Huttons
SINGAPORE'S LARGEST
PRIVATE REAL ESTATE AGENCY

HUTTONS DATA ANALYTICS

COMMERCIAL UPDATES 1H 2025

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OVERVIEW

Boosted by frontloading, Singapore's economy expanded strongly, growing by an estimated 4.2% year-on-year (YoY) average growth in 1H 2025.

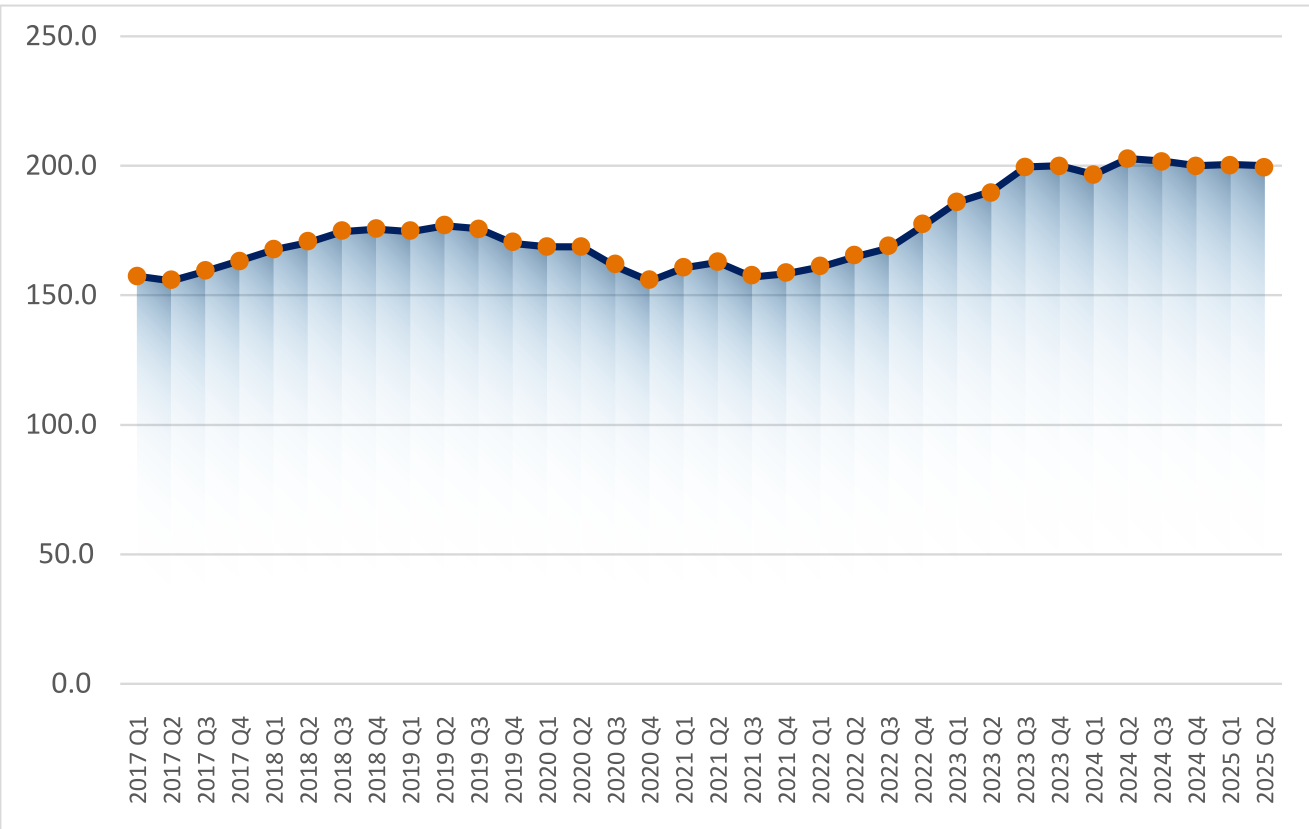
The manufacturing sector expanded by 5.5% YoY in 2Q 2025 as manufacturers rushed to make full use of the 90 days pause in tariffs. The services producing industries grew at a faster pace of 4.1% in 2Q 2025 while the construction sector was stable at 4.9%.

The Wholesale & Retail Trade and Transportation & Storage saw robust growth in 1H 2025, expanding by 4.6% and 4.8% in 1Q 2025 and 2Q 2025, respectively.

Office occupiers however, remained cautious due to the evolving tariffs, adopting a wait and see stance or opting for more cost-effective options.

Office rents in the Central Region were flat in 1H 2025. The median rents of Category 1 office space were down by 5.5% to $11.83 psf/month in the first six months of 2025 while that of Category 2 office space inched up by 1.1% to $6.42 psf/month.

Figure 1: URA Office Rent Index (Central Region)



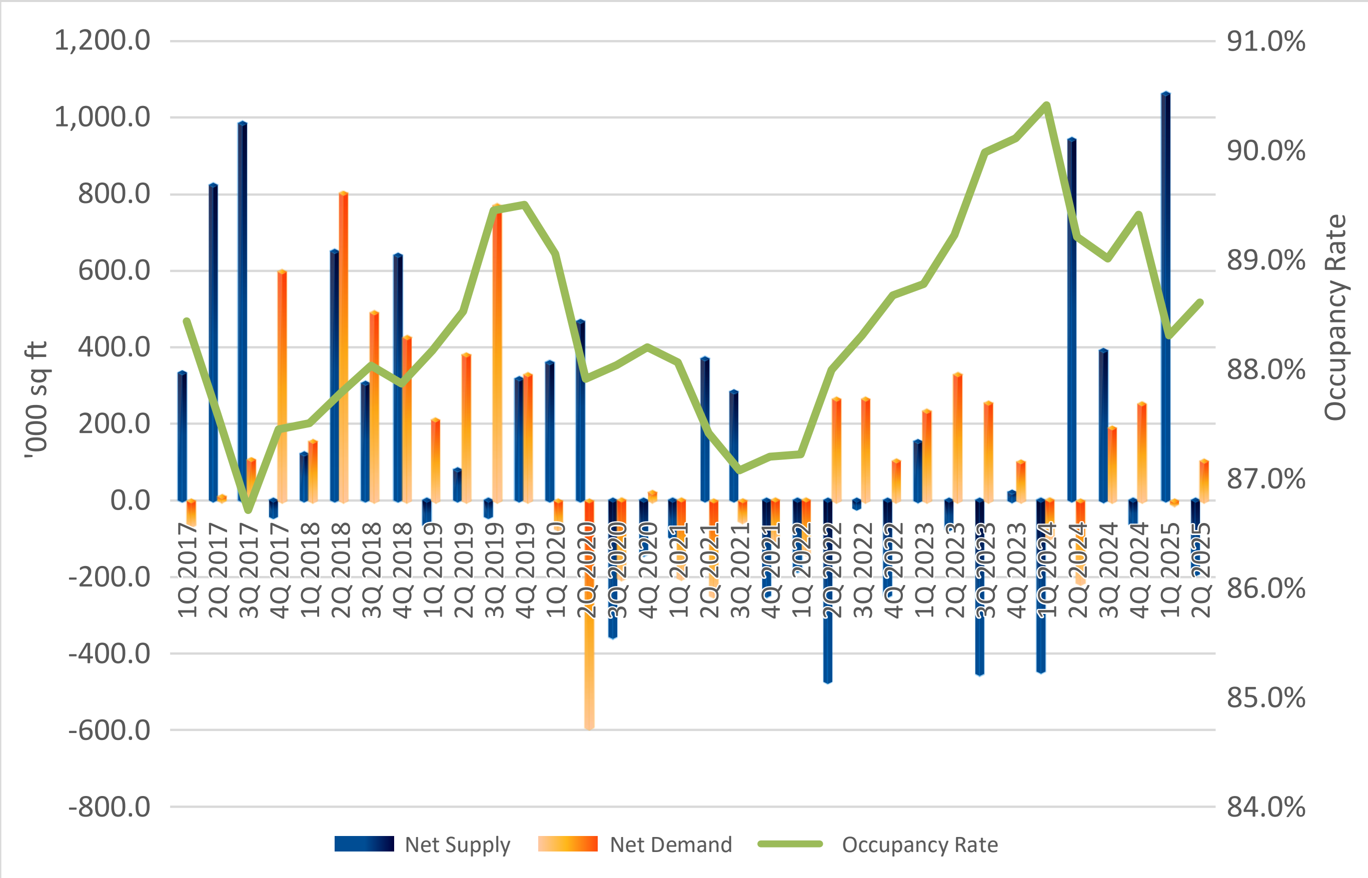
Source: URA, Huttons Data Analytics as of 4 Aug 2025

In 1H 2025, Keppel South Central and Paya Lebar Green was completed, adding 861,000 sq ft of net office space. However, demand from office occupiers were slow at 86,000 sq ft. This pulled down the overall occupancy rate by 0.8 percentage points to 88.6% as of end-Jun 2025.

Demand for office space in the Outside Central Region was the strongest in 1H 2025, increasing by 226,000 sq ft while the Rest of Central Area was the weakest, contracting by 334,000 sq ft.

Vacancy rate of Category 1 office space climbed by 1.9 percentage points to 11.0% as of end-Jun 2025 while that of Category 2 office space edged up to 11.6%.

Figure 2: Office Supply, Demand and Occupancy Rate (Islandwide)



Source: URA, Huttons Data Analytics as of 4 Aug 2025

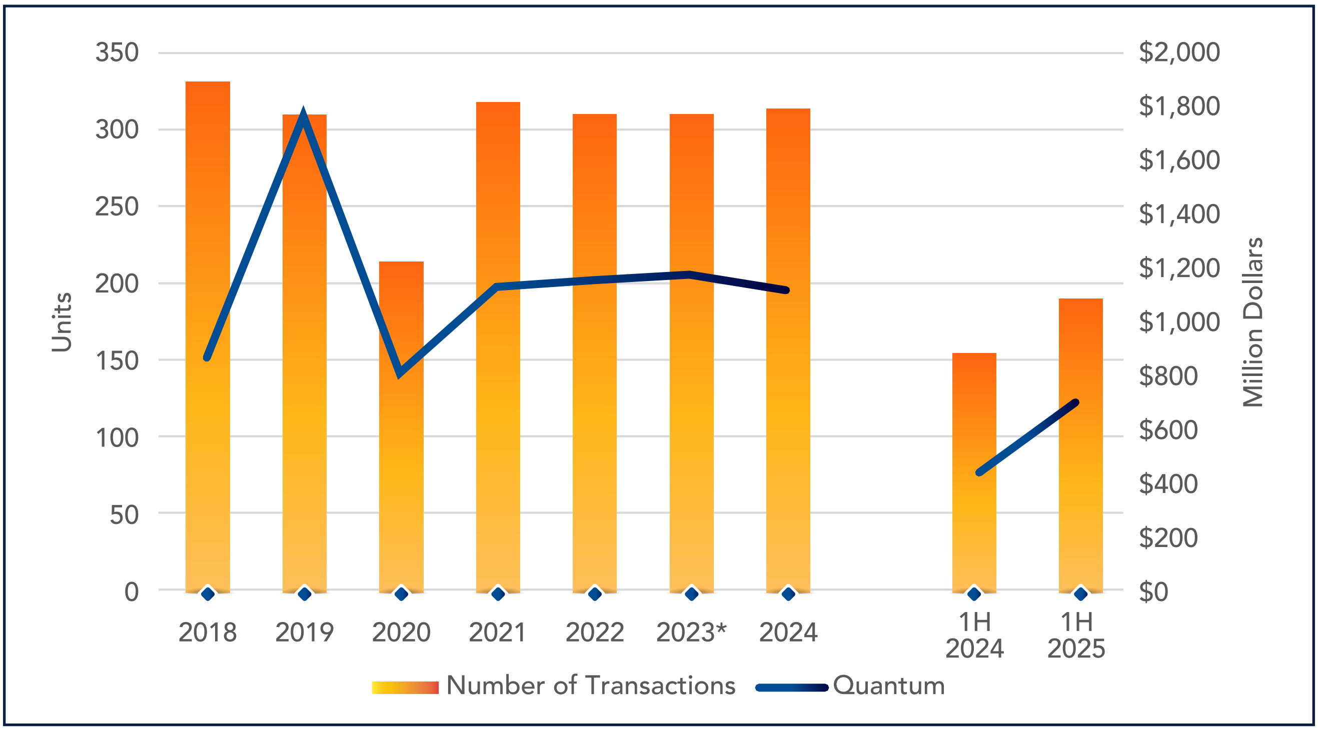
TRANSACTIONS

The strata office market was more active in 1H 2025.

Declining interest rates spurred more interest in strata office units as 189 units changed hands in 1H 2025, 22.7% higher than a year ago.

The total value of transactions jumped by 60% to $700 million in 1H 2025 from $437.3 million in 1H 2024, pulled up by several large deals.

Figure 3: Transaction Volume and Quantum of Strata Office Units in 1H 2025



** excludes the sale of Shenton House and VisionCrest Commercial*

Source: URA, Huttons Data Analytics (data downloaded as of 4 Aug 2025)

The top three floors at 20 Collyer Quay were sold for $91.8 million in Mar 2025 to a subsidiary of GuocoLand, making it the biggest deal in 1H 2025. Kwan Im Thong Hood Cho Temple was said to have purchased three floors in 108 Robinson for $55.8 million. SP Tao's family have sold two offices in SGX Centre 2 for a total of $39.5 million.

A bulk sale of 32 strata office units in Manhattan House were done in Jun 2025 for almost $15 million or $783 psf.

Table 1: Top Ten Strata-Office Transactions by Quantum in 1H 2025

ADDRESS	STRATA AREA	QUANTUM	TENURE	PRICE	MONTH
20 Collyer Quay	29,160 sq ft	$91.8 mil	99 years	$3,148 psf	Mar 2025
Tokio Marine Centre	19,052 sq ft	$67.5 mil	FH	$3,544 psf	Jan 2025
108 Robinson	14,251 sq t	$55.8 mil	FH	$3,915 psf	May 2025
SGX Centre 2	10,215 sq ft	$26.9 mil	99 years	$2,628 psf	Apr 2025
108 Robinson	4,747 sq ft	$18 mil	FH	$3,790 psf	Apr 2025
108 Robinson	4,629 sq ft	$17.3 mil	FH	$3,740 psf	Apr 2025
Suntec Tower One	4,758 sq ft	$15.5 mil	99 years	$3,257 psf	Apr 2025
Suntec Tower Three	4,801 sq ft	$15.4 mil	99 years	$3,200 psf	Mar 2025
Samsung Hub	3,186 sq ft	$13.5 mil	999 years	$4,221 psf	Apr 2025
SGX Centre 2	4,812 sq ft	$12.7 mil	99 years	$2,629 psf	Apr 2025

Source: URA, Huttons Data Analytics as of 4 Aug 2025

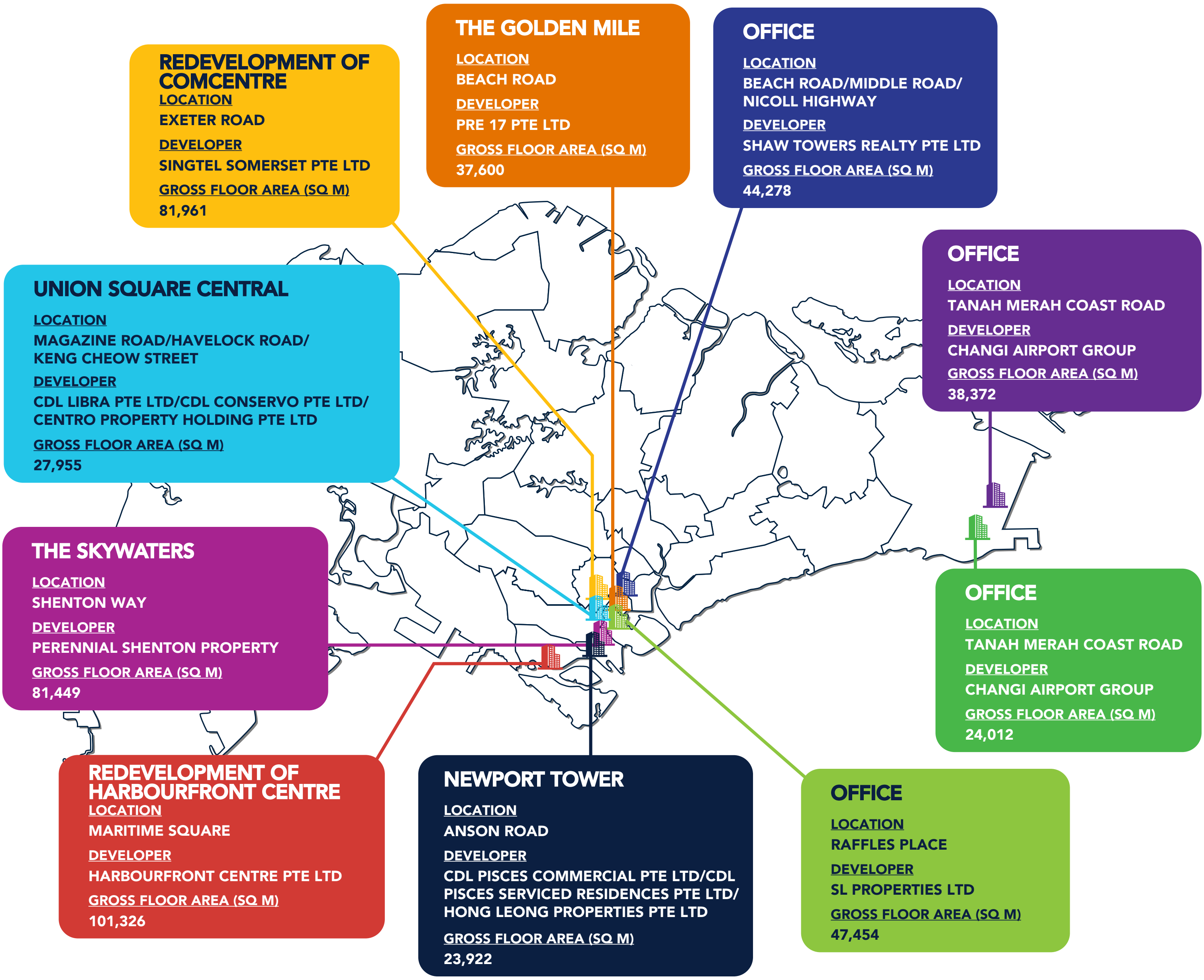
MARKET OUTLOOK

Despite the clarity on tariffs for some countries, business sentiments remained subdued for the rest of 2025.

Office demand may stay soft in the next 6 months notwithstanding the better-than-expected economic growth in 2025. Rents may stay flat in 2025.

Declining interest rates may boost interest in the strata office market.

Map 1: Ten Largest Uncompleted Private Office Buildings by Gross Floor Area



Source: URA, Huttons Data Analytics as of 4 Aug 2025

FOR ENQUIRIES, CONTACT
Lee Sze Teck | Senior Director, Data Analytics
Email: szetecklee@huttonsgroup.com