



China and Mexico are leading the way in global retail construction.

According to a new study from CBRE Group, Inc., developers opened more retail centers across the world in 2016 than in 2015, but momentum slowed in several countries as retailers sought to strike the right balance between brick and mortar and e-commerce operations. [doha property finder](#)

"In the omnichannel age, retailers are concentrating on ensuring that they have the optimum balance of brick-and-mortar stores and e-commerce operations," said Anthony Buono, Chairman of CBRE's Global Retail Executive Committee. "They are using advanced analytics and industry knowledge to select the best store sites rather than the most store sites." "At the same time, a reduction in construction volumes would almost certainly favor retail-center owners by supporting rental prices."

According to CBRE's annual report of global retail growth, builders completed 134.5 million square feet (12.5 million square meters) of shopping centers last year, an increase of 11.4 percent over 2015. China accounts for seven of the top ten retail completion markets, with Mexico City, Moscow, and Melbourne rounding out the top ten.

In several markets, however, building activity has slowed. According to the CBRE survey, the global backlog of shopping centers under construction decreased by 22% year over year to 360.6 million sq. ft. (33.5 million sq. meters) at the end of last year.

Last year, retail completions in the Americas increased by nearly 44%, owing primarily to an increase in construction in Mexico. Last year, the booming car manufacturing industry in Mexico aided developers in completing 14 million square feet (1.3 million square meters) of retail centers in three major Mexican cities. Houston, New York City, and Honolulu were among the markets in the United States that received the most new supply last year.

The Asia-Pacific area (APAC) - especially China - remains the world's retail construction hotspot. In 2016, more than 90% of cities in APAC surveyed by CBRE had large-scale retail construction, compared to 56% in the Americas and 14% in Europe, the Middle East, and Africa (EMEA). APAC accounted for two-thirds of all retail development completed in 2016.

Even APAC and China, however, seem to be taking a break. The pipeline of shopping centers under construction in APAC was down 24% from a year ago at the end of 2016. Last year, China completed nearly 62 million square feet (5.75 square meters) of shopping centers, a small decrease from the previous year, and half of the Chinese malls that opened last year were delayed by at least six months due to slow leasing development.

"The Chinese retail sector is showing signs of improvement. Some markets and submarkets are experiencing short-term oversupply problems, while others are thriving "CBRE Senior Director, Advisory & Transactions, Retail Asia, Joel Stephen said. "Retail markets in APAC are booming, with strong demand driving development in cities like Melbourne, Brisbane, Kuala Lumpur, and Ho Chi Minh City."

EMEA's retail development increased by 18 percent last year, but it still lags behind APAC and the Americas. Big shopping malls opened in Moscow, South Africa, and Kyiv, Ukraine.