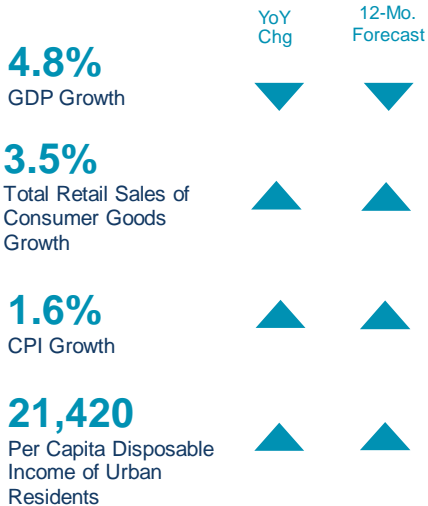


Source: Cushman & Wakefield Research

URUMQI ECONOMIC INDICATORS Q2 2019



Source: Urumqi Statistics Bureau / Cushman & Wakefield Research

Market Overview

Urumqi Grand Bazaar Pedestrian Street Phase II-Tianyucheng opened in 2019, adding a combined 209,000 sq m of new retail supply and bringing the city's overall retail stock up to 1.32 million sq m. The overall market vacancy rate rose 0.9 percentage points y-o-y to 14.5%. Citywide average rent fell by 3.4% y-o-y to RMB201.9 per sq m per month at the end of the year. Youhao submarket recorded the highest average rent at RMB301.6 per sq m per month.

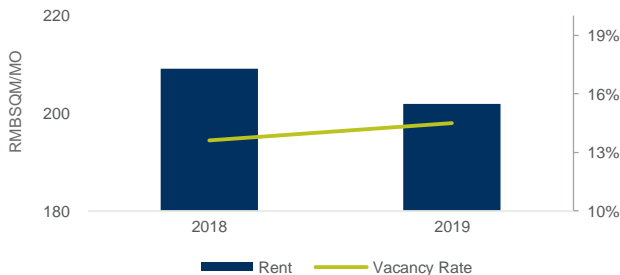
The International Bazaar area is the key visitor destination and retail promotion hub for Xinjiang tourism products. The opening of Phase II-Tianyucheng will kickstart the creation of a cultural tourism commercial complex, incorporating national cuisine, characteristic cultural elements and cutting-edge technologies.

Outlook

Approximately 1.1 million sq m of new supply will be added to Urumqi's retail market in the next two years. Vanke's first flagship project in Tianshan District will open at the end of 2020, adding 110,000 sq m of new space. The opening of Metro Line One has connected Urumqi's traditional and emerging submarkets. Looking ahead, the emerging submarkets will see resident inflows, driving a reshaping and expansion of the city's retail market.

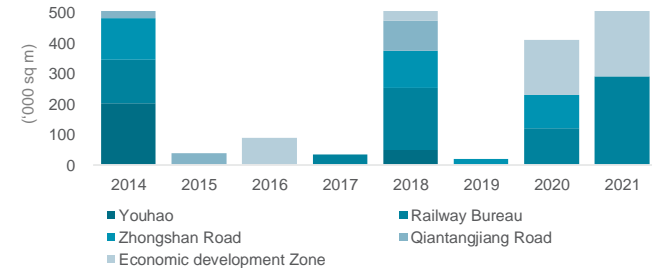
With further commercial complexes launching in the north of the city Urumqi's retail market is transitioning from a single center to multiple centers, and from a landscape dominated by department stores to one dominated by shopping malls. New commercial complexes are also incorporating more experience-led concepts for an enhanced consumer experience. For example, KL Star Shopping Mall in Changchun Road, the first pedestrian road shopping area, employed a theme of 'love and the constellation' that was welcomed by younger consumers. We can expect to see such shopping mall themes to find greater favor from both landlords and consumers.

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)*
Youhao	251,940	17,868	7.1%	0	280-330
Railway Bureau	380,560	42,853	11.3%	410,000	120-170
Zhongshan Road	277,211	85,057	30.7%	110,000	150-200
Qiantangjiang Road	180,264	15,126	8.4%	210,000	200-250
Economic development Zone	231,189	25,916	11.2%	580,000	170-220
URUMQI TOTALS	1,321,164	191,002	14.5%	1,100,000	201.9

*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
Youhao fashion shopping mall	Economic development Zone	Insect house	Entertainment
CC MALL	Zhongshan Road	SEVEN DEGREE	Clothes & Accessories
Huijia Times Square	Railway Bureau	URBAN REVIVO	Clothes & Accessories

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Vanke Plaza	Zhongshan Road	2020	110,000
XinTianrun Silk Road port	Railway Bureau	2020	90,000
Xinjiang mingrun times Shopping Center	Railway Bureau	2020	30,000
Global exchange of Baoneng City	Economic development Zone	2020	180,000
Xinjiang Silk Road world	Railway Bureau	2021	260,000
Erya life square	Railway Bureau	2021	30,000
Wanda City	Economic development Zone	2021	400,000

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