

Prime Central Area Retail Rents Rise 1.7% Year-on-Year in Q4 2025 Amid Selective Leasing Demand

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For Immediate Release - SAVILLS Research reported that average monthly rents in its basket of retail properties in the Orchard Area increased by 1.7% year-on-year (YoY) to S\$23.60 per sq ft in Q4 2025. This reflects continued tenant demand for high-visibility locations that deliver footfall and brand positioning, particularly within the Central Area.

In the Suburban Area, average monthly rents rose more modestly by 1% YoY to S\$14.90 per sq ft, supported by stable occupancy levels and sustained demand for convenience- and lifestyle-oriented retail formats.

Retail leasing activity remained steady in Q4 2025, with net absorption of 366,000 sq ft recorded across the market. Vacancies in the Central Region eased by 0.5 percentage points quarter-on-quarter (QoQ) to 7.3%, indicating continued occupier interest in centrally located retail space despite broader consumer caution.

However, stronger leasing momentum in the second half of 2025 was offset by weaker demand in the first half of the year. As a result, total net absorption for the full year amounted to 301,000 sq ft, significantly below the four-year post-recovery average of 1 million sq ft. Islandwide retail vacancy therefore remained broadly stable at 6.3% in Q4 2025.

Retail landlords continue to refine tenant mix strategies, with greater emphasis on experience-led retail and F&B offerings to drive and sustain footfall. While 2025 recorded a higher-than-average number of F&B business closures, the formation of new establishments continued to outpace cessations, resulting in a net increase in outlets across the market.

Singapore continues to be a preferred launch market for international brands entering Asia. Following new openings in 2025 by brands such as On, Alo

Yoga and Chaufifth, further international entrants are expected in 2026, reinforcing demand for well-positioned retail assets, particularly in the Central Area.

Looking ahead, SAVILLS estimates that approximately 504,000 sq ft of net lettable area (NLA) of new retail space is scheduled for completion in 2026, marginally above the five-year historical average. With supply projected to average less than 324,000 sq ft (NLA) per annum over the next two years, pressure on occupancy and rental levels is expected to remain limited in the near term, especially for prime assets.

TABLE 1: Notable Projects above 100,000 sq ft in the Pipeline

ESTIMATED COMPLETION	DEVELOPMENT	LOCATION	ESTIMATED NLA (SQ FT)*
n.a.	Office/retail development (partial redevelopment of Marina Square)	Raffles Boulevard	660,000
mid-2030s	Changi Airport Terminal 5	Tanah Merah Coast Road	435,000
n.a.	Office/retail development (redevelopment of HarbourFront Centre)	Maritime Square	316,000
2029	Retail development (redevelopment of Tanjong Katong Complex)	Geylang Road	235,000
n.a.	Office/retail/hotel development (redevelopment of Forum The Shopping Mall, the voco Orchard Singapore hotel, and office development HPL House)	Cuscaden Road/Orchard Road	202,000
n.a.	Hotel/retail development (expansion of RWS integrated resort)	Sentosa Gateway	160,000
n.a.	Office/retail development (redevelopment of Tanglin Shopping Centre)	Cuscaden Road/Tanglin Road	118,000
n.a.	Office/retail development	Tanah Merah Coast Road	108,000

Source: Company announcements, URA, SAVILLS Research & Consultancy

*SAVILLS estimate, based on an efficiency rate of between 70% and 75%.

Commenting on the market, **Alan Cheong, Executive Director, Research & Consultancy, SAVILLS Singapore**, said, “While consumer spending remains cautious and operating costs are rising, demand has stayed resilient for prime retail assets that continue to deliver footfall and brand visibility. These locations are better positioned to attract well-capitalised brands and new entrants, supporting occupancy and rental resilience despite a more challenging leasing environment.”

Sulian Tan-Wijaya, Executive Director, Retail & Lifestyle, SAVILLS Singapore said, “Occupancy rates will continue to stay firm for the more prime malls, which are in a stronger position to pick and choose brands which better align with and further strengthen their positioning and tenant mix.”

SAVILLS projects retail rents in both Orchard Road and suburban malls to increase by 1% to 2% in 2026, with prime Central Area assets expected to outperform the broader market.

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By applying world research data and trends to local and global settings, we are able to empower our clients with insights from the forefront of the industry – bringing their aspirations to life through innovative, tailor-made solutions.

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