

QINGDAO

Retail Q1 2022

CUSHMAN & WAKEFIELD

YoY Chg 12-Mo. Forecast

2.9

Stock (million sq m)



¥439

Rent (PSM/MO)



7.92%

Vacancy Rate



Source: Cushman & Wakefield Research

Market Overview

The completion of Qingdao Capital Outlets Shopping Center in the suburban area in Q1 2022 brought approximately 94,000 sq m of new retail space to the market. In turn, citywide prime retail stock increased to 2.94 million sq m.

The average rental level in the Qingdao retail market remained stable during the quarter, at RMB439 per sq m per month. The new supply, combined with the renewed impact of COVID-19, pushed the overall vacancy rate up 1.87 percentage points q-o-q to reach 7.92%.

In order to alleviate business pressures from the pandemic and to attract greater footfall, malls have focused more attention on brand attraction value when introducing new stores, such as brand first stores, Internet celebrity brands, and brands with strong consumer engagement. The MixC introduced British fragrance brand Jo Malone and high-end luxury skin care brand La Mer in Q1, while Shandong's first Balenciaga boutique opened in Hisense Plaza. IMIX PARK in the CBD submarket introduced the Helen's pub chain, while Lion Mall in the Laoshan submarket brought in OTF all day brunch outfit, both aiming to attract younger consumers to an offline social platform.

Outlook

Qingdao's retail market will see a small supply peak in 2022, with five projects currently planned to complete, most of which are in suburban areas. By the end of 2025, more than 1 million sq m of quality retail space will enter the market, helping to alleviate the shortage of retail spaces in the suburban districts and further enhancing the city's overall commercial environment.

In January 2022, Shandong Province issued the *Shandong Peninsula Urban Cluster Development Plan*, proposing to promote Qingdao as an International Consumption Center City. Looking ahead, Qingdao will continue to develop more theme-based, intelligent, and international core submarkets, cultivate a superior consumption environment, and lift the level of regional consumption.

QINGDAO ECONOMIC INDICATORS Q4 2021

YoY Chg 12-Mo. Forecast

8.3%

GDP Growth



14.8%

Total Retail Sales of Consumer Goods Growth



1.5%

CPI Growth



7.8%

Per Capita Disposable Income of Urban Residents



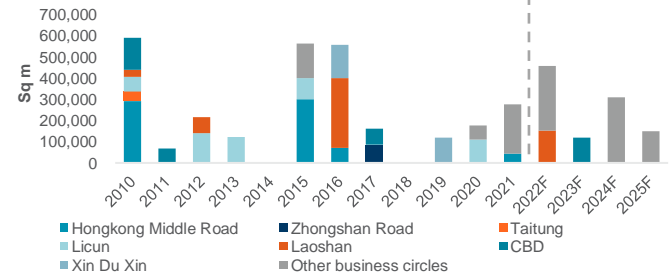
Source: Qingdao Statistics Bureau / Cushman & Wakefield Research

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 2025 (SQM)	ASKING RENTAL RANGE (RMB/SQ/MO)*
Hongkong Middle Road	704,000	31,600	4.49%	0	150-1,140
Taitung	45,000	1,350	3.00%	0	150-1,200
Zhongshan Road	85,000	2,550	3.00%	0	90-950
Xin Du Xin	276,000	6,710	2.43%	0	100-960
CBD	292,300	12,442	4.26%	120,000	105-960
Laoshan	440,000	20,450	4.65%	152,000	120-1,200
Licun	596,000	64,630	10.84%	0	90-960
OTHERS TOTALS	498,000	92,870	18.65%	764,000	/
QINGDAO TOTALS	2,936,300	232,602	7.92%	1,036,000	439

*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 2022

PROPERTY	SUBMARKET	TENANT	SECTOR
The MixC	Hongkong Middle Road	Jo Malone	Fashion
The MixC	Hongkong Middle Road	LA MER	Fashion
Hisense Plaza	Hongkong Middle Road	Balenciaga	Fashion
IMIX PARK	CBD	Helens	Leisure & Entertainment

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
The Splendors	Others	2022	180,000
The MixC (Laoshan)	Laoshan	2022	54,000
Jiaozhou Longfor Paradise Walk	Others	2022	124,000
Qingdao Central Plaza	CBD	2023	120,000

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