

# Retail



## Beijing retail market maintains steady performance

Diversified consumer choices boost market vitality.

- Total retail sales of commercial goods increased 1% year-on-year (YoY) to RMB576.9 billion in the first five months of 2024, whilst general retail and F&B sales were RMB523.9 billion and RMB53.1 billion, respectively.
- In Q2/2024, three new projects entered the Beijing retail market, bringing 421,000 sqm of retail space. Thus, the citywide shopping mall stock reached 12.23 million sqm.
- In the quarter, shopping malls continued to accelerate brand recruitment and upgrade their brand portfolio, keeping the citywide shopping mall vacancy rate at a relatively low level of 4.6%.
- In Q2/2024, citywide shopping mall first-floor rents stood at RMB801.3 psm pmth, down 1.3% quarter-on-quarter (QoQ).
- Prime first-floor rents stood at an average of RMB1,373.6 psm pmth, up 0.7% QoQ. Non-prime first-floor rents decreased 1.9% QoQ to RMB605.2 psm pmth.

“In Q2/2024, Beijing’s retail market remains robust. Three new projects were launched in the quarter and enriched consumers’ shopping options. Major shopping malls continued to adjust and upgrade their brand portfolios, while the Beijing government introduced multiple policies to stimulate consumption and enhance market vitality. Overall, 2024 saw steady growth in Beijing’s retail market, supported by economic recovery and the upgrades in new and existing retail projects.”

VINCENT LI, SAVILLS RESEARCH

### Savills team

Please contact us for further information

#### RESEARCH

**James Macdonald**  
 Senior Director  
 China  
 +8621 6391 6688  
 james.macdonald@savills.com.cn

**Vincent Li**  
 Director  
 North China  
 +8610 5925 2044  
 vincentx.li@savills.com.cn

#### TRANSACTION AND ADVISORY

**Joey Chio**  
 Senior Director  
 China  
 +8621 6391 6688  
 joey.chio@savills.com.cn

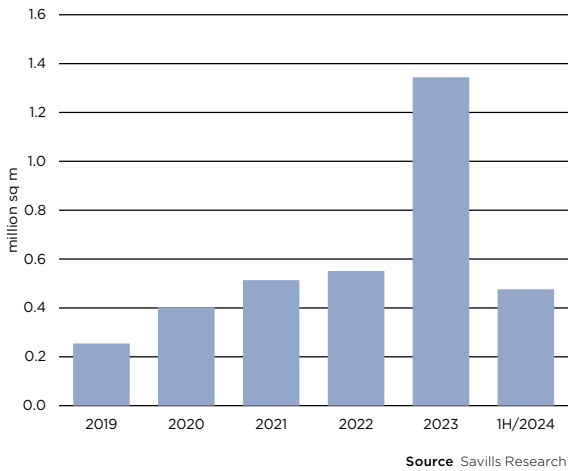
**Ava Zhang**  
 Associate Director  
 Beijing  
 +8610 5925 2288  
 aval.zhang@savills.com.cn

#### STRATEGIC ADVISORY SERVICES

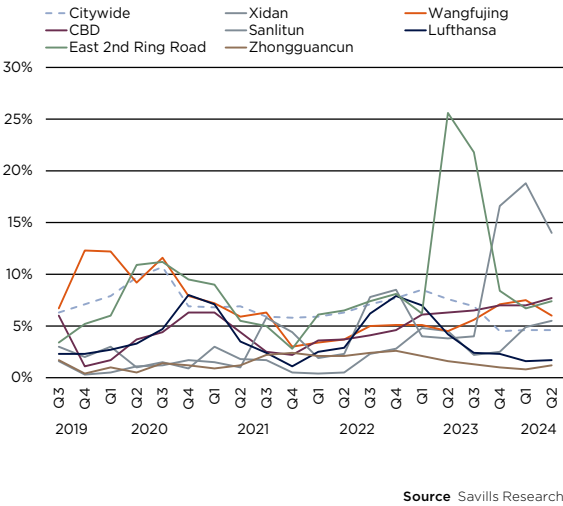
**Shane Shen**  
 Director  
 North China  
 +8621 6391 6688  
 shane.shen@savills.com.cn

Savills plc  
 Savills is a leading global real estate service provider listed on the London Stock Exchange. The company established in 1855, has a rich heritage with unrivalled growth. It is a company that leads rather than follows, and now has over 600 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East. This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. Whilst every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.

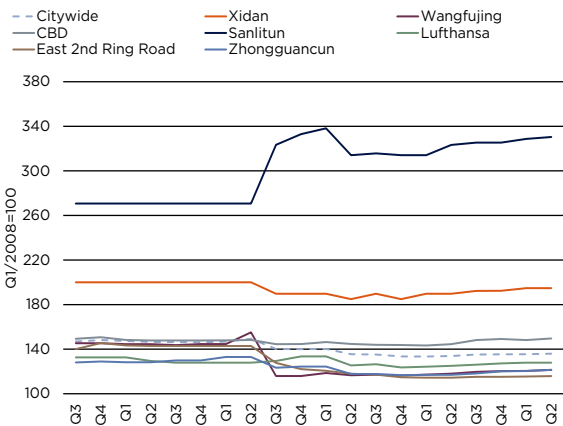
**GRAPH 1: Shopping Mall Annual Supply, 2019 To 1H/2024**



**GRAPH 2: Vacancy Rates In Each Submarket, Q3/2019 To Q2/2024**



**GRAPH 3: Rental Indices In Each Submarket, Q3/2019 To Q2/2024**



Note: Calculation of rental indices starts from Q1/2008 for all submarkets except for Sanlitun and Lufthansa starting from Q3/2008

**MARKET HIGHLIGHTS**

Total retail sales of commercial goods in Beijing increased 1% YoY to RMB576.9 billion in the first five months of 2024; general retail and F&B sales increased 1.4% and down 2.7% YoY to RMB523.9 billion and RMB53.1 billion, respectively.

In Q2/2024, Changping HOPSON in Changping District, a mega-sized mall of 300,000 sqm, opened on April 19. This development is the first large shopping mall in the northern region and spur the suburban retail market. On May 31, the opening of Xibeiwang MixC One in Haidian District added 66,000 sqm to the northern Haidian. At the end of the quarter, Lize Life in Fengtai District entered the market on June 29, bringing 55,000 sqm of retail space. The three distinctive retail projects provided new shopping options for consumers in their respective regions.

To further promote the development of the retail market, the Beijing municipal government has launched a series of supportive policies, including the “2024 Annual Support Policies for Wholesale and Retail, Catering Enterprises”, “Incentive Policies for First Brand Stores and First Launch Projects” and “Action Plan for Promoting the Renewal of Consumer Goods.” These policies aim to expand the retail market space and further stimulate consumer vitality.

**RENTS AND VACANCY RATES**

With the arrival of holidays such as Labor Day, Dragon Boat Festival, and the summer vacation, multiple shopping malls continued to accelerate brand

recruitment and upgrade their brand portfolio. Thus, the citywide shopping mall vacancy rate remained flat QoQ at 4.6%. Prime submarkets’ vacancy rate decreased 0.5 ppts QoQ to 6.6%; vacancy rates were up 0.5 ppts QoQ to 3.4% in non-prime submarkets and down 0.5 ppts to 5.0% in suburban submarkets.

In Q2/2024, the overall citywide shopping mall rent was slightly adjusted to RMB801.3 psm pmth, down 1.3% QoQ and 0.6% YoY. Prime first-floor rents averaged RMB1,373.6 psm pmth, up 0.7% QoQ and 1.2% YoY respectively. The average non-prime first-floor rents was RMB605.2 psm pmth, down 1.9% QoQ and 4.5% YoY whilst suburban first-floor rents stood at an average of RMB466.4 psm pmth, down 0.1% QoQ but up 3.8% YoY, respectively.

**MARKET OUTLOOK**

In the second half of 2024, Beijing is expected to welcome eight new projects, adding more than 1 million sqm of new retail space. Newly launched projects and urban renewal projects will enhance consumption structure and quality within each submarket, enriching regional consumption choices. Meanwhile, existing projects are actively seeking innovation and development, introducing new commercial scenes and implementing business district renovation plans to meet consumers’ increasingly diverse needs. The parallel development of new and existing projects will accelerate consumption potential release, cultivating a more vibrant and robust consumer market.

**TABLE 1: Selected Future Projects, Q3/2024**

PROJECT	LOCATION	DEVELOPER/ OPERATOR	RETAIL TYPE	RETAIL GFA (SQ M)
Happy Mall	Mentougou District	Huayuan Real Estate	Shopping mall	59,000
Huiqin Shopping Mall	Fengtai District	Beijing Jinshi Zhuangyuan Investment/ Huiqin Group	Shopping mall	50,000

Source: Savills Research