

Office

- Occupiers in the technology, consumer and non-banking financial services sectors led demand in 1Q22, although take up has broadened to encompass a wider range of industries. This comes as more businesses position themselves for growth.
- Overall CBD investment grade quarterly office rental growth accelerated for the third consecutive quarter to its steepest since turning around in 2Q21.
- This supported a fourth consecutive quarter of capital value growth as new investors continued to be drawn to Singapore office assets.
- Singapore's office market is expected to continue to benefit from the back-to-office recovery momentum and the re-opening of international borders. Tightening vacancies and limited new supply in 2022 should drive further rental growth during the rest of the year and, in turn, lift capital values.

32.1	10.46	2.3%	3,214	2.2%
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)
<i>All data is reflective of CBD Investment Grade offices</i>				

Residential

- New home sales in the Prime districts dipped in 1Q22, as there were fewer new projects launched compared to the previous quarter.
- Similarly, demand for completed Prime properties softened and this eased upward pressure on prices in 1Q22. Prime rents, however, registered moderate growth in the quarter as new completions remain limited due to construction delays, whilst leasing demand was firm.
- There were no residential collective sales concluded in the Prime districts during the quarter as developers remain cautious amidst market uncertainty. However, they are still interested in replenishing land banks, and are more likely to consider smaller sites which involve lower market risks.
- Prime rents are expected to remain on an uptrend for the next 12 months, as the recent easing of border restrictions and improved hiring of foreigners continue to feed leasing demand. Cooling measures are likely to continue moderating demand and price increases.

60,701	5.25	3.4%	3,158	0.6%
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)
<i>The capital value and rental value indicators are reflective of luxury residential properties</i>				

Key Economic Indicators

GDP Real Growth (1Q22, y-o-y, advance estimates)	3.4%
Consumer Price Index (Feb 2022, y-o-y)	4.3%
Total Trade (current prices) (Feb 2022, y-o-y)	21.0%
Index of Industrial Production (Feb 2022, y-o-y)	17.6%
Retail Sales excl. motor vehicles (chained-volume terms) (Feb 2022, y-o-y)	-2.4%
Unemployment Rate (S.A.) (Feb 2022)	2.1%
Total Population Annual Growth (J un 2021)	-4.1%

Source: DOS

Major Property Transactions	1Q22
Office	Price (SGD mil)
79 Robinson Road (100% interest)	1,260.0
Twenty Anson	599.0
55 Market Street	287.0
Residential	Price (SGD mil)
Jalan Tembusu (GLS)	768.0
Lentor Hills Road (Parcel A) (GLS)	586.6
Gloria Mansion (collective sale)	70.3
Retail	Price (SGD mil)
J Cube	340.0
Wisteria Mall (100% interest)	208.0
82, 83, 84 Circular Road	30.7
Industrial	Price (SGD mil)
UE Bizhub Central	55.0
Tee Hai Building	14.2
Wasco Centre	13.0

Source: JLL Research, April 2022

Retail

- Over the first two months of 1Q22, the retail sales index (excluding motor vehicles) in chained-volume terms rose an encouraging 7.3% y-o-y, reflecting healthy consumer spending during the Lunar New Year period, despite COVID-19 restrictions and rising case numbers. The average monthly retail sales in January and February 2022 marginally surpassed those of corresponding months in 2019.
- Singapore's firm commitment in its endemic COVID-19 strategy, despite a growing number of cases, boosted consumer and business confidence. This supported the second consecutive quarter of rent recovery for prime floor space across the three sub-markets in 1Q22.
- Investment sales value rose q-o-q in 1Q22 largely due to the divestment of J Cube by CapitaLand Integrated Commercial Trust to CapitaLand Group for SGD 340 million and the sale of Wisteria Mall by Northernone Development Pte Ltd to Schroders for SGD 208 million.
- Singapore's extensive easing of COVID-19 measures and travel restrictions (announced on 24 March 2022) will offer another confidence boost to retailers and consumers. This will further drive retail sales and encourage business expansion. Rents are expected to rise y-o-y in 2022, amidst a falling vacancy rate outlook.

5.1	35.32	0.1%	8,415	0.1%
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)
<i>All data is reflective of the Prime sub-market</i>				

Warehouse

- Logistics/warehouse facilities experienced healthy demand in 1Q22, supported largely by requirements for general storage and cold/temperature-control purposes from third-party logistics service providers (3PLs), life sciences and e-commerce companies.
- Driven by tight space availability, especially for better quality warehouse premises, the average island wide logistics/warehouse rent rose for the fourth consecutive quarter in 1Q22 and this supported another quarter of capital value growth.
- Barring unforeseen shocks, we expect rents and capital values to stay on an uptrend for the rest of 2022, underpinned by tight space availability for quality assets and investors' continued buying interest for this asset class.

122.5	1.43	1.4%	200	1.7%
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)
<i>All data is reflective of the islandwide market</i>				

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