MARKETBEAT

SINGAPORE

INDUSTRIAL Q4 2025

CUSHMAN & WAKEFIELD

PRIME LOGISTICS MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.3% Vacancy Rate	▼	▲
S$1.90 Gross Effective Rent (Ground Floor), PSF/mo	▲	▲
0.0% Rental Growth (Ground Floor), QoQ change	▲	▲

ECONOMIC INDICATORS Q3 2025

	YOY Chg	Outlook
4.8%* Real GDP Growth	▲	▼
0.6% Inflation Growth	▼	▲
2.0% Unemployment	▲	▼

Source: Ministry of Trade & Industry (MTI), Moody's Analytics
** Real GDP Growth for the whole of 2025 based on MTI's advance estimates. The remaining indicators are as of Q3 2025.*

RECOVERING MANUFACTURING SENTIMENTS

In 2026, Singapore's economy is projected to slow down to 1.0-3.0% yoy, compared to the estimated 4.8% yoy growth in 2025. Manufacturing business sentiments have steadily recovered, and the manufacturing sector has demonstrated resilience despite global tariff uncertainty. The Purchasing Managers' Index (PMI) inched up to 50.3 points in December, marking the fifth consecutive month of expansion. Manufacturing output grew on a yoy basis for 10 out of 11 months as of November 2025 YTD, suggesting continued manufacturing growth. Due to Singapore's favorable tariff differential within the region, demand for high-value manufacturing and logistics space is expected to increase.

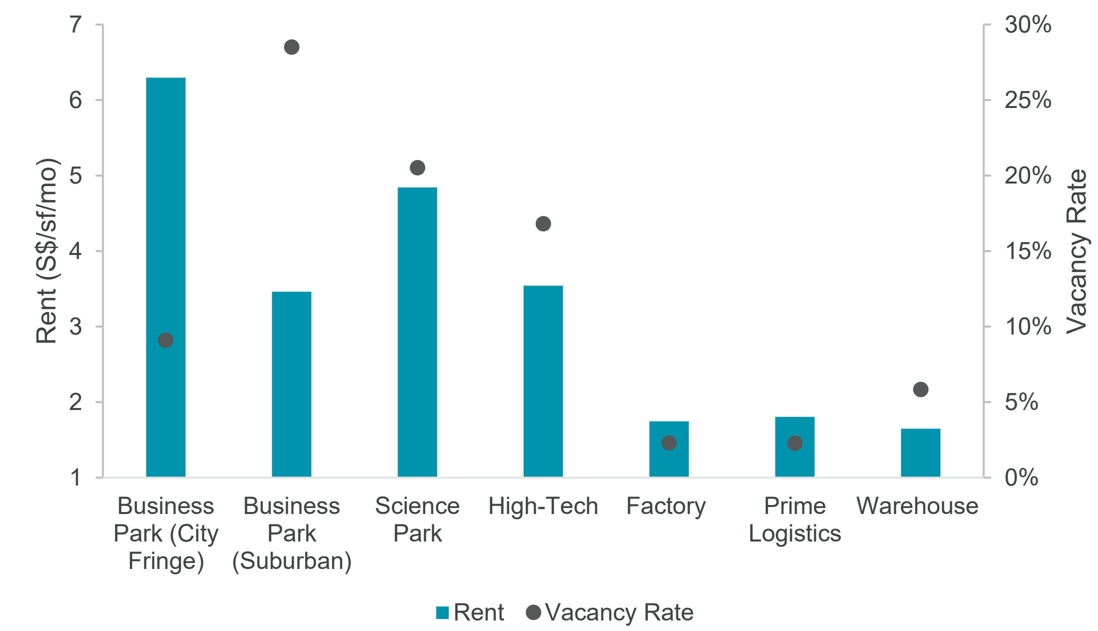
STEADY RENTAL GROWTH

Science park rents outperformed and grew by 5.7% yoy in 2025, due to the inclusion of 1 Science Park Drive into our property basket. City fringe business park rents grew moderately by 1.3% yoy while suburban business park rents remained flat in 2025. High-tech factory rents rose by 3.4% yoy, led by modern and high-spec developments. Amid improving manufacturing sentiments, conventional factory rents rose by 1.4% yoy in 2025, following flattish growth in the preceding two years. Warehouse and prime logistics rental growth moderated to 3.5% yoy and 0.9% yoy respectively in 2025. Industrial rents are projected to grow steadily by up to 2.0% yoy in 2026. Business parks and well-located high-tech developments could surprise on the upside in 2026, following past few years of underperformance, amid an anticipated acceleration in Grade A office rents and as some cost-sensitive occupiers turn towards decentralised alternatives.

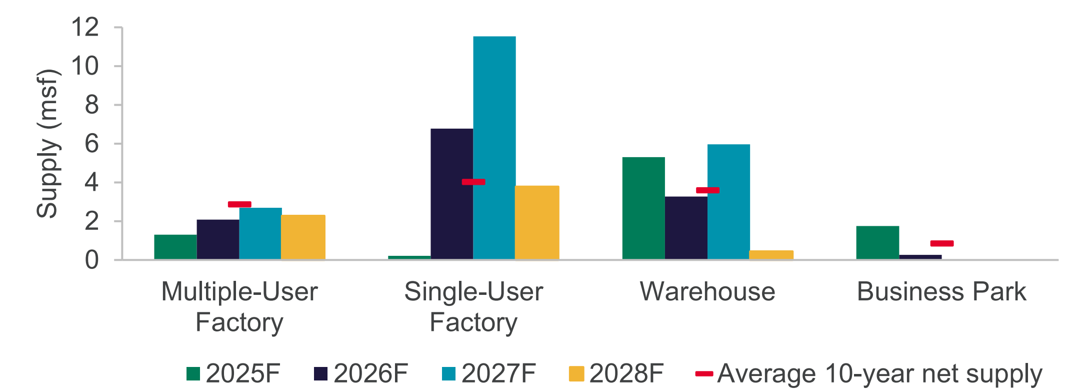
LOWER WAREHOUSE AND BUSINESS PARK SUPPLY IN 2026

In 2026, new factory supply looks manageable, of which multiple-user factory supply remains limited at below its 10-year average and the majority of single-user factory space is pre-committed by end-users. Warehouse supply is expected to be constrained over the near term, with no new major multi-user prime logistics development anticipated to be completed in 2026. However, leasing momentum at newly completed prime logistics projects has moderated from post-pandemic highs, as tenants show resistance to current rent levels. Incoming supply of business park space will taper off sharply, with only one new development (27 International Business Park) to be completed in 2026.

Q4 2025 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$6.30	US$4.90	€4.17	0.2%	▲
Business Park (Suburban)	S$3.46	US$2.69	€2.29	0.0%	▲
Science Park	S$4.84	US$3.76	€3.21	0.3%	▲
High-Tech	S$3.54	US$2.75	€2.35	0.4%	▲
Factory – Ground Floor	S$1.85	US$1.44	€1.22	0.2%	▲
Factory – Upper Floor	S$1.65	US$1.28	€1.09	0.3%	▲
Warehouse – Ground Floor	S$1.80	US$1.40	€1.20	0.0%	▲
Warehouse – Upper Floor	S$1.49	US$1.16	€0.99	0.2%	▲
Prime Logistics – Ground Floor	S$1.90	US$1.47	€1.26	0.0%	▲
Prime Logistics – Upper Floor	S$1.71	US$1.33	€1.13	0.0%	▲

US$/S$ = 1.286; €/S$ = 1.509, as of 31 Dec 2025

KEY SALES TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (S$ Million)
Portfolio of 3 properties	Various	Vita Partners/CapitaLand Ascendas REIT	565.8
680 Upper Thomson Road	Ang Mo Kio	NTUC FairPrice/Thomson Gem	351.0
Portfolio of 8 properties	Various	ESR-LOGOS REIT/Brookfield Asset Management	338.1

NOTABLE WAREHOUSE & PRIME LOGISTICS EXPECTED COMPLETIONS

PROJECT NAME & LOCATION	DEVELOPER	TOTAL WAREHOUSE GFA (SF)	ESTIMATED PRE-COMMITMENT	REMARKS	EXP. TOP
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

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 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.