

UNITED KINGDOM

REVIEW OF OPERATIONS

Australia - Review of Operations (continued)

operated by Sedona Hotels International. Hotel occupancy at The Crescent fell 15% in 1997 to 55%. However, overall profits for Bayswater Village improved as the retail space was fully leased by the end of 1997 whilst the car park operations continued to perform well.

Hotel operations have been adversely affected by economic crisis which has hit in-bound travellers from Asia. Thus for the coming year, The Crescent on Bayswater Hotel is focusing on attracting travellers from other markets such as North America, Europe and United Kingdom.

London - 45 Marlborough Place

At 45 Marlborough Place is Keppel Land's first luxury apartment project in London. This exclusive freehold property comprises 33



45 Marlborough Place is an exclusive freehold residential development comprising 33 apartments.

apartments in 19 different designs. It is located in the heart of fashionable St John's Wood, close to Regent's Park and is only six minutes' walk to the St John's Wood Underground Station. So far, 10 units have been sold and another 18 units leased. The rest are expected to be fully leased by the end of the year.

MARKET REVIEW

Demand for residential properties in prime locations remains strong

Across London, residential prices rose by an average of 15% during 1997. In prime locations such as Chelsea, Knightsbridge and Mayfair, prices rose by at least 20%. This was largely fueled by the limited stock and strong demand from Asian investors from countries such as Singapore, Hong Kong and Malaysia, as well as the under-lying demand for accommodation. There is still limited supply in the market and greater demand is now being generated from the Middle East. Despite the economic problems in Asia, Far Eastern off-plan sales are still being transacted. However, Asian investors are now focusing on quality products in prime locations.

The outlook for the property market remains positive and suggests a slow and steady growth over the next few years. Central London investments should remain strong, driven by a general lack of supply in the market.