of income tax. **Corporate Taxation**, the income of resident and non-resident corporate entities is taxed annually at 28%.	**Property Tax**, is payable by the owner. The tax is levied at a certain percentage of the rateable value of properties. Local governments determine the rateable values.
N/A	N/A	N/A	**Income Tax**, rental income from property is taxable under Income Tax. Generally, rental income received by a non-resident individual is taxed at a flat rate of 26% without any personal deductions. Corporations are taxed at 25% of the chargeable income from the property.	**Value Added Tax (VAT)**, the sale of raw land is not subject to VAT, but the sale of land already prepared for development is subject to a VAT of 8%. VAT on rental payments is 10%, while VAT on Service Charge is 4%. **Sales Tax**, a 20% Sales Tax on Luxury Goods is applicable to luxury houses. "Luxury Houses" include condominium with a unit size of more than 150 sqm and landed houses with a building size of above 400 sqm or electricity of above 6,600 watt.	N/A
3-yr to 5-yr term, 50% to 60% LTV ratio	50% to 70% LTV ratio on commercial real estate with various terms	60% to 70% LTV ratio	5-year to 10-year term, 60–70% LTV	5-year to 7-year term, 50%–70% LTV	Up to 8-year to 10-year term and 50% to 70% LTV ratio
Usually based on SIBOR plus a mark-up	Minimum Lending Rate + spread	Philippine Dealing System Treasury Fixing Rate (5, 7, 10 year rate depending on loan term)+ 3% to 5% risk premium	Usually based on KLIBOR plus a markup	Usually according on Bank Interest (Approx 14%)	Usually based on Floating Reference Rate or Prime Lending Rate plus a mark-up
Balloon Payment (common)	Repayment with recourse most common	Repayment with recourse most common	Conventional mortgage Mixture of mortgage/bond issue/ debentures Mezzanine financing	Repayment	Repayment with recourse (most common)

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