



¥74.1

Rent (PSM/MO)

12-Mo.
Forecast

3.9%

Rental Growth (QOQ)



32.8%

Vacancy Rate



Source: Cushman & Wakefield Research

WUXI ECONOMIC INDICATORS
2019

6.7%

GDP Growth

Q3
2019

7.0%

12-Mo.
Forecast

6.0%

Tertiary Sector
Growth

6.6%



2.9%

CPI Growth

2.6%



3.3%

Real Estate Sector
Investment

-5.0%

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

No New Supply During the COVID-19 Outbreak

Wuxi was one of the earliest cities to issue detailed policies to help enterprises get through the difficulties of the COVID-19 outbreak. On Feb. 12 the city government issued 17 policies to support development in the real estate industry, including deferment of taxes and extensions to mandated construction completion dates after the Spring Holiday. The government has also issued many finance-related policies to lower barriers for loans and investment. Meanwhile, following the trend of the prior quarter no new projects entered the market in Q1, and we anticipate that this situation will continue through the year.

An Inactive Market

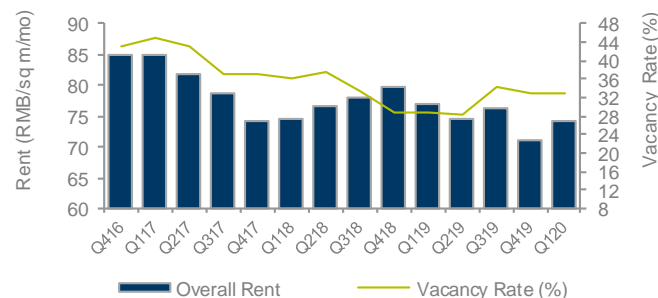
In general the market is now inactive. Office leasing deal volume was low in the quarter due to the COVID-19 outbreak. Visitors to most office buildings in the city have been required to provide a green Wuxi health code. Given that the health code is linked to a local residential address, business people from other cities, even within Jiangsu Province, have found it difficult to gain access to meetings in office buildings in the city.

To revive the local economy, the government has asked SOE enterprises to reduce rents for small and medium-sized enterprises for one to three months. In the meantime, the Wuxi government, as other city governments, has offered financial and political support to enterprises affected by the outbreak. With this help, most enterprises have survived and remain in their leased offices. Most deals in the quarter, when they occurred, were small and overall net absorption recorded -638.8 sq m for the quarter.

Rental Levels to Soften in the Short-Term

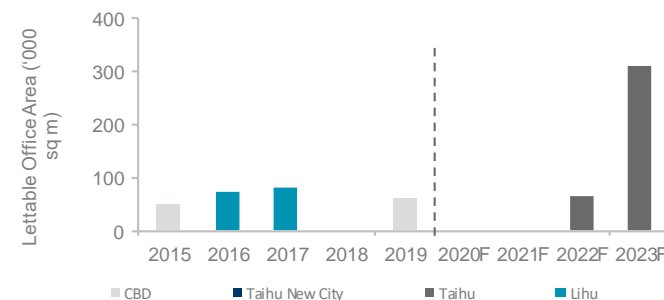
The average monthly rental increased by 3.9% q-o-q, standing at around RMB 74.0 per sq m. The increase was simply down to some projects providing a wider range for their asking price. However, most projects maintained the same range as in the last quarter. Downward pressure on overall city rental levels will come to fore in the next quarter, and we expect falls in office rentals to follow suit.

GRADE A CBD OVERALL RENT & VACANCY RATE



Source: Cushman & Wakefield Research

GRADE A CBD 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
CBD	224,759	29.1%	-	¥82.1	US\$1.10	€0.99
Taihu	225,900	43.3%	374,000	¥66.4	US\$0.89	€0.80
Lihu	34,000	26.5%	-	¥76.0	US\$1.02	€0.91
Taihu New City	221,640	26.8%	-	¥69.2	US\$0.93	€0.83
WUXI GRADE A TOTAL	706,299	32.8%	374,000	¥74.1	US\$0.99	€0.89

Rental equals "Gross Transacted Face Rental"

1 USD = 6.9493 RMB = 0.8972 EUR (Mar. 3^d 2020)

KEY LEASING TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
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SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
World Trade Tower	Taihu	-	64,000	2022
Greenland Central Plaza	Taihu	-	310,000	2023

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