

# REAL ESTATE SENTIMENT INDEX

2<sup>nd</sup> 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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2<sup>nd</sup> Quarter

2026

*Amid a more sanguine economic outlook propped up by a better-than-expected performance in 1H 2026, sentiment has improved across the board, with commercial space — including office, business parks, and industrial/logistics — contributing significantly to the rebound.*

*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 4.9 in 1Q 2026 to 5.6 in 2Q 2026.

**Future Sentiment Index#:**

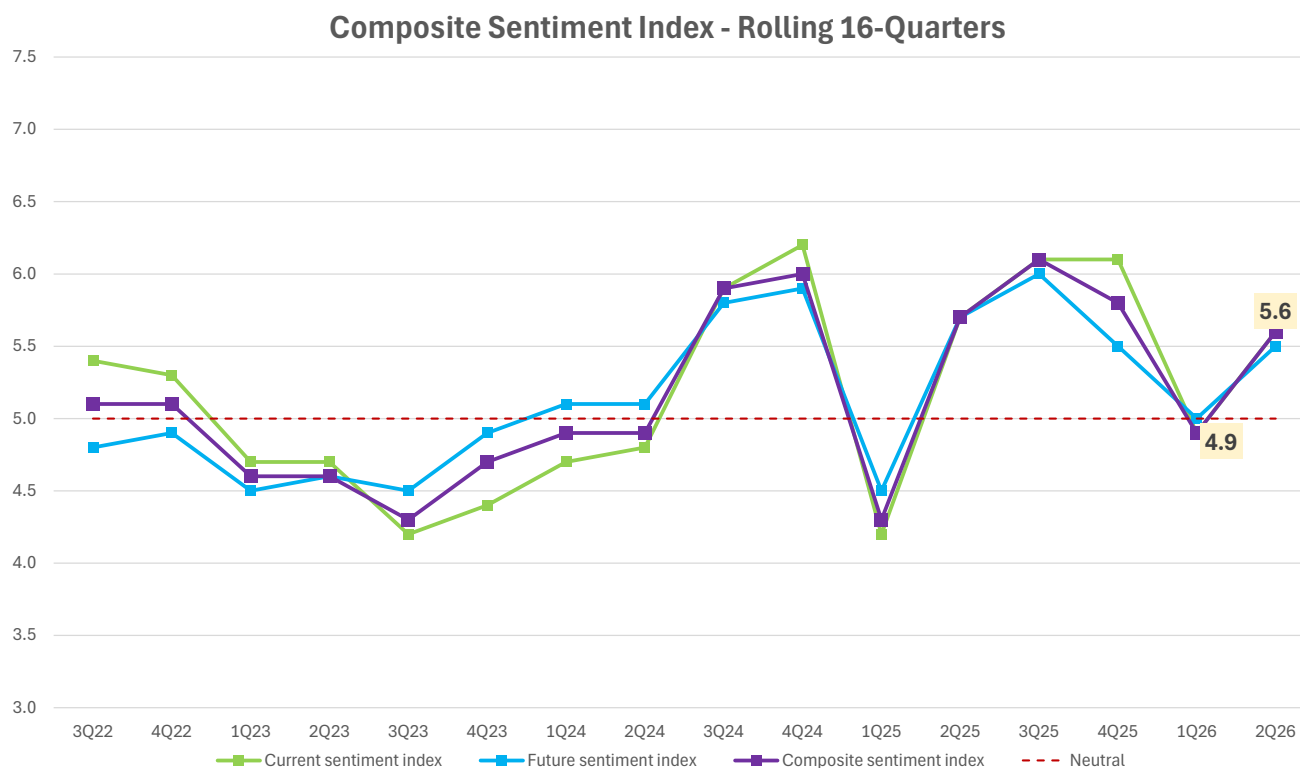
The Future Sentiment Index increased from 5.0 in 1Q 2026 to 5.5 in 2Q 2026.

**Composite Sentiment Index#:**

The Composite Sentiment Index score increased from 4.9 in 1Q 2026 to 5.6 in 2Q 2026.

Following a robust economic performance in H1 2026, indices performed better across the board, signaling a significant improvement in market sentiment on the overall.

**Exhibit 1: Real Estate Sentiment Index (3Q 2022 – 2Q 2026). Base period = 1Q2010**



Source: NUS Real Estate

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

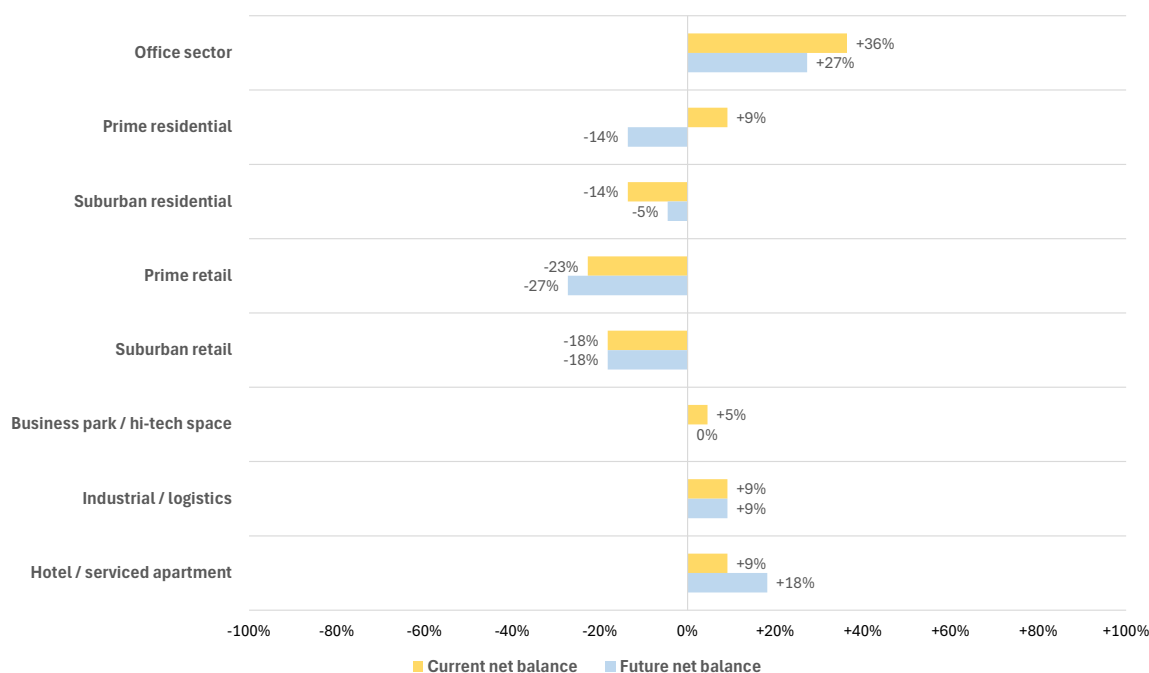
#### Current net balance

Office recorded the highest positive current net balance at +36%, followed by Prime Residential, Industrial / Logistics and Hotel / Serviced Apartment, each at +9%. Business Park / Hi-tech Space also recorded a positive current net balance of +5%. In contrast, Prime Retail and Suburban Retail had negative current net balances of -23% and -18% respectively. Suburban Residential declined from +15% in 1Q2026 to -14%.

#### Future net balance

Office recorded the highest positive future net balance at +27%, followed by Hotel / Serviced Apartment at +18% and Industrial / Logistics at +9%. Business Park / Hi-tech Space had a nil future net balance. In contrast, Prime Residential and Suburban Retail recorded negative future net balances of -14% and -18% respectively, while Suburban Residential decreased from +15% in 1Q2026 to -5%. Prime Retail recorded the lowest future net balance at -27%.

### Exhibit 2: Real Estate Market Performance



Source: NUS Real Estate

*"The office market performed better due to limited supply of new offices and better economic outlook."*

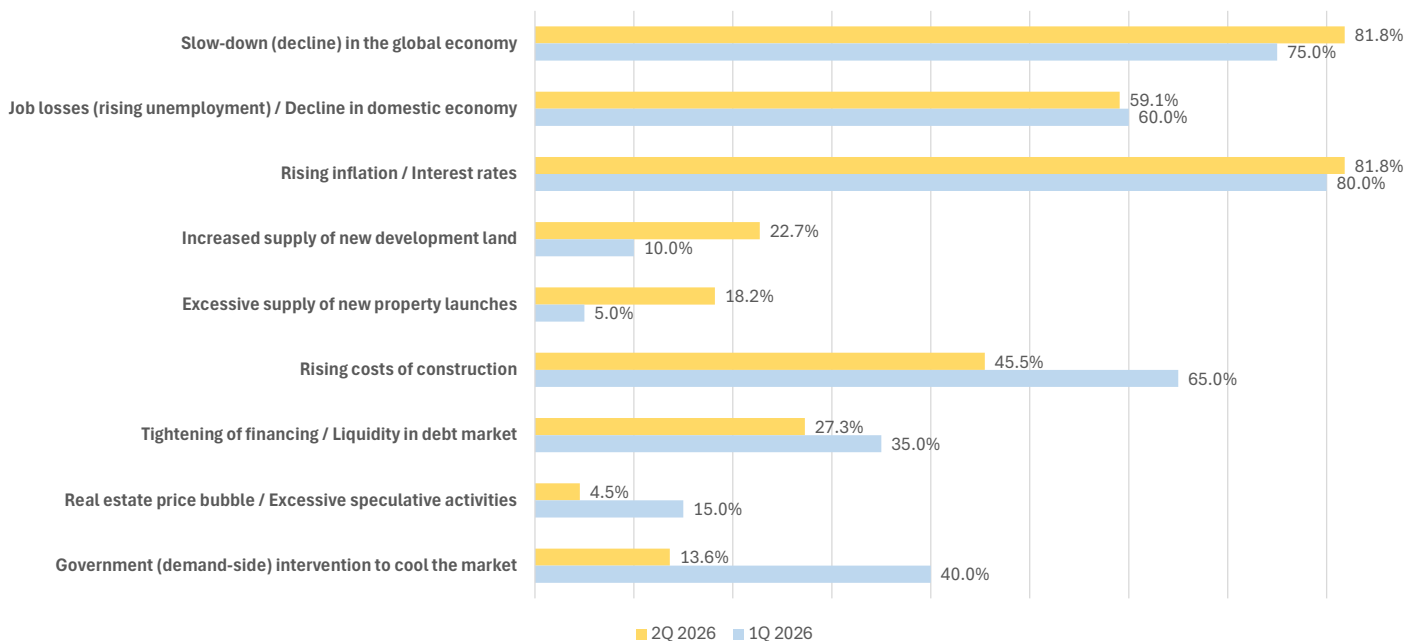
**- Comments from Survey Respondents**

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

Slow-down (decline) in the global economy and rising inflation / interest rates were flagged as the top potential risks that may adversely impact market sentiment, with 81.8% of respondents indicating concerns for each. Concerns over job losses (rising unemployment) / decline in the domestic economy remained relatively stable at 59.1%, compared with 60.0% in 1Q2026. Rising costs of construction ranked next at 45.5%, down from 65.0% in the previous quarter, while 27.3% of respondents expressed concerns over tightening of financing / liquidity in the debt market, compared with 35.0% previously.

Compared to 1Q2026, concerns over the increased supply of new development land and excessive supply of new property launches rose to 22.7% and 18.2%, respectively, from 10.0% and 5.0%. In contrast, concerns over government (demand-side) intervention to cool the market fell significantly from 40.0% to 13.6%. Concerns over a real estate price bubble / excessive speculative activities also declined, from 15.0% to 4.5%.

#### 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?

70.0% of developers expected about the same number of new launches, increasing from 60.0% last quarter. 20.0% expected a moderately higher number of launches, while the remaining 10.0% expected a moderately lower number. No respondents expected substantially more or fewer launches.

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

50.0% of developers expected the same unit prices for new residential launches in the next six months, increasing from 40.0% last quarter. 30.0% expected moderately higher unit prices, while the remaining 20.0% expected moderately lower prices. No respondents expected substantially higher or lower prices.

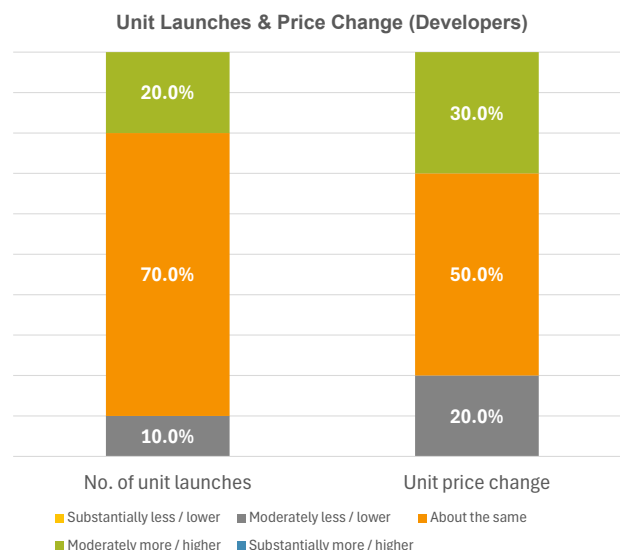
## What is your level of concern on development cost over the next six months?

90.0% of developers were concerned about building materials, similar to last quarter, with 10.0% being very concerned. Financing was also a major concern, with 80.0% of developers expressing concerns, including 10.0% who were very concerned. Labour costs drew concerns from 80.0% of developers, of whom 30.0% were very concerned. Meanwhile, 70.0% of developers were concerned about land costs, including 20.0% who were very concerned. Professional services attracted relatively less concern, with 50.0% of developers moderately concerned and the remaining 50.0% not concerned.

*“The market might be resistant to significant price hikes given uncertainty around job security and the global macroeconomic environment.”*

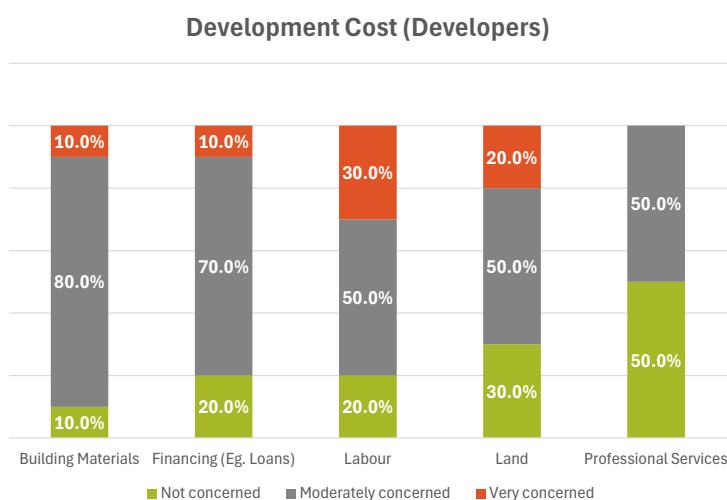
**- Comments from Survey Respondents**

**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 multidisciplinary 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.

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