

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

WUXI ECONOMIC INDICATORS Jan – June 2020



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Xinwu Wanda Plaza Opened in Q3

The fourth Wanda Plaza project in Wuxi, Xinwu Wanda Plaza, opened in Taihu New City at the end of July. It brought around 141,000 sq m of quality new retail supply to the market. The surrounding neighborhood comprises industrial parks and colleges and, until now, has lacked a comprehensive shopping mall like Wanda Plaza. The new mall will offer a fun shopping experience for nearby residents through the integration and utilization of entertainment brands and the hosting of customer events. The Xidong Yaohan project is scheduled to open in Q4. With the completion of Metro Line 3, the newly malls will be better connected and able to serve more city residents.

Coupons and Events Help Release Consumption Potential

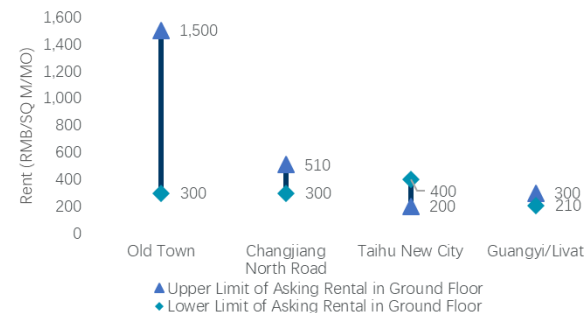
Wuxi's second Louis Vuitton store opened in Center 66 in Q3, with other luxury brands expected to follow in the near future. Parent-kid brands and cultural & sports brands also enjoyed a boost in traffic and sales with the start of the new academic semester.

The city government and retailers continued to issue shopping coupons during the quarter to help bolster consumption. Cinemas returned to normal operation in the quarter, adding another entertainment choice to most consumers after almost six months out of action. Local F&B offerings and tourist attractions played a key role in attracting foot traffic during the summer vacation period, and, in emerging submarkets, big shopping malls introduced car boot sales to expand the appeal of their night stalls. With the night economy now bringing improved business opportunities to malls, citywide net absorption registered 142,985 sq m in the quarter, and the overall vacancy rate dropped slightly to 3.9%. Following the opening of Xinwu Wanda Plaza, citywide average monthly rental edged down slightly to RMB547.0 per sq m

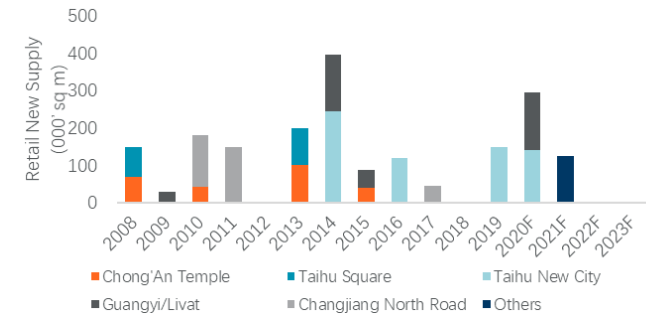
Enhanced and More Innovative Malls Expected Ahead

With the exception of Chong'An Temple submarket, most new malls in submarkets are geared towards satisfying the basic needs of their local community's consumers. They tend to be leaders only in their own submarkets, in terms of the number and type of brands and products and the shopping experience that they offer. But, looking ahead, in order to differentiate themselves and gain competitive advantage, new malls will need to pay more attention to design, uniqueness, and overall consumer engagement.

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	2.5%	-	456-1,520
Guangyi/Livat	228,000	20,287	7.6%	154,000	210-240
Taihu Square	180,000	10,000	5.6%	-	300
Changjiang North Road	330,000	27,400	7.7%	-	300-510
Taihu New City	656,400	8,362	1.5%	-	200-400
WUXI TOTALS	1,952,900	78,624	3.9%	154,000	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 Q3 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Center 66	Chong'An Temple	Louis Vuitton	Luxury
Center 66	Chong'An Temple	Saint Laurent	Luxury
Center 66	Chong'An Temple	Lululemon	Sportswear

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Xidong Yaohan	Guangyi/Livat	2020	154,000
Yuanrong Plaza	Others	2021	125,000

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