



continued its mainland China expansion by opening 8,611 square feet in Beijing's Taikoo Li Sanlitun North zone.

The average ground floor fixed rent in Beijing's mid- and high-end shopping centers increased by 0.9% quarter-over-quarter in Q2. Reflecting an overall stability in the retail market, the overall vacancy rate for Beijing's mid- to high-end shopping center market decreased slightly to 7% at the end of Q2 2013.

In Japan, another Quarter of GDP Growth

The Japanese economy has shown three quarters of GDP growth since Q4 2012. Exports, fixed business investment, and corporate profit have all shown positive signs. Private consumption—especially in the luxury sectors—supported by improving consumer sentiment, has also proved resilient.

Since the end of the 2008 recession, rental rates in high-end street retail began to see slight increases in select buildings and districts. The fast fashion trend, which took off after 2008, saw retailers like Zara, H&M, Forever 21, and Uniqlo opening in Ginza and Omotesando. European luxury brands and other clothing retailers continue to drive demand in these areas. In the latest Colliers survey, rents on Chuo-dori in Tokyo's famed Ginza district remained unchanged.

Singapore's Orchard Road Continues to Capture Top Retail Rents

While Orchard Road remains the premier retail location in Singapore, the increased competition from suburban malls and other retail locations has taken some of the gloss off retail rents in the premier shopping belt. Some of the older malls in Orchard Road that have not undergone upgrading or any form of refurbishment have also dragged the overall average monthly gross rents of prime retail space down. The prime ground floor gross rental rates for retail space in Orchard Road have slipped by 4 percent in Q1 2013 over the same quarter in the previous year. Nonetheless, the rents in Orchard Road remained 10.1% higher than the average rate for prime ground floor retail spaces in regional centers. Within the past year, Mulberry, Paul Smith and Crate & Barrel opened new stores on Singapore's Orchard Road. At the same time, fast fashion chain Uniqlo continued to expand in the premier shopping belt.

Even though competition for the consumer dollar is intense, many shopping centers along Orchard Road and in the regional centers are expected to still maintain tight occupancy rates as new-to-Singapore brands continue to make inroads into the city-state to capitalize on its fast-growing international profile. We expect retail rents to remain stable with the continued momentum of new openings and setups in many of the popular and well located malls. In Orchard Road, new malls would largely be able to maintain their rental levels, but older malls that have to intensely compete alongside for the tourist and local dollar, could have their rents come under pressure.



Moscow Leads Eastern Europe in Luxury Retail

Eastern Europe is enjoying a strong expansion of international retailers, especially in Russia and Poland. New market entrants in the past year have included Hollister in Warsaw, Debenhams in Moscow and Moncler in Budapest. These retailers have focused their expansion efforts on shopping centers, where relatively healthy development levels in most markets have given them a wide selection to choose from.

Russia continues to show robust growth, with consumption driving a revival of large-scale development. While most markets in Eastern Europe are not particularly sought after by international luxury brands, Moscow is as popular as London, Paris or Milan.

On Moscow's Tverskaya Street, annual asking rents average \$742.23 USD per square foot and have grown by 9.5% in the last year. Luxury retailers have opened new stores in high-end shopping centers such as Crocus City Mall in the outskirts of Moscow and the centrally located GUM department store. Prague has also seen expansion from luxury retailers. Following the opening of a Tiffany & Co. store last September, Jimmy Choo, Chopard and Loro Piana each opened stores along Parizska Street.

Baltic Growth to top Europe

The Baltic nations of Estonia, Latvia and Lithuania have seen steady economic growth, supported by gradual recovery in domestic consumption. Retail markets remain stable, with observed increases in asking rents reflecting a low vacancy level and steady demand.

In 2014, Latvia will follow Estonia in adopting the euro as its currency. Some expect this move to bolster economic growth. It will certainly tighten the country's bonds with Western Europe. Latvia has shown a sustained recovery after the recession and its output growth should be amongst the strongest in Europe, with Latvia's central bank estimating that the country's economy will grow by 4.1% in 2013.

Despite National Retail Declines, Luxury Brands Grow in Vienna

Retail sales fell in Austria by 1.2% in the first half of 2013, as compared with the same period in the previous year. But for the Viennese luxury retail market, where wealthy tourists from Europe, Asia and the Middle East come to shop for their favorite brands, luxury options are still expanding. In the heart of the historic city, SIGMA Holding's Goldenes Quartier (Golden Quarter) is undergoing a refurbishment, set to be complete in 2014. The

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Small Bio (Organic) Grocery Chains Sprout Up in Germany

Chain stores have continued to expand into German high streets. The best locations are becoming more important for chain stores' strategies and as a result, rental growth is spreading in these areas. A new grocery trend in Germany is a high street concept developed by retailers like Rewe and Edeka. Such grocers are smaller than normal supermarkets and locate in secondary locations in and around quality city centers and high streets. Specialist organic food retailers like Denn's Biomarkt are also sometimes located in city centers, malls or high streets.

While high streets in Western Germany's primary cities are generally vibrant, those in the East have suffered since the fall of the Berlin Wall. Many large and ultimately over-sized shopping centers were constructed outside of city centers, drawing shoppers and retailers away from CBDs.

Global Retail Survey

CITY	COUNTRY	STREET	QUOTED CURRENCY	TIME PERIOD	UNIT	EXCHANGE RATE (USD) MAR. 31, 2013	QUOTED RENT (LOCAL)	USD RENT SF/YEAR	ANNUAL CHANGE (LOCAL, %)
AUSTRALIA & NEW ZEALAND									
Adelaide	Australia	Rundle Street Mall	AUD	Yearly	SM	0.96	2,750.00	265.99	-8.3%
Brisbane	Australia	Brisbane Mall	AUD	Yearly	SM	0.96	4,462.50	431.64	5.0%
Melbourne	Australia	Bourke Street Mall	AUD	Yearly	SM	0.96	7,000.00	677.08	0.0%
Sydney	Australia	Pitt Street Mall	AUD	Yearly	SM	0.96	9,000.00	870.53	0.0%
Auckland	New Zealand	Queen Street	NZD	Yearly	SM	1.19	2,358.00	183.34	0.3%
Wellington	New Zealand	Lambton Quay	NZD	Yearly	SM	1.19	1,801.00	140.03	-0.1%
CANADA									
Calgary, AB	Canada	17th Avenue SW	CAD	Yearly	SF	1.02	65.00	63.89	8.3%
Calgary, AB	Canada	Kensington	CAD	Yearly	SF	1.02	55.00	54.06	0.0%
Calgary, AB	Canada	Mission or 4th Street SW	CAD	Yearly	SF	1.02	60.00	58.97	9.1%
Calgary, AB	Canada	Stephen Avenue	CAD	Yearly	SF	1.02	45.00	44.23	0.0%
Edmonton	Canada	Jasper Avenue	CAD	Yearly	SF	1.02	32.00	31.45	6.7%
Edmonton	Canada	Whyte Avenue	CAD	Yearly	SF	1.02	35.00	34.40	0.0%
Halifax, NS	Canada	Spring Garden Road	CAD	Yearly	SF	1.02	65.00	63.89	-7.1%
Montréal, QC	Canada	Ste. Catherine St. West	CAD	Yearly	SF	1.02	200.00	196.58	0.0%
Ottawa, ON	Canada	Byward Market	CAD	Yearly	SF	1.02	30.00	29.49	0.0%
Ottawa, ON	Canada	The Glebe	CAD	Yearly	SF	1.02	45.00	44.23	0.0%
Ottawa, ON	Canada	Westboro	CAD	Yearly	SF	1.02	42.00	41.28	7.7%
Saskatoon, SK	Canada	21st St E	CAD	Yearly	SF	1.02	25.00	24.57	0.0%
Saskatoon, SK	Canada	Broadway Ave	CAD	Yearly	SF	1.02	30.00	29.49	11.1%
Toronto, ON	Canada	Bloor Street	CAD	Yearly	SF	1.02	315.00	309.61	1.6%
Vancouver, BC	Canada	Alberni Street	CAD	Yearly	SF	1.02	150.00	147.43	42.9%
Vancouver, BC	Canada	Granville Street	CAD	Yearly	SF	1.02	125.00	122.86	0.0%
Vancouver, BC	Canada	Robson Street	CAD	Yearly	SF	1.02	200.00	196.58	33.3%
Vancouver, BC	Canada	West 4th Avenue	CAD	Yearly	SF	1.02	50.00	49.14	5.3%
Victoria, BC	Canada	Government Street	CAD	Yearly	SF	1.02	50.00	49.14	-16.7%
Victoria, BC	Canada	Johnson Street	CAD	Yearly	SF	1.02	35.00	34.40	18.6%