

CBD GRADE A MARKET

	YOY Chg	Outlook
5.2% Vacancy Rate	▲	▼
\$11.07 Gross Effective Rent, PSF/mo	▲	▲
0.6% Rental Growth, QoQ change	▲	▲

ECONOMIC INDICATORS Q1 2025

	YOY Chg	Outlook
3.9% Real GDP Growth	▲	▼
1.0% Inflation Growth	▼	▼
2.1% Unemployment	▬	▬

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

ECONOMIC OUTLOOK SOFTENS

Singapore's 2025 GDP forecast has been downgraded to 0-2% from 1-3%, as its open, trade-reliant economy is impacted by slowing global trade amid US tariffs. Increased uncertainty may delay occupier decisions and soften office demand this year, though the city's strong fundamentals—strategic location, political neutrality and policy stability—will reinforce its safe-haven appeal and draw flight-to-safety capital.

RENTS ROSE AMID LOWER CBD VACANCIES

CBD Grade A office rents rose 0.6% qoq in Q2 2025, as vacancy rates tightened to 5.2%, from 5.8% in the previous quarter amid tightening supply and continued flight to quality. Vacancies remain low across most existing CBD Grade A buildings; excluding space from the newly completed Keppel South Central, the overall vacancy rate would fall to 3.9%. CBD Grade A office net demand held steady at 0.2 msf for the second consecutive quarter, largely driven by relocations and/or expansions of financial institutions.

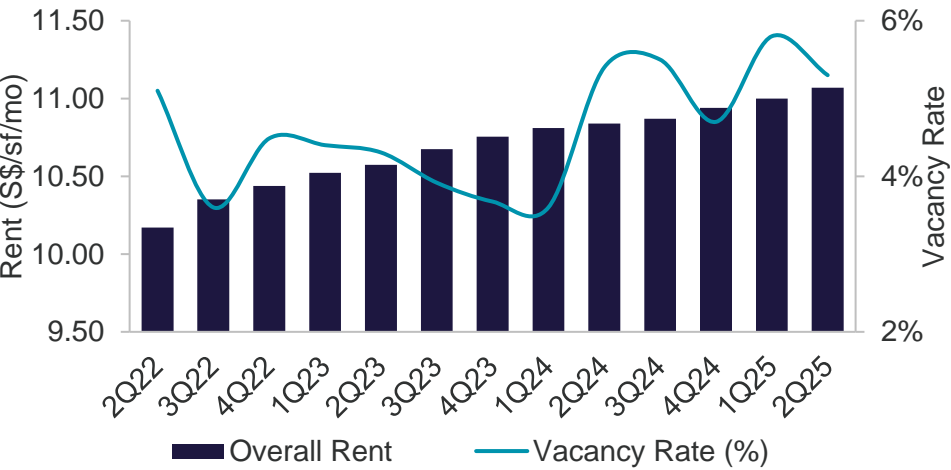
Decentralised office rents across all grades rose 0.2% qoq in Q2 2025, driven mainly by grade A developments. However, rental growth was more subdued as decentralised office vacancy rates edged up to 7.2% in Q2 2025, from 6.7% in the previous quarter, with key office occupiers generally still favouring the CBD.

LIMITED NEW SUPPLY TO SUPPORT RENT LEVELS

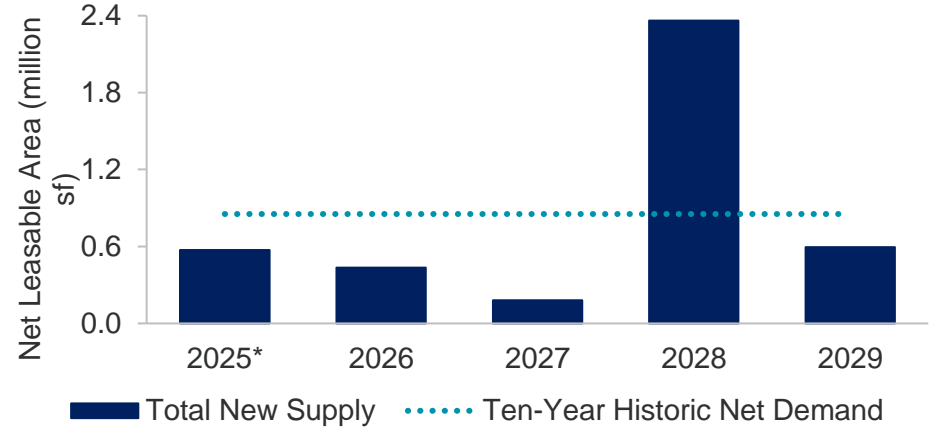
Barring a sharp economic downturn, landlords of Grade A office buildings in the CBD are likely to hold firm on asking rents, supported by limited upcoming supply. No new CBD Grade A completions are expected in H2 2025, and annual new supply over the next two years is projected at 0.3 million sf (msf), only one-third of the historical annual net demand of 0.9 msf. While CBD Grade A supply will rise to around 2.4 msf in 2028, about one-third of these spaces is expected to be pre-committed.

A tight supply pipeline is expected to support moderate office rental growth in 2025, even as global uncertainties weigh on demand. That said, the current economic uncertainties may extend the leasing period for vacant office space, as occupiers facing ongoing capital expenditure (CapEx) constraints adopt a more cautious approach to decision-making. Landlords offering flexible solutions, such as fitted-out units, will remain better positioned in the current market.

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	565,638	5.5%	0	12.77	9.90	8.61
Raffles Place	8,211,984	327,577	4.0%	360,000	11.26	8.74	7.60
Shenton Way / Tanjong Pagar	5,433,619	634,374	11.7%	1,091,000	10.77	8.36	7.26
City Hall / Marina Centre	4,899,772	92,239	1.9%	0	10.80	8.38	7.29
Orchard Road	2,981,632	70,833	2.4%	1,091,000	9.74	7.55	6.57
Bugis	1,997,172	67,170	3.4%	779,000	11.45	8.88	7.72
CBD GRADE A TOTAL	33,766,593	1,757,831	5.2%	3,571,000	11.07	8.59	7.46
City Fringe (All Grades)	8,362,730	630,392	7.5%	575,000	7.54	5.84	5.08
Suburban (All Grades)	6,610,924	449,980	6.8%	973,000	6.28	4.87	4.23

*Gross Effective Rents are after adjustments for any incentives
US\$/S\$ = 1.289; €/S\$ = 1.483, as of 23 June 2025

RECENT KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Marina One East Tower	Marina Bay	Singlife	73,000	Relocation
Marina One East Tower	Marina Bay	Bank of NY Mellon (BNY)	53,000	Relocation
Capital Square	Raffles Place	Quantedge Capital	30,000	Relocation
Marina One East Tower	Marina Bay	Murex Southeast Asia	28,000	Relocation
Ocean Financial Centre	Raffles Place	AirTrunk Singapore	24,000	Relocation
Prudential Tower	Raffles Place	QCP Capital	11,000	Relocation

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (\$M)
South Beach (50.1% interest)	City Hall	City Developments Ltd / IOI Properties Group Berhad	1,377.8*
108 Robinson Road (8, 11 and 12 FL)	Shenton Way	PGIM Real Estate / Kwan Im Thong Hood Cho Temple	55.8
SGX Centre 2 (28 and 29 FL)	Shenton Way	SP Tao / Undisclosed	39.5

*IOIPG will acquire CDL’s 50.1% interest in the development, based on an agreed property value of S\$2.75 billion on a 100% interest basis

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