
OrangeTee
A member of Realion Group

# Q2 2026
# Office

## Premium office relocations continue despite higher costs

A product by Realion (OrangeTee & ETC) Research

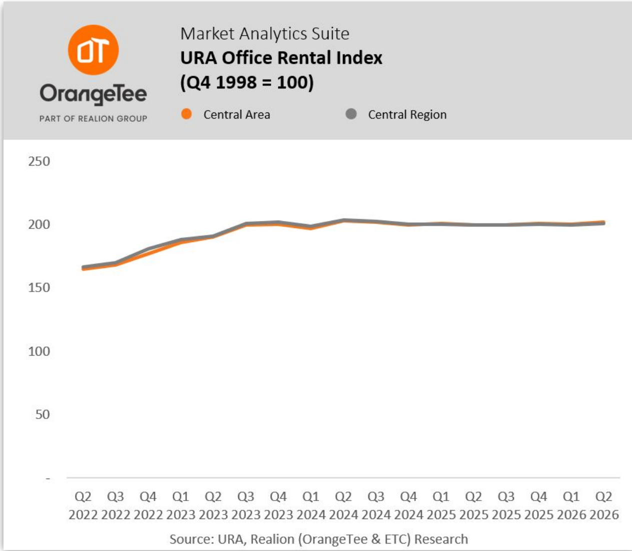
# At A Glance

| **Office** \| Q2 2026 | **QoQ Change** | **YoY Change** |
|---|---|---|
| CBD Grade A Rents: **S$9.80 psf** | ▬ 0.0% | ▬ 0.0% |
| URA Occupancy Rate: **89.0%** | ▼ 0.2 pp | ▲ 0.4 pp |
| URA Available Space: **8.2 million sq ft** | ▲ 0.2% | ▬ 0.0% |
| Supply Pipeline: **7.4 million sq ft (2026 to 2030)** | | |

## **Leasing Trend** | Rents picked up in Q2

- Office rents in the Central Region picked up in the second quarter of 2026, due to robust demand for premium spaces. Based on URA's Central Region rental index, rents rose by 0.8 per cent quarter-on-quarter (q-o-q) in Q2 2026, rebounding from the 0.2 per cent decline in Q1 2026. Central and Fringe Areas registered rental growth last quarter.
- Our tracked baskets of properties similarly showed a 0.5 per cent increase in rents in Q2. Rents in Marina Bay Premium offices rose to $13.15 psf, while Raffles Place Premium offices increased to $11.95 psf. Meanwhile, rents of Grade A buildings in the Central Business District (CBD) remained unchanged (Table 1).

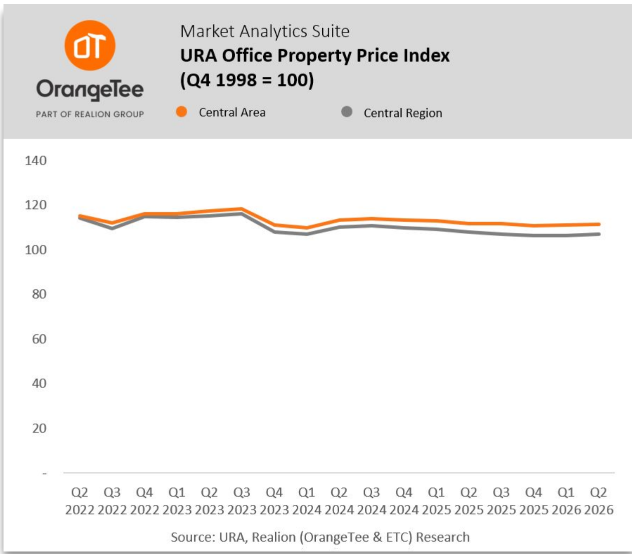
**Figure 1: Office rents picked up in Q2**




## **Price Trend** | Consistent sales

- URA's Central Region office prices grew for a second consecutive quarter in Q2 2026. Prices climbed by 0.4 per cent q-o-q, a faster pace when compared to the preceding quarter (Figure 2). On a year-on-year (y-o-y) basis, the office property price index fell by 0.4 per cent from Q2 2025.
- URA caveats showed that 71 office transactions were recorded in Q2 2026, translating to a total value of about $178 million.
- The priciest transaction was a freehold unit along 108 Robinson Road, which changed hands for $16.1 million.

**Figure 2: Office property prices rose marginally**




# Occupancy Rates | Selective flight to quality relocations

- Island-wide office occupancy remained stable with a marginal drop in occupancy rates from 89.2 per cent in Q1 2026 to 89 per cent in Q2 2026 (Figure 3), based on URA statistics. This was mainly contributed by the negative net absorption of office space in the Fringe Area (118,400 sq ft).

- The tight occupancy level was driven by tenants relocating to newer and more premium offices in the central region. Tenants seemed to be more selective with office relocations owing to higher asking rates and operating costs.

- Meanwhile, the negative absorption of space in the Fringe Area in Q2 was due to the relocation of office tenants in Harbourfront Centre, that is set to close in July 2026.

- Overall office stock rose by about 205,000 sq ft to 8.2 million sq ft last quarter, according to URA data. This was primarily contributed by the completion of Shaw Towers that added about 477,000 sq ft of office space. 60 per cent of the new office space were leased prior to completion. Some tenants include Allianz Partners Group, Adyen and Sanofi-Aventis Singapore.

**Figure 3: Tight occupancy rate for offices in Central Region**

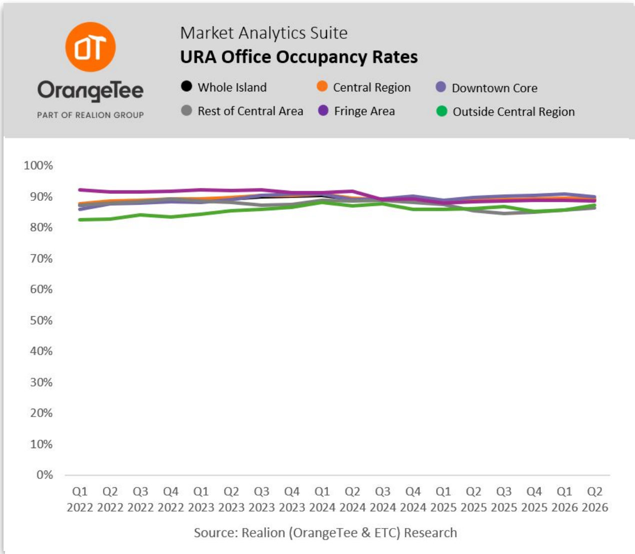
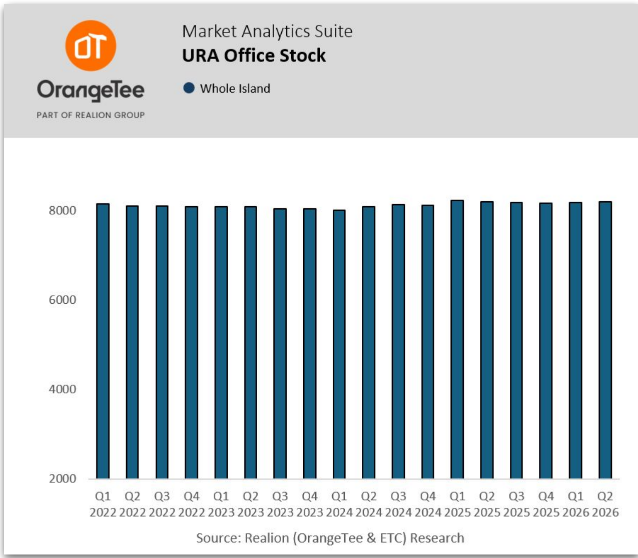



**Figure 4: Office stock rose in Q2 amid Shaw Towers completion**



Realion Research Stock Image

# Outlook

- The flight-to-quality trend in office relocations are expected to continue amid increasing operating costs, with demand driven largely by AI companies expanding their operations here.
- Such companies may be seen to take up spaces in innovation clusters such as one-north and Punggol Digital District, as well as the Downtown Core area to support R&D work.
- New office supply, especially in the CBD area, is expected to remain low until 2028. The tight supply pipeline will likely support a gradual upward trajectory in office rents. We expect CBD Grade A rents to rise up to between 3 to 4 per cent this year, while URA price index may climb modestly by 1 to 2 per cent.

## Office Market Projection

| Indicators | 2023 | 2024 | 2025 | Q1 2026 | Q2 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% | 0.2% | 0.4% | 1% to 2% |

Source: URA, Realion (OrangeTee & ETC) Research

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