



Realion Stock Image Of CBD

Q4 2025 Office

CBD reinforces position as business
core in Q4 2025

At A Glance

Office | Q4 2025

QoQ Change

YoY Change

CBD Grade A Rents: **S\$9.80 psf**

0.0%

0.0%

Occupancy Rate: **95.1%**

▲ 0.3%

▲ 0.3%

Shadow Space: **432,000 sq ft**

▲ 2.3%

▼ -1.0%

Supply Pipeline: **5.9 million sq ft (2026 to 2030)**

Rental Trend | Premium rents rise on increased demand

- Office rental growth in Singapore's Central Region grew marginally in Q4 2025, with leasing activity largely driven by renewal contracts amid limited new demand.
- According to data from the Urban Redevelopment Authority (URA), the office rental index in the Central Region rose by 0.4 per cent quarter-on-quarter (q-o-q) in Q4 2025 (Figure 1).
- On a full-year basis, Central Region office rents saw marginal growth of 0.3 per cent in 2025, an increase from the 0.0 per cent in 2024.
- Similarly, the Central Area office rental index increased by 0.4 per cent q-o-q, tracking closely to the broader Central Region.
- Based on our tracked baskets, Marina Bay Premium rents rose 0.4 per cent to S\$13.00 psf, while Grade A buildings in the Central Business District (CBD) remained relatively unchanged (Table 1).

Figure 1: Office rents tick upwards in Q4 2025

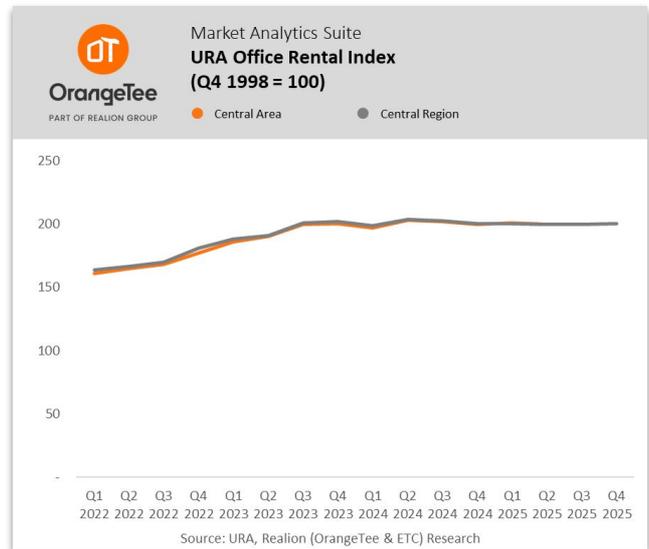


Table 1: Demand for CBD premium grade spaces drive rents

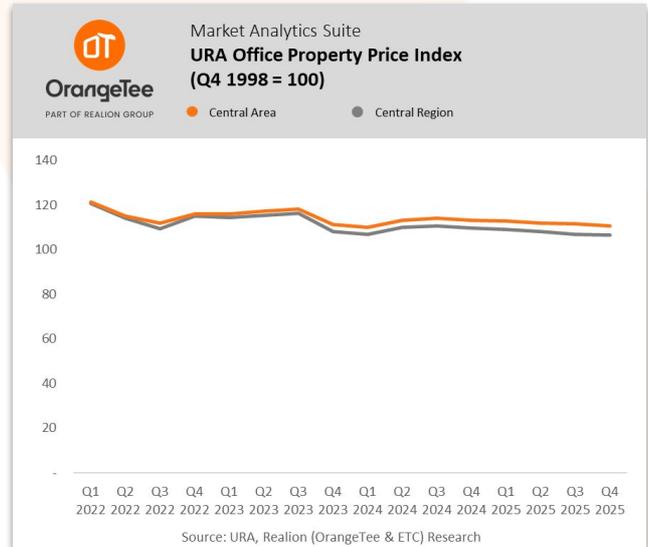
Selected CBD micro-market	Q3 2025	Q4 2025	Q-o-Q Change	Occupancy Rate
Marina Bay (Premium)	S\$12.95 psf	S\$13.00 psf	0.4%	96.4%
Raffles Place (Grade A)	S\$10.55 psf	S\$10.55 psf	0.0%	93.0%
Shenton Way/ Robinson Road/ Tanjong Pagar (Grade A)	S\$9.00 psf	S\$9.00 psf	0.0%	86.0%

Source: Realion (OrangeTee & ETC) Research

Price Trend | MBFC Tower 3 formed bulk of sales quantum

- URA's Central Region office property prices declined by a further 0.7 per cent q-o-q in Q4 2025, accelerating from the 0.2 per cent contraction recorded in Q3 2025 (Figure 2). On a full-year basis, the office property price index fell 2.1 per cent in 2025, reversing the 1.8 per cent increase achieved in 2024.
- A total of 73 transactions were recorded in Q4 2025, representing approximately S\$1.16 billion in total transaction quantum. In contrast, a total of S\$1.32 billion was transacted in Q3 2025, with large corporate sale and purchase agreements forming the bulk of total sales quantum.
- Notable transactions include the one-third stake of Marina Bay Financial Centre Tower 3 for S\$937.5 million, Rehav Building for S\$40 million, and Serangoon Building for S\$38.8 million.

Figure 2: Office property price index continues downtrend



Occupancy Rates | Flight to Quality

- Island-wide office occupancy rates rose marginally across all market segments in Q4 2025 (Figure 3) to 95.1 per cent, representing a 0.3 percentage point q-o-q rise and a net absorption of approximately 236,500 sq ft of office space. This increase marks the highest occupancy level recorded since Q1 2024.
- The improvement in occupancy was primarily driven by the CBD, where occupancy rose by 0.5 percentage points q-o-q to 94.3 per cent. A net absorption of 195,000 sq ft of office space supported the higher occupancy.

- Non-CBD areas of the Central Region recorded stable occupancy at 97.0 per cent alongside marginal negative net absorption. Meanwhile, decentralised areas saw occupancy rise to 94.7 per cent, reversing the previous quarter's decline.
- Office shadow spaces increased 2.3 per cent in Q4 2025, rising by approximately 432,000 sq ft NLA (Figure 4). CBD areas in particular saw a decline of 66,000 sq ft NLA of available shadow spaces, underscoring the preference for CBD area office spaces.

Figure 3: Island-wide occupancy driven by CBD area

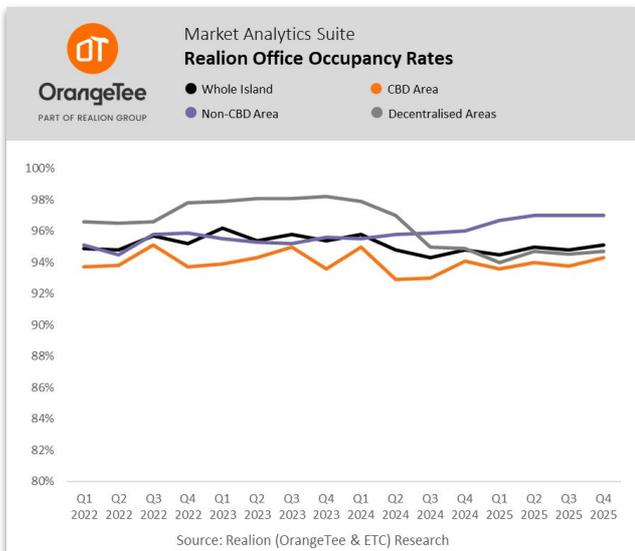
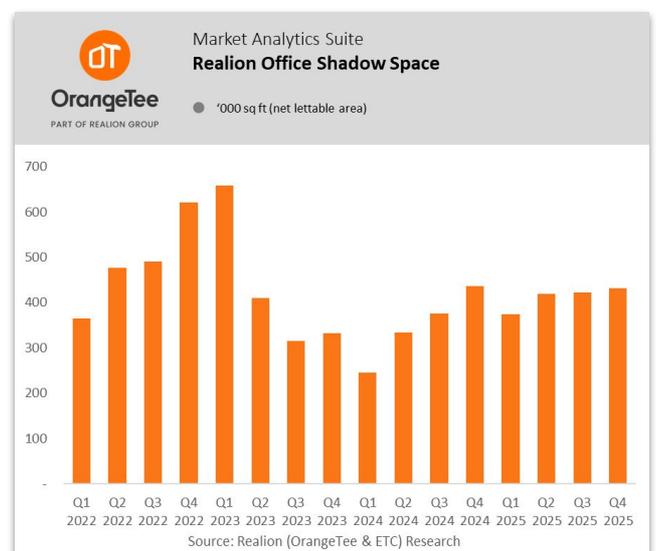


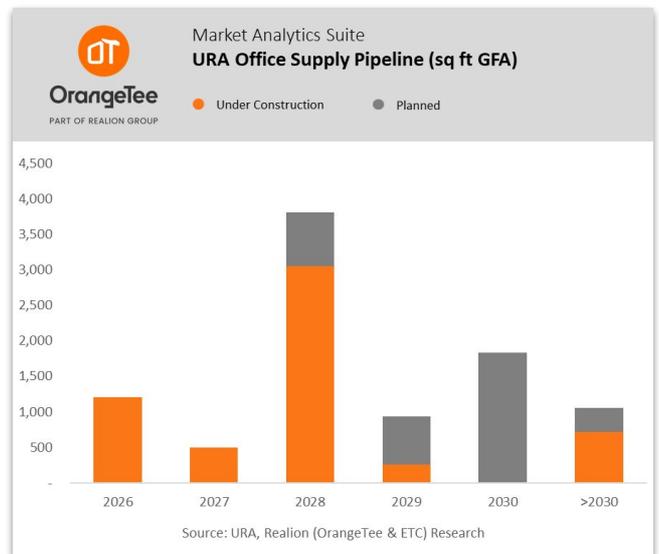
Figure 4: Shadows space inched higher in Q4 2025



Supply Pipeline | Awaiting new supply

- According to URA, office completions for 2026 and 2027 are expected to stay unchanged. On the other hand, the projected completions for 2028 were revised from 327,000 sq m as of Q3 2025 to 354,000 sq m as of Q4 2025, indicating that the completions of selected projects will be brought forward.
- Key ongoing developments in the Downtown Core comprises Shaw Towers, adding 477,000 sq ft of GFA in 2026; Newport Tower, to contribute 257,000 sq ft in 2027; and Solitaire on Cecil, The Skywaters, and Clifford Centre to collectively add 1.3 million sq ft in 2028.

Figure 5: Shaw Towers as main completion for 2026



Outlook | CBD Grade A office rents to rise by 3% to 4%

- Interest rates has declined in 2025, with consensus expectations that it will trough in 2026. The lower interest environment will support investment activity in the office sector. However, GDP growth is projected to be modest this year at 1 to 3 per cent, according to the Ministry of Trade and Industry.
- On the supply front, Shaw Tower is the only main completion for 2026, resulting in limited availability of large, contiguous floor plates. The tightness in supply is likely to shift rental pricing power in favour of landlords. With steady demand and constrained new supply, CBD Grade A office rents are projected to increase by approximately 3% to 4% in 2026.

Office Market Projection

Indicators	2023	2024	H1 2025	Q3 2025	Q4 2025	2025	Projection for 2026
CBD Grade A Rents	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3% to 4%
URA Price Index (Central Region)	-6.0%	1.6%	-1.2%	-0.2%	-0.7%	-2.1%	1% to 2%

A product by Realion (OrangeTee & ETC) Research

Source: URA, Realion (OrangeTee & ETC) Research



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