

Sector Update

Singapore retail – Taking the bull by its horns

Selena Ling
Chief Economist & Head, OCBC Group Research

Jonathan Ng
ASEAN Economist

Wong Hong Wei, CFA, CESGA
Credit Research

Andy Wong, CFA
Equity Research

Ada Lim, CFA, CESGA
Equity Research

Summary Points

- Further retail leakage from Singapore to Johor Bahru (JB) likely buffered by the quality of and essential nature of Singapore malls, narrowing price differential, and inbound tourist spending
- A shift towards experiential, omnichannel offerings, as well as rational e-commerce competition in Singapore allow local malls to co-exist with e-commerce
- The Middle East conflict poses near-term downside risks to Singapore's retail outlook, but impact depends on the length and intensity of the war, pending a clear resolution

Singapore retail has started the year with a bang...

Singapore's retail sector began the year on a stronger footing, rising by 3.5% year-on-year (YoY) for the first two months of the year, compared to 0.9% in the same period last year. Excluding motor vehicles, parts and accessories, retail sales rose 3.4% YoY (2M25: -0.3%). Total retail sales value for 2M26 increased 3.5% YoY to SGD8.8b, with online sales averaging 14.0% of total sales during this period¹.

Tourism remains the clearest support for the retail landscape, proving to be a reliable engine of growth. Tourist arrivals totalled 3m (94.2% of 2019 levels) for 2M26, broadly comparable to arrivals during the same period last year. The Singapore Tourism Board (STB) forecasts 17-18m visitor arrivals in 2026, slightly below its earlier 2025 projection of 17-18.5m arrivals. Nonetheless, tourism receipts are expected to remain strong, with STB projecting receipts of USD31-32.5b for 2026.

Moreover, the macroeconomic backdrop remains broadly supportive of consumption. The labour market remains firm, with the overall unemployment rate staying low at 2.0% in 2025². Total employment growth was also stronger at 55,000 in 2025, up from the 44,500 increase in 2024.

... but will it end with a whimper?

For the full year 2026, OCBC Group Research expects retail sales to

¹ Excl. motor vehicles, parts and accessories, total retail sales value for the January-February 2026 rose 3.4% YoY to SGD7.5b, with online sales averaging 16.3% of total sales during this period.

² The resident unemployment rate edged slightly higher to 2.8% (2024: 2.7%), while the citizen unemployment rate also rose slightly higher to 3.0% (2024: 2.9%)

expand by 2-3%, supported by the re-calibration in cost-of-living measures announced on 7 April 2026. Notwithstanding the tentative ceasefire, the **Middle East conflict** poses downside risks to the near-term retail outlook, with the impact depending on the length and intensity of the war. In light of this, the government unveiled a substantial new support package valued at close to SGD1b to cushion the impact on household and businesses. Key measures include a SGD200 increase in cost-of-living special payment for eligible Singaporeans, the early release of the Community Development Council (CDC) vouchers in June 2026 instead of January 2027, and SGD200 in cash relief for active platform workers and taxi drivers from end-April 2026. This is complemented by enhanced support to strengthen firms' capacity to operate in the challenging environment, with the corporate income tax rebate, subject to a cap, boosted to 50% from the 40%. These measures provide timely support for the retail sector, particularly supporting defensive retail sectors, including groceries and heartland spending.

Exhibit 1: Summary of support measures for households and businesses

Support Measures

in response to the Middle East situation

Support for Singaporeans

- **[Updated]** \$500 CDC Vouchers brought forward to Jun 2026
- **[Enhanced]** \$400 to \$600 Cost-of-Living Special Payment in Sep 2026
- **[New]** \$200 cash relief for eligible platform workers, private hire car drivers and taxi drivers from Apr 2026

Support for Businesses

- **[New]** Temporary co-funding of cost increases for essential bus services such as those for school students, seniors, and persons with disabilities
- **[Enhanced]** Increase Corporate Income Tax rebate to 50% for Year of Assessment 2026
 - Raise minimum benefit to \$2,000 for eligible companies
 - Raise benefits cap to \$40,000 per company
- **[Enhanced]** Expand Energy Efficiency Grant (Base Tier) to all sectors and extend to 31 Mar 2028

Find out more at singaporebudget.gov.sg

https://singaporebudget.gov.sg

Source: Ministry of Finance

Besides geopolitics, the Johor-Singapore Special Economic Zone (JS-SEZ) and the **Johor Bahru-Singapore Rapid Transit System (RTS)**³ are likely to add a new dimension to spending patterns in JB towards the end of 2026. JB is a popular cross-border destination due to its affordability and proximity to Singapore. Foreign tourist arrivals from Singapore increased by 1.3% YoY to ~3m in 2M26, accounting for ~76% of foreign tourist arrivals in Johor during the same period. Our credit card spending data⁴ reveals strong consumer activity in JB, with credit card spending in JB relative to the whole of Malaysia rising from 17.6% in 2024 to 19.1% in 2025, while 2M26 figures averaged 17.1%. This indicates that almost one in five overseas dollars spent by our credit card holders in Malaysia are going to JB merchants. Food and drinks, groceries and retail are the largest categories fuelling the growth of Singaporean spending in Johor.

The streamlining of customs procedures and enhancements to connectivity will likely make JB even more accessible and appealing to Singapore consumers seeking to shop and explore the city. This represents a significant structural development with potential medium-term implications for Singapore's retail landscape. For JB merchants, deeper integration with the Singapore's consumer base will provide them a stable pool of affluent customers that will provide sustained demand for their businesses. As such, Singaporean retailers may also need to enhance their competitiveness ahead of the RTS Link launch in December, which is expected to carry up to 10,000 passengers per hour in each direction. The Singapore government has formed a taskforce, chaired by Minister of State for Trade and Industry Alvin Tan, to support local businesses to seize cross-border opportunities and mitigate potential negative impacts from the upcoming RTS Link launch.

Finally, the existential question of whether physical retailers can co-exist with **e-commerce** has remained on investors' minds, given potentially high costs of omnichannel integration and the potential for artificial intelligence (AI) to drive more personalised online shopping experiences. In this report, we explore the impact of all three risk factors, and conclude that **the overall retail landscape in Singapore should remain resilient**.

(1) The opening of the RTS is not expected to topple Singapore retail

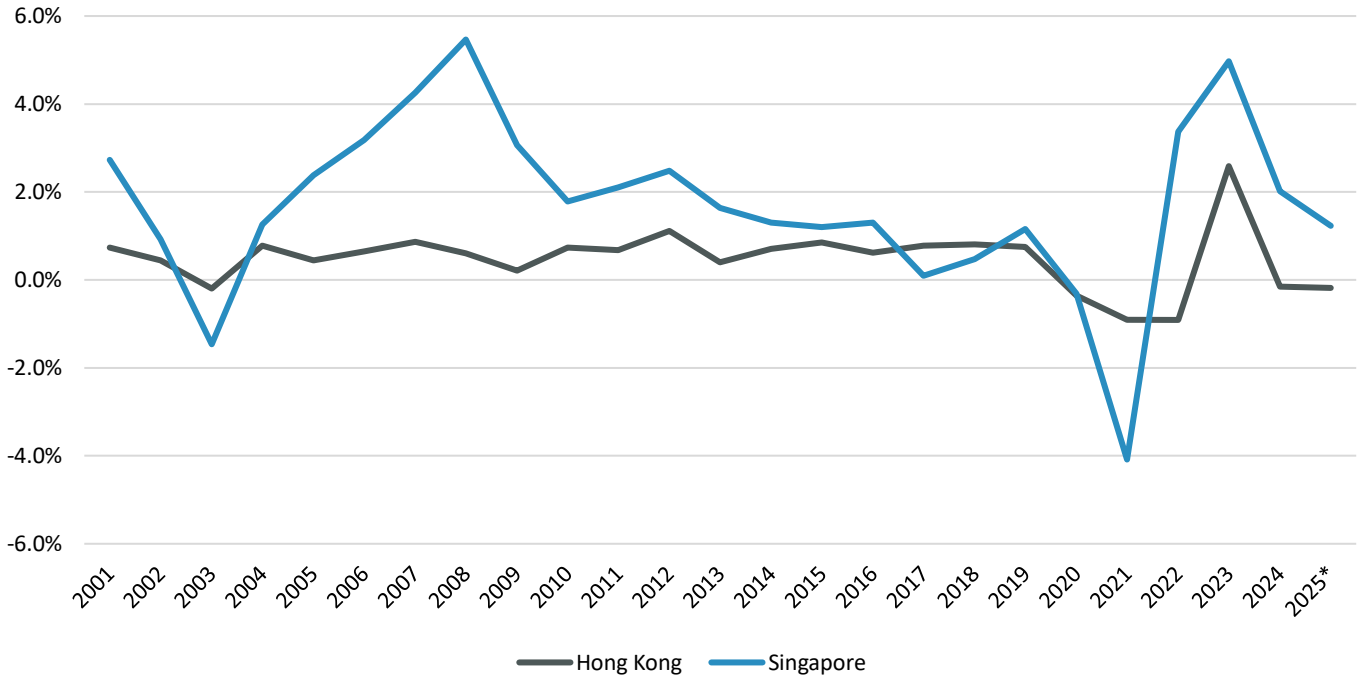
Singapore retail is unlikely to follow Hong Kong's structural decline – While the RTS may raise concerns of increased retail leakage to JB, the scale and persistence of such outflows are expected to be far lower than those from Hong Kong to Shenzhen. Singapore benefits from more robust structural drivers, including a growing population, rising household income and resilient domestic consumption – compared with Hong Kong's stagnant demographic and income trends. E-commerce penetration in Singapore is already higher and more stabilised, and landlords have proactively adapted through tenant remixing, experiential offerings and embracing omnichannel sales. Furthermore, Singapore has a lower retail floor space per capita of 11.3 square feet (sq ft) (as at 4Q25) as compared to Hong Kong's 17.0 sq ft. These factors underpin a structurally resilient retail sector that remains fundamentally stronger than Hong Kong's.

That said, it may be helpful to use Hong Kong as a reference point by assessing the impact of its outbound consumption leakage to Shenzhen. This trend began gaining traction in 2H23 and subsequently became more pronounced from 2024. YoY growth in Hong Kong's retail sales value moderated materially in Oct 2023 and subsequently slipped into negative territory for 14 consecutive months from Mar 2024 to Apr 2025. Retail sales recovered in May 2025, partly due to a lower base effect, with growth turning positive for 10 straight months through Feb 2026. For 2M26, Hong Kong's retail sales value rose 12% YoY to HKD72.4b. The impact on retail rents was felt more tangibly, as Hong Kong's private retail rental index registered YoY declines for 23 consecutive months from Mar 2024 to Jan 2026, which was the latest data available at time of publication. The magnitude of decline over this period ranged between -0.7% and -7.6%.

³ Scheduled to commence operations in late 2026.

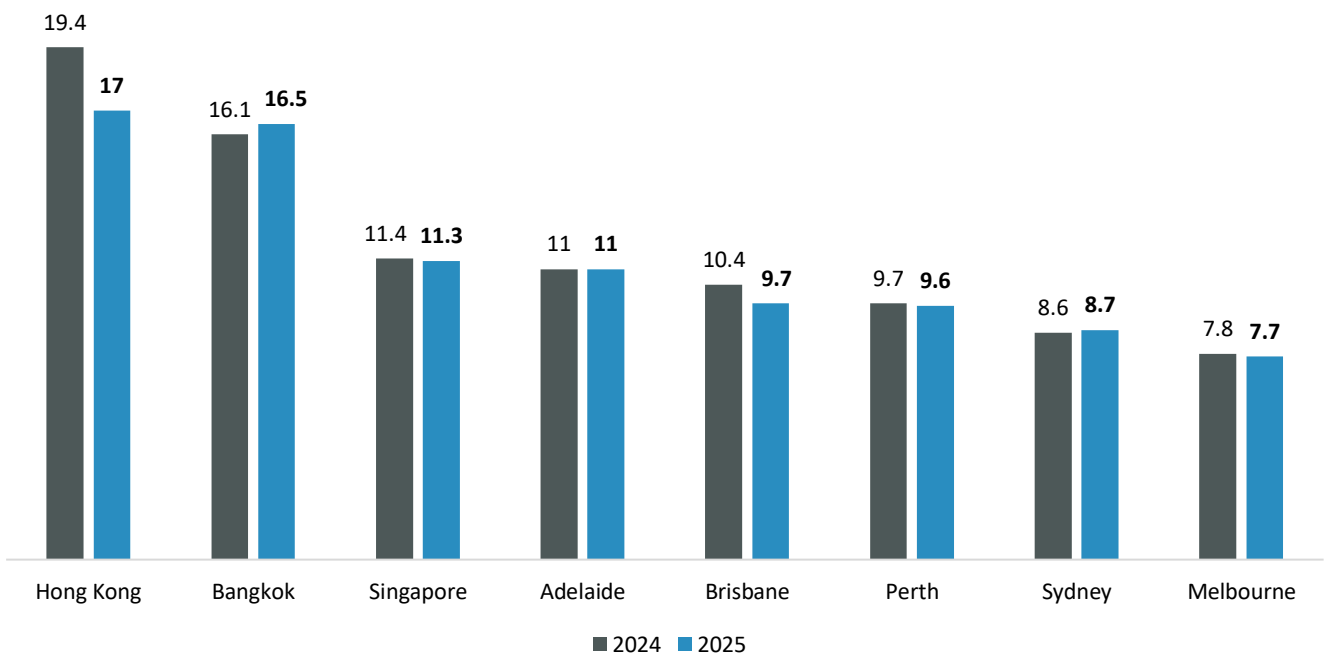
⁴ Using proprietary credit card spend data, we distinguish customer credit card spending by merchant categories, mode of spending, and destination. This helps us to better understand credit spending trends at the customer level for various categories.

Exhibit 2: Hong Kong's population growth has been stagnant relative to Singapore



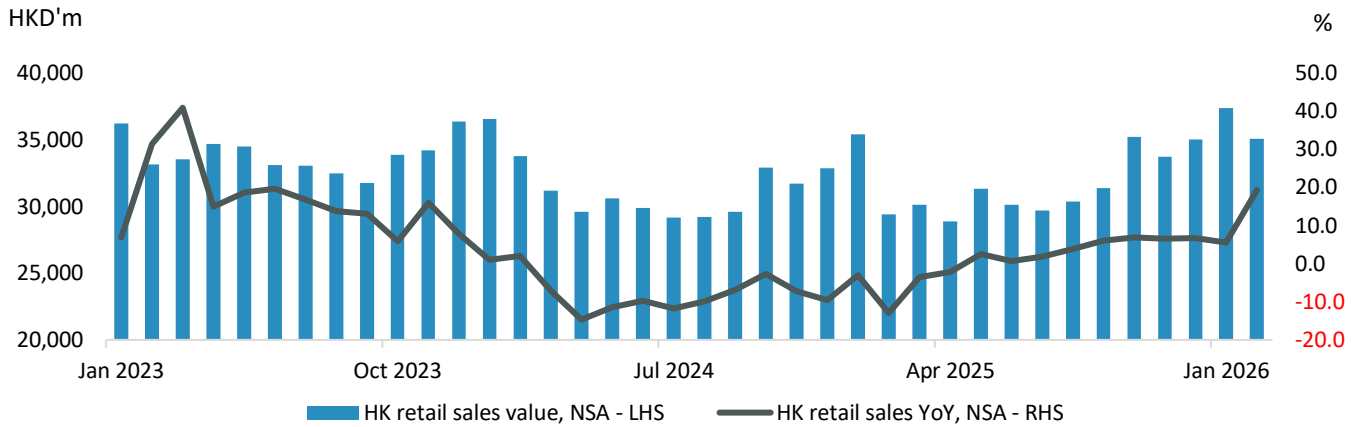
Source: Federal Reserve Bank of St. Louis, HK Census and Statistics Department, SingStat, OCBC Group Research. Note: 2025 figure for Hong Kong is based on a provisional estimate.

Exhibit 3: Private retail floor space (sq ft) per capita of selected developed cities



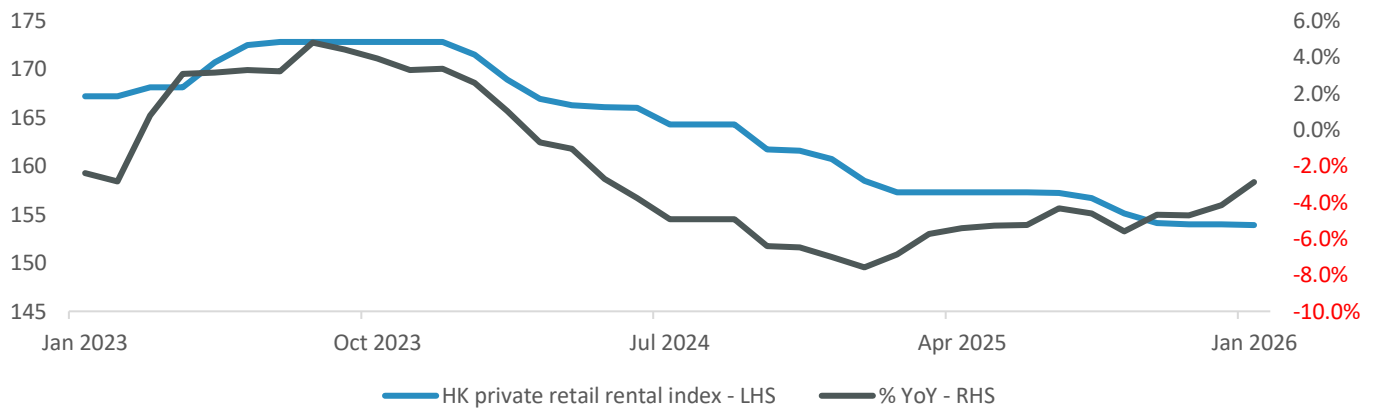
Source: Knight Frank, Singstat, HK Census and Statistics Department, Property Council of Australia, Australian Bureau of Statistics, as at 4Q25

Exhibit 4: Hong Kong's retail sales trend



Source: HK Census and Statistics Department, OCBC Group Research

Exhibit 5: Hong Kong's private retail rental index trend



Source: HK Census and Statistics Department, OCBC Group Research

Cross-border boom is already here pre-RTS, yet Singapore retail remains resilient – Daily cross-border commutes between Singapore and JB have already surged well before the RTS begins operations, yet Singapore retail sales have held stable and even increased (retail sales ex-motor vehicles: 2023: +2.0%, 2024: -0.6%, 2025: +1.9%). Retail S-REITs also continue to register resilient performance, which will be discussed later in this report. Land checkpoint traffic has risen to ~510,000 daily travellers in 2025 (vs. ~473,000 in 2024 and 400,000 pre-pandemic), supported by efficiency upgrades including the phased rollout of QR-code immigration clearance (from March 2024) and expanded automated lanes at bus halls. The RTS will initially add capacity for 40,000 passengers per day, rising to 140,000. This represents incremental rather than transformational volume relative to today’s already-elevated flows.

Exhibit 6: Increase in commuters pre-RTS is mainly attributable to rise in Malaysian workers

Daily commuters (land checkpoint)	2019	2023	2024	2025
Total	400,000	440,000 (holidays)	~470,000	~510,000
- Malaysian workers	Around 300,000	More than 300,000	N.A	Nearly 400,000
- Singaporeans	N.A	N.A.	N.A	~52,000 (Jan to Jul 2025)

Source: The Straits Times, Channel News Asia, Immigration & Checkpoint Authority of Singapore, OCBC Group Research estimates

Exhibit 7: Uptick in adoption of QR code clearance, which significantly speeds up immigration clearance

Take-up rate of QR code clearance	Jan-25	Dec-25
Bus passengers	28%	60%
Car travellers	68%	69%
Motorcycle travellers	32%	57%

Source: Channel News Asia, OCBC Group Research estimates

RTS should bring in more Malaysian workers relative to the outflow of Singaporean shoppers – While daily cross-border commuter volumes have risen from ~400,000 pre-pandemic to ~510,000 in 2025, most of the increase is driven by Malaysian workers rather than Singaporean outbound shoppers. Malaysian workers account for an estimated ~80% of land checkpoint commuters, with their numbers rising from around 300,000 pre-pandemic to nearly 400,000 in 2025. In contrast, ~52,000 Singaporeans travelled to JB on average each day in Jan-Jul 2025, which represents ~11% of the total. As such, the RTS is likely to benefit Malaysian workers more than Singaporean shoppers, as improved speed, reliability and capacity reduce commuting friction for workers. Should Malaysian worker inflows grow further with the RTS, this could partly offset retail leakage. Malaysian workers earning wages in Singapore would likely spend in Singapore, though a more convenient return trip could modestly reduce evening dining demand. Meanwhile, labour cost pressures remain a top challenge for Singapore retailers, according to the Association of Small & Medium Enterprises. A larger pool of Malaysian workers could ease manpower shortages and mitigate the rise in labour cost.

Eventual retail leakage unlikely to be as bad as Hong Kong's – According to CBRE estimates, retail sales leakage to JB could rise from 3-4% currently to 5% by 2032. The expected increase in retail sales leakage is not as bad as Hong Kong, where retail sales leakage to Shenzhen and adjacent Mainland cities is estimated at ~20%. We think it is unlikely for retail sales leakage to converge significantly towards that of Hong Kong and Shenzhen, at least in the short to medium term.

JB malls are not Shenzhen malls – We believe that the shopper motivations and mall ecosystems differ fundamentally. In our view, while JB offers bargain hunting for Singaporean shoppers, Shenzhen as a Tier 1 Chinese city serves as a full-fledge tourist, leisure and lifestyle destination, which in our view can compete against Hong Kong. This creates a fundamentally different retail leakage dynamic. We discuss the differences below:

- 1) Shenzhen's scale dwarfs JB, with stronger offerings: With Shenzhen being a Tier 1 Chinese city, its retail footprint is ~6x larger, at 88.3m sq ft vs JB's 15.7m sq ft, allowing for a deeper tenant mix, larger flagship stores, multiple luxury clusters and full-fledged entertainment precincts. From Sam's Club to premium digital, lifestyle and specialty brands, Shenzhen's mall ecosystem provides different products, in our view, and not merely cheaper versions of offerings available in Hong Kong. By contrast, JB's mall ecosystem is angled towards the mid-market and narrower in both depth and offerings.
- 2) Shenzhen malls tend to be better integrated: Shenzhen's leading malls are well-integrated, such as The MixC (Grand Theatre Station), COCO Park (Shopping Park station) and UniWalk (Bao'an Centre Station). In addition to direct subway integration, they are connected by multi-line interchanges and/or underground city linkages and high-frequency public transport. In comparison, JB malls rely heavily on private transport and are not connected via mass rapid transit, though malls near Bukit Chagar Station should gain rail connectivity from Singapore when the RTS is up and running.
- 3) Shenzhen is a tourism destination; JB less so: Beyond competitive pricing, Shenzhen is one of China's top travel destinations, drawing both domestic and international tourists. Attractions include theme parks (e.g. Window of the World, OCT East, Happy Valley), cultural districts and iconic landmarks (Dafen Oil Painting Village, Shenzhen Museum, Ping An Financial Center), tech zones (Huaqiangbei electronics district; and headquarters tech giants such as Huawei, Tencent, BYD, etc.) and nightlife. While JB also offers notable attractions such as

LEGOLAND Malaysia and golf courses, we think JB's retail appeal is predominantly value-centric (e.g. price arbitrage) and transactional.

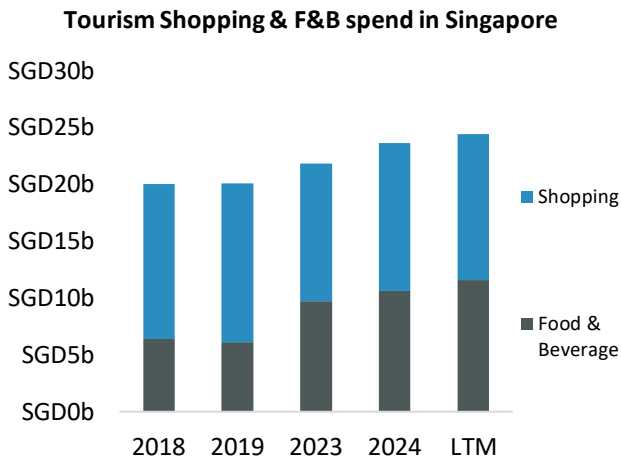
It is inconvenient to skip a Singapore mall – Suburban malls are deeply embedded into everyday life, unlike in Hong Kong where residents have shifted part of their spending to Shenzhen. Singapore's suburban malls are typically integrated with mass rapid transit (MRT) stations or placed within Housing Development Board (HDB) town centres, which is along the natural commuting path of residents within large and dense residential catchments. A number of these malls are also sizeable (typically ranging from 150,000 to over 500,000 sq ft), offering essential services such as supermarkets, food and beverages (F&B), education, healthcare, pharmacies, banking and public services, and are frequently located near government services, banks, libraries and/or community clubs. To bypass a Singapore suburban mall would entail bypassing routine and essential errands, which reinforces the stickiness of mall visits. In comparison, we think that Hong Kong consumers can more easily reroute both discretionary and service-related spending to Shenzhen.

Bring the shopping home: Internalising cross-border demand – To mitigate retail leakage overseas, Singapore landlords are increasingly 'bringing the shopping home' by importing popular overseas and Malaysian brands into local malls, reducing the need for Singaporeans to travel abroad for differentiated offerings. In recent years, a growing roster of Malaysian retailers – including Oriental Kopi, ZUS Coffee, Mr DIY and Tealive, as well as high-profile F&B and lifestyle brands from China and beyond, including Luckin Coffee, Chagee, Mixue, POP Mart and Li-Ning – have been onboarded into Singapore. This strategy directly addresses behavioural leakage by importing the same brands that Singapore shoppers would otherwise seek in JB or overseas.

Narrowing price gap between Singapore and Malaysia may reduce the incentive for Singaporeans to shop in Malaysia – The MYR has strengthened by more than 10% against the SGD in the past two years. In addition, rising local prices has been attributed by the media to 'Singapore pricing', with reports of JB residents feeling priced out. Furthermore, JB's population of more than 1.7m is less than half of Singapore total resident population size of 4.2m (comprising citizens and PRs). As a result, there is potential for incremental inflows from Singapore to overwhelm local retail capacity and infrastructure, leading to crowding and exacerbate inflationary pressure. Rising prices and a limit on capacity could constrain JB's ability to scale as a substitute shopping destination. In contrast, Shenzhen can better accommodate inflows from Hong Kong, given that Shenzhen's population of ~18m significantly exceeds Hong Kong's population of ~7.5m.

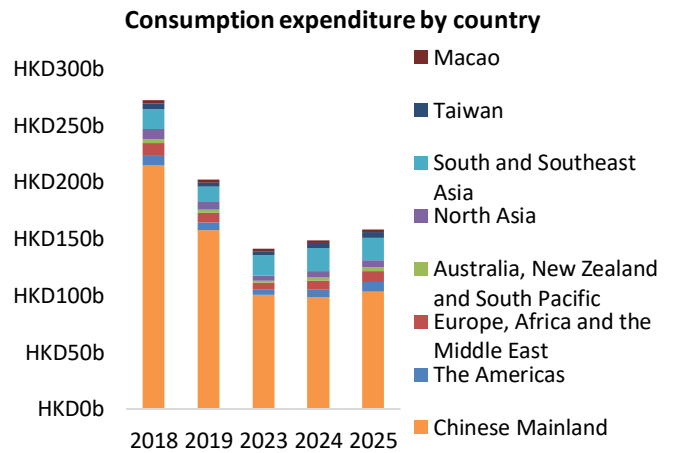
Tourists are still spending in Singapore, however tourism spend in Hong Kong has fallen – Although Singaporeans are spending more abroad (including JB), the impact on Singapore retail is mitigated by increased tourist spend in Singapore. The city state is focusing on "quality tourism", with its Tourism 2040 roadmap targeting SGD47-50b in receipts by 2040. For 9M25, tourism spending hit a record SGD23.9b, surging 6.5% YoY and putting the sector on track to surpass STB's forecast of SGD29b to SGD30.5b for the full year. In contrast, spending from inbound tourists to Hong Kong has fallen and remains significantly below pre-pandemic levels, mainly due to the decline in spending by tourists from Mainland China.

Exhibit 8: Rising tourism spend in Singapore



Source: SingStat, OCBC Group Research

Exhibit 9: Declining tourism spend in Hong Kong

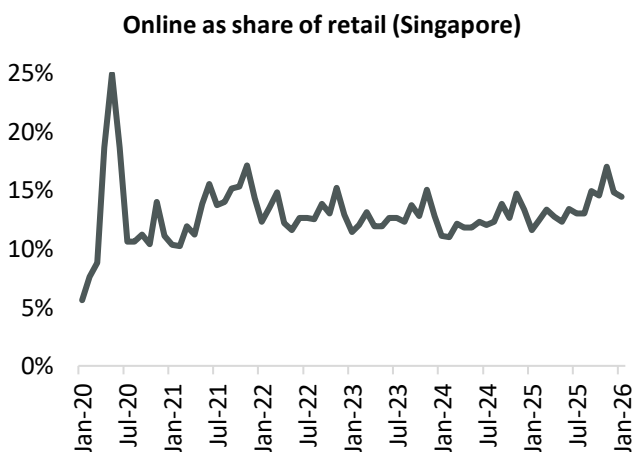


Source: HK Census and Statistics Department, OCBC Group Research

(2) Singapore malls are co-existing with e-commerce

Singapore malls continue to perform despite rise in e-commerce – Singapore’s e-commerce landscape has undergone significant transformation in recent years. Growth spiked during the pandemic, then moderated in 2022 as physical shopping resumed. Nonetheless, the behavioural shift has remained intact, with online shopping – especially in top product categories like fashion and apparel; electronics and appliances; toys, games and hobbies; home and living; food and groceries; and health and beauty – becoming a deeply embedded habit amongst shoppers. E-commerce growth is also supported by Singapore’s advanced digital infrastructure (e.g. high Information and Communication Technology (ICT) readiness and widespread adoption of digital payment systems), as well as a dense network of efficient last-mile couriers. Leading platforms such as Shopee (Sea), Lazada (Alibaba), Amazon, Qoo10, and Carousell dominate the market, drawing customers with their extensive product catalogues (including partnerships with official brands) and highly optimised logistics. Current penetration is hovering around the mid-teens, a level higher than Hong Kong (where penetration is, on average, below 10%). Nonetheless, Singapore malls have continued to deliver robust operating metrics, with high occupancy, positive rental reversion and positive tenant sales, indicating that e-commerce has grown alongside brick and mortar.

Exhibit 10: Online spend is higher in Singapore...



Source: SingStat, OCBC Group Research

Exhibit 11: ... and lower in Hong Kong



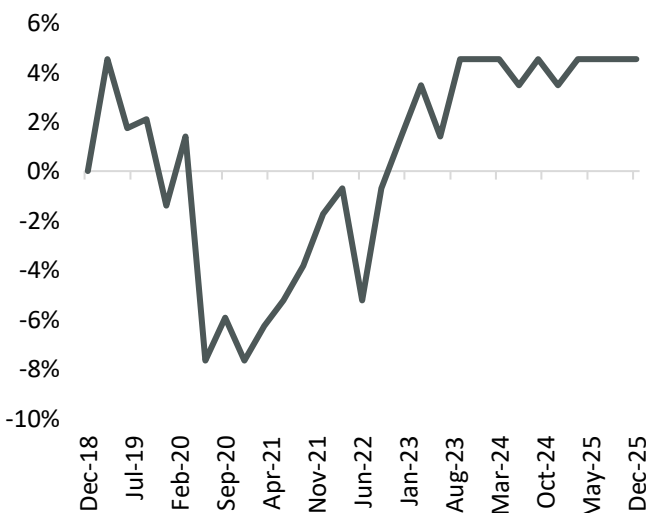
Source: HK Census and Statistics Department, OCBC Group Research

We think that Singapore e-commerce can complement Singapore physical retail – Against this backdrop, traditional brick-and-mortar retail is increasingly shifting towards experiential offerings, focusing on services, engagement and lifestyle concepts that cannot be replicated online. The rise of omni-channel retailing is reshaping the role of physical malls as retailers integrate online and offline touchpoint via services like click-and-collect, ship-from-store, and in-store returns for online orders. For example, Frasers Centrepoint Trust has embedded click-and-collect into its mall strategy, while Capitaland Integrated Commercial Trust operates last-mile fulfilment lounges and has collaborated with platforms such as Lazada. Several of these initiatives make malls critical nodes in the last-mile network, especially suburban malls which are conveniently situated within residential catchments, driving increased footfall and tenant sales. Continued tenant diversification and targeted asset enhancement initiatives (AEIs) will also be increasingly important to reinforce portfolio resilience.

Avoiding destructive competition – In Hong Kong, physical retail faces direct competition from China (e.g. Taobao, Pinduoduo), where intense price cutting and discount-driven competition has led to margin destruction. Singapore’s e-commerce players, however, operate in a structurally healthier environment. We note that a few e-commerce platforms with a local presence (including Shopee and Lazada) have prioritized profitability over market share by increasing platform commission and other fees, which we think have trended closer to mall occupancy costs.

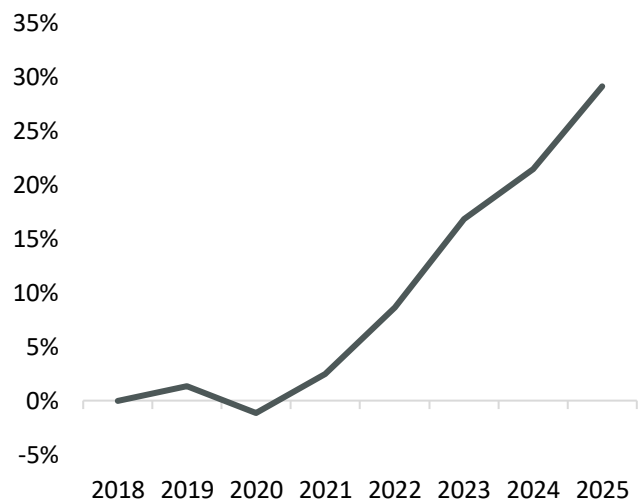
Singapore’s growth in population and income outpaces that of Hong Kong – Singapore’s retail recovery is underpinned by structurally stronger population and income growth than Hong Kong. Since 2019, Singapore’s resident population has expanded by roughly 4-5%, following a brief pandemic dip, while Hong Kong’s population has remained flat to slightly negative over the same period (see Exhibit 1). Meanwhile, household incomes have continued to climb steadily, up by nearly 30% since 2018 levels, which in our view supports discretionary spending and tenant sales growth. In contrast, Hong Kong’s household income growth has not gained momentum post-pandemic.

Exhibit 12: Household income in Hong Kong has not grown much since Dec 2018...



Source: HK Census and Statistics Department, OCBC Group Research

Exhibit 13: ... whereas Singapore household income has continued to rise over the same time period



Source: SingStat, OCBC Group Research

(3) Impact of the Iran war depends on the length and intensity of the conflict

The retail and hospitality sub-sectors are likely to be among the hardest hit by the Middle East conflict, though the impact remains predicated on the duration and severity of the war, as well as the extent of the spillover to the global economy. The current ceasefire – whilst a positive development – may be fragile, in our view, and even if there are clearer signs of a concrete de-escalation, there may be a lag time for things to normalise. Alongside the broader S-

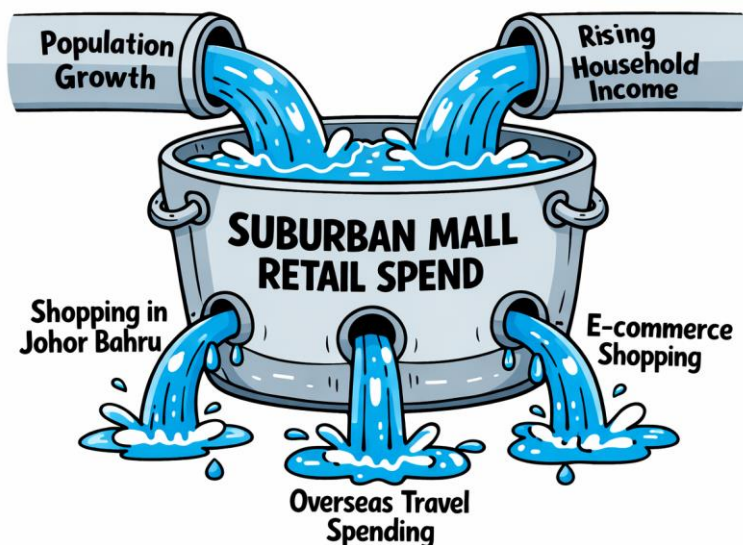
REITs complex, retail S-REITs may face higher-for-longer borrowing costs if higher inflation pushes back rate cut expectations. This places pressure on the rental reversion outlook, distributable incomes and hence overall asset valuations. At the same time, investors may once again pay greater attention to balance sheet strength, favouring counters with healthy aggregate leverage ratios and prudent capital management.

Specific to the retail sub-sector, broader macroeconomic uncertainty may weigh on consumer sentiment, while higher inflation erodes households' real purchasing power, partially offset by government support measures, resulting in reduced tenant sales. While geopolitical uncertainty and safety concerns could keep more Singaporeans at home during this period, higher jet fuel costs and airfares may dampen inbound travel demand and hence tourist dollars. Landlords will likely face higher utility costs, albeit with a time lag as tariffs are adjusted, mitigated by potential cost pass-through to tenants. Ongoing AEs may run a higher risk of cost overruns and timeline delays given higher construction material costs and supply chain disruptions. Finally, tenants may also face margin pressure and higher occupancy costs if they are unable to pass on higher cost of goods sold and related shipping and insurance costs to customers.

Conclusion: Singapore retail leakage exists, but the bucket keeps filling

In our view, Singapore's urban retail spend is best illustrated as a 'leaky bucket' that is nonetheless being replenished faster than it drains. While outflows from the bucket, namely shopping in JB, overseas travel spending and e-commerce are visible, the inflows are structurally stronger. Continued population growth and rising household incomes act as two powerful, persistent streams feeding domestic consumption, offsetting leakage pressures. At the same time, the key leakages are either constrained, with cross-border shopping to JB remaining modest and likely capacity-limited; overseas travel spend is partly offset by rising inbound tourism; and e-commerce penetration has stabilized at mid-teens levels, co-existing with physical retail. Crucially, none of these outflows have prevented Singapore retail sales from recovering beyond pre-Covid levels, even as cross-border traffic has surged ahead of the RTS. In contrast to Hong Kong – where population stagnation, weak income growth and a far deeper substitution effect from Shenzhen accelerate net leakage, Singapore's demographic and income inflows continue to refill the bucket at a faster pace than demand leaks out. This preserves the long-term stability of retail footfall, tenant sales and rents.

Exhibit 14: Singapore's suburban retail ecosystem is resilient – leakage exists, but is outweighed by domestic growth



Source: OCBC Group Research; Note: Image generated by ChatGPT-5.3

We expect retail S-REITs to remain resilient in 2026

Retail S-REITs delivered strong operating metrics for their Singapore assets in the latest earnings season. Rental reversions remained positive, ranging from 12.4% for OUE REIT's Mandarin Gallery for FY25 to 16.2% for Suntec REIT in 4Q25. Occupancy remained healthy with most names pushing above 99%, while OUE REIT was a key laggard at 95.7% as management executed on a pop-up strategy to drive footfall and tenant sales.

Exhibit 15: Key operating metrics for selected S-REITs with retail operations in Singapore

REIT	Period ended 31 Dec 2025	Retail rental reversions	Retail occupancy	Tenant sales YoY	Shopper traffic YoY
CapitalLand Integrated Commercial Trust (CICT)	FY25	Overall: 6.6% Suburban: 7.2% Downtown: 6.2%	Overall: 98.7%	Overall: 1.2% Suburban: 1.3% Downtown: 0.9%	Overall: 4.6%
Frasers Centrepoint Trust (FCT)	1QFY26	Undisclosed	98.1%	2.7%	1.3%
Mapletree Pan Asia Commercial Trust (MPACT)	9MFY26	VivoCity: 14.7% Festival Walk: -10.5%	VivoCity: 100% Festival Walk: 98.4%	VivoCity: 3.8% Festival Walk: -2.9%	VivoCity: 2.6% Festival Walk: 4.5%
OUE REIT (OUEREIT)	FY25	Mandarin Gallery: 12.4%	Mandarin Gallery: 95.7%	Mandarin Gallery: undisclosed	Mandarin Gallery: undisclosed
Starhill Global REIT (SGREIT)	1HFY26	Undisclosed	Singapore: 99.5%	2.9%	-1.2%
Suntec REIT (SUN)	4Q25	16.2%	Overall: 99.5% Suntec City Mall: 99.5% Marina Bay Link Mall: 98.9%	1%	-1%

Source: REIT Managers, OCBC Group Research; as at 31 Dec 2025.

Note: For CICT, tenant sales and shopper traffic for overall retail portfolio and downtown malls exclude ION Orchard as the mall was acquired on 30 Oct 2024. For Suntec REIT, retail rental reversions, tenant sales, and shopper traffic figures are for Suntec City Mall only.

According to the Urban Redevelopment Authority (URA), retail rents grew another 0.6% quarter-on-quarter (QoQ) in 4Q25, while island-wide retail vacancy improved 0.6 percentage points (ppt) QoQ to 6.3%. Meanwhile, CBRE Research reported a 0.5% QoQ increase in island-wide prime retail rents for the quarter, lifting full year growth to 2.4% and marking the first time island-wide average prime rents have surpassed pre-pandemic levels.

For 2026, CBRE Research expects overall prime retail rents to grow 1-2%, supported by resilient consumer spending, tourism recovery, and limited new supply. To recap, STB is expecting international visitor arrivals of between 17-18m in 2026, and for tourist receipts to reach between SGD31-32.5b. This should be supportive of shopper traffic and tenant sales, though the conflict in the Middle East does throw a spanner into the works. For 9M25, tourism spending hit a record SGD23.9b, surging 6.5% YoY and putting the sector on track to surpass STB's forecast of SGD29-30.5b for 2025. Growth was underpinned by sightseeing, entertainment and gaming, and food and beverage categories.

Meanwhile, Cushman & Wakefield sees Orchard and suburban prime retail rents leading growth at 1.5-2.5%, supported by tight supply and resilient tenant demand. Similarly, we expect retail rents in Singapore to increase by a low single digit level in 2026. Despite market chatter about high-profile closures, Singapore continues to attract new-to-market tenants and international brands, including rapid expansion of Chinese brands. Occupancy costs remain below pre-pandemic levels, supporting landlords' pricing power and rental growth.

Exhibit 16: Upcoming retail supply (non-exhaustive)

Property	Submarket	Estimated NLA (sq ft)	Expected completion
CanningHill Square	Other city areas	87,000	2026
Parc Point, Tengah Park Neighbourhood Centre	Suburban	75,000	2026
Bukit V mall	Suburban	174,000	2028
Tanglin Shopping Centre redevelopment	Orchard	118,000	2028
Tanjong Katong Complex redevelopment	City fringe	163,000	2029
The Golden Mile redevelopment	Other city areas	83,000	2029

Source: Cushman & Wakefield (Jan 2026)

Preferred picks

Credit: We are comfortable with the REITs with Singapore retail exposure under our coverage in general. We are **Underweight** the CAPITA curve in general as it trades tight. Meanwhile, we are **Overweight** on selective issues amongst the crossover credits including parts of the **SUNSP and OUECT curve**.

Exhibit 17: Credit issues by S-REITs under coverage with retail exposure

Issue	Issuer Profile	Maturity/Next Call Date	Ask YTW	Spread	Recommendation*
CAPITA 2.88 '27	N (3)	10/11/2027	2.04%	59bps	UW
CAPITA 2.1 '28	N (3)	08/03/2028	1.88%	35bps	UW
CAPITA 3.938 '30^	N (3)	19/06/2030	2.24%	34bps	N
CAPITA 2.18 '31^	N (3)	10/03/2031	2.25%	27bps	UW
CAPITA 3.35 '31	N (3)	07/07/2031	2.35%	34bps	UW
CAPITA 2.25 '32^	N (3)	27/09/2032	2.43%	33bps	UW
CAPITA 2.15 '32	N (3)	07/12/2032	2.47%	35bps	UW
CAPITA 3.75 '34^	N (3)	10/07/2034	2.60%	40bps	UW
CAPITA 3.3 '35^	N (3)	30/04/2035	2.65%	40bps	UW
FCTSP 3.98 PERP	N (3)	02/07/2030	3.48%	158bps	OW
MAGIC 3.5 PERP	N (3)	08/06/2026	1.85%	73bps	N
MCTSP 3.045 '27	N (3)	27/08/2027	1.72%	32bps	N
MCTSP 3.05 '29	N (3)	22/11/2029	2.27%	44bps	N
MCTSP 4.25 '30^	N (3)	29/03/2030	2.30%	43bps	N
MCTSP 2.45 '32^	N (3)	13/08/2032	2.55%	46bps	N
MCTSP 3.9 '34^	N (3)	07/03/2034	2.66%	47bps	N
MCTSP 3.104 '32^	N (3)	11/03/2032	2.50%	44bps	N
OUECT 3.95 '27	N (4)	05/05/2027	1.74%	43bps	N
OUECT 4.1 '27^	N (4)	14/06/2027	1.80%	46bps	N
OUECT 3.9 '31^	N (4)	26/09/2031	2.74%	71bps	OW
OUECT 2.75 '32^	N (4)	08/10/2032	2.80%	70bps	OW
SGREIT 3.14 '26	N (4)	03/10/2026	1.38%	21bps	UW
SGREIT 2.23 '28	N (4)	13/09/2028	2.03%	40bps	UW
SGREIT 3.25 PERP	N (4)	10/10/2030	3.41%	148bps	N
SUNSP 4.25 PERP	N (4)	15/06/2026	1.35%	22bps	N
SUNSP 2.95 '27	N (4)	05/02/2027	1.96%	70bps	OW
SUNSP 4.48 PERP	N (4)	17/06/2030	3.90%	201bps	N
SUNSP 3.4 '31	N (4)	27/03/2031	2.84%	85bps	OW
SGREIT 3.14 '26	N (4)	03/10/2026	1.38%	21bps	UW

Continued on next page.

Issue	Issuer Profile	Maturity/Next Call Date	Ask YTW	Spread	Recommendation*
SGREIT 2.23 '28	N (4)	13/09/2028	2.03%	40bps	UW
SGREIT 3.25 PERP	N (4)	10/10/2030	3.41%	148bps	N
SUNSP 4.25 PERP	N (4)	15/06/2026	1.35%	22bps	N
SUNSP 2.95 '27	N (4)	05/02/2027	1.96%	70bps	OW
SUNSP 4.48 PERP	N (4)	17/06/2030	3.90%	201bps	N
SUNSP 3.4 '31	N (4)	27/03/2031	2.84%	85bps	OW

Indicative prices as at 06 April 2026 (Source: Bloomberg) * Based on Monthly Credit View (2 April 2026) **YTR for perpetuals; YTW for bullets

Equity: For S-REITs under our coverage with meaningful exposure to Singapore retail operations, we have 'Buy' ratings on **CapitaLand Integrated Commercial Trust [CICT SP; FV: SGD2.67]** and **Frasers Centrepoint Trust [FCT SP; FV: SGD2.49]**, and 'Hold' ratings on **Mapletree Pan Asia Commercial Trust [MPACT SP; FV: SGD1.49]**, **Starhill Global REIT [SGREIT SP; FV: SGD0.525]** and **Suntec REIT [SUN SP; FV: SGD1.43]**.

We prefer CapitaLand Integrated Commercial Trust to Frasers Centrepoint Trust due to its stronger distribution per unit (DPU) growth outlook and diversified operations. Frasers Centrepoint Trust derived 49.0% of its FY25 (financial year ending 30 Sep 2025) net property income (NPI) from Causeway Point and Northpoint City, excluding contributions from Waterway Point and NEX as both malls are not consolidated. If we factor in the NPI of both malls based on FCT's 50% effective interest, the proportion of Causeway Point and Northpoint City's NPI contribution would be ~37.4%. Given the location of Causeway Point and Northpoint, City, we believe they could be more susceptible to retail sales leakage to JB and thus dampen investor's sentiment on the stock until there is better visibility on the impact. That said, we have confidence in management's execution capabilities, and believe there are mitigating factors. An expected 138k new housing units are planned or under construction in Singapore over the next six to seven years, of which approximately 20.3k and 13.5k units are earmarked in the North Region and Northeast Region, respectively.

Exhibit 18: Valuation metrics of retail S-REITs with meaningful Singapore retail exposure

REIT	Ticker	Last Close (SGD)	Fair Value (SGD)	Distribution Yield FY1	Distribution Yield FY2	P/B FY1 (x)	P/B FY2 (x)	Potential Total Returns	Rating
CapitaLand Integrated Commercial Trust	CICT SP	2.31	2.67	5.2%	5.3%	1.1	1.1	21%	BUY
Frasers Centrepoint Trust	FCT SP	2.22	2.49	5.6%	5.7%	1.0	1.0	18%	BUY
Mapletree Pan Asia Commercial Trust	MPACT SP	1.33	1.49	6.1%	6.2%	0.8	0.8	18%	HOLD
Starhill Global REIT	SGREIT SP	0.540	0.525	6.8%	7.0%	0.7	0.7	4%	HOLD
Suntec REIT	SUN SP	1.49	1.43	4.8%	5.1%	0.7	0.7	1%	HOLD

Source: Bloomberg, OCBC Group Research estimates, as at 7 Apr 2026 closing prices. Note: FY1 denotes current financial year; FY2 denotes next financial year. Figures are internal forecasts.

Analyst Declaration

The analyst(s) who wrote this report and/or his or her respective connected persons hold financial interests in the following above-mentioned issuers or companies as at the time of the publication of this report: *[CapitaLand Integrated Commercial Trust, Frasers Centrepoint Trust, Starhill Global REIT, Suntec REIT]*

The analyst(s) does not receive compensation directly or indirectly related to the inclusion of specific recommendations or views in this report.

The analyst(s) or his/her associate confirms that he or she does not serve on the board or in trustee positions of the issuers/ companies covered within this research report, and the issuers/ companies or other third parties have not provided or agreed to provide any compensation or other benefits to the analyst(s) in connection with this report.

Disclaimers

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

Additional disclosures and disclaimers applicable only to clients of Bank of Singapore Limited

This material is being made available to you through an arrangement between Bank of Singapore Limited (Co Reg. No.: 197700866R) ("BOS") and Oversea-Chinese Banking Corporation Limited ("OCBC Bank") (Co Reg. No.: 193200032W). BOS and OCBC Bank shall not be responsible or liable for any loss (whether direct, indirect or consequential) that may arise from, or in connection with, any use of or reliance on any information contained in or derived from this material, or any omission from this material, other than where such loss is caused solely by BOS' or OCBC Bank's wilful default or gross negligence.

The DIFC Branch of BOS has not conducted or produced any research contained in this material and is acting solely as a conduit in forwarding it to you.

For BOS clients in the United Kingdom:

This research has been prepared by OCBC Bank and made available to BOS. It is intended solely for informational purposes and does not constitute investment advice, a personal recommendation, or an offer or solicitation to buy or sell any financial instruments. Any payments or non-monetary benefits received or paid will be fully disclosed in accordance with applicable regulations, promptly and transparently, and will not influence the advice or services offered to you. If you would like more information about any inducements received, please contact your Relationship Manager.

Cross Border Disclaimer and Disclosures

Please refer to https://www.bankofsingapore.com/Disclaimers_and_Disclosures.html for cross-border marketing disclaimers and disclosures.

RATINGS AND RECOMMENDATIONS:

- OCBC Group Research's technical comments and recommendations are short-term and trading oriented.
- OCBC Group Research's fundamental views and ratings (Buy, Hold, Sell) are medium-term calls within a 12-month investment horizon.
- As a guide, OCBC Group Research's BUY rating indicates total expected returns (excluding dividends) in excess of 10% based on the current price; a HOLD rating indicates total expected returns (excluding dividends) within +10% and -5%; a SELL rating indicates total expected returns (excluding dividends) less than -5%. For REITs and Business Trusts, total expected returns including dividends apply.
- For companies with market capitalisation of S\$150m and below, OCBC Group Research's BUY rating indicates total expected returns (excluding dividends) in excess of 30%; a HOLD rating indicates total expected returns (excluding dividends) within a +/-30% range; a SELL rating indicates total expected returns (excluding dividends) less than -30%. For REITs and Business Trusts, total expected returns including dividends apply.