



Business parks still shining bright



16 International Business Park

IMAGINE a green hub of smart offices, shops, restaurants and even a hotel with an MRT station right at its doorstep: presenting work, live and play all in one package. Sounds like something that can only exist in the Central Business District (CBD)? That's actually UE BizHub EAST in Changi, the flagship business park of Singapore Exchange (SGX)-listed ESR-REIT.

Business parks here are meant for non-pollutive industries and businesses that engage in high-technology, R&D, high value-added and knowledge-intensive activities. This asset class has been a star performer amid Singapore's stabilising industrial property market – even with trade war woes and uncertainty in business sentiment as of late. Rents and occupancy for business parks rose for a second straight quarter-on-quarter increase in the sec-

ond quarter of this year according to JTC statistics, and is expected to continue to do well amid tight supply for the rest of the year and demand for space with high building specifications.

As of late, business parks have already become a magnet for big-name tech firms looking to set up shop here. Landlords like ESR-REIT, which also owns 16 International Business Park and Viva Business Park, stand to gain. Razer and Grab are building their headquarters (HQ) in one-north and Chinese artificial intelligence firm Yitu has set up a research and development (R&D) centre in Mapletree Business City. At UE BizHub EAST, ESR-REIT counts as tenants banks like DBS and Mizuho Bank as well as IT and e-commerce users such as DISM Solutions. Medical and travel security services firm International SOS uses UE BizHub EAST as one of its headquarters for its global shared services, IT disaster recovery as well as training and research, while packaging and printing company Esko Graphics houses its research and development and engineering solution support there.

Industrialists often pick business parks because they value the synergies and economies of scale that come from being close by or under the same roof as tenants in the same field. They can share resources, collaborate and benefit from the community of innovation. Another advantage for their employees is that business parks boast facilities like dining options, gymnasiums and childcare are often located within the same self-contained complex, providing much convenience to tenants and employees

while injecting vibrancy into the development and the surrounding area. For example, with its 251-room Park Avenue Changi Hotel, MICE event space and food and beverage (F&B), UE BizHub EAST is a magnet of activity serving the wider Changi Business Park community. Elsewhere in the East, Viva Business Park, also owned by ESR-REIT, is home to global sporting goods retailer Decathlon's first flagship store in Singapore and South-east Asia.

In other words, the fact that business parks are often outside of the traditional CBD does not mean working there will be boring. In fact, their location can be an asset. UE BizHub EAST's hotel and MICE spaces benefit from the property's location close to Changi Airport; and the campus-like community environment is made possible by the space that being outside the city-centre affords. With decentralisation gaining pace, the Government has been building new lines across Singapore. That has been a boon to UE BizHub EAST, which is now directly connected to the Expo Station on the recently completed Downtown Line in addition to the existing East West Line's Changi Airport branch line.

With growing interest in business park space, ESR-REIT target to refresh UE BizHub EAST from the fourth quarter this year to enhance the property's appeal and draw in more



MAIN PHOTO & ABOVE:
Viva Business Park (Business Park);
UE BizHub EAST (Business Park)

quality tenants. In a one-year facelift – during which the property will remain fully operational – the landlord will modernise UE BizHub EAST's facade, build a new and extended canopy and passenger drop-off area to improve the traffic flow to the property and reconfigure access to the office lobbies. When works

are completed, UE BizHub EAST tenants and the Changi Business Park community will also enjoy enhanced communal spaces with alfresco dining and entertainment, and a newly renovated internal food street.

Business parks across the country are also changing to accommodate future economy trends. For example, the coworking platforms URWork and Spacemob call JTC LaunchPad @ one-north and Ascent in Singapore Science Park home. For startups hoping to get a leg-up from more established industry players, they can use dedicated spaces in business parks like JTC LaunchPad @ one-north and JTC LaunchPad @ Jurong Innovation District.

Buildings are also becoming smarter as landlords embrace the brave new world that is Industry 4.0 and technology's benefits to real estate. The upcoming Punggol Digital District (PDD) will boast smart solutions like pneumatic waste conveyancing systems, autonomous goods delivery systems and autonomous vehicles. A district-wide digital platform will be able to analyse data from sensors and Internet of Things to help estate management. ESR-REIT and its business parks will evolve with the dynamics of the economy, and the needs of its tenants to keep up with such trends and technologies to become 'future-ready'.

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