

REAL ESTATE SENTIMENT INDEX

3rd Quarter 2025

About Real Estate Sentiment Index (RESI)

With effect from 1Q 2020, National University of Singapore (NUS) Real Estate (NUS+RE), which collectively represents Department of Real Estate (DRE) and Institute of Real Estate and Urban Studies (IREUS) at NUS, will independently publish the Real Estate Sentiment Index (RESI) to provide an alternative measure of the private real estate market performance. The data collection, analysis and reporting will be independently conducted by NUS+RE. *[Note: The index jointly developed by NUS Real Estate and the Real Estate Developers' Association of Singapore (REDAS) was first introduced in 2010.]*

The quarterly structured questionnaire survey is based on the sentiments of senior executives of real estate firms. RESI measures the perceptions and expectations of real estate development and market conditions in Singapore. RESI comprises a Current Sentiment Index and a Future Sentiment Index, tracking changes in sentiments over the past and the next 6 months respectively, and a Composite Sentiment Index which is the derived indicator for the current overall market sentiment. RESI scores range from 0 to 10, reflecting the extent of pessimism or optimism of the survey respondents. A “net balance percentage” approach is adopted to derive the scores for key determinants of the real estate market sentiment.



National University of Singapore
Institute of Real Estate and Urban Studies / Department
of Real Estate
3 Research Link, Innovation 4.0
Singapore 117602
URL: <https://ireus.nus.edu.sg/>
Tel: 6516 8288 | Fax: 6774 1003

3rd Quarter

2025

REAL ESTATE SENTIMENT INDEX

3rd Quarter 2025

A confluence of factors – including a better-than-expected performance by the domestic economy as well as a rate cut by the US Federal Reserve – has buoyed sentiment across all our indices. Notably, a positive score on the future sentiment index suggests that survey respondents were sanguine about the cost of credit and capital in the near future.

Professor Qian Wenlan

How would you compare the conditions of the overall Singapore real estate market (commercial, residential, hospitality etc.) over the time periods indicated?

Current Sentiment Index#:

The Current Sentiment Index increased from 5.7 in 2Q 2025 to 6.1 in 3Q 2025.

Future Sentiment Index#:

The Future Sentiment Index increased from 5.7 last quarter to 6.0 in 3Q 2025.

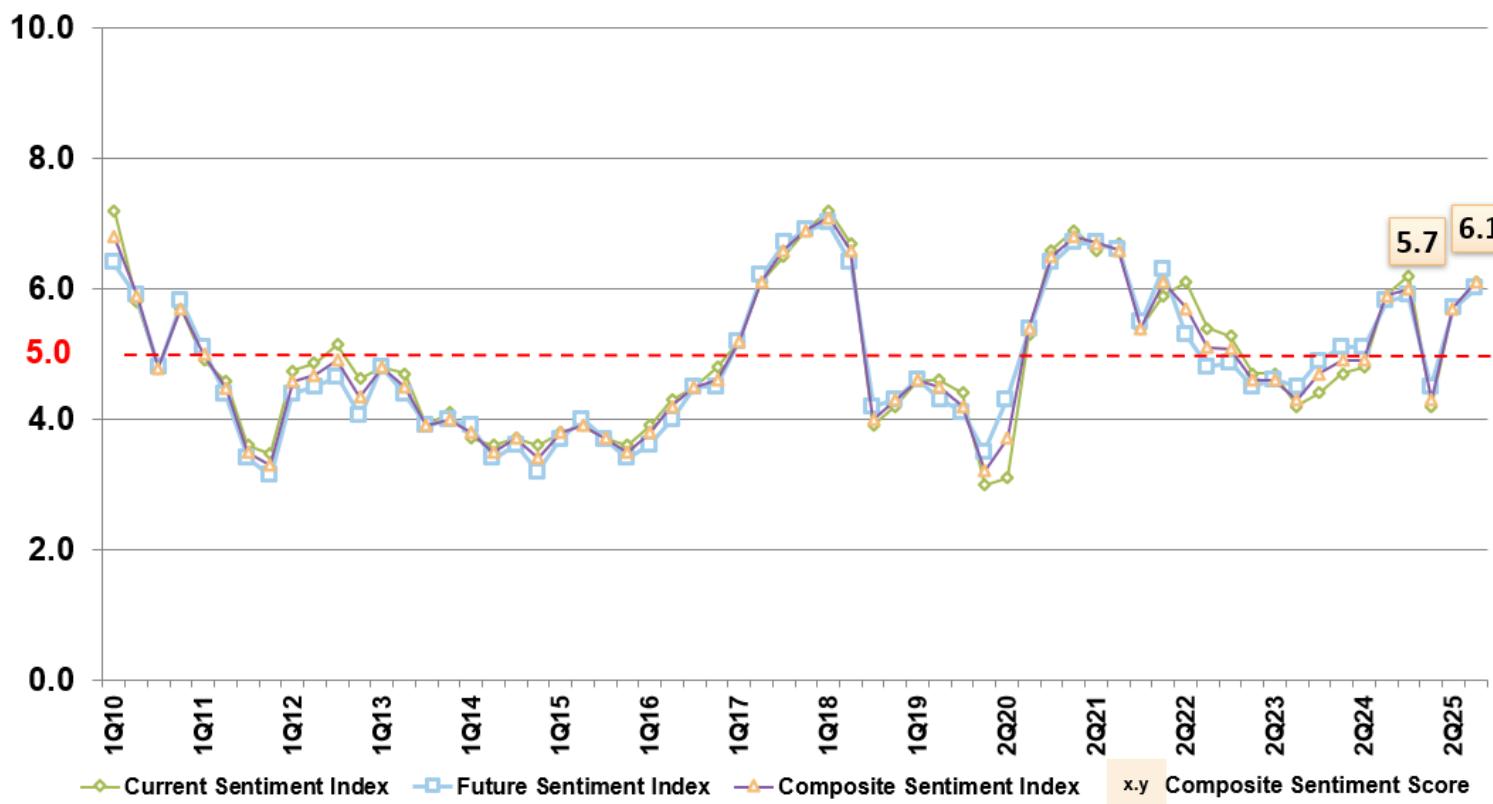
Composite Sentiment Index#:

The Composite Sentiment Index score increased from 5.7 in 2Q 2025 to 6.1 this quarter.

Market sentiments were supported by the domestic economy, which performed better than expected, as well as rate cuts by the US Federal Reserve in late October 2025.

Exhibit 1: Real Estate Sentiment Index (1Q 2010 – 3Q 2025)

**Composite Sentiment Index
(1Q 2010 - 3Q 2025)**



Source: NUS Real Estate

REAL ESTATE SENTIMENT INDEX

3rd Quarter 2025

How would you rate the general performance (rental, price, occupancy, purchases etc.) of the sectors over the time periods shown?

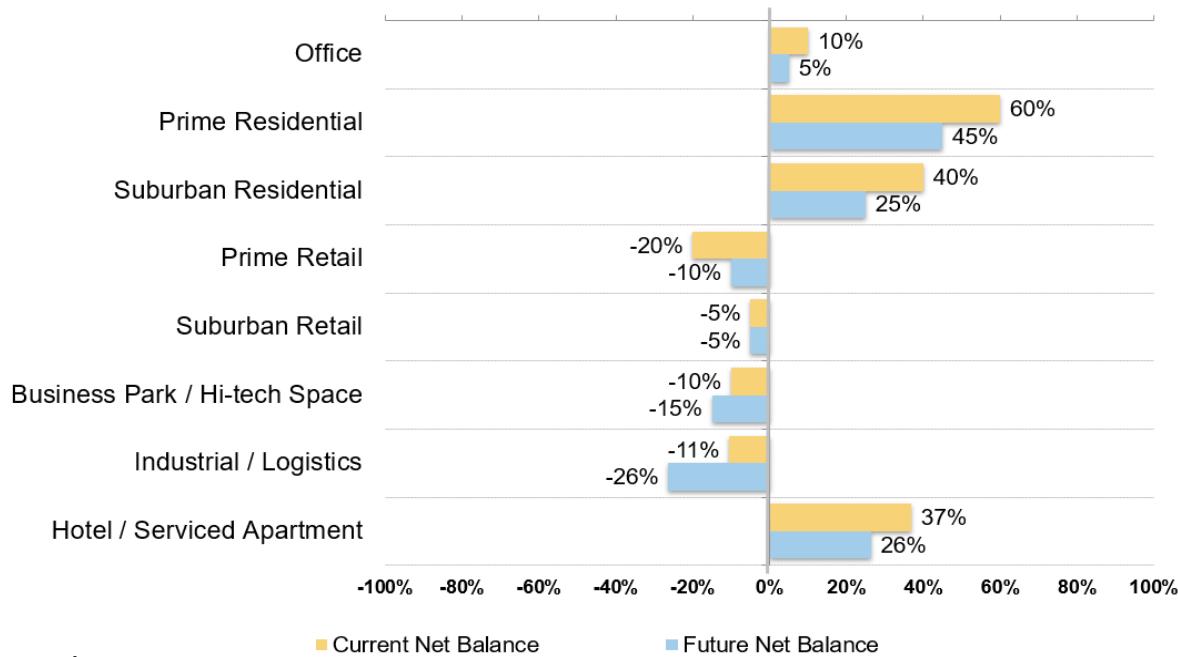
Current net balance

Office, Prime Residential, Suburban Residential and Hotel/Serviced Apartment sectors had positive current net balances with Prime Residential staying at the top of the chart at +60% while Suburban Residential followed at +40% and Hotel/Serviced Apartment at +37%. Office had a positive current net balance of +10%. Suburban Retail fell slightly from -4% last quarter to -5% this quarter while Business Park/Hi-tech Space increased from -31% last quarter to -10% this quarter. Industrial/Logistics had a current net balance of -11%, decreasing from -8% in 2Q 2025. Prime Retail increased to -20% this quarter from -23% last quarter.

Future net balance

Similarly, Office, Prime Residential, Suburban Residential and Hotel/Serviced Apartment sectors also had positive future net balances. Prime Residential topped the chart at +45%, increasing from +23% last quarter. Hotel/Serviced Apartment ranked second at +26%, increasing from +8% in 2Q 2025. Suburban Residential followed at +25%. Office had a future net balance of +5% while Suburban Retail fell from +4% last quarter to -5% in this quarter. Prime Retail also fell slightly from -8% to -10% this quarter. Business Park/Hi-tech Space decreased from -12% in 2Q 2025 to -15%. Lastly, Industrial/Logistics also decreased from -4% to -26% this quarter.

Exhibit 2: Real Estate Market Performance



Source: NUS Real Estate

"More favourable economic and interest rate conditions, still-strong household liquidity, tight employment market, and flight-to-safety dynamics continue to support the private residential market."

- Comments from Survey Respondents

REAL ESTATE SENTIMENT INDEX

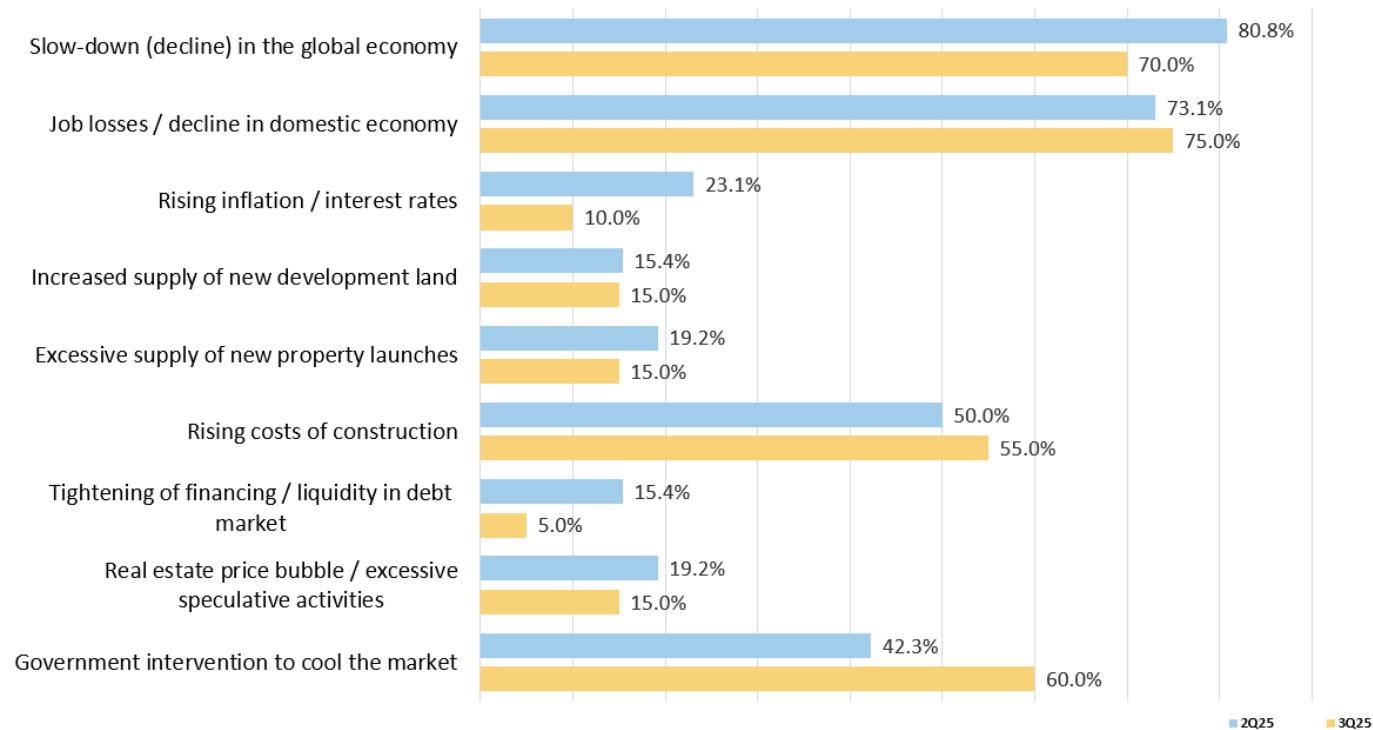
3rd Quarter 2025

Do you foresee any potential risks that may adversely impact on market sentiment in the next 6 months?

Job losses/decline in the domestic economy was the top potential risk that may adversely impact sentiments over the next six months, with 75.0% of respondents indicating so in the 3Q 2025 survey, increasing from 73.1% in 2Q 2025. Slow-down (decline) in the global economy followed with 70.0% of respondents indicating so, but decreasing from 80.8% last quarter. Government intervention to cool the market garnered concerns from 60.0%, continuing its upwards trajectory from last quarter's 42.3%. 55.0% expressed concerns regarding rising costs of construction.

Increased supply of new development land, excessive supply of new property launches and the risk of a real estate price bubble respectively garnered concern from 15.0% of respondents. 10.0% of respondents raised concerns over rising inflation/interest rates, decreasing from 23.1% last quarter. 5.0% of respondents expressed concerns regarding the tightening of financing/liquidity in the debt market, decreasing from 15.4% last quarter.

Exhibit 3: Potential Risks



Source: NUS Real Estate

REAL ESTATE SENTIMENT INDEX

3rd Quarter 2025
What are your expectations regarding the number of new residential units to be launched in the next six months?

70.0% of developers expected a moderately higher number of units to be launched in the next six months, increasing from 56.2% last quarter. 20.0% expected the number of unit launches to remain relatively constant, a decrease from last quarter's 37.5%. 10.0% expected a substantially lower number of launches in this quarter.

What are your expectations on the pricing of new residential launches in the next six months?

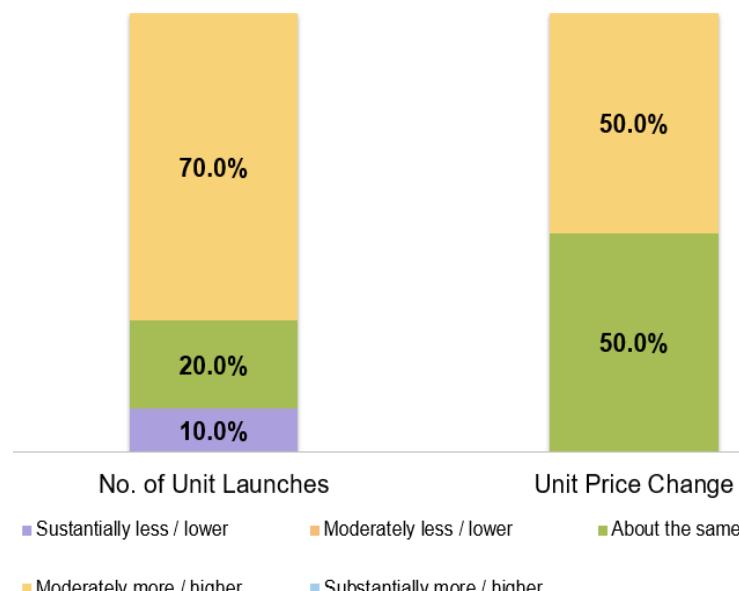
50.0% of the developers expected unit prices of new launches in the next six months to be moderately higher, increasing from 43.7% in 2Q 2025. On the other hand, 50.0% expected new launch prices to remain at the same price level, remaining constant from last quarter.

What is your level of concern on development cost over the next six months?

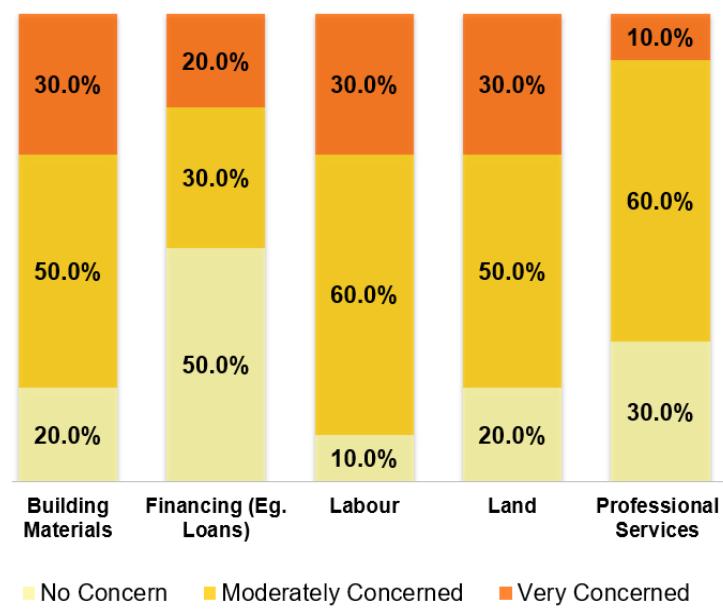
Labour costs was the top concern, with 90.0% of developers expressing concern. 80.0% were concerned about both building materials and labour costs, while 70.0% of developers were concerned about the cost of professional services. 50.0% indicated concerns regarding financing.

"Selected projects with attractive attributes and where there is pent-up demand due to the lack of new launches in the micro-market for some time could potentially command higher price points. Otherwise, developers are likely to adopt a sensitive pricing strategy to drive sales."

- Comments from Survey Respondents

Exhibit 4: Residential Launches & Prices
Unit Launches & Price Change (Developers)


Source: NUS Real Estate

Exhibit 5: Level of concern relating to development costs
Development Cost (Developers)


■ No Concern ■ Moderately Concerned ■ Very Concerned

Source: NUS Real Estate

For enquiries, please contact:

Ng Xi Min

Research Assistant

ximin.ng@nus.edu.sg

Wong Wei Chen

Manager

weichen@nus.edu.sg

Qian Wenlan

Director, Institute of Real Estate
and Urban Studies

Ng Teng Fong Chair Professor in
Real Estate,

Professor of Finance and Real
Estate

wenlan.qian@nus.edu.sg

Explanatory Note

The RESI is an objective and comprehensive measurement specifically gauging the confidence of senior executives in the Singapore real estate and development industry. The survey measures respondents' perceptions and expectations of current and future real estate market conditions. Respondents assess relative market conditions between now and in the past six months, as well as their expectations for the next six months. A standard format questionnaire is mailed out electronically to industry experts. Respondents include developers, consultants, financial institutions, professional firms, and service providers. The survey is thus representative of the overall Singapore real estate industry. The survey is conducted quarterly, in March, June, September, and December.

A "net balance percentage" is used to indicate the overall direction of change in sentiment. This is the difference between the proportion of respondents who have selected the positive options ("better" and "increase") and the proportion of respondents who have selected the negative options ("worse" and "decrease"). A "+" sign in the scores denotes a net positive sentiment (optimism), and a "-" sign indicates a net negative sentiment (pessimism). The derived net balance scores are not weighted by the size of the respondents' business.

About NUS Real Estate (NUS+RE)

The NUS Real Estate (NUS+RE) collectively represents Department of Real Estate (DRE) and Institute of Real Estate and Urban Studies (IREUS), at NUS.

Department of Real Estate (DRE) established in 1969 is part of the School of Design and Environment. With the mission to develop leaders and advance knowledge for the global real estate industry. DRE offers broad-based real estate education covering the areas of real estate investment and finance, urban planning and urban economics DRE has strong links with the local real estate industry and public agencies, and it has been in the business of producing industry leaders for the real estate industry in Singapore and beyond for more than 50 years.

'Institute of Real Estate Studies (IRES)' was established on 1 June 2006 as a university-level research institute with the mission to advance multidisciplinary research in real estate and urban fields. The Institute has been renamed as the **Institute of Real Estate and Urban Studies (IREUS)** with effect from 9 March 2018. The adding of 'Urban' to the institute's name appropriately reflects the realities of the Institute's multi-disciplinary nature. It underscores the importance of staying relevant to our changing urban environment. The Institute promotes multidisciplinary collaboration and high-impact research on broad real estate issues in relation to, amongst others, finance, economics, urban development, wealth accumulation, demography, and environmental policies.

© 2025 National University of Singapore (NUS)

All rights reserved. The information presented is of a general nature only and is not intended for any particular individual. No consideration has been given to the individual investment objectives, financial situation and particular needs of any person and investors should independently assess whether the advice is appropriate to their own circumstances. Whilst every effort has been made to ensure its accuracy the information is taken from sources considered to be reliable, we do not represent, warrant or guarantee, expressly or impliedly, that it contains no factual errors. No part of this report may be reproduced in any form without prior permission of Real Estate Developers' Association of Singapore (REDAS) & National University of Singapore (NUS).