

# HANGZHOU

Retail Q1 2022

CUSHMAN & WAKEFIELD

12-Mo. Forecast

**5.4**  
STOCK (MILLION SQ.M)

**¥605.4**  
RENT (PSM/MO)

**94.9%**  
OCCUPANCY RATE

## HANGZHOU ECONOMIC INDICATORS Q4 2021

Q3 2021 12-Mo. Forecast

**11.4%**  
Total Retail Sales Growth

14.2%

**10.7%**  
Online Retail Sales Growth

15.1%

**1.3%**  
CPI Growth

0.7%

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

## No New Projects Completed in Q1

No new projects were added in Q1. Hangzhou's quality retail stock subsequently remained at approximately 5.4 million sq m at the end of the quarter. Net absorption was at 20,400 sq m, leading to the city's occupancy rate remaining stable at 94.9%. Overall, first floor rent for high-quality retail properties averaged RMB605.4 per sq m per month at the end of the quarter.

In early February, the Hangzhou Government launched ten important measures to help enterprises to overcome the impact of the pandemic and to stimulate market vitality, including: strengthening support for manufacturing enterprises, retail and catering industries; increasing enterprise financing services; implementing the employee return subsidy and the enterprise employment subsidy, and; extending the validity period of e-coupons.

Shopping malls accelerated replacement of commercial formats and brands in Q1 in order to align with new consumption trends. Major store openings included: Hubin Intime In77 introducing Nike Beacon 1200's first store in Zhejiang, Raffles introducing Guoye Dim Sum Factory's first store in China, Kerry Center welcoming Wolfgang's Steakhouse's first store in the province, and Binjiang Powerlong City welcoming a 2,500 sq m immersive sports theme park, Taroko Sports Plus.

## Ice-Snow Economy Set to Grow

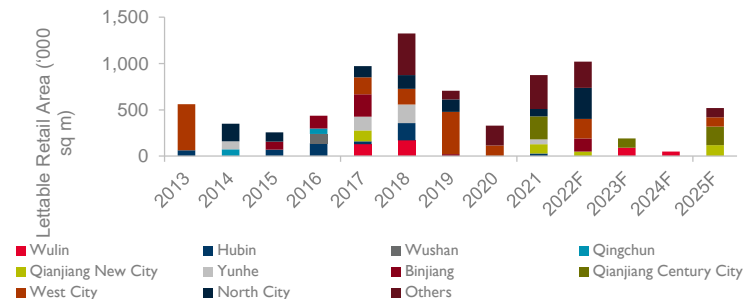
The Ice-Snow Economy will continue to expand into the future. Under the opportunity afforded by the Beijing Winter Olympic Games, combined with the rise of national fitness awareness and upgrading of the consumption structure, winter sports will gradually become ingrained as a lifestyle trend with the new generation of consumers. In order to seize this new consumption dividend, shopping malls in Hangzhou will also continue to introduce ice and snow-related formats and themed activities and to explore new opportunities in the winter sports market.

Additionally, mixed-type catering spaces are gaining market traction. To meet diversified consumer demands, many catering brands are now aiming to create a new one-stop leisure and entertainment business model featuring a self-pleasing lifestyle concept, by integrating food, wine, music, art and social elements. With their unique advantages of service concepts, design style and creative themes, the mixed-type catering space will gradually become a new focal point for shopping malls in Hangzhou.

## GRADE A CBD OVERALL RENT & VACANCY RATE



## GRADE A CBD NEW SUPPLY



## MARKET STATISTICS

SUBMARKET	OCCUPANCY RATE	RENT (RMB/SQ MMO)	RENT (USD/SFMO)	RENT (EUR/SFMO)	STOCK (SQM)
Wulin	97.4%	800 – 1,500	11.7 – 21.9	10.4 – 19.4	398,930
Hubin	95.2%	700 – 1,500	10.2 – 21.9	9.1 – 19.4	574,400
Wushan	91.5%	500 – 1,000	7.3 – 14.6	6.5 – 13.0	176,000
Qingchun	96.4%	600 – 800	8.8 – 11.7	7.8 – 10.4	193,000
Qianjiang New City	96%	600 – 800	8.8 – 11.7	7.8 – 10.4	513,000

Rent (RMB/sq m/mo) is based on ground floor in prime locations in major shopping centers, excluding management fee, promotional fee and other fees.

1USD = 0.8876EUR = 6.3657CNY (2022.3.15)

## SIGNIFICANT STORE OPENINGS

PROPERTY	SUBMARKET	TENANT	SECTOR
Hubin Intime In77	Hubin	Nike Beacon 1200	Retail
Raffles	Qianjiang New City	Guoye Dim Sum Factory	Catering
Binjiang Powerlong City	Binjiang	Taroko Sports Plus	Entertainment

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Binjiang Intime	Binjiang	2022	70,000
Powerlong City Plaza	West City	2022	90,000
The MixC	Wulin	2023	90,000
Hang Lung Plaza	Wulin	2024	50,000
SKP	Qianjiang Century City	2025	200,000

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