

LANZHOU

Retail 2019

CUSHMAN & WAKEFIELD

YoY Chg 12-Mo. Forecast

1.67
Stock (million sq m)



¥220.4
Rent (PSM/MO)



11.5%
Vacancy Rate



Source: Cushman & Wakefield Research

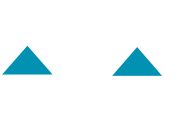
LANZHOU ECONOMIC INDICATORS Q2 2019

YoY Chg 12-Mo. Forecast

5.2%
GDP Growth



7.0%
Total Retail Sales of Consumer Goods Growth



1.9%
CPI Growth



19,508
Per Capita Disposable Income of Urban Residents



Source: Lanzhou Statistics Bureau / Cushman & Wakefield Research

Market Overview

The completions of Lanzhou Dongou World Trade Plaza and Lanzhou Center in 2019 added a combined 383,000 sq m of new retail supply to the market. The overall stock of retail space rose to approximately 1.67 million sq m by the end of 2019.

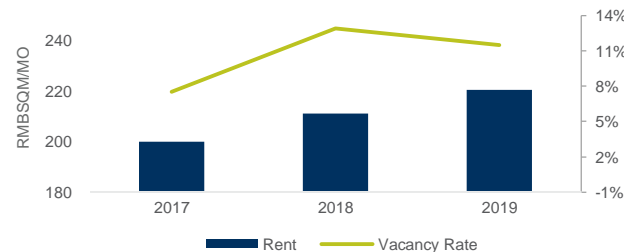
The average asking rent in the retail market was RMB220.4 per sq m per month at the end of 2019, and the overall vacancy rate was at 11.5%. The fashion, cosmetics, F&B and entertainment segments were the most active during the year, and additional new diverse brands entered the market. These included Lanzhou Center introducing the local cross-talk club Deyi Brothers, HEYTEA entering Wanda Plaza, and Lufthansa Commercial plaza introducing Muyan Bookstore.

Outlook

In the next two years the market is expected to welcome more than 869,400 sq m of new supply, of which more than 40% is to be located in Chengguan District.

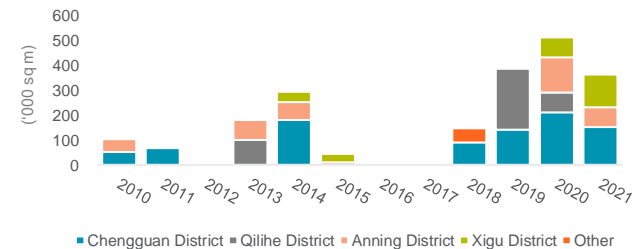
The opening of the Metro Line One in 2019 has brought new opportunities for the development of the commercial market. The subway runs through almost all the existing retail submarkets, and will greatly improve travel convenience. We can expect this to draw greater customer flows to retail projects along the metro line and to help accelerate the development of the Lanzhou retail market.

RENT / VACANCY RATE



Source: Cushman & Wakefield Research

RETAIL SUPPLY PIPELINE BY SUBMARKET



Source: Cushman & Wakefield Research

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2021 (SQM)	ASKING RENTAL RANGE (RMB/SQMMO)*
Chengguan District	922,000	113,100	12.27%	360,000	200–250
Qilihe District	411,000	38,950	9.48%	80,000	220–270
Anning District	212,820	24,305	11.42%	219,400	180–230
Xigu District	72,000	4,560	6.33%	210,000	140–180
Other	56,000	11,200	20.00%	0	100–150
LANZHOU TOTALS	1,673,820	192,115	11.48%	869,400	220.4

*Data includes shopping malls only

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

SIGNIFICANT STORE OPENINGS 2019

PROPERTY	SUBMARKET	TENANT	SECTOR
Lufthansa Commercial Plaza	Chengguan District	Muyan Bookstore	Cultural and Creative
Lanzhou Center	Qilihe District	Deyi brothers crosstalk Club	Entertainment
Wanda Plaza	Chengguan District	HEYTEA	Beverage

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Hobsca business street	Qilihe District	2020	80,000
Guangyuan International Center	Anning District	2020	69,400
Lanzhou xinyuehui	Chengguan District	2020	100,000
Guofang lehuohui	Chengguan District	2020	50,000
Shengda square	Anning District	2020	70,000
Donghu Plaza	Chengguan District	2020	60,000
Jincheng Center	Xigu District	2020	80,000
Zhonghai Huanyu City	Anning District	2021	80,000
Mingcheng square	Chengguan District	2021	150,000
Xigu Wanda Plaza	Xigu District	2021	130,000

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