

**QUESTION 2 "Please write down your opinions as a real estate appraisal expert on the trends of the real property market in your country/region. It should be noted that you are basically requested to assume the cities and districts, which are set by our association, in answering the questions."**

**Category 1: Commercial property market**

No.	Organization	Nation / Region	City	Area	Main usage	Current market condition	COMMENT	Future outlook of market in next 12 months	COMMENT
1	Australian Property Institute	Australia	Sydney	Inner metropolitan	Residential	"Good": High level of the cycle in the market	There is a lower volume of sales and lower clearance rates hence a shortage of stock. Clearance rates at auctions are back to 70%, with improvement steadily rising.	Stable	The low interest rates, and strong demand will see steady growth in the next 12-18 months.
2	Japan Association of Real Estate Appraisers	Japan	Tokyo	Marunouchi	Office	"Good": High level of the cycle in the market	The competitiveness of Marunouchi area would be maintained as high-grade and large-scale buildings supply are planned in the near future. The vacancy rate of A-class buildings are decreasing, while those rent would be in uptrend. However, as large size of office space is expected to be available in this area in the near future, we should observe the office space absorption of the newly supplied building.	Stable	We anticipate the uptrend of land price would continue for a while against the backdrop of strong demand for acquiring real property.
3	Korea Association of Property Appraisers	Korea	Seoul	Yeouido (Yeoui Island)	Office	"Fair": Average level of the cycle in the market	Due to low-growth, increasing office supply, leaks and mergence of large corporations, offices in Yeouido area have recorded higher vacancy rate than ever. A growing number of cases are of shifting to other applications, such as retail, to reduce the vacancy rate and improve profitability.	Stable	There is an increasing number of cases in which adding the value of the office by renting a SPA brand and a large bookstore in the lower part of the office to arrange a variety of businesses that maximize the leisure and cultural accessibility of the office workers. The use of the low floor of the office not only raises the value of the office itself by raising the rental profit, but it also has the effect of raising the local value as a result of conurbation with the adjacent offices.
4	Royal Institution of Surveyors, Malaysia	Malaysia	Kuala Lumpur	Kuala Lumpur	Purpose-built high rise offices (PBO) and commercial shopping complexes	"Good": High level of the cycle in the market	The average take-up rate is 80% for PBO and 85% for shopping complexes	Declining	The PBO may experience a slight decline in demand due to the coming into the market of a few multi-storey PBO.
5	Federation of Colleges, Institutes and Societies of Valuation, Mexico	Mexico	Mexico City	Polanco	Commercial	"Excellent": Top of the cycle in the market	As happening in almost all the Mexico City, we are leaving a high pressure in commercial building. The offer is not enough for the growing demand in luxury reas and the prices of land are the highest in our history.	Improving	Its seems to be growing, because the economy factors in our country are getting up.
6	Philippine Association of Realty Appraiser	Philippines	Makati City	CBD	Office, Retail, Hotel	"Excellent": Top of the cycle in the market	Land values have reached the highest level, historically	Declining	Investors find the land values too high
7	The Chinese Institute of Land Appraisal	Taiwan	Taipei	Dunhua N Road, Dunhua S. Road, Taipei Main Station	Retail Store, Restaurant, Office, Financial, Shopping Center, Amusement, Hotel	"Fair": Average level of the cycle in the market	The average rent is not likely to climb drastically in the short term. Grade A office buildings in the Dunhua N. and the Dunhua S. districts are currently encountering difficulties with strong relocation trend towards Xinyi district. Relatively large amount of new supplies in Xinyi District to be released around mid-2018 are likely attract tenants intend to consolidate operations and/or upgrade to better office space. Rental growth is likely to remain moderate in the near future as new and existing supplies attempt to compete for tenants. Despite the decline in visitors from Mainland China, Taiwan tourism market stayed constant with visitors from other foreign countries remaining stable and growing.	Stable	The improvement in Taiwan's economy will encourage companies to upgrade their working environment and also drive pre-lease activities of new office buildings. Even though large quantity of new supply will come to the market in short term, different rental strategies may have the ability to reduce pressure on the market. the government's new five-day workweek policy implemented, stronger domestic tourism momentum is likely to keep growing.
8	Appraisal Institute	U.S.A.	Overall USA	USA	Capital Markets, Office, Industrial, Retail, Hotel	"Excellent": Top of the cycle in the market	Hotel: Forecasts for continued U.S. economic expansion portend a favorable year ahead for the U.S. lodging industry, with forecasts of income and employment growth coupled with slowing supply growth promising increased demand for hotels.	NA	NA