CBRE

Thriving in Transition

+4.4%
GDP Growth
(Q2 2025)

+0.5%
CPI Inflation Y-o-Y
(Aug 2025)

1.46%
3M SORA
(End-Sep 2025)

Note: CBRE Research, Singstat, MAS, Q3 2025

Executive Summary

- **Office:** The Singapore office market continued its upward trajectory in Q3 2025, with Core CBD (Grade A) rents increasing 0.8% q-o-q to $12.20 psf/month.
- **Business Parks:** Year-to-date net absorption stands strong at 1.27 mil. sq. ft., driven by take-up of new projects. However, momentum may ease with no further completions in 2025.
- **Retail:** In Q3 2025, the City Hall/Marina Centre and Orchard submarkets led performance, driven by sustained demand for prime retail spaces. As a result, islandwide prime retail rents recorded a 0.5% q-o-q increase, extending the growth of 0.7% q-o-q in the previous quarter.
- **Industrial:** Prime logistics rents increased by 1.1% q-o-q in Q3 2025, recovering from a 0.5% q-o-q dip last quarter. Average rents for warehouse and factory segments remained flat.
- **Residential:** New home sales in Singapore surged in Q3 2025 on the back of robust take-up at bumper new launches. Private home price growth accelerated on firm prices at new launches.
- **Investment:** Preliminary real estate investment volumes for Q3 2025 surged 64.3% q-o-q (up 10.3% y-o-y) to $10.294 bn, a 7-year quarterly high. The quarter witnessed an improvement in investor sentiment on easing of domestic interest rates and de-escalation of trade tensions.

TABLE 1: Quick Figures

Office	Q3 2025	Q-o-Q	Y-o-Y
Grade A Rent	$12.20	+0.8%	+2.1%
Capital Value	$2,950	0.0%	+1.7%
Net Yield *	3.9%	↔	↔
Retail	Q3 2025	Q-o-Q	Y-o-Y
Prime Rent (Orchard)	$38.35	+0.7%	+2.4%
Capital Value	$7,400	+0.7%	+1.4%
Net Yield	5.3%	↔	↑
Business Park	Q3 2025	Q-o-Q	Y-o-Y
Rent (City Fringe)	$6.15	0.8%	1.7%

Source: CBRE Research, Q3 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	Q3 2025	Q-o-Q	Y-o-Y
Prime Rent	$5.53	-2.2%	+1.9%
Capital Value	$2,053	-0.7%	+1.9%
Net Yield	2.6%	↔	↔
Industrial*	Q3 2025	Q-o-Q	Y-o-Y
Prime Logistics Rent	$1.85	+1.1%	-1.1%
Capital Value	$234	+1.9%	+0.9%
Yields	6.7%	↔	↓
Investment**	Q3 2025	Q-o-Q	Y-o-Y
Total Volume	$10.294 bn	+64.3%	+10.3%

Source: CBRE Research, Q3 2025

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

Office

Singapore market sustains growth in rents

The Singapore office market continued its upward trajectory in Q3 2025, with Core CBD (Grade A) rents increasing 0.8% q-o-q to $12.20 psf/month. This marks the third consecutive quarter of rental growth, supported by resilient occupier demand and a tightening supply pipeline. Despite global economic uncertainties, the market has remained robust. Vacancy in the Core CBD (Grade A) sector declined from 5.9% in Q1 to 5.1% in Q3, reflecting sustained leasing momentum and a flight to quality among occupiers.

Low vacancy rates in certain submarkets within CBD

Beyond robust leasing activity in Marina Bay and Raffles Place, adjacent submarkets such as Marina Centre and Beach Road/City Hall also outperformed, with vacancy rates falling below 3%. With several notable transactions expected to close in Q4, Core CBD (Grade A) vacancy could dip below 5% by year-end. Following the completion of *Keppel South Central* and *Paya Lebar Green* in Q1 2025, no new supply entered the market in Q2 and Q3, while some transitional office stock was withdrawn.

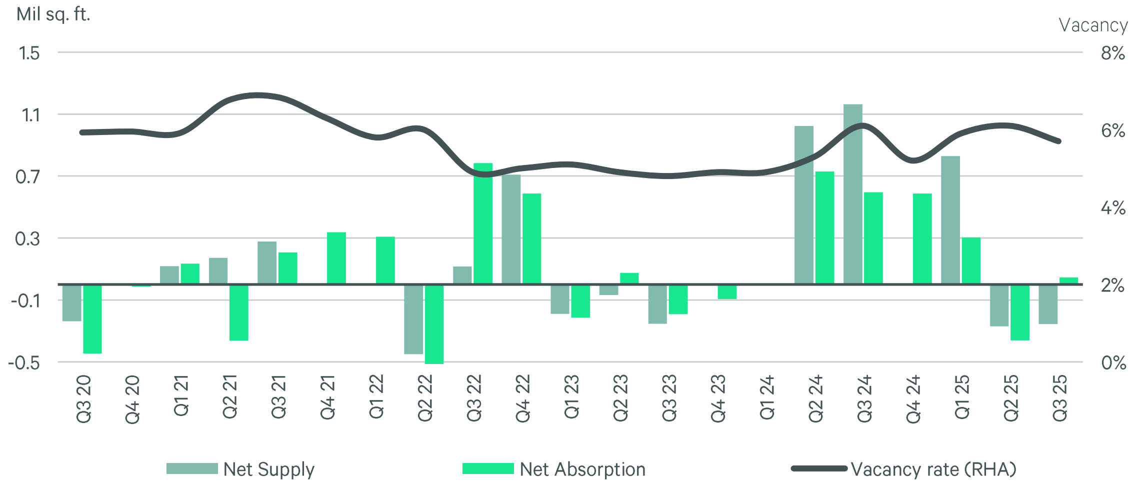
Leasing activity extends beyond CBD

Occupier activity remains broad-based, led by sectors such as banking and finance, transport, government and agile space operators. Demand outside CBD is also strong, *led by Paya Lebar Green*, which is now fully occupied following Visa's relocation that absorbed the remaining space. This brought vacancy rates in decentralised locations down from 7.9% in Q2 to 6.5% in Q3 2025.

Flight to quality and tight supply to support rental growth

Prime office rents have risen 2.1% year-to-date. As supply pipeline tightens and vacancy continues to improve between 2025-2027, large occupiers seeking contiguous and quality space will likely face fewer options. This tight supply environment could prompt some occupiers to accelerate leasing decisions before availability diminishes. CBRE Research expects the market to maintain its positive momentum into Q4 for a full year 2025 rental growth forecast of around 3%. Rents could accelerate in 2026 supported by the limited supply and resilient demand.

FIGURE 1: Office Supply-Demand (Islandwide)



Source: CBRE Research, Q3 2025

TABLE 2: Office Vacancy Rates

	Q1 25	Q2 25	Q3 25
Core CBD (Grade A)	5.9%	5.3%	5.1%
Islandwide	5.9%	6.1%	5.7%
Core CBD	5.4%	5.0%	4.9%
Fringe CBD	6.8%	6.8%	6.5%
Decentralised	6.2%	7.9%	6.5%

Source: CBRE Research, Q3 2025

TABLE 3: Singapore Office Rents

	Q3 25	Q-o-Q	Y-o-Y
Core CBD (Grade A)	$12.20	0.8%	2.1%
Core CBD	$9.10	0.6%	1.7%
Core CBD (Grade B)	$8.85	1.1%	2.3%
Islandwide (Grade B)	$8.15	1.2%	1.9%

Source: CBRE Research, Q3 2025

Business Parks

Fifth consecutive quarter of positive net absorption though momentum slows

The business park market posted its fifth consecutive quarter of positive net absorption though momentum slowed significantly. Leasing activity moderated this quarter as take-up for the freshly completed projects stabilised. Demand was concentrated in the City Fringe, particularly in prime developments at Alexandra and one-north. There were no completions this quarter. With some stock removal, islandwide vacancy eased from 22.0% in Q2 2025 to 21.4% in Q3 2025.

Mixed signals and uneven demand

Demand drivers this quarter were mixed. Take-ups were driven by relocations of tech, software and construction companies, signalling a flight to quality and strategic consolidation. However, this was partially offset by downsizing of select tenants due to cost pressures and operational recalibration. Pharmaceutical activity was subdued amid uncertainty over potential US tariffs on branded and patented drug exports. While exemptions may apply for Singapore companies, long-term investment could be clouded as multinationals shift capital toward US operations.

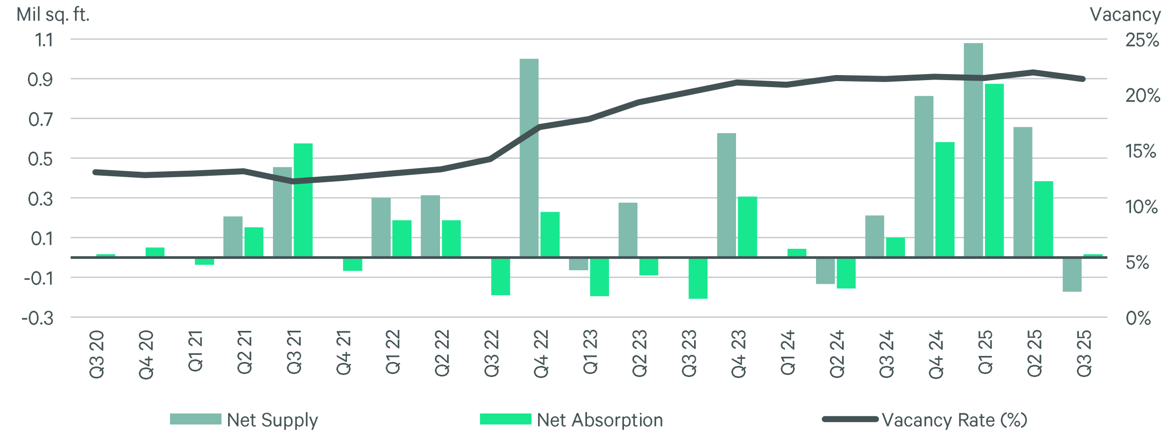
City Fringe rents edge up as vacancies tighten

In Q3 2025, average rents for the City Fringe increased 0.8% q-o-q to $6.15 psf/mth while average rents for the Rest of Island submarket were stable at $3.55 psf/mth. The City Fringe witnessed stronger take-up this quarter, with vacancies inching down to 11.2% while average vacancies for the Rest of Island remain relatively high at 29.7%. Year-to-date, City Fringe rents grew 1.6%, contrasting with the 1.4% decline in the Rest of Island, highlighting a divergence in performance.

Narrowing supply pipeline could moderate future net absorption

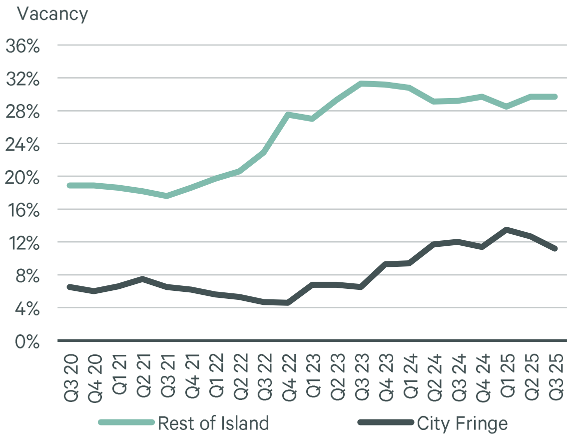
Year-to-date net absorption stands strong at 1.27 mil. sq. ft., driven by take-up of new projects. However, momentum may ease with no further completions in 2025. The next addition, 27 IBP (0.21 mil. sq. ft.), is slated for Q1 2026, after which new supply is expected to taper. Supply could tighten further as landlords pursue asset enhancement to upgrade aging properties. With flight-to-quality trends, newer business parks in prime locations should continue to outperform, while older assets may face continued pressure on occupancy and rents.

FIGURE 2: Business Park Supply-Demand (Islandwide)



Source: CBRE Research, Q3 2025

FIGURE 3: Business Park Vacancy



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

TABLE 4: Singapore Business Park Rents

	Q3 25	Q-o-Q	Y-o-Y
City Fringe	$6.15	0.8%	1.7%
Rest of Island	$3.55	0.0%	-2.7%

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

	City Fringe	Rest of Island
Q4 2025	0.00 mil	0.00 mil
2026	0.00 mil	0.21 mil
2027	0.00 mil	0.00 mil

Source: CBRE Research, Q3 2025

Retail

Turnaround in retail sales; tourism arrivals continue recovering

Retail sales index (excluding motor vehicles) rebounded in Jul and Aug 2025, rising by 3.1% and 3.0% y-o-y respectively following the marginal decline of 0.2% y-o-y in Q2 2025. Consumer sentiments could be turning positive amid better-than-expected GDP growth and a resilient labour market. Tourism visitor arrivals also continued to recover, with Jul and Aug 2025 posting growth of 4.9% and 4.5% y-o-y respectively.

Healthy leasing demand led by F&B, fashion and beauty & health brands

Despite media reports of intense competition, high rents, and rising costs contributing to store closures (including *Prive, Alma by Juan Amador*, and *Cathay Cineplex*), leasing activity remained robust in Q3 2025. CBRE Research observed expansion across diverse sectors. Demand was led by F&B operators such as *Maison Pierre Hermé Paris, Yo-chi*, and *Din Tai Fung*. Fashion brands and beauty & health players including *Bape, IM Men* and *Cle de Peau Beaute* also grew their presence. Meanwhile, Chinese brands entering Singapore are diversifying beyond F&B and fashion, with growth in beauty & health and services such as *Joocyee, TTE Elephant* and *Bolon*.

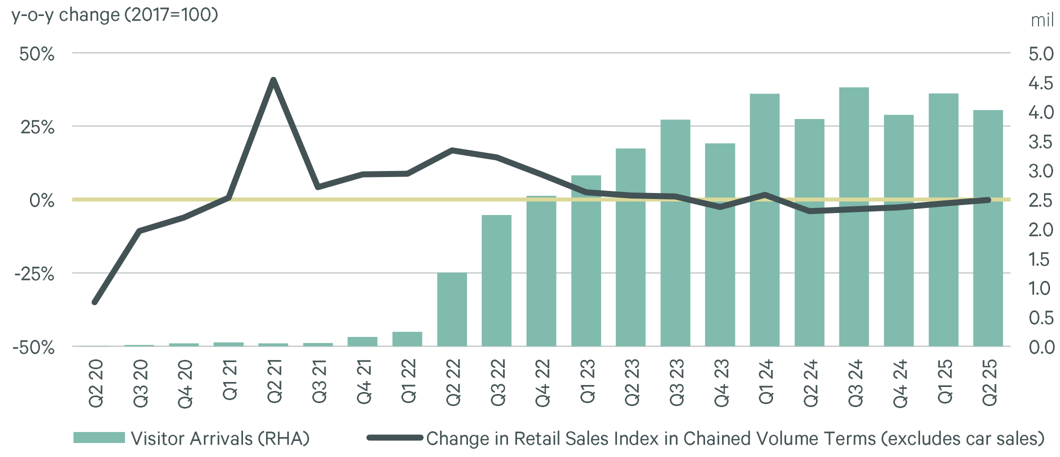
Prime islandwide retail rents continue ascent in Q3

In Q3 2025, the City Hall/Marina Centre and Orchard submarkets led performance, driven by sustained demand for prime retail spaces. This was fuelled by retailers' confidence in tourism recovery and the office crowd catchment. As a result, islandwide prime retail rents recorded a 0.5% q-o-q increase, extending the growth of 0.7% q-o-q in the previous quarter.

Overall prime retail rents poised for full recovery by end-2025

Retailers continue to navigate challenges, including manpower shortages, elevated costs and e-commerce competition. Nevertheless, tourism recovery supported by a robust calendar of MICE events and concerts is set to drive demand for prime retail space, even with cautious expansion strategies due to economic uncertainty. Prime retail rents have increased 1.8% year-to-date. CBRE Research projects that, with new supply in line with historical average, overall prime retail rents are on track to rise 2.3% for the full year, returning to pre-COVID-19 levels.

FIGURE 4: Retail Economic Indicators



Source: STB, MTI, CBRE Research, Q3 2025

TABLE 6: Prime Retail Rents

	Q3 25	Q-o-Q	Y-o-Y
Islandwide	$27.65	0.5%	2.6%
Orchard Road	$38.35	0.7%	2.4%
Suburban	$32.65	0.5%	1.7%

Source: CBRE Research, Q3 2025

TABLE 7: Estimated Gross New Supply

	Estimated NLA (sq. ft.)
Q4 2025	0.10 mil
2026	0.45 mil
2027	0.39 mil

Source: CBRE Research, URA, Q3 2025
Note: Projects with a NLA of less than 20,000 sq. ft. are excluded

Industrial

Manufacturing output and exports weaken as U.S. tariffs take effect

In Aug 2025, manufacturing output contracted by 7.8% y-o-y, with only the transport engineering and chemicals sectors showing growth. Exports fell by 11.3% y-o-y, as newly implemented tariffs took effect and the boost from earlier front-loading activities diminished. That said, SIPMM's PMI edged back into expansion territory in Sep 2025, with the electronics sector a bright spot, driven by rising demand for servers and chips due to advancements in AI.

Leasing momentum accelerates in Q3 2025

Amid ongoing uncertainties in global trade, leasing activity gained momentum in Q3 2025. Occupiers gravitated toward Singapore's safe haven status, which supports business continuity and future expansion. Demand for warehouse space surged, primarily from 3PLs, while semiconductor, engineering and technology firms showed strong interest in factory and hi-tech spaces. Landlords are selective, strategically offering tenant incentives to entice relocations.

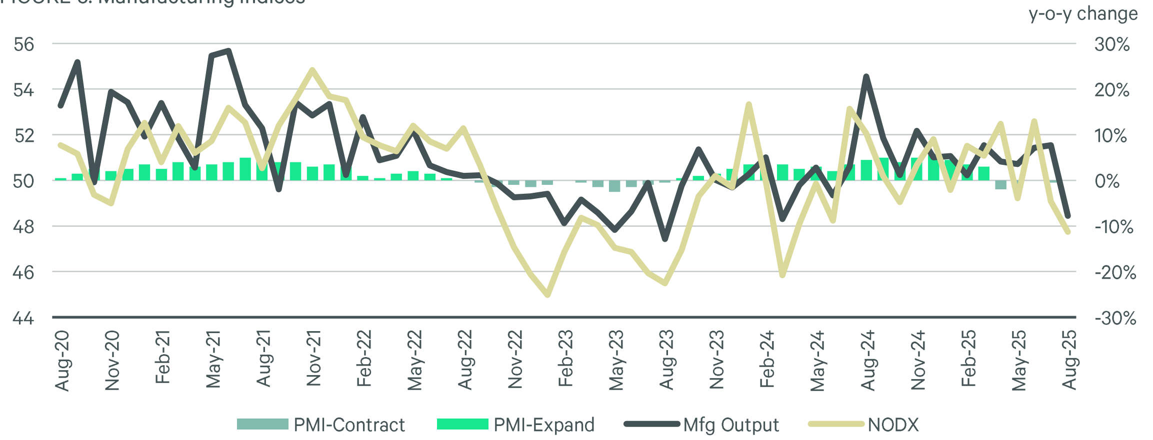
Prime logistics rents rebound amid strong demand

In Q3 2025, prime logistics recorded the highest rental growth among all industrial segments, driven by robust demand for modern ramp-up facilities. With strong take-up, the occupancy rate of CBRE's prime logistics basket rose from 92.1% in Q2 2025 to 93.6% in Q3 2025. Prime logistics rents increased by 1.1% q-o-q in Q3 2025, recovering from a 0.5% q-o-q dip last quarter, while average rents for the warehouse and factory segments remained flat.

Moderation in future prime logistics supply could favour landlords

Despite the addition of over 5.0 mil sq. ft. of new prime logistics space from Q1 to Q3 2025, more than 80% of this new supply is already committed. Looking ahead, prime logistics supply from Q4 2025 to 2026 is expected to be limited, as most sites are pre-leased. For the full year, prime logistics rents are projected to be flat, suggesting a potential rebound in Q4 2025, since rents have declined by 1.1% year-to-date. With interest rates rapidly declining, investors are seeking quality industrial assets to benefit from favourable yield spreads.

FIGURE 5: Manufacturing Indices



Source: Singstat, SIPMM, CBRE Research, Q3 2025

TABLE 8: Industrial Rents

	Q3 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)	$1.90	0.0%	-1.6%
Warehouse (Upp Flr)	$1.38	0.0%	-2.1%
Prime Logistics	$1.85	1.1%	-1.1%

Source: CBRE Research, Q3 2025

TABLE 9: Significant Future Developments

Development	Est. GFA (mil sf)
Bulim Square (JTC) (partial)	0.80
Tuas Distribution Hub (Sankyu)	0.40
Pasir Ris Industrial Drive 1 (SOITEC Microelectronics)	0.38
CT FoodNEX	0.20

Source: CBRE Research, JTC, Q3 2025

Residential

Q3 2025 new sales surged on robust take-up at bumper new launches

New home sales in Singapore surged in Q3 2025 on the back of robust take-up at bumper new launches. Preliminary data showed 3,281 units were sold—up 170.7% q-o-q from Q2's low of 1,212 units and matching Q1 2025's 3,375 units. Homebuying appetite has recovered strongly amid low interest rates and better-than-expected economic performance. There were 8 major launches in the quarter. The best-performing projects were *Springleaf Residence* (941 units), *Lyndenwoods* (343 units) and *River Green* (524 units) which posted launch weekend take-up rates of 94%, 92% and 88% respectively.

Private home price growth accelerated amid firm prices at new launches

Private home prices rose 1.2% q-o-q in Q3 2025 according to flash estimates, accelerating from 1.0% q-o-q growth in Q2 2025. The increase was driven by the landed segment, which climbed 1.4% q-o-q. Non-landed home prices rose 1.1%, picking up from 0.7% in the previous quarter. Prices grew across all market segments, supported by a good mix of launches. The CCR led with 2.4% q-o-q rise on benchmark prices at new launches. This was followed by the OCR with 1.0% q-o-q growth and lastly the RCR which posted a 0.4% q-o-q increase on more realistic pricing at city fringe launches.

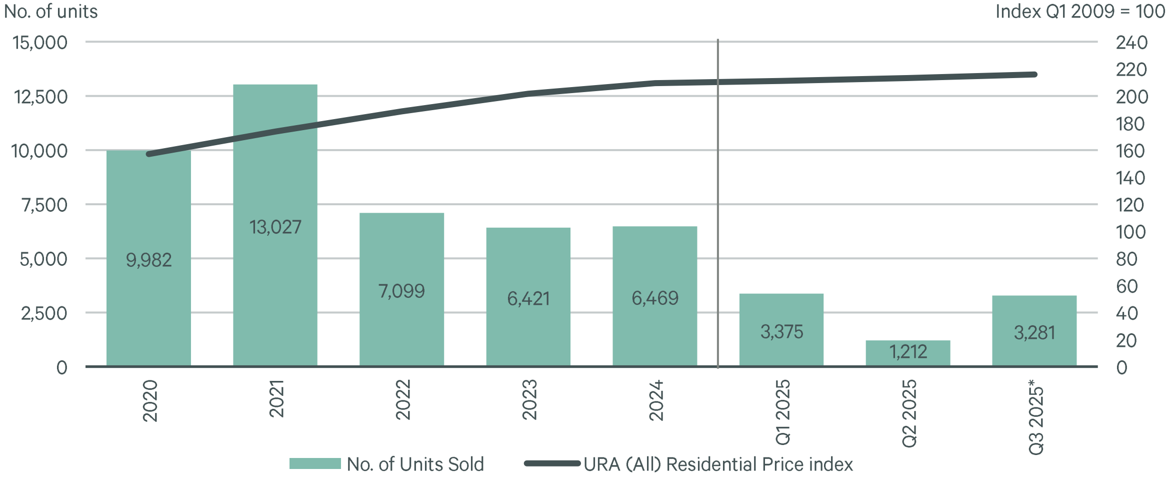
Rents likely continued to rise in Q3 with uneven performances across market segments

URA's Rental Index for all private residential properties saw faster growth, rising 0.8% q-o-q in Q2 2025 after 0.4% q-o-q in Q1 2025. Median psf rents in Jul – Aug 2025 were mixed. The CCR which outperformed in Q2 posted a reversal in Q3 2025, falling 2.4% q-o-q, while the RCR and OCR which posted declines in Q2 rebounded, recording 1.9% and 4.3% q-o-q growth respectively.

New home sales have reached a 4-year high since 2021

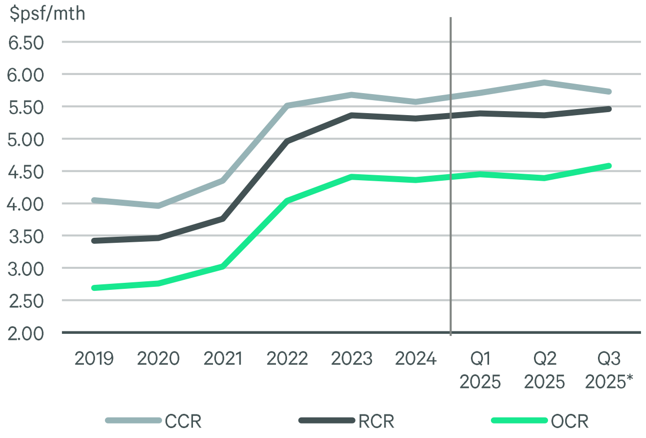
Looking ahead, while the bulk of major projects have been launched, there are still a few anticipated launches in Q4 2025. Amid low interest rates and economic resilience, the current 2025 new sales tally of 7,868 units has already exceeded full year tallies for 2022 – 2024. CBRE Research has upgraded our 2025 new home sales forecast to 8,000 – 9,000 units. Correspondingly, home prices which have risen 3.1% year-to-date could grow at a similar pace in Q4 2025, with a full year growth at the higher end of our 3 – 4% forecast, and match or exceed 2024's 3.9% growth.

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



Source: URA, CBRE Research, Q3 2025
Note: *Preliminary figures (excl. ECs) for Q3 2025 based on Realis caveats as of 8 Oct 2025.

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



Source: URA, CBRE Research, Q3 2025
Note: *For non-landed residential units (excl. ECs) from Jul – Aug. Based on Realis caveats as of 8 Oct 2025.

TABLE 10: Top 3 Projects (New Sales) in Q3 2025

Project	Springleaf Residence	River Green	Promenade Peak
Tenure	99y	99y	99y
Median Price ($psf) in quarter	$2,166	$3,111	$2,921
Units sold in quarter	878	465	339

Source: URA, CBRE Research, Q3 2025
Note: Based on Realis caveats as of 8 Oct 2025.

Investments

Private investment volumes rose amid lower interest rates

Preliminary real estate investment volumes for Q3 2025 surged 64.3% q-o-q (up 10.3% y-o-y) to $10.294 bn, a 7-year quarterly high. This could be attributed to more public land sales and several big-ticket transactions. Excluding public sites, Q3 2025 volumes were up by 22.0% q-o-q but down by 11.7% y-o-y at $6.150 bn. The quarter witnessed an improvement in investor sentiment on the back of continued easing of domestic interest rates and de-escalation of trade tensions.

Office, retail and other transactions surged q-o-q

The office, retail and “others” sectors drove investment volume growth in Q3 2025. Office deals soared seven-fold q-o-q to $1.794 billion, buoyed by the 55% stake transaction of *CapitaSpring* for $1.045 bn ($2,822 psf). Retail volumes more than doubled to $625.83 mil with UOL’s sale of *Kinex* for $375.00 mil ($1,836 psf) to Elegant Group, which was also the awardee of a 30-year lease for nearby *Tanjong Katong Complex* in Q2 2025. “Others” transactions were up 21-fold q-o-q to $1.505 bn in Q3 2025, fuelled by the IPO of Centurion Accommodation REIT, which saw it acquiring a portfolio of 5 *Westlite dormitories* from Centurion Corporation and Lian Beng Group for $1.348 bn.

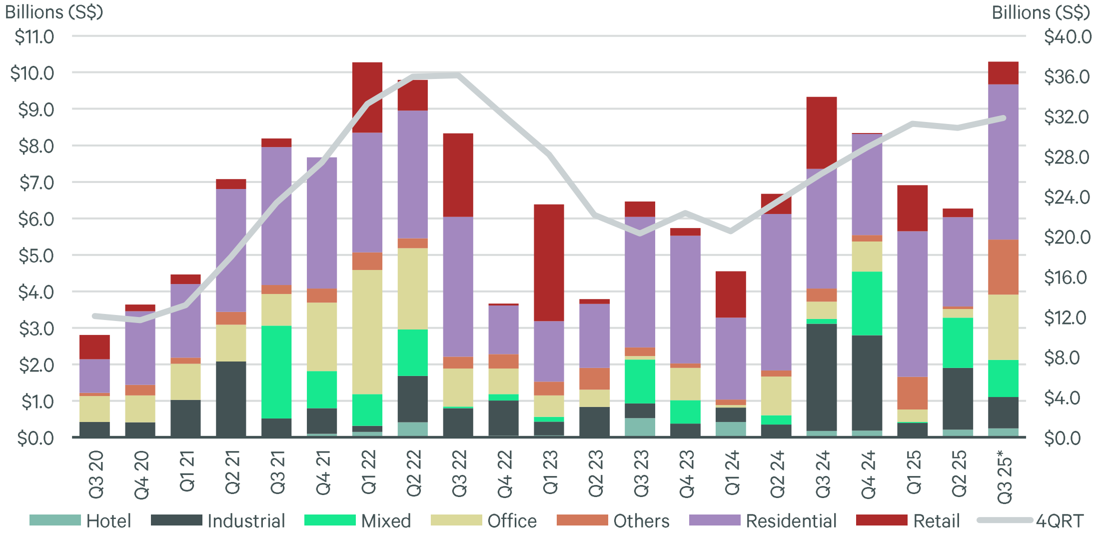
Industrial and mixed-use volumes normalised after a strong Q2

On the other hand, industrial investment volumes normalised after a strong Q2 2025, falling by 49.3% q-o-q to $858.03 mil. Likewise, the mixed-use sector saw volumes drop by 26.5% q-o-q to $1.013 bn following the big-ticket sale of a 50.1% stake in *South Beach* ($1.378 bn) in the previous quarter.

Strong investment momentum should continue for the rest of the year

9M25 investment volumes (excluding public land sales) were up 11.9%. Singapore's reputation as a stable and secure investment destination, coupled with solid fundamentals, remains a key draw for investors, even amid a volatile global landscape. Besides year-to-date short-term domestic benchmark interest rates more than halving to 1.46%, the US Fed interest rate cut in Sep 2025 has provided global investors with more clarity on the interest rate trajectory, which should support strong investment momentum for the remainder of the year. Consequently, CBRE Research maintains our forecast of a 10% increase in investment volumes for 2025 compared to 2024.

FIGURE 8: Total Transaction Volume by Sector



Source: CBRE Research, Q3 2025, *Preliminary figures

FIGURE 9: Capital Values Index

Source: CBRE Research, Q3 2025

Singapore Research

Tricia Song

Head of Research, SEA
tricia.song@cbre.com

Goh Jia Ling

Associate Director
Office & Business Parks Research
jialing.goh@cbre.com

Leonard Lim

Associate Director
Industrial Research
leonard.lim@cbre.com

Teo Ling Yan

Senior Manager
Economic & Retail Research
lingyan.teo@cbre.com

Gerald Tan

Senior Analyst
Capital Markets & Residential Research
gerald.tan@cbre.com

Global Research

Henry Chin, Ph.D.

Global Head of Research
henry.chin@cbre.com

Ada Choi, CFA

Head of Asia Pacific Research
ada.choi@cbre.com