

MARKETBEAT



4.2
STOCK
(million sq m)

¥323
RENT
(PSM/MO)

8.4%
VACANCY RATE

WHAT'S NEXT

Market Overview

The opening of Triumph New Life, Mixc, the Guanjiang International Shopping Center, and Intime City in 2019 added a combined 511,000 sq m of new supply to the market, bringing Harbin's overall retail stock to 4.16 million sq m.

The overall vacancy rate edged down 0.5 percentage points q-o-q to 8.4%, and the average retail asking rent slipped to RMB323 per sq m per month. In the leasing market, high-quality brands new to the city brought further vitality to the retail market and an improved shopping experience to Harbin consumers. Examples included the Alley, Kokyo Sushi and Quanjude Roast Duck, all opening their first store in Harbin in 2019.

Outlook

Wuyue Plaza will enter the market in Q4, pushing overall retail stock beyond 4.27 billion sq m by the year end. The Harbin Metro Line 2 is expected to be completed in 2020, with a loop connecting the north and south of the city through the Songhua River affording greater convenience.

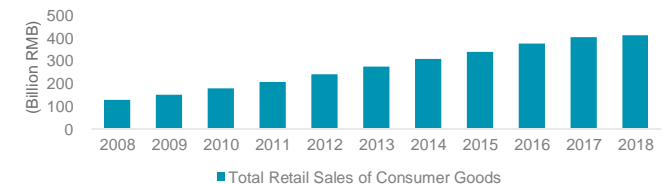
With rising consumption and an expanded brand offering for consumers, the Harbin retail market holds great potential for further development. Looking ahead, we expect retail developments to pay more attention to the tenant mix and project positioning to differentiate themselves from competitors.

Economic Indicators

	2017	2018	Annual Trend
GDP Growth	6.7%	5.1%	▼
Total Retail Sales of Consumer Goods Growth	8.0%	4.2%	▼
CPI Growth	1.6%	2.5%	▲
Per Capita Disposable Income of Urban Residents	35,546	37,828	▲

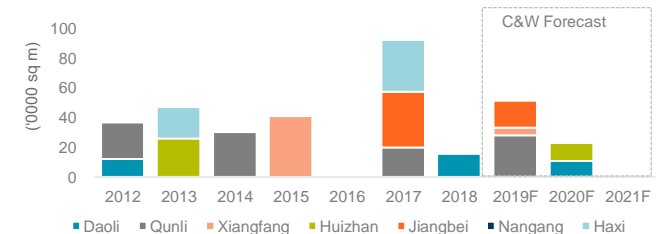
Source: Harbin Municipal People's Government / Cushman & Wakefield Research

Total Sales of Consumer Goods



Source: Harbin Municipal People's Government / Cushman & Wakefield Research

Prime Retail Annual New Supply



Source: Cushman & Wakefield Research

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Prime Average Rental Range in Main Submarkets (2019)

SUBMARKET	RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO	12-MONTH OUTLOOK
Daoli	325-605	4.3-7.9	3.8-7.2	▬
Qunli	160-410	2.1-5.4	1.9-4.9	▾
Xiangfang	156-336	2.0-4.4	1.8-4.0	▬
Huizhan	180-375	2.4-4.9	2.1-4.4	▬
Jiangbei	138-350	1.8-3.5	1.6-4.1	▴
Nangang	270-615	3.5-8.1	3.2-7.3	▴
Haxi	160-430	2.1-5.6	1.9-5.1	▬

* Exchange rate (Aug 23rd 2019): 1USD = 0.90361 EUR = 7.08718 RMB = 7.84107 HKD = 31.3742 TWD

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

Significant New Store Openings (2019)

PROJECTS	LOCATION	TENANT	TYPE
Hongbo Exhibition Park II	Huizhan	The Alley	F&B
Sunac Mall	Jiangbei	Champion	Costume
Charter Shopping Center	Daoli	Max Mara	Costume
Grand Shopping Center	Nangang	IPSA	Beauty

Significant Projects Under Construction

BUILDING	LOCATION	GFA (SQ M)	ESTIMATED OPENING
Wuyue Plaza	Nangang	120,000	2019

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