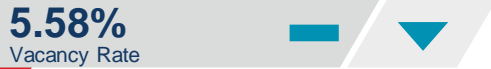
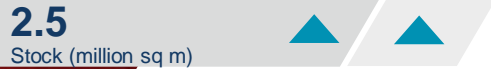


QINGDAO

Retail Q4 2019

CUSHMAN & WAKEFIELD

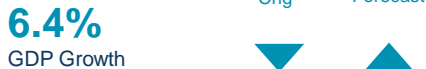
YoY Chg 12-Mo. Forecast



Source: Cushman & Wakefield Research

QINGDAO ECONOMIC INDICATORS Q3 2019

YoY Chg 12-Mo. Forecast



Source: Qingdao Statistics Bureau / Cushman & Wakefield Research

Market Overview

In Q4 2019 no new high-quality retail projects were completed in Qingdao, and the total retail stock remained at 2.5 million sq m.

The average asking rent in the market remained stable in the quarter, at RMB455 per sq m per month. The city's overall vacancy rate dropped 0.4 percentage points q-o-q to 5.6%, as most shopping malls started to adjust their tenant mix and to introduce new brands at the end of the year.

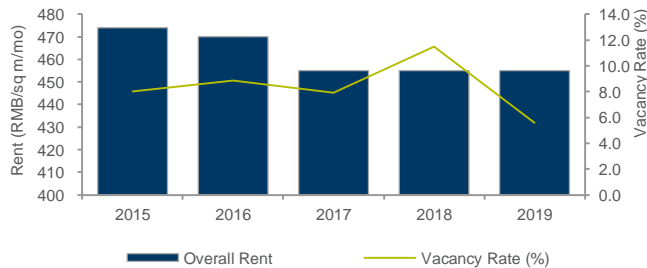
Education and training brands expanded significantly in the quarter. Guoyifang, which focuses on children's education and traditional Chinese culture, entered Jinmao Bay in the Zhongshan Road submarket; and Akerit Robot training school opened in Liqun Jinding Plaza.

Outlook

Approximately 566,000 square meters of new retail supply is scheduled to enter the Qingdao retail market by the end of 2021, bringing total retail stock to three million sq m. In 2020 seven projects will enter the market, including three new completions in the Laosifang submarket, which is set to enjoy greater customer inflows and consumption activity.

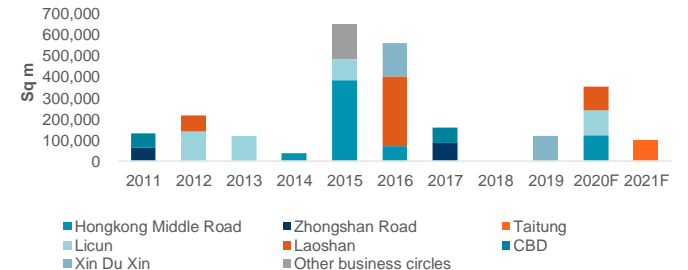
With the Metro Line Two fully opened, Licun and Taidong submarkets are now much more conveniently connected, and we can expect this improved linkage to draw greater customer flows to the area in the future.

RETAIL RENT / VACANCY RATE



Source: Cushman & Wakefield Research

RETAIL SUPPLY PIPELINE BY SUBMARKET



Source: Cushman & Wakefield Research

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2023 (SQM)	ASKING RENTAL RANGE (RMB/SQMMO)*
Hongkong Middle Road	660,000	25,500	3.86%	122,000	150-1,140
Taitung	45,000	0	0.00%	102,000	150-1,200
Zhongshan Road	85,000	3,400	4.00%	0	90-950
Xin Du Xin	276,000	11,470	4.16%	0	100-960
CBD	292,300	10,865	3.72%	0	105-960
Laoshan	440,000	27,350	6.22%	110,000	120-1,200
Licun	431,000	31,240	7.25%	120,000	90-960
OTHERS TOTALS	223,000	/	/	112,000	/
QINGDAO TOTALS	2,452,300	136,905	5.58%	566,000	455

*Data includes shopping malls only.

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

SIGNIFICANT STORE OPENINGS Q4 2019

PROPERTY	SUBMARKET	TENANT	SECTOR
Ginza mall	Hongkong Middle Road	Huawei experience store	Leisure & Entertainment
Jinmao Bay	Zhongshan Road	Guo Yi Fang	Education & Training
Poly Plaza	Xin Du Xin	Duo Duo Rice Noodle	F & B
Imix Park	CBD	Nayuki	F & B

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Polly Square	New City Center	2019	119,000
International Financial Center	Laoshan	2020	110,000
Weekly Square	Licun	2020	120,000
Haitian Center	Hong Kong Mid Road	2020	22,000
COFCO JOY City	Taidong	2021	90,000

Sabrina Wei

Senior Associate Director

Head of North China Research

14/F, North Tower, Beijing Kerry Centre, 1 Guanghua Road, Beijing 100020, China

Tel: +86 10 8519 8087 | sabrina.d.wei@cushwake.com

cushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.