

SINGAPORE

Retail Q3 2022

Prime Rents (\$\$/PSF/MO)	QoQ Chg	12-Mo. Forecast
\$33.55 Orchard	▲	▲
\$19.38 Other City Areas	▲	▲
\$31.47 Suburban	▲	▲

Retail Sales En Route to Recovery

Total retail sales grew 10.6% as of August 2022 YTD, fueled by economic re-opening. The average monthly sales as of August 2022 has exceeded the average pre-pandemic (Jan-Aug 2019) level, reflecting an ongoing recovery momentum. Nonetheless, the retail outlook is turning cloudy as a slower economic outlook and rising interest rates would impact consumer confidence and spending. However, this could be partially mitigated by a recovery in inbound travel demand. The number of visitor arrivals (~3 million as of Aug 2022 YTD) is poised to grow given a solid pipeline of international events like Formula 1 Singapore Grand Prix and Food & Hotel Asia (FHA) event. This number however is still far from pre-pandemic levels (~19 million in 2019).

Rents Continue on the Upward Cycle

Retail rents retained growth across the board in Q3 2022, underpinned by improved footfall and tenant sales from the return of tourism spending and lifting of safe management measures. Orchard, Other City Areas and Suburban prime retail rents edged up qoq by 1.2%, 1.0% and 0.9% respectively. While prime retail rents in Orchard and Other City Areas are still fairly below their pre-pandemic levels (5%-10% below rents in 2019), Suburban prime retail rents are only less than 1% lower than their 2019 levels.

Food & beverage (F&B) establishments have consistently maintained as the largest driver of physical retail spaces, being observed to dominate close to half of new store openings in Singapore's prime malls as of Q3 2022 YTD. Notable retailers who expanded at least three outlets this year so far include Hong Kong fast casual dining chain TamJai SamGor and casual Ma La cuisine eatery Gong Yuan Ma La Tang. F&B demand continues to face headwinds from rising operating costs and disruptions in global food supply chains.

Retail Demand Persists in Orchard and Other City Areas

The Orchard and other city areas prime retail market remains a go-to expansion destination for established foreign and domestic brands alike. Swedish fashion brand, & Other Stories, will open a second outlet at Raffles City early next year after its debut at ION Orchard in Q3 2022. Korean brands, B for Bagel (F&B) and MLB (street fashion) are other examples who opened at Tanglin Mall and Mandarin Gallery in Q3 2022. Indeed, the large retail space vacated by department store Robinsons at both The Heeren and Raffles City have been backfilled by furniture chain Courts at the former and various upscale brands at the latter. Local brands, Kydra (sportswear), Neonmello and Young Hungry Free (both online fashion brands) have also opened their first brick-and-mortar at Takashimaya, Plaza Singapura and Funan respectively this quarter. Most recently, homegrown furniture brand Castlery has also launched its largest showroom at Liat Towers. The prime retail market in Orchard and other city areas is poised to recover gradually as demand picks up in tandem with tourism recovery. The lack of new retail space in Orchard and other city areas will also support retail rental growth, albeit retail recovery remains weighed down by hybrid work and the current dearth of Chinese tourists.

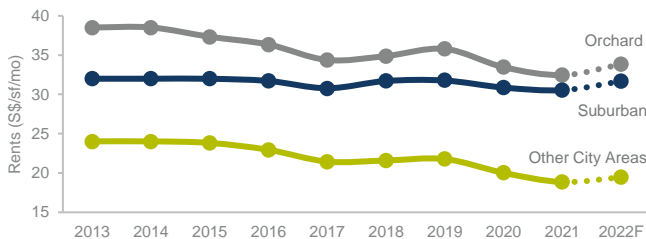
SINGAPORE ECONOMIC INDICATORS Q2 2022

Indicator	YoY Chg	12-Mo. Forecast
4.4% Real GDP Growth	▲	▼
5.9% Inflation Growth	▲	▼
10.6% Retail Sales Growth *	▲	▼

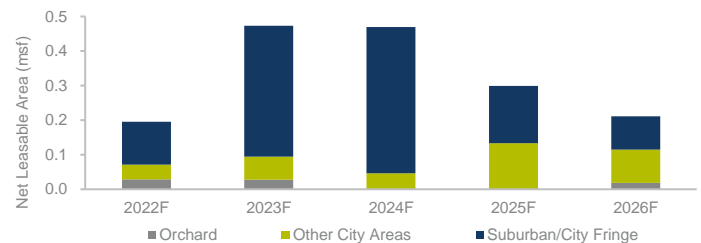
Source: Ministry of Trade & Industry (MTI), Singapore Department of Statistics (DOS)

* In chained volume terms (excludes motor vehicle) as of Aug 2022 YTD

RETAIL PRIME RENTS



RETAIL SUPPLY PIPELINE



MARKET STATISTICS ¹

SUBMARKET	INVENTORY (SF)	OVERALL VACANT SPACE (SF)	OVERALL VACANCY RATE	Q2 2022 OVERALL NET ABSORPTION (SF)	Q2 2022 OVERALL NET SUPPLY (SF)	PLANNED & UNDER CNSTR (SF)	PRIME GROSS EFFECTIVE RENT (\$\$/SF/MO)	QOQ CHANGE (%)
Orchard	7,362,500	861,100	11.7%	-21,500	10,800	74,000	33.55	1.2
Other City Areas	18,147,900	2,066,700	11.4%	86,100	-43,100	386,000	19.38	1.0
Suburban	41,247,300	2,529,500	6.1%	21,500	43,100	1,188,000	31.47	0.9
SINGAPORE TOTAL	66,757,700	5,457,300	8.2%	86,100	10,800	1,648,000	28.13	1.0

NOTABLE OPENINGS Q3 2022

PROPERTY	SUBMARKET	TENANT	ESTIMATED SF	TYPE
Liat Towers	Orchard	Castlery	24,000	Home & Furnishing
Jurong Point	Suburban	Timezone	17,000	Entertainment & Leisure
Jem	Suburban	Toys"R"Us	7,800	Toys
313@Somerset	Orchard	Puma	7,100	Sportswear

KEY CONSTRUCTION COMPLETIONS H2 2021 TO PRESENT

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 & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF ²	COMPLETION DATE
Shaw Plaza Balestier (AEI)	Suburban	62,000	2022
One Holland Village	Suburban	117,000	2023
The Woodleigh Mall	Suburban	93,000	2023
Pasir Ris Mall	Suburban	257,000	2024
Punggol Digital District	Suburban	165,000	2025
CanningHill Square	Other City Areas	87,000	2025

¹ Market statistics reflect data for Q2 2022 except for rents that reflect average gross effective rates at prime spaces for Q3 2022

² Estimated Net Leasable Area

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