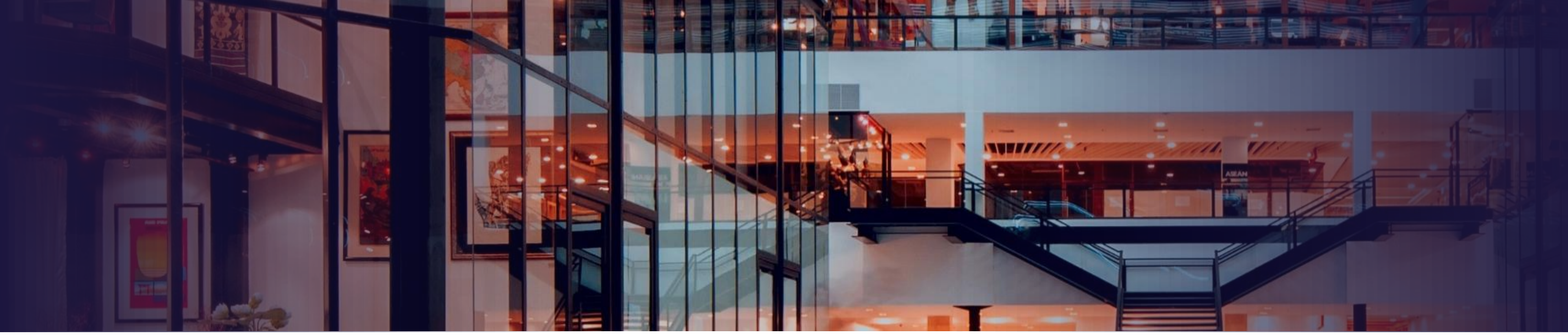
MARKETBEAT
SHANGHAI
RETAIL Q2 2026



CUSHMAN & WAKEFIELD 戴德梁行

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
27.18 Stock, million sqm	▲	▲
10.03% Vacancy Rate	▲	▲
¥696.13 Average Rent, RMB/sqm/mo *(Overall Retail Property)*	▼	▼

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
5.9% GDP Growth	▲	–
5.5% Retail Sales Growth	▲	–
0.6% CPI Growth	▲	▲

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

EIGHT NEW PROJECTS LAUNCH IN Q2 2026

Shanghai's consumer market maintained solid momentum in Q1 2026, showing resilient growth, continued structural improvement, and stronger integration across online and offline channels. The city's total retail sales of consumer goods reached RMB428.149 billion, increasing 5.5% y-o-y. Eight new shopping centers entered the market in Q2, adding 979,000 sq m of retail space. In turn, citywide mid- to high-end shopping center stock rose 3.74% q-o-q to 27.18 million sq m.

NEW SUPPLY LEADS TO HIGHER VACANCY RATE

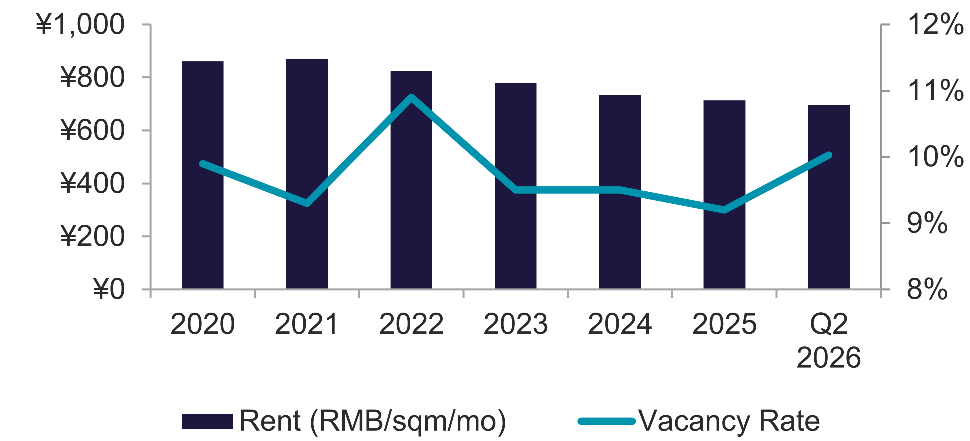
Leasing demand was robust in Q2 with net absorption reaching 821,524 sq m. Retailers in the fashion, cosmetics, sports, lifestyle, F&B, children, electronics and smart home sectors were active. The overall vacancy rate edged up by 0.23 percentage points q-o-q due to the short-term effect of the new supply influx. The prime area vacancy rate was at 6.56% with the emerging area rate at 10.50%.

With a substantial pipeline of new projects entering the market, competition in Shanghai's mid- to high-end retail sector continued to intensify. Existing shopping centers pressed ahead with renovations and tenant mix adjustments to enhance differentiation in an increasingly competitive environment. Some projects with relatively low occupancy levels offered additional rental incentives, including deeper discounts and longer rent-free periods, to retain existing tenants and attract new ones. At the same time, lower-than-average rents at newly completed projects and the significant volume of new supply reduced the average first-floor asking rent in Shanghai's mid- to high-end shopping centers by 2.11% q-o-q to record RMB696.13 per sq m per month.

NEW SUPPLY WILL SOAR IN 2H 2026

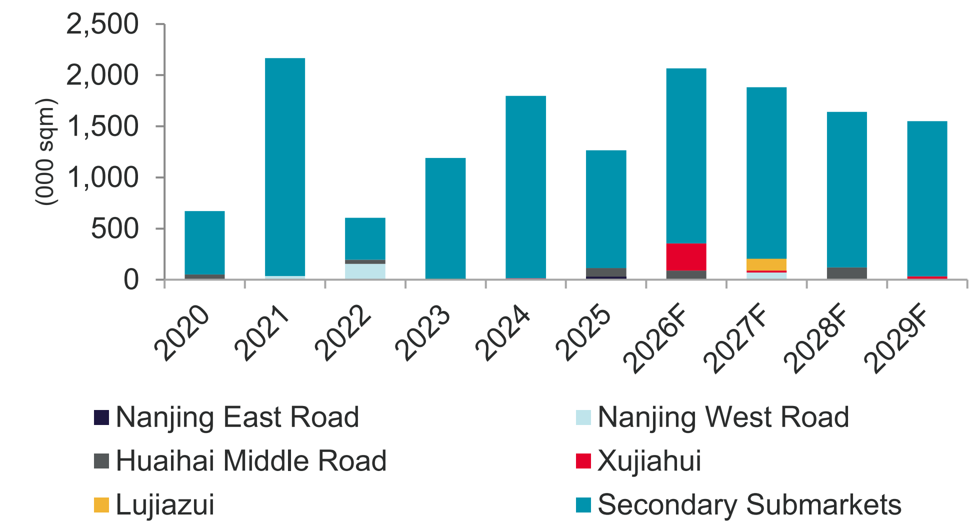
Looking ahead, given the substantial volume of new supply scheduled for completion in 2H 2026, the overall vacancy rate in Shanghai's mid- to high-end retail property market is expected to rise to 12% by the end of 2026. At the same time, leasing demand is likely to remain robust, with both international and domestic brands continuing to choose the city as a preferred location for flagship stores and first-store openings.

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 2029 (SQM)	OVERALL AVG RENT		
					RMB/SQM/MO	US$/SF/MO	EUR/SF/MO
NANJING EAST ROAD	491,660	30,105	6.12%	0	¥2,138.33	US$29.39	€ 25.34
NANJING WEST ROAD	707,738	57,250	8.09%	71,162	¥2,236.14	US$30.73	€ 26.50
HUAIHAI MIDDLE ROAD	648,560	51,440	7.93%	176,000	¥1,434.17	US$19.71	€ 17.00
XUJIAHUI	314,000	14,490	4.61%	282,417	¥2,192.40	US$30.13	€ 25.99
LUJIAZUI	1,029,978	56,126	5.45%	115,000	¥1,477.68	US$20.31	€ 17.51
DOWNTOWN TOTALS	3,191,936	209,412	6.56%	644,579	¥1,843.77	US$25.34	€ 21.85
OTHER TOTALS	23,983,765	2,517,569	10.50%	6,223,000	¥515.86	US$7.09	€ 6.11
SHANGHAI TOTALS	**27,175,701**	**2,726,981**	**10.03%**	**5,980,579**	**¥696.13**	**US$9.57**	**€ 8.25**

**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.*
1.00 USD = 0.86243725 EUR = 6.75998356 CNY (June 15th, 2026)

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SECTOR
Zhangyuan	Nanjing West Road	MUJI	Fashion
NEO YOUNG 6	Xujiahui	Musinsa Standard	Fashion
Global Harbor	Zhenru	Watsons Studio	Cosmetics
Longfeng·PRSCO	Huaihai Middle Road	Cinnabon	F&B
Joy City	Suhe Bay	Ruzuo Sukiyaki	F&B

KEY CONSTRUCTION COMPLETIONS

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
ITC Maison	Xujiahui	2026	231,417	Sun Hung Kai Properties
K11 ELYSEA	Huaihai Middle Road	2026	52,000	New World Land
Taikoo Li II	New Bund	2026	147,000	Swire Properties
Plaza 66 III	Nanjing West Road	2026	3,080	Hang Lung Properties
Taikoo Li	Lujiazui	2027	115,000	Swire Properties

SHAUN BRODIE
Head of Business Development Services, East China & Greater China Research
42-43/F, Tower 2, Plaza 66,
1366 Nanjing West Road | Shanghai
Tel: +86 21 2208 0529
shaun.fv.brodie@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In Greater China, a network of 23 offices serves local markets across the region. In 2025, the firm reported revenue of $10.3 billion across its core services of Valuation, Consulting, Project & Development Services, Capital Markets, Project & Occupier Services, Industrial & Logistics, Retail, and others. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.