

Huttons

SINGAPORE'S LARGEST
PRIVATE REAL ESTATE AGENCY

HUTTONS DATA ANALYTICS

INDUSTRIAL UPDATES 3Q 2024

OVERVIEW

The Singapore economy outperformed in 3Q 2024, boosted by a strong turnaround in the manufacturing sector.

The manufacturing sector expanded by 7.5% year-on-year (YoY) in 3Q 2024, reversing the negative YoY growth in the previous two quarters. The strong rebound in the manufacturing sector was broad-based. All manufacturing clusters registered growth except for the biomedical manufacturing cluster.

Singapore's non-oil domestic exports (NODX) grew in 3Q 2024 but there were signs that exports were starting to ease.

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

	3Q 2023	4Q 2023	2023	1Q 2024	2Q 2024	3Q 2024*
GDP	1.0	2.2	1.1	3.0	2.9	4.1
Manufacturing	-4.9	1.4	-4.3	-1.5	-1.1	7.5
Construction	3.7	5.2	5.2	3.6	4.8	3.1
Services	2.3	2.0	2.3	4.3	3.6	3.3

* advance estimates

Source: MTI, Huttons Data Analytics as of 14 Oct 2024

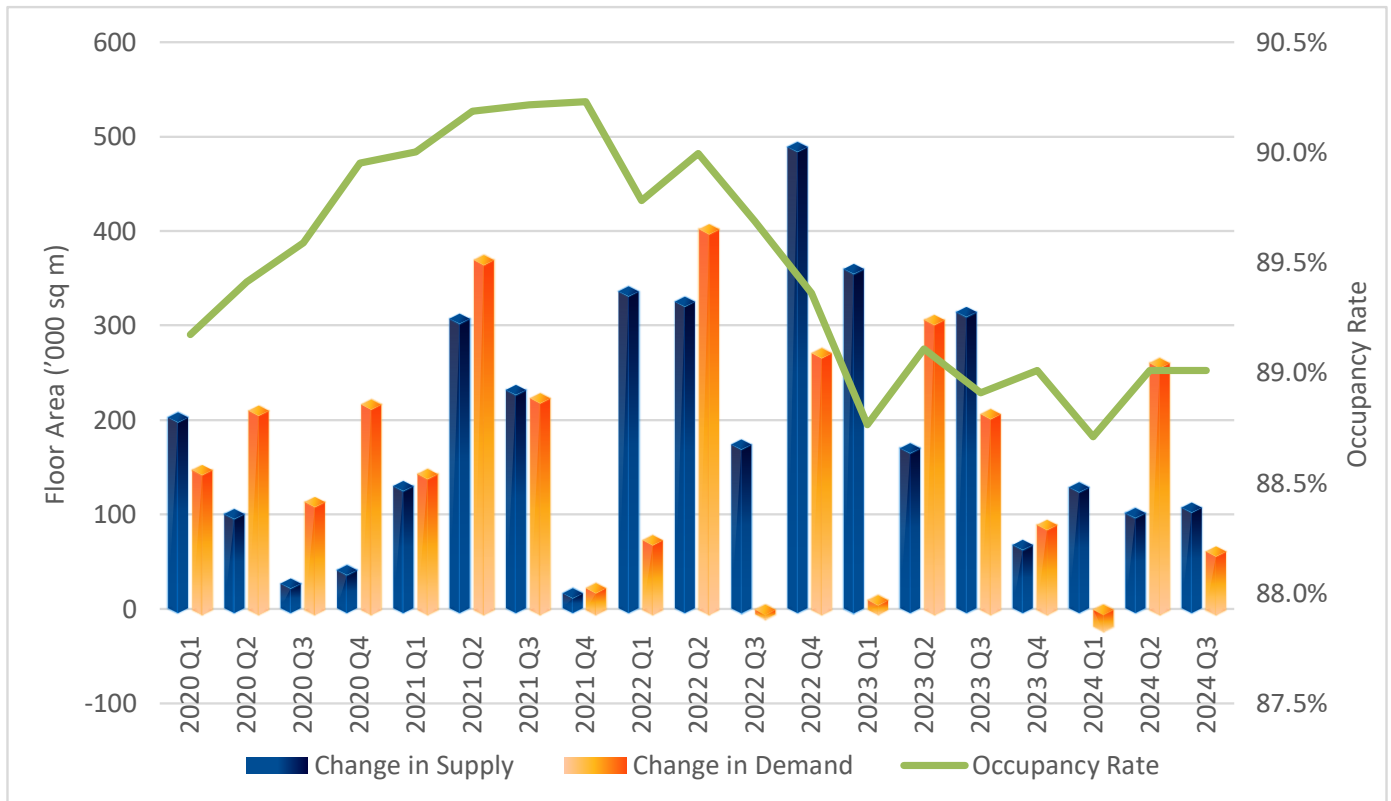
DEMAND AND SUPPLY

The improvement in the manufacturing sector supported demand for industrial space in 3Q 2024.

Demand for industrial space in 3Q 2024 increased by 58,000 sq m but companies remained cautious on expansion. The bulk of the demand in 3Q 2024 came from the multi-user factory space. Some of the demand came from companies in North Asia who are using Singapore as a base to expand to other Southeast Asia countries. Occupancy rate of industrial space was flat in 3Q 2024 at 89.0%.



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



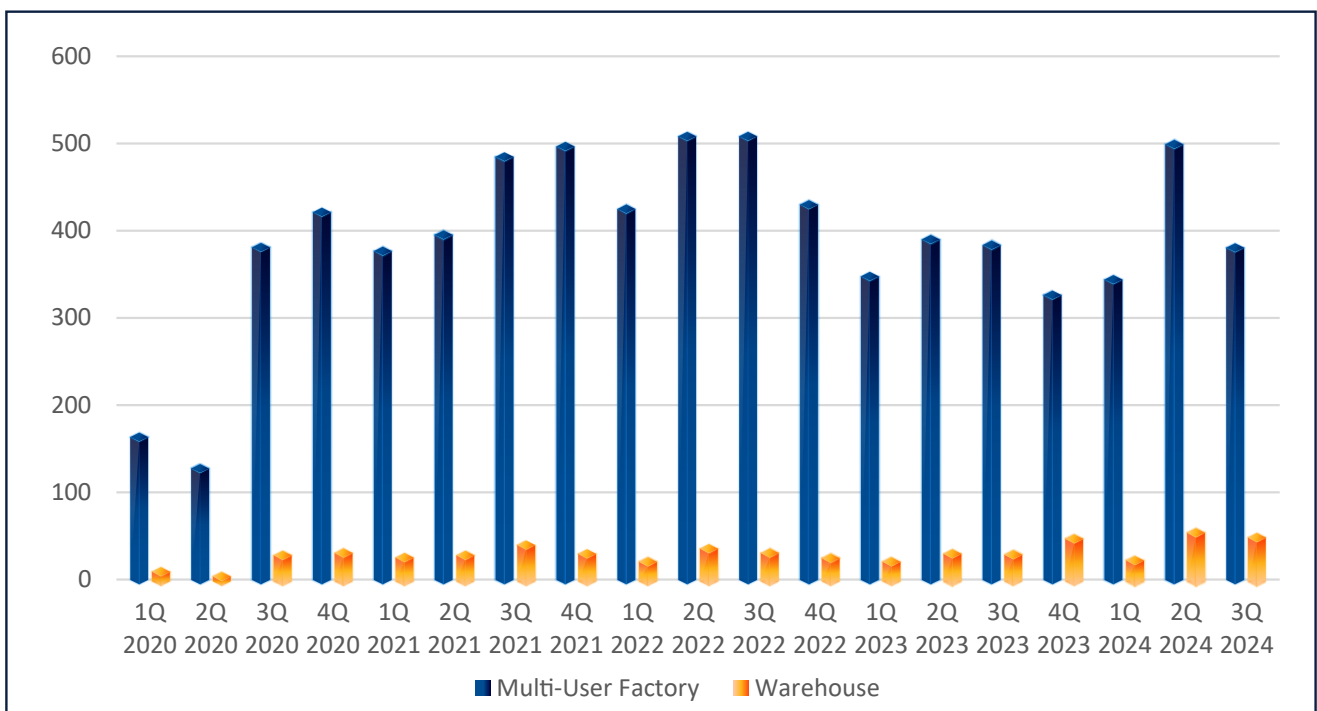
Source: JTC, Huttons Data Analytics as of 24 Oct 2024

TRANSACTIONS

Transaction volume of multi-user factory and warehouse space slowed by 22.4% in 3Q 2024 to an estimated 427 units. The lower level of activities could be due to investors waiting for the interest rate cut before buying. Almost 80% of the sales was less than \$1.5 million, an attractive quantum for investors who are looking for an alternative investment to the residential market.

The largest strata sale of a multi-user factory in 3Q 2024 was the sale of a 93,264 sq ft 30-year leasehold landed factory in Neythal Road for \$6.33 million or \$68 psf on land. A warehouse building at 301 Jalan Ahmad Ibrahim was sold for \$46.2 million in Sep 2024.

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



Source: JTC, Huttons Data Analytics as of 24 Oct 2024

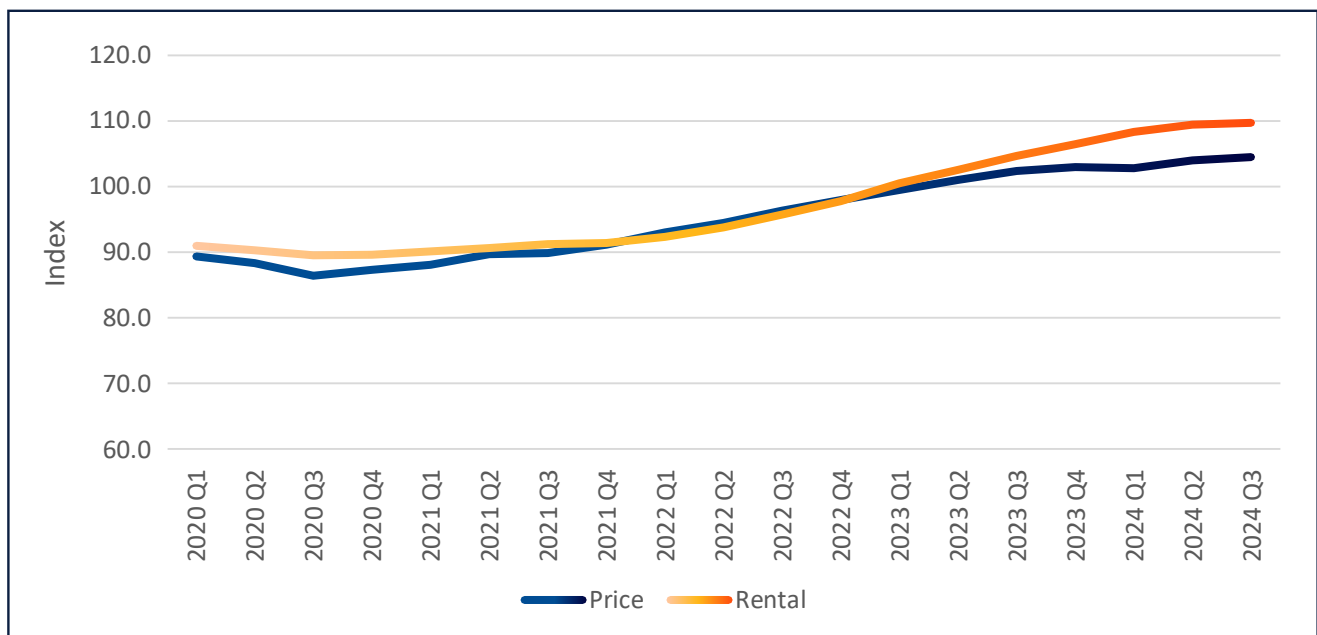
PRICES AND RENTS

As demand slows, gains in prices of industrial space in 3Q 2024 moderated to 0.5%.

Growth in rents of industrial space also slowed to 0.3% in tandem with slowing prices. This is the smallest increase in rents of industrial space since 4Q 2021.

Rents of business park space continued to be weak, easing for the second straight quarter by 0.2% in 3Q 2024. The high vacancy of more than 20% in the business park segment gave tenants better negotiating power.

Figure 3: Price and Rental Index of Industrial Space



Source: JTC, Huttons Data Analytics as of 24 Oct 2024



MARKET OUTLOOK

The Singapore's Purchasing Managers' Index (PMI) expanded for the 12th consecutive month in Aug 2024, supported by the electronics cluster.

Singapore's economy exceeded expectations in 3Q 2024 and prompted economists to upgrade their growth forecasts for 2024. The growth in the manufacturing sector is expected to give an uplift to economic numbers and is positive for the industrial market.

The cut in interest rate in Sep 2024 may lead to more transactions in the strata industrial market as the net return on investment will improve.

Barring unforeseen circumstances, prices and rents of industrial space should be stable and may see a growth of 3% to 5% in 2024.

Map 1: Major Multi-User Factory Projects in the Pipeline

PROJECT NAME 1
BULIM SQUARE

LOCATION BULIM LANE 1/2	GROSS FLOOR AREA (SQ.M) 157,590
DEVELOPER JTC CORPORATION	EXPECTED YEAR OF COMPLETION 2025

PROJECT NAME 2
JTC SPACE @ AMK

LOCATION ANG MO KIO STREET 64/65	GROSS FLOOR AREA (SQ.M) 117,230
DEVELOPER JTC CORPORATION	EXPECTED YEAR OF COMPLETION 2025

PROJECT NAME 3
STELLAR@TAMPINES

LOCATION TAMPINES NORTH DRIVE 4	GROSS FLOOR AREA (SQ.M) 50,760
DEVELOPER SOON HOCK DEVELOPMENT PTE LTD	EXPECTED YEAR OF COMPLETION 2026

PROJECT NAME 4
TAMPINES CONNECTION

LOCATION TAMPINES NORTH DRIVE 4	GROSS FLOOR AREA (SQ.M) 46,090
DEVELOPER SB (TND) INVESTMENT PTE LTD	EXPECTED YEAR OF COMPLETION 2027

PROJECT NAME 5
FOOD ASCENT

LOCATION TUAS SOUTH AVE 1	GROSS FLOOR AREA (SQ.M) 31,060
DEVELOPER SB (2TS) INVESTMENT PTE LTD	EXPECTED YEAR OF COMPLETION 2027



PROJECT NAME 6
CT FOODNEX

LOCATION MANDAI ESTATE	GROSS FLOOR AREA (SQ.M) 18,650
DEVELOPER CHIU TENG ENTERPRISES PTE LTD	EXPECTED YEAR OF COMPLETION 2026

PROJECT NAME 7
FOOD VISION @ MANDAI

LOCATION MANDAI ESTATE	GROSS FLOOR AREA (SQ.M) 18,390
DEVELOPER CHIP TIONG INVESTMENT PTE LTD	EXPECTED YEAR OF COMPLETION NA

PROJECT NAME 8
NA

LOCATION LENG KEE ROAD	GROSS FLOOR AREA (SQ.M) 17,900
DEVELOPER WEALTH SPACE PTE LTD	EXPECTED YEAR OF COMPLETION 2026

PROJECT NAME 9
NA

LOCATION JALAN PAPAN	GROSS FLOOR AREA (SQ.M) 17,360
DEVELOPER SETSCO SERVICES PTE LTD	EXPECTED YEAR OF COMPLETION 2026

PROJECT NAME 10
NA

LOCATION MANDAI ESTATE	GROSS FLOOR AREA (SQ.M) 11,760
DEVELOPER BAYSWOOD PTE LTD	EXPECTED YEAR OF COMPLETION 2027

PROJECT NAME 11
SMART FOOD @ MANDAI AT MANDAI ESTATE

LOCATION MANDAI ESTATE	GROSS FLOOR AREA (SQ.M) 15,140
DEVELOPER SMARTISAN REALTY PTE LTD	EXPECTED YEAR OF COMPLETION NA

Projects above 10,000 sq m excluding A&A

Source: JTC, Huttons Data Analytics as of 24 Oct 2024



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