

18 May 2018

To the managers / owners of Orchard Road retail assets,

THE BUSINESS STUDY OF ORCHARD ROAD

The Urban Redevelopment Authority (URA) and Singapore Tourism Board (STB) have recently appointed Cistri to undertake a study of Orchard Road. The objective of the study is to help develop a comprehensive range of strategies that will guide the longer term development of Orchard Road to strengthen its positioning as a vibrant lifestyle destination. The project will form a key part in helping determine the future direction of Orchard Road.

The broad steps in the project are as follows:

- A. Phase A is where Cistri pulls together and analyse the existing context of Orchard Road. This includes:
 - i. Consumer Research such as an intercept survey and online consumer survey.
 - ii. Retail market analysis.
 - iii. A strength, weakness, opportunity and threat (SWOT) assessment for Orchard Road.
- B. Phase B is where Cistri expands on Phase A to assess the strengths and weakness of the various new and proposed strategies for the rejuvenation of Orchard Road.

Phase A will be occurring between now and late June. Phase B will then occur between July and October.

If you would like further information about the project, please feel free to contact Jack Backen of Cistri (contact details below).

The purpose of this letter is twofold:

1. To find out the extent to which you would like to be engaged during this project.
2. To request mall performance data that will help us in our analysis.

Cistri discussed each of these purposes with the ORBA ExCo at last week's ExCo meeting, and agreed to approach each mall owner separately on each, as outlined in the rest of this letter.

1. STAKEHOLDER ENGAGEMENT

As part of the study, Cistri is also planning on undertaking a program of stakeholder engagement including key mall owners. It is important that your views are incorporated into our plans as you will be the key contributors to and beneficiaries of the revitalisation of Orchard Road.

We understand that Orchard Road stakeholders have already undergone a significant program of engagement, where your feedback on your business needs, key challenges and ideas for improvement was sought, so we plan to use this and build on it.

Our current program, therefore, is to engage with Orchard Road stakeholders later in the project as part of Phase B where we develop strategies for revitalisation, sometime between end July to early September. We intend to come to you when we have developed an overarching vision for Orchard Road and distinctive positioning for each of its sub zones, and defined preliminary strategies to deliver this vision. Our objective will be to seek your views on the proposed vision and positioning, and get feedback on the viability and attractiveness of the strategies being considered, with the intent of ensuring that our proposals for revitalisation have the support from Orchard Road stakeholders.

However, we want to ensure that stakeholders have ample opportunity to have their views heard early in the process as well.

Therefore, if you would like to meet with Cistri to discuss the strengths and weaknesses of Orchard Road, as well as provide your view of the opportunities and threats, we would be happy to meet with you during the next few of weeks.

Please feel free to let Cistri know if you would like to take up this opportunity. Otherwise, Cistri will likely be in touch in June/July to set up the engagement between end July to early September.

2. SHOPPING MALL PERFORMANCE DATA

Finally, we seek your assistance in understanding the current performance of malls on Orchard Road. In order to diagnose any problems with the performance of Orchard Road malls, Cistri first needs to understand how they are currently performing.

Our methodology for analysing retail precincts is highly reliant on an assessment of the current financial performance of the precinct. As part of this project we will be analysing the impact of various strategies on Orchard Road. Our approach will be to determine:

- (a) the current financial performance of Orchard Road (in terms of sales, rent and footfall),
- (b) a baseline (or status quo) forecast for these metrics over the next twenty years, and
- (c) the potential uplift on sales of the various strategies.

Our economic analysis is undertaken at the precinct level, but needs to take account of the differences between retail levels (e.g. ground, basement etc.), as well as product types (e.g. F&B, fashion) and store types.

Obviously the more data we have on the financial performance of Orchard Road, the more accurate our analysis can be.

To this end, would you be willing to share sales and / or rent data for your mall?

To assist in your deliberation on this issue, we note the following:

- The data would be treated with strictest confidentiality. Cistri has been collecting such data from clients in Australia, Asia and the Middle East for 25+ years, and treats issues of confidentiality with utmost seriousness.
- Cistri does not require performance data by tenant (to ensure confidentiality), but would request that it be provided by level (i.e. sales and rent by level across the mall) and possibly by tenant size (i.e. <4,000 sq.ft, > 4,000 sq.ft).
- The analysis will be done in an aggregated manner by sub-zones and overall Orchard, not on an individual mall basis. Individual mall data will not be presented in Cistri's reports.
- We confirm that this data would never be reproduced for any other projects undertaken by Cistri. Indeed, it will not even be replicated within the report being prepared for the current Orchard Road unless grouped with other malls.
- We are making this request of all mall owners on Orchard Road (except strata titled malls).

If you have any concerns about how this data would be treated if provided, I would be more than happy to discuss ways in which we can alleviate these issues.

Thanks for taking the time to consider the above. To summarise:

1. If you would like to discuss the project further, and provide further feedback on Orchard Road over the next few weeks, please let Jack Backen know and we will arrange a time to meet.
2. Please let Jack Backen know whether you are willing to share performance data for your mall, or if you would like to discuss in more detail.

Thank you for your assistance and we look forward to hearing from you.

Yours sincerely,

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