

# CHONGQING

Retail Q3 2020

**8.7%**  
Disposable Income



**0.73%**  
Population



**6.8%**  
Consumption Expenditure



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

## CHONGQING ECONOMIC INDICATORS 2020 Q1-Q2

**7.2%**  
Total Retail  
Sales Growth



**40.7%**  
Online Sales Growth



**3.7%**  
CPI Growth



Source: Statistics Bureau of Chongqing Municipality;  
Oxford Economics; Cushman & Wakefield Research

## Vacancy Rate Eases in Q3

The Sunac Mall project completed in the Shapingba retail hub in Q3, adding 109,400 sq m of new space. However, the 120,000-sqm Shenghui Plaza mall in Nanping submarket closed, making for a major adjustment to market data. Chongqing's prime retail stock consequently dropped to 5,064,000 sq m. The overall vacancy rate eased from the jump in Q2, dropping back 0.74 percentage points q-o-q to 10.98%. Rental levels at most projects also softened, sending overall average monthly rent down 0.13% q-o-q to RMB573.51 per sq m, although rents at high-end malls have performed at far higher levels y-o-y, with a resurgence of local luxury goods consumption. In August, for example, sales turnover at Starlight 68 Mall reached a 10-year record high for a single month, with turnover at double-digit growth rates for four consecutive months.

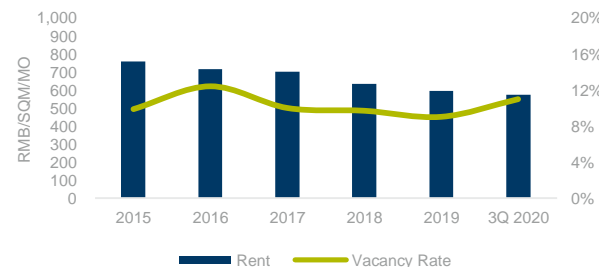
## Stimulus Measures Help Boost Consumption

In July, Jiefangbei Pedestrian Street was named in the first batch of the "National Demonstration Pedestrian Street" project by the Ministry of Commerce. Ahead, Jiefangbei submarket will focus on ten major projects, including the Jiefangbei-Chaotianmen Pedestrian Avenue, landscape optimization, and marketing campaigns, to stimulate further development of Jiefangbei business district.

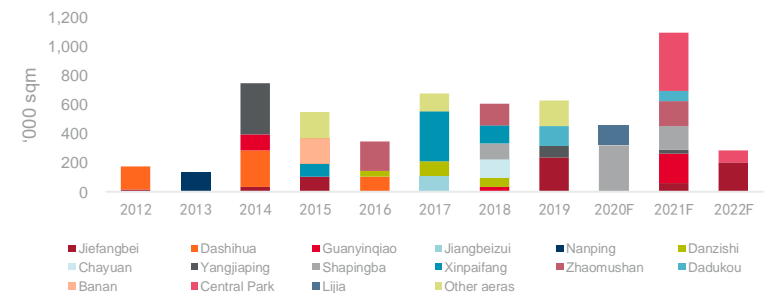
The impact of the pandemic has accelerated disruption in the retail industry, with tenants and malls with weaker business propositions facing elimination and forcing operators to make changes. Responsive mall operators are paying attention to innovation, introducing new elements such as e-sports, "China Chic," and virtual reality, as well as integrating USPs such as indoor wildlife and botanical gardens, indoor theme parks, and automobile showrooms and service shops. Competitive differentiation will become the key strategy for growing numbers of malls.

From August to October, more than 150 nightlife-themed activities took place across the city to create a number of nighttime consumption business districts. Expanding the nighttime economy to boost overall consumer spending has been identified as a new driving force for the city's longer-term economic development.

## RENT / VACANCY RATE



## RETAIL SUPPLY PIPELINE BY SUBMARKET



## MARKET STATISTICS

| SUBMARKET               | INVENTORY (SQM)  | VACANT (SQM)   | VACANCY RATE | UNDER CNSTR TILL 2022 (SQM) | OVERALL AVG RENT (RMB/SQMMO)* |
|-------------------------|------------------|----------------|--------------|-----------------------------|-------------------------------|
| Jiefangbei              | 715,000          | 185,362        | 25.9%        | 261,000                     | 782.22                        |
| Dashihua                | 513,900          | 42,546         | 8.3%         | -                           | 632.50                        |
| Guanyinqiao             | 448,000          | 28,528         | 6.4%         | 199,442                     | 882.50                        |
| Jiangbeizui             | 110,000          | 3,696          | 3.4%         | -                           | 850.00                        |
| Nanping                 | 536,000          | 21,285         | 4.0%         | -                           | 420.00                        |
| Danzishi                | 200,000          | 13,470         | 6.7%         | -                           | 325.00                        |
| Chayuan                 | 130,000          | 8,047          | 6.2%         | -                           | 275.00                        |
| Yangjiaping             | 508,000          | 68,222         | 13.4%        | 26,000                      | 616.67                        |
| Shapingba               | 224,000          | 17,479         | 7.8%         | 373,700                     | 436.67                        |
| Xinpaifang              | 553,000          | 48,488         | 8.8%         | -                           | 415.00                        |
| Zhaomushan              | 350,000          | 47,835         | 13.7%        | 170,000                     | 403.33                        |
| Dadukou                 | 134,700          | 12,163         | 9.0%         | 70,000                      | 375.00                        |
| Banan                   | 177,000          | 6,974          | 3.9%         | -                           | 350.00                        |
| Other areas             | 464,400          | 51,909         | 11.2%        | -                           | 388.75                        |
| Central Park            | 0                | -              | -            | 485,000                     | -                             |
| Lijia                   | 0                | -              | -            | 135,000                     | -                             |
| <b>CHONGQING TOTALS</b> | <b>5,064,000</b> | <b>556,005</b> | <b>11.0%</b> | <b>1,720,142</b>            | <b>573.51</b>                 |

\* 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         |
|----------------------|-------------|----------|----------------|
| Mixc City            | Yangjiaping | %Arabica | F&B            |
| Mixc City            | Yangjiaping | Huawei   | Electronics    |
| World Finance Center | Jiefangbei  | PUMA     | Sports Fashion |

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

| PROPERTY               | SUBMARKET    | EXPECTED OPENING DATE | SQM     |
|------------------------|--------------|-----------------------|---------|
| Jinsha Paradise Walk   | Shapingba    | 2020                  | 210,000 |
| the MixC               | Dadukou      | 2021                  | 70,000  |
| Star Light 68 Plaza B  | Guanyinqiao  | 2021                  | 75,000  |
| COFCO Joy City         | Central Park | 2021                  | 150,000 |
| Xinhua Fashion Project | Jiefangbei   | 2022                  | 200,000 |

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