

MARKETBEAT

2.20
 STOCK
 (MILLION SQ M)

¥447.9
 RENT
 (PSQM/MO)

3.3%
 VACANCY RATE

WHAT'S NEXT

Market Overview

With no new supply delivered in Q3, total retail stock for Changsha remained at 2.2 million sq m.

The market operated smoothly in Q3. Overall rent rose slightly, by 0.6% q-o-q to reach RMB447.9 per sq m per month. And in an environment of no new supply and stable demand, the overall retail vacancy rate dropped off by 0.7 percentage points q-o-q to 3.3%.

Under the increasing pressure of homogenization, some retailers expanded with 'first stores' to compete for consumer traffic. For instance, Jiyu Thai Hot Pot opened its first store in LA NOVA, IKEA Experience Center entered Yuefang ID Mall, Chuanlaxian Meat Hotpot and Silver Age opened in I City, and Angelina entered IFS.

Outlook

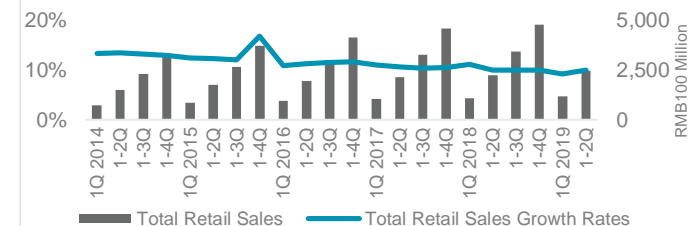
In Q4, in a bid to attract greater consumer traffic, malls in Changsha's core business circles are adjusting their trade mix of stores from the F&B, entertainment, and children's goods, with new concepts such as Mango School, and Trampoline Park set to open. Looking forward, Future Land Wuyue Plaza, at 100,000 sq m, will be delivered to the market next quarter. With new supply entering the market we can expect to see an increase in net absorption.

Economic Indicators

	2018	H1 2019	Past 12 – Month Growth
GDP Growth	8.5%	8.2%	▼
Total Retail Sales Growth	9.9%	9.9%	▬
CPI Growth	2.0%	3.1%	▲

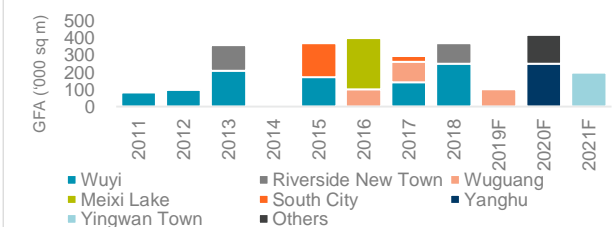
Source: Changsha Statistics Bureau/Oxford Economics/Cushman & Wakefield Research

Retail Sales and 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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Prime Average Rental Range (Q3 2019)

SUBMARKET	RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO	12 – MONTH OUTLOOK
Wuyi	380 – 680	5.0 – 8.9	4.5 – 8.1	▼
Riverside New Town	350 – 380	4.6 – 5.0	4.1 – 4.5	▼
Meixi Lake	210 – 300	2.8 – 3.9	2.5 – 3.6	▲
South City	350 – 460	4.6 – 6.0	4.1 – 5.4	▲
Wuguang	310 – 380	4.1 – 5.0	3.7 – 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 = 7.09718RMB = 0.90361EUR as at Aug 23, 2019

Significant Store Openings (Q3 2019)

PROPERTY	SUBMARKET	TENANT	SECTOR
Wharf IFS	Wuyi	Angelina	F&B
LA NOVA	Wuyi	Jiyu Thai Hot Pot	F&B
Yuefang ID Mall	Wuyi	Heytea	F&B
Yuefang ID Mall	Wuyi	IKEA Experience Center	Household

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

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