



NEWS

Under threat but still world-class

JUDITH TAN

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Orchard Road remains a location of choice, even as several factors erode its attractiveness, say retail experts

juditht@sph.com.sg

Shopping is to Orchard Road what food is to Katong.

The 2.2km boulevard has more than 5,000 retail brands and has pulled in tourists and locals alike for decades.

It has faced and survived countless threats, including suburban malls, the rise of regional shopping hubs and even online shopping.

Research analyst Eunice Khoo, of CBRE Research Singapore, said the shopping belt still has many things going for it, including Government support.

"The Urban Redevelopment Authority has been proactive in ensuring that Orchard stays attractive and relevant as a desired retail destination.

"It has led infrastructural and landscape changes to the area to improve the shopper's experience and encouraged landlords to enhance their assets through various schemes.

"The [Singapore Tourism Board](#) and the Orchard Road Business Association are also constantly working to promote Orchard Road as an attractive retail destination," she wrote in a 2014 article.

But other experts say that some of the shops along the shopping belt are under threat.

E-COMMERCE THREAT

Dr **Lynda Wee**, an adjunct associate professor in retail at [Nanyang Technological University's](#) business school, said brick-and-mortar retailers are having trouble with the new tricks of e-commerce.

"Online retailing redefines convenience and value. It's accessible anytime, anywhere. Traditional retailers face issues such as operating costs, shortage of manpower and trading within specified time," she added.

Traditional retailers are those who do not offer the online shopping option.

But shopping on the e-platform is not reason enough for such a slowdown, said [Singapore Polytechnic](#) marketing retail lecturer Amos Tan.

"Households in Singapore are not big on buying online and shopping online only constitutes less than 2 per cent.

"The diluted Orchard Road crowd can be attributed more to other reasons such as a change in the Singapore demographics and the convenience of heartland malls," he said.

"People today are more educated, earning better incomes and (are) well-travelled.

"Travelling now is... no longer an option but a lifestyle (and) Singaporeans today tend to shop more overseas than at home," he said.

Dr Wee said that part of the problem is that most malls are managed as Reit-instrument, focusing "on yield and rental income".

"(The) leasing team looks for proven brands and this promotes (a) sea of sameness," she said.

This, other experts say, is perhaps why many malls in the area feature fast-fashion tenants in prominent locations, but there is little coherence in how the shops are placed in relation to one another.

But a Government study showed that Reit (real estate investment trust) ownership is not to blame for high rents.

The Ministry of Trade and Industry said malls owned by Reits could be charging higher and raising rents faster simply because they are better located and more well-maintained than other shopping centres.

Only a few retailers islandwide see huge rental spikes, the ministry said.

It also said that up to a quarter of retailers every year would see either no rent increase or lower rents when they renewed their leases.

Ms Chia Siew Chuan, director of research & advisory at [Colliers International](#), said: "The [Singapore Tourism Board](#) and its partners have realised and are implementing various programmes to retake the initiative."

But, she said: "Singapore as a shopping destination also faces competition from other cities in the region."

REMAINS POPULAR

Still, Orchard Road remains a location of choice, most experts agreed.

It continues to be a world-class shopping street, as many international retailers looking to set up their first shops in Singapore seek prime spaces in high quality malls on Orchard Road.

Said Dr Wee: "It is accessible via public transportation. It also benefits from the marketing and promotion efforts by [Singapore Tourism Board](#). Orchard Road remains a popular place for shopping and speciality merchandise here."

The diluted Orchard Road crowd can be attributed more to other reasons such as a change in the Singapore demographics, and the convenience of heartland malls.

— [Singapore Polytechnic](#) marketing retail lecturer Amos Tan

WHAT MALL OWNERS SAY

Far East Organization

Mr Eric Tong, assistant director, Retail Business Group, said that footfall in Orchard Central has increased with the improved connectivity between 313@somerset, Orchardgateway and Orchard Central, coupled with its promotions in place.

313@Somerset

The mall has eight retail levels — five levels above ground and three basement levels — and direct access to Somerset MRT station at B2.

Ms Cheryl Goh, its general manager, said there are more than 160 stores in the mall and some tenancy changeovers are in progress as part of the normal leasing cycle to refresh offerings to suit changing consumer and shopper trends.

She added: "In the past year, we have seen year-on-year shopper traffic grow by double digits with the increased attractiveness of the precinct due to the new developments in the area.

Frasers Centrepoint Malls

A spokesman said that The Centrepoint will be fronted by a new sunken plaza and feature a new multi-level gourmet precinct on Level One and food hall in Basement One.

Plans to revitalise the mall, as part of ongoing efforts to refresh mall offerings, were first shared with tenants last year to ensure spaces were vacated before renovation could begin in mid-May this year.

Plaza Singapura

It opened in 1974 and has, over the years, constantly reinvented itself.

In 2012, Plaza Singapura was enlarged, with a new wing that is integrated with The Atrium@Orchard's retail podium.

Said Mr Ong Kee Leng, its general manager: "Currently, a few units in Plaza Singapura are carrying out renovation works by existing or incoming tenants.

"The incoming tenants at Plaza Singapura include well-known United Kingdom-based toy giant [Hamleys](#), which will be opening its first Singapore store at the mall."

EMPTY: There were few shoppers at the basement shops in Far East Plaza on a weekday afternoon. THE NEW PAPER ON SUNDAY, YESTERDAY

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