

# QINGDAO

Retail Q4 2020

CUSHMAN & WAKEFIELD

YoY Chg 12-Mo. Forecast

**2.6**  
Stock (million sq m)



**¥445**  
Rent (PSM/MO)



**5.53%**  
Vacancy Rate



Source: Cushman & Wakefield Research

## QINGDAO ECONOMIC INDICATORS Q3 2020

YoY Chg 12-Mo. Forecast

**2.2%**  
GDP Growth



**-3.0%**  
Total Retail Sales of Consumer Goods Growth



**3.3%**  
CPI Growth



**1.2%**  
Per Capita Disposable Income of Urban Residents



Source: Qingdao Statistics Bureau / Cushman & Wakefield Research

## Market Overview

The completion of the Weike Star City and Hengtai Plaza projects in Q4 added 122,000 sq m of new retail supply to the Qingdao market, increasing the city's quality retail stock to approximately 2.6 million sq m.

Developers and brands have continued to support the post-pandemic retail recovery, adjusting tenant mixes and running shopping festival campaigns to attract consumer footfall. Average monthly asking rents remained relatively stable in the quarter, at RMB445 per sq m, and the citywide overall vacancy rate fell by 0.15 percentage points q-o-q to 5.53%.

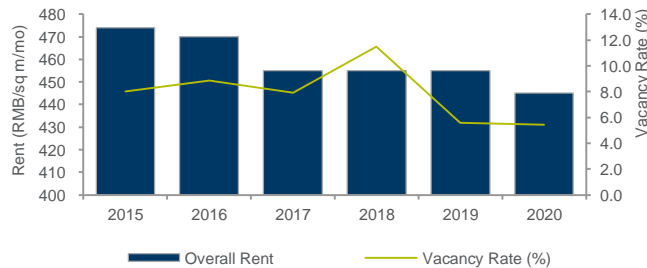
The number of new store openings steadily grew in Q4, exceeding activity in Q3. Fashion retail and F&B brands led the wave, with expansions in many malls. Lion Mall was a good example, actively implementing upgrades and new brands, including the largest Uniqlo store in the city at 1,300 sq m and a Pink Evolution range store from fashionable Danish jewelry brand Pandora.

## Outlook

Many new retail projects delayed their entry into the market in 2020 in response to the pandemic. However, if the effective domestic containment of the coronavirus can be maintained then the market may see a small peak of new supply in 2021. Six new projects are currently scheduled to launch next year, bringing a combined total of around 409,000 sq m of new space to the market.

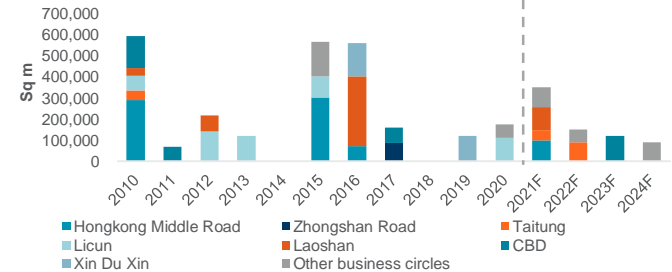
Under the national principle of "dual circulation" economic development and the focus on domestic consumption, we can also expect to see Qingdao actively develop its domestic consumption economy. Policy actions may include accelerating growth in home-grown brands and overseeing supply chains to focus more on meeting domestic consumption needs and hence boost the retail market.

## 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 2024 (SQM)	ASKING RENTAL RANGE (RMB/SQMMO)*
Hongkong Middle Road	660,000	28880	4.38%	100,000	150-1,140
Taitung	57,000	4950	8.68%	90,000	150-1,200
Zhongshan Road	85,000	8500	10.00%	0	90-950
Xin Du Xin	276,000	9900	3.59%	0	100-960
CBD	292,300	8600	2.95%	120,000	105-960
Laoshan	440,000	22700	5.16%	110,000	120-1,200
Licun	541,000	59210	10.94%	0	90-960
OTHERS TOTALS	228,000	/	/	733,000	/
<b>QINGDAO TOTALS</b>	<b>2,579,300</b>	<b>142,740</b>	<b>5.53%</b>	<b>1153,000</b>	<b>445</b>

\*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
CapitaMall Xinduxin	Xin Du Xin	ABC Kids	Children
The Mixc	Hongkong Middle Road	Dr.Martens	Fashion
Lion Mall	Laoshan	Freshippo	Life style
Lion Mall	Laoshan	UNIQLO	Fashion

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Lushang square	Others	2021	60,000
International Financial Center	Laoshan	2021	110,000
COFCO JOY City	Taitung	2022	90,000
Qingdao Central Plaza	CBD	2023	120,000

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