MARKETBEAT
SINGAPORE
OFFICE Q3 2025

CBD GRADE A OFFICE

	YOY Chg	Outlook
4.7% Vacancy Rate	▲	▼
S$11.13 Gross Effective Rent, PSF/mo	▲	▲
0.5% Rental Growth, QoQ change	▲	▲

ECONOMIC INDICATORS Q2 2025

	YOY Chg	Outlook
4.4% Real GDP Growth	▲	▼
0.8% Inflation Growth	▼	▲
2.1% Unemployment	▲	▬

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

CAUTIOUS OPTIMISM

Singapore's economy is now expected to grow by 1.5-2.5% (upgraded from 0-2%) in 2025, supported by front-loaded exports ahead of anticipated US tariff hikes. The city's GDP growth could moderate in H2 as higher US tariffs take effect and their full impact spreads through the global economy. That said, there are encouraging signs: interest rates have eased, inflation concerns have receded and Singapore benefits from one of the lowest US tariff rates in the Asia-Pacific region. These improving economic conditions could reinforce occupier confidence, paving the way for more decisive expansion plans.

RENTS STEADY AMIDST LOWER VACANCIES

CBD Grade A office rents continued to rise 0.5% qoq in Q3 2025, driven largely by tighter supply as vacancy tightened to 4.7% from 5.2% in Q2. Faced with CapEx constraints, many occupiers have continued to favour renewals rather than relocations. Amid constrained availability and CapEx pressures, firms have been turning to flexible solutions such as short-term leases or plug-and-play fitted-out offices, which often carry higher rates.

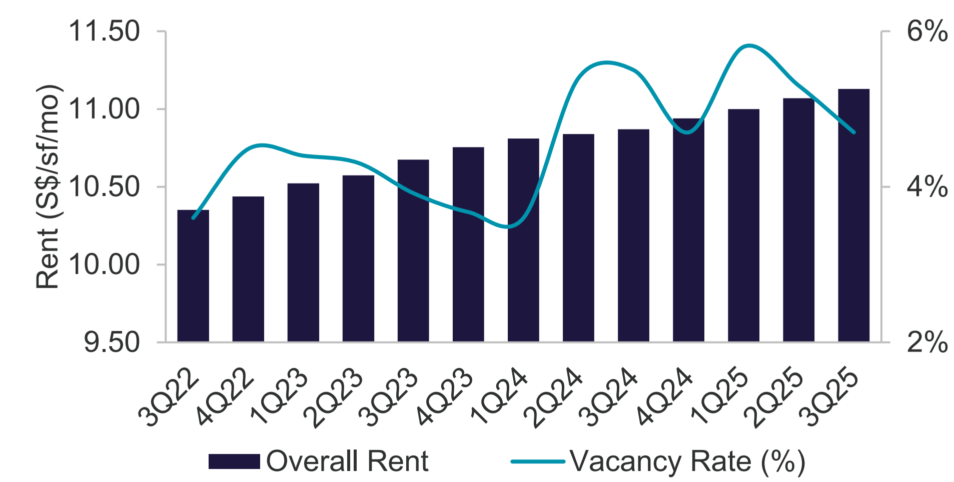
We remain optimistic that relocation activity will pick up over the next 12 months, supported by rising occupier confidence. This momentum is expected to be driven by a continued flight to quality, as well as displacement demand stemming from office redevelopments. CBD Grade A office net absorption remained healthy at 197,000 sf in Q3, following 185,000 sf in Q2.

Decentralised all-grades office rents inched up just 0.1% qoq in Q3 2025 despite vacancy falling to 5.3% from 7.2%. With vacancies easing, decentralised office rents are expected to grow at a faster rate.

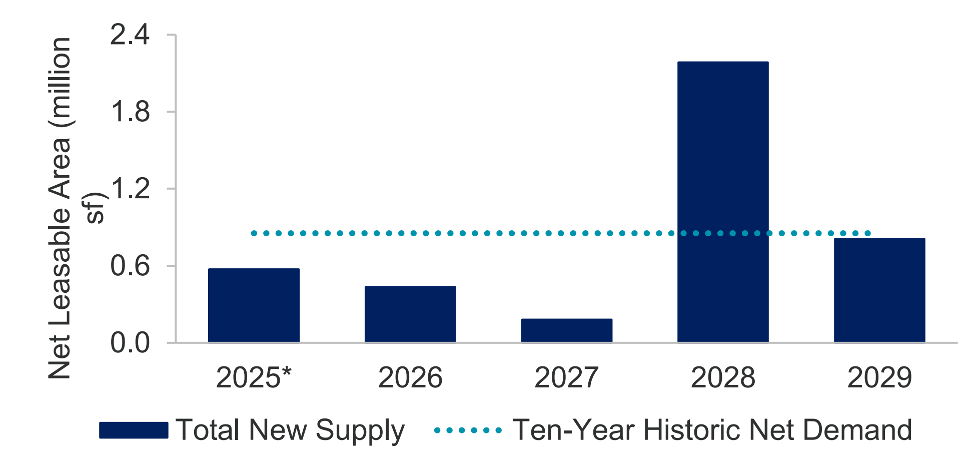
TIGHT SUPPLY CONDITIONS

Rents for CBD Grade A offices are expected to rise into 2026 as flight to quality persists and supply tightens further. New CBD Grade A office supply over 2026-2027 will total about 0.6 million sf (msf), limited to the expected completions of Shaw Tower in mid-2026 and Newport Tower in 2027, with roughly 22% of this total already under offer. This total supply translates to an annual average of 0.3 msf, only around one-third of historical net demand. Meanwhile, CBD Grade A shadow office space declined to 93,000 sf in Q3 2025, a nine-year low, reinforcing the scarcity of quality office space.

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	526,612	5.1%	0	12.84	9.92	8.51
Raffles Place	8,211,984	323,456	3.9%	360,000	11.31	8.74	7.49
Shenton Way / Tanjong Pagar	5460780	551882	10.1%	1,091,000	10.85	8.38	7.18
City Hall / Marina Centre	4,899,772	88,114	1.8%	0	10.87	8.40	7.20
Orchard Road	2,981,632	46,908	1.6%	1,091,000	9.77	7.54	6.47
Bugis	1,997,172	50,989	2.6%	779,000	11.47	8.86	7.60
CBD GRADE A TOTAL	**33,793,754**	**1,587,961**	**4.7%**	**3,571,000**	**11.13**	**8.59**	**7.37**
City Fringe (All Grades)	8,362,730	583,644	7.0%	575,000	7.54	5.82	4.99
Suburban (All Grades)	6,610,924	208,717	3.2%	973,000	6.28	4.85	4.16

**Gross Effective Rents are after adjustments for any incentives*
US$/S$ = 1.295; €/S$ = 1.510, as of 26 Sep 2025

RECENT KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	TYPE
IOI Central Boulevard Towers	Marina Bay	MSD	67,000	Relocation
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Labrador Tower	Harbourfront	Comfort Delgro	22,000	Relocation
Keppel South Central	Tanjong Pagar	Competition and Consumer Commission of Singapore	20,000	Relocation
Collyer Quay Centre	Raffles Place	DP World Asia Pacific	19,000	Expansion

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (S$M)
CapitaSpring (55% interest in office and retail component)	Raffles Place	CapitaLand Development and Mitsubishi Estate Co., Ltd / CapitaLand Integrated Commercial Trust	1,045
Jem (office component)	Jurong	Lendlease Global Commercial / Keppel	462
Lian Huat Building	Tanjong Pagar	Lian Huat Group JV Kho Choon Keng / Apricot Capital JV Eric Low JV The Assembly Place	90

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