This live webinar will begin shortly…

ASIA PACIFIC CAPITAL MARKETS OVERVIEW

SPOTLIGHT ON SINGAPORE

2021 Q2

CUSHMAN & WAKEFIELD

AGENDA

1. INTRODUCTIONS

Anna Town
Head of Business Development Services
Asia Pacific

2. ASIA PACIFIC MARKET OVERVIEW

Catherine Chen
Head of Capital Markets Research
Greater China

Gordon Marsden
Regional Director
Capital Markets
Asia Pacific

3. SINGAPORE MARKET OVERVIEW

Xian Yang Wong
Head of Research
Singapore

Shaun Poh
Executive Director
Capital Markets
Singapore

4. Q & A

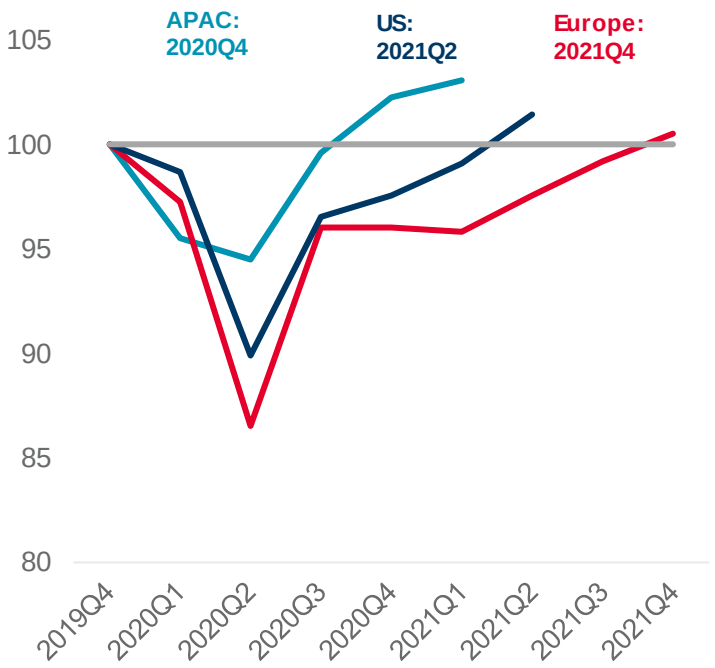
Dennis Yeo
Head, Investor Services
Asia Pacific

ASIA PACIFIC LEADING THE RECOVERY

First to see office and investment demand to recover

FIRST TO SEE GDP FULLY RECOVER

2019Q4 GDP INDEXED TO 100



FIRST TO SEE OFFICE DEMAND TURN POSITIVE

NET ABSORPTION, MSF

FIRST TO SEE CONTINUOUS GROWTH IN CRE INVESTMENT

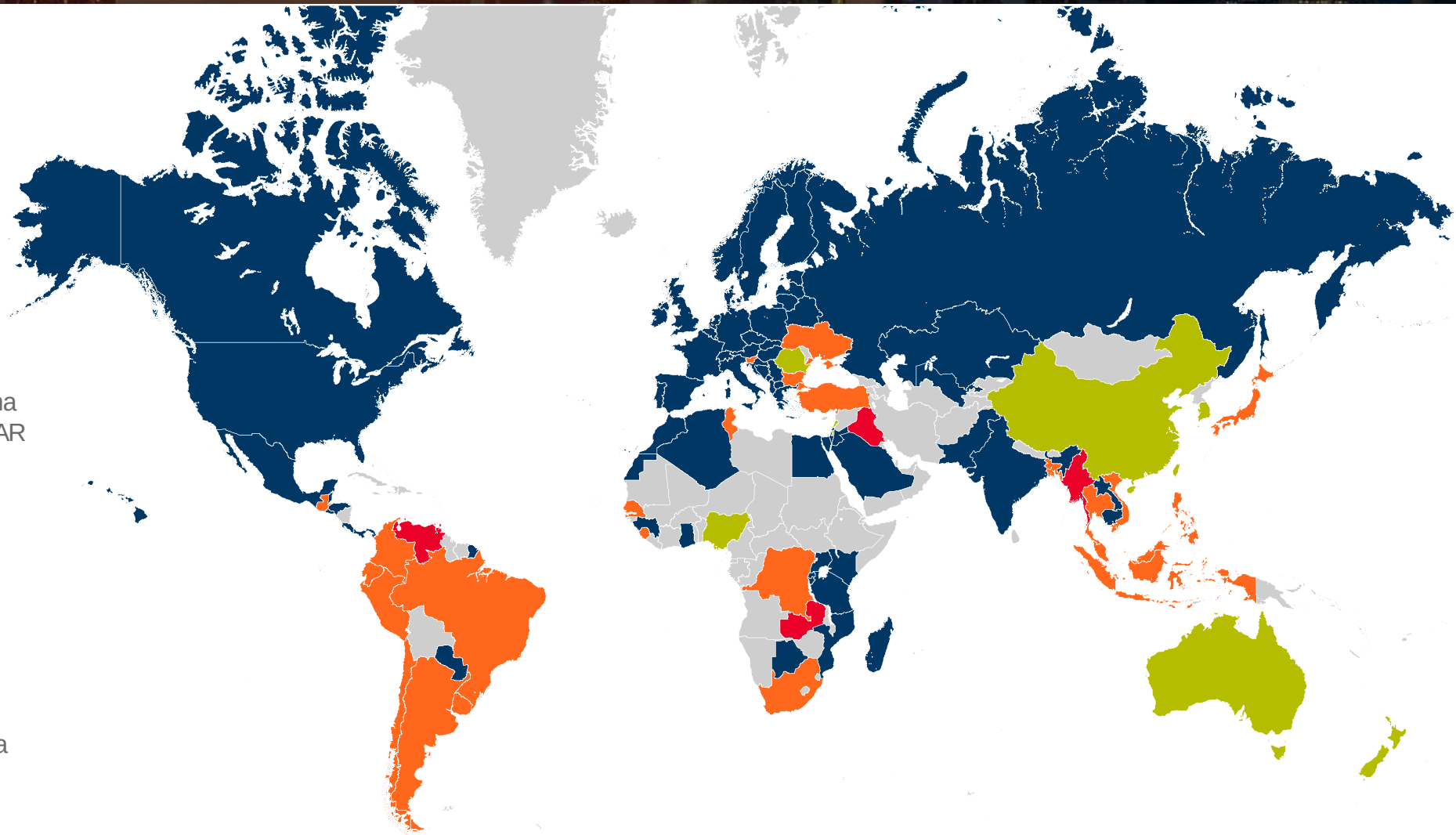
YOY GROWTH RATE

YoY Growth	Asia Pacific	North America	EMEA
2020 Q3	-14%	-54%	-31%
2020 Q4	**7%**	-7%	-26%
2021 Q1	**4%**	-19%	-20%
2021 Q2	**6%**	173%	29%

Source: Moody's Analytics, Cushman & Wakefield Research

ASIA PACIFIC IN RECOVERY AND EXPANSION

Moody's Global Business Cycle Status (July 2021)



Expansion:
Mainland China
Hong Kong SAR
Taiwan China
Australia
New Zealand
South Korea

Recovery:
India
Singapore

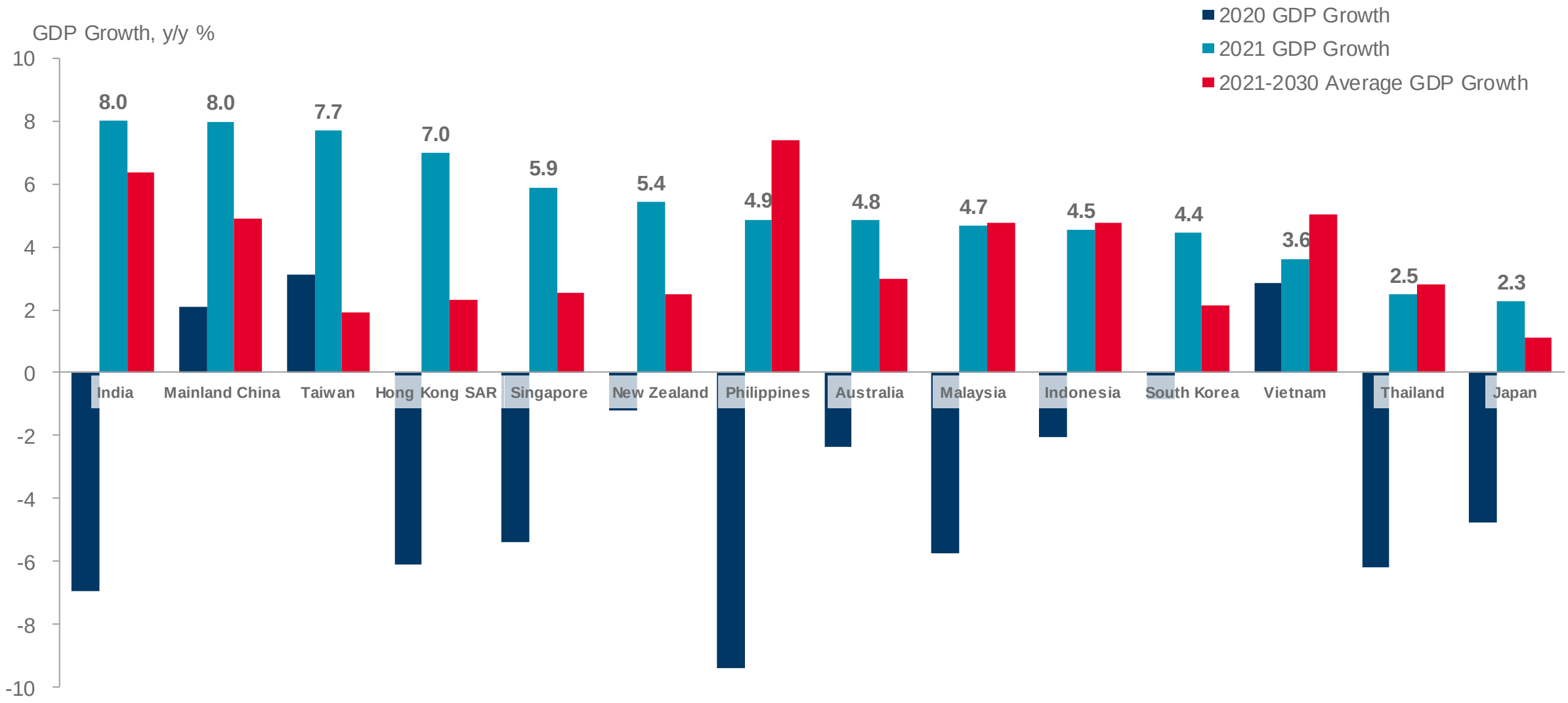
At risk:
Japan
Southeast Asia

Expansion
Recovery
At risk
Recession

Source: Moody's Analytics

GDP GROWTH OUTLOOK

Strong growth in most APAC countries

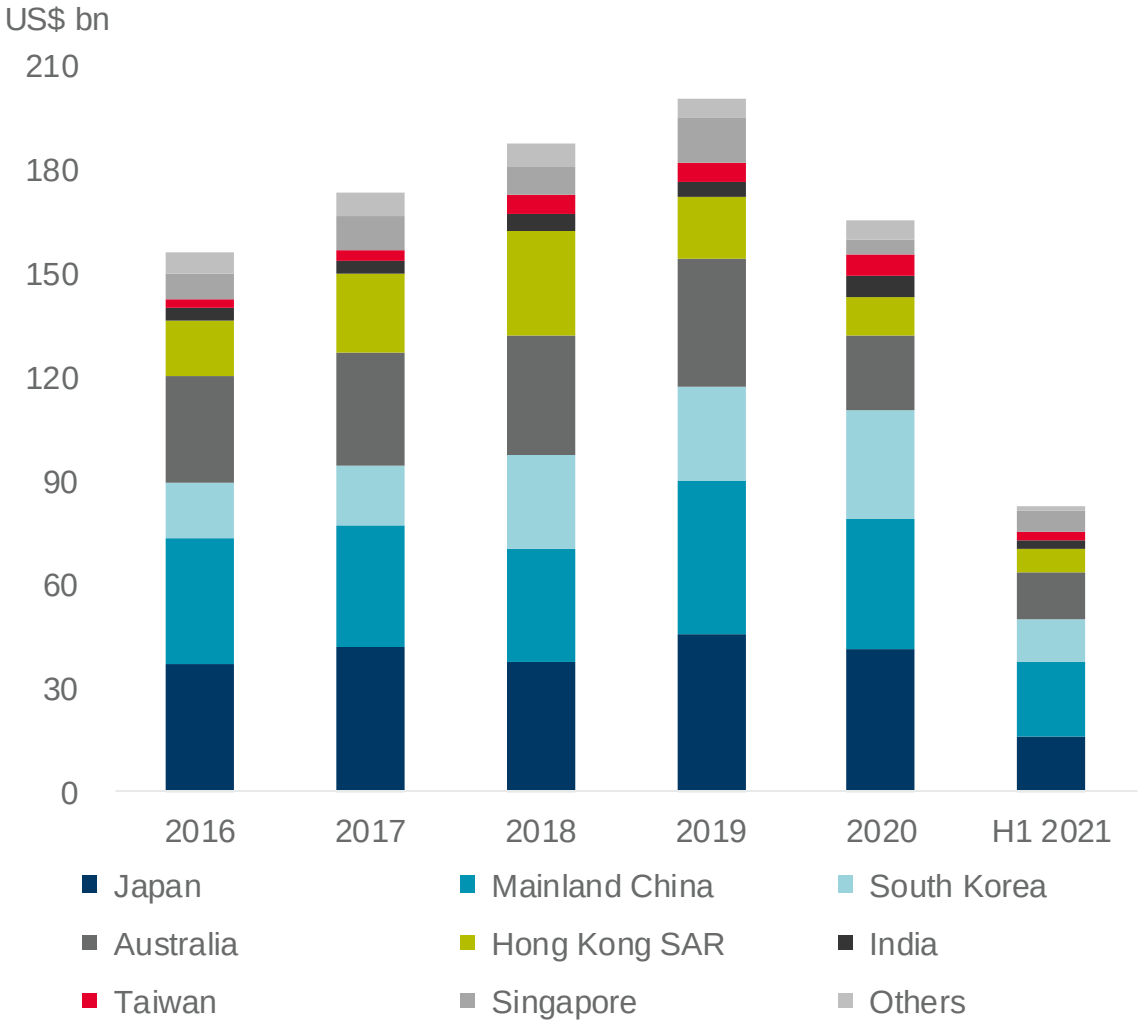


Source: Moody's Analytics, updated on July 30th, 2021

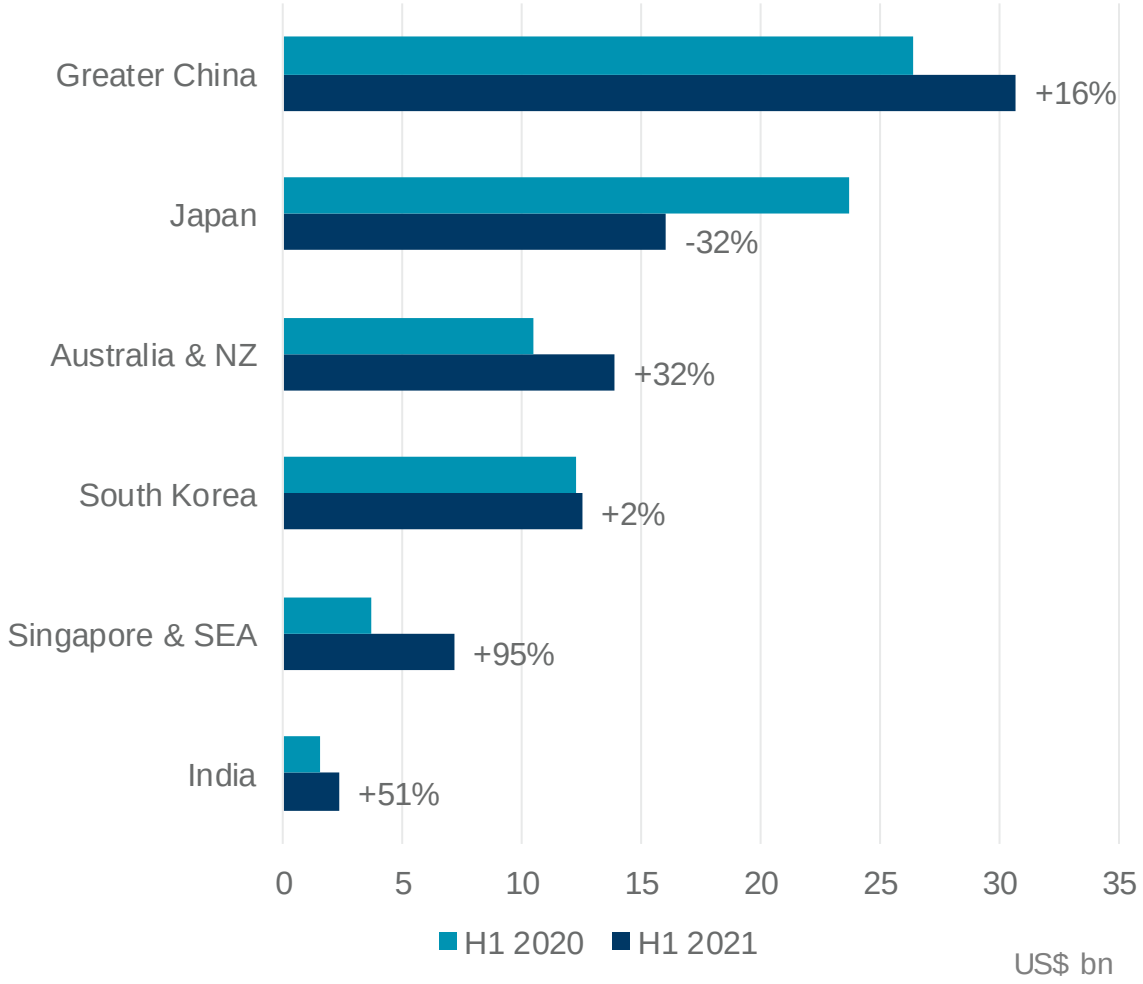
TRANSACTION VOLUME BY MARKET

Investment rebound in most APAC markets

ASIA PACIFIC TRANSACTION VOLUME (EXCLUDING LAND)



TOTAL TRANSACTION VOLUME (EXCLUDING LAND)

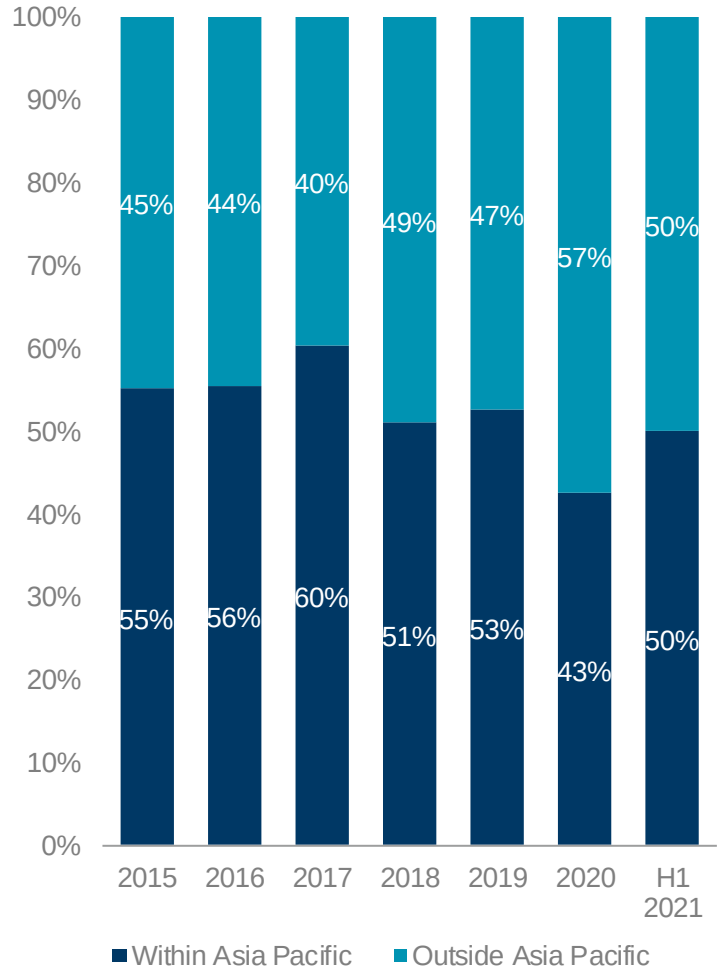


Source: Real Capital Analytics, updated on July 27th, 2021

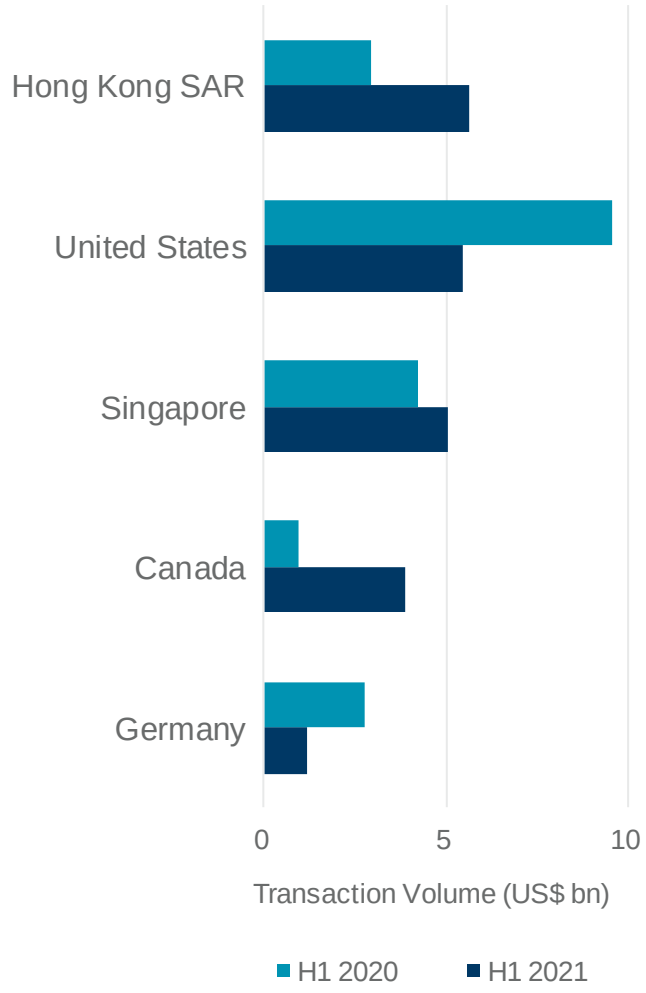
CROSS-BORDER TRANSACTIONS

Active APAC and North American investors

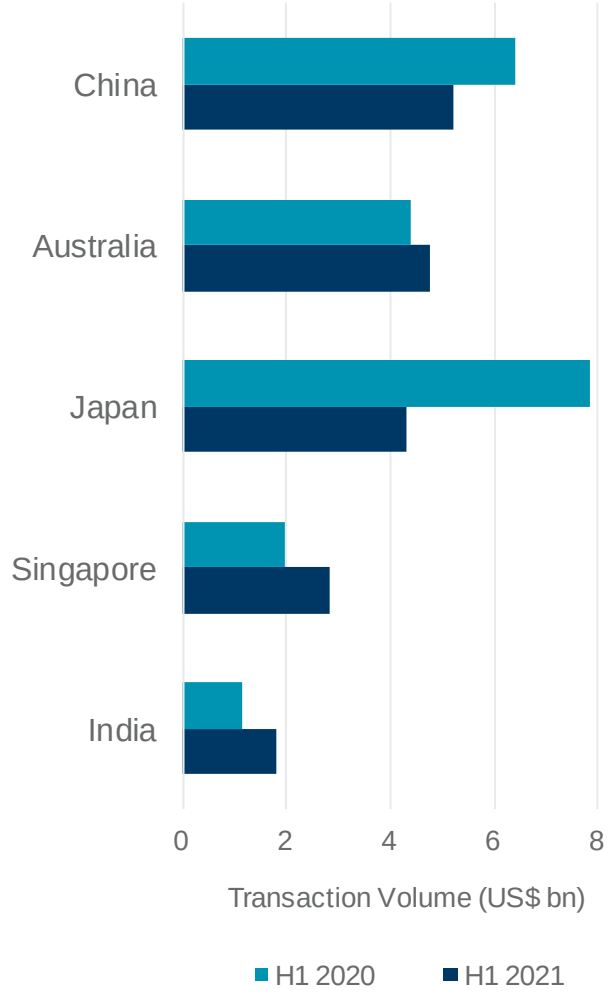
WITHIN VS. OUTSIDE APAC



TOP SOURCES OF CROSS BORDER CAPITAL



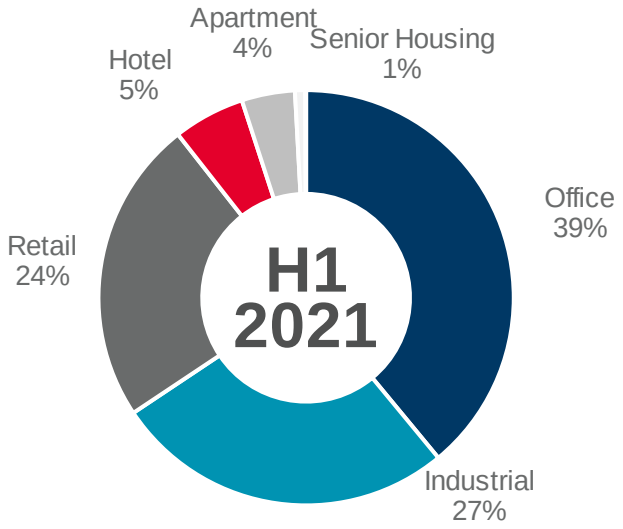
TOP TARGETS OF CROSS BORDER CAPITAL

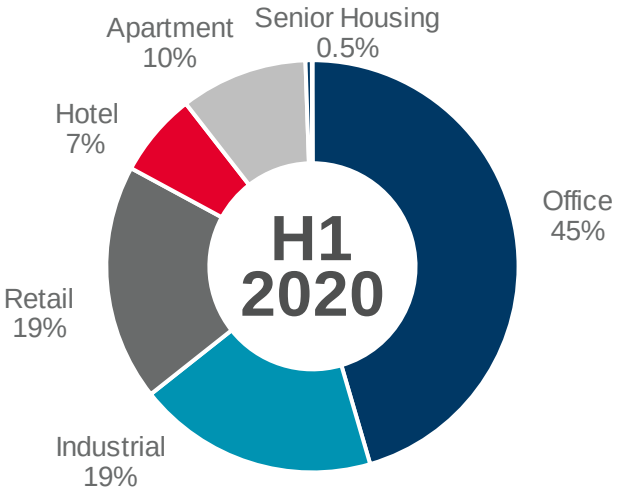


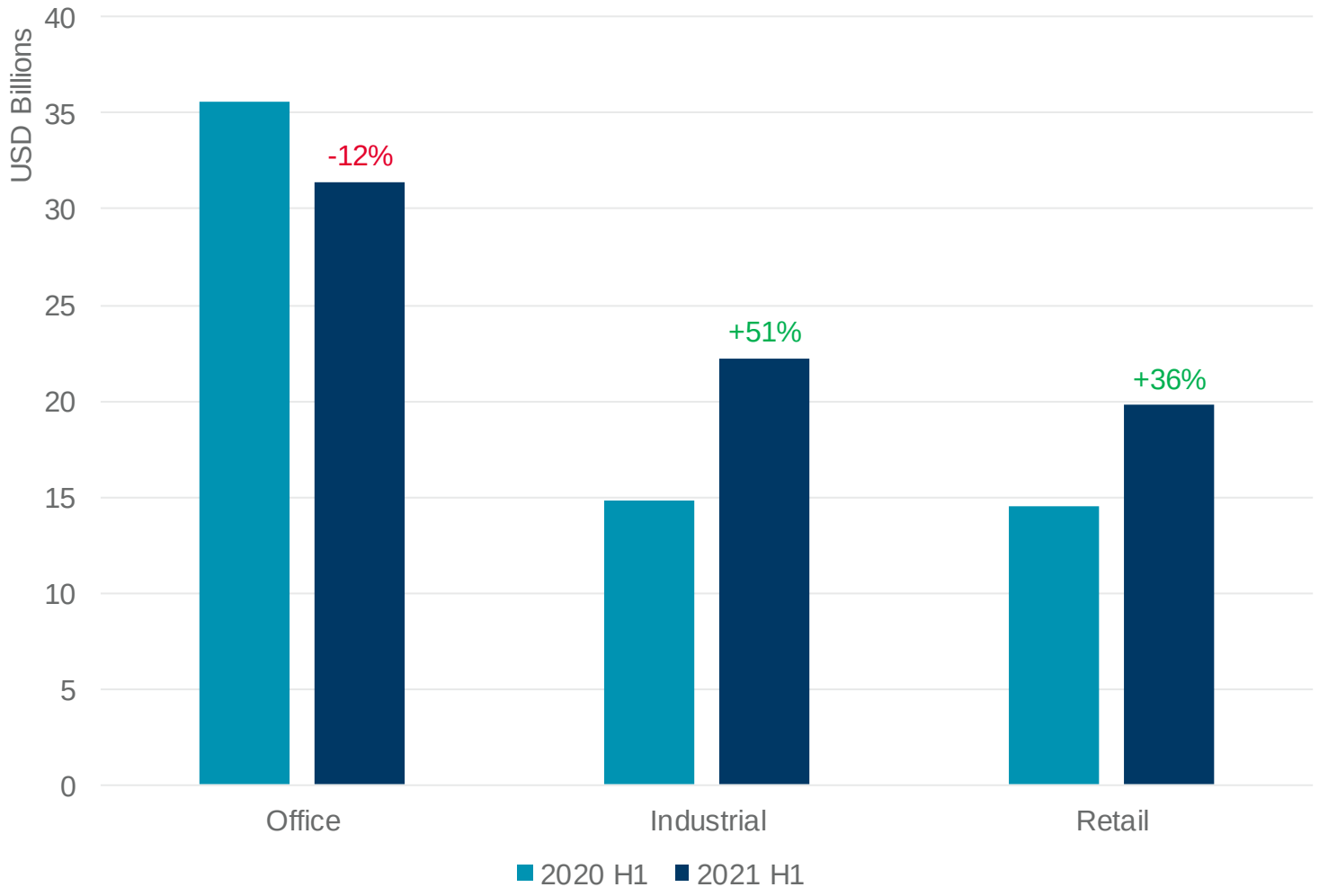
Source: Real Capital Analytics, updated on July 27th, 2021

TRANSACTION VOLUME BY ASSET CLASS

Increasing investment in industrial and retail asset





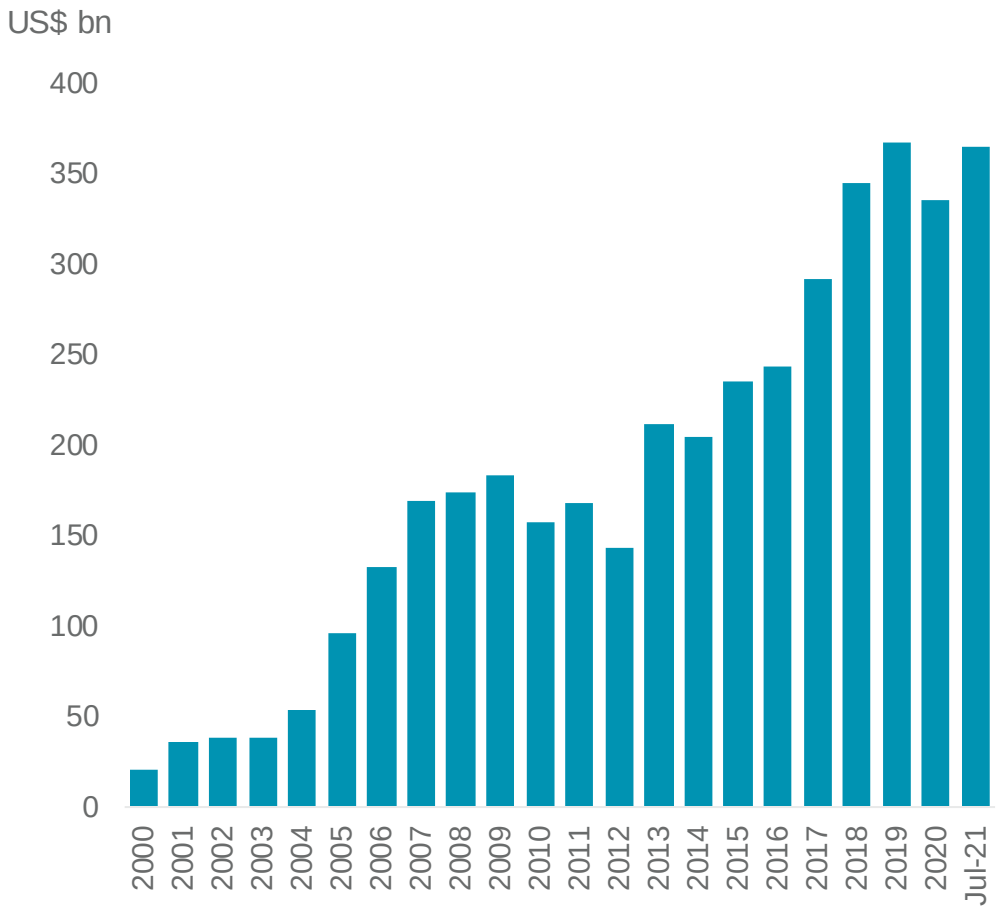


Source: Real Capital Analytics, updated on July 27th, 2021

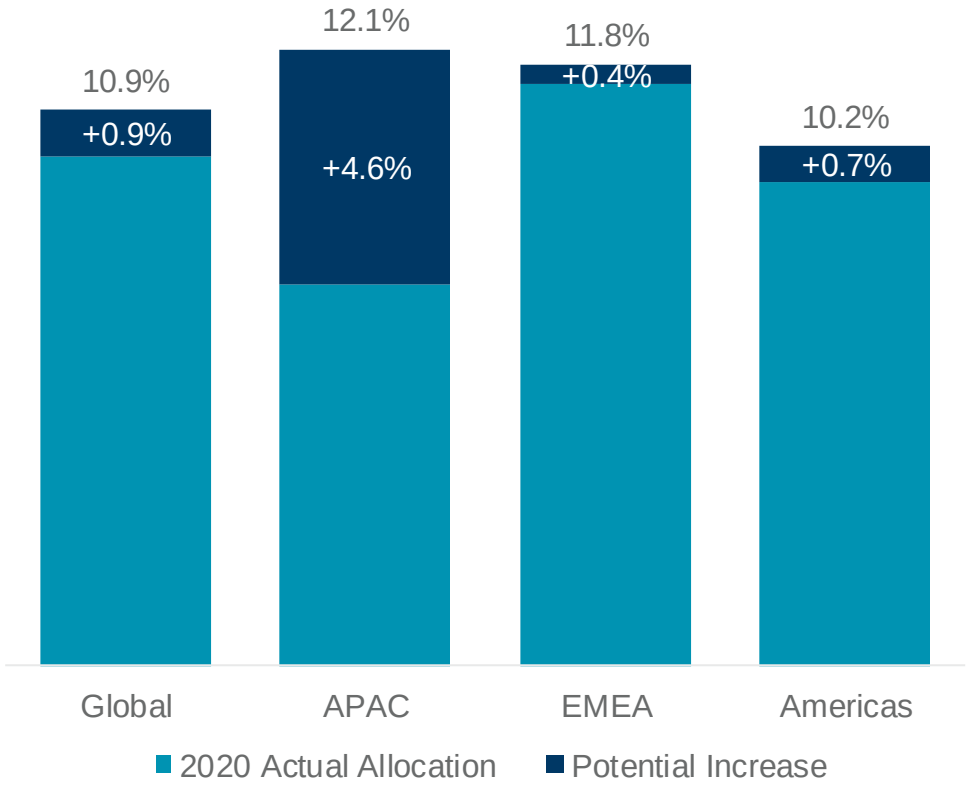
A WALL OF CAPITAL IN A WELL-PRICED MARKET

Asia Pacific expects to see the largest increase in real estate allocation

DRY POWDER – WAIT FOR IT?



RISING INSTITUTIONAL ALLOCATION TO CRE GLOBALLY



Source: Preqin, Cushman & Wakefield Research

2021-2022 INVESTMENT STRATEGIES

Asia Pacific

CUSHMAN & WAKEFIELD

Strategy	THEME	WHERE / WHAT?
CORE	**Urban Logistics**	Singapore, Seoul, Sydney, Tokyo, Osaka, large mainland China cities, India Tier 1 cities
	Gateway city offices	Seoul, Tokyo, Singapore, Sydney, Beijing
	“No-cycle” sectors	“Living” sectors, data centers, essential retail
CORE-PLUS TO VALUE ADD	**Mixed use**	Gateway cities, NCR, Mumbai
	Repositioning	“Core in Core”: Beijing CBD, Singapore CBD
	Hi-tech/business parks	Tech cities: Beijing, Tokyo, Seoul, Bengaluru, Singapore, Hyderabad, Pune
OPPORTUNISTIC	**Hospitality**	Singapore, Japan, Hong Kong, India Tier 1 cities
	Emerging markets	India office, Vietnam industrial, India industrial
	Platform investment	Underperforming assets, development, India industrial, India data centre

SINGAPORE MARKET OVERVIEW

2021 Q2

CUSHMAN & WAKEFIELD

H1 2021 IN REVIEW

Economic recovery in sight despite surge in COVID-19 cases

COVID RESURGENCE

STRONG Q2 GDP

FALLING UNEMPLOYMENT

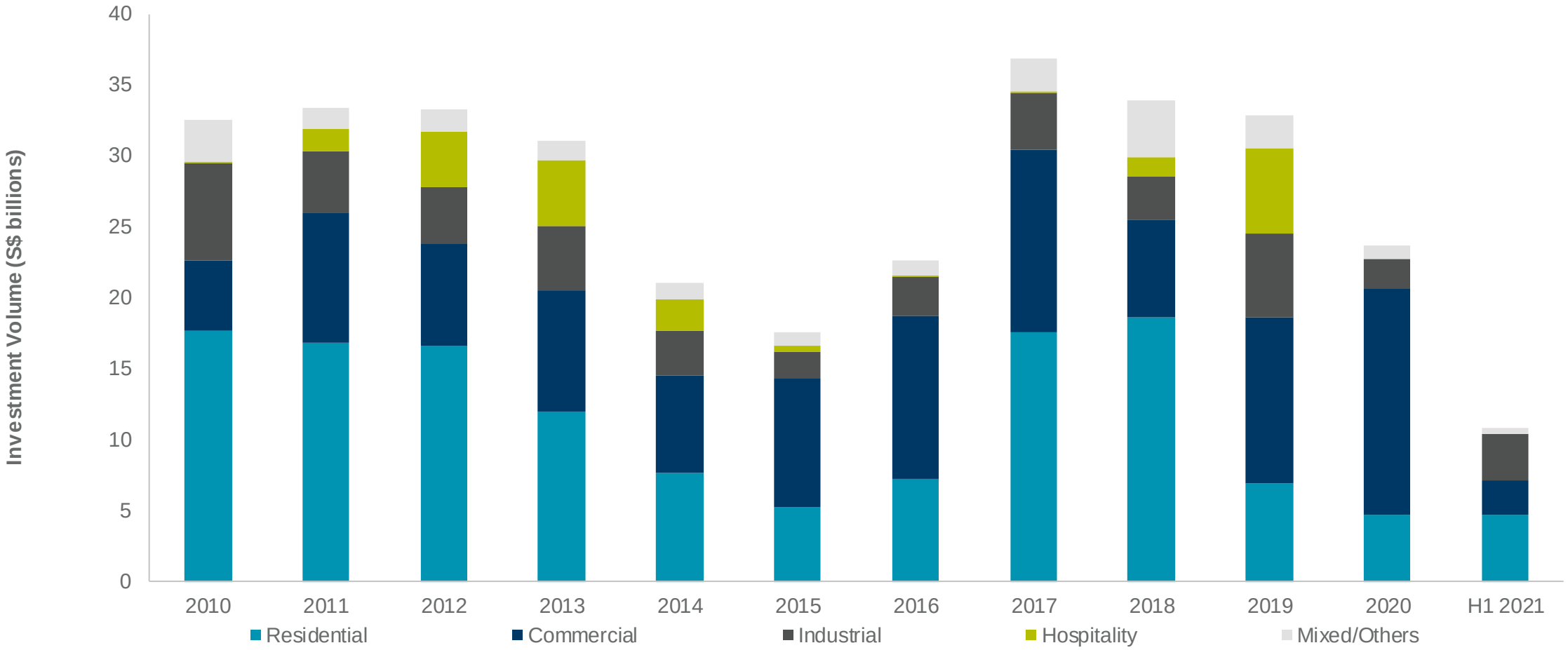
STRONG GROWTH IN MANUFACTURING, FINANCE & TELECOMM

REAL ESTATE & ACCOMODATION REMAIN LACKLUSTER

TARGET 6% GDP GROWTH IN 2021

SINGAPORE INVESTMENT VOLUME TO RECOVER

Return to pre-pandemic levels in 2021

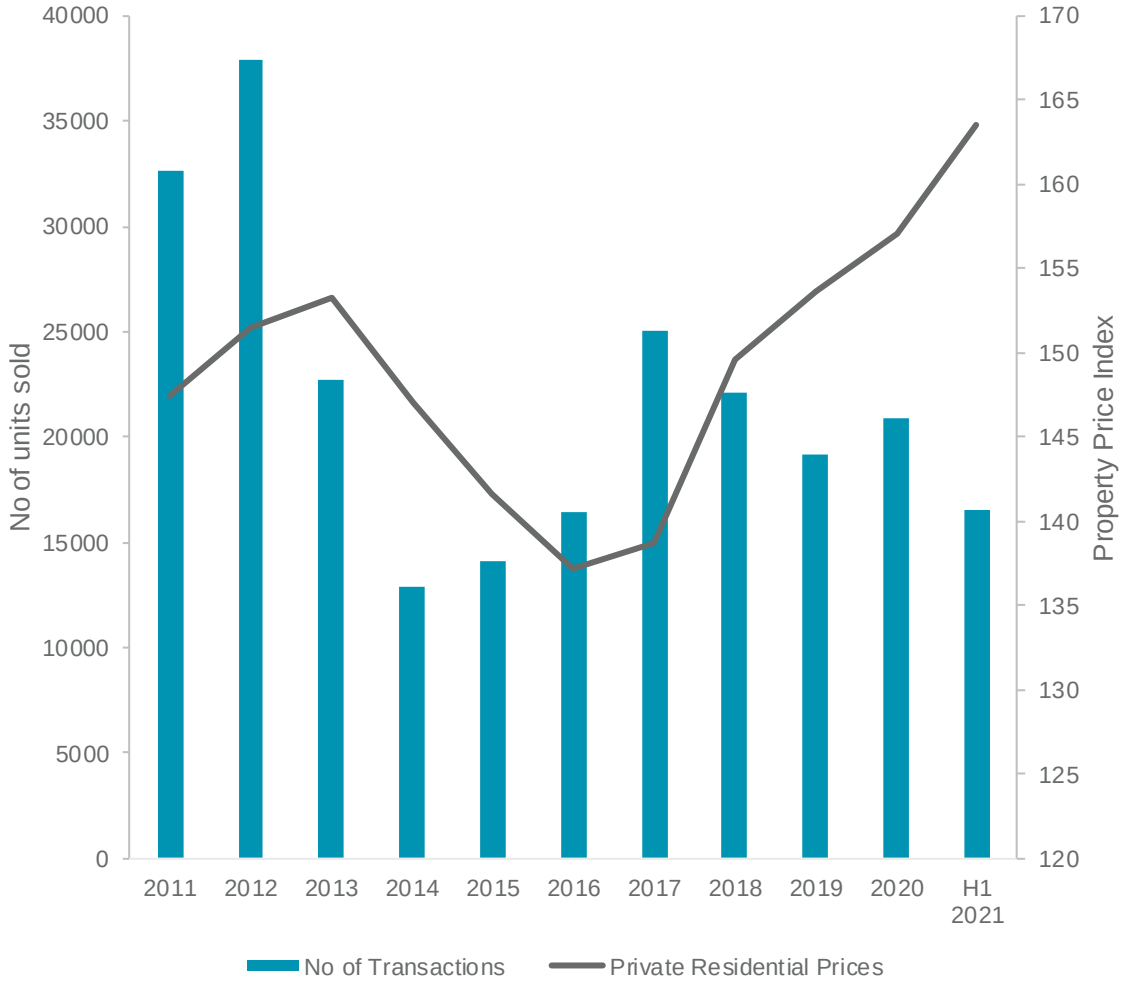


Source: Cushman & Wakefield Research

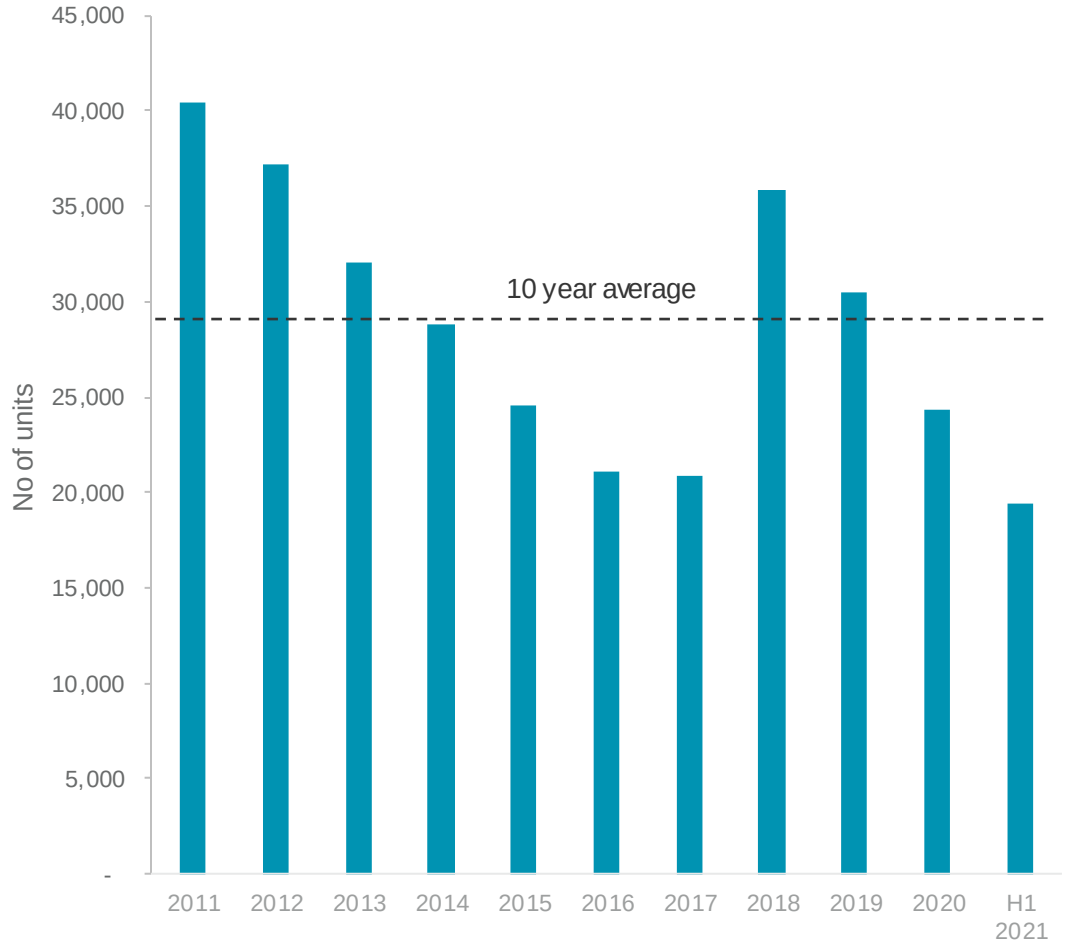
PRIVATE RESIDENTIAL PRICES BOOM

Pent-up demand drives prices and sends unsold inventory lower

PRIVATE RESIDENTIAL PRICES AND VOLUMES



UNSOLD INVENTORY

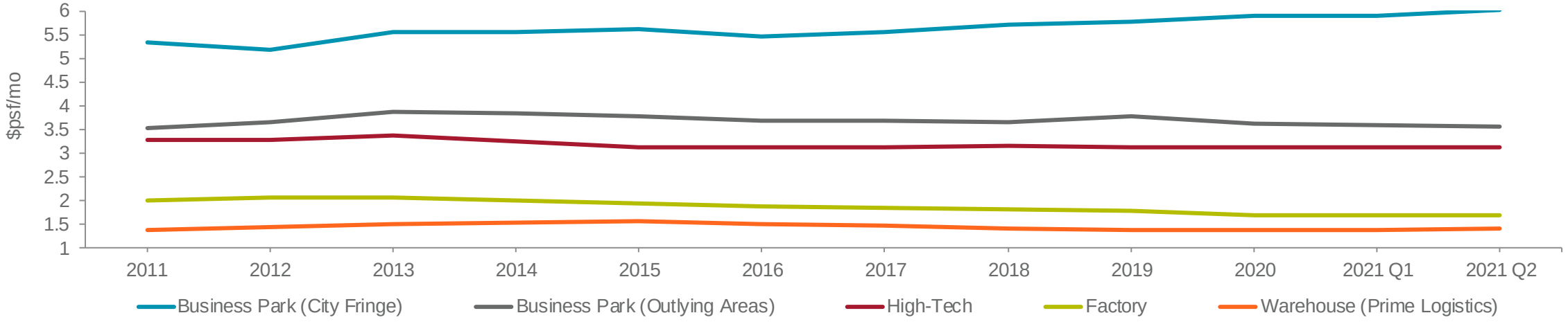


Source: URA, Cushman & Wakefield Research

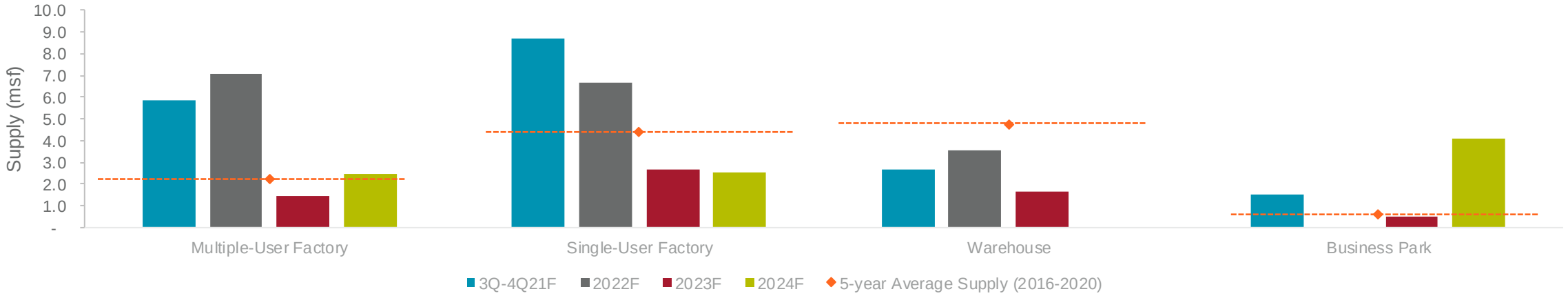
INDUSTRIAL RENT PERFORMANCE REMAIN MIXED

Broad-based rent growth expected in 2022

INDUSTRIAL RENTS



INDUSTRIAL FORECAST SUPPLY

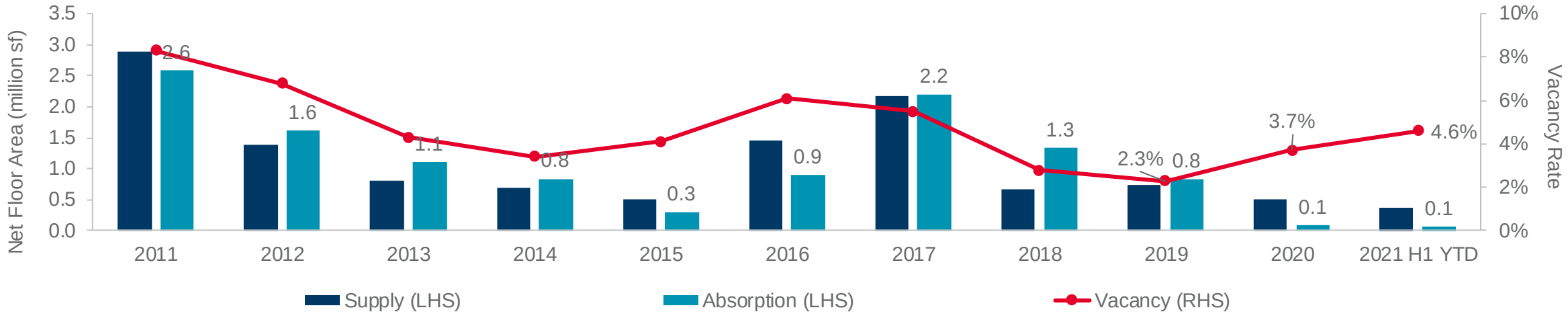


Source: Cushman & Wakefield Research

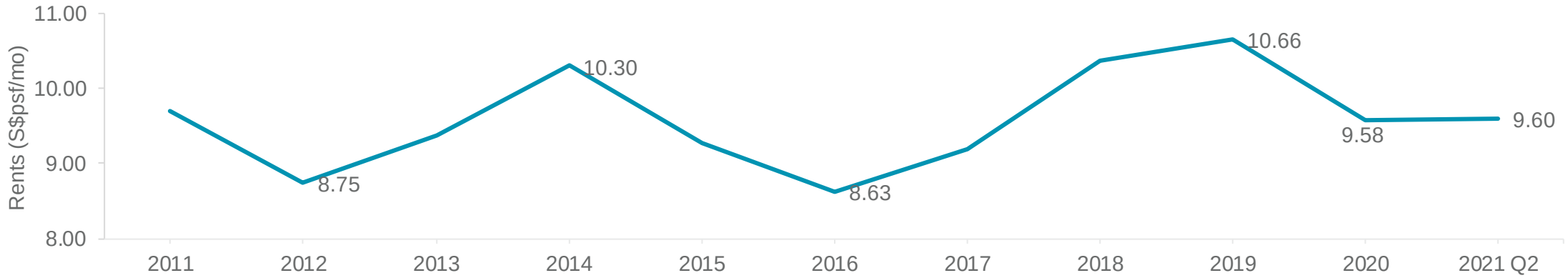
OFFICE RENTAL GROWTH TURNS POSITIVE

Green Shoots of Growth

CBD GRADE A ABSORPTION, SUPPLY AND VACANCY



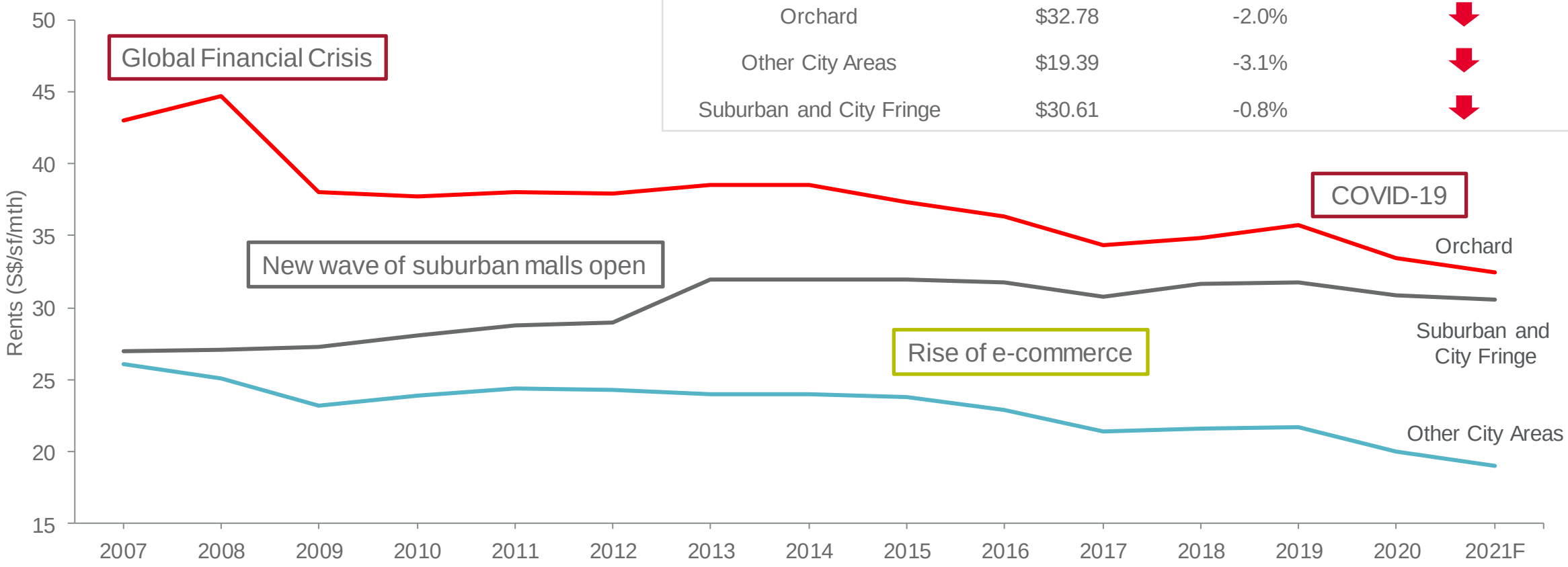
CBD GRADE A RENTS



PRIME RETAIL RENTS TREND LOWER

Rents Under Pressure as Amidst Lockdowns

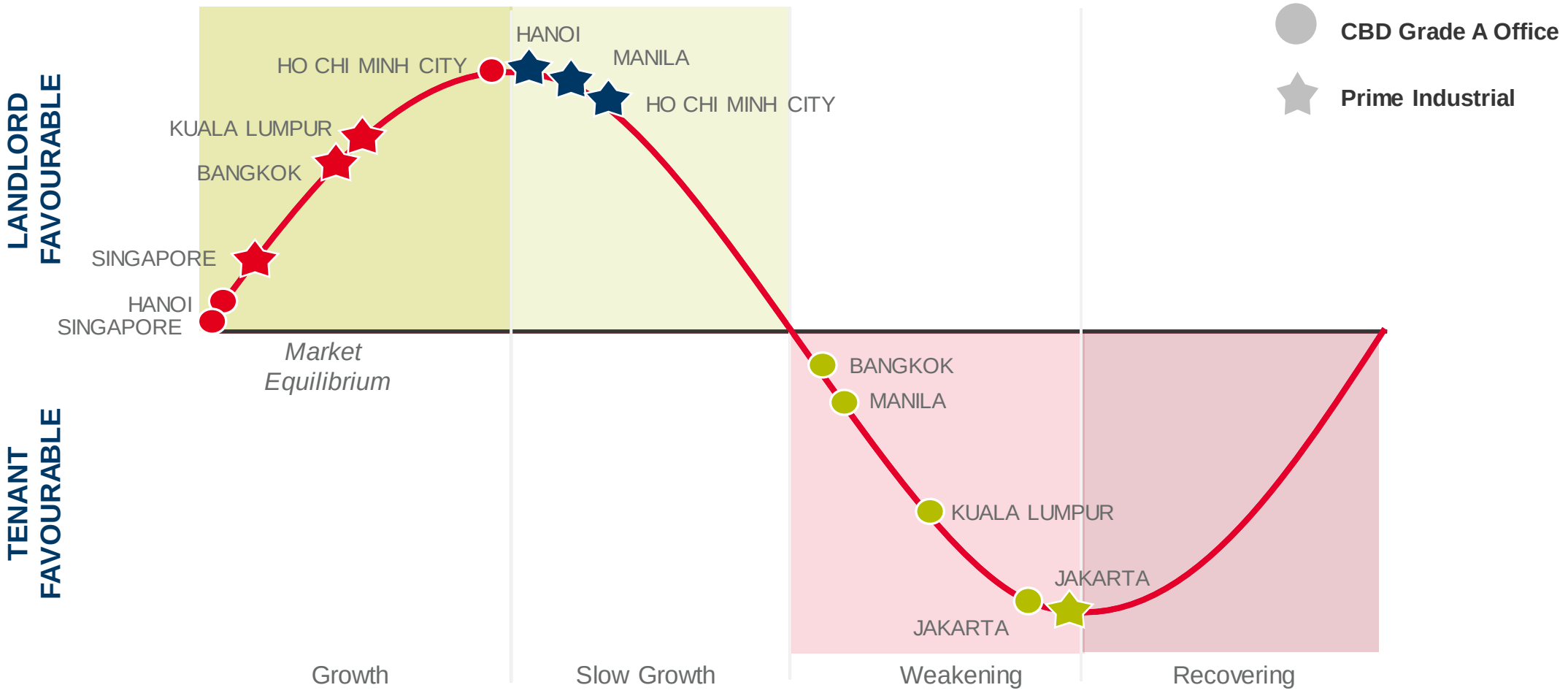
Q2 2021 RETAIL RENTS ($PSF/MO)			
Region	**Rents**	**QOQ Change**	**2021 Outlook**
Orchard	$32.78	-2.0%	↓
Other City Areas	$19.39	-3.1%	↓
Suburban and City Fringe	$30.61	-0.8%	↓



Source: Cushman & Wakefield Research

SOUTHEAST-ASIA RENT CYCLE 2Q21

CBD Grade A Office and Prime Industrial



Rent growth accelerating
Ideal for owners of property

Rent growth slowing
Still landlord favorable but growth is down frompeak

Accelerating rental decline, rents falling from top
Falling rents promise future opportunity for tenants

Slowing rental decline, rents reaching bottom
Ideal for tenants leasing or seeking to lease property

SINGAPORE MARKET OPPORTUNITIES

Where are the hotspots in Singapore

OFFICE

FLIGHT TO QUALITY AS RENTS RECOVER

- Grade A offices across the island
- Older CBD buildings for strata opportunity
- CBD conservation shophouses

INDUSTRIAL

RIDING THE POST-PANDEMIC TRENDS

- City-wide logistics
- Food factories
- City fringe business parks
- Data centers

RETAIL

EXPERIENTIAL IS KEY

- Large scale malls that can deliver a holistic user experience (online-offline)
- Suburban malls that cater to a healthy residential catchment and positioned for food deliveries
- Orchard malls to jump back as leisure travel resumes

RESIDENTIAL

STRONG PENT-UP DEMAND

- High-end residential
- Eligible office developments for the CBD incentive scheme
- Projects near to MRT stations with en-bloc potential
- Residential clusters near upcoming decentralized commercial centers

MODERATOR:

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Q&A

Please click on the Q&A icon on the top right-hand corner of your window to submit your questions.

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THANK YOU

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