

Tech, media tenants take up 37% of committed space at Guoco Tower

80% of the premium Grade A office space there is either taken up or subject of advanced leasing discussions

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TECH and media companies are making their presence felt at Guoco Tower in Tanjong Pagar, accounting for 37 per cent of the space that has already been committed.

The premium Grade A office component of Tanjong Pagar Centre, a mixed-development project being built by the listed GuocoLand group, has 890,000 sq ft net lettable area of which 80 per cent or some 712,000 sq ft is either taken up or subject of advanced leasing discussions.

"Of this space, approximately 263,000 sq ft has been committed by tech and media companies, including Amadeus and OpenLink," Cheng Hsing Yao, managing director of GuocoLand Singapore, told *The Business Times*.

He declined to name the other tech and media companies but earlier media reports tipped Agoda, Dentsu Aegis Network, Palo Alto Networks and SAS Singapore as all heading for Guoco Tower.

Dentsu Aegis is expected to be the biggest tenant with about 100,000 sq

ft. Other major tenants include ING and Itochu Singapore.

GuocoLand has also named as new tenants The Straits Trading Company, which will be moving out of 9 Battery Road; Danone, which is exiting Goldbell Towers along Scotts Road; shoemaker Asics, which will be leaving PWC Building; and Teva Phar-

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Cheng Hsing Yao, MD of GuocoLand Singapore

maceutical Industries, which is exiting three locations.

"This diversity of tenant mix for Guoco Tower will allow us to avoid being overconcentrated in one particular industry segment. The counter cyclical nature of the different industries should help maintain a more stable

demand for our offices in the tower," said Mr Cheng.

The offices, which received Temporary Occupation Permit (TOP) last month, are on the lower 38 levels of the 64-storey tower, which is Singapore's tallest building at 290 metres.

Levels 39 and upwards of this tower comprise the 181-unit Wallich Residence. A second tower houses the 222-room Sofitel Singapore City Centre. Both of these components are expected to receive TOP between late this year and early 2017. The project also has a retail component, part of which has already received TOP.

Mr Cheng said that the general "flight to quality" among tenants that most new office developments benefit from by itself does not adequately account for Guoco Tower's success.

"We believe that this is a result of a combination of factors, including our prime location, flexible, efficient and scalable design, Tanjong Pagar Centre's tightly integrated retail and lifestyle components, and of course,

the prestige factor of being in Singapore's tallest building."

Most of the MNCs in Guoco Tower will be using it as their regional headquarters with average headcounts of 300 to 500 persons, coupled with relocations of many of their senior management staff from their other headquarters or regional offices to Singapore.

"This will create a lot of demand for F&B, services, hotels and even housing in the area and catalyse Tanjong Pagar's transformation," added Mr Cheng.

Cushman & Wakefield executive director June Chua estimates gross effective monthly rents at Guoco Tower to be between S\$8.50 and S\$11.00 per square foot – comfortably above the average of S\$7 to S\$8 psf in the Tanjong Pagar office micromarket, and comparable to other premium Grade A developments in Marina Bay.

Guoco Tower's floors are square-shaped, with structural columns pushed to the edges of the floors, optimising usable space. On a per-floor basis, net lettable areas typically range from 27,000 to 30,000 sq ft. Tanjong Pagar Centre has 575 car parking lots and 221 bicycle lots.



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