

Office

- Improving economy and the rollout of COVID-19 vaccination are bolstering market confidence and slowing occupiers' downsizing and attrition plans. While demand is firming, it is patchy with the newer and better-managed spaces garnering stronger occupier interest.
- Overall CBD rent decline eased for the second consecutive quarter in 1Q21, alongside improving market sentiment and firming demand.
- Capital values of en bloc offices remained relatively stable in 1Q21, as investors regard Singapore as a safe haven and stay confident about the long-term prospect of Singapore's office property market.
- Singapore's economic rebound, as well as the government's lifting of its default work-from-home policy and workplace capacity limits from April 5 could reignite office demand and pave the way for rent stabilisation in 2H21. But with the pandemic far from over, the continued safe management measures and the tapering of the government's COVID-19 support measures could put a cap to the recovery.

32.1	9.78	-0.3%	2,975	-0.2%
Current stock (sq ft million)	Gross effective rent (SGD psf pm NLA)	Rental growth (q-o-q)	Capital value (SGD psf NLA)	Capital value growth (q-o-q)

All data are reflective of the CBD Investment Grade

Residential

- Prime home sales volume rose moderately in 1Q21, despite the lack of major new launches and the Lunar New Year seasonal slowdown.
- Two collective sale deals were concluded in the Prime districts in 1Q21, including the sale of a trio of three-storey residential buildings at 2, 4 and 6 Mount Emily Road for SGD 18 million and Surrey Point, a freehold 10-storey apartment block at a purchase price of SGD 47.8 million. Activity seems to have picked up in the islandwide collective sale market as developers are keen to replenish their land bank.
- Prices of completed Prime private residential properties posted their first increase in a year in 1Q21, as market sentiments improved alongside expected economic recovery. Rentals for Prime properties continued to soften, albeit at a marginal pace as completions of new projects remained low in 1Q21.
- Increasing completed supply is expected to continue weighing down Prime rents. On the other hand, Prime home prices are likely to recover in 2021, as a recovering economy would further lift sentiment.

59,910	4.65	-0.1%	2,908	2.4%
Current prime stock (units)	Gross effective rent (SGD psf pm NLA)	Rental growth (q-o-q)	Capital value (SGD psf NLA)	Capital value growth (q-o-q)

The capital value and rental value indicators are reflective of Luxury residential properties

Key Economic Indicators

GDP Real Growth (1Q21, y-o-y, advance estimates)	0.2%
Consumer Price Index (February 2021, y-o-y)	0.7%
Total Trade (current prices) (February 2021, y-o-y)	-3.3%
Index of Industrial Production (February 2021, y-o-y)	16.4%
Retail Sales excl. motor vehicles (chained-volume terms) (February 2021, y-o-y)	8.2%
Unemployment Rate (S.A.) (February 2021)	3.0%
Total Population Annual Growth (June 2020)	-0.3%

Source: DOS

Major Property Transactions | 1Q21

Office	Price (SGD mil)
OUE Bayfront, OUE Tower and OUE Link (50% interest)	633.8
Certis CISCO Centre (redevelopment)	150.0
108 Robinson Road	142.8
Residential	Price (SGD mil)
Eden (all 20 units)	293.0
30 Nassim Road (GCB)	128.8
5 Swettenham Close (GCB)	48.0
Retail	Price (SGD mil)
YewTee Point	220.0
1 Teck Lim Road	22.3
22, 22A, 22B, 23 Mosque Street	21.5
Industrial	Price (SGD mil)
GSK Asia House and 3 conservation bungalows	144.8
BreadTalk IHQ	118.0
Sime Darby Business Centre	102.0

Source: JLL Research, April 2021

Retail

- The decline in retail sales abated further. Over the first two months of 1Q21, the retail sales index (excluding motor vehicles) in chained-volume terms fell 1.4% y-o-y, compared to a 6.4% y-o-y drop over the corresponding period in 4Q20. The Lunar New Year spending in February 2021 cushioned the soft retail sales, which were limited by operational-capacity constraints and low visitor arrivals.
- Amid cautious retailer sentiment, landlords continued to compromise on rents to support occupancy given the rising or relatively high vacancy rates. Hence, rents of prime floor space fell q-o-q across the three sub-markets in 1Q21.
- Investment sales in 1Q21 racked up close to the 4Q20 level, underpinned by Frasers Centrepoint Trust's sale of YewTee Point for SGD 220.0 million. The majority of the concluded deals in 1Q21 were shophouse transactions.
- The effective containment of the COVID-19 pandemic with mass vaccinations, the easing of work-from-home mandate, combined with the further lifting of safe-distancing measures and the expected gradual easing of border restrictions will lift retailer and consumer sentiment and, in turn, drive retail sales and business expansion. Hence, vacancy rates could fall y-o-y by end-2021, and the rental decline should moderate on the back of falling vacancy rates.

5.1	36.43	-6.2%	8,383	-2.6%
Current stock (sq ft million)	Gross effective rent (SGD psf pm NLA)	Rental growth (q-o-q)	Capital value (SGD psf NLA)	Capital value growth (q-o-q)

All data are reflective of the Prime sub-submarket

Warehouse

- Warehouse demand was underpinned by requirements from firms in e-commerce, medical-related and food storage/logistics businesses in 1Q21.
- New warehouse openings announced during the quarter included SUTL's 40,000-sq ft expansion at CWT Commodity Hub and Bertling Logistics Singapore's new five-storey ramp-up warehouse in Penjuru that includes a covered storage space of about 150,000 sq ft.
- Newer logistics/warehouses with better specifications outperformed their older conventional counterparts in rents. However, logistics/warehouse occupiers remained generally cost conscious. Hence, overall, the islandwide average gross rent stayed stable in 1Q21. Backed by steady rents, capital values remained firm in 1Q21.
- As new supply is expected to surge in 2021, the islandwide average rent is foreseen to be relatively steady in the near-term, while capital values could rise at a faster pace on sustained investor interest and low interest rates.

119.2	1.35	0.0%	179	0.0%
Current stock (sq ft million)	Gross effective rent (SGD psf pm NLA)	Rental growth (q-o-q)	Capital value (SGD psf NLA)	Capital value growth (q-o-q)

All data are reflective of the islandwide market

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