

TIANJIN

Retail Q4 2019

CUSHMAN & WAKEFIELD

YoY Chg 12-Mo. Forecast

2.34
Stock (million sq m) ▲ ▲

¥459.6
Rent (PSM/MO) ▼ ▼

7.9%
Vacancy Rate ▼ ▬

Source: Cushman & Wakefield Research

TIANJIN ECONOMIC INDICATORS Q3 2019

YoY Chg 12-Mo. Forecast

4.6%
GDP Growth ▲ ▬

-1.4%
Total Retail Sales of Consumer Goods Growth ▼ ▲

2.8%
CPI Growth ▲ ▲

7.1%
Per Capita Disposable Income of Urban Residents ▲ ▲

Source: Tianjin Statistics Bureau / Cushman & Wakefield Research

Market Overview

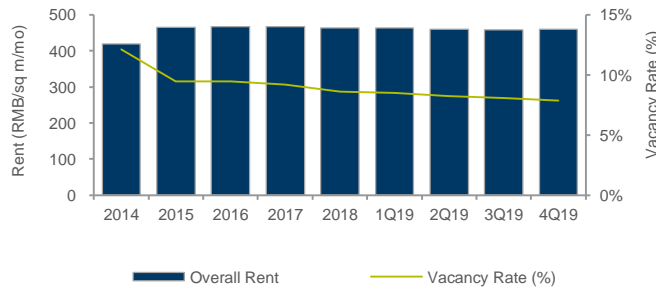
With no new supply entering the market by the end of the quarter, Tianjin's retail stock remained at 2.34 million sq m. For the year 2019, new retail supply in Tianjin's core submarkets was reduced significantly, down 62% y-o-y. In Q4, leasing demand continued to remain stable. The vacancy rate edged down 0.2 percentage points q-o-q to 7.9%, while rents across the city rose 0.3% q-o-q to RMB459.6 per sq m per month.

At the end of 2019 the retail market welcomed various shopping festivals, while some shopping centers have adjusted their brand mix to boost their consumer attraction. For example, Plaza 66 built a theme block incorporating a "dine and play" concept to attract younger consumers. The differentiation between traditional shopping malls and community-based shopping malls in Tianjin's retail market has also become more apparent. Newly developed community-based shopping malls provide an improved tenant mix to suit younger generations' tastes, and the average vacancy rate for community shopping centers was around 5%. In contrast, customer foot traffic in traditional shopping malls experienced an obvious drop.

Outlook

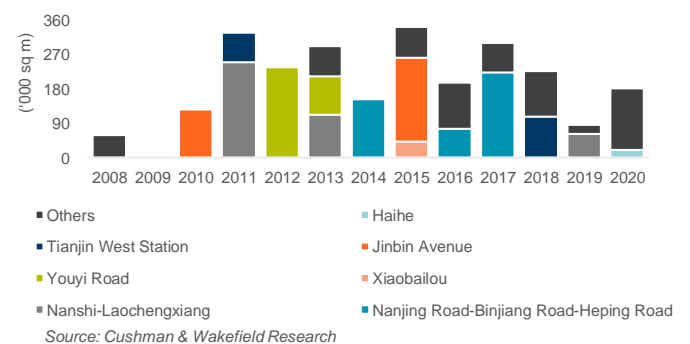
Four retail projects with a combined 182,000 sq m of new supply are scheduled to complete in 2020, all of them community-based shopping centers located in suburban areas. From 2021 to 2023, the average annual new supply in Tianjin's retail market is forecast to remain consistent at 165,000 sq m. With the new supply entering suburban areas, we expect that the average rent level to face downward pressure in 2020. In the future, we can expect community-based shopping centers to continue to expand.

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/SQM/MO)*
Nanjing Road-Binjiang Road-Heping Road	452,601	66,527	14.7%	130,000	600-900
Youyi Road	336,137	32,659	9.7%	0	500-800
Tianjin West Station	184,580	8,063	4.4%	0	200-400
Nanshi-Laochengxiang	425,000	24,919	5.9%	0	300-600
Xiaobailou	42,500	678	1.6%	45,000	200-500
Jinbin Avenue	344,500	6,178	1.8%	0	250-400
OTHERS TOTALS	559,491	/	/	487,820	/
TIANJIN TOTALS	2,344,809	184,120	7.9%	662,820	

*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
Luneng CC Plaza	Others	SKECHERS	Sportswear
DELIGHT CITY	Others	CHOW TAI FOOK	Jewellery
Plaza 66	Nanjing Road-Binjiang Road-Heping Road	Shengjing Escape Room	Leisure & Entertainment
Tee Mall	Nanjing Road-Binjiang Road-Heping Road	YOUWIN	Education
The Mixc	Youyi Road	JORYA	Clothing

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Tianjin Hopson Fortune Plaza	Haihe River	2020	20,470
Tianjin Nord Center	Others	2020	55,000
SUNAC Center	Others	2021	100,000
JINMAO	Others	2023	45,750

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

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