

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
7.5M Stock, sqm	▲	▲
9.1% Vacancy Rate	▲	▲
¥762 Average Rent, RMB/sqm/mo <i>(Prime Shopping Mall Property)</i>	▼	▼

ECONOMIC INDICATORS

2025 Q1	YOY Chg	12-Month Forecast
5.2% GDP Growth	▼	—
3.1% Retail Sales Growth	▼	▲
0.1% CPI Growth	▼	▲

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

RETAIL MARKET SEES 303,000 SQ M SUPPLY INFUX

Shenzhen's retail market welcomed a 303,000 sq m supply influx in Q2, including the K11 ECOAST and Luohu Yitian Holiday Plaza projects. Citywide prime mall stock surged to 7.5 million sq m. The Garden City Villa project also opened next to K11 ECOAST, enhancing harbor-front tourism. Existing inventory also revived, with the MIXC-remodelled PA Mall introducing new entrants to Futian, and iN City Park renovating with a 30,000 sq m outdoor sports space attracting neighbourhood and younger consumer groups.

EMOTIONAL CONSUMPTION TREND DRIVING DEMAND

Steady economic recovery has encouraged consumers to diversify spending, with the "emotional consumption" trend coming to the fore. Reflecting this, the popularity of Pop Mart IP-related products featuring cultural and personality aspects energized the market in Q2. Shenzhen's first 100 sq m Jellycat store opened in the MIXC World, while Top Toy and Kayou also expanded. Emotional consumption also spurred expansion in the pet economy, with South China's first Marsmart opening in iN City Park. Shenzhen malls are increasingly offering pet-friendly facilities with pet playgrounds and strollers.

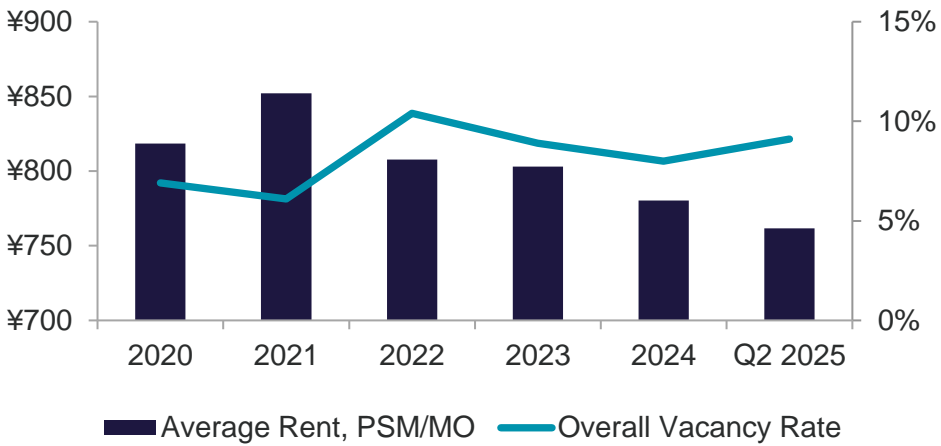
The summer period has promoted further consumer interest in healthy dining and sports activity. New-style tea drink brands took a 7.9% share of total new store openings in Q2, up 3.5 percentage points q-o-q. Refreshing drinks featuring green and low-calorie ingredients were popular. Anta Superstore and Camel Outdoor Wear both opened new stores. Grandeur Tennis expanded to malls while some SuperMonkey fitness centers completed upgrades. The C Future City mall also welcomed the sports and entertainment center KP Fun.

ECONOMIC UNCERTAINTY STILL WEIGHS ON RETAIL MARKET

Consumers are increasingly frequenting community retail premises and retail plazas in mixed-zone office properties for convenience, in lieu of visiting major malls. Consequently, landlords and brands are competing strongly to win new entrants and customer traffic. The monthly average rental level dropped 2.7% q-o-q in Q2 to record RMB761.6 per sq m. The citywide vacancy rate rose 1.2 percent points q-o-q to reach 9.1%.

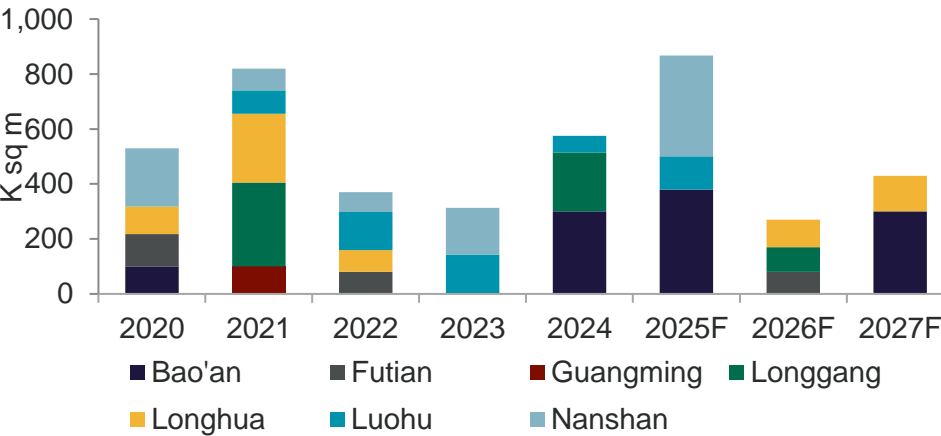
Approximately 564,000 sq m of prime new mall space is scheduled to open during the 2H 2025 period. Despite the bright spots highlighted, economic uncertainty continues to impact consumption, and we expect it to still weigh on the retail market in terms of rental levels and vacancy rates.

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	963,829	66,832	6.9%	-	¥900.5	US\$11.6	€10.1
Futian	1,348,000	111,670	8.3%	80,000	¥1,015.4	US\$13.1	€11.4
Nanshan	2,003,390	341,645	17.1%	184,000	¥711.3	US\$9.2	€8.0
Longgang	1,022,000	32,880	3.2%	90,000	¥531.9	US\$6.9	€6.0
Bao'an	1,250,000	87,760	7.0%	680,000	¥758.8	US\$9.8	€8.5
Longhua	640,000	30,700	4.8%	230,000	¥462.5	US\$6.0	€5.2
Guangming	250,000	9,500	3.8%	-	¥425.0	US\$5.5	€4.8
SHENZHEN TOTALS	7,477,219	680,987	9.1%	1,264,000	¥761.6	US\$9.8	€8.5

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Exchange Rate: 1 USD = 0.86685683 Euros = 7.1845929 RMB (2025.6.16)

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SECTOR
MIXC World	Nanshan	BI BLU	Retail
Luohu Yitian Holiday Plaza	Luohu	Top Toy	Retail
Shenzhen Teemall	Luohu	Kayou	Retail
Haiya Mega Mall	Bao'an	Anta Superstore	Retail
Link CentralWalk	Futian	Dongfang Molan	F&B

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
Huafa Snow World	Bao'an	2025	50,000	Huafa
Shenzhen MIXC Longhua	Longhua	2027	130,000	China Resources
Uni Outlets	Bao'an	2027	300,000	China Horoy

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