

Source: Statistics Bureau of Chengdu Municipality
(Figures are growth rates as of 2019.)

CHENGDU ECONOMIC INDICATORS 2020 Q1-Q2



Source: Statistics Bureau of Chengdu Municipality

Chengdu Welcomes New Retail Supply for Third Consecutive Quarter

The Longfor Shangcheng Paradise Walk project opened in Q3, marking the third consecutive quarter of new prime retail supply entering the market. The property added 120,000 sq m of new space, bringing citywide overall stock to approximately 6.86 million sq m. The quarter saw a gradual market recovery. However, some stores still succumbed to cost pressures in the wake of the COVID-19 outbreak and the vacancy rate rose again, up 0.02 percentage points to 7.99%, although this was a much smaller increase than in the first half of the year.

Market Retains Attraction for Retail Developers and Brands

Despite the negative impacts of the pandemic, Chengdu's increasingly maturing prime retail market has retained its attraction for developers and brands. In the first half of the year the market recorded 122 new entrants, ranking first among China's midwestern cities and ahead of other new first-tier cities. New prime projects in planning, including SKP and ICONSIAM, will provide a further upgrade to the overall market.

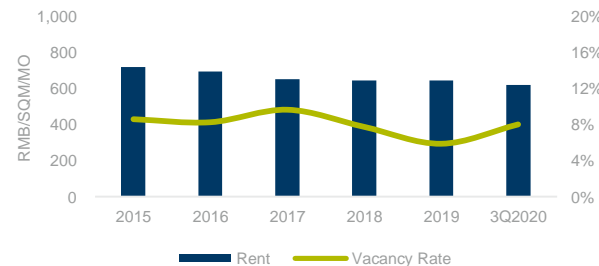
Longfor Shangcheng Paradise Walk a Boost to City's Northwest

The newly opened Longfor Shangcheng Paradise Walk introduced more than 20% new brands to the northwest of Chengdu. With the lack of other new supply in the northern city submarkets, the Paradise Walk will help steer the area towards greater retail maturity.

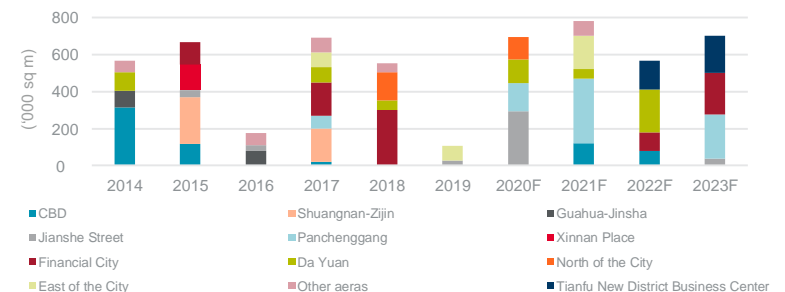
Opportunities for Domestic Brands

Many international brands were hit hard by the pandemic and have seen severe business contractions, leading to layoffs and stores closures, including in China. This has now opened opportunities for domestic brands to step into the gap in the market and expand their operations.

RENT / VACANCY RATE



RETAIL SUPPLY PIPELINE BY SUBMARKET



MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2023 (SQM)	OVERALL AVG RENT (RMB/SQMMO)*
CBD	1,304,956	166,476.11	12.8%	200,000	1,362.96
Shuangnan-Zijin	663,000	61,930.00	9.3%	-	574.00
Guanghua-Jinsha	306,171	7,770.00	2.5%	-	435.56
Jianshe Road	720,700	83,620.00	11.6%	139,000	356.25
Panchenggang	312,000	11,680.00	3.7%	740,000	741.67
Xinnan Tiandi	281,773	8,017.73	2.8%	-	741.67
Financial City	1,110,400	62,680.00	5.6%	325,275	511.90
Da Yuan	283,000	30,700.00	10.8%	410,000	358.33
North of the city	958,300	44,196.00	4.6%	-	447.14
East of the city	235,000	3,900.00	1.7%	180,000	387.78
Other areas	688,784	67,653.52	9.8%	80,000	478.10
CHENGDU TOTALS	6,864,084	548,623.36	8.0%	2,074,275	619.30

* Rental rates are calculated by NLA and considered as consistently achievable for prime space in prime shopping centers, excluding management fee, promotional fee and other fees.

SIGNIFICANT STORE OPENINGS Q3 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Yintai In99	Financial city	Alex Ander Wang	Retail
IFS	CBD	Tomacado	F&B
Mixc	Panchenggang	Sephora	Retail

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Taihe Project	Panchenggang	2020	70,000
Star Plaza	CBD	2021	120,000
MIXC (II)	Panchenggang	2021	180,000
Chengdu Magic Cube	Financial City	2022	100,000
WE City	Panchenggang	2023	100,000

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