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PRC PROPERTY MARKET HIGHLIGHTS

NORTH CHINA

Various cities in North China began to feel the deepening impact of the global financial crisis on the local property market. As a number of MNCs have suspended their office expansion plans or lowered their property budgets, developers and owners have decreased quoted rentals to boost potential demand. This has led to a downward trend in rentals in the six major North China cities. The majority of foreign and domestic retailers slowed their pace of expansion in opening new stores across China. The markets of Dalian and Xi'an saw less fluctuation than those of Beijing, Tianjin, Qingdao and Shenyang, which suffered declining retail rentals in the first quarter. Moreover, with some developers offering discounts in order to stimulate transaction volume, the average sales price of luxury residential property recorded a consecutive drop q-o-q. In response to the lower demand for industrial property, owners started to cut quoted rentals in Beijing, Tianjin, Dalian and Qingdao, while Shenyang and Xi'an outperformed the other four major cities, with relatively stable demand.

EAST CHINA

The global economic downturn continued to impact East China property markets. The majority of cities in East China witnessed declining prime office rentals, with the exception of Nanjing, which saw an increase of 6.3% mainly due to the higher asking rent of the new supply. However, prime retail markets were relatively stable in the three second-tier cities, Hangzhou, Nanjing and Ningbo. Shanghai, however, reported a 5.4% decline in prime ground floor rents. In the residential sector, the price of luxury apartments in Shanghai, Hangzhou and Ningbo continued to fall to a greater or lesser extent as a result of promotional discounts. Despite the 1.5% decrease seen in Shanghai, all of the logistics markets in the other East China cities maintained a relatively stable market performance.

SOUTH CHINA

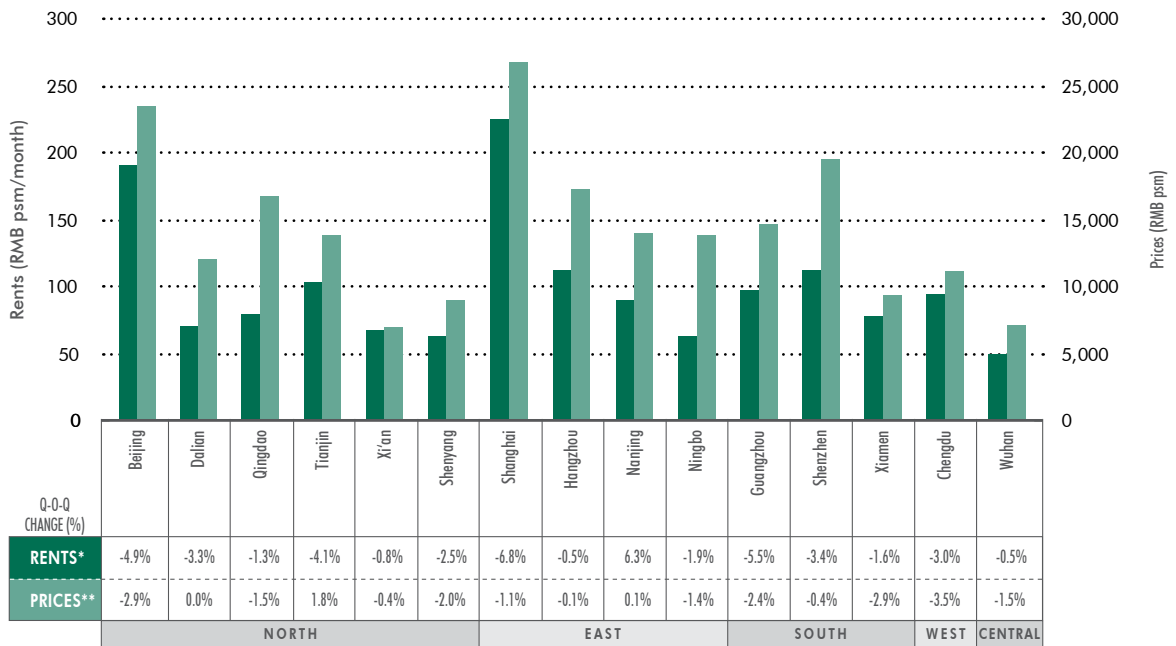
There was no sign of any pick-up in demand in the three prime office leasing markets in South China, and rentals continued to sink this quarter at a moderate pace in Guangzhou (-5.5%) and Shenzhen (-3.4%), but at a slower rate in Xiamen (-1.6%). Price declines eased up in the luxury residential markets of Guangzhou and Xiamen. Yet Shenzhen's market recorded a significant rebound in sales, as the average price continued to fall at a similar rate (-6.4%) as the previous quarter. The Shenzhen luxury residential market also experienced the largest rental drop amongst the three markets. Rents for prime retail properties in Guangzhou declined moderately, while those of the Shenzhen and Xiamen markets were broadly unchanged. Industrial leasing markets in the three cities witnessed softening demand and the consequent declines in rental. However, the price for industrial sites remained stable.

WEST & CENTRAL CHINA

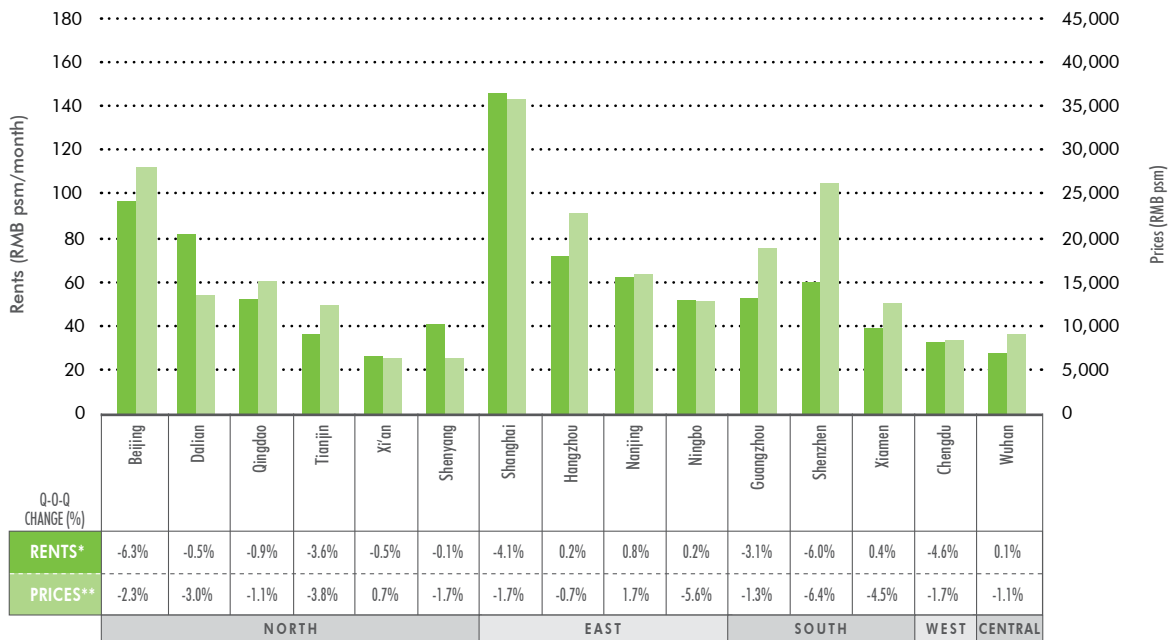
The global economic slump continued to affect West China's office market, causing more owners of office buildings in Chengdu to adjust their rentals. Nonetheless, a surge in supply is envisaged in the second quarter as four Grade B buildings will be ready for handover. The luxury residential market continued its downward trend in both price and transaction volume despite a rally in the mid-range to lower-end markets. The prime retail and industrial markets were relatively stable, as they are largely driven by the local market.

In the first quarter of 2009, the average rental in Wuhan's prime office sector slipped marginally, while the luxury residential sales market remained depressed. The average rental in the luxury residential sector, however, witnessed a slight upward trend. The average rental in Wuhan's prime retail sector remained stable, while the industrial sector rental declined.

Prime Office Rents/Prices

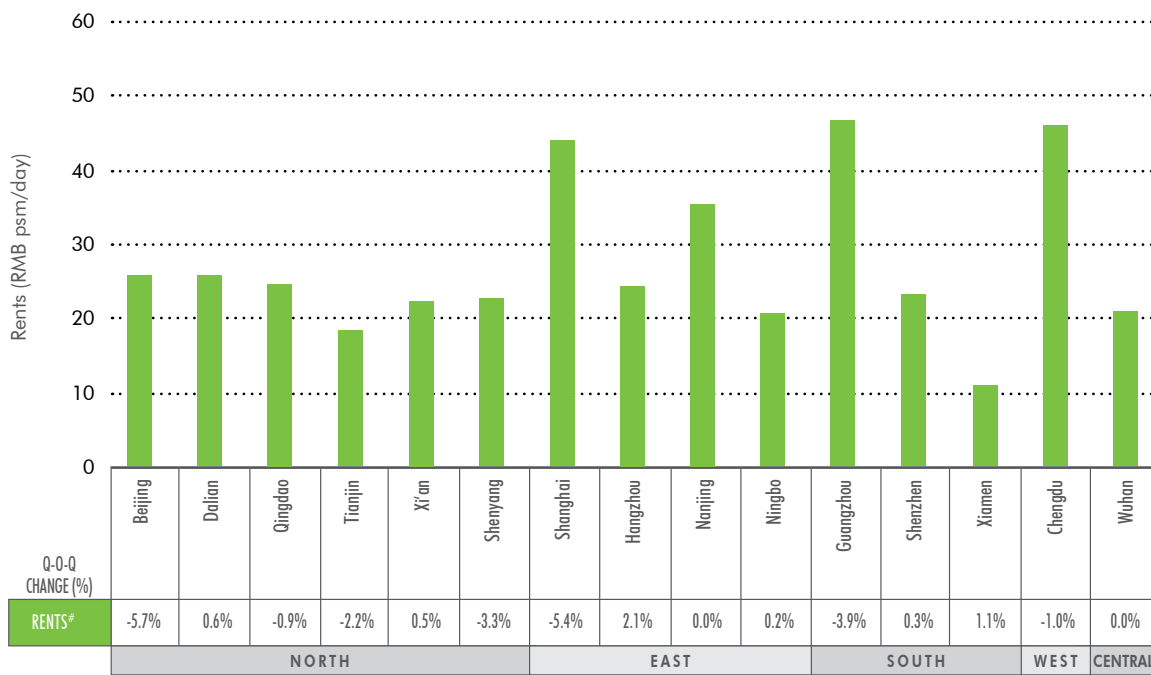


Luxury Apartment Rents/Prices

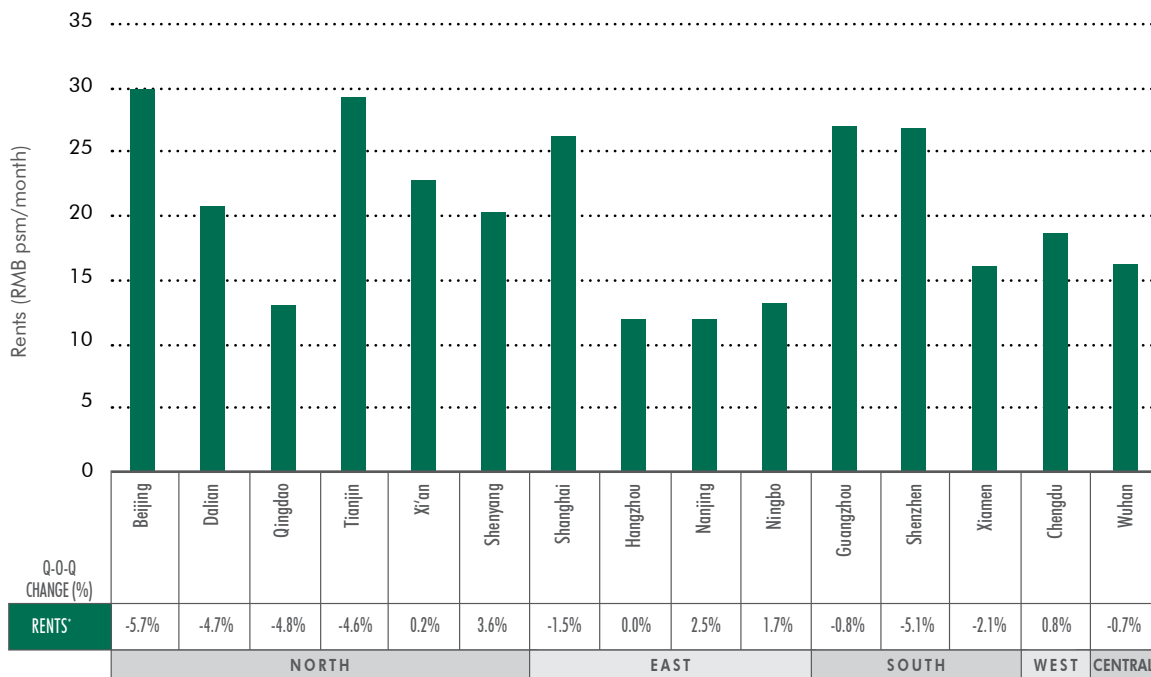


* On gross floor area basis, excluding management fees
 ** On gross floor area basis

Prime Retail Rents

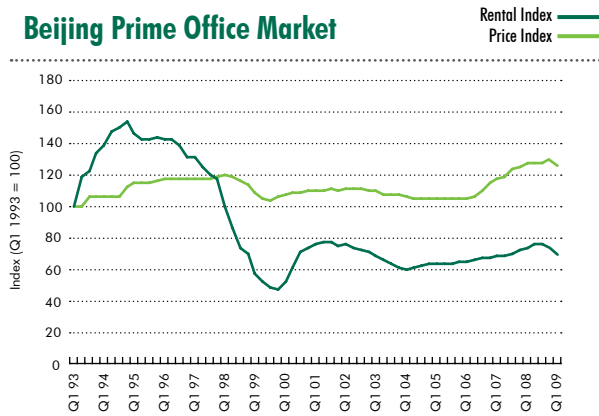


Logistics Rents



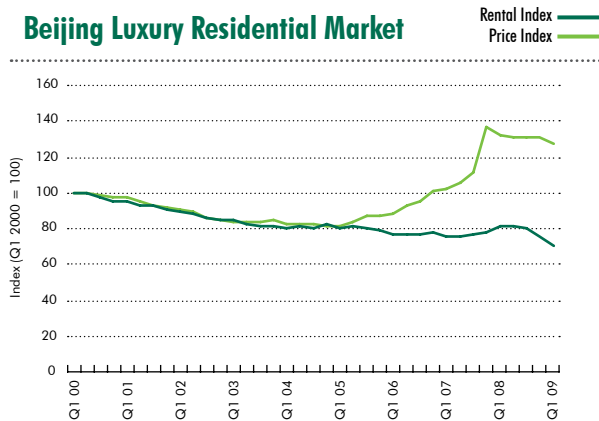
On net floor basis, excluding management fees
 * On gross floor basis, excluding management fees

Beijing Prime Office Market



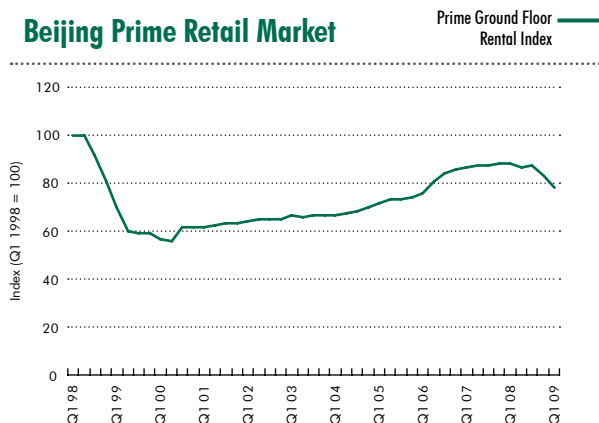
In the first quarter of 2009, office landlords cut rents further and prolonged rent-free period in order to stimulate market demand. During the period, a number of companies looking for office space increased markedly. However, it will take time for this interest to produce actual market transactions. In the first quarter, the average rental quotation for prime office space in Beijing was RMB 190.7 psm, a decrease of 4.9% q-o-q. The vacancy rate dropped to 21%, slipping 0.9 of a percentage point q-o-q.

Beijing Luxury Residential Market



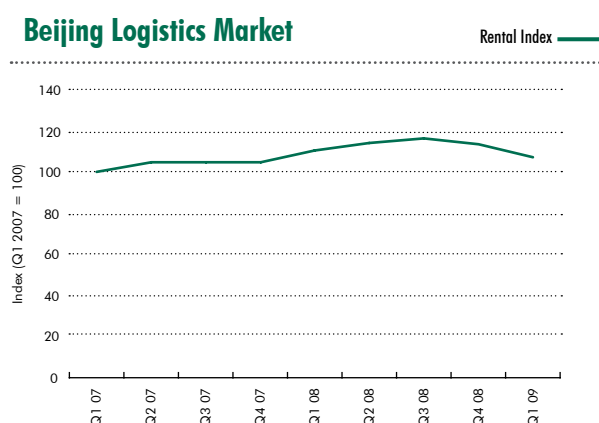
The luxury residential leasing market remained in the doldrums. Landlords of luxury apartments have reduced rents and launched a variety of promotions to attract tenants. The average rent of luxury apartments dropped 6.3% q-o-q to RMB 96.4 psm per month. As the "wait-and-see" attitude in the luxury residential sales market continues, the average asking price dropped to RMB 28,195 psm, down 2.3% q-o-q. A number of potential projects have delayed their opening dates several times and are expected to be launched onto the market in the next three to six months.

Beijing Prime Retail Market



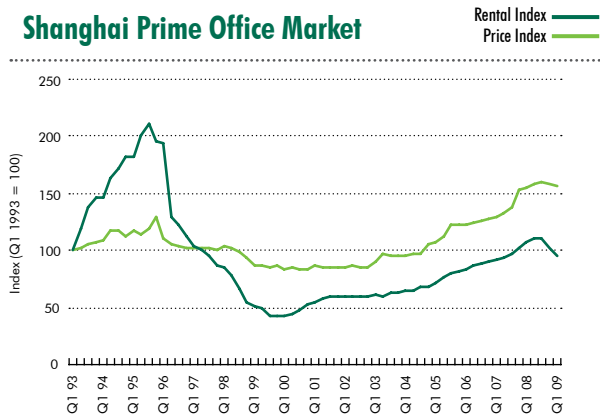
No new supply came on stream in the first quarter of 2009 because many retail projects due to be launched in the period postponed their opening dates. Under pressure to attract quality tenants, most landlords lowered rental quotations, leading ground and first floor rents to fall by 5.7% and 5.8%, respectively, to RMB 25.6 and RMB 18 psm per day. Some retailers closed outlets to avoid the negative effects resulting from a drop in business turnover. This pushed up the overall vacancy rate of the retail market to 8.2%, an increase of 1 percentage point q-o-q.

Beijing Logistics Market



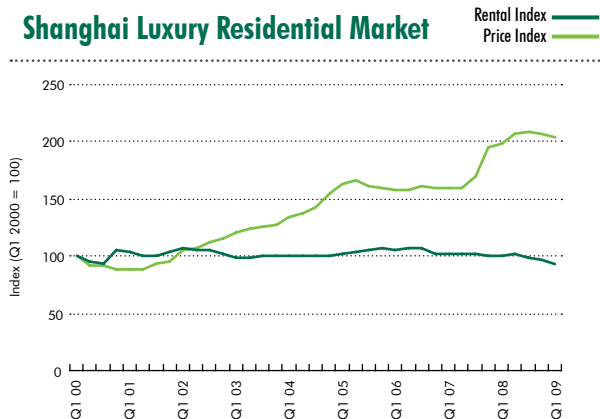
In the first quarter of 2009, leasing demand for logistics facilities fell, and the average rent decreased 5.7% q-o-q to RMB 29.7 psm per month, driven down by expectations of ample future supply. On the other hand, the average land price remained relatively stable at RMB 1,310 psm, slightly increased by 0.4% q-o-q.

Shanghai Prime Office Market



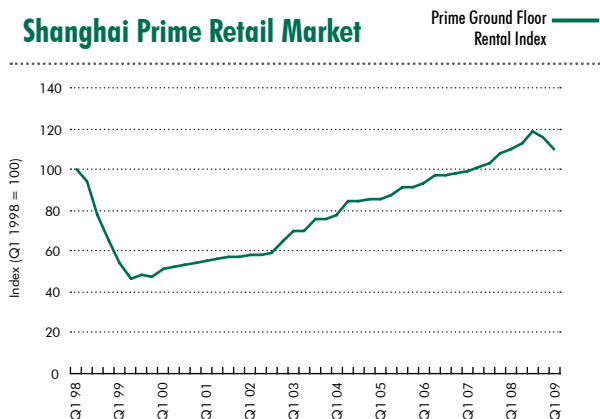
In the first quarter of 2009, the average office rent in Shanghai dropped a further 6.8% q-o-q to RMB 225.3 psm per month. Negative take-up continued, and the average vacancy rose 2.1 percentage points q-o-q to 12.5%, indicating that demand remained low. Four new buildings with a total of 147,595 sm were completed in this quarter: Gubei International Fortune Centre and V-Capital in Changning, BEA Finance Tower in Pudong, and Tsidi Mansion in Zhabei.

Shanghai Luxury Residential Market



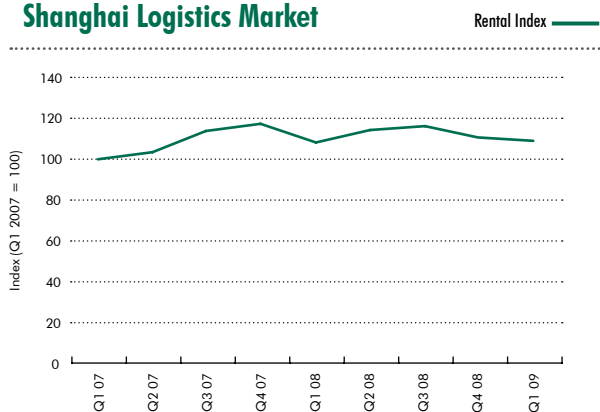
Luxury apartment prices decreased this quarter, dropping 1.7% q-o-q to RMB 35,864 psm. Luxury apartment rentals have also declined, with the average rental falling by 4.1% q-o-q to RMB 146.3 psm per month. The price reductions did help spark off an increase in transactions, with the number of deals in the luxury residential market beginning to recover since February.

Shanghai Prime Retail Market



During the first quarter of 2009, Shanghai's prime retail market continued to witness downward trends in both ground floor and first floor rents, which fell 5.4% and 1.3% q-o-q respectively to RMB 43.9 and RMB 29.8 psm per day. Take-up was recorded at -8,561 sm and the vacancy rate rose by 2 percentage points q-o-q to 8.3%. Huijin Plaza launched operations in the Hongqiao area, providing 40,000 sm of prime retail space to the market.

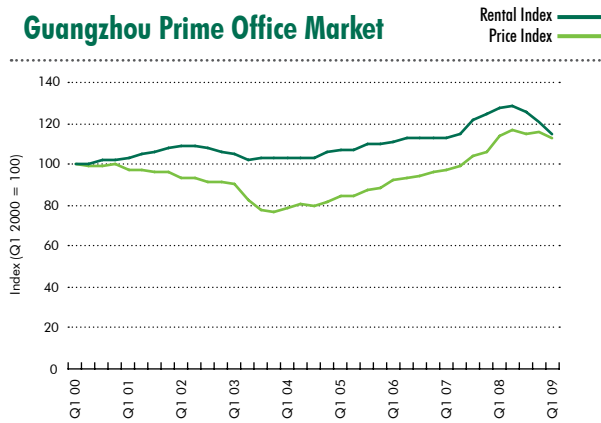
Shanghai Logistics Market



The Shanghai industrial property market has seen a downturn in both land prices and logistics rents due to the continued impact of the global economic downturn. In the first quarter, the average industrial land price was recorded at RMB 1,153 psm, a significant drop of 7.5% q-o-q, while the average rent of logistics facilities fell 1.5% q-o-q to RMB 26.1 psm per month.

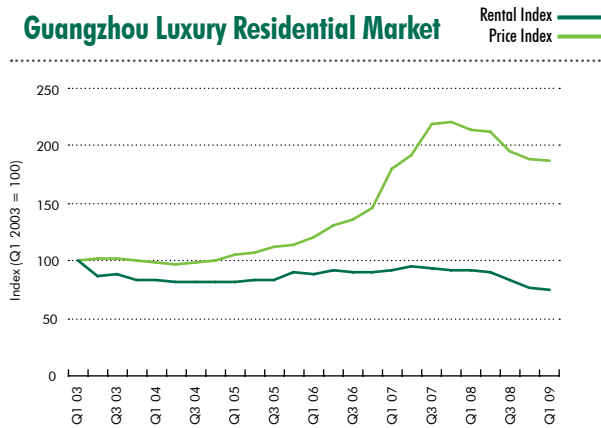
* Database has been adjusted to reflect current market conditions

Guangzhou Prime Office Market



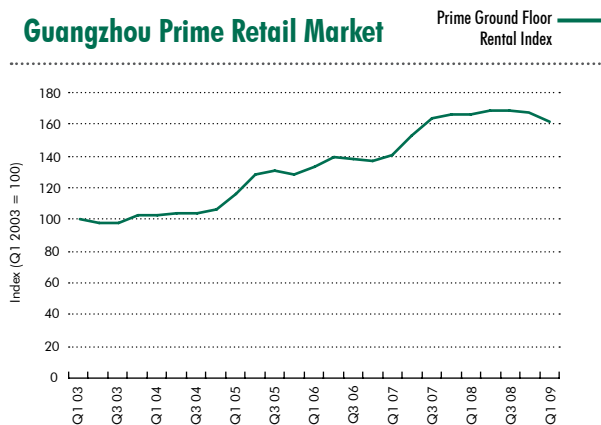
In the face of shrinking demand, landlords of prime office properties continued to lower quotes to compete for quality tenants. Across the market, average monthly rents for prime office space dropped further, falling 5.5% from the previous quarter to RMB 97.6 psm. Two Grade B buildings located in PRNC were completed in the quarter, offering 163,400 sm of office space. Vacancy rose by 2.1 percentage points q-o-q to 17.2%.

Guangzhou Luxury Residential Market



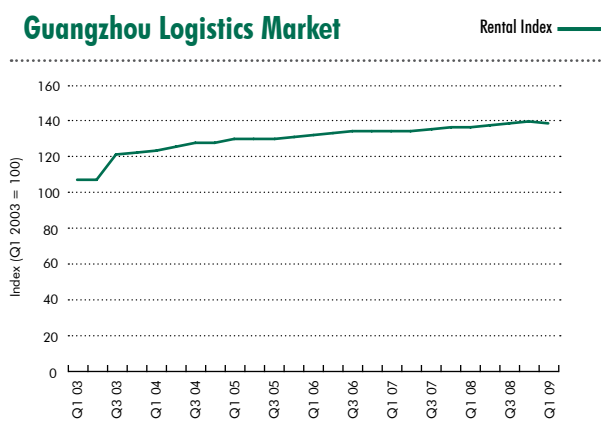
Price drops in Guangzhou's luxury residential sales market eased during the first quarter of 2009, with the average price reporting a 1.3% q-o-q drop, a slower pace than last quarter's 3.4% decline, to RMB 18,800 psm. Two luxury apartment projects were launched for pre-sale, offering 1,015 units to the market. Meanwhile, the average rent for luxury apartments slipped 3.1% to RMB 52.7 psm per month.

Guangzhou Prime Retail Market



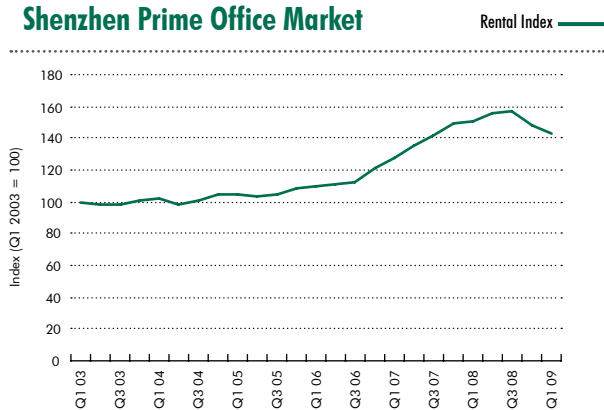
In the first quarter of 2009, the average rental of ground floor space in Guangzhou's prime retail properties declined by 3.9% q-o-q to RMB 46.3 psm per day. Amongst traditional retail hubs, Huanshidong was the only submarket where rents did not fall. Bercy Plaza was completed in the Tianhe CBD area, offering about 40,000 sm of retail space; this drove the overall vacancy rate up 1.4 percentage points q-o-q to 9.7% by the end of the quarter.

Guangzhou Logistics Market



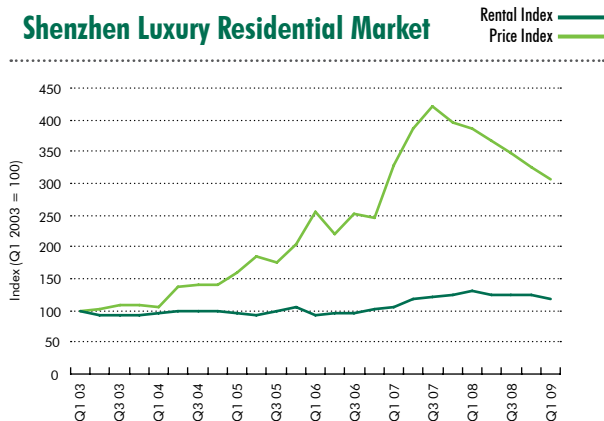
During the first quarter, the average rent for logistics facilities in Guangzhou was RMB 26.9 psm per month, a drop of 0.8% q-o-q. The industrial land price stood at RMB 458 psm with a slight growth of 0.6% q-o-q, mainly driven by the rising land price in Nansha Development Zone.

Shenzhen Prime Office Market



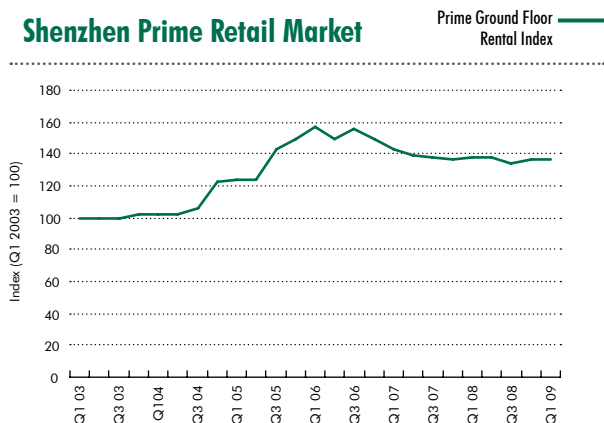
As landlords of some prime office properties lowered their rents to fill vacancies, the average prime office rental continued to drop, falling 3.4% q-o-q to RMB 112.7 psm per month. Grade A buildings witnessed sharper rent cuts, decreasing 6.2% q-o-q. No new completions were reported in the quarter. However, take-up was also slack, and the overall vacancy rate edged down slightly by 0.7 of a percentage point q-o-q to 8.8%.

Shenzhen Luxury Residential Market



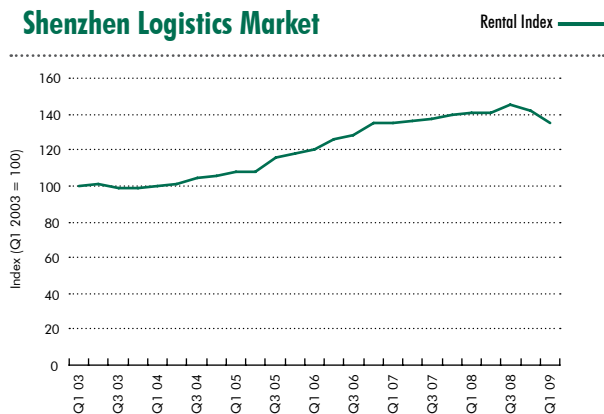
Leasing demand for luxury apartments diminished as companies cut headcounts and salaries. Rents for luxury apartments dropped significantly by 6% q-o-q to RMB 59.5 psm per month. Phase 2 of the Peninsula was launched for pre-sale this quarter, the fourth luxury apartment project launched in the Houhai area since 2008. The average sales price of luxury apartments in the primary market declined further by 6.4% q-o-q to RMB 26,279 psm.

Shenzhen Prime Retail Market



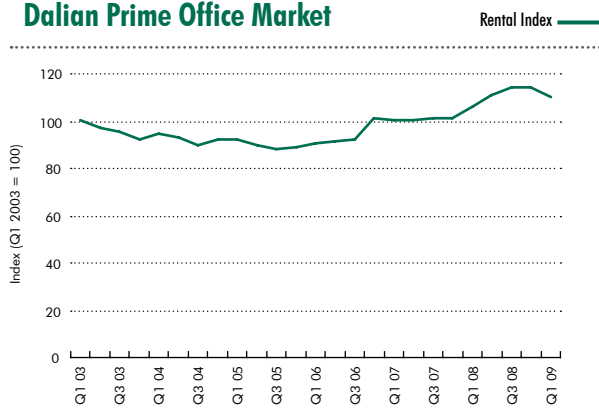
Prime retail rents in Shenzhen remained relatively stable in the quarter. The average ground floor rental of prime retail space grew 0.3% q-o-q to RMB 23 psm per day. No new supply came on stream this quarter. However, the vacant space in Shekou Garden City Centre previously occupied by B&Q has not yet been filled, and the overall vacancy climbed 0.1 of a percentage point q-o-q to 5.6%.

Shenzhen Logistics Market



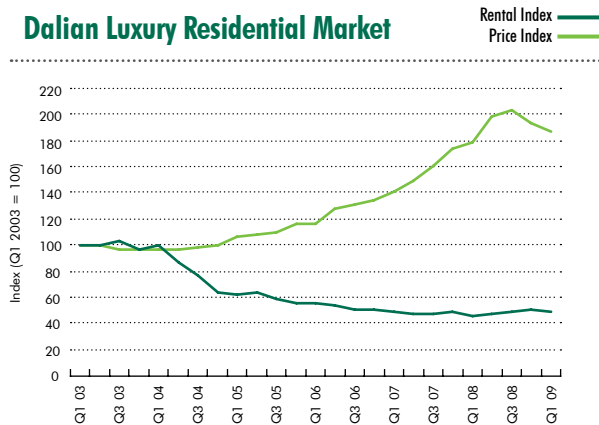
In Shenzhen, leasing demand for industrial facilities across all sectors was severely affected by the shrinking global demand. The average rental of logistics facilities dropped 5.1% q-o-q to RMB 26.8 psm per month. The industrial land price fell only slightly q-o-q, down 0.7% to RMB 834 psm.

Dalian Prime Office Market



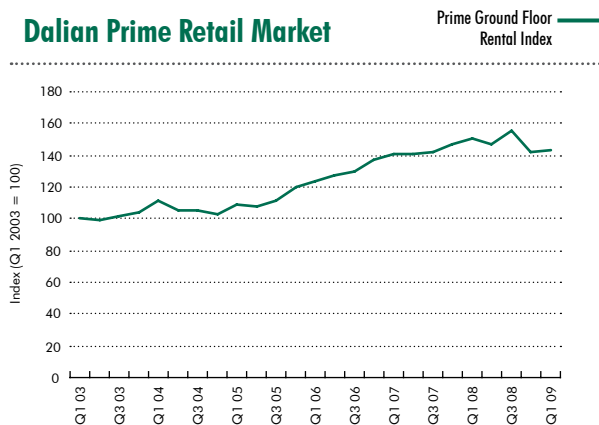
No new supply entered the market in the first quarter of 2009, and the total stock stood at 1.22 million sm. As the financial turmoil expanded further, demand in Dalian's office leasing market saw continued decline, especially as some MNCs redrew their expansion blueprints in Dalian. The average vacancy rate was 19.4%, up 0.8 of a percentage point q-o-q. Some landlords made concessions on rentals in response to the weakening demand, bringing down the average rental by 3.3% q-o-q to RMB 69.3 psm per month.

Dalian Luxury Residential Market



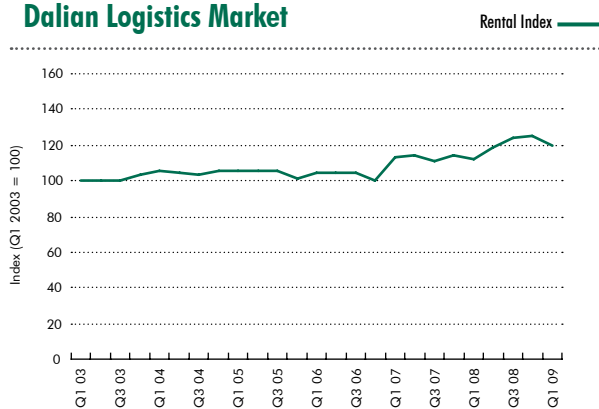
Due to the lingering "wait-and-see" sentiment, no luxury residential properties came on stream in the quarter. Dalian's luxury apartment market continued to decline, with the average luxury apartment price falling 3% q-o-q to RMB 13,585 psm. The leasing market continued to edge down during the traditional low season, with the average rental falling 0.5% q-o-q to RMB 81.7 psm per month.

Dalian Prime Retail Market



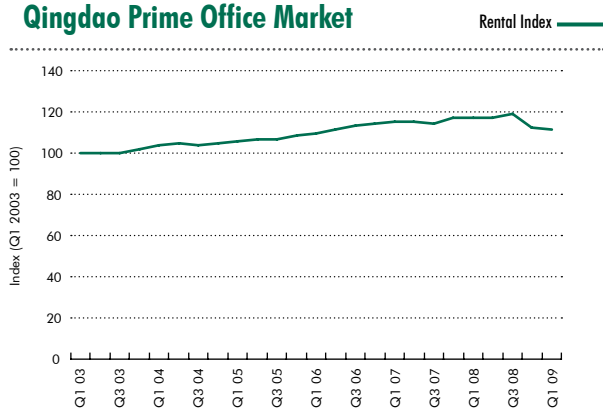
Dalian's retail property market maintained stable growth in the first quarter of 2009. The average ground floor rent was RMB 25.6 psm per day, up 0.6% q-o-q, while the average first floor rent was RMB 17.9 psm per day, up 0.9% q-o-q. No new projects were completed in the quarter. New tenants mainly took up existing space, and the average vacancy rate was 10.6%. International retailers continued to be optimistic about Dalian's retail market, as can be seen by ZARA's expansion, renting over 2,000 sm in Tianxing Roosevelt Shopping Centre.

Dalian Logistics Market



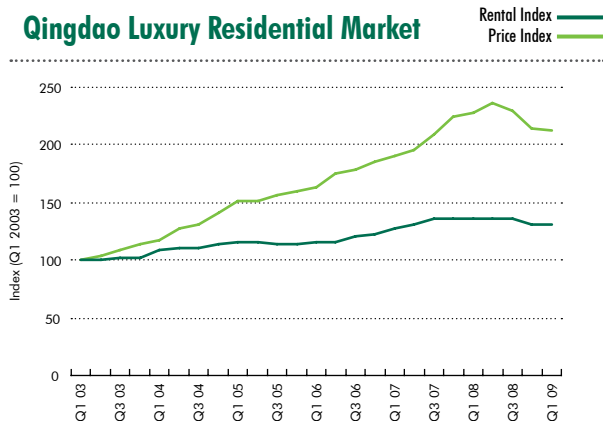
Leasing demand for Dalian industrial properties remained slack. The average rental of logistics parks fell by 4.7% q-o-q to RMB 20.7 psm per month. Five land plots were transferred within the quarter, mainly in the Central Industrial Area and Dongjiagou in DDA. The average land price went up 2.4% q-o-q to RMB 474 psm.

Qingdao Prime Office Market



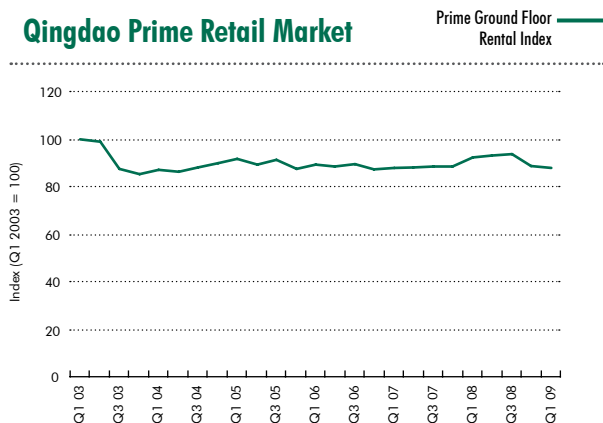
Although there was no new supply in the first quarter, the overall vacancy rate increased 0.1% q-o-q, to 13.7%. Feeling the impact of the economic crisis, many companies have reduced their leasing budgets, leading to a drop in demand for prime office space. The average rental in the prime office market was recorded at RMB 78.6 psm per month, down 1.3% q-o-q.

Qingdao Luxury Residential Market



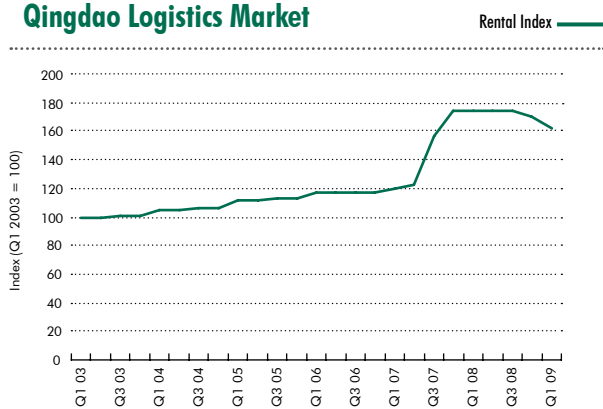
Foreign-funded enterprises affected by the economic crisis reduced the rental budgets of senior management, driving down luxury apartment rentals by 0.9% q-o-q in the first quarter to RMB 51.8 psm per month. Meanwhile, the average price of luxury apartments fell 1.1% q-o-q to RMB 15,229 psm, due to the promotional discounts offered by some real estate projects.

Qingdao Prime Retail Market



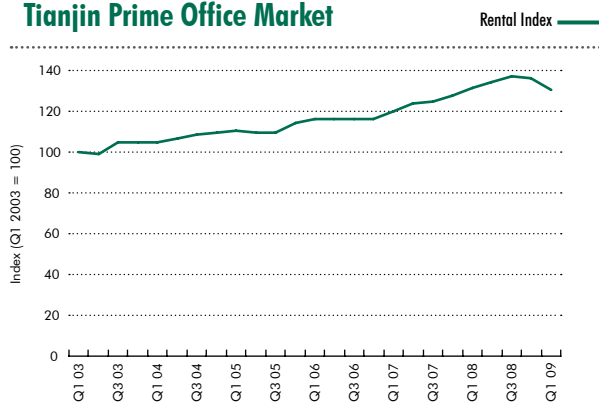
Faced with the economic crisis, some developers postponed launching prime retail projects, and no new supply entered the market in the first quarter. The average ground floor rental dropped 0.9% q-o-q to RMB 24.4 psm per day, while the overall vacancy rate remained unchanged at 5.8%.

Qingdao Logistics Market



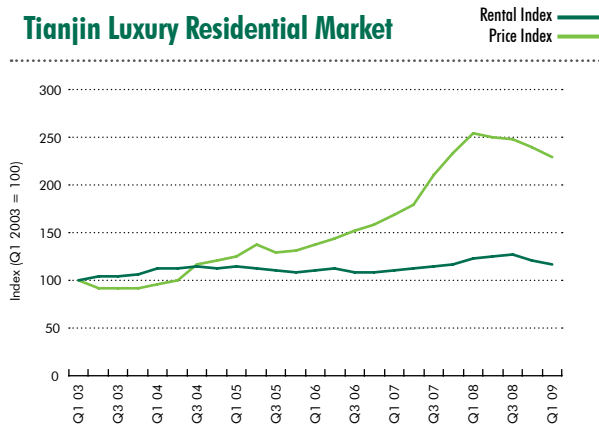
Most land transactions in the first quarter were located in Pingdu District, Jimo District and Chengyang District. The average land price remained steady at around RMB 330 psm. Affected by the drop in import and export trade, the average rent of logistics facilities fell 4.8% q-o-q to RMB 13 psm per month.

Tianjin Prime Office Market



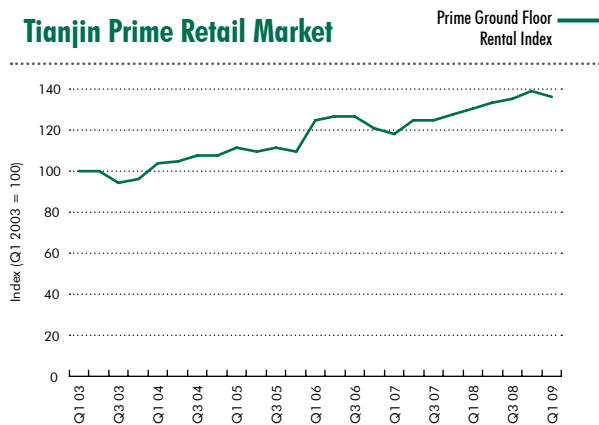
In the first quarter of 2009, the impact of the financial crisis on the Tianjin prime office market deepened. This made some enterprises postpone their expansion plans or reduce the standard of their leased offices. Both Global Centre, located in the Nanjing Road area, and the third phase of Binhai Financial Street, located in TEDA, came on stream in the first quarter, providing a total office space of 87,500 sm. The declining demand and increasing supply caused the average rental to fall 4.1% q-o-q to RMB 103.7 psm per month. The vacancy rate rose 4.2 percentage points to 18.9%.

Tianjin Luxury Residential Market



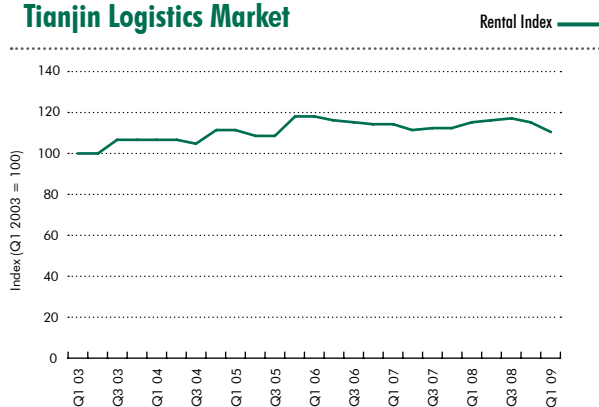
Some enterprises decreased the housing allowances of their staff, resulting in a drop in the demand for leasing luxury apartments; the average rental of luxury apartments decreased 3.6% q-o-q to RMB 36.6 psm per month. In the strata-title sales market, some properties dropped prices to promote sales in the face of lowered market expectations. The average price of luxury apartments declined 3.8% q-o-q to RMB 12,273 psm.

Tianjin Prime Retail Market



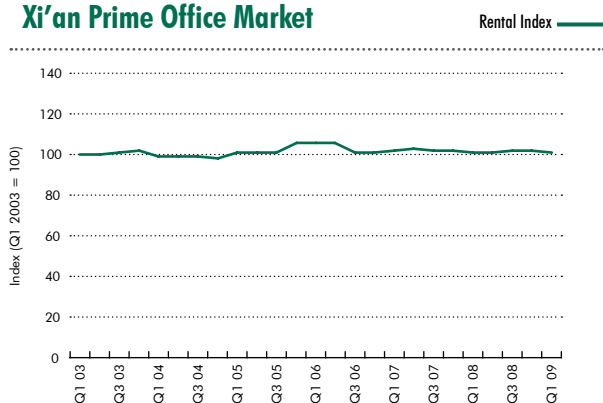
Some retailers slowed the speed of their expansions as the purchasing power of residents decreased due to the impact of the global financial crisis. Land Share Street, an underground commercial street located in the Xiaobailou area, came onto the market in the quarter, providing a total retail space of 32,000 sm. The increasing stock and declining demand caused the average ground floor rental of prime retail property to decrease by 2.2% q-o-q to RMB 18.2 psm per day, and the vacancy rate rose 1 percentage point to 12.4%.

Tianjin Logistics Market



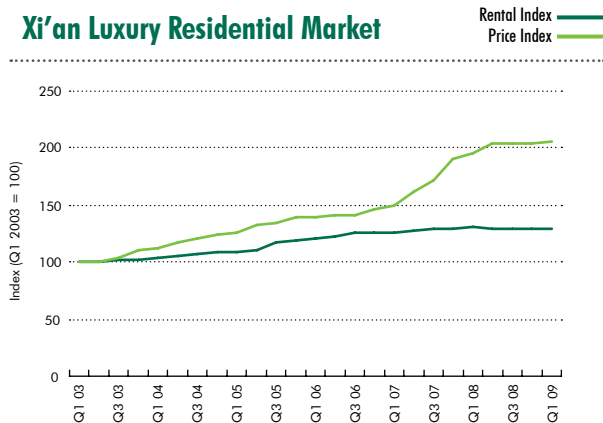
Most industrial properties dropped their rents to promote leasing in the first quarter of 2009. The average rental of logistics facilities dropped 4.6% to RMB 29.1 psm per month, influenced by the decline in international trade. The average price of industrial land remained steady. The land price in Xiqing Development Area rose in the first quarter, which drove up the average land price by 0.5% q-o-q to RMB 421 psm.

Xi'an Prime Office Market



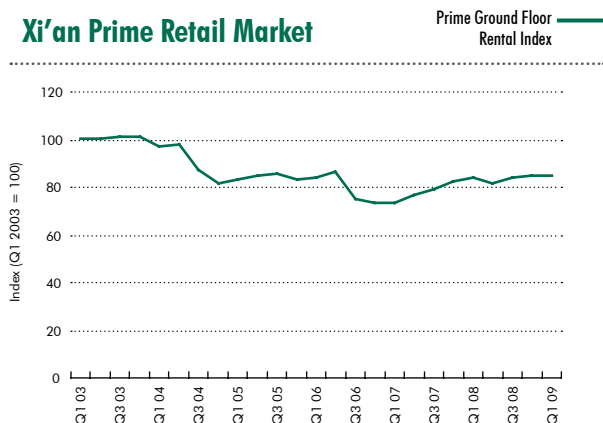
Due to the macroeconomic environment, the demand for prime office property remained low. The average rent slipped to RMB 67.3 psm per month with a q-o-q decline of 0.8%. No new supply came on stream, and the vacancy rate dropped by 0.7 of a percentage point q-o-q to 28.5%. Grade B office rents were under more pressure to consolidate due to larger existing stock.

Xi'an Luxury Residential Market



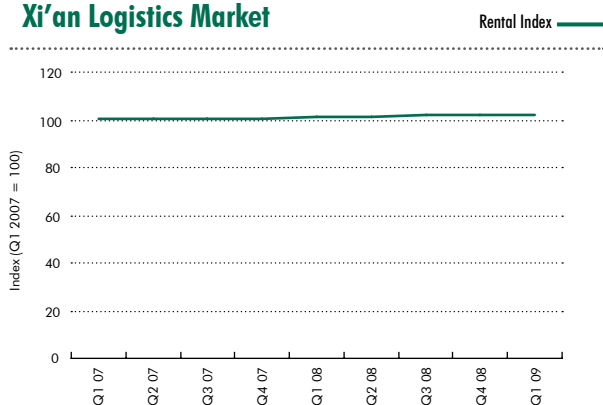
The limited supply of luxury residential property in good locations, as well as the smooth progress of construction of the metro, helped to stabilize prices. Large units of housing in Qujiang District and small- to medium-sized units adjacent to the metro also bolstered luxury apartment prices. Overall, the average sales price of luxury apartments reached RMB 6,290 psm, an increase of 0.7% q-o-q. Rentals dropped slightly to RMB 26 psm per month, with a q-o-q decline of 0.5%.

Xi'an Prime Retail Market



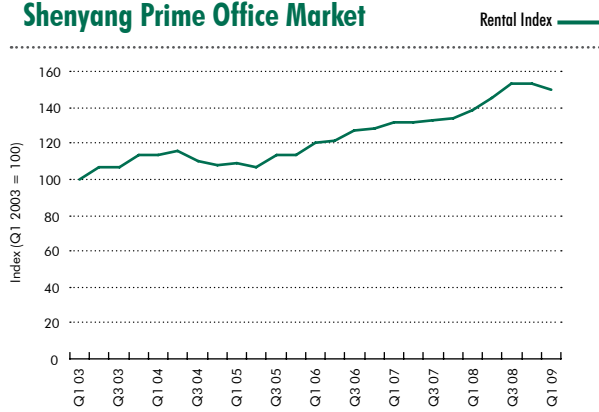
Although the economic situation has only slightly affected Xi'an's prime retail market, rents entered into an adjustment trend with weakening growth momentum. The average rents for ground floor and first floor property increased by 0.5% and 0.3% q-o-q to RMB 22.2 and RMB 18.7 psm per day respectively. The vacancy rate was 3.8% with a q-o-q drop of 0.1 of a percentage point. Century Jinwa Department Group formally ratified an agreement with China Town Shopping Centre to open a new store in the second half of 2009.

Xi'an Logistics Market



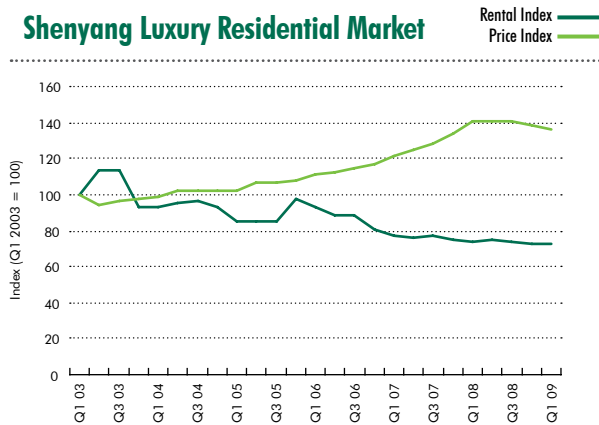
The Xi'an industrial facilities market experienced stable rents and a low vacancy rate. In the first quarter of 2009, industrial land transactions were active and the land price was stable. Due to an increase in demand, the average rental for logistics facilities registered a q-o-q growth rate of 0.2%, reaching RMB 22.8 psm per month. AVIC Aircraft Corporation Ltd established its headquarters and R&D base in the Xi'an High-tech Industrial Development Zone with a registered capital of RMB 12 billion.

Shenyang Prime Office Market



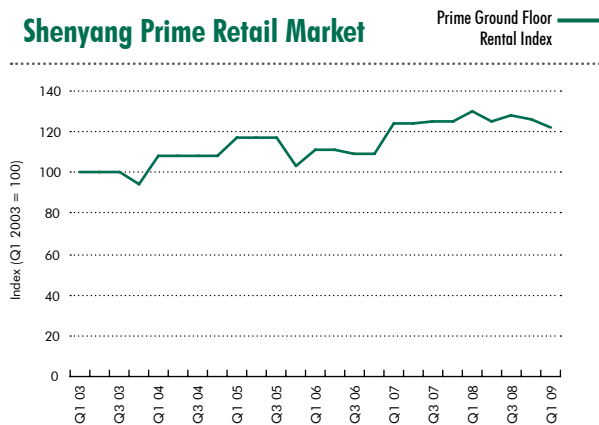
In the first quarter of 2009, no prime office projects came on stream in Shenyang. Demand for prime office space fell due to the global economic crisis. The vacancy rate increased 0.4 of a percentage point q-o-q to 20.7%. Since some landlords reduced asking rents to promote demand, the average asking rent of prime office space dropped 2.5% q-o-q to RMB 62.5 psm per month.

Shenyang Luxury Residential Market



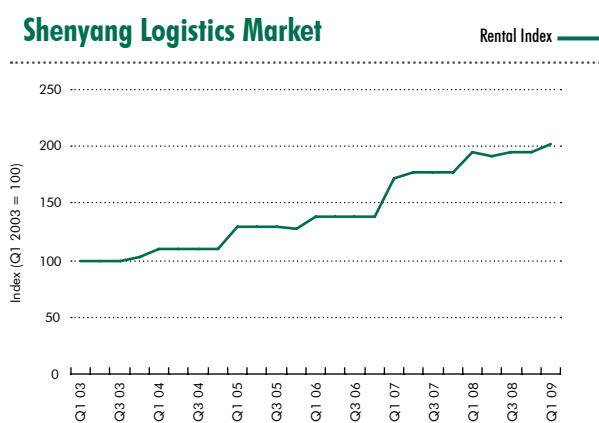
In the first quarter of 2009, Shenyang's luxury apartment sales market continued to undergo an adjustment. Since some developers lowered their asking price, the average price dropped 1.7% q-o-q to RMB 6,369 psm. As companies cut operation costs, demand in the luxury leasing market dropped and the asking rental for luxury apartments and serviced apartments fell by 0.1% and 1.5% q-o-q, respectively.

Shenyang Prime Retail Market



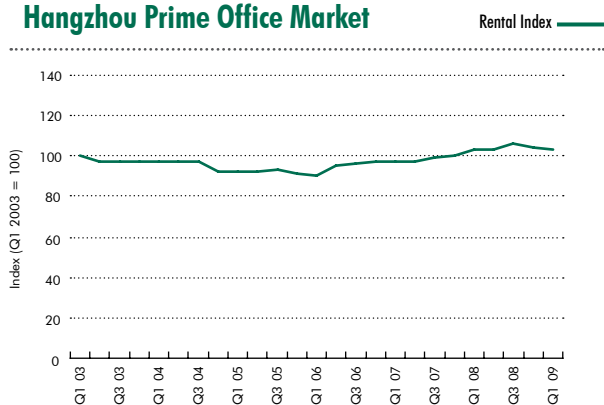
Two new prime retail projects came on stream this quarter, bringing a new supply of 78,000 sm. The global financial crisis continued to affect Shenyang's market, and demand for prime retail space decreased in the quarter. Asking rentals dropped, and the average rental of prime ground floor space decreased 3.3% q-o-q to RMB 22.4 psm per day. During the same period, the average prime vacancy rate rose 1.6 percentage points q-o-q to 17.2%. Valentino opened a store in Maison Mode in the quarter.

Shenyang Logistics Market



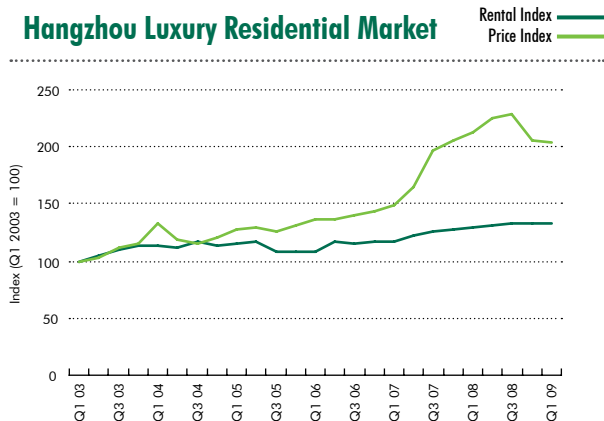
With the steady progress of infrastructure construction in the first quarter, Shenyang's intercity traffic connections improved further. This led to increased confidence in Shenyang's logistics hubs, driving demand in the Shenyang logistics market. Moreover, some old warehouses were rebuilt, which further improved quality. These factors drove the average rental of logistics facilities up 3.6% q-o-q to RMB 20.3 psm per month. Reeling from the global financial crisis, the average price for Shenyang industrial land dropped 0.5% q-o-q to around RMB 307 psm.

Hangzhou Prime Office Market



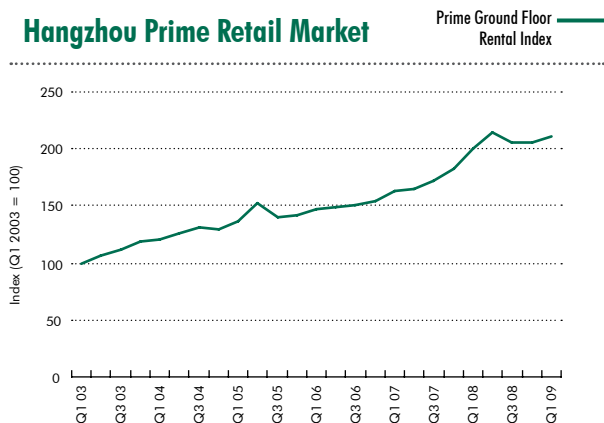
The vacancy rate nudged up 0.1 of a percentage point q-o-q to 11.6% on the back of falling demand for prime office space in the first quarter of 2009. The average rental continued to drop, but the rate of decline slowed down. In the first quarter, the average rental dropped by 0.5% q-o-q to RMB 112.4 psm per month. Prime office prices dipped slightly in the first quarter to RMB 17,344 psm, with a q-o-q decline of 0.1%.

Hangzhou Luxury Residential Market



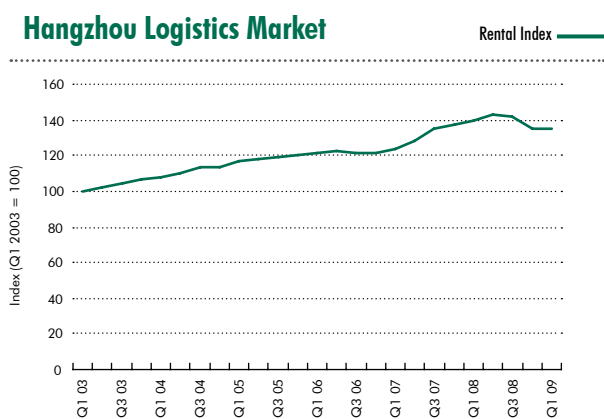
In the first quarter of 2009, the rate of growth of luxury apartment rents continued to ease, with only a marginal q-o-q growth of 0.2% to RMB 71.3 psm per month. Luxury residential prices continued on a downward trend, but the rate of decline began to slow, with the price of luxury apartments decreasing by a slight 0.7% to RMB 22,820 psm. No new luxury projects came to the market in the first quarter.

Hangzhou Prime Retail Market



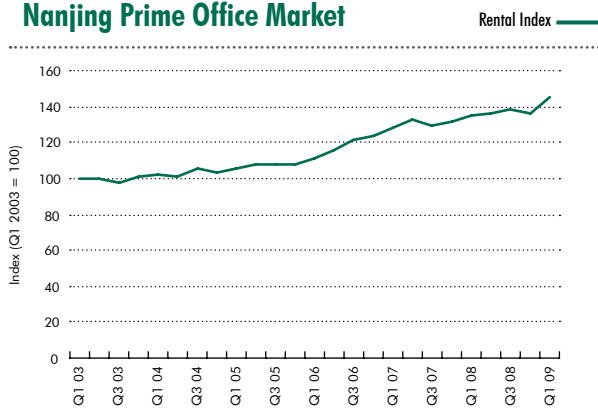
Hangzhou's prime retail rentals spiked up mildly in the first quarter of 2009. Rentals for ground floor and first floor space increased by 2.1% and 1.6% respectively, to RMB 24.2 and 17.9 psm per day. No new supply came on stream in the quarter, and a total of 1,500 sm of stock was steadily taken up. The vacancy rate in Hangzhou's prime retail market dropped by 2.2 percentage points to 9.7%.

Hangzhou Logistics Market



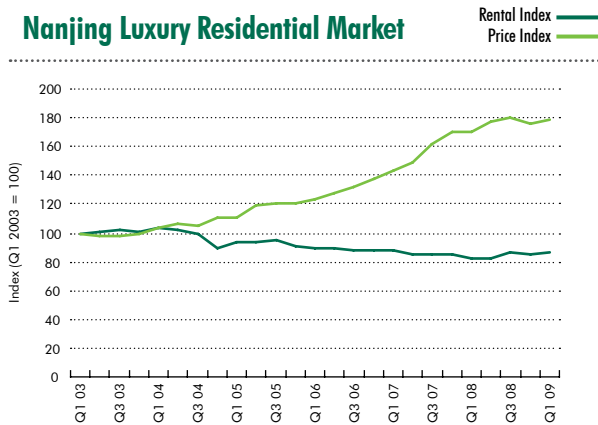
In the first quarter of 2009, the slight decreasing trend of industrial land prices eased, as the average land price nudged down marginally by 0.3% to RMB 338 psm. Although demand for logistics facilities from export companies decreased, the average rental of logistics facilities remained stable at RMB 12 psm per month.

Nanjing Prime Office Market



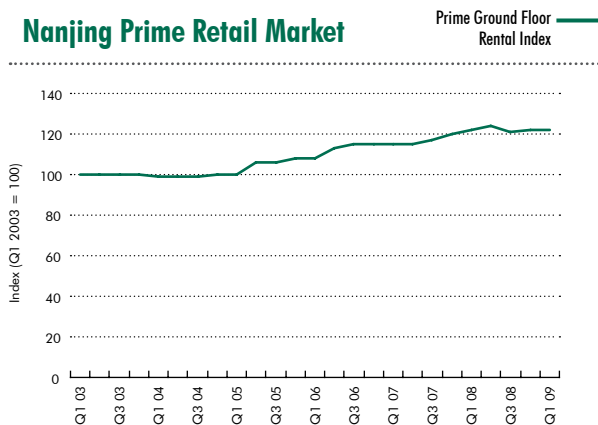
Two prime office buildings came on stream in the first quarter, offering around 78,000 sm of Grade A and 36,000 sm of Grade B space. Considerable take-up pressure pushed the overall vacancy rate up by 5.8 percentage points q-o-q to 23.6%. The higher asking rents of new office projects drove the average rental up to RMB 90.1 psm per month, a q-o-q growth of 6.3%, albeit most existing prime office buildings witnessed zero or negative rental growth.

Nanjing Luxury Residential Market



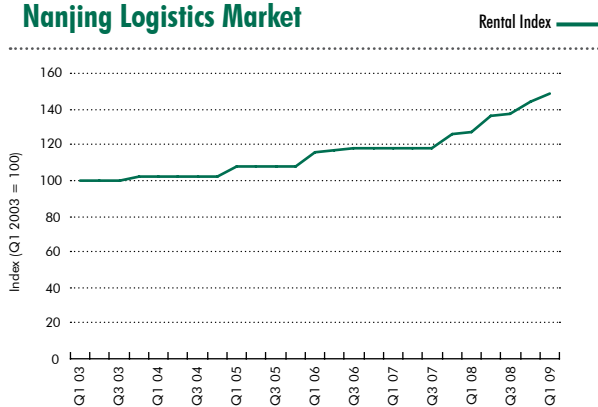
In the first quarter of 2009, the average rental of luxury apartments remained stable at RMB 61.9 psm per month. The sales market experienced a small recovery in the quarter, and the luxury apartment market witnessed a slight rebound in prices after a large-scale price reduction last year, with the average price rising 1.7% q-o-q to RMB 15,913 psm.

Nanjing Prime Retail Market



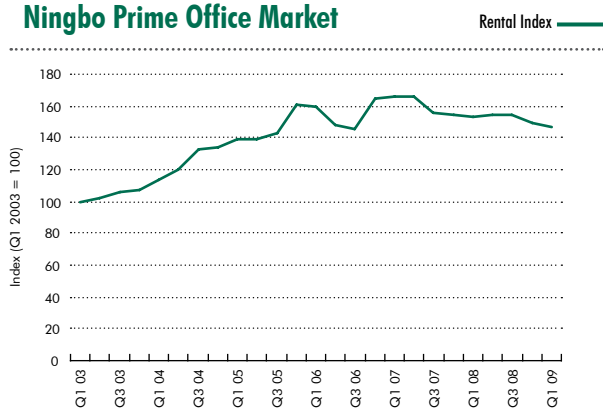
Prime retail rentals remained steady in the first quarter of 2009, with both average prime ground and first floor rentals unchanged. No new prime projects entered the market in the quarter, and the overall vacancy rate dropped 0.1 of a percentage point q-o-q to 0.5%. In late January, Dior opened a 300-sm new store in the ground floor of Deji Plaza in Xinjiekou.

Nanjing Logistics Market



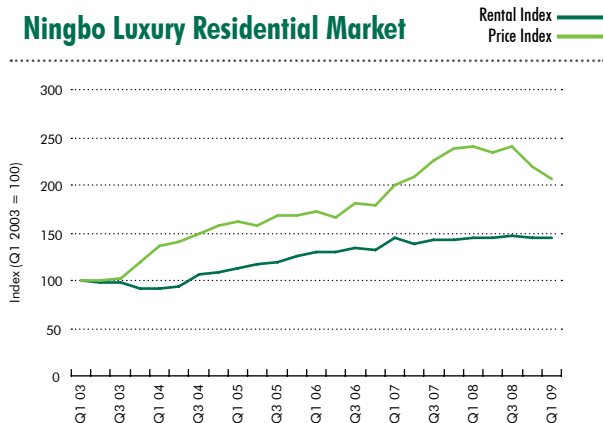
In the first quarter of 2009, the average rental of logistics facilities in Nanjing recorded a q-o-q growth of 2.5% to RMB 11.9 psm per month. The average land price continued to fall, dropping to RMB 363 psm, a q-o-q decline of 3.6%. Industrial lands were mostly auctioned at the lowest price regulated by the government.

Ningbo Prime Office Market



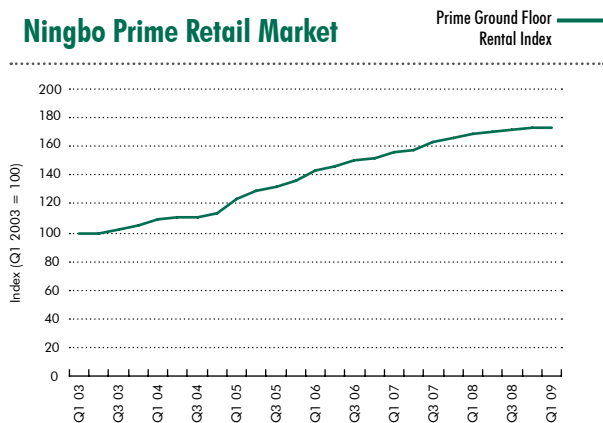
In the first quarter of 2009, the average prime office rental decreased 1.9% q-o-q to RMB 61.6 psm per month due to the economic slump. The overall vacancy level of prime office space witnessed a distinct q-o-q rise by 4 percentage points to 29.1%, caused by the low occupancy rate of new supply. In the strata-title sales market, some projects lowered their prices due to fierce competition, dragging down the average office price by 1.4% q-o-q to RMB 13,786 psm.

Ningbo Luxury Residential Market



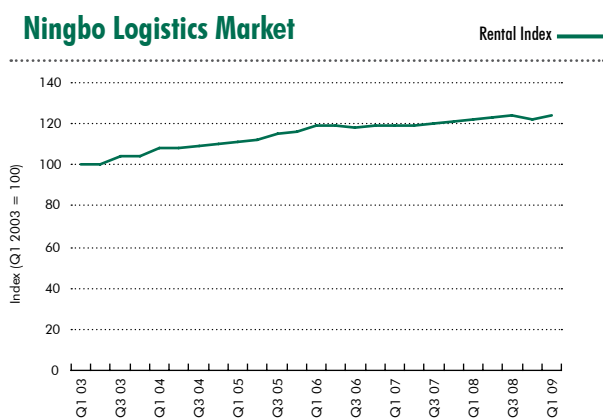
In the first quarter of 2009, the average rental of luxury apartments witnessed a slight growth of 0.2% q-o-q to RMB 51.9 psm per month. In the sales market, most of the projects that lowered their asking price upon launching made great progress. Two examples are Phase 2 of BOBO City and East Splendid Park. After seeing their success, more projects started promotional activities, which caused the average price of luxury apartments to fall to RMB 12,696 psm, a q-o-q drop of 5.6%. This also resulted in booming transaction volumes.

Ningbo Prime Retail Market



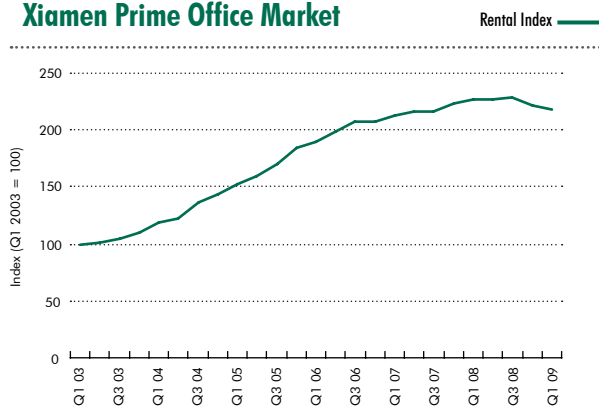
Both supply and vacancy remained unchanged in the quarter. The average rental of prime ground floor space increased slightly, up 0.2% q-o-q to RMB 20.5 psm per day, while the average rental of prime first floor space rose by 0.3% q-o-q to RMB 15.2 psm per day.

Ningbo Logistics Market



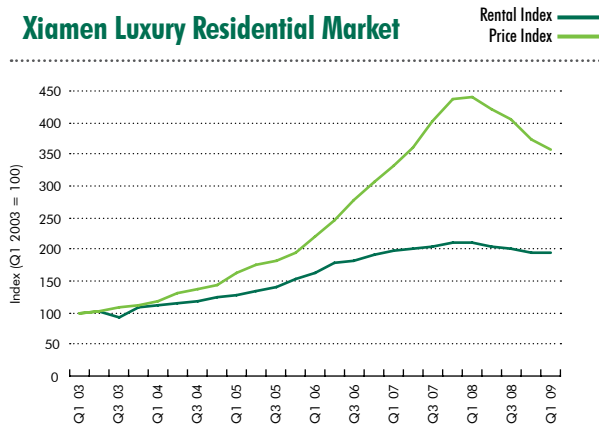
During the first quarter of 2009, the average industrial land price in Ningbo increased steadily, growing by 1.4% q-o-q to around RMB 455 psm. In the facility leasing market, the average rental of logistics facilities rose to RMB 13.1 psm per month, increasing 1.7% q-o-q.

Xiamen Prime Office Market



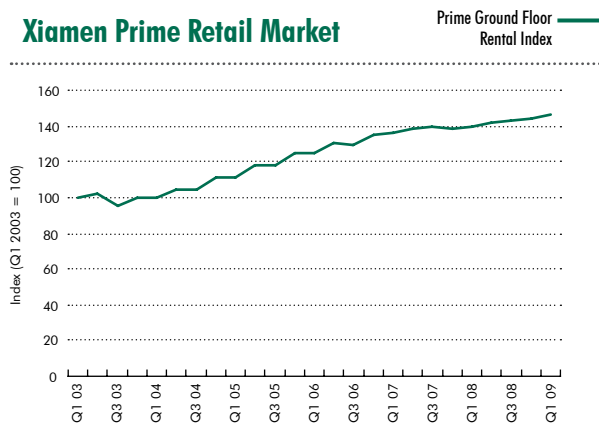
Xiamen's prime office market continued to witness a decline in demand this quarter. The average monthly rental dropped further by 1.6% q-o-q, to RMB 77.8 psm per month, while the price went down by 2.9% q-o-q. Negative take-up was recorded, with some small-scale trading firms moving out of prime properties. No new supply came on stream, and the vacancy rate rose slightly by 0.4 of a percentage point to 9.3% q-o-q.

Xiamen Luxury Residential Market



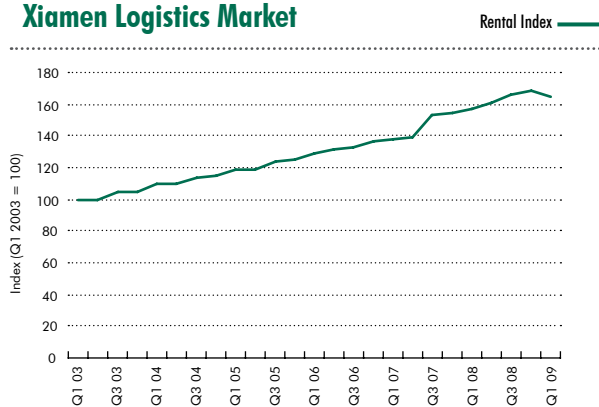
During the first quarter, some luxury residential schemes continued to lower their asking price in the face of the real estate market downturn. The average price of Xiamen luxury apartments dropped 4.5% q-o-q to RMB 12,469 psm. The leasing market was comparatively steady during the quarter, representing a slight q-o-q increase of 0.4% to RMB 38.7 psm per month. No new projects were launched for pre-sale during the period.

Xiamen Prime Retail Market



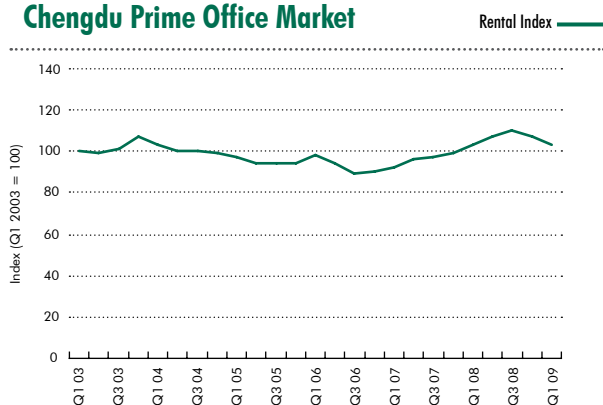
Demand for prime retail space remained stable in the quarter. The average rent for ground floor space in prime retail facilities increased by 1.1% q-o-q to RMB 10.8 psm per day. No new supply was witnessed in the sector. The retail space occupied by the former Laiya Department Store in the Zhongshan Road area has not yet been taken up, thus the overall vacancy stood at a high level of 31.6%.

Xiamen Logistics Market



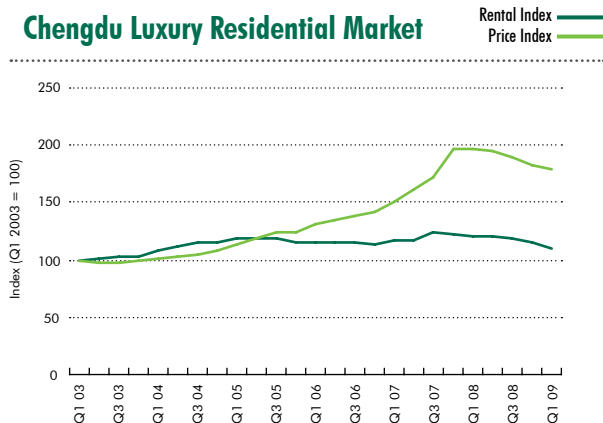
Demand for Xiamen industrial properties, especially manufacturing and logistics facilities, began to shrink this quarter. The average rental for logistics facilities decreased by 2.1% q-o-q to RMB 16 psm per month. Facilities in new industrial parks outside Xiamen Island witnessed the largest rental drop. However, land prices maintained a slow rising trend, with the average price rising slightly by 0.8% q-o-q to RMB 395 psm.

Chengdu Prime Office Market



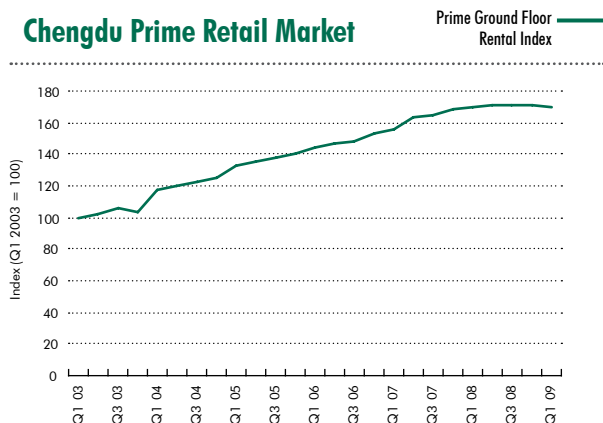
The global economic slowdown continued to have a ripple effect on Chengdu's prime office market, causing more buildings to adjust their asking rentals, especially those sold under strata-title ownership. This brought down the average rental by 3% q-o-q to RMB 93.8 psm per month. Although leasing was less active than the previous quarter, the vacancy rate roughly maintained its level at 17.5% in the absence of new supply.

Chengdu Luxury Residential Market



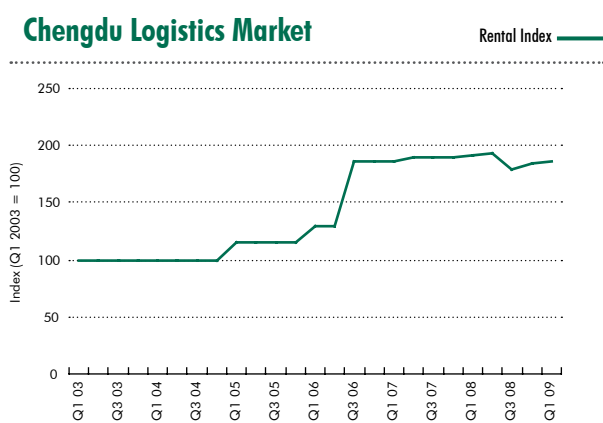
Despite the surge of transactions in the mid- to lower-end markets during the first quarter, which was boosted by demand from end-users, investors' confidence has yet to recover. Potential buyers of luxury residential properties maintained a "wait-and-see" attitude. This led both the luxury residential supply and transaction volume to drop 53% and 24% q-o-q, respectively. The average asking price also dropped 1.7% q-o-q to RMB 8,316 psm.

Chengdu Prime Retail Market



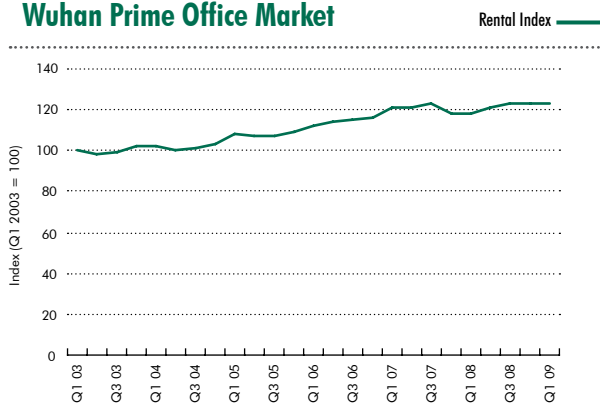
Boosted by the Chinese New Year promotions, revenue at some mid- to high-end department stores grew about 30% during the festival compared to the same period last year. However, demand for luxury goods waned against the backdrop of the current economic situation. This brought down the average ground floor rental slightly by 1% q-o-q to RMB 45.7 psm per day. The overall vacancy dropped 0.1 of a percentage point q-o-q to 3.3%.

Chengdu Logistics Market



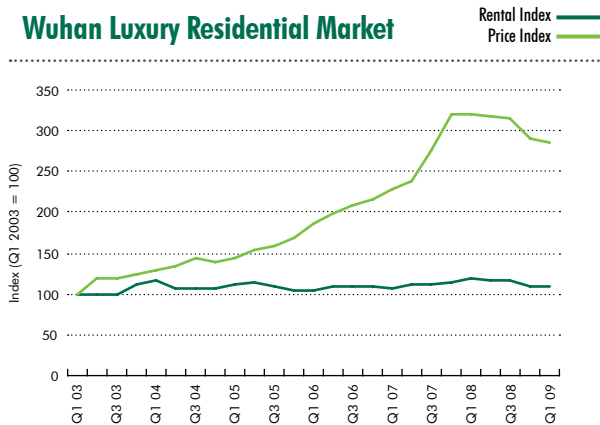
Since Chengdu's economy is not export-oriented and the growth rates of its industrial output and exports in the first two months of the first quarter exceeded the national average, the industrial property market was generally stable. The average rental for logistics facilities rose 0.8% to RMB 18.6 psm, while the industrial land price dropped to RMB 428 psm because there were no transactions in prime locations as there had been in the previous quarter.

Wuhan Prime Office Market



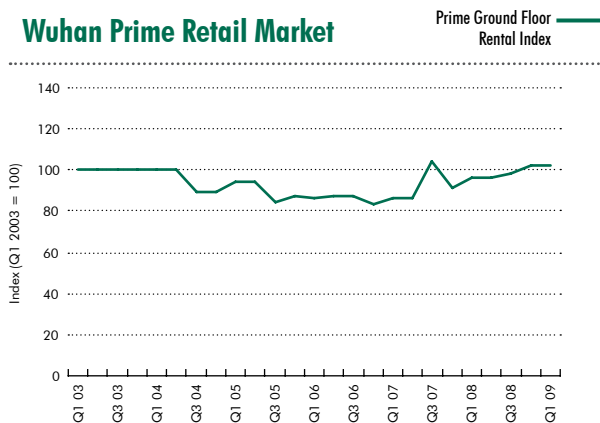
In the first quarter of 2009, the average rental for Wuhan's prime office space was RMB 47.9 psm per month, decreasing by 0.5% q-o-q, while the average price was recorded at RMB 7,144 psm, decreasing by 1.5% q-o-q. Due to the impact of the global financial crisis, the vacancy rate rose by 0.4 of a percentage point q-o-q to 19.7%.

Wuhan Luxury Residential Market



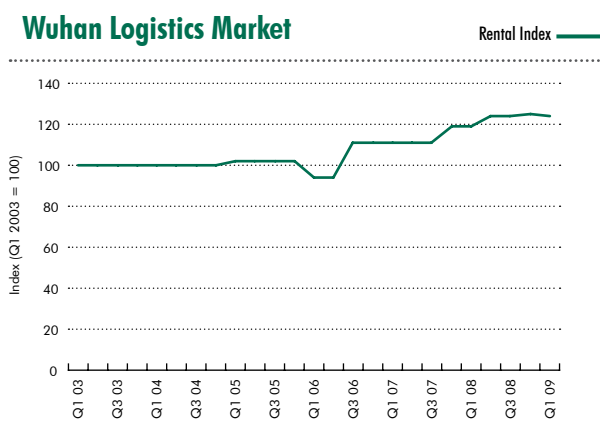
The average price in Wuhan's luxury apartment sector was RMB 9,164 psm, q-o-q decreasing by 1.1%, in the first quarter of 2009 due to poor market sentiment. As the first quarter is a peak period in the residential leasing market, the average rental increased slightly to RMB 27.9 psm per month.

Wuhan Prime Retail Market



The average rental for ground floor space in Wuhan's prime retail properties remained RMB 20.8 psm per day in the first quarter of 2009. Since retailers turned more cautious regarding expansion, the overall vacancy rate increased by 0.7 of a percentage point to 1.9%, q-o-q. Gucci leased about 400 sm in the Wuhan International Plaza in February, and plans to open in May.

Wuhan Logistics Market



In the first quarter of 2009, Wuhan's industrial property market slipped slightly. The average rental for Wuhan's logistics properties was RMB 16.2 psm per month, q-o-q decreasing by 0.7%. The average industrial land price was recorded at RMB 509 psm, a q-o-q decrease of 2.4%.

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, Jianganxi	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, Quijiang District, Second Ring Road S, Inner City, Xi'an Economic & Technological Development Zone	Xi'an High-tech Industrial Development Zone, Xi'an Economic & Technological Development Zone
Shenyang	Golden Corridor, Taiyuan Street, Sanhao Street	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, Luhe 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

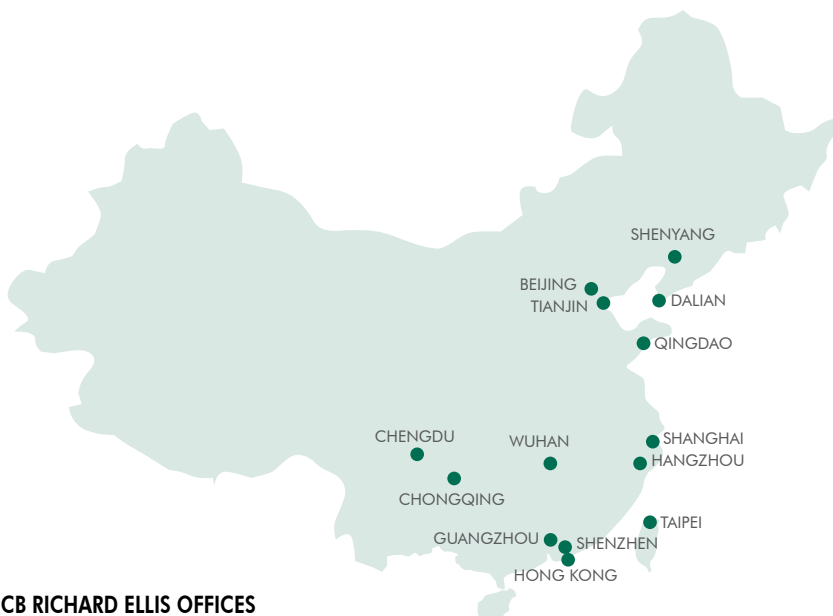
Wuhan	Jiangshe Avenue, Hangkong Road, Zhongnan Road, China Optical Valley	Jiangnan Road, Hangkong Road, Wuluo Road, Xudong Avenue, Zhongjiacun	First Ring Road, along Yangtze River, East Lake, Sha Lake, Hangkong Road, Jiyuqiao, Yangjiang Avenue	Wuhan Economic & Technological Development Zone, Wuhan East 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	190.7	96.4	768.8	29.7
Dalian	69.3	81.7	767.1	20.7
Qingdao	78.6	51.8	732.1	13.0
Tianjin	103.7	36.6	545.6	29.1
Xi'an	67.3	26.0	665.5	22.8
Shenyang	62.5	41.3	672.7	20.3
EAST CHINA				
Shanghai	225.3	146.3	1,316.3	26.1
Hangzhou	112.4	71.3	726.4	12.0
Nanjing	90.1	61.9	1,053.8	11.9
Ningbo	61.6	51.9	614.9	13.1
SOUTH CHINA				
Guangzhou	97.6	52.7	1,390.4	26.9
Shenzhen	112.7	59.5	689.4	26.8
Xiamen	77.8	38.7	324.5	16.0
WEST CHINA				
Chengdu	93.8	32.8	1,371.4	18.6
CENTRAL CHINA				
Wuhan	47.9	27.9	622.5	16.2

Greater China Map



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