

PRIME LOGISTICS MARKET FUNDAMENTALS

3.0%

Vacancy Rate

YOY Chg

▼

Outlook

▲

\$1.90

Gross Effective Rent (Ground Floor), PSF/mo

▲

▲

0.8%

Rental Growth (Ground Floor), QoQ change

▲

▲

ECONOMIC INDICATORS Q2 2025

YOY Chg

Outlook

4.4%

Real GDP Growth

▲

▼

0.8%

Inflation Growth

▼

▲

2.1%

Unemployment

▲

▬

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

ECONOMIC GROWTH FORECAST UPGRADED

In Q2 2025, Singapore’s economy recorded a higher growth of 4.4% yoy compared to 4.1% yoy growth in Q1 2025, potentially driven by a front-loading of exports in anticipation of US tariffs. Singapore’s economic growth 2025 forecast has been upgraded to 1.5%-2.5%. Encouraging macroeconomic trends are emerging—interest rates have declined, inflationary pressures have eased, and Singapore continues to benefit from relatively favorable US tariff terms compared to other Asia Pacific economies. Manufacturing output fell 7.8% yoy in August, following past 13 consecutive months of expansion.

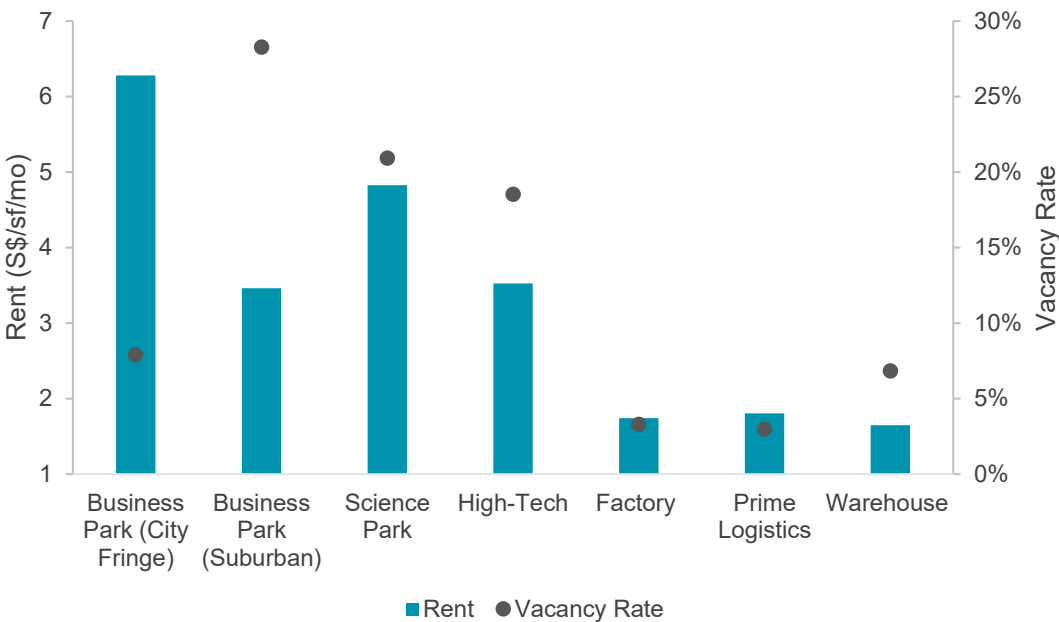
PRIME LOGISTICS RENTS START TO EDGE HIGHER

Warehouse and prime logistics rents grew by 1.1% qoq and 0.9% qoq respectively in Q3 2025. While overall leasing enquiries remain subdued, a few occupiers, such as third-party logistics players, are actively exploring consolidation of their existing warehouse footprints at prime logistics developments to enhance operational efficiency. Conventional factory rental growth moderated to 0.4% qoq amid still-cautious manufacturing sentiments. High-tech rents grew by 1.8% qoq in Q3 2025, as vacancy rate declined. Business park rents remained largely stable with city fringe business park rents rising slightly by 0.1% qoq while suburban business park rents saw no change in Q3 2025.

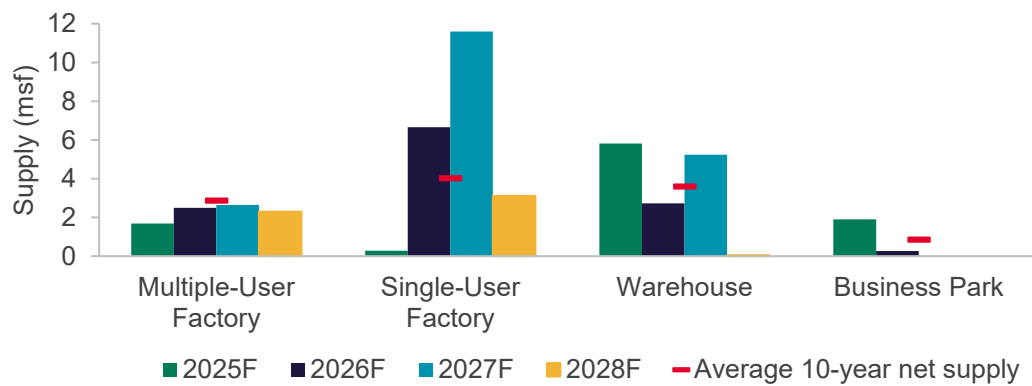
INDUSTRIAL SUPPLY PIPELINE LOOKS MANAGEABLE

The overall industrial supply pipeline looks reasonable, with higher supply for single-user factories and warehouses, though they have been largely pre-committed. Recently completed and upcoming multi-user prime logistics developments have seen steady take-up rates or under advanced negotiations (~50% to 60%). New multi-user factory supply remains limited, with new annual supply over the next few years below their 10-year annual average. Business park demand continues to diverge between city-fringe and suburban locations, with average vacancy rates at 7.9% for city fringe business parks and 28.3% for their suburban counterparts. Nonetheless, following a supply surge in 2025, the supply pipeline for new business parks is expected to taper off sharply from 2026 onwards, which may lead to improving occupancy rates. The widening rental gap between office and business park is expected to increase the value proposition of business parks, especially for suburban business parks.

Q3 2025 RENT & VACANCY RATE BY ASSET CLASS



SUPPLY PIPELINE



Note: warehouse supply includes both conventional and prime logistics supply

MARKET STATISTICS

SEGMENT	GROSS EFFECTIVE RENT			Q-O-Q CHANGE (%)	12-MONTH OUTLOOK
	S\$/SF/MO	US\$/SF/MO	EUR/SF/MO		
Business Park (City Fringe)	S\$6.28	US\$4.85	€4.16	0.1%	▲
Business Park (Suburban)	S\$3.46	US\$2.67	€2.29	0.0%	▲
Science Park	S\$4.83	US\$3.73	€3.20	0.5%	▲
High-Tech	S\$3.53	US\$2.72	€2.34	1.8%	▲
Factory – Ground Floor	S\$1.84	US\$1.42	€1.22	0.1%	▲
Factory – Upper Floor	S\$1.64	US\$1.27	€1.09	0.6%	▲
Warehouse – Ground Floor	S\$1.80	US\$1.39	€1.20	1.4%	▲
Warehouse – Upper Floor	S\$1.49	US\$1.15	€0.99	0.8%	▲
Prime Logistics – Ground Floor	S\$1.90	US\$1.46	€1.26	0.8%	▲
Prime Logistics – Upper Floor	S\$1.71	US\$1.32	€1.13	0.9%	▲

US\$/S\$ = 1.295; €/S\$ = 1.510, as of 26 Sep 2025

RECENT KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Bulim Square	Jurong West	Electronics tenant	31,500	New Lease
New Tech Park	Serangoon	DKSH	25,000	Relocation
New Tech Park	Serangoon	LG	25,000	Relocation

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (S\$ Million)
Portfolio of five properties	Various	CapitaLand Ascendas REIT / Partners Group and EZA Hill (four properties) and Unknown (one property)	329.0
2 Aljunied Avenue 1	Geylang	Framework Building Products Pte Ltd / Aims Apac Reit	45.8
60 Tuas Avenue 11	Tuas	Unknown / Unknown	27.0

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