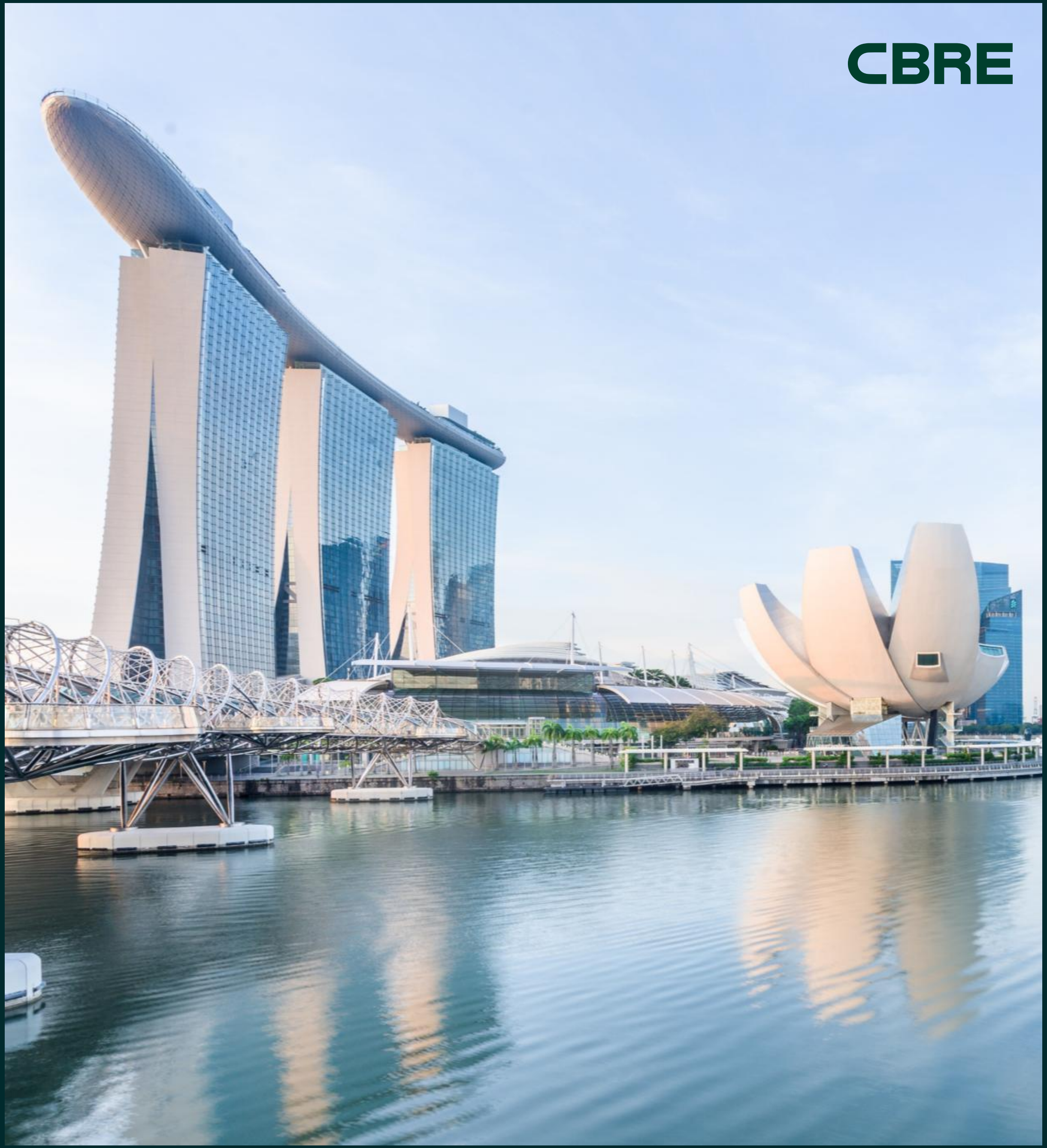
Creating Resilience

2026 Singapore Real Estate Market Outlook

REPORT

Recalibrate and Innovate

CBRE RESEARCH
SINGAPORE
FEBRUARY 2026



2026
Singapore
Real Estate Market Outlook

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Economy

GDP growth to ease from 2025's 4.8%

All-item and Core Inflation to average 1.0 – 2.0% for 2026, from 0.9% and 0.7% in 2025.

US interest rates are expected to be cut further in 2026, while Singapore's domestic interest rates, which fell 180bps in 2025, could stabilise in 2026.

Office

Flight to quality to persist, vacancies to remain tight.

Active demand drivers from banking & finance, wealth management, professional services sectors, AI and technology-related occupiers.

Firm demand and limited supply should see Core CBD (Grade A) rents grow faster in 2026.

Prime Logistics

New supply is expected to ease significantly in 2026. Occupiers may have limited options as upcoming facilities are mostly pre-leased.

Demand from major 3PLs and supply chain management firms should retain its momentum.

Prime logistics rents are expected to resume its growth into 2026.

Retail

Retail sales and tourism spending growth to support demand, coupled with below-historical-average future supply should support rent growth.

Challenges remain: high operating costs, manpower shortage and shifting consumer habits. Rent growth to taper.

Residential

Sales momentum to ease alongside fewer launches.

Renewed interest for CCR projects as price gap narrows.

Stable price and rental growth in 2026.

Investments

Singapore ranks among the top 3 investment destinations in APAC.

Living sector, Logistics and Office sectors are top three preferred sectors.

A healthy pipeline of investment-grade assets and sustained rental growth should support transaction volumes.

Singapore Forecasts

Office Rents	↑	5%
Prime Logistics Rents	↑	2%
Retail Rents	↑	1 – 2%
Residential Prices	↑	2 – 4%
Investment Volume	↑	5%
Yields	↔	

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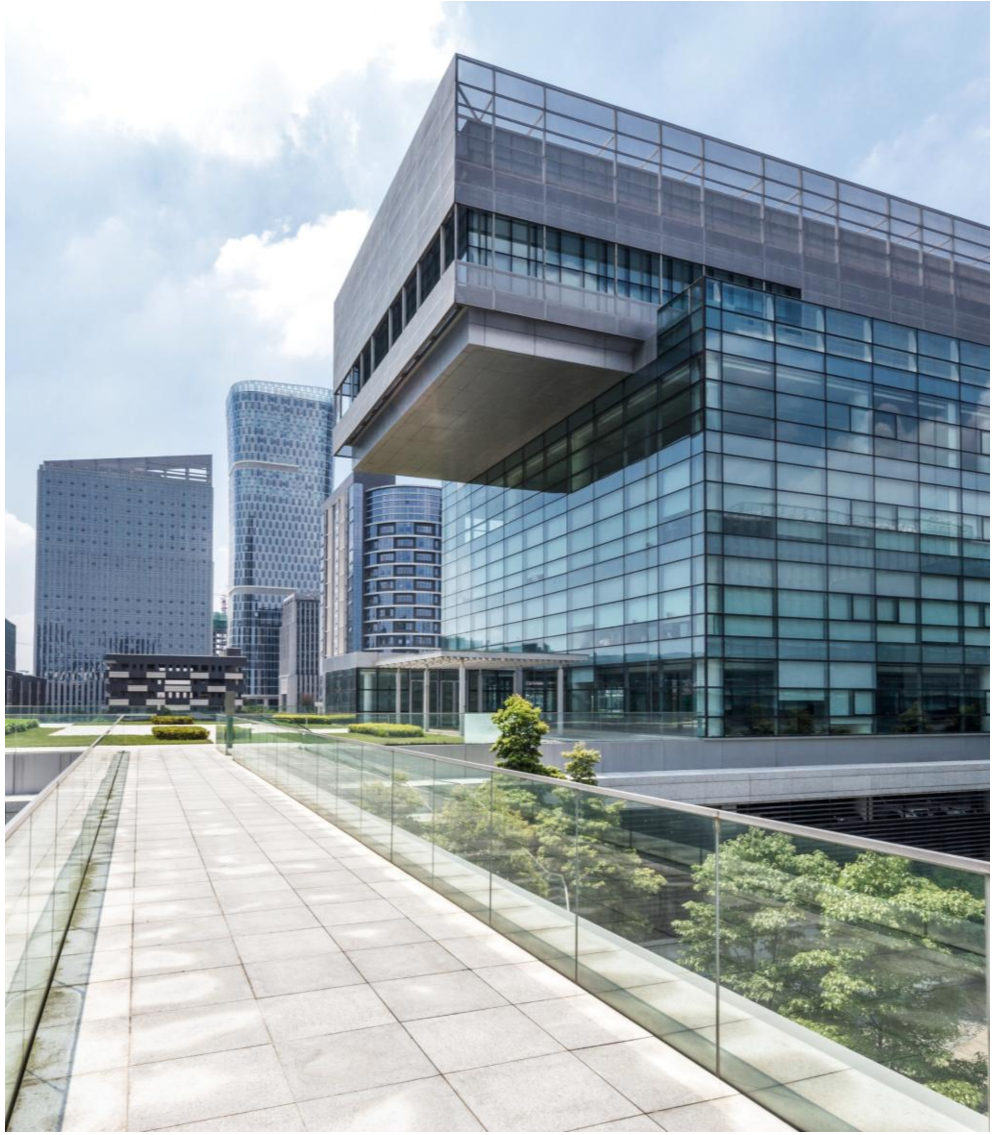


01

Economy

Strong momentum into 2026

Advance estimates showed that Singapore's economy outperformed expectations in 2025, expanding by 4.8% y-o-y, an acceleration from the 4.4% GDP growth in 2024, and surpassing MTI's projection of "1.0 to 3.0%" in Feb 2025. Despite concerns of US-imposed tariffs in Apr, 2025 saw growth primarily driven by the manufacturing sector, buoyed by an upturn in global demand for electronics, especially for AI-related products. Services sector GDP also expanded in 2025, led by the wholesale & retail trade and transportation & storage sectors.

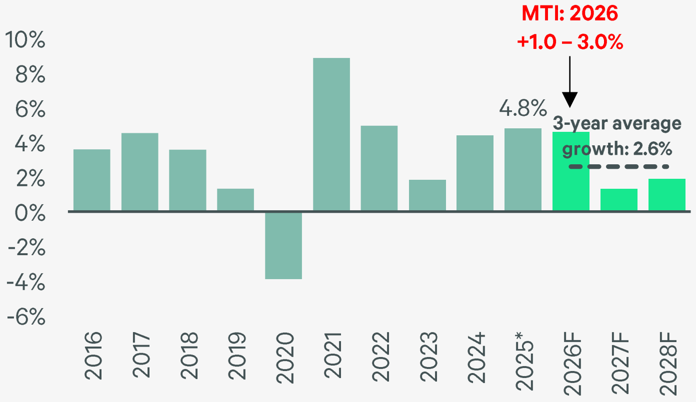
Economists are unified that Singapore's economy has outperformed in 2025 and could decelerate in 2026, but divided on the magnitude and timing of the normalisation. Notwithstanding short term differences, projected GDP growth in 2026 – 2028 averages 2.6%, signalling long term resilience.

According to MAS Monetary Policy Statement on 29 Jan, in the near term, Singapore's GDP growth should be resilient. The expansion in the trade-related sectors is underpinned by continuing near-term strength in the global AI-driven capex cycle. Financial services should be supported by steady lending and capital market activity, while the construction sector benefits from a strong pipeline of public and private projects.

Downside risks include slower growth among key trading partners due to a more pronounced drag from US tariffs; escalated geopolitical tensions which could dampen confidence and curb hiring, investment, and household spending; and a rise in risk-off sentiment could trigger steep corrections in international financial markets, that could have knock-on effects on overall economic growth.

Figure 1: Economic growth

Real GDP growth (in chained dollars)

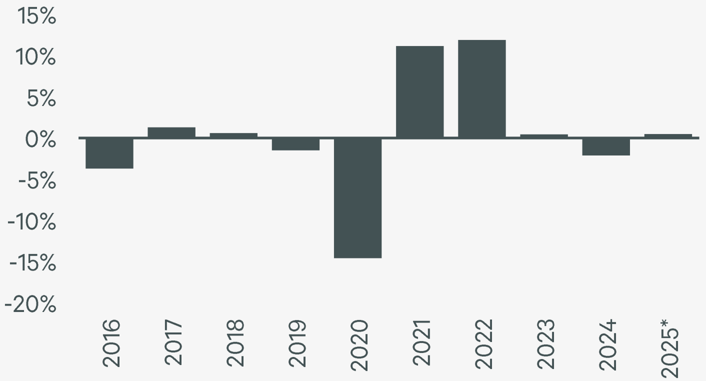


*Advance estimate

Source: Singstat, CBRE House View, Feb 2026

Figure 2: Retail market momentum

Retail sales growth (in chained vol. terms, excl. motor vehicles)

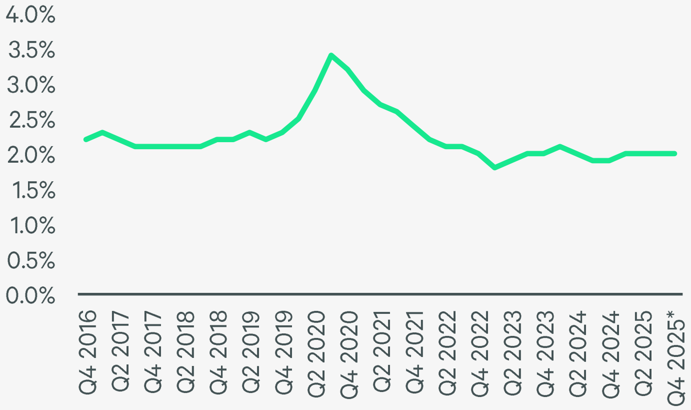


*First 11 months

Source: Singstat, Feb 2026

Figure 3: Labour market conditions

Unemployment rate (quarterly, seasonally adjusted)

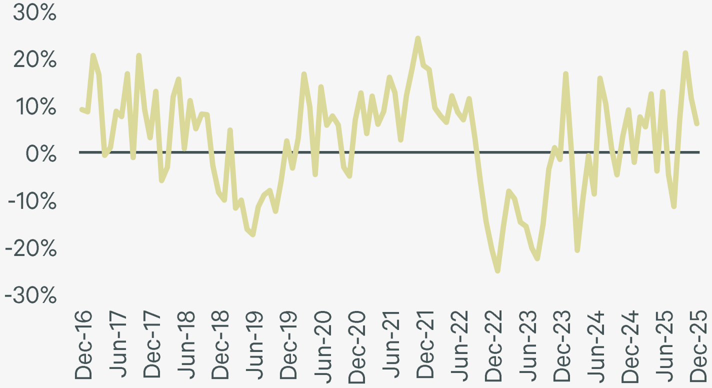


*Preliminary unemployment rate for Dec 2025

Source: Ministry of Manpower, Feb 2026

Figure 4: Trade flows

Non-oil Domestic Exports y-o-y growth (monthly)



Source: Singstat, Feb 2026

Inflation to rise slightly

All-item inflation eased significantly to a 5-year low of 0.9% y-o-y in 2025, from the 2.4% y-o-y increase in 2024. This moderation reflected softer price increases across most categories, including food and housing & utilities.

Looking ahead, inflation is expected to edge up slightly in the near term, driven primarily by a rebound in services unit-labour-cost growth from the subdued levels seen earlier in 2025. At the same time, imported price pressures should stay muted, with global oil and food commodity prices projected to decline in 2026.

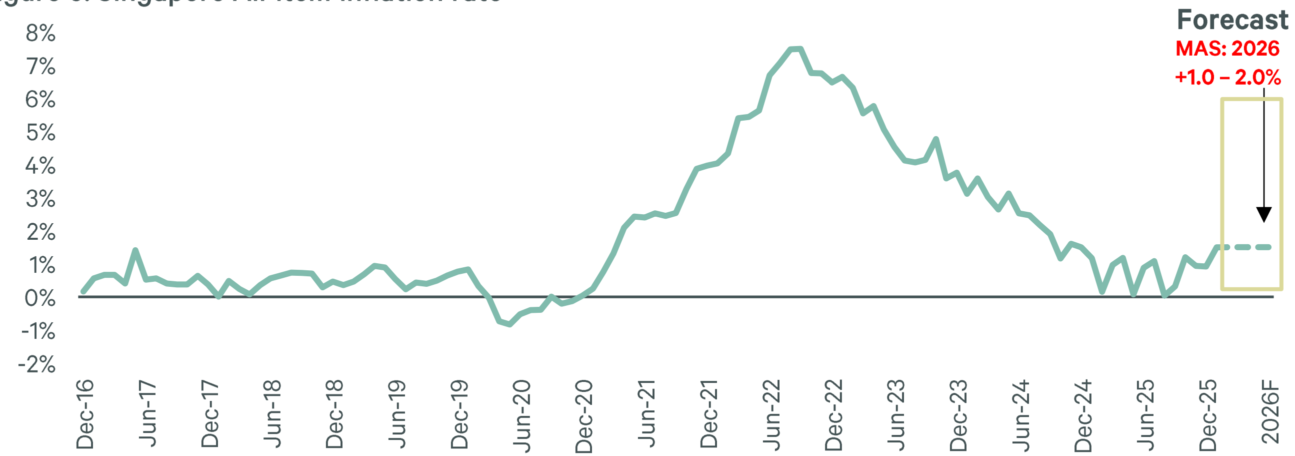
Nonetheless, risks remains tilted to the upside: stronger-than-anticipated GDP growth could fuel higher wage growth and bolster consumer confidence, intensifying demand-driven inflation. Supply-side shocks — particularly those stemming from geopolitical developments — also pose a risk by increasing imported costs. That said, some downside risks persist given vulnerabilities in the global economy; for e.g., a sharp correction in global financial markets or a sudden pullback in AI-related investment could cause growth to soften more quickly, thereby easing inflationary pressures. Taking all these into account, MAS raised its forecast for 2026 CPI-All items inflation to 1.0 – 2.0% in its Jan 2026 Monetary Policy Statement.

Interest rates to stabilise in 2026

In 2025, the Federal Reserve delivered a total of 75 bps of rate cuts beginning in Sep as inflation moved closer to its 2% target, bringing the Fed Funds Target Rate down to 3.5% – 3.75% by the Dec FOMC meeting. While Singapore's domestic interest rates previously followed the same trajectory, the 3M-compounded SORA fell more sharply by over 180bps to 1.2% at the end of 2025, driven by strong "safe haven" inflows that resulted in abundant liquidity.

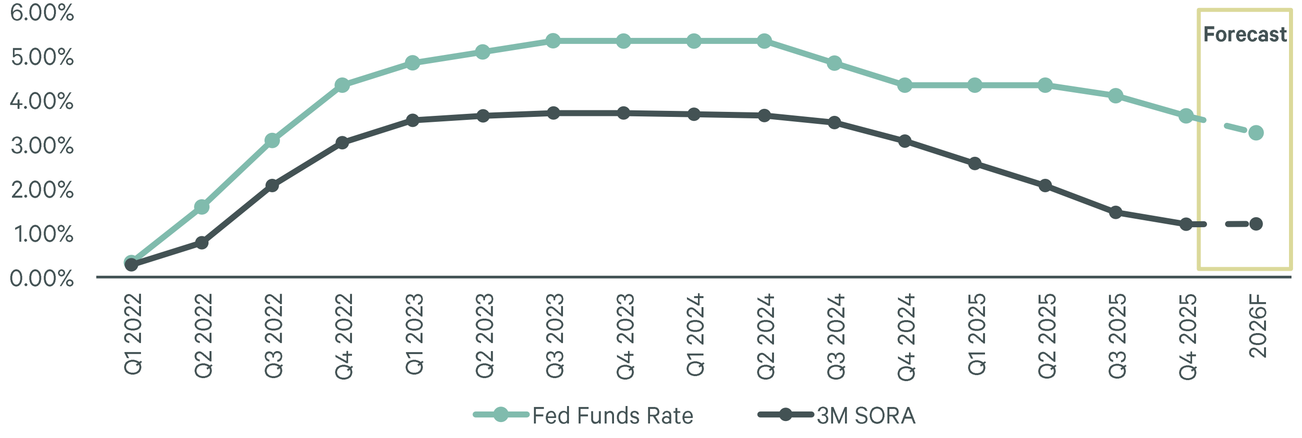
Moving forward, the Fed is anticipated to continue cutting rates, especially as the next Fed Chair is expected to be more dovish. CBRE expects the Fed Funds Target Rate to reach 3% – 3.5% by the end of 2026. Meanwhile, Singapore's domestic interest rates are expected to stabilise at a range of 1 – 1.5% this year.

Figure 5: Singapore All-item inflation rate



Source: Singstat, MAS, CBRE House View, Feb 2026

Figure 6: US and Domestic Interest Rates



Source: CBRE House View, Federal Reserve Bank, MAS, Feb 2026

02

Office

Flight to quality as occupiers focus on core locations

Singapore's office market continued to outperform expectations in 2025, demonstrating notable resilience despite persistent macroeconomic and geopolitical uncertainties. Occupier demand remained firm with islandwide net absorption reaching approximately 0.57 mil. sq. ft. for the year, excluding demolition-related stock removals.

A flight to quality trend dominated market activity, with Core CBD (Grade A) vacancy tightening from 5.9% in Q1 to 4.5% by year-end. The Marina Bay submarket saw the sharpest improvement, with vacancy falling from 9.4% in Q2 2024 to 4.2% in Q4 2025, driven by strong take-up at *IOI Central Boulevard Towers* and *Marina One*, both nearing 95% occupancy.

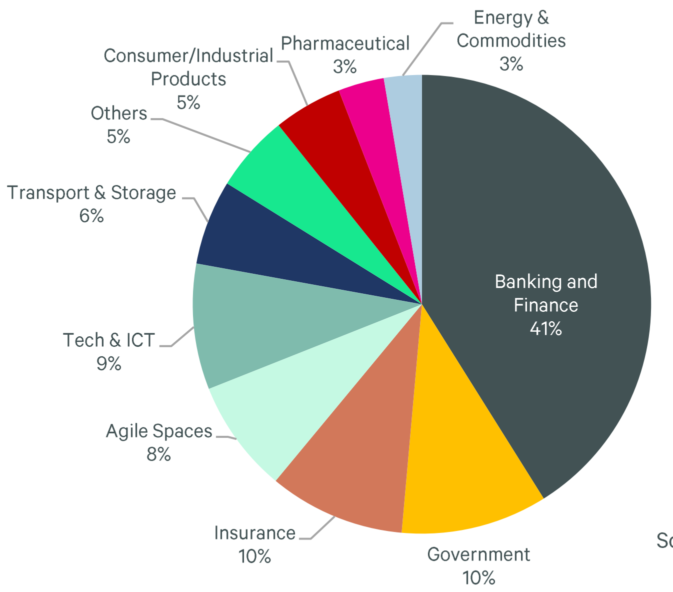
This ongoing flight to quality is expected to persist as occupiers prioritise high-specification workplaces to support talent attraction, retention, and evolving workplace strategies, helping to keep vacancies tight.

Banking & finance, AI sectors to lead demand in 2026

Occupier demand in 2026 is expected to be driven by the banking & finance, wealth management, and professional services sectors, with additional support from AI and technology-related occupiers. CBRE's December 2025 Asia Pacific Leasing Market Sentiment Index indicated that wealth management, asset management and securities will remain one of the strongest sources of expansionary demand heading into 2026. This reflects Singapore's role as a preferred hub for regional capital flows, as well as ongoing growth in private banking and fund management platforms.

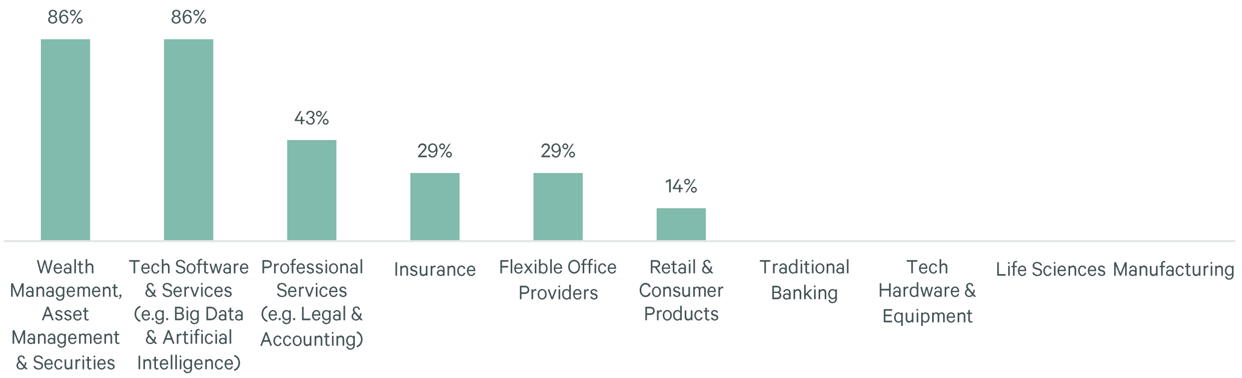
At the same time, demand from AI-driven and technology occupiers is set to increase meaningfully. While global headlines have highlighted tech sector job rationalisation amid rapid AI adoption, the presence of global tech firms have created a strong foundation to attract emerging AI firms, which are expanding to support and integrate with the established tech ecosystem anchored in Singapore.

Figure 7: 2025's office leasing demand by NLA (Top 10 sectors)



Source: CBRE Research, Feb 2026

Figure 8: Sectors that will display the strongest expansionary demand in Singapore in 2026



Source: Asia Pacific Leasing Market Sentiment Index (Link), Dec 2025

Limited new supply in 2026-2027

Following the wave of completions in 2024 and early 2025, the office development pipeline is expected to thin out over the next two years -- with *Shaw Tower* being the only major completion in 2026 - before new supply peaks again in 2028. Over the next five years, total new supply is projected at 0.79 mil sq. ft. per annum, about 39% below the historical 10-year annual average.

With *IOI Central Boulevard Towers* being its latest completion in 2024 and no significant new supply expected until the redevelopment of *Clifford Centre* in 2028, the Core CBD submarket is expected to remain tight. This suggests limited availability for occupiers seeking high-quality space, particularly those in expansion mode, which could place upward pressure on rents in prime buildings.

In the longer term, the extension of the URA CBD Incentive Scheme and Strategic Development Scheme to 2030 underscores the government's commitment to rejuvenating the city centre while simultaneously advancing its decentralisation strategy.

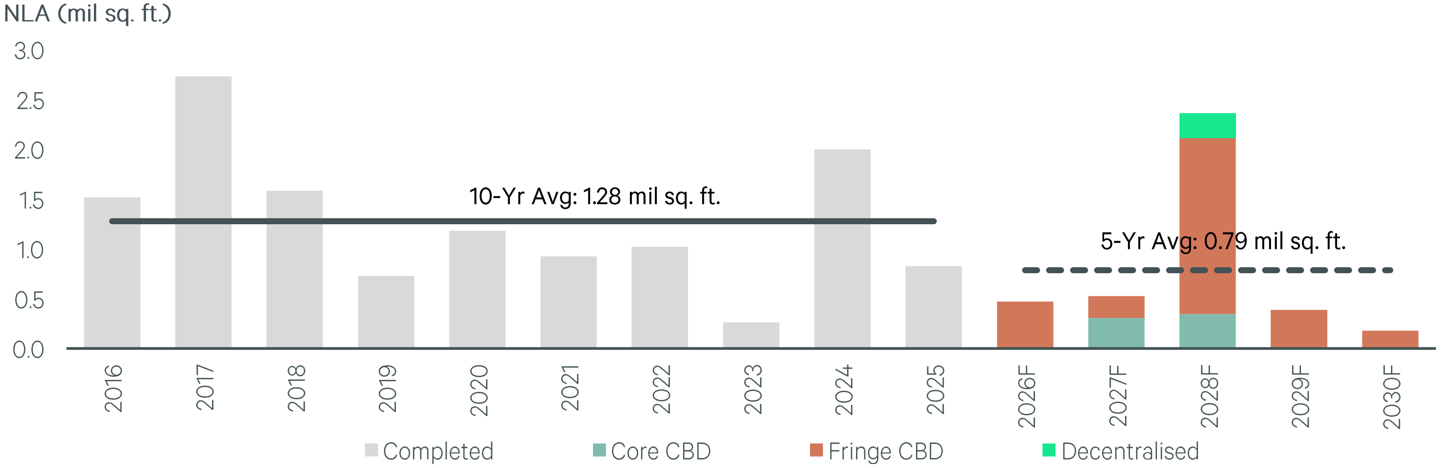
Rental growth to accelerate

Core CBD (Grade A) rents increased 2.9% y-o-y in 2025, a stronger rise than 2024's 0.4% y-o-y, driven by firmer demand and continued flight-to-quality. With no major new supply until 2028 and large contiguous space becoming scarce, 2026 is expected to be increasingly landlord-favourable, with rents projected to grow about 5% y-o-y.

Occupiers should conduct their space planning early, taking into consideration stricter return-to-office mandates, the adoption of AI in workplaces, and more fluid business needs amid the geopolitical landscape.

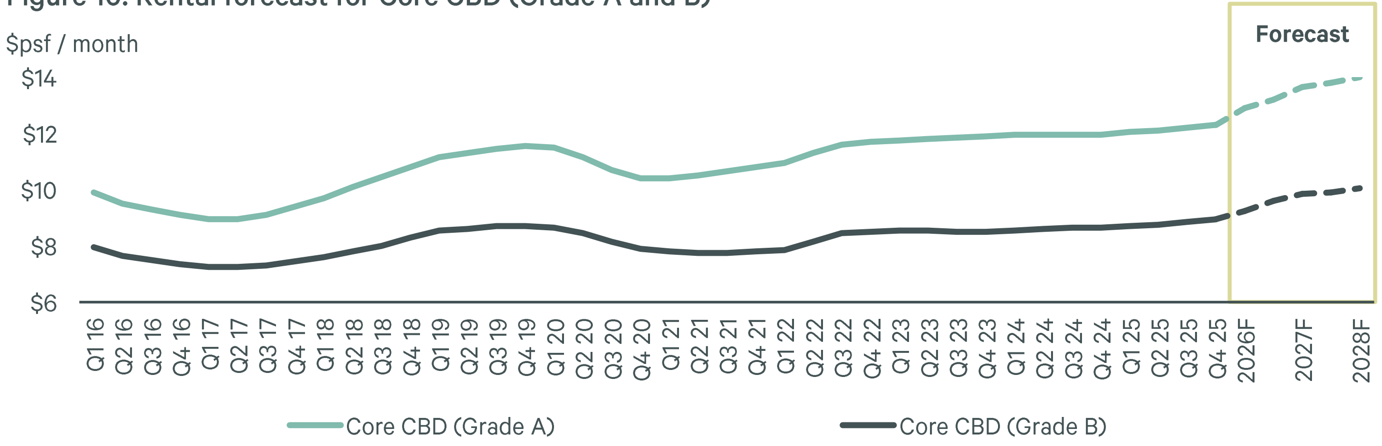
Landlords should focus on asset enhancements, where applicable, through experience-led design and digital enhancements to remain competitive.

Figure 9: Islandwide office supply pipeline



Source: CBRE Research, Feb 2026

Figure 10: Rental forecast for Core CBD (Grade A and B)



Source: CBRE Research, Feb 2026

03

Industrial & Logistics

Resilient leasing activity to continue into 2026

In 2025, logistics and electronics firms were among the strongest contributors to leasing activity. Apart from major 3PLs like Maersk, DB Schenker and DSV having their flagship facilities complete during the year, several new-to-market firms also expanded in Singapore to leverage the trend of supply chain diversification and nearshoring. Leasing demand by semiconductor firms saw a resurgence in 2025, led by strong spending on servers and chips to support AI infrastructure.

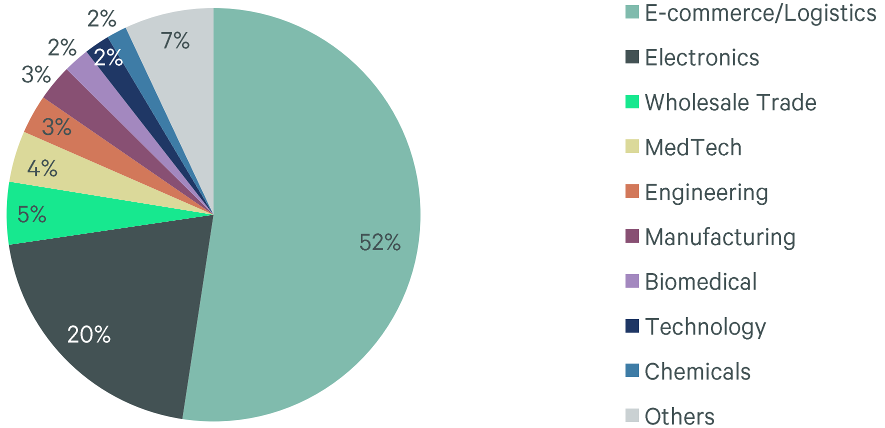
Overall, 2025 demonstrated the resilience of Singapore's industrial sector. Despite tariff-related uncertainty which initially delayed decision making, occupiers largely adopted a long-term view, planning for business continuity rather than reacting to short-term volatility. This steady momentum is expected to be carried forward into 2026, as Singapore's stability, availability of talent and world-class infrastructure are often cited by global occupiers as attractive pull factors. That said, mitigating cost pressures will also be critical to ensure the city state's long-term competitiveness.

Singapore's role as a key regional hub could be elevated alongside JS-SEZ initiative

Since the Johor–Singapore Special Economic Zone (JS–SEZ) MOU was signed in Jan 2024, the initiative has gained momentum as Singapore-based firms have committed over S$5.5 bn in investments into Johor. By adopting a 'twinning model' to setup complementary operations across both sides of the Causeway, the JS-SEZ can attract new businesses that would not typically invest in either Johor or Singapore alone. This dual-location strategy would typically leverage Singapore's strengths in R&D and global connectivity through its port and airport, alongside Johor's land availability and cost advantages.

Notwithstanding the developments of the JS-SEZ, Singapore continues to appeal to global companies. With significant investments into projects such as Tuas Port, Changi East Industrial Zone and ALPS2, Singapore is well positioned to boost its cargo handling capabilities and retain its position as a key regional hub.

Figure 11: 2025's industrial & logistics leasing demand by NLA (top 10 sectors)



Source: CBRE Research, Feb 2026

Figure 12: Major investments and facility openings in Singapore

Date of annc[1]	Company (Sector)	Location	GFA (sq. ft.)	Investment Amount	Details
Jan 2026	Micron (Semiconductor)	Woodlands	700,000	US$24.0 bn or S$30.5 bn	Broke ground on its NAND[2] wafer fab facility to support AI-driven data centres.
May 2025	SATS (Supply Chain)	Changi	n/a	S$250 mil	Upgrading of ground operations and cargo handling infrastructure at Changi Airport.
May 2025	Cariflex (Chemicals)	Jurong Island	149,500	US$355 mil or S$462 mil	Opened the world's largest polyisoprene latex plant to support demand for high-quality synthetic latex used in medical and protective applications.
Apr 2025	UMC[3] (Semiconductor)	Pasir Ris	2,506,500	US$5.0 bn or S$6.7 bn	Opened its new facility that will produce chips for IoT devices, automotive and AI innovations.

Note 1: Annc – Announcement
Note 2: NAND – A form of flash memory used in storage devices such as SSDs to handle large volumes of data to support AI workloads
Note 3: UMC – United Microelectronics Corporation is a leading global semiconductor foundry
Source: Various press releases and news, CBRE Research, Feb 2026

Logistics supply to ease after peaking in 2025

Warehouse net supply reached an eight-year high at 6.01 mil sq. ft. in 2025, which resulted in JTC's overall occupancy rates declining from 91.5% in Q4 2024 to 89.8% in Q4 2025. Looking ahead, new warehouse supply over the next three years (2026 – 2028) is estimated at 2.23 mil sq. ft. per annum, which is 39.4% lower than the historical 10-year annual average net supply of 3.68 mil sq. ft.

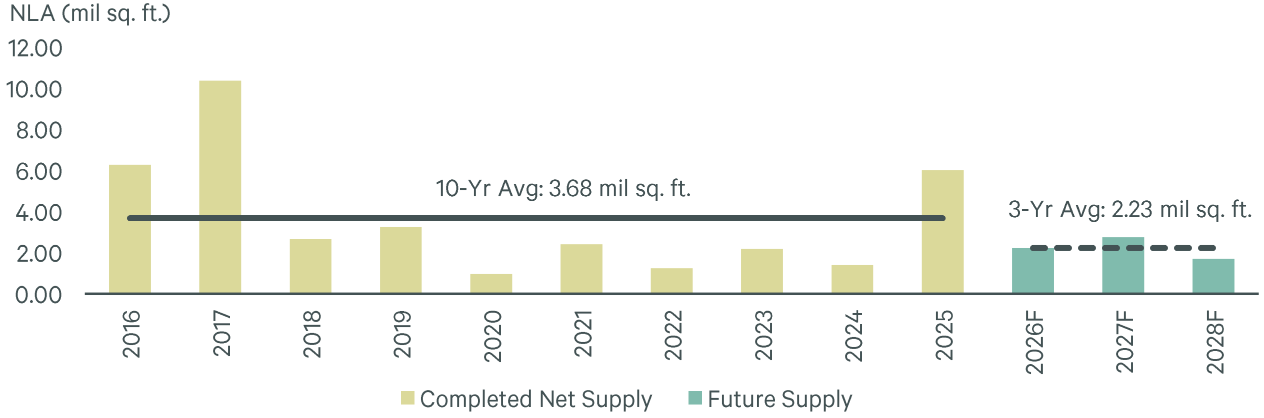
In comparison, CBRE Research's prime logistics occupancy rate decreased from 95.5% in Q4 2024 to 94.8% in Q4 2025 amid stronger demand for modern ramp-up logistics assets. In 2026, new prime logistics supply is projected to ease significantly to about 0.8 mil sq. ft. With most of the inventory already pre-leased, occupiers may have limited options. As the market transitions from a year of abundant completions towards one of constrained supply, this may tilt leasing dynamics towards landlords. However, 3PLs that had expanded their footprint in 2025 are likely to focus on operational efficiencies this year.

Prime logistics rents to resume growth in 2026

Although prime logistics rents remained unchanged at $1.87 psf pm in 2025, it was a tale of two halves. In H1 2025, amid a surge in project completions and uncertainty triggered by trade frictions, landlords adopted a more defensive stance to prioritise occupancy rates, resulting in a 2.1% decline in rents. However, rents rebounded by 2.2% in H2 2025, driven by strong demand for modern ramp-up facilities as sentiment improved. Sustained demand from major 3PLs and supply chain management firms, along with elevated pre-commitment rates should see prime logistics rents resume some mild growth in 2026.

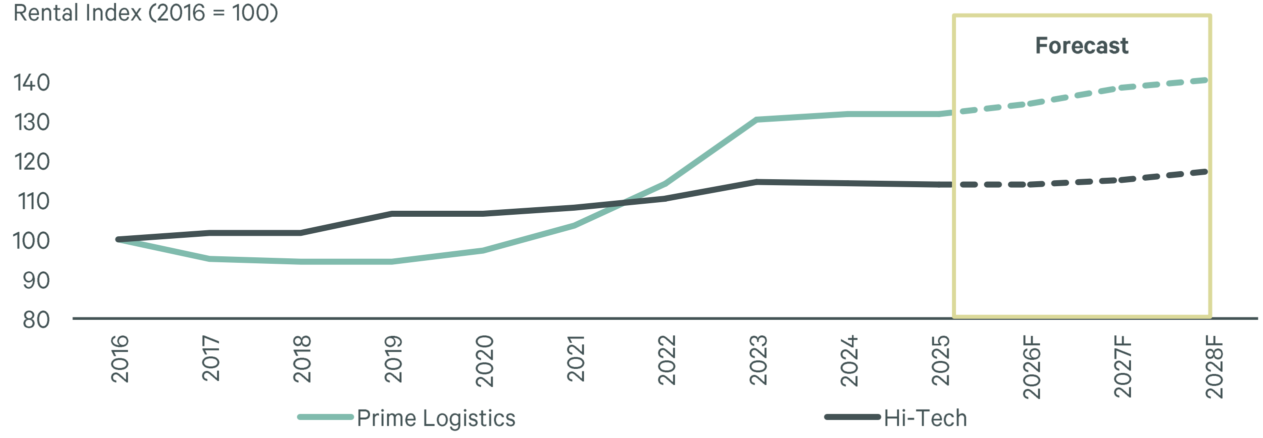
As for the hi-tech segment, only 0.07 mil sq. ft. of supply is projected to be added in 2026 through the AEI of *29 Tai Seng Street*, with no new supply from 2027 to 2028. Despite the limited supply, rents are expected to remain flat at $3.53 psf pm in 2026 due to the divergent performance between new and old facilities.

Figure 13: Historical warehouse completions and future supply



Source: CBRE Research, JTC, Feb 2026

Figure 14: Rental Index of prime logistics & hi-tech segments, and forecasts



Source: CBRE Research, Feb 2026

04

Retail

Resilient growth in retail sales and tourism spend

Retail sales were weak in H1 2025 but improved in H2 2025 as consumer sentiment improved on better-than-expected GDP growth and a resilient labour market. From Jan–Nov 2025, the retail sales index (ex-motor vehicles) inched up 0.5% y-o-y, reversing the 2.1% y-o-y decline in 2024. Retail sales are expected to stay firm in 2026, supported by January's CDC vouchers, rising stock and property prices, and continued economic expansion.

Tourism also sustained its recovery in 2025, rising 2.3% y-o-y to 16.9 mil visitors. While arrivals fell slightly short of STB's full-year forecast of 17 – 18.5 mil visitors, tourism receipts hit $23.9 bn in the first three quarters, a 6.5% y-o-y increase. This represented a record high for this period and puts the sector on track to exceed STB's projections of $29 – $30.5 bn for 2025. Tourism arrivals and receipts are expected to grow further in 2026, aided by new attractions such as the *Singapore Oceanarium* and a robust pipeline of concerts and MICE events.

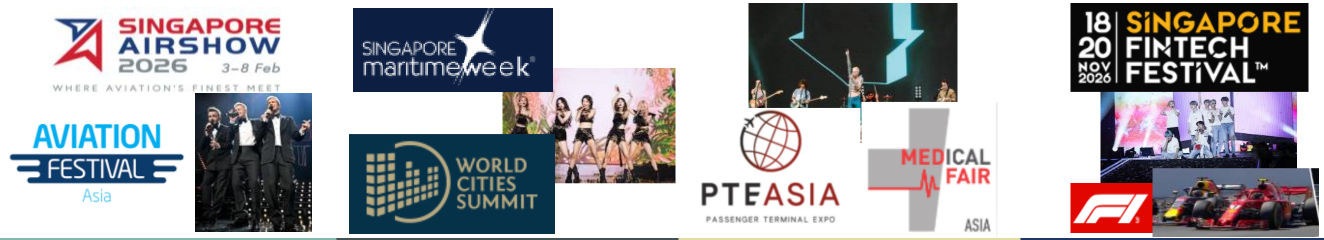
That said, a softer external backdrop and the strong SGD could temper demand from more price-sensitive travellers or lead them to prioritise spending on attractions and accommodation over retail and F&B.

Stronger retail leasing sentiment in 2026

CBRE's December 2025 Asia Pacific Leasing Market Sentiment Index showed that majority of respondents anticipate stronger leasing volumes in 2026 compared to last year's. Similarly, in Singapore, sentiments have improved since the start of 2025, which was weighed down by uncertainty in the global economy.

Singapore's status as a premier entertainment and business hub continues to attract significant interest from retailers, with many overseas brands seeking expansion. Despite numerous media reports of store closures and consolidations, ACRA records indicated that retail and F&B business formations still exceeded cessations in 2025, showing that retailers remain confident in the market.

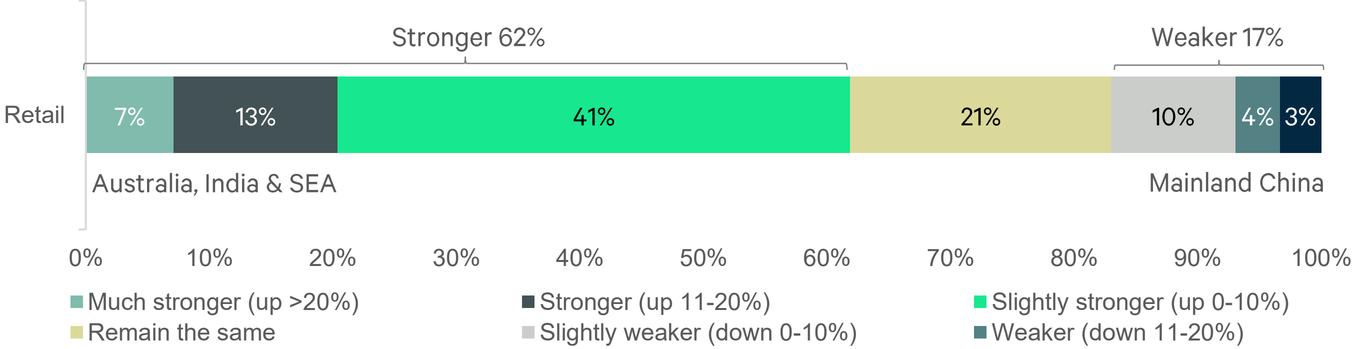
Figure 15: Significant events in Singapore (2026)



Q1	Q2	Q3	Q4
• Westlife, Michael Learns To Rock, Seventeen, One Republic, David Tao, Super Junior Concerts • Singapore Airshow • Aviation Festival Asia • Carbon Forward Asia	• I-dle, Eric Chou, Kraftwerk, Dashboard Confessional, Ive Concerts • Singapore Maritime Week • World Cities Summit • World Ageing Festival	• The Neighbourhood Concert • Tech Week Singapore • Medical Fair Asia • Passenger Terminal Expo Asia • Built Environment Expo	• My Chemical Romance, BTS Concerts • Singapore FinTech Festival • Milken Institute Asia Summit • Formula 1 (F1) Singapore Grand Prix

Source: CBRE Research, STB, Feb 2026

Figure 16: Asia Pacific retail leasing volume (2026 vs 2025)



Source: Asia Pacific Leasing Market Sentiment Index (Link), Dec 2025

Limited retail supply in next three years

Approximately 0.30 mil sq. ft. of retail space is expected to complete in 2026, 54.4% lower than the 0.66 mil sq. ft. added to retail supply in 2025. The average future supply per annum over the next three years is significantly below (59.6%) the 10-year historical average, which should support retail rents.

Significant projects in 2026 include phase 1 of *Tanjong Katong Complex's* AEI works and *CanningHill Square* which are expected to add about 0.18 mil sq. ft. and 0.08 mil sq. ft. to retail supply respectively. *Tanjong Katong Complex* will include Malay cultural trades or entrepreneurial incubation spaces, offices of Mendaki and the Islamic Religious Council of Singapore, as well as the Geylang East Public Library.

Challenges remain; prime rent growth to taper to 1 – 2% in 2026

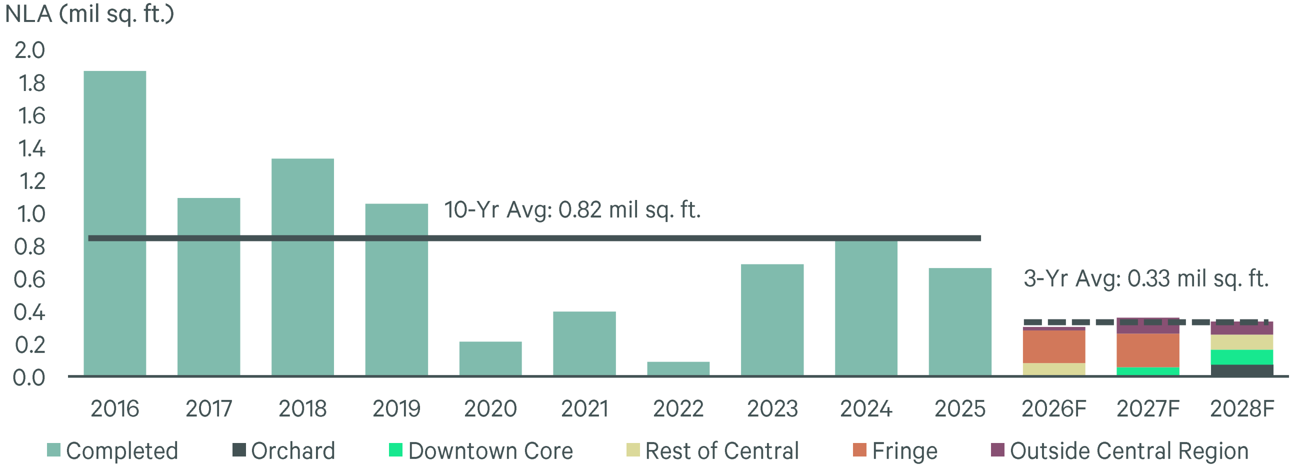
Islandwide retail prime rents rose 2.4% y-o-y in 2025, surpassing pre-pandemic (2019) levels. Growth was broad-based, led by the City Hall/ Marina Centre area on the back of a recovery in tourism and a normalisation of work-in-office arrangements.

Retailers will continue to face high operating costs, manpower shortage and shifting consumer habits. While the suburban market is still resilient due to local catchment and limited stock, the upcoming Johor Bahru-Singapore Rapid Transit System, slated to be operational in end-2026, could pose challenges to nearby malls.

Nevertheless, tourism recovery and retailer optimism, coupled with below-historical-average new retail supply should still bolster rents. CBRE Research thus expects overall retail prime rents to grow by 1% – 2% in 2026.

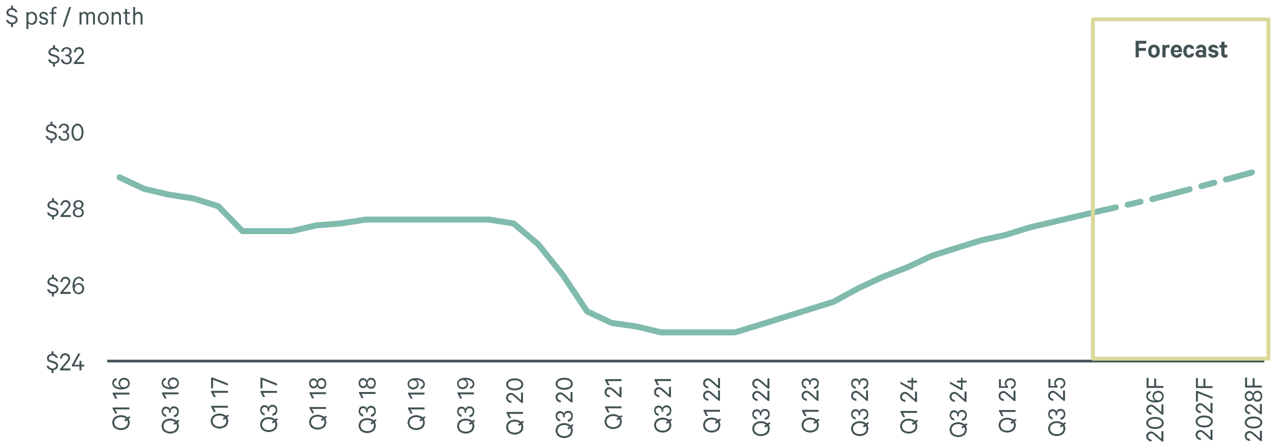
Landlords are advised to rethink and refresh their tenant mix to incorporate more experiential and entertainment elements. Retail trades that focus on physical goods, such as fashion, sports, and luxury goods, could include experiential elements within their retail space.

Figure 17: Future supply pipeline



Source: CBRE Research, URA, Feb 2026

Figure 18: Singapore's prime rental forecast – Islandwide retail



Source: CBRE Research, Feb 2026

05

Residential

Strong rebound in new home sales in 2025

After three years of below-trend home sales in 2022-2024 on rising interest rates and punitive cooling measures (in Apr 2023), private residential developer sales rose to a multi-year high of 10,815 units in 2025. Although 2025 was volatile—amid global economic uncertainty and shifts in US trade policy that caused sales to dip in Q2 after a robust Q1—the market regained momentum in the second half of the year. A sharp drop in domestic interest rates, pent-up demand, and an attractive launch pipeline drove a strong rebound, with several projects achieving brisk take-up or nearly selling out on launch weekend.

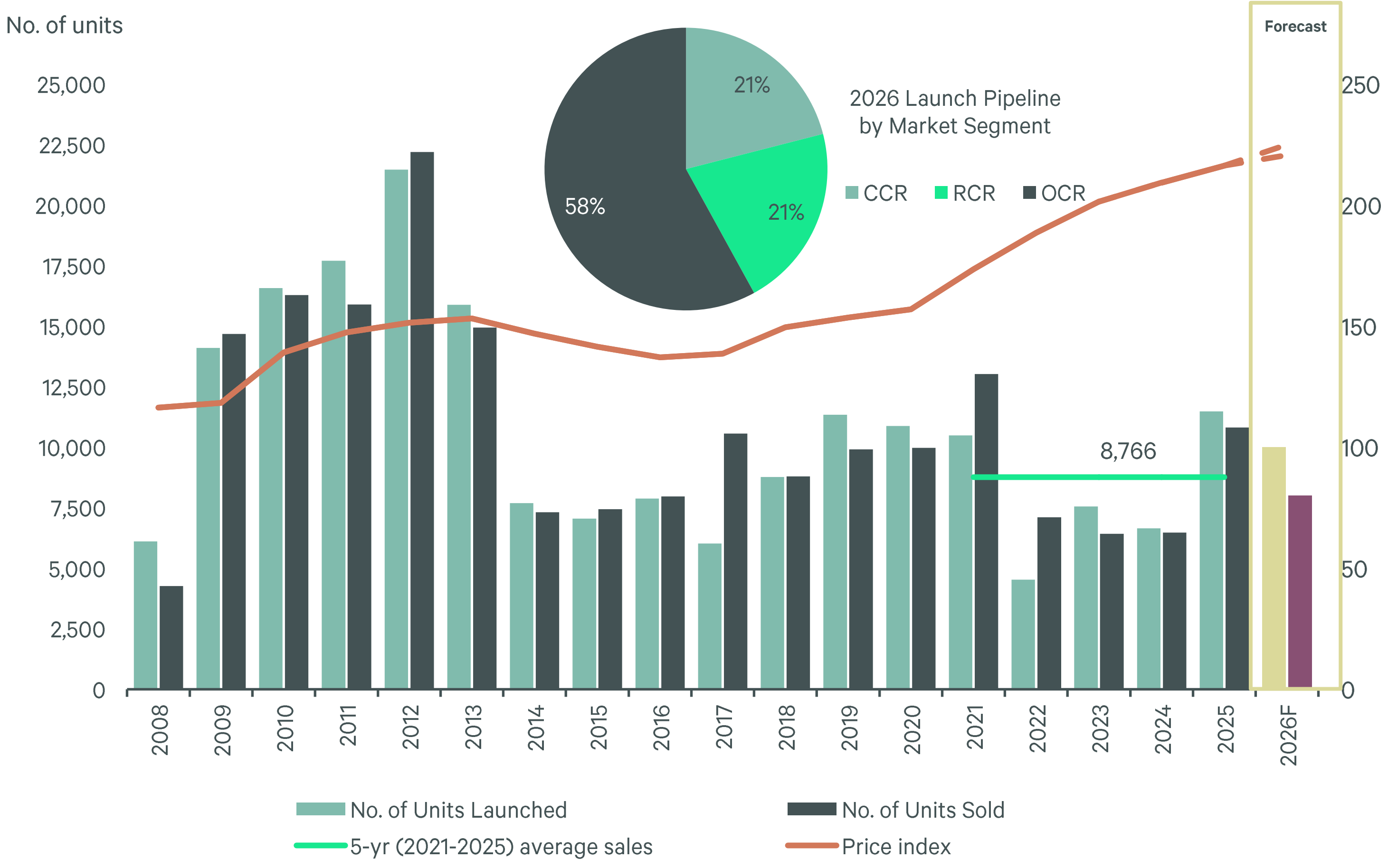
Private residential prices increased 3.3% in 2025, easing from 3.9% in 2024 and marking the fourth consecutive year of slowing growth—its softest pace since 2020's 2.2%.

Sales momentum could ease in 2026

Looking ahead to 2026, buying sentiment and appetite is expected to remain strong given low interest rates but sales volumes are likely to ease alongside fewer launches. An estimated 9,500 – 10,500 new units could potentially be launched, compared to 11,482 units in 2025 which was a high since 15,885 units in 2013. The bulk of supply is expected to be in the OCR such as *Lakeside Drive*, *Bayshore Road*, *Upper Thomson* and *Chuan Grove*.

Consequently, CBRE Research projects that 7,500 – 8,500 new homes will be sold in 2026, lower than the 10,815 units in 2025 and the 5-year average (2021 – 2025) of 8,766 units. This outlook reflects expectations that the strong pent-up demand supporting 2025 launches will largely taper off as further interest rate declines are likely to be modest. Buyers may become more selective and price sensitive. Attractive developer pricing remains crucial for successful launches.

Figure 19: URA All Residential Price Index, new home launch and sales volume



Source: URA, CBRE Research, Feb 2026. CCR: Core Central Region; RCR: Rest of Central Region; OCR: Outside Central Region

Renewed interest for CCR condos as price gap narrows

The CCR, typically the proxy for high-end segment, registered the most significant growth in new home sales in 2025. After a subdued 2024, buyer interest returned strongly, with CCR new sales surging to 1,921 units—more than five times the 379 units sold the year before. This resurgence was supported by a stronger launch pipeline, with 6 major projects entering the market in 2025 compared to only 2 in 2024. Many saw healthy take-up, such as *Skye at Holland, River Green, Upper House at Orchard Boulevard*. Total CCR home sales rose to the highest level since 2021.

A key driver of this rebound has been value-driven demand. The median price gap between the CCR and RCR/OCR has narrowed significantly over the years, prompting more buyers to view prime condos as relatively attractive, for both owner occupation and investment.

Figure 20: Median price comparison by market segment

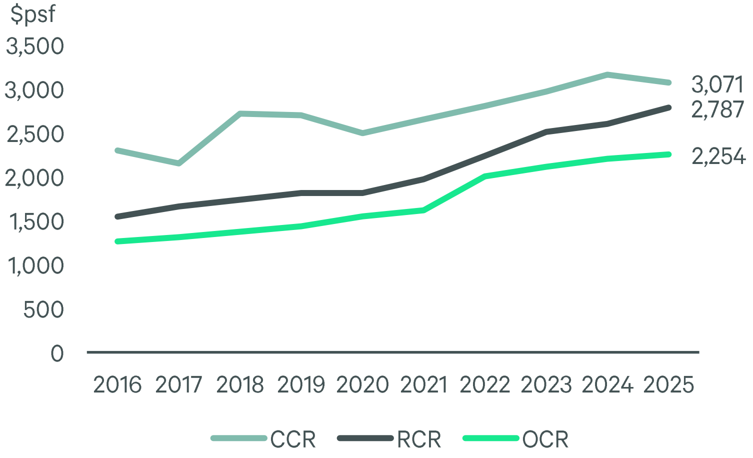
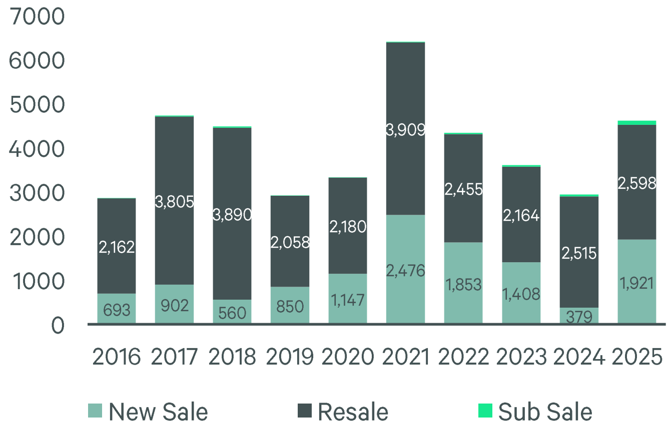


Figure 21: CCR home sales by type of sales



Source: URA, CBRE Research, Feb 2026. Non-landed private homes (excl. ECs).

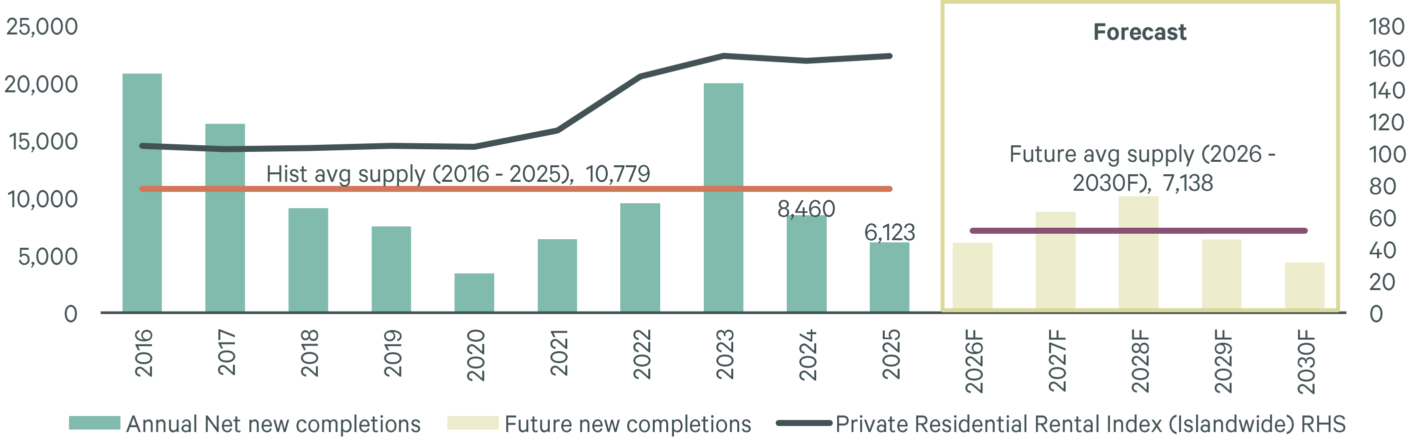
Stable price and rental growth

After rising for three consecutive quarters, the URA Rental Index for private residential properties slipped by 0.5% q-o-q in Q4 2025, reversing the 1.2% increase in Q3. For the full year, rents rose 1.9%, essentially recovering the 1.9% decline in 2024 and leaving levels broadly unchanged from end-2023.

A total of 6,123 units were completed in 2025, 28% fewer than the 8,460 units in 2024. In 2026, 6,083 private residential units (excl. ECs) are expected to be completed—similar to 2025. Most of the supply completions are expected to come from RCR and OCR. Newly TOP-ed projects will broaden tenant choices, and leasing may take longer as tenants become more selective and landlords compete for quality occupants. Overall, CBRE Research forecasts islandwide rents to rise modestly by 0 – 2% in 2026.

Private home prices, which increased 3.3% in 2025, are likely to grow at a stable pace in 2026. CBRE Research forecasts price growth of 2 – 4%.

Figure 22: Historical and future private home completions (excl. ECs)



Source: URA, CBRE Research, Feb 2026

06

Investment

Transaction volumes surged to 8-year high in 2025 on sharply lower interest rates

Real estate investment volumes rose 17.6% y-o-y to $33.908 bn in 2025, marking a second straight year of recovery and the highest level in 8 years since $35.947 bn in 2017. Excluding public land sales, 2025 investment volumes were up 11% y-o-y. This rebound was driven primarily by sharply lower domestic interest rates, with the 3M SORA falling 180 bps over the year, lifting investor appetite despite ongoing economic and geopolitical uncertainty.

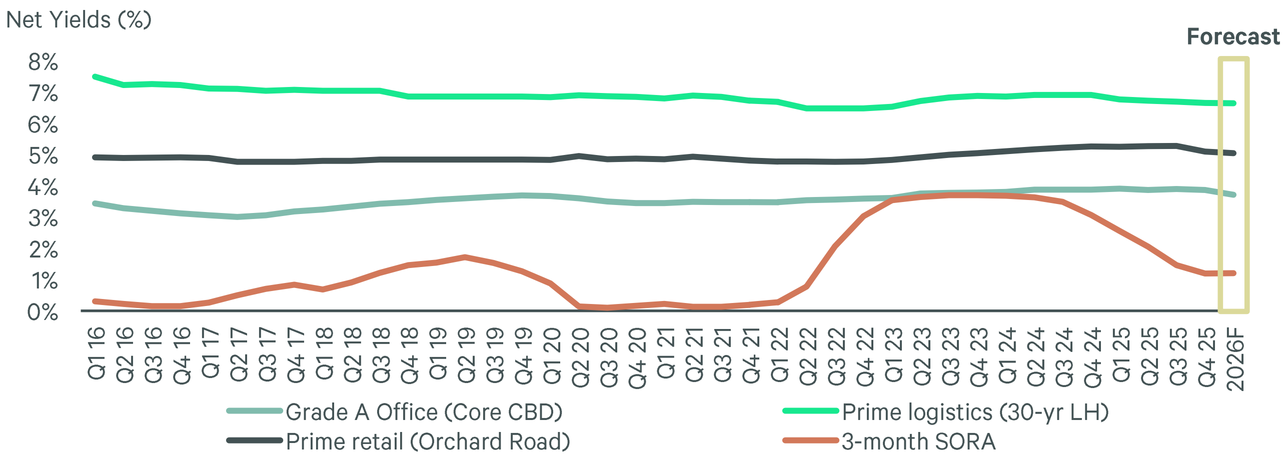
Prime yields remained relatively stable in 2025 as capital values rose relatively in line with rents. The retail sector, in particular, gained momentum on strong pricing from recent big-ticket transactions. Lower interest rates have renewed interest in offices towards the end of 2025, supported by resilient fundamentals and the return of positive carry. Demand for industrial assets had been and will remain robust amid expectations of continued rental growth and widening yield spread.

Active but disciplined capital deployment in 2026

Despite the fast declining interest rate environment in 2025, investors had been relatively selective as asset yields had remained tight. As interest rates stabilise, limited yield compression will shift investors' focus towards rental growth as a driver of returns; a trend that bodes well for investment in most of Singapore's real estate sectors.

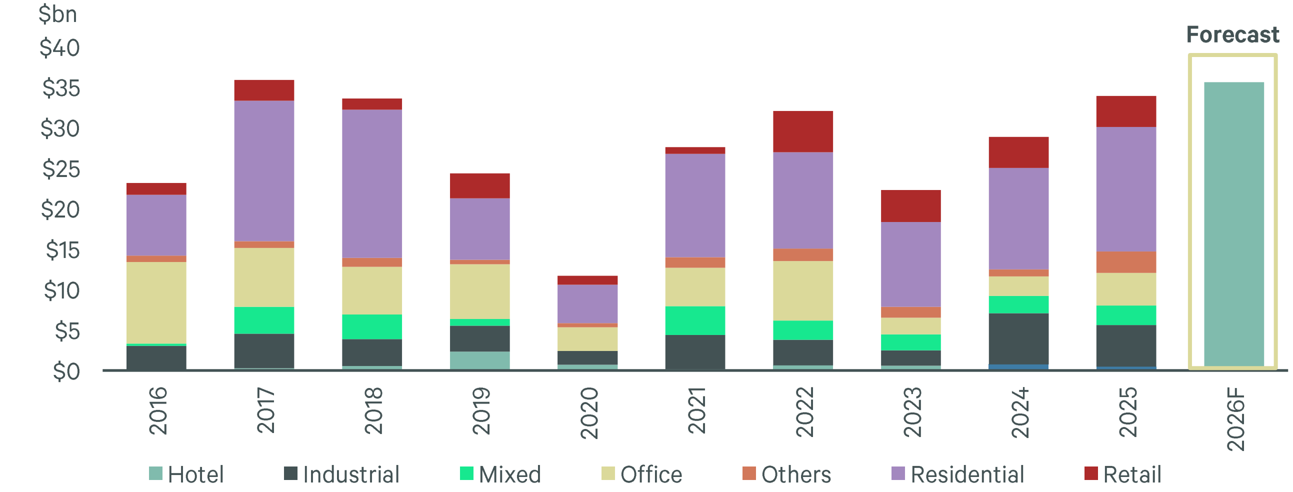
In addition, a healthy pipeline of investment-grade assets, alongside sustained rental growth across key sectors, should continue to underpin investor interest and support deal activity. Overall, barring major macroeconomic shocks, CBRE Research expects investment volumes in 2026 to rise by 5% from 2025's high base.

Figure 23: Singapore prime yields



Source: CBRE Research, MAS, Feb 2026.

Figure 24: Singapore total transaction volume by sector



Source: CBRE Research, URA, Feb 2026

Singapore: #3 investment destination

Amid the low interest rate environment, CBRE's 2025 Asia Pacific Investor Intentions Survey found that majority of investors (71%) that transact in Singapore plan to purchase more real estate over the course of 2026 compared to 2025.

Within the APAC region, Singapore was tied with Seoul as the third most attractive city for cross-border investment, after Tokyo and Sydney, unchanged from 2025. Singapore's reputation as a stable and secure investment destination, coupled with solid fundamentals, remains a key draw for investors, especially amid a volatile global landscape. As financing costs have come down significantly, there was an increase in investors indicating a preference for core and core-plus strategies compared to last year.

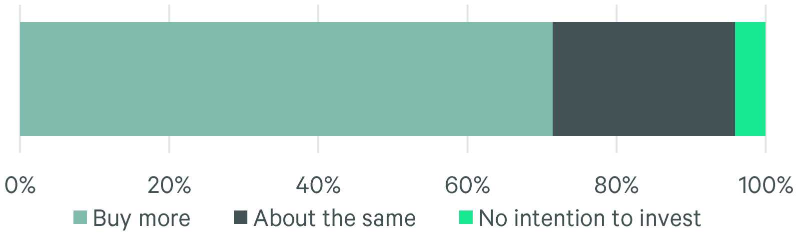
Living sector, Logistics and Office sectors preferred in Singapore

Overall, respondents to CBRE's 2026 Asia Pacific Investor Intentions Survey named offices as their top sector for investment for the first time since 2020. However, among those who primarily transact in Singapore, the living sector or income generating residential overtook industrial as the most preferred sector for 2026, after ranking second in 2025. The Office sector came in third.

Despite a brighter outlook, ongoing headwinds will continue posing challenges to the market in the near term. Similar to 2025, survey respondents again cited geopolitical uncertainty, more hawkish-than-expected central bank policy, and rising labour and construction costs as the top three headwinds facing the real estate investment market in 2026.

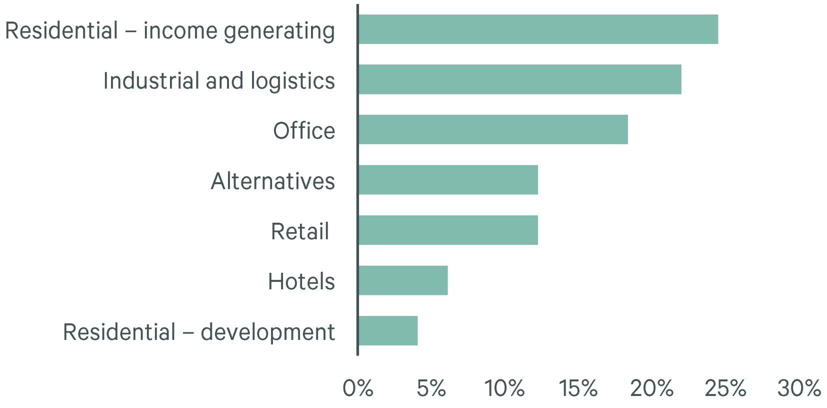
Figure 25: 2026 buying intentions compared to 2025 (investors primarily transacting in Singapore)

Investors intend to buy the same volume or more



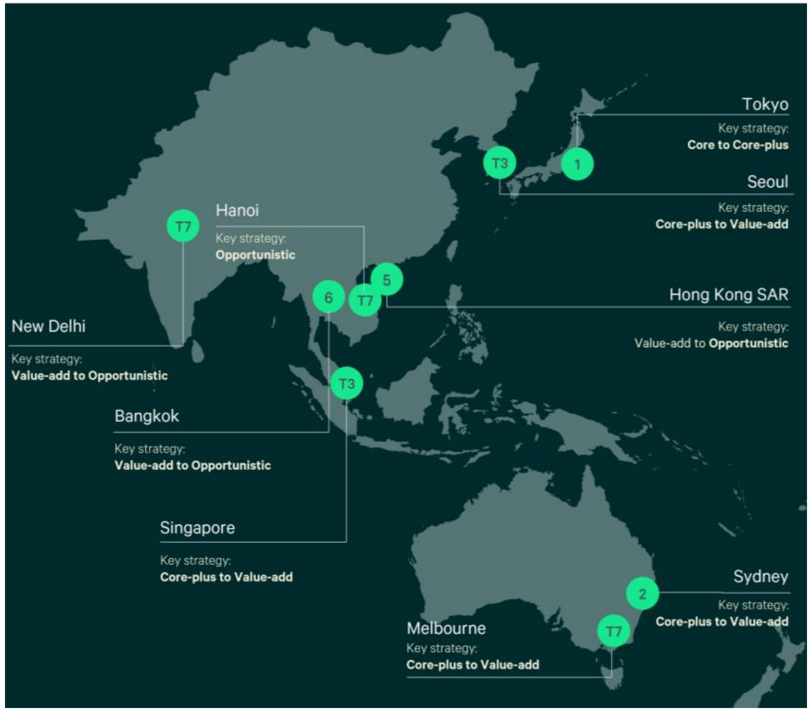
Source: Asia Pacific Investor Intentions Survey (Link), CBRE Research, Feb 2026

Figure 27: Investors' (who primarily transact in Singapore) preferred investment sector in 2026



Source: Asia Pacific Investor Intentions Survey (Link), CBRE Research, Feb 2026

Figure 26: Top cities for cross-border investment and preferred strategy



Source: Asia Pacific Investor Intentions Survey (Link), CBRE Research, Feb 2026

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