

Uber expands its footprint in Singapore

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RIDE-HAILING giant Uber Technologies Inc is expanding its footprint in a big way in Singapore.

BT understands that it has leased about 55,000 sq ft on Levels 35 and 36 of Guoco Tower. This is more than double the 20,000 sq ft that Uber is currently leasing at the nearby Mapletree Anson, where Uber's Asia-Pacific regional office is based.

Sources say that for the past month or so, Uber has been operating at Guoco Tower within serviced offices run by Regus, on the 14th floor.

This arrangement is expected to continue until March next year, subject to Uber completing the fit-out of its space on Levels 35 and 36 in the building.

Uber is said to have signed the lease at Guoco Tower because there was no space for it to expand within Mapletree Anson.

Uber and GuocoLand, the developer of the Tanjong Pagar Centre mixed development (which includes Guoco Tower), declined to comment.

Industry players are wondering if Uber will seek to sublet/find replacement tenants for the space it has leased at Mapletree Anson or retain the space to cater for future expansion of its business in Singapore and the region.

Cushman & Wakefield Singapore research director Christine Li said: "Following Uber's retreat from China, where it has been reported to have lost at least US\$2 billion over two years, the group may be thinking of expanding more aggressively in other parts of Asia, including South-east Asia. And Singapore would be a natural springboard."



UberEATS, an on-demand meal delivery service, leverages its network of drivers, cars and customers. PHOTO: REUTERS

Moreover, say other market watchers, Uber is expanding beyond the transportation business into lifestyle, logistics and a host of other activities – powered by the Uber app and leveraging its network of drivers, cars and customers.

An early example is UberEATS, an on-demand meal delivery service.

Edmund Tie & Company's chief executive, Ong Choon Fah said: "Tech companies like Uber collect a huge amount of data and with that data they can venture into so many areas. For instance, Uber can play a big role in last-mile connectivity for people as well as in e-commerce delivery of goods/services – especially during what is now non-peak hours for its network of drivers and their vehicles.

"All this expansion will be powered by technology."

Ms Li commented that "Guoco Tower came on the market at an opportune time, when some of these tech unicorns (including Uber) need large quality space to gear up for fu-

ture expansion in the Asia-Pacific region".

Uber is understood to have signed a three-year lease for the two floors at Guoco Tower, with an option to renew for a further three-year term. It will be paying a gross effective monthly rental of more than S\$9 per square foot. This is above the high-S\$7 to mid-S\$8 psf range that other large tenants in the building negotiated earlier this year or late last year.

Besides landlord GuocoLand firming office rents as it filled up more and more of the building, another reason for the higher rent is that Uber is taking higher floors. Guoco Tower, the 890,000 sq ft office component of the Tanjong Pagar Centre mixed development, spans the lower 38 levels of a 64-storey tower. Above the offices is the 181-unit Wallich Residence.

Other big tenants in Guoco Tower include Aegis Dentsu Network (around 100,000 sq ft), ING (about 70,000 sq ft) and Itochu Singapore.