

Active Market, with Three New Projects

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Shanghai's retail property market was active in Q2 2017. Three new projects in the non-prime area opened with high occupancy rates, though they pulled down the city's average rent. Looking forward, Colliers predicts that the vacancy rate will continue to increase due to the huge supply in the pipeline, and we expect the rental gap between prime and non-prime areas to widen further. Retailers will continue to locate operations in both areas, in order to increase their market penetration.

Forecast at a glance



Demand

IP (intellectual property) brands will continue to be popular. Large retailers will diversify their brands for better positioning in order to cover more customers.



Supply

Ten new projects totalling 891,900 sq m (9.6 million sq ft) will be completed over the rest of 2017, and nearly 3 million sq m (32.3 million sq ft) is scheduled for the next two years, a 66% increase over current level.



Vacancy rate

We predict that the vacancy rate will increase by about 5.0 percentage points to 16.9% by end-2017, and will increase to approximately 25% by end-2019.



Rent

We forecast that rent will decrease by 5% YOY to RMB35.5 (USD5.24) psm per day by end-2017, and will decrease to RMB33.5 (USD4.94) psm per day by 2019, though the existing projects should achieve rental growth. Thereafter, we expect rents to recover.

三个新项目入市， 市场表现活跃

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2017年第二季度，上海商铺物业市场表现活跃。三个高入驻率的新项目于非核心区域开业，拉低全市平均租金。展望未来，高力国际预期大量新增供应或将继续推升全市空置率，且核心与非核心区域之间的租金差距将继续扩大。零售商将继续在两区域内设立新店，以提高其市场渗透率。

预测一览表



需求

IP 类品牌将持续受青睐。大型零售商将丰富其旗下品牌以期通过精准定位涵盖更多消费者。



供应

合计 891,900 平方米（960 万平方英尺）的 10 个新项目将于 2017 年下半年入市，另有近三百万平方米（3,230 万平方英尺）将于后两年入市，较现有水平增长 66%。



空置率

我们预期至 2017 年年底，空置率将同比上升约 5.0 个百分点至 16.9%，且将于 2019 年底前上升至约 25%。



租金

我们预计至 2017 年年底前，租金将同比下跌约 5% 至人民币 35.5 元（5.24 美元）每天每平方米，或于 2019 年下跌至人民币 33.5 元（4.94 美元）每天每平方米，而现有项目将有望实现租金增长。此后，我们预计租金将回暖。

Three New Projects Opened in Non-prime Areas

Three new projects, Greenland Being Funny, Vivo City and Raffles City Changning opened in Q2 2017, with a combined retail GFA of 326,990 sq m (3.52 million sq ft). As a result, the city's total stock increased to 5,631,082 sq m (60.61 million sq ft). These completions led the stock in non-prime areas to expand by 8.5% QOQ to 4.16 million sq m (44.8 million sq ft), or 74% of total stock.

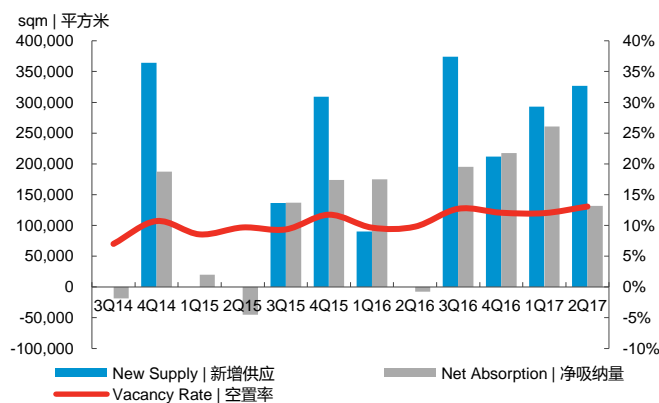
Two of the three new projects were developed by overseas developers. Raffles City Changning is CapitaLand's second Raffles City in Shanghai, and the second project at the intersection of Changning road and Kaixuan road after Cloud Nine Shopping Centre launched in 2006. Being developed on the former site of the historic St. Mary's Girl School, the project presents a juxtaposition of heritage blocks and modern buildings. With a mix of fashion, F&B, entertainment and many popular brands, the 120,000 sq m (1.29 million sq ft) retail project targets young people and nearby business people.

Vivo City (120,000 sq m retail GFA; 1.29 million sq ft) is the retail component of Mapletree's mixed-use development, catering to working professionals and residents in nearby communities.

Greenland Being Funny, has 86,990 sq m (936,400 sq ft) of retail GFA, aiming at residents in nearby communities.

Figure 1 Shanghai Mid- to High-End Shopping Centre New Supply, Net Absorption and Vacancy Rate

图1 上海中高端购物中心新增供应，净吸纳量和空置率



Source: Colliers International

三个新项目于非核心区域开业

三个新项目，绿地缤纷城、怡丰城、以及长宁来福士广场于2017年第二季度入市，合计商铺建筑面积326,990平方米（约352万平方英尺）。有鉴于此，全市总存量增长至5,631,082平方米（约6061万平方英尺）。新增供应导致非核心区域存量环比扩增8.5%至416万平方米（4,480万平方英尺），或占总存量74%。

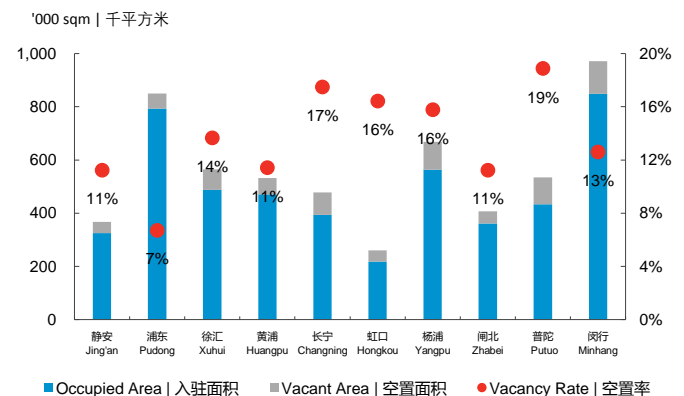
三个新项目之中，两个由外资发展商开发建造。长宁来福士广场系凯德集团在沪的第二家来福士广场，亦是自龙之梦于2006年入市后，长宁路凯旋路路口附近的第二个项目。此项目建于圣玛利亚女中旧址，展现了历史建筑与现代大厦的完美融合。该零售项目近12万平方米（129万平方英尺），且涵盖众多服饰、餐饮、娱乐及广受欢迎的热门品牌，以年轻人及周边商务人士为目标客群。

怡丰城（商铺建筑面积12万平方米；129万平方英尺）系丰树集团综合体之零售部分，为办公人士及周边社区居民提供所需。

绿地缤纷城建筑面积为86,990平方米（936,400平方英尺），以周边社区居民为目标客群。

Figure 2 Shanghai Mid- to High-End Shopping Centre Vacant Area, Occupied Area, Vacancy Rate by District

图2 上海中高端购物中心分区空置面积、入驻面积和空置率



数据来源：高力国际

In the prime areas, renovations and readjustments for brand and trade mixes continued. Bailian Shimao International Plaza and the No.1 Department Store both closed for wholesale adjustments, and Times Square withdrew from retailing to reposition as office property.

Demand was Active, Especially in New Projects and F&B Sector

Net absorption reached 131,765 sq m (1.42 million sq ft) in Q2 2017. High occupancy rates in the new projects led the net absorption in non-prime areas to 220,354 sq m (2.37 million sq ft). However, net-absorption in prime areas was -88,589 sq m (-953,564 sq ft) mainly due to the project withdrawals. Despite the large amount of new supply, the city's overall vacancy rate only increased by 1.1 percentage points QOQ to 13.1% due to the robust leasing market. The ongoing renovations in existing projects continued to bring in new brands, and vacant area in projects launched in the previous quarter continued to be absorbed.

New projects saw strong demand and attracted numerous retailers. At Raffles City Changning, notable new opening and leases included: Vivienne Westwood's third Shanghai store, fast fashion brands H&M and Forever 21's new commitments, and Sense 8, Loonfung House, and Four Seasons' new restaurants. At Vivo City, sport brands Adidas and Nike, fast fashion brands H&M, Uniqlo, and New Look all committed to new stores on the ground floor, while high-end children's entertainment brand Fanpekka opened its first Shanghai store at Vivo City.

Demand from the F&B sector was active during this quarter. Popular F&B brands expanded including Heytea's three new stores at Metro City, SML Centre and HKRI Taikoo Hui. Existing projects started a new round of renovation targeting the F&B sector. The new opening of several restaurants with a large footprint including Heiseiya, Ran'e, and Chipinpin at SML Centre led the vacancy rate in Dapujiao catchment down by 4.6 percentage points QOQ to 12.7%. At IAPM, new openings and leases included Hatsune, Tai Hing, and Chao Min's new restaurants; and Maurya Empire and Frank's Steak & Seafood's new commitments. Plaza 66 readjusted its F&B brands on F5 including new leases by Ifuku and Crab Jiudaimu.

在核心区域，翻新及品牌业态的重新调整仍在持续。百联世茂国际广场及第一百货商厦双双闭店做整体调整，而华润时代广场则退出商铺市场，将重新定位改造为写字楼物业。

需求表现活跃，尤以新增项目及餐饮业态为甚

2017年第二季度，全市净吸纳量达131,765平方米（142万平方英尺）。新项目内的高入驻率致使非核心区净吸纳量录得220,354平方米（237万平方英尺）。然而，由于若干项目退市，核心区域内净吸纳量录得负88,589平方米（负953,564平方英尺）。尽管有大量新增供应入市，全市空置率仅环比上升1.1个百分点至13.1%，缘因租赁市场表现强劲。现有项目的翻新调整不断为市场带来新品牌，上季度入市的项目空置面积亦持续被吸纳。

新项目内需求强劲，吸引众多零售商。长宁来福士内，瞩目的新开及新租包括：Vivienne Westwood开设上海第三家店，快时尚品牌H&M和Forever 21分别承租新铺，以及誉八仙、龙凤楼和文兴酒家设立新餐厅。怡丰城内，运动品牌Adidas及Nike，快时尚品牌H&M、优衣库、以及New Look均在首层承租新店，而高端儿童娱乐品牌幻贝家于怡丰城内开设其上海首店。

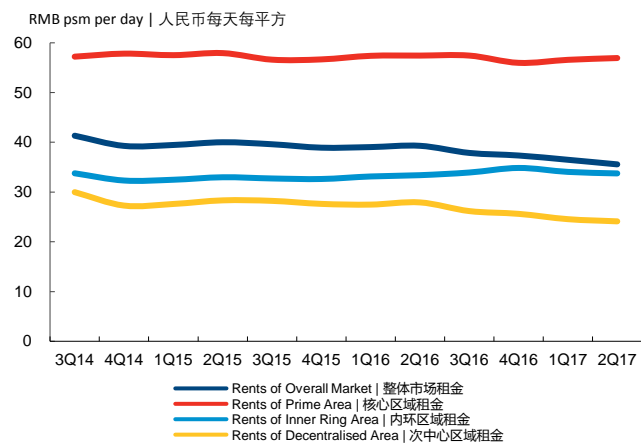
季内，餐饮业态需求活跃。备受青睐的餐饮品牌不断扩张，包括：喜茶于美罗城、日月光中心及兴业太古汇新增三家新店。现有项目内新一轮翻新调整亦针对餐饮业态。日月光中心内包括平成屋、燃鹅、翅品品在内的若干大面积餐厅开业致使打浦桥商圈空置率环比下降4.6个百分点至12.7%。环贸IAPM内，新开及新租活动包括：隐泉、太兴餐厅以及潮民点心开业，孔雀皇朝及Frank's Steak & Seafood设立新店。恒隆广场亦重新调整其五楼餐饮品牌，包括井福渔炎及蟹の九代目新租店铺。

New Supply Pulled Down the Average Rent

The average ground floor rent decreased by 2.5% QOQ to RMB35.6 (USD5.26) psm per day, mainly due to the below-average rents and the large amount of the new supply in the non-prime area. In the prime area, rental adjustments in certain projects, including annual rental increases and rental increases following the completions of renovation, led the average rent up by 0.6% QOQ to RMB56.9 (USD8.40) psm per day.

Figure 3 Shanghai Mid- to High-End Shopping Centre Ground Floor Rent by Area

图3 上海中高端购物中心首层租金



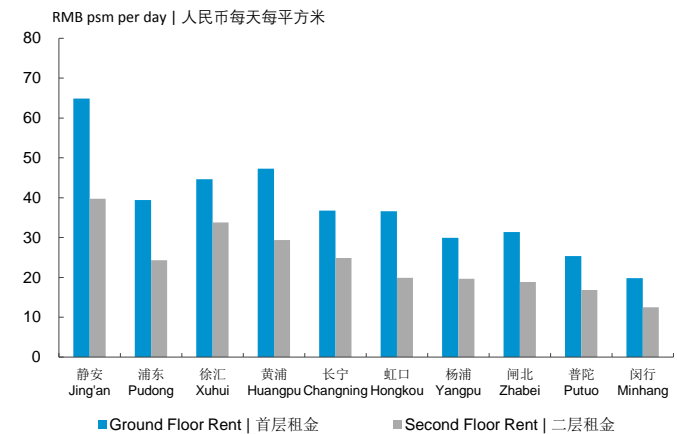
Source: Colliers International

新增供应拉低全市平均租金

全市商铺物业首层平均租金环比下跌 2.5% 至人民币 35.6 元 (5.26 美元) 每天每平方米, 主要由于非核心区域内新项目之低于平均水平的租金及大量新项目所致。核心区域内, 若干项目租金调整, 包括租金年增长以及翻新完成后的租金增长, 支撑区域内平均租金环比上涨 0.6% 至人民币 56.9 元 (8.40 美元) 每天每平方米。

Figure 4 Shanghai Mid- to High-End Shopping Centre Ground Floor Rent by Area

图4 上海中高端购物中心首层租金



数据来源: 高力国际

No En-Bloc Transaction Disclosed

No en bloc transactions were disclosed in Q2 2017. Community retail in areas with high population density that have value added potential remained attractive to investors.

无整售交易公布

2017 年第二季度, 市场无整售交易公布。高人口密度区域内具有增值潜力的社区型商业将持续吸引投资者。

Heavy New Supply Leads to High Vacancy Rate

Ten new projects, totalling 891,886 sq m (9.60 million sq ft) of retail GFA, are scheduled to be completed in H2 2017. Colliers predicts that this wave of new supply will push up the city's vacancy rate by about 5.0 percentage points YOY. HKRI Taikoo Hui is the only project located in a prime area. Stock in the non-prime area should increase by 6.0 percentage points YOY to over 75% by

大量新增供应导致空置率攀升

十个新项目, 合计商铺建筑面积 891,886 平方米 (960 万平方英尺) 计划于 2017 年下半年竣工。高力国际预计大量新增供应入市或将全市空置率同比推高约 5.0 个百分点。其中, 兴业太古汇系唯一位于核心区域的项目。非核心区域内供应量将同比上升 6.0 个百分点, 或于 2017 年年底前占全市总存量逾 75%。鉴于非核心区域内的大量

end-2017. Given the high volume of new supply in non-prime areas, Colliers predicts that below-average rents in those districts will pull down the average rent by approximately 5%YOY to below RMB34.0 (USD5.02) psm per day.

Another 23 projects are in the pipeline for the following two years. Colliers predicts that the vacancy rate will increase to approximately 25% by 2019, and then return to below 15% by 2021. Existing projects will continue their renovation and readjustments of brand and trade mix to stand out in the increasingly competitive market. We forecast that rental growth in prime area will remain buoyant in the short to medium term, but the large wave of new supply will put downward pressure on the city's average rent. As a result, Colliers predicts that the city's overall rent will decrease 5.0% YOY to RMB35.5 (USD5.25) psm per day by end-2017, and moderately decrease to RMB33.5 (USD4.94) psm per day by 2019.

Major Leasing Transactions

MAJOR LEASING TRANSACTIONS Q2 2017		
PROPERTY	BRAND	TRADE
K11 Art Mall	Under Armour	Fashion
Raffles City	Debrand	Fashion
Jing'an Kerry Centre	Bora Aksu	Fashion
Crystal Galleria	Nike	Fashion
IAPM	Hatsune	F&B

Source: Colliers International

新增供应，高力国际预计其低于平均水平的租金将全市平均租金同比拉低约 5%至低于人民币 34.0 元（5.02 美元）每天每平方米。

另有 23 个项目计划于之后两年内竣工入市。高力国际预计全市空置率将于 2019 年上升至约 25%，而后于 2021 年回落至 15%以下。现有项目将对其品牌及业态组合持续进行翻新及调整，以期在日益激烈的竞争市场中脱颖而出。高力国际预测中短期内核心区域的租金增长仍将保持强劲之势，而大量新增供应则将给全市平均租金带来下行压力。有鉴于此，高力国际预测全市整体租金将于 2017 年末同比下跌 5.0%至人民币 35.5 元（5.25 美元）每天每平方米，并将于 2019 年小幅下跌至人民币 33.5 元（4.94 美元）每天每平方米。

主要租赁交易

2017 年第二季度主要租赁交易		
项目	品牌	业态
K11 艺术购物中心	Under Armour	服饰
来福士广场	Debrand	服饰
静安嘉里中心	Bora Aksu	服饰
晶品	Nike	服饰
环贸 IAPM	隐泉	餐饮

数据来源：高力国际

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