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For Immediate Release

New City Residence Investment Corporation
1-10-6 Roppongi, Minato-ku, Tokyo
Jun Arai, Executive Director
(Securities Code: 8965)

Asset Management Company:
CBRE Residential Management K.K.
Jun Arai, President

Inquiries:
Taizo Mori, Chief Investment Officer
TEL: +81-3-6229-3860

**Notice Concerning Changes in Management Guidelines of
Asset Management Company**

CBRE Residential Management K.K. (“Asset Management Company”) which is asset manager of New City Residence Investment Corporation (“NCRI”) adopted a resolution to make changes in its management guidelines, which are internal rules, at a meeting of its board of directors held today.

1. Key Changes in Management Guidelines

(After Changes)	(Before Changes)
<p>I. Management of Assets 9. Disclosure Policy</p> <p>a. Disclosure shall be conducted in accordance with the Investment Trust Law and <u>Financial Instruments and Exchange Law</u>, as well as the content and form required by each of the Tokyo Stock Exchange, The Investment Trusts Association, Japan, and other rules and regulations.</p>	<p>I. Management of Assets 9. Disclosure Policy</p> <p>a. Disclosure shall be conducted in accordance with the Investment Trust Law and <u>Securities and Exchange Law</u>, as well as the content and form required by each of the Tokyo Stock Exchange, The Investment Trusts Association, Japan, and other rules and regulations.</p>
<p>II. Related-Party Transactions</p> <p>The following transactions with Extended Interested Parties shall be conducted in accordance with the standards identified below. <u>An Extended Interested Party refers to (1) A related party, etc. of an asset management company as defined in Article 201 of the Investment Trust Law; (2) A shareholder with a 10% or greater stake in the Asset Management Company or a subsidiary of such shareholder, or (3) An SPC established at the will of a party mentioned in (1) or (2) (includes SPCs regulated under the Asset Liquidation Law (tokutei mokuteki kaisha), limited companies (yugen kaisha) or joint stock corporations (kabushiki kaisha)). When a transaction is conducted between the Investment Corporation and a related party, etc., the Asset</u></p>	<p>II. Related-Party Transactions</p> <p>The following transactions with Extended Interested Parties shall be conducted in accordance with the standards identified below. <u>In addition, the Asset Management Company shall report the contents of all completed related-party transactions to the Investment Corporation in a timely fashion.</u></p> <p><u>Interested party is defined as the related-party, etc. defined in Article 15-2 of the Investment Trust Law, a shareholder with at least 10% share in the asset manager and an SPC established at the will of said party (SPCs as regulated under the Asset Liquidation Law (tokutei mokuteki kaisha), limited companies (yugen kaisha) or joint stock corporations (kabushiki kaisha) are included).</u></p>

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<p><u>Management Company shall issue a written document to the Investment Corporation describing matters as they relate to the concerned transaction in accordance with Article 203-2 of the Investment Trust Law. Furthermore, in cases where a transaction is conducted between the Investment Corporation and an Extended Interested Party other than a related party, etc., the Asset Management Company shall report to the Investment Corporation pursuant to the above as well.</u></p> <p>a. Acquisition of Properties or Assets from Extended Interested Parties</p> <p>(i) Real estate or trust beneficiary interests in real estate</p> <p>The investment amount per property (which only refers to the purchase price and does not include taxes or associated acquisition costs) shall not exceed the appraisal value of the property. However, the investment amount may exceed the appraisal value to a maximum amount equivalent to expenses, such as various commissions, due diligence expenses, license registration tax, etc., incurred by the seller <u>in the acquisition, provided that the seller had acquired the concerned real estate, etc. from a party other than an Extended Interested Party.</u></p>	<p>a. Acquisition of Properties or Assets from Extended Interested Parties</p> <p>(i) Real estate or trust beneficiary interests in real estate</p> <p>The investment amount per property (which only refers to the purchase price and does not include taxes or associated acquisition costs) shall not exceed the appraisal value of the property. However, the investment amount may exceed the appraisal value to a maximum amount equivalent to expenses, such as various commissions, due diligence expenses, license registration tax, etc., incurred by the seller.</p>
<p>II. Related-Party Transactions</p> <p>f. Work Order Placement to Extended Interested Parties</p> <p>A work order shall be placed subject to consideration of a comparison of the quoted priced from the Extended Interested Party and the content of the subject quotation obtained from a third party. <u>However, a work order shall be able to be placed without having first obtained a quotation from a third party in the case of emergency repairs and maintenance or in the case of work costing 1 million yen or less per work.</u></p>	<p>II. Related-Party Transactions</p> <p>f. Work Order Placement to Extended Interested Parties</p> <p>A work order shall be placed subject to consideration of a comparison of the quoted priced from the Extended Interested Party and the content of the subject quotation obtained from a third party.</p>

2. Reasons for Changes

- (1) Changes are being made in the management guidelines in correlation with enactment of the Financial Instruments and Exchange Law on September 30, 2007 and amendment of the Investment Trust and Investment Corporation Law (“Investment Trust Law”) on the same date that resulted in changes in the scope of a related party, etc. as defined in the Investment Trust Law. The changes are aimed at thoroughly ensuring measures are in place to avoid conflicts of interest by including the subsidiaries of shareholders with a 10% or greater stake in the Asset Management Company to fall within the scope of an Extended Interested Party based on self-imposed rules.
- (2) Aside from the above, slight additions and alterations to the wording were made.

- This document is released to media organizations through the “Kabuto Club” (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Press Club for the Ministry of Land, Infrastructure and Transport.
- URL: <http://www.ncrinv.co.jp/eng/>

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