



Artist's Impression of Food Vision

Q1 2026 Industrial

Expansion despite Middle East Conflicts

At A Glance

Industrial | Q1 2026

QoQ Change

YoY Change

Multiple-User Factory Rents: **S\$2.11 psf**

▲ 0.3%

▲ 0.8%

Occupancy Rate: **88.9%**

▲ 0.2%

▼ 0.1%

All Industrial Price Index: **113.1**

▲ 1.2%

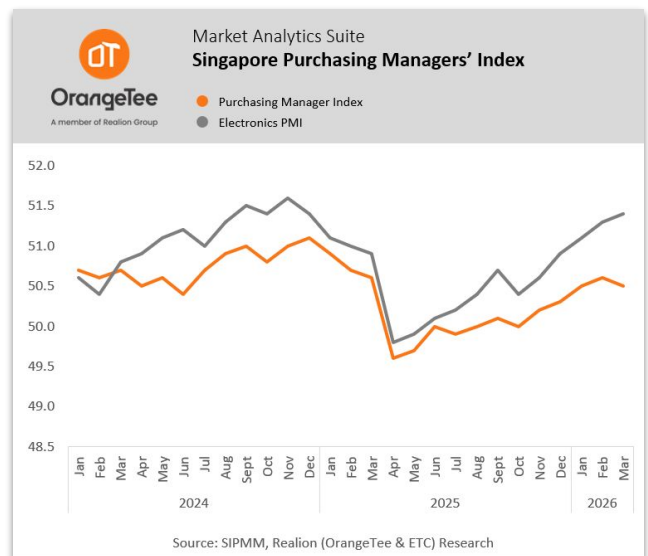
▲ 4.6%

Supply Pipeline NLA: **38.1 million sq ft (2026 to 2030)**

Manufacturing | Continued Expansion

- The manufacturing sector continued to expand in Q1 2026 amid the Middle East conflict. Based on data from SIPMM, Singapore's PMI rose marginally by 0.2 points to 50.5 in March 2026, from 50.3 in December 2025. March marks the eighth consecutive month of the manufacturing sector in expansionary territory, indicating steady manufacturing growth.
- Electronics PMI rose to 51.4 in March 2026 from 50.9 in December 2025, marking the 10th successive month of expansion. The sustained growth is largely driven by global AI-related tailwinds and demand for semiconductors, AI hardware, and data centre components.

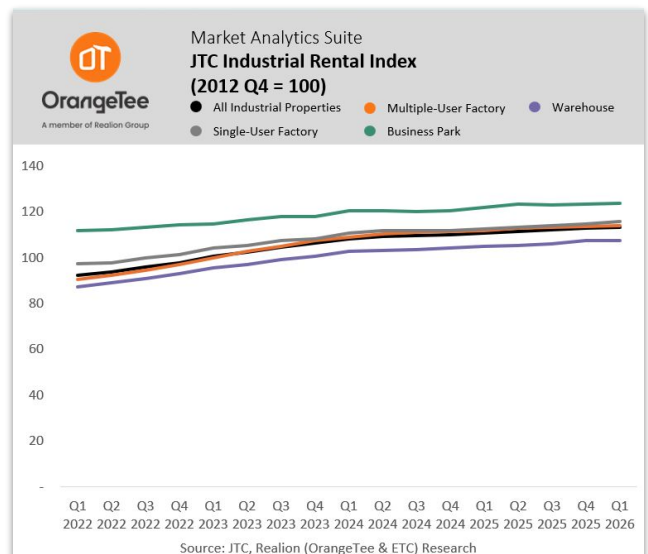
Figure 1: Singapore PMI continued to grow



Rental Trends | Modest Rental Growth

- Overall industrial rents rose marginally in Q1 2026, as the JTC all industrial rental index climbed by 0.4 per cent quarter-on-quarter (q-o-q) to 113.2 in Q1 2026, easing from the 0.5 per cent quarterly growth in Q4 2025. All industrial segments recorded positive quarterly rental growth, led by single-user factories which saw a 1 per cent q-o-q increase.
- Industrial rental volume declined for the third straight quarter by 3.4 per cent q-o-q to 2,964 units in Q1 2026. The multiple-user factory and warehouse segments each registered a drop in tenancies by 4.8 per cent and 2.7 per cent respectively. On the other hand, the rental volumes of single-user factories and business parks rebounded, rising by 11.5 per cent and 4.3 per cent respectively in Q1 2026, a reversal from the corresponding declines of 8.2 per cent and 13.1 per cent in Q4 2025.

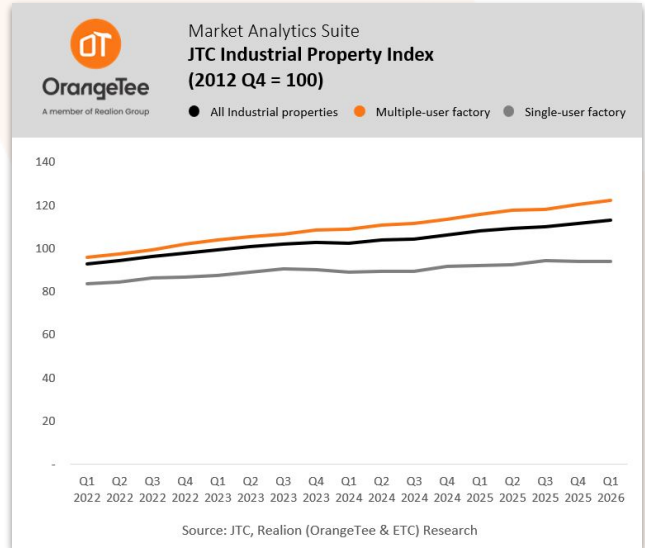
Figure 2: Industrial rents rose modestly



Sales Trends | Slower Price Growth

- Industrial property prices grew at a slower pace in Q1 2026. The JTC price index for all industrial properties rose by 1.2 per cent q-o-q in Q1 2026, easing from the 1.4 per cent q-o-q growth recorded in Q4 2025. The price growth was driven by multiple-user factories, which posted a quarterly increase of 1.7 per cent. In contrast, prices of single-user factories declined marginally by 0.1 per cent.
- The number of industrial transactions contracted in Q1 2026 when compared to Q4 2025. According to URA Realis caveat data, 386 industrial properties were transacted in Q1 2026, a 16.1 per cent decrease from the 460 transactions in Q4 2025. Total industrial sales quantum also fell in Q1 2026, declining by 22.5 per cent to S1,782 million, from S\$2,299 million in Q4 2025.

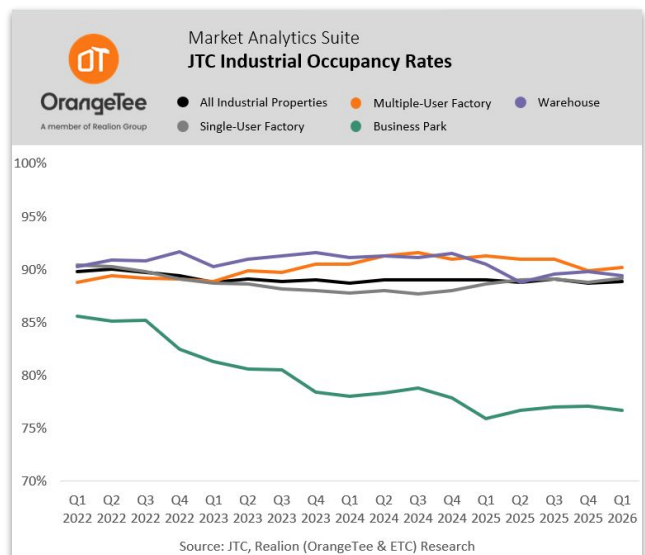
Figure 3: Multiple-user factory prices drove industrial price growth



Occupancy | Slight Uptick in Occupancy

- Overall occupancy for all industrial space rose to 88.9 per cent in Q1 2026, up by 0.2 percentage points from 88.7 per cent in Q4 2025 (Figure 4). On a year-on-year (y-o-y) basis, the overall occupancy rate fell marginally by 0.1 percentage points from 89 per cent in Q1 2025.
- The slight uptick in overall occupancy rate was mainly attributed to the increase in occupier demand for multiple-user factory and single-user factory spaces. Occupancy levels rose by 0.3 percentage points and 0.4 percentage points respectively in Q1 2026, as businesses moved into developments that were completed towards the end of 2025.
- In contrast, the business park and warehouse segments both registered q-o-q decrease of 0.4 percentage points in occupancy rate to 76.7 per cent and 89.4 per cent respectively, a reversal from their marginal quarterly increase in Q4 2025.

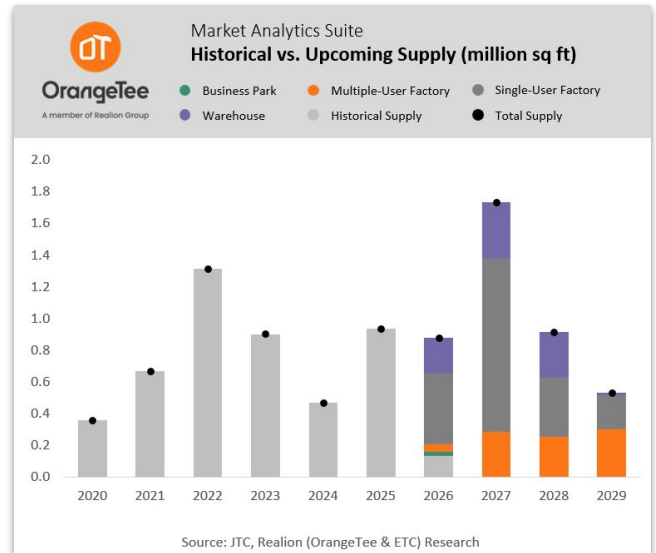
Figure 4: Overall occupancy rate rose marginally q-o-q



Supply | Increase in Net Supply

- In Q1 2026, around 1.4 million sq ft GFA was added to the total industrial stock. Key completions added in the quarter included Smart Food @ Mandai, a freehold B2 ramp-up food factory development at Mandai (0.2 million sq ft GFA), and Stellar@Tampines, a B2 industrial development which obtained its partial temporary occupation permit (TOP) in Q4 2025.
- Based on planning approvals as of March 2025, around 8 million sq ft GFA of industrial space is expected to be completed over the next three quarters this year. Warehouse space accounts for 30 per cent of the upcoming supply, while multiple-user factory space and business park space make up 6 per cent and 3 per cent respectively. The remaining 61 per cent comprise of single-user factory space (Figure 5).

Figure 5: Single-user factories form bulk of supply pipeline



Outlook | Greater Caution

- Looking ahead, the Middle East conflict could lead to energy price surge, driving up production and logistics costs which could apply some supply pressures to the manufacturing sector. The electronics segment is expected to remain resilient due to investment from the Economic Development Board (EDB).
- With macroeconomic and geopolitical uncertainties, occupiers could be more cautious in selecting industrial spaces to rent. We expect overall industrial rents to grow at a steady pace of 1 to 3 per cent in 2026.

Industrial Market Projection

Indicators	2022	2023	2024	2025	Q4 2025	Q1 2026	Projection for 2026
JTC Overall Rental Index	6.9%	8.9%	3.5%	2.4%	0.5%	0.4%	1% to 3%
JTC Overall Price Index	7.5%	5.1%	3.5%	5.0%	1.4%	1.2%	2% to 4%

Source: JTC, Realion (OrangeTee & ETC) Research

A product by Realion (OrangeTee & ETC) Research



A member of Realion Group

OrangeTee & Tie Pte Ltd

430 Lorong 6 Toa Payoh #01-01

OrangeTee Building

Singapore 319402

www.orangetee.com



For sales enquiries, speak with your preferred OrangeTee agent.

For research enquiries, kindly reach out to Realion (OrangeTee & ETC) Research below.



Christine Sun
Chief Researcher & Strategist
christine.sun@realion.com



Yuvana Mahendran
Assistant Manager
yuvanalakshmi.m@realion.com



Timothy Eng
Manager
timothy.eng@realion.com



Kenneth Tan
Senior Research Analyst
kenneth.tan@realion.com