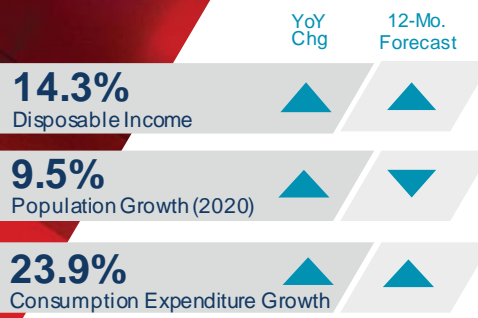


NANJING

Retail Q2 2021

CUSHMAN & WAKEFIELD



Qiaobei Mix One Opened in Q2

Mix One in Qiaobei opened as scheduled at the end of June. It is a high-quality commercial project in Jiangbei New Area. The overall occupancy rate of the mall has reached 100%. The project covers an area of 100,000 sq m and it adopts a TOD comprehensive development strategy. As more quality malls nearby complete soon, such as Golden Elephant City-Wangfujing and Wondercity, market competition is likely to be intensified.

The total stock of quality retail space reached 4.21 million sq m at the end of Q2 2021. Many previously delayed malls are now expected to be completed this year, which will particularly boost the development of Hexi New Town and Jiangbei New Area.

Demand for Quality Retail Space Continued to Grow

Supported by economic growth, customer footfall at shopping malls increased dramatically in Q2. According to the Nanjing Statistics Bureau, consumption expenditure growth and disposable income rose 23.9% and 14.3% y-o-y, respectively. Demand for quality retail space from many international and domestic retailers continued to grow in Q2. F&B, new retail, apparel, entertainment and cosmetics retailers were the major drivers of demand. Examples include UNIQLO and CGS Cinema in Mix One, Yan Ji You in the Splendors, Man Man's first store at Golden Eagle and Maia Active at Deji Plaza. More first store openings expected in the near-term will continue to attract customer attention.

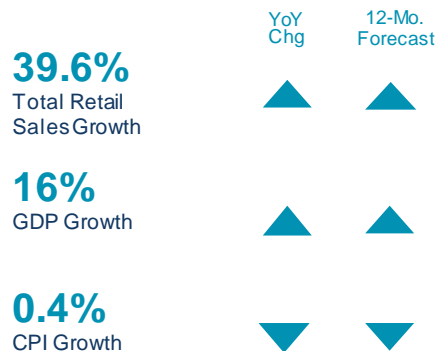
The average occupancy rate of Nanjing's mid- to high-end shopping malls was 96.5% in the quarter, up 0.25% compared to Q1. Average first floor rent at shopping malls rose slightly in the quarter, up 0.27% q-o-q to RMB725 per sq m per month.

Much of New Supply is Slated for Emerging Areas

Due to the local government-led stable economic development, domestic consumer demand in Nanjing is expected to be stimulated in the future, supporting business growth for retailers in multiple sectors. Growing numbers of brands are choosing to open first stores in Nanjing. Fifteen new projects are expected to enter the Nanjing retail market by 2023, providing nearly 2 million sq m of new retail space. Hexi New Town is the area slated for the largest supply. Seven projects are scheduled to open in the second half of 2021, bringing 812,000 sq m of new space to the retail market. In response to the significant volume of new supply scheduled to enter the market, shopping mall landlords may move to lower their rental expectation in order to maintain stable occupancy in 2021.

Source: Nanjing Statistics Bureau.
The forecast is based on Oxford Economics

NANJING ECONOMIC INDICATORS 2020

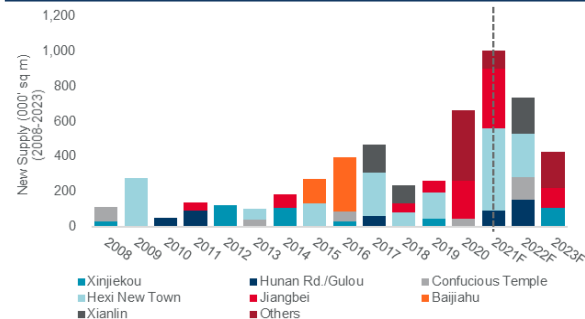


Source: Nanjing Statistics Bureau
The forecast is based on Oxford Economics

RENT / VACANCY RATE



RETAIL SUPPLY PIPELINE BY SUBMARKET



MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	VACANT (SQ M)	VACANCY RATE	UNDER CNSTR TILL 2023 (SQ M)	OVERALL AVG RENT (RMB/SQ MMO)*
Xinjiekou	695,851	27,827	4%	108,000	600-2,900
Gulou & Hunan Road	198,469	28,356	14.3%	150,000	200-600
Confucius Temple	229,567	8,223	3.6%	0	470-810
Hexi New Town	1,011,614	37,478	3.7%	722,656	150-1,000
Qiaobei	571,557	9,187	1.6%	450,000	700-760
Xianlin	264,000	5,280	2.0%	205,000	300-370
Baijiahu	450,000	16,020	3.6%	0	426-500
Zhushan Road	281,000	3,850	1.4%	0	350-500
Others	509,872	10,917	2.2%	610,000	300-1,000
NANJING TOTALS	4,211,930	147,138	3.5%	2,565,436	150-2,900

* 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.

SIGNIFICANT STORE OPENINGS Q2 2021

PROPERTY	SUBMARKET	TENANT	SECTOR
Golden Eagle	Xinjiekou	Algebraist Coffee	Food & Beverage
Nanjing Genbest	Xinjiekou	Menya Musashi	Food & Beverage
Qiaobei Mix One	Qiaobei	UNIQLO	Clothes
Qiaobei Mix One	Qiaobei	CGS	Entertainment
The Splendors	Gulou&Hunan Road	Yan Ji You	New Retail
Wonder City	Others	ACC (accessory)	New Retail
Golden Eagle	Xinjiekou	Man Man	Food & Beverage
Deji Plaza	Xinjiekou	Maia Active	Fashion
Wonder City	Others	Enjoy	Retail

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQ M
Zendai Himalaya Center	Others	2021	130,000
Gemdale Plaza	Hexi New Town	2021	70,000
Longfor Hexi Paradise Walk	Hexi New Town	2021	160,000
Nanjing SHK IFC	Hexi New Town	2022	93,000
Greenland Zijin Center	Gulou & Hunan Road	2022	150,000
Qixia Yanziji Mixc	Others	2022	210,000

SHAUN BRODIE

Head of Business Development Services, East China & Greater China Content

42-43/F, Tower 2, Plaza 66, 1366 Nanjing West Road Shanghai

Tel: +86 21 2208 0529 / shaun.fv.brodie@cushwake.com

cushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. Across Greater China, 22 offices are servicing the local market. The company won four of the top awards in the Euromoney Survey 2017, 2018 and 2020 in the categories of Overall, Agency Letting/Sales, Valuation and Research in China. In 2019, the firm had revenue of \$ 8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.