

CapitaLand Integrated Commercial Trust

# 1H 2023 Financial Results

1 August 2023

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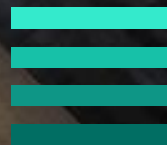
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# Highlights



CAPITASPR

# Delivering A Steady Performance Amidst Challenges



## Steady 1H 2023 Financial Performance

- Net property income up 10.1% year-on-year (YoY)
- Distributable income increased 1.7% YoY
- Distribution per unit rose 1.5% YoY



## Resilient Portfolio

- Higher portfolio committed occupancy for retail and office
- Positive rent reversions for new leases and renewals
- Managed most of leases expiring in 2023 and in talks with major tenants with leases due in 2024
- Tenant sales above 2019 levels
- Shopper traffic continue to improve YoY



## Outlook

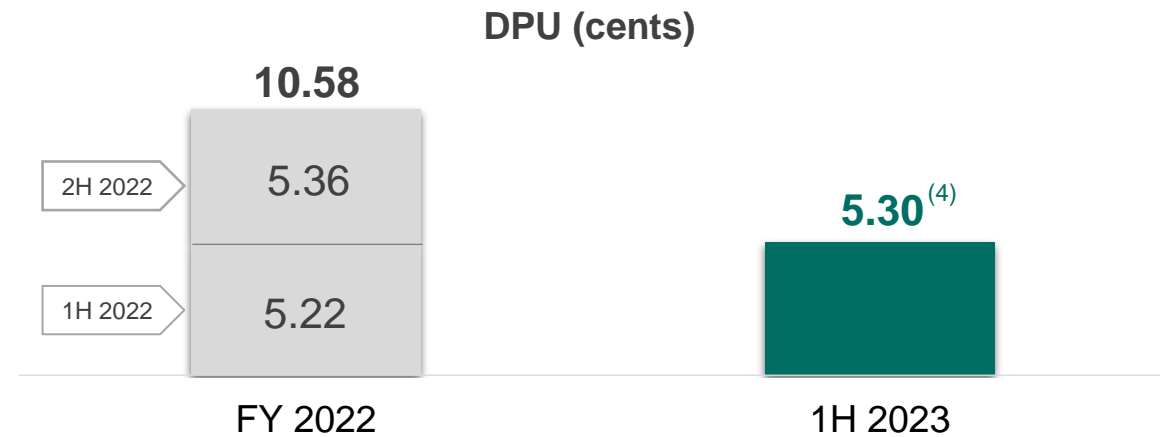
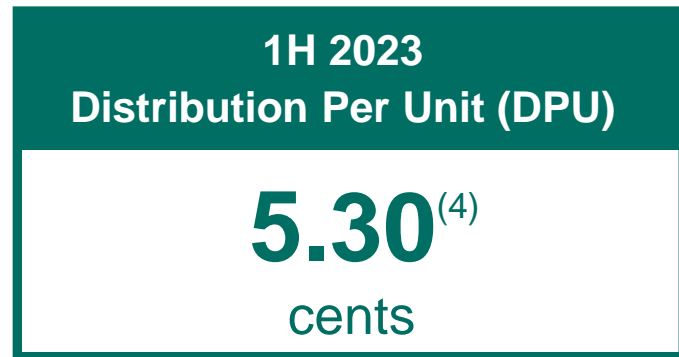
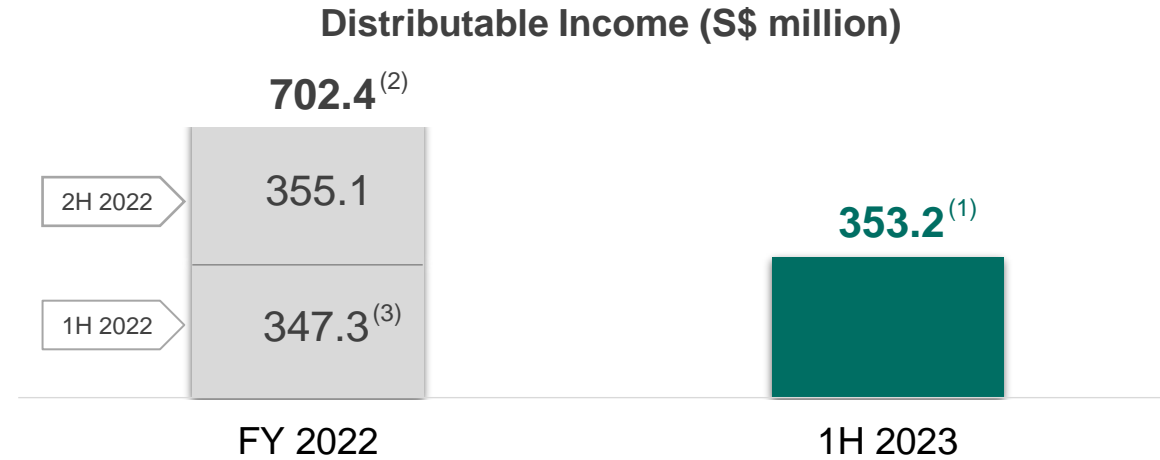
### Retail

- Retail rent and occupancy rate expected to continue positive trajectory in 2H 2023
- Driven by limited new supply and increasing tourist arrivals

### Office

- Office rent growth expected to moderate in 2H 2023 due to completion of new supply in 2023, lower economic growth and tapering demand
- Mitigated by proactive management of lease expiry

# Achieved 1H 2023 DPU of 5.30 cents, Up 1.5% Year-on-year



**Notes:**

- (1) For 1H 2023, S\$5.7 million comprising S\$4.5 million and S\$1.2 million received from CapitaLand China Trust (CLCT) and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- (2) For FY 2022, S\$10.6 million comprising S\$7.9 million and S\$2.7 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- (3) For 1H 2022, S\$3.9 million comprising S\$2.4 million and S\$1.5 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- (4) Distribution comprises taxable income of 5.04 cents, tax-exempt income of 0.02 cents and capital of 0.24 cents which relates to the distribution of income from 79RR Office Trust (owning CapitaSky), Glory Office Trust (owning CapitaSpring) and income repatriated from Australia and Germany.

# Resilient Operating Metrics



Portfolio  
Committed  
Occupancy<sup>(1)</sup>

**96.7%**  
▲ 0.5 ppts QoQ



1H 2023  
Active Portfolio  
Leasing

Total NLA for new  
and renewed leases  
**1.0M**  
sq ft



Total Borrowings  
on Fixed Interest  
Rate

**78%**



YTD Jun 2023  
Rent  
Reversion<sup>(2)</sup>

Retail Portfolio  
▲ **6.9%**

Office Portfolio  
▲ **9.6%**



Retail Portfolio  
YTD Jun 2023

Tenant Sales psf<sup>(3)</sup>  
▲ **6.0%**

Shopper Traffic<sup>(4)</sup>  
▲ **17.5%**



Average Debt  
Term to Maturity

**4.3**  
Years

Notes: Above information as at 30 June 2023, unless otherwise stated.

(1) Excludes CQ @ Clarke Quay as it is under AEI works.

(2) Based on average committed rents for incoming leases versus average rents of expiring leases.

(3) Compared against YTD June 2022 tenant sales on a per sq ft (psf) basis and adjusted for non-trading days.

(4) Compared against YTD June 2022 shopper traffic.

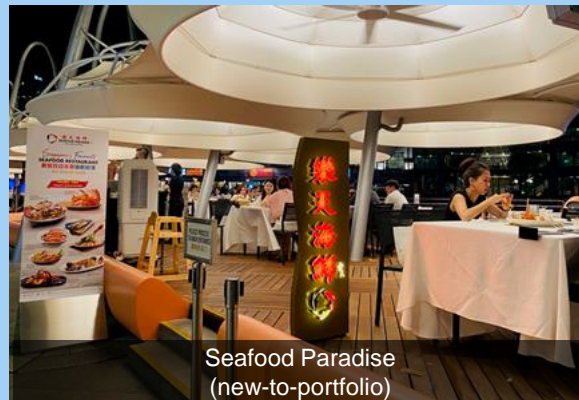
# Refreshing and Introducing New Retail Offerings

## CQ @ Clarke Quay

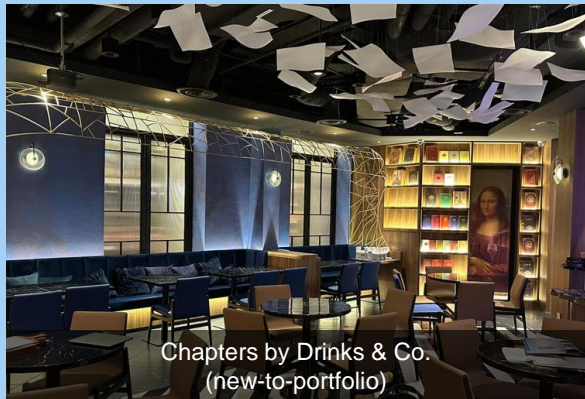
- Ongoing asset enhancement works expected to be completed by late 2H 2023
- Curating tenant mix with several new retail tenant openings in 2Q 2023



Simply Retro by Tin Box  
(new-to-portfolio)



Seafood Paradise  
(new-to-portfolio)



Chapters by Drinks & Co.  
(new-to-portfolio)



Sanchos  
(new-to-portfolio)

## Raffles City Singapore

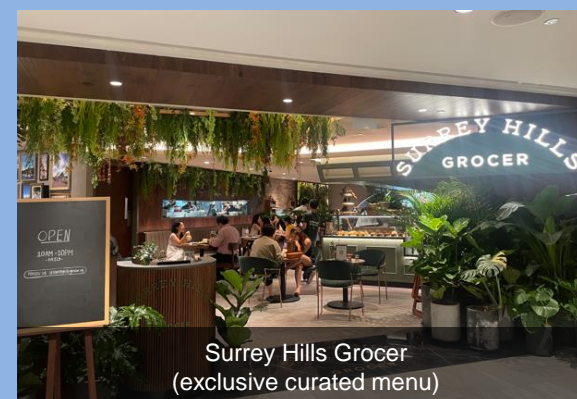
- Unveiling new F&B, Fashion and Lifestyle tenants



Sun & Sand Sports  
(new-to-market and Singapore flagship)



MCM  
(Curated selection of bags and small leather goods)



Surrey Hills Grocer  
(exclusive curated menu)



NEIWAI 内外  
(new-to-market and Singapore flagship)



# Overseas Assets Seeing Leasing Interests

Cautiously optimistic in light of macroeconomic environment

## SYDNEY, AUSTRALIA



**88.6%**

▲ 5.2 ppts QoQ  
as at 30 Jun 2023



Legal, Technology  
and Professional  
Services sectors

### 66 Goulburn Street



- Healthy interest and good take-up of new fitted-out suites for users requiring quick start-up
- 66 Goulburn Street committed occupancy increased to 95.9% as at 30 Jun 2023 from 87.1% as at 31 Mar 2023
- Lift and lift lobby upgrading works are still ongoing

## FRANKFURT, GERMANY



**95.3%**

▲ 0.7 ppts QoQ  
as at 30 Jun 2023



Financial Services,  
Renewable Energy  
and Aviation  
sectors

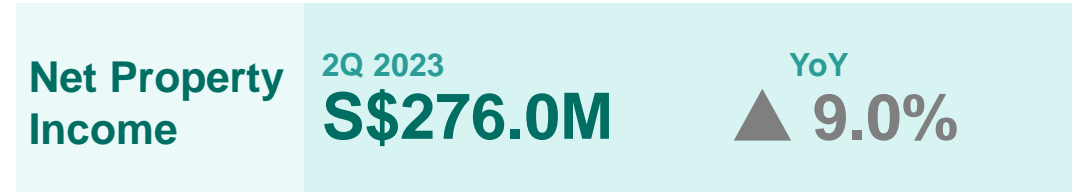
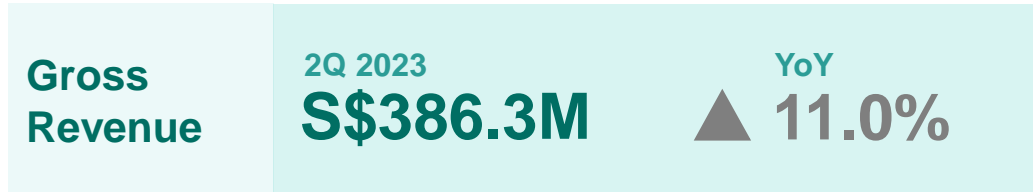
- More leasing interests in Frankfurt compared to previous quarters
- Gallileo to undergo asset enhancement on vacant possession when the existing lease ends in January 2024. Building expected to be non-income generating for at least 18 months from January 2024
- In advanced talks with a prospective tenant from the financial services sector to take up most of the lettable space at Gallileo after the completion of the upgrading works

# Financials & Capital Management

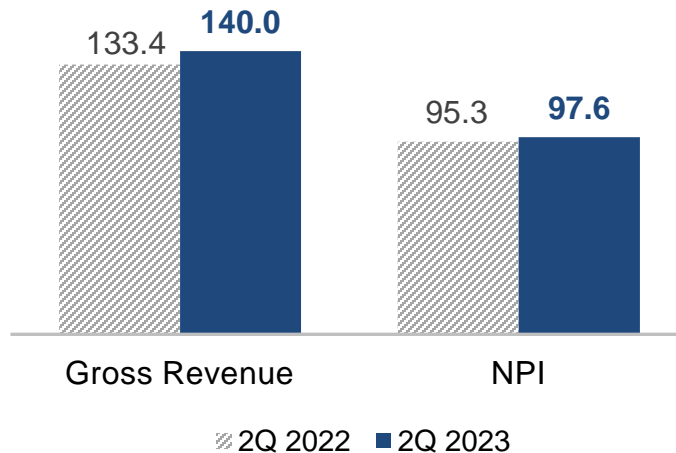


# 2Q 2023 Financial Performance

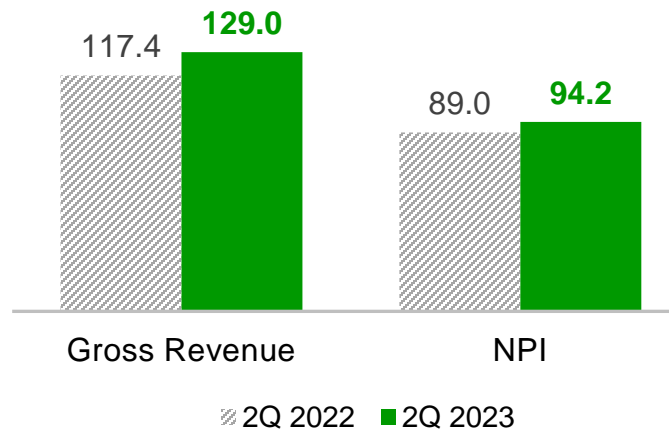
Boosted by full contribution from CapitaSky and 101-103 Miller St and Greenwood Plaza completed in 2Q 2022 and higher gross rental income from existing properties, partially offset by higher operating expenses largely due to utilities



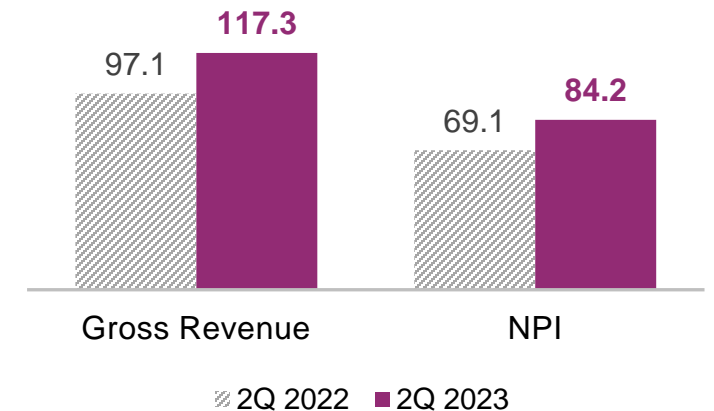
Retail Asset Performance  
(S\$ m)



Office Asset Performance  
(S\$ m)

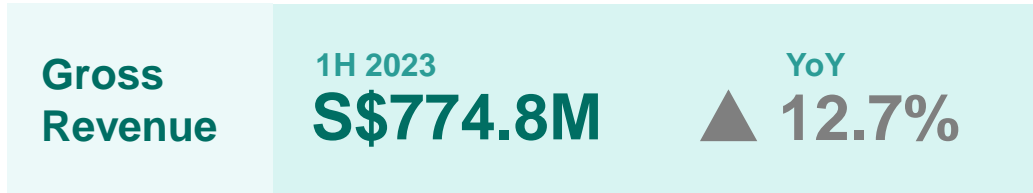


Integrated Development Performance  
(S\$ m)

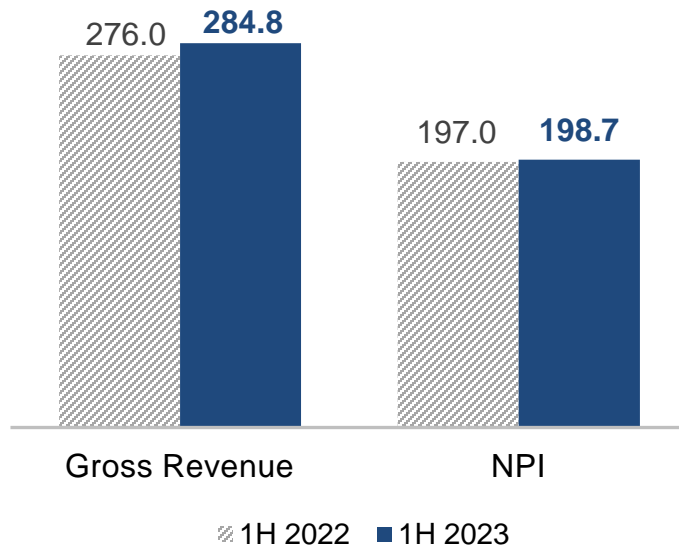


# 1H 2023 Financial Performance

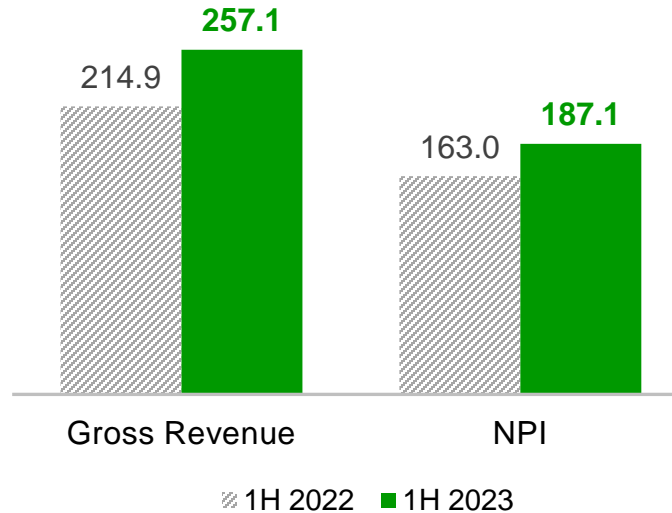
Boosted by full contribution from acquisitions completed in 1H 2022 and higher gross rental income from existing properties, partially offset by higher operating expenses largely due to utilities



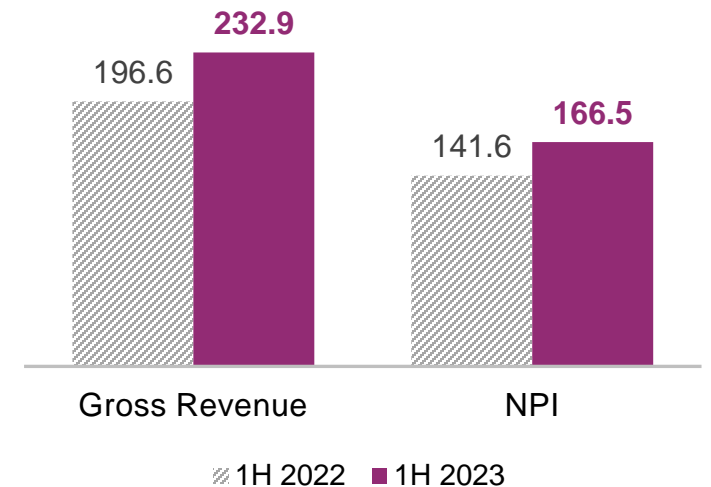
Retail Asset Performance (S\$ m)



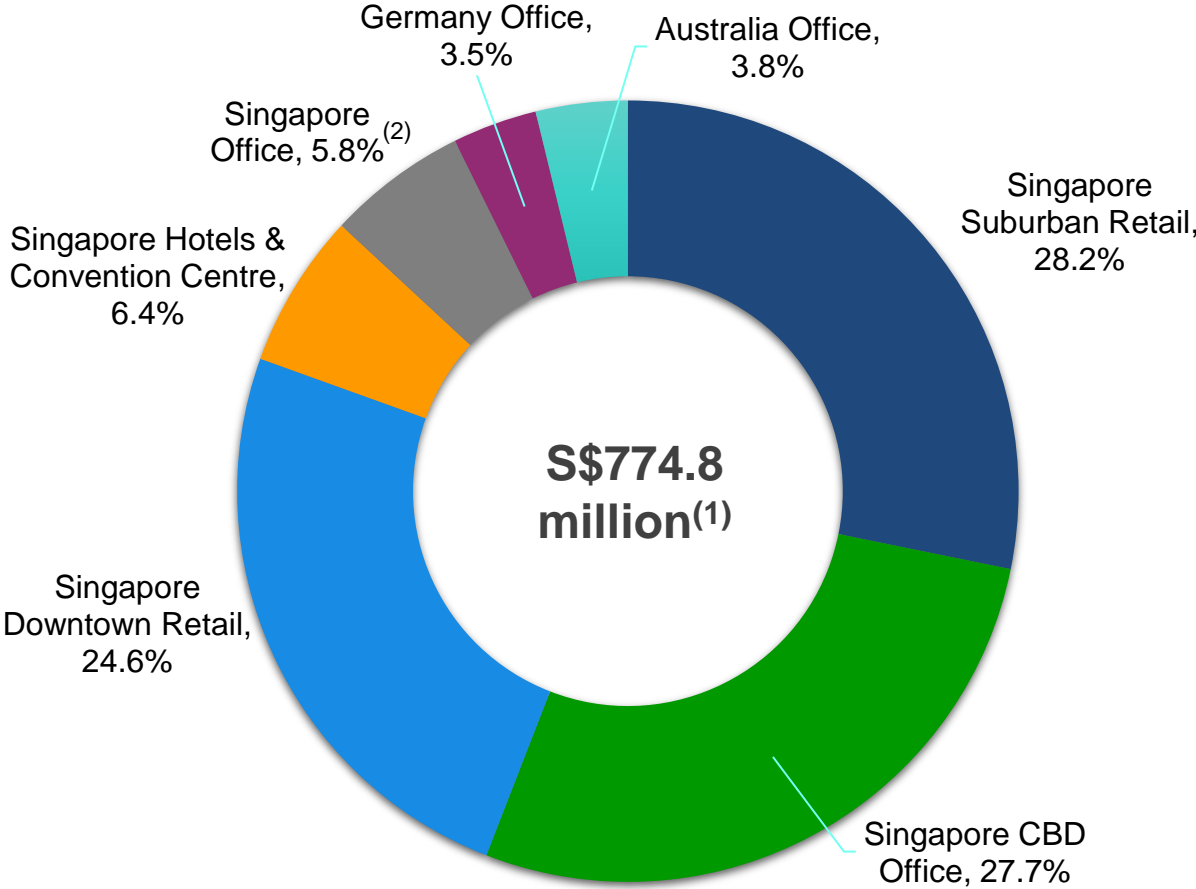
Office Asset Performance (S\$ m)



Integrated Development Performance (S\$ m)



# Diversified Revenue Streams Provide Stability



Notes:  
(1) Based on 1H 2023 gross revenue and excludes joint ventures.  
(2) Comprises office revenue contribution from Funan, Raffles City Singapore and The Atrium@Orchard.

# Healthy Balance Sheet

As at 30 June 2023

S\$'000

Non-current Assets	24,410,866
Current Assets	309,064
<b>Total Assets</b>	<b>24,719,930</b>
Current Liabilities	857,519
Non-current Liabilities	9,537,607
<b>Total Liabilities</b>	<b>10,395,126</b>
Unitholders' Funds	14,117,134
Non-controlling interests	207,670
<b>Net Assets</b>	<b>14,324,804</b>
<b>Units in Issue ('000 units)</b>	<b>6,651,582</b>

Net Asset Value/Unit	S\$2.12
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<b>Adjusted Net Asset Value/Unit (excluding distributable income)</b>	<b>S\$2.07</b>
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Note: Please refer to CICT 1H 2023 Interim Financial Statements for details.

# Proactive Capital Management

	As at 30 June 2023	As at 31 March 2023
Aggregate Leverage <sup>(1)</sup>	40.4%	40.9%
Total Borrowings (S\$ billion)	9.6	9.7
% of Borrowings on Fixed Interest Rate	78%	77%
% of Total Assets that are Unencumbered	93.3%	93.3%
Interest Coverage <sup>(2)</sup>	3.3x	3.4x
Average Term to Maturity (years)	4.3	4.2
Average Cost of Debt <sup>(3)</sup>	3.2%	3.1%
CICT's Issuer Rating <sup>(4)</sup>	'A3' by Moody's 'A-' by S&P	'A3' by Moody's 'A-' by S&P

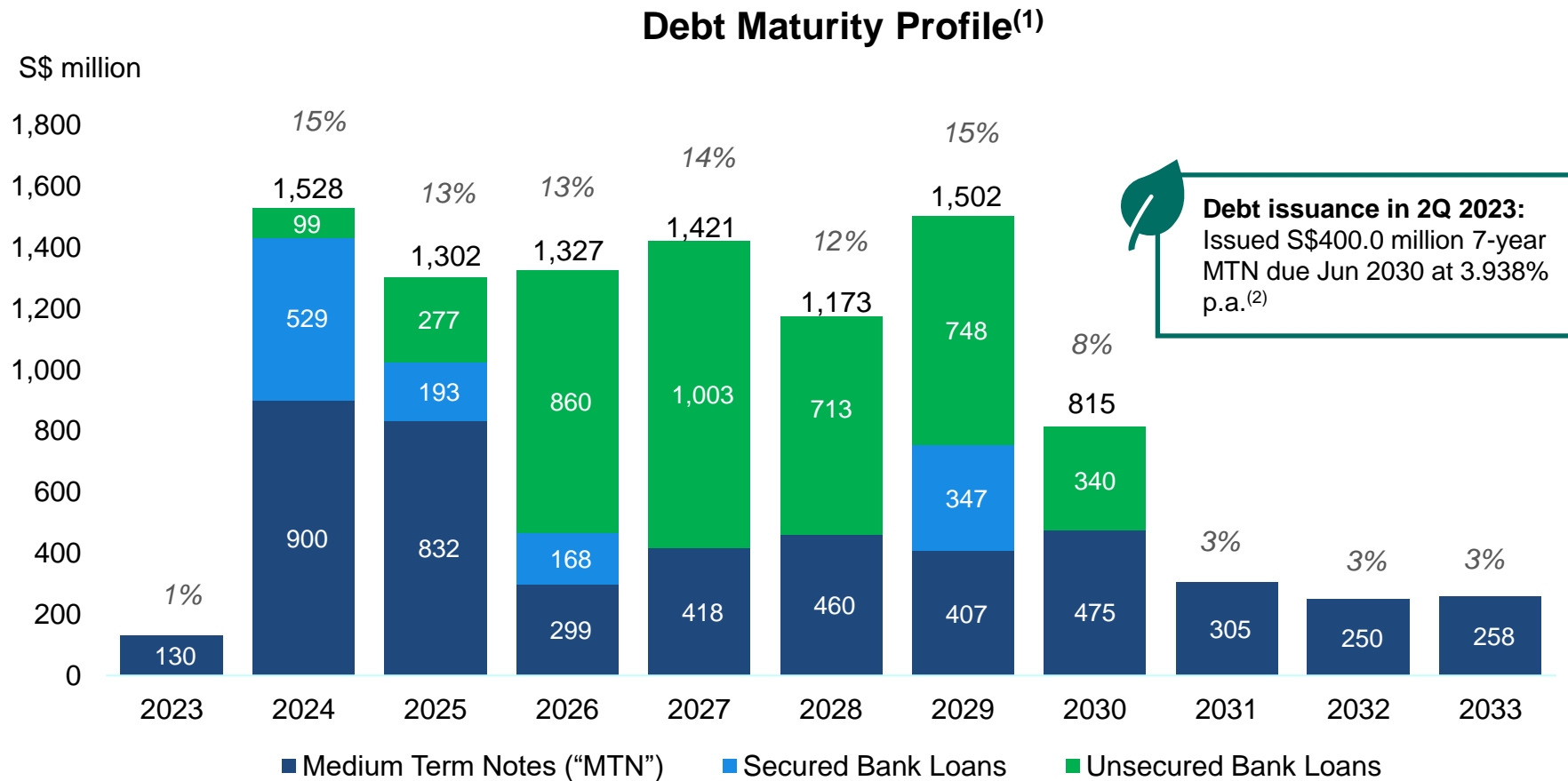
(1) In accordance with Property Funds Appendix, the aggregate leverage ratio includes proportionate share of borrowings as well as deposited property values of joint ventures. As at 30 June 2023 and 31 March 2023, the total borrowings including CICT's proportionate share of its joint ventures is S\$10.0 billion and S\$10.1 billion respectively. The ratio of total gross borrowings to total net assets as at 30 June 2023 is 70.1%.

(2) Ratio of earnings of CICT Group, before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation, non-operational gain/loss as well as share of results of joint ventures) and distribution income from joint ventures, over interest expense and borrowing-related costs, on a trailing 12-month basis. As CICT Group did not issue any hybrid securities, the adjusted ICR is the same as ICR.

(3) Ratio of interest expense over weighted average borrowings.

(4) Moody's Investors Service has affirmed the "A3" issuer rating with a stable outlook on 26 June 2023.

# Long Debt Profile with an Average Maturity of 4.3 Years



- Notes:
- (1) Based on CICT Group's borrowings, including proportionate share of borrowings in joint ventures (JV) as at 30 June 2023.
  - (2) Issued under the unsecured US\$3.0 billion Euro-MTN Programme. Proceeds were used for refinancing purposes.
  - (3) Computed on full year basis on floating rate borrowings (22% of total borrowings) of CICT Group (excluding proportionate share of borrowings in joint ventures) as at 30 June 2023.
  - (4) Based on the number of units in issue as at 30 June 2023.

Please visit [CICT's website](#) for details of the respective MTN notes.

Exclude share of JVs' borrowings	
<b>Funding sources</b>	
MTN	50%
Unsecured Bank Loans	43%
Secured Bank Loans	7%
<b>Interest rate sensitivity</b> assuming 1% p.a. increase in interest rate	
Estimated additional interest expenses	+S\$21.21 million p.a. <sup>(3)</sup>
Estimated DPU	-0.32 cents <sup>(4)</sup>
Include proportionate share of JV's borrowings	
<b>Sustainability-linked/green loan facilities and green bond issuance</b>	
Outstanding	S\$4.1 billion
Total secured YTD	S\$2.2 billion



# Distribution Details

**Distribution Period** 1 January to 30 June 2023

**Distribution Per Unit** **5.30 cents**

Notice of Record Date Tuesday, 1 August 2023

Last Day of Trading on 'cum' Basis Monday, 7 August 2023, 5.00 pm

Ex-Date Tuesday, 8 August 2023, 9.00 am

Record Date Thursday, 10 August 2023

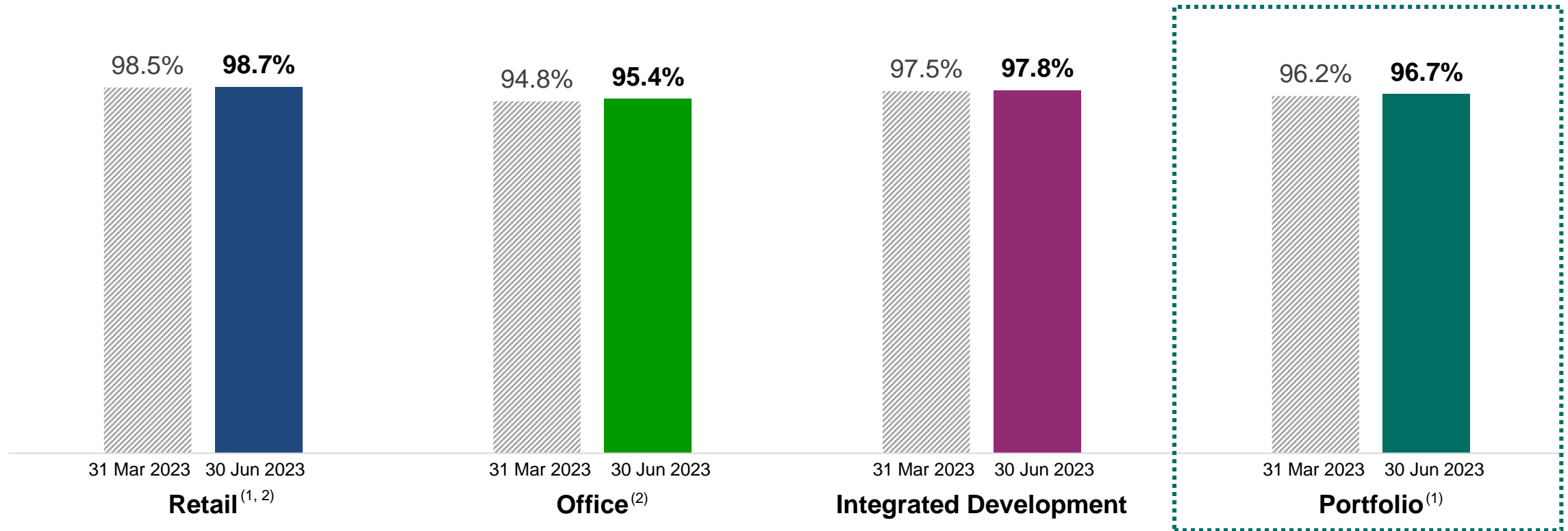
Distribution Payment Date Friday, 15 September 2023

# Portfolio Performance



# Portfolio Committed Occupancy Increased to 96.7%

Portfolio committed occupancy increased 0.5 ppts QoQ and 2.9 ppts YoY



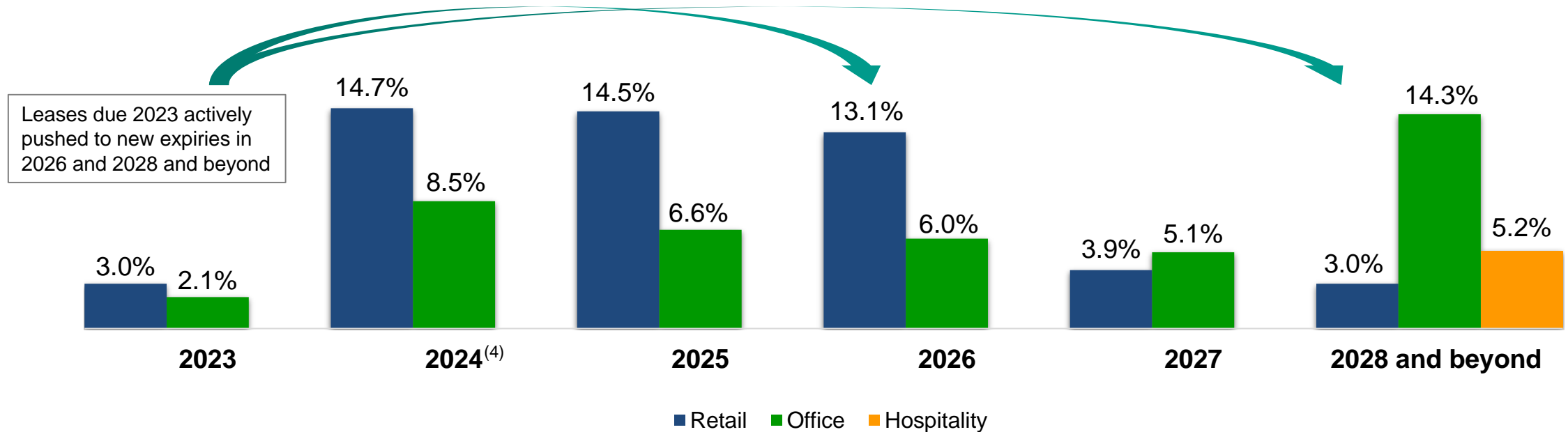
Notes:

(1) Excludes CQ @ Clarke Quay as it is under AEI works.

(2) Retail comprises retail-only properties and the retail component in integrated developments (except Greenwood Plaza which is a small retail component) and office comprises office-only properties and the office component in integrated developments.

# Portfolio WALE<sup>(1)</sup> Stable at 3.6 Years

Retail Portfolio WALE <sup>(2)</sup>	2.2 years
Office Portfolio WALE <sup>(3)</sup>	3.6 years
Integrated Development Portfolio WALE	5.3 years



Notes:

- (1) WALE is based on monthly gross rental income and excludes gross turnover rents as at 30 June 2023.
- (2) Based on gross rental income of committed leases in retail properties and retail component in integrated developments (except Greenwood Plaza which is a small retail component).
- (3) Based on gross rental income of committed leases in office properties and office component in integrated developments.
- (4) Commerzbank has given notice to end its lease at Gallileo in January 2024. The Manager is in advanced talks with a prospective tenant from the financial services sector to take up most of the lettable space at Gallileo after the completion of the upgrading works. Commerzbank's contribution to CICT's monthly gross rental income in June 2023 was 1.7%.

# No Single Tenant Contributes More Than 5.4% of CICT's Total Gross Rental Income<sup>(1)</sup>

Ranking	Top 10 Tenants for June 2023	% of Total Gross Rent	Trade Sector
1	RC Hotels (Pte) Ltd	5.4	Hotel
2	WeWork Singapore Pte. Ltd.	2.4 <sup>(2)</sup>	Real Estate and Property Services
3	NTUC Enterprise Co-Operative Ltd	1.9	Supermarket / Beauty & Health / Services / Food & Beverage / Education / Warehouse
4	GIC Private Limited	1.9	Financial Services
5	Temasek Holdings	1.8	Financial Services
6	Commerzbank A.G. <sup>(3)</sup>	1.7	Banking
7	Cold Storage Singapore (1983) Pte Ltd	1.4	Supermarket / Beauty & Health / Services / Warehouse
8	The Work Project (Commercial) Pte. Ltd.	1.3	Real Estate and Property Services
9	Breadtalk Group Limited	1.2	Food & Beverage
10	Mizuho Bank, Ltd	1.0	Banking
	<b>Top 10 Tenants' contribution</b>	<b>20.0</b>	

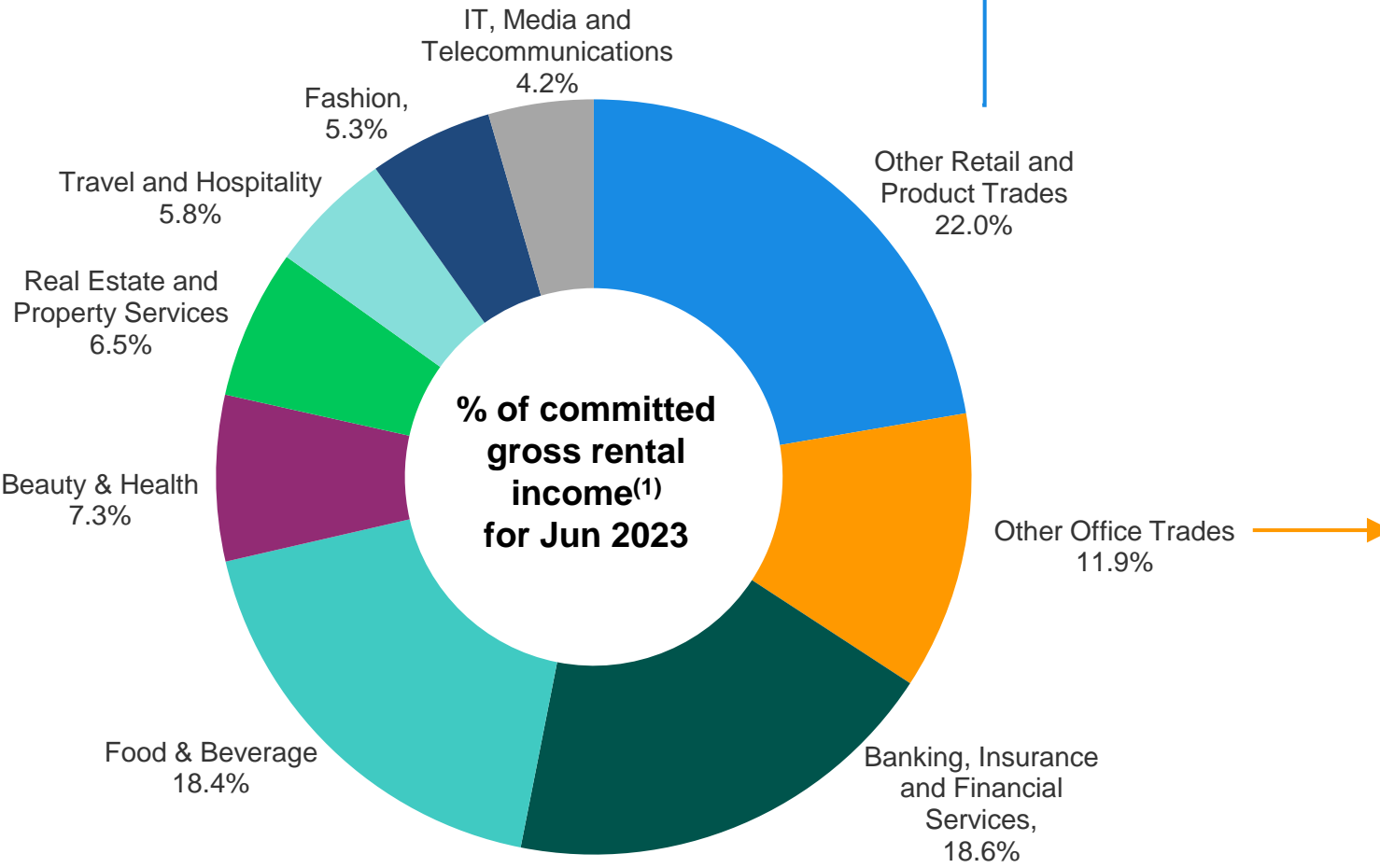
Notes:

(1) For the month of June 2023 and excludes gross turnover rent.

(2) Income contribution comprised the tenant's lease at Funan and 21 Collyer Quay.

(3) Based on 94.9% interest in Gallileo, Frankfurt. The existing lease with Commerzbank will terminate in January 2024. The Manager is in advanced talks with a prospective tenant from the financial services sector to take up most of the lettable space at Gallileo after the completion of the upgrading works.

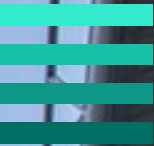
# Diversified Tenants' Business Trade Mix



Other Retail and Product Trades	
Supermarket	2.5%
Gifts & Souvenirs / Toy & Hobbies / Books & Stationery / Sporting goods	2.5%
Services	2.5%
Leisure & Entertainment / Music & Video	2.0%
Home Furnishing	1.9%
IT & Telecommunications	1.9%
Department Store	1.7%
Shoes & Bags	1.8%
Electrical & Electronics	1.6%
Jewellery & Watches	1.3%
Education	1.0%
Others	1.3%
Other Office Trades	
Manufacturing and Distribution	2.3%
Business Consultancy	2.3%
Government	2.0%
Energy and Commodities	2.0%
Legal	1.8%
Maritime and Logistics	0.8%
Services	0.7%

Note:  
 (1) Excludes gross turnover rent.

# Performance by Asset Type



Note:  
The retail and office asset information comprises the respective retail and office components of integrated developments unless stated otherwise, in order to show the operating metrics and trends.

Westgate, Singapore

# Retail Performance Overview

Retail  
Occupancy<sup>(1)</sup>

**98.7%**

▲ 0.2 pts QoQ

as at 30 Jun 2023

YTD Jun 2023  
Retention Rate<sup>(2)</sup>

**86.8%**

YTD Jun 2023  
Top 5 Trade Categories<sup>(3)</sup>

Contribution

**> 69%**  
of gross rental income

YoY Performance

**▲ 5.1%**

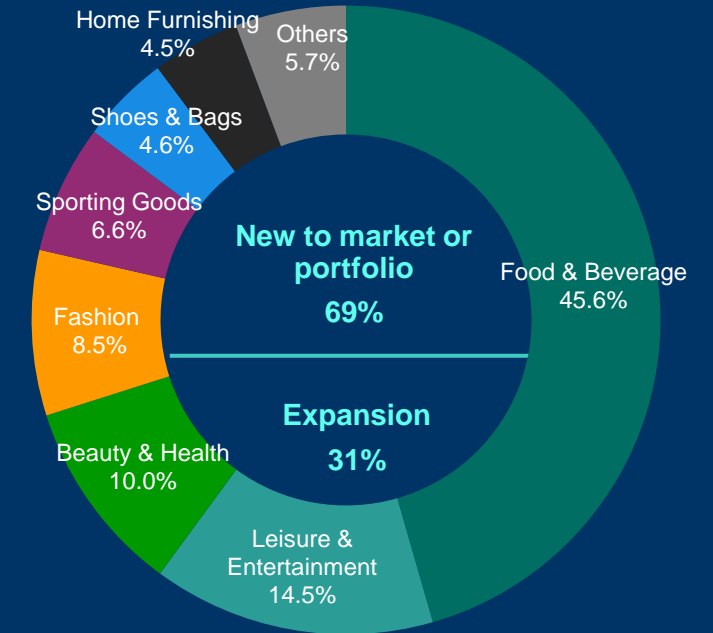
YTD Jun 2023  
Rent Reversion<sup>(4)</sup>

**▲ 6.9%**

YTD Jun 2023  
Gross Turnover Rents<sup>(5)</sup>

**5% to 17%**

New Retail Offerings and Expansion Space  
Opening in 2Q 2023 by NLA



Notes:

- (1) Based on committed occupancy and comprises retail only properties and the retail component within integrated developments (except Greenwood Plaza which is a small retail component). Excludes CQ @ Clarke Quay as it is under AEI works.
- (2) Based on NLA of renewed versus expiring leases.
- (3) The top five trade categories for YTD June 2023 by gross rental income (including gross turnover rents) are Food & Beverage, Beauty & Health, Fashion, Supermarket, and Home Furnishing.
- (4) Based on average committed rents for incoming leases versus average rents of expiring leases.
- (5) Gross turnover rents are based on the respective mall's gross rental income.
- (6) Others comprises Services, Education and IT & Telecommunications.



# Rental Reversion Continued to be Positive

Gross turnover rents ranged between 5% and 17% of respective mall's gross rental income

YTD Jun 2023	No. of Renewals / New Leases <sup>(1)</sup>	Net Lettable Area			Rent Reversion <sup>(1)</sup> for YTD Jun 2023
		Retention Rate (%)	Area (sq ft)	Percentage of Retail Portfolio (%)	Average Incoming Rents vs Average Outgoing Rents
Suburban Malls <sup>(2)</sup>	209	90.9	317,059	7.3	▲ 6.9%
Downtown Malls <sup>(3)</sup>	154	80.1	196,072	4.5	▲ 7.0%
<b>CICT Retail Portfolio</b>	<b>363</b>	<b>86.8</b>	<b>513,131</b>	<b>11.9</b>	<b>▲ 6.9%</b>

- Notes:
- (1) Excludes newly created and reconfigured units, as well as Greenwood Plaza in North Sydney, Australia, which is a small retail component. Based on committed leases.
  - (2) Suburban malls comprise Tampines Mall, Bedok Mall, Junction 8, Lot One Shoppers' Mall, Bukit Panjang Plaza, IMM Building and Westgate.
  - (3) Downtown malls comprise Plaza Singapura, The Atrium@Orchard, Bugis Junction, Bugis+, CQ @ Clarke Quay, Raffles City Singapore and Funan.

# YTD Jun 2023 Shopper Traffic and Tenant Sales Up YoY

Tenant sales psf continued to surpass that of 2019 level while shopper traffic showed gradual recovery

## YTD Jun 2023 Tenant Sales psf <sup>(1)</sup> (YoY Performance)

Retail Portfolio

▲ **6.0%**

YoY

Suburban Mall

▲ **3.7%**

YoY

Downtown Mall

▲ **10.2%**

YoY

- Tenant sales psf improvement YoY as a result of higher spending in 2023 boosted by stronger tourist arrivals and local consumption
- Low base effect to taper off as most COVID-19 measures were lifted from late April 2022

## YTD Jun 2023 Shopper Traffic (YoY Performance)

Retail Portfolio

▲ **17.5%**

YoY

Suburban Mall

▲ **14.8%**

YoY

Downtown Mall

▲ **20.6%**

YoY

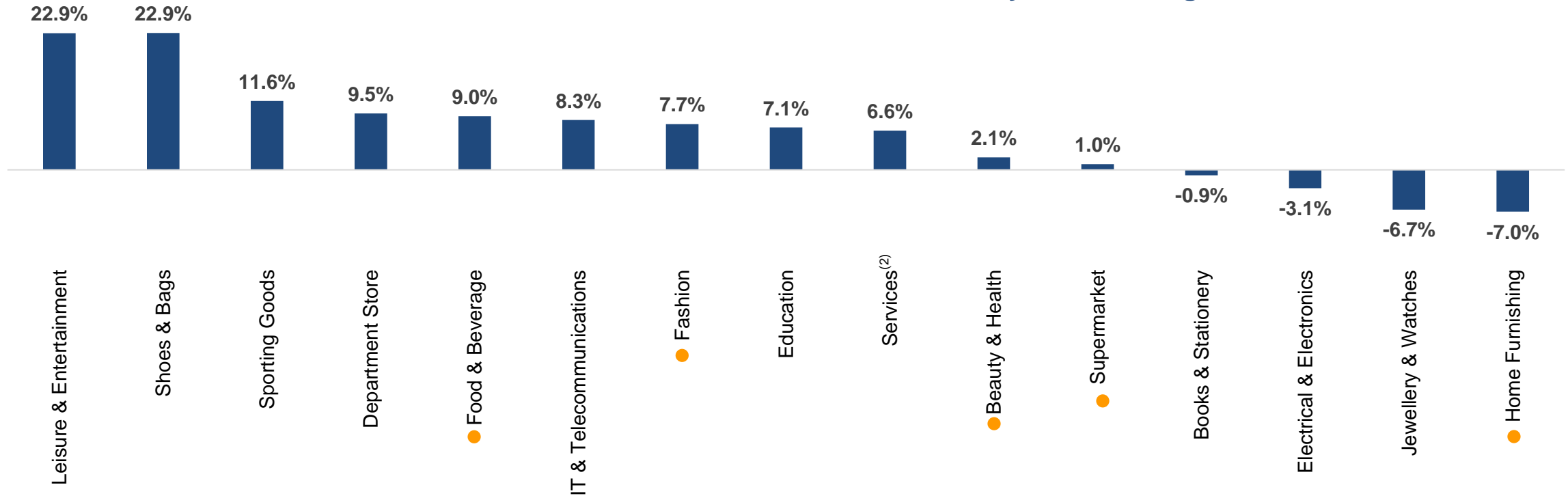
- Suburban malls shopper traffic remained resilient
- Downtown malls shopper traffic increased YoY largely due to:
  - Tourism recovery
  - Increase in office crowds with return to office

Note:

(1) Tenant sales psf adjusted for non-trading days.

# Continued Improvement Seen for Most of the Trade Categories

YTD Jun 2023 Tenant Sales<sup>(1)</sup> YoY Performance by Trade Categories



● Top five trade categories contributed > 69% of total retail gross rental income<sup>(3)</sup>: ▲ 5.1 % YoY

Notes:

- (1) Tenant sales are based on \$ per square foot per month.
- (2) Comprises convenience stores, bridal shops, optical shops, film processing shops, florists, magazine stores, pet shops, travel agencies, cobblers/locksmiths, laundromats and clinics.
- (3) For the period January 2023 to June 2023. Includes gross turnover rent.

# Office Performance Overview

## Singapore, Germany and Australia Office Assets

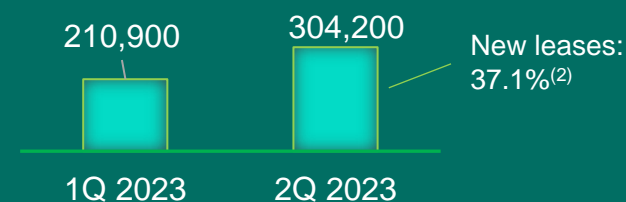
### Office Occupancy<sup>(1)</sup>

**95.4%**

▲ 0.6 pts QoQ

as at 30 Jun 2023

### Total New and Renewed Leases (sq ft)



## Singapore

### Office Occupancy<sup>(1)</sup>

**96.6%**

▼ 0.1 pts QoQ

as at 30 Jun 2023

### Average SG Office Rent<sup>(3)</sup>

**S\$10.41 psf**

▲ 0.3 pts QoQ

as at 30 Jun 2023

### YTD Jun 2023 Rent Reversion<sup>(4)</sup>

**▲ 9.6%**

### YTD Jun 2023 Retention Rate<sup>(5)</sup>

**91.7%**

### Leasing Enquiries: Top 3 Business Sectors by Space Requirement (ranging from 2,000 to 50,500 sq ft)

1. Banking, Insurance & Financial Services
2. Manufacturing and Distribution
3. IT, Media & Telecommunications

#### Notes:

(1) Based on committed occupancy as at 30 June 2023. Comprised office only properties and the office component in integrated developments.

(2) NLA of new leases in 1H 2023 is approximately 194,500 square feet. Trade sectors of new committed leases in Singapore are mainly from Financial Services, Business Consultancy and Legal.

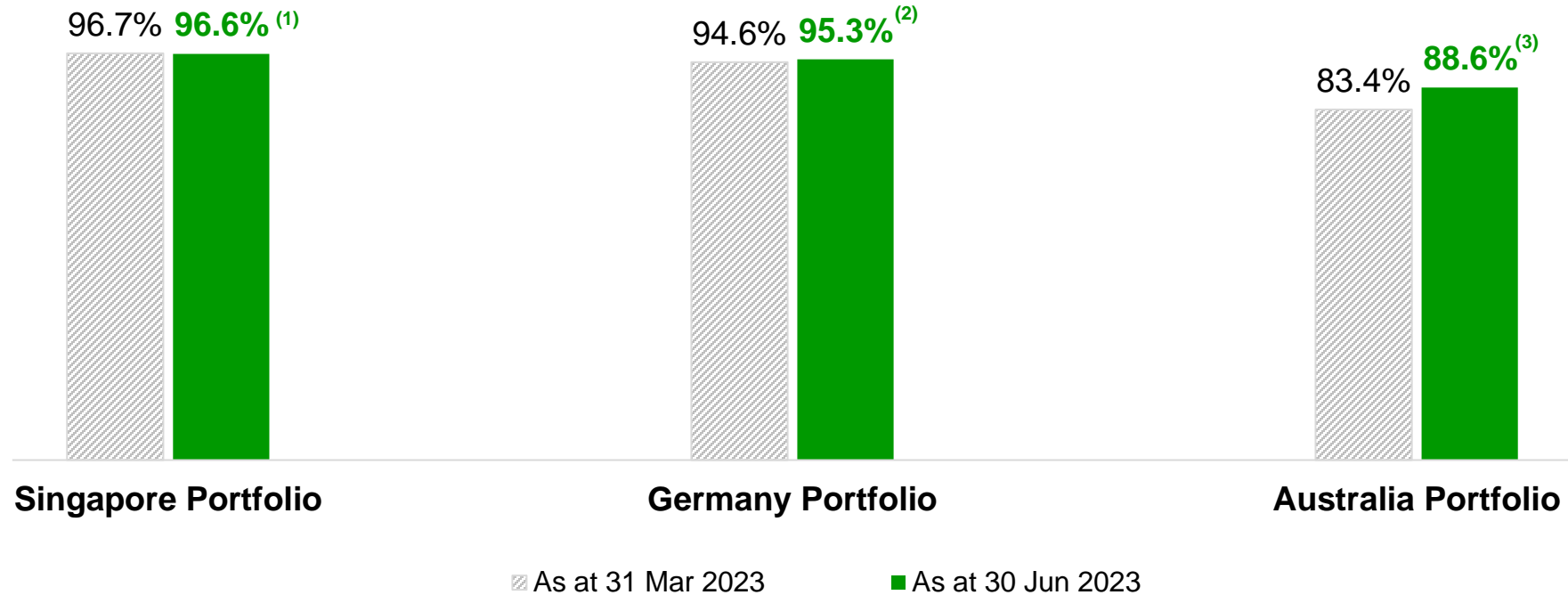
(3) Includes Funan and The Atrium@Orchard. Excluding Funan and The Atrium@Orchard, the average Singapore office rent would be S\$10.70 psf.

(4) Based on average committed rents for incoming leases versus average rents of expiring leases.

(5) Based on NLA of renewed vs expiring leases.

# Office Portfolio Occupancy by Geography

**CICT Office Portfolio: 95.4%**  
as at 30 Jun 2023



Notes:

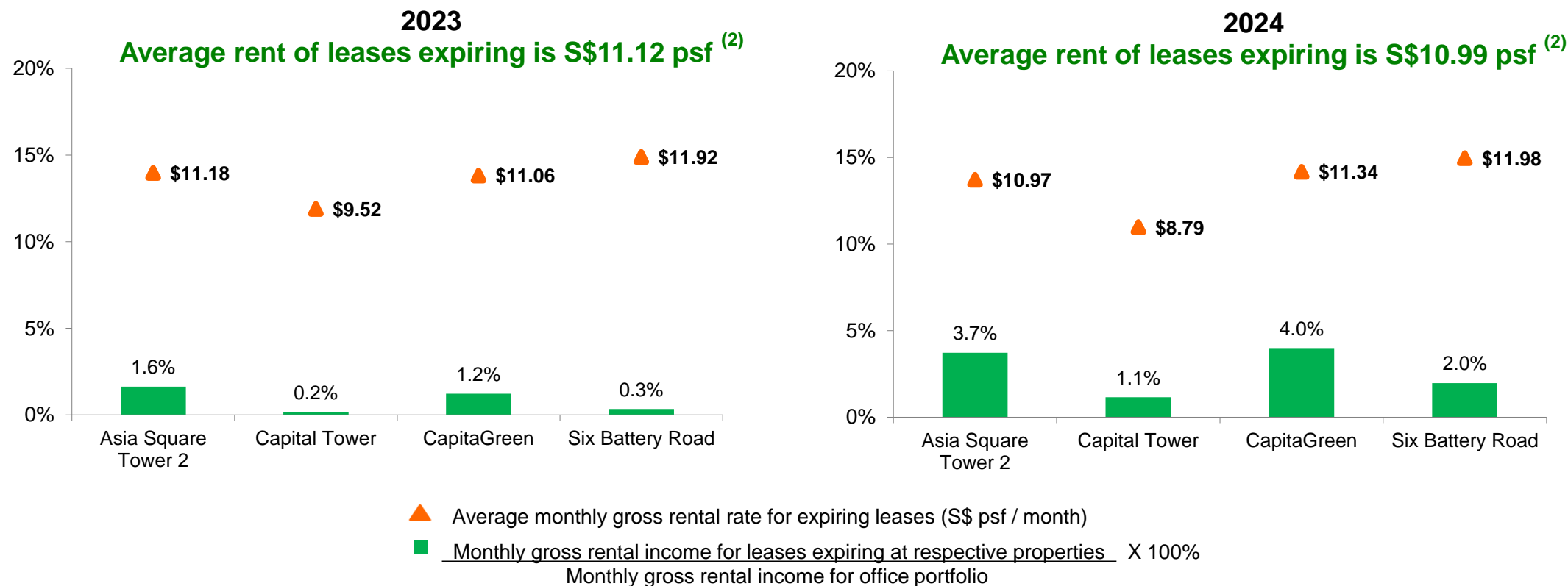
(1) Largely attributed by lower committed occupancy at Capital Tower (92.8%) and Asia Square Tower 2 (96.3%). CBRE's Singapore Core CBD market occupancy as at 2Q 2023 was 94.8%

(2) CBRE's Frankfurt office market occupancy was 92.0% as at 2Q 2023.

(3) JLL's Sydney CBD occupancy was 85.6% and North Sydney CBD office market occupancy was 80.1% as at 2Q 2023.

# CICT's Average Expiring Rents at Selected Grade A Offices are Below Grade A Office Market Rent<sup>(1)</sup>

Already in talks for major leases due in 2024



Notes:

(1) CBRE Pte. Ltd. reported Grade A office market rent at S\$11.80 psf per month as at 2Q 2023.

(2) Grade A buildings with leases due in the year. Ancillary retail leases excluded from all buildings.

# Curating and Optimising Retail Tenant Mix in 2Q 2023

## F&B



## Fashion, Beauty & Lifestyle



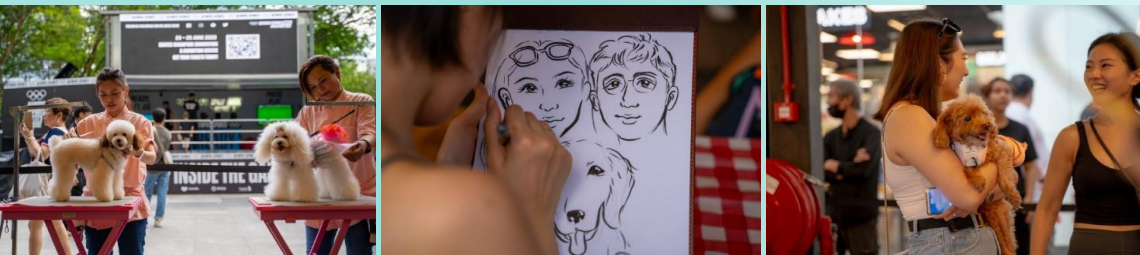
# Engaging with Shoppers via Various Campaigns



**CapitaVerse  
(5 & 6 April 2023)**  
A 24-hour fashion, arts, entertainment party in the metaverse, integrating physical and virtual retail experiences.



**Raffles City  
Spring/Summer 2023  
(1 to 30 April 2023)**



**Summer Pawty: Day out with Your Furkid at Plaza Singapura  
(17 & 24 June 2023)**  
Partnered with Honeycombers for the first-ever pet event and featured multiple activities for dog parents and their furkids.

**National Library Read!  
Fest 2023 at Funan  
(16 to 23 June 2023)**



**Stranger Things –  
The Encounter:  
Singapore at  
Bugis+  
(30 June to  
1 October 2023)**



# Engaging Communities and Promoting Wellness



## National Family Week (10 & 11 June 2023)

Lot One Shoppers' Mall hosted the National Family Week at the mall's Roof Garden in partnership with Ministry of Social and Family Development. Families engaged in fun-filled activities like gardening and ice popsicle making.

## Live It Up! 2023 (16 June to 9 July 2023)

Held in conjunction with Singapore Tourism Board's Wellness Festival Singapore 2023, over 80 nature-based wellness activities were held across CapitaLand's retail and workspace properties.



## Singapore Heritage Festival 2023 #instawalk Black & White: From Trishaws to Trains (1 to 28 May 2023)

Collaboration with Tribe Tours to create a walking tour of the iconic Bugis Town, which includes Bugis Junction and Bugis+.



# Focus & Outlook

# Macroeconomic and Market Outlook

## Singapore Economic Outlook<sup>(1)</sup>

	Reported	Forecast
2Q 2023 GDP	0.7% YoY	2023 GDP 0.5% to 2.5% YoY
June 2023 MAS Core Inflation	4.2% YoY	2023 MAS Core Inflation 3.5% to 4.5% YoY
	2023 Tourist Arrivals	12M to 14M

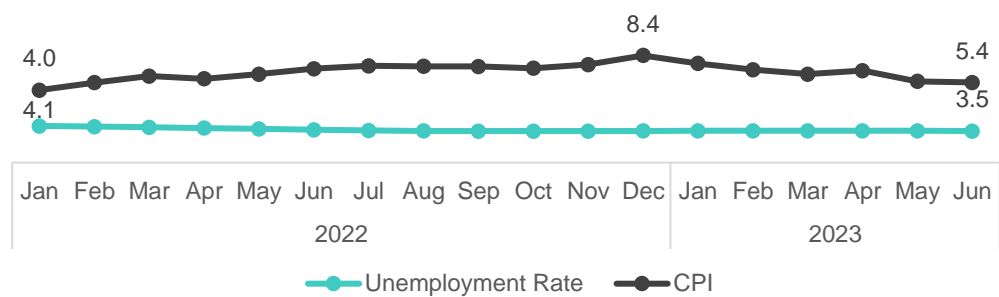
## Singapore Market<sup>(2)</sup>

	Retail	Office
<b>Supply (2023-2025)</b>	<ul style="list-style-type: none"> <li>Limited new retail supply</li> <li>Majority of 2023 new supply located in the Fringe area</li> </ul>	<ul style="list-style-type: none"> <li>No gross new supply in CBD Core beyond 2023</li> </ul>
<b>Demand Driver</b>	<ul style="list-style-type: none"> <li>Further tourism recovery</li> <li>Demand primarily driven by F&amp;B operators</li> </ul>	<ul style="list-style-type: none"> <li>Healthy demand from private wealth and asset management companies, law firms, professional services and government agencies</li> <li>Pockets of weakness in technology, cryptocurrency and consumer banking</li> </ul>
<b>Rents</b>	<ul style="list-style-type: none"> <li>Expected to continue recovery in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Rental rate growth expected to ease in 2H 2023</li> <li>Widening rental gap between Core CBD Grade A and Grade B segment</li> </ul>

## Australia Economic Outlook<sup>(3)</sup>

1Q 2023 GDP	2.3% YoY	2023 GDP Growth Forecast	1.25% YoY
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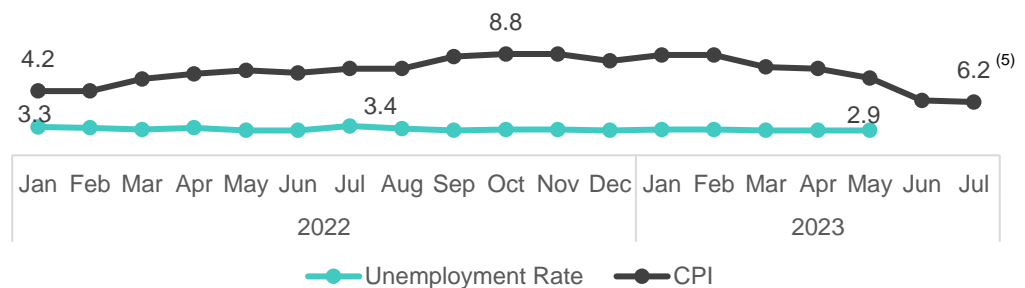
### CPI and Unemployment Trend (%)



## Germany Economic Outlook<sup>(4)</sup>

2Q 2023 GDP	-0.6% YoY	2023 GDP Growth Forecast	-0.3% YoY
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### CPI and Unemployment Trend (%)



Notes:

- (1) Sources: Advance estimate of 2Q 2023 GDP growth by Ministry of Trade and Industry (MTI) as at 14 July 2023, 2023 GDP growth forecast by MTI as at 25 May 2023; 2023 tourist arrival forecast by Singapore Tourism Board as at 17 January 2023; June 2023 core inflation and 2023 core inflation forecast by MAS and MTI as at 24 July 2023.
- (2) Source: CBRE Research, 2Q 2023.
- (3) Sources: Australia's 1Q 2023 GDP by Australian Bureau of Statistics as at 6 July 2023; 2023 GDP forecast by Reserve Bank of Australia, May 2023. Monthly CPI and Unemployment rate as at June 2023 by Australian Bureau of Statistics.
- (4) Source: Germany's 2Q 2023 GDP by Federal Statistical Office (Destatis); 2023 GDP forecast based by Kiel Institute as at 15 June 2023. It has also forecasted a GDP growth of 1.8% for 2024. Unemployment rate as at May 2023 by Federal Statistical Office (Destatis).
- (5) Based on provisional data from Federal Statistical Office (Destatis).

# Committed to Delivering Sustainable Return and Navigating Changes with Agility

## Portfolio Growth



- Drive higher occupancy and rents through active asset and portfolio management

## Value Creation



- Complete ongoing AEI at CQ @ Clarke Quay
- Upgrade of lifts and lift lobbies at 66 Goulburn Street progressively
- Execute plans for Gallileo
- Explore growth opportunities

## Sustainability



- Aligned with CLI Sustainability Master Plan 2030
- Maintain green building ratings
- Explore renewable energy options

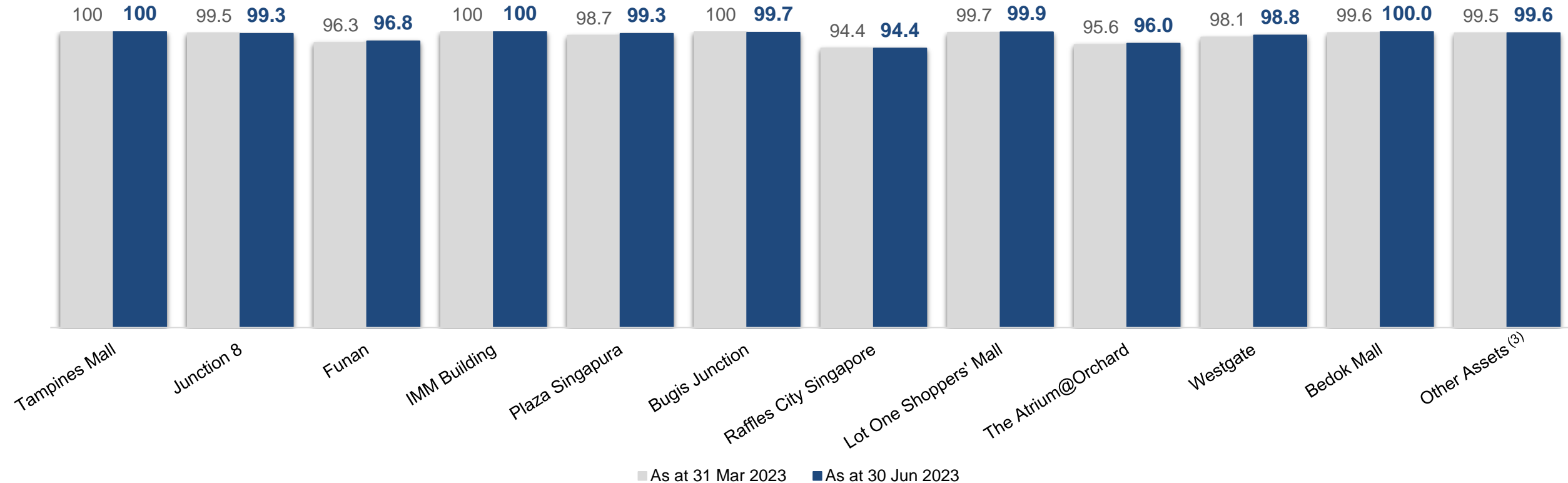
**Underpinned by Proactive Capital Management**

# Property Details

# Driving Occupancy Through Active Asset Management and Proactive Leasing Strategy

Improving occupancies higher than URA's Singapore retail occupancy rate of 92.5%<sup>(1)</sup>

Occupancy (%)<sup>(2)</sup>



Notes:

(1) Based on URA's islandwide retail space vacancy rate for 2Q 2023.

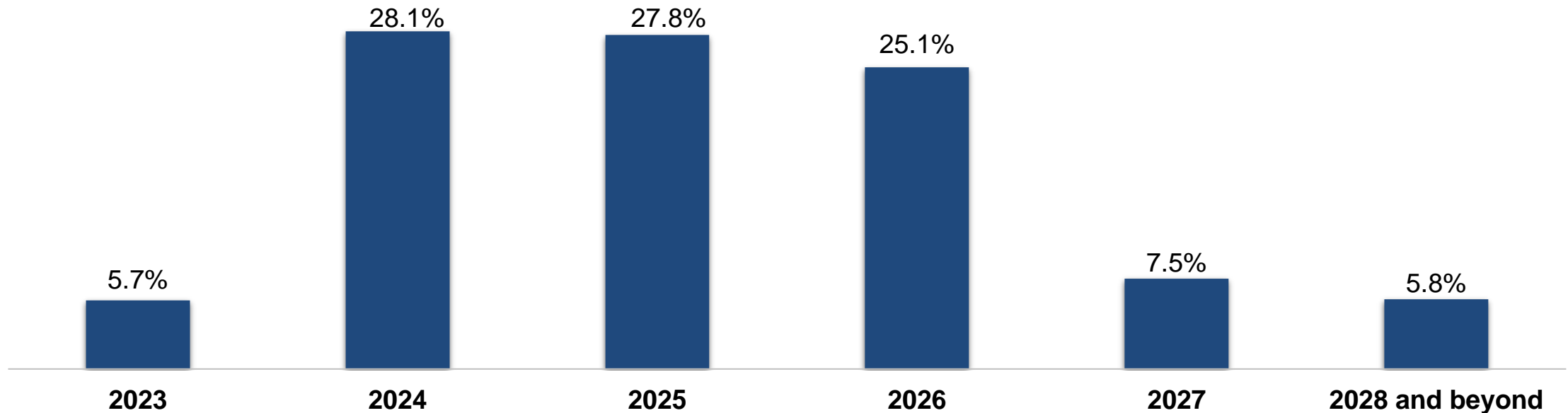
(2) Retail occupancy includes retail only properties the retail components within integrated developments (except Greenwood Plaza which is a small retail component). Excludes CQ @ Clarke Quay as it is under AEI works.

(3) Other Assets comprises Bugis+ and Bukit Panjang Plaza.

# Proactive Leasing Strategy to Manage Tenant Mix and Mall Positioning

Retail Portfolio WALE<sup>(1)</sup> :

2.2 years



Note:  
(1) Based on gross rental income of committed leases in retail properties and retail components in Integrated Development (except Greenwood Plaza which is a small retail component) as at 30 June 2023.

# Occupancy of Office Portfolio at 95.4% as at 30 Jun 2023

Higher than market occupancies for Singapore, Germany and Australia

## Singapore Occupancy:

CICT Portfolio: **96.6%**

CBRE SG Core CBD: **94.8%**

## Germany Occupancy:

CICT Portfolio: **95.3%**

Frankfurt

Market: **92.0%<sup>(2)</sup>**

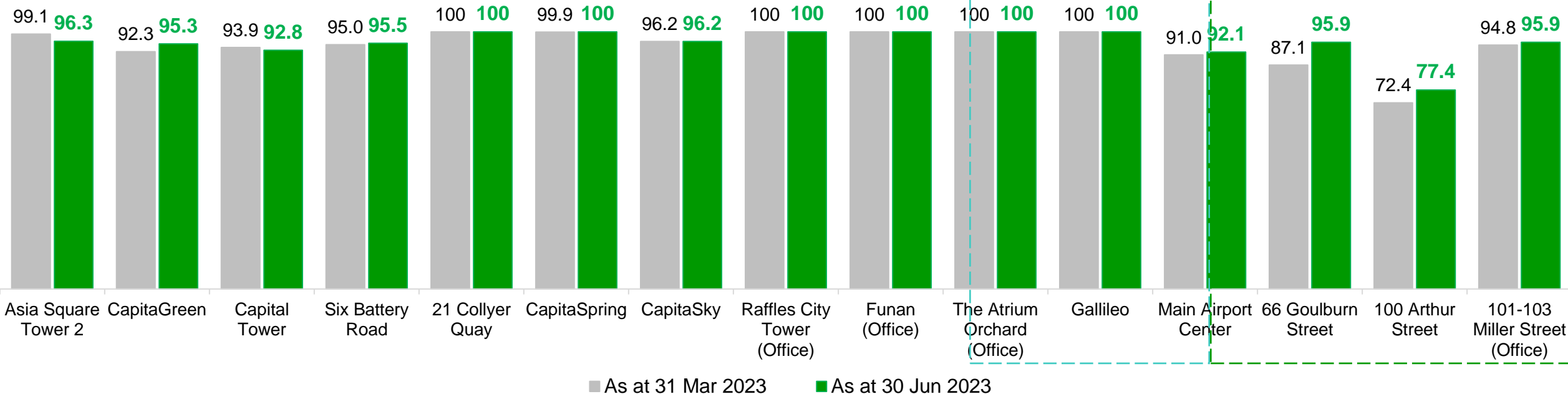
## Australia Occupancy:

CICT Portfolio: **88.6%**

Sydney CBD: **85.6%<sup>(3)</sup>**

North Sydney CBD: **80.1%<sup>(3)</sup>**

## Occupancy (%)<sup>(1)</sup>



### Notes:

(1) 21 Collyer Quay and The Atrium@Orchard are both at 100% occupancy with committed long-term leases. Hence, these two properties are excluded from the chart.

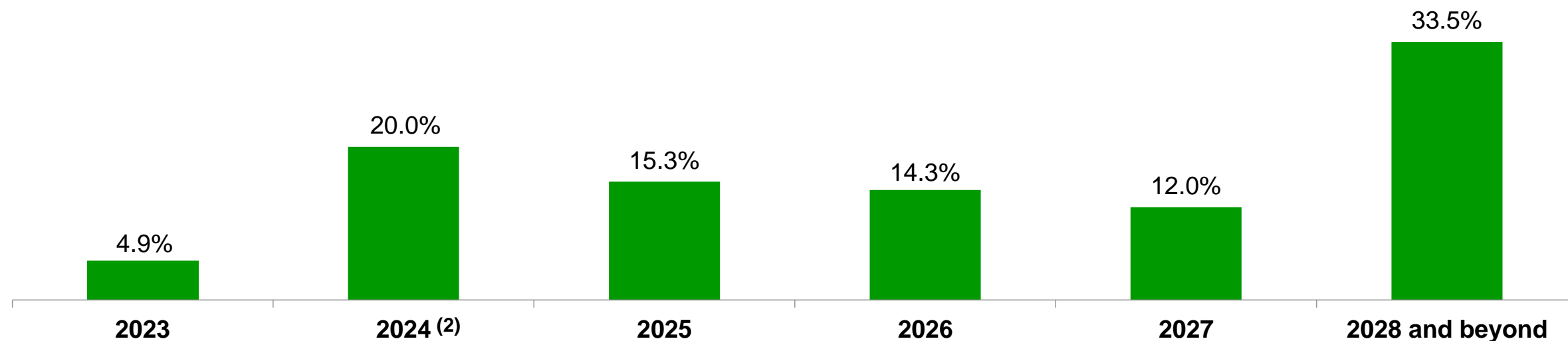
(2) Based on CBRE Frankfurt office market occupancy as at 2Q 2023.

(3) Based on JLL Australia office market occupancy as at 2Q 2023.



# Proactively Manage Lease Expiry for Stability Through Market Cycles

Office Portfolio WALE<sup>(1)</sup>: 3.6 years

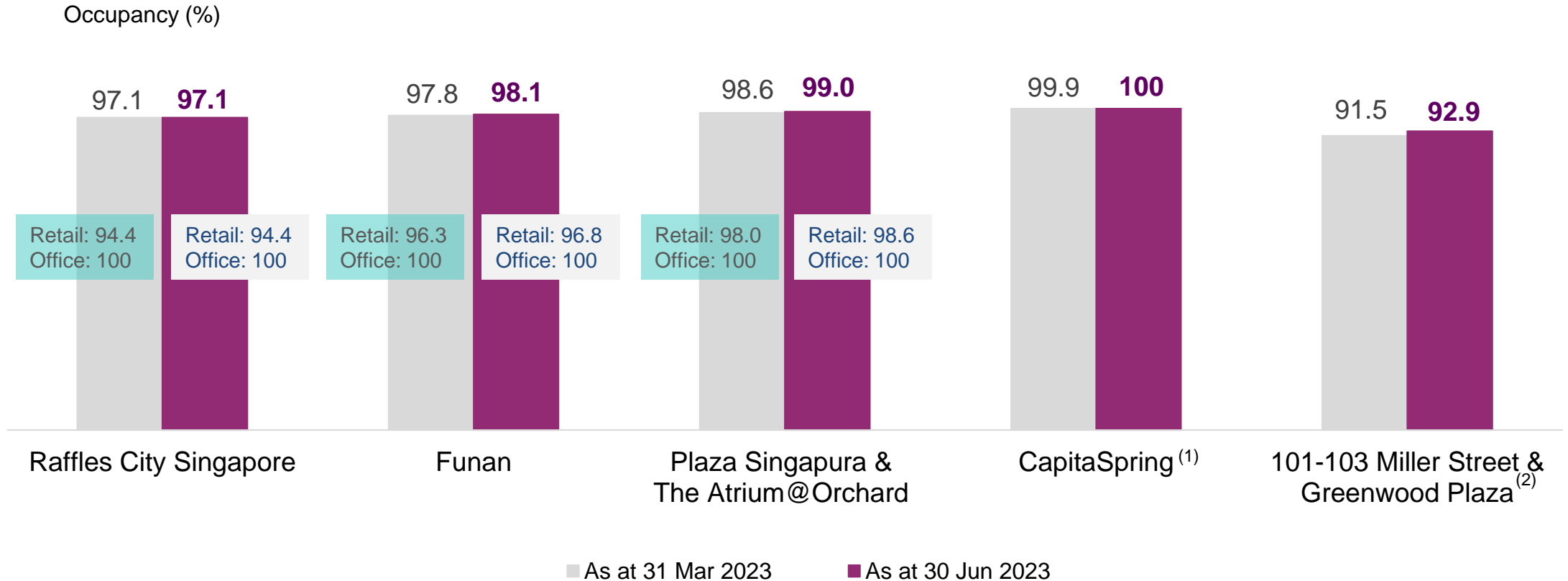


Notes:

(1) Based on gross rental income as at 30 June 2023.

(2) Commerzbank has given notice to end its lease at Gallileo in January 2024. The Manager is in advanced talks with a prospective tenant from the financial services sector to take up most of the lettable space at Gallileo after the completion of the upgrading works. Commerzbank's contribution to CICT's monthly gross rental income in June 2023 was 1.7%.

# Occupancy of Integrated Developments at 97.8% as at 30 Jun 2023

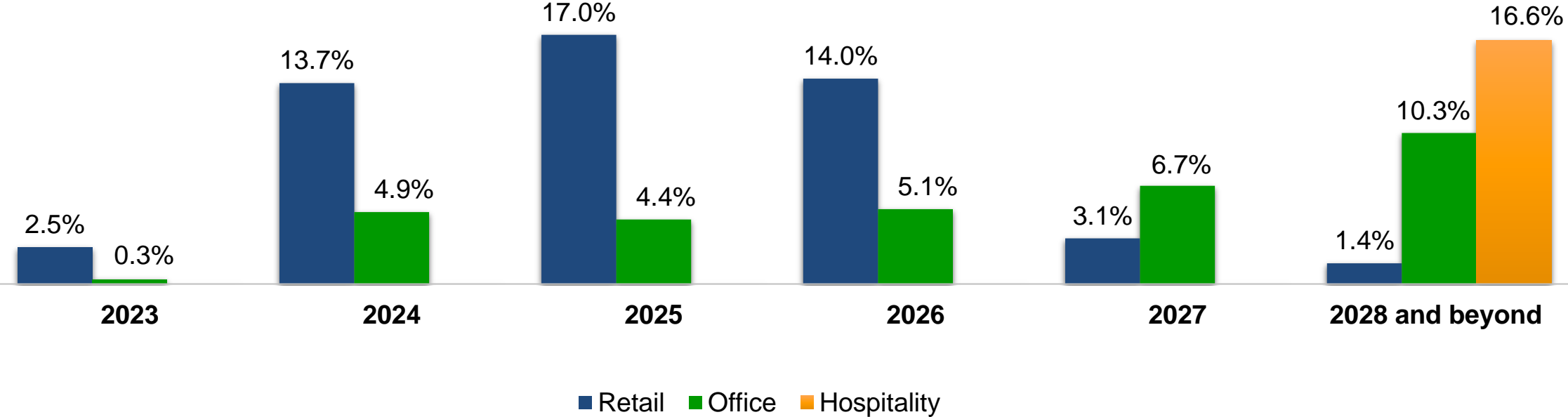


Notes:

- (1) Committed occupancy includes the office and ancillary retail space but excludes the serviced residence component.
- (2) Committed occupancy includes both the office and retail space.

# Long and Stable WALE for Integrated Development Portfolio

Integrated Development Portfolio WALE<sup>(1)</sup> : **5.3 years**



Note:  
 (1) Based on gross rental income as at 30 June 2023, including CapitaSpring and excludes turnover rents.



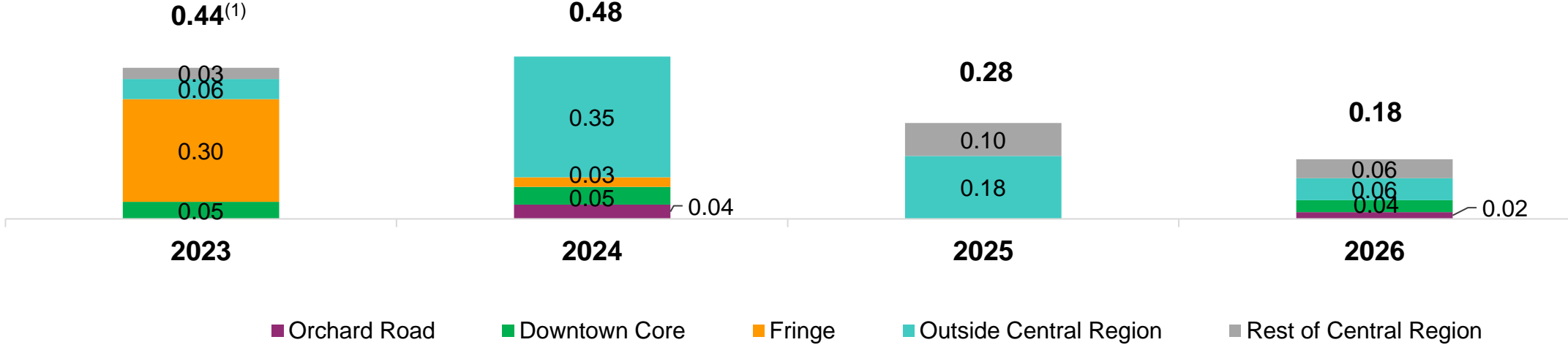
# Market Information

66 Goulburn Street, Sydney, Australia

# Limited Retail Supply Between 2023 and 2026 at an Annual Average of 0.3 million sq ft

Lower than the last 5-year historical annual average supply (2018-2022) of 0.6 million sq ft; increased supply in 2023 due to several project completion delays from 2022

Singapore Retail Supply (million sq ft)



Notes:  
 (1) Excludes Shaw Plaza (opened in April 2023) and The Woodleigh Mall (opened in May 2023).  
 Source: CBRE Singapore, 1Q 2023.  
 Figures may not add up due to rounding.

# Known Future Retail Supply in Singapore (2023 – 2026)

Future supply are mainly in the Outside Central Region and Fringe submarkets

Expected Completion	Proposed Retail Projects	Submarket	Location	NLA (sq ft)
2023 <sup>(1)</sup>	8 Club Street	Rest of Central Region	Club Street	33,300
	iMall	Fringe	Marine Parade Central	60,000
	Dairy Farm Mall	Outside Central Region	Dairy Farm Road	32,300
	Guoco Midtown II	Downtown Core	Beach Road	20,000
	IOI Central Boulevard Towers	Downtown Core	Central Boulevard	30,000
	Komo Shoppes	Outside Central Region	Upper Changi Road North/Jalan Mariam	27,000
	One Holland Village	Fringe	Holland Road	117,000
	The Linq	Fringe	Upper Bukit Timah Road	25,100
	Marine Parade Underground Mall	Fringe	Marine Parade	99,800
			<b>Subtotal (2023):</b>	<b>444,500</b>
2024	Grange Road Carpark	Orchard Road	Grange Road	42,000
	Keppel South Central	Downtown Core	Hoe Chiang Road	27,300
	Labrador Tower	Fringe	Labrador Villa Road / Pasir Panjang Road	28,300
	Odeon Towers (A/A)	Downtown Core	North Bridge Road	25,000
	Pasir Ris Mall	Outside Central Region	Pasir Ris Drive	289,900
	T2 Airport (A/A)	Outside Central Region	Airport Boulevard	64,600
			<b>Subtotal (2024):</b>	<b>477,100</b>
2025	CanningHill Square (Liang Court Redevelopment)	Rest of Central Region	River Valley Road	96,900
	Punggol Digital District	Outside Central Region	Punggol Way	185,000
			<b>Subtotal (2025):</b>	<b>281,900</b>
2026	TMW Maxwell House	Downtown Core	20 Maxwell Road	35,200
	Central Mall/ Central Square	Rest of Central	20 Havelock Road (Keng Cheow Street/Magazine Road)	33,900
	Faber House (A/A)	Orchard	Orchard Road	20,000
	Lentor Modern	OCR	Lentor Central	64,600
	Piccadilly Grand/ Galleria	Rest of Central	Northumberland Road	21,600
			<b>Subtotal (2026):</b>	<b>175,300</b>
			<b>Total supply forecast (2023 - 2026)</b>	<b>1,378,800</b>

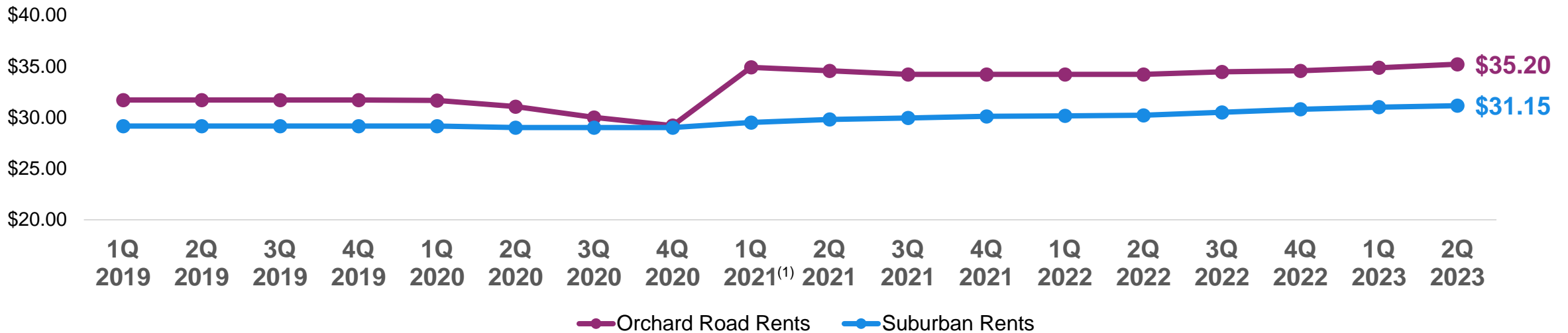
Notes:

(1) Excludes Shaw Plaza (opened in April 2023) and The Woodleigh Mall (opened in May 2023).

Sources: URA and CBRE Research, 1Q 2023.

# Orchard Road Retail Rents Continued to Recover While Suburban Retail Rents Remained Resilient

	1Q 21 <sup>(1)</sup>	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23
Orchard Road (S\$ psf/mth)	34.90	34.55	34.20	34.20	34.20	34.20	34.45	34.55	34.85	<b>35.20</b>
QoQ Change	<i>N.M.</i>	-1.00%	-1.01%	0.00%	0.00%	0.00%	0.73%	0.29%	0.87%	<b>1.01%</b>
Suburban (S\$ psf/mth)	29.50	29.80	29.95	30.10	30.15	30.20	30.50	30.80	31.00	<b>31.15</b>
QoQ Change	<i>N.M.</i>	1.02%	0.50%	0.50%	0.17%	0.17%	0.99%	0.98%	0.65%	<b>1.00%</b>



Notes:

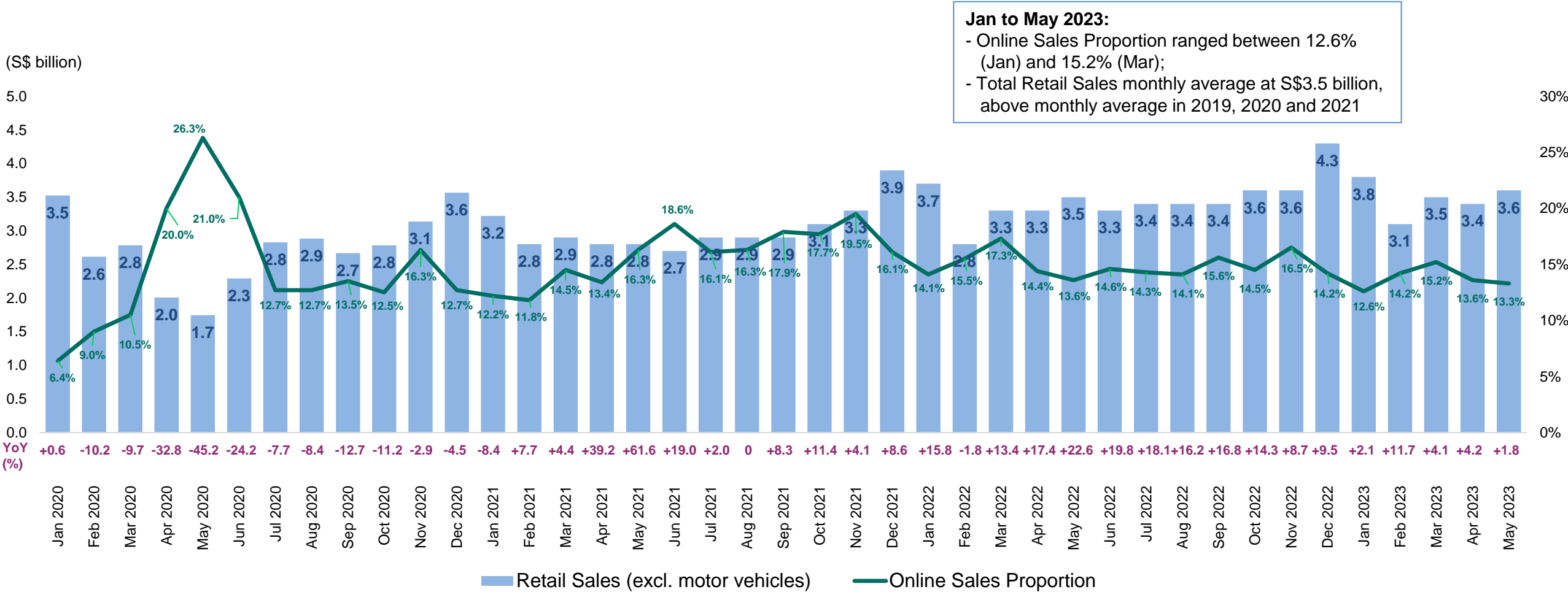
(1) CBRE revised its basket of prime retail properties since 1Q 2021 by removing some of the older malls in Orchard Road.

N.M. refers to Not Meaningful.

Source: CBRE Research (figures as at end of each quarter).

# Singapore Retail Sales Performance

Most industries recorded YoY sales growth in May 2023



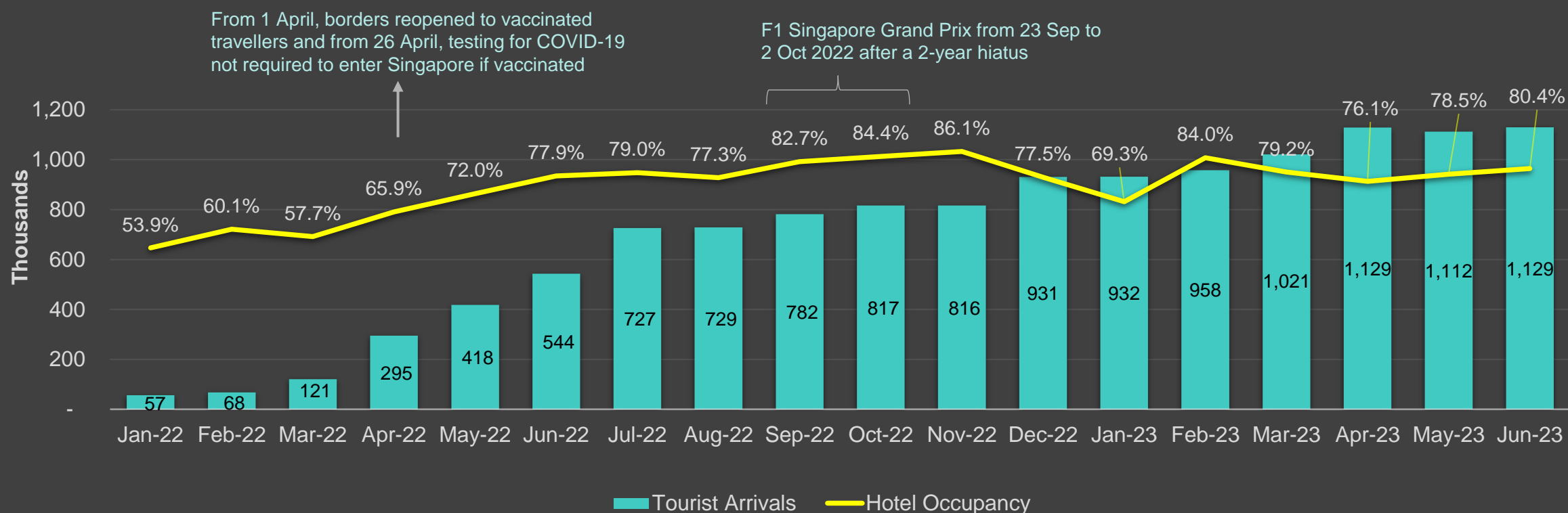
Source: Department of Statistics Singapore, May 2023



# Singapore Tourism Activity Poised to Recover by 2024

Singapore's international visitor arrivals (IVA) hit approx. 6 million from Jan to Jun 2023, almost half of the expectation for 2023; 2023 IVA expected to reach around 12 to 14 million visitors to bring about S\$18 to 21 billion in tourism receipts<sup>(1)</sup>

## Singapore Tourist Arrival and Hotel Occupancy<sup>(2)</sup>



Notes:

(1) Projection of 2023 tourism receipts of \$18 to 21 billion is around 2/3 to 3/4 of the levels in 2019. Barring unexpected circumstances, tourism activity is expected to recover to pre-pandemic levels by 2024.

(2) Hotel occupancy is based on the average hotel occupancy rate of hotels with 300 or more rooms.

Sources: Singapore Tourism Board, Department of Statistics Singapore, July 2023.

# Singapore Office Stock as at end-March 2023

Islandwide office stock



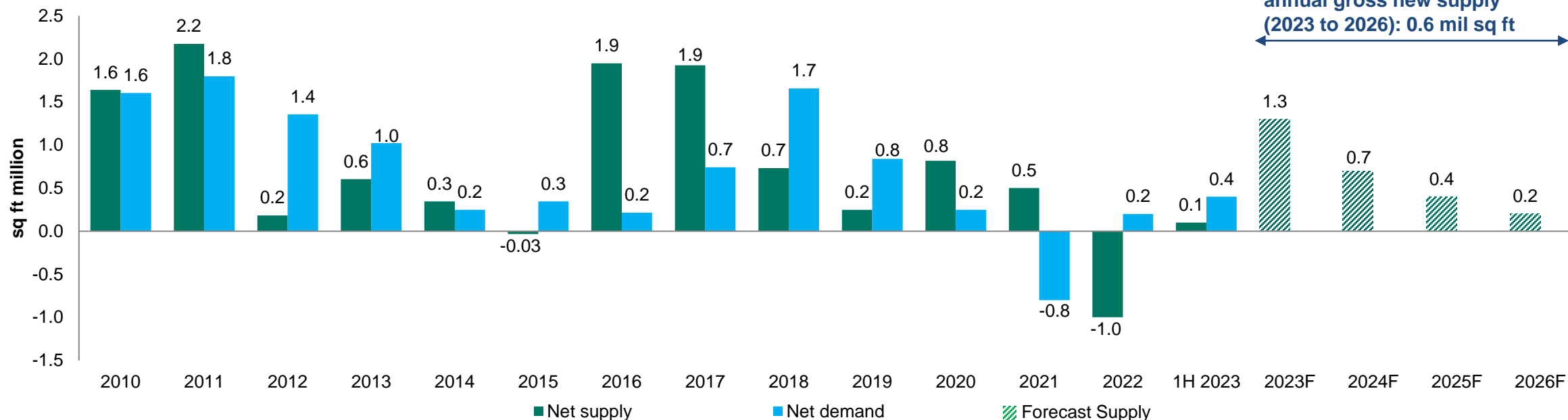
Singapore	Stock (sq ft)	% of total stock	Grade A office Core CBD
Core CBD	31.7 mil	50.9%	14.8 mil sq ft (46.6% of Core CBD stock)
Fringe CBD	15.9 mil	25.5%	
Decentralised	14.7 mil	23.6%	
<b>Total</b>	<b>62.4 mil</b>		(23.7% of total islandwide stock)

Source: CBRE, 1Q 2023

Figures may not add up due to rounding.

# Annual New Supply Averages 0.6 Mil sq ft Over 4 Years; CBD Core Occupancy at 94.8% as at 2Q 2023

## Singapore Private Office Space (Central Area)<sup>(1)</sup> – Net Demand & Supply



Periods	Average annual net supply <sup>(2)</sup>	Average annual net demand
2013 – 2022 (through 10-year property market cycles)	0.6 mil sq ft	0.5 mil sq ft
2018 – 2022 (through 5-year property market cycles)	0.3 mil sq ft	0.4 mil sq ft
2023 – 2026 (forecast gross new supply)	0.6 mil sq ft	N.A.

Notes:

(1) Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'.

(2) Average annual net supply is calculated as net change of stock over the quarter and may include office stock removed from market due to conversions or demolitions.

Sources: Historical data on net supply and net demand from URA statistics as at 2Q 2023. Forecast supply from CBRE Research as at 1Q 2023.

# Known Future Office Supply in Central Area (2023– 2026)

No supply in CBD core<sup>(1)</sup> for the next two years (2024 – 2025); only one white site at Woodlands Ave 2 (Fringe Area) and one commercial site at Punggol Walk are on the Government Land Sales (GLS) reserve list while two white sites at Jurong Lake District and Marina Gardens Crescent are on the GLS confirmed list<sup>(2)</sup>

Expected Completion	Proposed Office Projects	Location	NLA (sq ft)
2023	IOI Central Boulevard Towers <sup>(3)</sup>	Marina Bay	1,258,000
<b>Subtotal (2023):</b>			<b>1,258,000</b>
2024	333 North Bridge Road	Beach Road / City Hall	40,000
	Keppel South Central	Tanjong Pagar	613,500
<b>Subtotal (2024):</b>			<b>653,500</b>
2025	Shaw Tower Redevelopment	Beach Road / City Hall	435,000
<b>Subtotal (2025):</b>			<b>435,000</b>
2026	Solitaire on Cecil (Strata Office)	Shenton Way	196,500
<b>Subtotal (2026):</b>			<b>196,500</b>
<b>Total supply forecast (2023 – 2026)</b>			<b>2,543,000</b>
<b>Total supply forecast excluding strata office (2023 – 2026)</b>			<b>2,346,500</b>

Notes:

(1) Tanjong Pagar, Beach Road / City Hall are considered CBD Fringe by CBRE Research.

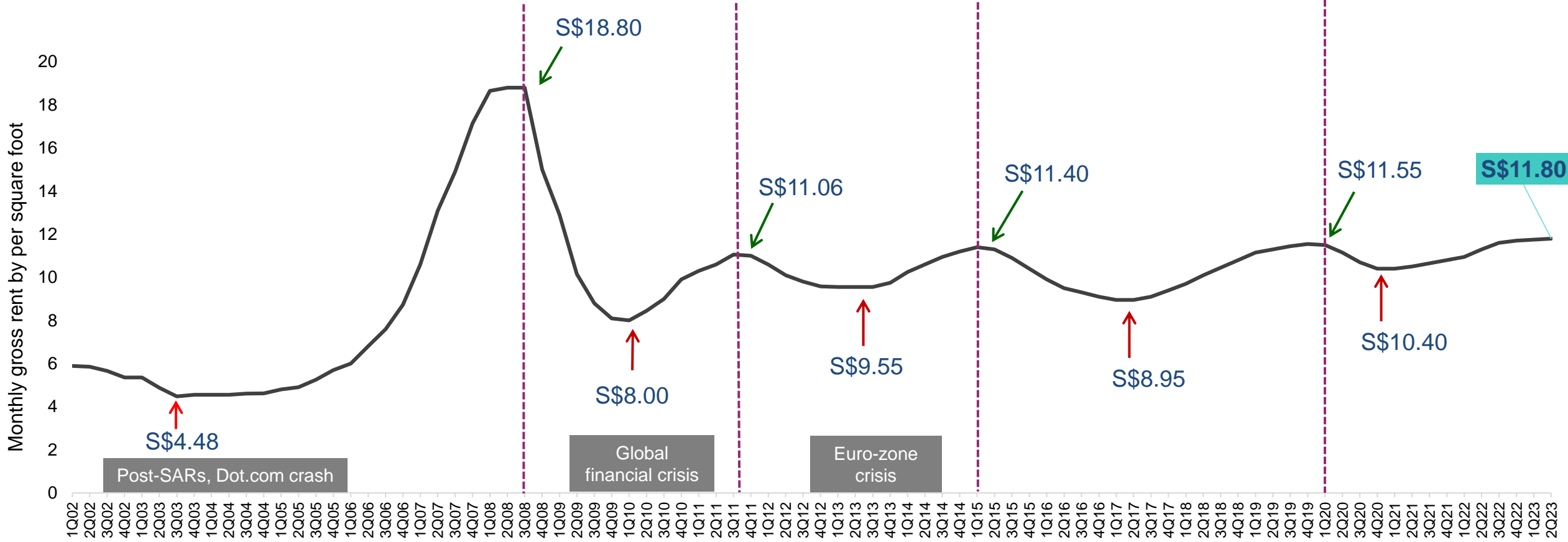
(2) For more details of the GLS reserve and confirmed lists, please see [Current URA GLS Sites](#).

(3) According to a [report by Cushman & Wakefield](#) on 15 June 2023, IOI Central Boulevard Towers was estimated to be about 45% pre-committed.

Sources: URA, CBRE Research as at 1Q 2023 and respective media reports

# Grade A Office Rent Continued to Climb Albeit at a Slower Rate in 2Q 2023

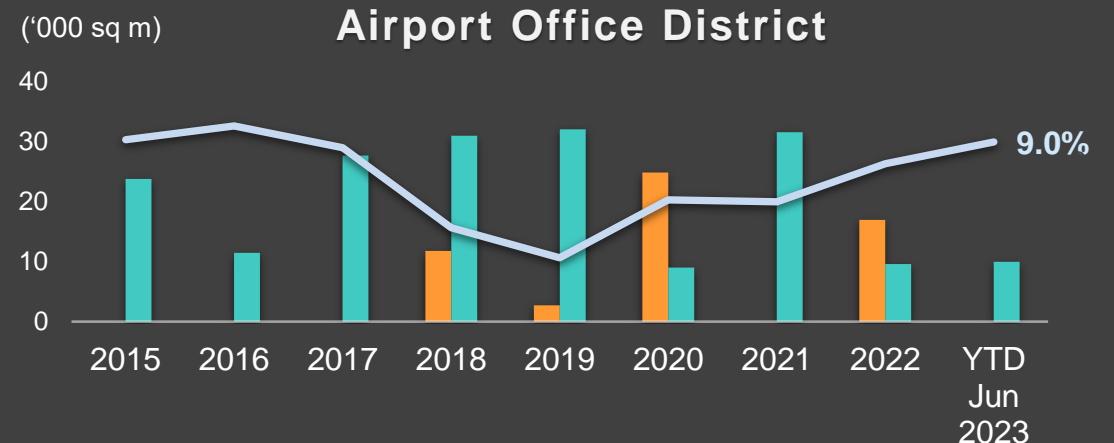
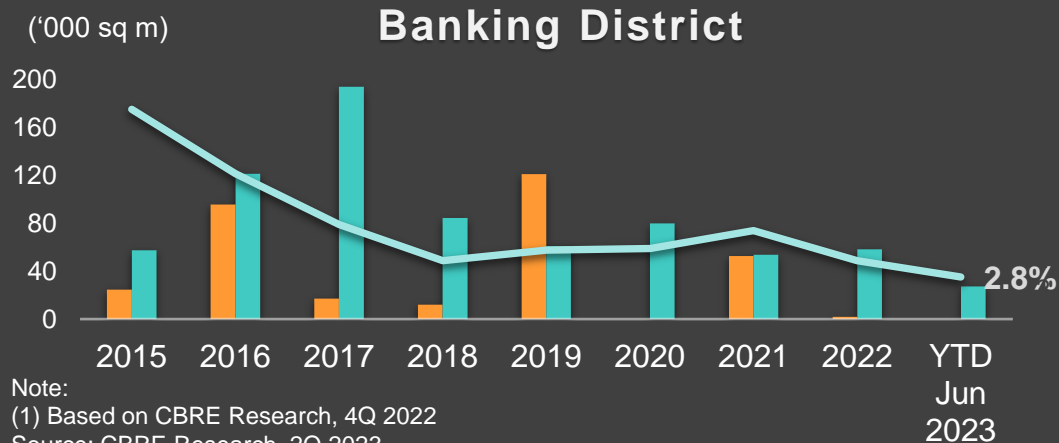
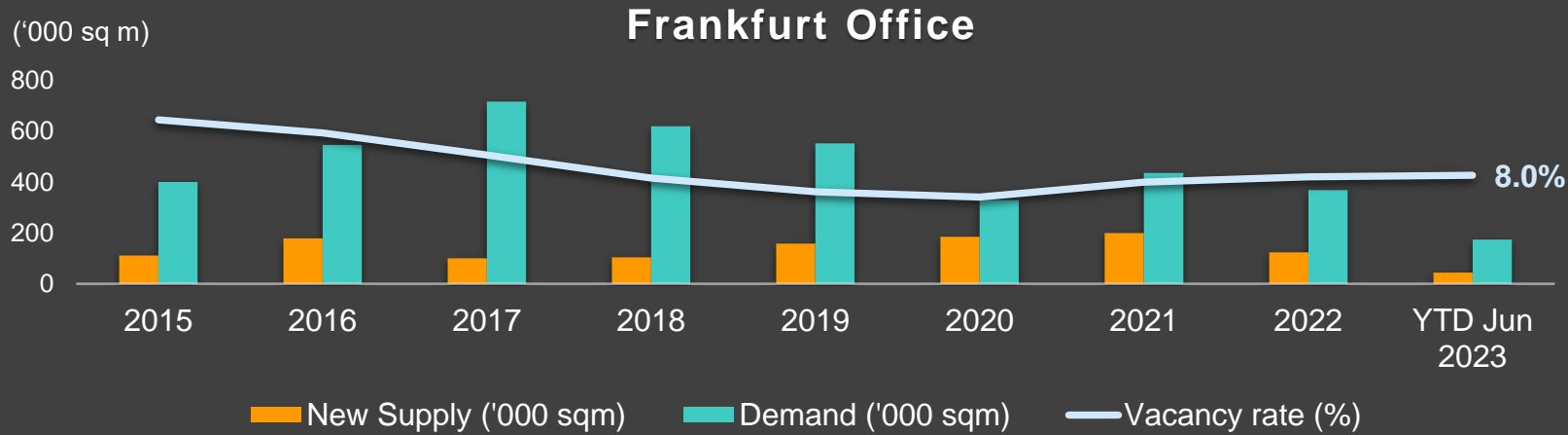
	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23
Mthly rent (S\$ / sq ft)	10.40	10.50	10.65	10.80	10.95	11.30	11.60	11.70	11.75	<b>11.80</b>
QoQ Change	0.0%	1.0%	1.4%	0.5%	1.4%	3.2%	2.7%	0.9%	0.4%	<b>0.4%</b>



Source: CBRE Research (figures as at end of each quarter)

# Demand and Supply in Frankfurt Office and its Two Submarkets

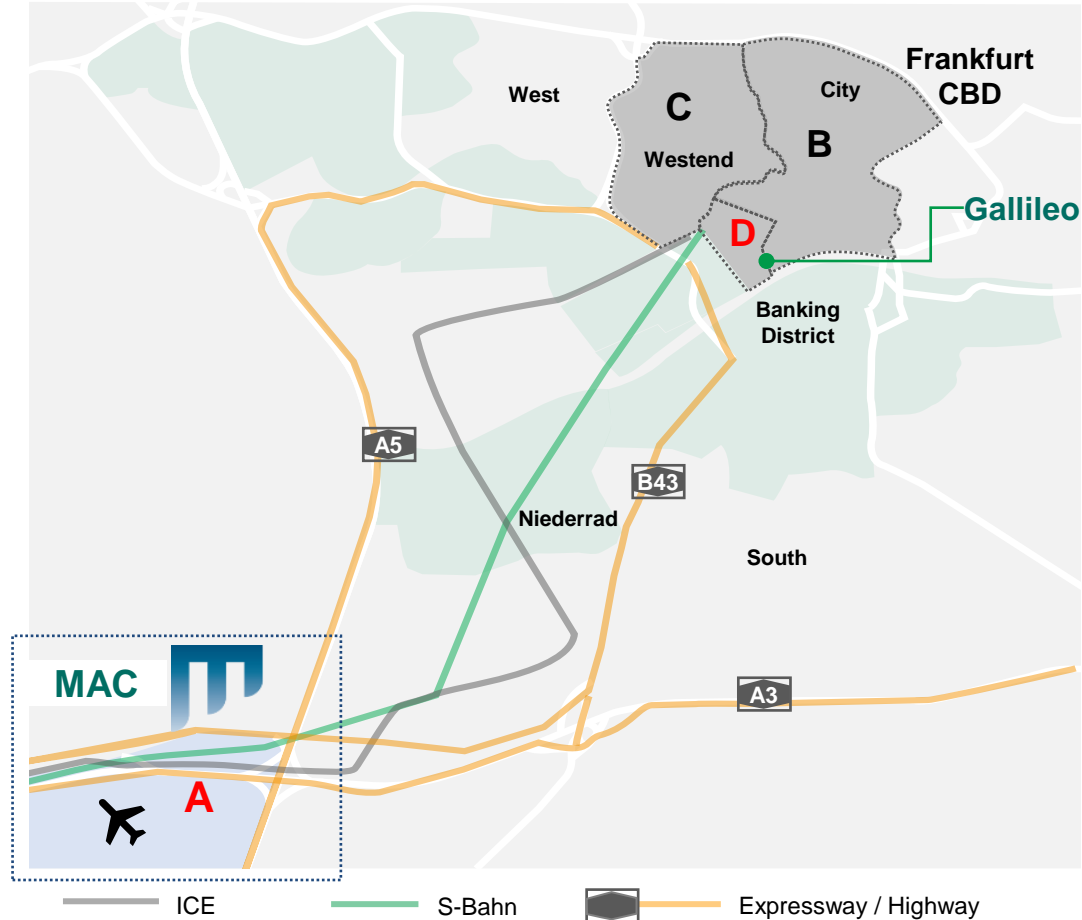
57% of the 2023-2025 Frankfurt office supply is already pre-let<sup>(1)</sup>



Note:  
 (1) Based on CBRE Research, 4Q 2022  
 Source: CBRE Research, 2Q 2023  
 Charts are not drawn to scale.

# Rental Range in Frankfurt

Rents are on an upward trend due to the continuing demand for high-quality and sustainable office space



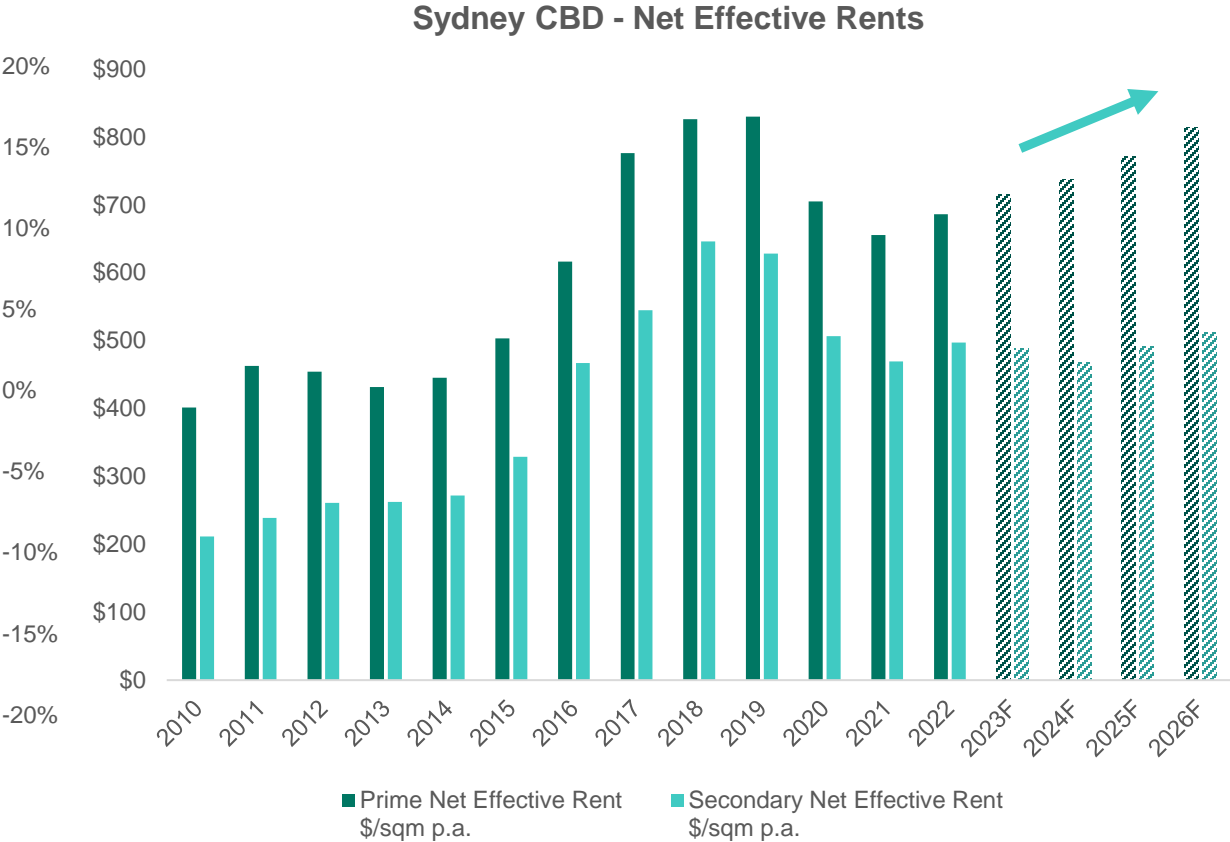
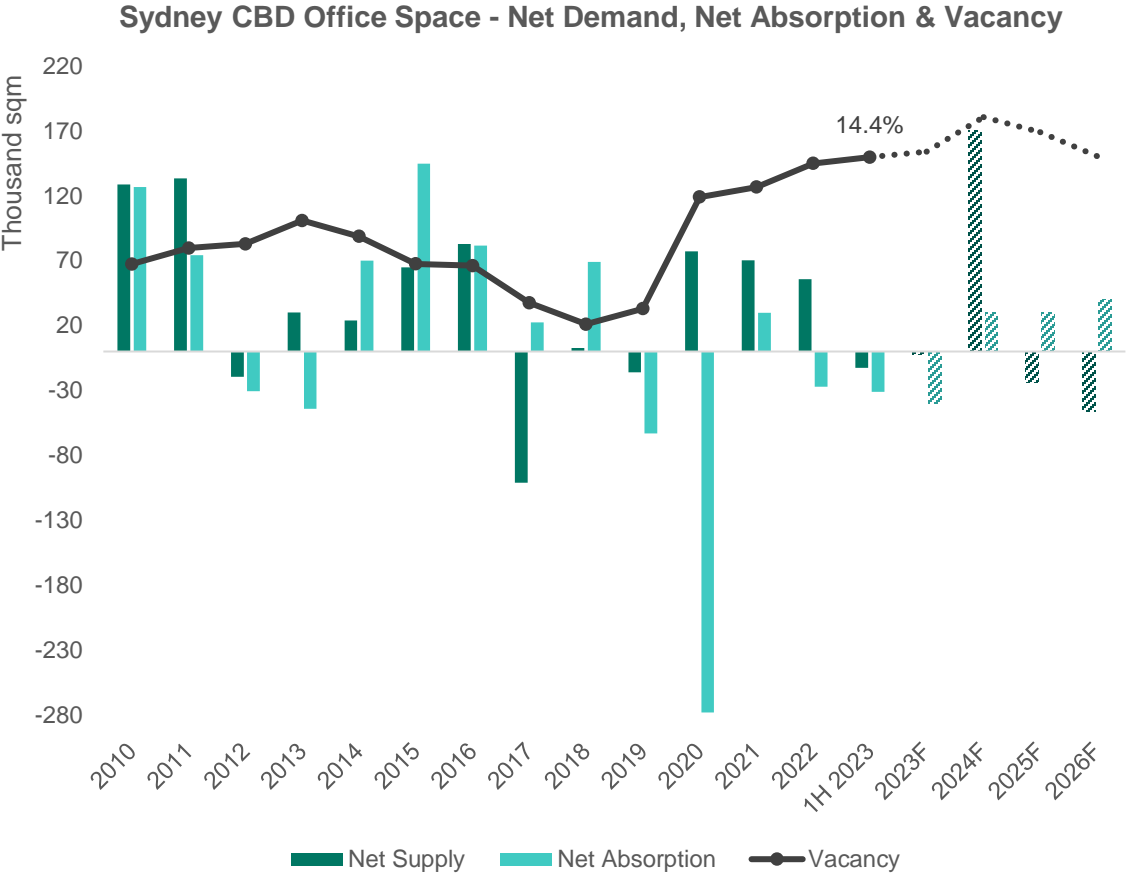
Rental range by submarket (€ / square metre / month)



Source: CBRE Research, 2Q 2023

# Sydney CBD

JLL projects positive demand over the medium term but vacancy rate to trend upwards driven by robust development pipeline in 2024; Effective rents have increased 7 consecutive quarters and incentives broadly stabilised.

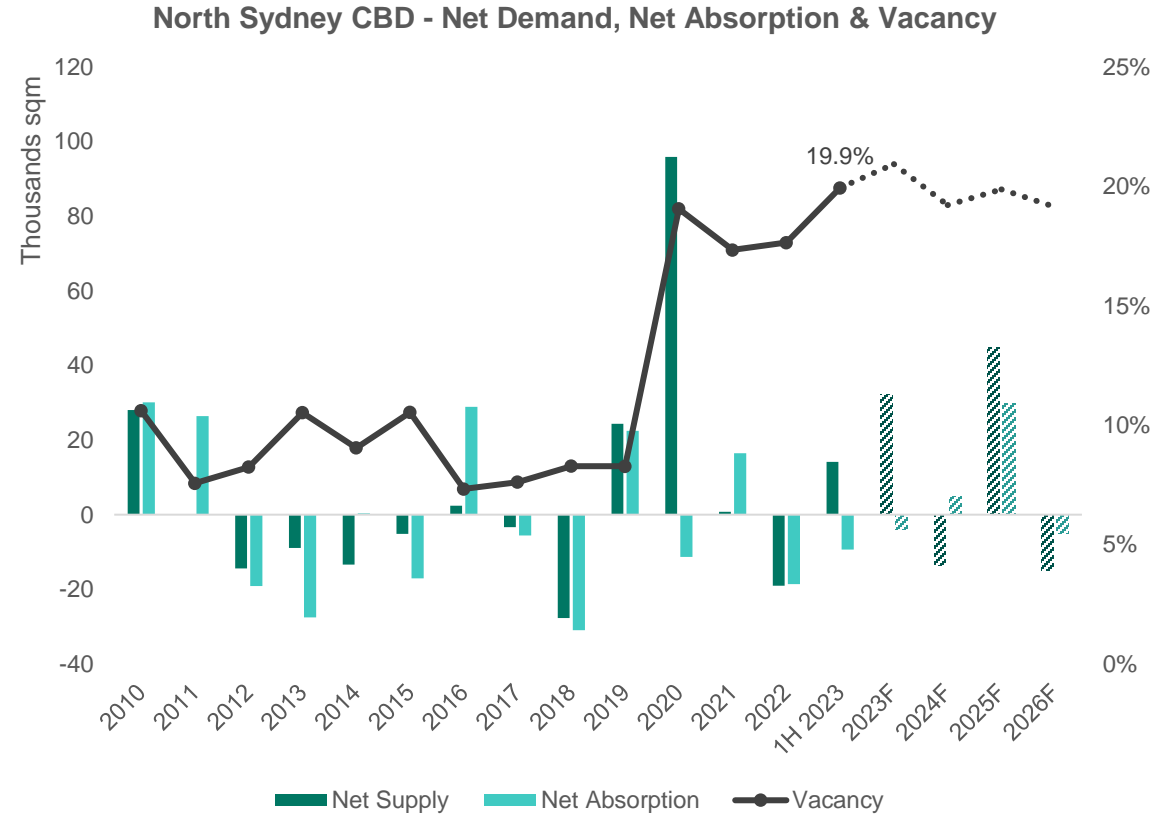


Source: JLL Research as at 2Q 2023



# North Sydney CBD

Total stock remains unchanged while vacancy to remain elevated for the medium term



Source: JLL Research as at 2Q 2023

# The End

For enquiries, please contact:  
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Tel: (65) 6713 2888 | Fax: (65) 6713 2999