Singapore Research

Shophouse

Knight Frank

H2 2025 | knightfrank.com.sg/research

A year of tempered activity in the shophouse market

"Despite the easing of transaction activity, shophouses continue to command firm pricing due to their scarcity and long-term value, and are expected to attract interest from far-sighted investors in 2026."

MARY SAI, EXECUTIVE DIRECTOR, CAPITAL MARKETS

2025

Total Sales Value : **S$879.7 million**
No. of Units Sold : **96**
Average Price : **S$5,471 psf on land**

2024

Total Sales Value : **S$947.8 million**
No. of Units Sold : **95**
Average Price : **S$3,794 psf on land**

Sales activity in the shophouse market picked up in H2 2025, with 54 transactions against the 42 in H1 2025. However, the average unit price declined 27.1% from S$6,431 psf on land in H1 2025 to S$4,663 psf on land in H2 2025, which also translated to a fall in total sales value from S$462.9 million between January and June 2025 to S$416.8 million from July to December 2025. This suggests more shophouse transactions were of smaller price quantums in the second half of the year, evident when some 33 shophouses changed hands with prices of less than S$10 million in the first half of 2025 against the 43 in the second half.

For the whole of 2025, there were 96 shophouses that were sold, bringing the total sales value to S$879.7 million with an average unit price of S$5,471 psf on land. However, it is almost certain that there were more transactions than the available data represented by the caveats lodged. Some shophouse sales were neither reported nor caveated in 2025 with their investors and/or buyers preferring to remain incognito.

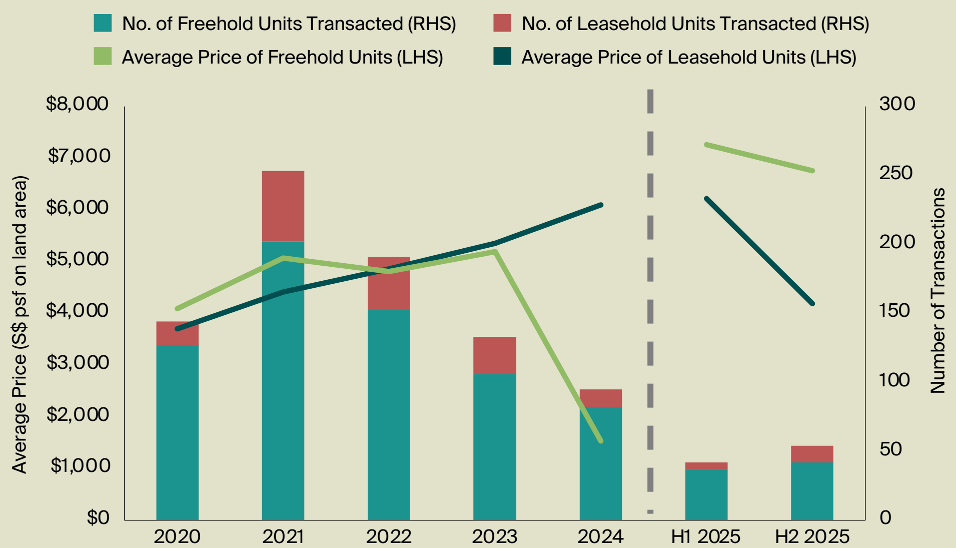
There were 42 freehold shophouse transactions in H2 2025, five more than the 37 in H1 2025 (Exhibit 1), but slightly less than the 44 sold in the same period a year ago. Despite the half yearly increase in transaction volume, the total sales value of the freehold shophouses transacted in H2 2025 was S$312.2 million, a 12.9% half-yearly decline when compared to the S$358.4 million in H1 2025. This also represented a 32.7% fall of the average unit price of freehold units from S$6,217 psf on land in H1 2025 to S$4,187 psf on land in H2 2025.

At the same time, there were 12 leasehold shophouse transactions in H2 2025, more than the five and six shophouse transactions registered in H1 2025 and H2 2024 respectively. However, the half yearly expansion in transaction volume did not translate to a better total sales value in H2 2025 when S$104.5 million was recorded, almost similar to the S$104.6 million in H1 2025. The average unit price decreased 6.9% from S$7,260 psf on land in H1 2025 to S$6,757 psf on land in H2 2025.

Between July and December 2025, the few notable deals included three shophouses along Jalan Besar that were sold for S$36.5 million in September 2025 (S$5,723 psf on land), and another shophouse also located along North Canal Road that changed hands for S$23.9 million (S$13,810 psf on land) in December 2025 (Exhibit 2).

In H2 2025, a total of 15 shophouses transacted enjoyed positive returns, with four transactions having returns of over 100% with a corresponding average holding period of almost 18 years. During the same period, two shophouse transactions recorded negative returns. The most noteworthy capital gain among the shophouses sold was the reported sale of 60 Pagoda Street for S$10.6 million in July 2025. It was held for just under 22 years and achieved a significant return of about about 425.3% (Exhibit 3).

Exhibit 1: Sales Volume and Average Unit Prices of Shophouses



Source: URA Realis (based on data downloaded as at 21 January 2026), Knight Frank Research

Exhibit 2: Top 5 Deals in H2 2025

DEVELOPMENT NAME	ADDRESS	LAND TENURE	LAND AREA (SF)	SALES PRICE (S$ MIL)	UNIT PRICE (S$ PSF)	SALE DATE
Desker Road Conservation Area	203,205,207 Jalan Besar	FH	6,378	$36.5	$5,723	Sept-25
N.A.	37 North Canal Road	LH-99 yrs	1,730	$23.9	$13,810	Dec-25
Telok Ayer Conservation Area	65 Club Street	LH-999 yrs	2,083	$21.0	$10,082	Sept-25
N.A.	259, 259A, 259B Outram Road	FH	2,168	$15.0	$6,919	Jul-25
Blair Plain Conservation Area	69, 71 Kampong Bahru Road	FH	2,343	$14.9	$6,350	Sept-25

Source: URA Realis (based on data downloaded as at 21 January 2026), various media reports, Knight Frank Research

Shophouses are highly versatile assets that can accommodate a wide range of uses, including hospitality, office, and food and beverage (F&B) operations. However, the performance of the F&B sector has been uneven in recent years, with some operators demonstrating more resilience than others who have exited the market. The F&B sector's challenging operating environment has and continues to lead some operators to prematurely terminate their leases. This, in turn, places pressure on shophouse owners to secure replacement tenants, a task that can be challenging when landlords seek to maintain rental rates in order to preserve recurring income yields. From an ownership perspective, there is a clear preference for F&B tenants that can operate sustainably over the long term, providing income stability. Unlike shopping malls, especially those located near major transport nodes and benefiting from consistent footfall, shophouses in less popular areas, especially those situated away from transport nodes, may face volatile levels of pedestrian traffic and consumer patronage.

Exhibit 3: Property Gains for Shophouses Transacted in H2 2025

DEVELOPMENT NAME	ADDRESS	LAND TENURE	SALES PRICE (S$ MIL)	DATE OF SALE	LAND AREA (SF)	RETURN	EST. NO. YEARS HELD
N.A.	60 Pagoda Street	LH-99 yrs	$10.6	Jul-25	1,368	425.3%	22
N.A.	196 Syed Alwi Road	FH	$6.0	Sept-25	730	313.8%	18
Kampong Glam Conservation Area	65 Jalan Sultan	LH-99 yrs	$4.8	Oct-25	962	295.8%	17
N.A.	39 East Coast Road	FH	$8.6	Sept-25	950	193.7%	14
Little India Conservation Area	22 Upper Dickson Road	FH	$4.9	Dec-25	631	91.4%	4

Source: URA Realis (based on data downloaded as at 21 January 2026), Knight Frank Research

MARKET OUTLOOK

Shophouse owners facing prolonged vacancies due to a disrupted string of underperforming tenants may consider monetising their assets through a sale. However, such properties are unlikely to be priced at a discount, as shophouses remain scarce and are widely regarded as trophy assets, especially freehold ones that can preserve capital as legacy assets. Despite leasing challenges, owners generally remain firm on their asking prices, supported by the long-term value proposition and limited supply of such properties.

Looking ahead, shophouse transaction activity is expected to attract selective interest, with demand largely concentrated on freehold assets or those with sufficiently long remaining lease tenures to support a viable exit strategy option over a duration of a generation or more. While the prevailing low interest rate environment continues to provide a supportive backdrop for acquisitions, investor appetite is likely to remain measured and cautious given the price premiums. Given these factors, Knight Frank expects the total shophouse transaction value in 2026 to remain just below S$1.0 billion.

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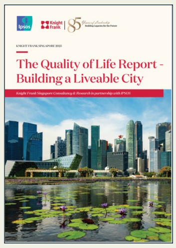

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