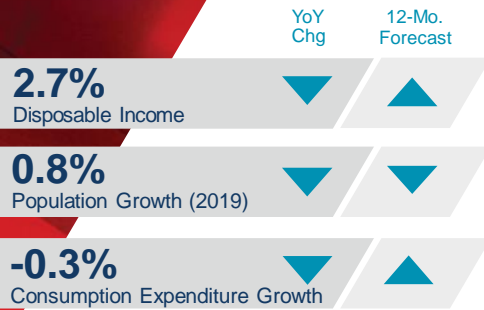


NANJING

Retail Q3 2020

CUSHMAN & WAKEFIELD



Longfor Opens Third Paradise Walk Mall

Total retail sales growth in Nanjing city in the first half of 2020 improved to -7.3% from -16.5% in Q1, signaling significant recovery in consumption. Most mall operations have fully resumed following the COVID-19 outbreak earlier in the year. Longfor formally opened its third Paradise Walk Mall on September 19, bringing 220,000 sq m of prime retail space to the Jiangbei submarket. The mall attracted over 450,000 visitors and over RMB 35 million in revenue on its opening weekend, and has enabled more high-end brands to make their first appearance in the Jiangbei New Area.

Mall Upgrading Prompts New First Store Openings

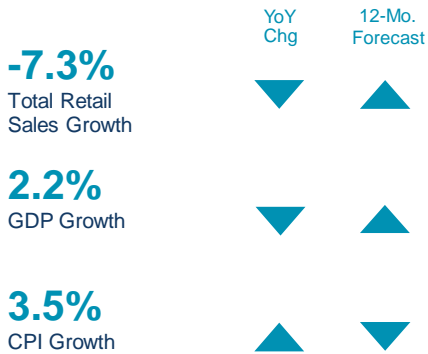
Nanjing cinemas started to reopen at the end of July. And, for the first time, the IMAX format was introduced to the city in the quarter. More retail First Stores in Nanjing and Jiangsu also made an appearance in the period. The upgrading of many malls during the summer helped these brands quickly expand their presence in the city. Such First Store openings were also soon followed by openings of associated chain stores. Notable openings in Q3 included Nike Kicks Lounge, MLB, KKV, China's Curry and More Cheers.

Stall and Night Economies Benefit From Technologies to Attract More Consumers

Additional weekend events and exhibitions were set up and held in malls during the quarter, helping to attract many young families. Joint activities launched by multiple brands also helped to attract young consumers. More malls introduced night stall markets during weekend evenings, boosting foot traffic during the quarter. In the meantime, through the use of data and blockchain technology, the government issued more coupons via different APPs to boost consumption in the city. Overall market vacancy edged down to 4.5% in Q3, thanks to very low vacancy in the two new Paradise Walk malls, while overall average monthly dropped slightly to RMB777.6 per sq m.

Source: Nanjing Statistics Bureau.
The forecast is based on Oxford Economics

NANJING ECONOMIC INDICATORS JAN-JUNE 2020

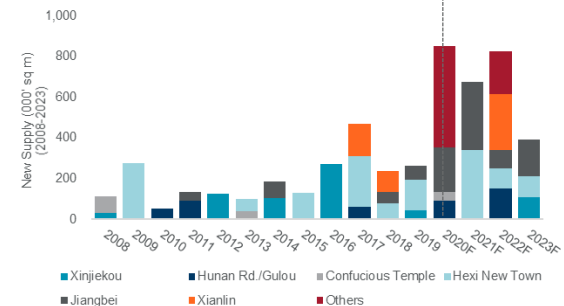


Source: Nanjing Statistics Bureau
The forecast is based on Oxford Economics

RENT / VACANCY RATE



RETAIL SUPPLY PIPELINE BY SUBMARKET



MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	VACANT (SQ M)	VACANCY RATE	UNDER CNSTR TILL 2023 (SQ M)	OVERALL AVG RENT (RMB/SQ M/MO)*
Xinjiekou	695,851	24,717	3.6%	108,000	600-2,900
Gulou & Hunan Road	218,469	43,212	19.8%	150,000	200-600
Confucius Temple	181,567	11,910	6.6%	0	470-810
Hexi New Town	1,011,614	41,808	4.1%	640,656	150-1,000
Jiangbei	471,557	12,836	2.7%	378,000	400-760
Xianlin	264,000	5,280	2.0%	275,000	300-370
Baijiahu	450,000	18,400	4.1%	0	426-500
Others	291,000	4,050	1.4%	1,041,000	400-1,000
NANJING TOTALS	3,584,058	162,213	4.5%	1,572,656	150-2,900

* 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.

SIGNIFICANT STORE OPENINGS Q3 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Jiangbei Paradise Walk	Jiangbei	Air Ballet	Sports & Entertainment
The Central	Xinjiekou	Lancome Pop-up Store	Beauty
Deji Plaza	Xinjiekou	Peet's Coffee	Food & Beverage
House of Fraser	Xinjiekou	China's Curry	Restaurant

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQ M
Zendai Himalaya Center	Others	2020	130,000
Jiangbei (Qiaobei) Mixc	Qiaobei	2021	100,000
Nanjing SHK IFC	Hexi New City	2021	93,000
Longfor Hexi Paradise Walk	Hexi New City	2021	160,000
Greenland Zijin Center	Gulou & Hunan Road	2022	150,000
Qixia Yanziji Mixc	Others	2022	210,000

SHAUN BRODIE

Head of Occupier Research, Greater China
42-43/F, Tower 2, Plaza 66, 1366 Nanjing West Road
Shanghai

Tel: +86 21 2208 0529 / shaun.fv.brodie@cushwake.com

cushmanwakefield.com

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