A flurry of new projects launch

The renovation of multiple shopping malls encouraged a consumption boom in Tianjin's retail market.

- Retail sales in Tianjin from January to August 2021 rose by 10% year-on-year (YoY).
- Tianjin’s retail market witnessed a supply peak. Yanlord Isetan, with an area of 74,000 sq m located in Laohengxiang, Seasons City of 80,000 sq m in China-Singapore Eco-City, Binhai New Area, and Wanda Plaza, with 140,000 sq m situated in Dongli District, were launched onto the market, bringing a total new supply of nearly 300,000 sq m.
- Total shopping mall stock increased to 3.996 million sq m GFA by the end of Q3/2021.
- The citywide vacancy rate inched up by 1.8 percentage points (ppt) quarter-on-quarter (QoQ) and 1.4 ppt YoY to 12.8%.
- The average first-floor rents of citywide shopping malls reached RMB331.3 per sq m per month, and the rental index decreased 0.5% QoQ and 3.3% YoY.

- In Q4/2021, two brand-new community shopping malls, namely Gem Mall and Wuyue Plaza both located in Binhai New Area, will enter Tianjin’s retail market, contributing a total supply of 270,000 sq m GFA.

“Tianjin’s retail market witnessed a batch of projects launch in Q3/2021. With their opening, the city’s economic consumption model has been upgraded, and Tianjin’s retail market is expected to be revitalised.”

VINCENT LI, SAVILLS RESEARCH
SUPPLY AND STOCK
Tianjin's total retail sales from January to August 2021 climbed by 10% YoY, with sales of sports and entertainment up by 23% YoY, cosmetics up by 28.7% YoY, jewellery up by 62.9% YoY and new energy automobiles up by 85.2% YoY.

Tianjin retail market saw a supply peak in Q3/2021. Wanda Plaza in Dongli District, Yanlord Isetan located in Laochengxiang, Nankai District, and Seasons City in Binhai New Area made their debut, bringing a new supply of nearly 300,000 sq m and bringing the total shopping mall stock to 3.996 million sq m GFA by the end of Q3/2021. The new projects’ entry attracted customer footfall during the National Day holidays and is expected to drive the economic renewal of surrounding areas. The upgrading of the retail environment is expected to bring a brand-new shopping experience for consumers.

The vacancy rate across the city increased 1.8 ppts QoQ and 1.4 ppts YoY to an average of 12.8%. F&B and experiential sectors were the main drivers of leasing demand. A burst of first stores was seen in several shopping centres. Yanlord Isetan introduced fourteen new brands such as Tsutaya Bookstore, Hama-Sushi and Matcha Tokyo. Canadian coffee brand Tim Hortons and F&B brand Ajiya opened their first stores in the MixC. Experiential consumption has become popular in Tianjin. Consumers flocked to Heping Joy City after the introduction of an experiential Chinese traditional dressing hall and Duckyo (a popular mobile sticker brand) theme show.

VACANCY RATES AND RENTS
The shopping mall first-floor average rent reached RMB331.3 per sq m per month, with the rental index dropping 0.5% QoQ and 3.3% YoY. Rents of Heping-Binjiang-Nanjing Road and Xiaobailou area in the main city stayed steady, while those in Youyi Road and other precincts of Binhai New Area saw an increase. Laochengxiang and TEDA, Binhai New Area, saw rental reductions.

MARKET OUTLOOK
The centralised launch of new projects in Q3/2021 demonstrated the recovery of Tianjin’s retail market, conveying an exciting blueprint of innovative consumption. Two new projects, namely Wuyue Plaza and Gem Mall, both located in Binhai New Area, are scheduled to open in Q4/2021, which will contribute a new supply of over 260,000 sq m GFA.

As a key retail project in Binhai New Area, Binhai Wuyue Plaza is another shopping mall developed by Seazen Group, after Jinnan Wuyue Plaza. The entry of Wuyue Plaza and Gem Mall is expected to optimise the business environment and boost the shopping climate, upgrading the influence and brand level of the Binhai New Area commercial market.

TABLE 1: Retail New Supply in Q4/2021

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>GFA (SQ M)</th>
<th>RETAIL AREA</th>
<th>DISTRICT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wuyue Plaza</td>
<td>186,600</td>
<td>Decentralised</td>
<td>Binhai New Area</td>
</tr>
<tr>
<td>Gem Mall</td>
<td>81,000</td>
<td>Decentralised</td>
<td>Binhai New Area</td>
</tr>
</tbody>
</table>

Source: Savills Research