

MARKETBEAT



5.5
STOCK
(million sq m)

¥277.7
RENT
(PSM/MO)

10.0%
VACANCY RATE

WHAT'S NEXT

Market Overview

Completions of Zhongdeng Plaza in the North City submarket and UU MALL in the High-tech Zone in Q3 added a combined 188,000 sq m of new retail supply. Stock subsequently rose to approximately 5.5 million sq m. Supported by the quality and strong pre-leasing activities of the new projects, the overall average asking rent increased 3% q-o-q to RMB285 per sq m per month. The vacancy rate edged slightly down 0.2 percentage points to 10%

Most older department stores in Xi'an are now upgrading. Kaiyuan Mall, acquired by Yintai Department Store, introduced a merged online and offline retail model to enhance the customer experience. The I.T Flagship store and the Starbucks Reserve store entered the Zhongda International Plaza in the quarter, and the opening of MORII Street also injected new vitality to the project.

Outlook

Projects including Wuyue Plaza and Forte Dahua 1935 are scheduled to complete in Q4, adding a projected 802,000 sq m of new retail supply and bringing the city's total shopping mall stock to approximately 6.3 million sq m by the year end.

As the only "new first-tier city" in China's northwest, Xi'an's strong retail sales and consumption power have attracted big-name retail developers, who have invested in substantial space, and more new brands to the city. The activity has brought new vitality to the city and we see the retail market becoming more diversified in the future.

Economic Indicators

	Q1 2019	Q2 2019	Annual Trend
GDP Growth	8.6%	7.0%	▼
Total Retail Sales of Consumer Goods Growth	5.6%	5.9%	▲
CPI Growth	2.4%	2.4%	▲
Per Capita Disposable Income of Urban Residents	11,171	21,254	▲

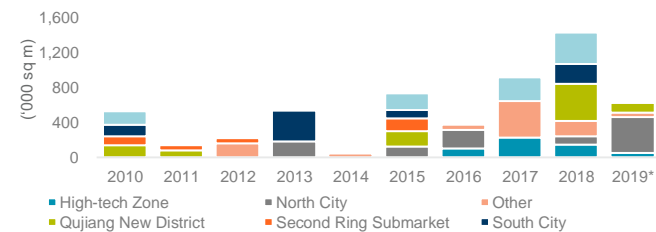
Source: Xi'an Statistics Bureau

Total Sales of Consumer Goods



Source: Xi'an Statistics Bureau

Historical Retail New Supply



* As of Q3 2019

Source: Cushman & Wakefield Research

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Prime Average Rental Range in Main Submarkets (Q3 2019)

	RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO	12-MONTH OUTLOOK
Central City	200–450	2.6–5.9	2.4–5.3	▼
Hi-tech Zone	350–950	4.6–12.5	4.1–11.3	▲
North City	150–300	2.0–3.9	1.8–3.6	▲
Quijiang District	140–280	1.8–3.7	1.7–3.3	▬
Second Ring	180–450	2.4–5.9	2.1–5.3	▬
South City	160–550	2.1–7.2	1.9–6.5	▬

- Exchange Rate: 1CNY = 0.141USD = 0.127EUR, as Aug 23, 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
City on	North City	KAWAMURA	Costume
City on	North City	Nike750	Costume
IMIX Park	North City	Suning.com	Home appliances
Zhongda International	Central City	I.T Flagship Store	Costume

Significant Projects Under Construction

BUILDING	LOCATION	GFA (SQ M)	ESTIMATED OPENING
U-SHOW City	Other	90,000	2019
Wuyue Plaza	Other	146,000	2019
Forte Dahua 1935	North City	84,000	2019
Xi'an Film Studio Movie courtyard	South City	150,000	2019

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