Abstract

Following Singapore's poor economic performance in the 2nd quarter 2001, the Ministry of Trade & Industry had revised its economic growth forecast for the year from 3.5-5.5 per cent to 0.5-1.5 per cent.

Faced with a pessimistic economic outlook, consumers are expected to be cautious in their spending. Subsequently, retailing conditions will get competitive. Retailers and landlords, particularly those in shopping centre business, will become conscious of the fact that they have to work together to sustain their retail sales. Unfortunately, such cooperative efforts from landlords and tenants are suppressed under the traditional Fixed Rental System due to conflicting interests of both parties.

Knowing the importance of maintaining strong landlord-tenant relations in the success of shopping centres, this thesis attempts to study how the Turnover Rent System can improve landlord-tenant relations.

It is held that turnover rents are designed to cultivate good relations between landlords and tenants. This is achieved through facilitating partnership, a mutually beneficial working relationship, to be set up between both parties. These partnerships formulated enable landlords and tenants to reap shared gains from the Turnover Rent System, which will lead them towards attaining high retail sales or success for their shopping centres.