

MARKETBEATS



¥84.7

RENT
(PSM/MO)

-2.5%

RENTAL GROWTH
(YOY)

9%

VACANCY RATE

WHAT'S NEXT

HIGHLIGHTS

Vacancy Rate Drops to 9%

In 1H, Raffles City II completed in the Jiangbei submarket. New office supply for this half year was 16,000 sq m, increasing Ningbo's Grade A stock to approximately 1.13 million sq m. The leasing market in 1H continued to be active, contributing to net absorption of 61,640 sq m. As a result, the overall vacancy rate dropped by 1 percentage point to 9% compared to the same period in 2018.

Among the submarkets, Tianyi recorded the lowest vacancy rate for the city, at 5%. Meanwhile, affected by the newly launched project, Jiangbei finished 1H with the city's highest vacancy rate, at 30%.

Jiangbei Records Highest Rent

In 1H, the overall market showed a slight downward rental trend, averaging RMB84.7 per sq m per month. The Jiangbei submarket recorded the highest rent in the city, at RMB109.5 per sq m per month on average. Ranking second was Tianyi, which recorded an average rent of RMB97.3 per sq m per month.

Opportunities abound for Ningbo's Office Market

In the short term, due to the excess office supply and a slowing economy, the city's overall vacancy rate is expected to increase by 3-7 percentage points. Following on from this, Ningbo's average rent is projected to witness some downward pressure with its decline expected to fall between 2% and 5%. On the demand side, the main office market tenants should still come from the finance, manufacturing, professional services and transportation industries.

Over the long run, Ningbo's prime office market is expected to continue to benefit from the national strategy related to the Integration of the Yangtze River Delta, as well as an optimized industrial structure that aims to gradually improve municipal master planning and construction. Policy support should help to attract high-quality talents to Ningbo and boost the city's globally influential port economy.

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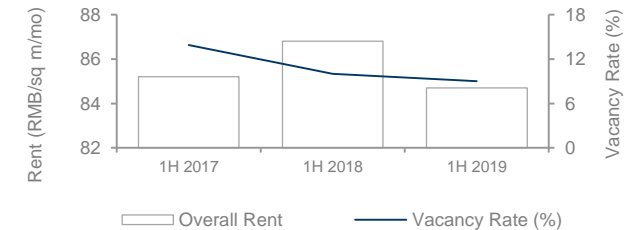
DATA
INTO
ACTION

ECONOMIC INDICATORS

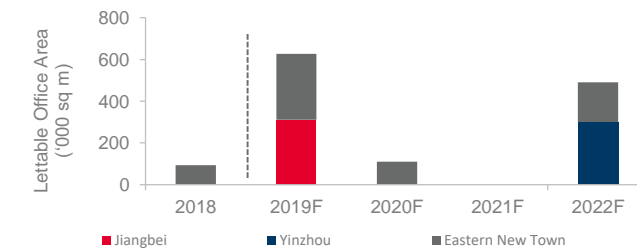
	Q4 2018	Q1 2019	12-Month Forecast
GDP Growth	7.0%	7.1%	▼
Tertiary Sector Growth	8.1%	7.8%	▲
CPI Growth	2.2%	2.6%	▼
Real Estate Sector Investment	15.5%	11.3%	▼

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

GRADE A CBD OVERALL RENT & VACANCY RATE



GRADE A CBD NEW SUPPLY



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

SUBMARKET	INVENTORY (SQ M)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SQ M)	GRADE A FACE RENT		
				RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO
Tianyi	32,200	5.0%	0	¥97.3	US\$1.31	€1.17
Jiangbei	56,000	30.0%	295,000	¥109.5	US\$1.48	€1.32
Yinzhou	397,000	9.5%	300,000	¥73.0	US\$0.98	€0.88
Eastern New Town	643,000	7.0%	617,000	¥82.1	US\$1.11	€0.99
NINGBO GRADE A CBD TOTAL	1,128,200	9.0%	1,212,000	¥84.7	US\$1.14	€1.02

Rental equals "Gross Transacted Face Rental"
1 USD = 6.8940 RMB = 0.8931 EUR (2019.05.27)

KEY LEASING TRANSACTIONS Q2 2019

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Bank of China Tower	Eastern New Town	Bank of Ningbo	2,000	Relocation
Bank of China Tower	Eastern New Town	Marine Industry Fund Management	600	New Setup
Huijin Building	Tianyi	MOL Consolidation	470	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Zi Jing Hui	Eastern New Town	-	50,000	2019
Intime Tower	Eastern New Town	-	47,000	2019
Ningbo Center II	Eastern New Town	-	75,000	2019
International Trade Center	Eastern New Town	-	80,000	2019
Greenland Center	Jiangbei	-	200,000	2019
Yaojiang Li	Jiangbei	-	45,000	2019
Xin Tian Di	Jiangbei	-	50,000	2019

DATA INTO ACTION

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