FIGURES | SINGAPORE | Q2 2025

Resilience amid Uncertainty

+3.9%
GDP Growth
(Q1 2025)

+0.8%
CPI Inflation Y-o-Y
(May 2025)

2.05%
3M SORA
(End-Jun 2025)

Note: CBRE Research, Singstat, MAS, Q2 2025

Executive Summary

— **Office:** The office market remained resilient in Q2 2025, marking its second straight quarter of rental growth despite ongoing global economic and geopolitical uncertainties.

— **Business Parks:** Sustained demand for high-specification, well-connected buildings helped keep the overall vacancy rate stable at 21.7%.

— **Retail:** The City Hall/Marina Centre submarket led performance in Q2 2025, supported by sustained demand for prime retail spaces. Consequently, islandwide prime retail rents recorded a 0.7% q-o-q increase, bringing H1 2025 rent growth to 1.3%.

— **Industrial:** Despite a 2.1% decline in prime logistics rents in H1 2025, CBRE Research expects a potential rebound in prime logistics rents in H2 2025, underpinned by sustained leasing demand for quality spaces.

— **Residential:** New home sales plunged in Q2 2025 amid a sharp drop in project launches and growing market caution. Prices grew at a slower pace for a second consecutive quarter.

— **Investment:** Preliminary private investment volumes in Q2 2025 were up by 11.9% q-o-q at $4.188 bn. H1 2025 private investment volumes amounted to $7.930 bn, up 18.2% y-o-y.

TABLE 1: Quick Figures

Office	Q2 2025	Q-o-Q	Y-o-Y
Grade A Rent	$12.10	+0.4%	+1.3%
Capital Value	$2,950	+1.7%	+1.7%
Net Yield *	3.9%	↔	↔
Retail	Q2 2025	Q-o-Q	Y-o-Y
Prime Rent (Orchard)	$38.10	+0.5%	+2.6%
Capital Value	$7,350	0.0%	+0.7%
Net Yield	5.3%	↔	↔
Business Park	Q2 2025	Q-o-Q	Y-o-Y
Rent (City Fringe)	$6.10	0.0%	0.0%

Source: CBRE Research, Q2 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	Q2 2025	Q-o-Q	Y-o-Y
Prime Rent	$5.51	-1.8%	-3.0%
Capital Value	$2,066	-1.3%	+2.5%
Net Yield	2.6%	↔	↓
Industrial*	Q2 2025	Q-o-Q	Y-o-Y
Prime Logistics Rent	$1.83	-0.5%	-2.1%
Capital Value	$230	0.0%	0.0%
Yields	6.7%	↓	↓
Investment**	Q2 2025	Q-o-Q	Y-o-Y
Total Volume	$5.397 bn	-17.4%	-19.1%

Source: CBRE Research, Q2 2025

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

Office

Flight to quality supported Core CBD (Grade A) rents

The Singapore office market remained resilient in Q2 2025, marking its second straight quarter of rental growth despite ongoing global economic and geopolitical uncertainties. Rents for Core CBD (Grade A) offices edged up 0.4% q-o-q to $12.10 psf/mth. Demand was driven by a sustained flight to quality, as occupiers prioritised premium office spaces during relocations. This trend contributed to a decline in Core CBD (Grade A) vacancy, which fell from 5.9% in Q1 2025 to 5.3% in Q2 2025. Notably, *IOI Central Boulevard Towers*, achieved c.85% occupancy by the end of Q2 2025.

Prime locations and spaces in demand

Leasing activity in the Core CBD remained robust, drawing a diverse range of tenants, including firms from the insurance, asset management, hedge fund, quant fund, and pharmaceutical sectors. However, large contiguous spaces exceeding 30,000 sq. ft. continue to be in short supply, with limited availability across the market. Prime office spaces in the secondary market—especially those in central, well-connected locations—have also been rapidly absorbed.

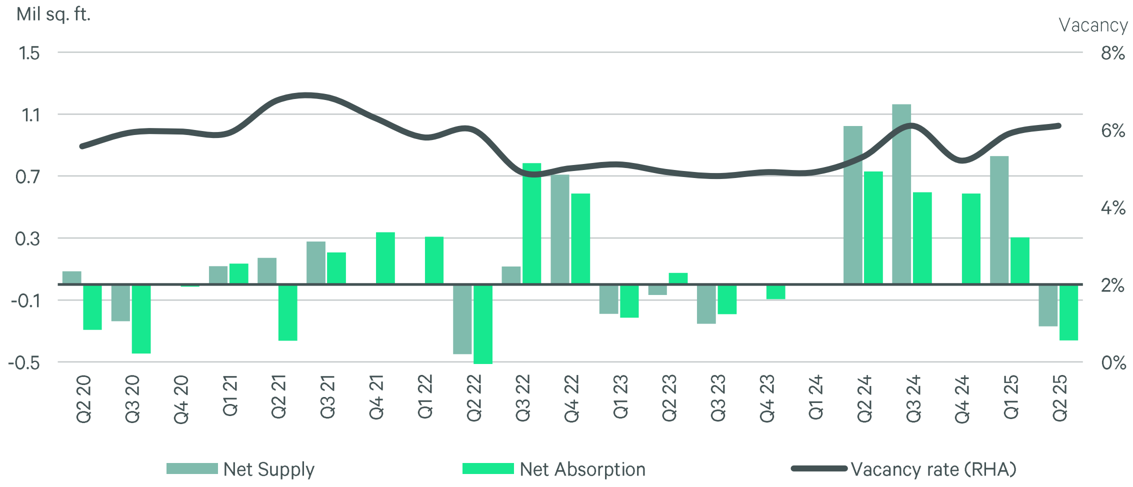
Decentralised office market held steady

Confidence in Singapore's office market extended beyond the CBD, with decentralised rents remaining stable even as vacancy rates rose from 6.2% in Q1 to over 7.0% in Q2 2025. This uptick was primarily attributed to new supply, including *Labrador Tower* and *Paya Lebar Green*, both of which were experiencing active leasing and expected to see progressive take-up in the coming quarters. Excluding these developments, prime spaces in decentralised locations continued to enjoy healthy renewal activity, particularly from tenants in the manufacturing and transport sectors.

Outlook positive amid resilient demand and tight supply

Core CBD (Grade A) office rents rose 1.3% in H1 2025, defying earlier concerns over global headwinds. Singapore's reputation as a stable and attractive business hub continues to reinforce tenant confidence. With limited new supply in the pipeline, market dynamics are expected to remain strong, supporting continued growth through 2025 and beyond. CBRE Research has revised its rental forecast upward, projecting full-year growth at the upper end of the 2–3% range.

FIGURE 1: Office Supply-Demand (Islandwide)



Source: CBRE Research, Q2 2025

TABLE 2: Office Vacancy Rates

	Q4 24	Q1 25	Q2 25
Core CBD (Grade A)	4.9%	5.9%	5.3%
Islandwide	5.2%	5.9%	6.1%
Core CBD	5.3%	5.4%	5.0%
Fringe CBD	4.9%	6.8%	6.8%
Decentralised	5.2%	6.2%	7.9%

Source: CBRE Research, Q2 2025

TABLE 3: Singapore Office Rents

	Q2 25	Q-o-Q	Y-o-Y
Core CBD (Grade A)	$12.10	0.4%	1.3%
Core CBD	$9.05	0.6%	1.7%
Core CBD (Grade B)	$8.75	0.6%	1.7%
Islandwide (Grade B)	$8.05	0.6%	1.3%

Source: CBRE Research, Q2 2025

Business Parks

Sustained growth with positive net absorption

The business park market sustained its upward momentum in Q2 2025, recording a fourth consecutive quarter of positive net absorption with a take-up of about 0.46 mil sq. ft. Leasing activity was observed across both the City Fringe and Rest of Island submarkets. A key demand driver was the completion of the final phase of the *Punggol Digital District* (PDD), which includes new towers for UOB and OCBC. In the City Fringe, demand was further supported by new developments in Science Park I—particularly *Geneo*, where 95% of its NLA was either committed or in advanced negotiations.

Leasing demand driven by banking and finance sectors, educational institutions

Leasing activity in the new builds has been supported by relocations and new setups, with strong interest from banking and finance occupiers, as well as non-traditional tenants like educational institutions. This sustained demand for high-specification, well-connected buildings helped keep the overall vacancy rate stable at 21.7%.

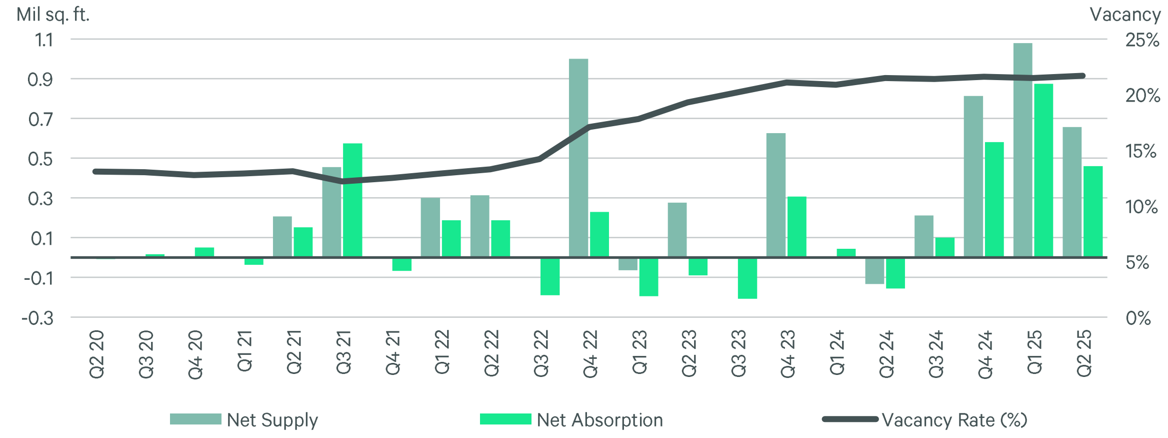
Consolidations offset leasing gains, resulting in stable average rents

That said, overall demand was tempered by the emergence of vacant space from non-renewals. Selected tech and pharmaceutical firms undertook consolidation and downsizing as part of portfolio rationalisation and cost optimisation efforts. Consequently, average rents remained stable at $6.10 psf/mth in the City Fringe and $3.55 psf/mth in the Rest of Island submarkets.

Limited supply ahead, divergent performance expected

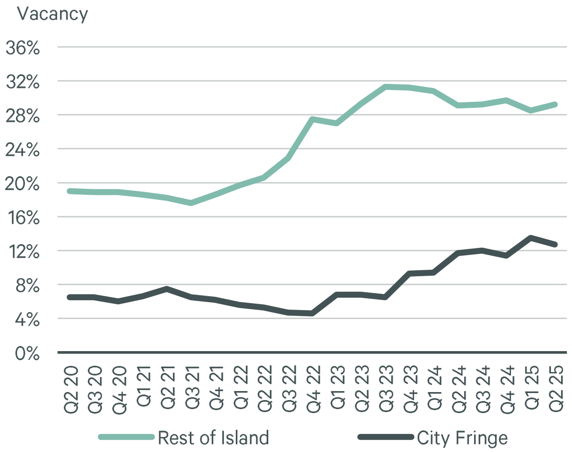
Following the completion of 1.74 mil sq. ft. of business park space in H1 2025, new supply is expected to taper. Over the next three years, the only major project in the pipeline is *27 IBP* (0.21 mil sq. ft.), scheduled for completion in 2026. Supply may tighten further as more landlords undertake asset enhancement initiatives to upgrade aging properties. Looking ahead, CBRE Research anticipates a continued two-tier market. Business parks in prime locations with diverse tenant mix and long lease tenures are expected to remain resilient, while older assets may continue to face pressure on occupancy and rents.

FIGURE 2: Business Park Supply-Demand (Islandwide)



Source: CBRE Research, Q2 2025

FIGURE 3: Business Park Vacancy



Source: CBRE Research, Q2 2025
Note: Historical vacancies may differ due to re-basket of properties in Q1 2025

TABLE 4: Singapore Business Park Rents

	Q2 25	Q-o-Q	Y-o-Y
City Fringe	$6.10	0.0%	0.0%
Rest of Island	$3.55	0.0%	-4.1%

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

	City Fringe	Rest of Island
H2 2025	0.00 mil	0.00 mil
2026	0.00 mil	0.21 mil
2027	0.00 mil	0.00 mil

Source: CBRE Research, Q2 2025

Retail

Retail sales grow marginally; tourism arrivals still recovering

Retail sales index (excluding motor vehicles) rose by 0.4% y-o-y in Apr 2025, the first month of growth in a year with the exception of Jan 2025 which saw a 3.7% y-o-y increase due to the difference in the timing of Chinese New Year in 2024 and 2025. However, May 2025 saw a marginal decline of 0.1% y-o-y. Tourism visitor arrivals continued to recover, with Apr and May 2025 posting growth of 4.5% and 7.6% y-o-y respectively.

Healthy leasing demand driven by F&B, fashion brands and service trades

Despite media reports highlighting high rents and rising costs leading to store closures—including *Fluff Stack, Kanada-Ya, 1880*, and *Crystal Jade La Mian Xiao Long Bao*—leasing activity remained strong in Q2 2025. According to CBRE Research, expansion was observed across diverse sectors. F&B operators such as *Pizza Studio Tamaki, Huggs*, and *Xiao Yu Hao* continued to lead demand. Fashion brands like *2nd Street, Motherhouse*, and *Lovet* expanded their footprint, while service providers including *Emirates World, Nowhere Baths*, and *Dr Bags* also grew their presence.

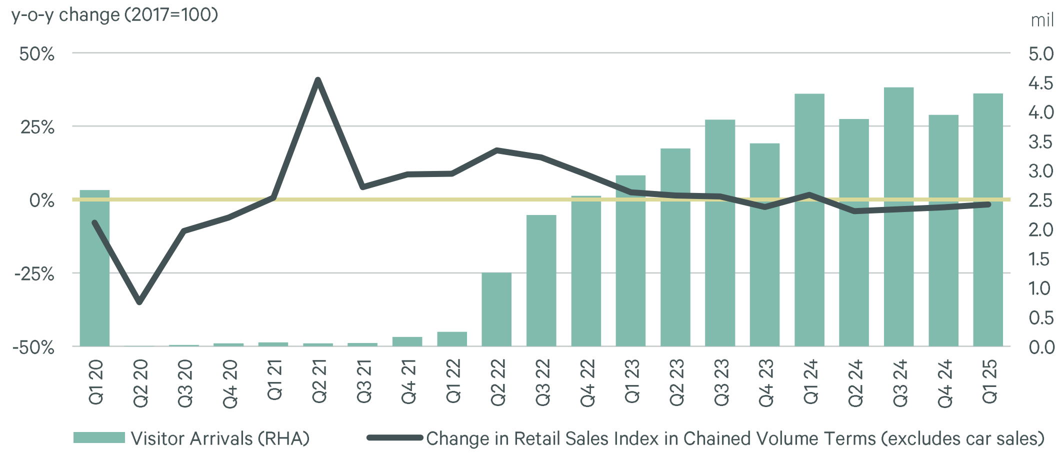
Prime islandwide retail rents sustained its rise in Q2

The City Hall/Marina Centre submarket led performance in Q2 2025, supported by sustained demand for prime retail spaces. This was underpinned by retailer confidence surrounding the recovery in tourism and the office crowd catchment. Consequently, islandwide prime retail rents recorded a 0.7% q-o-q increase, bringing H1 2025 rent growth to 1.3%.

Islandwide prime retail rents to recover to pre-pandemic levels this year

Retailers continue to face headwinds from rising operating costs and intensifying e-commerce competition. Amid escalating geopolitical tensions and economic uncertainty, expansion strategies are expected to remain cautious. However, a rebound in tourism—bolstered by a strong calendar of MICE events and concerts—is set to support demand for prime retail space. With new supply projected to stay below historical norms, CBRE Research anticipates that overall prime retail rents will return to pre-COVID-19 levels by end of 2025.

FIGURE 4: Retail Economic Indicators



Source: STB, MTI, CBRE Research, Q2 2025

TABLE 6: Prime Retail Rents

	Q2 25	Q-o-Q	Y-o-Y
Islandwide	$27.50	0.7%	2.8%
Orchard Road	$38.10	0.5%	2.6%
Suburban	$32.50	0.5%	1.7%

Source: CBRE Research, Q2 2025

TABLE 7: Estimated Gross New Supply

	Estimated NLA (sq. ft.)
H2 2025	0.10 mil
2026	0.27 mil
2027	0.39 mil

Source: CBRE Research, URA, Q2 2025
Note: Projects with a NLA of less than 20,000 sq. ft. are excluded

Industrial

Resilient industrial indicators despite global macroeconomic uncertainties

In May 2025, manufacturing output rose by 3.9% y-o-y, led by the transport engineering and precision engineering clusters. However, exports declined 3.5% y-o-y, weighed down by a 20.6% y-o-y drop in shipments to the U.S. Meanwhile, SIPMM's PMI reversed back to expansion territory in Jun 2025 after two months of contraction, indicating stabilising sentiment, though business outlook remains cautious amid ongoing trade uncertainties.

Robust Q2 2025 leasing activity driven by proactive landlords

Leasing momentum strengthened in Q2 2025, supported by active landlord leasing strategies. Warehouse demand was led by logistics and wholesale trade occupiers, while hi-tech space saw interest from electronics and healthcare firms. During the quarter, CBRE Research observed more relocation deals spurred by landlord initiatives, such as fitted units and capex support to reduce setup time and costs.

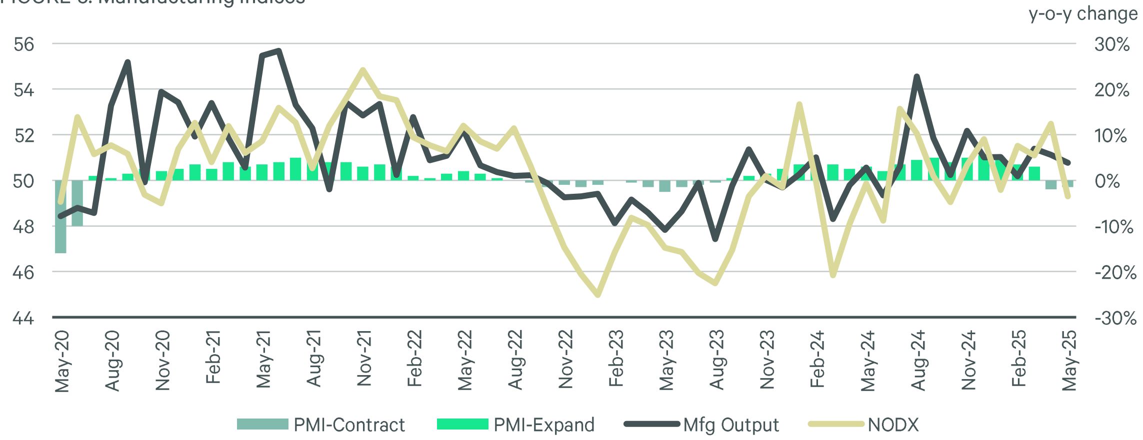
Prime logistics rents show signs of stabilisation

Prime logistics rents declined by 0.5% q-o-q in Q2 2025, moderating from the 1.6% q-o-q drop in Q1 2025. Amid a surge in completions, the occupancy rate in CBRE's prime logistics basket fell from 94.0% in Q1 2025 to 92.1% in Q2 2025. Rent softness was most evident in older assets with lower ceiling heights as landlords adjusted expectations to fill vacancies. Meanwhile, average warehouse rents also dipped by 0.5% q-o-q, while factory rents rose 0.6% on the back of resilient manufacturing output and tight supply.

Gradual recovery in prime logistics rents in H2 2025

Following significant warehouse completions in H1 2025, supply is expected to moderate in H2 2025. With pipeline projects like *5 Toh Guan Road East* in advanced stages of negotiation, the market may shift in favour of landlords by year-end. Despite a 2.1% decline in prime logistics rents in H1 2025, CBRE Research expects a potential rebound in prime logistics rents in H2 2025, underpinned by sustained leasing demand for quality spaces.

FIGURE 5: Manufacturing Indices



Source: Singstat, SIPMM, CBRE Research, Q2 2025

TABLE 8: Industrial Rents

	Q2 25	Q-o-Q	Y-o-Y
Factory (Grd Flr)	$1.81	0.6%	1.1%
Factory (Upp Flr)	$1.41	0.7%	1.4%
Warehouse (Grd Flr)	$1.90	-0.5%	-1.6%
Warehouse (Upp Flr)	$1.38	-0.7%	-2.1%
Prime Logistics	$1.83	-0.5%	-2.1%

Source: CBRE Research, Q2 2025

TABLE 9: Significant Future Developments

Development	Est. GFA (mil sf)
JTC Space @ AMK	1.26
Bulim Square (JTC) (partial)	0.80
5 Toh Guan Road East (CapitaLand Ascendas REIT)	0.55
Tuas Distribution Hub (Sankyu)	0.40

Source: CBRE Research, JTC, Q2 2025

Residential

Q2 2025 new home sales slowed on fewer launches and growing market caution

New home sales in Singapore plunged in Q2 2025 amid a sharp drop in project launches and growing market caution. Preliminary data showed 1,187 units sold—down 64.8% q-o-q from Q1's high of 3,375 units, though up 63.7% y-o-y from 725 units in Q2 2024. The slowdown reflects cautious buyer sentiment, weighed down by persistent trade frictions and geopolitical tensions that have clouded Singapore's economic outlook. Only four major projects were launched during the quarter. The top performers were *One Marina Gardens* (937 units) and *Bloomsbury Residences* (358 units), although both saw relatively muted launch weekend take-up rates of just 38% and 25% respectively.

Private home price growth eased for a second consecutive quarter

Private home prices rose 0.5% q-o-q in Q2 2025, according to flash estimates, marking a second consecutive quarter of slowing growth from 0.8% in Q1. The increase was driven by the landed segment, which climbed 0.7% q-o-q. Non-landed home prices rose 0.5%, easing from 1.0% in the previous quarter, with mixed performance across market segments. In the OCR, prices rose 0.9% q-o-q despite the absence of new launches. The CCR outperformed with a 2.3% q-o-q increase, buoyed by strong benchmark pricing at luxury launch *21 Anderson*. In contrast, the RCR saw prices decline 1.1% q-o-q, weighed down by more realistic pricing at *One Marina Gardens* and *Bloomsbury Residences*.

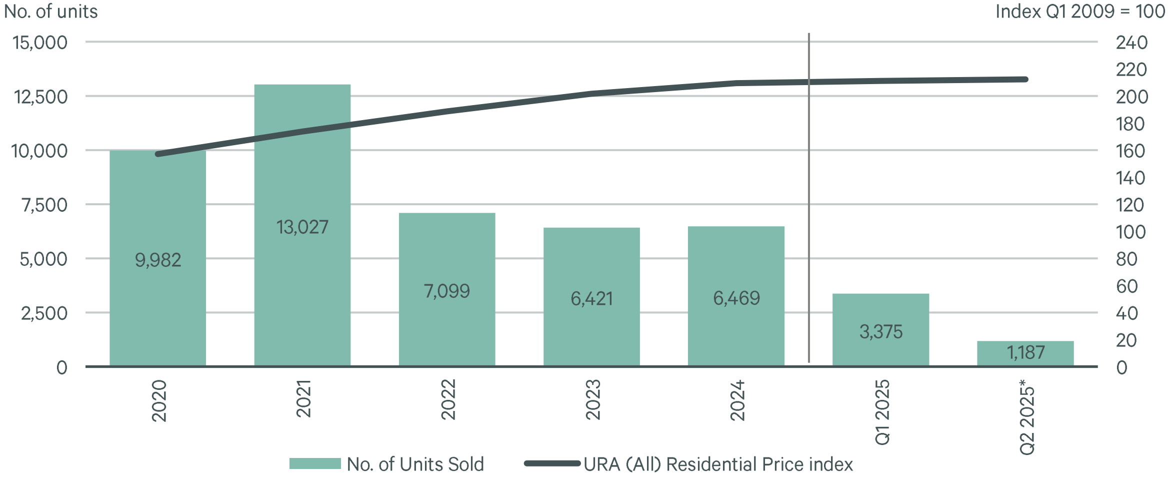
Rents were likely flattish in Q2 with uneven performances across market segments

URA's Rental Index for all private residential properties rose marginally by 0.4% q-o-q in Q1 2025 after staying flat in Q4 2024. Median psf rents in Apr – May 2025 were mixed. The CCR led with a 3.2% q-o-q growth while the RCR and OCR saw declines of 0.7% and 1.6% q-o-q respectively.

New home sales in H2 2025 could slow down

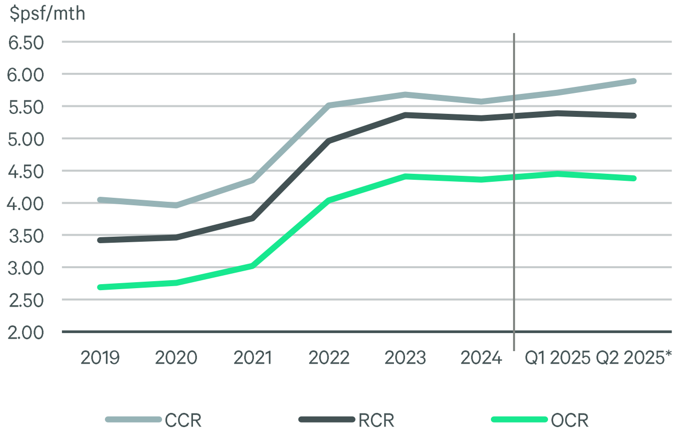
H1 2025 saw private home price grow 1.3% and new home sales of 4,562 units. Seller's Stamp Duty was raised by 4 ppts and the holding period to 4 years with effect from 3 July. We expect this to have limited impact on transaction volumes and pricing. Nonetheless, with most of the H2 new launches in prime locations with higher price points, we expect volumes to slow down. CBRE Research maintains our full year new home sales forecast of 7,000 – 8,000 units and private home price growth of 3 – 4%.

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



Source: URA, CBRE Research, Q2 2025
Note: *Preliminary figures (excl. ECs) for Q2 2025 based on Realis caveats as of 8 Jul 2025.

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



Source: URA, CBRE Research, Q2 2025
Note: *For non-landed residential units (excl. ECs) from Apr – May. Based on Realis caveats as of 8 Jul 2025.

TABLE 10: Top 3 Projects (New Sales) in Q2 2025

Project	One Marina Gardens	Bloomsbury Residence	The Hill @One-North
Tenure	99y	99y	99y
Median Price ($psf) in quarter	$2,950	$2,474	$2,490
Units sold in quarter	470	156	43

Source: URA, CBRE Research, Q2 2025
Note: Based on Realis caveats as of 8 Jul 2025.

Investments

Private investment volumes increased, supported by lower interest rates

Preliminary real estate investment volumes for Q2 2025 fell 17.4% q-o-q (down 19.1% y-o-y) to $5.397 bn, mainly on lower public land sales. Excluding public sites, Q2 2025 volumes were up by 11.9% q-o-q and 19.6% y-o-y at $4.188 bn. This brought H1 2025 private investment volumes to $7.930 bn, up 18.2% y-o-y. Despite ongoing trade frictions and escalation in geopolitical tensions, investment sales were resilient, supported by the continued easing of interest rates -- short term interest rates in Singapore have come down by almost 100 bps since the start of the year.

Industrial and mixed-use transactions surged q-o-q

Q2's increased volumes were led by the industrial and mixed-use sectors. Industrial investment volumes surged 12-fold to $1.663 bn on the back of Mapletree Industrial Trust's divestment of its portfolio of 3 industrial properties for $535.30 mil to Brookfield Asset Management and the transfer of *Geneo* and *9 Tai Seng Drive* by CapitaLand entities to CapitaLand Ascendas REIT for $700.20 mil. The mixed-use sector also saw a 28-fold rise to $834.20 mil due to the big-ticket transfer of a 50.1% stake in *South Beach* by CDL to its joint venture partner IOI Properties for $834.20 mil.

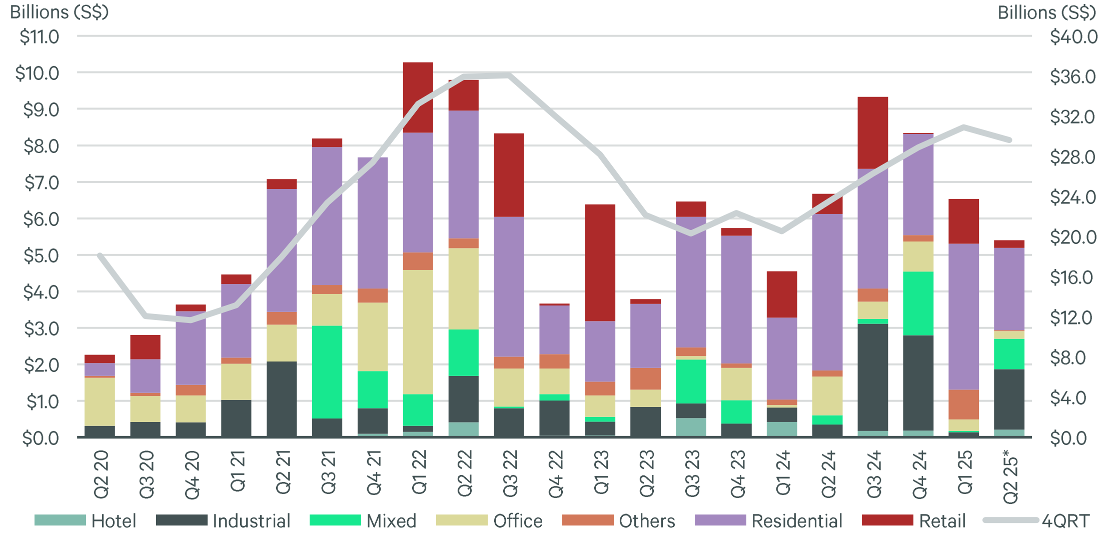
Office and retail sector volumes declined on the lack of big-ticket transactions

On the other hand, office investment volumes fell 35.3% q-o-q to $207.07 mil. The sector saw solely transactions of strata office units or floors in Q2 2025, including several floors at freehold *108 Robinson Road*. Likewise, the retail sector saw volumes plunge 83.4% q-o-q to $205.30 mil following the big-ticket sale of *Northpoint City South Wing* ($1.133 bn) in Q1 2025. There were only 3 smaller strata transactions recorded in the quarter.

Sound fundamentals and lower interest rates should support deals in H2 2025

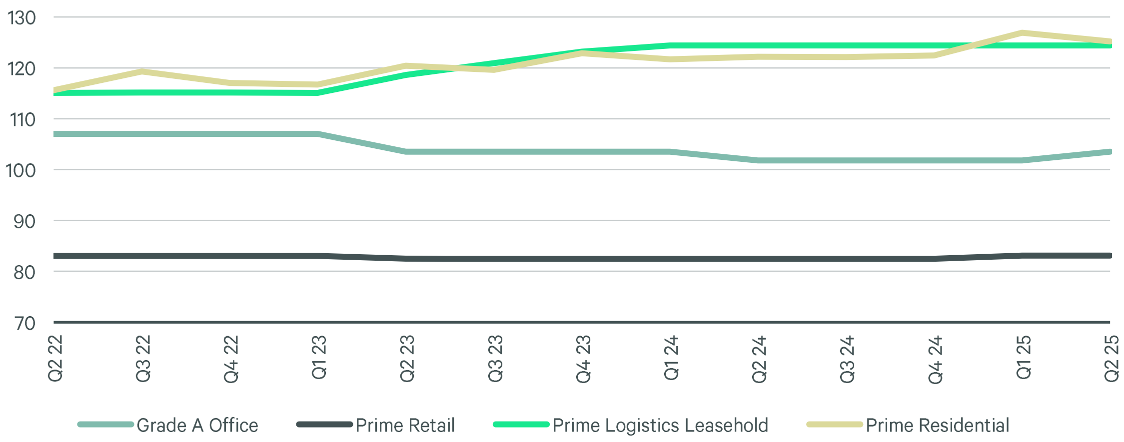
Amid the uncertain global environment, Singapore's status as a safe haven with sound fundamentals is attracting keen interest from investors. In addition, the more favourable interest rate environment should spur more deals in H2 2025. Barring a major economic downturn, CBRE Research maintains our forecast of a 10% increase in investment volumes for 2025 compared to 2024.

FIGURE 8: Total Transaction Volume by Sector



Source: CBRE Research, Q2 2025, *Preliminary figures

FIGURE 9: Capital Values Index



Source: CBRE Research, Q2 2025

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