NUS-Real Estate

REAL ESTATE SENTIMENT INDEX

1st Quarter 2026

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 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.

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The ongoing crisis in the Middle East – with its cascading effects on surging energy costs, persistent inflation, and elevated interest rates – has dampened property sentiment here in Singapore. While the residential sector shows structural resilience, macro headwinds are clearly weighing on broader commercial and industrial segments.

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 decreased from 6.1 in 4Q 2025 to 4.9 in 1Q 2026.

Future Sentiment Index#:

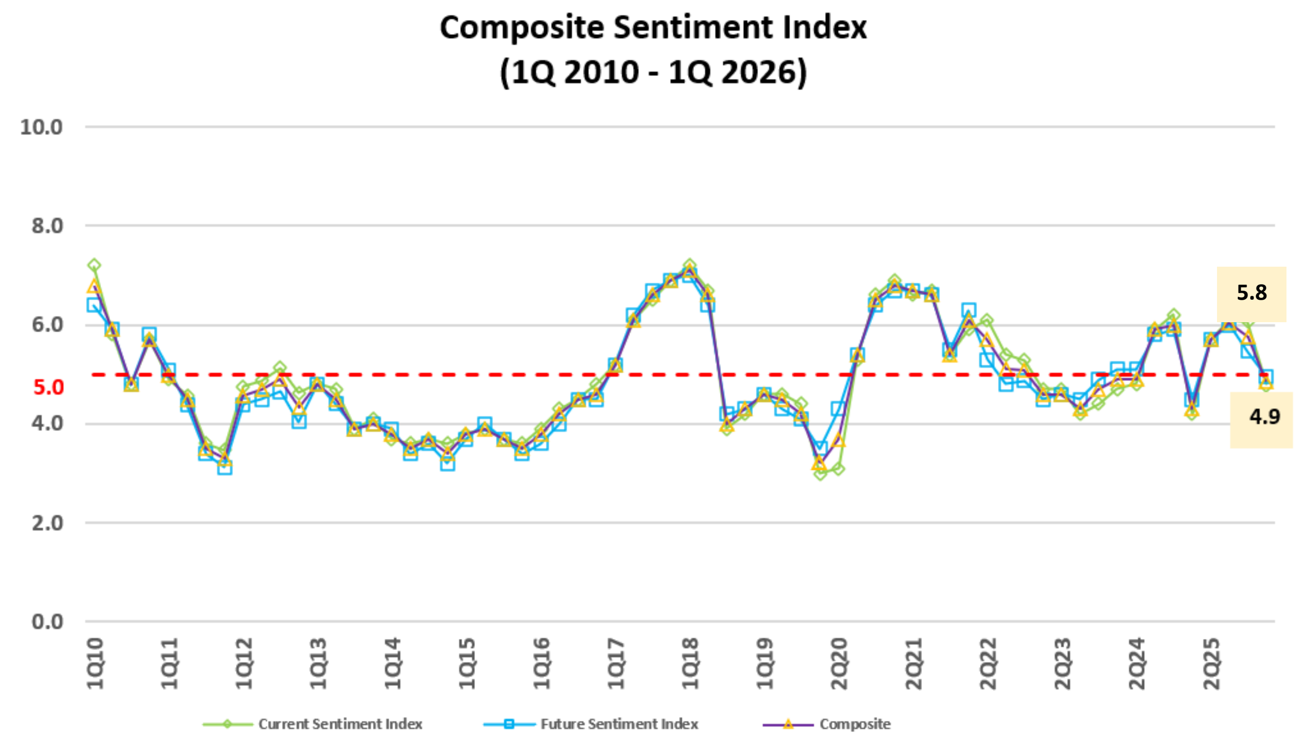
The Future Sentiment Index decreased from 5.5 in 4Q 2025 to 5.0 in 1Q 2026.

Composite Sentiment Index#:

The Composite Sentiment Index score decreased from 5.8 in 4Q 2025 to 4.9 in 1Q 2026.

Market sentiments have declined significantly from last quarter.

Exhibit 1: Real Estate Sentiment Index (1Q 2010 – 1Q 2026)



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

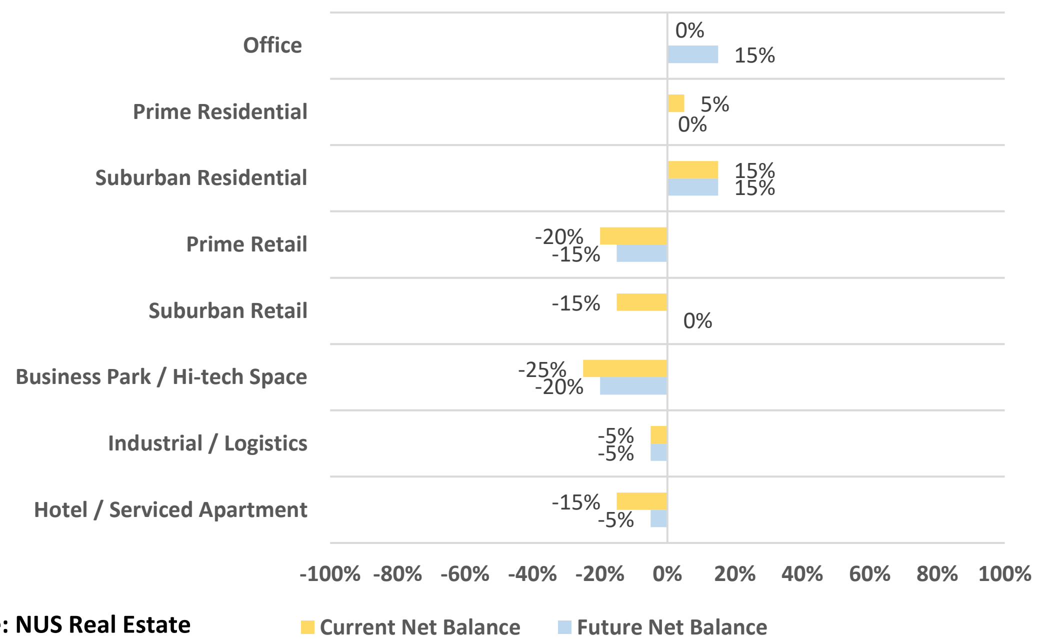
Current net balance

Prime Residential and Suburban Residential had positive current net balances of +5% and +15% respectively. However, the other sectors, namely Prime Retail, Suburban Retail, Business Park / Hi-tech Space, Industrial / Logistics and Hotel / Serviced Apartment had negative current net balances. Business Park / Hi-tech Space ranked last at -25%, followed by Prime Retail at -20%. On the other hand, Industrial / Logistics rated -5%. Suburban Retail declined from +12% in 4Q 2025 to -15% while Hotel / Serviced Apartment fell to -15% from 6% previously. Office declined from +12% last quarter to nil this quarter.

Future net balance

Office and Suburban Residential had positive future net balances of +15%. Office decreased from +24% while Suburban Residential decreased from +18% in last quarter. Prime Residential and Suburban Retail had nil future net balances. Prime Retail declined slightly from -12% in 4Q 2025 to -15%. Business Park / Hi-tech Space and Industrial / Logistics had balances of -20% and -5% respectively. Hotel / Serviced Apartment decreased from +6% in previous quarter to -5%.

Exhibit 2: Real Estate Market Performance



Source: NUS Real Estate

"Materials' cost may increase due to ME crisis."

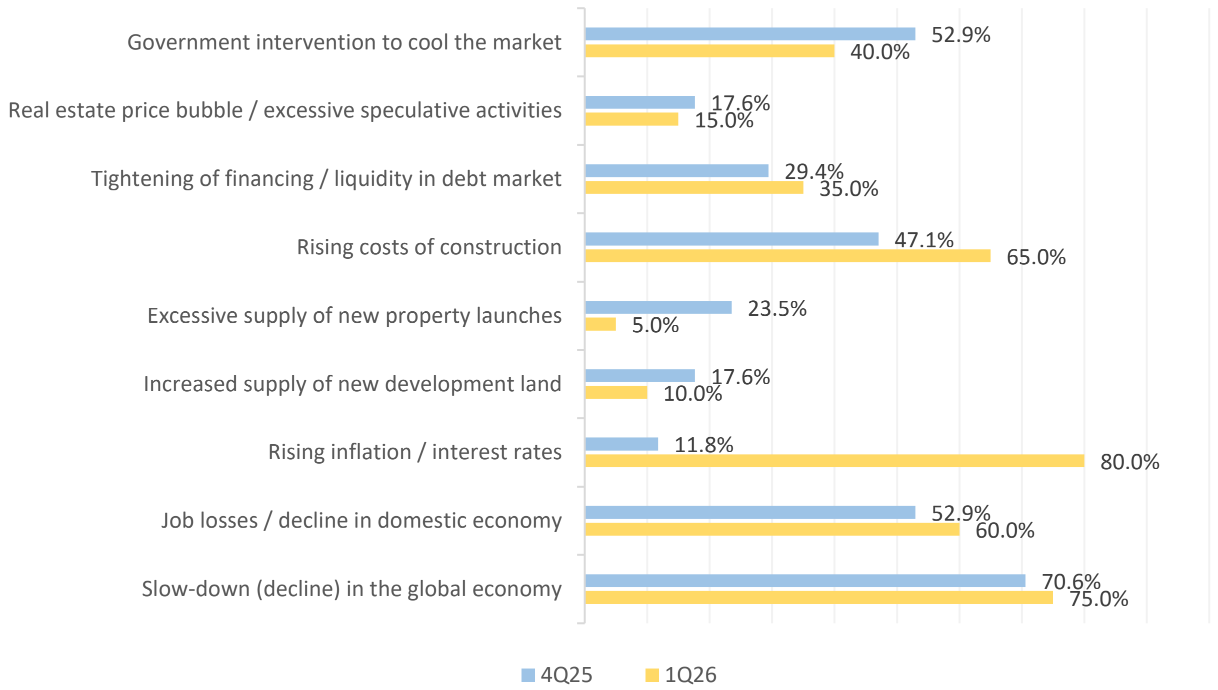
- Comments from Survey Respondents

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

Rising inflation / interest rates was the top potential risk that may adversely impact sentiments, with 80.0% of respondents indicating so in the 1Q 2026 survey, increasing significantly from 11.8% in 4Q 2025. Slow-down (decline) in the global economy followed with 75.0% of respondents indicating so, increasing by about 4% from the last quarter. Rising costs of construction, job losses / decline in the domestic economy and tightening of financing / liquidity in the debt market also garnered concerns. Rising costs of construction responses increased from 47.1% in 4Q 2025 to 65.0%. 60.0% of respondents raised concerns over job losses / decline in the domestic economy. Government intervention to cool the market garnered 40.0% of respondents indicating concerns.

Compared to 4Q 2025, a significantly lower proportion of respondents expressed concerns for excessive supply of new property launches and increased supply of new development land. Real estate price bubble / excessive speculative activities concerns decreased slightly to 15.0%.

Exhibit 3: Potential Risks



Source: NUS Real Estate

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

60.0% of developers expected about the same number of new launches, decreasing from 80.0% last quarter. 20% of developers expected a moderately lower number while the rest equally expected substantially lower and moderately higher number of launches.

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

50.0% of developers expected moderately higher unit prices of new residential launches in the next six months, similar to last quarter. A lower proportion of 40.0% expected about the same unit prices, compared to 50% of developers in 4Q 2025.

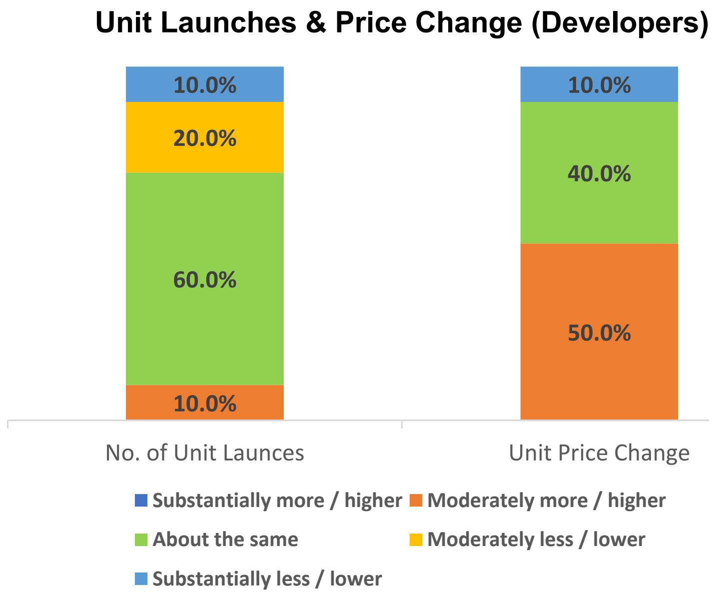
What is your level of concern on development cost over the next six months?

90.0% of developers were concerned about building materials, similar to 4Q 2025. Land cost was also a major concern, with 90% of developers expressing so, although none were very concerned. 60.0% were concerned about financing, up from 50.0% last quarter. 30% were concerned about professional services while 30.0% indicated no concerns regarding labour.

"The Middle East crisis is weighing heavily on the market because of its impact on energy costs and procurement challenges, among other issues."

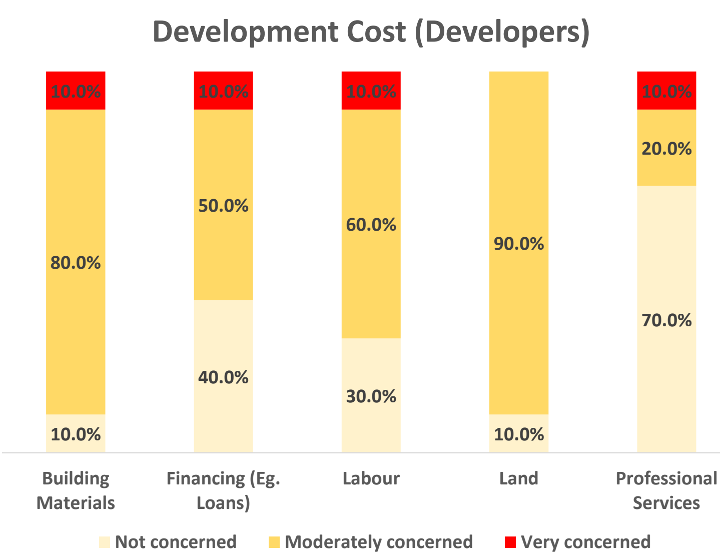
- Comments from Survey Respondents

Exhibit 4: Residential Launches & Prices



Source: NUS Real Estate

Exhibit 5: Level of concern relating to development costs



Source: NUS Real Estate

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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.