

# FOSHAN

Retail 2019

**8.3%**  
Disposable Income



**3.3%**  
Population



**4.0%**  
Consumption Expenditure



Source: Foshan Statistics Bureau (Figures are growth rates as of 2018.)

## FOSHAN ECONOMIC INDICATORS JAN - NOV 2019

**6.9%**  
Total Retail Sales Growth



**0.3%**  
PPI Growth



**2.8%**  
CPI Growth



Source: Foshan Statistics Bureau

## Three Malls Completed in Core Submarket in 2019

Capital Mall·180, Rainbow Mall and Joy Park opened for business in the first half of 2019, adding total 190,000 sq m to Foshan's core submarkets. With no new supply in the second half of 2019, total stock of prime retail space stayed at 1.9 million sq m.

## Malls Adjusted for Development Among Fierce Competition

Due to fierce competition among malls, three projects in core submarkets adjusted their tenant mix in 2019. Guangdong Teemall (Group) Co.,Ltd. took over Yes City and the retail podium of Subway Finance City in Guicheng submarket and transformed them into two Teemalls. Young City in Zumiao submarket was renamed to INK Park after repositioning. The vacancy rates of these projects fell obviously after adjustment, driving the overall vacancy rate to decrease 4.3 percentage points y-o-y to 20.5%. Average rent increased 2.9% y-o-y to RMB289.8 per sq m per month. Furthermore, Liri Plaza in Jihua Rd is under adjustment at the end of 2019.

Throughout the year, general retail and F&B were still the main force of expansion. Online retailers have been looking for offline expansion in Foshan. Three Squirrels entered Nanhai Vanke Plaza and Perfect Diary opened a store in Uni Park. In F&B, dessert brands expanded as well: Baoshifu chose NOVA as its first site in Foshan, while DIM'S RECIPE expanded across the whole city. In addition, leisure & entertainment also expanded- New DNA introduced HOYTS Cinema and Meland Club entered Rainbow Mall.

## Outlook

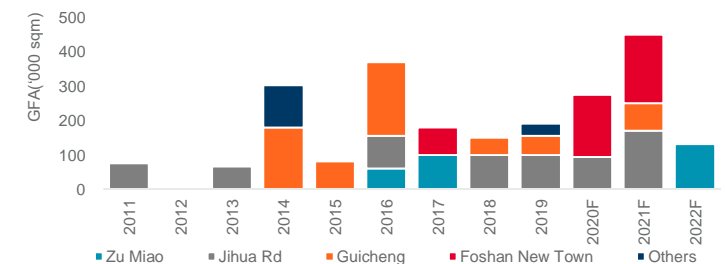
ESTAMALL, Foshan Global Harbor and Vanke Finance Centre are expected to open for business with total 274,000 sq m in 2020. ESTAMALL in Foshan New Town with a volume of 180,000 sq m, is the largest retail project in Foshan in recent ten years. By 2022, total supply of Foshan New Town will account for about 44.5%, so it's reasonable to predict that competition among malls in this area will become more and more fierce. For malls with high vacancy rates, adjustment and upgrading will still be an important way to attract shoppers. In addition, we expect more landlords will introduce first stores and experiential retail.

## FOSHAN TOTAL RETAIL SALES & GROWTH RATE



Source: Foshan Statistics Bureau

## FOSHAN PRIME RETAIL SUPPLY PIPELINE BY SUBMARKET



Source: Cushman & Wakefield Research

## MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANCY RATE	UNDER CNSTR TILL 2022 (SQM)	OVERALL AVG RENT (RMB/SQM/MO)*	OVERALL AVG RENT (US\$/SQ/MO)*	OVERALL AVG RENT (EUR/SQ/MO)*
Zu Miao	415,000	16.3%	130,000	375.0	5.0	4.5
Jihua Rd	465,000	23.0%	264,000	244.0	3.2	2.9
Guicheng	789,000	19.6%	80,000	296.7	3.9	3.5
Foshan New Town	80,000	65.0%	380,000	200.0	2.6	2.4
Others	157,000	6.0%	0	205.0	2.7	2.4
<b>FOSHAN TOTALS</b>	<b>1,906,000</b>	<b>20.5%</b>	<b>854,000</b>	<b>289.8</b>	<b>3.8</b>	<b>3.5</b>

\* Rental rates are calculated by NLA and considered as consistently achievable for prime space (usually the ground floor) in major shopping centers, excluding management fee, promotional fee and other fees.

\* 1 USD = 7.03146 RMB = 0.903898 EUR as at Nov 22, 2019

## SIGNIFICANT STORE OPENINGS 2019

PROPERTY	SUBMARKET	TENANT	SECTOR
Uni Park	Guicheng	Adidas	Sportswear
Wanda Plaza Nanhai	Guicheng	Clarks	Shoes & Bags
Nova	Zu Miao	MO & Co.	Mass-Market Fashion
Rainbow Mall	Jihua Rd	innisfree	Cosmetics
In City	Jihua Rd	CIT HAIR	Leisure & Entertainment

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	GFA (SQM)
Foshan Global Harbor	Jihua Rd	2020	60,000
Foshan Vanke Finance Centre	Jihua Rd	2020	34,000
Elegance Mall	Guicheng	2021	80,000
Polly Mall	Foshan New Town	2021	80,000
Glory Shopping Center	Zu Miao	2022	130,000

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