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Q3 2026
Industrial

Steady growth despite slower economic growth

A product by Realion (OrangeTee & ETC) Research

At A Glance

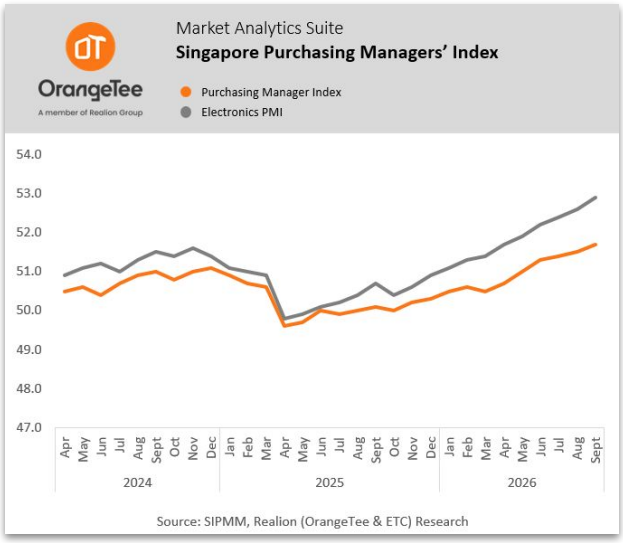
Industrial | Q3 2026	QoQ Change	YoY Change
Multiple-User Factory Rents (1st Storey): **S$2.14 psf**	▲ 0.8%	▲ 2.4%
Occupancy Rate: **88.9%**	▼ 0.2%	▼ 0.2%
All Industrial Price Index: **114.9**	▲ 1.0%	▲ 4.2%
Supply Pipeline NLA: **43.7 million sq ft (2026 to 2030)**		

Manufacturing | Steady Expansion

- The manufacturing sector remained on its upward trajectory in Q3 2026 despite global trade tensions. Based on data from SIPMM, Singapore's PMI rose by 0.4 points to 51.7 in September 2026, from 51.3 in June 2026. September marks the 14th consecutive month of expansion, indicating steady manufacturing growth (Figure 1).

- Electronics PMI rose to 52.9 in September 2026 from 52.2 in June 2026, marking the 16th successive month of growth. The sustained expansion is largely driven by global AI-related tailwinds which generated strong demand for electronics used in AI infrastructure as technology companies continued to invest in this area.

Figure 1: Singapore PMI showed steady expansion

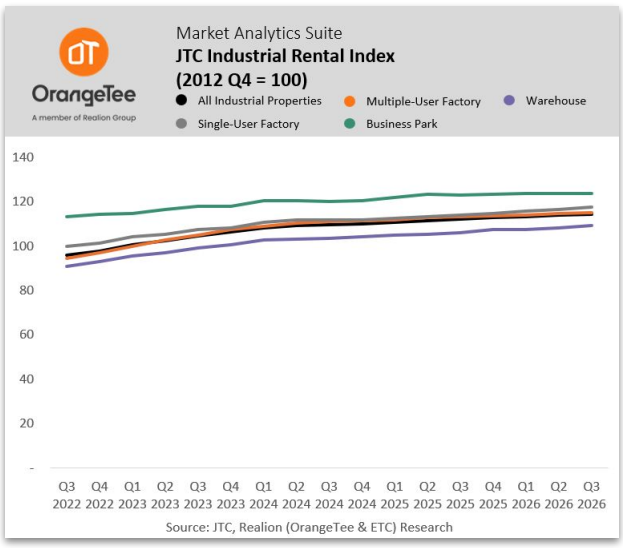


Leasing Trends | Leasing Volume Continued to Rise

- Overall industrial rents rose marginally in Q3 2026 at a similar pace compared to Q2 2026, as the JTC all industrial rental index climbed by 0.5 per cent quarter-on-quarter (q-o-q) from 113.8 to 114.4 (Figure 2). All industrial property types recorded positive quarterly rental growths, with the highest growth observed in the warehouse segment which registered a 1 per cent q-o-q increase in rents.

- Industrial leasing volume continued its upward trajectory in Q3 2026, rising by 3.1 per cent q-o-q to 3,297 units after a 7.9 per cent growth in Q2 2026. The growth was driven by a resurgence in tenancies for business parks that increased by 31.3 per cent, reversing the contraction seen in the previous quarter. Over the same period, leasing transactions for multiple-user factories and warehouses rose by 3.3 per cent and 4.1 per cent respectively. Single-user factory experienced a drop in tenancies.

Figure 2: Industrial rents rose modestly

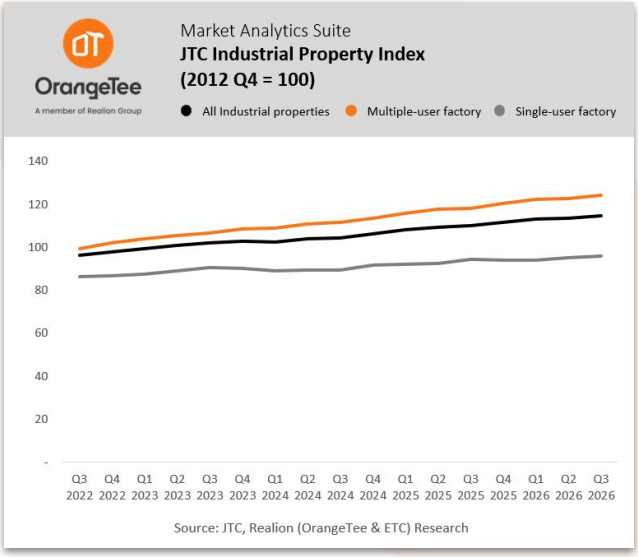


Sales Trends | Faster Price Growth

- Industrial property prices grew at a faster pace in Q3 2026. The overall JTC price index rose by 1 per cent q-o-q in Q3 2026, greater than the 0.6 per cent q-o-q growth recorded in Q2 2026 (Figure 3). The price growth was driven by multiple-user factories, which posted a quarterly increase of 1.1 per cent, while prices of single-user factories climbed at a slower rate of 0.8 per cent.

- Transaction volume fell in Q3 2026 q-o-q. According to URA Realis caveat data, 470 industrial properties were transacted in Q3 2026, a 10.8 per cent drop from the 527 transactions in Q2 2026. However, this number is still higher than the number of industrial transactions registered in Q1 2026. Conversely, total industrial sales quantum rose significantly by 53.9 per cent from $1.29 billion in Q2 2026 to $1.99 billion in Q3 2026, marking the second consecutive quarter of expansion.

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



Occupancy | Vacancy Rose for Most Segments

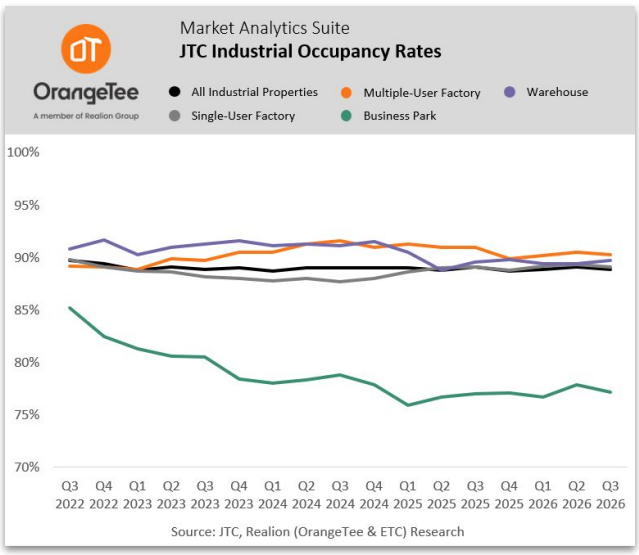
- The island-wide occupancy rate eased to 88.9 per cent in Q3 2026, down by 0.2 percentage points from 89.1 per cent in Q2 2026 (Figure 4). On a year-on-year (y-o-y) basis, the overall occupancy rate similarly declined by 0.2 percentage points from 89.1 per cent in Q3 2025.

- The decline in overall occupancy rate was mainly attributed to softer demand for business park spaces which saw a 0.7 percentage points decrease to 77.2 per cent in Q3 2026, reversing the 1.2 percentage points growth in the preceding quarter.

- Likewise, tenants vacating older multiple-user and single-user factories earmarked for future development also contributed to the increase in vacancy. Consequently, both property types registered a 0.2 percentage points decrease in occupancy rates, a reversal from the 0.3 and 0.1 percentage points growth in occupancy, respectively, in the previous quarter.

- In contrast, warehouse leasing activity continued to remain resilient over the same period, with occupancy rising by 0.3 percentage points after holding steady in Q2 2026.

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

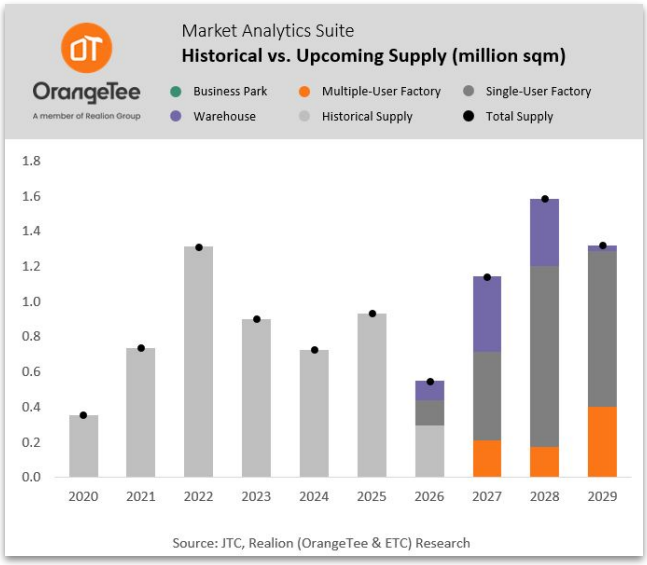


Supply | Marginal Increase

- In Q3 2026, around 0.4 million sq ft GFA was added to the total industrial stock. Key completions added in the quarter included Tampines Connection, a B2 ramp-up multiple-user factory at Tampines North Drive (0.5 million sq ft GFA), and ZAP Building, a warehouse development located at Woodlands Industrial Park (0.2 million sq ft GFA).

- 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. Warehouse space accounts for 44 per cent of the upcoming supply, while single-user factory space makes up the remaining 56 per cent (Figure 5).

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



Outlook | Modest Rental Price Growth

- According to advanced estimates by the Ministry of Trade and Industry (MTI), Singapore's y-o-y economic growth has moderated to 5.4 per cent in Q3 2026 as the manufacturing sector experienced slower growth. Despite the moderation, global AI-related investments will continue to sustain strong industrial production, according to the Monetary Authority of Singapore (MAS).

- Looking ahead, Singapore's economy is expected to expand steadily in the coming quarters, given Singapore's role as a regional manufacturing hub. However, global economic uncertainties along with rising energy prices could exert pressures on rental growth as occupiers remain cautious. Overall industrial rents are expected to grow by 1.8 to 3 per cent in 2026.

Industrial Market Projection

Indicators	2023	2024	2025	Q2 2026	Q3 2026	Q1-Q3 2026	Projection for 2026
JTC Overall Rental Index	8.9%	3.5%	2.4%	0.5%	0.5%	1.5%	1.8 % to 3%
JTC Overall Price Index	5.1%	3.5%	5.0%	0.6%	1%	2.8%	3% to 4%

Source: JTC, Realion (OrangeTee & ETC) Research

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