Update on
Singapore Residential Market 2007



29 January 2007

Polarisation of Singapore Residential Market
- High-end versus the rest of the market

- Recovery in Singapore residential market led by luxury and high-end projects.
- Consistently high sales volume and price increases underpinned by strong foreign buying interest
- For 2007, distinctive segmentation of the market has emerged, as the pricing gap widens between the high-end projects versus the other developments.



High-end market
- Two tiers emerging





- Enbloc transactions, both past and recent, is estimated to provide a supply pipeline of more than 8,000 units in District 9 and 10 within the next 3 years.

- Even within the high-end segment , we see 2 tiers emerging over the next 12 months:
  - — Super luxury end @above S$3,000 psf on average
  - — High-end @S$1,800 to S$2,500 psf on average

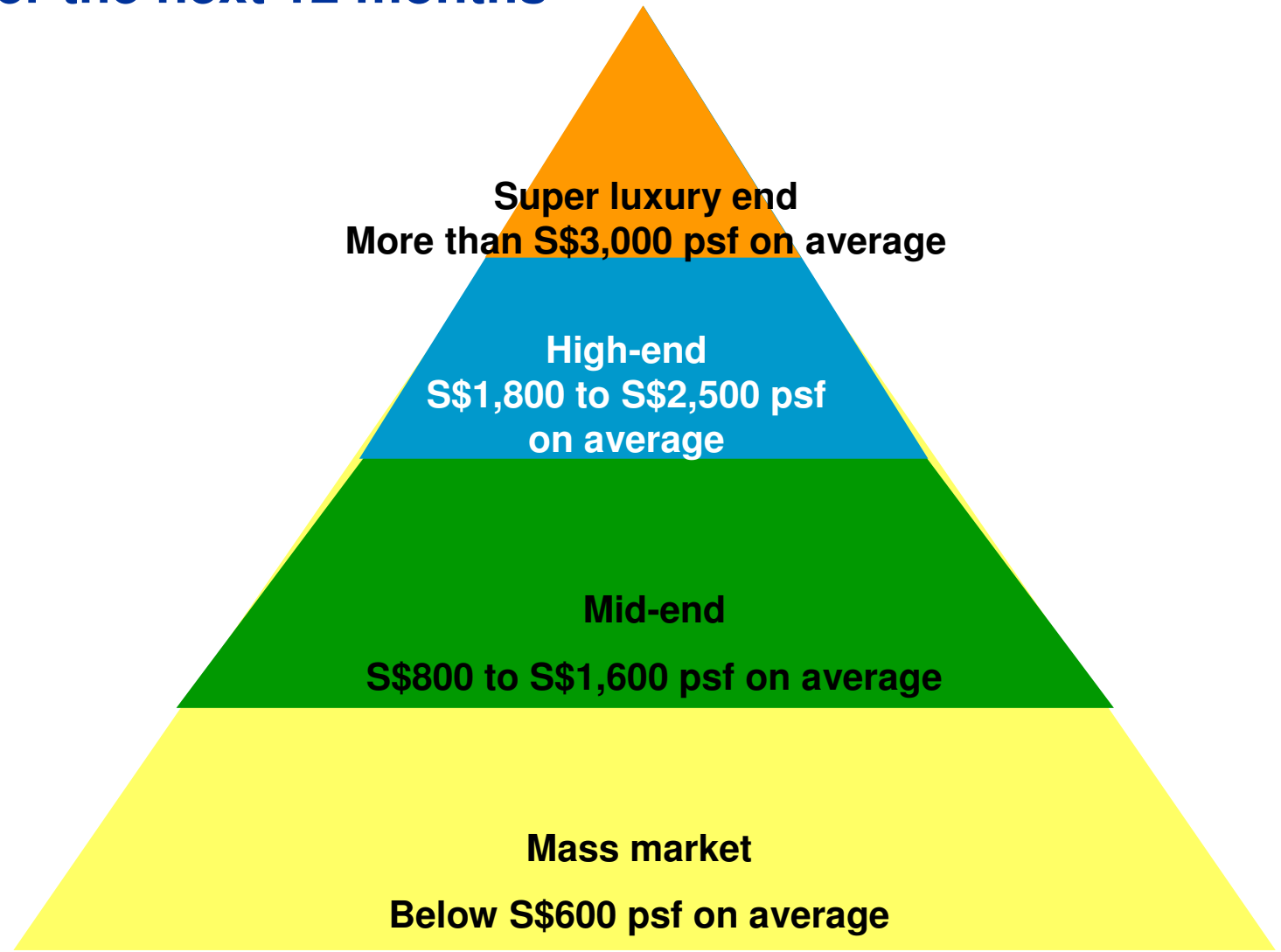
Rest of the market
- Two other segments





- Mid-end segment
  - S$800 – S$1,600 psf on average
- Mass market segment
  - Below S$600 psf on average

Segmentation in the residential market (non-landed) - Over the next 12 months



*Based on development's average price

Performance for 2006 and Plans for 2007

Year	Units Sold	Transacted Value
Year 2005	882	$1.09B
Year 2006	954	$1.23B

For 2007 :

- Target to launch about 1,000-1,200 units
- Projects ready for launch include Orchard Turn, Dragon View site, Meyer Road site and Silver Tower site
- Will continue to work with strategic JV partners, with CapitaLand taking the lead development role

Strong sales record

	Total no. of units	Unsold units As at end 2006	Percentage of unsold stock
Completed projects	1,392	17	1.2%
Projects under development	1,204	119	9.9%
JV projects under development	1,062	287	27.0%
Total	3,658	423	11.6%

Questions & Answers

Q&As

- **Not enough land?**
  - — Question of strategy: Landbanking vs fast asset churn
  - — CapitaLand has a global footprint and our Group business strategy is focused on asset churn, and being asset right.
  - — In line with this strategy, Residential Spore has also emphasised on making our balance sheet work harder for us to achieve greater asset productivity, instead of landbanking. Having said that, we have been selectively buying land for development.

- **Is Freehold vs Leasehold an issue?**
  - — This is really an Asian perception issue.
  - — In today's context, the lines between freehold and leasehold are blurred, especially for the high-end and luxury segment. For this category, what is important is the location of the project, design and value proposition.
  - — For the mid to mass market, a number of restrictions impacting upon leasehold projects (such as CPF withdrawal, mortgage lending, topping up of 99-year leases) have been eased. Hence, the perception of 99-year leasehold projects have also changed.

Q&As

- **Sand – what are some of the problems expected?**
  - — In Singapore, land cost constitutes about 60-80% of total project cost. Construction roughly accounts for 15-25%.
  - — Over the past couple of years, we had anticipated that construction cost would rise. This is part and parcel of business cost and we have already provided for it in our planning. In addition, we had also earlier sealed the construction contracts for all our ongoing projects.

- **What is your view on the URA price index segmentation?**
  - — We have always segmented the market into super luxury, high, mid, mass for our internal planning purposes. There is also a distinction between suburban and urban pricing.
  - — We welcome URA's new price index segmentation as this would give the general public a better understanding of the real estate market movements.
  - — The URA Index also acts as a confirmation of developers' own internal forecast.

CapitaLand

Sales update on recent launches (at end 2006)

Project Name	Total no. of units	Units launched	% of launched units sold
The Metropolitan Condominium	382	382	69%
Scotts HighPark	73	37	100%
Citylights	601	447	98%
RiverGate	545	545	78%
RiverEdge	135	135	35%
Varsity Park Condominium	530	530	100%

Thank you

