

¥72.3
Rent (PSMMO)

12-Mo.
Forecast



-2.2%
Rental Growth (QOQ)



29.2%
Vacancy Rate



Source: Cushman & Wakefield Research

WUXI ECONOMIC INDICATORS Q1-Q3 2020

2.5%
GDP Growth

2020 1H: 0.8%
12-Mo. Forecast: ▲

2.3%
Tertiary Sector Growth

2020 1H: 1.0%
12-Mo. Forecast: ▲

3.1%
CPI Growth

2020 1H: 3.7%
12-Mo. Forecast: ▼

-1.0%
Real Estate Sector Investment

2020 1H: -0.7%
12-Mo. Forecast: ▼

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

No New Projects Completed in 2020

No new office supply entered the Wuxi market for the full-year 2020. However, in 2021 the opening of Metro Line 4, the first of three new lines due in the coming five years, is set to boost commercial real estate development in Taihu New City and in the Lihu submarket, as well as help ease commuting within the city.

Leasing Activities Led by TMT Firms

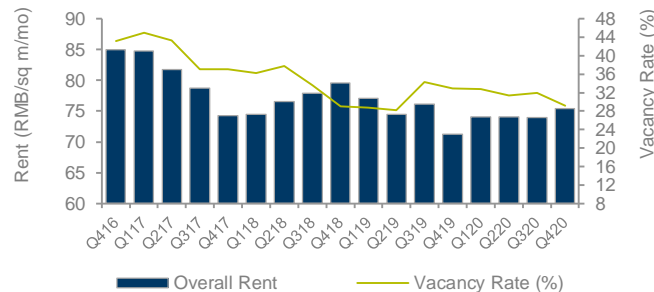
As the government endeavors to promote the development of advanced technology and services, some TMT firms were very active in Q4, having finalized large-area deals in the city in the quarter. These deals pushed net absorption up to 19,495 sq m, marking a new high in recent quarters. Consequently, the overall citywide average vacancy rate dropped to 29.2% at year-end.

In contrast to the last quarter, the Taihu New City submarket achieved positive net absorption, which dropped the submarket's average vacancy rate down to 19.4%, currently the lowest among the city's submarkets. After a decade of infrastructure construction Taihu New City is now a mature business hub able to attract growing numbers of firms.

Rental Level Dropped a Bit for Q4

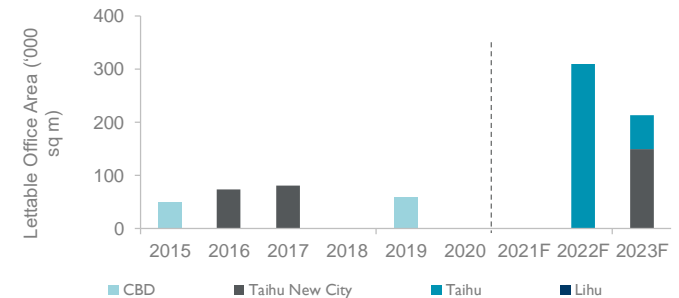
The decrease in asking rental of projects in CBD made citywide average monthly rental level shrink to RMB72.3 per sq m. However, looking ahead, and bolstered by the national strategy to promote greater innovation, we expect local enterprises operating in the tech field to take up further quality office space. With tech talent anticipated to locate primarily in the Hi-Tech Zone, finance and services sector talent is likely to gravitate to the emerging submarkets including Lihu and Taihu New City. The completion of Metro Line 4 will more closely connect Taihu New City, Lihu and CBD, further consolidating the commercial status of these areas, and helping to boost rental values and asset values for quality office properties within Wuxi city in the near-term.

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	USD/SF/MO	EUR/SF/MO
CBD	224,759	19.8%	-	¥84.9	US\$1.20	€1.00
Taihu	225,900	47.5%	374,000	¥69.5	US\$0.98	€0.83
Lihu	34,000	33.0%	-	¥73.0	US\$1.03	€0.87
Taihu New City	221,640	19.4%	150,000	¥68.8	US\$0.97	€0.82
WUXI GRADE A TOTAL	706,299	29.2%	524,000	¥75.5	US\$1.07	€0.90

Rental equals "Gross Transacted Face Rental"

1 RMB = 0.1521 USD = 0.1279 EUR (November 25th 2020)

KEY LEASING TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Center 66	CBD	Kuaishou.com	2,700	Expansion
United Financial Building	Taihu New City	Qunzhi Future Artificial Intelligence	2,100	New Setup
United Financial Building	Taihu New City	Nanyang Commercial Bank	2,100	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	-	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

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 53,000 employees in 400 offices and 60 countries. Across Greater China, 22 offices are servicing the local market. The company won four of the top awards in the Euromoney Survey 2017, 2018 and 2020 in the categories of Overall, Agency Letting/Sales, Valuation and Research in China. In 2019, the firm had revenue of \$ 8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2021 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.