

# SINGAPORE

Retail Q1 2021

Prime Rents (\$\$/PSF/MO)	QoQ Chg	12-Mo. Forecast
<b>\$33.45</b> Orchard	—	▼
<b>\$20.00</b> Other City Areas	—	▼
<b>\$30.85</b> Suburban	—	▼

## Retail Sales Recovering

Singapore recorded the worst recession of -5.4% in GDP for the whole of 2020, although rebound is expected this year, according to the ministry of Trade and Industry forecast of 4% to 6% GDP growth. While border restrictions and mobility constraints have impeded growth, retail sales is improving. Total retail sales fell by just 5.9% yoy in fourth quarter 2020, after a decline of 10.1% in Q3 2020. Supermarket & hypermarkets, mini-marts & convenience stores as well as computer & telecommunications equipment are the only retail industries that logged sales growth in 2020. Retail sales are on the path to recovery since Singapore's phase 3 of reopening and further relaxation of safe management measures. This is evidenced by latest retail sales data as of February 2021, when retail sales rose 7.7% yoy, the first increase since January 2019.

## Rents Hold Firm as Vacancies are Filled

Many landlords are taking a wait-and-see approach this quarter while there is still uncertainty in the market. Islandwide retail rents stayed flat across the board, sustaining at \$28.10 psf/pm in Q1 2021. This comes after a -5.6% yoy decline in islandwide rents in 2020, when retailers grabbed with the market downturn. Islandwide vacancy rates also showed signs of improvement, narrowing from 9.6% in Q3 2020 to 8.8% in Q4 2020. Notably, CBD retail spaces should experience an uplift in footfall as Singapore further reopens from 5<sup>th</sup> April and more employees return to the office. This could shore up vacancies in Orchard and Other City Areas which are dependent on footfall from office workers. Nonetheless, we expect a further decline in prime retail rents for 2021 as business conditions remain challenging and travel restrictions remain in place.

## Continued Demand for Prime Spaces Amidst Revamp

The shift in tenant mix in prime retail areas signals a continued demand for prime spaces. Vacant spaces left by Robinsons in The Heeren and Raffles City were quickly filled up by Courts and One Assembly respectively. The 189,000 sf Courts flagship store will open in the first quarter of 2022, replacing its Tampines megastore as the chain's flagship outlet. Established e-tailers are also taking up spaces since last quarter 2020. Love, Bonito, an online fashion retailer opened a 5,600 sf flagship outlet in ION Orchard, Mummys Market, an online parenting platform, launched its first physical store in Suntec City Mall, and Senreve, a luxury bag e-tailer, is opening its first Singapore store at Takashimaya Shopping Centre soon.

Activity-based tenants will continue to drive demand for retail space. SuperPark Singapore, a popular indoor activity park spanning 40,000 sf, is set to reopen at Suntec City Mall, while musical school, Aureus Academy have continued to expand at Anchorpoint in first half 2021, following its three new locations in 2H2020. Successful F&B and supermarket retailers have leveraged on the weak retail market to continue their expansion spree into top-tier malls. For instance, Japanese discount chain, Don Don Donki is opening its 11<sup>th</sup> outlet in Suntec City Mall and famous hotpot chain Haidilao will also be opening its 14<sup>th</sup> outlet at Wisma Atria.

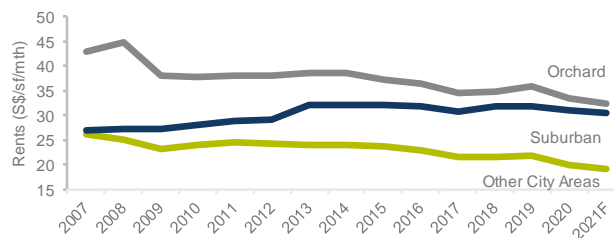
## ECONOMIC INDICATORS Q4 2020

	YoY Chg	12-Mo. Forecast
<b>-2.4%</b> Real GDP Growth	▼	▲
<b>-0.1%</b> Inflation Growth	▼	▲
<b>-5.9%</b> Retail Sales Growth*	▼	▲

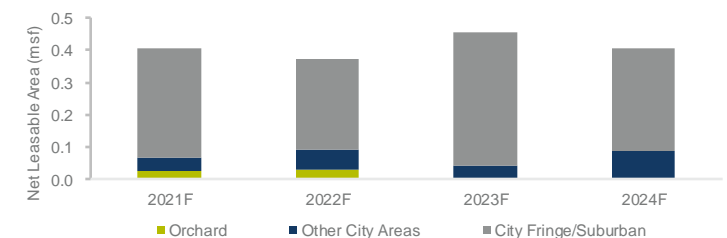
Source: Ministry of Trade & Industry (MTI), Singapore Department of Statistics (DOS)

\* Chained, excludes motor vehicle sales

## RETAIL PRIME RENTS



## RETAIL SUPPLY PIPELINE



MARKET STATISTICS<sup>1</sup>

SUBMARKET	INVENTORY (SF)	OVERALL VACANT SPACE (SF)	OVERALL VACANCY RATE	Q4 2020 OVERALL NET ABSORPTION (SF)	Q4 2020 OVERALL NET SUPPLY (SF)	PLANNED & UNDER CNSTR (SF)	PRIME EFFECTIVE RENT (\$\$/SF/MTH)	QOQ CHANGE (%)
Orchard	7,341,048	850,356	11.6%	-193,752	-10,764	56,661	33.45	0.0
Other City Areas	17,954,352	1,915,992	10.7%	118,404	-215,280	214,581	20.00	0.0
Suburban	40,795,560	3,056,976	7.5%	333,684	-53,820	1,345,204	30.85	0.0
<b>SINGAPORE TOTAL</b>	<b>66,090,960</b>	<b>5,823,324</b>	<b>8.8%</b>	<b>258,336</b>	<b>-279,864</b>	<b>1,615,446</b>	<b>28.10</b>	<b>0.0</b>

## SIGNIFICANT OPENINGS Q1 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Parkway Parade	Suburban	FairPrice Xtra	Over 59,000	Supermarket
Raffles City	Other City Areas	One Assembly	57,000	Departmental Store
Tampines Mall	Suburban	Uniqlo	19,500	Fashion
VivoCity	Suburban	Green Common	3,000	F&B

## KEY CONSTRUCTION COMPLETIONS Q1 2021

PROPERTY	SUBMARKET	MAJOR TENANTS	SF
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NIL

## SIGNIFICANT RETAIL PROJECTS – PLANNED &amp; UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF <sup>2</sup>	COMPLETION DATE
Northshore Plaza I	Suburban	59,497	2021
I12 Katong (AEI)	Suburban	180,700	2021
The Woodleigh Mall	Suburban	92,672	2022
Punggol Digital District	Suburban	167,675	2023

<sup>1</sup> Market statistics reflect data for Q4 2020 except for rents, which reflect average gross effective rates at prime spaces for Q1 2021<sup>2</sup> Estimated Net Leasable Area**WONG XIAN YANG**

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