



PRIME LOGISTICS MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
7.6% Vacancy Rate	▲	▲
\$1.88 Gross Effective Rent (Ground Floor), PSF/mo	▲	▲
0.7% Rental Growth, QoQ change	▲	▲

Source: Cushman & Wakefield Research

ECONOMIC INDICATORS Q2 2024

	YOY Chg	12-Month Forecast
2.9% Real GDP Growth	▲	▼
2.8% Inflation Growth	▼	▼
2.0% Unemployment	▲	▲

Source: Ministry of Trade & Industry (MTI), Moody's Analytics

ROBUST MANUFACTURING SENTIMENTS

Singapore's economy expanded by 2.9% yoy in the second quarter of 2024, compared to previous quarter's 3.0% yoy growth. The manufacturing sector is poised for a gradual recovery in the second half of 2024. The Singapore Purchasing Managers' Index (PMI) rose 0.2 points to 50.9, the highest level since August 2021, and remained in expansionary territory for the twelfth consecutive month in August. Manufacturing output surged by 21% yoy in August, marking the second consecutive month of expansion, driven by the electronics cluster. Non-oil domestic exports (NODX) grew for the second consecutive month in August, rising by 10.7% yoy.

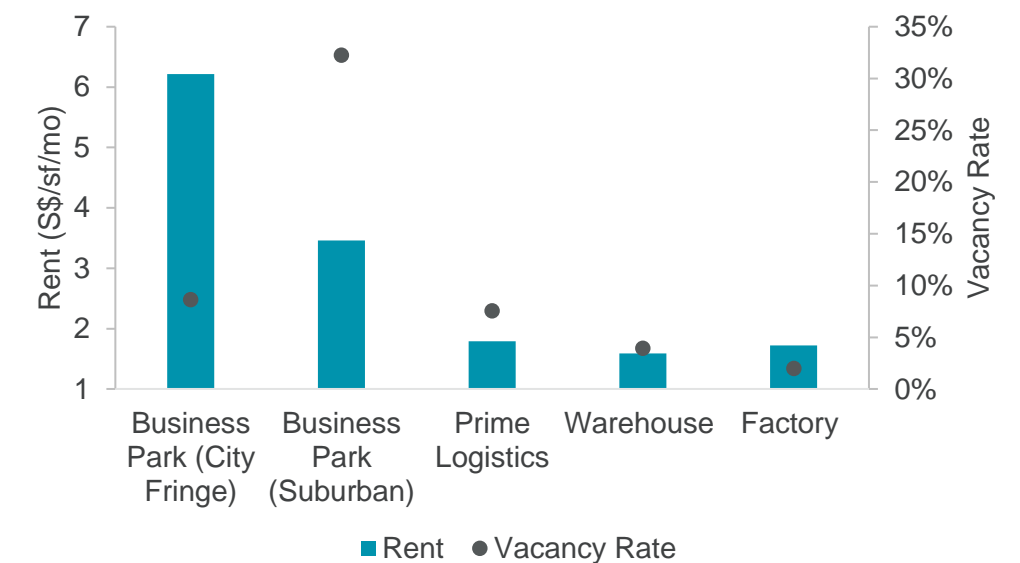
HIGHER SUPPLY BUT DEMAND FOR PRIME LOGISTICS PERSISTS

Incoming supply of both multi-user factories and warehouse & prime logistics is expected to be relatively tight in 2024, at below their respective ten-year annual average levels, before surging in 2025. Major new prime logistics projects in 2025, which include 51 Benoi Road and 36 Tuas Road (estimated 50% pre-committed) have seen good take-up rates or are in active negotiations with potential tenants. Despite record-high new single-user factory completions in 2024, most stock has been pre-committed by end-users and not likely to have a significant impact on the market. Significant incoming business park supply in 2024 and 2025 continues to exert pressure on suburban business park rents. The bulk of new business park supply will arise from Punggol Digital District, which is reportedly 65% pre-committed.

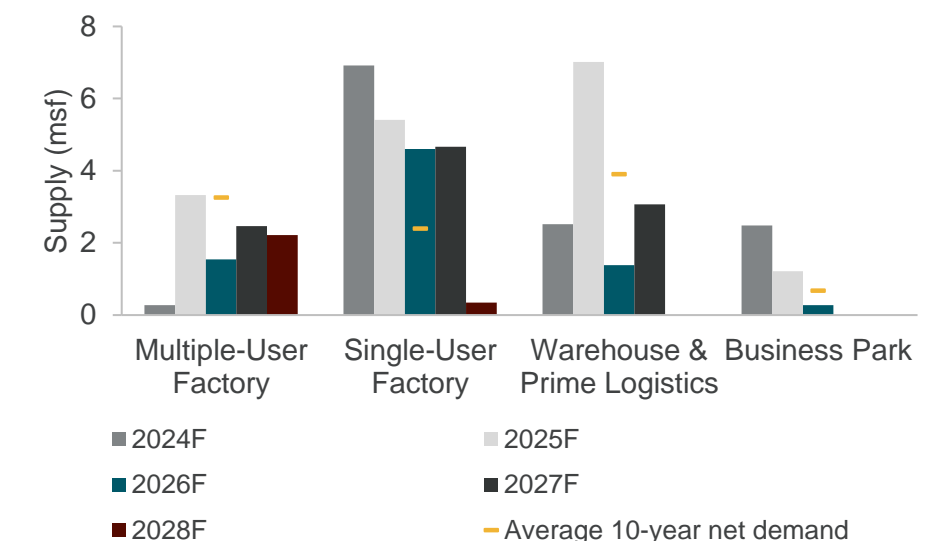
MODERATING RENTAL GROWTH

In Q3 2024, rents of suburban business parks and Science Park fell by 0.1% qoq and 1.4% qoq respectively, driven by a few older properties with relatively high vacancy rates. While interest rates are on a decline, occupiers remain cautious and may still prefer to renew leases to lower CapEx. We are seeing more tenants prioritizing on sustainability; hence they prefer newer developments that can meet their corporate branding and ESG targets. City fringe business parks and high-tech rents grew 1.0% qoq and 0.4% qoq respectively, driven by higher rents in life-science focused developments and better located stock. Prime logistics continued to grow by 0.7% qoq in Q3 2024, though rental growth is slowing amid higher tenant resistance and higher availabilities in the market due to natural lease expiries.

Q3 2024 RENT & VACANCY RATE BY ASSET CLASS



SUPPLY PIPELINE



MARKET STATISTICS

SEGMENT	GROSS EFFECTIVE RENT			Q-O-Q CHANGE (%)	12-MONTH OUTLOOK
	S\$/SF/MO	US\$/SF/MO	EUR/SF/MO		
Business Park (City Fringe)	S\$6.21	US\$4.82	€4.33	1.0%	▲
Business Park (Suburban)	S\$3.46	US\$2.68	€2.41	-0.1%	■
Science Park	S\$4.62	US\$3.58	€3.22	-1.4%	▲
High-Tech	S\$3.43	US\$2.66	€2.39	0.4%	▲
Factory – Ground Floor	S\$1.83	US\$1.42	€1.27	0.0%	▲
Factory – Upper Floor	S\$1.62	US\$1.26	€1.13	0.0%	▲
Warehouse – Ground Floor	S\$1.73	US\$1.34	€1.21	0.0%	▲
Warehouse – Upper Floor	S\$1.44	US\$1.12	€1.00	0.0%	▲
Prime Logistics – Ground Floor	S\$1.88	US\$1.46	€1.31	0.4%	▲
Prime Logistics – Upper Floor	S\$1.70	US\$1.32	€1.18	0.9%	▲

US\$/S\$ = 1.289; €/S\$ = 1.436, as of 24 Sep 2024

RECENT KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4 Loyang Lane	Pasir Ris	Boeing Distribution Services	49,622	Renewal
10 Benoi Sector	Pioneer	Leviat	37,601	Renewal
Tai Seng Centre	Toa Payoh	Marvell Asia	22,228	New lease
Alice@Mediapolis	Queenstown	Maritime and Port Authority of Singapore	21,933	New lease

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	PRICE (S\$ Million)
Portfolio of 7 properties	Various	Soilbuild Grp Hldgs Ltd, Blackstone, Lim Chap Huat / Warburg Pincus, Lendlease	1,600.0
Logos Tuas Logistics Hub (51% stake)	Tuas	Bouwinvest, CPP Investment Board, LaSalle, Ivanhoe Cambridge, Logos Property / ESR-LOGOS REIT	444.6
Elementum (49% stake)	Queenstown	Ho Bee Land / Brunei Investment Agency	272.0

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