

9.2%
Disposable Income



YoY
Chg



1.2%
Population



9.0%
Consumption Expenditure



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

WUHAN ECONOMIC INDICATORS 1H 2020

-34.4%
Total Retail
Sales Growth



17.9%
Online Retail Sales
Growth (Figure is
growth rates of 2019)



4.4%
CPI Growth



Source: Wuhan Statistics Bureau/ Oxford Economics/ Cushman & Wakefield Research

Market Recovers to Pre-Pandemic Levels

With no new supply completed in Q3, Wuhan's prime retail stock remained at 2.3 million sq m. The market essentially recovered to a pre-pandemic state in the quarter. Many projects have undertaken brand mix adjustments and upgrades in the period, in preparation for the National Day golden week holiday period. By the end of Q3, the overall vacancy rate of Wuhan's four core retail submarkets dropped slightly, down 0.38 percentage points q-o-q to 20.1%. Average monthly rental levels fell 3.3% q-o-q to an average of RMB559.4 per sq m.

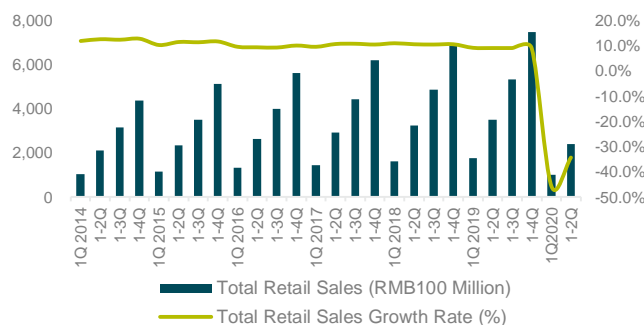
Adjustments and Upgrading the Key Trend in Q3

In Luxiang submarket absorption was limited in Q3. Although universities opened in September they operated with confinement management measures in place. At Zhongshan Avenue the vacancy rate rose temporarily due to the pedestrian street renovation. The situation is expected to improve after the upgrade project concludes. In contrast, Wangjiawan submarket, dominated by community-based retail, saw a drop in vacancy thanks to the recovery of the children's sector. Overall, retail business expansion remained cautious in the face of the economic environment. But notable activity in the quarter included two new stores from HIMO, and Lefti and Ledin, and a Wuhan first store from coffee brand %Arabica.

Outlook

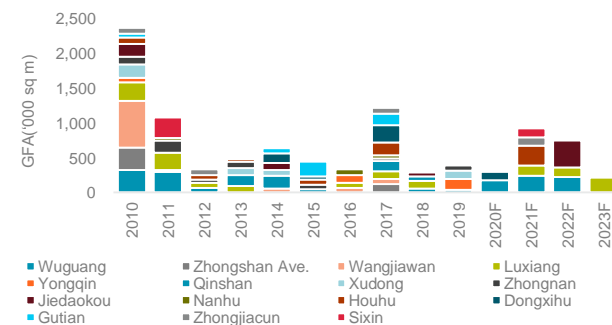
New prime retail supply expected to complete in Q4 includes the K11, Hang Lung Plaza and Wanda Plaza projects. A total of 297,358 sq m of new retail supply is forecasted for Q4. In the short term, the global economic downturn caused by the pandemic has slowed brand expansion, challenging project operational performance. However, in the longer-run, under the new central economic model focused on "internal circulation," the flow of domestic consumption is expected to bring new opportunities to local brands.

RETAIL SALES & GROWTH RATE



Source: Cushman & Wakefield Research

RETAIL SUPPLY PIPELINE BY SUBMARKET



Source: Cushman & Wakefield Research

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANCY RATE	UNDER CNSTR TILL 2023 (SQM)	OVERALL AVG RENT (RMB/SQMMO)*	OVERALL AVG RENT (US\$/SQMMO)*	OVERALL AVG RENT (EUR/SQMMO)*
Wuguang	712,048	10.5%	644,150	720.0	9.7	8.2
Zhongshan Ave.	478,000	22.5%	0	591.3	7.9	6.7
Wangjiawan	345,935	8.6%	0	450.0	6.0	5.1
Luxiang	790,770	32.4%	494,137	461.1	6.2	5.2
WUHAN CORE BUSINESS CIRCLES TOTALS	2,326,753	20.1%	1,138,287	¥ 559.4	US\$7.5	€6.4

*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 = 6.92042 RMB = 0.84706 EUR as at 24th Aug 2020

SIGNIFICANT STORE OPENINGS Q3 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Wuhan International Plaza	Wuguang	HIMO	Service
Xinjiali Fashion Plaza	Zhongshan Ave.	MISSWD	Leisure & Entertainment
Poly Plaza	Luxiang	Lion King Education	Education
Wuhan Tiandi	Yongqing	%Arabica	F&B

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	GFA SQM
K11	Wuguang	2020	34,509
Hang lung Plaza	Wuguang	2020	145,370
Wanda Plaza	Dongxihu	2020	117,479
Jiangchen Paradise Walk	Wuguang	2021	140,000
Fanyue City	Luxiang	2021	30,000
The MIXC	Wuguang	2022	166,700
The Joy City	Luxiang	2022	130,000

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