

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
23.95 Stock, million sqm	▲	▲
9.23% Vacancy Rate	▼	▲
¥750.41 Average Rent, RMB/sqm/mo (Overall Retail Property)	▼	—

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
4.8% GDP Growth	▲	▲
-2.3% Retail Sales Growth	▼	▲
-0.1% CPI Growth	▼	▲

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

SEVEN NEW RETAIL PROPERTIES COMPLETED IN Q3 2024

According to the latest forecast from the IMF, global economic growth is expected to remain at 3.2% in 2024. However, the risk of rising inflation is growing worldwide, and global economic growth will slow. Consequently, Shanghai consumers are continuing to hold a cautious spending attitude on the back of the volatile global economy and slowing local economics. Regardless, seven new retail projects launched in Shanghai in Q3 with a combined 575,158 sq m of space, bringing the city's total stock to approximately 23.95 million sq m.

OVERALL DEMAND REMAINS STABLE

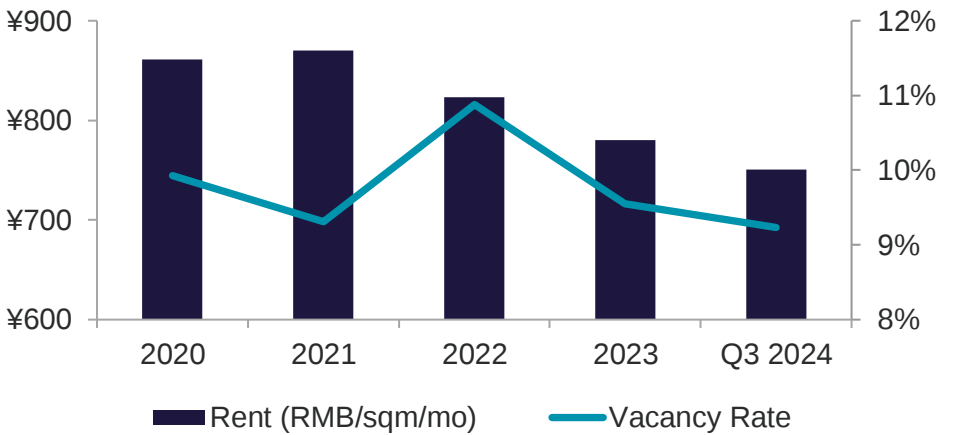
Leasing demand for Shanghai's mid- to high-end shopping centers remained stable in Q3, with the overall vacancy rate edging down 0.08 percentage points q-o-q to 9.23%. Demand from the fashion, lifestyle, F&B, entertainment, sports, 3C products and smart home experiential center sectors was active, with several new leases and openings recorded during the quarter.

Competitive rents and the influx of new supply pulled down the average first floor asking rent in Shanghai's mid- to high-end shopping centers by 1.32% q-o-q to RMB750.41 per sq m per month. Given the volume of new supply, Shanghai's retail property market is facing more intensified intra-market project competition. Many aging retail properties are actively adjusting their positioning, brand mixes and facilities, in response to increasing demands from the city's ever more sophisticated consumers.

FUTURE SUPPLY TO BE CONCENTRATED IN SECONDARY AREAS

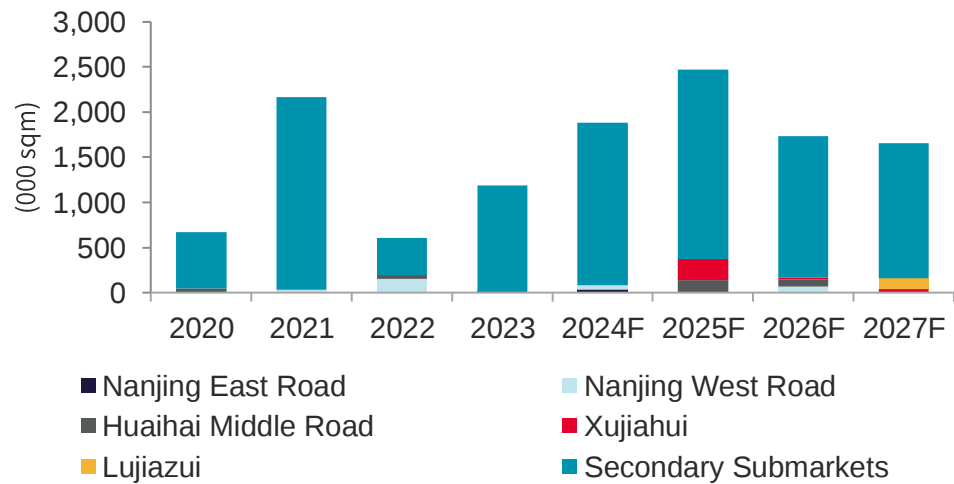
Looking to the future, Shanghai has unveiled several measures to spur consumption, including the *Replacement of Old Consumer Goods with New Ones* sales campaign, the *Shanghai Tourism Festival* and the *Golden Autumn Shopping Festival*. These initiatives will boost the retail market in 2024. Meanwhile, over the next three years, new properties in the supply pipeline will be concentrated in secondary retail areas, with mass market positioning, and this is likely to constrain the city's overall retail market rental growth.

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	FUTHURE SUPPLY TILL 2027 (SQM)	OVERALL AVG RENT		
					RMB/SQM/MO	US\$/SF/MO	EUR/SF/MO
NANJING EAST ROAD	460,660	26,854	5.83%	31,000	¥2,153.92	US\$28.15	€25.45
NANJING WEST ROAD	665,738	38,281	5.75%	189,162	¥2,261.04	US\$29.55	€26.71
HUAIHAI MIDDLE ROAD	515,560	31,535	6.12%	215,600	¥1,490.19	US\$19.47	€17.60
XUJIAHUI	282,000	6,470	2.29%	310,417	¥2,269.57	US\$29.66	€26.81
LUJIAZUI	1,029,978	56,674	5.50%	115,000	¥1,477.13	US\$19.30	€17.45
DOWNTOWN TOTALS	2,953,936	159,814	5.41%	861,179	¥1,861.43	US\$24.33	€21.99
OTHER TOTALS	20,999,465	2,051,994	9.77%	5,948,028	¥559.14	US\$7.31	€6.61
SHANGHAI TOTALS	23,953,401	2,211,808	9.23%	6,809,207	¥750.41	US\$9.81	€8.86

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1.00 USD = 0. 90396608 EUR =7.1089524 CNY (September 9th, 2024)*

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SECTOR
Jiu Guang	Nanjing West Road	Amorepacific	Retail
Gate M	West Bund	Bananain	Fashion
Super Brand Mall	Lujiazui	MINISO	Lifestyle
Shanghai New World Daimaru	Nanjing East Road	the COACH Coffee Shop	F&B
Livat	Changning District	Shake Shack	F&B

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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