

12-Mo.
Forecast

¥74.1
Rent (PSMMO)



0.0%
Rental Growth (QOQ)



31.0%
Vacancy Rate



Source: Cushman & Wakefield Research

WUXI ECONOMIC INDICATORS 2020 Q1

2019 12-Mo.
Forecast

-5.0% GDP Growth **6.7%** ▲

-2.1% Tertiary Sector Growth **6.0%** ▲

4.4% CPI Growth **2.9%** ▼

7.1% Real Estate Sector Investment **3.3%** ▼

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

No New Projects Completed in Q2

No new office projects have completed in Q2 of 2020. With the coronavirus still reappearing sporadically in China, the Wuxi government maintained relatively strict quarantine measures in the quarter. However, the city did participate in the first Integrated Development and Cooperation Summit with the cities of Suzhou and Changzhou. Following the Summit, the three city governments stated their intention to combine their economies and to accelerate business expansion in the region. Wuxi's Metro Line 3 will begin operations in Q3, connecting Wuxi Airport to the city's main urban area and bringing greater convenience for commuters and further commercial opportunities to Xinwu District.

Leasing Market Revives, Supported by Tech Firms

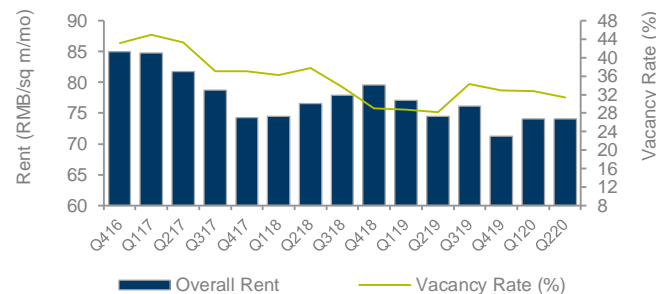
The leasing market has been more active compared to the prior quarter. Many enterprises occupied vacant space in prime projects such as Center 66 and Ping An Fortune Center. The Professional Services, Finance, and Healthcare sectors were the main drivers of new leasing transactions, although most transactions were smaller scale. Overall net absorption recorded 12,911 sq m for the quarter.

In June, the Wuxi government began to cooperate with the Shanghai Zhangjiang Hi-Tech Park in technological innovation. This is positive news for office properties in Wuxi, as technology firms have been increasingly looking at occupying prime office space. Local tech firms, including Internet technology, robotics technology and bio-tech firms, constituted about 14.0% of office leasing deals in Q2.

Vacancy and Rental Performance Vary by Submarket

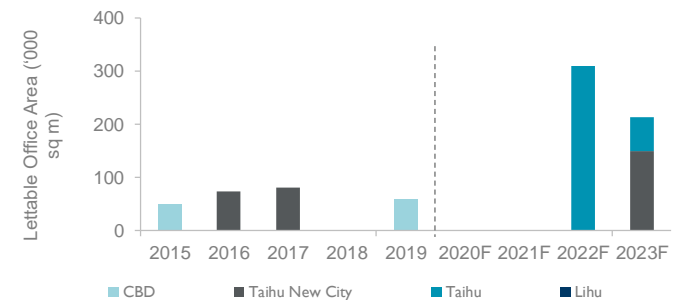
The Taihu New City and CBD submarkets achieved positive net absorption in Q2, leading to a fall in their vacancy rates. However, other submarkets experienced rising vacancy. Overall, the citywide vacancy rate edged down slightly to 31.0%, with average monthly rental recording RMB74.1 per sq m at the end of the quarter. Ahead, given government actions to promote economic development in the city, such as advancing the Tech sector, we expect more vacant space to be gradually absorbed.

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	22.6%	-	¥83.3	US\$1.09	€0.98
Taihu	225,900	46.0%	374,000	¥68.9	US\$0.90	€0.81
Lihu	34,000	35.0%	-	¥76.0	US\$0.99	€0.89
Taihu New City	221,640	23.6%	-	¥65.8	US\$0.85	€0.77
WUXI GRADE A TOTAL	706,299	31.0%	374,000	¥74.1	US\$1.72	€0.88

Rental equals "Gross Transacted Face Rental"

1 RMB = 0.1402 USD = 0.1261 EUR (June 1st 2020)

KEY LEASING TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Ping'An Fortune Center	Taihu New City	Deheng Law Offices	2,000	Relocation
Center 66	CBD	ABC Life	600	Relocation
Center 66	CBD	Mohlenhoff HVAC Trade	480	New Setup

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

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

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