

12-Mo. Forecast

¥76.2
Rent (PSM/MO)



-0.2%
Rental Growth (YOY)



20.2%
Vacancy Rate



Source: Cushman & Wakefield Research

Market Remains Stable, Rentals Dip Slightly

No new supply entered the Changchun Office market in 2019 and the city's total stock remained at 614,000 sq m. The overall Grade A office vacancy rate edged up 3.1 percentage point y-o-y to 20.2%, while average rent slipped 0.2% y-o-y to RMB76.2 per sq m per month.

The finance, trade and professional services sectors were the main drivers of leasing demand, accounting for 65% of total leasing transactions during the year.

With the new high-quality supply of recent years the supporting facilities and services in the office market have expanded and become more diversified. Existing buildings are also striving to upgrade their supporting services, such as Tonggang International Building, which is planning a second-floor shared space to include a gym, cafes and small meeting rooms.

CHANGCHUN ECONOMIC INDICATORS Q3 2019

0%
GDP Growth

Q2 2019: **0.5%** ▲
12-Mo. Forecast: ▲

-0.8%
Tertiary Sector Growth

Q2 2019: **4.3%** ▲
12-Mo. Forecast: ▲

2.6%
CPI Growth

Q2 2019: **2.5%** ▲
12-Mo. Forecast: ▲

16.7%
Real Estate Development & Investment Growth

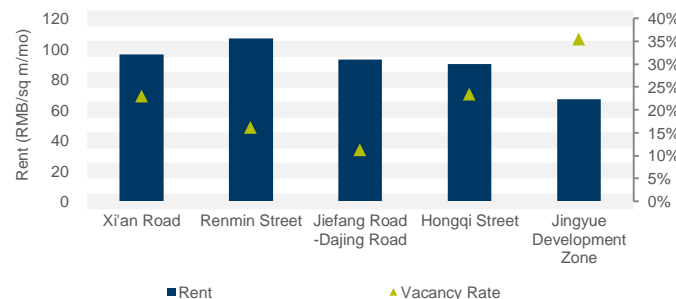
Q2 2019: **27.4%** ▼
12-Mo. Forecast: ▼

Source: Changchun Statistics Bureau / Cushman & Wakefield Research

High Quality New Supply to Shape the Market

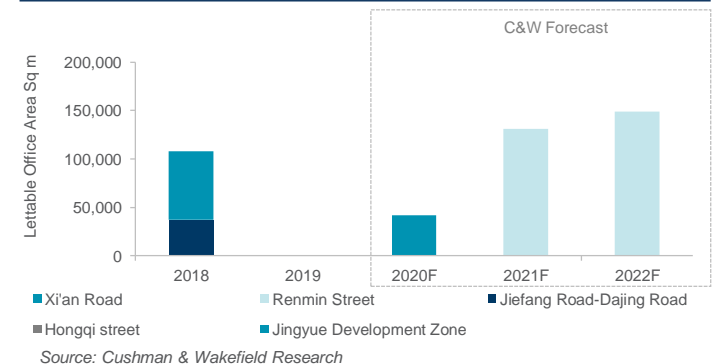
More than 300,000 sq m of quality new office supply is scheduled to enter the market by the end of 2022. As in previous supply influxes Jingyue Development Zone has slowed its pace of completion due to its incomplete infrastructure and a lack of transport links, and Mingyu Financial Square A2 will be the only new project coming to Jingyue Development Zone in 2020. Overall, we expect that citywide average rents will remain stable, with demand remaining relatively weak, in the short term.

GRADE A CBD RENT & VACANCY RATE



Source: Cushman & Wakefield Research

GRADE A OFFICE ANNUAL NEW SUPPLY



Source: Cushman & Wakefield Research

SUBMARKET	INVENTORY (sq m)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (sq m)	GRADE A EFFECTIVE RENT		
				RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO
Xi'an Road	109,783	20.3%	0	96.2	1.30	1.16
Renmin Street	136,851	15.6%	280,000	107.1	1.44	1.29
Jiefang Road-Dajing Road	93,964	12.2%	0	93.1	1.26	1.13
Hongqi Street	98,000	20.1%	0	90.1	1.21	1.09
Jingyue Development Zone	175,298	28.0%	42,000	66.9	0.90	0.81
CHANGCHUN GRADE A SUBURBAN TOTAL	613,896	20.2%	322,000	76.2	1.03	0.92

Effective Rent is calculated based on gross floor area and assuming a letting of mid floors for a typical three-year lease term with VAT and rent-free periods factored in.
Exchange Rate: 1 USD=7.03146 CNY=0.903898 EUR as of November 22, 2019

KEY LEASING TRANSACTIONS 2019

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Honghui International Plaza	Renmin Street	Yum China	500	New Lease
Rongda Tianxi	Xi'an Road	Koubei	500	New Lease
Tonggang International Building	Jiefang Road-Dajing Road	Lazas	2,000	New Lease

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Mingyu Finance Square A2	Jingyue Development Zone	N/A	42,000	2020
IFC	Renmin Street	N/A	131,000	2021
MixC	Renmin Street	N/A	149,000	2022

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