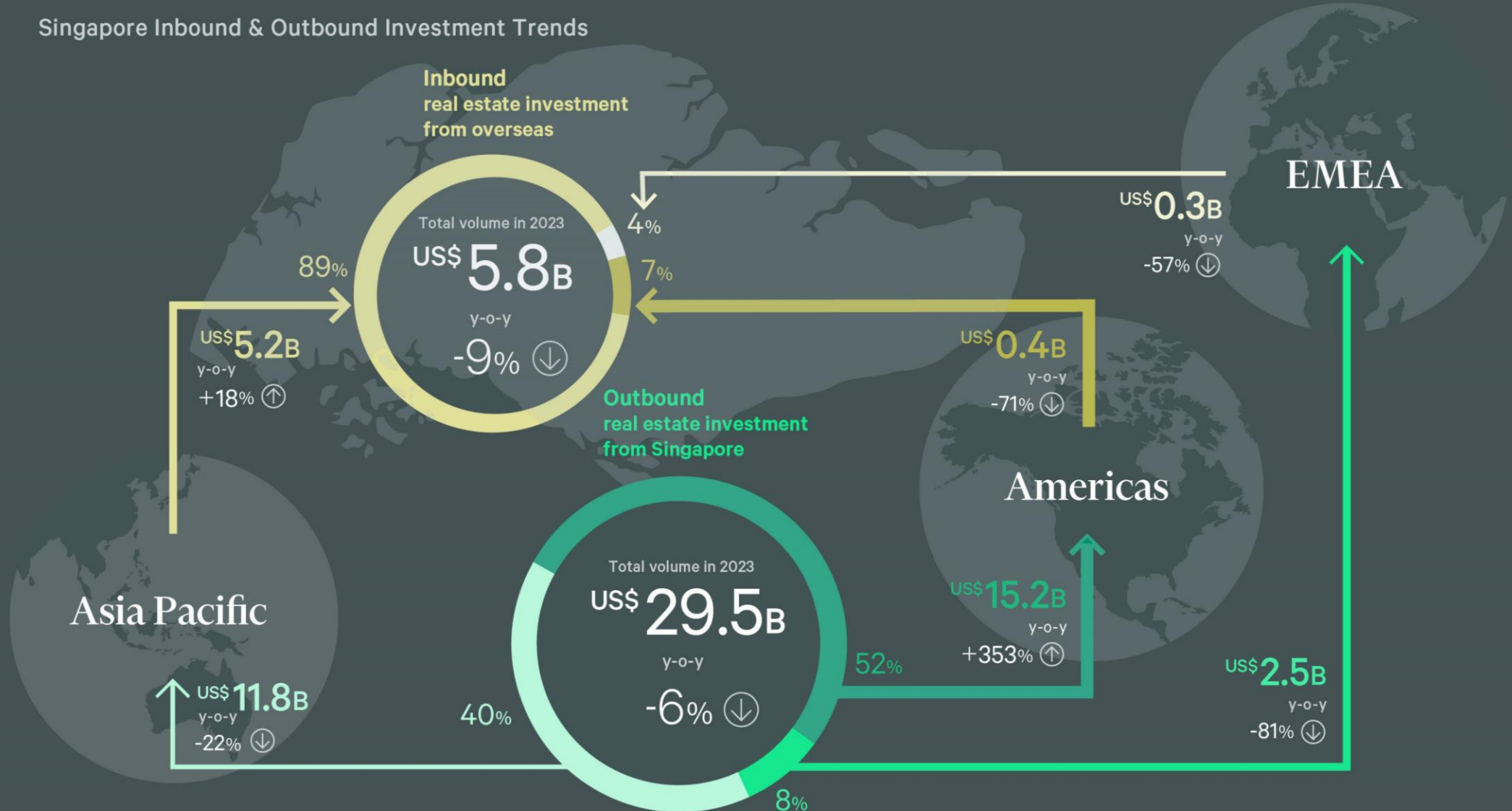


In and Out Singapore 2023

Singapore Inbound & Outbound Investment Trends



*Note: Volumes refer to direct investments

INBOUND

Inbound Real Estate Investment 2023 (Direct investment)

Asia Pacific (APAC) investors drove inbound investment market

- Inbound investment in Singapore in 2023 tallied at US\$5.829 bn, a moderate decline (-8.5% y-o-y) from US\$6.373 bn recorded in 2022. Volumes continued to soften in 2023 amid sustained high rates and a slowdown in global macroeconomic growth.
- 2023's inbound investment volumes were largely driven by the award of several public land sales, the sale of a few shopping malls and big-ticket office deals including *Shenton House* and *Wilkie Edge*.
- APAC was the largest source of capital, accounting for 89% of real estate investment into Singapore in 2023. Hong Kong-sourced investment volumes were the highest on the back of Link REIT's acquisition of *Jurong Point* and *Swing By @ Thomson Plaza*.

Figure 1: Sources of inbound capital to Singapore

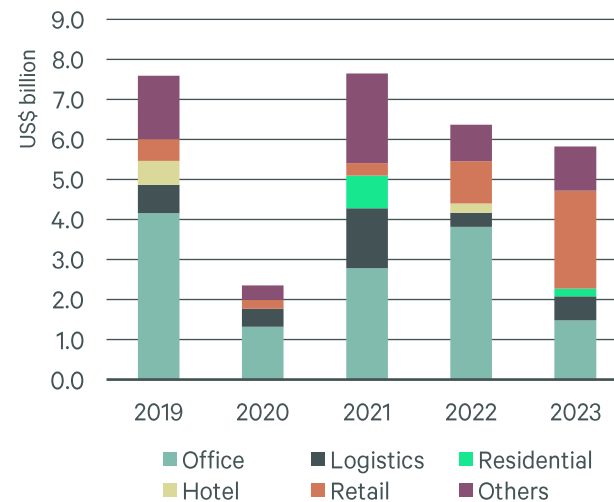
Americas	U.S.			
Amount (US\$ billion)	0.40			
% of total	7%			
y-o-y	-66% ↓			
Asia Pacific	Hong Kong	China	Malaysia	Japan
Amount (US\$ billion)	2.90	1.08	0.63	0.27
% of total	50%	18%	11%	5%
y-o-y	+363% ↑	+11% ↑	n.m. ↑	-68% ↓
EMEA	Netherlands			
Amount (US\$ billion)	0.26			
% of total	4%			
y-o-y	n.m. ↑			

Source: Real Capital Analytics, CBRE Research, Apr 2024

Retail and industrial investment volumes saw a significant uptick

- The retail and industrial sectors saw volumes rise in 2023, offsetting the decline in the office category.
- Retail investment volumes (US\$2.447 bn) more than doubled from 2022's US\$1.062 bn, while industrial investment volumes (US\$602.44 mil) jumped 72.8% y-o-y from 2022's US\$348.72 mil.
- More residential development sites were sold in 2023 following the ramp up in supply under the Government Land Sales Programme. On the other hand, office investment volumes declined sharply as rising financing costs diminished yield spreads for investors, impacting the ability of institutional investors to underwrite big-ticket office deals.

Figure 2: Inbound investment volumes by sector

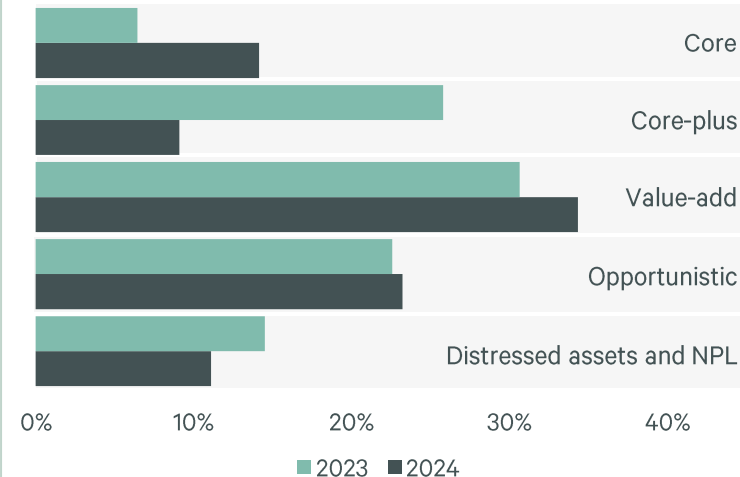


Source: Real Capital Analytics, CBRE Research, Apr 2024
 Note: Others include development sites and self storage

Industrial and logistics remains the most popular sector among investors in 2024

- CBRE's 2024 Asia Pacific Investor Intentions Survey found that Singapore remained the second most attractive city among cross-border investors in the APAC region, consistent with 2023.
- Despite cautious investor sentiments through 2023, there is ample liquidity waiting on the sidelines. Around 61% of overseas investors surveyed who primarily transact in Singapore anticipate their buying activity to increase in 2024. Among these investors, 32% intend to invest in the Industrial and logistics sector and 23% in the office sector.
- Amid the new environment of higher rates and tighter yield spreads, investors have shifted their focus to strategies which generate heightened yields or capital gains. About 34% of overseas investors surveyed are looking to focus on value-add investments, followed by 23% interested in opportunistic investments.

Figure 3: Preferred investment strategy for inbound investors primarily transacting in Singapore



Source: Asia Pacific Investor Intentions Survey 2024, CBRE Research, Jan 2024

OUTBOUND

Outbound Real Estate Investment 2023 (Direct investment)

Singapore remained among the top three APAC outbound investors in 2023

- Singapore's outbound investment in 2023 reached US\$29.475 bn, a 6% decline from 2022's US\$31.470 bn. Despite the drop, Singapore remained among the top three APAC outbound investors.
- 2023 outbound investment volumes were driven primarily by higher investment in the U.S., which saw a 230% y-o-y increase. As a result, the U.S. overtook the U.K. as Singapore investors' top destination in 2023.
- While there were no outbound transactions in Canada in 2022, one of the largest deals in 2023 was GIC-Dream Industrial REIT's C\$5.9 bn acquisition of Summit Industrial Income REIT, which holds over 150 industrial properties in Canada.

Figure 4: Destinations of Singapore outbound capital

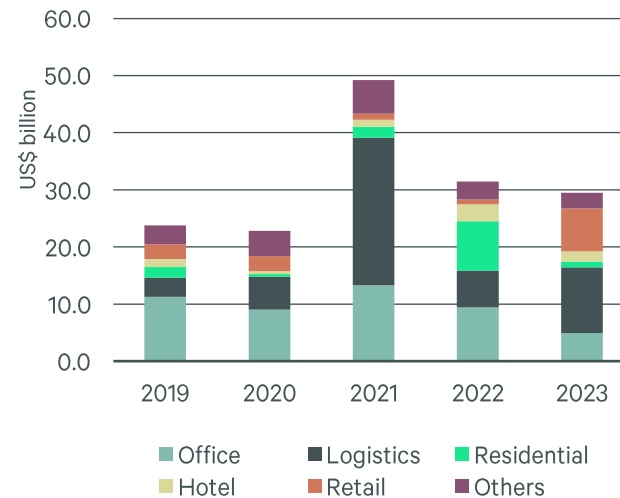
Americas	U.S.	Canada	Asia Pacific			EMEA		
Amount (US\$ billion)	11.09	4.13	Japan	China	India	South Korea	U.K.	Germany
% of total	38%	14%	3.76	2.56	1.53	1.44	1.51	0.39
y-o-y	+230% ↑	n/m	13%	9%	5%	5%	-85% ↓	-49% ↓
			+109% ↑	-61% ↓	+92% ↑	+53% ↑		

Note: Outbound investment volumes include joint ventures of Singapore investors
 Source: Real Capital Analytics, CBRE Research, Apr 2024

Investors deployed significant capital to logistics and retail sectors

- Investors' capital was mainly deployed to logistics and retail assets in 2023. Apart from GIC's joint acquisition of Summit Industrial Income REIT, it also purchased a portfolio of six logistics assets in Japan from Blackstone for more than US\$800 mil. These boosted logistics volumes in 2023 to US\$11.508 bn, a 79% y-o-y increase.
- GIC was also active in the retail space, partnering Blue Owl in a US\$15bn acquisition of STORE Capital, which owns more than 3,200 properties across various sectors in the U.S., including retail. Retail investment volumes thus rose almost eight-fold to US\$7.516 bn, a decade-high record.
- Office sale volumes fell for the second consecutive year, by 48% y-o-y to US\$4.920 bn. The bulk of transactions were in Asia, as it continues to see higher office utilisation rates compared to other regions.

Figure 5: Outbound investment volumes by sector

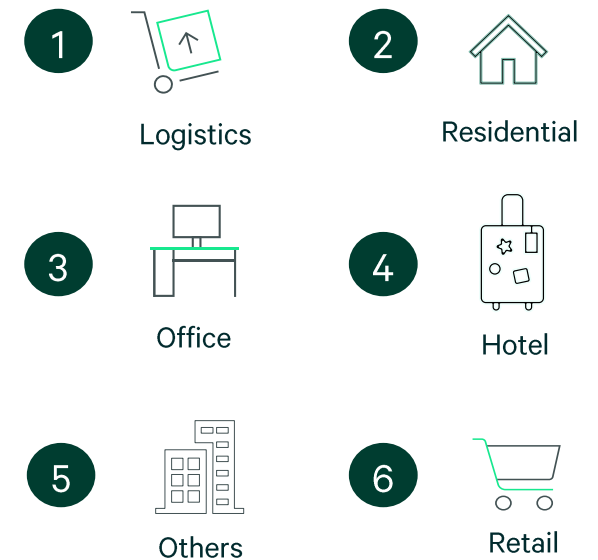


Source: Real Capital Analytics, CBRE Research, Apr 2024
 Note: Others include development sites, seniors housing & care and self storage

Logistics remains a key focus for investors in 2024

- CBRE's 2024 Asia Pacific Investor Intentions Survey found that majority (51.3%) of Singapore investors that target cross-border opportunities expect their real estate allocation in 2024 to maintain at around the same level as 2023. A significant proportion (41.0%) of such investors intend to increase their allocation to real estate as they foresee more distressed opportunities in the market this year.
- Similar to 2023's survey, the logistics sector continues to be the most attractive to Singapore investors that target cross-border opportunities in 2024. The sector continues to enjoy tailwinds from structural changes such as the growth of e-commerce along with robust market fundamentals.

Figure 6: Singapore investors' top sector for outbound investment in 2024



Source: Asia Pacific Investor Intentions Survey 2024, CBRE Research, Jan 2024

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