Approaching cross-currents

1Q 2025 at a glance

		QoQ change	YoY change
Investment	Total sales: **S$5.8 billion**	-11.6%	38.4%
	Top 5 private deals: **S$3.6 billion**	-13.6%	120.9%
Office	CBD Grade A rents: : **S$9.80 psf**	0.0%	0.0%
	Supply pipeline NLA: **6.3 million sq ft** (2025 – 2029)	6.3%	-17.6%
Industrial	First-storey multiple-user factory rents: **S$2.09 psf**	0.0%	1.0%
	Supply pipeline NLA: **33.6 million sq ft** (2025 – 2029)	5.4%	-0.2%
Retail	Orchard/Scotts Road first-storey rents: **S$41.40 psf**	0.5%	1.3%
	Supply pipeline NLA: **1.8 million sq ft** (2024-2028)	-5.3%	-29.8%
Residential	Price index: **211.1**	0.8%	3.3%
	Volume of rental transactions: **6,803 units**	4.9%	2.1%

Key highlights

Investment

Singapore's investment sales hit S$5.8 billion in 1Q 2025, with landmark deals signalling strong market appetite. With Government Land Sales momentum and a S$20-24 billion forecast, investors are poised to seize prime opportunities in a thriving market.

Office

Singapore's office rents edged up 0.3% QoQ, marking a reversal from two consecutive quarters of decline. Island-wide office occupancy rates dipped 0.3 percentage points to 94.5% in 1Q 2025, a decline attributed to the completion of new developments such as Keppel South Central and Paya Lebar Green, as newly available space takes time to be absorbed by the market. Net absorption rose to 518,000 sq ft, supported by pre-commitments from the new completions.

Industrial

Singapore's industrial property prices rose 1.5% QoQ in 1Q 2025, driven by a 1.9% increase in multiple-user factory prices. Occupancy held steady at 89.0% island-wide. Rental rates in the warehouse/logistics segment rose 0.3% QoQ, while other segments remained stable.

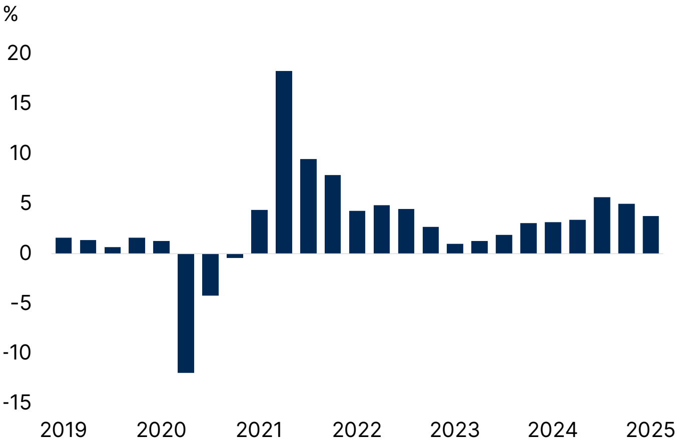
Retail

Singapore's retail scene kicked off 2025 steadily, with tourist arrivals holding firm at 4.3 million—signalling a strong return to pre-pandemic vibrancy. Despite the slight dip in occupancies, resilient suburban demand and rising prime rents reflect a market bracing for growth amid a buzzing calendar of MICE events and headline concerts.

Residential

Singapore's residential property prices rose 0.8% QoQ in 1Q 2025, led by a 1.0% increase in non-landed home prices, with the non-landed RCR posting the strongest growth at 1.7%. In the rental market, prices edged up 0.4%, supported by stable demand and rising transaction volumes.

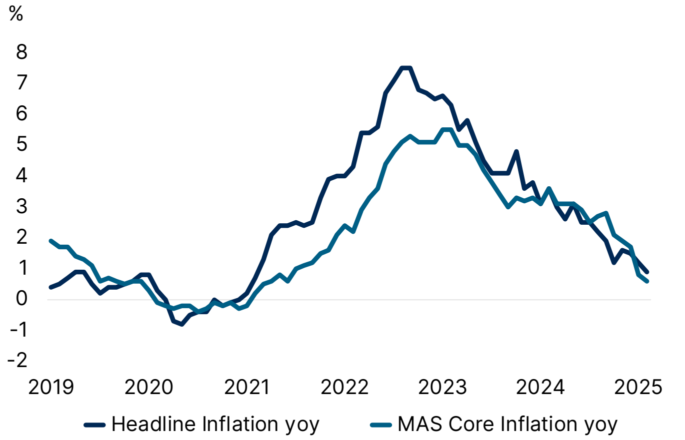
GDP growth



Source: SingStat, ETC Research

Based on advanced estimates, the Singapore economy grew 3.8% YoY in 1Q 2025, slowing from the 4.3% YoY growth recorded in 4Q 2024. MTI has revised Singapore's GDP growth forecasts for 2025 to 0.0% to 2.0%, down from the previous projection of 1.0% to 3.0%.

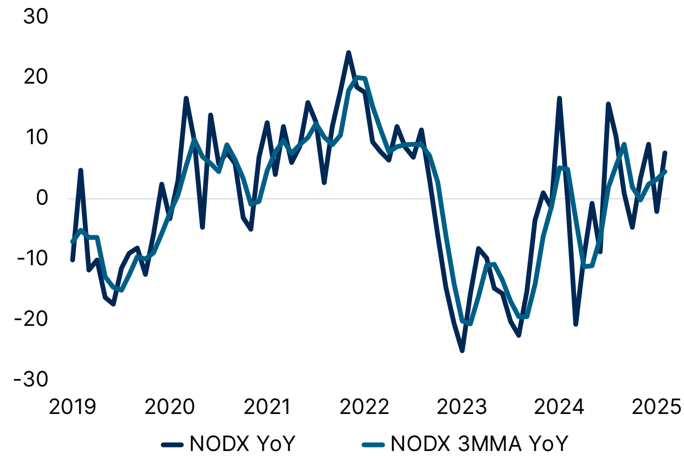
Inflation



Source: SingStat, ETC Research

Core inflation fell to 0.6% in February 2025, the lowest growth since April 2021. According to MAS, the core inflation and headline inflation is forecasted at 0.5% to 1.5% for 2025, down from previous projections of 1% to 2% and 1.5% to 2.5%, respectively.

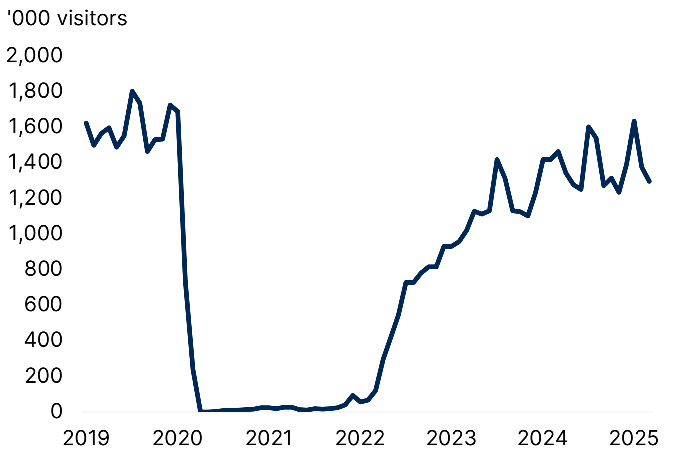
Non-oil domestic exports



Source: SingStat, ETC Research

Non-oil domestic exports (3MMA YoY) rose steadily by 4.5% in February 2025 following the 3.2% increase in January 2025. Both electronics and non-electronics products saw growth in February 2025.

International visitor arrivals



Source: SingStat, ETC Research

International Visitor Arrivals (IVA) were recorded at 4.3 million in 1Q 2025. According to STB, IVA is projected at 17 to 18.5 million in 2025 and tourism receipts is projected to be between S$29 billion and S$30.5 billion.

Investment

1Q 2025 momentum fuels bright outlook

In 1Q 2025, total investment sales in Singapore amounted to S$5.8 billion, marking an 11.6% QoQ decrease from S$6.5 billion in 4Q 2024. However, on a YoY basis, it gained 38.4% from S$4.2 billion in 1Q 2024.

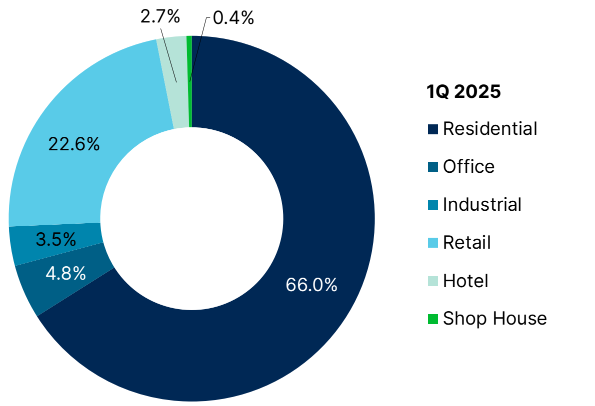
During the quarter, six Government Land Sales (GLS) sites were awarded — Dairy Farm Walk, Tengah Garden Avenue, River Valley Green (Parcel B), Bayshore Road, Media Circle (Parcel A) and Kaki Bukit — significantly contributing S$3.6 billion to total investment sales. Developers have regained confidence in the market, buoyed by strong take-up rates at recent new launches. However, they remain measured in their land acquisition strategies, mindful of rising development costs and lingering economic uncertainties.

The private sector recently experienced its first successful collective sale seeing River Valley Apartment, a freehold, four-storey walk-up block, being sold for S$56 million. The commercial market continued to show strong activity, highlighted by the landmark acquisition of Northpoint City South Wing for S$1.13 billion, announced in late March. Additionally, the hospitality sector witnessed a significant transaction with the sale of Oakwood Studio Singapore for S$153 million, demonstrating strong investor confidence in Singapore's recovering tourism industry, which is further supported by government initiatives aimed at increasing international visitor arrivals.

Outlook

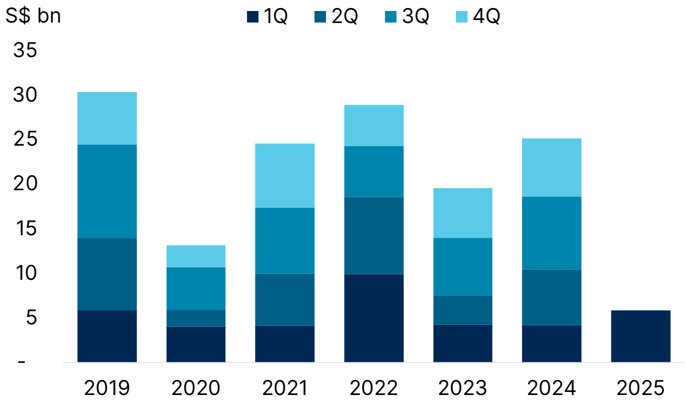
Total investment sales in Singapore's real estate market is projected to reach S$20-24 billion in 2025, driven by sustained demand and strategic opportunities. However, elevated global interest rates and stabilised, yet high borrowing costs in Singapore will continue to influence market dynamics. Rising construction and labour costs are expected to further pressure developers' margins, reinforcing their cautious approach to land acquisitions. Despite these challenges, Government Land Sales will remain a pivotal driver, with upcoming tenders for well-located residential and mixed-use sites anticipated to attract competitive bids, bolstering market activity.

Figure 1: Investment sales sectoral contribution (%)



Source: ETC Research

Figure 2: Investment sales (S$ billion)



Source: ETC Research

Table 1: Selected private investment sales transaction 1Q 2025

Development	Purchase price S$ million	Purchase price S$ psf	Purchaser	Seller
Hotel				
Oakwood Studio Singapore	153.0	N/A	Grand Prestige Land Ltd	N/A
Retail				
North Point City (South Wing)	1,133.0	N/A	Fraser Centrepoint Trust	FCL Amber & Bright Bloom Capital
Office				
Collyer Quay	92.0	N/A	Guocoland Ltd	N/A
Residential				
River Valley Apartment	56.0	N/A	Undisclosed Singapore-Based Family Office	N/A

Source: ETC Research

Office

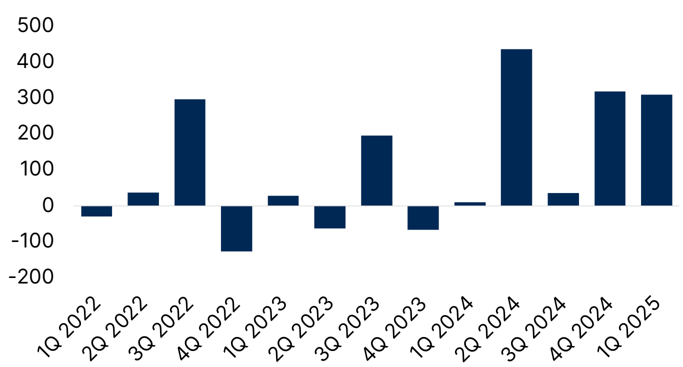
Further concentration to CBD Grade A office spaces

- Rental rates in Singapore's central region rose 0.3% QoQ in 1Q 2025, breaking its two consecutive quarters of decline.
- Island-wide office occupancy rates eased by 0.3 percentage points to 94.5% in 1Q 2025. In the CBD, occupancy slipped to 93.6% from 94.1% in 4Q 2024. In the decentralised areas, occupancy declined to 94.0% from 94.9% in 4Q 2024. This moderation in occupancy may be temporary, largely an effect of the new supply that came onstream from Keppel South Central and Paya Lebar Green during the quarter. Both developments reported pre-occupancy rates of around 30% and 25% respectively.
- Non-CBD areas, on the other hand, saw occupancy rates increase by 0.9 percentage points to 96.7%, due to the take-up of office spaces in the City Hall/Bugis and the Bras Basah areas.
- Island-wide net absorption rose to a robust 518,000 sq ft (NLA) in 1Q 2025, indicating the market's resilient underlying demand. In the CBD, net absorption reached a healthy 214,000 sq ft, on the back of the 192,000 sq ft of office space from Keppel South Central, as occupiers continued to show a clear preference for premium and Grade A office spaces. In the non-CBD markets, net absorption also strengthened, rising by 146,000 sq ft, led by strong take-up in the City Hall/Bugis area and Bras Basah, which recorded 90,000 sq ft and 41,000 sq ft, respectively.
- Despite the Paya Lebar Green coming on stream, the decentralised areas saw a negative net absorption of 35,000 sq ft in 1Q 2025, with Alexandra area seeing 70,000 sq ft of office spaces being given up, offset by a take up of 49,000 sq ft in Jurong.
- Shadow space saw its first decline after four quarters of consecutive increase, falling 14.4% QoQ to 373,000 sq ft in 1Q 2025. The decrease in shadow space is attributed to the take up of CBD area office spaces, underscoring a preference for corporate offices in central locations.

Outlook

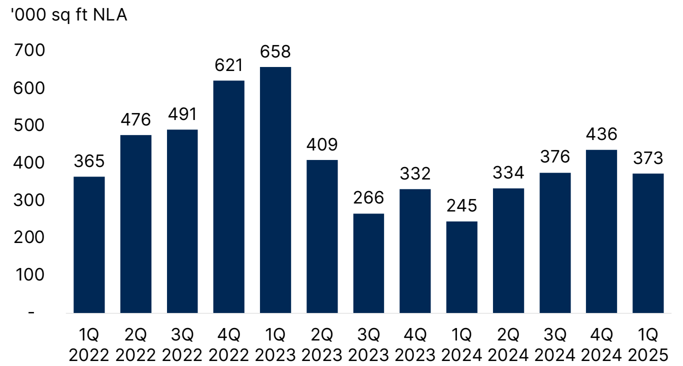
- In 2025, rental growth for CBD premium and Grade A office spaces is expected to see a modest increase, supported by a limited new supply pipeline — with only Shaw Tower and Newport Tower anticipated to achieve TOP by late 2025. Demand is also reinforced by tenants repositioning toward higher-grade offices. Emerging downside risks, stemming trade tensions and tariff uncertainties, could weigh on the outlook.

Figure 3: CBD Premium and Grade A office net absorption



Source: ETC Research

Figure 4: Shadow space (NLA)



Source: ETC Research

Table 2: Selected office supply pipeline

	Selected major upcoming developments	NLA '000 sq ft		Total '000 sq ft
2025	Shaw Tower Redevelopment	381	**381**	**1,358**
2026	Newport Tower	263	**263**	
2027	Clifford Centre Redevelopment	409	**714**	
	Solitaire on Cecil	173		
	UE Bizhub Tower Redevelopment	132		

Source: ETC Research

Table 3: Average office rents and occupancy rates

Selected CBD micro-markets	4Q 2024 psf	1Q 2025 psf	QoQ	Occupancy rate
Marina Bay (Premium)	S$12.90	S$12.90	0.0%	94.3%
Raffles Place (Grade A)	S$10.55	S$10.55	0.0%	95.3%
Shenton Way/Robinson Road/ Tanjong Pagar (Grade A)	S$9.00	S$9.00	0.0%	84.9%

Source: ETC Research

Industrial

Manufacturing sector drives industrial property price growth

- Singapore's PMI fell to 50.6 in March 2025, down from the 51.1 in December 2024. Similarly, the electronics PMI fell further to 50.9 from 51.4 during the same period. Despite the decline, the PMI and electronics PMI readings continue to remain positive.

- Industrial property prices rose 1.5% QoQ in 1Q 2025, following a 2.0% increase in 4Q 2024. The growth was driven by a 1.9% rise in multiple-user factory prices, while single-user factories witnessed a more modest 0.4% gain.

- Island-wide occupancy remained stable at 89.0% in 1Q 2025. Multiple-user factories saw a 0.3 percentage point increase to 91.3%, while occupancy rates in warehouse/logistics and business parks declined by 1.0 percentage point to 90.5% and 2.0 percentage points to 75.9%, respectively.

- The decline in business park occupancy was mainly due to the full completion of Punggol Digital District and Geneo at 1 Science Park Drive. These projects collectively added approximately 1.3 million sq ft of net lettable area (NLA) and contributed to a net absorption of approximately 450,000 sq ft NLA for the segment.

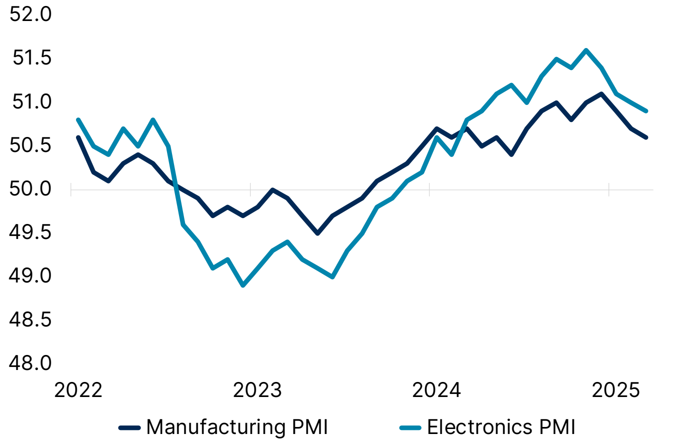
- Rental rates for the warehouse/logistics segment rose 0.3% to S$1.88 per sq ft, while the multiple-user factories and central region Business Parks and Hi-tech industrial spaces remain unchanged.

Outlook

- About 6.4 million sq ft of new industrial space is expected over the next three quarters, with warehouses, multiple-user factories, and business parks making up 32%, 29% and 10% of the supply respectively.

- Manufacturing output rose 5.8% YoY in March 2025, supported by a 4.0% increase on a three-month moving average basis. While the outlook points to sustained industrial activity, rental performance will hinge on the market's ability to absorb the upcoming supply.

Figure 5: Manufacturing & electronics PMI



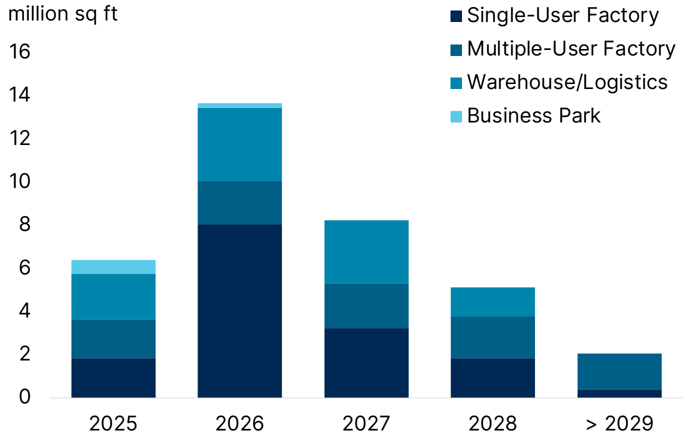
Source: SIPMM, ETC Research

Table 4: Industrial rents

Selected industrial micro-markets	4Q 2024 psf	1Q 2025 psf	QoQ
First-storey multiple-user factory	S$2.09	S$2.09	0.0%
Hi-tech industrial space	S$3.47	S$3.47	0.0%
Warehouse/logistics	S$1.87	S$1.88	0.3%
Business park (Central Region)	S$5.35	S$5.35	0.0%

Source: ETC Research

Figure 6: Industrial supply pipeline (NLA)



Source: ETC Research

Prime retail rents climb despite softening occupancy

■

In 1Q 2025, international visitor arrivals held steady at 4.3 million, unchanged from 1Q 2024. This aligns with the Singapore Tourism Board's full-year 2025 forecast of 17 to 18.5 million visitors. The tourism sector continues to exhibit a robust recovery, with figures in the early part of the year signalling a return to pre-pandemic levels.

■

In 1Q 2025, Singapore's island-wide retail occupancy rate fell to 93.2% from 93.8% in 4Q 2024, with central area retail spaces seeing the most significant declines, as leasing demand turned more selective amid shifting consumer preference within the Food and Beverage sector. Orchard/ Scotts Road occupancy rate recorded a slight QoQ decrease to 93.2% from 93.7% in 4Q 2024, while the Other City Area decreased to 92.5% from 93.2%. Meanwhile, Fringe/ Suburban Area experienced a minor QoQ decline from 94.1% to 93.5%, demonstrating resilient demand.

■

In 1Q 2025, prime first-storey rental rates on Orchard/Scotts Road increased by 0.5% to S$41.40 per sq ft reflecting strong demand from selective retailers targeting high-visibility, premium malls amid recovering tourist arrivals of 4.3 million. Fringe/Suburban retail markets saw rental rates rise to S$34.35 per sq ft due to robust local demand, limited new retail supply, and the appeal of well-managed malls with high footfall. Rental rates in Other City Areas remained stable at S$19.40 per sq ft, benefiting from steady demand for cost-effective spaces, though growth is tempered by competition from suburban hubs and cautious consumer spending.

■

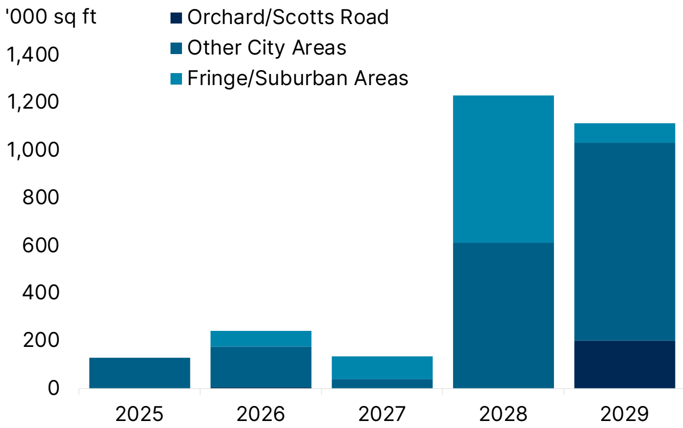
In the first quarter of 2025, several projects with significant retail components were completed. Notable among these is The Cathay, a mixed-use development that features 168,000 sq ft of retail space. Additionally, the redeveloped Grand Hyatt Hotel Singapore introduced new retail spaces during the same period.

Table 5: Retail prime rental rents

Region	Floor	4Q 2024 psf	1Q 2025 psf	QoQ
Orchard/ Scotts Road	First storey	S$41.20	S$41.40	0.5%
	Upper storey	S$15.45	S$15.50	0.3%
Other city areas	First storey	S$19.40	S$19.40	0.0%
	Upper storey	S$8.65	S$8.65	0.0%
Fringe/ suburban areas	First storey	S$34.20	S$34.35	0.4%
	Upper storey	S$18.20	S$18.30	0.5%

Source: ETC Research

Figure 7: Retail supply pipeline (NLA)



Source: URA, ETC Research

Table 6: Selected retail pipeline

	Selected major upcoming developments	NLA '000 sq ft	Total
2025	Movenpick Singapore	27	128
	Shaw Tower Redevelopment	11	
	Canninghill Square	90	
2026	Resort World Sentosa Expansion	160	165
	ParkRoyal Collection Faber House	5	
2027	Clifford Centre Redevelopment	34.5	88
	Chill @ Chong Pang	53	
2028	Harbourfront Centre Redevelopment	316	408
	Marina Bay Sands Expansions	92	
2029	Marina Square Redevelopment	660	747
	Golden Mile Complex Redevelopment	87	

Source: URA, ETC Research

Outlook

■

While the retail sector continues to grapple with inflation-driven rises in construction, labour, and operating costs—factors that may lead to upward pressure on rents and challenge cost-sensitive retailers—the outlook remains promising. A robust line-up of MICE events and concerts is set to fuel the tourism rebound, which is expected to drive stronger footfall and bolster demand for prime retail spaces.

Residential

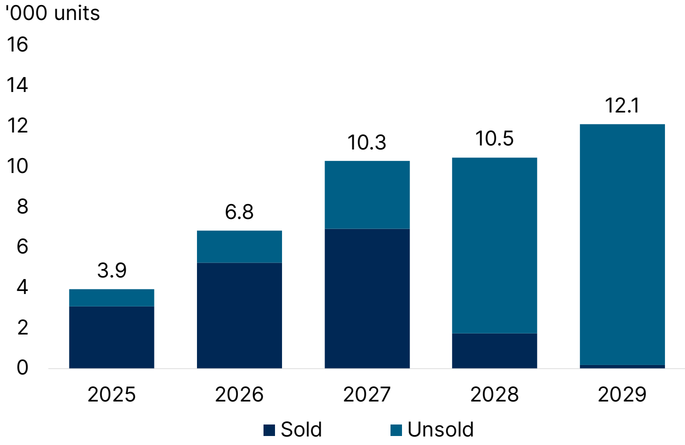
Price growth moderates as demand and supply balances

- The residential price index rose 0.8% in 1Q 2025, recording a second consecutive price increase, albeit at a more moderate pace compared to the 2.3% recorded in 4Q 2024.
- The landed segment saw an increase of 0.4% in 1Q 2025, reversing the 0.1% decline in 4Q 2024. Meanwhile, the non-landed property price index rose 1.0% QoQ in 1Q 2025, moderating from the 3.0% QoQ recorded in 4Q 2024.
- In the non-landed segment, all regions showed a moderation in price growth even as demand remained healthy. CCR non-landed properties recorded a 0.8% QoQ growth, extending the 2.6% QoQ growth in 4Q 2024 albeit at a more moderate pace. The RCR non-landed properties grew the most at 1.7% QoQ in 1Q 2025, recording a fifth consecutive quarter growth. Meanwhile, OCR non-landed properties grew 0.3% QoQ in 1Q 2025. Growth rates in all three regions were recorded between 2.6% to 3.3% for 4Q 2024.
- Transaction volume was recorded at 7,261 units in 1Q 2025, a 1.3% QoQ decrease from the 7,433 units in 4Q 2024. Primary sale transactions, which recorded 3,375 units in 1Q 2025, were recorded as the second-highest quarterly new sales performance in the last three years. Due to the increased primary sale transactions, the secondary sale market's performance was more muted, recording 3,886 units in 1Q 2025, down 3.2% from 4,013 units in 4Q 2024.
- In the rental market, the overall rental index rose 0.4% in 1Q 2025, showing stability with price changes within a 1% variance in the last four quarters. Rental transaction volume in 1Q 2025 rose 2.2% to 20,409 transactions, showing sustained and stable demand for residential rental units.

Outlook

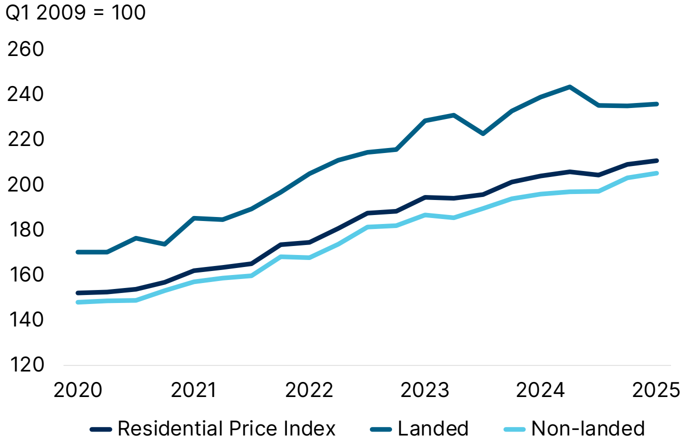
- With the residential market largely driven by domestic purchasers, buyer sentiment is expected to remain favourable in 2025. At the same time, the residential property price index is anticipated to moderate, as overall housing supply rises with the ramp-up of Government Land Sales — a trend that should help support market stability and sustain healthy transaction activity.
- In the rental market, downward pressure on rents is expected to ease, supported by a more moderate supply pipeline. Around 4,000 private residential units are scheduled for completion over the rest of 2025, bringing total completions for the year to approximately 5,900 units — a healthy adjustment from the 8,500 units delivered in 2024, which should help stabilise rental conditions.

Figure 8: Residential supply pipeline



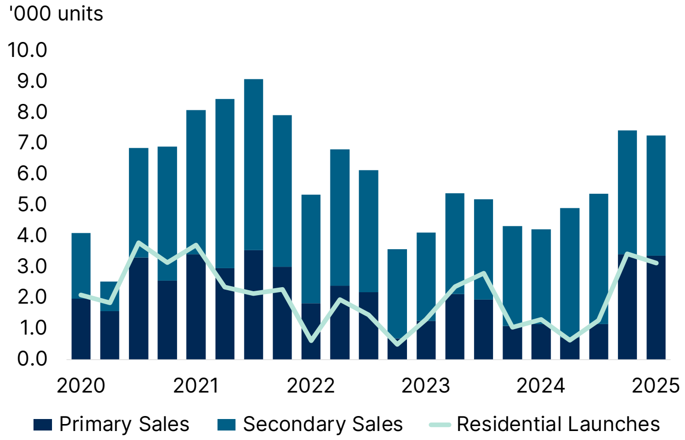
Source: URA

Figure 9: Property price index



Source: URA

Figure 10: Residential sales and launch volume



Source: URA, ETC Research

Contacts

Desmond Sim
Chief Executive Officer
+65 6393 2366
desmond.sim@etcsea.com

Professional services

Asset & Portfolio Management

Jaqueline Choo
Asset Manager
+65 6393 2503
jaqueline.choo@etcsea.com

Hospitality

Kwok Sai Kuai
Executive Director
+65 6417 9229
saikuai.kwok@etcsea.com

Tay Hock Soon
Senior Director
+65 6887 0088
tayhs@treetops.com.sg

Property Management

Kwok Sai Kuai
Executive Director
Regional Head of
Property Management
+65 6417 9229
saikuai.kwok@etcsea.com

Paul Wong
Senior Director
+65 6417 9225
paul.wong@etcsea.com

Property Tax Advisory & Statutory Valuation

Ng Poh Chue
Executive Director
+65 6393 2515
pohchue.ng@etcsea.com

Research & Consulting

Desmond Sim
Chief Executive Officer
+65 6393 2366
desmond.sim@etcsea.com

Valuation Advisory

Alden Cheong
Executive Director
+65 6393 2517
alden.cheong@etcsea.com

Low Cherng Chiat
Executive Director
+65 6393 2353
cherngchiat.low@etcsea.com

Poh Kwee Eng
Executive Director
Regional Head of
Valuation Advisory
+65 6393 2312
kweeeng.poh@etcsea.com

Nicholas Cheng
Executive Director
+65 6393 2317
nicholas.cheng@etcsea.com

Agency services

Auction & Sales

Joy Tan
Executive Director
+65 6393 2505
joy.tan@etcsea.com

Business Space & Retail

Chua Wei Lin
Executive Director
Regional Head of
Business Space
+65 6393 2326
weilin.chua@etcsea.com

China Desk

Desmond Sim
Chief Executive Officer
+65 6393 2366
desmond.sim@etcsea.com

Investment Advisory

Poh Kwee Eng
Executive Director
+65 6393 2312
kweeeng.poh@etcsea.com

Swee Shou Fern
Executive Director
+65 6393 2523
shoufern.swee@etcsea.com

Residential

Joe Leow
Senior Director
+65 6393 2363
joe.leow@etcsea.com

Regional offices

Malaysia

Eddy Wong
Managing Director
+603 2024 6380
eddy.wong@ntl.my

Thailand

Punnee Sritanyalucksana
Chief Operating Officer
+66 2257 0499 ext 101
punnee.s@etcthailand.co.th

Editor:

Saleha Yusoff
Executive Director
Regional Head of
Research & Consulting
+603 2161 7228 ext 302
saleha.yusoff@etcsea.com

Authors:

Kenneth Wong
Assistant Manager
Research & Consulting
+65 6393 2382
kenneth.wong@etcsea.com

Chow Jia Yi
Senior Research Analyst
Research & Consulting
+65 6393 2372
jiayi.chow@etcsea.com

For more information, please contact us at **research.sg@etcsea.com**.

Edmund Tie & Company (SEA) Pte Ltd
5 Shenton Way #13-05 UIC Building Singapore 068808
T. +65 6293 3228 | F. +65 6298 9328 | E. mail.sg@etcsea.com | Please visit **www.etcsea.com** and follow us on