



	YoY Chg	12-Mo. Forecast
4.89 Stock (million sq m)	▲	▲
¥285 Rent (PSM/MO)	▼	▼
18.5% Vacancy Rate	▲	▲

Source: Cushman & Wakefield Research

SHENYANG ECONOMIC INDICATORS
Q4 2019

	YoY Chg	12-Mo. Forecast
4.2% GDP Growth	▼	▼
10.6% Total Retail Sales of Consumer Goods Growth	▲	▲
2.4% CPI Growth	▼	▲
6.2% Per Capita Disposable Income of Urban Residents	▼	▲

Source: Shenyang Statistics Bureau / Cushman & Wakefield Research

Market Overview

No new retail projects opened in Shenyang in Q1 2020, and the city's total retail stock remained at 4.89 million sq m.

The market was hit hard by the effect of the COVID-19 outbreak. Shopper footfall traffic plummeted during the period, with cinemas, restaurants, children's entertainment, and education establishments in malls among the most impacted sectors. Citywide, average asking rent dropped 5.3% to RMB285 per sq m by the close of the quarter.

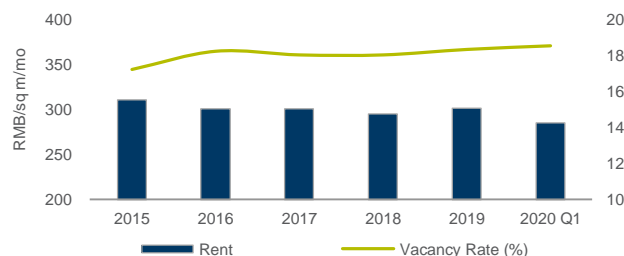
By the end of February most of the city's retail stores had resumed operation. The majority of brands offered steeper discounts to entice spending and boost their cash flow. At the same time, commercial real estate companies such as Wanda and China Resources also reduced rents for their tenants to help them ease cost pressures.

Outlook

The epidemic outbreak caused construction delays and launch postponements to retail projects. For example, the urban renewal project Suning Plaza (formerly the Xinglong Department Store in Taiyuanjie) postponed their opening date. We can expect the city's entire retail supply pipeline to slow somewhat in the near-term.

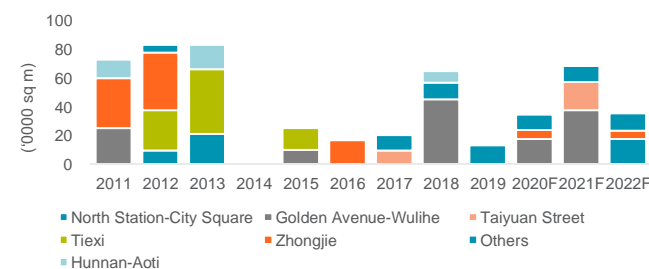
With COVID-19 still coming fully under control, we forecast that the overall average rental level will continue to show a downward trend in the short-term. In addition, consumers' shift to online shopping during the outbreak period will accelerate the development of digital and omnichannel strategies in the 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 2022 (SQM)	ASKING RENTAL RANGE (RMB/SQMMO)*
North Station-City Square	546,300	123,464	22.6%	177,000	175-630
Golden Avenue-Wulihe	904,547	114,864	12.7%	552,000	260-650
Taiyuan Street	233,504	50,700	21.7%	197,000	170-335
Tiexi	1,041,600	92,412	8.9%	-	185-340
Zhongjie	1,377,300	395,628	28.7%	115,000	188-425
Hunnan-Aoti	376,000	38,880	10.3%	-	145-300
Others	413,000	78,260	18.9%	344,000	115-255
SHENYANG TOTALS	4,892,251	894,208	18.5%	1,385,000	301

*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 Q1 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
FTC Plaza	North Station-City Square	MaxMara	F&B
Zhuozhan Shopping Center	Golden Avenue-Wulihe	MaxMara	Fashion
Zhuozhan Shopping Center	Golden Avenue-Wulihe	Versace	Fashion
Zhuozhan Shopping Center	Golden Avenue-Wulihe	Dunhill	Fashion

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Baoneng Global Shopping Mall	Golden Avenue-Wulihe	2020	176,000
Center Plaza	Zhongjie	2020	60,000
The Mixc (Changbai)	Others	2020	110,000
Wuyue Plaza	Others	2021	112,000
The King Shopping Mall	Golden Avenue-Wulihe	2021	316,000
Friendship Times Square	Golden Avenue-Wulihe	2021	20,000
Orchard Times Square	Golden Avenue-Wulihe	2021	40,000
OneWorld	Taiyuan Street	2021	150,000
Hongyun Center	Taiyuan Street	2021	47,000
Taihelongting	Others	2021	35,000
Lottle World	North Station-City Square	2022	177,000
The Mixc (Huanggu)	Others	2022	87,000
Joy City E	Zhongjie	2022	55,000

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