

MARKETBEAT

¥76.2

RENT
(PSM/MO)

2.2%

RENTAL GROWTH
(QOQ)

34.3%

VACANCY RATE

WHAT'S
NEXT

HIGHLIGHTS

Center 66 II completed

Center 66 II was completed in the quarter. This Hang Lung project added 59,000 sq m of prime office supply and pushed the average rental level in Wuxi up by 2.2% q-o-q. Subsequently, the high vacancy rate in Center 66 II caused the overall vacancy rate in the city to edge up to 34.3%.

Professional services sector active in the market

With a 38.6% share, finance & insurance accounted for the largest amount of prime office take up by an industry sector in Wuxi in Q3. Following on, the education and the engineering sectors lay in second and third place in terms of new leasing activity in the Wuxi market in the third quarter. Notably, education and technology firms are now settling more into prime office space and this movement has helped these firms to anchor their respective businesses closer to the core markets in the city.

Taihu to see 300,000 + sq m of new supply

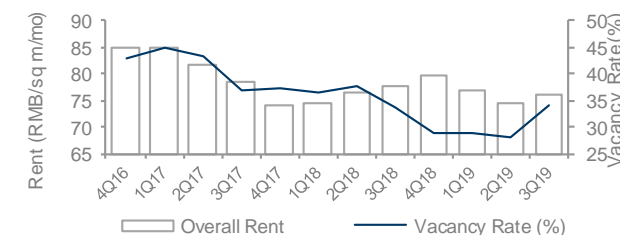
Greenland Central Plaza is expected to enter the market in 2020. On a submarket basis, Taihu and Taihu New City still have great potential to further develop their respective business environments. Overall, with more quality stock to complete and demand remaining robust in Wuxi, the average citywide rental level is expected to increase slightly as vacancy shrinks over the next few quarters.

ECONOMIC INDICATORS

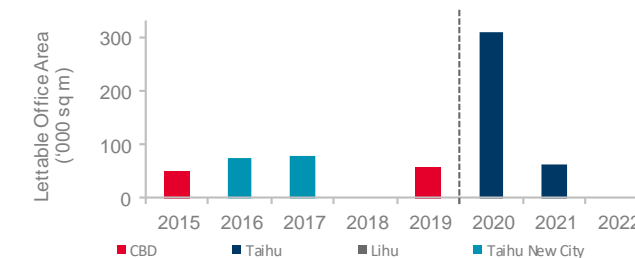
	Q1 2019	Q2 2019	12-Month Forecast
GDP Growth	7.4%	7.1%	▲
Tertiary Sector Growth	6.5%	6.3%	▲
CPI Growth	2.6%	2.6%	▲
Real Estate Sector Investment Growth	-14.9%	-10.9%	▼

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

GRADE A OVERALL RENT & 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	224,759	31.1%	-	¥85.2	US\$1.11	€1.01
Taihu	225,900	40.5%	374,000	¥74.0	US\$0.97	€0.88
Lihu	34,000	10.0%	-	¥76.0	US\$1.00	€0.90
Taihu New City	221,640	35.1%	-	¥66.5	US\$0.87	€0.79
WUXI GRADE A CBD TOTAL	706,299	34.3%	374,000	¥76.2	US\$1.00	€0.90

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
BOC Mansion	CBD	Soochow Life	1,690	New Setup
Center66	CBD	PiCC	1,200	New Setup
Wuxi IFS	Taihu	Jiangsu Re-Guarantee	1,000	New Setup

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Greenland Central Plaza	Taihu	-	310,000	2020
World Trade Tower	Taihu	-	64,000	2021

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