

CBD GRADE A MARKET

	YOY Chg	Outlook
5.8% Vacancy Rate	▲	▼
\$11.00 Gross Effective Rent, PSF/mo	▲	▲
0.6% Rental Growth, QoQ change	▼	▲

ECONOMIC INDICATORS Q4
2024

	YOY Chg	Outlook
4.4% Real GDP Growth*	▲	▼
1.6% Inflation Growth	▼	▼
1.9% Unemployment	▼	▲

Source: Ministry of Trade & Industry (MTI), Moody's Analytics

* Real GDP Growth for the whole of 2024. The remaining indicators are as of Q4 2024.

RESILIENCE AMID GLOBAL UNCERTAINTIES

After a robust 4.4% growth in 2024, Singapore's economy is projected to grow by 1%-3% yoy in 2025, with potential downgrades due to the impact of U.S. tariffs. Key office-using sectors, such as information & communications and finance & insurance, are expected to see steady growth. A combination of low unemployment rate and gradual interest rate cuts would be supportive of office demand. Singapore's reputation as a safe haven and its neutral stance may continue to bolster its appeal as a global business hub amid growing trade tensions and geopolitical uncertainty.

UPTICK IN LEASING ACTIVITIES

CBD Grade A office rents grew 0.6% qoq in Q1 2025, driven by ongoing flight to quality. Recent leasing activities have seen a moderate pickup, characterised by several mid-sized deals, driven by financial firms and co-working operators. This trend indicates cautious optimism in the market, despite some occupiers remain prudent amid global uncertainty. CBD Grade A office net demand reached 0.2 msf in Q1 2025, higher than 0.03 msf in Q1 2024. The rise in CBD Grade A office vacancy rates to 5.8% in Q1 2025, from 4.7% in the prior quarter, can be attributed to the addition of new supply from Keppel South Central.

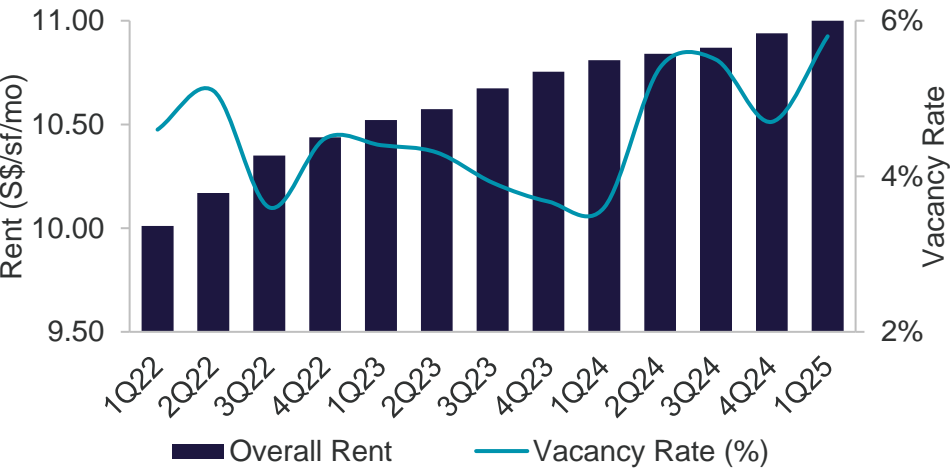
Decentralised all grades office rents also edged up 0.5% qoq in Q1 2025, despite vacancy rates increased to 6.7% from 5.6% in the prior quarter following the completion of Paya Lebar Green.

SUPPLY CONDITIONS TO TIGHTEN

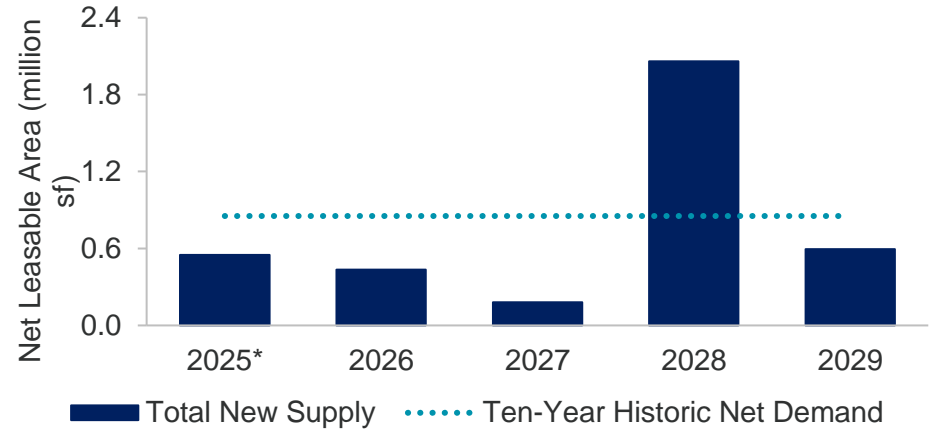
CBD Grade A office vacancy pressures are expected to ease new office supply tightens. Keppel South Central, the only new development in the CBD this year, has seen an encouraging uptake, with almost 50% of office and retail units is either committed or actively negotiated. Over the next three years, CBD Grade A new office supply is expected to average 0.4 msf annually, well below the ten-year historical net demand of 0.9 msf per year. CBD Grade A shadow space remains at 0.1 msf, at pre-pandemic levels.

The constrained supply pipeline, combined with emerging demand, would continue to support CBD Grade A office rents. While the timing of demand growth is uncertain, office occupiers should consider their options early, as the limited supply pipeline is likely to fuel landlord expectations, barring an unexpected economic downturn.

GRADE A CBD OFFICE GROSS EFFECTIVE RENT &
VACANCY RATE



GRADE A CBD OFFICE SUPPLY PIPELINE



* 2025 includes both completed and ongoing projects for the year

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	PLANNED & UNDER CNSTR (SF)	GRADE A GROSS EFFECTIVE RENT *		
					S\$/SF/MO	US\$/SF/MO	EUR/SF/MO
Marina Bay	10,242,414	633,038	6.2%	0	12.71	9.54	8.76
Raffles Place	8,211,984	359,168	4.4%	360,000	11.19	8.40	7.71
Shenton Way / Tanjong Pagar	5,433,619	647,347	11.9%	1,091,000	10.73	8.06	7.40
City Hall / Marina Centre	4,899,772	136,834	2.8%	0	10.70	8.03	7.37
Orchard Road	2,981,632	61,915	2.1%	790,000	9.68	7.27	6.67
Bugis	1,997,172	104,279	5.2%	779,000	11.41	8.57	7.86
CBD GRADE A TOTAL	33,766,593	1,942,581	5.8%	3,270,000	11.00	8.26	7.58
City Fringe (All Grades)	8,412,730	609,535	7.2%	0	7.53	5.65	5.19
Suburban (All Grades)	6,871,724	415,838	6.1%	1,080,000	6.25	4.69	4.31

*Gross Effective Rents are after adjustments for any incentives
US\$/S\$ = 1.332; €/S\$ = 1.451, as of 20 March 2025

RECENT KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Keppel South Central	Tanjong Pagar	Manulife	53,000	New lease
IOI Central Boulevard Towers	Marina Bay	Credit Agricole	40,000	New lease
Shaw Tower	Bugis	The Great Room	36,000	New lease
78 Shenton Way Tower 2	Shenton Way	Smartworks	26,000	New lease
IOI Central Boulevard Towers	Marina Bay	Allied World Insurance	22,000	New lease

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (\$M)
20 Collyer Quay (I22-24FL)	Marina Bay	Amer International Group / GuocoLand	91.8
Woods Square (33.33% stake)	Suburban	Sekisui House / Far East Civil Engineering JV Far East Orchard	124.6 (6.7% stake acquired by Far East Orchard)

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