



# Asia Pacific

# Industrial Market Overview

REGIONAL RESEARCH

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This is the fifth issue of the Asia Pacific Industrial Market Overview, which covers 12 cities in 8 countries, for the review period of April 2007 to September 2007. With this bi-annual update, we hope to provide an overview of industrial markets catering to multi-national corporations and a comparison of industrial real estate costs across the key cities of the Asia Pacific. Three types of industrial properties are tracked in this report, namely single-user factory premises, single-user warehouse premises and multi-tenanted hi-specifications industrial premises, as these are the preferred choices of multi-national corporations. This publication features land and capital values, as well as rents of single-user industrial premises; and rents of multi-user hi-specification factories.

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## Regional Overview

Countries in the Asia Pacific region continued their healthy economic growth, with China, India and Singapore leading the way. This has provided support for the countries in the Asia Pacific region to continue to enjoy healthy demand for industrial properties in the six-month review period of April to September 2007.

Additionally, the industrial property markets in most of the Asian cities reviewed are also enjoying robust spillover demand from the buoyant office markets, resulting in rents of single-user industrial premises achieving growth of up to 50.0% in the period of review.

The push towards knowledge-intensive industries provided an additional boost to the hi-specs industrial space market in the Asia Pacific region, with Singapore experiencing the highest surge in rents, 17.4%, in the period of review.

Investment activities remained active in the April to September 2007 period, with funds maintaining their dominance. Capital values of single-user industrial premises in most Asian cities maintained their upward growth, with India registering the biggest rise of up to 49.4%.

The Asia Pacific region is expected to continue its strong economic growth despite uncertainties caused by the US sub-prime mortgage crisis. Demand for industrial land and facilities should continue to grow. Values and rents of industrial facilities are forecast to continue to trend upwards, with India seeing the biggest appreciation in the next six months.



# International Comparison

The purpose of the International Comparison tables is only to facilitate easy and equal comparison of single-user industrial costs. However, payment schemes vary with each country. Some countries may have the practice of paying annual land rent, whilst others pay lump sum land premium or through other modes. Colliers International does not infer that industrial land and buildings in these cities may be acquired through the same schemes or on the basis stated in the table.

## SINGLE-USER WAREHOUSE

### SINGLE-USER WAREHOUSE LAND VALUES, CAPITAL VALUES AND MONTHLY GROSS RENTS

CITY	VALUE AS OF SEPT 2007 (US\$)			12-MONTH FORECAST (US\$)			BASIS OF LAND AND CAPITAL VALUES			
	LAND VALUE <sup>1</sup> (PSF)	CAPITAL VALUE <sup>2</sup> (PSF)	MONTHLY GROSS RENT (PSF)	LAND VALUE <sup>1</sup> (PSF)	CAPITAL VALUE <sup>2</sup> (PSF)	MONTHLY GROSS RENT (PSF)	LAND TENURE (YEARS)	PLOT RATIO	LAND AREA (SQ FT)	GROSS FLOOR AREA (SQ FT)
Auckland										
Auckland	19.53	76.83	0.63	21.48	81.74	0.67	60	1.0	100,000	100,000
Manukau	20.82	68.10	0.61	22.90	72.46	0.64	60	1.0	100,000	100,000
North Shore	24.05	84.43	0.77	27.40	89.84	0.81	60	1.0	100,000	100,000
Beijing										
Tianzhu	14.50	56.04	0.56	23.93	61.09	0.57	60	1.0	100,000	100,000
Tongzhou	9.07	30.70	0.37	10.88	31.82	0.41	60	1.0	100,000	100,000
Greater Tokyo										
Yokohama - Daikokufuto	12.67	137.64	1.54	12.67	151.40	1.54	60	1.0	100,000	100,000
Kawasaki - Higashi Ogishima	26.30	169.92	1.78	27.35	186.92	1.78	60	1.0	100,000	100,000
Tokyo - Heiwajima	101.78	230.37	2.03	101.78	253.41	2.03	60	1.0	100,000	100,000
Tokyo - Ariake	89.79	186.43	1.75	107.74	205.08	1.75	60	1.0	100,000	100,000
Tokyo - Shinsuna	123.37	232.80	1.99	135.70	256.07	1.99	60	1.0	100,000	100,000
Chiba - Urayasu	30.27	115.87	1.23	36.31	127.46	1.23	60	1.0	100,000	100,000
Chiba - Shibayama	3.06	87.51	1.07	3.06	96.27	1.07	60	1.0	100,000	100,000
Guangzhou										
GETDD	7.26	45.17	0.31	8.18	48.78	0.35	60	1.0	100,000	100,000
Hong Kong <sup>3</sup>										
Logistics	-	206.43	1.12	-	237.39	1.21	60	1.0	100,000	100,000
Ordinary	-	157.22	0.79	-	180.81	0.85	60	1.0	100,000	100,000
Jakarta										
Bekasi	7.51	18.85	-	8.66	19.80	-	60	1.0	100,000	100,000
Melbourne										
East & South East	12.97	52.86	0.51	15.56	59.08	0.56	60	1.0	100,000	100,000
Fringe	39.16	115.49	0.92	40.67	127.04	0.99	60	1.0	100,000	100,000
North	11.35	49.75	0.61	12.32	56.86	0.68	60	1.0	100,000	100,000
West	9.73	46.20	0.42	10.24	49.08	0.45	60	1.0	100,000	100,000

1. Land values are expressed as US\$ per sq ft per plot ratio

2. Capital values refer to the values of both land and building

3. Values provided are for multi-tenanted warehouse buildings

... to be continued

# International Comparison

## SINGLE-USER WAREHOUSE

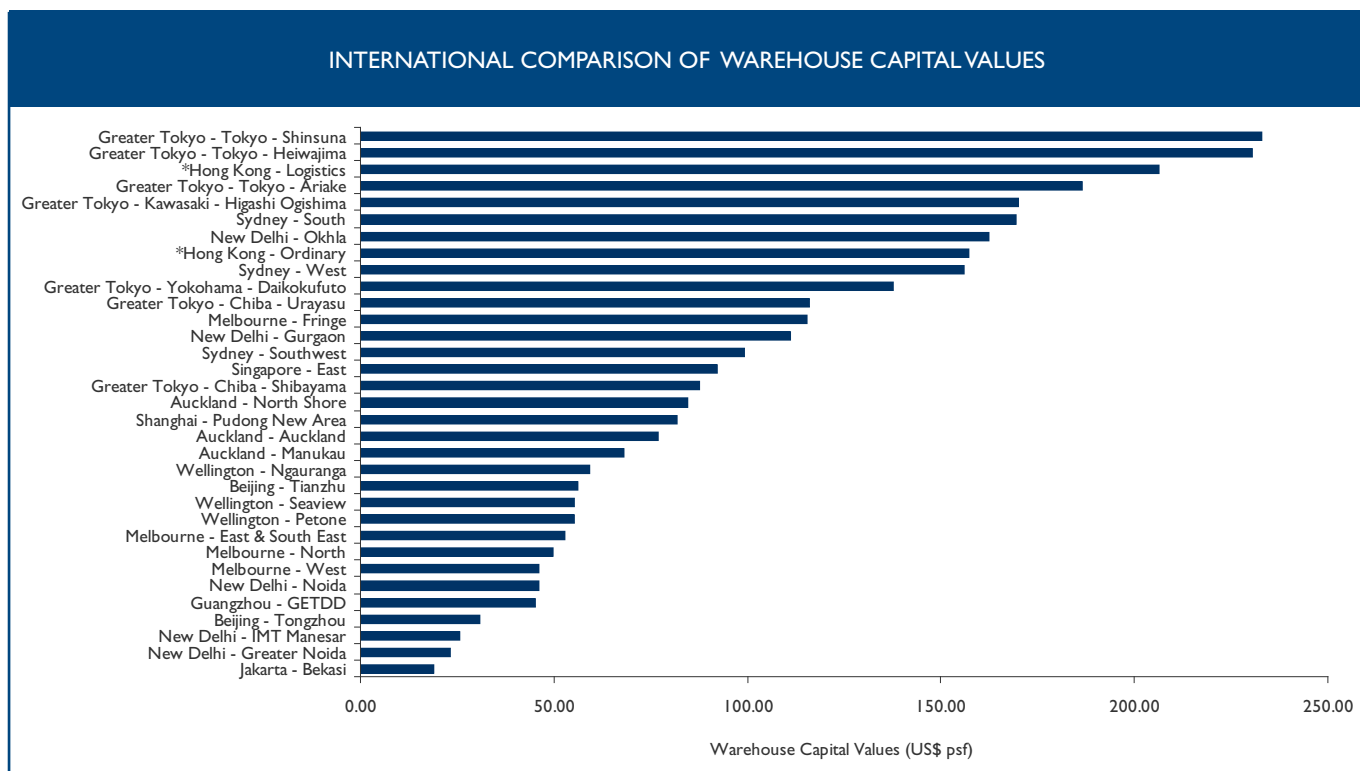
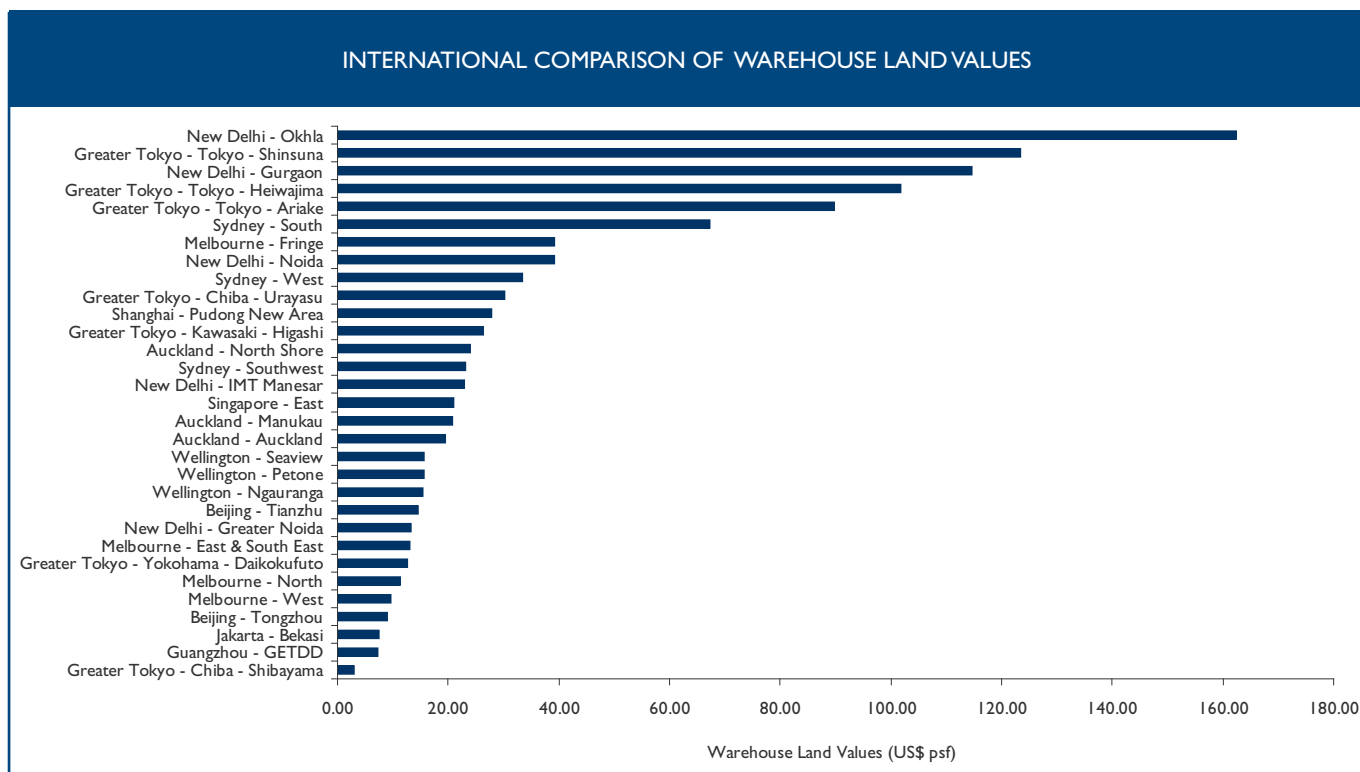
### SINGLE-USER WAREHOUSE LAND VALUES, CAPITAL VALUES AND MONTHLY GROSS RENTS (CONT'D)

CITY	VALUE AS OF SEPT 2007 (US\$)			12-MONTH FORECAST (US\$)			BASIS OF LAND AND CAPITAL VALUES			
	LAND VALUE <sup>1</sup> (PSF)	CAPITAL VALUE <sup>2</sup> (PSF)	MONTHLY GROSS RENT (PSF)	LAND VALUE <sup>1</sup> (PSF)	CAPITAL VALUE <sup>2</sup> (PSF)	MONTHLY GROSS RENT (PSF)	LAND TENURE (YEARS)	PLOT RATIO	LAND AREA (SQ FT)	GROSS FLOOR AREA (SQ FT)
New Delhi										
Greater Noida	13.37	23.07	0.32	14.32	25.63	0.38	60	1.0	100,000	100,000
Gurgaon	114.59	111.07	0.81	124.14	119.62	0.92	60	1.0	100,000	100,000
IMT Manesar	22.92	25.63	0.43	24.83	29.05	0.58	60	1.0	100,000	100,000
Noida	39.15	46.14	0.60	42.02	56.39	0.75	60	1.0	100,000	100,000
Okhla	162.34	162.34	1.03	181.44	170.88	1.13	60	1.0	100,000	100,000
Shanghai										
Pudong New Area	27.75	81.92	0.59	30.67	87.65	0.63	60	1.0	100,000	100,000
Singapore										
East	21.07	92.13	0.86	21.07	101.34	0.94	60	1.0	100,000	100,000
Sydney										
South	67.24	169.52	1.15	67.24	169.52	1.15	60	1.0	100,000	100,000
Southwest	23.21	99.24	0.68	23.21	99.24	0.68	60	1.0	100,000	100,000
West	33.40	156.02	1.07	33.40	156.02	1.07	60	1.0	100,000	100,000
Wellington										
Ngauranga	15.48	59.14	0.55	17.03	62.39	0.58	60	1.0	100,000	100,000
Petone	15.70	55.23	0.55	17.27	58.28	0.58	60	1.0	100,000	100,000
Seaview	15.70	55.23	0.55	17.27	58.28	0.58	60	1.0	100,000	100,000

1. Land values are expressed as US\$ per sq ft per plot ratio

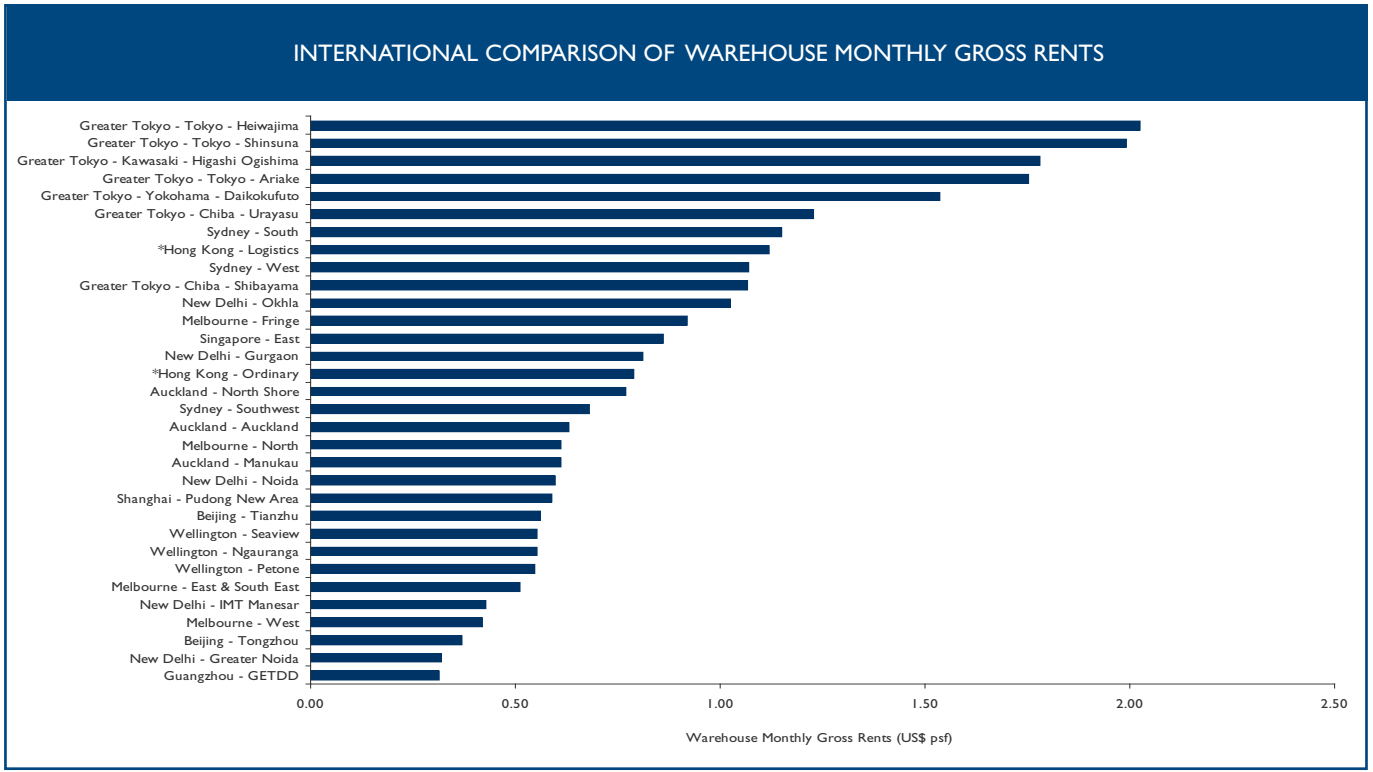
2. Capital values refer to the values of both land and building

# International Comparison



\* Values provided are for multi-tenanted warehouse buildings

# International Comparison



\* Values provided are for multi-tenanted warehouse buildings

# International Comparison

## SINGLE-USER FACTORY

### SINGLE-USER FACTORY LAND VALUES, CAPITAL VALUES AND MONTHLY GROSS RENTS

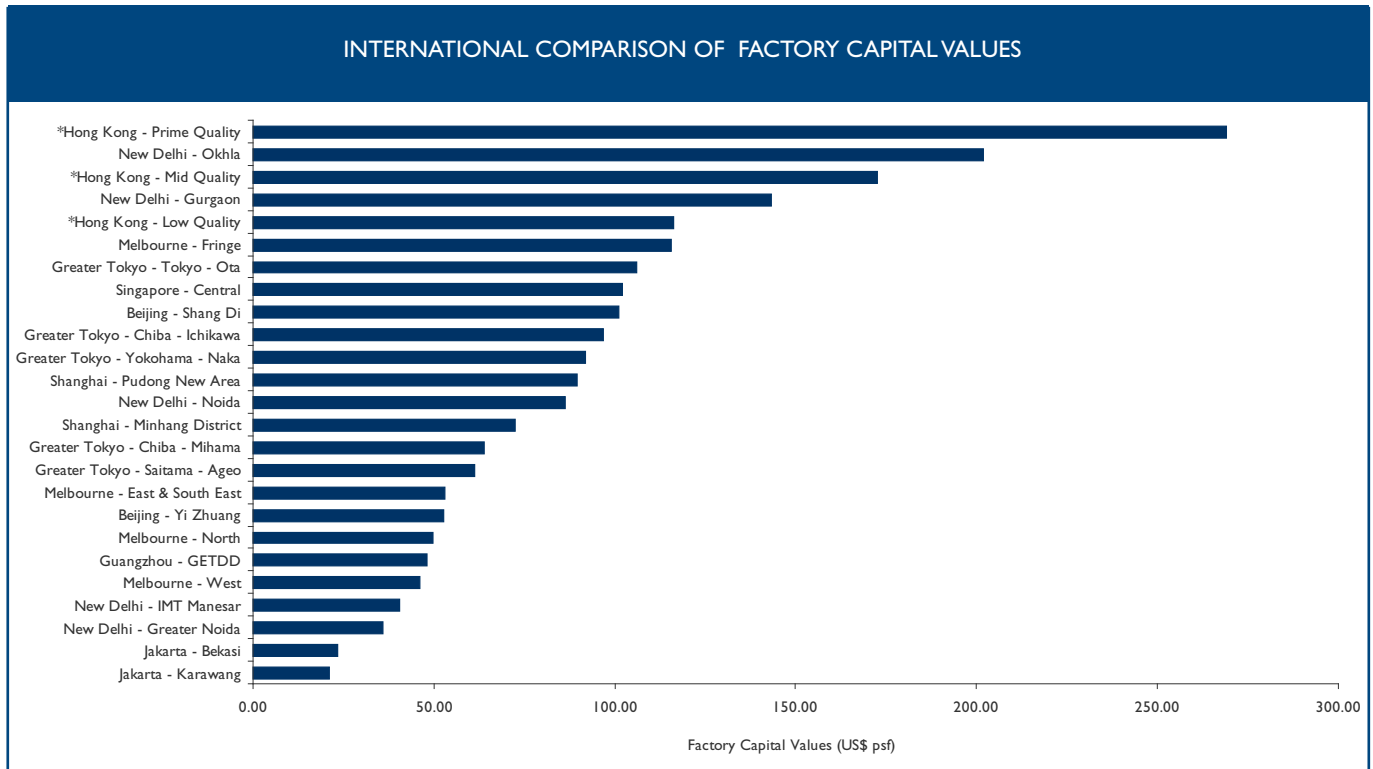
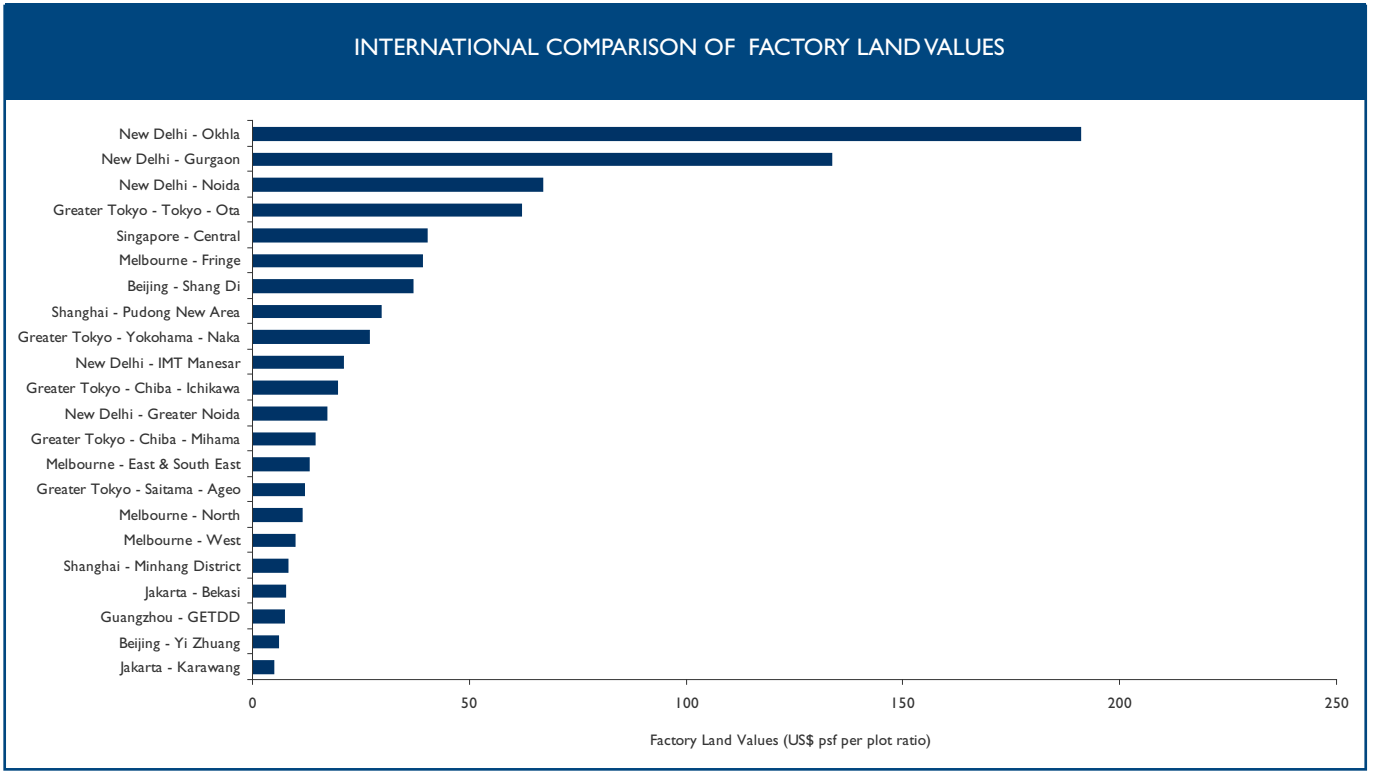
CITY	VALUE AS OF SEPT 2007 (US\$)			12-MONTH FORECAST (US\$)			BASIS OF LAND AND CAPITAL VALUES			
	LAND VALUE <sup>1</sup> (PSF)	CAPITAL VALUE <sup>2</sup> (PSF)	MONTHLY GROSS RENT (PSF)	LAND VALUE <sup>1</sup> (PSF)	CAPITAL VALUE <sup>2</sup> (PSF)	MONTHLY GROSS RENT (PSF)	LAND TENURE (YEARS)	PLOT RATIO	LAND AREA (SQ FT)	GROSS FLOOR AREA (SQ FT)
Beijing										
Shang Di	36.88	101.07	1.10	39.46	107.64	1.15	60	1.0	100,000	100,000
Yi Zhuang	5.94	52.62	0.67	6.48	55.25	0.73	60	1.0	100,000	100,000
Greater Tokyo										
Tokyo - Ota	52.57	105.92	-	52.57	105.92	-	60	1.0	100,000	100,000
Yokohama - Naka	28.29	91.76	-	28.57	91.76	-	60	1.0	100,000	100,000
Chiba - Ichikawa	22.77	96.86	-	27.33	96.86	-	60	1.0	100,000	100,000
Chiba - Mihama	13.22	63.72	-	13.48	63.72	-	60	1.0	100,000	100,000
Saitama - Ageo	10.93	61.29	-	10.93	61.29	-	60	1.0	100,000	100,000
Guangzhou										
GETDD	7.26	48.08	0.41	8.18	51.00	0.46	60	1.0	100,000	100,000
Hong Kong <sup>3</sup>										
Low Quality	-	116.29	0.78	-	133.74	0.74	60	1.0	100,000	100,000
Mid Quality	-	172.53	0.94	-	198.41	0.90	60	1.0	100,000	100,000
Prime Quality	-	269.06	1.23	-	309.41	1.16	60	1.0	100,000	100,000
Jakarta										
Bekasi	7.51	23.44	-	8.66	24.61	-	60	1.0	100,000	100,000
Karawang	5.21	21.15	0.35	5.82	22.21	0.35	60	1.0	100,000	100,000
Melbourne										
East & South East	12.97	52.86	0.51	15.56	59.08	0.56	60	1.0	100,000	100,000
Fringe	39.16	115.49	0.92	40.67	127.04	0.99	60	1.0	100,000	100,000
North	11.35	49.75	0.61	12.32	52.86	0.68	60	1.0	100,000	100,000
West	9.73	46.20	0.42	10.24	49.08	0.45	60	1.0	100,000	100,000
New Delhi										
Greater Noida	16.28	35.77	0.41	19.00	45.86	0.50	60	1.0	100,000	100,000
Gurgaon	126.66	143.09	1.06	132.08	159.60	1.15	60	1.0	100,000	100,000
IMT Manesar	19.90	40.36	0.57	24.43	51.37	0.70	60	1.0	100,000	100,000
Noida	63.33	86.22	0.66	72.37	100.90	0.75	60	1.0	100,000	100,000
Okhla	180.94	201.79	1.36	199.03	220.14	1.52	60	1.0	100,000	100,000
Shanghai										
Minhang District	8.10	72.50	0.52	9.46	77.58	0.55	60	1.0	100,000	100,000
Pudong New Area	28.90	89.58	0.67	33.24	95.85	0.71	60	1.0	100,000	100,000
Singapore										
Central	39.14	101.95	0.88	39.14	112.15	0.97	60	1.0	100,000	100,000

1. Land values are expressed as US\$ per sq ft per plot ratio

2. Capital values refer to the values of both land and building

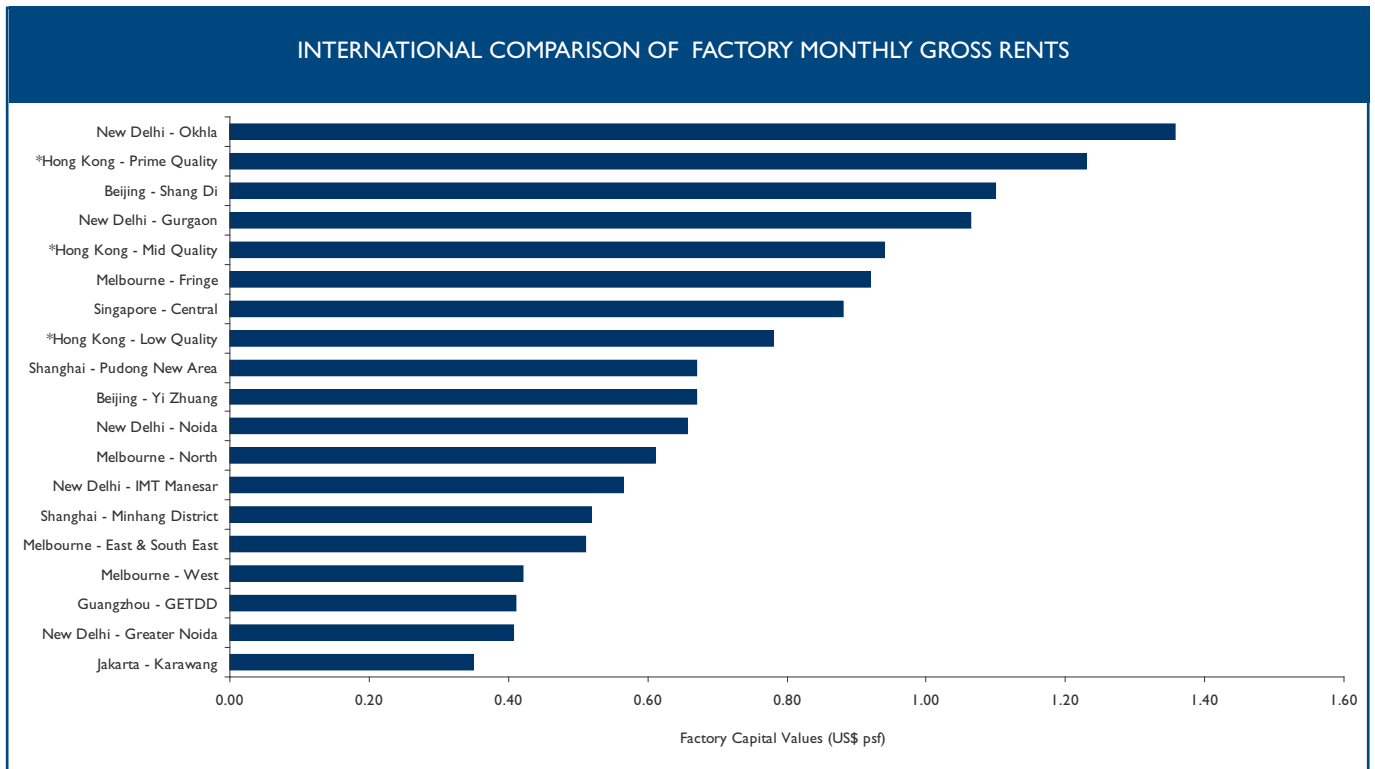
3. Values provided are for multi-tenanted factory buildings

# International Comparison



\* Values provided are for multi-tenanted factory buildings

# International Comparison



\* Values provided are for multi-tenanted factory buildings

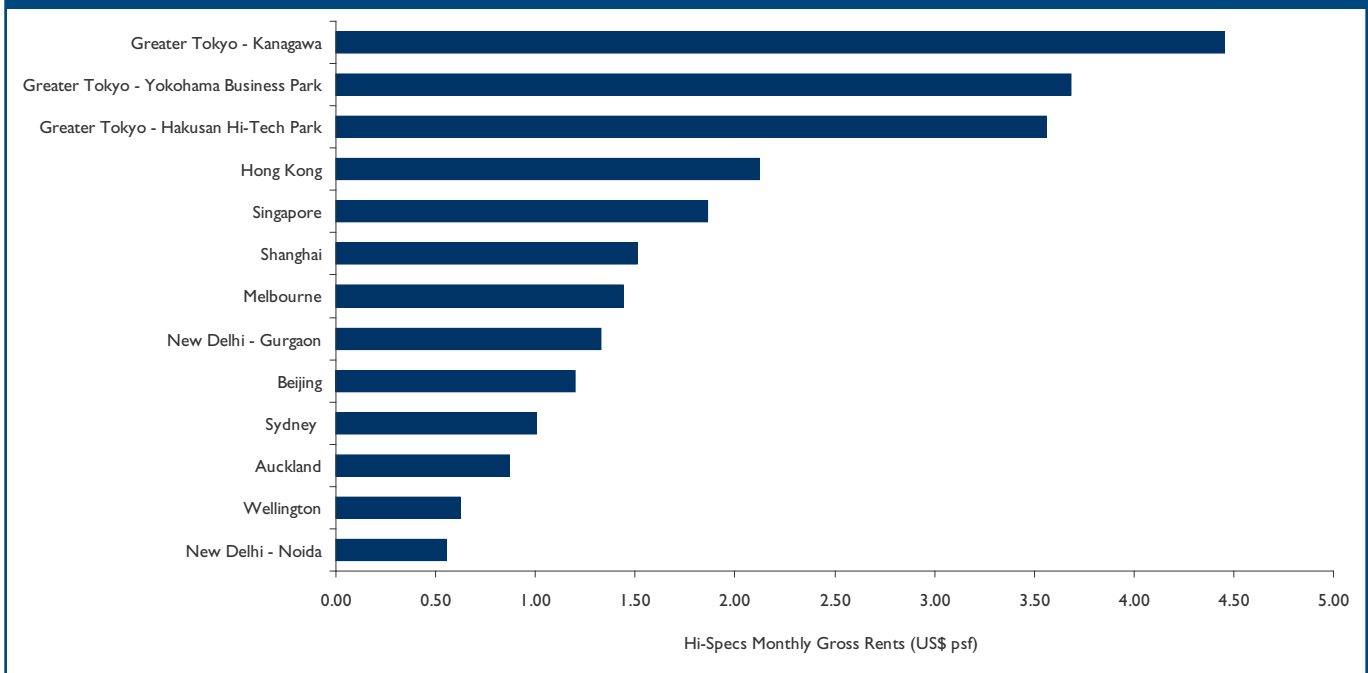
# International Comparison

## MULTI-USER HI-SPECS

### MULTI-USER HI-SPECS AVERAGE MONTHLY GROSS RENTS

CITY	AS OF SEPT 2007	12-MONTH FORECAST	BASIS OF RENTAL RATES			
	AVERAGE MONTHLY GROSS RENT (US\$ PSF)	AVERAGE MONTHLY GROSS RENT (US\$ PSF)	LEASE TERM	LOCATION	NET FLOOR AREA	RENT FREE PERIOD
Auckland	0.87	0.92	3 years	Suburban	10,000 sq ft	1 month
Beijing	1.20	1.33	3 years	Suburban	10,000 sq ft	1 month
Hong Kong	2.12	2.06	3 years	Suburban	10,000 sq ft	1 month
Melbourne	1.44	1.51	3 years	Suburban	10,000 sq ft	1 month
New Delhi - Gurgaon	1.33	1.56	3 years	Suburban	10,000 sq ft	1 month
New Delhi - Noida	0.55	0.63	3 years	Suburban	10,000 sq ft	1 month
Shanghai	1.51	1.61	3 years	Suburban	10,000 sq ft	1 month
Singapore	1.86	2.14	3 years	Suburban	10,000 sq ft	1 month
Sydney	1.00	1.00	3 years	Suburban	10,000 sq ft	1 month
Greater Tokyo - Kanagawa	4.45	4.45	3 years	Suburban	10,000 sq ft	1 month
Greater Tokyo - Yokohama Business Park	3.68	3.68	3 years	Suburban	10,000 sq ft	1 month
Greater Tokyo - Hi-Tech Park	3.56	3.56	3 years	Suburban	10,000 sq ft	1 month
Wellington	0.62	0.66	3 years	Suburban	10,000 sq ft	1 month

### INTERNATIONAL COMPARISON OF HI-SPECS MONTHLY GROSS RENTS



## Local Market Norm

The purpose of the Local Market Norm tables is only to provide an understanding of single-user industrial costs in the context of the various submarkets. The land tenure, plot ratio, land and building size quoted are based on recent offerings and transactions in each local market. However, payment schemes vary with each country. Some countries may have the practice of paying annual land rent, whilst others pay lump sum land premium or through other modes. Colliers International does not infer that industrial land and buildings in these cities may be acquired through the same schemes.

### SINGLE-USER WAREHOUSE

#### SINGLE-USER WAREHOUSE LAND VALUES, CAPITAL VALUES AND MONTHLY GROSS RENTS<sup>1</sup>

CITY	LOCAL CURRENCY	IN LOCAL CURRENCY AS OF SEPT 2007			IN US\$ AS OF SEPT 2007			BASIS OF LAND, CAPITAL VALUES AND MONTHLY GROSS RENTS (LOCAL MARKET NORM)			
		LAND VALUE <sup>2</sup> (PSF)	CAPITAL VALUE <sup>3</sup> (PSF)	MONTHLY RENT (PSF)	LAND VALUE <sup>2</sup> (PSF)	CAPITAL VALUE <sup>3</sup> (PSF)	MONTHLY RENT (PSF)	LAND TENURE (YEARS)	PLOT RATIO	LAND AREA (SQ FT)	GROSS FLOOR AREA (SQ FT)
<b>Auckland</b>											
Auckland	NZ\$	35.28	155.88	0.97	26.75	118.20	0.74	Freehold	0.5	30,000	15,000
Manukau	NZ\$	33.08	128.31	0.89	25.08	97.29	0.67	Freehold	0.5	100,000	50,000
North Shore	NZ\$	38.20	148.45	1.06	28.97	112.57	0.80	Freehold	0.5	105,000	52,500
<b>Beijing</b>											
Tianzhu	CNY	97.50	390.87	4.18	13.07	52.38	0.56	50	0.7	150,000	105,000
Tongzhou	CNY	62.68	214.12	2.79	8.40	28.69	0.37	50	0.9	120,000	108,000
<b>Greater Tokyo</b>											
Yokohama - Daikokufuto	Yen	2,021.00	15,050.00	141.00	17.60	131.09	1.23	Freehold	4.0	107,639	430,556
Kawasaki - Higashi Ogishima	Yen	2,903.00	15,607.00	141.00	25.29	135.94	1.23	Freehold	3.0	1,076,390	3,229,170
Tokyo - Heiwajima	Yen	10,250.00	20,345.00	155.00	89.28	177.20	1.35	Freehold	3.0	1,614,585	4,843,755
Tokyo - Ariake	Yen	13,564.00	23,783.00	183.00	118.14	207.15	1.59	Freehold	2.0	107,639	215,278
Tokyo - Shinsuna	Yen	16,862.00	25,455.00	183.00	146.87	221.71	1.59	Freehold	2.0	215,278	430,556
Chiba - Urayasu	Yen	5,110.00	16,629.00	141.00	44.51	144.84	1.23	Freehold	2.0	53,820	107,640
Chiba - Shibayama	Yen	418.00	9,569.00	98.00	3.64	83.35	0.85	Freehold	2.0	215,278	430,556
<b>Guangzhou</b>											
GETDD	CNY	51.11	288.10	2.13	6.85	38.61	0.29	50	1.5	150,000	225,000
<b>Hong Kong<sup>4</sup></b>											
Logistics	HK\$	-	1,606.46	8.71	-	206.43	1.12	N.A.	N.A.	N.A.	N.A.
Ordinary	HK\$	-	1,223.52	6.13	-	157.22	0.79	N.A.	N.A.	N.A.	N.A.
<b>Jakarta</b>											
Bekasi	Rp	60,400.00	139,355.00	-	6.64	15.33	-	30	2.4	10,000	24,000

1. Values and rents may not be quoted in \$ psf in local market practice

... to be continued

2. Land values are expressed as per sq ft per plot ratio

3. Capital values refer to the values of both land and building

4. Values provided are for multi-tenanted warehouse buildings

# Local Market Norm

## SINGLE-USER WAREHOUSE

### SINGLE-USER WAREHOUSE LAND VALUES, CAPITAL VALUES AND MONTHLY GROSS RENTS<sup>1</sup> (CONT'D)

CITY	LOCAL CURRENCY	IN LOCAL CURRENCY AS OF SEPT 2007			IN US\$ AS OF SEPT 2007			BASIS OF LAND, CAPITAL VALUES AND MONTHLY GROSS RENTS (LOCAL MARKET NORM)			
		LAND VALUE <sup>2</sup> (PSF)	CAPITAL VALUE <sup>3</sup> (PSF)	MONTHLY RENT (PSF)	LAND VALUE <sup>2</sup> (PSF)	CAPITAL VALUE <sup>3</sup> (PSF)	MONTHLY RENT (PSF)	LAND TENURE (YEARS)	PLOT RATIO	LAND AREA (SQ FT)	GROSS FLOOR AREA (SQ FT)
<b>Melbourne</b>											
East & South East	A\$	20.00	85.00	0.63	17.77	75.51	0.56	Freehold	0.6	40,000	24,000
Fringe	A\$	60.39	200.00	1.21	53.65	177.68	1.07	Freehold	0.6	30,000	18,000
North	A\$	17.50	80.00	0.77	15.55	71.07	0.68	Freehold	0.6	40,000	24,000
West	A\$	15.00	80.00	0.55	13.33	71.07	0.49	Freehold	0.6	30,000	18,000
<b>New Delhi</b>											
Greater Noida	INR	700.00	1,350.00	15.00	17.59	33.93	0.38	99	0.6	25,000	15,000
Gurgaon	INR	6,000.00	6,500.00	38.00	150.78	163.35	0.95	99	0.6	30,000	18,000
IMT Manesar	INR	1,200.00	1,500.00	20.00	30.16	37.70	0.50	99	0.6	30,000	18,000
Noida	INR	2,050.00	2,700.00	28.00	51.52	67.85	0.70	99	0.6	30,000	18,000
Okhla	INR	8,500.00	9,500.00	48.00	213.61	238.74	1.21	99	0.6	25,000	15,000
<b>Shanghai</b>											
Pudong New Area	CNY	190.00	571.35	4.38	25.46	76.56	0.59	50	1.0	150,000	150,000
<b>Singapore</b>											
East	S\$	31.92	118.95	1.10	21.50	80.11	0.74	30+30	2.0	150,000	300,000
<b>Sydney</b>											
South	A\$	87.00	200.85	1.13	77.29	178.44	1.00	Freehold	1.2	220,000	264,000
Southwest	A\$	36.80	148.94	0.80	32.69	132.32	0.71	Freehold	1.2	60,000	72,000
West	A\$	40.00	159.65	0.92	35.54	141.83	0.82	Freehold	1.2	430,000	516,000
<b>Wellington</b>											
Ngauranga	NZ\$	27.22	111.42	0.82	20.64	84.49	0.62	Freehold	0.5	70,000	35,000
Petone	NZ\$	24.95	104.06	0.81	18.92	78.91	0.61	Freehold	0.5	100,000	50,000
Seaview	NZ\$	24.95	104.06	0.82	18.92	78.91	0.62	Freehold	0.5	100,000	50,000

1. Values and rents may not be quoted in \$ psf in local market practice

2. Land values are expressed as per sq ft per plot ratio

3. Capital values refer to the values of both land and building

# Local Market Norm

## SINGLE-USER FACTORY

### SINGLE-USER FACTORY LAND VALUES, CAPITAL VALUES AND MONTHLY GROSS RENTS<sup>1</sup>

CITY	LOCAL CURRENCY	IN LOCAL CURRENCY AS OF SEPT 2007			IN US\$ AS OF SEPT 2007			BASIS OF LAND, CAPITAL VALUES AND MONTHLY GROSS RENTS (LOCAL MARKET NORM)			
		LAND VALUE <sup>2</sup> (PSF)	CAPITAL VALUE <sup>3</sup> (PSF)	MONTHLY RENT (PSF)	LAND VALUE <sup>2</sup> (PSF)	CAPITAL VALUE <sup>3</sup> (PSF)	MONTHLY RENT (PSF)	LAND TENURE (YEARS)	PLOT RATIO	LAND AREA (SQ FT)	GROSS FLOOR AREA (SQ FT)
<b>Beijing</b>											
Shang Di	CNY	232.25	571.42	6.54	31.12	76.57	0.88	50	1.1	390,000	429,000
Yo Zhuang	CNY	46.45	385.00	5.29	6.22	51.59	0.71	50	1.3	42,000	54,600
<b>Greater Tokyo</b>											
Tokyo - Ota	Yen	9,894.00	17,373.00	-	86.18	151.32	-	Freehold	2.0	16,146	32,292
Yokohama - Naka	Yen	4,273.00	11,706.00	-	37.22	101.96	-	Freehold	2.0	107,634	215,268
Chiba - Ichikawa	Yen	3,112.00	10,591.00	-	27.11	92.25	-	Freehold	2.0	215,278	430,556
Chiba - Mihama	Yen	2,299.00	9,755.00	-	20.02	84.97	-	Freehold	2.0	32,292	64,584
Saitama - Ageo	Yen	1,902.00	9,383.00	-	16.57	81.73	-	Freehold	2.0	32,292	64,584
<b>Guangzhou</b>											
GETDD	CNY	51.11	306.70	2.78	6.85	41.10	0.37	50	1.5	150,000	225,000
<b>Hong Kong<sup>4</sup></b>											
Low Quality	HK\$	-	905.00	6.10	-	116.29	0.78	N.A.	N.A.	N.A.	N.A.
Mid Range	HK\$	-	1,342.67	7.34	-	172.53	0.94	N.A.	N.A.	N.A.	N.A.
Prime Quality	HK\$	-	2,093.82	9.53	-	269.06	1.23	N.A.	N.A.	N.A.	N.A.
<b>Jakarta</b>											
Bekasi	Rp	60,400.00	173,218.00	-	6.64	19.05	-	30	2.4	15,000	36,000
Karawang	Rp	39,500.00	139,355.00	3,000.00	4.35	15.33	0.33	30	2.4	70,000	168,000
<b>Melbourne</b>											
East & South East	A\$	20.00	85.00	0.63	17.77	75.51	0.56	Freehold	0.6	40,000	24,000
Fringe	A\$	60.39	200.00	1.21	53.65	177.68	1.07	Freehold	0.6	30,000	18,000
North	A\$	17.50	80.00	0.77	15.55	71.07	0.68	Freehold	0.6	40,000	24,000
West	A\$	15.00	80.00	0.55	13.33	71.07	0.49	Freehold	0.6	30,000	18,000
<b>New Delhi</b>											
Greater Noida	INR	900.00	1,950.00	18.00	22.62	49.00	0.45	99	1.25	25,000	31,250
Gurgaon	INR	7,000.00	7,800.00	47.00	175.91	196.01	1.18	99	1.25	30,000	37,500
IMT Manesar	INR	1,100.00	2,200.00	25.00	27.64	55.29	0.63	99	1.25	30,000	37,500
Noida	INR	3,500.00	4,700.00	29.00	87.96	118.11	0.73	99	1.25	30,000	37,500
Okhla	INR	10,000.00	11,000.00	60.00	251.30	276.43	1.51	99	1.25	25,000	31,250

1. Values and rents may not be quoted in \$ psf in local market practice

... to be continued

2. Land values are expressed as per sq ft per plot ratio

3. Capital values refer to the values of both land and building

4. Values provided are for multi-tenanted factory buildings

# Local Market Norm

## SINGLE-USER FACTORY

### SINGLE-USER FACTORY LAND VALUES, CAPITAL VALUES AND MONTHLY GROSS RENTS<sup>1</sup> (CONT'D)

CITY	LOCAL CURRENCY	IN LOCAL CURRENCY AS OF SEPT 2007			IN US\$ AS OF SEPT 2007			BASIS OF LAND, CAPITAL VALUES AND MONTHLY GROSS RENTS (LOCAL MARKET NORM)			
		LAND VALUE <sup>2</sup> (PSF)	CAPITAL VALUE <sup>3</sup> (PSF)	MONTHLY RENT (PSF)	LAND VALUE <sup>2</sup> (PSF)	CAPITAL VALUE <sup>3</sup> (PSF)	MONTHLY RENT (PSF)	LAND TENURE (YEARS)	PLOT RATIO	LAND AREA (SQ FT)	GROSS FLOOR AREA (SQ FT)
Shanghai											
Minhang District	CNY	56.00	483.10	3.67	7.50	64.74	0.49	50	1.2	150,000	180,000
Pudong New Area	CNY	203.46	571.35	4.52	27.26	76.56	0.61	50	1.6	150,000	240,000
Singapore											
Central	S\$	61.18	137.62	1.19	41.20	92.69	0.80	30+30	2.5	100,000	250,000

1. Values and rents may not be quoted in \$ psf in local market practice

2. Land values are expressed as per sq ft per plot ratio

3. Capital values refer to the values of both land and building

# Australia



## ECONOMIC INDICATORS FOR MELBOURNE

### ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	April 2007 - September 2007	1.6%
Year-on-Year Manufacturing Output Growth Rate	April 2007 - September 2007	0.04%
Total Imports	April 2007 - September 2007	A\$26,433 million
Total Exports	April 2007 - September 2007	A\$10,140 million
Container Throughput (TEUs)	April 2007 - September 2007	N.A.
Air Cargo Throughput (Tonnes)	April 2007 - September 2007	423,000

## MELBOURNE

### Factory and Warehouse

- ▶ Melbourne's industrial market continued to perform well in the period of April to September 2007, with Victoria's strong economic growth (which is currently attracting net interstate migration of 1,000 people per week) driving demand from institutions, superannuation funds, investors and owner-occupiers across all market sectors.
- ▶ Industrial land in the sub-markets of the East and South-east trended significantly upwards by up to 58.3% during the period of review due to high demand and lack of available land, whilst those in the sub-markets of the Fringe and the West remained largely unchanged from six months ago.
- ▶ Englobo land (more than four hectares with significant subdivision potential under existing land use provisions) remained in high demand by institutions, developers and joint ventures in a market characterised by a severe shortage of retail land and modern industrial facilities in a vibrant economy. More than 1,600 hectares worth more than A\$500 million have changed hands to date in 2007, 45.5% above the total for 2006 of 1,100 hectares, which was itself a record well above the 284-hectare average for the previous three years. Significant englobo land transactions include MAB's purchase of the 700-hectare Kakallo site.
- ▶ In the investment market, sales of more than A\$365 million have been closed in the past nine months, with more than A\$200 million of this activity occurring in the South-east sub-market. The biggest sale of the year so far was industry superannuation fund Cbus's A\$136.5 million acquisition of Phileo Australia Limited's Estate One industrial estate at Dandenong, in the fund's first major foray into the industrial property sector. Notable leasing deals concluded during the period of review include Woolworths' pre-commitment for 753,473 sq ft of warehouse space in Leakes Road.
- ▶ The shortage of large, contiguous, quality space driven by strong demand has resulted in approximately 8.6 million sq ft of planned, new construction and recently completed buildings across Melbourne. The majority of this space has been in the Western (3.1 million sq ft) and City Fringe (2.8 million sq ft) regions. Some recently completed buildings include two at Boundary Road, Derrimut, occupied by Chep Pallets (215,280 sq ft) and Coles Myer (430,560 sq ft), and National Business Park, Campbellfield (46,285 sq ft), occupied by Siemens VDO.
- ▶ Over the next 12 months, land and capital values, as well as rents, are expected to continue to trend up, with the East and South-east sub-market leading the growth forecast at 20.0%, 11.8% and 11.1% respectively.

## Australia



## MAJOR TRANSACTIONS IN MELBOURNE

## TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
68 Salmon Street	Warehouse	Lease	Allied Express	94,723
Estate One	Warehouse / Land	Sale	Cbus Property Fund	4,951,440
677 Springvale Road	Warehouse	Sale	Aspen Group	134,981
Leakes Road	Warehouse	Lease	Woolworths	753,480
385 Fitzgerald Road	Warehouse	Sale	ANZ / Rabinov	150,696
Melbourne Airport Business Park	Warehouse	Sale	Charter Hall Group	111,946
Western Port Highway	Land	Sale	Leighton	13,239,720
Cnr Robinsons and Middle Road	Land	Sale	Marksx Property Group	8,395,920
720 - 808 Kororoit Creek Road	Land	Sale	Toll Holding	5,597,280

# Australia



## ECONOMIC INDICATORS FOR SYDNEY

### ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	April 2007 - September 2007	1.8%
Year-on-Year Manufacturing Output Growth Rate	April 2007 - September 2007	N.A.
Total Imports	April 2007 - September 2007	A\$38,305 million
Total Exports	April 2007 - September 2007	A\$14,279 million
Container Throughput (TEUs)	April 2007 - September 2007	N.A.
Air Cargo Throughput (Tonnes)	April 2007 - September 2007	N.A.

## SYDNEY

### Factory, Warehouse and High Tech

- ▶ Industrial production in New South Wales increased by 3.5% year-on-year (YoY) in the first half of 2007, reflecting the most substantial increase in production in the past five years according to Access Economics. The value of imports to the State recorded a 12.3% YoY jump in the first half of 2007, up from 7.9% YoY in the same period in 2006, while exports were more stagnant, reflecting only 0.5% YoY growth in value in the first half of 2007.
- ▶ As a result of the pent-up demand and little available stock on the market for owner-occupiers, land and capital values witnessed some uplift by up to 4.8% during the last six months. The massive speculative new supply, amounting to over 1.1 million sq ft in the last half of 2007 in Sydney's Western markets, up to 1.9 million sq ft over the next two years in South Sydney and up to 1.1 million sq ft in South-west Sydney in the second half of 2007, kept rents static in the April to September 2007 period.
- ▶ The leasing market in Sydney has been very active during the past six months. Some notable deals include Myers Distribution Centre taking up a 310,356 sq ft warehouse in Eastern Creek and Australian Discount Retail Traders' lease of a 398,264 sq ft space at Keylink Industrial Park.
- ▶ The 12-month outlook for Sydney's industrial market is for rents, land and capital values to remain stable, with the major risk being the development of an oversupplied market if too much stock comes online at the same time.

## MAJOR TRANSACTIONS IN SYDNEY

### TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
Keylink Industrial Park, Minto	Warehouse	Lease	Australian Discount Retail Traders	398,264
Building B, Interchange Park, Wonderland Drive, Eastern Creek	Warehouse	Lease	Myer Distribution Centre	310,356
Roberts Road, Greenacre	Warehouse	Lease	Australian Air Express	161,459
1 - 47 Stephen Road, Banksmeadow	Warehouse	Lease	Linfox / P & O	107,639
St Leonards Corporate Centre	Warehouse	Sale	Orchard Funds Management	376,026
78 Waterloo Road, North Ryde	Warehouse	Sale	Stockland	122,935
23 Factory Street, Granville	Warehouse	Sale	FKP	106,563

## China



## ECONOMIC INDICATORS FOR BEIJING

## ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	January 2007 - June 2007	12.1%
Year-on-Year Manufacturing Output Growth Rate	January 2007 - June 2007	13.6%
Total Imports	January 2007 - July 2007	CNY 585.7 billion
Total Exports	January 2007 - July 2007	CNY 201.9 billion
Container Throughput (TEUs)	January 2007 - June 2007	N.A.
Air Cargo Throughput (Tonnes)	January 2007 - August 2007	715,000

## BEIJING

## Factory and Warehouse

- ▶ The restrictions on foreign real estate investments, which came into effect in July 2006 and were fine-tuned in May 2007, dampened foreign investments in the more mature office and commercial sectors. This benefited the industrial sector, as foreign investors are increasingly shifting their attention to the younger industrial sector, which offers relatively higher returns.
- ▶ The implementation of industrial land policies governing the supply of industrial land via public tender, auction and listing, as well as the stipulation of minimum land prices, continued to pressure land prices up, with the steepest rise of 18.2% seen for factory land in Yizhuang. Developers' preference to hold their industrial development for long-term investment restricted the stock of properties for sale. This resulted in capital values rising

by between 4.0% and 11.0% during the review period. Rents, too, experienced a spike of between 2.0% and 50.0% during the six-month period.

- ▶ Land transactions during the review period include Shenzhen Huawei Group's acquisition of a plot of land in Zhongguancun Industry Park at RMB136 per sq ft of gross floor area. Leasing transactions include EMC and Toyota leasing 16,264 sq ft and 26,909 sq ft of hi-spec space in Tsinghua Science Park and BDA Kangsheng Industry Park respectively.
- ▶ Moving forward, the land supply shortage is expected to drive up land prices by between 7.0% and 65.0% over the next 12 months. With investors diverting their funds towards industrial properties to seek higher returns, capital values are likely to climb by 3.6% to 9.0%. Industrial rents are forecast to increase by up to 11.0% over the same period.

## MAJOR TRANSACTIONS IN BEIJING

## TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
Tsinghua Science and Technology Park	Hi-Specs	Lease	EMC	16,624
BDA Kangsheng Industrial Park	Hi-Specs	Lease	Toyota	26,909
Zhongguancun Environmental Protection Park	Land	Sale	Shenzhen Huawei Limited Company	795,818
Zhongguancun Environmental Protection Park	Land	Sale	Beijing Shichuang Environmental Protection Limited Company	397,468
Yongfeng High Technology Industry Base	Land	Sale	Ufsoft Limited Company	214,126

# China



## ECONOMIC INDICATORS FOR GUANGZHOU

### ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	January 2007 - June 2007	14.0%
Year-on-Year Manufacturing Output Growth Rate	January 2007 - June 2007	N.A.
Total Imports	January 2007 - June 2007	CNY 128.0 billion
Total Exports	January 2007 - June 2007	CNY 135.5 billion
Container Throughput (TEUs)	January 2007 - June 2007	N.A.
Air Cargo Throughput (Tonnes)	January 2007 - June 2007	423,000

## GUANGZHOU

### Factory and Warehouse

- ▶ The Guangzhou Government is positioning the bio-pharmaceutical sector to be the next pillar of growth in the manufacturing industry, after the automobile, petrochemical and electronic information sectors. At the same time, Guangzhou Port will be developed into a modern international port and the biggest central hub for modern logistics in South China.
- ▶ Firm demand from industrialists, coupled with the mode of supply of industrial land being restricted to tender, auction and listing along with the stipulation of minimum land prices, continued to pressure land prices up by an average of 9.9% in the April to September 2007 period. Capital values and rents of industrial space in Guangzhou generally edged up by between 0.7% and 5.0% during the period of review.

- ▶ In September 2007, the contract manufacturer for Nokia, the mobile phone giant, completed its factory in the Guangzhou Economic and Technological Development District (GETDD). Additionally, Prologis' 330,830 sq ft logistics facility in the Free Trade Zone was completed during the review period.
- ▶ Transactions concluded during the April to September 2007 period include the acquisition of a 322,800 sq ft plot of land in Guangzhou Science Town by 3M China for the construction of its first production facility in South China.
- ▶ As demand for industrial properties is expected to strengthen, land and capital values, as well as rents for industrial properties, are forecast to rise by up to 12.7%, 8.0% and 12.2% respectively over the next 12 months.

## MAJOR TRANSACTIONS IN GUANGZHOU

### TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
Guangzhou Science Town	Land	Sale	加特可(广州)自动变速箱有限公司	1,627,520
Guangzhou Science Town	Land	Sale	Baxter (China) Investment Co., Ltd	556,720
Guangzhou Science Town	Land	Sale	3M China	322,800
Free Trade Zone	Land	Sale	ProLogis	330,830
Yunpu	Land	Sale	Guangzhou Yachuan Logistic Co., Ltd	885,250
Yonghe	Land	Sale	Guangzhou Xie Xin Lan Gas Co., Ltd	862,820

## China



## ECONOMIC INDICATORS FOR SHANGHAI

## ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	January 2007 - June 2007	13.0%
Year-on-Year Manufacturing Output Growth Rate	January 2007 - July 2007	15.7%
Total Imports	January 2007 - July 2007	CNY 607.6 billion
Total Exports	January 2007 - July 2007	CNY 617.0 billion
Container Throughput (TEUs)	January 2007 - July 2007	14,790,000
Air Cargo Throughput (Tonnes)	January 2007 - July 2007	1,560,000

## SHANGHAI

## Factory and Warehouse

- ▶ Shanghai's Gross Domestic Product (GDP) grew by 13.0% YoY in the first half of 2007, continuing the double-digit growth trend over the past 15 years. Fixed asset investment in industry rose by 10.8% YoY in the first half of 2007, reflecting a steady expansion of industrial producing capabilities. At the same time, foreign trade imports and exports showed a fairly robust growth of more than 20.0% YoY in the first seven months of 2007, fuelling demand for logistics facilities in the industrial property market.
- ▶ Robust demand for industrial land amidst limited supply saw land values climbing by up to 9.8% for Minhang District in the last six months. This in turn stimulated capital values and rental growth of as much as 6.2% and 4.0% for conventional industrial facilities respectively over the same time period. In the hi-specs segment, rising rents of Grade A office facilities in the Cental Business District generated spillover demand for hi-specs industrial properties, as cost-sensitive tenants looked to alternative locations in the outlying areas. This provided support for the average rental of hi-specs space to edge up by 5.5% during the past six months.
- ▶ In the period under study, Degussa's 43,556 sq ft research and development centre and Shanghai Usui Engine Parts' 148,542 sq ft production facility in Xinzhuang Industrial Park were completed. At the same time, Siemens' 290,625 sq ft factory in Qingpu Industrial Park started operations.
- ▶ The optimistic economic outlook and growing Chinese consumption market drove foreign manufacturers to set up new production plants in Shanghai, leading to an active sale and leasing market between April and September 2007. Noteworthy transactions included Nivea's purchase of a 538,200 sq ft parcel of land and Oji Paper's purchase of a 322,900 sq ft land lot in Qingpu Industrial Park. The electronics giant, Best Buy, rented a 66,700 sq ft warehouse in Minhang Logistics Park.
- ▶ Looking forward, Shanghai is expected to be the choice destination for inward foreign direct investment. Therefore, the demand for industrial facilities will continue to be strong. Land values are forecast to appreciate by up to 16.8%, whilst capital values and rentals for conventional industrial facilities are expected to see a rise of about 7.0% over the next 12 months. As for hi-specs space, although both new and spillover office demand are anticipated to remain robust, increasing new supply in the coming months will see growth of average rents easing to 6.0% over the next 12 months, compared to 12.8% in the last 12 months.

## China



## MAJOR TRANSACTIONS IN SHANGHAI

## TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
Qing Pu Industry Park	Land	Sale	Nivea	538,200
Minhang Logistics Park	Warehouse	Lease	Best Buy	66,700
Baoshan Industrial Park	Factory	Lease	SSCP	44,900
Baoshan Industrial Park	Factory	Lease	SKF	38,600
Qingpu Industrial Park	Land	Sale	Invista	215,300
Qingpu Industrial Park	Land	Sale	Oji Paper	322,900
Qingpu Export Processing Zone	Factory	Lease	Culp	107,600
Shinghai International Medical Zone	Land	Sale	Drager Medical	538,200

# Hong Kong SAR



## ECONOMIC INDICATORS FOR HONG KONG SAR

### ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	January 2007 - June 2007	6.3%
Year-on-Year Manufacturing Output Growth Rate	March 2007 - August 2007	-22.5%
Total Imports	March 2007 - August 2007	HK\$1,447.0 billion
Total Exports	March 2007 - August 2007	HK\$1,342.0 billion
Container Throughput (TEUs)	March 2007 - August 2007	12,165,000
Air Cargo Throughput (Tonnes)	March 2007 - August 2007	1,839,563

## HONG KONG SAR

### Factory

- ▶ Mainland China's vibrant trade flows on the back of a buoyant economy, coupled with the fairly strong performance of the European Union as well as the emerging markets, more than offset the softness of the United States market. During the period between March and August 2007, Hong Kong re-exports increased 11.7% YoY, to HK\$1,287 billion.
- ▶ Average rents for factories increased by 5.0% between April and September 2007, to HK\$7.66 per sq ft per month. Due to buoyant demand from investors and end-users, average factory prices increased 8.5%, to HK\$1,447 per sq ft, during the same period.
- ▶ The sales market remained active during the period. In view of substantial reversionary rental growth of 25.0% to 30.0%, a group of tenants have turned to the sales market to acquire industrial properties for owner-occupation. Besides, the sustained demand from investors continued to underpin the sales market. The number of transactions increased 13.3% YoY, to 4,036, during the six-month period ended August 2007, while the total turnover increased 43.4% YoY, to HK\$13.7 billion, during the same period. Significant transactions include the acquisition of the whole block of Chuen Hing Industrial Building in Kowloon Bay by an overseas investment fund in April 2007 for HK\$220 million (or HK\$1,381 per sq ft).
- ▶ Looking ahead, the new office developments in decentralised districts in the pipeline will provide alternatives to factory users who are currently using their spaces as ancillary offices. In

view of increasing competition from new office developments, factory rentals are expected to decrease by 5.0% over the next 12 months. On the other hand, there is potential for a negative interest rate environment to emerge in the coming 12 months in anticipation of further interest rate cuts. The potential negative interest rate environment would underpin the growth of asset prices. Factory prices are expected to grow by 15.0% over the next 12 months.

### Warehouse

- ▶ The total container throughput during March to August 2007 increased marginally by 1.0% YoY, to 12.2 million TEUs, whilst the total air cargo throughput during the period increased 3.6% YoY, to 1.8 million tonnes. Sustained growth in re-exports and local consumption continued to underpin the demand for warehouses, especially logistics warehouses.
- ▶ Average rents for warehouses increased 4.4%, to HK\$7.42 per sq ft per month, in the April to September 2007 period, while capital values increased 8.9% during the same period to HK\$1,415 per sq ft.
- ▶ An overseas investment fund acquired about 52.0% of warehousing units and car parking spaces at the Grandtech Centre in Shatin in May 2007 for a total consideration of HK\$780 million (or HK\$1,532 per sq ft).
- ▶ Looking forward, the sustained demand growth from third-party logistics companies and investors will continue to drive the warehousing sector. Rental and capital values for warehouses are predicted to increase by 8.0% and 15.0% respectively over the next 12 months.

# Hong Kong SAR



## High-Specs Industrial Building

▶ In view of competition from traditional office buildings in decentralised districts, the average rental growth of hi-specs Industrial-Office buildings (I-O) has narrowed from 9.4% YoY in 1Q 2007 to 4.8% YoY in 3Q 2007. As of September 2007, average I-O rent was HK\$16.53 per sq ft per month.

▶ Looking ahead, the new office developments in decentralised districts in the pipeline will provide property alternatives to a number of I-O users. The increasing competition from new office developments is expected to pressure down I-O rentals by 3.0% over the next 12 months. On the other hand, the potential emergence of a negative interest rate environment would boost I-O property prices by 12.0% over the same period.

## MAJOR TRANSACTIONS IN HONG KONG SAR

### TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
Yan Nin Industrial Building	Factory	Sale	Printing Company	159,592
Perfectech Centre	Factory	Sale	Investment Company	70,349
Chuen Hing Industrial Building	Factory	Sale	Investment Fund	159,273
Mita Centre	Factory	Sale	Castle Peak Invs No. 1 Ltd	191,590
Grandtech Centre	Warehouse	Sale	Investment Fund	509,176

# India



## ECONOMIC INDICATORS FOR INDIA

### ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	April 2007 - September 2007	9.0%
Year-on-Year Manufacturing Output Growth Rate	April 2007 - September 2007	N.A.
Total Imports	April 2007 - September 2007	N.A.
Total Exports	April 2007 - September 2007	N.A.
Container Throughput (TEUs)	April 2007 - September 2007	N.A.
Air Cargo Throughput (Tonnes)	April 2007 - September 2007	N.A.

## NEW DELHI

### Factory and Warehouse

- ▶ The industrial landscape in Delhi is fast changing. The Government of Delhi has responded to the shifting of non-conforming industries from various localities of New Delhi by developing the Bawana industrial area, which is spread over 1,900 acres. The Haryana Government has also decided to go ahead with the setting up of new Industrial Model Townships (IMT) integrating industrial, commercial, residential and institutional uses, at Faridabad and Rohtak.
- ▶ The Master Plan for New Delhi 2021, which was released in February 2007, permits the use of certain industrial areas for commercial and information technology industry purposes. It also allows redevelopment and refurbishment of existing buildings including the upgrading of infrastructure. This has boosted demand for industrial land and premises in the six-month period of April to September 2007.

- ▶ Coupled with the steep increase in rentals for office premises in Delhi that prompted businesses to look for cheaper options in the industrial areas, land and capital values as well as rents of industrial premises in New Delhi trended up in the last six months. The strongest increase was seen for warehouse land and capital values – by up to 83.2% for the former and 49.4% for the latter. Rents for industrial premises increased by a more subdued 3.7% to 12.5% during the period of review.
- ▶ In the last six months, land acquisition was active in New Delhi's neighbouring cities such as Sonapat, Panipat, Dharuhera and Faridabad, which are attracting the attention of industrialists for setting up factories. Logistics players are also looking to acquire land along NH-1, NH-2, NH-8 and NH-10, riding high on the growth of Delhi's industrial sector.
- ▶ Demand for factories and warehouses will stay buoyant in the next 12 months. Hence, land and capital values are forecast to rise by between 4.3% and 22.7%, and between 5.3% and 28.2% respectively over the next 12 months, whilst the rentals of industrial properties are likely to see increases of between 8.5% and 35.0% in the same period.

# Indonesia



## ECONOMIC INDICATORS FOR JAKARTA

### ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	January 2007 - June 2007	2.4%
Year-on-Year Manufacturing Output Growth Rate	January 2007 - June 2007	5.5%
Total Imports	January 2007 - June 2007	US\$33,408.2 million
Total Exports	January 2007 - June 2007	US\$53,762.2 million
Container Throughput (TEUs)	January 2007 - February 2007	107,102
Air Cargo Throughput (Tonnes)	January 2007 - June 2007	N.A.

## JAKARTA

### Factory and Warehouse

- ▶ As the manufacturing sector slowed down, demand for industrial land and facilities also slowed, prompting industrial operators to hold back expansion plans.
- ▶ With the market in a subdued mood, land prices, capital values and rents remained unchanged during the April to September 2007 period.
- ▶ In the period under study, the manufacturing and steel industries were the most aggressive buyers of land, taking up

18 hectares of industrial land. One such example includes a steel-manufacturing firm from China expanding its operations by acquiring nine hectares of land in Modern Cikande. Other significant transactions include Kopi Kapal Api's purchase of a 6.9 hectare plot of land in Suryacipta.

- ▶ Moving forward, the industrial market is likely to see little or no increase in rents and moderate increases in capital values by up to 5.0%. Land values are expected to go up by an average of 14.1%, with the Bekasi area likely to be the preferred investment location due to its vicinity to the downtown, harbour and airport, and its instant access from the toll road.

## MAJOR TRANSACTIONS IN JAKARTA

### TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
Karawang International Industrial City	Land	Sale	Ihara Manufacturing Indonesia	430,556
Karawang International Industrial City	Land	Sale	TDW (Auto-parts)	215,278
MM2100, Bekasi	Land	Sale	Painting Manufacturer	204,083
Suryacipta	Land	Sale	Kopi Kapal Api	742,709
Modern Cikande	Land	Sale	Undisclosed	968,572

## Japan



## ECONOMIC INDICATORS FOR GREATER TOKYO

## ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	January 2007 - June 2007	2.3%
Year-on-Year Manufacturing Output Growth Rate	January 2007 - June 2007	3.2%
Total Imports	January 2007 - June 2007	Yen 14,737,785 million
Total Exports	January 2007 - June 2007	Yen 15,295,199 million
Container Throughput (TEUs)	January 2007 - June 2007	1,147,708
Air Cargo Throughput (Tonnes)	January 2007 - June 2007	402,774

## GREATER TOKYO

## Factory and Warehouse

- ▶ Japan's economy continues to expand moderately, with manufacturing output recording a growth of 3.2% on a YoY basis for the six months ended June 2007. Plant and equipment investments in the Kanto Area, which have grown for five consecutive years, grew 18.8% in June 2007. This provided support for continued growth in demand for industrial space, particularly the investment demand for distribution facilities.
- ▶ During the six-month period of April to September 2007, industrial rents remained stable across all sub-markets, whilst land and capital values strengthened. Land values rose by an average of 9.4% across seven warehouse sub-markets and 8.0% across five factory sub-markets during the review period. Capital values, on the other hand, staged a strong growth, averaging 29.1% across seven warehouse sub-markets, but recorded only a marginal growth of 1.0% across five factory sub-markets.

- ▶ Completion of industrial facilities in the last six months includes ProLogis Parc Tomisato in Chiba-Tomisato. This 325,070 sq ft two-storey facility was built-to-suit for Nippon Express.
- ▶ With yields being compressed in the office sector, investors have turned their attention to the industrial sector, where yields range from 5.5% to 6.0% in the Tokyo area as of September 2007. Distribution facilities continued to attract both domestic and foreign investors. Singapore's Mapletree Logistics Trust acquired its seventh property in Japan, Kanagawa Logistic Centre in the Kanto Region, for ¥7.08 billion in September 2007. The property has a lease tenure of 20 years and will be leased to a leading Japanese manufacturer.
- ▶ Over the next 12 months, land values of warehouses and factories are expected to increase further with Tokyo-Ariake, Chiba-Urayasu and Chiba-Ichikawa regions outperforming the other sub-markets. Capital values of warehouses are expected to increase, albeit at a slower rate compared to the last 12 months, whilst capital values of factories and industrial rents are expected to hold steady.

## Japan



## MAJOR TRANSACTIONS IN GREATER TOKYO

## TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
Nissan Zama Factory	Factory	Sale	Zama Property (SPC)	665,480
Shin Ohashi Logistic Centre	Logistics	Sale	Undisclosed	168,197
Atsugi Housing Material Centre	Logistics	Sale	Mapletree Logistics Trust	185,372
Kanagawa Logistic Centre	Logistics	Sale	Mapletree Logistics Trust	442,125
Funabashi Centre	Logistics	Sale	Mapletree Logistics Trust	204,229

# New Zealand



## ECONOMIC INDICATORS FOR NEW ZEALAND

### ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	January 2007 - June 2007	1.7%
Year-on-Year Manufacturing Output Growth Rate	January 2007 - June 2007	7.8%
Total Imports	January 2007 - June 2007	NZ\$41.2 billion
Total Exports	January 2007 - June 2007	NZ\$33.4 billion
Container Throughput (TEUs)	January 2007 - June 2007	41,276,518
Air Cargo Throughput (Tonnes)	January 2007 - June 2007	208,574

## AUCKLAND

### Office / Warehouse

- ▶ The latest figures from the Property Council of New Zealand Investment Performance Index show that total returns for Auckland industrial property stood at 15.87% for the quarter ended June 2007, slightly down from the 15.95% return recorded in March 2007, but up from the 15.13% return recorded a year ago in June 2006.
- ▶ The diminishing availability of industrial land for development, particularly in areas such as the North Shore, has resulted in land values reaching a high of NZ\$55.74 per sq ft in the Interplex subdivision. This, coupled with near record low vacancies, has driven up industrial rentals by 2.6% for buildings during the period of review.
- ▶ Better yields in the industrial market have attracted investment companies to divert some of their funds to the sector. Recent evidence of this growing trend involved ING Property Trust exchanging three of its smaller industrial properties – 10 Cawley Street, Ellerslie; 27 Zelanian Drive, East Tamaki; and 306 Neilson Street, Onehunga – for Direct Property's larger 211 Albany Highway on Auckland's North Shore. In addition, the Trust paid a further NZ\$478,500 in cash. The NZ\$17.13 million purchase price reflects a yield of 8.1%. ING Property Trust also recently purchased 80 Springs Road from Fisher & Paykel for NZ\$9.8 million. The 103,900 sq ft industrial property was sold on a yield of 8.2% and is currently occupied by Fisher & Paykel.
- ▶ Highbrook Business Park in East Tamaki recorded a number of large leasing deals over the review period, the largest involving New York Stock Exchange-listed OfficeMax's NZ\$33 million 12-year lease for a purpose-built 209,900 sq ft distribution centre to consolidate OfficeMax's 400 plus staff, currently located in properties in St Lukes, Mt Wellington and East Tamaki.
- ▶ Over the next 12 months, scarce supplies of prime industrial stock will further exacerbate investment market conditions. Land values are expected to continue to increase by up to 14.0%, whilst capital values and rents are forecast to rise by an average of 6.4% and 5.9% respectively over the next 12 months.

## New Zealand



## MAJOR TRANSACTIONS IN AUCKLAND

## TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
21 I Albany Highway, Albany	Office / Warehouse	Sale	ING Property	80,700
38 Harris Road, East Tamaki	Office / Warehouse	Sale	Private Investor	56,600
80 Sprngs Road, East Tamaki	Office / Warehouse	Sale	ING Property	103,900
27 Zelanian Drive, East Tamaki	Office / Warehouse	Sale	Direct Property	72,000
43 Crooks Road, East Tamaki	Land	Sale	Drinkrow Industrial Estates Ltd	148,000
Lot 7, 48 Crooks Road, East Tamaki	Land	Sale	Mark Henderson and/or nominee	109,700
6-10 Parkway Drive, Mairangi Bay	Office / Warehouse	Sale	Private Property	57,900
306 Neilson Street, Onehunga	Office / Warehouse	Sale	Direct Property	47,300
30 Ash Road, Wiri	Office / Warehouse	Sale	Australian Property Fund	127,000
47 Dalgety Drive, Wiri	Office / Warehouse	Sale	Private Investor	93,600
91a Richard Pearse Drive, Airport Oaks	Office / Warehouse	Lease	Agpac Ltd	30,600
Highbrook Business Park, East Tamaki	Office / Warehouse	Lease	Spicers Paper	204,500
Highbrook Business Park, East Tamaki	Office / Warehouse	Lease	Geon Group	118,400
Highbrook Business Park, East Tamaki	Office / Warehouse	Lease	OfficeMax	209,900
27 Zelanian Drive, East Tamaki	Office / Warehouse	Lease	Gazol NZ Ltd	41,200
Takapuna Quarry, 2C Northcote Road, Takapuna	Office / Warehouse	Lease	Atlas Concrete	107,600

# New Zealand



## WELLINGTON

### Office / Warehouse

- ▶ Greenfield land continues to become an increasingly desirable commodity with competition heating up for remaining developable land between industrial and other property uses such as retail, commercial and residential apartments. As a result of the fast rising land prices, particularly in areas in close proximity to the city centre, industrial users are starting to move to outlying areas.
- ▶ In the sales market, ongoing demand from design and build investments and owner-occupiers saw capital values increasing by 2.8% in the last six months. Increases in land and construction costs, in addition to the restricted supply of industrial space, have put upward pressure on rents, which rose by 2.6% during the period of review.

- ▶ Despite rising rents, the leasing market remained relatively active during the six months under review. Major leasing deals during the period include the lease of 68 Gracefield Road in Seaview. Energy and environmental research and consulting company, CRL Energy, has secured the 29,500 sq ft industrial property on a 12-year term. In another leasing deal, New Zealand's largest retailer, The Warehouse, committed to an 18,500 sq ft industrial property at 15 Glover Street in Ngauranga for six years with two-yearly rights of renewal.
- ▶ The tight supply situation will continue as the absence of a large manufacturing base and small market size discourage new construction. Land and capital values are expected to climb by up to 10.0% and 5.5% respectively, whilst rents are forecast to edge up by an average of 5.5% over the next 12 months.

## MAJOR TRANSACTIONS IN WELLINGTON

### TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
68 Gracefield Road, Seaview	Office / Warehouse	Sale	Hamden Holdings	29,500
12 Jarden Mile, Ngauranga	Office / Warehouse	Sale	Owner Occupier	9,600
142 Hutt Park Road, Lower Hutt	Office / Warehouse	Sale	Hutt Park Sheds Ltd	72,400
Cnr Tirangi Road and Kingsford Smith and McGregor Streets, Kibirnie	Office / Warehouse	Sale	Wellington International Airport Ltd	72,300
225 Cambridge Terrace, Lower Hutt	Office / Warehouse	Sale	Undisclosed	24,800
39 Hautonga Street, Petone	Office / Warehouse	Sale	Family Trust	13,800
68 Gracefield Road Seaview	Office / Warehouse	Lease	CRL Energy Ltd	29,500
41-49 Eastern Hutt Road, Lower Hutt	Office / Warehouse	Lease	Midway Timber Ltd	30,200
2-20 Port Road, Seaview	Office / Warehouse	Lease	Yan & Chiu Trading Co Ltd	10,800
112-126 Nelson Street, Petone	Office / Warehouse	Lease	Livewires NZ Ltd	4,900
6-10 Mohuia Crescent, Porirua	Office / Warehouse	Lease	Tanker Solutions	10,300
27 Rutherford Street, Lower Hutt	Office / Warehouse	Lease	Undisclosed	7,400
15 Glover Street, Ngauranga	Office / Warehouse	Lease	The Warehouse	18,500

# Singapore



## ECONOMIC INDICATORS FOR SINGAPORE

### ECONOMIC INDICATORS

INDICATORS	PERIOD	DATA
Year-on-Year GDP Growth	January 2007 - June 2007	7.6%
Year-on-Year Manufacturing Output Growth Rate	January 2007 - June 2007	6.4%
Total Imports	January 2007 - June 2007	S\$188,143 million
Total Exports	January 2007 - June 2007	S\$216,640 million
Container Throughput (TEUs)	January 2007 - July 2007	15,915,000
Air Cargo Throughput (Tonnes)	January 2007 - September 2007	1,395,808

## SINGAPORE

### Factory and Warehouse

- ▶ Advanced estimates from the Ministry of Trade and Industry (MTI) showed that real GDP grew by 9.4% on a YoY basis for 3Q 2007, compared to 8.4% in 2Q 2007. For the first six months of the year, the economy expanded by 7.6% on a YoY basis, compared to 6.8% growth in the last review period. This makes Singapore one of the fastest growing economies in the Asia Pacific region after China and India.
- ▶ Demand for factories and warehouses remained robust with occupancy above 90.0% for the past six months. Rents and capital values increased by an average of 9.6% and 10.3% respectively during the April to September 2007 period. Land values remained unchanged during the period under study.
- ▶ On the supply side, Tradehub 21, a 1.5 million sq ft mixed industrial development of flatted factories, terrace factories and warehouses along Boon Lay Way in the Western region of Singapore, was completed in August 2007.
- ▶ The investment sales market was very active during the past six months. There were a total of 26 deals, out of which 17 deals worth a total of S\$293.2 million were by Cambridge Industrial Trust (CIT) and Mapletree Logistics Trust (MLT), both of which are real estate investment trusts listed on Singapore's Stock Exchange. Significant transactions include the sale of a 306,560 sq ft warehouse at Tuas Avenue 3 by C&P Asia Warehousing and a 244,513 sq ft factory at 120 Pioneer Road by Compact Metal Industries, all to CIT.

- ▶ On the back of expected strong manufacturing sector growth over the next 12 months, demand for industrial space is expected to remain robust. Rents and capital values of factories and warehouses are likely to increase by up to 10.0%. Land values, which are mainly controlled by government agencies, are unlikely to change over the next 12 months.

### High-Specs Industrial Building

- ▶ The acute supply crunch in the office sector has forced companies to relocate or expand some of their functions to hi-specs industrial space. Some notable examples of companies which sought such measures in the last six months are DBS Bank, HSBC Bank and Satyam Computer Services.
- ▶ As a result of the spillover demand from the office sector, rents of hi-specs buildings increased by 17.4% in the past six months.
- ▶ Significant completion of hi-specs space in the period included Xilinx's 177,562 sq ft Asia Pacific headquarters and test facility located within the Changi Business Park.
- ▶ Anticipating strong rental growth in this sector, MacarthurCook Industrial REIT signed an option to buy a single-user business park facility under development from Eurochem Corporation at the International Business Park for S\$91 million.
- ▶ The supply shortage in the office sector is not expected to see any relief until 2010 and with the Government's push for more research and development activities, hi-specs rents are expected to see further growth of up to 15.0% over the next 12 months.

## Singapore



## MAJOR TRANSACTIONS IN SINGAPORE

## TRANSACTIONS

BUILDING / LAND PLOT	PROPERTY TYPE	LEASE / SALE	TENANT / PURCHASER	FLOOR / LAND AREA (SQ FT)
12 Ang Mo Kio Street 65	Factory	Sale	Alpha Investment Partners	180,000
40 Changi North Crescent	Warehouse	Sale	AMB Changi North DC I Pte Ltd	105,454
120 Pioneer Road	Factory	Sale	Cambridge Industrial Trust	244,513
9 Bukit Batok Street 22	Factory	Sale	Cambridge Industrial Trust	157,863
1 Joo Koon Crescent	Warehouse	Sale	Cambridge Industrial Trust	142,396
23 Woodlands Terrace	Warehouse	Sale	Cambridge Industrial Trust	124,205
28 Senoko Drive	Warehouse	Sale	Cambridge Industrial Trust	159,338
IPT Property	Warehouse	Sale	Cambridge Industrial Trust	306,560
Plot 4A International Business Park	Hi-Specs	Sale	MacarthurCook Industrial Reit	214,740
7 Clementi Loop	Warehouse	Sale	MacarthurCook Industrial Reit	107,639
Summit Building	Factory	Sale	Mapletree Investments	146,502
65 Tech Park Crescent	Factory	Sale	Mapletree Industrial Fund Ltd	105,486
119 Neythal Road	Warehouse	Sale	Mapletree Logistics Trust	142,083

# Definitions and Terminology

## 1. MULTI-NATIONAL CORPORATION (MNCs)

A multi-national corporation is defined as a large company that has operations in multiple nations and that requires industrial space.

## 2. FACTORY

Unless otherwise stated, this refers to single-user industrial space catering to MNCs for production / manufacturing purpose.

## 3. WAREHOUSE

Unless otherwise stated, this refers to single-user industrial space catering to MNCs with warehousing requirements as well as their business as third party logistics, distribution and warehousing.

## 4. HI-SPECIFICATIONS (HI-SPECS) INDUSTRIAL SPACE

This refers to multi-user industrial premises catering to MNCs with floor areas of about 10,000 sq ft, fitted with higher than normal specifications and offering hybrid office-industrial characteristics. This type of space is suitable for high value-added, technology-based manufacturing, information technology, product development, and research and development.

## 5. LAND

Land refers to vacant prepared land with roads, drainage, electricity supply, water supply, telephone service and sewerage. The land is typically located within industrial estates that are frequently inquired by MNCs and located between 10 and 100 km of the metropolitan area.

In addition, the land is also a single-user, single-development site, as opposed to one that is intended for parcellation for multiple users.

## 6. MONTHLY GROSS RENT FOR HI-SPECS SPACE

This is the monthly rent payable to a landlord less all tenant inducements e.g. rent free periods. It includes the amount of interest income foregone for the security deposit, maintenance fees (i.e. fees for maintaining common areas e.g. security, building insurance and normal water and energy consumption) and statutory real estate charges (e.g. property tax).

Data is expressed in per sq ft of net floor area, which includes common areas such as toilets, corridors, stairways, lift lobbies, etc. A three year lease term is common in most countries in the Asia Pacific region.

## 7. MONTHLY GROSS RENT FOR SINGLE-USER INDUSTRIAL SPACE

This is the monthly rental payable to a landlord for a whole industrial premise by a single tenant. Data is expressed in per sq ft of gross floor area. A three year lease term is common in most countries in the Asia Pacific region.

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