

THE SIGNIFICANCE AND PERFORMANCE OF THE EMERGING PROPERTY MARKETS IN ASIA

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ABSTRACT

The property markets in Asia have grown considerably in recent years and now reflect both established markets (eg: Singapore, Hong Kong, Tokyo) and emerging markets (eg: Shanghai, Bangkok, Kuala Lumpur, Mumbai, Jakarta, Manila). These different levels of Asian property market maturity provide potential opportunities for international property investors to achieve portfolio diversification and enhanced returns. As such, a full understanding of the investment dynamics of these Asian property markets is important; particularly concerning these emerging property markets in Asia.

The purpose of this paper is to assess the significance and performance of the emerging property markets in Asia. In particular, the performance of office and retail property in six emerging markets will be assessed over 1996-2006 and contrasted to the performance of the established Asian markets. The risk-adjusted performance and portfolio diversification benefits of these emerging Asian property markets will be assessed; particularly whether these benefits have been enhanced in more recent years. The implications for international property investors will also be assessed.

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