

2.6

Stock (Million sq m)

YoY
Chg12-Mo.
Forecast

552.9

Average Rent (RMB/sq m/month)

14.2%

Vacancy Rate

WUHAN ECONOMIC INDICATORS
2021Q1

67.4%

Total Retail
Sales Growth

7.6%

Online Retail Sales
Growth (Figure is
growth rates of 2020)

-1.9%

CPI Growth

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

Launch of K11 I and Jiangchen Paradise Walk Boosts Prime Stock

The opening of K11 I and Jiangchen Paradise Walk in Q2 added a combined 188,491 sq m of new retail space to the Wuhan market. Total prime retail stock rose to 2.6 million sq m. The vacancy rate in the core business circles remained stable, with overall vacancy declining slightly by 0.3 percentage points q-o-q to 14.2%. The new project deliveries helped boost absorption performance in the core submarkets, with net absorption recording a total of 113,656 sq m for Q2. Overall average rental levels remained stable, dropping by just 0.2% q-o-q to RMB552.9 per sq m per month at the end of the quarter.

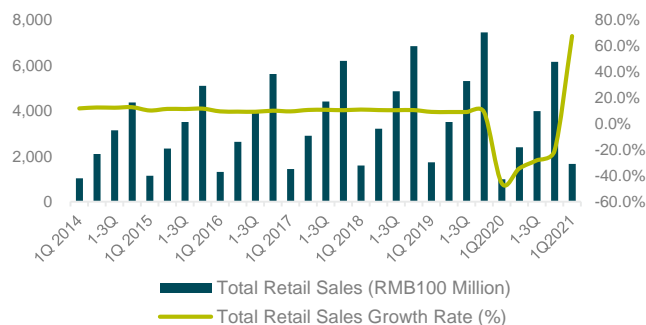
New Deliveries Prompt A Wave of New Entrants

With the new projects delivered, the number of new store openings in the four core business districts jumped by 26.8% compared to the previous quarter. By sector, the number of new store openings in the leisure and entertainment, apparel accessories, and F&B sectors increased significantly q-o-q, at 58.3%, 38.9 % and 29.2%, respectively. The new prime malls also successfully brought a wave of quality new entrants to the city. K11 I introduced a series of international luxury brands including Alexander McQueen, Golden Goose and Stella McCartney; while Jiangchen Paradise Walk attracted leisure and entertainment new entrants including Little Hoo Space, Read At Ten bookstore and MIXC movie theater.

Outlook

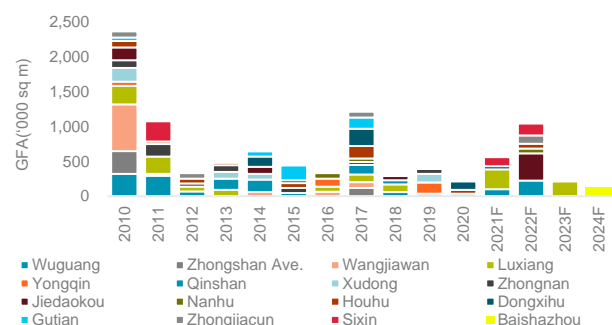
A total of 559,137 sq m of new retail supply is scheduled to complete through the remainder of 2021, including the Fanyue City, Huafa Midtown Plaza and Joy City projects. Overall, 2021 will undoubtedly be a highlight year for new retail supply in Wuhan, with most of the future supply located in the traditional core business circle. We expect to see further competition among the prime retail submarkets in introducing merchants and brands in the near-term.

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	1,084,987	9.5%	324,271	672.5	9.8	8.0
Zhongshan Ave.	478,000	20.4%	0	553.8	8.1	6.6
Wangjiawan	345,935	5.7%	0	433.3	6.3	5.2
Luxiang	724,770	21.1%	494,137	462.5	6.7	5.5
WUHAN CORE BUSINESS CIRCLES TOTALS	2,633,692	14.2%	818,408	552.9	US\$8.0	€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 = 6.389776 RMB = 0.820447 EUR as of 8th June 2021

SIGNIFICANT STORE OPENINGS Q2 2021

PROPERTY	SUBMARKET	TENANT	SECTOR
Hang Lung Plaza	Wuguang	JiaGuolong Kung Fu Restaurant	F&B
Jiangchen Paradise Walk	Wuguang	Read at Ten	Leisure & Entertainment
Moore City	Wangjiawan	Carle Speed	Family & Kids
K11 I	Wuguang	Gentle Monster	Apparel & Accessories

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	GFA SQM
The Joy City	Luxiang	2021	130,000
Fanyue City	Luxiang	2021	30,000
The MIXC	Wuguang	2022	166,700
The Dream Mall	Jiedaokou	2022	390,100

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