SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

Knight Frank Consultancy, 21 May 2025

1 OVERVIEW OF THE SINGAPORE ECONOMY

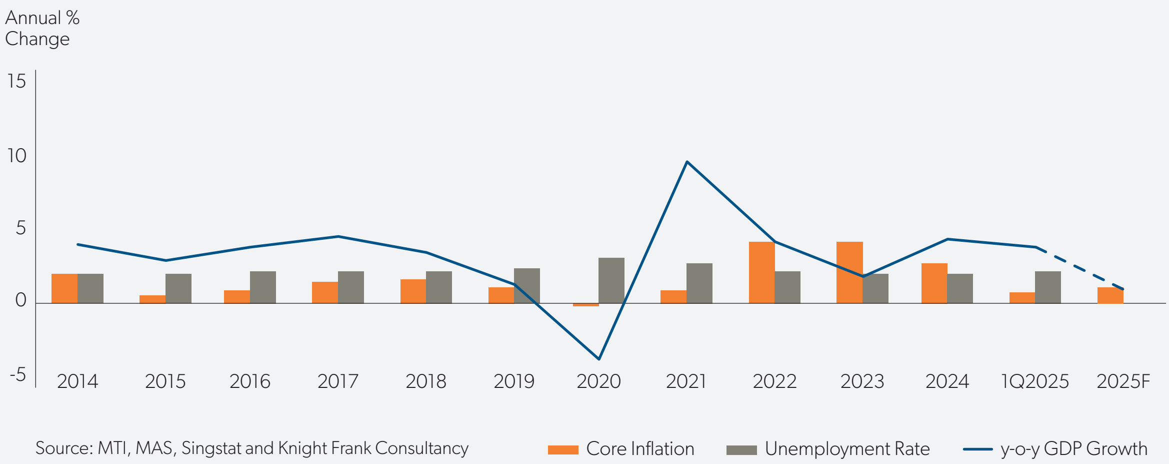
1.1 Singapore's Economic Performance

According to the Ministry of Trade and Industry ("MTI"), the Singapore economy expanded 4.4% year-on-year ("y-o-y") in 2024, accelerating from the 1.8% growth in 2023. This growth, which marked the fastest annual growth recorded since the post-pandemic recovery, was driven by a strong rebound in the manufacturing sector, particularly in the electronics sector, alongside robust performance for wholesale trade, finance, and the construction sector.

As at 1Q2025, Singapore's Real Gross Domestic Product ("GDP") grew 3.8% y-o-y, slowing from the 5.0% growth recorded in 4Q2024 due to weaker chemicals and general manufacturing output, as well as a contraction in the finance sector, amid rising global trade tensions and softer external demand. On a quarter-on-quarter ("q-o-q") basis, GDP contracted by 0.8% in 1Q2025 compared to the previous quarter.

Overall unemployment rate was largely flat, inching up slightly from 1.9% in 2023, to 2.0% in 2024, and 2.1% as at April 2025 (Exhibit 1-1).

Exhibit 1-1: Annual GDP Growth, Unemployment and Core Inflation[1]



Source: MTI, MAS, Singstat and Knight Frank Consultancy

As at March 2025, Singapore's manufacturing output increased 5.8% y-o-y as growth in the electronics (8.9%), biomedical manufacturing (17.2%), transport engineering (20.2%) more than offset declines in the chemicals (-6.0%), general manufacturing (-13.0%), and precision engineering (-0.1%) clusters.

Inflation

Between January to February 2025, Singapore's core inflation eased to 0.7% y-o-y, down from 1.9% in 4Q2024, largely due to lower consumer spending on food and beverage services and retail goods domestically. The Monetary Authority of Singapore ("MAS") projects both Core Inflation and CPI-All Items inflation to average between 0.5% and 1.5% in 2025, reflecting expectations of continued moderation in imported inflation and domestic cost pressures. This outlook is supported by the strong Singapore Dollar and the anticipated moderation in the pace of price increases amid a weakening economic outlook, which are expected to temper inflation for the year ahead.

Fixed Asset Investments

In 2024, Singapore secured S$13.5 billion in fixed asset investments ("FAI"), an increase from S$12.7 billion received in 2023. Spurred by surging global demand for artificial intelligence ("AI") technologies, the electronics sector dominated with over S$7.6 billion (69.1% of total manufacturing FAI). Examples of investment commitments into the sector include the construction of S$2.9 billion and S$10.5 billion wafer fabrication plants by Siltronic and VisionPower Semiconductor Manufacturing Company Pte Ltd respectively, both of which are located in the Tampines Wafer Park. Other manufacturing sectors contributing to the overall FAI were biomedical (S$2.2 billion), precision engineering (S$555.3 million), chemicals (S$366.4 million), and transport engineering & logistics (S$48.9 million). FAI in the chemicals sector fell sharply from S$4.5 billion in 2023 due to global overcapacity. While protectionism and trade frictions may pose risks for key economies worldwide in 2025, Singapore continues to attract long-term investment with its robust infrastructure, skilled workforce, and proactive support by the Economic Development Board ("EDB") for innovation and enterprise growth.

[1] Core inflation excludes the components of "Accommodation" and "Private Transport".

Outlook

Since April 2025, global economic uncertainty has intensified significantly, largely driven by the Trump administration's expanded list of tariffs on selected trading partners and commodities. The United States (US) has implemented a baseline 10% tariff on all imports alongside higher targeted tariffs aimed at countries with substantial trade surpluses with the US. Despite a 90-day pause on most country-specific trade tariffs by the US, the uncertainty and rapidly changing policy announcements have roiled financial markets and heightened fears of a global recession.

The evolving nature of US tariff policy and potentially sluggish progress in trade negotiations, especially between the US and China, are expected to weigh on global growth in the near term. Retaliatory tariff exchanges between both countries have further worsened global trade flows and contributed to increased market volatility. The resultant increase in the costs of goods has had a notable impact on business cost structures and consumer demand, with substantial effects observed across trade sectors in the second quarter of 2025.

The US growth outlook has deteriorated as higher import costs are expected to dampen consumption. Similarly, China's economic prospects have weakened amid stalled export growth resulting from the protracted trade conflict. These developments are likely to curb external demand for Singapore's export-oriented industries, particularly manufacturing and wholesale trade.

The heightened level of market uncertainty is expected to slow business activity, international trade, and consumer spending in the first six to nine months of 2025, as many enterprises and households adopt a cautious, wait-and-see approach. This will likely affect Singapore's domestic-oriented sectors as well. Reflecting these risks, the MTI has revised Singapore's 2025 GDP growth forecast from "1.0% to 3.0%" to "0.0% to 2.0%", with the possibility of further adjustments should downside risks materialise.

2 SINGAPORE GOVERNMENT POLICIES AFFECTING THE INDUSTRIAL PROPERTY MARKET

2.1 Budget 2025

Singapore's 2025 Budget introduced several strategic initiatives to drive innovation, promote sustainability and strengthen the supply chain capabilities in the industrial property market. One key initiative is the enhancement of the Land Intensification Allowance ("LIA") — a tax incentive scheme first launched in 2010 to encourage more efficient use of industrial land. Under this initiative, capital allowances are provided for qualifying construction or renovation costs when businesses engage in the intensification of industrial properties. Previously, two related entities were required to own at least 75% of the related entity shares to qualify as a single group for LIA benefits. This threshold has now been lowered to 50%, enabling more companies to tap on the tax incentive, which further encourage shared investments in land and infrastructure intensification.

2.2 Key Industry Improvement Initiatives and Developments

Enhancement to the Industrial Land Lease Framework by JTC

On 6 March 2025, JTC Corporation announced four major enhancements to the industrial land lease framework after reviewing recommendations from the Alliance for Action ("AfA") on Business Competitiveness and in response to business feedback on long development periods that shorten the effective productive use of leases. These enhancements, which will be implemented either immediately or progressively from the second half of 2025, introduce a broader range of lease tenure extension options based on factors such as greenfield land allocation and lease eligibility. Changes to the land lease framework include an extension of three additional years for all new greenfield industrial land allocations and allowing lessees to apply for lease renewals of up to 10 years before expiry (an increase from the current six years). These are expected to drive greater demand for industrial space by giving businesses more flexibility to choose lease terms that align with their operational requirements and investment plans. By offering longer tenures and more renewal flexibility, the enhanced framework provides stronger investment certainty, encouraging businesses, particularly those with under 20 years remaining on their leases, to pursue longer-term commitments in industrial land development and capital expenditure on plant and machinery.

Top up to the National Productivity Fund ("NPF")

The NPF was first established in 2010 to support the implementation of measures aimed at improving productivity of enterprises in specific sectors in Singapore and driving technological advancement and innovation. The government committed an additional S$3 billion to attract high-value technology investments, improve productivity and train workers to fuel Singapore's economic growth engines. It is expected to help Singapore compete in new frontier areas such as AI and quantum computing, which are crucial as new ideas, innovations and technological processes are the key drivers of growth.

Development and Expansion Incentives for Manufacturing ("DEI-Mfg")

The DEI-Mfg initiative aims at attracting companies looking to undertake new high value-added manufacturing activities within Singapore. Administered and supported by the EDB, it grants a reduced tax rate and investment credit for qualifying companies that demonstrated substantial contributions to Singapore's economy. This incentive aims to strengthen the nation's position as a global hub for advanced manufacturing by attracting investments that enhance the country's manufacturing capabilities and economic growth.

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

3 REVIEW OF SINGAPORE INDUSTRIAL PROPERTY MARKET

3.1 Overview of Industrial Stock

As at 1Q2025, overall industrial stock in Singapore totalled 576.4 million square feet ("sq ft") of net lettable area ("NLA"). Of which, 49.4% or 284.6 million sq ft comprised single-user factory space. Multiple-user factory, warehouse and business park space contributed 23.4% (134.9 million sq ft), 22.3% (128.4 million sq ft) and 4.9% (28.5 million sq ft) to the total industrial stock, respectively.

3.2 Industrial Government Land Sales Programme

The MTI launched seven sites on the Confirmed List and three sites on the Reserve List under the Industrial Government Land Sales ("IGLS") Programme for the first half of 2025. The total land area of the ten industrial sites covers a substantial 14.07 hectares ("ha") in site area, translating to more than 3.64 million sq ft of gross floor area ("GFA") of potential industrial stock. All land parcels comprise a mix of 20-year or 30-year leasehold tenures and are zoned under Business 2 Industrial ("B2") with the exception of Kaki Bukit Avenue 5, which is zoned under Business 1 Industrial ("B1").

Exhibit 3-1: Confirmed and Reserve Sites under IGLS (First Half of 2025)

Confirmed List of Industrial Sites

Location	Zoning	Site Area* (ha)	Gross Plot Ratio	Tenure (Years)	Estimated Launch Month
Plot 3 Jalan Papan	B2	0.72	1.4	20	February 2025
Penjuru Road	B2	2.09	2.5	30	February 2025
Gul Drive	B2	0.49	1.4	20	March 2025
Tuas Avenue 11	B2	2.80	2.5	30	March 2025
Ubi Avenue 11	B2	0.61	2.5	20	April 2025
Kaki Bukit Avenue 5	B1	0.70	2.5	30	May 2025
Sengkang West	B2	2.30	2.5	30	June 2025

Reserve List of Industrial Sites

Location	Zoning	Site Area* (ha)	Gross Plot Ratio	Tenure (Years)	Status
Plot B Tukang Innovation Drive	B2	1.87	2.5	30	Available for Application
Plot 2 Tampines North Drive 4	B2	1.79	2.5	30	Available for Application
Plot D Tukang Innovation Drive	B2	0.70	2.5	30	Available for Application

* Estimated site area. Area is subject to final survey before tender release and will be updated.
Source: JTC and Knight Frank Consultancy

3.3 Upcoming Supply of JTC Projects

Based on data published by JTC, approximately 40.1 million sq ft of GFA in upcoming industrial supply is expected to be completed between 2Q2025 and 2028, ranging from factory, warehouse/logistics, and business park space. Of this, approximately 13.5%, or 5.4 million sq ft, comprises JTC-developed space, with the bulk of key projects slated for completion by 2025.

3.4 Major Investment Sales

Investment activity in Singapore's industrial property sector experienced a strong rebound in the second half of 2024, driven by the US Federal Reserve's first interest rate cut since the onset of the COVID-19 pandemic in March 2020. The Fed initiated a 0.5 percentage point reduction in September 2024, followed by two further cuts of 0.25 percentage points each in November and December 2024. This monetary easing reignited transactional momentum from the third quarter onwards, propelling total industrial investment sales to S$6.0 billion for the year – more than double the S$2.3 billion recorded in 2023.

Exhibit 3-2: Upcoming JTC Projects (2Q2025 to 2028)

Project Name	Total Uncompleted GFA (sq ft)	Expected Year of Completion	Type of Industrial Tenants
Business park development in Punggol Digital District	785,334	2025	Digital technology and cybersecurity companies
Bulim Square	804,924	2025	Advanced manufacturing
JTC Space @ AMK	1,261,852	2025	Terrace workshops and light general manufacturing

The list of upcoming projects in this table is non-exhaustive.
Source: JTC and Knight Frank Consultancy

The largest deal of the year was the S$1.6 billion acquisition of seven industrial assets by Lendlease and Warburg Pincus from Blackstone and a Soilbuild-related entity. Another significant transaction was the S$1.4 billion divestment of two data centres, KDC SGP 7 and KDC SGP 8 along Genting Lane, by a joint venture between Keppel and Cuscaden Peak Investments to Keppel DC REIT. In addition, Bain Capital completed a notable S$750 million purchase of four purpose-built worker dormitory compounds from Blackstone.

Exhibit 3-3: Key Industrial Property Investment Sales (2024 and 1Q2025)

Development	Land Lease Tenure	Land Use Zoning and Type	GFA* (sq ft)	Vendor	Buyer	Price** (S$ million)	Unit Price per GFA (S$ per sq ft)
Keppel Data Centres (KDC SGP 7 and KDC SGP 8)	60 years from 1/07/1980	Business Park	Undisclosed	Keppel (60%) and Cuscaden Peak Investments (40%)	Keppel DC REIT	1,400.0	Undisclosed
Avery Lodge Dormitory Portfolio	Varying lease tenures	Workers' Dormitory	Undisclosed	Blackstone, Valparaiso Capital Partners	Bain Capital	750.0	Undisclosed
Solaris @ one-north[2]	99 years from 4/10/2007	Business Park	551,811	Blackstone and Soilbuild-related entity	Lendlease and Warburg Pincus	501.4	909
West Park BizCentral[2]	30 years from 1/08/2008	Industrial B2	1,414,600	Blackstone and Soilbuild-related entity	Lendlease and Warburg Pincus	275.1	195
Elementum	60 years from 20/02/2021	Business Park	445,300	Ho Bee Land	The Brunei Investment Agency	271.9	611
Eightrium at Changi Business Park[2]	30 years from 16/02/2006	Business Park	213,835	Blackstone and Soilbuild-related entity	Lendlease and Warburg Pincus	201.3	942
2PS1[2]	60 years from 1/10/1986	Industrial B2	756,986	Blackstone and Soilbuild-related entity	Lendlease and Warburg Pincus	167.9	222
Solaris @ Kallang 164[2]	40 years from 26/08/2011	Industrial B2	586,552	Blackstone and Soilbuild-related entity	Lendlease and Warburg Pincus	167.1	285
Admirax	60 years from 09/10/2000	Industrial B1	581,840	AEW	Undisclosed family office	154.0	265
Tuas Connection[2]	43 years from 01/10/2007	Industrial B2	607,994	Blackstone and Soilbuild-related entity	Lendlease and Warburg Pincus	144.4	238
Qualcomm Building[2]	40 years from 26/08/2011	Industrial B2	390,821	Blackstone and Soilbuild-related entity	Lendlease and Warburg Pincus	142.7	365
OneTen Paya Lebar	Freehold	Industrial B1	155,000	Hwa Hong Corp	Big Data Exchange (BDx)	140.0	903

* GFA rounded up to nearest 100.
** Price rounded up to nearest 100,000.
Source: URA, Real Capital Analytics and Knight Frank Consultancy

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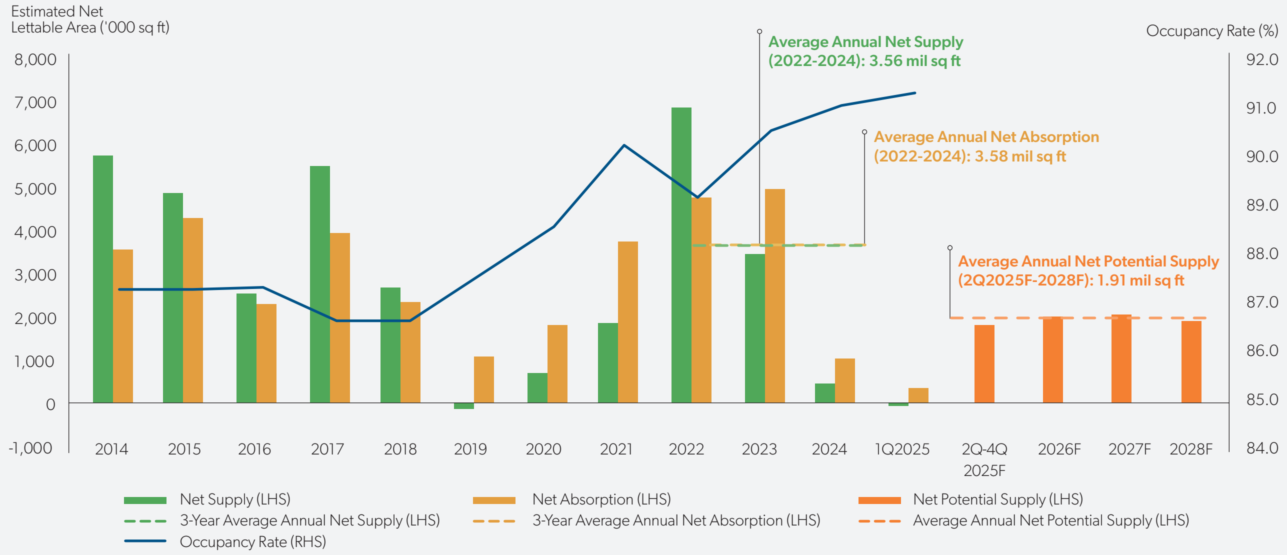
[2] Part of the portfolio of seven industrial assets acquired by Lendlease and Warburg Pincus in August 2024 for S$1.6 billion.

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

4 MULTIPLE-USER FACTORY SPACE

Exhibit 4-1: Net Supply, Net Absorption, Occupancy and Potential Supply (Multiple-User Factory Space)



Note: Occupancy rates are as at fourth quarter of each year except for 1Q2025.
Source: JTC and Knight Frank Consultancy

4.1 Stock and Upcoming Supply

As at 1Q2025, Singapore's multiple-user factory stock rose by 0.3% y-o-y to 134.9 million sq ft from 134.4 million sq ft in the preceding year. Major completions in 2024 included JTC's Bulim Square (1.7 million sq ft GFA), One KA @ MacPherson (197,733 sq ft GFA), and Apex Foodworks (51,236 sq ft GFA). From 2Q2025 to 2028, the upcoming stock is expected to be approximately 7.7 million sq ft NLA (Exhibit 4-1).

4.2 Demand and Occupancy

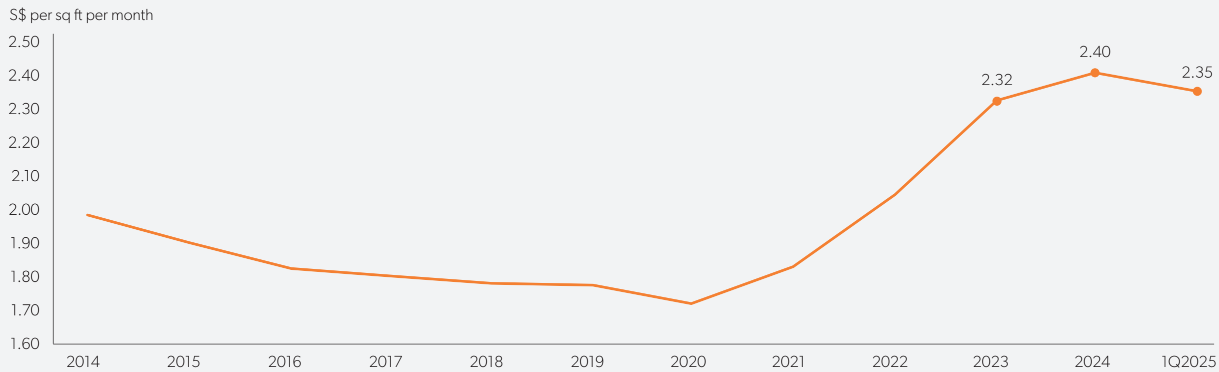
Positive net supply and net absorption of multiple-user factory space was recorded at 0.4 million sq ft and 1.0 million sq ft respectively, in 2024. With annual net absorption exceeding annual net supply, occupancy rate stood at 91.0% with 123.1 million sq ft of stock occupied – a marginal 0.5 percentage point increase compared to 2023 (Exhibit 4-1).

4.3 Rents

According to JTC data, the median rent for multiple-user factory space increased by 3.4% y-o-y to S$2.40 per square foot per month ("psf pm") in 4Q2024, up from S$2.32 psf pm in 4Q2023. This growth was underpinned by a combination of limited new supply and sustained demand from a broad spectrum of industrial occupiers, including small and medium-sized enterprises ("SMEs"), attracted by the versatility of these spaces, which can support a wide range of operational needs.

However, global macroeconomic uncertainties in an escalated operating cost environment have started to weigh in. 1Q2025 recorded the first decline after seventeen consecutive quarters of increase in median rents, dipping 2.1% q-o-q to S$2.35 psf pm in 4Q2023, as occupiers grew more cost sensitive (Exhibit 4-2).

Exhibit 4-2: Median Rents of Multiple-User Factory Space



Rents are as at fourth quarter each year except for 1Q2025.
Source: JTC and Knight Frank Consultancy

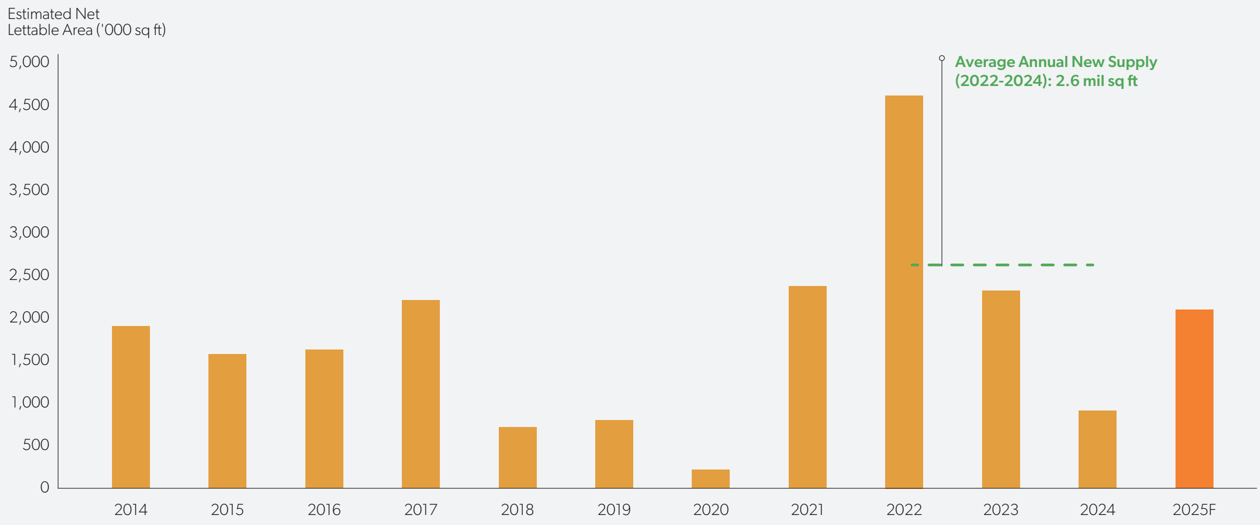
4.4 Outlook

Despite poorer global trade visibility amid the volatile tariff policies emanating from the US, Singapore's factory space market retains areas of optimism, bolstered by the nation's continued reputation as a stable and dependable manufacturing hub. In addition, the imposition of a 10% tariff on imports from Singapore, which is currently the global baseline rate, has led to considerations among some manufacturers to shift or expand their final stage production and operations to Singapore.

While the broader global economic and political outlook has worsened with further uncertainty anticipated under the Trump administration, Singapore's export-driven manufacturing sector has shown resilience – evident by continued y-o-y output increase of 5.8% in March 2025. Nonetheless, the global trade tariffs imposed by the US is expected to weigh on multiple-user factory rental growth in the near term, potentially softening rental forecasts to a modest annual increase of 0% to 2% in 2025.

5 HIGH-SPECIFICATION INDUSTRIAL SPACE

Exhibit 5-1: Supply of High-Specification Industrial Space



Source: JTC and Knight Frank Consultancy

Knight Frank defines high-specification industrial space as the property asset class that comprises high floor loading and floor-to-ceiling height, together with high office quality for tenants in technology and knowledge-intensive sectors, which may include activities such as advanced engineering and data centre operations. These developments typically house multinational companies and local firms who wish to incorporate their headquarter functions with production activities.

5.1 Existing Supply and Demand

There are no publicly available statistics tracking high-specification industrial space in Singapore. Based on Knight Frank's classification, there were at least 42.1 million sq ft of net lettable space as at 1Q2025. New completions in 2024 included Google's data centre along Lok Yang Way. The overall occupancy of high-specification industrial space was estimated to be approximately 91.7% in 2024.

5.2 Potential Supply

Singapore will be expecting at least 2.1 million sq ft NLA of high-specification industrial space in 2025, both of which are developed by JTC, namely Bulim Square (1.2 million sq ft NLA) and JTC Space @ AMK (0.9 million sq ft NLA).

5.3 Rents

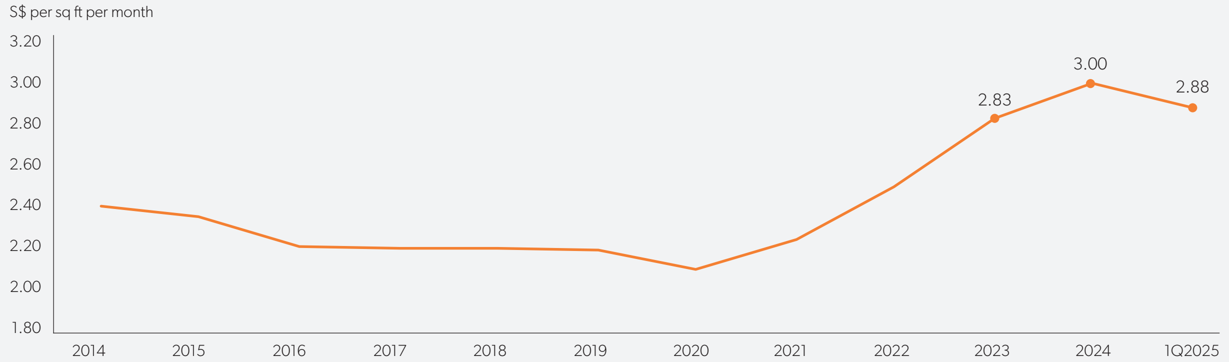
The 75th percentile rent for multiple-user factory space estimated by JTC is used to serve as a proxy for high-specification industrial space as the latter typically command higher rents. Following a 6.0% y-o-y increase in 2024, rents of high-specification industrial space experienced a reversal with 4.0% q-o-q decline in 1Q2025 to reach S$2.88 psf pm (Exhibit 5-2) due to the softening demand from cost-conscious occupiers amid a global economic slowdown.

5.4 Outlook

According to the EDB, Singapore is the fifth largest exporter of high-tech exports globally. The Singapore government continues to grow Singapore's advanced manufacturing ecosystem to achieve world-class standards, thereby attracting the entry of even more global industrial firms. The vibrancy of Singapore's manufacturing ecosystem supports its status as a hotspot for a full suite of manufacturing supply chain services, which has led many key global suppliers to set up Advanced Manufacturing Centres of Excellence in Singapore. In view of the constant industry development efforts by the government, Singapore's attractiveness as one of the global hubs is envisaged to remain strong. Rental performance of high-specification industrial space is forecasted to rise by 2% to 3% in 2025.

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

Exhibit 5-2: Rents of High-Specification Industrial Space



Rents are as at fourth quarter each year except for 1Q2025.
Source: JTC and Knight Frank Consultancy

6 BUSINESS PARK SPACE

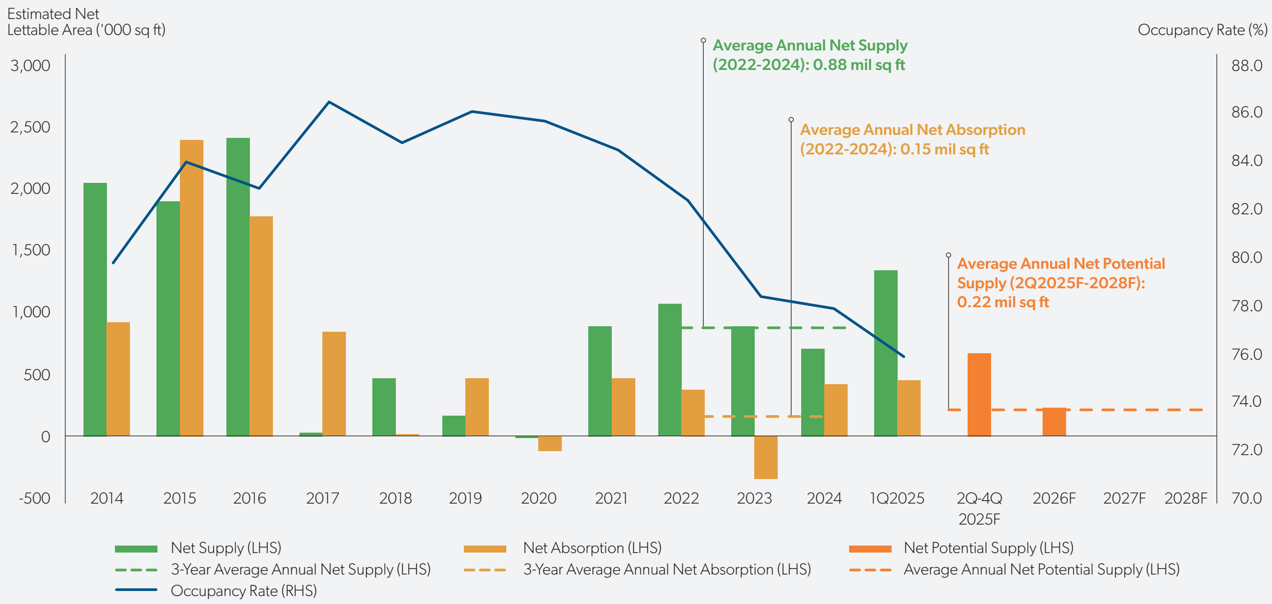
6.1 Existing Supply

As at 1Q2025, the total stock of business park space in Singapore totalled 28.5 million sq ft of NLA, an increment of 7.5% y-o-y from the previous year. Business park space constitutes almost 5% of nationwide industrial stock. More than half of the business park space is located within the Central region (55.7%), while the West and East regions each hold approximately one-fifth of the total business park space. Following the completion of Phase One of Punggol Digital District or (PDD) in 2024, the North-East region constitutes about 2.9% of total business park space.

6.2 Demand and Occupancy

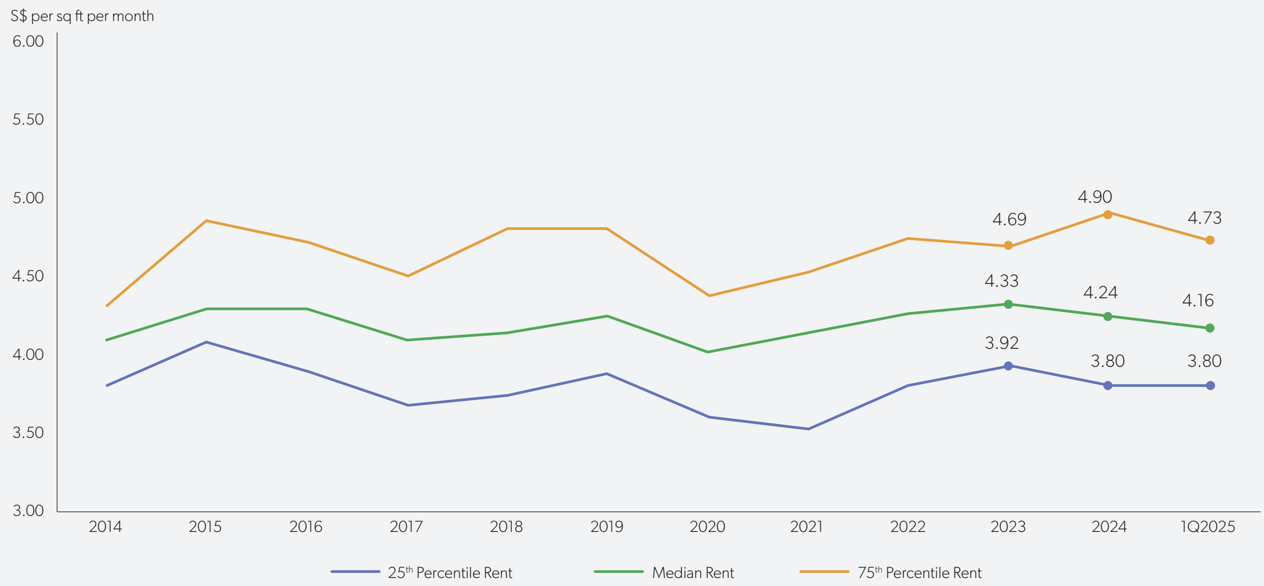
The occupancy of business park space saw slight moderation of 0.5 percentage point to 77.9% in 4Q2024 and a further 2.0 percentage points decline to 75.9% in 1Q2025, the lowest level since 4Q2010. Despite the fall in occupancy, the net demand of business park space registered a positive take-up of 0.42 million sq ft in 2024, a reversal of the negative 0.35 million sq ft net demand in the preceding year. This is likely attributed to the completion of PDD, which has secured banks (OCBC and UOB) and tech firms (GovTech, Delteq and Singapore's Cyber Security Agency) as anchor tenants of the space.

Exhibit 6-1: Net Supply, Net Absorption, Occupancy and Potential Supply (Business Park Space)



Note: Occupancy rates are as at fourth quarter of each year except for 1Q2025.
Source: JTC and Knight Frank Consultancy

Exhibit 6-2: Rents of Business Park Space



Rents are as at fourth quarter each year except for 1Q2025.
Source: JTC and Knight Frank Consultancy

Among the planning regions, the Central region registered the highest occupancy of 84.7%, followed by the East region at 71.8%. Excluding the North-East region, which is home to the PDD, the West region had the lowest occupancy of 63.2%. This could be attributed to tenants vacating older business park space at the West region, as well as the completion of relatively new projects such as Surbana Jurong Campus, which were still in the midst of building up occupancy levels. Demand for the good quality and well-maintained business park space in Mapletree Business City, Science Park and one-north remained strong, where most buildings recorded healthy and stable occupancy rates.

6.3 Potential Supply

According to JTC, over 2.1 million sq ft of new business park space is expected to come onboard from 2Q2025 to 2026, with no planned pipeline supply beyond 2026. Almost two-thirds of the upcoming supply are slated for completion within 2025. There are only two publicly announced upcoming projects, namely the new developments in PDD (estimated 0.67 million sq ft of NLA) and the 27 International Business Park, a redevelopment project by CapitaLand Ascendas REIT (estimated 0.22 million sq ft of NLA). This translates to an annual average supply of 0.22 million sq ft of NLA over the next three years (2Q2025 to 2028), which is substantially lower than the three-year historical annual net supply of 0.88 million sq ft of NLA from 2022 to 2024.

6.4 Rents

According to JTC data as at 4Q2024, the 25th percentile and median rent of business park space contracted by 3.1% and 2.1% y-o-y to S$3.80 psf pm and S$4.24 psf pm, respectively. Meanwhile, the 75th percentile rent grew 4.5% y-o-y to S$4.90 psf pm as at 4Q2024. In 1Q2025, the median rent fell 1.9% q-o-q to S$4.16 psf pm, while the 25th percentile rent remained flat at S$3.80 psf and the 75th percentile rent declined 3.5% q-o-q to S$4.73 (Exhibit 6-2).

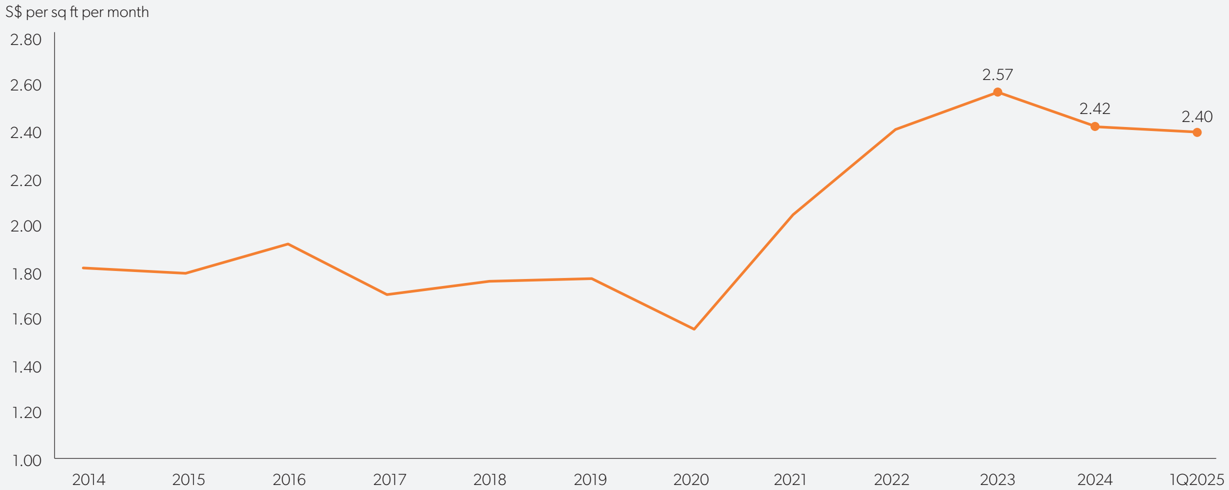
6.5 Outlook

The completion of new business park developments such as Surbana Jurong Campus, Perennial Business City, Geneo and Elementum in the last two years (2023 and 2024) contributed to a surge in the overall business park stock that resulted in a dip in overall occupancy as landlords are still looking for tenants to fill the space. Older business park assets, which are unable to offer desirable building specifications to compete with the modern assets, are facing near-term challenges, while the centrally located and good quality business park space continues to receive sustained interest from both local and global industrial firms. Given the limited upcoming stock planned for 2027 and beyond, occupancy of prime and modern business park space is expected to remain stable, barring any adverse impact from the evolving US tariff policy stance on countries which Singapore relies on for trade and product development. In view of these market trends, coupled with the cost-consciousness of most occupiers amid market volatility, Knight Frank envisages business park rents to grow by a modest 0.5% to 1.0% in 2025.

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

7 STACK-UP FACTORY SPACE

Exhibit 7-1: Rents of Stack-up Factory Space



Rents are as at fourth quarter each year except for 1Q2025.
Source: JTC and Knight Frank Consultancy

Stack-up and ramp-up factory space provides users direct vehicular access to individual standard factories on the upper floors. Some of the individual standalone units are equipped with their own dedicated loading area and car park lots, which greatly improve operational convenience for industrial end-users.

7.1 Existing Stock and Upcoming Supply

There are no publicly available statistics tracking stack-up factory space in Singapore. Based on Knight Frank's classification, there were approximately 10.5 million sq ft of NLA of stack-up factory space as at 1Q2025, with the latest addition being JTC Defu Industrial City, at approximately 2.5 million sq ft of NLA. Completed in 3Q2022, this redevelopment features modern space that is designed to support a range of industries such as warehousing and manufacturing with high structural floor loading and ceiling height, and direct ramp access to individual units.

7.2 Demand and Occupancy

Based on Knight Frank's estimation, the overall occupancy rate of stack-up factory space in 2024 was around 96.0%. With the limited number of new completions each year and sustained demand from end-users, occupancy rate of stack-up factory space is likely to remain relatively unchanged between 95.0% and 96.0% in 2025.

7.3 Rents

Rental transactions of stack-up factory space were largely limited. Tapping on a basket of properties as proxies, Knight Frank estimated the median rent to be approximately S$2.42 psf pm in 4Q2024, which represented a 5.8% y-o-y decline from the previous year. The rental contraction was similarly observed in the following quarter, whereby the median rent experienced slight moderation of 0.8% q-o-q to S$2.40 psf pm in 1Q2025 (Exhibit 7-1).

7.4 Outlook

Stack-up factory space makes up a small portion of the total industrial supply in Singapore of less than 2%, with no known upcoming supply in the near term. Despite the mild contractions of rents in 2024, demand for stack-up factory space is envisaged to remain resilient among the general manufacturing players, as they require seamless transportation of goods within their factory premises. Knight Frank envisages the rents of stack-up factory space in Singapore to remain stable and grow by a mild 1% to 2% in 2025.

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