

XI'AN

Retail Q4 2019

CUSHMAN & WAKEFIELD

YoY Chg 12-Mo. Forecast

5.88

Stock (million sq m)



¥273.6

Rent (PSM/MO)



11.7%

Vacancy Rate



Source: Cushman & Wakefield Research

XI'AN ECONOMIC INDICATORS Q3 2019

YoY Chg 12-Mo. Forecast

6.7%

GDP Growth



-0.4%

Total Retail Sales of Consumer Goods Growth



2.4%

CPI Growth



31,738

Per Capita Disposable Income of Urban Residents



Source: Xian Statistics Bureau / Cushman & Wakefield Research

Market Overview

The completions of Yitian Holiday Village, U-SHOW, Forte Dahua 1935 and Wuyue Plaza in Q4 added a combined 383,000 sq m of new retail supply to the Xi'an retail market. Overall retail stock rose to approximately 5.9 million sq m by the end of 2019.

New projects in non-core areas pushed down the city's average asking rent slightly, to RMB273.6 per sq m per month at the end of Q4. The overall vacancy rate increased 1.8 percentage points in the quarter to 11.7%.

The local high-end department store Century Ginwa, in the Central City submarket, was acquired by Qujiang Financial Holdings in the quarter. All major department stores in the Central City submarket have now changed hands and commenced upgrading. This will inject new vitality into these older stores and accelerate the transformation and upgrading of the submarket.

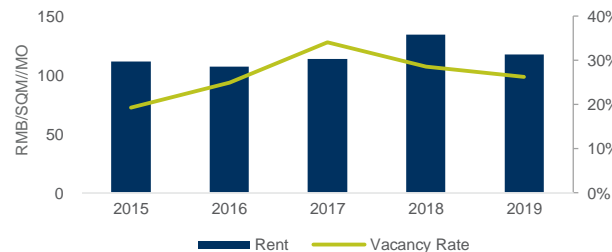
Outlook

Four projects -- China Railway Li Feng City Life Square, Xi'an Yuemei International shopping mall, Sheng'an Square and Damingong Central Plaza -- are scheduled to complete in 2020, adding a combined 550,000 sq m of projected new retail supply. The city's total shopping mall stock is projected to reach approximately 6.4 million sq m by the end of 2020.

In recent years Xi'an has attracted a number of well-known developers and new projects have incorporated elements of the city's history and culture, enriching the consumer experience and helping to establish Xi'an as a 'shopping paradise' in the North West region.

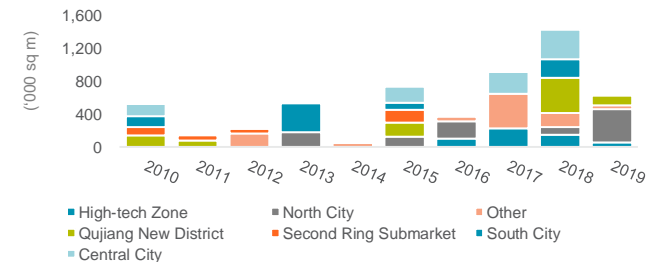
Ahead, with large shopping malls opening in emerging submarkets and the continuous transformation and upgrading of the old submarkets, we can expect to see a gradual improvement in the overall quality of the city's retail projects.

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/SQM/MO)*
Central City	965,600	108,730	11.26%	0	200-450
Hi-tech Zone	601,000	37,970	6.32%	168,000	350-950
North City	1,107,540	157,411	14.21%	210,000	150-300
Qujiang District	921,632	114,063	12.38%	0	140-280
Second Ring	368,500	59,675	16.19%	0	180-450
South City	797,711	81,386	10.20%	539,000	160-550
Other	1,116,000	130,150	11.66%	80,000	200-250
XI'AN TOTALS	5,877,983	689,385	11.73%	997,000	273.6

*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 Q4 2019

PROPERTY	SUBMARKET	TENANT	SECTOR
City On	North City	EXR	Mass-market Fashion
Joy City	Qujiang District	Ralph Lauren	Mass-market Fashion
Gpark	North City	DJI	Electronics
SKP	North City	GUCCI SKP-S	Mass-market Fashion

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
China Railway Li Feng City Life Square	Hi-tech Zone	2020	168,000
Xi'an Yuemei International	Other	2020	80,000
Sheng'an Square	South City	2020	90,000
Damingong Central Plaza	North City	2020	210,000
OCT Xi'an International Cultural Center	South City	2021	99,000
Suning Square	South City	2021	350,000

Sabrina Wei

Senior Associate Director

Head of North China Research

14/F, North Tower, Beijing Kerry Centre, 1 Guanghua Road, Beijing 100020, China

Tel: +86 10 8519 8087 / sabrina.d.wei@cushwake.com

cushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.