

**CBD GRADE A OFFICE**

	YOY Chg	Outlook
<b>4.1%</b> Vacancy Rate	▲	▼
<b>\$11.36</b> Gross Effective Rent, PSF/mo	▲	▲
<b>1.4%</b> Rental Growth, QoQ change	▲	▲

**ECONOMIC INDICATORS Q4 2025**

	YOY Chg	Outlook
<b>5.0%*</b> Real GDP Growth	▲	▼
<b>1.2%</b> Inflation Growth	▼	▲
<b>2.0%</b> Unemployment	▲	▼

Source: Ministry of Trade & Industry (MTI), Moody's Analytics  
\* Real GDP Growth for the whole of 2025. The remaining indicators are as of Q4 2025.

**NAVIGATING CHOPPY WATERS**

Singapore's economic growth may come in at the lower end of the initial 2.0-4.0% forecast for 2026, amid heightened uncertainty surrounding energy prices following the escalation of conflict in the Middle East. A prolonged rise in energy costs could exert upward pressure on inflation, potentially slowing or reversing the pace of anticipated interest-rate cuts. While Singapore's safe-haven status is expected to continue attracting investors and occupiers, some businesses may adopt a more cautious stance and defer decision-making until greater clarity emerges on geopolitical developments.

**RENTS ROSE ON SUSTAINED DEMAND**

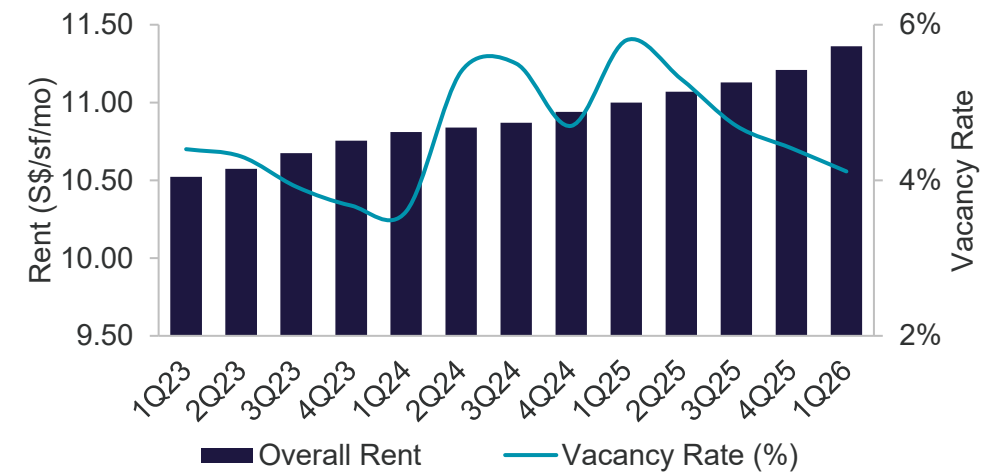
CBD Grade A office rents rose 1.4% qoq in Q1 2026 amidst a tightened supply and sustained flight-to-quality demand landscape. CBD Grade A office vacancy rates fell to 4.1% in Q1 2026 from 4.4% in Q4 2025. Marina Bay led office net demand in the CBD and drove 0.1 msf of CBD Grade A net demand, driven by backfilling activity at Marina Bay Financial Centre. Vacancy rates edged lower across most CBD Grade A developments, reinforcing the persistence of the flight-to-quality trend as occupiers continue to gravitate towards newer, higher-specification assets.

**RENTS TO HOLD AMIDST HIGH UNCERTAINTIES**

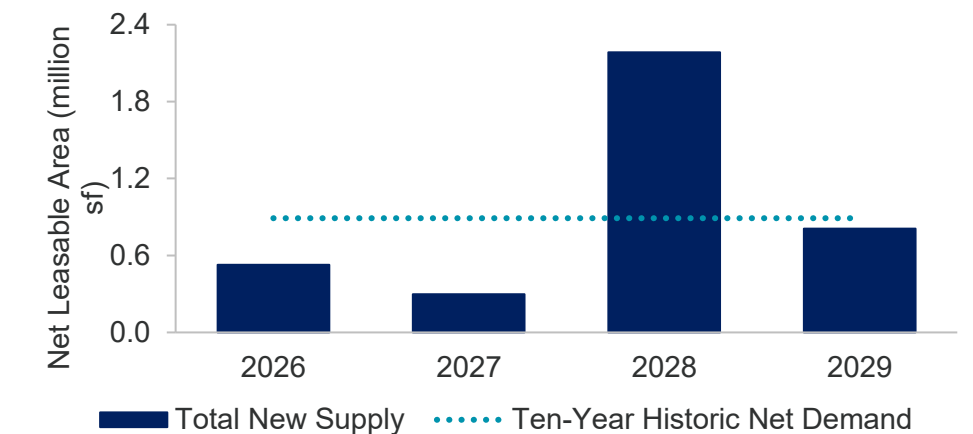
Given ongoing global uncertainty, office demand might moderate in the near term as some occupiers defer decision making. However, the city's structurally tight office supply is expected to underpin CBD Grade A rent levels. New CBD Grade A completions will average just 0.4 msf annually in 2026-2027, well below the 10-year net demand of 0.9 msf. Against this backdrop, CBD Grade A vacancy rates are expected to fall below 4.0% by the end of 2026.

Also, a prolonged increase in energy prices would have inflationary effects across the market over the longer term. With higher energy costs, building operating costs would increase and might prompt building owners to raise service charges. Excluding the anticipated supply surge in 2028, Grade A office completions are expected to remain limited through to 2030. Against this backdrop of constrained supply, occupiers seeking large, contiguous Grade A office spaces may need to adopt a more proactive and forward-looking approach to real estate portfolio planning to secure their preferred 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	243,063	2.4%	0	13.10	10.15	8.85
Raffles Place	8,217,984	387,455	4.7%	360,000	11.43	8.86	7.72
Shenton Way / Tanjong Pagar	4,536,765	471,773	10.4%	1,131,000	10.98	8.51	7.42
City Hall / Marina Centre	4,899,772	144,808	3.0%	0	11.22	8.70	7.58
Orchard Road	2,981,632	58,753	2.0%	913,000	10.07	7.80	6.80
Bugis	1,677,778	33,464	2.0%	994,000	12.09	9.36	8.16
<b>CBD GRADE A TOTAL</b>	<b>32,556,345</b>	<b>1,339,316</b>	<b>4.1%</b>	<b>3,357,000</b>	<b>11.36</b>	<b>8.80</b>	<b>7.67</b>
City Fringe (All Grades)	7,897,775	285,402	3.6%	575,000	7.81	6.05	5.27
Suburban (All Grades)	6,610,924	171,889	2.6%	370,000	6.48	5.02	4.38

\*Gross Effective Rents are after adjustments for any incentives  
US\$/S\$ = 1.291; €/S\$ = 1.480, as of 31 Mar 2026

RECENT KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Marina One West Tower	Marina Bay	ANZ	65,000	Relocation
South Beach Tower	City Hall	ServiceNow	47,000	Relocation
Marina One West Tower	Marina Bay	Howden	35,000	Relocation
Asia Square Tower 1	Marina Bay	Alvarez & Marsal	18,000	Relocation
Suntec Tower 3	City Hall	IQVIA	14,500	Relocation
Marina Bay Financial Centre Tower 1	Marina Bay	Nscale	11,000	New lease

KEY SALES TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (S\$M)
Asia Square Tower 1	Marina Bay	Qatar Investment Authority / Hongkong Land JV APG Group (SCPREF)	4,100*
78 Shenton Way	Shenton Way	PGIM Real Estate OBO QuadReal / Allgreen Properties	~600
158 Cecil Street	Shenton Way	Denis Jen / Altallo Asset Management	175

\* Asia Square Tower 1 injected into the Singapore Central Private Real Estate Fund (SCPREF); seller retained indirect stake via the fund.

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