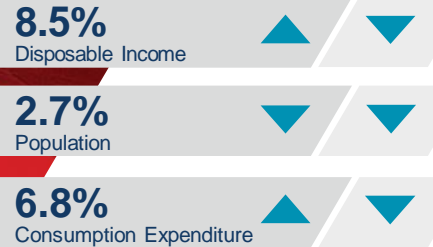


# GUANGZHOU

Retail Q3 2020



Source: Guangzhou Statistics Bureau (Growth rates are as of 2019.)

## GUANGZHOU ECONOMIC INDICATORS JAN - JUN 2020



Source: Guangzhou Statistics Bureau

## Yue City Completion Signals Market Recovery

The Yue City project in Liwan submarket launched in Q3, its 280,000 sq m of space making it the second largest retail project in Guangzhou. As a result, citywide prime retail stock rose to 4.0 million sq m. Consumption picked up steadily in the quarter. Cosmetics, new energy vehicles, and casual dining sectors continued to expand, with a number of new store openings and expansion activities. Overall vacancy ticked up 0.6 pp q-o-q to reach 6.4%. Rent levels of most projects held stable, but new project entrants have had an impact on the market, and overall average rent fell 0.7% q-o-q to RMB716.3 per sq m per month.

## An Opportunity for Tenant Adjustment

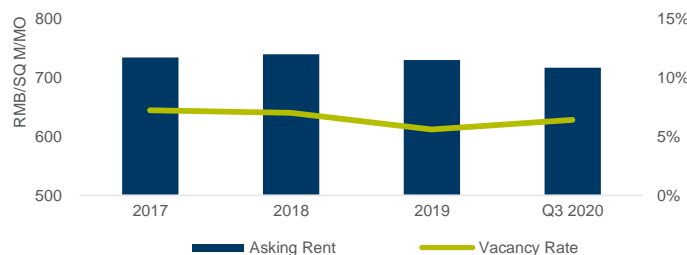
All business sectors had resumed normal operations by the end of July. The F&B and entertainment sectors have seen resurgent demand, with a rebound in night-time consumption. Coupled with the back-to-school season in September, and themed promotions at many projects, overall mall footfall was rejuvenated. Operators have also taken the opportunity to adjust and upgrade tenant mixes, with several regional first store openings. Parc Central, for example, introduced the world's largest flagship store of beauty brand Tom Ford and the first Guerlain boutique in Guangzhou.

A number of sectors returned to business expansion in the quarter, led by cosmetics. The cosmetics collection store H.E.A.T opened its first physical store in Grandview Plaza, and will enter Rock Square and New Park soon. Perfect Diary and The Colorist entered i-club and VT101 respectively. Garment brands also resumed expansions. Underwear brand V21 expanded to Luogang Wanda Plaza and Popark Shopping Mall. In catering, French bakery brand Gontran Cherrier opened new stores in Taikoo Hui and K11. And in technology, domestic giants DJI have continued store openings to expand the domestic market.

## Outlook

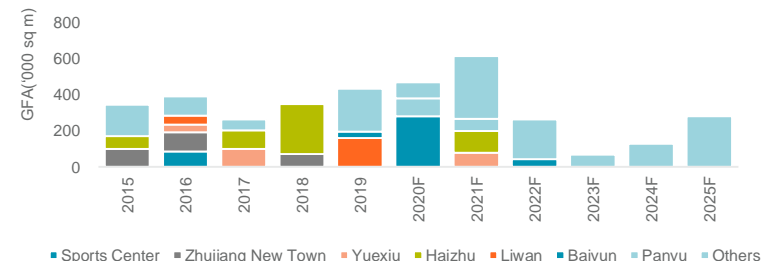
Wanda Plaza in Huangpu, and TeeMall in Panyu, are scheduled to open in Q4 and will bring a total of 188,000 sq m of new supply to the market. With the economic recovery hopefully now continuing, Guangzhou's consumer goods market is expected to again grow during the end-of-year shopping season. Some tenants are actively looking for expansion or new setup opportunities and, with new projects entering, Guangzhou's retail market is set to enjoy greater diversity ahead.

## RENT / VACANCY RATE



Source: Cushman & Wakefield Research

## SUPPLY PIPELINE BY SUBMARKET



Source: Cushman & Wakefield Research



## MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	VACANCY RATE	UNDER CNSTR TILL 2025 (SQ M)	OVERALL AVG RENT (RMB/SQ/M)*	OVERALL AVG RENT (US\$/SF/MO)*	OVERALL AVG RENT (EUR/SF/MO)*
Sports Center	822,800	3.1%	41,228	1,543.3	20.7	17.5
Yuexiu	347,200	7.9%	76,000	944.2	12.7	10.7
Zhujiang New Town	564,359	11.2%	0	635.0	8.5	7.2
Haizhu	309,000	4.4%	0	542.5	7.3	6.2
Liwan	405,900	7.5%	0	525.0	7.0	6.0
Baiyun	618,300	11.1%	120,000	487.9	6.5	5.5
Panyu	365,725	2.0%	165,500	432.5	5.8	4.9
<b>OTHERS TOTALS</b>	<b>573,302</b>	<b>3.5%</b>	<b>1,133,000</b>	<b>339.3</b>	<b>4.6</b>	<b>3.9</b>
<b>GUANGZHOU TOTALS</b>	<b>4,006,586</b>	<b>6.4%</b>	<b>1,535,728</b>	<b>716.3</b>	<b>9.6</b>	<b>8.1</b>

\* Rental rates are calculated by NLA and considered as consistently achievable for prime space (usually the ground floor) in major shopping centers, excluding management fee, promotional fee and other fees.

\* 1 USD = 6.9204RMB = 0.8471EUR as at Aug 24, 2020

## SIGNIFICANT STORE OPENINGS Q3 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Parc Central	Tianhe Sports Centre	Tom Ford	Cosmetics
K11	Zhujiang New Town	Gontran Cherrier	F&B
Panyu Wanda Plaza	Panyu	Maniform	Mass-Market Fashion
PASO West	Baiyun	LEGO	Kids Retail
Mayland Mall	Others	Tesla	Facilities

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	GFA(SQ M)
Panyu TeeMall	Panyu	2020	97,500
Nangang Wanda Plaza	Huangpu	2020	90,000
CADRE INCITY	Others	2021	110,000
Lumina Guangzhou	Yuexiu	2021	76,000
Xintang Kingbuy	Others	2021	100,000

## Zhang Xiao-duan

Senior Director, Head of Research  
South China & West China

Suite 2704, Taikoo Hui Tower 1, 385 Tianhe Road,  
Tianhe District | Guangzhou 510613 | China

Tel: +86 755 2151 8116 / xiaoduan.zhang@cushwake.com

[cushmanwakefield.com](http://cushmanwakefield.com)

## A CUSHMAN &amp; 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 53,000 employees in 400 offices and 60 countries. Across Greater China, there are 22 offices servicing the local market. The company won four of the top awards in the Euromoney Survey 2017 and 2018 in the categories of Overall, Agency Letting/Sales, Valuation and Research in China. In 2019, the firm had revenue of \$8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©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.