

## MARKETBEATS

¥74.5

RENT  
(PSM/MO)

-3.3%

RENTAL GROWTH  
(QOQ)

28.2%

VACANCY RATE

WHAT'S  
NEXT

## HIGHLIGHTS

## Finance and Insurance Companies Drive Leasing Demand

In Q2, no new prime office projects completed. Most prime office buildings experienced steady office take-up during the quarter. Small-area deals constituted the majority of transactions in the market. Finance and Insurance (contributing to a combined 41.9% of deals), Professional Services (contributing to 28.2% of leasing deals) were the most active sectors in the leasing market. Of note, co-working brands took out a sizeable portion of the vacant space within the market in Q2.

## Rental and Vacancy Rate Declines

In general, given the market's high vacancy rate environment, prime office property owners in Wuxi still faced downward rental pressure, especially in the Taihu New City and Taihu submarkets. The average citywide rental decreased in the quarter to RMB74.5/sq m/month, while the vacancy rate decreased slightly to 28.2%.

## Taihu to See 300,000 sq m of New Supply

In the second half of this year, Hang Lung Plaza II is expected to open. Additionally, next year, the Taihu submarket is expected to add more than 300,000 sq m of prime office space upon completion of Greenland Central Plaza. With the 'Integration of the Yangtze River Delta' strategy expected to be a stimulant for new business, Wuxi should attract more enterprises from Shanghai, Suzhou and other surrounding cities. As economic cooperation between many cities in the Yangtze River Delta deepens, so take up of prime office space in Wuxi is expected to further improve.

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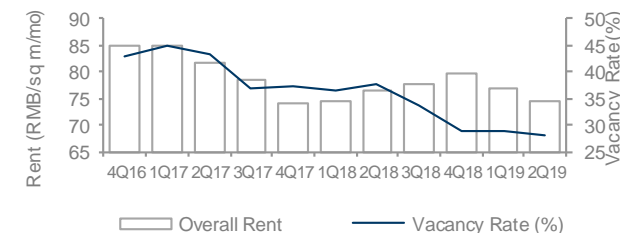
DATA  
INTO  
ACTION

## ECONOMIC INDICATORS

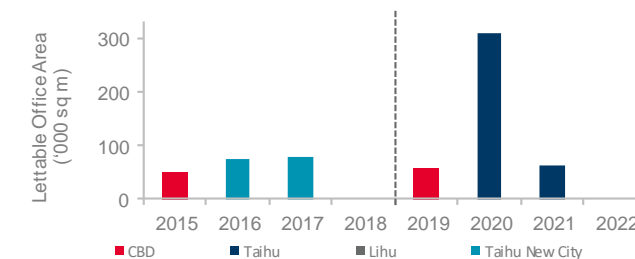
	Q4 2018	Q1 2019	12-Month Forecast
GDP Growth	7.4%	7.4%	▲
Tertiary Sector Growth	7.1%	6.5%	▲
CPI Growth	2.3%	2.6%	▲
Real Estate Sector Investment Growth	9.4%	-14.9%	▼

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

## GRADE A OVERALL RENT &amp; VACANCY RATE



## GRADE A NEW SUPPLY



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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
CBD	165,759	9.7%	59,000	¥84.4	US\$1.14	€1.02
Taihu	225,900	39.8%	374,000	¥75.0	US\$1.01	€0.90
Lihu	34,000	10.0%	-	¥73.0	US\$0.98	€0.88
Taihu New City	221,640	33.1%	-	¥64.6	US\$0.87	€0.77
<b>WUXI GRADE A CBD TOTAL</b>	<b>647,299</b>	<b>28.2%</b>	<b>433,000</b>	<b>¥74.5</b>	<b>US\$1.00</b>	<b>€0.90</b>

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
United Financial Building	Taihu New City	Sunshine Insurance	3,000	New Setup
Wuxi IFS	Taihu	Jinyi Co-Working	2,700	New Setup
United Financial Building	Taihu New City	Shanghai Bank	2,150	New Setup
Wuxi IFS	Taihu	Citi Bank Credit Card	900	New Setup

## SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Hang Lung Plaza II	CBD	-	59,000	2019
Greenland Central Plaza	Taihu	-	310,000	2020
World Trade Tower	Taihu	-	64,000	2021

DATA  
INTO  
ACTION

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