

SINGAPORE

Retail Q2 2024

| Prime Rents (\$\$/PSF/MO) | QoQ Chg | 12-Mo. Forecast |
|------------------------------------|---------|-----------------|
| \$35.48 Orchard | ▲ | ▲ |
| \$20.30 Other City Areas | ▲ | ▲ |
| \$32.47 Suburban | ▲ | ▲ |

Continued Tourism Recovery Supports Retail Sales

As higher prices and strong Singapore dollar continue weighing on consumer spending, Singapore retail sales (excluding motor vehicle sales) dropped 1.2% ytd as of May 2024. Discretionary spending on optical goods and books, watches and jewellery, and wearing apparel and footwear saw some of the largest declines ranging between -3.8% and -4.7%. Consumers might have become more cautious with their expenditures, opting to allocate their funds towards better value purchases. While food & alcohol recorded the highest growth of 6.7% ytd, driven by both local and tourist spending. Higher international visitor arrivals and resilient domestic consumption could continue to support sales. According to Moody's Analytics, retail sales volume is forecast to hit \$46.4B in 2024, close to the pre-pandemic annual average of \$46.8B from 2015 to 2019.

Steady Growth Ahead

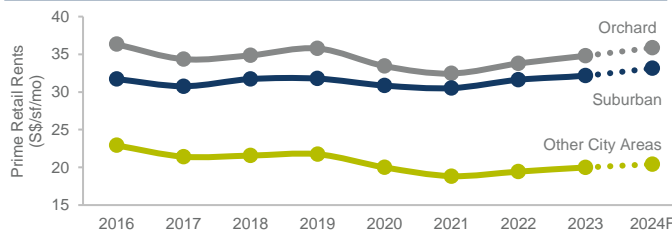
Orchard prime retail rents outperformed with 2% ytd growth in H1 2024, driven by the robust tourism recovery that was further bolstered by the Singapore-China visa-free scheme and a full schedule of leisure and MICE events. Likewise, Other City Areas prime retail rents climbed 1.5% ytd in the same period. Orchard retail vacancy rates tightened to a 4.5 year low at 6.8% in Q1 2024, while Other City Areas vacancy rates drop to 8.5% in Q1 2024, from 10% in the same period last year. Orchard prime retail rents are expected to rise by 3-4% yoy throughout 2024, retaining their top spot given ongoing recovery in inbound tourism and a very limited new supply. Whereas Other City Areas prime retail rents could increase at a lower pace of 2-3% yoy in 2024 due to higher vacancy levels and persistent hybrid work.

Suburban prime retail rents increased by 1% in H1 2024, with some units in suburban malls experiencing double-digit rental reversions as leases signed during the pandemic are renewed. Suburban overall retail vacancy rates have stayed low at 5.9% in Q1 2024, below the pre-pandemic rate of 8.9% in Q1 2019. Rents of prime retail spaces in suburbs are forecast to grow by 3-4% yoy for 2024, driven by continued high demand amid shifts in consumer shopping behaviour and an expanding population.

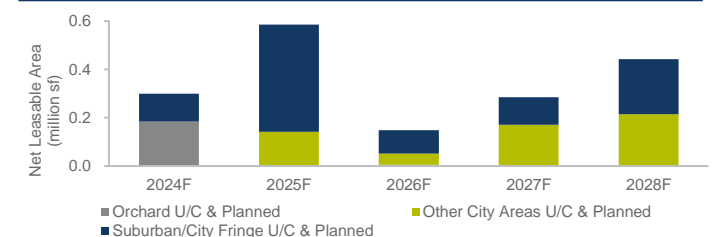
Rise of Casual Dining in F&B Expansion

In today's e-commerce-driven environment where consumers prioritize experiences, retailers focused on activities, especially those in the food and beverage (F&B) sector, continue to drive the bulk of retail demand. Over half of the retail openings in prime malls during the first half of 2024 (51%) were by F&B such as Chinese eatery Gong Yuan Ma La Tang, which added at least four new outlets, and casual dining restaurant Mamma Mia Trattoria E Caffè, which opened 2 more locations, bringing its total to 7 outlets. Over a quarter (29%) of these F&B openings we monitored were casual dining concepts and brands. Casual diners, offering an often-quicker dining experience with moderately-priced cuisine, are poised to expand as consumers seek good value for money dining experiences amidst higher cost of living. Established F&B brands may also spin off new casual dining concepts. For example, the Japanese premium grocery chain Fish Mart Sakuraya has launched Sake+, a restaurant at Somerset@313 serving affordable Japanese-Italian fusion cuisine and curated sake.

RETAIL PRIME RENTS



RETAIL SUPPLY PIPELINE



SINGAPORE ECONOMIC INDICATORS Q1 2024

| Indicator | 12-Mo. Forecast |
|--|-----------------|
| 3.0% Real GDP Growth | ▼ |
| 3.0% Inflation Growth | ▼ |
| -1.2% Retail Sales Change [^] | ▲ |

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

[^] Sales drop in chained volume terms (excludes motor vehicle) as of May 2024 YTD

MARKET STATISTICS ¹

| SUBMARKET | INVENTORY (SF) | OVERALL VACANT SPACE (SF) | OVERALL VACANCY RATE | Q1 2024 OVERALL NET ABSORPTION (SF) | Q1 2024 OVERALL NET SUPPLY (SF) | PLANNED & UNDER CNSTR (SF) | PRIME GROSS EFFECTIVE RENT (\$\$/SF/MO) | QOQ2024 CHANGE (%) |
|------------------------|-------------------|---------------------------|----------------------|-------------------------------------|---------------------------------|----------------------------|---|--------------------|
| Orchard | 7,147,000 | 484,376 | 6.8% | 43,000 | -129,000 | 189,000 | 35.48 | 0.5 |
| Other City Areas | 18,180,000 | 1,539,238 | 8.5% | 11,000 | 129,000 | 575,000 | 20.30 | 0.7 |
| Suburban | 42,442,000 | 2,518,753 | 5.9% | 32,000 | 205,000 | 996,000 | 32.47 | 0.4 |
| SINGAPORE TOTAL | 67,770,000 | 4,542,366 | 6.7% | 86,000 | 205,000 | 1,760,000 | 29.42 | 0.5 |

NOTABLE OPENINGS – H1 2024

| PROPERTY | SUBMARKET | TENANT | ESTIMATED SF | TYPE |
|-----------------|-----------|------------------|--------------|----------------------|
| 268 Orchard | Orchard | Nike | 28,000 | Athleisure |
| Parkway Parade | Suburban | Muji | 18,267 | Homeware & lifestyle |
| Century Square | Suburban | Fairprice Finest | 14,000 | Supermarket |
| Vivocity | Suburban | The North Face | Over 2,445 | Athleisure |
| Wisma Atria | Orchard | Swarovski | 2,271 | Jewelry |
| Plaza Singapura | Orchard | Ecco | 1,367 | Accessories |

KEY CONSTRUCTION COMPLETIONS – H1 2024

| PROPERTY | SUBMARKET | MAJOR TENANTS | NET LEASABLE AREA SF ² |
|----------------|-----------|---|-----------------------------------|
| Pasir Ris Mall | Suburban | Cold Storage, Cantine by Kopitiam, Timezone, MindChamps Preschool | 257,000 |

NOTABLE RETAIL PROJECTS – PLANNED & UNDER CONSTRUCTION

| PROPERTY | SUBMARKET | NET LEASABLE AREA SF ² | EXPECTED COMPLETION DATE |
|------------------------------------|------------------|-----------------------------------|--------------------------|
| Punggol Digital District | Suburban | 165,000 | 2025 |
| CanningHill Square | Other City Areas | 87,000 | 2025 |
| Lentor Modern | Suburban | 96,000 | 2026 |
| RWS Expansion by Genting Singapore | Suburban | 228,000 | 2028 |

¹ Market statistics reflect data for Q1 2024 except for rents that reflect average gross effective rates at prime spaces for Q2 2024

² Estimated Net Leasable Area

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