

CHONGQING

Retail Q4 2020

8.7%
Disposable Income

YoY Chg ▲ 12-Mo. Forecast ▲

0.73%
Population

YoY Chg ▼ 12-Mo. Forecast ▲

6.8%
Consumption Expenditure

YoY Chg ▲ 12-Mo. Forecast ▲

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

CHONGQING ECONOMIC INDICATORS 2020 Q1-Q3

-2.2%
Total Retail Sales Growth

YoY Chg ▼ 12-Mo. Forecast ▲

44.6%
Online Sales Growth

YoY Chg ▲ 12-Mo. Forecast ▲

3.2%
CPI Growth

YoY Chg ▲ 12-Mo. Forecast ▼

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

Vacancy Rate Falls on Mall Brand Adjustments and Upgrades

Chongqing's prime retail stock remained at 5.06 million sq m in Q4. The overall vacancy rate dropped 0.12 pp q-o-q to 10.86% following completion of brand adjustments and renovation and upgrade works at several malls. A number of mall operators adjusted rentals to attract tenants and boost occupancy in the quarter, in turn sending the overall average rental level down 0.17% to RMB572.55 per sq m per month.

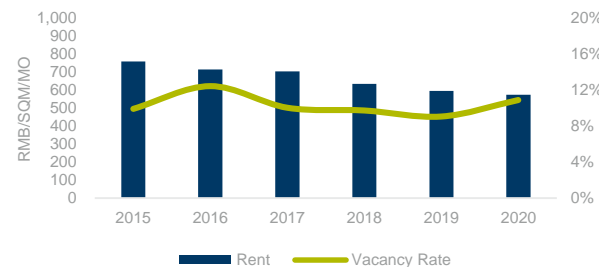
Retail Market Potential Set to Be Further Released

Three new Paradise Walk shopping malls are scheduled to be launched in the coming year: Lijia Paradise Walk, Jinsha Paradise Walk and Park Paradise Walk. Together they will add more than 475,000 sq m of high-quality new supply. The new projects are expected to significantly upgrade their respective submarkets and even reshape Chongqing's future retail submarket map, given the proven success of the Longfor Paradise Walk mall brand in the city.

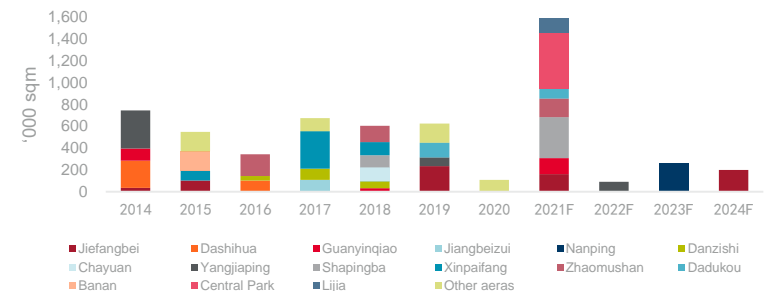
As the only district to surpass RMB80 billion in retail sales, current planning calls for Jiefangbei submarket to build an international financial and commercial avenue along the Jiefangbei, Chaotianmen and Shibati areas, drawing a high volume of customer traffic and creating an internationally recognized profile.

In the first three quarters of 2020, Chongqing city was ranked third in China for total retail sales of consumer goods, valued at RMB832.96 billion, second only to Shanghai and Beijing. Looking ahead, we can expect Chongqing to continue to accelerate the introduction of international brands into the retail market and to promote further uplifts in overall consumer spending.

RENT / VACANCY RATE



RETAIL SUPPLY PIPELINE BY SUBMARKET



CHONGQING

Retail Q4 2020

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2024(SQM)	OVERALL AVG RENT (RMB/SQMMO)*
Jiefangbei	715,000	178,825	25.0%	361,000	782.22
Dashihua	513,900	42,240	8.2%	-	631.25
Guanyinqiao	448,000	30,074	6.7%	148,000	881.67
Jiangbeizui	110,000	3,872	3.5%	-	840.00
Nanping	536,000	21,536	4.0%	262,000	417.50
Danzishi	200,000	14,138	7.1%	-	326.67
Chayuan	130,000	7,800	6.0%	-	275.00
Yangjiaping	508,000	68,970	13.6%	90,000	616.67
Shapingba	224,000	17,267	7.7%	373,700	433.33
Xinpaifang	553,000	49,369	8.9%	-	412.50
Zhaomushan	350,000	46,430	13.3%	170,000	405.00
Banan	177,000	6,903	3.9%	-	360.00
Dadukou	134,700	12,285	9.1%	86,000	370.00
Other areas	464,400	50,252	10.8%	-	386.25
Central Park	0	-	-	510,000	-
Lijia	0	-	-	135,000	-
CHONGQING TOTALS	5,064,000	549,960	10.9%	2,135,700	572.55

* 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 Q4 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Metropolitan Oriental Plaza	Jiefangbei	Huawei Experience Store	Electronics
Times Paradise Walk C	Dashihua	DS	Automobile
Shin Kong Place	Xinpaifang	Cocoyifanwu	F&B

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Jinsha Paradise Walk	Shapingba	2021	210,000
The Ring	Zhaomushan	2021	170,000
Star Light 68 Plaza B	Guanyinqiao	2021	75,000
The Mixc Phase II	Yangjiaping	2022	90,000
Longmen Li	Nanping	2023	262,000
Xinhua Fashion Project	Jiefangbei	2024	200,000

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