



Changi Airport concessionaires to receive rental assistance amid COVID-19 outbreak

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Changi Airport concessionaires to receive 50% rental rebates

Retail, food & beverage (F&B) and service concessionaires at Changi Airport will receive rental assistance under the Singapore Budget 2020 Stabilisation and Support Package (SSP) for the aviation sector.

The assistance aims to help concessionaires tide over the challenging retail climate due to the COVID-19 (Coronavirus Disease 2019) outbreak, which has adversely affected air passenger traffic and weakened consumer demand. It comes after the Minister for Finance's budget announcement on Tuesday that

the Government, Civil Aviation Authority of Singapore (CAAS) and Changi Airport Group (CAG) will provide an Aviation Sector Assistance Package amounting to S\$112 million to the airport community to help defray business costs and protect jobs, as well as safeguard Changi's air connectivity. This amount includes a 15% property tax rebate which CAG will receive from the government that will be fully passed on to the aviation community under the Aviation Sector Assistance Package.

Current concessionaires in Changi Airport's four terminals and in both the transit and public areas, will be offered a 50 per cent rebate on their monthly Basic Rental (BR) for a period of six months effective 1 February 2020 (or any later tenancy commencement date). This is in addition to an automatic rental offset tied to passenger movements at Changi Airport that these concessionaires will receive as part of their tenancy agreements.

Given the dynamic nature of the aviation environment, a sizeable portion of Changi Airport's concessionaire rental is designed to vary in tandem with passenger traffic. For example, when there is a drop in passenger traffic, concessionaires will receive a corresponding reduction in their rent. Such a rental structure is unique to the airport.

"The shops and restaurants in Changi Airport are very much dependent on passenger traffic. The COVID-19 situation has affected air travel significantly and there has been a marked drop in business for our concessionaires. With our unique rental structure, our concessionaires will benefit from an "automatic" reduction in their rent in tandem with the reduction in passenger traffic. In addition, we have decided to provide further assistance by reducing the BR to help our concessionaires during this very difficult period," said Ms Lim Peck Hoon, Executive Vice President of Commercial, Changi Airport Group.

As some businesses are taking a harder hit than others, CAG is also currently in discussion with individual concession partners to offer further assistance to these concessionaires to ease the pressure and help them grow sales.

Shorter operating hours

Besides the relief on rentals, CAG has also shortened the operating hours for its tenants in the transit area, including those previously operating round the clock, with the exception of retail and F&B outlets providing essential

services to passengers. At the same time, tenants in the public areas will also be given the option to shorten their operating hours. Details of adjusted operating hours of individual tenants can be found on Changi Airport's website. There are over 400 retail and services stores, and more than 140 F&B outlets in Changi Airport's four terminals.

To drive consumer demand, CAG will also launch marketing and promotional initiatives to incentivise spending by visitors. Already, airport visitors enjoy all-day, two-hour free parking with a qualifying minimum spend. And from 6 March 2020, they can enjoy perks when shopping and dining in the public areas of Changi Airport on weekends – redeem a S\$5 Changi gift card with S\$50 spend or a S\$10 Changi gift card with S\$100 spend. They can also redeem two play slots at indoor playground *PLAY! at KinderPlay* and receive a S\$20 credit at arcade *Zone X*, with S\$50 spend. Airport workers will also receive additional discounts to encourage them to shop and dine at the airport with family and friends.

Under Aviation Sector Assistance Package, a set of measures will be introduced for a period of six months, effective 1 February 2020, to support other key stakeholders at Changi Airport. More details can be found in the Annex.

About Changi Airport Group

Changi Airport Group (Singapore) Pte Ltd (CAG) (www.changiairportgroup.com) was formed on 16 June 2009 and the corporatisation of Singapore Changi Airport (IATA: SIN, ICAO: WSSS) followed on 1 July 2009. As the company managing Changi Airport, CAG undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services. CAG also manages Seletar Airport (IATA: XSP, ICAO: WSSL) and through its subsidiary Changi Airports International, invests in and manages foreign airports.

The world's seventh busiest airport for international traffic, Changi Airport managed a record 68.3 million passenger movements in 2019. The airport's latest gem, Jewel Changi Airport, opened in April 2019 and now attracts millions of visitors every month. Including Jewel, Changi Airport's retail and

dining offerings total more than 500 stores and over 260 F&B outlets. With over 100 airlines connecting Singapore to 380 cities worldwide, Changi Airport handles about 7,400 flights every week, or about one every 80 seconds.