

MARKET FUNDAMENTALS

7.2M
Stock, sqm

	YOY Chg	12-Month Forecast
7.2M	▲	▲

8.5%
Vacancy Rate

	YOY Chg	12-Month Forecast
8.5%	▼	▲

¥776
Average Rent, RMB/sqm/mo
(Prime Shopping Mall Property)

	YOY Chg	12-Month Forecast
¥776	▼	▼

ECONOMIC INDICATORS

5.9%
GDP Growth

	YOY Chg	12-Month Forecast
5.9%	▼	—

1.0%
Retail Sales Growth

	YOY Chg	12-Month Forecast
1.0%	▼	▲

0.2%
CPI Growth

	YOY Chg	12-Month Forecast
0.2%	▼	—

Sources: Shenzhen Statistic Bureau, Moody's Analytics, Cushman & Wakefield Research

RETAIL MARKET WELCOMES Q3 SUPPLY INFUX

Shenzhen's retail market maintained positive momentum in Q3 2024, adding a combined 575,000 sq m of prime shopping mall space in the quarter, chiefly in emerging submarkets. Citywide prime mall stock rose to 7.2 million sq m. The supply influx enabled innovative consumption scenarios, attracted new entrants, provided more choices for local brands to relocate or renew, and spurred overall consumption potential and upgrading. Quarterly net absorption for Q3 recorded 521,000 sq m. The overall vacancy rate edged up to 8.5%.

SPORTSWEAR & FITNESS MARKET EXPANSION

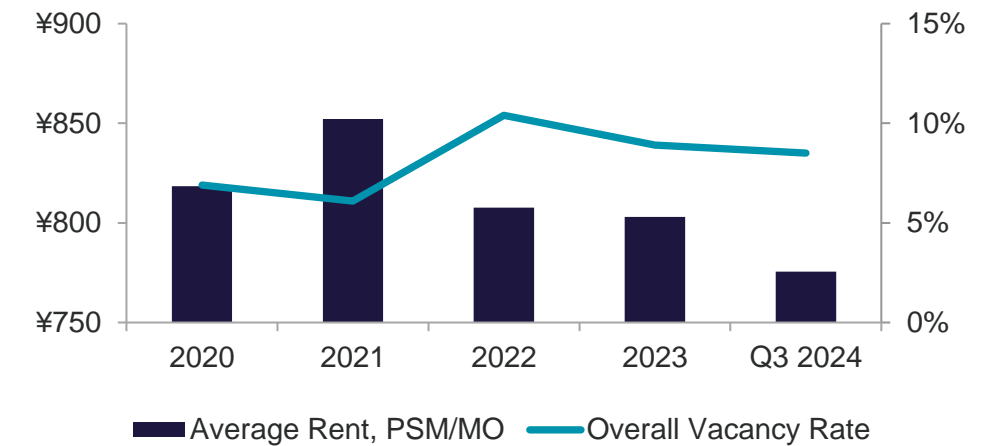
Young adults and office workers are increasingly embracing sports and fitness activities to socialize and de-stress. Combining with the hot topic of the summer Olympic Games, the sportswear & fitness category took a 13.9% share of all new general retail store openings in Q3, including Wilson's first store in Longgang and expansion in Futian, and cycling brand Specialized's entry at Uniwalk. Several 24/7 Fitness facilities opened, while indoor climbing operators also expanded. Designer brand expansion in the Haus Nowhere concept in MIXC World helped the general retail sector to take 46.3% of total new store openings in Q3.

The F&B sector accounted for 40.6% of total new stores, including Haomen Fandian opening at Wanfeng Coastal City and GE Bake upgrading to Universiade World. Speciality eateries took 37.2% of the total F&B new stores, with tea beverage brands at 17.0%. Niche F&B areas such as sweet soup, ice cream, soufflé, and bagel also grew.

NEW SUPPLY TO ENHANCE COMMERCIAL NETWORK LAYOUT

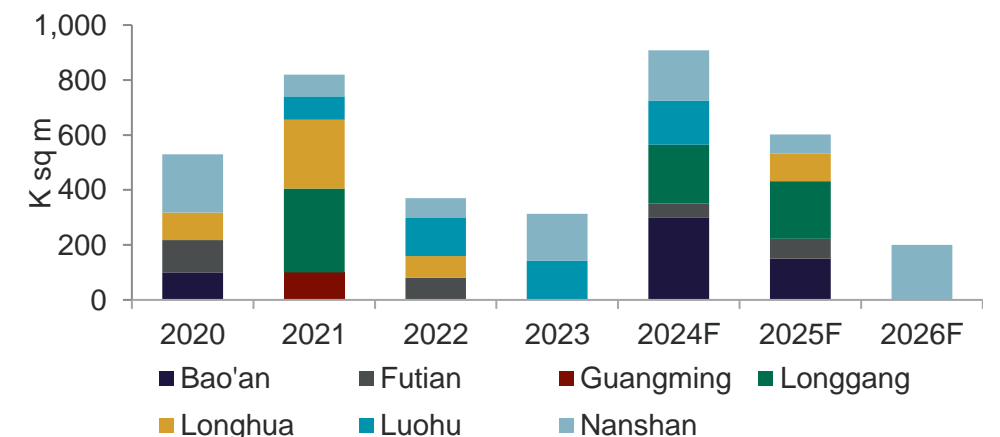
Approximately 935,000 sq m of prime new retail space is planned through 2025. K11 Ecoast is set to open at the end of 2024, boosting the Golden Inner Bay's cultural tourism market. Community retailing spaces are also enhancing Shenzhen's commercial network layout. Additionally, the city has announced a second wave consumer goods trade-in program, anticipated to boost home appliance and vehicle sales and help promote Shenzhen's manufacturing technology.

OVERALL VACANCY & AVERAGE RENT



* Rentals are calculated by NLA and considered as consistently achievable for prime space in prime shopping centers, excluding management fee, promotional fee and other fees.

RETAIL SUPPLY PIPELINE BY SUBMARKET



Note: F is forecast.

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	FUTURE SUPPLY TILL 2026 (SQM)	OVERALL AVG RENT		
					RMB/SQM/MO	USD/SF/MO	EUR/SF/MO
Luohu	843,829	66,362	7.9%	100,000	¥955.56	US\$12.49	€11.29
Futian	1,348,000	123,180	9.1%	121,800	¥1,003.85	US\$13.12	€11.86
Nanshan	1,820,583	227,215	12.5%	453,000	¥759.72	US\$9.93	€8.97
Longgang	1,022,000	54,150	5.3%	210,000	¥516.88	US\$6.75	€6.11
Bao'an	1,250,000	92,760	7.4%	150,000	¥759.38	US\$9.92	€8.97
Longhua	640,000	31,200	4.9%	100,000	¥425.00	US\$5.55	€5.02
Guangming	250,000	13,500	5.4%	-	¥425.00	US\$5.55	€5.02
SHENZHEN TOTALS	7,174,412	608,366	8.5%	1,134,800	¥775.56	US\$10.14	€9.16

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Exchange Rate: 1 USD = 0.90396608 Euros = 7.1089524 RMB (2024.09.09)

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SECTOR
MIXC World	Nanshan	Haus Nowhere	Retail
Uniwalk	Bao'an	MAIA ACTIVE	Retail
Universiade World	Longgang	Wilson	Retail
MIXC Qianhai	Nanshan	Qin Yan	F&B
Link CentralWalk	Futian	Dongjiang Shunde Cuisine	F&B

KEY CONSTRUCTION COMPLETIONS

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
K11 Ecoast	Nanshan	2024	183,000	New World
Shenzhen Joy City	Bao'an	2025	150,000	COFCO GRANDJOY
Shenzhen Bay MIXC Phase II	Nanshan	2025	70,000	China Resources

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