Asia Pacific – Q1 2024

REPORT

Savills Research

Investment Quarterly

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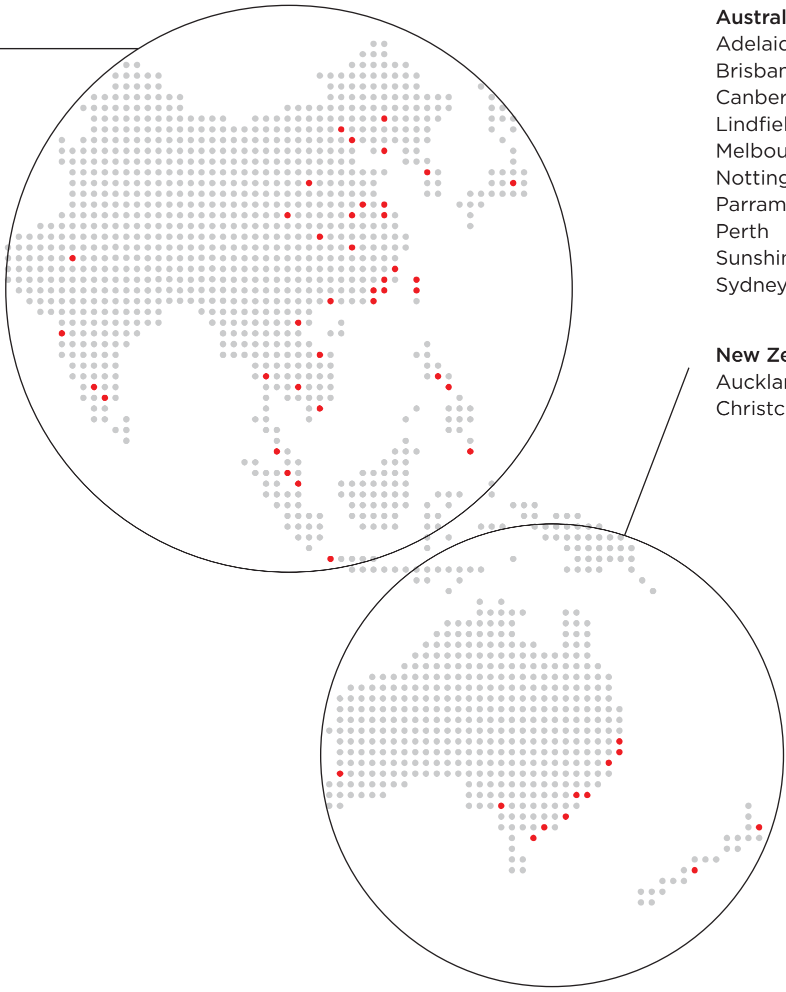

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These include consultancy services, facilities management, space planning, corporate real estate services, property management, leasing, valuation and sales in all key segments of commercial, residential, industrial, retail, investment and hotel property.

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Content

Asia Pacific

The Asia Pacific commercial real estate markets remained soft in the first quarter of 2024. Preliminary estimates show that regional investment volumes (deals worth over US$10 million, excluding development sites and pending transactions) contracted by 18.6% to US$27.7 billion in the first quarter. Despite the expectation of interest rate cuts in most Asia Pacific markets after the middle of the year (with the exception of Japan and China), interest rates are unlikely to return to 2019 levels in the short term. The higher cost of borrowing, wide bid-ask spreads, and persistent global headwinds remain the major factors hindering investment sentiment.

Japan ended its era of negative interest rate policy in mid-March. The rise in interest rates didn't affect its position as the most buoyant market in terms of investment volume in Q1/2024, despite experiencing a YoY decline. Lower interest rates and a weak Japanese yen remained the key reasons attracting global capital. Elsewhere, investment volumes in South Korea also registered YoY growth, mainly led by domestic capital. The robust performance of office investment markets and a rebound in hotel investments offset the contraction in other asset classes. Investment activity in other mature markets remained weak in Q1/2024, including Australia, Singapore, and Hong Kong, mainly due to the high cost of finance and a wide bid-ask gap.

In China, the property market crisis, softening consumption, weak business sentiment, and local government debt levels continued to hinder investment activity in Q1/2024. The Chinese government is currently implementing stimulus measures to bolster the property market, including rate cuts in late February and expanding access to loans for domestic developers. Despite the presence of fiscal support and price adjustments, investors have remained cautious, resulting in a significant decline in Chinese investment volume during the first quarter.

In contrast, despite a slowdown in investment activity compared to the last quarter, investors have maintained a bullish outlook on the Indian real estate market. While many are likely to defer commitments until after the elections, there is a persistent interest in commercial office and industrial and logistics assets, driven by the positive economic outlook.

Several emerging markets also experienced significant growth in terms of investment volume in Q1/2024, particularly Taiwan, Malaysia, and Indonesia. In Taiwan, growth was mainly driven by the office sector, fueled by increasing demand for prime offices, particularly from family office investors. Meanwhile, volumes in Malaysia and Indonesia were swelled by several data center portfolio transactions.

The industrial sector demonstrated a strong performance compared to other asset types in Q1/2024, primarily propelled by logistics warehouses, cold storage, and data center transactions. Notably, investments in data centers reported impressive growth, surpassing US$1.5 billion with a triple YoY increase. In contrast, investments in traditional commercial asset types, including office, retail, and residential, experienced a YoY decline during Q1/2024. Many investors are adopting a cautious approach and awaiting a clear interest rate outlook in the middle of this year before making any investment commitments.

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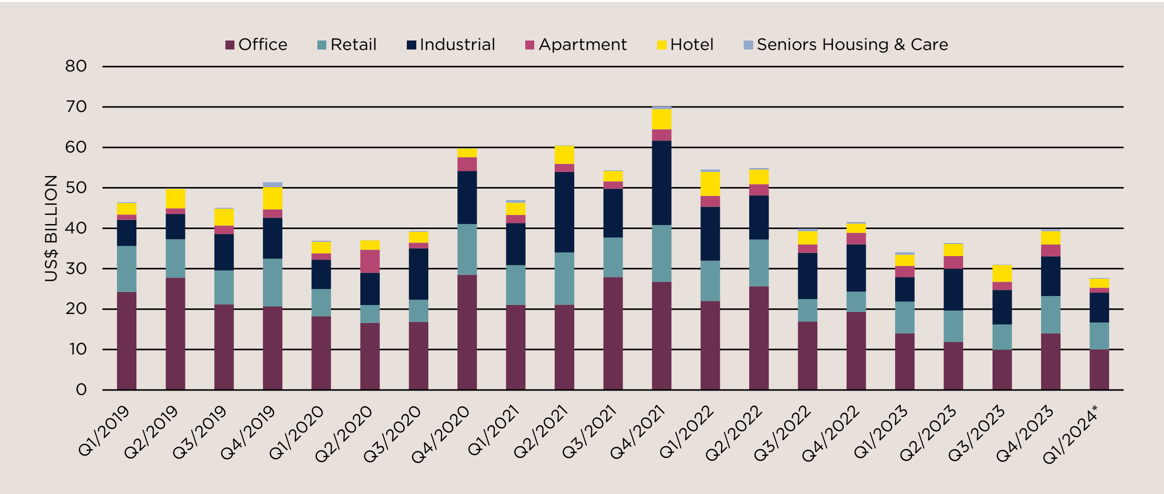
Asia Pacific Investment Volume by Sector, Q1/2019 to Q1/2024



Source MSCI Real Capital Analytics, as of 17 April 2024
Note Office, retail, industrial, apartment, hotel, and senior housing & care transactions included. Entity level deals included. Development sites excluded. Based on independent reports of properties and portfolios US$10 million and greater. Data believed to be accurate but not guaranteed. *Preliminary for Q1/2024.

Notable Transactions in Asia Pacific, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Logisteed JP Industrial Warehouse Portfolio	Various locations, Japan	JPY104.4 bil/ US$694.3 mil	HK Logistics GK	Logistics
Part of Shibuya Sakura Stage	Tokyo, Japan	Over JPY100.0 bil/ Over US$662.0 mil	SPC invested in by a domestic institutional investment fund and Tokyu Land	Office and retail
Arc Place	Seoul, GBD, South Korea	KRW791.7 bil/ US$588.2 mil	KORAMCO REITs & TRUST	Office
Part of land of former Shinagawa Goose	Tokyo, Japan	Undisclosed (Gain of approx JPY85.0 bil/US$563.0 mil)	Toyota Motor	Office
D·Park (1-3FL)	Tsuen Wan, Hong Kong	HK$4.0 bil/ US$513.6 mil	Chinachem Group	Retail

Source Public announcement, MSCI Real Capital Analytics, Savills Research & Consultancy

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Real GDP rose 0.2% QoQ over Q4 2023, to be 1.5% higher YoY, meeting market expectations. Population growth remains a key driver of economic growth, with GDP per capita declining by 0.3% QoQ in Q4 to be 1.0% lower YoY. Household consumption rose by just 0.1% in Q4, making no contribution to quarterly growth, driven by essential goods and services but offset by reduced spending on discretionary items. Positive contributions came from private business investment (non-residential construction) and government spending. The economy is expected to slow in 1H/2024, before a slight pickup later this year. FocusEconomics predicts 1.8% GDP growth for 2024, accelerating to 2.3% in 2025.

CPI rose by 0.6% over the December quarter due to higher prices for tobacco, new dwelling purchases, domestic holiday travel, and medical services. Annual inflation dropped to 4.1% in December 2023, down from 5.4% in the previous quarter, marking the fourth consecutive quarter of decline from the peak in December 2022 at 7.8%. Early 2024 indicators suggest easing inflation pressures, with headline CPI at 3.4% YoY in the ABS experimental monthly CPI indicator in February, though services price inflation remains high.

The RBA now meets eight times a year instead of 11. In March, they kept the cash rate at 4.35%. Financial market participants expect that major central banks will begin to ease monetary policy later this year, with one 25bps RBA rate cut fully priced in by November.

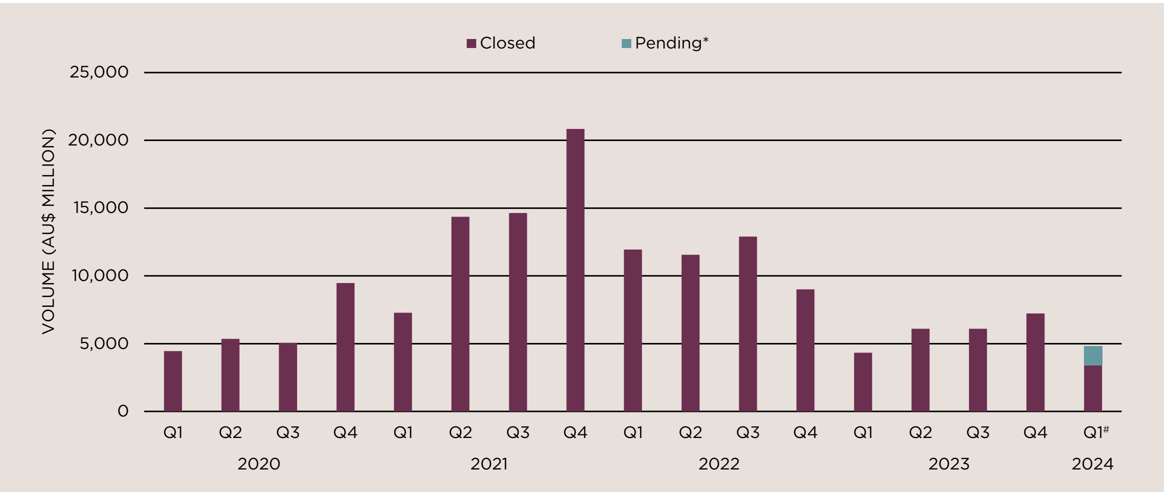
Australia saw a larger Q1 activity decline than the global average, mainly due to slower capital value adjustments to high interest rates. This has resulted in a persistent gap between buyer and seller expectations, dampening investment activity. Despite the drop, Q1 volumes exceeded the 10-year average.

Stability in interest rates and further adjustments in pricing are anticipated to narrow the gap between buyer and seller expectations and stimulate a recovery in activity. The rebound will be gradual, with slow activity in 1H/2024 but a stronger recovery later, aided by anticipated rate cuts in late 2024.

While overall investment declined, notable Q1 transactions and early Q2 deals suggest improved liquidity for certain buyers and sectors. Opportunistic capital, syndicators, select institutions, and offshore entities have remained active. The inclination of global capital to increase exposure to the Australian market is poised to be a significant driver in reinvigorating investment activity throughout 2024.

Q1 estimates show a 53% drop in investment volumes across office, industrial and retail sectors (AU$10m+), totalling around AU$3.4 billion, compared to AU$7.2 billion in Q4 2023 (excluding pending transactions). Office volumes are at c.AU$800 million, down 68% from c.AU$2.6 billion in Q4. Industrial volumes are at c.AU$926 million, a 63% decrease from c.AU$2.5 billion in Q4. Retail deal volumes sit at c.AU$1.7 billion, down 21% from c.AU$2.1 billion in the previous quarter.

Commercial Property Transactions (AU$10 million+) by Status, Q1/2020 to Q1/2024 (YTD)



Source MSCI Real Capital Analytics, Savills Research
* Estimated transaction volumes (AU$10 million+) in due diligence or pending
\# Preliminary for Q1/2024

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Cairns Central Shopping Centre	Cairns, QLD	AU$390.0 mil/ US$258.2 mil	Fawkner Property	Retail
Roxburgh Village	Roxburgh, VIC	AU$123.6 mil/ US$81.8 mil	The JY Group	Retail
Stockland Nowra	Nowra, NSW	AU$130.1 mil/ US$86.1 mil	Fawkner Property	Retail
124 Walker Street	North Sydney, NSW	AU$95.5 mil/ US$63.2 mil	Ho Group	Office
Taylors House	Waterloo, NSW	AU$87.0 mil/ US$57.5 mil	Cambridge RE Partners	Office

Source MSCI Real Capital Analytics, Savills Research

China

The Chinese economy grew by a robust 5.2% in 2023 despite the protracted property crisis, weak consumer confidence and soft business sentiment, as well as mounting local government debts. The government however has set a bold target of around 5% growth in 2024 and is committed to achieving it, which will likely mean a ramping up of support for the broader economy through fiscal and monetary means. In February the 5-year LPR was cut by 25 basis points to 3.95%, the first cut in six months and the largest since the LPR was introduced in 2019.

The real estate sector faced continued pressure in the first two months of 2024, evidenced by a 60% decline in revenue for the top 100 real estate enterprises compared to the previous year. Reports indicate that banks remain cautious about lending to property companies amid a bearish market and constrained credit availability.

Nevertheless, recent policies look to bolster financial support for real estate enterprises, with improved access to property loans. A joint initiative by the Ministry of Housing and Urban-Rural Development of the People's Republic of China (MOHURD) and the National Financial Regulatory Administration (NFRA) introduced a coordination mechanism for urban real estate financing. As of 28 February, approximately 6,000 projects in 276 cities nationwide have implemented urban financing coordination mechanisms, with over RMB200 billion approved by commercial banks.

En-bloc transactions exceeding RMB100 million across China reached a provisional total of RMB307 billion in the 12 months leading up to 15 March 2024, in line with historical levels. The office sector, which remains the most active asset class, saw its share of transactions fall 20 ppts YoY to 28% during the same period. Despite price adjustments, investors remain cautious given the economic uncertainties and subdued demand.

Retail, multifamily, and hotel investments however experienced robust growth, with YoY increases of 113%, 83%, and 80%, respectively, in the 12 months leading up to 15 March 2024, with these sectors benefiting from a recovery in travel and consumer spending post-COVID. While quality assets in the multifamily and hotel sectors remain relatively limited, investment-grade retail assets are easier to find in many different cities and are drawing increased attention given their recent addition to the REIT sector.

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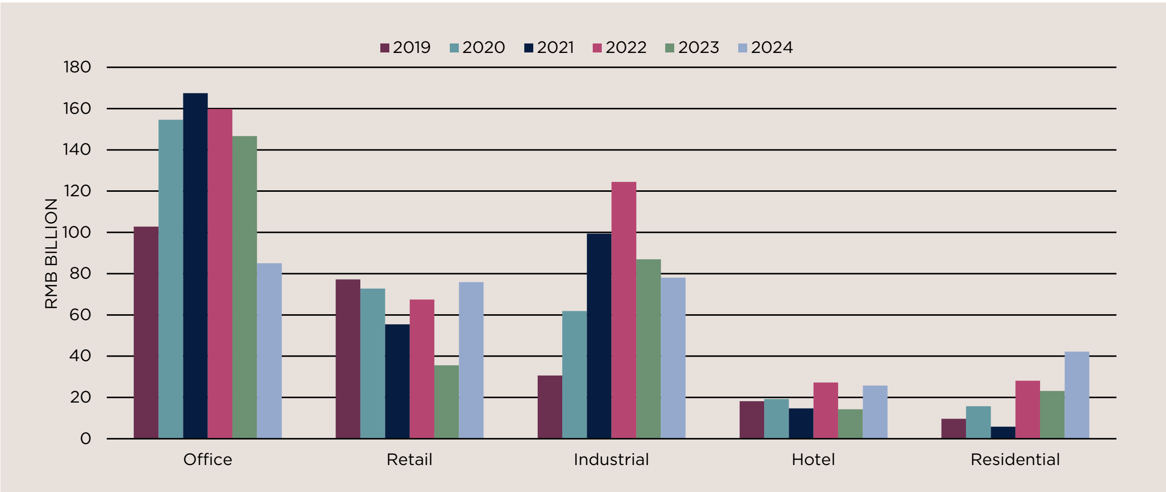
China Enbloc Transaction Volumes (income producing), Q1/2019 to Q1/2024



Source MSCI Real Capital Analytics

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Capital Square (95% share)	Beijing	RMB2.4 bil/ US$333.4 mil	AIA	Office
Vanke Mall Qibao (50% share)	Shanghai	RMB2.4 bil/ US$331.2 mil	Link REIT	Retail
GAW Capital Logistic Portfolio	Jiangmen, Xian	RMB2.3 bil/ US$319.5 mil	Ping An Overseas	Logistics
Ascott Hengshan	Shanghai	RMB1.3 bil/ US$180.6 mil	TBC	Serviced Apartment
Hong Shou Fang	Shanghai	RMB1.2 bil/ US$167.5 mil	Dajia Insurance	Mixed-use

Source Savills Research

Hong Kong

The commercial real estate investment market continued to drift in Q1/2024, with only HK$8.4 billion worth of properties transacted over the quarter, a marked decline of 59% when compared to Q4/2023, which saw a similar 57% YoY decrease. The most significant deal over the first three months of the year was the sale of D. Park, a 630,000-sq ft shopping centre with 1,000 car parking spaces in Tsuen Wan, for HK$4.02 billion by New World to Chinachem, with a reported 6% yield the key driver of the deal. Other investment deals saw similar yields on offer, some coming with deep discounts.

The prolonged period (2009-2021) of low interest rates means that many property investors are fully invested, and many were hard hit by the sharp rise in cost of funds from 2022 to 2023 and now need to unwind their positions. The commercial market is now in a period of consolidation which began in Q3/2019 with demand dwindling and interest rates rising. Even border reopening has proved to be of little help in reviving market sentiment.

With private investors and investment funds keen to acquire commercial assets over the past few years, both are now firmly in divesting mode, leaving end users and SOEs as the two remaining active buyer groups in the commercial market in late 2023 / early 2024.

Looking ahead, structural shifts in the local property markets are shaping 'New Norms' for the commercial real estate sector, including but not limited to oversupply in most commercial / industrial markets to further disrupt the supply / demand balance, higher interest rates for longer, and weak consumption among both locals and tourists to further dampen business sentiment and mute Hong Kong's traditionally energetic retail ambience. The 2024 investment market may therefore face another bumpy ride.

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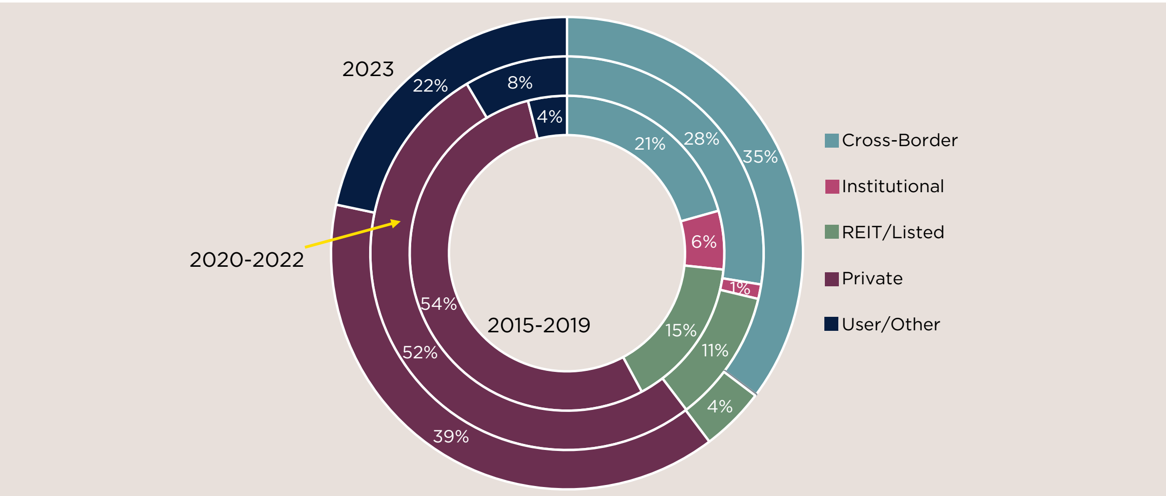
Commercial Investment by Type of Investor, 2015-2019, 2022-2022 and 2023



Source MSCI Real Capital Analytics

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
D·Park Mall with car parks	Tsuen Wan	HK$4.0 bil/ US$516.7 mil	Chinachem	Retail
25, 26A & B Lugard Road	The Peak	HK$838.0 mil/ US$107.7 mil	A mainland buyer	Residential
K88 Retail Podium, Wealth Garden	Kwai Fong	HK$310.0 mil/ US$39.8 mil	CR Longdation	Retail
88WL	Sheung Wan	HK$700.0 mil/ US$90.0 mil	A local investor	Office
18 units, Pine Hill Villa	Jardine's Lookout	HK$1.2 bil/ US$150.7 mil	A local investor	Residential

Source MSCI Real Capital Analytics, Savills Research & Consultancy

India

India continued to demonstrate remarkable resilience to global headwinds in Q1/2024, aided by supportive domestic demand conditions. Further, decisive measures undertaken by the Reserve Bank of India (RBI), effectively steered the economy through the turbulence. Notably, India's economy remained strong in Q4/2023, with real GDP registering 8.4% YoY growth, surpassing all expectations.

The upward trajectory of the economy has been reflected by macroeconomic indicators. Retail inflation moderated to 5.1% in February 2024, comfortably within the acceptable range of 2% to 6%. Concurrently, the Manufacturing Purchasing Managers' Index (PMI) ascended to a five-month peak of 56.9 during the same period, underscoring the momentum of consumption-led growth. Moreover, forex reserves surged to an historic high of US$642.6 billion (INR53 trillion) as of 22 March 2024, indicative of robust economic fundamentals. Projections indicate that this growth momentum will persist in forthcoming years and India will likely retain the tag of the fastest growing economy for the current fiscal year and beyond. Oxford Economics has raised India's growth forecast to 6.6% for FY 2024-2025.

With a focus on economic growth and all-inclusive welfare, the Interim Budget 2024-2025 (announced on 1st February 2024) stayed with the theme of providing modern infrastructure and growth opportunities. The budget unwrapped the government's multi-pronged approach to drive economic growth with focus on building next-generation infrastructure, developing new energy avenues as well as key structural reforms for sustained growth. The special emphasis on research and innovation in sunrise sectors, green energy, start-ups, and support for EV infrastructure through viability gap funding along with long-term interest free loans highlighted government's focus areas to drive growth in the coming years.

Drawing confidence from government efforts to build a favorable environment, investment sentiment appears to be positive. During Q1/2024, private equity investment inflows into the Indian real estate sector amounted to US$554 million (INR46 billion), registering a 12x increase in investment quantum compared to a year ago. However, on a sequential basis, private equity investments registered a decline of 69%. This could be explained as investors being on 'wait and watch' mode as they likely deferred investment decisions ahead of the elections.

Investors looked at diversification strategies to include the industrial & logistics segment in their portfolio. For the first time, this segment received the maximum share of investment during Q1/2024. Standing at US$260 million (INR21 billion), the sector garnered a share of 47% of the overall pie. All the investment came from Asian institutional investors and was spread across core and under-construction assets in Pune, Chennai and the NCR. The commercial office segment which was maintaining the pivotal position until now stood second and garnered a 35% share. All the quarterly investment in this segment came from domestic investors and was concentrated in core office assets in Bengaluru. This trend could be partly attributed to limited availability of investible grade office assets and concurrent strengthening of manufacturing sector along with growing demand from e-commerce players that is leading to consistent investments in the industrial & logistics segment.

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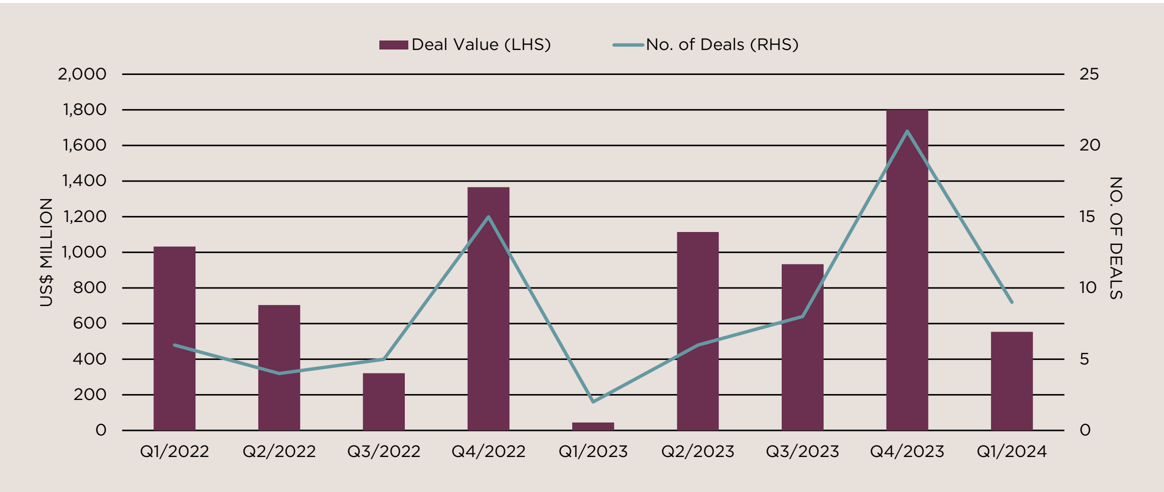
Private Equity Real Estate Investment, Q1/2022 to Q1/2024



Source Savills Research & Consulting

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
1.21 msft IT Park in Bengaluru	Bengaluru	INR14.8 bil/ US$177.6 mil	Edelweiss Alternatives	Office
LOGOS Chakan Logistics Estate	Pune	INR11.0 bil/ US$132.4 mil	Ivanhoé Cambridge and LOGOS	Industrial & Warehousing
A 100 acres of land in Chakan-Talegaon	Pune	INR7.0 bil/ US$84.3 mil	Everstone	Industrial & Warehousing

Source Savills Research & Consulting

Indonesia

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Indonesia's economy in Q1/2024 is expected to grow by 5% with stable interest rates at 6%. Increasing consumption during Ramadhan and Eid al-Fitr should both help boost economic growth in the first quarter The government has officially extended home DTP VAT to increase purchasing power, especially in the landed house sector.

The landed housing market posted a positive trend in Q1/2024 as demand for new homes continues to increase. There is demand for affordable housing projects with good accessibility to train stations, toll roads, and public transportation. Housing projects with unit prices below IDR600 million are still predominantly sought after by potential buyers.

The apartment market remains under pressure with limited demand absorption as well as stagnant price levels. There are no newly launched projects as developers are concentrating on disposing of existing units. Demand is mostly being generated by end-users, whilst most investors continue to adopt a wait and see attitude to buying apartment units.

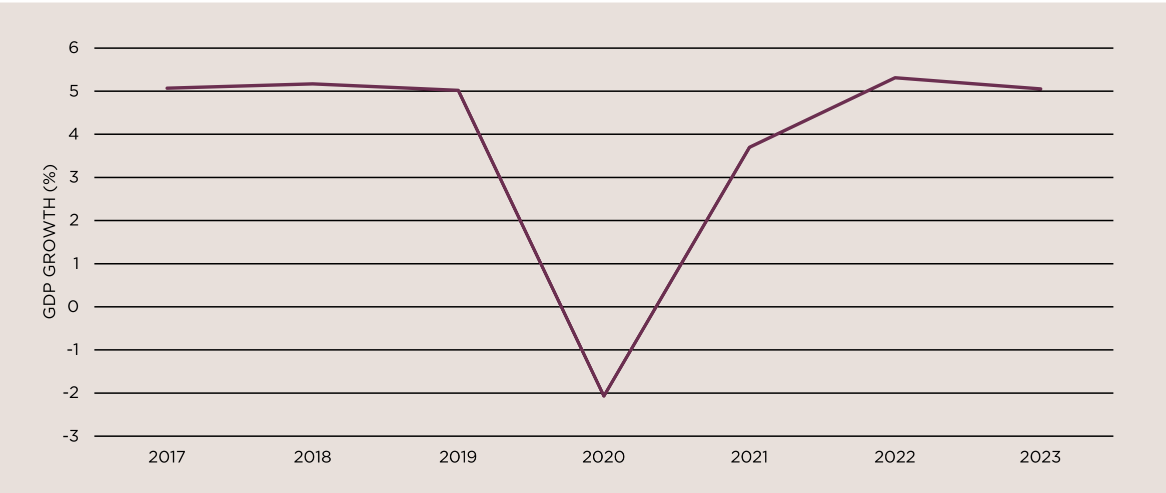
A new office building completion has caused the occupancy rate in the Jakarta CBD office market to decline during Q1/2024. However, enquiries and leasing activity increased during the first quarter driven by the technology, energy, and financial sectors. Flight to better quality office premises and cost savings are still the trend.

Occupancy rates in the hotel market declined at the beginning of the year, due to MICE activity by both the government and private sector held back due to the elections. The average occupancy rate ranged from 50% to 60% during Q1/2024.

The retail market is enjoying a strong increment in net take-up which has resulted in a healthier occupancy rate of above 88%. Foot traffic in popular retail centers increased during the month of Ramadhan, boosting spending by visitors. However, this trend has not brought rental increments, as average rents remained at the same level as the previous quarter. Several malls due for completion during the first quarter have suggested that their operations may be delayed until mid-year.

The performance of the modern warehouse sector looks positive still even at modest levels. Prices are estimated to slightly increase by 1% to 2% during Q1/2024. Investors continue to be active in developing previously purchased land. Demand is mostly being generated by the automotive sector and electric vehicle vendors, followed by the manufacturing, FMCG, and pharmaceutical sectors.

Gross Domestic Product Growth, 2017 to 2023



Source Indonesian Central Bureau of Statistics

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
An office building	East Jakarta	IDR100.0 bil/ US$6.4 mil	Citra Swarna Group	Office
Office strata title, 1 floor (2,200 sq m)	South Jakarta	IDR48.4 bil/ US$3.1 mil	Semen Indonesia Group	Office
A 35.7-ha of land	Banten	IDR991.0 bil/ US$63.3 mil	PT Pantai Indah Kapuk Dua Tbk	Residential and commercial
An hotel (50% share)	Labuan Bajo	IDR112.3 bil/ US$7.2 mil	PT Bukit Uluwatu Villa Tbk (BUVA)	Hotel

Source Savills Indonesia Research & Consultancy

Japan

According to the Ministry of Finance, corporate profits across all industries in Q4/2023 saw a considerable increase of 13.0% year-on-year (YoY). While exports and production are projected to be flattish for the time being due to the slowdown in overseas economies, corporate profits are expected to keep improving due to factors such as the pass-through of rising raw material costs to selling prices. Despite rising prices, private consumption had increased moderately due to government measures and should continue doing so with noticeable wage growth from the spring Shunto negotiations.

The February 2024 CPI excluding fresh food was up 2.8%, and has generally continued to ease over the year. Meanwhile, with greater confidence in achieving a stable 2% inflation target, the Bank of Japan (BoJ) decided to end its negative interest rate and yield curve control policies. While further interest rate increments are likely, they are widely expected to be moderate, and already appear to have been accounted for in underwriting acquisitions to a certain extent. As such, real estate investment volumes are likely to be stable and see gradual growth thereafter, with more clarity on the interest rate environment.

TOPIX has increased significantly by 17.0% quarter-on-quarter (QoQ) in Q1/2024, having grown on the back of heightened interest from overseas investors due to robust corporate performance and improved corporate governance, as well as the start of new tax-free programs for retail investors (NISA). Meanwhile, the TSE J-REIT index had kept decreasing until the BoJ March meeting but subsequently rapidly recovered, overall to a slight dip of 0.7% over the same period. With greater clarity on the interest rate environment, further improvements are expected.

Despite the increase in vacancy rates, the logistics sector continues to attract investor interest. Residential demand has softened slightly, although rental growth goes from strength to strength with the positive demographic trends. While offices have received mixed reception, overall momentum is on the rise, and we anticipate some rental growth in 2024. Hotels, particularly those at the higher end, have thrived due to robust demand, attracting interest from both investors and operators. Prime high street retail has experienced a surge in activity driven by strong inbound tourist demand. Overall, investor sentiment in Japan is showing further signs of improvement, coupled with greater clarity on the interest rate environment, leading to expectations of increased transaction volumes.

In Q1/2024, the Grade A office market continued to see slight improvements, with rents increasing by 0.2% QoQ to JPY32,656 per tsubo, and vacancy tightening 0.2 percentage points QoQ to 3.0%. A quiet year in 2024 is anticipated due to the limited upcoming supply, which should provide breathing room for further absorption. Overall, the market should continue to experience positive momentum in 2024, especially with prime offices, particularly modern ones with strong ESG certifications, set to perform well, and some rental increments are anticipated among such properties.

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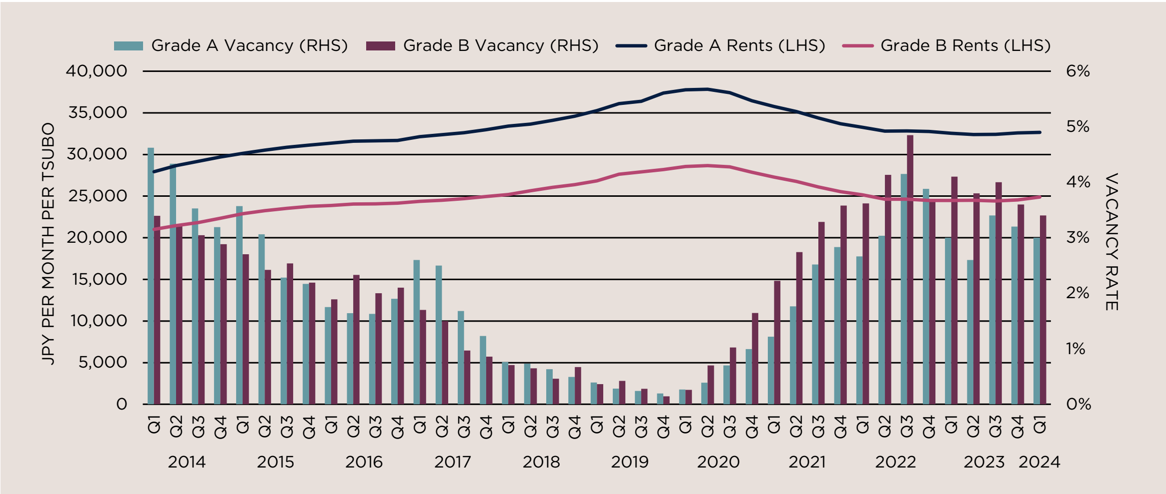
Office Rents and Vacancy in Tokyo's Central Five Wards, 2014 to Q1/2024



Source Savills Research & Consultancy

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Part of Shibuya Sakura Stage	Tokyo	Over JPY100.0 bil/ Over US$662.0 mil	SPC invested in by a domestic institutional investment fund and Tokyu Land	Office and retail
Part of land of former Shinagawa Goose	Tokyo	Undisclosed (Gain of approx JPY85.0 bil/US$563.0 mil)	Toyota Motor	Office
Bridgestone Mikawadai Dai-Ichi and Dai-Ni Shataku	Tokyo	Undisclosed (Gain of approx JPY63.4 bil/US$420.0 mil)	Undisclosed	Residential
Mitsubishi Heavy Industries Plant Site (part of land)	Tokyo	Undisclosed (Gain of approx JPY50.0 bil/US$331.0 mil)	Undisclosed	Industrial
Toyosu Bayside Cross Tower (26.7% interest, office and retail portion)	Tokyo	JPY43.8 bil/ US$290.0 mil	Nippon Building Fund	Office and retail

Source Nikkei RE, MSCI Real Capital Analytics, J-REIT disclosures, Savills Research & Consultancy

Macau

On April 12th, the Macau government announced the comprehensive rescindment of all cooling measures implemented in the property market. This includes the abolition of three additional stamp duty levies: the 10% extra stamp duty applicable to property buyers owning two or more residential properties, the 10% to 20% extra stamp duty on resale transactions within two years, and the 10% extra stamp duty imposed on all non-resident buyers. Furthermore, the interest rate stress test requirement has been suspended, and the maximum loan-to-value (LTV) ratio for non-resident buyers has been raised from 50% to 70% for residential property transactions.

These policy changes are widely regarded as a positive response to the prolonged market downturn, aimed at stimulating the industry. It is anticipated that these measures will effectively release pent-up purchasing power by relieving prospective buyers from the burden of interest rate stress tests and additional stamp duties. Moreover, the removal of the extra stamp duty for non-resident buyers and the increase in the maximum mortgage ratio are expected to attract foreign capital inflows, thereby contributing to market revitalization.

The deadline for an application for economic housing units in the 2023 period concluded on 27th March of 2024. Reports indicate approximately 6,500 applications were submitted, while the total number of units available for this application cycle was 5,415. Retrospectively, during the previous submission period in 2021, around 5,200 economic units were open for applications, garnering over 11,000 applications.

The substantial decline in the number of applications is believed to stem from several factors. Primarily, the revision of economic housing regulations, wherein all economic units can only be resold back to the government at the original purchase price, the removal of capital appreciation potential has led to a steady decrease in applications since its implementation in 2020. Another contributing factor is the narrowing price gap between economic housing and private housing. According to government reports, the average unit price of economic housing units in salable area is approximately MOP2,430. In contrast, the average unit price of residential transactions in the private market stands at only about MOP3,955 in saleable area following a series of recent decreases. Consequently, more prospective buyers perceive less advantage in choosing economic units, particularly considering the resale restrictions, prompting a shift of purchasing power towards the private market.

In response, the government has decided to halt the development of economic housing this year, despite initial plans to construct five additional economic housing buildings. The oversupply of public housing poses a significant concern for the private market, and this pause in new developments aims to strike a balance under the current market conditions.

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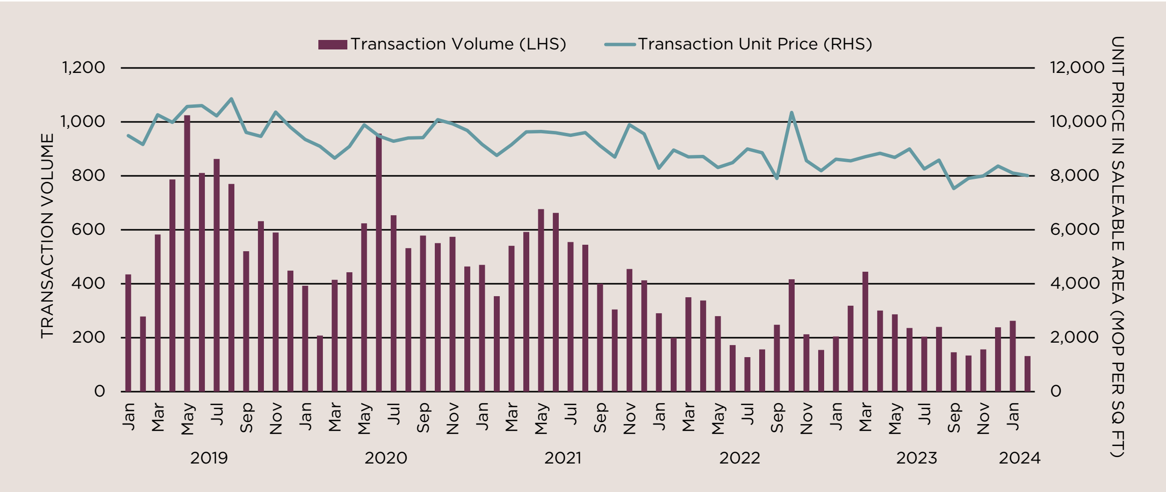
Residential Transaction Volumes and Average Transaction Prices, January 2019 to January 2024



Source DSEC

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
5 shops at La Cite	Rua Da Perola Oriental Nº 17 - 101	HK$172.8 mil/ US$22.2 mil	NA	Retail

Source Savills Macau

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The Malaysian economy grew by 3.0% in Q4/2023, taking full-year GDP growth to 3.7% in 2023. An improved labour market and a recovery in tourism in 2023 acted as the primary drivers for Bank Negara Malaysia's 2024 GDP forecast of an increase of 4% to 5% despite the challenging global environment.

In Q1/2024, major transactions surged by 128% YoY and 37% QoQ, reaching MYR5.01 billion. The single largest transaction was the MYR1.95 billion sale of the 40% minority interest (by CBRE Investment Management to KLCC Property Holdings) in the SPV that holds Suria KLCC, but transactional activity would have been up by 39% YoY even had this deal been excluded. This transaction has now made Suria KLCC a wholly owned subsidiary of KLCCP, resulting in a net yield of 6% to 7%.

Ecoworld Malaysia's subsidiary, Eco Botanic 3 Sdn Bhd, acquired 240 acres of freehold land in Iskandar Puteri Johor, near Eco Botanic and Eco Botanic 2 townships, from River Retreat Sdn Bhd (owned by Khazanah & IWH) for MYR450 million. The proposed Eco Botanic 3, is intended as a mixed residential and commercial township targeting first-time homebuyers and the M40 group.

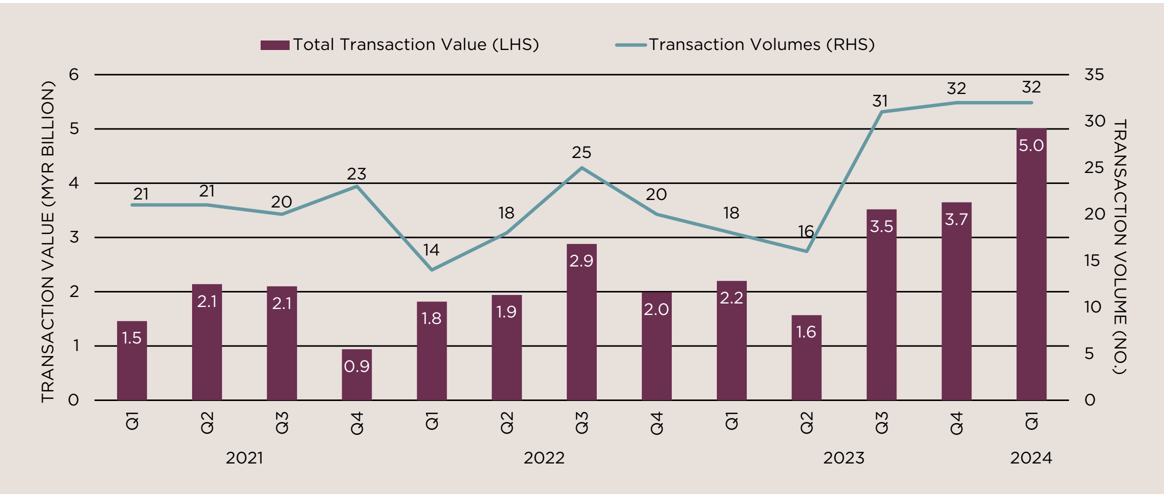
Scientex Berhad, through its subsidiaries Scientex Park (M) Sdn Bhd and Scientex Heights Sdn Bhd, made significant land acquisitions in Selangor and Johor for property development. Scientex Park secured 826 acres in Kuala Selangor from Metalplex Plantation Sdn Bhd for MYR336 million, planning a mixed development, while Scientex Heights acquired a 1,094-acre freehold site in Muar from Guan Hong Plantation Private Limited for MYR200 million. These acquisitions support Scientex Group's goal of building 50,000 affordable houses nationwide by 2028.

In KL, YNH Property disposed of the 7-storey shopping mall, 163 Retail Park, to RHB Trustees Bhd (trustee of Sunway REIT) for MYR215 million. The mall sits on 5.21 acres and was completed in 2018 and has a GFA of 819,629 sq ft and is currently 94% occupied by over 100 tenants. In Greater KL, Tropicana Kajang Hill Sdn Bhd, a subsidiary of Tropicana Berhad, secured a 7.79-acre site in Petaling, from Selangor State Development Corporation (PKNS) for MYR224 million, and proposes to develop four to five blocks of serviced apartments adjacent to Tropicana's mixed development, Tropicana Gardens, which is near completion.

Two more hotel deals were concluded in the reviewed quarter including the sale of the Courtyard by Marriott Penang – a hotel with 199 rooms – by Tropicana Group to IOI Properties Group Berhad for MYR165 million. YTL REIT acquired Syeun Hotel-13-storey-290 rooms-from Syeun Hotel Berhad for MYR55 million. Lastly, NPC Resources Bhd disposed of 13 parcels of palm oil agricultural land in Labuk & Sugut, Sabah to Tamaco Plantation Sdn Bhd for MYR165 million.

The positive market momentum in real estate transactional activity has been encouraging in the last 12 months in Malaysia. We expect this trend to continue to improve over the remainder of 2024.

Transaction Volumes and Value, Q1/2021 to Q1/2024



Source Savills Research

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
A 240 acres of land	Johor	MYR450.1 mil/ US$95.4 mil	Eco Botanic 3 Sdn Bhd	Residential and commercial
A 826 acres of land	Selangor	MYR335.7 mil/ US$71.1 mil	Scientex Park (M) Sdn Bhd	Mixed-use
A 7.79 acres of land	Selangor	MYR224.0 mil/ US$47.5 mil	Tropicana Kajang Hill Sdn Bhd	Residential
163 Retail Park	Kuala Lumpur	MYR215.0 mil/ US$45.6 mil	RHB Trustees Bhd (trustee of Sunway REIT)	Retail
Courtyard by Marriott Penang Hotel	Penang	MYR165.0 mil/ US$35.0 mil	IOI Properties Group Bhd	Hotel

Source Savils Research, Bursa Malaysia

Pakistan

Pakistan has seen recent macroeconomic improvements, with increased activity compared to FY23 and 1H/FY24. However, this is largely due to International Monetary Fund (IMF) conditions as part of a US$3 Billion Stand-By Arrangement, with further stringent conditionalities on the horizon.

Lahore's hotel market demand stems from business travel followed by tourism and sports. From a tourism perspective, Lahore is Pakistan's cultural hub with internationally recognized heritage buildings. Religious tourism is another key segment with the mosques and shrines attracting global tourists.

From a sporting perspective, domestic and international cricketing events are hosted at Pakistan's Gaddafi Stadium in Lahore. Champions Trophy is an international cricket event to be hosted by Pakistan in 2025, for which the Pakistan Cricket Board (PCB) has recently bought a multi-story building near Gaddafi stadium, to renovate and transform into a seven-star hotel.

From a business perspective, given increasing security issues in Karachi, many MNCs and large corporates have relocated their head offices to Lahore, with new companies setting up in Lahore.

Lahore hotel market currently has ~7,000 rooms, with three and four-star hotels having ~4,200 rooms. The Pearl Continental (PC) Lahore is the only five-star hotel in Lahore with 605 rooms, not enough to meet service demand during peak periods. Guest houses are the other alternative, which are generally more low-end and don't have the service quality, offerings and facilities that hotels do. International chains such as Hyatt Regency and Intercontinental are slated to add additional room supply in the coming years.

The Average Daily Rate (ADR) for Lahore's four and five-star hotels ranges from US$53 to US$83. PC Lahore charges US$73 per night, lower than Nishat Johar Town and Nishat Suites Gulberg. Nishat is a local conglomerate and though their developments are not considered five-star given they don't have the requisite offerings, their high price point is on account of being marketed as boutique hotels offering a unique and exclusive experience.

Barring Best Western Premier, occupancy rates range from 52% to 65%. PC Lahore occupancy ranges from 51% to 61%, however this is on account of their large supply of 605 rooms. Nishat Johar Town and Nishat Suites Gulberg, even with the highest ADRs, have occupancy ranging from 53% to 63% and 60% to 65% respectively, showing guests are willing to pay a premium.

A key addition to the hotel market is hotel-run serviced apartments, which are serviced and maintained by the hotel, who can also rent them out to tenants, giving the owner a financial return, net of all management costs. Indigo Heights, a four-star hotel, is the only hotel currently providing these, with 25 of their 127 rooms available as serviced apartments. With ~900 serviced apartments coming onto the market over the next five years, other hotels may also increase their supply based on the success of Indigo Heights.

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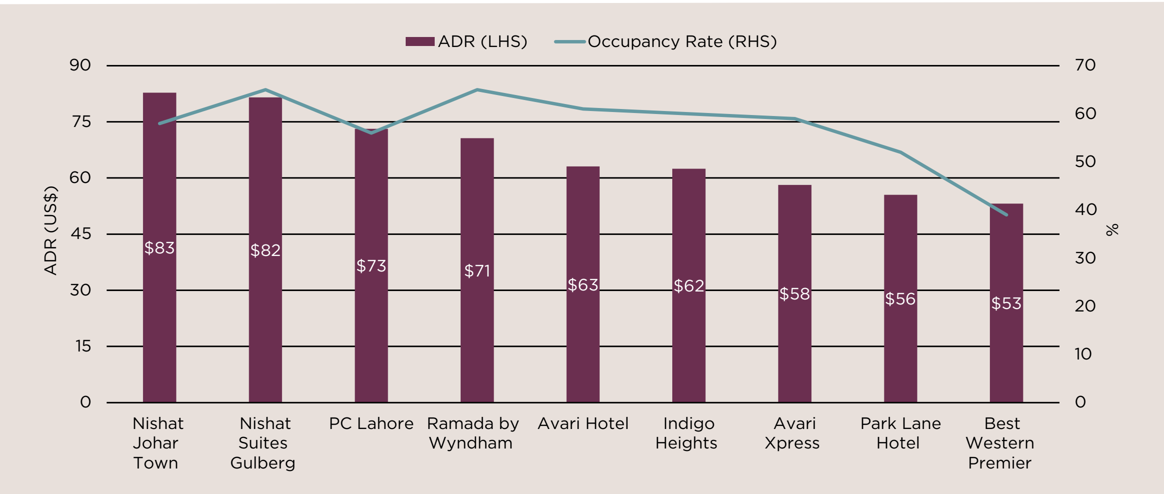
ADR and Occupancy Rates of Four and Five-star Hotels, Q1/2024



Source Savills Research

Major Sales and Leasing Transactions, Q1/2024

PROPERTY	LOCATION	CATEGORY	TOTAL AMOUNT	BUYER/TENANT	USAGE
Former US Consulate	Civil Lines, Karachi	Sales	PKR5.0 bil/ US$17.8 mil	Bank Alfalah	Office
12 Marla Commercial	Raiwind Road, Lahore	Leasing	PKR179.6 mil/ US$640,956.0	Habib Bank Limited	Retail
Ocean Tower	Clifton, Karachi	Leasing	PK179.5 mil/ US$640,464.0	Medtronics	Office
8 Marla Commercial	Ring Road, Lahore	Leasing	PKR87.8 mil/ US$313,377.0	Habib Bank Limited	Retail
Nice Trade Orbit	Shahrah-e-Faisal, Karachi	Leasing	PKR46.3 mil/ US$165,243.0	IBM	Office

Source Savills Research

Philippines

Philippine real GDP growth expanded by 5.6% in 2023 led by strong household expenditure and higher government spending. Estimates for the first quarter of 2024, show that the Philippine economy is expected to increase by 6.1% as infrastructure spending rises, with the help of ODA (Official Development Assistance) funding, and PPP (Public-Private Partnership) projects.

Meanwhile, inflation is at 3.3% in Q1/2024 and is projected to remain within the government's target of 2% to 4% throughout the year. The monetary board of the Banko Sentral ng Pilipinas (BSP), the Philippines' central bank, maintained the status quo on policy rates at 6.5% at their meeting last February. This is due to upside risks to the inflation forecasts linked mainly to higher transport charges, increased electricity rates, and higher oil and domestic food prices.

In Q1/2024, Metro Manila's prime office stock remained the same at 9.12 million sq m as construction timelines were delayed for all office buildings. For the next quarter, expected building completions have bloated to 573,000 sq m. The overall average rent has increased slightly to PHP858.5 per sq m per month.

All three major Central Business Districts (CBDs) in Metro Manila – Bonifacio Global City (BGC), Makati CBD, and Ortigas Center, have seen positive demand this quarter. BGC breached single-digit vacancies for the first time since Q2/2023 as it posted a vacancy rate of 9.8%. Meanwhile, Makati CBD and Ortigas Center also tallied lower vacancy rates of 13.9% and 25.4%, respectively. Transactions in the CBDs were mainly tenants from traditional office space (headquarters of local and multinational companies) and Information Technology and Business Process Management (IT-BPM) offices.

Among the other submarkets in Metro Manila, the Bay Area has seen the greatest improvement as vacancy rates fell by 4.0% to 28.6% QoQ. Transactions tallied to 56,100 sq m for Q1/2024 almost equal to the total transactions for the past two quarters. The submarket's location – as its name suggests – is close to Manila Bay, which gives it a competitive advantage for tenants in the logistics and shipping industry.

Advancing through the year, Metro Manila's office demand will be anchored by the growth of the IT-BPM sector. However, bright spots in multiple submarkets may be seen with the expansion of sunrise industries such as third-party logistics. Upward pressure on vacancy rates and rents is anticipated as new office buildings are slated to open in 2024.

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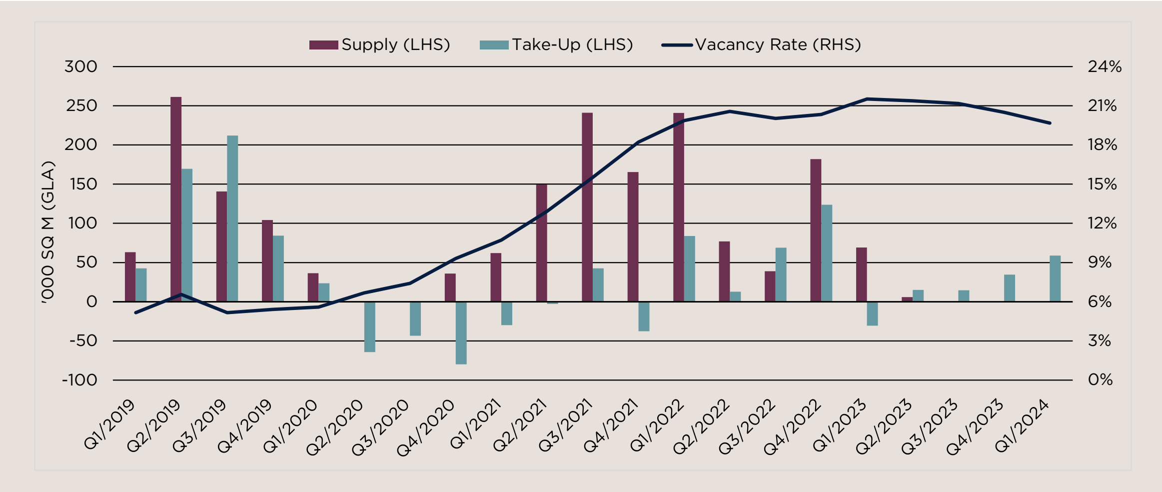
Metro Manila Office Supply, Take-up and Vacancy Rate, Q1/2019 to Q1/2024



Source KMC Savills Research

Major Leasing Transactions, Q1/2024

PROPERTY	LOCATION	TOTAL LEASING AMOUNT	TENANT	USAGE
A 1,440 sq m of office space in PBCOM Tower	Makati City	PHP100.3 mil/ US$1.8 mil	POGO company	Office
A 14,498 sq m of office space in iMet 2	Bay Area	N/A	HQ	Office
A 752 sq m of office space in One Trium Tower	Alabang CBD	PHP24.9 mil/ US$444,736.5 mil	HQ	Office

Source KMC Savills, Inc

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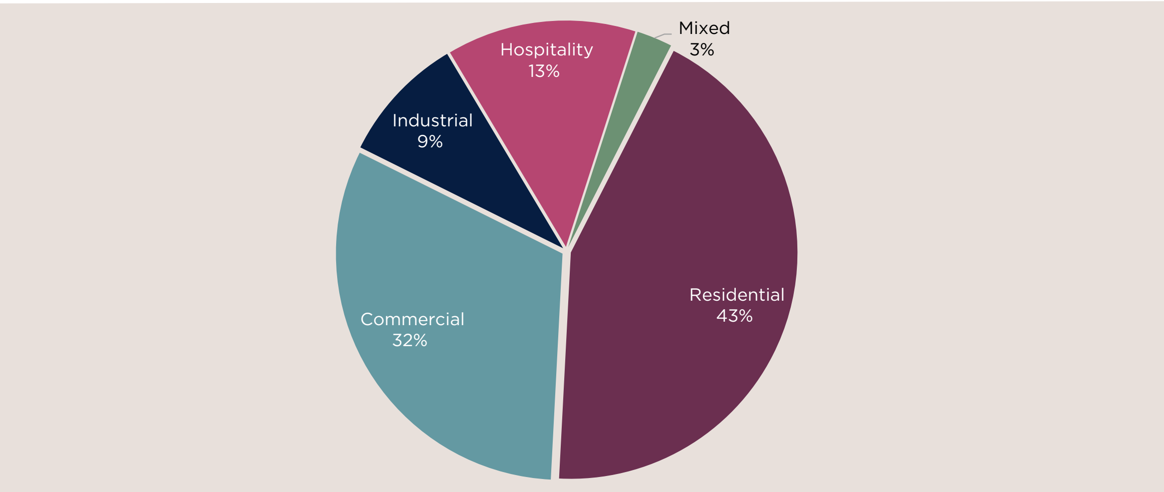
As expected, Singapore's real estate investment market started the year on a relatively quiet note with transaction value in the first quarter falling 23.8% QoQ to S$4.13 billion. The decline was partly due to the unsuccessful award of the white site at Marina Gardens Crescent under the Government Land Sales Programme. The S$770.5 million sole bid submitted by the consortium of GuocoLand (Singapore), Intrepid Investments and TID Residential was assessed to be too low by the Urban Redevelopment Authority. However, investment sales in the retail and hospitality property sectors have regained strength and contributed significantly to the total number in the reviewed quarter.

In the retail sector, well-located suburban malls continued to attract strong interest on the back of resilient rents and demand from retailers with two big-ticket transactions of such properties being inked in Q1/2024. The first was Frasers Centrepoint Trust (FCT)'s acquisition of an additional 24.5% effective interest in Nex at Serangoon Central from its sponsor Frasers Property. The acquisition valued the largest suburban mall in the north-east of Singapore at S$2,127.0 million or S$3,352 per sq ft (psf) by net lettable area (NLA) including Community / Sports Facilities Scheme use. The other was the S$550 million purchase of The Seletar Mall by Allgreen Properties from Cuscaden Peak Investments and United Engineers. The agreed price translates to about S$2,900 psf NLA. The addition of this suburban shopping mall located next to Fernvale LRT Station in the Sengkang Area extended Allgreen's presence in the retail landscape into the heartland.

Singapore's strategic position as a global hub for business and tourism, together with supportive policies and initiatives aimed at boosting tourism by the government, have bolstered the hospitality sector's recovery after the pandemic. The number of international visitors arriving in Singapore more than doubled to 13.6 million in 2023 and is expected to rise further to 15 to 16 million in 2024. This will keep interest levels for hospitality assets high by both established and new market players. The hospitality sector witnessed three transactions totalling S$556.0 million or 13.5% of total investment sales in Q1/2024. The Ascott Limited and CapitaLand Wellness Fund (C-WELL) acquired Hotel G located along Middle Road for S$238.0 million in January. The 308-room freehold hotel within walking distance of both Bugis and Bencoolen MRT train stations will be upgraded and rebranded as lyf Bugis Singapore in mid-2024. In February, CapitaLand Ascott Trust divested Citadines Mount Sophia Singapore for S$148.0 million to a joint venture between the Hong Kong-headquartered rental accommodation brand Weave Living and a fund managed by BlackRock. The serviced apartment property on Wilkie Road will undergo renovation and reopen under Weave Living's serviced accommodation brand, Weave Suites, in early 2025. Towards the end of the quarter, TPG Angelo Gordon teamed up with Far East Consortium and Atelier Capital Partners to purchase Capri by Fraser, Changi City from Frasers Property for S$170 million. The property is a 313-room serviced apartment near Singapore's Changi airport.

Investment Sales Transaction Volumes by Property Type, Q1/2024



Source Savills Research & Consultancy

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
The Seletar Mall	33 Sengkang West Avenue	S$550.0 mil/ US$407.9 mil	Allgreen Properties Limited	Retail
NEX (24.5% stake)	23 Serangoon Central	S$521.1 mil/ US$386.4 mil	Frasers Centrepoint Trust	Retail
Government land	Orchard Boulevard	S$428.3 mil/ US$317.6 mil	United Venture Development (No.7) Pte. Ltd.	Residential
Government land	Plantation Close (EC)	S$423.4 mil/ US$314.0 mil	Hoi Hup Realty Pte Ltd and Sunway Developments Pte. Ltd	Residential
Government land	Media Circle	S$395.3 mil/ US$293.1 mil	CNQC Realty (Clementi) Pte. Ltd. and Forsea Residence Pte. Ltd	Residential

Source Housing & Development Board (HDB), Urban Redevelopment Authority (URA), Savills Research & Consultancy

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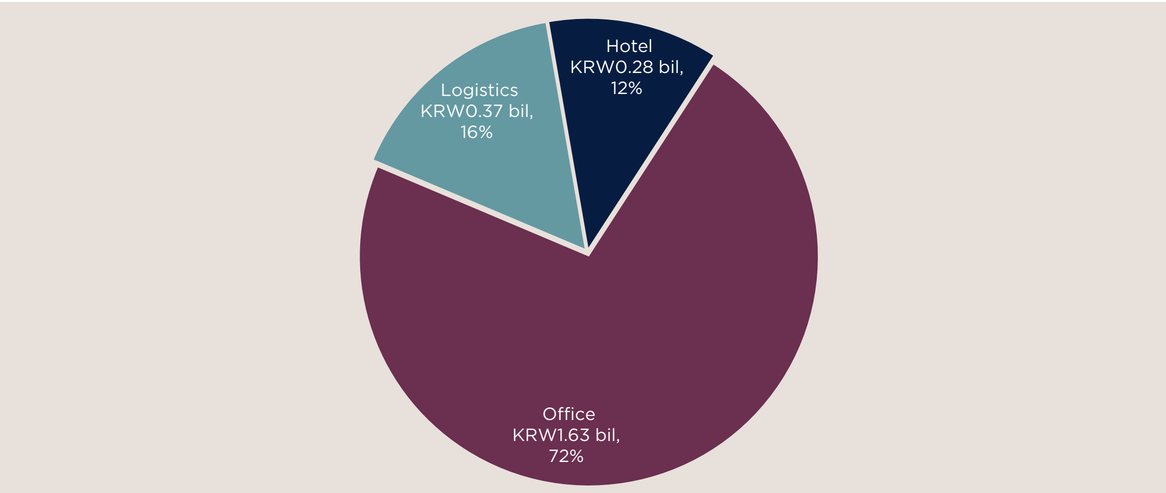
In its February 2024 Economic Outlook Report, the Bank of Korea ("BoK") forecast GDP growth of 2.1% for 2024, a moderate improvement as robust growth in the IT sector offset sluggish domestic consumption. The BoK kept the Base Rate at 3.5% for the ninth consecutive time, citing concerns over the resilience of consumer price inflation.

Despite the unchanged Base Rate, there are signs that interest rates are beginning to fall from mid-5% to early-5%, contributing to a notable 53% YoY and 8% QoQ surge in office transactions in Q1/2024, totaling KRW2.19 trillion. The Prime gross office cap rates in Q1/2024 are estimated in the mid-4% range, increasing to upper-4% range on an effective-rent basis, up 20bps from the previous quarter. With an occupancy rate of over 96%, the office sector has been resilient in both leasing and investment markets, continuing to garner investor interest. With an increase in available properties for sale, the bid-ask spread between sellers and buyers in the office sector has narrowed. Consequently, office transaction volumes are anticipated to rise in the upcoming quarters.

The logistics sector, however, has experienced subdued investment activity due to elevated vacancy rates resulting from a substantial volume of new supply. Landlords are offering increased incentives to attract tenants, leading to significant decreases in average monthly effective rents for dry and cold storage facilities. Investor preference has shifted towards slightly older assets with little vacancy in prime locations, over newly constructed or ongoing projects that are exposed to leasing risk. Accordingly, 75% of transactions during Q1/2024 were completed by strategic investors/end-users, interestingly those from the semiconductor and energy industries.

In the hotel sector, despite the volume of foreign tourists remaining below 30% of pre-pandemic levels, RevPAR has surpassed that of 2019. This suggests the conversion of hotels into office or residential space during the pandemic has led to a shortage in supply, driving up both occupancy rates and average daily rates. In Q1/2024, investment in hotels rebounded, buoyed by strong growth in NOI, evidenced by Shinhan Seobu T&D REIT's acquisition of Gwanghwamun G Tower, a mixed-use property featuring hotel and office, for KRW289.0 billion, as well as Gravity AMC and Angelo Gordon's acquisition of T Mark Grand Hotel for KRW228.2 billion. Both acquisitions signal an intent to operate these properties as hotels, with Angelo Gordon actively seeking a global hotel operator. This momentum reflects the historic interest within the sector, alongside the prospect of increased foreign tourists.

Transction Volumes by Property Type, Q1/2024



Source Savills Korea Research & Consultancy

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Arc Place	Seoul, GBD	KRW791.7 bil/ US$588.2 mil	KORAMCO REITs & TRUST	Office
K Square City	Seoul, CBD	KRW307.0 bil/ US$228.1 mil	Pacific AMC	Office
Metro Tower	Seoul, CBD	KRW415.6 bil/ US$308.8 mil	IGIS AMC	Office
Seoullo Tower	Seoul, CBD	KRW309.9 bil/ US$230.2 mil	IGIS AMC	Office
Gwanghwamun G Tower	Seoul, CBD	KRW289.0 bil/ US$214.7 mil	Shinhan Seobu T&D REIT	Mixed use

Source Savills Korea Research & Consultancy

Taiwan

Supported by the gradual recovery of export momentum, an improvement in domestic consumption, and the political stability following the end of the Taiwan presidential race last year, the annual economic growth rate is projected to reach 3.43% YoY in 2024, according to the Directorate-General of Budget, Accounting and Statistics (DGBAS). The investment momentum in the commercial property market remains active and the total transaction volume reached NT$38.3 billion in Q1/2024, representing a 132% YoY increase and a 16% QoQ decline.

Office was the most active category this quarter, with a transaction volume of NT$17.2 billion, accounting for 45% of the total. The largest deal was the divestment of the Lotus Building, an old office building in Taipei CBD, with eight developers purchasing 60% of the property for NT$13.1 billion, which translates to NT$15.3 million per ping in land prices. This transaction marks the second office deal in Taipei City worth NT$10 billion or more within the past ten years, after last year's sale of the Kee Tai Zhongxiao Building at NT$12.5 billion. It is worth noting that the buyers of Lotus Building intend to redevelop the property into a high-end residential project, which will require further negotiation with the remaining building owners.

Family office investors have become more active recently and shown interests in acquiring offices in prime areas. One notable deal involved a local family office bought two floors in Taipei One, a pre-sales office project in the Dunhua N. district for NT$1.06 billion. The unit price of this transaction reached NT$1.76 million per ping, making it the fourth-highest unit price in the past five years.

The land market has experienced a significant recovery as the transaction volume totaling NT43.1 billion in Q1/2024, up 156% YoY and 18% QoQ. The rebound in residential demand from end-users and the fiscal support from first-time home buyers loan assistance programs launched by the government last year, have continued to boost developers' confidence. As such, developers acquired 28 plots of land worth a total of NT$30.5 billion during Q1, up 281% YoY, marking the highest transacted volume in the past eight quarters. Among which, 11 deals were large-scale transactions which are over NT$1 billion in value. This surge in interest is in stark contrast to the same period last year when the market only saw two deals of similar size. The biggest land transaction in the quarter was the NT$3.5 billion acquisition of the Pleasant Hotels International redevelopment site in Taoyuan.

Looking forward, stable economic expansion and increasing construction costs will drive prices up for the rest of the year. The electricity price is set to increase by over 10% in Q2/2024. Additionally, discussions are underway regarding the implement of a carbon tax expected to take effect in 2025. Major carbon emitters, such as cement and steel companies, will be subject to taxation first, implying an inevitable increase in development costs and property prices going forward.

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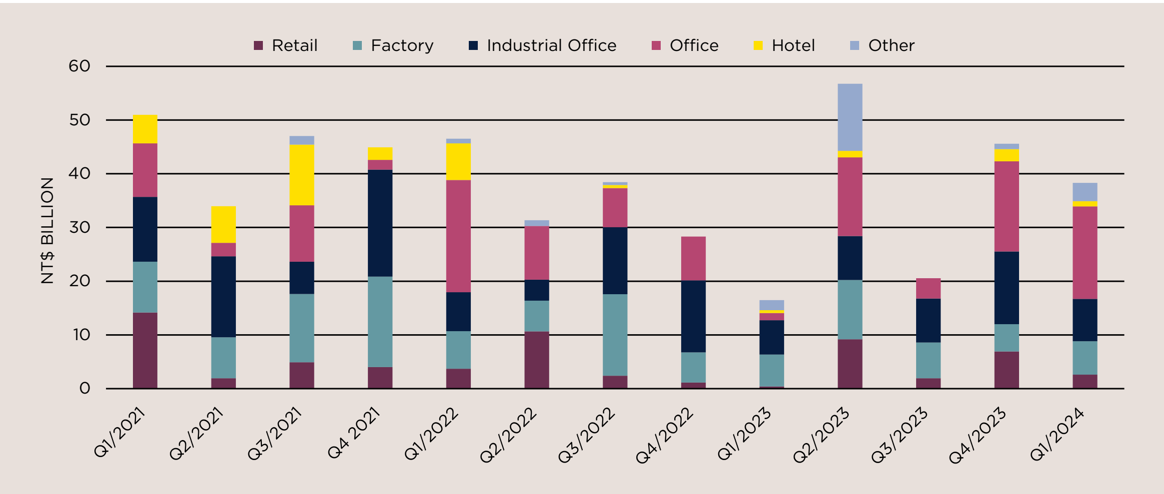
Commercial Property Transaction Volumes by Property Type, Q1/2021 to Q1/2024



Source Savills Research & Consultancy

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Nanshan Life Neihu Building	Taipei City	NT$4.8 bil/ US$149.1 mil	Delta Electronics	Industrial Office
Tainan Ambassador Theater and retail podium	Tainan City	NT$1.6 bil/ US$51.1 mil	Individual	Theater and retail
Zhan Hua Garden Hall	Taichung City	NT$3.4 bil/ US$105.9 mil	GUO-JU Construction	Retail
Several floors of Lotus Building	Taipei City	NT$13.1 bil/ US$408.8 mil	Puyong Archiland, Hiyes International and six local developers	Office

Source Savills Research & Consultancy

Thailand

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Thailand's GDP growth saw an uptick of 1.7% YoY in Q4/2023, up from 1.4% YoY in Q3, driven by the resilient export performance and a healthy resurgence in tourism. However, private consumption was strained under the pressure of high household debt and an elevated interest rate environment. On the bright side, starting from 1 March 2024, Thailand and China enacted a mutual visa-free policy. This regulatory change could potentially stimulate a surge in inbound tourism from mainland China, thus lending support to the economy. The Thai government is expecting 33.5 million foreign tourist arrivals for the full year of 2024, which translate to around 84% of the pre-COVID level recorded in 2019. Given these factors, the Thai economy is projected to accelerate to a 3.1% YoY growth in 2024, largely due to the rebounding market conditions and burgeoning tourism sector.

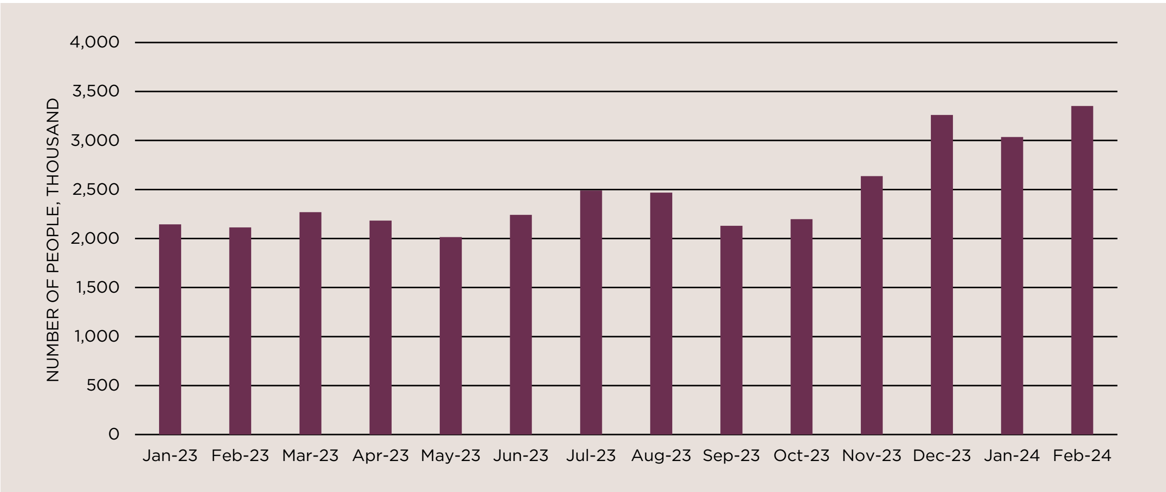
Investment activities in Bangkok remained subdued in Q1/2024, reflecting the repercussions of high financing costs. Since the year's onset, political pressure has been mounting on monetary policymakers to implement a rate cut amid sub-par inflation and stagnated economic growth. Nonetheless, in February 2024, the Bank of Thailand opted to retain the policy rate at 2.5%, the highest level seen in a decade.

The hotel market was the most active asset class during the quarter, attracting a significant portion of investment interest. The most notable deal was a THB1.6 billion portfolio deal undertaken by Malaysia-based YTL Corporation from AF Global Limited. This transaction encompasses a THB1.18 billion equity transfer of six plots of freehold land in Phuket intended for hotel development, and a THB420 million asset transaction consisting of two plots of freehold land, also in Phuket, designated for residential development, two condominium units at Andaman Cove Condominium, along with two plots of land located on Bon Island.

The market has witnessed several large-scale land transactions changing hand this quarter. For example, Asset World Corporation purchased seven land plots located in the Chang Klan sub-district of Chiang Mai Province, totaling a size of 9,352 sq m, for THB519.8 million. The buyer plans to develop the site into a retail-cum-hotel project, with a projected development cost of THB690.7 million. Meanwhile, Tri Ocean Textile, a Taiwan-based manufacturer, sold a piece of industrial land plot (42,399 sq m) and the warehouse constructed on top (24,211 sq m) in the Ban Khai district of the Rayong province for THB165 million.

Looking ahead, the outlook for Thailand's commercial property investment market in 2024 appears cautiously optimistic. The interest rates set by the Bank of Thailand will play a crucial role in shaping investment landscapes, and any easing of monetary policy could act as a stimulus for the sector. Meanwhile, the sustaining recovery in tourism may prompt more investors looking into the hotel industry.

International Tourist Arrivals to Thailand, January 2023 to February 2024



Source Ministry of Tourism & Sports, Savills Research & Consultancy

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Land at Chang Klan	Mueang Chiang Mai, Chiang Mai	THB519.8 mil/ US$14.1 mil	Asset World Corporation	Commercial
Land at Moo 4 Ban Laem Khae	Ban Laem, Phetchaburi	THB54.3 mil/ US$1.5 mil	Avita Corporation	Commercial and industrial
AF Global TH Mixed Portfolio 2024	Mueang Phuket, Phuket	THB1.6 bil/ US$43.5 mil	YTL Corp	Commercial
Former Tri Ocean Textile	Ban Khai, Rayong	THB165.0 mil/ US$4.5 mil	Fongkai New Energy (Thailand) Co Ltd	Industrial
Land near Muang Thong Thani	Pak Kred, Nonthaburi	N/A	Narai Property	Residential

Source MSCI Real Capital Analytics

Vietnam

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According to the Asian Development Bank, International Monetary Fund (IMF) and World Bank, GDP growth of 5.5% to 6.5% is forecast. According to the IMF, Viet Nam is set to have one of the fastest-growing economies in the world in 2024, joining peers such as Macao, India, and the Philippines.

By the end of March 2024, GDP is estimated to increase by 5.66% YoY, higher than the growth rate in the first quarters of the 2020-2023 period. Total FDI registered by the 20th of March (newly registered, adjusted, and M&A) was US$6.17 billion, rising by 13.4% YoY. Newly registered FDI reached US$4.77 billion, increasing by 57.9% YoY. Semiconductor chips will likely draw in notable investment in 2024, and Viet Nam will benefit from the US Science and CHIPS Act, which includes US$500 million for improving semiconductor training, cybersecurity, and business climates globally according to the US undersecretary of state for economic growth, energy, and the environment. Lam Research (US), a leading semiconductor manufacturer, plans to develop a factory with an investment of US$1 to US$2 billion.

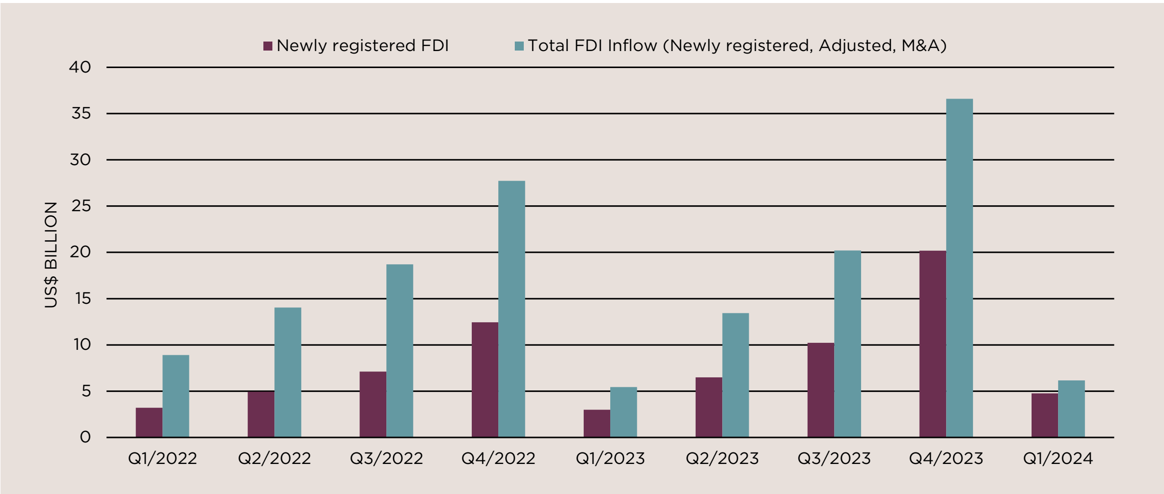
In the industrial sector, Gelex Group and Frasers Property are collaborating to create industrial parks which adhere to LEED standards. They recently started the Industrial Center Yen My Project (Hung Yen), which will offer 159,000 sq m of versatile industrial facilities. Additionally, their Industrial Center Dong Mai (Quang Ninh) involves a 71,000 sq m ready-built factory, set to be completed by Q4/2024. Becamex IDC Corp recently signed an investment agreement for an Industrial Park project in Binh Thuan which covers 5,000 ha and has a total investment of over US$800 million.

Vietnam welcomed over three million visitors by the end of February, matching pre-COVID-19 levels from 2019. APAC tourist numbers are expected to return to 2019 levels by 2025. Viet Nam is seeing a rise in its popularity as a destination wedding venue, particularly from India. Several hospitality real estate projects resumed construction in Q1, including the Flex Home Apartment development (within the Libera Nha Trang Project) by Masterise Homes and KDI Holdings with 300 condotels.

Q1/2024 saw the launch of new residential developments, including the 877-hectare mega project Vinhomes Royal Island in Hai Phong and Gamuda Land's 3.7-ha Eaton Park Ho Chi Minh City. Social housing has been prioritised and the government is supporting development with an updated legal framework and favourable interest rates. Currently, 129 projects with a combined 114,934 social housing units are under construction. Many investors plan to deploy social housing projects, which can be lucrative if the right economies of scale are achieved.

Strong demand from foreign manufacturing and IT enterprises will continue to support office performance in Ha Noi and Ho Chi Minh City. By the end of 2026, Grade A and B office supply in Ho Chi Minh City is forecast to rise by 200,000 sq m, an increase of 20% compared to current stock. Ha Noi is expected to welcome an additional 220,000 sq m, an increase of 13% compared to current stock.

Cumulative Value of Newly Registered FDI and Total FDI inflow (newly registered, adjusted, M&A), Q1/2022 to Q1/2024



Source Ministry of Planning and Investment

Major Investment Transactions, Q1/2024

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Land plot (108,902 sq m) in Hoa Phu Industrial Park	Bac Giang	VND281.0 bil/ US$11.3 mil	Simplo Technology	Industrial
A warehouse (26,422 sq m) in Long Thanh	Dong Nai	VND433.4 bil/ US$17.4 mil	NA	Warehouse

Source MSCI Real Capital Analytics

Australia

▼ 117 Clarence Street
Sydney, NSW
AU$130.0M/US$86.1M
in January

Chatswood Chase (49% share) **▶**
Chatswood, NSW
AU$307.0M/US$203.2M
in March

635S Hall Road ▲
Cranbourne West, VIC
AU$200.0M/US$132.4M
in March

◀ Orica Deer Park Development
West Melbourne, VIC
AU$260.0M/US$172.1M
in February

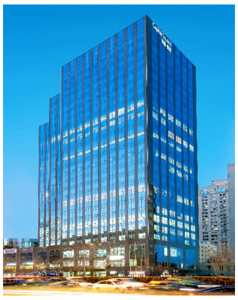
▲ Cairns Central Shopping Centre
Cairns, QLD
AU$390.0M/US$258.2M
in February

Four Points by Sheraton ▼
Docklands, VIC
AU$96.0M/US$63.6M
in February

▲ Burra Park
Western Sydney, NSW
AU$850.0M/US$562.7M
in March

Kingswood Golf Course ▼
Dingley Village, VIC
AU$220.0M/US$145.6M
in March

Beijing



◀ Capital Square (**95% equity share**)
Chaoyang District
RMB2.3B/US$316.7M
in Q1

Jia Long Hotel ▶
Dongcheng District
RMB534.3M/US$74.2M
in Q1

◀ PowerChina Technology Innovation Center E#
Haidian District
RMB2.5B/US$348.3M
in Q1

Shanghai

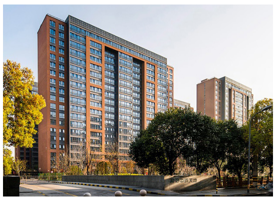
◄ **Ascott Hengshan**
Xuhui
RMB1.3B/US$180.6M
in Q1

Hongkou Qinggong Building ►
Hongkou
RMB370.0M/US$51.4M
in Q1

67/F, Shanghai World Financial Center ►
Pudong New Area
RMB310.0M/US$43.1M
in Q1

▼ **Vanke Mall Qibao (50% share)**
Minhang
RMB2.4B/US$331.2M
in Q1

▼ **Huaning Huge Lifestyle Center**
Changning
est. RMB1.0B/est. US$139.9M
in Q1



◄ **Starcastle Middle Ring Apartment Phase 2**
Baoshan
est. RMB400.0M/est. US$55.6M
in Q1

Hong Kong

◄ **25, 26A & B Lugard Road**
The Peak
HK$838.0M/US$107.7M
in January

Jessville ►
Pokfulam
HK$207.0M/US$26.6M
in March

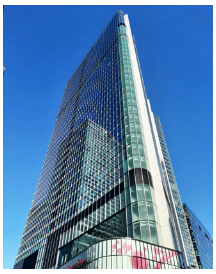
Ovolo ►
Sheung Wan
HK$320.0M/US$41.3M
in January

◄ **KF88 Retail Podium, Wealth Garden**
Kwai Fong
HK$310.0M/US$39.8M
in January

Japan

▲ **Four floors of GranTokyo South Tower**
Tokyo
JPY41.2B/US$273.0M
in March

Part of Shibuya Sakura Stage ▶
Tokyo
Over JPY100.0B/US$662.0M
in February



◀ **Toyosu Bayside Cross Tower (26.7% interest, office and retail portion)**
Tokyo
JPY43.8B/US$290.0M
in January

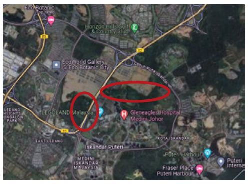
Bridgestone Mikawadai Dai-Ichi and Dai-Ni Shataku ▼
Tokyo
Price undisclosed (Gain on sale of approx. JPY63.4B/US$420.0M)
in May

Malaysia

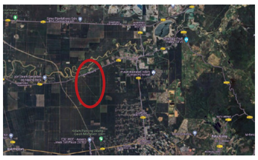
◀ **A 8 acres development land**
Selangor
MYR224.0M/US$47.0M
in February

◀ **163 Retail Park**
Mont Kiara, Kuala Lumpur
MYR215.0M/US$45.0M
in January

A 240 acres development land ▶
Iskandar Puteri, Johor
MYR450.0M/US$95.0M
in January



A 826 acres development land ▶
Selangor
MYR336.0M/US$71.0M
in March



Singapore

◀ **NEX (24.5% stake)**
23 Serangoon Central
S$521.1M/US$386.4M
in January

▲ **Hotel G Singapore**
200 Middle Road
S$240.0M/US$178.0M
in January

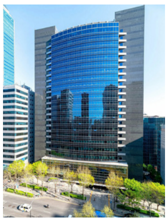
Capri by Fraser, Changi City ▶
3 Changi Business Park Central 1
S$170.0M/US$126.1M
in March

▲ **The Seletar Mall**
33 Sengkang West Avenue
S$550.0M/US$407.9M
in March

▲ **Citadines Mount Sophia Singapore**
8 Wilkie Road
S$148.0M/US$109.7M
in February

◀ **OneTen Paya Lebar**
110 Paya Lebar Road
S$140.0M/US$103.8M
in March

South Korea



▲ **Arc Place**
GBD
KRW791.6B/US$588.0M
in Q1

T412 ▶
GBD
KRW327.7B/US$243.0M
in Q1

◀ **Tmark Grand Hotel**
CBD
KRW228.2B/US$170.0M
in Q1

Gwanghwamun G Tower ▼
CBD
KRW289.0B/US$215.0M
in Q1

Taiwan

68 & 70 Ruiguang Road
Neihu District ▶
Taipei City
TWD4.8B/US$149.3M
in January

◀ **Ambassador Theater and Retail Podium**
Tainan City
TWD1.6B/US$51.1M
in January

◀ **Zhan Hua Garden Hall**
Taichung City
TWD3.4B/US$105.9M
in March

Majority of Lotus Building ▶
Taipei City
TWD13.1B/US$408.8M
in March

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