

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

CHENGDU ECONOMIC INDICATORS 2021 Q1



Source: Statistics Bureau of Chengdu Municipality

Retail Recovery Prompts Vacancy Fall

No new supply was added in Q2, and Chengdu's total retail market remained at 7.15 million sq m, of which more than 1.1 million sq m is located in the Financial City submarket. Overall rents have now gradually recovered since Q3 2020, growing by 0.24% q-o-q this quarter to reach RMB630.65 per sq m per month. Thanks to the market's solid overall performance, the average vacancy rate dropped 0.1 percentage points q-o-q to 6.58%. New supply forecasts say that the market is set to receive approximately 670,000 sq m of new supply through this year, of which Panchenggang submarket will account for more than half. The wave of new completions will likely push up the overall vacancy rate and place downward pressure on rental levels in the short run, while also enhancing Panchenggang's attraction as a commercial location.

Market to Welcome Further Development Diversification

Domestic economic recovery and renewed growth, coupled with strong consumer activity, enabled the Chengdu retail market to attract 296 first stores in 2021 H1. Looking ahead, the market's direction is expected to be towards further internationalization and diversity.

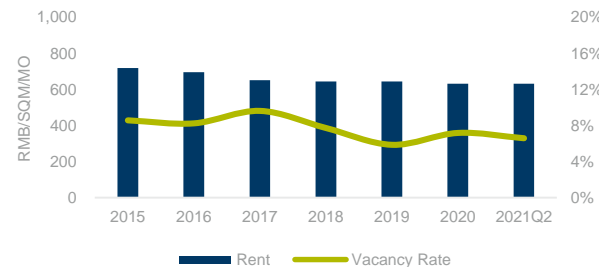
Optimize Center Strategy Expected to Continue

Under Chengdu's urban development strategy, the "Optimize Center" concept, a collection of old city blocks regenerated with Chengdu-specific elements, have been built, including Xiangxiang Alley and Zaozi Alley. These areas have found favor with the public and are drawing in visitors seeking a Chengdu-specific lifestyle experience. This urban transformation approach is hoped to become an important part of the city's retail market future development.

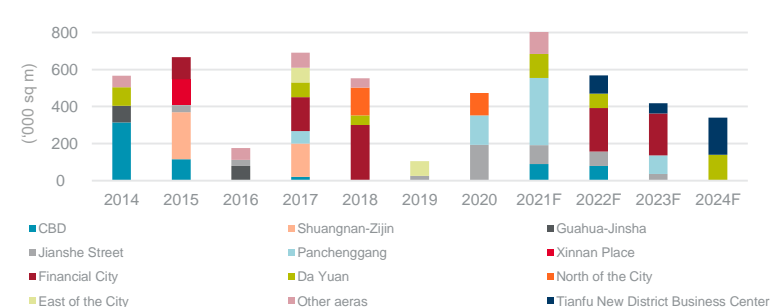
Community Business Plan Steadily Advancing

In response to the proposal at the beginning of the year to create a new demonstration consumption area for community businesses, Chengdu has now announced a plan to build more than 10 "park community neighborhood homes" in five years.

RENT / VACANCY RATE



RETAIL SUPPLY PIPELINE BY SUBMARKET





MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2024 (SQM)	OVERALL AVG RENT (RMB/SQMMO)*
CBD	1,304,956	119,703.5	9.2%	169,000	1,385.93
Shuangnan-Zijing	663,000	72,490.0	10.9%	-	569.67
Guanghua-Jinsha	306,171	7,340.0	2.4%	-	442.78
Jianshe Road	720,700	58,080.0	8.1%	217,000	361.46
Panchenggang	472,239	9,240.0	2.0%	463,000	855.56
Xinnan Tiandi	281,773	7,517.7	2.7%	-	747.22
Financial City	1,110,400	54,368.0	4.9%	459,275	522.62
Da Yuan	413,000	35,600.0	8.6%	217,000	360.42
North of the city	958,300	43,086.0	4.5%	-	457.38
East of the city	235,000	7,050.0	3.0%	-	388.89
Other areas	688,784	56,531.4	8.2%	120,000	484.29
CHENGDU TOTALS	7,154,323	471,006.6	6.6%	1,645,275	630.65

* 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 Q2 2021

PROPERTY	SUBMARKET	TENANT	SECTOR
Joy City	Shuangnan-Zijing	Seesaw Coffee	F&B
IFS	CBD	NAG.	Retail
Mixc	Panchenggang	ACQUA DI PARMA	Retail

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Taihe Project	Panchenggang	2021	70,000
ICC	Panchenggang	2021	170,000
Vogue Legend	Financial City	2022	234,000
WE City	Panchenggang	2023	100,000
SKP	Financial City	2023	225,275

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