

Leasing demand improves, backed by new to market mainland Chinese retailers



Key Trends

- Leasing demand in **Vietnam** remained strong amid an influx of new entrants from mainland China. The quarter saw strong demand from existing international brands and local middle class fashion retailers. Other demand included relocation and expansion from watch & jewellery, cosmetic, and fashion brands.
- In **Singapore**, demand held firm as retailers cautiously expanded in anticipation of slower consumption. New to market brands continue to enter Singapore, with mainland Chinese F&B such as tea stores, casual restaurants and lifestyle retail most prominent. Retailers looking to enter the market are vying for prime space which remains in short supply.
- Retail leasing activity in **India** improved after a slow start to the year, backed by positive domestic consumption. The bulk of demand in Q2 2025 was from domestic brands expanding on high streets and in popular shopping malls. International brands are also expanding but comprise a smaller share of the leasing market.

“ Retailers’ need for expansion is generating spillover demand for non-CBD space due to limited options in CBDs and other core locations

”

Vivek Kaul

Managing Director
Head of Retail Leasing, Asia
CBRE | Advisory Services

Vietnam

Leasing demand remains strong amid influx of new entrants from mainland China

STATE OF THE MARKET

- The quarter saw strong demand from existing international brands and local fashion retailers.
- Backed by strong demand from local consumers, mainland Chinese brands accounted for the bulk of new market entrants with a diverse range of trades including fashion, F&B, and lifestyle. These brands are using partnerships or direct entry to enter Vietnam and prefer leasing space in shopping centres due to stable foot traffic.

TRANSACTION ACTIVITY

- Some mainland China value fashion brands made their debut in Vietnam in Q4 2024. Other activity included a lifestyle brand opening its first store in Q2 2025.
- Several new-to-market luxury groups are planning to open their first stores in H2 2025. A few existing luxury retailers are looking to double or even triple in size within the same location.
- Other demand includes relocation and expansion from watch & jewellery, cosmetics, and fashion brands.

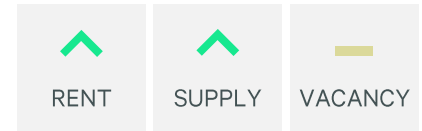
EMERGING TRENDS

- The total absence of new supply in prime locations since 2023 is inhibiting expansion by brands and new entrants looking to make their debut in the CBD. Limited availability has pushed up CBD rents by 18% since the end of 2023.
- The lack of options in the CBD is generating spillover demand for units in non-CBD locations.
- Foreign brands remain keenly sought-after by local developers.

OUTLOOK

- With experience-focused lifestyle retail and community shopping centres performing well, landlords are advised to diversify their malls' concepts and brand mix to attract more customers and new entrants.
- Retailers are suggested to focus their offering and store expansion on catering to the mass-to-middle market segment.

SIX-MONTH OUTLOOK



CONTACT US FOR DETAILS



Mai Vo

National Head of Retail Leasing, Vietnam
mai.vo@cbre.com

Singapore

Demand holds firm as retailers expand cautiously in anticipation of slower consumption

STATE OF THE MARKET

- Despite media reports of high rents forcing a wave of store closures, retailers are still expanding, albeit cautiously.
- New to market brands continue to enter Singapore, with mainland Chinese F&B such as tea stores, casual restaurants and lifestyle retail most prominent. Retailers looking to enter the market are vying for prime space which remains in short supply.
- Large format spaces available due to departing tenants are being repurposed or subdivided for new concepts and brands as landlords look to differentiate their offering and refresh their tenant mix to attract stronger footfall.

TRANSACTION ACTIVITY

- Demand from nightclub entertainment-related groups continued to weaken due to post-pandemic lifestyle changes and lower discretionary spending.
- Despite a wave of new entrants from mainland China, the mood within existing F&B brands is subdued following numerous high profile closures in recent months, with rising costs and rents cited as major factors.
- Existing prime shopping centre tenants that are key for mall positioning can expect milder rental increases upon renewal. In contrast, new entrants are likely to pay higher rents amid strong competition for the same prime spaces.

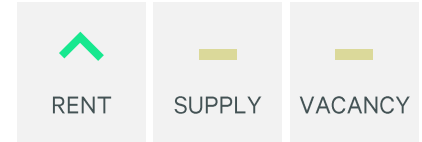
EMERGING TRENDS

- While CBD retail continues to perform well on the back of the normalisation of return-to-office trends, occupancy costs are weighing on retailer performance.
- With cinemas hit by the streaming industry and the lack of movie blockbusters to attract audiences, many operators are using hall spaces for alternative uses such as corporate events, church services and conferences during non-show periods.

OUTLOOK

- Landlords and tenants should adopt a collaborative mindset to ensure they stay attuned to the latest consumer trends whilst navigating operational pressures from rising costs and labour shortages.
- Shopping malls with a differentiated tenant mix blending lifestyle, entertainment and community, coupled with activation strategies to create a destination appeal, will be better positioned for success

SIX-MONTH OUTLOOK



CONTACT US FOR DETAILS



Joan Chen

Head of Retail Leasing Services, Singapore
joan.chen@cbre.com.sg

India

Leasing market improves after slow start to year, backed by positive domestic consumption

STATE OF THE MARKET

- The bulk of demand in Q2 2025 was from domestic brands expanding on high streets and in popular shopping malls.
- International brands are also expanding but comprise a smaller share of the leasing market.
- Pre-leasing momentum remains strong, with most new shopping malls opening with high occupancy.

TRANSACTION ACTIVITY

- Jewellery brands, including lab grown diamonds, and direct-to-consumer (D2C) brands are opening offline shops to promote themselves. Data collected from online sales is driving D2C brands' real estate strategy.
- During the quarter, a global fast fashion brand closed its flagship store in Mumbai after eight years of operation. A domestic multi-brand designer fashion retailer has taken over this prime space.
- Retailers are conducting location selection depending on how mature their brands are. While some brands will only consider prime malls in core locations, others are willing to take a risk on emerging locations.
- Value fashion brands who have already established their presence in tier I and II markets are targeting growth in lower tier cities.

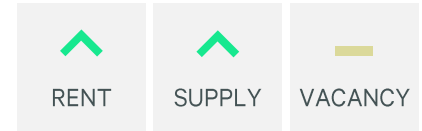
EMERGING TRENDS

- Shopping mall owners are adjusting their tenant mix more frequently than ever before as they look to build revenue growth. Non-performing tenants are being replaced by new brands with higher potential or higher trading density.
- Lease terms are shortening from a 9-year lease (3 + 3 + 3) to a 5 – 6-year lease with a termination clause.

OUTLOOK

- Leasing demand is projected to remain positive as India's retail market displays resilience despite ongoing global economic uncertainty.
- New entrants from overseas are advised to carefully adjust and localise their offering for the Indian market.
- Developers currently adjusting their tenant mix should focus on long term strategies for sustainable growth.

SIX-MONTH OUTLOOK



CONTACT US FOR DETAILS



Bimal Sharma

Head of Retail Leasing & Alternatives, India
bimal.sharma@cbre.co.in

Contact

Asia Pacific Research

Ada Choi, CFA
Head of Research
Asia Pacific
ada.choi@cbre.com

Jonathan Hills
Senior Director
jonathan.hills@cbre.com

Liz Hung
Senior Director
liz.hung@cbre.com

Dennis Ho
Manager
dennis.ho@cbre.com

Asia Pacific Leasing Services

Luke Moffat
Regional Managing Director
Head of Leasing, Asia Pacific
CBRE | Advisory Services
luke.moffat@cbre.com

Vivek Kaul
Managing Director
Head of Retail Leasing, Asia
CBRE | Advisory Services
vivek.kaul@cbre.com

Sheree Griff
Head of Retail Property
Management & Leasing, Pacific
sheree.griff@cbre.com

© Copyright 2025. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.