

# SINGAPORE

Retail Q1 2022

Prime Rents (\$\$PSF/MO)	QoQ Chg	12-Mo. Forecast
<b>\$32.67</b> Orchard	▲	▲
<b>\$18.95</b> Other City Areas	▲	▲
<b>\$30.79</b> Suburban	▲	▲

## Retail Sales May Return to Pre-Pandemic Levels

Amidst stronger consumer confidence as the economy reopens, retail sales surged 10.8% yoy in 2021, although it remains at about 5.1% below pre-pandemic (2019) levels. Nonetheless, we are sanguine that retail sales could possibly normalize to pre-pandemic levels in 2022, with the significant easing of border measures and workplace restrictions as well as the return of industry-leading events such as Singapore Grand Prix. The GST hike in 2023 could also prompt some consumers to front-load their discretionary spending this year. However, key downside risks to watch are inflation concerns and economic uncertainties due to the Ukraine conflict, and a potential slowdown in China, that could impact consumer confidence.

## Broad-based Rental Growth

Prime retail rents in both Suburban and Orchard grew by 0.9% and 0.7% qoq respectively in Q1 2022, as compared with 0.5% and 0.1% qoq in Q4 2021. Notably, prime retail rents in Other City Areas turned the corner in Q1 2022, inching up 0.6% qoq, the first positive rental growth in eight quarters. Singapore remains an attractive expansion destination for new-to-market brands. A host of international retailers have debuted their outlets at The Shoppes at Marina Bay Sands in Q1 2022, including Hästens, a Swedish bedding brand, Rare, an Italian fashion brand, and Roberta's Pizza, a New York City pizzeria.

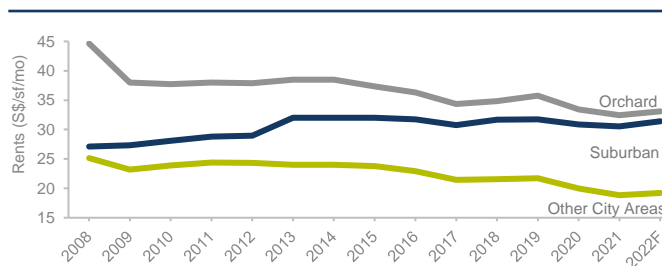
In 2022, prime retail rents in Orchard, Suburban and Other City Areas are expected to rise by about 2%-3% yoy, with the Suburban market to be leading the growth due to the prevalence of hybrid work and shifts in consumer shopping behaviour.

## Reopening Boost for the Retail Market

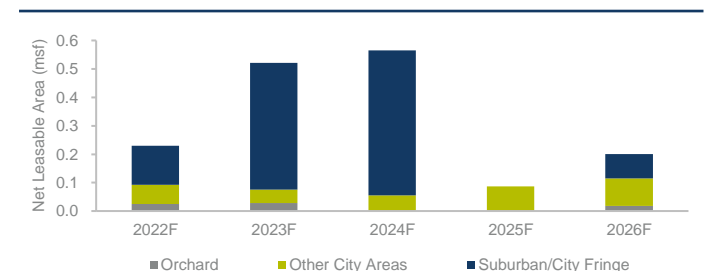
The substantial easing of safe management measures from 29 March 2022 has brightened up the retail market outlook. Retailers, especially F&B, will welcome these major changes that are expected to boost consumer traffic and spending – doubling of the dine-in group size to a maximum of 10 fully-vaccinated people, removal of restriction on selling and drinking alcohol after 10:30pm, and resumption of live performances. The relaxation of mandatory mask-wearing outdoors may also encourage people to go out more, further bolstering footfalls.

The allowance for 75% of staff to return to the office would support retail footfall in city areas and bring more vibrancy to the CBD. The simplified Vaccinated Travel Framework that allows all vaccinated travellers to enter Singapore without quarantine, will give a much-needed boost to the tourism sector and augurs well for the Orchard retail market. The government also aims to restore passenger volumes this year to at least 50% of the levels before the pandemic, up from the 15% attained in end-2021.

## RETAIL PRIME RENTS



## RETAIL SUPPLY PIPELINE



## SINGAPORE ECONOMIC INDICATORS Q4 2021

Indicator	YoY Chg	12-Mo. Forecast
<b>6.1%</b> Real GDP Growth	▲	▼
<b>3.7%</b> Inflation Growth	▲	▼
<b>10.8%</b> Retail Sales Growth *	▲	▼

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

\* As of the whole of 2021 in chained volume terms (excludes motor vehicle)

MARKET STATISTICS <sup>1</sup>

SUBMARKET	INVENTORY (SF)	OVERALL VACANT SPACE (SF)	OVERALL VACANCY RATE	Q4 2021 OVERALL NET ABSORPTION (SF)	Q4 2021 OVERALL NET SUPPLY (SF)	PLANNED & UNDER CNSTR (SF)	PRIME GROSS EFFECTIVE RENT (\$\$/SF/MO)	QOQ CHANGE (%)
Orchard	7,351,700	828,800	11.3%	43,100	21,500	72,000	32.67	0.7
Other City Areas	18,180,200	2,066,700	11.4%	-10,800	53,800	347,000	18.95	0.6
Suburban	41,204,200	2,497,200	6.1%	236,800	193,800	1,298,000	30.79	0.9
<b>SINGAPORE TOTAL</b>	<b>66,736,200</b>	<b>5,392,700</b>	<b>8.1%</b>	<b>269,100</b>	<b>269,100</b>	<b>1,717,000</b>	<b>27.47</b>	<b>0.7</b>

## NOTABLE OPENINGS Q1 2022

PROPERTY	SUBMARKET	TENANT	ESTIMATED SF	TYPE
Capitol Singapore	Other City Areas	Am I Addicted	10,000	Pottery Studio & Cafe
Waterway Point	Suburban	Don Don Donki	9,000	Supermarket
i12 Katong	Suburban	Core Collective	7,000	Fitness & Wellness
Marina Square	Other City Areas	Singapore Paincare TCM Wellness	2,350	Beauty & Wellness
The Shoppes at Marina Bay Sands	Other City Areas	FRED	904	Jewellery

## KEY CONSTRUCTION COMPLETIONS SINCE H2 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 & II	Suburban	Giant, Daiso, Decathlon	181,000

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

PROPERTY	SUBMARKET	SF <sup>2</sup>	COMPLETION DATE
Shaw Plaza (AEI)	Suburban	62,000	2022
One Holland Village	Suburban	117,000	2023
The Woodleigh Mall	Suburban	93,000	2023
Pasir Ris 8	Suburban	257,000	2024
Punggol Digital District	Suburban	165,000	2024
Hotel/retail Development (Liang Court)	Other City Areas	87,000	2025

<sup>1</sup> Market statistics reflect data for Q4 2021 except for rents, which reflect average gross effective rates at prime spaces for Q1 2022

<sup>2</sup> Estimated Net Leasable Area

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