



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

WUXI ECONOMIC INDICATORS 2020 Q1



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Coupons Help Revive Consumption

No new retail projects entered the market in Q2. Along with Nanjing, Hangzhou and other major cities in the Yangtze River Delta region, the Wuxi government begun to issue retail consumption coupons in June, with a total value estimated at RMB60 million. Meanwhile, food and beverage brands in some shopping centers, such as Mixc and Livat, also distributed coupons to attract customers. During June's Dragon Boat Festival period, footfall traffic to prime shopping malls gradually returned to the same levels as seen last year. Additionally, Wuxi's Metro Line 3 is scheduled to welcome its first customers in the third quarter, making it much more convenient for residents of Xinwu District to visit shopping malls in the Changjiang North Road submarket.

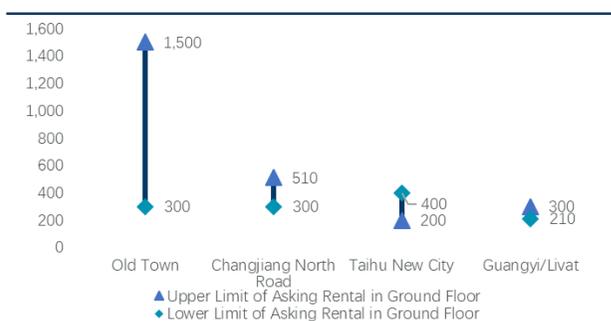
Malls Innovate to Boost Footfall Traffic and Sales

With the promotion of the night-time economy, shopping centers in Wuxi have capitalized on greater shopper numbers by utilizing more of their outdoor space. Some community and larger malls around the city have been inspired by the night market initiative and established stalls and attractions and held events at their outdoor spaces to attract families. Prime shopping malls have also leveraged technology to help boost sales. For example, Center 66 now has its own Xiaohongshu account to boost product interest and purchasing via livestreaming technology. Livat center has connected with local social clubs and groups to plan events and exhibitions in order to lift footfall and sales. However, even though malls have worked tirelessly to lift sales, the impact of the COVID-19 outbreak on the city still hung heavy during the quarter. Overall, citywide net absorption fell to -34,082 sq m in Q2, in turn leading the average vacancy rate to rise to 4.3%. Subsequently, the citywide average monthly rental level edged down a little to RMB568.9 per sq m.

Improved Retail Sales Numbers Expected in Q3

The city government is expected to continue the shopping coupon distribution scheme until October. Additionally, with cinemas and greater numbers of extra-curricular educational institutions looking to reopen, we can expect consumers to be more willing to visit malls in the near future. With the anticipated greater footfall traffic, retail malls in Wuxi should be able to see improved sales numbers in Q3.

RENT / VACANCY RATE



RETAIL SUPPLY PIPELINE BY SUBMARKET



MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2023 (SQM)	OVERALL AVG RENT (RMB/SQMMO)*
Chong'An Temple	558,500	12,575	2.3%	-	456-1,520
Guangyi/Livat	228,000	20,287	8.9%	154,000	210-240
Taihu Square	180,000	10,000	5.6%	-	300
Changjiang North Road	330,000	27,400	8.3%	-	300-510
Taihu New City	515,400	8,362	1.6%	100,000	200-400
WUXI TOTALS	1,811,900	78,624	4.3%	254,000	200-1,520

* 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.

SIGNIFICANT STORE OPENINGS Q2 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Center 66	Chong'An Temple	Celine	Luxury
Center 66	Chong'An Temple	Dimoo Star Plan	-
The Mixc	Taihu New City	BSIEE	Clothing

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Xidong Yaohan	Guangyi/Livat	154,000	2020
Yuanrong Plaza	Others	125,000	2021
Xinwu Wanda Plaza	Taihu New City	100,000	2021

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

cushmanwakefield.com

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