

PRIME LOGISTICS MARKET
FUNDAMENTALS

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

ECONOMIC INDICATORS
Q2 2026

	YOY Chg	Outlook
5.9% Real GDP Growth	▲	▼
1.8% Inflation Growth	▲	▼
2.0% Unemployment	▲	▬

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

TAILWINDS FROM AI-RELATED DEMAND

Singapore's economy grew by 5.9% yoy in Q2 2026 and recorded a 6.1% yoy growth in H1 2026, surpassing expectations and resulting in an upgrade of the GDP growth forecast for 2026 to 4.5%-5.5% yoy. The Purchasing Managers' Index (PMI) rose to 51.5 points in August, or the highest reading since November 2018 and marking the thirteenth consecutive month of expansion. Total manufacturing output expanded by 15.4% yoy in August, led by the precision engineering cluster, signifying the twelfth consecutive month of growth.

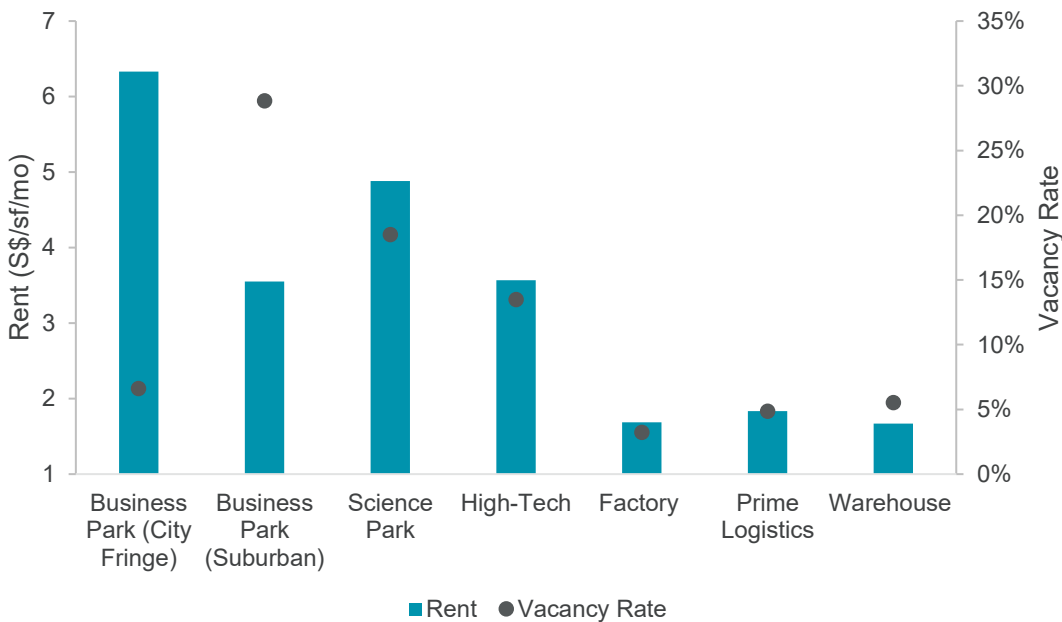
MODERATE RENTAL GROWTH

Conventional factory recorded the strongest rental growth of 0.6% qoq in Q3 2026, as vacancy rates stabilised. Prime logistics and warehouse rents grew by 0.2% qoq and 0.4% qoq respectively in Q3 2026. Vacancy rates of both prime logistics (4.9%) and warehouse (5.5%) rose slightly, though demand remains resilient especially from third-party logistics players. High-tech rents rose by 0.3% qoq as vacancy rates continued to decline to 13.5% in Q3 2026, underpinned by demand from semiconductor and AI-related firms. Business park (city fringe and suburban) and science park rents remained stable in Q3 2026. City fringe business park vacancy rates have declined to 6.6%, or the lowest level since Q4 2023, though it may face pressure from emerging secondary space over the coming quarters.

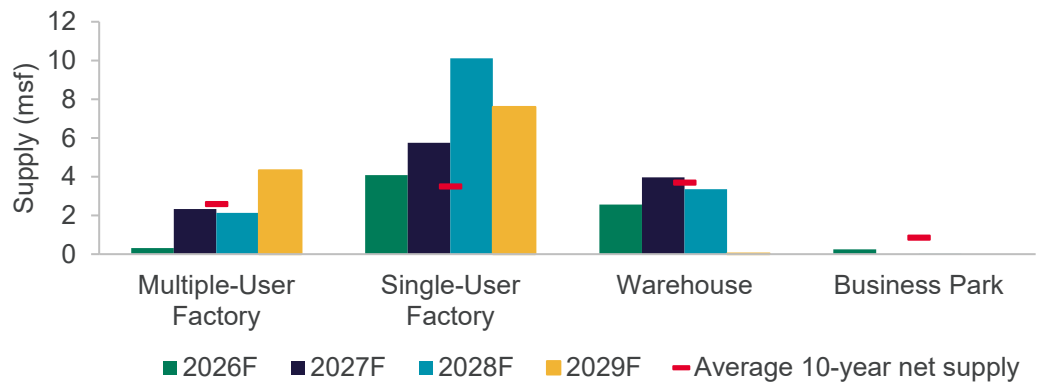
PRIME LOGISTICS VACANCIES TO TIGHTEN

Demand for prime logistics has remained resilient, especially for newer properties such as 36 Tuas Road and Mapletree Joo Koon Logistics Hub which are both fully occupied. Incoming prime logistics supply remains tight, with no new completions in 2026 and only about 460,000 sf (Sunview Logistics and Container Hub which is estimated 70% pre-committed with the remainder 30% for lease) expected to come onstream in 2027 and 633,133 sf (2 Clementi Loop) in 2028. Over the near term, constrained prime logistics supply, elevated development costs and resilient demand is expected to support rental growth and vacancy rates are expected to fall. Beyond 2028, approximately 1.1 million sf of new prime logistics space is expected to arise from the redevelopment of 51 Tuas View Link, which was acquired by PGIM and Northstar Capital earlier this year.

Q3 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			Q-O-Q CHANGE (%)	12-MONTH OUTLOOK
	S\$/SF/MO	US\$/SF/MO	EUR/SF/MO		
Business Park (City Fringe)	S\$6.33	US\$4.98	€4.32	0.0%	▲
Business Park (Suburban)	S\$3.55	US\$2.79	€2.42	0.0%	▲
Science Park	S\$4.88	US\$3.84	€3.33	0.0%	▲
High-Tech	S\$3.57	US\$2.81	€2.43	0.3%	▲
Factory – Ground Floor	S\$1.80	US\$1.41	€1.22	0.5%	▲
Factory – Upper Floor	S\$1.58	US\$1.24	€1.08	0.6%	▲
Warehouse – Ground Floor	S\$1.83	US\$1.44	€1.25	0.1%	▲
Warehouse – Upper Floor	S\$1.51	US\$1.19	€1.03	0.6%	▲
Prime Logistics – Ground Floor	S\$1.92	US\$1.51	€1.31	0.0%	▲
Prime Logistics – Upper Floor	S\$1.75	US\$1.37	€1.19	0.5%	▲

US\$/S\$ = 1.271; €/S\$ = 1.466, as of 14 September 2026

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (S\$ Million)
Kim Chuan Telecommunications Complex	Hougang	CapitaLand Ascendas REIT / Private local investor	200.4
190 Yishun Avenue 7	Yishun	Unknown / Unknown	88.0
Lian Cheong Industrial Building	Toa Payoh	Unknown / Unknown	63.0

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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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