

	YoY Chg	12-Mo. Forecast
<b>188.8</b> Stock (million sq m)	—	—
<b>¥607.9</b> Rent (PSM/MO)	▼	▼
<b>13.2%</b> Vacancy Rate	▲	▲

Source: Cushman &amp; Wakefield Research

DALIAN ECONOMIC INDICATORS  
Q1 2020

	YoY Chg	12-Mo. Forecast
<b>-5.0%</b> GDP Growth	▼	▲
<b>-25.5%</b> Total Retail Sales of Consumer Goods Growth	▼	▲
<b>3.2%</b> CPI Growth (Jan-May)	▲	▼
<b>0.2%</b> Per Capita Disposable Income of Urban Residents	▼	▲

Source: Dalian Statistics Bureau / Cushman &amp; Wakefield Research

## Market Overview

No new supply entered the market in Q2 and Dalian's prime retail stock remained at 1.89 million sq m. The overall average asking rent slipped to RMB608 per square meter per month.

The retail market entered a gradual recovery in Q2 as the damaging effects of the COVID-19 outbreak weakened. Most retailers resumed normal operations in the quarter, although leisure, entertainment and children's education sectors are yet to fully reopen. However, the impact of the pandemic still led to a significant increase in the number of smaller store lease surrenders as retailers' cash positions became untenable. Consequently, the overall market vacancy rate jumped 2.3 percentage points q-o-q to reach 13.2%.

## Outlook

As the market emerges from the COVID-19 crisis we expect a sales rebound, as consumers return to stores. However, in the longer-term, with a weakened economy and lower spending intentions, Dalian's retail market may take longer to fully recover than earlier expected. Online retailers, and grocery and health and beauty operators will continue to thrive and outperform other retail sectors.

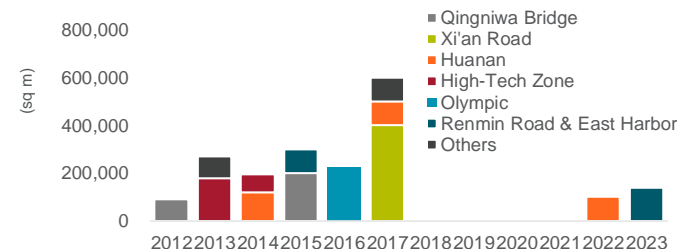
The post-pandemic retail market must recognize changes seen in people's daily habits and consumption patterns. Restrictions on social distancing have accelerated the shift to digital, and those brands who enhance and expand their digital channels will be the winners in the market. Social media and livestreaming channels are slowly subverting traditional purchase paths, and will be embraced by successful brands.

## RENT / VACANCY RATE



Source: Cushman &amp; Wakefield Research

## RETAIL SUPPLY PIPELINE BY SUBMARKET



Source: Cushman &amp; Wakefield Research

## MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2023 (SQM)	ASKING RENTAL RANGE (RMB/SQM/MO)*
Qingniwa Bridge	210,000	3,990	1.9%	0	500–1,300
Xi'an Road	766,560	178,992	23.35%	0	550–1,250
High-tech Zone	180,000	1,494	0.83%	0	350–600
Huanan	220,000	10,098	4.59%	100,000	300–800
OTHERS TOTALS	511,900	54,703	10.69%	140,000	/
DALIAN TOTALS	1,888,460	249,277	13.2%	240,000	300-1,360

\*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 Q2 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Dalian Roosevelt Plaza	Xi'an Road	HEYTEA	F&B

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
MixC One	Huanan	2022	100,000
CNOOC Harbour City	East Harbor	2023	140,000

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