

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
24.69 Stock, million sqm	▲	▲
9.51% Vacancy Rate	▼	▲
¥733.65 Average Rent, RMB/sqm/mo <i>(Overall Retail Property)</i>	▼	—

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
4.7% GDP Growth	▲	▲
-3.4% Retail Sales Growth	▼	▲
0.0% CPI Growth	▼	▲

Source: Shanghai Municipal Bureau of Statistics
The forecast is based on Moody's Analytics

TWELVE NEW SHOPPING CENTERS ENTERED THE MARKET IN Q4

Shanghai's continued intensification of the 'old-for-new' policy and the issuance of shopping vouchers exerted a positive influence on the retail market in Q4 2024. According to Consumer Market Big Data Laboratory, from September 28 to November 26, offline F&B consumption reached RMB58.39 billion, up 11.4% y-o-y. Echoing these positive indicators, 12 shopping centers with a combined GFA of 736,300 sq m entered the Shanghai market in Q4. Shanghai total prime retail stock then climbed 3.07% q-o-q to reach 24.69 million sq m.

OVERALL RETAIL LEASING MARKET REMAINS ACTIVE

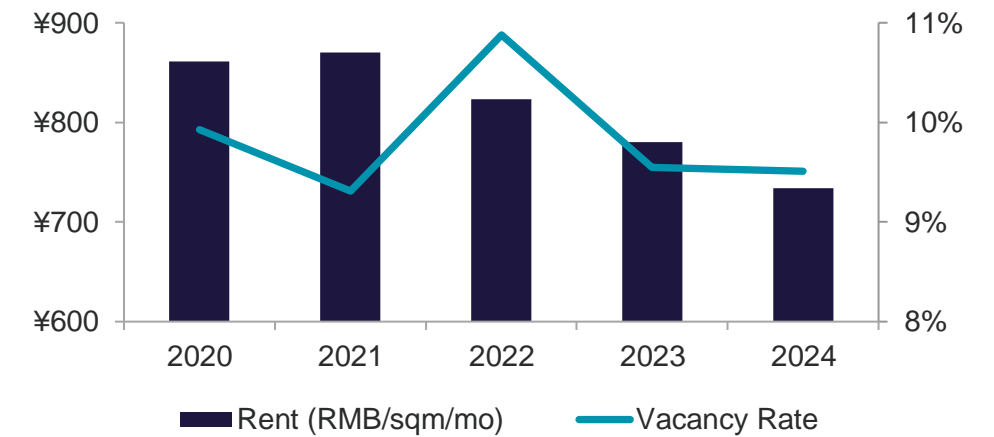
Shanghai's retail leasing market was active in Q4. Many overseas and domestic brands, especially in the outdoor sports, lifestyle and F&B sectors, opened their first flagship stores in Shanghai, with expansion plans to follow. Examples include Wild Things' first Chinese mainland store at Jing'an Kerry Centre, Miniso's first global flagship store at U479 on Nanjing East Road, and J.S. Foodies' first Shanghai restaurant at Xintiandi Plaza.

Demand for prime retail space sustained in the quarter, with net absorption reaching 600,638 sq m and the vacancy rate stabilized at 9.51%. Absorption was most evident at the new entrants in emerging areas, combined with brand mix adjustments at existing properties in prime areas. Average first floor asking rent at mid- to high-end shopping centers softened by 2.23% q-o-q to RMB733.65 per sq m per month in Q4. Trimming asking rents has been the most effective route for most landlords to maintain target occupancy rates and attract new tenants in the fierce competitive environment.

ABUNDANT SUPPLY TO ELEVATE VACANCY SLIGHTLY

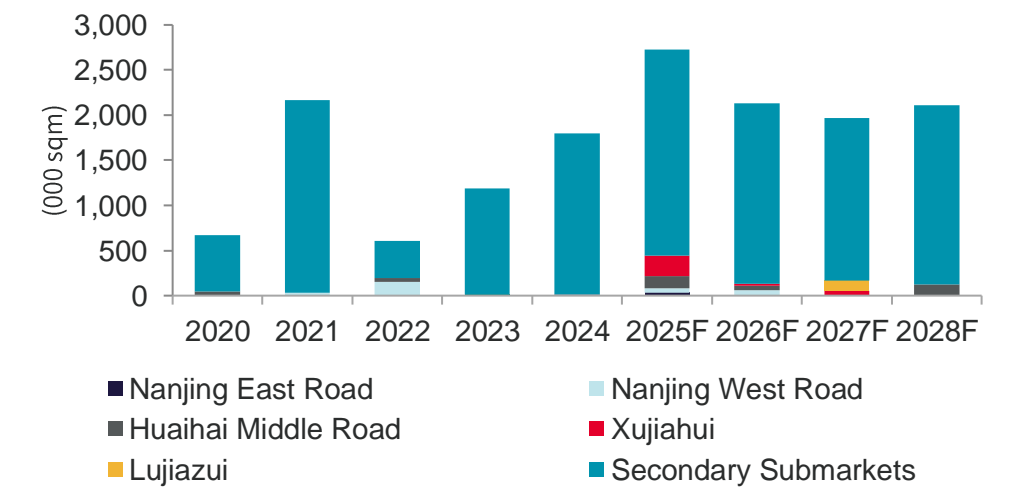
Looking ahead, approximately 2.72 million sq m of new retail space is scheduled to complete in 2025. We can expect the new supply to prompt a modest rise in overall vacancy. However, with proactive fiscal policies and further stimulus measures aimed at spurring domestic consumption, Shanghai's retail market is expected to see continued sustainable growth in 2025.

OVERALL RENT / VACANCY RATE



*Rental rates are calculated by NLA and considered as consistently achievable for prime space (usually the ground floor) in major shopping centres, excluding management fee, promotional fee and other fees.

RETAIL SUPPLY PIPELINE BY SUBMARKET



MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	FUTURE SUPPLY TILL 2027 (SQM)	OVERALL AVG RENT		
					RMB/SQM/MO	US\$/SF/MO	EUR/SF/MO
NANJING EAST ROAD	460,660	26,230	5.69%	31,000	¥2,161.58	US\$27.59	€ 26.23
NANJING WEST ROAD	665,738	36,670	5.51%	189,162	¥2,251.04	US\$28.73	€ 27.32
HUAIHAI MIDDLE ROAD	515,560	31,535	6.12%	215,600	¥1,500.19	US\$19.15	€ 18.20
XUJIAHUI	282,000	6,470	2.29%	310,417	¥2,276.17	US\$29.06	€ 27.62
LUJIAZUI	1,029,978	57,974	5.63%	115,000	¥1,473.13	US\$18.80	€ 17.88
DOWNTOWN TOTALS	2,953,936	158,879	5.38%	861,179	¥1,863.39	US\$23.79	€ 22.61
OTHER TOTALS	21,625,765	2,188,839	10.07%	5,948,028	¥548.64	US\$7.00	€ 6.66
SHANGHAI TOTALS	24,689,701	2,347,718	9.51%	6,809,207	¥733.65	US\$9.37	€ 8.90

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1.00 USD = 0.95060247 EUR = 7.277963 CNY (December 16th, 2024)

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SECTOR
Xintiandi	Huaihai Middle Road	FILA F-BOX	Fashion
L+Mall	Lujiazui	Teddy Tales	Retail
U479	Nanjing East Road	MINISO	Lifestyle
Plaza 66	Nanjing West Road	Lady M	F&B
Koko Plaza	Jinshan District	ALDI	Supermarket

KEY CONSTRUCTION COMPLETIONS

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
Landmark	Nanjing East Road	2025	31,000	Shenergy
Pacific Xintiandi	Huaihai Middle Road	2025	83,000	Shui On Land
ITC Phase II	Xujiahui	2025	231,417	Sun Hung Kai Properties
K11 II	Huaihai Middle Road	2025	50,000	New World Land
Taikoo Li	Lujiazui	2027	115,000	Swire Properties

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