

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.8M Stock, sqm	▲	▲
8.7% Vacancy Rate	▲	▼
¥683 Average Rent, RMB/sqm/mo (Prime Shopping Mall Property)	▼	—

ECONOMIC INDICATORS

2024	YOY Chg	12-Month Forecast
2.1% GDP Growth	▼	▲
0.03% Retail Sales Growth	▼	▲
0.1% CPI Growth	▼	▲

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

CITYWIDE VACANCY RATES REMAIN GENERALLY STABLE

Guangzhou's prime mall stock remained at 5.8 million sq m in Q1 2025. The citywide vacancy rate edged up 0.2 percentage points q-o-q to 8.7%. Some prime malls cut quality space rents to attract first-tier brands and strengthen market competitiveness. As a result, the citywide prime mall average rent dropped by 1.1% q-o-q and 4.1% y-o-y to RMB683 per sq m per month in Q1.

TRADE-IN POLICY DRIVES UP GENERAL RETAIL SHARE

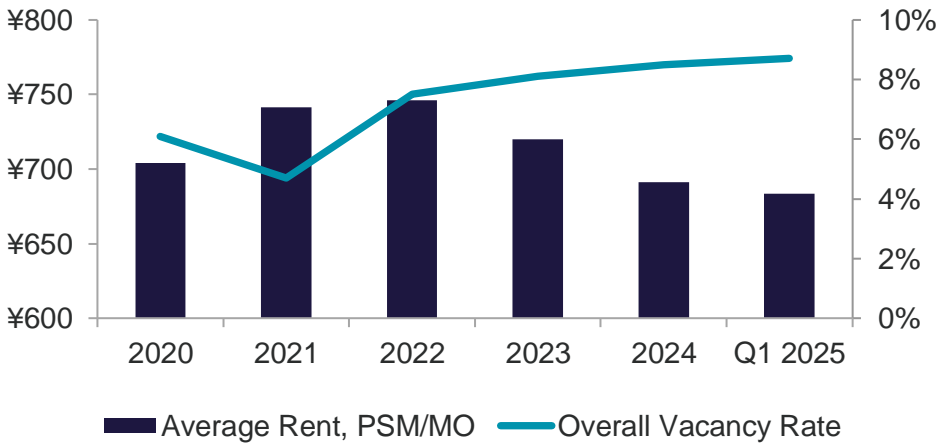
Under the guidance of the first store policy, Guangzhou's prime malls introduced more than 30 first stores in Q1, jumping 82% y-o-y. The general retail sector was the major driver of market absorption, accounting for 42% of all new and pending store openings, up 3 percentage points q-o-q. The 3C product and home appliance categories expanded significantly thanks to government subsidies. Some retail brands also leveraged bargaining power to accelerate expansion, pushing fashion retailers' share of new and pending stores up 4 percentage points q-o-q. Children's electronic education products are a hotspot, taking the children's sector new-store share up 2 percentage points q-o-q to 5%.

OPERATIONAL PERFORMANCE DIVERGENCE CONTINUES

The operational performance of leading players and lesser market competitors continues to diverge, leading to performance variations across projects and across submarkets. Non-core areas face greater downward pressures on rents than core areas, with the rental decline rate in non-core submarkets exceeding that of core areas by 1.6 percentage points in Q1. As well, even within the same commercial retail districts, operational capability disparities are driving further polarization among projects, with the average rental level spread between projects expanding from four times in 2022 to five times in Q1 2025.

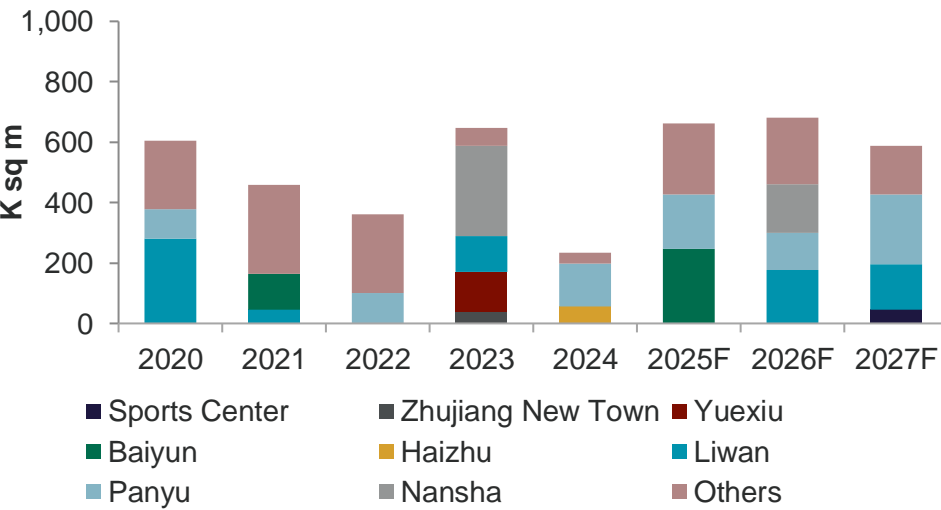
Approximately 662,000 sq m of new prime space is currently scheduled to enter the market in 2025. The supply influx may exert further pressure on the overall rental levels. However, the central government's renewed policy efforts to boost consumer spending, from both the supply and demand sides, was released in March. With the support of such favorable policies, we can anticipate greater consumer demand to be further released during the year.

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	FUTHURE SUPPLY TILL 2027 (SQM)	OVERALL AVG RENT		
					RMB/SQM/MO	USD/SF/MO	EUR/SF/MO
Sports Center	867,800	10,764	1.2%	45,800	¥1,868.8	US\$23.95	€ 22.08
Zhujiang New Town	604,359	60,627	10.0%	0	¥835.7	US\$10.71	€ 9.88
Yuexiu	477,200	42,964	9.0%	0	¥787.5	US\$10.09	€ 9.31
Baiyun	738,300	71,138	9.6%	246,000	¥413.1	US\$5.30	€ 4.88
Haizhu	366,000	8,870	2.4%	0	¥589.1	US\$7.55	€ 6.96
Liwan	525,900	124,400	23.7%	327,025	¥475.0	US\$6.09	€ 5.61
Panyu	703,225	41,463	5.9%	535,000	¥420.9	US\$5.39	€ 4.97
Nansha	383,530	27,640	7.2%	160,000	¥265.0	US\$3.40	€ 3.13
Others	1,164,772	121,179	10.4%	615,207	¥316.7	US\$4.06	€ 3.74
GUANGZHOU TOTALS	5,831,086	509,045	8.7%	1,929,032	¥683.4	US\$8.76	€ 8.08

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Exchange Rate: 1 USD = 0.92195437 Euros = 7.248109 RMB (2025.3.14)

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SECTOR
K11	Zhujiang New Town	Yohji Yamamoto	Retail
Taikoo Hui	Sports Center	Marni	Retail
Parc Central	Sports Center	Birkenstock	Retail
Popark Shopping Mall	Sports Center	Decathlon	Retail
OneLink Walk	Sports Center	Lucky Bakery	F&B

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING YEAR	SQM	OWNER / DEVELOPER
Junchao Mall	Others	2025	128,000	Junchao
K11 Select	Panyu	2025	81,000	New World
Baietan Mixc	Liwan	2026	177,025	China Resources

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