

Resilient Resolve

+6.0%

GDP Growth Y-o-Y
(Q1 2026)

+1.8%

CPI Inflation Y-o-Y
(May 2026)

1.08%

3M SORA
(End-Jun 2026)

Source: CBRE Research, Singstat, MAS, Q2 2026

Executive Summary

- **Office:** Singapore’s office market remained tight in Q2 2026, as Core CBD (Grade A) vacancy held steady at a record low of 3.3% and rents extended their climb for the sixth straight quarter.
- **Business Parks:** Average rents across both submarkets remained stable in Q2 2026. However, rental performance continued to diverge by asset quality.
- **Retail:** In Q2 2026, rental growth was recorded across all submarkets. As a result, islandwide prime retail rents rose by 0.4% q-o-q, bringing H1 2026 rent growth to 0.9%.
- **Industrial:** Prime logistics rents held firm in H1 2026, demonstrating resilience despite rising fuel costs faced by logistics operators. Average warehouse and factory rents were also flat.
- **Residential:** Despite fewer launches and increased market volatility, new home sales in Q2 2026 remained robust. Private home prices rose 0.5% q-o-q in Q2 2026 based on flash estimates, easing from 0.9% q-o-q growth in Q1 2026.
- **Investment:** Following a record-breaking Q1 2026, preliminary real estate investment volumes eased 30.0% q-o-q to \$14.276 bn in Q2 2026. Despite the q-o-q decline, volumes more than doubled y-o-y, making Q2 2026 the second-strongest quarter on record and lifting H1 2026 volumes to \$34.658 bn.

TABLE 1: Quick Figures

Office	Q2 2026	Q-o-Q	Y-o-Y
Grade A Rent	\$12.50	+0.8%	+3.3%
Capital Value	\$3,200	+3.2%	+8.5%
Net Yield *	3.7%	↓	↓
Retail	Q2 2026	Q-o-Q	Y-o-Y
Prime Rent (Orchard)	\$38.90	+0.5%	+2.1%
Capital Value	\$8,200	+3.8%	+11.6%
Net Yield	4.8%	↓	↓
Business Parks	Q2 2026	Q-o-Q	Y-o-Y
Rent (City Fringe)	\$6.15	+0.0%	+0.8%

Source: CBRE Research, Q2 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	Q2 2026	Q-o-Q	Y-o-Y
Prime Rent	\$5.60	-0.9%	-1.0%
Capital Value	\$2,114	+0.2%	+2.2%
Net Yield	2.5%	↓	↓
Industrial*	Q2 2026	Q-o-Q	Y-o-Y
Prime Logistics Rent	\$1.87	+0.0%	+2.2%
Capital Value	\$245	+2.7%	+6.5%
Net Yield	6.5%	↓	↓
Investments**	Q2 2026	Q-o-Q	Y-o-Y
Total Volume	\$14.276 bn	-30.0%	+121.1%

Source: CBRE Research, Q2 2026

* 30-year prime logistics data provided.

** Investment volumes are preliminary. All transactions above \$10 mil.

Office

Vacancy held steady at record low as rents extend climb

Singapore’s office market remained tight in Q2 2026, as Core CBD (Grade A) vacancy held steady at a record low of 3.3% and rents extended their climb for the sixth straight quarter. Core CBD (Grade A) rents edged up 0.8% q-o-q to \$12.50 psf/mth, marking a cumulative 1.6% gain in H1 2026. In the Decentralised area, vacancy fell sharply from 5.6% in Q1 2026 to 3.6% in Q2 2026, largely due to the removal of *Harbourfront Centre* (0.60 mil sq. ft.), which had seen elevated vacancy as tenants relocated ahead of its redevelopment.

Demand broadened across sectors and submarkets

Within the CBD, AI companies of varying scales continued moving from flex space into dedicated, self-managed space, with a preference for prime buildings. Financial services — spanning banking, wealth management, insurance, and asset management — remained a steady source of demand. Beyond the CBD, decentralised areas such as the Alexandra and Paya Lebar submarkets saw active take-up from the consumer goods, professional services, and education occupiers.

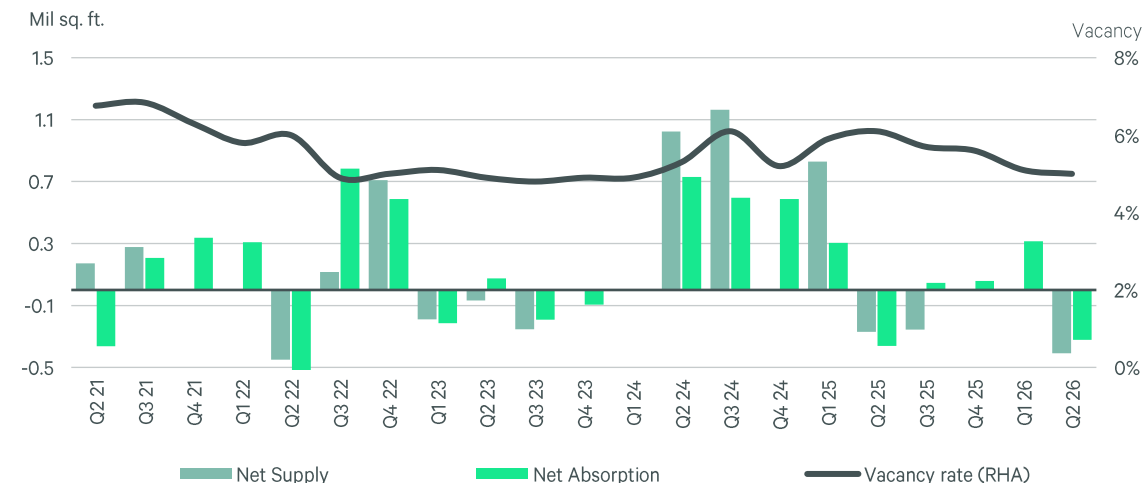
Shaw Tower completed amid a constrained pipeline

Shaw Tower completed in Q2 2026, the sole major office completion of the year, with tenants including Allianz, Adyen, Sanofi-Aventis Singapore, and The Great Room. Together with *Keppel South Central*, they form a quality cluster in the Fringe CBD, offering alternatives to an increasingly constrained Core CBD. With limited supply projected through 2027, competition for quality space is set to intensify.

Rental growth outlook remains firm amid tight supply

The scarcity of available quality space is prompting occupiers to act earlier, with pre-commitment now extending to developments completing in 2028 and 2029. With below-average new supply in 2027, we expect Core CBD (Grade A) rental growth to accelerate in H2 2026, bringing full-year growth to approximately 5.0%.

FIGURE 1: Office Supply-Demand (Islandwide)



Source: CBRE Research, Q2 2026

TABLE 2: Office Vacancy Rates

	Q4 25	Q1 26	Q2 26
Core CBD (Grade A)	4.5%	3.3%	3.3%
Islandwide	5.6%	5.1%	5.0%
Core CBD	4.8%	4.3%	4.5%
Fringe CBD	6.7%	6.2%	7.2%
Decentralised	5.9%	5.6%	3.6%

Source: CBRE Research, Q2 2026

TABLE 3: Singapore Office Rents

	Q2 26	Q-o-Q	Y-o-Y
Core CBD (Grade A)	\$12.50	0.8%	3.3%
Core CBD	\$9.40	1.1%	3.9%
Core CBD (Grade B)	\$9.15	1.1%	4.6%
Islandwide (Grade B)	\$8.35	1.2%	3.7%

Source: CBRE Research, Q2 2026

Business Parks

New supply addition in Rest of Island submarket

Singapore's business park market navigated a period of transition in Q2 2026, as new supply placed upward pressure on vacancy levels despite pockets of resilient occupier demand. Vacancy in the Rest of Island submarket rose from 28.8% in Q1 2026 to 30.3% in Q2 2026, following the completion of 27 *International Business Park*, which added 0.2 mil sq. ft. of space. In contrast, vacancy in the City Fringe remained broadly stable at 12.7%. Consequently, islandwide business park vacancy increased from 21.6% to 22.4% over the quarter.

Leasing demand uneven across sectors

Leasing activity was mixed in Q2 2026, with expansionary demand from technology and robotics-related occupiers offset by some downsizing in the aerospace and pharmaceutical sectors. Meanwhile, tightening Core CBD office availability may be prompting some technology firms to consider alternative Fringe CBD office and business park space, although it remains premature to conclude that this reflects a broader market trend.

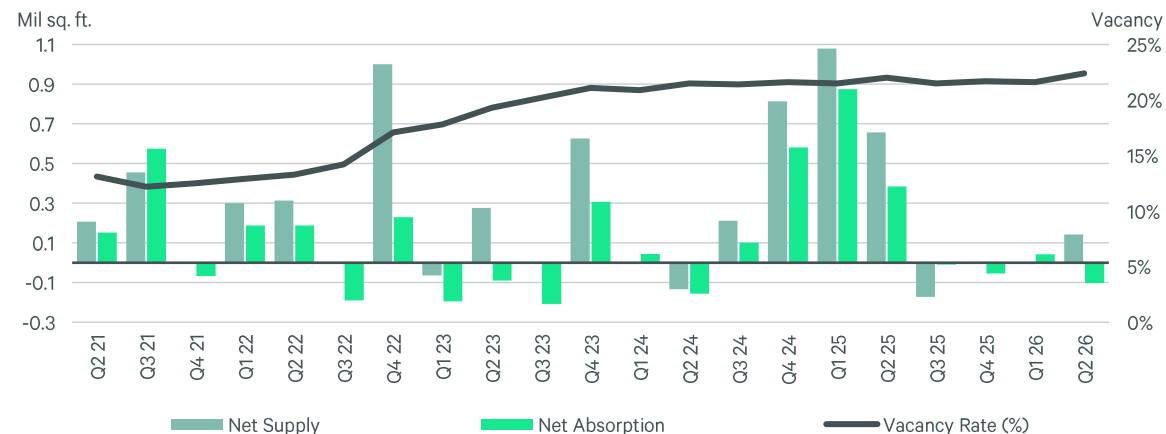
Rents remained stable in a two-tier market

Average business park rents across both submarkets remained stable in Q2 2026, holding at \$6.15 psf/mth in the City Fringe and \$3.55 psf/mth in the Rest of Island. However, rental performance continued to diverge by asset quality. Prime, well-located properties with strong specifications maintained firm rents, while older or less competitive assets increasingly relied on incentives to retain and attract tenants. This bifurcation between prime and secondary stock will persist in the near term.

Guarded optimism as supply pressure eases

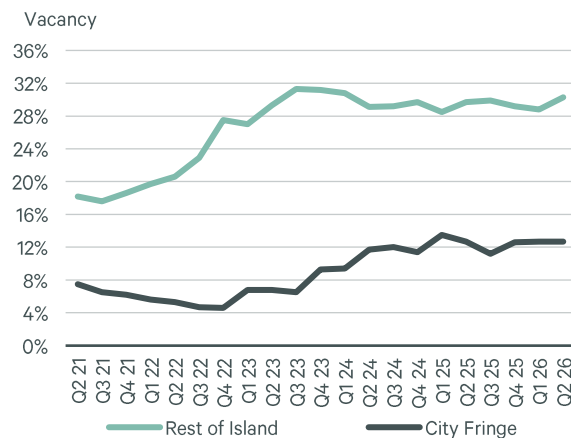
With the completion of 27 *International Business Park*, no additional business park supply is expected for the next few years for now, supporting overall rental stability. Secondary and shadow space availability appears to be nearing a trough. Against this backdrop, select prime assets — which remain low in supply — could see modest rental upside as availability tightens.

FIGURE 2: Business Park Supply-Demand (Islandwide)



Source: CBRE Research, Q2 2026

FIGURE 3: Business Park Vacancy



Source: CBRE Research, Q2 2026

Note: Historical vacancies may differ due to re-basketing of properties in Q1 2025

TABLE 4: Singapore Business Park Rents

	Q2 26	Q-o-Q	Y-o-Y
City Fringe	\$6.15	0.0%	0.8%
Rest of Island	\$3.55	0.0%	0.0%

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

	City Fringe	Rest of Island
H2 2026	0.00 mil	0.00 mil
2027	0.00 mil	0.00 mil
2028	0.00 mil	0.00 mil

Source: CBRE Research, Q2 2026

Retail

Retail sales remained robust despite the Middle East conflict

Retail sales (excluding motor vehicles) expanded by 2.4% and 0.7% y-o-y in Apr and May 2026 respectively, reflecting resilient consumer demand supported by solid economic growth and a robust labour market, notwithstanding the Middle East conflict. However, the conflict has weighed on tourism activity, with tourism arrivals declining by 5.1% and 9.7% y-o-y in Apr and May 2026 respectively amid higher airfares and flight cancellations.

Robust space take-up driven by F&B, fashion and toys & hobbies concepts

While retailers have become more cautious due to tensions in the Middle East, leasing activity remained healthy in Q2 2026. CBRE Research noted robust demand for space, driven primarily by F&B such as *Bouillon Gavroche*, *Yo-chi* and *Molly Tea*. Fashion and toys & hobbies retailers, including *Subdued*, *kurun*, *Snoopy Store & Café* and *Happibox* also contributed to strong space take-up. Meanwhile, leasing interest from wellness concepts, including health and fitness operators, remained elevated, although their larger space requirements continued to present challenges in finding suitable locations.

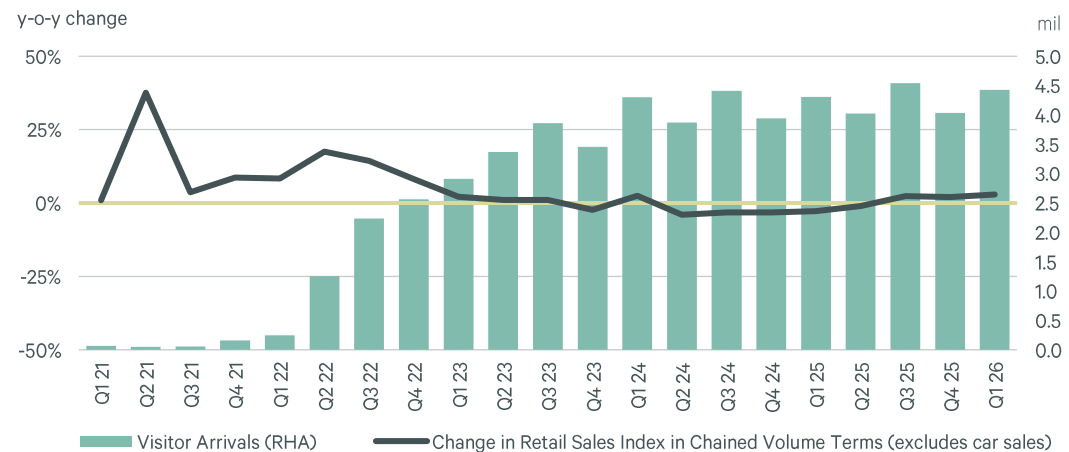
Prime rents continued to grow across all submarkets

In Q2 2026, rental growth was recorded across all submarkets, with the City Hall/Marina Centre, Orchard and suburban areas posting increases of 0.5% q-o-q. Sustained demand for prime retail spaces reflected retailers’ confidence in tourism and consumer spending. As a result, islandwide prime retail rents rose by 0.4% q-o-q, bringing H1 2026 rent growth to 0.9%.

Prime retail rents poised for sustained growth in 2026 despite challenges

Retailers continue to grapple with manpower shortages, rising operating costs—further exacerbated by the Middle East conflict—and intense competition from e-commerce players. Nevertheless, stronger tourism spending, underpinned by a healthy pipeline of MICE events and concerts, together with resilient consumer spending and Singapore’s safe-haven status, should continue to support demand for prime retail space. With new supply over the next three years expected to remain below historical norms, CBRE Research forecasts prime retail rents to grow by 1–2% in 2026.

FIGURE 4: Retail Economic Indicators



Source: STB, MTI, CBRE Research, Q2 2026

TABLE 6: Prime Retail Rents

	Q2 26	Q-o-Q	Y-o-Y
Islandwide	\$28.15	0.4%	2.0%
Orchard Road	\$38.90	0.5%	2.1%
Suburban	\$32.95	0.5%	1.4%

Source: CBRE Research, Q2 2026

TABLE 7: Estimated Gross New Supply

	Estimated NLA (sq. ft.)
H2 2026	0.14 mil
2027	0.58 mil
2028	0.37 mil

Source: CBRE Research, URA, Q2 2026
Note: Projects with a NLA of less than 20,000 sq. ft. are excluded

Industrial

Electronics demand anchors manufacturing and exports growth

Manufacturing output expanded by 14.8% y-o-y over Apr – May 2026, with growth anchored by the electronics and precision engineering clusters. Over the same period, non-oil domestic exports surged by 31.0% y-o-y, led by robust global demand for electronics products. SIPMM's PMI rose to 51.3 in Jun 2026, its highest reading since Nov 2018. The electronics PMI also climbed to 52.2, reflecting continued hyperscaler investment in AI infrastructure.

Healthy leasing activity in Q2 2026 sustained by 3PLs and semiconductor firms

In Q2 2026, demand for logistics space was led by 3PLs and manufacturers amid a continued focus on supply chain resilience, while semiconductor firms drove hi-tech leasing activity. Transactions remained active but were largely renewal-led as expansionary demand softened. Despite caution arising from the Middle East conflict, occupier enquiries remained resilient, reflecting Singapore's appeal as a stable and well-connected business hub.

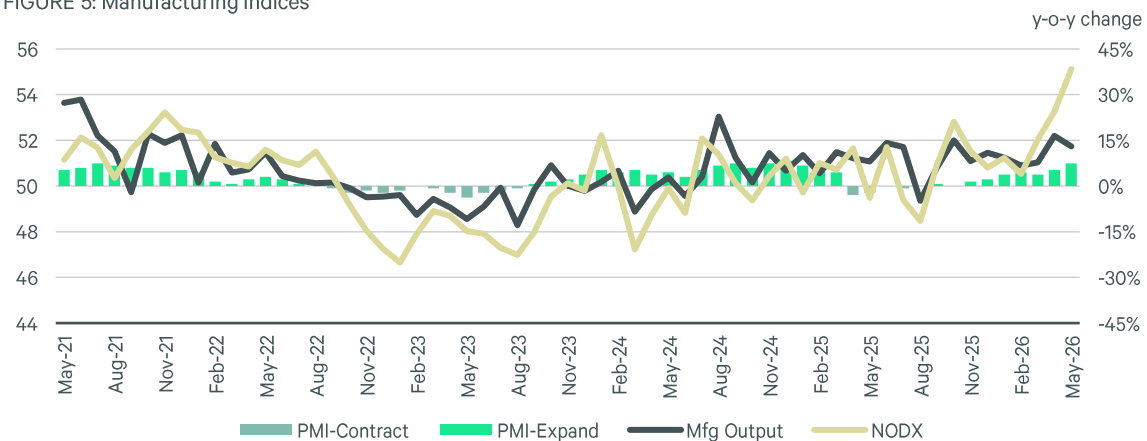
Prime logistics rents stable in H1 2026 despite rising fuel costs

Prime logistics rents remained unchanged for the second straight quarter at \$1.87 psf/mth, demonstrating resilience despite rising fuel costs faced by logistics operators. Occupancy rate in CBRE Research's prime logistics basket rose from 94.8% in Q4 2025 to 95.7% in Q2 2026, supported by sustained demand for modern ramp-up facilities. Average warehouse and factory rents were also flat in H1 2026, reflecting a broadly stable market environment.

Constrained supply pipeline expected to catalyse rental growth in H2 2026

Looking ahead, prime logistics supply in 2026 remains below historical levels, with Cogent's *JILH Phase II* the only major completion by Q4 2026. Given that much of the upcoming supply has already been pre-committed, occupiers are likely to face a shrinking pool of available options as market conditions tighten, increasing reliance on existing stock to accommodate expansion plans. Supported by healthy leasing activity and declining vacancy levels, prime logistics rents are expected to regain upward momentum in H2 2026.

FIGURE 5: Manufacturing Indices



Source: Singstat, SIPMM, CBRE Research, Q2 2026

TABLE 8: Industrial Rents

	Q2 26	Q-o-Q	Y-o-Y
Factory (Grd Flr)	\$1.81	0.0%	0.0%
Factory (Upp Flr)	\$1.41	0.0%	0.0%
Warehouse (Grd Flr)	\$1.91	0.0%	0.5%
Warehouse (Upp Flr)	\$1.39	0.0%	0.7%
Prime Logistics	\$1.87	0.0%	2.2%

Source: CBRE Research, Q2 2026

TABLE 9: Significant Future Developments

Development	Est. GFA (mil sf)
Jurong Island Logistics Hub (JILH) Phase II (Cogent)	0.67
Pasir Ris Industrial Drive 1 (Soitec Microelectronics)	0.38
Tuas Avenue 1 (Siemens)	0.38
Jalan Tukang (Equinix)	0.30

Source: CBRE Research, JTC, Q2 2026

Residential

Q2 2026 new sales resilient despite fewer launches and the Middle East conflict

Despite fewer launches and increased market volatility, new home sales in Q2 2026 remained robust. Preliminary sales rose 6.8% q-o-q to 2,150 units from 2,013 units in Q1. Strong homebuying demand underpinned healthy take-up across the quarter's three launches, led by the near sell-out of *Tengah Garden Residences* (99% of 863 units sold over its launch weekend). *Vela Bay* (515 units) and *Hudson Place Residences* (327 units) also posted solid launch weekend take-up rates of 72% and 62%, respectively. This brought H1 2026 new home sales to 4,163 units, down 9.2% y-o-y.

Private home price growth at its slowest in seven quarters

Private home prices rose 0.5% q-o-q in Q2 2026 based on flash estimates, easing from 0.9% q-o-q growth in Q1 2026 and at the slowest pace since prices fell 0.7% in Q3 2024. Growth was led by the landed segment which grew 2.6% q-o-q, after a 0.4% decline the previous quarter. On the other hand, the non-landed segment fell 0.1% q-o-q, after a 1.3% q-o-q increase in Q1 2026. Within the non-landed segment, price performance was uneven, with the CCR rising 2.0%, but offset by the 0.2% and 1.4% q-o-q declines in the OCR and RCR respectively. This may be due to realistic pricing at *Tengah Garden Residences* in the OCR and *Hudson Place Residences* in the RCR.

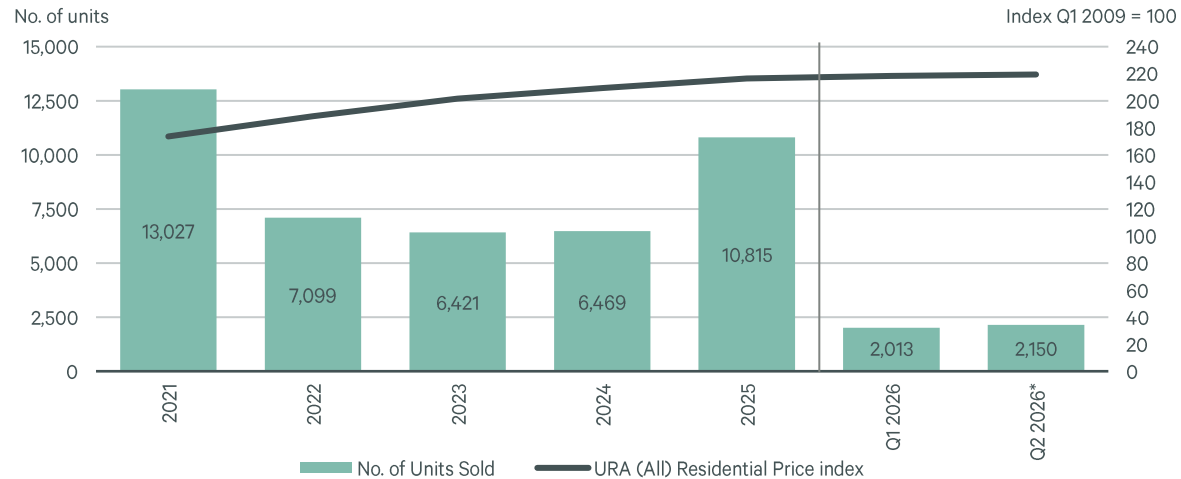
Mixed rental performance across market segments in Q2 2026

URA's Rental Index for all private residential properties posted a 0.3% q-o-q rise in Q1 2026, recovering from the 0.5% q-o-q dip in Q4 2025. Median rents in Apr – May 2026 showed mixed performance led by the CCR which rose 3.7% while the RCR fell 1.3% and the OCR was flat from Q1 2026 levels.

Sales momentum to hold firm, prices could grow at a similar pace in H2 2026

Despite heightened economic uncertainty from the ongoing Middle East conflict, buying appetite has held firm amid low interest rates and strong economic growth in H1 2026. Barring major economic shocks, a decent pipeline of attractive new launches and healthy household balance sheets could continue to support sales momentum in H2 2026. CBRE Research expects 7,500 – 8,500 new homes to be sold in 2026. Private home prices which have risen 1.4% in H1 could grow 2 – 4% for the full year.

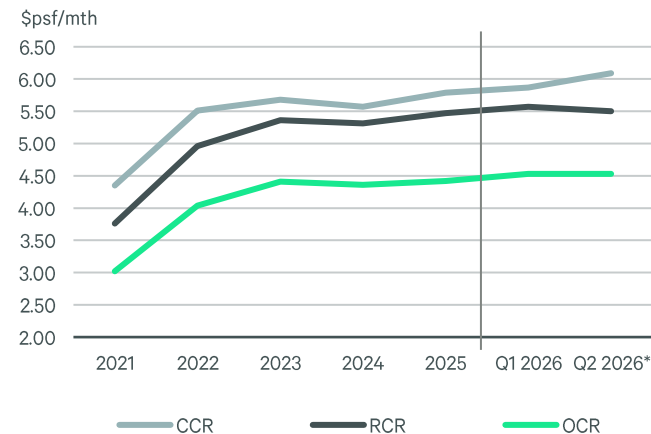
FIGURE 6: New Private Residential Units Take-up & URA Price Index (incl. ECs)



Source: URA, CBRE Research, Q2 2026

Note: *Preliminary figures (excl. ECs) for Q2 2026 based on flash price estimate and Realis caveats as of 8 Jul 2026.

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



Source: URA, CBRE Research, Q2 2026

Note: *For non-landed residential units (excl. ECs) from Apr – May. Based on Realis caveats as of 8 Jul 2026.

TABLE 10: Top 3 Projects (New Sales) in Q2 2026

Project	Tengah Garden Residences	Vela Bay	Hudson Place Residences
Tenure	99y	99y	99y
Median Price (\$psf) in quarter	\$2,113	\$2,863	\$2,468
Units sold in quarter	861	371	221

Source: URA, CBRE Research, Q2 2026

Note: Based on Realis caveats as of 8 Jul 2026.

Investments

Q2 2026 investment volumes ranked second highest on record

Following a record-breaking Q1 2026, preliminary real estate investment volumes eased 30.0% q-o-q to \$14.276 bn in Q2 2026. Despite the q-o-q decline, volumes more than doubled y-o-y, making Q2 2026 the second-strongest quarter on record and lifting H1 2026 volumes to \$34.658 bn, surpassing 2025's full-year total of \$34.093 bn. Excluding public sites, Q2 2026 volumes declined 29.5% q-o-q but doubled y-o-y to \$10.912 bn, bringing H1 2026 volumes to \$26.396 bn — nearly triple the level a year earlier.

Retail and residential sectors outperformed

The retail and residential sectors outperformed other assets in terms of investment volumes in Q2 2026. The retail sector surged almost three-fold q-o-q to \$4.681 bn on the back of CICT's acquisition of *Paragon* for \$3.900 bn (\$5,455 psf) from Cuscaden Peak Investments. This followed CICT's divestment of 90 out of 91 strata lots of *Bukit Panjang Plaza* in Q1 2026. Meanwhile, residential investment volumes rose 16.8% q-o-q to \$5.513 bn, supported by stronger GCB and luxury apartment sales.

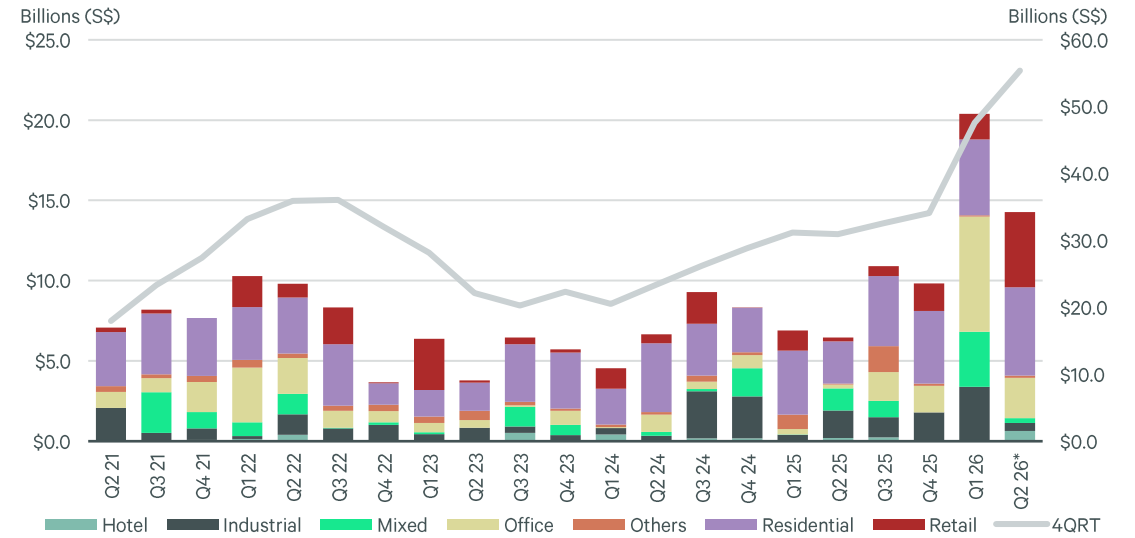
Office, mixed-use and industrial investments moderated after a strong Q1 2026

Office volumes were also one of the strongest in years, boosted by the \$2.476 bn sale of *Asia Square Tower 2* by CICT. However, comparatively, office and mixed-use volumes plunged 65.0% and 91.3% q-o-q to \$2.513 bn and \$299.00 mil respectively, due to a high base in Q1 2026 where numerous properties were seeded into Singapore Central Private Real Estate Fund. Similarly, the industrial sector also fell 85.1% q-o-q to \$498.69 mil, following several portfolio transactions and the listing of *UI Boustead REIT* in the previous quarter.

2026 investment volumes poised to reach a decade-high

Lower domestic interest rates continued to support private investment activity in Q2 2026 despite economic and geopolitical headwinds. Although the Middle East conflict could fuel inflation and lead to higher U.S. interest rates, Singapore's safe-haven status, robust supply of investment-grade assets, and steady rental growth are expected to underpin investor demand. CBRE Research expects 2026 investment volumes to hit their highest level in 10 years.

FIGURE 8: Total Transaction Volume by Sector



Source: CBRE Research, Q2 2026, *Preliminary figures

FIGURE 9: Capital Values Index



Source: CBRE Research, Q2 2026

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