

YoY Chg 12-Mo. Forecast

3.13

Stock (million sq m)



¥480

Rent (PSM/MO)



10.06%

Vacancy Rate



Source: Cushman & Wakefield Research

Market Overview

The opening of Longfor Paradise Walk in the Hi-tech Exhibition submarket in the second half of 2020 added 100,000 sq m of new supply to Jinan's retail market, bringing the city's prime retail stock to approximately 3.13 million sq m.

With the effective domestic containment of the pandemic, the average asking rent in the retail market remained relatively stable at RMB480 per sq m per month, and the vacancy rate dropped slightly by 0.14 pp from the first half of the year to 10.06%.

The pandemic has accelerated tenant mix adjustments and store updates at shopping malls. New store openings in 2H were mainly from fashion brands, including some first stores to the city. New openings included the largest Nike flagship store in Shandong province, with an area of 1,600 sq m, at the MixC in the Hi-tech Exhibition submarket. The market also saw accelerated renovation and upgrading of older commercial projects in the period. Examples include the upgrade of Luneng Group's benchmark Crowne Plaza Hotel in Quancheng Road to an Intercontinental hotel, while its supporting commercial project Guihe Shopping Center ushered in a new round of tenant mix adjustment, introducing luxury brand first stores including Luxemporium, Marc Jacobs and Saint Laurent.

Outlook

The Jinan retail market is scheduled to welcome approximately 1.12 million sq m of high-quality retail space in the next three years, all of which will come from nationwide brand developers, including Sunac Mall, Greenland IFC and Joy City.

The reconstruction of Jinan's commercial pedestrian street is also a key component of the retail market's planning for the future. As the first pilot project in Shandong Province, Quancheng Road will rely on the advantages of Jinan's unique culture and cuisine to effectively promote the renovation and development of the street area.

JINAN ECONOMIC INDICATORS Q3 2020

YoY Chg 12-Mo. Forecast

3.1%

GDP Growth



-4.5%

Total Retail Sales of Consumer Goods Growth



3.5%

CPI Growth



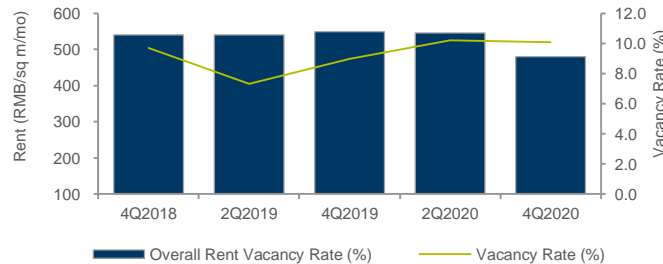
2.3%

Per Capita Disposable Income of Urban Residents



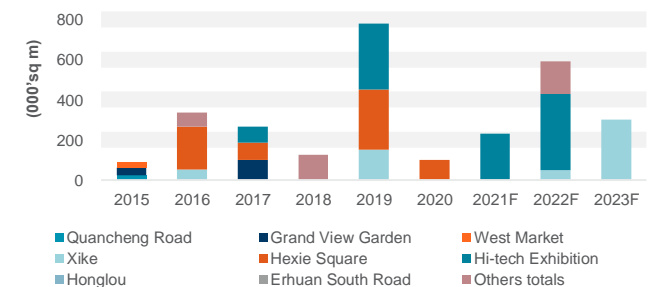
Source: Jinan Statistics Bureau / Cushman & Wakefield Research

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/SQM/MO)*
Quancheng Road	482,000	57,647.2	11.96%	0	300 – 900
Grand View Garden	210,000	11,550	5.5%	0	150 – 500
West Market	210,000	17,703	8.43%	0	100 – 300
Xike Station	400,000	160,000	40%	350,000	80 – 300
Hexie Square	200,000	16,860	8.43%	0	120 – 430
Hi-tech Exhibition	948,000	75,555.6	7.97%	610,000	100 – 550
Honglou	438,000	57,378	13.10%	0	140-420
Erhuan South Road	240,000	20,232	8.43%	0	120 – 400
Other	0	/	/	160,000	/
JINAN TOTALS	3,128,000	314,676.8	10.06%	1,120,000	480

*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 2H 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
The Mixc	Hi-tech Exhibition	NIKENIKE	Fashion
The Mixc	Hi-tech Exhibition	NARS	Fashion
Guihe Shopping Mall	Quancheng Road	SAINT LAURENT	Fashion

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Sunac Mall	Hi-tech Exhibition	2021	230,000
Greenland IFC	Hi-tech Exhibition	2022	140,000
Hua Shan UniPark	Xike	2022	160,000
Joy City	Hi-tech Exhibition	2022	140,000
CGE Plaza	Xike	2023	250,000

Sabrina Wei

Director

Head of North China Research

14/F, North Tower, Beijing Kerry Centre, 1 Guanghua Road, Beijing 100020, China

Tel: +86 10 8519 8087 / sabrina.d.wei@cushwake.com

cushmanwakefield.com

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