

# HANGZHOU

Retail Q3 2020

**4.2**  
STOCK (MILLION SQ.M)

12-Mo.  
Forecast



**¥670.4**  
RENT (PSM/MO)



**93.9%**  
OCCUPANCY RATE



## HANGZHOU ECONOMIC INDICATORS Q2 2020

**-6.8%**

Total Retail  
Sales Growth

Q1 2020

**-16%**

12-Mo.  
Forecast



**16.6%**

Online Retail Sales  
Growth

**4.3%**



**3.5%**

CPI Growth

**4.9%**



Source: Hangzhou Statistics Bureau  
The forecast is based on Oxford Economics

## Zhijiang Intime Completed in Q3

Zhijiang Intime, with new retail space of 60,000 sq m, opened in Q3. Subsequently, citywide quality retail stock reached approximately 4.2 million sq m in the quarter. Net absorption was at 66,230 sq m, leading to the city's occupancy rate remaining stable at 93.9%. Overall first floor rent for high-quality retail properties averaged RMB670.4 per sq m per month at the end of the quarter.

The newly opened Zhijiang Intime Department Store project is located in the core area of Zhijiang New City, with a catchment area encompassing the surrounding local Zhijiang district. The mall's retail mix includes catering, retail, leisure and entertainment. Anchor stores, all making their first appearance in Zhijiang New City, include Haidilao, Hey Tea, Hutaoli Music Restaurant & Bar, Alpha World and City Bazaar.

## Brand Adjustments Accelerated

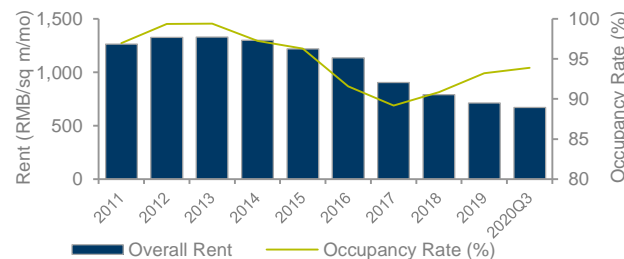
Hangzhou Tower undertook upgrades during its 2020 anniversary celebrations in the quarter, with strong expansion of luxury and first store brands. These included the introduction of Van Cleef & Arpels, Gentle Monster and Canada Goose. The MixC project also carried out a new wave of brand adjustments, introducing Tims Coffee House, Essentials and Mackage.

## 'New Consumption' to Boost the Post-COVID-19 Retail Market

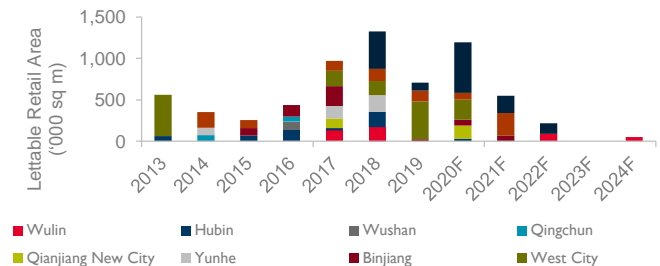
In terms of strategies to boost and sustain retail spending, the First-Store Economy, Night Economy, and Livestream Economy should continue to be effective channels to attract customers and achieve consumer spending targets. And with the gradual release of pent-up leasing demand post-COVID-19, we expect the average first floor rent of high-quality retail properties in Hangzhou's core CBDs to remain stable.

Additionally, in September, the Hangzhou Municipal Bureau of Commerce proposed that the government will comprehensively promote 'New Consumption' via digital empowerment. Coupled with the "1 + 6" strategy, 'New Consumption' is expected to become a new driving force for Hangzhou's economic development. Ahead, with the support of government policies, the further expansion of domestic demand, and consumption levels continuing to improve, future prospects for the Hangzhou retail market are still worth looking forward to.

## GRADE A CBD OVERALL RENT & VACANCY RATE



## GRADE A CBD NEW SUPPLY



## MARKET STATISTICS

SUBMARKET	OCCUPANCY RATE	RENT (RMB/SQ MMO)	RENT (USD/SFMO)	RENT (EUR/SFMO)	STOCK (SQM)
Wulin	96.9%	800 – 1,500	10.7 – 20.1	9.1 – 17.1	398,930
Hubin	94.9%	700 – 1,500	9.4 – 20.1	8.0 – 17.1	544,400
Wushan	91.5%	500 – 1,000	6.7 – 13.4	5.7 – 11.4	176,000
Qingchun	96.4%	600 – 800	8.1 – 10.7	6.8 – 9.1	193,000
Qianjiang New City	96.9%	600 – 800	8.1 – 10.7	6.8 – 9.1	413,000

Rent (RMB/sq m/mo) is based on ground floor in prime locations in major shopping centers, excluding management fee, promotional fee and other fees.

1CNY = 0.1445 USD = 0.1224 EUR (2020.8.24)

## SIGNIFICANT STORE OPENINGS Q3 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Hangzhou Tower	Wulin	Van Cleef & Arpels	Retail
The MixC	Qianjiang New City	Tims Coffee House	Catering
Zhijiang Intime	Others	Hutaoli Music Restaurant & Bar	Entertainment

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
GT Land Plaza	Qianjiang New City	2020	110,000
Jiu Guang Plaza	Qianjiang New City	2020	50,000
Binjiang Intime	Binjiang	2020	70,000
Tahoe Central Plaza	West City	2020	53,000
Jiangdong Powerlong City Plaza	Others	2020	120,000

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