

Source: Cushman & Wakefield Research

BEIJING ECONOMIC INDICATORS 2021 Q1



Source: Beijing Statistics Bureau / Cushman & Wakefield Research

Market Overview

The completions of Beijing Lize Paradise Walk in Lize Financial District and BIG Aegean Shopping Park in Tongzhou district in Q2 added a combined 172,798 sq m of quality retail space to Beijing's retail market. Citywide total mall stock rose to 12.8 million sq m. The openings are boosts to the commercial facilities and vitality in their respective submarkets. The BIG Aegean Shopping Park property is the original Jinghang Plaza project in Tongzhou's core area, now jointly revitalized by the BIG Fund, Aegean Group and Greentown China.

Although the pandemic has been controlled domestically and retail market performance has improved on last year, pressures are still present. Many projects in the core submarkets are still undergoing tenant mix adjustments and upgrades, with catering and children's sectors emerging as the main draws for customer footfall. The government is continuing to introduce support policies and incentive campaigns to boost the market. In Q2, the Beijing Municipal Bureau of Commerce sponsored a series of premiere events in shopping districts including CBD, Sanlitun and Wangfujing to promote the development of the city's "Premiere Store Economy."

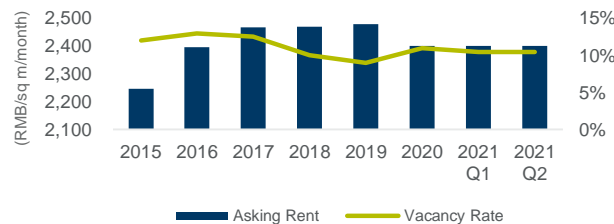
Notable new store openings in the quarter included FILA's world-first new concept store at Beijing APM in Wangfujing and technology fitness brand FITURE's first physical store at China World Mall in CBD. Italian clothing brand Brandy Melville also opened a first Beijing store, Kappa launched a brand concept store, and Xiaopeng Motors unveiled a China flagship experience center, all at Taikoo Li in Sanlitun submarket. New project openings in suburban areas have also greatly enriched local shopper choices, with, for example, more than half of the brands in the BIG Aegean Shopping Park being first stores in Tongzhou district.

Outlook

In the context of the post-pandemic normal, developers are being more cautious on positioning and new brand introductions for new project entries. The new supply pipeline will also maintain a relatively slow pace in the short term. An estimated 576,000 sq m of new retail space will enter the market in the second half of the year, with most projects in suburban areas.

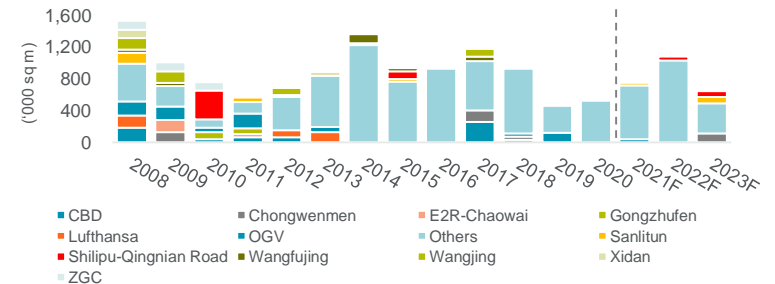
Beijing's 14th Five-Year Plan presents clear requirements for the development of the retail market. The Beijing Bureau of Commerce has also published *Ten Special Actions* to promote consumption around the objective of Building an International Consumer Center City. The government is expected to continue to work to strengthen the First Store Economy and Nighttime Economy sectors, traditional submarket upgrades, and O2O consumption, seeking to enrich the retail market's overall quality and consumer engagement.

RENT / VACANCY RATE



Note: Average rent is the best location for the first floor of the benchmarking projects in the core submarkets

RETAIL SUPPLY PIPELINE BY SUBMARKET



MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	UNDER CNSTR TILL 2023 (SQM)	ASKING RENTAL RANGE		
			RMB/SQM/MO	EUR/SF/MO	US\$/SF/MO
CBD	939,849	40,000	800 – 2,500	9.5 – 29.8	11.6 – 36.3
Sanlitun	216,000	110,000	1,500 – 2,800	17.9 – 33.4	21.8 – 40.7
Xi Dan	199,000	0	1,000 – 2,500	11.9 – 29.8	14.5 – 36.3
Wangfujing	450,000	0	800 – 2,500	9.5 – 29.8	11.6 – 36.3
Lufthansa	234,000	0	800 – 1,500	9.5 – 17.9	11.6 – 21.8
E2R-Chaowai	242,985	0	600-1,500	7.2 – 17.9	8.7 – 21.8
Chongwenmen-Xuanwumen	309,000	110,000	800-1,000	9.5 – 11.9	11.6 – 14.5
OTHERS TOTALS	10,179,380	2,048,251	/	/	/
BEIJING TOTALS	12,770,214	2,308,251	2,400*	28.6	34.9

*Data includes shopping malls only.

*Asking Rental Range is based on ground floor rent in prime locations in major shopping centers, excluding management, promotional and other fees; the overall average rent is the best location for the first floor of the benchmarking projects in the core submarkets.
Exchange Rate: 1CNY = 0.1565USD = 0.1284EUR, as of June 8th 2021.

SIGNIFICANT STORE OPENINGS Q2 2021

PROPERTY	SUBMARKET	TENANT	TYPE
TaiKoo Li	Sanlitun	Xiaopeng Motors Experience Center	Motor
China World Shopping Mall	CBD	FUTURE	Fashion
Beijing APM	Wangfujing	FILA	Fashion
Beijing Raffles City	E2R-Chaowai	BUYDEEM	Life
Beijing Lize Paradise Walk	Others (Lize)	POP MART	Fashion
BIG Aegean Shopping Park	Other (Tongzhou)	Fresh Hema	Life

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
CP Center	CBD	2021	40,000
Longfor Xiyue Paradise Walk	Other (Fangshan)	2021	110,000
Fengtai Joy Breeze	Other (Fengtai)	2021	50,000
Beijing Jinhui-gang Shopping Center	Other (Shunyi)	2021	68,000
Takoo Li (west zone)	Sanlitun	2021	30,000

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