

**12.2**  
Stock (million sq m) YoY Chg ▲ 12-Mo. Forecast ▲

**¥2,400**  
Rent (PSM/MO) YoY Chg ▼ 12-Mo. Forecast —

**11.5%**  
Vacancy Rate YoY Chg ▲ 12-Mo. Forecast —

Source: Cushman & Wakefield Research

### BEIJING ECONOMIC INDICATORS Q2 2020

**-3.2%**  
GDP Growth YoY Chg ▼ 12-Mo. Forecast ▲

**-16.3%**  
Total Retail Sales of Consumer Goods Growth YoY Chg ▼ 12-Mo. Forecast ▲

**2.8%**  
CPI Growth YoY Chg ▲ 12-Mo. Forecast ▼

**2.2%**  
Per Capita Disposable Income of Urban Residents YoY Chg ▼ 12-Mo. Forecast —

Source: Beijing Statistics Bureau / Cushman & Wakefield Research

### Market Overview

The retail market again saw an absence of new high-quality projects in Q3. Citywide total retail stock remained at 14.1 million sq m, of which shopping malls account for 12.2 million sq m, or 86.3% of the total.

The market continued to recover from the effects of the pandemic through the quarter. In late July, cinemas, KTVs, theaters and other indoor entertainment venues resumed operations. By late August, the offline education and training industry had gradually recovered its vitality, with facilities in malls fully reopened. The knock-on effects brought shoppers back to malls, boosting spending and aiding catering outlets specifically.

New store openings also jumped, led by the casual F&B sector. U.S. burger brand Shake Shack opened its first Beijing store in Taikoo Li South zone in the Sanlitun submarket, Canadian coffee brand Tim Hortons launched in Longfor Changying Paradise Walk and The Place, and Peet's Coffee opened in China World Mall. Tongrentang's retail brand Zhima Health has also moved into the F&B business, with its unique combination of traditional Chinese medicine and coffee sparking a new trend in health and wellness. It plans to open 300 coffee stores in Beijing in the next year.

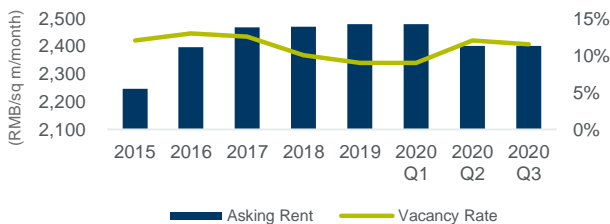
Retail market figures have also improved. Total retail sales of consumer goods in Beijing were down 16.3% y-o-y at the end of Q2, compared to 21.5% in Q1. Online retail continued to grow strongly, up 25.8% y-o-y, and overall consumption was boosted by citywide promotion activities in July.

### Outlook

The effects of the pandemic continue to cause retail business uncertainty, with new mall projects on hold or with opening dates postponed. Currently, only Daxing Joy Breeze and Beiyuan Huamao Place (West Zone) are scheduled to open in Q4, accounting for around 130,000 sq m of new space. Changes in tenant mixes and updates to malls have also been brought forward, a trend set to continue in the short-term, and accompanied by a gradual drop-off in the vacancy rate.

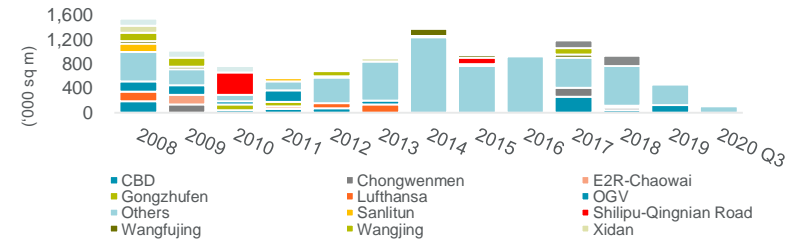
The Beijing government's New Consumption Action Plan, besides promoting the Nightlife Economy and First Store Economy, proposes to earmark a batch of traditional retail projects for renovation. With this work, together with the relocation of the Beijing Workers Stadium, we can expect urban renewal to remain a key theme in the ongoing development of Beijing's retail market.

### RENT / VACANCY RATE



Note: Average rent is the best location for the first floor of the benchmarking projects in the core submarkets

### RETAIL SUPPLY PIPELINE BY SUBMARKET



Note: Data of 2020 is the cumulative up to Q3

## MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	UNDER CNSTR TILL 2023 (SQM)	ASKING RENTAL RANGE		
			RMB/SQM/MO	EUR/SF/MO	US\$/SF/MO
CBD	939,849	40,000	800 – 2,500	9.1 – 28.4	10.7 – 33.6
Sanlitun	216,000	30,000	1,500 – 2,800	17.1 – 31.8	20.1 – 37.6
Xi'dan	199,000	0	1,000 – 2,500	11.4 – 28.4	13.4 – 33.6
Wangfujing	450,000	0	800 – 2,500	9.1 – 28.4	10.7 – 33.6
Lufthansa	364,000	0	800 – 1,500	9.1 – 17.1	10.7 – 20.1
E2R-Chaowai	242,985	0	600-1,500	6.8 – 17.1	8.1 – 20.1
Chongwenmen	309,000	0	800-1,000	9.1 – 11.4	10.7 – 13.4
<b>OTHERS TOTALS</b>	<b>9,465,130</b>	<b>2,902,764</b>	<b>/</b>	<b>/</b>	<b>/</b>
<b>BEIJING TOTALS</b>	<b>12,185,964</b>	<b>3,052,764</b>	<b>2,400*</b>	<b>27.3</b>	<b>32.2</b>

\*Data includes shopping malls only.

\*Asking Rental Range is based on ground floor rent in prime locations in major shopping centers, excluding management, promotional and other fees; the overall average rent is the best location for the first floor of the benchmarking projects in the core submarkets.

Exchange Rate: 1CNY = 0.1445USD = 0.1224EUR, as of August. 24th 2020.

## SIGNIFICANT STORE OPENINGS Q3 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Beijing SKP	CBD	CIRCLE	Fashion
China World Shopping Mall	CBD	Peet's Coffee	F&B
Beijing Takoo Li	Sanlitun	Shake Shack	F&B
Beijing Takoo Li	Sanlitun	UNITED TOKYO	Fashion
Chaoyang Joy City	Shilipu-Qingnian Road	Gontran Cherrier	F&B
Longfor Changying Paradise Walk	Other	Tim Hortons	F&B

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Beiyuan HUAMAOP PLACE (West Zone)	Other (Chaoyang)	2020	22,000
Daxing Joy Breeze	Other (Daxing)	2020	108,452
AWESOME PLAZA	OGV	2021	100,000
CP Center	CBD	2021	40,000
LEMON LIVE SHOPPING PARK	Other (Chaoyang)	2021	130,000

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