

Measured Momentum

+5.0%

GDP Growth Y-o-Y
(2025)

+1.2%

CPI Inflation Y-o-Y
(Feb 2026)

1.07%

3M SORA
(End-Mar 2026)

Note: CBRE Research, Singstat, MAS, Q1 2026

Executive Summary

- **Office:** Core CBD (Grade A) vacancy compressed to a record low of 3.3%, down from 4.5% in Q4 2025, reinforcing the increasingly landlord-favourable conditions across the market.
- **Business Parks:** The market remains distinctly two-tiered, with landlords of weaker-performing assets relying on higher incentives or rental concessions to attract tenants, while well-located assets continued to command resilient rents.
- **Retail:** In Q1 2026, rental growth was recorded across all submarkets, with the City Hall/Marina Centre area leading the increase. As a result, islandwide prime retail rents rose by 0.5% q-o-q.
- **Industrial:** Prime logistics rents were flat in Q1 2026, pausing after the 1.1% q-o-q growth last quarter. Average warehouse and factory rents were likewise flat, reflecting a stable market.
- **Residential:** New home sales in Singapore slowed in Q1 2026 on fewer launches and the Chinese New Year lull. Private home prices rose 0.3% q-o-q in Q1 2026 based on flash estimates, easing from 0.6% q-o-q growth in Q4 2025.
- **Investment:** Preliminary real estate investment volumes for Q1 2026 surged two-fold q-o-q (up almost three-fold y-o-y) to \$19.890 bn, a record quarterly high. This was attributed to several large-ticket portfolio deals and a REIT IPO.

TABLE 1: Quick Figures

Office	Q1 2026	Q-o-Q	Y-o-Y
Grade A Rent	\$12.40	+0.8%	+2.9%
Capital Value	\$3,100	+3.3%	+6.9%
Net Yield *	3.8%	↓	↓
Retail	Q1 2026	Q-o-Q	Y-o-Y
Prime Rent (Orchard)	\$38.70	+0.5%	+2.1%
Capital Value	\$7,900	+2.6%	+7.5%
Net Yield	5.0%	↓	↓
Business Park	Q1 2026	Q-o-Q	Y-o-Y
Rent (City Fringe)	\$6.15	0.0%	0.8%

Source: CBRE Research, Q1 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	Q1 2026	Q-o-Q	Y-o-Y
Prime Rent	\$5.53	-2.4%	-1.4%
Capital Value	\$2,101	-0.9%	+0.4%
Net Yield	2.5%	↓	↓
Industrial*	Q1 2026	Q-o-Q	Y-o-Y
Prime Logistics Rent	\$1.87	+0.0%	1.6%
Capital Value	\$239	+0.0%	+3.7%
Yields	6.7%	↔	↓
Investment**	Q1 2026	Q-o-Q	Y-o-Y
Total Volume	\$19.890 bn	+101.4%	+188.5%

Source: CBRE Research, Q1 2026

* 30-year prime logistics data provided.

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

Office

Singapore office market sustains momentum

The Singapore office market sustained its positive trajectory into Q1 2026, demonstrating resilience despite heightened global macroeconomic uncertainty and geopolitical tensions. Core CBD (Grade A) rents rose 0.8% q-o-q to S\$12.40 psf/mth, marking the fifth consecutive quarter of growth, underpinned by firm occupier demand and a tightening supply pipeline. Core CBD (Grade A) vacancy compressed sharply to a record low of 3.3%, down from 4.5% in Q4 2025, reinforcing increasingly landlord-favourable conditions across the market.

Broad-based demand drives continued flight to quality

Net absorption for Core CBD (Grade A) space was robust at 0.2 mil sq. ft. in Q1 2026, as flight to quality continued in prime buildings such as *IOI Central Boulevard Towers*, *Marina One*, and *MBFC*. Demand was broad-based, with active leasing from financial services, spanning commercial banking, wealth management, asset management and quantitative trading. In addition, AI companies are increasingly graduating from coworking into dedicated self-managed offices, while coworking operators continued expanding to serve start-ups and international occupiers establishing a Singapore foothold.

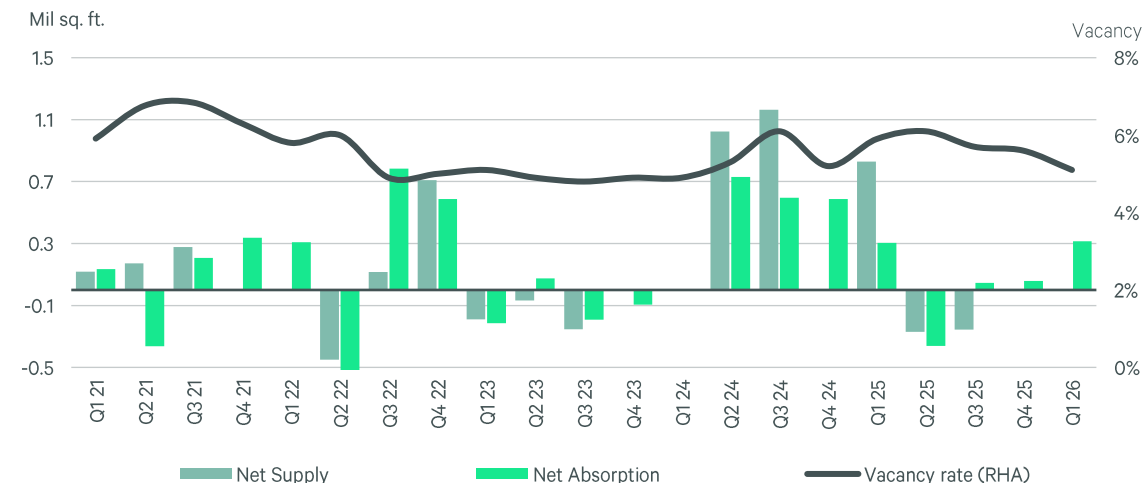
Record-low vacancies recorded across submarkets

The tightening in vacancy extended beyond the Core CBD. Islandwide vacancy fell to 5.1% in Q1 2026 from 5.6% in Q4 2025, with improvements recorded across Fringe CBD and Decentralised locations. Large contiguous floor plates exceeding 20,000 sq. ft. are expected to remain scarce, with pre-commitment activity already registered for developments slated for completion as far out as 2029.

Thin supply pipeline to lift rental growth despite global headwinds

The office market should remain landlord-favourable in 2026, with *Shaw Towers* standing as the only major completion scheduled for the year. While global trade tensions, oil supply constraints, and inflationary pressures may impact Singapore’s economy, the city-state’s structural advantages and historically strong post-correction recovery underpin confidence. We maintain our rental growth forecast for Core CBD (Grade A) buildings at approximately 5% y-o-y for full-year 2026.

FIGURE 1: Office Supply-Demand (Islandwide)



Source: CBRE Research, Q1 2026

TABLE 2: Office Vacancy Rates

	Q3 25	Q4 25	Q1 26
Core CBD (Grade A)	5.1%	4.5%	3.3%
Islandwide	5.7%	5.6%	5.1%
Core CBD	4.9%	4.8%	4.3%
Fringe CBD	6.5%	6.7%	6.2%
Decentralised	6.5%	5.9%	5.6%

Source: CBRE Research, Q1 2026

TABLE 3: Singapore Office Rents

	Q1 26	Q-o-Q	Y-o-Y
Core CBD (Grade A)	\$12.40	0.8%	2.9%
Core CBD	\$9.30	1.1%	3.3%
Core CBD (Grade B)	\$9.05	1.1%	4.0%
Islandwide (Grade B)	\$8.25	0.6%	3.1%

Source: CBRE Research, Q1 2026

Business Parks

Subdued leasing amid no new supply

Leasing momentum eased in Q1 2026, reflecting the absence of new supply completions during the quarter. Net absorption was modestly positive at 0.08 mil sq. ft., leading to a marginal decline in islandwide vacancy from 21.7% in Q4 2025 to 21.4% in Q1 2026. Leasing activity was mixed, with some expansionary demand offset by occupier rightsizing in response to higher costs, as well as ongoing consolidation by financial institutions recentralising their operations back to CBD office.

Vacancy edges down slightly across submarkets

In the Rest of Island submarket, demand from non-traditional occupiers—particularly healthcare-related firms—helped alleviate vacancy, with rates easing from 29.2% in Q4 2025 to 28.8% in Q1 2026. Similarly, City Fringe vacancy edged marginally lower from 12.6% to 12.5%, underpinned by take-up from selected technology-related sectors. Notably, Stagwell commenced operations at its new Asia-Pacific headquarters at *Solaris @ one-north*, reflecting its focus on advancing AI-driven marketing capabilities. Overall, this underscores continued occupier interest in well-located, modern business park assets.

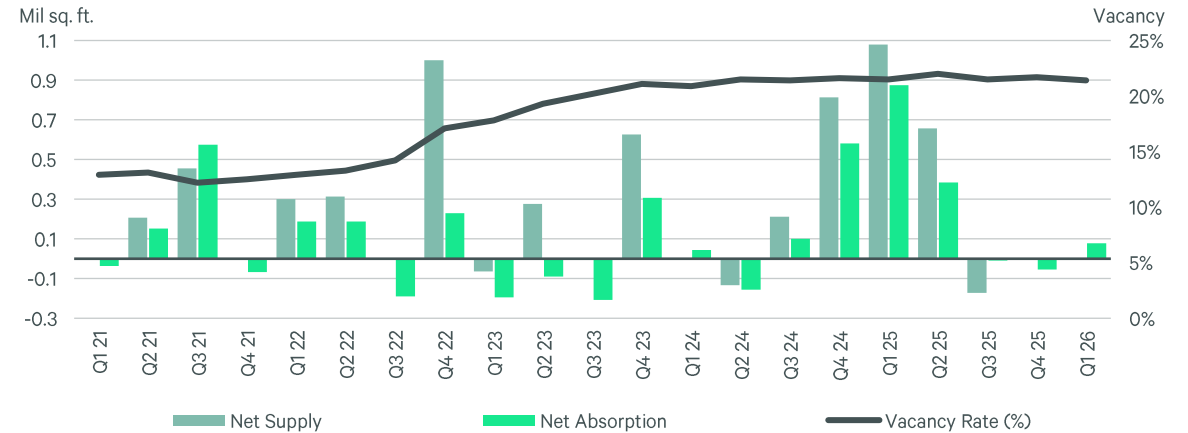
Rents remain stable in a two-tier market

In Q1 2026, average rents for the City Fringe and Rest of Island submarkets remained stable at \$6.15 psf/mth and \$3.55 psf/mth, respectively. The market remains distinctly two-tiered, with landlords of weaker-performing assets relying on higher incentives or rental concessions to attract tenants, while well-located assets with strong connectivity and modern specifications continued to command resilient rents.

Limited pipeline supports stability amid external risks

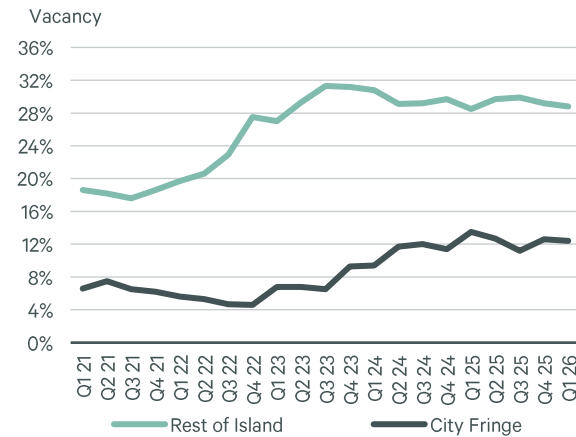
Business park pipeline remains constrained, with only 27 IBP (approximately 0.21 mil sq. ft.) scheduled for completion in late 2026, supporting rental stability in the near term. Despite potential demand spillover from higher CBD office rents, global uncertainties may limit occupier expansion. Older business park assets continue to face structural challenges, highlighting the need for asset upgrading and repositioning.

FIGURE 2: Business Park Supply-Demand (Islandwide)



Source: CBRE Research, Q1 2026

FIGURE 3: Business Park Vacancy



Source: CBRE Research, Q1 2026

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

TABLE 4: Singapore Business Park Rents

	Q1 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
2026	0.00 mil	0.21 mil
2027	0.00 mil	0.00 mil
2028	0.00 mil	0.00 mil

Source: CBRE Research, Q1 2026

Retail

Seasonal swings in retail indicators driven by Chinese New Year

Retail sales (excluding motor vehicles) fell 2.6% y-o-y in Jan 2026 but rebounded by 12.1% y-o-y in Feb 2026, largely reflecting differences in the timing of Chinese New Year. Similarly, tourism arrivals showed an 8.1% y-o-y dip in Jan but rose 9.0% y-o-y in Feb, driven by a surge in visitors from China that reached an all-time monthly high.

Healthy space take-up led by F&B, fashion and lifestyle brands

Despite continued headlines around store closures (including *The Providore*, *T2 Tea*, *Pull & Bear* and *Nanyang Optical*), leasing momentum remained strong in Q1 2026. CBRE Research noted healthy space take-up, led primarily by F&B such as *Tutto*, *Jumboree*, and *Molly Tea*. Leasing demand was also supported by fashion brands, including *Jil Sander* and *Barehands*, as well as lifestyle concepts—most notably art galleries that opened in conjunction with Singapore Art Week, such as *Project Art Hunter* and *Kwai Fung Hin*.

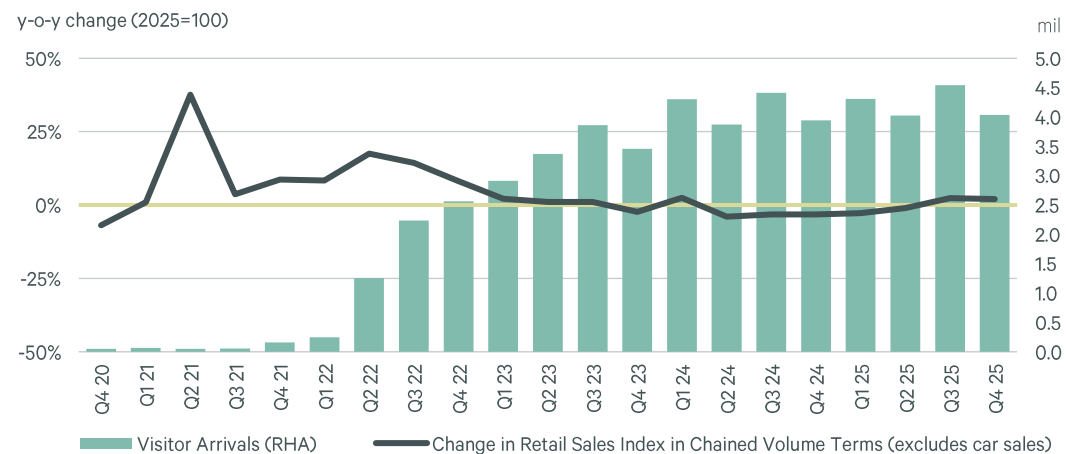
Sustained prime rental growth across all submarkets

In Q1 2026, rental growth was recorded across all submarkets, with the City Hall/Marina Centre area leading the increase. Sustained demand for prime retail spaces reflected retailers’ confidence in tourism recovery as well as robust office worker footfall. As a result, islandwide prime retail rents rose by 0.5% q-o-q.

Prime retail rents could sustain growth in 2026

Retailers remain challenged by manpower shortages, rising operating costs intensified by the ongoing Middle East conflict, and heightened competition from e-commerce. Even so, the growth in tourism spending — bolstered by a strong pipeline of MICE events and concerts — together with resilient consumer spending and Singapore’s safe haven status, are expected to support continued demand for prime retail space. CBRE Research views that with new supply over the next three years set to remain below historical averages, prime retail rents could grow by 1 – 2% in 2026.

FIGURE 4: Retail Economic Indicators



Source: STB, MTI, CBRE Research, Q1 2026

TABLE 6: Prime Retail Rents

	Q1 26	Q-o-Q	Y-o-Y
Islandwide	\$28.05	0.5%	2.2%
Orchard Road	\$38.70	0.5%	2.1%
Suburban	\$32.80	0.2%	1.4%

Source: CBRE Research, Q1 2026

TABLE 7: Estimated Gross New Supply

Estimated NLA (sq. ft.)	
Q2 – Q4 2026	0.26 mil
2027	0.36 mil
2028	0.34 mil

Source: CBRE Research, URA, Q1 2026
Note: Projects with a NLA of less than 20,000 sq. ft. are excluded

Industrial

Industrial activity remains in expansion territory but may normalise ahead

Manufacturing output and exports expanded by 6.9% and 6.7% y-o-y respectively over Jan-Feb 2026, supported by the electronics and transport engineering clusters. While SIPMM’s PMI eased marginally to 50.5 in Mar 2026, the electronics PMI remained a bright spot as it rose to 51.4, its highest reading since Dec 2024. That said, firms with higher exposure to natural gas and oil inputs may face inflationary cost pressures stemming from the Middle East conflict.

Resilient leasing demand in Q1 2026 anchored by semiconductor-related activity

Leasing activity stayed robust in Q1 2026, supported by occupiers’ long-term confidence in Singapore’s stability, infrastructure and deep talent pool. Against the backdrop of strong AI-related capital expenditure, 3PLs and engineering firms secured logistics space to support semiconductor supply chains. For the hi-tech segment, demand remained bifurcated, with expansionary activity led by precision engineering firms, while relocations were underpinned by flight-to-quality moves into modern facilities.

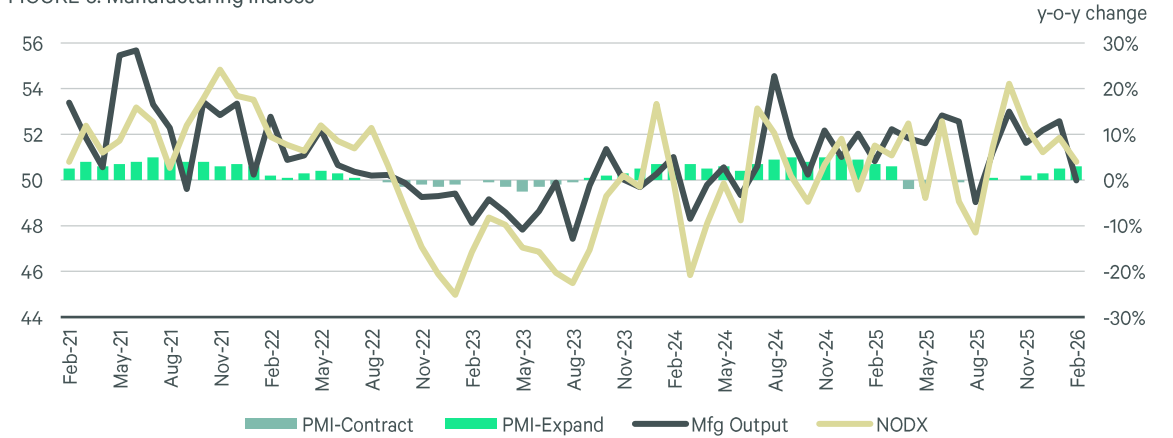
Prime logistics rents stabilise amid improving occupancy rates

Prime logistics rents were flat in Q1 2026, pausing after the 1.1% q-o-q growth last quarter. As some 3PLs consolidated their operations in their new facilities in 2025, pockets of transitional space emerged, which capped near-term rental growth. That said, with no major completions during the quarter, sustained demand for modern ramp-up warehouses lifted occupancy rates in CBRE Research’s prime logistics basket from 94.8% in Q4 2025 to 95.8% in Q1 2026. Average warehouse and factory rents were likewise flat, reflecting a stable market environment.

Measured optimism as tightening supply supports rental outlook

Looking ahead, the prime logistics supply pipeline is expected to ease significantly through 2026, with upcoming facilities largely pre-leased. Consequently, occupiers may need to explore available space across existing stock to support expansion. Further occupancy improvements are likely to restore upward pressure on rents in subsequent quarters.

FIGURE 5: Manufacturing Indices



Source: Singstat, SIPMM, CBRE Research, Q1 2026

TABLE 8: Industrial Rents

	Q1 26	Q-o-Q	Y-o-Y
Factory (Grd Flr)	\$1.81	0.0%	0.6%
Factory (Upp Flr)	\$1.41	0.0%	0.7%
Warehouse (Grd Flr)	\$1.91	0.0%	0.0%
Warehouse (Upp Flr)	\$1.39	0.0%	0.0%
Prime Logistics	\$1.87	0.0%	1.6%

Source: CBRE Research, Q1 2026

TABLE 9: Significant Future Developments

Development	Est. GFA (mil sf)
Skye@Tuas	0.74
Cogent Jurong Island Logistics Hub Phase 2	0.67
Pasir Ris Industrial Drive 1 (Soitec Microelectronics)	0.38
8 Jalan Besut (partial)	0.13

Source: CBRE Research, JTC, Q1 2026

Residential

Q1 2026 new sales slowed on fewer launches and the Chinese New Year lull

New home sales in Singapore slowed in Q1 2026 on fewer launches and the Chinese New Year lull. Preliminary data showed 1,986 units were sold — down 32.4% q-o-q from Q4's 2,940 units. Nonetheless, homebuying appetite remained strong amid low interest rates and new launches generally recorded robust take-up. The best-performing projects were mixed-use *Pinery Residences* (588 units), *River Modern* (455 units) and 999-year CBD project *Newport Residences* (246 units) which posted launch weekend take-up rates of 93%, 90% and 57% respectively.

Private home price growth slowest in six quarters

Private home prices rose 0.3% q-o-q in Q1 2026 based on flash estimates, easing from 0.6% q-o-q growth in Q4 2025. The slower growth was attributed to a 1.8% q-o-q correction in the landed segment, after the 3.4% q-o-q increase in Q4 2025. In contrast, non-landed home prices recorded 1.0% q-o-q growth, rebounding from the 0.2% fall last quarter. Prices rose across all non-landed market segments, led by the OCR which posted a 1.3% q-o-q rise, followed by the RCR with 0.9% q-o-q growth. The CCR lagged with a 0.4% increase on attractive pricing at new prime launches during the quarter.

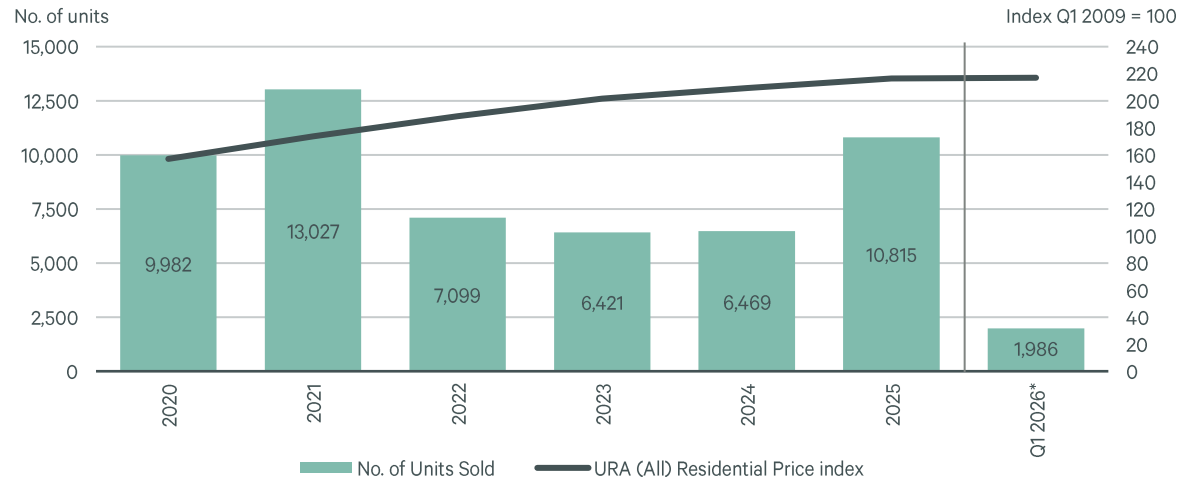
Broad-based rental recovery across market segments in Q1 2026, led by the OCR

URA's Rental Index for all private residential properties posted a 0.5% decline in Q4 2025 after rising for 3 consecutive quarters. For the full-year, rents were up 1.9%, retracing the 1.9% correction in 2024, implying a return to end-2023 levels. Median rents in Jan-Feb 2026 showed a broad-based recovery led by the OCR which rose 2.3% q-o-q while the RCR and CCR recorded 1.1% and 0.9% q-o-q growth.

The private residential market to remain resilient

Despite heightened volatility and economic uncertainty following escalations in the Middle East conflict since 28 Feb, homebuying appetite has remained resilient so far. In fact, *Pinery Residences'* stellar performance was recorded in late March. Barring major economic shocks, a decent pipeline of attractive new launches, healthy household balance sheets and low mortgage rates could continue to support sales momentum. CBRE Research expects private home prices to grow 2 – 4% in 2026.

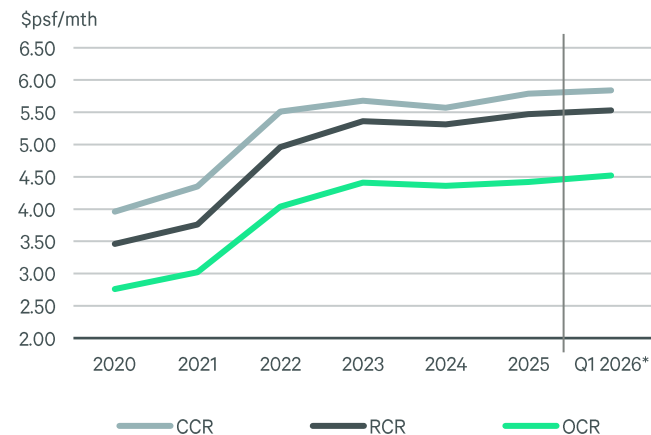
FIGURE 6: New Private Residential Units Take-up & URA Price Index (incl. ECs)



Source: URA, CBRE Research, Q1 2026

Note: *Preliminary figures (excl. ECs) for Q1 2026 based on flash price estimate and Realis caveats as of 8 Apr 2026.

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



Source: URA, CBRE Research, Q1 2026

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

TABLE 10: Top 3 Projects (New Sales) in Q1 2026

Project	Pinery Residences	River Modern	Newport Residences
Tenure	99y	99y	999y
Median Price (\$psf) in quarter	\$2,547	\$3,220	\$3,069
Units sold in quarter	536	416	183

Source: URA, CBRE Research, Q1 2026

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

Investments

Investment volumes reached quarterly high in Q1 2026

Preliminary real estate investment volumes for Q1 2026 surged two-fold q-o-q (up almost three-fold y-o-y) to \$19.890 bn, a record quarterly high. This was attributed to several large-ticket portfolio deals and a REIT IPO. Excluding public sites, Q1 2026 volumes were up more significantly by 129.3% q-o-q and more than three-fold y-o-y at \$14.992 bn.

Office, mixed-use and industrial sectors surged q-o-q on portfolio deals

The office, mixed-use and industrial sectors led q-o-q investment volume growth in Q1 2026. The office sector rose more than four-fold q-o-q to \$7.1171 bn, while mixed-use transactions reached \$3.418 bn, following a dearth of activity the previous quarter. These were buoyed by Hongkong Land and Qatar Investment Authority’s injection of their \$8.2 bn worth of stakes in *Marina Bay Financial Centre (MBFC) Towers 1 and 2, Marina Bay Link Mall, One Raffles Quay, One Raffles Link* and *Asia Square Tower 1* into Singapore Central Private Real Estate Fund. Meanwhile, the industrial sector recorded a 71.7% q-o-q increase in transaction volumes to \$3.053 bn, driven by several portfolio deals and the listing of UI Boustead REIT, which has a \$1.356 bn portfolio of 21 industrial properties in Singapore.

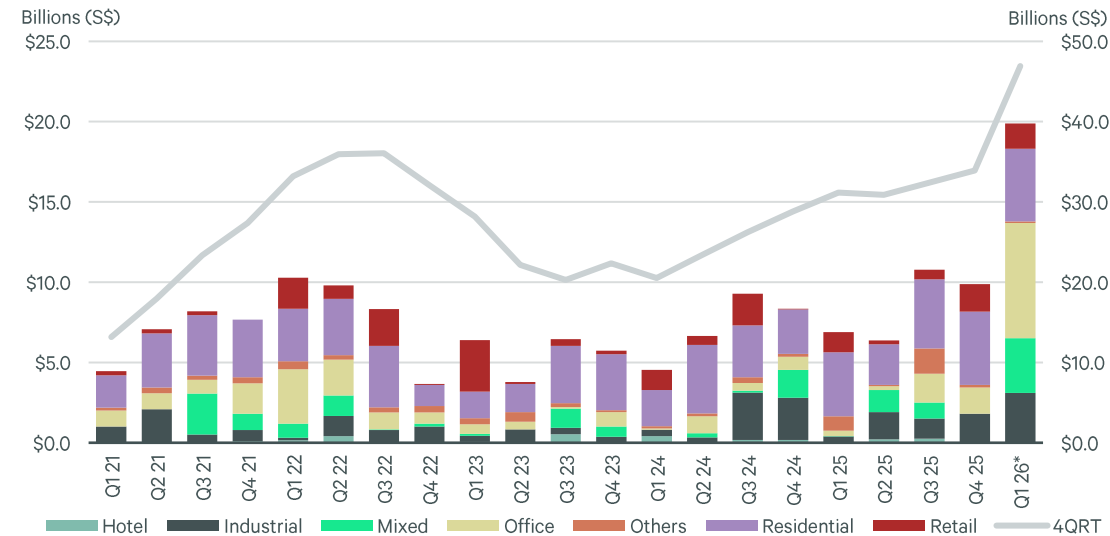
Retail and residential investments firm following a strong Q4

Retail sector volumes dipped by 7.7% q-o-q to \$1.580 bn in Q1 2026, following a strong Q4 buoyed by big-ticket shopping mall deals. Significant transactions include the acquisition of 90 out of 91 strata lots of *Bukit Panjang Plaza* by Hines for \$428.00 mil (\$2,602 psf) from CICT. Residential investment volumes remained resilient at \$4.531 bn, supported by luxury apartment sales despite slowing GCB transactions.

Investment activity to increase in 2026

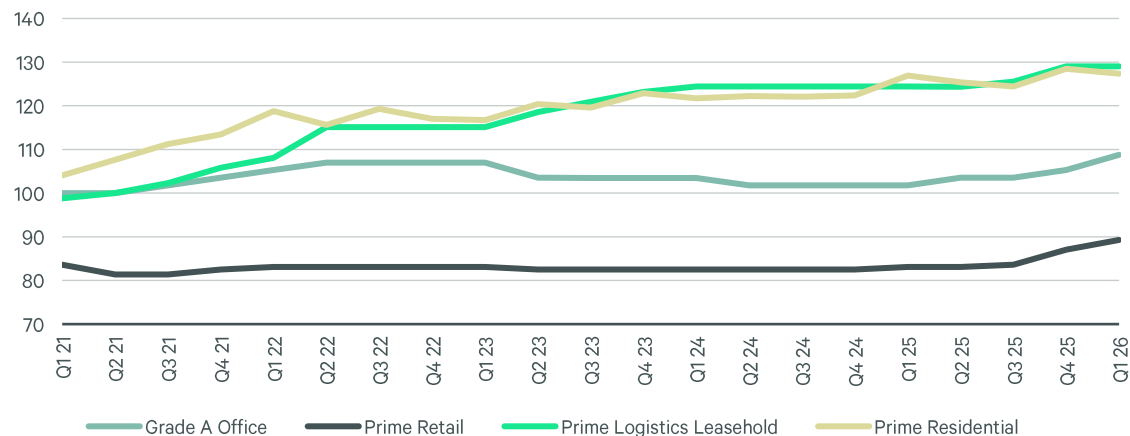
Private investment activity in Q1 2026 was underpinned by lower domestic interest rates, which encouraged investor demand despite heightened economic and geopolitical uncertainty. Looking ahead, the Middle East conflict is expected to fuel inflationary pressures and constrain both the pace and extent of interest rate cuts. Nevertheless, supported by Singapore’s safe-haven appeal, a robust pipeline of investment-grade assets, and steady rental growth, investor interest is likely to remain resilient. CBRE Research anticipates that investment volumes in 2026 will increase compared with 2025.

FIGURE 8: Total Transaction Volume by Sector



Source: CBRE Research, Q1 2026, *Preliminary figures

FIGURE 9: Capital Values Index



Source: CBRE Research, Q1 2026

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