

## Office

- The recovering economy and the smooth roll-out of Singapore's vaccination booster programme strengthened occupier confidence and encouraged companies to plan ahead for business growth.
- In 4Q21, CBD Grade A office rents grew at their fastest pace in 11 quarters. Rents rebounded stronger than expected in 2021 after a pandemic-plagued year in 2020.
- Capital values of CBD Grade A offices also climbed for the third consecutive quarter, on the back of continued competition for office assets and optimism on the prospects of the Singapore office market.
- Barring adverse external shocks, office demand could outpace supply in 2022, as Guoco Midtown is the only Grade A office project expected to come on stream in the CBD during the year. Tightening vacancy could help to accelerate rent and capital value growth over the next 12 months.

<b>32.1</b>	<b>10.23</b>	<b>1.8%</b>	<b>3,143</b>	<b>2.0%</b>
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 is reflective of the CBD Investment Grade

## Residential

- New home sales in the Prime districts rose in 4Q21, as more projects were launched compared to the previous quarter.
- Watten Estate Condominium, a 104-unit residential development, was collectively sold for SGD 550.8 million in 4Q21. Developers remain interested in replenishing their land banks, but the recent round of cooling measures has resulted in them becoming more cautious over land purchases.
- In 4Q21, prices of completed Prime properties rose moderately, driven by buyer confidence and strong interest in the Prime market. Following a similar trend, Prime rents saw a moderate increase, as vacancy rates fell amid limited project completions.
- Prime rents are expected to strengthen further in the next 12 months due to the limited available supply coupled with sustained leasing demand. Prime prices are expected to increase at a slower pace in 2022, as the recently announced cooling measures should moderate sales in the short term.

<b>60,664</b>	<b>5.08</b>	<b>3.0%</b>	<b>3,141</b>	<b>4.3%</b>
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 (4Q21, y-o-y, advance estimates)	5.9%
Consumer Price Index (Nov 2021, y-o-y)	3.8%
Total Trade (current prices) (Nov 2021, y-o-y)	31.6%
Index of Industrial Production (Nov 2021, y-o-y)	14.6%
Retail Sales excl. motor vehicles (chained-volume terms) (Nov 2021, y-o-y)	3.9%
Unemployment Rate (S.A.) (Nov 2021)	2.5%
Total Population Annual Growth (Jun 2021)	-4.1%

Source: DOS

## Major Property Transactions | 4Q21

Office	Price (SGD mil)
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One George Street	1,281.5
Robinson 112	269.7
Crown at Robinson (73 strata units)	257.5

Residential	Price (SGD mil)
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23,25,27,29 Enbloc Thiam Siew Avenue (enbloc)	815.0
Watten Estate Condominium (collective sale)	550.8
La Ville (collective sale)	152.0

Retail	Price (SGD mil)
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Porcelain Hotel	90.0
201 Joo Chiat Road	31.5
64 Club Street	26.0

Industrial	Price (SGD mil)
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798, 800 Upper Bukit Timah Road	126.3
351 on Braddell	121.0
1 Science Park Drive (34% interest)	103.2

Source: JLL Research, January 2022

## Retail

- Over the first two months of 4Q21, the retail sales index (excluding motor vehicles) in chained-volume terms rose by 7.2% y-o-y. The firm consumer spending is a sign of improved consumer confidence despite the tightened COVID-related measures.
- The government's roadmap for an endemic COVID-19 led to improved retailer confidence. Retailers remain cautious but are more willing to take on calculated risks and commit to leases. This led to a decline in vacancy rates in 4Q21.
- Amid improved consumer confidence and occupier demand, landlords became selective in compromising on lease terms. This supported a rent recovery of prime floor space across the three submarkets in 4Q21.
- As the economy progressively reopens, the gradual lifting of COVID-related measures and border restrictions will further drive retail sales and encourage business expansion. Rents are expected to extend their growth in 2022, amid a falling vacancy outlook.

<b>5.1</b>	<b>35.30</b>	<b>0.2%</b>	<b>8,407</b>	<b>0.6%</b>
Current stock	Gross effective rent	Rental growth	Capital value	Capital value growth
(sq ft million)	(SGD psf pm NLA)	(q-o-q)	(SGD psf NLA)	(q-o-q)

*All data is reflective of the Prime sub-market*

## Warehouse

- Demand for better quality logistics/warehouse facilities stayed healthy in 4Q21. Similar to 3Q21, requirements stemmed from third-party logistics players, e-commerce firms, and those with general storage or cold/temperature-control needs.
- Led by better quality assets, the average islandwide logistics/warehouse rent climbed for the third consecutive quarter in 4Q21.
- As capital value growth kept pace with rents, yields stayed unchanged in 4Q21.
- Tight space availability for quality logistics/warehouse premises is expected to underpin rent growth into 2022. Further capital value appreciation is also foreseen, as logistics/warehouse assets are expected to remain sought-after by investors but stock for sale is expected to be limited.

<b>121.9</b>	<b>1.41</b>	<b>1.4%</b>	<b>197</b>	<b>1.7%</b>
Current stock	Gross effective rent	Rental growth	Capital value	Capital value growth
(sq ft million)	(SGD psf pm NLA)	(q-o-q)	(SGD psf NLA)	(q-o-q)

*All data is reflective of the islandwide market*

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