

# MARKETBEAT

**1.8**  
STOCK  
(million sq m)

**¥320**  
RENT  
(PSM/MO)

**6.0%**  
VACANCY RATE

## WHAT'S NEXT

### Market Overview

The Wangfujing Department Store Phase 2 in the Qinxian Changfeng submarket opened in 2019, bringing 19,288 sq m of new supply to the market, drove the city's high-quality retail stock to approximately 1.83 million sq m. The average asking rent rose 6.7% y-o-y to RMB320 per sq m per month.

The market continued to digest existing inventory. Project launches from 2018 such as Huayu La Floret and The MixC have achieved almost full occupancy, and the city's vacancy rate edged down to 6%.

The commercial environment in the traditional submarkets such as Liuxiang and Qingxian Changfeng has greatly improved under supportive policies. Older department stores in Liuxiang submarket have been upgrading and introducing new brands to attract younger consumers. In Qinxian Changfeng retailers have also been merging online and offline shopping channels to provide new shopping experience for consumers.

### Outlook

In the next three years the Taiyuan retail market is expected to welcome more than 1.14 million sq m of new supply, of which more than 40% of which is to be located in Wanbailin and the Changfeng Business Zone. The project launches will further enhance the commercial environment and bring greater convenience to consumers to the west of the Fenhe River.

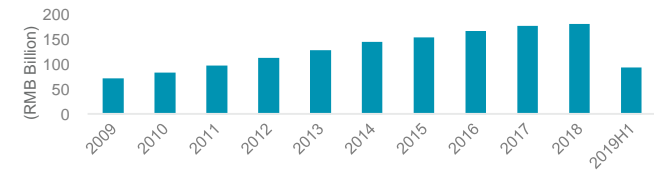
Urban renewal and renovation work has attracted more big-name developers to expand their footprint in Taiyuan. As an example, Greentown Group undertook the Qinxian Village renewal project and will build a high-end urban complex of about 1.6 million sq m on the site in the future.

### Economic Indicators

	H1 2018	H1 2019	Annual Trend
GDP Growth	9.0%	8.0%	▼
Total Retail Sales of Consumer Goods Growth	8.5%	8.5%	▬
CPI Growth	1.3%	2.3%	▲
Per Capita Disposable Income of Urban Residents	/	17,209	▲

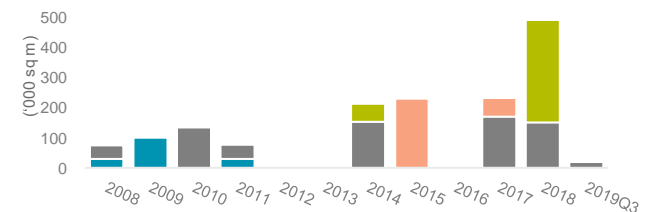
Source: Taiyuan Statistics Bureau

### Total Sales of Consumer Goods



■ Total Retail Sales of Consumer Goods  
Source: Taiyuan Statistics Bureau

### Historical Retail New Supply



■ Liuxiang ■ Qinxian Changfeng ■ Xinghualing ■ Changfeng Business District

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
Xinghualing	180 – 480	2.4 – 6.3	2.1 – 5.7	■
Liuxiang	200 – 550	2.6 – 7.2	2.4 – 6.5	■
Qinxian Changfeng	200 – 650	2.6 – 8.5	2.4 – 7.7	▲
Changfeng Business District	180 – 500	2.4 – 6.6	2.1 – 5.9	▲

\* Exchange Rate: 1USD = 0.90361 EUR = 7.08718 RMB, as Aug 23rd 2019.

\* 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 (Q3 2019)

PROJECTS	LOCATION	TENANT	TYPE
Wangfujing Department Store	Qinxian Changfeng	Luxemporium	Children's Retail
Fashion Walk N1	Qinxian Changfeng	Luckin Coffee	Beverages
Huayu La Floret	Qinxian Changfeng	SELECTED	Costume
The MixC	Changfeng Business District	NAYUKI	Beverages
MAOYE Plaza	Qinxian Changfeng	Toys"R"Us	Children's Retail

## Significant Projects Under Construction

BUILDING	LOCATION	GFA (SQ M)	ESTIMATED OPENING
Times Shopping Park	Wanbailin	90,000	2019
Greenland Central Park	Changfeng Business District	50,000	2019
Vanke Plaza	Qinxian Changfeng	65,000	2019
BHG Taiyuan Shopping Mall	Xinghualing	82,200	2020

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