

Asia Pacific Regional Overview

1st Half — 2005



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Overview of NAI Global in the Asia Pacific Region

The Asia Pacific region is comprised of 19 NAI offices covering a region with a population exceeding 3 billion, over one-half of the world's population. There is an incredible variety of cultures, languages, currencies, legal systems, governments, religions and varying degrees of transparency and each country has its own unique business nuances. To be successful in Asia, multinational companies and global investors need to understand the opportunities, risks and peculiarities of each specific country under consideration. NAI's team of experts are positioned to provide the necessary local perspective, access and know-how, combined with the global standards and practices developed by NAI Global. This type of dedication helped NAI achieve worldwide success with 3,500 professionals working in 300 offices across 40 countries, concluding over US\$30.5 billion in 2004 in sales and leasing transactions.

The NAI Global Difference

NAI Global has the deepest roots in commercial real estate. What makes us different is the way we bring together people and resources we have around the world to deliver results for our clients. As the world's only managed network of commercial real estate firms, we work together to help our clients strategically optimize their assets.

Our clients come to us for our deep local knowledge. They build their businesses on the power of our global managed network. Across the Asia region, every single NAI office specializes in the professional representation of corporate clients and global investors in the acquisition and disposal of their business and investment properties.

We provide independent and objective advice to our clients without compromise, mixed loyalties or conflicts of interest. We partner with our clients to develop the right strategy and mix of acquisition & development projects and facilitate a comprehensive process of partner selection, country risk analysis and proper due diligence.

NAI Global has been ranked the second largest brokerage network by *Commercial Property News* magazine in 2005. NAI was also ranked seventh largest property management company by *National Real Estate Investor* magazine in 2004 with more than 258 million square feet under global management.



Commercial Real Estate Services, Worldwide.

Overview of NAI Global in the Asia Pacific Region (cont'd)

Informed Decisions

Making informed decisions is critical on corporate projects costing hundreds of thousands to millions of dollars and investment projects in the millions to hundreds of millions of dollars. The wrong assumptions or misunderstanding of financial and/or technology items can make the difference between success and failure. Our process of financial and technical analysis of each property gives a line item account of every single cost and consideration for the project. This comprehensive approach gives our teams the information necessary to negotiate the best transactions and assures our clients of making informed decisions.

Transparency

Not surprisingly, there are many varying standards and practices concerning issues of transparency and corporate governance across the Asia region. What multinational companies and global investors need is an Asia property team committed to the highest standard of integrity combined with a reporting-communication system that is “open-book”.

NAI emphasizes the importance of integrity through extensive cross-cultural training. Every Asia Pacific team member participates in on-going classroom training, focused on global best practices and integrity in conducting corporate real estate and investment work.

Technology Leadership

NAI Global is a leader in the adoption of new technologies to improve business operations as a means of speeding communications, optimizing performance, delivering the highest quality services to clients and facilitating the sharing of best practices among our member brokers.

Since the early 1980s, NAI Global has pioneered the use of computerized transaction management. Since 1999, REALTrac™ Online has been completely Web-based. The system tracks, manages and reports on thousands of ongoing transactions for NAI members, corporate and institutional clients. REALTrac™ Online also acts as a “virtual” real estate department, managing portfolios and transactions and provides comprehensive reports on all developments for ongoing acquisition and disposition assignments. The software also features project management and collaboration tools which help accelerate transaction cycle times. Currently more than 3,500 NAI Global agents and 6,000 clients rely on REALTrac™ Online to facilitate their business objectives.

Overview of NAI Global in the Asia Pacific Region (cont'd)

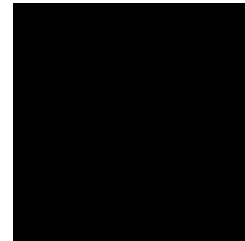
Full Market Access

Local and foreign companies alike want to know that they have full access to all the available property options in the marketplace. NAI's team intentionally specializes on corporate and investor representation. Our teams are not under any pressure to make deals in certain buildings and we fully cooperate with all the property agents, landlords and developers to assure full access, but without the conflicts of interest.

Partnering Approach

NAI Global's Asia Pacific team provides its clients with the best short-term and long-term solutions to their property needs. We understand that successful corporate relocations, renewals, acquisitions, disposals and joint ventures require a team of the best multi-disciplined professionals. To meet our clients' full needs each of our team members invest significant time and resources to identify and integrate the right approach for each assignment. We act as project managers to oversee the process and assure our clients that the "total project" is successful and completed on-time, on-budget and according to the specifications.

We look forward to the opportunity of working with you to achieve successful results across the Asia Pacific region.



Stephen Atherton
Managing Director
Asia Pacific



Abhijit Malkani
Regional Director
India

Asia Pacific Regional Map



Real Estate Services

Real Estate Services

- Corporate Real Estate Transaction Management
- Tenant Representation
- Rent Reviews and Lease Renewals
- Investor Representation
- Portfolio Marketing
- Marketing Reports and Opinions of Value
- Expatriate House Search and Orientation Services

Management Services

- Facility Management
- Property Management
- Project Management

Advisory Consultation

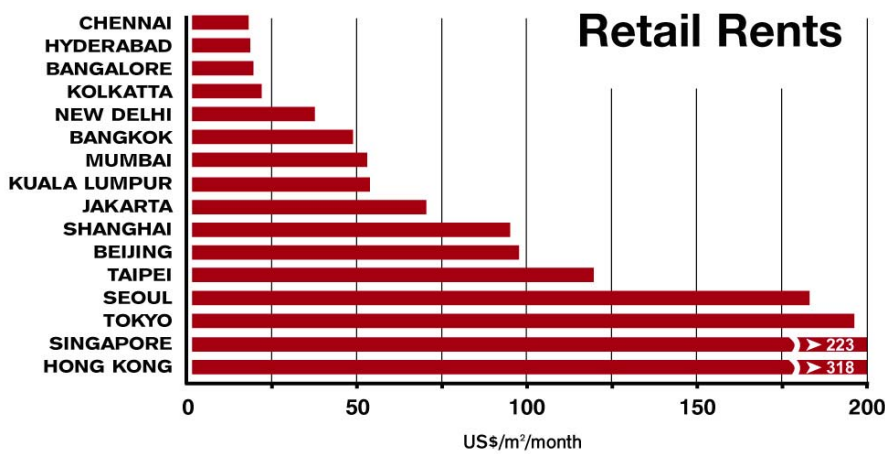
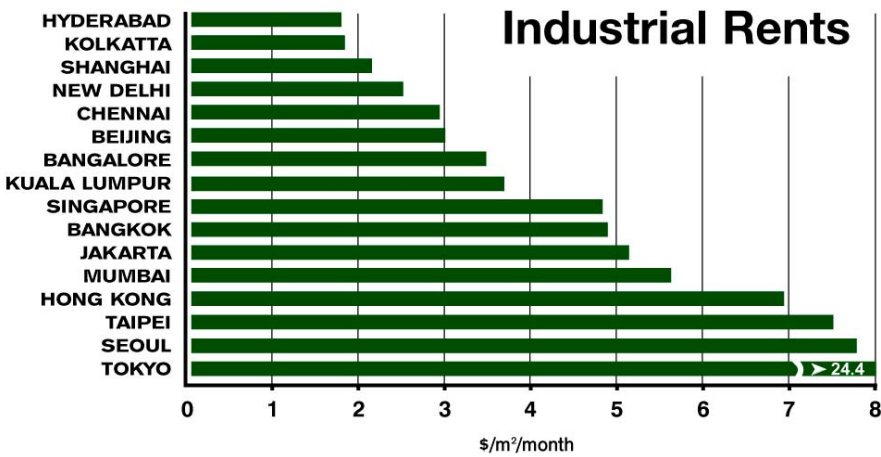
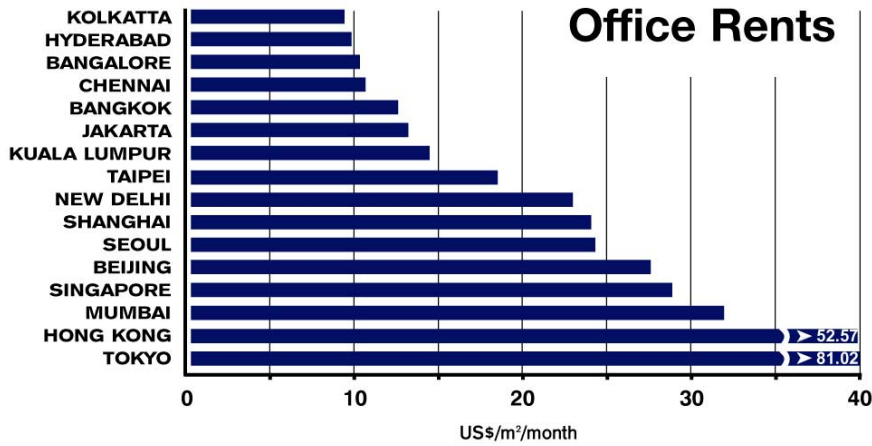
- Distribution Logistics
- Feasibility Analysis
- Lease Administration
- Portfolio Optimization
- Relocation Studies
- Strategic Planning and Advisory
- Valuation

On-Line Services

- CLAS™ Lease Administration for Portfolio Management
- REALTrac™ Online for Transaction Management
- NAIGlobal.com for Surplus Property Hosting & Marketing



Regional Rents and Acquisition Prices



Asia Pacific Business Directors



CLIFFORD MA
Hong Kong - CHINA



ELENA VILLAPRUDENTE
Hong Kong - CHINA



ANDREW ZHU
Shanghai - CHINA



DARREN SIEGEL
Beijing - CHINA



BAGUS ADIKUSUMO
Jakarta - INDONESIA



DINESH HEMDEV
Chennai - INDIA



SHAHED AHMED
Bangalore - INDIA



AVNASH ANUMOLU
Hyderabad - INDIA



VIVEK CHOPRA
Mumbai - INDIA



RN AGGARWAL
Kolkata - INDIA



PANKAJ DAYAL
New Delhi - INDIA



DAVID WONG
KL - MALAYSIA



BUDDY FERRIE
Tokyo - JAPAN



FEDERICO GONZALEZ
Manila - PHILIPPINES



ERIC TAN
SINGAPORE



KELVIN LEE
Seoul - SOUTH KOREA



GRAEME LAIRD
Bangkok - THAILAND



EDWARD CHIEN
Taipei - TAIWAN



PAUL MASON
Ho Chi Minh City -
VIETNAM

Representative Clients



Beijing China

Overview

- The Beijing real estate market was very strong in 2004. China's GDP rose 8.5% in 2003 and another 9.5% in 2004, demonstrating rapid and stable growth. After the decision that the 2008 Olympics will be held in Beijing, the Beijing government is investing an estimated US\$43 billion in infrastructure.
- The Class A office market showed upward movement in 2004 with the major source of demand coming from expanding domestic and foreign firms mostly in high-tech, insurance and consultancy areas.

	2001	2002	2003	2004	2005E
GDP Growth	7.30%	8%	9.10%	9.50%	7.80%
Inflation (CPI)	0.70%	-0.80%	1.20%	4.10%	3.80%
US\$ Exch. Rate	8.30	8.30	8.30	8.30	8.30

Rents

- The average achievable rent in Beijing rose because of limited new Class A office supply to US\$24.9 per sqm per month in 4Q 2004.
- The average vacancy rate dropped to 13%, from 17% in 2003.
- One million sqm of Class A office space was built - mostly in Zhongguancun area.
- Demand remains strong and slightly rising.
- There will be more than 10 million square meters of new supply added to the Beijing market by 2008.
- New CCTV Tower, opposite the Kerry Center, (Architect: Reem Koolhaas) will be 500,000 sqm and began construction in September of 2004.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	24	13.00%
Industrial	3.00	4%
Retail	95.00	1.09%

Investment

- Merrill Lynch announced a US\$30 million investment as JV partner on a major mixed-use (office, hotel & residential) at the Yintai project located across from China World Trade Center.
- CapitaLand will buy two shopping malls in Beijing for US\$345 million (Seller: Beijing Hualian Group) and also secured the right of first refusal over six other properties with a gross floor area of over 400,000 sqm.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	6-8%	8-10%	8-10%

Beijing China Professional Experience

Darren Siegel

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Chaoyang District
Beijing 100022 - CHINA

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Email: darren.siegel@asiapacificproperties.com

Title: NAI Business Director



Scope of Service Experience

Darren Siegel is the NAI business director for the Beijing office of NAI Asia Pacific Properties (NAI APP). Mr. Siegel is a U.S. national and has been in the Asian region for over seven years. Mr. Siegel received his diploma in Political Science from the University of Colorado, USA in 1990. Mr. Siegel speaks intermediate level Mandarin Chinese and has a wide understanding of both international and local business practices. Prior to coming to China, Mr. Siegel spent nine years as a senior broker for Grubb & Ellis commercial real estate in Denver, Colorado. He earned a real estate broker's license in 1991 and has been specializing in corporate real estate services for multinational companies.

Company Background

NAI APP is a commercial and residential real estate and relocation company with offices in Hong Kong, Shanghai and Beijing. With its international staff of bilingual consultants, NAI APP offers multinational corporations, regional companies, and individuals a full array of professional services ranging from real estate placements and acquisitions to capital assessments to country-specific orientations.

Founded in 1985, NAI APP has earned a solid reputation in assisting multinationals in setting up their presence in Hong Kong and China. With its extensive experience, from office and industrial site selection and project management to housing and relocation assistance for the expatriate contingent of various organizations, clients such as ASML, Pepsi Cola, Owens Corning, Tricon Restaurants have benefited from our comprehensive services. Our emphasis on corporate real estate services providing clients a "single point of contact" and our ability to offer "turn-key solutions" allows clients to focus on their business while delegating to NAI APP the task of searching, negotiating and fitting out their new facilities.

Primary Services

Corporate services and tenant representation services in Industrial, Office, Retail, Land Investment, Facilities Management, Market Research, Project Management, Property Management, Residential Relocation and Valuation Services

Significant Transactions

Caterpillar: 1,525 sm; Charles Parson: 5,000 sm; Ecolab Chemical: 900 sm; Hu Yu Guang Gu: 1,500 sm; Medtronic International: 1,450 sm; Pepsico: 1,500 sm; Pepsico: 2,905 sm; Vivendi Water: 1,000 sm; W.L. Gore: 1,500 sm



Commercial Real Estate Services, Worldwide.

Hong Kong

Overview

- Hong Kong experienced interest rate cut contrary to the decision of the US Federal Reserve Board to raise the rate.
- The prime lending rate was brought down to 5% and this remained unchanged despite rate increases by the US Federal Reserve Board.
- The GDP growth is estimated at 7.2% with CPI of 0.2% for 2005.
- Overall business sentiment is positive with expectations for 2005 to be a buoyant year for business expansion and revenue growth.

	2001	2002	2003	2004	2005E
GDP Growth	0.60%	2.30%	1.50%	7.50%	5.00%
Inflation (CPI)	-1.60%	-3.00%	-2.60%	0.20%	1.00%
US\$ Exch. Rate	7.80	7.80	7.80	7.80	7.80

Rents

- Rental levels in core area continue to remain bullish with peripheral areas gradually picking up.
- Market experiences a shift from tenant's market to landlord's market, which may increase rental rates and landlords will be more selective.
- Completion of AIG Tower in March 2005 has not had big impact on the supply side, due to pre-leasing and internal take-up by AIG.
- Transaction volume and price levels experienced a significant increase in Q4 2004. With 340 transactions, the record is a new high since July 1997.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	52.57	13%
Industrial	6.92	2.9%
Retail	318.22	5%

Investment

- Some of the larger acquisitions include the Morgan Stanley purchase of Vicwood Plaza for HK\$894 million in 2Q 2002 and their subsequent purchase of Paliburg & Kowloon City Plaza for HK\$2.03 billion.
- Demand for investment property is high, but availability of Class A whole-block product is minimal.
- Some investors are looking harder at other property investment alternatives outside of traditional office space in central districts.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	3-5%	3-5%	7-9%

Hong Kong Professional Experience

Clifford Ma

NAI Asia Pacific Properties, Ltd.

14/F Wilson House
19-27 Wyndham Street
Central, Hong Kong

Phone: +11 852 2868 0966

Email: clifford.ma@asiapacificproperties.com

Title: NAI Business Director



Scope of Service Experience

Clifford Ma, CFA, is the NAI business director for the Hong Kong Office of NAI Asia Pacific Properties (NAI APP). He is responsible for managing NAI APP's corporate service accounts, representing multinational corporations in their sales and leasing of properties, real estate investments, valuation and development feasibility studies. Mr. Ma completed his undergraduate studies at the Pennsylvania State University and his Masters Degree in Business at U.C.L.A. in the US.

Company Background

NAI APP is a commercial and residential real estate and relocation company with offices in Hong Kong, Shanghai and Beijing. With its international staff of bilingual consultants, NAI APP offers multinational corporations, regional companies, and individuals a full array of professional services ranging from real estate placements and acquisitions to capital assessments to country-specific orientations.

Founded in 1985, NAI APP now has earned a solid reputation in assisting multinationals in setting up their presence in Hong Kong and China. With its extensive experience, from office and industrial site selection and project management to housing and relocation assistance for the expatriate contingent of various organizations, clients such as ASML, Pepsi Cola, Owens Corning, Tricon Restaurants have benefited from our comprehensive services. Our emphasis on corporate real estate services providing clients a "single point of contact" and our ability to offer "turn-key solutions" allows clients to focus on their business while delegating to NAI APP the task of searching, negotiating and fitting out their new facilities.

Primary Services

Corporate services and tenant representation services in Facilities Management, Industrial, Land Investment, Market Research, Office, Project Management, Property Management, Residential Relocation, Retail and Valuation Services.

Significant Transactions

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Commercial Real Estate Services, Worldwide.

Shanghai China

Overview

- With the retail market fully opening up to foreign investment according to China's WTO commitment, foreign retailers are expanding in 2005.
- In the foreign large-store category, Wal-Mart, B&Q and Carrefour plan to open new stores to grab market share.
- On the industrial side, supply and demand were constrained over 2004 leading to higher prices. The transaction activity in industrial land in 2004 was controlled by the central government in order to regain control over speculation and reduce the likelihood of a bubble situation.

	2001	2002	2003	2004	2005E
GDP Growth	7.30%	8%	9.10%	9.50%	7.80%
Inflation (CPI)	0.70%	-0.80%	1.20%	4.10%	3.80%
US\$ Exch. Rate	8.30	8.30	8.30	8.30	8.30

Rents

- Rental rates in central Puxi for top office buildings have been driven as high as US\$36.50 per sqm per month, even though over 230,000 sqm of new office space was added to the market in 2004.
- The average vacancy rate for the city as a whole is estimated to be 8.5% whereas the Puxi area has recorded vacancy rate of less than 5%.
- Since the options for office relocation and expansion remain limited due to a lack of new supply, we predict the rents to continue increasing moderately over the year 2005.
- The tight office market in downtown Shanghai has created opportunity for growth in more secondary, suburban locations.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	24	4%
Industrial	2.2	4.5%
Retail	90	2.8%

Investment

- Some of the more recent activity in the acquisition / joint venture arena would include ING Real Estate's joint projects with Forte Group, Morgan Stanley's residential JV near Xintiandi and the sale of Tomorrow Square located next to People's Square to a mainland Chinese investor. However, the most effective way to enter the commercial property market in Shanghai is through real estate development.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	8-10%	8-10%	8-10%

Shanghai China Professional Experience

Andrew Zhu

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China

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Email: andrew.zhu@asiapacificproperties.com

Title: NAI Business Director



Scope of Service Experience

Andrew Zhu is the NAI business director for the Shanghai office of NAI Asia Pacific Properties (NAI APP). Mr. Zhu received his Masters of Business Administration in General and Strategic Management from the Maastricht School of Management (Shanghai). Mr. Zhu has worked for NAI APP since 1997 and previously worked for a major Hong Kong developer in business development & marketing for several major Shanghai projects. Mr. Zhu manages the commercial team and specialized in corporate real estate and investment work.

Company Background

NAI APP is a commercial and residential real estate and relocation company with offices in Hong Kong, Shanghai and Beijing. With its international staff of bilingual consultants, NAI APP offers multinational corporations, regional companies, and individuals a full array of professional services ranging from real estate placements and acquisitions to capital assessments to country-specific orientations.

Founded in 1985, NAI APP has earned a solid reputation in assisting multinationals in setting up their presence in Hong Kong and China. With its extensive experience, from office and industrial site selection and project management to housing and relocation assistance for the expatriate contingent of various organizations, clients such as ASML, Pepsi Cola, Owens Corning, Tricon Restaurants have benefited from our comprehensive services. Our emphasis on corporate real estate services providing clients a "single point of contact" and our ability to offer "turn-key solutions," allows clients to focus on their business while delegating to NAI APP the task of searching, negotiating and fitting out their new facilities.

Primary Services

Corporate services and tenant representation services in Facilities Management, Industrial, Land Investment, Market Research, Office, Project Management, Property Management, Residential Relocation, [Retail and Valuation Services](#).

Significant Transactions

Caterpillar: 1,525 sm; Charles Parson: 5,000 sm; Ecolab Chemical: 900 sm; Hu Yu Guang Gu: 1,500 sm; Medtronic International: 1,450 sm; Pepsi: 1,500 sm; Pepsico: 2,905 sm; Vivendi Water: 1,000 sm; W.L. Gore: 1,500 sm

Bangalore India

Overview

- A Central Intelligence Agency Commissioned Report has declared India and China as global players, heralding an Asian Century in place of a receding American Century.
- A combination of sustained high economic growth, expanding military capabilities, and large populations will be at the root of the expected rapid rise in economic and political power for India.

	2001	2002	2003	2004	2005E
GDP Growth	5.4%	4.6%	8.2%	6.0%	6.3%
Inflation (CPI)	5.1%	3.8%	3.7%	5.5%	4.5%
US\$ Exch. Rate	48.90	47.50	43.80	47.80	49.30

Rents

- The Central Business Districts (CBD) are losing out to the Secondary Business Districts (SBD) that offer high quality buildings at low costs. About 70% of the commercial space in Delhi, Mumbai, Chennai and Bangalore was absorbed by IT / ITES during 2004. Specially designed Build to Suit (BTS) / multi-tenant buildings are being developed for such clients, all within the range of Rs. 27-40 sq ft per month.
- Year 2004 saw a rise of 30% -40% in the land values along the Outer Ring Road (ORR) and Whitefield Area, which are the preferred locations for the clients requiring BTS facilities.
- Rental and capital values in the CBD have risen marginally with Class A rental rates in the prime CBD areas being in the range of Rs. 35-45 per sq ft per month. The SBD is in the range of Rs. 25-30 per sq ft per month. The most affordable areas are South Bangalore such as Hosur Road, Electronic City & Bannerghatta Road which offer quality real estate space at Rs. 20-25 per sq ft per month.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	10.44	5%
Industrial	3.48	N/A
Retail	20.30	5%

Investment

- Phillips Software has signed up with MFar Constructions to set up a massive 12 acre campus, with built-up area of 700,000 sq ft on the Outer Ring Road. Phase I to be complete by August 2005 and the entire project by October 2006.
- The proposed International Airport is to be functional by 2008 which is changing the face of North Bangalore to a great extent.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	8-12%	8-12%	8-10%

Bangalore India Professional Experience

Shahed Ahmed

NAI Sites N Services Pvt Ltd.

305 Richmond Towers
12, Richmond Road
Bangalore 560025
India

Phone: 91-80-2222707/2222660

Email: sns1@vsnl.com

Title: NAI Business Director

Scope of Service Experience

Shahed Ahmed is the NAI business director for NAI Sites N Services in Bangalore. Mr. Ahmed has been working in the real estate industry for over 23 years and earned his B Com (Hons) from Scrist College, University of Bangalore. Mr. Ahmed is a member of the Bangalore Realtors Association and has traveled intensively overseas related to commercial and residential project mandates. With his real estate development experience, Mr. Ahmed understands the property development field, cost issues, risk analysis and how to assemble a professional, integrated team.

Company Background

NAI Sites 'n' Services Pvt. Ltd., founded in 1984, is in the business of commercial and residential real estate sales, real estate marketing, design and development for residential projects and corporate build-to-suits. NAI Sites 'n' Services has established a niche for itself and offers end-to-end real estate solutions to corporates, both Indian and multinational as well as non-resident Indians and overseas buyers. Corporate and individual clients, who have given us exclusive mandates to find real estate solutions, have been extremely pleased with our capacity to deliver innovative and useful solutions.

The company is an accredited realtor. Our long presence in the real estate industry equips us to stay ahead in this business. Our principles and practices have always centered on first hand service and a professional outlook. We are constantly inventing better ways to fulfill our clients' needs.

Primary Services

Corporate Services, Housing Finance tie-ups, Market Research, Property Development, Property Management, Property Valuation, and Tenant Representation

Significant Transactions

Bristol Technology, Citibank, DHL, EGL, Force Computers, Jasmine Networks, Mitsubishi, Nokia, Panal Pina – USA, Siemens VDO, Sony



Chennai India

Overview

- The overall GDP growth for the year 2004-05 was estimated to be in the range of 6.0 - 6.5% in spite of some adverse impact of the Tsunami. The WPI inflation, on a year to year basis, decelerated to 6.4% at the end of 2004.
- The Real Estate Markets have been witnessing strong growth in cities like New Delhi, Bangalore, Pune, Chennai and Gurgaon. The office and retail sectors continue to be in demand with IT and ITES being the main drivers with large requirements. The residential segment remains strong across all these cities with prices rising.

	2001	2002	2003	2004	2005E
GDP Growth	5.4%	4.6%	8.2%	6.0%	6.3%
Inflation (CPI)	5.1%	3.8%	3.7%	5.5%	4.5%
US\$ Exch. Rate	48.90	47.50	43.80	47.80	49.30

Rents

- The continued interest of the IT/ITES sector in Chennai as a centre for locating Global IT back offices, BPOs and Call Centers has seen an upsurge in demand for high quality office space in the city and on the IT Highway (Old Mahabalipuram Road) and Ambattur areas.
- The outlook is positive based on the demand and absorption levels seen in the recent past by software, IT and ITES companies. Promoters who can deliver properties at the earliest will stand to gain as good quality and large floor plate buildings are in short supply. The first mover advantage will play significantly well.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	11	10%
Industrial	2.93	15%
Retail	19	5%

Investment

- On the residential front, there has been a steady rise in apartment values due to the escalation in land prices in the city.
- Increased demand and limited supply of land for development in high-end residential areas of South & Central Chennai has created this rise in values.
- The demand for retail malls remain high as there are very few being promoted.
- Demand remains strong for high street retail shops as Chennai has traditionally not been mall orientated.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	9-12%	9-13%	10-14%

Chennai India Professional Experience

Dinesh Hemdev

NAI Hemdev's International Realty Services

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Title: Head - Business Development & Brokerage Services



Scope of Service Experience

Mr. Dinesh Hemdev is the head of business development and brokerage services at NAI Hemdevs, Chennai. His responsibilities include developing relationships with local and multinational corporate clients, institutional investors and heading the sale and leasing team for commercial properties, retail and investments. Mr. Hemdev comes from a family which has been in the Real Estate Business since 1967. He entered the business in 1992 and has successfully taken over the commercial property services. He has brokered large sales, leasing and investments transactions and has successfully closed deals for companies which include Fuller India Ltd., Saint Joseph's University, Mitsui O.S.K.Lines, Cairn Energy, Bahwan Cybertek, British Deputy High Commission and ICI Paints.

Company Background

Our local expertise in knowing the market backed by three decades of experience helps us to provide the right options and real estate investment strategies to meet client objectives. Service excellence & strong client relationships are the driving force behind everything we do. Our fundamental values of client service, integrity, respect, excellence & dignity continue to shape our future as one of the most credible agencies. Business is transacted & deals are brokered with the highest levels of integrity and ethics. The total personalised service has added to our credibility. With a host of satisfied clients, we understand the needs of our clients and offer them options which best suit their needs.

Residential Property Agency Services

Relocating families overseas or to another city can prove to be demanding. Adjustment to cultural differences, local customs and professional environment often requires weeks of understanding. We provide personalized solutions to our clients based on their requirements and needs. We have houses, bungalows, beach houses, apartments, furnished guest houses and apartments in our extensive database.

Commercial/Office

Commercial relocation and expansion are vital strategic decisions taken by a company. Market awareness & well-researched information helps us give our clients the best available options. Our commercial team is intimately in touch with the market, receives the latest information from associates and updates our extensive database to provide the latest information on market offerings.

Buying/Selling Brokerage Services Commercial - (land, offices, independent buildings)

The property market offers the occupier a wide selection of building options. Real estate is the business of value and today a clear appraisal and valuation of property enables our client to get the best value when buying or selling of commercial space. Our rich experience in the sale/purchase of properties helps us to conduct a smooth and hassle-free transaction for our clients. We provide suitable options and alternatives, assist in the selection of a shortlist of alternatives, begin the negotiations, advise and follow up on documentation and finalisation of the terms and liaise with the concerned authorities for registration.

Investments in Property

Sales and acquisition of investment properties forms a major part of our business. We assist land owners to maximise the return on their property by entering into contracts with reputed builders for development of their property. Landowners who wish to maximise the value of their land assets through partnerships and joint ventures offer their land to the developer for which they are given part of the proposed built-up area in return.

Hyderabad India

Overview

- The state government is developing the Indian Institute of Information Technology (IIIT) in association with Microsoft, Oracle, Satyam Computers and Metamor Graphics which will certainly strengthen the city's advantage in terms of IT education in the country.
- The state government has also dedicated significant investment funds for a Hi-tech city in order to provide a conducive base to IT companies. Besides proactive steps from the supportive government agencies, lower cost of living compared to other metros, shorter travel times to the work place and easy availability of skilled manpower from various institutions make the city quite attractive.

	2001	2002	2003	2004	2005E
GDP Growth	5.4%	4.6%	8.2%	6.0%	6.3%
Inflation (CPI)	5.1%	3.8%	3.7%	5.5%	4.5%
US\$ Exch. Rate	48.90	47.50	43.80	47.80	49.30

Rents

- In the last two years, the property prices in Hyderabad and its outskirts have spiraled. The prices which were hovering around Rs 500 per sq ft in 1991-92, soared to Rs 1,200 per sq ft in 1995 and have recently hit a whopping Rs 2000 per sq ft.
- With major global companies such as Microsoft, Oracle, Bann Info, Wipro, D E Shaw, Citicorp, Intergraph, Satyam Computers, Metamor Graphics and others entering the city territory, the entire structure of the market has transformed.
- Areas like Jubilee Hills, Madhapur are experiencing mixed commercial as well as residential growth.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	9.44	15%
Industrial	1.83	15%
Retail	19.51	5%

Investment

- Hyderabad is currently boosting a good deal of activities. Capital and rental values both have firmed up substantially and a similar trend is likely to continue in the near future.
- Another significant development is the computerization of land registration in the state, which has cut down the delay in the process of registration substantially.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	9-12%	9-12%	12-18%

Hyderabad India Professional Experience

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Title: NAI Business Director



Company Background

AE&R is a part of the ATR Group of companies. AE&R has been operating in construction activities, resort developments and property development for over a decade. Using its vast background in the real estate business, AE&R has branched out into the commercial real estate services sector. NAI AE&R has been in business since 2003 and has its roots well established in all major cities in the state of Andhra Pradesh. NAI AE&R has grown to become and be known as one of the most reliable and efficient realtor offices in the state.

Residential Property Agency Services

Relocating, especially for families moving overseas or from another city, can prove to be demanding. Adjustment to cultural differences, local customs and professional environment often requires weeks of understanding. Our residential service strives to provide the highest level of satisfaction to our clients, both individual and corporate, to help settling in a new environment smooth and easy.

Commercial/Office

Commercial relocation and expansion are undoubtedly vital strategic decisions taken by a company. The correct choice for commercial / office premises is crucial for any business. Market awareness and well-researched information help us give our clients the best available options. Our commercial team receives the latest information from associates and updates our extensive database to give our clients the latest and most elaborate information on market offerings.

Buying/Selling Brokerage Services Commercial - (land, offices, independent buildings)

In the past few years, we have seen dramatic changes in the commercial office sector. The property market offers the occupier a wide selection of building options. We assist our clients in achieving vital harmony between the office premises in question and business performance.

Investments in Property

Sales and acquisitions of investment properties form a major part of our business. We assist landowners to maximize the return on their property by entering into agreements with reputed builders for development of their property.

Kolkata India

Overview

- According to the first ever survey commissioned by Outlook magazine on “The Best Cities To Live In,” Kolkata scores third among the best cities in India. The rating was based on three factors: jobs and income, financial infrastructure and consumption.
- The state government is growing increasingly aggressive in attracting IT investment into the state and the next wave of growth is expected from the established players in Kolkata.
- The real estate sector has become one of the prime growth drivers in the city and the state.
- We foresee more developers taking up active roles in IT infrastructure in Kolkata.

	2001	2002	2003	2004	2005E
GDP Growth	5.4%	4.6%	8.2%	6.0%	6.3%
Inflation (CPI)	5.1%	3.8%	3.7%	5.5%	4.5%
US\$ Exch. Rate	48.90	47.50	43.80	47.80	49.30

Rents

- Considering the high level of investment, we expect steady growth in the IT sector in Kolkata over the next 2-3 years. We expect the IT firms to provide employment to approximately 14,000 people thereby creating an additional real estate opportunity of approximately 1,200,000 sq ft.
- The effective rents in the Kolkata office submarkets have remained stable. Base rent for buildings in Park Street, Shakespeare Sarani and Camac Street comprising the CBD have been approximately Rs.45 per sq ft per month.
- Due to the spurt in demand in IT and ITES segments in Salt Lake, rentals in those areas have been around Rs.30 per sq ft per month.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	9.28	20%
Industrial	1.86	20%
Retail	22.8	5%

Investment

- Kolkata is coming of age as a hot retail destination. It is also one of the most profitable markets for brands like Musicworld, Pantaloons and Sony World among others.
- The prime retail destinations are located in Central Kolkata.
- With the launch of malls like Forum, 22 Camac Street and City Centre, mall fever has suddenly gripped the city. Many of the major developers have announced new retail projects.
- There are about 15 malls in the pipeline to be developed over the next couple of years.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	9-12%	8-10%	12-15%

Kolkata India Professional Experience

Ram Agarwal

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Title: NAI business director



Scope of Service Experience

Mr. Agarwal has been associated with the company as one of the Directors since inception in 1987. He earned his B.Com at St. Xavier's College, Kolkata.

Company Background

Established in 1987, the Kolkata based Agarwal family, NK Realtors is one of the largest vertically-integrated commercial real estate service firms in India. Headquartered in Kolkata with more than 70 employees, combined with our associate offices in Mumbai, Chennai, Delhi, Hyderabad and Bangalore, we offer the most comprehensive services portfolio in the industry.

We have two decades of real estate experience and have negotiated hundreds of land and bungalow deals. We have sold / leased / rented over five million sq ft flats / showrooms / godowns / sheds among others and we are currently exclusively marketing over five million sq ft of residential space besides huge retail transactions. Whether it is the acquisition or disposition of property, managing a single asset or a multi-national portfolio, or facilitating the design, or construction and move of a new corporate headquarter, we cater to our clients' needs.

We focus on our clients' overall business and real estate objectives and not just a single transaction. We are their strategic advisors - and we support all of their needs through property and land sales and leasing, corporate services, appraisal / valuation, research and consulting and property management services.

Our alliances with promoters, builders and legal experts ensure that our customers get in-depth local knowledge of the changes sweeping regional property markets. We are supported by property experts and extensive property and client databases, enabling our professionals to access regional opportunities and to pursue client interests in a cost-effective manner.

Our clients always receive prior information about prevalent prices, space available terms and conditions, alternative properties among others, to help them make a quicker decision.

We have a team of dedicated professionals specializing in every aspect of real estate marketing and research as well as industrial properties and property management. We also provide access to legal and technical consultants, top financial institution architects, vastu specialists, interior designers and other experts.

Mumbai India

Overview

- India is one of the best emerging markets across Asia Pacific due to liberalization of its economic policies and foreign direct investment (FDI) permitted in major sectors.
- India is now the third most preferred FDI nation in the world, behind China and the US.
- The government is considering a capital subsidy to import goods for infrastructure projects using US\$5 billion of its foreign exchange reserves.
- The Mumbai real estate market has experienced an increase in demand for residential and high quality commercial space.
- For the first time since Nariman Point was developed, almost 25% of its space is vacant.

	2001	2002	2003	2004	2005E
GDP Growth	5.4%	4.6%	8.2%	6.0%	6.3%
Inflation (CPI)	5.1%	3.8%	3.7%	5.5%	4.5%
US\$ Exch. Rate	48.90	47.50	43.80	47.80	49.30

Rents

- In the office sector, a trend to move to the suburbs continues, resulting in increased rental values. In the industrial sector, many land owners and corporations owning old, unused facilities are attracting software companies to their premises.
- The mill lands at Lower Parel continue to be a favorite for office premises. The quoted rental rates here are in the range of approximately Rs.60 to Rs. 80 per sq ft per month.
- The Worli and New CBD's of Worli & Lower Parel areas are very popular with multi-national companies entering or relocating within Mumbai. Office space in these areas is available for approx Rs. 60 to 80 per sq ft per month.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	31.79	20%
Industrial	5.61	25%
Retail	56.20	10%

Investment

- An increased interest in real estate investment is generally expected from banks, institutions, foreign embassies and corporates because of amendments to the Rent Control Act. However, registration for all lease / leave & license agreements has been made compulsory with an additional burden of stamp duty (approximately 10%) on the lessee / licensee.
- Mumbai has emerged as a shopping destination with 22 new malls expected to enter the market in 2005, with a total of 4.7 million sq ft.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	9-12%	8-12%	9-12%

Mumbai India Professional Experience

Vivek Chopra

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Title: NAI Business Director



Scope of Service Experience

Vivek Chopra is the NAI business director for NAI Aventura Real Estate Services in Mumbai. Mr. Chopra received his B Com (Hons) from the University of Maharashtra. Mr. Chopra actively participates in the business community through his participation in the Federation of Indian Chamber of Commerce and Industry (FICCI), Indian Merchant Chamber of Commerce (IMC), Bombay Chamber of Commerce (BCC), FIABCI and the National Association of Realtors (NAR).

Company Background

NAI Aventura is an international property services company with a highly specialized and qualified team serving the needs of property users (tenants and buyers) and investors. It is the first Indo-American real estate company in India and was formed to provide a global standard of real estate service in India to multi-national companies, foreign banks, consulates and large retail groups. Its parent company, Hill Estates, has been providing real estate service in India for the last 40 years.

Primary Services

Project Marketing for Commercial Agency, Retail Agency, Industrial & Residential, Leasing and Sales (including Tenant / Purchaser Representation), Research and Consultancy (including Corporate Advisory Services), Market Research, Planning Advice and Valuation

Significant Transactions

Aventis, Barista, CLSA India Ltd., Ernst & Young, HDFC Bank, Hongkong Shanghai Banking Corporation, ING Vyasa Bank, JP Morgan, Jet Airways Newbridge Capital, Morgan Stanley, Standard Chartered Bank and Thomas Cook

New Delhi India

Overview

- India's economy is expanding at 8% annually, making it one of the fastest-growing in the world, and becoming an increasingly popular investment destination. As a result, the real estate market has seen upward momentum.
- Major corporate real estate occupiers in the Asia-Pacific region have identified Delhi and Bangalore in India and Shanghai in China as top outsourcing locations.

	2001	2002	2003	2004	2005E
GDP Growth	5.4%	4.6%	8.2%	6.0%	6.3%
Inflation (CPI)	5.1%	3.8%	3.7%	5.5%	4.5%
US\$ Exch. Rate	48.90	47.50	43.80	47.80	49.30

Rents

- Suburban locations are the preferred destinations for the new commercial projects because of easier land availability, the demand for large floor plates and the demand for build-to-suit facilities.
- Commercial real estate prices have remained stagnant in the last few months and one of the reasons is that BPOs work on very thin margins and most of the demand is generated mostly by BPOs' expansions.
- Delhi will see an additional two million sq ft of retail space in the next two years mostly in Gurgaon, Noida and West Delhi.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	22.73	15%
Industrial	2.55	20%
Retail	37.1	2%

Investment

- With more and more MNCs setting up operations in India, it is foreseen that there will be a huge demand for office or expatriate residential property.
- International real estate executives want to invest in the Indian market once the government loosens the rules. Currently, foreign investment is limited to large scale projects and land of more than 100 acres.
- Foreign developers are also welcome to enter the Indian real estate market as they bring funds and expertise for construction.
- Real estate prices in Delhi have seen a tremendous increase since October 2004.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	9-12%	8-10%	12-15%

New Delhi India Professional Experience

Pankaj Dayal

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Scope of Service Experience

Pankaj Dayal is the NAI business director for NAI Collaborators in New Delhi. Mr. Dayal is a principal in the firm and has over 20 years of experience in the commercial and residential property field. He received his B Com (Pass) from the University of Delhi. Mr. Dayal actively leads his commercial team and specializes in the representation of foreign companies for all their real estate requirements.

Company Background

NAI Collaborators is one the largest real estate services company in New Delhi which specializes in solving property-related challenges on behalf of its tenant clients. No matter what category of property is required, our comprehensive systems and processes are set up for negotiating the best overall transaction and achieving the greatest amount of flexibility possible for your current and future business needs.

NAI Collaborators has helped many multinational companies on their property requirements such as GE-Power, Encyclopedia Britannica, Bank of Tokyo, Schlumberger, Dyckerhoff, Morepen Laboratories, Loreal and others. Unlike most property consultants which help landlords achieve the best transaction for their property, NAI Collaborators helps its tenant clients by creating and implementing property strategies that maximize the best possible lease terms with the greatest amount of cost savings. NAI Collaborators has a team of 10 specialists that focus exclusively on the professional representation of tenant clients.

Primary Services

Build-To-Suits, Call Centers, Corporate Real Estate Services, Facility Management, Industrial Property, Investment Sales, Land, Logistics, Market Research, Mixed-Use, Office Property, Project Management, Project Marketing, Residential Relocation, Retail Property and Tenant Representation

Significant Transactions

Apollo International: 18,000 sq ft; Boston Scientific: 3,500 sq ft; DMC Stratex (I) Pvt. Ltd: 3,600 sq ft; Encyclopedia Britannica: 4,000 sq ft; Ge-Power: 5,000 sq ft; Global Trust Bank: 4,000 sq ft; Hero Corporate Services: 90,000 sq ft; Invensys: 5,000 sq ft; LG Chemical: 5,500 sq ft; Maersk India: 3,000 sq ft; Michelin: 3,000 sq ft; Mitsui Osk Pvt. Ltd: 3,000 sq ft; Modi Apollo: 15,000 sq ft; Morepen Laboratories Ltd: 7,000 sq ft; Schlumberger: 30,000 sq ft; Schoolnett (ILFS): 15,000 sq ft; Stanley Electric India: 2,500 sq ft; Thomson Electronics: 8,000 sq ft; Z T E Corporation: 3,000 sq ft; Valvoline Cummins Ltd: 8,000 sq ft.

Jakarta Indonesia

Overview

- The election of Indonesia's new president, Susilo Bambang Yudhoyono, is a sign of recovery. Expectations are high that he will restore the country's pride and effectively fight chronic corruption and restore foreign investor confidence.
- Since 2000, the office market has shown growth which is a positive sign albeit very modestly. There is a clear hope subsequent to the presidential election that the market will strengthen as confidence increases.
- The frequent bomb threats have shifted the priority of tenants of western-affiliated companies from price to security concerns.

	2001	2002	2003	2004	2005E
GDP Growth	3.4%	3.7%	4.5%	4.7%	5.0%
Inflation (CPI)	12.6%	10.0%	5.1%	7.6%	8.0%
US\$ Exch. Rate	10,260	9,311	8,465	9,300	9,500

Rents

- The fourth quarter of 2004 witnessed increased requests for premium office space which raised the occupancies by 3.5% to 84.16%. In our view, the upcoming new supply for 2005-06 will be met by strong demand. We would expect to see an increase in rents between 10-15% in 2005.
- The industrial estate business has yet to recover, but some rebound is expected this year. Rents should rise between 10%-15%.
- As the first sector to recover after the crisis in 1998, the retail market continues to shine, however, a potential oversupply situation looms.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	12.78	16.76%
Industrial	5.22	N/A
Retail	70.92	5%

Investment

- For some years now, there are no changes in either rental and absorption levels for industrial land. The industrial estate sector is very sensitive to the level of direct investments which is still far below the target.
- To-date, hypermarket transactions still dominate the retail market followed by F&B. Carrefour and Giant are the fastest expanding hypermarket chains. Matahari Department Store and its sister company, Hypermart, are actively looking for space. Debenhams department store of England has taken two floors in Plaza Indonesia and is trying to compete in the competitive market.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	7-8%	9-12%	10

Jakarta Indonesia Professional Experience

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Scope of Service Experience

Bagus Adikusumo is the NAI business director for NAI Koll based in Jakarta, Indonesia. Mr. Adikusumo is the associate director of the company and has been there for eight years. Born in Indonesia, he earned his BA degree specializing in economics and finance from Iowa Wesleyan College and his MBA degree from the Davenport University in Iowa in the US.

Company Background

Founded in 1992, NAI Koll IPAC is an international property services company with a highly specialized and qualified team serving the needs of property users (tenants and buyers) and investors.

NAI Koll IPAC is the first property consultant firm in Indonesia to emphasize the representation of tenants and buyers rather than developers and owners in lease and purchase transactions. As such, NAI Koll IPAC has successfully filled a market niche with over 7,000,000 square feet of completed transactions from 1995-2003.

NAI Koll IPAC has affiliations with CORENET; International Council for Shopping Centers (ICSC); Association of Real Estate Brokers Indonesia (AREBI) and American Chamber of Commerce (Amcham).

Primary Services

Corporate Services, Executive Housing Management Services, Facilities Management Services, Housing Audits Services, Project Management Services, Residential Relocation Services and Tenant Representation

Significant Transactions

BP 13,500 sqm; Carrefour, 18,787 sqm; Conoco Indonesia 8,000 sqm; IBM Indonesia 5,000 sqm; Mobisel, 5,000 sqm; PriceSmart 18,000 sqm; Siemens Indonesia 10,500 sqm; Sony Indonesia 2,500 sqm

Tokyo Japan

Overview

- For the first time since the 1991 bursting of Japan's economic bubble, stable or increased property values were seen in 2004 in central Tokyo, and also in areas of Yokohama, Osaka, Fukuoka, Nagoya and Sapporo.
- The increases are the result of domestic and foreign investors competing for a relatively small number of investment grade office buildings, the increasing availability of low interest financing, and the continued relative poor performance of investment alternatives such as stocks and bonds.

	2001	2002	2003	2004	2005E
GDP Growth	0.4%	0.3%	2.3%	4.0%	2.4%
Inflation (CPI)	-0.7%	-0.9%	-0.4%	-0.1%	0.2%
US\$ Exch. Rate	122	125	115	107	105

Rents

- Average vacancy for Class A office properties overall in the five central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku and Shibuya) fell to 6.5% in Q3 of 2004, from 8.5% a year earlier.
- Class A monthly rents, inclusive of common expense charges, now range from Y30-35,000 per tsubo in the Marunouchi area, to as low as Y18-25,000 per tsubo in the newly transformed area near Shinagawa Station, which has become the new Shinkansen alternative terminal for the busiest high speed bullet train line in Japan.
- Rents for the newest, top quality Class A space have now stabilized, but are still under pressure for lesser quality properties.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	81.02	4.5%
Industrial	24.4	7.5%
Retail	195.24	2.5%

Investment

- Class A office properties are now trading at net yields as low as 4.0% to 4.5%, as demand continues from investors, including new JREITs.
- The big story in the Tokyo office market in 2004 was the absorption of a record amount of centrally located Class A space that came onto the market in 2003.
- This massive absorption drove a substantial decline in Class A rents and a ripple effect on older Class A, as well as Class B and C space, and its effect is now being experienced throughout the market.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	4-6%	5-7%	6.80%

Tokyo Japan Professional Experience

Buddy Ferrie

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Title: NAI Business Director



Scope of Service Experience

Charles J. (Buddy) Ferrie, Jr. has recently become a principal of NAI Japan in Tokyo, with the title of President. Mr. Ferrie received his BA in Economics from Bucknell University in 1982, at Lewisburg, Pennsylvania. After a brief stint in Japan, he worked at Fidelity Bank (now Wachovia) in his hometown, Philadelphia, covering Japan, Korea, Australia and Japan. He then opened the Tokyo office of Binswanger, a US industrial real estate firm. Since 1988, he has worked as both broker/consultant at Colliers Halifax, and as investor and portfolio manager while establishing and developing AIG's real estate investment group in Japan. He speaks, reads and writes Japanese in addition to his native English.

Company Background

In September 2002, PTS Japan K.K. established a separate company, PTS Facilities, to provide specialized services in the areas of property consulting, facilities project management and operational services support (including outsourcing). Subsequently, the principals of PTS facilities formed NAI Japan, a real estate consultancy firm. The range of services is unique in the current Japanese market in that we offer a breadth of services that covers the full property lifecycle in both facilities and IT. PTS Facilities in Japan has a total of 22 staff and is part of PTS Japan KK, which in turn has a total of 45 staff.

NAI Japan structures their property related services in three discrete steps. The first step involves client needs assessment & property review in order to establish the right property strategy. The second step establishes the appropriate project management regime and implementation solution and ultimate delivery. The third step is to provide facilities management by providing consulting support and ongoing management of maintenance aspects.

Primary Services

Property Consulting - property search, evaluation and market analysis

Project Management - professional, knowledge-based management of facilities projects through the use of relevant professional skills.

Facilities Management - managing on a daily basis all building related problems/issues. Manage the escalation process and oversee the subcontractors/vendors. Provide strategic advice regarding outsourcing.

Significant Transactions

DB Group (Sanno Park Tower – Akasaka): 18,000 sm; DB Group (Otemachi – FSB): 12,000 sm; DB Operations/Admin (Shiroyama Hills – Hiroo): 3,200 sm; DB Group (Deutsche Bank Building): 8,000 sm; Dresdner Bank Group (Dresdner Bank House): 8,000 sm; SBC Group (Swiss Bank House): 8,000 sm



Commercial Real Estate Services, Worldwide.

Kuala Lumpur Malaysia

Overview

- Manufacturing activity is still expanding but at a slower rate, as external demand for electrical and electronic products declines.
- Driven by strong private sector demand, Malaysia's GDP growth reached 7% in 2004 exceeding its earlier projected growth of 6.5%.
- The consistently strong domestic consumer spending and the improved tourism sector continued to drive the development of retail centers in Kuala Lumpur.

	2001	2002	2003	2004	2005E
GDP Growth	0.3%	4.2%	5.3%	6.6%	6.0%
Inflation (CPI)	1.2%	1.8%	1.0%	1.5%	1.8%
US\$ Exch. Rate	3.80	3.80	3.80	3.80	3.80

Rents

- 2004 saw an increase in office demand, especially for newer Class A space in the Kuala Lumpur CBD and the established suburbs of Damansara Heights and Petaling Jaya.
- Rents in Class A offices rose by 5-10% to an average of RM 4.50 per sq ft per month, and vacancy rates in prime offices dropped to 15%.
- The oversupply situation persists with only a few better-planned Class A office buildings in the suburbs enjoying 100% occupancy.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	14.21	15%
Industrial	3.68	N/A
Retail	56.65	5%

Investment

- The strict control on further development of high-rise office buildings in the CBD and the projected increase in rents and occupancy rates has resulted in many purchases of high-rise office buildings over the last three years by insurance companies, investment companies, pensions and trust funds.
- The expected investment yield ranges from 6-8% with some of the most notable transactions for 2004 being Menara Weld, MUI Plaza, Wisma KFC, Menara Milenium, Wisma Tenggara, HP Tower and KL Sentral (Block N).

	Investment Yields		
	Office	Retail	Industrial
1Q 05	7-8%	7-9%	8-10%

Kuala Lumpur Malaysia Professional Experience

David Wong Lai Kwong

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Title: NAI Business Director



Scope of Service Experience

David Wong is the NAI business director for NAI Reapfield Properties in Kuala Lumpur. Mr. Wong is registered with the Board of Valuers, Appraisers and Real Estate Agents Malaysia and completed his HSC (pre-university) in 1981 and worked in a law firm from 1982 – 1983. Mr. Wong has over 15 years of experience in commercial real estate including valuation, project marketing, investment sales, corporate services and tenant representation.

Company Background

NAI Reapfield is an international property services company with a highly specialized and qualified team serving the needs of tenants, buyers and investors. The commercial team specializes in office, industrial, retail and land services for foreign and local companies. NAI Reapfield is a related company to one of the largest residential agencies in Kuala Lumpur, Reapfield Properties.

Primary Services

Corporate Services, Facilities Management, Executive Housing Management Services, Investor / Buyer Representation, Residential Relocation Services, and Tenant Representation

Significant Transactions

Adidas: 17,513 sq ft; Chase Perdana Bhd, KLSE listed company: corporate asset disposition (US\$26 million); Gillette: corporate asset disposition (US\$2.5 million); MISA sports: 1,700 sqm of warehouse; Progress Software; Right Management Consultants; Scan-Trans Shipping; Swedish Marque (Volvo): 1,700 sqm of land & showroom; Ricoh: 33,440 sqm;

Singapore

Overview

- Singapore economy is estimated to grow 3 - 5% in 2005.
- Unemployment rate is likely to be 4% or slightly below that by year-end.
- Local investment activity recorded remarkable improvements in sales in 2004, with REIT related acquisitions being the main push.
- Introduction of Economic Expansion Relief Bill, effective March 2005, allows MNCs to enjoy tax exemptions of 15% instead of 10%.
- A recovering economy, coupled with declining unemployment rate, and a smooth transition in leadership of the Prime Minister, economic sentiments are set to improve and the outlook remains positive for the medium term.

	2001	2002	2003E	2004	2005E
GDP Growth	-2.4%	2.2%	0.9%	5.0%	5.0%
Inflation (CPI)	1.0%	-0.4%	0.4%	1.6%	1.5%
US\$ Exch. Rate	1.79	1.79	1.75	1.68	1.65

Rents

- Prime office rents have increased due to higher occupancy rates, while island-wide rents remained stable in 4Q 2004.
- Occupancy of prime office space improved while island-wide occupancy rates remain flat.
- The volume of leasing inquiries have been relatively high compared to 3Q 2004.
- Demand in the leasing market is renewals and relocations of existing tenants.
- The supply of office space will be moderate at about 730,000 sq ft over 2005. Moderate growth in demand coupled with stable supply will provide the support for continued firming of occupancy rates.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	28.68	8.30%
Industrial	4.78	14.20%
Retail	223.06	11.5%

Investment

- Overseas investors may freely purchase commercial and industrial properties in Singapore, however, some restrictions are imposed on the acquisition of residential properties.
- Rental for good quality office space likely to face upward pressure, while older office space may face downward pressure.
- New supply is limited as the major completions are One George Street (440,000 sq ft) in 2005 and One Raffles Quay (1.31 million sq ft) in 2006.
- With a better global economic outlook and robust manufacturing growth, confidence has returned and many large corporations have re-commenced their investment activities.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	4-6%	6-7%	8-9%

Singapore Professional Experience

Eric Tan, MSISV, AMIEA, MAPFM, MMIS

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Title: NAI Business Director



Scope of Service Experience

Eric Tan is the NAI business director for NAI GSK International in Singapore. Mr. Tan graduated from the National University of Singapore (NUS) with an honours degree in Bachelor of Science (Estate Management) in 1992. Mr Tan is a licensed appraiser and chartered surveyor in Singapore. He has valued and supervised valuation of more than US\$100 billion worth of real estate in Singapore and Asia. He has leased or supervised leasing of more than 40 million sq ft of commercial and industrial space. He has sold or supervised sales of more than US\$4 billion worth of office buildings, shop houses, industrial buildings, apartments and land. The company manages over 1 million sq ft of apartments and commercial buildings with an aggregate value in excess of US\$600 million.

Mr. Tan is a member of the Singapore Institute of Surveyors & Valuers (SISV), Royal Institute of Chartered Surveyors (RICS), Institute of Estate agents (IEA), Association of Property & Facilities Managers (APFM), Marketing Institute of Singapore (MIS), Singapore Institute of Directors (SID), Singapore Human Resource Institute (SHRI), Corenet Global, The National Association of Estate Agents- UK (NAEA), Real Estate Developers' Association of Singapore (REDAS), American Chambers of Singapore (AMCHAM), Singapore Chinese Chamber of Commerce & Industry (SCCCI), Association of Small & Medium Enterprises (ASME), and the Singapore Manufacturers' Federation (SMA Federation).

Company Background

Formed in 1993, NAI GSK International is a professional real estate consultancy firm based in Singapore offering consultation services in every aspect of the real estate market. Our valuation team generated many corporate clients for our commercial team, which focuses only in commercial sales, corporate services and tenant representation. In the process, developers and owners can trust that we bring qualified prospective clients to their buildings. Our tenant clients have also trusted our 100% commitment to their successful property results.

Primary Services

Asset Management Services, Corporate Services, Investment and Development Consultancy Services, Property Valuation, Property Tax Consultancy, Residential Project Marketing, Residential Relocation Services, and Tenant Representation

Significant Transactions

Agri-food Veterinary Authority of Singapore (US\$68 million); Housing & Development Board (US\$158 million); Husmann & Tempcool (US\$20.5 million); Jaya Holdings Ltd (US\$5.2 million); Siemens (US\$10.8 million); Skyline Group of Companies (US\$32.8 million); United Overseas Bank Ltd (US\$200 million)

Seoul South Korea

Overview

- The Korean real estate market stagnated in 2004. The vacancy rate for office buildings has increased due to relocation and downsizing.
- The retail sector also experienced difficulties with subdued domestic consumption and stable to lower rents in 2004.
- Land prices are stabilizing, but price increases are higher in Choongchung Province where the relocation of Korea's administrative capital was planned.
- The sale price for houses, particularly condominiums, is declining with the government's efforts to minimize speculation.

	2001	2002	2003	2004	2005E
GDP Growth	3.8%	7.0%	3.1%	4.5%	4.5%
Inflation (CPI)	4.1%	2.7%	2.8%	4.8%	4.5%
US\$ Exch. Rate	1,291	1,251	1,180	1,145	1,100

Rents

- The average monthly rent for office buildings in Seoul was 58,156 Won in late 2004, approximately 1% higher than the beginning of the year. This rental increase was led by the prime buildings while there was rental reduction in small to medium sized office buildings. The vacancy rate is 3.6% which is 1.2% higher than 2003, year-on-year comparison.
- The office space absorption shows a negative rate due to the decrease in demand caused by the recession. The Seoul office market is expected to experience a slight increase in vacancy as new office buildings in Kangnam Business District come on line in 2005.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	24.44	3.5%
Industrial	7.77	N/A
Retail	183.81	N/A

Investment

- Office building investment strategies in Korea are beginning to change from short-term opportunistic to longer-term core.
- The transaction price for major business districts, CBD and the Kangnam Business District, is approximately 9-10 million Won per pyung.
- The average capitalization rate in Seoul at the end of 2004 was 8.7%, which shows a 4.7% spread compared to 3-year corporate bonds (AA-) at 4%.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	7.5-8%	8-8.5%	9-10%

Seoul South Korea Professional Experience

Kelvin Lee

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Title: NAI Business Director



Scope of Service Experience

Kelvin Lee is the NAI business director for NAI SAMS Korea. He received his bachelor's degree in accounting from Inhah University. Shortly after graduating from the college, he joined NAI SAMS Korea and has been with the firm for 12 years. He is a Certified Property Manager with specialty in real estate portfolio optimization consulting and has worked for a number of prestigious clients including Samsung, Korea Telecom, Korean Postal Service and SK. With his background as a leasing team manager, he now leads the brokerage team as Senior Broker and has a dual responsibility of overseeing NAI SAMS Korea's client relationship.

Company Background

NAI SAMS Korea's mission is to be a leading global provider of comprehensive real estate services in Korea. We are ready to reach this goal with an open management. For this cause, our experienced staff and unique systems will be dedicated to satisfy our investors and clients.

NAI SAMS, formerly known as Samsung Life Service, has been one of the largest real estate service companies in South Korea since its inception in 1988. With 250 professional personnel, we deliver comprehensive real estate services. Currently, NAI SAMS manages a national portfolio of approximately 10 million sq ft of properties, and more than 108 buildings, such as office buildings, training institutes, hospitals, apartments and condominiums. Our annual gross sales reached over US\$ 86 million during the fiscal year 2002. As the front runner in South Korea's real estate industry, NAI SAMS continues our endeavor to maximize clients' satisfaction with the highest level of services and technology.

Primary Services

Facility Management, Interior Design, Investment Advisory, Leasing, Property management and Remodeling

Significant Transactions

GE Capital, Maxim, Nike, Samsung Corporation, Samsung Fire, Samsung Securities, SK Global, Toyota

Taipei Taiwan

Overview

- The cross-straits politics between Taiwan and mainland China remains a sensitive political issue and one that holds the capacity to weaken investor confidence.
- Taiwan's total investment into mainland China is estimated to be over US\$100 billion. However, through the middle of 2004, investment capital flow from Taiwan into mainland China declined by 41.35% to US\$1.4 billion from the comparable period last year. This is mainly stemming from high uncertainties in the overall investment environment and some lack of confidence among investors.

	2001	2002	2003	2004	2005E
GDP Growth	-2.2%	3.5%	3.0%	5.0%	3.7%
Inflation (CPI)	0.0%	-0.2%	0.2%	2.1%	2.3%
US\$ Exch. Rate	34.80	34.50	33.70	33.00	32.00

Rents

- Average rent for Class A office buildings in Taipei is approximately NT\$1,880 - 2,260 per ping per month (1ping = 35.58 sq ft) and the overall vacancy rate is 9.63%. As the economy gradually recovers, office demand has been increasing.
- With comparable cheaper rent than Taipei CBD, Neihu Technology Park's vacancy rate has reached its all-time low of 8.19% and the rent has risen slightly.
- Taipei 101 has added an additional 60,000 ping (2,134,800 sq ft) of office space and significantly increased the supply in Shin-Yi District.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	17.98	10.69%
Industrial	7.50	N/A
Retail	119.70	N/A

Investment

- While the government has legalized real estate securitization, it remains geared for private groups as the domestic market is still not mature. Institutional and individual investors will remain conservative before the securities are publicly offered.
- Some of the major transactions in the market recently include: Chailease Finance Co., Ltd. bought the new E-Park Building in Neihu for NT\$ 1.5 billion and the Typhoon Building near Taipei Station was sold for NT\$ 600 million which was estimated to be less than half of its market value.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	5-6%	6-6.5%	5-7%

Taipei Taiwan Professional Experience

Edward Chien

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Title: NAI Business Director



Scope of Service Experience

Edward Chien is the NAI business director for NAI Taiwan in Taipei. Mr. Chien received his Master's degree in real estate from the University of Florida, USA and his undergraduate degree in Business Administration from National Taiwan University. In early 2000, Edward Chien – the company founder of Wellborn Commercial – started his master's program in real estate at the University of Florida. Upon completion in August 2001, Mr. Chien formed NAI Taiwan to provide multinational corporate services.

Company Background

Founded in 1995, Wellborn Commercial (the predecessor company of NAI Taiwan) was the first local company providing commercial services for both local and multi-national companies. NAI Taiwan has a senior team of consultants with higher educational backgrounds in business, finance and architecture. This commercial team has demonstrated its market knowledge and strength with its dominance of industrial real estate and its emergence as the dominant real estate consultancy for representing multinationals for all their real estate requirements in office, retail, investments and land.

Primary Services

Corporate Services, Investment Acquisition & Sales, Market Research, Property Management and Tenant Representation

Significant Transactions

Daiichi Bank Taipei- office leasing: 75,600 sq ft; NuSkin Taipei- office leasing: 36,000 sq ft; Hercules-industrial sale: 71,313 sq ft; Kulicke & Soffa- industrial leasing: 28,800 sq ft; Manu Life Taipei- office leasing: 14,400 sq ft; Schmidst Group Clinic- chain store: 108,000 sq ft; Lexmark Taipei office: 2,880 sq ft; Cathay Chemical - industrial leasing: 43,492 sq ft; Yong Fong Yu- office leasing: 28,800 sq ft; MTV Taipei - office leasing: 5,148 sq ft; Tung Ho Group- office leasing: 14,400 sq ft; Taiwan Construction Consultancy- office sale: 13,680 sq ft; Taiwan Beauty Textile - industrial leasing: 97,200 sq ft; DHL – Office Leasing: 37,346 sq ft; Alcatel – Office Leasing: 64,359 sq ft; Intertek: 127,689 sq ft – Office Leasing

Bangkok Thailand

Overview

- The Thai GDP grew at 6.5% in 2004 despite high oil prices, Southern region unrest and outbreaks of avian influenza.
- The new Underground System should stimulate office, retail and residential developments along its route.
- The Bangkok Metropolitan Administration will implement a revised city plan in 2005 to provide better quality of life for residents, with efficient mass transportation and more green areas.
- Three mass transit terminals are planned including a high-speed train from the new airport that is scheduled to open at the end of 2005, but delays are expected.

	2001	2002	2003	2004	2005E
GDP Growth	1.9%	5.3%	6.5%	6.1%	5.5%
Inflation (CPI)	1.6%	0.7%	1.9%	2.9%	3.0%
US\$ Exch. Rate	44.40	42.90	41.00	40.00	39.00

Rents

- Total office space increased to over seven million sqm, as Jasmine City was completed in early 2004
- Average vacancy rates dropped to 18.9% across Bangkok by mid-2004. With more businesses expanding, rising demand for space has followed.
- Future supply may slow down the rental growth, as 280,000 sqm of CBD office space will be added by 2006.
- Prime rents should not soften, as the economy grows further and demand increases. Rents are still among the most competitive in the world.

	Rental Rate (US\$/sqm/mo.)	Vacancy Rate
Office	12.64	12.10%
Industrial	4.83	N/A
Retail	49.69	5.20%

Investment

- While development activity has been focused mainly in downtown, there is growing demand from buyers on CBD fringe and the suburbs.
- Developers are facing higher prices for construction materials, particularly steel and concrete, due to increased demand. Most supply is going to residential construction, government infrastructure projects and corporate capital expenditures.
- Five satellite towns are planned to reduce inner city congestion and also to link them with the mass transit network.

	Investment Yields		
	Office	Retail	Industrial
1Q 05	7-9%	10-12%	15%

Bangkok Thailand Professional Experience

Graeme Laird, MBA., FHCIMA

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Title: NAI Business Director

Scope of Service Experience

Graeme Laird is the NAI business director for NAI Andrew Park in Bangkok. Mr. Laird received his MBA in hotel management at Michigan State University, USA and his Diplomat in hotel management (first class) at the Scottish Hotel School at the University of Strathclyde, Glasgow, Scotland – UK.

Company Background

NAI ANDREW PARK is a commercial property services company specializing in the professional representation of corporate and investor clients. As the Thailand office of NAI, all NAI ANDREW PARK staff receive complete training in corporate real estate principles, practices, strategy, market research, negotiations, financial & technical analysis and contract documentation. In addition, Graeme Laird brings a wealth of knowledge and experience in the resort and hospitality industry through his previous 15 years with the Mandarin Oriental Hotel Group.

Primary Services

Commercial and Residential Tenant Representation, Facility and Project Management Services, Hotel Consulting Services, Investment Consulting, Lease Negotiation and Administration, Market Research, Relocation Services and Sales Negotiation and Administration

Significant Transactions

Churairat Bonython, Laem Daeng Company, MBK Development, Royal Collection International Sampor Concrete, The Swiss Lodge





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