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Singapore Hospitality Market Conditions & Trends



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2026 Singapore Hotel Outlook:
Geopolitical and Cost Pressures Cloud Singapore's Hotel Recovery in 2026

STABLE

Visitor Arrivals

Lower flight capacity, continued weakness in China’s economy and higher travel costs could weigh on visitor arrivals in the near term.

STABLE

Tourism Receipts

Sustained higher spend on accommodation and experiences led to record receipts in 2025. 2026 growth expected to stay stable.

UP

Room Supply

Approximately 3,300 rooms are set to enter the market between 2025 and 2028, a CAGR of 1%. Most new supply will be in the midscale and upscale segments.

STABLE

Average Room Rate

Average room rate expected to remain stable despite prevailing uncertainty as hoteliers protect rates.

DOWN

RevPAR

Weaker demand in the near term could put pressure on revenue per available room (RevPAR).

STABLE

Capital Markets

Investor interest holds firms, underpinned by flight-to-safety amid global uncertainty.

01

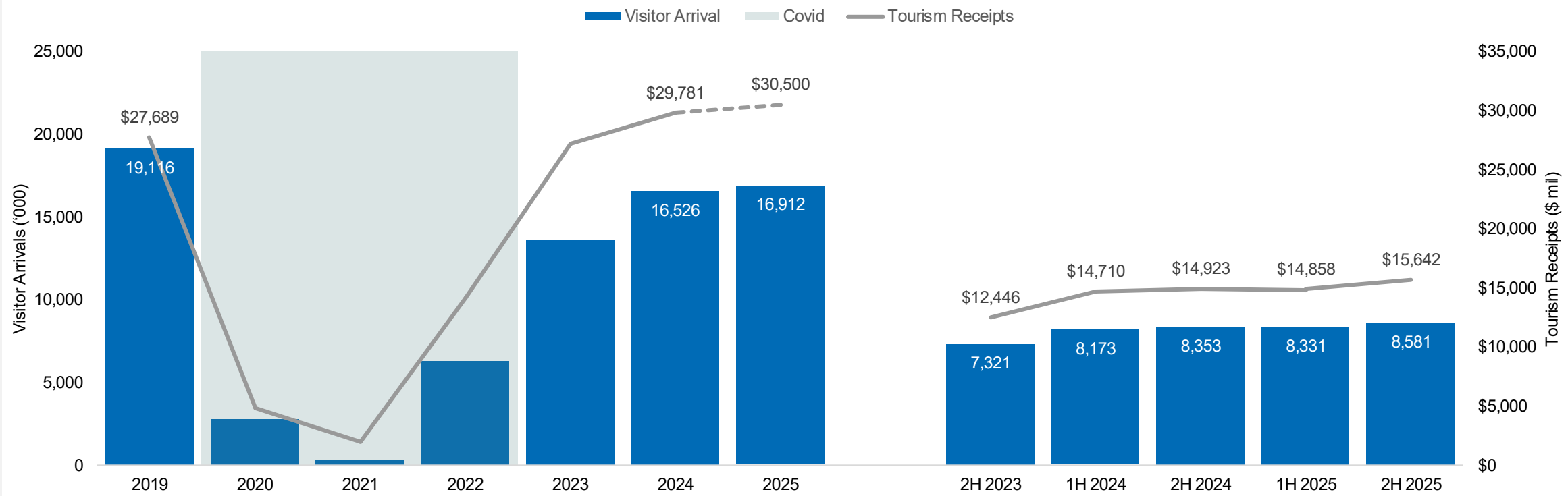
Tourism



Record Tourism Receipts in 2025, Although Visitor Arrivals Remain Below 2019 Peak

Tourism performance reached a post COVID record in 2025, driven by new and refreshed experience from attractions, cruise and Meeting Incentives, Conventions & Exhibitions (MICE). Visitor arrivals reached a high of 16.9 million in 2025, representing a 2.3% year-on-year (y-o-y) growth but remain below the 19.1 million visitors seen in 2019 peak. Four of the top five tourist arrivals recorded y-o-y growth, with the exception of Indonesia, which declined 2.0% y-o-y.

Visitor Arrival versus Tourism Receipts

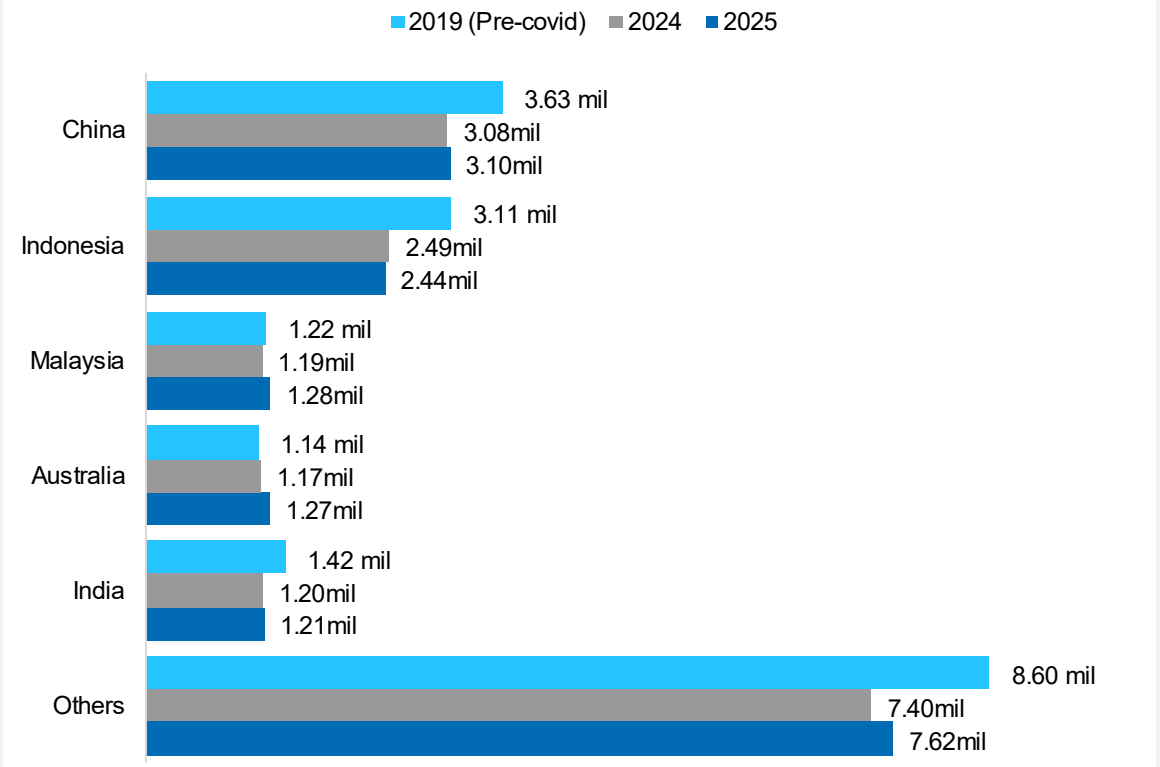


Source: STB, Newmark Research
[1] 2025 tourism receipts are based on the STB's forecast as of 2 February 2026.

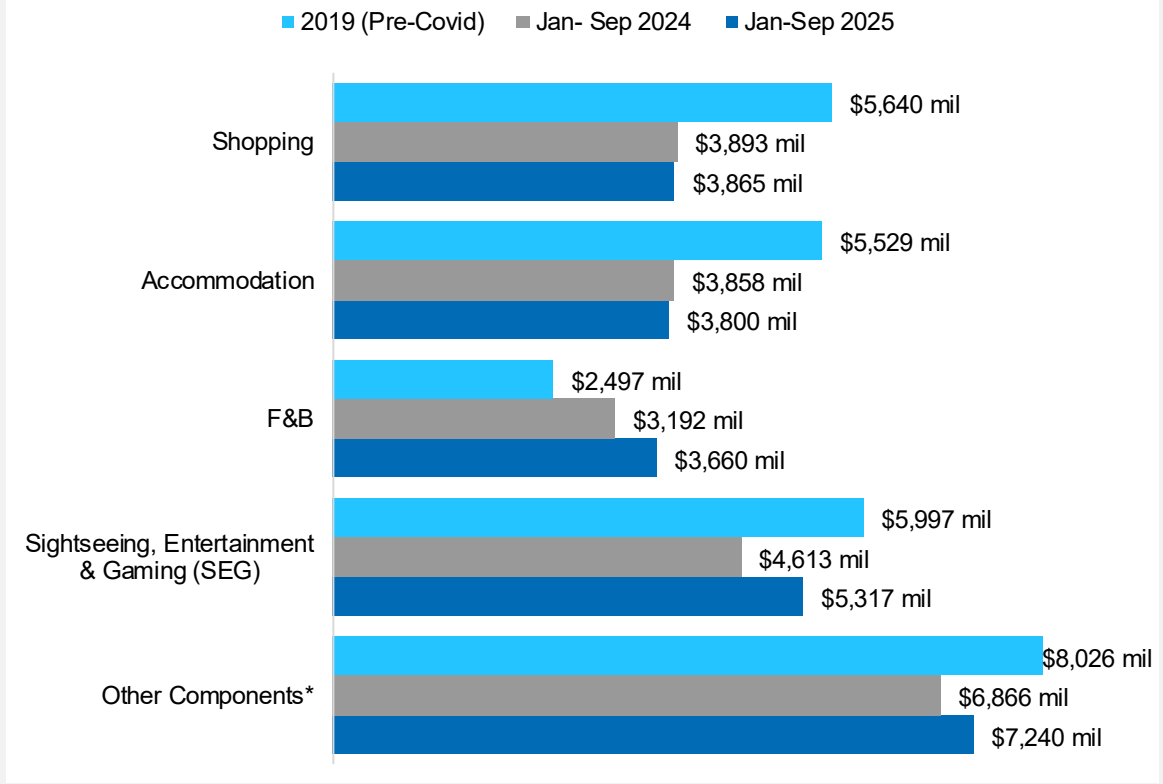
9M 2025 Tourism Receipts Surpass Same Period in 2024, with Stronger Growth in F&B and SEG

Tourism receipts in the first nine months of 2025 totaled S$23.9 billion, with the full year projected to reach a record S$29.0–S$30.5 billion.. In particular, tourism receipts across Food & Beverage (F&B), Sightseeing, Entertainment & Gaming in the first nine months of 2025 surpassed the similar period in 2024 figures.

Visitor Arrivals by Top Five Markets



Tourism Receipts by Major Components



Source: STB, Newmark Research

Other Components include expenditure on airfares on Singapore-based carriers, port taxes, local transportation, business, medical, education and transit visitors.

02

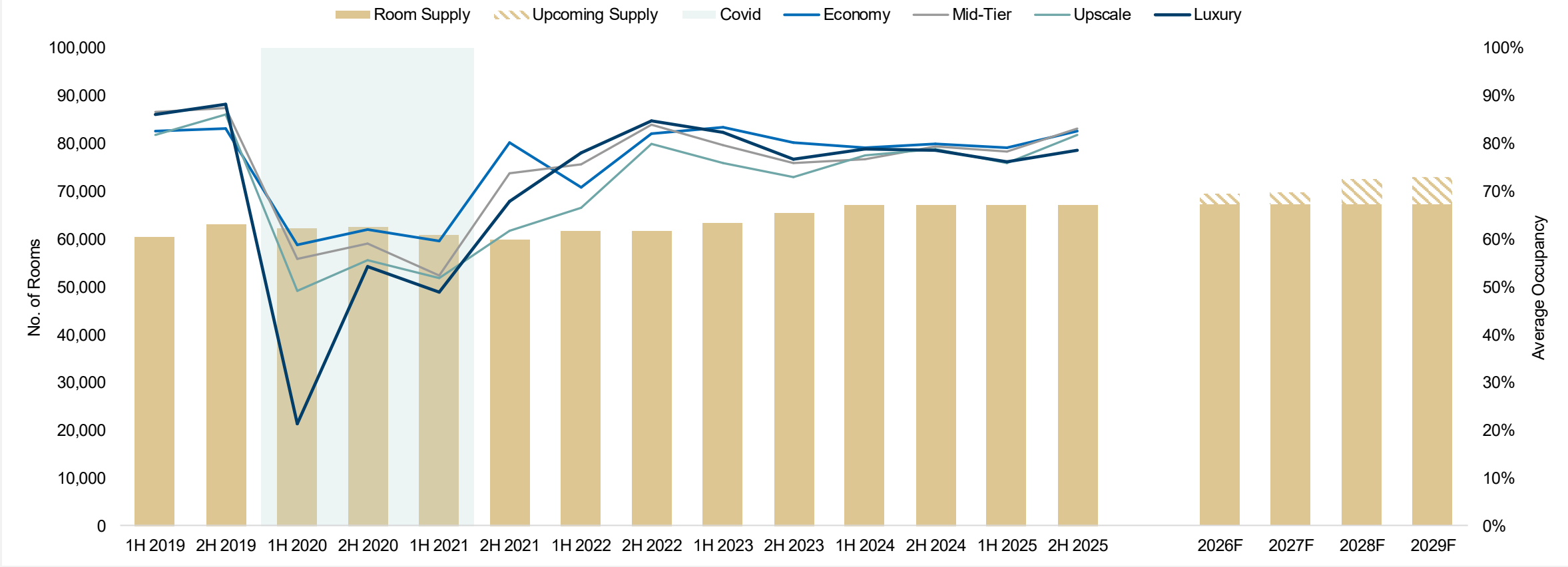
Hotel



Hotel Performance Buoyed by Stable Tourism Performance

Buoyed by stable tourist arrivals in 2025 and with spend remaining at a premium, Singapore's hotel market performed steadily, with average room occupancy remaining broadly stable across segments. Mid-Tier and Economy segments led on occupancy, recording 83% respectively. 2026 could see some 2,155 new hotel rooms added, a 3.2% increase on existing supply.

Supply of Rooms versus Average Occupancy

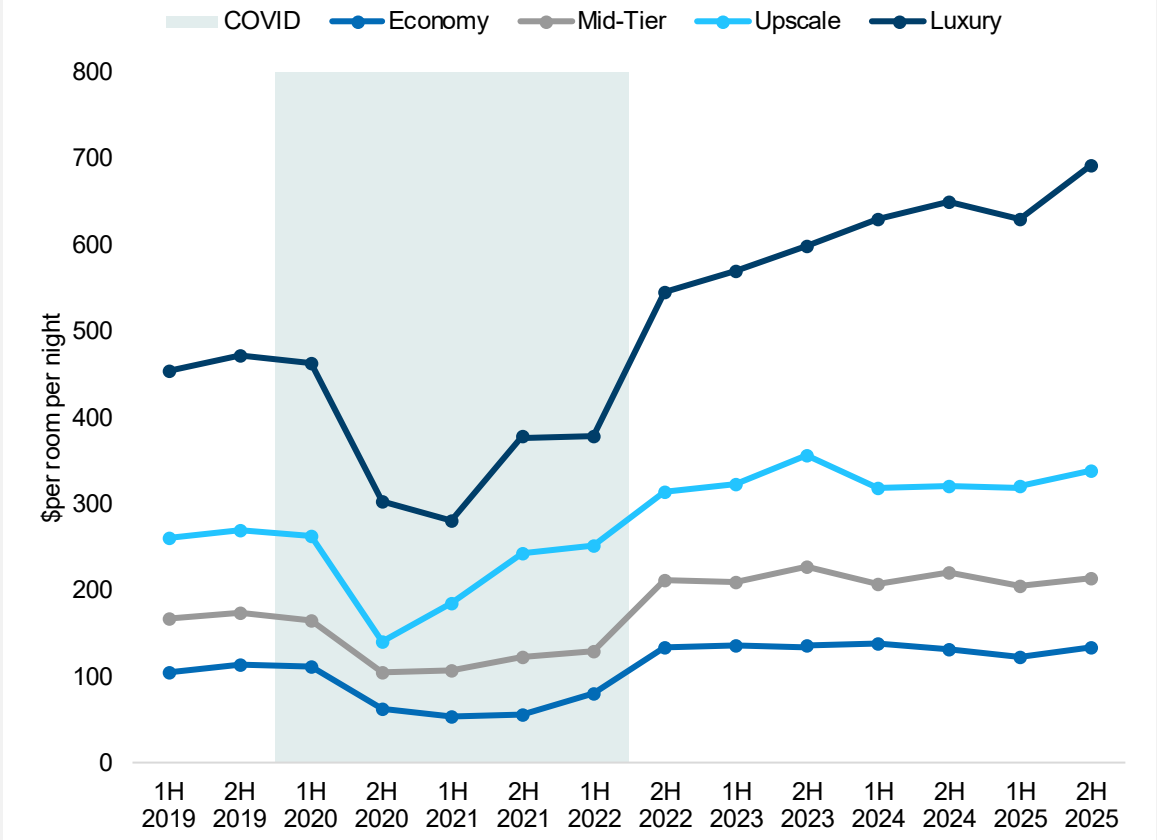


Source: STB, Newmark Research

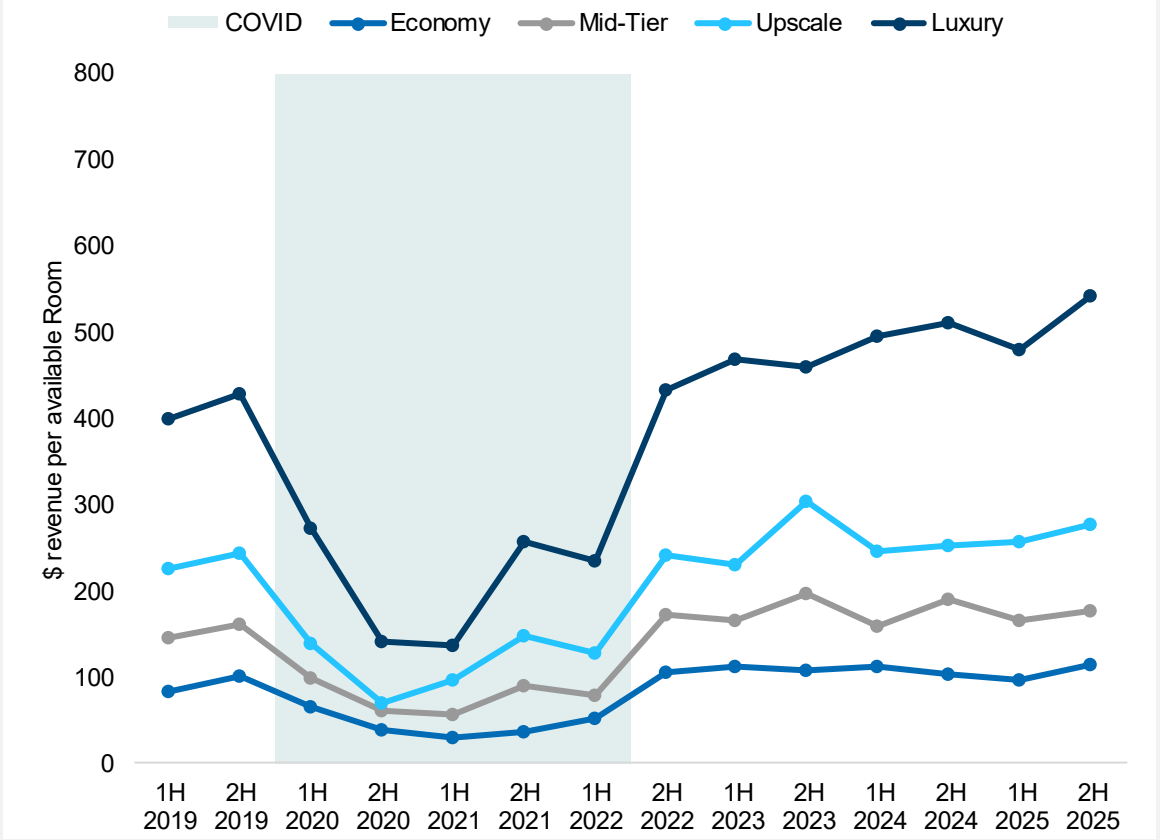
Hotel Performance Buoyed by Stable Tourism Performance (cont.)

RevPAR (revenue per available room) growth, however, remained muted for most segments, with meaningful gains confined largely to the Luxury segment, which saw RevPAR attain new heights, driven primarily by average room rates. This K-shaped recovery, with Luxury outpacing all other segments, reflects Singapore's deliberate focus on high-yield visitors. The shift has directly benefitted luxury hotels, underpinned by stronger spending and resilient luxury travel demand.

Average Room Rate



RevPAR



Source: STB, Newmark Research

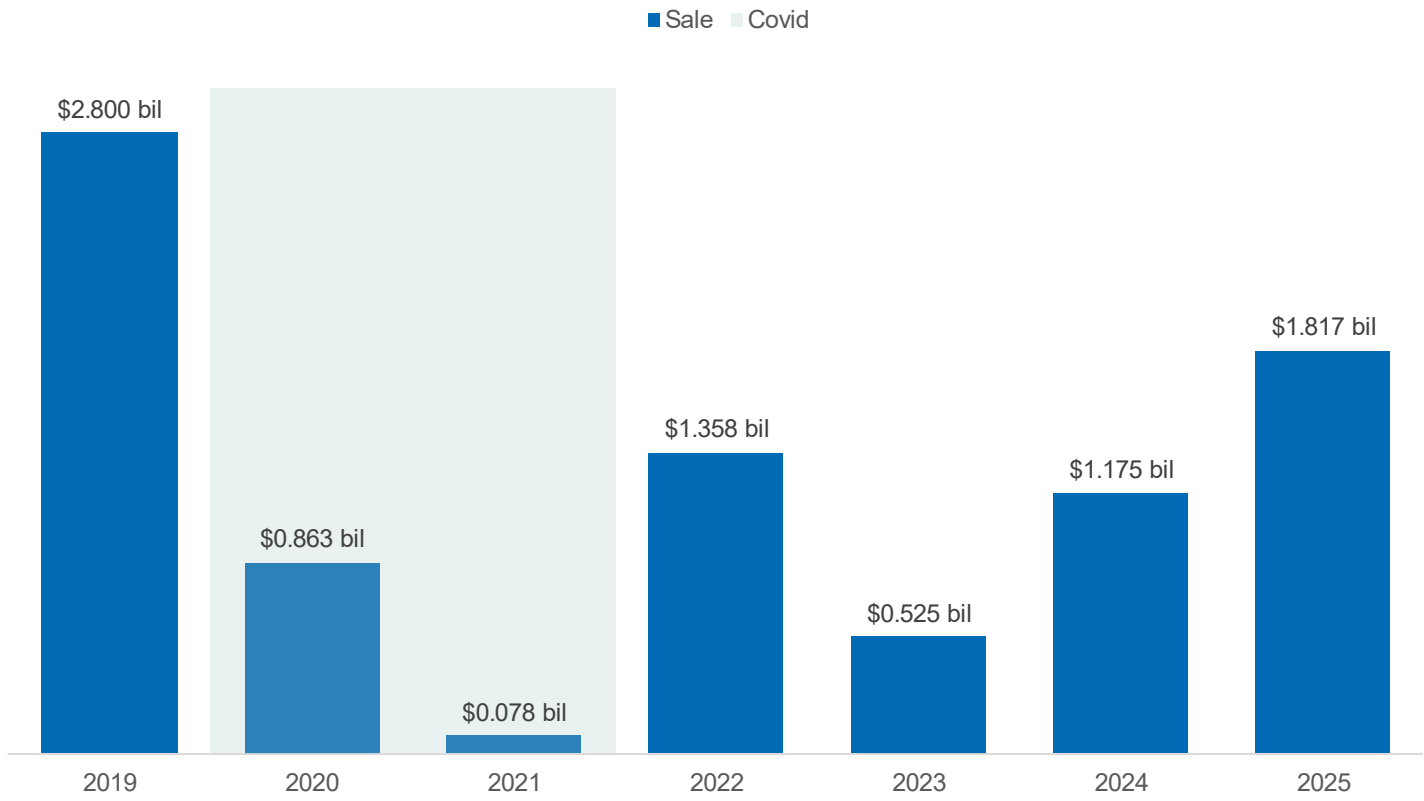
03

Capital Markets



Hotel Investment Sales Recover, Though Still Trailing 2019

Hotels Transacted



Singapore's hotel investment market recorded its strongest year of transaction activity in 2025, with total sales volume reaching S$1.8 billion, surpassing the previous post-pandemic high of S$1.3 billion in 2022, an increase of 54.6% y-o-y.

The year was marked by several landmark deals, headlined by CDL's divestment of its 50.1% stake in the South Beach integrated development to IOI Properties Group, with the JW Marriott Hotel Singapore South Beach alongside the completion of the collective sale of Concorde Hotel to Hotel Properties Ltd.

Institutional interest remained prominent, with BlackRock featuring as a partner in two separate transactions, the Citadines Raffles Place and Momentus Serviced Residences Novena. Looking into 2026, LHN Group has already brought its hospitality assets to market in line with its strategy to adopt a more asset-light operating model for its Coliwoo brand, adding to the pipeline of investment opportunities in the year ahead.

In terms of Government Land Sale opportunities, URA has put up two hotel sites at River Valley Road and Telok Ayer Street on the Reserve List, potentially yielding a combined 970 hotel rooms.

Source: RCA
*Figures are based on estimates that include the proportional value of selected transactions with hotel components.

Major Hospitality Transactions in 2025

Major Hospitality Transactions in 2025								
Date	**Property Name**	**Address**	**Price (S$)**	**Seller**	**Owner/Buyer**	**No. Of Room**	**$ Per Key**	**Remarks**
9/1/2025	JW Marriott Hotel Singapore South Beach	Beach Rd	n.a.	CDL	IOI Group	n.a.	n.a.	Sale of CDL's 50.1% interest in the development, based on an agreed property value of S$2.75 billion on a 100% interest basis
8/11/2025	Concorde Hotel	100 Orchard Rd	$333.65 mil	Enbloc	Hotel Properties Ltd	-	-	Full acquisition of the strata area of Concorde Hotel & Shopping Mall
5/30/2025	Citadines Raffles Place	86-88 Market St	$280.00 mil	Mitsubishi Estate, CapitaLand Development, CapitaLand Integrated Commercial Trust	YTL Corp, BlackRock	299	$936,500	Sale of 45% based on $280 mil valuation
10/31/2025	Hotel Miramar Singapore	401 Havelock Rd	$160.00 mil	Hotel Miramar (Singapore) Ltd	Aravest, SMFL, Kenedix, Wee Hur Holdings Ltd	344	$465,100	
2/6/2025	Oakwood Studios Singapore	18 Mount Elizabeth	$152.76 mil	Newfort Realty	Grand Prestige Land	96	$1.59 mil per apartment	
4/2/2025	21 Carpenter	27-33 New Bridge Rd	$100.00 mil	8M Real Estate	Timemerchant Capital	48	$2.08 mil	
5/21/2025	Momentus Serviced Residences Novena	12 Shan Road	$100.00 mil	LWH Holdings Pte Ltd, Macly Capital Pte Ltd, Roxy-Pacific	Weave Co-Living, BlackRock, Lian Beng Group	78	$1.28 mil	

Source: RCA
*Figures are based on estimates that include the proportional value of selected transactions with hotel components.

04

Government Initiatives



Continued Government Efforts to Boost Tourism

The Singapore Tourism Board's (STB) Tourism 2040 roadmap, unveiled in 2025, targets increasing tourism receipts to S$47–50 billion by 2040, which equals around 1.7 times of 2024 tourism receipts. This is anchored by a deliberate shift towards spending growth across MICE, leisure events, and new attractions.

In particular, MICE stands out as the primary engine of growth, with a target to triple sector receipts to S$4.5 billion, underpinned by plans for a new downtown MICE hub to complement Singapore's existing convention and exhibition infrastructure.

New landmark products are set to sustain visitor demand and drive hotel occupancy across the city. The Disney Adventure cruise, the first Disney Cruise Line homeport in Asia, represents a particularly significant addition, generating sustained onshore spending from fly-cruise visitors alongside pre- and post-cruise hotel stays.

On the leisure side, the Mandai Wildlife Reserve further broadened Singapore's tourism appeal with the opening of Rainforest Wild Asia in March 2025, Asia's first adventure-based wildlife park, which targeted 900,000 visitors in its first year. The cluster continues to grow, with the Exploria indoor multimedia attraction opening in early 2026 and an Africa-themed park in the pipeline, cementing Mandai's position as a multi-day destination for both regional and long-haul visitors.

To support industry transformation alongside these demand-side initiatives, STB provides a suite of targeted grants to help tourism businesses innovate, digitalize, and upskill. The Business Improvement Fund (BIF) supports Singapore-registered businesses across hotels, attractions, MICE, travel agencies, dining, and retail in adopting emerging technologies such as artificial intelligence, automation, and augmented and virtual reality, as well as redesigning business models to improve productivity and long-term competitiveness.



In Summary



2026 Outlook

Singapore's hotel market faces a more complex operating environment in 2026, shaped by a confluence of geopolitical and macroeconomic headwinds that could temper the momentum seen in recent years.

Escalating conflict in the Middle East is expected to reshape the travel industry over the near-to-medium term. Fuel shortages have led to rising fuel costs, and the rerouting of long-haul flight paths away from Middle Eastern airspace have begun driving travel costs higher for travelers. This shift in travel economics is expected to weigh on demand, particularly for leisure travelers who are more price-sensitive. Nonetheless, short-haul travel within Asia is expected to remain relatively resilient, though growth may be tempered by rising fuel surcharges.

Against this backdrop, performance is likely to diverge across hotel segments. In an environment of heightened uncertainty, the Luxury segment is expected to lead performance, underpinned by a guest base that is less sensitive to rising travel costs and geopolitical disruptions, at least for now. Mid-Tier and Economy segments face greater vulnerability, as rising travel costs are more likely to deter their core leisure and budget-conscious travelers, putting downward pressure on occupancy and limiting room rate growth.

Overall, 2026 is expected to present notable headwinds, with performance heavily contingent on the trajectory of fuel prices, the fluid situation in the Middle East, and the pace of Chinese outbound travel recovery. The confluence of these factors introduces a degree of uncertainty not seen since the pandemic years and may well impact the market’s recovery trajectory.



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