




Singapore Real Estate

60 years in the making

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 **JLL** SEE A BRIGHTER WAY

Outline

1965-1980

Rise of the global south...
the foundational years

1980-2000

Globalisations...
market expansion and growth

2000-2020

An era of challenges...
financialisation of the real estate market

2020-2025+

Uncertainty ...
navigating uncertainty and building resilience

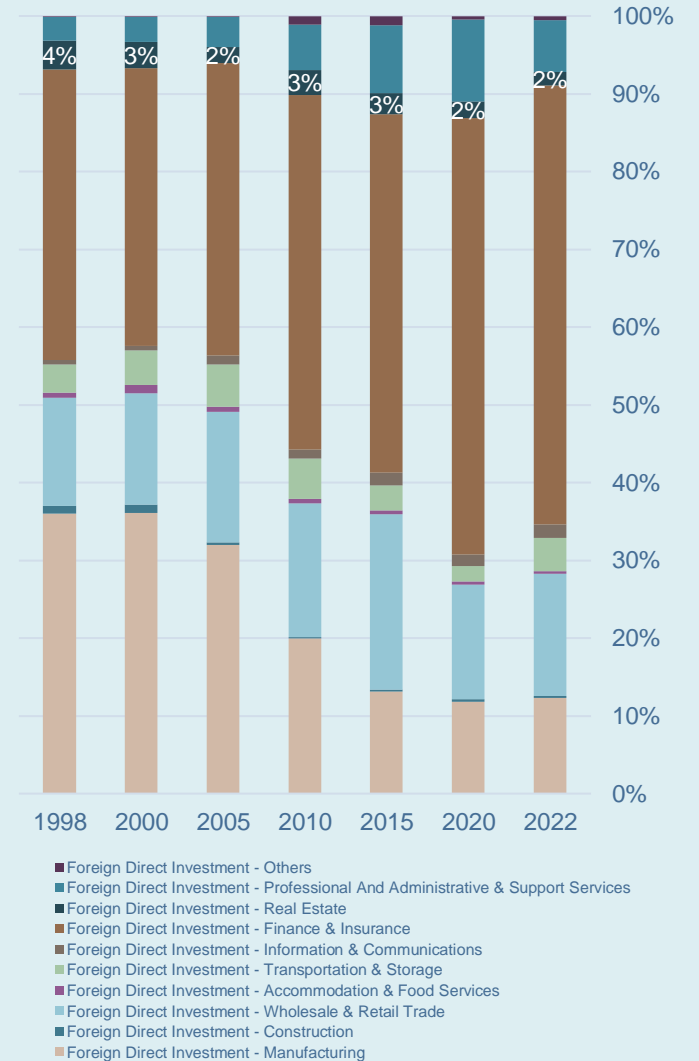
Singapore real estate is a local play

FDI into the sector remains stable over time

- Singapore's real estate market has been a local play since 1965.
- But there are several local factors that support that growth. Different eras had different motivating forces, external and internal. What is critical therefore, is beyond 2025, what external forces are fueling our growth and what internal factors should we have to grow forward?

| Period | External stimuli | Internal stimuli | Enablers |
|-------------|---|--|---|
| 1965-1980 | Rise of the global south - decolonisation and emerging economies; set up of IMF & World Bank - global financial stability and development | The foundational years - nation building, housing the population | Land Acquisition Act, Land Title (Strata) Act, CPF (Amendment) Act, HDB, URA, JTC |
| 1980-2000 | Globalisation – the rise of the free market, deregulation and privatization, global trade expansion, the rise of the internet and personal computer | Market expansion and growth – developers went into higher-end products | HDB Resale market, CPF (Residential Properties Scheme) Regulations |
| 2000-2020 | Era of challenges – financial crisis and pandemic, global low interest rate | Financialization of the real estate market – S-REIT, cross-border capital | Amendment to Land Title (Strata Act (1999), Securities and Futures Act (2001), intensification of property cooling measures |
| 2020-2025++ | Uncertainty - post Covid recovery, the rise of populism and protectionism, tech disruption, the concept of work, structural shift in consumer behavior/values expectation | Navigating uncertainty, building resilience – sustainability, transparency | Green Mark, sustainability and technological advances (AI) |

The proportion of FDI into Real Estate remained stable through the years



Rise of the global south...
the foundational years

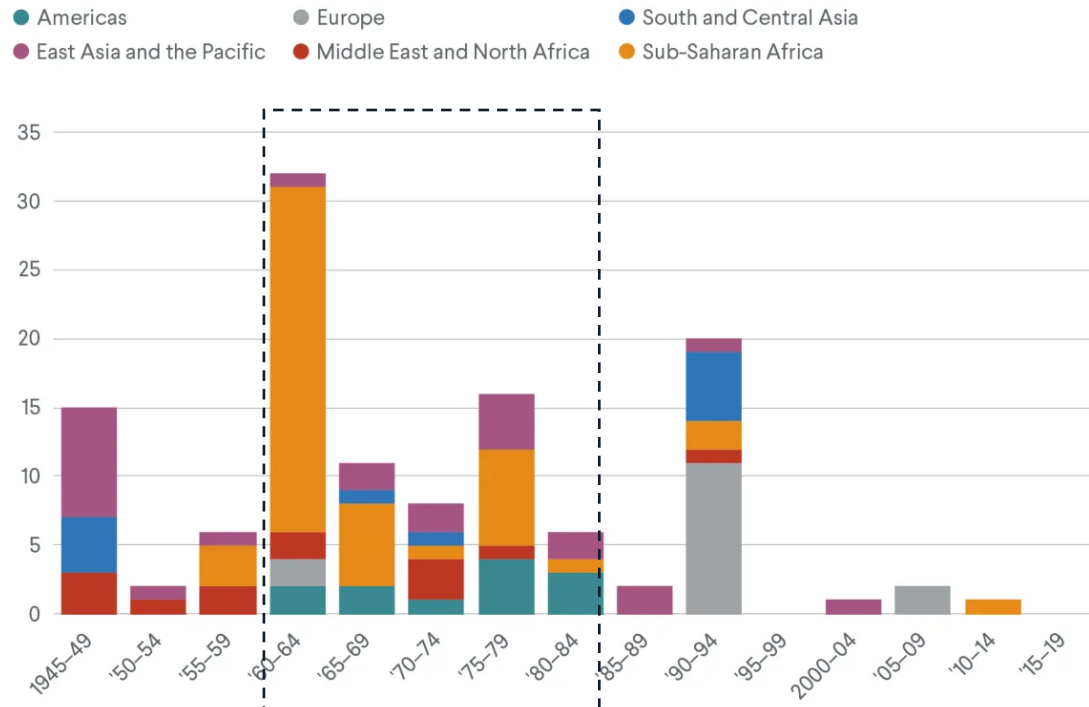
Rise of the global south...

Post-war decolonisation and emergence of global institutions supported global trade

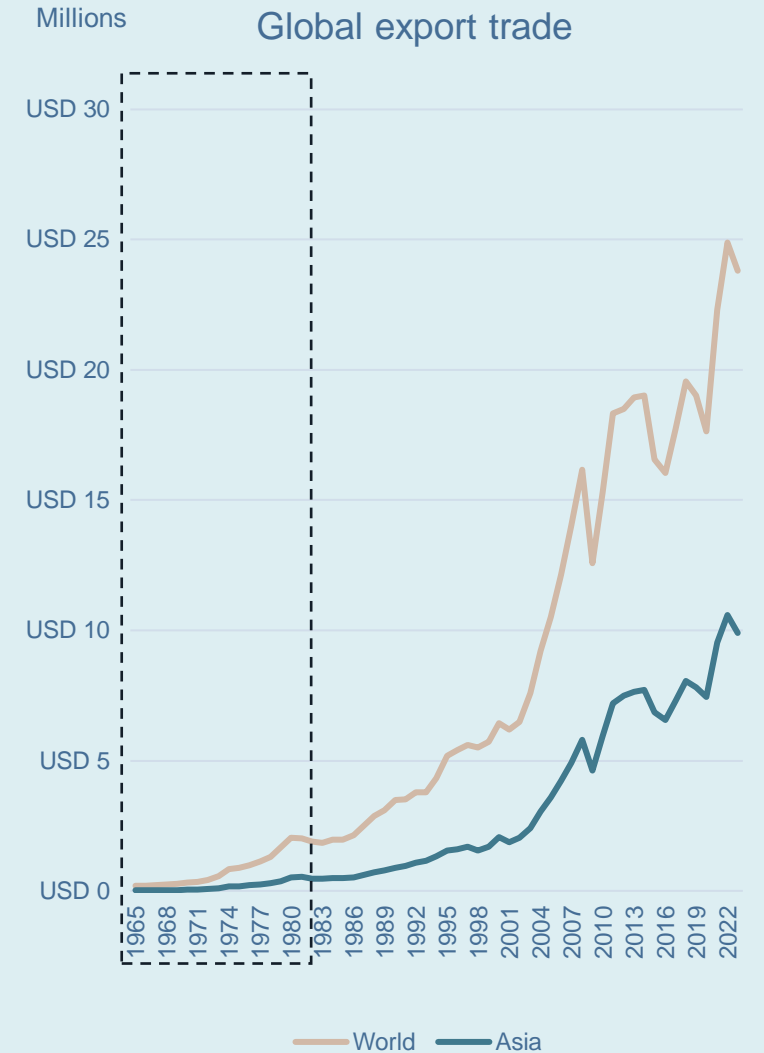
- Post war decolonisation with over a hundred countries coming into existence between 1945-1989
- Set up of IMF & World Bank - global financial stability and development
- Global trade rose steadily in the late 70s – 80s, and Singapore, along with the rest of Asia, rode that wave

Many Countries Gain Independence in Decades Following WWII

Number of newly independent countries by year and region



Sources: CIA World Factbook; national government websites.
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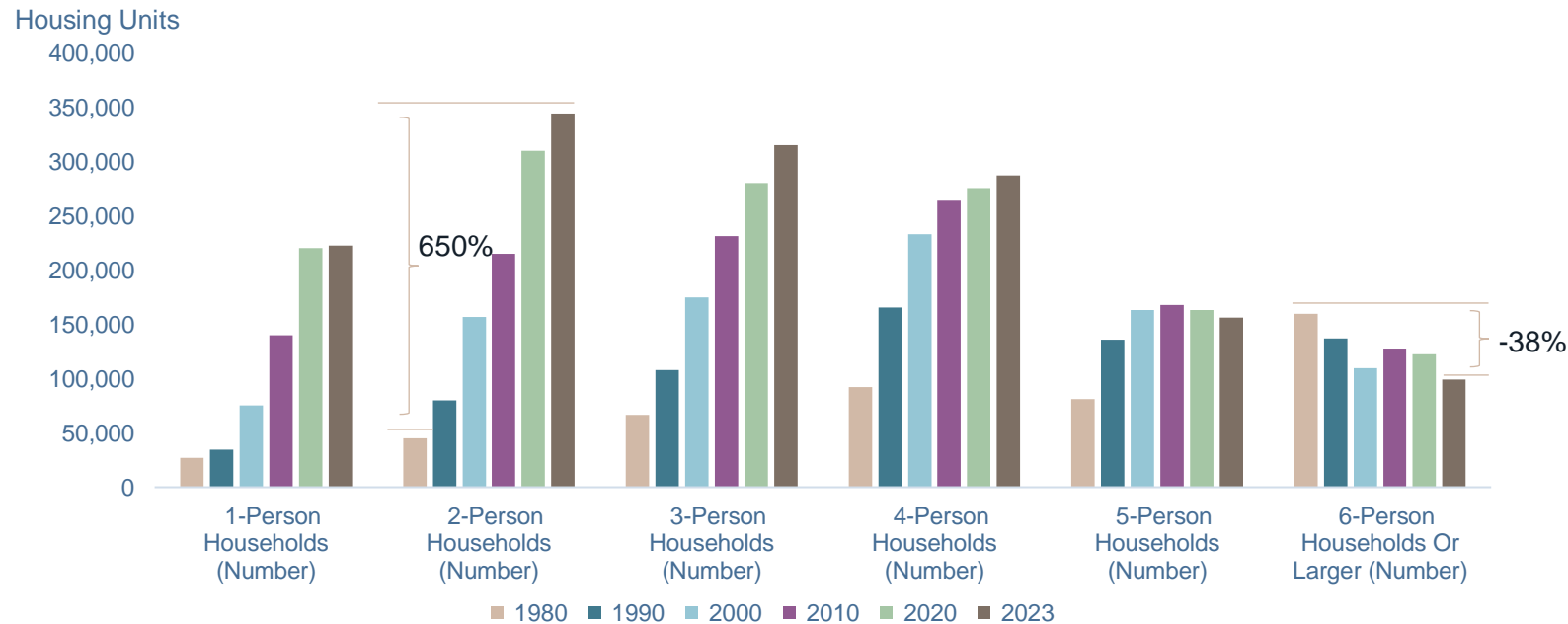


The foundational years

Housing a crowded nation

- Average resident household size eased from 4.87 in 1980 to 3.11 by 2023
- 2-person households rose over 650% while 6-person households declined 38% between 1980-2023

Housing stock increased, reducing household size



Source: Singstat, JLL, Jan 2025

Enablers: Setting up the institutions

HDB: 1960 – lead agency to address Singapore’s housing crisis. From fast, low cost housing to comprehensive township in 1970 to housing estates with high quality living, distinctive identities and personality by the 2000. Sustainable smart homes the way forward. 9% in govt flats in 1969 to 80% by 2025.

JTC: 1968 – lead agency for industrial development; took over from EDB especially with acceleration of industrial program post independence. Responsibility extends beyond industrial but includes recreational and social amenities for residents working in these industrial estates.

URU/URD/URA: 1964/1966/1974/1989 – national planning and conservation authority with functions that grew from land sales agency focusing on the urban renewal of the central area to full planning duties including conservation, urban design, place-making; making best of resources to balance economic growth, good quality of life and the built environment.

“

The fire of Bukit Ho Swee was a pivotal point in the public housing market

- 16,000 left homeless from this fire that broke out in Kampong Bukit Ho Swee;
- affecting \$2mil worth of factories, houses, shophouses and a school



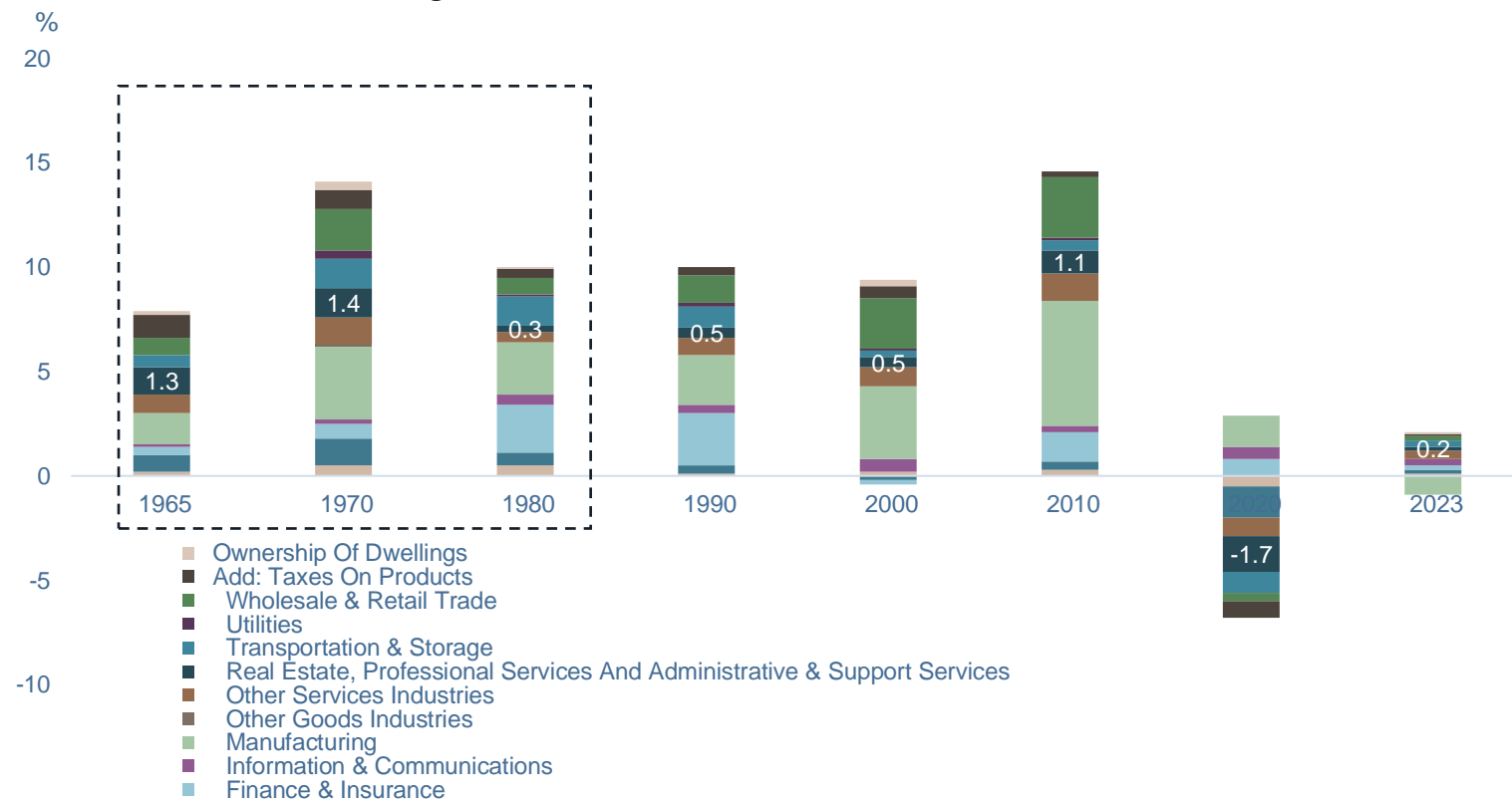
Source: National Museum of Singapore, Fire of Kampong Bukit Ho Swee

The foundational years

The Real Estate & Professional services contribute modestly but steadily to Singapore's economic growth

- Developers were focused on low cost construction, adhering to govt guidelines. Developers operated in limited capacity, focusing on small scale projects
- Small scale projects, private developers complemented rather than compete with govt projects

Contribution to domestic GDP growth



Enabling Policies

- Land Acquisition Act 1966 – empowering the government to acquire private land at market prices for housing, commercial and industrial development.
- 1959 – 1984 the government acquired 43,713 acres of land – 1/3 of Spore land area. By 1985 – it owns 76% doubling the 31% in 1949. Source: National library board
- The 1967 establishment of the **Sale of Sites program** has been instrumental in the transformation of Singapore's urban landscape
- Land Titles (Strata) Act 1967 -facilitated the subdivision of land into strata and the collective sale of property
- Central Provident Fund (Amendment) Act 1968 – allowed citizens to use CPF to pay for their HDB flats.

Globalisation...

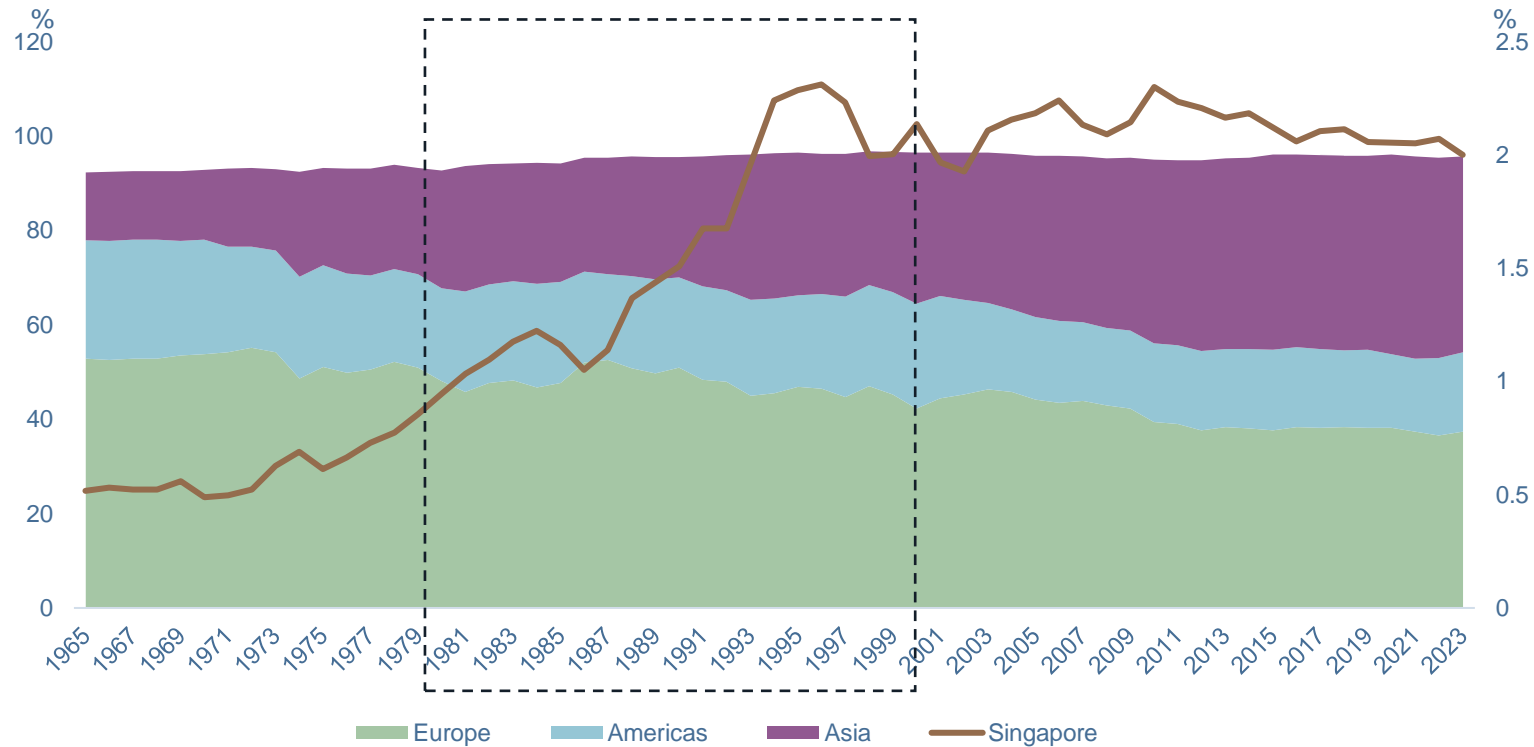
market expansion and growth

Globalisation...

Global trade expanded on the back of privatisation and deregulation

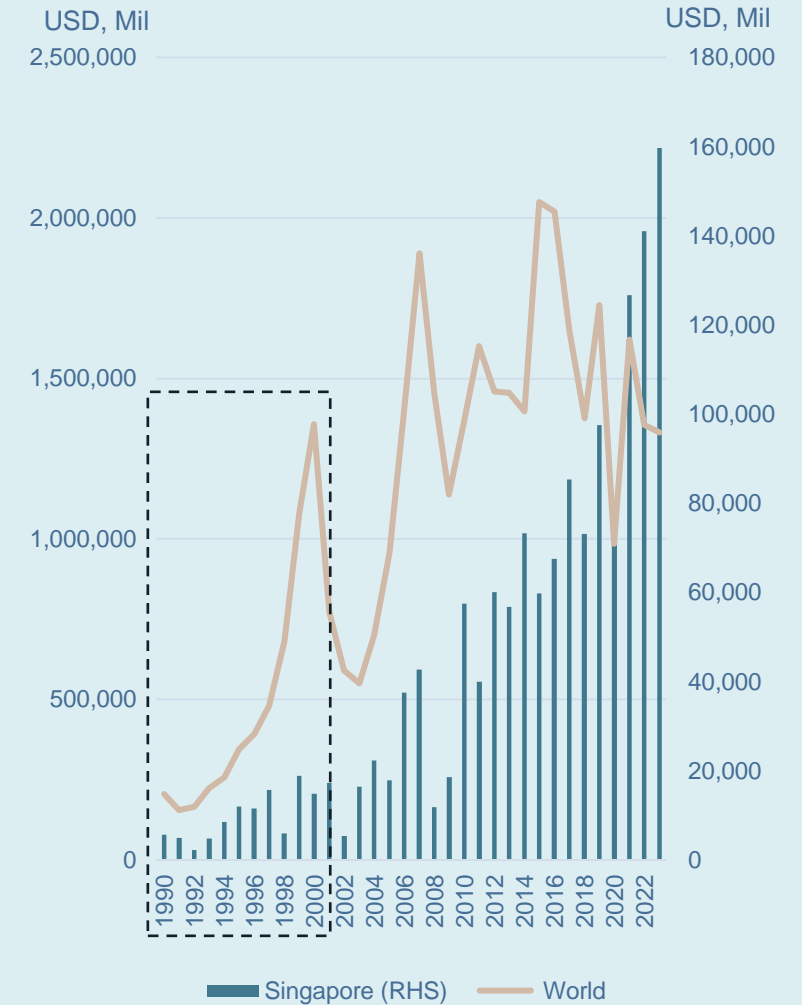
- Global trade rose steadily in the late 70s – 80s, and Singapore, along with the rest of Asia, rode that wave
- Share of global trade in Asia and Singapore increased correspondingly

Rise of the emerging markets in trade



Source: UNCTAD, JLL, Jan 2025

FDI inward to Singapore rose as global capital flow improved



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By the 80s, developers had diversified, focusing more on the middle-income



In the 1980s, CDL launched 21 residential properties and completed 12 investment properties

Far East Organization - “King of Orchard Road”, featured several firsts – first Singapore mall with an atrium, first mall with see-through bubble lifts...



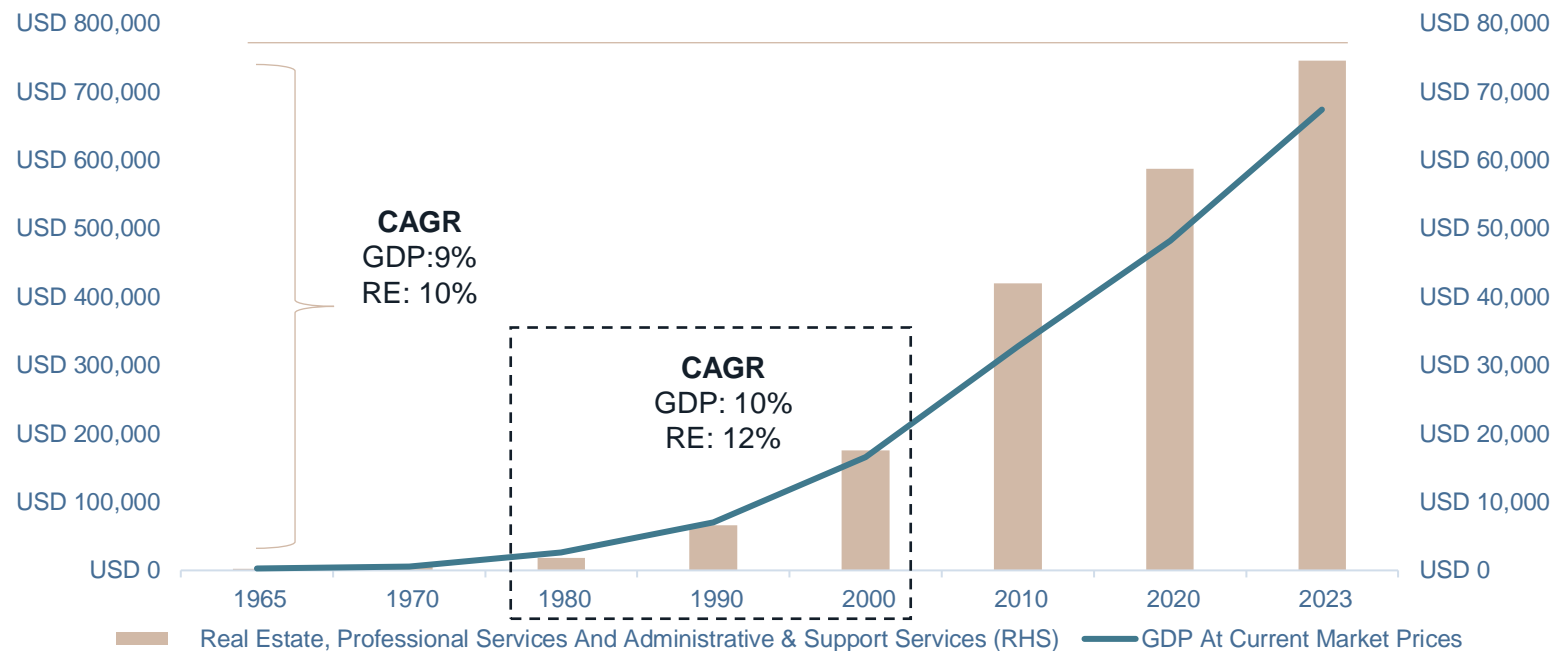
Source: National Library Board, JLL 2025

Market expansion and growth

Real estate sector expanded alongside the economy

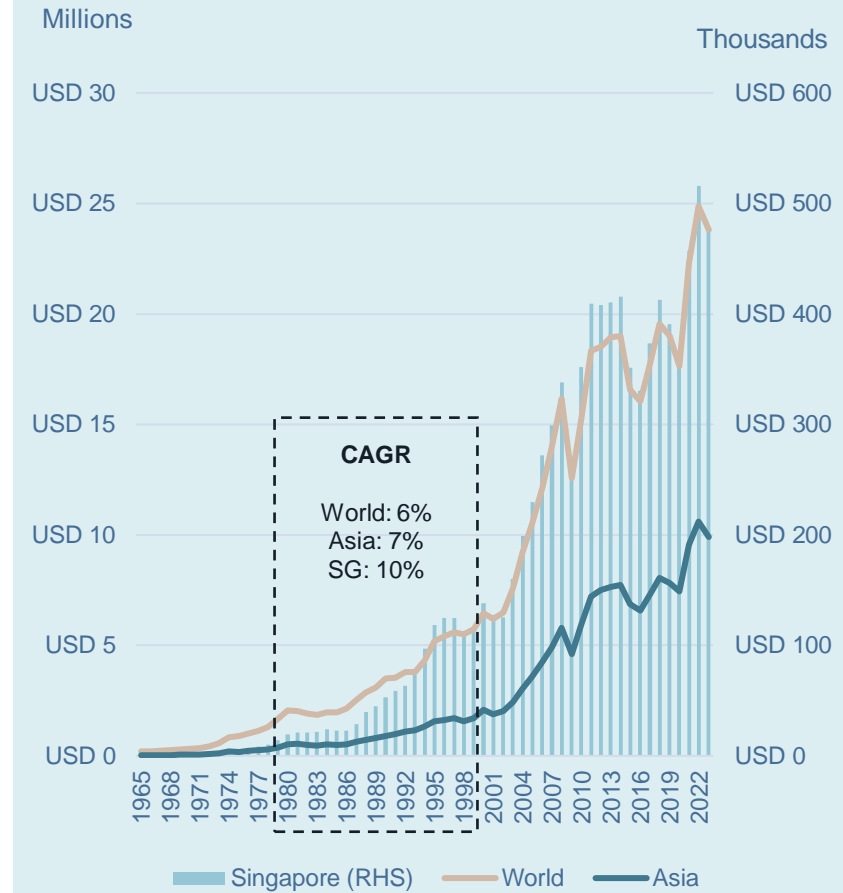
- Real estate (including professional services and administrative & support services) kept pace with the larger economic growth at a CAGR 10% pa
- Developers focused more on middle-income – rise of more mix uses developments...e.g. CDL went into higher-end products

Growth in Real Estate, Professional Services and Administrative & Support Services



Source: Singstat, JLL, Jan 2025

Singapore captured the upswing in global export trade



Market expansion and growth

First post-independence recession

- Post-recession, urban conservation of the Central Area arose as the reclamation of Marina Centre and Marina South offered plenty of land for the CBD expansion.
- Industrial program moved towards more high-value-added products - Singapore Science Park at Kent Ridge was born while developers increasingly focused on higher end products

Higher-value real estate came to the fore

1960s-70s

Mainly single-storey manufacturing & flatted factories



1980s-90s

Specialised clusters, Science & Business Parks



2000s-2010s

Integrating Work-Live-Play-Learn



Beyond 2020s

Going beyond work to building communities



Enablers: Moving up the value chain; relaxing the rules

- HDB resale market setup in 1971 created opportunities for wealth accumulation
- Foreign developers were invited, for the first time, to participate in the land tender of Marina Center in 1978 – leading to the opening of Marina Square, Marina Mandarin, Pan Pacific Singapore, Mandarin Oriental, Suntec City over the decades.
- CPF usage was expanded to include private housing in 1981 under the CPF (Residential Properties Scheme) Regulations
- REITS formation in 1999

An era of challenges ...

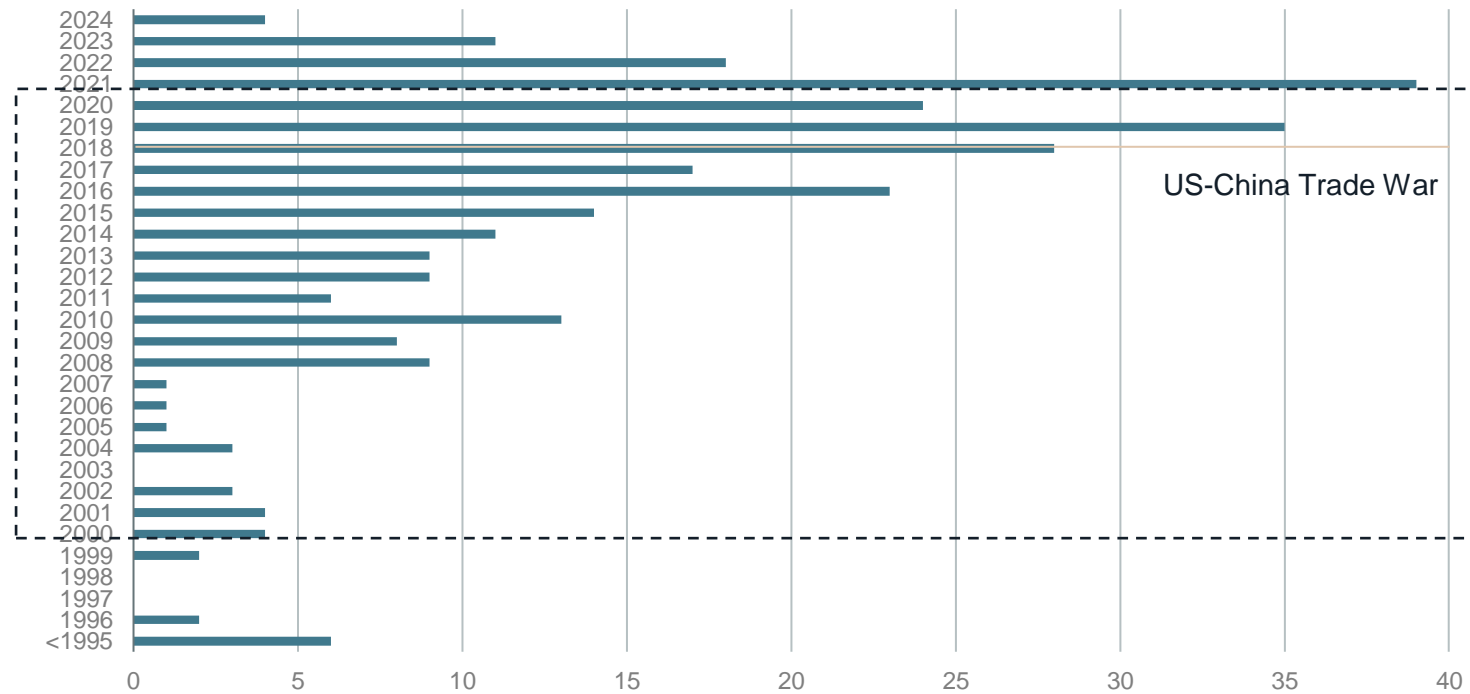
financialization of the real estate market

Era of challenges...

Global financial crisis, pandemic, the rise of populism, fragmenting of global trade

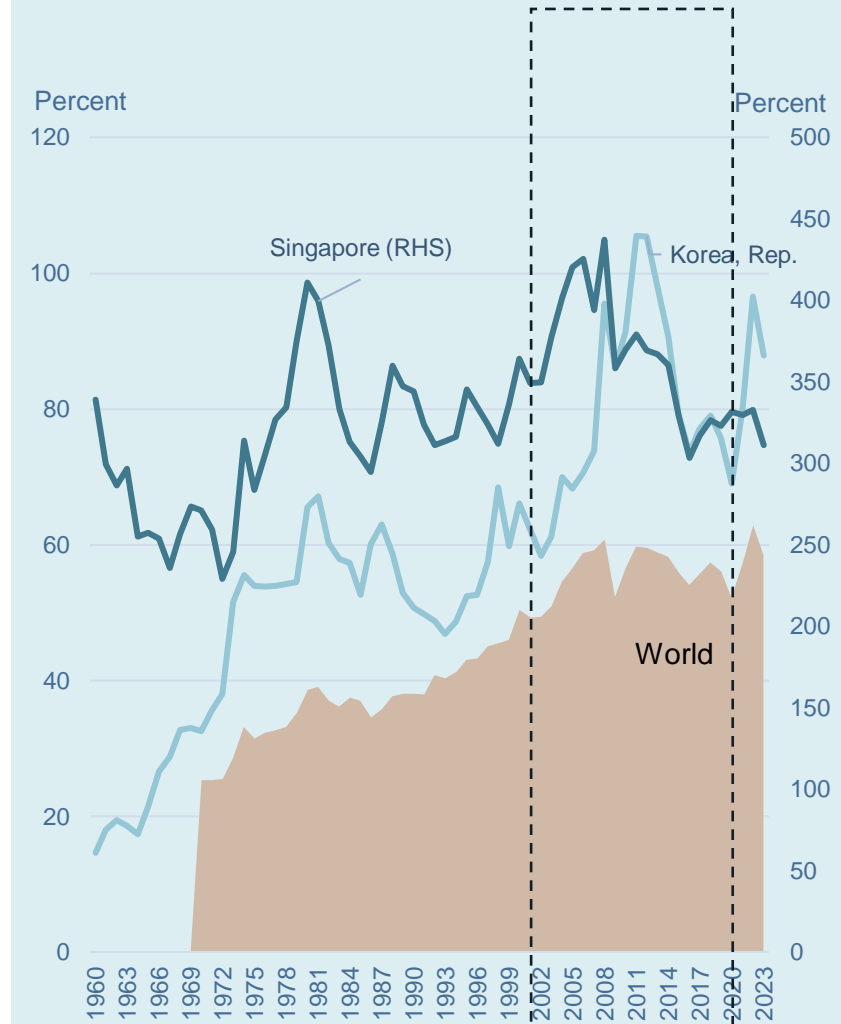
- Populism and protectionism have risen on the back of income inequality and economic insecurity
- Reversing the market deregulation in the 80s is the rise in tariffs and countervailing measures across the world

Increase in countervailing measures in force on/after 1.1.2020



Source: WTO, Trade Remedies Data Portal, JLL, Jan 2025

Global Trade (% of GDP) has been slowing



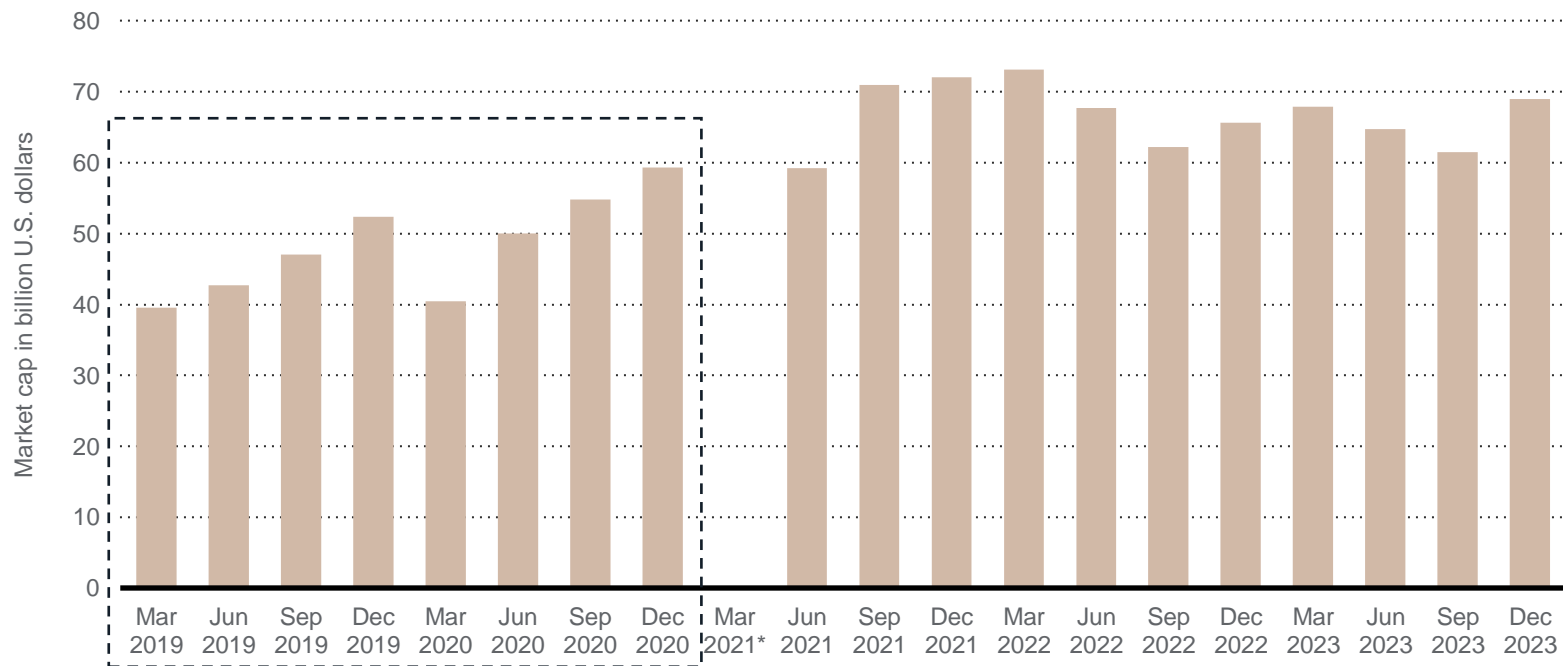
Source: World Bank, World Development Indicators, JLL, Jan 2025

Financialization of the real estate market

Real estate sector expanded alongside the economy

- Integration of Singapore into the global economy attracted international players, and investors which helped institutionalised the real estate market. Cross border capital has also expanded.
- With a robust regulatory framework and tax incentives, Singapore was one of the largest REIT markets in Asia by 2020

Market cap of the REITs market in Singapore 2019-2023, per quarter

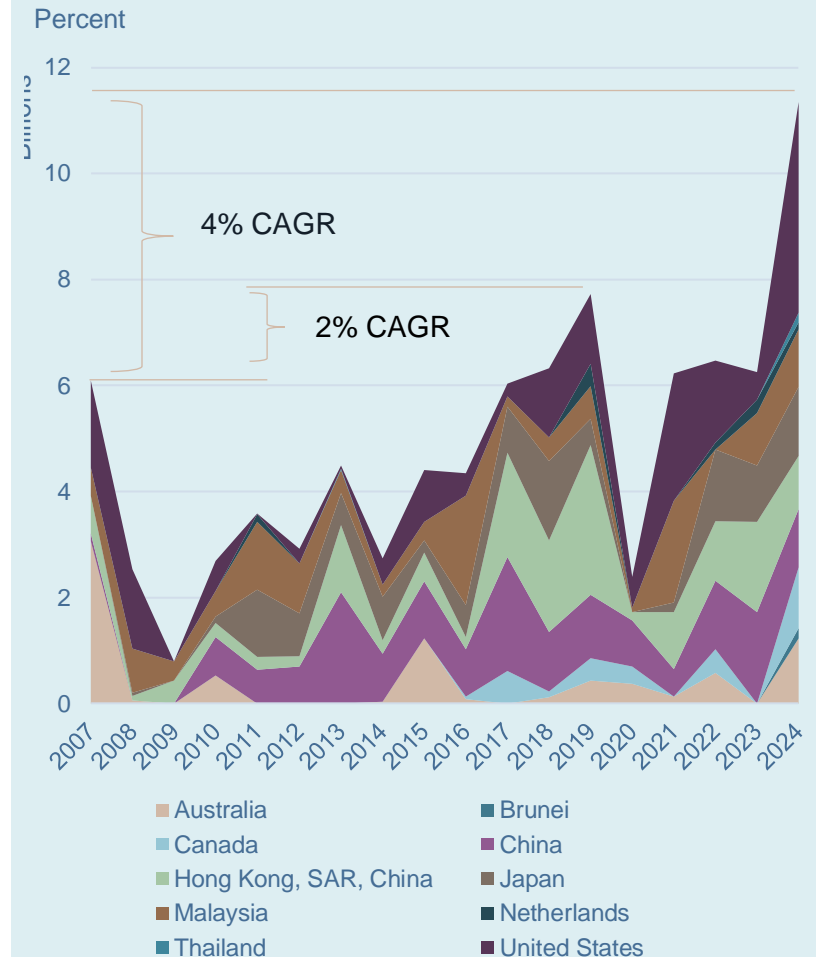


Note(s): Singapore; March 2019 to Dec 2023

Source(s): Statista, EPRA; Bloomberg; FTSE; ID 1369847

* : data not available

Cross border capital in the SG market has grown



Source(s): MSCI RCA, JLL, Jan 2025

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MBFC is a world-class mixed-use development that will set new standards in tenant/resident-centric design, transport connectivity and quality of facilities to enable a 24/7 ‘live, work and play’ lifestyle environment.

Source: RQAM's statement at the Marche International des Professionnels de L'Immobilier (MIPIM), Cannes, France, March 2009

Marina Bay - the epitome of international collaboration in SG urban transformation

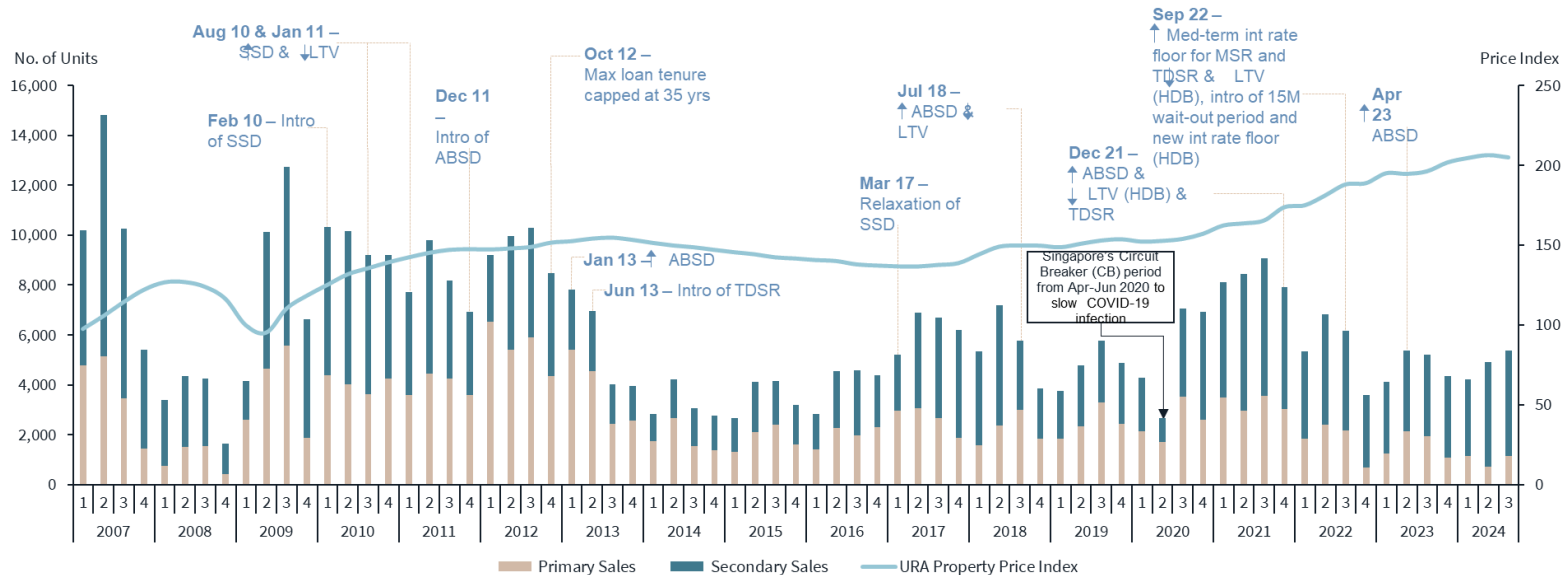


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Financialization of the real estate market

Balanced with regulatory measures to curb excessive speculation

- Relaxation on a requirement in Land Titles (Strata) Act led to a flurry of collective activity that peaked in 2007.
- Feeling the peddles as one crosses the river – an era of measured and progressive policies to maintain affordability
- Environmental sustainability concerns, coupled with rising land costs, resulted in a rise in iconic and globally prestigious architecture – MBFC, South Beach, Marina Bay Sands, Gardens by the Bay.



Source: URA, MAS, IRAS, JLL Research

Enablers: A period of contrasts

- **Amendment to Land Titles (Strat) Act (1999)** brought down the 100% to 80%/90% (S5A) for buildings >< 10 years, and (2007) greater clarity, transparency and safeguarding of affected subsidiary proprietors.
- **Securities and Futures Act (2001)** and a robust regulatory REITs framework supported the further rise of S-REITs
- Plethora of **cooling measures** to curb speculation and maintain affordability – ABSD, LTV, TDSR
- HDB introduced the **Built-to-Order** system, which addressed the shortfall of the registration of flats system then, by letting buyers know upfront when their downpayment was expected and giving them the flexibility of selecting the location and type of flat desired

2020 -

Uncertainty ...

Navigating uncertainty and building resilience

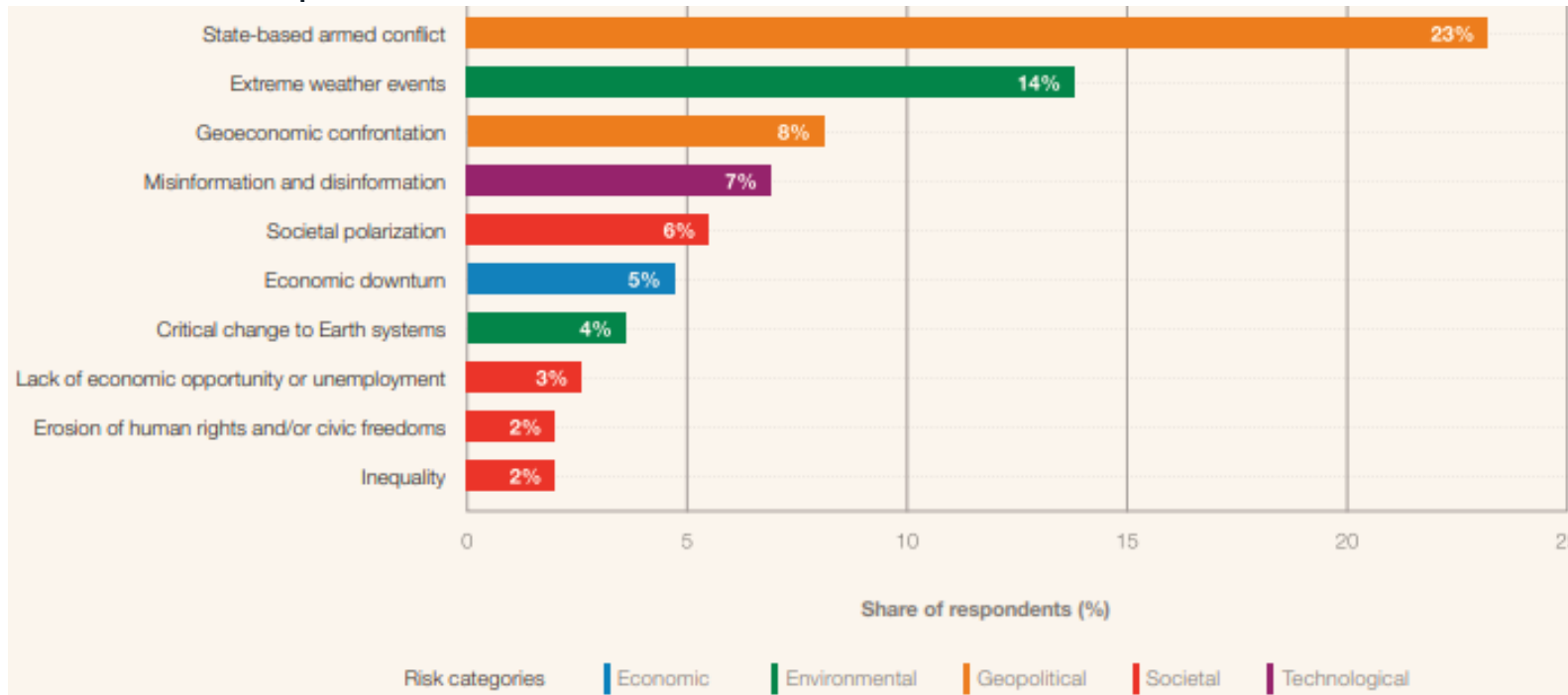
2025 +

Uncertainty...

Geopolitics, environmental concerns, disruption from disinformation

- Geopolitical uncertainty and politicised economic policies remain key concerns globally
- Environmental concerns rank high alongside disruptions from dis- and misinformation. Environmental concerns are taking top priority in the long term.

Current Risk Landscape



Source: World Economic Forum Global Risks Perception Survey 2024-2025

Global Risks ranked by severity over the short and long term

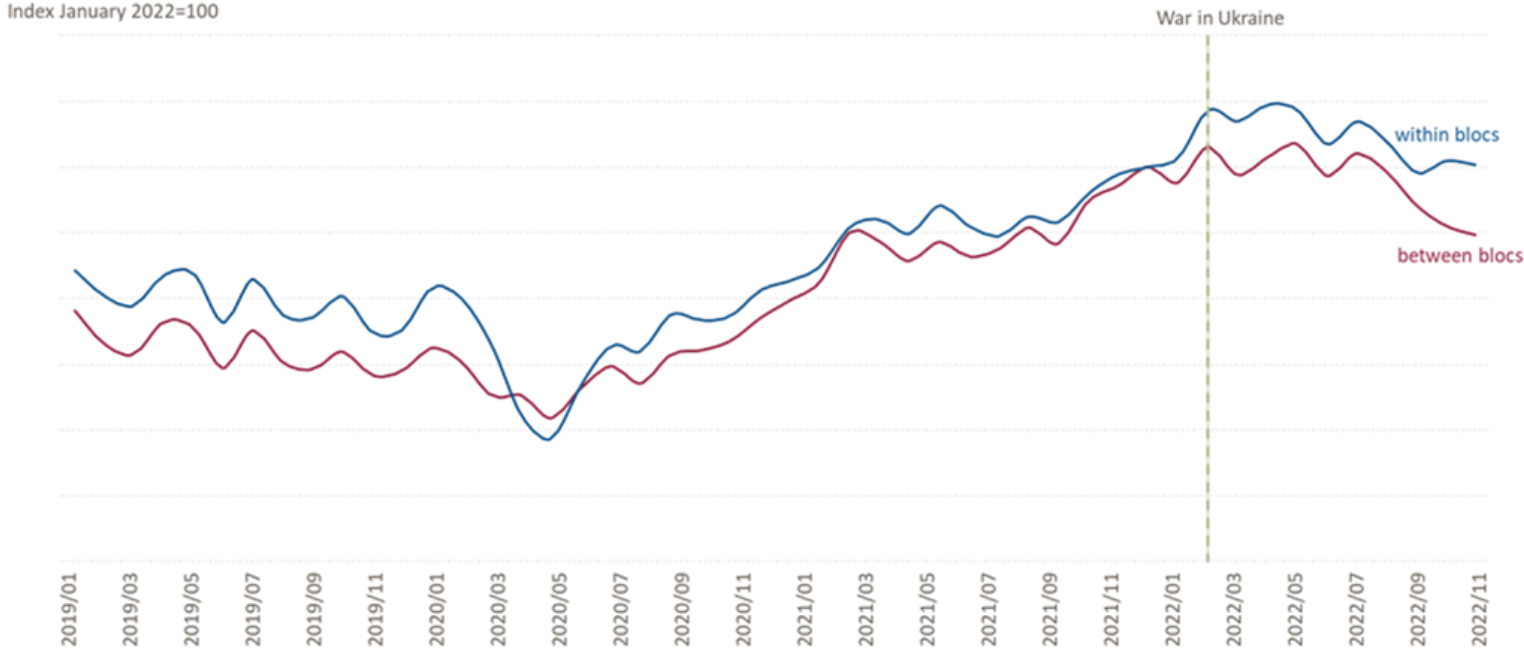


Navigating uncertainty and building resilience

Rising trade regionalism supports industrial funds in SEA

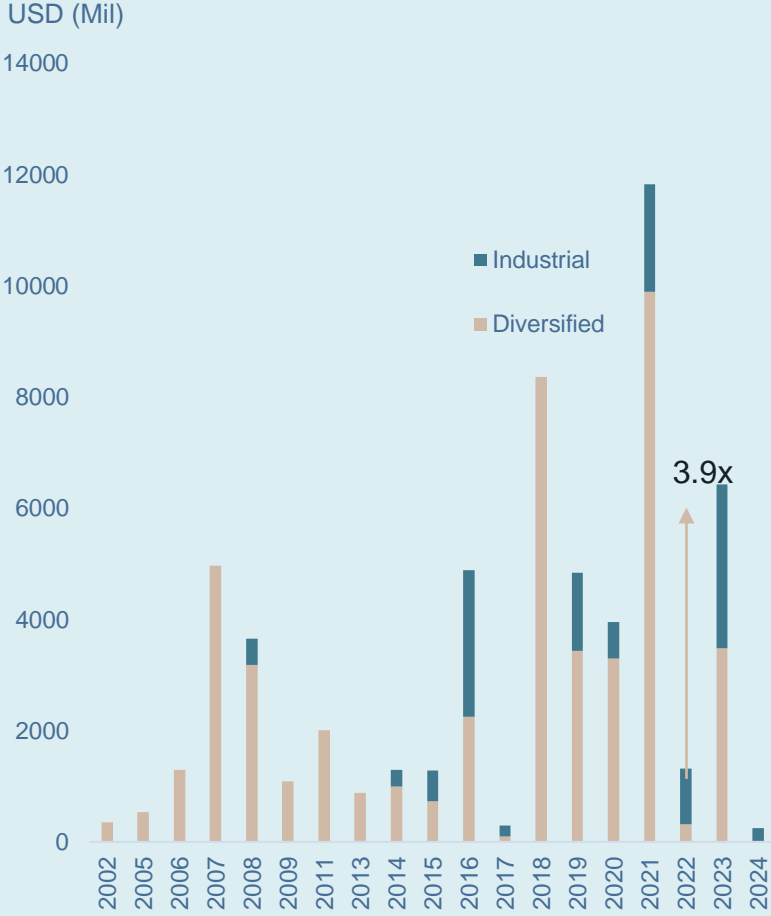
- Amidst rising political uncertainty and economic polarisation, rising trade regionalism offers opportunities
- Green Mark standards, enforcing green technology adoption has institutionalised a sustainability mindset into the built environment. Today over 94% of buildings (GFA) are green certified or 84% (no. of all buildings).
- Further improving the transparency of our real estate market would reduce the risks and costs of disruption from disinformation

Trade within and between hypothetical geopolitical blocs diverging



Note: Seasonally adjusted series.
 Source: World Bank, WTO Secretariat calculations based on Trade Data Monitor, JLL, 2024
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SEA-leaning industrial funds making a comeback

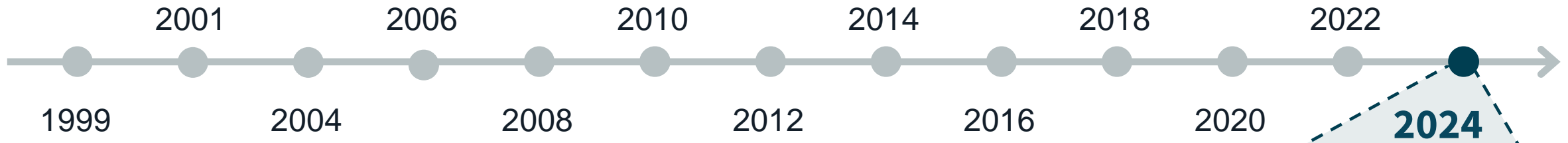


Source: Preqin, JLL, 2024



Beyond 2025 – JLL Transparency Index
higher transparency \equiv higher investment

Championing higher standards for 25 years



Highly valued
industry
benchmark



Robust
methodology
256 indicators



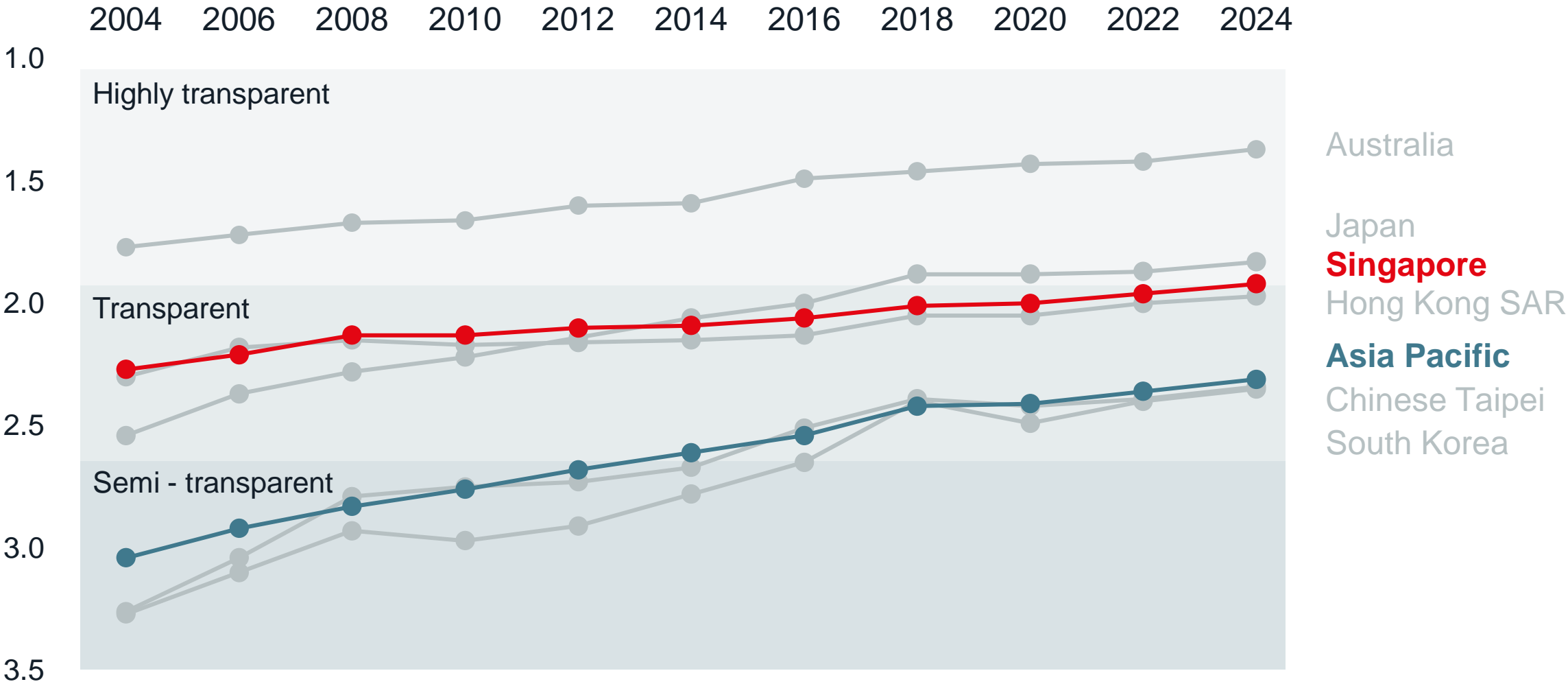
Biennial
survey



Covers **151** cities
in **89** countries
and territories

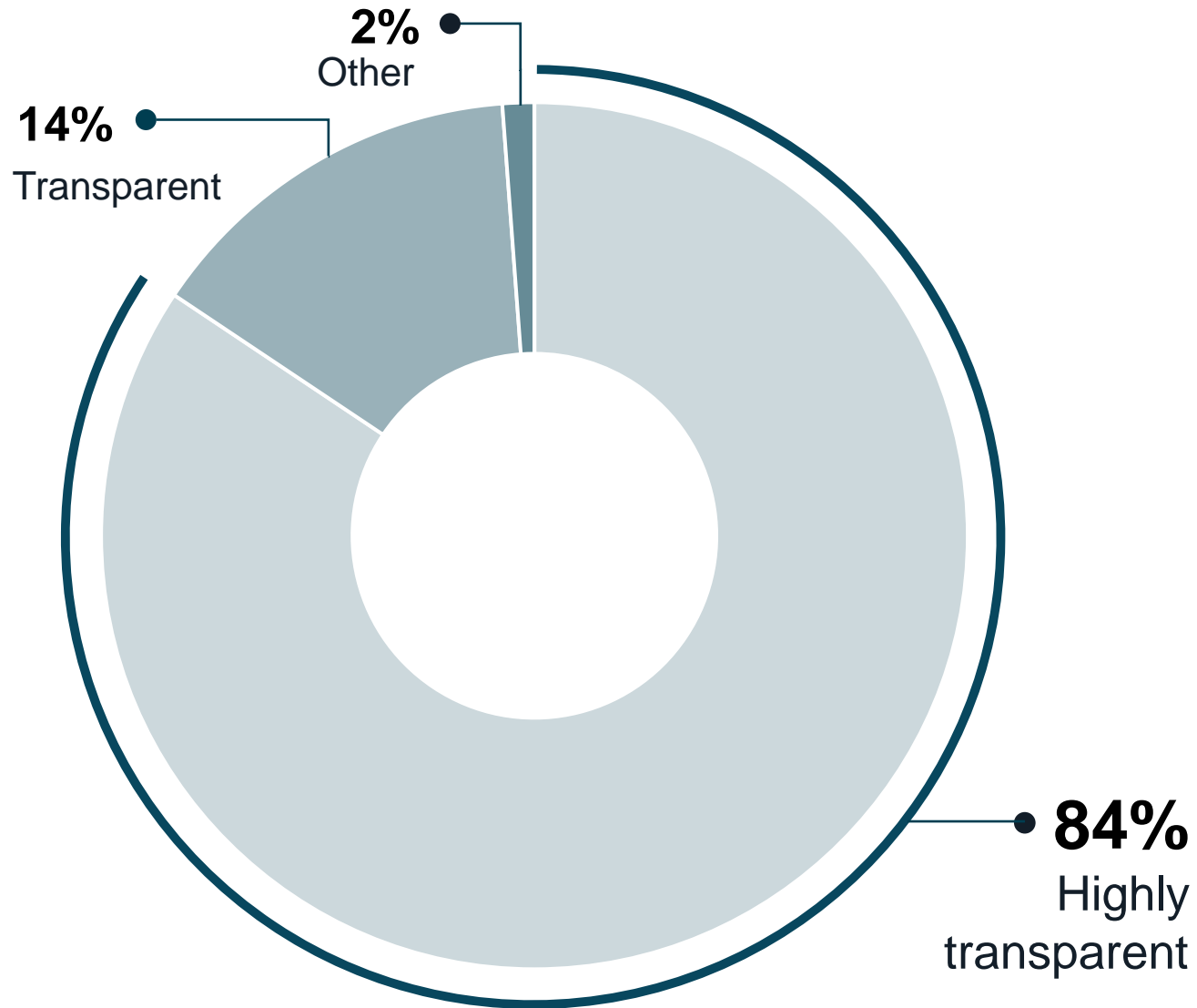


Singapore maintains a leading position in Asia Pacific



Source: JLL, LaSalle

Why is transparency important for real estate?



84% of global commercial real estate investment is in Highly Transparent markets

Higher transparency encourages higher investment

Real estate transparency vs direct commercial real estate investment

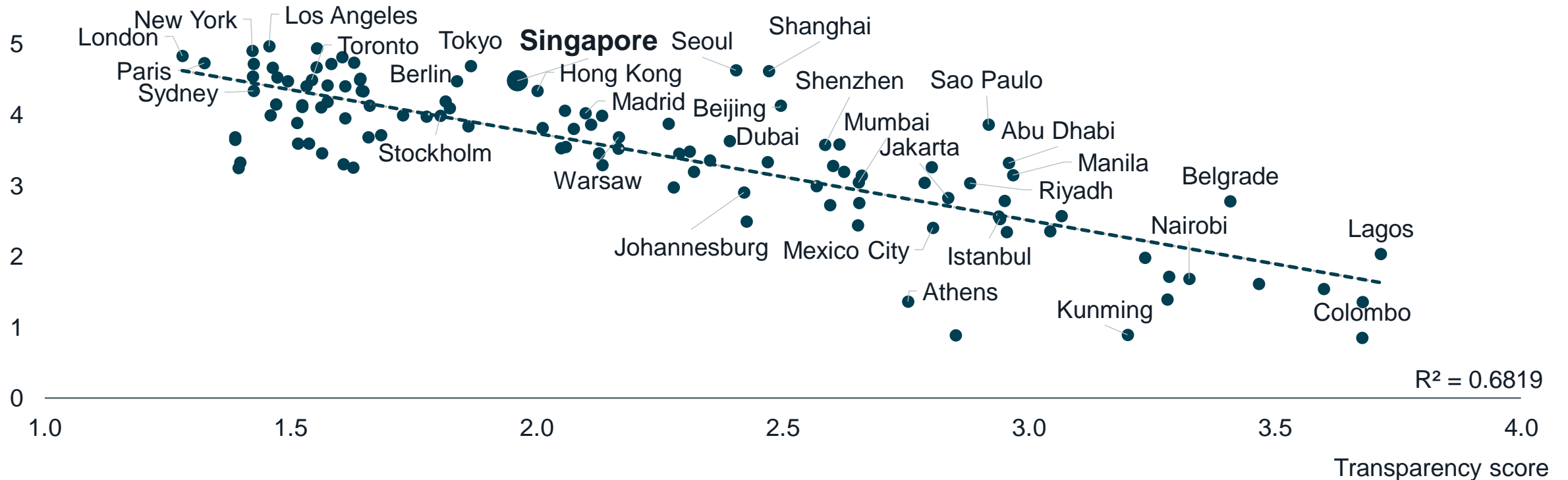
Higher transparency



Higher investment

Transaction volumes
(log scale)

6



Source: JLL, LaSalle

How can Singapore leapfrog to the top of the Index?

Highly Transparent

- 1 United Kingdom
- 2 France
- 3 United States
- 4 Australia
- 5 Canada
- 6 Netherlands
- 7 New Zealand
- 8 Ireland
- 9 Sweden
- 10 Germany
- 11 Japan
- 12 Belgium
- 13 Singapore



More granular **investment performance indices** – by investment style and return type



Enhanced data on **alternative sectors**



Greater information on **real estate financing conditions, debt origination and maturity profiles**



Public **beneficial ownership** records



Double-down on ESG: nature-related risk reporting, resilient building standards, biodiversity, green leases

Singapore real estate is local but attracts international capital

- Singapore's real estate market is local. It will continue to play an important role, especially as Singapore enters the next phase.
- Information on the real estate market has room for improvement as we join the league of highly transparent core markets, globally.

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Thank you