

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
15.69 Stock, million sqm	▲	▲
10.8% Vacancy Rate	▲	▼
¥2,180 Average Rent, RMB/sqm/mo <i>(Benchmarking projects in the core submarkets)</i>	▼	—

ECONOMIC INDICATORS

2024 1H	YOY Chg	12-Month Forecast
5.4% GDP Growth	▼	—
-0.3% Retail Sales Growth	▼	▲
0.1% CPI Growth	▼	▲

Source: Beijing Statistics Bureau / Cushman & Wakefield Research

MARKET OVERVIEW

The miXc (Tongzhou), Huiqing Shopping Center, and Happy Mall projects entered in Q3 2024, adding a combined 236,000 sq m of quality retail to the Beijing retail market. Citywide total shopping mall stock then rose to 15.69 million sq m. The latter two entrants are urban renewal projects, facilitating local consumption needs and uplifting the overall consumption environment in surrounding areas.

A growing number of older commercial projects have launched upgrading plans in 2024 under the current policy support. The Shuang'an and Modern Department Stores in Zhongguancun submarket, and Cadenza Shopping Centre in Wangjing submarket, all commenced upgrading works in Q3. The Cadenza Shopping Centre will be redeveloped by a Huacai Real Estate Group and China Resources Group partnership, and is slated to be relaunched as Beijing Wangjing miXc.

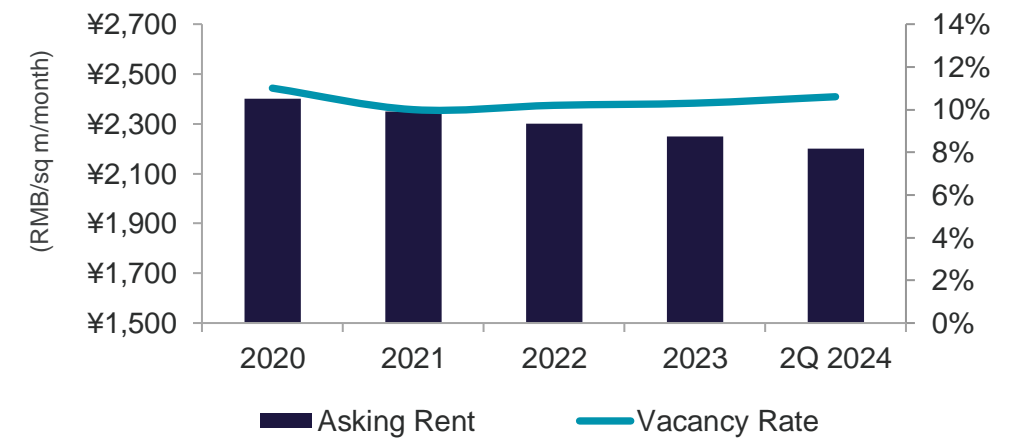
New store openings in Q3 were predominantly from upscale fashion brands, with high-end sports brands also active. Penhaligon's and Browstone opened their first Beijing stores at Taikoo Li, while UK outdoor brand Montane launched at SKP-S and Beijing Kerry Center this quarter; and Golf brand Titleist unveiled a first North China store at China World Shopping Mall. The WF Central property also ramped up its luxury brand offerings by introducing Prada, Dior, Burberry, Cartier, and Tiffany.

The catering sector was relatively quiet in Q3. According to the Beijing Bureau of Statistics, total retail sales of social consumer goods in Beijing from January to July fell by 0.8% y-o-y. Catering sector sales fell significantly, dropping 4.2%. The consumption downgrade trend has led to operational challenges for higher-end restaurants, with Beijing Din Tai Fung shuttering eight stores in the city and Michelin-starred Vege Wonder restaurant at WF Central also closing in the quarter.

OUTLOOK

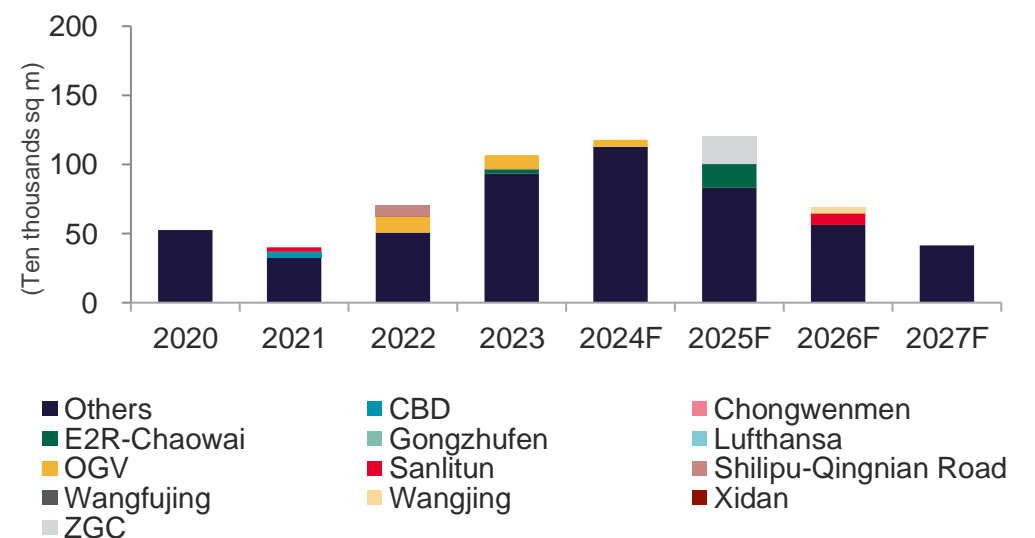
A minimum of three new suburban retail projects will enter the market in Q4, pushing up new supply for the year to more than 1.2 million sq m, a ten-year high. Ahead, with the promotion of Beijing's development of an International Consumption Center City, we can expect a range of support policies for the retail market to be implemented, in turn further accelerating quality upgrading in the city's retail market.

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)	VACANT (SQM)	OVERALL VACANCY RATE	FUTURE SUPPLY TILL 2027 (SQM)	ASKING RENTAL RANGE		
					RMB/SQM/MO	EUR/SF/MO	US\$/SF/MO
CBD	979,849	52,128	5.32%	0	¥800 - 2,000	US\$10.45 - 26.14	€9.45 - 23.63
Sanlitun	246,000	7,257	2.95%	80,000	¥800 - 2,500	US\$10.45 - 32.67	€9.45 - 29.53
Xi Dan	199,000	8,955	4.50%	0	¥1,000 - 1,600	US\$13.07 - 20.91	€11.81 - 18.90
Wangfujing	450,000	17,370	3.86%	0	¥800 - 2,000	US\$10.45 - 26.14	€9.45 - 23.63
Lufthansa	234,000	10,530	4.50%	0	¥600 - 1,500	US\$7.84 - 19.60	€7.09 - 17.72
E2R-Chaowai	279,276	12,847	4.60%	170,000	¥600 - 1,200	US\$7.84 - 15.68	€7.09 - 14.18
Chongwenmen-Xuanwumen	309,000	26,265	8.50%	0	¥500 - 1,000	US\$6.53 - 13.07	€5.91 - 11.81
Zhongguancun	1,012,000	48,576	4.8%	200,000	¥800 - 1,800	US\$10.45 - 23.52	€9.45 - 21.26
OTHERS TOTALS	11,975,880	1,510,053	12.61%	2,284,200	/	/	/
BEIJING TOTALS	15,685,005	1,693,981	10.8%	2,734,200	¥2,180	US\$28.49	€25.75

*Data includes shopping malls only; the stock of shopping mall has changed due to database adjustments in this quarter.

*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: 1 USD = 0.90396608 Euros = 7.1089524 CNY, as of Sep. 9th 2024.

SIGNIFICANT STORE OPENINGS Q3 2024

PROPERTY	SUBMARKET	TENANT	SECTOR
China World Shopping Mall Mall	CBD	Titleist	Fashion
Beijing Kerry Center	CBD	Dr.Wong	Fashion
SKP-S & Beijing Kerry Center	CBD	Montane	Fashion
Sanlitun Taikoo Li	Sanlitun	Penhaligon's	Fashion
Xi'an Joy City	Xi'dan	Akindo Sushiro	F&B
Hanguang Department Store	Xi'dan	BSiEE	Fashion

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
Beijing (Shahe) Wanda Plaza	Other (Changping)	2024	140,000	Wanda
Beijing Haidian Joy City	Other (Haidian)	2024	133,000	Grand Joy
Beijing Hops On (West Zone)	Other (Changping)	2025	160,000	Hopson
Beijing (Pinggu) Wanda Plaza	Other (Pinggu)	2025	149,300	Wanda

Source: Cushman & Wakefield Research

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