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PRIVATE REAL ESTATE AGENCY

HUTTONS DATA ANALYTICS

SHOPHOUSE OUTLOOK 2027



STEADY INTEREST IN SHOPHOUSE MARKET IN 2026

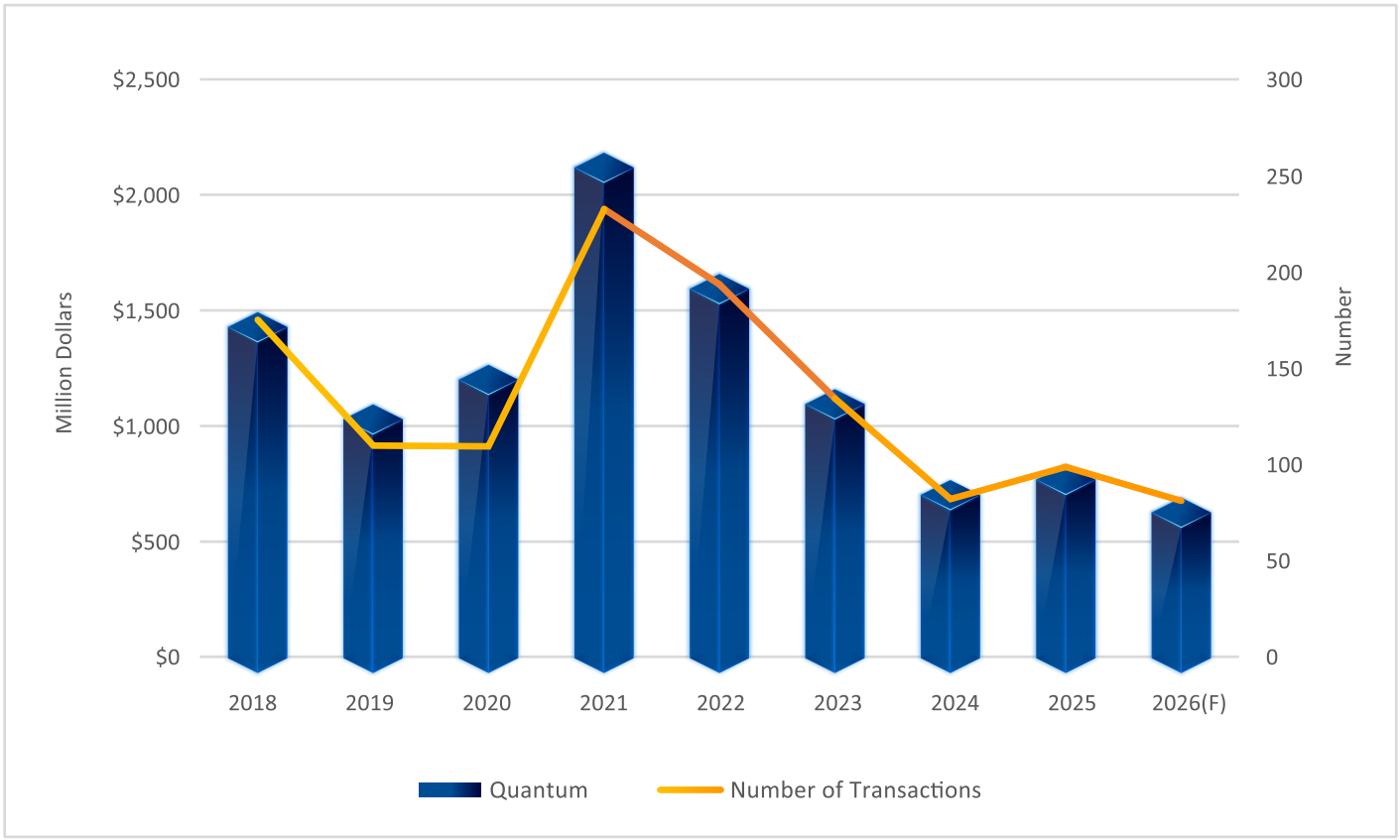
Geopolitical uncertainties stemming from the US-Iran conflict in early 2026 initially dampened investor sentiment. However, confidence gradually returned to this supply-constrained segment as the market assessed the risks to be contained.

Navigating this uncertain environment, over 60% of shophouses sold in 1Q 2026 were priced below $5 million—the highest proportion since 2Q 2020. As sentiments improved in subsequent quarters, appetite for larger-quantum assets recovered.

Overall, the shophouse market is projected to close 2026 below 2025 levels. Huttons Data Analytics estimates full-year transaction volume at 75 units, down from 92 in 2025, while total transaction value fell 18% from $823 million in 2025 to an estimated $675 million in 2026.

Retail investors accounted for the majority of buyers, primarily targeting sub-$10 million assets in Districts 7 and 8. In contrast, institutional property funds focused on investment-grade shophouses with value-add potential. Districts 14 and 15 also remained popular among investors.

Figure 1: Transaction Volume and Quantum of Shophouses in 2026



Source: URA, Huttons Data Analytics (data downloaded as of 12 Nov 2026)

The Top 5 shophouse transactions in 2026 were listed in the table below.

The largest shophouse deal in 2026 was three adjoining units in Holland Village sold to TL Developments for $70 million. A Japanese family office is reported to have paid $22 million for the Keong Saik Road shophouses.

Table 1: Top 5 Shophouse Transactions by Quantum in 2026

Address	Land Area	Quantum	Tenure
31,31A,33,33A ETC LORONG LIPUT	7,542 sq ft	$70 mil	Freehold
44,46,48 UPPER CROSS STREET	4,198 sq ft	$36.9 mil	99-year
3,3A,3B KEONG SAIK ROAD	1,287 sq ft	$22 mil	Freehold
32 LORONG 11 GEYLANG	4,153 sq ft	$17.7 mil	Freehold
261 SOUTH BRIDGE ROAD	1,352 sq ft	$16.8 mil	999-year

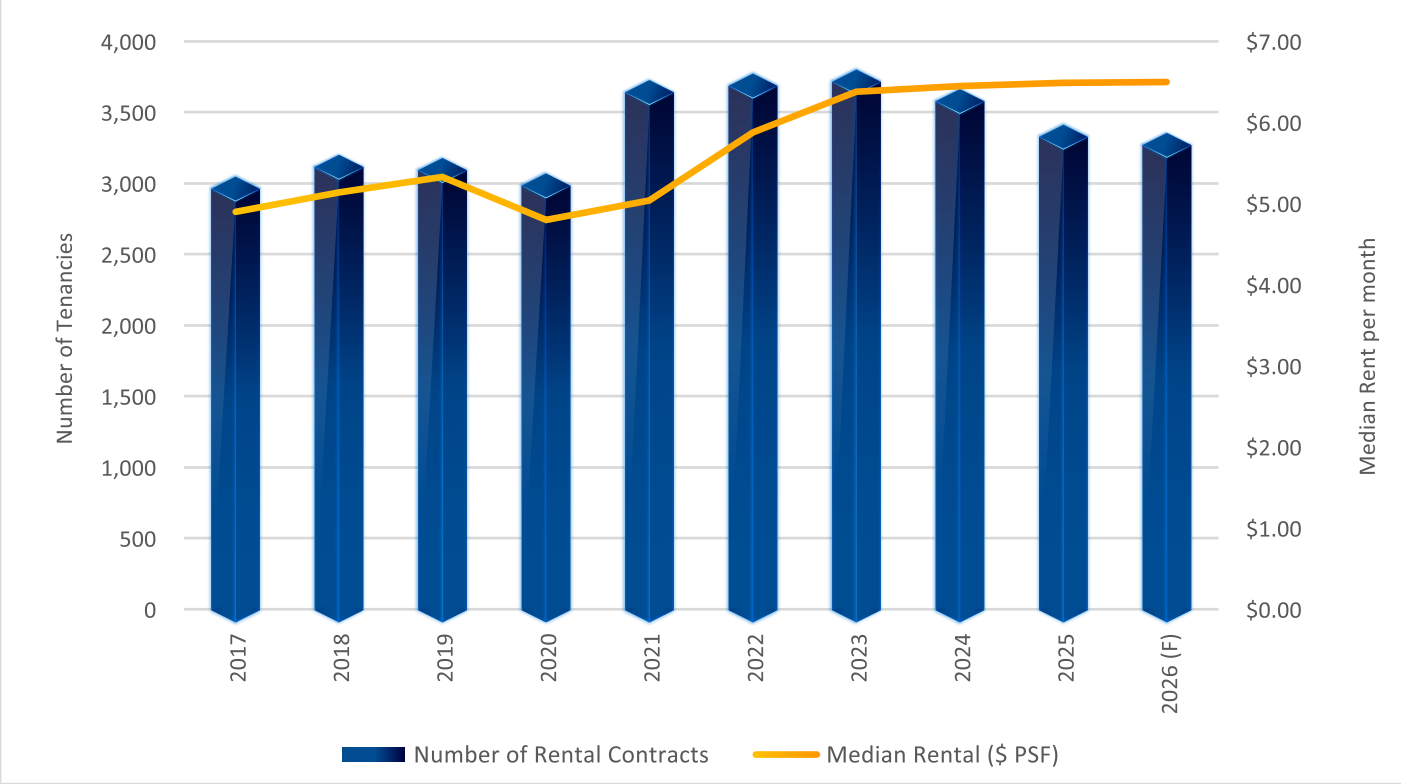
Source: URA, news reports, Huttons Data Analytics (data downloaded as of 12 Nov 2026)

Given the scarcity of this asset class, existing owners face little pressure to divest unless valuations meet their expectations. As investors look for entry points into the market, many are turning to 99-year leasehold shophouses, which offer a more accessible price quantum.

Reflecting this shift, 99-year leasehold properties accounted for an estimated 18% of total shophouse transactions in 2026—a 5-percentage-point increase from the previous year.

Meanwhile, shophouse rentals remained largely flat in 2026, weighed down by persistent operating headwinds in the F&B sector. Average rents held steady at $6.50 psf/month, unchanged from 2025.

Figure 2: Median Rents and Rental Volume of Shophouses



Source: URA, Huttons Data Analytics (data downloaded as of 12 Nov 2026)

OUTLOOK

As one of the few commercial real estate asset classes with minimal foreign ownership restrictions, Singapore's shophouse market—comprising just over 6,500 conservation properties—benefits from finite supply and tightly held ownership.

Singapore remains a premier hub for ultra-high-net-worth individuals to preserve and manage wealth, with single-family offices surpassing 2,000 as of end-2025. Heightened geopolitical uncertainties have further reinforced the city-state's status as a leading safe haven.

While the prospect of rising interest rates may compress the spread between net yields and borrowing costs—prompting some buyers to pivot toward lower-quantum assets—overall transaction activity is set to rebound.

Shophouse sales volume in 2027 is projected to match 2023's tally of 131 units, buoyed by a portfolio sale of 50 shophouses worth approximately $500 million to 8M Real Estate.



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