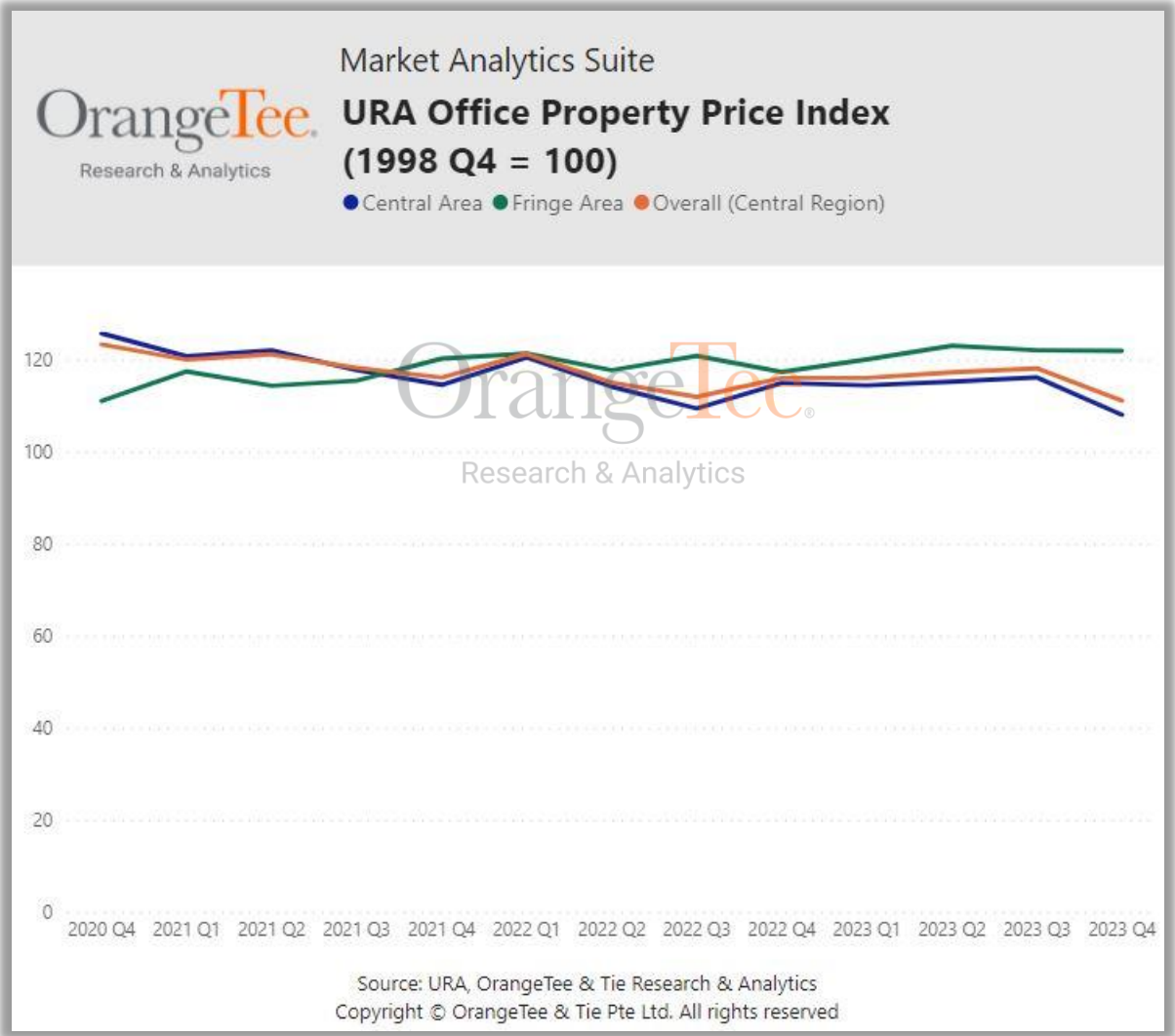




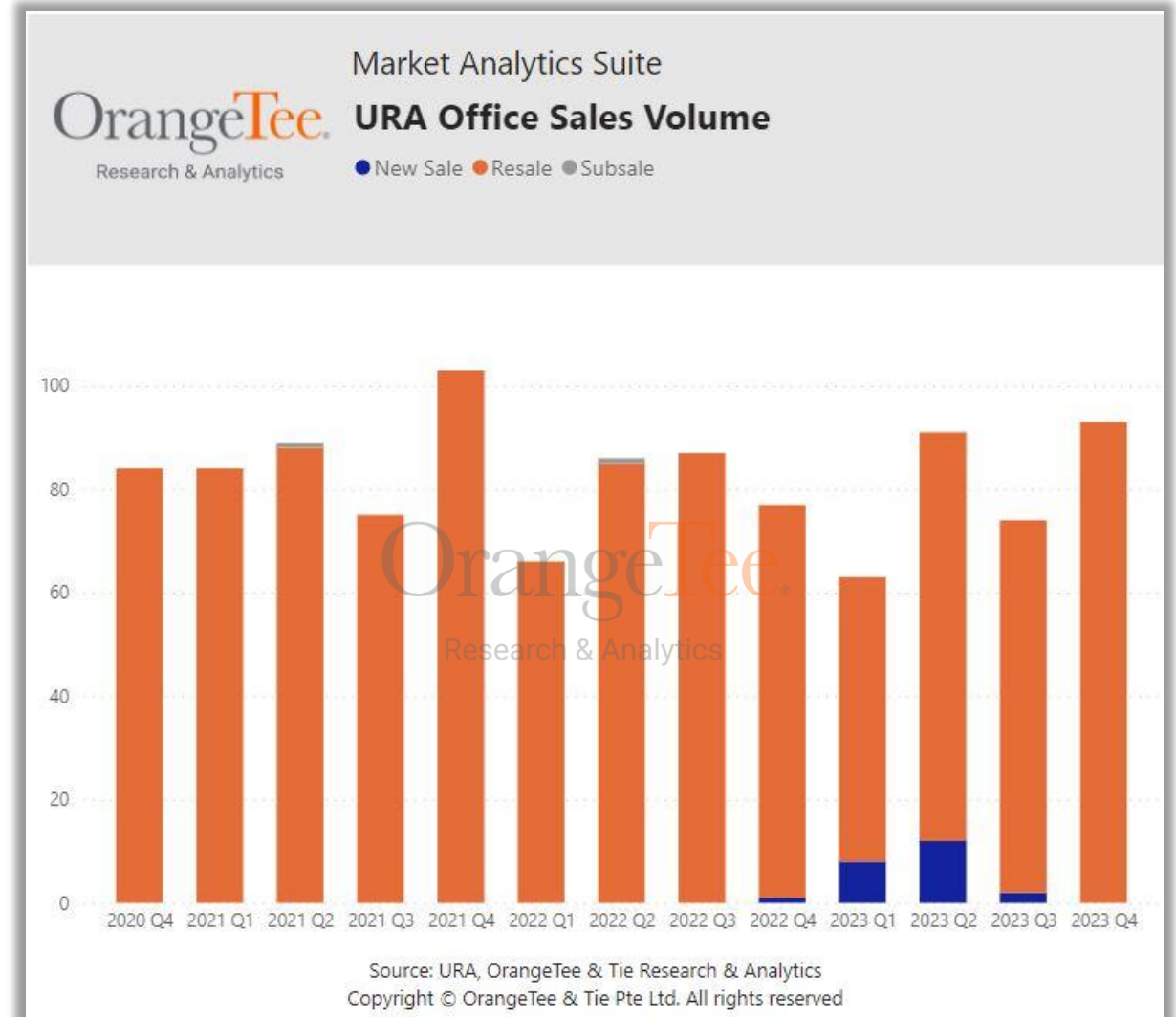
OrangeTee¹

Research & Analytics

**ANALYTICS
ON THE GO**
Office Q4 2023



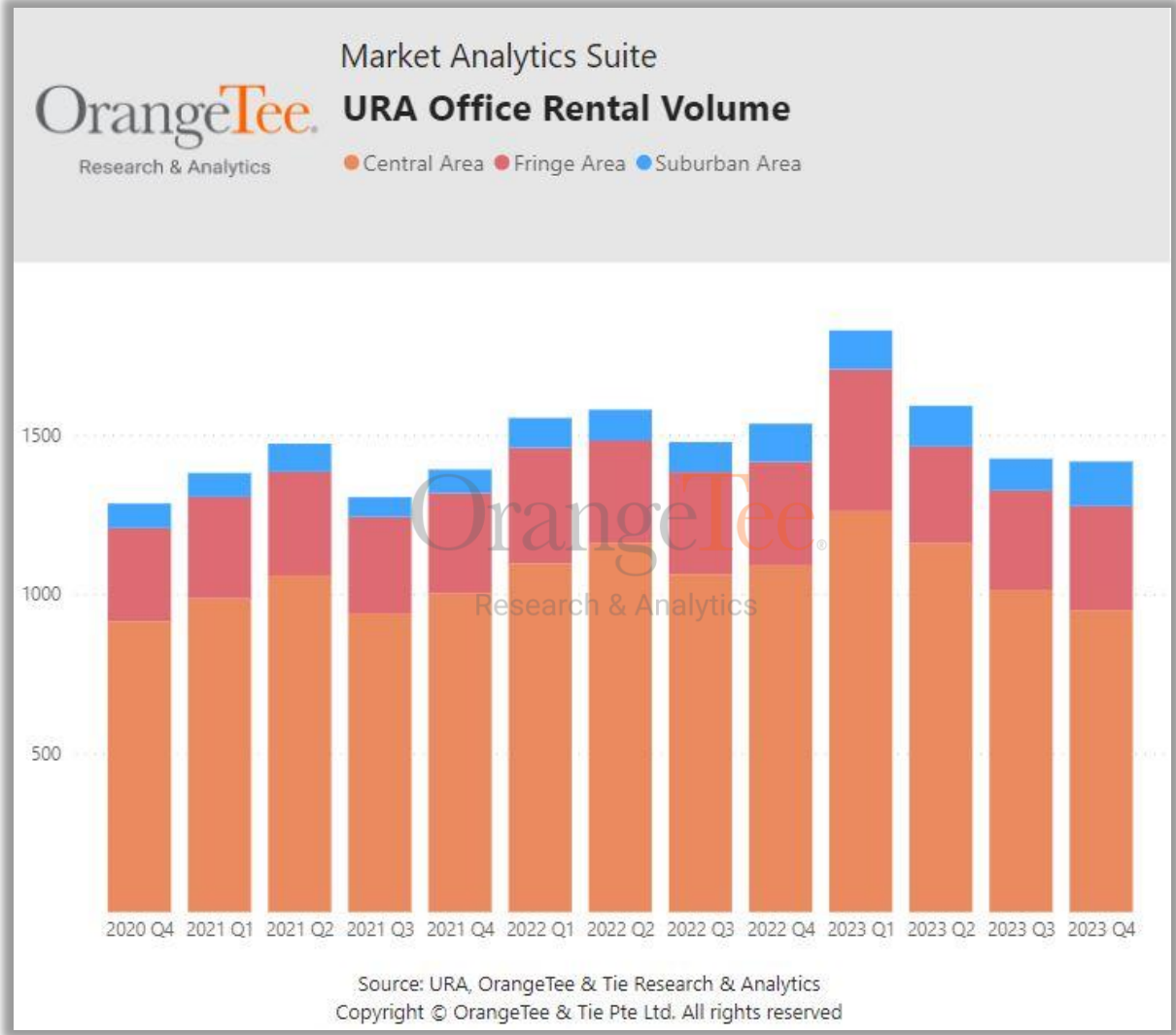
Overall office prices plummeted 5.9% q-o-q to 111.1 last quarter from 118.1 in Q3 2023 as office owners and investors reassessed and lowered the appraised values of office assets to better align with their market values.



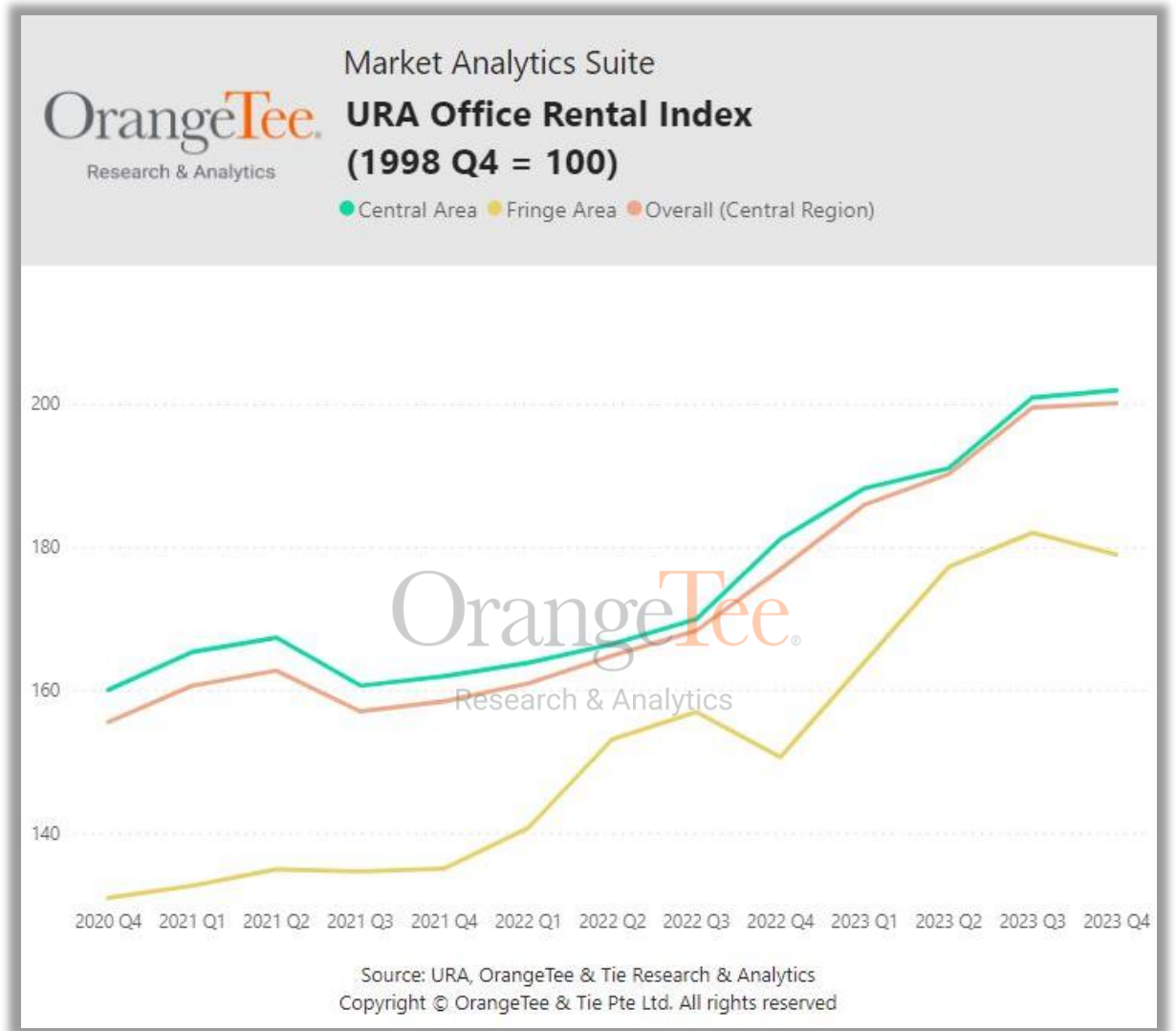
Overall sales volume rebounded by 25.7% from 74 units in Q3 2023 to 93 units in Q4 2023. All 93 transactions are resale units while there are no new office sales last quarter.

S/N	Project Name	Address	Area (SQFT)	Transacted Price (\$)	Unit Price (\$PSF)
1	Shenton House	3 Shenton Way	36,250	538,000,000	NA
2	VisionCrest	103 Penang Road (10 units)	149,652	426,925,530	2,853
3	Suntec City	8 Temasek Boulevard #44-01/02	10,312	36,226,000	3,513
4	Suntec City	8 Temasek Boulevard #16-02	4,779	14,575,950	3,050
5	Samsung Hub	3 Church Street #10-04	3,186	12,493,433	3,921
6	Samsung Hub	3 Church Street #10-01	2,906	11,395,455	3,921

Estimated total sales value in Q4 2023 rose by 345.1% q-o-q to \$1.21 billion from \$271.4 million in the preceding quarter. The biggest contribution came from the enbloc sale of Shenton House for \$538 million. This is followed by a bulk sale at VisionCrest, where the office component amounted to a total of \$426.9 million (Table 1). Other major sales include two units at Suntec City and two units at Samsung Hub which changed hands for \$36.2 million, \$14.6 million, \$12.5 million and \$11.4 million respectively.



Fewer leasing contracts were signed in Q4 2023 as rental volume fell by 0.6% q-o-q to 1,416 units from 1,425 units in Q3 2023. Occupiers were still optimizing their current office spaces or right-sizing to lower overhead costs.



Overall office rents grew at a slower rate of 0.3% q-o-q last quarter compared to a 4.9% growth in Q3 2023. Office rents in the Central Area also grew slower by 0.5% q-o-q to 201.9. Conversely, office rents in the Fringe Area fell by 1.7% q-o-q to 178.9.

Quarter	Category 1*		Category 2**	
	Median Rental (\$PSF PM)	Q-o-Q % Change	Median Rental (\$PSF PM)	Q-o-Q % Change
Q3 2022	\$10.66	5.6%	\$5.57	3.0%
Q4 2022	\$10.75	0.8%	\$5.70	2.3%
Q1 2023	\$10.77	0.2%	\$5.80	1.8%
Q2 2023	\$11.49	6.7%	\$6.19	6.7%
Q3 2023	\$11.22	-2.3%	\$5.91	-4.5%
Q4 2023	\$11.52	2.7%	\$6.04	2.2%

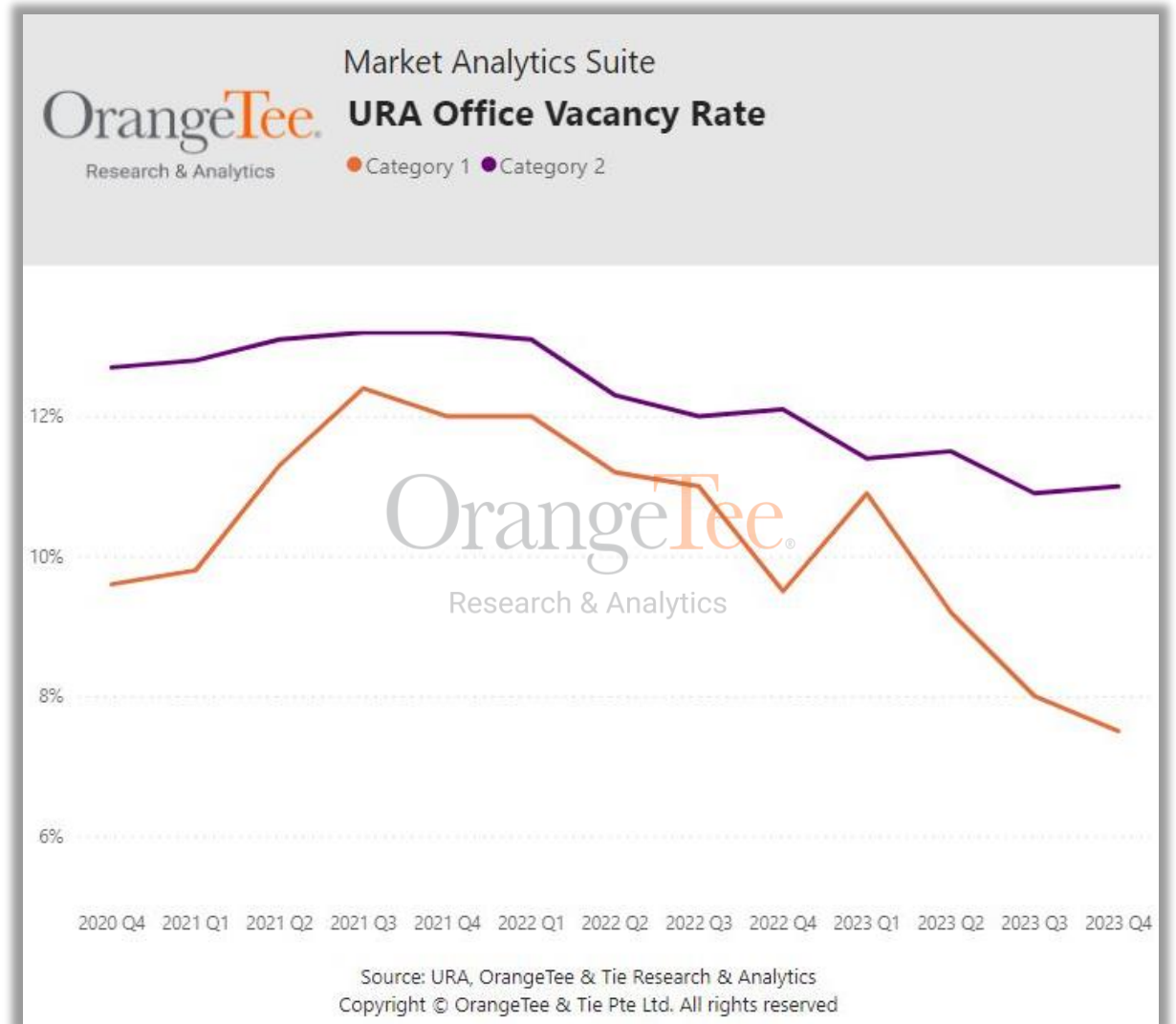
*Category 1 offices are those located in core business areas in Downtown Core & Orchard planning areas/ relatively modern or recently refurbished

**Category 2 offices are the remaining offices not under Category 1

In Q4 2023, median rentals for Category 1 and 2 offices both increased by 2.7% q-o-q to \$11.52 psf pm and by 2.2 % q-o-q to \$6.04 psf pm respectively.



The overall available space marginally rose by 2,000 sqm last quarter. The vacant office stock, however, saw the lowest record of 800,000 sqm since Q4 2016.



The vacancy rate for Category 1 office dipped further in Q4 2023 to 7.5% from 8% in Q3 2023. However, the vacancy rate increased slightly to 11% from 10.9% over the same period.

OrangeTee Market Summary

Office Market

Office Market Summary

Indicators	2021 y-o-y	2022 y-o-y	2023 y-o-y	Q3 2023 q-o-q	Q4 2023 q-o-q
Price Index (% Change)					
Overall (Central Region)	-5.8%	-0.1%	-4.2%	0.8%	-5.9%
Central Area	-8.9%	0.3%	-6.0%	0.8%	-7.0%
Fringe Area	8.3%	-2.4%	3.9%	-0.8%	-0.1%
Sales Volume (Units)					
Total Sale (New Sales + Resale + Sub-sale)	351	316	321	74	93
New Sale	0	1	22	2	0
Resale	350	314	299	72	93
Rental Index (% Change)					
Overall (Central Region)	1.9%	11.7%	13.1%	4.9%	0.3%
Central Area	1.2%	11.9%	11.5%	5.2%	0.5%
Fringe Area	3.1%	11.6%	18.8%	2.7%	-1.7%
Rental Volume (Units)					
Overall	5,547	6,144	6,260	1,425	1,416
Central Area	3,987	4,407	4,384	1,014	949
Fringe Area	1,261	1,332	1,386	311	327
Suburban Area	299	405	490	100	140

Source: URA, OrangeTee & Tie Research & Analytics

Thank You

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