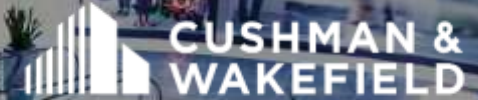


SINGAPORE



Retail Q3 2020

Prime Rents (\$\$PSF/MO)

\$33.73
Orchard

QoQ Chg

12-Mo. Forecast



\$20.25
Other City Areas



\$30.85
Suburban



Economy Lockdown

The Singapore economy contracted by 13.2% yoy in Q2 2020, marking the steepest drop in GDP historically. The plunge in GDP growth was due to the circuit breaker measures implemented, which saw the temporary closure of non-essential businesses. Against this backdrop, retail sales plunged by -35.3% qoq in Q2 2020, as consumers stayed at home and went online for their shopping needs. For the whole of 2020, the Ministry of Trade & Industry expects the GDP growth to fall by -7.0% to -5.0%, the largest economic contraction since Singapore's independence in 1965.

E-retailers and Athleisure to Grow

The Covid-19 pandemic has driven the prominence of online shopping and led to companies adopting or exploring flexible work arrangements. As such, we see e-retailers and athleisure brands to be significant in driving future retail demand. Some e-retailers which have thrived due to the rise in e-commerce, may pursue a "clicks to bricks" strategy and take advantage of declining rents to open a physical store to gain more sales and brand recognition. For example, online fashion retailer, Love, Bonito opened her fourth store at Vivocity, occupying 4,300 sf. The athleisure trend is booming driven by broad shifts in the clothes people are wearing due to flexible work arrangements and a greater focus on healthy and active living. Sportswear and Footwear retailer, Footlocker, has continued to expand, and opened her sixth and largest store yet at Orchard Gateway @ Emerald, spanning 23,000 sf.

Market Conditions Remain Challenging

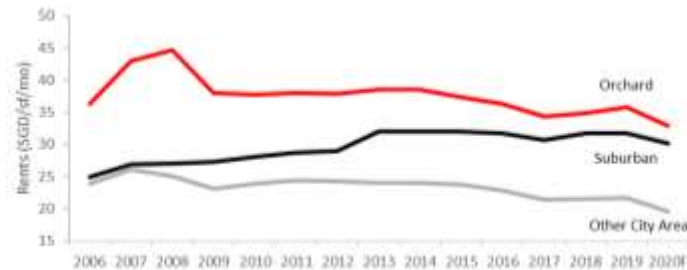
Amidst weak economic conditions, prime retail rents fell across the board. Other City Areas (\$20.25 psf/mo) and Orchard (\$33.73 psf/mo) rents fell the most at 3.0% and 2.9% qoq respectively in Q3 2020, amidst the implementation of flexible working arrangements and on-going travel restrictions. Supported by nearby residential catchments, suburban (\$30.85 psf/mo) prime rents were relatively more resilient and fell only 2.2% qoq. Nonetheless, the spate of closures across the island will continue to put pressure on rent levels. For example, British fashion brands Topshop and Topman have closed their last Singapore outlet, and shifted their business online. The retail operating conditions remain challenging, but first-tier malls have been able to hold on to their rental levels due to their high occupancy levels and ability to attract new tenants. On the other hand, weaker malls remain in distress.

ECONOMIC INDICATORS 2Q 2020

	YoY Chg	12-Mo. Forecast
-13.2% Real GDP Growth	▼	▲
-0.7% Inflation Growth	▲	▲
-35.3% Retail Sales Growth	▼	▲

Source: Ministry of Trade & Industry

RETAIL PRIME RENTS



RETAIL SUPPLY PIPELINE



MARKET STATISTICS ¹

SUBMARKET	INVENTORY (SF)	OVERALL VACANT SPACE (SF)	OVERALL VACANCY RATE	Q2 2020 OVERALL NET ABSORPTION (SF)	Q2 2020 OVERALL NET SUPPLY (SF)	PLANNED & UNDER CNSTR (SF)	PRIME EFFECTIVE RENT (\$\$/SF/MO)	QoQ Change (%)
Orchard	7,330,284	678,132	9.3%	(107,640)	(-21,528)	55,661	33.73	(2.9)
Other City Areas	18,244,980	2,066,688	11.3%	(312,156)	32,292	128,423	20.25	(3.0)
Suburban	41,366,052	3,648,996	8.8%	(581,256)	32,292	1,026,464	30.85	(2.2)
SINGAPORE TOTAL	66,941,316	6,393,816	9.6%	(1,001,052)	43,056	1,210,548	28.28	(2.7)

SIGNIFICANT OPENINGS Q3 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
House of Eden	Other City Areas	7-Eleven X Coca-Cola	2,500	F&B
Orchard Gateway @ Emerald	Orchard	Footlocker	23,000	Sportswear
Vivocity	Suburban	Love, Bonito	4,300	Fashion
Funan	Other City Areas	Butter Bean	45 Seats	F&B
Marina Bay Sands	Other City Areas	Apple	17,000	IT

KEY CONSTRUCTION COMPLETIONS 2020

PROPERTY	SUBMARKET	MAJOR TENANTS	SF
Great World City (AEI)	Other City Areas	Cold Storage, Golden Village, Meidi-Ya, Uniqlo	430,000
Tekka Place	Other City Areas	NTUC FairPrice, Starbucks, Ya Kun Cafe	70,000
30 Raffles Place	Other City Areas	True Fitness, Dimbulah, Le Rouge	51,400

SIGNIFICANT RETAIL PROJECTS – PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF ²	COMPLETION DATE
Shaw Plaza (AEI)	Suburban	62,700	2021
One Holland Village	Suburban	76,500	2021
I12 Katong (AEI)	Suburban	180,700	2021
The Woodleigh Mall	Suburban	201,900	2022

¹ Market statistics reflect data for Q2 2020 except for rents, which reflect average gross effective rates at prime spaces for Q3 2020

² Estimated Net Leasable Area

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