

# MARKETBEATS

SECTOR  
VOLUME
**\$1.7b**  
RESIDENTIAL

**\$3.5b**  
COMMERCIAL

**\$0.5b**  
INDUSTRIAL


**WHAT'S  
NEXT**

## KEY TAKEAWAYS

- The total real estate investment sales volume amounted to \$6.7 billion in 2Q2019, increasing by 49% quarter-on-quarter. This brought the 1H2019 volume to \$11.2 billion.
- The commercial sector clocked \$3.5 billion of sales, with the residential sector next at \$1.7 billion, followed by the industrial sector at \$0.5 billion.
- The largest private transaction was AEW's acquisition of Chevron House for \$1.0 billion, followed closely by the half stake sale of Frasers Tower for \$982.5 million.

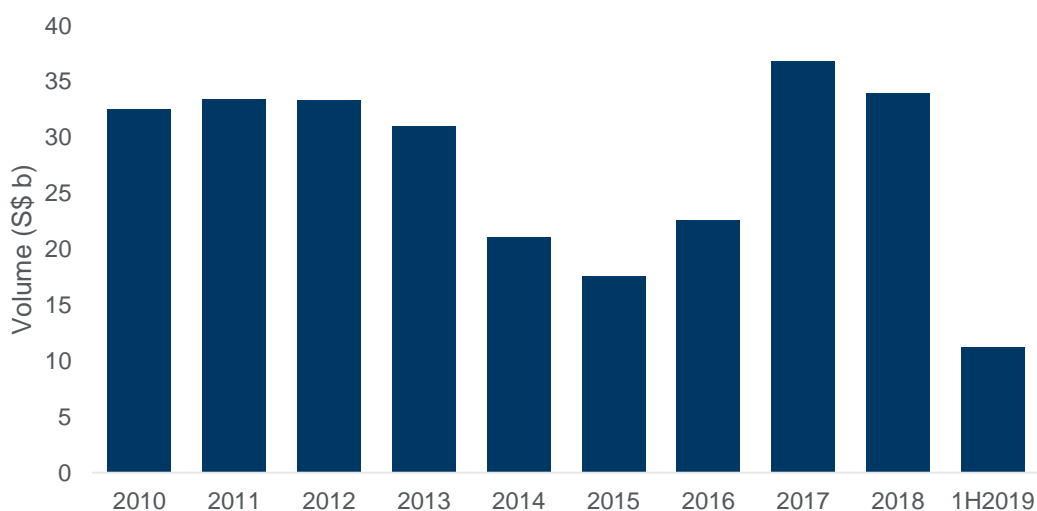
### 2Q2019 Investment Volume (\$\$ billions)

Sector	Public	Private	Total
Residential	0.9	0.8	1.7
Commercial	0.0	3.5	3.5
Industrial	0.1	0.4	0.5
Hospitality	0.0	0.4	0.4
Mixed/Others	0.0	0.7	0.7
<b>Overall</b>	<b>1.0</b>	<b>5.7</b>	<b>6.7</b>

Note: Figures may not tally precisely due to rounding.

Source: Cushman & Wakefield Research

### Annual Investment Volumes (\$\$ billions)



## BIG TICKET OFFICE DEALS

Volume in the office sector surged in 2Q19 due to big ticket deals. In the largest deal of the quarter, AEW purchased Chevron House, currently undergoing asset enhancement works, for \$1.0 billion from Oxley Holdings.

The second largest deal saw South Korea's National Pension Service acquiring a half stake in Frasers Tower for \$982.5 million. This came after Frasers Commercial Trust declined to exercise its right of first refusal as the deal would not be yield accretive for its unitholders.

There was also suburban office activity with Metro Holdings and Evia Real Estate buying 7 & 9 Tampines Grande for \$395.0 million.

The retail sector was active, with Pan Asia Realty Advisors acquiring Chinatown Point Mall for \$520.0 million. Also, Frasers Centrepont Trust purchased a one-third stake in Waterway Point from its sponsor Frasers Property for \$440.6 million.

In the industrial sector, CapitaLand divested 11 StorHub warehouses for \$166.4 million, while ESR-REIT bought a 49% stake in Poh Tiong Choon Logistics Hub for \$110.3 million.

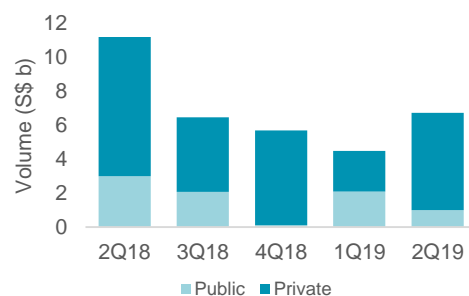
Activity in the commercial market will be sustained as there are a few pipeline deals. Arch Capital Management is undertaking due diligence for the purchase of Anson House at around \$210 million. In addition, Gaw Capital Partners and Allianz Real Estate are in advanced negotiations to acquire DUO Tower and DUO Galleria for approximately \$1.6 billion. As such, the full-year 2019 investment volume is likely to be around \$25 billion.

## Economic Indicators

	4Q18	1Q19	12-Month Forecast
GDP Growth	1.3%	1.2%	▼
CPI Growth	0.5%	0.5%	—
Unemployment	2.2%	2.2%	—

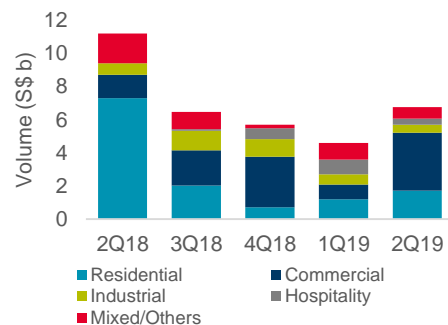
Source: Ministry of Trade & Industry

## Investment Volume - Public vs. Private



Source: Cushman & Wakefield Research

## Investment Volume - Sector Breakdown



Source: Cushman & Wakefield Research

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## Significant Private Investment Transactions 2Q2019

PROPERTY	PURCHASER	VENDOR	SECTOR	PRICE
Chevron House	AEW	Oxley Holdings	Office	\$1.0 billion
Frasers Tower (50% stake)	National Pension Service	Frasers Property	Office	\$982.5 million
7 & 9 Tampines Grande	Metro Holdings & Evia Real Estate	CDL & Alpha Investment Partners	Office	\$395.0 million
Chinatown Point Mall	Pan Asia Realty Advisors	Perennial-led Consortium	Retail	\$520.0 million
Waterway Point (33% stake)	Frasers Centrepont Trust	Frasers Property	Retail	\$440.6 million
Storhub Warehouses (11)	Undisclosed Buyer	CapitaLand	Industrial	\$166.4 million
Poh Tiong Choon Logistics Hub (49% stake)	ESR-REIT	Poh Tiong Choon Logistics	Industrial	\$110.3 million