MARKETBEAT
SINGAPORE
INDUSTRIAL Q2 2026

CUSHMAN & WAKEFIELD

PRIME LOGISTICS MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.9% Vacancy Rate	▼	▼
S$1.92 Gross Effective Rent (Ground Floor), PSF/mo	▲	▲
0.0% Rental Growth (Ground Floor), QoQ change	–	▲

ECONOMIC INDICATORS Q1 2026

	YOY Chg	Outlook
6.0% Real GDP Growth	▲	▼
1.5% Inflation Growth	▲	▲
2.1% Unemployment	▲	▼

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

FUELLED BY THE AI BOOM

Singapore's economy recorded a 6.0% yoy growth in Q1 2026, accelerating from 5.7% yoy growth in the previous quarter. Economic growth forecast for 2026 was maintained at between 2.0%-4.0% yoy. The Purchasing Managers' Index (PMI) rose to 51.3 points in June, reaching the highest level since November 2018 and marking the eleventh consecutive month of expansion. Manufacturing output expanded by 13.0% yoy in May, driven by the electronics cluster, signifying the ninth consecutive month of growth.

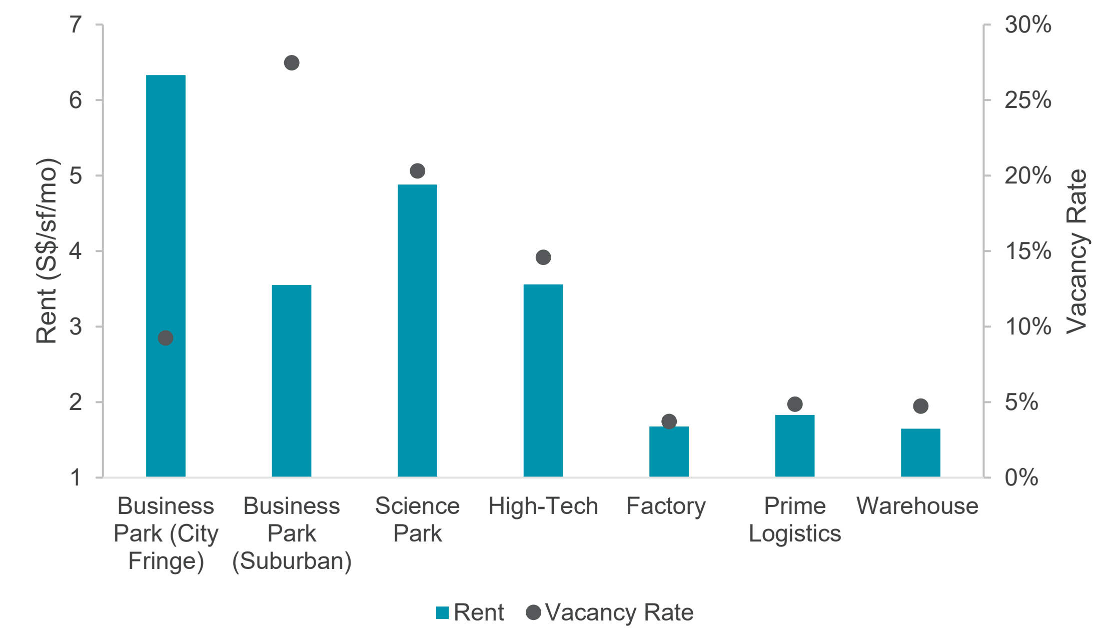
STEADY H1 2026 RENTAL GROWTH

Supported by positive manufacturing sentiments, conventional factory rents outperformed and grew 1.2% qoq in Q2 2026, bringing cumulative growth for H1 2026 to 2.7% ytd. City fringe business park rents fell slightly by 0.1% qoq in Q2 2026, due to softening achievable rents observed at some of the properties in our basket, though it still rose by 0.6% ytd in H1 2026. Prime logistics rents remained flat in Q2 2026 and have grown by 1.5% ytd in H1 2026. Prime logistics rents are expected to grow by 2.0%-3.0% yoy in 2026, higher than 0.9% yoy in 2025, supported by constrained prime logistics supply, elevated development costs and resilient demand. Prime logistics take-up has remained steady, with sustained leasing activity observed at newly completed developments. The three newly completed prime logistics projects in 2025 have achieved an average take-up of around 80%. Prime logistics supply pipeline remains tight, with no new major prime logistics completions in 2026 and only about 450,000 sf expected to come onstream in 2027. Other industrial segments, including suburban business park, science park, high-tech factory and warehouse, have recorded moderate rental growth ranging between 0.4%-2.0% ytd in H1 2026.

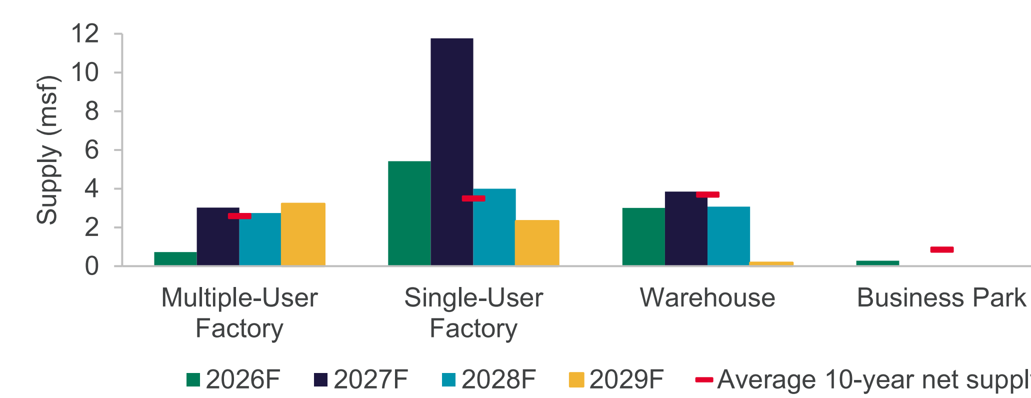
AI-RELATED DEMAND TO DRIVE FLIGHT TO QUALITY

AI-related demand is expected to bolster occupier demand for high-tech factories, business parks and warehouses with temperature-control capabilities. As advanced manufacturing and digital infrastructure continue to expand, occupiers are likely to prioritise assets with superior specifications and sustainability features. This is expected to accelerate the flight to quality trend, supporting stronger demand for modern industrial space and potentially driving the redevelopment of ageing stock into higher-specification assets.

Q2 2026 RENT & VACANCY RATE BY ASSET CLASS



SUPPLY PIPELINE



Note: warehouse supply includes both conventional and prime logistics supply

MARKET STATISTICS

	GROSS EFFECTIVE RENT				
SEGMENT	S$/SF/MO	US$/SF/MO	EUR/SF/MO	Q-O-Q CHANGE (%)	12-MONTH OUTLOOK
Business Park (City Fringe)	S$6.33	US$4.89	€4.29	-0.1%	▲
Business Park (Suburban)	S$3.55	US$2.74	€2.41	0.2%	▲
Science Park	S$4.88	US$3.77	€3.31	0.3%	▲
High-Tech	S$3.56	US$2.75	€2.41	0.2%	▲
Factory – Ground Floor	S$1.79	US$1.38	€1.21	1.4%	▲
Factory – Upper Floor	S$1.57	US$1.21	€1.06	1.1%	▲
Warehouse – Ground Floor	S$1.81	US$1.39	€1.22	0.1%	▲
Warehouse – Upper Floor	S$1.49	US$1.15	€1.01	0.2%	▲
Prime Logistics – Ground Floor	S$1.92	US$1.48	€1.30	0.0%	▲
Prime Logistics – Upper Floor	S$1.74	US$1.34	€1.18	0.0%	▲

US$/S$ = 1.295; €/S$ = 1.475, as of 30 Jun 2026

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (S$ Million)
10-40 Tuas South Street 1	Tuas	Far East Organization / CWT International, HPC Holdings, O2 Realty Pte Ltd, Ding Zhou Investment Pte Ltd	322.0
Hup Hin Building	Tuas	Hup Hin Transport Co Pte Ltd / CapitaLand Ascendas REIT	133.9
Fujifilm Building	Hougang	Unknown / Prime Link Investment	71.0

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 warehouse	2026
PSA Supply Chain Hub @ Tuas at Tuas South Avenue 5	PSA Corporation Limited	2,540,280	100%	Single-user warehouse	2027
Sunview Logistics & Container Hub	ESR Group	1,540,551	70%	Multi-user prime logistics	2027
2 Clementi Loop	Capitaland Ascendas REIT	633,133	0%	Multi-user prime logistics	2028
Warehouse development at Tuas South Avenue 10	Eng Kong Logistics Hub Pte Ltd	794,914	100%	Single-user warehouse	2029

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