

FIGURES | SINGAPORE | Q3 2026

# Shifting Gears

+5.9%

GDP Growth Y-o-Y  
(Q2 2026)

+2.3%

CPI Inflation Y-o-Y  
(Aug 2026)

1.23%

3M SORA  
(End-Sep 2026)

Source: CBRE Research, Singstat, MAS, Q3 2026

### Executive Summary

- **Office:** Singapore's office market gained further momentum in Q3 2026. Core CBD (Grade A) rents rose 2.0% q-o-q to \$12.75 psf/mth in Q3 2026, the strongest quarterly gain since Q3 2022. Healthy net absorption drove vacancy down from 3.3% in Q2 2026 to 2.6%.
- **Business Parks:** Singapore’s business park market remained broadly stable in Q3 2026, with islandwide vacancy edging down to 21.9% from 22.0% in Q2 2026.
- **Retail:** Prime retail rents increased across all submarkets in Q3 2026, led by City Hall/Marina Centre where rents rose 0.5% q-o-q. Demand for quality retail space continued to be supported by tourism spending and office-worker footfall.
- **Industrial:** Prime logistics rents increased by 0.5% q-o-q in Q3 2026, resuming growth after remaining flat in H1 2026. Factory rents rose 0.6% q-o-q, while warehouse rents stayed flat.
- **Residential:** New home sales lost momentum in Q3 2026, with notably softer take-up at major launches. Private home prices posted its fastest growth in nearly two years, rising 1.4% q-o-q in Q3 2026 based on flash estimates, and accelerating from 0.5% growth in Q2 2026.
- **Investment:** After a strong Q2, real estate investment activity cooled in Q3 2026. Preliminary real estate investment volumes fell 12.4% q-o-q to \$12.6 bn. Despite the q-o-q decline, 9M 2026 volumes have already surpassed 2025 full-year levels at \$47.5 bn.

TABLE 1: Quick Figures

| Office               | Q3 2026 | Q-o-Q | Y-o-Y  |
|----------------------|---------|-------|--------|
| Grade A Rent         | \$12.75 | +2.0% | +4.5%  |
| Capital Value        | \$3,300 | +3.1% | +11.9% |
| Net Yield *          | 3.7%    | ↔     | ↓      |
| Retail               | Q3 2026 | Q-o-Q | Y-o-Y  |
| Prime Rent (Orchard) | \$39.05 | +0.4% | +1.8%  |
| Capital Value        | \$8,250 | +0.6% | +11.5% |
| Net Yield            | 4.8%    | ↔     | ↓      |
| Business Parks       | Q3 2026 | Q-o-Q | Y-o-Y  |
| Rent (City Fringe)   | \$6.15  | +0.0% | +0.0%  |

Source: CBRE Research, Q3 2026

All capital values and yields stated as prime. Rents are quoted on a \$ psf per month basis and capital values on a \$ psf basis.  
\* Yield calculation methodology revised based on an average of rolling eight quarter rents.

| Residential          | Q3 2026     | Q-o-Q  | Y-o-Y  |
|----------------------|-------------|--------|--------|
| Prime Rent           | \$5.60      | -1.6%  | -0.2%  |
| Capital Value        | \$2,126     | +0.8%  | +3.3%  |
| Net Yield            | 2.5%        | ↓      | ↓      |
| Industrial*          | Q3 2026     | Q-o-Q  | Y-o-Y  |
| Prime Logistics Rent | \$1.88      | +0.5%  | +1.6%  |
| Capital Value        | \$247       | +0.8%  | +5.6%  |
| Net Yield            | 6.5%        | ↔      | ↓      |
| Investments**        | Q3 2026     | Q-o-Q  | Y-o-Y  |
| Total Volume         | \$12.647 bn | -12.4% | +16.0% |

Source: CBRE Research, Q3 2026

\* 30-year prime logistics data provided.  
\*\* Investment volumes are preliminary. All transactions above \$10 mil.

## Office

### Healthy demand tightened vacancy

Singapore's office market gained further momentum in Q3 2026. Core CBD (Grade A) rents rose 2.0% q-o-q to \$12.75 psf/mth in Q3 2026, the strongest quarterly gain since Q3 2022, when rents grew 2.7% q-o-q on a post-pandemic cyclical recovery. Healthy net absorption drove vacancy down from 3.3% in Q2 2026 to 2.6%. With limited near-term supply and a scarcity of contiguous premium space, market conditions remained firmly landlord-favourable.

### AI occupiers emerged as new demand driver

AI firms emerged as a growing source of leasing activity in Q3 2026, complementing an already broad-based occupier market. Reflecting the continued maturation of Singapore's AI ecosystem, demand spanned firms of varying sizes, from flexible workspace users to occupiers securing dedicated space in prime office buildings. Notable commitments include *Anthropic* at *The Executive Centre* within *Ocean Financial Centre* and *Manus AI* at *Industrious'* premises in *Keppel South Central*, while *OpenAI* is reportedly in negotiations for c.120,000 sq. ft. at *Shaw Tower*. That said, financial services occupiers remained the dominant source of demand year-to-date.

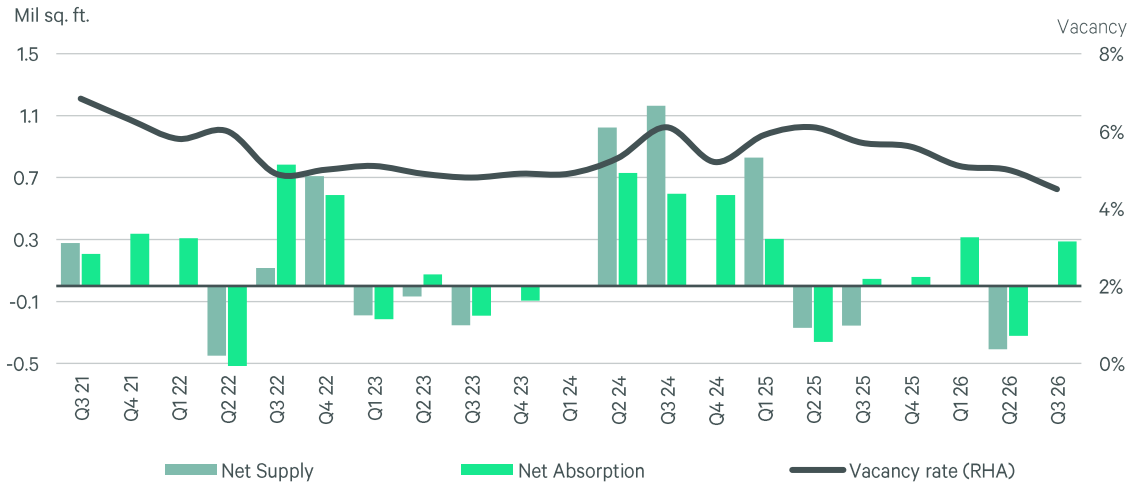
### Supply constraints shift occupier focus to 2028

Following the completion of *Shaw Tower* in early 2026, the next notable new supply in the CBD is *Newport Tower* in 2027. With limited new supply on the horizon, occupiers are increasingly targeting projects due from 2028 onwards, including *One Comcentre*, *The Clifford* and *The Skywaters*. Pre-commitment activity continues to build as firms move earlier in the leasing cycle to secure quality space and mitigate future availability risks.

### Rental growth could accelerate

Limited new supply through 2027 and resilient occupier demand are expected to keep upward pressure on rents. Core CBD (Grade A) rents have already risen 3.7% year-to-date, with rental growth accelerating in H2 2026 as vacancy tightens. Barring a significant deterioration in global economic conditions and hiring activity, CBRE Research expects prime office rents to grow by more than 5% in 2026, which will be the strongest annual performance since 2022's 8.3%.

FIGURE 1: Office Supply-Demand (Islandwide)



Source: CBRE Research, Q3 2026

TABLE 2: Office Vacancy Rates

|                    | Q1 26 | Q2 26 | Q3 26 |
|--------------------|-------|-------|-------|
| Core CBD (Grade A) | 3.3%  | 3.3%  | 2.6%  |
| Islandwide         | 5.1%  | 5.0%  | 4.5%  |
| Core CBD           | 4.3%  | 4.5%  | 3.9%  |
| Fringe CBD         | 6.2%  | 7.2%  | 6.8%  |
| Decentralised      | 5.6%  | 3.6%  | 3.6%  |

Source: CBRE Research, Q3 2026

TABLE 3: Singapore Office Rents

|                      | Q3 26   | Q-o-Q | Y-o-Y |
|----------------------|---------|-------|-------|
| Core CBD (Grade A)   | \$12.75 | 2.0%  | 4.5%  |
| Core CBD             | \$9.55  | 1.6%  | 4.9%  |
| Core CBD (Grade B)   | \$9.25  | 1.1%  | 4.5%  |
| Islandwide (Grade B) | \$8.50  | 1.8%  | 4.3%  |

Source: CBRE Research, Q3 2026

Business Parks

Islandwide vacancy improved, driven by City Fringe

Singapore’s business park market remained broadly stable in Q3 2026, with islandwide vacancy edging down to 21.9% from 22.0% in Q2 2026. The absence of new completions since 27 *International Business Park* in Q2 helped stabilise market conditions. Vacancy in the City Fringe fell from 12.7% in Q2 2026 to 11.8% in Q3 2026 on sustained leasing demand, while vacancy in the Rest of Island submarket increased from 29.4% to 30.0% over the same period.

Leasing demand supported by infocomm, engineering and life sciences

Renewals continued to underpin leasing activity in Q3 2026, with limited large new leases. Leasing demand was mainly driven by occupiers from the infocomm and media, engineering and life sciences sectors seeking lab-enabled space. However, leasing momentum remained uneven, with some occupiers continuing to optimise their real estate footprints. This included a major bank consolidating its operations and returning space to the market.

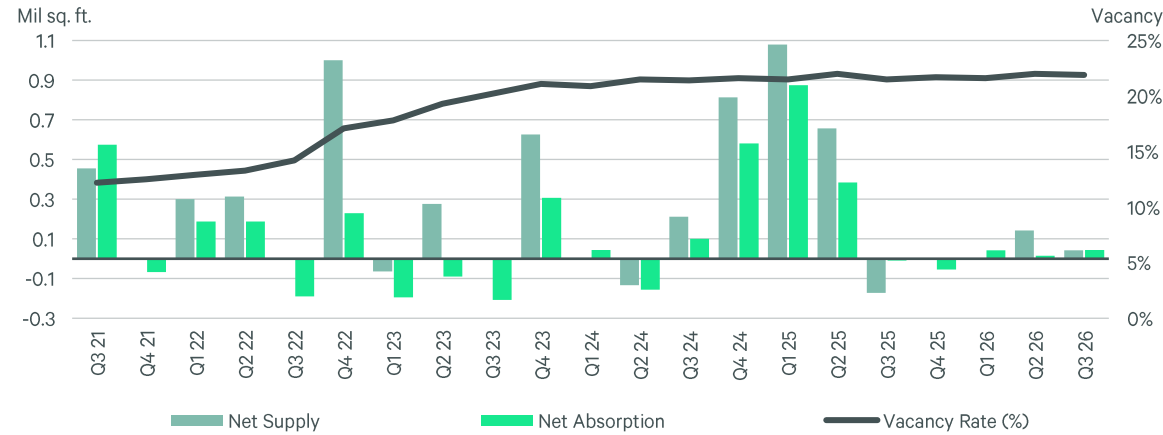
Rental performance bifurcated by asset quality

Average business park rents were unchanged in Q3 2026 at \$6.15 psf/month in the City Fringe and \$3.55 psf/month in the Rest of Island. Within each submarket, occupiers remained highly discerning, favouring prime, newer-generation business park developments that offer modern specifications and stronger workplace amenities, reinforcing the bifurcation between quality assets and older stock. Competition from centrally located hi-tech developments also intensified, with some offering competitive rents.

Prime assets expected to lead rental growth

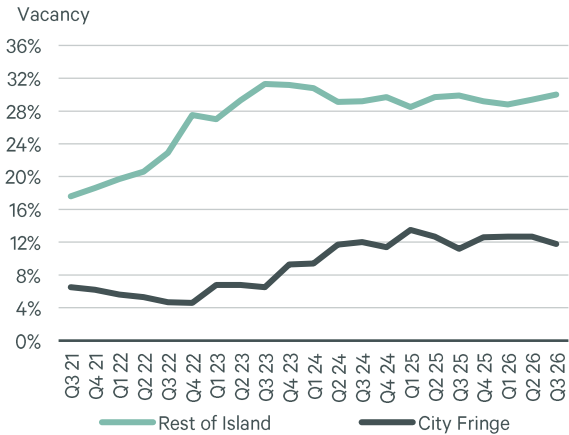
With limited new supply in the pipeline, vacancy is expected to trend lower, especially in the City Fringe, supporting modest rental growth for prime assets. As office market conditions tighten, business parks may become a more compelling alternative for suitable occupiers. Rental growth in the Rest of Island is likely to be more measured amid higher vacancy, although quality assets with strong connectivity and amenities should continue to outperform.

FIGURE 2: Business Park Supply-Demand (Islandwide)



Source: CBRE Research, Q3 2026

FIGURE 3: Business Park Vacancy



Source: CBRE Research, Q3 2026  
Note: Historical vacancies may differ due to re-basketing of properties in Q1 2025

TABLE 4: Singapore Business Park Rents

|                | Q3 26  | Q-o-Q | Y-o-Y |
|----------------|--------|-------|-------|
| City Fringe    | \$6.15 | 0.0%  | 0.0%  |
| Rest of Island | \$3.55 | 0.0%  | 0.0%  |

TABLE 5: Known Business Park Pipeline (sq. ft.)

|       | City Fringe | Rest of Island |
|-------|-------------|----------------|
| Q4 26 | 0.00 mil    | 0.00 mil       |
| 2027  | 0.00 mil    | 0.00 mil       |
| 2028  | 0.00 mil    | 0.00 mil       |

Source: CBRE Research, Q3 2026

Retail

Consumer spending and tourism arrivals softened

With nominal retail sales growth slowing and inflation rising, retail sales (excluding motor vehicles) in real terms declined y-o-y for two straight months in Jul and Aug 2026, hinting at weaker consumer confidence amid rising retrenchments and persistent inflationary pressures. The Middle East conflict also continued to weigh on tourism activity, with visitor arrivals declining by 2.9% and 0.3% y-o-y in Jul and Aug 2026 respectively due to higher airfares.

F&B and fashion retailers underpinned leasing demand

Despite cautious sentiment among some retailers amid ongoing Middle East tensions, leasing activity remained resilient in Q3 2026, underpinned by expansion demand from F&B and fashion brands such as *Chick-fil-A*, *Loulouca*, *Pop Bakery*, *In Good Company* and *Polène*. At the same time, tenant exits and footprint rationalisation by operators including *True Fitness*, *Crystal Jade* and *Japan Home* reflected continued churn within the competitive retail landscape. Against this backdrop, landlords increasingly sought to optimise asset performance through alternative uses, with *Taste Orchard's* repositioning into *JustCo Place* and *Orchard Central's* announced office conversion representing the most significant retail-to-office shifts since *The Centrepoint* leased space to *JustCo* in 2020.

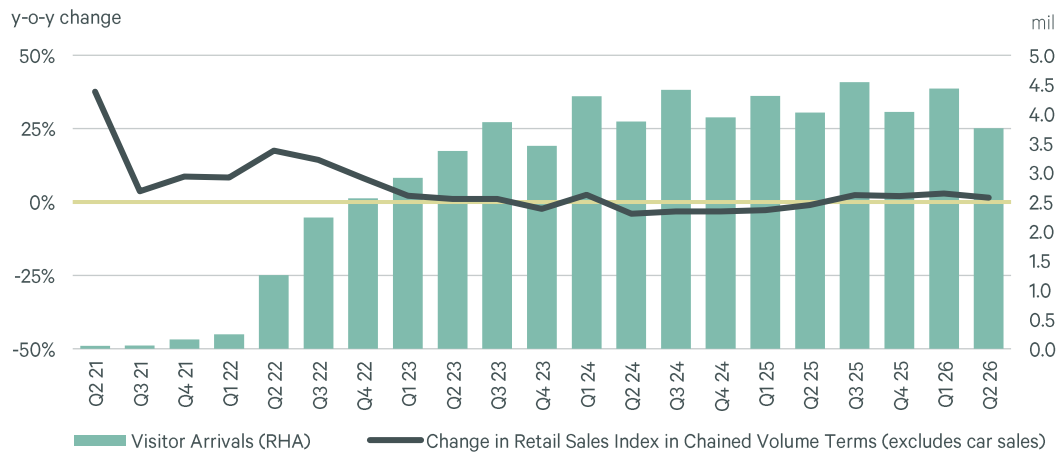
Prime rents continued to edge higher

Prime retail rents increased across all submarkets in Q3 2026, led by City Hall/Marina Centre where rents rose 0.5% q-o-q. Demand for quality retail space continued to be supported by tourism spending and office-worker footfall. Consequently, islandwide prime retail rents grew 0.4% q-o-q, bringing YTD rental growth to 1.2%.

Rental outlook remains stable despite headwinds

Retailers continue to face manpower shortages, higher operating costs—exacerbated by the Middle East conflict—and intense e-commerce competition. Nevertheless, strong tourism spending, underpinned by a strong pipeline of MICE events and concerts, and resilient domestic consumption should sustain demand for prime retail space. With future supply set to remain below historical norms in the next three years, CBRE Research expects prime retail rents to increase by 1–2% in 2026.

FIGURE 4: Retail Economic Indicators



Source: STB, MTI, CBRE Research, Q3 2026

TABLE 6: Prime Retail Rents

|              | Q3 26   | Q-o-Q | Y-o-Y |
|--------------|---------|-------|-------|
| Islandwide   | \$28.25 | 0.4%  | 1.6%  |
| Orchard Road | \$39.05 | 0.4%  | 1.8%  |
| Suburban     | \$33.05 | 0.3%  | 1.2%  |

Source: CBRE Research, Q3 2026

TABLE 7: Estimated Gross New Supply

| Estimated NLA (sq. ft.) |          |
|-------------------------|----------|
| Q4 2026                 | 0.14 mil |
| 2027                    | 0.58 mil |
| 2028                    | 0.41 mil |

Source: CBRE Research, URA, Q3 2026  
Note: Projects with a NLA of less than 20,000 sq. ft. are excluded

Industrial

Electronics-led demand sustains manufacturing and export momentum

Manufacturing activity strengthened markedly, with output growing 10.9% y-o-y across Jul – Aug 2026, led by the precision engineering and electronics clusters. Exports also rose 34.3% y-o-y, fuelled by robust AI-related demand for electronics. SIPMM PMI reached 51.7 in Sep, its highest reading since Oct 2018, while the Electronics PMI climbed to 52.9, the strongest level since Jan 2018 amid sustained hyperscaler investment in AI infrastructure.

Resilient leasing activity led by relocations and logistics expansion

Leasing activity remained robust in Q3 2026, led by flight-to-quality moves from technology and medtech firms. Demand for modern logistics space stayed firm as logistics and wholesale trade occupiers expanded, while semiconductor and engineering companies were the most active in the hi-tech segment. Singapore continues to draw strong occupier interest, supported by its stability, deep talent base, and conducive business environment.

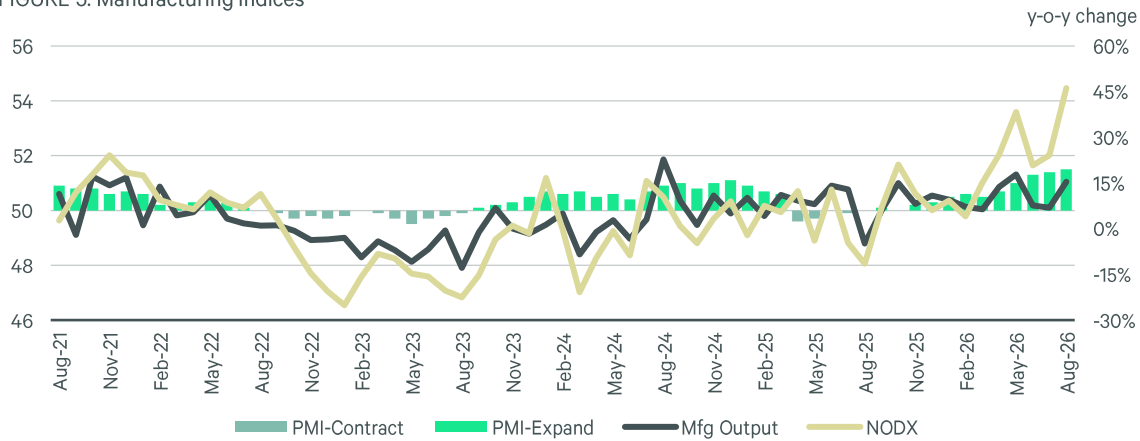
Prime logistics rents resume growth as occupancy climbs

Prime logistics rents increased by 0.5% q-o-q to S\$1.88 psf/mth in Q3 2026, resuming growth after remaining flat in H1 2026. Occupancy within CBRE Research’s prime logistics basket improved from 95.7% in Q2 2026 to 96.1% in Q3 2026, supported by sustained demand for modern ramp-up facilities. Meanwhile, factory rents rose 0.6% q-o-q, driven by the completion and leasing of newer, higher-specification facilities, while warehouse rents remained stable.

Tight supply to lift rents, but landlord caution keeps growth measured

Prime logistics supply is set to moderate significantly in 2026 compared to 2025, with Cogent's *JILH Phase II* the only major completion expected by year-end. Pre-commitments for pipeline projects up to 2027 also remain strong, limiting the space available to occupiers. While 3PL demand remains firm, inflation concerns have sharpened occupiers’ focus on costs, prompting landlords to prioritise occupancy over rental uplifts. Against this backdrop, prime logistics rents are likely to grow at a measured pace into 2027.

FIGURE 5: Manufacturing Indices



Source: Singstat, SIPMM, CBRE Research, Q3 2026

TABLE 8: Industrial Rents

|                     | Q3 26  | Q-o-Q | Y-o-Y |
|---------------------|--------|-------|-------|
| Factory (Grd Flr)   | \$1.82 | 0.6%  | 0.6%  |
| Factory (Upp Flr)   | \$1.42 | 0.7%  | 0.7%  |
| Warehouse (Grd Flr) | \$1.91 | 0.0%  | 0.5%  |
| Warehouse (Upp Flr) | \$1.39 | 0.0%  | 0.7%  |
| Prime Logistics     | \$1.88 | 0.5%  | 1.6%  |

Source: CBRE Research, Q3 2026

TABLE 9: Significant Future Developments

| Development                                          | Est. GFA (mil sf) |
|------------------------------------------------------|-------------------|
| Jurong Island Logistics Hub (JILH) Phase II (Cogent) | 0.67              |
| Jalan Samulun (PaxOcean)                             | 0.38              |
| Jalan Tukang (Equinix)                               | 0.30              |
| Gain City Megastore @ Tampines                       | 0.27              |

Source: CBRE Research, JTC, Q3 2026

Residential

Q3 2026 new sales down on softer take-up at launches

New home sales lost momentum in Q3 2026, with preliminary sales declining 45.2% q-o-q to 1,173 units from 2,141 units in Q2 and falling 64.3% y-o-y from 3,288 units in Q3 2025. While the quarter saw three major launches, similar to Q2, take-up was notably softer. *Lentor Gardens Residences* (499 units), *Dunearn House* (380 units) and *Amberwood at Holland* (212 units) achieved launch weekend take-up rates of 54%, 56% and 11%, respectively, well below the 71% average recorded across launches in H1 2026.

Private home prices posted fastest growth in nearly two years

Private home prices rose 1.4% q-o-q in Q3 2026 based on flash estimates, accelerating from 0.5% in Q2 and marking the strongest quarterly growth since Q4 2024. The increase was driven by the landed segment, where prices climbed 2.8% q-o-q, while non-landed prices rebounded 0.9%. Within the non-landed market, the OCR led gains with a 2.2% increase, supported by strong pricing at *Lentor Gardens Residences*, which set new benchmark prices for the Lentor estate. Meanwhile, the RCR rose 0.2%, offsetting a marginal 0.1% decline in the CCR.

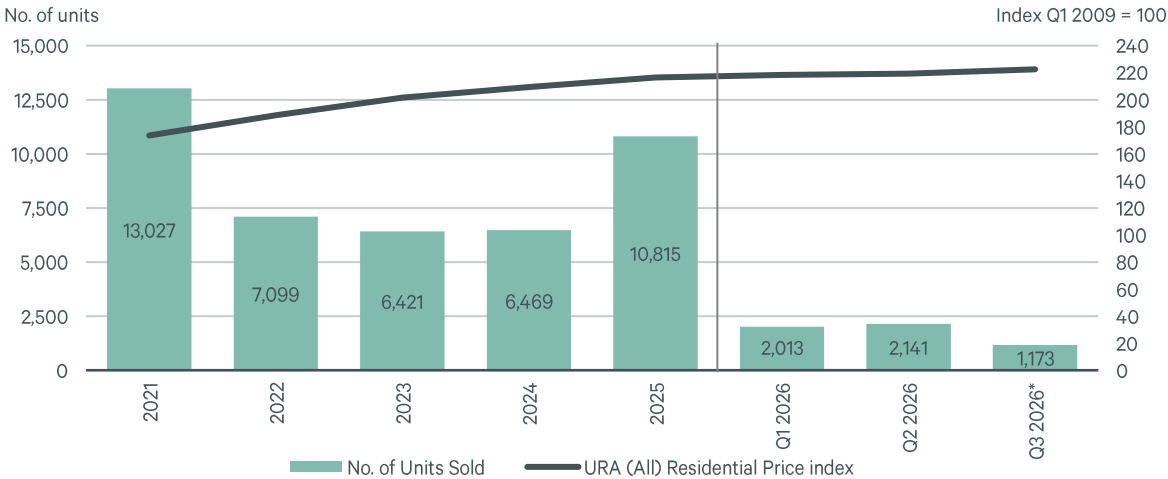
Mixed rental performance across market segments in Q3 2026

URA's rental index for private residential properties rose 0.7% q-o-q in Q2 2026, extending the 0.3% increase recorded in Q1 2026. Median rents in Jul-Aug 2026 were mixed across regions, with the OCR leading growth at 4.0%, followed by the RCR at 1.4%, while the CCR saw rents decline 2.7%.

Sales momentum to pick up in Q4 2026

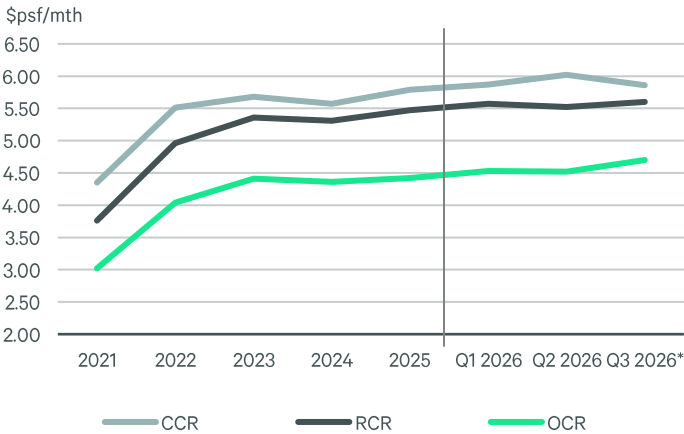
Preliminary new home sales totalled 5,327 units in 9M 2026, down 32.4% from a year ago amid fewer launches, higher price points and demand normalisation following 2025's four-year sales high. Sales momentum is expected to improve in Q4, led by the launch of *Thomson Reserve* (1,268 units), which could unlock pent-up demand. CBRE Research projects 7,500-8,500 new homes to be sold in 2026, while private home prices are expected to rise at the higher bound of our forecasted 2 – 4% for the full year after gaining 2.8% year-to-date.

FIGURE 6: New Private Residential Units Take-up & URA Price Index (incl. ECs)



Source: URA, CBRE Research, Q3 2026  
Note: \*Preliminary figures (excl. ECs) for Q3 2026 based on flash price estimate and Realis caveats as of 8 Oct 2026.

FIGURE 7: Non-landed Median psf Rents by Market Segment



Source: URA, CBRE Research, Q3 2026  
Note: \*For non-landed residential units (excl. ECs) from Jul – Aug. Based on Realis caveats as of 8 Oct 2026.

TABLE 10: Top 3 Projects (New Sales) in Q3 2026

| Project                         | Lentor Gardens Residences | Dunearn House | Union Square Residences |
|---------------------------------|---------------------------|---------------|-------------------------|
| Tenure                          | 99y                       | 99y           | 99y                     |
| Median Price (\$psf) in quarter | \$2,357                   | \$3,107       | \$2,796                 |
| Units sold in quarter           | 299                       | 237           | 63                      |

Source: URA, CBRE Research, Q3 2026  
Note: Based on Realis caveats as of 8 Oct 2026.

Investments

Q3 2026 investment volumes moderated after a strong Q2 but stayed strong

After a strong Q2, real estate investment activity cooled in Q3 2026 as interest rate uncertainty weighed on investor sentiment. Preliminary investment volumes fell 12.4% q-o-q to \$12.6 bn, but remained 16.0% higher y-o-y. This brought 9M 2026 volumes to \$47.5 bn. Excluding public land sales, volumes declined 32.8% q-o-q to \$7.4 bn in Q3. 9M 2026 private investment volumes increased 111.6% y-o-y to \$34 bn.

Industrial and mixed-use sectors led sequential investment volume growth

The industrial and mixed-use sectors grew the most in Q3 2026. Industrial investment volumes nearly tripled q-o-q to \$2.4 bn, supported by the landmark collective sale of *Tan Boon Liat Building* for \$950 mil Kingsford Group and Western Digital's acquisition of *Advanced Display Park* for \$350 mil from AUO. Meanwhile, mixed-use investment volumes surged to \$3.7 bn, buoyed by the award of the *Bayshore Drive* commercial and residential GLS site for \$2.1 bn and Hongkong Land's \$1.1 bn acquisition of *Wheelock Place* through its Singapore Central Private Real Estate Fund.

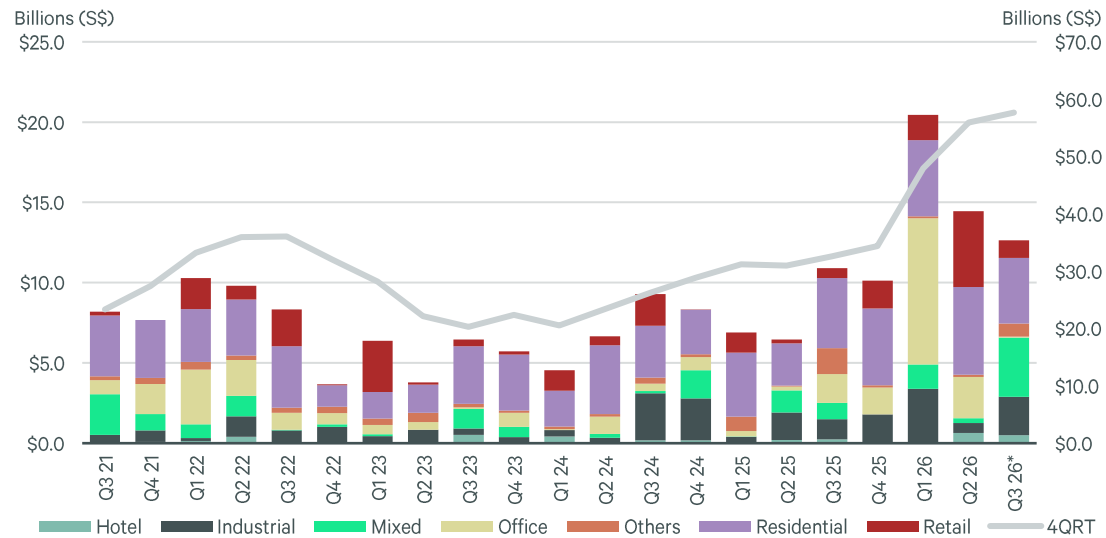
Office, retail and residential investments declined sequentially

Office investment volumes slumped 97.2% q-o-q to \$72.20 mil in Q3 2026 following the \$2.476 bn sale of *Asia Square Tower 2* in Q2, as no comparable large office deals were concluded in Q3. Retail volumes fell 76.7% q-o-q to \$1.1 bn, although transaction activity remained firm, supported by the sales of *White Sands*, *Scotts Square* and *Rivervale Mall*. The decline was largely due to the high base created by the \$3.9 bn *Paragon* transaction in Q2. Residential investment volumes also moderated, falling 24.9% q-o-q on softer luxury home sales.

2026 investment volumes on course for a record year

Despite global economic and geopolitical uncertainties, strong economic growth and a low interest rate environment sustained investment momentum through 9M 2026. With transaction volumes already surpassing full-year 2025 levels, the market remains on course for a record year. Although the prospect of higher interest rates could moderate investor activity in the near term, Singapore's safe-haven appeal, transparent market, and resilient fundamentals should continue to attract capital.

FIGURE 8: Total Transaction Volume by Sector



Source: CBRE Research, Q3 2026, \*Preliminary figures

FIGURE 9: Capital Values Index



Source: CBRE Research, Q3 2026

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