

# TALKING POINTS

COLLIERS INTERNATIONAL | ASIA

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**Andrew Haskins**

Executive Director | Research | Asia

+852 2822 0511

[Andrew.Haskins@colliers.com](mailto:Andrew.Haskins@colliers.com)



## Pan China - REITs Investment

### Insights

The pilot project for launching infrastructure REITs provides an opportunity for mature and stable business parks (BPs) to access financing and low-cost capital to support their modernization or development plans.

However, challenges in issuing REITs include the currently bureaucratic tax regulations, unclear interest between the original stakeholder and the mutual fund, yet to be issued valuation regulations, and cumbersome process of approving and evaluating state-owned property.

### Recommendations

Business parks are valuable to a REIT as they have solid rental income from stable sectors including high technology tenants, providing reliable income to investors.

### REITs pilot project clusters



Source: Colliers International

Please contact Molly Hu [molly.hu@colliers.com](mailto:molly.hu@colliers.com) or Yihong Song [Yihong.song@colliers.com](mailto:Yihong.song@colliers.com) for a copy of the following report: **REITs on the Horizon** (10 Sep)



## East China - Logistics

### Insights

Live streaming e-commerce is booming in China. In addition to the more social and interactive online shopping experience it provides, live streaming e-commerce is also reshaping supply chains to be more efficient and flexible. Live streaming e-commerce platforms seeing early success should now focus on logistics and distribution to increase consumer satisfaction.

### Recommendations

Emerging live streaming e-commerce platforms should use professional logistics services providers, taking advantage of their distribution networks and IT.

Logistics developers and landlords should proactively target live streaming e-commerce providers, offering an integrated solution to support their growth.

Please contact Molly Hu [molly.hu@colliers.com](mailto:molly.hu@colliers.com) or Yihong Song [Yihong.song@colliers.com](mailto:Yihong.song@colliers.com) for a copy of the following report: **Emerging logistic opportunities in the era of live streaming** (18 Sep)



## Korea - Office

### Office tenant leasing guide 2020

As we mark our 25th anniversary in Korea, Colliers International is pleased to introduce our Office Tenant Leasing Guide. South Korea is an extraordinary country. Its fascinating history stretches back thousands of years. On the real estate front, Seoul, the capital, is very diverse. It is comprised of everything from ancient palaces to ultra-modern, prime grade buildings - an exciting mix of old and new. Korean real estate practices, like elements of the local culture, can be quite unique.

We have created this essential step-by-step guide to help you make timely real estate decisions that create value for your business in Korea and support operational objectives. By harnessing our leasing experts' knowledge and experience across Seoul, we enable seamless transition with minimum disruptions to your business.

In our guide, you could get more about:

- Korea Overview: One of the Most Unique Cities across Asia
- Market Practice: Leasing Terminology and Guidelines
- The Office Leasing Process: 4 Steps to Business Productivity
- How to Prepare: Workplace Advisory & Checklist

For further details, please see Colliers' report:

 **- Korea Office Tenant Leasing Guide 2020**  
(26 Sep)

### Insights

As we Korea is an attractive candidate for the relocation of Asia headquarters (HQs) of financial institutions. Seoul ranks fifth in our Top Locations in Asia report, and there are various government incentives and policies available to the financial sector. Among the World Bank's financial development and human capital indicators, Korea is rated equal or better than Hong Kong SAR, Singapore, and Japan. Given Korea's stable financial infrastructure, government-friendly fintech support policies, and the growing international asset and investment presence, we recommend financial occupiers consider Korea as a competitive financial hub.

### Recommendations

We recommend global financial occupiers take advantage of tax benefits and rent-free office space such as the Seoul Metropolitan Government's rent subsidies of up to 70% for up to five years for space in One IFC Building in Yeouido.

We also recommend financial sector occupiers relocating from Hong Kong to consider incentives such as the Busan Metropolitan Government's offer of a rent-free lease on a 522 sq meter office in the Busan International Financial Center (BIFC).

For further details, please see Colliers' report:

 **- Korean Opportunities for Global Financial Occupiers**  
(18 Sep)



## Australia – Office, Industrial

### Office

#### Insights

The month of August has proven to be the strongest month in 2020 in terms of transactions occurring in the office market. With the majority of states seeing COVID-19 restrictions eased, this provides the market with a boost of confidence whilst heading towards the end of the year.

According to Simon Hunt, Managing Director Office Leasing at Colliers International:

- Office Leasing team nationally transacted 69 deals for over 40,000 sq metres of office space in August.
- The August statistic is the highest monthly result since February 2020 when 69 deals were transacted across 36,000 sq metres, with March recording a similar result of 61 deals across some larger transactions totalling 46,000 sq metres.
- These numbers provide us with confidence that while businesses did put their real estate decisions on hold during COVID-19 restrictions, they are now feeling much more comfortable with how the market is playing out and as a result are transacting.
- In 2020 we have seen the majority of our transactions occur within the Finance and IT sectors; and in August there are seven of the deals from each of the Government and Property Services sectors and six deals each from the IT and Construction and Trade sectors.

- In 2020 we have seen the majority of our transactions occur within the Finance and IT sectors; and in August there are seven of the deals from each of the Government and Property Services sectors and six deals each from the IT and Construction and Trade sectors.
- Businesses are also still transacting on large space over 3,000 sq metres; to date we have seen 102,000 sq metres transacted for this size segment and in August we saw over 10,000 sq metres transacted by businesses on space over 3,000 sq metres.
- With enquiry still stable we expect to see our deal flow continue strong for the remainder of 2020 and into 2021.

For further details, please see Colliers' website:

 - **August proves to be the strongest month yet for Office transactions across the country** (17 Sep)

## Canberra's office market Q3 2020

### Insights

The uncertainty and volatility caused by the evolving global COVID-19 pandemic has so far demonstrated some key advantages for Canberra. The smaller and less congested market size, high proportion of cashflows backed by AAA rated government tenants, and a good proportion of contemporary stock is more adaptable to a virus conscious workplace. The Canberra office market and broader ACT economy show positive signs of increased activity in Q3 2020. However, it is still too early to forecast any return to pre- COVID-19 market conditions.

The Canberra office market ended 2019 in a good position and we had anticipated a very positive outlook for 2020. COVID-19 may have slowed the pace of market growth and improvement but the direction remains positive. Despite limited sales and leasing transactions, completed since the start of COVID-19, there is still confidence in the Canberra office market and a series of transactions are likely to still occur in the balance of 2020.

For further details, please see Colliers' report:

 - **Canberra Office Market Update Q3 2020** (10 Sep)

## Industrial

### Insights

The basis for this report was to profile six major regional centres and analyse the key drivers underpinning each market. On reflection, each of the markets highlighted has common themes – their economy has transitioned and diversified over the past decade, they have access to multiple modes of transport and they are benefiting from spill over impacts from heated conditions within adjacent capital city markets.

While not immune to recent economic uncertainty, the Australian industrial and logistics sector has so far proven to be resilient, underpinned by the exponential growth of e-commerce as well as the reallocation of capital away from other sectors. In addition, we have seen industrial occupiers focus on operational efficiencies, both in terms of building design and automation as well as locational preferences. With occupiers expected to place a greater emphasis on costs now more than ever, key industrial hubs just outside of the major capital cities are expected to benefit as they provide ease of access to major metro markets without the drawbacks of increased costs, competition and congestion.

The ever-growing desire for more efficient logistics platforms is expected to drive industrial occupiers to seek warehouse space outside of the major capital cities. Modern technology and changing consumer habits will assist with this trend as the way we make, buy and distribute goods changes significantly over the next decade.

For further details, please see Colliers' report:

 - **Regional Spotlight report** (15 Sep)

**For further information, please contact:**

**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)

**Abhishek Bajpai**

Managing Director | Corporate Solutions | Asia Pacific  
+852 2822 057  
[Abhishek.Bajpai@colliers.com](mailto:Abhishek.Bajpai@colliers.com)

**Tammy Tang**

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

**Robert Wilkinson**

Managing Director | Korea  
+82 2 6325 1901  
[Robert.Wilkinson@colliers.com](mailto:Robert.Wilkinson@colliers.com)

**Richard Shen**

Managing Director | East China  
+86 21 6141 3600  
[richard.shen@colliers.com](mailto:richard.shen@colliers.com)

**Betty Wong**

Managing Director | Capital Markets & Investment Services | China  
+86 21 6141 4329  
[Betty.Wong@colliers.com](mailto:Betty.Wong@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)

**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)

**John Marasco**

Managing Director | Capital Markets &  
Investment Services | Australia & New Zealand  
+61 3 9612 8830  
[John.Marasco@colliers.com](mailto:John.Marasco@colliers.com)

**Luke Crawford**

Associate Director | Research | Australia  
+61 2 9257 0296  
[Luke.Crawford@colliers.com](mailto:Luke.Crawford@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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**About Colliers International**

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