REPORT

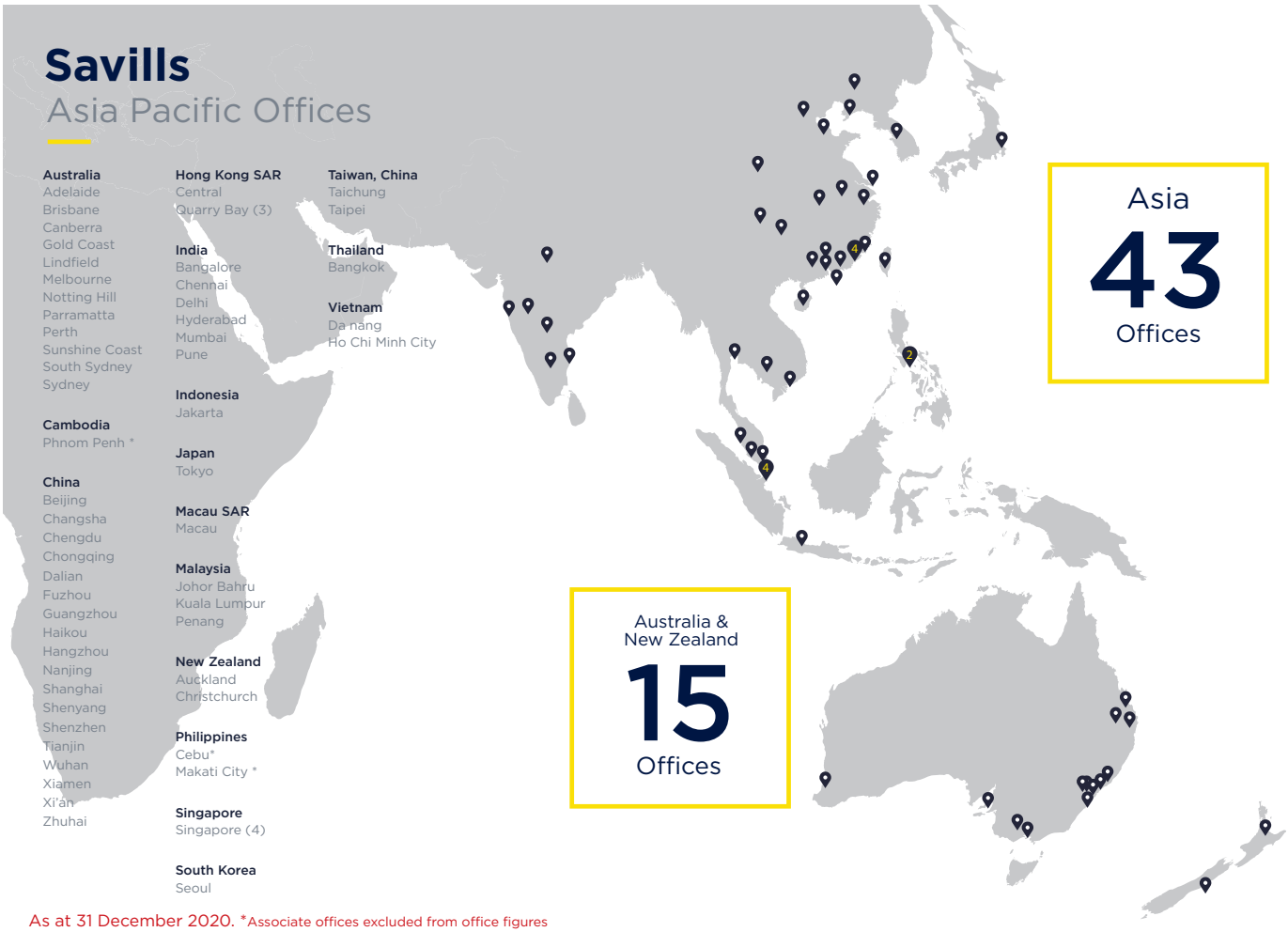
Savills Research

Asia Pacific – Q3 2021

Investment Quarterly

savills

Asia Pacific Network



As at 31 December 2020. *Associate offices excluded from office figures

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 58 regional offices comprising over 29,000 staff. Asia Pacific markets include Australia, China, Hong Kong, India, Indonesia, Japan, Macau, Malaysia, New Zealand, Singapore, South Korea, Taiwan, Thailand and Viet Nam. 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.

Content

China (Northern) - Beijing

Beijing's en-bloc investment market was relatively peaceful in Q3/2021, while five deals were closed and registered a total consideration of RMB5.53 billion. Traditional asset classes, including office, shopping mall and residential projects were concluded during the quarter. Meanwhile, a set of data centres were also acquired by a leading colocation data centre services provider. Major transactions in Q3/2021 included:

- Zhongzhi Enterprise Group acquired Shimao Gongsan Plaza in Sanlitun, Chaoyang District, by way of judicial sale, with a total consideration of RMB1.645 billion.
- Beijing Infrastructure Investment purchased a complex including three office towers, retail space and parking lots from Metro Land Corporation for a total consideration of RMB1.67 billion.
- Huzhou Ronghui Jiaheng Financial Leasing Co., Ltd. acquired 60% stake shares of Central Park residential assets package for a consideration of RMB635 million.
- KaiLong acquired part of Desheng International Centre from Financial Street Holdings for a total consideration of RMB1.575 billion.

The first-hand strata-title office market remained inactive in Q3/2021. The new supply was 207,792 sq m in Q3/2021, up 260% quarter-on-quarter (QoQ) but down 20.2% year-on-year (YoY). Total transaction area reached 249,052 sq m, up 34.2% QoQ and 0.9% YoY. Total consideration reached RMB5.49 billion, down 3.9% QoQ and 13.9% YoY. Average transaction prices stood at RMB22,050 per sq m, down 28.4% QoQ and 14.7% YoY.

The new supply of first-hand strata-title retail market reached 108,682 sq m, up 252% QoQ and 44.7% YoY. Total transaction area was 125,190 sq m in Q3/2021, up 14.9% QoQ but down 14.8% YoY. Total consideration registered RMB3.3 billion, up 37% QoQ but down 19.6% YoY. The transaction price averaged RMB26,389 per sq m, up 19.2% QoQ but down 5.6% YoY.

Despite the inactive performance in Q3/2021, the commercial real estate market in Beijing is still considered as one of the most well-rounded markets nationwide, with decent track records of returns on investment and more diversified assets available than many cities in the country. Going forward, the investment market is expected to bounce back, and investment opportunities, such as office and retail assets in prime locations and projects in niche markets, including logistics warehouses and data centres, will continue to grow in popularity.

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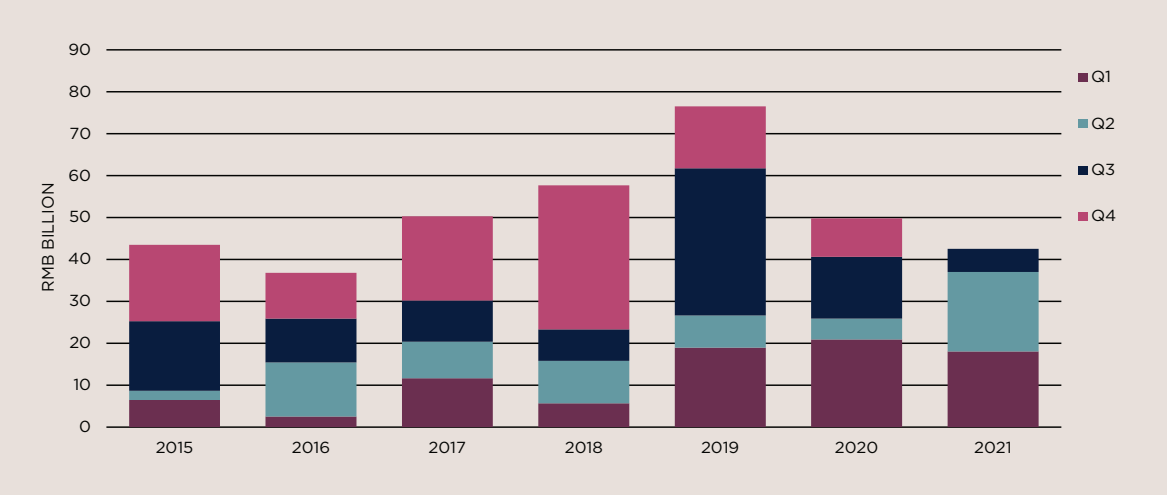
En-bloc Investment Volumes, 2015 to Q3/2021



Source Savills Research

Major En-bloc Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Shimao Gongsan Plaza	Sanlitun	RMB1.645 bil/ US$255 mil	Zhongzhi Enterprise Group	Retail
Xihua Mansion	Fengtai	RMB1.67 bil/ US$258 mil	Beijing Infrastructure Investment	Office
Central Park residential assets package	CBD	RMB635 mil/ US$98 mil	Huzhou Ronghui Jiaheng Financial Leasing Co., Ltd	Residential
Part of Desheng International Centre	Xicheng	RMB1.575 bil/ US$244 mil	KaiLong	Office

Source Savills Research

China (Western) - Chengdu

Chengdu's GDP reached RMB960 billion in 1H/2021, an increase of 13.1% year-on-year (YoY). The growth value of the tertiary industry reached RMB643 billion, a 14.2 percentage point (ppt) YoY increase. In addition, the total citywide investment in fixed assets increased by 13.9% YoY.

In Q3/2021, Chengdu's second centralised land auction occurred, with 30 land plots in suburban areas and 22 land plots in urban areas successfully transacted. The highest transacted price was RMB2,429 mil for a plot of land in Gaoxin District (Chengdu Hi-Tech Industrial Development Zone) by the China Railway Construction Real Estate Group Southwest Branch. Other major buyers of land plots in Chengdu included Beijing Capital Development Co., Ltd. for a location in Chenghua and Changsha Fuying Real Estate Development Co., Ltd. for a location in Wuhou. The total land transaction volume in suburban areas was over 1.4 times that of urban areas. With residential land becoming increasingly scarce in urban areas, the suburbs are expected to attract more real estate companies and investors.

Two new projects, the Western Culture Industry Centre and the Zhongye Tianfu Building, entered the office market in Q3/2021, adding nearly 100,000 sq m of new supply to the market and increasing the Grade A office stock in Chengdu to over 3.5 million sq m. The Grade A office leasing market continued to be active in Q3/2021. With the net absorption of 106,000 sq m, the vacancy rate decreased 0.8 of a ppt quarter-on-quarter (QoQ) to 20%.

The rents of the Grade A offices were relatively stable during Q3/2021. However, some premium projects in popular sub-markets remained optimistic about the future market. Information technology, finance and retail and trade industries had the largest leasing demand, the leased area of which accounts for 28%, 20% and 10% of the total new leased area, respectively.

Chengdu's export volume increased by 16% and import volume by 9.4% YoY in the first eight months of this year. And, with the commissioning of Tianfu International Airport in Q3/2021, Chengdu's positioning as a logistics hub improved considerably, which will benefit the development of the import and export trade industry in the long term.

New projects covering more than 150,000 sq m are expected to enter the Chengdu Grade A office market in Q4/2021, and the annual new supply is expected to exceed that of 2020. The central and provincial governments are expected to continue to promote various policies to help boost the citywide economy and thereby foster a more robust office market in Chengdu in Q4/2021 and 2022.

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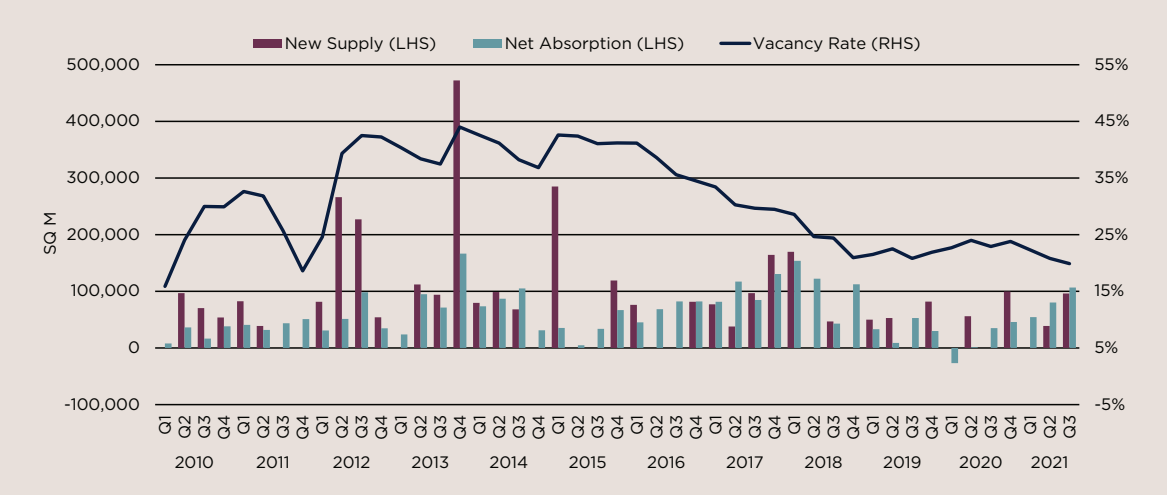
Grade A Office Market New Supply, Demand and Vacancy Rate, Q1/2010 to Q3/2021



Source Savills Research

Major Land Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Group 5, 6 Longdengshan Community, Group 2, 3 Pucao Community, Zhonghe Street	Gaoxin	RMB2.429 bil/ US$375 mil	China Railway Construction Real Estate Group Southwest Branch	Residential
Group 1, 2 Xinshan Community, Qinglong Street	Chenghua	RMB2.041 bil/ US$315 mil	Beijing Capital Development Co., Ltd.	Residential
Group 1, Gaobei Village, Cujin Street Office	Wuhou	RMB1.928 mil/ US$297 mil	Changsha Fuying Real Estate Development Co., Ltd.	Mixed-use

Source Savills Research

China (Southern) - Shenzhen

Shenzhen's economy recovered steadily with the effective precautions taken against COVID-19 in 2021. Its GDP increased by 9.7% year-on-year (YoY) to RMB1,432 billion as of the end of Q2/2021, ranking third among all cities in China. Correspondingly, economic activities and leasing demand surged, especially in industries that have long led Shenzhen's economy, such as TMT, finance, real estate, retail and trade and others.

Shenzhen received significant policy support from the central government, further strengthening the city's economic prospects in the next decade. On 6 September 2021, the central government promulgated the Plan for Further Developing Qianhai Shenzhen-Hong Kong Cooperation Zone, expanding the Qianhai geographic area by eight times. The plan proposed a further liberalisation of trade between Qianhai and Hong Kong/Macao, which will support the expansion of traditional finance, modern services and science and technology industries. These industries will take the lead in driving the economic growth, which should warrant a stronger demand for the local office property market and attract a sizable number of end-users for its dynamic economics and potential development.

The economic and policy support reinforced the development and expansion of several economic pillar industries, with the TMT and finance sectors foremost among them. This could be reflected in office leasing and purchasing contexts. For example, several bellwethers from these industries propelled some mega-leasing transactions in the office sector during Q3/2021 and pushed the citywide net take-up to surpass 300,000 sq m in the quarter alone. For example, RLX Technology leased approximately 19,000 sq m at the Pearl Financial Centre, and Huawei rented 10,000 sq m at the Platinum Tower.

Also, some financial institutions purchased office buildings for either owner-occupancy or investment. For instance, a Fortune Global 500 financial institution and New World Development signed a Sales and Purchase Agreement, acquiring the south tower of the Qianhai Chow Tai Fook Financial Building for a total consideration of over RMB3.2 billion. Meanwhile, domestic investors and end-users remained the major buying force, dominating deal inquiries and scrutinising activities.

Looking forward, the active leasing market is expected to strengthen institutional investors' confidence, in turn supporting a healthier development of the en bloc sales investment market. While the oversupply issue remains and is expected to continue for the next 12 months, end-users and individual buyers will see a wider range of purchasing opportunities.

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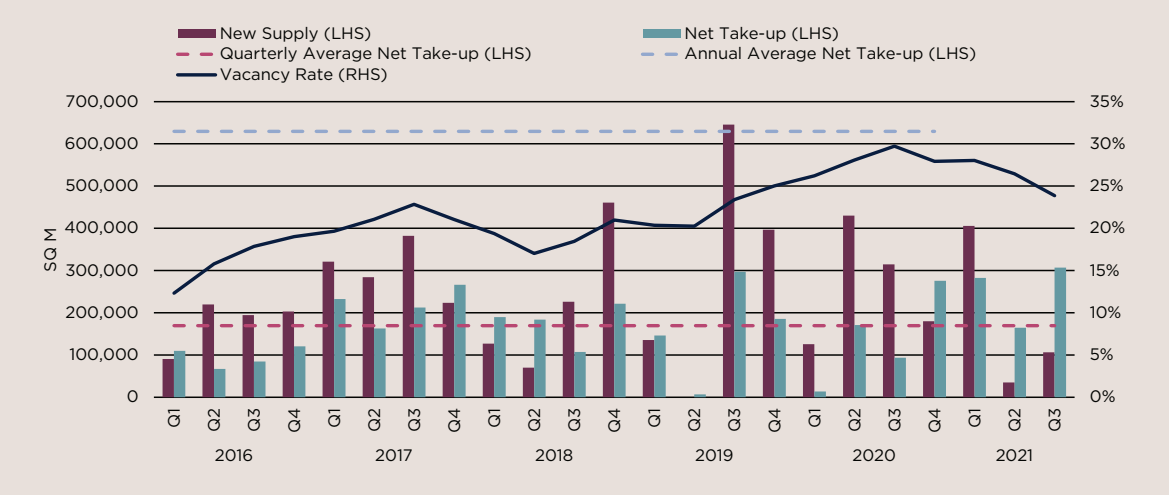
Shenzhen Grade A Office Market New Supply, Net Take-up and Vacancy Rate, Q1/2016 to Q3/2021



Source Savills Research

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Qianhai Chow Tai Fook Financial Building (South Tower)	Qianhai	RMB3.2 bil/ US$494.7 mil	A Fortune Global 500 financial institution	TBC

Source Savills Research

China (Eastern) - Shanghai

China's real estate debt situation has been brewing for over a decade, starting with developers initially relying upon bank lending and pre-sales payments, then turning to the shadow banking sector, and more recently, the offshore and onshore bond markets. The current crisis is first and foremost a liquidity issue where a slowdown in residential sales and tighter access to credit markets has made it challenging for developers to access funds to pay debt interest and principles. That said, should liquidity issues persist and developers are forced to heavily discount properties in order to meet debt obligations, this could result in a significant write-down of asset values which may result in solvency issues as well as a loss of homebuyer confidence and downward pressure on prices.

Evergrande is one of China's largest developers with annual residential sales of close to 70 million sq m, accounting for roughly 5% of national sales, developing 1,300 projects in more than 280 cities and employing more than 200,000 people. The firm's rapid expansion over the last decade has resulted in it accumulating more than US$300 billion in debt to investors, lenders, suppliers, employees and homebuyers. This figure is believed to be close to 6.5% of the total liability of the Chinese property sector. Evergrande's liabilities involve more than 128 banks and 121 non-banking institutions. Evergrande shares peaked at HK$31 in October 2017, fell to HK$2.2 by 20 Sep 2021 and now have fallen by more than 80% YTD.

The eventual conclusion of the Evergrande story remains uncertain, but the general consensus is that there will be a state-directed asset restructuring program that would support the completion of pre-sold residential units, honouring of suppliers contracts and payment of outstanding wages, while investors and creditors will likely have to agree on repayment terms that will see them take a haircut. The hope is that this will keep the market relatively stable and improve confidence while forcing investors and creditors to better price risk in the future.

From an investor standpoint, the current market turmoil could present a buying opportunity as stressed owners undergo asset restructuring and developers focus on debt reduction to ensure they fall within the "three red lines" and can reduce the cost of credit by running a tighter ship. Investors should remain aware of the risk of possible contagion and a broader economic slowdown should the situation remain unresolved.

While the financial de-risking/deleveraging campaign has led to some short-term pain for the sector, the end goal of a less highly-leveraged real estate sector should place the sector on a better longer-term footing.

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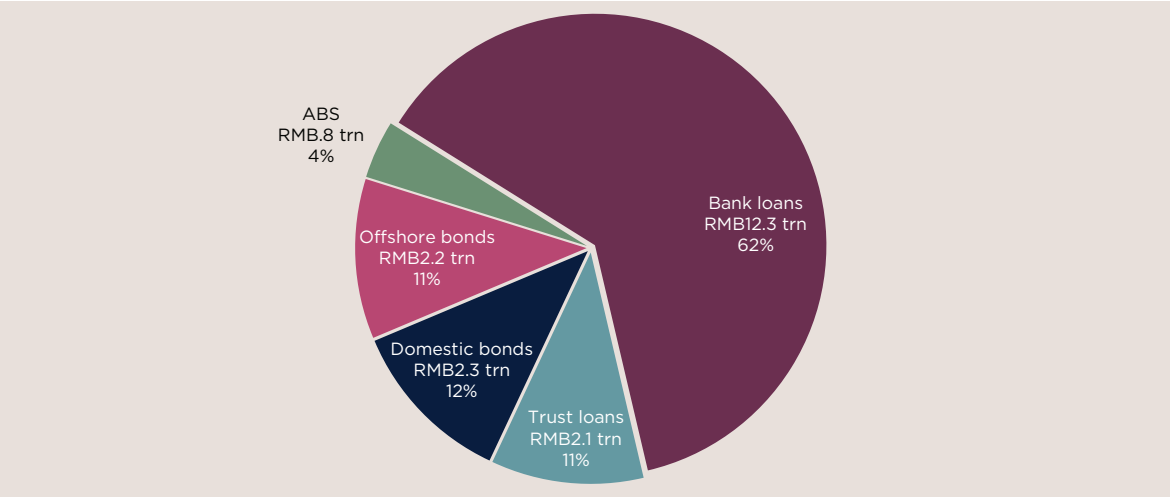
Estimated Total Property-related Borrowing Breakdown



Source NBS, PBOC, China Trustee Association, Wind, Citi Research

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Greenland Bund Centre A2 C2	Huangpu	RMB2.74 bil/ US$424 mil	Zhongtai Securities	Office
Crystal Plaza T6	Pudong	RMB2.07 bil/ US$321 mil	51Job	Office
Innov Tower	Xuhui	RMB1.66 bil/ US$257 mil	Yuanlian Fund	Business park
Real Tower	Xuhui	RMB1.36 bil/ US$210 mil	Micro Port	Office

Source Savills Research

Hong Kong

Hong Kong's economic outlook remains upbeat for 2021, with signs of sustained growth and recovery over the past three quarters. Q2/2021 saw GDP growth of 7.6% YoY, at a similar level to Q1/2021 (8.0%), which is promising given the six consecutive quarters of decline recorded before 2021. The total export volume from June to August reached HK$ 1,257 billion, up 28.5% YoY and by 25.6% compared to pre-COVID levels (2019). The unemployment rate dropped further to 4.7%, from a peak of 7.2% in early 2021. It is therefore no surprise that projected 2021 GDP growth has been adjusted up to 5.5%-6.5%, given the string of favourable supporting data.

Promising economic figures have in turn improved the outlook for the property markets. Traditional asset classes such as office and retail, which were neglected in 2020, have clearly seen a pick in momentum, attracting plenty of investor interest in 2021. The total consideration for office transactions over the first seven months of 2021 surged 153% YoY and is only 14% short of the same period in 2019. Nonetheless, it should be noted that stock market wobbles, issues with debt burdened mainland developers and rising policy risks will likely increase uncertainties during the last quarter of 2021. Grade A office rents fell by only 1.5% QoQ in Q3/2021, a slower pace of decline compared to Q2/2021 (-2.6%). Meanwhile, the citywide vacancy rate remained unchanged at 9.3%. Extremely low supply levels in 2020/2021 have provided support at a time of general corporate downsizing, but the market's resilience will be tested in 2022, when we expect to see a swift climb in office completions.

The retail sector has received a booster shot from the consumption voucher scheme. The first phase of the scheme began in August, which reported total monthly retail sales up 11.9% YoY, the biggest gain since April. Prime retail street shop rents saw a modest 0.4% increase QoQ in Q3/2021, while average prices fell by 1.0% QoQ. Given that rental and price levels have remained relatively stable after the previous period of decline, the consumption vouchers in combination with the Come2hk scheme, which allows 2,000 quarantine-free entries for non-Hong Kong residents from mainland China and Macau per day, is expected to provide some short to medium term impetus to retail demand from locals and visitors. The possibility of further easing of border restrictions from the adoption of the Hong Kong Health Code in late 2021 would also be a positive upside factor for retail rental and price levels.

Investment in alternative asset classes in Hong Kong has boomed during the pandemic. The biggest deal in the quarter was the disposition of PCCW's data centre portfolio to DigitalBridge Group in July, for a consideration of US$ 750 million (HK$ 5.85 billion). The portfolio consists of nine data centre properties, seven of which are in Hong Kong, with a total power capacity of 75 Megawatts. Despite the government's efforts to facilitate data centre development in industrial buildings, we expect the limited short-term supply and ever-increasing data usage to steadily drive up prices over the next three to five years.

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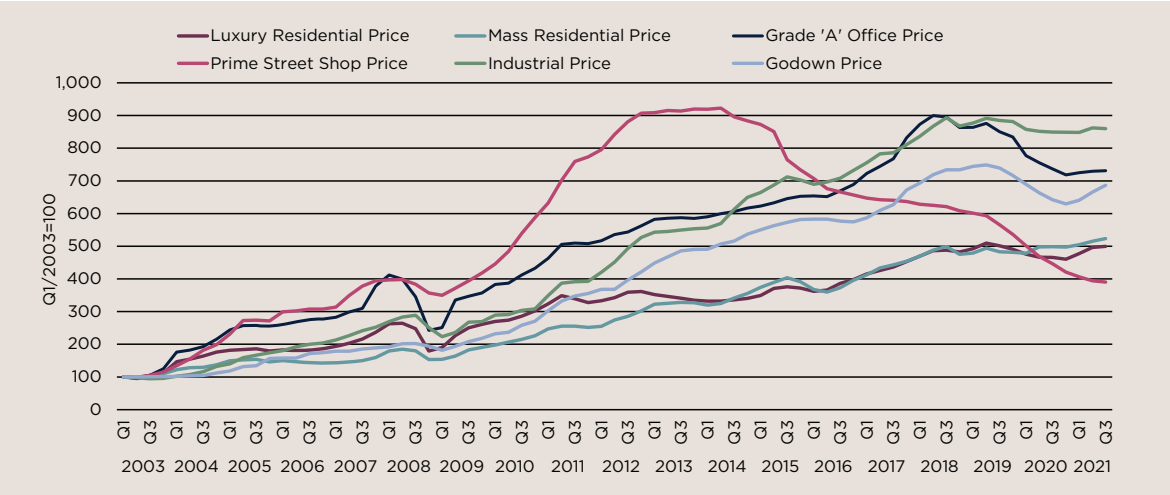
Savills Hong Kong Property Price indices, Q1/2003 to Q3/2021



Source Savills Research & Consultancy

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Majority share of Wharf Cable TV Tower	Tsuen Wan	HK$2.62 bil/ US$336.8 mil	TBC	Industrial
East Asia Industrial Building Phase 1	Tuen Mun	HK$2.24 bil/ US$287.9 mil	TBC	Industrial
Central Industrial Building	Kwai Chung	HK$900 mil/ US$115.7 mil	TBC	Industrial
Shek Wai Kok Commercial Ctr & Car Park (No. of 578 CPS)	Tsuen Wan	HK$765 mil/ US$98.3 mil	TBC	Retail
On Yam Shopping Ctr & Car Park (No. of 355 CPS)	Kwai Chung	HK$535 mil/ US$68.8 mil	TBC	Retail

Source Savills Research & Consultancy

India

The second wave of infections which began around April 2021 and spread at a much faster rate than the first wave, put tremendous strain on healthcare infrastructure. India witnessed a prolonged second wave of the pandemic which continued even in Q3/2021. This prompted Oxford Economics to downgrade India's 2021 GDP growth forecast to 8.8% from 9.1% previously.

However, a progressive reopening of the economy has shown some positive signs. India's GDP grew at its highest ever quarterly growth rate of 20.1% YOY during Q2/2021, in stark contrast to the -24.4% YOY recorded a year ago. This was partly due to a resumption of growth in the services sector, which accounts for more than half of India's economy.

The pace of vaccination in the country has improved significantly and India breached 10 million vaccines per day on three occasions during August and September. According to the Union Ministry of Health and Family Welfare (Government of India), with over 184 million fully vaccinated on 16th September 2021, India is ahead of six countries. We believe faster inoculation will instil a sense of confidence in the market, triggering an increase in consumption and broader economic activity.

Private equity investment inflows into the Indian real estate sector amounted to US$477 million (INR35 billion) during Q3/2021, registering a decline of 45% QOQ. The investment inflow amounted to US$3.2 billion (INR233 billion) during January through September 2021, equivalent to almost half (49%) of the investment in the entire 2020. The temporary slowdown in investment activity can be attributed to delayed decision-making by investors owing to situations that arose due to the pandemic.

Data centres garnered the highest share of about 34% in total private equity investments in Q3/2021. Data centres have proven to be resilient in the face of the current pandemic. Demand for data centres is rising on the back of improving technology infrastructure and accelerated adoption of new technologies such as 5G, artificial intelligence, cloud computing, blockchain and IoT.

Notably, India witnessed its maiden investment by a global pension fund in a life science R&D asset. Ivanhoé Cambridge and Lighthouse Canton jointly invested US$100 million (INR7.4 billion) in life science R&D facilities in Genome Valley, Hyderabad. India is an established pharma and life science innovation hub for global and domestic companies and is the world's largest vaccine manufacturing destination. This is largely due to a large talent pool and world-class R&D capabilities. We anticipate India to further cement its position in the global life science arena in the post-pandemic world, presenting a lucrative opportunity for private equity investors in life sciences related R&D real estate.

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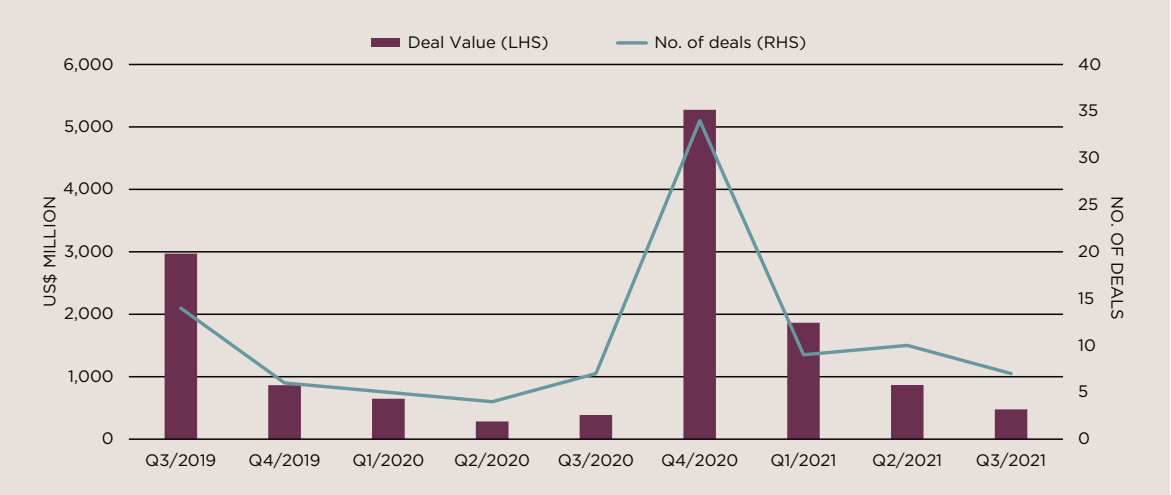
Private Equity Real Estate Investment In India, Q3/2019 to Q3/2021



Source RCA, Savills Research & Consultancy

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
A 6.6-acre land parcel in Airoli	Mumbai	INR12.0 bil/ US$163 mil	Ascendas India Trust	Data Centre
Life science R&D portfolio	Hyderabad	INR7.4 bil/ US$100 mil	Ivanhoé Cambridge & Lighthouse Canton	Life Science R&D
Warehousing space in FTWZ	Sriperumbudur	INR5.0 bil/ US$68 mil	Xander Investment Management	Industrial

Source Savills Research & Consultancy

Indonesia

Quick anticipation by the Indonesian government following the onset of the delta variant combined with widespread vaccine distribution has effectively helped to reduce daily cases in Southeast Asia's biggest economy. From the peak in mid-July when new cases reached over 40,000 daily, the number dropped significantly to below 1,500 by early October. This positive outcome subsequently boosted confidence among companies and business owners as well as raising hopes on the consumer/buyer side which expect that the economy will continue to record strong growth in line with the second quarter.

In the property sector, developers began to prepare new launches or project expansions following the positive pandemic news. Most of these developers have so far focused on landed house projects, as they are relatively easy to sell on the back of strong demand from young urban families and millennials. Although still primarily dominated by local players, landed house projects and township developments continue to attract more foreign companies. Developers from Singapore and Japan are among the most active looking for either development partnerships or equity contribution with major local players. While sales of landed house projects around Greater Jakarta have continued to grow over the past two quarters, marketing activity in the condominium sector is also showing positive signs.

Condominium sales in Greater Jakarta (Bodetabek area) in the first semester this year reached almost 2,500 units, which is slightly over a half of last year's total sales (see below chart). This indicates positive growth compared to 2020 when sales dropped by around 50% compared to 2019. The COVID-19 pandemic hit the condominium market both in Jakarta and Greater Jakarta, which pushed some developers to halt their projects when faced with deteriorating sales and construction activity. A number of half-completed projects are currently being offered to prospective investors at discounted prices, but as the gap between sellers and willing buyers remains wide, we have not seen deals happening in the market.

Furthermore, Indonesia's logistics and data center sector are also attracting interest from overseas investors due to robust potential demand from both the domestic and regional (ASEAN) markets. In the logistics sector, strong e-commerce growth which requires fast and efficient distribution of goods and services has boosted demand for modern warehouse facilities amid the pandemic. With limited supply of modern facilities, Indonesia is seen as a potential market for regional logistics players. Similarly, demand from online and tech companies from Indonesia and the region which has continued to grow despite the pandemic, has encouraged the development of colocation and hyperscale cloud data centers in the Greater Jakarta area, which has helped boost industrial land absorption.

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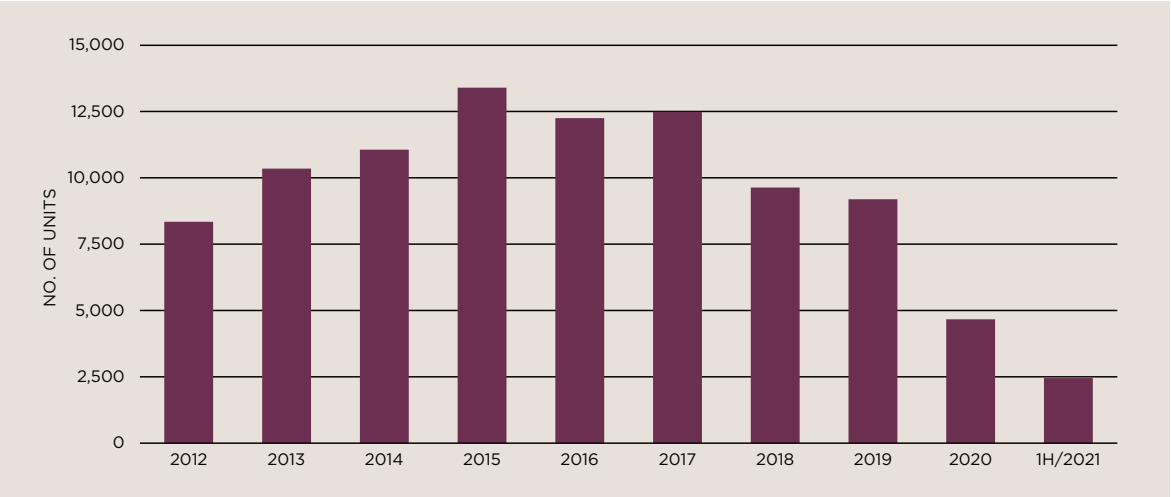
Greater Jakarta Condominium Sales, 2012 to 1H/2021



Source Savills Research & Consultancy

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
IKEA Sentul City	Bogor, West Java	IDR280 bil/ US$19.9 mil	PT. Archipelago Property Development (Dairy Farm sub)	Retail

Source Savills Research & Consultancy

Japan

Corporate profits have rapidly improved with listed companies recording historically high net profit margins in Q2/2021. Furthermore, there are signs that the economy may start expanding in earnest early next year, as the rapid vaccine rollout continues. In fact, the proportion of fully vaccinated people in Japan has increased to over two thirds, and is likely to become one of the highest in the world in due course given Japan's strong peer pressure culture.

Whilst prime minister Suga's resignation came as a surprise, this is an opportunity for the LDP to boost public confidence with fresh leadership. His departure appears to have been taken positively. His successor, Kishida, will need to demonstrate strong leadership and convince Japan of his capability to manage the pandemic. That said, it is unlikely that this leadership change will result in significant changes to current policies, and Japan's relatively stable political environment should continue to be attractive as global uncertainty remains.

As of August, the Japanese labour market had only shown slight improvements with the unemployment rate at 2.8%, and the job-to-applicant ratio sitting at 1.14x. Meanwhile, the Tankan Survey has confirmed continued positive sentiment, registering +18 for large manufacturing enterprises and +2 for large non-manufacturing enterprises in September.

Over the quarter, the TSE J-REIT index decreased 3.7%. The TOPIX has increased 4.5% over the quarter and at its peak of 2,119 in September, hit a 31-year high. The index was lifted by expectations of a new economic policy in Japan.

The logistics sector is thriving despite concerns over large upcoming supply, and it is likely to carry on attracting institutional capital with increased allocations as it becomes a mainstream asset class. This development may have also further fuelled the booming popularity of the data centre sector. Investor appetite for multifamily properties and offices has persisted despite rental softening. Meanwhile, retail continues to lag, although high street retail remains sought-after as seen from the multiple flagship store openings in Tokyo. Hospitality has continued to garner interest, but sellers have not been flexible on pricing, resulting in a limited number of deals. Overall, with the fierce competition currently present in the acquisition market, international capital is exploring well beyond Tokyo and traditional asset classes for investments.

As for Tokyo's office market, the Grade A office market in the central five wards has continued to soften with a rental contraction of 2.2% QoQ and 8.2% YoY to JPY34,370 per tsubo in Q3/2021. At the same time, vacancy saw an uptick of 0.8 ppts QoQ and 1.8 ppts YoY to 2.5%. Poorly accessible and older offices remain a drag on the office market overall by bearing the brunt of the downturn, while tenant preferences for new and easily accessible offices continue to hold. With a rapid vaccine rollout and limited supply in 2022, the market should have time to recover before the large influx of supply expected in 2023.

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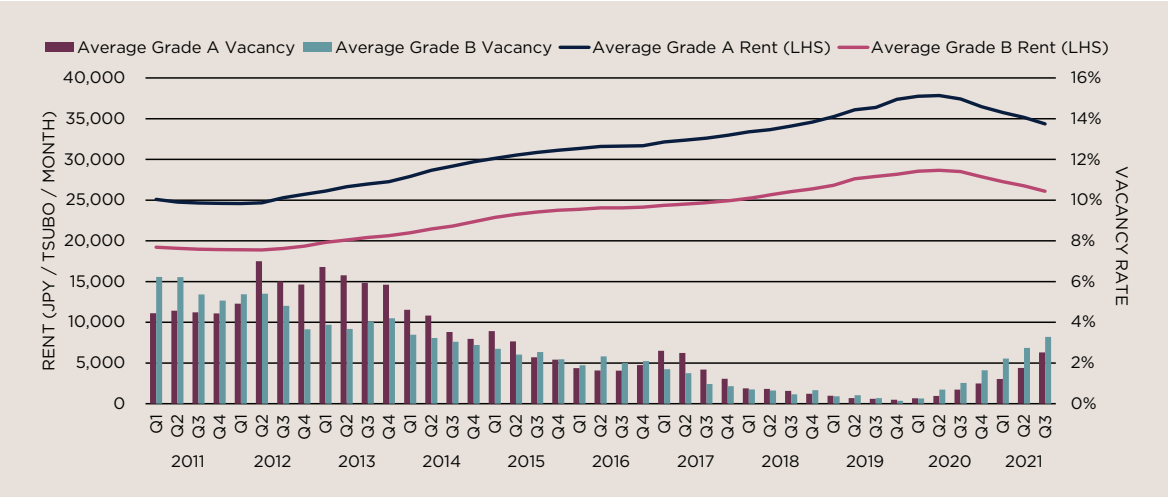
Office Rents and Vacancy in Tokyo's Central Five Wards, 2011 to Q3/2021



Source Savills Research & Consultancy

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Dentsu Building	Tokyo	JPY270 bil/ US$2.5 bil	Hulic	Office
Iidabashi Grand Bloom (41.1% interest)	Tokyo	JPY77.6 bil/ US$705 mil	Nippon Building Fund REIT (NBF)	Office
Nakanosakaue Sunbright Twin (48.9% interest)	Tokyo	JPY40 bil/ US$363 mil	Domestic SPC	Office
Yokohama Nomura Building (50% interest)	Yokohama	JPY33 bil/ US$300 mil	Morgan Stanley	Office
Kamiyacho Trust Tower (3.8% interest)	Tokyo	JPY32.4 bil/ US$295 mil	SMFL Mirai Partners	Office

Source Nikkei RE, RCA, Savills Research & Consultancy

Macau

On the 5th September 2021, the China and Macau Government announced that the "Guangdong-Macao In-Depth Cooperation Zone in Hengqin" was officially launch. A peninsula beside Macau covering an area of 106 sq km, Hengqin is designated to be developed to help the diversification of Macau's economy, and to provide space for Macau residents to live and work.

Hengqin is a part of Zhuhai in Guangdong Province, but has now been granted a new position, with a new government structure composed of both the Guangdong Government and the Macau Government. The cooperation zone will develop several main industries including sci-tech research and development, high-end manufacturing, traditional Chinese medicine and other Macau signature businesses and industries such as culture and tourism, conventions and exhibitions and modern finance. The project has established three milestones in 2024, 2029 and 2035, in order to refine the mechanism of cooperation between the two governments, to develop major industries, and to increase the number of Macau residents living in Hengqin, completing the diversification of Macau's economy. It is expected that the cooperation project will be the next largest opportunity for Macau after the development of the city's gaming industry, effecting not only real estate but also many other industries. More details are expected to be released within the year.

To make it easier for Macau residents to reside in Hengqin, the Chinese government has sold a site of over 620,000 sq m to the Macau Government to start a residential project named "Macau New Neighborhood". Providing about 4,000 residential units only for Macau residents to buy or rent, the project started in 2020 and is expected to complete within three years.

Looking at the latest residential market data, according to figures from DSF Macau, until August 2021, there were 4,397 residential property transactions, averaging about 550 deals per month, compared to a monthly average of 532 deals per month in 2020, a slight increase of 3% YoY in volume. In terms of prices, in August 2021 the average unit price of transacted residential properties stood at MOP104,213 per sq m saleable area, an increment of 2% compared to an average unit price of MOP102,141 per sq m in 2020. Given the on-going pandemic, it is expected that the tourism and gaming markets will remain subdued, and the real estate market will languish at low levels in terms of transaction volumes and unit prices until border restrictions are truly relaxed.

In other news, the Macau government started public consultation for a new gaming concession framework in September 2021, and the consultation period will last for 45 days with topics to be covered including the number of gaming tables, the length of the concession period, the balance of gaming and non-gaming businesses, the allocation of gaming profits, social responsibility etc. The result will be one of the most significant factors affecting the future of Macau's real estate market as well as the city's broader economy.

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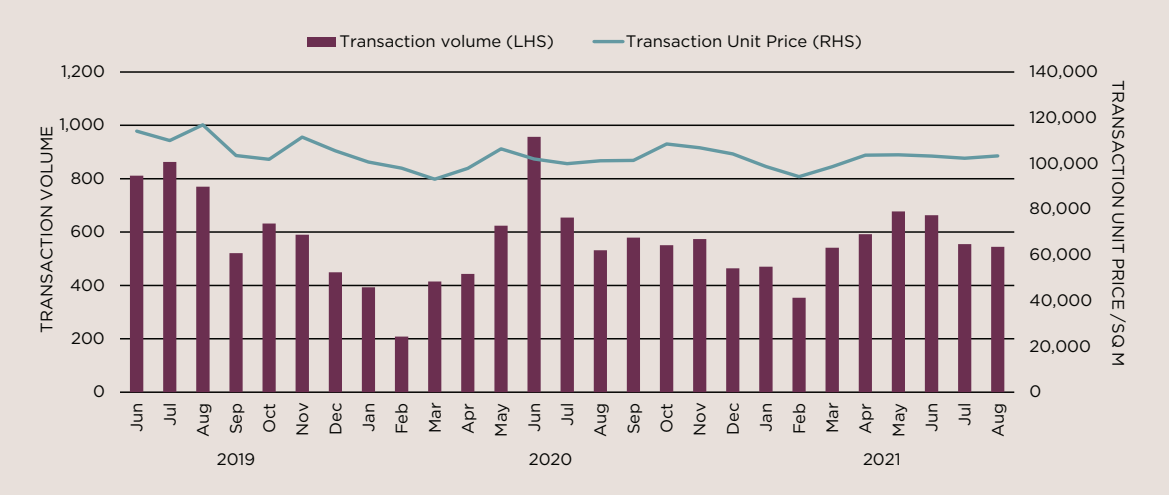
Macau Residential Transaction Volumes And Transaction Unit Price, June 2019 to August 2021



Source DSF Macau, Savills Macau

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Most states are currently in Phase 3 of Malaysia's National Recovery Plan as 80% of adults are fully vaccinated, and the focus now turns to inoculating teenagers and rolling out booster shots to high-risk groups. In recent weeks there has been a relaxation in some of the SOPs related to domestic travel, along with the promise of further loosening of restrictions and the possibility of international travel by the end of this year. As more economic sectors are slowly beginning to re-open, there is greater optimism that the country's economic recovery will finally start to accelerate. Malaysia's GDP in Q2/2021 increased by 16.1% YoY, a marked improvement from the 17.2% decline seen during the corresponding quarter in 2020, which was almost entirely spent under the first lockdown that started in late March 2020 and didn't ease up at all for nearly the entirety of Q2/2020.

The total value of major transactions in this reviewed quarter was similar to Q2/2021, amounting to approximately RM2.1 billion. The largest acquisition in the quarter was YTL Power International Bhd's 70%-owned subsidiary SIPP Power's acquisition of 1,640 acres of agricultural land in Kulai Johor for RM428.8 million. The deal provides an opportunity for Boustead, the vendor, to monetise and rebalance assets as part of its reinvention strategy and realise the economic value of Kulai Young Estate at a favourable price due to the estate's location, development potential and easy accessibility.

In Kinabatangan, Sabah, Sharikat Keratong Sdn Bhd has acquired 7,431 acres of agriculture land for RM248 million. TSH (the vendor) has noted their realization of a significant gain in value through the disposal, which entails three plantations known as Ladang Gomantong, Ladang Ong Yah Ho and the Lahad Datu Palm Oil Mill.

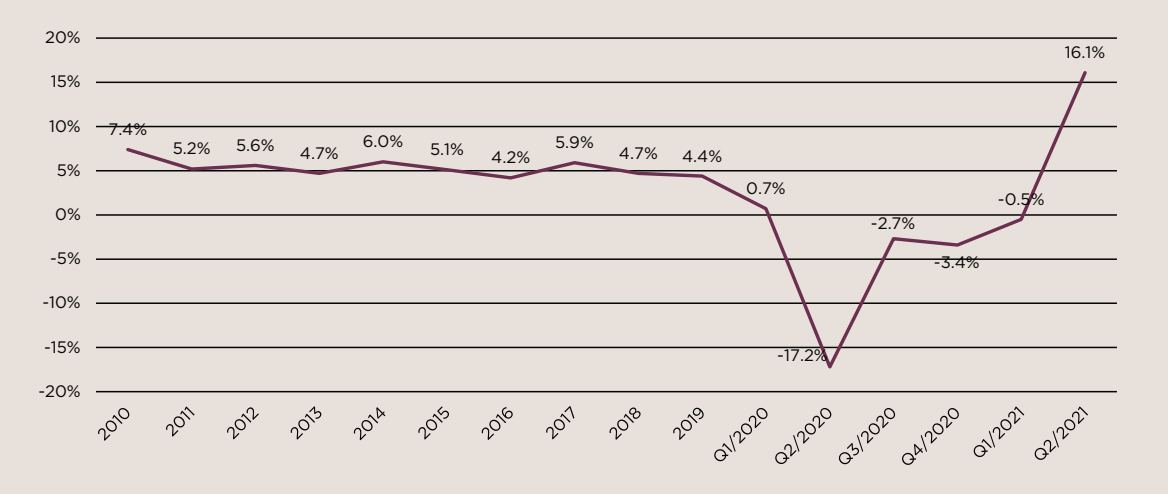
Within the Klang Valley, the largest transaction was MDCon Sdn Bhd's purchase of 602.5 acres of industrial land from WCT Holdings Bhd for RM214.3 million in Serendah, Selangor. The disposal provides an opportunity for WCT Holdings to unlock the value of the land as well as to fund working capital and repay the bank borrowings of the Group. The disposed land was earmarked for a previous venture by WCT Holdings but was aborted due to the weak property market conditions at the time.

Scientex Bhd has also acquired 251 acres of agriculture land in Jenjarom, Selangor from Seriemas Development Sdn Bhd, a wholly owned subsidiary of PNB Developments Sdn Bhd for RM207.5 million. The acquisition is in line with the group's land banking objectives and their goal to complete 50,000 affordable homes throughout Malaysia by 2028. Scientex's current developments in Kundang Jaya and Rawang have received positive responses from the general public, as the availability of better affordable housing offerings has been a concern in Malaysia in recent years.

Meanwhile, Media Prima Bhd is repurchasing Balai Berita Bangsar in Kuala Lumpur, which they sold in 2018, for RM156.4 million. Since the earlier disposal, the company has been renting Balai Berita Bangsar from PNB Development as the property currently houses the group's corporate headquarters and offices for its subsidiaries. The acquisition is intended to provide long-term certainty to ensure its operations at Balai Berita Bangsar will not be disrupted.

Agriculture land intended for conversion to development sites contributed the most to the quarter's overall transaction value, accounting for approximately 44%, followed by industrial and residential land transactions at 31% and 17% respectively.

GDP Growth, 2010 to Q2/2021



Source Bank Negara Malaysia

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
1,641 acres site	Johor	RM428.8 mil/ US$102.8 mil	SIPP Power Sdn Bhd (YTL Power International Bhd)	Agriculture land
A 7,431 acres site	Sabah	RM248.0 mil/ US$59.5 mil	Sharikat Keratong Sdn Bhd	Agriculture land
A 603 acres site	Selangor	RM214.3 mil/ US$51.4 mil	MDCon (Simpang Empat) Sdn Bhd	Industrial land
A 251 acres site	Selangor	RM207.6 mil/ US$49.8 mil	Scientex Bhd	Agriculture land
Balai Berita Bangsar (a 3.46 acres commerical site)	Kuala Lumpur	RM156.4 mil/ US$37.5 mil	Media Prima Bhd	Commercial building and land

Source Company announcements, Savills Research & Consultancy

Philippines

The Philippine economy contracted by 9.5% in 2020 but has since shown signs of recovery, growing by 11.8% through 2Q/2021. The increase in production was driven by a relaxation of movement restrictions. The onset of the new Delta COVID-19 variant, however, has reimposed these restrictions and is seen by economists as a major contributor to slower growth throughout the year. Both the status of the vaccine rollout as well as the ongoing lockdowns in major markets are seen as the biggest risks to growth. Recently, the Philippine government imposed a granular lockdown aimed at enabling economic activity within each market. As of 15 September 2021, 84% (8.2 million) of Metro Manila residents aged 18 and older have received at least one dose of a COVID-19 vaccine while 63% have been fully vaccinated. Overall, 22 million people nationwide had received a first dose and 17.7 million were fully vaccinated.

While real estate transactions have slowed in the country, valuations in the market have been enhanced. Real Estate Investment Trusts (REITs) have been active, with managers adding to their portfolios throughout the year. Ayala Land's AREIT Inc. recently unveiled 46 projects in their reinvestment plan spanning office, retail, industrial, and commercial properties. Currently in various stages of development, these projects aim to expand their portfolio above 1,000,000 sq m of GLA. Double Dragon's REIT has also expanded, adding Jollibee Tower, a Grade A office building in Ortigas with 55,000 sq m of GLA, and CentralHub Industrial Centers Inc., a company with an industrial portfolio of 32,000 sq m.

Prominent developers have debuted their own REITs this quarter. Last August, Filinvest Development Corp. debuted FIL REIT featuring 299,200 sq m of GLA within Alabang and Cebu. Robinsons Land Corp. recently released their REIT with 425,300 sq m of office space across nine cities throughout the country. More is on the horizon, with Megaworld Corp. set to unveil its REIT by October 1st 2021 which offers 224,400 sq m of real estate across the Philippines.

Sustained growth is expected in the REIT market, with strong developer support for comprehensive expansion plans. Mostly catering to Business Process Outsourcing (BPO) companies, current REIT portfolios provide access to one of real estate's most stable customers during the pandemic. The BPO industry saw revenues of $26.7 billion in 2021, 1.4% higher than the previous year, with 1.32 million employees in the Philippines. The overall stock performance of the REIT market has been mixed however, with foreign appetite still warming up to the investment prospects on offer.

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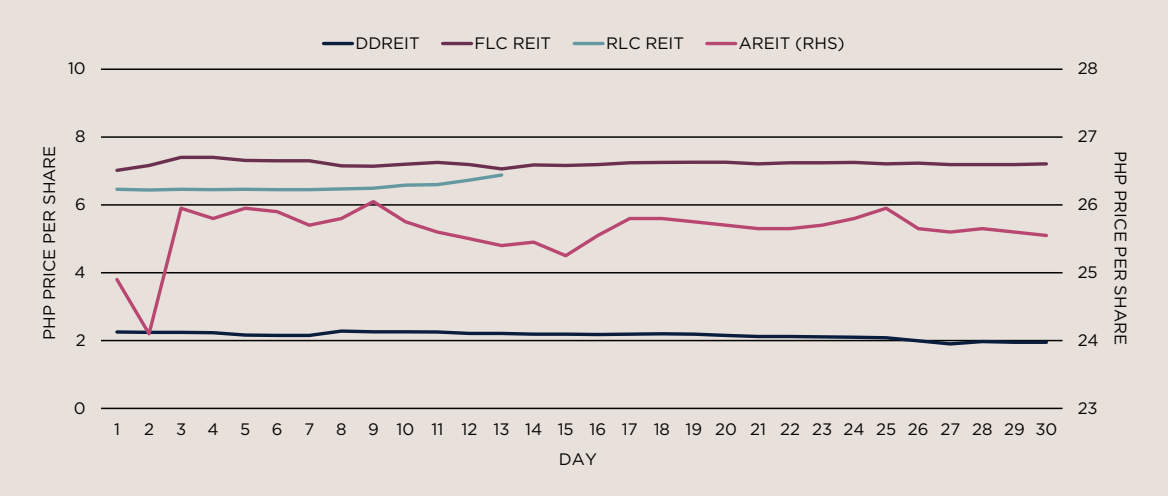
REITS First 30-day Trading Performance



Source Philippine Stock Exchange

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Exxa-Zeta Tower	Quezon City	PHP11.867 bil/ US$231.9 mil	Robinsons Land REIT	Office
Robinsons Summit Center	Makati	PHP11.476 bil/ US$224.2 mil	Robinsons Land REIT	Office
Cyberscape Alpha	Ortigas	PHP8.545 bil/ US$167.0 mil	Robinsons Land REIT	Office
Robinsons Cybergate Center 3	Ortigas	PHP7.873 bil/ US$153.8 mil	Robinsons Land REIT	Office
Cyberscape Beta	Ortigas	PHP7.794 bil/ US$152.3 mil	Robinsons Land REIT	Office

Source RCA, KMC Savills, inc

Singapore

Building on the recovering momentum of Q2/2021, investment sales in the third quarter rose 36.1% QoQ to S$7.21 billion. On a YoY basis, the increase was 160.1% from a low base of S$2.77 billion. Last year's low base was due to the strict measures imposed on movement even as Singapore emerged from the lockdown which spanned most of Q2/2020.

Investment sales in the private residential segment fell 27.4% QoQ from nearly S$2.79 billion in Q2/2021 to S$2.02 billion in Q3/2021. However, this was still 108.9% higher than the S$966.7 million recorded in the same period a year ago just after the economy came back online after the lock down. What is notable is that in the third quarter, a large collective residential sales site of a development called Flynn Park was announced at S$371 million. In value terms, this was the largest residential collective sale since June 2018.

While private residential investment sales fell, four Government Land Sales sites (three residential and one white site) were sold for S$3.74 billion. One of the three GLS sites was for a mixed residential-retail development which was sold for S$1.03 billion to Far East Organisation. Towards the closing of the third quarter, there was also an award of a white site (for 905 apartments, 540 hotel rooms with some office and retail permitted) to IOI Properties for S$1.51 billion. Public land tenders have attracted a lot of interest as developers are seeking to replenish their landbanks as they run down inventory due to strong demand.

Similarly, industrial investment sales fell from S$389.6 million in Q2/2021 to S$185.08 million in Q2/2021. The pull back in industrial investment sales was due to the bid ask spread widening after sellers capitalised on the improving market sentiment arising out of buyers seeking to build inventory buffer to mitigate the effects of supply chain disruptions.

Investment sales in the office sector saw a QoQ decline of 16.6% to S$895.9 million. The largest office deal done in the quarter was for 61 Robinson Point for S$422 million. This is a 15-storey building in the CBD with a site area of 15,125 sq ft and an existing net lettable area of 141,598 sq ft. Going into the final quarter of the year, institutional interest in office buildings and strata units is still strong. For the retail sector, S$243.3 million of investment sales were recorded in the quarter in review, up 32.1% QoQ.

In the shophouse segment, investment sales fell 60% QoQ to S$109 million. The fall was largely attributed to the upward revision in asking prices which potential buyers needed time to digest. Nevertheless, interest in this segment of the real estate market remains high as the absence of Additional Buyer's Stamp Duty for commercial shophouses makes this asset class attractive to foreign and corporate investors.

Despite uncertainties surrounding the global economic recovery amid a resurgence of infections it is projected that Singapore's economic growth will be a respectable 6-7% in 2021. Notwithstanding the sharp rise in daily infections, many foreigners still view Singapore as a stable and attractive place to invest or start up a regional business.

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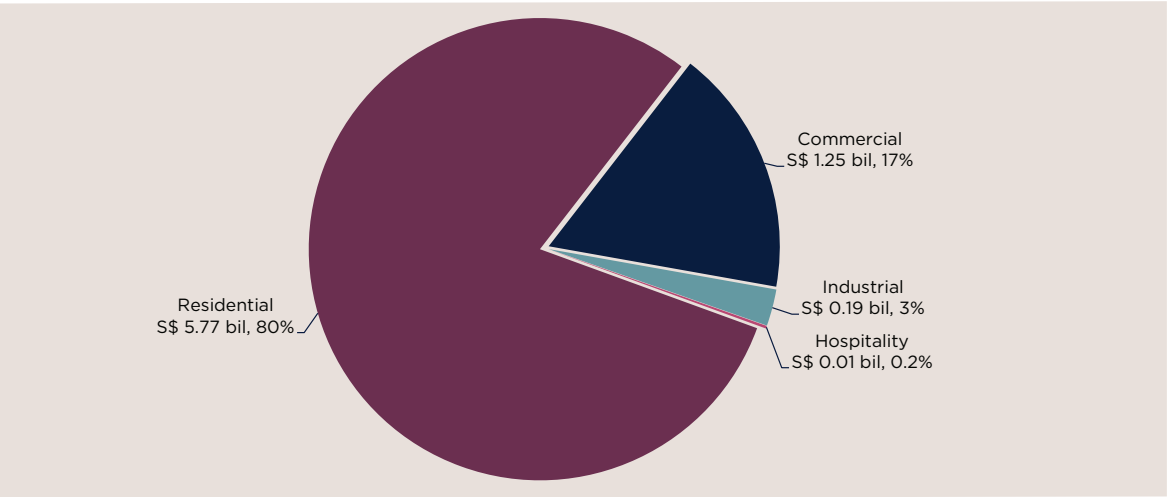
Investment Sales Transaction Volumes By Property Type, Q3/2021



Source Savills Research & Consultancy

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Government Land	Marina View	S$1.51 bil/ US$1.11 bil	IOI Properties	Mixed-use
Government Land	Jalan Anak Bukit	S$1.03 bil/ US$757.3 mil	Far East Organization and Sino Group	Mixed-use
Government land	Lentor Central	S$784.1 mil/ US$577.5 mil	GuocoLand Limited	Residential
Flynn Park	18 Yew Siang Road	S$371.0 mil/ US$273.3 mil	Sunway Developments, Hoi Hup	Residential
Robinson Centre	61 Robinson Road	S$422.0 mil/ US$310.8 mil	Rivulets Investments	Office

Source Savills Research & Consultancy

South Korea

Officetel, a portmanteau of 'office' and 'hotel,' is a real estate facility unique to Korea which is defined as a business facility with adjunct housing.

Since officetels are classified as business facilities, they are located in urban zones with good access to the city. While their total usable area is small compared to other housing types (apartments, detached-houses/townhouses, multiplex/multi-family), they provide good security, parking, and overall residential environments, making them popular among younger single dwellers and female residents. Traditionally, officetels have been commonly purchased as investment properties, while smaller units have been preferred to better secure tenants.

Compared to apartments or multiplex/multi-family properties, officetels have faced limited upside given their relatively high rents and vacancy risk from frequent tenant relocations. Accordingly, average officetel transaction prices recorded a CAGR of 4.4% between January 2006 and June 2021, compared with 6.4% for multiplex/multi-family, and 6.9% for apartments.

However, since 2018, surging apartment prices from a shortage of supply has resulted in a shift of a considerable number of residents to the officetel market. In addition, higher acquisition taxes introduced in July 2020 may have turned away potential buyers seeking small-sized officetels as potential investments but attracted owner-occupiers to mid-to-large-sized properties for self-use.

As a result, the price of mid-to-large-sized officetels has leaped, while the price of small officetels has lagged in comparison. The price of officetels with an NLA over 85m2 grew 71.5% from January 2017 to June 2021, near the 86.1% increase for apartments during the same period. Based on our officetel price index since January 2006, the growth rate trend was inverted in 2015 as the price of larger properties started to grow at a faster rate than that of smaller properties. The price index of officetels over 85 sq m surpassed officetels under 45 sq m in October 2020, underscoring the steady shift in housing preferences.

There is a possibility that the price of mid-to-large officetels will continue to increase as time will be needed to resolve the current housing shortage. Limited opportunities in the retail and hotel markets due to the COVID-19 pandemic are also giving rise to more reconstruction and re-purposing of officetel projects, while the easing of officetel supply regulations, effective since September 2021, is also likely to lead to the construction of more supply in the near future.

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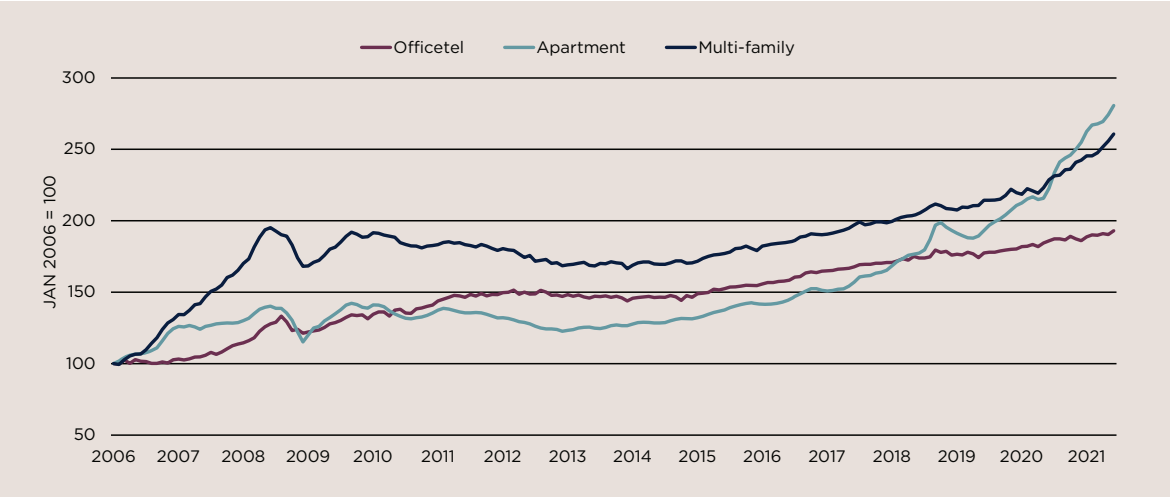
Seoul Residential Price Index, January 2006 to June 2021



Source Korea Real Estate Board (Apartment, Multiplex/Multi-family), Savills (Office-tel)

Seoul Officetel Annual Transaction Price Growth Rate by Size, June 2021

NLA	JAN 2006 TO JAN 2010	JAN 2010 TO JAN 2015	JAN 2015 TO JAN 2020	JAN 2020 TO JUN 2021
<40 sq m	9.8%	2.3%	3.3%	0.8%
40 to 60 sq m	5.8%	2.3%	4.0%	9.0%
60 to 85 sq m	4.5%	1.4%	6.3%	16.7%
>85 sq m	3.3%	0.9%	7.4%	20.8%

Source Korea Real Estate Board (Apartment, Multiplex/Multi-family), Savills (Office-tel)

Taiwan

Since the second wave of COVID-19 was quickly contained in mid-June and the alert level was downgraded to Level 2 at the end of July, real estate market activity recovered immediately. Total transaction volumes in the commercial property sector increased by 23% QoQ to NT$41.6 billion in the third quarter and reached NT$126.3 billion in the first three quarters of the year, up by 12% YoY, hitting a new 15-year high. Developers turned out to be the biggest buyers in the commercial property market, contributing 40% of deals, and aggressively searched for old hotels, motels, factories, and office buildings which offer a chance to apply for FAR incentives through redevelopment. The largest deal was an en-bloc office building in Taipei CBD which received nine bids and was eventually sold for NT$3.8 billion to a local developer, 52% over the reserve price.

Demand for industrial property has remained strong as technology and manufacturing companies continue to expand their production lines locally. The factory and industrial office sectors posted a total volume of NT$20.5 billion and accounted for a 49% share this quarter. As the technology industry fuels Taiwan's economic growth, the expansion plans of industrial leaders are crucial. The shift homeward of supply chains and the immigration of scientists and engineers bring significant opportunities to the local market. As an example, when TSMC announced plans to build their advanced plants in Tainan Technology Park last year, residential prices in the surrounding areas rose by over 10% over the next 12 months. The resilience showed by the industrial property sector during the COVID-19 crisis has attracted plenty of investor interest. The accelerating demand from end-users and investors has caused land prices of major industrial parks to increase by an average of 8% so far this year, approximately double compared with last year.

The US - China trade war has been the main catalyst behind Taiwanese manufacturers returning home from 2018 onwards, triggering rises in industrial property prices. In the short term, China's power cuts might be another catalyst for Taiwanese companies to shift production back to Taiwan which will support further price increases. On the other hand, the government and the central bank in Taiwan have continued to try to cool the booming property market. A new round of credit controls announced by the Taiwanese Central Bank is targeting second-home buyers and idle industrial land, but the impact has so far been limited. Unless the government introduces further restrictions, we expected the current wave of demand to continue unchecked.

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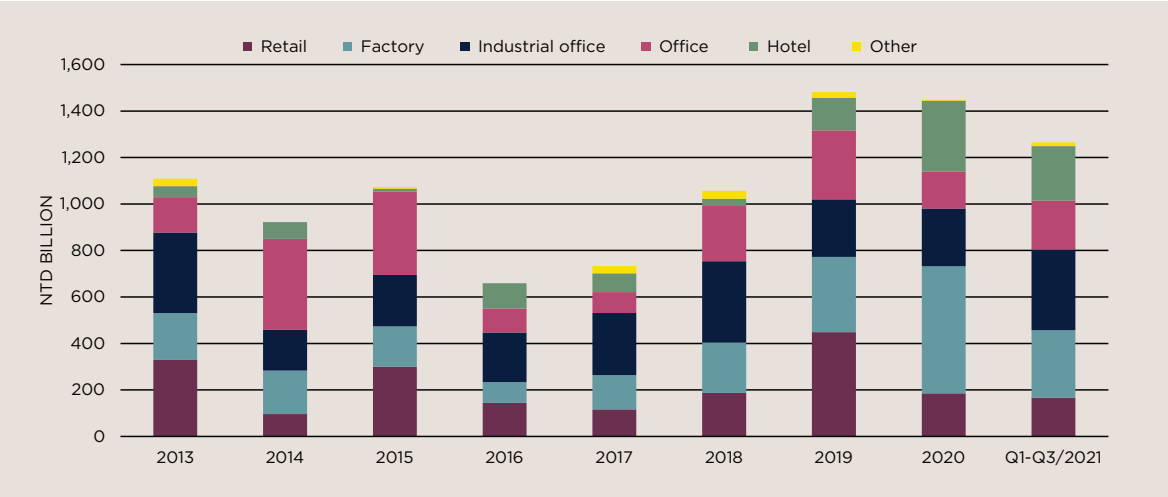
Transaction Volumes By Property Type, Q3/2021



Source Savills Research & Consultancy

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
En-bloc office building in Tingzhou Road	Taipei City	NT$3.9 bil/ US$135 mil	Goodman Group	Office
Portman Motel	Taichung City	NT$3.8 bil/ US$133 mil	Farglory Land Development	Motel
Huaku Financial and IT Center	Taipei City	NT$3.4 bil/ US$117 mil	Mercuries Life Insurance	Office
Moonshy Boutique Motel	Taichung City	NT$2.8 bil/ US$99 mil	Lien Jade Construction	Motel
Holiday Garden Hotel	Kaohsiung City	NT$2.7 bil/ US$93 mil	Local Developer	Hotel

Source Savills Research & Consultancy

Thailand

Thailand's economic figures have shown some improvement after the number of COVID-19 infections began to trend down, while the vaccination rate improved substantially from Q2. These positive signs have led to the easing of lockdown restrictions in the dark-red provinces[1] and the reopening of restaurants and shops, offering hope for the Thai economy, and especially hard-hit retailers. Complete national vaccination will be a key driver of recovery and is expected to be achieved within 2022 (the vaccination rate stood at 22.8% at the end of Q3).

The pandemic has been driving demand for e-commerce, digital tech, and cloud services with the rise of various Content Provider Services and IT spending generally. In September, Ascend Money, the owner of TrueMoney Wallet, became Thailand's first Fintech unicorn with a valuation of US$1.5 billion reflecting the rapid growth of the digital economy here. In terms of digital storage expansion, STT GDC's joint venture with Frasers Property Thailand is working on Thailand's largest hyperscale data centre (60,000 sq m), worth THB7.3 billion. The project will support the surge in the number of global cloud-service providers coming to the country. Chinese companies are still major players, notably Huawei, Tencent, and Alibaba. Fraser's is additionally invested in industrial space worth approximately THB1.8 billion and is keen to support the digital warehouse and logistics sectors.

Demand in the local office market is increasingly being driven by e-commerce and tech companies which continue to grow quickly and take up more space. Bangkok's overall occupancy rate has remained relatively stable at 87% since Q2 even as companies have introduced WFH policies, and new workplace trends have emerged. The growth of the "Workation" lifestyle alongside government attempts to encourage domestic tourism are expected to help the hospitality sector, which could see hotel occupancy rise to over 40% by the end of 2021. Several investors are currently proceeding with purchases of hotels, confident of the sector's post-pandemic recovery.

Late in the third quarter, the cabinet approved a plan to attract more than one million qualified people to Thailand over the next five years, targeting wealthy global citizens and highly skilled professionals. Benefits of the scheme include 10-year visas for approved persons, automatic work permits, income taxes at local rates and tax exemptions on income earned abroad. We are awaiting details on the relaxation of restrictions on foreign ownership of land and property, but it looks like the sector will be given a boost by the new measures. The current Phuket-Sandbox and Samui-Plus programmes introduced in July are helping to revive overseas interest in the two resort locations which also stand to benefit from the package of government measures.

1 The Dark-Red provinces can be divided as follows; Central Region: Bangkok and 28 other provinces: Ang Thong, Ayutthaya, Lop Buri, Kanchanaburi, Nakhon Nayok, Nakhon Pathom, Nonthaburi, Pathum Thani, Phetchaburi, Prachuap Khiri Khan, Ratchaburi, Samut Prakan, Samut Sakhon, Samut Songkhram, Saraburi, Sing Buri, and Suphan Buri; Eastern Region: Chachoengsao, Chon Buri, Prachin Buri, and Rayong; Northern Region: Phetchabun and Tak; Northeastern Region: Nakhon Ratchasima, and Southern Region: Narathiwat, Pattani, Songkhla, and Yala.

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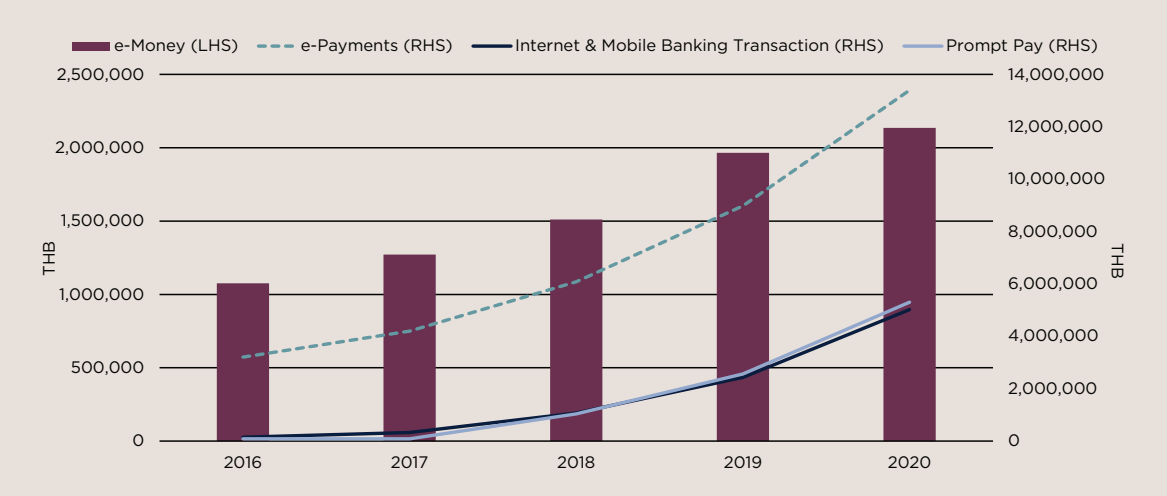
Thailand Digital Transaction Trend, 2016 to 2020



Source Bank of Thailand

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
A warehouse	Ayutthaya	THB402 mil/ US$13.4 mil	Frasers Property	Industrial
Allegro Factory	Saraburi	THB810 mil/ US$27.0 mil	Zhongji Holdings	Industrial
Manathai Phuket/ Samui/Khao Lak	Phuket/Samui/ Phang Nga	N/A	Outrigger	Hotel

Source Savills Research & Consultancy

Vietnam

In Q3/2021, the mobility measures adopted by the government to contain the pandemic hit the economy domestically. According to the General Statistics Office GDP grew by only 1.42% year-on-year (YoY) in the first nine months of 2021 due to long lockdowns, supply chain disruption and factory shutdowns. However, the Ministry of Planning and Investment reported that FDI increased by 4.4% YoY to approximately US$22.15 billion.

Some major M&A transactions included:

- Aseana Properties Ltd. sold its stake in City International Hospital to its joint venture partner with a total value approximately US$95 million.
- The Ascott Ltd. (Capitaland) acquired the 364-unit Somerset Metropolitan West Hanoi for around US$93 million.
- Hung Thinh Group acquired approximately 70% of Song Tien Corporation's shares to develop the 204 ha Angel Island project in Nhon Trach, Dong Nai Province.
- Nishi Nippon Railroad acquired Nam Long Group's capital contribution at Paragon Dai Phuoc One Member LLC. They joined Nam Long Group in the development of the 45 ha Nam Long Dai Phuoc township.

In terms of industrial property, ready-built factories (RBF) were the first choice for investors given healthy occupier demand for high-quality factory and warehouse space. High rents and the shortage of industrial land in prime locations also helped drive RBF demand. Bac Giang and Hung Yen provinces approved industrial zones of 800 ha in Bac Giang and 193 ha in Hung Yen. According to the Ministry of Natural Resources and Environment, by 2030 the amount of industrial land will increase by 115,000 ha compared to 2020.

Some new public infrastructure projects were in the implementation stage and some existing projects were completing. On 23 September 2021, the Prime Minister approved the investment plan for the first phase of the Bien Hoa-Vung Tau Express with a total investment of approximately US$822.89 million, to be built under a public-private partnership model. Thu Thiem 2 Bridge saw the installation of the last steel beam. Expected to be completed by Q2/2022, the bridge will connect District 1, the Thu Thiem area and Thu Duc City. According to the Hanoi Department of Planning and Investment, Hanoi plans to invest more than US$3.65 billion in the transport sector to implement a total of 255 projects.

Many real estate businesses issued bonds to finance investment costs for their projects including:

- Novaland issued US$300 million of international convertible bonds on the Singapore Stock Exchange. The bonds have a 5-year maturity and a fixed coupon rate of 5.25% per annum. The capital raised will be used for land bank acquisition and project development.
- Hung Thinh Land (Hung Thinh Group) issued 36-month bonds valued at approximately US$79 million with a combination of fixed and floating interest rates. The funds will go towards expanding their real estate operations.
- Kinh Bac JSC issued 24-month bonds, valued at around US$44 million, with a 10.5% per annum coupon rate. This will increase its operating capital.

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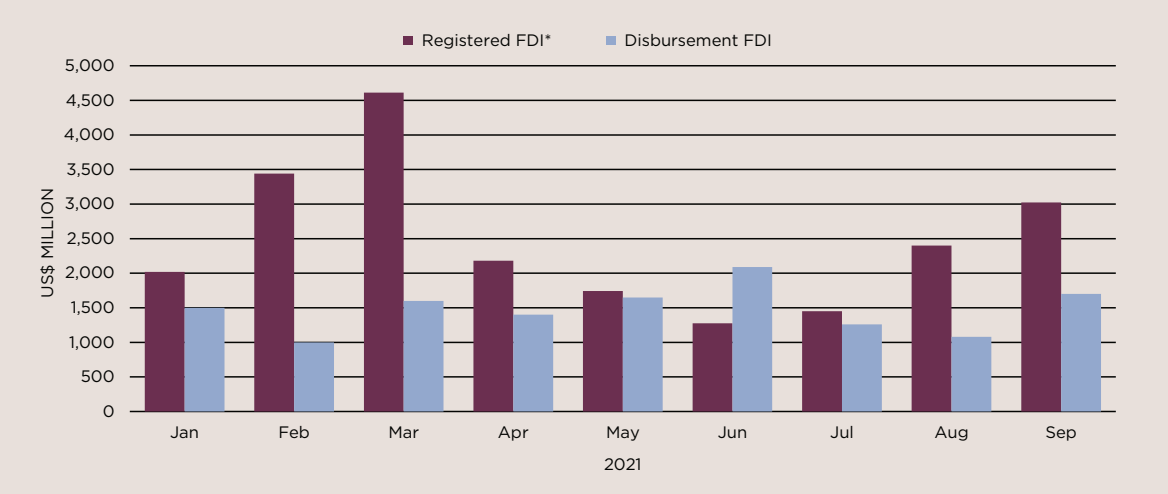
Vietnam Monthly Registered and Disbursement FDI, 2021



Source Ministry of Planning and Development
* included the total newly registered, adjusted, and paid-in capital for share purchase.

Major Investment Transactions, Q3/2021

PROPERTY	LOCATION	PRICE	BUYER	USAGE
Somerset Metropolitan West Hanoi	Hanoi	VND2.11 tri/ US$93 mil	Ascott Limited	Serviced apartment
Phu My Specialized Industrial Park	Ba Ria-Vung Tau	VND682.4 bil/ US$30 mil	Coretronic Corporation	Development site
Land at Da Nang	Da Nang	VND352.4 bil/ US$15.5 mil	Matrix Holdings Limited	Development site
City International Hospital	Binh Tan, HCMC	N/A	Hoa Lam Corporation	Hospital

Source Savills Research & Consultancy

Australia

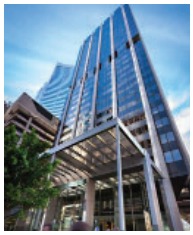
1 McNab Avenue ▶
Footscray, VIC
AU$224.0M/US$164.3M
in August

60 Miller Street ▶
North Sydney, NSW
AU$273.0M/US$200.3M
in August

◀ **1 Bligh Street** (33%)
Sydney, NSW
AU$375.0M/US$275.1M
in July

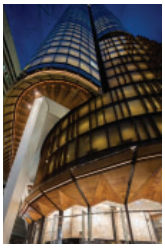
◀ **275 George Street** (50%)
Brisbane, QLD
AU$275.0M/US$201.8M
in July

140 St. Georges Terrace ▶
Perth, WA
AU$272.5M/US$200.0M
in September



▲ **101 Moray Street**
South Melbourne, VIC
AU$205.1M/US$150.1M
in September

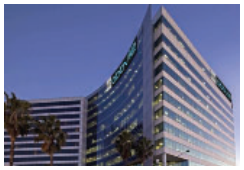
Capital Square Tower 1 (50%) ▶
Perth, WA
AU$339.0M/US$248.8M
in July



Eastwood Shopping Centre ▶
Eastwood, NSW
AU$155.0M/US$113.8M
in July

Casey Central Shopping Centre ▶
Nare Warren South, VIC
AU$225.0M/US165.2M
in July

◀ **EY Centre** (50%)
Sydney, NSW
AU$578.5M/US$424.6M
in September



◀ **Locomotive Workshop** (49%)
Eveleigh, NSW
AU$231.0M/US$169.6M
in August

Grosvenor Place (50%) ▶
Sydney, NSW
AU$925.0M/US$679.1M
in July

▲ **Gateway Building**
Mascot, NSW
AU$151.5M/US$111.2M
in July

Myer Melbourne (67%) ▶
Melbourne, VIC
AU$270.4M/US$198.6M
in July

◀ **Mount Pleasant Centre**
Mount Pleasant, QLD
AU$162.5M/US$119.3M
in September

◀ **Town Centre Victoria Point**
Victoria Point, QLD
AU$160.0M/US$117.5M
in August

Beijing

◀ **Desheng International Centre** (Partial)
Xicheng, Beijing
RMB1.575B/US$244M
in Q3

Shimao Gongsan Plaza ▶
Sanlitun, Beijing
RMB1.645B/US$255M
in Q3

Central Park Residential Assets Package ▶
CBD, Beijing
RMB635M/US$98M
in Q3

◀ **Xihua Mansion**
Fengtai, Beijing
RMB1.672B/US$258M
in Q3

Shanghai/Shenzhen

◀ **Greenland Bund Center A2/C2**
Huangpu, Shanghai
RMB2.735B/US$424M
in Q3

Crystal Plaza T6 ▶
Pudong, Shanghai
RMB2.07B/US$321M
in Q3

Real Tower ▼
Xuhui, Shanghai
RMB1.363B/US$210M
in Q3

▲ **Innov Tower**
Xuhui, Shanghai
RMB1.658B/US$257M
in Q3

◀ **Hujing Garden Retail Podium**
Luohu, Shenzhen
RMB280M/US$43.4M
in Q3

Hong Kong

◀ **Wharf Cable TV Tower (Majority share)**
Tsuen Wan
HK$2.62B/US$336.8M
in July

Central Industrial Building ▶
Kwai Chung
HK$900M/US$115.7M
in July

East Asia Industrial Building, Phase 1 ▶
Tuen Mun
HK$2.24B/US$287.9M
in July

◀ **Mineron Centre**
Fanling
HK$695.0M/US$89.3M
in June

▲ **Hay Nien Building**
Kwun Tong
HK$628.0M/US$80.7M
in August

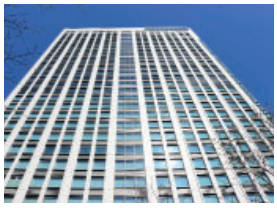
▼ **Shui Hong Industrial Building**
Kwai Chung
HK$498.0M/US$64.0M
in July

◀ **On Yam Shopping Centre and 355 Car Parks**
Kwai Chung
HK$535.0M/US$68.8M
in June

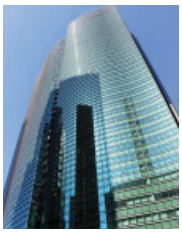
Shek Wai Kok Commercial Centre and 578 Car Parks ▶
Tsuen Wan
HK$765.0M/US$98.3M
in June

Japan

Kamiyacho Trust Tower (3.8% interest) ▶
Tokyo
JPY32.4B/US$295M
in July



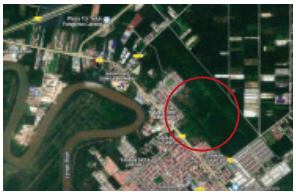
◀ **Iidabashi Grand Bloom (41.1% interest)**
Tokyo
JPY77.6B/US$705M
in August



◀ **Dentsu Building**
Tokyo
JPY270.0B/US$2.5B
in July

River City 21 (57% interest) ▶
Tokyo
in July

Malaysia



◀ **A 251-acre agriculture land**
Jenjarom, Selangor
RM207.6M/US$49.8M
in August

A 7,431-acre agriculture land ▶
Kinabatangan, Sabah
RM248.0M/US$59.5M
in July

A 1,640-acre agriculture land ▶
Kulai, Johor
RM428.8M/US$102.8M
in September

◀ **A 602.5-arce industrial land**
Serendah, Selangor
RM214.3M/US$51.4M
in September

Singapore

◀ **Flynn Park**
18 Yew Siang Road
S$371.0M/US$273.3M
in September

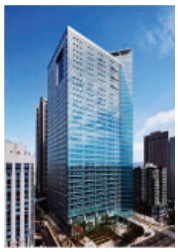
A government land ▶
Lentor Central
S$784.1M/US$577.5M
in July

◀ **A government land**
Jalan Anak Bukit
S$1.03B/US$757.3M
in August

▲ **A government land**
62 Tampines Street
S$422.0M/US$310.8M
in August

Robinson Centre ▶
61 Robinson Road
S$422.0M/US$310.8M
in September

South Korea



Barun Building ▶
GBD, Seoul
KRW130.5B/US$109.9M
in Q3

◀ **East Central Tower**
Gangdong-gu, Seoul
KRW531.6B/US$447.5M
in Q3

◀ **Mayple Tower**
GBD, Seoul
KRW170.0B/US$143.1M
in Q3

Incheon Dohwa Logistics ▶
Dohwa-dong, Incheon-si
KRW111.5B/US$93.9M
in Q3

Taiwan

Huaka Financial and IT Center ▶
Taipei City
TWD3.4B/US$117M
in August

◀ **En-bloc office building on Tingzhou Road**
Taipei City
TWD3.9B/US$135M
in July

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savills

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