

SINGAPORE

Retail Q4 2021

Prime Rents (\$\$/SF/MO)	QoQ Chg	12-Mo. Forecast
\$32.45 Orchard	▲	▲
\$18.84 Other City Areas	▼	▲
\$30.52 Suburban	▲	▲

Retail Sales Increase Stayed Lukewarm

According to MTI's advance estimates, Singapore economy grew by 7.2% for the whole of 2021, a sharp rebound from 2020's contraction of -5.4% yoy. Total retail sales rose by 9.9% ytd (as of November 2021) as consumer sentiments improve with high vaccination rates. Nonetheless, total retail sales remains 6.2% below pre-pandemic (2019) levels, with worst-hit sectors such as food & alcohol (-39.8%), department stores (-36.0%) and cosmetics, toiletries & medical goods (-26.3%) segments performing below pre-pandemic levels. On the other hand, computer & telecommunications equipment (28.3%), supermarkets & hypermarkets (27.4%), furniture & household equipment (13.6%) and recreational goods (7.9%) segments have surpassed pre-pandemic sale levels. That said, notwithstanding the emergence of the Omicron Variant, a progressive resumption of international travel is expected to continue, and this should support a further recovery of retail sales in 2022.

Rents Poise for Gradual Recovery in 2022

Suburban and Orchard retail rents rose 0.5% qoq and 0.1% qoq respectively in Q4 2021, as footfalls continued to recover amidst a gradual relaxation of safe management measures. On the other hand, Other City Areas retail rents declined moderately (-0.2% qoq) due to ongoing hybrid work arrangements. As Singapore maintains her endemic policy, we expect a broad-based recovery for retail rents in 2022 amidst the economic recovery. Retailers continue to have good appetite for physical spaces as evidenced by robust take-ups at Northshore Plaza, a suburban mall which is progressively opening between Q4 2021 and Q1 2022. The mall features Decathlon's sixth experience store that spans 45,000 sf – the 2nd largest store after its Kallang outlet. In Orchard, Courts opened its flagship store at The Heeren, occupying the space vacated by Robinsons, and Editor's Market launched its flagship outlet at Ngee Ann City, taking over the space previously occupied by international fashion retailer, Zara.

Suburban and Orchard Rental Gap to Narrow further

The rental gap of prime spaces for Orchard and suburban malls has narrowed in 2021. Going into 2022, the rental gap could narrow further with a full recovery of international travel still a distance away. Underpinned by the prevalence of remote work and shifts in consumer shopping behavior, suburban retail rents saw more resilience, declining only by 1.1% yoy in 2021 as compared to Orchard rents which fell 3.0%. International retailers have also shown strong motivation to expand to suburban locations. A case in point is the expansion of American-based athletic apparel retailer, Lululemon Athletica, at i12 Katong mall in Q4 2021. The perception of suburban malls is no longer confined to neighbourhood centers, but a retail destination with offerings comparable to malls in Orchard. Nonetheless, Orchard remains the location of choice for new-to-market international or luxury brands looking to expand into Singapore. The Orchard retail scene is steadily undergoing a change in tenant mix to revitalize its shopping experience and drive consumer spending as the local tourism industry remains in doldrums. More local brands and e-retailers are sprouting up along the iconic shopping street as they leverage on lower rents and higher vacancy to secure prime spaces that rarely come onto the market.

SINGAPORE ECONOMIC INDICATORS Q3 2021

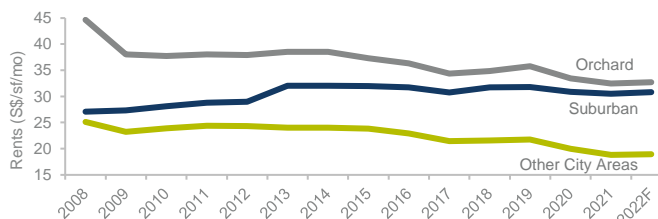
Indicator	YoY Chg	12-Mo. Forecast
5.9% Real GDP Growth*	▲	▼
2.5% Inflation Growth	▲	▲
9.9% Retail Sales Growth^	▲	▲

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

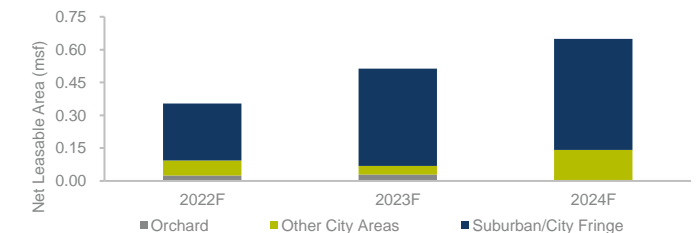
* Real GDP Growth in Q4 2021 is based on MTI's advanced estimates

^ As of Nov 2021 YTD in chained volume terms, (excludes motor vehicle sales)

RETAIL PRIME RENTS



RETAIL SUPPLY PIPELINE



MARKET STATISTICS ¹

SUBMARKET	INVENTORY (SF)	OVERALL VACANT SPACE (SF)	OVERALL VACANCY RATE	Q3 2021 OVERALL NET ABSORPTION (SF)	Q3 2021 OVERALL NET SUPPLY (SF)	PLANNED & UNDER CNSTR (SF)	PRIME GROSS EFFECTIVE RENT (\$\$/SF/MO)	QOQ CHANGE (%)
Orchard	7,362,576	850,356	11.6%	-10,800	-32,300	54,000	32.45	0.1
Other City Areas	18,126,576	2,002,104	11.0%	183,000	21,500	250,000	18.84	-0.1
Suburban	41,010,840	2,540,304	6.2%	183,000	86,100	1,212,000	30.52	0.5
SINGAPORE TOTAL	66,467,700	5,392,764	8.1%	355,212	75,348	1,516,000	27.27	0.2

SIGNIFICANT OPENINGS Q4 2021

PROPERTY	SUBMARKET	TENANT	ESTIMATED SF	TYPE
The Heeren	Orchard	Courts	189,000	Department Store
Northshore Plaza I	Suburban	Decathlon	45,000	Lifestyle
Knightsbridge Mall	Orchard	Adidas Brand Centre	18,000	Lifestyle
NEX	Suburban	&JOY Japanese Food Street	12,000	F&B
Ngee Ann City	Orchard	Editor's Market	8,000	Fashion

KEY CONSTRUCTION COMPLETIONS IN 2021

PROPERTY	SUBMARKET	MAJOR TENANTS	ESTIMATED SF
i12 Katong (AEI)	Suburban	CS Fresh, Golden Village, Malaysia Boleh!	181,000
GR.ID (AEI)	Other City Areas	Shine Korea, Loading, X Spin Club	65,000
Northshore Plaza I	Suburban	Giant, Daiso, Decathlon	60,000
NTP+ Mall	Suburban	Ace Signature, Foodies' Clan, Wine Connection	43,000

SIGNIFICANT RETAIL PROJECTS – PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF ²	COMPLETION DATE
Shaw Plaza (AEI)	Suburban	62,000	2022
One Holland Village	Suburban	117,000	2023
The Woodleigh Mall	Suburban	93,000	2023
Punggol Digital District	Suburban	165,000	2024
Pasir Ris 8	Suburban	257,000	2024

¹ Market statistics reflect data for Q3 2021 except for rents, which reflect average gross effective rates at prime spaces for Q4 2021

² Estimated Net Leasable Area

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