

REPUBLIC OF SINGAPORE

ECONOMY

- Singapore has a highly developed market-based economy and is known as one of the 'Four Asian Tigers'. The other three countries are Hong Kong, South Korea and Taiwan.
- Holds 14 bilateral and multilateral trade agreements with countries all over the world including Japan, the United States of America and various nations in Southeast Asia.
- The busiest port in the world and is the fourth largest foreign exchange trading center after London, New York City and Tokyo.

REAL ESTATE MARKET

- Condominiums/high-rise buildings are the most popular and most essential due to Singapore's small geographic size.
- The government implemented the Housing Development Board after the housing shortage in the 1960's. Currently, approximately 80-90% of the population lives in HDB flats.
- The investment market is dominated by local REITs and Pramerica.
- Retail sales in 2007 were an estimated \$265 million US and \$602 million US in 2008 YTD.
- Office sales in 2007 were an estimated \$10.2 billion and \$2.8 billion in 2008 YTD.
- Mortgage rates are 2.5%-3.5%.



Singapore Market Report

SINGAPORE SHOWS POSITIVE GROWTH IN 2008 AND BEYOND

Singapore is one of three remaining city-states in the world and is the smallest nation in Southeast Asia. It is also one of the most globalized countries in the world and continues to welcome international trade and foreign investment.

After becoming an independent nation in 1965, Singapore has since developed from a rural fishing village to an international trading center.

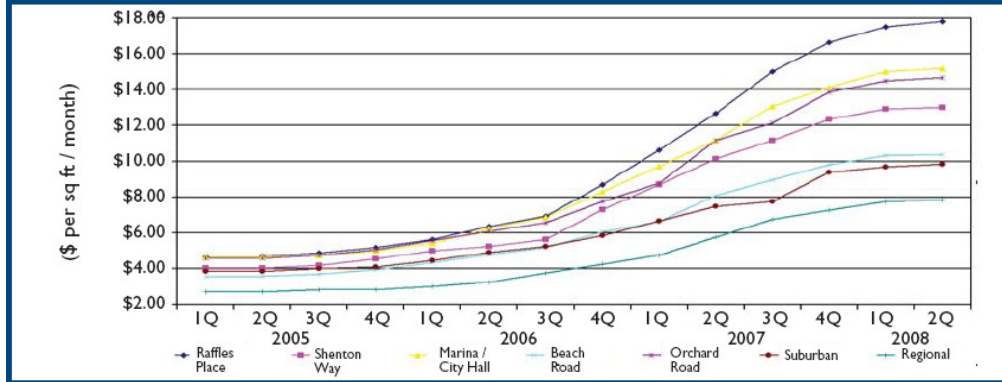
Singapore's fundamentals are very strong; population continues to grow; tourism has increased and household incomes have risen at the fastest rate in ten years – up 9.1% in 2007.

Three key economic components to growth include manufacturing, financial services and business services. The office market has seen sustainable rental growth island wide and continues to be driven by wealth and financial services sector.

Despite US economic downturns, Singapore's growth has remained progressive. The central bank of Singapore (MAS) forecasts the economic growth up 6% in 2008.

With this growth, Singapore is experiencing limited availability on space (at only 0.6%). A greater supply is forecasted for 2010-2012 at approximately 12.8m sq ft.

**AVERAGE MONTHLY GROSS RENTS OF GRADE A OFFICE SPACE
(BY MICROMARKET)**



All amounts in are in US dollars.

Occupancy Rates (end-quarter)	4Q07 (%)	1Q08 (%)	q-o-q Change (%)	1Q07 (%)	y-o-y Change (%)
Average CBD Core	97.3	97.3	0	96.8	+0.5
Raffles Place and Vicinity	98.7	98.5	-0.2	97.5	+1.0
Shenton Way	99.0	98.2	-0.8	98.3	-0.1
Cecil Street	95.4	96.6	+1.2	96.2	+0.4
Robinson Road	95.7	95.5	-0.2	96.4	-0.9
Marina Centre	99.6	99.3	-0.3	99.2	+0.1

CBD Core Office Market	4Q07	1Q08	q-o-q Change (%)	1Q07	y-o-y Change (%)
Capital Value Index	173.9	173.9	0	119.13	+46
Rental Value Index	215.6	234.5	+8.8	152.25	+54

Grade A office space is expected to remain above 95% in the immediate term with rents forecasted to hold firm or rise marginally by not more than 2% on average per quarter for the 2008 third and fourth quarters.

In 2Q 2008, more firms have announced plans to move some or all of their operations to alternative premises such as retrofitted State buildings, transitional offices, hi-tech industrial space and business parks.

AVERAGE MONTHLY GROSS RENTS OF OFFICE SPACE

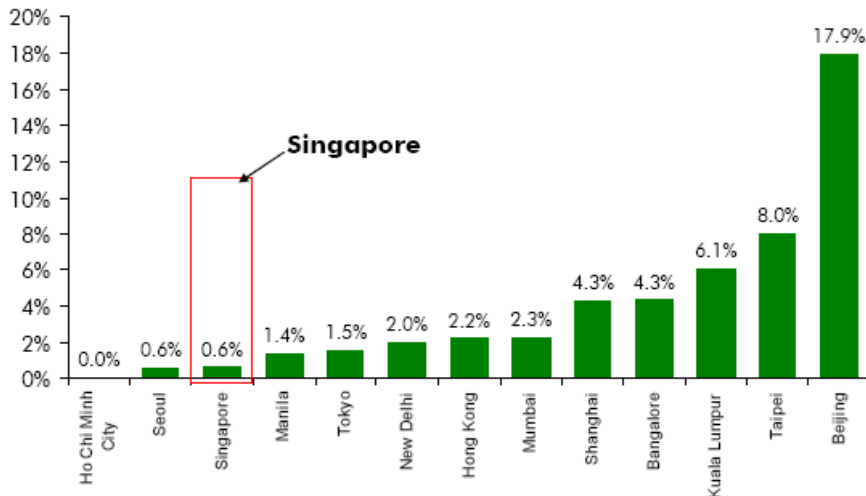
	Average Monthly Gross Rents (\$ per sq ft/month)		Quarter-on-Quarter Change	
	1Q 2008	2Q 2008	1Q 2008	2Q 2008
Grade A				
Raffles Place	\$17.52	\$17.82	5.3%	1.7%
Shenton Way	\$12.92	\$13.00	4.8%	0.6%
Marina/City Hall	\$15.00	\$15.18	6.2%	1.2%
Orchard Road	\$14.50	\$14.68	4.7%	1.2%
Beach Road	\$10.31	\$10.39	5.1%	0.8%
Regional	\$7.75	\$7.83	6.9%	1.0%
Suburban	\$9.69	\$9.82	3.2%	1.3%
Grade B				
Raffles Place	\$11.75	\$11.88	2.2%	1.1%
Shenton Way	\$10.83	\$10.92	3.9%	0.8%
Orchard Road	\$11.75	\$11.91	7.3%	1.4%
Beach Road	\$7.11	\$7.19	6.0%	1.1%
Regional	\$7.22	\$7.25	4.3%	0.4%
Suburban	\$6.53	\$6.53	3.8%	0.0%

Average monthly gross rents of Grade A office space in Raffles Place inched up by a modest 1.7% in Q2 2008 while average monthly gross rents of Grade A office space in other micromarkets saw moderate increases ranging between 0.6% and 1.3%.

Singapore also remains politically stable with a well defined city planning framework and a legal system established based on English law. There are no restrictions on foreign real estate ownership, no capital gains tax and businesses see a low corporate tax of 18%.

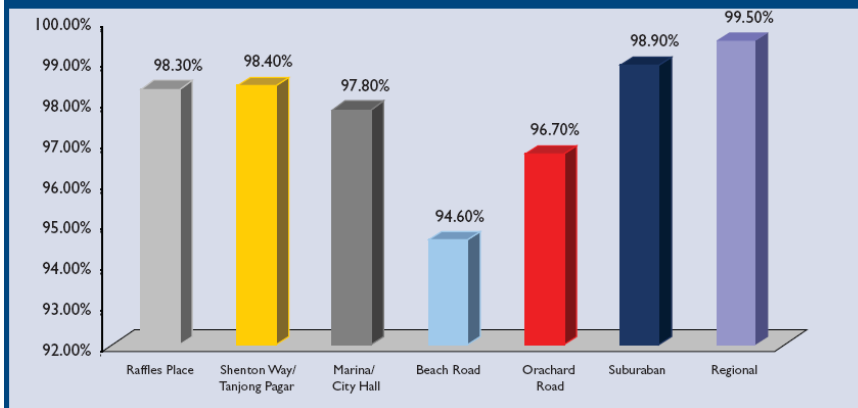
Such tax benefits, a strong economy and sustainable growth make Singapore an excellent choice for US businesses wanting to expand into Asia.

Vacancy %



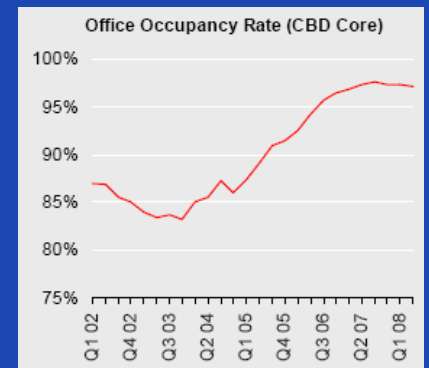
The key challenge to the property market in Singapore will be continually providing new and innovative stock to support the increasing population of both foreigners and residents.

AVERAGE OCCUPANCY RATES OF GRADE A OFFICE SPACE AS OF 2Q 2008 (BY MICROMARKET)



Location	Grade A	Grade B
Raffles Place	\$17.82	\$11.88
Shenton Way	\$13.00	\$10.92
Orchard Road	\$14.68	\$11.91
Beach Road	\$10.39	\$7.19
Regional	\$7.83	\$7.25
Suburban	\$9.82	\$6.53

Category	Rent	Vac.
Office	\$10.8	2.7%
Industrial	\$1.0	8.1%
Retail	\$26.3	0.4%



KEY ECONOMIC GROWTH COMPONENTS

- Manufacturing** - Electronics, biomedical manufacturing, precision engineering, transport engineering and chemicals.
- Financial Services** - Banking and insurance.
- Business Services** - Real estate, legal, accounting, architectural and engineering activities as well as business offices.



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