

Office Market Review



Central Boulevard Towers Pg 6



CapitaSpring Pg 7



Central Boulevard Towers Pg 6

SUPPLY

pg 3

Between 2020 and Q4 2022 approximately 5 Million sq ft of office space is expected to be completed. Averaged over 3 years this would work out to be approximately 1.66 Million sq ft per annum, which is not far off the historic 10 year average of 1.75 Million sq ft, but is still a shortfall of 100,000 per annum...



Asia Square / Supply Pg 3

Disclaimer
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INSIDE

Latest Rental Rates	pg 2
79 Robinson Road v. Afro Asia i-Mark	3
Recommended Leasing Options	4
Central Boulevard Towers/CapitaSpring	6/7
Co-work Space Update	8

MARKET FORECAST

pg 8

Many tenants argue that the market should be softening significantly, with the global economic uncertainties and now with COVID-19, expecting extra competitive deals should be possible. Whilst this is rational and understandable, the fact remains...



Impact of COVID-19 on the Market

DEMAND

pg 5

Demand has been sporadic over the last 6 months. Many locations have seen activity, with the exception of Orchard Road, where the only notable leasing transaction was the leasing of one whole floor at Haw Par Centre (21,500 sq ft) to Singapore Power, relocating from Keppel Towers 2. Take up has been boosted by...

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**CORPORATE
LOCATIONS**

Office Rental Guide

Official Asking Rates

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

1 April 2020

Raffles Place / New Downtown

18 Robinson	\$12.00
20 Collyer Quay	\$10.00-\$13.50
30 Raffles Place	\$11.00
55 Market Street	\$10.50
6 Battery Road	\$14.00
6 Raffles Quay	\$7.50
AIA Tower	Full
Asia Square Tower 1	\$14.00+
Asia Square Tower 2	\$13.50
ASO Building	\$6.20
Bank of China Building	Full
Bank of Singapore Centre	\$11.00
Bharat Building	\$6.30
CapitaGreen	\$13.50
CapitaSpring	TBC
Capital Square	\$11.50
Clifford Centre	\$8.00-\$9.00
Far East Finance Building	\$5.80-\$7.00
Grace Global Raffles	\$9.20
Great Eastern Centre	\$9.50
Hong Leong Building	\$9.00
Income@Raffles	\$10.00
Marina One	\$13.00+
Maybank Tower	Full
MBFC Tower 1, 2 & 3	\$13.00
MYP Centre	\$11.00
OCBC Centre	\$10.00
OCBC Centre East	Full
OCBC Centre South	Full
Ocean Financial Centre	\$14.00
One Finlayson Green	\$8.50
One George Street	\$11.50
One Marina Boulevard	\$15.00
One Raffles Place Tower 1	\$10.50-\$11.50
One Raffles Place Tower 2	\$12.00-\$12.50
One Raffles Quay Towers	\$13.00
OUE Bayfront	\$14.00
PLUS	\$11.00
Prudential Tower	\$10.00
Republic Plaza 1	\$10.00-\$11.80
Republic Plaza 2	Full
Royal Group Building	\$9.50
Royal One Phillip	\$9.50
Samsung Hub	\$9.00+
Singapore Land Tower	\$10.50
The Arcade	\$6.50+
The House of Eden	\$7.80
UOB Plaza 1	\$12.00
UOB Plaza 2	\$11.50

Robinson Road / Shenton Way

108 Robinson Road	Full
110 Robinson Road	\$6.00
120 Robinson Road	Full
137 Telok Ayer Street	\$7.50
150 Cecil Street	\$6.00-\$6.50
158 Cecil Street	\$8.00
71 Robinson Road	\$10.50
79 Robinson Road	\$12.50
80 Robinson Road	\$8.50
Afro Asia i-Mark	\$11.00
Bangkok Bank Building	\$5.50
BEA Building	Full
Capital Tower	\$10.00
Cecil Court	\$5.80
City House	Full
Cross Street Exchange	\$8.50
Crown@Robinson	\$6.50-\$9.50
GB Building	\$7.00+
Keck Seng Tower	\$6.20-\$6.80
Manulife Tower	\$10.00

MYP Plaza	\$6.50
OUE Downtown 1 & 2	\$9.00
PIL Building	\$6.50
Robinson 112	\$6.80
Robinson 77	\$9.00
Robinson Centre	\$10.50
Robinson Point	\$8.00-\$8.50
SBF Centre	\$8.00+
SGX Centre 1 & 2	\$9.50
Shenton House	TBA
SIF Building	Full
The Globe	\$7.00
The Octagon	\$5.80
Tokio Marine Centre	Full
Tong Eng Building	\$5.80
UIC Building	Full

Tanjong Pagar

100AM	\$7.30-\$8.30
78 Shenton Way Tower 1	\$8.20
79 Shenton Way Tower 2	\$9.80
79 Anson Road	\$8.50
ABI Plaza	\$6.50
Anson Centre	\$4.50
Anson House	\$9.00
AXA Tower	\$8.80
Fuji Xerox Towers	\$8.20
Fraser Tower	\$14.00
Guoco Tower	\$12.50-\$14.00
International Plaza	\$6.00+
Jit Poh Building	\$5.70
Mapletree Anson	\$9.40
MAS Building	\$8.30
Southpoint	Full
Springleaf Tower	\$8.50
St Andrew's Centre	\$5.30
Tanjong Pagar Complex	\$3.80
Twenty Anson	\$11.00

City Hall / Marina Centre / Beach Road

11 Beach Road	Full
47 Hill Street	\$8.50
51 Basah Road	\$10.50
Beach Centre	\$7.80
Bugis Junction Towers	\$9.20+
Centennial Tower	\$14.80
Duo Tower	\$13.50
Funan	Full
Millenia Tower	\$14.80
Odeon Tower	\$7.80-\$8.80
OG Albert Complex	\$5.00
Parkview Square	\$8.00
Peninsula Plaza	\$5.50
Raffles City Tower	\$8.50-\$11.00
South Beach Tower	\$12.00+
Stamford Court	\$7.50
Suntec Towers 1-5	\$9.50-\$11.00
The Adelphi	\$7.20
The Concourse	\$8.00
The Gateway East & West	\$7.50

Orchard Road / Dhoby Ghaut

50 Scotts Road	Full
51 Cuppage Road	\$7.50
Burlington Square	TBA
Faber House	Full
Fortune Centre	\$6.00
Forum	\$8.00
Goldbell Tower	\$8.50
Haw Par Centre	\$7.20
Haw Par Glass Tower	Full
International Building	\$8.00
Liat Towers	Full
Ngee Ann City	\$10.00
Orchard Building	Full
Orchard Gateway	\$9.50
Orchard Towers	\$4.00-\$4.50
Palais Renaissance	\$8.20
Regency House	\$7.20
Shaw Centre	\$8.00
Shaw House	\$8.50

Singapore Pools Building	Full
Sunshine Plaza	\$6.50
Tanglin Shopping Centre	TBA
The Bencoolen	\$5.50
The Heeren	\$10.50
Thong Teck Building	\$8.00
Tong Building	\$9.00
TripleOne Somerset	\$8.80
Visioncrest Commercial	\$9.00
Wheelock Place	\$11.50
Wilkie Edge	\$9.00
Winsland House I & II	\$9.50
Wisma Atria	\$9.80-\$11.00

Chinatown / River Valley Road

Central Mall	\$7.00
CES Centre	\$5.80
Chinatown Point	\$6.20-\$8.00
Great World City	\$7.20
Havelock II	\$7.50
King's Centre	\$6.50
The Central	\$9.50+
UE Square	\$8.50
Valley Point	\$6.50

Edge of CBD

Alfa Centre	\$6.80
Aperia*	\$6.00+
Boon Siew Building	\$5.25
Central Plaza	\$7.50
Goldhill Plaza	\$4.80
Newton 200	\$9.00
Novena Square	\$8.80
Rex House	Full
SLF Building	\$4.20
United Square	\$7.50-\$8.20

West / Others

Alexandra Point	Full
Alexandra Techno Park*	\$5.00
ALICE@Mediapolis*	\$5.70-\$6.50
Fragrance Empire Building	\$5.80-\$6.50
Harbourfront Centre	\$6.30-\$6.90
Harbourfront Tower 1	\$7.20-\$7.70
Harbourfront Tower 2	\$7.20
International Business Park Jurong*	\$4.00+
JEM	\$6.40
Keppel Bay Tower	\$8.20
Mapletree Business City*	\$6.50+
Pacific Tech Centre*	\$3.00+
PSA Building	POA
PSA Vista	\$4.50
Singapore Science Parks	\$4.50+
The JTC Summit	\$5.10
The Metropolis	\$8.70
UE Biz Hub West	\$6.50
Vision Exchange	\$6.50
Westgate	\$6.80

East

Abacus Plaza	\$5.50
AIA Tampines	Full
ARC 380	\$6.50
Changi Business Park	\$4.00+
CPF Tampines	\$5.20
Hiap Hoe Building	\$6.00
NTUC Tampines Junction	\$5.50
NTUC Tampines Point	\$5.50
Parkway Parade	\$4.75
Paya Lebar Quarter	\$9.00
Paya Lebar Square	\$6.50+
Singapore Post Centre	\$6.80
Starhub Green*	\$4.60
Tampines Concourse	\$4.80
Tampines Grande	\$6.80
Tampines Plaza	\$5.50
Viva Business Park	\$3.00+

ROBINSON ROAD SHOWDOWN

There are only two major office developments scheduled for completion in the CBD this year. Both are located on Robinson Road and both are expected to secure TOP within a few months of each other.

We thought it would be interesting to compare the merits / selling points of each, as 79 Robinson Road and Afro Asia i-Mark go head to head to compete for tenants, in what is a very challenging office leasing market.

*Estimated/target effective rates



\$11.00 psf*



\$10.00 psf*

SUPPLY

Between 2020 and Q4 2022 approximately 5 Million sq ft of office space is expected to be completed. Averaged over 3 years this would work out to be approximately 1.66 Million sq ft per annum, which is not far off the historic 10 year average of 1.75 Million sq ft, but is still a shortfall of 100,000 per annum.

However, what is more concerning is that beyond 2022 there are no new developments to add supply of Grade A space in the core CBD market and we can already predict a spiking of rents in 4 years. Established buildings in the CBD which have the most space available will be 30 Raffles Place, 55 Market Street, One Raffles Quay, Asia Square Tower One and 78 Shenton Way.

Outside the CBD, buildings with the widest choice available include PSA Building on Alexandra Road, Valley Point on River Valley Road, Harbourfront Centre and Paya Lebar Quarter.

79 Robinson Road

Target TOP: May 2020
Nearest MRT: Tanjong Pagar / 3 mins

- Large landmark development providing 518,000 sq ft of offices
- Easy access to Tanjong Pagar MRT, with underground link planned
- Attractive drop-off point and impressive elevated lobby on 2/F
- Good sea views
- Efficient shape, floor sub-divisible
- Top quality specification / finishes

Afro Asia i-Mark

Target TOP: Sep 2020
Nearest MRT: Tanjong Pagar / 7 mins

- Closer proximity to Raffles Place, located at 63 Robinson Road
- More competitive rental rates
- Smaller floor plate will suit a larger number of smaller tenants
- Column-free floor with rear service core allows good internal sightlines
- Impressive double-height entrance lobby on ground floor.

Summary of New Office Developments 2020-2022

Development	Location	Est. Size sq ft	Completion
79 Robinson Road	Robinson Road	518,000	2020 Q2
Afro Asia i-Mark	Robinson Road	182,000	2020 Q3
Centrium Square	Serangoon Road	140,000	2020 Q2
CapitaSpring	Raffles Place	635,000	2021 H1
70 Anson Road	Tanjong Pagar	150,000	2021 Q1
Rochester Commons	Buona Vista	237,000	2021 Q2
Central Blvd Towers	New Downtown	1,260,000	2022 Q1
Guoco Midtown	Beach Road	566,000	2022 Q1

Recommended Leasing Options Raffles Place

*Estimated/target effective rates



\$10.00+ psf*

Units: 1,000 – 11,500 sq ft

30 Raffles Place



\$9.00 – \$9.50 psf*

Units: 2,000 – 9,225 sq ft

Income@Raffles



\$9.75+ psf*

Units: 1,500 – 14,284 sq ft

Republic Plaza



\$12.50 psf*

Units: 2,700 – 50,000+ sq ft

One Raffles Quay, North Twr

Tanjong Pagar / Shenton Way

*Estimated/target effective rates



\$8.50* psf

Units from 1,131 – 12,000 sq ft

Anson House
Anson Road



\$8.25* psf

Units from 1,000 – 10,218 sq ft

AXA Tower
Shenton Way



\$8.50* psf

Units from 775 – 14,853 sq ft

OUE Downtown 2
Shenton Way



Outside CBD

*Estimated/target effective rates



\$5.50 psf*

Units: 4,500 – 9,731 sq ft

Centrium Square
Serangoon Road



\$7.40 psf*

Units: 1,055 – 40,000+ sq ft

PSA Building
Alexandra Road



\$5.75+ psf*

Units: 1,000 – 10,366 sq ft

Valley Point
River Valley Road



\$8.00 psf*

Units: 3,600 – 25,000 sq ft

Paya Lebar Quarter
Paya Lebar Road

Demand has been sporadic over the last 6 months. Many locations have seen activity, with the exception of Orchard Road, where the only notable leasing transaction was the leasing of one whole floor at **Haw Par Centre** (21,500 sq ft) to Singapore Power, relocating from Keppel Towers 2. Take up has been boosted by the remaining tenants from Shaw Tower, Tower 15 and Keppel Towers all needing to find new homes. The main beneficiaries were buildings in the secondary market, which offer the most competitive rates, rather than the newer schemes.

One of the largest deals recently was the leasing of some 50,000 sq ft to video app company Byte Dance / TikTok in **One Raffles Quay**. Grant Thornton has relocated from Robinson Point to **Asia Square Tower 1**. On the edge of the CBD Nu Skin has leased 20,000 sq ft in **UE Square**, relocating from The Central. Outside the CBD, Roche Singapore has moved from Great World City to **Paya Lebar Quarter**.

79 Robinson Road, which is scheduled to receive TOP in May, has been the most active of the new developments and has recently secured Howden Insurance / RKH Speciality as a new tenant. Other recent tenants include IMF and drinks giant William Grant & Sons. Competing scheme, **Afro Asia i-Mark** has recently secured co-working space operator The Great Room as a new tenant, who has committed to lease some 37,000 sq ft.

Even schemes scheduled for completion next year, such as **CapitaSpring**, are now jockeying for tenants and Squarepoint Operation will relocate there from CapitaGreen next year.

Demand has been sporadic over the last 6 months, with many locations seeing activity, with the exception of Orchard Road

Summary of Movement in Raffles Place/New Downtown

Company	Moved to
IMF Bentham	6 Battery Road
Seng Hong Petrochemical	6 Battery Road
Feng He Fund Management	6 Battery Road
RippleLabs	18 Robinson
Iress Market Technology	18 Robinson
Taishin International Bank	18 Robinson
Grant Thornton	Asia Square, Tower 1
Lighthouse Canton	Income@Raffles
HSBC Insurance	MYP Centre
CapGemini	MBFC Tower III
Here Solutions	MBFC Tower III

Company	Moved to
Asian Development Bank	MBFC Tower III
8x8 Holdings / Wavecell	One George Street
Awesome Gaming	One George Street
AJ Capital	One George Street
Byte Dance / Tik Tok	One Raffles Quay, North Tower
King & Spalding	One Raffles Quay, North Tower
Arthur D Little	One Raffles Place, Tower 1
Asics	One Raffles Place, Tower 1
Hillhouse Capital	One Raffles Place, Tower 2
NTT Data Singapore	Republic Plaza 2

Summary of Movement in Robinson Road/Shenton Way

Company	Moved to
Artisan Partners	120 Robinson Road
Rajah & Tann	120 Robinson Road
Comtel Solutions	4 Robinson Road
Howden Insurance	79 Robinson Road
Verifone	City House
We Are Social	Crown@Robinson

Company	Moved to
Maybank Singapore	Robinson 77
EY Corporate Services	Robinson 77
RGF Talent Solutions	Robinson 77
Deskera	Robinson Point
Joseph Tan Jude Benny	Robinson Point
Richfield Marine	OUE Downtown 2

Summary of Movement in Tanjong Pagar

Company	Moved to
Greenwave Shipping	78 Shenton Way
Checkpoint Software	78 Shenton Way
Frost & Sullivan	78 Shenton Way
Bond Capital Partners	78 Shenton Way
Vitec Electronics / UKC	78 Shenton Way
Xpress Feeders	78 Shenton Way
Inchcape Shipping	79 Anson Road

Company	Moved to
Euronav Singapore	79 Anson Road
ArcelorMittal	ABI Plaza
VCT Group of Wineries	Anson House
Sunrise Capital Management	AXA Tower
Maersk Brokers	Mapletree Anson
ChemOne Holdings	Springleaf Tower
Teva Pharmaceutical Invmt	Twenty Anson

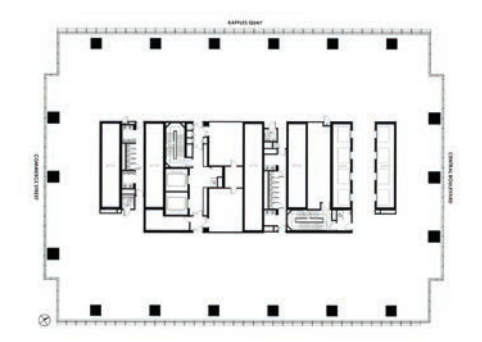
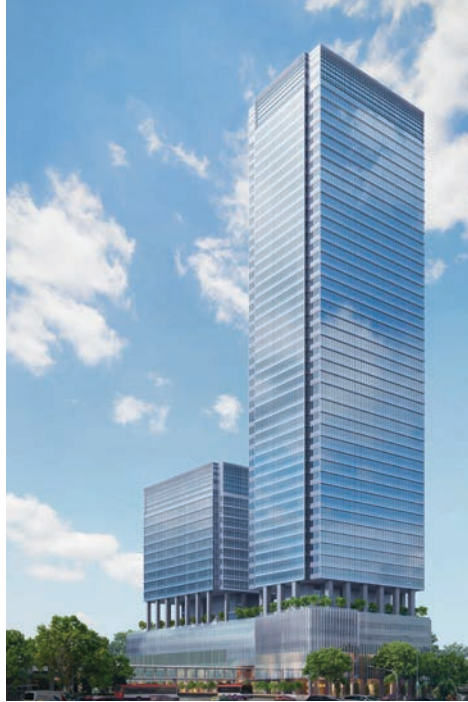
SPECIAL FEATURE

Central Boulevard Towers Raffles Quay

Estimated Effective Rate
TBC

Target TOP	June 2022
Total Size	1,258,000 sq ft
Average floor Size	25,500 sq ft <i>East Tower</i>
	21 - 23,000 sq ft <i>West Tower</i>
Building Height	16-storeys <i>East Tower</i>
	48-storeys <i>East Tower</i>

- **Ultra large 70,000 sq ft** on podium floor
- Close to **4 different MRT stations**
Underground link to Downtown MRT
- **Sky garden** with jogging track
- **Top quality** finishes and specifications
- **Super-efficient** regular shaped floors – column-free
- 2.9m floor to ceiling height
- Full height double glazed windows
- Central core 2 lift banks each with 8 lifts
- Anchor tenants to be confirmed



Central Boulevard Towers will be the most prestigious development of 2022

SPECIAL FEATURE

CapitaSpring 88 Market Street

Estimated Effective Rate
TBC

Target TOP	H1 2021
Total Size	635,000 sq ft
Average floor Size	22,000 to 23,000 sq ft
Building Height	51-storeys
Car Parking	350 lots
Cycle Parking	165 bays

- **Sheltered connectivity** to 3 MRT lines via Raffles Place MRT (3 mins) and Telok Ayer MRT (5 mins)
- **Impressive 19-metre high public atrium** decked with art installations and greenery, blending the office lobby into the city park
- **Green Oasis** from level 17 to 20 – A lush botanical enclave with lifestyle, dining and collaborative spaces
- **Sky garden** on level 51 with social spaces and fine-dining restaurant
- **Offices from levels 21 to 49** (3.2m raised floor to ceiling height with 150mm raised flooring)
- **Column-free floor plates** with full height windows
- **High occupancy loading** of up to 300 pax per floor
- **High specifications** including emergency power

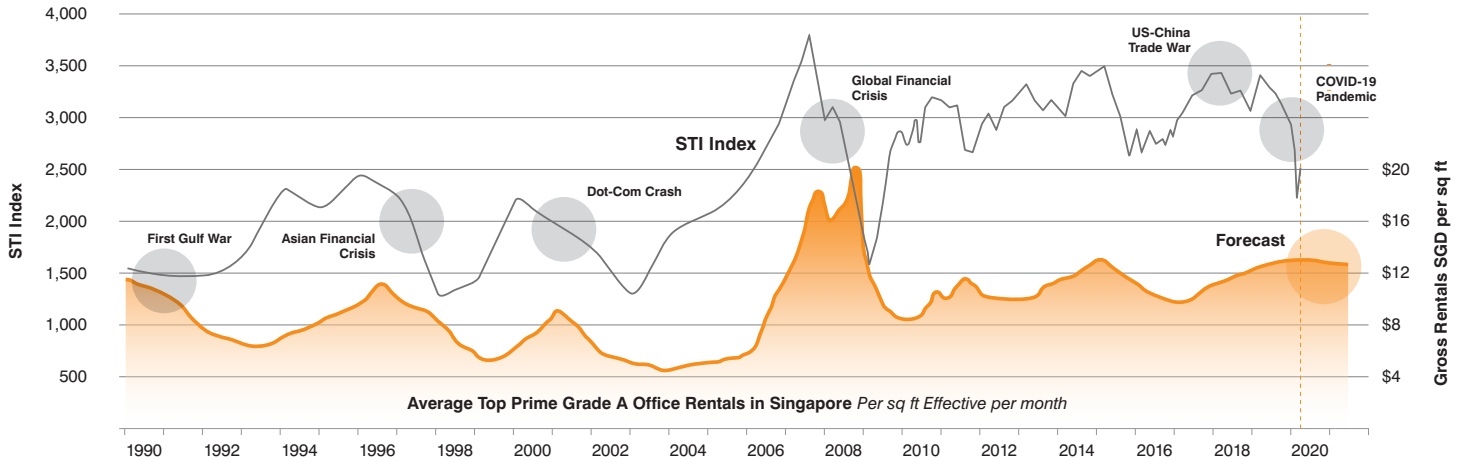


Along with CapitaGreen and Ocean Financial Centre, CapitaSpring is one of the best new office schemes in Raffles Place in over 20 years

Much has been written about the growth/expansion of agile space / co-work space operators, but not much has been reported about which companies have come out of traditional office to use such facilities. Some names are surprising. For instance, **Pepsico** has moved out of Alfa Centre to co-working space in Duo Tower, near Bugis. **Amazon** took up co-working space in Marina One for around 80 people.

Entertainment company **Lagarde Sports** has moved all 80 staff out of AXA Tower and took up space in The Great Room in One George Street. **Tech In Asia** has moved out of Suntec City into Justco co-working space in Bras Basah, as has medical technology company **Stryker** who have just moved out of 6 Battery Road. **City Index** has also moved from 6 Battery Road to The Work Project in Capital Tower. **Go Bear** moved from Bank of China Building to The Great Room in Raffles Hotel.

History of the Singapore Office Market



Impact of COVID-19 on the Office Market

The extent to which COVID-19 will affect the office leasing market is unknown at this stage, but it certainly will not help an already slow market. Businesses planning regional growth normally approach this as a medium/long term project, but there may be a knee jerk reaction to delay expansion or plans to upgrade until the full economic impact is known. With SARS, back in 2003 the market softened for only a short period of around 9-12 months, but this virus is far more widespread than SARS and we expect a greater and longer term negative impact, but it will eventually pass.

The long-term impact of COVID-19 could be another matter. Why? Because more companies are revisiting the concept of working remotely from home and more businesses are looking into co-working facilities. Yet with the latter option, staff will be mingling with a far greater number of people, thus not likely to be reducing the very risk they are seeking to avoid. What could happen is this outbreak could act as an accelerator of disruption, where remote working becomes more accepted, leading to a hybrid solution to the workplace. This could result in companies needing slightly less traditional office space after factoring in some staff will at times be working from home. It is still early days but this is one possible direction for office demand.

Market Forecast

Many tenants argue that the market should be softening significantly, with the global economic uncertainties and now with COVID-19, expecting extra competitive deals should be possible. Whilst this is rational and understandable, the fact remains that supply is very tight and many landlords are sitting on buildings that are 95% full. So they have little reason to drop their rates, which would have a knock-on effect on lease renewals, when they have a building that is nearly full.

Tenants should look at buildings which have higher vacancy rates, such as new developments/refurbishments that need to fill out their buildings from scratch, as well as those buildings that have been hit by major relocations. Top prime rates still average around \$11.00 to \$13.00 per sq ft effective. Mid-range buildings remain unchanged since Q4 2019 at between \$8.50 to \$10.00 per sq ft, and the economy range is firming slightly to between \$7.25 and \$8.00 per sq ft.

The lack of supply will continue to support rental stability to a degree, but the global economic uncertainties and virus concerns will have a negative effect in the office leasing market. It is anticipated activity will be even more subdued and the prime sector could see an easing of rates by up to 2-4% over the next 12 months.

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