

Prime Rents (\$\$PSF/MO)	QoQ Chg	12-Mo. Forecast
\$32.78 Orchard	▼	▼
\$19.39 Other City Areas	▼	▼
\$30.61 Suburban	▼	▼

ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
1.3% Real GDP Growth	▲	▲
0.8% Inflation Growth	▲	▲
7.6% Retail Sales Growth*	▲	▲

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

* As of May 2021 in chained volume terms, (excludes motor vehicle sales)

Threats to Retail Sales still Loom amid Economic Growth

An economic turnaround of 1.3% was registered in Q1 2021 and Singapore is on track to achieve a 4 to 6% GDP growth in 2021. The retail market had also been expected to recover with retail sales growing 7.6% for the first five months of 2021. Sales for all segments, however, remained below pre-pandemic levels, except for Supermarkets & Hypermarkets, Furniture & Household Equipment, Recreational Goods and Computer & Telecommunications Equipment. Although retail sales is likely to account for a full-year expansion in 2021, due to the low base last year, safe management measures under Phase 2 (Heightened Alert) are expected to hamper the pace of recovery. Amidst a fall in the community infection cases, Singapore has gradually eased the safe management measures since 14th June to support a further resumption of activities.

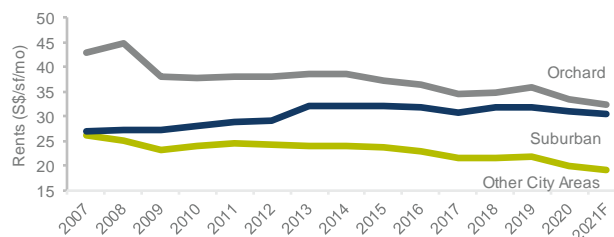
Rents Fell Collectively in the Wake of Tightened Pandemic Measures

Islandwide retail rents fell 1.8% qoq in Q2 2021, mainly due to the steeper rental dips of 3.1% qoq and 2.0% qoq in other city areas and Orchard respectively, where the default WFH regulations made the greatest impact on footfall. While suburban rents fell moderately by 0.8% qoq, with the dine-in ban in Phase 2 Heightened Alert and occupancy limits. Overall suburban vacancy rates remain very healthy, at 6.7% in Q1 2021, the lowest since Q2 2016. On the other hand, vacancy rates in other city areas and Orchard are notably higher, at 11.4% and 11.6% respectively in Q1 2021. Amidst challenging business conditions, there have been a spate of store closures within these two submarkets. For example, lifestyle retailer, Muji closed its Marina Square outlet and US fashion brand, Abercrombie & Fitch closed its only outlet in Singapore. Amid border restrictions and ongoing safe management measures, a further drop in retail rents is projected for 2021. Nonetheless, prime retail rents will be supported by a limited new retail supply and strong demand for prime spaces in top tier malls.

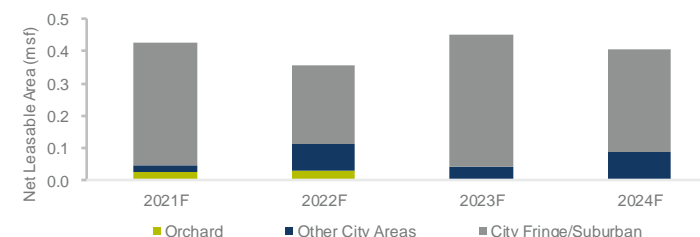
Big Brands Continue to Expand

Despite the challenging retail landscape, F&B chains and prominent international brands continued to expand in Q2 2021. Vietnamese cafe chain, So Pho opened its 17th outlet at The Shoppes at Marina Bay Sands, hotpot chain Haidilao announced its 14th outlet at City Square Mall, and fast casual restaurant chain, Shake Shack is opening its 7th outlet at Gardens by the Bay. While British activewear retailer, Sweaty Betty, and French fragrance brand, Maison21G Paris, launched their first Singapore outlet in ION Orchard and The Shoppes at Marina Bay Sands respectively. Other overseas brands that debuted on the city-state's retail scene in Q2 2021 include San Francisco bakery café, Mr Holmes Bakehouse and Taiwanese bubble tea chain, AtTea. In anticipation of a further relaxation of safe management curbs in H2 2021 and leisure travel to resume amid a high vaccination rate, more new entrants and established brands are expected to demand for quality retail spaces here, using the country as a springboard to tap into neighbouring consumer markets. This bodes well for the retail scene in Singapore as new-to-market brands and interesting concepts would rejuvenate the retail landscape.

RETAIL PRIME RENTS



RETAIL SUPPLY PIPELINE



MARKET STATISTICS ¹

SUBMARKET	INVENTORY (SF)	OVERALL VACANT SPACE (SF)	OVERALL VACANCY RATE	Q1 2021 OVERALL NET ABSORPTION (SF)	Q1 2021 OVERALL NET SUPPLY (SF)	PLANNED & UNDER CNSTR (SF)	PRIME EFFECTIVE RENT (\$\$/SF/MTH)	QOQ CHANGE (%)
Orchard	7,351,800	850,400	11.6%	10,800	10,800	56,000	32.78	- 2.0
Other City Areas	18,072,800	2,066,700	11.4%	-32,300	118,400	235,100	19.39	- 3.1
Suburban	40,774,000	2,712,500	6.7%	322,900	-21,500	1,352,600	30.61	- 0.8
SINGAPORE TOTAL	66,198,600	5,629,600	8.5%	301,400	107,600	1,645,700	27.59	- 1.8

SIGNIFICANT OPENINGS Q2 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
JEM	Suburban	IKEA	70,000	Home & Furnishing
Suntec City Mall	Other City Areas	SuperPark (reopening)	40,000	Activity Park
VivoCity	Suburban	adidas MakerLab	Over 13,000	Sportswear

KEY CONSTRUCTION COMPLETIONS H2 2021

PROPERTY	SUBMARKET	MAJOR TENANTS	SF
NTP+ Mall	Suburban	Ace Signature, Foodies' Clan, Wine Connection, Collin's	43,000

SIGNIFICANT RETAIL PROJECTS – PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF ²	COMPLETION DATE
Shaw Plaza	Suburban	61,700	2021
I12 Katong (AEI)	Suburban	180,700	2021
One Holland Village	Suburban	78,000	2022
Punggol Digital District	Suburban	167,700	2023
New mall at Pasir Ris	Suburban	250,000	2024

¹ Market statistics reflect data for Q1 2021 except for rents, which reflect average gross effective rates at prime spaces for Q2 2021

² Estimated Net Leasable Area

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