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matters

Annual Report 2018



A member of Frasers Property Group



Frasers Commercial Trust

10th Annual General Meeting

18 January 2019

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This Presentation contains certain information with respect to the trade sectors of the Trust’s tenants. The Manager has determined the trade sectors in which the Trust’s tenants are primarily involved based on the Manager’s general understanding of the business activities conducted by such tenants. The Manager’s knowledge of the business activities of the Trust’s tenants is necessarily limited and such tenants may conduct business activities that are in addition to, or different from, those shown herein.

This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

Contents

- ◆ **Year in review**
- ◆ **Portfolio review**
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- ◆ **Update on asset enhancement initiatives**

Year in review

Year in Review *Key highlights*

Stable distribution

- ◆ Full-year distributable income of S\$82.7 mil
- ◆ Full-year DPU of 9.60 cents

Strengthen and reshape portfolio for long-term growth

- ✓ Expanded investment mandate to Europe (with initial focus on UK), for long-term growth and diversification
- ✓ Completed income-accretive acquisition of 50% interest in Farnborough Business Park for c. S\$160 mil
- ✓ Divested 55 Market Street at close to 3 times initial purchase price and realised net gain of c. S\$75 mil¹ over book value
- ✓ Gearing lowered to 28.3%² to enhance financial flexibility for future growth opportunities
- ✓ Successful transformation of Alexandra Technopark into a contemporary and vibrant business campus³
- ✓ Rejuvenation of China Square Central retail podium on track for completion in 2H2019

1. Net of transaction expenses and fees.

2. As at 30 September 2018.

3. AEI works currently close to full completion.

Year in Review *Key results*

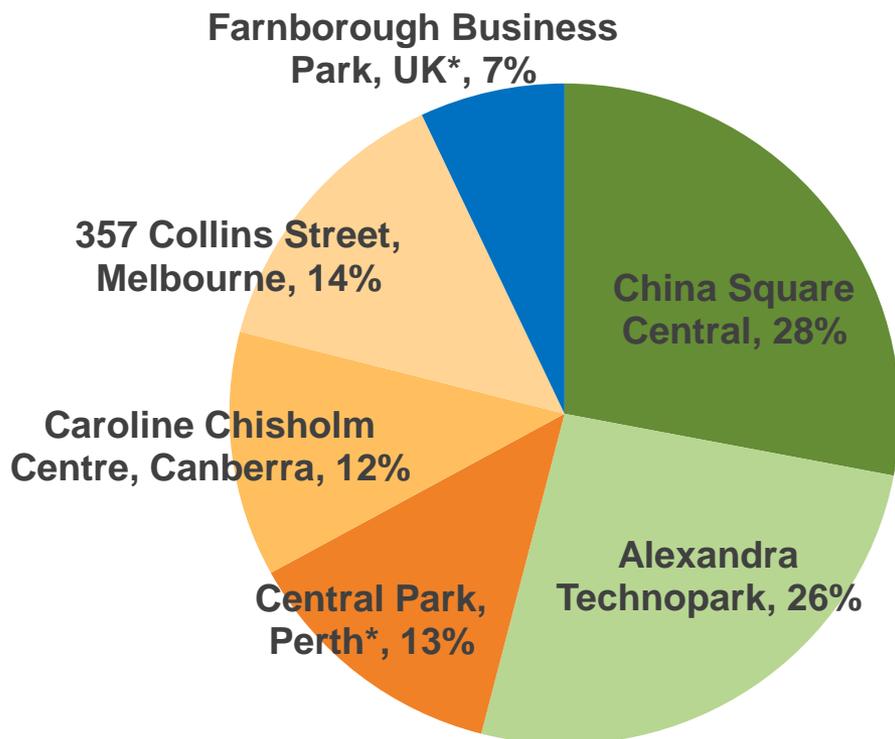


		Year-on-Year
Net Property Income	S\$89.3 mil	↓ 21.6%
Share of results of Joint Venture ¹	S\$5.5 mil	NM ²
Distributable Income to Unitholders	S\$82.7 mil	↑ 5.2%
Distribution per Unit	9.60 cents	↓ 2.2%
Aggregate Value of Property Portfolio	S\$2.1 bil	↑ 3.0%

1. In respect of FCOT's 50.0% interest in Farnborough Business Park for the period from 29 January 2018 (date of acquisition) to 30 September 2018.
 2. Not meaningful.

Year in Review *Asset portfolio*

- ◆ Diversified portfolio with no single property accounting for more than 28% by value
- ◆ Portfolio value increased 3.0% year-on-year to S\$2.1 billion



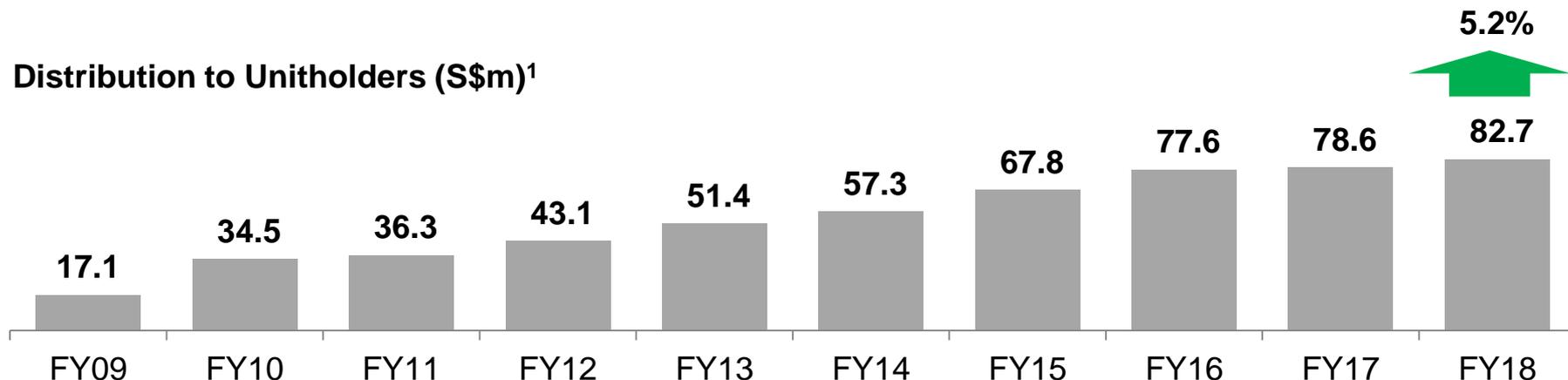
Asset values as at 30 September 2018

Singapore	\$1,140.4 mil	54%
Australia	\$ 836.9 mil	39%
United Kingdom	\$ 156.2 mil	7%
Portfolio	\$2,133.5 mil	100%

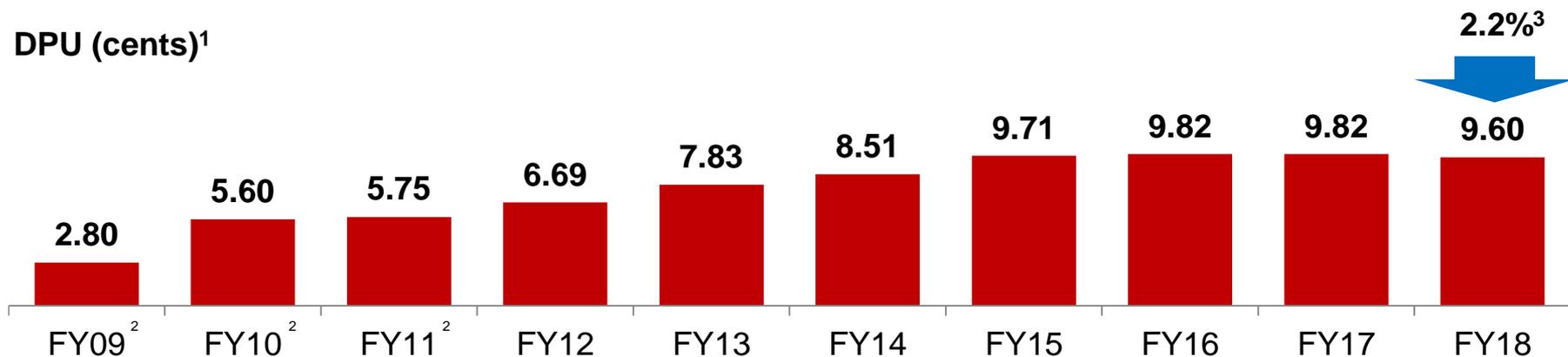
* In relation to FCOT's 50% interests. Farnborough Business Park is held as a joint venture and equity-accounted in the financial statements.

Year in Review *Distributable income*

Distribution to Unitholders (S\$m)¹



DPU (cents)¹



1. On 26 August 2009, Frasers Commercial Trust changed its financial year end from 31 December to 30 September. As a result, FY09 comprised a 9-month period from 1 January 2009 to September 2009.

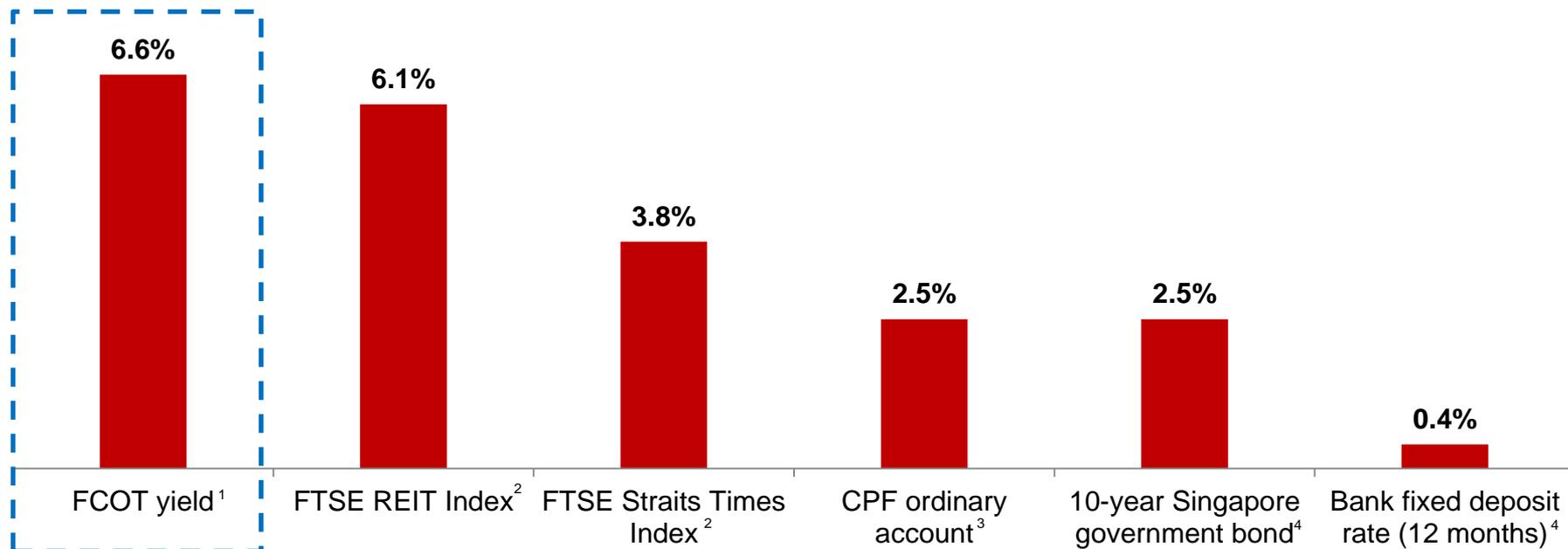
2. Adjusted for Unit consolidation.

3. Decreased mainly due to the higher Unit base in FY2018, which was inclusive of 67,567,000 new Units issued pursuant to the private placement which was completed on 1 February 2018 to provide part of the long-term financing for 50.0% interest in Farnborough Business Park. Refer to the announcement dated 1 February 2018 for details.

Year in Review *Attractive total return and income yield*

- ◆ FCOT's 5-year total return of 63.3% exceeded that of FTSE REIT and FTSE Straits Times indices of 50.0% and 22.1% respectively
- ◆ FCOT offers an attractive yield and traded around 410 basis points above the 10-year Singapore government bond as at end-FY18

Yield (as at 28 September 2018)



1. Based on FCOT's closing price of S\$1.460 per Unit as at 28 September 2018 and total DPU of 9.60 cents for FY2018.

2. As at 28 September 2018. Source: Bloomberg.

3. Based on interest rate paid on the Central Provident Fund ordinary account from 1 July 2018 to 30 September 2018. Source: CPF website.

4. As at 28 September 2018. Source: www.mas.gov.sg.

Year in Review *Healthy balance sheet and debt profile*

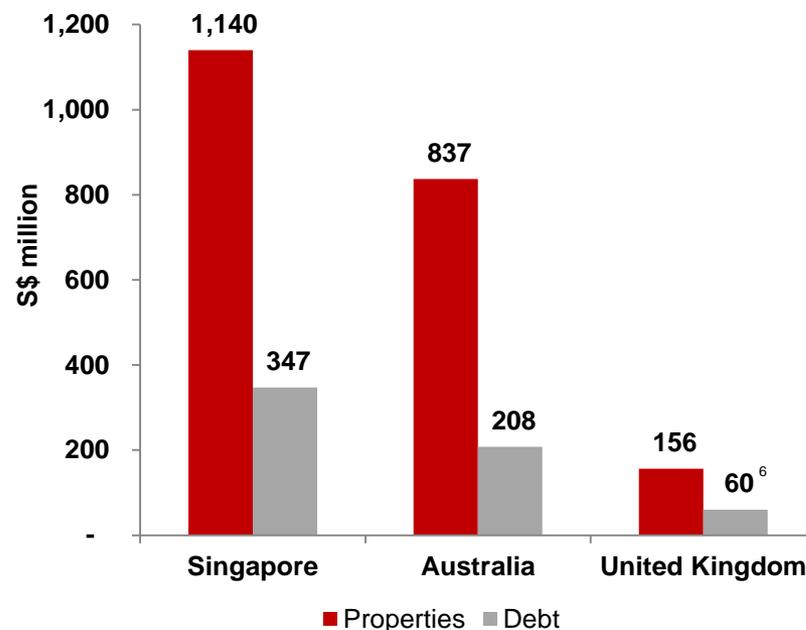
- ◆ Healthy gearing of 28.3% as at 30 September 2018
- ◆ Healthy interest coverage ratio of 4.2 times
- ◆ Borrowings in local currencies provide natural hedge

Statistics

As at 30 Sept 2018

Total Assets (S\$'000)	2,173,080
Gross Borrowings (S\$'000)	614,984
Units on Issue and Issuable entitled to distribution	892,583,888
NAV per Unit (ex-DPU) (S\$) ¹	1.59
Gearing ²	28.3%
Interest coverage ratio (times) ³	4.2
Average borrowing rate ⁴	3.02% p.a.
FCOT Issuer rating by Moody's ⁵	Baa2

Borrowings and assets by currency



1. Based on issued Units for the financial quarter ended 30 September 2018.

2. Gross borrowing as a percentage of total assets.

3. Net income before changes in fair values of investment properties, interest, other investments and derivative instruments, income tax and distribution, and adding back certain non-recurring items/cash finance costs for the quarter ended 30 September 2018. Excluding the gain on divestment of 55 Market Street of S\$75.7 million. Including the gain on divestment, the interest coverage ratio would be 17.7 times. See accompanying 4QFY18 Financial Statements announcement for details.

4. For quarter ended 30 September 2018.

5. Moody's affirmed FCOT's Baa2 ratings (with a negative outlook) in its credit opinion report dated 6 September 2018.

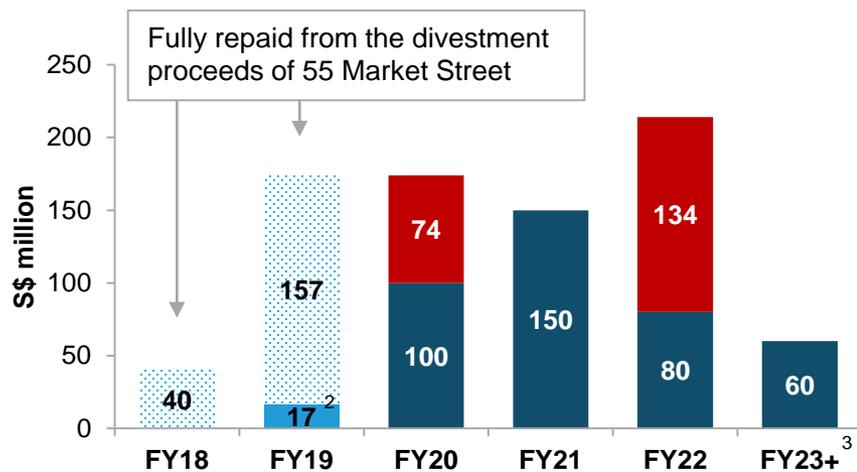
6. S\$60.0 million five-year senior unsecured notes issued in February 2018 and swapped into Sterling Pound.

Year in Review *Prudent capital management*

- ◆ Repaid close to S\$200 million of borrowings in Sept 2018 with divestment proceeds of 55 Market Street
- ◆ No major refinancing need until FY20
- ◆ All borrowings are unsecured
- ◆ 81.2% of gross borrowings are on fixed rates

Debt maturity

Total borrowings: S\$615 million
Weighted average term to maturity: 2.8 years

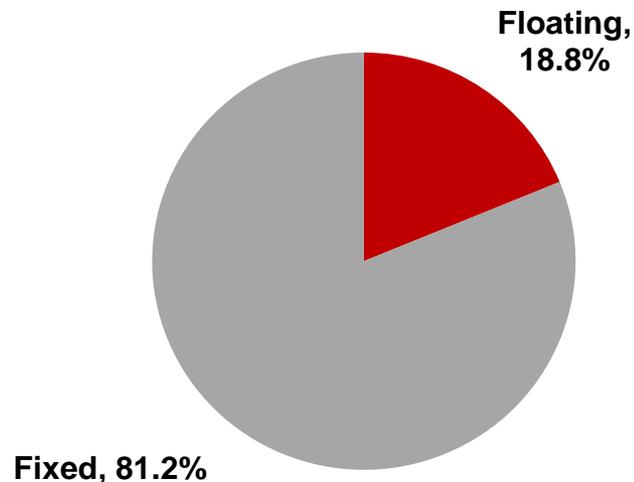


■ SGD bank borrowings ■ SGD MTN ■ AUD bank borrowings

1. The debt which originally matured in August 2018 was extended to September 2018.
2. SGD revolving facilities drawn down as interim funding for asset enhancement works.
3. S\$60.0 million senior unsecured notes issued in February 2018 and swapped into Sterling Pound.

Note: All data on this page (including exchange rates) are as at 30 September 2018.

Debt composition – floating vs. fixed interest rates



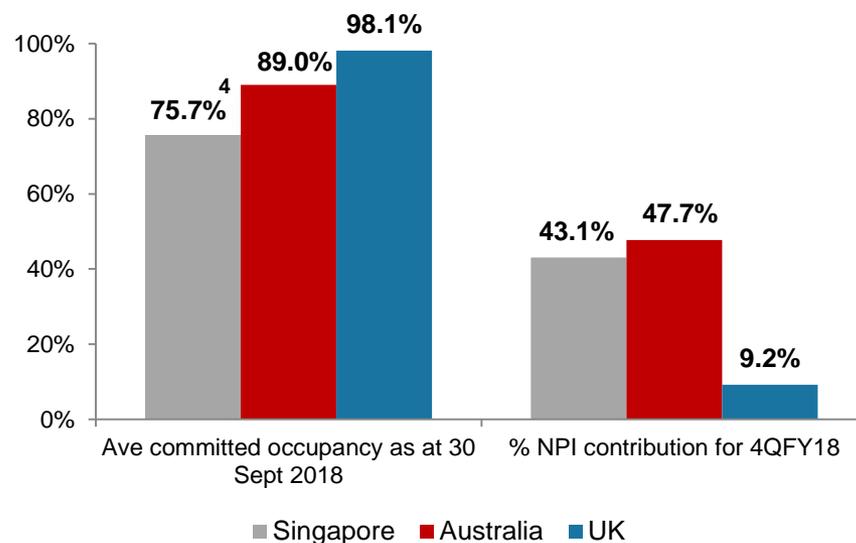
Portfolio review

Portfolio Review *Occupancy & WALE*¹

- ◆ Average committed occupancy rate of 83.4%²
- ◆ Committed WALE of 4.7 years^{2,3}

Key portfolio statistics as at 30 Sept 2018	Actual occupancy	Committed occupancy ²
Ave Occupancy	79.5%	83.4%
Portfolio WALE by gross rental income ³	4.5 years	4.7 years
Portfolio WALB by gross rental income ^{3,4}	4.2 years	4.3 years

Geographical occupancy² and NPI³ contribution

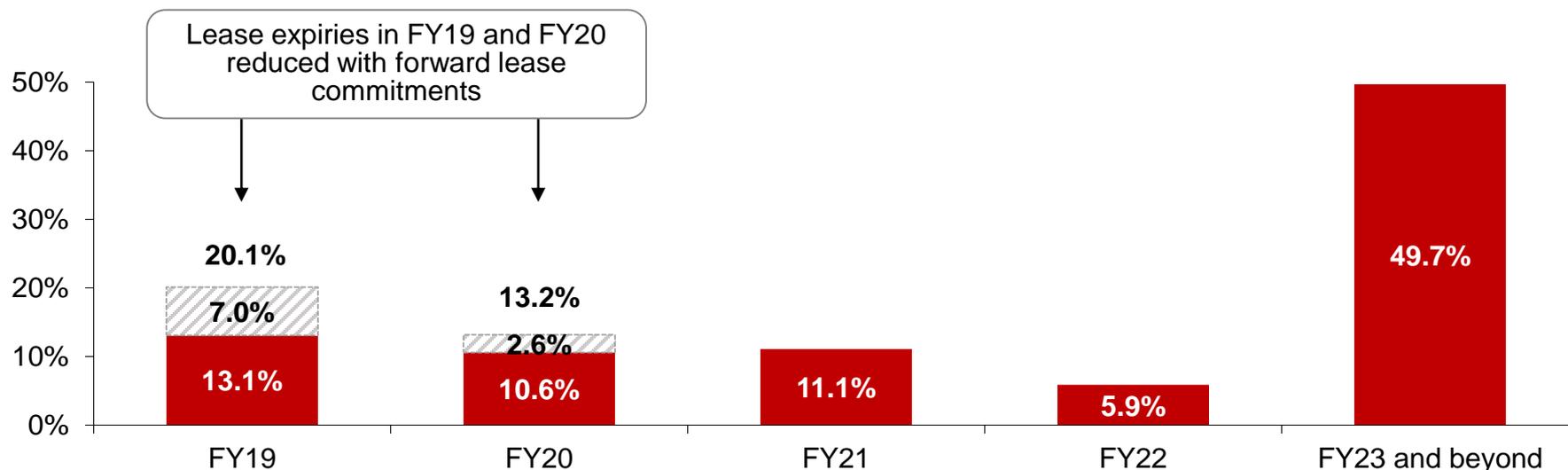


1. Weighted average lease expiry (in years).
2. The total NLA of the portfolio used in the computation of occupancy rate has excluded 18 Cross Street retail podium (NLA c. 64,000 sf) which is currently closed for asset enhancement works.
3. Excludes lease incentives and retail turnover rents, if any. For Farnborough Business Park, included reimbursements of lease incentives, rent guarantees for certain unlet units and other commercial arrangements performed by the vendor, in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details).
4. WALB - weighted average lease to break, reflecting contractual rights for tenants to pre-terminate leases in certain cases.
5. Mainly affected by lease expiration for Hewlett-Packard Enterprise Singapore Pte Ltd and phased reduction in lease area by Hewlett-Packard Singapore Pte Ltd at Alexandra Technopark (refer to the announcements dated 22 September 2017 and 3 November 2017 for further details).

Portfolio Review *Lease expiry profile*

- ◆ Well-spread lease expiry profile provides income stability and defensiveness

Portfolio lease expiry by gross rental income

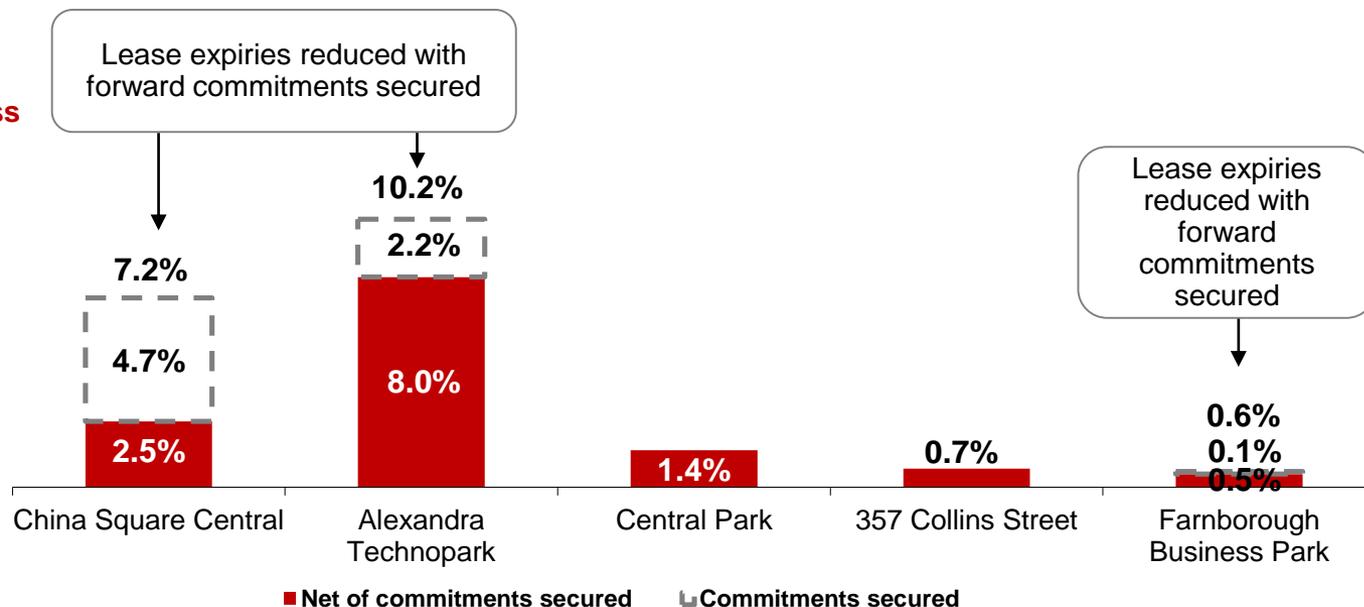


Note: All data above are as at 30 September 2018. Exclude lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details) are included.

Portfolio Review *Lease expiry profile for FY19*

- ◆ Proactive management of leases through securing forward commitments

Lease Expiries in FY19 as a Proportion of Portfolio Gross Rental Income as at 30 Sept 2018



As at 30 September 2018

Number of leases expiring ¹	12 (office) 6 (retail)	14	1 (office) 3 (retail)	3 (office)	10
Average passing rents for expiring leases (net of those with commitments secured) ²	S\$6.61 (office) S\$5.89 (retail)	S\$4.08	A\$917 (office) ³ A\$991 (retail)	A\$585 (office)	£23.8

- Adjusted for pre-committed leases secured.
- Excludes lease incentives and retail turnover rents, if any. Figures for Singapore properties are on a gross rent per square foot per month basis, figures for Australian properties are based on net face rent per square metre per annum basis while figures for Farnborough Business Park is based on net rent per square foot per annum basis.
- Data is in respect of a single lease which may not be reflective of other leases in the building.

Portfolio Review *Top 10 tenants*

- ◆ Strong and diversified tenant profile
- ◆ Contributed 53% of portfolio gross rental income with a WALE of 5.7¹ years as at 30 September 2018

Top 10 tenants by gross rental income

Tenant	Property	Sector	Lease Expiry	% Gross Rental Income ²
Commonwealth of Australia	Caroline Chisholm Centre	Government	Jul-25	16.4%
Rio Tinto Limited	Central Park	Mining & resources	Jun-30	9.0%
Commonwealth Bank of Australia	357 Collins Street	Banking, insurance & financial services	Dec-22	6.8%
Hewlett-Packard Singapore Pte Ltd	Alexandra Technopark	IT products & services	Dec-18	3.8%
GroupM Singapore Pte Ltd	China Square Central	Consultancy & business services	Jul-23	3.5%
Service Stream Ltd	357 Collins Street	Multimedia & telecommunications	Dec-24	3.5%
Microsoft Operations Pte Ltd	Alexandra Technopark	IT products & services	Jan-22	3.0%
Fluor Limited	Farnborough Business Park	Engineering	May-19 to Jun-25	2.9%
Suntory Beverage & Food Asia Pte Ltd	China Square Central	Food & beverage	May-20	2.3%
Nokia Solutions and Networks (S) Pte Ltd	Alexandra Technopark	Multimedia & telecommunications	Feb-21/ Jun-21	2.1%
Total				53.3%



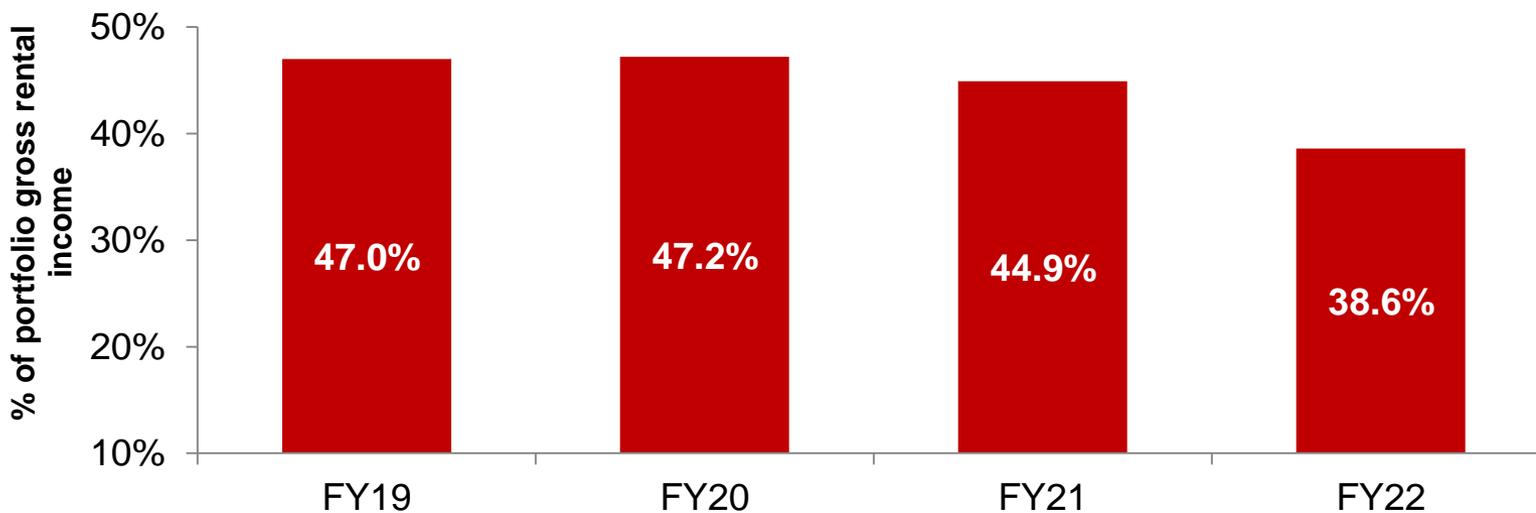
All data on this page are as at 30 September 2018.

1. The WALB (after accounting for rights to break) is 5.3 years.
2. Excludes lease incentives and retail turnover rents, if any. For Farnborough Business Park, included reimbursements of lease incentives, rent guarantees for certain unlet units and other commercial arrangements performed by the vendor, in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details).

Portfolio Review *Step-up rents*

- ◆ 47% of FY19 leases have built-in rent step-ups to provide organic growth

Portfolio GRI with fixed percentage rent step-ups in FY19-FY22



Weighted average % step-ups	2.6%	2.7%	2.5%	2.4%
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Strengthening and reshaping the portfolio

Strengthening and reshaping the portfolio for long-term growth



Accretive Acquisitions

- ◆ Expanded investment mandate to Europe (including UK) in January 2018 for portfolio diversification and long-term growth
- ◆ Enhanced alignment with Sponsor's top 3 geographical markets (Singapore, Australia and Europe)
- ◆ Completed income-accretive acquisition of 50.0% interest in Farnborough Business Park on 29 Jan 2018.

Capital Recycling through Strategic Divestments

- ◆ To improve portfolio quality and long-term performance
- ◆ To recycle capital for other growth opportunities
- ◆ Divested 55 Market Street on 31 Aug 2018 and realised a net gain of approximately S\$75.7 million¹

Asset Enhancement Initiatives

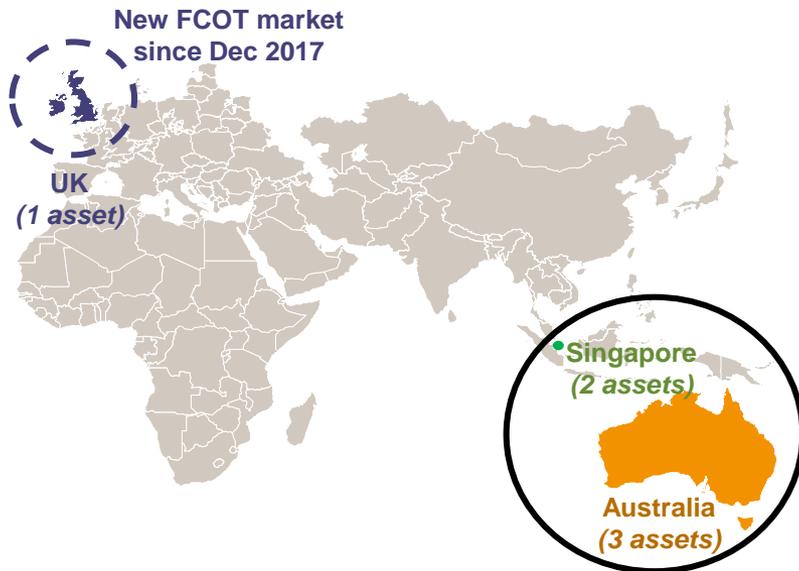
- ◆ Enhance long-term performance and competitiveness of properties and elevate tenants' and visitors' experiences
- ◆ Alexandra Technopark repositioned as a contemporary, vibrant and engaging business campus following a S\$45 million AEI which is nearing full completion
- ◆ AEI for the retail podium of 18 Cross Street, China Square Central is currently underway and expected to complete in the second half of 2019

1. Net of transaction expenses and fees.

Expansion of Investment Mandate

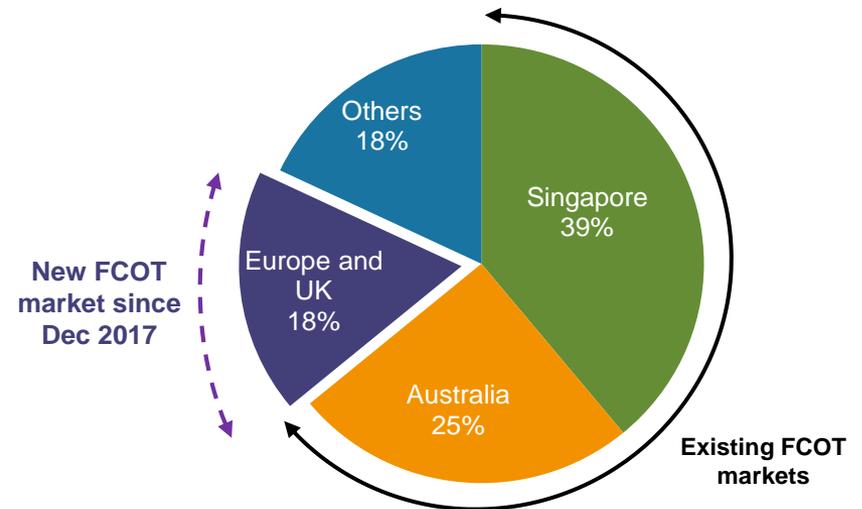
Synergistic alignment to Sponsor's top 3 markets for **GROWTH** and **DIVERSIFICATION**

- ◆ Announced expansion of investment mandate to Europe/UK in Dec 2017
- ◆ Granted right of first refusal for Frasers Property's relevant office/business space/business park assets in Europe (including UK)
- ◆ Enhanced potential for future growth and diversification



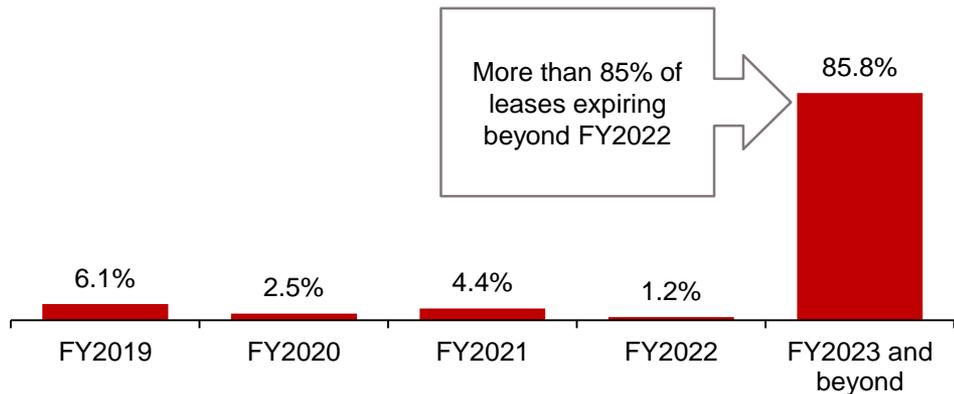
Alignment with Frasers Property's top 3 geographical markets

Frasers Property's assets by geography¹



Acquisition of Farnborough Business Park, UK

- ◆ Acquired 50% interest in Farnborough Business Park (“FBP”) at a property value of £87.5 million¹ on 29 January 2018
- ◆ FBP is an award-winning business park with solid fundamentals in a well-connected location in Thames Valley



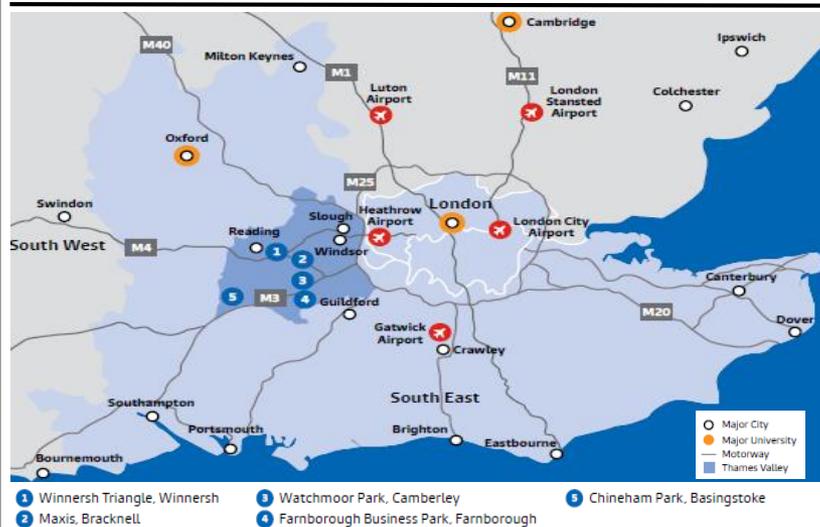
All data are as at 30 September 2018.

1. In respect of 50.0% interest in FBP. Refer to the announcement dated 14 December 2017.
2. By gross rental income and included reimbursements of lease incentives, rent guarantees for certain unlet units and other commercial arrangements performed by the vendor, in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details). The WALB (after accounting for rights to break) is 5.2 years.
3. After adjusting for leases for which the tenants have exercised their rights to break.

Acquisition of Farnborough Business Park, UK (cont'd)

- 1**
- ◆ FBP is part of Frasers Property's 3.3m sf NLA portfolio in Thames Valley
 - ◆ Synergistic network effect and portfolio scale

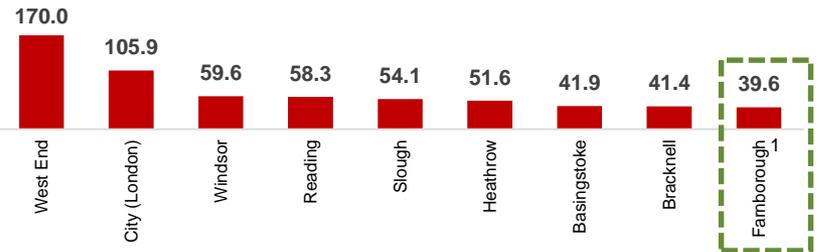
Frasers Property Group's Thames Valley Business Parks



- 2**
- Resilient UK business park market supported by cost-efficient positioning

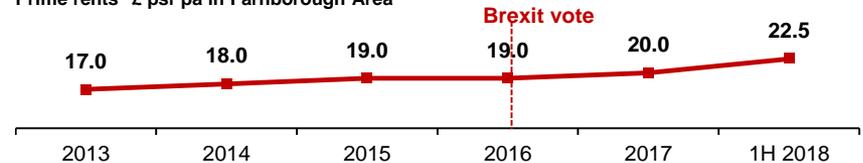
Cost-efficient alternative to CBD and London locations

Total occupier cost (£ psf pa)



Rents continued growing post-Brexit referendum

Prime rents² £ psf pa in Farnborough Area¹



- 3**
- Thames Valley is the principal high-tech region in the UK

- ◆ Regarded as the principal high-tech region in the UK
- ◆ Home to over 200 of UK's top 300 companies
- ◆ Well-established key business clusters including in manufacturing, financial & business services, hi-tech, TMT and aerospace
- ◆ Access to quality workforce and talent pool from well-known universities
- ◆ Convenient transport linkages to London and Heathrow airport



Source: Market Overview Thames Valley and Farnborough Area, UK dated 30 November 2018, JLL Research, FCOT 2018 Annual Report.

1. Includes both Farnborough and Camberley.
2. Prime rents is defined as the top open-market rent that could be expected for a notional office unit of the highest quality and specification in the best location in a market. It represents JLL's market view and is based on an analysis/review of actual transactions for prime office space, excluding any unrepresentative deals in a given time period.

Divestment of 55 Market Street

- ◆ Completed divestment of 55 Market Street to an unrelated third party for S\$216.8 million on 31 Aug 2018
- ◆ Sale price was almost triple of initial purchase price¹
- ◆ Significant value unlocked with a net gain of S\$75.7 million² over book value²
- ◆ Divestment proceeds used to repay debts, significantly reducing gearing to 28.3% as at 30 September 2018 (30 June 2018: 35.4%)
- ◆ Created substantial debt headroom and financial flexibility to pursue future growth opportunities initiatives



S\$216.8 mil or S\$3,020 psf sale consideration	c. 3X of S\$72.5 mil original purchase price in 2006	S\$75.7 mil net gain over S\$139.9 mil book value ¹	1.6% Implied exit NPI yield ³
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1. Acquired in 2006 for S\$72.5 million.
2. Net of transaction expenses and fees.
3. Based on the annualised net property income of 55 Market Street for 3QFY18.

Update on asset enhancement initiatives

Alexandra Technopark *Creating a new business campus*

- ◆ \$45 million AEI nearing full completion
- ◆ Contemporary business campus with a more vibrant, stimulating and engaging environment
- ◆ Generous offering of wellness, lifestyle, social and other amenities
- ◆ Well received by tenants and other stakeholders



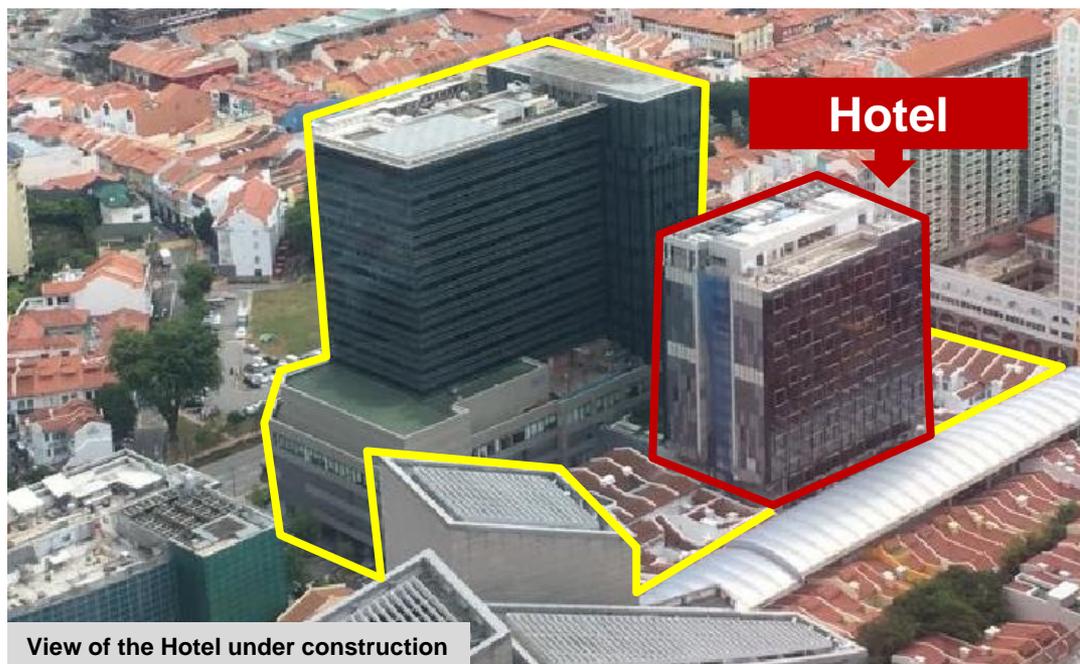
New ATP *A contemporary Business Campus*

- ◆ Wide range of wellness, lifestyle, social and other amenities



China Square Central *New hotel to enhance vibrancy*

- ◆ Construction works for the new 16-storey Hotel¹ at China Square Central (“CSC”) expected to complete in Mar 2019²
- ◆ The 304-room Capri by Fraser, China Place hotel will bring increased activity and vibrancy to CSC and benefit retail tenants



View of the Hotel under construction

 China Square Central

 Proposed Hotel

1. Undertaken and owned by an entity of Frasers Property Limited. Refer to the Circular to Unitholders dated 3 June 2015 for details.
2. Refer to Frasers Property Limited's announcement dated 10 April 2018.

China Square Central *Revamping 18 Cross Street retail podium*

- ◆ S\$38 million AEI expected to complete in 2H2019¹
- ◆ Retail podium NLA to potentially increase to c.78,000 sf¹ from c.64,000 sf pre-AEI
- ◆ JustCo becomes the second major collaborative space operator to commit to CSC after WeWork, to add further vibrancy and diversity to CSC
- ◆ JustCo's lease of c. 34,500 sf comprises the entire 2nd level of the retail podium and certain adjoining spaces, and translates to c. 40% pre-commitment for the retail podium



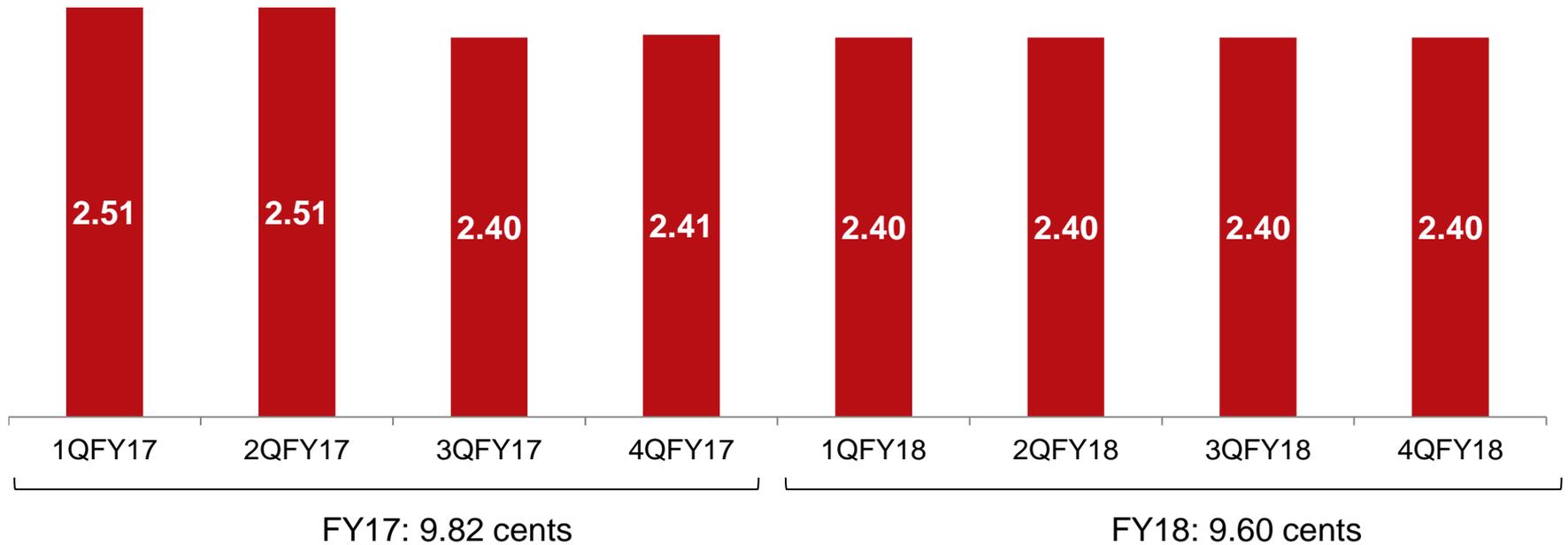
1. Based on provisional scheme and may be subject to change.

Appendix

DPU

- ◆ FY18 full-year DPU 2.2% lower Y-o-Y due to higher Unit base¹

DPU (Cents)



1. Inclusive of 67,567,000 new Units issued pursuant to the private placement which was completed on 1 February 2018 to part-finance the acquisition of 50.0% interest in Farnborough Business Park. Refer to the announcement dated 1 February 2018 for details.

Portfolio valuations as at 30 Sept 2018

- ◆ Total portfolio value up 3%¹ vs end-FY17
- ◆ Higher local currency valuations for all properties in Singapore and Australia

Asset	Date of valuation	Local currency value (million)	Translation as at 30-Sep-18 (S\$ million) ^{2,3}	Variance from 30 September 2017 (local currency value)		Variance from 30 September 2017 (translated value)	
				(million)	(%)	(S\$ million)	(%)
China Square Central	30-Sep-18	S\$582.4	582.4	S\$17.4	3.1	17.4	3.1
Alexandra Technopark	30-Sep-18	S\$558.0	558.0	S\$50.0	9.8	50.0	9.8
Singapore properties		S\$1,140.4	1,140.4	S\$67.4	6.3	67.4	6.3
Central Park (50% interest)	30-Sep-18	A\$291.0 ⁴	288.2	A\$18.5	6.8	(1.6)	(0.6)
Caroline Chisholm Centre	30-Sep-18	A\$252.0	249.6	A\$2.0	0.8	(16.3)	(6.1)
357 Collins Street	30-Sep-18	A\$302.0	299.1	A\$17.0	6.0	(4.0)	(1.3)
Australian properties		A\$845.0	836.9	A\$37.5	4.6	(21.9)	(2.5)
Total Singapore and Australia			1,977.3				
Farnborough Business Park, UK (50% interest)	30-Sep-18	£87.7 ⁴	156.2	NA ⁵	NA ⁵	NA ⁵	NA ⁵
Total portfolio			2,133.5				

1. Portfolio changes during FY18: acquired 50% interest in Farnborough Business Park on 29 Jan 2018 and divested 55 Market Street on 31 Aug 2018.

2. Translated at A\$1.00 = S\$0.9904 or £1.00 = S\$1.7809, being the prevailing spot rates as at end of the financial quarter.

3. Figures may not add up due to mathematical rounding.

4. Represents FCOT's 50.0% indirect interests in Central Park and Farnborough Business Park (held as a joint venture and equity-accounted in the financial statements).

5. Not applicable. Acquisition was completed on 29 January 2018.

Portfolio Update Singapore assets

China Square Central – healthy occupancy for office tower



Alexandra Technopark – rejuvenation and repositioning nearing completion



Occupancy 94.4% ^{1,2} (office tower: 92.5%¹)

70.2% ¹

WALE 1.9 years

1.9 years

WALB 1.9 years

1.5 years

Tenants



Data as at 30 September 2018.

1. Committed occupancy as at 30 September 2018.
2. Excluding 18 Cross Street retail podium (NLA c 64,000 sq ft) which is currently closed for asset enhancement.

Portfolio Update Australia assets

Central Park – long WALE of 8.3 years¹



Caroline Chisholm Centre – full occupancy with long WALE of 6.8 years



357 Collins Street – high occupancy in a strong market



Occupancy 70.0%

100.0%

95.0%

WALE 8.3 years

6.8 years

3.2 years

WALB 8.2 years

6.8 years

3.2 years

Tenants



Data as at 30 September 2018.

1. Based on Standard and Poor's rating in January 2018.

Portfolio Update United Kingdom asset

Farnborough Business Park – long WALE and healthy occupancy

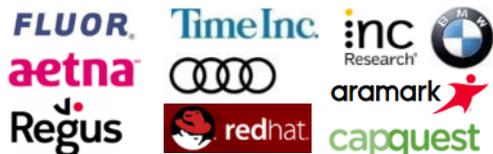


Occupancy 98.1%¹

WALE 7.5 years ²

WALB 5.2 years ²

Tenants



Data as at 30 September 2018.

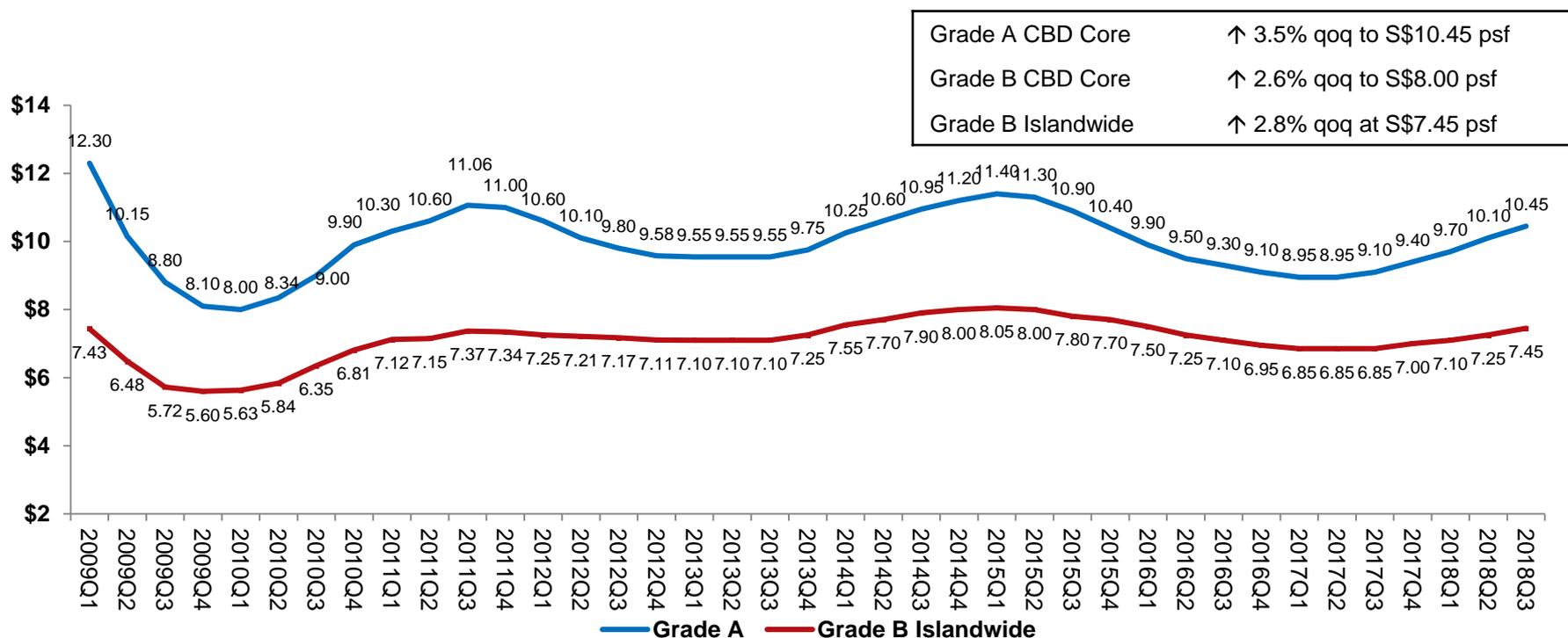
1. After adjusting for leases for which the tenants have exercised their rights to break.
2. Includes reimbursements of lease incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details).

Singapore office rents

Singapore office:

- ◆ General outlook for the office market is positive
- ◆ Grade B rents relatively more stable

Singapore Grade A and Grade B office rents¹

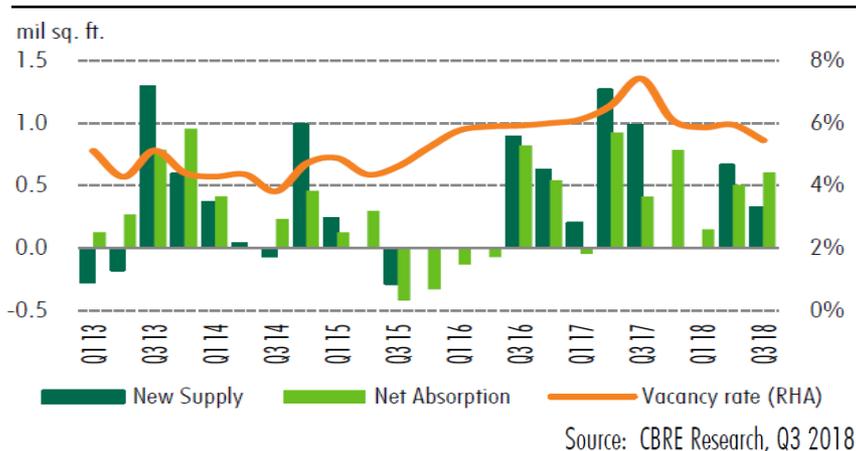


Source: CBRE Research

1. CBRE, Singapore Market View, Q3 2018

Demand, supply and outlook for Singapore CBD office market

Office supply-demand dynamics¹



- ◆ Overall leasing activity was stronger in 3Q 2018, leading to stronger growth in net absorption to 605,077 square feet for the quarter
- ◆ This led to a reduction in island-wide office vacancy rate by 0.5 percentage points from 5.9% in 2Q 2018 to 5.4% in 3Q 2018
- ◆ According to CBRE, there was a steady increase in demand for Grade B offices as the available Grade A space tightened considerably
- ◆ CBRE is of the opinion that the resilient and diverse tenant demand coupled with a limited future supply will lead to further rental growth in the medium term

Office vacancy rates¹

	Q3 18	Q-o-q	Y-o-y
Islandwide	5.4%	-50 bps	-198 bps
Core CBD	5.4%	-55 bps	-216 bps
Fringe CBD	6.4%	-51 bps	-200 bps
Decentralised	4.5%	-37 bps	-154 bps
Grade A	5.4%	-46 bps	-299 bps

Source: CBRE Research, Q3 2018

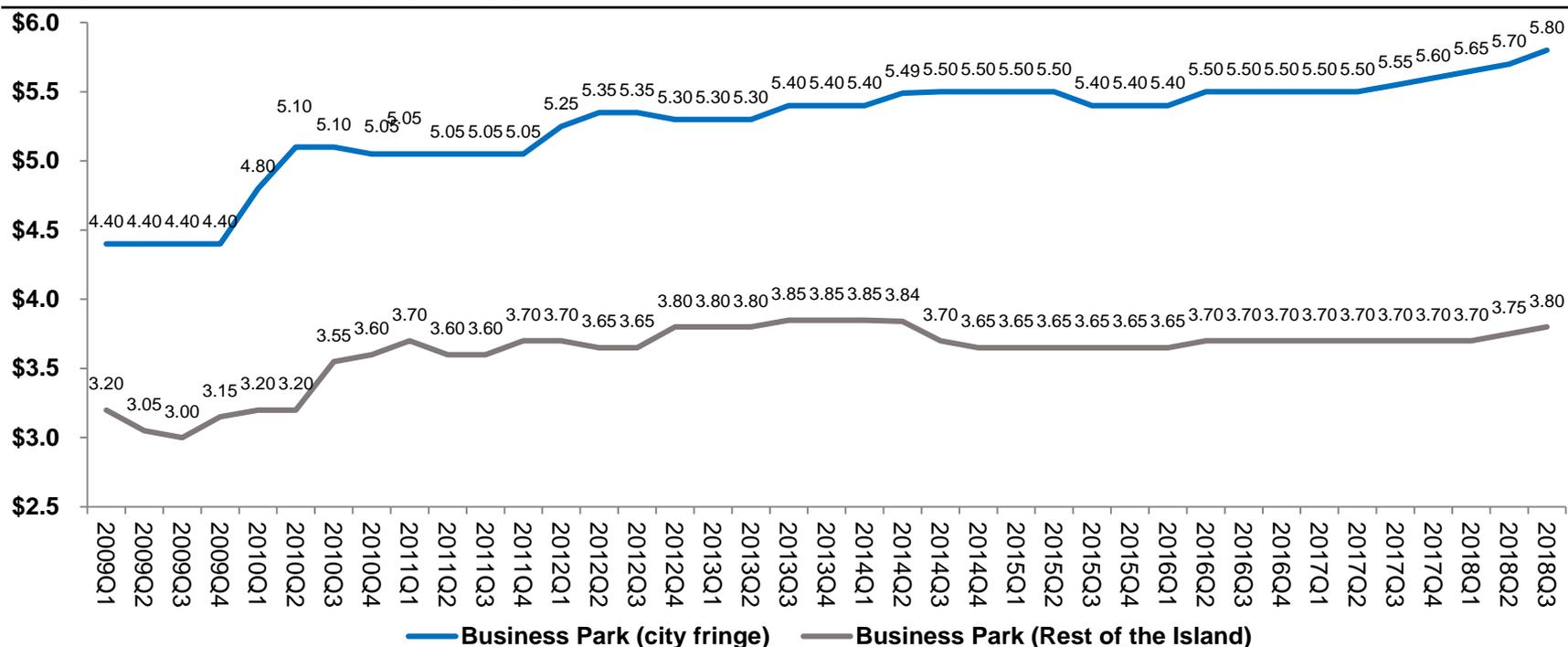
1. CBRE, Singapore Market View, Q3 2018

Singapore business park rents¹

Singapore business parks²:

- ◆ City fringe business park average rent increased by 1.8% qoq in 3Q 2018
- ◆ Rest of the island average rent increased by 1.3% qoq in 3Q 2018

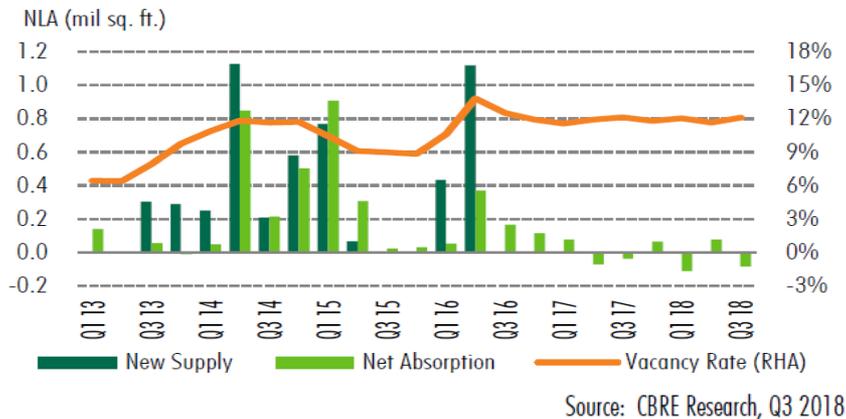
Singapore Business Park (city fringe) rents²



- Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. In the absence of comprehensive market research information directly relevant to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.
- CBRE, Singapore Market View, Q3 2018

Demand, supply and outlook for Singapore business park market¹

Business park supply-demand dynamics²



- ◆ There continued to be demand for city fringe business park space in 3Q 2018, while leasing activity for the rest of the island was weaker
- ◆ Leasing activity in 3Q 2018 was mainly attributed to e-commerce and technology firms with some tenants seeking expansion space, which benefitted mainly better located and newer business park developments
- ◆ CBRE is of the opinion that strong office market recovery had widened the gap between the business park and office rents, which has led to higher rent expectations for business parks

Business park future pipeline²

Year	Est. NLA (mil sq. ft.)	Est. Pre-commitment
2018	0.36	39%
2019	0.54	0%
2020	0.18	100%
Total	1.12	30%

Source: CBRE Research, Q3 2018

- Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. In the absence of comprehensive market research information directly relevant to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.
- CBRE, Singapore Market View, Q3 2018

Perth CBD office supply and rents

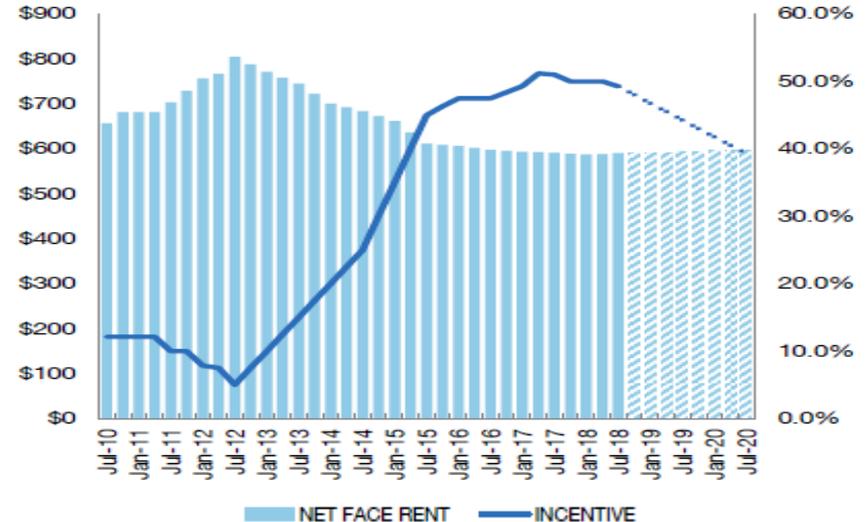
- ◆ Business confidence continued to improve and the Western Australia State Final Demand¹ as at March 2018 turned positive for the first time since 2013
- ◆ Perth CBD recorded the third consecutive half-year period of positive net absorption for the six months to June 2018
- ◆ Prime Grade average net face rent was A\$540 to A\$640 per sqm per annum as at July 2018, with average lease incentives between 45% and 50%
- ◆ Prime Grade vacancy was 13.2% as at July 2018, an improvement from 14.2% as at January 2018
- ◆ Tenant demand will drive further growth in effective rents for the remainder of 2018

Perth CBD total office vacancy (%)



Source: Knight Frank Research/PCA

Perth CBD office Prime Grade incentives (%) and average net face rents (\$/sq m)



Source: Knight Frank Research

Source: Knight Frank Research, Perth CBD Office, September 2018.
 1. Measures the total value of goods and services sold, excluding exports.

Melbourne CBD office supply and rents

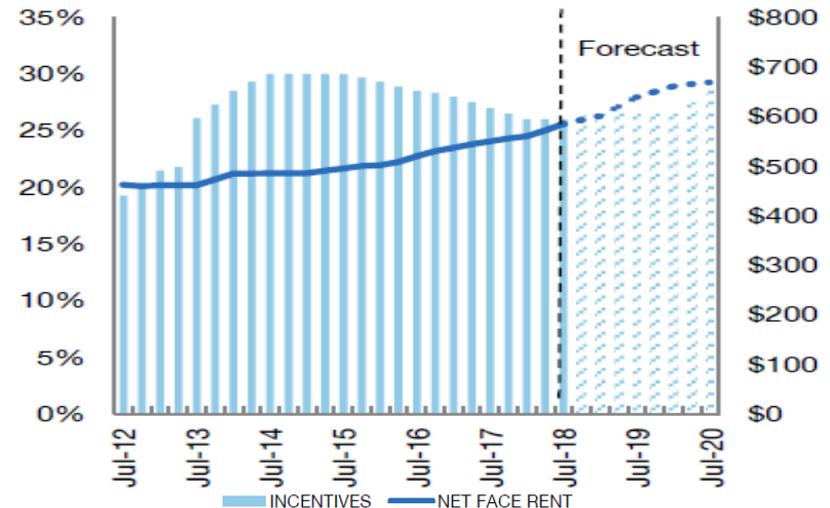
- ◆ CBD office market continued to be strong, supported by sustained economic, population and employment growth in the state of Victoria state
- ◆ Prime Grade average net face rent for Melbourne CBD office space was approximately A\$586 per sqm per annum as at July 2018, with lease incentives around 26%
- ◆ Total CBD office vacancy reduced from 5.9% to 3.6% in the twelve months to July 2018, the lowest level recorded in ten years
- ◆ Knight Frank expects Melbourne CBD Prime Grade average net face rents to grow by about 9% from mid-2018 until end-2019, while vacancy rate is expected to remain low in 2019

Melbourne CBD office vacancy rate (%)



Source: Knight Frank Research

Melbourne CBD office Prime Grade incentives (%) and average net face rents(\$A/sq m)

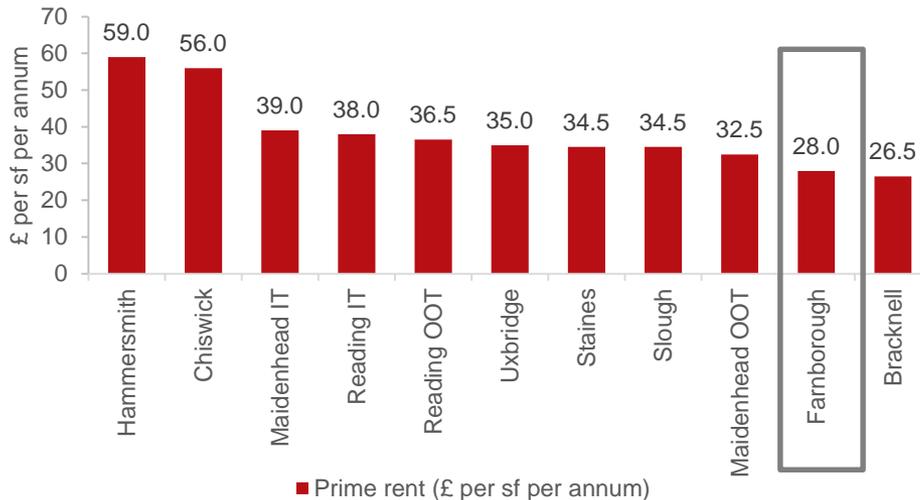


Source: Knight Frank Research

Thames Valley office supply and rents

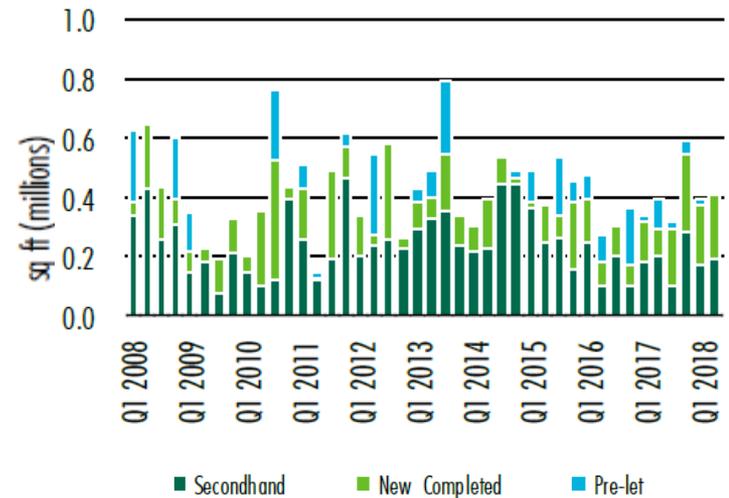
- ◆ Grade A indicative headline prime office rent for Farnborough area was £28.0 per sq ft per annum as at June 2018, while lease incentives were generally around 17.5% (for typical 10-year lease terms)
- ◆ Thames Valley's vacancy rate of 7.8% as at June 2018 was a 0.6-percentage point reduction compared to March 2018
- ◆ Rent levels are expected to remain stable with the lack of new developments in Thames Valley

Key Thames Valley Prime Grade office rents (£ per sf per annum)



Source: CBRE Research, Q2 2018

Thames Valley take up, Q2 2018



Source: CBRE Research, Q2 2018

**Experience
matters.**



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