Huttons

SINGAPORE'S LARGEST
PRIVATE REAL ESTATE AGENCY

HUTTONS DATA ANALYTICS

INDUSTRIAL UPDATES 1H 2026

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OVERVIEW

Singapore's economy outperformed expectations in 1H 2026 with a stellar ~6% YoY GDP expansion, according to MTI advance estimates.

Growth was primarily propelled by a thriving tech cycle and a surge in manufacturing, which accelerated from 8.0% YoY in 1Q 2026 to 12.2% in 2Q 2026.

Reflecting this surging demand, non-oil domestic exports (NODX) jumped 27.4% YoY in 2Q 2026, supercharged by robust demand across the electronics cluster.

Table 1: Year-on-Year Change in Gross Domestic Product in chained (2015) dollars

	2Q 2025	3Q 2025	4Q 2025	2025	1Q 2026	2Q 2026*
GDP	5.4	4.5	5.7	5.0	6.3	5.7
Manufacting	10.5	4.6	11.4	8.7	8.0	12.2
Construction	6.6	5.6	4.6	5.2	12.9	6.2
Services	4.5	4.3	4.8	4.3	6.2	4.6

** advance estimates*

Source: MTI, Huttons Data Analytics as of 23 Jul 2026

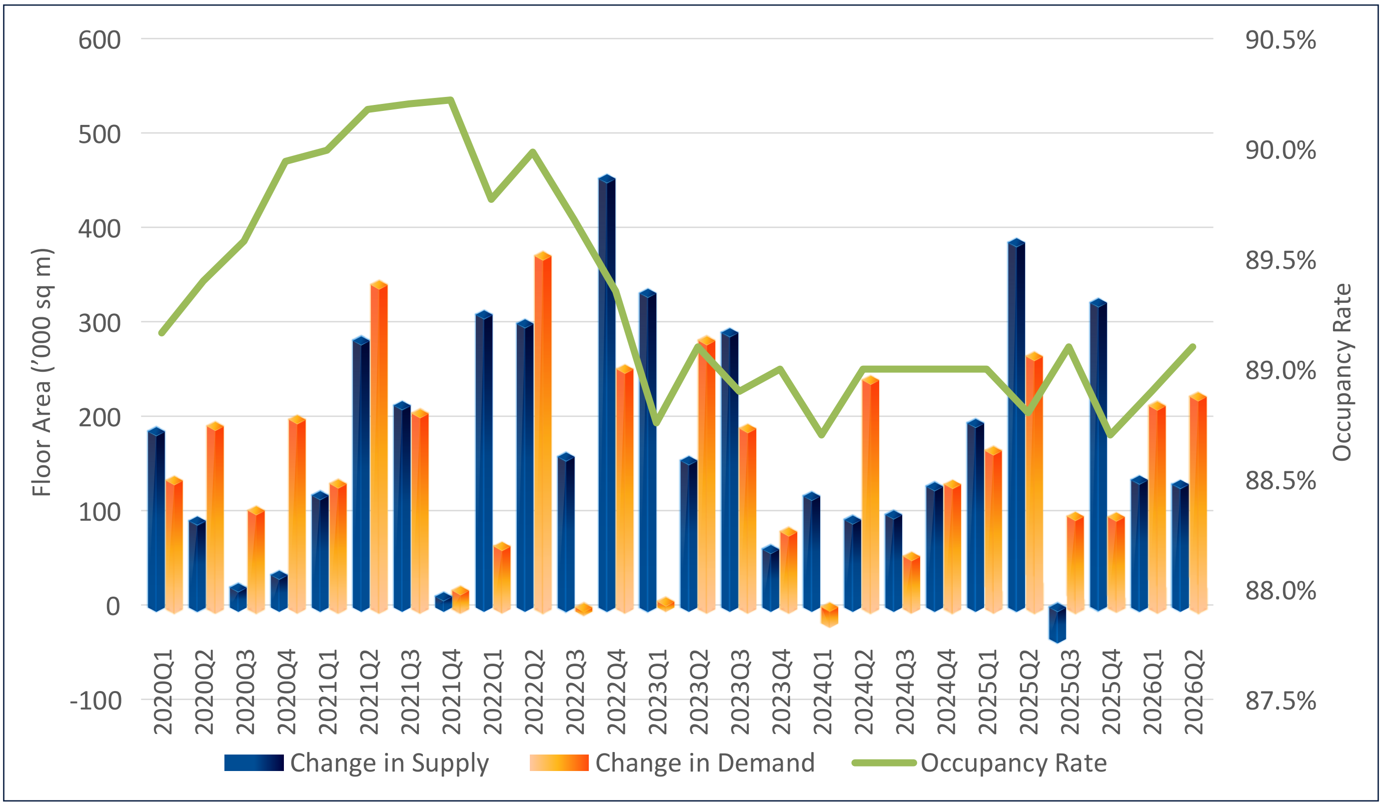
DEMAND AND SUPPLY

Industrial space demand demonstrated strong resilience in 1H 2026, recording net absorption of 431,000 sq m. The multi-user factory segment displayed strength, expanding by 107,000 sq m and pushed its occupancy rate to 90.5%—the highest among all four industrial property types.

On the supply front, new industrial completions totalled 261,000 sq m in 1H 2026—a significant decline from the 310,000 sq m added in 2H 2025. This moderated supply pipeline helped insulate overall market fundamentals, keeping islandwide occupancy rates relatively stable year-on-year.

Notable completions in 1H 2026 include a warehouse by Azalea Kitchens, Smart Food @ Mandai and Stellar@Tampines.

Figure 1: Change in Supply, Demand and Occupancy Rate of Industrial Space



Source: JTC, Huttons Data Analytics as of 23 Jul 2026

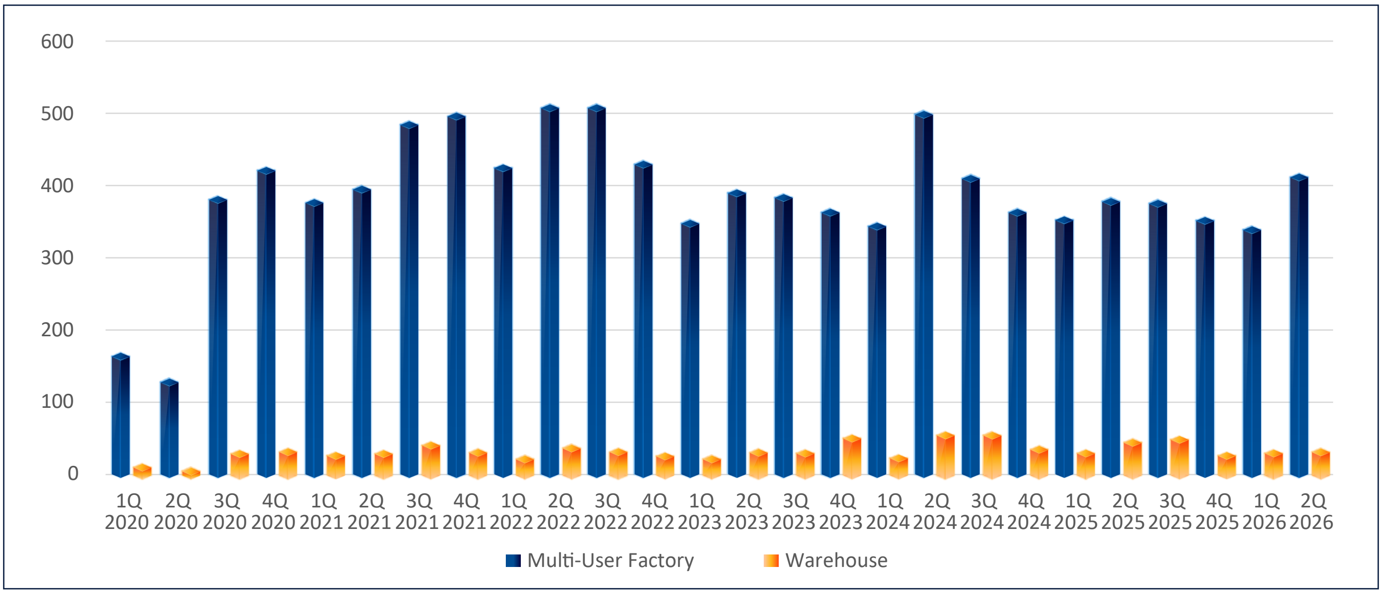
TRANSACTIONS

The strata industrial market registered a surge in transaction activity in 1H 2026, anchored by the launch of Gate+—a 33-year leasehold development along Tukang Innovation Drive in Singapore's Western Growth Corridor. Buyers were particularly drawn to the project's efficient, column-free layouts and modular grid design, which allow owners to easily combine adjacent units.

Based on caveats lodged, an estimated 812 multi-user factory and warehouse units were transacted in 1H 2026, marking increases of 1.8% period-on-period (PoP) and 1.6% year-on-year (YoY).

Concurrently, the broader industrial investment market saw a major asset trade when Far East Organization divested four warehouse properties at 10, 20, 30, and 40 Tuas South Street 1 for $322 million to StarNova Capital—a joint venture between HPC Realty, CWT, Lexing, and O2 Realty.

Figure 2: Transactions of Multi-User Factory and Warehouse Space



Source: JTC, Huttons Data Analytics as of 23 Jul 2026

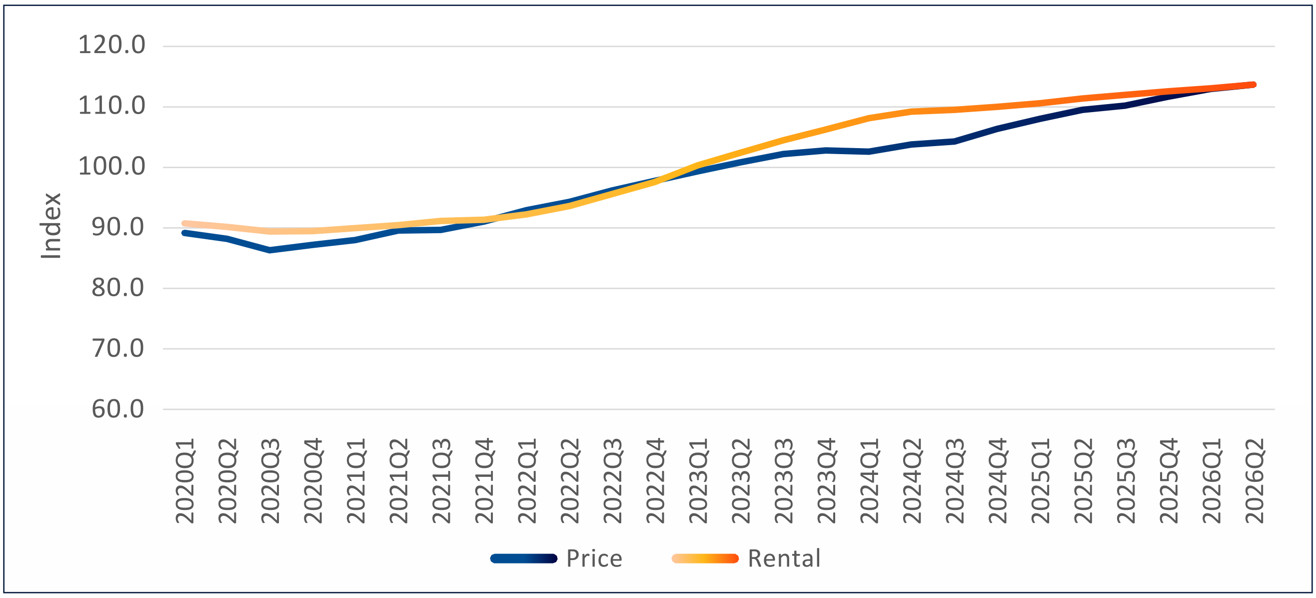
PRICES AND RENTS

The industrial rental market demonstrated notable resilience in 1H 2026, weathering geopolitical headwinds stemming from the US-Iran conflict.

An estimated 6,163 rental caveats were lodged in 1H 2026—a minor contraction of 1.2% from 2H 2025 and 3.2% YoY. Despite slightly lower transaction volumes, industrial rents continued their steady upward trajectory, edging up by 1.0% in 1H 2026 to mirror the 1.1% growth recorded in 2H 2025.

Meanwhile, capital value growth outpaced rental momentum, with industrial prices appreciating by 1.8% in 1H 2026, slower than the 2.0% expansion in the preceding half-year.

Figure 3: Price and Rental Index of Industrial Space



Source: JTC, Huttons Data Analytics as of 23 Jul 2026

MARKET OUTLOOK

The Monetary Authority of Singapore (MAS) and Ministry of Trade and Industry (MTI) project full-year 2026 GDP growth to land within the 2.0% to 4.0% range. However, renewed geopolitical hostilities between the US and Iran present downside risks that could weigh on growth momentum in 2H 2026. Consequently, the Government maintains a cautious stance on the industrial property market.

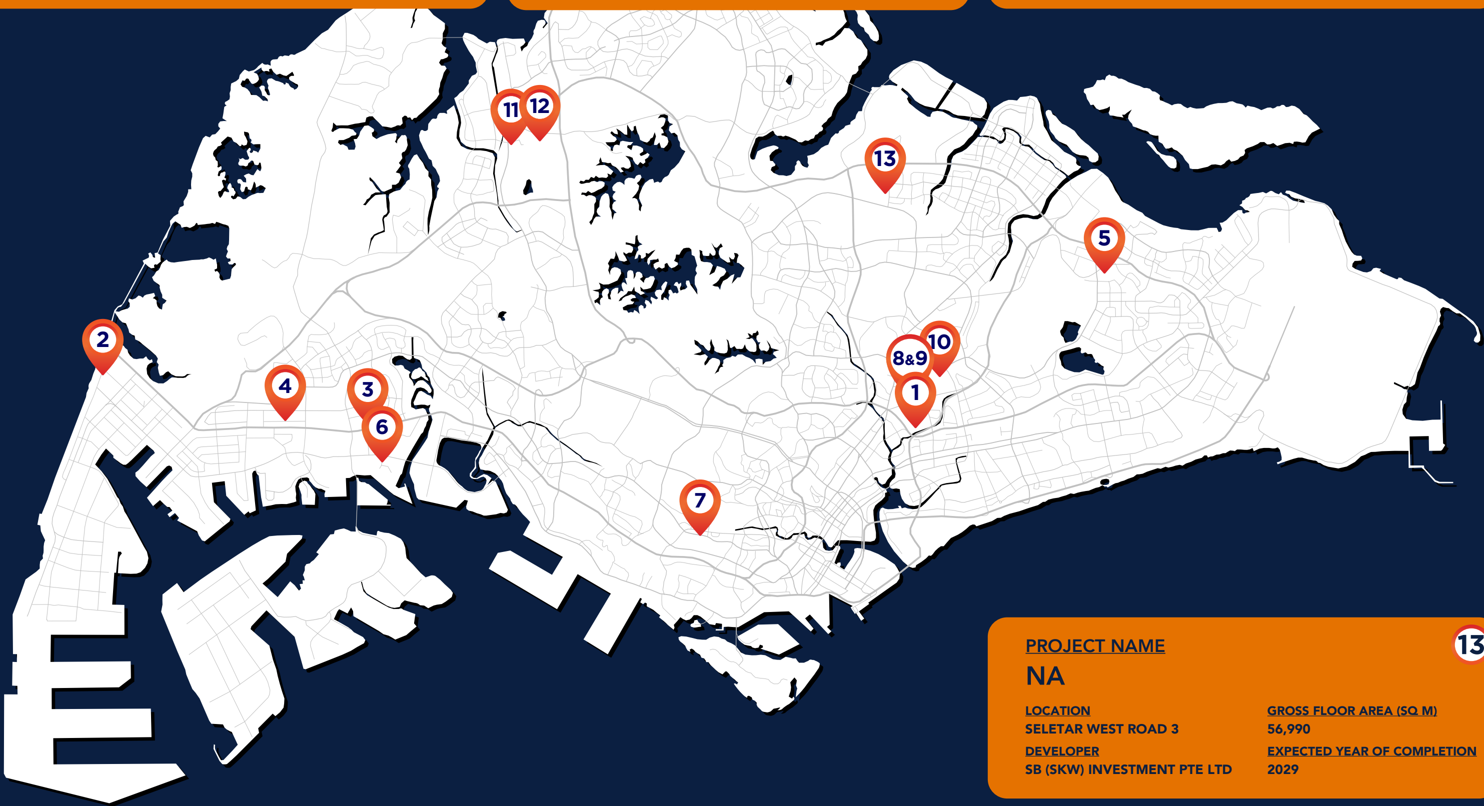
Reflecting this prudent stance, the 2H 2026 Industrial Government Land Sales (IGLS) programme features four B2-zoned Confirmed List sites totaling 6.75 hectares—a reduction from the 8.57 hectares offered in 1H 2026. Notably, all Confirmed List sites are concentrated in Tuas, with no sites placed on the Reserve List.

In the private market, end-users seeking centrally located space are turning toward upcoming developments like Generations @ Tannery and Space Nova. Demonstrating astute demand for strategic location and tenure, the freehold Generations @ Tannery was fully sold out within two days, with buyers snapping up whole floors and multiple contiguous units. Space Nova, another freehold project slated for 3Q 2026, is anticipated to see similarly strong demand.

Overall, the industrial property market retains a sentiment of cautious optimism. Driven by selective demand, prices and rents across industrial assets are projected to grow by up to 3.0% for the full year 2026.

Table 2: Major Multi-User Factory Projects in the Pipeline

#	PROJECT NAME	LOCATION	DEVELOPER	GROSS FLOOR AREA (SQ M)	EXPECTED YEAR OF COMPLETION
1	GOURMET XCHANGE	KALLANG WAY	CL SAVOUR PROPERTY PTE LTD	111,150	2028
2	SKYE@TUAS	TUAS LINK CLOSE	SOON HOCK LAND PTE LTD	68,900	2027
3	GATE+	TUKANG INNOVATION DRIVE	TUKANG PROJECT PTE LTD	46,720	2029
4	LOK YANG CONNECTION	LOK YANG WAY	SB (LYW) INVESTMENT PTE LTD	46,510	2029
5	TAMPINES CONNECTION	TAMPINES NORTH DRIVE 4	SB (TND) INVESTMENT PTE LTD	46,090	2028
6	NA	JURONG PORT ROAD	JURONG PORT PTE LTD	42,590	2027
7	NA	LENG KEE ROAD	WEALTH SPACE PTE LTD	17,900	2030
8	GENERATIONS	TANNERY LANE	PROVIDENCE TANNERY PTE LTD	16,190	2029
9	CT GOLD	LORONG BAKAR BATU	CT MACPHERSON PTE LTD	11,610	2029
10	NA	SHAW ROAD	JONES LANG LASALLE PROPERTY CONSULTANTS PTE LTD	12,760	2028
11	KEYSTONE @ MANDAI	MANDAI ESTATE	BAYSWOOD PTE LTD	11,950	2027
12	SMART FOOD @ MANDAI AT MANDAI ESTATE	MANDAI ESTATE	SMARTISAN REALTY PTE LTD	15,140	NA
13	NA	SELETAR WEST ROAD 3	SB (SKW) INVESTMENT PTE LTD	56,990	2029



Projects above 10,000 sq m excluding A&A

Source: JTC, Huttons Data Analytics as of 23 Jul 2026

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