

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
24.99 Stock, million sqm	▲	▲
9.51% Vacancy Rate	▲	▲
¥728.67 Average Rent, RMB/sqm/mo (Overall Retail Property)	▼	—

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
5.1% GDP Growth	▲	—
-1.1% Retail Sales Growth	▼	▲
0.1% CPI Growth	▲	▲

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

FIVE NEW PROPERTIES OPEN IN EMERGING SUBMARKETS

According to the Shanghai Municipal Bureau of Statistics, the city's retail sales of consumer goods increased by 2.6% y-o-y in April 2025, up 8.1 percentage points compared with April 2024. The citywide stock of mid- to high-end retail properties expanded by 0.81% q-o-q to reach 24.99 million sq m in Q2, as a result of the opening of the Ring Live II in Xuhui, Goo Walking in Fengxian, Bailian ZX in Yangpu, and Tangcheng Incity and Lanting Li projects in Pudong.

ACTIVE DEMAND DRIVEN BY NEW SUPPLY AND UPGRADES

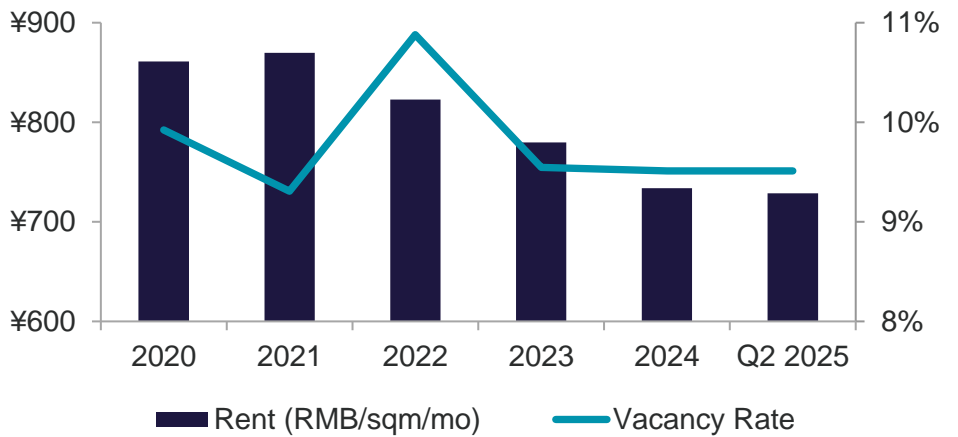
Shanghai's offline and online consumption continued to rise in Q2 2025. According to Consumer Market Big Data Laboratory (Shanghai), during the May Day holiday, Shanghai's total online and offline consumption hit RMB59.46 billion, up 13.1% y-o-y. Overseas tourists' spending in Shanghai increased to RMB455 million, up 211.6% y-o-y. During the Duanwu Festival, Shanghai's online and offline consumption reached RMB20 billion, up 4.1% y-o-y. Echoing these positive indicators, demand for mid- to high-end shopping center space in Shanghai continued to be strong this quarter, with net absorption recording 228,783 sq m. The fashion, sports, gold jewelry, lifestyle, F&B, entertainment, 3C and smart home experience store sectors continued to be key demand generators.

Due to the large volume of new supply entering the Shanghai market in Q2, the overall vacancy rate for mid- to high-end retail property rose by 0.04 percentage points q-o-q to 9.51%. The average first floor asking rent at mid- to high-end shopping centers dropped by 1.36% q-o-q to RMB728.67 per sq m per month this quarter, primarily pulled down by competitive rents at new supply projects in the suburbs. However, rents in the core submarkets continued to grow steadily amid limited supply and sustained demand, increasing on average by 0.33% q-o-q to RMB1,877.46 per sq m per month.

GROWING DIVERGENCE AMONG RETAIL PROPERTIES

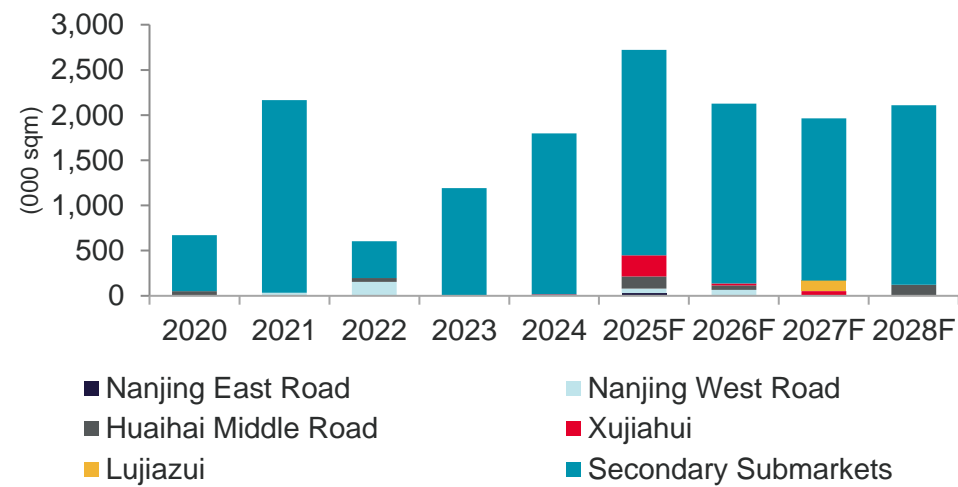
Looking ahead, with an influx of new projects set to enter the market in H2 2025, established properties by well-known developers will continue to be sought after by international and well-known domestic brands. Certain older retail properties, however, will face fierce competition from nearby new projects.

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	30,293	6.16%	0	¥2,144.53	US\$27.73	€24.04
NANJING WEST ROAD	665,738	38,470	5.78%	189,162	¥2,250.04	US\$29.09	€25.22
HUAIHAI MIDDLE ROAD	515,560	32,005	6.21%	215,600	¥1,508.65	US\$19.51	€16.91
XUJIAHUI	282,000	7,790	2.76%	310,417	¥2,345.77	US\$30.33	€26.29
LUJIAZUI	1,029,978	49,439	4.80%	115,000	¥1,483.13	US\$19.18	€16.62
DOWNTOWN TOTALS	2,984,936	157,998	5.29%	830,179	¥1,877.46	US\$24.28	€21.04
OTHER TOTALS	22,005,765	2,261,936	10.28%	5,678,028	¥539.28	US\$6.97	€6.04
SHANGHAI TOTALS	24,990,701	2,376,734	9.51%	6,508,207	¥728.67	US\$9.42	€8.17

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1.00 USD = 0.86685683 EUR = 7.1845929 CNY (June 16th, 2025)

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SECTOR
Hong Kong Plaza	Huaihai Middle Road	Jorya	Fashion
iapm	Huaihai Middle Road	Topologie	Fashion
Jing'an Kerry Centre	Nanjing West Road	POP MART	Lifestyle
HKRI Taikoo Hui	Nanjing West Road	LOFT	Lifestyle
Nanxiang Incity Mega	Jiading District	BANZA·BISTRO	F&B

KEY CONSTRUCTION COMPLETIONS

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
Pacific Xintiandi	Huaihai Middle Road	2025	83,000	Shui On Land
ITC Phase II	Xujiahui	2025	231,417	Sun Hung Kai Properties
K11 ELYSEA	Huaihai Middle Road	2025	50,000	New World Land
Taikoo Li	Lujiazui	2027	115,000	Swire Properties
Plaza 66 III	Nanjing West Road	2027	3,080	Hang Lung Properties

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