

MARKET FUNDAMENTALS

	YOY Chg	Outlook
\$6.5B Q1 Investment Volume (SGD)	▲	▲
\$3,115 Office Capital Value (SGD/sf)	▼	▲
3.40% Office Net Yield	▲	▬

ECONOMIC INDICATORS
Q4 2024

	YOY Chg	Outlook
4.4% Real GDP Growth*	▲	▼
1.6% Inflation Growth	▼	▼
1.9% Unemployment Rate	▼	▲
2.8% 10-Yr Government Bond Yield	▼	▼

Source: Ministry of Trade & Industry (MTI), Moody's Analytics
* Real GDP Growth for the whole of 2024. The remaining indicators are as of Q4 2024.

NAVIGATING UNCERTAINTIES

In 2025, Singapore's economy is projected to grow by 0.0%-2.0% yoy, moderating from 4.4% yoy growth in 2024. Singapore's safe-haven status is expected to continue attracting investors in 2025, despite economic uncertainties, due to its stable government, strong economy, and favorable business environment. Amidst ongoing uncertainty, an expected lower interest rate environment remains a tailwind for investment sales.

BUILDING INVESTMENT MOMENTUM

Total investment volume fell 15.7% qoq to \$6.5 billion (b) in Q1 2025, driven by the residential sector (\$3.7b) followed by commercial (\$1.6b) and mixed/others (\$0.8b) sectors.

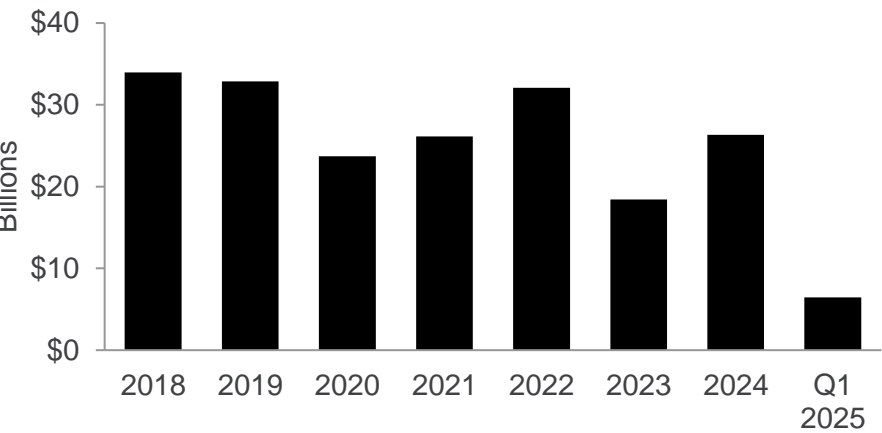
The bulk (or nearly 75%) of residential investment sales volume was from the public market, comprising a total of five GLS sites sold. Developers have remained largely cautious and selective in their land bidding activities. However, areas with pent-up housing demand or attractive site attributes have attracted strong developer interest. For example, the Bayshore Road GLS site garnered eight bids and was sold at a new benchmark land price in the Outside Central Region. Commercial sales volume was driven by Frasers Centrepoint Trust's acquisition of the South Wing of Northpoint City for \$1.2b, which was also the largest deal transacted in Q1 2025.

Hospitality investment sales volume fell by 42% qoq, driven by the divestment of Oakwood Studios for \$152.8m. However, volumes are expected to pick up in the coming quarters. It was reported in early April that 21 Carpenter and Duxton Reserve Singapore, Autograph Collection have been sold for around \$100m and \$80m respectively. Islandwide hotel revenue per available room (RevPAR) has risen to \$225.66 in 2024, higher than the pre-pandemic level of \$191.96 in 2019.

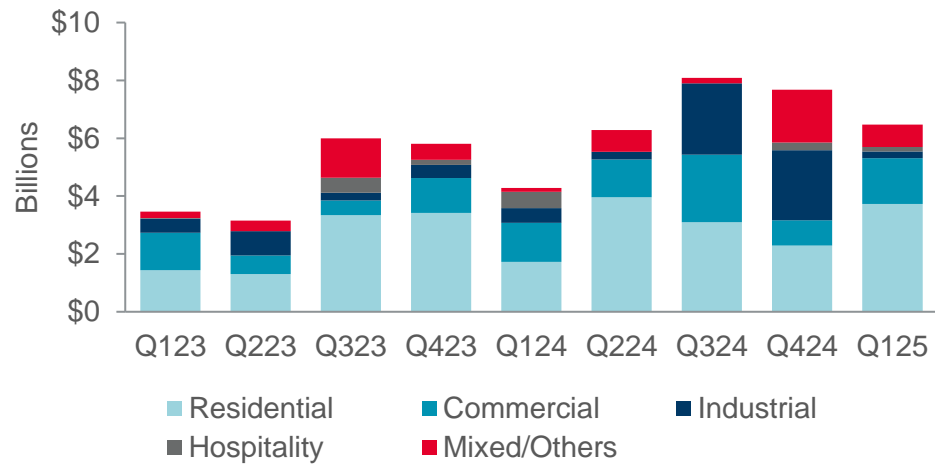
Industrial investment sales fell sharply by 91% qoq due to the absence of large deals. Nonetheless, investors remain keen in industrial assets, especially new economy assets such as data centres, prime logistics and life science assets.

Investor interest in alternative asset classes, such as worker dormitories, is gaining traction, due to their favourable supply-demand dynamics. For example, Avery Lodge, a worker dormitory firm with four purpose-built worker dormitory compounds, was divested for \$750m to Bain Capital.

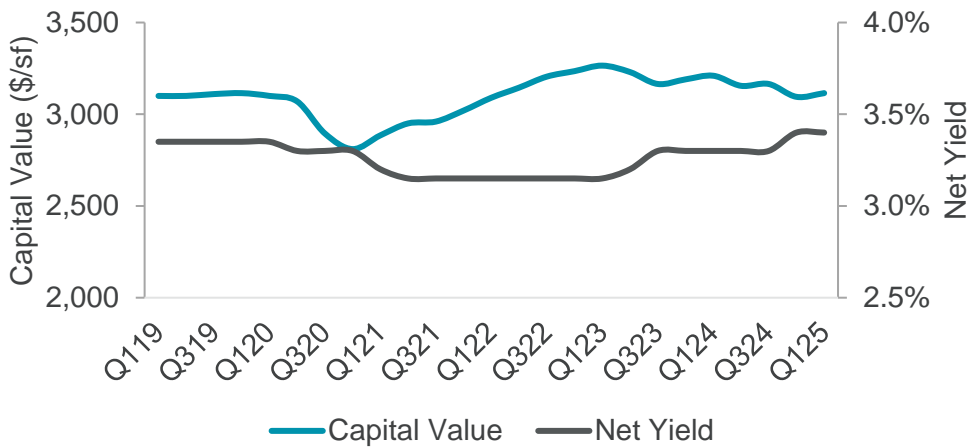
INVESTMENT SALES VOLUME



INVESTMENT SALES VOLUME BY SECTOR

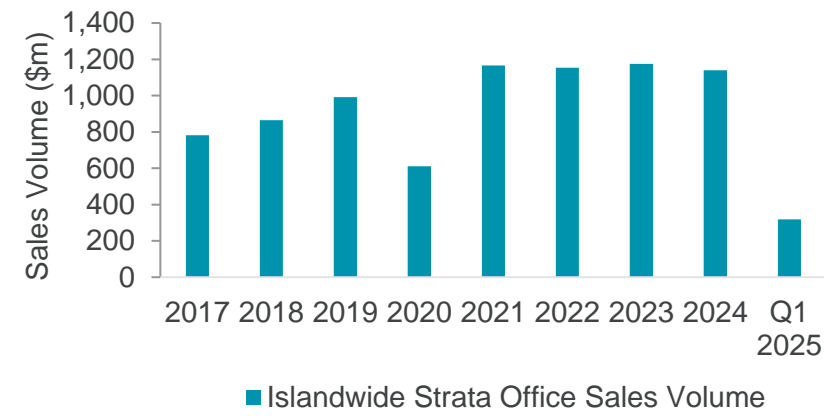


GRADE A CBD OFFICE* CAPITAL VALUE & NET YIELD



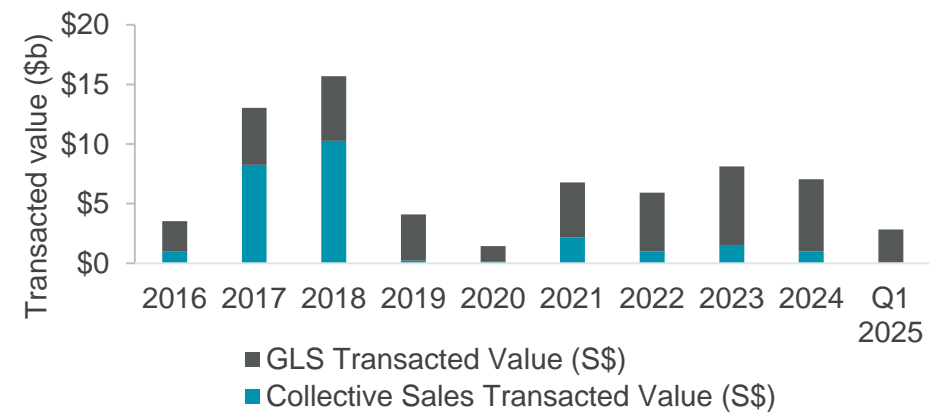
*For 99-year leasehold

STRATA OFFICE VOLUME



Note: Strata office volumes excludes collective sales and entire building sales

RESIDENTIAL LAND SALES***



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

GRADE A CBD OFFICE NET YIELDS UNCHANGED

As of Q1 2025, net yields for Grade A CBD offices (99-year leasehold) remained at around 3.4%. Grade A CBD capital values may remain resilient in 2025, supported by lower interest rate environment, limited available CBD office stock for sale and resilient operating performance.

Grade A CBD office vacancy rates remain low at 5.8%, with rents growing 0.6% qoq in Q1 2025. Given a limited pipeline of new completions, CBD Grade A office vacancy rates are expected to fall below 5% and rents to achieve full-year growth of 2-3% by the end of 2025.

RISING STRATA OFFICE VOLUMES

Islandwide strata office volumes in Q1 2025 totaled \$317.9m, rising by 8.7% qoq or 62.0% yoy. Significant deals transacted in Q1 2025 include 20 Collyer Quay (22nd-24th floor) for \$91.8m or \$3,148 psf and Tokio Marine Centre (5th-7th floor) for \$67.5m or \$3,544 psf.

Strata office volumes are expected to sustain in 2025, supported by resilient private wealth demand.

BULK OF RESIDENTIAL LAND SALES FROM GOVERNMENT LAND SALES (GLS)

Total residential land sales recorded in Q1 2025 was led by the GLS market, with a total of five GLS sites sold. The sole collective sale transaction was River Valley Apartments for \$56m.

While unsold inventory has continued to decline, developers are expected to remain selective in their land banking activities in 2025. Various factors at play include global economic uncertainty, the overhang of cooling measures, still-high interest rates, elevated construction costs, and higher available supply from the GLS programme.

OUTLOOK

- Singapore's residential collective sale market is showing signs of recovery, albeit gradually, with developers adopting a cautious and selective approach.
- Investors remain keen to acquire industrial assets, especially those catering to new economy demand
- Strata office volumes are expected to sustain in 2025, supported by resilient private wealth demand.

INVESTMENT ACTIVITY

PROPERTY TYPE	PUBLIC VOLUME (SGD MILLIONS)	PRIVATE VOLUME (SGD MILLIONS)	TOTAL VOLUME (SGD MILLIONS)	Q-O-Q CHANGE (%)
Residential	2,781.2	948.3	3,729.5	63%
Commercial	0.0	1,581.3	1,581.3	81%
Industrial	11.8	218.5	230.3	-91%
Hospitality	0.0	152.8	152.8	-42%
Mixed/Others*	0.0	776.6	776.6	-58%
TOTAL	2,793.1	3,677.4	6,470.4	-15.7%

Note: Figures may not tally precisely due to rounding

**Mixed/Others typically include shophouses and mixed-use developments*

SIGNIFICANT SALES**

PROPERTY NAME	TYPE	BUYER	SELLER	PURCHASE PRICE (\$\$ MILLION)	SUBMARKET
Northpoint City South Wing	Retail	Frasers Centrepont Trust	TCC, Frasers Property	1,170.0	Yishun
Avery Lodge	Mixed/Others	Bain Capital	Valparaiso Capital Prn, Blackstone	750.0	Various
Oakwood Studios Singapore	Hospitality	Grand Prestige Land	Newfort Realty	152.8	Newton
Woods Square (33.33% stake)	Commercial	Far East Civil Engineering and Far East Orchard	Sekisui House	124.6 (6.7% stake acquired by Far East Orchard)	Woodlands
20 Collyer Quay (22-24FL)	Office	GuocoLand	Amer International Group	91.8	Downtown Core

Sources: Real Capital Analytics, Cushman & Wakefield Research

***Significant transactions over \$10 million*

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