

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.8M Stock, sqm	▲	▲
7.9% Vacancy Rate	▲	▼
¥708 Average Rent, RMB/sqm/mo <i>(Prime Shopping Mall Property)</i>	▬	▬

ECONOMIC INDICATORS

1H 2024	YOY Chg	12-Month Forecast
2.5% GDP Growth	▼	▲
0.0% Retail Sales Growth	▼	▲
0.5% CPI Growth	▼	▲

Source: Guangzhou Statistics Bureau, Moody's Analytics, Cushman & Wakefield Research

TOTAL PRIME RETAIL MALL STOCK CONTINUES TO EXPAND

Total prime retail stock in Guangzhou rose to 5.8 million sq m in Q3 2024. The overall consumption market benefitted from the summer peak season. However, generally slow growth in consumer demand is compelling shopping malls to pursue greater operational advantages. Some malls have maintained competitiveness by continuously adjusting business strategies, while others have lost competitive positions through a lack of timely adjustments. The vacancy rate at prime malls rose 0.7 percentage points q-o-q to record 7.9%. In terms of rents, the Panyu submarket saw a 4.0% q-o-q decline due to the impact of new supply. In turn, the citywide prime mall average rent softened 1.2% q-o-q to record RMB707.9 per sq m per month.

RETAIL BRANDS OUTPACE F&B AS MAINSTAY OF ABSORPTION

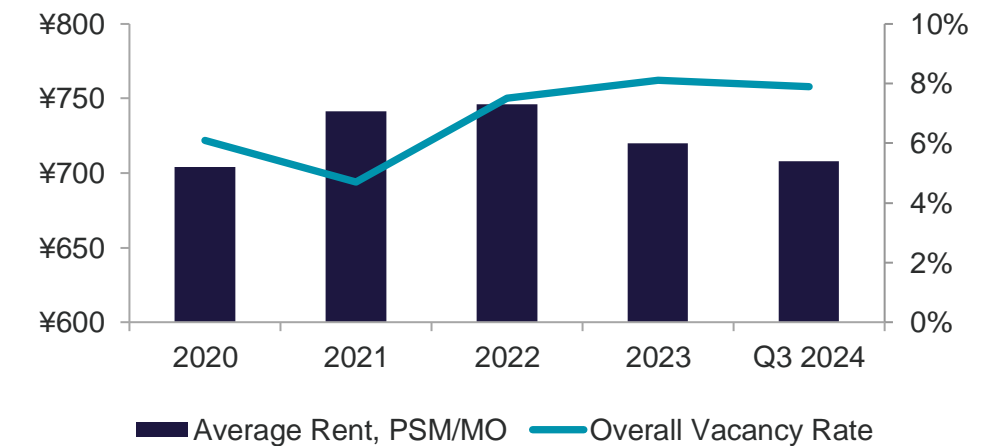
The general retail sector remained the major driver of market absorption in Q3, accounting for 44.3% of all new and pending store openings. Within the sector, mass fashion brands took a 14.2% share of new store count, such as French fashion brand American Vintage at Taikoo Hui. Cosmetics are also expanding, with malls such as Taikoo Hui restructuring their fragrance businesses, and brands such as Bon Parfumeur and Mao Geping opening new stores.

The F&B sector contributed a 37.5% share of new stores, with local specialties and beverages continuing to expand. Sichuan cuisine Ease, Hunan cuisine Feidachu and cheesecake brand Kumokumo all entered prime malls, while milk tea brand No Yeye No Tea arrived with a Guangzhou first store. Consumers' increasing awareness of health and wellbeing has also promoted the development of the fitness sector, with several gym openings in the quarter. Indoor experience products for outdoor sports, such as for indoor skiing and indoor rock climbing, are also emerging in retail malls.

OUTLOOK

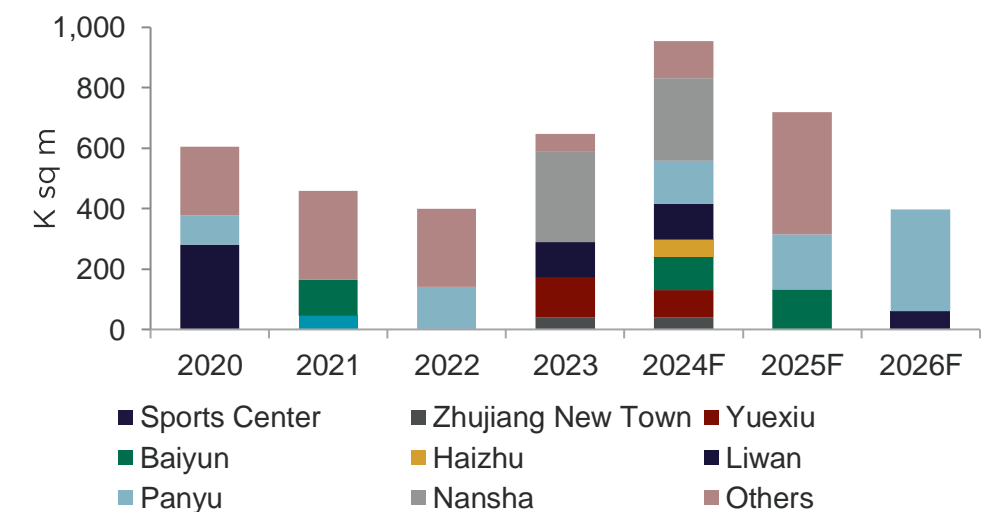
A further 330,000 sq m of new prime space is scheduled to enter the market in 2024, nearly half of which is slated for the main urban areas, providing richer leasable space options in the central area.

OVERALL VACANCY & AVERAGE RENT



* Rentals are calculated by NLA and considered as consistently achievable for prime space in prime shopping centers, excluding management fee, promotional fee and other fees.

RETAIL SUPPLY PIPELINE BY SUBMARKET



Note: F is forecast.

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	FUTURE SUPPLY TILL 2026 (SQM)	OVERALL AVG RENT		
					RMB/SQM/MO	USD/SF/MO	EUR/SF/MO
Sports Center	867,800	13,920	1.6%	60,000	¥1,901.9	US\$24.85	€22.47
Zhujiang New Town	604,359	61,281	10.1%	0	¥792.7	US\$10.36	€9.37
Yuexiu	477,200	41,268	8.6%	0	¥886.3	US\$11.58	€10.47
Baiyun	738,300	72,380	9.8%	243,000	¥464.3	US\$6.07	€5.48
Haizhu	309,000	3,320	1.1%	57,000	¥611.9	US\$8.00	€7.23
Liwan	525,900	101,200	19.2%	0	¥480.8	US\$6.28	€5.68
Panyu	743,225	50,840	6.8%	517,858	¥422.7	US\$5.52	€4.99
Nansha	383,530	13,500	3.5%	78,000	¥280.0	US\$3.66	€3.31
Others	1,164,772	99,900	8.6%	489,000	¥322.8	US\$4.22	€3.81
GUANGZHOU TOTALS	5,814,086	457,609	7.9%	1,444,858	¥707.9	US\$9.25	€8.36

Rentals are calculated by NLA and considered as consistently achievable for prime space in prime shopping centers, excluding management fee, promotional fee and other fees.

Exchange Rate: 1 USD = 0.90396608 Euros = 7.1089524 RMB (2024.09.09)

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SECTOR
Parc Central	Sports Center	Bon parfumeur	Retail
Taikoo Hui	Sports Center	American vintage	Retail
TeeMall	Sports Center	Taotaoju	F&B
Baiyun Wanda	Baiyun	Lining Softland	Retail
Panyu Wanda	Panyu	Feidachu	F&B

KEY CONSTRUCTION COMPLETIONS

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
Yangcheng Plaza	Haizhu	2024	57,000	GZ CCI Group
Junchao Mall	Others	2025	128,000	Junchao
K11 Select	Panyu	2025	81,000	New World

XIAODUAN ZHANG

Head of Research, South & Central China
Suite 2704, Taikoo Hui Tower 1, 385 Tianhe Road,
Tianhe District | Guangzhou 510613 | China
Tel: +86 755 2151 8116
xiaoduan.zhang@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.