

YoY Chg 12-Mo. Forecast

2.43
Stock (million sq m)

¥446.4
Rent (PSM/MO)

11.3%
Vacancy Rate

Source: Cushman & Wakefield Research

TIANJIN ECONOMIC INDICATORS Q3 2020

YoY Chg 12-Mo. Forecast

0%
GDP Growth

-16.8%
Total Retail Sales of Consumer Goods Growth

2.8%
CPI Growth

2.5%
Per Capita Disposable Income of Urban Residents

Source: Tianjin Statistics Bureau / Cushman & Wakefield Research

Market Overview

The opening of Noble Plaza in Hebei District in Q4 brought around 55,000 sq m of new supply to the Tianjin retail market, raising the city's total retail stock to 2.43 million sq m. Noble Plaza enjoyed high occupancy, which, combined with the post-pandemic revival in consumption activities, helped push citywide net absorption up 12% q-o-q to 20,250 sq m. Trends in vacancy and rental levels remained somewhat stable, with overall vacancy edging up 1.2 pp q-o-q to reach 11.3%, and rents declining just 0.4% q-o-q to RMB446.4 per sq m per month.

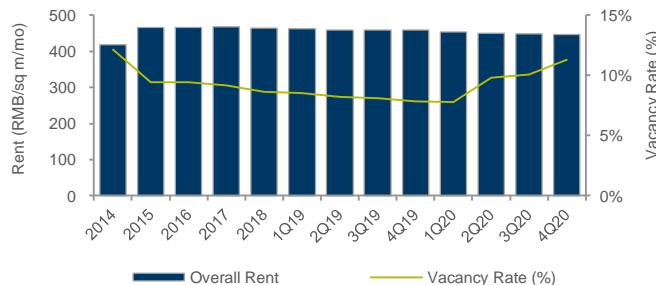
Brick and mortar retailers have increasingly turned to first stores, internet celebrity partnerships and influencer marketing strategies to gain differentiation and competitive advantage. An example is at Tianjin Joy City mall, which has actively introduced new fashion and Internet celebrity endorsed brands under a "new stores, new products and new experiences" strategy, combined with on-trend mall design features such as Internet celebrity stairs and shoe walls to successfully attract customer footfall.

Outlook

The effects of the pandemic continue to be felt in the retail supply pipeline, which is expected to continue to slow through the next three years. The market is scheduled to see just two prime project completions in 2021, with total space of 100,000 sq m. However, the new entries will still exert upwards pressure on the overall vacancy rate, in turn obliging landlords to make concessions on rental levels, which we then expect to continue trending downwards.

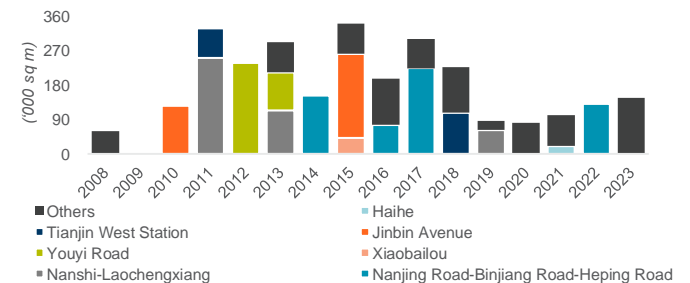
The Tianjin city government is expected to continue to take active measures to boost consumer confidence and support the retail market. These include partnerships with platform providers such as Meituan, Alipay, and Dianping, and adopting a "government subsidy + platform subsidy" model to conduct an ongoing consumer shopping voucher campaign in order to stimulate spending and growth in the retail market.

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)*
Nanjing Road-Binjiang Road-Heping Road	452,601	78,547	17.4%	130,000	600-900
Youyi Road	336,137	35,669	10.6%	0	500-800
Tianjin West Station	184,580	11,243	6.1%	0	200-400
Nanshi-Laochengxiang	425,000	65,549	15.4%	0	300-600
Xiaobailou	42,500	2,048	4.8%	0	200-500
Jinbin Avenue	344,500	8,978	2.6%	0	250-400
Haihe River	/	/	/	20,470	/
OTHERS TOTALS	641,091	/	/	225,750	/
TIANJIN TOTALS	2,426,409	273,248	11.3%	376,220	446.4

*All the data only include shopping malls

*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
The Mixc	Youyi Road	MY GYM, EF, Abrakadoodle	Education
JOY CITY	Nanjing Road-Binjiang Road-Heping Road	MUJI	Cosmetics
Noble Plaza	Others	GF boutique supermarket	Lifestyle
Noble Plaza	Others	Hai-Di-Lao	F&B

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Tianjin Hopson Fortune Plaza	Haihe River	2021	20,470
YiChengTangTing	Others	2021	80,000
MIFC MALL	Nanjing Road-Binjiang Road-Heping Road	2022	130,000
JINMAO	Others	2023	45,750

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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