

Seoul and Tokyo lead global prime residential growth in 2026, with values forecast to rise by up to 7.9%

Savills Singapore Pte Ltd
30 Cecil Street
#20-03
Prudential Tower
Singapore 049712

REG NO: 198703410D
T: +65 6836 6888
savills.com

Singapore prime residential values expected to grow 2%–3.9% in 2026, in line with broader rest-of-world recovery

For Immediate Release – SAVILLS' latest Prime Residential World Cities report notes that prime residential world city markets are expected to deliver modest but resilient growth in 2026, with Seoul and Tokyo emerging as standout performers as structural supply shortages continue to underpin pricing across select global cities.

Seoul is expected to lead growth in 2026, with prime apartment prices forecast to rise between 6% and 7.9% following a 14.3% increase in 2025. Deep-rooted structural constraints, including scarce land availability, slow development pipelines and concentrated demand within core districts, continue to place upward pressure on pricing. While tighter regulations and more restrictive financing conditions have moderated transaction volumes, pricing momentum remains resilient.

Tokyo also stands out after recording capital value growth of 30% in 2025, driven by acute supply scarcity and enduring domestic and international investor appeal. Competition for land — particularly from office developers — continues to restrict residential development, even as widening gaps between new apartment prices and construction costs raise longer-term sustainability considerations.

In Singapore, prime residential capital values are forecast to grow between 2% and 3.9% in 2026, marking a recovery following negative growth in 2025.

The outlook aligns with a broader rest-of-world trend, where constrained prime supply, improving buyer confidence and selective demand are expected to support price stability and gradual growth across key Asia-Pacific and European markets.

Alan Cheong, Executive Director, Research & Consultancy, SAVILLS Singapore says, “Singapore’s luxury residential market is slowly regaining momentum as more locals as well as permanent residents realize that value offerings are in the air after the price correction in 2025.”

Global prime residential property markets demonstrated notable resilience in 2025, delivering capital value growth despite a backdrop of economic volatility, geopolitical tensions and shifting policy environments. Prime capital values across the 30 cities in the index rose by an average of 1.8% last year, with second-half capital values outperforming rents for the first time since 2021 — signalling a modest shift in sentiment as expectations of interest rate cuts firmed.

China’s headwinds continue, with prices forecast to dip by -2% to -3.9% in 2026 across the Chinese cities in the index due to weak demand and demographic challenges. While prime new-build properties may experience stability, the broader secondary market remains firmly in decline. With 22 consecutive months of year-on-year declines recorded across all surveyed cities, sentiment remains fragile, and a meaningful recovery in 2026 appears unlikely.

Hong Kong’s residential prices are showing signs of stabilisation with the strengthening of demand from new Mainland Chinese buyers who are acquiring residences in Hong Kong’s prime enclaves. While capital value growth remained negative for full-year 2025, they increased by 0.3% in the second half of the year and growth of between 2% and 3.9% is anticipated for this year.

By contrast, the outlook across much of Europe and the United States is more moderate, with average price growth forecast between just over 0% and 1.9%. Although easing mortgage rates are expected to support activity in the US, elevated pricing and cautious sentiment will continue to influence markets such as Milan, while cities including Rome, Athens and Paris are positioned for gradual recovery supported by improving buyer confidence and limited supply.

Dubai recorded capital value growth of 3.6% in H2 2025 and 11.2% for the full year. 2026 is set to see more moderate growth of 1.9%. Constrained prime supply has sustained prices, even as growth begins to normalise from the highs of the early 2020s. However, there is a significant pipeline of mainstream stock which could contribute to a two-tier market.

Kelcie Sellers, Associate Director, SAVILLS World Research says, “Chronic undersupply, cross-border capital flows and sustained demand for global city environments, especially those with strong lifestyle and fiscal pulls, will continue to drive growth in prime residential markets around world.”

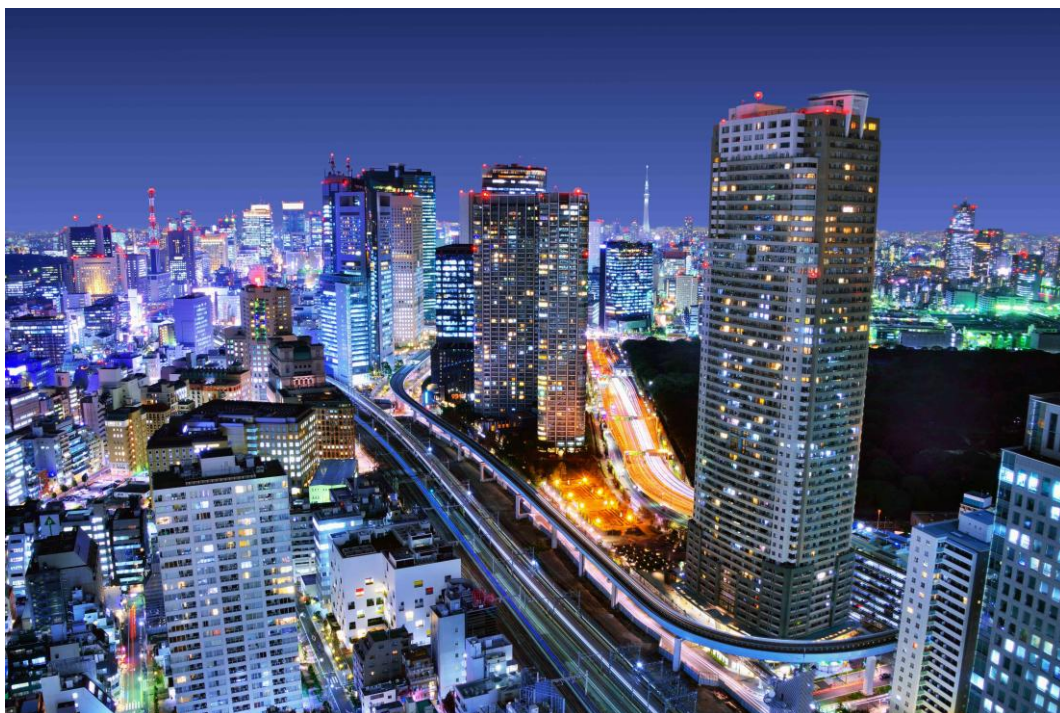
SAVILLS World Cities Prime Residential Index: 2026 prime capital value growth forecast vs capital growth value in 2025

City	2026 Forecast	Capital value growth in 2025	Prime capital value Dec 2025 (US\$ psf)	Prime capital value Dec 2025 (€ psm)
Seoul	+6% to 7.9%	14.3%	\$1,730	€16,000
Tokyo	+4% to 5.9%	30%	\$2,680	€24,800
Madrid	+4% to 5.9%	4.2%	\$1,200	€11,100
Lisbon	+4% to 5.9%	4.4%	\$1,460	€13,600
Cape Town	+4% to 5.9%	6%	\$280	€2,600
Singapore	+2% to 3.9%	-0.10%	\$1,860	€17,200

Hong Kong	+2% to 3.9%	-3.2%	\$3,730	€34,600
Mumbai	+2% to 3.9%	1.0%	\$1,110	€10,300
Amsterdam	+2% to 3.9%	6.3%	\$1,130	€10,500
Barcelona	+2% to 3.9%	2.1%	\$1,000	€9,300
Paris	+2% to 3.9%	1.6%	\$1,980	€18,300
Miami	+2% to 3.9%	-6.2%	\$1,440	€13,400
New York	>0% to 1.9%	0.5%	\$2,610	€24,300
San Francisco	>0% to 1.9%	-4.8%	\$1,400	€13,000
Los Angeles	>0% to 1.9%	-6.5%	\$1,430	€13,300
Kuala Lumpur	>0% to 1.9%	1.1%	\$270	€2,500
Sydney	>0% to 1.9%	3.4%	\$1,950	€18,100
Dubai	>0% to 1.9%	11.2%	\$1,170	€10,800
Rome	>0% to 1.9%	0.5%	\$1,550	€14,400
Milan	>0% to 1.9%	0.0%	\$1,620	€15,000
Athens	>0% to 1.9%	1.2%	\$1,260	€11,700
Bangkok	0.0%	-0.2%	\$1,190	€11,000
London	0.0%	-4%	\$2,030	€18,800
Berlin	0.0%	3.4%	\$1,250	€11,600
Geneva	0.0%	4.5%	\$2,650	€24,600
Beijing	-2% to -3.9%	-2.5%	\$1,500	€13,900
Shanghai	-2% to -3.9%	-1.4%	\$2,000	€18,500
Hangzhou	-2% to -3.9%	0.4%	\$1,210	€11,200
Shenzhen	-2% to -3.9%	-4%	\$1,460	€13,500
Guangzhou	-2% to -3.9%	-7.2%	\$1,430	€13,300

Source: Savills Research

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For further information, please contact:

Alan Cheong, Executive Director, Research & Consultancy

Tel: +65 9389 9250 | alan.cheong@savills.com.sg

Jacke Chye, Head of Marketing and Communications, SAVILLS Singapore

Tel: +65 9678 6761 | Jacke.Chye@savills.com.sg

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Listed on the London Stock Exchange, we have more than 40,000 professionals collaborating across over 70 countries, delivering unrivalled coverage and expertise to the world of commercial and prime residential real estate.

By applying world research data and trends to local and global settings, we are able to empower our clients with insights from the forefront of the industry – bringing their aspirations to life through innovative, tailor-made solutions.

Whether we are working with a global corporate looking to expand, an investor seeking to sustainably optimise their portfolio, or a family trying to find a new home, we help our clients make better property decisions.

SAVILLS Singapore puts our clients at the forefront of everything we do. And that has led us to where we are today – an award-winning real estate services provider in the Asia Pacific region.

We strive to be visionaries in better crafting astute property decisions for individuals, businesses and investors. We believe that our clients' achievements are a testament to our value-based expertise, and commitment to delivering premium service.

Our team of professionals, with their deep knowledge of specialist property sectors, is dedicated to providing tailored solutions that align with our clients' objectives. We take pride in the comprehensive range of services we offer: transactional advice in investment, industrial, commercial, residential, retail, project management, research and consultancy, property and facilities management and valuation.

Unwavering in our focus to deliver innovative solutions, excellent customer service, and build long-term relationships with our clients, we constantly adapt to meet the evolving needs of our clients. We remain committed to their success and strive to exceed their expectations in every interaction.

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