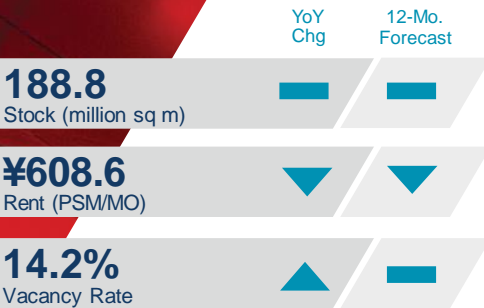


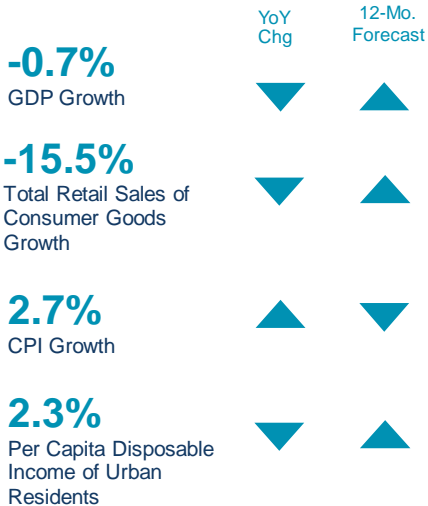
DALIAN

Retail Q4 2020



Source: Cushman & Wakefield Research

DALIAN ECONOMIC INDICATORS Q3 2020



Source: Dalian Statistics Bureau / Cushman & Wakefield Research

Market Overview

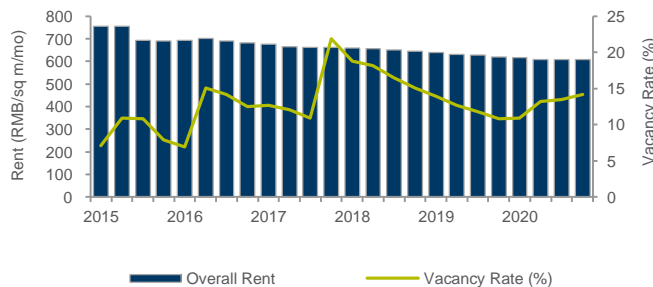
No new supply entered the market in Q4, and Dalian's prime retail stock remained at 1.89 million sq m. The city endured a third wave of the COVID-19 pandemic in December, again bringing the retail market's tentative recovery under pressure. In turn, the citywide mall vacancy rate climbed 0.72 pp q-o-q to reach 14.2%, although overall average rent remained stable at RMB608.6 per sq m per month.

Market activity continued to be sluggish in Q4. New store openings were relatively scarce, coming mainly from fashion retail and F&B brands. However, a few first-store brand openings proceeded, including Lululemon's opening in Pavilion Shopping Mall and the city's first Yeazecha store at Olympia 66.

Outlook

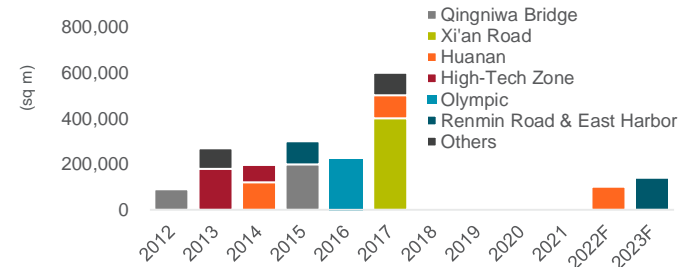
The retail supply pipeline halted in 2020 and no new projects entered the market for the full-year. Consequently, market activity focused on absorbing existing stock, with malls taking the opportunity to implement upgrades and tenant mix adjustments. Looking ahead, the pressures inflicted by the pandemic on project construction and leasing expansion are likely to continue through a challenging 2021. However, the following two years will see around 100,000 sq m of quality new space coming to the market, including the entry of MixC One to the Huanan submarket, which is expected to greatly boost the district's retail environment and enhance its overall desirability for residents and shoppers.

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/SQM/MO)*
Qingniwa Bridge	210,000	3,990	2.00%	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	9.32%	100,000	300-800
OTHERS TOTALS	511,900	/	/	140,000	/
DALIAN TOTALS	1,888,460	268,700	14.2%	240,000	608.6

*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 Q4 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Pavillion	Qingniwa Bridge	Lululemon	Fashion
Olympia 66	Olympic	Niuxinting Barbecue	F&B
Olympia 66	Olympic	YEAZECHA	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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