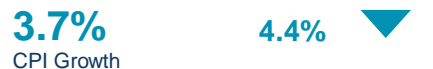


Source: Cushman & Wakefield Research

### WUXI ECONOMIC INDICATORS 2020 Q2



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

### No New Projects Completed in Q3

No new office completions are expected in 2020 and this situation is now expected to last until 2022. As new tech firms, such as those involved in integrated circuits, 5G infrastructure or the bio-med field, develop further in industrial parks in Wuxi New District, more firms may be attracted to the emerging submarkets. The opening of Metro Line 3 this year will also boost development in Wuxi New District.

### Leasing Activities Led by Professional Services and Finance Sectors

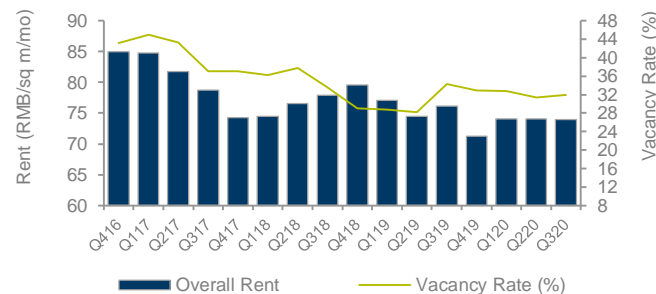
With no new local COVID-19 cases since the earlier part of the year, the city government has now relaxed many quarantine measures at office building entrances. Business activity in the quarter returned almost to normal. Professional service firms were key drivers of leasing activity, occupying vacant space in the market, followed by finance and insurance firms. With schools commencing the new semester in September as planned, education firms were also active, and a number of technology firms, including in the medical and Internet tech fields, signed predominantly smaller leasing deals in the period.

In contrast to the new leasing activity overall, Taihu New City and Taihu submarkets experienced negative net absorption, which pushed overall net absorption into negative territory, registering -6,630 sq m. Considering the citywide total office stock of recent years, we can expect the average vacancy rate to hover around the 30% level, if no other major beneficial leasing market factors appear.

### Rental Levels Dip in Emerging Submarkets

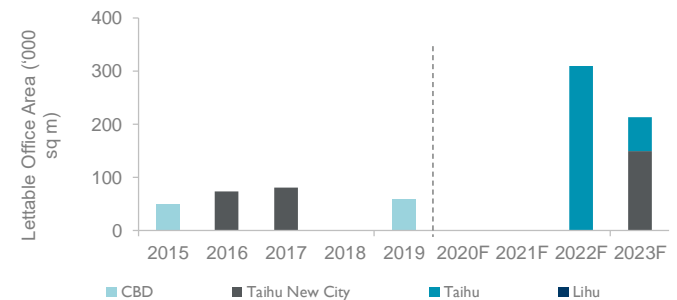
Overall, the citywide vacancy rate rose slightly to 31.9% in Q3. Overall average monthly rental fell very slightly to record RMB73.9 per sq m, mainly because the Taihu New City submarket was not as active as in the last several quarters. Metro Line 3 and Metro Line 4 are expected to come into operation in 2020 and 2021, respectively. Emerging submarkets will then be better connected to major transportation hubs, including railway stations and Wuxi Airport, and this development will again benefit city office tenants.

### 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	21.6%	-	¥83.3	US\$1.12	€0.95
Taihu	225,900	47.3%	374,000	¥68.9	US\$0.93	€0.78
Lihu	34,000	35.0%	-	¥73.0	US\$0.98	€0.83
Taihu New City	221,640	26.2%	-	¥66.2	US\$0.89	€0.75
<b>WUXI GRADE A TOTAL</b>	<b>706,299</b>	<b>31.9%</b>	<b>374,000</b>	<b>¥73.9</b>	<b>US\$0.99</b>	<b>€0.84</b>

Rental equals "Gross Transacted Face Rental"

1 RMB = 0.1445 USD = 0.1224 EUR (August 24<sup>th</sup> 2020)

#### KEY LEASING TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Changxing International Financial Tower	Taihu New City	Huidodo Technology	4,000	New Setup
Center 66 II	CBD	ele	1,300	New Setup
Center 66 II	CBD	BDO China Shu Lun Pan Certified Public Accountants LLP	1,300	Relocation

#### 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	-	150,000	2023

#### Shaun Brodie

Head of Occupier Research, Greater China  
42-43/F, Tower 2, Plaza 66, 1366 Nanjing West Road  
Shanghai

Tel: +86 21 2208 0529 / [shaun.fv.brodie@cushwake.com](mailto:shaun.fv.brodie@cushwake.com)

[cushmanwakefield.com](http://cushmanwakefield.com)

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