

12-Mo.
Forecast

¥70.7
Rent (PSM/MO)



-3.7%
Rental Growth (YOY)



28.6%
Vacancy Rate



Source: Cushman & Wakefield Research

URUMQI ECONOMIC INDICATORS Q2 2019

	Q1 2019	12-Mo. Forecast
4.8% GDP Growth	5.8%	

8.5% Tertiary Sector Growth	8.7%	
--	-------------	--

1.6% CPI Growth	1.3%	
---------------------------	-------------	--

-32.4% Real Estate Development & Investment Growth	-19.5	
--	--------------	--

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

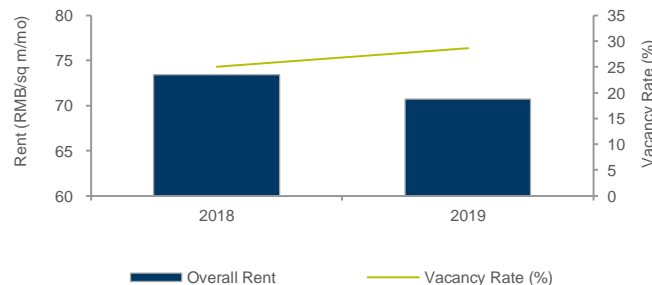
New Entrants Have Led to Rising Vacancy and Falling Rents

Chengjian Building entered the market in 2019, adding 64,000 sq m of new office supply. Overall stock rose to 2.37 million sq m at the end of the year. With the entry of new projects in the year the citywide vacancy rate grew 3.6 percentage points y-o-y to 28.6%, and average rent fell by 3.7% y-o-y to RMB70.7 per sq m per month. As a new development zone the Hongguangshan Exhibition area in Shuimogou District attracted several well-known real estate developers, such as Country Garden, China Overseas, Greenland, Greentown Group, Zhongtian Holding Group and Vanke. The area is expected to form a new office submarket in the future.

Emerging Submarkets Have Great Potential

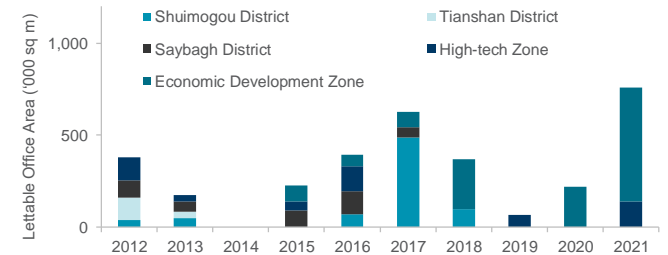
Over the next two years the Urumqi office market is projected to welcome about 0.84 million sq m of new supply. Of this, a significant majority is set to be located in the Economic Development Zone, which is forecast to account for more than 90% of total future supply. With the renovation of the old city in the High-tech Zone underway, and the opening of Metro Line One, growing numbers of enterprises across industries are expected to enter the High-tech Zone, and this will help drive the overall success of the office market. Urumqi's traditional office districts -- Tianshan District and Saybagh District -- provide well-developed infrastructure and a mature commercial environment. The emerging submarkets -- High-tech Zone, Shuimogou District and Economic Development Zone -- are all still developing, and we can expect new high-quality projects in these areas to attract growing numbers of tenants seeking superior working environments.

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
Shuimogou District	873,375	26.8%	0	66.3	0.88	0.79
Tianshan District	217,445	21.0%	0	86.5	1.14	1.03
Saybagh District	325,510	16.0%	0	70.2	0.93	0.84
High-tech Zone	449,924	24.4%	140,000	77.9	1.03	0.93
Economic Development Zone	501,447	47.0%	840,610	65.3	0.86	0.78
URUMQI GRADE A OVERALL TOTAL	2,367,701	28.6%	980,610	70.7	0.93	0.84

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: 1USD = 0.903898 EUR = 7.03146 RMB = 7.82388 HKD = 30.5200 TWD as of Nov 22nd 2019

KEY LEASING TRANSACTIONS 2019

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Aolong Plaza	High-tech Zone	Henderson Financial Holding Group	500	Relocation
Yimin building	Chengguan District	Office of natural resources	1,200	Relocation
Greenland Center	Shuimogou District	QiCai Construction	1,500	Relocation

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Wynn building	Economic Development Zone	N/A	522,911	Q2 2020
Rongsheng Mansion	Economic Development Zone	N/A	185,355	Q2 2020
Wingspan Tiandi building	Economic Development Zone	N/A	269,098	Q3 2020
Fujian economic headquarters building	Economic Development Zone	N/A	1,402,161	Q4 2020
Baoneng city	Economic Development Zone	N/A	5,541,261	Q2 2021
International Trade Financial Service Center	Economic Development Zone	N/A	1,127,466	Q2 2021
Xinjiang Silk Road Center	High-tech Zone	N/A	1,506,947	Q2 2021

Sabrina Wei

Senior Associate Director

Head of North China Research

14/F, North Tower, Beijing Kerry Centre, 1 Guanghua Road, Beijing 100020, China

Tel: +86 10 8519 8087 / sabrina.d.wei@cushwake.com

cushmanwakefield.com

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.

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.