

# DATA CENTRE MARKETBEAT

Winter 2019



CUSHMAN & WAKEFIELD

## SINGAPORE

### MARKET OVERVIEW

Singapore functions as a global business hub across finance, IT, shipping, biotechnology, and many other advanced economic sectors. The city-state punches well above its size with its ease of doing business and strong access and connectivity to all of Asia.

Singapore has connections to 22 undersea cables, with four more coming online throughout 2019 and 2020, providing additional links to the rest of Southeast Asia, Australia, and the United States. This fiber and Singapore's relatively central location in Asia allows for low latency to many key regional markets. Power does remain the costliest in Southeast Asia and among the most expensive in the world for major data center markets, though this is widely viewed as offset by the many other benefits on offer.

Data center operators have noticed these benefits, and the Singaporean market is slated to nearly double in power capacity in the next three years. Most major global operators are active locally, including Digital Realty, Equinix, Colt, Global Switch, Iron Mountain, China Mobile, and NTT, with homeland heroes Singtel, ST Telemedia, Keppel Data Center REIT, and ST Electronics consistently expanding in recent years. Local corporate users have invested in their data center infrastructure of late, with OCBC Bank completing their S\$ 240 million flagship project early in 2018.

Hyperscale users have invested as well, with Microsoft adding new Azure regions in the area and Google planning a third data center to be complete by mid-2020. These investments have been outshined in comparison to a recent announcement by Facebook, who is planning an eleven-level, 150 MW data centre that will cost S\$1.4 billion to develop and span 170,000 sqm. Initial operations at the facility are planned for 2022, and when complete this project will comprise one quarter of Singapore's data center capacity.

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*“Total capacity of the market locally is expected to nearly double over the next three years, with large developments either already underway or in planning from STT, Global Switch, Singtel, Digital Realty, and Equinix, and hyperscale projects from Google and Facebook.”*

### KEY INDICATORS



UNDER CONSTRUCTION

**298 MW**



VACANCY

**17%**

### SINGAPORE FUNDS THE DATA CENTER WORLD

The Singaporean data center story doesn't stop at the Singapore Strait; instead, several local funds have invested widely in the data center sphere across the Americas, Europe, and the rest of Asia. This investment takes many forms; some organizations have chosen to create new companies to deploy capital, while others have chosen to invest directly asset by asset.

Early 2018 saw the creation of EdgeCore in the United States, a venture funded by Singaporean sovereign wealth fund GIC, in collaboration with Canadian pension fund OPTrust and US entity Mount Elbert Capital Partners. This new company is underway on projects across the US, with completion of their first asset shortly in the Phoenix area.

On an asset acquisition basis, large investment houses Mapletree and Keppel have acquired dozens of data centers globally, each through multiple funds. Keppel Data Centre REIT has proven particularly acquisitive, building a portfolio of assets across Australia, Malaysia, Germany, Italy, Ireland, the Netherlands, UK, and at home in Singapore.

Direct corporate acquisitions have also been utilized, shown in 2016 when ST Telemedia (part of Temasek) purchased a majority interest in the data center business of Indian giant Tata Communications. This provided a large portfolio of data centers across India with additional space in Singapore.

With a large amount of capital available and experience investing across borders, we expect continued international success for local companies.

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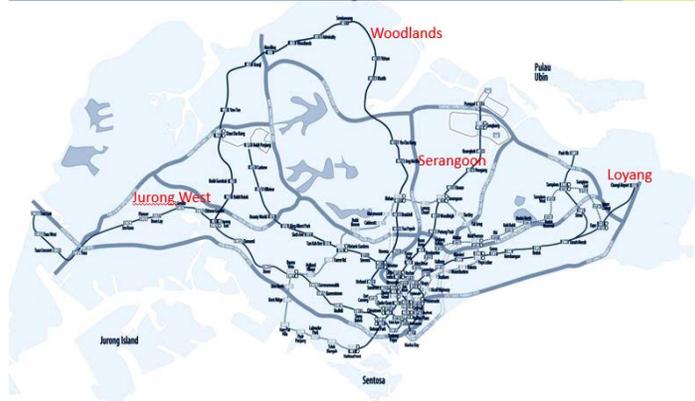
### CONSTRUCTION UPDATE

OPERATOR	LOCATION	GFA SIZE (SQM)	IT POWER (MW)	STAGE / EST. DELIVERY
STT	Defu 2	14,401	12	Completed/ Q4 2018
	Loyang	27,000	30	Under Construction / Q2 2020
Global Switch	Woodlands	25,000	18	Completed / Q4 2018
Iron Mountain	Serangoon	14,200	6	Under Construction / Q2 2019
China Mobile	Tai Seng	17,490	12	Under Construction / Q2 2019
Equinix	SG4	23,800	25 (est)	Under Construction / Q4 2019
Google	Jurong West	21,410	25 (est)	Under Construction / Q2 2020
Digital Realty	Digital Loyang II	34,000	50	Under Construction / Q3 2020
Facebook	Tanjong Kling	170,000	150	Under Construction / Q2 2022

### RECENT SINGAPORE PROPERTY SALES

PROPERTY	SIZE (SQM)	SALE DATE	SALE PRICE (\$)	BUYER	SELLER
9 Tai Seng Dr	20,337	Jan-19	\$99,600,000	Ascendas-Singbridge Group	Sabana REIT
13 Sunview Way	9,176	Jun-18	\$309,600,000	Keppel Data Centre REIT	Kingsland Development, Nylect Engineering
1 Serangoon North Ave 6	14,214	Mar-18	\$80,500,000	Iron Mountain	Credit Suisse

#### Singapore Market Map



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“Three data centers have sold over the past year totaling nearly S\$500 million in investment, and construction continues on 300 MW of new facilities.”

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#### GLOBAL DATA CENTER ADVISORY GROUP

Cushman & Wakefield's [Data Center Advisory Group](#) is a global team of elite professionals delivering specialized real estate solutions for mission critical users, owners, and environments. With scalability, reliability, and security as a driving force, our highly knowledgeable and responsive professionals guide clients to make effective financial decisions. Our expertise ranges includes colocation facilities, control centers, greenfields, powered shell, and trading floors. We lend additional value through our understanding of global dynamics and their impact on local markets.