

YoY Chg 12-Mo. Forecast

2.5
Stock (million sq m)



¥445
Rent (PSM/MO)



5.57%
Vacancy Rate



Source: Cushman & Wakefield Research

QINGDAO ECONOMIC INDICATORS Q2 2020

YoY Chg 12-Mo. Forecast

0.1%
GDP Growth



-9.16%
Total Retail Sales of Consumer Goods Growth



3.9%
CPI Growth



0.6%
Per Capita Disposable Income of Urban Residents



Source: Qingdao Statistics Bureau / Cushman & Wakefield Research

Market Overview

The Shimao 52+ project in the High-Tech Zone completed in Q3, adding 65,000 sq m of new retail supply and bringing citywide total retail stock to approximately 2.5 million sq m.

Average monthly asking rents remained at RMB445 per sq m in the quarter, stabilizing as the COVID-19 pandemic came under effective control. The citywide overall vacancy rate fell by 0.49 percentage points q-o-q to 5.57%, even with growth in new store openings.

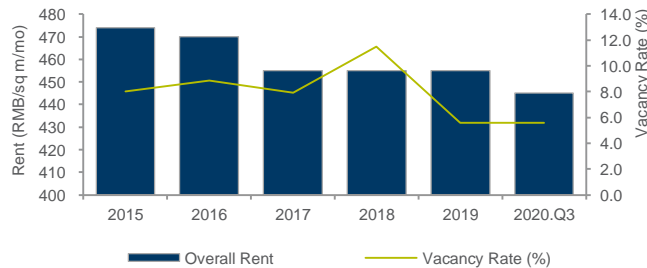
The market entered a definite “post-pandemic” stage in the quarter, with dining, leisure and entertainment, and children’s education and training operations resuming operations and mall operators upgrading and changing tenant mixes. The number of new store openings steadily grew, and malls held themed activities and promotions to attract shopper footfall, helping to rejuvenate consumer activity.

Outlook

New retail supply has slowed in the wake of the pandemic. Three new high-quality retail projects with a combined 221,000 sq m of space are currently scheduled to enter the market in the next quarter. But if the pandemic continues to be contained we may then see a peak of new supply in 2021.

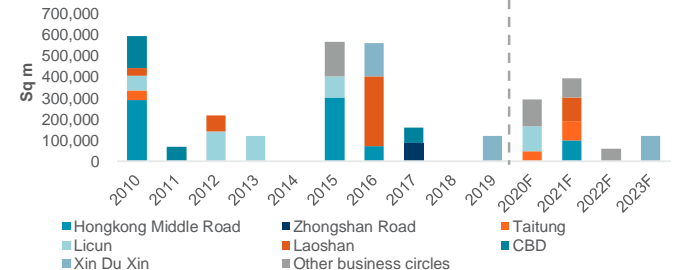
In July, the Ministry of Commerce announced the Second Batch of 12 Pedestrian Street Renovation and Upgrade Pilot Lists, as the designated pedestrian street project for Shandong province. Qingdao’s Taitung Pedestrian Street features on the list. In the next three years, Taitung Pedestrian Street is set to transform from a traditional, tourism-oriented shopping street to an experience-oriented shopping destination with an immersive international fashion vibe. The upgrading should provide a boost for the overall Taitung submarket.

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	10965	3.97%	0	100-960
CBD	292,300	7738	2.65%	120000	105-960
Laoshan	440,000	30050	6.83%	110000	120-1,200
Licun	431,000	33108	7.68%	120000	90-960
OTHERS TOTALS	228,000	/	/	213000	/
QINGDAO TOTALS	2,457,300	124061	5.57%	799000	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 Q3 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
CapitaMall Xinduxin	Xin Du Xin	UGG	Fashion
CapitaMall Xinduxin	Xin Du Xin	MI GUO	Beverage
Hisense Plaza	Hongkong Middle Road	ASKO	Home
Lion Mall	Laoshan	SHISEIDO	Fashion

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

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

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