Singapore Property Market Outlook 2027

REALION
The Group Behind OrangeTee | ETC

Retail



Ion Orchard
Credit: Realion (OrangeTee & ETC) Research

THE BIG PICTURE
A product by Realion (OrangeTee & ETC) Research

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Overall retail occupancy expected to stay healthy, supported by fresh foreign brands and tourism growth

Current State Of Play

- Retail leasing demand stayed resilient, as island-wide occupancy trended above 90% in 2026 (Fig 8.1), despite the exit or downsize of several established homegrown and global brands. Department stores, such as Isetan closed an outlet, while Metro is set to close stores when the leases expire. Other retailers, including The Providore, T2 Tea, Twelve Cupcakes and True Fitness, also ceased operations. Culinary heavyweight, Crystal Jade and multi-chain retailer, Daiso shuttered some outlets, as they streamlined operations.

- Nonetheless, vacancies have been absorbed by new entrants, with international brands occupying prime retail spaces and heartland malls. Global brands, such as Skechers, opened its first Skechers USA concept store in Southeast Asia at Jewel Changi Airport, while Tiffany & Co unveiled a massive triplex flagship boutique, including the Blue Box Cafe, at ION Orchard.

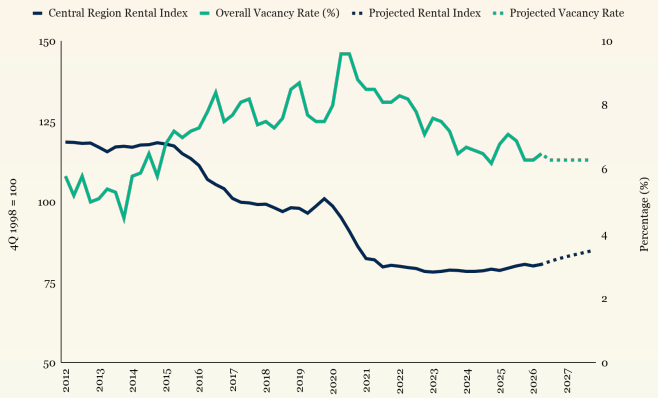
- The changing retail landscape, high operating costs and shifting consumer preference for online and cross-border shopping continue to weigh on rental growth, which has stayed muted over the past four years (Fig 8.1).

Future Market Drivers

- **Tourism to support retail spending:** Singapore's tourism sector is expected to expand in 2027, with S$740 million to be injected to boost tourism projects over the next five years. Under the Tourism 2040 programme, Singapore aims to reach between S$47 and S$50 billion in tourism spending by 2040. The potential surge in visitor arrivals and spending will drive demand for retail, particularly in luxury and prime retail malls. Major MICE events in 2027, including ASEAN Tourism Forum, SIBOS 2027, InnoTransAsia 2027, Disney's D23 Asia, Formula 1 Singapore Airlines Singapore Grand Prix 2027, are also expected to support spending.

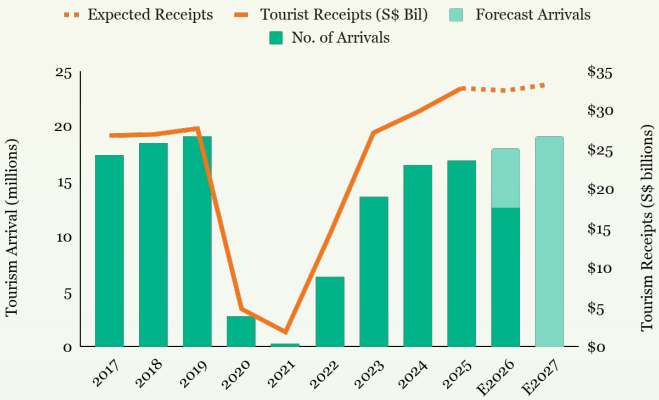
- **Continued influx of foreign players:** International retailers, especially major Chinese brands, are expected to continue expanding their presence in Singapore. A saturated domestic market has driven brands to venture overseas, with Singapore as a preferred destination for its global visibility and relatively lower cultural and language barriers. A presence in Singapore for emerging brands could also strengthen brand recognition and credibility, as they expand into other markets.

Figure 8.1:
Island-wide retail occupancy remained stable amid moderate rental growth



Source: Realion (OrangeTee & ETC) Research

Figure 8.2:
Singapore's tourism sector is expected to scale up in 2027



Source: Singapore Tourism Board, Department of Statistics Singapore, Realion (OrangeTee & ETC) Research



Photo of Marina Bay Sands The Shoppes

Overall retail occupancy expected to stay healthy, supported by fresh foreign brands and tourism growth

- **Deep pockets and unmatched low-cost advantage to cushion rental hikes:** The continued influx of international retailers could support leasing demand despite elevated rents and operating costs. For instance, Chinese retailers, backed by unparalleled economies of scale and highly optimised supply chains, are able to leverage ultra-low production and material costs back home to cushion the the impact of elevated operating and rental costs in Singapore. Continued take-up by these well-capitalised global brands will help sustain occupancy and support rental levels.

- **Suburban retail occupancy to stay robust:** In addition to the steady demand from expanding international brands, the tight retail pipeline supply will continue to keep occupancy levels robust.

Possible Headwinds

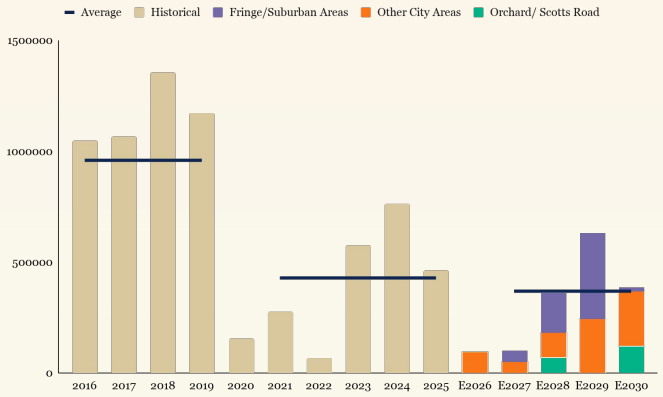
- **Rental cost affordability:** Despite continued demand from global retailers, potential interest rate hikes, macroeconomic uncertainties and supply-chain disruptions will keep cost pressures high. This may limit retailers' capacity to absorb further rental increases and limit landlords' ability to raise rents substantially.

- **Competition across border**: The completion of the JS-SEZ (Johor-Singapore Special Economic Zone) and improved cross-border connectivity could intensify competition, particularly for suburban malls and heartland retailers, due to lower-cost retail options in Malaysia.

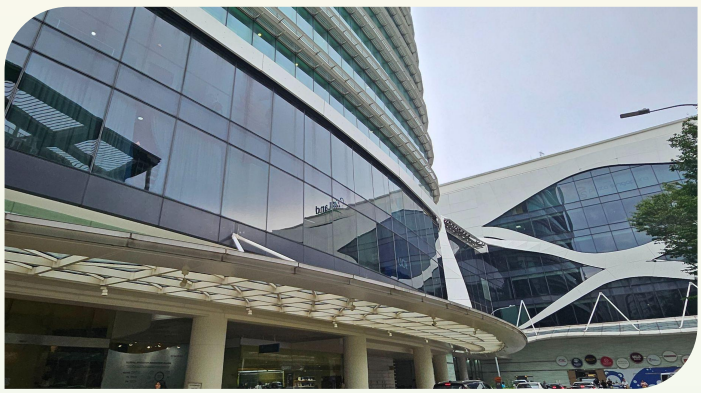
2027 Projections

- Overall retail occupancy is expected to stay healthy, as fresh foreign brands continue to take up space vacated by domestic players. Rental prices in Orchard/Scotts Road are projected to grow by 2% to 3% in 2027, while those at Other City Areas and Fringe/Suburban Areas are expected to rise by 1% to 2%.

Figure 8.3:
Pipeline supply of new retail spaces



Source: URA, Realion (OrangeTee & ETC) Research



Photos of The Atrium Orchard and Plaza Singapura



Photo of Orchard shopping belt

Retail Market Projection 2027

Indicators	2022	2023	2024	2025	Projection for 2026	Projection for 2027
Retail Rental Growth for Prime First Storey						
Orchard/Scotts Road	7.6%	3.5%	1.6%	1.5%	1.5% to 2.5%	2% to 3%
Other City Areas	3.7%	0.5%	0.6%	1.0%	1% to 2%	1% to 2%
Fringe/Suburban Areas	6.9%	2%	1.4%	1.2%	1% to 2%	1% to 2%

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