

MARKETBEATS

2.29
STOCK
(MILLION SM)

¥573.6
RENTAL
(RMB/SQM/MO)

7.8%
VACANCY
RATE

WHAT'S NEXT

HIGHLIGHTS

Xiame's prime retail stock remained at 2.29 million sq m. With no new supply added in Q2, citywide rent remained stable at RMB573.6 per sq m per month on average. The overall vacancy rate increased slightly to 7.8% at quarter's end, reflecting adjustments made by several core malls to add more F&B and department store remodeling in the Outside of Main Island submarket.

A number of department stores completed upgrading or remodeling works, while brand upgrades in cooperation with ITG continued at two Intime Department Stores in Huli and Jimei submarkets, increasing vacancy in both two malls.

Meanwhile, Xiame Wanda Dept. Store was rebranded suning.com. Earlier this year, Sunning had announced that it would acquire 37 Wanda malls to strengthen the retailer's offline business. Elsewhere, a Super Species and POP Kids Education store replaced the space previously held by Haicang TOO Department Store.

Outlook

The luxury market was active in Xiame, reflecting growing consumer demand for goods in the segment. In MixC, Louis Vuitton, Rolex, Cartier and La Mer all opened or significantly upgraded their stores in Q2.

Ahead, Xiame is expected to attract more new entrants to the region as well as KOL-themed brands to attract footfall traffic.

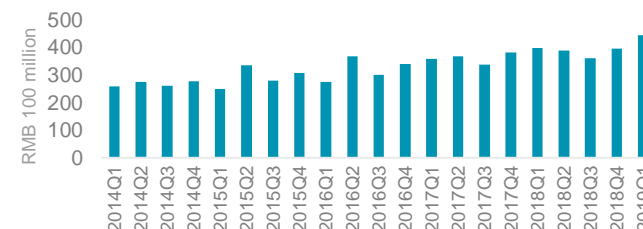
Approximately 453,000 sq m of new retail supply is due to complete by end-2019 in the east and outside of main island submarket. The additions may place downward pressure on the city's average rent in the future.

Economic Indicators

	Q4 2018	Q1 2019	Past 12-Month Growth
GDP Growth	7.5%	8.0%	▲
Total Retail Sales Growth	3.7%	5.7%	▲
CPI Growth	1.8%	1.3%	▲

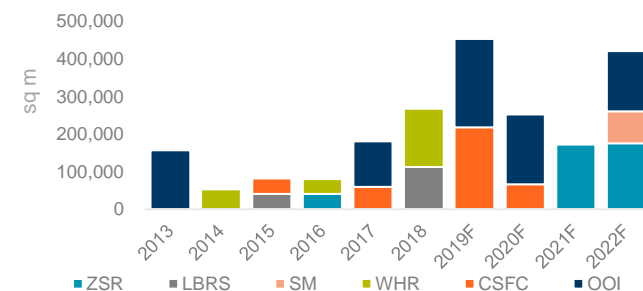
Note: Growth figure is y-o-y growth;
Source: Xiame Statistics Bureau, Cushman & Wakefield Research;

Xiame Total Retail Sales of Consumer Goods



Source: Xiame Statistics Bureau

PRIME RETAIL SUPPLY PIPELINE



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



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DATA
INTO
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Prime Average Retail Rents (Q2 2019)

SUBMARKET	RMB/SQ M/MO	EUR/SF/MO	USD/SF/MO	12-Month Forecast
Zhongshan Road	885.0	10.7	11.9	■
Lianban-Railway Station	733.8	8.8	9.9	■
SM	1,130.0	13.6	15.2	▲
Wuyuanwan-Hubian Reservoir	438.3	5.3	5.9	▲
CSFC	362.5	4.4	4.9	▼
Outside Xiamen's Main Island	333.3	4.0	4.5	▼
Average Prime Retail Rent	573.6	6.9	7.7	▼

Exchange Rate: 1CNY = 0.145USD = 0.131EUR as of 2019.5.27

*Average rents (RMB/sq m/mo) are based on ground floor in prime locations in major shopping centers, excluding management fee, promotional fee and other fees.

Significant Store Openings (2019 Q2)

PROPERTY	SUBMARKET	TENANT	Business Type
MixC	Lianban-Railway Station	Louis Vuitton	Fashion
MixC	Lianban-Railway Station	Jordan L1	Fashion
MixC	Lianban-Railway Station	GUCCI	Fashion
MixC	Lianban-Railway Station	Cartier	Fashion
PowerLong One Mall	Wuyuanwan-Hubian Reservoir	i.t Green Gallery	Fashion

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SQ M	COMPLETION DATE
Xiamen Center	Outside Xiamen's Main Island	186,000	2019
ioi Mall	Outside Xiamen's Main Island	160,000	2020
Sea World Two	Zhongshan Road	132,000	2021
Sea World Three	Zhongshan Road	100,000	2022
SM Phase III	SM	80,000	2022