

Bright Horizons

+4.8%

Prelim GDP Growth Y-o-Y (2025)

+1.2%

CPI Inflation Y-o-Y (Nov 2025)

1.19%

3M SORA (End-Dec 2025)

Note: CBRE Research, Singstat, MAS, Q4 2025

Executive Summary

- **Office:** Rents rose by 2.9% in 2025, outperforming the modest 0.4% increase recorded in 2024. Market performance was bolstered by a low vacancy environment.
- **Business Parks:** Net absorption surged to 1.20 mil sq. ft., more than double the 0.57 mil sq. ft. recorded in 2024. However, leasing momentum eased towards year-end.
- **Retail:** In Q4 2025, rents in all submarkets grew, led by the City Hall/Marina Centre area. Consequently, islandwide prime retail rents increased by 0.5% q-o-q, lifting full-year growth to 2.4%.
- **Industrial:** Prime logistics rents rose by 1.1% q-o-q in Q4 2025, matching last quarter’s growth. Average warehouse rents edged up by 0.5% q-o-q, while factory rents remained flat.
- **Residential:** New home sales slowed in Q4 2025 on fewer launches and the December holiday lull, but reached a 4-year high of 10,795 units for the full year. Private home prices grew 3.4% in 2025.
- **Investment:** Preliminary real estate investment volumes in Q4 2025 fell 10.4% q-o-q (up 15.6% y-o-y) to \$9.643 bn. Private investment volumes for 2025 rose 10.8%, supported by sharply lower domestic interest rates.

TABLE 1: Quick Figures

Office	Q4 2025	Q-o-Q	Y-o-Y
Grade A Rent	\$12.30	+0.8%	+2.9%
Capital Value	\$3,000	+1.7%	+3.5%
Net Yield *	3.9%	↔	↔
Retail	Q4 2025	Q-o-Q	Y-o-Y
Prime Rent (Orchard)	\$38.50	+0.4%	+2.0%
Capital Value	\$7,700	+4.1%	+5.5%
Net Yield	5.1%	↓	↓
Business Park	Q4 2025	Q-o-Q	Y-o-Y
Rent (City Fringe)	\$6.15	0.0%	1.7%

Source: CBRE Research, Q4 2025

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	Q4 2025	Q-o-Q	Y-o-Y
Prime Rent	\$5.53	-1.5%	-1.4%
Capital Value	\$2,121	+3.0%	+5.0%
Net Yield	2.5%	↓	↓
Industrial*	Q4 2025	Q-o-Q	Y-o-Y
Prime Logistics Rent	\$1.87	+1.1%	0.0%
Capital Value	\$239	+1.8%	+3.7%
Yields	6.7%	↔	↓
Investment**	Q4 2025	Q-o-Q	Y-o-Y
Total Volume	\$9.643 bn	-10.4%	+15.6%

Source: CBRE Research, Q4 2025

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

Office

Singapore office rents continue uptrend

The Singapore office market continued to demonstrate resilience in 2025 despite external macroeconomic and geopolitical headwinds, supported by firm occupier demand and a tightening supply pipeline. Core CBD (Grade A) rents rose 0.8% q-o-q to \$12.30 psf/mth, marking the fourth straight quarter of growth. For the full year, rents rose by 2.9%, outperforming the modest 0.4% increase recorded in 2024. Market performance was further bolstered by a low vacancy environment, with Core CBD Grade A vacancy falling from 5.9% in Q1 2025 to 4.5% by year-end.

Diverse demand drivers anchoring the market

Demand was supported by a continued flight to quality, as occupiers sought premium, well-located, and ESG-compliant premises during relocations, with some securing additional space for future needs. Singapore’s stable, business-friendly environment also helped draw corporate occupiers, despite broader global uncertainties. Active demand in 2025 came from insurance and asset management firms, financial software and cryptocurrency-related tech companies, as well as coworking operators.

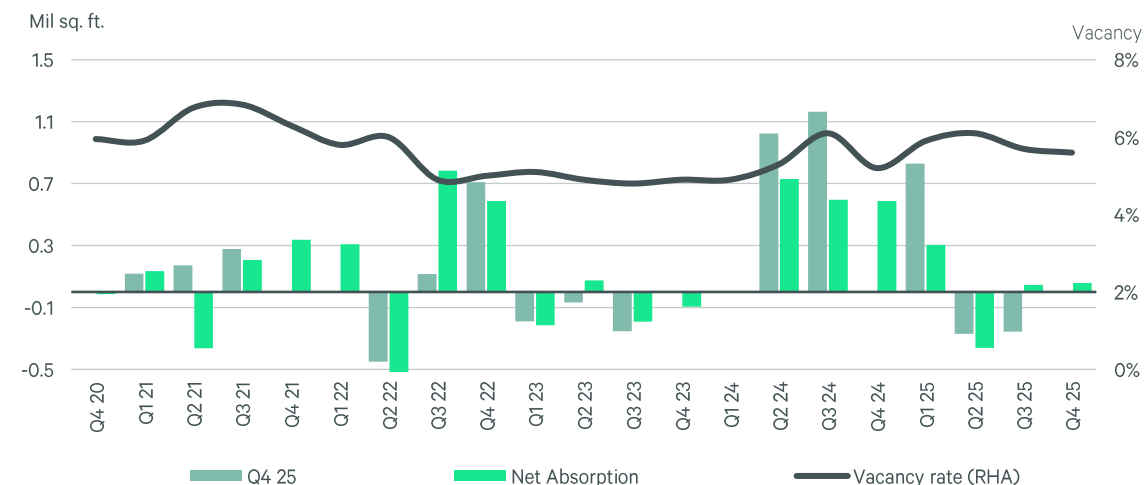
Improving vacancies across all submarkets

Islandwide net absorption islandwide was relatively flat in 2025. However, excluding stock that was removed from demolitions, islandwide net absorption reached about 0.57 mil. sq. ft. for the year. The bulk of take up were in *IOI Central Boulevard Towers* which was completed in 2024, and *Paya Lebar Green*, which was completed in Q1 2025. As a result, islandwide vacancies improved from 5.9% in Q1 2025 to 5.6% by Q4 2025, with improvements more evident in Core CBD and decentralised areas.

Tight supply to accelerate rental momentum in 2026

The office market could become increasingly landlord-favourable in 2026, supported by steady demand and limited new supply. Demand drivers include financial services, technology, asset management, and emerging AI-focused firms. Large contiguous floor plates will remain scarce, with *Shaw Towers* standing as the only major completion in 2026. Amidst ongoing flight-to-quality trend and tight CBD Grade A availability, rental growth is projected to reach around 5% y-o-y.

FIGURE 1: Office Supply-Demand (Islandwide)



Source: CBRE Research, Q4 2025

TABLE 2: Office Vacancy Rates

	Q2 25	Q3 25	Q4 25
Core CBD (Grade A)	5.3%	5.1%	4.5%
Islandwide	6.1%	5.7%	5.6%
Core CBD	5.0%	4.9%	4.8%
Fringe CBD	6.8%	6.5%	6.7%
Decentralised	7.9%	6.5%	5.9%

Source: CBRE Research, Q4 2025

TABLE 3: Singapore Office Rents

	Q4 25	Q-o-Q	Y-o-Y
Core CBD (Grade A)	\$12.30	0.8%	2.9%
Core CBD	\$9.20	1.1%	2.8%
Core CBD (Grade B)	\$8.95	1.1%	3.5%
Islandwide (Grade B)	\$8.20	0.6%	2.5%

Source: CBRE Research, Q4 2025

Business Parks

Strongest annual net absorption in 10 years

The business parks segment in Singapore delivered an exceptional performance in 2025, with annual net absorption reaching its highest level since 2015. Net absorption surged to 1.20 mil sq. ft., more than double the 0.57 mil sq. ft. recorded in 2024. This was largely driven by the strong commitments in new supply from *Punggol Digital District* and *Geneo* in the first half of 2025. Leasing momentum has since tapered.

Full-year islandwide vacancy stable

The business park segment saw subdued leasing activity in Q4 2025. In the Rest of Island submarket, demand from non-traditional business park users such as education-related occupiers helped ease vacancy pressures. On the other hand, vacancies in the City Fringe edged up 1.4ppts to 12.6% in Q4 2025, as some spaces were given up within the biomedical R&D parks. All in, islandwide vacancy remained largely stable at 21.7% compared to a year ago.

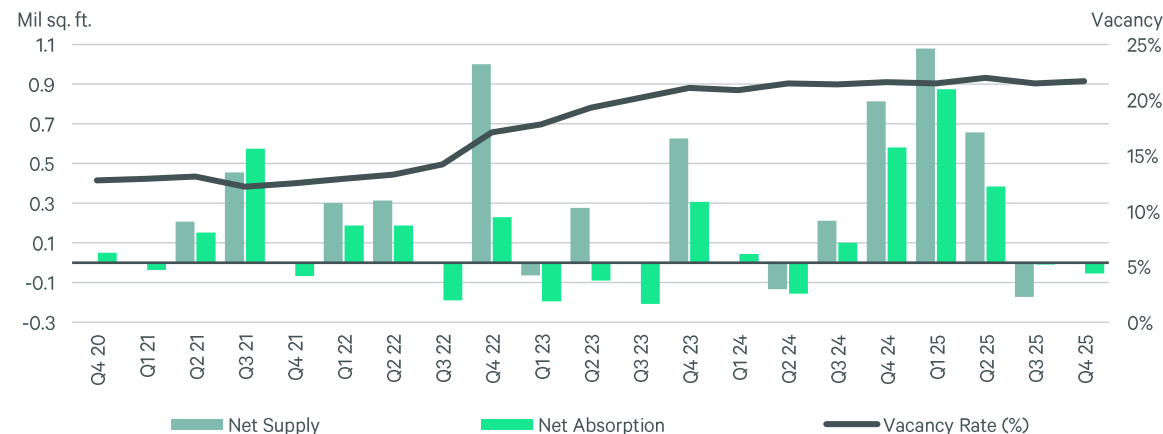
Rents hold steady in Q4 amid two-tier market dynamics

In Q4 2025, average rents for the City Fringe and Rest of Island submarket remained stable at \$6.15 psf/mth and \$3.55 psf/mth respectively. For the full year, City Fringe rents grew 1.6%, contrasting with the 1.4% decline in the Rest of Island in 2025. The market remains distinctly two-tiered. While some landlords are easing rental expectations for the poor-performing assets, prime assets with strong connectivity continue to command resilient rents.

Constrained supply, flight-to-quality to benefit newer assets amid tepid demand

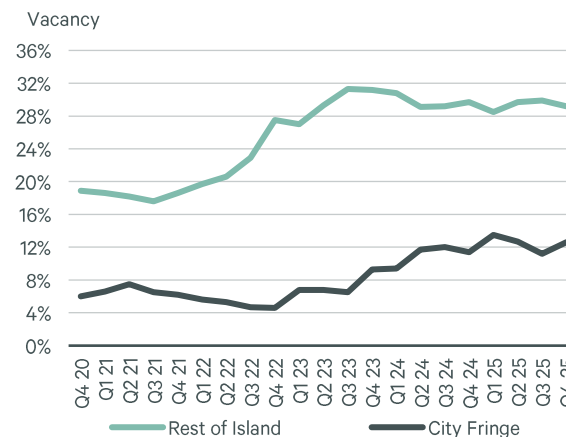
Upcoming supply remains limited, with only 27 IBP (approx. 0.21 mil. sq. ft.) scheduled for completion in Q1 2026. This constrained pipeline is expected to support rental stability and could lead to tighter availability as landlords accelerate asset enhancement initiatives to modernise aging properties. Flight-to-quality trends will continue to shape demand, benefiting newer business parks in prime locations and reinforcing their competitive edge. While older assets may face challenges, ongoing upgrades and repositioning efforts present opportunities for landlords to capture evolving occupier preferences.

FIGURE 2: Business Park Supply-Demand (Islandwide)



Source: CBRE Research, Q4 2025

FIGURE 3: Business Park Vacancy



Source: CBRE Research, Q4 2025

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

TABLE 4: Singapore Business Park Rents

	Q4 25	Q-o-Q	Y-o-Y
City Fringe	\$6.15	0.0%	1.7%
Rest of Island	\$3.55	0.0%	-1.4%

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, Q4 2025

Retail

Improvement in consumer sentiments and tourism arrivals

Retail sales (excluding motor vehicles) continued to grow in Oct and Nov 2025, recording y-o-y increases of 0.7% and 3.6% respectively, following a 2.2% y-o-y expansion in Q3 2025. Consumer sentiment showed further improvement, supported by stronger-than-expected GDP growth and a resilient labour market. The recovery in tourism also remained on track, with visitor arrivals rising by 4.9% in Oct and 4.8% in Nov 2025 y-o-y, bolstered by the F1 race coinciding with China’s Golden Week holiday.

F&B, beauty & health and lifestyle brands drive strong leasing demand

While the retail scene continued to be inundated with news of store closures (including *Twelve Cupcakes*, *Wan Yang Health Products and Foot Reflexology* and *Art Works Gallery*), leasing activity remained healthy in Q4 2025. CBRE Research noted expansion across a broad range of sectors, with demand led by F&B such as *Chick-fil-A*, *Coach Restaurant*, and *Butter & Cream*. Growth was also evident among beauty & health as well as lifestyle brands including *Panpuri*, *Jungsaemmoor*, *Flying Tiger Copenhagen* and *Madison House*.

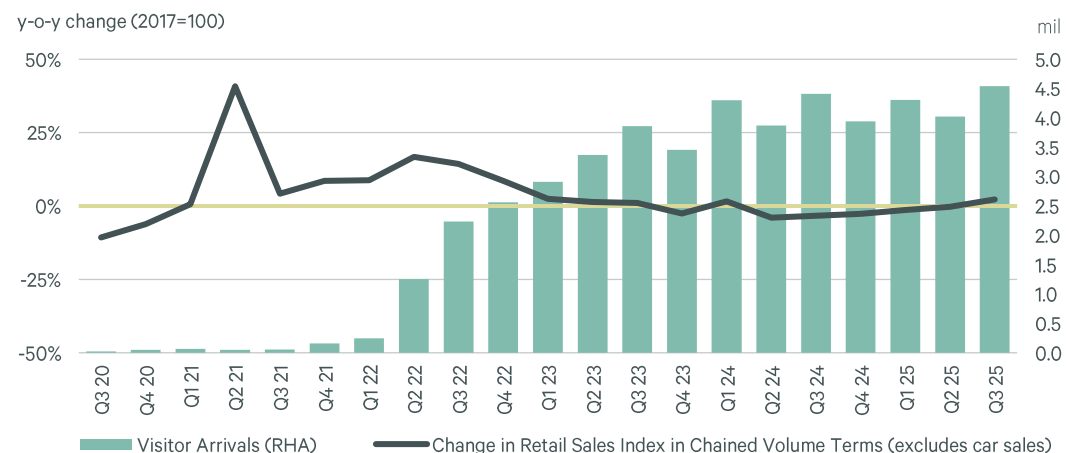
Prime islandwide retail rents surpass pre-pandemic levels

In Q4 2025, rents in all submarkets grew, led by the City Hall/Marina Centre area. The sustained demand for prime retail space could be attributed to retailers’ confidence in the ongoing tourism recovery and the strong office worker catchment. Consequently, islandwide prime retail rents increased by 0.5% q-o-q, lifting full-year growth to 2.4% and marking the first time islandwide average prime rents have surpassed pre-COVID-19 (2019) levels.

Moderating rental growth expected in 2026

Retailers continue to face headwinds, including manpower constraints, elevated operating costs, and intense competition from e-commerce. Nevertheless, the recovery in tourism—supported by a robust pipeline of MICE events and concerts—alongside resilient consumer spending, is expected to underpin demand for prime retail space. CBRE Research forecasts that, with new supply remaining in line with historical averages, overall prime retail rents are projected to grow by 1–2% in 2026.

FIGURE 4: Retail Economic Indicators



Source: STB, MTI, CBRE Research, Q4 2025

TABLE 6: Prime Retail Rents

	Q4 25	Q-o-Q	Y-o-Y
Islandwide	\$27.80	0.5%	2.4%
Orchard Road	\$38.50	0.4%	2.0%
Suburban	\$32.75	0.3%	1.6%

Source: CBRE Research, Q4 2025

TABLE 7: Estimated Gross New Supply

	Estimated NLA (sq. ft.)
2026	0.28 mil
2027	0.37 mil
2028	0.34 mil

Source: CBRE Research, URA, Q4 2025
Note: Projects with a NLA of less than 20,000 sq. ft. are excluded

Industrial

Manufacturing output and exports performed above expectations

In Nov 2025, manufacturing output expanded by 14.3% y-o-y, led by strong growth in pharmaceuticals and AI-related semiconductors and servers. Exports also rose by 11.6% y-o-y, supported by the AI capex boom from major global technology firms. Meanwhile, SIPMM's PMI registered its 5th consecutive month of expansion in Dec 2025. That said, the potential implementation of semiconductor levies could temper optimism in 2026.

Robust leasing demand in H2 2025 demonstrated exceptional resilience

Leasing activity accelerated in Q3 2025 and sustained its momentum into Q4 2025. For the full year, leasing volume surpassed 2024 levels, underscoring Singapore's resilience amid economic uncertainties, as occupiers prioritised talent availability, world-class infrastructure and business stability. In Q4 2025, warehouse demand was driven by electronics companies and 3PLs, while hi-tech space saw notable take-up from medtech and engineering firms.

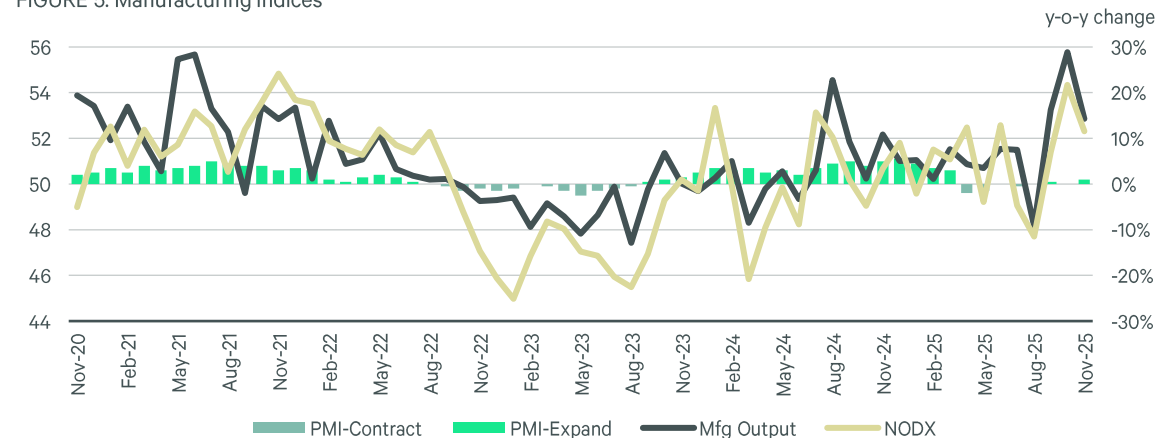
Sustained growth momentum for prime logistics in Q4 2025

Prime logistics rents rose by 1.1% q-o-q during the quarter, matching last quarter's growth and marking the highest among all industrial segments. Modern ramp-up facilities continued to attract strong occupier demand, lifting the occupancy rate of CBRE's prime logistics basket from 93.6% in Q3 2025 to 94.8% in Q4 2025. Average rents for the warehouse segment edged up by 0.5% q-o-q, lagging behind prime logistics, while factory rents remained flat.

Prime logistics rents poised for growth in 2026 amid limited supply

The prime logistics market consolidated in 2025, with rents largely flat despite the highest level of new supply since 2017. With supply expected to ease significantly in 2026 to about 0.8 mil sq. ft., prime logistics rents are projected to grow moderately. Several investors capitalised on opportunities in 2025 to acquire quality industrial assets in anticipation of potential rental upside. That said, for 3PL firms that have recently concentrated operations in newly-completed flagship facilities, enhancing operational efficiency will be key to managing cost pressures.

FIGURE 5: Manufacturing Indices



Source: Singstat, SIPMM, CBRE Research, Q4 2025

TABLE 8: Industrial Rents

	Q4 25	Q-o-Q	Y-o-Y
Factory (Grd Flr)	\$1.81	0.0%	1.1%
Factory (Upp Flr)	\$1.41	0.0%	1.4%
Warehouse (Grd Flr)	\$1.91	0.5%	-1.0%
Warehouse (Upp Flr)	\$1.39	0.7%	-1.4%
Prime Logistics	\$1.87	1.1%	0.0%

Source: CBRE Research, Q4 2025

TABLE 9: Significant Future Developments

Development	Est. GFA (mil sf)
AST Building (Advanced Substrate Technologies)	0.76
Skye@Tuas	0.74
Cogent Jurong Island Logistics Hub Phase 2	0.67
8 Jalan Besut (partial)	0.13

Source: CBRE Research, JTC, Q4 2025

Residential

Q4 2025 new sales slowed on fewer launches and the December holiday lull

New home sales in Singapore slowed in Q4 2025 after the strong uptick in Q3 2025 on fewer launches and the December holiday lull. Preliminary data showed 2,920 units were sold — down 11.2% q-o-q from Q3’s 3,288 units. Homebuying appetite remained strong amid low interest rates and new launches generally recorded robust take-up. There were 5 major launches in Q4 2025 compared to 8 in Q3 2025. The best-performing projects were *Skye at Holland* (666 units), *Penrith* (462 units) and *Faber Residence* (399 units) which posted launch weekend take-up rates of 99%, 97% and 86% respectively.

Private home price growth eased on a decline in the non-landed segment

Private home prices rose 0.7% q-o-q in Q4 2025 based on flash estimates, easing from 0.9% q-o-q growth in Q3 2025. The increase was driven by the landed segment, which posted 3.5% q-o-q, accelerating from the 1.4% q-o-q increase in Q3 2025. In contrast, non-landed home prices recorded a 0.1% decline, weighed down by a 3.2% q-o-q fall in the CCR which offset 0.7% and 1.0% q-o-q growth in the RCR and OCR respectively. For the whole of 2025, private home prices grew 3.4%, moderating from the 3.9% in 2024 and 6.8% in 2023.

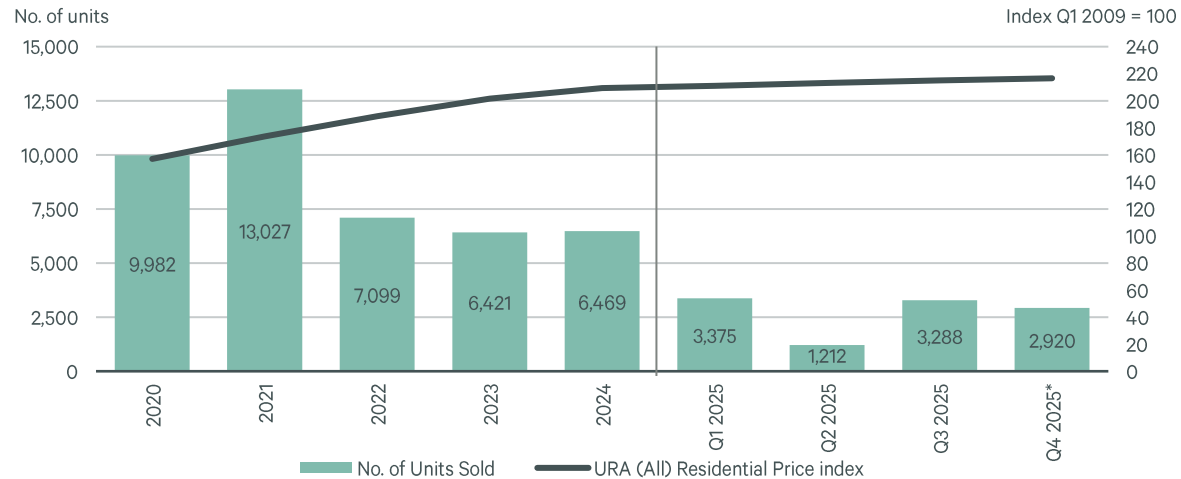
Uneven rent performances across market segments in Q4, rents likely up 1-3% in FY25

URA’s Rental Index for all private residential properties accelerated through the first nine months of 2025, on steady demand and fewer completions than 2024. With a cumulative 2.4% increase in 9M 2025, rents have reversed the 1.9% correction in 2024. Rent growth appears to be mixed in Q4 as median rents in Oct-Nov 2025 showed CCR leading with a 1.4% q-o-q growth, followed by RCR’s 0.9% q-o-q growth, while the OCR declined 3.5% q-o-q.

New home sales reached a 4-year high in 2025 but expected to moderate in 2026

New sales reached a 4-year high of 10,795 units in 2025 amid low interest rates, pent-up demand and bumper new launches. Looking ahead, buying appetite is expected to remain strong in 2026 but sales volumes may ease with fewer launches expected and as interest rate declines taper. CBRE Research expects 7,500 – 8,500 new homes to be sold in 2026. Correspondingly, private home prices, which rose 3.4% in 2025 (based on flash estimates), could grow at 2 – 4% in 2026.

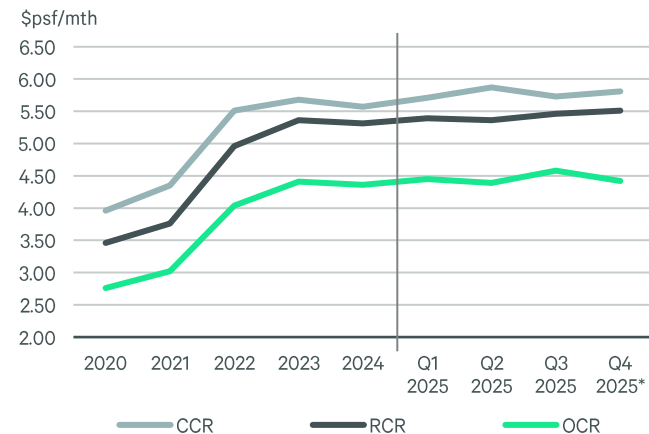
FIGURE 6: New Private Residential Units Take-up & URA Price Index (incl. ECs)



Source: URA, CBRE Research, Q4 2025

Note: *Preliminary figures (excl. ECs) for Q4 2025 based on flash price estimate and Realis caveats as of 9 Jan 2026.

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



Source: URA, CBRE Research, Q4 2025

Note: *For non-landed residential units (excl. ECs) from Oct – Nov. Based on Realis caveats as of 9 Jan 2026.

TABLE 10: Top 3 Projects (New Sales) in Q4 2025

Project	Skye at Holland	Zyon Grand	Penrith
Tenure	99y	99y	99y
Median Price (\$psf) in quarter	\$2,949	\$3,038	\$2,793
Units sold in quarter	662	607	448

Source: URA, CBRE Research, Q4 2025

Note: Based on Realis caveats as of 9 Jan 2026.

Investments

Investment volumes picked up for a second consecutive year in 2025

Preliminary real estate investment volumes for Q4 2025 eased 10.4% q-o-q (up 15.6% y-o-y) to \$9.643 bn after Q3's high base. This was largely attributed to fewer public land sales. Excluding public sites, Q4 2025 volumes down marginally by 4.8% q-o-q and 1.2% y-o-y at \$6.305 bn. 2025 full-year private transaction volumes rose 10.8% y-o-y to \$22.178 bn, marking a second consecutive year of growth.

Retail and industrial sectors surged q-o-q; REITs dominated activity

The retail and industrial sectors led q-o-q investment volume growth in Q4 2025. Retail volumes more than doubled to \$1.552 bn from Q3's \$625.84 mil, buoyed by big-ticket shopping mall deals such as the 70% stake transaction of *PLQ Mall* to Lendlease Global Commercial REIT for \$619.50 mil (\$2,789 psf) and Elegant Group's acquisition of *The Clementi Mall* for \$809 mil (\$4,132 psf). Meanwhile, the industrial sector recorded a 36% q-o-q increase in transaction volumes to \$1.527 bn, driven by active trading by REITs. CapitaLand Ascendas REIT acquired 3 properties for \$532.60 mil, while ESR REIT divested a portfolio of 8 properties for \$338.10 mil.

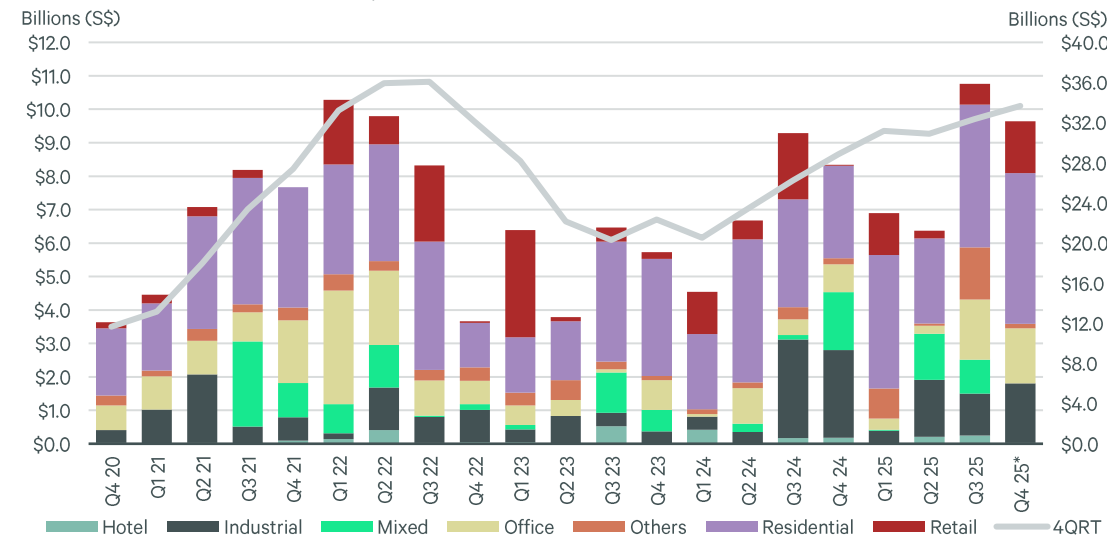
Office deal was the largest in 2025; "Others" subdued after strong Q3

The office sector continued to gain traction as volumes jumped y-o-y to \$1.651 bn in Q4 2025. The sale of 33.3% stake in *MBFC Tower 3* by Hongkong Land for \$1.453 bn (\$3,235 psf) to Keppel REIT became the largest single deal for 2025. On the other hand, "Others" investment volumes normalised after a strong Q3 2025 which recorded Centurion Accommodation REIT's IPO, with volumes down 91.7% q-o-q to \$130.00 mil in Q4 2025. Likewise, the hotel sector saw subdued activity in Q4 2025, recording just 1 small deal amounting to \$23.89 mil, a 90.3% q-o-q decline from \$247.00 mil in Q3 2025.

Investment momentum set to strengthen further in 2026

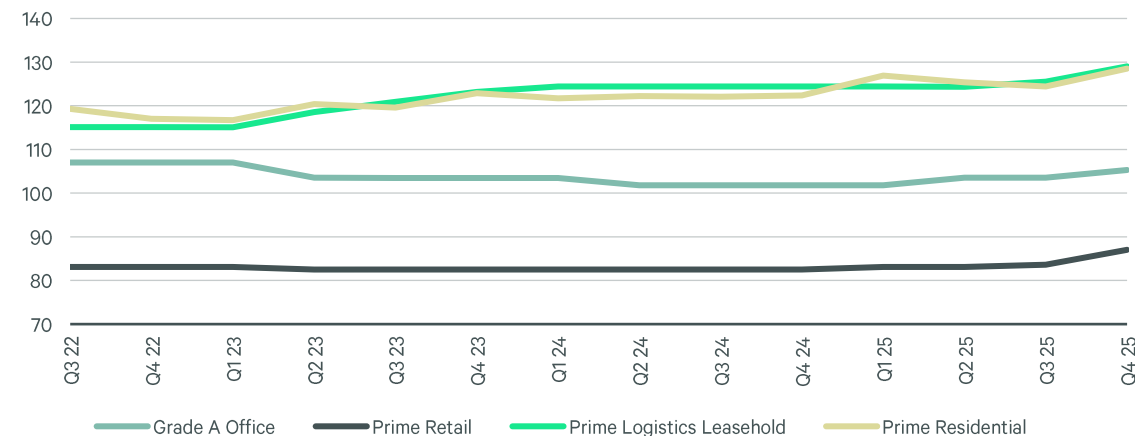
Private investment volumes for 2025 rose 10.8%, supported by sharply lower domestic interest rates that bolstered investor appetite, despite elevated economic and geopolitical uncertainty. Looking ahead, while further rate cuts are likely modest, a healthy pipeline of investment-grade assets coming to market in addition to steady rent growth, should continue to attract investors. CBRE Research expects investment volumes in 2026 to grow 5% from 2025.

FIGURE 8: Total Transaction Volume by Sector



Source: CBRE Research, Q4 2025, *Preliminary figures

FIGURE 9: Capital Values Index



Source: CBRE Research, Q4 2025

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