

CHONGQING

Retail Q1 2021

6.6%
Disposable Income

YoY Chg ▲ 12-Mo. Forecast ▲

0.73%
Population

YoY Chg ▼ 12-Mo. Forecast ▲

4.4%
Consumption Expenditure

YoY Chg ▲ 12-Mo. Forecast ▲

Source: Statistics Bureau of Chongqing Municipality
(Figures are growth rates as of 2020.)

CHONGQING ECONOMIC INDICATORS 2020

1.3%
Total Retail Sales Growth

YoY Chg ▲ 12-Mo. Forecast ▲

45.0%
Online Sales Growth

YoY Chg ▲ 12-Mo. Forecast ▲

2.3%
CPI Growth

YoY Chg ▼ 12-Mo. Forecast ▼

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

Active Consumption Market Help Rent Levels Rebound

Jinsha Paradise Walk and Lijia Paradise Walk completed in Q1, adding a combined 345,000 sq m of new retail supply. Total stock subsequently increased to 5.4 million sq m. Across the overall market, monthly prime retail rent increased 0.43% q-o-q to average RMB575.00 per sq m in Q1, gaining support from new high-rent malls and the start of the Chinese New Year period. In addition, following successful upgrades at some retail projects, vacancy tightened to a 10.45% at the end of the quarter, dropping 0.41 percentage points q-o-q.

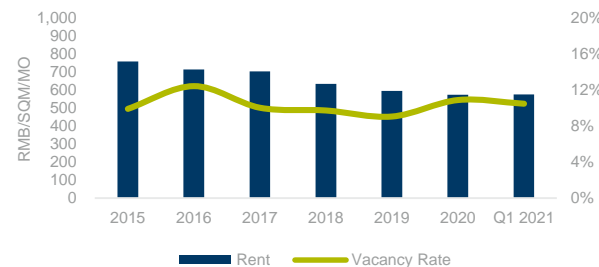
Traditional Business Districts to Upgrade, New Districts Planned

WFC, located in Jiefangbei, replaced Dolce & Gabbana with Puma at the beginning of 2020, while LV at Chongqing Times Square also exited from Jiefangbei this quarter, and opened a new store in Star Light 68 Plaza in Guanyinqiao. There are signs that the tourist shopper footfall trend in Jiefangbei business district is moving more mainstream, while Guanyinqiao business district is becoming the focus area for high-end brands.

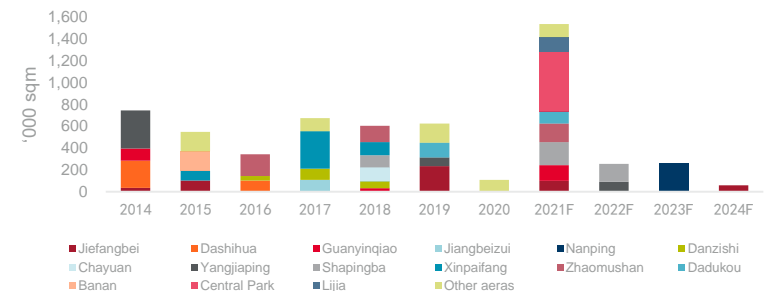
Chongqing has officially identified six "New City Cards," one of which is the Changjiahui Grand Scenic Area, centered around Chaotianmen, Jiefangbei, Jiangbeizui, Danzishi, and Longmenhao districts. These areas will focus on the development of tourism, promote the city's image, and bring benefits to adjacent commercial development. One example this quarter was at Landmark Riverside Park on Nanbin road, with the opening of the first duty-free shop in the city's urban area.

Chongqing has announced clear development goals for opening up and business growth in the new five-year (2021-2025) plan period. These goals include average annual growth of about 6% for total retail sales of consumer goods, and progress towards building a consumer center city with strong international visibility by 2025. City planning includes the upgrading of traditional business districts and the construction of new business districts such as Daping, Jinzhou, Jiashou, Longzhouwan and Liangjiang International Business Center.

RENT / VACANCY RATE



RETAIL SUPPLY PIPELINE BY SUBMARKET



CHONGQING

Retail Q1 2021

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2024(SQM)	OVERALL AVG RENT (RMB/SQMMO)*
Jiefangbei	715,000	193,980	27.1%	158,000	786.11
Dashihua	513,900	40,073	7.8%	-	637.50
Guanyinqiao	448,000	28,052	6.3%	143,000	885.00
Jiangbeizui	110,000	4,026	3.7%	-	850.00
Nanping	536,000	19,095	3.6%	262,000	423.75
Danzishi	200,000	17,800	8.9%	-	328.33
Chayuan	130,000	6,500	5.0%	-	280.00
Yangjiaping	508,000	69,480	13.7%	90,000	603.33
Shapingba	434,000	21,492	5.0%	163,700	502.50
Xinpaifang	553,000	48,733	8.8%	-	412.50
Zhaomushan	350,000	43,380	12.4%	170,000	410.00
Banan	177,000	6,195	3.5%	-	365.00
Dadukou	134,700	11,180	8.3%	113,000	360.00
Lijia	135,000	6,750	5.0%	-	450.00
Other areas	464,400	48,560	10.5%	120,000	388.75
Central Park	0	-	-	544,000	-
CHONGQING TOTALS	5,409,000	565,296	10.5%	1,763,700	575.00

* 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 Q1 2021

PROPERTY	SUBMARKET	TENANT	SECTOR
Star Light 68 Plaza	Guanyinqiao	Louis Vuitton	Luxury
Liujia Wharf section of Beibin Road	Jiangbeizui	Gooogos Vintage boutique	Luxury
Landmark Riverside Park	Danzishi	Chongqing duty-free shop	Cosmetics, Luxury, etc

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
JoyCity	Central Park	2021	180,000
The Ring	Zhaomushan	2021	170,000
Star Light 68 Plaza B	Guanyinqiao	2021	70,000
The Mixc Phase II	Yangjiaping	2022	90,000
Longmen Li	Nanping	2023	262,000
Xinhua Fashion Project	Jiefangbei	2024	58,000

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