

YoY Chg 12-Mo. Forecast

2.6
Stock (million sq m)



¥445
Rent (PSM/MO)



5.15%
Vacancy Rate



Source: Cushman & Wakefield Research

QINGDAO ECONOMIC INDICATORS 2020

YoY Chg 12-Mo. Forecast

3.7%
GDP Growth



1.5%
Total Retail Sales of Consumer Goods Growth



2.4%
CPI Growth



2.6%
Per Capita Disposable Income of Urban Residents



Source: Qingdao Statistics Bureau / Cushman & Wakefield Research

Market Overview

No new supply entered the market in Q1, and Qingdao's prime retail stock remained at 2.6 million sq m. Average monthly asking rents remained relatively stable in the quarter, at RMB445 per sq m, and the citywide overall vacancy rate fell by 0.38 pp q-o-q to 5.15%.

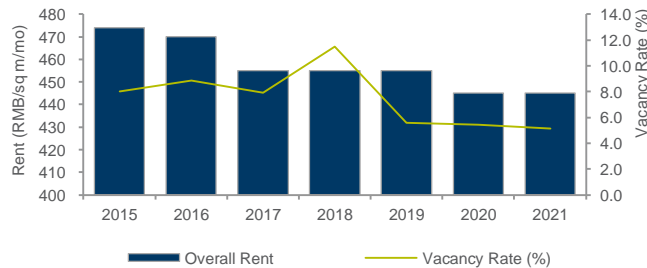
Retail market performance was active with the benefit of the government's policy of encouraging people to stay put during the Spring Festival period. The number of new store openings steadily grew in the quarter. Fashion retail brands and catering outlets in several shopping malls expanded notably. New catering brands TaiEr Chinese Sauerkraut Fish and Chaoshan Beef Hot Pot entered the Golden Lion Plaza, while McDonald's opened in CapitaMall, along with Mi Home.

Shopping malls are now providing more personalized and targeted products and services for different consumer groups, especially female consumers, in order to meet changing customer demands. For example, the WOMENT female-focused shopping zone in the Mixc at Hongkong Middle Road hosts regular promotional activities to help drive consumer activity. Looking ahead, we can expect to see a growing and more diverse range of female-focused consumption channels and services in the retail market to meet demand from this increasingly important consumer demographic.

Outlook

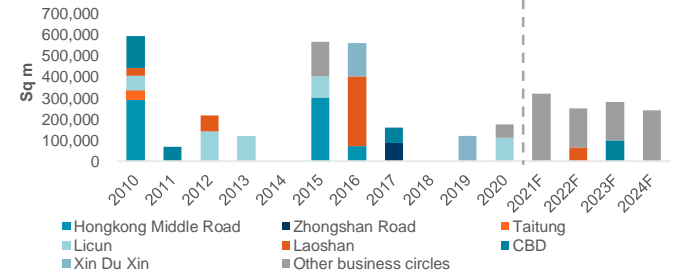
The Qingdao retail market will welcome four new projects in 2021, bringing approximately 318,000 sq m of new retail space to the market. The projects are all located in the city's suburban areas, including the High-tech Zones, West Coast New Area and Jimo District. These districts may form new regional retail submarkets in the future, further promoting the overall development of the Qingdao 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	29,500	4.47%	0	150-1,140
Taitung	57,000	450	0.79%	0	150-1,200
Zhongshan Road	85,000	4,250	5.00%	0	90-950
Xin Du Xin	276,000	7,520	2.72%	0	100-960
CBD	292,300	12,365	4.23%	100,000	105-960
Laoshan	440,000	15,200	3.45%	65,000	120-1,200
Licun	541,000	45,540	8.42%	0	90-960
OTHERS TOTALS	228,000	17,900	7.85%	922,000	/
QINGDAO TOTALS	2,579,300	132,725	5.15%	1087,000	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 Q1 2021

PROPERTY	SUBMARKET	TENANT	SECTOR
CapitaMall Xinduxin	Xin Du Xin	McDonald's	Food & Beverage
CapitaMall Xinduxin	Xin Du Xin	Xiaomi's Home	Facilities
Lion Mall	Laoshan	Taier Chinese Sauerkraut Fish	Food & Beverage
Lion Mall	Laoshan	Chaoshan Beef Hot Pot	Food & Beverage

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Qingdao Shouchuang Outlet	Others	2021	97,000
The Mixc	Laoshan	2022	65,000
Jiaozhou Longhu Times Day Street	Others	2022	124,000
Qingdao Central Plaza	CBD	2023	120,000

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