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PRC PROPERTY MARKET HIGHLIGHTS

NORTH CHINA

Sustained demand across northern China's six major cities preserved a moderate rise in prime office rentals, although take-up dropped in Beijing q-o-q, mainly impacted by the Olympic Games. Both new supply and demand in the prime retail sector were upheld, with high occupancy rates in Beijing. Several prime shopping centres launched onto the market during the quarter, and many older retail projects carried out brand re-structuring in several cities. There were rental increases in all cities, particularly in Dalian which experienced 6% growth q-o-q. Due to the persistent 'wait-and see' attitude in the luxury residential sales market, the transaction volume decreased sharply y-o-y, while the average sale price for luxury apartments remained stable in Beijing, Dalian and Xi'an, but dropped in Tianjin, Shenyang and Qingdao q-o-q. With sustained demand in the industrial sector, rentals kept increasing in the six cities.

EAST CHINA

Prime office markets in East China generally maintained mild growth rates, with the exception of Ningbo, which witnessed slight decreases in rentals. Hangzhou's low-priced new supply drove down prices in its strata-title sales market. In the prime retail market, average ground floor rentals in Shanghai and Ningbo continued their upward trend, while Hangzhou and Nanjing experienced a slight downward adjustment due to the relatively lower rentals of new completions. During the third quarter, the average price of luxury apartments in all major East China cities experienced moderate growth, and there was rental growth in most cities except for Shanghai, which fell by 2.5% q-o-q. The industrial markets in the East China region remained stable in the third quarter.

SOUTH CHINA

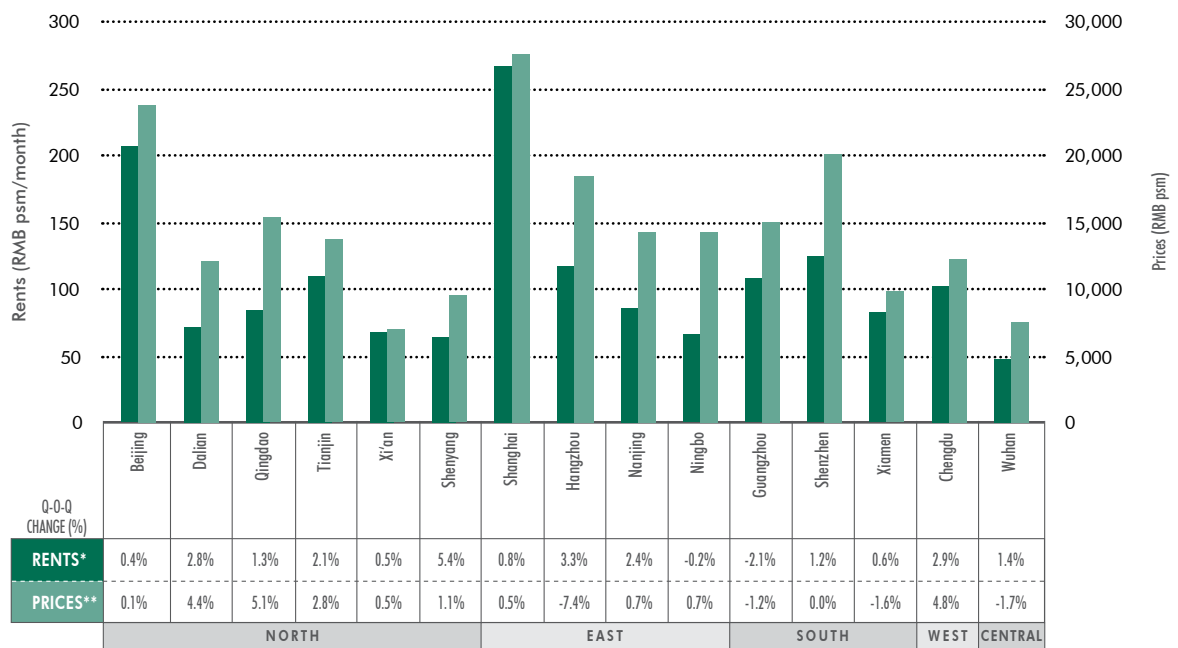
Prime office markets were no longer upbeat, and slowing rental growth carried over this quarter in Shenzhen and Xiamen. A drop of 2.1% q-o-q was reported in Guangzhou under pressure from the continuous supply stream of previous quarters. Guangzhou's prime retail market suffered from a shortage of quality space, and Xiamen's market was quiet. In Shenzhen, two shopping centres of over 100,000 sm each were completed in the OCT area. Luxury apartment markets in the South China region failed to pick up this quarter, and prices of first-hand luxury apartments slid further, down 7.4%, 5.1% and 3.8% q-o-q, respectively in Guangzhou, Shenzhen and Xiamen. Industrial markets performed stably across the region.

WEST & CENTRAL CHINA

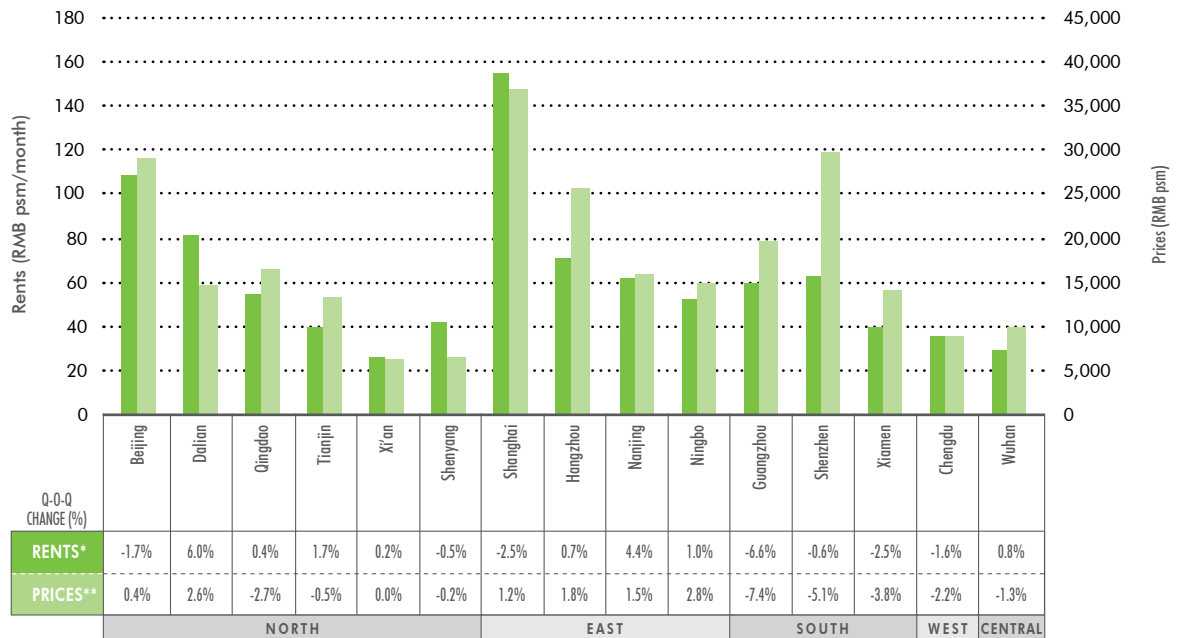
Chengdu's real estate sectors maintained steady performances in the third quarter, with the exception of the dropping rents and prices of luxury residential property, affected by the general market slowdown. With the impact of the earthquake fading away and several promotions to boost the sectors, office and retail take-up was on the rise. Air China Century Centre entered the market, offering about 85,000 sm of Grade A office space and signing large owner-occupiers. In the industrial sector, ProLogis commenced construction of its logistics project in Chenghua District.

In the third quarter of 2008, the average rentals for Wuhan's prime office and prime retail sectors continued to rise. The industrial land price also rose, although the average rental for industrial property remained stable. The "wait-and-see" attitude lingered in Wuhan's luxury apartment sector, where the average price declined but the average rental increased slightly.

Prime Office Rents/Prices

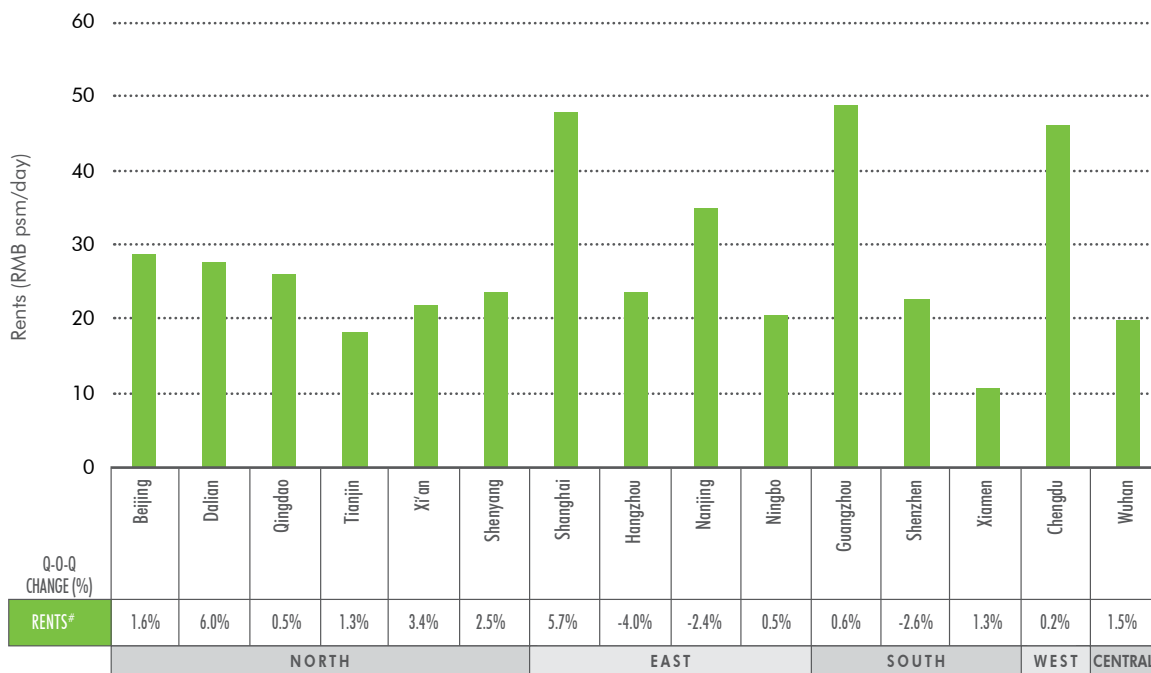


Luxury Apartment Rents/Prices

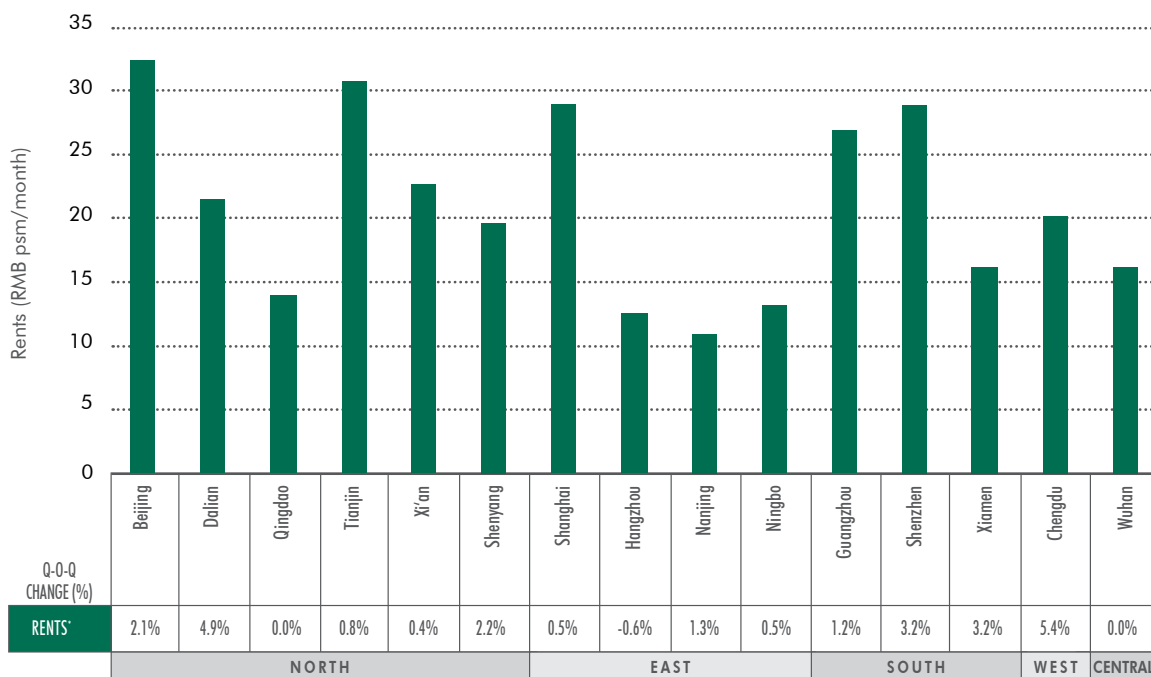


* On gross floor area basis, excluding management fees
 ** On gross floor area basis

Prime Retail Rents

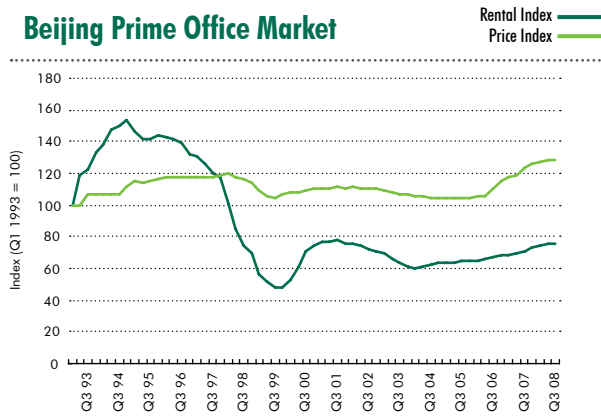


Logistics Rents

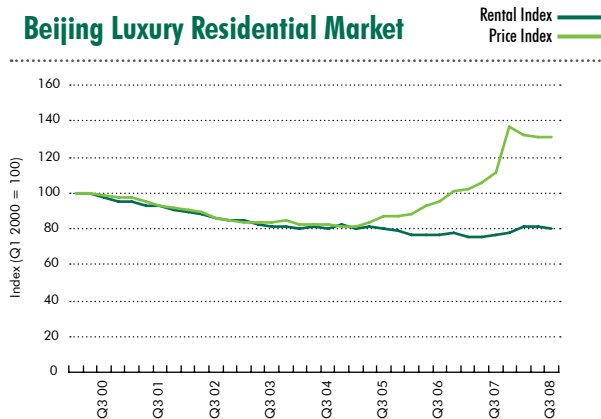


On net floor basis, excluding management fees
 * On gross floor basis, excluding management fees

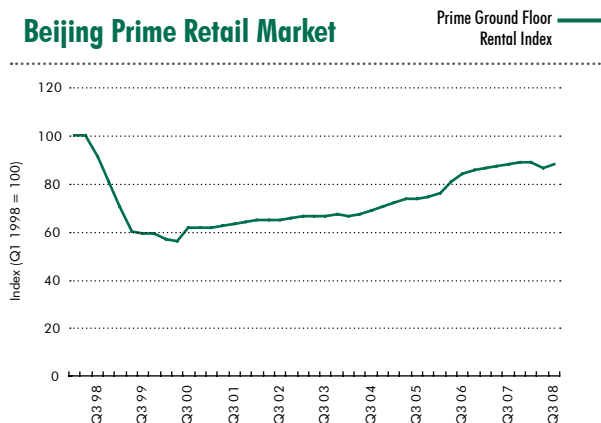
Beijing Prime Office Market



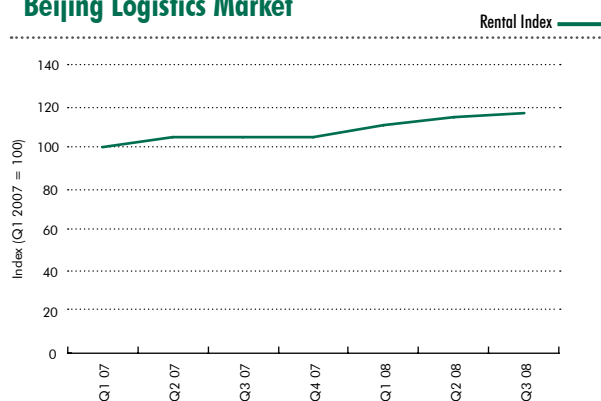
Beijing Luxury Residential Market



Beijing Prime Retail Market



Beijing Logistics Market



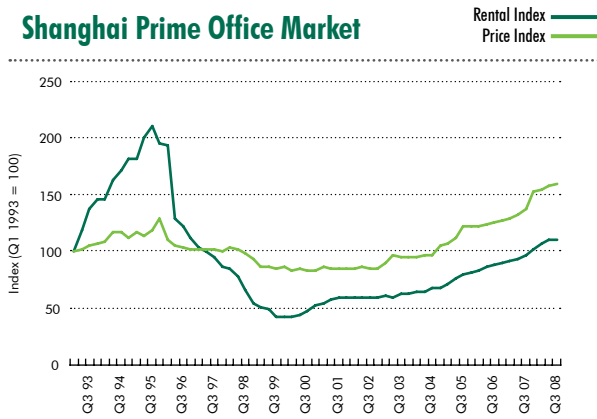
Both the Olympic and the Paralympic Games were held in Beijing in August and September 2008. The events had a short-term impact on the Beijing office market in the third quarter, mainly due to the impact of the Olympic Games on the construction and fit-out of projects. There was also a slowdown of office relocation and expansion, and office leasing transactions eased during the quarter while the market supply and take-up volume concurrently dropped. The average rent, however, rose slightly by 0.4% q-o-q to RMB 205.8 psm per month.

Demand in the luxury apartment and serviced apartment leasing markets began to fall after the Olympics, and rentals dropped 1.7% and 6.2% q-o-q, respectively. Pressured by the gradually increasing supply and continuing decline in transaction volume, some luxury apartments in the primary market began to offer promotions, including discounts. Overall, the asking price of luxury apartments remained steady, with a mild growth of 0.4% q-o-q.

Six new retail projects entered the market in the third quarter, including Yintai Parklife, Intime Lotte, Sanlitun Village (South), CrossPoint, Beijing R&F Plaza and New World Liying Department Store. Most of these projects are located in the traditional commercial district and its surrounding area in the city centre. Average ground floor rent and first floor rent rose by 1.6% and 1% q-o-q, respectively, to RMB 28.6 and RMB 20.4 psm per day. Because of the considerably high commitment rate of the majority of the new projects, the vacancy rate dropped 0.9 of a percentage point q-o-q.

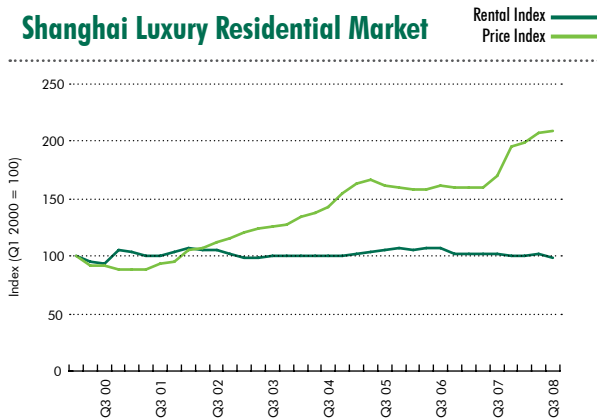
In the third quarter, Beijing's industrial land market was quite active, with land transactions taking place in Beijing Economic & Technological Development Zone, Beijing Tianzhu Airport Industrial Zone and Beijing Tongzhou Logistics Park. Demand for industrial property in Beijing remained stable. Although the decline of industrial investment had a negative influence on demand for factory properties, the demand for logistics and storage facilities has increased in Beijing, and these facilities all retained high occupancy rates.

Shanghai Prime Office Market



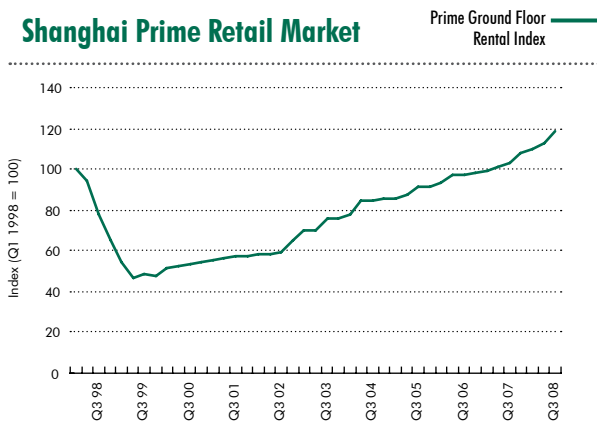
In the third quarter, prime office rental performance diverged between the two major sub-markets of Puxi and Pudong. Puxi office rent grew further by 2.4% to RMB 255.4 psm per month, while Pudong rent, impacted by the huge supply and rising vacancy, dropped by 2.3% q-o-q to RMB 284.9 psm per month. Four new buildings, including the landmark Shanghai World Financial Centre were completed in the quarter, adding a total of 376,476 sm to the market. This drove the average vacancy rate up by 2.8 percentage points q-o-q to 9.9%.

Shanghai Luxury Residential Market



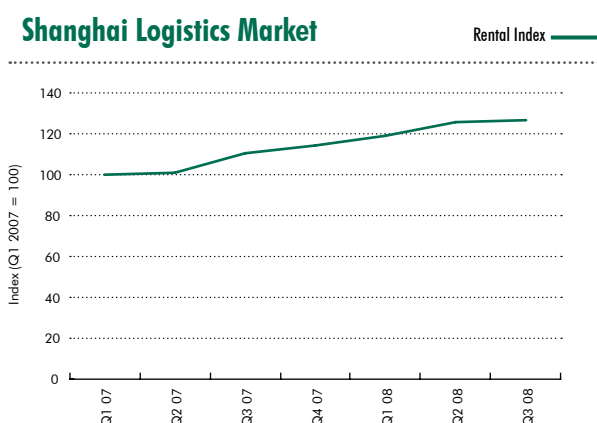
In the third quarter, the traditional off-season, the luxury residential market witnessed a lacklustre performance in transaction volume. The average price of luxury apartment increased by 1.2% q-o-q to RMB 36,884 psm in the quarter, while the average rent decreased slightly by 2.5% q-o-q, to RMB 155.1 psm per month.

Shanghai Prime Retail Market



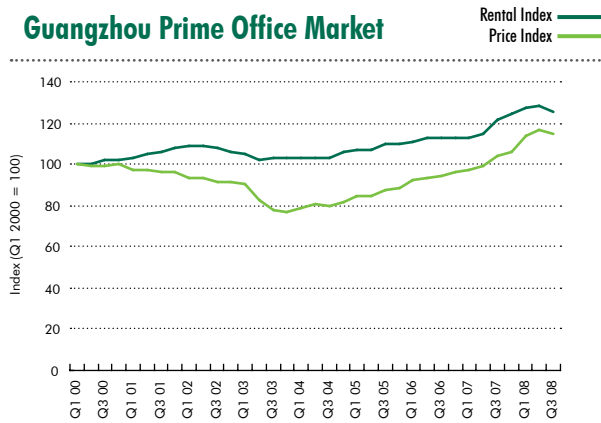
Shanghai's prime retail market continued to witness buoyant performance in the third quarter of 2008. The average prime ground floor rent rose by 5.7% q-o-q to RMB 47.7 psm per day, while the average first floor rent rose by 6.9% q-o-q to RMB 30.9 psm per day. No new projects came on stream in the quarter. Foreign brands, including Emilio Pucci and Hermes, have continued to expand in the city, driving the vacancy rate down to 5.5%, a decrease of 0.4 of a percentage point q-o-q.

Shanghai Logistics Market

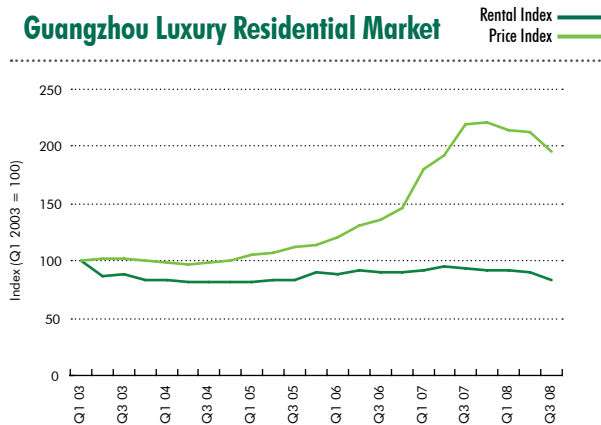


Shanghai's overall industrial facility rental remained relatively stable, increasing by 0.4% q-o-q to RMB 37.2 psm per month, while rentals for logistics and R&D facilities increased by 0.5% and 1.9% q-o-q respectively. However, continuing increases in the PPI coupled with RMB appreciation have resulted in many SMEs, especially export processing enterprises, abandoning the manufacturing sector and looking to lease, sell or redevelop their premises. Accordingly, factory rental in the third quarter witnessed a slight decline by 1% q-o-q.

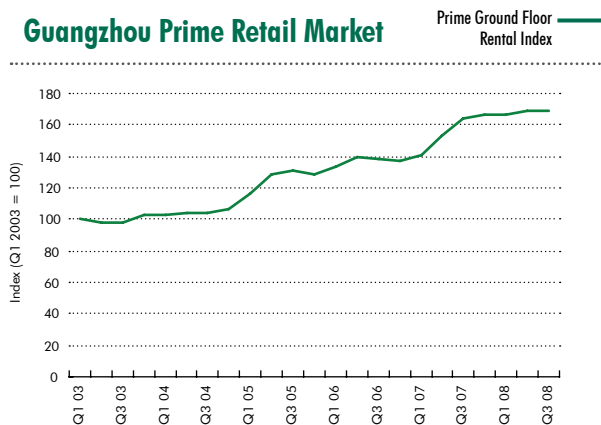
Guangzhou Prime Office Market



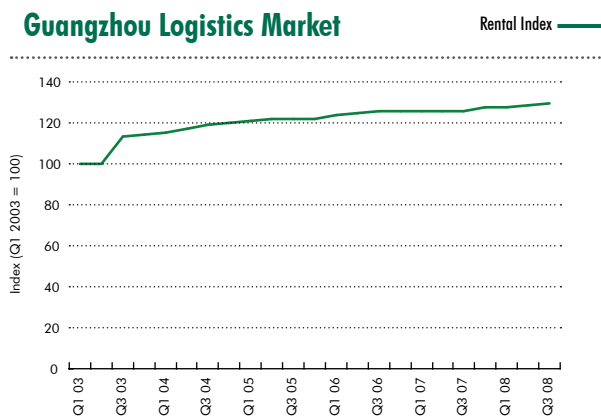
Guangzhou Luxury Residential Market



Guangzhou Prime Retail Market



Guangzhou Logistics Market



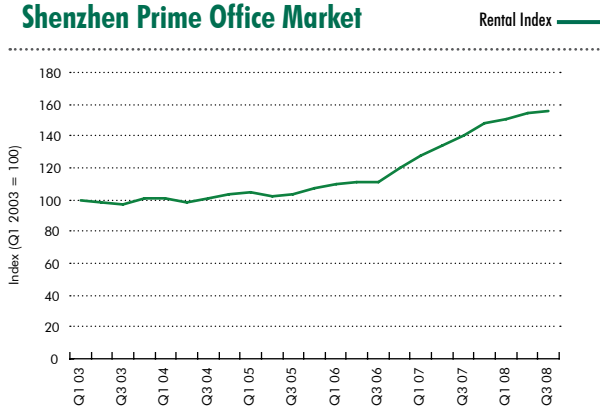
Although no new buildings were completed in the third quarter, rental of prime office space came under downward pressure from the continuous supply stream released in Guangzhou over the past 12 months. The average rental for prime office space dropped by 2.1% q-o-q to RMB 107.2 psm per month in the quarter. Vacancy decreased by 1 percentage point to 14.5% at the end of September, and net take-up amounted to 45,827 sm during the past three months.

The sales market showed signs of revival in the third quarter, after prices had begun to drop earlier. The average sale price of luxury apartments sank to RMB 19,714 psm, down 7.4% from the second quarter. Four luxury residential projects became available for pre-sale in the quarter, bringing 1,426 units to the market. The performance of the leasing market was lacklustre, with rents for luxury apartments falling by 6.6% q-o-q to RMB 59.4 psm.

Ground floor rental for retail space in prime retail properties witnessed a 0.6% q-o-q growth in the third quarter, rising to RMB 48.7 psm per day. Guangzhou's prime retail market continued to endure a dearth of new supply, and premium retail facilities enjoy technically full occupancy. The vacancy rate of aged premises in less prime locations rose, however, driving the overall vacancy up slightly to 8.3%.

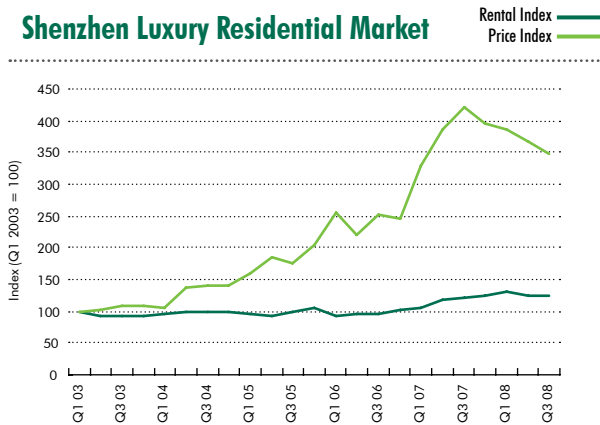
The Guangzhou logistics leasing market maintained an upward trend in the third quarter, with rents for logistics facilities increasing by 1.2% from the previous quarter to RMB 27 psm per month. A total of 65 industrial sites were launched for public bidding in the quarter, making it a peak season for industrial land sales. The average land price was RMB 451.9 psm, representing a slight drop of 0.3% q-o-q.

Shenzhen Prime Office Market



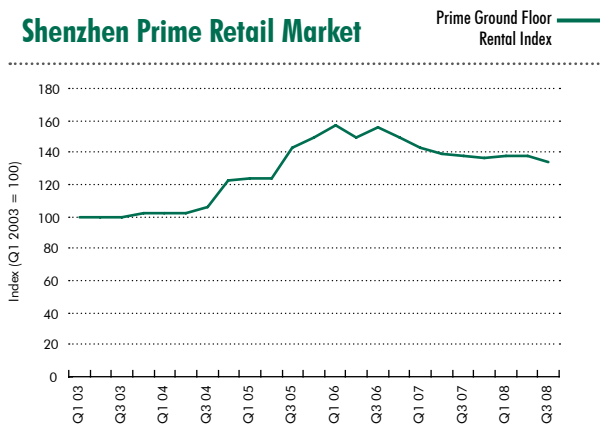
With space in newly completed Grade A buildings mostly absorbed, Shenzhen's prime office market became less resilient this quarter. Rents reported only a slight growth of 1.2% q-o-q to RMB 123.7 psm per month, and prices stood at almost the same level of the previous quarter. One strata-titled sale Grade B tower was completed in Huaqiangbei this quarter. Net take up totalled 22,980 sm and the vacancy rate was 9.2%.

Shenzhen Luxury Residential Market



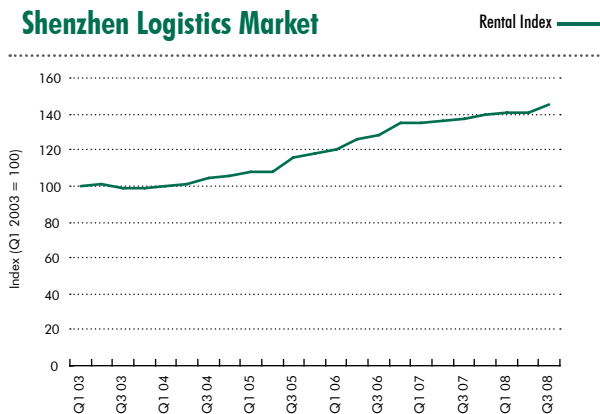
Although market confidence in the residential sector has not yet recovered, sales recuperated slightly in the high-end sector. Victoria Harbour, an upscale project in Nanshan, was launched for pre-sale with reasonable quotations in the third quarter and received positive response from the market. The average price of first hand luxury apartments fell further by 5.1% q-o-q to RMB 29,909 psm. The monthly rental of luxury apartments averaged RMB 63.2 psm, down 0.6% q-o-q.

Shenzhen Prime Retail Market



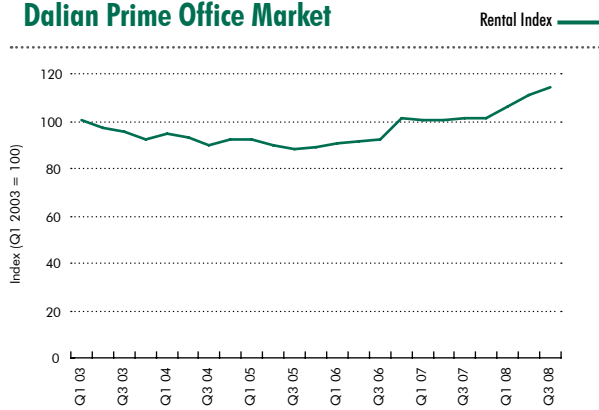
The prime retail market in Shenzhen continued to be active in the third quarter. Yitian Holiday Plaza and Kingkey Banner Centre opened, both located in the emerging OCT area, contributing a total of 220,000 sm of retail space to the market. Rents for ground floor space in prime retail facilities were RMB 22.5 psm per day, down 2.6% q-o-q, while that of first floor property rose by 1% q-o-q. Overall vacancy dropped further to 7%.

Shenzhen Logistics Market



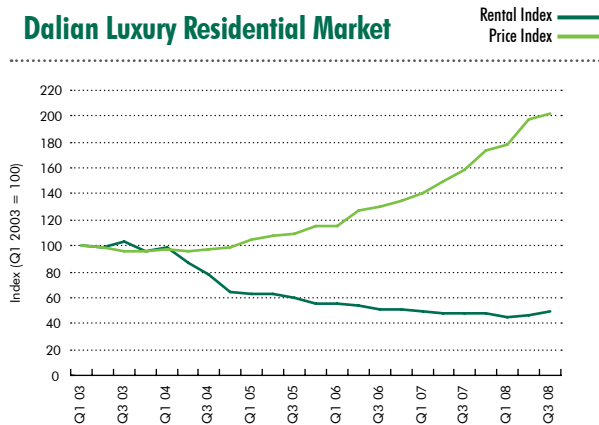
Shenzhen's logistics market remained on a steady upward trend over the past three months. Logistics rentals witnessed a growth of 3.2% q-o-q, reaching RMB 29 psm at the end of the quarter. Four plots for industrial development in Grand Industrial Zone, Longgang District, were auctioned within the reviewed period. Land prices across the market stood at an average of RMB 855.3 psm.

Dalian Prime Office Market



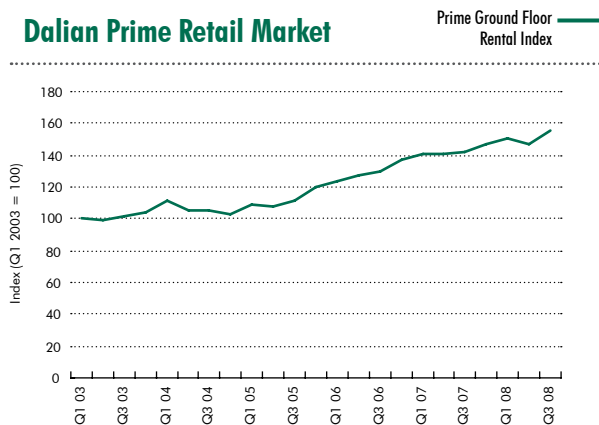
Benefitting from substantial demand from the finance and trade sectors, Dalian's average prime office rental edged up further to RMB 71.5 psm per month, an increase of 2.8% q-o-q. Zhonggang Shiyin Building was completed in the third quarter, offering a total of 21,020 sm of new supply to the market. As a result, the average vacancy rate was 17.5%, up 0.3 of a percentage point q-o-q.

Dalian Luxury Residential Market



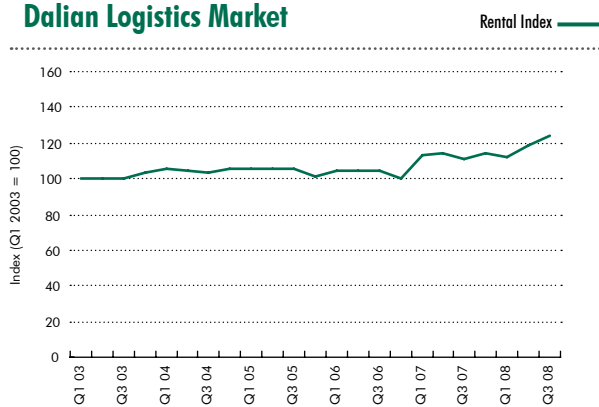
The luxury apartment leasing and sales market was quite active, and prices in the seafront and downtown areas remained firm during the third quarter. As a result, the average price reached RMB 14,755 psm, up 2.6% q-o-q. The average rental of luxury apartments rose by 6% q-o-q to RMB 81.5 psm per month. The luxury residential market saw about 3,324 units available for sale, offered by ten luxury properties. New supply on the leasing market came from Campus Village (136 units) in Golden Pebble Beach. Rigid demand was the major dynamic of price growth.

Dalian Prime Retail Market



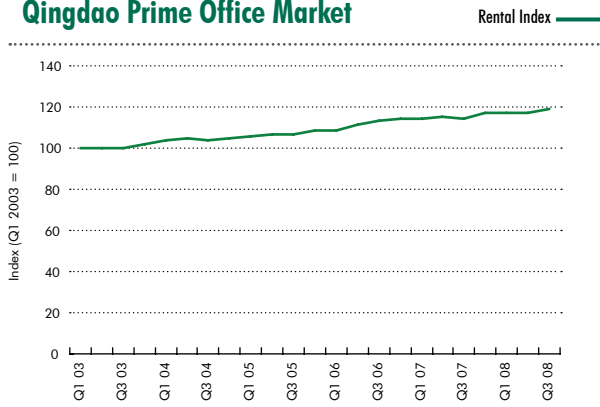
In the third quarter, the average rentals of ground floor and first floor properties reached RMB 27.7 psm per day and RMB 18.8 psm per day, rising by 6% and 4.2% q-o-q, respectively. With the shortage of new supply in the long term, the overall vacancy rate decreased by 0.3 of a percentage point q-o-q to 6.2%. Most shopping malls and department stores were restructuring tenant mix and upgrading brands in the third quarter.

Dalian Logistics Market



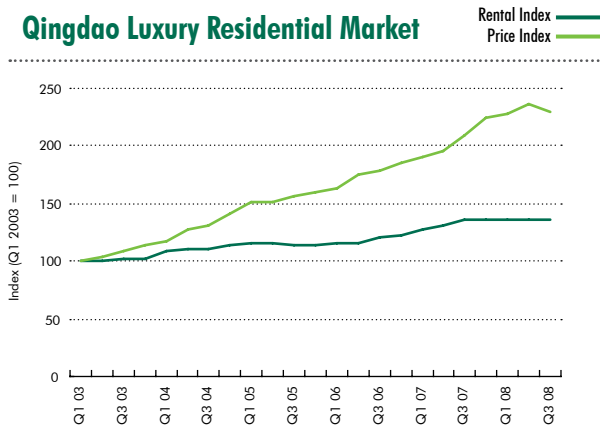
Due to the high quality of newly completed logistics facilities in DDA, the average logistics rental edged up 4.9% q-o-q to RMB 21.5 psm per month in the third quarter. During the quarter, a total of 23 industrial land plots were transacted. The average land price rose by 0.3% q-o-q to RMB 460 psm.

Qingdao Prime Office Market



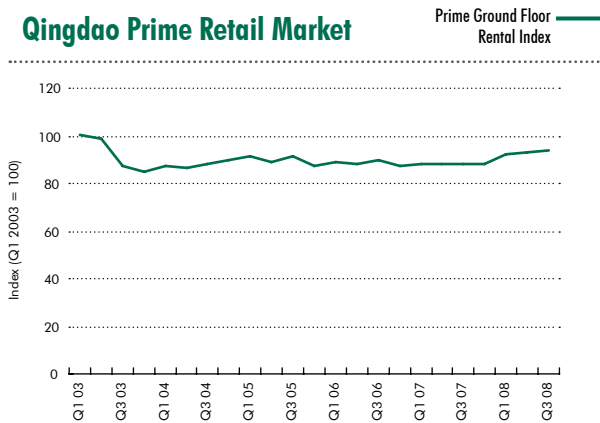
The average prime office rental remained stable in the third quarter, at RMB 83.5 psm per month, an increase of 1.3% q-o-q. Leasing activity focused on existing stock, as no new supply came on stream this quarter. As a result, the overall vacancy rate dropped 2.6 percentage points q-o-q to 13.1%.

Qingdao Luxury Residential Market



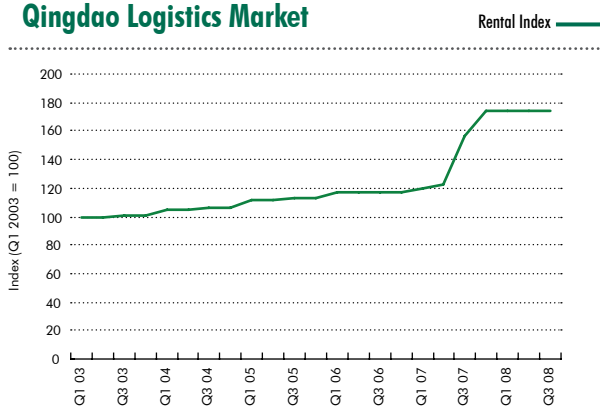
The Olympic Regatta did not produce any marked effect on the rental growth of luxury apartments in Qingdao. In the third quarter, the luxury apartment rental reached RMB 54.3 psm per month, a slight increase of 0.4% q-o-q. However, affected by shrinking luxury apartment sales, the average price dropped by 2.7% q-o-q to RMB 16,523 psm.

Qingdao Prime Retail Market



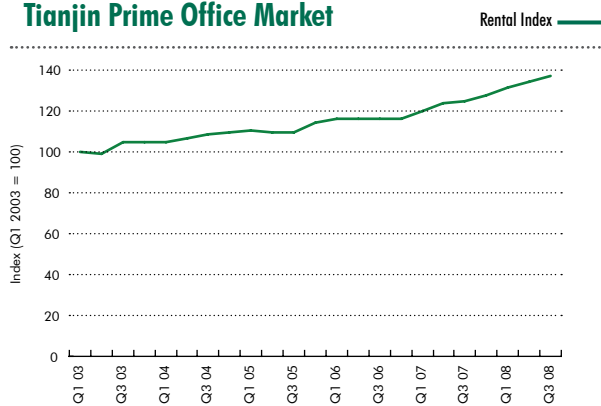
Increasing retail sales stimulated the rental growth of prime retail properties in Qingdao. In the third quarter, the rental of ground floor retail space was RMB 26 psm per day, a slight increase of 0.5% q-o-q. The overall vacancy rate dropped 0.7 of a percentage point q-o-q to 7.2%.

Qingdao Logistics Market



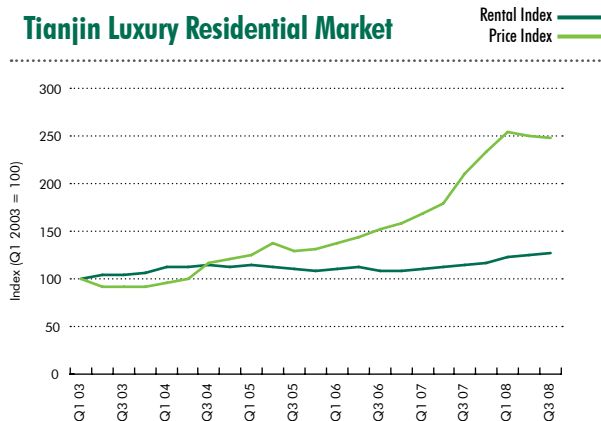
The industrial land market was active in the third quarter, with about eight plots of land sold, most located in the industrial parks of Chengyang District. The plots were mainly purchased at or close to the bidding base price. As most of the industrial properties in Qingdao were built several years ago, the increasing construction costs have not had an impact on the industrial facility rentals, which remained at the same level as the previous quarter.

Tianjin Prime Office Market



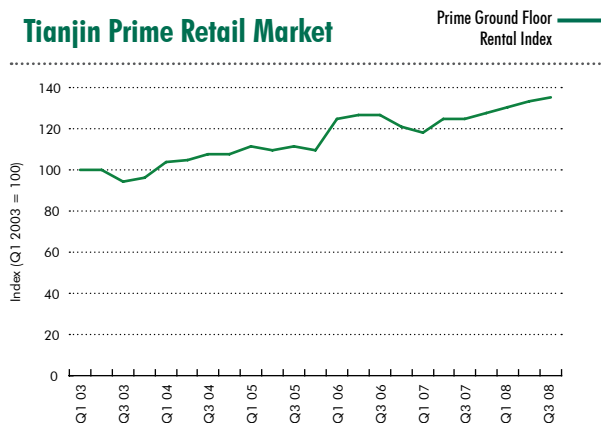
No new prime office properties came on stream within the third quarter, mainly as a result of construction delays. Driven by increasing demand from both local and overseas financial institutions and multinational corporations, the average rental reached RMB 108.5 psm per month, a 2.1% rise q-o-q. The vacancy rate dropped 1.5 percentage points to 11.8%. The average price increased to RMB 13,700 psm, a 2.8% rise q-o-q.

Tianjin Luxury Residential Market



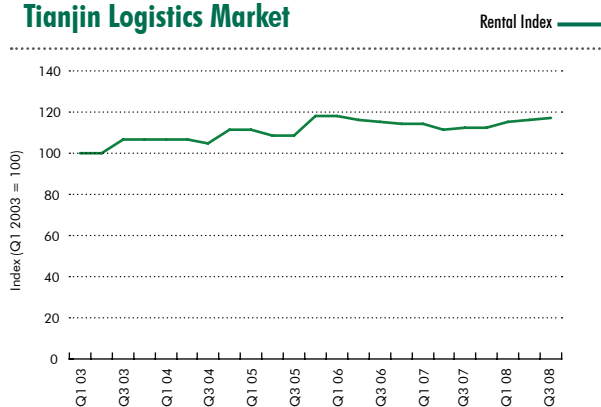
Driven by demand from the high-income migrant population attracted by the city's development, the average rental of luxury apartments continued to rise by 1.7% q-o-q, reaching RMB 40.2 psm per month. In the strata-title sales market, lowered market expectations continued to prevail, though some newly launched projects with higher prices have to some extent pushed up the overall price in the market. With the combined effect of these two factors, the average price of luxury apartments dropped marginally by 0.5% q-o-q to RMB 13,294 psm.

Tianjin Prime Retail Market



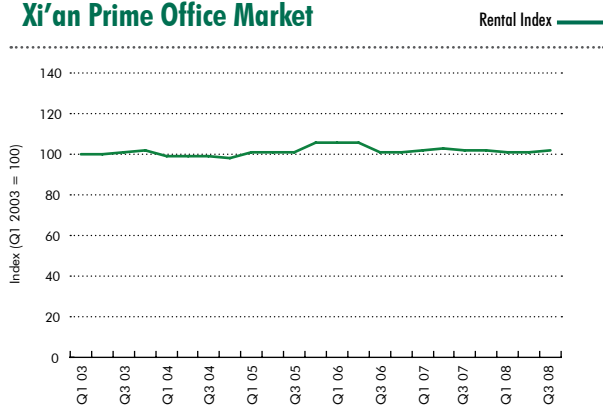
No new prime retail properties entered the market in the third quarter of 2008. The existing stock was further taken up, and prime retail facilities in core retail areas even became scarce. This caused the overall vacancy rate to drop by 0.2 of a percentage point q-o-q to 10.7%. The rental of ground floor property reached RMB 18.1 psm per day, a 1.3% rise q-o-q.

Tianjin Logistics Market



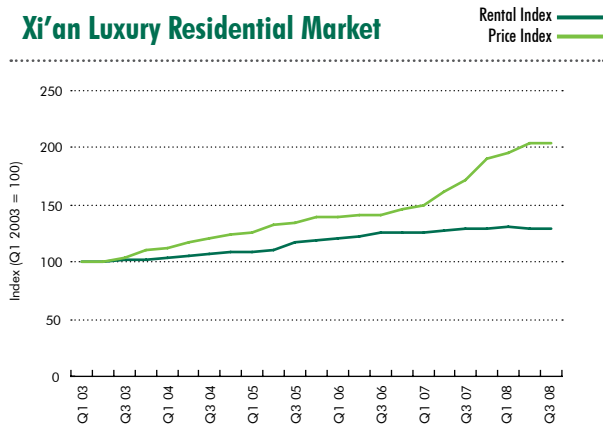
Driven by the development of Binhai New Area, the average rental of logistics facilities maintained a mild increasing trend, reaching RMB 30.9 psm per month, a 0.8% rise q-o-q. Bolstered by the rising value of the land in Eastern Port Area, the average industrial land price continued to increase, reaching RMB 425.4 psm, a 2.5% rise q-o-q.

Xi'an Prime Office Market



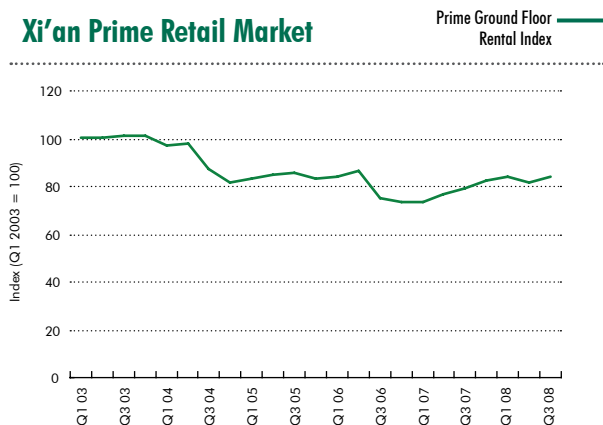
The average rental for prime office space reached RMB 68 psm per month, up by 0.5% q-o-q. No new supply came on stream within the quarter and the overall vacancy rate dropped by 2.7 percentage points to 24.5%. Demand remained stable, with multinational companies, government institutions, and large domestic enterprises comprising the major occupiers of prime office space in Xi'an.

Xi'an Luxury Residential Market



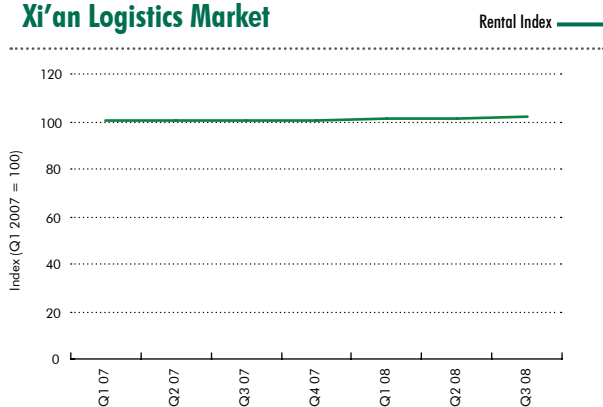
Due to lack of confidence in the market, the transaction volume of residential properties continued to slide. However, the luxury apartment sector remained stable, maintaining its average price of RMB 6,221 psm. The sales market of small-unit apartments was buoyant, while the sale of large-unit residences faced greater pressure. The leasing market also remained stable, with the average rent of luxury apartments standing at RMB 26.1 psm per month. The Xi'an government released a policy regarding housing purchase subsidies, which is expected to boost the recovery of the residential market.

Xi'an Prime Retail Market



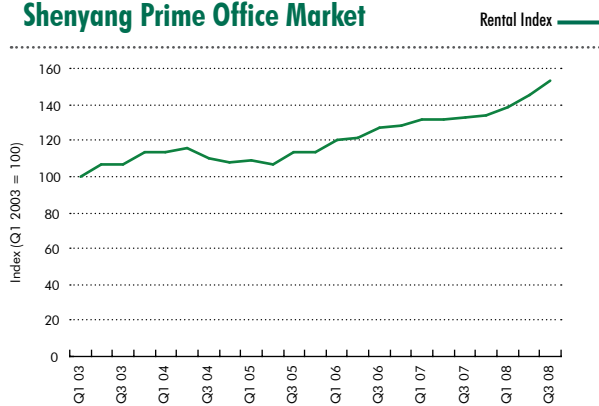
The leasing market of prime retail property in Xi'an has basically shaken off the negative influence of the Wenchuan Earthquake, and steadily increasing incomes and optimism for the future promoted demand in the prime retail market. Rentals for ground floor and first floor retail space rose by 3.4% and 1.6% q-o-q, reaching RMB 21.8 and RMB 18.5 psm per day, respectively. No new supply was released in the quarter.

Xi'an Logistics Market

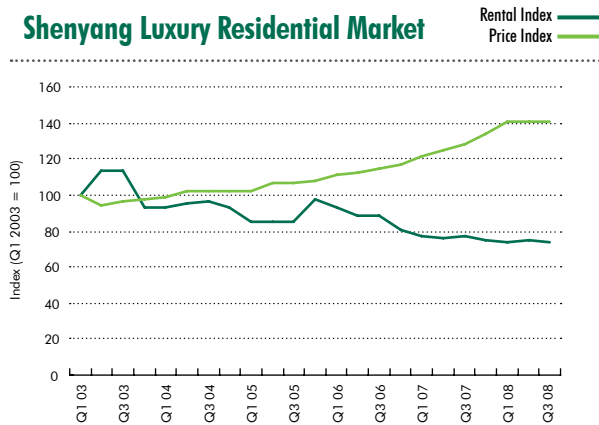


Demand for industrial property remained stable in Xi'an during the third quarter. Average rentals of R&D and logistics facilities rose q-o-q by 0.2% and 0.4% to RMB 40.9 and RMB 22.7 psm per month, respectively. Average factory rentals remained at the same level of the previous quarter at RMB 15.2 psm per month.

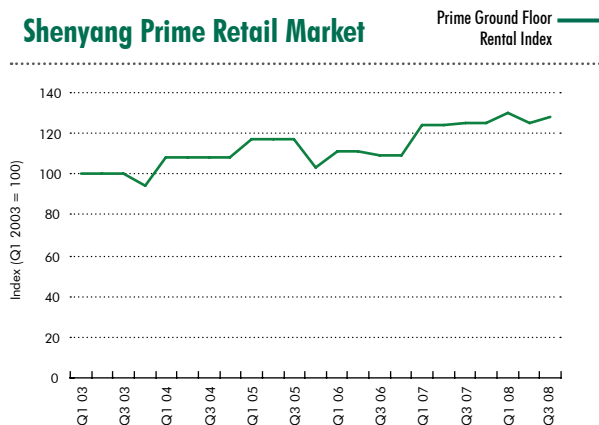
Shenyang Prime Office Market



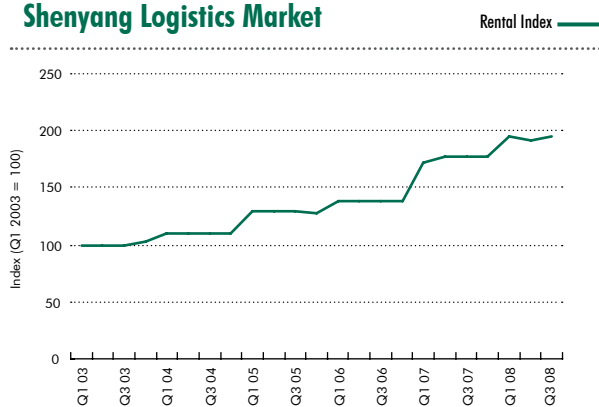
Shenyang Luxury Residential Market



Shenyang Prime Retail Market



Shenyang Logistics Market



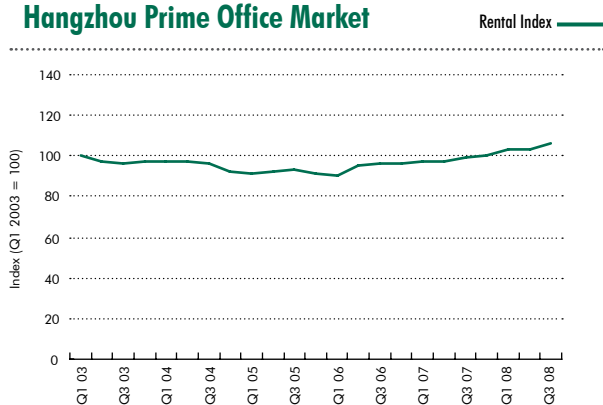
In the third quarter of 2008, two new prime office buildings located in Taiyuan Street and the Golden Corridor came on stream, bringing a total new supply of 50,500 sm to Shenyang's prime office market. Take-up was about 34,170 sm, exceeding that of the last quarter, however, the vacancy rate increased by 0.8 of a percentage point q-o-q due to the new supply, up to 19.3%. Bolstered by the high asking rental of the new projects, the average rental of the prime office market increased further, rising 5.4% q-o-q to reach RMB 64 psm per month.

The new supply of luxury apartments in Shenyang increased ahead of the Autumn Real Estate Fair held during the third quarter. Influenced by adjustments in China's overall residential market, Shenyang's luxury apartment market slid slightly within the quarter, with the average price dropping by a marginal 0.2% q-o-q to RMB 6,584 psm and the average rental decreasing to RMB 41.8 psm per month, down 0.5% q-o-q.

Due to the delayed opening of Maison Mode and other new retail projects, there was no new supply in Shenyang's prime retail market within the quarter, and take-up rose slightly. Meanwhile, the prime ground floor rent reached RMB 23.5 psm per day, a 2.5% rise q-o-q. In the third quarter, the overall vacancy rate of Shenyang's prime retail market fell by 1 percentage point q-o-q, down to 15.1%.

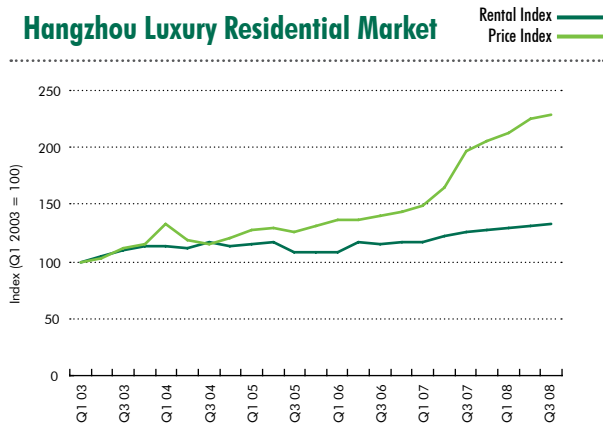
In the third quarter of 2008, the average rental of logistics facilities increased to RMB 19.6 psm per month, up 2.2% q-o-q. At the same time, the asking price of Shenyang industrial land was RMB 308.2 psm, the same as the previous quarter. Shenbei Medium- and Small-Sized Technology Industrial Park Phase 3, located in Shenbei New District, was completed within the quarter, bringing new supply to the market.

Hangzhou Prime Office Market



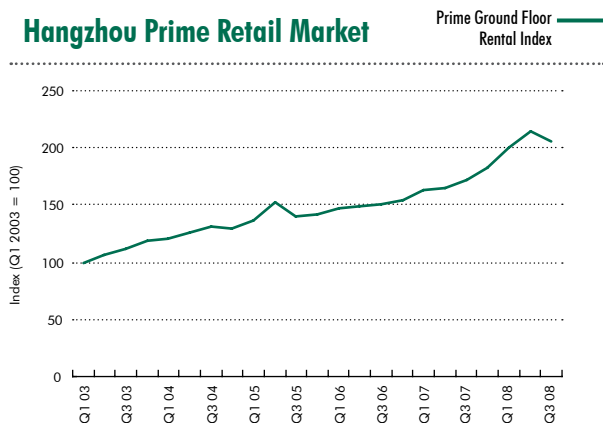
The completion of EAC and other projects drove up the average rental of Hangzhou's prime office space to RMB 115.6 psm per month, a q-o-q increase of 3.3%. New completions were mainly located in Huanglong, bringing a total of 105,400 sm of new supply to the market. Both the amount of new supply and take-up increased during the quarter, and overall vacancy remained at the low level of 10%. In the strata-title sales market, the low price of newly launched projects and the real estate slowdown pushed the average price down to RMB 18,283 psm, a q-o-q 7.4% decline.

Hangzhou Luxury Residential Market



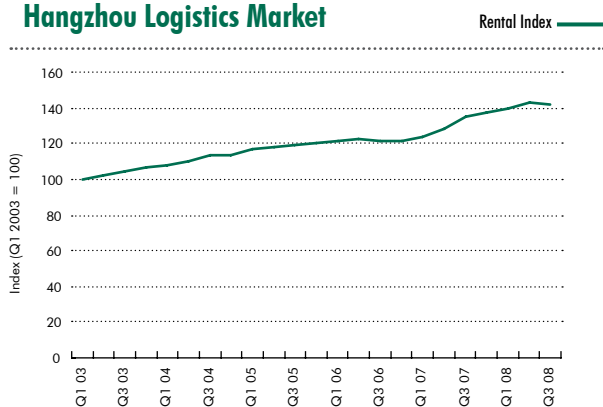
In the third quarter of 2008, rental growth in Hangzhou's luxury apartment sector slowed down, with a q-o-q rise of 0.7% to RMB 71 psm per month. Despite the adjustment in the overall real estate market, the price of luxury apartment rose slightly, to RMB 25,615 psm. Three luxury apartment projects came on the market during the quarter, providing a total new supply of 1,127 units.

Hangzhou Prime Retail Market



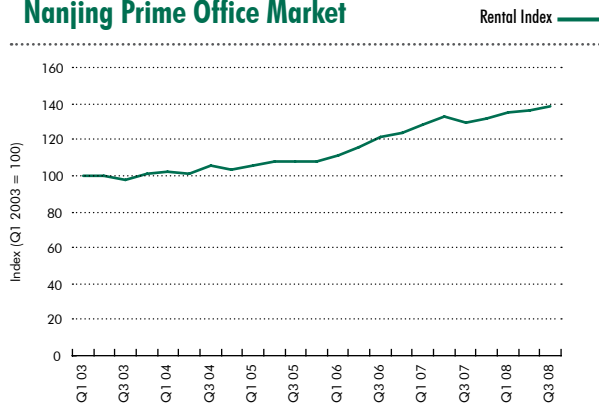
Affected by the low rental of the new supply, Hangzhou's prime retail rents declined in the third quarter. Rentals for ground floor and first floor retail property decreased by 4% and 5.6% q-o-q, respectively. The retail portion of EAC opened this quarter, bringing in about 14,400 sm of new supply. The increased vacant area in Hubin Street and the high vacancy rate in the EAC lifted the overall vacancy rate of Hangzhou's prime retail market by 4.3 percentage points q-o-q to 13.6%

Hangzhou Logistics Market

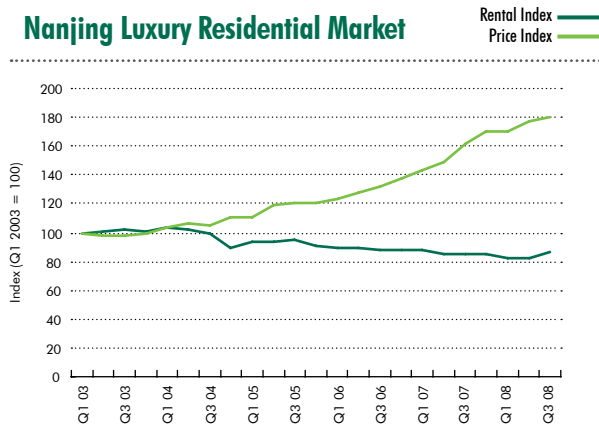


With the spreading implementation of the land bidding and auctioning system as well as the restrictions on new land supply, price growth for Hangzhou industrial land accelerated, with a q-o-q rise of 3.1% to RMB 341.5 psm. Affected by the slowdown in foreign trade, rentals of logistics facilities experienced negative growth, falling slightly by 0.6% q-o-q to RMB 12.6 psm per month.

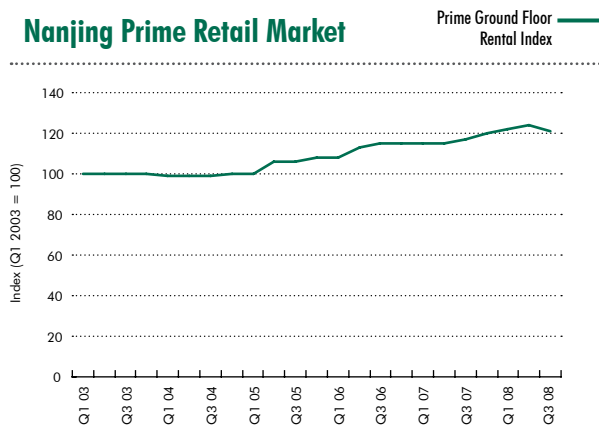
Nanjing Prime Office Market



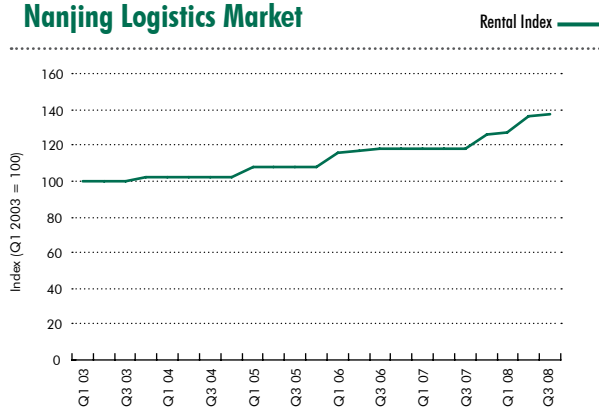
Nanjing Luxury Residential Market



Nanjing Prime Retail Market



Nanjing Logistics Market



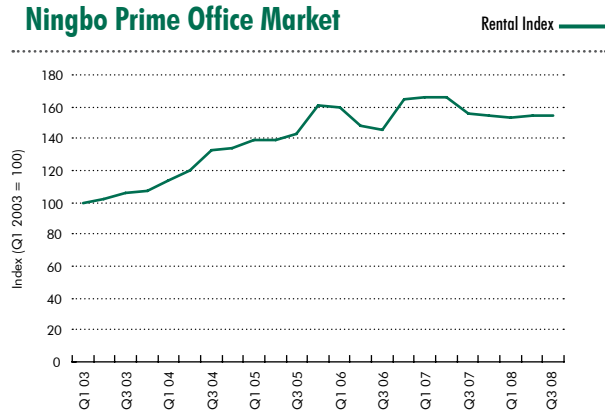
Both Grade A and Grade B office properties recorded rental upswings in the third quarter, contributing to an overall rental growth of 2.4% q-o-q to RMB 86.1 psm per month. Meanwhile, the overall vacancy rate dropped 2.5 percentage points q-o-q to 17.1%, and the average capital value of prime office properties remained stable. Yunfeng Mansion of Greenland Plaza was completed in this quarter, providing 22,000 sm of Grade A office space.

In the third quarter of 2008, Nanjing's residential transaction volume continued to shrink, influenced by the macroeconomic control policies. However, the average price of Nanjing luxury apartments rose q-o-q by 1.5%, mainly due to the rising proportion of furnished units in the property sales market. Luxury apartment rentals maintained an upward trend on the back of higher rents of newly launched projects, with a q-o-q growth of 4.4% to RMB 62 psm per month.

Aqua City, with around 52,400 sm of prime retail space, opened in the Confucius Temple retail hub during the third quarter, anchoring brands including ZARA and H&M. However, the comparatively lower rental level of the Confucius Temple area where Aqua City is situated has led the city's average prime ground floor and first floor rentals to drop by 2.4% and 2.9% q-o-q, respectively. The overall vacancy rate also slightly increased by 0.4 of a percentage point q-o-q to 1.4% due to Aqua City's opening.

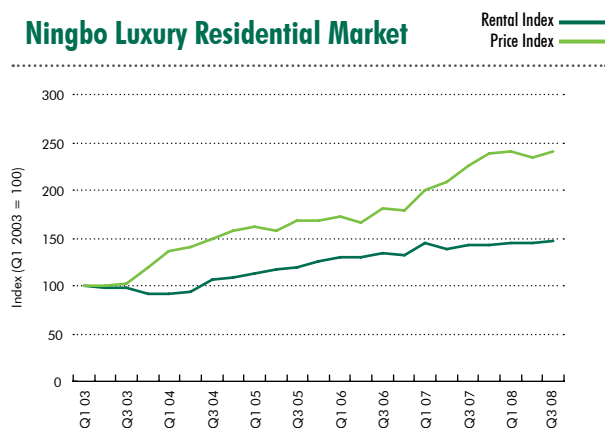
In the third quarter of 2008, rents for factory and logistics facilities increased by 3.7% and 1.3% q-o-q, respectively, while rents for R&D facilities remained stable. Nanjing municipality is strongly promoting the software outsourcing sector, which will further stimulate the local R&D property market. The average land price continued a downward trend in the quarter, dropping 7% q-o-q to RMB 384.9 psm.

Ningbo Prime Office Market



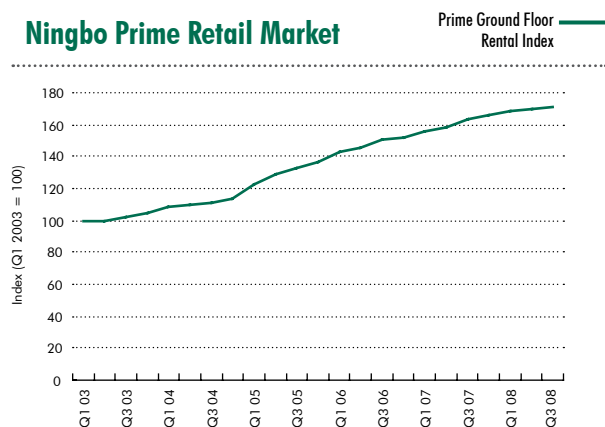
In the third quarter of 2008, two Grade B office properties were added to the market, providing a total GFA of 103,100 sm. Accordingly, the overall vacancy level witnessed a slight q-o-q rise of 0.9 of a percentage point to 24.9%. Due to the increase in Grade B new supply, some existing projects lowered their asking rentals to remain competitive, leading to a slight 0.2% q-o-q decrease in the city's average prime office rental, to RMB 64.8 psm per month.

Ningbo Luxury Residential Market



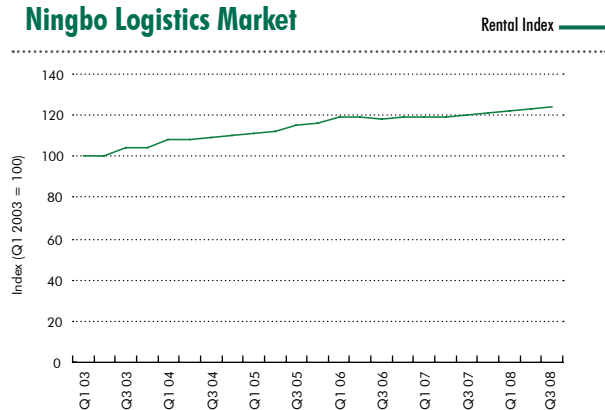
The average rental of luxury apartments continued its slight increase of 1% q-o-q to RMB 52.7 psm per month. In the sales market, some high priced projects including Rose Garden and Lakescape Garden were launched for presale in the quarter, contributing to an overall price increase of luxury apartments. Consequently, the average price of luxury apartments in Ningbo was recorded at RMB 14,842 psm, a q-o-q growth of 2.8%.

Ningbo Prime Retail Market



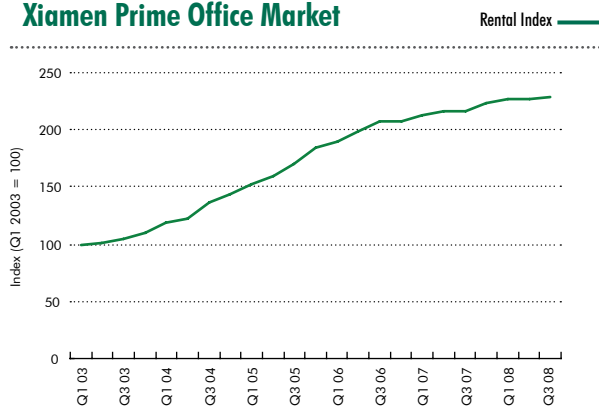
The prime retail market in Ningbo continued its seventh quarter of "supply drought" with the overall vacancy rate remaining at 0%. Due to the limited available space on the market, Ningbo's prime retail market remained stable. The average rental of prime ground floor space rose q-o-q by 0.5% to RMB 20.3 psm per day, while the average rental of prime first floor space remained unchanged within the quarter.

Ningbo Logistics Market



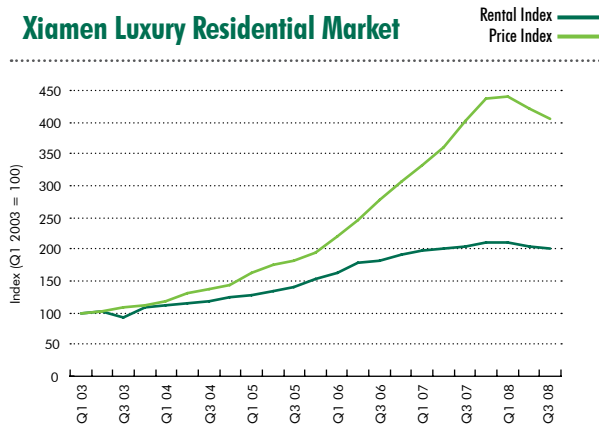
During the third quarter of 2008, the average industrial land price in Ningbo increased by 1.3% q-o-q to RMB 426.5 psm. Except for the marginal downward correction seen in R&D facilities, rentals for logistics facilities and factories continued to trend north with q-o-q rental growth of 0.5% and 1.2% to RMB 13.1 and RMB 11.7 psm per month, respectively.

Xiamen Prime Office Market



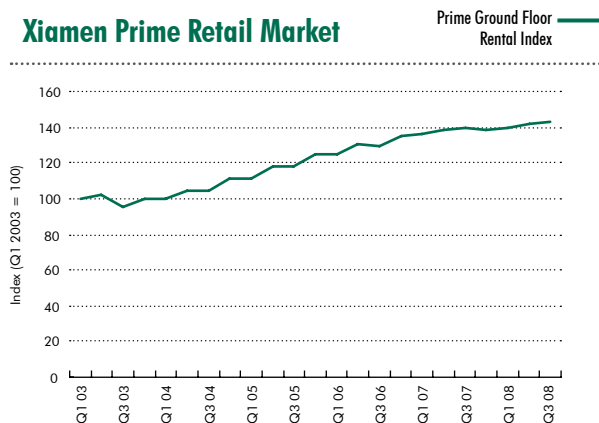
Xiamen's prime office market remained stable during the third quarter of 2008. The prime office rental edged up by 0.6% q-o-q to RMB 81.7 psm per month, while the average price dropped by 1.6% in the same period. With no new buildings added to the market this quarter, the overall vacancy dropped to 4.4% and net take-up amounted to 1,323 sm.

Xiamen Luxury Residential Market



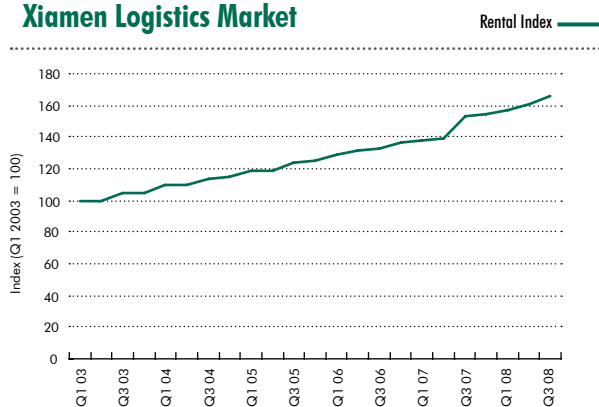
The luxury residential sales market in Xiamen stayed weak in the third quarter as cautious sentiment continued to prevail. The average price of luxury apartments decreased 3.8% q-o-q to RMB 14,167 psm. The average rent for luxury apartments also fell, slipping 2.5% q-o-q to RMB 39.5 psm per month, as the leasing market was also quiet. No new luxury residential projects were launched in the pre-sale market during the quarter.

Xiamen Prime Retail Market



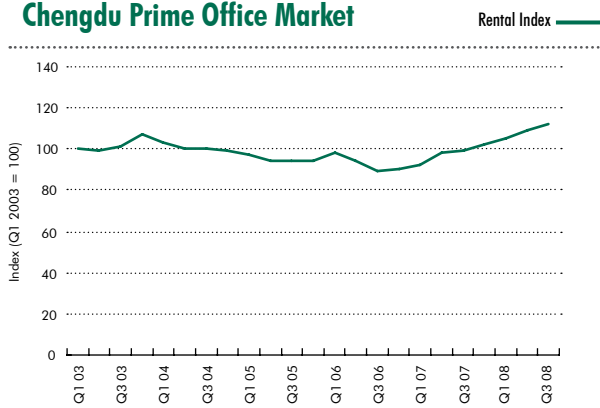
In the third quarter, Xiamen's prime retail market continued a mild upswing. Monthly rents for retail space in the ground floor of prime shopping facilities went up by 1.3% q-o-q, to RMB 10.6 psm per day. No new completions were reported over the reviewed period, and overall vacancy stood at 30.5% at the end of the quarter, down 1.8 percentage points from the end of June.

Xiamen Logistics Market



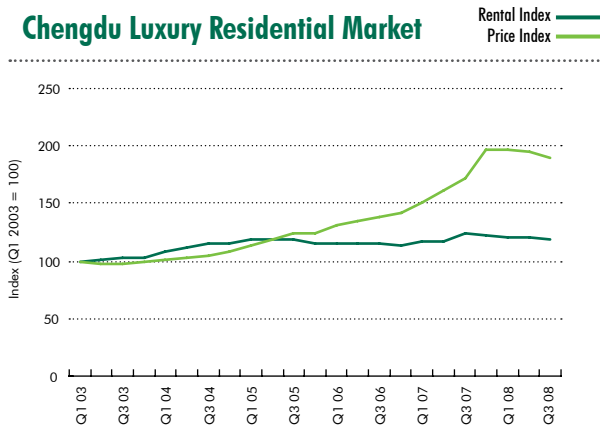
Xiamen's industrial market was buoyant this quarter. The average land price of industrial sites increased by 2.4% from the second quarter. The average rental of logistics facilities recorded a q-o-q rise of 3.2% and reached RMB 16.1 psm per month. Connections between Xiamen Island and industrial zones in Jimei, Tong'an and Xiang'an districts were improved with the completions of several infrastructure developments.

Chengdu Prime Office Market



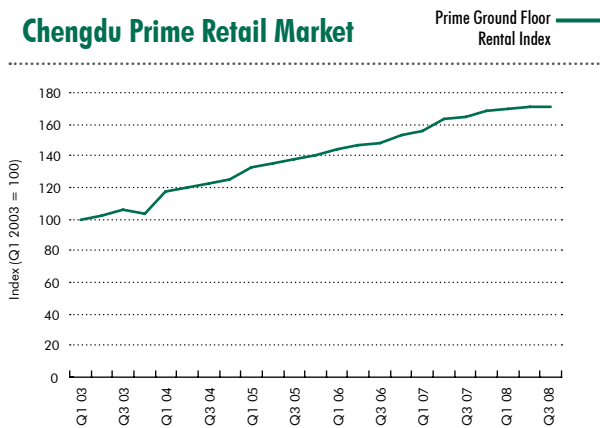
The prime office market was upbeat as the average rent rose 2.9% q-o-q to RMB 101.8 psm per month. As the take-up of buildings launched in the first half picked up significantly and the newly-launched Air China Century Centre is mainly owner occupied, overall vacancy dropped to 21% - the lowest rate since 2006. Major leasing transactions include MATRADE and Stryker in Shangri-La, and Emerson in Lippo.

Chengdu Luxury Residential Market



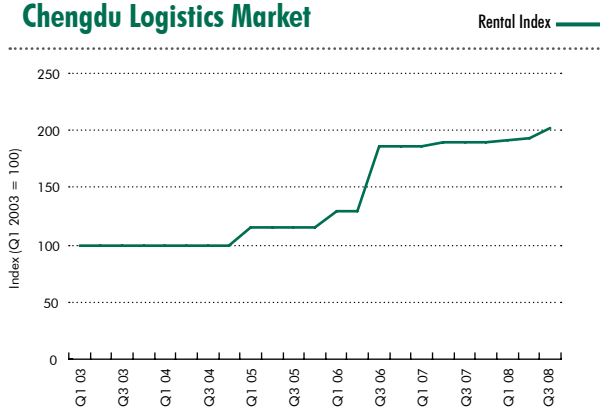
The luxury residential sector was affected by the generally underperforming residential market, with the average price dropping 2.2% q-o-q to RMB 8,811 psm. With the impact of the earthquake fading away and the Autumn Housing Trade Fair coming up, Chengdu experienced a hike in supply during the quarter, rising 49.2% q-o-q to 488,000 sm. Also, despite the overall sluggish sales, some scarce property types such as low-rises achieved decent sales, especially the low-rise portion of Overseas Chinese Town.

Chengdu Prime Retail Market



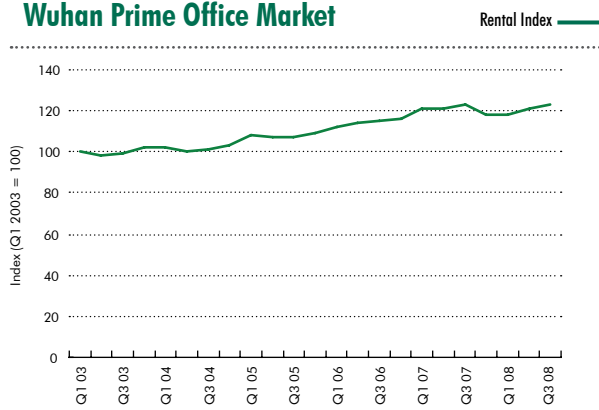
Boosted by the autumn cosmetics promotions and the government-initiated shopping festival, the retail market maintained its performance in the third quarter. The average ground floor rent was stable, rising slightly by 0.2% q-o-q to RMB 46.2 psm per day. With no new supply, the overall vacancy dropped another 0.3 of a percentage point q-o-q to 3.3%. Major leasing transactions included Armani Jeans in Wangfujing and Emporio Armani in Seibu.

Chengdu Logistics Market



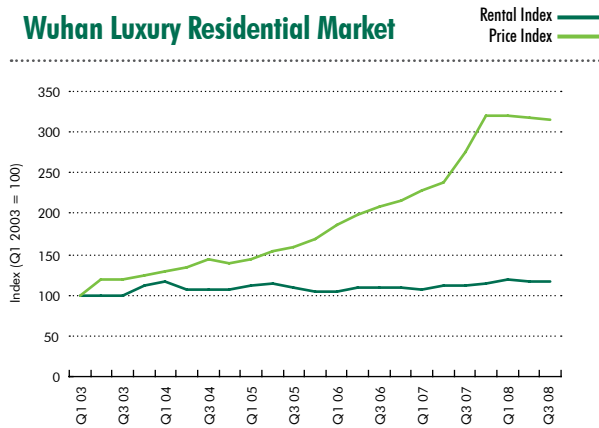
The average rent of logistics facilities rose 5.4% q-o-q to RMB 20.3 psm per month, as did land price, up 0.4% q-o-q to RMB 345.1 psm. The supply of R&D space is on the rise as new projects including Dike Software Park and Terra Science Park were announced. Transfar Logistics Base, one of the key logistics developments in Chengdu, will be operational in the fourth quarter.

Wuhan Prime Office Market



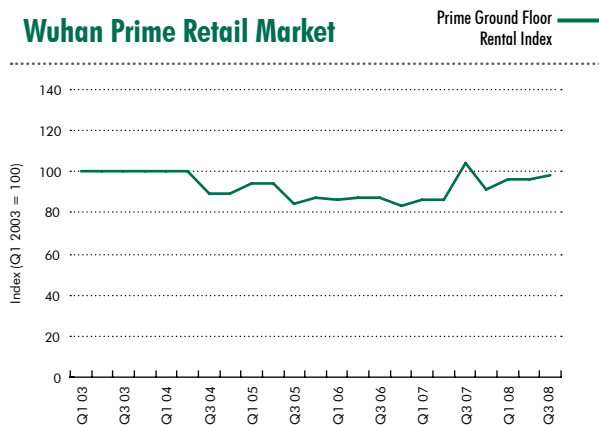
In the third quarter of 2008, the average rental for Wuhan's prime office space was RMB 48 psm per month, a q-o-q increase of 1.4%. Since no new office supply came on stream within the quarter, the vacancy rate dropped to 19.3%, a decrease of 3.5 percentage points q-o-q. Due to its high quality and low vacancy rate, the average rental in the New World International Trade Tower witnessed a q-o-q increase of 18% during the period under review.

Wuhan Luxury Residential Market



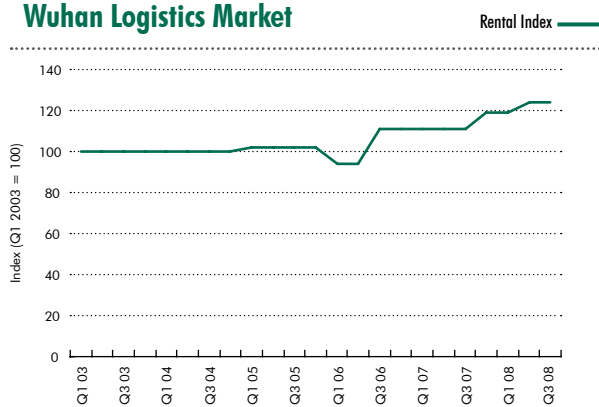
The average price for Wuhan's luxury apartment sector continued to fall during the third quarter, dropping slightly by 1.3% q-o-q, to RMB 10,061 psm. Due to the expectation of further declines in residential prices in the near future, many potential buyers shifted to the leasing market, resulting in a 0.8% q-o-q increase in the average luxury apartment rental to RMB 29.7 psm per month.

Wuhan Prime Retail Market



The rental for Wuhan's prime ground floor retail property witnessed a q-o-q increase of 1.5% in the third quarter, to RMB 19.9 psm per day. Since no new supply came on stream within the quarter, the overall vacancy rate q-o-q decreased by 0.2 of a percentage point to 1%. Wuhan's first Louis Vuitton store is currently under decoration and is expected to open next quarter.

Wuhan Logistics Market



In the third quarter of 2008, the average rental for Wuhan's logistics facilities remained stable at RMB 16.2 psm per month. Due to the strong demand for industrial land, the average industrial land price reached RMB 525.7 psm, q-o-q increasing by 1.5%. Within the period under review, Huawei was seeking property to set up an R&D centre in Wuhan.

MAJOR MICROMARKETS BY SECTOR

	PRIME OFFICE	PRIME RETAIL	LUXURY RESIDENTIAL	INDUSTRIAL
Beijing	CBD, Lufthansa, Jianguomen, Wangfujing, East Chang'an Avenue, Second East Ring Road, Zhongguancun, Finance Street.	Wangfujing, Xidan, CBD, Chaoyangmenwai, Lufthansa	CBD, Lufthansa, Chaoyang Park, Zhongguancun, Finance Street, Wenyuhe area	Majuqiao, Yizhuang, Daxing, Tianzhu, Wangjing, Shanghai, Haidian Science Park
Shanghai	Hongqiao, People's Square, Nanjing Road W, Huaihai Road M, Xujiahui, Lujiazui CBD, New Shanghai Commercial City, Zhuyuan	Huaihai Road M, Nanjing Road W, Nanjing Road E, The Bund, Xujiahui, Hongqiao, Lujiazui, New Shanghai Commercial City	Xuhui, Changning, Jing'an, Luwan, Little Lujiazui Riverside, Xijiao Hongqiao, Sheshan Songjiang, Dongjiao Pudong	Waigaoqiao, Jinqiao, Zhangjiang, Lingang, Fengxian, Jiading, Caohejing, Qingpu, Songjiang
Guangzhou	Tianhe Sports Centre, Pearl River New City, Huanshi Road E, Dongfeng Road, Zhongshan Road	Tianhe CBD, Huanshi Road E, Beijing Road, Lingyuanxi, Shangxiajiu, Jiangnanxi	Tianhe Sports Centre, Pearl River New City, Ersha Island, Binjiangdong	Guangzhou Development Zone, Nansha Development Zone
Shenzhen	Guomao, Caiwuiwei, Huaqiangbei, CBD, Chegongmiao, Nanyou	Dongmen, Renminnan, Diwang, Huaqiangbei, CBD, Houhai/Shekou	OCT, Honey Lake, Futian CBD, Mangrove coastal areas, Shekou	Shenzhen High-tech Industrial Park, Futian Free Trade Zone, Shatoujiao Free Trade Zone, Yantian Port Free Trade Zone, Shenzhen Export Processing Zone

NORTH CHINA

Dalian	Renmin Road, Sanba Square, Zhongshan Road, Xinkai Road	Qingniwa, Renmin Road, Xi'an Road	Zhongshan, Xigang, Shahekou	High-tech Industrial Zone, Dalian Development Area
Qingdao	Hongkong Road M, Shandong Road, Zhongshan Road, Haier Road	Hongkong Road M, Taidong, Zhongshan Road, West Coast CBD	Badaguan, CBD, Maidao, Shilaoren, Sijiang Yiwan	Huangdao, Chengyang, Laoshan
Tianjin	Xiaobailou, Youyi Road, Nanjing Road, Haihe Riverfront, TEDA	Heping Road, Binjiang Road, Nanjing Road, Youyi Road, old town area, TEDA	City centre, great Meijiaying area, Olympic Arena, old town area, TEDA	Dongli, Xiqing, Beichen, Jinnan, Binhai New Area
Xi'an	Xi'an High-tech Industrial Development Zone, Inner City, Second Ring Road S, Xi'an Economic & Technological Development Zone	Belltower, Xiaozhai, Xi'an High-tech Industrial Development Zone	Xi'an High-tech Industrial Development Zone, Quijiang District, Second Ring Road S, Inner City, Xi'an Economic & Technological Development Zone	Xi'an High-tech Industrial Development Zone, Xi'an Economic & Technological Development Zone
Shenyang	Golden Corridor, Taiyuan Street, Sanhao Street, Zhong Street	Golden Corridor, Taiyuan Street, Zhong Street, Tixi Square, Beihang	Golden Corridor, South Lake, Taiyuan Street, Zhong Street, Beihang, Hunnan, Changbai Island	Tixi New District, Hunnan New Area, Shenbei New District, Wanghua area

EAST CHINA

Hangzhou	Huanglong, Wulin and Qingchun-Fengqi	Wulin, Hubin, Wushan	Wulin, Hubin, Wushan, Qianjiang New City, Zhijiang, West City	Binjiang, XiaSha, Xiaoshan
Nanjing	Xinjiekou, Guangzhou-Zhujiang Road, Shanxi Road-Gulou	Xinjiekou, Shanxi-Hunan Road	Xinjiekou, Xuanwu Lake, Crescent Lake, Yangtze River beach, Hexi New Town	Qixia District, Pukou District, Jiangning District, Liuhe District
Ningbo	Baizhang Road E, Tianyi Plaza	Tianyi Plaza, Yinzhou New Central	Along three rivers (Yong, Fenghua and Yao), Zhongshan Road, Wanda Plaza, Dongqian Lake	Beilun, Yinzhou, Zhenhai, Cixi

SOUTH CHINA

Xiamen	Ferry-Sibei CBD, Binbei Financial Centre, Binnan, Railway Station, Fushan	Zhongshan Road, Railway Station, Jiahe Road	Yundang Lake, Huandao Road	Xiangyu Free Trade Zone, Torch High-tech Development Zone, Xiamen Aviation Industrial Zone, others (Jimei-Taiwan, Xinglin-Taiwan and Haicang-Taiwan investment zones)
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WEST CHINA

Chengdu	CBD Precinct, Renmin Road S	Churxi Road, Yanshikou, Luomashi, Zongbei	City centre, Qingshuihe, Zijing, Wangjiang	High-tech Development Zone, Economic & Technological Development Zone
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CENTRAL CHINA

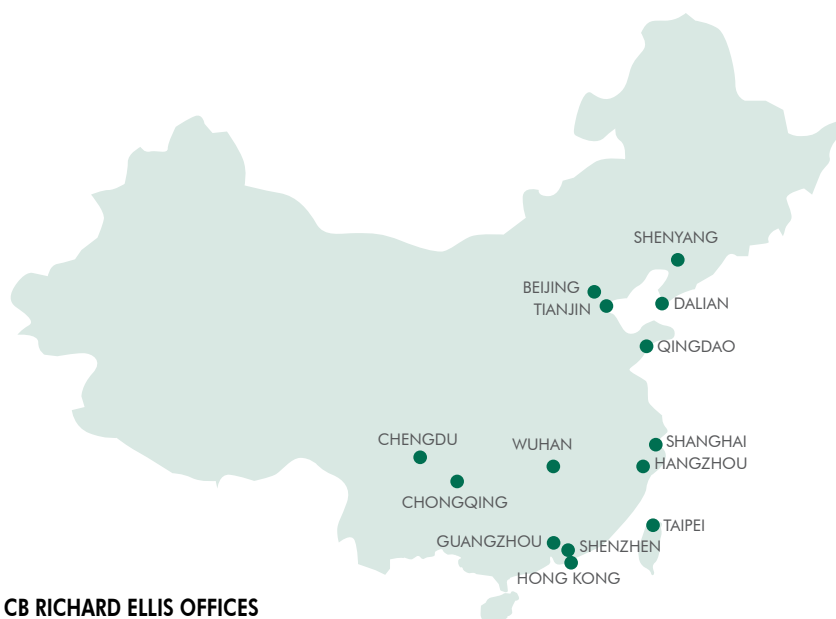
Wuhan	Jiangshe Avenue, Hangkong Road, Zhongnan Road, China Optical Valley	Jiangnan Road, Hangkong Road, Wuluo Road, Xudong Avenue, Zhongjiacun	First Ring Road, along Yangtze River, East Lake, Sha Lake, Hangkong Road, Jiyuqiao, Yangjiang Avenue	Wuhan Economic & Technological Development Zone, Wuhan East Lake High-tech Development Zone, Wujiashan Taishang Investment Zone
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Prime Rent

RMB psm Per Month

City	Office	Apartment	Retail	Logistics
NORTH CHINA				
Beijing	205.8	109.1	859.2	32.3
Dalian	71.5	81.5	831.2	21.5
Qingdao	83.5	54.3	780.5	13.9
Tianjin	108.5	40.2	541.9	30.9
Xi'an	68.0	26.1	655.4	22.7
Shenyang	64.0	41.8	706.3	19.6
EAST CHINA				
Shanghai	264.8	155.1	1,429.5	28.9
Hangzhou	115.6	71.0	707.6	12.6
Nanjing	86.1	62.0	1,046.3	11.0
Ningbo	64.8	52.7	608.6	13.1
SOUTH CHINA				
Guangzhou	107.2	59.4	1,459.8	27.0
Shenzhen	123.7	63.2	675.0	29.0
Xiamen	81.7	39.5	317.7	16.1
WEST CHINA				
Chengdu	101.8	35.2	1,385.0	20.3
CENTRAL CHINA				
Wuhan	48.0	29.7	597.5	16.2

Greater China Map



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