

Office Market Update

Supply Pg 2

Tightening supply beginning to bite and choice of options has become much more limited in the past 12 months

Rentals / Forecasts Pg 2

Rentals have advanced in the last 12 months but the growth rate has slowed significantly

Demand **Fickle demand in a cautious market**

Demand for office space over the last 6 months has been muted / patchy with consolidation and right-sizing being prevalent in this cautious market. Forced relocations from Keppel Towers, Tower Fifteen and Shaw Towers (all due for redevelopment) have also had a big impact on supply in the economy sector. A shift towards 'out of town' locations has been noticeable and interest in the new schemes is picking up, particularly for **79 Robinson Road** (redevelopment of CPF Building).

The confirmed re-development of established buildings like Keppel Towers had a double whammy effect in the market – it simultaneously reduced the number of office buildings in the CBD whilst displaced tenants absorbed the increasingly limited space in the secondary market. Online retailer Zalora is moving from Keppel Towers to take up 20,000 sq ft in **51 Bras Basah Road** (fka Manulife Centre). Carousell is moving from Keppel Tower 2 to Rochester Park / Buona Vista (40,000 sq ft). **The Concourse** on Beach Road has been one of the main beneficiaries of such relocations, especially with shipping companies and new tenants here include V-Ships (Keppel Towers), GreatShip Global Offshore (Tower Fifteen) and Simmons SEA (Shaw Tower).

Out of town locations have been active

Out of town locations have been active. Engineering consultant, Worley Parsons has moved from Triple One Somerset to **Alexandra Techno Park** (35,000 sq ft) and Hikvision has also moved here from Shaw Towers. Chemical distribution company Brenntag Asia Pacific has leased 20,000 sq ft in **Alice@Mediapolis**, Future Electronics has moved to **UE Biz Hub East** (30,000 sq ft) and brand development company Edenred leased 10,000 sq ft in **Tai Seng Centre**.

Of the new developments coming up this year, **79 Robinson Road** has attracted considerable interest. Anchor tenants already committed here are EFG Bank and Allianz (committing up to 50,000 sq ft each). Recent tenants to commit to this scheme include the International Monetary Fund (IMF) 10,000 sq ft (relocating from MAS Building) and Scottish drinks giant William Grant & Sons, leasing approximately 15,000 sq ft, relocating from Aperia in Lavender. Recently completed **18 Robinson**, has attracted on-line photograph vendors Shutterstock, who took a whole floor and financial software firm IRESS taking half a floor.

Supply **The tightening supply of office space is beginning to bite**

The tightening supply of office space is beginning to bite and the choice of options has become much more limited in the past 12 months. Indeed, those companies with a staff-strength of 40 to 90 people will find they may only have 10-12 buildings to pick from within the CBD, for any given budget. In some cases the choice may be even less, which is why it is critical to know well in advance what shadow space is coming available, ahead of the competition.

2020 will indeed be a challenging year to find the right office space. Inside the financial district, the widest choices can be found in **30 Raffles Place** (fka Chevron House) **55 Market Street**,

Republic Plaza, Asia Square, Marina One and **51 Bras Basah Road**. The most important new schemes coming on stream this year in the CBD will be **79 Robinson Road** (Q2) and **Afro Asia iMark** (Q3), both on Robinson Road.

Outside / Edge of CBD, there is wide choice in **Valley Point** and ample space is coming available in **PSA Building** later in the year, when PSA Corporation move to their own new building in Pasir Panjang. There are further opportunities in the Harbourfront area and **UE Biz Hub West**. To the East, **Paya Lebar Quarter** still has quality space available.



79 Robinson Road



Afro Asia iMark



30 Raffles Place



51 Bras Basah Road

Rentals / Forecasts **Weak demand leading to static rentals**

Rentals have advanced in the last 12 months but the growth rate has slowed significantly. Demand was not the factor for rental growth but the limited supply, so landlords could hold out for their target rates. However, demand is expected to continue to be weak for the next 12 months, with many businesses holding back on their expansion plans due to global economic uncertainties. We therefore don't see much reason why rentals would advance much this year and may even soften marginally later in the year, with the next wave of supply set to hit the market in 2021/2022.

Top prime rates still average between \$11.00 \$13.00 per sq ft effective per month.

Top prime rates still average between \$11.00 to \$13.00 per sq ft effective. The mid-range buildings/locations command rates between \$8.00 and \$10.00 per sq ft and the economy range is in the region of \$7.00 to \$8.00 per sq ft effective.

Still a landlord's market but demand will be soft and leasing activity will be slower over the next 12 months.

To conclude we expect demand to remain weak in the medium term, rentals to be static over the next 12 months and supply to contract across the board. If asked whether this is a tenant's market or a landlord's market, it is still weighted in favour of the landlord but leasing activity will be slower over the next 12 months.

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T +65 6391 5212

www.corporatelocations.com.sg

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Douglas Dunkerley
Director

T +65 6391 5200

ddunkerley@corporatelocations.com.sg
CEA Reg No. R030779G



Edmund Goh
Director

T +65 6391 5201

edmundgoh@corporatelocations.com.sg
CEA Reg No. R030777J



Darren Ng
Director

T +65 6391 5209

darrenng@corporatelocations.com.sg
CEA Reg No. R022103E



John Lee
Senior Manager

T +65 6391 5211

johnlee@corporatelocations.com.sg
CEA Reg No. R016701D

Office Rental Guide

Official Asking Rates

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

Raffles Place/ New Downtown

18 Robinson	\$12.00
20 Collyer Quay	\$10.00-\$13.00
30 Raffles Place	\$11.00
55 Market Street	\$10.50
6 Battery Road	\$14.00
Asia Square T1	\$14.00+
Asia Square T2	\$13.00
Bank of China Building	Full
Bank of Singapore Centre	\$11.00
Bharat Building	\$6.50
CapitaGreen	\$13.50
CapitaSpring	\$14.00
Capital Square	Full
Clifford Centre	\$8.00-\$9.00
Grace Global Raffles	\$9.20
Great Eastern Centre	Full
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	\$13.00
One Raffles Place Twr 1	\$10.50-\$11.50
One Raffles Place Twr 2	\$12.00-\$12.50
One Raffles Quay Towers	\$13.00
OUE Bayfront	\$15.00
PLUS	\$11.00
Republic Plaza 1	\$10.00-\$11.80
Republic Plaza 2	Full
Royal Group Building	\$9.50
Royal One Phillip	\$9.50
Singapore Land Tower	\$10.50
The Arcade	\$6.50+
UOB Plaza 1	\$12.00
UOB Plaza 2	Full

Robinson Road / Shenton Way

108 Robinson Road	Full
110 Robinson Road	\$6.00
120 Robinson Road	\$7.00
137 Telok Ayer Street	\$7.50
150 Cecil Street	\$6.00-\$6.50
158 Cecil Street	\$7.50
6 Raffles Quay	\$7.50
71 Robinson Road	\$10.50
79 Robinson Road	\$12.50
80 Robinson Road	\$8.50
Afro Asia iMark	\$11.00
AIA Tower	Full
ASO Building	Full
Bangkok Bank Building	\$6.00
BEA Building	Full
Capital Tower	\$10.00
Cecil Court	\$5.80
China Square Central	\$8.50
City House	Full
Crown@Robinson	\$6.50-\$9.50
Far East Finance Bldg	\$5.80
Far Eastern Bank Bldg	Full
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	Full
Prudential Tower	\$10.00
Robinson 112	\$6.50
Robinson 77	\$9.00
Robinson Centre	\$9.00
Robinson Point	\$8.00-\$8.50
Samsung Hub	\$9.00+
SBF Centre	\$8.00+
SGX Centre 1 & 2	\$8.50-\$9.50
Shenton House	TBA
SIF Building	Full
The Globe	\$7.00
The House of Eden	\$7.80
The Octagon	\$5.80
Tokio Marine Centre	Full
Tong Eng Building	\$5.80
UIC Building	Full

Tanjong Pagar

100AM	\$6.80
78 Shenton Way Tower 1	\$8.20
79 Shenton Way Tower 2	\$9.80
79 Anson Road	\$8.30
ABI Plaza	\$6.50
Anson Centre	\$4.50
Anson House	\$9.00
AXA Tower	\$8.80
Fuji Xerox Towers	\$8.20
Frasers Tower	\$14.00+
Guoco Tower	\$14.00+
International Plaza	\$6.00+
Jit Poh Building	\$5.70
Mapletree Anson	TBA
MAS Building	\$8.30
Southpoint	Full
Springleaf Tower	\$8.70
St Andrew's Centre	\$5.30
Tanjong Pagar Complex	\$4.00
Twenty Anson	\$11.00

City Hall / Marina Centre / Beach Road

11 Beach Road	Full
47 Hill Street	\$8.30
51 Bras Basah Road	\$10.50
Beach Centre	\$7.80
Bugis Junction Towers	\$9.50
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	Full
Peninsula Plaza	TBA
Raffles City Tower	\$11.00
South Beach Tower	\$12.00
Stamford Court	\$7.00
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

182 Clemenceau Ave	TBA
50 Scotts Road	Full
51 Cuppage Road	\$7.50
Burlington Square	TBA
Faber House	\$8.00
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	\$7.80
Ngee Ann City	\$10.00
Orchard Building	Full
Orchard Gateway	\$9.50
Orchard Towers	\$4.25+
Palais Renaissance	\$8.30-\$9.30
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	\$12.50
Wilkie Edge	\$9.00
Winsland House 1 & 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
Kings Centre	\$6.80
The Central	\$9.50+
UE Square	\$8.50
Valley Point	\$6.50

Edge of CBD

Alfa Centre	Full
Aperia*	\$6.00+
Boon Siew Building	\$5.25
Central Plaza	\$7.50
Goldhill Plaza	\$4.80
Newton 200	Full
Novena Square	\$8.50
Rex House	\$5.30
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
Int'l Bus Park Jurong*	\$4.00+
JEM	\$6.40
Keppel Bay Tower	\$8.00-\$11.00
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	\$8.00
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 Jct	\$5.80
NTUC Tampines Pt	Full
Parkway Parade	TBA
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+

* Business Park / B1 space