

MARKETBEAT



| | | | |
|------------------------|----------------|------------------|----------------|
| Prime Rents (\$PSF/MO) | \$35.64 | \$21.69 | \$31.71 |
| | Orchard | Other City Areas | Suburban |

WHAT'S NEXT

HIGHLIGHTS

Retail Sales Fall

Amidst faltering economic growth, retail sales continued to decline as consumer spending became more prudent. GDP growth fell to 0.1% y-o-y while retail sales fell -1.8% q-o-q in 2Q2019. However, retail sales may pick up in 3Q19, boosted by the Singapore annual Formula 1 Night Race event held in September. The event attracted a total of 268,000 fans, the second highest attendance since the inaugural race in 2008.

Athleisure Driving Retail Demand

Athleisure retailers have been expanding steadily in Singapore. For example, Foot Locker, an athleisure footwear retailer took up more than 5,000 sf of space at the newly opened PLQ Mall, their fifth store since launching their first outlet in 2018. JD Sports also recently opened their third store at Funan, taking up 2,788 sf of space. The expansion of athleisure retailers is expected to continue, as the global athleisure wear market is poised to expand by 9% in 2019. This market is set to outperform the global clothing and footwear market beyond 2023, according to analytics firm GlobalData.

Low Supply Pushes Prime Rents Higher

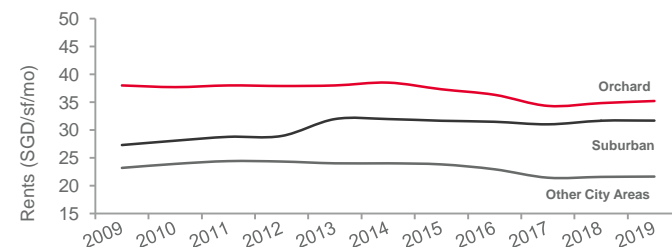
Orchard prime rents continued to rise in 3Q19, driven by low supply of prime space and higher footfalls due to rising tourist arrivals. Orchard prime rents reached \$35.64 psf, rising 1.2% q-o-q in 3Q19. Other City Area rents rose 0.3% q-o-q to reach \$21.69 psf while suburban rents remained flat at \$31.71 psf.

ECONOMIC INDICATORS

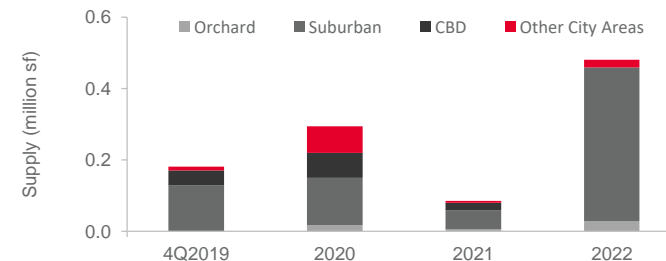
| | 1Q 19 | 2Q 19 | 12-Month Forecast |
|--------------|-------|-------|-------------------|
| GDP Growth | 1.1% | 0.1% | ▼ |
| Retail Sales | -2.1% | -1.8% | ▼ |
| CPI Growth | 0.5% | 0.7% | — |
| Unemployment | 2.2% | 2.2% | — |

Source: Ministry of Trade & Industry

RETAIL PRIME RENTS



RETAIL SUPPLY PIPELINE



Source: URA, Cushman & Wakefield Research

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| SUBMARKET | EFFECTIVE RENT | | | Q-O-Q CHANGE | 12-MONTH OUTLOOK |
|------------------|----------------|------------|-----------|--------------|------------------|
| | S\$/SF/MO | US\$/SF/MO | EUR/SF/MO | | |
| Prime Orchard | S\$35.64 | US\$25.90 | €23.54 | 1.2% | ■ |
| Other City Areas | S\$21.69 | US\$15.76 | €14.33 | 0.3% | ■ |
| Prime Suburban | S\$31.71 | US\$23.05 | €20.94 | 0.0% | ■ |

US\$/S\$ = 1.376; €/S\$ = 1.514 as of 20 September 2019

SIGNIFICANT OPENINGS IN 3Q2019

| PROPERTY | SUBMARKET | TENANT | SF | LEASE TYPE |
|-----------------------------|------------------|----------------|--------|------------|
| PLQ Mall | Suburban | Foot Locker | >5,000 | Expansion |
| Shoppes at Marina Bay Sands | Other City Areas | The North Face | 2,024 | Expansion |
| Vivocity | Suburban | FairPrice Xtra | 96,876 | Expansion |
| Funan | Other City Areas | JD Sports | 2,788 | Expansion |
| Jewel Changi | Suburban | Anello | 675 | New |

SIGNIFICANT RETAIL PROJECTS – PLANNED & UNDER CONSTRUCTION

| PROPERTY | SUBMARKET | MAJOR TENANT | SF | COMPLETION DATE |
|----------------------|------------------|--------------|---------|-----------------|
| China Square Central | CBD | - | 52,000 | 4Q2019 |
| Tekka Place | Other City Areas | - | 70,000 | 4Q2019 |
| Chevron House | CBD | - | 51,400 | 2020 |
| The Woodleigh Mall | Suburban | - | 201,900 | 2022 |

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