



5.0%
Disposable Income

YoY
Chg

12-Mo.
Forecast

2.9%
Population

-1.0%
Consumption Expenditure

Source: Changsha Statistics Bureau (Growth rates are as of 2020, but 2019 for population growth figure.)

CHANGSHA ECONOMIC INDICATORS 2020

-2.6%
Total Retail Sales of
Consumption
Goods Growth

43.8%
Online Retail Sales
Growth

1.8%
CPI Growth

YoY
Chg

12-Mo.
Forecast

Note: Changsha Statistics Bureau didn't issue Figure of online retail sales growth for 2019.

Source: Changsha Statistics Bureau/ Cushman & Wakefield Research

Submarket Rents Climb Following Mall Brand Mix Adjustments

No new prime retail projects were completed in Changsha in Q1, and the citywide total retail stock remained at approximately 2.3 million sq m. Following the peak sales season during the Spring Festival, some mall operators continued adjusting their brand mixes and introduced a batch of new stores. These efforts pushed up net absorption to reach 15,549 sq m for the quarter. The citywide vacancy rate dropped 0.7 pp q-o-q to 6.2%. The overall monthly average rental level edged up 0.3% q-o-q to RMB423.2 per sq m. In the core submarkets, average rents at Meixi Lake, Wuguang and Riverside New Town climbed by 1.7%, 1.3% and 1.2% q-o-q, respectively.

General Retailing Sector Led Expansion Activity

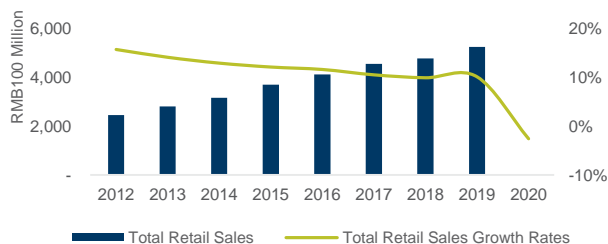
The general retail sector was the most active for new store activity in Q1, accounting for approximately 44.4% by leased area. The F&B and leisure & entertainment sectors accounted for approximately 27.9% and 14.7% respectively. Notable new openings in the quarter included the first KKV store in Hexi submarket at BBG Mexi New World, traditional F&B brand Shuangyanlou's outlet at Taskin Sijihui Shopping mall, and Lefit's opening at I City and Hisense Square.

Outlook

The North Star Joy City, BBG Starfield, IKEA LIVAT Centre and Longfor Yanghu Paradise Walk projects are all scheduled for 2021 and will bring a total of around 594,629 sq m of quality new supply to the market.

Well-known developers including IKEA, Longfor and Grand Joy have now entered Changsha's emerging submarkets. In addition, CR Land purchased a land parcel in Tongzipo submarket in Yuelu district in February, indicating that a future Changsha Mixc opening may be on the cards. These developments reflect the confidence that such established brands, operators and developers hold in the future promise of the Changsha retail market.

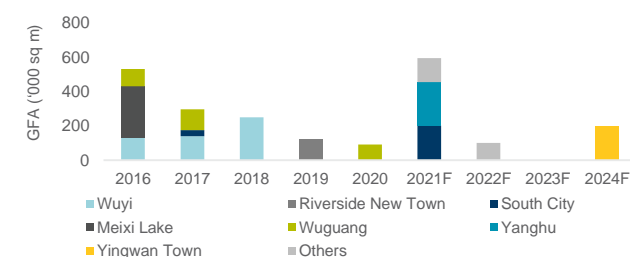
CHANGSHA RETAIL SALES AND GROWTH RATE



Note: Changsha Statistics Bureau didn't issue a figure for total retail sales of consumption goods for 2020.

Source: Cushman & Wakefield Research

CHANGSHA RETAIL ANNUAL NEW SUPPLY BY SUBMARKET



Note: F is for forecast
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\$/SQMO)*	OVERALL AVG RENT (EUR/SQMO)*
Wuyi	1,174,400	5.5%	0	510.2	7.3	6.1
Riverside New Town	269,000	10.7%	0	316.3	4.5	3.8
Meixi Lake	300,000	3.7%	0	300.0	4.3	3.6
South City	235,000	2.5%	200,000	410.0	5.9	4.9
Wuguang	311,100	10.4%	0	266.7	3.8	3.2
Yanghu	0	N/A	254,629	N/A	N/A	N/A
Yingwan Town	0	N/A	198,260	N/A	N/A	N/A
OTHERS TOTALS	0	N/A	240,000	N/A	N/A	N/A
CHANGSHA TOTALS	2,289,500	6.2%	892,889	423.2	6.0	5.1

*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 = 6.51042 RMB= 0.84049 EUR as at Mar 10, 2021

SIGNIFICANT STORE OPENINGS Q1 2021

PROPERTY	SUBMARKET	TENANT	SECTOR
BBG Meixi New World	Meixi Lake	FILA	Sportswear
BBG Meixi New World	Meixi Lake	TESLA	Retail Showroom
BBG Meixi New World	Meixi Lake	KKV	Household Goods
Hisense Square	Wuyi	LEFIT	Leisure & Entertainment
High-speed Rail Wuyue Plaza	Wuguang	GOME	Electrical & Electronics

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	GFA (SQM)
IKEA LIVAT Centre	Yanghu	2021	154,629
Longfor Yanghu Paradise Walk	Yanghu	2021	100,000
North Star Joy City	Other	2021	140,000
BBG Starfield	South City	2021	200,000
Longfor Fulong Paradise Walk	Other	2022	100,000
Greenland Binfen City	Yingwan Town	2024	198,260

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