

MARKET FUNDAMENTALS

| | YOY Chg | 12-Month Forecast |
|--|------------|----------------------|
| 16.86 Stock, million sqm | ▲ | ▲ |
| 10.5% Vacancy Rate | ▲ | ▼ |
| ¥2,130 Average Rent, RMB/sqm/mo <small>(Benchmarking projects in the core submarkets)</small> | ▼ | — |

ECONOMIC INDICATORS

| | YOY Chg | 12-Month Forecast |
|----------------------------------|------------|----------------------|
| 2025 Q1 5.5% GDP Growth | ▼ | — |
| -3.3% Retail Sales Growth | ▼ | ▲ |
| 0.5% CPI Growth | ▼ | ▲ |

Source: Beijing Statistics Bureau / Cushman & Wakefield Research

MARKET OVERVIEW

Three new completions entered the retail market in Q2, adding 200,000 sq m of high-quality space. Citywide total mall stock rose to 16.9 million sq m.

The Beijing retail market continues to upgrade with government policy support. Both new project openings and existing project refurbishments are accelerating. The newly opened Dajiang and Shuangjing JD malls in Q2 are both urban renewal projects, attracting an influx of visitors. Several existing projects have also completed upgrades and renovations and reopened with a fresh look. In April, the Beijing authorities issued a notice to support quality enhancement for malls, commercial streets and submarkets with funding for commercial enterprise upgrades. Such policy support means we can expect to see further retail market project upgrades into the future.

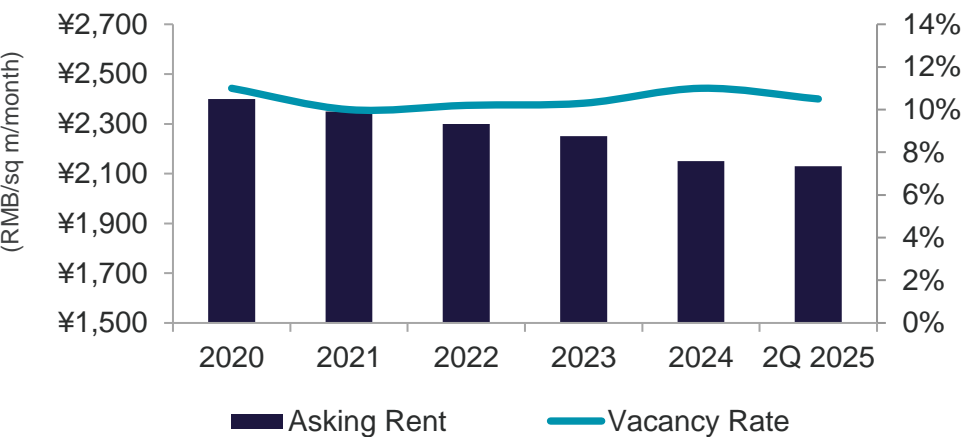
High-end fashion brands remained active in Q2. Store openings included golf apparel brand Mark & Lona's first China store at China World Mall, and Balenciaga's flagship store at Sanlitun Taikoo Li, the brand's largest flagship store to date. UPON PRO opened a first Beijing store at SKP, while fashion blogger Meiyang's independent clothing brand opened a North China first store at Chaoyang Joy City. Notably, leading UK frozen food brand Iceland opened its first Asia-Pacific store at the Western Beijing AI Valley in Mentougou District. It also jointly established the Iceland Lab Base with Capital Tourism Group and the Mentougou government.

OUTLOOK

Five new projects are scheduled to launch into the market in 2H 2025, adding more than 500,000 sq m of high-quality retail space to the market. New developments in suburban areas and urban renewal projects in traditional submarkets will remain the primary supply sources. Additionally, Beijing continues to promote the development of distinctive commercial blocks. Future projects such as Aoyuan City Street, Datunli and Longfusi Block will integrate cultural, commercial, tourism, and sports elements to inject new vitality into the market.

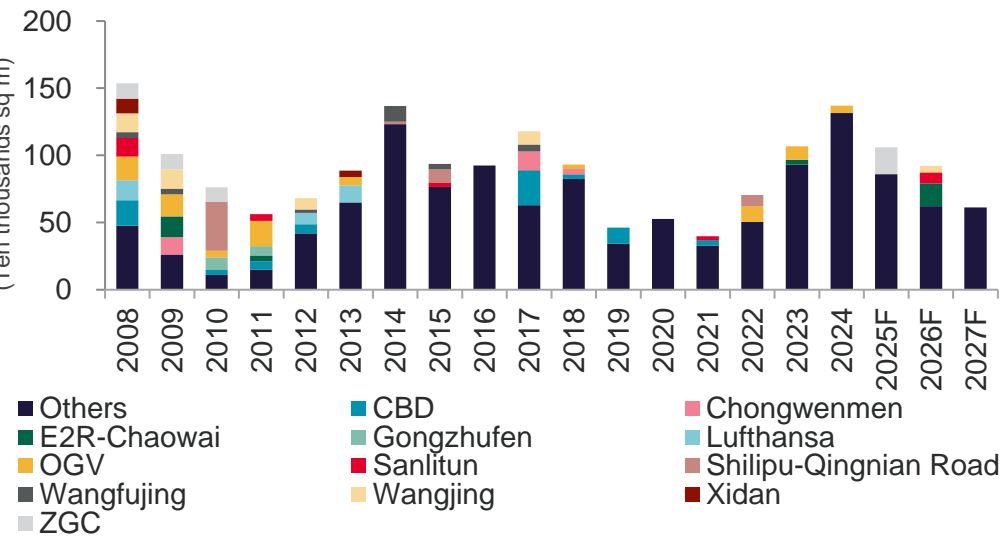
Beijing has introduced multiple policies this year to enhance the retail market. A new policy issued in June highlights traditional submarket and mall upgrading, consumption scenario innovations, further brand first stores, and support for domestic trend brands and time-honored Chinese brands as key measures to stimulate potential new market consumption.

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 (SQM) | VACANT (SQM) | OVERALL VACANCY RATE | FUTHURE SUPPLY TILL 2027 (SQM) | ASKING RENTAL RANGE | | |
|---------------------------|--------------------|-----------------|-------------------------|--------------------------------------|---------------------|-------------------|----------------|
| | | | | | RMB/SQM/MO | EUR/SF/MO | US\$/SF/MO |
| CBD | 979,849 | 50,952 | 5.20% | 0 | ¥800 - 2,000 | US\$10.25 - 25.63 | €9.45 – 23.63 |
| Sanlitun | 246,000 | 6,396 | 2.60% | 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- Xuanwumen | 309,000 | 24,720 | 8.00% | 0 | ¥500 - 1,000 | US\$6.41 – 12.82 | €5.91 – 11.82 |
| Zhongguancun | 1,012,000 | 45,540 | 4.50% | 200,000 | ¥800 - 1,800 | US\$10.25 – 23.07 | €9.45 – 21.27 |
| OTHERS TOTALS | 13,147,080 | 1,587,809 | 12.08% | 1,538,864 | / | / | / |
| BEIJING TOTALS | 16,856,205 | 1,769,902 | 10.5% | 2,038,864 | ¥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 = 0.86685683 Euros = 7.1845929 CNY, as of June 16th 2025.*

SIGNIFICANT STORE OPENINGS Q2 2025

| PROPERTY | SUBMARKET | TENANT | SECTOR |
|-------------------------------|-----------------------|-------------|---------|
| China World Shopping Mall | CBD | MARK & LONA | Fashion |
| SKP | CBD | UPON | Fashion |
| Sanlitun Taikoo Li | Sanlitun | Balenciaga | Fashion |
| Joy City (Chaoyang) | Shilipu-Qingnian Road | MEIYANG | Fashion |
| Beijing Daji Xiang | Other (Xicheng) | Hou Fu Yan | F&B |
| Beijing Hopson One (Chaoyang) | CBD | Kunogigi | Fashion |

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

| PROPERTY | SUBMARKET | EXPECTED OPENING 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 |
| D.P.ONE Rlive Plaza | Other (Fangshan) | 2025 | 33,964 | Beijing Investment Group |

Source: Cushman & Wakefield Research

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