



OFFICE SNAPSHOT SINGAPORE

SEPTEMBER 2007

Summary

Office Market Update

- Prime office rents are now at an average of \$12.21 per sq.ft./mth (US\$95.99 per sq.ft./year) in August 2007, an increase of 3.3% over July. Office rents for the Top 25 grade A office buildings rose from an average of \$12.07 per sq.ft./mth (US\$95.73 per sq.ft./mth) in July to the current \$12.28 per sq.ft./mth (US\$96.54 per sq.ft./year)

Revision of Development Charges (DC)

- With effect from September 1, 2007, the average DC rates for non-landed residential, commercial and landed residential use rose by 58%, 42% and 11% respectively. DC rates also rose for hotel, industrial or warehouse uses by 23% and 2% respectively. The most significant rise is seen in non-landed residential use by 112% in the Cantonment Road/ Spottiswoode Park area. For commercial use, the highest increase in DC rate can be seen in Telok Ayer Street/ Amoy Street/ Ann Siang/ Erskine Road/ Kadayannallur Street and Shenton Way/ Anson Road/ Enggor Street/ Choon Guan Street/ Wallich Street areas where the rise was 104% follow by a 100% rise for that around Synagogue Street/ George Street/ Pickering Street/ Church Street.

Marina Bay Financial Centre

- Tower One in Marina Bay Financial Centre has been fully leased following the securing of two new tenants for the remaining space after Standard Chartered Bank pre-leased 24 floors in the Tower earlier.
- A French and investment bank, Natixis, will occupy a total of about 65,000 sq ft spanning 3 floors in Tower One. The other tenant, Wellington International Management Company will be taking up one floor of 21,000 sq ft.
- In addition, the developer, BFC Development, has secured a major tenant for its 50-storey Tower Two. A Swiss private bank will be occupying an area of about 25,000 sq ft in the Tower.

State Properties

- The Singapore Land Authority (SLA) has rent out three more state properties in its effort in trying to increase the supply of office spaces in Singapore. The properties at 3 Shan Road (former Moulmein Community Centre), former CPIB building at Cantonment Road and a former government building in Pearl's Hill Terrace have been awarded at \$35,000 (\$16.67 per square metre), \$91,731 (\$20.24 psm) and \$5,300 (\$6.74 psm) a month respectively. The SLA has contributed an estimated 90,000 sq m of gross floor area for office use with this latest award.

The Economic & Business Environment

- The Singapore economy has expanded by 8.6% y-o-y in the second quarter following a 6.4% growth in Q1 2007. In all, the Singapore economy grew by 7.6% in the first half of 2007. The Q2 growth has become more broad-based with the financial services and construction sectors showing double-digits growth and the manufacturing sector still healthy despite a slowdown in the electronics sector. The Ministry of Trade and Industry has revised the full-year growth forecast for 2007 upwards from 5% - 7% to 7% - 8% following a healthy external environment, the broad based growth momentum and a strong business expectations.
- The CPI in July rose at a fast pace by 2.1% over June after an increase in the Goods and Services Tax (GST). This increase represents the biggest monthly rise since January 1995. The increase was due mainly to more expensive clothing and footwear and housing.

Key Leasing Transactions

- Robinson 112 (Rest of Golden Shoe) – Synet Technologies relocated from The Comtech to occupy a floor area of approximately 7,060 sq ft in Robinson 112.

Key Investment Transactions

- Chevron House (Raffles Place) – The 33-storey building was sold to a foreign fund by CapitaLand and its partners for \$730 million. The acquisition price works out to be \$2,780 per square foot of net lettable area.

Prime Office Rents

District	Achievable Rent (Net Effective)			% Change From (in S\$)					
	US\$ /Sq-F/Yr	Euro /Sq-M/Yr	S\$ /Sq-F/Mth	Last month	12 months ago	From Bottom (Aug 04)	Peak (Mar 01)	Peak (Jun 96)	Short Term Trend
Raffles Place*	107.57	851.07	13.68	5.6%	91.6%	222.3%	84.1%	67.6%	↗
Rest of Golden Shoe Area*	76.88	608.29	9.78	1.3%	80.4%	180.3%	49.8%	47.1%	↗
City Hall/ Marina Centre /Bugis*	96.03	759.76	12.22	0.3%	90.9%	178.6%	59.0%	55.7%	↗
Orchard/ Museum / Scotts	76.74	607.17	9.76	2.2%	56.9%	123.7%	42.5%	58.2%	↗

* Constitutes Downtown Core
N.B. Rest of Golden Shoe Area include Anson Road, Robinson Road, Cecil Street, Maxwell Road & Tanjong Pagar

Average Office Values – 2Q 2007

District	Achievable Price (Gross)		
	US\$ / Sq-F	Euro / Sq-M	S\$ / Sq-F
Raffles Place	1,235 – 1,560	9,881 – 12,482	1,900 – 2,400
Rest of Golden Shoe Area	858 – 1,170	6,865 – 9,361	1,320 – 1,800
City Hall/ Marina Centre /Bugis	910 – 1,235	7,281 – 9,881	1,400 – 1,900
Orchard/ Museum / Scotts	910 – 1,235	7,281 – 9,881	1,400 – 1,900

N.B. Capital Values are tracked on a quarterly basis and the exchange rate is as at Jun 2007. Values derived are valuation-based.

Latest Economic Indicators – August 2007

	Latest Release	Average 2006	Average 2007F	Average 2008F
Real GDP Growth	2 nd Quarter 2007	8.6%	7.9%	7.0%
Unemployment	2 nd Quarter 2007	2.4%*	2.7%	N/A
Prices (CPI)	July 2007	2.1%	1.0%	1.2%
Prime Rate	August 2007	5.3%	5.3%	End Nov'07 5.3%

Source: Cushman & Wakefield, Asia Pacific Consensus Forecast, Department of Statistics, Monetary Authority of Singapore, Ministry of Manpower, Ministry of Trade and Industry
* Preliminary Estimates

Key Investment Transactions (cont'd)

- Scotts Road (Orchard) – The transitional site of 112,421 sq ft at Scotts Road was sold to Scotts Spazio Pte Ltd for \$37,000,098 (\$219.42 psf of gross floor area). This 15-year leasehold site has drawn keen interest from developers with 11 bids. The next highest bid was \$31.2 million.
- Anson Road (Rest of Golden Shoe) – A commercial land parcel was sold to Firstoffice Pte Ltd for \$237,204,839. The purchase price for this 27,281 sq ft land parcel works out to \$941 per square foot (psf).
- One George Street (Raffles Place) – CapitaLand paid \$590.3 million for the 50% stake owned by Eureka Office Fund in the building on the basis that it is accurate and complete. Cushman & Wakefield accepts no responsibility if this should prove not to be the case. No warranty or representation, expressed or implied, is made to the accuracy or completeness of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by our principals.

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