

9.2%
Disposable Income

YoY
Chg

12-Mo.
Forecast

1.2%
Population

9.0%
Consumption Expenditure

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

WUHAN ECONOMIC INDICATORS Q1-Q3 2020

-28.1%
Total Retail
Sales Growth

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

3.5%
CPI Growth

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

K11 Art Mall Opening Boosts New Supply

The opening of K11 Art Mall and Dongxihu Wanda Plaza in Q4 added 151,988 sq m of new space to the Wuhan market, with total prime retail stock growing to 2.36 million sq m. Following the tenant adjustments and upgrades of Q3, the prime business circles saw falls in vacancy rates. Luxiang district benefited from the reopening of universities, with significantly improved foot traffic. By the end of Q4 the overall vacancy rate for Wuhan's four core retail submarkets fell 5.9 pp to 14.2% q-o-q. Overall average rental levels dropped 0.7% q-o-q to RMB555.6 per sq m per month in Q4.

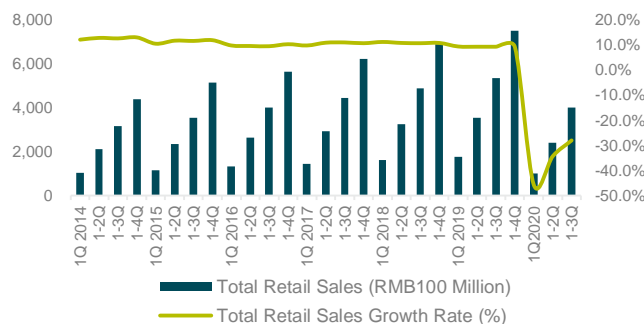
Brand Expansion Recovered in Q4

Brand expansion began to recover in Q4, with the number of new store openings in the four core business districts doubling over Q3. By sector, apparel accessories, F&B and children's sectors led the expansion, accounting for 38.8%, 35.0% and 15.4% respectively of new store openings in Q4. The opening of Hankou K11 Art Mall in the quarter brought a wave of new brands to the Wuguang submarket, including the first Starbucks Coffee-Beer store in Central China, the first NARS in Wuhan and the first Ya-man store in Central China. The new entrants have injected welcome vitality into the submarket. The opening of Wanda Plaza in Dongxihu also brought new commercial activity to the emerging business circle.

Outlook

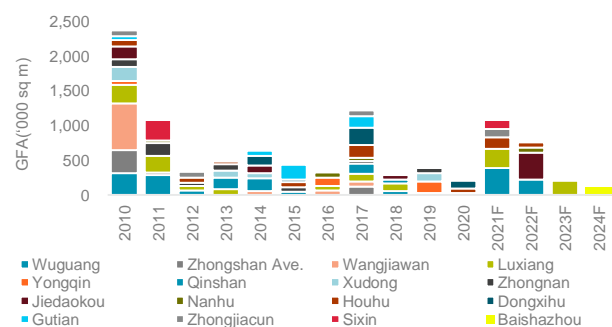
New prime retail projects expected to complete next year include Hang Lung Plaza, Jiangchen Paradise Walk and the Joy City. A total of 1.08 million sq m of new retail supply is now scheduled for 2021, of which 59.1% will be located in the prime business circles. We can expect the prime retail submarkets to become the most competitive arena for brand offerings in the short-term. In the emerging retail submarkets, the coming delivery of high-quality retail projects will now compensate for the prior lack of retail facilities, promoting population growth and the continuing coordinated development of the region.

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 2024 (SQM)	OVERALL AVG RENT (RMB/SQMMO)*	OVERALL AVG RENT (US\$/SQMMO)*	OVERALL AVG RENT (EUR/SQMMO)*
Wuguang	746,557	7.4%	609,641	711.1	10.0	8.4
Zhongshan Ave.	478,000	20.6%	0	578.8	8.2	6.9
Wangjiawan	345,935	6.8%	0	441.7	6.2	5.2
Luxiang	790,770	20.1%	494,137	455.6	6.4	5.4
WUHAN CORE BUSINESS CIRCLES TOTALS	2,361,262	14.2%	1,103,778	555.6	US\$7.9	€6.6

*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 = 6.57462 RMB = 0.840894 EUR as at 25th Nov 2020

SIGNIFICANT STORE OPENINGS Q4 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
K11	Wuguang	Marionnaud Paris	Cosmetics
Central Department Store	Zhongshan Ave.	MITU Room Escape	Leisure & Entertainment
Wuhan International Plaza	Wuguang	PUTIEN	F&B
Wuhan Tiandi	Yongqing	Modern China Tea Shop	F&B

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	GFA SQM
Hang lung Plaza	Wuguang	2021	145,370
The Joy City	Luxiang	2021	130,000
Jiangchen Paradise Walk	Wuguang	2021	140,000
Fanyue City	Luxiang	2021	30,000
The MIXC	Wuguang	2022	166,700
The Dream Mall	Jiedaokou	2022	390,100

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