

**FOR IMMEDIATE RELEASE**

***Nearly six in 10 S-REITs reported financial impact by climate events in their assets over the past three years: Knight Frank and REITAS study  
30% achieve over 80% green-certified portfolios***

**SINGAPORE**, 9 Oct 2025 – Extreme climate events have caused financial damage to 58% of Singapore-listed REITs (S-REITs) in the past three years, exposing the sector's growing climate risk exposure, a new joint study by Knight Frank and the REIT Association of Singapore (REITAS) reveals.

The "Climate Readiness: From Disclosure to Asset Implementation" report examined sustainability reports from 40 S-REITs and surveyed 33 REIT managers to assess climate preparedness across Singapore's S\$100 billion REIT market.

**Nupur Joshi, Chief Executive Officer, REITAS**, said, "The S-REIT industry has made tremendous progress in sustainability reporting. We therefore felt it was timely to turn our attention to a more practical question: what concrete actions are REIT managers taking on the ground? This report, the first of its kind in Singapore, answers that by combining insights from a survey of REIT managers with an analysis of their published disclosures. As stewards of a S\$100 billion market, S-REITs are responsible to investors and other stakeholders while supporting Singapore's ambition to be a leading sustainable finance hub and contributing to the goals of the Singapore Green Plan."

**Key study highlights****Notable financial impact from climate:**

- 58% S-REIT respondents reported financial impact on their assets caused by extreme climate events in the past three years
- 70% S-REIT respondents expect green premiums for compliant buildings or brown discounts for non-compliant assets
- 42% S-REIT respondents have linked asset-level ESG KPIs to financing instruments

**Commitment and data readiness:**

- 78% of S-REITs have established carbon neutrality or net-zero targets
- 100% of S-REIT respondents expressed board-level commitment to sustainability
- 50% of S-REITs have started reporting Scope 3 emissions, preparing for International Financial Reporting Standards compliance

**Asset-level implementation:**

- One-third of S-REIT respondents have more than 80% of their portfolio green-certified
- 94% of S-REIT actively engage tenants on sustainability initiatives, yet 55% cite tenant resistance as a top challenge
- 91% of S-REIT respondents have developed renewable energy investment strategies

### **Climate risks translate to real financial impact for S-REITs**

Climate events are creating unexpected costs across S-REIT portfolios. Among affected respondents, 58% reported higher heating and cooling costs from shifting temperatures, while 47% faced increased spending on protective measures to safeguard assets against future climate risks. 26% of affected respondents experienced rising insurance premiums.

These mounting financial pressures are reshaping investment strategies. Climate resilience now drives acquisition decisions, with 91% of S-REIT respondents ranking "resilience to physical climate risks" as their top ESG due diligence criterion when evaluating new properties for acquisition. This marks a fundamental shift toward ESG-focused due diligence that prioritises long-term asset protection over traditional financial metrics alone.

**Jackie Cheung, Director of ESG, Asia-Pacific and Singapore, Knight Frank**, added, "Climate-related disruptions are no longer distant possibilities; they are happening now and directly affecting our industry. The growing frequency and intensity of these events highlight the urgent need for asset-level adaptation strategies. In real estate, ESG is not just a compliance requirement, but a strategic opportunity to future-proof portfolios by integrating sustainability into every stage of the asset lifecycle."

### **Green portfolio progress shows results, but implementation challenges remain**

Amid growing climate pressures, S-REITs demonstrate strong dedication to sustainability. According to the study, 78% have set carbon neutrality or net-zero targets, and all respondents report board-level commitment to embedding sustainability into organisational strategy. This commitment is reflected in tangible progress. Around one-third of S-REITs have achieved green certification for more than 80% of their portfolios by gross floor area, positioning Singapore's REIT sector as a key player in sustainable building adoption.

Jackie added, "The survey findings clearly demonstrate that S-REITs are actively translating board-level sustainability commitment into measurable outcomes. However, challenges remain, such as tenant resistance reported by 55% of respondents and balancing long-term decarbonisation investments against short-term distribution expectations faced by 70%. Addressing these practical hurdles will be essential for S-REITs to meet regulatory demands and drive genuine climate resilience and long-term value creation across increasingly diversified and international portfolios."

The study also reveals a readiness gap for robust climate disclosures. Only 20% of S-REITs have disclosed severity of physical risks across short to long term horizons, and just 18% have done so for transition risks—areas critical for minimum compliance with international climate reporting requirements and for addressing site level vulnerability.

### **Financial implications drive action**

The research highlights how important climate action is to financial outcomes. About 70% of S-REITs expect buildings meeting sustainability standards to command a green premium, while those without may face a brown discount. In addition, 42% have tied ESG performance at the asset level directly to their financing, unlocking access to more favourable sustainability-linked loans and funding.

Nupur added, "The findings clearly show where we stand in climate readiness, highlighting the progress made, the challenges ahead, and the steps needed to speed up action. Incorporating

climate considerations into new investments and ongoing property-level decisions is no longer optional but essential for building long-term value. REITs that proactively manage climate risks and make sustainability a core part of their operations will be better prepared to stay resilient and competitive in the future.”

For a wealth of insights, download the full report at [Knight Frank Singapore](#) and [REITAS](#).

Photos for use:

**Survey 5: Have any of your assets been affected by extreme climate conditions in the past three years?**



% among REITs surveyed that have been affected by extreme climate conditions in the past three years

**Survey 10: Percentage of your properties (in terms of GFA) that are green building certified**



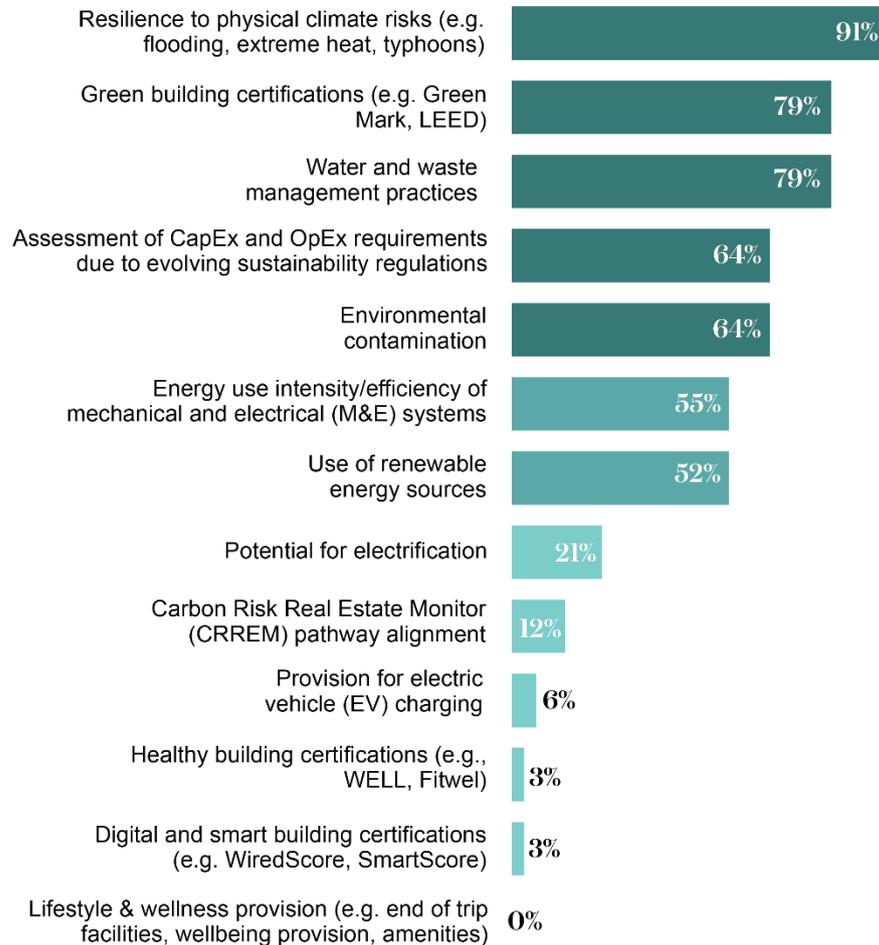
Proportion of S-REITs

Percentage of S-REITs' properties (in terms of GFA) that are green building certified

Source: REITAS and Knight Frank ESG Survey of REIT Managers

### Survey 7:

#### What are the top five ESG due diligence criteria for new acquisitions?



#### For further information, please contact:

Michelle Bong Lejtenyi Senior Manager, Marketing & Communications, Knight Frank Singapore  
[michellebong.lejtenyi@sg.knightfrank.com](mailto:michellebong.lejtenyi@sg.knightfrank.com) | +65 8893 8248 | +65 6228 6822

Nupur Joshi, CEO, REIT Association of Singapore, [nupurjoshi@reitas.sg](mailto:nupurjoshi@reitas.sg)

#### Notes to Editors

##### About Knight Frank

Knight Frank LLP is the leading independent global property consultancy, serving as our clients' partners in property. Headquartered in London, Knight Frank has more than 20,000 people operating from 600 plus offices across 50 territories. The Group advises clients ranging from individual owners and buyers to major developers, investors and corporate tenants. For further information about the firm, please visit [knightfrank.com](http://knightfrank.com).

## **About REITAS**

REITAS is the representative voice of the Singapore REIT (S-REIT) industry. It provides its members a representation and engagement in consultation opportunities with policymakers on issues affecting S-REITs. The association also organizes talks, courses, investor conferences, retail education events etc. to promote understanding and investment in S-REITs. Please visit [www.reitas.sg](http://www.reitas.sg)