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PRC PROPERTY MARKET HIGHLIGHTS

NORTH CHINA

Local property markets in North China were hit hard by the international financial crisis. With MNC office budgets shrinking and expansion plans postponed, the average rental of prime office property in Beijing, Tianjin, Xi'an and Qingdao began to slide downward, although office markets in Shenyang and Dalian remained stable in light of the limited supply of existing Grade A office properties. In line with the slowing expansion of many retailers, the rent of retail properties also fell in Beijing, Dalian, Shenyang and Qingdao, while holding steady in Tianjin and Xi'an. After experiencing a fall in transaction volume in the luxury residential sales sector throughout the year, the market turned in a soft performance with consecutive price drops in five out of six cities, with only Xi'an bucking the trend. Impacted by the decline in market demand, logistics facility rentals either decreased slightly or remained stable in the six cities under the reviewed period.

EAST CHINA

In the face of a rapidly deteriorating marketplace, the prime office market in all East China cities witnessed negative rental growth. In Shanghai, the average office rent declined significantly in the fourth quarter, down 8.7% q-o-q, while Hangzhou, Nanjing and Ningbo saw relatively moderate decreases of 2.3%, 1.6% and 3.2% respectively. In the luxury residential market, as some developers lowered their asking price, the price for luxury apartments dropped dramatically in Hangzhou and Ningbo, decreasing 10.2% and 9.4% q-o-q, while Shanghai and Nanjing also witnessed a decline of 1.1% and 2.1%. However, the prime retail market remained comparatively buoyant owing to the National Day and Christmas holidays, as well as the limited market supply. Rental for prime ground floor space remained generally stable with Shanghai registering a slight downward correction. In the industrial sector, the market also experienced a downward trend.

SOUTH CHINA

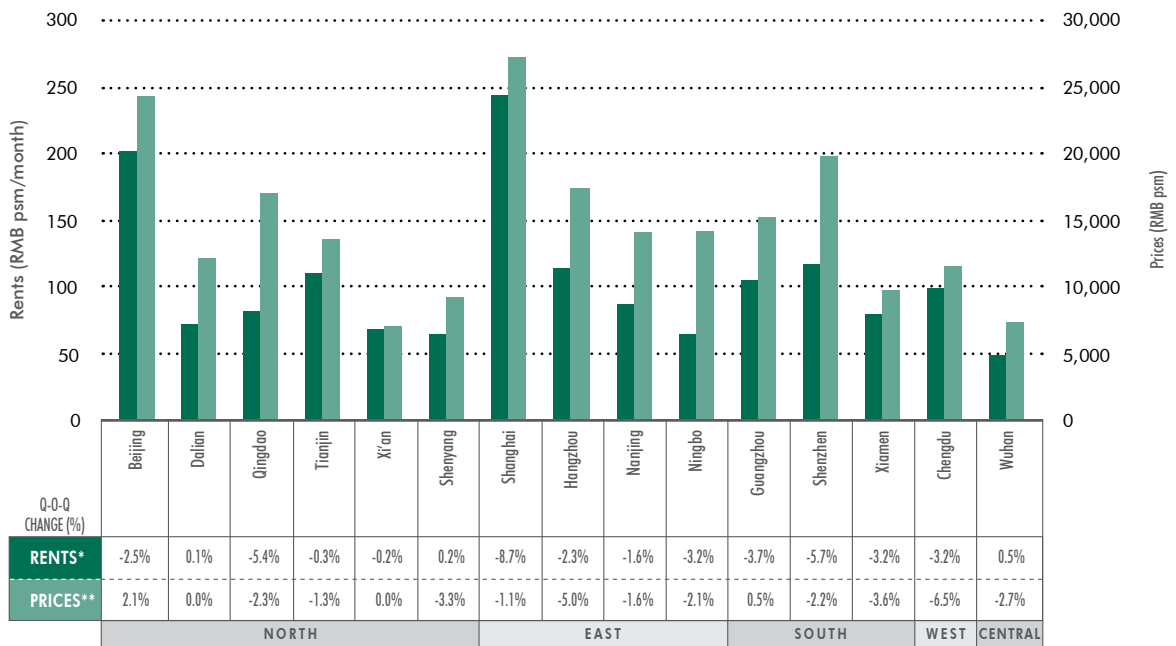
The impact of the global financial turmoil on local office leasing markets intensified this quarter. Quarterly rental drops were reported in all three markets monitored in the South China region, namely Guangzhou, Shenzhen and Xiamen. In the last quarter, luxury residential markets continued to experience price and rental corrections, but minor gains were witnessed in primary market sales at the expense of further price cuts. In the face of surging supply, rents for luxury apartments in Guangzhou plummeted by 8.5% in the fourth quarter, after a 6.6% plunge in the previous quarter. The Guangzhou and Shenzhen prime retail markets were comparatively quiet in the quarter with limited rental fluctuations and leasing activities reported. In Xiamen, a high-end shopping facility and a new department store started operations, but an old department store shut down during the quarter. Industrial markets remained relatively stable in the fourth quarter.

WEST & CENTRAL CHINA

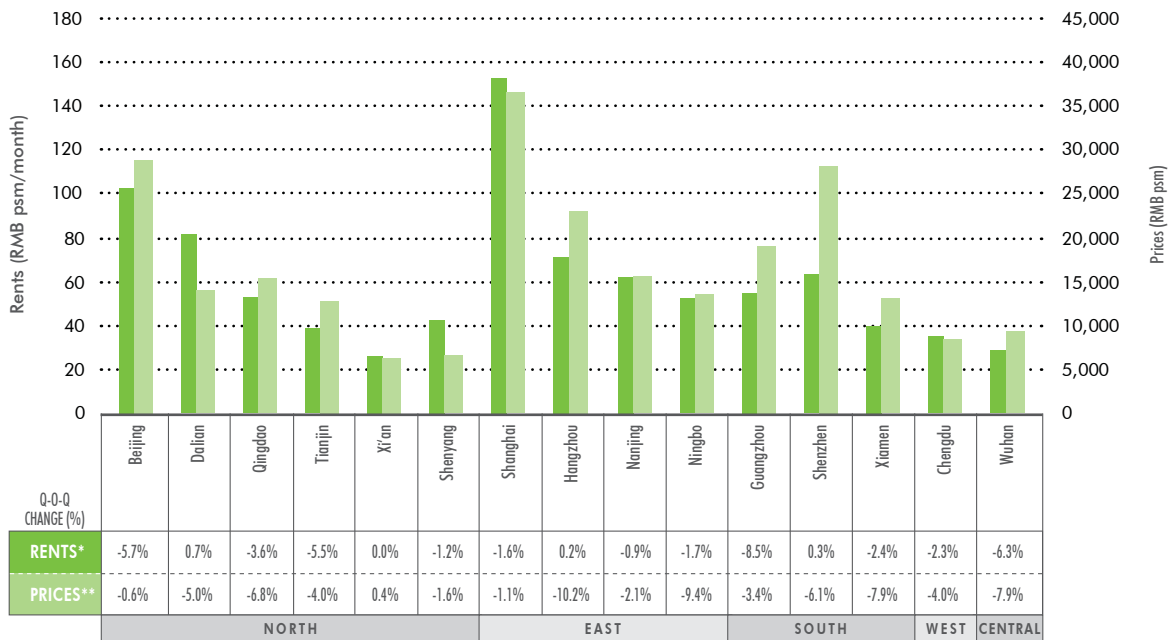
West China also felt the impact of the global financial crisis in terms of a slight dip in Chengdu's prime office rental as demand from tenants, especially MNCs, contracted. The price drops since the second quarter and the series of recent incentives prompted a surge in the luxury residential transaction volume in the fourth quarter. The prime retail and industrial property sectors were basically stable and less affected by external factors.

In the last quarter of 2008, the average rentals for Wuhan's prime office and retail sectors continued to witness an upward trend, while the luxury apartment sector remained depressed, with the decline of its average price accelerating and average rental decreasing. Due to the large supply, the average price for industrial land witnessed a slight decline but the average rental in the logistics sector rose slightly on the back of steady demand.

Prime Office Rents/Prices

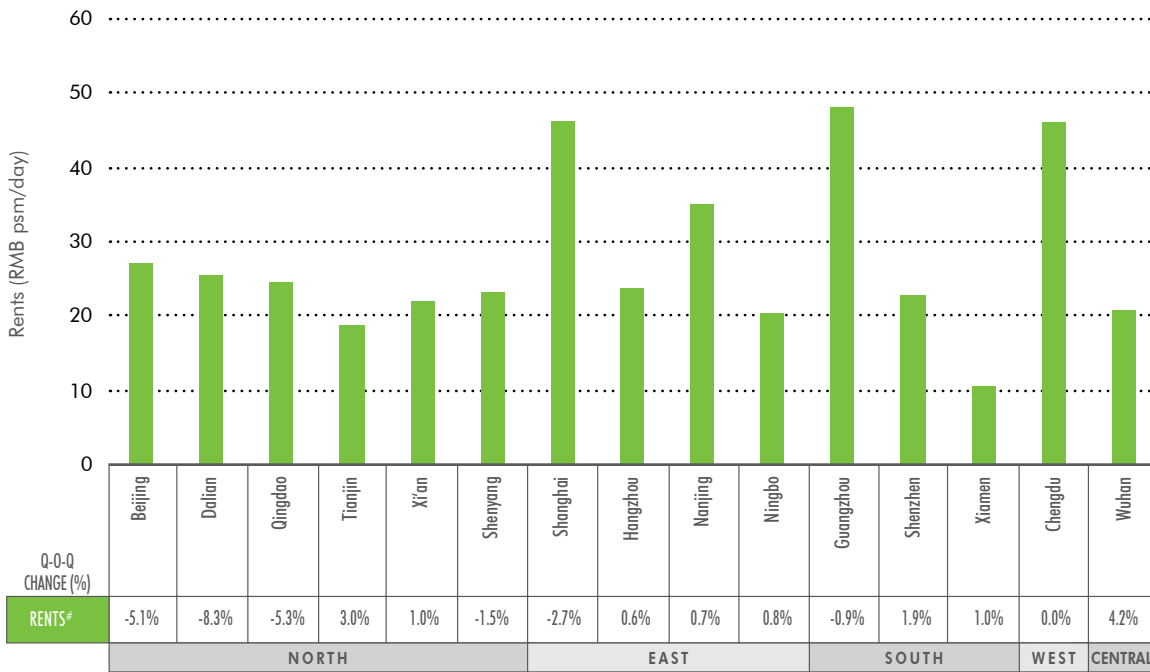


Luxury Apartment Rents/Prices

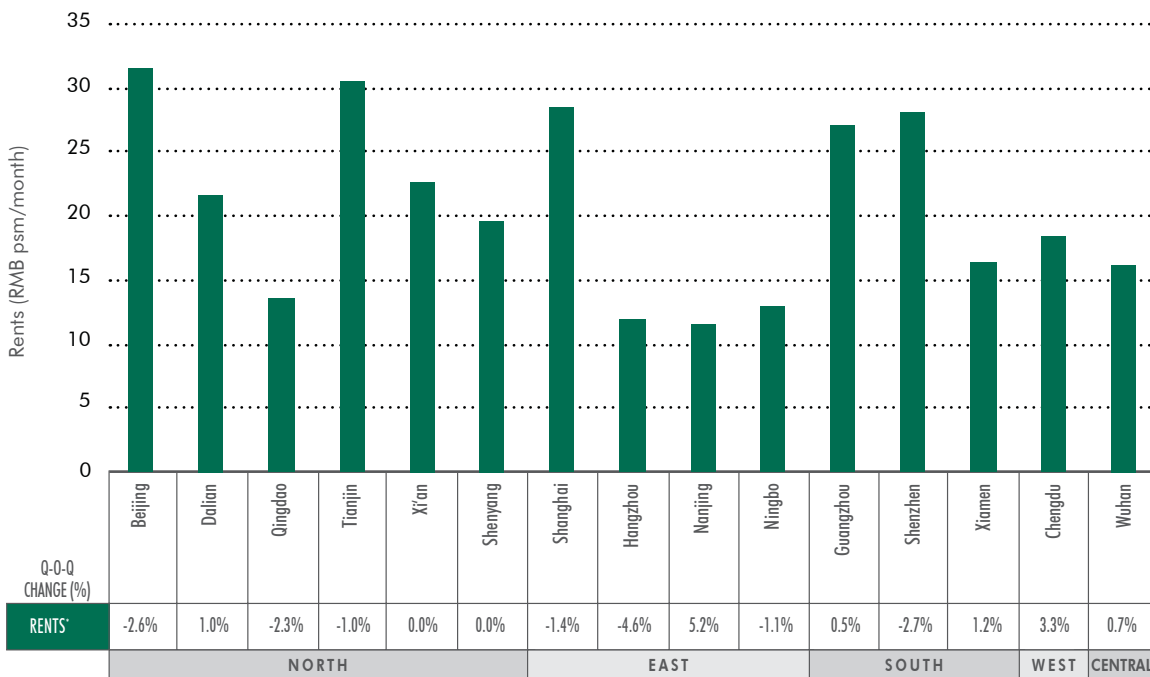


* On gross floor area basis, excluding management fees
 ** On gross floor area basis

Prime Retail Rents

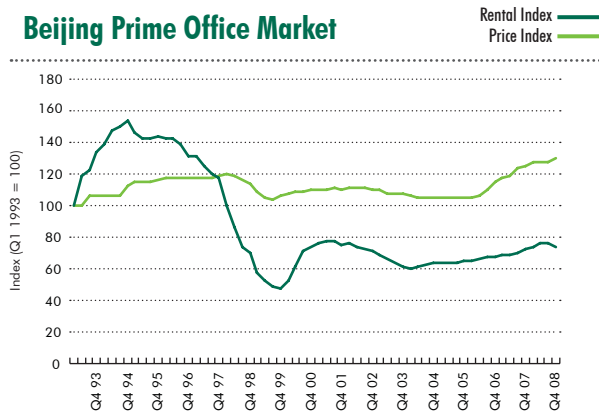


Logistics Rents

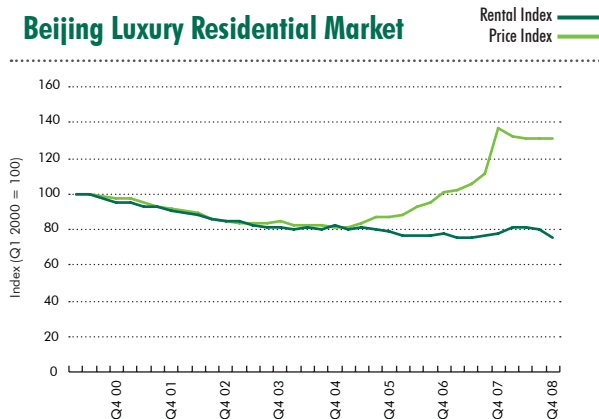


On net floor basis, excluding management fees
 * On gross floor basis, excluding management fees

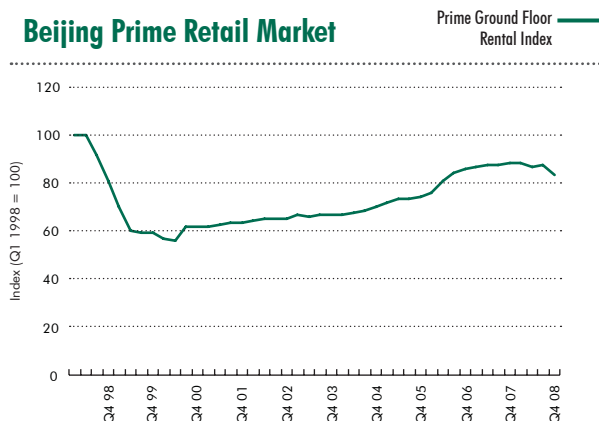
Beijing Prime Office Market



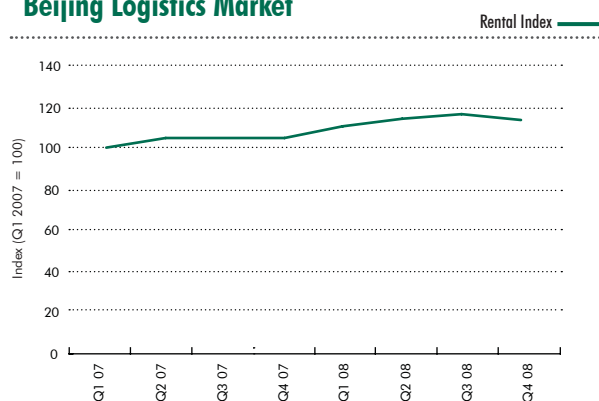
Beijing Luxury Residential Market



Beijing Prime Retail Market



Beijing Logistics Market



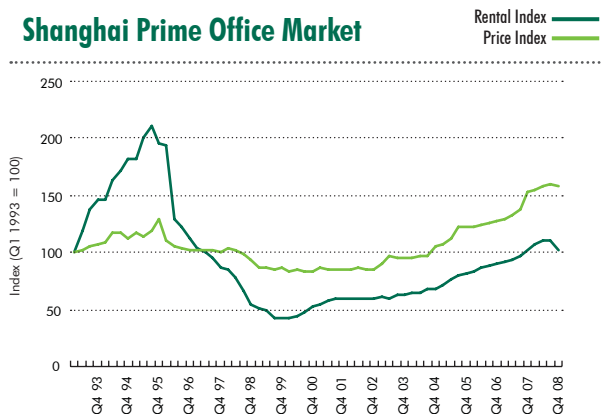
The financial crisis spread in the fourth quarter, further affecting the Beijing office market. More companies in Beijing with plans to relocate or expand are adopting a "wait-and-see" attitude, resulting in a decline in market demand. At the same time, four projects with over 450,000 sm of office space came on stream, making it the largest quarter of the year in terms of supply. The average rental fell 2.5% q-o-q, to RMB 200.6 psm per month, while the average vacancy rate rose to 21.9%.

A number of overseas companies have reduced their Beijing expatriate staff and budgets, which could lower demand in the luxury residential leasing market. The rent of apartments and serviced apartments dropped 5.7% and 5.4% q-o-q, respectively, to RMB 102.9 and RMB 208.6 psm per month. Apartment sales have slowed down and the amount of unsold stock is increasing, with the average asking price falling slightly by 0.6% q-o-q to RMB 28,861 psm.

The supply of prime retail projects continued to grow in the fourth quarter of 2008, with six new projects coming on stream, providing 391,000 sm of retail space, up 10.4% q-o-q. Rental of new retail projects were lower than average, driving down ground and first floor rents to RMB 27.2 psm per day and RMB 19.1 psm per day, down 5.1% and 6.1% q-o-q, respectively. A significant increase in new supply coupled with decreased demand for retail space drove up the vacancy rate by 0.8 of a percentage point q-o-q to 7.2%.

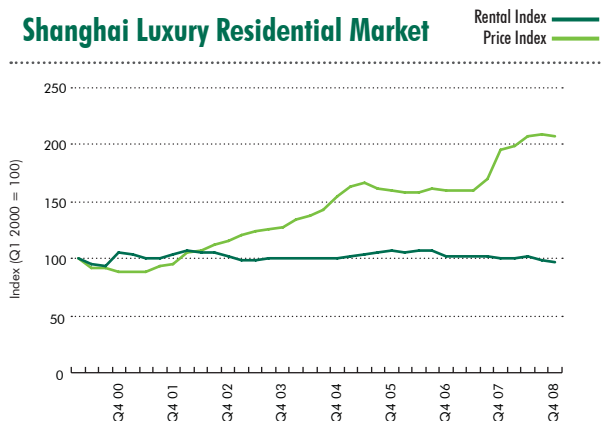
In the fourth quarter of 2008, demand for industrial properties showed a declining trend. Although manufacturers' demand for factories declined, owners took a 'wait-and-see' attitude, and did not adjust the rental to stimulate market demand, so the factory rent in the fourth quarter remained stable, at RMB 38.9 psm per month. In light of the large area of new supply in major logistics parks, coupled with the fact that demand for logistics facilities space has not increased much since the Olympic Games, the rental fell 2.6% q-o-q to RMB 31.5 psm per month.

Shanghai Prime Office Market



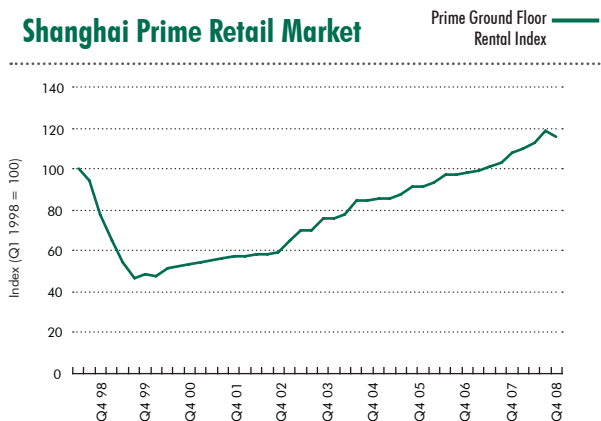
With companies controlling expenditures to weather through the global financial tsunami, Shanghai's office market witnessed decreasing market demand accompanied by negative quarterly take-up. As a result, the average office rent declined significantly in the fourth quarter, dropping 8.7% q-o-q to RMB 241.8 psm per month, with rents in Puxi and Pudong decreasing 9.5% and 7.4% q-o-q, respectively. There were no new completions in the quarter, and the average vacancy rose further by 0.6 of a percentage point to 10.5%.

Shanghai Luxury Residential Market



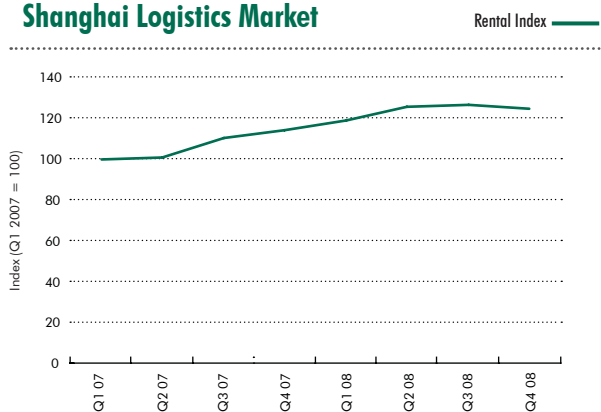
Some developers of luxury apartments started to lower their asking price in the quarter, causing the average asking price of Shanghai luxury apartment to drop by 1.1% q-o-q, recorded at RMB 36,419 psm. Meanwhile, the average rent of the luxury apartment continued to drop, decreasing by 1.6% q-o-q to RMB 152.6 psm per month.

Shanghai Prime Retail Market



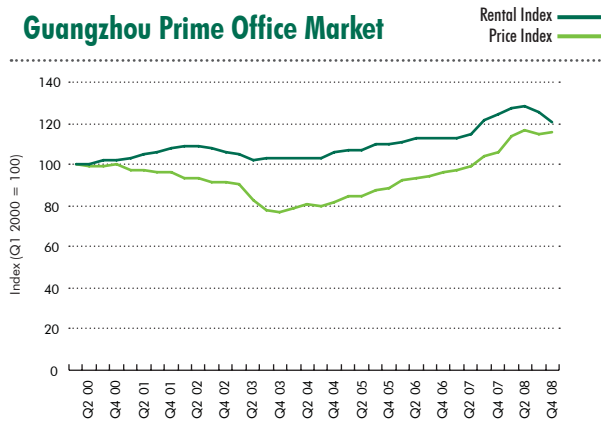
During the fourth quarter of 2008, landlords reacted rapidly to the weakening retail market conditions as a result of the global economic slowdown. With many landlords lowering their rental quotations, the average ground floor rent and second floor rent dropped q-o-q by 2.7% and 2.3% respectively. Plaza 353, a renovated property on Nanjing Road East, and 96 Plaza in Pudong, were completed in this quarter, adding a total new supply of 81,000 sm.

Shanghai Logistics Market



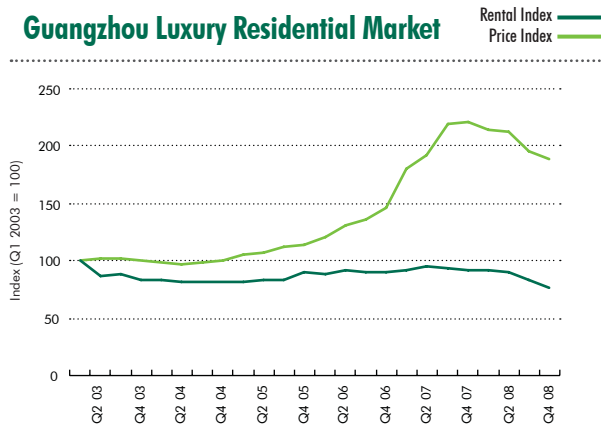
Shanghai's industrial property market witnessed a downward trend both in land price and facility rental, with the effects of the global financial turmoil and abundant industrial land supply becoming noticeable. In the fourth quarter of 2008, industrial land price was RMB 1,085.1 psm, a significant drop of 5% q-o-q, while the average logistics facility rent dropped by 1.4% q-o-q.

Guangzhou Prime Office Market



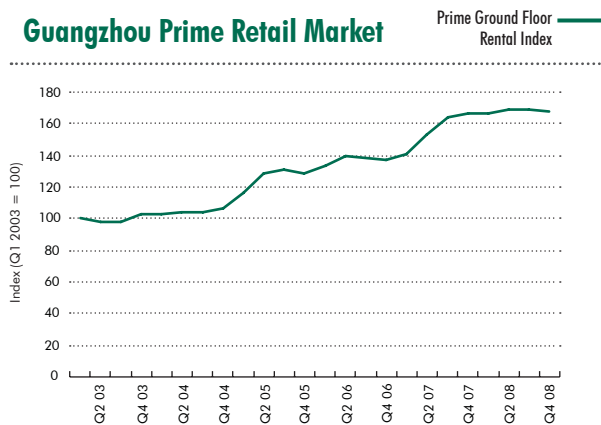
As landlords started to lower rents in order to attract quality tenants in the quarter, the average rental for prime office space dropped by 3.7% q-o-q to RMB 103.3 psm per month. Two office buildings, Ziyuan International and Grand Hyatt Central Business International, were completed this quarter, providing a total of 68,600 sm of office space and driving up the overall vacancy by 0.5 of a percentage point q-o-q to 15%.

Guangzhou Luxury Residential Market



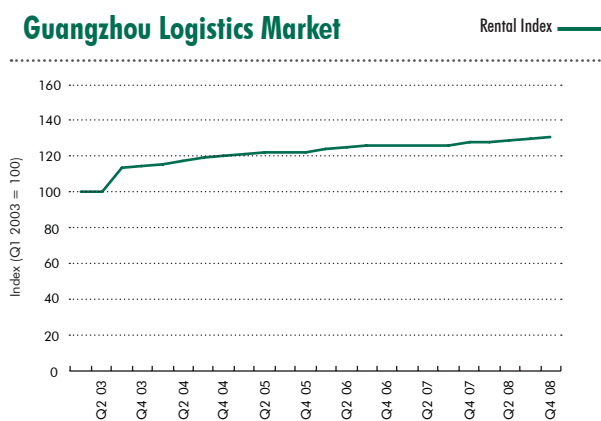
With the increasing supply, sale prices and rents for Guangzhou luxury apartments continued to drop in the fourth quarter. The average price decreased 3.4% q-o-q to RMB 19,038 psm, while the average rental dove 8.5% q-o-q to RMB 54.4 psm per month. Seven luxury residential projects were launched for pre-sale in the quarter, bringing about 2,289 units to the market.

Guangzhou Prime Retail Market



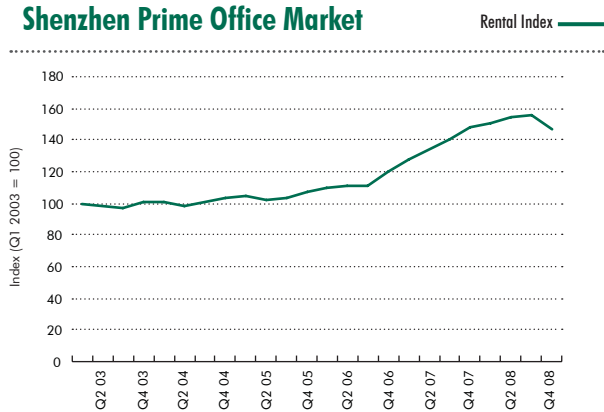
In the fourth quarter of 2008, the average ground floor rental of Guangzhou prime retail space slipped 0.9% q-o-q to RMB 48.2 psm per day. With no new quality shopping malls added to the market, premium retail facilities continued to witness full occupancy. The overall vacancy rate stayed at 8.3%, the same level as the previous quarter. Retailers, especially international brands, turned cautious regarding expansion amidst the current uncertain economic situation.

Guangzhou Logistics Market



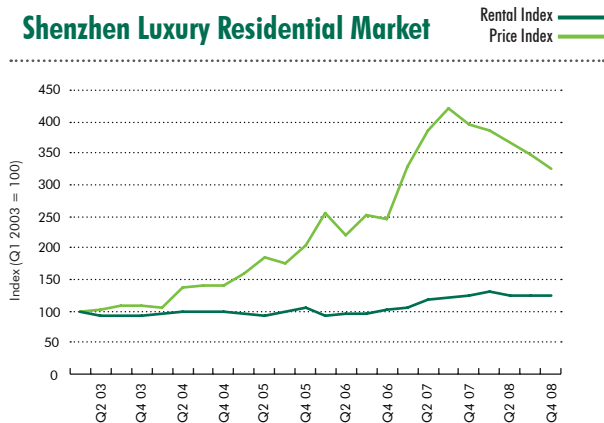
Rents for logistics facilities registered a slight increase of 0.5% q-o-q to RMB 27.1 psm per month in the fourth quarter, despite shrinking commodity market demand. The average industrial land price was RMB 455.4 psm, nudging up 0.8% q-o-q, mainly boosted by the increasing land price in Xiaohu Chemical Industrial Park, Nansha District.

Shenzhen Prime Office Market



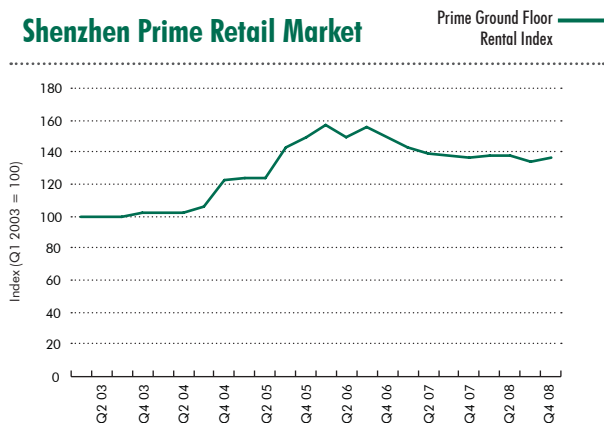
Affected by the worsening overseas economy, prime office leasing demand was sluggish in Shenzhen. Landlords slashed asking rents, leading to a moderate q-o-q drop of 5.7% in monthly rental to RMB 116.7 psm. Two Grade A towers were completed in the fourth quarter, contributing 101,900 sm of new space to the market, one of which is single-owned and is located in the CBD. The overall vacancy rate rose to 9.5% at the end of the year.

Shenzhen Luxury Residential Market



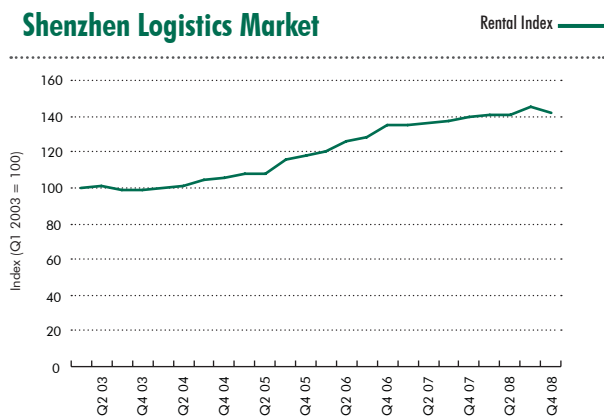
Price drops continued to be reported in Shenzhen's luxury residential primary market in the quarter. The average price for new luxury apartments fell 6.1% q-o-q to RMB 28,077 psm. Long Yuan and Emperor Bay were launched for pre-sale in Futian and Nanshan districts respectively, offering around 750 units of luxury apartments to the market. Rental of luxury apartments remained stable, with a slight 0.3% q-o-q growth to RMB 63.3 psm per month.

Shenzhen Prime Retail Market



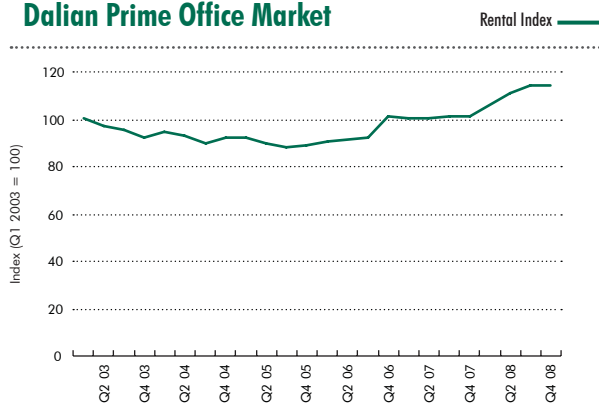
International fast fashion brands continued to actively open stores in Shenzhen during the fourth quarter, although some retailers slowed their expansions. Average daily rents for ground floor space in prime retail facilities rose 1.9% q-o-q to RMB 22.9 psm. No new supply was provided to the market, and vacancy dropped by 1.5 percentage points q-o-q to the whole-year low of 5.6%.

Shenzhen Logistics Market



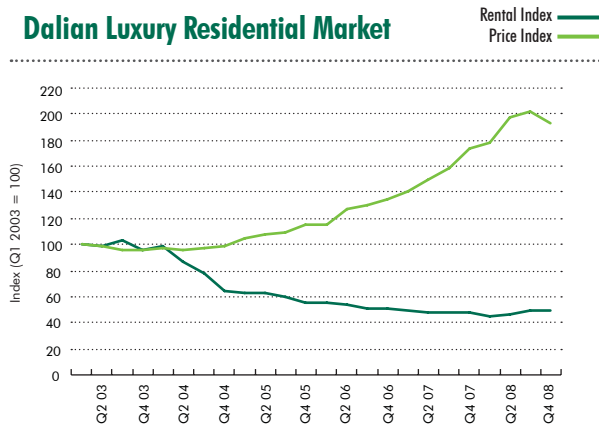
Demand for Shenzhen logistics facilities showed signs of slowing down, with the average rental sliding 2.7% q-o-q to RMB 28.2 psm per month in the fourth quarter. Over 30 industrial land plots were transferred within the quarter, mainly concentrated in Guangming New Zone, Shenzhen High-tech Industrial Park in Nanshan District, and Grand Industrial Zone. The average land price went down 1.8% q-o-q to RMB 839.6 psm.

Dalian Prime Office Market



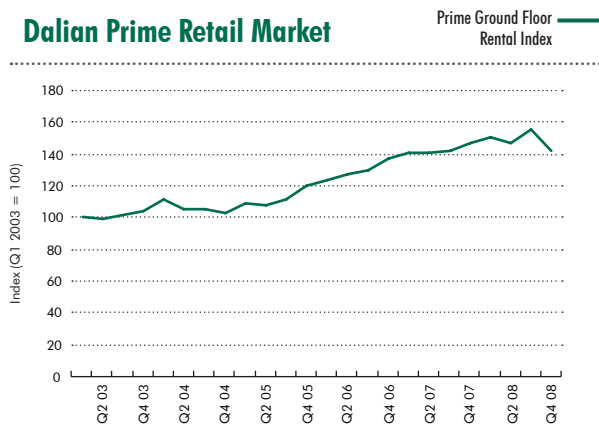
Both the amount of new supply and take-up in Dalian's prime office market increased during the fourth quarter. The completion of Infinna Tower brought a total of 33,550 sm of new supply to the market. Leasing demand dropped, however, due to the fact that tenants who made leasing commitments in the third quarter began to occupy their respective premises within the quarter. Take-up rose to 18,940 sm but the vacancy rate increased by 1.1 percentage points q-o-q to 18.6%. The average rental for prime office space rose to RMB 71.6 psm per month, up 0.1% q-o-q.

Dalian Luxury Residential Market



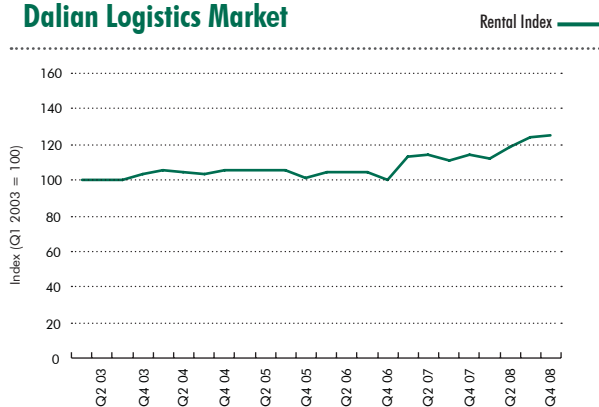
In the last quarter of 2008, along with lower price of newly opened projects, some existing projects' prices also dropped. This brought down the average price by 5% q-o-q to RMB 14,012 psm. Affected by seasonal factors and the impact of the financial crisis, the performance of the leasing market was lacklustre. Demand in the downtown area dropped, while rental in Dalian Development Area remained stable due to limited stock. The luxury apartment rental averaged RMB 82.1 psm, up 0.7% q-o-q.

Dalian Prime Retail Market



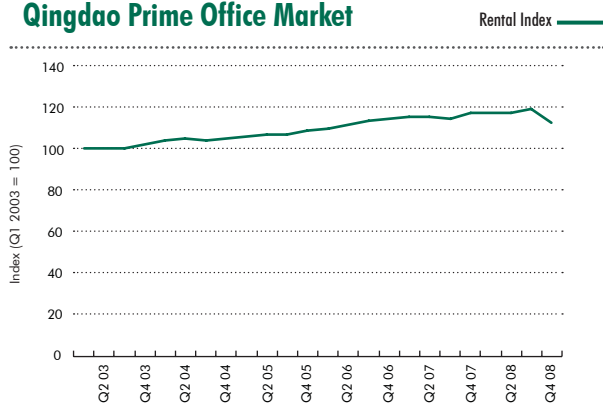
In the fourth quarter, Times Square in Renmin Road and Jiuguang Department Store in Qingniwa were launched, offering a total of 53,040 sm of new supply to the market, the highest quarterly amount in the past three years. In light of the new supply, average ground floor rent and first floor rent fell to RMB 25.4 and RMB 17.7 psm per day, respectively. Meanwhile, three major shopping malls - Parkland, Tianxing Roosevelt and Peace Plaza - were still in the process of upgrading. As a result, the overall vacancy rate increased to 20.5%.

Dalian Logistics Market



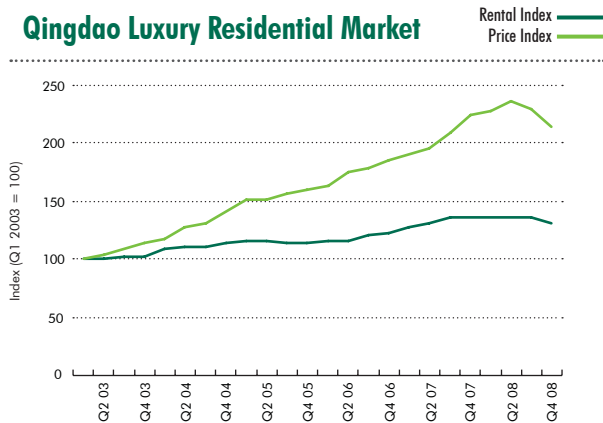
Due to the slowdown of IT companies' expansionary activities, demand for R&D office reduced slightly, with rental falling by 1.3% q-o-q, to RMB 47.8 psm per month. The Dalian logistics leasing market remained on an upward trend in the fourth quarter, with rental for logistics facilities increasing by 1% q-o-q to RMB 21.7 psm per month. Demand for factories remained stable, with a mild growth of 1.9% q-o-q, to RMB 20.6 psm per month. A total of 9 industrial plots were launched for public bidding. The industrial land price continued to rise by 0.7% q-o-q, reaching RMB 463 psm.

Qingdao Prime Office Market



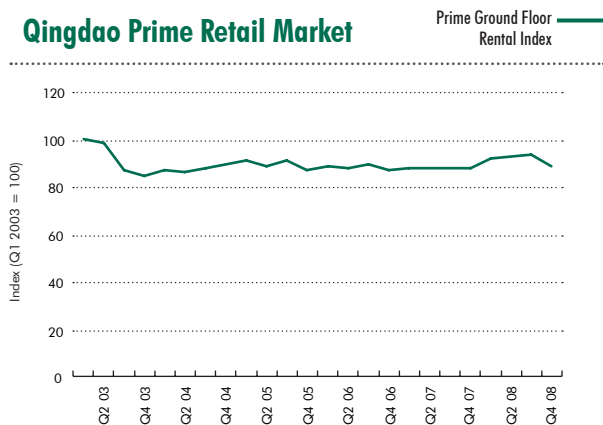
There was no new supply in the fourth quarter, and many companies, especially logistics and shipping transportation companies, reduced their leasing budgets because of the economic recession. This led to a drop in demand for prime office space. The average rental of prime office property was RMB 79.7 psm per month, down 5.4% q-o-q. The overall vacancy rate increased 0.1 of a percentage point q-o-q to 13.6%.

Qingdao Luxury Residential Market



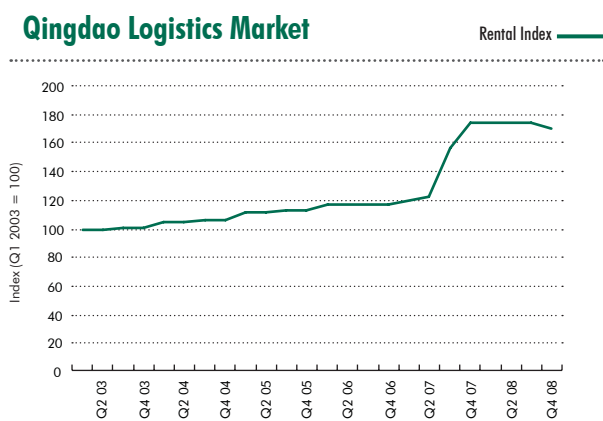
As foreign-funded enterprises reduced the rental budgets of senior management staff, luxury apartment rentals dropped to RMB 52.3 psm per month, down 3.6% q-o-q in the fourth quarter. Meanwhile, some developers launched a number of cheap units with less desirable floor levels and unit configurations onto the market, causing the average luxury apartment price to fall 6.8% q-o-q to RMB 15,391 psm.

Qingdao Prime Retail Market



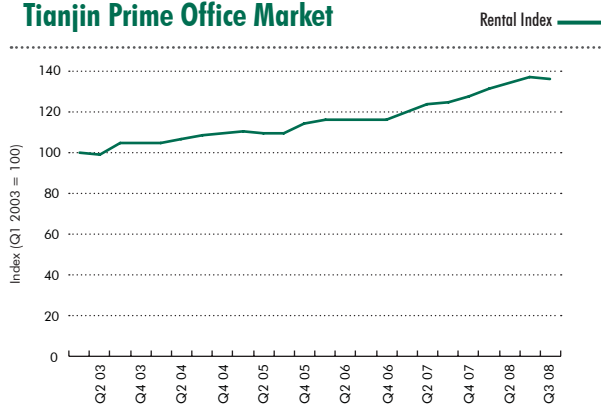
Faced with the economic recession and the drop in expected sales revenue, prime retail rental reversed its growth trend. In the fourth quarter, average ground floor rental dropped 5.3% q-o-q to RMB 24.6 psm per day. With the drop in rental, the overall vacancy rate managed to drop further, by 1.4 percentage points q-o-q to 5.8%.

Qingdao Logistics Market

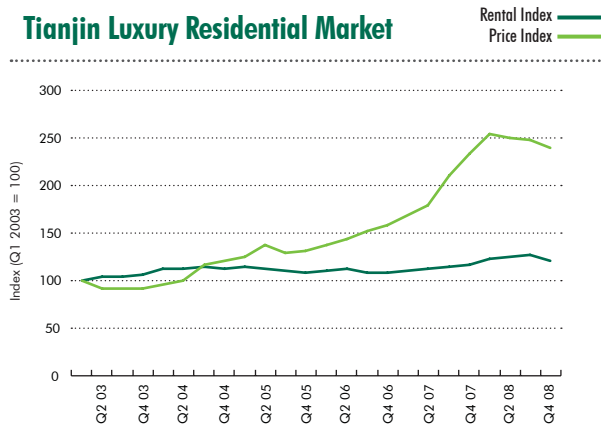


In the fourth quarter, most land transactions took place in the industrial parks of Chengyang District and Jimo District. The average industrial land price slipped to RMB 329.9 psm, down 1.2% q-o-q. Affected by the drop in import and export trade, the average rentals of R&D facilities, factories, and warehouse & logistics facilities recorded a q-o-q drop of 1.5%, 3.8%, and 2.3%, respectively, down to RMB 43.3, RMB 10.3, and RMB 13.6 psm per month.

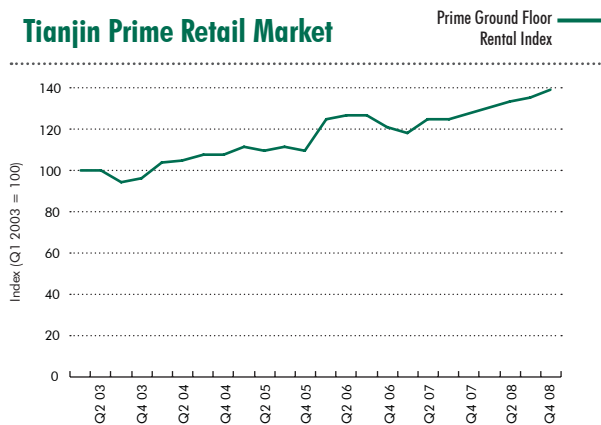
Tianjin Prime Office Market



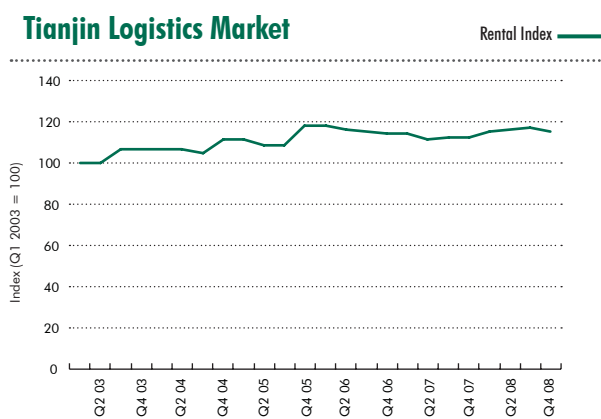
Tianjin Luxury Residential Market



Tianjin Prime Retail Market



Tianjin Logistics Market



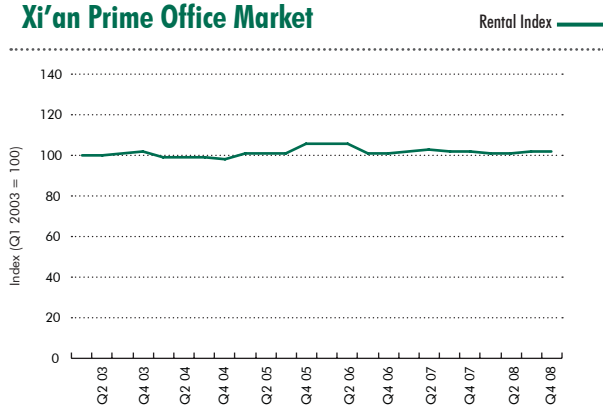
Smart Valley Building, with a GFA of 60,000 sm, came onto the market in the fourth quarter. Some international enterprises have reduced budgets for office leases, which contributed to the fall of the average rental to RMB 108.2 psm per month, a 0.3% drop q-o-q. With new projects coming onto the market, the overall vacancy rate increased by 2.9 percentage points q-o-q to 14.7%.

Some tenants were unable to afford the high luxury apartment rentals, due to the fluctuating economy, and the average luxury apartment rental fell to RMB 38 psm per month, down 5.5% q-o-q. In the strata-title sales market, due to the lowered market expectations, some properties dropped prices to promote sales. The average price of luxury apartments dropped 4% q-o-q to RMB 12,763 psm.

O'LE Fashion Plaza and Jiamao Shopping Centre opened in the fourth quarter, with a total new supply of 105,880 sm. Ground floor rental reached RMB 18.6 psm per day, a 3% rise q-o-q, as some properties redecorated and upgraded their brands. Due to the good pre-marketing prior to the opening of these new projects, the overall vacancy rate rose by only 0.7 of a percentage point q-o-q to 11.4%.

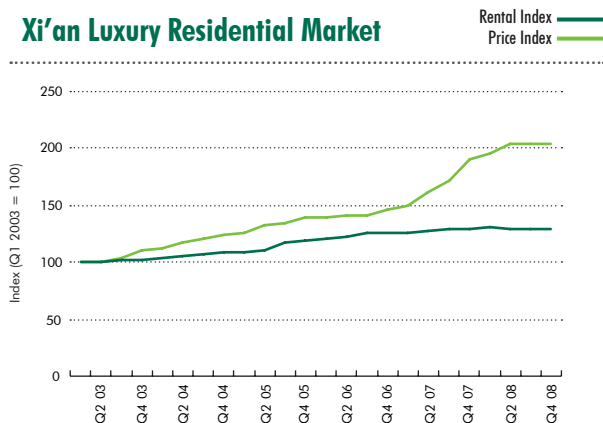
Driven by the development of Binhai New Area, the average rental of industrial facilities maintained a steady trend despite the economic crisis, falling only a slight 0.4% q-o-q to RMB 26.8 psm per month. Factory rental reached RMB 22.7 psm per month, a 0.1% rise q-o-q. The average rental of logistics facilities was influenced by the decreased international trade, dropping 1% q-o-q to RMB 30.5 psm per month. The average rental of R&D facilities reached RMB 33.9 per month, down 0.4% q-o-q.

Xi'an Prime Office Market



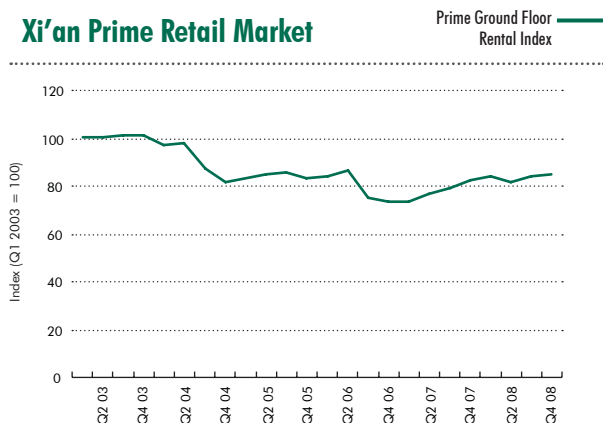
The average rental for prime office space reached RMB 67.9 psm per month, down by 0.2% q-o-q. The overall vacancy rate in the market rose by 4.7 percentage points to 29.2%, due to the new supply of the Westport International Plaza, with a GFA of 70,000 sm. Due to the comparatively limited supply, the Grade A office vacancy rate dropped quickly. In the Grade B sub-market, the supply was relatively larger, thus the vacancy rate was higher despite fierce competition.

Xi'an Luxury Residential Market



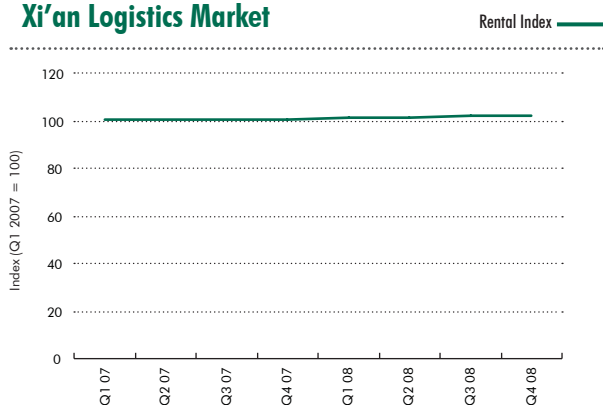
Despite the price drop in the middle-range residential market, the high-end residential sales market still witnessed a slight rise in prices in the fourth quarter. The average price of luxury apartments rose to RMB 6,247 psm, up 0.4% q-o-q. Average apartment rental in the leasing market was stable, maintaining last quarter's average at RMB 26.1 psm per month. Three luxury residential projects achieved satisfactory sales due to their strategic locations, driving the slight rise in Xi'an's average luxury apartment price.

Xi'an Prime Retail Market



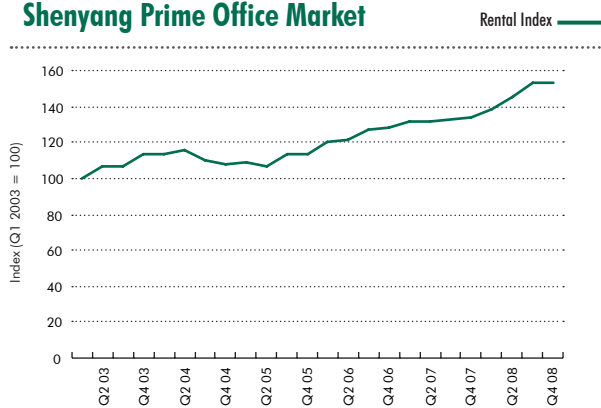
The prime retail market in Xi'an has witnessed consecutive rental increases, as ground floor and first floor rentals rose by 1% and 0.9% q-o-q, respectively, to RMB 22.1 and RMB 18.7 psm per day. The overall vacancy rate dropped by 1.6 percentage points q-o-q to 3.9%. Century Ginwa South Street Store took over the management of Haida Spring Department Store, following the recent chain department store trend in Xi'an.

Xi'an Logistics Market

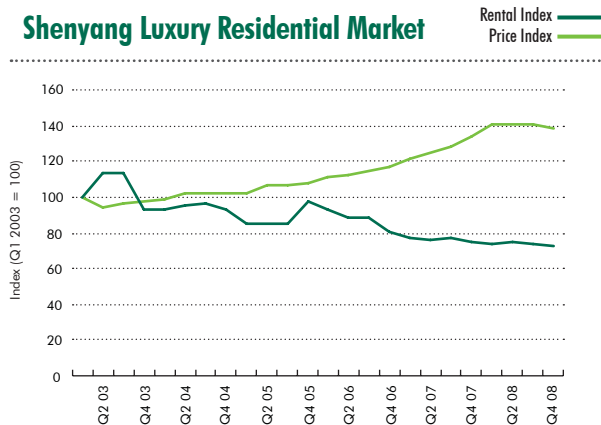


In the fourth quarter of 2008, industrial property rentals in Xi'an remained stable, while the average rentals for both R&D facilities and factories registered a 0.2% q-o-q growth, at RMB 41 and RMB 15.3 psm per month, respectively. The average rental for logistics facilities remained at the previous quarter's level of RMB 22.7 psm per month. In the land market, the transaction price of industrial land in Xi'an is usually set with reference to the national standard, and industrial land transactions are becoming increasingly active.

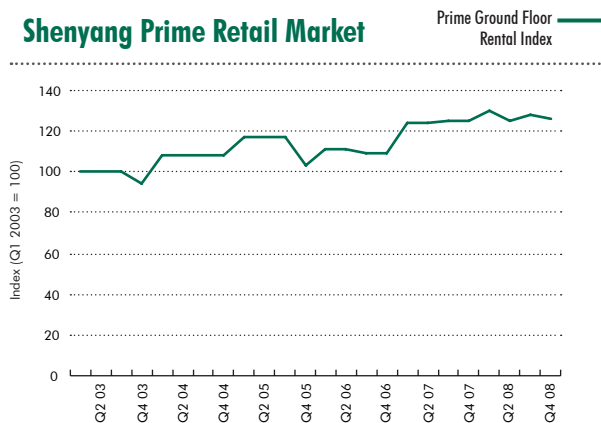
Shenyang Prime Office Market



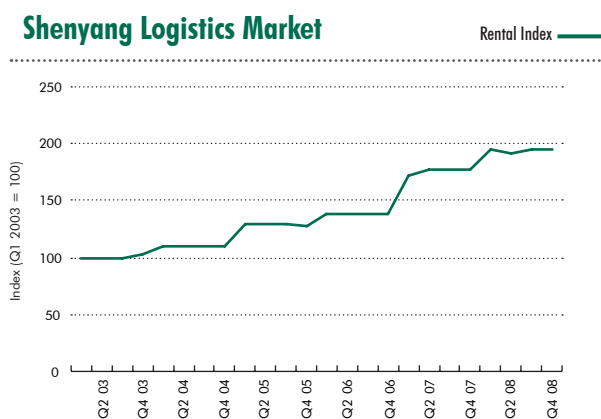
Shenyang Luxury Residential Market



Shenyang Prime Retail Market



Shenyang Logistics Market



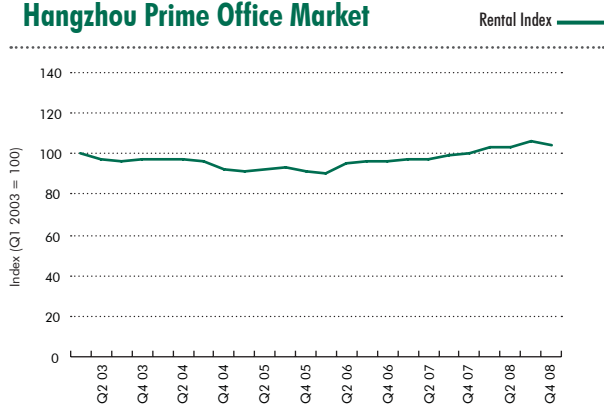
In the fourth quarter of 2008, one prime office project came on stream, offering 26,600 sm of new supply. Meanwhile, influenced by the global economic turbulence, demand for Shenyang prime office space fell, with a 65% q-o-q drop in take-up. The overall vacancy rate of prime office properties increased 1 percentage point to 20.3%. Dragged down by the drop in demand and the global economic crisis, the growth rate of prime office rental slowed, rising only 0.2% q-o-q to RMB 64.1 psm per month.

Influenced by the financial tsunami and the downturn in the domestic residential market, Shenyang's luxury apartment sales market entered a period of adjustment, with a q-o-q drop of 1.6% in average price, to RMB 6,480 psm. Meanwhile, with some companies cutting operation costs, demand for luxury leasing apartments and serviced apartments dropped, and rentals also fell slightly, with the average rental for luxury apartments and serviced apartments falling by 1.2% and 1.9% q-o-q, respectively.

No new prime retail projects came on stream in the fourth quarter. Demand for prime retail space dropped, and the average ground floor rental dropped slightly by 1.5% q-o-q to RMB 23.2 psm per day. Within the same period, the overall vacancy rate for prime retail properties rose by 0.5 of a percentage point q-o-q to 15.6%. Armani Jeans opened in Shenyang Zhongxing Department store in the quarter, its first store in Shenyang.

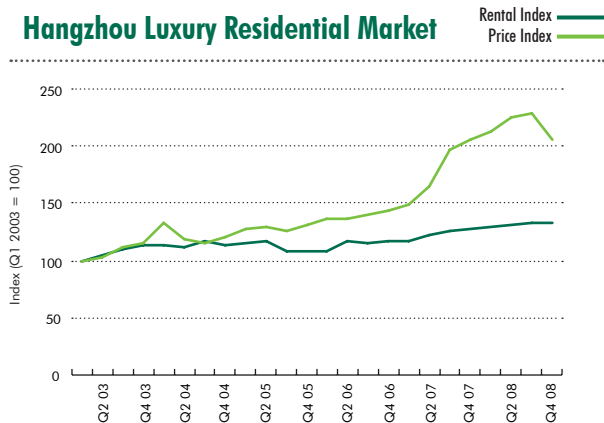
Demand for Shenyang industrial property remained low, reflecting both the traditional off-season and the global economic situation. But driven by the higher asking rental of newly launched properties, the average factory rental rose 5.8% q-o-q to RMB 16.3 psm per month. The average rentals of logistics and R&D facilities remained unchanged. In the same period, the asking price of industrial land in Shenyang was recorded at RMB 308.2 psm, the same level as the previous quarter.

Hangzhou Prime Office Market



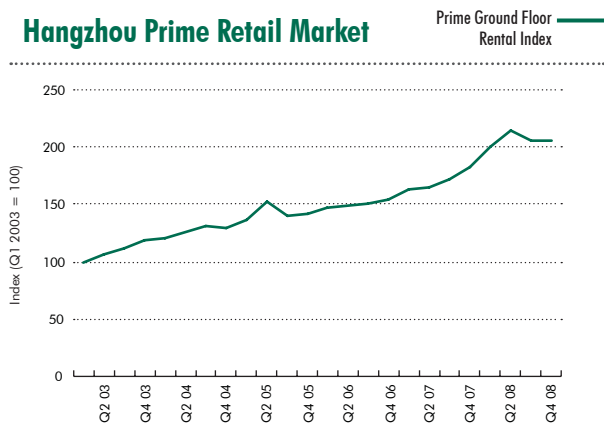
In the fourth quarter of 2008, a decline in demand led the Hangzhou prime office rental to witness a q-o-q drop of 2.3% to RMB 112.9 psm per month. Only one project in Wulin was completed, bringing 24,000 sm of new supply to the market in the quarter. The overall vacancy rate increase 1.4 percentage points to 11.4% due to the high vacancy of new supply and decreased demand. The prime office price began to reflect the real estate market slowdown, as the average price dropped to RMB 17,361 psm with a q-o-q 5% decline.

Hangzhou Luxury Residential Market



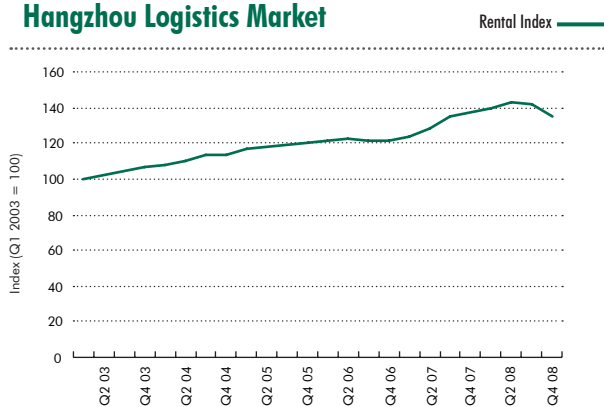
In the fourth quarter of 2008, rental growth in luxury apartments continued to slow down, with a marginal q-o-q rise of 0.2% as the average rental recorded at RMB 71.2 psm per month. As Hangzhou's luxury apartment sales market began to adjust to the new economic environment, the average price of luxury apartments decreased by 10.2% q-o-q to RMB 22,992 psm. Two new luxury residential projects added 488 units to the market.

Hangzhou Prime Retail Market



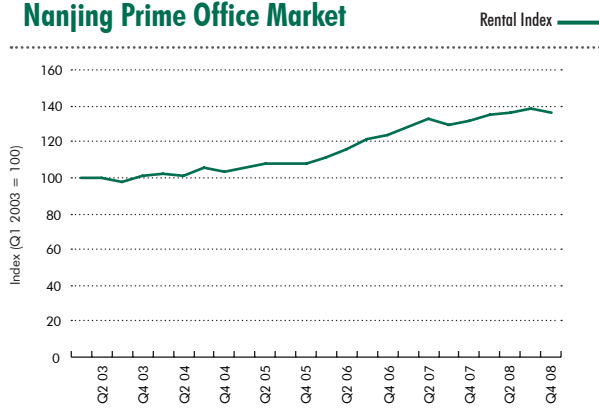
Rentals of Hangzhou prime retail properties held steady in the fourth quarter of 2008. The average ground floor rental increased by 0.6% q-o-q while the first floor rental decreased by 0.8% q-o-q, to RMB 23.7 and 17.6 psm per day, respectively. No new supply came on stream in the quarter, and quarterly take-up increased to 6,540 sm as the previous quarter's completions were generally absorbed. The overall vacancy rate for Hangzhou prime retail properties dropped by 1.8 percentage points to 11.9%.

Hangzhou Logistics Market

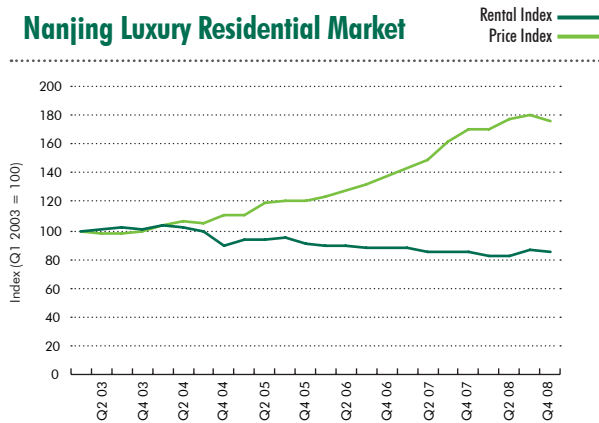


In the fourth quarter of 2008, although the new land supply was limited, the average land price dropped by 0.7% q-o-q to RMB 339.2 psm due to the decline of market demand. Affected by the shrinking demand for industrial facilities, the average rental of logistics facilities decreased by 4.6% q-o-q to RMB 12 psm per month.

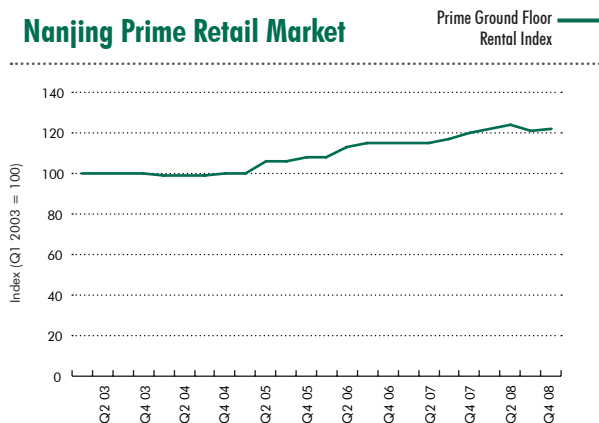
Nanjing Prime Office Market



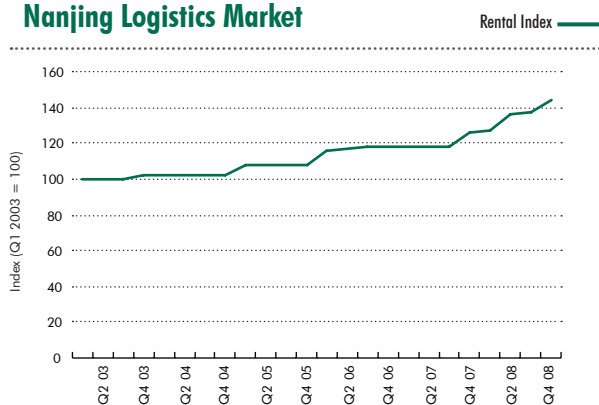
Nanjing Luxury Residential Market



Nanjing Prime Retail Market



Nanjing Logistics Market



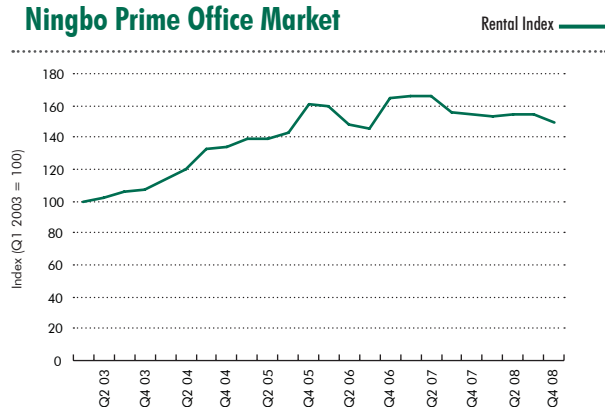
Two new office buildings were completed in the fourth quarter, offering a total of 48,220 sm of Grade B space to the market and driving up the overall vacancy rate by 0.7 of a percentage point q-o-q to 17.8%. Affected by concerns over the future economic situation, the average prime office rental dropped slightly by 1.6% q-o-q to RMB 84.7 psm per month, while the average price also decreased by 1.6% q-o-q to RMB 13,986 psm.

In the fourth quarter of 2008, open price reductions prevailed in the sales market, driving a small recovery of the total transaction volume. As a result, the average price of Nanjing's luxury apartments dropped q-o-q by 2.1%. In the leasing market, the average rental of luxury apartments recorded a slight decline of 0.9% q-o-q to RMB 61.5 psm per month, affected by the current underperforming macroeconomic background.

The prime retail market in Nanjing remained buoyant in the fourth quarter. No new prime projects entered the market in the quarter, and most premium retail facilities enjoyed nearly full occupancy as the overall vacancy rate dropped 1.1 percentage points q-o-q to 0.6%. The average ground floor rental rose slightly by 0.7% to RMB 35.1 psm per day, while the average first floor rental remained stable.

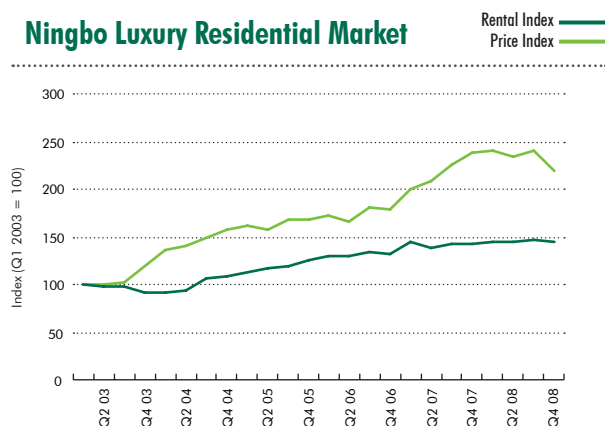
Affected by the large amount of new supply, R&D facility rentals witnessed a downward adjustment in the fourth quarter of 2008, with an average rental drop of 1.7% q-o-q. Logistics rentals recorded a q-o-q growth of 5.2% due to the increasingly strong demand, while factory rentals remained stable in the quarter. As most industrial sites were transacted at base price, the average land price dropped to RMB 376.1 psm, a q-o-q decline of 2.3%.

Ningbo Prime Office Market



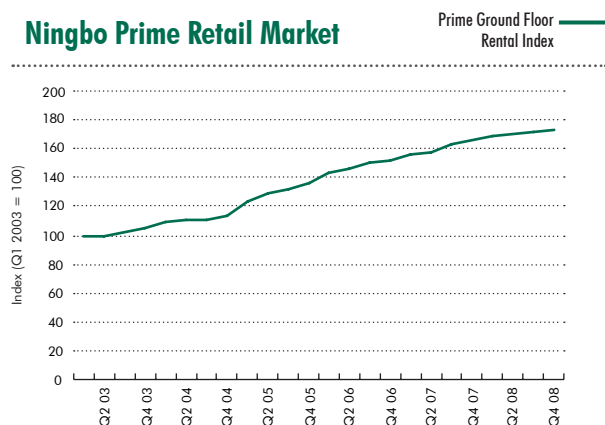
In the last quarter of 2008, the average prime office rental decreased 3.2% q-o-q to RMB 62.8 psm per month as export trading companies — the primary occupiers of prime office space in Ningbo — were hit hard by the global economic downturn. The overall vacancy level of prime offices witnessed a slight q-o-q rise of 0.3 of a percentage point to 25.1%. In the strata-title sales market, low-priced new supplies in Yinzhou and the High-tech Zone dragged down the average office price by 2.1% q-o-q to RMB 13,986 psm.

Ningbo Luxury Residential Market



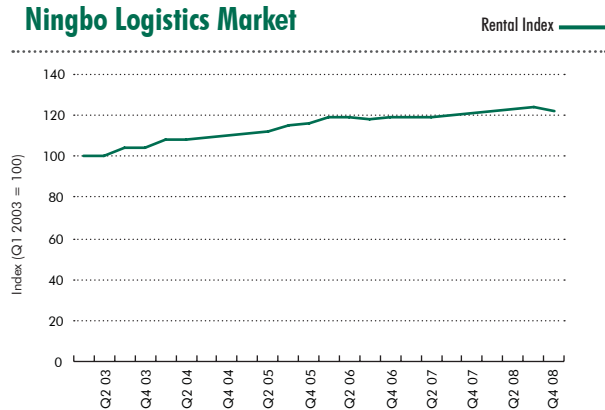
In the fourth quarter, the average rental of luxury apartments witnessed a slight drop of 1.7% q-o-q to RMB 51.8 psm per month. In the sales market, most projects lowered their asking price, especially some newly launched projects such as BOBO City Phase 2, Grand Spring Phase 3 and East Splendid Park, against the slump of the overall real estate market. This caused the average price of luxury apartments to fall to RMB 13,450 psm, a q-o-q drop of 9.4%.

Ningbo Prime Retail Market



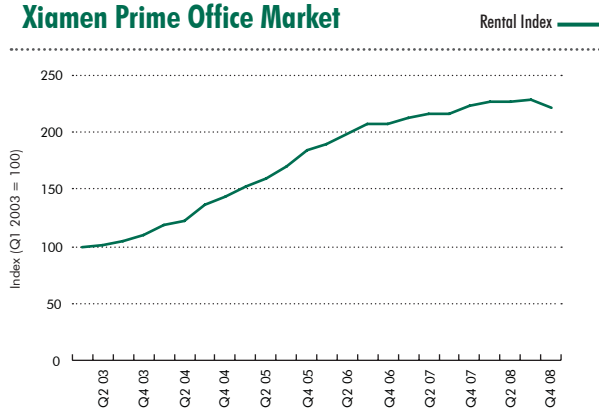
No new supply came on stream in the prime retail market in the fourth quarter and the overall vacancy rate remained at zero. Due to the many important festivals clustered at the end of year, the prime retail market sustained stable. The average rental of prime ground floor space increased by 0.8% q-o-q to RMB 20.5 psm per day, while the average rental of prime first floor space rose by 0.6% q-o-q to RMB 15.1 psm per day.

Ningbo Logistics Market



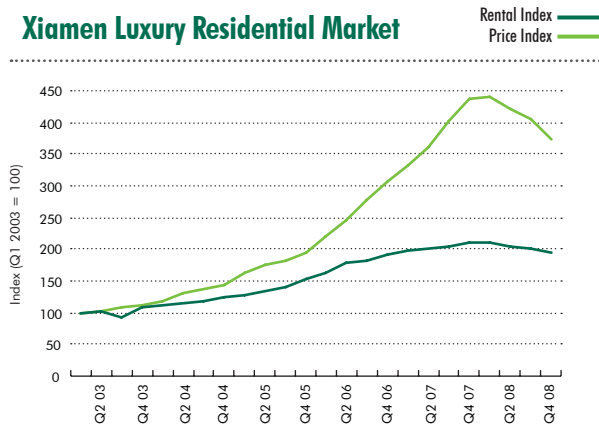
During the fourth quarter of 2008, the average industrial land price in Ningbo increased by 5.1% q-o-q to RMB 448.2 psm, due to the significantly increased land price in the Ningbo National High-tech Industrial Development Zone. In the facility leasing market, the average rental of R&D facilities remained unchanged, while average rentals of logistics facilities and factories fell to RMB 12.9 and RMB 11.6 psm per month, representing a q-o-q drop of 1.1% and 0.6%, respectively.

Xiamen Prime Office Market



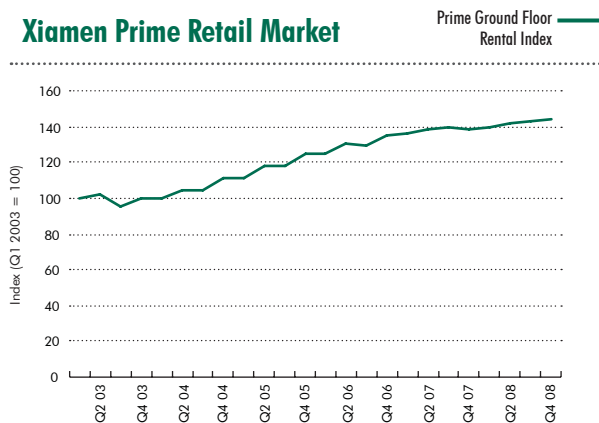
During the last quarter of 2008, demand for prime office in Xiamen was affected by the changing economic climate. Rents for prime office space recorded a q-o-q decline of 3.2% to RMB 79.1 psm per month, while the average price decreased 3.6% q-o-q. Haifu Centre, a prime office tower, was completed in Huli District this quarter, driving up the overall vacancy to 8.9%. Take-up amounted to 15,070 sm.

Xiamen Luxury Residential Market



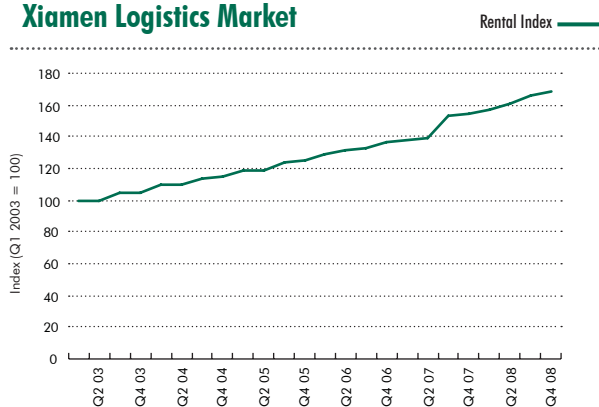
Xiamen luxury residential prices trended down further but sales reported a slight recovery this quarter. The average price of first-hand luxury apartments fell by 7.9%, the biggest q-o-q drop this year, to RMB 13,050 psm. The average monthly rent for luxury apartments declined by 2.4% q-o-q to RMB 38.6 psm. Xinjing Hexiang, a high-end scheme in Siming District, was launched for pre-sale this quarter.

Xiamen Prime Retail Market



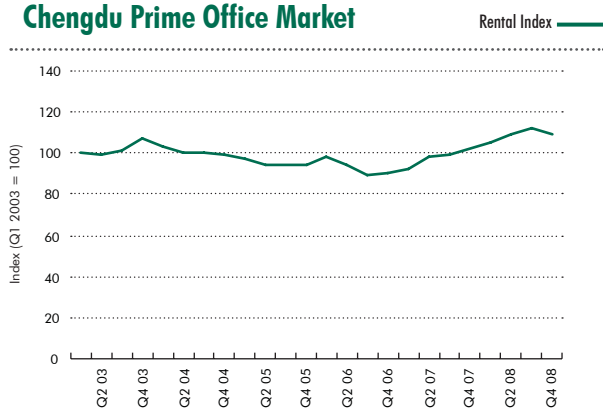
In the fourth quarter, rentals of Xiamen prime retail properties witnessed a slight growth with rents for ground floor retail space of major shopping centres increasing by 1% q-o-q to RMB 10.7 psm per day. Rainbow Department Store in Minghui Plaza and Paragon International Branded Shopping Mall opened in December, but one department store in the Zhongshan Road area closed. The overall vacancy rate went up by 0.6 of a percentage point q-o-q to 31.2% by end of the quarter.

Xiamen Logistics Market



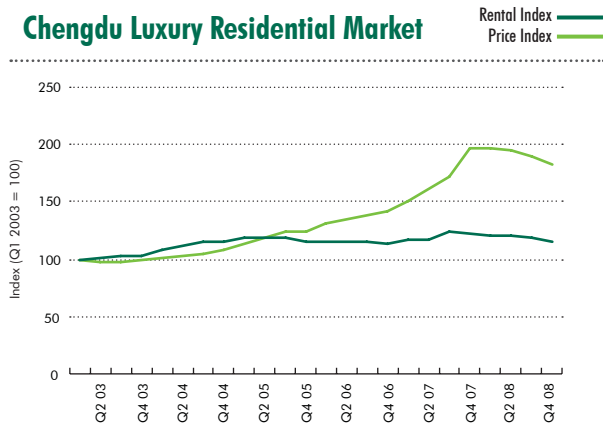
In this quarter, Xiamen industrial property market maintained an upward trend, but the pace of growth slowed. Average rental for logistics facilities rose by 1.2% q-o-q to RMB 16.3 psm per month and industrial land price averaged at RMB 392 psm, 0.9% higher than last quarter. It is believed that the commencement of Cross-straits direct flights, shipping and mail in the quarter will further boost the demand for industrial properties in Xiamen.

Chengdu Prime Office Market



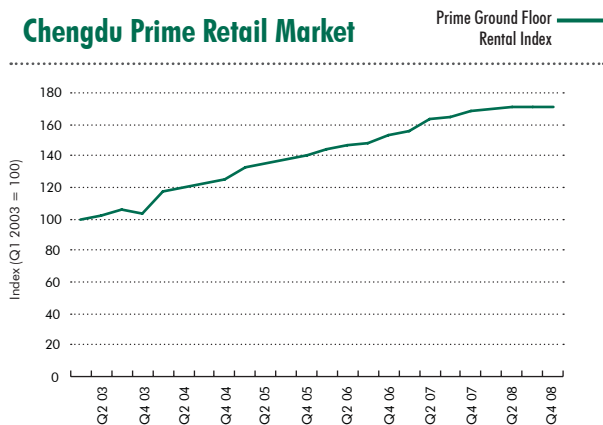
Chengdu's prime office market was affected by the financial crisis as many businesses, especially MNCs, initiated a cost-cutting drive. Some newer Grade A buildings became more flexible with their rentals, leading to a 3.2% q-o-q drop of the average rental to RMB 98.6 psm per month. Leasing activities were generally stable as the vacancy rate dropped to a new three-year low of 17.6% in the absence of new supply. Major leasing transactions include Audi in Lippo and Canon in Plaza Central.

Chengdu Luxury Residential Market



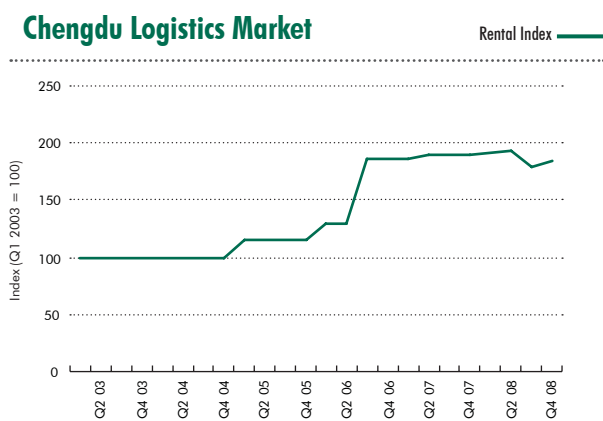
Due to a series of factors including the sluggish sales in the first three quarters, the luxury apartment price continued to slide in the fourth quarter, dropping 4% q-o-q to RMB 8,461 psm. But with perks such as price drops and a series of incentives, the luxury residential transacted area surged 38.9% q-o-q. Large projects by well-known developers maintained high sales rates.

Chengdu Prime Retail Market



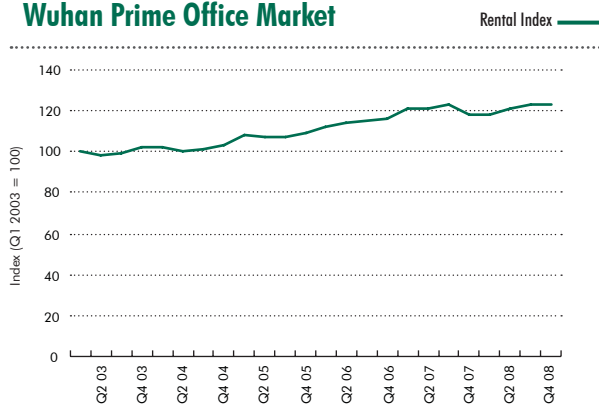
Despite the global financial crisis looming over consumers, government-sponsored shopping festivals and retailers' year-end promotions helped to stimulate consumer sentiment, keeping the prime retail market on track. The average ground floor rental stayed the same as last quarter at RMB 46.2 psm per day. Vacancy also remained stable, as there was no new supply. Major leasing transactions include Guerlain in Wangfujing. In addition, Maison Mode opened an outlet in between its Tianyi and Chuanxin stores for selling end-of-season merchandise.

Chengdu Logistics Market



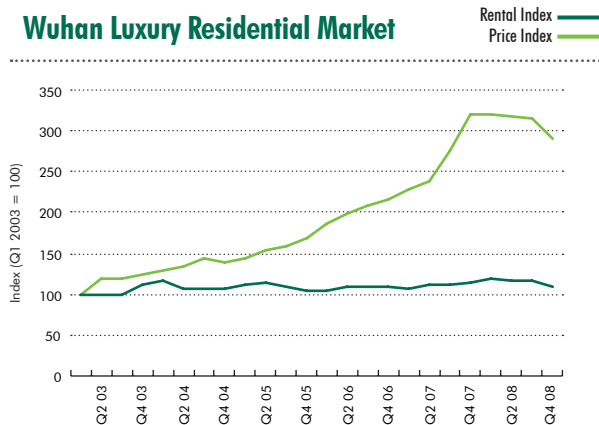
In the fourth quarter, Chengdu held the 2008 China International Logistics Week, and five logistics projects committed to enter the Aviation Logistics Park in Shuangliu County. The average rental of logistics facilities increased 3.3% q-o-q to RMB 18.5 psm per month amidst the usual year-end slow season.

Wuhan Prime Office Market



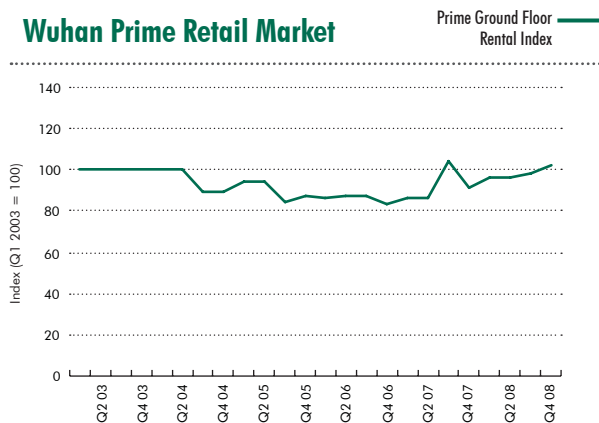
In the last quarter of 2008, the average rental for prime office space in Wuhan was RMB 48.2 psm per month, q-o-q increasing by 0.5%, while the average price was RMB 7,250 psm, q-o-q decreasing by 2.7%. No new office supply came on stream within the quarter, and the vacancy rate remained at 19.3%.

Wuhan Luxury Residential Market



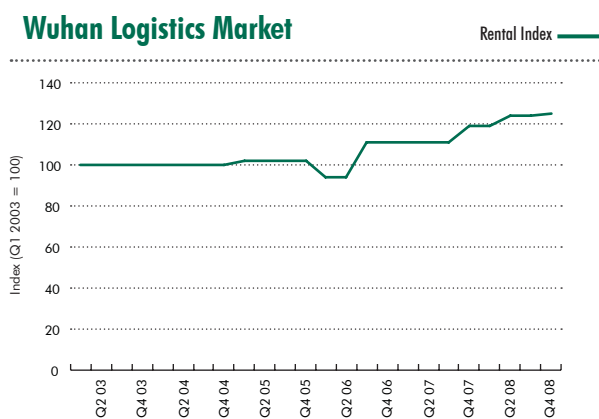
Due to the ongoing poor macroeconomic performance and lack of investor confidence in the luxury apartment sales market, the average price for Wuhan's luxury apartments dropped to RMB 9,268 psm, q-o-q decreasing further by 7.9%, while the average rental fell to RMB 27.9 psm per month.

Wuhan Prime Retail Market



During the year's peak period for consumption, the average ground floor rental of Wuhan's prime retail properties witnessed a q-o-q increase of 4.2%, to RMB 20.8 psm per day. Since some prime retail properties commenced the adjustment of tenant structure at the end of year, the overall vacancy rate increased slightly to 1.3%. In late October, Wuhan's first Louis Vuitton store opened in Times Square, with a GFA of 400 sm.

Wuhan Logistics Market



In the last quarter of 2008, the average rental for logistics facilities in Wuhan reached RMB 16.3 psm per month, up 0.7% q-o-q. Due to the large wave of industrial land supply, the average industrial land price dropped to RMB 521.9 psm, decreasing by 0.7% q-o-q.

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, Shangdi, 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, Caiwuwei, 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, Maidaao, Shilaoren, Sijiang Yiwan	Huangdao, Chengyang, Laoshan
Tianjin	Xiaobailou, Youyi Road, Nanjing Road, Haihe Riverfront, TEDA	Heping Road, Binjiang Road, Nanjing Road, Youyi Road, old downtown area, TEDA	City centre, greater Meijiang area, Olympic Arena, old downtown 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, Qujiang 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	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 East, 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, Renmin Road South	Churxi Road, Yanshikou, Luomashi, Zongbei	City centre, Qingshuihe, Zijing, Wangjiang, South New City	High-tech Development Zone, Economic & Technological Development Zone
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CENTRAL CHINA

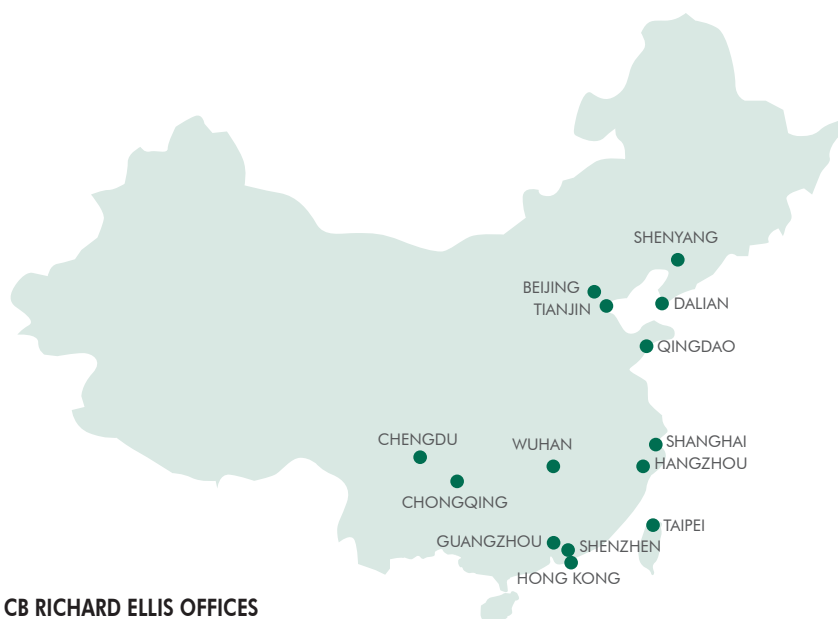
Wuhan	Jiangshe Avenue, Hangkong Road, Zhongnan Road, China Optical Valley	Jiangnan Road, Hangkong Road, Wuluo Road, Xudong Avenue, Zhongjiacun	First Ring Road, along Yangtze River, East Lake, Sha Lake, Hangkong Road, Jiyuqiao, Yangjiang Avenue	Wuhan Economic & Technological Development Zone, Wuhan East 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	200.6	102.9	815.3	31.5
Dalian	71.6	82.1	762.2	21.7
Qingdao	79.7	52.3	738.9	13.6
Tianjin	108.2	38.0	558.0	30.5
Xi'an	67.9	26.1	662.1	22.7
Shenyang	64.1	41.3	695.8	19.6
EAST CHINA				
Shanghai	241.8	152.6	1,391.5	28.5
Hangzhou	112.9	71.2	711.8	12.0
Nanjing	84.7	61.5	1,053.8	11.6
Ningbo	62.8	51.8	613.6	12.9
SOUTH CHINA				
Guangzhou	103.3	54.4	1,446.4	27.1
Shenzhen	116.7	63.3	687.5	28.2
Xiamen	79.1	38.6	320.9	16.3
WEST CHINA				
Chengdu	98.6	34.4	1,385.0	18.5
CENTRAL CHINA				
Wuhan	48.2	27.9	622.5	16.3

Greater China Map



• CB RICHARD ELLIS OFFICES

For more information regarding the MarketView, please contact:

GREATER CHINA

Margaret Ng
margaret.ng@cbre.com.hk

Amy Leung
amy.leung@cbre.com.hk

Christina DeFalco
christina.defalco@cbre.com.hk

Danny Ma
danny.ma@cbre.com.cn

Shirley Hu
shirley.hu@cbre.com.cn

NORTH CHINA
Meggie Qin
meggie.qin@cbre.com.cn

EAST CHINA
Cathy Chen
cathy.chen@cbre.com.cn

SOUTH CHINA
Ivy Li
ivy.li@cbre.com.cn