

Huttons

SINGAPORE'S LARGEST
PRIVATE REAL ESTATE AGENCY

HUTTONS DATA ANALYTICS

COMMERCIAL UPDATES 2H 2025



OVERVIEW

Singapore's economy displayed exceptional resilience in the face of tariffs, expanding by an estimated 4.8% in 2025, faster than 2024's 4.4%.

Growth in 2025 was led by the manufacturing sector which grew 7.6% on the back of demand for AI-related products. The services producing industries increased at a steady pace of 4.1% in 2025, a tad lower than the 4.4% growth in 2024.

Despite the robust economic growth, office tenants remained cautious, wary of the evolving tariff situation.

Demand for office space in 2025 contracted for the second year by 215,000 sq ft, worsening from the 97,000 sq ft of office space given up in 2024.

This was the worst performance in the office market since 2021 where demand shrank by 614,000 sq ft due to the Covid-19 pandemic.

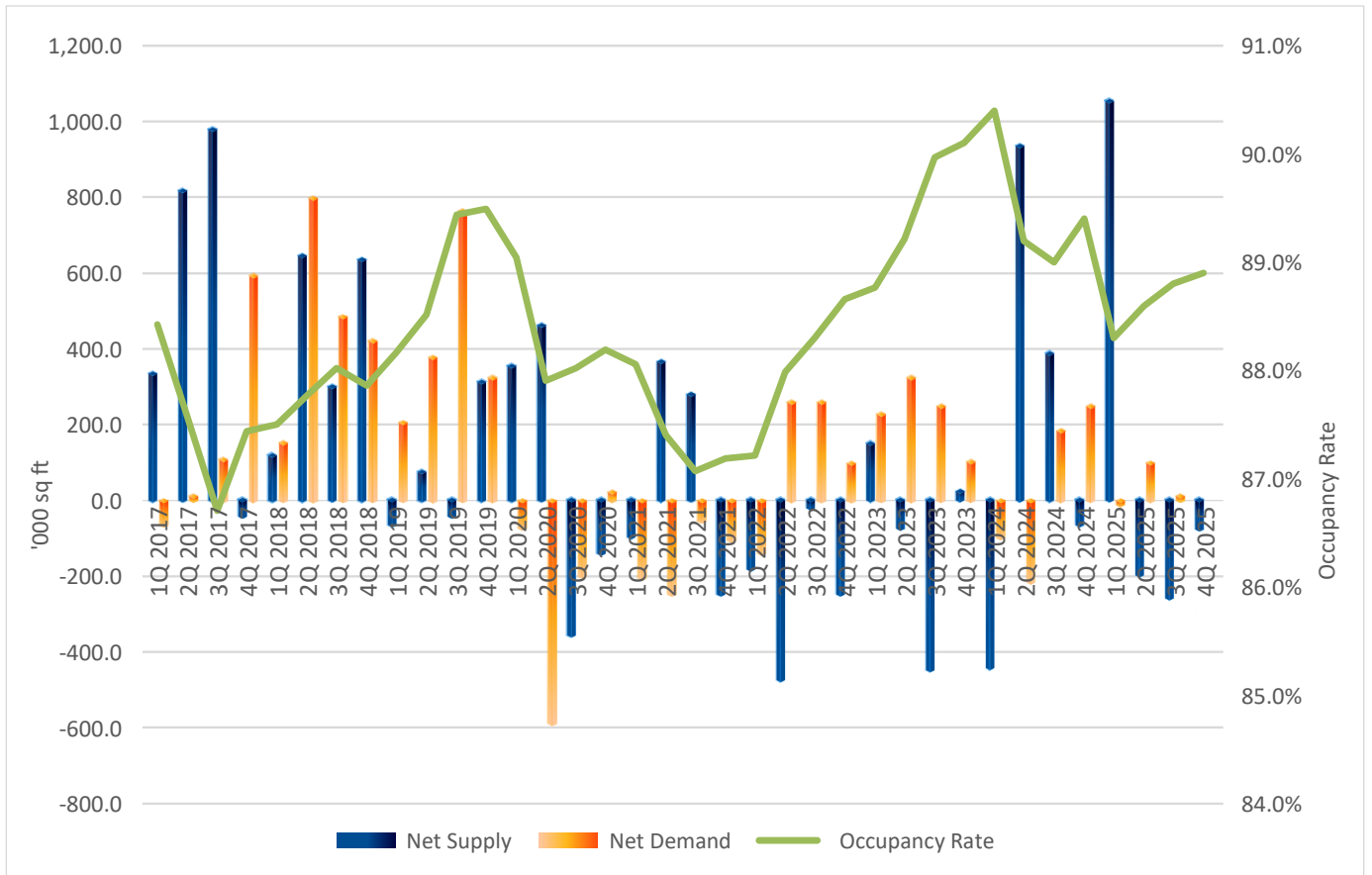
Demand for office space in the Downtown Core was the strongest in 2025, increasing by 420,000 sq ft while the Rest of Central Area was the weakest, contracting by 495,000 sq ft. Office occupiers still prefer the Downtown Core despite efforts by the Government to decentralise.

The absence of new supply of office space allowed occupancy rate to edge up to 88.9% as of end-2025. However, occupancy rate of office space was down by 0.5 percentage points year-on-year in 2025.

Vacancy rate of Category 1 office space remained fairly steady at 9.3% as of end-2025 while that of Category 2 office space inched up to 11.9%.



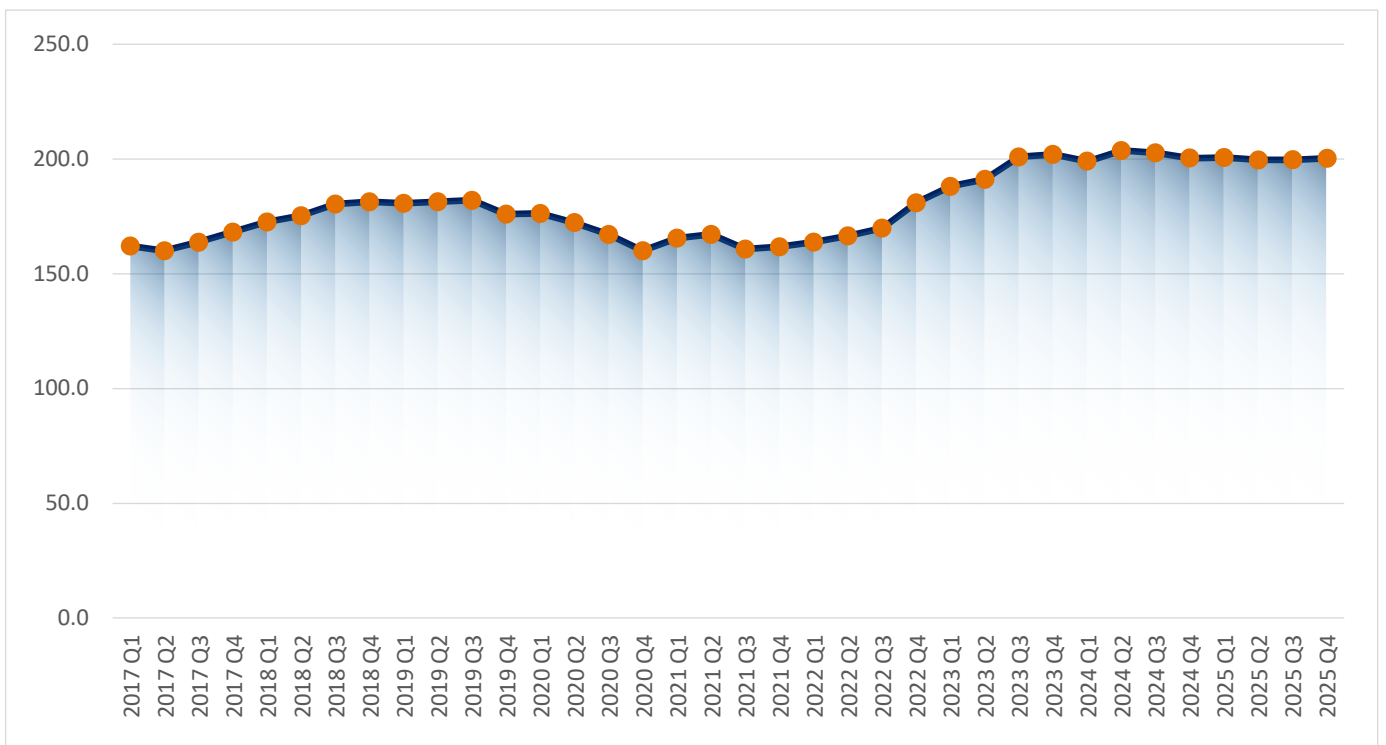
Figure 1: Office Supply, Demand and Occupancy Rate (Islandwide)



Source: URA, Huttons Data Analytics as of 23 Jan 2026

Office rents in the Central Area were almost unchanged in 2025. The median rent of Category 1 office space was \$12.00 psf/month in 2025 while that of Category 2 office space was \$6.85 psf/month.

Figure 2: URA Office Rent Index (Central Area)



Source: URA, Huttons Data Analytics as of 23 Jan 2026

TRANSACTIONS

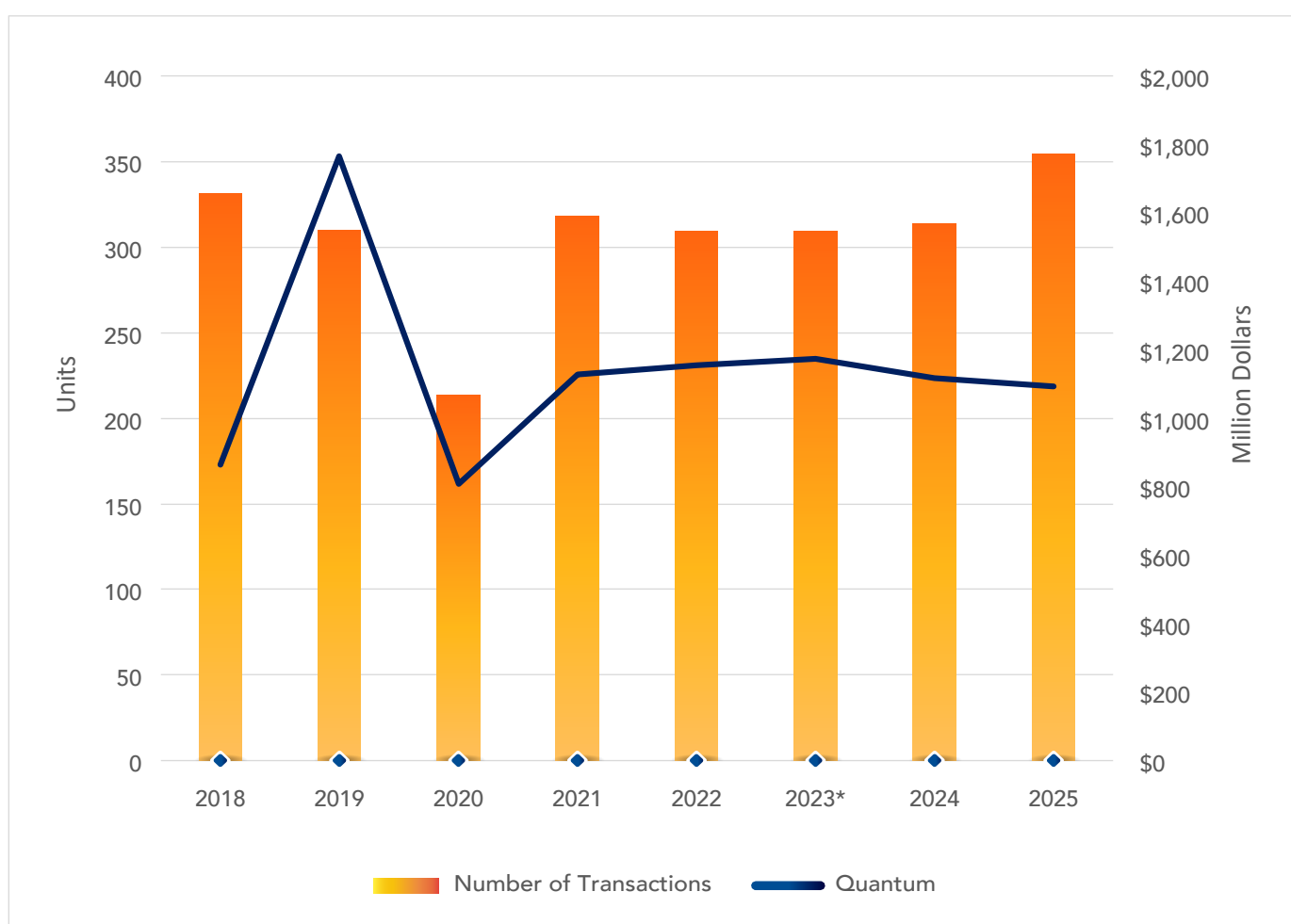
The strata office market was more active in 2025.

An estimated 354 strata office units were sold in 2025, 13.1% higher than 2024's 313 units.

The steep fall in interest rates in 2025 to its lowest level since Jul 2022 drove investors' interest in this market segment.

Total value of transactions was slightly lower at \$1.09 billion in 2025 compared to \$1.12 billion in the previous year.

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



* excludes the sale of Shenton House and VisionCrest Commercial

Source: URA, Huttons Data Analytics (data downloaded as of 23 Jan 2026)

The biggest deal in 2025 was the sale of 3 floors in Collyer Quay for \$91.8 million to a subsidiary of GuocoLand. Three floors in Tokio Marine Centre were sold for \$67.5 million in Jan 2025. Kwan Im Thong Hood Cho Temple was said to have purchased three floors in 108 Robinson for \$55.8 million.

The portfolio sale of units in Manhattan House was probably the biggest sale of units to a single buyer in recent years. According to a report, the buyer of the strata units is Abwin (HP) Pte Ltd.

Table 1: Top Ten Strata-Office Transactions by Quantum in 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	Freehold	\$3,544 psf	Jan 2025
108 Robinson	14,252 sq ft	\$55.8 mil	Freehold	\$3,915 psf	May 2025
Suntec Tower One	10,097 sq ft	\$34 mil	99 years	\$3,364 psf	Jul 2025
Suntec Tower One	10,097 sq ft	\$32.3 mil	99 years	\$3,200 psf	Jun 2025
SGX Centre 2	10,215 sq ft	\$26.9 mil	99 years	\$2,628 psf	Apr 2025
Vision Exchange	10,775 sq ft	\$20.5 mil	99 years	\$1,903 psf	Aug 2025
108 Robinson	4,747 sq ft	\$18 mil	Freehold	\$3,790 psf	Apr 2025
108 Robinson	4,629 sq ft	\$17.3 mil	Freehold	\$3,740 psf	Apr 2025
Prudential Tower	5,952 sq ft	\$16.2 mil	99 years	\$2,725 psf	Nov 2025

Source: URA, Huttons Data Analytics as of 23 Jan 2026

MARKET OUTLOOK

The outlook for the Singapore economy is one of cautious optimism. Hiring is expected to remain selective.

Supply of office space may come from the completion of Shaw Tower and Solitaire on Cecil. Office occupiers are likely to focus on renewals than expansion. Rents may stay stable in 2026 due to limited supply.

The strata office market may stay active on the back of low interest rates.

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



Source: URA, Huttons Data Analytics as of 23 Jan 2026

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