

MARKETBEATS

\$10.37

RENT (PSF/MO)

3.7%

RENTAL GROWTH

3.0%

VACANCY RATE

WHAT'S NEXT

HIGHLIGHTS

Economic Growth Remains Positive

The Singapore economy grew at a slower 2.2% YoY in 3Q2018. The finance & insurance sector grew at a stronger 5.6% YoY, while the information & communications sector expanded by 4.7% YoY, leading to office-using employment increasing by 7,500 workers.

Co-Working Operators Continue to Expand

Co-working operators continued to expand amidst stiff competition, with Hong Kong-based Campfire finalizing a deal to lease the entire 85,000 sf in 139 Cecil Street. Meanwhile, CapitaLand acquired a 50% stake in The Work Project, leading to the co-working operator taking up 41,000 sf and 31,000 sf in Asia Square Tower 2 and Capital Tower respectively.

Tech, Co-Working & Finance to Drive Growth

During 4Q2018, the Grade A CBD rent rose by 3.7% to S\$10.37 psf/mo, resulting in a full-year rental increase of 12.7%. Rents are projected to continue escalating by 8-10% in 2019 as the tight supply situation continues to persist and as demand remains firm. The tech, co-working, and finance sectors are expected to drive demand in 2019. While the tech sector took a backseat in 2018, leasing activity by tech companies may increase as firms in the ride-hailing segment are seeking to expand their presence in Singapore. Demand from co-working operators will also be maintained as multiple firms compete for market dominance. In addition, constant rate hikes by the Federal Reserve have improved the profit margins of financial firms, which is likely to lead to increased demand for space.

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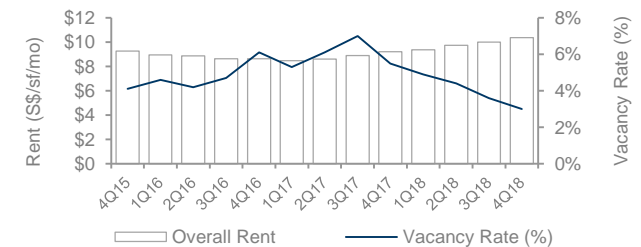
DATA INTO ACTION

ECONOMIC INDICATORS

	2Q18	3Q18	12-Month Forecast
GDP Growth	4.1%	2.2%	▬
CPI Growth	0.3%	0.7%	▲
Unemployment	2.0%	2.1%	▬

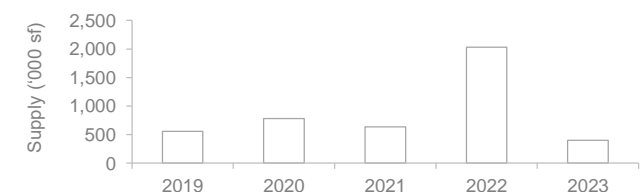
Source: Ministry of Trade & Industry

GRADE A CBD RENT & VACANCY RATE



Source: Cushman & Wakefield Research

GRADE A CBD SUPPLY PIPELINE



Source: URA, Cushman & Wakefield Research

Christine Li

Senior Director, Research, Singapore
3 Church Street
#09-03 Samsung Hub
Singapore 049483
Tel: +656232 0815
christineli.mw@cushwake.com

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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	2.5%	1,260,000	S\$12.29	US\$8.96	€7.85
Raffles Place	7,425,000	2.9%	635,000	S\$10.61	US\$7.74	€6.78
Shenton Way / Tanjong Pagar	4,312,000	2.8%	782,000	S\$9.86	US\$7.19	€6.30
City Hall / Marina Centre	4,262,000	3.0%	205,000	S\$9.72	US\$7.09	€6.21
Orchard Road	1,961,000	6.4%	352,000	S\$9.36	US\$6.83	€5.98
Bugis	1,132,000	2.1%	1,170,000	S\$8.97	US\$6.54	€5.73
SINGAPORE GRADE A CBD TOTAL	28,100,000	3.0%	4,404,000	S\$10.37	US\$7.56	€6.62
City Fringe [^]	6,908,000	3.7%	424,000	S\$6.95	US\$5.07	€4.44
Suburban [^]	7,052,000	12.4%	534,000	S\$5.46	US\$3.98	€3.49

[^]All-Grades
US\$/S\$ = 1.371; €/S\$ = 1.566 as at 20 December 2018

KEY LEASING TRANSACTIONS 4Q2018

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
139 Cecil Street	Shenton Way	Campfire	85,000	New Lease
Asia Square Tower 2	Marina Bay	The Work Project	41,000	New Lease
Capital Tower	Shenton Way	The Work Project	31,000	New Lease

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
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	Allianz	514,000	2020
CapitaSpring	Raffles Place	JP Morgan	635,000	2021
Central Boulevard Towers	Marina Bay	-	1,260,000	2022
Guoco Midtown	Bugis	-	770,000	2022
Shaw Tower	Bugis	-	400,000	2023