COLLIERS INTERNATIONAL

Residential Snapshot

HONG KONG

May 2009

Market Review and Comments

- Thanks to the rising stock market prices, sales activity in the Hong Kong residential market continued to ride on the upward trend between April and the first half of May 2009. The rising number of sales transaction surged to more than 10,000 – a level which was last seen before the global financial crisis. According to the Land Registry of the Hong Kong SAR Government, the number of building unit transactions increased 38.3% month-on-month (MoM) to 11,148 in April 2009.

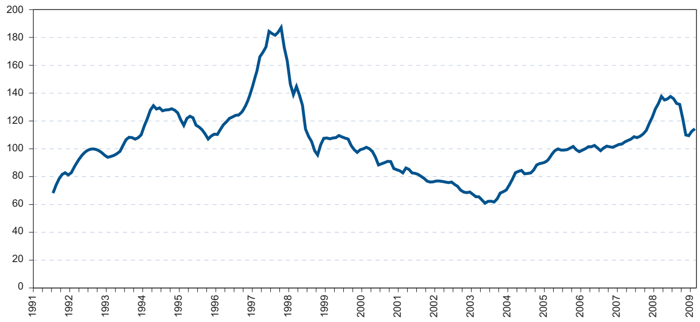
- However, in such a difficult and uncertain economic climate, many vendors continued to offer discounts to their asking prices in order to entice buyers to enter the property market. According to the University of Hong Kong Real Estate Index Series ("HKU-REIS"), the University of Hong Kong All Residential Price Index ("HKU-ARPI") decreased 1.3% MoM to 112.9 as at the end of March 2009. On the sub-district level, the Kowloon Residential Price Index ("HKU-KRPI") witnessed the largest decline of 6.6% MoM to 109.8.

- In the primary market, there were a total of 541 residential units being launched for sale between 16th April 2009 and 15th May 2009. Key launches included The Latitude in San Po Kong, Kowloon and Central Park Tower II in Yuen Long, the New Territories. Meanwhile, the overall absorption rate edged down from 76% in April 2009 to 59% in May 2009.

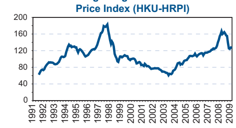
- The general market perceives the latest recovery is only a short-term rebound, as there are no solid signs pointing to sustainable recovery in the economic environment. Without rental support, the rising in property prices is unlikely to be sustained. The luxury residential market is expected to further correct over the next 12 months. The real estate sector will start to expand at a healthy pace once the economic recovery begins. Some analysts predict that healthy growth should resume by the middle of 2010.

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

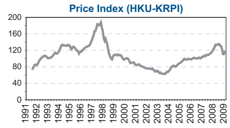
HKU All Residential Price Index (HKU-ARPI)



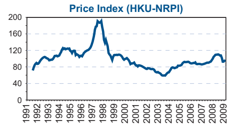
HKU Hong Kong Island Residential Price Index (HKU-HRPI)



HKU Kowloon Residential Price Index (HKU-KRPI)



HKU New Territories Residential Price Index (HKU-NRPI)



(Jan 2000 =100)

	3 Yrs	1 Yr	6 Mths	3 Mths	1 Mth	Current Mth Mar 2009*
Indices						
HKU-ARPI	**101.5**	**137.7**	**131.9**	**109.4**	**114.4**	**112.9**
HKU-HRPI	112.3	166.6	155.4	124.3	129.7	129.4
HKU-KRPI	101.9	133.7	130.3	110.7	117.6	109.8
HKU-NRPI	89.7	109.3	107.8	92.8	96.0	97.7
% Change						
HKU-ARPI	11.2%	-18.0%	-14.4%	3.2%	-1.3%	-
HKU-HRPI	15.2%	-22.3%	-16.7%	4.1%	-0.2%	-
HKU-KRPI	7.8%	-17.9%	-15.7%	-0.8%	-6.6%	-
HKU-NRPI	8.9%	-10.6%	-9.4%	5.3%	1.8%	-

* *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 16/04/2009 to 15/05/2009

Development	Area	#District	No. of Units Launched	Size Range (sq ft)	No. of Units Sold	Average Price (HK$ / sq ft)
Jadewater	Aberdeen	HKI	10	747 - 964	1	6,711
Celestial Heights (Phase 1)	Ho Man Tin	KLN	20	1,474 - 2,069	3	15,975
Fortune Court	Mong Kok	KLN	16	498	4	5,175
The Latitude	San Po Kong	KLN	239	663 - 1,907	201	6,821
Florient Rise	Tai Kok Tsui	KLN	65	619 - 1,299	28	7,453
Shining Heights	Tai Kok Tsui	KLN	12	710 - 1,178	4	5,265
Grand Waterfront	To Kwa Wan	KLN	17	757 - 1,505	6	7,746
The Dynasty	Tsuen Wan	NT	13	972 - 1,592	5	6,355
Central Park Towers II	Yuen Long	NT	96	652 - 920	40	2,113
Emerald Green	Yuen Long	NT	31	686 - 1,074	9	3,064
Seasons Monarch	Yuen Long	NT	5	2,880 - 3,568	1	2,553
The Cullinan	Tsim Sha Tsui	KIN	17	883 - 886	17	13,115

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

Source: Financial Chronicle

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