



Realion Research Stock Image

Q1 2026 Office

Sustained Flight-to-Quality Demand

At A Glance

Office | Q1 2026

QoQ Change

YoY Change

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

0.0%

0.0%

Occupancy Rate: **95.0%**

▼ 0.1 pp

▲ 0.5 pp

Shadow Space: **422,000 sq ft**

▼ 2.3%

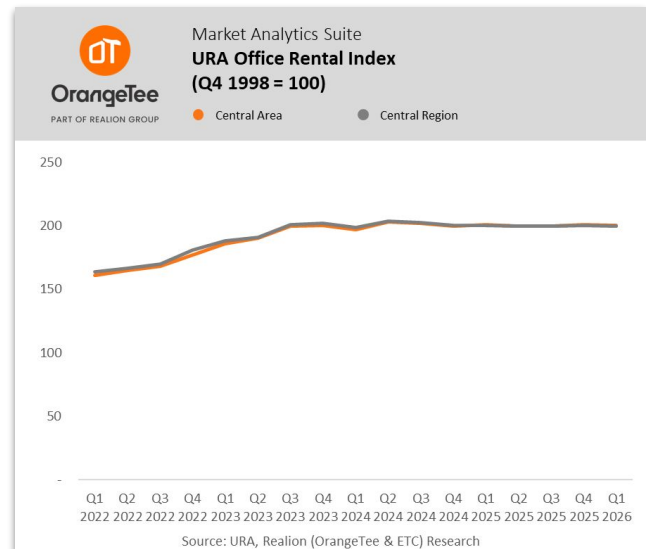
▲ 13.1%

Supply Pipeline: **6.0 million sq ft (2026 to 2030)**

Rental Trend | Declined marginally

Figure 1: Office rents dipped marginally

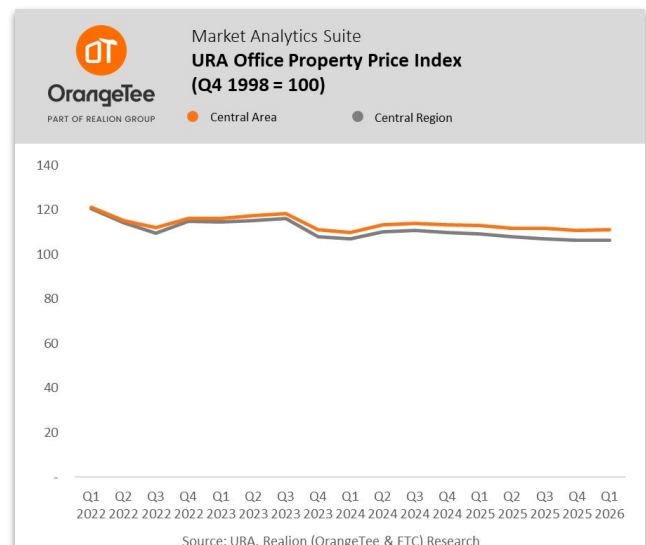
- Office rents in the Central Region have remained relatively stable during the first quarter of 2026. Based on URA's Central Region rental index, rents declined by 0.2 per cent quarter-on-quarter (q-o-q) in Q1 2026, reversing the 0.4 per cent increase in 4Q 2025. However, certain locales in the central area experienced marginal rental growth.
- Based on our tracked baskets, Marina Bay Premium rents rose 0.5 per cent to S\$13.05 psf, while rents for Grade A buildings in the Central Business District (CBD) remained relatively unchanged (Table 1).



Price Trend | Softer activity

- URA's Central Region office property prices rose marginally by 0.2 per cent q-o-q in Q1 2026, reversing from the 0.7 per cent contraction in the previous quarter (Figure 2). On a year-on-year (y-o-y) basis, the office property price index fell 1.8 per cent in Q1 2026.
- Based on URA caveats, a total of 65 transactions were recorded for the first quarter of 2026, amounting to approximately \$353 million in transaction quantum. The purchase of one office along Cecil Street, priced at \$175 million, was the priciest caveated transaction.

Figure 2: Office property prices rose marginally





Occupancy Rates | Flight to Quality

- Island-wide occupancy rates remained consistent with a slight decrease to 95.0 per cent in Q1 2026 from 95.1 per cent in Q4 2025 (Figure 3). This was accompanied by a negative net absorption of 46,000 sq ft NLA.
- A key driver contributing to the tight occupancy levels was the ‘flight-to-quality’ movements, where tenants increasingly favoured newer and better-quality spaces.
- As a result, strong occupancy rates were observed for the majority of premium offices in the central region, reaching at least 97.0 per cent in the reviewed quarter.
- Non-CBD areas of the Central Region recorded a slight increase in occupancy to 97.2 per cent in Q1 2026, supported by a positive net absorption of 40,000 sq ft NLA. In contrast, offices in decentralised areas experienced a decline in occupancy, easing to 93.7 per cent. This reversed the previous quarter’s increase.

Figure 3: Central Region occupancy rates remain high

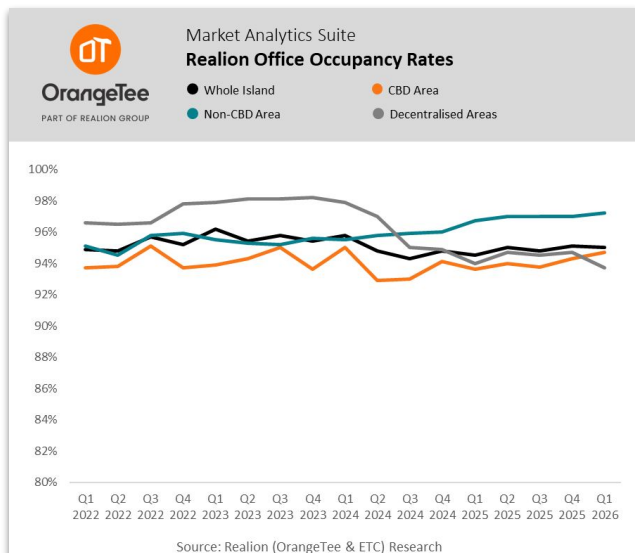
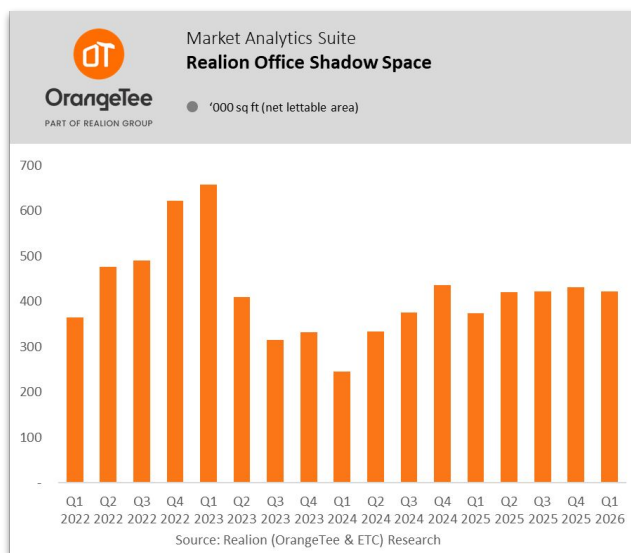


Figure 4: Shadows space dipped slightly in Q1 2026





Outlook

- Demand for higher-grade office space is expected to remain stable, buoyed by a lower interest rate environment that continues to underpin investment activity. Additionally, occupiers are expected to prioritise newer, higher-specification buildings to enhance workplace quality and corporate positioning, sustaining the flight-to-quality movements.
- On the supply side, new completions are anticipated to be highly limited, with Shaw Tower being the only major addition expected in Q2 2026. The tight supply pipeline is likely to shift rental pricing power towards landlords, supporting a gradual uptick in rents throughout the year.

Office Market Projection

Indicators	2023	2024	2025	Q4 2025	Q1 2026	Projection for 2026
CBD Grade A Rents	0.0%	0.0%	0.0%	0.0%	0.0%	3% to 4%
URA Price Index (Central Region)	-4.2%	1.8%	-2.1%	-0.7%	0.2%	1% to 2%

A product by Realion (OrangeTee & ETC) Research

Source: URA, Realion (OrangeTee & ETC) Research



A member of Realion Group

OrangeTee & Tie Pte Ltd

430 Lorong 6 Toa Payoh #01-01

OrangeTee Building

Singapore 319402

www.orangetee.com



For sales enquiries, speak with your preferred OrangeTee agent.

For research enquiries, kindly reach out to Realion (OrangeTee & ETC) Research below.



Christine Sun

Chief Researcher & Strategist

christine.sun@realion.com



Yuvana Mahendran

Assistant Manager

yuvanalakshmi.m@realion.com



Timothy Eng

Manager

timothy.eng@realion.com



Kenneth Tan

Senior Research Analyst

kenneth.tan@realion.com