March 2018

CORPORATE LOCATIONS

Office Market Review Singapore

Who, What, Why, Where, When?

Rentals Top prime office buildings now average around $12.50 - $13.00 psf (Asking)

Prime office rentals are advancing unabated at this stage, with many landlords becoming increasingly bullish about the medium term future. Asking rates for top prime office buildings now average around $12.50 - $13.00 psf, with many of the premium buildings quoting the same rates. Bottom line effective rates now range between $11.00 and $12.00 psf.

In **Raffles Place**, effective rents now average around $8.50 to $10.00 psf, except buildings such as 6 Battery Road and 20 Collyer Quay which are closer to $12.00 per sq ft effective. On the fringe of Raffles Place rentals range from $7.50 to $9.50 per sq ft. Rates on **Robinson Road** / **Shenton Way** are also firming up because there has been so much activity. Before there was ample choice around $6.50 per sq ft, but now options range from $7.00 to $8.50 per sq ft.

Tanjong Pagar has quite a wide spread of rates ranging from $6.50 per sq ft to $8.50 psf effective. **Beach Road** / **Marina Bay** / **Suntec** has the widest spread of all locations, ranging from $6.25 per sq ft for The Concourse and The Gateway to $12.00 per sq ft for Centennial Tower and Millenia Tower. In the mid-range there is Suntec City circa $8.50+ per sq ft and Duo which is also around $9.00 per sq ft.

Orchard Road sees very little fluctuation because leasing activity is limited. Again the spread is quite wide in this location ranging from $6.50 per sq ft to $10.00 per sq ft because the ages / types of buildings in this vicinity vary a lot. **Thomson Road** / **Novena** is good value at between $7.00 to $8.00 per sq ft.

Office Rental Guide
Official Asking Rates

In general allow around 10% discount for negotiations for best effective rate

Raffles Place / New Downtown

6 Battery Road	$14.00
20 Collyer Quay	$9.00 - $12.50
55 Market Street	$6.50
Asia Square Tower 1 & 2	$12.50
Bank of China Building	Full
Bharat Building	$6.50
Bank of Singapore Centre	$9.50
CapitaGreen	$13.00
Chevron House	$9.00
Clifford Centre	$8.50
GSH Plaza	$9.50
Income@Raffles	$9.50
Marina One	$12.50
Maybank Tower	$9.40
MBFC Tower 1, 2 & 3	$12.00
MYP Centre	$9.50
OCBC Centre	$9.50
OCBC Centre South	$8.00
Ocean Financial Centre	$12.00
One Finlayson Green	$7.80
One George Street	$10.00
One Raffles Place Tower 1	$10.00
One Raffles Place Tower 2	$11.00
One Raffles Quay Towers	$12.00
OUE Bayfront	$12.50
Republic Plaza 1	$9.00+
Republic Plaza 2	Full
Royal Group Building	$9.00
Royal One Phillip	$9.00
Singapore Land Tower	$10.50
The Arcade	$7.00
UOB Plaza 1	$10.00
UOB Plaza 2	$10.00

Robinson Road / Shenton Way

6 Raffles Quay	$7.50
8 Cross Street *(fka PWC Building)*	$9.50
71 Robinson Road	$9.00
80 Robinson Road	$7.50
108 Robinson Road	$7.50
120 Robinson Road	$6.00
137 Telok Ayer Street	$7.20
146 Robinson Road	$5.50
150 Cecil Street	$6.00
158 Cecil Street	$7.50
AIA Tower	Full
ASO Building	Full
Bangkok Bank Building	TBA
BEA Building	Full
Capital Square	$10.00
Capital Tower	$10.00
Cecil Court	$5.80
China Square Central	$7.80
City House	$7.50
Crown @ Robinson	$6.50
Far East Finance Building	$5.80
Far Eastern Bank Building	$6.00
GB Building	$5.50+
Grace Global Raffles	$9.00
Great Eastern Centre	Full
Hong Leong Building	$8.30
Keck Seng Tower	$6.00+
MYP Plaza	$6.80
OUE Downtown 1 & 2	$8.50
Oxley Tower	$6.00
PIL Building	Full
Prudential Tower	$9.00
Robinson 77	$8.00
Robinson 112	$6.50
Robinson Centre	$9.00
Robinson Point	$8.30
Samsung Hub	$8.80
SBF Centre	$7.00
SGX Centre 1 & 2	$9.00
SIF Building	$6.80
Shenton House	$6.00
The Globe	$6.00
The House of Eden	$7.70
The Octagon	$5.60+
Tokio Marine Centre	$6.50
Tong Eng Building	$5.70
UIC Building	$9.00

Tanjong Pagar

78 Shenton Way	$7.50
79 Anson Road	$7.50
100AM	$7.50
ABI Plaza	$6.50
Anson Centre	$4.50
Anson House	$7.50
AXA Tower	$8.50
Fuji Xerox Towers	$7.80
Guoco Tower	Full
International Plaza	$5.50+
Jit Poh Building	$5.50
Keppel Towers	$6.50
Keppel Towers II	$6.50
Mapletree Anson	$8.80
MAS Building	$7.50
St. Andrew's Centre	Full
Southpoint	$6.70
Springleaf Tower	$8.00
Tanjong Pagar Complex	$3.70
Tower Fifteen	$6.20
Twenty Anson	$8.50

City Hall / Marina Centre / Beach Rd

11 Beach Road	Full
30 Hill Street	Full
Beach Centre	$7.80
Bugis Junction Towers	$7.80
Centennial Tower	$13.80
Duo Tower	$10.00
Manulife Centre	$8.20
Millenia Tower	$13.80
Odeon Tower	$8.00
OG Albert Complex	$5.50
Parkview Square	$7.50
Peninsula Plaza	$5.50
Raffles City Tower	$10.00
Shaw Tower	$4.50+
South Beach Tower	Full
Stamford Court	$7.00
Suntec Towers 1 - 5	$8.50+
The Adelphi	$6.20+
The Concourse	$7.80
The Gateway East and West	$7.50

Orchard Road / Dhoby Ghaut

50 Scotts Road	Full
51 Cuppage Road	$7.50
182 Clemenceau Avenue	$6.50
Burlington Square	$7.30
Faber House	$7.80
Fortune Centre	Full
Forum	$8.00
Goldbell Towers	$8.00
Haw Par Centre	$7.00
Haw Par Glass Tower	Full
International Building	$8.50
Liat Towers	$7.50
Ngee Ann City	$10.50
Orchard Building	$7.50
Orchard Gateway	$8.80
Orchard Towers	$5.00+
Palais Renaissance	$8.50+
Regency House	$7.60
Shaw Centre	$8.00
Shaw House	$8.50
Singapore Pools Building	$6.00
Sunshine Plaza	$6.00
Tanglin Shopping Centre	$6.20
The Bencoolen	$5.50
The Heeren	$10.50
Thong Teck Building	TBC
Tong Building	$8.00
TripleOne Somerset	$9.00
VisionCrest Commercial	$9.00
Wheelock Place	$12.50
Wilkie Edge	Full
Winsland House 1 & 2	$9.50+
Wisma Atria	$10.50

Chinatown / River Valley Road

CES Centre	$5.80
Central Mall	$6.80
Chinatown Point	$5.90
Great World City	$6.80
King's Centre	$6.20
The Central	$9.20
UE Square	$8.00
Valley Point	$7.00

Edge of CBD

Alfa Centre	$6.80
Aperia*	$6.00+
Boon Siew Building	$5.50
Central Plaza	$7.50
Goldhill Plaza	$6.00
Newton 200	Full
Novena Square	$8.00
Rex House	$4.90
SLF Building	$4.40
United Square	$7.50

West / Others

Alexandra Point	$7.00
Alexandra Technopark*	$4.30+
Fragrance Empire Building	$5.75
Harbourfront Centre	$6.30+
Harbourfront Tower 1	$7.50
Harbourfront Tower 2	$6.90
International Business Park (Jurong)*	$4.00+
JEM	Full
Keppel Bay Tower	$7.50+
Mapletree Business City*	$6.50+
Merrill Lynch Harbourfront	Full
Pacific Tech Centre*	$3.55
PSA Building	$6.30+
PSA Vista	$4.50
Singapore Science Parks*	$4.50+
The JTC Summit	$4.37
UE BizHub West	$6.50
Vision Exchange	$5.20+
Westgate	$6.50

East

12 Tai Seng Link	$3.70+
18 Tai Seng	$6.00
Abacus Plaza	$5.50
AIA Tampines	Full
Changi Business Park*	$4.00+
CPF Tampines Building	$5.20
NTUC Tampines Point	Full
Paya Lebar Quarter	$7.50
Parkway Parade	$6.00+
Singapore Post Centre	$6.50
Tampines Concourse	Full
Tampines Grande	$5.80
Tampines Junction	$5.50
Tampines Plaza	$5.50
Viva Business Park*	$3.00+

All rents quoted are asking rental rates and subject to change without prior notice

* Business Park / B1 space

Selected New Developments 2018

*All rents quoted are estimated target effective rates subject to negotiations and are not the landlords quoted figure

Frasers Tower
Cecil Street

Target TOP: June 2018
Total size: 690,000 sq ft
Average floor size: 19 - 21,000 sq ft
Building height: 38-storeys
Direct underground link to Tanjong Pagar MRT
Large floor plate

Paya Lebar Quarter
Paya Lebar

Target TOP: October 2018
Total size: 883,470 sq ft
Average floor size: 23 - 32,400 sq ft
Building height: 12-storeys
Integrated development with retail and leisure
Premium out of town location

18 Robinson Road
Robinson Road

Target TOP: September 2018
Total size: 195,000 sq ft
Average floor size: 8,850 sq ft
Building height: 28-storeys
Close to Raffles Place
Basement parking – 85 spaces

Selected New Developments 2020/2021

Park Mall
Penang Road

Target TOP: January 2020
Total size: 200,000 sq ft
Average floor size: 11,000 sq ft
Building height: 15-storeys

Only new development planned for Orchard Road. Nearest MRT Dhoby Ghaut

Selected New Developments 2018 – 2021

Development	Location	Estimated Size	Est. TOP Date
Frasers Tower	Cecil Street	690,000 sq ft	June 2018
Robinson Tower	Robinson Road	195,000 sq ft	Sep 2018
Paya Lebar Quarter	Paya Lebar	883,500 sq ft	Oct 2018
Franklin, Science Park 1*	Buona Vista	260,000 sq ft	Q1 2019
Aquarius, Science Park 2*	Pasir Panjang Road	376,750 sq ft	Q2 2019
Funan	North Bridge Road	204,000 sq ft	Q4 2019
Park Mall	Orchard Road	352,000 sq ft	Q1 2020
CPF Building Redev.	Robinson Road	500,000 sq ft	Q1 2020
Central Boulevard	New Downtown	1,000,000 sq ft	Q4 2020
Golden Shoe Car Park	Raffles Place	635,000 sq ft	Q2 2021
Afro-Asia Building	Robinson Road	180,000 sq ft	Q2 2021
Woods Square	Woodlands	630,000 sq ft	Q2 2021

* Business Park / B1 space

Golden Shoe Car Park
Market Street

Target TOP: April 2021
Total size: 635,000 sq ft / Height: 51-storeys
Average floor size: 30,000 sq ft approx.
Integrated development with residential serviced apartments and 29 floors of offices

Demand Activity has been breathtaking over the last 6 months

Activity in the Singapore office market has been breathtaking over the last 6 months, with many large space users committing to space, moving before supply becomes more restricted later in 2019. The next wave of new supply will only become available in 2020/21, which has spurred demand in this current market.

All new developments are filling up quicker than anticipated

All new developments are filling up quicker than anticipated. Some tenants are coming from unexpected sources and schemes like **Paya Lebar Quarter** have definitely benefited from this. This scheme, which is 883,000 sq ft in size, is now 50% committed/reserved, some 9 months before targeted TOP in Q4 of 2018.

The big news is that SMRT is planning to relocate their HQ from City Hall / North Bridge Road to PLQ and will take up three floors there totaling around 100,000 sq ft.

A large multinational insurance company has committed to lease four whole floors in Tower 3, amounting to over 120,000 sq ft and Tower 3 is now fully leased. The other new developments continue to secure major tenants. **Frasers Tower** has recently leased 6 floors (amounting to 125,000 sq ft) to Total Oil, as well as space to China Construction moving from Keppel Towers. **Marina One** has agreed to lease 85,000 sq ft to Rajah & Tan, and Chevron Petroleum has leased 73,000 sq ft in **Duo Tower**.

WeWork is fast becoming one of the largest occupiers of office space in Singapore

The expansion of co-working space operators has been quite phenomenal and WeWork is fast becoming one of the largest occupiers of office space in Singapore. They already are the largest occupier of office space in London and they are targeting to secure a portfolio of office space in Singapore of over 300,000 sq ft within the next 2 years.

They launched in Singapore only 5 months ago in **Beach Centre** (30,000 sq ft) and since then have secured space in **71 Robinson Road** (60,000 sq ft). They have also recently agreed to lease two whole floors in **Suntec Tower Five**, totaling around 52,000 sq ft, 30,000 sq ft in **China Square Central**, 34,000 sq ft in City House (4 floors) and 20,000 sq ft (1 floor) in **Mapletree Anson**. They do plan well in advance and have pre-leased space in CapitaLand's commercial development Funan. They are also lined up to take up to 4 floors in **8 Cross Street** amounting to 60,000 sq ft.

Another co-work space operator, The Great Room has agreed to lease two whole floors in **Centennial Towers** and Collision8 (from High Street Centre) has leased two floors in **79 Anson Road**.

The amount of space these co-work space operators have committed to has had a significant effect on the overall take-up.

Tenants in New Developments 2017/2018

Marina One

- Bank Julius Baer
- Bank of Tokyo Mitsubishi
- BP
- Daiwa Capital Markets
- Facebook
- Gartners Advisory
- Grab
- Macquarie Bank
- PriceWaterhouseCoopers
- Prudential Assurance
- Ocean Network Express
- Olam International

Recent tenants

- Ahrefs
- Netflix
- Rajah & Tann

Guoco Tower

- Accor
- Agoda
- Asics
- Bank DNB
- Dentsu
- ING Bank
- Itochu
- K Line
- Manpower Group
- Palo Alto
- Prudential
- SAS Institute

Recent tenants

- Advisers Alliance Group
- Gunderson Dettmer Singapore
- Paragon Capital Group
- Sojitz

Duo Tower

- Abbott Laboratories
- Amcor
- Duferco
- Mastercard
- Regus
- Sumitomo Chemical Asia

Recent tenants

- Chevron
- Fullerton Fund Management
- GN Audio
- Pavilion Capital
- Spectrum

Raffles Place – Limited supply of large office spaces in this location has restricted leasing activity to small/medium size deals. **CapitaGreen** has attracted several big names including Dow Jones (relocating from International Plaza) and M & G Investment (MBFC). Another new tenant here includes AGK Network Consultants.

OUE Bayfront has secured new tenants such as oil and gas firm Novatek, BlueCrest Capital and hearing health specialists Amplifon Asia Pacific. **One Raffles Place** has been particularly busy. In Tower 2, IT firm Cloudera leased 18,000 sq ft over two floors. Immigration@SG moved into Tower 1, along with Ramsay Healthcare who will be moving in from Ocean Financial Centre.

Moving into **OFC** are tenants such as Duff & Phelps (Chevron House) and Roland Berger (OUE Bayfront). Asia Pacific Regional Services took a floor in **Maybank Tower** and Fortis Law has relocated into **UOB Plaza 1**.

In **New Downtown** activity is still strong. **Asia Square** has recently leased space to AFC Merchant Bank/ Resona Bank, My United Traders and Booz Allen & Hamilton.
SEO specialists Ahrefs has leased space in **Marina One** East Tower.

Robinson Road / Shenton Way has been offering some very attractive deals, which has tempted many new tenants. **Robinson 77** has leased space to Pirelli Asia (Keck Seng Tower), as well as one floor to communications consultants Watatawa and two floors to NTUC Link. **OUE Downtown 1** has leased space to Singhaiyi Group, Grace Ocean and Wargaming Asia while **OUE Downtown 2** has secured LSH Singapore as a new tenant. Blackmore International moved from OCBC Centre to **SBF Centre** and Midea Electric Trading has leased a floor at **158 Cecil Street**.

Tanjong Pagar is still the most competitive location and has seen healthy activity. French media firm Publicis Groupe is leasing one whole floor in **Mapletree Anson**. Co-working space operator Collision8 has expanded to lease two floors in **79 Anson Road** (22,000 sq ft). Companies that have moved into **Fuji Xerox Tower** include Frieslandcampina and Krones-Izumi. Kuala Linggi International Port and Essential Capital have moved into AXA Tower. Recent tenants to **78 Shenton Way** include Orion Consulting and USG Boral. Lynx Energy has moved into **Twenty Anson**.

Marina Bay / Bugis Junction – Carlson Wagonlit, one of the larger tenants that needed to relocate from Hub Synergy Point has moved into one whole floor at **Parkview Square**. Ingenico has expanded significantly in **The Gateway** and other new tenants here include Datacard and Antalis. **Suntec City** is always busy and co-work space operator U Commune (fka UR Work) has leased a floor in Tower 2. Other new tenants to Suntec City include Mabanaft (UE Square), Fortinet (The Concourse), Infinite Deemarco, Tech In Asia and Mulesoft.

Tenants in New Developments 2017/2018

UIC Building

Burger King
Just Office
Mitsui OSK

Recent tenants
Finastra
Natixis Bank
Temenos
Winning Alliance

Frasers Tower

Fonterra
Microsoft
Pacific Life
Shiseido
Sumitomo Corporation

Recent tenants
ABN Amro Bank
Arup Singapore
China Construction
Total Oil

Paya Lebar Quarter

Recent tenants
SMRT

Disclaimer
The information in this publication should be regarded as a general guide only. Whilst every care is taken in it preparation, no representation is made or responsibility accepted for its accuracy or completeness.

The rentals mentioned are neither asking rentals nor rentals agreed by property owners, but only represent the writers views on estimated rentals and is intended as reference only.

Whilst all the new developments are making most of the headline deals, the smart money could be looking at what shadow space is coming up. Shadow space is space that is often not on the open market but is coming available at a future date as a result of all those major relocations.

There will be quite a variety of buildings that will have substantial space coming available as a result of their anchor tenant moving - some will suit smaller space requirements with smaller floor plates and others will suit larger space requirements. Below is a summary of some of the larger shadow space scheduled to be coming on stream.

***All rents quoted are estimated target effective rates subject to negotiations and are not the landlords quoted figure**

$9.75 psf* (TBC)

One Marina Boulevard
Collyer Quay / Marina Blvd
Units from 4,000 – 50,000 sq ft
(Jan 2019)
Microsoft relocating to
Frasers Tower

$11.50+ psf*

Ocean Financial Centre
10 Collyer Quay

Units from 3,300 – 23,000+ sq ft
(Aug 2018)
ANZ Bank releasing 4 floors

$9.75 psf*

MYP Centre Battery Road

Units from 3,000 – 9,000 sq ft
per floor (Dec 2019)
Rajah & Tann relocating to
Marina One

$7.50 psf*

Odeon Towers North Bridge Rd

Units from 7,000 – 55,000+ sq ft
(Q1 2019)
Total Oil relocating to
Frasers Tower

$10.00 psf*

South Beach Tower
Beach Road

Units from 10,000 – 40,000 sq ft
(Timing TBC)
Facebook relocating to
One Marina

$6.50 psf*

Manulife Centre Bras Basah
(fka Plaza By The Park)

Units from 5,000 – 50,000 sq ft
(Q1 2019)
Manulife relocating to
8 Cross Street

$8.50 psf* (TBC)

Chevron House 30 Raffles Place

Units from 4,000 – 9,000 sq ft
per floor (June 2019)
Chevron moving to Duo Tower

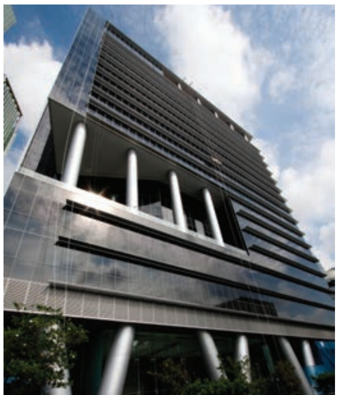
$7.50 psf*

Bugis Junction Tower
Victoria Road

20,000 – 40,000 sq ft (Q1 2019)
Large tenant planning to relocate

$6.50 psf*

Valley Point River Valley Road
Units from 3,000 – 35,000 sq ft
11,000 sq ft per floor
Olympus Singapore relocating
to Alexandra Technopark



$11.50 psf*

OUE Bayfront 50 Collyer Quay

Units from 10,000 – 30,000 sq ft
General Motors releasing
whole floor

The proliferation of co-working space operators is a facet of the office market that has never been witnessed before in Singapore.

It seems that the demand for such space has gone far beyond a passing fad and this concept of using office space demonstrates how working lifestyles have changed dramatically, often suiting the creative culture of millennials requiring mobility and connectivity as well as MNCs needing flexible workspace solutions.

One wonders where all these start-ups are coming from? They couldn't all be coming from serviced offices/business centres. Indeed not, although a significant number of these users did move from such locations, to save further costs. Many of the new tenants to co-working space are existing members from other co-work locations abroad.

Another important source of co-work occupiers are the major multi-national companies. Those MNCs who assemble teams for 'special projects' often want to avoid locking into a standard 3 year lease in conventional office space, preferring the flexibility of a co-work environment.

Examples of MNC's using co-work space include HSBC in Hong Kong, who leased the majority of WeWork's 60,000 sq ft of space in 535 Tower in Causeway Bay. Deutsche Bank also use WeWork space in London and Microsoft use their co-work space in other locations.

WeWork have just secured a 100,000 sq ft location in Japan with Softbank pre-committing to half that space, although Softbank do happen to be a majority shareholder of WeWork. That said this is a major shift in the culture of office leasing market globally.

The rate of growth is set to continue and it seems that almost every other building has either a business center or co-work premises and sometimes both.

Some landlords are planning to provide such space directly within their own new schemes. For instance, Paya Lebar Quarter is setting aside 15% of their office space for co-working/serviced offices. This would amount to around some 100,000 sq ft in this one location alone.

WeWork is planning to open a new location every 12 weeks for the next year and a half. Each location will have a typical floor area of 30,000 sq ft. Their space is usually full within 12 weeks of opening a location, which goes to show how successful this concept really is. With so many operators expanding into this market one questions when saturation point will be reached. Ultimately some consolidation is expected but for the moment there seems to be no end to this phenomena.

Why Use Corporate Locations for your office search

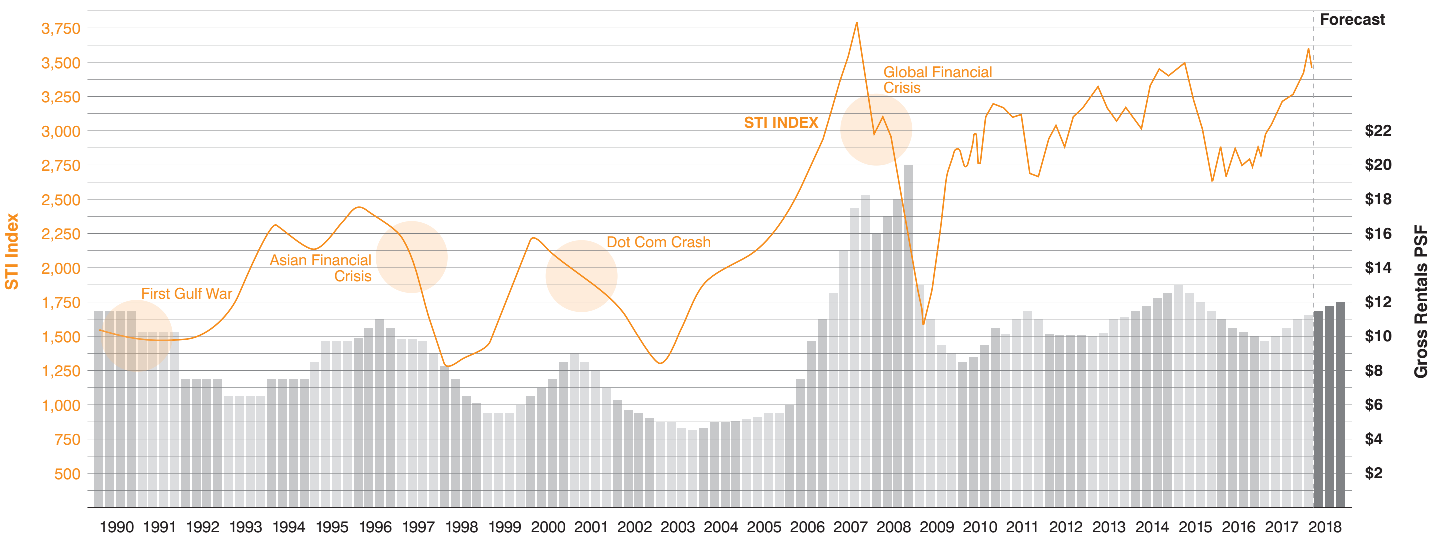
1 Not All Agents are the Same	**The difference? Total transparency** We introduce all options, disregarding fee incentives & no problem co-broking.	Every opportunity is introduced, including off-market opportunities.
2 Total Knowledge	**Every building covered, including your current building** Many agents rely only on Landlord's listings, which are incomplete.	Our direct marketing gives us forward knowledge who is moving out of what space.
3 Open Appointment	**No need to appoint an exclusive agent, it is not in your interest** Informal preferred acting status is all we seek – freedom to choose.	Safeguards that every opportunity can be presented to the tenant by any agent.
4 Independent	**We are truly Impartial** Unbiased towards any particular building or landlord, we decline landlord appointments.	Conflict free presentation of all competing schemes.
5 Best in Class	**Market Specialists** We specialize in just one market, office space - stick with an expert.	Multi-discipline agencies cover all markets, residential, retail, industrial,offices but can't be masters of all.
6 Trust	**We are problem solvers** Companies rely on us to find the answer to their most challenging requirements.	Forensic approach to finding solutions – no stone unturned.
7 Mindset	**We are tenants too** What would we do in your situation?	No deal is better than a bad deal.

Over the next 12 months we predict that prime office rates will see growth of around 8% - 10%, due to sustained demand and declining supply. Industries that continue to grow the strongest include IT, fintech, energy, private wealth management and of course co-working space operators.

The secondary market has not suffered as much as expected and whilst some selected buildings will see large voids as a result of anchor tenants relocating, the occupancy rates generally in this category are still relatively high. Growth in this sector is likely to be more modest until supply tightens further, but we still expect rates to firm around 5% to 7%.

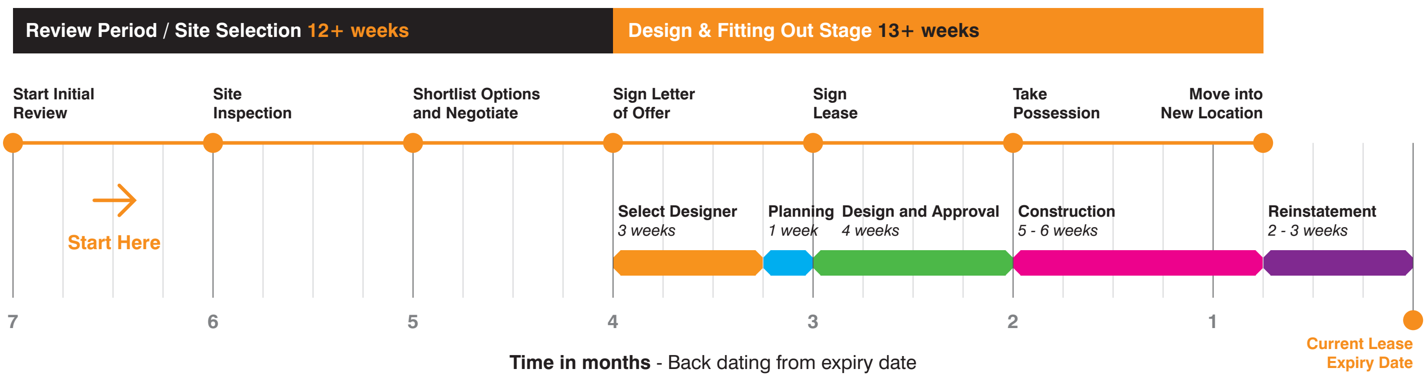
The edge of CBD/out-of town locations have seen more limited activity compared with other locations and we expect rates to be flat in this category for the next twelve months, although supply is just beginning to show the first signs of contraction.

Singapore Rental History



Average Top Prime Grade A Office Rentals in Singapore – Per sq ft Effective per month

Typical Project Timeline for standard 5,000 sq ft office move



Time in months - Back dating from expiry date

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