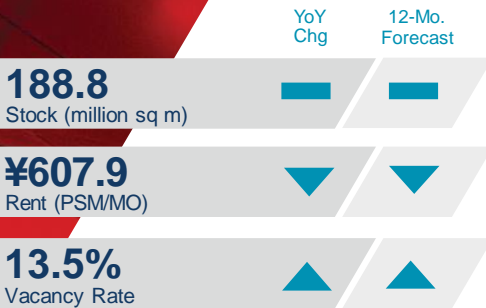


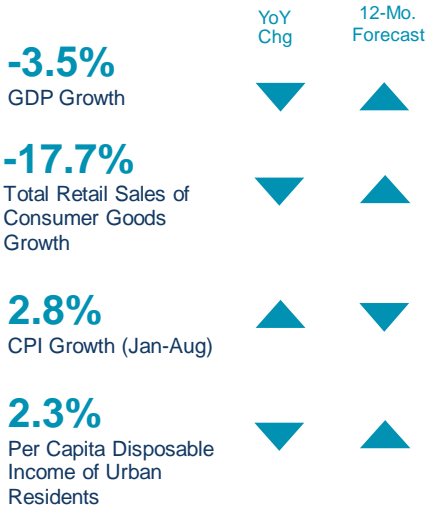
DALIAN

Retail Q3 2020



Source: Cushman & Wakefield Research

DALIAN ECONOMIC INDICATORS Q2 2020



Source: Dalian Statistics Bureau / Cushman & Wakefield Research

Market Overview

No new supply entered the market in Q3, and Dalian's prime retail stock remained at 1.89 million sq m. The impact of the COVID-19 outbreak continued to be felt in the retail market during the quarter. The citywide vacancy rate at shopping malls rose by 0.3 percentage points q-o-q to reach 13.5%. Overall average rent remained stable at RMB608 per sq m per month.

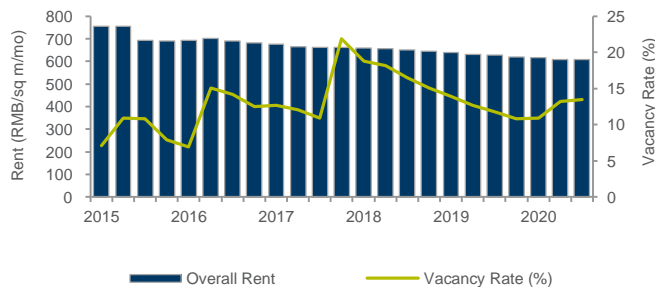
Financially challenged brands continued to close stores in the quarter. Mall operators took the opportunity during the period to adjust tenant mixes, and well-known chain brands have emerged as the main force to occupy vacant areas. Fashion brand UNIQLO leased approximately 450 sq m of retail space in QQ-Park, and e-commerce player VIP.COM took approximately 300 sq m of retail space in CapitaMalls.

Outlook

The retail market is in a gradual recovery post-COVID-19, with a steady improvement in customer traffic. However, the market will need a longer time period to climb back to pre-pandemic levels of footfall and sales. We can expect rental levels to remain stable, with a continuing high vacancy rate.

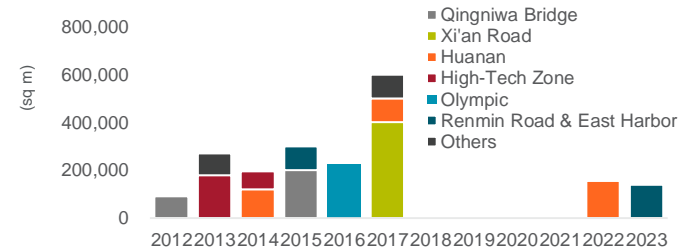
Looking ahead, the best sources of retail business expansion are likely to be well-known chain brands, internet influencer stores, and online brands' offline experience stores. Malls are also actively launching promotions to boost traffic. In the post-pandemic environment retail operators are obliged to adopt new business models and seize new opportunities to meet changes in consumer consumption habits.

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)*
Qingniwa Bridge	210,000	3,990	1.90%	0	500-1,300
Xi'an Road	766,560	178,992	23.35%	0	550-1,250
High-tech Zone	180,000	1,692	0.94%	0	350-600
Huanan	220,000	11,506	5.23%	156,000	300-800
OTHERS TOTALS	511,900	58,762	11.48%	140,000	/
DALIAN TOTALS	1,888,460	254,942	13.5%	296,000	607.9

*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 Q3 2020

PROPERTY	SUBMARKET	TENANT	SQ M
QQ-Park	Xi'an Road	UNIQLO	450
CapitalMalls	East Harbor	VIP.COM	300

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
MixC One	Huanan	2022	156,000
CNOOC Harbour City	East Harbor	2023	140,000

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