

NEWMARK

Singapore Office Leasing

4Q25

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01

Economic Overview



Economic Overview

Key Economic Indicators	2025 (y-o-y)	Q4 25 (y-o-y)	Q3 25 (y-o-y)
Overall GDP, in chained (2015) dollars	5.0%	6.9%	4.6%
Goods Producing Industries	7.6%	15.2%	5.0%
Manufacturing	8.7%	18.8%	5.3%
Construction	5.2%	4.6%	5.6%
Services Producing Industries	4.3%	4.8%	4.3%
Unemployment rate	2.0%	2.0%	2.0%
Consumer Price Index	0.9%	1.2%	0.6%

Overall, 2025 was a great year for Singapore's economy. According to the Ministry of Trade and Industry (MTI), Singapore's GDP expanded by 5.0% year over year, surpassing earlier forecasts that had factored in a more severe impact from U.S. sectoral tariffs.

Singapore narrowly skirted the fallout, benefiting from a relatively modest 10% tariff exposure, and emerged largely unscathed, with several bright spots.

But early signs of strain are emerging, as more job-cutting measures are reported. Furthermore, global trade tensions and heightened geopolitical risks may reintroduce inflationary pressures globally.

With the initial front-loaded effects of the trade tariff gradually fading away, Singapore is not expected to replicate the same pace of growth seen in 2025 in the coming year.

Based on MTI's forecast, Singapore's GDP growth is expected to slow to 2.0% - 4.0% in 2026.

Bright Spots Prevail in Singapore

For 2026, the manufacturing sector remains cautiously optimistic, supported by sustained AI-related demand. That said, growth in 2026 is expected to be more nuanced as the front-loading effects gradually taper off.

On the pharmaceutical front, many Singapore-based pharmaceutical companies already operate manufacturing facilities in the U.S., which could help mitigate the impact of impending higher tariffs.

Similarly, the Business Expectations Survey for the services sector, which includes major office occupiers from the Information & Communications, Finance & Insurance and Financial Service industries reported improved optimism for the period Oct 2025 - Mar 2026 as compared to Apr 2025 - Sep 2025.

Recent developments around US trade tariffs, now set at 10% broadly across the board but may subsequently increase to 15%, could level the playing field across the region, and Singapore may lose some of the competitive edge it gained from its earlier, more modest 10% tariff exposure.

That said, the revised tariffs are temporary in nature, effective from 24 February 2026 for up to 150 days, unless extended by Congress.

The recent gazette of Master Plan 2025 provides greater clarity and certainty around development intentions. This long-term visibility is welcomed by businesses and enhances Singapore's attractiveness for foreign investment.

Finally, the SGX–Nasdaq dual-listing bridge for companies with at least S\$2 billion in market capitalization is expected to take effect from mid-2026, potentially encouraging regional technology firms to establish a presence in Singapore and pursue local or dual listings.

Overall, Singapore's 2026 outlook remains cautiously optimistic, supported by policy predictability and institutional stability that continue to attract foreign companies and reinforce its role as a regional business hub with safe haven status.



02

Office Leasing





2026 Singapore CBD Office Market Outlook: Tight Supply Drives Renewals-Led Leasing Activity While Premium Rents Poised To Climb Further



STABLE

Net Absorption

Net absorption is expected to stay stable, as limited large floorplate options push more tenants to renew rather than relocate.



DOWN

Vacancy

Vacancy to moderate further on the back of lower completions.



UP

Asking Rents

Premium and Grade A office rents to edge up 3-5% by end 2026.



STABLE

Leasing Volume

Leasing demand for Premium and Grade A offices remains firm, and shadow space has been quickly backfilled.



DOWN

Completions

The only expected completion in 2026 is the CBD's Solitaire on Cecil.



DOWN

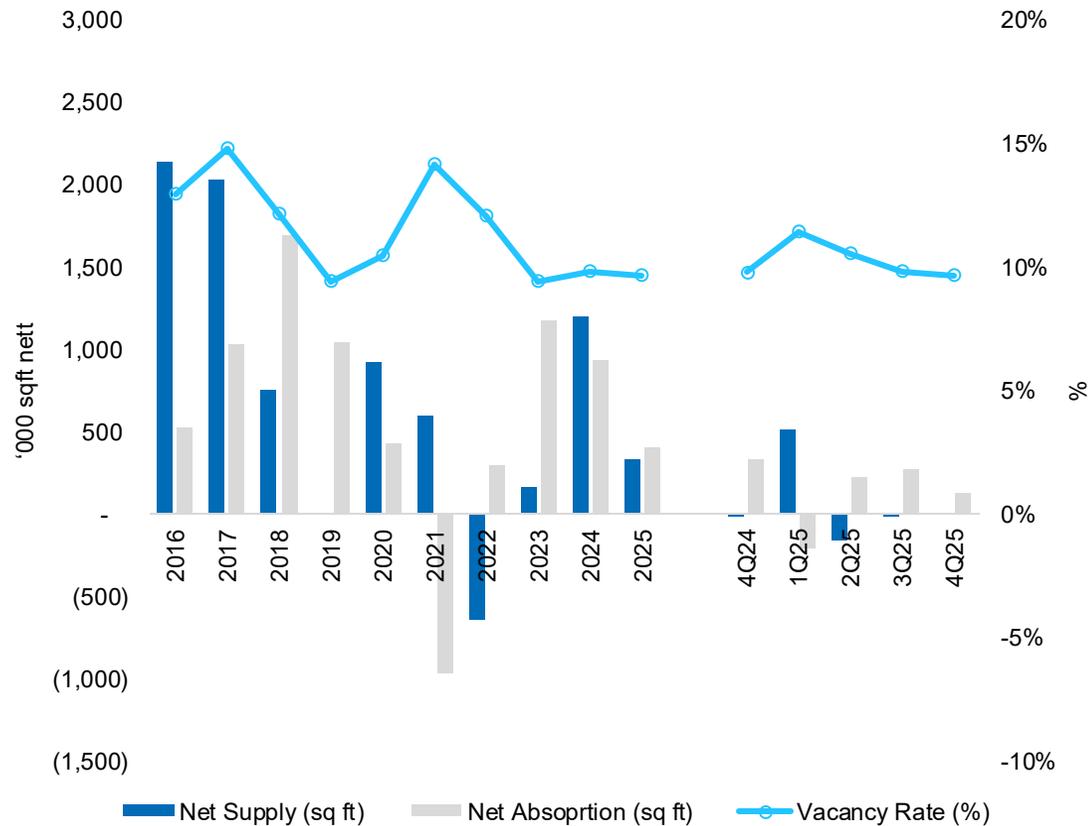
Upcoming Supply

New major office supply, including Newport Plaza, Clifford Centre and The Skywaters will come online in 2027/2028.

Premium/Grade A Rents in Core CBD Market To Rise Amid Tight Supply

Grade A office rents continued to rise in Q4 2025 amid tight vacancies, driven by sustained flight-to-quality demand and continued tenant displacement from office redevelopments. Overall net office supply fell amid fewer completion in 2025. In total, the completion of Keppel South Central in 2025 added approximately 700,000 square feet of Grade A office space to the Core CBD stock.

Net Supply, Net Absorption & Vacancy Rate of Core CBD Area

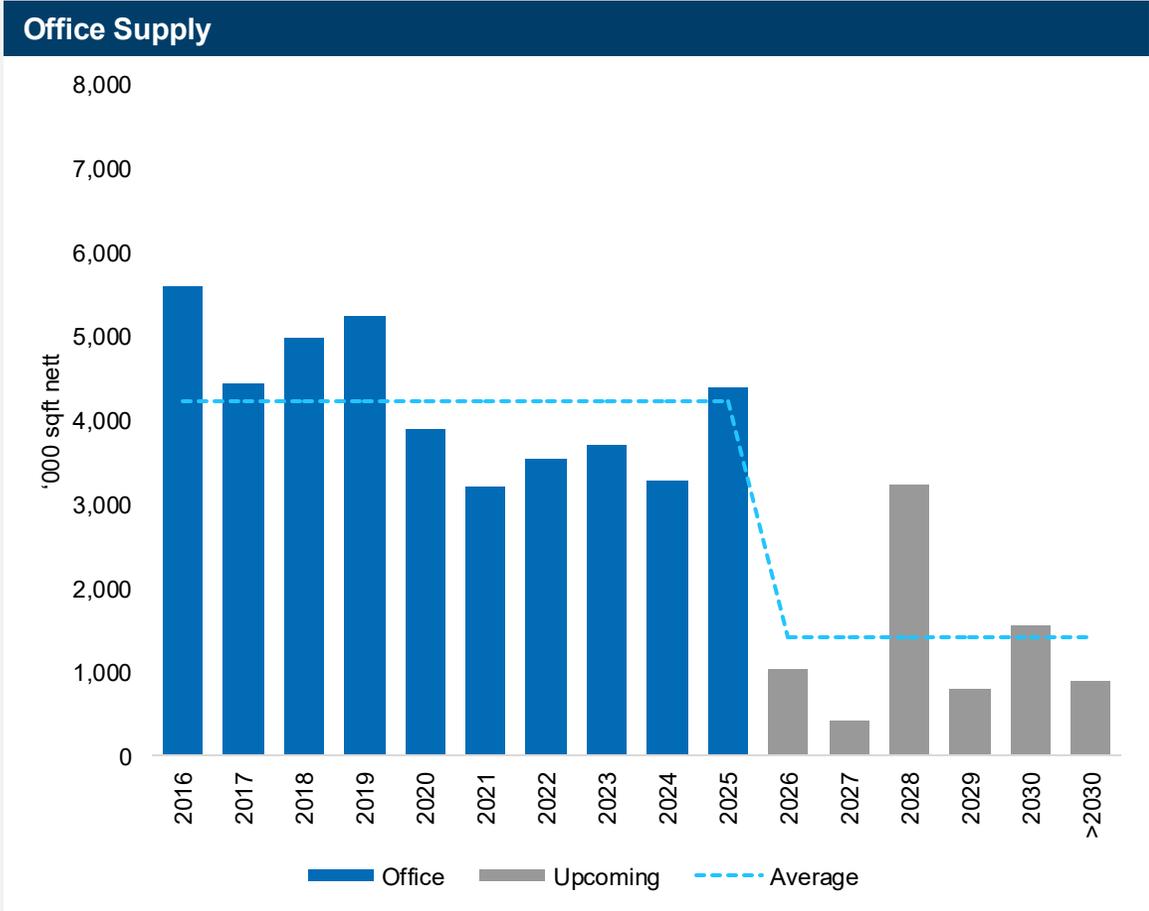


Premium and Grade A Office Space Rents

Submarket	Building Grade	Q4 2025	Q3 2025	Q4 2024	Q-o-Q Change	Y-o-Y Change
Raffles Place / Downtown Core	Premium	\$12.85	\$12.75	\$12.38	0.8%	3.8%
	Grade A	\$10.06	\$9.98	\$9.85	0.8%	2.1%
Beach Road / Bugis	Grade A	\$9.59	\$9.56	\$9.60	0.3%	-0.1%
Shenton Way / Tanjong Pagar	Grade A	\$9.01	\$8.96	\$8.89	0.6%	1.3%
Orchard	Grade A	\$9.33	\$9.25	\$9.62	0.9%	-3.0%
City Fringe	Grade A	\$7.63	\$7.63	\$7.18	0.0%	6.2%

Core CBD Supply Remains Tight in 2026, Before Gradually Easing from 2027

900,000 square feet of office space is expected to be completed in 2026, including Shaw Tower and Solitaire on Cecil, which could help ease near-term supply tightness. However, supply constraints in the Core CBD are expected to persist until 2027, when Newport Plaza is scheduled to be completed, which will contribute approximately 258,000 square feet of office space.



Project Name	Location	Planning Area	Total Office Space (sq ft GFA)	Estimated Completion Year
Shaw Tower	Beach Road/Middle Road/Nicoll Highway	Downtown Core	476,604	2026
Solitaire On Cecil	Cecil Street	Downtown Core	216,484	2026
Newport Plaza	Anson Road	Downtown Core	257,494	2027
Clifford Centre Redevelopment	Raffles Place	Downtown Core	510,790	2028
SingTel Comcentre Redevelopment	Exeter Road	Orchard Road	882,220	2028
The Skywaters	Shenton Way	Downtown Core	876,709	2028
Union Square Central	Havelock Road	Singapore River	300,905	2028
51 Anson - Anson Centre	Anson Road	Downtown Core	76,725	2029
One Sophia	Sophia Road	Rochor	252,564	2029
The Golden Mile	Beach Road	Downtown Core	404,723	2029

Occupier Demand Supported by Tech Expansion and Financial Firms’ Rightsizing into More Efficient Space

While more banks are right-sizing to efficient floorplates, tech companies including fintech, AI, and crypto-related firms, are looking to expand their office footprints.

In addition, the continued displacement of tenants as older office buildings are redeveloped has supported the absorption of shadow space in the market.

Separately, more landlords are carving out smaller fitted office units suited for smaller tenants trying to manage upfront capital expenditure.



In Summary



Premium and Grade A Rents Expected To Edge Higher in 2026 Amid Tight Supply

The Singapore office market is becoming increasingly bifurcated, driven by a confluence of factors which include resilient demand for premium space, supported by stabilizing hybrid work patterns and rising in-person attendance, and a sustained flight-to-quality trend driven by sustainability reporting requirements.

At the same time, ongoing redevelopment initiatives for older office buildings are expected to displace tenants, further tightening vacancies and supporting elevated rents in the premium and Grade A office segment.

Taken together, continued constraint in premium office supply is likely to place further upward pressure on rents and lead to tighter vacancy levels for 2026.

Rents for Premium/Grade A office space could rise 3%-5% by the end of 2026. With limited new supply in the near term and rising fit-out costs, more occupiers will opt for renewal as a means to manage CapEx expenditure.

Looking ahead, the supply crunch in the Downtown Core is expected to ease after 2026, with the completion of Newport Tower in 2027, followed by Clifford Centre and The Skywaters in 2028.



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