

12-Mo. Forecast

¥93.19
Rent (PSM/MO)



26.03%
Vacancy Rate



Source: Cushman & Wakefield Research

JINAN ECONOMIC INDICATORS Q3 2020

3.1% GDP Growth
Q2 2020: **0.7%** 12-Mo. Forecast:

2.6% Tertiary Sector Growth
Q2 2020: **-0.3%** 12-Mo. Forecast:

3.5% CPI Growth
Q2 2020: **3.9%** 12-Mo. Forecast:

3.2% Real Estate Development & Investment Growth
Q2 2020: **-1.7%** 12-Mo. Forecast:

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

Market Stabilized as Impact of Pandemic Gradually Eases

No new Grade A office supply entered the Jinan market in 2H 2020 and total office stock remained at 1.25 million sq m.

The office market continued to recover from the effects of the pandemic through the second half of the year. Overall average Grade A rent remained stable at RMB93.19 per sq m per month, while the citywide vacancy rate reached 26% by the end of 2020. Among submarkets, the emerging West City submarket record the lowest average rental level at RMB49.5 per sq m per month.

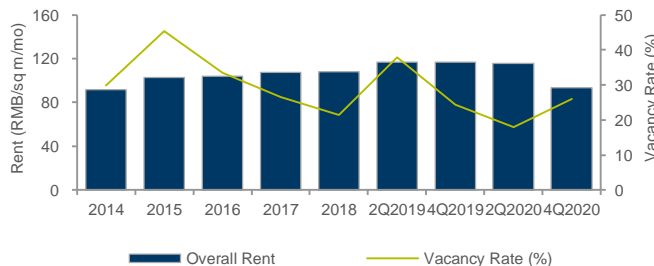
Leasing Demand from Online Services Continues to Rise

The finance, TMT and professional services sectors were the key drivers of leasing activity in the office market in 2020, together accounting for 80% of total leasing transactions. Online education firms were particularly active, with expansion demand continuing to rise in the second half of the year. A notable deal was the lease by Sparkle Thinking of around 1,916 sq m of office space in the Greenland Qilu Gate in West City submarket, while Guagualong leased 2,000 sq meters of office space at Hanyu Golden Valley in the High-Tech submarket.

Olympic CBD Submarket to Dominate Coming New Supply

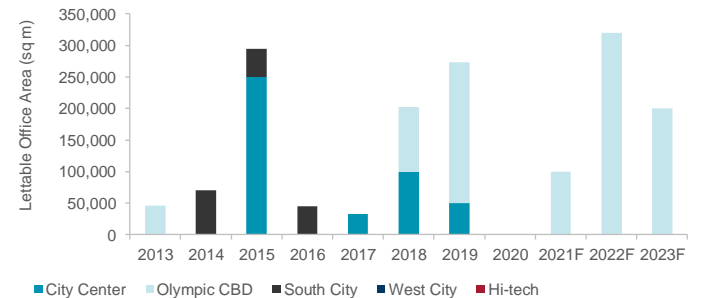
Approximately 620,000 sq m of new high-quality supply is scheduled to enter the market in the next three years, with all the new projects located in the Olympic CBD submarket. Olympic CBD has developed rapidly in recent years, with four metro lines and seven stations planned and nearly 450 enterprises moving into the area. In the coming five years the submarket's goals are to introduce more than 50 financial institution provincial headquarters and more than 100 global fortune 500 and domestic fortune 500 regional headquarters.

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	20.43%	0	118.5	18.02	15.16
Olympic CBD Submarket	319,350	32.77%	620,000	104.0	15.82	13.30
South City Submarket	159,245	15.77%	0	93.0	14.15	11.89
Hi-Tech Submarket	60,000	7.0%	0	90.0	13.69	11.51
West City Submarket	212,156	42.12%	0	49.5	7.53	6.33
JINAN GRADE A OVERALL TOTAL	1,248,981	26.03%	620,000	93.19	14.17	11.92

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: 1CNY = 0.1521USD = 0.1279EUR as of NOV 25, 2020

KEY LEASING TRANSACTIONS 2H 2020

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
The Greenland Gate of Qilu	West City Submarket	Spark Thinking	1,915.8	New Lease
Hanyu Golden Valley	Hi-Tech Submarket	Guagualong	2,000	New Lease
Luneng International Center	South City Submarket	Mars Wrigley Candy (China) Co., Ltd.	530	New Lease

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Hanyu Golden Valley	Olympic CBD Submarket	N/A	40,000	2021
Green Land IFC	Olympic CBD Submarket	N/A	170,000	2022
The Mixc Resources Land Plaza	Olympic CBD Submarket	N/A	130,000	2022
Pingan IFC	Olympic CBD Submarket	N/A	200,000	2023

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