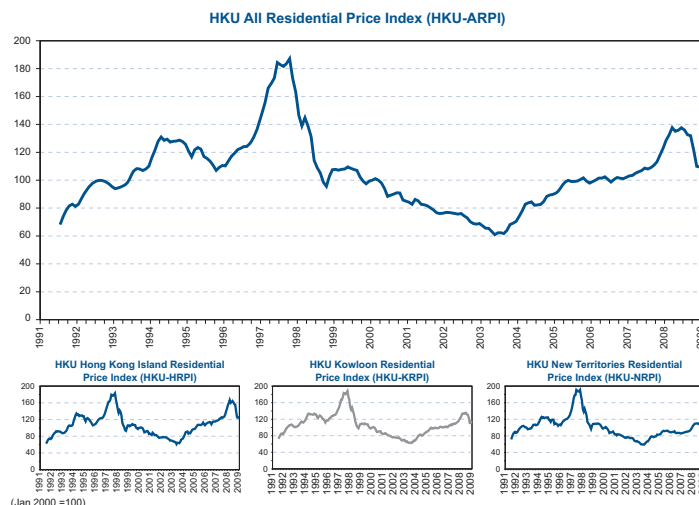


Market Review and Comments

- The local residential market experienced further consolidation in March 2009 due to the continued negative spillover of the financial tsunami into the local economy. The sales market remained uninspiring in terms of the number of sales transactions in the marketplace. According to the Land Registry of the Hong Kong SAR Government, the number of building unit transactions decreased 12.4% month-on-month (MoM) to 5,043 in February 2009 and the volume was still below its 12-month moving average running at 7,728 per month.
- Without genuine support from the occupational side of the market, individual vendors were willing to make deep cuts to their asking prices in order to entice prospective purchasers. According to the University of Hong Kong Real Estate Index Series ("HKU-REIS"), the University of Hong Kong All Residential Price Index ("HKU-ARPI") increased 2.7% MoM to 112.4 as at the end of January 2009. On the sub-district level, the Kowloon Residential Price Index ("HKU-KRPI") witnessed the strongest rise of 5.1% MoM to 116.3.
- Thanks to the public launch of 137 luxury units at The Cullinan in Tsim Sha Tsui and the remaining units at Harbour Place in Hung Hom, the total number of residential units launched for sale increased 27% MoM to a total of 480 during the period between 16th February and 15th March 2009. The Cullinan registered an encouraging absorption rate of over 90% as compared to the average of 65% in the overall primary market.
- Without a near-term sign of recovery in the external environment, the local residential market will continue to face the challenge of sustained weakness of occupational demand. Both rental and capital values are anticipated to post double-digit decline over the near to medium term.

The University of Hong Kong Real Estate Index Series (HKU-REIS)



	3 Yrs	1 Yr	6 Mths	3 Mths	1 Mth	Current Mth Jan 2009*
Indices						
HKU-ARPI	99.0	128.6	136.0	121.7	109.4	112.4
HKU-HRPI	108.8	154.5	161.2	138.8	124.3	126.7
HKU-KRPI	98.9	123.7	135.3	123.8	110.7	116.3
HKU-NRPI	88.7	104.3	109.4	102.1	92.8	95.0
% Change						
HKU-ARPI	13.5%	-12.6%	-17.4%	-7.6%	2.7%	-
HKU-HRPI	16.5%	-18.0%	-21.4%	-8.7%	1.9%	-
HKU-KRPI	17.6%	-6.0%	-14.0%	-6.1%	5.1%	-
HKU-NRPI	7.1%	-8.9%	-13.2%	-7.0%	2.4%	-

* The most recent index values published on the 18th of every month or the next working day are based on transactions that took place in the calendar month before the previous month (i.e. up to 6 weeks ago) as it takes time for these transactions to be registered with the Land Registry.

Source: Versitech Limited, the Technology Transfer Office of The University of Hong Kong

Primary Residential Launches from 16/02/2009 to 15/03/2009

Development	Area	# District	No. of Units Launched	Size Range (sq ft)	No. of Units Sold	Average Price (HK\$ / sq ft)
Jadewater	Aberdeen	HKI	22	747 - 964	12	6,105
Casa 880	Quarry Bay	HKI	5	1,066	0	7,610
Wylie Court	Homantin	KLN	13	2,002	2	10,132
Harbour Place	Hung Hom	KLN	98	559 - 770	76	4,971
MOD 595	Mong Kok	KLN	6	535 - 696	5	4,504
Vista	Sham Shui Po	KLN	19	412 - 978	4	5,097
Shining Heights	Tai Kok Tsui	KLN	47	710 - 1,178	0	5,282
The Cullinan	Tsim Sha Tsui	KLN	137	882 - 2,589	126	14,866
Peak One	Shatin	NT	9	1,863 - 2,606	9	6,630
The Dynasty	Tsuen Wan	NT	22	972 - 1,739	2	6,190
La Grove	Yuen Long	NT	102	623 - 1,175	78	3,238

HKI: Hong Kong Island; KLN: Kowloon; NT: New Territories

Source: Financial Chronicle

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