

12-Mo. Forecast

¥116.9
Rent (PSM/MO)

8.4%
Rental Growth (YOY)

24.3%
Vacancy Rate

Source: Cushman & Wakefield Research

JINAN ECONOMIC INDICATORS Q3 2019

7.5%
GDP Growth

Q2 2019: **7.0%** | 12-Mo. Forecast: **7.0%**

6.5%
Tertiary Sector Growth

Q2 2019: **7.3%**

2.6%
CPI Growth

Q2 2019: **2.3%**

10.9%
Real Estate Development & Investment Growth

Q2 2019: **14%**

Source: Jinan Statistics Bureau / Oxford Economics / Cushman & Wakefield Research

New Supply Drives Rental and Vacancy Rises

A combined 318,000 sq m of new supply was added to the market in 2019, including the China Life Building, Dongtai Kaiyue and Greenland Metropolis, bringing total office market stock up to 1.03 million sq m.

The Grade A office vacancy rate rose 2.8 percentage points y-o-y to 24.3%. But due to good leasing performance of the newly launched projects the office average rent rose 8.4% y-o-y to RMB116.9 per sq m per month.

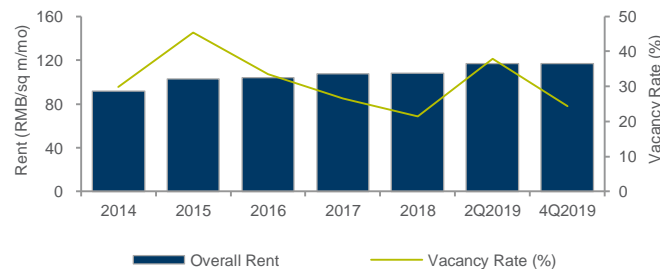
In the second half of 2019 the city government vigorously approached corporate headquarters and technology firms, such as HengFeng Bank, which leased 50,000 sq m of office space in Ji'nan Center for its headquarters. Companies in the financial and high-tech industries were the main contributors to Jinan's office leasing activity, accounting for more than half of the total take-ups during the year.

Olympic High-Tech Submarket to Usher in More Development Opportunities

No new supply will enter the Jinan Grade A office market in 2020, and the market will focus on digesting the existing inventory. We expect to see the vacancy rate drop and for rents to remain stable. However, in the next three years a wave of 940,000 sq m of new Grade A stock is expected, all of which will be located in the Olympic High-Tech submarket. The huge new supply will reshape the landscape of the Jinan office market.

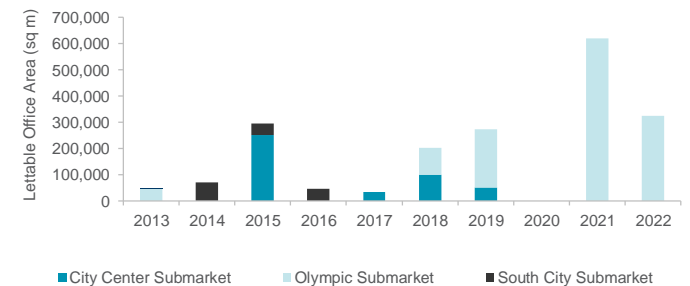
Jinan is committed to its future development as China's National Central City, endeavoring to build a headquarters economy. We can expect to see the office market benefit from related preferential government policies in the future.

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
City Center Submarket	498,230	21.4%	0	121.7	19.3	17.4
Olympic High-tech Submarket	371,850	34.7%	944,000	119.0	18.9	17.0
South City Submarket	159,245	8.7%	0	96.6	15.3	13.8
JINAN GRADE A OVERALL TOTAL	1,029,325	24.3%	944,000	116.9	18.5	16.7

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 2H 19

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
International Wealth Center	City Center Submarket	Blue Ocean Group	1,600	Relocation
Dongtai Excellence	City Center Submarket	Multilingual information	2,000	Relocation
Ji'nan Center	City Center Submarket	HengFeng Bank	50,000	Relocation

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Pingan CBD	Olympic High-tech Submarket	N/A	200,000	2021
Green Land IFC	Olympic High-tech Submarket	N/A	300,000	2021
Hua Mixc World	Olympic High-tech Submarket	N/A	120,000	2021
Forte Center	Olympic High-tech Submarket	N/A	124,000	2022
Citic Group center	Olympic High-tech Submarket	N/A	200,000	2022

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