

CHINA RETAIL PROPERTY

MARKET WATCH 1H 2014
中国商铺市场观察 2014年上半年

RESEARCH 研究报告



MARKET HIGHLIGHTS

Malls still occupy important place despite emergence of online shopping

The paradigm shifts in consumer behaviour has transformed the competitive landscape of retailers. More and more retailers and department stores have launched online platforms to extend customer reach and further penetrate the market.

Despite local and global economic uncertainties, China's retail sales reached RMB12.4 trillion in the first half of 2014, up 12.1% year on year (yoy). In recent years, the Chinese government are paying efforts to shift the existing outward-bound oriented economic model towards a more domestic consumption-driven one, with a view to fostering sustainable economic growth in the future. Meanwhile, the steady rise of household income also underpinned China's thriving retail sales: the per capita disposable household income in urban areas reached RMB14,959, sharply increased by around 10% when compared with last year. This has changed people's focus from satisfying elementary needs to pursuing a better quality of life, which in turn generates substantial opportunities in the retail market.

China's luxury retail market is one of the most lucrative and fastest growing in the world. In particular, ongoing urbanisation and modernisation as well as the increasing number of high net worth individuals all contributed to the thriving development of China's luxury retail market. However, growth in the sector has shown signs of slowing. The total luxury consumption in China only slightly increased by 2.1% yoy in 2013, a much slower pace compared with 7.2% in 2012. The slowdown was attributable to the increasing preference of Chinese consumers to shop for luxury

goods abroad and the implementation of anti-gift regulations in 2012.

In light of this market circumstances, some luxury retailers have redefined their market strategy. Instead of opening store aggressively in Tier-1 cities to raise their profile, they are now deploying a more cautious approach and expanding their footprint into second or third-tier cities. On the contrary, prevalent fast fashion brands are expanding in China proactively. For instance, Abercrombie & Fitch opened its first China's flagship store in Shanghai in 2014. It is planning to open over 100 new stores under its A&F and Hollister brands across China within the next decade. Other renowned fast fashion chain stores such as Topshop, Forever 21 and Old Navy also continued to expand in China.

The paradigm shifts in consumer behaviour has also transformed the competitive landscape of retailers. In particular, in response to the growing popularity of online shopping, more and more retailers and department stores have launched online platforms to extend customer reach and further penetrate the market. For example, in the second quarter of 2014, Burberry and Muji opened their online stores in Tmall.

Shopping with friends and families remains an unchanged tradition amongst

TABLE 1
China's economic indicators

	Period	Latest reading	Year-on-year growth
GDP (RMB trillion)	1H 2014	26.9	+7.7%
Population (billion)	2013	1.4	+0.5%
Registered urban unemployment rate	2013	4.1%	Unchanged
Real estate investment (RMB trillion)	1H 2014	4.2	+14.1%
Retail sales value (RMB trillion)	1H 2014	12.4	+12.1%
Per-capita disposable income of urban households (RMB)	1H 2014	14,959	+9.6%
Per-capita consumption expenditure of urban households (RMB)	1H 2014	9,592	+9.2%

provisional

Source: National Bureau of Statistics of China / Knight Frank

KEY FINDINGS

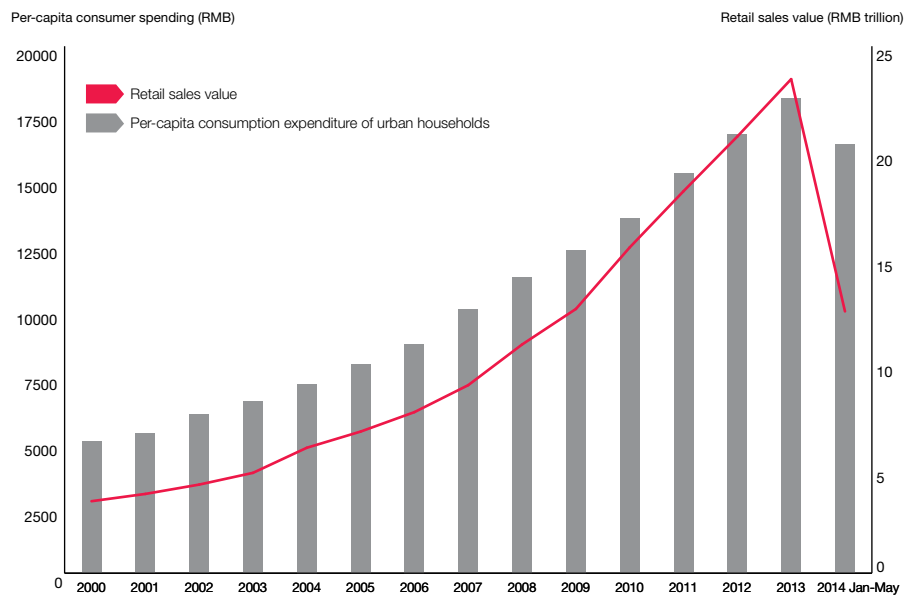
In the first five months of 2014, the total value of retail sales and per-capita consumption expenditure of urban households reached RMB12.4 trillion and RMB16,263 respectively.

During the first half of 2014, the total value of retail sales in Guangzhou rose 14.4% on a year-on-year basis—the highest among China’s seven major cities—followed by Chengdu and Hangzhou, where retail sales grew 12.9% and 10.0%, respectively.

the Chinese. So despite the proliferation of online shopping, shopping malls still occupy an important place in the market. Learning the lessons of the past, shopping malls have also been better positioned and better planned to cope with the changing consumption pattern of the mass. According

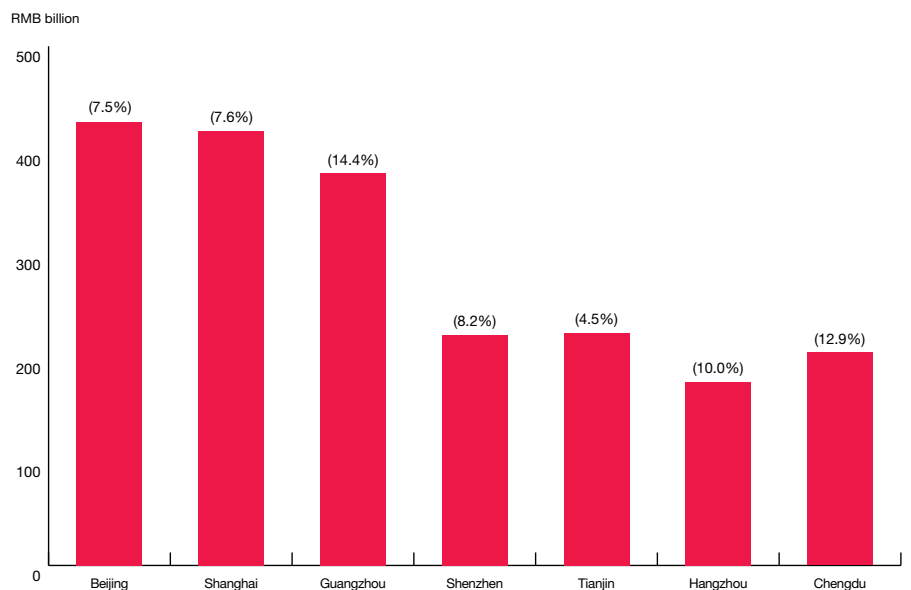
to The Economist Intelligence Unit, China will overtake the US as the world’s largest retail market by 2016. Given the policymakers’ continued efforts in boosting domestic consumption, the outlook for the Chinese retail sector is cautiously optimistic in the coming year.

CHART 1
China retail sales value and per-capita consumption expenditure of urban households



Source: National Bureau of Statistics of China / Chinese Academy of Social Sciences / Knight Frank

CHART 2
Retail sales values in 1H 2014



Source: National Bureau of Statistics of China / Knight Frank
Note: Year-on-year changes in brackets

KEY FINDINGS

In the first half of 2014, Beijing took over Shanghai to have the largest amount of prime shopping centre stock among the seven major Chinese cities, with a total of 8.3 million sqm. The average amount of stock in first-tier cities (ie Beijing, Shanghai, Guangzhou and Shenzhen) reached 6.8 million sqm and in second-tier cities (ie Hangzhou, Tianjin and Chengdu) 2.9 million sqm.

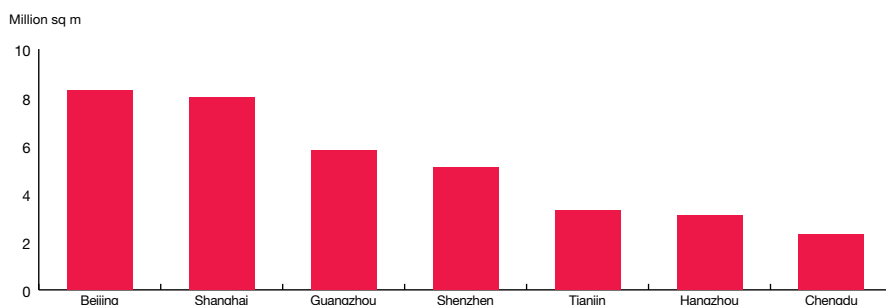
In the first half of 2014, the vacancy rate in Hangzhou's high-end shopping centres remained the lowest among China's seven major cities, while the highest vacancy rate was again recorded in Chengdu. The average vacancy rate in China's first-tier cities reached 7.8% — 0.7 percentage point lower than that of second-tier cities.

In the first half of 2014, Shanghai remained the most expensive city to lease prime shopping centre space among China's seven major cities. The average monthly rent in first-tier cities reached RMB1,560 per sqm — 57.4% higher than the average RMB991 per sqm in second-tier cities.

Retail rents and prices on the Mainland are expected to remain largely stable.

CHART 3

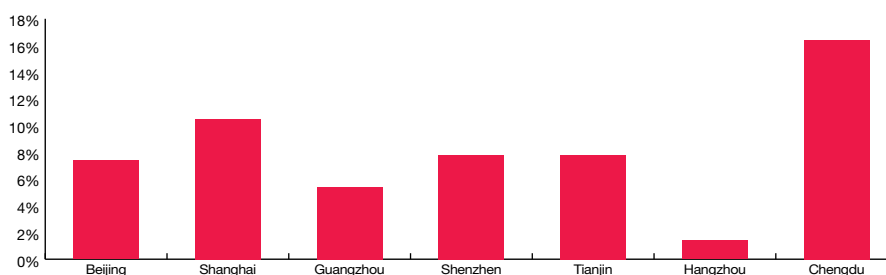
Existing stock of prime shopping centres in 1H 2014



Source: Holdways

CHART 4

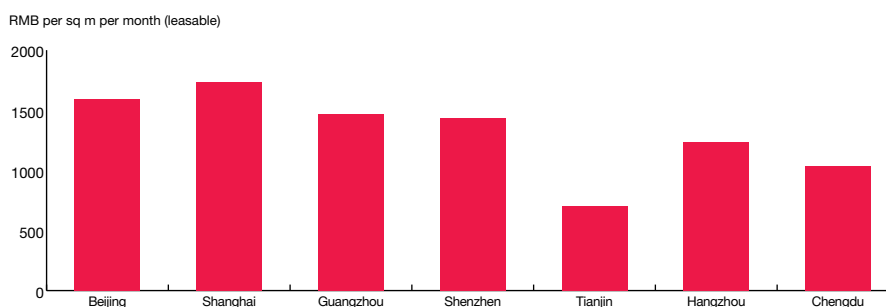
Vacancy rates of prime shopping centres in 1H 2014



Source: Holdways

CHART 5

Monthly rents of first floors of prime shopping centres in 1H 2014



Source: Holdways

CHART 6

Outlook for retail property prices and rents in major Mainland cities



TABLE 2

Outlook for the retail markets in major Mainland cities

City	Outlook
Beijing	Although seven new malls are scheduled to open in Beijing in the second half of 2014, the average occupancy is expected to remain stable, as most of the new shopping centres have achieved high pre-let rates.
Shanghai	On 31 October, Shanghai Arch Walk will open in Changning District with a total gross floor area of 86,000 sqm, of which about 20,000 sqm will be taken up by Apita department store from Japanese supermarket operator UNY.
Guangzhou	In Guangzhou, new shopping centres will mainly open in emerging districts such as Panyu, Jinshazhou and Luogang in the coming year, having little effect on downtown shopping districts. Therefore, in major retail areas, the vacancy rate will remain stable, while rents will experience a slight rise.
Shenzhen	In 2014, retail property supply is expected to reach a record high of 570,000 sqm in Shenzhen. The new space will be scattered across Shenzhen and mainly target mass-market consumers.
Tianjin	Shopping centres to be launched in Tianjin this year include Riverside 66, Tianjin Century Metropolis and Kerry Centre, which will introduce new brands to the local market.
Hangzhou	Wanda Plaza, offering 130,000 sqm of retail space, is scheduled to open in December 2014 and bring over 30 new brands to Hangzhou.
Chengdu	Six new shopping centres will launch in Chengdu in the second half of 2014, including The Atrium, Chinese Estates Centre, The One and Sino-Ocean Taikoo Li. These four alone will provide a total retail area of over 500,000 sqm.

The outlook for the Chinese retail sector is cautiously optimistic in the coming year.

Main shopping streets and business areas in China's major cities will be the focus of competition for well-known local and international brands, and appreciation potential will gradually be realised.

TABLE 3

Major retail areas in major Mainland cities

City	Major shopping streets	Major retail areas
Beijing	<ul style="list-style-type: none"> ◆ Wangfujing Avenue ◆ Qianmen Avenue ◆ Xidan Avenue 	<ul style="list-style-type: none"> ◆ Wangfujing ◆ CBD and vicinity ◆ Haidian Zhongguancun
Shanghai	<ul style="list-style-type: none"> ◆ Nanjing East Road ◆ Nanjing West Road ◆ Huaihai Road Middle 	<ul style="list-style-type: none"> ◆ Xujiahui ◆ Lujiazui
Guangzhou	<ul style="list-style-type: none"> ◆ Shangxiajiu Road ◆ Beijing Road ◆ Tianhe Road 	<ul style="list-style-type: none"> ◆ Tianhe CBD ◆ Pearl River New City
Shenzhen	<ul style="list-style-type: none"> ◆ Huaqiang North Road ◆ Dongmen Road 	<ul style="list-style-type: none"> ◆ Luohu Commercial City ◆ Futian CBD
Tianjin	<ul style="list-style-type: none"> ◆ Nanjing Road ◆ Binjiang Road ◆ Heping Road 	<ul style="list-style-type: none"> ◆ Nanshi ◆ Xiaobailou Area
Hangzhou	<ul style="list-style-type: none"> ◆ Yan'an Road ◆ Hubin Road 	<ul style="list-style-type: none"> ◆ Wulin Business District ◆ Huanglong Business District ◆ Qingchun Business District
Chengdu	<ul style="list-style-type: none"> ◆ Chunxi Road ◆ Hongxing Road 	<ul style="list-style-type: none"> ◆ Tianfu New City ◆ Luomashi ◆ Yanshikou

ABOUT

Holdways

Beijing Holdways Information & Technology Co Ltd (hereinafter referred to as Holdways), founded by the China National Real Estate Development Group Corporation, was one of China's first property information and consultancy service providers.

With comprehensive property and finance databases and strong market research and analytical power, and staffed by qualified and experienced professionals, Holdways provides real-estate intelligence, market research, competitor analysis and strategic consultancy services to both domestic and international companies.

Knight Frank

Knight Frank LLP is the leading independent global property consultancy. Knight Frank and its New York-based global partner, Newmark Grubb Knight Frank, operate from 335 offices, in 52 countries, across six continents. More than 12,000 professionals handle in excess of US\$1 trillion (£643 billion) worth of commercial, agricultural and residential real estate annually, advising clients ranging from individual owners and buyers to major developers, investors and corporate tenants.

Knight Frank has a strong presence in the Greater China property markets, with offices in Hong Kong, Beijing, Shanghai, Guangzhou, Taipei and Macau, offering high-quality professional advice and solutions across a comprehensive portfolio of property services

BRINGING CLARITY TO CHINA'S PROPERTY MARKET

We have access to a unique database covering the market-data of 35 Mainland cities, with the potential of expanding to 100 cities.

China has the world's largest housing market, and investors—both foreign and local—have immense interest in this thriving sector. The real-estate sector accounted for 19.7% of China's RMB43.7-trillion fixed-asset investments during 2013. Meanwhile, foreign direct investment (FDI) in China's real estate sector amounted to USD28.8 billion in 2013, accounting for 24.5% of the country's total inbound FDI.

Despite the importance of this sector, there is much misunderstanding about China's property market, due to a lack of consistent statistics. Against this backdrop, international property consultancy Knight Frank and China-based property consultancy Holdways have formed an alliance to fill the gap in

accurate statistical data and bring clarity to China's property market. We have access to a unique database covering all major markets and are committed to applying our expertise in property research and analysis, to organise and present the data in a consistent and concise way.

This report covers the retail-property market data of China's seven most important cities, spanning the Bohai Rim region in the north; the Yangtze River Delta in the east; the Pearl River Delta in the south; and the western regions.

Please feel free to contact us if you require more specific information about China's property market.

MAP 1

Seven major cities in Mainland China



China's seven major cities are Beijing, Guangzhou, Shanghai, Shenzhen, Tianjin, Hangzhou and Chengdu.

市场焦点

尽管网购成风，商场在零售市场中仍占重要之地

消费者行为模式的转变亦正在扭转零售商的竞争格局。因应网络购物的日益普及，零售商和百货商场都纷纷推出网上平台，以扩大客户范围，并进一步渗透市场。

2014年上半年，尽管国内和全球经济充满不确定性，中国社会消费品零售总额却同比增长12.1%，达人民币12.4万亿元。近年来，中国政府致力将其经济模式由现有的外向型转为由内需驱动，以期促进经济的可持续增长。同时，居民收入稳步上升亦支撑著中国零售业的蓬勃发展：城镇居民人均可支配收入达人民币14,959元，同比显著增长约10%。这使得人们从满足基本需求转向追求更高的生活品质，从而为零售市场孕育了无限商机。

中国是利润最丰厚和成长最快的奢侈品零售市场之一。持续的城市化和现代化以及与日俱增的高净值人士数目共同铸就了中国奢侈品零售市场的繁荣景象。然而，行业的发展已逐步出现放缓的迹象。2013年，国内奢侈品消费仅按年微增2.1%，相比2012年的7.2%明显放缓，主要因为中国消费者越来越倾向于国外选购奢侈品，以及政府于2012年实施的反贪腐政策。

在这种市场环境下，部分奢侈品零售商重新调整了市场策略。有别于过往集中在一线城市扩张门店以提升品牌形象的策略，它们现在会审慎部署，朝二、三线城市开辟版图。相反，盛行的快时尚

品牌正在中国积极扩张。例如，阿贝克隆比与费奇(A&F)于2014年在上海开设首家在华旗舰店，并计划于未来十年在中国新开逾100家A&F和霍利斯特(Hollister)品牌门店。其他知名快时尚连锁品牌如Topshop、Forever 21和老海军(Old Navy)亦不甘落后，积极开发中国庞大的零售市场。

消费者行为模式的转变亦正在扭转零售商的竞争格局。因应网络购物的日益普及，零售商和百货商场都纷纷推出网上平台，以扩大客户范围，并进一步渗透市场。例如，2014年第二季度，巴宝莉(Burberry)和无印良品(Muji)都在天猫开设网上商店。

对中国人来说，与朋友和家人逛街购物仍是历久不衰的传统。因此，尽管网络购物蔚然成风，商场依旧在零售市场中占据重要的一席之地。吸取过去的经验，商场也纷纷调整其定位和作出更周密的筹划，以应付大众不断演变的消费模式。据经济学家智库的预测，中国将于2016年超过美国成为世界最大的零售市场。鉴于政策制定者不遗余力地刺激国内消费，我们对来年零售业的前景持谨慎乐观态度。

表1
中国经济指标

	时期	最新数据	按年变幅
国民生产总值 (人民币万亿元)	2014年上半年	26.9	+7.7%
总人口 (十亿)	2013年	1.4	+0.5%
城镇登记失业率	2013年	4.1%	不变
房地产开发投资额 (人民币万亿元)	2014年上半年	4.2	+14.1%
社会消费品零售总额 (人民币万亿元)	2014年上半年	12.4	+12.1%
城镇居民人均可支配收入 (人民币元)	2014年上半年	14,959	+9.6%
城镇居民人均消费性支出 (人民币元)	2014年上半年	9,592	+9.2%

#临时数字
资料来源：中华人民共和国国家统计局 / 莱坊

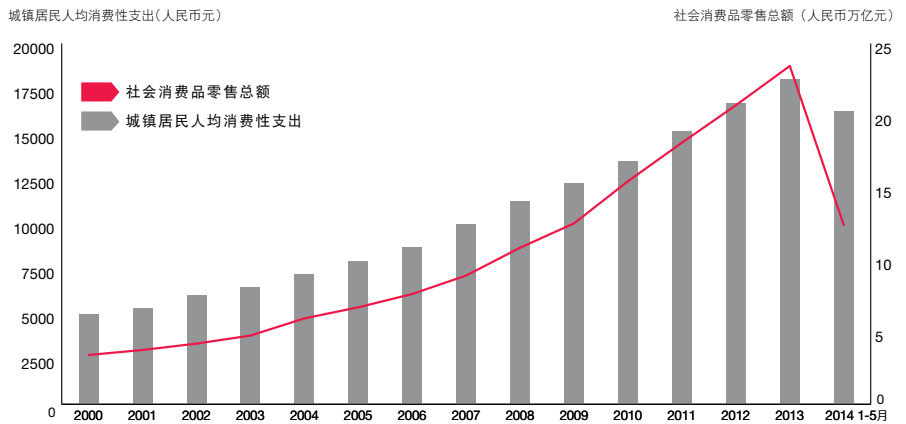
报告主要结论

2014上半年（1-5月），中国社会消费品零售总额及城镇居民人均消费性支出分别达人民币12.4万亿及人民币16,263元。

2014年上半年，广州社会消费品零售总额按年增长超过14.4%，增幅同踞中国七大城市之首。成都及杭州紧随其后，按年分别增加12.9%及10.0%。

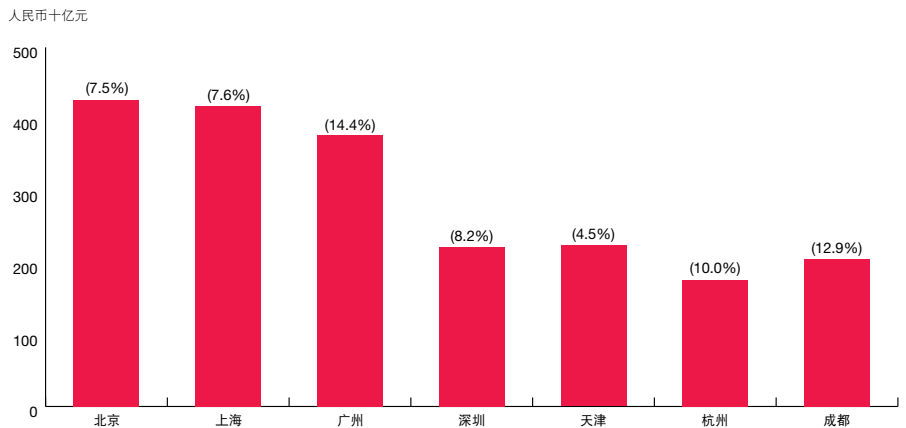
2014年上半年，北京取代上海成为七大城市中优质商场总存量最高的城市，达830万平方米。一线城市（北京、上海、广州及深圳）优质商场平均存量达682万平方米，而二线城市（杭州、天津及成都）则达290万平方米。

图1
中国社会消费品零售总额及城镇居民人均消费性支出



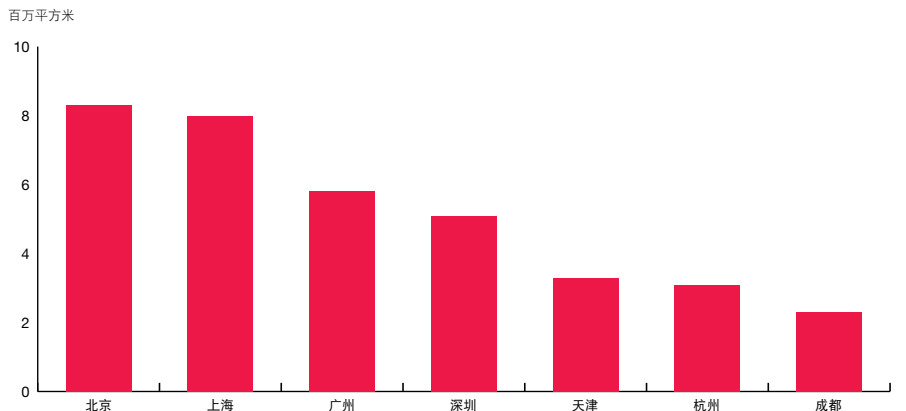
资料来源：中华人民共和国国家统计局 / 中国社会科学院 / 莱坊

图2
2014年上半年七大主要城市社会消费品零售总额



资料来源：中华人民共和国国家统计局 / 莱坊
注：括号内为同比变幅

图3
2014年上半年优质商场总存量



资料来源：中房驰昊

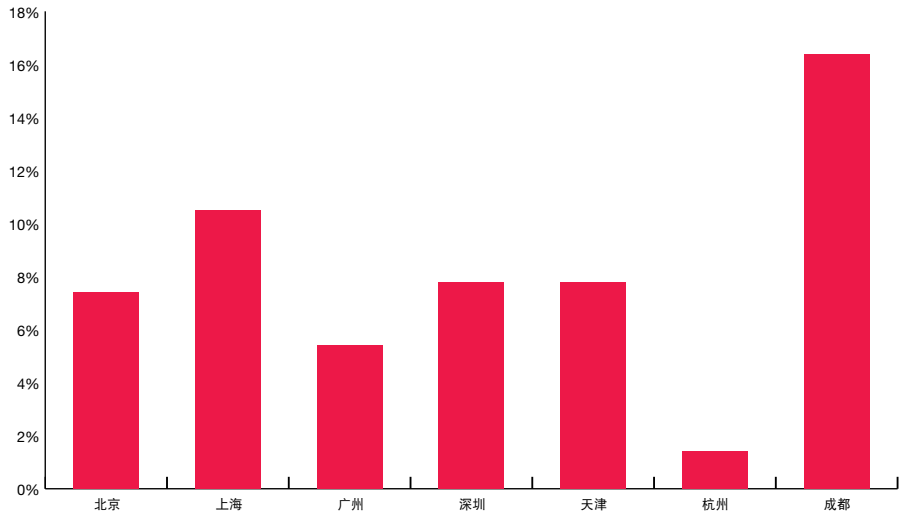
报告主要结论

2014年上半年，杭州优质商场空置率依然为七个城市中最低，而成都则仍然最高。一线城市平均空置率为7.8%，较二线城市低0.7个百分点。

2014年上半年，上海优质商场的租金在七个主要城市中仍然最高。一线城市优质商场平均月租达每平方米人民币1,560元，较二线城市平均月租每平方米人民币991元，高出57.4%。

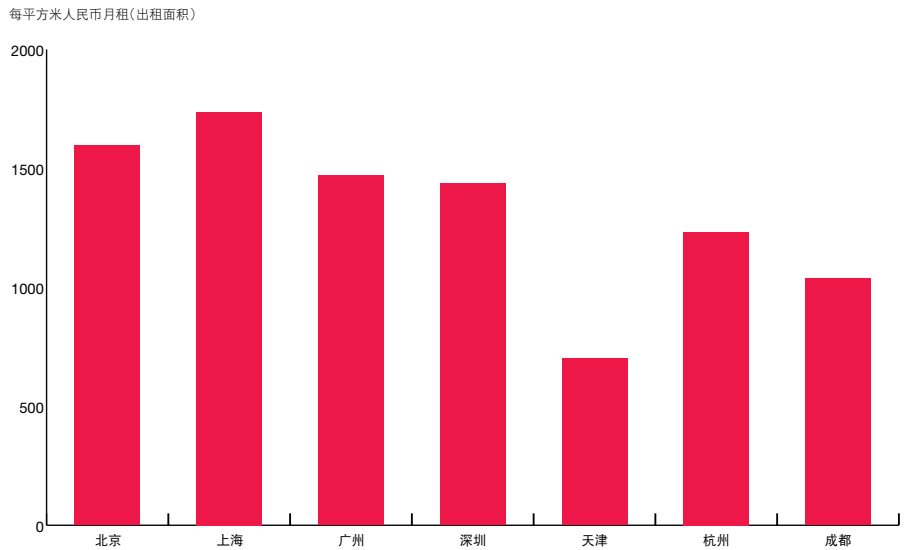
展望中国内地商铺租金及售价大致将保持平稳。

图4
2014年上半年优质商场空置率



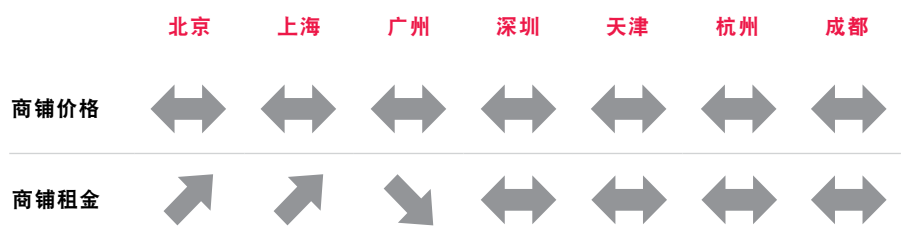
资料来源：中房驰昊

图5
2014年上半年优质商场首层月租



资料来源：中房驰昊

图6
中国主要城市商铺价格及租金预测



报告主要结论：

我们对来年中国零售业的前景持谨慎乐观态度。

各大城市主要购物街道及商圈将成为国内外著名品牌的必争之地，升值潜力正逐步释放。

表2

中国主要城市商铺市场展望

城市	展望
北京	尽管有七个新商场定于下半年开业，但由于这些新商场的预租率大都很高，预计平均入住率将保持稳定。
上海	位于长宁的金光绿庭将于10月31日营业，建筑面积约86,000平方米，将引入日本生活创库(UNY)旗下的雅品嘉(APITA)百货，面积约20,000平方米。
广州	未来一年陆续有新购物中心开业，主要分布在番禺区、金沙洲和萝岗一带的新区，对中心城区的影响不大。中心城区核心商圈空置率将保持平稳，租金轻微上涨。
深圳	2014年预计新增供应将达57万平方米，为历年高峰，将分散于深圳各地，大部分针对大众市场。
天津	2014年将开业的商业中心包括恒隆广场、天津世纪都会商厦和嘉里中心，将引进新品牌进入本地市场。
杭州	面积达13万平方米的万达广场将于2014年12月开业，将有超过30个品牌首度进驻杭州。
成都	2014年下半年将于成都开业的购物中心包括晶融汇、华置中心、The One和远洋太古里等六个购物中心，新增面积合计超过500,000平方米。

表3

中国主要城市主要购物街道及商圈

城市	展望	主要商圈
北京	<ul style="list-style-type: none"> ◆ 王府井大街 ◆ 前门大街 ◆ 西单大街 	<ul style="list-style-type: none"> ◆ 王府井 ◆ CBD商圈及周边 ◆ 海淀中关村
上海	<ul style="list-style-type: none"> ◆ 南京东路 ◆ 南京西路 ◆ 淮海中路 	<ul style="list-style-type: none"> ◆ 徐家汇 ◆ 陆家嘴
广州	<ul style="list-style-type: none"> ◆ 上下九路 ◆ 北京路 ◆ 天河路 	<ul style="list-style-type: none"> ◆ 天河CBD ◆ 珠江新城
深圳	<ul style="list-style-type: none"> ◆ 华强北路 ◆ 东门路 	<ul style="list-style-type: none"> ◆ 罗湖商业城 ◆ 福田CBD
天津	<ul style="list-style-type: none"> ◆ 南京路 ◆ 滨江道 ◆ 和平路 	<ul style="list-style-type: none"> ◆ 南市区 ◆ 小白楼
杭州	<ul style="list-style-type: none"> ◆ 延安路 ◆ 湖滨路 	<ul style="list-style-type: none"> ◆ 武林商圈 ◆ 黄龙商圈 ◆ 庆春商圈
成都	<ul style="list-style-type: none"> ◆ 春熙路 ◆ 红星路 	<ul style="list-style-type: none"> ◆ 天府新城 ◆ 骡马市 ◆ 盐市口

关于

中房驰昊

北京中房驰昊是国内最早从事房地产信息咨询业务的机构之一，隶属中国房地产开发集团。公司拥有完备的房地产及金融数据库，具有领先的市场研究及资料分析能力，培养了一个具有较高顾问水平的专业化团队，目前正在为国内外相关企业提供房地产信息资料、市场研究、竞争分析、企业研究及战略顾问等服务。

关于莱坊

莱坊是全球领先的私营房地产顾问服务公司。莱坊透过与以纽约为基地的地产公司Newmark Grubb Knight Frank的伙伴关系，在全球六大洲52个国家设有335个办事处。集团聘有超过12,000名专业人士，每年管理总值逾一万亿美元（相等于6,430亿英镑）的商业、农业及住宅物业，并向各大业主、买家、发展商、投资者及企业客户提供专业建议。

莱坊在大中华房地产市场基础深厚，在香港、北京、上海、广州、台北及澳门均设有办事处，能为客户在多元化的房地产相关服务上，提供优质的专业建议及解决方案。

让中国房地产市场更透明

我们的市场数据库覆盖国内35个城市，并有望把范围扩大至国内100个城市。

房屋市场的规模为全球之冠，此兴旺的市场对外国及本土投资者充满吸引力。2013年全国固定资产投资达43.7万亿元人民币，其中房地产占总额的比重高达19.7%。而且，外商在2013年直接投资于中国房地产的金额高达约288亿美元，占中国吸引的外商直接投资总额24.5%。

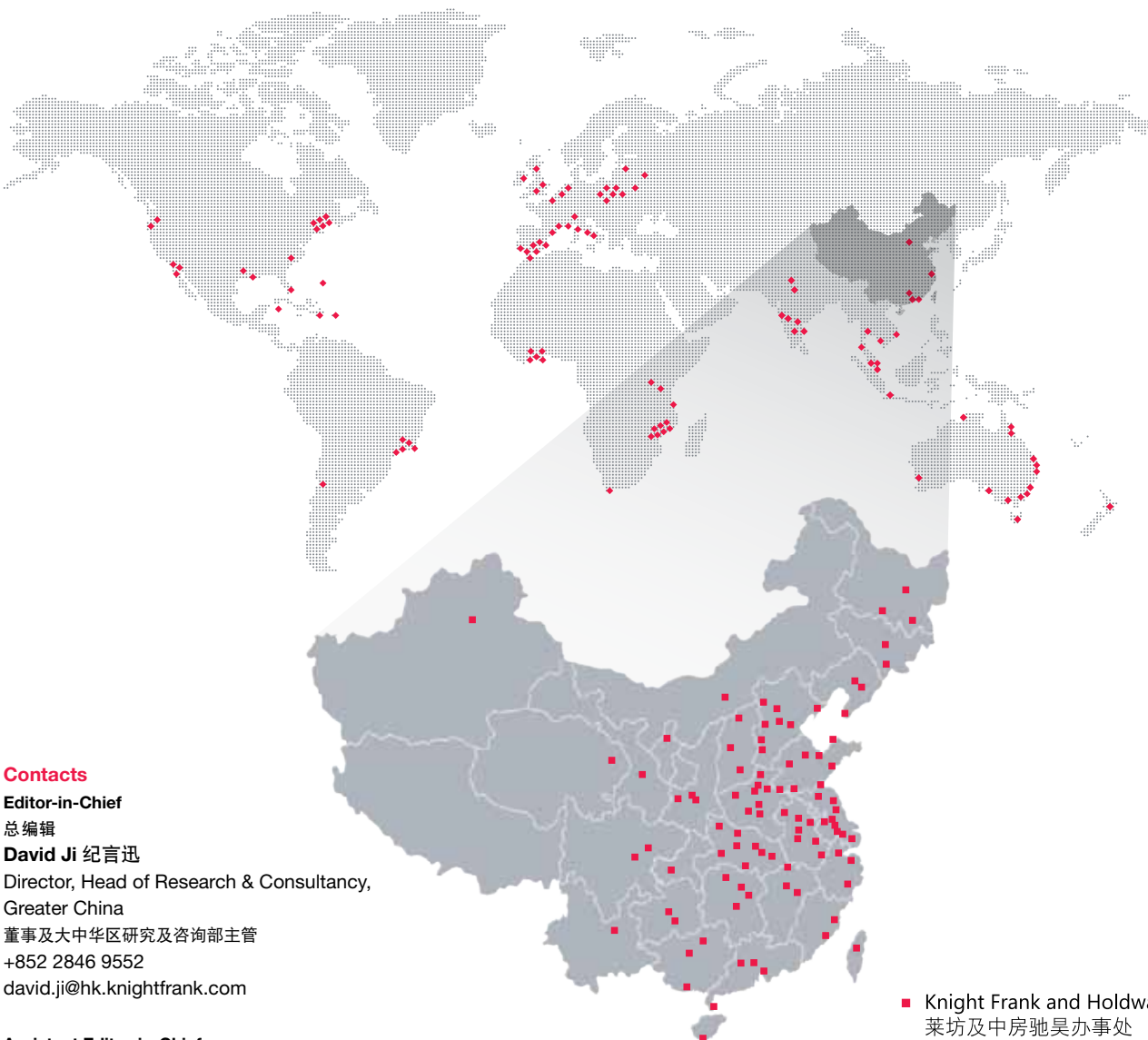
虽然房地产业在中国有着举足轻重地位，但由于统计口径并不一致，市场对中国房地产业的情况仍存有很多误解。在此背景下，国际物业顾问莱坊与国内

物业顾问中房驰昊正式建立伙伴关系，务求以准确的统计数据填补市场在这方面的空缺，让中国的房地产市场更加清晰。我们的市场数据库覆盖多个主要市场。我们致力运用我们在业内丰富的研究和分析经验，把数据整理成为前后呼应和更容易理解的资料。

报告内容覆盖华北的环渤海湾、华东的长三角、华南的珠三角及中国西部等地区内七个主要城市的物业市场资料。如需要更多有关中国房地产市场的信息，欢迎与我们联系。

地图一
中国七大主要城市





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