

## MARKETBEATS

**2.20**  
 STOCK  
 (MILLION SQ M)

**¥445.3**  
 RENT  
 (PSQM/MO)

**4.0%**  
 VACANCY RATE
WHAT'S  
NEXT

## Market Overview

In Changsha's prime retail market, no new supply was completed in Q2. Stock remained at approximately 2.20 million sq m.

Average ground floor rent edged up 0.8% q-o-q to RMB445.3 per sq m per month in Q2, and the vacancy rate tightened 0.4 percentage points on the quarter to 4.0%.

Among notable new store openings, Lawson entered Changsha's retail market for the first time in Q2, opening convenient marts in five locations.

## Outlook

Future Land Wuyue Plaza (100,000 sq m) in Wuguang is scheduled to open by the end of the year, featuring brands such as HaiDiLao Hotpot and Yonghui Superstores. With the city's subway network moving head, metro commerce is expected to flourish and provide a boost to Changsha's retail market.

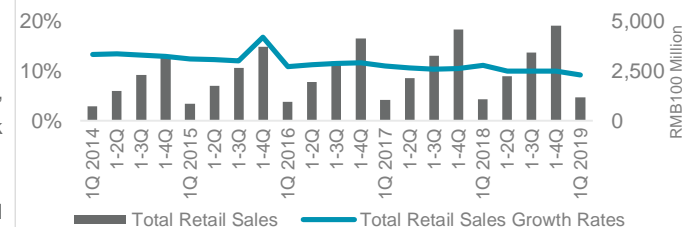
In terms of rent, Wuyi CBD is projected to continue to remain the city's priciest locality for leasing retail space. We expect there is upside potential for rental growth in emerging commercial areas with the steady increase of footfall.

## Economic Indicators

	2018	Q1 2019	Past 12-Month Growth
GDP Growth	8.5%	8.0%	▼
Total Retail Sales Growth	9.9%	9.1%	▼
CPI Growth	2.0%	1.9%	▼

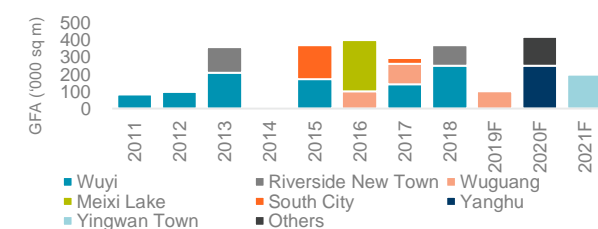
Source: Changsha Statistics Bureau/Oxford Economics/Cushman & Wakefield Research

## Retail Sales Growth Rate



Source: Changsha Statistics Bureau/ Cushman & Wakefield Research

## Prime Retail Supply Pipeline



Note: F is for forecast  
 Source: Cushman & Wakefield Research

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DATA  
INTO  
ACTION

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## Prime Average Rental Range (Q2 2019)

SUBMARKET	RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO	12-MONTH OUTLOOK
Wuyi	380 – 680	5.1 - 9.2	4.6 - 8.2	▲
Riverside New Town	350 – 390	4.7 - 5.3	4.2 - 4.7	▼
Meixi Lake	200 – 280	2.7 - 3.8	2.4 - 3.4	▲
South City	350 – 450	4.7 - 6.1	4.2 - 5.4	▲
Wuguang	300 – 370	4.0 - 5.0	3.6 - 4.5	▲

\* Rents are calculated by NLA and based on the ground floor in major shopping centers, excluding management fee, promotional fee and other fees.

1 USD = 6.89396RMB = 0.893136EUR as at May 27, 2019

## Significant Store Openings (Q2 2019)

PROPERTY	SUBMARKET	TENANT	SECTOR
Wharf IFS	Wuyi	LEGO	Kids Toys
LA NOVA	Wuyi	F-SENCE	Adult Training
CFC Fortune Times	Wuyi	Tai Gai	F&B
Bubugao Meixi New World	Meixi Lake	FUO	Hats

## Significant Projects Under Construction

PROPERTY	SUBMARKET	AREA (SQ M)	COMPLETION YEAR
Future Land Wuyue Plaza	Wuguang	100,000	2019
IKEA LIVAT Centre	Yanghu	150,000	2020
Longfor Paradise Walk	Yanghu	100,000	2020
North Star Delta A1D1 Commercial	Other	170,000	2020