

## MARKETBEAT

**1.89**  
 STOCK  
 (million sq m)

**¥627.2**  
 RENT  
 (PSM/MO)

**11.8%**  
 VACANCY RATE
WHAT'S  
NEXT

## Market Overview

With no new supply in Q3, Dalian's prime retail stock remained at 1.89 million sq m. The market remained stable in the quarter. Some shopping centers continued to adjust their leasing strategies, and average rent edged down 0.7% q-o-q to RMB627.2 per sq m per month.

In the absence of new supply the market continued to digest existing inventory, and net absorption in the city's retail market reached 16,000 sq m in Q3. The vacancy rate eased down 0.8 percentage point q-o-q to 11.8%.

In the quarter, ZOWOO opened at Pavillion, providing shoppers with an innovative and experiential workshop destination. CNCS DutyFree also opened a store at Olympia 66, helping to meet increasing demand for premier brands and attracting travelers both from China and from overseas.

## Outlook

The MixC One project in the Huanan submarket is scheduled to complete in 2021, adding 100,000 sq m of new retail supply. By then, total retail stock is forecast to reach approximately 2.0 million sq m. The project should help to boost the commercial environment in the Huanan submarket.

Benefiting from further improvement of Dalian's rail network, regional submarkets such as Huanan will become the key development driver of the Dalian retail market. In the future, we expect to see new supply concentrated in emerging submarkets, and to see more high-quality retail hubs taking shape in Dalian..

## Economic Indicators

	Q1 2019	Q2 2019	Annual Trend
GDP Growth	6.7%	6.7%	—
Total Retail Sales of Consumer Goods Growth	-1.4%	0.2%	▲
CPI Growth	2.0%	3.0%	▲
Per Capita Disposable Income of Urban Residents	12,253	23,359	▲

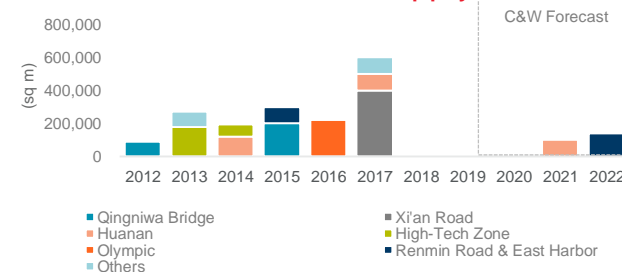
Source: Dalian Statistics Bureau

## Total Sales of Consumer Goods



Source: Dalian Statistics Bureau

## Historical Retail New Supply



Source: Cushman &amp; Wakefield Research

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# DALIAN RETAIL MARKETBEAT

SEPTEMBER 2019

## Prime Average Rental Range in Main Submarkets (Q3 2019)

SUBMARKET	RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO	12-MONTH OUTLOOK
Qingniwa Bridge	500–1360	6.6–17.8	5.9–16.1	■
Xi'an Road	550–1250	7.2–16.4	6.5–14.8	▼
High-tech Zone	350–600	4.6–7.9	4.2–7.1	▲
Huanan	300–800	3.9–10.5	3.6–9.5	▼

Exchange Rate: 1 USD=7.08718 CNY=0.90361 EUR as of August 23, 2019

\* Average rent (RMB/sq m/mo) is based on ground floor rent in prime locations in major shopping centers, excluding management, promotional and other fees.

## Significant New Store Openings (Q3 2019)

PROJECTS	LOCATION	TENANT	TYPE
Pavillion	Qingniwa Bridge	ZOWOO Shop	Culture
Olympia 66	Olympic	CNCS DutyFree	Duty Free
Parkland	Qingniwa Bridge	Coffee Stone Restaurant	F&B

## Significant Projects Under Construction

BUILDING	LOCATION	GFA (SQ M)	ESTIMATED OPENING
MixC One	Huanan	100,000	2021
CNOOC Harbour City	East Harbor	140,000	2022