

	YoY Chg	12-Mo. Forecast
6.10 Stock (million sq m)	▲	▲
¥246 Rent (PSM/MO)	▼	▲
19.1% Vacancy Rate	▲	▲

Source: Cushman & Wakefield Research

XI'AN ECONOMIC INDICATORS
Q1 2021

	YoY Chg	12-Mo. Forecast
16.0% GDP Growth	▲	▼
38.2% Total Retail Sales of Consumer Goods Growth	▲	▼
0.5% CPI Growth	▼	▲
- Per Capita Disposable Income of Urban Residents	▲	▲

Source: Xian Statistics Bureau / Cushman & Wakefield Research

Market Overview

The completion of the Xi'an City More project in the South City submarket in Q2 added 80,000 sq m of quality retail space to Xi'an's retail market. Citywide total mall stock rose to 6.1 million sq m.

Although the pandemic has been effectively controlled domestically, some containment measures remain, and the retail market still faces challenges. Malls continued to actively adjust their tenant mixes and to attract new brands in the quarter. The overall market vacancy rate edged down 0.2 percentage points from the previous quarter to 19.1%. Overall average asking rents moved down slightly at 0.5% q-o-q to end the quarter at RMB246 per sq m per month.

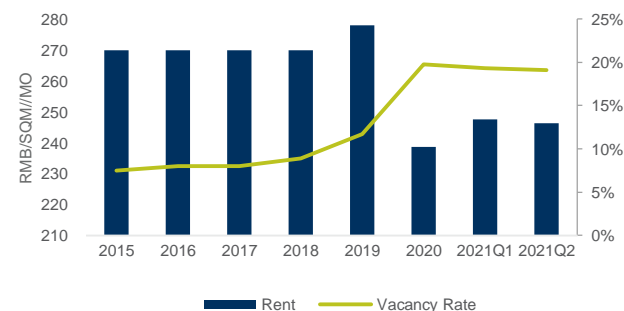
Malls actively introduced first-store brands in the period. The first Onitsuka Tiger flagship store in Northwest China opened in Xi'an Gpark shopping center. Intime Department Store introduced the international Adidas Originals FDD brand, and the French luxury skin care brand DARPHIN, both as first stores in Northwest China. Mall operators' efforts were supported by city initiatives to promote upgrades of pedestrian streets. The Grand Tang Dynasty Ever Bright City pedestrianized area appeals to both local consumers and foreign tourists, introducing Internet celebrities and F&B brands with local characteristics to deliver a new consumption experience to consumers.

Outlook

Three new projects with a combined 228,000 sq m of high-quality retail space are scheduled to enter the retail market in 2H 2021. The new entrants are expected to further intensify market competition, exerting upwards pressure on overall vacancy.

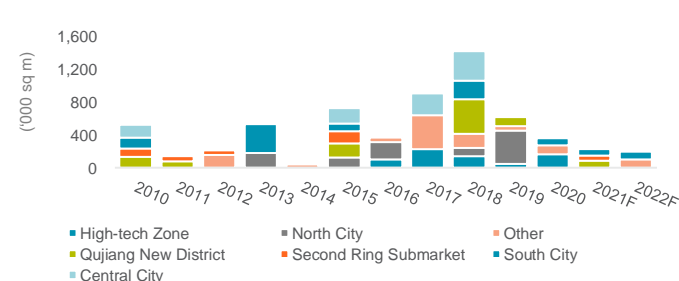
The retail market has benefited from improved city transportation convenience in recent years, with the completion of multiple new metro years. Currently, most new commercial projects under construction are located along the metro network, and we can expect adoption of the Transit Oriented Development (TOD) development model to promote retail market growth into the longer-term.

RENT / VACANCY RATE



Source: Cushman & Wakefield Research

RETAIL SUPPLY PIPELINE BY SUBMARKET



Source: Cushman & Wakefield Research

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2021 (SQM)	ASKING RENTAL RANGE (RMB/SQM/MO)*
Central City	831,600	157,810	18.98%	0	220 – 340
Hi-tech Zone	769,000	125,850	16.37%	0	180 – 230
North City	1,107,540	282,677	25.52%	0	150 – 240
Qujiang District	921,632	168,445	18.28%	88,000	150 – 230
Second Ring Road	368,500	90,600	24.59%	60,000	140 – 300
South City	877,711	159,186	18.14%	179,000	280 – 700
Other	1,226,000	179,500	14.64%	100,000	180 – 280
XI'AN TOTALS	6,101,983	1,164,067	19.08%	427,000	246.4

*Data includes shopping malls only;

*Asking Rental Range (RMB/sq m/mo) is based on ground floor rent in prime locations in major shopping centers, excluding management, promotional and other fees.

SIGNIFICANT STORE OPENINGS Q2 2021

PROPERTY	SUBMARKET	TENANT	SECTOR
Gpark	Other	Onitsuka Tiger	Fashion
Intime Department Store	Central City	Adidas Originals FDD	Fashion
MOMOPARK	South City	Lego	Children

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Xi'an Qujiang the Mixc world	Qujiang District	2021	88,000
Suning Square	South City	2021	80,000
Xi'an Taiyi City Shopping Center	Second Ring	2021	60,000
OCT Xi'an International Cultural Center	South City	2022	99,000
Xi'an CCCC Changying Tiandi	Other	2022	100,000

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