

# Survey **Prime Benchmark**

1 July 2014



# An introduction to Savills



Source: Savills Research & Consultancy

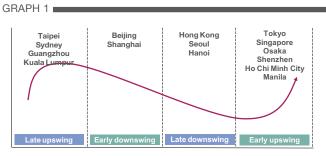
Savills is a leading global real estate service provider listed on the London Stock Exchange. The company, established in 1855, has a rich heritage with unrivalled growth. The company now has over 600 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

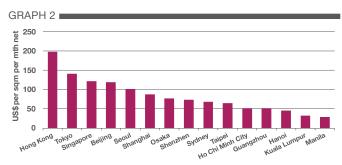
In Asia Pacific, Savills has 52 regional offices comprising over 22,000 staff. Asia Pacific markets include Australia, China, Hong Kong, Japan, Korea, Macau, New Zealand, Taiwan, Thailand, Singapore and Viet Nam, with associate offices in Malaysia

and the Philippines. Savills provides a comprehensive range of advisory and professional property services to developers, owners, tenants and investors. These include consultancy services, facilities management, space planning, corporate real estate services, property management, leasing, valuation and sales in all key segments of commercial, residential, industrial, retail, investment and hotel property.

A unique combination of sector knowledge and entrepreneurial flair gives clients access to real estate expertise of the highest calibre. We are regarded as an innovative-thinking organisation supported by excellent negotiating skills. Savills chooses to focus on a defined set of clients, offering a premium service to organisations and individuals with whom we share a common goal. Savills is synonymous with a high-quality service offering and a premium brand, taking a long-term view of real estate and investing in strategic relationships.

# Prime offices (top 5)





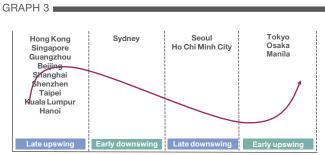
Source: Savills Research & Consultancy

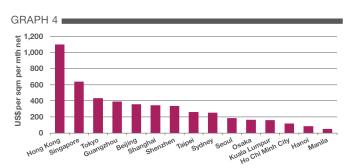
Source: Savills Research & Consultancy

TABLE 1															
	Hong Kong	Tokyo	Singapore	Beijing	Seoul	Shanghai	Osaka	Shenzhen	Sydney	Taipei	нсмс	Guangzhou	Hanoi	Kuala Lumpur	Manila
Rent (US\$ psm net eff. pm)	174.1	130.7	121.4	111.1	76.5	78.0	71.6	67.8	64.6	57.9	41.5	44.6	41.7	32.9	23.0
Management fee (US\$ psm net pm)	15.3	Inclusive	Inclusive	8.1	25.0	9.3	Inclusive	6.1	0.8	4.4	6.5	6.9	Inclusive	Inclusive	4.6
Gov't rates/tax (US\$ psm net pm)	8.7	10.5	Inclusive	Inclusive	Inclusive	Inclusive	5.7	Inclusive	2.9	2.9	4.1	Inclusive	4.2	Inclusive	1.6
Total	198.1	141.1	121.4	119.1	101.6	87.3	77.3	73.8	68.2	65.1	52.1	51.5	45.9	32.9	29.2

Source: Savills Research & Consultancy

# Prime retail malls (top 5)





Source: Savills Research & Consultancy

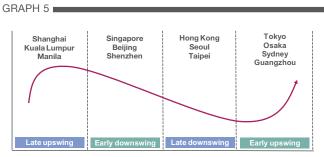
Source: Savills Research & Consultancy

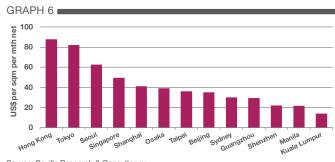
TABLE 2															
	Hong Kong	Singapore	Tokyo#	Guangzhou	Beijing	Shanghai	Shenzhen	Taipei	Sydney	Seoul	Osaka	Kuala Lumpur	нсмс	Hanoi	Manila
Rent (US\$ psm net eff. pm)	1,022.8	637.7	402.8	374.1	346.2	333.4	323.3	236.6	251.2	166.2	152.2	159.8	99.0	76.5	39.4
Management fee (US\$ psm net pm)	27.7	Inclusive	Inclusive	17.1	13.5	13.0	13.1	12.1	Inclusive	17.9	Inclusive	Inclusive	7.6	Inclusive	6.3
Gov't rates/tax (US\$ psm net pm)	51.1	Inclusive	32.2	Inclusive	Inclusive	Inclusive	Inclusive	11.8	Inclusive	Inclusive	12.2	Inclusive	9.9	7.6	2.8
Total	1,101.6	637.7	435.0	391.2	359.7	346.5	336.3	260.6	251.2	184.1	164.3	159.8	116.5	84.1	48.5

Source: Savills Research & Consultancy

"As prime retail mall rental figures are not available for Tokyo, average prime high street retail rents are used instead.

# Luxury apartments (top 10)





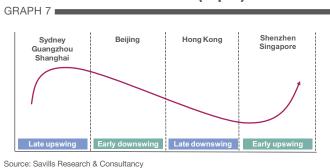
Source: Savills Research & Consultancy

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TABLE 3													
	Hong Kong	Tokyo	Seoul*	Singapore	Shanghai	Osaka	Taipei	Beijing	Sydney	Guangzhou	Shenzhen	Manila	Kuala Lumpur
Rent (US\$ psm net eff. pm)	75.9	82.2	62.6	49.4	41.2	39.1	31.7	35.0	30.0	28.3	21.9	21.5	13.8
Management fee (US\$ psm net pm)	8.1	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	2.6	Inclusive	Inclusive	0.9	Inclusive	Inclusive	Inclusive
Gov't rates/tax (US\$ psm net pm)	3.8	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	1.6	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive
Total	87.8	82.2	62.6	49.4	41.2	39.1	35.9	35.0	30.0	29.2	21.9	21.5	13.8

Source: Savills Research & Consultancy
\* Seoul's rent = (Security deposit × Interest rate) / 12 + Monthly payment

# Prime villas/townhouses (top 5)



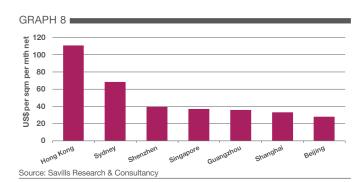
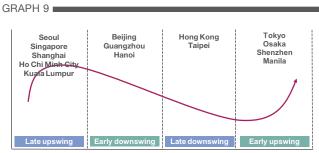
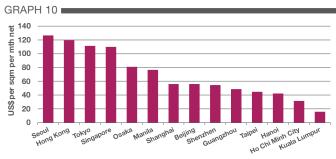


TABLE 4 Rent (US\$ psm net eff. pm) 68.3 Management fee (US\$ psm net pm) Inclusive Gov't rates/tax (US\$ psm net pm) 4.8 Inclusive Total 110.8 68.3 39.4 37.1 35.7 33.1 27.9

Source: Savills Research & Consultancy

# **Luxury serviced apartments (top 5)**





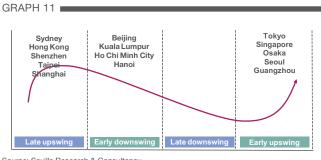
Source: Savills Research & Consultancy

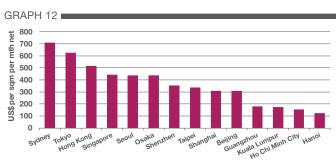
Source: Savills Research & Consultancy

TABLE 5														
	Seoul	Hong Kong	Tokyo	Singapore	Osaka	Manila	Shanghai	Beijing	Shenzhen	Guangzhou	Taipei	Hanoi	нсмс	Kuala Lumpu
Rent (US\$ psm net eff. pm)	114.6	119.8	111.5	110.1	80.8	76.5	56.1	56.1	54.4	48.7	40.1	38.2	28.4	15.5
Management fee (US\$ psm net pm)	Inclusive	3.2	Inclusive	Inclusive	Inclusive									
Gov't rates/tax (US\$ psm net pm)	12.2	Inclusive	1.6	3.8	2.8	Inclusive								
Total	126.8	119.8	111.5	110.1	80.8	76.5	56.1	56.1	54.4	48.7	44.9	42.0	31.2	15.5

Source: Savills Research & Consultancy

# Prime hotels (top 5)





Source: Savills Research & Consultancy

Source: Savills Research & Consultancy

TABLE 6														
	Sydney	Tokyo	Hong Kong	Singapore	Seoul	Osaka	Shenzhen	Taipei	Shanghai	Beijing	Guangzhou	Kuala Lumpur	нсмс	Hanoi
Room rate (US\$ per room per night)	708.9	625.7	515.3	444.2	438.8	436.7	352.7	336.5	308.8	308.7	179.4	174.4	155.0	123.8

Source: Savills Research & Consultancy

Assumptions:

1) 1 sq m = 10.7639 sq ft/0.3025 tsubo 2) As of 30 June 2014, RMB/US\$ = 6.15; HK\$/US\$ = 7.75; NT\$/US\$ = 29.9; JPY/US\$ = 101.4; KRW/US\$ = 1,012; S\$/US\$ = 1.25; MYR/US\$ = 3.21; VND/US\$ = 21,246; A\$/US\$ = 1.06

# Cost changes - prime offices, Jan-Jun 2014



# Prime office costs, 2H/2007-1H/2014

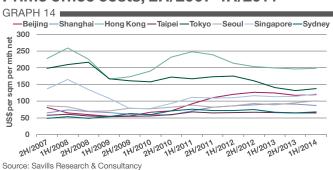
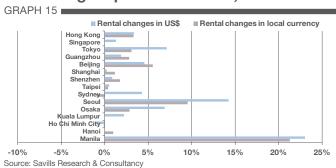


TABLE 7 In US dollars 0.6% 6.9% 6.5% 1.8% 7.0% -4.6% 6.9% 8.7% 5.3% 0.1% 2.1% 0.7% -3.9% 5.4% 4.7% 0.6% 3.0% 51% 27% 2.6% -3.8% 3.0% 9.7% 0.0% 0.0% 3.1% 1.6% -3.0% 3 2% 3.2% Source: Savills Research & Consultancy

# Cost changes - prime retail malls, Jan-Jun 2014



# Prime retail mall costs, 2H/2007-1H/2014

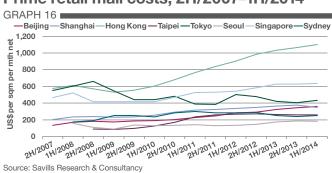
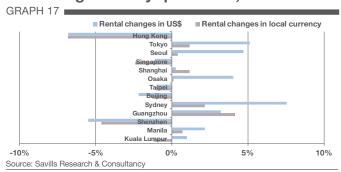


TABLE 8															
Rental changes from 1 Jan 2014	Hong Kong	Singapore	Tokyo"	Guangzhou	Beijing	Shanghai	Shenzhen	Taipei	Sydney	Seoul	Osaka	Kuala Lumpur	нсмс	Hanoi	Manila
In US dollars	3.4%	1.3%	7.1%	1.9%	4.6%	0.2%	0.8%	0.5%	4.3%	14.2%	6.9%	2.2%	-1.1%	0.0%	23.1%
In local currency	3.3%	0.0%	3.0%	2.8%	5.5%	1.2%	1.8%	0.4%	-0.9%	9.5%	3.0%	0.0%	-0.1%	1.0%	21.3%

'As prime retail mall rental figures are not available for Tokyo, average prime high street retail rents are used instead.

### Cost changes - luxury apartments, Jan-Jun 2014



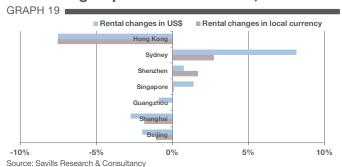
# Luxury apartment costs, 2H/2007-1H/2014



TABLE 9 1.0% In US dollars -6.8% 51% 4 7% -1.1% 0.2% 4 0% -1.0% -2 2% 7.6% 3 2% -5.5% 2 2% 1.2% 0.4% -2.4% 1.2% 0.1% -1.1% -1.3% 2.2% -4.6% 0.7%

Source: Savills Research & Consultancy
\* Seoul's rent = (Security deposit × Interest rate) / 12 + Monthly payment

# Cost changes-prime villa/townhses, Jan-Jun 2014



# Real GDP growth forecasts, 2014-2015

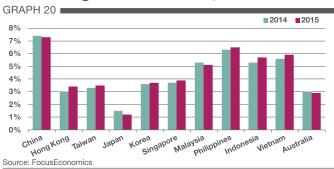
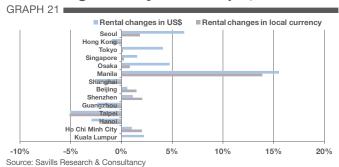


TABLE 10							
Rental changes from 1 Jan 2014	Hong Kong	Sydney	Shenzhen	Singapore	Guangzhou	Shanghai	Beijing
In US dollars	-7.5%	8.1%	0.8%	1.4%	-0.9%	-2.8%	-2.0%
In local currency	-7.6%	2.7%	1.7%	0.1%	0.0%	-1.9%	-1.1%

Source: Savills Research & Consultancy

# Cost changes - luxury serviced apts, Jan-Jun 2014



# Inflation forecasts, 2014–2015

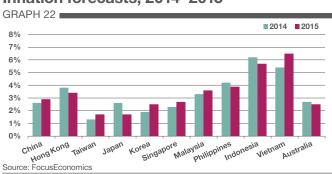
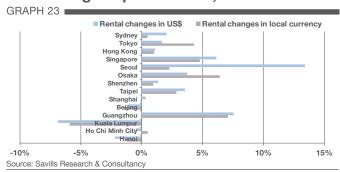


TABLE 11														
Rental changes from 1 Jan 2014		Hong Kong	Tokyo	Singapore	Osaka	Manila	Shanghai	Beijing	Shenzhen	Guangzhou	Taipei	Hanoi	нсмс	Kuala Lumpur
In US dollars	6.2%	-0.9%	4.1%	1.6%	4.8%	15.5%	-2.6%	0.6%	1.1%	-2.4%	-5.0%	-2.9%	1.0%	2.2%
In local currency	1.8%	-1.0%	0.1%	0.2%	0.8%	13.9%	-1.7%	1.5%	2.0%	-1.5%	-5.1%	-2.0%	2.0%	0.0%

Source: Savills Research & Consultancy

# Cost changes - prime hotels, Jan-Jun 2014 YoY



# **Current account forecasts, 2014–2015**

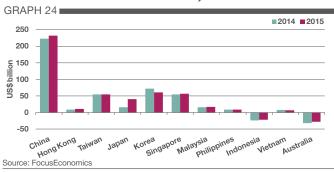


TABLE 12														
Rental changes from 1 Jul 2013	Sydney	Tokyo	Hong Kong	Singapore	Seoul	Osaka	Shenzhen	Taipei	Shanghai	Beijing	Guangzhou	Kuala Lumpur	нсмс	Hanoi
In US dollars	2.1%	1.7%	1.1%	6.1%	13.4%	3.7%	1.4%	3.5%	0.3%	-1.1%	7.5%	-6.9%	-0.5%	-2.2%
In local currency	0.5%	4.3%	1.0%	4.8%	2.3%	6.4%	0.9%	2.8%	-0.1%	-1.5%	7.1%	-5.9%	0.5%	-1.2%

Source: Savills Research & Consultancy

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# in Austria, Greece, Norway, Portugal, Russia, Turkey and South Africa.

Savills, the international real estate advisor established in the UK since 1855 with a network of over 600 offices and associates globally.

This report has been prepared to provide a benchmark of occupancy costs of selective prime properties in various cities in Asia, inclusive of rents, management fees and government taxes/rates. Except for the hotel sector, all the costs are quoted on a net floor area basis per month, which is defined as the floor area exclusively allocated to a unit, excluding common areas. As only a small basket of 5 to 10 prime buildings are monitored in each sector, the rental data and occupancy costs reported in this publication might be higher than the average market figures being reported elsewhere. Given varying local market practices, necessary assumptions and judgments are made by our real estate professionals in local offices to achieve comparable results among the different cities.

