

# TALKING POINTS

## COLLIERS INTERNATIONAL | ASIA

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### Singapore – Office Market

The latest URA Master Plan 2019 introduced incentive schemes to rejuvenate the CBD by encouraging mixed-use redevelopment. We identified over 20 buildings of 5 million sq ft of office space, that may qualify for the CBD Incentive Scheme in the Shenton Way/ Tanjong Pagar precinct. While takeup has been slow, we think the pandemic will accelerate adoption of the schemes.

We project Shenton Way/Tanjong Pagar to see the highest rental uplift given rejuvenation and its highest plot ratio intensification.

#### Recommendations

We recommend investors looking to diversify to consider mixed-use developments for their higher blended rents and capital values compared to pure office buildings. We also recommend developers to look beyond the short-term investment cycle for long term growth by finding partners with complementary expertise for mixed-use development projects.

For further details, please see Colliers' report:

 - **The Future of CBD office** (24 November)



### Manila – Economy and Property

The Philippine economy contracted anew in Q3 2020, albeit at a much slower pace than in Q2 2020.

Colliers believes that landlords and investors should take advantage of a government-projected quicker pace of economic growth in 2021.

#### Recommendations

Office developers should provide options to tenants planning to implement alternative schemes such as

hub-and-spoke and be accommodating to those planning to firm up short-term leases.

Residential developers should continue to touch base with investors and explore attractive price segments and locations for pre-selling condominium units.

Mall operators and retailers, meanwhile, should recapture the spike in consumer traffic by expanding offline-to-online strategies.

For further details, please see Colliers' reports:

 - **Much-awaited economic resurgence in 2021 to benefit Philippine property stakeholders** (27 November)



### North China – Office: Free Trade Zone

In September 2020, the State Council issued the China (Beijing) Pilot Free Trade Zone Overall Plan, and now Beijing hosts China's 19th free trade zone (FTZ).

Under the dual pressure of high supply and measured absorption in Beijing's office market, the introduction of the new FTZ should effectively stimulate market demand and ease market pressure.

#### Recommendations

**Tenants** benefits in areas like the should focus on the FTZ policies related to their industry to obtain better leasing BD, Beiqing road and BDA.

**Investors** should focus on assets located in FTZ areas especially mature submarkets like CBD and Beiqing road.

For further details, please see Colliers' reports:

 - **Free Trade Zone helps accelerate Beijing office market development** (30 November)



## Guangzhou – Urban Renewal

This report identifies three components\* in Guangzhou’s urban renewal and analyzes the new policy framework called “1+1+N.” Our key findings and recommendations are as follows:

### Recommendations

**Old villages:** We expect a simplified renewal process to speed up urban renewal. In core districts, the government requires developers to preserve certain spaces for manufacturing, commercial, or infrastructure use. We recommend developers strengthen their commercial and industrial property management capabilities while looking for opportunities near the core areas like Huangpu.

**Old factories:** The government is responsible for renewing over half of the old factories, but the new policies allow landlords to renew old factories in core area. We suggest landlords can consider renewing the projects by themselves through creative adaptive reuse.

**Old Communities:** The renewal of old communities is promoted across the country. We recommend the government continue to promote the BOT (build-operate-transfer) model, which can encourage more private funding to join to accelerate the old-communities renewal projects.

\*Old villages are defined as villages included in the urban master plan. Old factories are defined as factories in areas required to shift from manufacturing to services or from high-population mixed with low-efficiency factories. Old communities are defined as historical preservation of the aging buildings and decaying areas in the old town.

*For further details, please see Colliers’ report:*

 - **“1+1+N”-The new urban renewal policies in Guangzhou** (30 November)



## Australia – Office Market

### Australia Real Estate

by Simon Hunt,

Managing Director | Office Leasing | Australia

- October has seen another strong month of deals occurring within the Commercial Real Estate market as people return to work and the economy across the nation, including Victoria, begins to reopen and grow once again
- In October alone, the Office Leasing team nationally transacted 52 deals for over 55,000 sq metres of office space. The October statistic is the highest monthly result in terms of the amount of space transacted for 2020.
- The Sydney CBD market is also seeing a steady growth of transaction flow with a total of almost 50,000 sq metres transacted in 2020 to date.
- The Melbourne Metro market has surprisingly been the strongest performing market all year round and in October we saw this market again transact the most amount of area for over 20,000 sq metres.
- In terms of enquiry demand, the Office Leasing market is steady compared to prior year. Colliers has only seen a slight 3% decrease on the number of enquiries and a 5% increase in the area enquired for October YTD figures.
- With Melbourne now reopening and all other locations returning to somewhat of a normal working balance, we expect that businesses will look to pursue their real estate decisions to ensure they get the best possible option for their business.

*For further details, please see Colliers’ report:*

 - **Deal flow strong in the commercial real estate market** (10 November)

**For further information, please contact:**

**Tammy Tang**

Managing Director | China  
+86 21 6141 3625  
[Tammy.Tang@colliers.com](mailto:Tammy.Tang@colliers.com)

**Terence Tang**

Managing Director | Capital Markets & Investment Services | Asia  
+65 6531 8565  
[Terence.Tang@colliers.com](mailto:Terence.Tang@colliers.com)

**Sam Harvey-Jones**

Managing Director | Occupier Services | Asia  
+852 2822 0509  
[Sam.Harvey-Jones@colliers.com](mailto:Sam.Harvey-Jones@colliers.com)

**Tang Wei Leng**

Managing Director | Singapore  
+65 6531 8688  
[weileng.tang@colliers.com](mailto:weileng.tang@colliers.com)

**Richard Raymundo**

Managing Director | Philippines  
+63 2 8858 9028  
[Richard.Raymundo@colliers.com](mailto:Richard.Raymundo@colliers.com)

**Charles Yan**

Managing Director | North China  
+86 10 8518 1593  
[Charles.Yan@colliers.com](mailto:Charles.Yan@colliers.com)

**Alan Fung**

Managing Director | South China  
+86 20 3819 3998  
[Alan.Fung@colliers.com](mailto:Alan.Fung@colliers.com)

**Simon Hunt**

Managing Director | Office Leasing |  
Australia  
+61 3 9612 8818  
[Simon.Hunt@colliers.com](mailto:Simon.Hunt@colliers.com)

**Doug Henry**

Managing Director | Occupier Services |  
Australia  
+61 2 9257 0386  
[Doug.Henry@colliers.com](mailto:Doug.Henry@colliers.com)

**Dwight Hillier**

Managing Director | Valuation & Advisory Services | Australia  
+61 2 9257 0219  
[Dwight.Hillier@colliers.com](mailto:Dwight.Hillier@colliers.com)

**Contact details (Research)**

**Andrew Haskins**

Executive Director | Research | Asia  
+852 2822 0511  
[Andrew.Haskins@colliers.com](mailto:Andrew.Haskins@colliers.com)

**Rakesh Kunhiraman**

Senior Director | Research | Asia  
+65 6531 8569  
[Rakesh.Kunhiraman@colliers.com](mailto:Rakesh.Kunhiraman@colliers.com)

**Joanne Henderson**

Director | Research | Australia  
+61 2 9257 0286  
[Joanne.Henderson@colliers.com](mailto:Joanne.Henderson@colliers.com)

**Chris Dibble**

National Director | Colliers Partnerships, Research &  
Communications | New Zealand  
+64 9 357 8638  
[Chris.Dibble@colliers.com](mailto:Chris.Dibble@colliers.com)

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