MARKETBEAT

SINGAPORE

Retail Q3 2021

Prime Rents (S$PSF/MO)	QoQ Chg	12-Mo. Forecast
$32.41 Orchard	▼	▲
$18.86 Other City Areas	▼	▲
$30.37 Suburban	▼	▲

SINGAPORE ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
14.7% Real GDP Growth	▲	▲
2.3% Inflation Growth	▲	▲
7.8% Retail Sales Growth*	▲	▲

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

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

Retail Sales Maintain Growth Despite Pandemic Curbs

Despite tightened safe management measures in Q3 2021 which included a dine-in ban and group size limits, retail sales increased by 7.8% ytd (as of August 21). Most retail sales segments saw growth in ytd 2021, with the highest ytd sales growth was in watches & jewelry (34.2%), computer & telecommunications equipment (21.2%) and wearing apparel & footwear (21.1%). Only Cosmetics, Toiletries & Medical Goods and Food & Alcohol sales continued to fall by -3.3% ytd and -3.0% ytd respectively, amidst travel restrictions and a subdued nightlife scene. Nonetheless, most retail segments remain below their pre-pandemic levels (2019 levels), except for Supermarkets & Hypermarkets, Furniture & Household Equipment, Recreational Goods and Computer & Telecommunications Equipment due to a rise in "home nesting" and digital transformation.

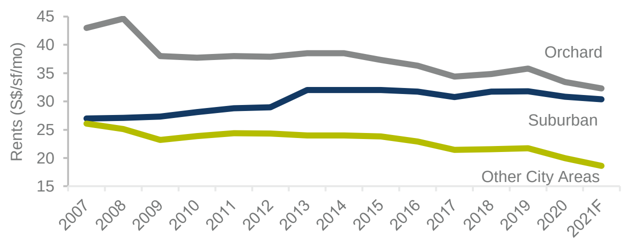
Pace of Recovery to be Uneven

Orchard retail rents dipped 1.1% qoq in Q3 2021, softening from the rental decline of -2.0% qoq in previous quarter. Orchard retail should see persistent demand from coveted brands that opt for prime spaces in the area as they lock in current attractive rents while awaiting the easing of safe management measures. A case in point was local Vietnamese food chain, Mrs Pho House, which opened an outlet at Takashimaya Shopping Centre in Q3 2021, following an expansion in the previous quarter at 313@Somerset. The Orchard retail market would see further upside from the gradual re-opening of borders with pilot schemes such as the new Vaccinated Travel Lane. Suburban retail rents dipped by 0.7% qoq in Q3 2021, dragged down by lower footfall due to the dine-in ban and surge in community infections. Nonetheless, supported by residential catchments, suburban retail demand remains highly sought after with vacancy rates dropping to 6.4% in Q2 2021, around a five-year low. In contrast, retail rents in other city areas fell 2.7% qoq in Q3 2021, as traffic from office workers continued to be battered by the prevalence of work-from-home arrangements.

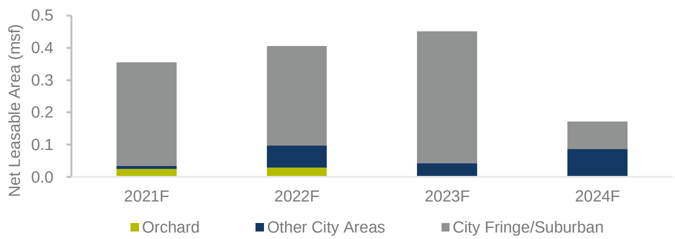
Experiential and Activity-based Retail Continue to Drive Demand

Providers of recreation activities and engaging in-store experiences remain key to attract foot traffic and enhance destination appeal of malls. E-sports experience centre, EXP, and children playground provider, Petite Tayo Kids Club, debuted in Kallang Wave Mall, while children education provider, One World International School, and pastry making course provider, Whisk Baking Studio, opened in Suntec City Mall. Blended lifestyle retail spaces, which combine shopping with other experiences, are also sprouting up. Examples include the launch of FairPrice Xtra with a cocktail bar and dine-in corner at Parkway Parade earlier this year and the revamp of Market Place at Paragon to CS Fresh Gold where it has stations serving ready-to-eat meat roasts and seafood. As activity-based and blended lifestyle retailers continue to expand and offer experiences that are difficult to replicate online, other retailers will also need to continuously innovate and adapt to new customer expectations.

RETAIL PRIME RENTS



RETAIL SUPPLY PIPELINE



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MARKET STATISTICS [1]

SUBMARKET	INVENTORY (SF)	OVERALL VACANT SPACE (SF)	OVERALL VACANCY RATE	Q2 2021 OVERALL NET ABSORPTION (SF)	Q2 2021 OVERALL NET SUPPLY (SF)	PLANNED & UNDER CNSTR (SF)	PRIME GROSS EFFECTIVE RENT (S$/SF/MTH)	QOQ CHANGE (%)
Orchard	7,362,576	871,884	11.8%	-10,800	10,800	54,000	32.41	- 1.1
Other City Areas	18,105,048	2,163,564	12.0%	-64,600	32,300	247,000	18.86	- 2.7
Suburban	40,924,728	2,637,180	6.4%	226,000	150,700	1,379,000	30.37	- 0.7
SINGAPORE TOTAL	**66,392,352**	**5,672,628**	**8.5%**	**150,600**	**193,800**	**1,680,000**	**27.21**	**- 1.4**

SIGNIFICANT OPENINGS Q3 2021

PROPERTY	SUBMARKET	TENANT	ESTIMATED SF	TYPE
Paragon	Orchard	CS Fresh Gold	20,000	Supermarket
Kallang Wave Mall	Suburban	EXP	12,000	Activity-based
Tekka Place (Annex Building)	Suburban	Eatbox	9,500	F&B
313@Somerset	Orchard	Marks & Spencer (Pop-up)	6,700	Department Store

KEY CONSTRUCTION COMPLETIONS 2021 YEAR TO DATE

PROPERTY	SUBMARKET	MAJOR TENANTS	ESTIMATED SF
NTP+ Mall (Opened)	Suburban	Ace Signature, Foodies' Clan, Wine Connection, Collin's	43,000
Northshore Plaza I (Q4 Opening)	Suburban	Cold Storage, Daiso, Decathlon, Mulberry Learning	60,000

SIGNIFICANT RETAIL PROJECTS – PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF [2]	COMPLETION DATE
I12 Katong (AEI)	Suburban	180,700	2021
One Holland Village	Suburban	78,000	2022
Forest Town (Tengah Estate)	Suburban	66,000	2022
The Woodleigh Mall	Suburban	93,000	2023
Punggol Digital District	Suburban	165,000	2023
New mall at Pasir Ris	Suburban	250,000	2024

[1] *Market statistics reflect data for Q2 2021 except for rents, which reflect average gross effective rates at prime spaces for Q3 2021*

[2] *Estimated Net Leasable Area*

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