

QINGDAO

Retail Q2 2021

YoY Chg 12-Mo. Forecast

2.6
Stock (million sq m)



¥445
Rent (PSM/MO)



6.15%
Vacancy Rate



Source: Cushman & Wakefield Research

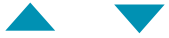
QINGDAO ECONOMIC INDICATORS Q1 2021

YoY Chg 12-Mo. Forecast

18%
GDP Growth



27.2%
Total Retail Sales of Consumer Goods Growth



0.4%
CPI Growth



8.8%
Per Capita Disposable Income of Urban Residents



Source: Qingdao Statistics Bureau / Cushman & Wakefield Research

Market Overview

Qingdao Dexin Life Plaza entered the market in Q2, bringing approximately 66,000 sq m of new supply to the market, and bringing citywide prime retail stock up to 2.63 million sq m. The introduction of the new supply pushed up the citywide overall vacancy rate by 1.0 pp q-o-q to reach 6.15%. Average asking rents remained stable in the quarter, at RMB445 per sq m per month.

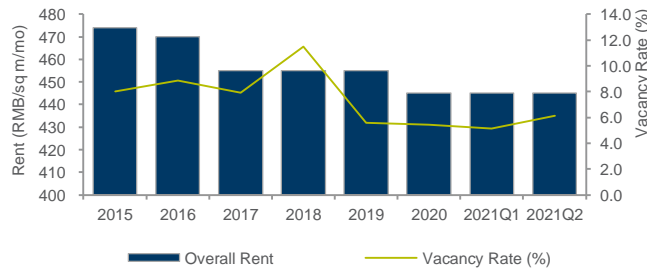
The number of new store openings continued to increase compared to the previous quarter. Net absorption reached 36,560 square meters, surging more than 350% on the first quarter. New brand entries in malls were predominantly first stores as well as established brands introducing new lifestyle concepts. The first Starbucks Reserve store in Shandong opened at Mixc, while Swisse and The Puri were introduced in Imix Park to lead a healthy lifestyle image.

Outlook

Three new high-quality retail projects are scheduled to enter the market in 2H 2021, bringing about 162,000 sq m of new retail space. Hai Tian Mall is located in Hongkong Middle Road submarket, while the other new entrants are located in suburban areas in High-Tech Zone and Jimo District. With the ongoing improvement in commercial facilities and supporting infrastructure, suburban districts are now projected to hold greater growth potential for retail market development.

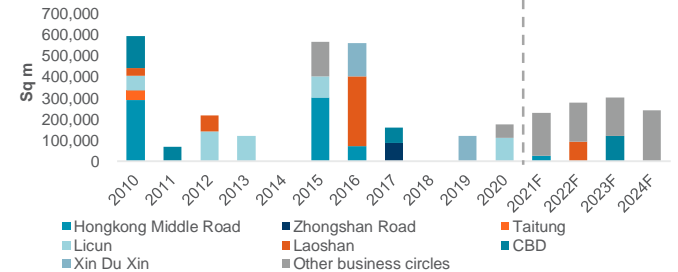
A growing number of high quality and established brands have now chosen Qingdao city as their first store location in Shandong province, and even in North China. Looking ahead, with the evolution of the era of individualized and creative consumption, we can expect the first store economy to bring new impetus to the growth 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	29,832	4.52%	27,000	150-1,140
Taitung	45,000	450	1.00%	0	150-1,200
Zhongshan Road	85,000	4,250	5.00%	0	90-950
Xin Du Xin	276,000	7,507	2.72%	0	100-960
CBD	292,300	10,874	3.72%	120,000	105-960
Laoshan	440,000	13,464	3.06%	92,000	120-1,200
Licun	541,000	52,369	9.68%	0	90-960
OTHERS TOTALS	294,000	21,403	7.28%	738,800	/
QINGDAO TOTALS	2,633,300	161,948	6.15%	977,800	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 Q2 2021

PROPERTY	SUBMARKET	TENANT	SECTOR
Mixc	Hongkong Middle Road	Starbucks Reserve	Food & Beverage
Hisense Plaza	Hongkong Middle Road	THOM BROWNE	Fansion clothes
Capital Land	Xin Du Xin	SEPHORA	Beauty brand
Imix Park	CBD	Swisse	Food & Beverage

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Qingdao Shouchuang Outlet	Others	2021	94,000
The Mixc	Laoshan	2022	54,000
Jiaozhou Longhu Times Day Street	Others	2022	124,000
Qingdao Central Plaza	CBD	2023	120,000

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