

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
27.74 Stock, million sqm	▲	▲
10.1% Vacancy Rate	▲	▲
¥692.9 Average Rent, RMB/sqm/mo (Overall Retail Property)	▼	▼

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
5.6% GDP Growth	▲	—
0.7% Retail Sales Growth	▲	—
0.8% CPI Growth	▲	▲

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

EIGHT NEW PROJECTS INCLUDE SIX IN NON-PRIME AREAS

In the first half of 2026, Shanghai's total retail sales of consumer goods reached RMB831.97 billion, up 0.7% year-on-year. The rise of services consumption and new forms of consumption has become a key driver of retail growth. Eight new projects entered the market in Q3 2026, adding 568,300 sq m of new retail space. As a result, the total stock of Shanghai's prime retail property market reached approximately 27.74 million sq m at the end of Q3.

INTERNATIONAL AND DOMESTIC BRANDS ACTIVELY EXPAND

Leasing demand remained active through Q3 2026, although the overall vacancy rate edged up by 0.1 percentage points q-o-q to 10.1%, due to the temporary impact of new supply and tenant adjustments in some retail properties. Net absorption reached 486,515 sq m.

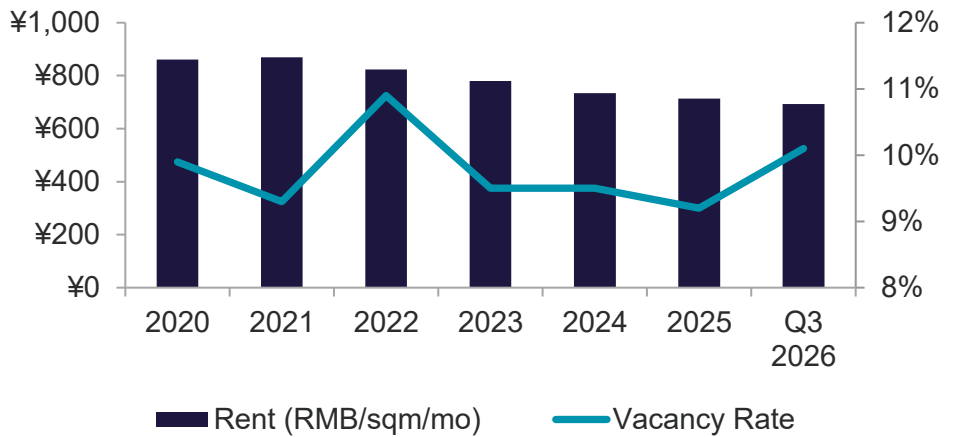
Retailers across a broad range of sectors continued to open new stores and commit to new leases in Shanghai. Regional first stores, premium debut exhibitions, limited-time pop-up stores and flagship stores continued to launch across the city. Leasing demand was driven by sectors including designer brands, fast fashion, gold jewellery, 3c products, new energy vehicle experience stores, trendy toys, outlets, food and beverage, entertainment, and children's retail and education.

The average ground-floor asking rent at Shanghai's mid- to high-end shopping centers declined by 0.5% q-o-q to RMB692.9 per sq m per month in Q3, mainly due to lower-than-average rents at newly completed projects in non-prime areas. The substantial volume of new supply is expected to intensify competition among shopping centers for both tenants and consumers, particularly in non-prime areas. As a result, retail properties are likely to adjust tenant mixes, with the share of food and beverage and experiential brands expected to continue growing.

ABUNDANT SUPPLY IN NON-PRIME AREAS WILL RAISE VACANCY

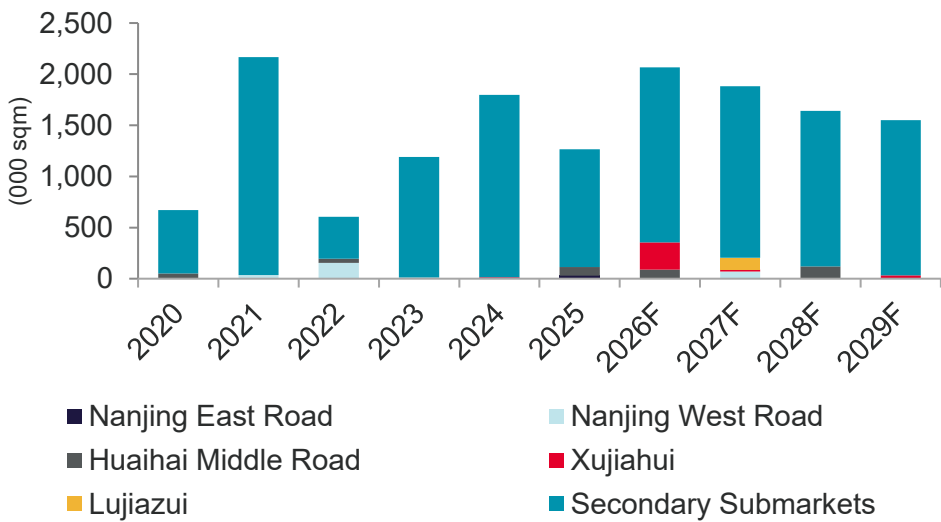
Looking ahead, in the short term, the concentrated launch of new supply is expected to raise the city's overall vacancy rate. At the same time, below-market rents at these new projects are likely to exert further downward pressure on the overall average rental level.

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	FUTHURE SUPPLY TILL 2029 (SQM)	OVERALL AVG RENT		
					RMB/SQM/MO	US\$/SF/MO	EUR/SF/MO
NANJING EAST ROAD	491,660	21,743	4.42%	0	¥2,154.83	US\$29.85	€ 26.05
NANJING WEST ROAD	712,038	40,798	5.73%	68,082	¥2,276.14	US\$31.53	€ 27.52
HUAIHAI MIDDLE ROAD	648,560	45,660	7.04%	177,000	¥1,434.17	US\$19.86	€ 17.34
XUJIAHUI	593,000	57,210	9.65%	51,000	¥2,082.20	US\$28.84	€ 25.17
LUJIAZUI	1,029,978	52,756	5.12%	115,000	¥1,481.78	US\$20.52	€ 17.91
DOWNTOWN TOTALS	3,475,236	218,167	6.28%	411,082	¥1,833.32	US\$25.39	€ 22.16
OTHER TOTALS	24,268,765	2,590,599	10.67%	5,938,000	¥511.35	US\$7.08	€ 6.18
SHANGHAI TOTALS	27,744,001	2,808,766	10.12%	6,349,082	¥692.90	US\$9.60	€ 8.38

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1.00 USD = 0.87274908 EUR = 6.70749216 CNY (September 17th, 2026)

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SECTOR
HKRI Taikoo Hui	Nanjing West Road	Barbour	Fashion
Plaza 66 III	Nanjing West Road	Brunello Cucinelli	Fashion
Yuyuan Garden	Yuyuan Garden	Semir	Fashion
IFC	Lujiazui	Duobao Pavilion	Fashion
ITC Masion	Xujiahui	GILLIGAN'S	F&B

KEY CONSTRUCTION COMPLETIONS

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
K11 ELYSEA	Huaihai Middle Road	2026	52,000	New World Land
Taikoo Li II	Qiantan	2026	147,000	Swire Properties
Westgate Mall	Nanjing West Road	2027	68,082	Hang Lung Properties & Shanghai Join Buy Co., Ltd.
Liubai·HUB	Xujiahui	2027	19,000	Shanghai Xujiahui Commercial Co., Ltd.
Taikoo Yuan	Lujiazui	2027	115,000	Swire Properties

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