MARKETBEAT

SINGAPORE

CAPITAL MARKETS Q2 2026

MARKET FUNDAMENTALS

	YOY Chg	Outlook
$15.5B Q2 Investment Volume (SGD)	▲	▲
$3,075 Office Capital Value (SGD/sf)	▼	▲
3.60% Office Net Yield	▲	–

ECONOMIC INDICATORS Q1 2026

	YOY Chg	Outlook
6.0% Real GDP Growth	▲	▼
1.5% Inflation Growth	▲	▲
2.1% Unemployment Rate	▲	▼
2.1% 10-Yr Government Bond Yield	▼	▲

Source: Ministry of Trade & Industry (MTI), Moody's Analytics

SOARING CAPITAL MARKETS

In Q1 2026, Singapore's economy grew by 6.0% yoy, higher than 5.7% yoy growth in the previous quarter. The economic growth forecast for 2026 remains at 2.0%-4.0% yoy. While the mid-term trajectory of interest rates remains uncertain, borrowing costs in Singapore have remained low thus far, which bodes well for continued momentum for capital markets. As of June 2026, Singapore 3M-SORA has fallen to 1.07%, from 1.18% at the start of the year.

2026 INVESTMENT SALES ON TRACK TO REACH A RECORD HIGH

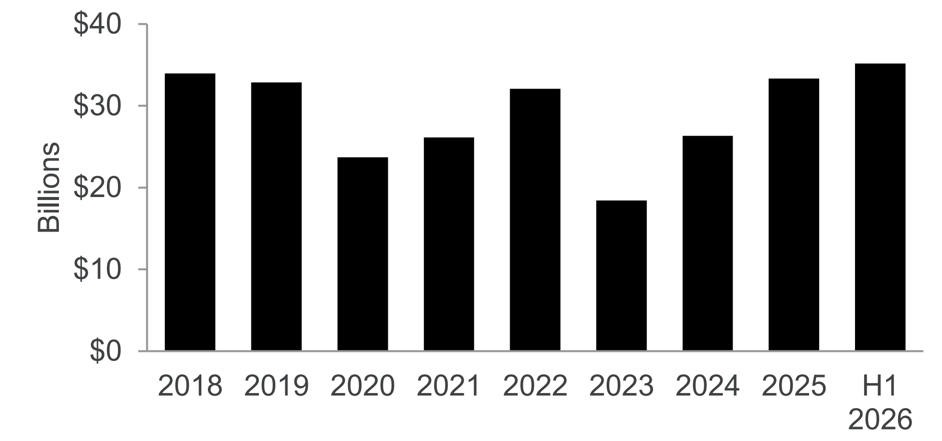
While total investment volume fell 21.1% qoq to $15.5 billion (b) in Q2 2026, it was still the highest 2nd quarter investment sales volume since Q2 2022. Q2 2026's investment sales volumes were driven by the commercial ($7.6b), followed by residential ($5.3b) and hospitality ($1.1b) sectors. With H1 2026 investment sales volumes ($35.2b) already surpassing 2025's full-year total, 2026 investment sales is on track to set a record high, exceeding the previous peak of $36.8b recorded in 2017.

Office and retail assets have returned strongly to investors' radar in H1 2026. The office market ($11.6b) contributed to the bulk (32.9%) of total investment sales volumes in H1 2026, driven by the Singapore Central Private Real Estate Fund launch and major office deals including Asia Square Tower 2 and 78 Shenton Way. Total retail investment volume reached $6.3b in H1 2026, or the highest figure since 2022 ($9.2b). Several big-ticket retail assets were transacted in H1 2026, including the sales of Paragon ($3.9b), White Sands ($467m), Bukit Panjang Plaza ($428m) and i12 Katong ($372.8m).

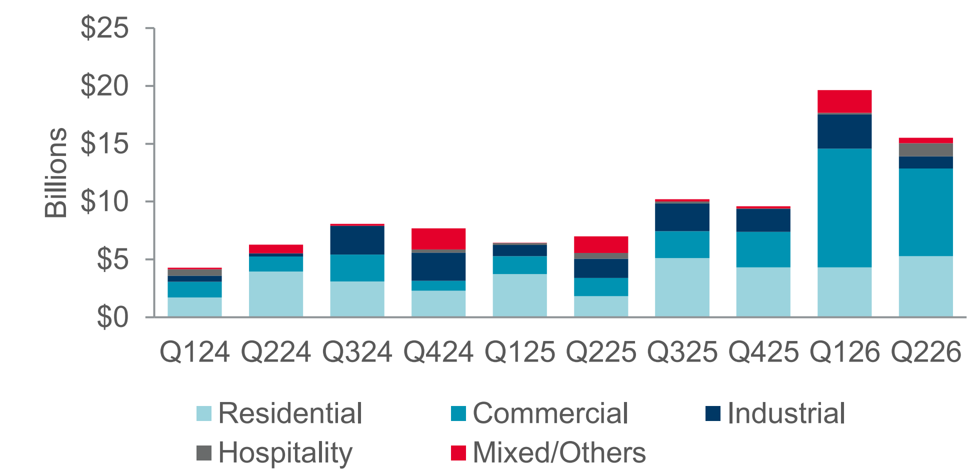
As of Q2 2026, Singapore office and retail property spreads (over Singapore 10-year government bonds) are above pre-pandemic levels. This has supported a recovery in core and value-add investment activity, with offices and retail assets being able to provide healthy cash-on-cash returns.

Following a strong performance in the industrial investment sales market in 2025, which saw sales volume rose to $7.1b, or the highest level since 2019, momentum has carried on into H1 2026, with a total of $4b in investment sales being recorded. This was underpinned by active capital recycling, with industrial asset owners optimising portfolios through the divestment of non-core assets to redeploy capital. Industrial en bloc activity remains relatively active, as developers sought to replenish their land banks for strata sales.

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	3,231.6	2,042.1	5,273.7	21.9%
Commercial	0.0	7,590.4	7,590.4	-25.9%
Industrial	131.9	917.2	1,049.1	-64.6%
Hospitality	0.0	1,133.0	1,133.0	684.1%
Mixed/Others*	0.0	459.0	459.0	-76.7%
TOTAL	**3,363.5**	**12,141.7**	**15,505.2**	**-21.1%**

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
Paragon	Commercial	CapitaLand Integrated Commercial Trust	Cuscaden Peak	3,900.0	Orchard
Asia Square Tower 2	Commercial	IOI Group	CapitaLand Integrated Commercial Trust	2,476.0	Downtown Core
Loyang Valley	Residential	SingHaiyi Group	Strata owners	880.0	Pasir Ris
Crowne Plaza Changi Airport	Hospitality	Tokyo Century and OUE	OUE Reit	500.0	Changi
White Sands	Commercial	Growth Capital	Frasers Centrepoint Trust	467.0	Pasir Ris

Sources: Real Capital Analytics, Cushman & Wakefield Research
**Significant transactions over $10 million*

WONG XIAN YANG
Head of Research, Singapore & SEA
Tel: +65 6232 0885
xianyang.wong@cushwake.com

SHAUN POH
Executive Director, Head of Capital Markets
Tel: +65 6232 0882
shaun.poh@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.