SINGAPORE

INDUSTRIAL Q4 2024

CUSHMAN & WAKEFIELD

PRIME LOGISTICS MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.3% Vacancy Rate	▲	▲
S$1.88 Gross Effective Rent (Ground Floor), PSF/mo	▲	▲
0.0% Rental Growth, QoQ change	▲	▲

ECONOMIC INDICATORS Q3 2024

	YOY Chg	Outlook
4.0%* Real GDP Growth	▲	▼
2.2% Inflation Growth	▼	▼
1.8% Unemployment	▼	▲

Source: Ministry of Trade & Industry (MTI), Moody's Analytics

** Real GDP Growth for the whole of 2024 based on MTI's advance estimates. The remaining indicators are as of Q3 2024.*

MANUFACTURING SENTIMENTS REMAIN OPTIMISTIC

In 2025, Singapore's economy is projected to grow steadily by 2.8% yoy, moderating from an estimated 4.0% yoy growth in 2024. The manufacturing sector is expected to witness sustained growth in 2025. Singapore's Purchasing Managers' Index (PMI) has remained in expansionary territory for 16 consecutive months and hit a six-year high at 51.1 in December 2024. Manufacturing output expanded for the fifth consecutive month, recording an increase of 8.5% yoy in November 2024, led by the electronics sector.

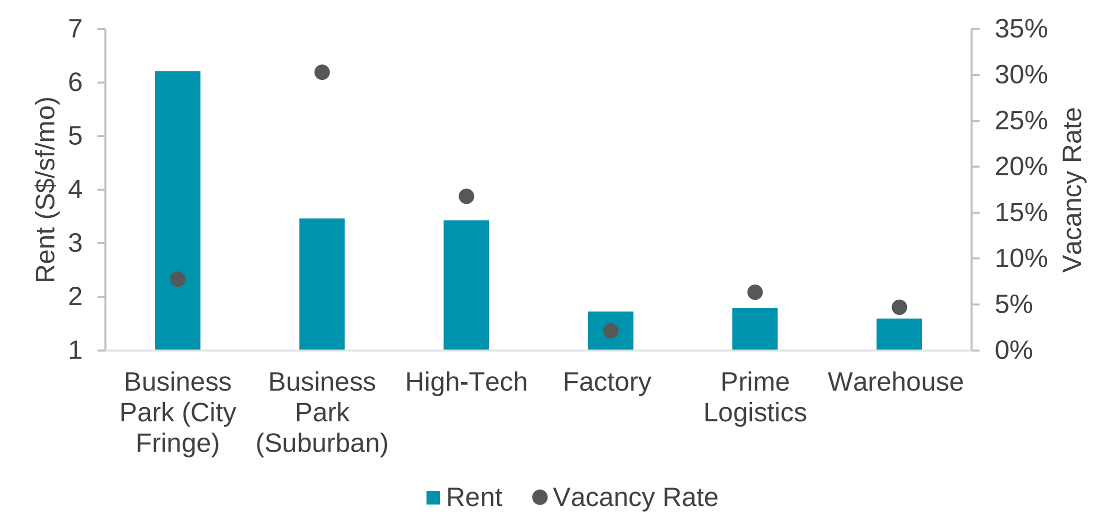
HIGHER SUPPLY IN 2025 TO TEMPER RENTAL GROWTH

Due to completion delays, higher new supply for single-user factories, warehouses and business parks is expected in 2025, at above their respective 10-year historical averages. The higher supply of single-user factories and warehouses are not expected to lead to a fall in rents given that most are for single-users and are mostly pre-committed. Nonetheless, a small proportion of these spaces could be sublet out into the market. Upcoming prime logistics developments in 2025 catering to multi-users have continued to attract good demand and enjoy good pre-commitment rates. For example, 36 Tuas Road is estimated to be 50% pre-committed while 5A Joo Koon Circle (previously known as 51 Benoi Road) is understood to be in active negotiations with potential tenants. Business park new supply is anticipated to surge in 2025, mainly from Punggol Digital District and 1 Science Park Drive. The surge in supply is not expected to impact city-fringe business parks which is underpinned by low vacancy rates and limited supply. Amidst the ongoing flight to quality trend, older suburban business parks may face elevated vacancy rates.

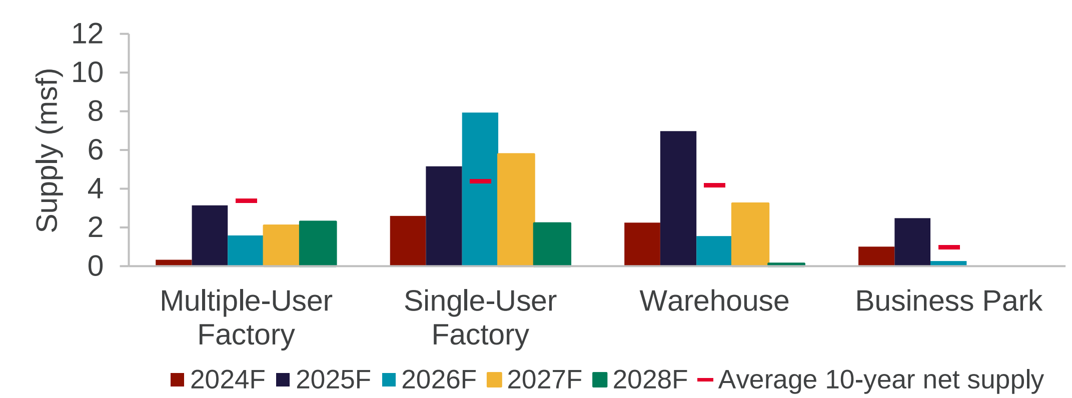
RENTAL GROWTH SHIFTING TO STEADY STATE

Supported by resilient demand from third-party logistics (3PL) players amid tight supply, prime logistics and warehouses outperformed and recorded rental growth of 4.3% yoy and 4.2% yoy respectively in 2024. Business park remains a two-tier market; city fringe business parks rents rose 1.1% yoy while suburban business parks rents fell 2.0% yoy in 2024. Driven by newer and better-located properties amid ongoing flight to quality, high-tech rents rose by 2.9% yoy, while factory rents remained flat in 2024. We anticipate largely steady growth of around 2-3% yoy for most industrial submarkets in 2025, in line with GDP growth and inflation. With a slew of available options in the market, suburban business parks are likely to see flat growth in 2025.

Q4 2024 RENT & VACANCY RATE BY ASSET CLASS



SUPPLY PIPELINE



Note: warehouse supply includes both conventional and prime logistics supply

MARKET STATISTICS

SEGMENT	S$/SF/MO	US$/SF/MO	EUR/SF/MO	Q-O-Q CHANGE (%)	12-MONTH OUTLOOK
	GROSS EFFECTIVE RENT				
Business Park (City Fringe)	S$6.21	US$4.55	€4.39	0.0%	▲
Business Park (Suburban)	S$3.46	US$2.53	€2.45	0.0%	▬
Science Park	S$4.58	US$3.35	€3.24	-0.8%	▲
High-Tech	S$3.43	US$2.51	€2.42	-0.2%	▲
Factory – Ground Floor	S$1.83	US$1.34	€1.29	0.0%	▲
Factory – Upper Floor	S$1.62	US$1.19	€1.15	0.0%	▲
Warehouse – Ground Floor	S$1.74	US$1.27	€1.23	0.2%	▲
Warehouse – Upper Floor	S$1.45	US$1.06	€1.02	0.3%	▲
Prime Logistics – Ground Floor	S$1.88	US$1.38	€1.33	0.0%	▲
Prime Logistics – Upper Floor	S$1.70	US$1.24	€1.20	0.0%	▲

US$/S$ = 1.367; €/S$ = 1.414, as of 31 Dec 2024

RECENT KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Geneo	Queenstown	Chugai Pharmabody Research	107,011	New Lease
42A Penjuru Road	Jurong East	T.D. Williamson Asia Pacific	38,315	Renewal
Alexandra Technopark	Queenstown	Sulzer Singapore	21,883	New Lease
163 Kallang Way	Geylang	Horiba Instruments (Singapore)	14,811	New Lease

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (S$ Million)
Keppel Data Centre Singapore 7 & 8	Geylang	Keppel (60%) and Cuscaden Peak Investments (40%) / Keppel DC REIT	1,380.0
Admirax	Sembawang	AEW / Unknown	154.0
2 Tuas South Link 1	Tuas	Logos Property (ESR), CPP Investment Board, Yang Kee Group, Ivanhoe Cambridge / Frasers Logistics & Commercial Trust	140.3

WONG XIAN YANG
Head of Research, Singapore & SEA
Tel: +65 6232 0885
xianyang.wong@cushwake.com

BRENDA ONG
Executive Director, Head of Logistics & Industrial Services Singapore
Tel: +65 6232 0878
brenda.ong@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of $9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.