

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
16.30 Stock, million sqm	▲	▲
11.0% Vacancy Rate	▲	▼
¥2,150 Average Rent, RMB/sqm/mo <i>(Benchmarking projects in the core submarkets)</i>	▼	▬

ECONOMIC INDICATORS

2024 3Q	YOY Chg	12-Month Forecast
5.1% GDP Growth	▬	▬
-1.6% Retail Sales Growth	▼	▲
0.1% CPI Growth	▬	▲

Source: Beijing Statistics Bureau / Cushman & Wakefield Research

MARKET OVERVIEW

The Beijing retail market saw a year-end supply peak in Q4 2024, with five new shopping malls bringing 615,200 sq m of high-quality retail space to the market. Citywide total mall stock then rose to 16.3 million sq m. The new completions are in suburban areas, but most are from brand developers with superior volume, quality, and opening rates.

Upgrading of existing projects remains the key trend in uplifting retail market quality. New urban renewal completions such as Yizhaung Longyue City and Shijiangshan Hemei Hui have revitalized existing commercial assets in these regions. The Shuang'an Department Store and Wangjing MixC are also set to reopen soon. The Xi'dan Department Store southern zone will also start to be redeveloped within the year.

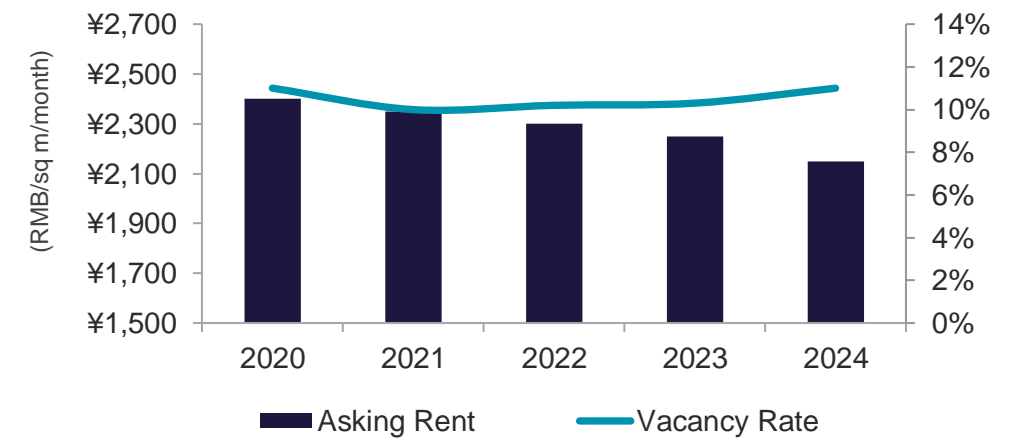
As at the end of October, total Beijing consumer goods retail sales were down by 1.3% y-o-y, with the decline advancing. The economic downturn-induced consumption downgrade has brought greater operational pressures to projects and brands. Malls actively renewed and upgraded tenant mixes in Q4, seeking to boost customer footfall and enhance consumer loyalty.

New store openings in Q4 were focused on high-end fashion retail and catering brands. Core submarket benchmark projects remain as brands' top picks for first-store and boutique openings. As examples, German centennial shoemaker Birkenstock opened its first North China store at China World Mall, Michelin-starred Yan Yu · Fujian Restaurant set up its Beijing first store in SKP, Bosideng Concept Store entered Sanlitun Taikoo Li, and Peet's Coffee's Ora Coffee launched its first China store at Beijing Fortune Mall.

OUTLOOK

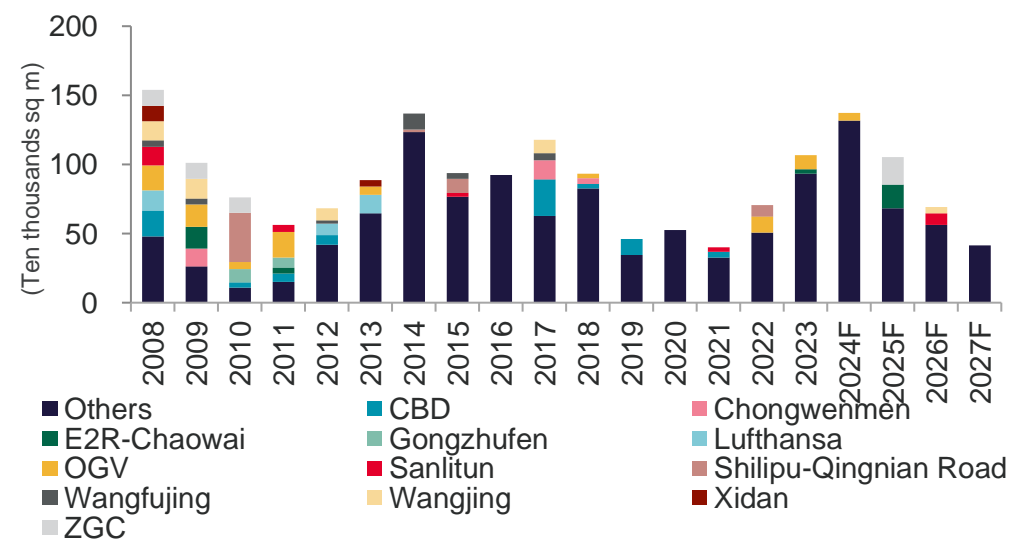
The Beijing retail market welcomed 13 projects with 1.37 million sq m of new retail space in 2024. An additional 1.05 million sq m of new supply is forecast to enter the market in 2025, predominantly large new development projects in suburban locations, together with renovation and renewal projects in traditional submarkets. The Datunli Commercial Street is also scheduled to open in 1H 2025, bringing greater and more diversified consumption scenarios to consumers.

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	51,932	5.30%	0	¥800 - 2,000	US\$10.21 - 25.53	€9.71 – 24.27
Sanlitun	246,000	7,134	2.90%	80,000	¥800 - 2,500	US\$10.21 – 31.91	€9.71 – 30.34
Xi Dan	199,000	10,945	5.50%	0	¥1,000 - 1,600	US\$12.76 - 20.42	€12.13 – 19.41
Wangfujing	450,000	17,370	3.86%	0	¥800 - 2,000	US\$10.21 – 25.53	€9.71 – 24.27
Lufthansa	234,000	10,530	4.50%	0	¥600 - 1,500	US\$7.66 - 19.15	€7.28 – 18.20
E2R-Chaowai	279,276	15,639	5.60%	170,000	¥600 - 1,200	US\$7.66 - 15.32	€7.28 - 14.56
Chongwenmen-Xuanwumen	309,000	26,265	8.50%	0	¥500 - 1,000	US\$6.38 – 12.76	€6.07 – 12.13
Zhongguancun	1,012,000	48,576	4.8%	200,000	¥800 - 1,800	US\$10.21 – 22.98	€9.71 – 21.84
OTHERS TOTALS	12,591,080	1,604,631	12.74%	1,710,900	/	/	/
BEIJING TOTALS	16,300,205	1,793,023	11%	2,160,900	¥2,150	US\$27.44	€26.09

*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 = 0.95060247 Euros = 7.277963 CNY, as of Dec. 16th 2024.

SIGNIFICANT STORE OPENINGS Q4 2024

PROPERTY	SUBMARKET	TENANT	SECTOR
China World Shopping Mall	CBD	BIRKENSTOCK	Fashion
SKP	CBD	Yan Yu · Fujian	F&B
WF Central	Wangfujing	Christian Louboutin	Fashion
Sanlitun Taikoo Li	Sanlitun	Emperor Cinemas	Leisure and entertainment
The Box Chaowai B	E2R-Chaowai	ArtLock	Fashion
New World Center (Phase II)	Chongwenmen	Decathlon	Leisure and Sports

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
Beijing Hops On (West Zone)	Other (Changping)	2025	160,000	Hopson
Beijing D.P.ONE	Other (Tongzhou)	2025	146,000	BJ Investment Group
Beijing Xinda Commercial Project	E2R-Chaowai	2025	170,000	Xinda Group
Zhongguancun ART PARK	Zhongguancun	2025	200,000	EBA Investment

Source: Cushman & Wakefield Research

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