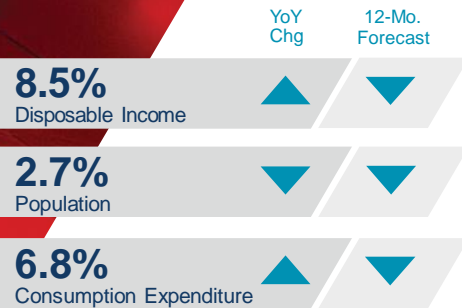


GUANGZHOU

Retail Q4 2020



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

GUANGZHOU ECONOMIC INDICATORS JAN - OCT 2020



Source: Guangzhou Statistics Bureau

Citywide New Supply Marks Five-Year Peak

The Panyu Teemall, Nangang Wanda Plaza and Zengcheng Hopson One projects opened in Q4 after successful pre-leasing activity. With a combined 326,000 sq m, the new projects brought new supply for the full year to 606,000 sq m, expanding the citywide prime retail stock to 4.3 million sq m. The market continued to recover in the quarter, with the arrival of the shopping season prompting new store openings and with the vacancy rate dropping 0.3 pp q-o-q to register 6.1% (up just 0.6 pp y-o-y). Landlords have continued to offer concessions to improve occupancy. Consequently, overall average rent fell 1.7% q-o-q and 3.6 y-o-y to 704.2 RMB per sq m per month. Tenants have welcomed the opportunity to relocate and upgrade, with several brands actively expanding in the quarter.

Themed Promotions Flourish, Entertainment Sector Restructures

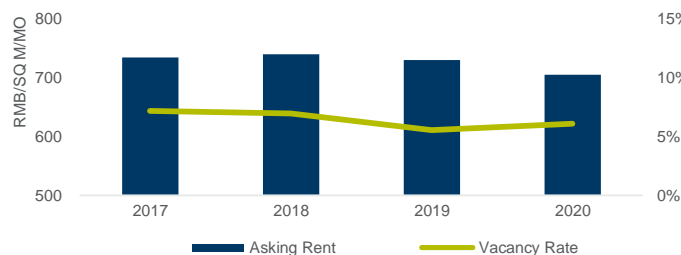
Governments and retail operators organized a variety of themed activities in the quarter. The Municipal Government organized the Double 11 City Shopping Carnival, while Taikoo Hui held a winter-themed Wonder Boulevard attraction and Guangzhou K11 hosted a French cultural festival. New energy vehicle brands, supported by subsidy policies, have also been a force in spurring consumer interest, expanding their retail presence with in-mall experience stores, including GaC AION at Tianhe Vanke Mall and China Plaza, and NIO and Volvo in Yue City.

The entertainment and leisure sector is undergoing a round of restructuring, with small-to-medium sized operations offering unique recreational and innovative experiences actively expanding, while larger children's services businesses, and cinema operators, are freezing expansion or contracting. Regional first stores also remain a key driver of consumer traffic, with Taikoo Hui, for example, attracting Chaumet and Bonpoint.

Outlook

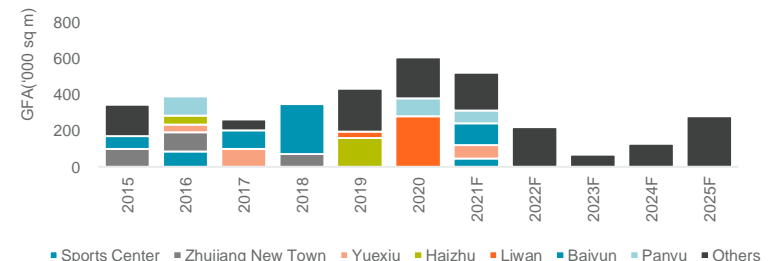
Six new projects are scheduled to complete in 2021, bringing a total of 519,000 sq m to the market. The gradual economic improvement should bring slight growth in rental levels. By category, the Generation Z demographic is expected to provide sustained interest in lifestyle products such as blind box toys, while we can expect to see innovative social marketing strategies continue to promote rapid growth in domestic cosmetics brands. Finally, retailers able to incorporate diverse consumption spaces, such as coffee and book bars, will be best placed to meet consumers' broader social needs and will be set to gain further popularity.

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\$/SQ/FO)*	OVERALL AVG RENT (EUR/SQ/FO)*
Sports Center	822,800	2.2%	45,000	1,585.1	22.4	18.8
Yuexiu	347,200	8.5%	76,000	986.0	13.9	11.7
Zhujiang New Town	564,359	9.9%	0	649.2	9.2	7.7
Haizhu	309,000	3.0%	0	557.5	7.9	6.6
Liwan	405,900	4.5%	0	520.0	7.3	6.2
Baiyun	618,300	9.5%	120,000	461.7	6.5	5.5
Panyu	463,225	5.3%	68,000	448.0	6.3	5.3
OTHERS TOTALS	801,302	6.4%	905,000	333.9	4.7	4.0
GUANGZHOU TOTALS	4,332,086	6.1%	1,214,000	704.2	10.0	8.4

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

SIGNIFICANT STORE OPENINGS Q4 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Tai Koo Hui	Tianhe Sports Centre	Chaumet	Jewelry
IGC	Zhujiang New Town	Jo Malone	Cosmetics
Panyu Aoyuan Plaza	Panyu	Nike	Sportswear
YUE CITY	Liwan	NIO	Facilities
OneLink Walk	Tianhe Sports Centre	Cailan Pho	Food & Beverage

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	GFA(SQ M)
Guangzhou International Commercial Center	Tianhe Sports Centre	2021	45,000
Guangsheng Wanbo City	Panyu	2021	68,000
CADRE INCITY	Others	2021	110,000
Lumina Guangzhou	Yuexiu	2021	76,000
Xintang Kingbuy	Others	2021	100,000

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