

# POLICY WATCH SINGAPORE

## Budget 2026

12 February 2026

### WHAT HAPPENED?

- On 12<sup>th</sup> Feb 2026, Prime Minister Lawrence Wong delivered Singapore's FY2026 Budget Statement in Parliament. Below are a few notable highlights that are pertinent for Singapore's real estate market
  - **Investing in Artificial Intelligence at a national level**
    - A new set of national AI missions will be launched to transform four key sectors of Singapore's economy: Advanced Manufacturing, Connectivity, Finance and Healthcare.
    - Grants, tax incentives, training support and tools will be rolled out for companies and workers to leverage
    - A larger AI park will be developed in the one-north area, which is envisaged to support research, collaboration and development of AI applications.
  - **Continued cost of living support**
    - Cost-of-Living special payment of between \$200 and \$400 to be given to eligible Singaporeans
    - Eligible Singaporean households will receive \$500 Community Development Council (CDC) vouchers
    - Up to \$570 in U-Save rebates for eligible Singapore households, which can help offset utilities expenses
  - **Pressing on with climate action.**
    - Carbon tax in Singapore has been raised to S\$45 per tonne for 2026 and 2027 and is poised to reach S\$50 to S\$80 per tonne by 2030.
    - Singapore has hit its solar target (2 gigawatt-peak) early and will now aim for 3 gigawatt-peak by end of 2030. This underscores Singapore's ongoing commitment to sustainability.
    - The commitment to achieve 100 per cent cleaner energy vehicles by 2040 remains unchanged

### WHAT IT MEANS FOR SINGAPORE'S REAL ESTATE MARKET:

- **Watch developments and locations catering to AI-related demand**
  - Business Parks at one-north and Science Park might attract higher interest, with one-north identified as the location for a larger AI park.
  - Over time, newer business parks with modern specs are likely to capture AI-driven demand amidst flight to quality trends. Consequently, this could stimulate asset enhancement initiatives at older business parks.
  - High-tech or high-spec industrial developments that with high power capabilities and sustainability credentials are expected to benefit from AI-driven demand.
  - Tech startups typically begin small and gravitate toward co-working or fitted office solutions that provide flexibility and allow them to scale rapidly.
- **Suburban retail to benefit**
  - Government support is expected to bolster consumer discretionary spending, with suburban retail likely to benefit given their high frequency of footfall.
- **Sustainability remains a competitive advantage**
  - Ageing, energy-inefficient buildings will face rising operational costs and declining demand as occupiers increasingly prioritize sustainable spaces, highlighting the need for green retrofits.

# POLICY WATCH SINGAPORE

## Budget 2026

12 February 2026

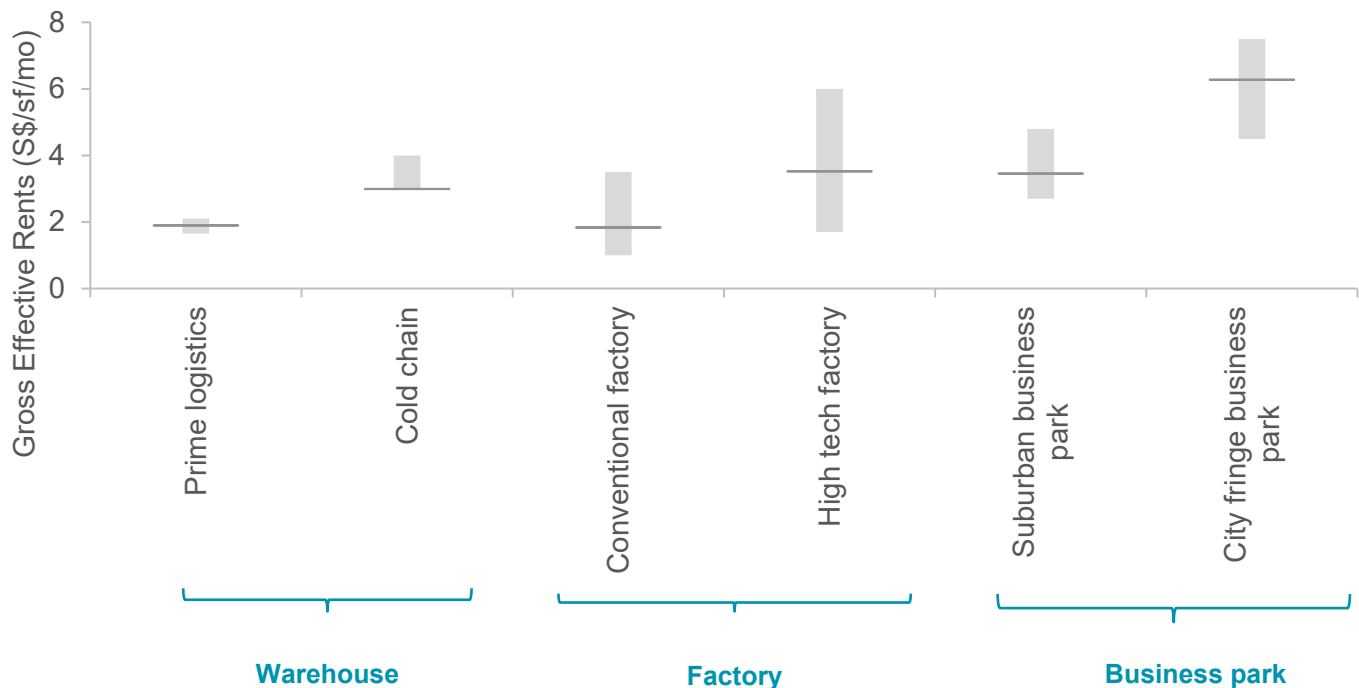
### HOW TO PLAY IT

#### INVESTORS

New economy assets are expected to remain in demand, with AI investments generating positive spill-over effects across related sectors. According to a recent report by Coursera, Singapore ranks top among 109 countries in terms of AI maturity.

### Industrial rents across property types

Healthy rental reversions, coupled with the wide rental gap between modern and ageing facilities, would fuel redevelopment opportunities.



**WONG XIAN YANG**

Head of Research Singapore & SEA  
 +65 6232 0885  
 xianyang.wong@cushwake.com