

September 2014

**CORPORATE
LOCATIONS**

Hong Kong | Singapore

The Office

A review of the Hong Kong office market

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*All rents quoted are estimated target effective rates subject to negotiations and are not the landlords quoted figure

Area Definitions: **G** - Gross (70% efficiency), **L** - Lettable (80 - 85% efficiency), **N** - Net (100% efficiency)



\$24 - \$26 psf*
Units from 1,723 – 2,063 sq ft (G)

EIB Centre
40-44 Bonham Strand East



\$27 - \$29 psf*
Units from 1,584 – 4,380 sq ft (G)

299 Queen's Road Central



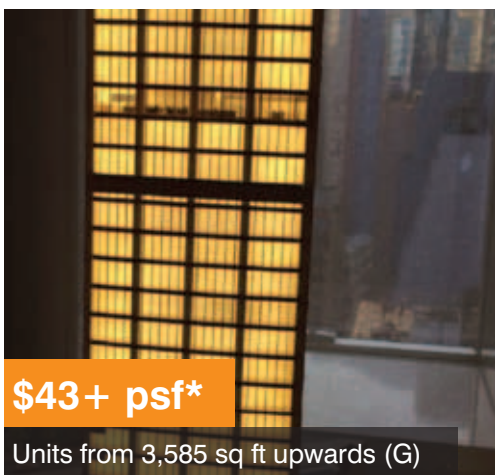
\$35 - \$36 psf*
Units from 1,000 – 8,016 sq ft (G)

FWD Financial Centre
308 Des Voeux Road Central



\$40 psf*
Units from 2,410 sq ft (G)

Central 88
88-98 Des Voeux Road Central



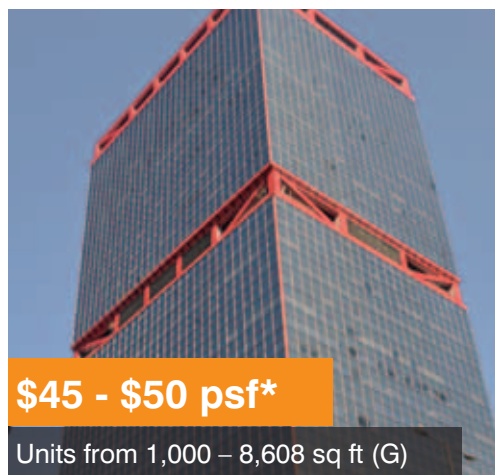
\$43+ psf*
Units from 3,585 sq ft upwards (G)

The Wellington
198 Wellington Street



\$43 - \$48 psf*
Units from 2,500 – 8,900 sq ft (G)

Nan Fung Tower
173 Des Voeux Road Central



\$45 - \$50 psf*
Units from 1,000 – 8,608 sq ft (G)

Shun Tak Centre West Tower
168-200 Connaught Road Central



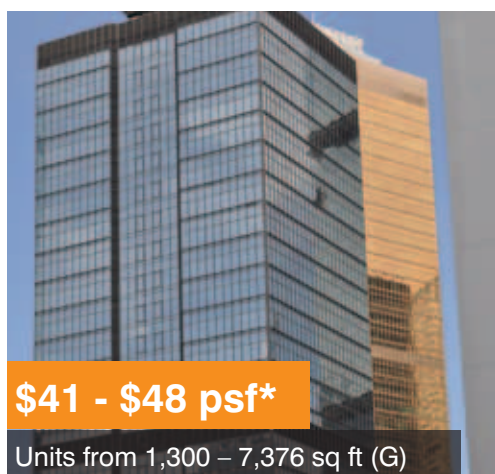
\$57 - \$80 psf*
Units from 1,596 – 25,050 sq ft (G)

The Center
88-98 Des Voeux Road Central



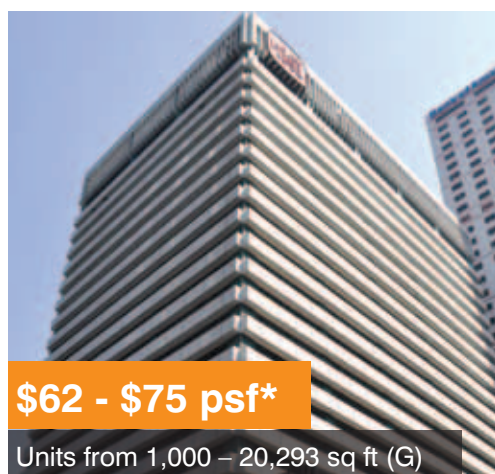
\$42 - \$51 psf*
Units from 1,000 – 11,173 sq ft (G)

Lippo Centre T 1 & 2
89 Queensway, Admiralty



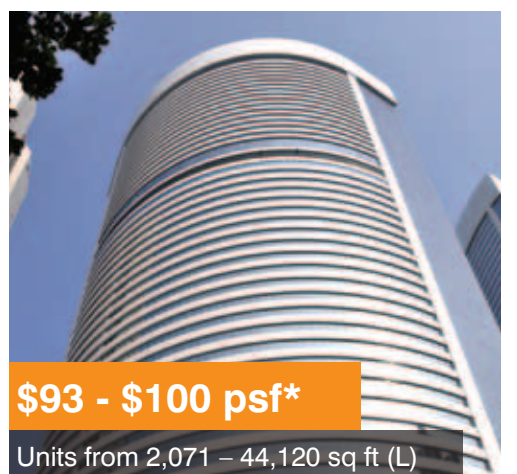
\$41 - \$48 psf*
Units from 1,300 – 7,376 sq ft (G)

Admiralty Centre T 1 & 2
18 Harcourt Road, Admiralty



\$62 - \$75 psf*
Units from 1,000 – 20,293 sq ft (G)

Hutchison House
10 Harcourt Road, Admiralty



\$93 - \$100 psf*
Units from 2,071 – 44,120 sq ft (L)

Two Pacific Place
88 Queensway, Admiralty

Supply / Demand

Demand - The Sheung Wan / Central West district continues to be popular offering a combination of good value for money as well as a convenient location close to prime Central. **The Center** has been the most active building in this area and new tenants here include Riot Games Services, Mstar International, Formax Capital, Kokomo Capital, Leung & Lau Solicitors and China Polymetallic Mining.

New tenants to **Golden Centre** include United Pacific Industries, Weyerhaeuser Asia (from Great Eagle Centre) and Trident Trust leased a whole floor. Law firms continue to be active with Tsao Au Yim & Yeung moving into **Beautiful Group Building** and Alvan Liu & Partners becoming the first new tenants into **Central 88**. A whole floor in **Infinitus Plaza** was leased to casino operator Sands China Ltd and China Merchants Loscom moved here from Citicorp Centre. Auction house Spink & Son moved from Malaysia Building to lease 2 floors in **Hua Fu Commercial Building**.

In Admiralty the three largest deals recently involved China UCF Group moving from a small unit in Hutchison House to lease an entire floor in **Two Pacific Place**, Huarong International

Holdings moved from Convention Plaza to take a whole floor in **Lippo Centre Tower 1** and HK Sanitorium & Hospital has leased 2 floors in **One Pacific Place**. SPD Bank has expanded in **Bank of America Tower**. Fullshare International Group moved from Lippo Centre to **Admiralty Centre Tower 1**. Sumitomo Mitsui Asset Management has moved from Chater House to **CITIC Tower**.

Supply in Central West is reasonably healthy. Several large tenants are moving out of **Cosco Tower** which will free up space. There are two whole floors available in **Nang Fung Tower**. **The Wellington** is a new 30-storey office development diagonally opposite Cosco Tower with an average floor plate around 3,500 sq ft that will provide opportunities for the smaller space users. The Center still has a wide choice of units available and Shun Tak Centre has a good variety of units on offer. In Admiralty **Hutchison House** offers the widest range of unit sizes. **Lippo Centre** has many small pockets of space available, but not much in the way of larger units. **One Pacific Place** is close to full occupation, but **Two Pacific Place** provides the highest quality space as well as some of the largest space available.

Estimated Target Effective Rates - per sq ft

Sheung Wan / Central West

122 Queen's Road Central	Full
69 Jervois Street	\$24
135 Bonham Strand Trade Centre	\$22
299 Queen's Road Central	\$27 - \$29
181 Queen's Road Central	\$36 - \$44
Beautiful Group Tower	\$39
BOCG Insurance Building	Full
Bonham Trade Centre	\$24
Central 88	\$40
Centre Mark II	Full
China Insurance Group Building	\$36
Cosco Tower	\$50 - \$56
EIB Centre	\$24 - \$26
Fu Fai Commercial Centre	Full
Golden Centre	\$35 - \$38
Guandong Investment Building	Full
Hing Yip Commerce Centre	Full
Hollywood Centre	\$22
Infinitus Plaza	Full
FWD Financial Centre	\$35 - \$36
Kai Tak Commercial Building	\$31
Li Po Chun Chambers	TBC
Nam Wo Hong Building	\$25
Nan Fung Tower	\$43 - \$48
OTB Building	\$29
Pacific Plaza	\$17

Shun Tak Centre	\$45 - \$50
Sun House	\$32
The Center	\$57 - \$80
The Wellington	\$43+
Unicorn Trade Centre	\$34 - \$41
V. Heun Building	\$36
West Exchange Tower	\$29
Wing On Centre	\$45 - \$50
Wing On Cheong Building	\$29
Wing's Building	Full
Yardley Commercial Building	Full

Admiralty

Admiralty Centre Tower 1 & 2	\$41 - \$48
Bank of America Tower	\$51 - \$62
CITIC Tower	\$58 - \$62
Far East Finance Centre	\$48
Fairmont House	Full
Hutchison House	\$62 - \$75
Lippo Centre Tower 1 & 2	\$42 - \$51
Pacific Place One & Two	\$93 - \$102
Three Pacific Place	\$90
United Centre	Full

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Area Definitions: G - Gross (70% efficiency), L - Lettable (80 - 85% efficiency), N - Net (100% efficiency)

The Centrium
54-56 Wyndham Street



\$42 - \$45 psf*

Units from 1,163 - 4,475 sq ft (G)



\$35 psf*

Units from 1,440 - 2,224 sq ft (G)

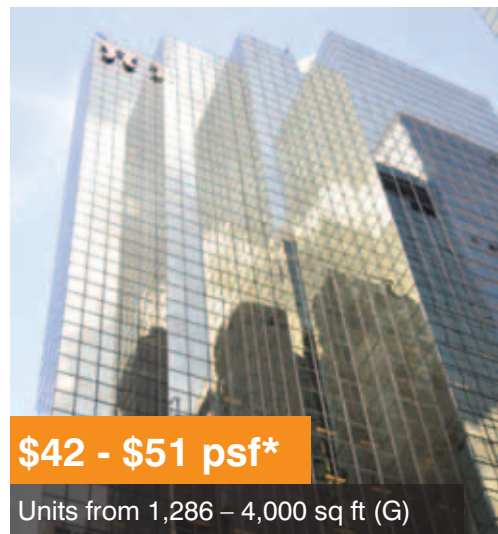
Onfem Tower
29 Wyndham Street



\$34 - \$41 psf*

Units from 1,000 - 4,550 sq ft (G)

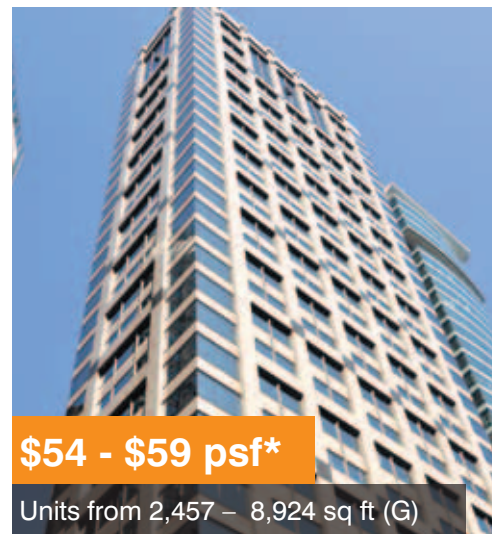
Unicorn Trade Centre
127-131 Des Voeux Road Central



\$42 - \$51 psf*

Units from 1,286 - 4,000 sq ft (G)

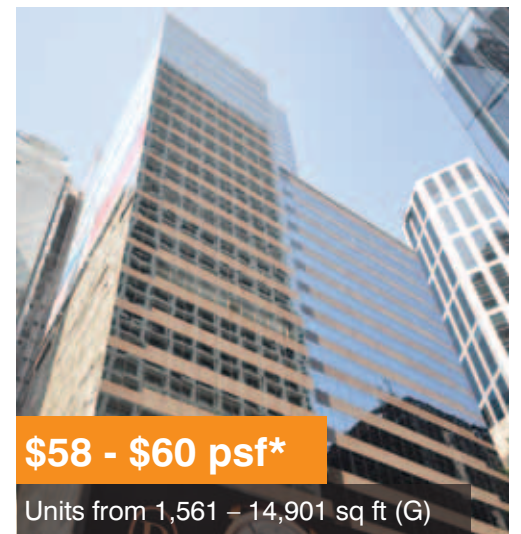
Dina House/Ruttonjee Centre
11 Duddell Street



\$54 - \$59 psf*

Units from 2,457 - 8,924 sq ft (G)

9 Queen's Road Central



\$58 - \$60 psf*

Units from 1,561 - 14,901 sq ft (G)

New World Tower 1
16-18 Queen's Road Central



\$65 psf*

Units from 1,720 - 5,483 sq ft (G)

Prosperity Tower
39 Queen's Road Central



\$58 - \$60 psf*

Units from 3,421 - 9,358 sq ft (G)

33 Des Voeux Road Central

Estimated Target Effective Rates - per sq ft

Central			
1 Duddell Street	\$54 - \$60	Chuang's Tower	\$47
8 Queen's Road Central	\$76 - \$82	Chiyu Building	Full
8 Wyndham Street	\$59	Citibank Tower & ICBC Tower	\$75 - \$80
9 Queen's Road Central	\$54 - \$59	Club Lusitano Building	\$48
33 Des Voeux Central	\$58 - \$60	Dina House / Ruttonjee Centre	\$42 - \$51
100 Queen's Road Central	\$68	Edinburgh Tower	\$130
Agricultural Bank of China Tower	Full	Entertainment Building	\$77 - \$80
AIA Central	\$120 - \$130	Euro Trade Centre	\$45
Alexandra House	Full	Fung House	\$38
Asia Standard Building	\$38 - \$43	Gloucester Tower	\$125 - \$130
Bank of China Tower	\$80 - \$85	Henley Building	\$70 - \$75
Baskerville House	Full	Hing Wai Building	\$46 - \$48
CCB Tower	Full	Hip Shing Hong Centre	\$36
Central Building	\$73	Hong Kong Diamond Exchange Centre	Full
Central Tower	\$74 - \$80	Hong Kong Club Building	\$78 - \$85
Chater House	\$135 - \$145	Jardine House	\$115 - \$120
Cheung Kong Center	\$117 - \$126	Kinwick Centre	\$38 - \$40
China Building	\$63	LHT Tower	\$82 - \$85
		Li Dong Building	\$28
		Lucky Building	Full
		Lyndhurst Tower	\$35
		Man Yee Building	\$70 - \$75
		Nexus Building	\$72
		New Henry House	\$63
		New World Tower 1	\$58 - \$60
		One & Two Exchange Square	TBC
		Three Exchange Square	Full
		One IFC	\$125+
		Two IFC	\$125+
		Onfem Tower	\$35
		On Hing Building	\$35
		Pacific House	\$38 - \$45
		Parker House	\$42
		Prince's Building	TBC
		Printing House	\$60
		Prosperity Tower	\$65
		Regent Centre	\$32
		Southland Building	TBC
		Shun Ho Tower	\$39
		St George's Building	Full
		St John's Building	Full
		The Centrium	\$42 - \$45
		The Chinese Club Building	Full
		The Workstation	Full
		Universal Trade Centre	\$32 - \$35
		World Wide House	\$65
		Wheelock House	\$70
		Wilson House	\$32
		Wincome Centre	\$36 - \$38
		Wing On House	\$43
		Winsome House	\$33
		Winway Building	Full
		Wyndham Place	Full
		York House	TBC

Demand in general has been patchy with no real pattern forming other than most companies are still looking to save costs and a noticeable increase in demand from mainland PRC companies who can pay prime rates. Notwithstanding this there have still been several high profile moves this year, mainly in the financial sector. Banco Santander and Wellington Global Investment Management are both moving from Exchange Square into larger space at **Two IFC**.

China Merchants Securities has expanded to lease another floor at **Exchange Square**. United Overseas Bank is consolidating from Cosco Tower and Gloucester Tower and moving into **Citibank Plaza**. Wells Fargo Bank has leased 2 floors at **Three Pacific Place**

and Societe Generale has expanded to lease another floor in the same building.

Elsewhere in prime Central, **Two IFC** remains very active with smaller tenants and other new occupiers here including Yaun Management, Sapinda Asia Pacific, Zhuguang Holdings Group and VEB Asia. Partner Financial Holdings have moved into a whole floor at Worldwide House. Whole floors in **8 Queen's Road Central** have recently been leased to China Daye Non Ferrous Mining and GQ Investment Management. Pleiad Investment Advisors have leased a floor in **8 Wyndham Street**. Newquest Capital moved from this building to lease a whole floor at **Prosperity Tower**. The latest tenant to move into **33 Des Voeux Road Central** is Thesys Wealth

Management. New tenants to **100 Queen's Road Central** include Booking.com and SMS Technology from The Center. **Citibank Plaza** remains popular with hedge funds and their support companies. Recent tenants here are Autonomous Research, Guard Capital, Kontiki Capital, 3W Funds and Hammer Capital.

In the economy range **The Centrum** has been the busiest building in the last 6 months. New tenants here include International Cosmetic Suppliers, Welkin Capital Management, The Marketing Store and The Consulate of Nigeria. Architectural firm Woods Bagot also leased a whole floor here. Sprint Capital has leased a floor in **Club Lusitano Building**. Zetland Fiduciary, American Appraisal China and Gemini Personnel all leased whole floors in **On Hing Building**.

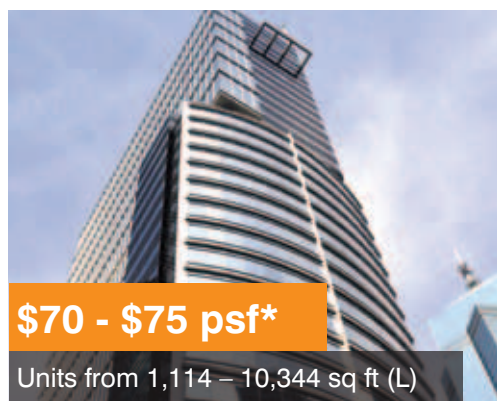
Supply – In terms of supply Central remains very tight with the largest space available still being in the most expensive buildings. The new development 33 Des Voeux Road Central still has a wide choice of floors available at a competitive rate, but the size of floor plate is relatively small at between 3,421 sq ft & 4,679 sq ft.

The redevelopment of Southland Building on Connaught Road Central opposite Exchange Square should be completed later this year, but again the floor plate is very small at around 2,000 sq ft gross. Central Tower still has 3 whole floors available. Man Yee Building and Citibank Plaza still offer good quality space at a fair value.

Central - Upper Mid Range (\$70 - \$85 psf)

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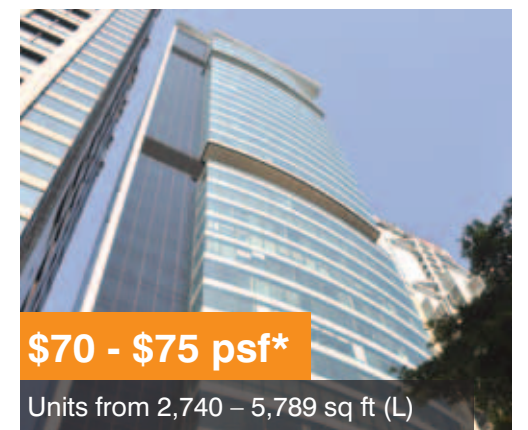


\$70 - \$75 psf*
Units from 1,114 – 10,344 sq ft (L)

Man Yee Building 60-68 Des Voeux Road Central



Henley Building
5 Queen's Road Central



\$70 - \$75 psf*
Units from 2,740 – 5,789 sq ft (L)



\$75 - \$80 psf*
Units from 1,000 – 34,100 sq ft (L)

Citibank Plaza 3 Garden Road

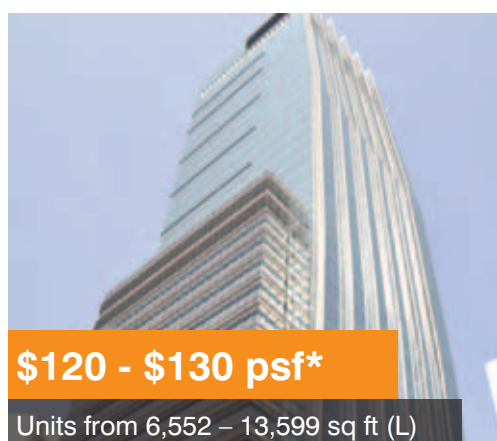



\$74 - \$80 psf*
Units from 2,330 – 15,835 sq ft (L)

Central Tower 28 Queen's Road Central



Central - Prime Range (\$120+ psf)



\$120 - \$130 psf*
Units from 6,552 – 13,599 sq ft (L)

AIA Central
1 Connaught Road Central



\$135 - \$145 psf*
Units from 2,422 – 11,922 sq ft (N)

Chater House
8 Connaught Road Central



\$117 - \$126 psf*
Units from 3,140 sq ft (L) upwards

Cheung Kong Center
2 Queen's Road Central



\$TBC
Units from 1,000 – 14,336 sq ft (N)

Two Exchange Square
8 Connaught Place

Summary of larger leasing transactions in 2014

Company	Size sq ft	Moved to
Nissan	46,000	Citibank Plaza
HK Sanitorium & Hospital	33,900	One Pacific Place
United Overseas Bank	33,500	Citibank Plaza
Wellington International	23,000	Two Pacific Place
China UCF Group	22,000	Two Pacific Place
Banco Santander	18,000	Two IFC
Core Pacific Yamaichi	18,000	China Resources Building
Partners Financial Holdings	17,000	Worldwide House
Societe Generale	16,300	Three Pacific Place
Principal Insurance	16,000	Hopewell Centre
Huarong International Holdings	14,000	Lippo Centre Tower One
China Merchants Securities	14,000	One Exchange Square
Sands China	11,000	Infinitus Plaza
Facebook	11,000	One Island East

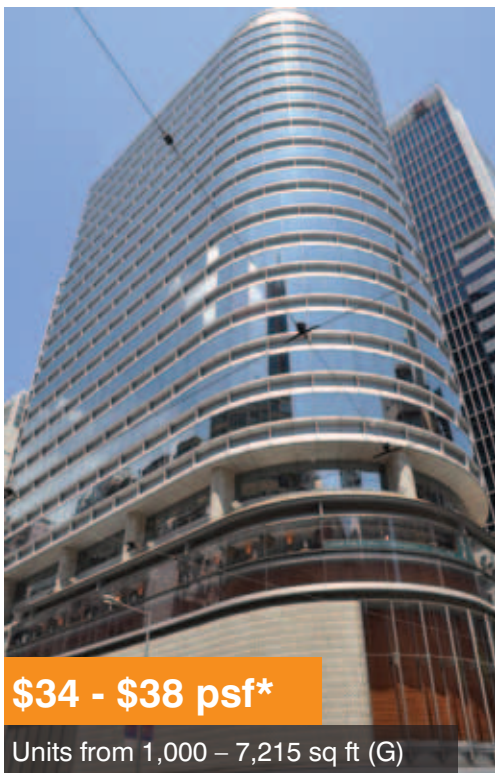
Wan Chai has been one of the busiest locations for leasing activity because it offers a wide choice of opportunities, particularly in the \$30.00 to \$50.00 per sq ft range. It is also noteworthy to see how many companies have moved within the same location. In the upper mid-range, new tenants to **28 Hennessy Road** include Liquidnet (from 8 Queen's Road Central) and Sylebra Capital (from Lippo Centre). The South African Consulate moved in to **Central Plaza** earlier this year. Brokerage company, Core Pacific Yamaichi moved into a whole floor in China Resources Building from Cosco Tower and other new tenants to this building include China Zenith Chemical and Fulixin International Financial Holdings.

In the mid-range sector **Shui On Centre** has been a popular choice and new occupiers here include AP Capital, Hotex Holdings, Wantton Holdings and Kemira Hong Kong. Principal Insurance expanded to lease another floor in

Hopewell Center. Fortis Tower has leased floors to Asia Pacific Resort & Entertainment and Gulf Oil Marine (from 3 Lockhart Road) and another new tenant here is Club Med.

In the economy range **Tai Yau Building** has been active and attracted companies such as Drake International, HY Credit, Primasia Corporate Services (from China Resources Building), Otterbox (from Central Plaza) - Buro Happold International will be moving here from Hopewell Centre. Accounting firm Morison Heng moved from Allied Kajima Building to lease a floor in **Overseas Trust Bank Building**.

Supply in Wan Chai is now becoming even more restricted as a result of the leasing activity over the last 6-9 months. The widest choice can be found in Shui On Centre. East Town Building and Chung Nam Building are some of the most competitive options, but sizes are limited.



\$34 - \$38 psf*

Units from 1,000 - 7,215 sq ft (G)

Tai Yau Building
181 Johnston Road



\$27 - \$29 psf*

Units from 1,000 - 7,180 sq ft (G)

East Town Building
41 Lockhart Road

Estimated Target Effective Rates (per sq ft)

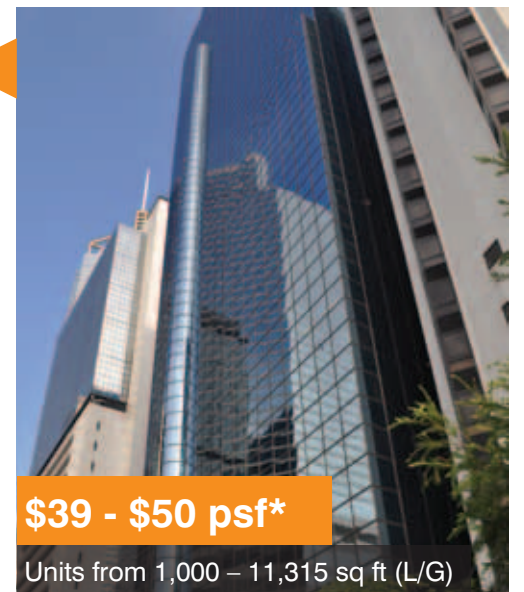
3 Lockhart Road	\$31 - \$34	Harbour Centre	\$53 - \$62
28 Hennessy Road	\$52	Harcourt House	\$38 - \$39
80 Gloucester Road	\$34	Hopewell Centre	\$44 - \$50
88 Gloucester Road	\$32	Jubilee Centre	\$34 - \$38
248 Queen's Road East	\$34 - \$36	Lucky Centre	\$22 - \$29
Allied Khajima Building	\$37	Luk Kwok Centre	\$49
Asia Orient Tower	\$32 - \$33	Mass Mutual Tower	\$48
AXA Centre	\$30 - \$33	Neich Tower	\$30 - \$37
BEA Harbour View Centre	\$42 - \$43	One Capital Place	\$28
Beverly House	Full	Overseas Trust Bank Building	\$29
CC Wu Building	\$26 - \$28	Pico Tower	\$30 - \$35
CNT Tower	Full	Shanghai Industrial Investment Building	\$23
Centre Point	\$34	Shui On Centre	\$39 - \$50
Central Plaza	\$51 - \$54	Siu On Centre	Full
Cheuk Nang Plaza	\$25 - \$27	Sun Hung Kai Centre	\$61
China Hong Kong Tower	\$23 - \$25	Sunshine Plaza	Full
China Online Centre	\$29	Tai Tung Building	\$33 - \$37
China Overseas Building	\$31 - \$35	Tai Yau Building	\$34 - \$38
China Resources Building	\$50 - \$55	Tesbury Centre	\$38
Chinachem Century Tower	\$30	The Hennessy	Full
Chung Nam Building	\$25 - \$27	The Phoneix	\$27
Convention Plaza Office Tower	\$55	The Sun's Group Centre	TBC
Dah Sing Financial Centre	\$54 - \$56	Times Media Centre	\$25
East Town Building	\$27 - \$29	Tung Wai Commercial Building	\$25 - \$29
Fortis Tower	Full	W Square	\$34 - \$40
Fook Lee Commercial Centre	Full	Wu Chung House	\$30
Great Eagle Centre	\$59 - \$69	Yue Xiu Building	Full
Guardian House	\$32		



\$34 - \$36 psf*

Units from 1,000 - 6,792 sq ft (G)

248 Queen's Road East
Queen's Road East



\$39 - \$50 psf*

Units from 1,000 - 11,315 sq ft (L/G)

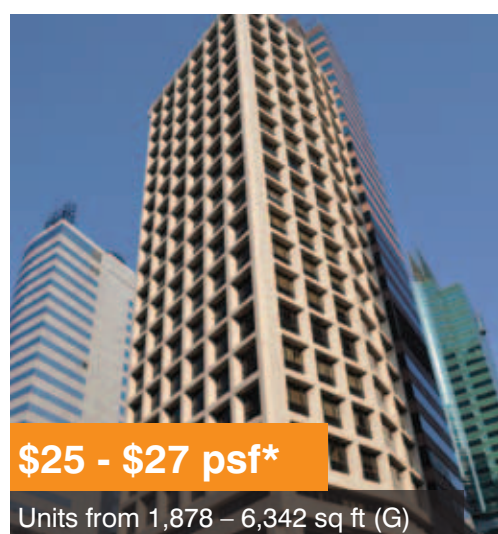
Shui On Centre
6-8 Harbour Road



\$31 - \$35 psf*

Units from 1,080 - 8,013 sq ft (G)

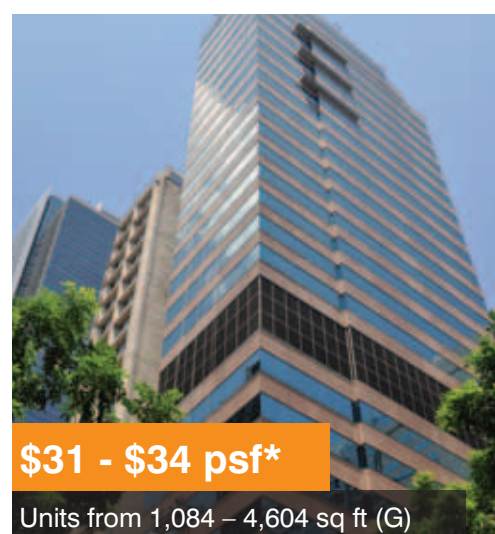
China Overseas Building
139 Hennessy Road



\$25 - \$27 psf*

Units from 1,878 - 6,342 sq ft (G)

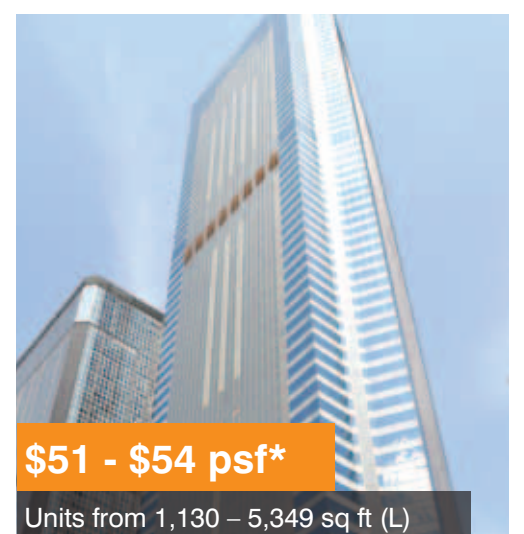
Chung Nam Building
1 Lockhart Road



\$31 - \$34 psf*

Units from 1,084 - 4,604 sq ft (G)

3 Lockhart Road



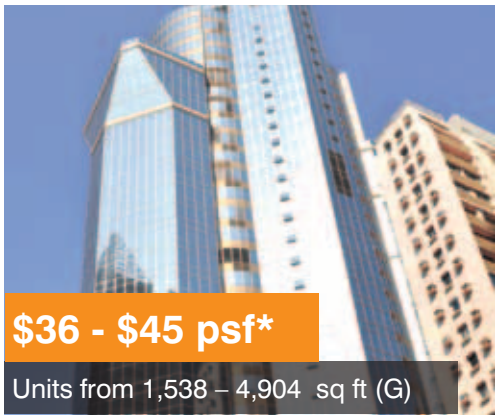
\$51 - \$54 psf*

Units from 1,130 - 5,349 sq ft (L)

Central Plaza
18 Harbour Road

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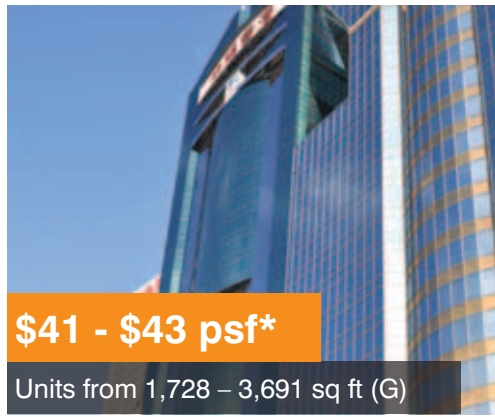
Area Definitions: G - Gross (70% efficiency), L - Lettable (80 - 85% efficiency), N - Net (100% efficiency)



\$36 - \$45 psf*

Units from 1,538 - 4,904 sq ft (G)

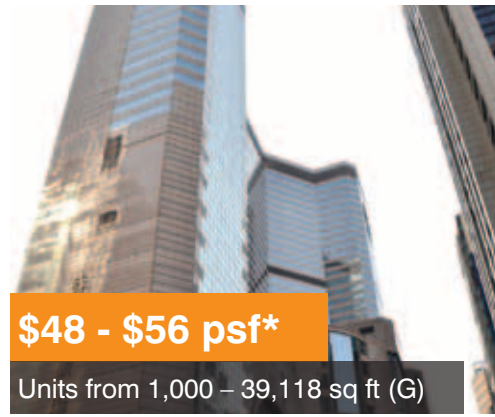
Sino Plaza
255 -257 Gloucester Road



\$41 - \$43 psf*

Units from 1,728 - 3,691 sq ft (G)

Top Glory Tower
262 Gloucester Road



\$48 - \$56 psf*

Units from 1,000 - 39,118 sq ft (G)

Times Square Tower 1 & 2
1 Matheson Street

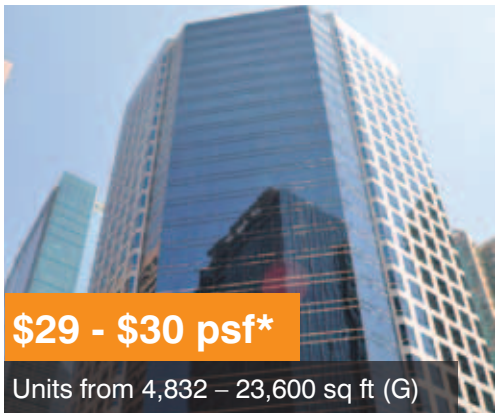


\$50 - \$60 psf*

Units from 1,848 - 15,608 sq ft (L)

The Lee Gardens
33 Hysan Avenue

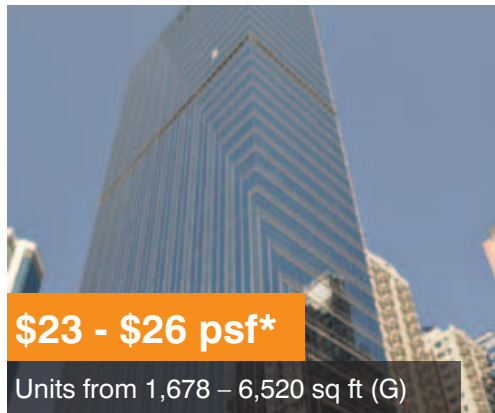
North Point / Quarry Bay



\$29 - \$30 psf*

Units from 4,832 - 23,600 sq ft (G)

625 King's Road



\$23 - \$26 psf*

Units from 1,678 - 6,520 sq ft (G)

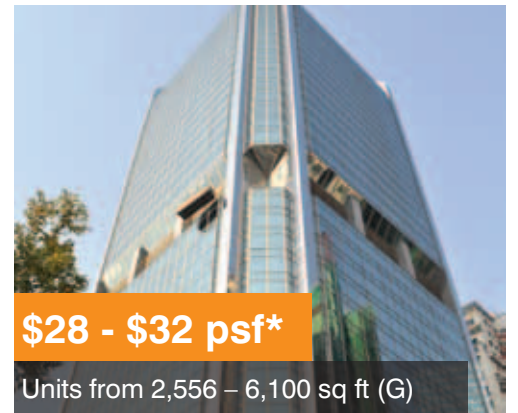
148 Electric Road



\$25 - \$29 psf*

Units from 1,000 - 8,314 sq ft (G)

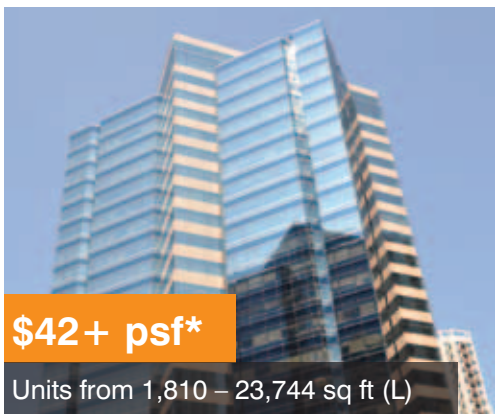
Prosperity Millennium Plaza
663 King's Road



\$28 - \$32 psf*

Units from 2,556 - 6,100 sq ft (G)

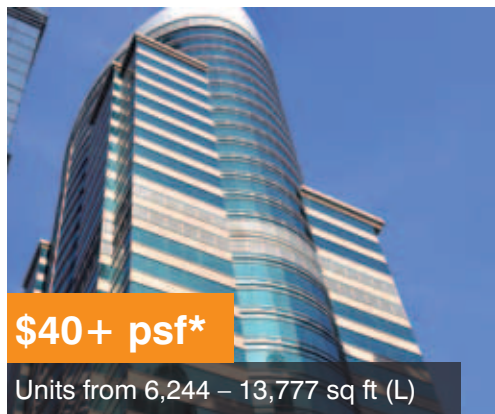
Citicorp Centre
18 Whitfield Road



\$42+ psf*

Units from 1,810 - 23,744 sq ft (L)

Cityplaza 4 12 Taikoo Wan Road



\$40+ psf*

Units from 6,244 - 13,777 sq ft (L)

Berkshire House 25 Westlands Rd

AIA Tower 183 Electric Road



\$40 - \$43 psf*

Units from 1,000 - 12,899 sq ft (L)



101 King's Road



\$25 - \$27 psf*

Units from 2,561 - 5,950 sq ft (N)



Estimated Target Effective Rates (per sq ft)

Causeway Bay

18 Hysan Avenue	\$47 - \$50
68 Yee Wo Street	\$36 - \$38
111 Leighton Road	\$40 - \$42
Ace Tower / Windsor House	\$35 - \$39
Bartlock Centre	\$35 - \$39
Causeway Bay Plaza 1 & 2	\$34 - \$35
Caroline Centre	\$45 - \$48
Cigna Tower	\$27
China Taiping Tower 1 & 2	\$32
Chinaweal Centre	\$24
Chinachem Leighton Plaza	\$26
East Exchange Tower	\$32
Eton Tower	\$43
Fortune Centre	\$39
Hang Lung Centre	\$50
Hysan Place	Full
Island Beverley	Full
Leighton Centre	\$42
Lippo Leighton Tower	\$35
One Hysan Avenue	\$40
Sino Plaza	\$36 - \$45
Soundwill Plaza	\$44 - \$45
Times Square Tower 1 & 2	\$48 - \$56
The Goldmark	\$34
The Lee Gardens	\$50 - \$60
Times Tower	Full
Top Glory Tower	\$41 - \$43
World Trade Centre	\$49 - \$51

AIA Tower	\$40 - \$43
China United Centre	Full
Citicorp Centre	\$28 - \$32
Island Place Tower	\$24
Jupiter Tower	\$24
K. Wah Centre	\$23 - \$27
Kwai Hung Holdings Centre	\$24
Kodak House 2	\$22
KP Tower	\$25 - \$29
Olympia Plaza	\$20 - \$24
Two Chinachem Exchange Square	\$18

Quarry Bay / Island East

625 King's Road	\$29 - \$30
633 King's Road	\$28 - \$31
1063 King's Road	\$33
AIA Hong Kong Tower	Full
Berkshire House	\$40+
Cambridge House	Full
Chinachem Exchange Square	\$25
Cityplaza 1	\$42+
Cityplaza 3	Full
Cityplaza 4	\$42+
Cornwall House	N/A
Devon House	\$42
Dorset House	\$42
Kerry Centre	\$43
Lincoln House	Full
One Island East	\$58 - \$59
Oxford House	\$42
PCCW Tower	\$42
Prosperity Millennia Plaza	\$25 - \$29
Warwick House	N/A
Westlands Centre	Full

North Point

88 Hing Fat Street	\$27
101 King's Road	\$25 - \$27
148 Electric Road	\$23 - \$26
169 Electric Road	\$32 - \$34
321 Java Road	Full

Supply / Demand

Demand - After a very busy year in 2013, leasing activity in Causeway Bay this year has been more subdued. Tata Communications are planning to move from Bank of America Tower to **The Lee Gardens**. Onyx Hospitality has leased a whole floor at **One Hysan Avenue** and several tenants in **Times Square** such as Google and AXA have expanded into additional space.

The story is the same in North Point / Quarry Bay. Recent tenants to move into **169 Electric Road** include e2v Asia Pacific (from Onfem Tower) and DVN Technology. Werfen Hong Kong lease a floor at **88 Hing Fat Street** and Bacardi Martini Asia Pacific have moved their office from BEA Harbourview Centre to **Cityplaza 4**.


Supply - In Causeway Bay, **The Lee Gardens** & **Times Square** remain the 2 premium buildings with a wide choice of space available. In North Point **AIA Tower** is the premier building and offers a wide choice at fair value because the efficiency rate is so good.

The Lee Gardens & Times Square remain the 2 premium buildings with a wide choice of space available

Other very competitive buildings with a wide range of units on offer include **148 Electric Road** and **Prosperity Millennium Plaza**. In Quarry Bay **Berkshire House** (fka DCH Commercial Centre) has the widest selection of units.


*All rents quoted are estimated target effective rates subject to negotiations and are not the landlords quoted figure

Area Definitions: **G** - Gross (70% efficiency), **L** - Lettable (80 - 85% efficiency), **N** - Net (100% efficiency)



\$29 - \$32 psf*
Units from 1,318 – 10,716 sq ft (G)

China HK City T 1-6
33 Canton Road




\$43 - \$52 psf*
Units from 1,488 – 8,874 sq ft (G)

The Gateway II Tower 6
9 Canton Road



\$36 psf*
Units from 2,740 – 17,398 sq ft (G)

Langham Place
8 Argyle Street, Mong Kok



\$37 psf*
Units from 8,500 – 25,000 sq ft (G)

Pioneer Centre
750 Nathan Road

Kowloon East – Kowloon Bay / Kwun Tong



\$24 - \$27 psf*
Units from 1,500 – 26,686 sq ft (G)

Exchange Tower 33 Wing Chak St



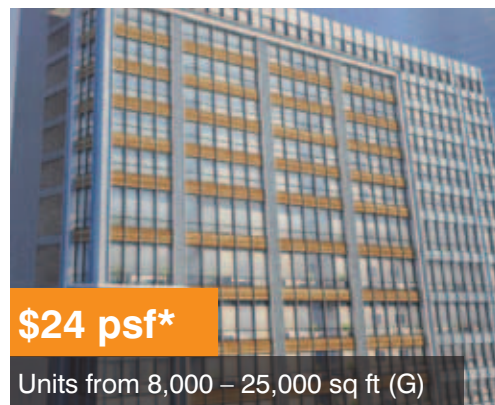

\$18 - \$22 psf*
Units from 11,900 – 23,800 sq ft (L)

OCTA Tower 8 Lam Chak Street



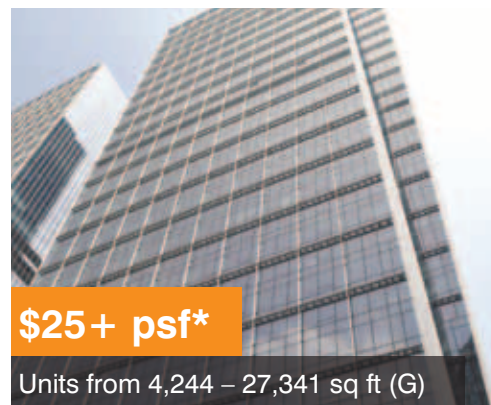
\$22 - \$23 psf*
Units from 6,000 – 21,093 sq ft (G)

Pioneer Place
213 Wai Yip Street



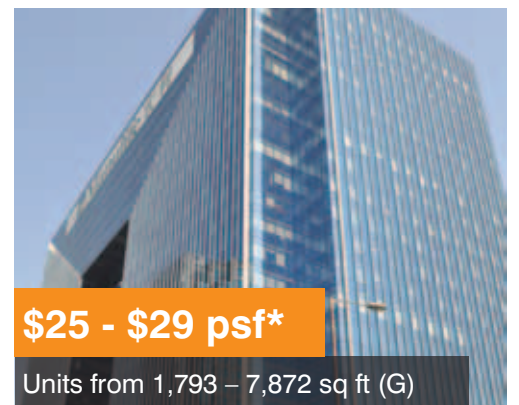
\$24 psf*
Units from 8,000 – 25,000 sq ft (G)

KOHO
75 Hung To Road



\$25+ psf*
Units from 4,244 – 27,341 sq ft (G)

AIA Kowloon Tower
100 How Ming Street



\$25 - \$29 psf*
Units from 1,793 – 7,872 sq ft (G)

Manulife Financial Centre
223 Wai Yip Street

Estimated Target Effective Rates (per sq ft)

Tsim Sha Tsui

Cameron Plaza	Full
China Hong Kong City	\$29 - \$32
China Minmetals Tower	Full
Chinachem Golden Plaza	\$25 - \$27
Concordia Plaza	Full
Empire Centre	\$35
Energy Plaza	\$27 - \$29
Harbour City Old Blocks	TBC
Hong Kong Pacific Centre	\$43
International Commerce Centre	\$70 - \$80
Lippo Sun Plaza	\$32
Miramar Tower	\$34 - \$43
Mirror Tower	\$23 - \$30
Multifield Plaza	\$28 - \$30
New East Ocean Centre	TBC
New Mandrain Plaza	\$25 - \$32
Ocean Centre	\$34
One Peking	Full
Peninsula Centre	\$28
Peninsula Hotel Off Tower	TBC
Silvercord Tower 1 & 2	\$32 - \$33
South Seas Centre T1 & 2	\$25 - \$31
Star House	\$22 - \$38
The Cameron	TBC
The Gateway Tower 1 & 2	\$39 - \$48
The Gateway - Sun Life	\$40
The Gateway - Prudential Tower	\$42
The Gateway II Tower 6	\$43 - \$52
Tsim Sha Tsui Centre	\$32 - \$36
Wing On Plaza	\$36

Mong Kok / Jordan

Austin Plaza, Jordan	\$24 - \$25
Grand Century Place Towers	\$42
Grand Plaza Tower 1 & 2	Full
Hollywood Plaza	\$31 - \$36
Kowloon Building	\$30
Langham Place	\$36
Manulife Provident Fund Place	\$32 - \$34
Ocean Building	\$20 - \$21
Park In Commercial Centre	\$26 - \$31
Pioneer Centre	\$37
Skyway House	\$16
TAL Building	Full

Hung Hom

One Harbourfront	\$28
Two Harbourfront	\$27 - \$29
The Metropolis Tower	\$32 - \$38

Kowloon Bay

Billion Centre	Full
Chevalier Commercial Centre	\$18 - \$21
Corporation Square	\$12 - \$13
Enterprise Square Tower 1-3	\$18
Enterprise Square Two	\$18
Enterprise Square Three	Full
Enterprise Square Five	\$29 - \$30
Exchange Tower	\$24 - \$27
KITEC	\$19 - \$23
Manhattan Place	\$28 - \$29
OCTA Tower	\$18 - \$22
One Kowloon	Full
Skyline Tower	\$23 - \$27
Telford House	TBC

Kwun Tong

9 Chong Yip Street	\$17 - \$19
78 Hung To Road	Full
181 Hoi Bun Road	TBC
AIA Kowloon Tower	\$25+
AXA Tower Landmark East	Full
C-Bons International Centre	\$29
Crocodile Centre	\$27
EGL Tower	\$19
Elite Centre	\$23
Fun Tower	Full
Futura Plaza	\$20 - \$22
King Palaca Plaza	\$18
Kin Sang Commercial Centre	\$21
KOHO	\$24
Kwun Tong View	Full
Legend Tower	Full
Lu Plaza	\$15 - \$18
Manulife Financial Centre	\$25 - \$29
MG Tower	Full
Millennium City 1 - Tower 1	\$25 - \$28
Millennium City Standard Chartered	\$30
Millennium City 2	\$25 - \$26
Millennium City 3	Full
Millennium City 5 - BEA	\$32 - \$35
Millennium City 6	\$30 - \$32
Nanyang Plaza	Full
One Pacific Centre	\$31 - \$35
Paul Y Centre	\$20 - \$22
Pioneer Place	\$22 - \$23
Prosperity Place	\$20
Rykadan Centre	\$26 - \$27

Cheung Sha Wan

9 Wing Hong Street	\$18 - \$21
909 Cheung Sha Wan Road	\$24 - \$26
CEO Tower	Full
Cheung Sha Wan Plaza	\$20 - \$23
Edward Wong Tower	Full
Ford Glory Plaza	Full
Kings Tower	Full
Laws Commercial Plaza	\$20
Park Building	\$16 - \$17
Tins Enterprise Centre	\$10 - \$17

Shatin

Delta House	\$18
Grand Century Plaza Towers	\$31 - \$32
Shatin Galleria	\$14 - \$15

New Territories

City Landmark	\$26
Ever Gain Plaza	\$19
Grand City Plaza	\$17 - \$18
Kowloon Commerce Centre	\$30+
KC 100	TBC
Landmark North	\$22 - \$23
Metroplaza Tower 1 & 2	\$26 - \$30
Millenium Trade Centre	\$18
Nina Tower	Full

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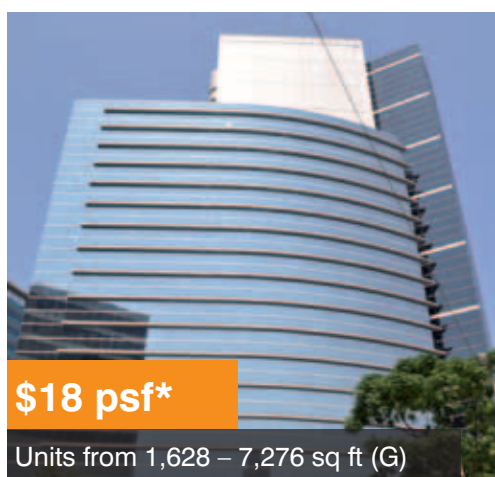
Area Definitions: **G** - Gross (70% efficiency), **L** - Lettable (80 - 85% efficiency), **N** - Net (100% efficiency)



\$24 - \$26 psf*

Units from 1,740 – 9,349 sq ft (G)

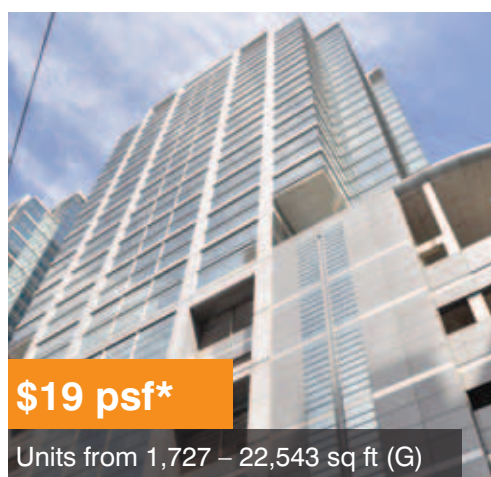
909 Cheung Sha Wan Road
Cheung Sha Wan



\$18 psf*

Units from 1,628 – 7,276 sq ft (G)

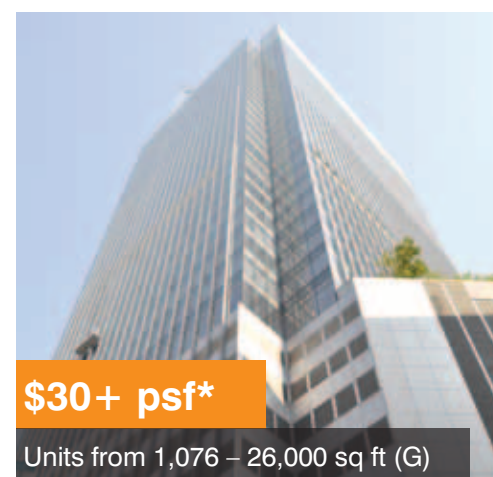
Delta House
3 On Yiu Street, Shatin



\$19 psf*

Units from 1,727 – 22,543 sq ft (G)

Ever Gain Plaza Tower 1 & 2
88 Container Part Road, Kwai Chung



\$30+ psf*

Units from 1,076 – 26,000 sq ft (G)

Kowloon Commerce Centre
51-53 Kwai Cheong Road

Market Overview / Forecast: Supply keeps getting tighter

OVERVIEW - The lack of supply has meant that those companies looking to save costs have limited alternative options to consider and in many cases the cost of fitting out new premises cancels out the marginal savings of moving to a cheaper building nearby.

The market will be led by those companies who need to make substantial cost savings or to right size and by companies new to Hong Kong. The most important scheme under construction at the moment on Hong Kong Island is the HK \$10 Billion twin tower development (2M sq ft) by Swire Developments in Taikoo Place. This involves the redevelopment of Somerset House (Phase 1) and subsequently the

redevelopment of Cornwall House/Warwick House (Phase II). Phase I will comprise a 51-storey office tower slated for completion in 2017/18. Phase II will comprise a slightly smaller tower of 46-storeys. Another important scheme is the redevelopment of Asian House in Wan Chai (approx. 360,000 sq ft) by the Chinachem Group, but again this is not scheduled for completion until 2018.

The impact / importance of CBD2 in Kowloon East will increase as the infrastructure improves and the critical mass develops. The earliest large space users to move to this area were insurance companies such as Manulife and AIA and a few banks such as China Construction Bank and Hang Seng Bank.

However, the latest mega deal with the giant US bank Citibank to take 512,000 sq ft, the whole block in the Wheelock Properties scheme One Bay East – East Tower (a deal worth HK 5.42 Billion) is proof that this location is likely to have a very positive future and is a real vote of confidence. We expect more financial institutions to follow suit which in turn should free up more space in prime Central.

FORECAST - Demand for office space is expected to continue to be weak for at least another year. We predict the market will continue to compress with the economy options firming and the top end, where there is still limited demand, softening slightly further.

Weak demand expected for at least another year

Prime effective Grade A rents average around \$92 per sq ft (ranging from \$85-\$120 per sq ft) and these will continue to bottom out over the course of the next 12 months. Mid-tier rates between \$50 and \$75 per sq ft are likely to remain static and the economy range between \$30 and \$45 per sq ft could firm by around 10% over the next year. We expect companies to become more flexible in their choice of locations given the limited amount of alternatives and Kowloon East will be firmly on the radar for large space users.

Useful Contacts For Tenants

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One Space

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M Moser Associates

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Southern Interiors

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www.rhkdesign.com

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www.issss.hk

Superior Solutions

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www.superior-solutions.com

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www.alliedpickfords.com.hk

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