

Retail



New landmark entered the market

Consumer hotspots, forms, and scenarios become retail markets' key focuses.

- Total retail sales in Tianjin decreased 3.2% year-on-year (YoY) in the first eight months of 2024.
- In Q3/2024, the newly-opened Longfor Tianjin Meijiang Paradise Walk increased the total stock to 5 million sqm.
- Citywide vacancy rate grew 0.1 percentage points (ppts) quarter-on-quarter (QoQ) to 10.8%, down 1.3 ppts YoY.
- Citywide shopping mall first-floor rents fell 0.5% QoQ to an average of RMB298.3 psm pmth.
- In Q3/2024, brand adjustments focused on the segment sector's rapid development and expansion of subdivision trades such as emerging Chinese fashion, new internet-famous dining, and "gu" (collectible items) from the animation world, with the F&B and entertainment trades being the most active in the market.
- As one of Longfor's key project this year, Tianjin Meijiang Paradise Walk opened in Q3/2024. It's the group's first retail project in the city, which further enhanced the overall retail landscape of the New Meijiang area.

“Longfor Group's first retail project in Tianjin, Longfor Tianjin Meijiang Paradise Walk, was launched in August, accelerating the formation of a Tianjin's new retail landscape in non-primary retail. The retail market has shown stable performance this quarter, with brand expansion picking up, leading to an overall decline in vacancy rates compared to previous years.”

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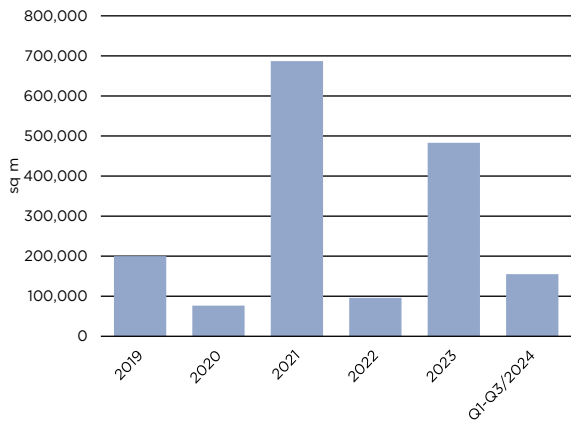
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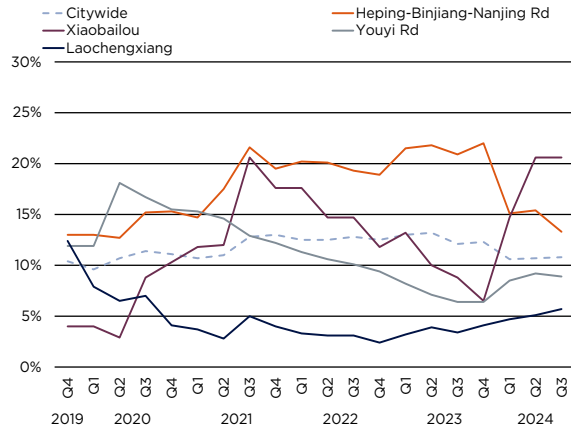
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GRAPH 1: Retail Mall Supply, 2019 To Q3/2024



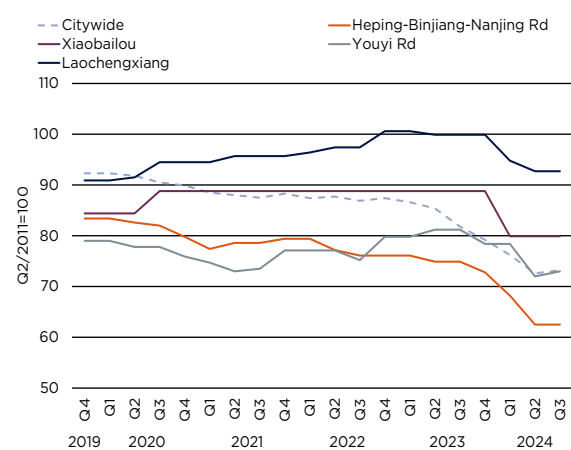
Source Savills Research

GRAPH 2: Retail Vacancy Rates, Q4/2019 To Q3/2024



Source Savills Research

GRAPH 3: Retail Rental Indices, Q4/2019 To Q3/2024



Source Savills Research

SUPPLY AND DEMAND

Tianjin’s total retail sales fell 3.2% YoY in the first eight months of 2024, while cosmetics increased by 27.2%.

On August 30, Longfor Tianjin Meijiang Paradise Walk opened, which is the group’s first TOD retail project in the city, enriching the retail landscape of the New Meijiang area. With a total retail area of about 128,000 sqm, the project is positioned as a center of urban lifestyle and a new living spaces. It innovatively integrates an all-included sports field, an all-day dining and social space, and a digital art scene. As the only commercial complex project exceeding 100,000 sqm entering the market this year, it has introduced several Tianjin first stores, including the high-end membership supermarket SUNNY DAYS, Star Party X Party, and TAIRYO Teppanyaki Restaurant.

Additionally, several F&B brands opened their first stores in Tianjin this quarter, including of its first national selection store, the Swiss chocolate brand Laderach at MixC, and Banza Bistro at Nankai Joy City.

VACANCY RATES AND RENTS

In Q3/2024, the citywide average first-floor rent was RMB298.3 psm pmth, down 0.5% QoQ and 7.5% YoY. Although the market had consumption booms during holidays such as

summer vacation, the Mid-Autumn Festival, and the National Day, the overall retail market experienced slow recovery. Average rents in most business districts remained stable QoQ, while rent in Binhai Yujiapu area increased significantly to RMB 220 psm pmth, up 4.8% QoQ and 18.9% YoY.

The citywide vacancy rate grew 0.1 ppts QoQ to 10.8%, down 1.3 ppts YoY. The vacancy rate adjusted to 5.7% in the Laochengxiang submarket, while the vacancy rate decreased to 13.3%, down 2.1 ppts QoQ and 7.6 ppts YoY in the Heping-Binjiang-Nanjing Road area.

MARKET OUTLOOK

Thanks to the ongoing optimization of the citywide commercial space layout this year, various projects have seen initial results in enriching consumption formats, improving quality, and promoting upgrades. In Q4/2024, landlords of retail projects should continue to focus on optimizing brand and consumption mix, creating differentiated advantages, and expanding new leasing ideas while ensuring a stable footfall. Emphasis should be placed on creating a new shopping experience and enhancing the service quality.

TABLE 1: Retail New Supply in Q4/2024-2025

PROJECT	GFA (SQ M)	RETAIL AREA	DISTRICT
KAIWEN ONE	50,000	Non-prime submarket	Hebei District

Source Savills Research