

MARKETBEAT

\$9.38

RENT
(PSF/MO)

2.0%

RENTAL GROWTH
(QOQ)

4.9%

VACANCY RATE

HIGHLIGHTS

Stable Economic Growth Ahead

Singapore's economy grew by 3.6% in 2017, a significant improvement over the growth of 2.4% in 2016. The strong performance was supported by the finance & insurance sector, which grew by 4.8%. Economists expect 2018 GDP growth to come in at around 3%.

Robust Leasing Activity in CBD & Suburbs

Leasing activity in the CBD remained robust during the first quarter, with Frasers Tower's pre-commitment rate rising to 70% ahead of its scheduled mid-year completion. Recent major deals in the project include French oil giant Total taking up 125,000 sf, ABN Amro leasing 44,000 sf and Sumitomo Corporation inking a lease for 43,000 sf. In addition, the coworking segment continued to see vigorous expansion during the quarter. WeWork signed a slew of leases at Mapletree Anson, 8 Cross Street, Suntec Tower 5, and City House, increasing its total footprint in Singapore to 300,000 sf. Meanwhile, rising CBD rents prompted some occupiers to consider decentralized locations. Pre-leasing at Paya Lebar Quarter rose to 50%, with SMRT relocating its HQ and taking up 100,000 sf.

Steady Rental Growth

The overall Grade A CBD rent rose by 2.0% to S\$9.38 psf/mo during 1Q2018, driven by Raffles Place rents which increased 3.3% to S\$9.68 psf/mo. With vacancies in Grade A properties declining at a steady pace, rents are on track to attain a 10% increase in 2018.

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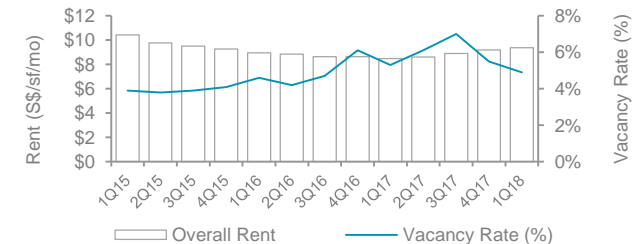
DATA
INTO
ACTION

ECONOMIC INDICATORS

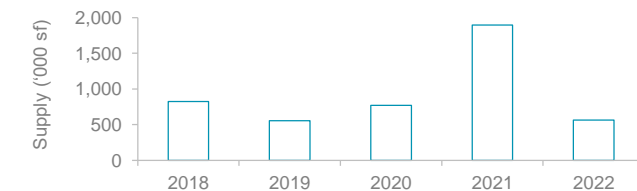
	3Q17	4Q17	12-Month Forecast
GDP Growth	5.5%	3.6%	■
CPI Growth	0.4%	0.5%	▲
Unemployment	2.1%	2.1%	■

Source: Ministry of Trade & Industry

GRADE A CBD OVERALL RENT & VACANCY RATE



GRADE A CBD SUPPLY PIPELINE



SINGAPORE OFFICE MARKETBEAT

MARCH 2018



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SUBMARKET	INVENTORY (SF)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SF)	GRADE A EFFECTIVE RENT		
				\$/SF/MO	US\$/SF/MO	EUR/SF/MO
Marina Bay	9,013,000	6.0%	1,260,000	\$10.65	US\$8.08	€6.57
Raffles Place	7,430,000	3.5%	635,000	\$9.68	US\$7.34	€5.98
Shenton Way / Tanjong Pagar	3,558,000	2.5%	1,571,000	\$9.01	US\$6.84	€5.56
City Hall / Marina Centre	4,262,000	3.2%	205,000	\$8.89	US\$6.75	€5.49
Orchard	1,961,000	6.0%	352,000	\$8.67	US\$6.58	€5.35
Bugis	1,133,000	16.5%	566,000	\$8.02	US\$6.08	€4.95
SINGAPORE GRADE A CBD TOTAL	27,357,000	4.9%	4,589,000	\$9.38	US\$7.12	€5.79
City Fringe [^]	6,908,000	6.1%	111,000	\$6.81	US\$5.17	€4.20
Suburban [^]	5,496,000	3.3%	1,418,000	\$4.90	US\$3.72	€3.02

[^]All-Grades
US\$/S\$ = 1.318; €/S\$ = 1.620 as at 18 March 2018

KEY LEASING TRANSACTIONS 1Q2018

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
Frasers Tower	Shenton Way	Total	125,000	Relocation
Paya Lebar Quarter	Suburban	SMRT	100,000	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Frasers Tower	Shenton Way	Microsoft, Total	663,000	2018
18 Robinson	Shenton Way	Regus	136,000	2018
Paya Lebar Quarter	Suburban	SMRT	840,000	2018
Funan	City Hall/Marina Centre	WeWork	205,000	2019
9 Penang Road	Orchard	-	352,000	2019
Woods Square	Suburban	-	534,000	2019
79 Robinson Road	Shenton Way	-	514,000	2020
63 Robinson Road	Shenton Way	-	140,000	2020
Central Boulevard GLS Site	Marina Bay	-	1,260,000	2021
88 Market Street	Raffles Place	-	635,000	2021
Beach Road GLS Site	Bugis	-	566,000	2022

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