

MARKETBEAT

¥138.0RENT
(PSM/MO)**0.8%**RENTAL GROWTH
(QOQ)**20.4%**

VACANCY RATE

WHAT'S
NEXT

HIGHLIGHTS

Landmark projects on the way

No new projects were completed in Q3, and some projects were removed from our index during the quarter. This adjustment meant that the Grade A office space stock declined to 1.5 million sq m. Fortunately, many landmark projects in Jianye District will enter the market in a year or two, including Golden Eagle World, Sun Hung Kai International Finance Center (SHK IFC) and Deji World Trade Center. Jianye District is now fast becoming an important business center both for Nanjing and for the Yangtze River Delta region as a whole.

Finance and professional service firms remained active

The finance and insurance sector accounted for 53.5% of leasing deals citywide in Q3. Many professional service firms also proceeded with relocations. At the same time, steady take-up in SHK IFC helped edged the average vacancy rate in Nanjing down to 20.4%. Overall, net absorption recorded 10,134.6 sq m.

Minimal rental growth in the near term

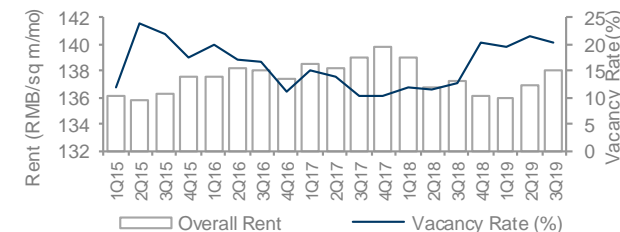
The internal adjustment to our database has leveled up the average rental to RMB138.0 /sq m/month. The face rent in most buildings did not vary much in this quarter, but for five projects face rental did slip slightly. The Golden Eagle World project is expected to be completed soon in the next quarter. Faced with stronger competition, in the short term many projects may continue to drop their rental level. However, in the longer run, with more international firms gathering in Nanjing, the average rental level in the city may experience some sustained growth.

ECONOMIC INDICATORS

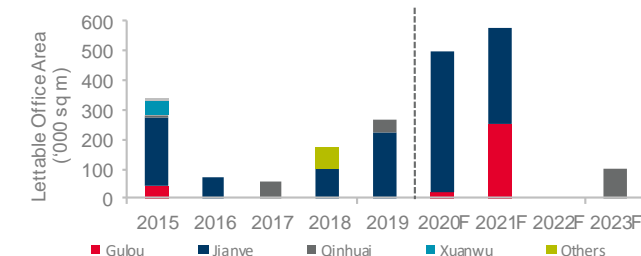
	Q1 2019	Q2 2019	12-Month Forecast
GDP Growth	8.2%	8.1%	▲
Tertiary Sector Growth	9.6%	9.4%	▼
CPI Growth	2.3%	2.7%	▲
Real Estate Development & Investment Growth	2.6%	8.5%	▼

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

GRADE A OVERALL RENT & VACANCY RATE



GRADE A 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

NANJING OFFICE MARKETBEAT

OCTOBER 2019

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
Gulou	287,665	19.6%	275,511	¥137.6	US\$1.80	€1.63
Jianye	591,996	23.9%	1,160,735	¥129.7	US\$1.70	€1.54
Qinhuai	345,969	17.8%	140,000	¥145.9	US\$1.91	€1.73
Xuanwu	196,368	16.8%	-	¥156.6	US\$2.05	€1.85
Others	70,000	16.0%	-	¥94.2	US\$1.24	€1.12
NANJING GRADE A TOTAL	1,491,998	20.4%	1,529,241	¥138.0	US\$1.81	€1.64

Rental equals "Gross Transacted Face Rental"
1 USD = 7.08718 RMB = 0.90361 EUR (2019.08.23)

KEY LEASING TRANSACTIONS Q3 2019

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
AVIC Technology Plaza	Qinhuai	Ping'An Annuity	2,300	New Setup
AVIC Technology Plaza	Qinhuai	China Merchants Life Insurance	2,300	New Setup
Deji Plaza	Xuanwu	KPMG	2,034	Relocation
Xin Li Hua Center	Jianye	Guantao Law Firm	1,800	Relocation
International Finance Center	Qinhuai	IDP Education	660	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Golden Eagle World Office Building	Jianye	-	176,000	2019
Ping'An International Financial Center	Qinhuai	-	40,000	2019
Deji World Trade Center	Jianye	-	150,000	2020
Nanjing IFC Two	Jianye	-	138,900	2020
Suning Olympic Plaza	Jianye	-	100,000	2021
Financial City II	Jianye	-	320,000	2021
Hongkong Land International Financial City	Qinhuai	-	100,000	2022

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. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

www.cushmanwakefield.com