

Industrial Market Overview

Q3 2022



Industrial Market Summary

1

Indicators remain healthy but pace of growth has moderated

Growth in manufacturing activity and NODX. Dip in PMI caused by electronics

2

Stable leasing demand

Active sectors include pharma, electronics, logistics and aerospace. Recent interest in cold storage

3

Better than expected prime log rental performance in Q3 2022.

Acute lack of supply for prime log, positive demand indicators, strong pre-leasing activities for projects

Demand Drivers

Manufacturing sector continues to be in expansion, with the biomedical and transport engineering clusters picking up momentum. Supply chain disruption, increased materials & freight cost is likely to encourage occupiers to increase inventory levels now rather than later, which will help to bolster demand for warehouses.



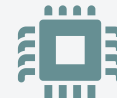
Third-Party Logistics



E-commerce



Pharmaceuticals



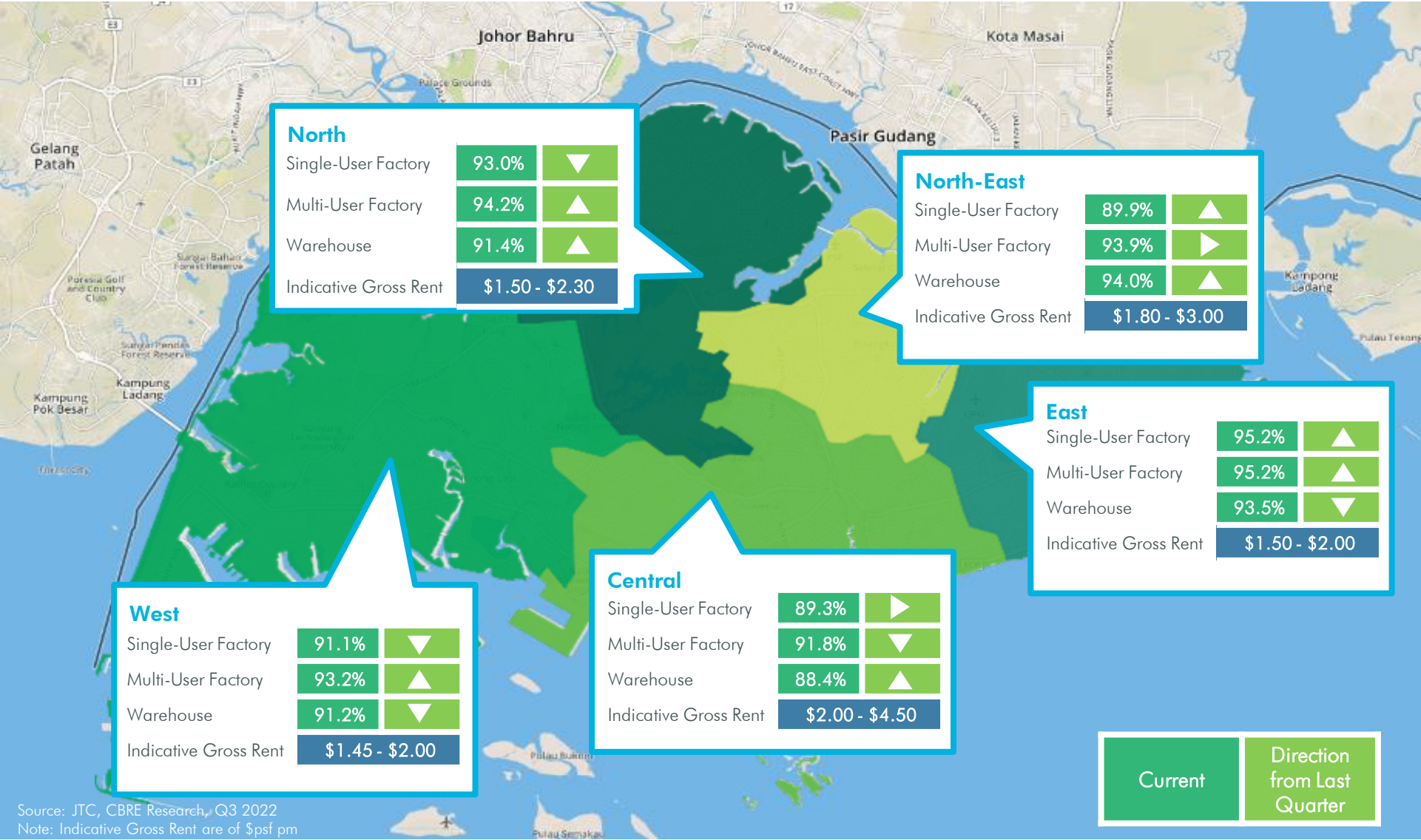
Electronics



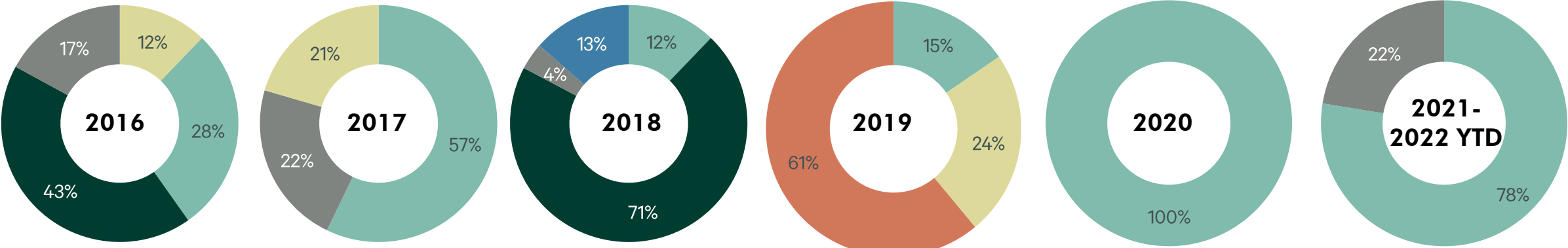
Manufacturing

Industrial Occupancy by Region

(Private, Q3 2022)



Fewer industrial GLS sites awarded

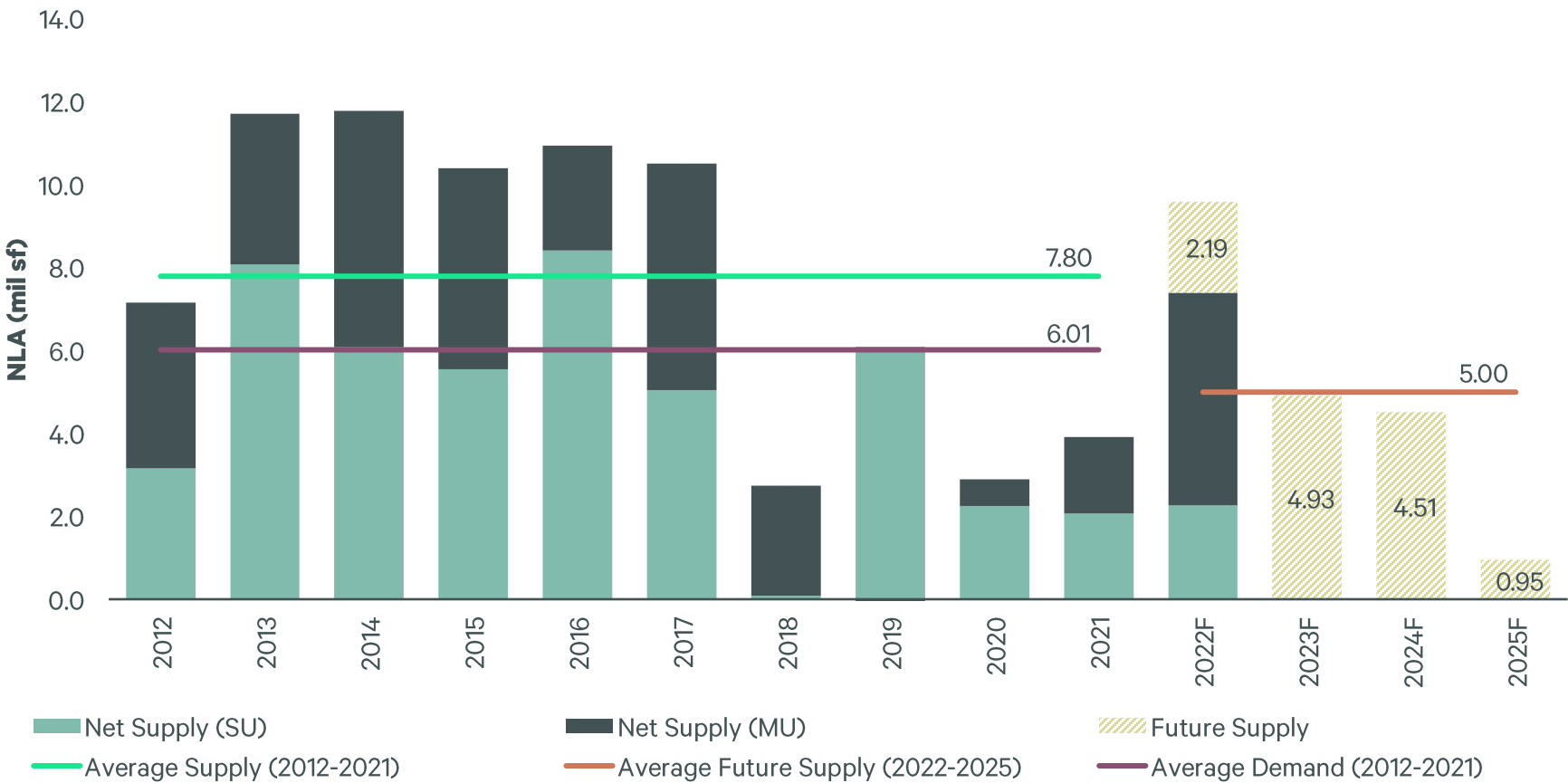


Total Land Area (mil sf)	1.04	0.63	1.01	0.65	0.40	0.38
Total GFA (mil sf)	1.68	1.05	1.93	1.45	0.57	0.59
Sites Awarded	12	11	8	7	5	5

Source: JTC, CBRE Research

Delays in completion continued to persist, with project completions from 2022 carrying over to 2023.

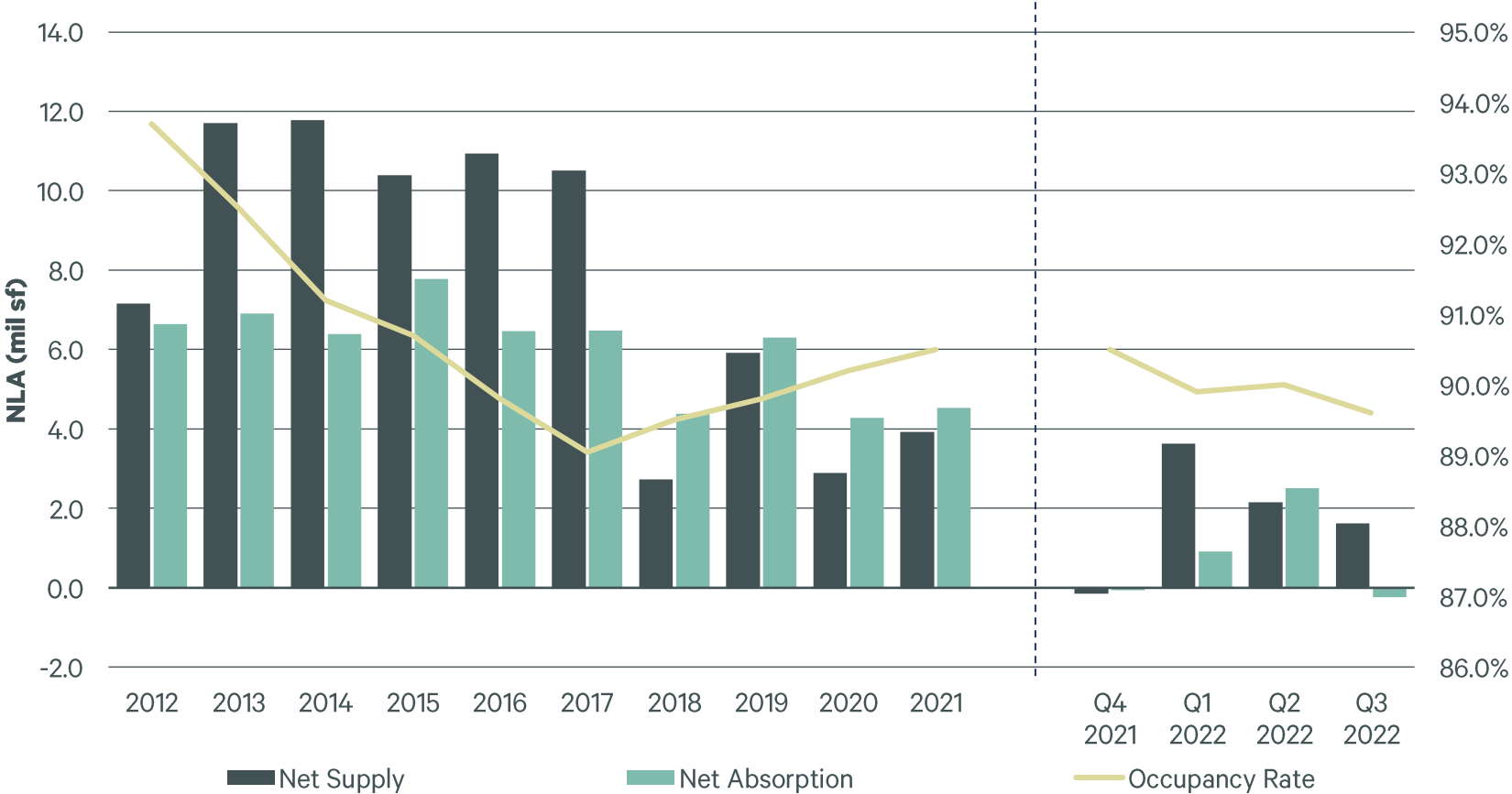
Historical & Future Factory Supply (Private + Public)



Source: JTC, CBRE Research

Occupancy for
Factories decreased
to 89.6% in Q3 2022

Private + Public Factory Sector (Excludes Business Parks)



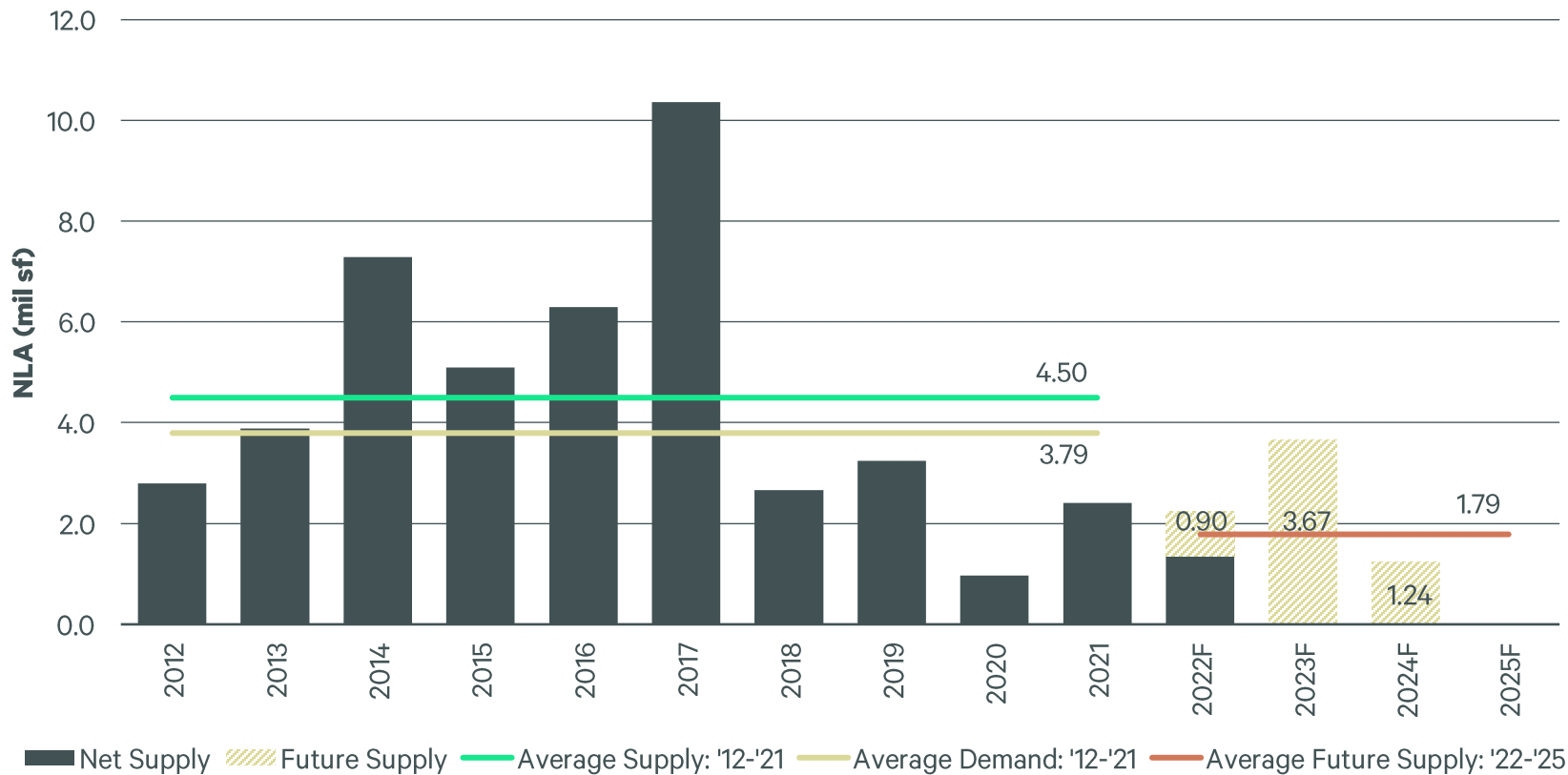
Source: JTC, CBRE Research

Limited supply pipeline after 2023

Delays in completion continued to persist, as about 2 mil sq ft of project completions in 2022 have been pushed back to 2023 and 2024.

JTC’s warehouse rents have increased 5.6% year to date.

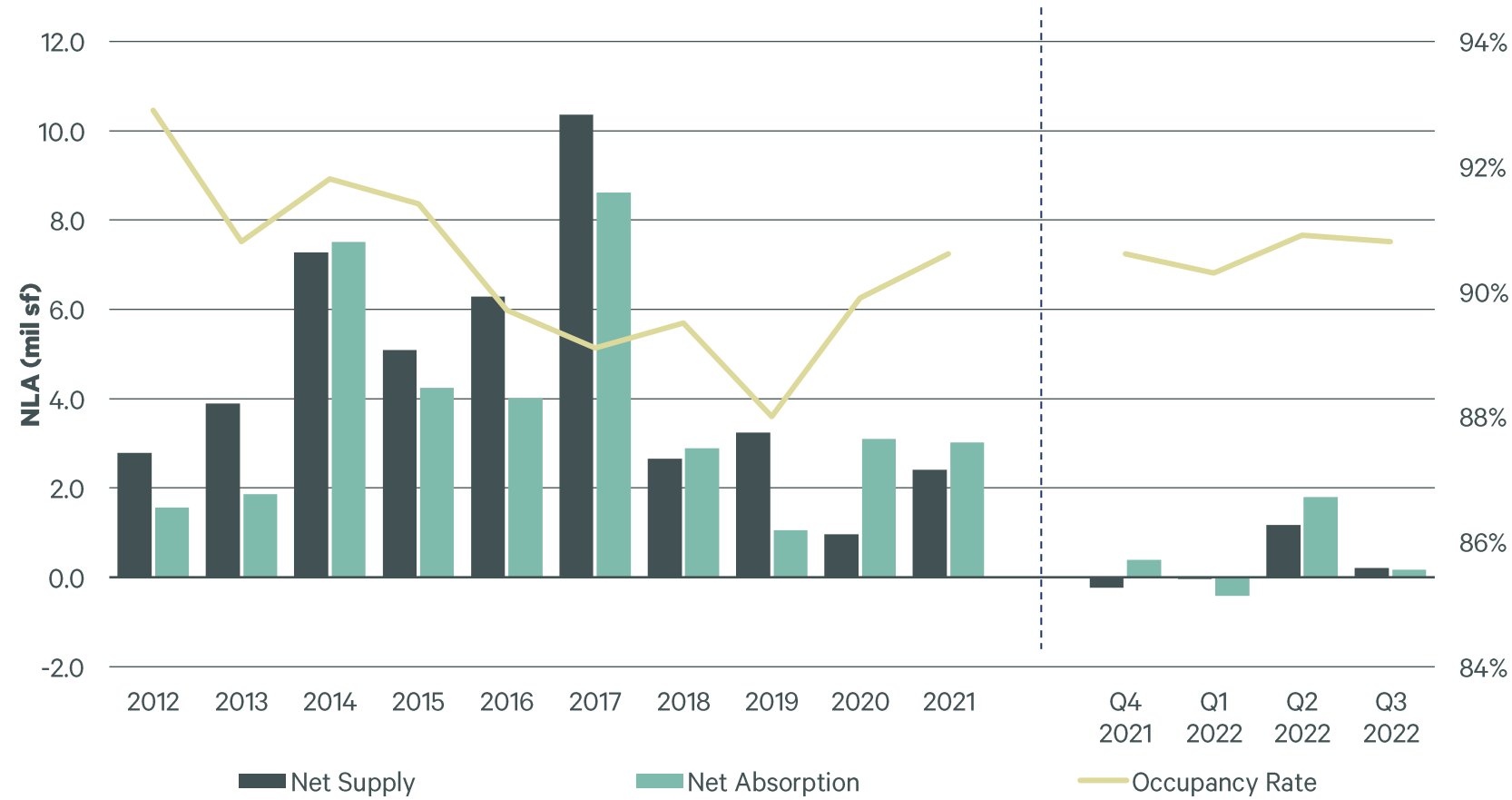
Historical & Future Warehouse Supply (Private + Public)



Source: JTC, CBRE Research

Occupancy for all
Warehouses dipped
to 90.8%

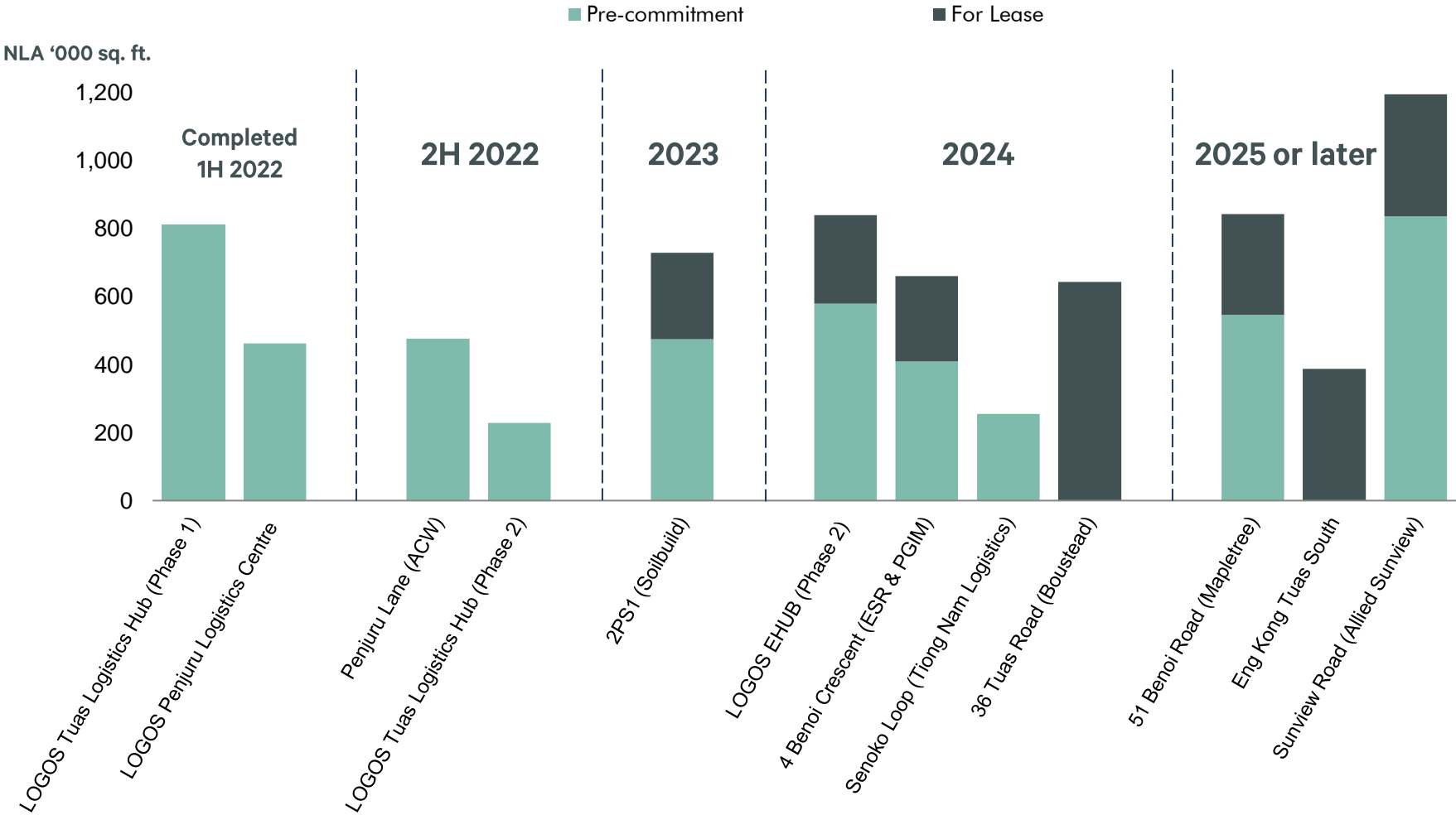
Private + Public Warehouse Sector



Source: JTC, CBRE Research



Major Upcoming Prime Logistics Developments



Source: CBRE Research (Data as at Oct 2022)

Rental increase accelerated in Q3 2022

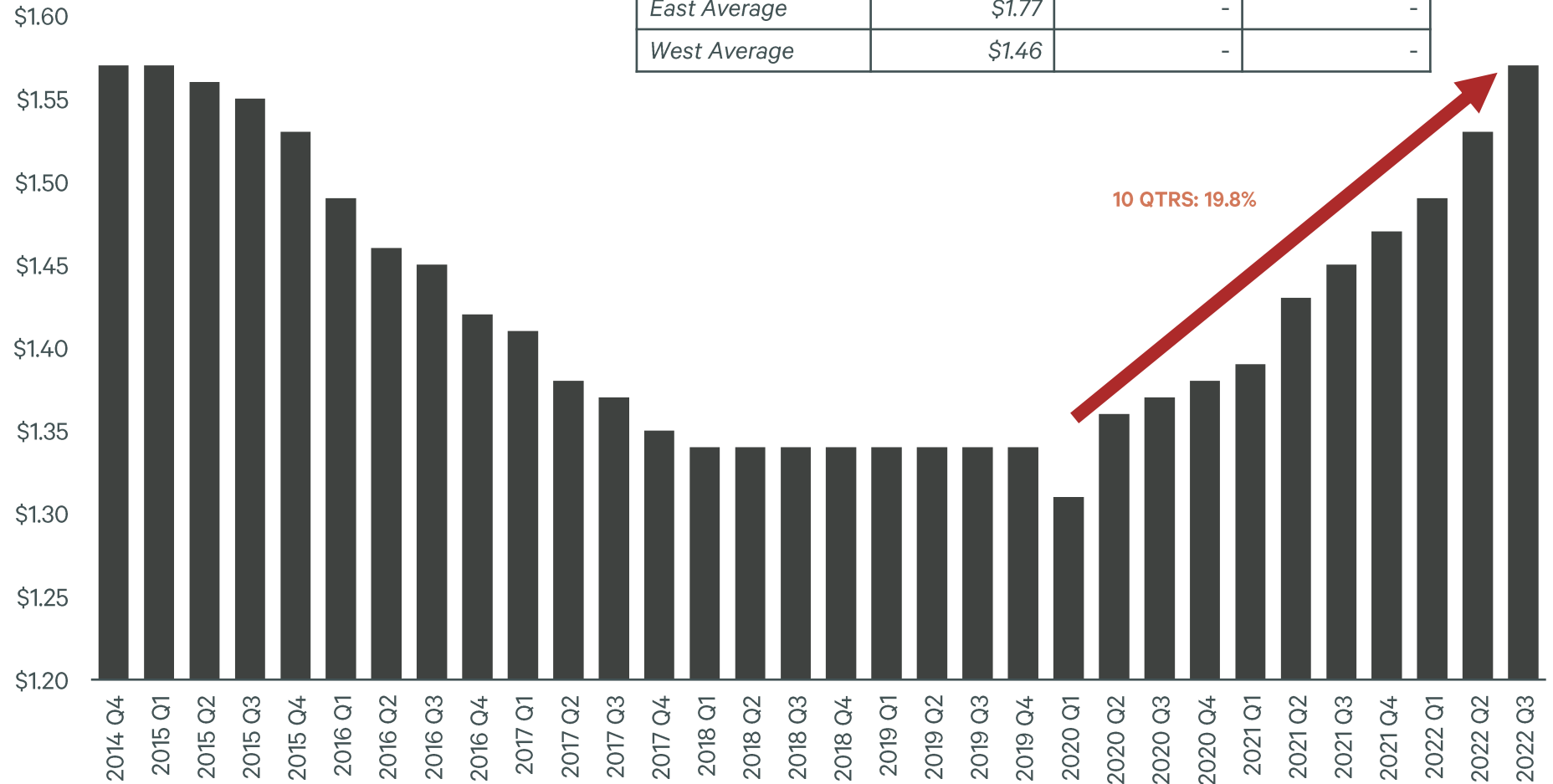
Prime Log Definition:

Ramp-up warehouses that are >200,000 sf and include features such as

- Capability to fit 40 foot containers
- Dock levellers
- Floor loading of at least 20KN/m2
- Clear ceiling height of at least 8m

CBRE's Prime Logistics Rents

\$psf pm



Sub-market	Q3 2022 Rent	Q-o-Q Increase	Y-o-Y Change
Overall Prime Log	\$1.57	2.6%	8.3%
East Average	\$1.77	-	-
West Average	\$1.46	-	-

Source: CBRE Research

Positive Rental Forecast

Healthy increase in rentals from 2022-2023 due to the acute lack of supply whilst warehousing demand remains healthy.

Prime Logistics Rents

\$psf pm

\$1.80

\$1.75

\$1.70

\$1.65

\$1.60

\$1.55

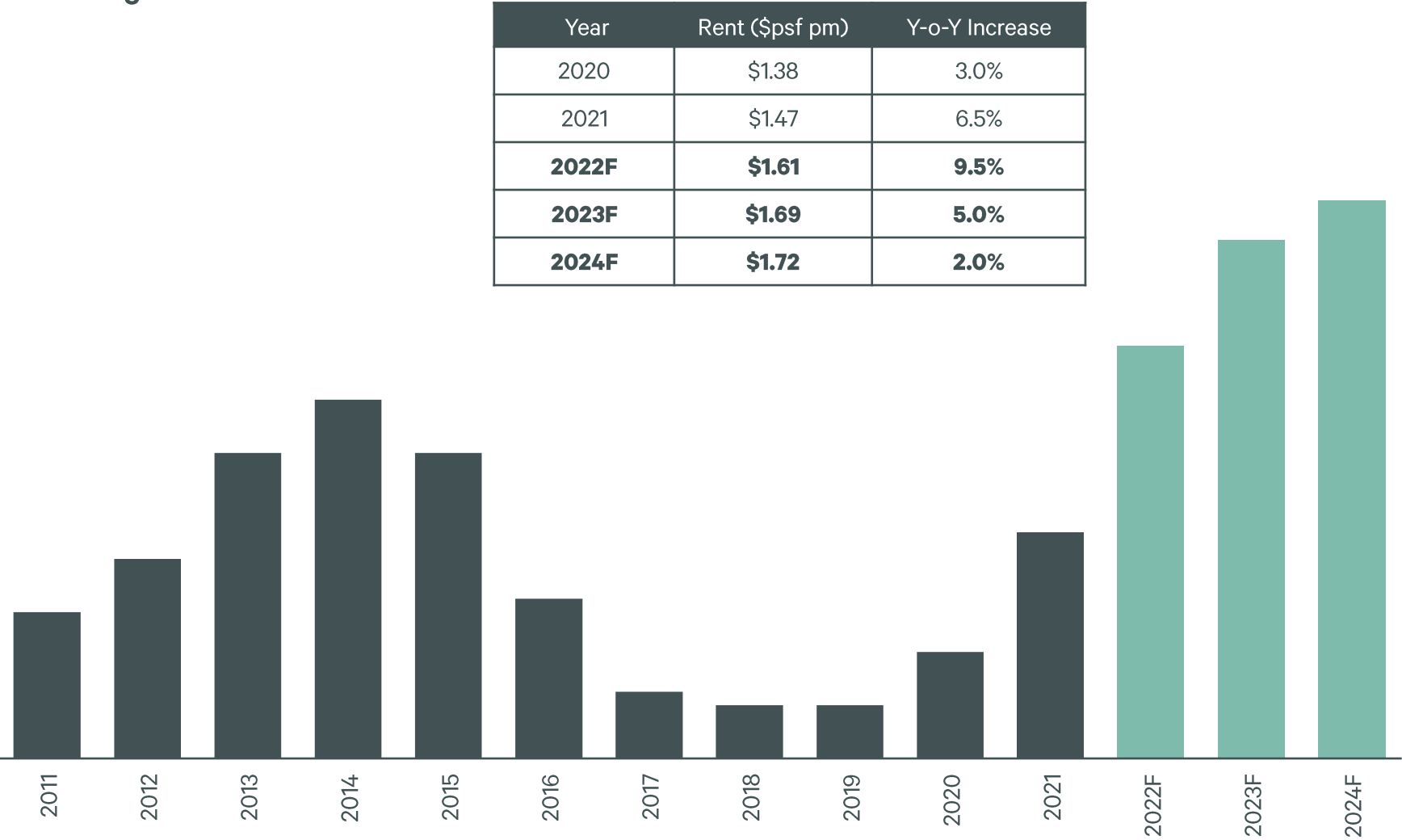
\$1.50

\$1.45

\$1.40

\$1.35

\$1.30



Source: CBRE Research

Thank You

