No new projects for Q1/2019
Both city-wide vacancy rates and rents decreased slightly

- Retail sales of consumer goods in Nanjing reached RMB583.3 billion in Dec 2018, up 8.4% year-on-year (YoY).
- No new projects were launched in Q1/2019, so the mid-to high-end retail stock remained at approximately 4.32 million sq m.
- The city-wide shopping mall vacancy rate decreased by 0.3 of a percentage point (ppt) quarter-on-quarter (QoQ) to 5.2% in Q1/2019.
- The One Mall, located in the Hexi CBD, will enter the market in Q2/2019 and add approximately 170,000 sq m to the retail market.
- F&B, lifestyle and children-related brands were the main demand drivers in Q1/2019.
- The average first-floor rent of prime areas decreased by 1.3% to RMB22.9 per sq m per day, and the average first-floor rent of non-prime areas decreased by 0.1% to RMB10.0 per sq m per day.

- Vacancy rates in prime areas decreased 0.3 of a ppt QoQ to 4.5%. In non-prime areas, the vacancy rate decreased by 0.4 of a ppt QoQ to 5.4%.

“Future projects will be located mainly in non-prime areas due to limited construction space in the prime retail areas of Nanjing.”
JAMES MACDONALD, SAVILLS RESEARCH
ECONOMIC OVERVIEW
City-wide retail sales maintained steady growth in 2018, exceeding RMB893 billion by the end of December 2018, up 8.4% YoY. Over the same period, disposable income per capita in Nanjing grew 8.9% YoY.

SUPPLY AND STOCK
The One Mall is scheduled to launch onto the market in Q2/2019, with a retail GFA of 170,000 sq m. As the most notable project of the year, it enjoys an advantageous location (Hexi CBD) and is being positioned as a world-class retail centre targeting young families and white-collar consumers. The launch of this new shopping mall will increase city-wide retail stock to 4.49 million sq m.

RETAILERS
F&B, lifestyle and children-related brands were the main demand drivers in Q2/2019. Demand for children-related brands is very high, and these retailers are bringing significant footfall to shopping malls around the city.

Major leasing activities during the quarter were:
- Diamond Pet Club leased 250 sq m in Golden Eagle G-city.
- Kidswant leased 3,500 sq m in Jinmao Place in Hunan Road.
- And leased 250 sq m in IST MALL in Xinjiekou.

VACANCY RATES AND RENTS
City-wide shopping mall vacancy rates decreased by 0.3 of a ppt to 4.5% in Q1/2019. In prime retail areas, rents decreased 0.5% QoQ to RMB13.7 per sq m per day in Q1/2019. Average first-floor rents in the area remained stable at RMB21.2 per sq m per day.

Xinjiangdong - In this mature residential area, some projects are adjusting their tenant mixes to improve the attractiveness of their surroundings. The vacancy rate in this area saw an increase of 1.2 ppts QoQ to 5.5%. Average first-floor rents in the area remained stable at RMB21.2 per sq m per day.

Hexi CBD - The vacancy rate in Hexi CBD decreased by 1.4 ppt QoQ to 13.3%. Rents remained stable at an average of RMB6.8 per sq m per day. The launch of the One Mall in Q4/2019 is expected to improve the retail market of Hexi CBD.

MARKET OUTLOOK
Seven new projects are scheduled to launch in 2019, adding approximately 696,730 sq m to the retail market. The highly anticipated One Mall, located in the emerging area of Hexi CBD, will add approximately 170,000 sq m. Additionally, Paradise Walk, located in Dongsan, is being positioned as a one-stop shopping mall for families and, once open, will offer the biggest indoor family space in the area. This shopping mall is developed by LongFor and will enter the market in Q3/2019, which should alleviate the retail shortage in the area.