MARKETBEAT
SINGAPORE
INDUSTRIAL Q1 2026

CUSHMAN & WAKEFIELD

PRIME LOGISTICS MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.7% Vacancy Rate	▲	▼
S$1.92 Gross Effective Rent (Ground Floor), PSF/mo	▲	▲
1.4% Rental Growth (Ground Floor), QoQ change	▲	▲

ECONOMIC INDICATORS Q4 2025

	YOY Chg	Outlook
5.0%* Real GDP Growth	▲	▼
1.2% Inflation Growth	▼	▲
2.0% Unemployment	▲	▼

Source: Ministry of Trade & Industry (MTI), Moody's Analytics
** Real GDP Growth for the whole of 2025. The remaining indicators are as of Q4 2025.*

MANUFACTURING BRIGHT SPOTS IN ELECTRONICS

Amid heightened geopolitical uncertainty arising from the Middle East conflict, Singapore's economic growth for 2026 is expected to be revised lower than the current 2.0-4.0% yoy forecast. The manufacturing sector outlook is expected to remain largely resilient, driven by the electronics cluster, though the ongoing Middle East conflict has raised downside risks. The Purchasing Managers' Index (PMI) edged up to 50.6 points in February, or the seventh consecutive month of expansion. Manufacturing output fell 0.1% yoy in February, following past five straight months of expansion, of which only the electronics cluster registered growth.

BROAD-BASED RENTAL GROWTH

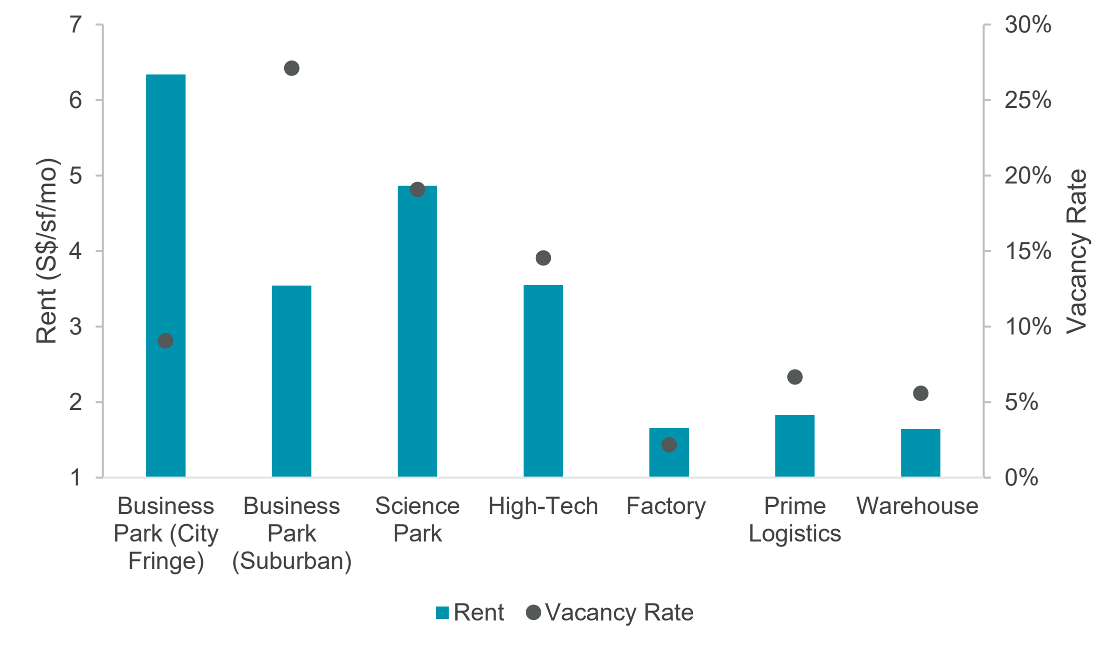
A broad-based rental growth was recorded across all industrial property segments in Q1 2026. Both suburban business parks and prime logistics outperformed, growing by 1.7% qoq and 1.5% qoq respectively, though it was mainly due to the adjustment of our property basket to include newer properties. Warehouse rents grew at a faster pace of 0.5% qoq in Q1 2026, as vacancies tightened. City fringe business park recorded 0.7% qoq rental growth, driven by one of the newer properties in our basket. Conventional factory and high-tech rents rose moderately by 1.5% qoq and 0.3% qoq respectively.

TIGHTENING SUPPLY SITUATION

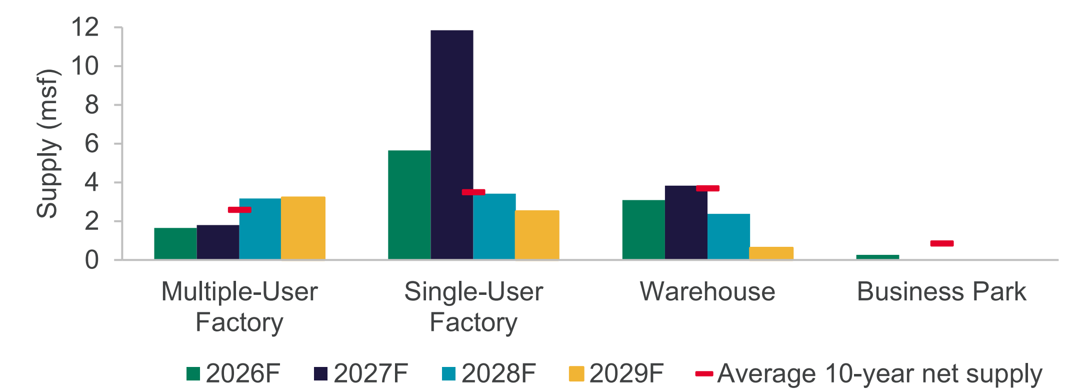
Incoming new supply of most industrial property segments, except for the single-user factory, in 2026 is expected moderate and fall below their respective ten-year historical averages. Majority of single-user factory and warehouse new supply in 2026 is expected to be catered for end-users, of which there will be no new major prime logistics project in 2026. The supply pipeline for business park will tighten in 2026 onwards, with the sole new project completion (27 International Business Park) anticipated to be completed in 2026.

The Middle East conflict is likely to result in a prolonged period of elevated energy prices, driving higher construction and logistics costs. This may temper new development demand and further tighten new supply over the medium term as overall development costs rise. At the same time, higher transportation costs are expected to prompt occupiers to increasingly prioritise well-located logistics developments that can help reduce logistics expenses.

Q1 2026 RENT & VACANCY RATE BY ASSET CLASS



SUPPLY PIPELINE



Note: warehouse supply includes both conventional and prime logistics supply

MARKET STATISTICS

SEGMENT	GROSS EFFECTIVE RENT S$/SF/MO	US$/SF/MO	EUR/SF/MO	Q-O-Q CHANGE (%)	12-MONTH OUTLOOK
Business Park (City Fringe)	S$6.34	US$4.91	€4.28	0.7%	▲
Business Park (Suburban)	S$3.54	US$2.74	€2.39	1.7%	▲
Science Park	S$4.87	US$3.77	€3.29	0.5%	▲
High-Tech	S$3.55	US$2.75	€2.40	0.3%	▲
Factory – Ground Floor	S$1.76	US$1.37	€1.19	1.6%	▲
Factory – Upper Floor	S$1.55	US$1.20	€1.05	1.5%	▲
Warehouse – Ground Floor	S$1.80	US$1.40	€1.22	0.3%	▲
Warehouse – Upper Floor	S$1.49	US$1.15	€1.00	0.7%	▲
Prime Logistics – Ground Floor	S$1.92	US$1.49	€1.30	1.4%	▲
Prime Logistics – Upper Floor	S$1.74	US$1.35	€1.18	1.7%	▲

US$/S$ = 1.291; €/S$ = 1.480, as of 31 Mar 2026

KEY SALES TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (S$ Million)
UI Boustead Reit IPO (Singapore properties only)	Various	Boustead Singapore / UI Boustead REIT	1,231.7*
25 Loyang Crescent	Pasir Ris	Toll Group / CapitaLand Ascendas REIT	504.2
Ascent	Queenstown	CapitaLand Development / CapitaLand Ascendas REIT (50%) and undisclosed global sovereign wealth fund (50%)	490.0

*Based on agreed property value, adjusted for partnership interests in 3 Singapore properties

NOTABLE WAREHOUSE & PRIME LOGISTICS EXPECTED COMPLETIONS

PROJECT NAME & LOCATION	DEVELOPER	TOTAL WAREHOUSE GFA (SF)	ESTIMATED PRE-COMMITMENT	REMARKS	EXP. TOP
Additions/alterations to existing industrial development at Tembusu Crescent	Cogent Jurong Island Pte Ltd	672,744	100%	Single-user	2026
Warehouse development at Tuas South Avenue 10	Eng Kong Logistics Hub	783,397	100%	Single-user	2027
PSA Supply Chain Hub @ Tuas at Tuas South Avenue 5	PSA Corporation Limited	2,540,280	100%	Single-user	2027
Sunview Logistics & Container Hub	ESR Group	1,540,551	70%	Multi-user Prime logistics	2027
Warehouse development at Clementi Loop	Capitaland Ascendas REIT	633,133	0%	Multi-user Prime logistics	2028

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