

1.8%

Disposable Income

YoY
Chg12-Mo.
Forecast

0.3%

Population Growth (2019)



-42.3%

Tourist Growth



Source: Suzhou Statistics Bureau.

The forecast is based on Oxford Economics

SUZHOU ECONOMIC INDICATORS
JAN-JUNE 2020

-9.2%

Total Retail
Sales GrowthYoY
Chg12-Mo.
Forecast

37.6%

Total Online
Retail Growth

2.1%

CPI Growth



Source: Suzhou Statistics Bureau

The forecast is based on Oxford Economics

New Brand Entrants Delayed by the COVID-19 Outbreak

No new high-quality projects entered the market in Q3. Malls have been hesitant in introducing new brands in the face of post-COVID-19 economic uncertainties. However, Longfor still plan to open three further Paradise Walk malls within the next two years, extending prime retailing space to neighborhoods such as the city's northern districts and the old town area.

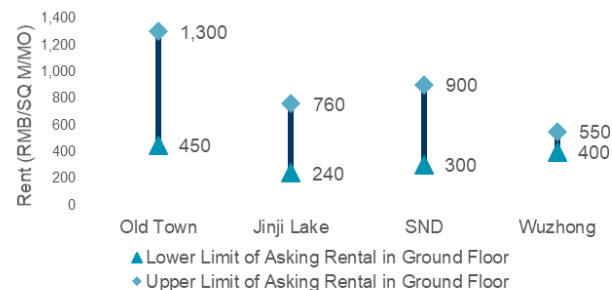
Food and Beverage Brands Lead Activity in Q3

The city's cinemas reopened in July, with other indoor retail entertainment sectors also resuming operations. During the summer period malls converted their public spaces into small family playground areas for children's enjoyment, and hosted sports and educational activities to bring in shoppers, with food and beverage a key attraction. Food and beverage brands played a leading role in the quarter, leveraging social media channels and mobile apps, and presenting a variety of cuisine choices for domestic and international visitors in the city. However, clothing and fashion brands still faced a shortfall in footfall traffic, even with sustained discounting. Consequently, net absorption remained in negative territory, recording -8,280 sq m for the quarter. The overall vacancy rate rose to 5.2%, with citywide average rentals remaining around RMB586.4 per sq m per month.

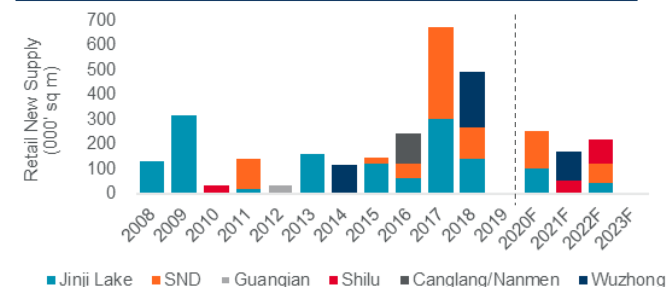
Night Economy Activities and Creative Marketing Integrated Into Mall Operations

The city government's "Gusu 8:30 (pm)" initiative was extended to more shopping malls in Q3. During the summer and early fall, residents enjoyed themed weekend night markets, boosting footfall traffic at shopping malls. Exhibitions, pop-up stores and events hosted by malls began to reappear with the same frequency as before the pandemic. A number of malls, such as Suzhou Center, Ufun and Eslite, leveraged mobile apps, including Dazhongdianping, Xiaohongshu and WeChat, to promote events to shoppers. By enhancing their retail areas as great places to visit and revisit, many malls successfully renewed themselves as shopping experience destinations, achieving improved results in visits and sales.

RENT RANGE BY SUBMARKET



RETAIL SUPPLY PIPELINE BY SUBMARKET



MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2023 (SQM)	OVERALL AVG RENT (RMB/SQM/MO)*
Guanqian	91,000	7,595	8.4%	-	1,300
Shilu	195,000	12,450	6.4%	150,000	600-900
Canglang/Nanmen	224,000	20,360	9.1%	-	450-700
Jinji Lake	1,248,000	78,450	6.3%	100,000	240-760
SND	772,000	25,120	3.3%	123,000	270-900
Wuzhong	338,000	12,410	3.7%	120,000	400-540
SUZHOU TOTALS	2,868,000	142,215	5.5%	473,000	240-1,300

* 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 Q3 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Shin Kong Place	Jinji Lake	Funny Monee	Food & Beverage/Fashion
Shin Kong Place	Jinji Lake	Super Books & Tea Times	Food & Beverage/Culture
Suzhou Center	Jinji Lake	Godiva	Food & Beverage
Izumiya	SND	Say Toast	Food & Beverage

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
New Main Mall	SND	2020	43,000
Oriental Gate	SIP	2020	100,000
China Central Place	Shilu	2021	50,000
Dongwu Paradise Walk	Wuzhong	2021	120,000
Gusu Paradise Walk	Shilu	2022	100,000
KIC Mall	SND	2023	80,000

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

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.

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.