

LEASING OFFICE PREMISES IN SINGAPORE

Singapore is a global hub for business and investment. The island boasts a well-developed infrastructure, efficient banking and financial services, advanced communications network, social and political stability as well as a skilled and highly educated workforce. In fact, Forbes Global ranked Singapore in 2001 as the second best place in the world to start a business.



Office space of international standard is the norm in Singapore, with most of the buildings located in several key areas within the Central Business District (CBD) and peripheral districts of the island.

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-  Regional Centre
-  Expressway
-  Proposed Paya Lebar/
Kallang Expressways
-  MRT Line
-  Proposed MRT Line
-  Proposed Marina Line
-  LRT Line
-  Proposed LRT Line
-  MRT Station



MAIN OFFICE LOCATIONS



Businesses of the same nature have over time clustered so that various locations in the CBD area have evolved into distinct hubs.



RAFFLES PLACE

This remains the choice location for many banks, financial, insurance and business services.

Major Office Buildings : Republic Plaza I & II, OUB Centre, UOB Plaza 1 & 2, Ocean Towers, 6 Battery Road, Singapore Land Tower, Capital Square, Prudential Tower, 18 Cross Street

Nearest MRT Station : Raffles Place Interchange (EW14/NS26)

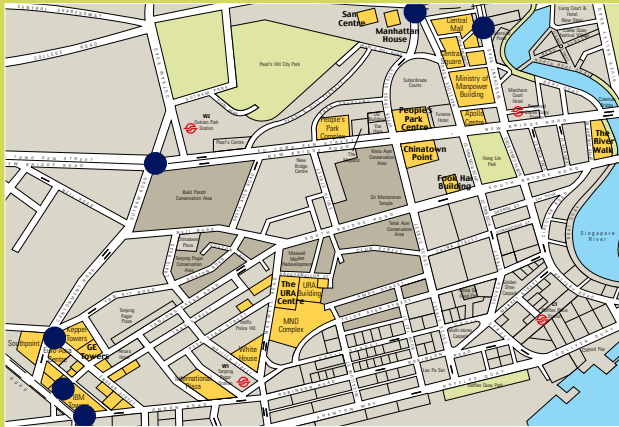


ROBINSON ROAD/CECIL STREET/SHENTON WAY

This area is an extension of the banking and financial district of Raffles Place. It houses mainly banks, multinational corporations (MNCs) and professional services groups.

Major Office Buildings : Capital Tower, SIA Building, SGX Centre 1 & 2, DBS Building Tower 1 & 2, Temasek Tower

Nearest MRT Station : Tanjong Pagar (EW15)



ANSON ROAD/TANJONG PAGAR

Shipping and trading companies, business services groups and various government institutions are dominant here. This area is located at the south west end of the CBD, near the port.

Major Office Buildings : Springleaf Tower, IBM Towers, Keppel Towers, GE Tower, 78 Shenton Way, 79 Anson Road, International Plaza

Nearest MRT Station : Tanjong Pagar (EW15)

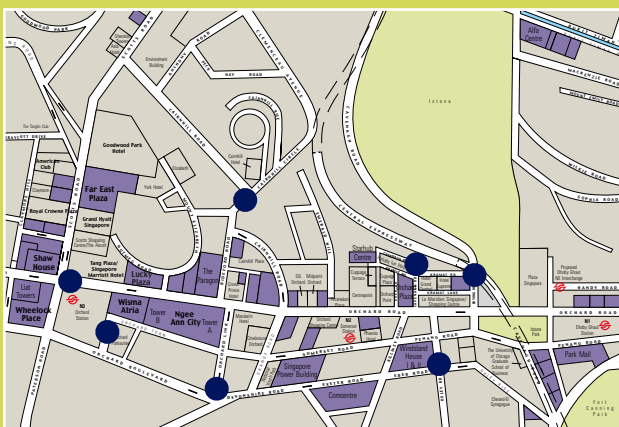


MARINA CENTRE

This is an increasingly coveted business location by banks and MNCs. Built on reclaimed land and masterplanned as a self-contained commercial area, it is an important integrated business district with office and convention facilities, entertainment, shopping centres and hotel accommodation.

Major Office Buildings : Suntec City Towers, Millenia Tower, Centennial Tower, One Raffles Link

Nearest MRT Station : City Hall Interchange (EW13/NS25)



ORCHARD ROAD CORRIDOR

Home to major retail stores, this is Singapore's prime shopping, hotel and entertainment district.

Major Office Buildings : The Atrium@Orchard, Wheelock Place, Shaw House, Ngee Ann City, Paragon Tower, Orchard Building, The Hereen, Winsland House I and II

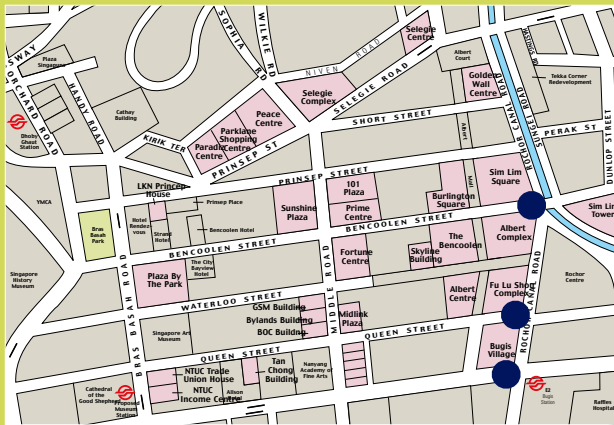
Nearest MRT Stations : Orchard (NS22), Somerset (NS23) and Dhoby Ghaut (NS24)



BEACH ROAD/NORTH BRIDGE ROAD

This is another location in high demand among MNCs and professional services groups. It provides offices with the added convenience of entertainment and shopping malls.

- Major Office Buildings** : Raffles City Tower, Parkview Square, The Gateway East & West, Shaw Tower, Bugis Junction Office Tower, Odeon Towers, KeyPoint, The Concourse
- Nearest MRT Stations** : Bugis (EW12), City Hall Interchange (EW13/NS25) and Lavender



BRAS BASAH ROAD/SELEGIE ROAD

A popular office location for professional services companies, situated at the fringe of the CBD area. It offers a diverse range of office accommodations.

- Major Office Buildings** : Plaza By The Park, Sunshine Plaza, IOI Plaza, Sim Lim Tower, Selegie Complex, Burlington Square, NTUC Income Prinsep House, Peace Centre, Paradiz Centre
- Nearest MRT Stations** : City Hall Interchange (EW13/NS25) and Dhoby Ghaut (NS24)



RIVER VALLEY/SINGAPORE RIVER

Located between CBD and Orchard Road, it has developed into a bustling commercial and retail area that offers quality office space as well as residential, shopping and entertainment facilities.

- Major Office Buildings** : Great World City, UE Square, Central Square, Central Mall
- Nearest MRT Stations** : Proposed Clarke Quay and People's Park

-  Regional Centre
-  Expressway
-  Proposed Paya Lebar/
-  Kallang Expressways
-  MRT Line
-  Proposed MRT Line
-  Proposed Marina Line
-  LRT Line
-  Proposed LRT Line
-  MRT Station



PERIPHERAL DISTRICTS



EAST - TAMPINES REGIONAL CENTRE

Tampines is the first and most developed Regional Centre in suburban Singapore that integrates a work, shop and play concept. Planned as a Finance Park, it functions as a business and finance centre outside the CBD area.

Major Office Buildings : AIA Tampines, Tampines Junction, Compaq Centre, Abacus Plaza, NTUC Income, Tampines Point, CPF Tampines Building, Telepark

Nearest MRT Station : Tampines (EW2)



WEST - ALEXANDRA CORRIDOR

This sector houses mainly companies involved in electronics, IT, science and technology.

Major Office Buildings : BP Tower, Alexandra Point, HP House, NOL Building, PSA Building

Nearest MRT Station : Proposed HarbourFront



DEFINING YOUR CRITERIA

The following is a guide to assist you in defining your criteria for an office space:

- Buy/Lease
- Location/Accessibility
- Floor Space (sq ft)
- Budget
- Timing for Occupation
- Fitted/Not fitted
- Quality of Building/Others

WHAT TO LOOK OUT FOR DURING SITE VISITS

Here is a list of items to look out for during your selection process:

- Nearby amenities
- Carpark facilities
- Configuration of unit
- Frontage from lift lobby
- Surrounding views
- Clear ceiling height
- Provision of back-up power
- Bare building condition
- Floor system ie raised flooring/underfloor trunking
- Strata-titled/Single owner
- Image of building
- Security
- Others

OFFICE RE-LOCATION/SET-UP COSTS

LEGAL DOCUMENTATION

■ Legal cost

Tenants bear legal cost and are advised to consult their solicitors to ascertain actual fee.

■ Stamp Duty (as at October 31 2001)

Tenants pay duty levied by the Commissioner of Stamp Duties on all tenancy documents stamped based on the following schedule of rates:

TENANCY PERIOD	RATE
	For every \$250 or any part thereof of the average annual payment
Not exceeding 1 year	\$0.70
Exceeding 1 year but not exceeding 3 years	\$1.40
Exceeding 3 years or for an indefinite term	\$2.80

For Example:

For a three-year lease at a monthly gross rental of \$150,000, the stamp duty payable :

$$\frac{\$150,000 \times 12}{\$250}$$

$$= \$7,200 \times \$1.40$$

$$= \$10,080$$

Tenants are advised to ascertain actual costs with their solicitors or the Commissioner of Stamp Duties.

Note:

As per the 2001 off-budget measure, the rate of duty is cut by 30% on all documents executed between 13 Oct 2001 and 31 Dec 2002 (both dates inclusive). Maximum duty payable on the duplicate is \$2.

OFFICE FIT-OUT WORKS

Tenants are responsible for all costs incurred in the fitting-out of their office units such as:

- **internal partitions**
- **carpets**
- **blinds**
- **wall coverings**
- **alterations/additions to existing mechanical and electrical/telecommunications system**
- **alterations/additions to the existing sprinkler/fire protection system**
- **ceiling**
- **furniture**
- **any other fixtures**

■ **Fitting-out Costs**

These depend on unit size, layout complexity, quality of materials used and technical requirements of different business types.

For example, fitting-out costs for furniture, materials, all additions and alterations works, professional consultant's fees (excluding designers' fees), may be grouped as follows:

Low range	\$40 to \$60 per sq ft psf (\$430 to \$650 per sm)
Medium range	\$70 to \$90 psf (\$750 to \$970 psm)
High range	\$100 psf (\$1,080 psm) and above

For a more accurate cost appraisal, tenants are advised to seek the expertise of interior designers and/or architects.

■ **Time Frame**

The time taken for fitting-out works depends on the size of office space.

For example:

Up to 1,000 sq ft (93 sq m)	2 – 4 weeks
2,000 to 5,000 sq ft (186 to 465 sq m)	6 – 8 weeks
6,000 to 10,000 sq ft (557 to 929 sq m)	10 – 12 weeks

Reinstatement

Tenants are required to reinstate the premises to its original condition at the end of the lease.

On average, tenants incur about S\$5 to S\$15 per sq ft (S\$54 – S\$161 per sq m) to reinstate office units to its original condition.

Insurance & Renovation Deposit

Fire and special perils insurance are required for the duration of renovation works.

Renovation deposit is paid to the Landlord before any works can be carried out. This is to defray the cost of rectifying damage to the building caused by tenant's contractors.

The renovation deposit is refunded upon completion of renovations, less any deductions.

Approvals

Before renovations begin, tenants must obtain:

Approvals from the relevant government and statutory authorities for all fit-out works.

Endorsements of all architectural, structural, mechanical and electrical (M&E) works by relevant professional consultants.

Plan endorsements from the landlord's architect and structural and M&E engineers.

Tenants are required to bear the consultants and government authorities fees for the approval process.

UTILITIES & TELECOMMUNICATIONS

To open an account with Singapore Power and Singapore Telecom for their connections and services, the following are required:

■ Singapore Power

Company stamp and authorised signature on a completed standard form.

Copy of tenancy agreement or a letter of authorisation from the landlord.

Photocopy of the company's Certificate of Registration.

■ Singapore Telecom

Company stamp and authorised signature on a completed standard form.

Copy of tenancy agreement or a letter of authorisation from the landlord.

International Direct Dialing and the number of lines/ extensions required.

A security deposit of a specified amount is required.

COMMON PRINCIPAL TERMS OF LEASE

Tenancy agreements are usually prepared by the landlord's solicitors and contain the following common principal terms :

■ **Term of Tenancy**

Typically 2 – 3 years at an agreed rent (longer leases of 5 – 6 years may be negotiated)

■ **Option to Renew Tenancy**

In addition to the initial term of tenancy, most landlords usually grant the tenant an option to renew a further term of a similar duration at a rent either agreed upon by both parties or at the prevailing market rent at the time of renewal.

■ **Rent**

Rent is normally quoted on a “gross rent” basis and this includes a base rent and a service charge payable monthly or quarterly in advance.

■ **Service Charge**

This is payable to the landlord for the provision of services such as air-conditioning during office hours and management and maintenance of common areas.

The charges which varies between buildings range between S\$0.75 and S\$1.20 per sq ft per month and cover generally the following:

- air-conditioning during normal office hours
- security
- building and maintenance which includes electricity and water
- insurance for public and fire risk
- repairs to the building
- management fees

The charges may be revised during the tenancy period, depending on the landlord's cost of providing these services.

■ **Security Deposit**

Two to three year leases require a security deposit equivalent to three months' gross rent payable in two phases:

- Initial one month's gross rent deposit is payable when the letter of offer/intent to lease is signed.
- The balance two months' gross rent deposit is payable upon signing of the tenancy agreement or the occupation of premises or commencement of lease, whichever is earlier.

In some cases, a three-month deposit is required to be paid upon signing the letter of offer.

The deposit is refundable without interest when the tenancy expires but it is subject to the tenant's due performance of the terms and condition of the tenancy agreement.

■ **Legal fees & Stamp Duty**

Tenants bear administrative or legal fees for the tenancy agreements prepared by the landlord or its solicitors.

Tenants are also required to pay stamp duty on tenancy documents.

■ **Property Tax**

Borne by the landlord. Presently, 10% of the annual assessed value is taxable and payable half yearly in advance.

The tenancy agreement usually stipulates that landlords may recover any rise in property tax due to increases in the annual assessed value or rate of tax.

■ **Fitting-out Period**

A rent-free period of two weeks to three months is granted for fitting out works.

Rent-free periods granted depend on prevailing market conditions and the size of tenancy.

■ **Car Park Facilities**

Most buildings offer these facilities at a monthly season fee.

Season car park lots are allotted according to the ratio of area leased to the total office area in the building.

Current season charges range from S\$120 to S\$170 per lot per month for buildings outside the CBD and S\$180 to S\$250 per lot per month for buildings within the CBD.

■ **Air-Conditioning**

This is provided during normal office hours excluding Sundays and public holidays. The hours of supply are usually from 8:00am to 6:00pm on weekdays and 8:00am to 1:00pm on Saturdays.

The supply may be extended upon request for an additional charge.

■ **Utilities & Telecommunications**

The tenant or his interior designer has to apply for the connection of these services.

Installation, connection and consumption charges are payable by tenants through a direct account with the relevant authorities.

■ **Cleaning of Premises**

The landlord is required to maintain only the common areas of the building.

Tenants may employ cleaners or appoint the landlord's nominated cleaning contractor to clean the interior of the office premises.

■ **Goods & Services Tax (GST)**

A government tax currently at 3% is levied on all goods and services consumed by the tenant. With effect from 1 Jan 2003, this rate will be revised to 5%.

HOW DTZ PROVIDES LEADING EDGE SOLUTIONS



DTZ Debenham Tie Leung fulfills the role of the client's in-house corporate real estate team, tailoring and applying international best practice solutions to meet the client's business objectives.

We work to reduce occupancy costs and save clients valuable time they would otherwise have lost dealing with real estate issues. This enables them to concentrate on their business.

Whether owning, leasing, managing or selling property, clients view DTZ as an extension of themselves. Our services include:

- **Tenant representation**
- **Market and location analysis**
- **Strategic planning**
- **Transaction management**
- **Lease administration/payment processing**
- **Critical date management**
- **Consolidation/expansion analysis**
- **Move coordination**
- **Property management**
- **Facilities management**
- **Operating expenses audit**
- **Corporate/expatriate housing**

USEFUL CONTACTS

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DTZ Debenham Tie Leung is a leading global real estate services group which provides a full range of services at international, regional and local levels to investors, developers and occupiers across all sectors of the real estate market.

Our services include:

SPECIALIST SERVICES

- Valuation
- Statutory Valuation
- Project and Facilities Management
- Property Management
- Expert Witness
- Due Diligence
- Hospitality

ADVISORY SERVICES

- Research & Consultancy
- Investment Advisory
- Asset & Portfolio Management
- Structured Financing
- Occupier Services
- Development & Marketing Consultancy
 - Business Space, Retail, Residential
- Property Tax Advice

AGENCY SERVICES

- Investment
- Business Space
- Retail
- Residential
- Auction
- International Project Marketing