



The Knowledge Report

SERVICED APARTMENT | FOURTH QUARTER | 2008



Guangzhou Serviced Apartment Market 广州服务式公寓市场

MARKET INDICATORS

2008 4Q

VACANCY



RENTAL RATE



Source: Colliers International Guangzhou
数据来源: 广州高力国际

ECONOMIC OVERVIEW

Since the credit crisis evolved into a financial tsunami, it has continued to affect the Guangzhou serviced apartment market. Although the Government has implemented a number of measures to stimulate the economy, continued volatility is still affecting the high-end residential market leading the transaction volume to go down. Sales price and rent have fallen sharply. The Central Government continued to cut interest rates to boost the economy over the past year. It is expected that macro measurements to stimulate the economy will need some time to take effect.

In 2008, utilisation of foreign investment has appeared to slow down; the amount of contracted foreign investment has fallen 15.5% compared to 2007. Among this, the amount of contracted foreign capital of foreign direct investment has decreased by 15.9%, reflecting that foreign enterprises are cautious about the prospects. Suffering from the international financial crisis, external demand is weakening, export orders have reduced, and Guangzhou City is mainly an export-oriented region; foreign trade and utilisation of foreign investment are having a substantial impact. The economy will need some time to rebound.

经济概述

自信贷危机逐渐演变成金融海啸后, 经济环境的恶化对广州服务式公寓市场的冲击仍然持续。虽然政府推出多项措施刺激经济, 但高端住宅物业市场仍持续低迷, 成交量缩减, 租金和售价均出现较大幅度的下滑。过去一年中央政府持续降息以振兴经济, 预计政府出台的刺激经济措施仍需要一段时间才能逐步显现其效果。

2008年, 利用外资的增长速度明显放缓, 合同利用外资金额同比下降15.5%; 当中外商直接投资合同外资金额下降15.9%, 明显反映外资企业对前景抱审慎态度。受国际金融危机的影响, 外部需求减弱, 国内出口企业订单减少, 由于广州市主要以出口为主, 对外贸易和利用外资都受到一定程度的影响, 预期经济复苏仍需一段时间。

Table 1 Major Economic Indicators of Guangzhou

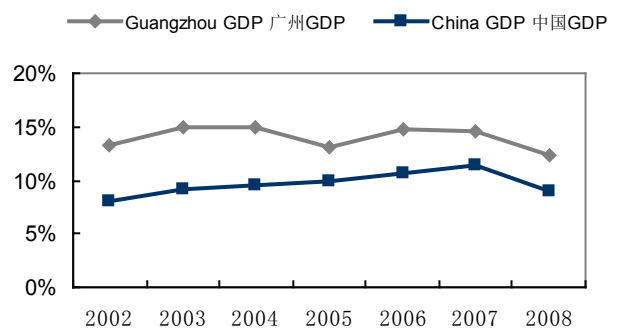
表1 广州市主要经济指标

Indicator 指标	2002	2003	2004	2005	2006	2007	2008
Guangzhou GDP 广州 GDP	13.2%	15%	15%	13%	14.73%	14.5%	12.5%
China GDP 中国GDP	8.0%	9.1%	9.5%	9.9%	10.7%	11.4%	9%
Inflation Rate 通货膨胀率	-	0.1%	1.7%	1.5%	2.3%	3.4%	5.9%
Interest Rate (1 to 3 years commercial loan rate) 基础贷款利率 (一到三年期商业贷款利率)	-	5.49%	5.76%	5.76%	6.3%	7.47%	5.76%

Source: Guangzhou Statistics Bureau, Colliers International Guangzhou
数据来源: 广州市统计局, 广州高力国际

Figure 1 Guangzhou GDP Growth vs. National GDP Growth

图1 广州GDP增长率 vs. 全国GDP增长率



Source: Guangzhou Statistics Bureau, Colliers International Guangzhou
数据来源: 广州市统计局, 广州高力国际

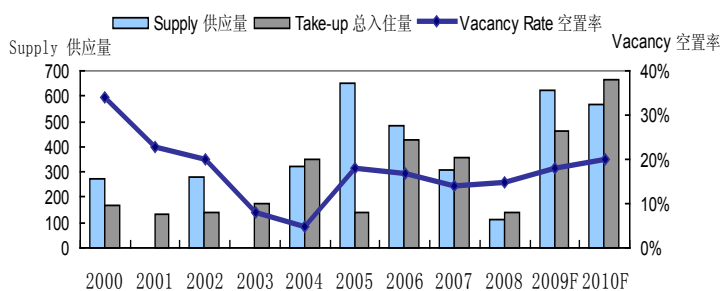


OVERALL SERVICED APARTMENT MARKET

The impact of the financial tsunami has led Guangzhou's real estate market to go through significant adjustments. The office leasing market has started to shrink, and serviced apartments are also facing a similar situation. The serviced apartment market normally stays dormant during the Christmas and New Year holidays. This coupled with the deepening financial impact of the financial turbulence has reduced expatriate arrivals in Guangzhou. Some of the foreign corporations aiming to achieve cost control have adopted localization issues, such as promoting previous local staff to replace expatriate positions to minimise operating costs. Some other foreign corporations have cut housing allowance, a reduction of about 10-20%, which has led rentals to have room to move downward. In 4Q 2008, there were no serviced apartment projects launched into the market. Based on the previous situation, the vacancy rate of serviced apartments is foreseen to increase continuously.

Figure 2 Guangzhou Serviced Apartment Supply, Take-up and Vacancy Rate

图2 广州服务式公寓市场供应量、空置率与总入住量



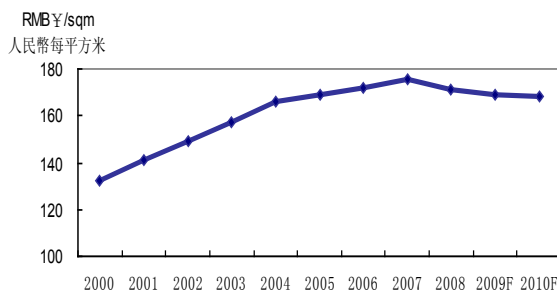
Source: Colliers International Guangzhou
数据来源: 广州高力国际

整体服务式公寓市场

金融海啸所带来的冲击, 使广州房地产市场出现大调整。办公楼租赁市场出现萎缩, 服务式公寓亦呈现相同情况。临近圣诞、新年长假期等, 使服务式公寓市场交投较为淡静; 加上受金融海啸深化影响, 来广州的外籍人员大大缩减, 据了解部分外资企业因是次金融海啸将部分外籍人员撤离, 加强本地化以控制成本。亦有跨国公司削减住房津贴, 减幅达10 - 20%, 逼使租金下调空间增大, 2008年第四季度, 市场没有服务式公寓落成, 以目前情况, 服务式公寓空置率仍会继续上升。

Figure 3 Guangzhou Serviced Apartment Rental

图3 广州服务式公寓租金



Source: Colliers International Guangzhou
数据来源: 广州高力国际

SERVICED APARTMENT LEASING MARKET

Subject to the international financial impact of the economic downturn in 4Q 2008, the rents of serviced apartments have experienced an adjustment. As to the negative factors that are gradually emerging, many more companies have postponed their development plans. Companies that originally planned to recruit new staff have had to reduce the headcounts or freeze their development plans. Demand for serviced apartments has decreased. Under the market uncertainty and facing fierce competition with the high-end residential leasing market, owners of serviced apartments have introduced rent concessions and a number of additional value-added services to tenants in order to maintain occupancy rates. Value-added services include: providing free breakfast, broadband Internet access and rent-free periods and other concessions.

This quarter, the rent for serviced apartments amounted to RMB 158 per sq m, down 8.86% quarter-on-quarter (q-o-q). Facing the impact of the global financial crisis, the vacancy rate climbed to 22%. It is predicted that demand for serviced apartments will continue to weaken in the first half of 2009. At present, the room for rental bargaining has shrunk for owners; because rent reductions have decreased by a considerable amount in the past six months. Furthermore, owners expect that the

服务式公寓租赁市场

2008年第四季度, 受国际金融经济下滑的影响, 服务式公寓的租金大幅调整, 负面因素亦逐步浮现。各行各业的公司纷纷推迟发展计划, 原定计划招聘的员工数目将缩减或冻结, 外籍人士对服务式公寓的需求明显减弱。服务式公寓的业主在与高端住宅租赁市场竞争的同时, 面对前景不明朗, 为保持入住率, 推出租金优惠及多项增值服务优惠吸引租客, 如: 提供免费早餐、宽带上网服务及免租期优惠等。

本季度, 服务式公寓的租金为每平方米人民币158元, 相比上季下跌8.86%。受全球金融危机冲击影响, 本季度空置率攀升至22%, 预计2009年上半年服务式公寓的需求仍会继续减弱。据了解目前业主的议价空间已缩小, 由于租金在过去半年下调幅度已相当多, 加上业主憧憬农历年后, 楼市有机会回暖, 所以估计租金下调空间将会逐渐收窄。

half of 2009. At present, the room for rental bargaining has shrunk for owners; because rent reductions have decreased by a considerable amount in the past six months. Furthermore, owners expect that the property market has the opportunity to pick up after the Chinese New Year. It is estimated that the room for rental falls will narrow.

务式公寓供应不多，故少量租户现阶段亦会选择一些豪华私人住宅如汇景新城和凯旋新世界等优质楼盘作代替。由此可见服务式公寓的需求仍然渴市。

MARKET OUTLOOK

Looking ahead, the market atmosphere is not so optimistic for the first half of 2009. A slowdown in demand of office market has also had a direct impact on the development of the serviced apartment market. The Central Government imposed RMB 4,000 billion rescue programme covering a number of industries, is expected to maintain steady economic development in the near future. This is coupled with the Central Government's recent relaxation in the threshold for foreign investment by providing various macro control preferential policies and a number of tax concessions. It is predicted that competent foreign investors will capture China's potential development to be involved in 2009. It is foreseen that the signs of the economy stabilising will gradually appear in the second half of 2009. There will be a number of serviced apartment projects completed in Tianhe North and Pearl River New City region. These new projects will be launched in the second half of 2009 and 2010. Confronting the economic downturn, the significant supply of serviced apartments in the market will further lead to fierce competition.

展望2009年上半年市场，气氛仍未乐观。办公楼需求减慢亦直接影响服务式公寓市场的发展。中央政府推出四万亿救市方案，覆盖多个行业，将有望维持经济平稳发展，加上最近中央对外资企业的门坎开始放宽，提出多项投资优惠以及税款豁免给与外资企业，预计有实力的外商将看准中国的发展潜力，于2009年再度继续扩展步伐，期望经济回稳的迹象，亦将会在未来下半年度逐渐浮现。预计未来将有多项服务式公寓项目在天河北和珠江新城区域落成。新项目预计投入使用时间集中在2009年下半年和2010年。但面对经济未稳定的情况下，加上供应量增加，服务式公寓市场竞争将越趋激烈。

267 OFFICES IN 57 COUNTRIES ON 6 CONTINENTS

USA 95
Canada 17
Latin America 17
Asia Pacific 52
EMEA 85

\$1.6 billion in annual revenue

672.9 million square feet under management

10,171 Professionals

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