



Vigers Realty presents



Hong Kong/China Commercial Property - 2009 & Beyond

www.Vigers.com



Vigers Profile

London

since

1842

Hong Kong

since

1975



Fully Integrated Real Estate Service Providers

Corporate Services

Tenant Representation

Agency

Commercial / Retail / Industrial / Investment

Appraisal & Consulting

Valuation / Research

Property Management

Facilities Management / Asset Management

Professional Services

Building Consultancy / Architectural Services

Vigers act exclusively for tenants
NO CONFLICT OF INTEREST

www.Vigers.com



Staff Member

Hong Kong

Neil Campion

Executive Director

22 yrs experience



Personal Track Record
Neil Campion



DEBEVOISE & PLIMPTON LLP

South China Yamane



Prebone Yamane

Remy

Silvergrant International



Silver Grant International Industries Limited

Eralda Industries

BOTTEGA VENETA

Staff Member

Hong Kong

Victor Lee

Director

14 yrs experience



Personal Track Record
Victor Lee

McAfee®

INTESA  SANPAOLO



AVAYA

RafflesMedicalGroup

To Our Patients Our Best



HOGAN &
HARTSON

RAIN & COMPANY

HellerEhrman_{LLP}

DE Shaw & Co

Dairy
Farm



NEW ZEALAND
Consulate-General HONG KONG
TE AKA AORERE

JCDecaux Cityscape

AIR FRANCE 

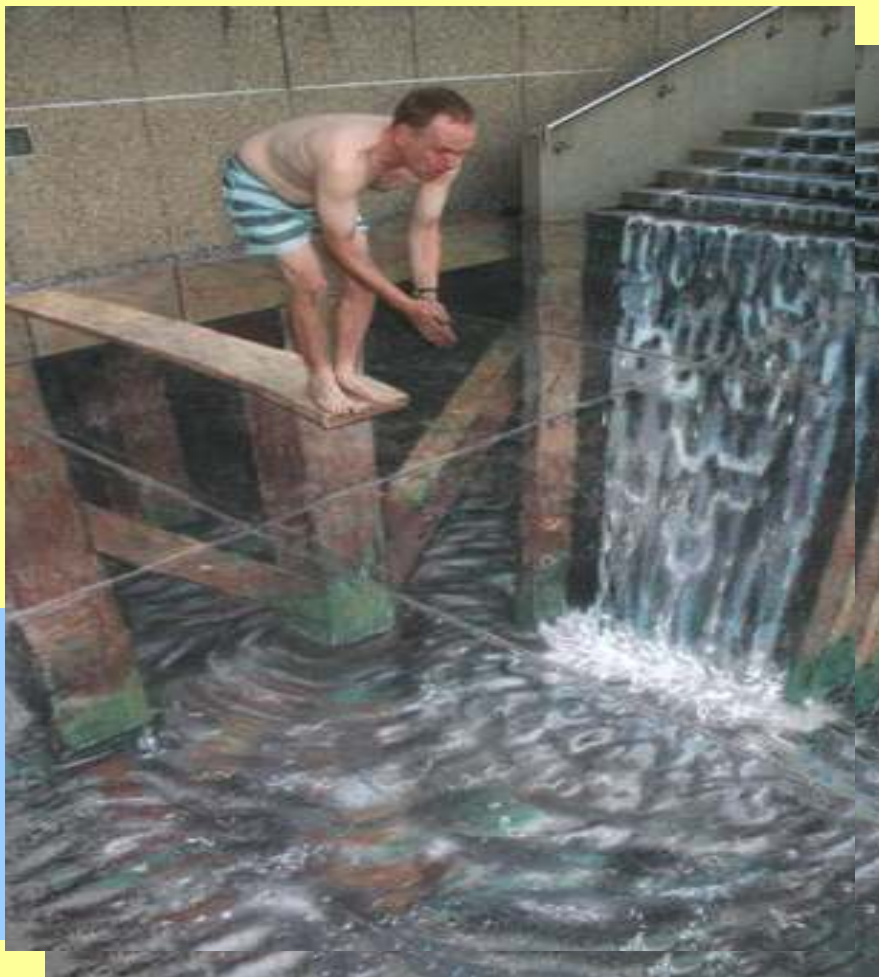
nwa.

S | A | C
Capital Advisors, LLC

The RELIABLE Group  The RELIABLE Group 

www.Vigers.com





Anamorphic Drawings By Julian Beaver

Taking the plunge

Vacancy Rate as of December 2008



CHEUNG KONG The Center	1.5%
HKL	1.8%
SHK One & Two IFC	2% & 5%
SWIRE PP1 & 2 *	0.6%
SHK Central Plaza **	0%
HYSAN	2.2%
HARRIMAN	2.1%
SWIRE Island East	0.8%
WHARF	4.4%

* PP3 fully let

** Since Apr '08

Market Adjustment Since Oct '08

Single Ownership

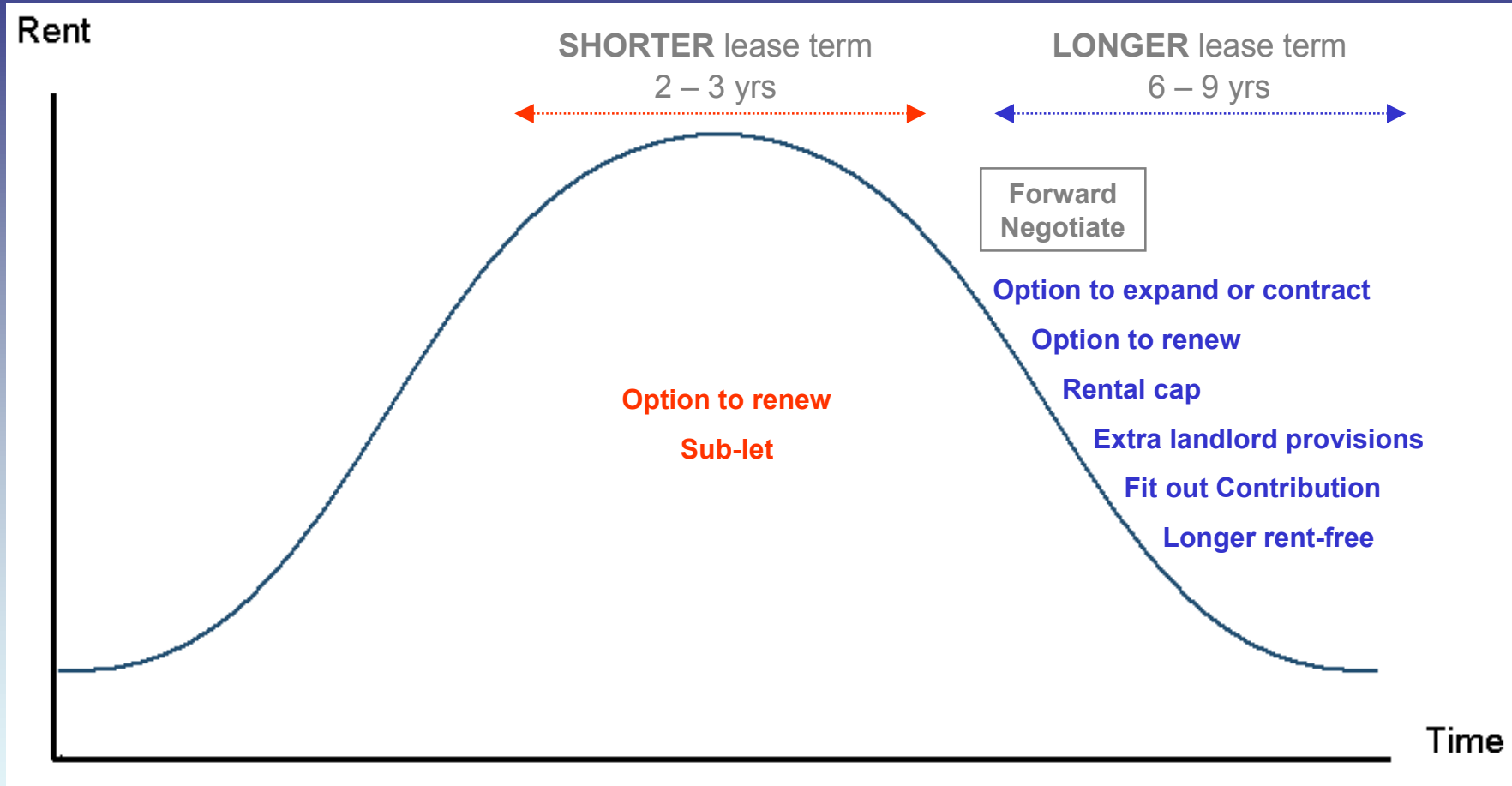
Rent ↓ 10 - 20%

Multiple Ownership

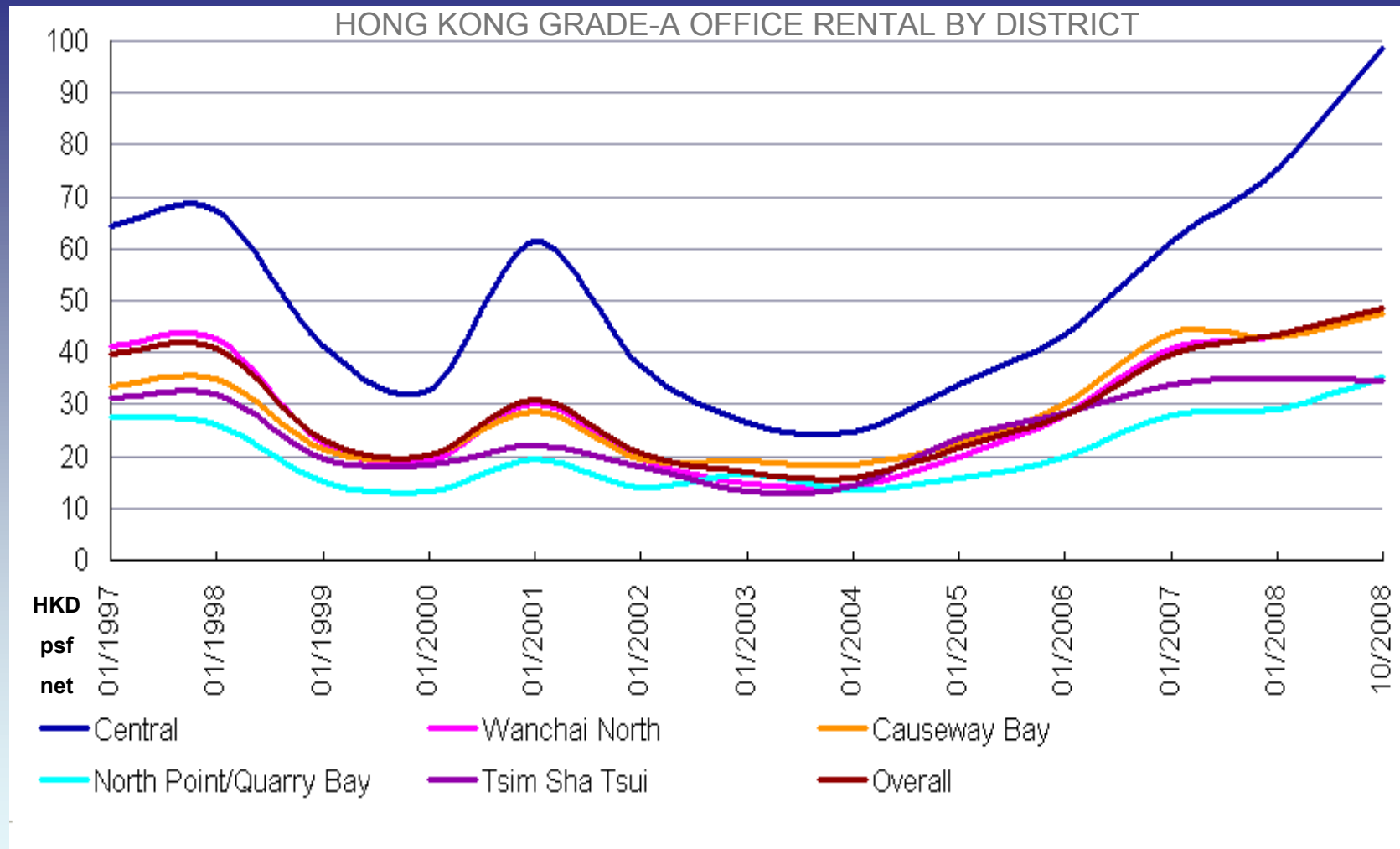
Rent ↓ 20 - 30%

Price ↓ 35%

Lease Negotiation



Rental Performance



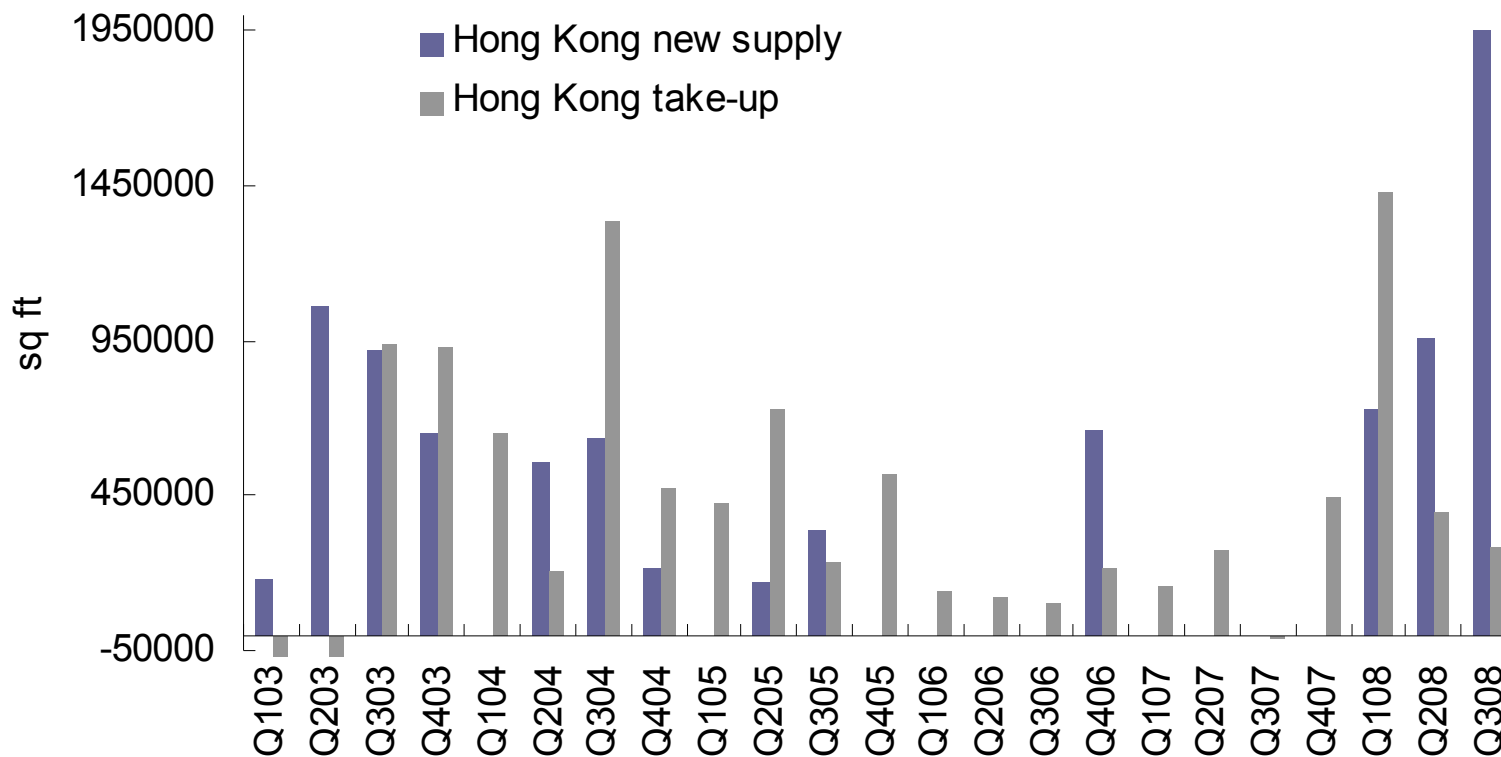
Rental Performance

CENTRAL GRADE-A OFFICE RENTAL & CAPITAL VALUES

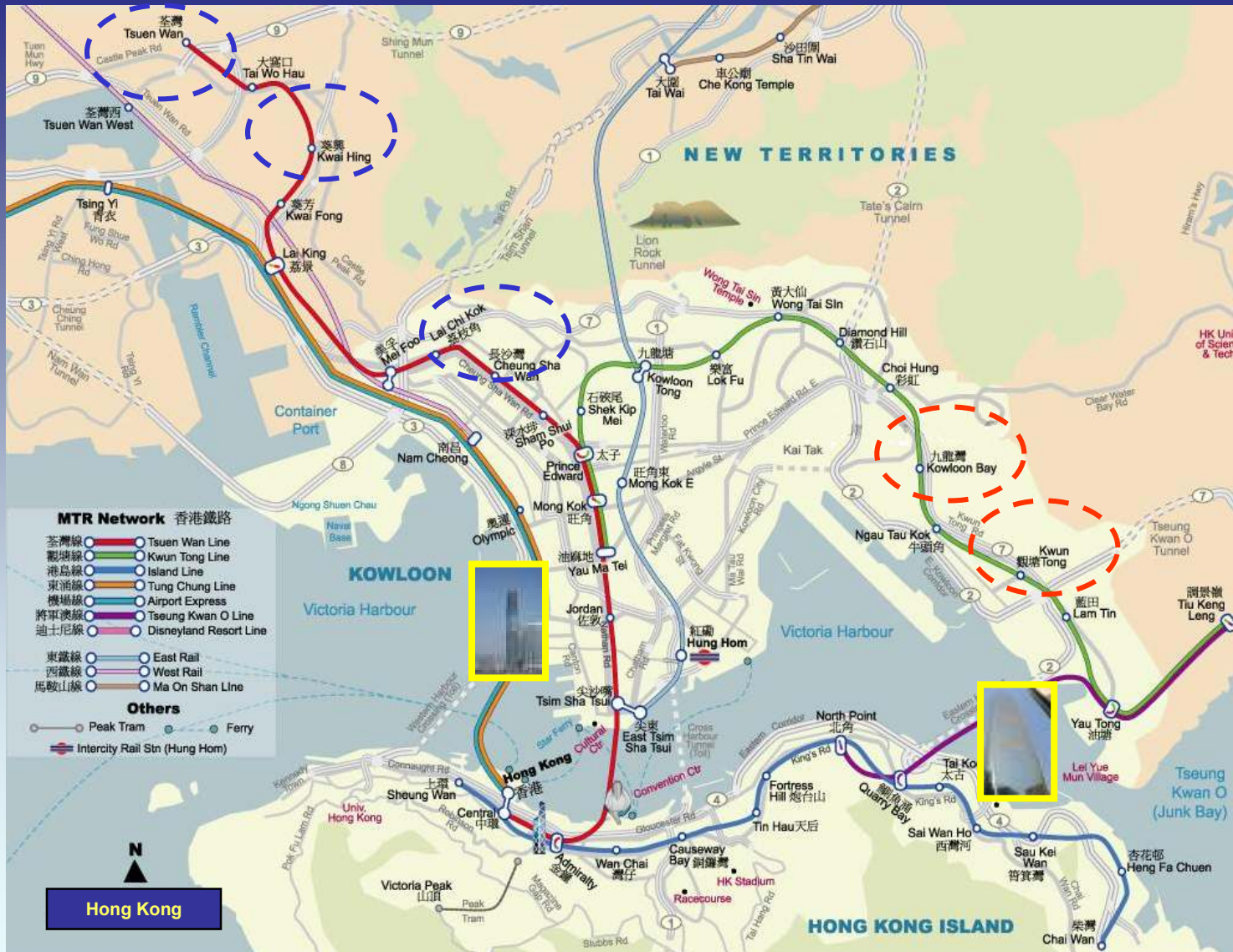


Source: Rating & Valuation Department

HONG KONG GRADE-A OFFICE QUARTERLY SUPPLY, TAKE-UP & VACANCY RATE



New Supply



www.Vigers.com

New Supply - Island East



www.Vigers.com

New Supply - Island East



3 floors remaining

ONE ISLAND EAST

67-storey / Approx 1.5 million sf total

20,311 – 21,833 sf lettable per floor

DBS Bank *

Citibank

JPMorgan

CLSA

Fidelity

Convoy Financial

AXA Rosenberg

Zurich Insurance

Ernst & Young

Aedas

AIA

Christian Dior

Tiffany & Co

The Marketing Store

China Shipping

ZIM Shipping

Shriro Pacific

Club 21

Neo Derm

Transamerica

Citrix

* 11 floors

www.Vigers.com

New Supply - Kowloon West



www.Vigers.com



3 floors remaining in Phase 2

INTERNATIONAL COMMERCE CENTRE

118-storey / Approx 2.5million sf total

31,182 - 38,864 sf gross per floor

Phase 1 / Zone 1-2 (10-47/F)..... Dec 2007

Phase 2 / Zone 3-4 (50-87/F)..... July 2009

Phase 3 / Zone 5 (88-99/F)..... Early 2010

Phase 4 Ritz Carlton..... Late 2010

Morgan Stanley

EFG Bank

Titan Resources

China Haidian

SNP Vite

ABN AMRO

Credit Suisse

Deutsch Bank (Q3 2010) *

* 12 floors

www.Vigers.com

New Supply - Kowloon East



www.Vigers.com



KWUN TONG 觀塘

Landmark East
巧明街100號

100 How Ming Street

HK\$ **16** psf
GROSS
Estimated effective rent

14,000 - 28,000 sf

- Available Immediately
- 150mm raised floor



KWUN TONG 觀塘

Millennium City 6
創紀之城6期

392 Kwun Tong Road

HK\$ **25** psf
GROSS
Estimated effective rent

8,631 - 17,606 sf

- Available Immediately
- 150mm raised floor

CIGNA (2 floors)
Henkel (2 floors)
Smart Shirt (2 floors)

Pricewaterhouse
Coopers (90,000 sf)
CMA CGM
Shipping (60,000 sf)



KWUN TONG 觀塘

Kwun Tong 223
觀塘 223

223 Kwun Tong Road

HK\$ **14** psf
GROSS
Estimated effective rent

30,917 sf

- Available Immediately
- 190-340mm raised floor

DBS (3 floors)
MTRC (3 floors)
Hugo Boss (2 floors)
Farrington Travel

New Supply – Kowloon East



www.Vigers.com



KOWLOON BAY 九龍灣

Exchange Tower

國際交易中心

33 Wang Chiu Road

HK\$ **14** psf
GROSS

Estimated effective rent
27,500 - 28,000 sf

- Available Immediately
- 150mm raised floor
- Sky Garden

Caltex

Premier Electronics
(12,000 sf)

Nestle Foods
Mast Garment
Global Payment
CASH



KOWLOON BAY 九龍灣

Manhattan Place

曼克頓廣場

23 Wang Tai Road

HK\$ **17** psf
LETTABLE

Estimated effective rent
16,850 - 21,180 sf

- Available Immediately
- 150mm raised floor

1 Wang Kwong Rd for sale only

www.Vigers.com

New Supply - Kowloon North



www.Vigers.com

New Supply - Kowloon North



LAI CHI KOK 荔枝角

909 Cheung Sha Wan Rd
長沙灣道909號

909 Cheung Sha Wan Road

HK\$ **23** psf
GROSS

Estimated effective rent

8,835 sf

- Available Immediately
- 150mm raised floor



KWAI HING 葵興

Kowloon Commerce Centre
九龍貿易中心

215 Kwai Cheong Road

HK\$ **13** psf
GROSS

Estimated rent

22,492 - 23,000 sf

- Available Immediately (Tower 1)
- 150mm raised floor

DSP Group
Sun Life (Training)

KFC
Birdland
(1 floor)
Flextronics
(2 floor)
Asia Today
(0.5 floor)



Tsuen Wan 荃灣

Nina Tower
如心廣場

8 Yeung Uk Road

HK\$ **12** psf
GROSS

Estimated effective rent

21,000 sf

- Available Immediately
- 450mm raised floor
- Under-floor a/c system

Sharp Roxy (1 floor)
China Mobile (2 floors)

www.vigers.com

Banking / Finance / Accounting / Insurance

	From		To	
Agriculture Bank	N/A	New Division	Admiralty	One Pacific Place
Allianz	Wanchai	Great Eagle Centre	Quarry Bay	Cityplaza
Cathay United Bank	N/A	Back Office	Quarry Bay	Lincoln House
Catlin	Central	The Center	Central	Nexus
E Sun Bank	Wanchai	Central Plaza	Tsim Sha Tsui	The Gateway
Falcon Insurance	Causeway Bay	Times Sq	Quarry Bay	DCH Commercial Centre
Global Payments	Central	The Center	Kowloon Bay	Manhattan Place
Intesa Sanpaolo	Central	Edinburgh Tower	Causeway Bay	Manulife Plaza
iOne Financial	Central	Wheelock House	Central	Wheelock House *
Janus Capital	Central	Cheung Kong Center	Central	Citibank Plaza
Morgan Stanley Capital	Central	Jardine House	Central	Nexus Bldg
PricewaterhouseCoopers	N/A	Training Facility	Kwun Tong	Kwun Tong 223
Principle	Wanchai	Shui On Centre	North Point	Island Place Tower
Rabobank	Central	Exchange Sq	Central	York House
Sarasin Rabo	Central	Gloucester Tower	Central	Gloucester Tower *
STIC Int'l	Central	One Exchange Sq	Central	Nexus Bldg
Taiwan Business Bank	Central	Central Tower	Tsim Sha Tsui	The Gateway Tower 6
West LB	Central	ICBC Tower	Central	Citibank Tower

* in-house expansion

Tenant Movements – 2007/08

Legal

	From		To	
Appleby	Central	The Center	Central	Bank of America Tower
Kirkland & Ellis	Central	Citibank Plaza	Central	Gloucester Tower
Proskauer Rose	N/A	New Start-up	Wanchai	Central Plaza
Ropes & Gray	Central	York House	Central	Chater House
Skadden	Central	Edinburgh Tower	Central	Edinburgh Tower *
Walkers Asia	Central	Chater House	Central	Alexandra House
White & Case	Central	Gloucester Tower	Central	Central Tower

* in-house expansion

Airlines

	From		To	
Air India	Sheung Wan	Vicwood Plaza	Wanchai	Hopewell Centre
Air Mauritius	Admiralty	Far East Finance Centre	Admiralty	Admiralty Centre Tower 1
Alitalia Cargo	Sheung Wan	Vicwood Plaza	Sheung Wan	Cosco Tower
All Nippon Airway	Central	One IFC	Tsim Sha Tsui	The Gateway Tower 6
Asiana Airline	Central	Gloucester Tower	Tsim Sha Tsui	The Gateway Tower 2
China Airlines	Admiralty	One Pacific Place	Quarry Bay	Devon House
Ethiopian Airlines	Central	Ruttonjee House	Tsim Sha Tsui	Lippo Sun Tower
Eva Air	Central	Jardine House	Wanchai	Luk Kwok Centre

Tenant Movements – 2007/08

Shipping

	From		To	
Anglo Eastern	Wanchai	248 Queen's Rd East	Wanchai	248 Queen's Rd East *
China Shipping	Central	The Center	Quarry Bay	One Island East
CMA CGM	Quarry Bay	Fortis Tower	Kwun Tong	Kwun Tong 223
Schenker	Wanchai	China Resources Bldg	Kowloon Bay	Skyline Tower
Zim	Wanchai	Allied Kajima Bldg	Quarry Bay	One Island East

* in-house expansion

IT

	From		To	
AMD	Causeway Bay	Times Sq	Mongkok	Langham Place
Google	N/A	Business center	Causeway Bay	Times Sq
High Soft	Sheung Wan	Li Po Chun Chambers	Kowloon Bay	Skyline Tower
McAfee	Sheung Wan	Vicwood Plaza	Quarry Bay	Warwick House

* in-house expansion

Others

	From		To	
BAT	Admiralty	One Pacific Place	Central	Two IFC
Burson-Marsteller	Wanchai	248 Queen's Rd East	Quarry Bay	Chinachem Exchange Sq
China Water	N/A	New Division	Tsim Sha Tsui	One Peking Rd
Lauren Group	Causeway Bay	Times Sq	Quarry Bay	633 King's Rd
LV Marc Jacob	Quarry Bay	Dorset House	Quarry Bay	633 King's Rd
Pfizer	Admiralty	One Pacific Place	Wanchai	Central Plaza
Robert Walters	Central	One Exchange Sq	Central	Nexus Bldg
Samsung	Central	Two IFC	Wanchai	Central Plaza
Taubman Asia	Admiralty	One Pacific Place	Central	AON China Bldg
The Marketing Store	Quarry Bay	Stanhope House	Quarry Bay	One Island East
Tiffany & Co	Central	Hong Kong Club	Quarry Bay	One Island East

2008

- Steady Influx of New Start-up Companies
- Rapid Expansion Within BFAI Sector
- High Occupancy in Most Buildings
- Record-high Rent/Price
- No New Supply in CBD
- Renewals/Rent Reviews Agreed Prior to Market Downturn

JPMorgan's Rent Review
Agreed in Chater House

KPMG
Renewed in Prince's Bldg

Herbert Smith
Renewed in The Landmark

2009

- Stagnant Business
- More Insolvencies & Foreclosures
- Credit Crunch
- Consolidation
- Relocation From 1st to 2nd Tier Buildings
- Relocation From CBD to Fringe Areas
- Slower Construction
- More Pronounced Impact on Sales & Leasing Market

Completion of
Millennium City 7
(end '09)

Baker & McKenzie
vacating Hutchison House

Higher take-up
in Kowloon

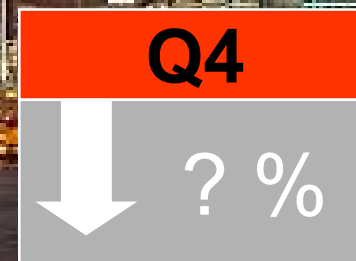
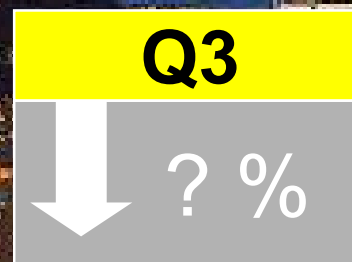
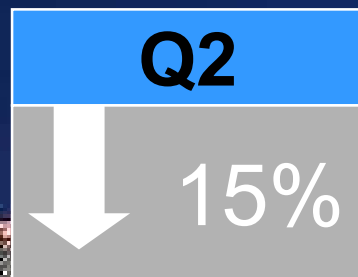
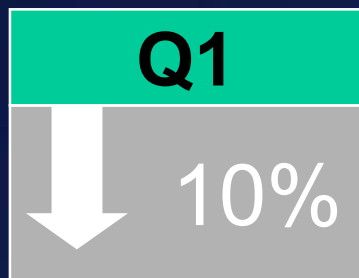
Macquarie declined
to exercise option in One IFC
(70,000 sf)

ING dropped
expansion plan in Exchange Sq
(60,000 sf)

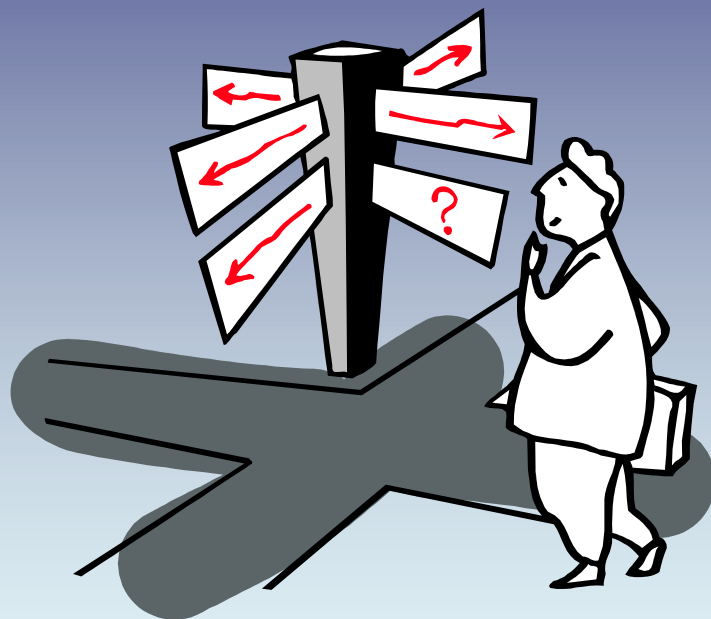
Transfer of HK Club ownership
(Mid '09)

Total of 5 whole floors
Available in Vicwood Plaza
(Q2 '09)

The Way Forward



2010



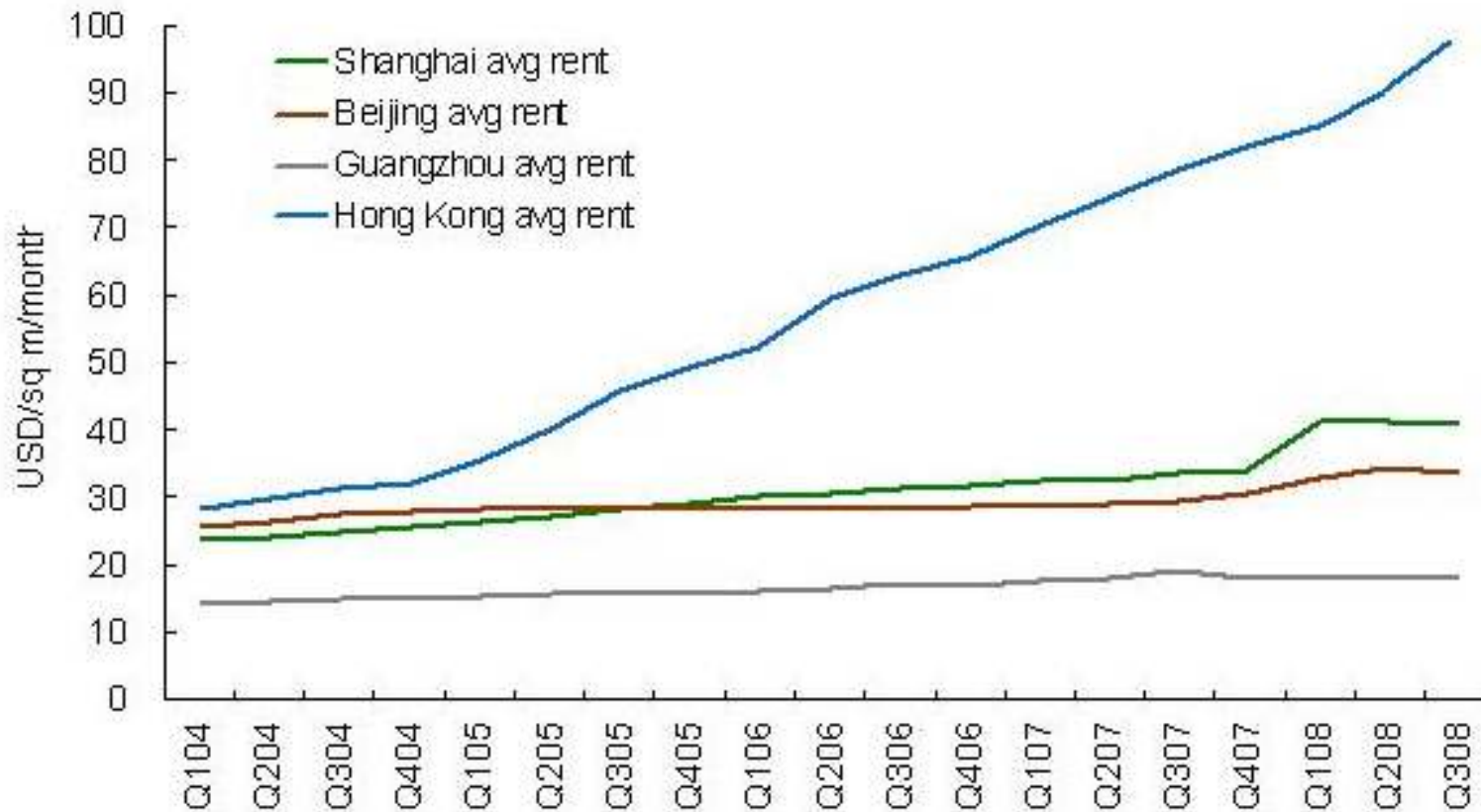
Deutsche Bank
vacating Cheung Kong Centre
(Q3 2010 & Q4 2011)

JSM lease expires
In Prince's Bldg
(Early 2010)

Completion of
Hennessy Centre Redevelopment
(early 2011)

City Comparison

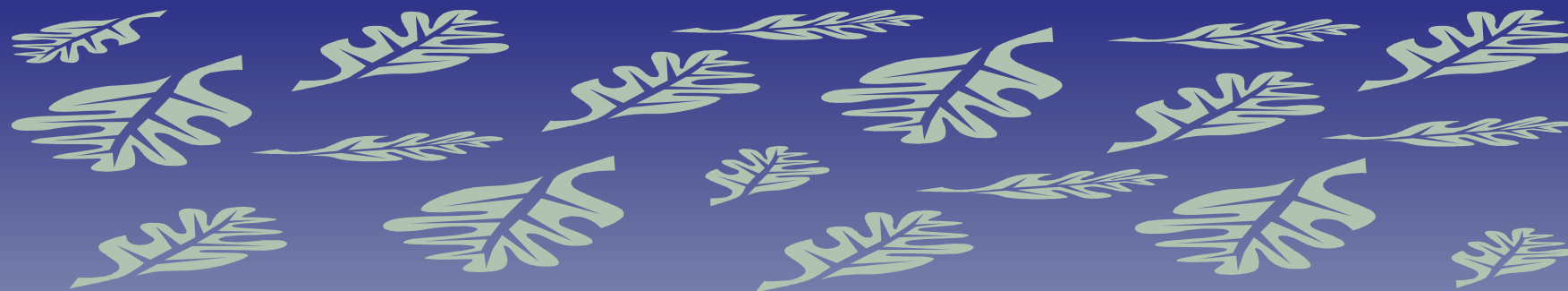
COMPARISON OF GRADE-A OFFICE RENTS
IN DIFFERENT CITIES



China Office Market



Purchase
Leasing
W.O.F.E.
S.A.F.E.



Thank you
Happy Holidays

www.Vigers.com

