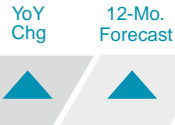


CHONGQING

Retail Q1 2022

8.7%
Disposable Income



0.1%
Population



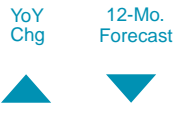
13.5%
Consumption Expenditure



Source: Statistics Bureau of Chongqing Municipality
(Figures are growth rates as of 2021.)

CHONGQING ECONOMIC INDICATORS Q4 2021

18.5%
Total Retail Sales Growth



27.3%
Online Sales Growth



0.3%
CPI Growth



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

Vacancy Rate Decline, Fierce Competition Sees Slight Rental Level Drop

Chongqing's retail stock pushed past the 6.2 million sq m mark in Q1 following the completion of three new projects in the Central Park area: Wuyue Plaza, Longfor Park City Paradise Walk, and Joy City. During the New Year's Day and Spring Festival holiday periods, the success of Chongqing's COVID-19 containment measures empowered an active consumer market, and the three new high-quality projects achieved high occupancy. The citywide overall vacancy rate dropped 0.31 percentage points to 10.09%. The new completions did cause competition to heat up even further in the leasing market, prompting the average rental level to fall modestly at 0.41% q-o-q to record RMB580.0 per sq m per month.

Accelerating Business District Upgrading with Policy Support

Yuangong Department Store, launched in Jiefangbei in 1997, is to shutter in April 2022. The operator has signed a contract with Chongqing Times Center in Guanyinqiao to build the Chongqing Times Center international flagship shopping center, which will also be the first urban complex operated by Taiwan Far East Group in mainland China.

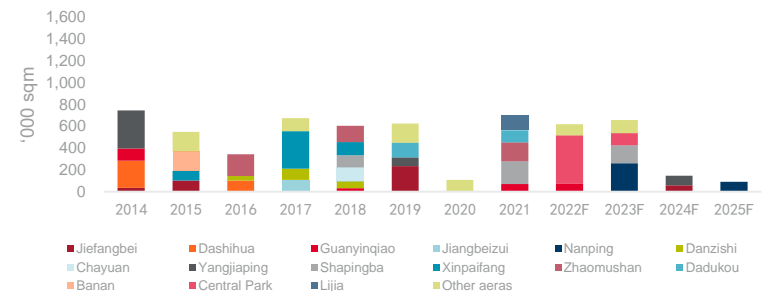
The Yuzhong government is supporting the upgrading of the Jiefangbei area by introducing new measures, which aim at the optimization of the spatial layout, the expansion of Jiefangbei-Chaotianmen business district to 3.05 sq km, and the goal of total retail sales of social consumer goods exceeding RMB100 billion, to create Chongqing's first RMB100 billion business district.

In February 2022, Chongqing issued the *Several Policies for Cultivating and Building an International Consumption Center in Chongqing*. The policies will offer financial incentives of up to RMB1 million yuan (US\$160,000) to major commercial brands to choose Chongqing as the location for their first store in Asia, mainland China, or southwestern China, or for launching their first store in the city. We expect this initiative will positively impact the establishment and upgrade of more high-quality malls in the Chongqing retail market.

RENT / VACANCY RATE



RETAIL SUPPLY PIPELINE BY SUBMARKET



MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2025(SQM)	OVERALL AVG RENT (RMB/SQMMO)*
Jiefangbei	715,000	192,450	26.9%	58,000	779.44
Dashihua	513,900	37,923	7.4%	-	637.50
Guanyinqiao	518,000	30,240	5.8%	73,000	928.57
Jiangbeizui	110,000	3,630	3.3%	-	850.00
Nanping	536,000	26,222	4.9%	353,200	423.75
Danzishi	200,000	18,040	9.0%	-	336.67
Chayuan	130,000	5,590	4.3%	-	290.00
Yangjiaping	508,000	71,900	14.2%	90,000	600.00
Shapingba	434,000	30,980	7.1%	163,700	500.00
Xinpaifang	553,000	50,921	9.2%	-	416.25
Zhaomushan	520,000	46,510	8.9%	-	458.75
Banan	177,000	3,540	2.0%	-	365.00
Dadukou	247,700	17,121	6.9%	-	365.00
Lijia	135,000	4,050	3.0%	-	440.00
Central Park	444,000	31,360	7.1%	110,000	533.33
Other areas	464,400	55,954	12.1%	220,000	388.75
CHONGQING TOTALS	6,206,000	626,431	10.1%	1,067,900	580.00

* 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 2022

PROPERTY	SUBMARKET	TENANT	SECTOR
The Ring	Zhaomushan	Belle Palace Cinema	Entertainment
Raffles City Shopping Centre	Jiefangbei	Taste of Dadong	F&B
Star Light 68 Plaza	Guanyinqiao	BALMAIN	Retail

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Chongqing Times centre	Guanyinqiao	2022	73,000
T City Taoyuan Tiandi shopping centre	Other areas	2022	100,000
U FUN	Central Park	2023	110,000
Longmen Li	Nanping	2023	262,000
The Mixc Phase II	Yangjiaping	2024	90,000
Xinhua Fashion Project	Jiefangbei	2024	58,000
Nancheng Paradise Walk	Nanping	2025	91,200

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