

Global uncertainty weighs on Singapore property players in Q4: NUS poll

Slowdown in economy is flagged as top risk amid robust housing demand at premium price points

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SENTIMENT among real estate players in Singapore remained positive in the fourth quarter of 2025, amid robust housing demand even at premium price points, a quarterly poll indicated.

But escalating global uncertainty is top of mind for property honchos.

Professor Qian Wenlan, director of the National University of Singapore's (NUS) Institute of Real Estate and Urban Studies (Ireus), said: "Being a heavily export-oriented country, Singapore is particularly vulnerable to global shifts in trade and politics; so while our domestic fundamentals remain sound, the survey reflects a clear sense of caution regarding the external environment."

Index decline

NUS' Real Estate Sentiment Index – a quarterly barometer of general prevailing sentiment – decreased to 5.8 in Q4, from 6.1 in the previous quarter, led by a decline in future outlook.

The Future Sentiment Index, which tracks sentiment changes in the next six months, fell to 5.5 in Q4, from six in the preceding quarter.

Some 71 per cent of property players surveyed pointed to a slowdown in the economy as a primary concern in the next six months. This was slightly higher than the third quarter's 70 per cent.

Prof Qian said: "Buoyant sentiment at home has been tempered by the anticipation of exogenous risks beyond our control, which may have prompted industry



The Current Sentiment Index, which tracks changes in sentiment over the past six months, remains stable in Q4, reflecting confidence across both the sell and buy sides of the market. PHOTO: TAY CHU YI, BT

players to pivot away from aggressive growth strategies in favour of more risk-averse approaches, or more conservative ways of raising capital – especially following the pause in interest rate cuts by the US Federal Reserve in January 2026.

"On the whole, survey results paint a picture of an industry that is still healthy but is proactively preparing for a potential hard landing."

About 53 per cent of respondents flagged job losses/decline in domestic economy as a potential risk in Q4, down from the previous quarter's 75 per cent.

This was followed by cooling

measures, with about 53 per cent of respondents worried about this, less than the 65 per cent who flagged it in Q3.

Some 47 per cent of respondents raised concerns about rising construction costs, and about 30 per cent highlighted tighter financing in the debt market as a potential risk.

About 23.5 per cent of property executives cited excessive supply of new property launches as a potential risk, up from Q3's 15 per cent.

In Q4, 80 per cent of developers expected the number of units to be launched in the next six months to

remain at similar levels, up from 20 per cent in the previous quarter. Some 50 per cent of developers projected moderately higher unit prices for new launches.

Regarding development costs, land cost was the top concern for

developers, with 90 per cent pointing to higher building-material and labour expenses.

Some 50 per cent of developers raised concerns about financing costs.

The Current Sentiment Index,

which tracks changes in sentiment over the past six months, maintained at 6.1 in Q4.

The stable market sentiment reflects confidence across both the sell and buy sides of the market, noted Ireus.

The S\$1,455 per square foot per plot ratio bid submitted by City Developments Ltd and Woh Hup for the Tanjong Rhu state tender in February "is among the highest ever received" for a site in the Rest of Central Region.

Homebuyers' purchasing power

This signals "strong developer confidence in the purchasing power of homebuyers to continue absorbing quality homes at a premium price point", said Prof Qian.

In the public housing market, demand is still high for well-located and high-quality flats, she added, pointing to the October 2025 Build-To-Order exercise that attracted more than 31,000 applicants for some 9,100 flats.

Real estate players remained most favourable towards the prime residential market in Q4, with a current net balance of 41 per cent.

It has a future net balance of 12 per cent. The suburban residential market has a current and future net balance of 18 per cent each.