Singapore Property Market Outlook 2027

REALION
The Group Behind OrangeTee | ETC

Industrial



Food Vision
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Flight to quality drives preference for high-specs industrial buildings; ageing assets to face competition amid supply pressures

Current State Of Play

- Singapore's industrial market demonstrated resilience in 2026, despite geopolitical tensions in the the Middle East and increased tariffs. Based on JTC all-industrial rental index, overall rents rose for a 24th consecutive quarter, reaching a fresh high in Q3 2026 (Fig 9.1). Overall YoY industrial rental growth held steady at 2.1% in Q3 2026, similar to the 2.1% YoY growth in Q2 2026.

- All industrial property types posted record rents in Q3 2026, while occupancy rates of multiple-user factories, single-user factories and business parks all eased over the same period. Warehouses, however, registered higher occupancy at 89.7%, which underlined the resilience of the segment.

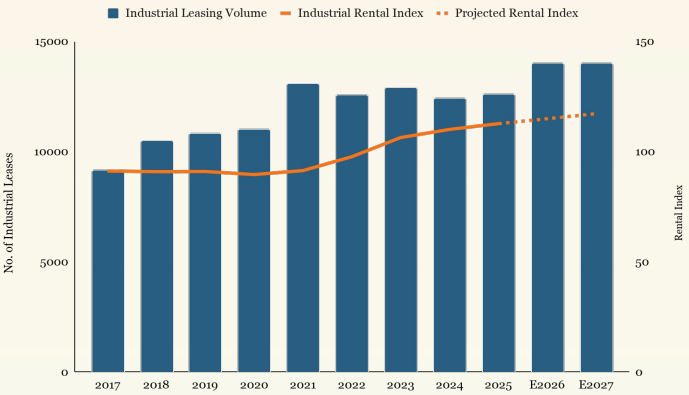
- The price index for all industrial space QoQ growth rose from 0.6% in Q2 2026 to 1% in Q3 2026, due to resilient demand and low interest rates in spite of the Middle East tensions and new US tariffs (Fig 9.2).

Future Market Drivers

- **High-specs space to see sustained demand:** As occupiers become more selective, performance gaps among different industrial assets are expected to widen. As flight to quality takes precedence, some industrialists will continue to prioritise quality facilities, driven by technological advancements, sustainability, ESG compliance and supply chain shifts. Certain modern, high-tech facilities and prime Grade-A industrial properties will be favoured. However, supply of high-specs industrial spaces has been rising. New demand for high-specs spaces may help sustain prices and rents amid the increased pipeline supply.

- **AI boom to create new opportunities:** Global AI investment is supporting demand for advanced machinery, AI-enabling chips and precision engineering. AI expansion remains fundamentally intact, despite the recent stock market rout and temporary market volatility. Singapore's established semiconductor and advanced manufacturing ecosystem, supported by existing infrastructure, specialised capabilities and skilled talent, will continue to capture part of this growing demand. This could create opportunities for specialised industrial properties supporting high-tech manufacturing, semiconductor production and other AI-related supply chains.

Figure 9.1:
Industrial leasing volume and rents are projected to rise further in 2027

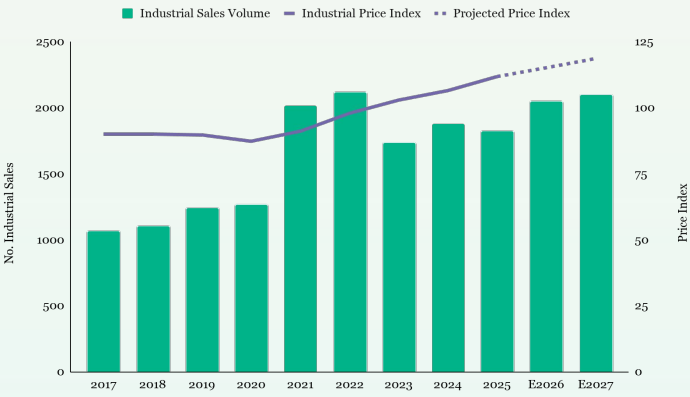


Source: JTC, Realion (OrangeTee & ETC) Research



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Figure 9.2:
Projected industrial sales volume and prices



Source: JTC, Realion (OrangeTee & ETC) Research

Flight to quality drives preference for high-specs industrial buildings; ageing assets to face competition amid supply pressures

- **Older assets to undergo asset enhancement:** While the AI capital expenditure cycle might spark a major resurgence in electronics and manufacturing production, older industrial buildings that cannot support these advanced technological and new structural requirements will need to undergo asset enhancement. These include warehouses or large factories with low ceilings, tight columns and energy inefficiency. After asset enhancement, such properties will likely see renewed interest from industrialists. Other older assets may still appeal to tenants looking for affordable space.

Possible Headwinds

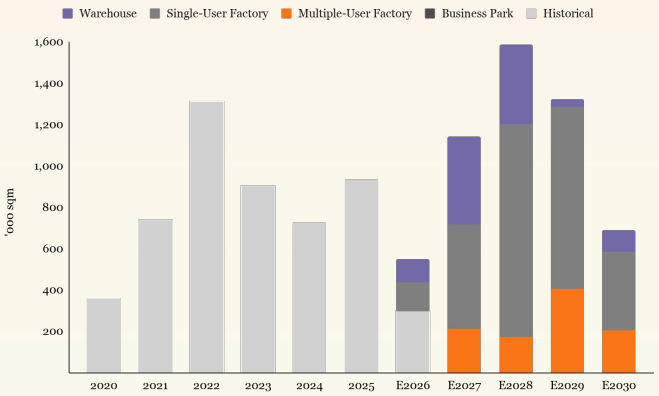
- **Cross-border competition:** Some low-margin production may continue to be shifted to neighbouring countries offering lower operating costs. This may impact certain industrial properties such as landed factories, which could face further rental and occupancy pressures.

- **Rising supply:** Based on planning approvals as of September 2026, around 2.7 million sq ft GFA of industrial space is expected to be completed in the last quarter of this year. In 2027, another 12.3 million sq ft GFA will be completed. The increased supply will likely place pressure on the overall market, especially for older industrial properties.

2027 Projections

- Although supply is projected to rise further in 2027, demand for some B1 factories and high-specs buildings may continue to stay robust. Given the countervailing factors, the number of industrial leases is projected to hold steady at 12,500 to 15,500 units in 2027, on par with the expected 13,000 to 15,000 transactions in 2026. Rental growth may similarly stabilise at 1% to 3% in 2027, while prices may rise moderately by 2% to 4%.

Figure 9.3:
Pipeline supply of new industrial spaces or projects obtaining TOP in 2027



Source: JTC, Realion (OrangeTee & ETC) Research

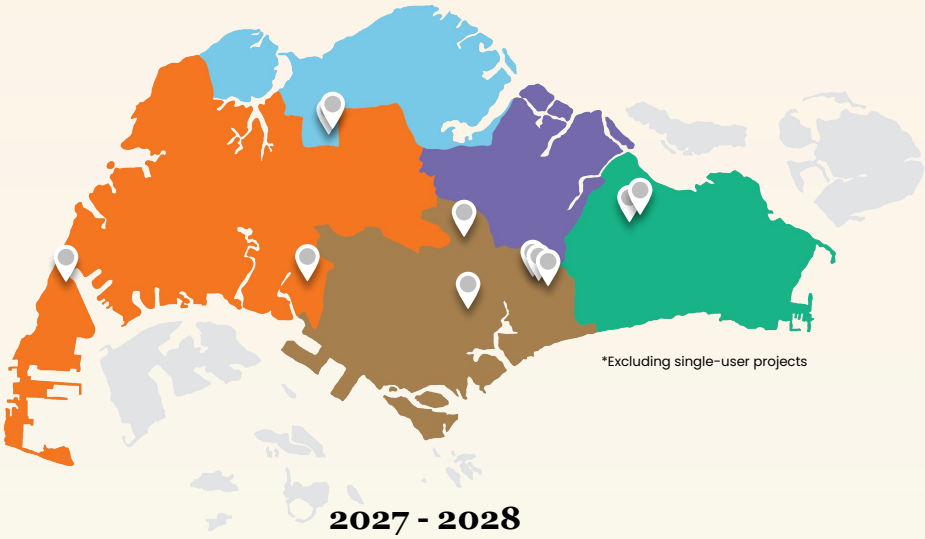


Building in Ubi
Photo Credit: Realion (OrangeTee & ETC) Research

Industrial Market Projection 2027

Indicators	2022	2023	2024	2025	Projection for 2026	Projection for 2027
Industrial Rental						
JTC Rental Index	6.9%	8.9%	3.5%	2.4%	1.8% to 3%	1% to 3%
Leasing Volume (units)	12,568	12,910	12,395	12,604	13,000 to 15,000	12,500 to 15,500
Industrial Sales						
JTC Price Index	7.5%	5.1%	3.5%	5.0%	3% to 4%	2% to 4%
Resale Volume (units)	1,960	1,716	1,789	1,794	1,800 to 2,000	1,500 to 2,300

Source: JTC, URA, Realion (OrangeTee & ETC) Research



2027 - 2028
Potential Industrial Property Completions (TOP)

North					
No.	**Project**	**Location**	**Type**	**GFA**	**Expected TOP**
1	Keystone @ Mandai	Mandai Estate (D25)	B2 multiple-user factory	11,950 sqm	2027

North East					
No.	**Project**	**Location**	**Type**	**GFA**	**Expected TOP**
2	Multiple-user factory	Tagore Industrial Avenue (D26)	B2 multiple-user factory	4,090 sqm	2028
3	Multiple-user factory	Kim Chuan Drive (D19)	B2 multiple-user factory	1,950 sqm	2027
4	Space Nova	New Industrial Road (D19)	B1 multiple-user factory	8,420 sqm	2028

Central					
No.	**Project**	**Location**	**Type**	**GFA**	**Expected TOP**
5	Harrison Food Building	Harrison Road (D13)	B2 multiple-user factory	7,350 sqm	2027
6	Food Point @ Tai Seng	Playfair Road (D13)	B1 multiple-user factory	8,710 sqm	2027
7	CT Pemimpin	Jalan Pemimpin (D20)	B1 multiple-user factory	9,880 sqm	2027
8	Gourmet Xchange	Kallang Way (D13)	B2 multiple-user factory	111,150 sqm	2028
9	Multiple-user factory	Playfair Road (D13)	B1 multiple-user factory	2,330 sqm	2028
10	Multiple-user factory	Shaw Road (D13)	B1 multiple-user factory	13,310 sqm	2028

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2027 - 2028
Potential Industrial Property Completions (TOP)

East					
No.	**Project**	**Location**	**Type**	**GFA**	**Expected TOP**
11	Extra Space Kaki Bukit	Kaki Bukit Avenue 5 (D14)	B1 multiple-user factory	17,210 sqm	2028
12	Warehouse development	Changi South Avenue 2 (D16)	B1 multiple-user factory	29,220 sqm	2028
13	Multiple-user factory	Senang Crescent (D14)	B1 multiple-user factory	5,620 sqm	2028

West					
No.	**Project**	**Location**	**Type**	**GFA**	**Expected TOP**
14	Skye@Tuas	Tuas Link Close (D22)	B2 multiple-user factory	68,900 sqm	2027
15	Multiple-user factory	Jurong Port Road (D22)	B2 multiple-user factory	42,730 sqm	2027
16	Warehouse development	Benoi Sector (D22)	B2 multiple-user factory	2,780 sqm	2027
17	Warehouse development	Jalan Ahmad Ibrahim (D22)	B2 multiple-user factory	21,250 sqm	2027
18	Warehouse development	Tuas South Avenue 5 (D22)	B2 multiple-user factory	230,690 sqm	2027
19	Multiple-user factory	Tuas View Close (D22)	B2 multiple-user factory	4,260 sqm	2028
20	Warehouse development	Clementi Loop (D5)	B1 multiple-user factory	58,820 sqm	2028
21	Warehouse development	Gul Drive (D22)	B2 multiple-user factory	6,780 sqm	2028
22	Warehouse development	Sunview Road (D22)	B2 multiple-user factory	143,020 sqm	2028
23	Warehouse development	Tuas Avenue 13 (D22)	B2 multiple-user factory	4,780 sqm	2028
24	Warehouse development	Gul Lane (D22)	B2 multiple-user factory	71,040 sqm	2028

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



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



Timothy Eng
Manager
timothy.eng@realion.com



Gabriel Ng
Senior Research Analyst
Gabriel.ng@realion.com



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



Patricia Lim
Research Analyst
patricia.limsq@realion.com

Realion Group Pte Ltd
430 Lorong 6 Toa Payoh #01-01 OrangeTee Building
Singapore 319402

www.realion.com

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