



SINGAPORE MARKET H2 2025

WAITING FOR CLEARER SKIES

KEY TAKEAWAYS

Cautious optimism underpinned by stable fundamentals

01 Economic slowdown, not a recession

- Economic growth expected to slow. Recession risk remains but has come down since April 2025
- Overall unemployment forecasted to remain low which would be supportive of retail sales
- While businesses remain cautious on their expansion plans due to prevailing uncertainty, the conditions for a rebound in property demand are favorable amidst a downtrend in interest rates.

02 Encouraging investment sales reflect investor confidence

- Despite economic uncertainty, investment sales in Singapore have remained encouraging, driven by a few sizable portfolio deals.
- The convergence of strong investor appetite and a growing supply of institutional-grade assets (for sale) in a typically tightly held market, has continued to support investment sales activities.
- Amidst an ongoing flight to quality, asset owners who do not wish to spend CapEx for asset enhancement will be motivated to divest non-core assets.

03 Pent-up property demand to accumulate as recovery is pushed out

- Once the current uncertainty passes, lower interest rates are expected to stimulate a gradual increase in property demand, as occupier CapEx constraints ease.
- Property demand will be uneven across property types depending on their own unique demand/supply dynamics, though flight to quality will continue to be a consistent trend
- New supply conditions to tighten by 2025 or 2026, driven by constrained development activity in recent years due to increased construction and financing costs

ECONOMY



ECONOMY

Slowdown, not recession



SINGAPORE ECONOMIC INDICATORS

Variables	Pre-pandemic average (2015-2019)	2024	2025F (as of Dec 24)	2025F (as of Jul 25)
Real GDP Growth (%)	3.2	4.4	2.8	1.8
Unemployment Rate (%)	2.1	2.0	2.0	2.1
Population Growth (%)	1.0	0.5	0.6	0.7
Real Retail Sales Growth (%)	0.5	0.1	7.1	3.0
International Visitor Arrivals (millions)	17.3	16.5	18.0 - 19.0	17.0 - 18.5
Non-oil Domestic Exports Growth (NODX) (%)	0.5	0.2	1.0 - 3.0	1.0 - 3.0
Inflation (%)	0.1	2.4	1.9	0.7
Interest Rate (%)*	0.7	3.1	2.6	2.0

Source: Cushman & Wakefield Research, Department of Statistics (Singapore), STB, Moody's Analytics, updated on 11 Jul 2025

* SORA: Singapore Overnight Rate Average, the volume-weighted average rate of borrowing transactions in the unsecured overnight interbank SGD cash market in Singapore

Key Takeaways

- Amidst global geopolitical uncertainty and an evolving trade landscape, Singapore's economic growth forecast has been downgraded to about 1.8% in 2025.
- Barring a sharp escalation in trade tensions, a recession is not expected in 2025. As of writing (05 Jul 25), global trade tensions have de-escalated considerably, with US-China tariffs significantly reduced.
- Key economic indicators remain healthy. Unemployment is expected to stay low, retail sales to see moderate growth and tourism arrivals are still recovering though it might end at the lower end of forecasts.
- In line with global interest rates, Singapore interest rates have also been on a downtrend and would be supportive of property demand.
- Prevailing uncertainty continues to weigh on overall property demand, but is anticipated to rebound once uncertainty passes, unlocking pent-up demand and drive market activity

NAVIGATING THE YEAR AHEAD

Real estate market outlook



The Singapore property market is demonstrating remarkable resilience, driven by its reputation for stability, limited new supply, and growing importance as a global business hub in one of the world's fastest-growing regions. With increasing costs and evolving stakeholder expectations, there's a growing imperative to rethink and redefine the value proposition across the value chain to deliver results.

Natalie Craig, Chief Executive Singapore

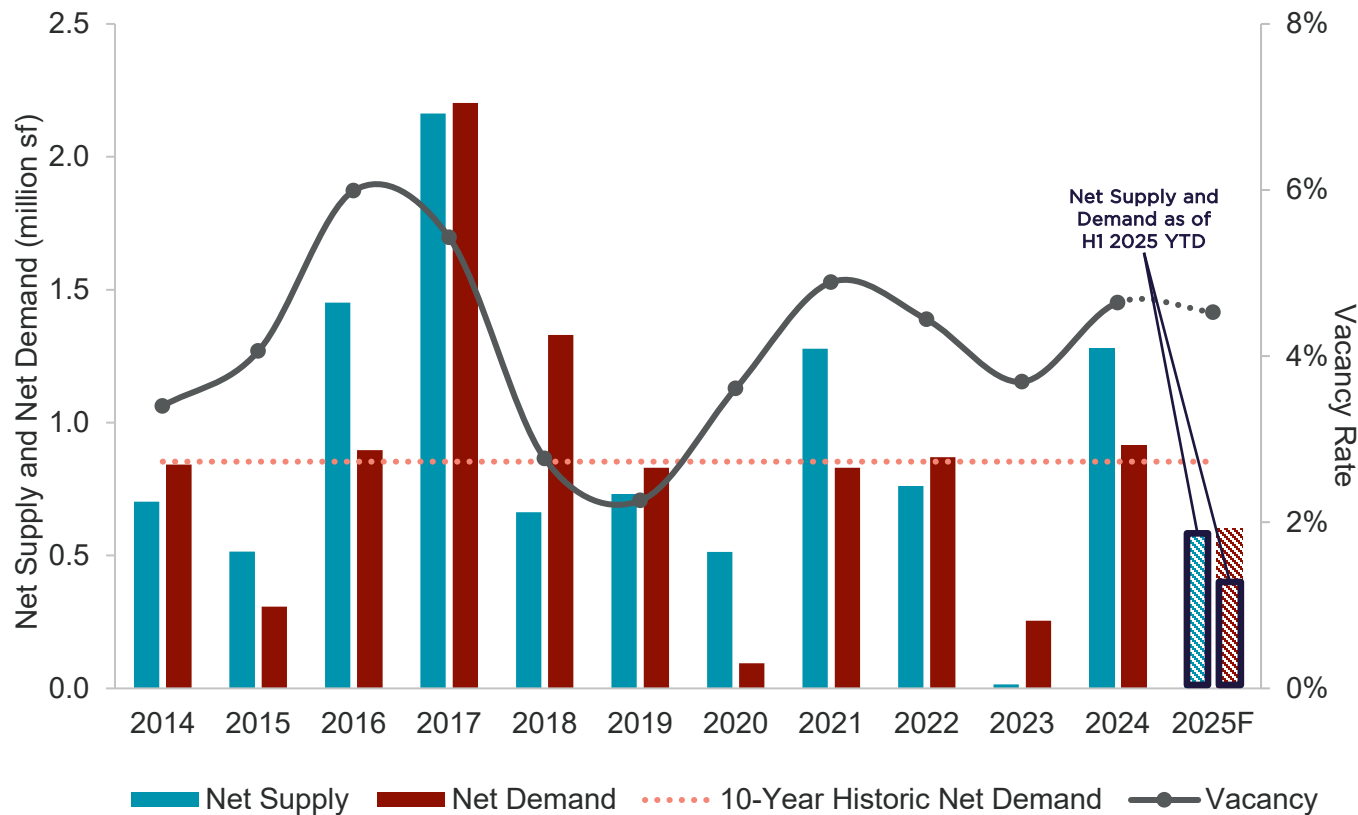
OFFICE



OFFICE

Market activity may slow in H2 2025

CBD GRADE A NET SUPPLY, DEMAND AND VACANCY



Source: Cushman & Wakefield Research

Key Takeaways

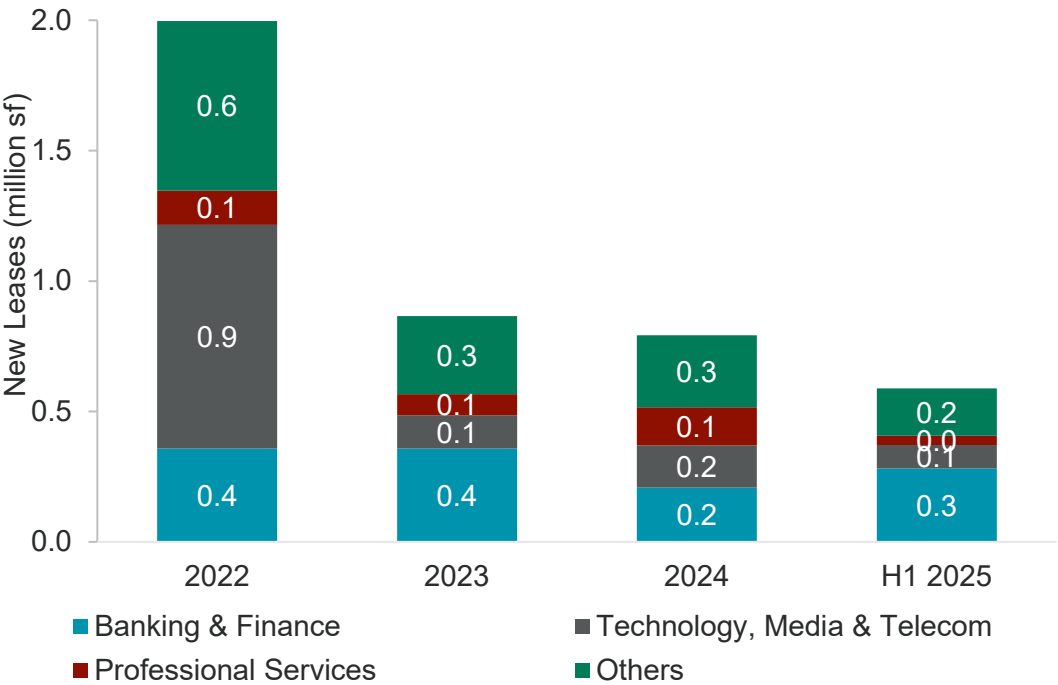
- CBD Grade A office vacancy rose to 5.2% in Q2 2025 from 4.7% in Q4 2024, mainly driven by the completion of the new Keppel South Central.
- Given the current bout of economic uncertainty, some occupiers remain hesitant to spend capital expenditure (CapEx) and have continued to favour renewal rather than relocation. This has led to slower take-up rates at new developments.
- In response to the current market dynamics, some landlords have proactively invested in speculative fit-outs for selected floors, aiming to boost demand and differentiate their properties. This strategy has yielded promising results, with fewer fitted-out units now available for lease.
- Overall CBD Grade A office vacancy rates are expected to fall, supported by the continued tightening of supply, and pockets of flight to quality demand underpinned by Singapore's status as a safe and secure business hub.

OFFICE

Activities anchored by financial institutions

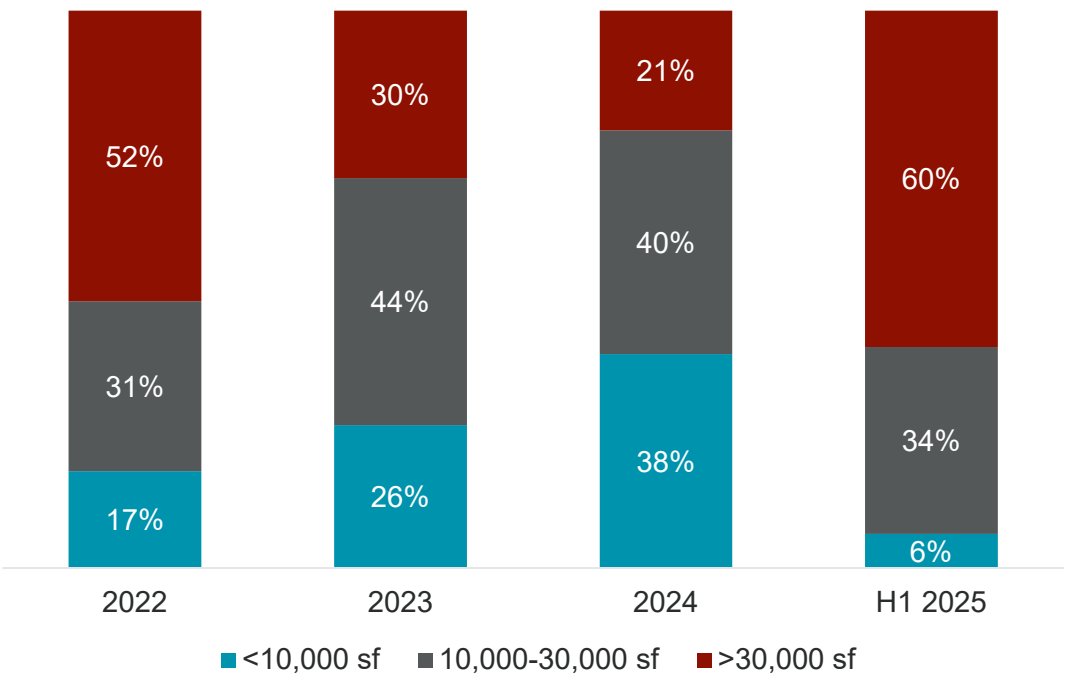
CBD NEW LEASES BY KEY DEMAND DRIVERS

- New office leasing demand remains relatively subdued (compared to 2022 levels), though the Banking and Finance sector, mainly in insurance and wealth management, continues to lead and surpassed its 2024 levels in H1 2025 amid Singapore’s growing wealth management industry.



DISTRIBUTION OF CBD NEW LEASES ACROSS SPACE SIZES (BY NLA)

- The share of relatively larger office lease transactions (>30,000 sf) rebounded in H1 2025, reflecting a slight pick up in leasing activities, though overall activities remain low as compared to 2022.



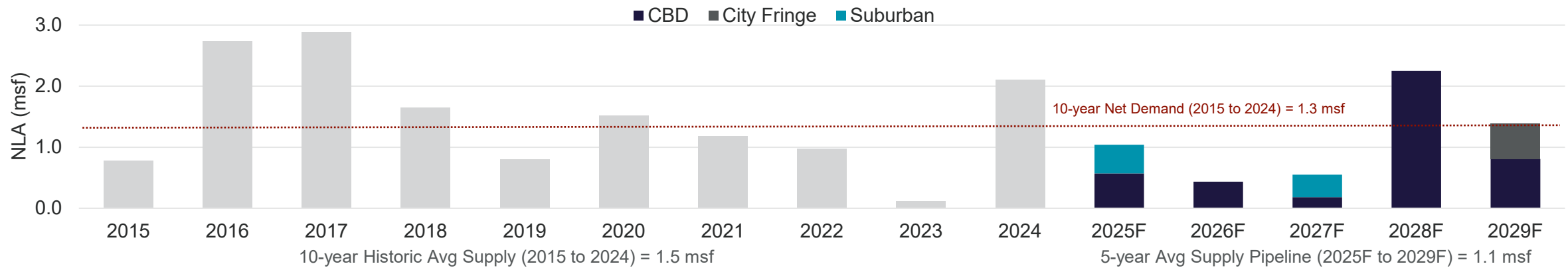
Source: Cushman & Wakefield Research, data as of June 2025
*New office leasing demand refers to the volume of leasing activity in the office market that arises from relocations, expansions and new market entrants

OFFICE
















A dearth of new office supply in 2026 and 2027

- Islandwide new office supply is projected to average 0.5 msf annually in 2026 and 2027, less than half of the historical net demand.
- New office supply will rise to around 2.2 msf in 2028, but about one-third of these spaces is expected to be pre-committed.

Islandwide All Grades Office Supply Pipeline



Selected New Developments

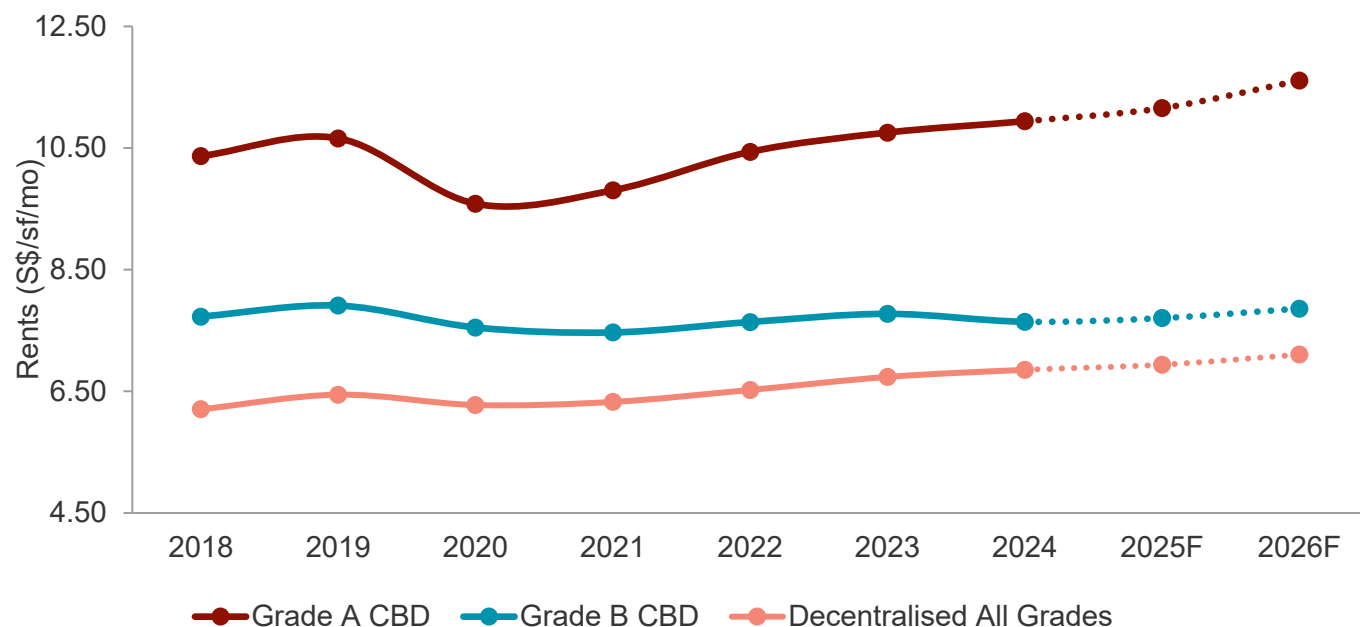
2024	2025	2026	2027	2028	2029			
 IOI Central Boulevard Towers (Completed) 1,242,000 sf MARINA BAY ~90% committed	 Paya Lebar Green 335,000 sf PAYA LEBAR ~16% committed	 Keppel South Central 550,000 sf TANJONG PAGAR ~50% committed or actively negotiated (office and retail spaces)	 Shaw Tower 435,000 sf BUGIS ~8% pre-committed	 Jurong Gateway Hub by LTA 408,000 sf JURONG	 Comcentre 795,000 sf ORCHARD	 The Skywaters 721,000 sf SHENTON WAY	 Clifford Centre 360,000 sf RAFFLES PLACE	 The Golden Mile 344,000 sf BUGIS
 Labrador Tower (Completed) 686,000 sf HARBOURFRONT ~98% committed or actively negotiated	 Punggol Digital District 358,000 sf PUNGGOL >67% committed		 Newport Tower 180,000 sf SHENTON WAY	 Tanglin Shopping Centre Redev. 118,000 sf ORCHARD	 Solitaire On Cecil 190,000 sf SHENTON WAY			 Union Square Central 250,000 sf CHINATOWN

OFFICE

Sustained rental growth despite uncertainties



OFFICE RENTS



Key Takeaways

- Supported by tightening supply and sustained flight to quality, CBD Grade A office rents rose 1.2% YTD in H1 2025, outpacing the 0.4% and 0.8% YTD gains in CBD Grade B and Decentralised markets.
- Barring an economic downturn, landlords will grow firmer on their rental expectations over time. Most Grade A offices in the CBD remain well occupied; excluding space from Keppel South Central, CBD Grade A office vacancy would fall to 3.9% in Q2 2025 from 5.2%.
- Some pockets of secondary space is expected to come onto the market in 2026, though we anticipate this to be absorbed fairly quickly given limited new supply.
- Pent-up office relocation demand will continue to accumulate as some occupiers remain opting for renewal over relocation. However, once uncertainty clears, a potential surge in relocation demand may face a limited supply pipeline, possibly driving CBD Grade A rents higher than anticipated.

Rent Forecast

Market	2024	H1 2025	2025F	2026F
CBD A	1.7%	1.2%	2.0-3.0%	4.0-5.0%
CBD B	-1.7% *	0.4%	0.5-1.5%	1.5-2.5%
Decentralised All Grades	1.7%	0.8%	1.0-2.0%	2.0-3.0%

Source: Cushman & Wakefield Research

* Due to the addition/removal of buildings in our CBD Grade B office rental basket

NAVIGATING THE YEAR AHEAD

Office market outlook



Current market uncertainty has delayed an earlier anticipated recovery in leasing activities, as tenants opt for renewals over relocations. However, once the current bout of uncertainty passes, office demand is expected to rise, and this will coincide with tighter supply conditions. Occupiers with sizable requirements need to plan ahead.

Jeryl Teoh, Co-Head of Commercial Leasing



In today's economic climate, where capital expenditure constraints and uncertainty prevail, fitted-out spaces are highly sought after and tend to lease up quickly. Forward-thinking landlords who have invested in speculative fit-outs are being rewarded with strong uptake from occupiers.

Deyang Leong, Co-Head of Commercial Leasing

NAVIGATING THE YEAR AHEAD

Office market outlook



Cost pressures remain a key factor in real estate decisions, but the more pressing challenge is designing workplaces that attract and retain top talent while strengthening organizational culture. To thrive in this evolving landscape, organizations need to shift from space-centric planning to an experience-led workplace strategy. By making the return to office purposeful and engaging, companies can enhance employee satisfaction and loyalty, while building a more resilient and future-ready real estate footprint.

Carol Wong, Head of Total Workplace APAC



The design landscape is evolving rapidly, shaped by emerging priorities such as hybrid work models, health and wellness, technology integration, and sustainability. As occupiers navigate these shifts amid rising fit-out costs and increasing real estate rents, it becomes essential to analyze current trends thoughtfully and make strategic, data-driven decisions. These choices will not only influence immediate outcomes but also unlock long-term opportunities, potentially spanning multiple lease cycles.

Grant Carter, Head of Project Development Services

INDUSTRIAL

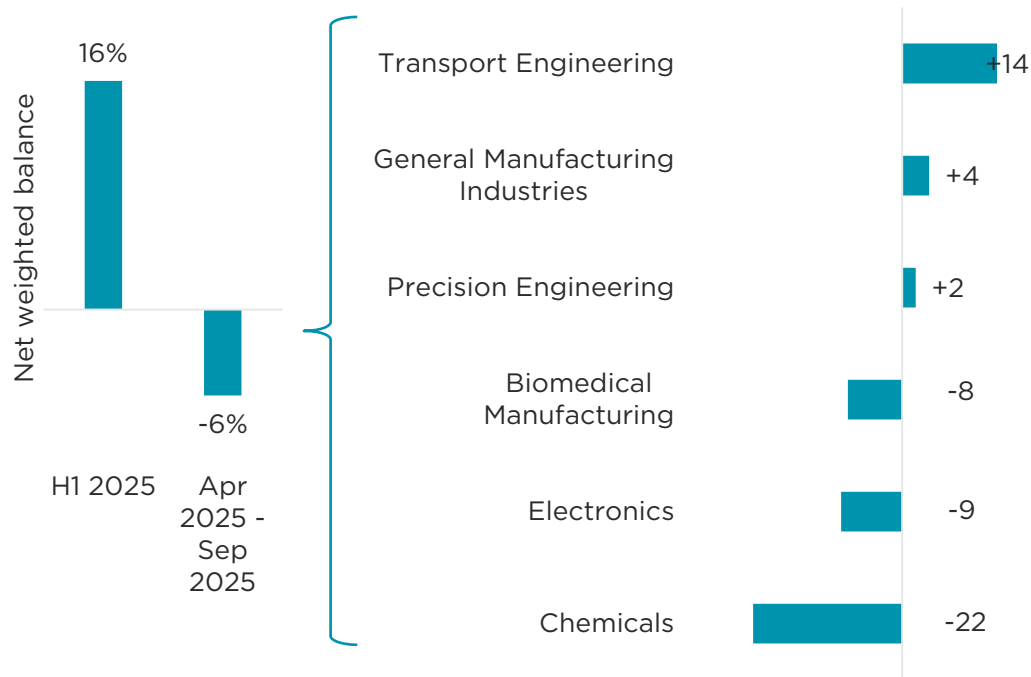


INDUSTRIAL

Manufacturing sentiments remain cautious though there are indications of recovery

MANUFACTURERS SENTIMENTS

- Manufacturing business sentiments for April – Sep 2025 turned negative*, except for transport engineering, general manufacturing and precision engineering.

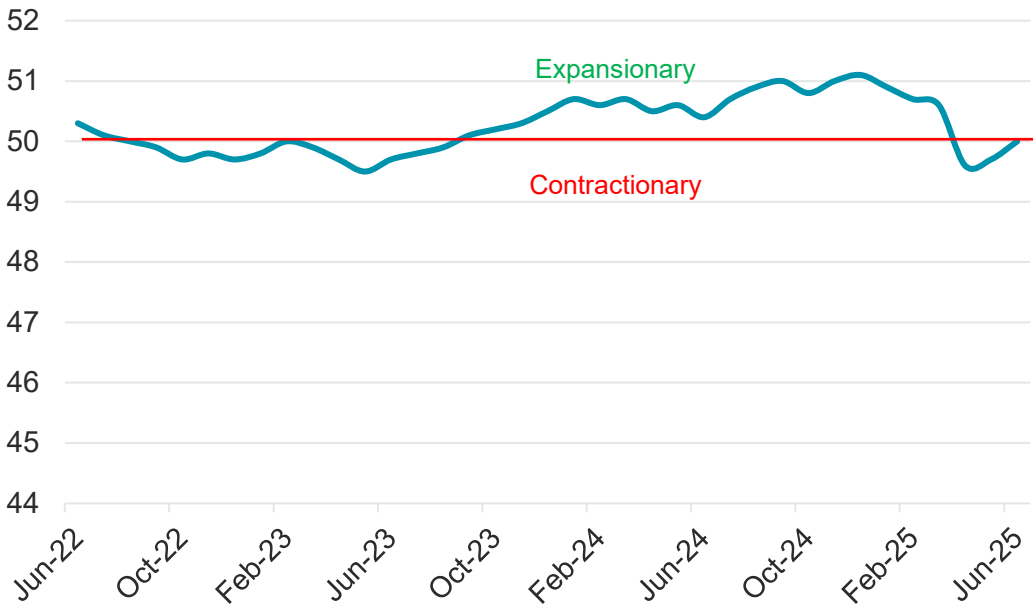


Source: EDB, Cushman & Wakefield Research

* Net weighted balance indicates the difference between the weighted percentage of 'up' responses and the weighted percentage of 'down' responses.

PURCHASING MANAGERS' INDEX

- Singapore's Purchasing Managers' Index (PMI), a barometer of manufacturing demand, rose to 50 in June and has returned to expansionary territory following two consecutive months of contraction.



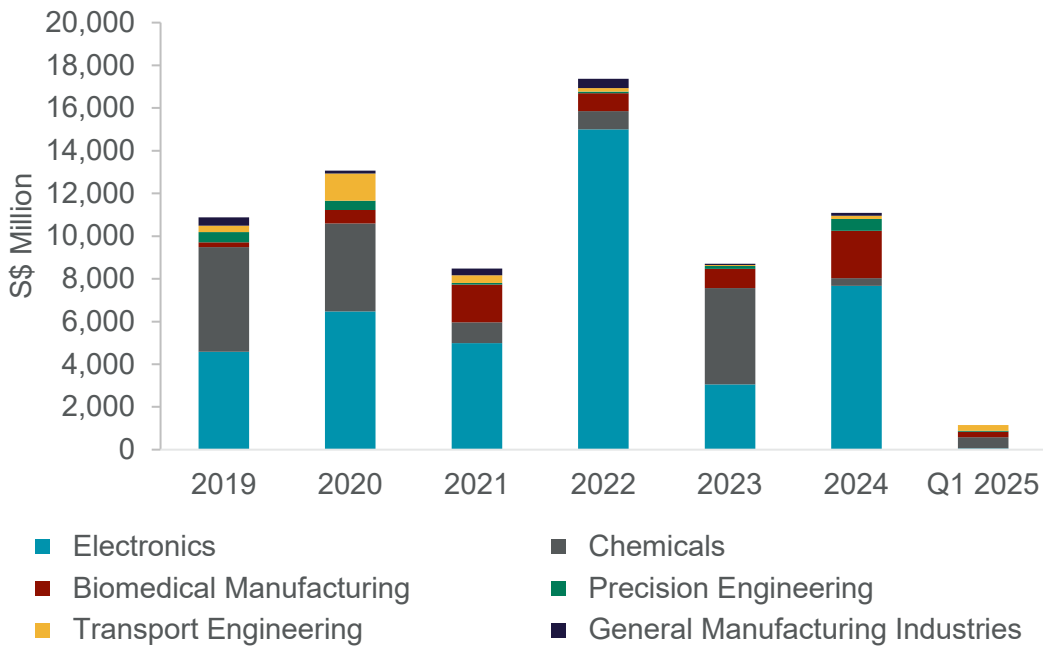
Source: SIPMM

INDUSTRIAL

Fixed asset investments in 2025 fall amid uncertainty

MANUFACTURING FIXED ASSET INVESTMENTS

- Amidst global geopolitical uncertainty, total manufacturing fixed asset investments fell sharply in Q1 2025.



Source: EDB, Cushman & Wakefield Research

US TARIFF RATES

- While uncertainty around sector-specific tariffs remains, Singapore's expected relatively low US tariff rate and neutral stance may attract high-end manufacturers seeking long-term stability. The anticipated tariff differential between China and Southeast Asia may continue to support a 'China+1' strategy, where companies diversify their operations across the region to mitigate risks.

Countries	US tariff rate*
China	55%
Thailand	36%
Vietnam	20%**
Indonesia	19%**
Malaysia	25%
Philippines	20%
Singapore	10%

Source: The White House, various media reports

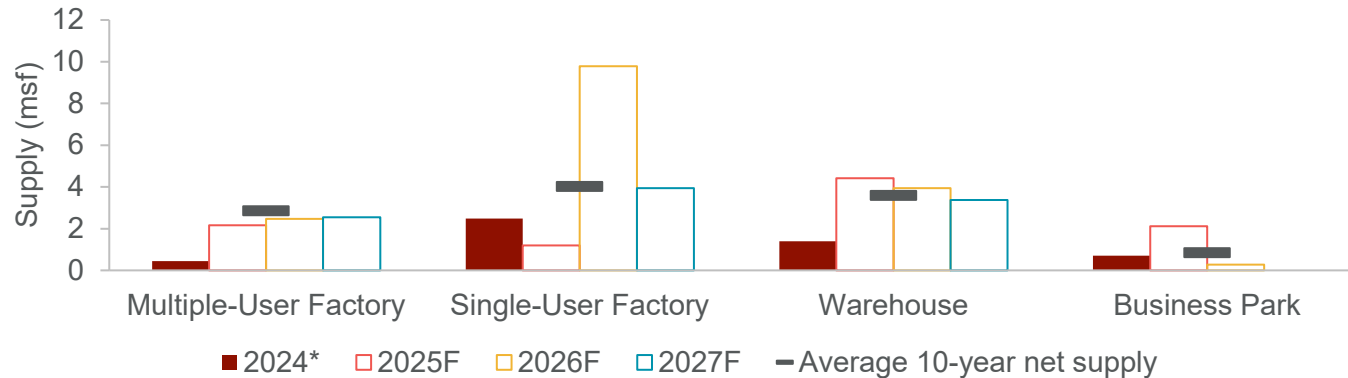
*Based on latest announcements as of 17/07/25 and are subject to change depending on outcome of trade talks

** Expected tariff rate post-trade deal

INDUSTRIAL

Steady take-up rates expected

SUPPLY PIPELINE ACROSS INDUSTRIAL SEGMENTS



Notable Warehouse Expected Completions					
Project Name & Location	Developer	Total Warehouse GFA (sq ft)	Estimated Pre-commitment rate	Remarks	Exp. TOP
36 Tuas Road	Boustead	642,928	57%	Multi-user Prime logistics	2025 (Completed)
5 Toh Guan Road East	Capitaland Ascendas REIT	548,098	50%**	Multi-user Prime logistics	2025
15 Benoi Sector	TL Development (WDG) Pte. Ltd	1,132,578	100%	Single-user	2025
Mapletree Joo Koon Logistics Hub	Mapletree Logistics Trust	886,838	50%	Multi-user Prime logistics	2025
DSV Pearl at Tukang Innovation Drive	Logos Pacv SG Propco	728,716	100%	Single-user	2025
PSA Supply Chain Hub @ Tuas at Tuas South Avenue 5	PSA Corporation Limited	2,540,280	100%	Single-user	2027
Warehouse development at Sunview Road	Allied Sunview	1,542,036	100%	Single-user	2028

Source: JTC, Cushman & Wakefield Research

Note: warehouse supply includes both conventional warehouse and prime logistics supply

* Supply included demolition of stock

** Committed or actively negotiated

Key Takeaways

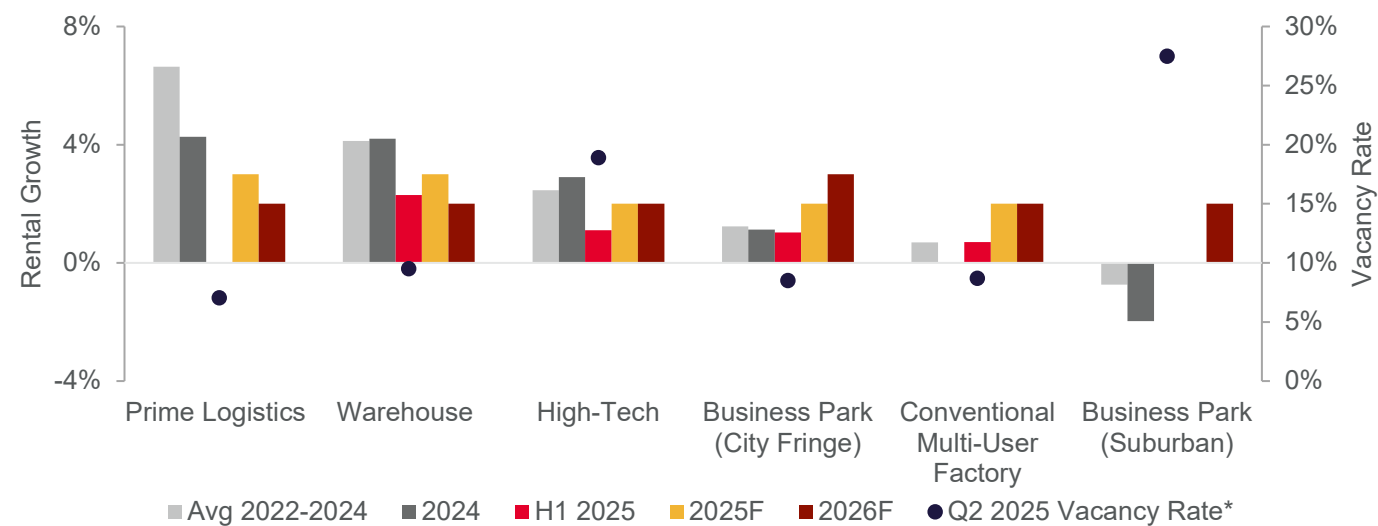
- Multi-user factory supply in 2025 remains limited at below its 10-year average and should continue to support rental rates.
- Prime logistics and warehouse spaces will see higher supply in 2025, though majority are for single-user use and are pre-committed. New multi-user prime logistics spaces have seen steady take-up rates despite current uncertainty, though prime logistics rents are stabilizing around current levels due to tenant resistance.
- Single-user factory supply in 2025 is expected to fall before surging in 2026, though it is not expected to see a huge impact as most stock has been pre-committed by end-users. However, a small proportion of these stock may be sublet and could compete with multi-user factories.
- Business park new supply is expected to taper off in 2026 after the completion of Punggol Digital District (PDD) (2.9 msf / 65% taken up) and 1 Science Park Drive (1.2 msf / 78% taken up) in 2025.

INDUSTRIAL

Rental growth shifting to steady state



RENTAL GROWTH BY INDUSTRIAL SEGMENTS



Rent Forecast				
Market	Avg 2022-2024	2024	H1 2025	2025F
Prime Logistics	6.6%	4.3%	0.0%	1.0-3.0%
Warehouse	4.1%	4.2%	2.3%	2.0-3.0%
High-tech Factory	2.5%	2.9%	1.1%	1.0-2.0%
Business Park (City Fringe)	1.2%	1.1%	1.0%	1.0-2.0%
Conventional Multi-User Factory	0.7%	0.0%	0.7%	1.0-2.0%
Business Park (Suburban)	-0.7%	-2.0%	0.0%	0.0%

Source: Cushman & Wakefield Research

*Based on C&W's basket of properties. Conventional multi-user factory and warehouse reflects multi-user factory and warehouse JTC Q1 2025 data respectively

Key Takeaways

- We anticipate largely steady growth of around 1-3% yoy in 2025 for most industrial submarkets, in line with GDP growth and inflation, except for suburban business parks which is expected to see no growth in rents given current high vacancy rates.
- Overall industrial rent growth is driven by new developments where asking rents have held steady due to higher construction costs.
- The above-trend rental growth for prime logistics over the last few years is expected to ease as more supply is introduced into the market and tenants are resistant to higher rents amidst uncertainty. Additionally, owners of older prime logistics developments are more flexible on rents, focusing on maintaining high occupancies.
- Despite moderating rental growth, positive rental reversions for existing industrial properties are still expected as their leases come up for renewal given robust industrial rental growth in recent years.

NAVIGATING THE YEAR AHEAD

Industrial market outlook



Singapore's industrial market presents a complex landscape, with strict regulations and short land tenures. Yet, rising rents have unveiled pockets of opportunity for redevelopment and asset enhancement, particularly for sites that can accommodate data centres, prime logistics, self-storage, and worker dormitories.

Brenda Ong, Head of Logistics & Industrial Services

RETAIL



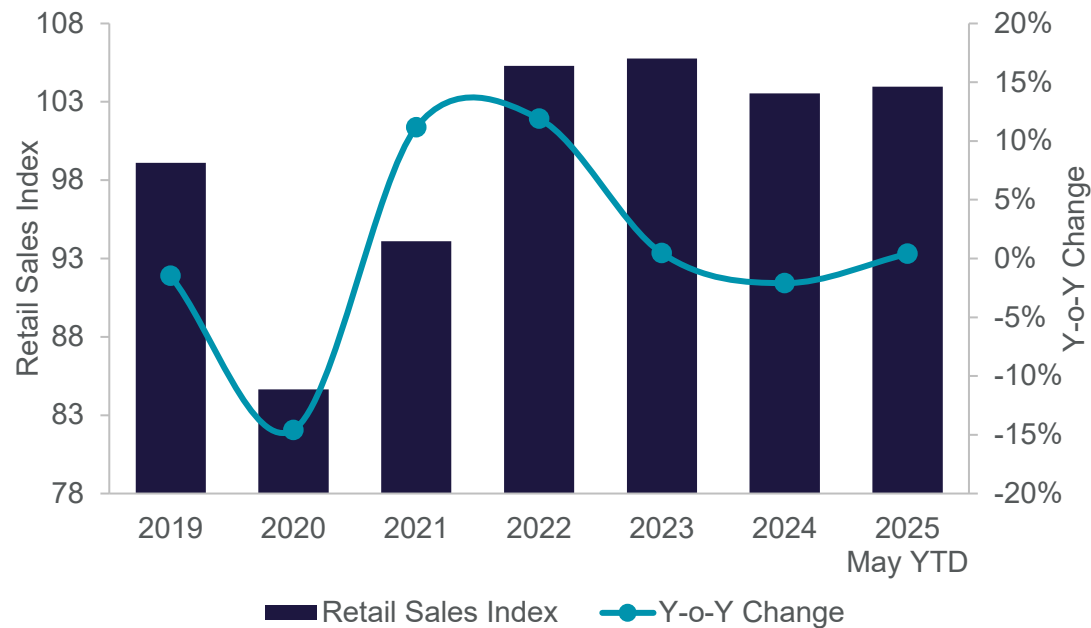
RETAIL

Retail sales under pressure



RETAIL SALES INDEX

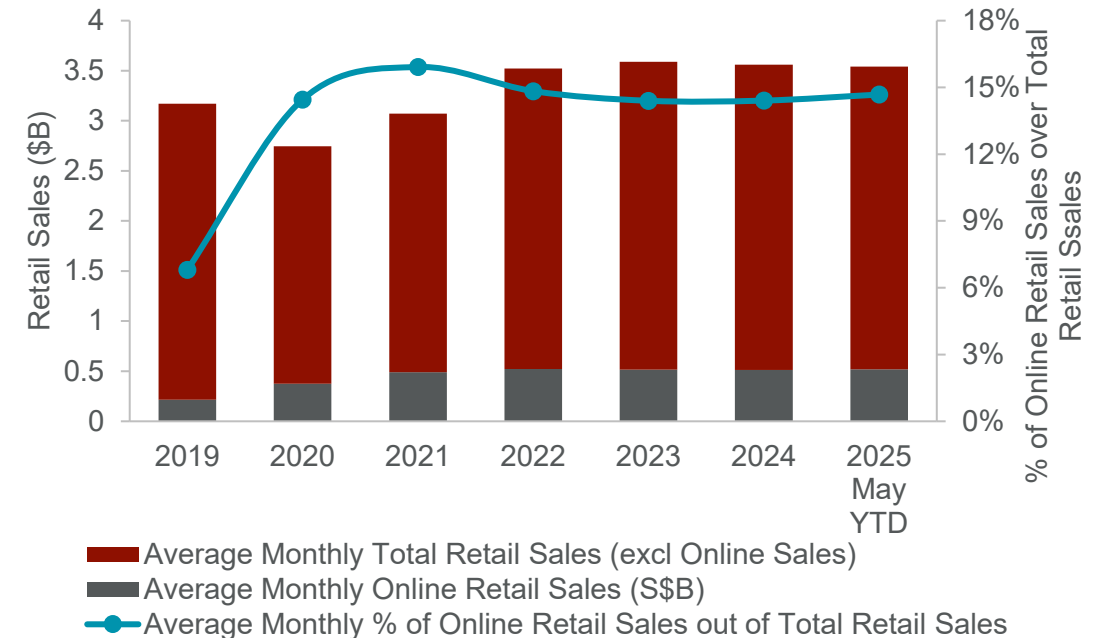
- Singapore's retail sales were resilient despite economic uncertainty. Slower tourism recovery and continued overseas spending by locals due to stronger Singapore dollar may temper sales ahead, though government support could help cushion the impact.



Source: DOS, Cushman & Wakefield Research
Note: Retail sales index excluding motor vehicles

ONLINE RETAIL SALES PERFORMANCE

- Physical stores continue to account for the bulk of retail sales, while online sales have steadied at around 14-15% of the total market.



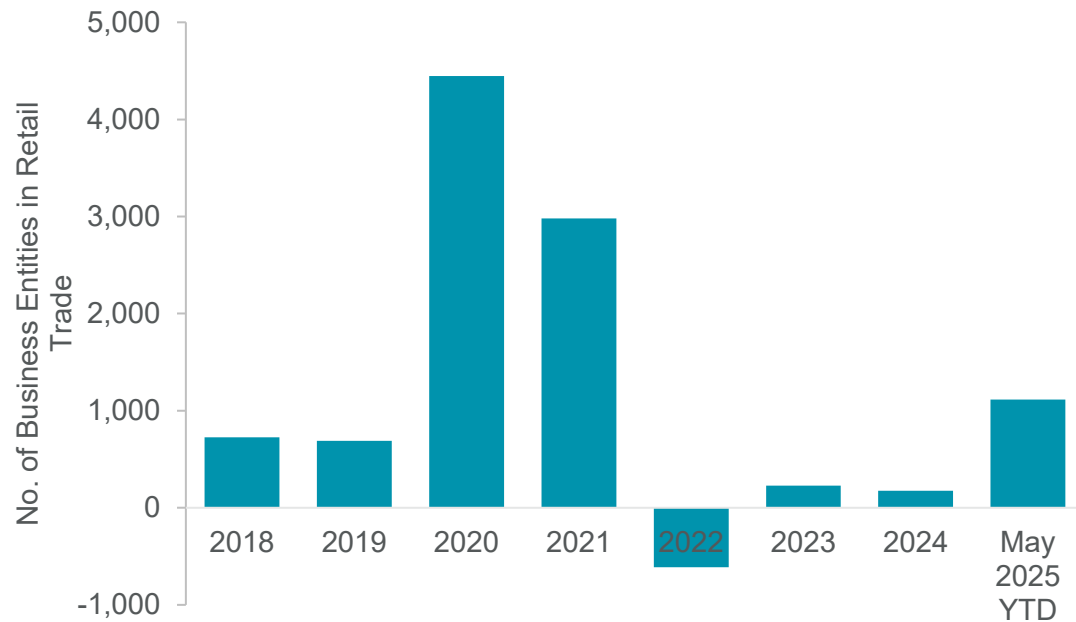
Source: DOS, Cushman & Wakefield Research

RETAIL

Singapore remains a premier destination for retailers

NET FORMATION OF ENTITIES IN RETAIL TRADE

- Despite ongoing operational challenges, the net formation in retail trade entities remains positive (as of May 2025 YTD), suggesting continued demand for retailers to set up shop in Singapore.

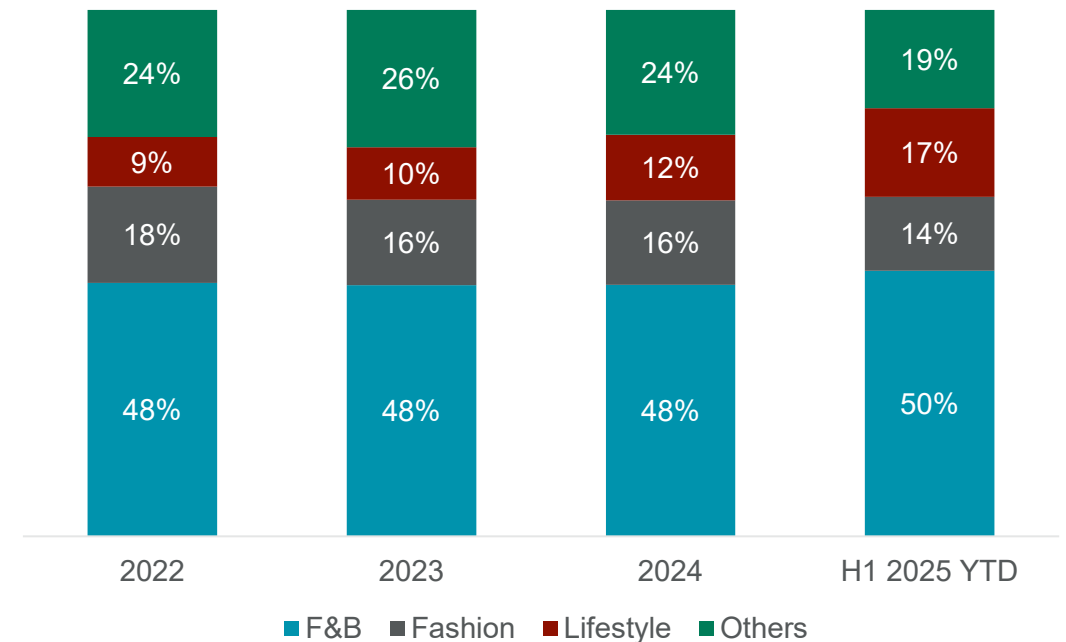


Source: DOS, Cushman & Wakefield Research

* Store openings include retailers or brands that expanded, relocated or reopened in the specified year

ESTIMATED SHARE OF OPENINGS AT PRIME MALLS*

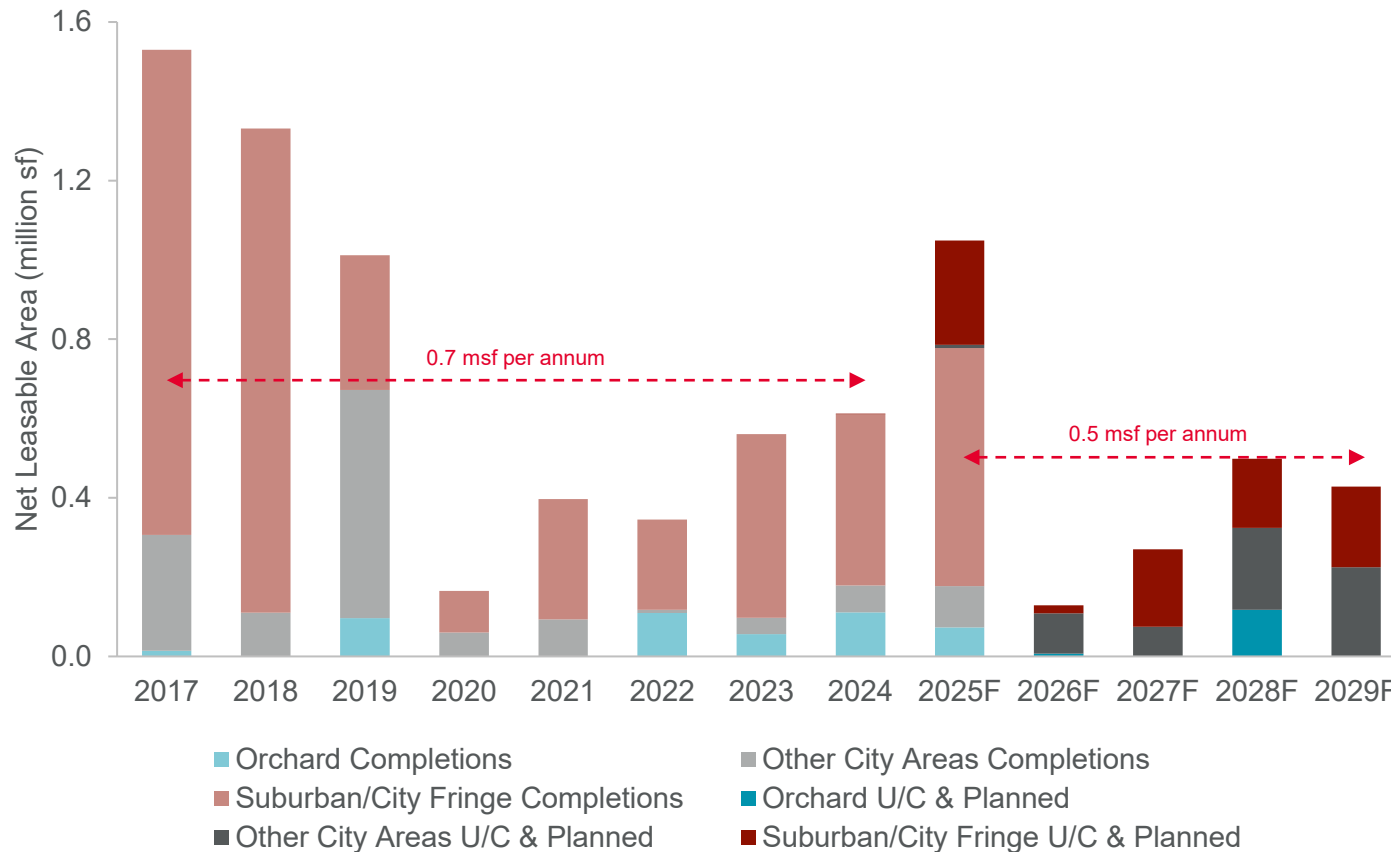
- Given Singapore's dining out culture and demand for experiential retail, F&B remains the leading retail demand driver of new store openings in H1 2025, followed by lifestyle brands.



RETAIL

Underpinned by limited new supply

RETAIL NEW SUPPLY



Source: Cushman & Wakefield Research

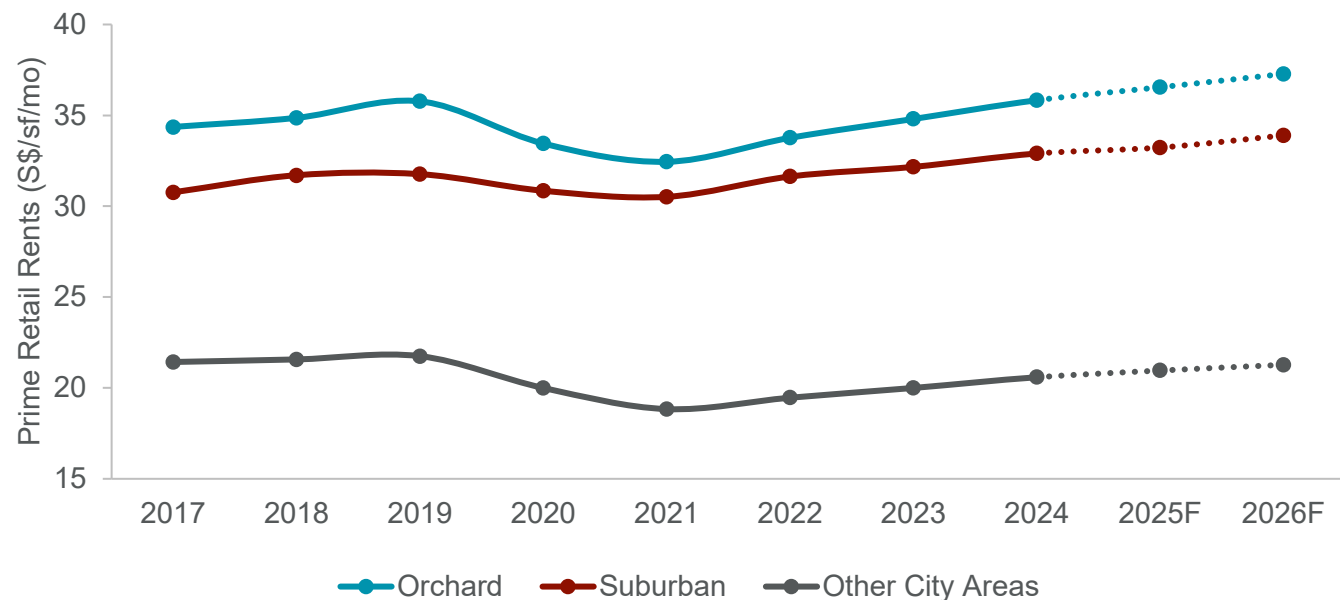
Key Takeaways

- Despite new retail supply exceeding the historical average this year, recent and upcoming completions are seeing healthy take-up. Punggol Coast Mall and Weave at Resorts World Sentosa, completed in H1 2025, offer over 120 and 40 retail, dining and lifestyle outlets, respectively. Key H2 2025 expected completions, Link@896's AEI and Lentor Modern, are also largely pre-committed.
- After 2025, the pipeline for sizable retail projects (over 100,000 sf NLA) remains limited until 2028, when Tanglin Shopping Centre (redevelopment) and Bukit V Mall (new development) are slated for completion.
- Overall, limited new supply will continue to support the retail market, with annual additions averaging 0.5 msf from 2025 to 2029, below the historical 0.7 msf. Orchard will see the least new supply, comprising only 8% of the pipeline, as compared to 30% in other city areas and 62% in the suburbs.

RETAIL

Easing rental growth

PRIME RETAIL RENTS*



Rent Forecast				
Market	2024	H1 2025	2025F	2026F
Orchard	3.0%	0.8%	1.0-2.0%	1.5-2.5%
Suburban	2.3%	0.4%	0.5-1.5%	1.5-2.5%
Other City Areas	2.9%	1.3%	1.5-2.5%	1.0-2.0%

Source: Cushman & Wakefield Research

* Refers to retail units no more than 2,000 sf with the best frontage, footfall and accessibility in a mall. They are typically at ground level, street-facing or the basement level of a retail mall that is linked to a MRT or bus station. It is based on average rents of the prime floors in a basket of shopping malls that C&W track.

Key Takeaways

- Buoyed by recovering tourist and office traffic, along with limited prime space, prime retail rents in Orchard and other city areas rose by 1.3% and 0.8% respectively in H1 2025 YTD, outpacing suburban growth of 0.4%.
- Prime retail rents in other city areas (e.g., City Hall, Bugis) rose faster, albeit from a lower base, as retailers capitalised on more attractive rents and steady footfall from MICE and leisure events. With strong occupancies of 98-100% in tier 1 retail malls, other city areas recorded +65,000 sf of retail net demand in Q1 2025, in contrast with -97,000 sf in both Orchard and the suburbs.
- Overall retail rental growth, while still positive, may ease in H2 2025, given current economic uncertainty. Retailer turnover may increase amid a challenging operating environment and evolving consumer preferences. Though tier-1 malls should be able to backfill vacancies relatively quickly and accentuate the two-tier retail market.

NAVIGATING THE YEAR AHEAD

Retail market outlook



Singapore remains a resilient retail hub in Asia-Pacific, despite global uncertainties. Strong inflows of high-net-worth individuals and family offices, coupled with robust online sales, continue to support demand. Emerging micro-sectors like health and wellness, F&B, hospitality, and healthcare are driving interest in mixed-use community spaces. While some caution persists, opportunities abound for brands, investors, and occupiers. With deep regional expertise, we are well-positioned to help clients navigate challenges and unlock sustainable growth.

Sona Rai Aggarwal, Head of Retail Sales & Strategy, APAC

PRIVATE RESIDENTIAL



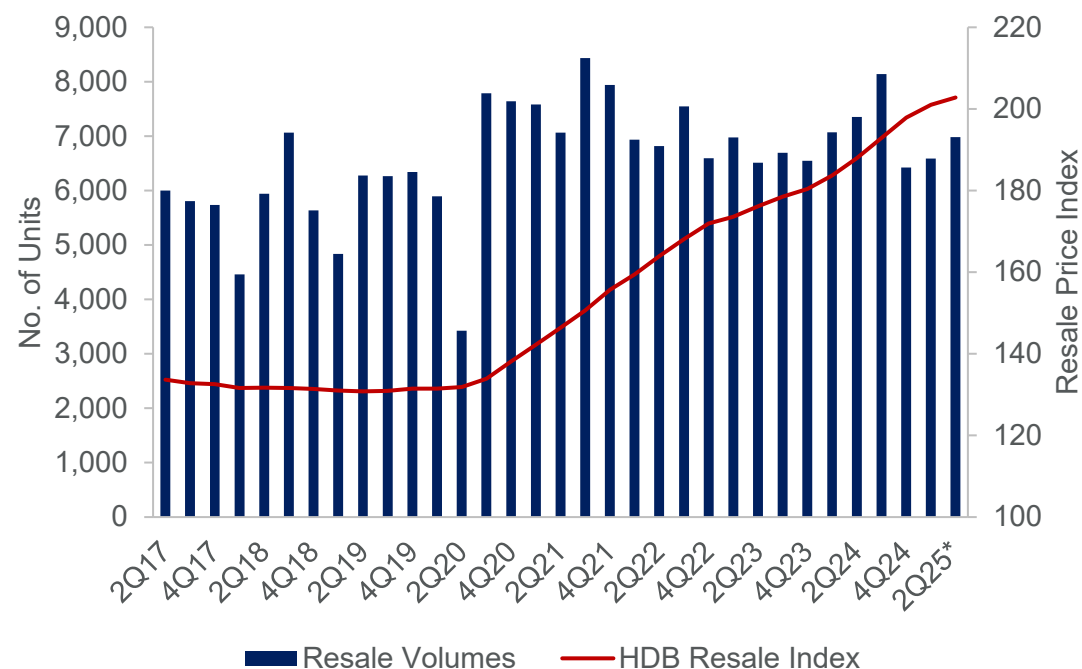
PRIVATE RESIDENTIAL



Lower interest rates and upgrader demand to support the private housing market

HDB RESALE PRICES

- As of Q2 2025 (based on HDB flash estimates), HDB resale prices continued to grow for 24 consecutive quarters, supporting resilient upgrading demand for private housing.

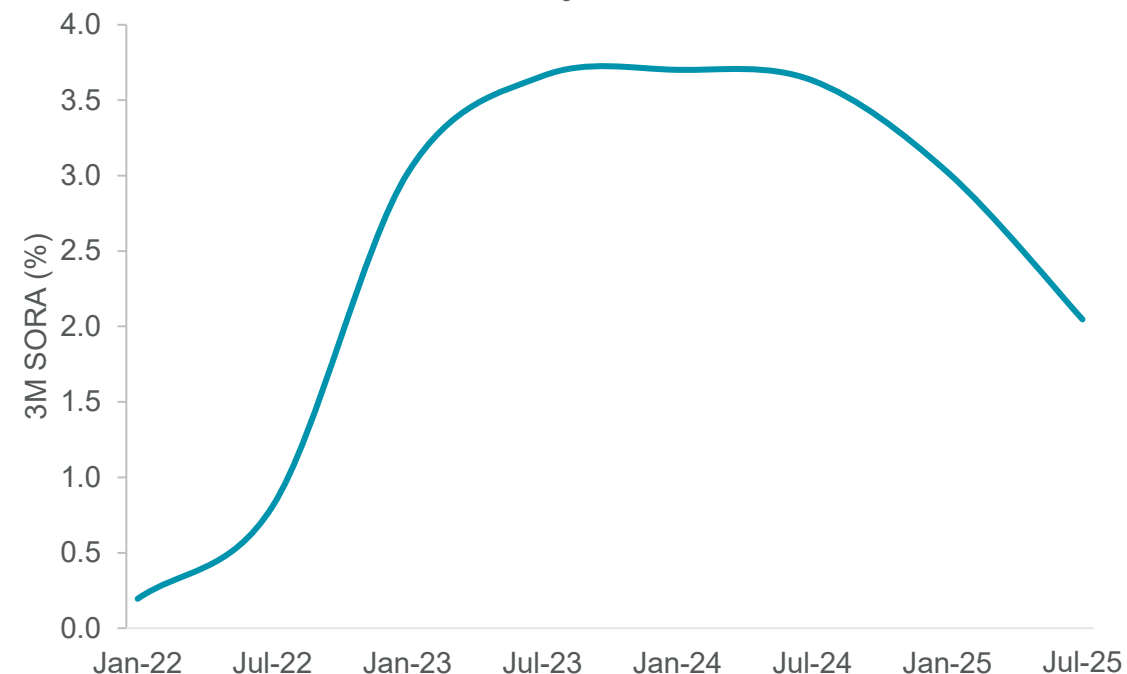


Source: HDB, Cushman & Wakefield Research

*Based on flash estimates. Resale volume for Q2 2025 is up to 29 Jun

3-MONTH COMPOUNDED SORA

- Declining interest rates are expected to support private residential demand. As of early July, the 3-month compounded Singapore Overnight Rate Average (3M SORA) fell to 1.93% (as of 17 Jul) from 3.03% at the start of the year.



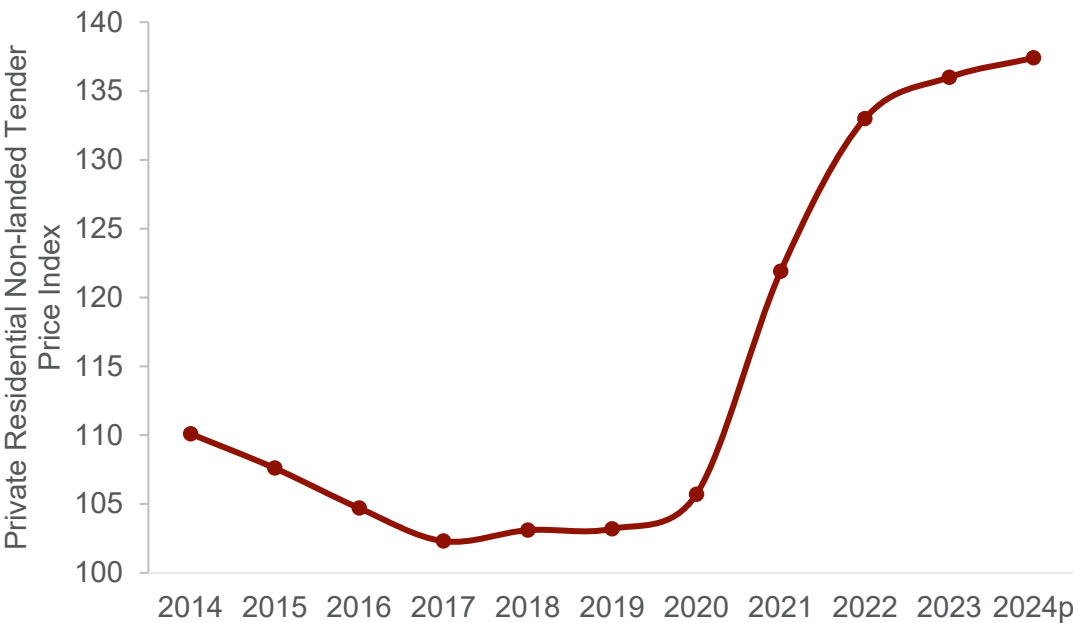
Source: MAS, Cushman & Wakefield Research

PRIVATE RESIDENTIAL

Low unsold inventory and heightened construction costs underpin new launch prices

CONSTRUCTION COSTS

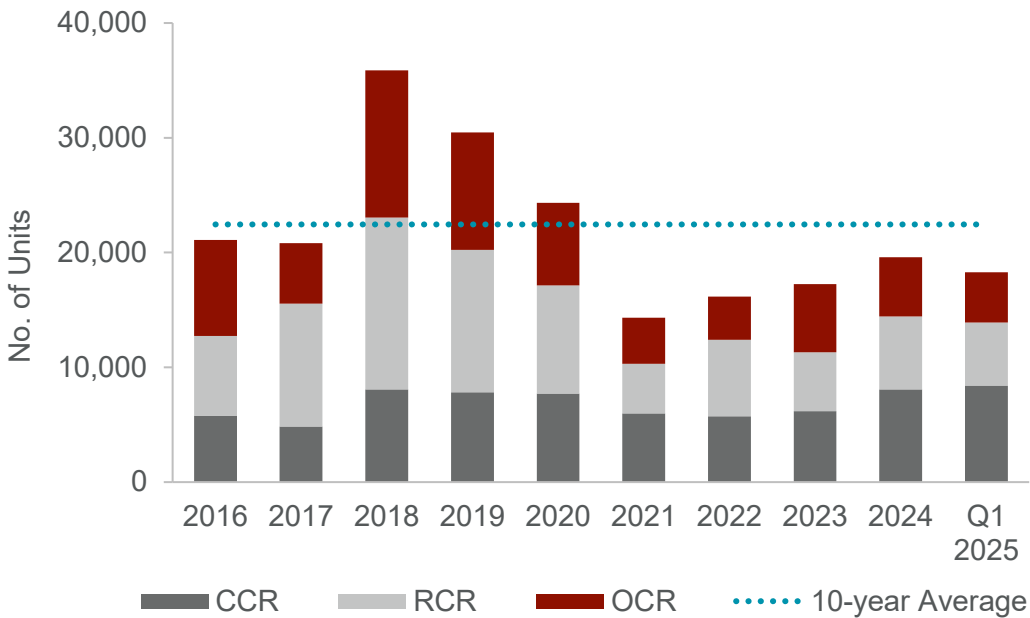
- Higher construction costs have played a part in housing inflation. As of 2024, construction costs rose by an estimated 33.1% cumulatively since 2019.



Source: BCA
p: preliminary

UNSOLD INVENTORY

- Total developer unsold inventories remain below the ten-year historical annual average of 22,452 units and have come down from 2024 levels.



Source: URA, Cushman & Wakefield Research

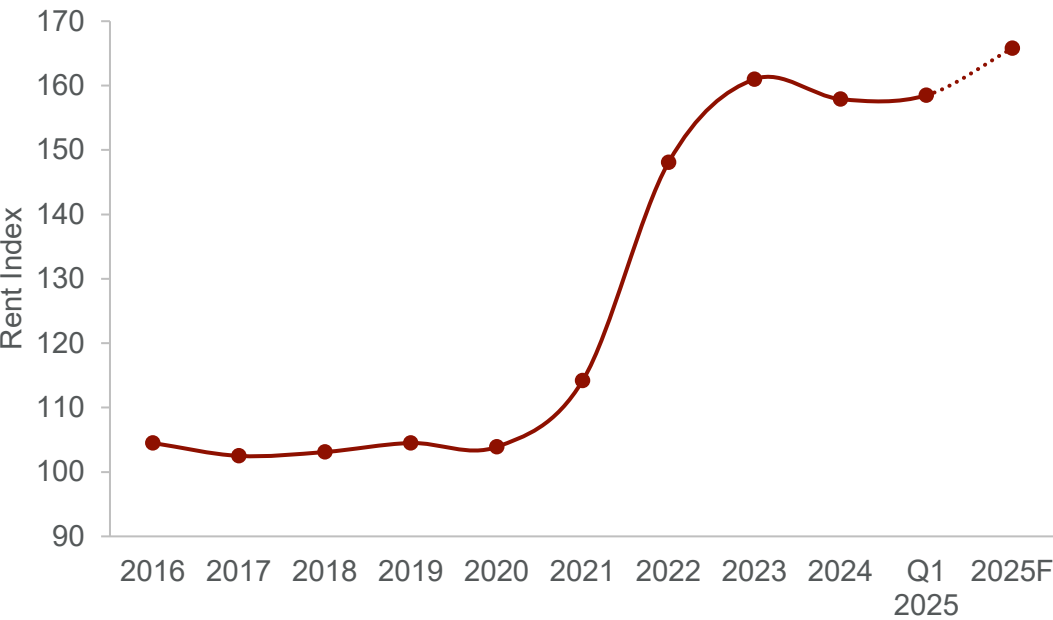
PRIVATE RESIDENTIAL



Rents to grow in 2025 amidst low new completions and steady demand

PRIVATE RESIDENTIAL RENTS

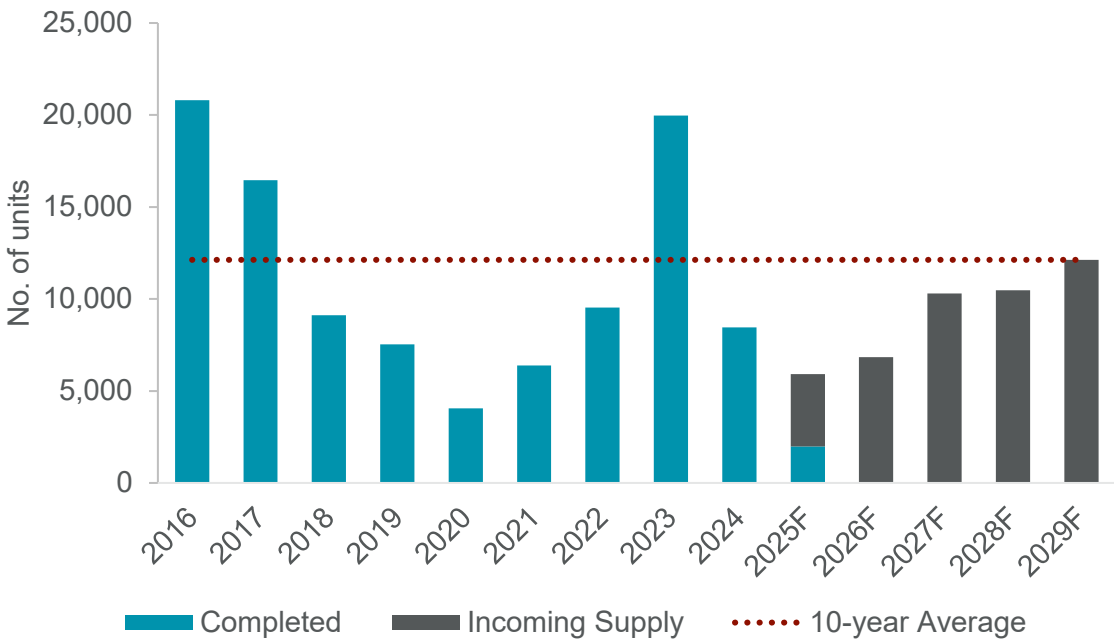
- Rents are expected to stabilise and see mild growth in 2025, after a slight decline in 2024. While expat demand might slow due to economic uncertainty, higher levels of international students would be supportive of rental growth amidst a constrained completion pipeline.



Source: URA, Cushman & Wakefield Research

FUTURE PRIVATE RESIDENTIAL COMPLETIONS

- New completions are expected to be tight, with an average of 9,131 units from 2025 to 2029, significantly below the 10-year annual average of 12,127 units.



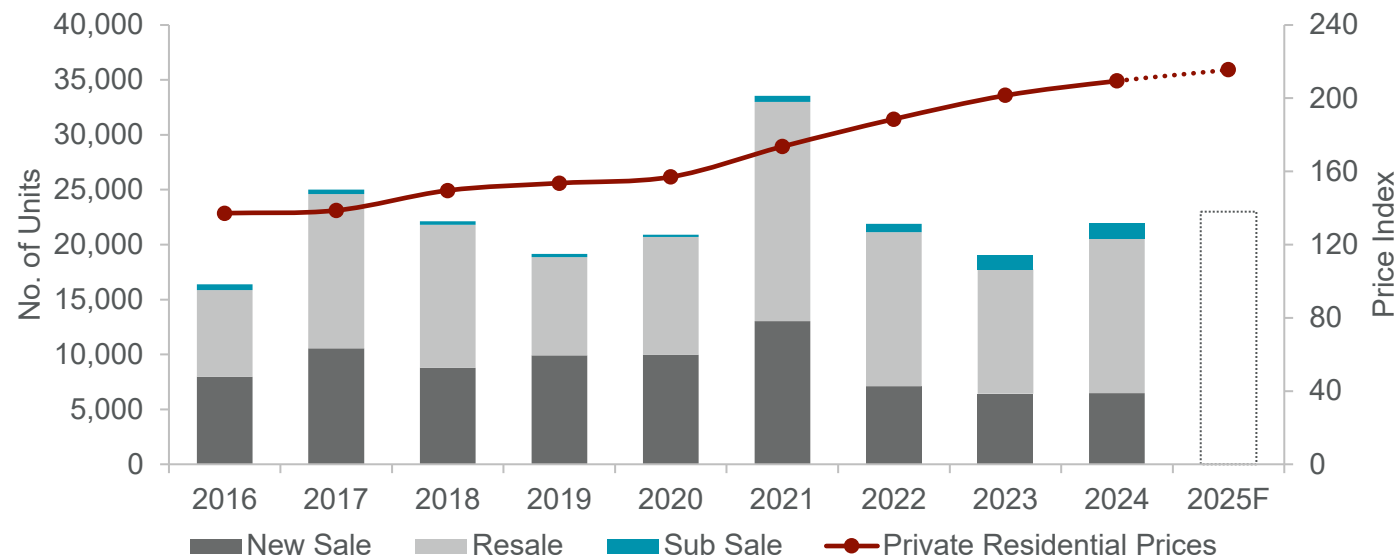
Source: URA, Cushman & Wakefield Research
Note: Completed supply for 2025 is as of Q1 2025

PRIVATE RESIDENTIAL

Prices remain resilient supported by suburban new launches



SALES VOLUMES AND PRICES



Price, Rent and Sales Forecast			
Indicators	2024	2025 H1	2025F
Private Residential Price Growth	3.9% yoy	1.3% ytd (est.)	2.0%-3.0% yoy
New Sale Volumes	6,469 units	4,521 units (est.)	7,000-7,500 units
Resale and Sub Sale Volumes	15,481 units	7,456 units (est.)	12,000-15,500 units
Overall Sales Volumes	21,950 units	11,977 units (est.)	19,000-23,000 units
Private Residential Rent Growth	-1.9% yoy	0.4% qoq (Q1)	3.0%-5.0% yoy

Source: URA, Cushman & Wakefield Research

* The latest changes to the SSD for residential properties involved an increase of the holding period from three to four years and increase of the SSD rates by four percentage points for each tier of the holding period.

Key Takeaways

- Amidst current cooling measures and an uncertain economic climate, private residential prices grew by an estimated 1.8% YTD in H1 2025, compared to 3.9% yoy growth in 2024 (whole year).
- Overall private residential volumes also fell to an estimated 11,977 units in H1 2025, from 21,950 units in 2024 (whole year).
- In July 2025, another round of cooling measures was announced. Seller Stamp Duties (SSD)* was increased to curb “flipping” in the market. A subset of buyers would be affected, as the minimum holding period to not incur SSD would now be increased from 3 years to 4 years.
- Private residential volumes in H2 2025 could fall slightly given higher buyer caution and some buyer investment strategies for new sales have become more complex.
- Private residential prices are expected to see growth of 2-3% yoy and volumes to reach 19,000-23,000 units in 2025.

NAVIGATING THE YEAR AHEAD

Private residential market outlook



Notwithstanding current market uncertainty, the increase in Seller Stamp Duties is unlikely to cause a fall in private residential prices as most buyers tend to be owner occupiers. The additional tightening of cooling measures in the private residential market may divert investor attention to non-residential sectors, such as commercial or industrial properties, which are subjected to fewer restrictions.

Wong Xian Yang, Head of Research Singapore and SEA

HOTEL



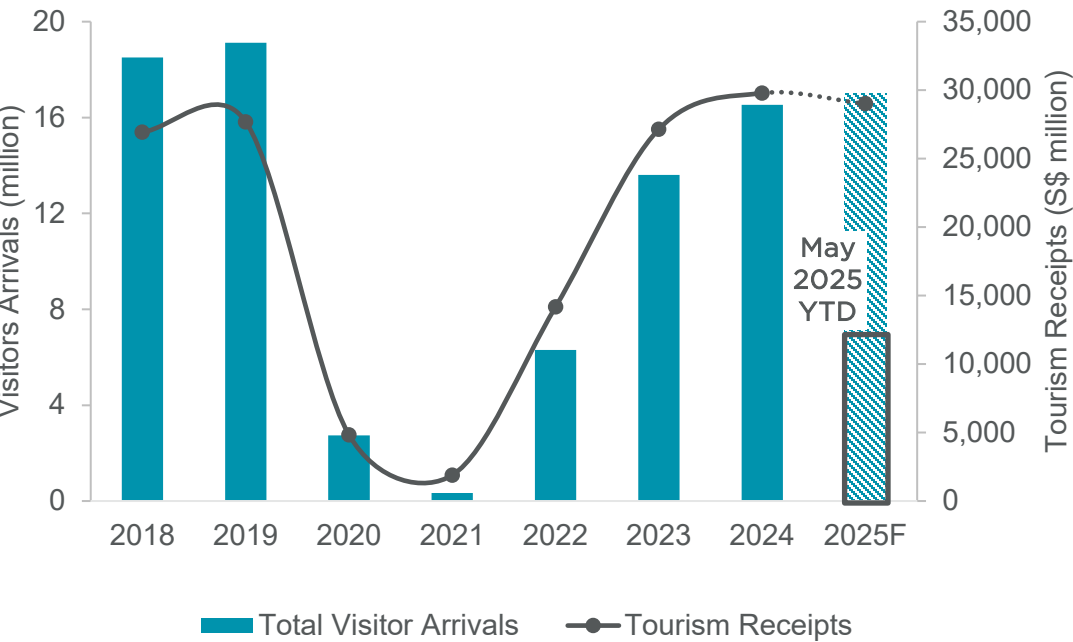
HOTEL



Tourism recovery still on track but at a slower rate

INTERNATIONAL VISITOR ARRIVALS

- International visitor arrivals in 2025 are on track to recover to close (89%) to pre-pandemic levels. Tourism receipts may reach around \$29.0 billion in 2025.



Source: STB, Cushman & Wakefield Research

TOP SOURCE MARKETS

- China retains its standing as the top source market from January to May 2025. Among the top five source markets, China (83% of 2019 levels during corresponding period), Indonesia (91%) and India (89%) markets may see potential for further growth.

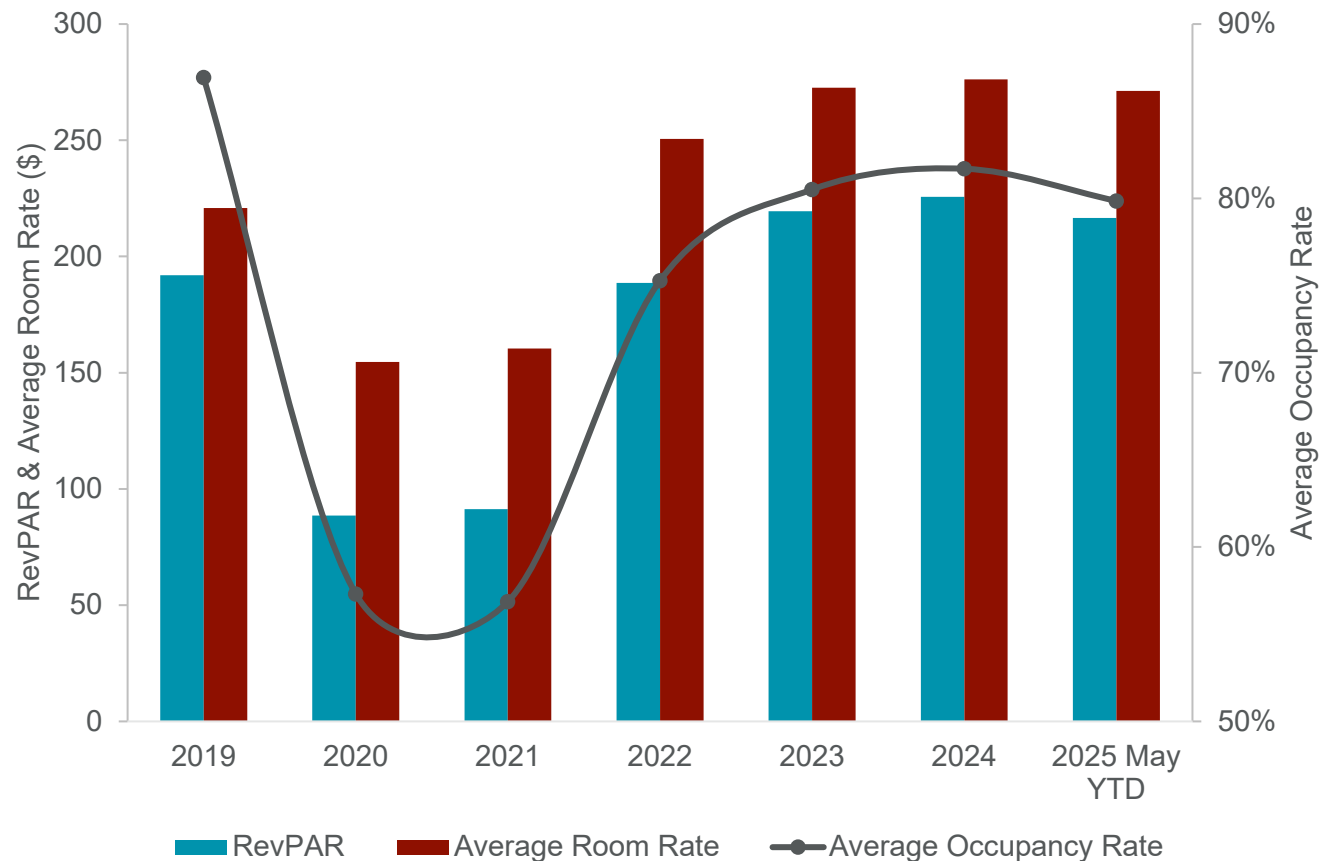


Source: STB, Cushman & Wakefield Research

HOTEL

Hotel room rates stabilising

SINGAPORE HOTEL PERFORMANCE



Source: Singapore Tourism Board, Cushman & Wakefield Research

Key Takeaways

- Overall Singapore hotel Revenue Per Available Room (RevPAR) fell by 4.0% YTD (as of May 2025), driven by both lower Average Room Rates (ARR) and occupancy rates which fell to \$271.17 and 79.9% respectively.
- The recovery of tourist arrivals has slowed significantly due to current market uncertainties which could have driven international tourists to delay their travel plans or seek alternative lower-cost locations.
- A key driver remains the return of Chinese tourists, which could improve in H2 2025 given a recovering Chinese economy and de-escalation of US-China trade tensions.
- The Singapore hotel market is expected to stabilize, with ARR remaining steady due to a limited hotel pipeline supply. Although demand has slowed down, the market's resilience is backed by a moderate supply growth of 2.3% yoy in 2025, with only 1,548 new rooms expected to be added in 2025.

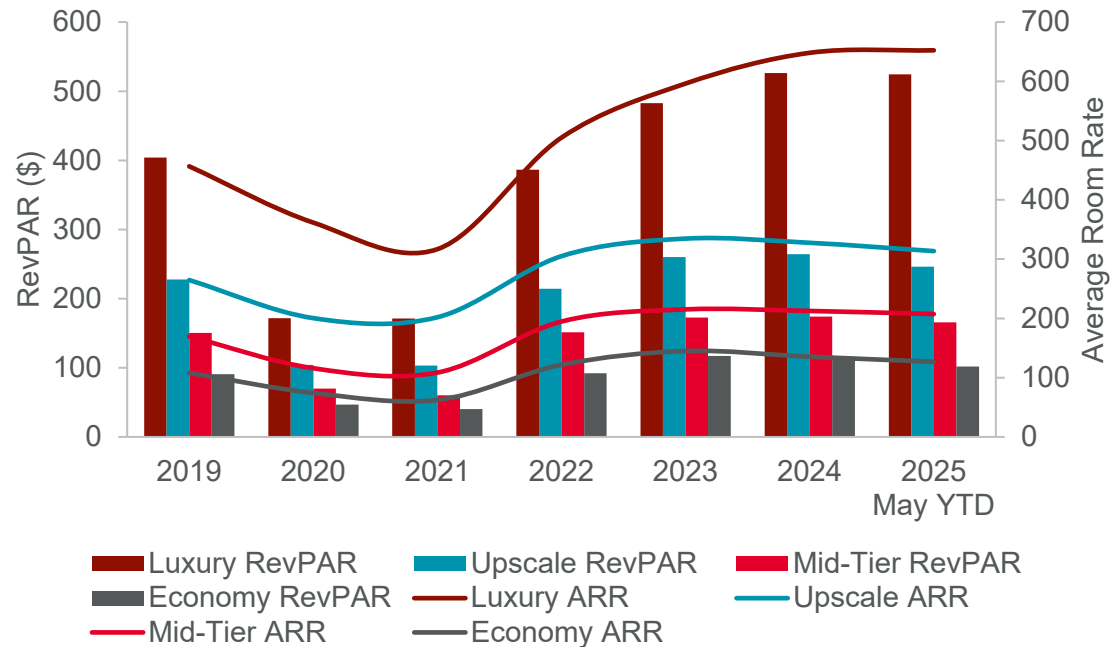
HOTEL

Luxury hotels outperform amidst affluent demand



REVPAR AND AVERAGE ROOM RATE (ARR) BY HOTEL TIER

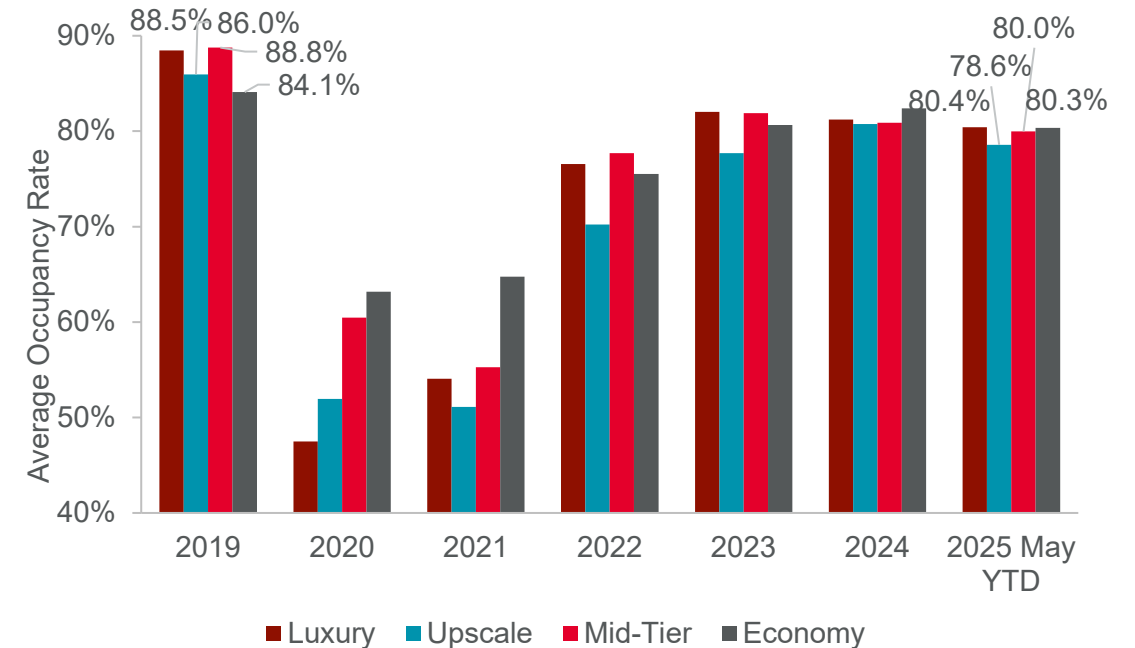
- Among the various hotel tiers, only the Luxury segment recorded an increase in average room rate of 0.6% in 2025 May YTD, driven by demand from affluent travellers.



Source: STB, Cushman & Wakefield Research

OCCUPANCY BY HOTEL TIER

- Occupancy rates of economy hotels are inching closer to pre-pandemic levels. Overall islandwide occupancy rates remain at about 71 percentage points below their pre-pandemic levels.



Source: STB, Cushman & Wakefield Research

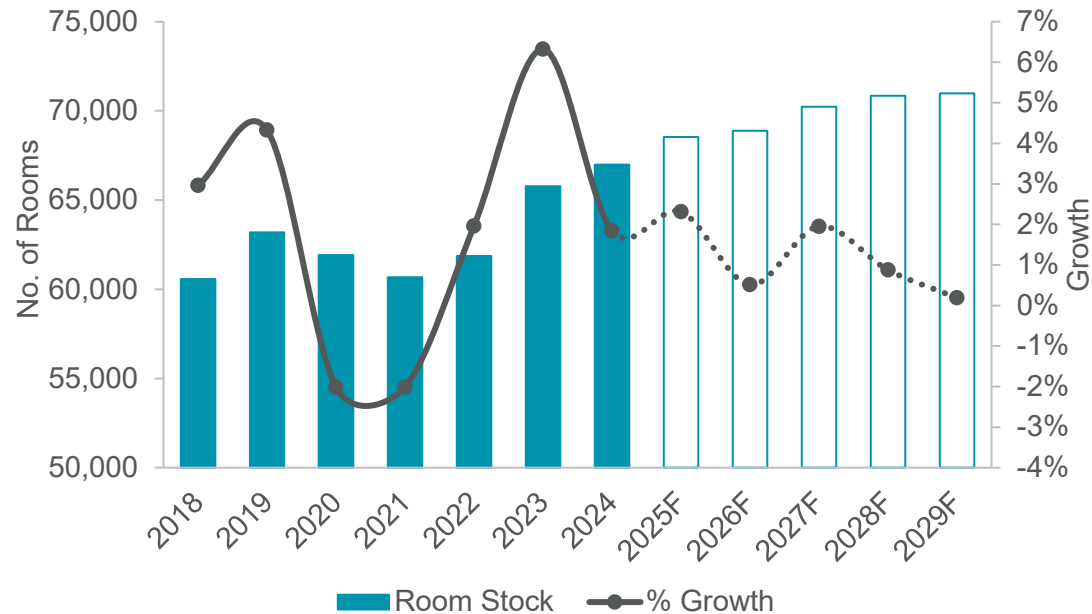
HOTEL

New supply to taper off



HOTEL SUPPLY AND GROWTH

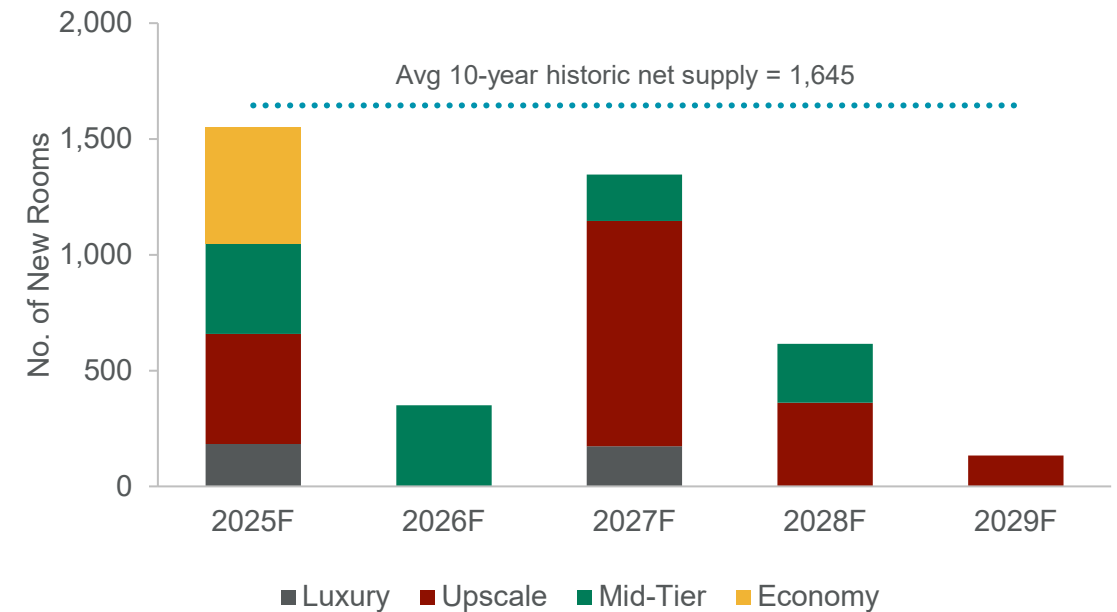
- Hotel room supply growth could taper to an average of 1.2% per annum between 2025 and 2029, significantly below the pre-pandemic average annual hotel supply growth of 4.6% between 2015 and 2019.



Source: STB, URA, Cushman & Wakefield Research

NEW HOTEL SUPPLY BY HOTEL TIER

- The bulk of new supply in 2025 is expected to arise from the economy and upscale segments. Notable expected completions in 2025 include Handwritten Collection Hotel on Waterloo Street (502 rooms) and Moxy Singapore Clarke Quay (475 rooms).



Source: STB, Media reports, Cushman & Wakefield Research

NAVIGATING THE YEAR AHEAD

Hotel market outlook



Demand for Singapore's hospitality assets is growing. Investors continue to target suitable that can be converted into co-living spaces or hybrid living spaces, driven by the sector's post-pandemic upswing in hotel rates and the growing appeal of co-living concepts. Hotels and serviced apartments offer one-of-a-kind physical experiences that cannot be replicated, even in an increasingly digital world. They are especially adaptable, with the ability to adjust room rates swiftly to match market demand, ensuring revenue optimization across market cycles.

Shaun Poh, Head of Capital Markets, Singapore

CAPITAL MARKETS

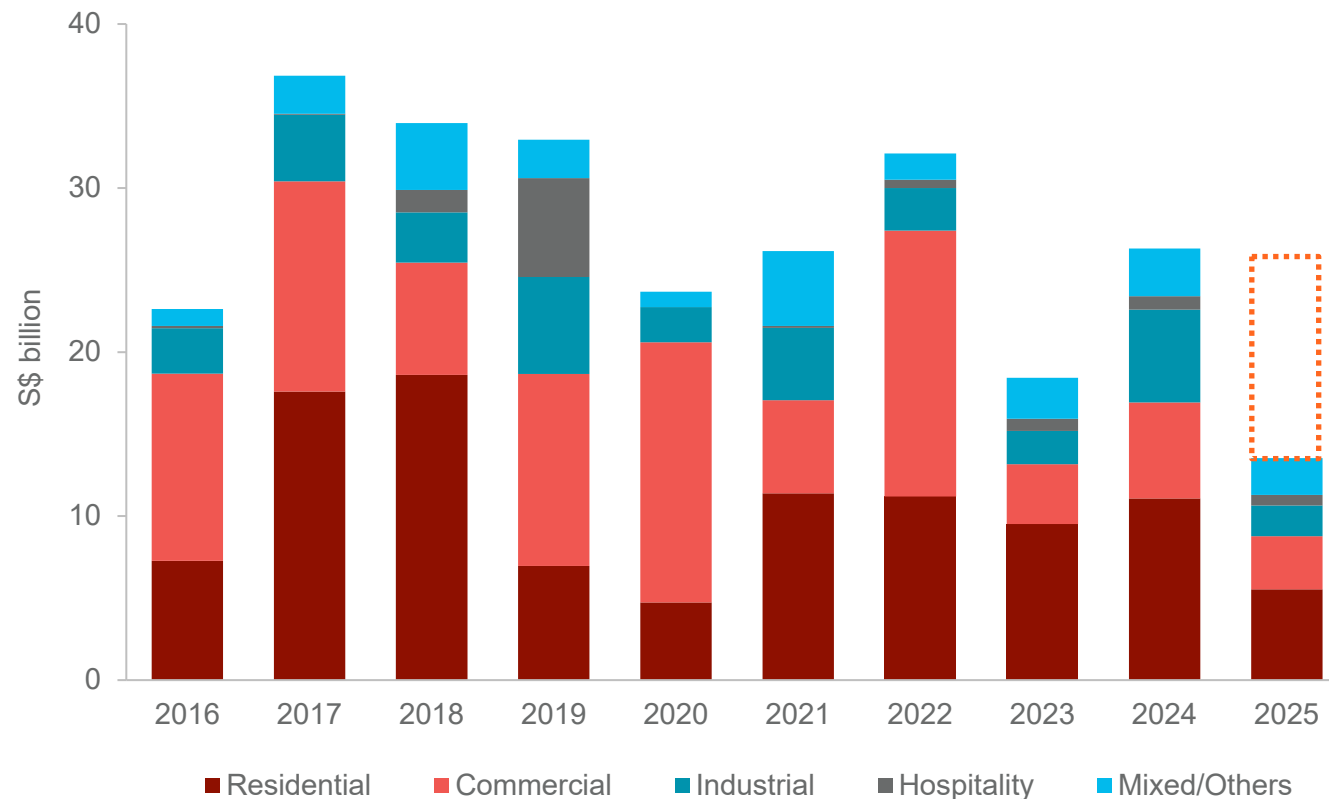


CAPITAL MARKETS

Investment volumes on an uptrend amidst interest rate cuts



SINGAPORE INVESTMENT VOLUMES*



Source: Cushman & Wakefield Research
*Deals of at least S\$10 million

Key Takeaways

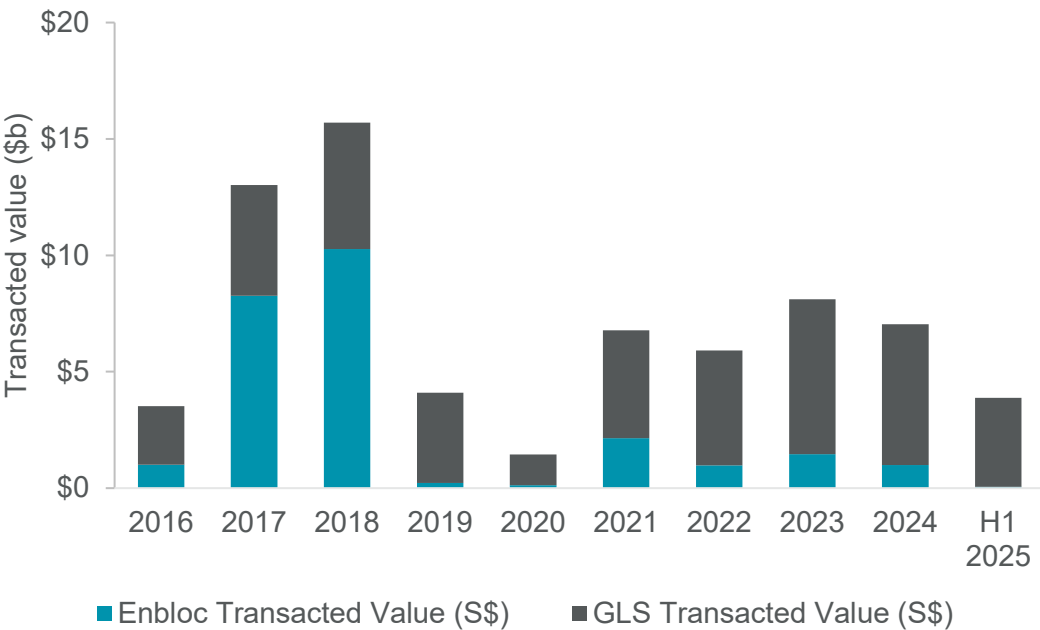
- Total investment volumes rose by 28.1% yoy to \$13.5b in H1 2025, compared to \$10.6b in H1 2024.
- Residential sector continued to drive the bulk of overall investment volume, led by sites sold under the Government Land Sales programme. Developers have remained largely cautious and selective in their land bidding activities. However, areas with pent-up housing demand or attractive site attributes have attracted strong developer interest.
- While investment sales volumes are off to a good start, a significant portion of these are driven by related-party-transactions.
- Investment sales volumes for the rest of 2025 may be impacted by a widening gap between buyer and seller expectations. Sellers are optimistic due to lower interest rates, which have raised their expectations. However, market uncertainty is prompting investors to adopt a cautious approach.

CAPITAL MARKETS

Government Land Sales (GLS) dominates but enbloc deals may pick up

RESIDENTIAL ENBLOC AND GLS SALES*

- Overall residential land sales remain tempered compared to 2018 levels with muted enbloc volumes. Despite challenges, smaller en bloc sites with good location attributes may still offer opportunities as GLS sites often cater to mid- to large-scale developments.

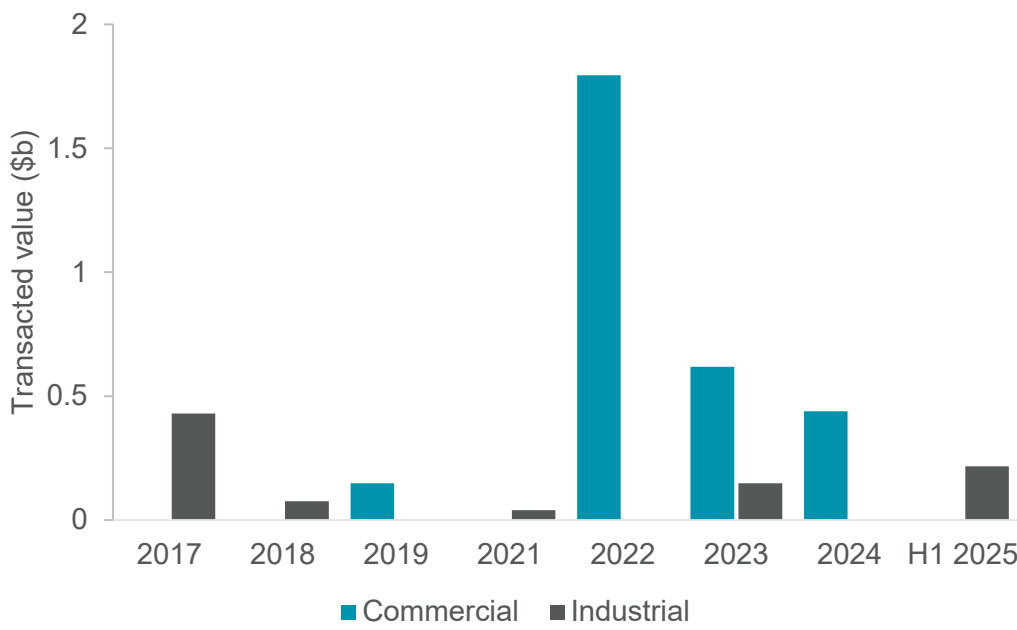


Source: URA, Cushman & Wakefield Research

*Including mixed-use sites with residential components. GLS transacted value excludes Executive Condominium sites sold

COMMERCIAL AND INDUSTRIAL ENBLOC

- Industrial enbloc transactions have picked up noticeably in 2025, with the first half of the year reaching a record high since 2017. A total of two industrial enbloc transactions were recorded in H1 2025, both of which are freehold.



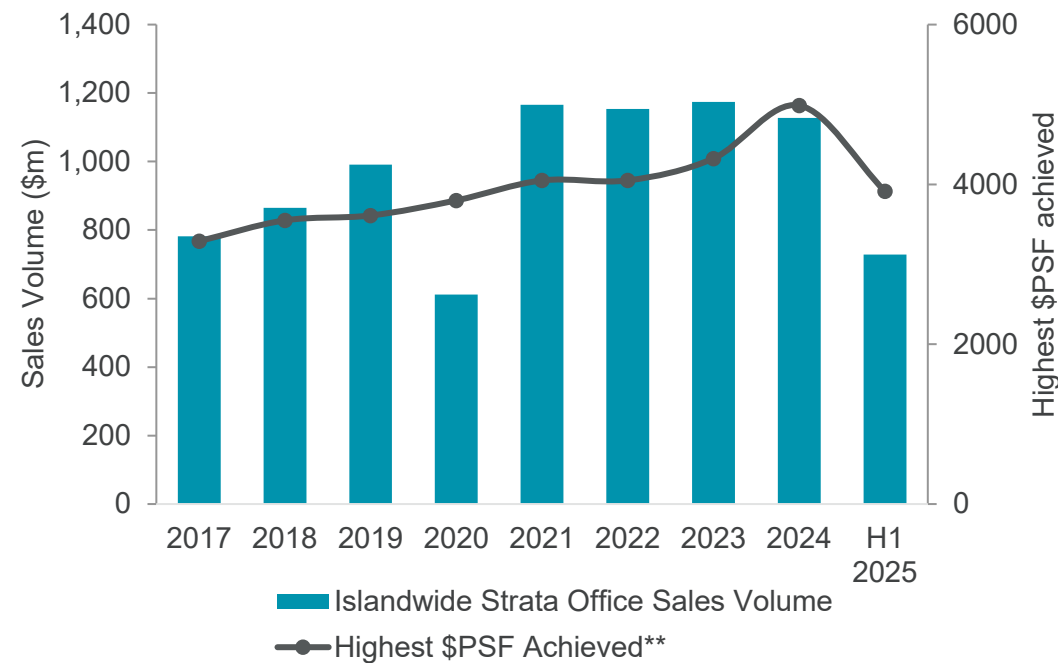
Source: Cushman & Wakefield Research

CAPITAL MARKETS

Steady interest for strata offices

STRATA OFFICE VOLUMES* AND PRICES**

- Total islandwide strata office volumes in H1 2025 has reached around 65% of 2024's volume, driven by a few significant multi-floor deals. The decline in prices observed in H1 2025 was influenced by the transaction mix, rather than an overall decline in freehold strata office prices.



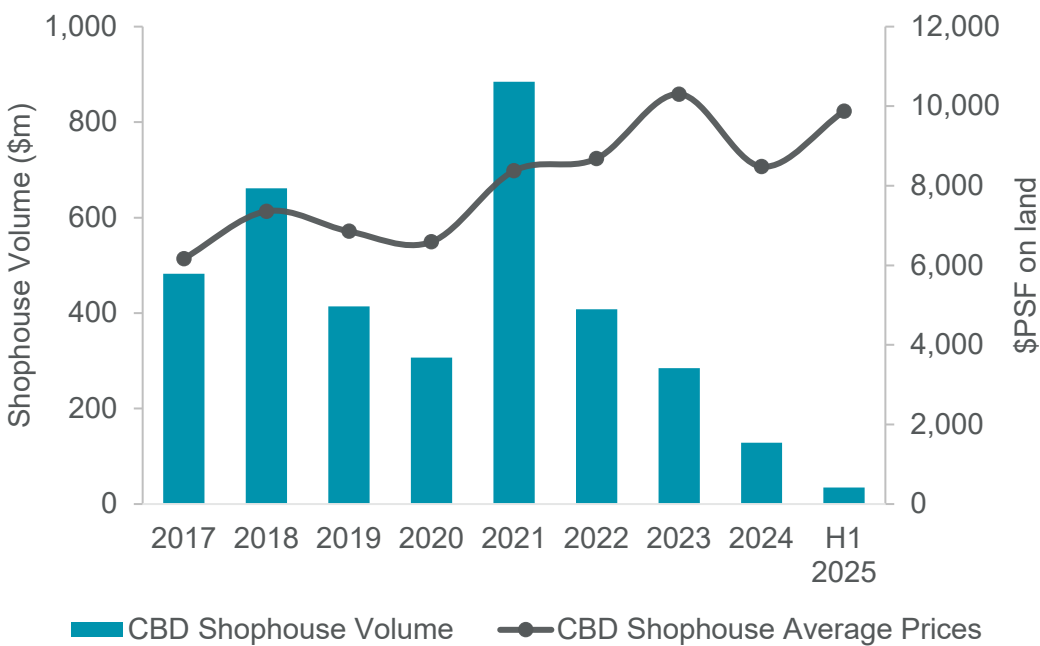
Source: URA, Cushman & Wakefield Research, as of 17 July

*Strata office volumes excludes collective sales and entire building sales

**For freehold or 999-year leasehold units with strata area more than 5,000 sf

CBD SHOPHOUSE VOLUMES AND PRICES

- CBD shophouse transaction volumes have declined from their 2021 peak, with current market uncertainty exacerbating this trend. However, the limited availability of stock for sale, due to owners' strong holding power, has also contributed significantly to the decrease in volumes.



Source: URA, Cushman & Wakefield Research, as of 17 July

CAPITAL MARKETS

Institutional investors are active in Singapore

NOTABLE TRANSACTIONS H1 2025

Property Name	Type	Remaining Tenure (years)	Buyer	Seller	Purchase Price (S\$ Million)	Unit Price (S\$ psf)	Estimated Net Yield	Date
Northpoint City South Wing	Commercial	89	Fraser's Centrepoint Trust	Fraser's Property, TCC	1,133.0	3,757	4.5%	Q1
Avery Lodge	Worker Dormitory Portfolio	Various	Bain Capital	Valparaíso Capital Ptn, Blackstone	750.0	-	-	Q1
Oakwood Studios Singapore	Hospitality	Freehold	Grand Prestige Land	Newfort Realty	152.8	1.6m*	-	Q1
Woods Square (33.33% stake)	Commercial	88	Far East Civil Engineering and Far East Orchard	Sekisui House	124.6	9,523	-	Q1
South Beach (50.1% stake)	Mixed/Others	81	IOI Properties Group	City Developments Limited	1,377.8	2,500	-	Q2
Portfolio of two properties (9 Tai Seng Drive & 5 Science Park Drive)	Industrial	Various	CapitaLand Ascendas REIT	CapitaLand Development	700.2	-	-	Q2
Portfolio of three properties (The Strategy, The Synergy & Woodlands Central)	Industrial	Various	Brookfield Asset Management	Mapletree Industrial Trust	535.3	-	5.9%	Q2
Citadines Raffles Place	Hospitality	56	BlackRock, YTL Corp	CapitaLand Development, Mitsubishi Estate Asia, CapitaLand Integrated Commercial Trust	280.0	936,455*	3.6%	Q2

Source: Real Capital Analytics, Cushman & Wakefield Research

*Price per key



Key Takeaways

- Singapore assets remain attractive to investors due to their stable cashflows and valuations. Furthermore, rising replacement costs are prompting developers to consider existing sites with repositioning potential.
- Tier 1 suburban retail malls continues to see interest from investors. Retail malls offer stable income generation and relatively higher yields compared to offices.
- Industrial sites with potential for redevelopment or repurposing, particularly those suitable for self-storage facilities, worker dormitories or data centres, are highly sought after given their robust supply-demand dynamics.
- The living sector (co-living) has been gaining traction in Asia Pacific, with some demand is spilling over to Singapore driven by their counter-cyclical attributes. However, site-selection remains key as tenant demand profiles vary by locations and not all sites are financially feasible for co-living conversion.

NAVIGATING THE YEAR AHEAD

Capital markets outlook



Singapore's stable income-generating properties remain highly attractive to investors. Meanwhile, asset owners are increasingly motivated to divest and recycle capital, creating a growing supply of opportunities. Although current market uncertainty has led to a mismatch in buyer-seller expectations, this gap is expected to narrow as uncertainty subsides, paving the way for renewed transaction activity.

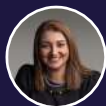
Shaun Poh, Head of Capital Markets



VANTAGE POINT

SINGAPORE MARKET OUTLOOK

H2 2025



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