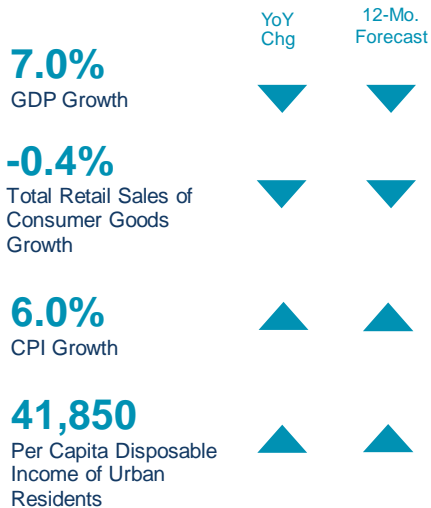


Source: Cushman & Wakefield Research

XI'AN ECONOMIC INDICATORS Q4 2019



Source: Xi'an Statistics Bureau / Cushman & Wakefield Research

Market Overview

No new supply entered the Xi'an retail market in Q1, and total retail stock remained at 5.9 million sq m.

Affected by the COVID-19 outbreak, customer flow declined sharply and the overall retail market stalled. Although some retail landlords adopted rent-free strategies, some tenants were still unable to survive and exited the market due to financial pressures. In the quarter the citywide average asking rent in the retail market declined 5.8% to RMB258.2 per sq m per month, and the city's overall vacancy rate rose 2.5 percentage points q-o-q to 14.2%.

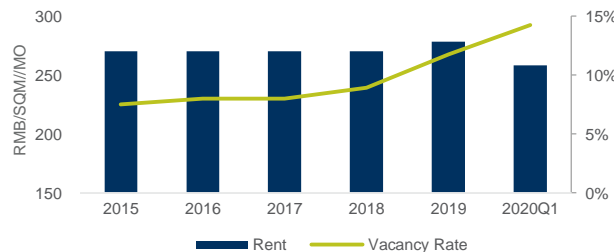
During the epidemic, consumers increasingly chose online shopping as their first preference. The major shopping malls accelerated development of online shopping channels, including opening online malls, establishing WeChat shopping groups, and launching apps and mini-programs to establish online ordering and home delivery services.

Outlook

In 2020, four retail projects with approximately 548,000 sq m of retail space are scheduled to enter the market. However, the construction period of some projects will now be extended and we can expect to see overall future new supply to slow.

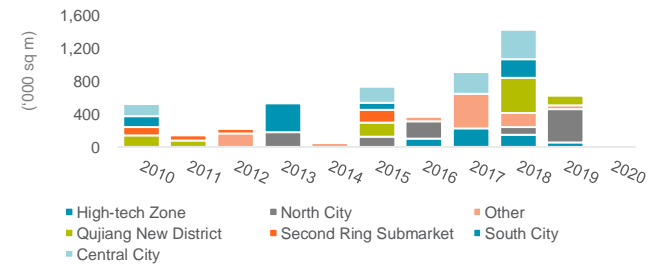
At present, most shopping malls have resumed operations. However, leisure, entertainment and F&B sectors are still greatly affected by the coronavirus containment measures, and some fashion brands have offered steeper discounts to ease pressures on inventory and costs. Landlords and tenants are expected to still face significant pressures in the short-term.

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	135,130	13.99%	0	180-420
Hi-tech Zone	601,000	63,770	10.61%	168,000	350-850
North City	1,107,540	183,011	16.52%	210,000	150-280
Qujiang District	921,632	124,745	13.54%	0	140-280
Second Ring	368,500	86,850	23.57%	0	180-420
South City	797,711	102,986	12.91%	539,000	160-580
Other	1,116,000	138,650	12.42%	80,000	200-250
XI'AN TOTALS	5,877,983	835,141	14.21%	997,000	258.2

*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
City On	North City	MENHARDUM	Fashion
Joy City	Qujiang	Clarins	Cosmetics
Gpark	North City	Leysen	Jewellery

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

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