

News Release



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Analysis of Singapore office property market statistics – 1Q 2008

Singapore, - The Urban Redevelopment Authority (URA) released today the real estate statistics for the first Quarter 2008 (1Q2008).

According to the URA, price and rental of office space in Singapore continued to grow but at slower rate in 1Q2008. Specifically, prices of office space rose at a more modest pace of 1.1% in 1Q2008, as compared with the 8.0% increase in the previous quarter.

One of the reasons that could contribute to this slower price and rental increase is that office tenants have become more resistant to increases in rental rate. Secondly, part of office demand had been diverted to office space located outside the Central Business District (CBD), e.g. Business Park. In addition, some of the government efforts to cool the office property market down have started to take effects.

The demand for office space in 2008 is still anticipated to remain healthy in the near future. For the whole year of 2008, we expected the rental growth rate to be in the range of 15% to 20%. However, the supply of new office space in the pipeline will be very huge after 2008. In 2009 and 2010, about 2 million and 3.4 million of net floor area is expected to be completed respectively. Because of the massive supply available, rental growth rate could start to consolidate and soften from 2009 onwards.

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Notes to Editors