



FM COMMUNICATOR

Caring our members, fostering our professionalism!

Newsletter Issue No.4, 1st July 2008

Message from the editor

Any comment and suggestion, please send to

1. The HKIFM [info@hkifm.org.hk] or 2. chankse@ha.org.hk

It is really exciting to observe that the CPD talks have received an overwhelming support by members and practitioners in the FM industry. HKIFM is fully committed to organizing a wide range of professional, technical and management CPD in the coming months. Members are strongly encouraged to participate these well-organized programmes to enhance our technical skill and professional knowledge. In this issue, a full report as to the run-down of the HKIFM-PSDAS Shanghai Conference to be held on 6-7 November 2008 has been released. The content of the conference covers a number of interesting topics, to map out the future direction of strategic FM development in the region. Please mark your diary for this conference, and ensure timely registration to enjoy early bird concessions!

CPD Talk Series



CPD Talk “Practical means to achieve a better environment - Energy Efficiency & Renewable Energy”

Speaker: Ir Alfred SIT

“Various proven engineering measures to enhance energy performance in buildings as well as practical renewal energy solutions in the Hong Kong community, such as the proposed mandatory implementation of the building energy codes, carbon audit in buildings, will also be introduced.”

Upcoming Planned Events

China Real Estate Development, Investment, and Facility Management A Synergy of Resources, Strategies, and Tactics

中國房地產開發、投資及設施管理 = 好資金 + 好策略 + 好方案

6 – 7, Thursday to Friday, November 2008

Shanghai JW Marriott (Tomorrow Square), 399 Nanjing West Road, Shanghai, 200003 PR China

The HKIFM - PSDAS 2-Day Conference

General

China is an emerging economy with good though challenging economic prospects and foreign investment interest in various asset classes, real estate included, is also growing.

Notwithstanding improving real estate standards and practices in the Mainland, substantial differences still exist in the comprehension, understanding, and application of techniques and skills related to real estate development, investment, and facility management (FM) between the Mainland and their foreign counterparts and joint venture partners. These are aspects where Hong Kong professionals can come in and add value via e.g. bridging the technical gaps and helping to seek common investment grounds between the parties.

The conference will offer a platform for exchanging such ideas between all parties concerned.

The objective is to explain how various real estate development, investment, and facility-asset-portfolio management knowledge, skills, techniques, and practices can help enhance real estate returns, lower risks, and improve overall asset performances.



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Conference Programme

The conference program will comprise morning and afternoon sessions over two days, tentatively grouped as follows with a focus on China where appropriate:

1. Real Estate Development and Project Management
2. Real Estate Investment and Fund Management
3. Real Estate Facility, Asset, and Portfolio Management
4. Real Estate Financing Options and Capital Fund Sources

Who Should Attend

The targeted participants of this conference are:

- ☆ Real Estate Developers, Investors, and Corporate Owners
- ☆ Real Estate Financiers, Investment Bankers, and Derivatives Professionals
- ☆ Project Managers, Facility Managers, and Property Managers
- ☆ Investment Managers, Fund Managers, and Portfolio Managers
- ☆ Architect, Surveyors, Appraisers, and Engineers
- ☆ Lawyers, Accountants, Brokers, and Taxation Experts
- ☆ CEOs, Top Executives, and Senior Managers in Public and Private Corporations
- ☆ Top and Senior Echelons of Government Authorities and Public Bodies
- ☆ Prominent Academics and Research Fellows in Economics, Planning, and Real Estate

Professional Development Pack

In order to further enhance the dissemination of knowledge, a Professional Development Pack (PDP) will be produced. The PDP will contain multi-media presentations of all speakers including video clips, PowerPoint presentations and/or full paper, in CD-ROM format. Copies of the PDP will be made and distributed among members, interested parties and associated bodies free of charge. Part of the PDP contents will be available on-line for further dissemination.

Date and Venue

The HKIFM-PSDAS Conference 'China Real Estate Development, Investment, and Facility Management: A Synergy of Resources, Strategies, and Tactics' will be held on 6 & 7 November 2008 at Shanghai JW Marriott (Tomorrow Square), 399 Nanjing West Road, Shanghai, 200003 PR China.

Organizers



Organizers



Co-organizers



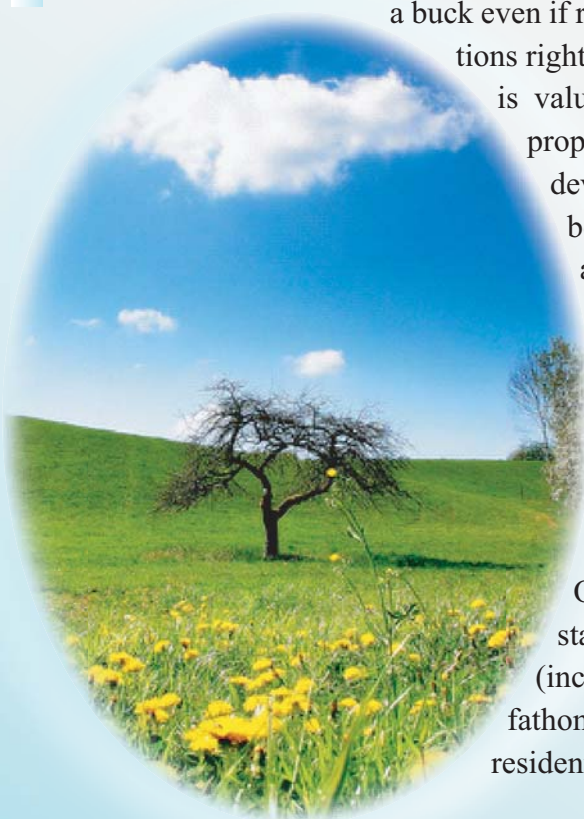
Extract from <http://www.real-estate-tech.com>

Q & A on China Real Estate

Stephen Chung
Managing Director
Zeppelin Real Estate Analysis Limited
June 2008

Your humble author has been asked quite regularly of the following questions in recent times and for the convenience of all, their simple answers are listed below:

- 1) Is China real estate a good buy now? = **Yes IF you have a sufficiently long investment time-frame and no IF you do not.** What is long? 6 years or more is long. What is short? 3 years or less is short. Anything in between are 50/50. Do NOTE the different markets (cities) in China could behave differently from one another and thus this highly generalized question means the answer here is also a highly generalized one. AND all generalizations are false, including this one. Read this past article = Not a Good Time to Speculate in China Real Estate = <http://www.real-estate-tech.com/articles/SRS110701.htm>.
- 2) Which market (city) is better or best? = **IF only one can be mentioned, then it would be Shanghai.** Yes, its real estate is already pricey, its land costs are high, and real estate developers are leaving for the presumably greener fields in the 2nd and 3rd tier markets. BUT think about this = unless you are also a real estate developer, what has their leaving town got to do with you as an investor of (mostly) existing properties? Developers can still make a buck even if real estate prices do not go up assuming they get their calculations right because they have an element which you do not have, which is value creation via (re)development. But investors of existing properties need asset price appreciation. Think also this = fewer developers may mean fewer projects which in turn may mean better bargaining power for existing property owners assuming all else being equal. Read this past article = Shanghai is still a Real Estate Investment Favorite = <http://www.real-estate-tech.com/articles/SRS090701.htm>.
- 3) Which sector (residential, office etc) is best? = **NO definitive answer here.** Rule of thumb in terms of ascending sector complexity (i.e. to get a grip of) is Residential < Office < Retail < Hotel < Industrial. Residential and the Office sectors are usually the relatively easier ones to understand and participate while Retail, Hotel, and Industrial (including warehouse, logistics center, factory etc) are harder to fathom. Unless you are in the business of the latter, better stick to residential and / or office.





Q & A on China Real Estate

Extract from <http://www.real-estate-tech.com>

- 4) Chinese Yuan appreciation? = **A Billion Euro question** (don't want the greenback that much anymore, you know)! Your humble author does not recommend acquiring China real estate simply because one expects the Yuan to appreciate. One needs to ascertain China real estate on its own merits. IF one thinks fondly of the Yuan, just buy some. Read this past article = Reasons Not to include Currency Appreciation in Financial Analysis = <http://www.real-estate-tech.com/articles/ret2Q08.pdf> [3rd article in the newsletter].
- 5) China economy decoupled from the USA / Western economies? = this Decoupling theory sounds more like a marketing tune. Read this past article = Decoupling? What Decoupling? = <http://www.real-estate-tech.com/articles/SRS020801.htm>
- 6) Objective of the austerity measures? = **Don't feel like these are meant to make asset prices drop but just to slow them down, real estate included.** Unintentionally pricking the bubbles, assuming they exist? Probable. Watch for opportunities in some of the luxury residential sectors.
- 7) What about Hong Kong? = **what about it?** Not unattractive but also not quite as attractive as before. Also, from a Euro standpoint, little profit is made despite real estate price gains in HK\$ terms. Also a typical Hong Kong home has lost around 75% of its bartering power since 1997. Read this past article = Euro-Adjusted Indexes Indicate No Price Rise = <http://www.real-estate-tech.com/articles/SRS020803.htm>.

Office Space Asia 2008

23-25 September 2008, Hong Kong

Proven building strategies to maximize your business

Corporate end-users, commercial real estate developers and operators, and workplace professionals will gather for the regions premiere commercial real estate conference. The two-day conference & workshops will feature the latest trends from across the region, drawing on the experience of multinational corporations operating across Asia. Join to leverage the expertise of the professionals who are shaping the way we work.

A 15% discount is offered to HKIFM members. Please call Beacon for registration on +852 2219 0111 or email info@BeaconEvents.com.

Please quote "BH494HKIFMEN1" when registering. For details, please visit www.officeasiaexpo.com.

