

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
7.2M Stock, sqm	▲	▲
7.9% Vacancy Rate	▼	▲
¥783 Average Rent, RMB/sqm/mo <i>(Prime Shopping Mall Property)</i>	▼	▼

ECONOMIC INDICATORS

2024	YOY Chg	12-Month Forecast
5.8% GDP Growth	▼	—
1.1% Retail Sales Growth	▼	▲
0.1% CPI Growth	▼	▲

Sources: Shenzhen Statistic Bureau, Moody's Analytics, Cushman & Wakefield Research

FAMILY REUNION INBOUND TRAVEL BOLSTERS TOURISM MARKET

Family reunion travel supported Shenzhen's tourism market and boosted consumption in Q1. The city welcomed 9 million visitors through the 8-day Spring Festival, up 8.3% y-o-y, and recorded nearly RMB10 billion in tourism income, rising 12.5% y-o-y. Retail malls integrating natural environments and outdoor features were popular, with Shum Yip UpperHills seeing 15% y-o-y growth in footfall and 30% y-o-y growth in revenue during the Festival period. Citywide prime retail stock remained at 7.2 million sq m in Q1 2025. Softer retail sales growth curtailed overall market expansion, with brands prioritizing smaller spaces at mature prime mall projects. The citywide vacancy rate dropped to 7.9% at the end of Q1, falling below the 8% mark for the first time since Q3 2022. The average prime mall monthly rent edged up 0.3% q-o-q to RMB782.7 per sq m. Longgang and Longhua submarkets saw q-o-q rental growth of 1.7% and 1.4% respectively, aided by steady rental growth at mature mall properties.

RISING SINGLES DEMOGRAPHIC DRIVES NEW CONSUMPTION TRENDS

The outdoor clothing, women's wear, and 3C and smart appliances store categories took 6.7%, 6.1% and 5.8% shares of total store openings in Q1, respectively, taking the general retailing sector to a 48.5% total share. Notable openings included Anta's 3,000 sq m global flagship store at Uniworld, and a 4,000 sq m JD home appliances store at Wanfeng Coastal City.

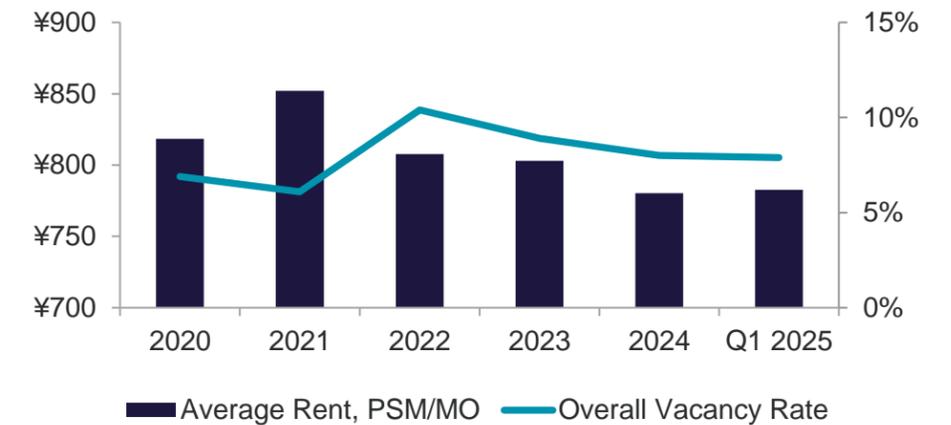
The F&B sector took a 43.2% share of total store openings. The rise of "singles" consumption influenced supply, with solo hotpot specialists Yiwei Beef and Shining Taste pursuing new openings. The flourishing Chinese fast-food category took a 5.6% share of total store openings, expanding 0.7 percentage points y-o-y to rank second in the F&B sector.

MULTIPRONGED INITIATIVES EXPECTED TO UPLIFT CONSUMPTION

Approximately 625,000 sq m of new prime retail supply is scheduled for 2025, with K11 Ecoast to open in Q2. Cross-border consumption behaviour continues, generating opportunities for malls further from border points to upgrade. Some existing malls commenced brand adjustments after the Chinese New Year holiday, and several new brand entrants to the city are expected soon.

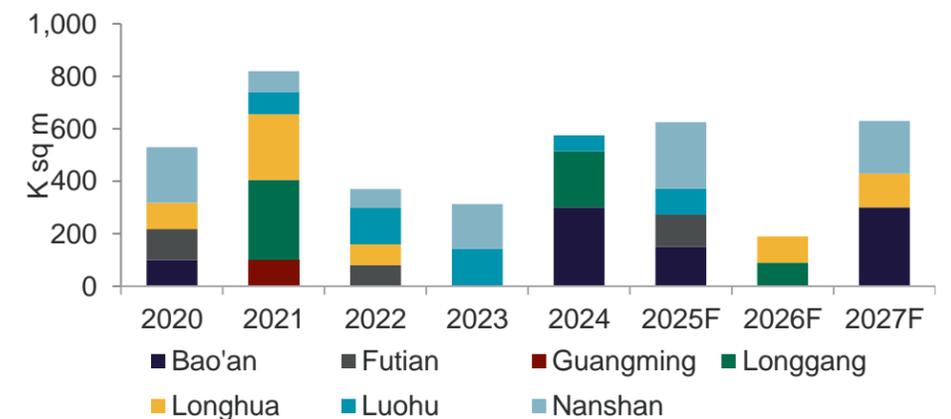
Expanding domestic demand is a priority for economic growth. Shenzhen has issued multipronged plans to boost demand, with instant retail, home appliance, vehicle, exhibition, and tourism consumption targeted to support retail sales.

OVERALL VACANCY & AVERAGE RENT



* Rentals are calculated by NLA and considered as consistently achievable for prime space in prime shopping centers, excluding management fee, promotional fee and other fees.

RETAIL SUPPLY PIPELINE BY SUBMARKET



Note: F is forecast.

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	FUTURE SUPPLY TILL 2027 (SQM)	OVERALL AVG RENT		
					RMB/SQM/MO	USD/SF/MO	EUR/SF/MO
Luohu	843,829	59,892	7.1%	100,000	¥958.9	US\$12.3	€11.3
Futian	1,348,000	119,610	8.9%	121,800	¥1,017.7	US\$13.0	€12.0
Nanshan	1,820,583	226,261	12.4%	453,000	¥755.6	US\$9.7	€8.9
Longgang	1,022,000	32,880	3.2%	90,000	¥535.0	US\$6.9	€6.3
Bao'an	1,250,000	83,760	6.7%	450,000	¥766.9	US\$9.8	€9.1
Longhua	640,000	30,700	4.8%	230,000	¥450.0	US\$5.8	€5.3
Guangming	250,000	12,500	5.0%	-	¥425.0	US\$5.4	€5.0
SHENZHEN TOTALS	7,174,412	565,602	7.9%	1,444,800	¥782.7	US\$10.0	€9.2

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Exchange Rate: 1 USD = 0.92195437 Euros = 7.248109 RMB (2025.3.14)

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SECTOR
Shum Yip Upperhills	Futian	Descente	Retail
Uniwalk	Qianhai	Less	Retail
Wanfeng Coastal City	Bao'an	JD	Retail
Vanke Plaza	Longgang	Dingjie Seafood Buffet	F&B
Wongtee Plaza	Futian	Yiwei Beef Hotpot	F&B

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
iN City Plaza	Futian	2025	71,800	PingAn
Shenzhen Mixc Longhua	Longhua	2027	130,000	China Resources
Uni Outlets	Bao'an	2027	300,000	China Horoy

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