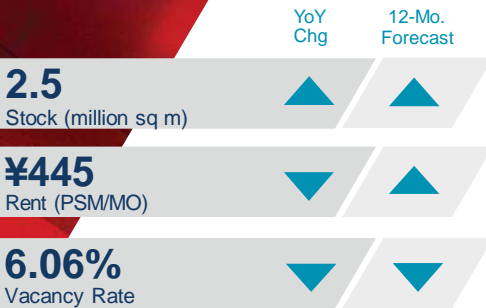


QINGDAO

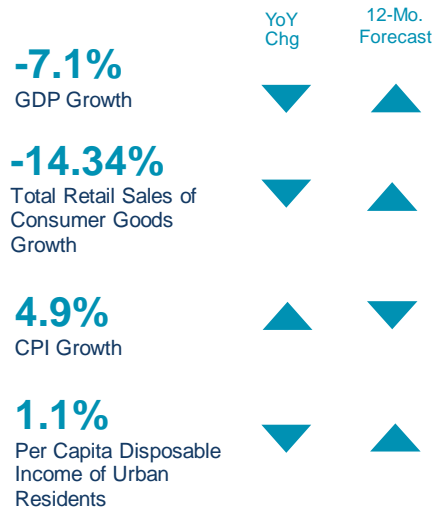
Retail Q2 2020

CUSHMAN & WAKEFIELD



Source: Cushman & Wakefield Research

QINGDAO ECONOMIC INDICATORS Q1 2020



Source: Qingdao Statistics Bureau / Cushman & Wakefield Research

Market Overview

No new projects entered the Qingdao retail market in Q2 and the city's total retail stock remained at about 2.4 million sq m.

The retail market continued to endure pressure from the impact of the COVID-19 outbreak. Overall average monthly asking rent dropped 1% q-o-q to RMB445 per sq m. The citywide overall vacancy rate rose 0.23 percentage points q-o-q to 6.06%.

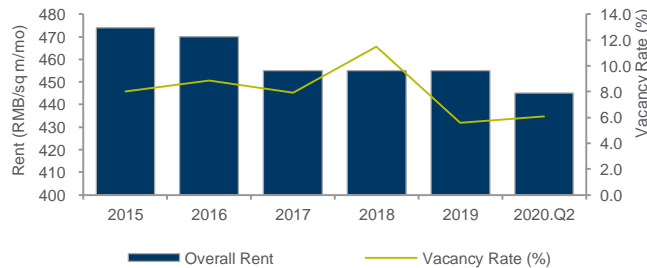
However, with the alleviation of the pandemic and the government's policy support to the retail market, consumers' willingness to go out shopping substantially recovered, and market vitality has gradually returned. New store openings grew in the quarter, notably for smaller stores in shopping centers' lower levels. For example, beauty brand YSL entered the Ginza Mall in Hong Kong Middle Road submarket, while Jinchunxi entered the Wanda Plaza in the CBD submarket. In contrast, with social distancing requirements still in place, KTV, cinema, and offline education establishment are still not fully opened.

Outlook

In the wake of the pandemic the entry of new projects into the Qingdao retail market has slowed significantly. In 2H 2020, four high-quality retail projects are scheduled to enter the market, bringing about 286,000 sq m of new retail space.

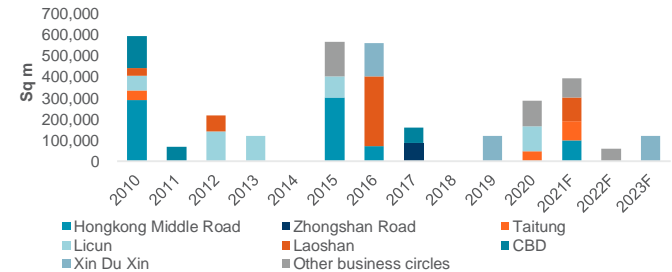
In the next five years, new projects in the Qingdao High-tech Zone, such as Shimao 52+, Lushang Plaza, and Capital Outlets, promise to greatly enhance the commercial environment in the Zone. The opening of the intercity high-speed rail Hongdao Station will also bring greater retail development opportunities into the district.

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	32000	4.85%	100000	150-1,140
Taitung	45,000	0	0.00%	136000	150-1,200
Zhongshan Road	85,000	10200	12.00%	0	90-950
Xin Du Xin	276,000	15040	5.45%	120000	100-960
CBD	292,300	10865	3.72%	0	105-960
Laoshan	440,000	30050	6.83%	110000	120-1,200
Licun	431,000	35940	8.34%	120000	90-960
OTHERS TOTALS	163,000	/	/	273000	/
QINGDAO TOTALS	2,392,300	166035	6.06%	859000	445

*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
Ginza mall	Hongkong Middle Road	YSL	Beauty brand
Hisense Plaza	Hongkong Middle Road	CPB	Beauty brand
Mixc	Hongkong Middle Road	Lululemon	Fansion clothes
Vanda Plaza	CBD	JIN CHUN XI	Restaurant
Zendai Plaza	Laoshan	STARBUCKS	Coffee

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Shimao52+	Others	2020	60,000
Lushang square	Others	2020	60,000
International Financial Center	Laoshan	2020	110,000
Weekly Square	Licun	2020	120,000
COFCO JOY City	Taidong	2021	90,000

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