

NINGBO

Retail 1H 2021

12-Mo. Forecast

2.9
STOCK (MILLION SQ M)



¥400-700
RENT (PSM/MO)



94.2%
OCCUPANCY RATE



Three New Retail Projects Completed in 1H

Three new retail projects opened in 1H: Hankyu Department Store, The MixC, and Hengyi City Plaza. Their combined area brought 314,400 sq m of new supply to the Ningbo market. Subsequently, citywide quality retail stock climbed to approximately 2.9 million sq m at the end of the first half of the year.

Due to the opening of new quality projects and the release of consumer demand, Ningbo's occupancy rate remained stable at 94.2% in the first-half, with net absorption growing to 597,200 sq m. Meanwhile, the city's average rent for first floor high quality retail space continued to endure some downward pressure, ranging between RMB400 to 700 per sq m per month during the period.

Hankyu Department Store has been jointly developed by H2O Retailing Group and Shanshan Group, with the project being Hankyu's first overseas store. It is positioned as a high-end luxury department store, introducing more than 360 brands, covering a range of commercial formats including retail, catering and entertainment. Ningbo's MixC is China Resources Land's first commercial project equipped with a Ferris wheel amusement ride. The project has attracted more than 400 brands, and features five themed spaces: MixC Foodhall, MixC Wonderland, Ferris Wheel Plaza, Roof Garden and Extended Consumption Block.

Online and Offline Integration Will Boost Market Demand

In terms of format, to stimulate the recovery of shopper footfall in the post-pandemic era, bricks and mortar retail operators will continue to expand attractive consumer sectors such as high-end beauty, parent-child, health care, pets, and night-time leisure offerings. And with the gradual release of new-pattern leasing demand post-COVID-19, we expect the average first floor rent of high-quality retail properties in Ningbo's core CBDs to remain stable.

From the perspective of government policy, in the next five years Ningbo will actively develop high-quality core CBDs and build an international consumption center. New prime projects will include international shopping centers, themed shopping malls and first-class brand experience stores. The city will also develop smart retail concepts and promote the growth of e-commerce platforms. With the further integration of online and offline retail formats, Ningbo's retail market is well placed to see future development opportunities.

NINGBO ECONOMIC INDICATORS Q1 2021

Q1-Q4 2020 12-Mo. Forecast

19.5%
GDP Growth **3.3%** ▲

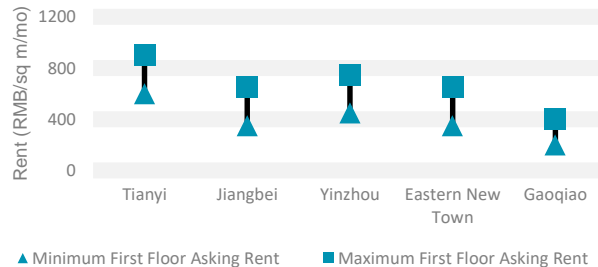
30.3%
Total Retail Sales Growth **-0.7%** ▲

15.6%
Disposable Income Growth **4.8%** ▲

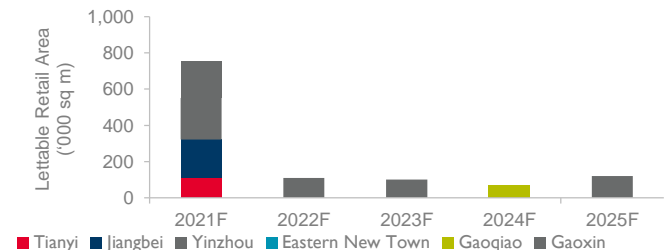
1.4%
CPI Growth **1.9%** ▲

Source: Ningbo Statistics Bureau
The forecast is based on Oxford Economics

OVERALL RENT



FUTURE SUPPLY



MARKET STATISTICS

SUBMARKET	OCCUPANCY RATE	RENT (RMB/SQ MMO)	RENT (USD/SFMO)	RENT (EUR/SFMO)	STOCK (SQM)
Tianyi	97.0%	600 – 900	8.7 – 13.1	7.2 – 10.7	555,200
Jiangbei	91.2%	350 – 650	5.1 – 9.5	4.2 – 7.8	629,500
Yinzhou	95.3%	450 – 750	6.5 – 10.9	5.4 – 8.9	1,161,000
Eastern New Town	94.3%	350 – 650	5.1 – 9.5	4.2 – 7.8	318,300
Gaoqiao	89.7%	200 – 400	2.9 – 5.8	2.4 – 4.8	190,000

Rent (RMB/sq m/mo) is based on ground floor in prime locations in major shopping centers, excluding management fee, promotional fee and other fees.

1CNY = 0.1565USD = 0.1284EUR (2021.6.8)

SIGNIFICANT STORE OPENINGS 1H 2021

PROPERTY	SUBMARKET	TENANT	SECTOR
Hankyu Department Store	Eastern New Town	Hi Pet	New Retail
The MixC	Jiangbei	Gymboree	Education & Training
Heyi Avenue Shopping Center	Tianyi	Lululemon	Retail

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Sky Hub	Tianyi	2021	110,000
In-City	Gaoxin	2021	120,000
OCT Harbour	Yinzhou	2021	100,000
K11	Yinzhou	2022	110,000

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