Adaptive Spaces

What's Happening (and What's Next) in Automotive Retail Real Estate?

VIEWPOINT

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OCT 2025

Introduction

Recent years have seen the global automotive industry grapple with an array of challenges including supply chain disruption, the ongoing transition to and subsequent slowdown in EV sales, evolving consumer requirements; and, most recently, escalating geopolitical tension and tariffs.

Other hurdles include a need to comply with 2030 net zero and sustainability targets (for manufacturers continuing to build petrol engine cars) and regulatory requirements related to new technologies such as connected and autonomous vehicles.

Labour shortages pose further challenges, with declining birthrates and younger generations' unwillingness to enter the traditional manufacturing sector making it even more difficult for automakers to find staff in certain markets.

There also exists a widening skills gap as auto firms struggle to recruit employees with new and sought-after technical skills such as those related to EV technology, software, and data analysis.

Against this backdrop, many auto firms in Asia Pacific are reorganising operations, reducing headcount, and engaging in M&A activity and strategic partnerships; a process that is inevitably reshaping their commercial real estate requirements.

This Viewpoint by CBRE explores the latest happenings in automotive retail real estate in Asia Pacific in what is an increasingly complex and competitive marketplace.

Formats of Auto Retail Real Estate

Auto retail real estate in Asia Pacific varies across individual markets and comprises of multiple formats, the main types of which include:

Showrooms
Conventional sales outlets displaying current models and offering related services such as financing and after-sales support. Stores in this format are typically located in major urban centres, high-footfall commercial zones and alongside major transportation routes. Luxury brands usually set up stores in premium districts while mass-market auto showrooms are more broadly distributed. Visibility and road access for test drives and consumer parking are prioritised in site selection.

Experience Centres
Multifunctional and innovative spaces that combine a variety of elements including vehicle showcases; brand education; product appreciation; test-drives and other features under one roof. This format aims to build customer loyalty and create memorable interactions that foster a stronger connection with the brand. Stores are typically located in large (1,000 sq. m. and up) units in prime shopping malls and street shops in core locations. Some experience centres may not even display current models for sale, instead showcasing classic models and exhibiting material related to brand history.

4S Stores
Formats, usually dealerships, that integrate sales, service, spare parts and surveys (4S) as a one-stop shop solution. They usually offer multiple brands and are located in prime urban areas of major cities. This is the standard format in mainland China’s automotive sector.

EV Charging Stations
Commercial high-powered EV charging systems installed in designated areas in shopping malls, retail stores and petrol stations for public use. Demand for such facilities is rapidly increasing, creating new revenue opportunities for commercial property owners.

Mainland China EVs Spearhead Showroom Growth

Much of the recent growth in Asia Pacific auto retail real estate has occurred in the realm of the showroom - a long-established format which has traditionally served as a location for potential buyers to view and inspect vehicles first-hand, perform test-drives, and interact with salespeople – and been spearheaded by mainland Chinese EV brands, firstly in their home market, and more recently, in Southeast Asia.

These brands have prioritised visibility, accessibility and downtown presence as key principles for building out their store networks in mainland China, focusing on securing space for showroom and flagship stores in prime shopping malls operated by experienced landlords in core locations of major cities.[1]

Leveraging the high profile and standing of leading shopping malls is critical in helping these companies build brand image and drive sales. EV brands tend to target space in malls where available, particularly properties offering a cluster of comparable automotive brands and a selection of other lifestyle retailers appropriate for their target consumer.

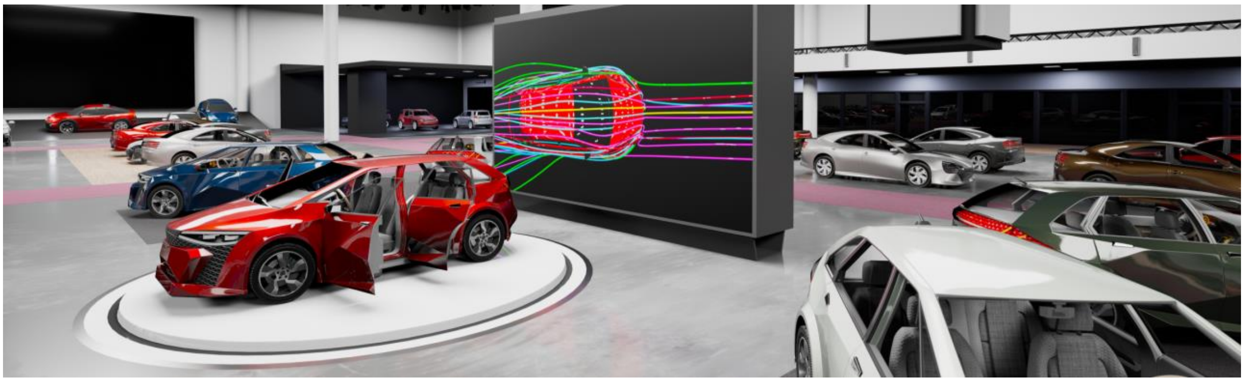
This has led to the agglomeration of EV and other auto brands within mainland China's malls, with the likes of MixC mall in Zhongshan setting aside an entire floor dedicated to the automotive sector to build a strong placemaking element.

Unlike most other retail trades, auto showrooms typically require space with certain technical specifications due to the size and weight of the goods on display. Ground floor locations, direct vehicular access, high load capacity per sq. m (typically between 500 - 1,000 kg), ultra-high ceilings, extra-wide doors and a limited number of columns are all essential. These attributes are more commonly found in relatively newer shopping malls or modern ground floor street shops.

The last couple of years have seen the focus of mainland Chinese EV expansion in Asia Pacific shift to emerging Southeast Asia, backed by growing demand for EVs and supportive government incentives. Space in shopping malls remains preferred in markets such as Indonesia and Thailand, although a lack of suitable options means EV brands have leased street shops and even ground floors of office buildings in prime areas.

[1] Recharging Retail: Leasing Strategy for Electric Vehicle Brands, CBRE China Research, May 2020.

The Rise of the Experience Centre



Recent years have witnessed an evolution in the auto showroom concept, with the advent of experience centres that blend physical and digital elements to provide a more holistic and customer centric offering.

The rise of younger consumers has driven a shift in thinking around store design and retail leasing strategy among auto manufacturers, prompting brands to swap showrooms for experiences in the form of innovative and centrally located large urban stores designed to appeal to this target demographic.

Mainland Chinese EV brands have once again been at the forefront of this trend, with BYD opening its first experience centre in Wuhan in 2023 across five floors at the Wuhan International Conference & Exhibition Centre[2]; Geely launching its Polestar Brand Experience Centre at Xuhong Middle Road, Shanghai in August 2024[3]; and GAC unveiling its GACB Sathorn Experience Centre in Sathorn, Bangkok in June 2025[4].

In response to mainland Chinese EV firms' rollout of experience centres, many Western and Asian auto Original Equipment Manufacturers (OEMs) are upgrading these and other retail formats to a more premium offering to tap into growing consumer demand for luxury products and experiences. With many such companies now viewing themselves as luxury retailers, they are dedicating considerable resources to crafting a superior real estate and service offering for their high-end brands.

This glamourisation of automotive retail real estate is seeing auto OEMs and dealerships across both the premium and mass market segments target multi-storey facilities in prime locations; invest in superior quality and craftsmanship of fitout; employ highly trained and educated staff; offer a range of amenities including F&B and children's play areas; and even arrange experiences in external locations such as test drives around professional racing circuits.

Amid intense competition for customers, auto OEMs view the premiumisation of retail space as key to achieving differentiation and ensuring their brand more strongly resonates with the consumer.

Examples of this trend include General Motors' Durant Guild Experience Centre Shanghai, which opened in August 2024, and includes areas dedicated to vehicle displays, lifestyle retail, and a café lounge. Consumers can also take cultural tours to learn about the company's history[5].

In Korea, Hyundai's high-end Genesis brand operates what it calls "Studios" in high foot-traffic CBD areas as well as larger "Showcases", such as the Genesis Cheongju facility that opened in April 2025 in North Chungcheong[6].

[2] https://www.arenaev.com/byd_experience_center_opens_in_wuhan-news-1857.php
[3] https://autonews.gasgoo.com/china_news/70034210.html
[4] https://www.newswire.ca/news-releases/gacb-sathorn-experience-center-amp-gac-thailand-battery-service-center-officially-open-811955107.html
[5] https://gmauthority.com/blog/2024/08/gms-the-durant-guild-experience-center-shanghai-opens-its-doors/
[6] https://www.genesis.com/kr/en/experience/space/genesis-cheongju.html

Located across eight floors and almost 7,000 sq. m., Genesis Cheongju resembles a contemporary art museum with exhibition space; a lounge area for educational and creative workshops; a café exclusively for Genesis owners; and a signature fragrance specially created for the brand. The facility aims to enable customers to experience Genesis vehicles first-hand; showcase the firms' brand values; and serve as a community hub.

Capitalising on Demand for EV Charging

Growth in EV usage is bringing with it increasing demand for public EV charging stations, especially in high density markets such as Hong Kong SAR and Singapore, where private charging is challenging due to the bulk of the population residing in apartment blocks.

Availability of EV charging facilities is coming to be regarded as an essential amenity for modern shopping malls, boosting customer loyalty and demonstrating landlords' commitment to sustainability, while also creating opportunities for new revenue streams through charging fees and associated spending.

Commercial retail landlords in Asia Pacific are playing an integral role in the development of public charging infrastructure for EVs, with EV chargers already commonplace in shopping malls in major markets.

Shopping mall owners must ensure their facilities have sufficient power supply and comply with safety measures for charging points.. This can be challenging for older buildings, which usually have limited spare power supply capacity and/or floor loading, as EVs are heavier. In emerging markets, inadequate or unstable power grids may pose a challenge.[7]

Given that charging an EV usually takes at least 20 minutes, CBRE expects owners of EVs to seek out locations providing a wide range of entertainment options to occupy their time while they wait. From landlords' perspective, providing EV charging points can increase customers' dwell time while boosting spending.

Completed in 2023, Airside shopping mall in Hong Kong SAR's Kai Tak district offers 851 parking spaces, all of which are equipped with EV charging facilities. Footfall in the mall is strong, with many EV-owners visiting specifically to charge their cars and visit F&B while they wait.

Also in Hong Kong SAR, the relative lack of public charging infrastructure is prompting entrepreneurs to explore leasing street shops in non-core areas in which to install EV chargers for public use.

Future Innovations

With experience centres and premiumisation now firmly established trends, thoughts are now turning to the next stage in the evolution of auto retail real estate in Asia Pacific.

[7] How Will Electric Vehicles Impact Real Estate?, CBRE Research, October 2023.

While some of the region's major cities, particularly Hong Kong SAR, are bound by geographical and property-related constraints that make it challenging to locate units suitable for auto retail in downtown areas, the coming years could see new formats make their way to the region.

These include mixed development concepts such as Tesla's Supercharger Diner & Drive-In - a 24-hour restaurant and movie theatre on Santa Monica Boulevard, Los Angeles.

Opened in July 2025, the multi-functional development features 75 charging stations for Tesla vehicles, a 1950s style restaurant, a bar, rooftop seating and outdoor movie screens.

This multi-faceted approach featuring a classic American restaurant with modern EV charging and entertainment could be the model for a new type of premium Tesla charging stations.

Before considering new formats or committing to new store openings, auto brands are advised to conduct market mapping exercises to ensure they are fully appraised of the availability of real estate suited to their specific technical requirements

Analysis is becoming increasingly sophisticated, with experienced real estate consultants now able to leverage mass mobile data to study streets most frequently visited by an auto brand's target consumers as well as its competitors and key points of interest to ascertain the streets that are most suitable.

Layering this analysis with local insights, including space availability and estimated rents and mapping this onto interactive dashboards, auto brands can obtain insights and recommendations into market options along identified streets.

[7] How Will Electric Vehicles Impact Real Estate?, CBRE Research, October 2023.

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