



OrangeTee
Research & Analytics

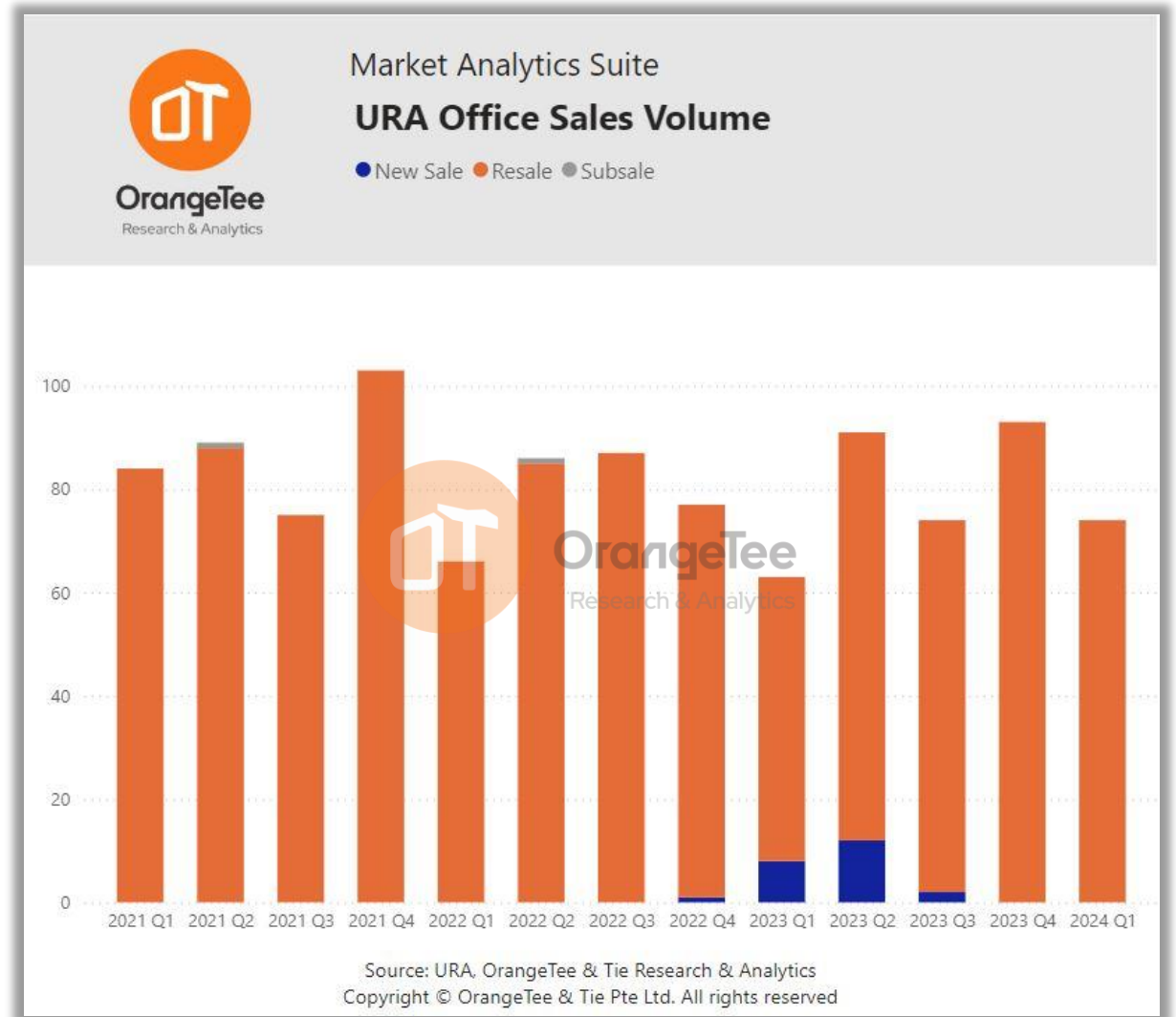
ANALYTICS ON THE GO

Office Q1 2024



Office Price Index

Office prices dipped by 1.2% q-o-q to 109.8 last quarter from 111.1 in Q4 2023. Persistently high interest rates have led investors to prioritize refinancing or reducing their debts to manage high costs, rather than taking up new investments.



Overall sales volume fell by 20.4% from 93 units in Q4 2023 to 74 units in Q1 2024. All 74 transactions are resale units while there were no new office sales last quarter.

S/N	Project Name	Address	Area (SQFT)	Transacted Price (\$)	Unit Price (\$PSF)
1	Vision Exchange	2 Venture Drive (17 units)	14,015	33,322,000	NA
2	Vision Exchange	2 Venture Drive (13 units)	10,775	25,656,000	NA
3	GB Building	143 Cecil Street (4 units)	5,425	10,741,500	NA

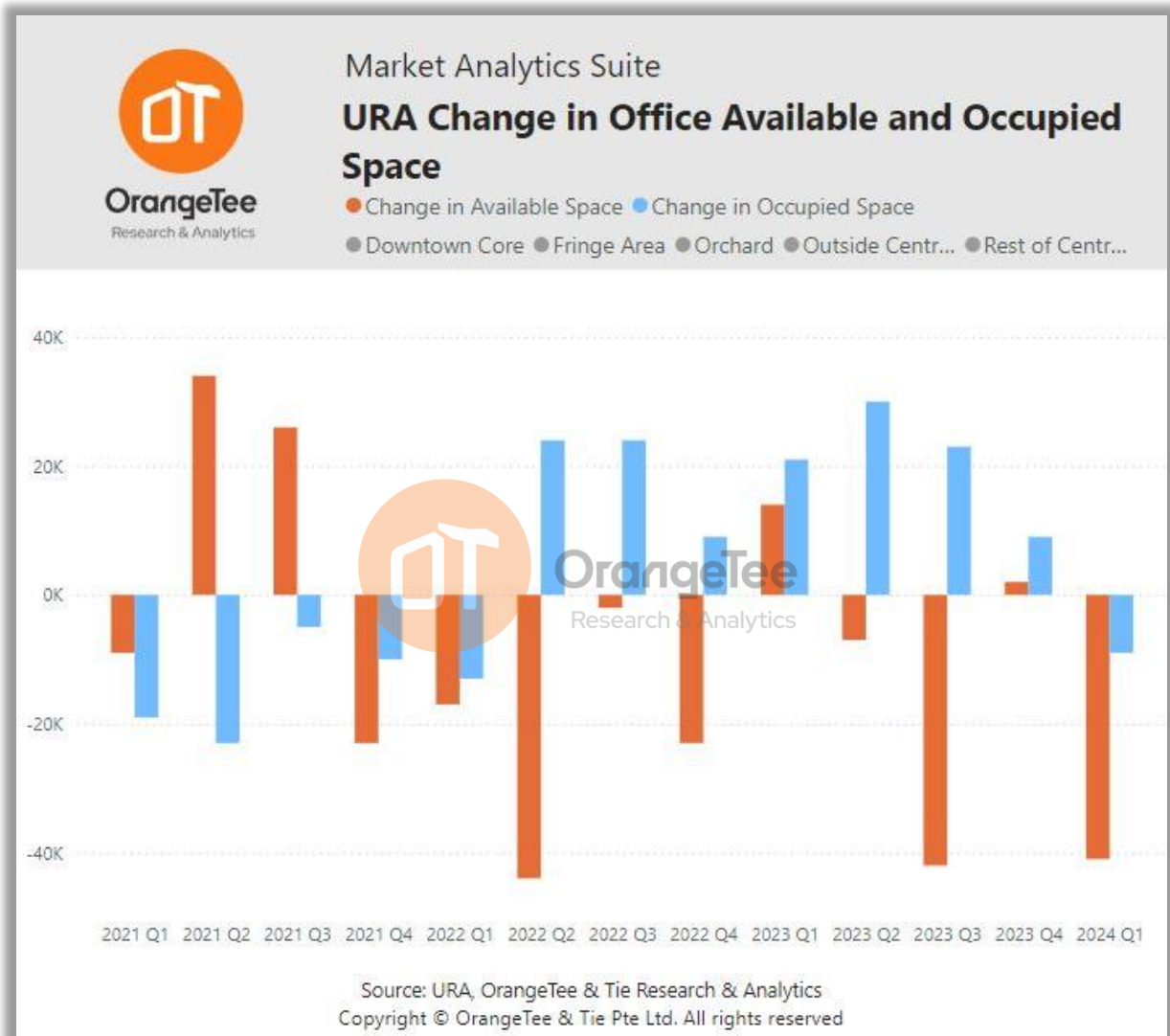
Estimated total sales value in Q1 2024 fell by 83.9% q-o-q to \$195.2 million from \$1.21 billion in the preceding quarter. The top contributors came from 2 bulk sales on the 21st floor of Vision Exchange and were sold for \$33.3 million and \$25.7 million respectively. This is followed by another bulk sale on the 8th floor of GB Building, which changed hands for \$10.7 million.



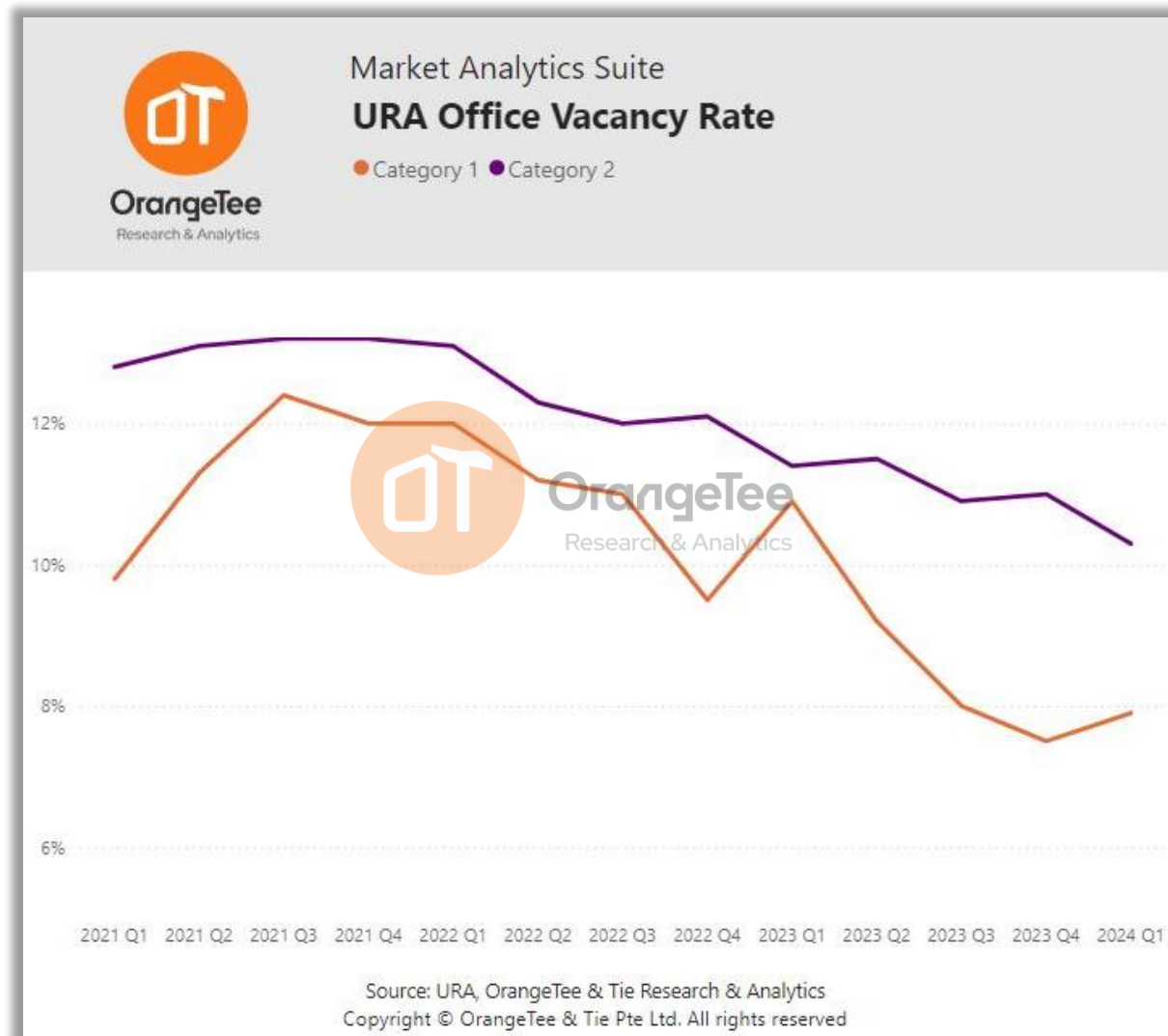
More rental contracts were signed in Q1 2024 as rental volume rose by 9.2% q-o-q to 1,547 units from 1,417 units in Q4 2023. In view of the high borrowing costs, occupiers may have settled for office spaces that met their minimum quality requirements, especially near or within the Central Area.



Office rents experienced a decline of 1.7% q-o-q after nine consecutive quarters of growth. Office rents in the Central Area and the Fringe Area also fell by 1.5% and 2.4% q-o-q respectively.



A significant drop in the overall available space by 41,000 sqm was observed last quarter. This was likely due to the removal of some offices which were scheduled for redevelopment plans. The vacant office stock hit a new low of 768,000 sqm since Q2 2016.



The vacancy rate for Category 1 office marginally increased in Q1 2024 to 7.9% from 7.5% in Q4 2023. However, the vacancy rate for Category 2 offices dipped slightly to 10.3% from 11% 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	Q4 2023 q-o-q	Q1 2024 q-o-q
Price Index (% Change)					
Overall (Central Region)	-5.8%	-0.1%	-4.2%	-5.9%	-1.2%
Central Area	-8.9%	0.3%	-6.0%	-7%	-1.1%
Fringe Area	8.3%	-2.4%	3.9%	-0.1%	-1.4%
Sales Volume (Units)					
Total Sale (New Sales + Resale + Sub-sale)	351	316	321	93	74
New Sale	0	1	22	0	0
Resale	350	314	299	93	74
Rental Index (% Change)					
Overall (Central Region)	1.9%	11.7%	13.1%	0.3%	-1.7%
Central Area	1.2%	11.9%	11.5%	0.5%	-1.5%
Fringe Area	3.1%	11.6%	18.8%	-1.7%	-2.4%
Rental Volume (Units)					
Overall	5,547	6,144	6,261	1,417	1,547
Central Area	3,987	4,407	4,385	950	1,050
Fringe Area	1,261	1,332	1,386	327	380
Suburban Area	299	405	490	140	117

Source: URA, OrangeTee & Tie Research & Analytics

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