

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
24.79 Stock, million sqm	▲	▲
9.47% Vacancy Rate	▼	▲
¥738.75 Average Rent, RMB/sqm/mo (Overall Retail Property)	▼	—

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
5.0% GDP Growth	▲	—
-3.1% Retail Sales Growth	▼	▲
0.0% CPI Growth	▼	▲

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

TWO RENOVATED PROJECTS ENTERED THE MARKET IN Q1

Two renovated projects with a combined GFA of approximately 101,000 sq m entered the Shanghai retail market in Q1 2025: Landmark on Nanjing East Road, and Gather Space in the Liangcheng area in Hongkou District. As a result, the total stock of Shanghai's prime retail property market increased by 0.4% q-o-q to approximately 24.79 million sq m.

OVERALL RETAIL LEASING MARKET REMAINS ACTIVE

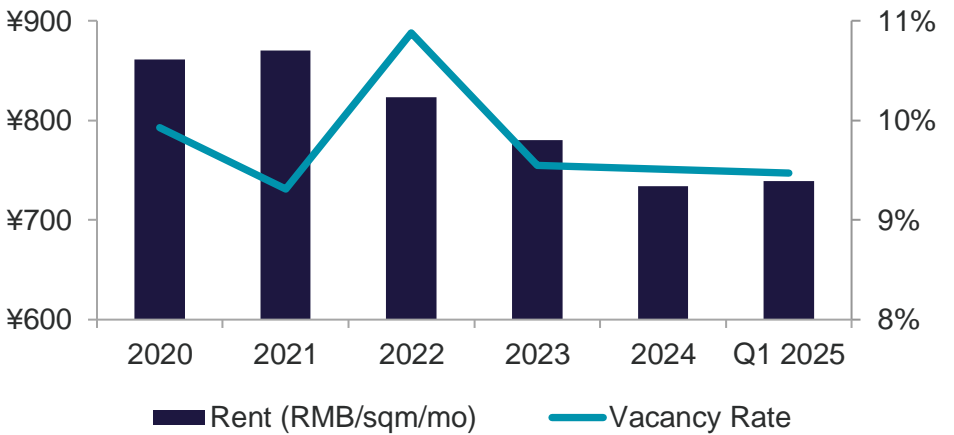
Shanghai city authorities will allocate RMB500 million from local fiscal funds to issue "Le - Shanghai" service consumption vouchers in 2025, prioritizing four key retail sectors comprising tourism, F&B, cinema, and sports, aiming to stimulate consumption and expand demand. Due to the positive consumption measures, major commercial areas in Shanghai have reported sustained growth in customer foot traffic. By the end of Q1, the overall vacancy rate for Shanghai mid- to high-end shopping centers decreased to 9.47%, down 0.04 percentage points q-o-q, demonstrating continued growing demand for prime retail space from many retailers. Of all the retail sectors, fashion, lifestyle, F&B and entertainment continued to be the most active demand generators.

Landlords' market confidence in the Q1 2025 period was further reinforced by the limited effective supply in the market, combined with the established retail ambiance at mature assets. Consequently, many landlords maintained their rental expectations from their most preferred retailer tenants in the city. In turn, the first-floor asking rent at Shanghai's mid- to high-end shopping centers rose to RMB738.75 per sq m per month, up 0.69% q-o-q.

ABUNDANT SUPPLY TO ELEVATE VACANCY

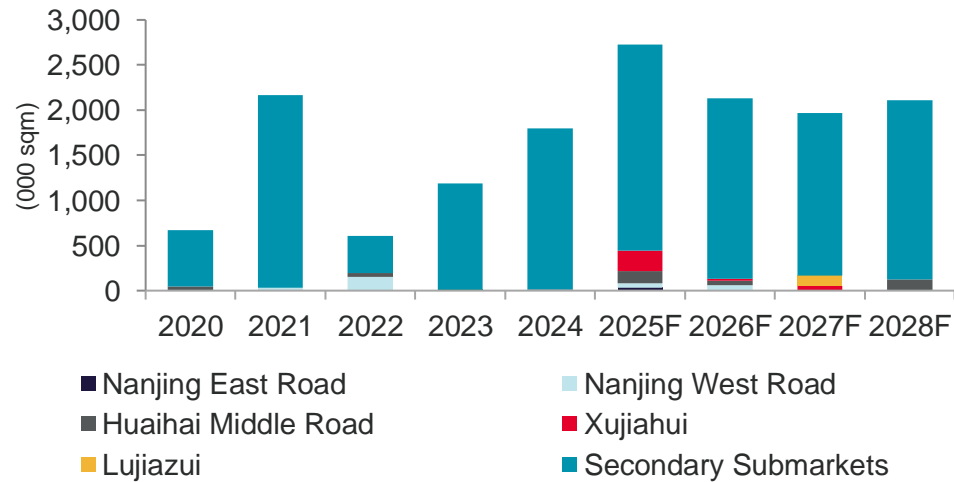
Looking to the future, more than 2.62 million sq m of new retail supply is planned to be launched in the last three quarters of 2025. This spike in new supply will inevitably lead to an increase in the city's average vacancy rate. Amid an increasingly hyper-competitive market, owners of aging retail properties are seeking to optimize their asset portfolios and bolster competitiveness through upgrading and renovation.

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	491,660	28,208	5.74%	0	¥2,131.36	US\$27.32	€ 25.19
NANJING WEST ROAD	665,738	36,670	5.51%	189,162	¥2,263.04	US\$29.01	€ 26.74
HUAIHAI MIDDLE ROAD	515,560	31,135	6.04%	215,600	¥1,508.65	US\$19.34	€ 17.83
XUJIAHUI	282,000	6,320	2.24%	310,417	¥2,286.17	US\$29.30	€ 27.02
LUJIAZUI	1,029,978	55,474	5.39%	115,000	¥1,483.13	US\$19.01	€ 17.53
DOWNTOWN TOTALS	2,984,936	157,807	5.29%	830,179	¥1,871.22	US\$23.98	€ 22.11
OTHER TOTALS	21,805,765	2,189,267	10.04%	5,878,028	¥549.34	US\$7.04	€ 6.49
SHANGHAI TOTALS	24,790,701	2,347,074	9.47%	6,708,207	¥738.75	US\$9.47	€ 8.73

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1.00 USD = 0.92195437 EUR = 7.248109 CNY (March 14th, 2025)

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SECTOR
Jing'an Kerry Centre	Nanjing West Road	LOEWE	Fashion
Landmark	Nanjing East Road	PEACEBIRD	Fashion
Livat	Nanjing East Road	PopSockets	Lifestyle
IFC	Lujiazui	Molly Tea	F&B
Rong Zhai	Jing'an District	Prada	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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