



ASIAN RETAIL MARKET FLASH

TABLE OF CONTENTS

REGIONAL MARKET OVERVIEW	P. 2–3	BANGKOK, MANILA	P. 7
GREATER CHINA		JAKARTA, NEW DELHI	P. 8
BEIJING, SHANGHAI	P. 4	HO CHI MINH CITY, HANOI	P. 9
GUANGZHOU, HONG KONG	P. 5	NORTH ASIA	
TAIPEI	P. 6	TOKYO, SEOUL	P. 10
SOUTH & SOUTHEAST ASIA		ASIA MAP	P. 11
SINGAPORE	P. 6		

EXECUTIVE SUMMARY

Tighter credit, oil- and commodity-driven inflation, and global economic uncertainty affected sentiment in many Asian retail property markets for the first half of 2008. Retailers were cautious about expansion and paying higher rentals.

For **Tokyo**, prudence among retailers was evident during the first half. Leasing was subdued with retailers were reluctant to pay higher new development rents. The opening of the Fukutoshin Line subway line will likely affect the distribution of consumer spending across major retail sub-markets in the city.

In **Singapore**, the 15th Great Singapore Sale ran from 23 May–20 July 2008. Expected sales were less rosy than 2006 and 2007. Several initiatives were proposed under the new draft Master Plan 2008 to guide retail growth. Up to 8.3 million sf of retail space could become available. With the upcoming Government Land Sales programme, interest in the tender of the Capitol Theatre, Capitol Building and Stamford House parcel is expected in late-2008.

Recent figures portended less-than-optimistic short-term signs for the **Hong Kong** retail sales market amid higher inflation and moderate retail sales increases. Despite firm economic growth, mild wage growth and a static stock market have weakened consumer sentiment. High street shop leasing is likely to slow. However, pent-up demand from international brands should limit serious rent slippage.

The newest international brand to enter **South Korea** was Zara: The Spanish fashion house opened shops at prominent locations in Seoul, including flagship stores at the COEX Mall and Lotte Young Plaza in the GBD and CBD, respectively. Two other worldwide fashion brands – H&M and Forever 21 – also plan to open their first flagship stores in the city, thus maintaining solid demand for space.

In **China**, there were no new retail properties completed in Shanghai; supplies were tight and rental growth was resilient during the second quarter of 2008. In Beijing, retail vacancies rose 0.9 of a percentage point to 7.4% as 245,000 sm of new supply was released. Many malls in newer commercial areas asked for below-market rents. In Guangzhou, prime vacancies dropped to a historic low of 7.7%, after five consecutive quarters of static supply. “Big box” stores expanded into suburbs and fashion and F&B demand remained solid, with international brands continuing to expand into major retail areas.

In **Taipei**, retail sales purportedly showed lacklustre growth last May, but retailers actively searched for street-front shops in prime shopping districts. With direct flights between major mainland Chinese and Taiwanese cities forthcoming and fewer visa restrictions, retailers will likely benefit from more overseas visitors. It is anticipated that there will be significant leasing activity in the third quarter, thereby fueling rental growth in prime areas.

In **New Delhi**, although satellite towns like Gurgaon and Noida remain destinations for larger developments, the South Delhi mall clusters of Saket District Centre and Vasant Kunj are gaining attention. Despite the advantages offered by malls, high streets like Khan Market, Greater Kailash, Connaught Place and the South Extension remain the first choice for brands and retailers opening flagship stores.

Market sentiment in **Thailand** was reduced by inflation and political stability concerns. Retail sales in Bangkok rose 13.2% y-o-y this past April. Large players are now developing community centres. Retail space grew 1.6% q-o-q and 4.8% y-o-y to about 4.87 million sm with occupancy remaining resilient while rents remained mostly flat.

The economic adversity besieging **Vietnam** (with record high inflation hitting 26.8% this past June) has blunted consumer purchasing power. Retailers like Co-op Mart, Big C and Metro held sales and special promotions during the second quarter of 2008. Retail rents in shopping centres have not significantly increased, while occupancies remained at nearly 100%.

For **Manila**, the prime retail market slowed in the second quarter. Inflation was 11.4% this past June, after hovering at the 2%-3% level for most of 2007. Costlier goods and services, especially for food and fuel, meant less spending. Priority was given to essentials, but food prices have substantially increased. Retailers reported lower sales translating into less rental income for landlords.

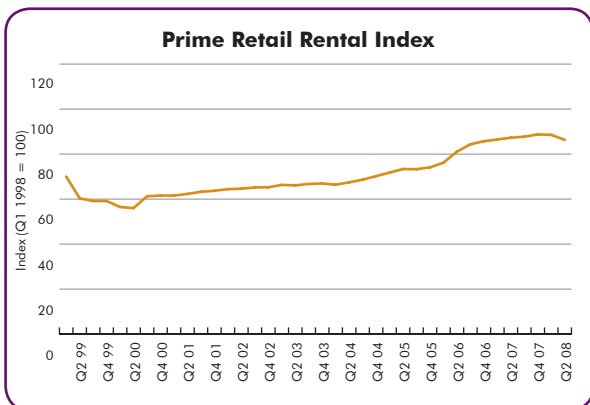
In **Jakarta**, shopping mall development continued to shift gears towards becoming more entertainment and lifestyle-themed. F&B establishments account for a growing portion of the retail tenant mix. Some shopping malls within the city have introduced semi-open areas for alfresco dining: A new and fashionable concept in the Indonesian capital.

Region/ Country	City	Shopping District	Prime Retail Rents* (psf month)		Forex (30 June 08)	
			Local currency	US\$ equivalent		
<u>NORTH ASIA</u>						
Japan	Tokyo	Ginza	JPY	5,100 - 7,700	48.1 - 72.6	106.01
		Omotesando		3,060 - 4,590	28.9 - 43.3	
		Shibuya		2,625 - 4,410	24.8 - 41.6	
		Shinjuku		2,310 - 4,410	21.8 - 41.6	
		Harajuku		2,000 - 3,500	18.9 - 33.0	
<u>GREATER CHINA</u>						
PRC	Beijing	Xidan	RMB	63 - 113	9.2 - 16.5	6.854
		Wangfujing		116 - 169	16.9 - 24.7	
		Jianguomenwai		55 - 130	8.0 - 19.0	
		Chaoyangmenwai		65 - 93	9.5 - 13.6	
	Shanghai	Huaihai Middle Road	RMB	98 - 145	14.3 - 21.2	6.854
		Nanjing East Road		86 - 159	12.5 - 23.2	
		Nanjing West Road		125 - 180	18.2 - 26.3	
		Xujiahui		86 - 159	12.5 - 23.2	
	Guangzhou	Shangxiajiu Road	RMB	93 - 121	13.6 - 17.6	6.854
		Tianhe CBD		50 - 267	7.3 - 39.0	
		Beijing Road+Lingyuanxi		160 - 232	23.4 - 33.9	
		Huanshidong		139 - 143	20.3 - 20.9	
	Hong Kong	Central	HK\$	492	63.1	7.80
		Causeway Bay		486	62.3	
		Tsim Sha Tsui		469	60.1	
Mong Kok			312	40.0		
Taiwan	Taipei	Zhongxiao Road	NT\$	618	20.4	30.35
		Nanjing/Zhongshan N Road		425	14.0	
		Ximentin		515	17.0	
		Dunhua S Road		308	10.1	
<u>SOUTH & SOUTHEAST ASIA</u>						
Singapore	Singapore	Orchard Road	S\$	36.8	27.1	1.36
		City Hall/Marina Centre		27.6	20.3	
		Suburban		29.3	21.6	
Thailand	Bangkok	Pratumwan	THB	167 - 279	5.0 - 8.3	33.44
		Silom		112 - 279	3.3 - 8.3	
		Sukhumvit		112 - 232	3.3 - 6.9	
Philippines	Manila	Makati CBD	PHP	102.2	2.3	44.90
Indonesia	Jakarta	Jakarta CBD	IDR	32,500 - 75,000	3.5 - 8.1	9,220
		Blok M		23,200 - 42,500	2.5 - 4.6	
India	New Delhi	South Extention	INR	750 - 850	17.4 - 19.8	43.03
		Connaught Place		800 - 900	18.6 - 20.9	
		Greater Kailash I		850 - 950	19.8 - 22.1	
		Greater Kailash II		350 - 450	8.1 - 10.5	
		Khan Market		1,000 - 1,250	23.2 - 29.1	
		Basant Lok		450 - 550	10.5 - 12.8	
		NH 8, Gurgaon		220 - 270	5.1 - 6.3	
Vietnam	Ho Chi Minh City	CBD	-	8.5	16,842	
	Hanoi	CBD	-	8.4		

* Quoted Rents are based on Ground Floor Shops with area about 1,000 sf (gross).

PEOPLE'S REPUBLIC OF CHINA

BEIJING



- Construction and fit-outs for many projects was halted in the middle of the year due to the Olympics. Accordingly, new shopping centre supply was less than the expected volume of 535,000 sm from eight slated retail projects. Only three shopping centres and one department store commenced operation during the second quarter.
- Many new project developers are set to tap into the higher end retail market and ask for above-average rents. The pace of pre-letting for such projects has been slow. It is expected that a considerable supply of retail properties planned for the second half of 2008 will be postponed until 2009.
- Prime retail projects in their final promotional phases are being more selective in accepting tenants, while retail projects that held off opening because of construction delays have not yet begun marketing to attract tenants. As such, take-up in the prime retail property market slowed during the period under review.
- Regarding long-term market prospects, increasing disposable incomes for most Chinese citizens and rapid economic growth still drives the development of the retail market; more specialised retailers showed their confidence by entering the market.

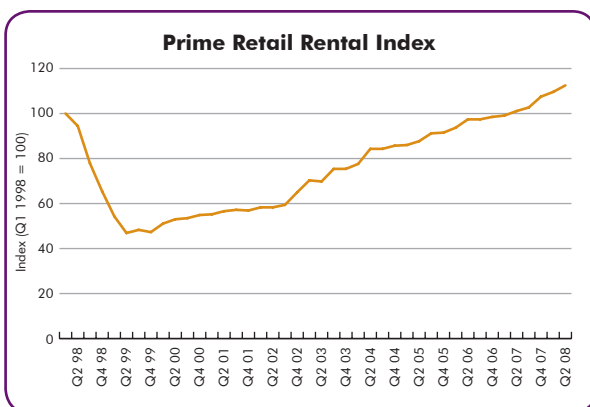
MAJOR LEASING TRANSACTIONS

District	Property	Approx. Size (sf)	Tenant
Chaoyang	The Fifth Square	9,690	a Hangzhou bank
Chaoyang	The Village at Sanlitun	2,150	Stiefanel
Chaoyang	SOLANA	2,410	MYTENO

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

PEOPLE'S REPUBLIC OF CHINA

SHANGHAI



- Prime retail rents in Shanghai generally rose during the second quarter of 2008. Average ground floor and first floor rents grew by 2.6% q-o-q and 2.4% q-o-q, respectively. The overall vacancy rate rose 0.4 of a percentage point q-o-q to 5.9%.
- While there were no new completions during the period, the renovation of older properties continued to be a major trend: Along Nanjing Road West, Wings Department Store undertook renovations to accommodate its new anchor tenant, Marks & Spencer, which announced it would take up four floors (about 52,700 sf.) of space. Golden Eagle Shopping Centre started its six-month renovation project this past May and is expected to upgrade its tenant mix to target higher-end retailers. In People's Square, renowned retailers, the Shanghai No. 1 Department Store, commenced renovations last April, after operating continuously for nearly 60 years.
- In the period under review, Zara leased approximately 21,530 sf in Joffre 688 for its second store along Huaihai Middle Road. The WHM Group, which operates the well-known local restaurant Xiao Nan Guo, has committed to approximately 12,920 sf at the Golden Eagle Shopping Centre.

MAJOR LEASING TRANSACTIONS

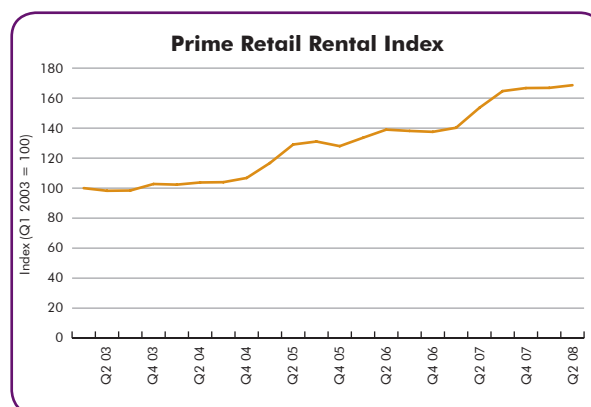
District	Property	Approx. Size (sf)	Tenant
Jing'an	Golden Eagle Shopping Centre	12,920	WHM Group
Jing'an	Golden Eagle Shopping Centre	3,770	Beauty Farm
Luwan	Joffre 688	21,530	Zara

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

PEOPLE'S REPUBLIC OF CHINA

GUANGZHOU

- Net rents for prime ground floor retail shops increased marginally to RMB 48.4 psm per day (US\$19.70 psf per month), up 1.1% q-o-q. Rent in Tianhe outperformed the overall market with 5.6% q-o-q growth.
- The F&B and fashion sectors accounted for most of the leasing demand, with the highest number of transactions for the quarter. Starbucks secured retail space in Victory Plaza, while Only, a fashion brand, entered China Plaza. Listed local retail giant Grandbuy Co. Ltd. entered the Baiyun district, securing a 15-year, 151,600 sf lease at Joyland Plaza.
- Tighter availability owing to an absence of new supply for five consecutive quarters brought the vacancy rate to a new low of 7.7%.
- Bercy Plaza in the Tianhe CBD is expected to provide about 430,560 sf of retail space in the third quarter, while the completion of Metropolitan Plaza was reportedly postponed until mid-2009.
- Construction of Jing Hao Fang, a complex comprised of prime retail space and a five-star hotel, commenced this past May and is expected to be operational by 2010; it will add 1.08 million sf of prime retail space to the traditional retail area on Beijing Road.



MAJOR LEASING TRANSACTIONS

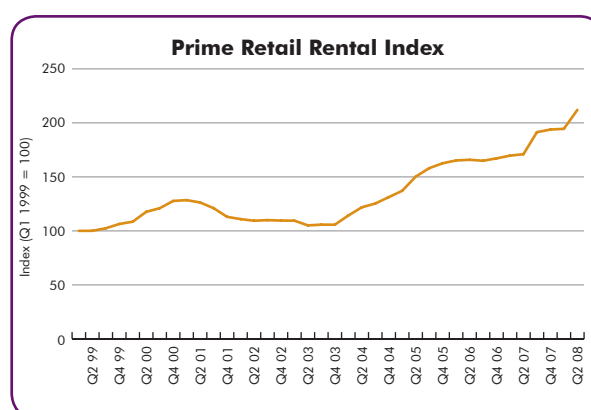
District	Property	Approx. Size (sf)	Tenant
Tianhe	Victory Plaza	1,080	Starbucks
Yuexiu	China Plaza	4,580	Only
Yuexiu	May Flower Plaza	1,500	Honeymoon Dessert

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

PEOPLE'S REPUBLIC OF CHINA

HONG KONG

- Along with weakening consumer sentiment amid dimmer economic prospects and higher inflation, retail sales growth in Hong Kong was moderated. The outlook of the retail market is not only influenced by weaker sentiment among local consumers, but also by decelerated growth in tourist arrivals, which slowed to 5.6% y-o-y growth in June from 6.3% in May and 10.3% in April.
- Despite increasing adversities in the retail business environment, high-end brands continued to conclude remarkable lease transactions in the second quarter of 2008, particularly in Tsim Sha Tsui where the take-up of small retail spaces on Canton Road by upmarket brands contributed to the rental upsurge of 26.6% q-o-q registered in the district. However high street leasing activities are expected to slow as more retailers find it difficult to pay higher rents.
- Generally, as significant numbers of luxury retail brands continued searching for prominent locations in prime shopping districts, a notable rental growth of 9% q-o-q in the second quarter of 2008 was registered.
- As increasing inflation is expected to exert a dampening effect on consumer sentiment, the growth of retail property values could also be contained, though the effects are not expected to be significant.



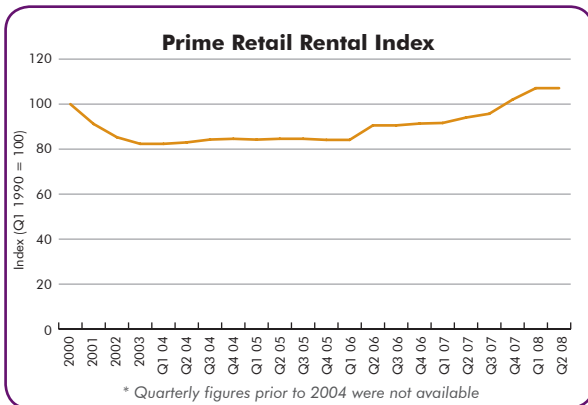
MAJOR LEASING TRANSACTIONS

District	Property	Approx. Size (sf)	Tenant
Central	Commercial House, 35 Queen's Road	4,500 (GFA)	Emperor Watch & Jewellery
Central	Henley Building, 5 Queen's Road	6,725 (GFA)	Wing Hang Bank
Tsim Sha Tsui	Holiday Inn Golden Mile Hotel	4,480 (NLA)	Oriental Watch

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

TAIWAN

TAIPEI



- Retail sales experienced lacklustre growth of 2.9% y-o-y in May, while the Consumer Confidence Index reached a new low last June. People are worried about inflation and stock market volatility during the next six months.
- Despite depressed consumer sentiment, retailers queued up for prime locations owing to limited retail space. The unavailability of high street shops and minimal new leasing activity stabilised rents, which remained at NT\$446 psf (US\$14.7 psf) per month for the second quarter.
- The purchasing power of the general population is vulnerable to a slowing economy, but high-net-worth individuals are less affected by such conditions. The second quarter saw two luxury jewellery brands — De Beers and Boucheron — take space at Taipei 101, solidifying it as a high-end mall.
- In April, Shin Kong Mitsukoshi (SKM) Department Store purchased a 100% stake in the IDEE Department Store for NT\$705 million. The IDEE chain, possessing four stores nationwide, was impacted by its parent company, Rebar Group, which has had financial problems since early-2007. With the addition of the four IDEE stores, SKM now owns 13 branches island-wide and is expected to gain a market share of above 30% in sales revenues.

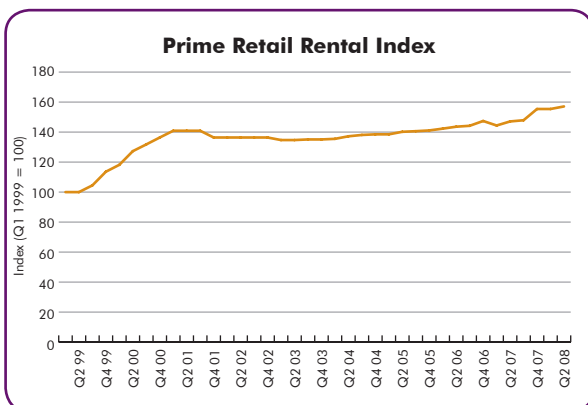
MAJOR LEASING TRANSACTIONS

District	Property	Approx. Size (sf)	Tenant
Ximentin	No.5 Chengdu Road	3,930	Cold Stone Creamery
Xinyi	Vie Show Cinemas Taipei Hsinyi	930	Sisley Young
Xinyi	Taipei 101 Mall	2,850	De Beers

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

SINGAPORE

SINGAPORE



- New entrants and openings continued last quarter. Wisma Atria now houses Jayson Brunson and Levis Lady. Toshin will have eight new stores (totalling 15,000 sf) at Ngee Ann City; tenants include Sephora and Juicy Coulture. Under renovation, the Mandarin Gallery has pre-commitments from Emporio Armani, D&G and Boss Orange.
- Collyer Quay/Raffles Place is being rejuvenated: 25,000 sf of shop space will be completed at The Sail@Marina Bay. At The Fullerton Hotel, under-utilised conference rooms were converted into 5,000 sf of retail space. Forlino and The Tapas Tree became tenants at the relaunched One Fullerton in August 2008.
- Retail rents increased in all micro-markets. Super-prime space along Orchard Road saw the highest quarterly increase of 5.3%, hitting an average S\$54.40 psf monthly (US\$40.03 psf monthly). Orchard Road rents rose 1.1% in the second quarter to average S\$36.80 psf monthly (US\$27.08 psf monthly).
- With imminent supply coming online, retailers are cautious, but still desire to expand and bring new brands to market. Landlords are now more realistic and prime rents are expected to rise moderately.

MAJOR LEASING TRANSACTIONS

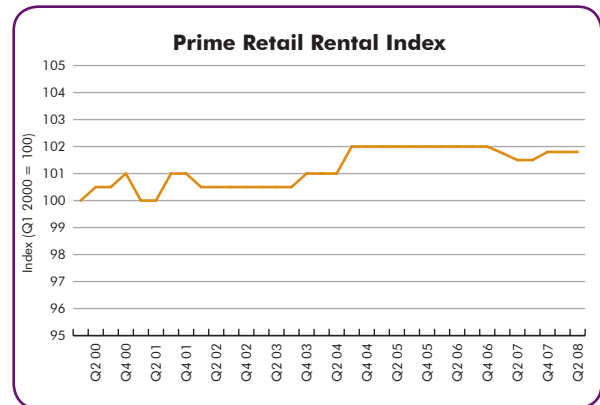
District	Property	Approx. Size (sf)	Tenant
Orchard	Cuppage Terrace	12,000	True Spa
Orchard	Tanglin Post Office	3,800	HSBC
Raffles Place	Golden Shoe Carpark	1,200	Cedele

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

THAILAND

BANGKOK

- Retail sales in April 2008 were up 13.2% y-o-y, from a low base in 2007 when consumer sentiment was dampened by the military coup. However, it appears inflation has dampened spending sentiment. The consumer confidence index fell in the last three months after experiencing a five-month upswing. However, current confidence levels are higher than a year ago.
- Total retail supply rose 1.6% q-o-q and 4.8% y-o-y to 4.87 million sm. New supply consisted of two wholesale centres: Krungthong II (6,000 sm) and India Emporium (4,000 sm), as well as two new community malls, Major Avenue Ratchayothin (16,000 sm) and Carrefour Suanluang (15,000 sm). Two new Carrefour superstores with a total of 8,000 sm opened. 30,000 sm of additional space also came from the opening of Zen Tower.
- Community and neighbourhood malls are popular. The largest retailers in Thailand such as Tesco Lotus and Big C have entered the field.
- Rents were stable in baht, but some landlords raised rents marginally. Occupancy was solid with limited retail space in prime locations.



MAJOR LEASING TRANSACTIONS

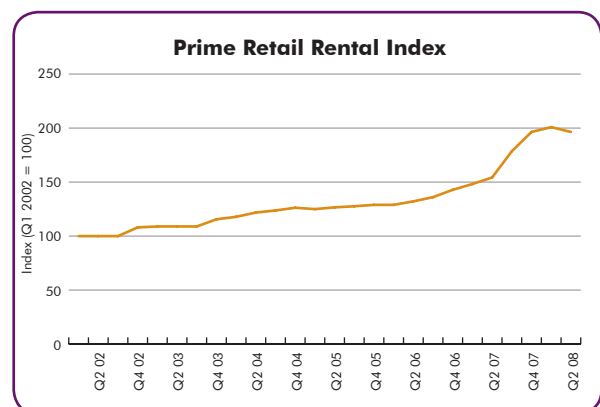
District	Property	Approx. Size (sf)	Tenant
Pathumwan	Central World	6,460	Top Shop

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

PHILIPPINES

MANILA

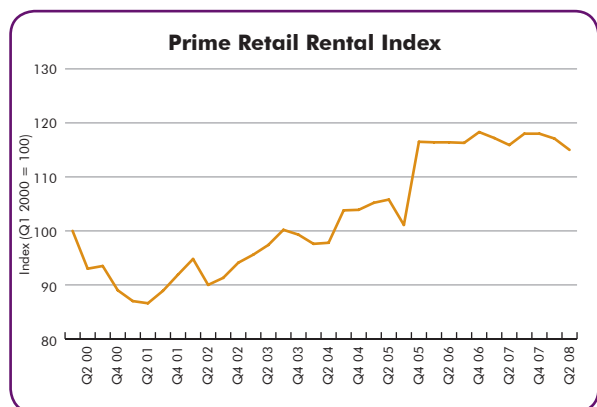
- Retail sales declined with the inflation rate at a whopping 11.4% last June. Consumers became cautious, and expenditures on accessories were heavily cut.
- Decreased retail sales pushed down rental income during the review period. Rents dropped by an average of 2% over the second quarter of 2008.
- Construction activities were affected by soaring oil-driven inflation. Construction material prices, in particular steel, nearly doubled. To contain costs, mall developer SM announced that it would continue with its mall development projects, albeit with some sites being smaller than planned.
- Vacancy rates remained stable as most tenants opted to continue operations, despite slowing sales and a bleak economic outlook. Such trends were more pronounced for smaller and medium-sized retailers. To stimulate sales, some establishments have started offering discounts and special promotions. No notable transactions were recorded during the period under review.
- Some soon-to-be-released buildings will offer an array of mixed use facilities encompassing both retail and business process outsourcing office space.



NO MAJOR TRANSACTIONS WERE RECORDED IN MANILA IN THE SECOND QUARTER OF 2008.

INDONESIA

JAKARTA



- No new shopping malls came on stream in the first half of 2008. However, a number of retail developments were under construction, while some existing malls carried out renovation works to implement plans to change the themes of their respective malls.
- After a change of ownership, Mega Mall Pluit (renamed to Pluit Village) completed its renovations and now has more entertainment options within the mall. Pasaraya Blok M and Blok M Plaza in the CBD are also under refurbishment: With an eye towards boosting their competitiveness.
- The CBD continued to experience expansion of the F&B sector in high-end shopping centres: Café World and Tator Coffee Boutique opened their outlets at Grand Indonesia, occupying space of 300 sm and 200 sm, respectively. The Red Bean restaurant opened a 300-sm outlet in Plaza Semanggi and Starbucks expanded to include an outlet at Pluit Junction.
- Demand for prime shop fronts in the CBD remained resilient and average rents in the second quarter hovered at IDR 600,400 psm per month (US\$65.23 psm per month). Upward increments in retail rents are expected in the coming quarters as building operating costs are soaring under astronomical rises in the price of fuel.

MAJOR LEASING TRANSACTIONS

District	Property	Approx. Size (sf)	Tenant
Central	Grand Indonesia	3,230	Café World
South	Plaza Semanggi	3,230	Red Bean Restaurant
South	Sudirman Place / FX Plaza	3,230	Bistro Restaurant

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

INDIA

NEW DELHI

- Despite resilient retail leasing activity, locations like North and East Delhi, NH-8, Gurgaon and Greater Noida, which have many newer, well planned, innovatively designed malls, experienced slight rental value declines due to softening demand and financial constraints among retailers entering recently operational malls.
- High-end brands Louis Vuitton, Cartier, Gucci and Tiffany & Co. have committed to space at DLF Emporio: The first Indian luxury mall at Vasant Kunj, New Delhi. A major mall completion in the region was the 800,000 sf Ambi Mall on NH-8, Gurgaon, which houses global brands like FCUK, Sisley, BMW and Guess.
- Prime high streets have witnessed steady demand leading to marginal rent increases in the second quarter of 2008, slower than the brisk growth experienced in 2007.
- Established retail locations like Gurgaon, South Delhi and other prime high streets like Khan Market and the South Extension are likely to see firm demand. Malls and stores in the above areas will probably continue to report strong conversions and sales. However, with supply outstripping demand at the aforesaid locations in the long-run, the net result will be a slight correction in rentals.
- With a substantial future supply of malls, developers are using parameters like improved development specifications, diverse tenant mixes and advanced facility management services to differentiate their projects.
- “Big box” retail stores operating on low margins are progressing slowly with their rollout plans as high rentals erode profits. Meanwhile, other retailers seem willing to pay prevailing rents, but only for select locations.

MAJOR LEASING TRANSACTIONS

District	Property	Approx. Size (sf)	Tenant
Saket District Centre	MGF Metropolitan Mall	4,000	Dish Hospitality
South Delhi	South Extension Part - II	4,500	Sanchos
Gurgaon	Ambi Mall	3,000	Sisley

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

VIETNAM

HO CHI MINH CITY

- The Ho Chi Minh City (HCMC) retail market still faces the constriction of limited space. Many high-end international brands such as Chloé and Marc Jacobs entered the market during the second quarter of 2008; all of them chose the CBD to set up their outlets.
- Diamond Plaza – a luxury department store in the CBD – has rearranged its outlets to adjust its tenant mix. Lee Cooper, a British denim brand, leased a space of 216 sf on the first floor of the mall for its first official shop in HCMC.
- In the CBD, four-star and five-star hotels are the location of choice for boutique retailers: Gucci, Milano and D&G have set up stores at the Sheraton Hotel; three prestigious brands – Chloé, Marc Jacobs and Balenciaga – launched their first Vietnamese outlets at the Rex Hotel, with a prime location on the crossroads of Nguyen Hue Street and Le Thanh Ton. Espirit opened its fourth store on the ground floor of the five-star New World Hotel.
- With no vacancies at department stores and shopping centres, private houses in District 1 are the sought-after destinations of other brands,

owing to their convenient location. Miss Sixty opened its second outlet on Ngo Duc Ke Street; Nine West opened its first local store on Hai Ba Trung Street; and Boxx, a shoe brand from Italy, opened its first store on Nguyen Hue Street.

- Average department store and shopping centre rents in the CBD remained at US\$8.50 psf monthly.

MAJOR LEASING TRANSACTIONS

District	Property	Approx. Size (sf)	Tenant
1	Private house – 13B Ngo Duc Ke Street	915	Miss Sixty
1	Rex Hotel – 55 Nguyen Hue Street	880	Chloé
1	Rex Hotel – 55 Nguyen Hue Street	680	Marc Jacobs

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

VIETNAM

HANOI

- Recent financial turmoil did not significantly impact retail consumption. Local retailers continued to plan for long-term growth and are paying more attention to improving customer service.
- Leasing demand in prime locations remains resilient. Average rents stayed relatively steep during the second quarter of 2008: Hovering at around US\$65 psm monthly in major shopping centres. First floor rent in Vincom Tower reached US\$130 psm per month in the second quarter. Vacancy rates are near zero, with many retailers experiencing expansion difficulties.
- Hoan Kiem district is the premier retail location in Hanoi. There are many shop house nodes city-wide, especially in Hoan Kiem; they dominate the local retail scene. Top shop house rents in the district reached between US\$80 psm and US\$100 psm monthly.
- Ha Thanh Plaza, the only new project launched during the period, is a low-range, retail-residential development (GFA 10,000 sm) in Dong Da district, with no international brand retailers. Average asking rent on the first floor was US\$60 psm monthly in the second

quarter. UniMart, a joint venture among Vietnamese, Taiwanese and Japanese companies, occupied the entire second floor (1,800 sm) with its second supermarket in Hanoi.

- The Garden (NLA: 18,000 sm) and Ciputra Mall (NLA: 110,000 sm) are still on track to be completed by 2009 and 2010, respectively, despite higher construction costs and a tighter credit environment. Their addition will alleviate pent-up demand for Hanoi retail space which only has about 100,000 sm in total stock as of June 2008.

MAJOR LEASING TRANSACTIONS

District	Property	Approx. Size (sf)	Tenant
Cau Giay	Shop house	860	Lotteria (F&B)
Hai Ba Trung	Vincom City Towers	450	Geox (Fashion)
Hai Ba Trung	Vincom City Towers	660	Ecco (Footwear)

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

JAPAN

TOKYO

- H&M revealed that it had secured a site in Shibuya for its third Tokyo store. Meanwhile, Louis Vuitton (LV) announced plans to open a new flagship store in Ginza. LV will occupy 10 floors (84,000 sf GFA) of the Hulic SukiyaBASHI Building, which is slated for completion in the third quarter of 2010.
- Additionally, United Arrows opened a new store (10,500 sf GFA) in Shibuya this past April and Francfranc opened its flagship store (12,920 sf GFA) in Shibuya in mid-July.
- Retailers are expanding conservatively and are hesitant to pay high rents, for all but the best sites.
- Developers that were bullish on acquiring sites in 2006-2007 are finding it tough to secure tenants at high rents. Reportedly, in the Omotesando/Harajuku district, there are currently more than 50 projects on hold due to lacklustre interest.
- The new subway Fukutoshin Line opened last June and connects the major shopping districts of Ikebukuro, Shinjuku, Omotesando/Harajuku and Shibuya. Shinjuku retailers have enjoyed the greatest

benefit to date, with the Takashimaya Department Store reporting sales up almost 30% during the first weekend of operation of the line.

- Following the successful openings of LaZona Kawasaki, LaLaport Yokoyama and LaLaport Toyosu, Mitsui Fudosan announced plans to open a new LaLaport in Shin-Misato, Saitama during the summer of 2009 as part of the “Shin-Misato LaLa City” project. The shopping district will include Lalaport, Costco and IKEA.

MAJOR LEASING TRANSACTIONS

District	Property	Approx. Size (sf)	Tenant
Ginza	Hulic SukiyaBASHI Building (temp name)	84,000	Louis Vuitton
Shibuya	New commercial building (name TBD)	12,920	Francfranc
Shibuya	Park Square 2	10,500	United Arrows

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.

SOUTH KOREA

SEOUL

- Higher goods and raw material prices hurt consumer confidence in the second quarter of 2008. The consumer price index accelerated to a quarterly rate of 2% last quarter from 1.3% in the first quarter.
- Bleak consumer sentiment slackened retail sales increases which rose, at constant prices, by 3.1% y-o-y this past May, down from 5.4% in April.
- Due to the lacklustre retail sales and surplus shopping malls, leasing activities in the major retail hub Myeong-dong remained sluggish. Higher vacancies and rental declines were also noticed in Apgujeong-don and Cheongdamdong in Gangnam. However, capital values and rentals in Gangnam’s major retail areas should be somewhat buttressed by more residents situated alongside the new no. 9 subway line when it opens in 2010, coupled with higher pedestrian flows and large corporate relocations. The headquarters relocations of Samsung, Korea Life Insurance and F&F to the GBD contributed to solid demand at the COEX Mall in that area, and in the Gangnam station area.
- Kyungbang Co. Ltd. seeks to complete its KRW 550 billion (US\$526 million), mixed-use (GFA 3.5 million sf) Times Square project in Yeongdeungpo by 2009. Its retail area will amount to 2.6 million sf which will be comprised of a department store, hypermarket and a shopping mall, and will be twice the size of the COEX Mall.
- The Garden Five project aims to develop a distribution complex in Songpa, Seoul: It is expected to supply three 10-storey properties with five basement floors. Two properties will consist of thousands of retail shops, whose total size will also be bigger than the COEX Mall.

MAJOR LEASING TRANSACTIONS

District	Property	Approx. Size (sf)	Tenant
Gangnam/GBD	COEX Mall	10,650	Zara
Myungdong	Lotte Young Plaza	8,070	Zara
Gangnam	Gangnam Multishop	5,380	The Basic House

The above leasing transactions are reported according to the best of our knowledge but we do not guarantee their accuracy.



FOR ANY ADDITIONAL MATTERS, PLEASE FEEL FREE TO CONTACT:

ASIA	Bryn Davies	(86) 10 8588 0700	bryn.davies@cbre.com.cn
GREATER CHINA			
Beijing	Richard Ziff	(86) 10 8588 0708	richard.ziff@cbre.com.cn
Shanghai	Winky Yeung	(86) 21 2401 1268	winky.yeung@cbre.com.cn
Guangzhou	Danny Ngao	(86) 20 2883 9200	danny.ngao@cbre.com.cn
Hong Kong	Joe Lin	(852) 2820 2800	joe.lin@cbre.com.hk
Taiwan	Simon Lo	(886) 2 2713 2266	simon.lo@cbre.com
SOUTHEAST ASIA			
Singapore	Joan Chen	(65) 6224 8181	joan.chen@cbre.com.sg
Thailand	Nithipat Tongpun	(66) 2654 1111	nithipat.tongpun@cbre.co.th
Philippines	Ryan Isip	(632) 752 2580	ryan.isip@cbre.com
Indonesia	Steven Tjen	(62) 21 523 7337	steven.tjen@cbre.co.id
Vietnam	Richard Leech	(848) 824 6125	richard.leech@cbre.com
SOUTH ASIA			
India	Vaibhav Mahurkar	(91) 11 4239 0200	Vaibhav.mahurkar@cbre.com
NORTH ASIA			
Tokyo	Matthew Creagh	(81) 3 5470 8824	matthew.creagh@cbre.co.jp
Seoul	Steve Kim	(822) 2170 5800	steve.kim@cbrekorea.com

ASIAN RETAIL MARKET FLASH

Q2 2008



HONG KONG

34/F Central Plaza
18 Harbour Road, Wanchai
Hong Kong
T: (852) 2820 2800
F: (852) 2810 0830

Suite 2109-12, 21/F, Sun Life Tower
The Gateway, 15 Canton Road
Tsimshatsui, Kowloon, Hong Kong
T: (852) 2820 8100
F: (852) 2521 9517

BEIJING

11/F, Tower 2, Prosper Centre
5 Guanghua Road, Chaoyang District
Beijing 100020
People's Republic of China
T: (86) 10 8588 0888
F: (86) 10 8588 0899

SHANGHAI

Suite 3201, 3203-3206
32/F, K. Wah Centre
1010 Huai Hai Middle Road
Shanghai 200031
People's Republic of China
T: (86) 21 2401 1200
F: (86) 21 5403 7519

Suite 1004, 10/F, Azia Centre
1233 Lu Jia Zui Ring Road
Shanghai 200120
People's Republic of China
T: (86) 21 2401 1200
F: (86) 21 5047 1171

GUANGZHOU

Suite 1401-1402, Guangzhou
International Electronics Tower
403 Huan Shi East Road
Guangzhou 510095
People's Republic of China
T: (86) 20 2883 9200
F: (86) 20 2883 9248

SHENZHEN

Suite 2404-05
Excellence Times Square Building
Yitian Road, Futian District
Shenzhen 518048
People's Republic of China
T: (86) 755 3395 3700
F: (86) 755 2399 5370

HANGZHOU

Suite 1201, 12/F, North Tower
Anno Domini Plaza, 8 Qiu Shi Road
Hangzhou 310013
People's Republic of China
T: (86) 571 2880 6818
F: (86) 571 2880 8018

CHENGDU

Suite 704A-706, Office Tower at
Shangri-La Centre Chengdu, Block B
9 Bin Jiang East Road, Chengdu 610021
People's Republic of China
T: (86) 28 8447 0022
F: (86) 28 8447 3311

TIANJIN

Suite 903, Tower A, The Exchange
189 Nan Jing Road, Heping District
Tianjin 300051, People's Republic of China
T: (86) 22 8319 2178
F: (86) 22 8319 2180

DALIAN

Suite 2104, 21/F, Tian An International Tower
88 Zhong Shan Road, Zhongshan District
Dalian 116001, People's Republic of China
T: (86) 411 3980 5855
F: (86) 411 3980 5866

QINGDAO

Suite 401-404, Crowne Plaza
76 Hong Kong Middle Road
Shinan District, Qingdao 266071
People's Republic of China
T: (86) 532 8077 7286
F: (86) 532 8077 7267

WUHAN

Suite 3915, 39/F, Wuhan New World
International Trade Centre, Tower 1
568 Jian She Avenue, Wuhan 430022
People's Republic of China
T: (86) 27 8555 8277
F: (86) 27 6885 0506

SHENYANG

Suite 2102-2103
North International Media Centre
167 Qingnian Street, Shenhe District
Shenyang 110014
People's Republic of China
T: (86) 24 2318 2688
F: (86) 24 2318 2689

TAIPEI

13F/A, Hung Tai Centre
170 Tun Hua North Road
Taipei 105, Taiwan
T: (886) 2 2713 2266
F: (886) 2 2712 3065

SINGAPORE

6 Battery Road #32-01
Singapore 049909
T: (65) 6224 8181
F: (65) 6225 1987

TOKYO, JAPAN

5/F JEI Hamamatsucho Building
2-2-12 Hamamatsucho, Minato-ku
Tokyo 105-0013, Japan
T: (81) 3 5470 8711
F: (81) 3 5470 8715

1/F JEI Hamamatsucho Building
2-2-12 Hamamatsucho, Minato-ku
Tokyo 105-0013, Japan
T: (81) 3 5470 8800
F: (81) 3 5470 8801

*19 offices throughout Japan

SEOUL, KOREA

12/F SC First Bank Building
100 Gongpyeong-dong, Jongno-gu
Seoul, Korea 110-702
T: (822) 2170 5800
F: (822) 2170 5899

NEW DELHI, INDIA

G/F P.T.I. Building
4 Parliament Street
New Delhi 110 001, India
T: (91) 11 4239 0200
F: (91) 11 2331 7670

MUMBAI, INDIA

#5, 3/F Tower C, Laxmi Towers
G-block, Bandra Kurla Complex
Bandra (E), Mumbai 400 051, India
T: (91) 22 4069 0100
F: (91) 22 2652 7655

BANGALORE, INDIA

Hulkul Brigade Centre
G/F, No. 82 Lavelle Road
Bangalore 560 001, India
T: (91) 80 4074 0000
F: (91) 80 4112 1239

CHENNAI (MADRAS), INDIA

2H, 2/F Gee Gee Emerald 2C & 2D
151 Village Road, Nungambakkam
Chennai 600 034, India
T: (91) 44 2821 4599/4571
F: (91) 44 2821 4607

HYDERABAD, INDIA

211, Maximus 2B, Mindspace Cyberabad
Survey No: 64 (Part)
APIC Software Layout, Madhapur
Hyderabad 500 081, India
T: (91) 40 4033 5000
F: (91) 40 4033 5050

PUNE, INDIA

705-706, 7/F Nucleus
Church Road
Pune 411 001, India
T: (91) 20 2605 5437/5367
F: (91) 20 2605 5405

KOLKATA, INDIA

4/F, S B Towers
37 Shakespeare Sarani
Kolkata 700 016, India
T: (91) 33 4008 4811-14

JAKARTA, INDONESIA

7/F Permata Bank Tower I
Jalan Jenderal Sudirman Kav. 27
Jakarta 12920, Indonesia
T: (62) 21 523 7337
F: (62) 21 523 7227

MANILA, PHILIPPINES

Suite 1002-1005, 10/F
Ayala Tower One & Exchange Plaza
Ayala Avenue, Makati City
Metro Manila 1226, Philippines
T: (632) 752 2580
F: (632) 752 2571

CEBU, PHILIPPINES

3/F, i2 Building
Asiatown I.T. Park, Lahug
Cebu City, Philippines 6000
T: (632) 238 4211

BANGKOK, THAILAND

46/F CRC Tower, All Seasons Place
87/2 Wireless Road, Lumpini Pathumwan
Bangkok 10330, Thailand
T: (66) 2 654 1111
F: (66) 2 685 3300-1

PHUKET, THAILAND

12/9 Moo 4, Thepkrasattri Road
Kohkaew, Muang
Phuket 83000, Thailand
T: (66) 76 239 967
F: (66) 76 239 970

SAMUI, THAILAND

3/6 Moo 1, Baan Bophut - Plailaem Road
Bophut, Koh Samui
Surat Thani 84320, Thailand
T: (66) 77 430 737
F: (66) 77 430 740

PATTAYA, THAILAND

306/96-97 Moo 12, Thappraya Road
Nongprue, Banglamung
Chonburi 20150, Thailand
T: (66) 38 364 969
F: (66) 38 364 963

HO CHI MINH CITY, VIETNAM

Suite 1301, Me Linh Point Tower
2 Ngo Duc Ke Street, District 1
Ho Chi Minh City, Vietnam
T: (848) 824 6125
F: (848) 823 8418

HANOI, VIETNAM

Floor 12A, Vincom City Tower B
191 Ba Trieu Street
Hanoi, Vietnam
T: (844) 220 0220
F: (844) 220 0210

CBRE
CB RICHARD ELLIS

