

## MARKET FUNDAMENTALS

|  | YOY Chg | 12-Month Forecast |
|--|---------|-------------------|
| <b>26.20</b><br>Stock, million sqm   | ▲       | ▲                 |
| <b>9.81%</b><br>Vacancy Rate   | ▲       | ▲                 |
| <b>¥711.10</b><br>Average Rent, RMB/sqm/mo<br><i>(Overall Retail Property)</i> | ▼       | ▼                 |

## ECONOMIC INDICATORS

|                                    | YOY Chg | 12-Month Forecast |
|------------------------------------|---------|-------------------|
| <b>5.4%</b><br>GDP Growth          | ▲       | —                 |
| <b>4.6%</b><br>Retail Sales Growth | ▲       | —                 |
| <b>0.1%</b><br>CPI Growth          | ▲       | ▲                 |

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

## THREE NEW PROJECTS DEBUT IN Q1 2026

Shanghai's retail sector saw a busy Q1. The city's total retail sales of consumer goods hit RMB1.66 trillion in 2025, a 4.6% y-o-y increase, outpacing the national average. Three new projects launched in the quarter, adding 239,000 sq m of gross floor area to the market: JoyFun in Fengxian held its grand opening on December 31, while TODTOWN Mall and Liubai YOUNG began trial operations in January and March 2026, respectively. This brought Shanghai's total prime retail market stock to approximately 26.2 million sq m by the end of Q1.

## MARKET DYNAMICS REMAIN MIXED

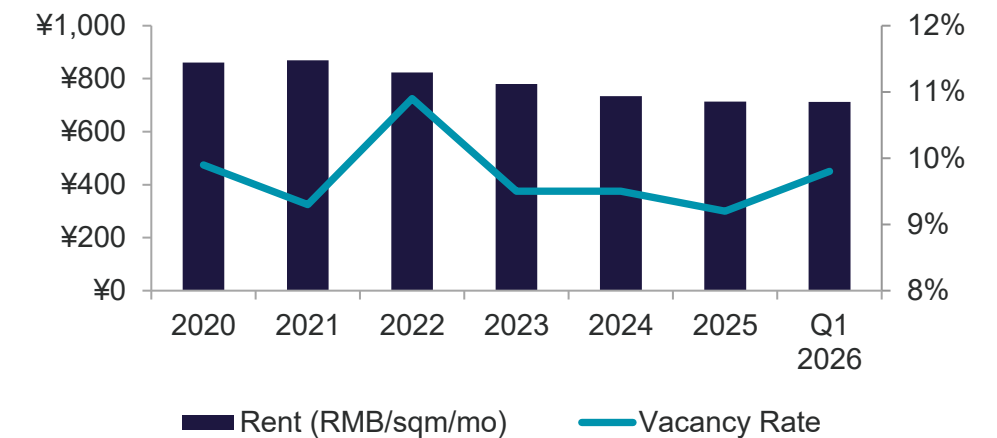
The market remained active through Q1 with strong activity during the Spring Festival holiday. Consumption in 19 core commercial areas reached RMB4.8 billion, up 12.0% y-o-y; while average daily customer traffic hit 3.19 million, up 15.8% y-o-y. Demand was robust across fashion, F&B, gold jewelry, pop toys, lifestyle, and entertainment. However, the influx of new projects and ongoing internal adjustments in existing retail spaces pushed the city's overall vacancy rate up by 0.3 percentage points q-o-q to reach 9.8% at the end of Q1.

Intensified competition in the quarter prompted landlords to actively adjust tenant mixes and update properties. Some landlords offered rent discounts or preferential terms to anchor tenants to boost occupancy and customer traffic. Consequently, the average first-floor monthly asking rent at mid-to-high-end shopping centers dipped 0.7% q-o-q to RMB711.1 per sq m.

## FURTHER NEW SUPPLY ON THE HORIZON

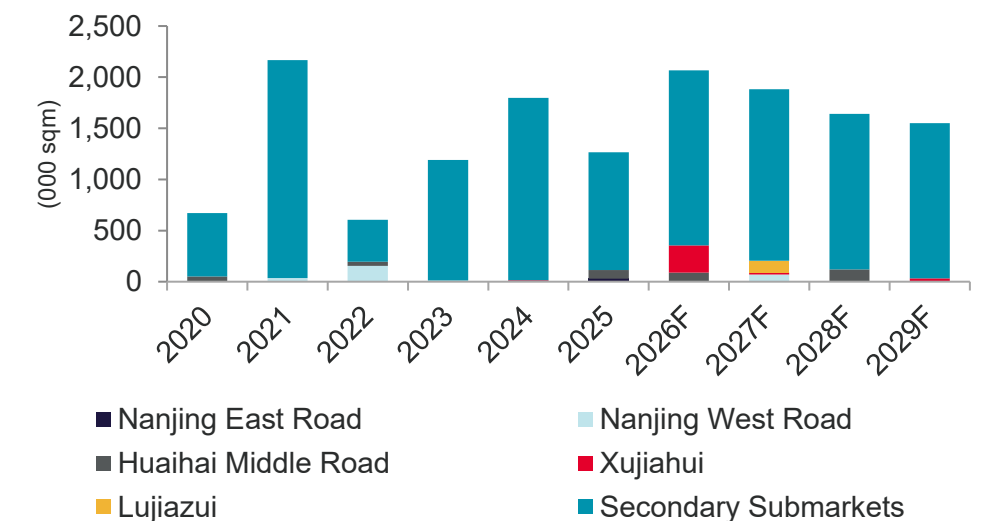
Looking ahead, substantial new supply in the pipeline is expected to elevate the city's overall vacancy rate to nearly 13% in 2026. With more than 88% of these new projects situated in non-prime areas, their lower-than-average rents are predicted to pull down the retail market overall average monthly rental level.

## 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 | FUTURE SUPPLY TILL 2029 (SQM) | OVERALL AVG RENT |                 |              |
|------------------------|-------------------|------------------|----------------------|-------------------------------|------------------|-----------------|--------------|
|                        |                   |                  |                      |                               | RMB/SQM/MO       | US\$/SF/MO      | EUR/SF/MO    |
| NANJING EAST ROAD      | 491,660           | 29,745           | 6.05%                | 0                             | ¥2,138.33        | US\$28.86       | €25.10       |
| NANJING WEST ROAD      | 665,738           | 41,290           | 6.20%                | 71,162                        | ¥2,236.14        | US\$30.18       | €26.24       |
| HUAIHAI MIDDLE ROAD    | 598,560           | 42,440           | 7.09%                | 214,000                       | ¥1,465.18        | US\$19.78       | €17.20       |
| XUJIAHUI               | 314,000           | 13,210           | 4.21%                | 282,417                       | ¥2,192.40        | US\$29.59       | €25.73       |
| LUJIAZUI               | 1,029,978         | 54,740           | 5.31%                | 115,000                       | ¥1,477.68        | US\$19.94       | €17.34       |
| DOWNTOWN TOTALS        | 3,099,936         | 181,426          | 5.85%                | 682,579                       | ¥1,843.77        | US\$24.89       | €21.64       |
| OTHER TOTALS           | 23,096,765        | 2,388,079        | 10.34%               | 6,223,000                     | ¥525.42          | US\$7.09        | €6.17        |
| <b>SHANGHAI TOTALS</b> | <b>25,957,701</b> | <b>2,397,039</b> | <b>9.23%</b>         | <b>5,628,607</b>              | <b>¥713.01</b>   | <b>US\$9.39</b> | <b>€8.00</b> |

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1.00 USD = 0.86957486 EUR = 6.88324962 CNY (March 17th, 2025)

KEY LEASE TRANSACTIONS Q1 2026

| PROPERTY     | SUBMARKET           | TENANT           | SECTOR    |
|--------------|---------------------|------------------|-----------|
| NEWONE       | Nanjing East Road   | Musinsa Standard | Fashion   |
| Xintiandi    | Huaihai Middle Road | HAZZYS           | Fashion   |
| Liubai YOUNG | Xujiahui            | SMTOWN           | Lifestyle |
| Fengshengli  | Nanjing West Road   | HEYTEA Lab 2.0   | F&B       |
| Zhangyuan    | Nanjing West Road   | Eataly           | F&B       |

KEY CONSTRUCTION COMPLETIONS

| PROPERTY       | SUBMARKET           | EXPECTED OPENING YEAR | SQM     | OWNER / DEVELOPER               |
|----------------|---------------------|-----------------------|---------|---------------------------------|
| Longfeng·PRSCO | Huaihai Middle Road | 2026                  | 38,000  | Huaihai Group & Shanghai Yongye |
| ITC Maison     | Xujiahui            | 2026                  | 231,417 | Sun Hung Kai Properties         |
| K11 ELYSEA     | Huaihai Middle Road | 2026                  | 52,000  | New World Land                  |
| Plaza 66 III   | Nanjing West Road   | 2027                  | 3,080   | Hang Lung Properties            |
| Taikoo Li      | Lujiazui            | 2027                  | 115,000 | Swire Properties                |

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