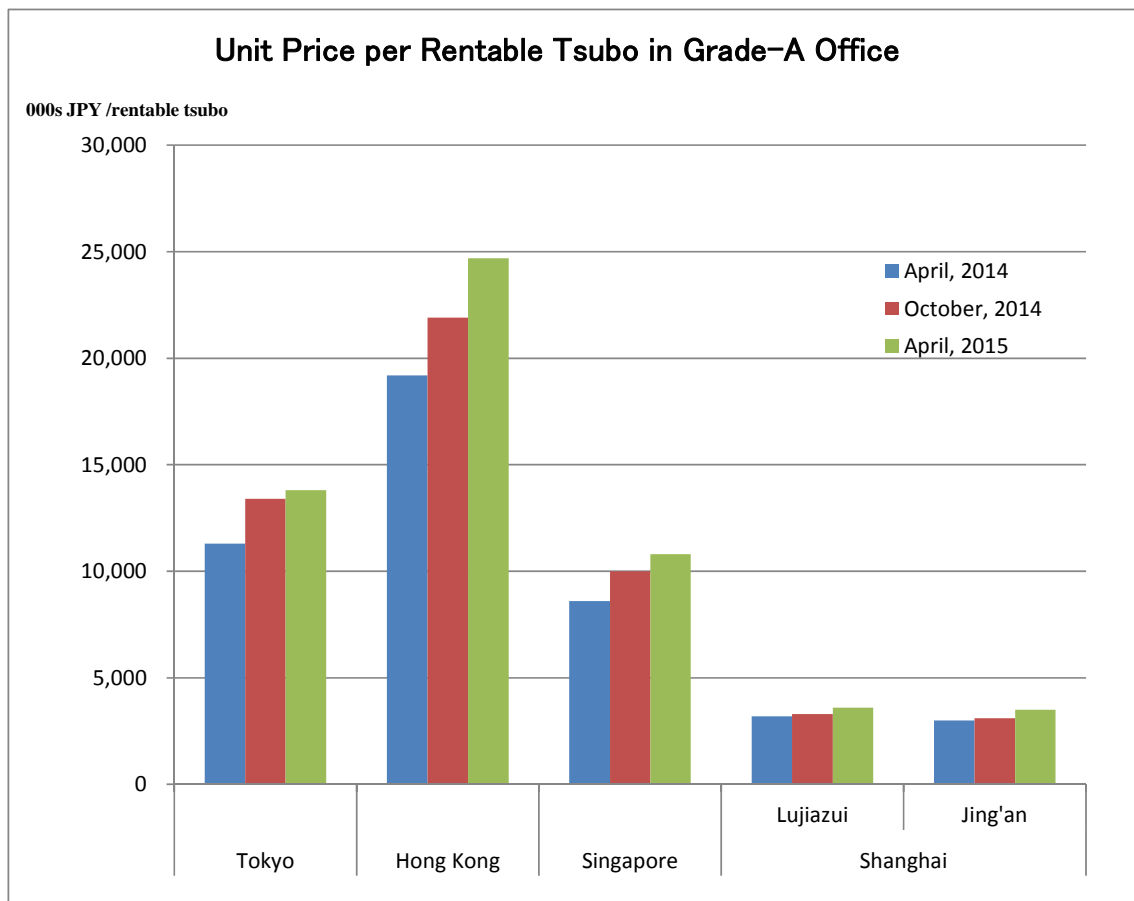


The 3rd Survey of MAP's ⁽¹⁾ Asia

-Index of the Unit Price per Rentable Tsubo ⁽²⁾

This survey reports the result of “the unit price per rentable tsubo” in offices, located in Asian CBD (as of April, 2015).



	Tokyo	Hong Kong	Singapore	Shanghai	
				Lujiazui	Jing'an
Rent Level	Around 45,000 yen	Lower 70,000 yen range	Around 45,000 yen	Lower 30,000 yen range	Lower 30,000 yen range
Cap Rate	Lower 3% range	Higher 2% range	Lower 4% range	Lower 6% range	Lower 6% range

Overview:

- In Hong Kong, the highest unit price per rentable tsubo was recorded, and it became 24.7 million JPY.

- Compared to the last survey (as of October, 2014) , “the unit price per rentable tsubo” increased by 3% in Tokyo, 13% in Hong Kong, 8% in Singapore, 9% in Lujiazui and 13% in Jing'an.
- Rents in all areas, based on the JPY, increased due primarily to the weaker yen. However, the rents in Hong Kong, based on HKD, slightly decreased.
- The largest yield gap ⁽³⁾ was 270bp in Tokyo. The next was 230bp in Shanghai, 180bp in Singapore, and then 120bp in Hong Kong. Because of the largest yield gap and weaker yen, the real estate investment market in Japan has been perceived as an attractive market for foreign investors.

(1) MAP's stands for Market Area Price System. As one of the features of MAP's, the price levels can be determined as “the unit price per rentable tsubo”.

(2) 1 tsubo \doteq 3.3 m²

(3) yield gap = cap rate — 10-year JGB interest rate

Outline of each Area:

Tokyo(Marunouchi and Otemachi)

Because of the Japan's strong economy and the increasing corporate earnings, companies are relocating or expanding their floors. They also have high demands to lease Grade-A office. As a result, rents continue to rise. In addition, monetary easing will continue. Rents will remain on an upward trend as mentioned above. For these reasons, cap rate will go down. And, such trend will lead to more and more influx of foreign investors' money in the meantime.

Hong Kong (Central)

Vacancy rate improved because of the financial institution's demand and the limited supply in 2014. Rents based on HKD decreased slightly. On the other hand, rents in surrounding area increased. As a result, the yield gap became narrower. Since office supply in Hong Kong Island, including Central area is limited in 2015, rents will rise. Cap rate is moving sideways because the quantity of real estate trade in entire Hong Kong area has decreased, and the yield gap will become smaller due to probable increase of an interest rate.

Singapore(Marina Bay)

The macroeconomic index remains strong. IT and telecommunication companies are

displaying steady demand in the leasing market. In contrast, the amount of supply is limited. As a result, rents remain upward trend, even though the pace of such increase will slow down. The cap rate on this term did not change compared to previous term. This goes to show that it reflects the investors' disposition of wanting to avoid any risks such as the rise in the interest rate by exchange intervention or the unsolved global economic uncertainties.

Shanghai (Lujiazui, Jing'an)

These two areas are located in CBD. Average vacancy rate in Grade-A building improved slightly compared to 6 months ago, and rents tend to rise. Lujiazui can absorb the demand of companies locate in the Shanghai Pilot Free Trade Zone because of its proximity to the area. On the contrary, since most investors have negative prospect for economic growth, cap rate is increasing.

Survey Procedure:

Investigation areas are Tokyo(Marunochi and Otemachi), Hong Kong Central, Shanghai(Pudong, Jing'an), and Singapore(Marina Bay). Our company selects 5 office buildings from each city's CBD area. We calculated the unit price per rentable tsubo of typical floor (as of value date) by the same formula, and converted local currency into JPY. We did not add the initial cost necessary for acquisition, but the normal operating cost.

We received local data from our cooperative company, Colliers International (Japan).

This report has been produced by Tanizawa and TMAX solely for information purposes. While we do not doubt its accuracy, Tanizawa and TMAX make no guarantee or warranty as to its completeness or accuracy.

Contact Us:

Tanizawa Sogo Appraisal Co.,Ltd.

Tokyo Head Office Appraisal Division-Securitization Dept. I

Shinichi Ogawa Phone/ +81 3-5549-2202

T-max Valuation

Real Estate Strategy Division Co., Ltd.

Sanae Kanae Phone/ +81 3-5501-2950