

MARKETBEATS



\$9.74

RENT (PSF/MO)

3.8%

RENTAL GROWTH

4.4%

VACANCY RATE

BE
WHAT'S
NEXT

HIGHLIGHTS

Firm Business Sentiment

Business sentiment firmed amidst Singapore's solid economic growth of 4.4% y-o-y in 1Q2018. The finance & insurance sector expanded by 9.1% y-o-y, while the information & communications sector grew by 5.7% y-o-y. Office-using employment increased by 7,100 workers in 1Q2018. Private economists now expect 2018 GDP growth to exceed 3%.

Healthy Islandwide Demand

Market demand in the CBD remained healthy in Q2. In the largest deal of the quarter, JP Morgan leased 155,000 sf in CapitaSpring. Also, Frasers Tower obtained TOP and achieved an occupancy rate in excess of 80%. Meanwhile in the suburbs, Paya Lebar Quarter continued to perform well with Great Eastern and NTUC Income taking up 125,000 sf and 55,000 sf of space respectively. In addition, it was reported that co-working brand Spaces was in advanced negotiations to lease 52,000 sf in the property.

Increased CBD Rental Pressure

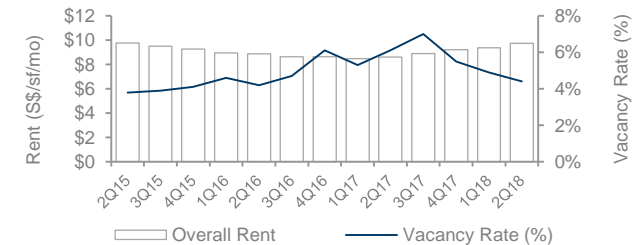
The overall Grade A CBD rent rose by 3.8% to S\$9.74 psf/mo during 2Q2018. During the past couple of quarters, CBD rental pressure was partially relieved by tenants taking up space in Paya Lebar Quarter. However, with Paya Lebar Quarter already 50% committed, CBD rental pressure is expected to substantially increase as the remaining suburban project, Woods Square, is significantly further away from the CBD at Woodlands.

ECONOMIC INDICATORS

	4Q17	1Q18	12-Month Forecast
GDP Growth	3.6%	4.4%	▲
CPI Growth	0.5%	0.2%	▲
Unemployment	2.1%	2.0%	■

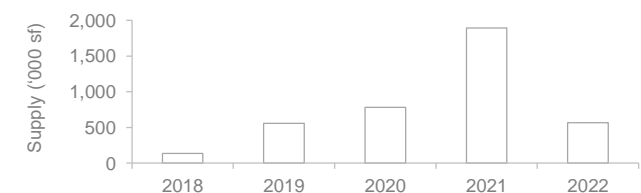
Source: Ministry of Trade & Industry

GRADE A CBD RENT & VACANCY RATE



Source: Cushman & Wakefield Research

GRADE A CBD SUPPLY PIPELINE



Source: URA, Cushman & Wakefield Research

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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	9,008,000	4.6%	1,260,000	\$\$10.95	US\$8.10	€6.97
Raffles Place	7,425,000	3.5%	635,000	\$\$9.86	US\$7.29	€6.28
Shenton Way / Tanjong Pagar	4,176,000	4.3%	918,000	\$\$9.35	US\$6.92	€5.96
City Hall / Marina Centre	4,262,000	2.8%	205,000	\$\$9.19	US\$6.80	€5.85
Orchard Road	1,961,000	7.6%	352,000	\$\$9.36	US\$6.92	€5.96
Bugis	1,133,000	8.6%	566,000	\$\$8.52	US\$6.30	€5.43
SINGAPORE GRADE A CBD TOTAL	27,965,000	4.4%	3,936,000	\$\$9.74	US\$7.20	€6.20
City Fringe [^]	6,908,000	5.8%	111,000	\$\$6.83	US\$5.05	€4.35
Suburban [^]	5,573,000	4.5%	1,418,000	\$\$4.91	US\$3.63	€3.13

[^]All-Grades
US\$/\$\$ = 1.352; €/\$\$ = 1.570 as at 18 June 2018

KEY LEASING TRANSACTIONS 2Q2018

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
CapitaSpring	Raffles Place	JP Morgan	155,000	Relocation
Paya Lebar Quarter	Suburban	Great Eastern	125,000	Relocation
Paya Lebar Quarter	Suburban	NTUC Income	55,000	New Lease

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
18 Robinson	Shenton Way	Regus	136,000	2018
Paya Lebar Quarter	Suburban	Great Eastern, 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
ASB Tower	Shenton Way	-	514,000	2020
63 Robinson Road	Shenton Way	-	140,000	2020
Hub Synergy Point	Tanjong Pagar	-	128,000	2020
Central Boulevard GLS Site	Marina Bay	-	1,260,000	2021
CapitaSpring	Raffles Place	JP Morgan	635,000	2021
Beach Road GLS Site	Bugis	-	566,000	2022

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