

# MAPPING

ISSUE 02/15

AS SINGAPORE'S S-REIT  
REGULATIONS CONTINUE  
TO EVOLVE, WE EXPLORE  
HOW THE GUIDELINES HAVE  
TRANSFORMED THE NATION'S  
REAL ESTATE SECTOR

MAPPING

ISSUE 02/15

A PUBLICATION BY MAPLE TREE GROUP



FUN WORKPLACES / STORE LAYOUT / TRAVEL





Gateway Plaza, owned by Mapletree Greater China Commercial Trust (MGCCT), is a Grade-A office development in Beijing consisting of two 25-storey towers connected by a three-storey retail atrium. Located in the established and prime Lufthansa Area, the building is easily accessible from the Beijing Capital International Airport and is well-served by public transport, making it an ideal business location for blue-chip multinational corporations and domestic enterprises.

About Mapletree

Mapletree Investments Pte Ltd (Mapletree) is a real estate developer, investor and capital manager headquartered in Singapore. We provide space solutions to businesses large and small through our extensive network that includes office, retail, business park, logistics, industrial and corporate lodging/serviced apartment assets. Our properties are located across many of the world's key gateway cities. We constantly strive to create spaces that allow people to live, work and play, and have developed an array of mixed-use developments and retail-lifestyle properties that meets this aim. With a S\$28.4 billion real estate portfolio as at 31 March 2015, we are supported by offices in Singapore, China, Hong Kong SAR, Japan, South Korea, Malaysia, Vietnam and India. For more information about Mapletree, visit our website at [www.mapletree.com.sg](http://www.mapletree.com.sg)

About Mapping

Published by Mapletree, *Mapping* is a magazine focused on real estate happenings and trends, with the bulk of stories angled to allow readers to better utilise and understand space in these contexts. We also profile tenants of Mapletree, their businesses, as well as their approaches and philosophies on space utilisation — which we hope will serve as inspiring examples.

We hope this magazine will be an engaging read. If you would like to provide feedback on *Mapping*, or are a Mapletree tenant who would like to be featured, drop us a note at [\\_mapping@mapletree.com.sg](mailto:_mapping@mapletree.com.sg)

HOTSPOT

Singapore's S-REIT sector has grown on the back of years of insightful fine-tuning to its regulatory regime, to keep pace with changing times



03



contents  
issue 02/15

maple<sup>tree</sup>

12

BUSINESS SPACE

For some companies, fun in the workplace is just a buzzword. However, more and more smart leaders are realising the importance of keeping a workforce smiling and positive

15

BUSINESS SPACE

Step into the worlds of three Mapletree tenants and witness how they seed fun elements into their spaces

09

INSIGHT

How has Mapletree grown its stable of REITs? Group CEO Hiew Yoon Khong highlights the thinking behind the strategy

23

RETAIL

What factors encourage shoppers to purchase items? Often, it comes down to a smart store layout; one which helps your products shine

27

TRAVEL

Step into Hyderabad, one of India's most exciting cities. Here, centuries-old history sits comfortably alongside a town hungry for business

31

INSIDE MAPLETREE

Expansion Down Under, a mall opening in Vietnam, and celebrations at the Singapore Business Awards are just some of Mapletree's exciting stories this year

35

SPACE FOR RENT

A round-up of the Mapletree offices, and industrial and logistics spaces, currently available



Property is a topic that is close to the hearts of many in Singapore and, over the years, a key way for individuals to gain exposure to the sector is through investments in real estate investment trusts (REITs) — collective investment schemes that invest in a portfolio of income generating real estate assets. REITs allow investors to pool capital to acquire interests in properties that would otherwise be out of their individual reach.

However, this widespread acceptance of REITs in the market today is a far cry from the late 1990s to early 2000s, when REITs were viewed as means for developers to rid their balance sheets of poor assets.

In this issue of *Mapping*, we trace the growth of the REIT industry in Singapore and how the evolution of guidelines regulating such funds have helped to develop investor confidence and at the same time, provide sufficient draw to turn Singapore into a hub for REIT listings in the region. Read about this in the Hotspot section (page 3).

Then turn to Insight (page 8), where we provide a glimpse of how Mapletree builds a quality portfolio of assets, many of which are under its REIT platforms.

Don't miss Business Space (page 12), which delves into the benefits of creating a fun work environment and how three Mapletree tenants execute this unconventional philosophy. Happy reading!

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# Establishing Trust: Singapore's Evolving S-REIT Industry

SINGAPORE IS ONE OF THE  
MOST ATTRACTIVE MARKETS  
FOR REIT LISTINGS IN ASIA.  
HOW DID POLICYMAKERS  
CREATE A CONDUCTIVE  
LISTING ENVIRONMENT  
THAT ALSO PROTECTS  
INVESTORS' INTERESTS?



The recently announced changes to the Singapore real estate investment trust (S-REIT) regime in early July 2015 has been hailed by market watchers as offering a good balance between boosting corporate governance and giving REITs operational flexibility; both of which will continue to uphold Singapore's position as a leading destination for REIT listings in Asia.

They also mark the fourth time the Monetary Authority of Singapore (MAS) has embarked on a public consultation

and review of the S-REIT regulatory regime since REITs were allowed in Singapore in 1999.

Today, Singapore has 28 REITs and six stapled trusts with a market capitalisation over \$60 billion as at September 2015, making it the industry leader in Asia excluding Japan. The S-REIT sector's rapid growth has come despite initial biases against REITs, a failed first attempt, and challenges that include drops in property values and refinancing difficulties.

Market watchers have long said that a contributor to its success has been the evolving set of regulations that has, over the years, seen timely enhancements that focused on protecting unit holders, and at the same time giving REIT managers the flexibility they need to pursue growth.

Here, we take a look at the conditions and factors that have played a role over the years to create a regulatory regime that has helped to shape today's S-REIT industry, and transformed real estate investment in Singapore.



CAPITAL INTENSIVE, ASSET-HEAVY

Singapore's first REIT was listed in 2002. Prior to that, investments into real estate largely took the form of acquiring physical property, which involved large capital outlays that put such investments beyond the reach of small investors.

Short of acquiring physical real estate, one of their very few avenues to gain exposure to the property cycle was to invest in the shares of listed real estate companies — which had established relationships between their price movements and the performance of the real estate market.

While this allowed investors to indirectly share the spoils of a real estate boom, they were still many steps away from directly sharing the revenue generated from a specific property.

For those who were able to afford ownership of a portfolio of commercial property assets — typically property developers and corporations — most focused on capital growth, not on rental yields, for returns.

The turning point that would transform real estate investment in

Singapore came in the wake of the 1997 Asian Financial Crisis, which brought to the fore the risks associated with speculative property development and investment.

The crisis also highlighted how the sector's highly leveraged nature made it more likely than others to precipitate a financial crisis, with the effects likely to be compounded by the tendency of real estate prices to over-shoot during boom periods to create a real estate bubble.

For many companies in the region, their non-core real estate assets became a drag on performance during the crisis. This highlighted the need to improve asset productivity.

In Singapore, where real estate investors traditionally relied heavily on banks to finance the hefty sums needed for their investments, the crisis and the resulting tight credit market exerted a lot of pressure on real estate owners to consider innovative ways to refinance maturing real estate loans.

This prompted the Real Estate Developers' Association of Singapore (REDAS) to put forward what was



PROMOTIONAL TOOL

"The development of the S-REIT market will encourage the inflow of foreign funds, helping to promote Singapore as a regional financial and services hub... it is (also) an investment vehicle that tends to be less volatile compared to pure equity investments, while providing a relatively constant stream of income. As the population ages, there will be an increasing demand for such a higher yield, long term instrument."

Report of the Land Working Group, Sub-committee on Taxes, CPF, Wages and Land, Economic Review Committee (2002)

described by many as a “controversial proposal” to allow the creation of trusts that were similar to REITs in the US and listed property trusts in Australia, as a means for developers to raise funds from sources other than banks, and to stabilise the market.

This was not a new suggestion from developers. For over a decade, they had been calling for the Singapore government to allow real estate to be securitised through the establishment of such close-ended property funds. With the crisis and resulting difficulties in obtaining credit, the call became ever more pressing.

They argued that using a vehicle to convert traditional property assets that are illiquid and lack transparency into marketable securities would give better access to a wider pool of investors and in return, provide another source of financing to property owners.

It would also offer a release of liquidity back to the parent companies, which may indirectly lessen a company's gearing. This is particularly important in a bear market, when property owners may feel the need to free up capital.

In 1998, with effects of the Asian Financial Crisis still being felt, the Singapore government finally gave the green light for such funds to be set up, and drafting work began to create the first set of regulatory guidelines for the S-REIT market. While announcing its decision, MAS stressed that REITs should not be “viewed as a way to bail out the current depressed property market”.

On 14 May 1999, MAS issued Singapore's first set of Property Funds Guidelines. In a statement, MAS said property funds “will widen the range of financial products available to investors, consistent with the efforts to make Singapore a world-class financial centre”.

SINGAPORE'S FIRST REIT

The approval from MAS to set up REITs in Singapore was a hard-won battle for property owners. However, many were dismayed that the tax breaks they had lobbied so hard for that would allow S-REITs to be pass-through vehicles were not granted.

In fact, MAS stipulated that S-REITs would be taxed according to the same general tax principles as ordinary companies or trusts. This meant funds

would be taxed at a corporate level, while the tax paid can be passed on as a tax credit to shareholders when income was distributed. This was unlike the US, where profits made by a REIT were tax-free if the fund distributed 90% of profits to its unit holders. Australian property trusts, too, enjoyed tax incentives.

The lack of tax incentives surprised many market watchers, as they had expected a structure akin to that of the US REITs.

On not providing tax incentives to property funds, MAS said back then that its objective was merely to broaden the range of financial products, and not to promote property funds over other investment forms by providing tax and other incentives.

But property developers and market observers argued that the lack of tax incentives would make REITs un-compelling in Singapore. This was especially so because property investment yields were considered very low, and without tax breaks, yields would be further compressed, making S-REITs unattractive. At that time property investments, with the exception of shopping centres, were seeing yields of about 2-4% a year.

Market watchers and analysts have long since attributed the lack of tax transparency as a key reason why Singmall Property Trust (SPT), Singapore's first REIT listing attempt in 2001, failed to take off.

Other factors that weighed in the initial years and have been cited as factors affecting SPT's offering include an initial suspicion of REITs. With the Asian Financial Crisis still fresh on the minds of many, REITs were criticised as a way for property developers — left with large numbers of unsold housing stock and facing a tight credit market — to obtain much-needed funds to repay their debts.

But this changed soon enough. After SPT's failed listing, the Inland Revenue Authority of Singapore (IRAS) began granting tax transparency status to listed REITs.

Efforts were also undertaken to educate the public on the attributes of REITs, which led many to become more open to such funds.

Additionally, the rules were tweaked to allow S-REITs to own vacant land and take part in property development,



How the Tax Regime for S-REITs has Evolved Over the Years

Singapore's tax treatments on income and dividends from S-REITs have long been regarded as key to the sector's success by encouraging the setting up of S-REITs, and luring institutional and individual investors, foreign and local, to invest in S-REITs.

While the MAS had adopted a more hard line stance at the start, the government has, over the years, introduced tax breaks that have allowed S-REITs to be structured in a tax efficient manner and hence, return attractive yields to investors.

Here, we trace some of the key tax policy changes.

2001

- IRAS Singapore formulated a policy of granting tax transparency to S-REITs on a case-by-case basis

2004

- Individuals, regardless of nationality and tax residency status, are exempted from paying tax on S-REIT distributions

2005

- Removed most qualifying conditions for tax transparency
- Withholding tax halved to 10% (previously 20%) on REIT distributions received by foreign institutional investors for a five-year period
- Waived 3% stamp duty for the purchase of Singapore properties by S-REITs — already listed or to be listed — for five years



Clockwise from left Mapletree Anson, a premium office building located in the CBD that is under Mapletree Commercial Trust; a bird's eye view of Alexandra Precinct, where Alexandra Retail Centre (ARC) is located



raising the potential for them to deliver higher yields.

With the major tax and regulatory obstacles cleared, the way was now paved for the successful launch of Singapore's first REIT, which took place in July 2002.

#### BUILDING A REIT HUB

What would spur the development of Singapore's REIT market — and perhaps, change MAS' stance of not promoting property funds over other investment forms — is the recommendation from the high level Economic Review Committee (ERC) for Singapore to be positioned as a “major centre for the listing and management of Asian or regional REITs”.

In its 2002 report, the ERC noted that Singapore's capital markets for real estate needed to be broadened and deepened, and that supporting the development of real estate securitisation can help unlock value from what are essentially illiquid property assets.

It added that measures should be taken to develop an active property fund market in Singapore that is similar to the REIT and listed property trust markets in the US and Australia. Among the ERC's recommendations was to raise the borrowing limit for S-REITs to 35%, up from 25%.

In 2003, in line with the ERC's suggestion, MAS upped the borrowing limit for S-REITs to 35%. It also allowed REITs to have gearing levels beyond 35% if all their borrowings were made with a credit rating of at least a single A by credit-rating firms Fitch, Moody's and Standard & Poor's, or if the funds themselves were rated with at least one A.

This, said MAS, would “give property funds more flexibility in managing their capital structure and to enhance risk disclosure” in such funds.

#### TAKING S-REITS TO THE GLOBAL STAGE

By June 2005, five REITs had been successfully listed on the Singapore Exchange (SGX). With a more sizeable S-REIT market, MAS embarked on a review to improve the regulatory environment for S-REITs, which had previously been described as “relatively light touch”. One aim of the review was to develop the S-REIT market so that Singapore can be a hub for REIT listings in Asia — in line with what the ERC had called for years ago.

**Right** Festival Walk in Hong Kong SAR, a mall and lifestyle destination with an office component that is owned by Mapletree Greater China Commercial Trust  
**Right below** The Monetary Authority of Singapore calibrates S-REIT regulations to safeguard the interests of all parties



The review was considered timely. Across the region, regulators were looking at either introducing REITs to their respective markets, or reworking regulations. Malaysia, for one, had formed its first set of REIT guidelines in January 2005, while Hong Kong began allowing REITs to own foreign assets — a bid to encourage its first REIT listing after passing regulations to allow REITs in the market two years ago.

Following the review, MAS sought to introduce new rules that struck a balance between safeguarding the interests of unit holders, and giving managers flexibility. These include upping the borrowing limit for S-REITs with a disclosed rating from a major rating agency once again, and requiring S-REIT managers to be corporations with at least five years' experience in managing property funds.

Additionally, a trust's managers could now be dismissed if 50% of unit holders voted for it. This aligned the rights of REIT unit holders to that of shareholders of listed companies.

Prior to the change, S-REIT managers had an entrenched position, as it required a 75% vote to remove them. The changes were hailed for putting the S-REIT market on the global stage.

By the time the guidelines were finalised in October 2005, an additional two REITs had listed on the SGX, bringing the total S-REIT count up to seven — with a total market capitalisation of \$11 billion. This included Singapore's first pan-Asia logistics REIT, Mapletree Logistics Trust, which was listed in July 2005.

#### BOOSTING SAFEGUARDS FOR S-REITS

In 2007, to further differentiate Singapore as the hub for REIT listings in Asia amid stiffer competition from the region, specifically Hong Kong, MAS once again embarked on a review and introduced another round of major revisions to the regulations covering the S-REIT industry.

Another important aim of the enhancements was to reinforce the protection of unit holders — in particular retail investors.

Photo: Getty Images (Monetary Authority of Singapore)

Separately, to protect the interests of all unit holders, the Securities Industries Council (SIC) announced in 2007 that the Singapore Code on Takeovers and Mergers should be extended to S-REITs. This meant that S-REITs would now be like any other listed company, where anyone who accumulates effective control of a REIT would now have to make a mandatory general offer to the rest of the unit holders.

By this time, Singapore had 17 listed REITs with a total market capitalisation exceeding \$26 billion.

#### WEATHERING THE FINANCIAL CRISIS

In 2009, amid the Great Financial Crisis which sent property valuations tumbling and tightened credit markets, MAS clarified that S-REITs did not need to worry if their leverage has increased because their properties have been revalued and are now worth less. It also made the important point that refinancing of existing debt by a REIT would not be construed as incurring additional borrowings.

However, calls by the sector for further help to alleviate their refinancing woes were turned down. A key request by S-REITs, in particular the smaller ones, was for Singapore to lower the 90% minimum payout ratio to unit holders that is needed to qualify for tax transparency treatment.

The government refused, saying that the key characteristics of REITs as stable, high payout, pass-through vehicles were important considerations for investors and must be preserved, and that refinancing troubles were not unique to just REITs, but all businesses.

Instead, the MAS consulted and introduced a new rule governing S-REITs: to hold mandatory annual general meetings (AGMs), so that S-REITs will be more accountable to unit holders. AGMs will also provide a regular opportunity for REIT managers to seek general mandates from unit holders to issue new units, thus giving them greater flexibility for equity raising.

The crisis and the way S-REITs rode out the storm has been viewed by many as a litmus test for the sector. While the crisis revealed risks that had previously been overlooked by investors — such as a REIT's ability to refinance its borrowings — the sector's ability to deliver decent yields of at least 5% even during the crisis led many to appreciate its strength as a yield play. It also created a better understanding of REITs as an investment tool; previously, many had focused on capital gains over yields.

It also brought to the fore the benefits of an industry with a dominant number of sponsored REIT platforms backed by strong and stable companies such as Mapletree Investments, Frasers Centrepoint (then still part of Fraser & Neave), Ascendas and CapitaLand. These firms view the REITs they sponsor as pivotal to business and build quality platforms, in the process helping to dispel the long-held suspicion that securitisation is a way for property developers to park their poorer quality and non-core assets.

In fact, specifically in Mapletree's case, its Group Chief Executive Officer Hiew Yoon Khong said as early as in 2004 during an interview with *The Business Times* (BT) newspaper that “Mapletree's philosophy is that we should not be seen as using REITs as vehicles to offload

## 2006

- Introduced tax exemption on qualifying foreign-sourced income of listed S-REITs under foreign-sourced income exemption (FSIE) scheme
- Waived GST incurred by special purpose vehicles (SPVs) set by listed S-REITs until 2010
- Allowed GST recovery on expenses incurred to structure and set up various tiers of SPVs of listed S-REITs to hold overseas non-residential properties until 2010

## 2010

- Renewed withholding tax, stamp duty and GST concessions for five years
- Introduced sunset clause — March 2015 — on tax exemption for qualifying foreign-sourced income of listed S-REITs under FSIE scheme

## 2015

- Did not renew stamp duty concessions
- Renewed withholding tax, GST and qualifying foreign-sourced income tax concessions for a further five years
- Additionally, allowed for GST claims on business expenses incurred to set up SPVs that are used solely to raise funds, as well as GST on the business expenses of such SPVs





assets that are not suitable. We want all our REITs to be of high quality”.

#### STRENGTHENING THE S-REIT MARKET

In 2015, some six years after major changes were made to the S-REIT regime in 2009, the government has once again introduced numerous amendments to ensure its continued relevance and to ensure Singapore remains the hub for REIT listings in Asia.

These changes come as large markets such as India and China develop REIT frameworks, which some say may stiffen competition for Singapore as a REIT listing destination in Asia.

The latest round of changes includes the implementation of a single-tier leverage limit of 45% (up from 35% for an unrated REIT). The development limit was also raised to 25% of deposited property, from 10% previously.

To improve governance, MAS has imposed a statutory duty on REIT managers to prioritise the interests of unit holders over the managers', in situations of a conflict of interest.

The balance between rigour and leniency is a way to help the S-REIT sector grow in a saturated domestic market while facing regional competition. There is a need for a regulatory environment that is strong and well regarded by international investors, and an operating environment that is flexible and welcoming to new entrants with new ideas or asset classes.

Thus far, efforts to uphold this balance have paid off. The S-REIT market is considered the most international in Asia Pacific, with the majority of REITs boasting overseas properties in their portfolios. Mapletree Logistics Trust,



*The latest changes to the S-REIT regime ensure that Singapore remains a REIT listing hub in Asia*

for instance, owns developments across Asia and recently made an acquisition in Australia, while Mapletree Greater China Commercial Trust, Singapore's largest REIT initial public offering (IPO) to date, has office and retail developments in Hong Kong SAR and Mainland China.

Foreign firms have also been attracted to list REITs in Singapore. Hony Capital, a major Chinese private equity firm, was reported by BT to have said, in July, that it is keen to speak with the Singapore Exchange (SGX) to explore ways to securitise China real estate.

In October, Bloomberg reported that Indospace, an Indian industrial property developer backed by Everstone Group and Realterm Global, is considering a REIT IPO in Singapore.

As Lee Boon Ngap, Assistant Managing Director of Capital Markets at MAS, said in the press statement unveiling the latest changes to the REIT regime, “The finalised positions reflect a balanced approach to enhancing safeguards for investors and unit holders while facilitating the growth of a vibrant REIT market.”

#### Did You Know?

- As early as 1986, real estate owners in Singapore began calling for the government to allow REITs to be established. It was however more than a decade later, in 1999, that REITs were allowed
- Singapore's REIT industry is the third-largest in the Asia-Pacific, after Australia and Japan, but is considered the most international of the three
- Singapore's 28 REITs and six stapled trusts delivered a total return of 12.9% on average in 2014
- Mapletree's four REITs\* delivered total returns of between 19.6% and 25.7% in 2014, placing them among the 10 best performers in terms of total return generated
- In November 2014, S-REIT practitioners and market participants came together to form the REIT Association of Singapore (REITAS) with the aim of promoting growth and development of the S-REIT industry
- When MAS first issued its latest consultation paper on REITs, REITAS represented the industry by submitting comments to MAS that focused on providing the right balance between REIT managers' need for flexibility, and a need to protect the interests of both big and small unit holders. It has since been actively conducting seminars and events to actively engage investors and educate them on investing in REITs

\*Mapletree's four REITs are: Mapletree Logistics Trust (MLT), Mapletree Industrial Trust (MIT), Mapletree Commercial Trust (MCT) and Mapletree Greater China Commercial Trust (MGCCT)

# Investment Discipline and Vigour Pay Off at Mapletree



Source: The Business Times © Singapore Press Holdings Limited. Reprinted with permission

GROUP CEO HIEW YOON KHONG SHOWS THAT MAPLETREE'S SUCCESS IS NOT BASED ON LUCK — IT IS ALL ABOUT EXECUTION

Mapletree Investments' success has become evident. From a company with a portfolio of ageing and low-yielding property assets and undeveloped land, it has become a fast-growing asset-light company with a track record of creating value from underperforming properties. Many of its strong-yielding assets have been placed in the listed real estate investment trust (REIT) under its capital management platform. But ask Mapletree Investments Group Chief Executive Officer Hiew Yoon Khong and he will tell you that it is no pure luck how Mapletree has arrived at where it is today.

A common thread that runs through the Mapletree story has been the discipline in its risk-return analysis: having a strong investment thesis and exercising vigour in validating that thesis. Take the example of Mapletree's recent foray in the US corporate housing market through a partnership with Oakwood Worldwide.

“You would think that buying corporate housing assets in the US can lead to listing a REIT eventually,” says Mr Hiew. “We, of course, asked ourselves what will be the characteristics of a good REIT with stable increasing income. Then, after we've done this, we constantly monitor and ask ourselves if the rising income is stable, so that we



will have an end product that we originally envisioned. That is the discipline we take."

### THE METAMORPHOSIS

Mapletree originally started off with property assets that were transferred from PSA Corporation to Temasek Holdings when it was set up by Temasek in late 2000. These assets included undeveloped land at HarbourFront, the former World Trade Centre complex, St James Power Station, as well as ageing industrial facilities known as Alexandra Distripark and Pasir Panjang Distripark. Through a major redevelopment plan to unlock value and generate recurring income from these assets, Mapletree transformed the HarbourFront Precinct and later the Alexandra Precinct into a vibrant mix of commercial and business space offerings.

It was evident then that the traditional business model of holding on to properties for capital appreciation and investment income through property cycles was increasingly less attractive. Having led a team at CapitaLand to launch Singapore's first REIT in 2002, Mr Hiew is no stranger to this trend. At that time, there was also growing demand in the region for real estate investment products like REITs, private real estate funds and mortgage-backed securities. By late 2003, Singapore's REIT industry had seen the launch of three REITs. After joining Mapletree in 2003 as Group CEO, Mr Hiew beefed up its real estate capital management business, which became an important growth engine.

By having its development business taking on higher-risk higher-return projects, its investment arm identifying and underwriting opportunistic ventures, and the capital management arm allowing Mapletree to be asset-light, the group's business model integrates the roles of developer, investor and capital manager. In this way, Mapletree achieved growth without any additional equity injections from its shareholder Temasek Holdings.

### CLEAR RESULTS

The numbers speak for themselves. Mapletree's total owned and managed assets is now in excess of S\$27 billion, more than 10 times the S\$2.3 billion that it held back in 2003. Net asset value was

S\$8.5 billion for the year ended March 31, 2014 — almost four times the S\$2.2 billion recorded a decade ago. Profit after tax and minority interests (PATMI) rose to S\$859.4 million, compared with the net loss of S\$211.6 million incurred 10 years ago.

Its assets now span retail, office, industrial, logistics, residential, hospitality and mixed-use developments mainly located across seven countries in Asia — namely Singapore, Greater China, Japan, South Korea, Vietnam, Malaysia and India. Mapletree currently manages six private real estate funds and four listed REITs.

"As a team, we are sensitive to changes that might happen in the marketplace to the extent that we want to be sure that we are not over-exposed to markets that are too risky or volatile, so that our balance sheet does not get significantly and negatively affected," Mr Hiew says. This is why the group came up with quantitative performance indicators in the form of five-year targets. Those targets set in 2009 were mostly met by FY13/14.

Having doubled its assets under management (AUM) over five years to fiscal 2013/2014 ended March 31, 2014, Mapletree Investments aims to again double it to S\$40-50 billion over a five-year period to FY18/19 ending March 31, 2019. It expects third-party AUM to be more than three times of owned AUM by end of FY18/19. Fuelling this growth will be new markets like the US, Australia and Europe as Mapletree diversifies outside of its core Asian markets, Mr Hiew says. But he stresses that the group is not chasing scale for scale's sake. Its balanced set of quantitative targets, which include an average return on invested equity (ROIE) at 10-15%, ensures that it remains focused on sustainable returns.

"Going forward, that same assessment of risks and diversification of risks is still there in our management thinking," Mr Hiew adds.

Mapletree's recent forays into new markets include corporate housing in the US through a partnership with Oakwood Worldwide and in Australia, where it acquired a freehold Grade-A



Mapletree has earned a reputation as an expert at precinct rejuvenation, having transformed the Harbourfront area (above) into today's vibrant Harbourfront Precinct (below)



#### Team Effort and Lots of Discipline

There may be some similarities between Mapletree's business model and other large property companies, but the difference boils down to team work and execution, says Hiew Yoon Khong. By simplifying the group's vision to specific numbers in key performance indicators, it becomes clear for others to follow.

"When we talk about products and markets, we map them so that people understand," he says. Mr Hiew also encourages his team to be "vigorous in their evaluations and to make recommendations based on their analysis, taking responsibility for the results and hopefully enjoying the results".

He notes that the "imagery" of seeing his staff enjoying their success was particularly clear when Mapletree Logistics Trust (MLT) was listed in 2005. When he first floated the idea of putting together a logistics trust in 2003-2004, he says that he could almost see on the faces of his staff the question: "What exactly does he want us to do?".

"We spent the whole year trying to build the portfolio; having an idea, testing it out. The team was not very sure if this thing could work out. Frankly, when we got it listed, I could see a change in their perspectives," says Mr Hiew. MLT became Singapore's first Asia-focused logistics REIT with an initial portfolio of 15 properties valued at S\$422 million. That portfolio has since grown to 117 properties worth S\$4.6 billion as of March 31, 2015.

Later, Mapletree listed three other REITs in quick succession from 2010 to 2013:

Mapletree Industrial Trust, Mapletree Commercial Trust and Mapletree Greater China Commercial Trust. Each time a REIT was listed, the team handling it intensively over months derived tremendous satisfaction, Mr Hiew recalls. "Hopefully, we are able to provide more opportunities like this."

Mr Hiew also concerns himself with the success of Mapletree's tenants, as seen by his weekend ritual of going to the VivoCity shopping mall to make use of his Mapletree vouchers. "It's an alignment of interests to have some of our bonuses in vouchers," he says. Mapletree's staff benefit for junior employees is to give vouchers on top of their bonuses. "Our reward structure is fundamentally linked to how well our tenants do. So, when we are rewarded, we should reinforce that alignment and feel obligated to spend some of that reward in the malls that we manage."

office building in South Brisbane last year. In Europe, Mapletree is also evaluating and assessing certain deals with a focus on the more transparent, liquid and larger markets of the UK and Germany.

"These are ways to broaden our business scope and at the same time, look for avenues to enhance and sustain our returns while diversifying our opportunities away from the traditional core markets in Asia," he says.

When assessing deals, Mapletree keeps to a stringent process to make sure they meet its hurdle rate. Having key performance indicators in numbers and a clear investment matrix demarcated by geography and asset type help to maintain that discipline in identifying suitable assets, Mr Hiew says.

### FOCUSED ON MICRO-MARKETS

While there is softness in some market segments, Mr Hiew says that Mapletree navigates around these soft patches by being focused on micro-markets. For instance, in the UK and Europe, Mapletree is interested in decentralised high-quality

office buildings in London that could fetch yields of 6-8% or in German cities like Frankfurt, Hamburg and Munich that typically yield returns of 5-7%.

In China, where retail and residential markets are soft, Mapletree chooses to focus on the middle-income owner-occupier residential segment, modern logistics facilities, as well as offices in Beijing and Shanghai. In Vietnam, Mapletree will continue to develop its landbank for logistics facilities but will skirt the office market that is currently plagued by over-supply.

In view of rising interest rates, Mapletree terms out its loans for project fundings to ensure stability in financing costs. Its REITs hold a high proportion of their longer term loans in fixed interest rates.

### STRONG AND SUSTAINABLE REITS

By testing out the investment thesis through underwriting certain assets before creating private equity funds to acquire more of such assets, the group ensures that the assets eventually listed as a REIT are quality assets that yield good returns. Mr Hiew is keenly aware that size does matter where REITs are concerned. This is why Mapletree's current size threshold for a portfolio to be listed as a REIT is about S\$1 billion. "For the REIT to be received well in the capital market, it needs to be of a certain scale, which is no secret if you look at some of the smaller REITs in the market." Mr Hiew stressed that Mapletree is focused on creating an institutional following for REITs to ensure that its REITs trade well. "It's about creating a sustainable long-term investment product, as far as the REITs are concerned," he adds. "That's why we internally track our performance and the results. It's all about the distribution and growing it organically over time. That consistency is in all our REITs and all of them report their distribution quarterly."

Having said that, a REIT platform is by no means a vehicle to offload low-yielding or poor quality assets. "Just buying assets to hit a S\$1 billion threshold to list a REIT that does not have a stable income will not result in a good product," says Hiew. That's why some people ask us why our REITs have performed well. It's because of this underlying quality control."

Source: The Business Times © Singapore Press Holdings Limited. Reprinted with permission.



# Is Your Office Fun?

COMBINING WORK AND PLEASURE ISN'T JUST POSSIBLE — IT'S THE WAY FORWARD IF COMPANIES ARE TO INSPIRE STAFF AND CUSTOMERS ALIKE

**Below** Bright colours, brand attitude and a joyful atmosphere are just part of creating a sense of fun at Candylicious



Photos: Rebecca Toh

Kishore Mahbubani is a lucky man. The former Singapore diplomat and current Dean and Professor in the Practice of Public Policy of the Lee Kuan Yew School of Public Policy has a rigorous career. And yet, he says, he has never worked a day in his life. “The simple answer is that I have enjoyed each day of my work,” he wrote in *The Straits Times*.

His article, titled “Want to be more productive? Have fun at work”, argues for more happiness in employment. A positive workforce, he asserts, leads to a positive bottom line.

“A behavioural scientist told me this is not unusual,” he wrote. “He said research has established that happy workers not only perform their job better, but they also help their colleagues, and so team performance and team morale increase.”

So far, so good. Yet many companies struggle with the concept, continuing to firmly believe in the somewhat intuitive logic for performance-based compensation, and paying much less attention to softer elements such as a happy workplace environment and culture.

This is understandable. After all, an office is where serious business takes place — it is certainly not created for social activity and fun. How then would the latter fit in?

Quite neatly, it would seem. A 2013 doctoral thesis by researcher Helen Stockhult, entitled “Employees in Dialogue: A Study on the Willingness to Do More than the Formally Expected”, found that strong social relationships among staff are a springboard to success. That closeness, the study found, means that employees are more willing to take on responsibilities beyond their formal job descriptions.

One can certainly dismiss the result of this small-scale study, which was conducted within a local branch of the Swedish public sector company Posten, the postal service. After all, the belief that it takes motivation — such as the promise of a bigger bonus — to improve performance is one that is very deeply held worldwide.

However, research by psychologists has documented situations in which increased motivation can result in a drop in performance. This is a phenomenon known as “choking under pressure”, where in high-stake situations, the desire to perform as well as possible can create pressure that causes people to deliver results that are below their actual abilities.

Psychological research has identified many sources that can lead to “choking under pressure”, including competition and competitiveness, the introduction of monetary rewards, the presence of an audience and ego-relevant threats.

This is also in line with the Yerkes-Dodson Law, originally developed by psychologists Robert M Yerkes and John Dillingham Dodson as far back as 1908. It dictates that performance increases with physiological or mental arousal — but only up to a point. When levels of arousal are too high, performance decreases.

These studies suggest that factors such as a higher pay and bigger bonus do help to drive performance, but they are not the be all and end all. What might produce that extra, much-coveted spark in employees is more than just external benefits.

## THE MILLENNIAL DRIVE

Particularly since demographic trends are shifting. Today’s Millennial Generation — people who were born in the early 1980s to early 2000s, following on from Generation X — has strong ideas on what is desired from the workplace.

A 2014 report by Cushman & Wakefield notes that, “in ten years, nearly 75% of all employees will be Millennials, yet real estate occupiers and investors are just beginning to understand how this demographic behaves and the type of workplaces that attract them.”

Knowing what attracts Millennials might save organisations money, Rachele Focardi, of employer branding company Universum Global, tells *Mapping*.

The Senior Vice President of Employer Branding and Talent Strategy in Asia-Pacific knows what attracts these youngsters — namely, that “80% of Millennials feel that the work culture is as important as the size of their pay checks. They want employers to embrace the complexity of their lives, to share their values, to respect them”.

Building a workplace with the hardware that is conducive to meeting these needs is therefore important. Companies that have come around to the idea are now offering amenities and services such as day care, fitness facilities, game rooms, free meals and massage rooms.

Ms Focardi cites fast-moving consumer goods (FMCG) giant Unilever as a prime role model. “Despite their very flexible work options, employees actually prefer to spend time in the office. And I don’t blame them. Free Ben & Jerry’s, mmm...” she says, referring to the Unilever ice cream brand loved by many, which is offered free at Unilever’s in-house cafes across its offices worldwide.

A sweet treat aside, the Unilever office induces in staff a desire to make full and enthusiastic use of its space, where they are free to brainstorm almost anywhere. Those in need of a breather can head to the gym — a facility offered to all tenants at Mapletree Business City (MBC) where Unilever is located in Singapore, and where membership is free to Unilever employees, a staff perk.

## RULES OF RECREATION

But creating a conducive work space is more than simply creating an attractive



“The word is out — Candylicious is a cool place to work.”

**Sunaina Gill**  
Director at Gill Capital, which runs Candylicious  
Savour how the brain behind Candylicious keeps the brand in a sweet spot on *page 16*

“We want employees to feel connected with our brands, that it's not just a job but they're using a product, believing in what they do.”

**Ching Meng-Chew**  
Workplace Services Director for Asia-Pacific, Unilever  
Learn how the Agile concept keeps Unilever employees happy on *page 20*



looking office. Initiatives must be implemented with careful thought, explains Ms Focardi. It should follow a company's Employer Value Proposition (EVP), which in turn should be based on five rules — it must be true, attractive, sustainable, credible and distinctive.

"Communicating something that is attractive but not true, or attractive and true but not credible, can have a very serious negative impact on an EVP," she adds. In this case, Unilever's ice cream haven works because Ben & Jerry's is within the company's brand family.

Multinational life sciences and material sciences firm DSM, also housed at MBC, understands the importance of a carefully built EVP, which comes through in the way it has conceptualised its office. Its Singapore space is characterised by big windows and bright interiors, with a pantry boasting comfortable looking seats decked in blue, green, orange and purple — the company's colours.

This bright splash of creativity follows through from the company's reception area, which carries a showcase of DSM's innovation with simple yet eye-catching displays — one of which is a bulletproof vest complete with no less than nine marks from gunshots that had failed to penetrate its protective layers. Suspended midair, it is held by strong, light and flexible fishing lines made using DSM's Dyneema® technology.

By literally putting its products on a pedestal, DSM not only creates an office with a uniquely attractive interior that is welcoming to visitors, it also fosters company-wide pride in what it does.

Employing such inspirational layouts or other changes to better the workplace environment in order to raise staff

morale and productivity is not a new tactic. Take Bloomberg's Finsbury Square office in London. A 2005 report by the British Council of Offices (BCO) lionised its frontage, which boasts an escalator surrounded by plasma screens showing Bloomberg News, thereby providing instant immersion into the firm. "As well as encouraging public access into their building, Bloomberg also project their workplace into Finsbury Square," the report notes approvingly.

"Through the summer they organise a number of events for staff and public in the space immediately in front of their building, dramatically increasing the visibility of their brand."

Many companies, however, still do not realise the value of such strategies, which go beyond increasing brand visibility. As the BCO report notes, companies that have tracked staff turnover levels have discovered an explicit link to changes in the workplace.

"At a financial services firm in Sydney, staff turnover was reported to be down from 25% to 11% following an office refurbishment."

**SPREAD THE LOVE**

Like Bloomberg, Candylicious has increased its brand visibility in Singapore with a massive candy store at shopping mall VivoCity that never fails to catch attention. While targeted at customers, the move also helps Candylicious attract fresh hires.

Its interiors have also won design accolades such as "Best Retail Store Design" at the MIPIM Asia Awards, raising employee pride, while a solid staff training programme gives employees the confidence to interact with customers.

It is a symbiosis that Wally Olins, a renowned British practitioner of corporate identity and branding, sums up succinctly. Brands, he says, have two roles: "persuading outsiders to buy, and persuading insiders to believe". Integrating a sense of fun neatly achieves both vital goals.

Whichever way a company chooses to create a positive working atmosphere, it is encouraging to know that employee smiles can potentially translate into a happier bottom line, too.

Think of these relationships as "software", bolstered by "hardware" like a cosy eating area that encourages staff



**"People are wowed by this space when they join. It's part of the attraction of the company."**

**Gerald Ng**  
Regional Finance Director, DSM  
How does DSM achieve its wow factor?  
Find out on page 18

to linger and interact with one another, as seen in companies such as Unilever and DSM. Instead of eating outside the office, these spaces help staff to bond and brainstorm in a more leisurely manner.

**LET THE GOOD TIMES ROLL**

When companies begin to understand that a positive workplace rewards employees and that they will reward the company in turn, the advantages could be astronomical. Especially since the current volatile economic times mean many workers are already asked to work harder, and longer, for less.

As such, the conclusion of a study titled "The Fundamental Role of Workplace Fun in Applicant Attraction" should come as no surprise; in the office, "fun may be particularly relevant".



Photos: Rebecca Toh

# The Joy of Work

Reading the theory of how workplace productivity can be tied to employee satisfaction is all well and good. But how does fun actually tie in with real-life businesses on a day-to-day scale, as well as within the larger scope of an established brand identity? The process is, as one can imagine, not as easy as it seems. To find out how some have done it, we step inside three businesses that exemplify fun in the workplace: DSM, Candylicious and Unilever.

// 16 "Our packaging and presentation are sophisticated and sassy" — Candylicious // 18 "What's important is you can just sit by the window and chill here; just relax, talk and connect." — DSM // 20 "We are big on creating an environment that is conducive to employees." — Unilever





# Candy Playground

WHAT IS THE SECRET  
INGREDIENT TO KEEPING  
EMPLOYEES HAPPY IN ONE  
OF THE WORLD'S LARGEST  
CANDY STORES?

Charlie's chocolate factory comes to life at Candylicious VivoCity — where giant lollipops hang from its tree and larger-than-life candy canes adorn its surroundings. This 12,000 square foot space is stocked with over 5,000 types of premium-brand sweets and chocolates, making it possibly the world's largest multi-brand confectionary store.

Located at the back of the space is a big, bright baking studio-cum-event space that can be used for anything from baking classes to parties and even team building sessions.

Overall, Candylicious' decor and extensive product range — from sweets to candy-themed clothes and toys — is a visual delight to shoppers. And it has also helped the business to attract staff, something that is quite a feat considering Singapore's current manpower crunch.

In fact, Candylicious, which has five stores in Singapore and Malaysia, attracts more job seekers than it can employ. Sunaina Gill, Director at Gill

Capital which runs Candylicious, shares: "I believe it is the infectiously happy working environment that attracts job-seekers like bees to honey."

"The word is out — Candylicious is a cool place to work." The above-market pay and generous 40% staff discounts for any purchases also helps — not that employees need to buy their own candy to get a taste of its offerings.

Says Ms Gill: "We give our staff all the candies to try. They have to taste them, because if they cannot taste the sweets, it will be hard for them to sell the products." Monthly training classes also ensure that all staff members are up to speed on everything from a candy's heritage to its calorie count.

Some firms may balk at the idea of such frequent training sessions, which take employees away from their work, but Ms Gill believes this is essential given Candylicious' wide product range and the constant inflow of new candies. There is also the changing consumer trends: from the higher demand for low-sugar treats to maintain a healthier lifestyle and the number of diabetic customers looking for sugar-free treats, to foodies who prefer organic chocolate.

Candylicious employees must therefore be well-versed with the thousands of products they are dealing with. In fact, on top of over 5,000 types of confections, staff also has to gain familiarity with the store's in-edibles, which range from candy-inspired furniture to apparel, toys, and even stationery.

Ms Gill admits it's not an easy job. Constant shifts in visual merchandising mean there are always the more

**Opposite and below:** More than 5,000 different types of premium candy can be found at the Candylicious store in Singapore's VivoCity, which was designed with whimsical flair and stark white fixtures allowing the confectionary to "pop"

## Branching Out

To allow the brand's sense of fun to blossom, Candylicious is experimenting with entirely new product types, says Ms Gill. "We are increasing our non-confectionary-line. We have a lot of jewels now, apparel, handbags, and we're even going into shoes." This allows Candylicious to enliven the space, and attract new customers. "Our teddy bears and merlions are extremely popular with Korean and Japanese tourists. On Instagram, we do a lot of photography, and tourists all come looking for these products."



mundane pricing and tagging roles that need to be done.

To boost the morale of ground staff, she and her team visit each store twice a week to offer a friendly ear. Ms Gill's reason for this hands-on approach is simple: "When staff feel recognised and happy, they will pass these feelings on to the customer."

Mixed with efforts to maintain a happy workforce is a strong sense of voice in its products to help draw customers. "Our packaging and presentation are sophisticated and sassy," says Ms Gill. "From the outset, we consciously avoided the candy-coated clichés and endowed every detail of our business with wit and whimsical flair. If you examine our merchandise, you'll notice that everything has a twist."

This attracts a broad customer demographic, and also helps the store to

feel more lively and cheery, Ms Gill says. And when the products are well-received, staff naturally feel proud to be associated with the brand.

Alas, not all brands can be candy wonderlands. What advice can be offered to other retail stores looking to inject spice and joy into their day-to-day operations? Ms Gill frames her answer in the current "ever-changing" market, where over-saturated shoppers are easily bored.

Business owners, she says, need to embrace change. "Products can't remain the same for very long. If you can't flow in new products to catch the eye, change the product positioning," she suggests.

"Or tweak your visual merchandising. To use candy terminology: it's about employing a pick 'n' mix approach. Because if the customer is smarter than you, you just have to be ahead of them in other areas."



Photos: Rebecca Toh





# Lights, Science, Action

## HOW DID ONE LIFE SCIENCES AND MATERIALS COMPANY CREATE A SOCIAL OFFICE?

Royal DSM first opened its 40,000 square feet, one-floor facility at Mapletree Business City (MBC) in March 2015 and designed its new office with its staff in mind — in line with its “ONE DSM” culture agenda, which emphasises that employees are bound together by the behaviors fostered by its four themes: external orientation, accountability for performance, collaboration with speed, and inclusion and diversity.

At its previous location, DSM was split across two floors, explains Gerald Ng, Regional Finance Director for DSM Asia-Pacific and the project manager who

sourced the new office and coordinated the big move to MBC.

An advantage of the space at MBC that Mr Ng communicated to the DSM management was that it would allow all of the firm’s operations here to be housed on a single floor. “DSM has a very clear statement of intent. When we say ‘ONE DSM’, it’s about having all our business groups together in one office,” he says.

Apart from sending a strong message that DSM is an organisation that values a strong sense of unity, the one-floor space at MBC boasts many other features, including massive windows that brighten



Photos: Rebecca Toh

*Bright Science, Brighter Living is the innovative philosophy that influences all facets of DSM, including the design of its Singapore office, housed on one floor at Mapletree Business City*

up the space by allowing sunlight to stream in, and offering stunning views of the Singapore coast.

It is, in a sense, the company’s motto made physical. “Bright Science, Brighter Living — so when you come in, it must be bright!” Mr Ng says with a chuckle.

Its different office spaces, from meeting rooms to its reception area and other common areas, are angled such that light from the windows reaches the corridors. The walls of its laboratory are mainly glass, cementing a sense of openness and transparency.

Just as open is the pantry, which feels like a large living room. “We made sure we’ve got a nice pantry that doubles up as a recreation area, a place to rest.”

He points to the foosball table — a dash of fun — and the brightly-shaded sofas that match DSM’s brand colours. “What’s more important is you can just sit by the window and chill here; just relax, talk, connect. So whenever we say, ‘let’s have a catch-up’, we go to the pantry. It’s nice.”

Far from just a feel-good area, it’s also a space for staff to bond. Hence, staff members are encouraged to eat there and not, as so many office workers now do, munch solo at their desks. In this friendly space, “hopefully people find more time to engage others”, Mr Ng says.

In an added bit of social engineering, the offices of managers who are away are made available for use to all staff — even the office of its head honcho in the region. As a result, these offices do not even have the usual hierarchical nametags.

“This is our neat way to get everyone talking to each other”, he explains. “People have to ask, ‘where is so-and-so sitting?’ It encourages us to interact.”

Clearly, DSM has put effort into caring for its staff. Aboriginal art lines the walls and ergonomic table tops can be adjusted to become standing desks. Importantly, these are solutions reached as an organisation. “When we built this place we had so much inclusion,” he enthuses. Focus groups were regularly asked what they wanted from a new space. These measures, and aesthetic touches like curved walls that soften the interiors, are greatly appreciated by staff, he says.

“People are wowed by this space when they join. It’s part of the attraction of the company.”



### My Space is Your Space

*In the spirit of openness and collaboration, DSM’s manager rooms do not lock. That means that when a busy executive travels for business, any employee can use the office as a meeting room or brainstorming space. Operating under a ‘clean desk’ principle, all papers get locked in a cupboard at the end of the day, providing newcomers a blank canvas upon which to get productive.*

Customers are wowed too. An integral part of the new office is the Co-Creation Hub, where DSM teams and customers brainstorm new ideas for products and campaigns.

Apart from the large windows, which boast the best view in the house, almost every wall is a glass board that can be written on. What’s more, there are moveable boards to facilitate flexible brainstorming. Soon they’ll become more flexible, reveals Mr Ng, adding that these rolling boards will have touchscreens installed at the back.

Situated next to the lab where food experiments are conducted and new products made, visitors sitting in the Co-Creation Hub are often served DSM’s edible creations right from its source, from new cereals to dairy products.

So it’s possible that multi-million-dollar deals have been closed in this room, as high-powered execs munch on new products such as gummy candies, made just metres away and within sight, and provide their feedback instantly to the lab to further tweak recipes. That’s Bright Science, Brighter Living, in action.



# Flexible Working FMCG

## WHAT DOES IT TAKE FOR ONE OF THE WORLD'S LARGEST CONSUMER GOODS COMPANIES TO INTRODUCE FLEXIBILITY INTO ITS WORKING CULTURE?

Want to work from home? In a meeting room? Or even on the go? It's all possible — if you are working at Unilever.

The Anglo-Dutch multinational consumer goods company takes pride in offering flexible work arrangements to its employees, embracing a philosophy it terms “Agile Working” — which has at its core, the idea of enabling people to work anywhere, anytime, as long as business needs are being met.

Shares Ching Meng-Chew, Unilever's Director for Workplace Services in the Asia-Pacific: “Agile work is something Unilever lives and breathes, and it's a system based on trust and goal achievement. We believe that by offering that flexibility, people are happier, and they will feel more empowered and be more productive.

“There's nothing to stop somebody leaving at 3pm to attend his kid's school game, then go home and continue working by engaging in a conference call from 7 to 10pm. It's up to the individuals how they manage their time.”

And those working in this office will not have much to complain about.

Unilever has created a home away from home for its employees at its “one-stop shop” Singapore office, housing everything from boardrooms to a beauty salon, prayer room and convenience store

Its 145,000 square feet space, spread over six storeys at Mapletree Business City (MBC) in Pasir Panjang, is a workplace that doubles up as a one-stop shop for employees.

For example, they never have to worry about a bad hair day. An unruly mop can be rectified easily with a visit to Unilever's in-house hair salon at a nominal fee. Need a facial? Pop into its beauty spa for some pampering at a special, staff-only price.

Then hop over to the convenience store for a quick grocery run, or simply lounge with fellow colleagues at the Lipton Café while enjoying a free scoop — or two — of Ben & Jerry's ice-cream.

It comes as no surprise then that the café — where one can also enjoy a spot



Photos: Rebecca Toh



### Unilever's Office is...

**Big**  
145,000 sq ft spread across six floors

**Green**  
2% of the floor space is covered with plants to improve office air quality. There are also no personal bins, to encourage recycling

**Caring**  
Special office spaces include a nursing room, prayer room, kitchen and hair salon

of tea (or coffee, depending on your inclination) and Wall's ice cream bars and cones, all of which are free — is a popular site for meetings. “So you have to watch your weight if you work here,” adds Mr Ching with a grin.

Such perks not only help to keep staff happy, they also serve another purpose: to sow strong brand loyalty from within the organisation. “We want employees to feel very connected with our brands — so that it's not just a job but they're actually using the products, believing in what they do and in turn becoming advocates for our brands”, explains Mr Ching.

These social spaces also create plenty of room for staff to have chance encounters and interact with each other. In fact, encouraging interactivity can be considered core to Unilever's office design. A stairway zig-zags through the centre of its office, linking all six levels — which Unilever sought permission from developer Mapletree Investments to build — so that staff can troop up and down and in the process, meet and connect through the day.

Then there is the plethora of meeting rooms — over 90 of them — providing private space for discussions. Or they can

pick from the open but no less inviting spaces scattered across the office, where one can plop onto beanbags, or settle down in anything from cushy booth seats to the more executive looking high-backed chairs and start working.

The open plan office also provides desk space for those who prefer such a setting, with 1,062 desks to meet the needs of over 1,200 employees and senior management.

“We actually have a spreadsheet that says okay, if you have 500 people, how many seats should you have and how many collaborative spaces should be set aside, should you have a café, and



so on,” explains Mr Ching. That ratio is a benchmark that has been physicalised globally across Unilever's offices — a blueprint for happy design, if you will.

At the end of the day, it is about creating a space that not only encourages staff to work — but also to speak with each other, says the company.

The resources set aside for Unilever's “Agile Working” concept does not come cheap, admits Mr Ching. After all, it means setting aside valuable real estate for functions that seem, on the surface, to have little to do with serious business.

Yet the entire space has helped the FMCG giant to save real estate costs amounting to €3.5 million (\$5.4 million) annually. Part of this savings stem from the large space it has at MBC, which has allowed it to consolidate all its Singapore operations in one venue — as opposed to operating out of four offices previously — to create its regional hub.

It has also helped the company with talent attraction and retention. For the second year running in Singapore, Unilever is the number one employer of choice among FMCGs, according to LinkedIn's Most in Demand Employer index.



# Mapletree's Global Presence



Office	Industrial/ Business Park	Logistics		Retail	Residential/ Corporate Lodging/ Serviced Apartment
<b>Singapore</b>	<b>Singapore</b>	<b>Singapore</b>	Kanagawa Kyoto Miyagi Osaka Saitama Tochigi Tokyo	<b>Singapore</b>	<b>Singapore</b>
<b>Australia</b> Brisbane Perth Sydney	<b>Greater China</b> Foshan Shanghai	<b>Australia</b> Sydney		<b>Greater China</b> Foshan Hong Kong SAR Ningbo Shanghai Xi'an	<b>Australia</b> Brisbane
<b>Greater China</b> Beijing Foshan Hong Kong SAR Shanghai	<b>India</b> Bangalore	<b>Greater China</b> Changsha Chongqing Guangzhou Hangzhou Hong Kong SAR Jinan Nantong Ningbo Shanghai Tianjin Wuxi Xi'an Zhengzhou	<b>Malaysia</b> Pasir Gudang Port Klang Puchong Senai Shah Alam Subang Jaya	<b>Malaysia</b> Kuala Lumpur	<b>Greater China</b> Foshan Ningbo Shanghai Xi'an
<b>Japan</b> Chiba Tokyo	<b>Vietnam</b> Binh Duong	<b>Japan</b> Aichi Chiba Gifu Hiroshima Hokkaido Ibaraki	<b>South Korea</b> Anseong Icheon Pyeongtaek Yeoju Yongin	<b>Vietnam</b> Ho Chi Minh City	<b>Vietnam</b> Hanoi
<b>United Kingdom</b> London					<b>USA</b> Dallas, Texas Raleigh, North Carolina Redwood City, California Seattle, Washington Sunnyvale, California
<b>Vietnam</b> Hanoi Ho Chi Minh City					



# Making the Most of Store Layout

Above The freezer section of a supermarket is known as a "traffic builder", as you have typically walked past many other goods, including fresh fruit and vegetables to get there

IF YOU WANT TO DELIVER A SHOPPING EXPERIENCE THAT KEEPS CUSTOMERS COMING BACK, TAKE STOCK OF YOUR SPACE AND PAY ATTENTION TO WHERE YOU PLACE EACH PRODUCT

Carefully considered yet subtle placements can make all the difference — and keep tills ringing.

Most people believe that the choices they make result from rational analyses. In reality, however, emotions greatly influence and, in many cases, even determine our decisions.

This tallies with a theory of Carl Jung, a Swiss psychiatrist known for his studies of the human psyche. He felt that humans can experience events below the threshold of consciousness, and that these experiences can be absorbed on a subliminal level.



As a result, while we are unaware of their importance to emotion and reason, when stimulated, they can move up from the unconscious to influence conscious thinking and behavior.

What this means in the world of retail can be succinctly summed up by the famous words of Howard Schultz, CEO of Starbucks: "You walk into a retail store, whatever it is, and if there's a sense of entertainment and excitement and electricity, you want to be there." Many consumer decisions can be affected by intangibles such as atmosphere, and when properly tapped by brick and mortar retailers, can help to truly engage consumers and spur purchases.

### FOOD FOR THOUGHT

One example is store layout, where the storefront is paramount. It needs to pull customers in and entice them immediately. And once customers are in the shop, the challenge is how to make them stay in the space — and some spaces have it tougher than others. Such as prosaic spaces like supermarkets. That said, however, the business has gotten its strategy down pat: by seducing our senses with eye-catching, vibrant colours.

Almost every supermarket around the world greets shoppers with the same sight: with fresh fruits, vegetables and flowers. This offers an atmosphere of sensory vitality, and primes consumers for further purchases.

As an article in *The Economist* titled "The Way the Brain Buys" puts it: "Selecting good wholesome fresh food is an uplifting way to start shopping, and it makes people feel less guilty about reaching for the stodgy stuff later on."

Meanwhile, in the context of a mall's tenant mix, tactically having a supermarket as an anchor tenant can encourage footfall to other stores, drawing them deeper into the retail environment. The location of such crowd drawers, therefore, is particularly important, and just as individual store owners can move products like chess pieces to enhance customer satisfaction, property developers can think of stores in the same way.

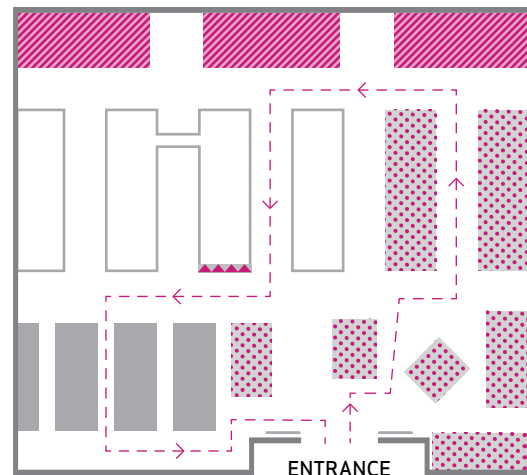
### DRIVING CUSTOMER DECISIONS

For individual retailers, flexibility is key when planning the store layout, says



A lot of care is taken at the Whole Foods supermarket in Maryland, United States, to ensure that its displays work to bring customers in

Photo: Corbis



**Front of shop. Fruits & Vegetables**  
The shopfront extends to the fruit and vegetable aisles to give the impression you've come to a store of freshness.

**Traffic builder. Milk, Deli, Bakery**  
Placing essentials away from the entrance means we are exposed to more potential purchases and offers on the way.

**Gondola ends. Promotions & Sales**  
Also known as "endcaps", these are the exposed, short blocks of shelves at the ends of aisles where special offers are typically found.

**Golden zones. Checkouts**  
If we were rats, the end of the shoppers' maze would be piled with squares of cheese rather than chocolate bars.

Kevin Hennah, an Australian business consultant specialising in retail.

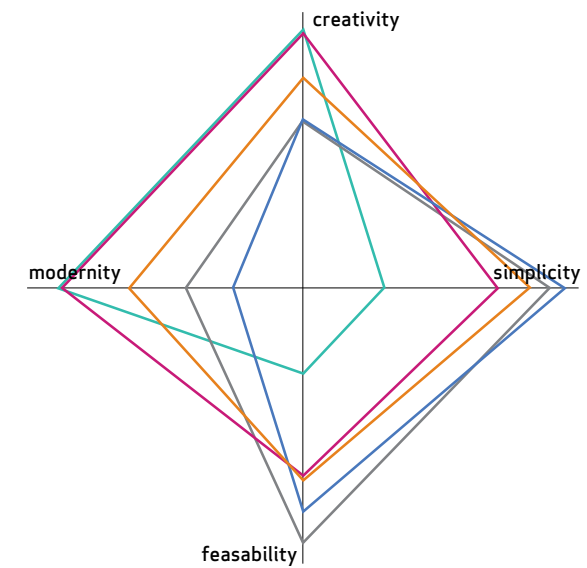
"If your goal is to maximise sales through strategic product placement, there is not one generic layout that can be translated across all stores," he says. Every space has its own quirks and strengths, and therefore requires a tailored merchandising plan.

He suggests seeing the store through customers' eyes, and dividing the floor plan into three areas.

There are "hot" merchandising zones, which all customers will see or pass. Give careful consideration to the products in

## Get Productive: Masters Of Retail Layout

Never mind thinking outside the box — as these stores prove, good things happen when you think outside the old school shelf-and-aisle displays



### Techy

#### Facebook Hangouts

Wooden clothes hangers are a familiar sight. But an outlet of fashion retailing chain C&A in Brazil put a fresh spin on them. Implementing a system called FashionLike, the hangers were armed with digital counters, showing how many Facebook Likes photos of each particular item had accrued. As a neat way to link a brand's social buy-in with their physical store, C&A can certainly hang their hat on this campaign.

### Intuitive

#### "Building A Cupboard? Aisle Five"

Homebase, the British home improvement chain, knows that customers today are far less DIY savvy than previous generations. Hence they completely revamped their store layout, organising aisles by specific tasks instead of broad categories. Looking to fix an annoying leaking tap? All of the required items, from washers to wrenches, will be handily grouped together.

### Sensual

#### Step Into The Rainbow

Sometimes, product displays can multitask as decor, turning your store into a gallery. At Muriel Grateau, a luxury homewares boutique in Paris, this effect is amplified by the interior — it's completely white. Anything in colour you see is for sale. The cloudlike space also implies the pieces are unattached, floating on the walls, and just waiting for you to pick them up.

### Interactive

#### Unwrapping Potential

If you can get customers to slide the product off the shelves, you've won half the battle. How did Lego manage it? Technology lent a helping hand. Shoppers could place an unopened box in front of the Digital Box Kiosk screen. A webcam would recognise the set and display the finished product as Augmented Reality — while you are still holding it.

### Space-Age

#### Make-up Gets Reflective

"If we do our job right, we will end buyer's remorse," says Vipanj Patel. "The days of old-fashioned dressing rooms are numbered." The CEO of TAAZ, an online makeover store, recently incorporated virtual mirrors into stores of British retailer Marks & Spencer, allowing customers to see what combinations of cosmetics or nail polish look like on them without putting the products on.

this valuable real estate, he says. "Warm" zones are not in a customer's direct line of sight, but are likely to be explored when browsing. And "cold" zones may be missed altogether.

Getting this mix right can make a huge difference to the bottom line. "80% of sales are generated by 20% of products," notes Mr Hennah. "Base your visual merchandising strategy around strategic placement of these items."

Listening to the customers and placing yourself in their shoes — it's a message you hear often in retail theory, with good reason. Professor Lynda Wee, Associate

Professor of Marketing and International Business at Nanyang Business School in Singapore, crystallises the point. Your "store layout is a form of store communications. Hence, it has to relate to the customers", she explains.

This maxim affects real-life shopping decisions. As an example, Prof Wee says, consider this: "Men in Asia shy away from skincare. So it's best to place their products right at the front [near the till] where they can grab and go".

It's also important for the layout to be aligned with your brand, Prof Wee says. A Singapore store of Tiffany & Co,





**Above** The Superdry store at VivoCity is an example of a shop that provides sensory stimulation to its customers

the high-end jeweller, is a good example. “Accessible merchandise such as silver is placed at the lower level, and bigger ticket items like diamonds are at the upper floor for more private viewing,” notes Prof Wee.

To strengthen the allure of Tiffany & Co’s products, there’s even a private room for trying on the more valuable gems. Meanwhile, Zara puts its best foot forward: the “latest arrivals sit in the storefront, and casual wear is at the end, being less attractive compared to fashionable pieces”, says Prof Wee.

#### GET PHYSICAL

As much of an art as it is a science, deciding where to locate your products is more important now than ever. Last year, a study from payments technology company Visa found that 26% of Singaporeans shop online at least once a week, the highest rate in Southeast Asia.

Singapore is not alone in this. Online shopping is becoming more popular around the world. It is a game-changing fact that should make physical shops

sit up and take stock, said Frank Liu. The Associate Professor of Business Administration at the University of Illinois cautions: “The competition of online shopping poses an incredible threat for traditional offline retailers.”

Store managers therefore need to examine how they can remain competitive, he says. “As shopping becomes more and more an experience type of activity, retail store layouts will become more important.”

An easy solution is to offer what pixelised shopping cannot: sensory stimulation. Allow consumers to slip

**Q: How can employees amplify the customer experience within the framework of store layout?** **A:** A retail study that found 78% of satisfied customers will go some place else to shop if that some place else is more fun. *Satisfied customers* — that’s a scary statistic. Get a mental picture of your store. Is it a fun place to visit? The store’s staff is so integral to the customer experience: your front line is your bottom line. They are walking, talking representatives of the brand. They serve as greeters, ambassadors, and concierges who know the product they sell inside and out. — *Rich Kizer and Georganne Bender, retail strategists and founding partners of Kizer & Bender Speaking*

on the latest jeans, smell bread baking before they buy it, and test shiny new electronic gadgets.

Apple stores are a brand leader in this experiential planning, by encouraging you to interact with the expert staff before a purchase. Or, to put it another way: customers say hi, try and buy. So successful is their soft lighting and ‘have-a-go’ table layout of gadgets, that Apple recently trademarked the layout of their retail stores.

Store employees are also a vital part of the consumer experience. They can help spread footfall around the space, says Prof Liu. “Store employees should be trained to facilitate consumer search and interact with consumers accordingly.”

Employees can tidy up shelves should customers mess them up, or even move around the store during off-peak hours, so that passers-by can see them through windows, and be enticed in.

#### TOUCHSCREENS AND TOUCHING HEARTS

If you craft your store experience right, the rewards can be huge. Global strategy brand Capgemini Consulting recently lionised Disney for their successful store revamp, which included interactive kiosks with touch screens, enabling shoppers to navigate through the product offering and access entertaining clips, social media feeds and a wealth of related content.

The result? A 20% increase in profits, and customers who stated they felt closer to the brand as a result of the revamped store design.

In short, a clever, fresh take on product placement can melt your customers’ hearts, and ensure a steady stream of footfall to your outlet.

Photo: Corbis (opposite)

# Crossroads of the Old and New

**AN ANCIENT CITY AT THE HEART OF INDIA'S HIGH-TECH BOOM, HYDERABAD IS A BEAUTIFUL CONTRADICTION WHICH WILL PUT YOU UNDER ITS SPELL**

Traffic thrums around the Charminar, the most famous mosque and monument in Hyderabad



While many up-and-coming technology-driven cities might claim that “the next Bill Gates” could well come from their neighbourhood, for Hyderabadis, this is no casual boast. Microsoft’s new global CEO, Satya Nadella, was indeed born and bred in Hyderabad, a city which, like its noted son, is very much on the move.

Yet while the gleaming offices of Microsoft, Oracle and Google in the technology-driven district dubbed Cyberabad may fit the “new India” narrative of other southern Indian cities like Bangalore, the easy similarities end there. Set in the state of Andhra Pradesh, Hyderabad has predominantly Islamic cultural influences which are key factors to the city’s uniqueness — and add to its crossroads cosmopolitan charm.

Even for the most jaded of business travellers, this city of forts, bazaars and fiery spices is well worth exploring. *Mapping* takes a look at some of its highlights.

GRAND TOWERS

Hyderabad’s most famous monument is the Charminar, or Four Towers. The former mosque was built in 1591 together with the rest of the old city by ruler Mohammed Quli Shah, as part of the fortress capital of the Golconda empire.

With its four grand 56-metre high minarets, the Charminar is also a perfect starting point for a stroll through the bustling Laad Bazaar. Here, future brides come to shop for bangles, rosewater and fabric for their Hyderabad weddings, while visitors haggle for silver filigree jewellery, antiques, or Hyderabad’s famous pearls — which legend has it, the royal Nizams once even ground up to eat.

Sightseers should also set aside time to visit the spectacular Golconda Fort, ideally near dawn or dusk. Situated 11 kilometres from the city, the spectacular fort, with its 87 semi-circular bastions and eight gates, is a transporting experience: its fearsome elephant-proof spikes serve as an evocative reminder that the city has indeed seen plenty of action in the past.

While many flock to the Sound and Light Show at the fort, others wander the quieter Taramati Baradari, a pavilion supposedly built for the favourite mistress of Abdullah Qutb Shah, the VII Sultan of Golconda, whose romantic arches frame a beguiling sunset view.



Photos: Corbis (Ramoji film city and Chowmahalla Palace); Age FotoStock (Fish building)

FAVOURITE FEAST

Whether worked up by sunset strolls or more mundane meetings, one thing you are guaranteed here is a healthy appetite — and the best way to address it is by indulging in a local specialty, Hyderabad *biryani*.

While such claims are hotly contested, many declare that the best place to devour the city’s much-loved dish is the aptly named Paradise Food Court. As its website describes, its recipe for *biryani* paradise is over six decades old, and still remains a trade secret.

What they will reveal, however, is that “long-grain basmati rice and hand-pounded spices are cooked in a traditional coal-based dum process that seals in all the flavours”. Noted usually for the mix of cashews, yogurt, onions, spices, lemon and saffron in the rice; and the rich, slow-cooked meat (often mutton), the dish is widely praised by its fans.

“What better place to have it than Paradise! This place makes the best *biryani* in town,” notes local foodie Sruti Veda. “These people dish out hundreds of *biryanis* each day with the same consistency and quality,” she notes. “You won’t be disappointed.”

TECHNO HEART

Home to giants of the technology world including Oracle, Infosys and Dell, the centre of Cyberabad is HITEC City, a cluster of modern complexes around 10 kilometres from town. If your meetings do not provide a view to the city’s IT boom, which first began in the late 1990s, then tours of the complex will give you a window to Hyderabad’s new modern core.

Visitors to the techno-zone should also pay a visit to one of India’s largest shopping havens, the 800,000-square-foot InOrbit Mall ([www.inorbit.in](http://www.inorbit.in)). Whether you choose to take in the selection of local and Western brands, or just people watch as the city’s young and fabulous enjoy some hard-earned leisure time, the mall is a great break from the city’s bustle, heat and dust.

A popular local centre of industry of a different kind is Ramoji Film City ([www.ramojifilmcity.com](http://www.ramojifilmcity.com)). What is remarkable, considering the shadow of Bollywood (and indeed, Hollywood), is that Ramoji is renowned as the world’s largest film studio complex. Spread over 8.1 square kilometres, and offering 500 set locations,

**Left** Covering 1,666 acres, Ramoji Film City is one of the world’s largest integrated film cities, and a popular tourist destination

**Opposite bottom** The four-storey fish-shaped building, known locally as Matsya Bhavan, proves that the city loves an eye-catching facade

**Below** A woman admires a gleaming Cadillac from the car collection at Chowmahalla Palace



**LOCAL KNOWLEDGE**  
**Born and bred in Hyderabad, Bhaskar Chagarlamudi shares his love for the city with Mapping:**

**Must-try dish:** “*Biryani* and *haleem*. Hyderabad is known for the best *biryanis* in India. After all, this is where Hyderabad *biryani* originates. Paradise Biryani is the most popular eatery among locals. It’s best to go for dinner. Also, try the *shorba* soup

and kebabs at The Golkonda Hotel.”

**Local lingo:** “The Hyderabad dialect is notable for its unique mixture of Urdu with Hindi and Telugu. One useful, friendly phrase is ‘*bhai*’. It means ‘brother.’”

**What’s one special spot you would take a visitor?** “Hussain Sagar Lake. Excavated in 1562 during the time of Ibrahim Quli Qutb Shah, the lake has a promenade that is a

busy thoroughfare today. Boating and water sports are regular features here. One of the world’s tallest monolithic statues of the Buddha stands on a concrete platform referred to as the ‘Rock of Gibraltar’.

**What’s the quality about Hyderabad that you like the most as a resident?** “I like that we can get the best quality products for lower prices here, compared to any major Indian city.”



its attractions include dance and stunt shows, plus the scary Ramoji Tower simulated earthquake.

For those who want to stay close and soak up the tech vibes of HITEC City, an option to consider is the newly opened Oakwood Residence Kapil Hyderabad, which boasts 158 fully furnished and spacious apartments, with sizes ranging from 380 to over 1,232 square feet, catering to both short- and long-term stays.

DRINKS AT THE PALACE

Wherever you end up staying during your visit to Hyderabad, one hotel in particular is still worth a visit. A high scorer in the *Conde Nast Traveller* Readers Award 2014, the upscale magazine noted, “for location, the Taj Falaknuma Palace in Hyderabad seems impossible to beat”.

Built by the former Prime Minister of Hyderabad and once a royal palace, Falaknuma means ‘mirror of the sky’. As the story goes, the resident princess insisted that its exterior be painted over 100 times, so that it would eventually match the colour of the city’s sky at dusk. Many years later, a decade-long restoration saw the palace transform

*Below Drink in Hyderabad's romantic dusk from the Taj Falaknuma Palace*

into a plush 60-room luxury property, set on a hill 2,000 feet above the city, and nestled on 13 hectares of sweeping gardens. After a walk of the grounds, visitors recommend one of the Taj’s bespoke cocktails, such as the mango kaffir lime (tequila in mango syrup with a hint of kaffir lime).

As the sun goes down, the palace, with its tastefully lit turrets, transforms into something even more magical before your eyes. In such a place, as with the whole of the city, you are sure to feel more than a little transformed as well.



Photo: Corbis

One-Minute Digest:  
A quick round-up on  
what's happening  
at Mapletree

1<sup>ST</sup>  
mall opening in Vietnam

EUROPE  
maiden acquisition  
finalised in London

CLINCHED  
the CEO of the Year award  
at the Singapore Business  
Awards 2015

GREEN  
Mark Champion title for the  
Group's large number of  
Green Mark projects rated  
Gold and above

Mapletree  
Builds  
Presence in  
Australia  
and London  
New Markets

Expanding its presence in Australia, Mapletree has snapped up four Grade-A offices in Sydney (three) and Perth (one) recently.

All three Sydney office towers are fully tenanted currently, and have a net lettable area (NLA) of between 11,600 square metres (sqm) and 13,600 sqm. Two of the properties are in Macquarie Park, while one is located in Rhodes. The Perth office tower offers 6,864 sqm of commercial space and is also fully tenanted.

Mapletree's latest acquisitions in Australia follows its purchase of a freehold Grade-A office building in South Brisbane in November 2014, which marked its maiden foray into Australia.

In March 2015, Mapletree acquired Adina Apartments, a 162-unit serviced apartment property at the fringe of Brisbane's Central Business District.

The Group's venture into Australia is part of its strategy to expand into new geographical markets and property sectors to continue delivering strong



*Top Mapletree's first acquisition in Australia is this Grade-A office building in South Brisbane*

returns, and build its earnings streams and scale. Apart from Australia, the Group is also eyeing markets in Europe to acquire high quality fringe and decentralised office, corporate lodging/ serviced apartment and logistics assets.

In May this year, Mapletree completed its first acquisition in Europe with a high quality office building located in the western part of London. The property is fully leased to a large multinational corporation.

Then in October, it acquired a portfolio of three office assets located in Manchester, Bristol and Aberdeen.



# SC VivoCity Opens to Big Crowds

SC VivoCity, Mapletree's first shopping mall in Vietnam, officially opened in September this year. The mall, located in Ho Chi Minh City, has seen an average of 700,000 visitors per month since it held its soft opening in April.

Foot traffic is expected to increase further as more retailers, many of which are international brands setting up their first shops in Vietnam, open here.

The mall also draws crowds with active advertising and promotional activities such as during the Hung Kings festival, where for every VND 200,000 spent, shoppers were given a special



gift and a block to build a mosaic of the ancient Vietnamese rulers. The picture, assembled with 3,258 square blocks, has been recognised as the largest of its kind by the Vietnam Record Book Centre.

In August, SC VivoCity held a nine-day food, wellness and travel fair to mark Singapore's golden jubilee. The SG50 event included a bazaar showcasing Singapore-made food products, and tastings of much-loved Singapore hawker fare such as Hainanese chicken rice and laksa. The fair also included special discounts from carrier Singapore Airlines and integrated resort Resorts World Sentosa, as well as basic health checks.

SC VivoCity is the first phase of Saigon South Place, a mixed-use development located in HCMC's affluent District 7, which when completed will also have office buildings and serviced apartments.

The mall is among the largest in HCMC with a gross floor area of 62,644 square metres. Construction of its adjoining office development began earlier this year and is expected to complete in 2016, and will boast column-free offices with international Grade-A specifications. Work on the serviced apartments will start early 2016 and is expected to be completed in 2018.

“The mall is among the largest in HCMC. Construction of its adjoining office development is expected to complete in 2016, and will boast column-free offices with international Grade-A specifications.”

**From top to bottom**  
SC VivoCity has been drawing strong footfalls since its soft opening in April this year; guests tucking into cake to commemorate SG50



# Mapletree Strengthens Presence in US Corporate Lodging Sector

Mapletree has acquired a newly constructed 100-unit multi-family apartment complex in Seattle, in what is its fifth corporate lodging/serviced apartment acquisition in the United States.

Named Oakwood Seattle South Lake Union, the property is located in the heart of the South Lake Union neighbourhood — an ideal location for professionals with restaurants, bars, cafes and retail shops within walking distance. It is also just a six-minute drive to central downtown, and 20 minutes away from Seattle-Tacoma International Airport.

Oakwood Seattle South Lake Union has studio, one- and two- bedroom apartments. The LEED Silver certified complex is equipped with sustainability-oriented amenities including eco-friendly landscaping and energy efficient appliances.

The acquisition is part of Mapletree's joint venture with US-based corporate housing and serviced apartment firm Oakwood Worldwide. It is also the Group's first property in the Pacific Northwest, and will complement Mapletree's US portfolio comprising earlier acquisitions in Raleigh (North Carolina), Dallas (Texas) and Silicon Valley (California).

Mapletree's other four corporate lodging/serviced apartment properties in the US include the 184-unit Oakwood Silicon Valley, the 141-unit Oakwood Redwood City, the 232-unit Oakwood Dallas Uptown, and the 300-unit Oakwood Raleigh at Brier Creek.

Apart from opportunities in the US, Mapletree is also looking at Australia, Japan and Vietnam to acquire and develop corporate lodging and serviced apartment assets.



**Below** Oakwood Dallas Uptown and Oakwood Seattle South Lake Union are among properties that have been added to Mapletree's growing US portfolio

“Named Oakwood Seattle South Lake Union, the property is located in the heart of the South Lake Union neighbourhood — an ideal location for professionals.”



# Mapletree Named BCA Green Mark Champion

In recognition of Mapletree's efforts to be a sustainable and green developer, the Singapore Building and Construction Authority (BCA) named the company as the BCA Green Mark Champion for 2015.

To date, Mapletree has a total of 12 Green Mark projects rated Gold and above. This includes five Platinum awards and one Gold<sup>PLUS</sup> award.

The Group's strong commitment to environmental sustainability has consistently yielded high energy savings, which has amounted to more than 53 million kWh from its Green Mark accredited properties. This is equivalent to meeting the electricity needs of over 9,500 Singapore households for one year.

The upcoming Mapletree Business City II (MBC II), which is slated to complete in 2016, has similarly adopted environmentally sustainable building practices and is designed to meet Green Mark Platinum standards.

Mapletree also strives to adopt sustainable designs at its overseas properties. At its Shanghai integrated office and retail development comprising MBC Shanghai and VivoCity Shanghai, features include a green roof and an automated car park guidance system, as well as energy and water saving features. In addition, building materials for the development were primarily sourced from recycled or regional sources.

The BCA Green Mark Champion award recognises developers with a strong commitment towards corporate social responsibility, and outstanding achievements in environmental sustainability. Developers have to achieve a substantial number of Green Mark buildings at the Gold level and higher to be presented with the award.



**Above** Located in Singapore's Alexandra Precinct, MBC II, with its abundant green features, will strengthen Mapletree's already stellar reputation as a sustainable developer

## Hiew Yoon Khong is CEO of the Year at the Singapore Business Awards 2015

Mapletree's Group Chief Executive Officer Hiew Yoon Khong was named the 'Outstanding Chief Executive Officer of the Year 2014' at the Singapore Business Awards 2015.

Said Mr Hiew on winning the award: "Growing Mapletree from a company with low-yielding properties in Singapore into a leading real estate group with assets across Asia involves building an organisation that is firmly committed to fulfilling our business objectives. In the early years, it required our staff to believe in a business model that was relatively untested in Singapore, and execute it nimbly and well.

"The story behind the Group's success is therefore about a team that is consistent and disciplined in executing our business model. This requires both real estate and financial skills sets,



which are developed over time through hard work."

Mapletree currently manages four REITs, which have a combined market capitalisation of over \$12 billion as at 31 March 2015, making up about 17% of the Singapore REIT industry's market value of over \$70 billion. It also manages six private real estate funds, which together hold a diverse portfolio of assets in Asia.

### + Industrial

#### Singapore

**Pasir Panjang Distripark**  
151 Pasir Panjang Road,  
Singapore 118480  
Contact: Irene Tan  
Phone: +65 6377 6173  
Email: irene.tan@mapletree.com.sg  
Unit sizes available: 80 - 680 sqm

**Tanjong Pagar Distripark**  
39 Keppel Road,  
Singapore 089065  
Contact: Juliana Tang  
Phone: +65 6377 6898  
Email: juliana.tang@mapletree.com.sg  
Unit sizes available: 100 - 500 sqm

**The Signature**  
51 Changi Business Park Central 2,  
Singapore 486066  
Contact: Toh Xinyi  
Phone: +65 6377 7482  
Email: toh.xinyi@mapletree.com.sg  
Unit sizes available: 1,500 - 27,000 sq ft

**Kulicke & Soffa Corporate Headquarters**  
23A Serangoon North Ave 5,  
Singapore 554369  
Contact: Darren Lu  
Phone: +65 6377 6727  
Email: darren.lu@mapletree.com.sg  
Unit sizes available: 4,300 - 11,000 sq ft

**Woodlands Spectrum I/II**  
2 Woodlands Sector 1, 201, 203, 205, 207,  
209 & 211 & Woodlands Avenue 9,  
Singapore 738955 - 738960  
Contact: Neil Chia  
Phone: +65 6377 6563  
Email: neil.chia@mapletree.com.sg  
Contact: Ler Kin Loong  
Phone: +65 6377 7476  
Email: ler.kinloong@mapletree.com.sg  
Unit sizes available: 1,300 - 52,000 sq ft

**6 Serangoon North**  
6 Serangoon North Ave 5,  
Singapore 554910  
Contact: Darren Lu  
Phone: +65 6377 6727  
Email: darren.lu@mapletree.com.sg  
Unit sizes available: 5,100 - 35,000 sq ft

**Woodlands Central**  
33 / 35 Marsiling Industrial Estate Road 3,  
Singapore 739256 / 739257  
Contact: Kaden Koh  
Phone: +65 6377 6243  
Email: kaden.koh@mapletree.com.sg  
Unit sizes available: 2,500 - 11,000 sq ft

### + Logistics

#### Korea

**Mapletree Logistics Centre - Namanseong**  
72 Gusu-gi, Miyang-myeon, Anseong-si,  
Gyeonggi-do  
Contact: Hong, Young Jun  
Phone: +82 2 6742 3207  
Email: hong.youngjun@mapletree.com.sg  
Unit sizes available: 1,467 sqm

#### China

**Mapletree Nantong Logistics Park**  
East Expressway & East Zhong Xiu Rd,  
Nantong, Jiangsu  
Contact: Kev Wu  
Phone: +86 21 2316 7715; +86 138 1681 1619  
Email: kev.wu@mapletree.com.cn  
Unit sizes available: 4,000 - 5,000 sqm

**Mapletree Hangzhou Logistics Park**  
Latitude 7th Rd & Longitude 6th Rd,  
Hangzhou, Zhejiang  
Contact: Kev Wu  
Phone: +86 21 2316 7715; +86 138 1681 1619  
Email: kev.wu@mapletree.com.cn  
Unit sizes available: 4,000 - 5,000 sqm

**Mapletree Wuxi New District Logistics Park**  
Jing Yi Rd & Qiang Zhai Rd,  
Wuxi, Jiangsu  
Contact: Susan Su  
Phone: +86 21 2316 7715; +86 139 1682 1642  
Email: susan.su@mapletree.com.cn  
Unit sizes available: 4,500 - 5,500 sqm

**Mapletree Changsha Hi-Tech Logistics Park**  
West Yuelu Avenue & Changsha Outer-Ring Expressway,  
Changsha, Hunan  
Contact: Susan Su  
Phone: +86 21 2316 7715; +86 139 1682 1642  
Email: susan.su@mapletree.com.cn  
Unit sizes available: 4,500 - 5,500 sqm

**Mapletree Changshu Logistics Park**  
Dong Nan Avenue & Yin Hai Rd,  
Changshu, Jiangsu  
Contact: Teresa Gu  
Phone: +86 21 2316 7766; +86 159 5001 4515  
Email: teresa.gu@mapletree.com.cn  
Unit sizes available: 4,000 - 5,500 sqm

#### Vietnam

**Mapletree Binh Duong Logistics Park**  
Vietnam Singapore Industrial Park II,  
Thu Dau Mot City, Binh Duong Province, Vietnam  
Contact: Kimberly Nguyen  
Phone: +84 938 612 771; +84 650 625 2525  
Email: kimberly.nguyen@mapletree.com.sg  
Unit sizes available: 2,000 - 5,000 sqm

### SPACE FOR RENT

Looking for office, retail, industrial or logistics space? Find what you need here.

**Mapletree Bac Ninh Logistics Park**  
Vietnam - Singapore Industrial Park Bac Ninh,  
Tu Son, Bac Ninh Province, Vietnam  
Contact: Kimberly Nguyen  
Phone: +84 938 612 771; +84 650 625 2525  
Email: kimberly.nguyen@mapletree.com.sg  
Unit sizes available: 2,600 - 5,000 sqm

### + Retail

#### Singapore

**VivoCity**  
1 HarbourFront Walk,  
Singapore 098585  
Contact: Dorothy Neo  
Phone: +65 6376 9249  
Email: dorothea.neo@vivocity.com.sg  
Unit sizes available: 130 - 2,400 sq ft

**HarbourFront Centre**  
1 Maritime Square,  
Singapore 099253  
Contact: Felicia Woon  
Phone: +65 6570 8584  
Email: felicia.woon@mapletree.com.sg  
Contact: Serene Lim  
Phone: +65 6804 8033  
Email: serene.lim@mapletree.com.sg  
Unit sizes available: 25.5 - 243 sqm  
(Level 1/2/3 - Retail & F&B)

**Alexandra Retail Centre**  
460 Alexandra Road,  
Singapore 119963  
Contact: Yvonne Yan  
Phone: +65 6377 7484  
Email: yvonne.yan@mapletree.com.sg  
Contact: Lim Swee Peng  
Phone: +65 6376 9248  
Email: lim.sweepeng@mapletree.com.sg  
Unit sizes available: 14 - 131 sqm  
(Level 1/2 - F&B, Retail)

#### China

**VivoCity Xi'an**  
155 South Second Ring Road West, Xi'an China  
Contact: Vivian Xu  
Phone: +86 029 8834 8800 8809  
Email: vivian.xu@mapletree.com.sg  
Unit sizes available: 60 - 2,400 sqm

#### Vietnam

**SC VivoCity**  
Tan Phong Ward, District 7, Ho Chi Minh City  
Contact: Pitchuda Pungkraiut  
Phone: +65 9710 0786; +84 9 0261 5193  
Email: pitchuda.pungkraiut@mapletree.com.sg  
Unit sizes available: 20 - 490 sqm



SPACE FOR RENT

+ Office

Singapore

**HarbourFront Centre**  
1 Maritime Square,  
Singapore 099253  
Contact: Stella Tan  
Phone: +65 6377 6182  
Email: stella.tan@mapletree.com.sg  
Contact: Irene Tan  
Phone: +65 6377 6173  
Email: irene.tan@mapletree.com.sg  
Unit sizes available: 35 - 950 sqm

**HarbourFront Tower One**  
1 HarbourFront Place,  
Singapore 098633  
Contact: Angeline Goh  
Phone: +65 6377 6654  
Email: angeline.goh@mapletree.com.sg  
Unit sizes available: 800 - 3,200 sqm

**HarbourFront Tower Two**  
3 HarbourFront Place,  
Singapore 099254  
Contact: Stella Tan  
Phone: +65 6377 6182  
Email: stella.tan@mapletree.com.sg  
Unit sizes available: 364 and 992sqm

**Mapletree Anson**  
60 Anson Road,  
Singapore 079914  
Contact: Michelle Chan  
Phone: +65 6377 6168  
Email: michelle.chanyf@mapletree.com.sg  
Contact: Chay Pui Leng  
Phone: +65 6377 6167  
Email: plchay@mapletree.com.sg  
Unit sizes available: 230 sqm onwards

**PSA Building**  
460 Alexandra Road,  
Singapore 119963  
Contact: Michelle Chan  
Phone: +65 6377 6168  
Email: michelle.chanyf@mapletree.com.sg  
Unit sizes available: 157 - 1502 sqm

**PSA Vista**  
20 Harbour Drive,  
Singapore 117612  
Contact: Juliana Tang  
Phone: +65 6377 6898  
Email: juliana.tang@mapletree.com.sg  
Unit sizes available: 95 - 300 sqm

India

**Global Technology Park**  
Bangalore Tower A, Ground Floor,  
Devarabeesanahally, Varthur Hobli,  
Marathally - Sarjapur Ring Road Bangalore East Taluk,  
Bangalore 560103, Karnataka State  
Contact: Jitin Vaishnav  
Phone: +91 80 9611941103  
Email: jitin.vaishnav@adamasbuilders.co.in  
Contact: Mr Vinod Rajan  
Phone: +91 80 9880073203  
Email: vinod.rajan@adamasbuilders.co.in  
Unit sizes available: 1,861 sqm at 9th Floor of Tower A

+ Mixed-Use

**Mapletree Business City**  
20 Pasir Panjang Road,  
Singapore 117439  
Contact: Angeline Goh  
Phone: +65 6377 6654  
Email: angeline.goh@mapletree.com.sg  
Unit sizes available: 1,600 - 2,100 sqm

**Mapletree Tai Seng**  
Tai Seng Street  
Contact: Darren Lu  
Phone: +65 6377 6727  
Email: darren.lu@mapletree.com.sg  
Contact: Toh Xinyi  
Phone: +65 6377 7482  
Email: toh.xinyi@mapletree.com.sg  
Unit sizes available: 1,600 - 55,300 sqm

+ Mapletree Offices

Singapore

**Mapletree Investments Pte Ltd**  
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**Mapletree Hong Kong Management Limited**  
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23 Harbour Road, Wanchai, Hong Kong  
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**Mapletree India Management Services Private Limited**  
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Whitefield, Bangalore 560066,  
Karnataka, India  
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Fax: +91 80 4939 0700

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**Mapletree Investments Japan Kabushiki Kaisha**  
Level 10, Omori Prime Building,  
6-21-12- Minamioi, Shinagawa-ku,  
Tokyo 140-0013, Japan  
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Fax: +81 3 3766 3133

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**Mapletree Malaysia Management Sdn. Bhd.**  
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59200 Kuala Lumpur, Malaysia  
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Fax: +603 2283 6128

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**Mapletree Korea Management Co., Ltd.**  
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Seoul 03152, Korea  
Phone: +82 2 6742 3200  
Fax: +82 2 6742 3230

Vietnam

**Mapletree Vietnam Management Consultancy Co., Ltd**  
18 L2-1 Tao Luc 5 Street (VSIP II),  
Vietnam – Singapore Industrial Park II,  
Binh Duong Industry – Service – Urban Complex,  
Hoa Phu Ward, Thu Dau Mot City,  
Binh Duong Province, Vietnam  
Phone: +84 650 3543 688  
Fax: +84 650 3767 678

Unit 15.4, IPC Tower,  
1489 Nguyen Van Linh Parkway,  
Tan Phong Ward, District 7,  
Ho Chi Minh City, Vietnam  
Phone: +84 8 3776 0304/5  
Fax: +84 8 3776 0375

Unit 306, Pacific Place Building,  
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## Value through partnerships

Mapletree is a real estate investment and capital management company that believes in the value of building strong relationships with our customers, business partners and investors. Forging these relationships allows us to grow together with our stakeholders and share the rewards of our collective success.

We appreciate the support we have received from our business communities, and will continue to create shared value in our partnerships.

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