

MARKET FUNDAMENTALS

	YOY Chg	Outlook
\$9.6B Q4 Investment Volume (SGD)	▲	▲
\$3,005 Office Capital Value (SGD/sf)	▼	▲
3.60% Office Net Yield	▲	—

ECONOMIC INDICATORS Q3 2025

	YOY Chg	Outlook
4.8%* Real GDP Growth	▲	▼
0.6% Inflation Growth	▼	▲
2.0% Unemployment Rate	▲	▼
2.0% 10-Yr Government Bond Yield	▼	▲

Source: Ministry of Trade & Industry (MTI), Moody's Analytics
* Real GDP Growth for the whole of 2025 based on MTI's advance estimates. The remaining indicators are as of Q3 2025.

A POSSIBLE COMEBACK FOR CORE CAPITAL

Singapore's economic growth is projected to moderate to 1.0-3.0% yoy in 2026, slowing down from the estimated 4.8% yoy growth in 2025. Interest rates have been on a downward trend in 2025 and could fall further in 2026 albeit at a slower pace of decline. As of end-December 2025, the 3-month compounded Singapore Overnight Rate Average (3M SORA) has declined to 1.19% from 3.02% at the start of the year. Investor appetite for core investment, especially office and retail assets, could be reignited as property yield spreads remain favourable.

STRENGTHENING MARKET CYCLE

Total investment volume surged by 26.6% yoy to \$33.3 billion (b) in 2025, marking the second consecutive year of increase and signaling a strengthening market cycle. Against a backdrop of growing investor confidence and lower borrowing costs, we remain sanguine that investment sales volumes could remain robust in 2026.

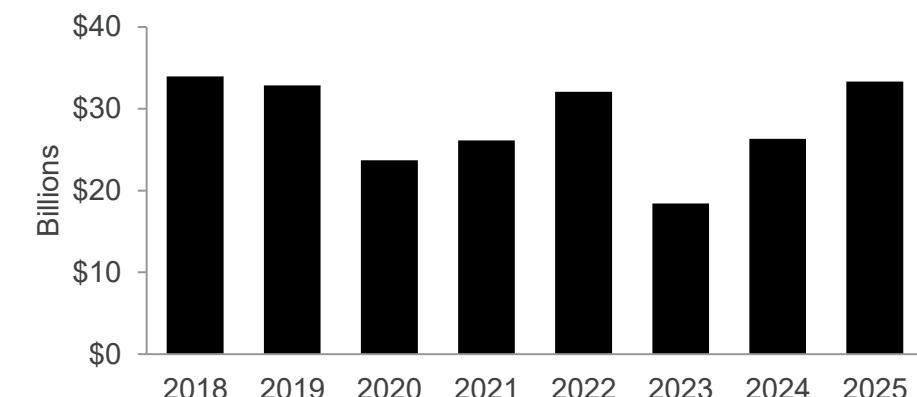
Apart from the residential sector, which typically accounted for the bulk (44.9%) of total investment sales volume, the commercial sector was the second largest contributor (25.8%) of overall investment volumes in 2025. Commercial investment sales volume has been on a continued upward trend since 2023, supported by a more favourable financing environment which have enabled transactions to achieve positive yield spreads. In 2025, the largest commercial transaction was Keppel REIT's acquisition of a one-third interest in Marina Bay Financial Centre (MBFC) Tower 3 for \$1.5b.

The industrial sector, including niche asset classes such as data centres and worker dormitories, was also a significant driver (21.2%) of overall investment volumes in 2025, driven by robust institutional investor activity involving portfolio sales or acquisitions.

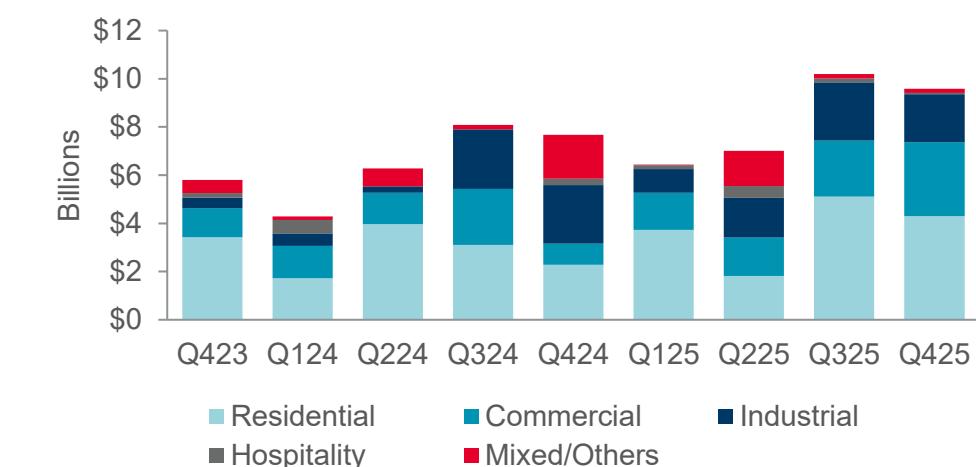
OFFICE INVESTMENT SALES MIGHT SURPRISE ON THE UPSIDE

Office investment sales volume is anticipated to rise in the coming quarters, amid investors' increasing interest in this asset class. With office net yields now exceeding borrowing costs and CBD Grade A office rent growth expected to accelerate on the back of a constrained supply situation, the outlook for office investment look favourable.

INVESTMENT SALES VOLUME



INVESTMENT SALES VOLUME BY SECTOR



INVESTMENT ACTIVITY

PROPERTY TYPE	PUBLIC VOLUME (SGD MILLIONS)	PRIVATE VOLUME (SGD MILLIONS)	TOTAL VOLUME (SGD MILLIONS)	Q-O-Q CHANGE (%)
Residential	3,087.6	1,212.8	4,300.4	-15.9%
Commercial	0.0	3,070.0	3,070.0	32.7%
Industrial	251.3	1,743.0	1,994.3	-17.5%
Hospitality	0.0	43.9	43.9	-72.6%
Mixed/Others*	0.0	179.5	179.5	-7.0%
TOTAL	3,338.9	6,249.2	9,588.1	-6.0%

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 (S\$ MILLION)	SUBMARKET
Marina Bay Financial Centre Tower 3 (one-third interest)	Office	Keppel REIT	Hongkong Land	1,453.0	Downtown Core
The Clementi Mall	Retail	Elegant Group	Cuscaden Peak Investments	809.0	Clementi
PLQ Mall (70% interest)	Retail	Lendlease Global Commercial REIT	ADIA	619.5	Geylang
Portfolio of 3 properties	Industrial	CapitaLand Ascendas REIT	Vita Partners	565.8	Various
680 Upper Thomson Road	Industrial	Thomson Gem	NTUC FairPrice	351.0	Ang Mo Kio

Sources: Real Capital Analytics, Cushman & Wakefield Research

**Significant transactions over \$10 million

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