



\$5.90

Business Park
(City Fringe)12-Mo.
Forecast

\$3.66

Business Park
(Outlying Areas)

\$4.31

Science Park

SINGAPORE ECONOMIC INDICATORS
Q1 202012-Mo.
Forecast

-0.7%

GDP Growth



0.4%

CPI Growth



2.4%

Unemployment



Source: Ministry of Trade & Industry, Oxford Economics

Singapore Economy to Enter Services-Led Recession

Singapore's overall economic growth turned negative at -0.7% yoy in Q1 2020. However, the downturn was attributed to the services sector, as the manufacturing sector posted positive growth of 6.6% yoy. The government expects the country to enter into its deepest recession ever, with full-year overall economic growth in the range of -7.0 to -4.0%. While both the overall PMI and electronics PMI remained in contractionary territory, the easing of the circuit breaker and the lifting of lockdown restrictions across the globe led to an improvement in sentiment. This resulted in the overall PMI recording a slight increase of 1.2 to 48.0, while the electronics PMI saw a larger increase of 1.4 to 47.6 in June.

Non-Essential Manufacturers Hit By Circuit Breaker

Manufacturers for non-essential items were heavily impacted by the circuit breaker as they were required to halt operations. As a result, manufacturing output was reduced during this period. The biomedical sector is the brightest spot in manufacturing with strong growth as demand soared for key medical supplies such as COVID-19 test kits, ventilators, and a multitude of active pharmaceutical ingredients. There are also hopes that the electronics sector could remain stable due to the increased need for IT equipment to support the shift to remote working.

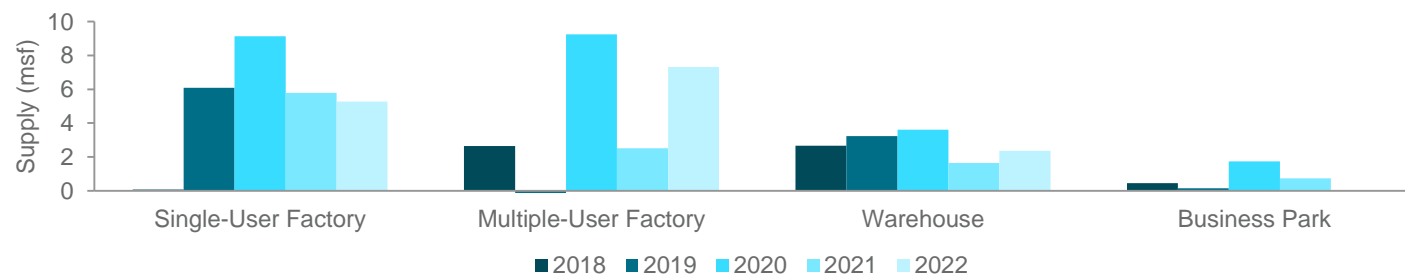
Business Parks in City Fringe and Warehouses Remain Resilient

Business parks in the city fringe are doing well due to their central location. Firms sought out these business park spaces to relocate and lower their real estate costs, or for use as a secondary location to supplement their main office in the CBD. In particular, Mapletree Business City I & II have enjoyed high occupancy rates and the rents for these properties have risen.

The warehouse segment is also resilient, as demand for storage space increased significantly due to the government-led stockpiling of essential medical supplies and basic foodstuffs to guard against future supply disruptions. The increased stocking of dry groceries and frozen foods has also led to higher demand for cold store facilities. As such, landlords are starting to raise the asking rents of ramp-up properties in high demand.

The growing interest in warehouses has spurred an increase in development activities. For instance, Australian logistics firm LOGOS is partnering with CSC Holdings Limited to develop a site at Tanjong Penjuru Crescent into a six-storey ramp-up warehouse with 46,000 square metres of space at a development cost of \$108 million. The logistics facility will be built-to-suit with high specifications for CSC Holdings Limited, which has committed to a long-term lease upon completion of the property.

INDUSTRIAL SUPPLY PIPELINE





MARKET STATISTICS

SEGMENT	GROSS EFFECTIVE RENT			12-MONTH OUTLOOK
	S\$/SF/MO	US\$/SF/MO	EUR/SF/MO	
Business Park (City Fringe)	S\$5.90	US\$4.22	€3.78	▲
Business Park (Outlying Areas)	S\$3.66	US\$2.62	€2.34	▼
Science Park	S\$4.31	US\$3.08	€2.76	▲
High-Tech	S\$3.13	US\$2.24	€2.00	■
Factory – Ground Floor	S\$1.78	US\$1.27	€1.14	▼
Factory – Upper Floor	S\$1.60	US\$1.14	€1.02	▼
Warehouse – Ground Floor	S\$1.47	US\$1.05	€0.94	▲
Warehouse – Upper Floor	S\$1.26	US\$0.90	€0.81	▲

US\$/S\$ = 1.398; €/S\$ = 1.562 as of 20 June 2020

SIGNIFICANT BUSINESS PARK PROJECTS – PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	TENANT	SF	COMPLETION DATE
CleanTech Loop	CleanTech Park	-	572,000	2020
PBA Innovation Centre	CleanTech Park	PBA Group	242,000	2020
13 International Business Park	International Business Park	TÜV SÜD	162,000	2020
Wilmar International BTS	one-north	Wilmar International	152,000	2020
Razer HQ	one-north	Razer	177,000	2020
Grab HQ	one-north	Grab	387,000	2020
Surbana Jurong Campus	CleanTech Park	Surbana Jurong	631,000	2021

KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	PRICE
Alexandra Technopark	Harbourfront / Alexandra	Fraser's Commercial Trust / Fraser's Logistics Trust	\$606.0M

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