

MARKETBEAT

2.90STOCK
(MILLION SQ M)**¥589.1**PRIME AREA RENT
(PSM/MO)**4.9%**

VACANCY RATE

WHAT'S
NEXT

HIGHLIGHTS

No new prime projects were completed in the quarter, and the stock of quality retail space in Suzhou remained at 2.9 million sq m.

The average rental level in Suzhou rose to RMB589.1 per sq m per month. As one of the most famous tourist destinations in China, prime locations in Suzhou do attract more attention from brands, and this added demand competition resulted in minor rent increases at many malls. The average occupancy rate also continued to increase, this time by 0.5 percentage points q-o-q to reach 95.1%.

Food & beverage brands continued to be active in the leasing market in the quarter. Notably, Louis Vuitton re-entered with a store in Suzhou after a three year absence. In the tourism high season, many malls hosted cultural and sports events for young adults and children. In the summer Suzhou hosted an eight-country basketball tournament prior to the FIBA Basketball World Cup competition, which attracted many basketball fans and international visitors.

To further enhance the shopping experience, more malls have incorporated shopping guide robots and these have proved attractive to customers. In the future, more AI-related retail technology is expected to make an impact on shopping centers in the city.

Looking ahead, some new prime projects were delayed. The construction of prime malls in Jinji Lake submarket is about to come to an end, while the Shilu submarket is going through a new round of beautification.

ECONOMIC INDICATORS

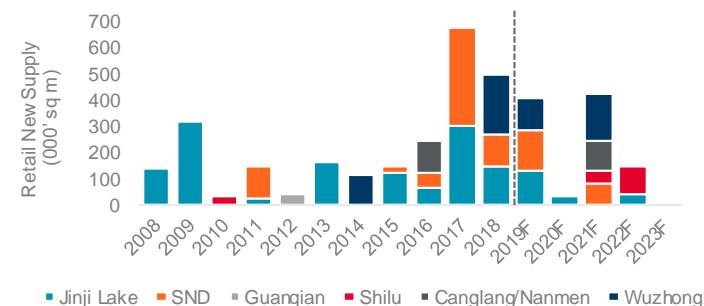
	Q1 2019	Q2 2019	12-Month Forecast
GDP Growth	6.3%	6.0%	▲
Total Retail Sales of Consumer Goods Growth	5.4%	6.3%	▲
CPI Growth	2.4%	2.6%	▲
Per Capita Disposable Income of Urban Residents	20,227	15,024	▲

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

TOTAL SALES OF CONSUMER GOODS



RETAIL NEW SUPPLY (Q3 2019)



Shaun Brodie

Head of Occupier Research,
Greater China
42-43/F, Tower 2, Plaza 66, 1366
Nanjing West Road | Shanghai
Tel: +86 21 2208 0529
shaun.fv.brodie@cushwake.com

CORE SUBMARKETS RENTAL RANGES (Q3 2019)

SUBMARKET	VACANCY RATE	RMB/SQ M/MO	EUR/SF/MO	US\$/SF/MO	12-Month Forecast (Rent)
Guanqian	5.2%	700 – 1,350	8.3 – 16.0	9.2 – 17.7	▲
Shilu	2.5%	350 – 450	4.1 – 5.3	4.6 – 5.9	▲
Canglang/Nanmen	6.6%	150 – 600	1.8 – 7.1	2.0 – 7.9	▲
Suzhou New District	5.4%	300 – 900	3.6 – 10.7	3.9 – 11.8	▲
Jinji Lake	4.9%	510 – 750	6.0 – 8.9	6.7 – 9.8	▲
Wuzhong	3.6%	300 – 540	3.6 – 6.4	3.9 – 7.1	▲

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.
1 USD = 7.08718 RMB = 0.90361 EUR (2019.08.23)

MAJOR STORE OPENINGS (Q3 2019)

PROPERTY	SUBMARKET	TENANT	SECTOR
Suzhou Center	Jinji Lake	Lelecha	F&B
Suzhou Center	Jinji Lake	Marvel 80 Years Exhibition	Culture
Suzhou Center	Jinji Lake	Buffy Loves Dim Sum	F&B
Matro	Guanqian	Louis Vuitton	Luxury
Tianhong CC Mall	Shilu	Heytea	F&B

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SQ M	COMPLETION DATE
Yinshan Lake Love Sea Park (East Part)	Wuzhong	120,000	2019
Oriental Gate	Jinji Lake	100,000	2019
Suzhou ICC	Jinji Lake	32,000	2021
China Central Place	Shilu	170,000	2021
Dongwu Paradise Walk	Wuzhong	120,000	2021
Gusu Paradise Walk	Shilu	100,000	2020

A Cushman & Wakefield
Research Publication

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

www.cushmanwakefield.com