Bangkok Overall MarketView

Q3 2011

CBRE Research, Thailand

CBRE Thailand

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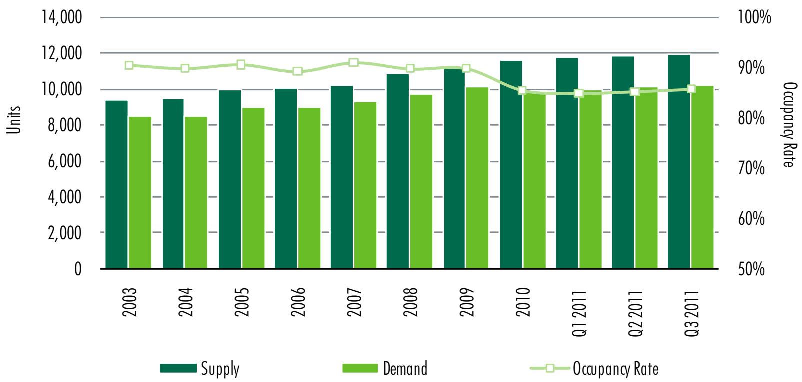
APARTMENT

Supply, Demand and Occupancy Rate, 2003-Q3 2011

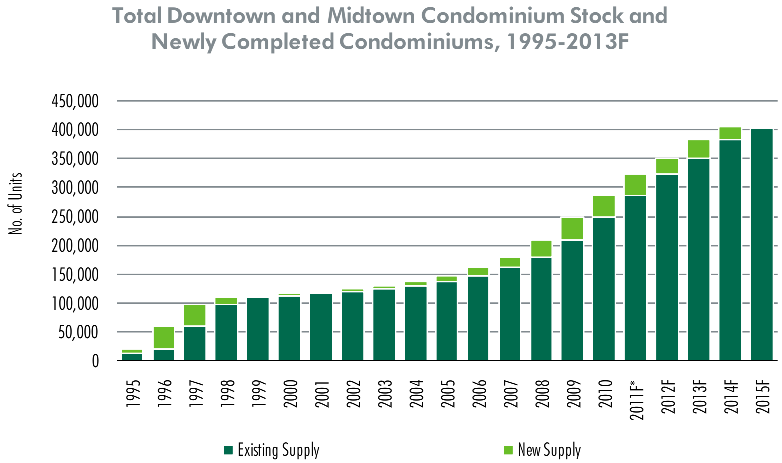


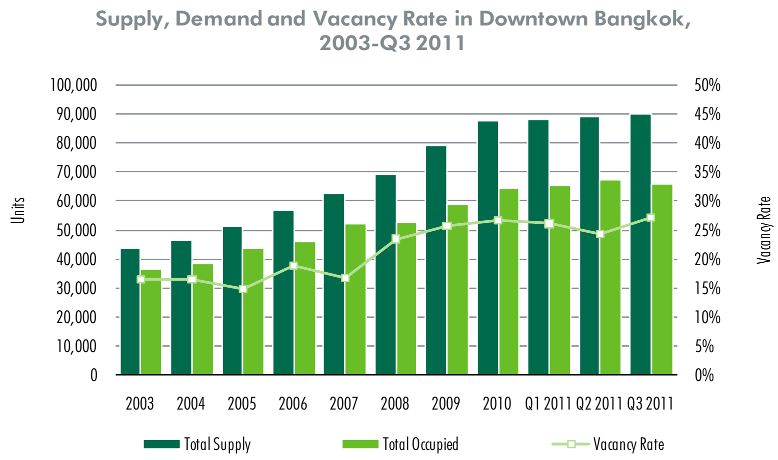
Future Supply of Expatriate Apartments, 2000-2013F

Highlights:

- In Q3 2011, there was a slight increase in total supply. The total number of apartment units increased 1.0% Q-o-Q and 4.2% Y-o-Y, from 11,839 units in the last quarter to 11,953 units.
- Occupancy in Q3 2011 was at 85.7%, a rise from 85.2% in Q2 2011. The total take-up was 10,242 units for this quarter, up from 10,088 units in the last quarter.
- The Central Lumpini area posted the best results and the highest achieved rents with Grade A rents of THB 433/m2/month, down 1.6 % Y-o-Y but up 1.2 % Q-o-Q.
- As of Q3 2011, the number of expatriates holding work permits in Thailand increased from 96,191 in Q2 2011 to 98,819 in total. Japanese made up 22% of the total.

CONDOMINIUM



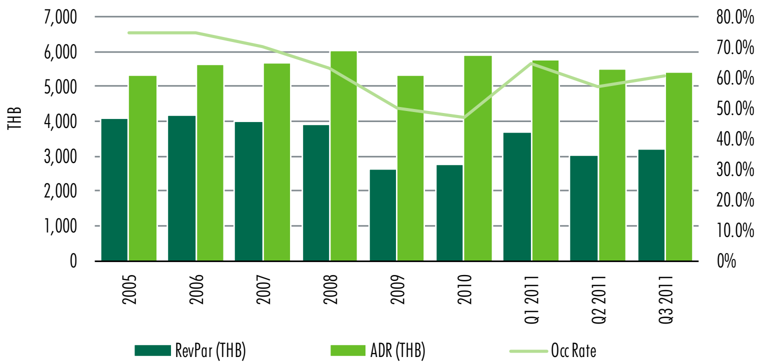


Highlights:

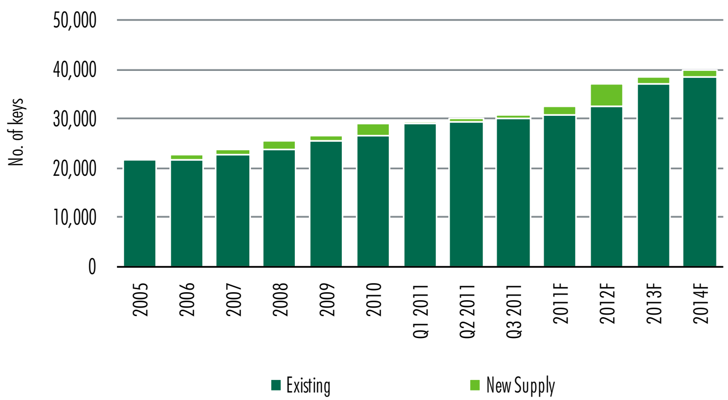
- In Q3 2011, the total supply in downtown and midtown areas reached approximately 298,240 units. Of this, 90,243 units or 30% are located in the downtown area, while 207,997 units or 70% are located in the midtown area.
- Seven projects were launched in Q3 2011 in the downtown area. The number of newly launched units decreased from 5,888 units in the previous quarter to 1,254 units in this quarter. Ninety-two percent of the units in newly launched projects were one-bedroom and two-bedroom units, followed by studio units at 6%.
- The overall occupancy rate for the downtown area increased to 71.4% in Q3 2011 compared to the previous quarter.
- Many new projects were launched with prices aiming at the lower end of the market in order to tap into the local demand but we expect that new projects will have to be launched at higher prices in the future due to rising land and constructions costs.

HOTEL

RevPAR, ADR and Occupancy Rate of Selected Luxury Hotels in Bangkok, 2005-Q3 2011



Future of Hotel Supply in Downtown Bangkok , 2005-2014F

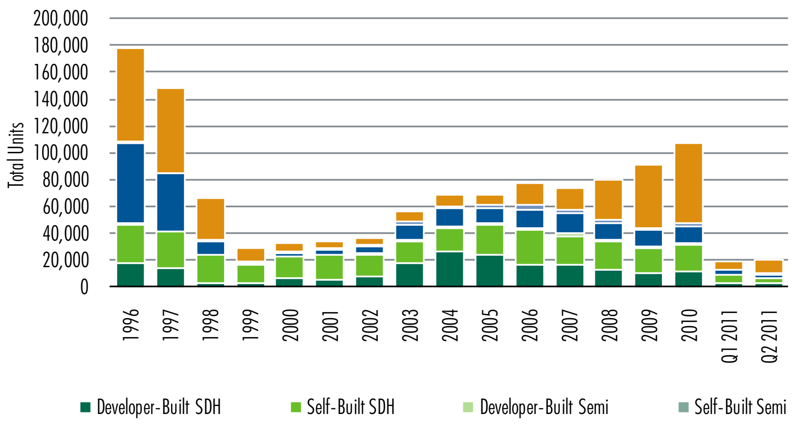


Highlights:

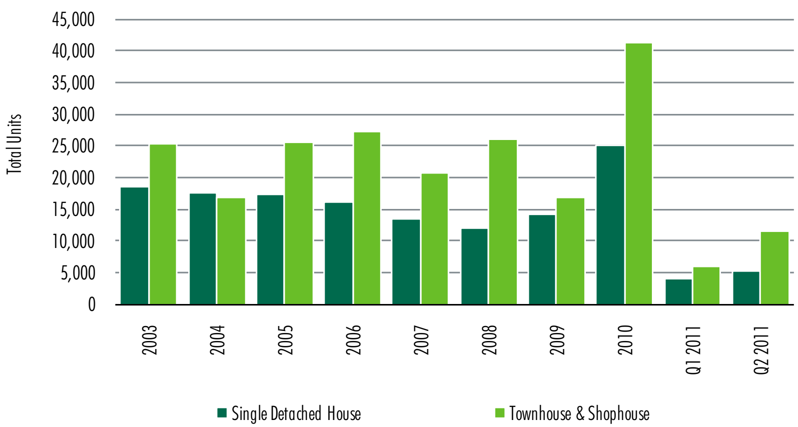
- The occupancy rate in upscale hotels in Bangkok increased to 60% in Q3 2011, up from 52% in Q3 2010. This represented a recovery to Q3 2008 levels.
- Supply grew by 636 keys with the completion of five new hotels this quarter.
- The Average Daily Rate (ADR) of upscale hotels in Bangkok was THB 5,434, an increase of 11% Y-o-Y.
- Revenue per Available Room (RevPAR) was THB 3,191 in Q3 2011, a Y-o-Y increase of 33%.
- There are currently 30,815 hotel keys in the downtown Bangkok area. There will be an estimated 8,664 additional keys by the end of 2014, bringing the total to 39,479. This represents a 28% increase on current figures.

HOUSING

New Supply of Residential Units in BMR, 1996 - Q2 2011



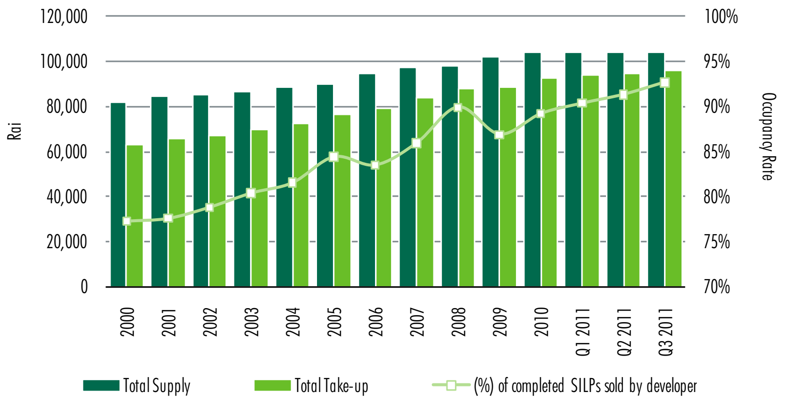
Land Allocation Permits in Bangkok and the Bangkok Metropolitan Region, 2003 - Q2 2011



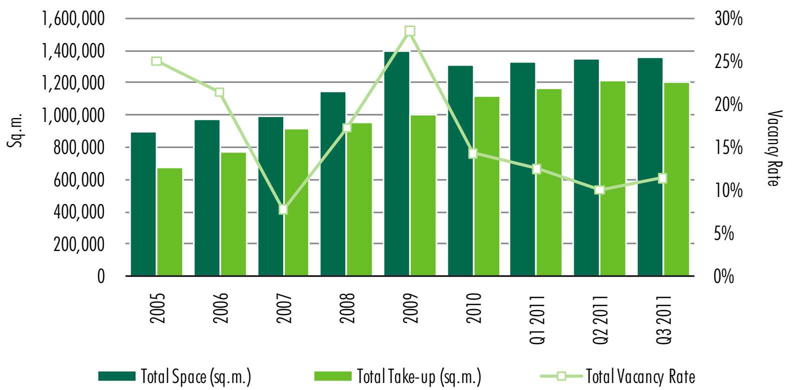
Highlights:

- The most popular area for new development was along the purple line. Uncertainty about government incentives caused buyers to delay decision in Q3 2011.
- Developers appear to be more cautious about launching new projects. In Q2 2011, land allocation permits for single-detached houses (SDH) decreased by 47.5% Q-o-Q and 30.6% Y-o-Y, indicating a drop in the future supply.
- Construction costs increased slightly by 1.4% Q-o-Q and 4.7% Y-o-Y.
- The government housing stimulus scheme offers a straight deduction from taxable income equal to 10% of the home value for first time buyers, spread over a five year period. And, The Government Housing Bank (GHB) offers zero interest mortgages for the first three years to first-time home buyer for property with a maximum price of THB 1 million.

Supply, Demand and Occupancy Rate of SILPs, 2000-Q2 2011

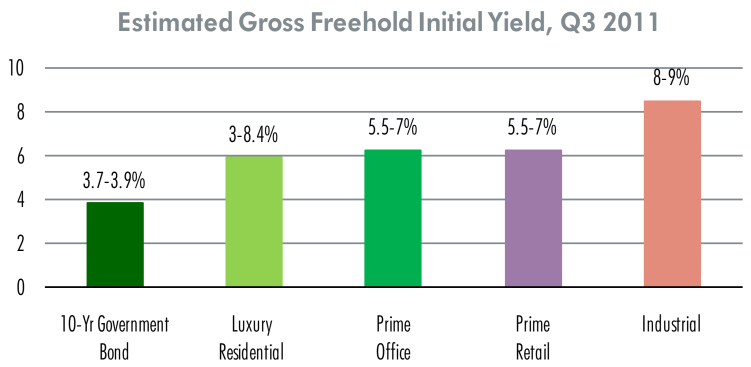


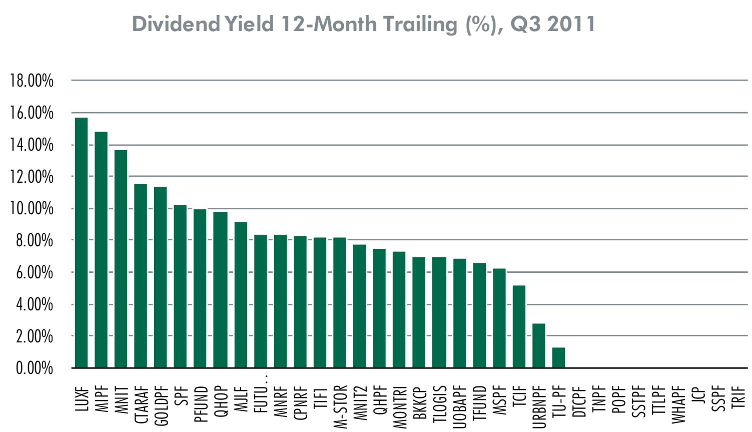
Total Supply of RBFs, 2005-Q3 2011



Highlights:

- Total Serviced Industrial Land Plots (SILPs) sales slightly increased from 1,157 rai (462.8 acres) in Q2 2011 to 1,414 rai (559.0 acres) in Q3 representing a 22.2% increase Q-o-Q and a 196.4% increase Y-o-Y.
- The occupancy rate of ready-built factories was 88.6% in Q3 2011, down from 89.9% last quarter. The total supply was 1,361,802 sq.m. and the total amount of leased space was 1,206,297 sq.m.
- The average manufacturing production index (MPI) for the two months of this quarter was 176.4.
- The total number of valid factory licenses during the first two months of Q3 2011 increased to 126,400, up 0.7% Q-o-Q and 2.5% Y-o-Y.

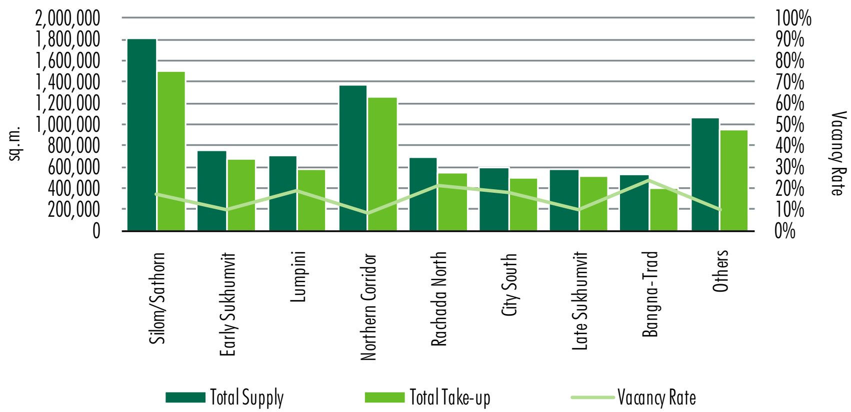




Highlights:

- Developers are still continuing to buy sites in central area and along mass transit lines for condominium and housing developments. However, we think that developers are being more cautious as demand from speculators has cooled down; now the market is driven by end users and buy to let buyers.
- The proposed changes to town planning regulations will have a significant impact on property values. One of the main proposed changes is to further restrict the size of building that can be built on narrow streets. The proposed changes are currently at public hearing stage and have not yet been approved.
- There were several major land and property transactions during this quarter such as, Sathorn Unique Tower on Charoengkrung Road, 33 rai site on Ratchadaphisek Road, and the French Government's site on Sathorn Road.
- 1-year fixed bank deposit rates at the top five commercial banks increased sharply in line with inflationary pressure and policy rate hikes. The rate increased from 1.90%-3.75% to 2.40%-4.25% and yields for 1-year government bonds and 5-year government bonds rose from an average of 3.07% to 3.54% and from 3.48% to 3.63%, respectively.

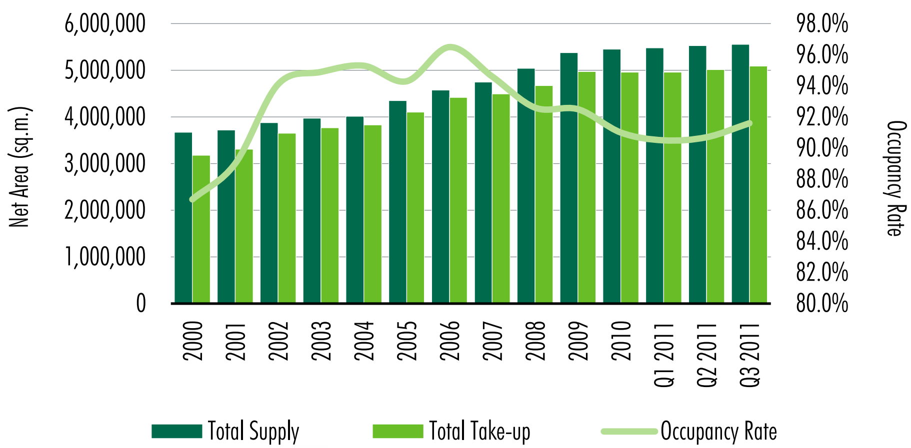
Total Supply, Take-up and Vacancy Rate by Area, Q3 2011



Highlights:

- We saw the first signs of tenants expanding in the third quarter of 2011, involving both Thai and multinational companies with both existing operations and new start ups.
- The total office supply in Bangkok increased to 8.11 million sq.m., a 1.4% increase Q-o-Q and 1.6% Y-o-Y. The supply grew by 0.11 million sq.m.
- The overall take-up in the Bangkok office market was 6.94 million sq.m., up by 0.4% Q-o-Q and 1.1% Y-o-Y. The occupancy rate decreased to 85.6% from 86.5% in the previous quarter.
- Total net take-up rose to 26,972 sq.m., up 52.6% Q-o-Q and 309.1% Y-o-Y.
- Park Ventures the newly completed office building has achieved the highest office rentals in Bangkok and has raised the average achieved rentals for prime offices in Bangkok, particularly Grade A CBD office rents.

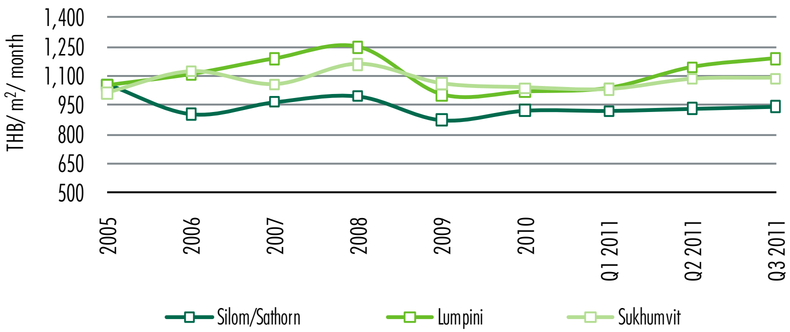
Bangkok Retail Supply, Take-up and Occupancy Rate, 2000-Q3 2011



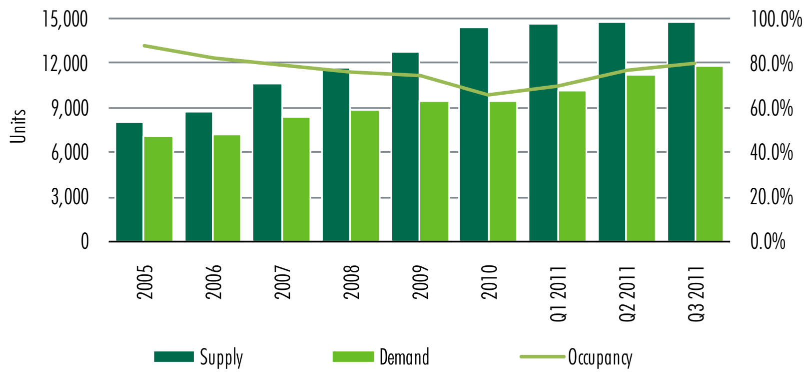
Highlights:

- The total retail supply rose to 5.56 million sq.m., up 0.6% Q-o-Q and 2.5% Y-o-Y. Bangkok's retail supply increased in the midtown and suburban areas in Q3 2011.
- Central Plaza Ladphrao was re-opened on August 28 after its 900-million-baht renovation.
- The overall occupancy rate increased to 91.6%, up 0.8% Q-o-Q and 0.9% Y-o-Y.
- Bangkok rental rates remained largely unchanged.
- The Retail Sales Index recovered to 189.18 in July 2011, increasing by 4.6% compared to July 2010.
- Credit card spending rose 23.8% Y-o-Y during July and August 2011. Thailand's Consumer Confidence Index (CCI) in September 2011 grew to 81.8 from an average of 81.4 in the first eight months of 2011.

Average Achieved Rents of Grade A units by Area, 2000-Q3 2011

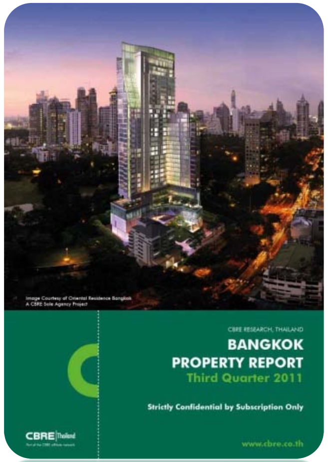


Supply, Demand and Occupancy Rate, 2003 - Q3 2011



Highlights:

- The supply of serviced apartments increased by 0.5% Q-o-Q and 5.4% Y-o-Y from 14,749 in Q2 2011 to 14,826 in Q3 2011 as a result of the completion of one new serviced apartment.
- An additional 487 units are expected to be completed by 2013, bringing the total supply of serviced apartments to 15,313. This is a growth of 3% on Q3 2011 figures.
- There was a big increase in the average occupancy rate from 64.4% in Q3 2010 to 79.6% in Q3 2011.
- The average achieved rental for serviced apartments in downtown Bangkok increased to THB 1,074/sq.m./month in Q3 2011, an increase of 7.7% from Q3 2010.



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