

Building Starts Forecast

4th Quarter 2008 to 3rd Quarter 2009



About this forecast

BCI Asia's *Building Starts Forecast* provides advanced insight on trends in the building industry. The quarterly forecast is based on floor area data for 50,000 projects collected by BCI Asia researchers in interviews with developers, project managers, architects or engineers. Projects from the interviews were included in this survey if construction or renovation works were scheduled to start in the forecast year from 1 October 2008 or if they had been scheduled to start construction similarly in the prior year.

This forecast, focusing on large buildings, is not intended to describe total market size. Rather, it indicates future building supply trends by geography and category.

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Building starts to surge in Indonesia

Indonesia's scheduled building starts are up 92% for the year from 1 October 2008 compared to a year earlier.

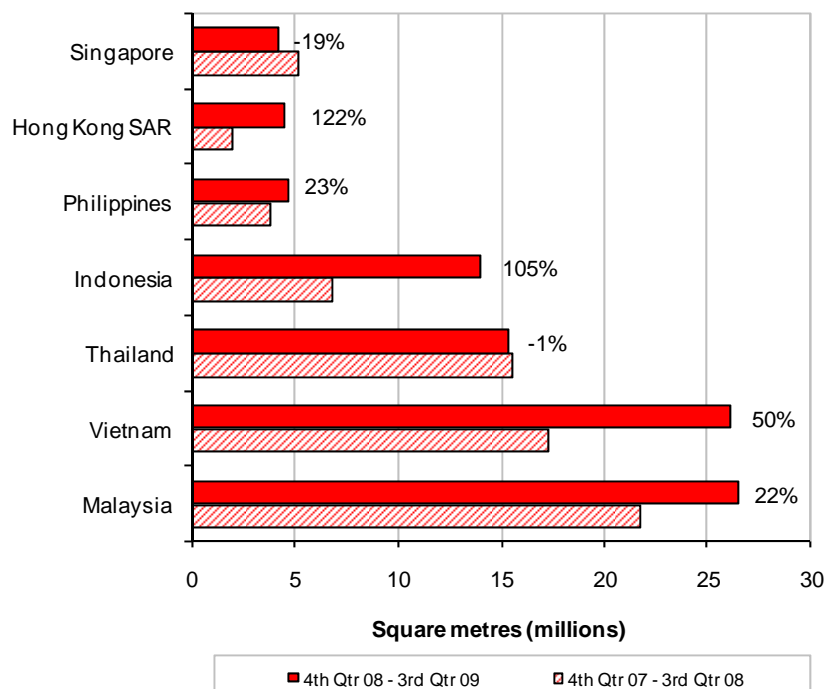
Scheduled building starts for the combined region of Hong Kong and Southeast Asia are up 35% by floor area for the year from 1 October 2008 from a year earlier, according to data from the BCI Asia construction information service.

Indonesia enjoys the strongest growth rate (92%) in scheduled building starts for the annual period followed by Vietnam (85%), Philippines (74%), Hong Kong (57%), Malaysia (13%),

Thailand (1%). Scheduled starts for Singapore are down 42% on an extraordinarily active prior annual period in which the Marina Integrated Resort project got underway.

Non-residential building starts are up 31% for the region, driven by a surge in Hong Kong (122%), Indonesia (105%), Vietnam (50%) and Malaysia (22%). Large residential starts are up 40% across the region driven by Vietnam, the Philippines and Indonesia.

Forecast for non-residential building starts by region



Large residential projects in Vietnam include 3,200 apartments at The Ever-rich 2 complex due to start construction in the first quarter of 2009 in District 7 of Ho Chi Minh City and 1,172 apartments at the Phu Hoang Anh complex in Nha Be district of Ho Chi Minh City where construction is expected to start by the end of 2008. In Indonesia, large residential projects include three 40-storey condominium towers at Kemang City in Jakarta due to start construction by mid 2009 and three 40-storey towers at Residence8@senopati in South Jakarta where work is due to start next month. In the Philippines, the 60-storey Discovery Primea apartment tower in Makati City is due to start construction in the first quarter 2009 as is construction of three 49-storey apartment buildings at the Trion Towers complex in Taguig City.

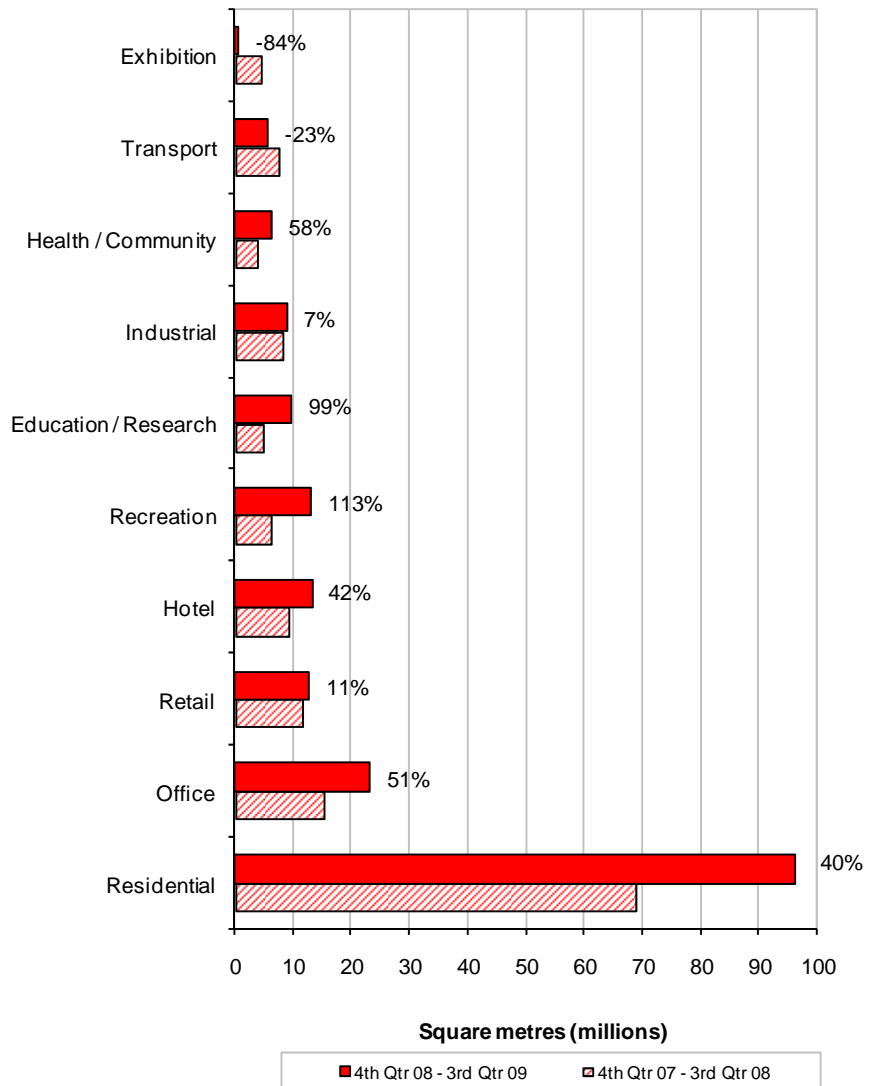
Scheduled starts in the office segment are up 51% for the year from 1 October 2008, driven by 109% growth in Vietnam with projects such as Hong Tan Towers complex in Ho Chi Minh City (shown below).



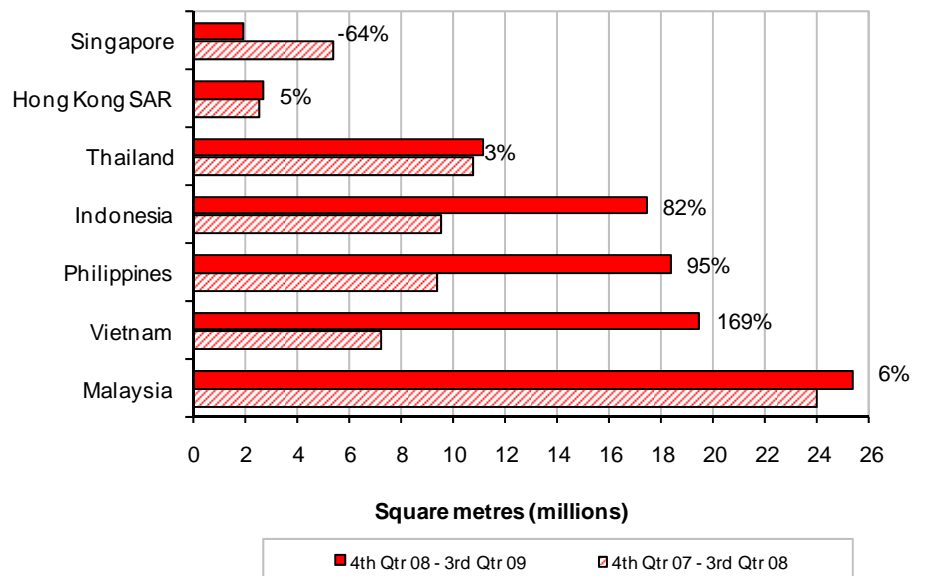
There is a steady stream of office buildings lining up for construction in Indonesia including two 32-storey office towers at the Mayapada complex in South Jakarta; the 50-storey office tower by Arthatama; and the 38-storey Sinarmas Tower in Central Jakarta. In the Philippines scheduled office starts include a 43-storey office tower at the Beaufort in Taguig City; a 32-storey office building at Robinsons Maxilom in Cebu; and a 37-storey office tower at I-Plaza in Mandaluyong City.

In the retail sector, a contraction in scheduled building starts has been

Forecast starts for combined region by category



Forecast starts for large residential projects

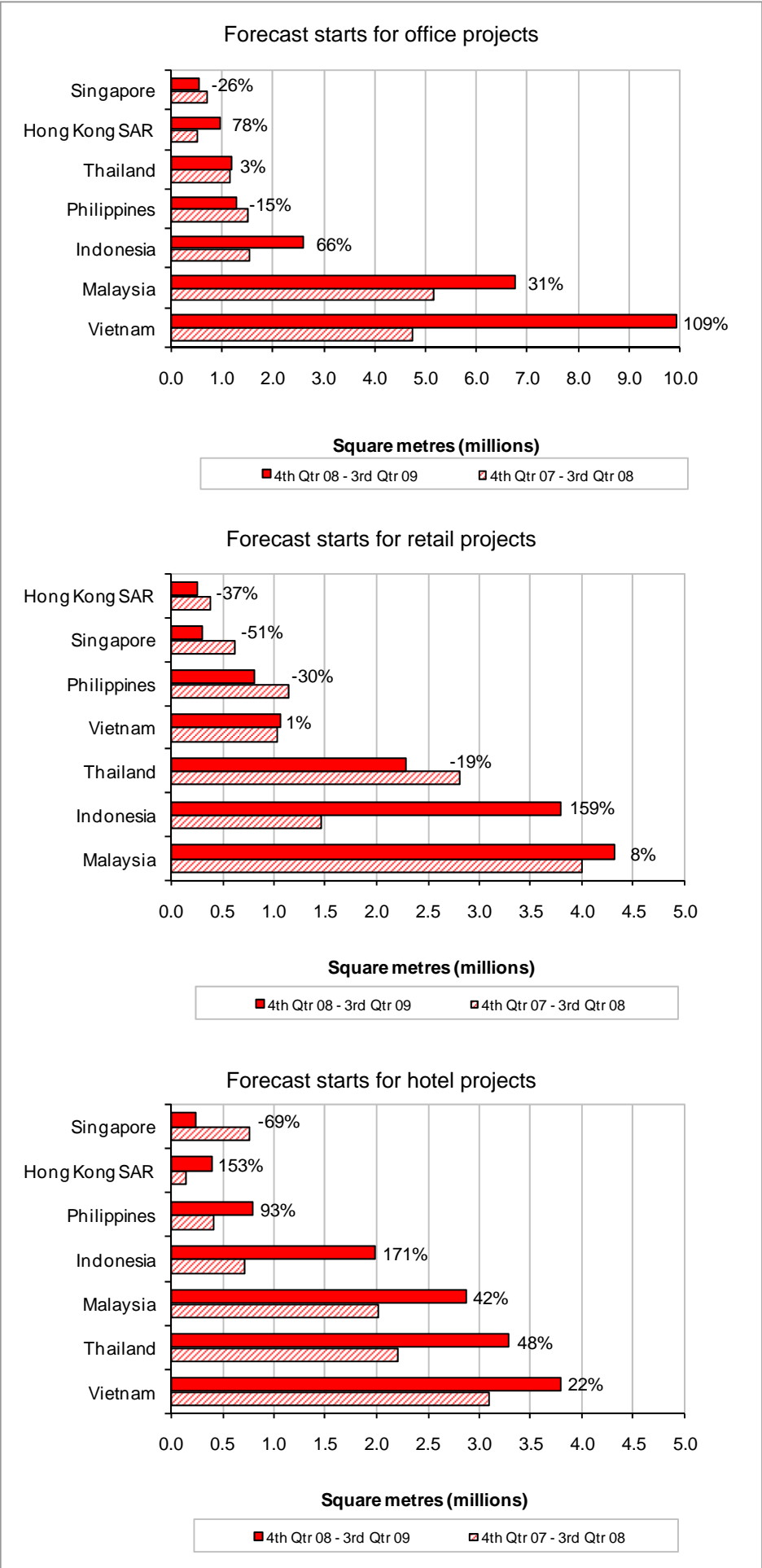


recorded in all regions except Indonesia (up 159%), Malaysia (up 8%) and Vietnam (up 1%). The extraordinary growth in Indonesia's retail starts is driven by projects such as the nine-storey mall being developed by Lippo Karawaci Tbk for a site at the St Moritz complex in West Jakarta. Construction of this 600,000-square-metre mall, designed by Airmas Asri, is scheduled to start in June 2009. Malaysia maintains its lead in the region for retail starts with 8% annual growth. The new retail spaces tend to be designed within mixed developed projects. There is a trend to combine office and retail functions, such as in the Southgate Commercial Centre being developed by a subsidiary of the Mah Sing Group at a site in Kuala Lumpur. Construction of this project (*shown below*) is scheduled to start in March 2009:

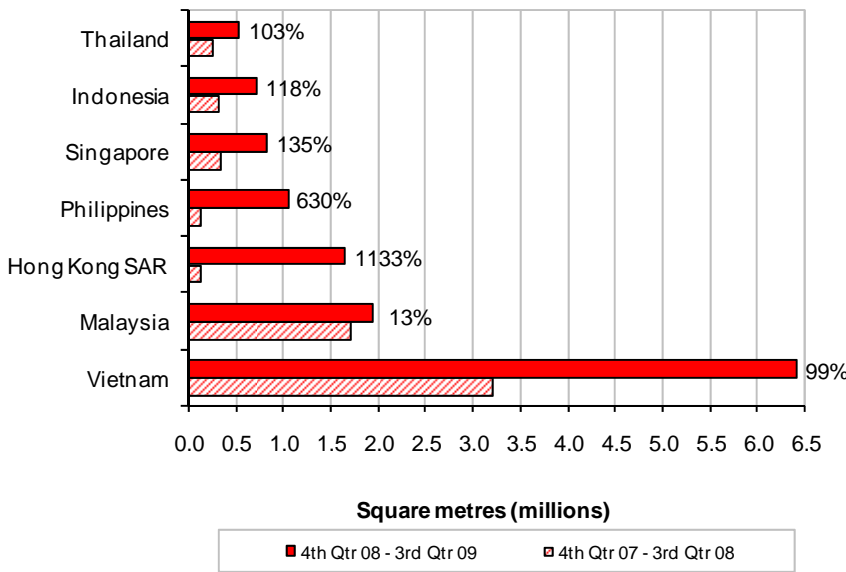


In the rapidly-growing hotel sector, Hong Kong has the fastest rate of growth (153%), followed by Indonesia (171%) and the Philippines (93%). In Hong Kong construction is about to start on a 28-storey hotel with 483 rooms in Kowloon being developed by Wing On Travel. Also, there is the 36-storey hotel complex with 1,290 rooms to be built at the HKD8 billion (USD1 billion) Tseung Kwan O mixed development in Hong Kong's New Territories.

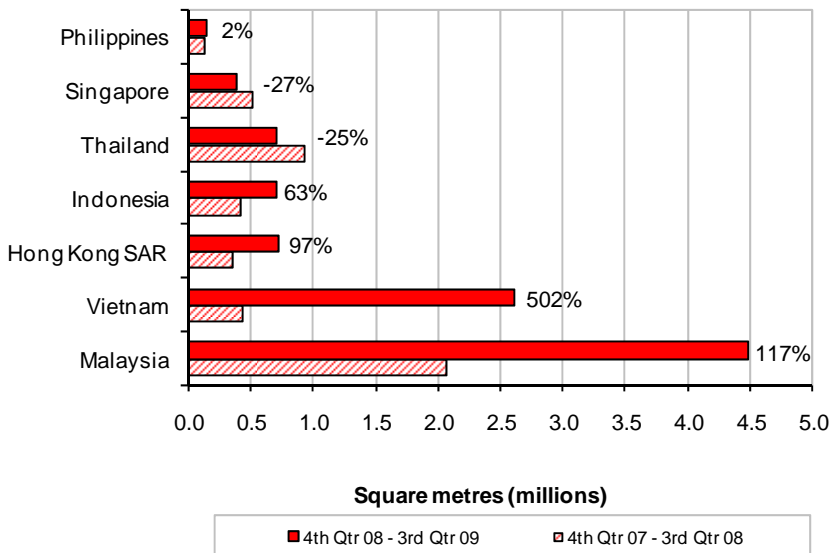
In the Philippines, the 60-storey Shangri La Fort hotel is to get underway in mid 2009 at a 1.2-hectare site in Taguig City. Construction of the 300-room Fairmont hotel in Makati City is due to start in the first quarter 2009 as is construction of the 500-room SM Radisson Hotel in Pasay City.



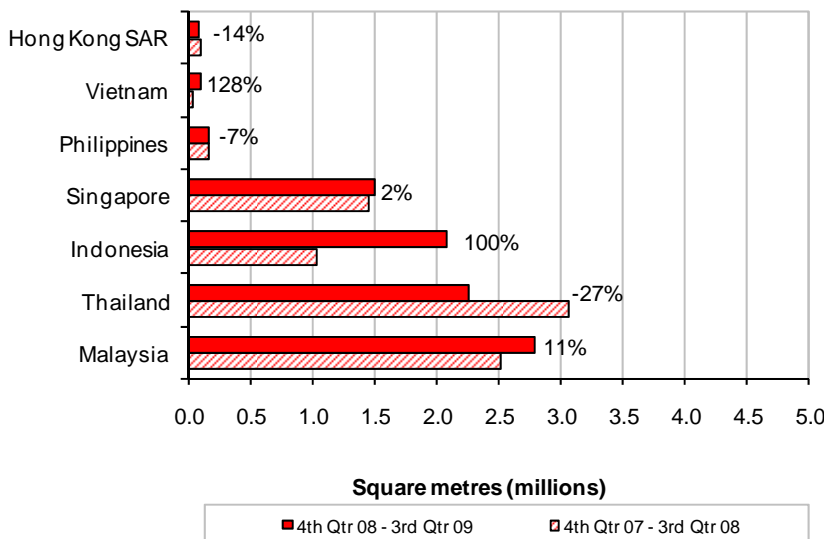
Forecast starts for recreation projects



Forecast starts for education / research projects



Forecast starts for industrial projects



Scheduled building starts for recreation projects are up 113% for the region with large spa, casino and golf facilities about to start construction. Projects include the Banyan Tree Resort and Spa as well as the Beaches Destination Resort and Spa in Thailand; the Lap An Resort and Golf Course as well as China Beach Resort in Vietnam; the Indoor Velodrome and Sports Centre at Tseung Kwan O, and redevelopment of the Kwun Tong Swimming Pool Complex in Hong Kong.

Building starts for educational projects are up everywhere except Singapore and Thailand. Educational building starts remain strongest in Malaysia with BCI Asia reporting on more than 500 school or tertiary education projects scheduled to start construction there between 1 October 2008 and 30 September 2009.

Scheduled building starts for the industrial sector are up 7% for the year from 1 October with high levels of growth in Vietnam and Indonesia compensating for contractions in Thailand, Hong Kong and the Philippines.

Developers are starting to address sustainability as seen in rising rates of intention to certify new building designs with LEED Silver or Green Mark Gold.

Contact BCI Asia

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