

MARKET FUNDAMENTALS

|  | YOY Chg | 12-Month Forecast |
|--|---------|-------------------|
| 16.66<br>Stock, million sqm  | ▲       | ▲                 |
| 10.6%<br>Vacancy Rate  | ▲       | ▼                 |
| ¥2,130<br>Average Rent, RMB/sqm/mo<br>(Benchmarking projects in the core submarkets) | ▼       | —                 |

ECONOMIC INDICATORS

| 2024                         | YOY Chg | 12-Month Forecast |
|------------------------------|---------|-------------------|
| 5.2%<br>GDP Growth           | —       | —                 |
| -2.7%<br>Retail Sales Growth | ▼       | ▲                 |
| 0.1%<br>CPI Growth           | ▼       | ▲                 |

Source: Beijing Statistics Bureau / Cushman & Wakefield Research

MARKET OVERVIEW

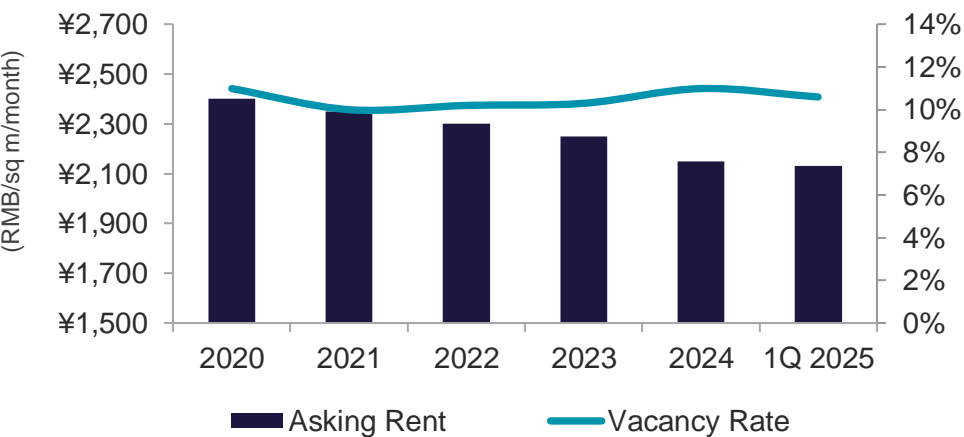
Three new completions entered the Beijing retail market in Q1 2025, adding 356,000 sq m of high-quality space. Citywide total mall stock then rose to 16.7 million sq m. Urban renewal projects have become the primary driver of premium retail supply, including two of the new completions, Daxing Xinchun Place and Beijing Hops On West Zone, both bringing significant improvements in space layout and brand mix. The innovative consumption experiences offered by new commercial complexes are posing big challenges to older retail projects in Beijing. The upgrading process of existing retail projects is continuing and shows a trend of expanding from the city center to suburban areas. The Wangjing Huacai Commercial Center is one such example, jointly upgraded by Huacai and CR Group to become Wangjing MixC. This quarter also saw the launch of a large-scale renovation of Beijing GR Shopping Mall, while the Chaowai Street Phase II urban renewal project is also scheduled to commence.

The first-store economy continues to drive consumer momentum in Beijing. According to the Beijing Municipal Commerce Bureau, the city attracted 960 first stores in 2024, with a further 800 expected in 2025. High-end F&B and cultural entertainment brands were active in Q1. Notable openings included the Chinese mainland's first Armani Café at China World Mall, and Pooposuper's Asia flagship store at Beijing Hops On. Madverse opened its first China store at Kun Tai Building, and Miniso Land entered The Box Chaowai. Independent stores in Beijing's historic Hutong areas are also gaining traction, with China's first JM Café Bakery opening in Gongmenkou Dongcha, Xicheng District.

OUTLOOK

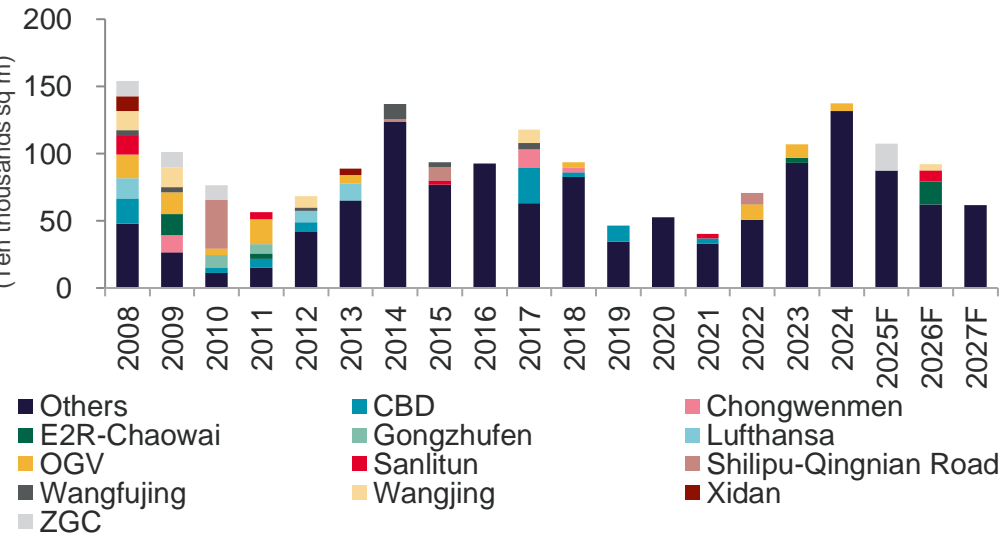
More than 700,000 sq m of new supply is scheduled to enter the market in 2025, primarily from large-scale new developments in suburban areas and urban renewal projects. The year will also see the opening of several integrated commercial complexes, such as JD Mall and Changping Sam's Club. Beyond the continued focus on attracting first stores, Beijing is boosting support for time-honored brands, domestic trends, and cultural initiatives, such as a policy introduced in March to support brick and mortar bookstores. We can expect malls to increasingly integrate cultural elements to create retail spaces with cultural characteristics.

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<br>(SQM) | VACANT<br>(SQM) | OVERALL VACANCY<br>RATE | FUTHURE SUPPLY<br>TILL 2027<br>(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\$10.25 - 25.63 | €9.45 – 23.63  |
| Sanlitun                  | 246,000            | 7,134           | 2.90%                   | 80,000                               | ¥800 - 2,500        | US\$10.25 – 32.04 | €9.45 – 29.54  |
| Xi Dan                    | 199,000            | 10,945          | 5.50%                   | 0                                    | ¥1,000 - 1,600      | US\$12.82 - 20.51 | €11.82 – 18.91 |
| Wangfujing                | 450,000            | 17,370          | 3.86%                   | 0                                    | ¥800 - 2,000        | US\$10.25 – 25.63 | €9.45 – 23.63  |
| Lufthansa                 | 234,000            | 10,530          | 4.50%                   | 0                                    | ¥600 - 1,500        | US\$7.69 - 19.23  | €7.09 – 17.73  |
| E2R-Chaowai               | 279,276            | 15,639          | 5.60%                   | 170,000                              | ¥600 - 1,200        | US\$7.69 - 15.38  | €7.09 – 14.18  |
| Chongwenmen-<br>Xuanwumen | 309,000            | 24,720          | 8.00%                   | 0                                    | ¥500 - 1,000        | US\$6.41 – 12.82  | €5.91 – 11.82  |
| Zhongguancun              | 1,012,000          | 48,576          | 4.80%                   | 200,000                              | ¥800 - 1,800        | US\$10.25 – 23.07 | €9.45 – 21.27  |
| OTHERS TOTALS             | 12,947,080         | 1,578,711       | 12.19%                  | 1,800,900                            | /                   | /                 | /              |
| BEIJING TOTALS            | 16,656,205         | 1,765,558       | 10.6%                   | 2,250,900                            | ¥2,130              | US\$27.30         | €25.17         |

*\*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 = 0.92195437 Euros = 7.248109 CNY, as of March 14<sup>th</sup> 2025.*

SIGNIFICANT STORE OPENINGS Q1 2025

| PROPERTY                    | SUBMARKET             | TENANT        | SECTOR                    |
|-----------------------------|-----------------------|---------------|---------------------------|
| China World Shopping Mall   | CBD                   | ARMANI /CAFFè | F&B                       |
| SKP                         | CBD                   | Tang Xin Dan  | Fashion                   |
| Sanlitun Taikoo Li          | Sanlitun              | ZIMMERMANN    | Fashion                   |
| The Box Chaowai             | E2R-Chaowai           | MINISO LAND   | Culture and entertainment |
| Beijing Chaoyang Joy City   | Shilipu-Qingnian Road | Cha of Yulian | F&B                       |
| Beijing Hops On (Changping) | Other (Changping)     | POOPOSUPER    | Culture and entertainment |

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

| PROPERTY                    | SUBMARKET        | EXPECTED OPENING<br>YEAR | SQM     | OWNER / DEVELOPER    |
|-----------------------------|------------------|--------------------------|---------|----------------------|
| Beijing Shangde Yintai City | Other (Daxing)   | 2025                     | 56,000  | Yintai               |
| Wanli Wangfujing WellTown   | Other (Tongzhou) | 2025                     | 190,000 | Jingtou & BTG & BUCG |
| Zhongguancun ART PARK       | Zhongguancun     | 2025                     | 200,000 | EBA Investment       |
| China Overseas Dajixiang    | Other (Xicheng)  | 2025                     | 80,000  | China Overseas       |

Source: Cushman & Wakefield Research

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