Singapore Research

Office

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Stable demand and limited supply to keep the office market resilient in 2026

> "Despite the tight occupancy levels, small and mid-sized occupiers can still find value in spaces released when large corporates downsize. However, such opportunities, especially for fitted spaces, can be quickly snapped up, thus underscoring the need for real-time strategic market insight."
>
> TRIDIANA ONG, HEAD, OCCUPIER STRATEGY AND SOLUTIONS

3.5 MILLION SF (GROSS FLOOR AREA)

Estimated CBD New Supply (Q4 2025 – 2029)

94.9%

CBD Occupancy: ▲ Q-O-Q

S$11.49 PSF PM

Prime Office Rents: ▲ Q-O-Q

RENTS AND OCCUPANCY

Rents of Prime Grade office spaces in the Raffles Place / Marina Bay precinct continued to grow, increasing 0.7% q-o-q to record an average of S$11.49 psf pm in Q4 2025. This translates to an increase of 1.1% for the entire year that was marked by occupiers' cautious approach to expansion with most opting to renew their current leases amid the ongoing economic uncertainty and often due to a lack of suitable relocation options.

Occupancy levels in the Raffles Place / Marina Bay precinct in the last quarter of 2025 rose to 95.7%, increasing 1.0 percentage points (pp) from the previous quarter and 2.1 pp y-o-y. In tandem, the overall CBD occupancy increased 0.7 pp q-o-q and 1.2 pp y-o-y to 94.9% in Q4 2025. Despite the pervading cautious mood, demand for high-quality and well-located offices remained strong with most quality buildings in the CBD near fully occupied. Occupiers continued to show a clear preference for modern buildings over older stock, despite the more costly occupational expense.

DEMAND DRIVERS

Landlords currently hold a slight advantage in the office market, as most occupiers remained conservative. Many tenants continued to favour lease renewals to avoid fresh capital expenditure, electing to maintain operational stability. Even larger occupiers from the technology and professional services sectors that had previously explored relocation increasingly chose to stay put, given the limited availability of suitable quality alternatives and tight supply. This dynamic allowed landlords to secure marginally positive rental reversions while boosting already healthy occupancy levels. At the same time, proactive landlords offering speculative fitted-out spaces have also been stoking healthy interest, as companies prioritise minimal upfront investments when considering any relocation.

From an occupier standpoint, major anchor tenants with substantial footprints may find their options constrained within the core CBD. Often, smaller space users that comprise legal, finance, insurance and consultancy firms have been seizing opportunities by backfilling the vacated spaces when bigger occupiers right-size. Nonetheless, such pockets of space tend to be taken up quickly, underscoring the importance for occupiers to work closely with experienced advisors who have an intimate pulse on the market. Alternative options are also available for those who are open to consider well-connected fringe or decentralised locations.

In addition, co-working operators were observed to be expanding in a quiet and cautious manner. This is highlighted by The Executive Centre's expansion at Frasers Tower, JustCo's new co-working centre called THE COLLECTIVE at Labrador Tower that is set to open in January 2026, and The Great Room's newly announced openings at Shaw Tower and Stamford Court that are also slated to start operating in 2026. Co-working operators will continue to remain on the lookout for space opportunities in the year ahead.

Exhibit 1: Average Office Rentals, by Key Precincts in Q4 2025

LOCATION	GROSS EFFECTIVE MONTHLY RENTS (S$ PSF PM)	Q-O-Q % CHANGE	VACANCY (%)	Q-O-Q CHANGE (PERCENTAGE POINTS)
Raffles Place / Marina Bay Grade A+	**$12.35 - $12.85**	**0.6%**	**3.9%**	**-1.5**
Raffles Place / Marina Bay Grade A	**$10.40 - $10.90**	0.8%	5.2%	0.2
Marina Grade A	**$10.35 - $10.85**	0.0%	2.2%	-0.1
Beach Road / Middle Road Grade A	**$10.05 - $10.55**	0.2%	2.9%	-1.4
Shenton Way / Robinson Road / Tanjong Pagar Grade A	**$10.20 - $10.70**	0.3%	8.3%	-0.1
Orchard Grade A	**$9.30 - $9.80**	0.5%	2.7%	-0.2
City Fringe West – Alexandra / Harbourfront	**$7.10 - $7.60**	-0.1%	10.7%	-1.1
City Fringe North – Novena / Newton	**$7.45 - $7.95**	1.1%	1.0%	0.2
City Fringe East – Paya Lebar	**$7.20 - $7.70**	0.0%	0.3%	-14.5
Suburban East	**$4.90 - $5.40**	0.4%	1.6%	0.3
Suburban West	**$5.80 - $6.30**	0.0%	5.7%	-0.3

Source: Knight Frank Occupier Strategy and Solutions

ECONOMIC SENTIMENT AND OUTLOOK

The current market dynamics are likely to be carried into the next year, as many occupiers adopt a wait-and-see approach in the first half of 2026. Businesses are closely watching global economic and political developments before committing to major decisions. At the same time, a subset of occupiers may use this period to secure space in newer, higher-quality buildings, or at better locations, often in cost-neutral moves by either preserving their current size or right-sizing to better support hybrid work arrangements.

In 2026, technology companies which have been relatively subdued in recent years, may also re-emerge, particularly if global conditions stabilise and confidence returns in the form of pioneering breakthrough innovations. Growth sectors such as private credit, asset management and wealth management might look to expand or upgrade into better-quality premises, further adding onto the already healthy demand in the market.

Landlords are expected to remain focused on sustaining occupancy, especially for those that are facing larger or longer-standing vacancies. Landlords of older properties that are under vacancy pressure may selectively offer additional incentives or fitted-out solutions to appeal to prospective tenants, bridging specification gaps. For tenants, those equipped with timely, strategic insights can still identify value-for-money opportunities in a market where such spaces continue to be competitively priced.

Overall, the Singapore office market is anticipated to remain stable in 2026, with moderate annual rental growth of around 3% to 5%. With the limited amount of shadow space and restrained new supply, occupancy rates are likely to be strong as regional corporates, and financial firms continue to view Singapore as a reliable, pro-business hub in Southeast Asia, even though sudden global economic upheavals and potential large sublease releases are factors to watch.

Exhibit 2: Selected Upcoming Office Supply Islandwide

PROJECT NAME	STREET NAME	PLANNING AREA	TOTAL OFFICE SPACE GFA (SF)	DEVELOPER
Shaw Tower	Beach Road/ Middle Road/ Nicoll Highway	Downtown Core	476,604	Shaw Towers Realty Pte Ltd
Solitaire On Cecil	Cecil Street	Downtown Core	216,484	Solitaire Cecil Pte Ltd
Total Key Supply 2026			**693,088**	
Newport Tower	Anson Road	Downtown Core	257,494	CDL Pisces Commercial Pte Ltd/ CDL Pisces Serviced Residences Pte Ltd/ Hong Leong Properties Pte Ltd
Total Key Supply 2027			**257,494**	
Clifford Centre Redevelopment	Raffles Place	Downtown Core	510,791	SL Properties Ltd
SingTel Comcentre Redevelopment	Exeter Road	Orchard	882,221	SingTel Somerset Pte Ltd
The Skywaters	Shenton Way	Downtown Core	876,710	Ace Shenton Development Pte Ltd/ Shenton Commercial Property Pte Ltd/ Shenton Hotel Property Pte Ltd/ Shenton Office Property Pte Ltd/ Shenton Residential Property Pte Ltd
Union Square Central	Havelock Road	Singapore River	300,905	CDL Libra Pte Ltd/ CDL Conservo Pte Ltd/ Centro Property Holding Pte Ltd
Total Key Supply 2028			**2,570,627**	
One Sophia	Sophia Road	Rochor	252,564	Sophia Residential Pte Ltd/ Sophia Commercial Pte Ltd
Total Key Supply 2029			**252,564**	

Source: URA, Knight Frank Research

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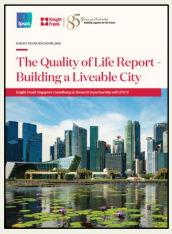


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