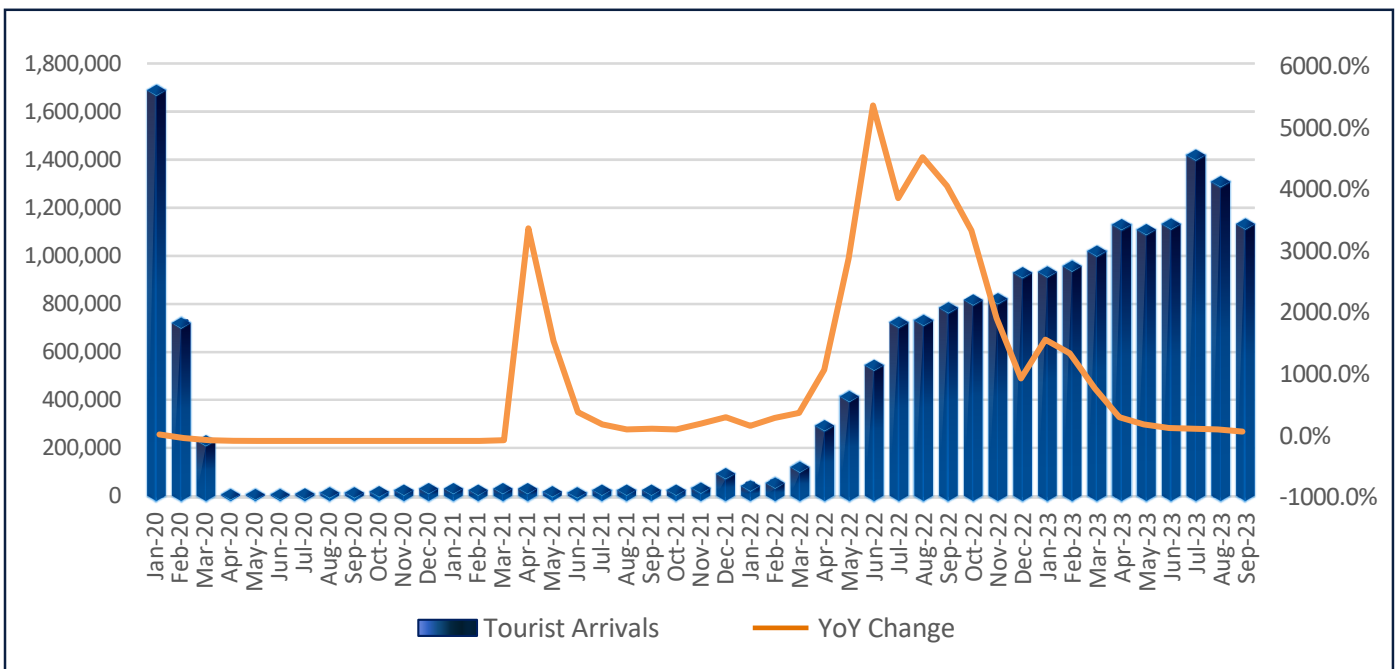


OVERVIEW

The retail sales index (in chained volume terms, seasonally adjusted) in September 2023 was 2.2% lower month-on-month (MoM) but 1.4% higher than June 2023. Retail sales in 3Q 2023 was \$11.8 billion, 0.6% higher than the previous quarter. The increase in quarterly retail sales was supported by the large inflow of visitor arrivals attending international business and entertainment events organised in Singapore, such as the Formula 1 Singapore Airlines Singapore Grand Prix, ASMeiR 2023 World Tour and Twice Ready To Be World Tour 2023.

Tourist arrivals in 3Q 2023 was estimated at 3.86 million, up 14.5% over the previous quarter. The average length of stay (ALOS) for tourists in 3Q 2023 was 3.8 days, slightly down from 3.9 days in 2Q 2023. The top five source of tourists to Singapore in 3Q2023 were from China (0.58 million), Indonesia (0.57 million), Australia (0.28 million), Malaysia (0.26 million) and India (0.26 million). China overtook Indonesia as the top source of visitors to Singapore in 3Q2023 as school holidays fall in between June to August in China.

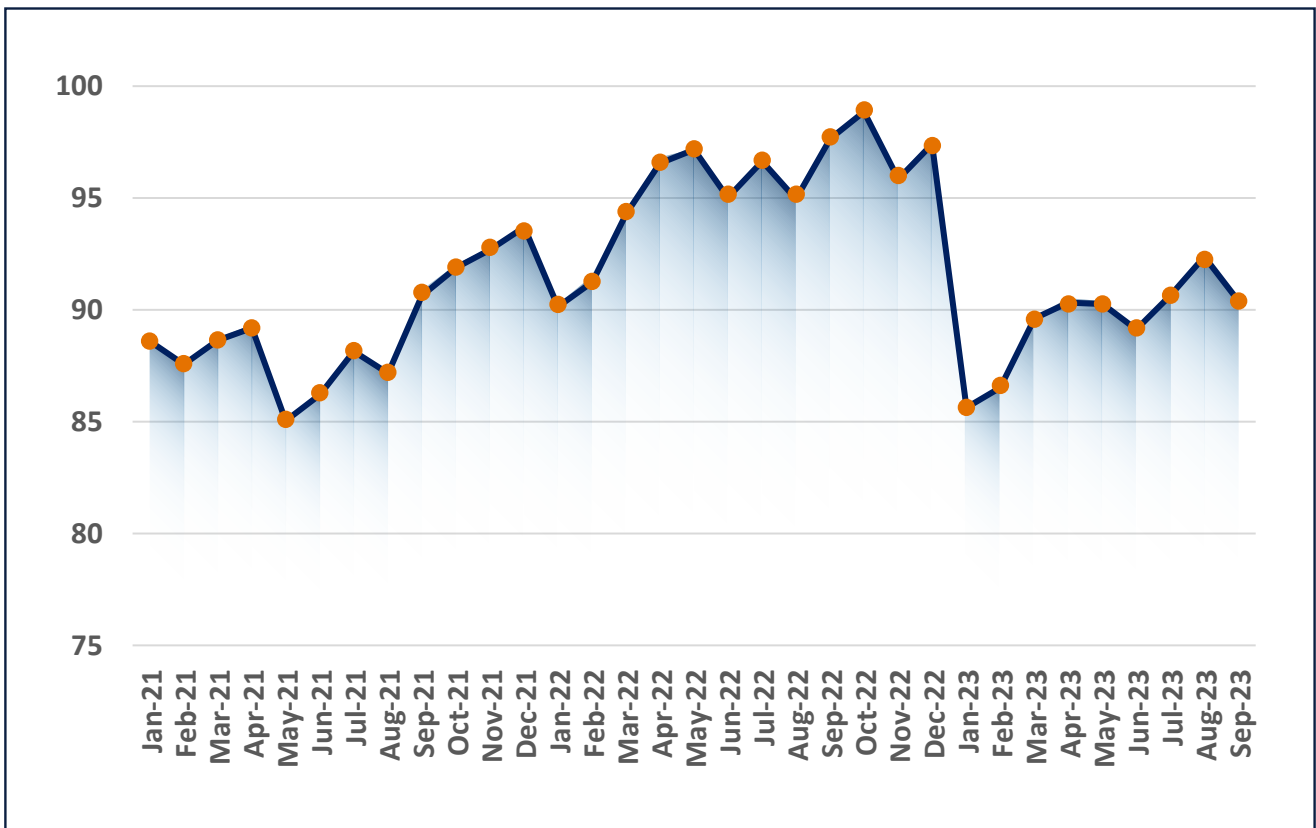
Figure 1: Tourist Arrivals in 2023



Source: Singapore Tourism Board, Huttons Data Analytics as of 31 Oct 2023

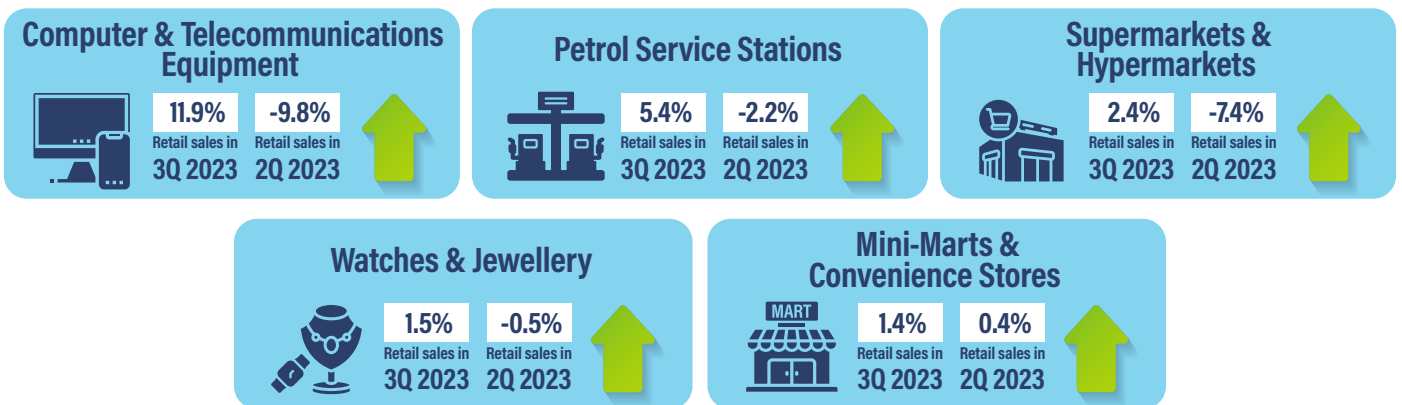
Spending on computer & telecommunications equipment jumped most significantly by 11.9 % in 3Q 2023. The reopening of many schools in August 2023 contributed to the increase in computer & telecommunication equipment.

Figure 2: Retail Sales Index, (2017 = 100), In Chained Volume Terms, Monthly, Seasonally Adjusted



Source: Singstat, Huttons Data Analytics as of 6 Nov 2023

Figure 3: Aug 2023 Top 5 percentage change in retail sales, in chained volume terms, seasonally adjusted (use the figure below as an example)



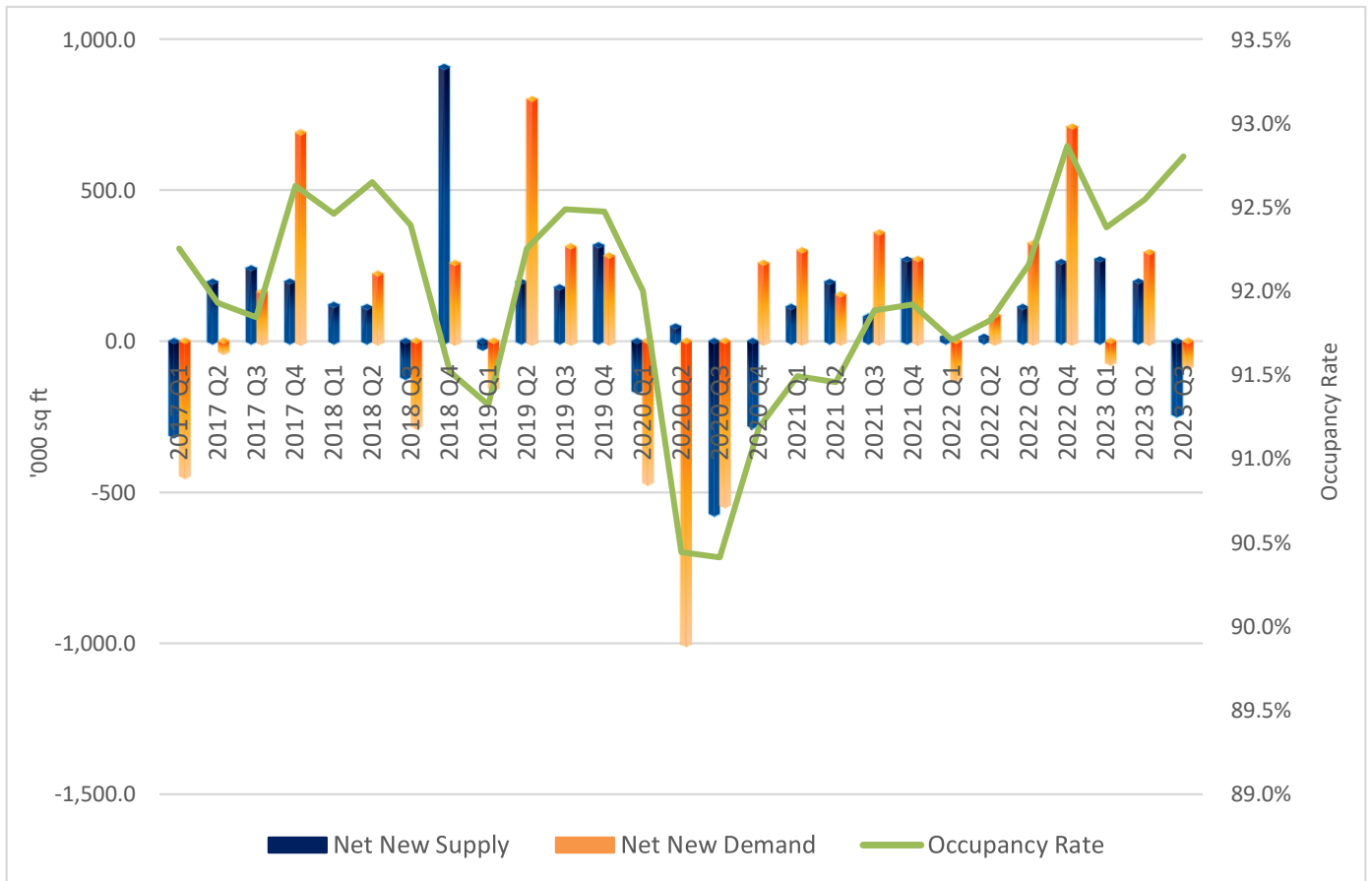
Source: Singstat, Huttons Data Analytics as of 6 Nov 2023

Islandwide demand for and supply of retail space in 3Q 2023 contracted by 86,000 sq ft and 248,000 sq ft, respectively.

Demand for retail space in the Downtown Core expanded at its fastest pace since the onset of Covid-19 as more workers returned to office. With the outflow of demand to the Downtown Core, demand for retail space in the suburban areas contracted.

In September 2023, Singapore retail market welcomes the World-renowned French pastry chef Cedric Grolet who opened his first outlet in Asia with a new patisserie at COMO Orchard.

Figure 4: Retail Supply, Demand and Occupancy Rate (Islandwide)



Source: URA, Huttons Data Analytics as of 31 Oct 2023

MARKET OUTLOOK

The year-end holidays and festivities are expected to give a boost to the retail sector in 4Q 2023. The impending increase in GST on 1 Jan 2024 may also see consumers bringing forward big-ticket purchases.

The world’s first snow, surf and skate attraction, Trifecta opened in Orchard Road in Oct 2023. It may attract more locals and tourists to Orchard Road. One Holland Village Shops in Holland Village Way is 100% leased and is slated to open in Dec 2023.

With limited supply of new retail space in the next couple of years and barring unforeseen circumstances, the retail market is expected to stay firm in 2023.



Map 1: Major Private Retail Malls in the Pipeline



Source: URA, Huttons Data Analytics as of 31 Oct 2023

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