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Q3 2026
Retail

Islandwide Occupancy Holds Firm Amid Strong Demand For Prime Retail Spaces

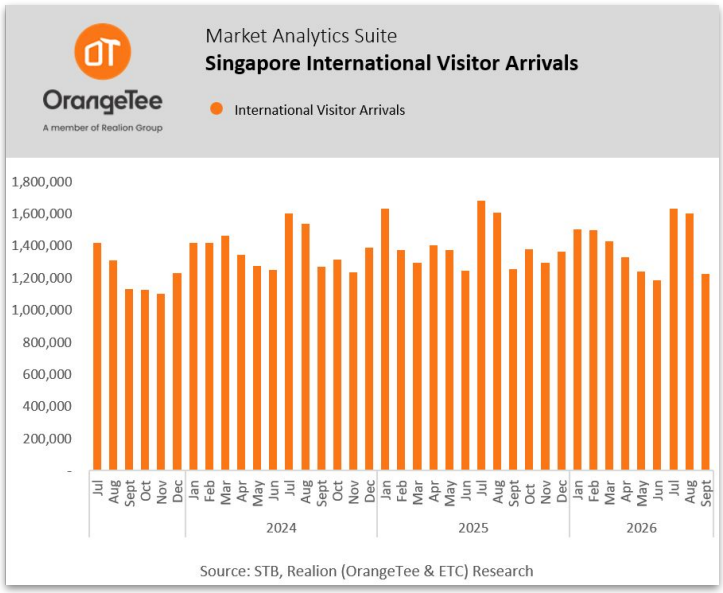
At A Glance

Retail | Q3 2026	QoQ Change	YoY Change
Orchard/Scotts Road 1st Storey Rent: **S$42.15 psf**	▲ 0.5%	▲ 0.8%
Supply Pipeline: **1.6 million sq ft NLA (Q4 2026 to 2030)**		

Tourism Trends | Increase in visitor arrivals

- In Q3 2026, International Visitor Arrivals (IVA), stood at roughly 4.5 million, marking an 18.8% increase from the 3.8 million visitors recorded in the previous quarter (Figure 1).
- Despite the risk of disruption to Q4 arrivals due to the transboundary haze, international arrivals are expected to reach between 17.0 and 18.0 million this year, underpinned by major events in the last quarter of the year. Tourism receipts are estimated to be between S$31.0 billion and S$32.5 billion for the whole 2026.

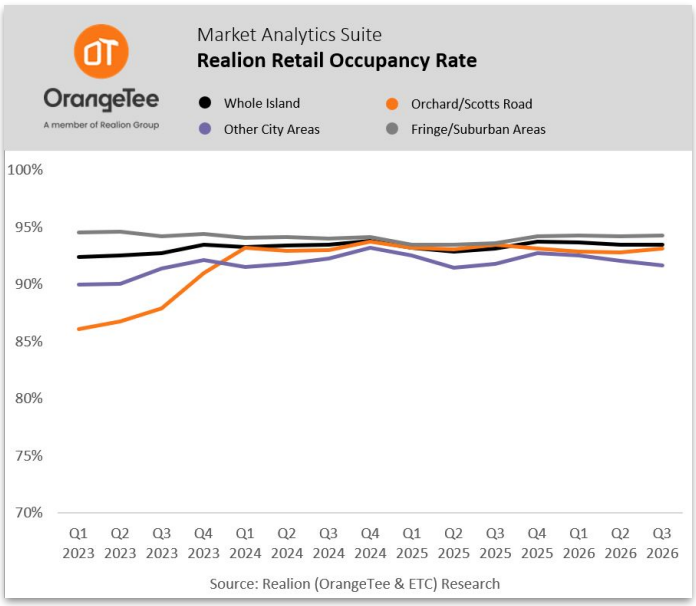
Figure 1 : Higher Q3 international visitor arrivals



Occupancy | Stable occupancy rates

- Steady leasing demand for retail spaces was observed in Q3 2026, with the island-wide retail occupancy rate holding steady q-o-q at 93.5%. Some notable store openings in Q3 2026 include Polene at Marina Bay Sands, Chick-fil-A's second outlet at Millenia Walk, and multiple Chagee outlets in various suburban malls.
- Occupancy rates in the Orchard/Scotts Road and Fringe/Suburban areas inched up to 93.1% and 94.3% in Q3 2026, from 92.8% and 94.2% respectively in Q2 2026. In contrast, occupancy in Other City areas dipped marginally from 92.0% to 91.7% over the same time period (Figure 2). Quality retail spaces continue to be in demand as footfall across malls remains high despite ongoing macroeconomic uncertainties.

Figure 2 : Island-wide occupancy remained stable



Rental Trends | Rental rates increased across the island

- Prime first-storey rental rates increased across all markets in Q3 2026. Prime first-storey rents in Orchard/Scotts Road and Other City areas retail spaces both grew by 0.5% to S$42.15 psf and S$19.80 psf respectively in Q3 2026, while prime first-storey rents in Fringe/Suburban areas grew by 0.3% q-o-q to S$34.90 psf in Q3 2026 (Table 1).

Table 1 : Orchard/Scotts Road rents increased

	Q2 2026	Q3 2026	Q-o-Q Change
Orchard/Scotts Road			
First Storey	S$41.95 psf	S$42.15 psf	0.5%
Upper Storey	S$15.70 psf	S$15.75 psf	0.5%
Other City Areas			
First Storey	S$19.70 psf	S$19.80 psf	0.5%
Upper Storey	S$8.80 psf	S$8.85psf	0.5%
Fringe/Suburban Areas			
First Storey	S$34.80 psf	S$34.90 psf	0.3%
Upper Storey	S$18.55 psf	S$18.60 psf	0.3%

Source: Realion (OrangeTee & ETC) Research

Supply Pipeline | Limited upcoming retail space

- Supply of retail space remains limited in the upcoming years, especially in the Orchard/Scotts Road area (Figure 3). Major retail completions will likely take place from 2028 onwards, mostly in the Other City Areas and Fringe/Suburban Areas.

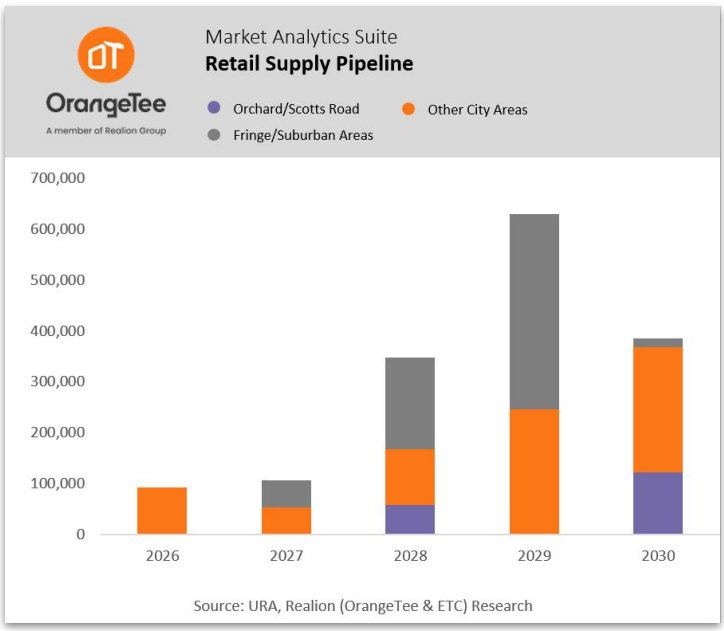
- Moreover, Orchard Central will be converting some of its existing space for office use, while JustCo will be taking over the former Taste Orchard to introduce a new mixed concept comprising co-working, co-living, and retail spaces.

Table 2 : More supply expected in 2028 and 2029

Selected Major Upcoming Development	NLA '000 sq ft
2026	
CanningHill Square	76
2027	
Chong Pang City	53
TMW Maxwell	32
2028	
One Comcentre	71
The Clifford	35
The Reserve Residences	77
The Skywaters	58
2029	
Golden Mile Complex Redevelopment	82
One Sophia	78
Tanjong Katong Complex	235
	797

Source: Realion (OrangeTee & ETC) Research

Figure 3 : Upcoming supply in Orchard/Scotts Road limited



Outlook | Steady demand to support rental price growth

- Demand for retail spaces in Singapore is likely to remain strong from both local and international retailers. A slew of well-known foreign brands, from both F&B and fashion & lifestyle brands, will be opening in the last quarter of 2026.
- Moreover, ongoing and future asset enhancement initiatives across both prime and suburban malls, aimed at refreshing spaces and attracting consumers, may prompt some brands to relocate to other spaces in the meantime.
- Singapore remains an attractive destination for companies looking to expand in the region, which will continue to support rental prices across the market.
- Overall, rents are expected to rise modestly for the whole year of 2026.

Retail Rents (Prime First Storey)

Indicators	2023	2024	2025	Q2 2026	Q3 2026	Projection for 2026
Orchard/Scotts Road	3.5%	1.6%	1.5%	0.0%	0.5%	2.0% to 3.0%
Other City Areas	0.5%	0.6%	1.0%	0.5%	0.5%	1.0% to 2.0%
Fringe/Suburban Areas	2.0%	1.4%	1.2%	0.3%	0.3%	1.0% to 2.0%

Source: Realion (OrangeTee & ETC) Research

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