

OFFICES IN ASIA PACIFIC

ARE DIFFERENT

A LONG TERM OFFICE DEMAND IN ASIA PACIFIC TO REMAIN POSITIVE AS A STRUCTURAL SHIFT TO TERTIARY INDUSTRY IN EMERGING ASIA BOOSTS REQUIREMENTS FOR OFFICE SPACE.

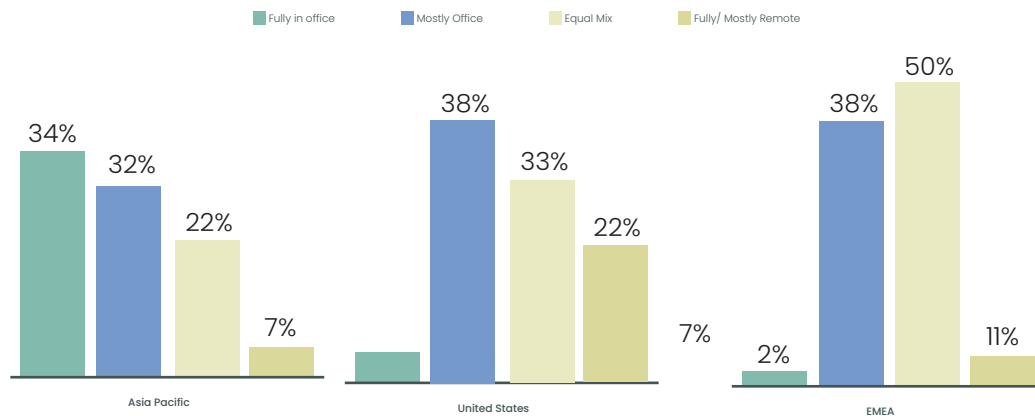
ASIA PACIFIC IS LEADING THE RETURN TO THE OFFICE

Asia Pacific takes the lead in the return to the office as companies in the region face fewer challenges in bringing employees back to the workplace. Office attendance in Asia Pacific remains higher compared to the U.S. and Europe.

Despite the widespread acceptance of hybrid working models, the majority of companies in Asia Pacific have higher expectations for in-office work. Most employers in the region expect their employees to work fully or at least three days per week from the office.

In contrast, the percentage of employers in the U.S. and Europe who expect full office attendance is much lower, standing at just 7% or less.

FREQUENCY OF OFFICE-BASED WORK IN A STEADY STATE SITUATION – OCCUPIERS' PERSPECTIVE

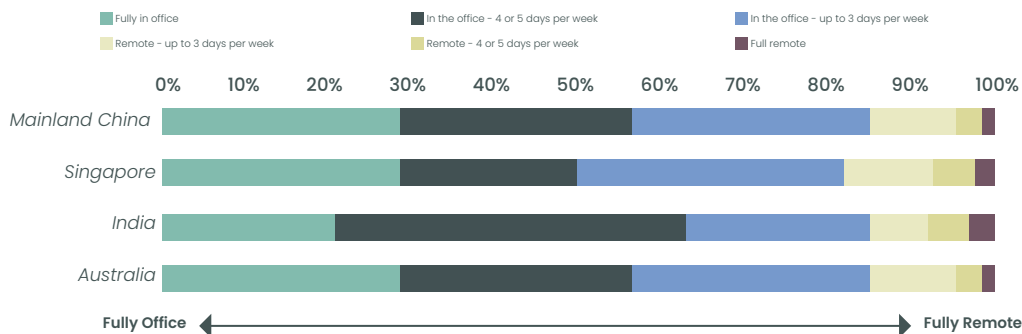


Note: 'Unsure' is included as an option in Asia Pacific. Percentages may not add up to 100% due to rounding. Sources: 2023 Global Occupier Survey, CBRE Research

85% of staff in Asia Pacific work from the office at least three days a week

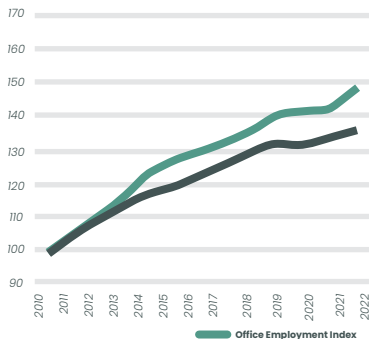
Despite the global trend towards remote work, employees in Asia Pacific show a stronger inclination to work from the office. In North Asia, employees tend to spend more time working from the office, while hybrid working arrangements are more common in Australia, Singapore, India, the UK, the Netherlands, and North America.

TIME SPLIT BETWEEN OFFICE AND REMOTE WORKING – EMPLOYEES' PERSPECTIVE



Note: The percentage of 'fully in office' responses in mainland China was impacted by several major Chinese cities being under partial lockdown or full lockdown during the survey period from May/June 2022.
Source: 2022 Global Live Work Shop Survey, CBRE Research, December 2022

Singapore (Office & Biz parks)



SINGAPORE

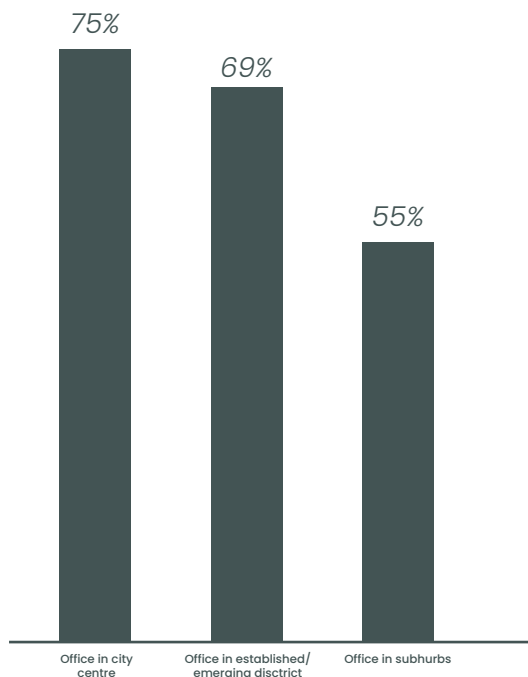
Growth in office employment has outpaced space growth since 2021.

CBRE estimates that office attendance in Asia Pacific will remain 10%-15% below pre-pandemic levels for the foreseeable future. This suggests that a significant portion of employees in the region still prefer and value the office environment, despite the increased acceptance of remote work.

Solid Demand for Prime Office Space in Asia Pacific Driven by Flight to Quality

Despite the global trend towards remote work, employees in Asia Pacific show a stronger inclination to work from the office. According to CBRE's 2022 Global Live-Work-Shop Survey, a significant 85% of office workers in Asia Pacific currently spend at least three days per week working at the office. This percentage is higher than that of Europe (78%) and the U.S. (75%). In North Asia, employees tend to spend more time working from the office, while hybrid working arrangements are more common in Australia, Singapore, India, the UK, the Netherlands, and North America.

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WORKPLACE FEATURES ENCOURAGE THE RETURN TO OFFICE

78% want access to public transportation.

73% want environmental features.

69% want free F&B options

71% want focus space

65% want to track their co-workers

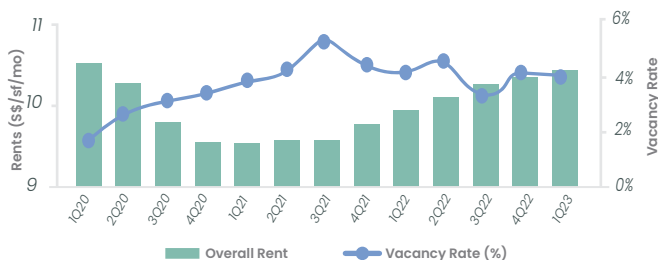
68% want to improved technology.

SINGAPORE

OFFICE Q1 2023

Singapore's CBD Grade A office market maintains low vacancy rates, despite a rise in shadow office spaces, primarily in the tech sector. Shadow space levels have increased to 328,000 sf in Q1 2023 from 260,000 sf in Q1 2022. However, this rise does not indicate widespread market distress. Instead, it presents an opportunity for firms seeking prime office spaces in Singapore's tight market with limited new supply.

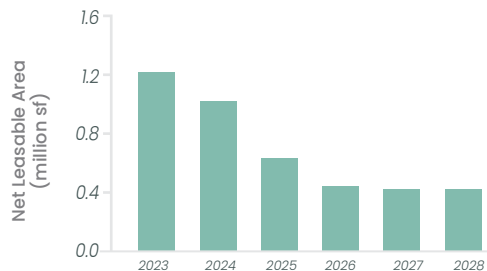
GRADE A CBD RENT & VACANCY RATE



Landlords are offering fitted spaces or capital contributions to offset fit-out costs will be well-positioned to capture this demand. Despite recent turmoil in the global banking sector, demand from **finance** and **professional services**, as well as **Chinese companies relocating to Singapore**, is expected to **grow**. Smaller technology and sustainability-related companies also seek office space, diversifying tenant demand.

Singapore's diversified tenant base and limited office supply suggest the market can withstand volatility, potentially leading to higher rents in 2023.

GRADE A CBD SUPPLY PIPELINE



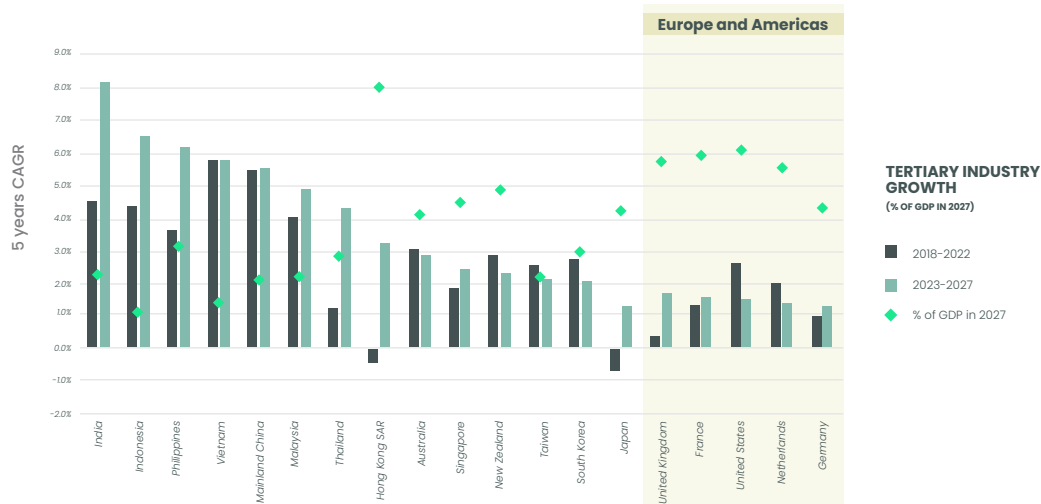
MARKET STATISTIC

 OFFICE MARKETBEAT REPORT. (2023, April 11). In CUSHMAN & WAKEFIELD. Xian Yang Wong. <https://www.cushmanwakefield.com/en/singapore/insights/singapore-marketbeat/office-marketbeat-report>

GRADE A CBD SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	VACANCY RATE	PLANNED & UNDER CNSTR (SF)	GRADE A GROSS EFFECTIVE RENT* S\$/SF/MO
Marina Bay	9,000,714	257,070	2.9%	1,242,000	12.48
Raffles Place	8,358,713	416,415	5.0%	394,000	10.58
Shenton Way/ Tanjong Pagar	5,983,049	324,322	6.4%	1,603,000	10.29
City Hall / Marina Centre	4,475,745	159,804	3.6%	40,000	9.93
Orchard Road	2,981,632	40,252	1.3%	672,000	9.33
Bugis	1,997,172	209,071	19.5%	435,000	10.24
GRADE A CBD TOTAL	31,897,025	1,375,950	4.3%	4,385,000	10.52
Orchard Road	7,596,000	294,978	4.1%	650,000	7.32
Bugis	6,419,034	251,509	3.9%	1,721,000	5.82

RECENT KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Labrador Tower	City Fringe	Prudential	150,000	New lease
CapitalSky	Shenton Way	RSP Architects	25,000	New lease


CHRIS PILGRIM

MANAGING DIRECTOR, GLOBAL CAPITAL MARKETS | ASIA PACIFIC

*Even as office markets globally continue to face short-term challenges, Asia Pacific remains attractive for office investments over the longer-term. The strong underlying fundamentals include the diverse range of markets, positive sentiments towards offices from a demand perspective and strong population-led economies presenting more resilient economic growth.**



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