



Beijing Residential Market Overview

Jul 2009



Agenda

1. Beijing Overview
2. Policy Changes
3. Residential Market
4. Investment Activities

Beijing Macroeconomic Conditions

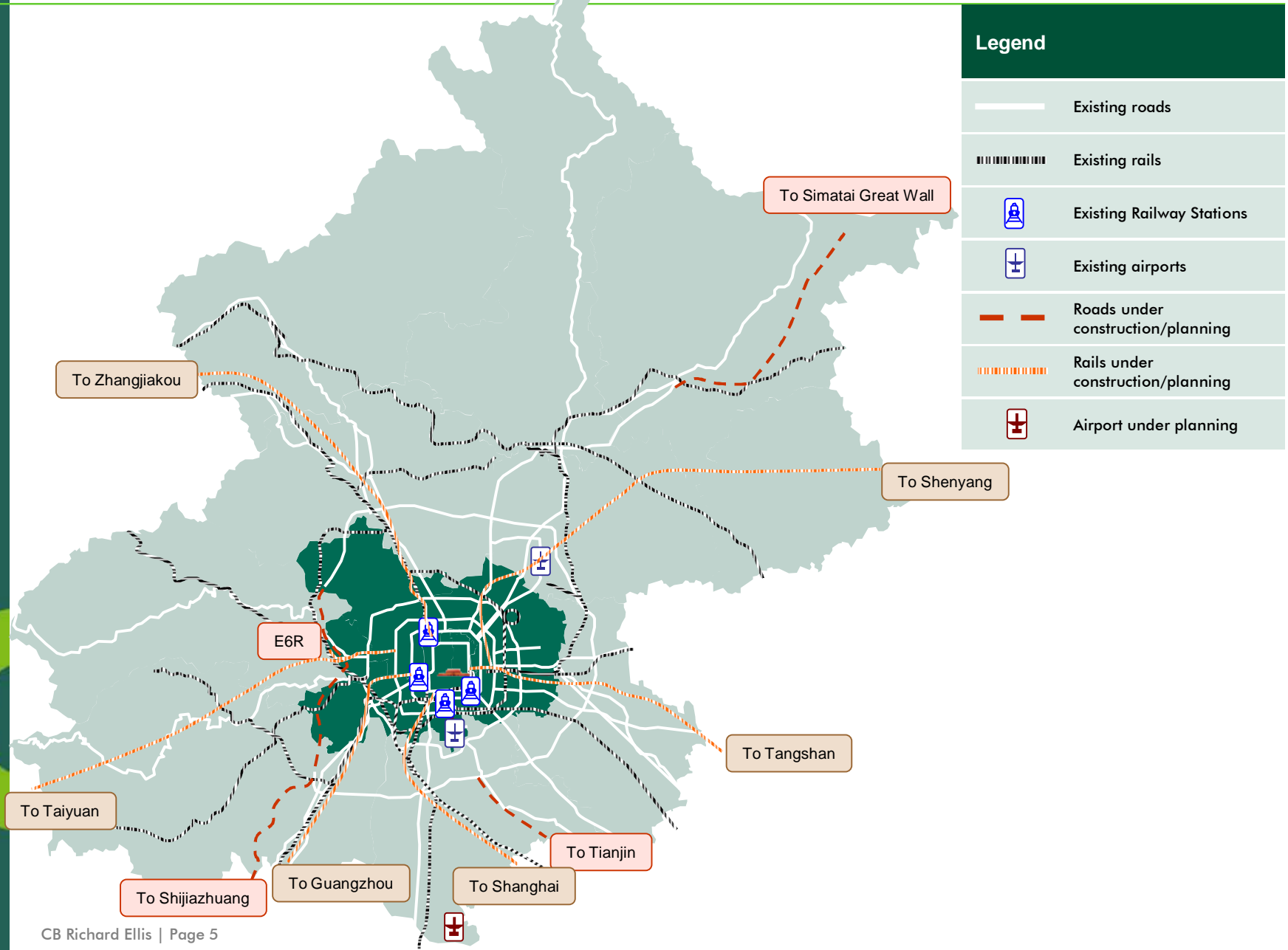
Beijing Overview



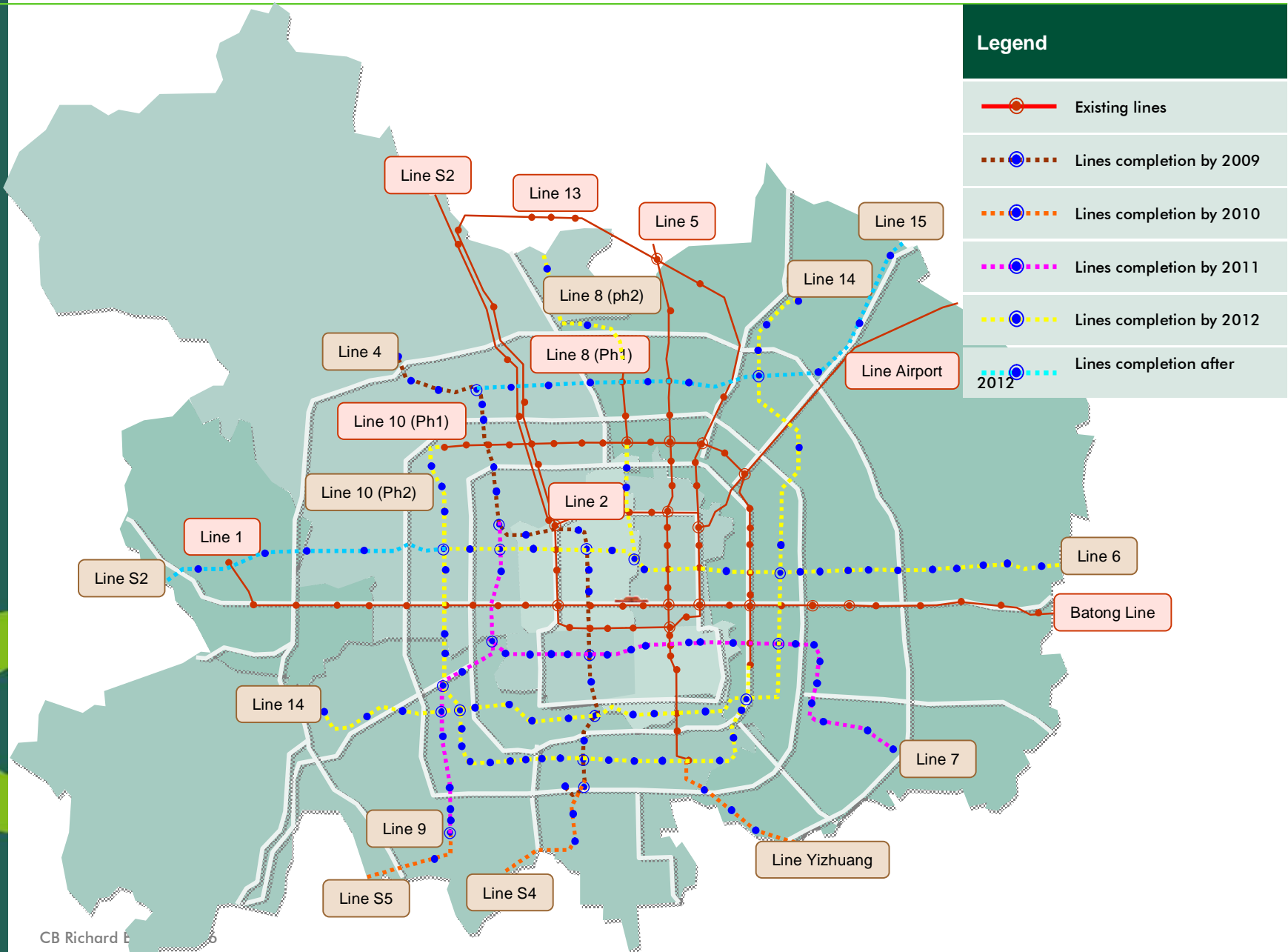
Land Size	: 16,410 sq km
GDP	: RMB 1,048.8 Billion
GDP Growth	: 9%
GDP per Capita	: US\$ 9,075
Permanent Population	: 16.95 Million
Fixed Asset Investment	: RMB 384.85 Billion
Real Estate Investment	: RMB 190.87 Billion
CPI	: 105.1
Exchange Rate to USD	: 6.83 (Dec 31, 2008)

Source: Beijing Statistics Bureau

Road and Rail Construction

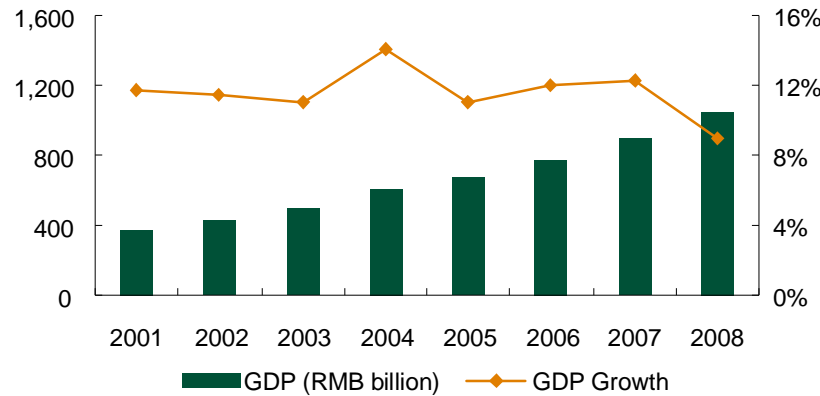


Metro Line Construction

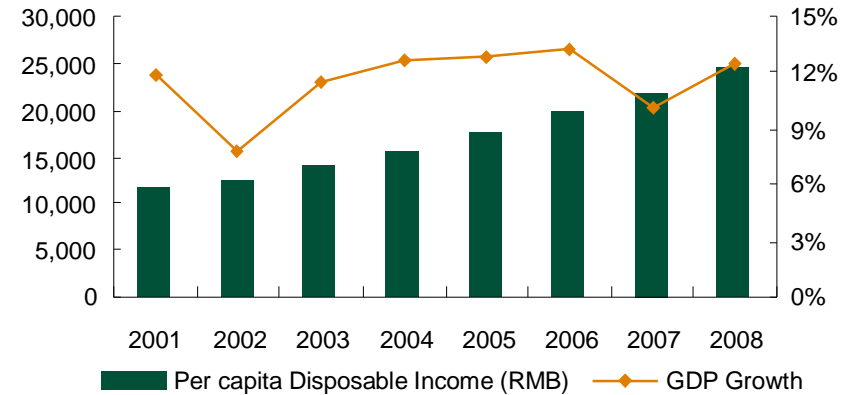


Economy

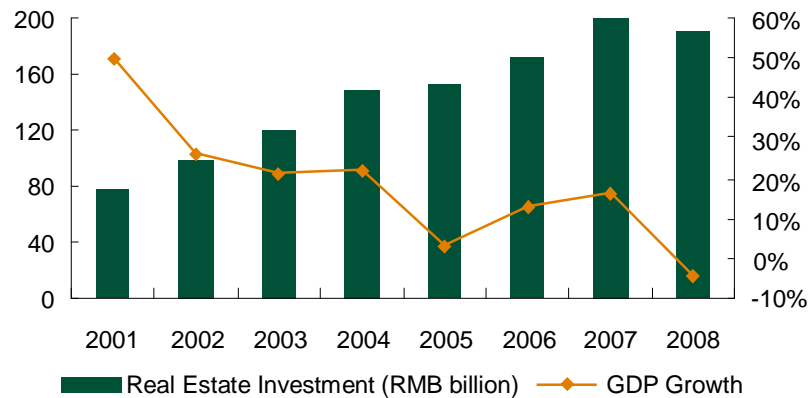
Gross Domestic Product



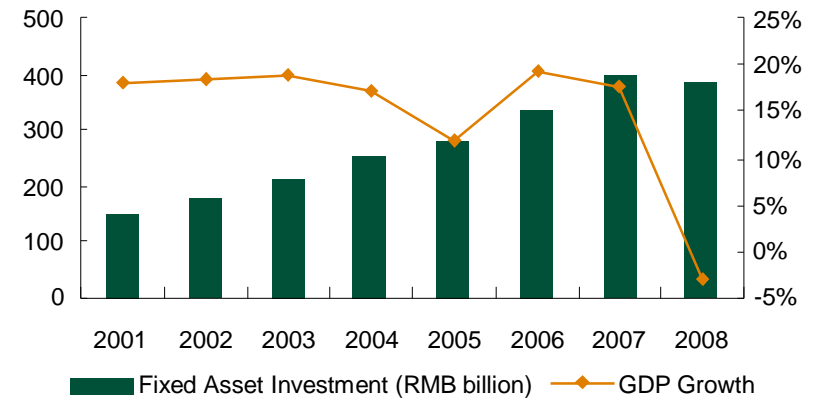
Annual Urban Disposable Income Per Capita



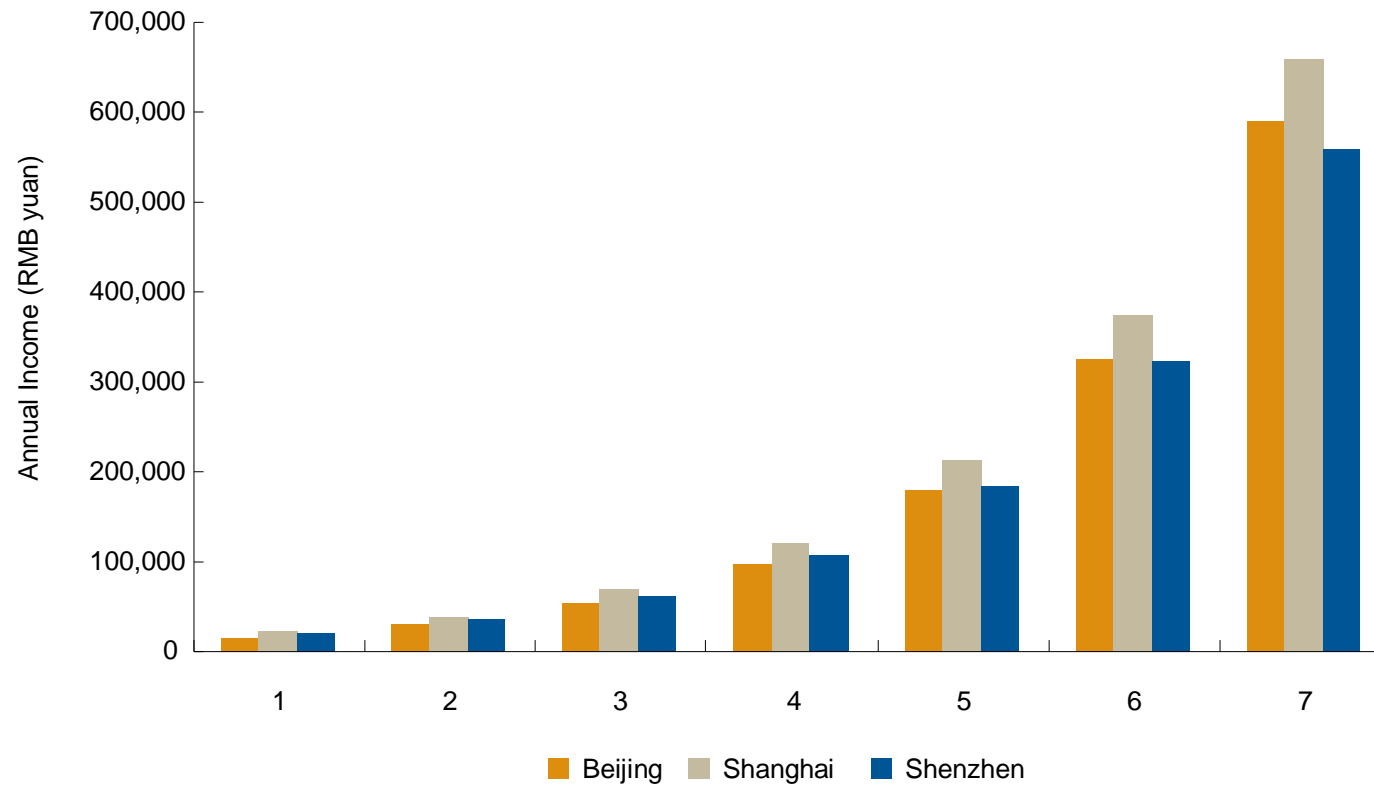
Real Estate Investment



Fixed Asset Investment



Salary Level

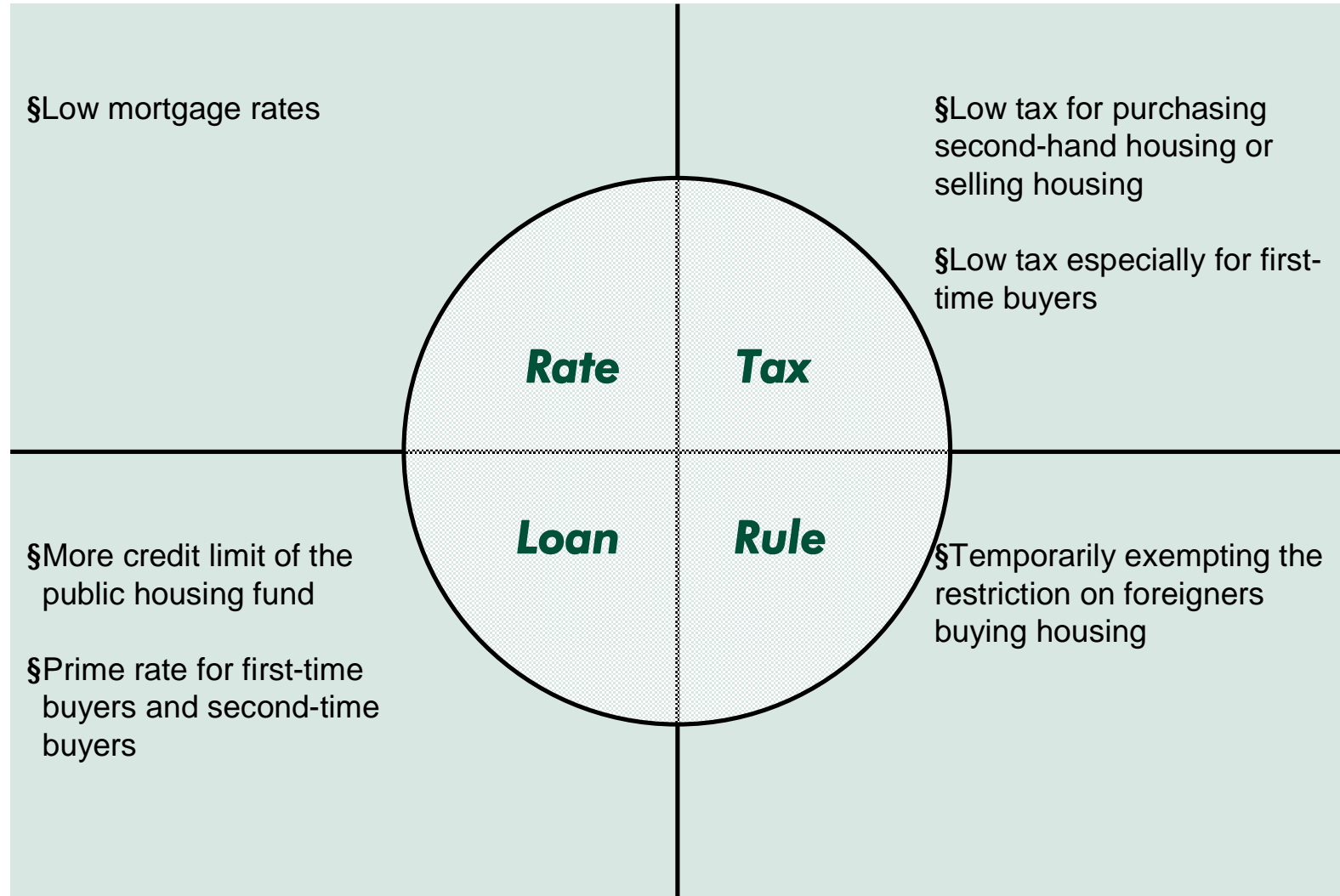


- 1 – Operation level, such as Skilled workers
- 2 – Primary level, such as receptionist and assistant
- 3 – Professional level
- 4 – Lower manager or advanced professional
- 5 – Middle-level manager or senior professional
- 6 – Majordomo level
- 7 – strategic planning level such as general manager

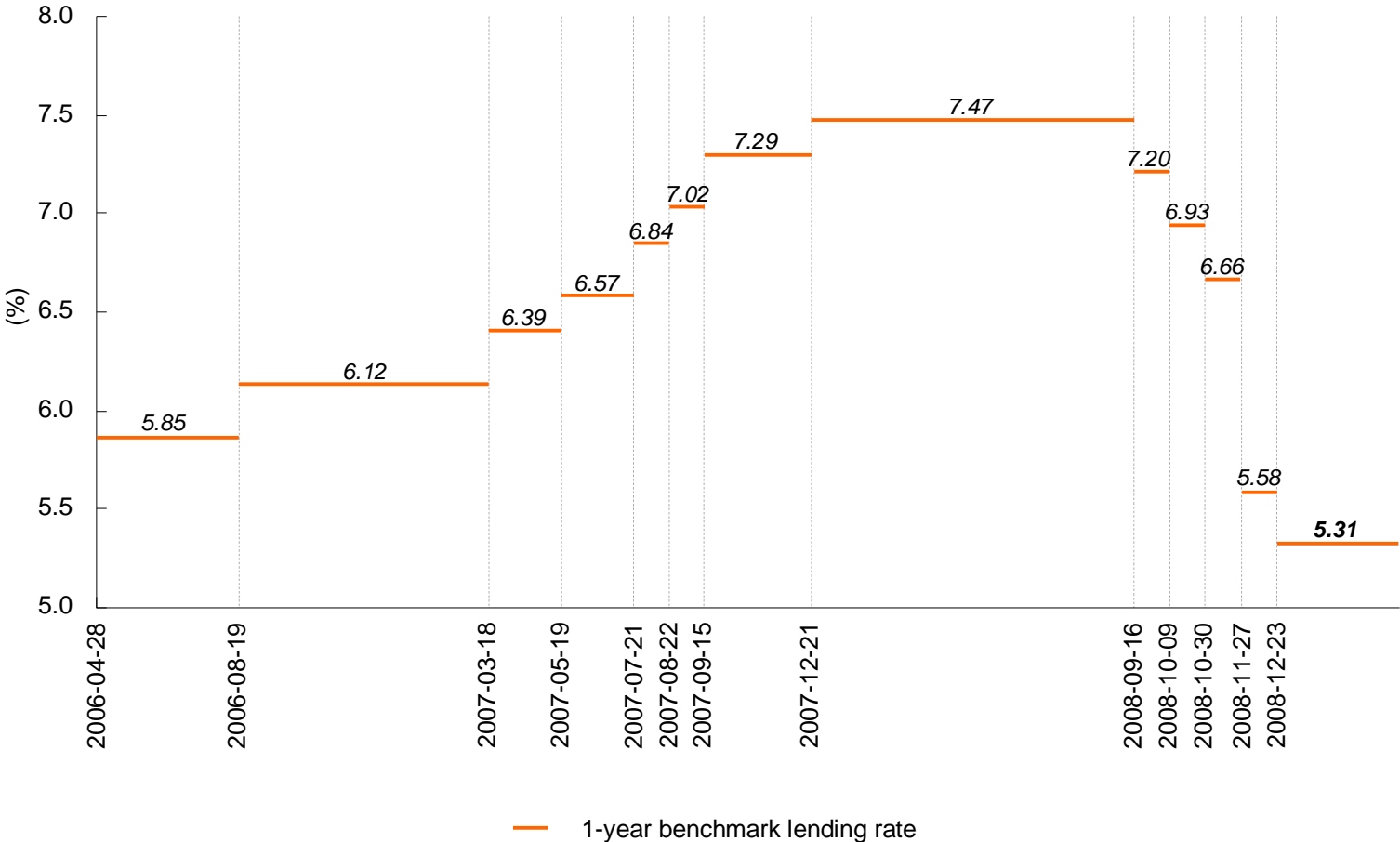
Source: Zhilian Salary Research Center

Policy Changes

Policy Changes



Low lending rates



Low tax fee

Deed Tax for first-time buyers purchasing mass residential units	ⁿ Reduce from 1.5% to 1%
Stamp tax for individual purchasing or selling housing	ⁿ Exempting from 0.05%
Land VAT for individual selling housing	ⁿ Exempting from 1%
Business tax	ⁿ Reduce exemption period from 5 years to 2 years

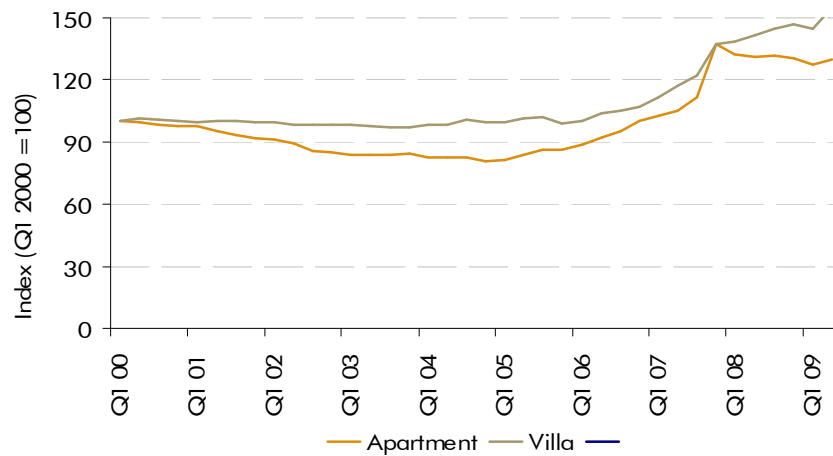
Favorable Mortgage Policy

Credit limit for the public housing fund	ⁿ Increase from RMB 600,000 to RMB 800,000
Down payment for first-time buyers	ⁿ Reduce to 20%
Down payment for second-time buyers	ⁿ Remain at 40%
Mortgage rate for first-time and second-time buyers	ⁿ Apply the favorable lending rate to 70% of the benchmark lending rate

Beijing Luxury Residential Market

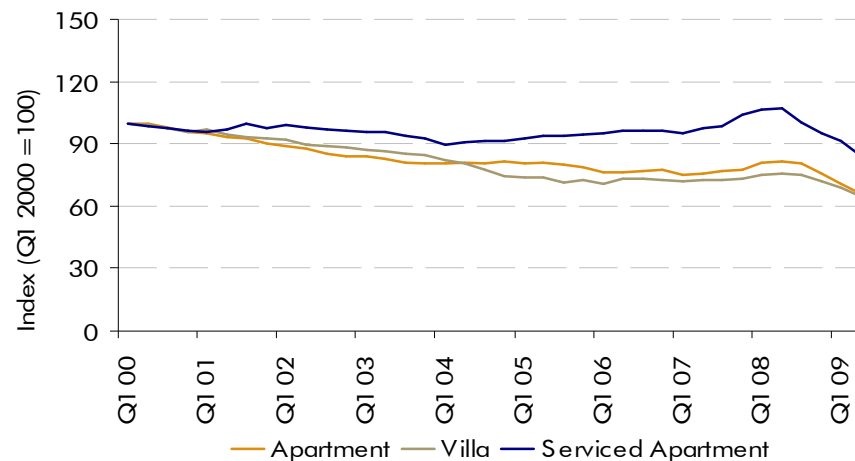
Luxury Residential Market in Q2 09

Luxury Residential Price Index



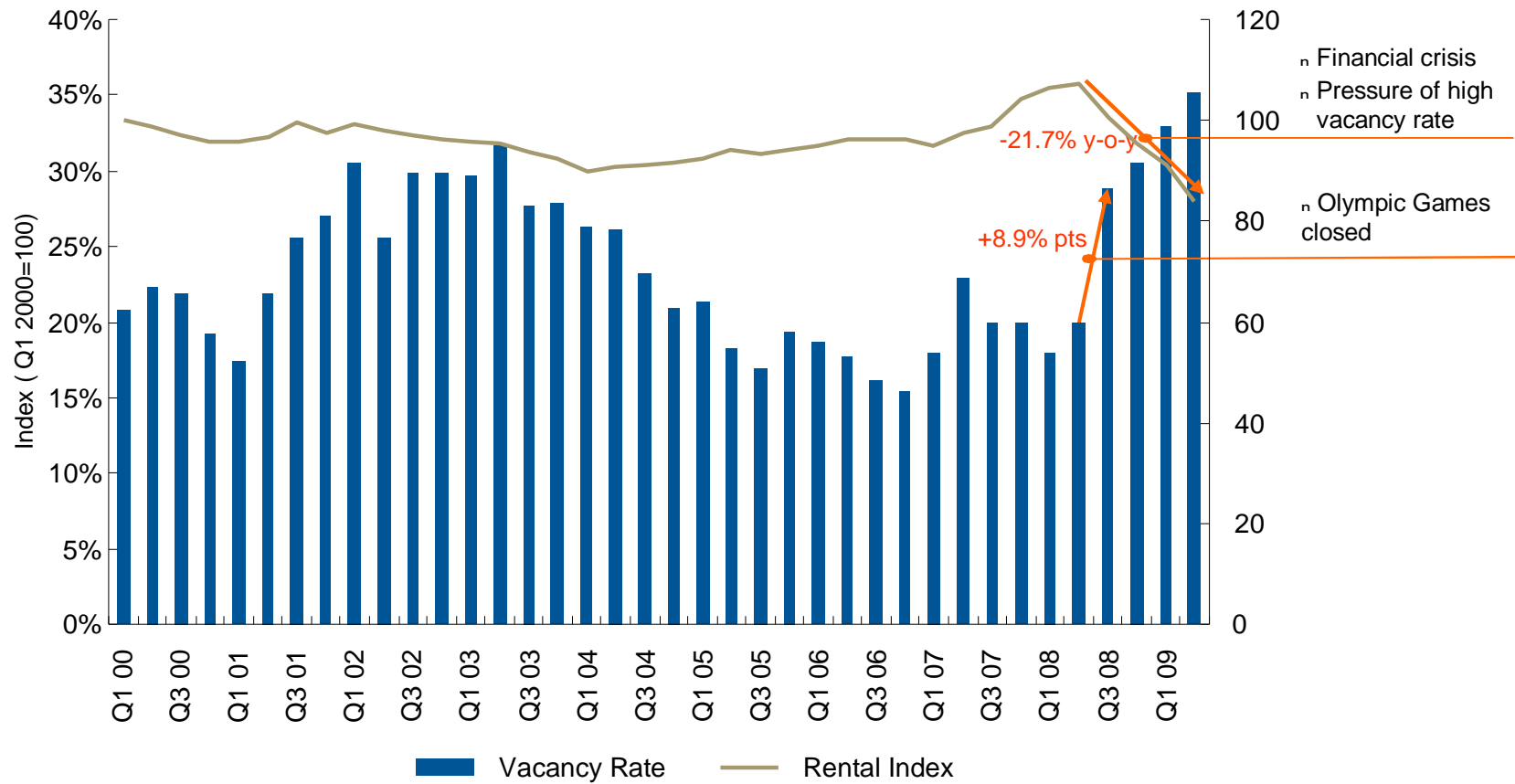
Average Rent	(RMB psm / month)	q-o-q chg.	y-o-y chg.
Luxury Apartments (gross excl.)	94.8	-7.1%	-19.3%
Luxury Villas (gross excl.)	125.4	-6.5%	-14.3%
Serviced Apartments (gross incl.)	182.2	-7.7%	-21.7%

Luxury Residential Rental Index

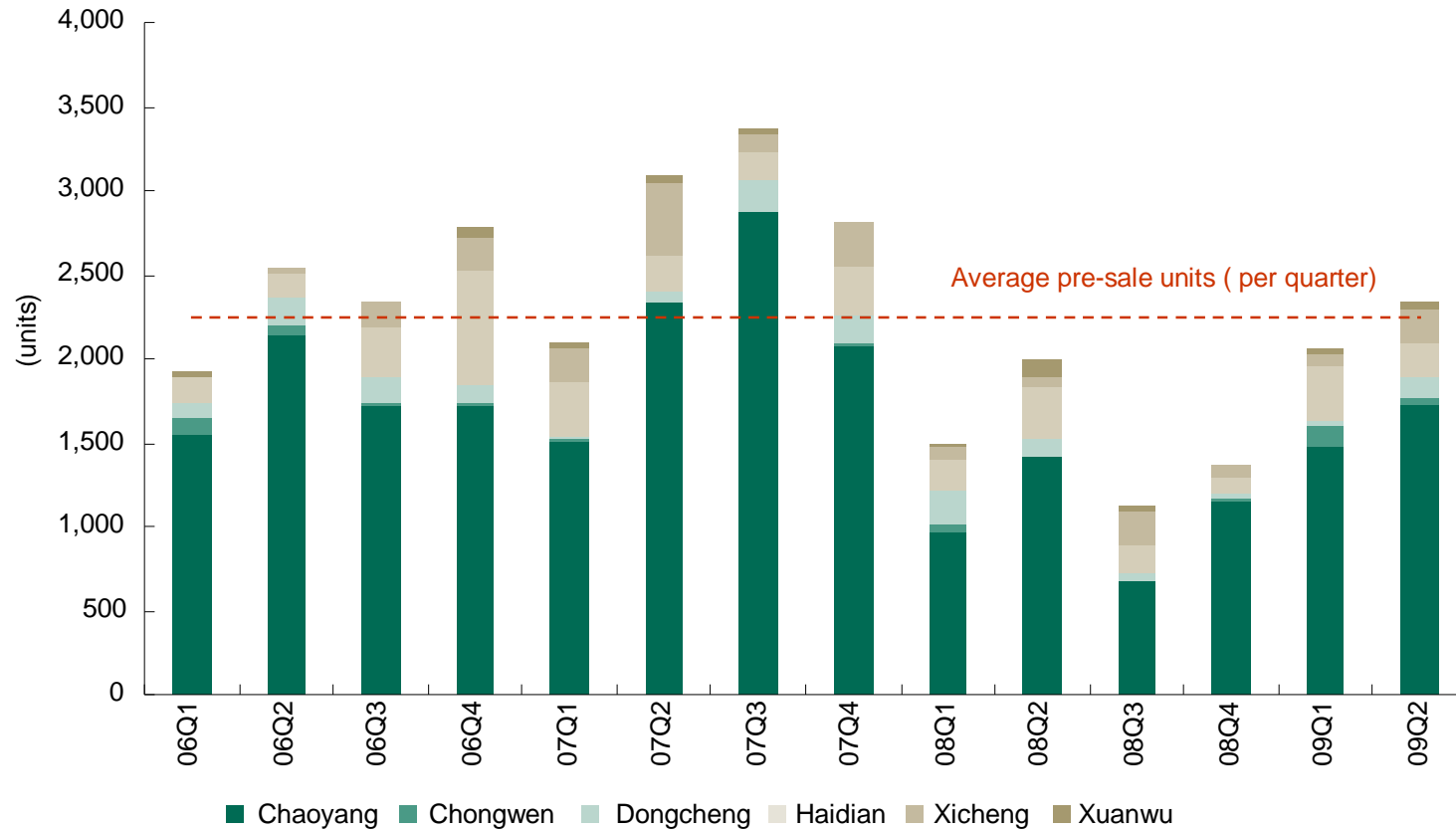


Average Capital Value	(RMB psm)	q-o-q chg.	y-o-y chg.
Luxury Apartments (gross)	30,640	+1.9%	-0.7%
Luxury Villas (gross)	29,825	+6.8%	+9.3%

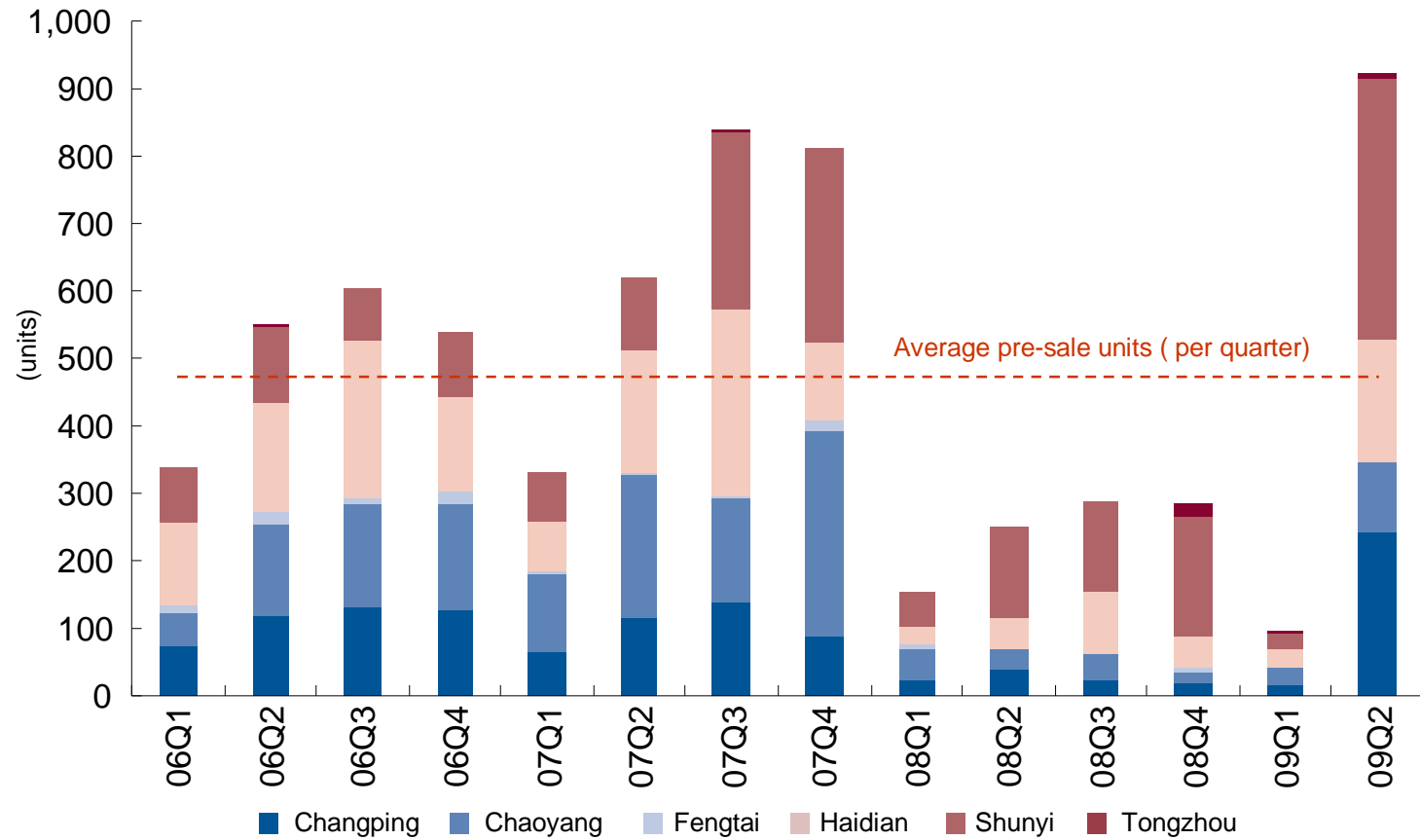
Rental & Vacancy of Serviced Apartments



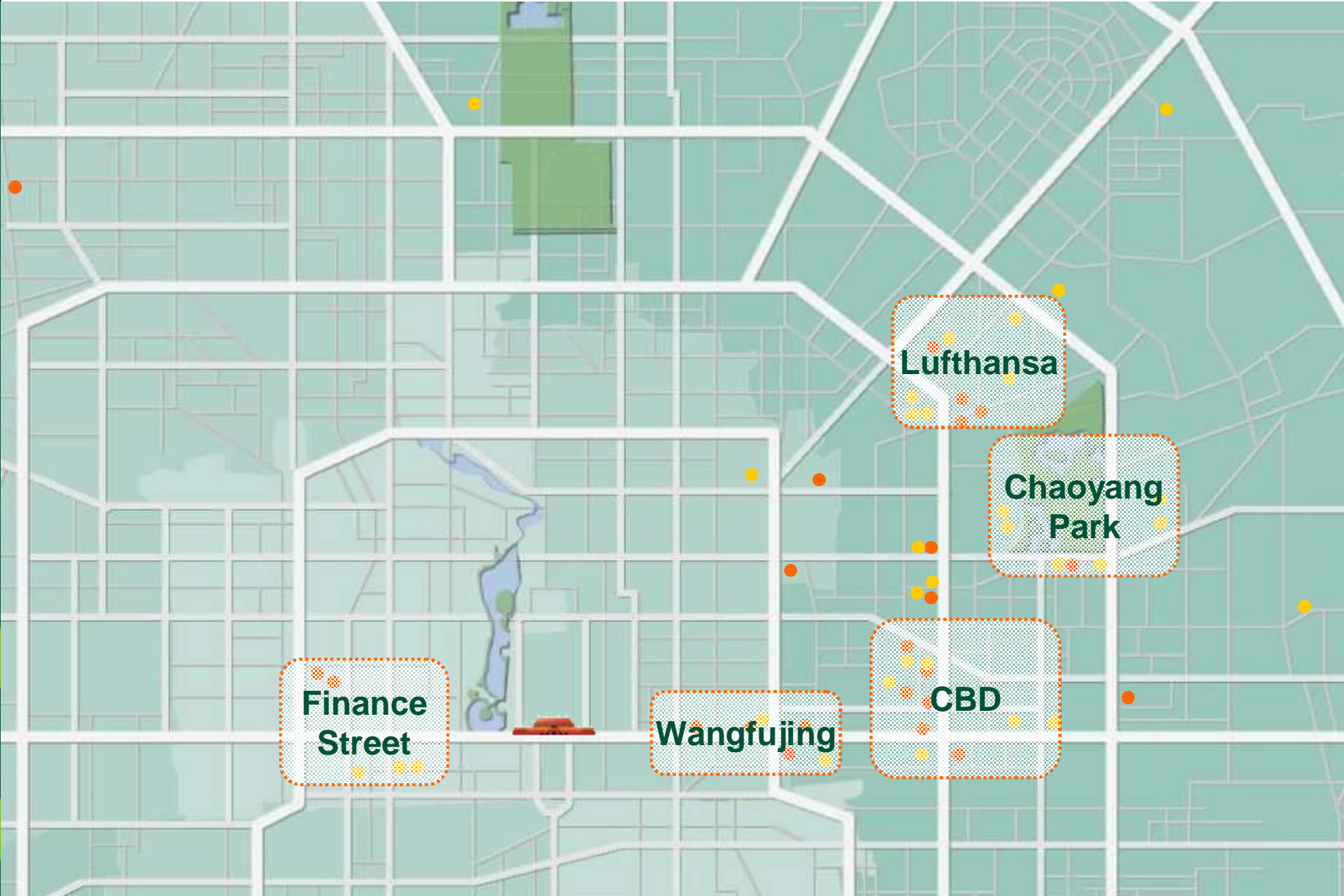
Transaction Status of Luxury Apartments



Transaction Status of Luxury Villas

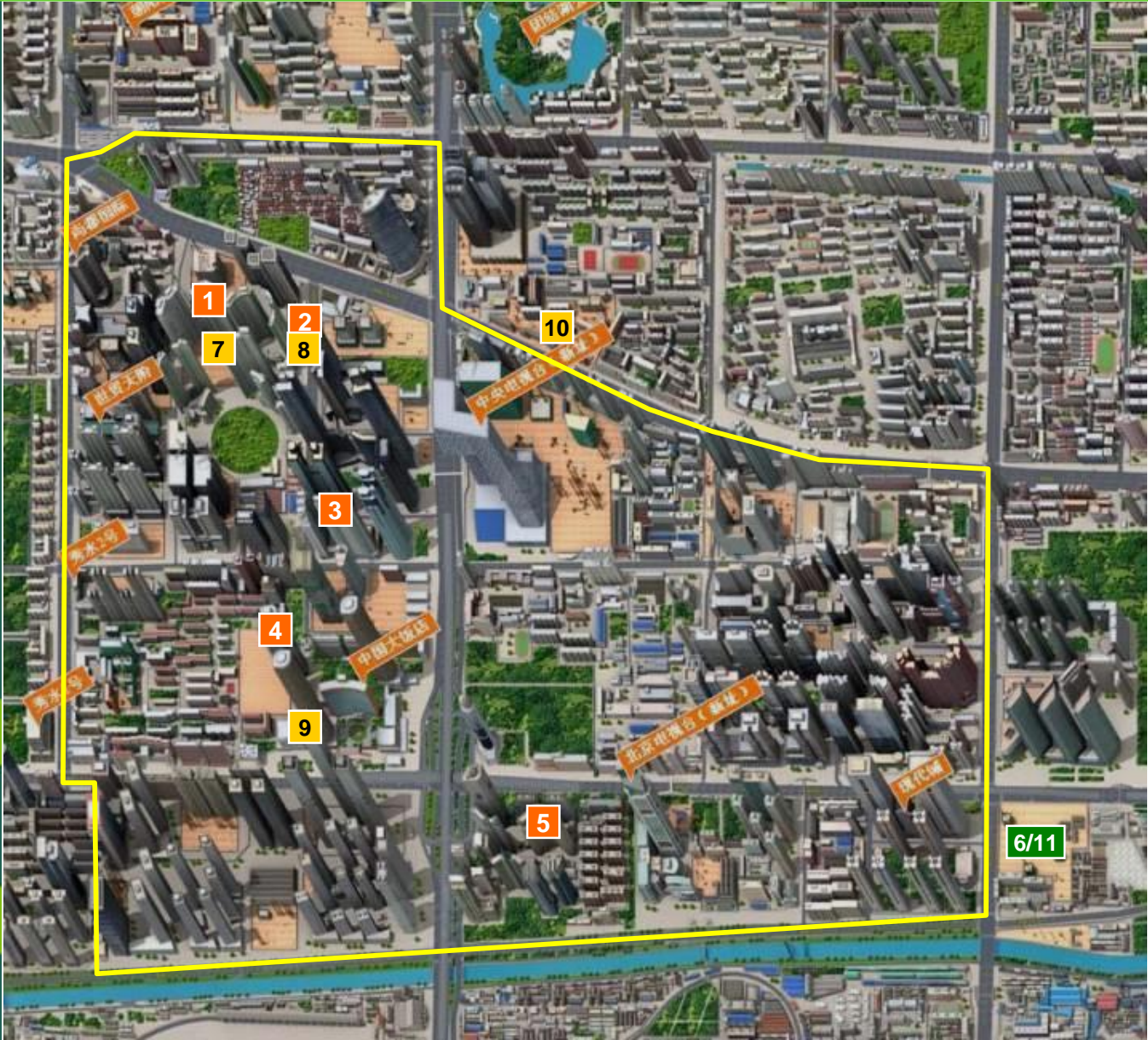


Beijing Luxury Residential Market



- *Serviced apartment*
- *Apartment*

CBD Area



Serviced Apartment

- 1 Lanson Place
逸兰新城国际服务公寓
- 2 Millennium Residences
千禧公寓
- 3 Kerry Residences
嘉里中心公寓
- 4 China World Apartments
国贸公寓
- 5 The Ascott Beijing
雅诗阁
- 6 Oakwood Premier Beijing
(Future Project)

Luxury Apartment

- 7 Central Park
新城国际
- 8 Fortune Heights
御金台
- 9 Park Hyatt Residences
& Park Hyatt Penthouse
柏悦居、柏悦府
- 10 The Ascott Beijing
首创·禧瑞都
- 11 The Primer (Future Project)
擎峰



Lufthansa Area



Serviced Apartment

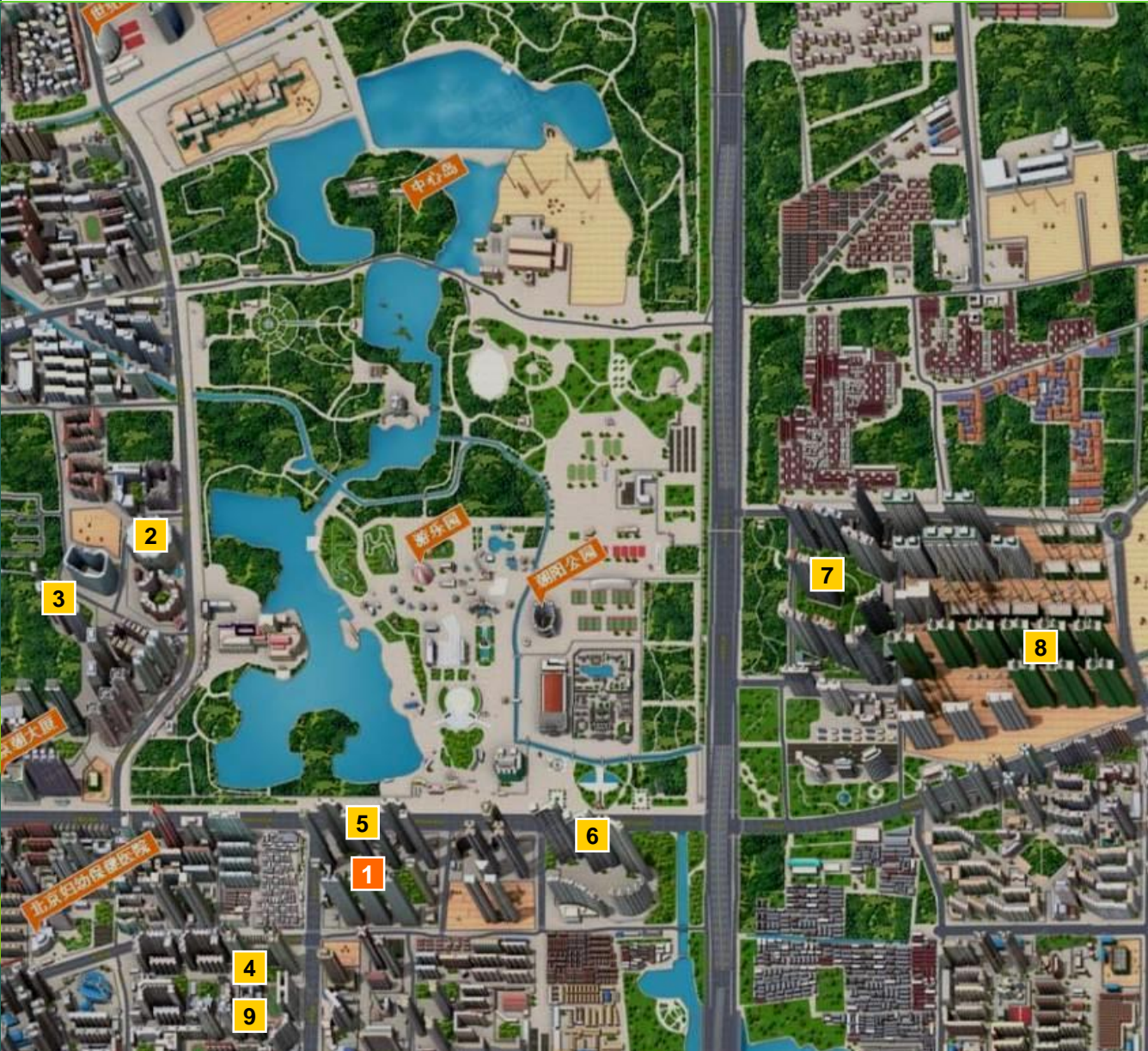
- 1** Oakwood Apartment
OAKWOOD 公寓
- 2** Diplomatic Apartment
外交公寓
- 3** Kempinski Apartment
凯宾斯基公寓
- 4** Fortune Garden
福景苑

Luxury Apartment

- 5** Ocean Honored Chateau
远洋公馆
- 6** No.8 Royal Park
合生霄云路8号
- 7** Gemini Grove
星源汇
- 8** SOHO Beijing Residences
SOHO 北京公馆
- 9** Kingland Apartment
昆仑公寓
- 10** No.8 Palace
霄云里8号
- 11** Four Seasons Apartment
(Future Project)
四季公寓



Chaoyang Park Area



Serviced Apartment

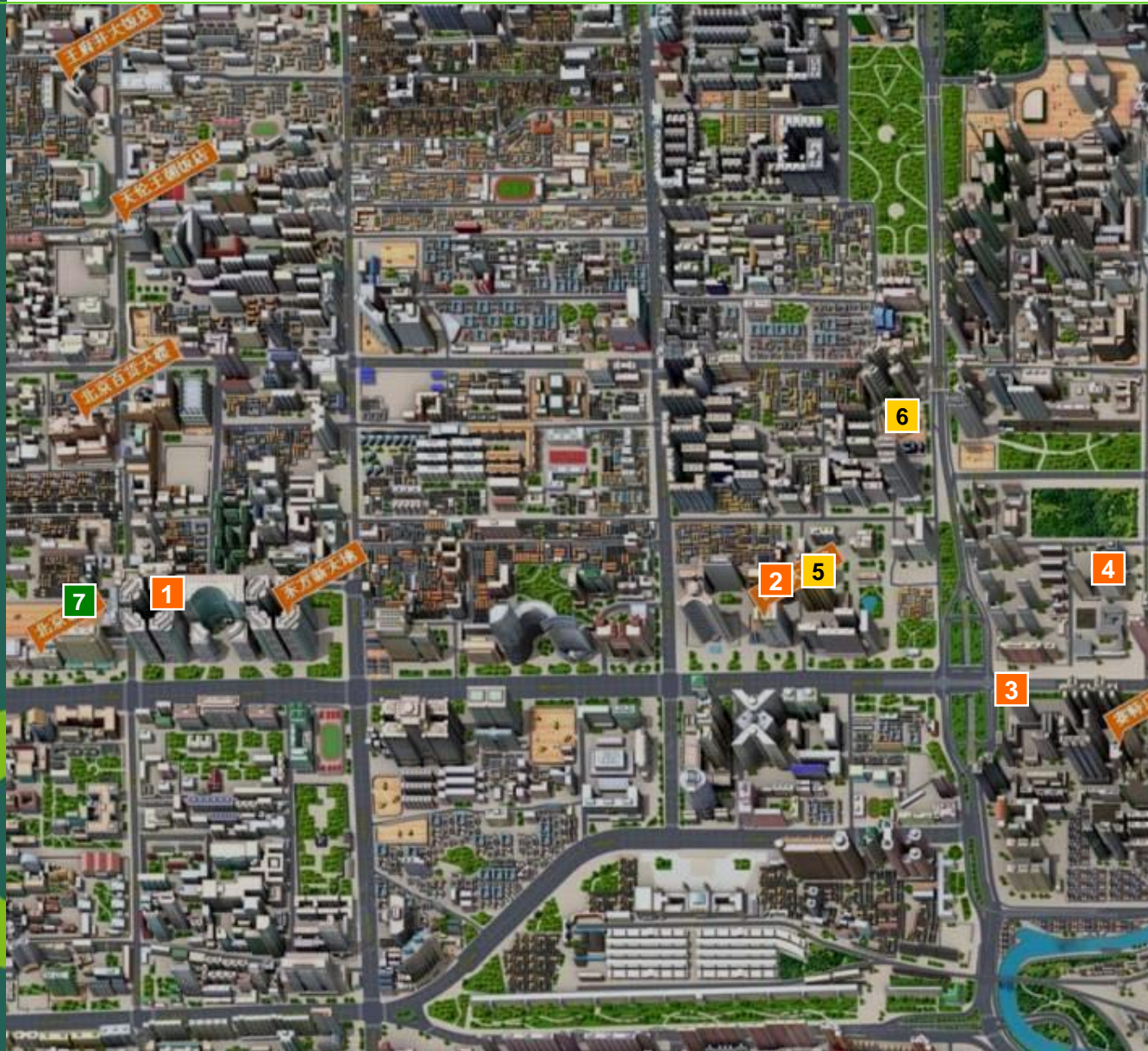
- 1** Marriott Executive Apartments
棕榈泉万豪行政公寓

Luxury Apartment

- 2** King Stone Int'l Apartment
皇石国际公寓
- 3** Beijing Golf Apartment
北京高尔夫公寓
- 4** Vanke Dongdi
万科东第
- 5** Palm Spring
棕榈泉国际公寓
- 6** Park Avenue
公园大道
- 7** Guoxing Guanhu Garden
国兴观湖国际
- 8** Oceanwide Int'l Residences
泛海国际
- 9** Park Front
万科公园五号



Wangfujing Area



Serviced Apartment

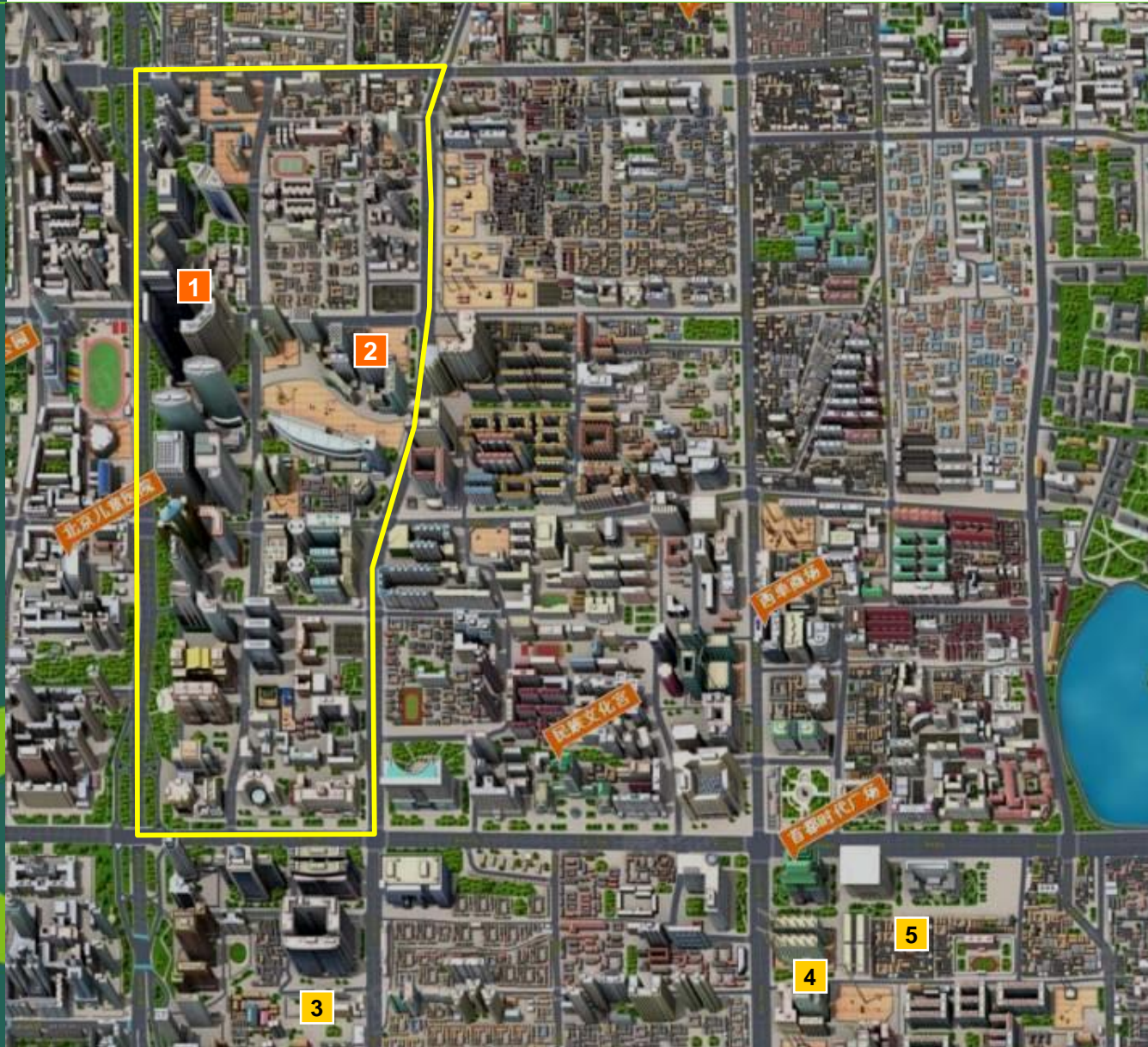
- 1 The Tower Apartments
东方豪庭公寓
- 2 Shama Luxe Chang An
莎玛长安
- 3 Chang Fu Gong Apartment
长富宫公寓
- 4 The St.Regis Residence
国际俱乐部公寓

Luxury Apartment

- 5 Royal Place
贡院六号
- 6 Directors Avenue
金成·建国5号
- 7 Beijing Hotel Ph2 (Future Project)
北京饭店二期



Finance Street Area

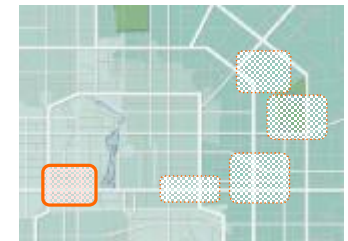


Serviced Apartment

- 1 The Westin Executive Residences
北京威斯汀公寓
- 2 The Apartments on Finance Street
北京金融街公寓

Luxury Apartment

- 3 Country Palace
北京尊府
- 4 TIAN-AN Congress Center
天安国汇
- 5 No.26 West Rongxian
西绒线26号



Major Serviced Apartments



Note: Rental quoted on gross area, at RMB psm/month, and inclusive of management fees

Map Ref	Property Name	Total Units	Asking Rent	Occupancy Rate
1	CWTC Apartment	409	176	75%
2	Changfugong Apartment	200	195	94%
3	The St. Regis Residence	70	330	85%
4	The Ascott Beijing	272	163	85%
5	The Tower Apartments at Oriental Plaza	611	150	60%
6	Fortune Garden	238	166	80%
7	Embassy House	174	219	85%
8	Marriott Executive Apartments Palm Springs	224	161	85%
9	Pacific Century Place	165	148	68%
10	Kerry Centre	195	190	78%
11	Lufthansa Centre	161	273	82%
12	Somerset Zhongguancun	326	172	70%
13	The Westin Executive Residence	205	265	50%
14	Oakwood Apartments Beijing	236	166	80%
15	Oakwood Residence Beijing	202	145	55%
16	Fraser Residence	228	151	48%
17	Fraser Suites CBD	357	169	40%
18	Shama Luxe Chang An	206	195	30%
19	Lanson Place Central Park Residences	105	232	37%
20	Millennium Residences at Beijing Fortune Plaza	337	170	30%
21	Diplomatic Apartment	252	162	60%
22	Marriott Executive Apartments, The Sandalwood Beijing	168	160	0%

High-end Apartments for Leasing



Note: Rental quoted on gross area, at RMB psm/month, and inclusive of management fees

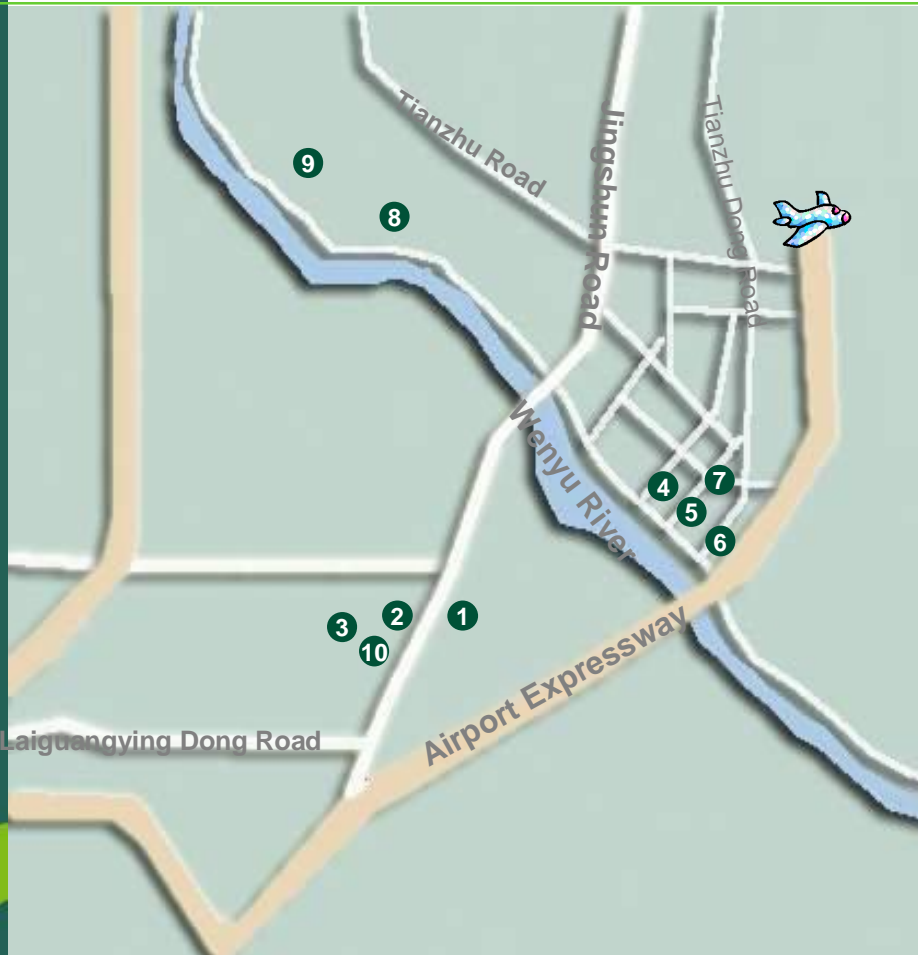
Map Ref	Property Name	Units	Asking Rent	Occupancy Rate
1	East Gate Plaza 东环广场	332	120	80%
2	Global Trade Mansion 世贸国际公寓	650	100	85%
3	Star River 北京星河湾	700	88	75%
4	Central Park (Ph3) 新城国际三期	388	120	88%
5	Palm Spring 棕榈泉国际公寓	1,300	117	85%
6	Park Avenue 公园大道	418	118	85%
7	Upper East Side 阳光上东	1,032	93	88%
8	King Stone International Apartment 皇石国际公寓	166	118	85%
9	R&F Chateau Edinburgh 富力爱丁堡	365	71	47%

High-end Apartments for Sale



Map Ref	Property Name	Total Units	Sales Rate	Transaction Price (RMB psm)
1	The Reflections 缘溪堂	300	72%	31,421
2	Kingland Apartment 昆仑公寓	23	87%	52,463
3	XANADU 首创·禧瑞都	372	30%	28,314
4	CBD Private Castle 圣世一品	533	36%	32,598
5	Gemini Grove 星源汇	309	37%	35,908
6	Country Palace 北京尊府	493	35%	35,307
7	Sanlitun SOHO Apartments 三里屯SOHO	658	15%	40,963
8	The Purple Palace 紫御府	139	92%	33,427
9	No.7 Yard Diaoyutai 钓鱼台七号院	87	5%	72,803
10	No.8 Royal Park 合生·霄云路8号	328	1%	50,000

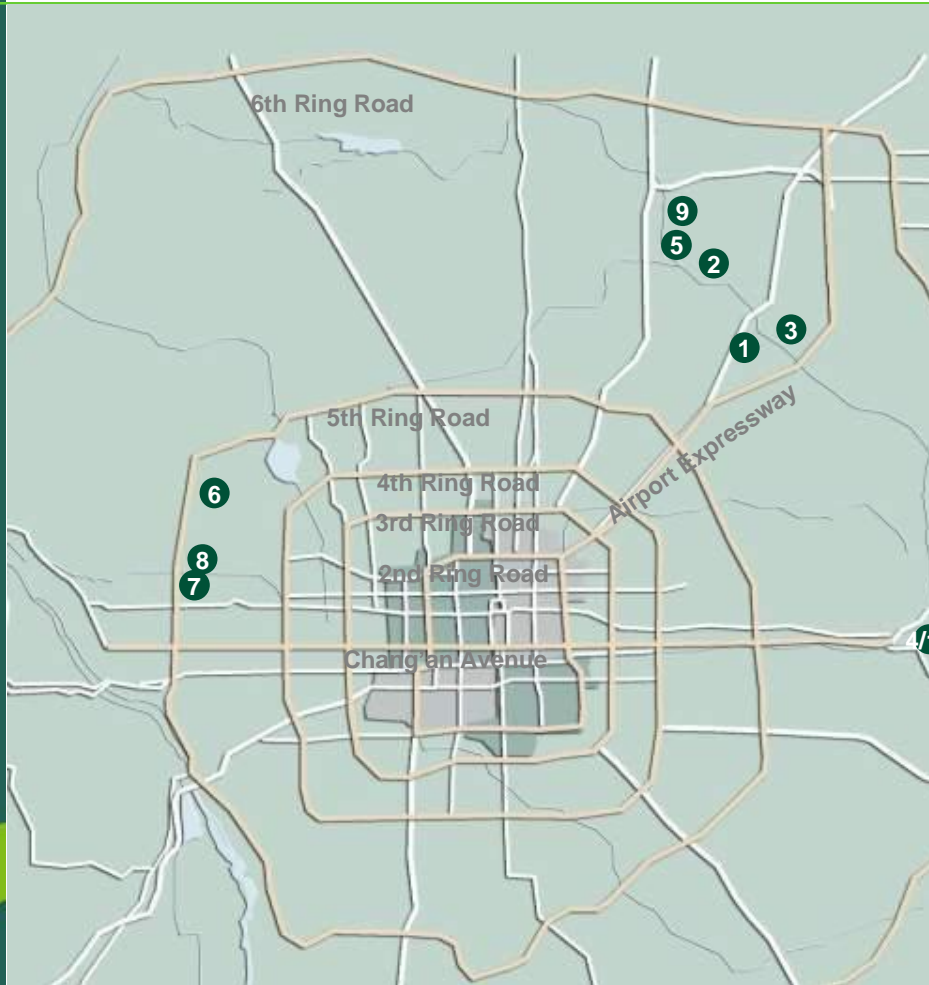
High-end Villas for Leasing



Map Ref	Property Name	Units	Asking Rent	Occupancy Rate
1	Grand Hills 大湖山庄	153	135	95%
2	Beijing Riviera 香江花园	445	140	93%
3	Cathay View 观唐	174	121	67%
4	Chateau Regalia 丽高王府	132	148	73%
5	Dynasty Garden 丽斯花园	188	119	80%
6	Legend Garden 丽京花园	189	128	65%
7	Rits Garden 丽嘉花园	138	138	70%
8	Yosemite 优山美地	81	125	87%
9	Dragon Bay 龙湾别墅	153	128	75%
10	Lane Bridge 长岛澜桥	116	129	89%

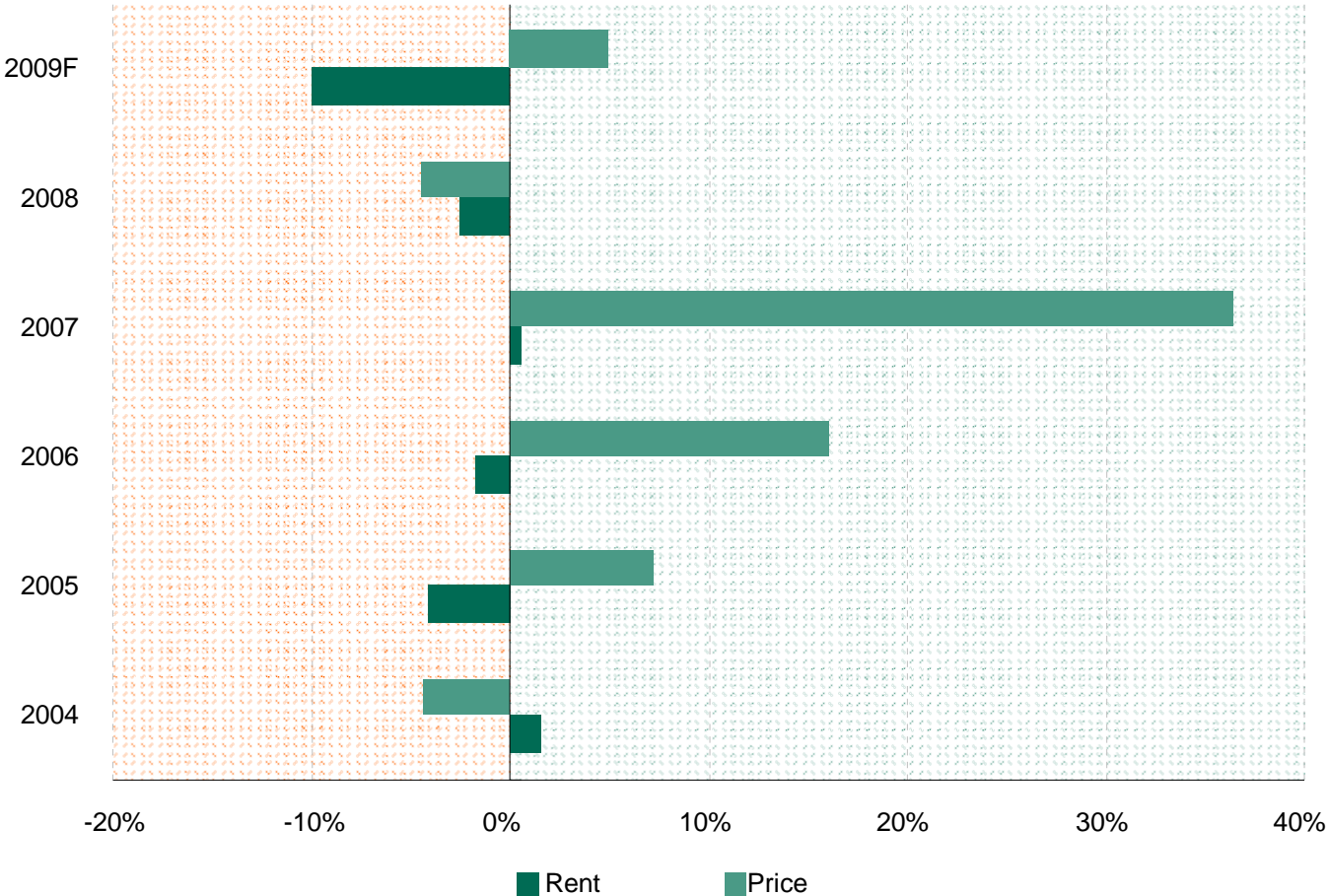
Note: Rental quoted on gross area, at RMB psm/month, and inclusive of management fees

High-end Villas for Sale



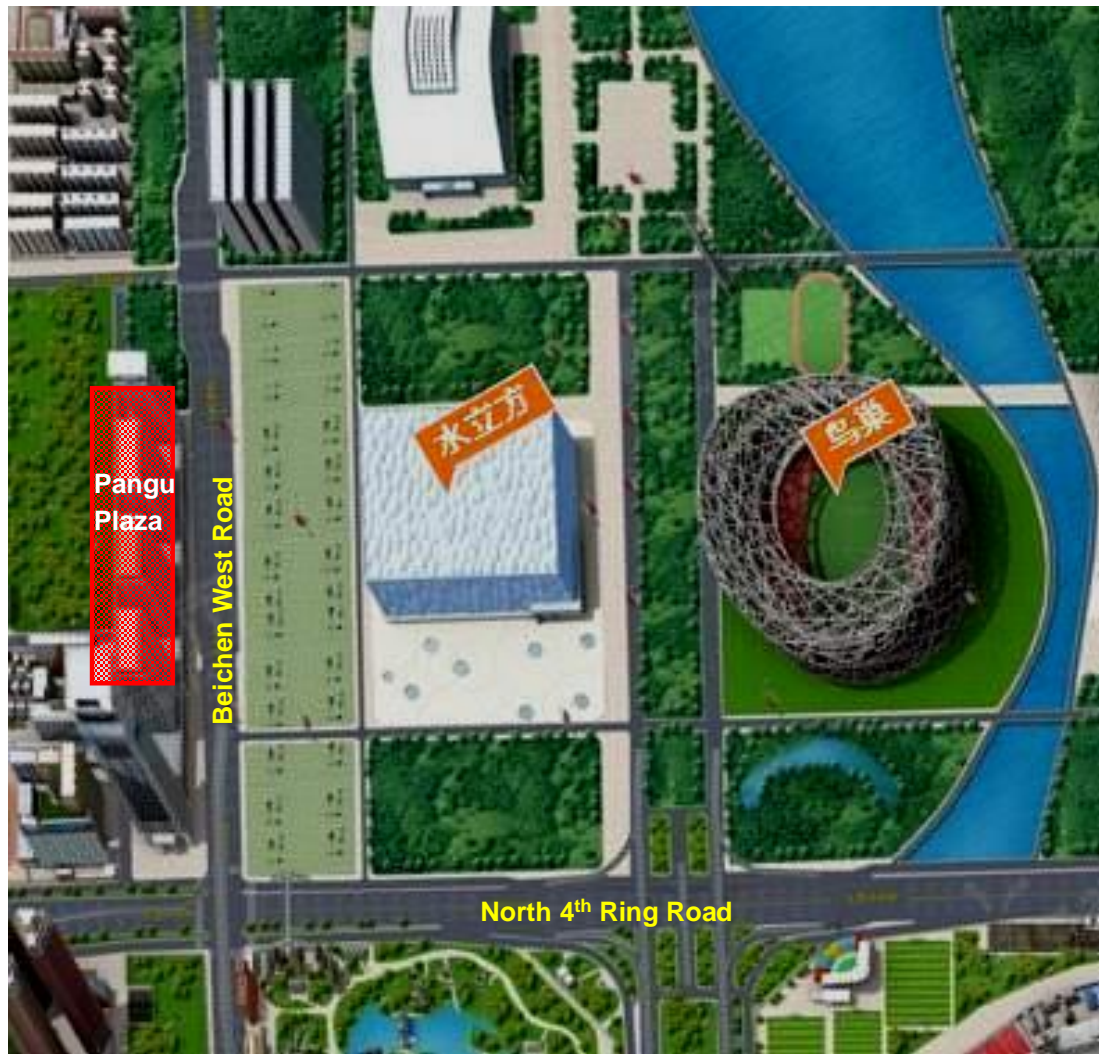
Map Ref	Property Name	Total Units	Sales Rate	Transaction Price (RMB psm)
1	Palais de Fortune 财富公馆	83	59%	32,416
2	Yosemite Villa 优山美地	638	88%	26,884
3	Shadow Creeks 丽宫	87	94%	25,729
4	Courtyards by the Canal 运河岸上的院子	101	46%	29,291
5	Chateau De La Vie 清锦源	31	19%	38,499
6	Maple Town 御墅临枫	476	98%	30,457
7	Great Master 诸子阶	137	85%	26,678
8	Yanxitai 燕西台	137	88%	25,036
9	Rose and Ginkgo Villa 滟澜山庄园	430	97%	29,468
10	Thaihot Mansion 泰禾红御	90	23%	44,282

Market Outlook

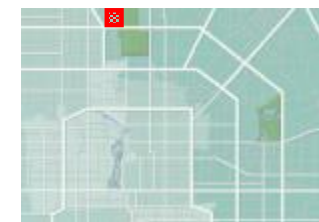


Investment Activities

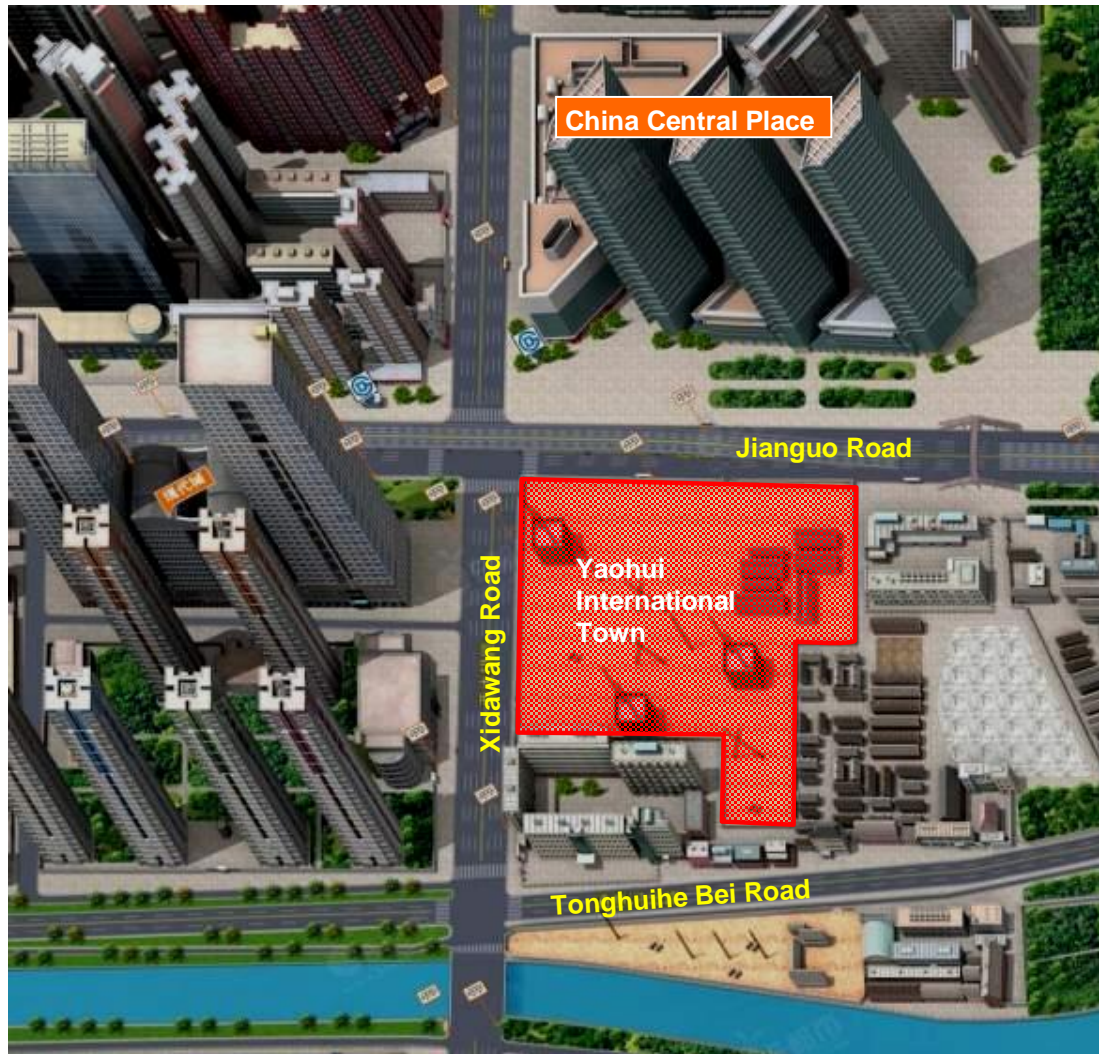
Pangu Plaza



Transaction Date	: April 2008
Property	: Pangu Apartment
Asset Type	: Apartment
Seller	: Beijing Pangu Investment Co Ltd
Purchaser	: Pacific Alliance Group
GFA	: 38,210 sm
Purchase Price	: RMB 1.413 billion
Unit Rate	: RMB 36,986 psm



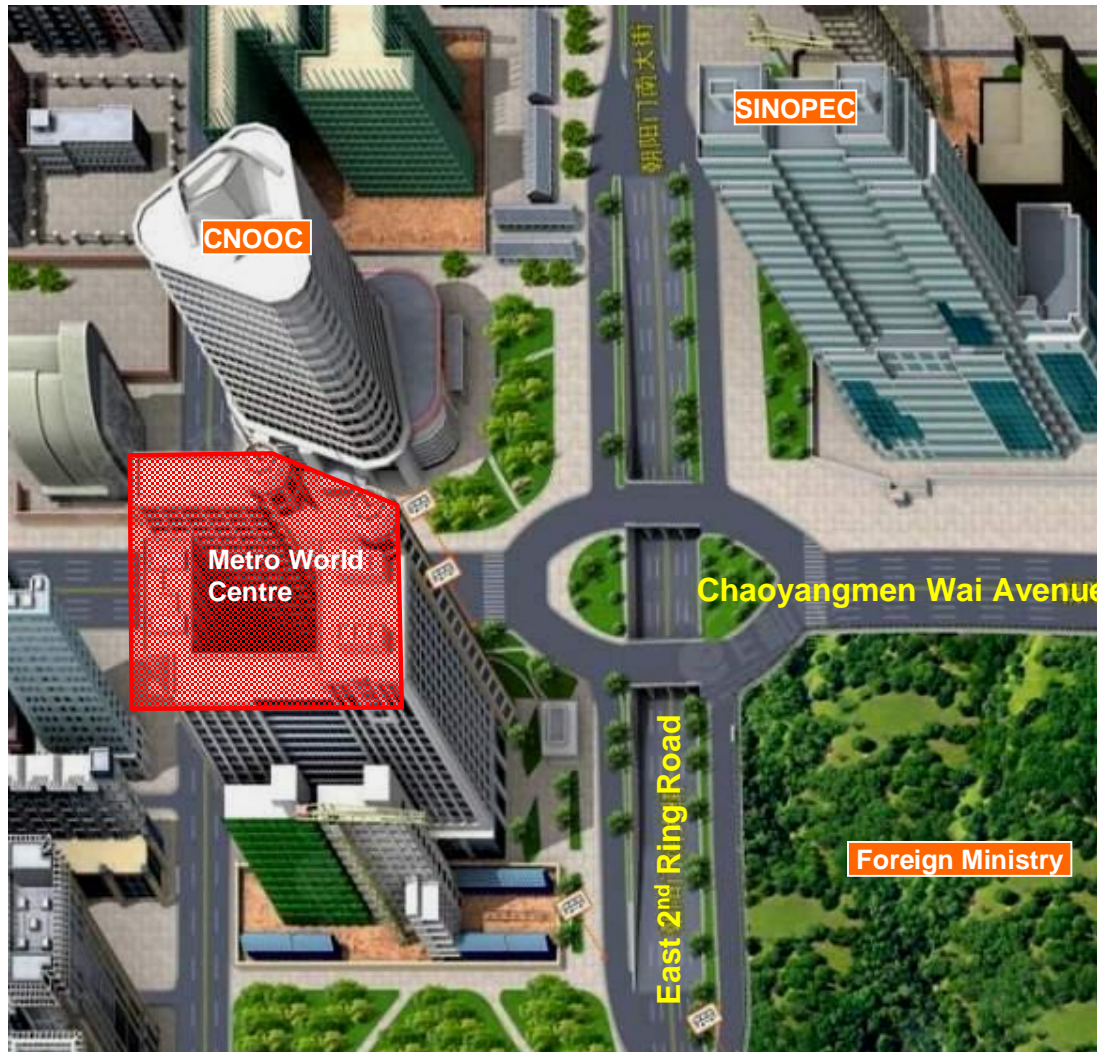
Yaohui International Town



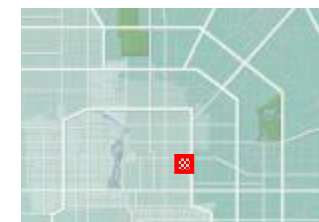
Transaction Date	: April 2008
Property	: 62% Equity of Yaohui International Town
Asset Type	: Apartment /Serviced apartment /Retail
Seller	: Beijing Tianhong Baoye Real Estate Co Ltd
Purchaser	: Hong Kong Century Xierun Investment Co Ltd
GFA	: N/A
Purchase Price	: RMB 458.7 million
Unit Rate	: N/A



Metro World Centre



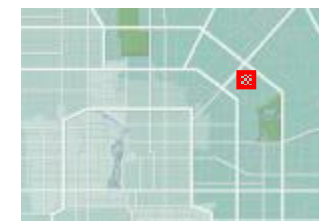
Transaction Date	: April 2008
Property	: Metro World Centre
Asset Type	: Office/Luxury Apartment /Retail
Seller	: Beijing Kaiheng Property Co. Ltd
Purchaser	: SOHO CHINA
GFA	: 460,000 sm
Purchase Price	: RMB 5.5 billion
Unit Rate	: RMB 11,957 psm



Ocean Honored Chateau



Transaction Date	: July 2008
Property	: Ocean Honored Chateau Block A
Asset Type	: Apartment
Seller	: Sino-Ocean Land
Purchaser	: CBRE Investors
GFA	: 17,065 sm
Purchase Price	: RMB 433 million
Unit Rate	: RMB 25,374 psm



Investment Yields

Mainland China

	Beijing*	Shanghai*	Guangzhou*	Hong Kong°	Tokyo°	Singapore°
Prime Office	8-9%	6-8%	5.7-9.3%	4.7%	2.8-3.3%	5.6%
Luxury Residential	5-6%	6-7%	2.8-5.6%	3.0%	5.0-5.8%	2.6%
Retail	8-10%	7-8%	6-8%	4.3%	2.8-3.3%	5.9%
Industrial	9.5-11%	8-9%	N/A	6.7%	4.8-5.3%	4.8%

* **Gross yield**

° **Net yield**



THANK YOU