

12-Mo. Forecast

¥130.2
Rent (PSMMO)



0.0%
Rental Growth (QOQ)



24.6%
Vacancy Rate



Source: Cushman & Wakefield Research

No New Supply Completed in Q1

No new quality projects entered the Nanjing office market in Q1, but the Highrise Center and IFC II are highly likely to be completed within this year. Thus, total prime office stock remained at 1.9 million sq m. In February, the National Development and Reform Commission (NDRC) agreed on the development plan for the Nanjing Metropolitan Circle, the first metropolitan circle plan approved by the NDRC. On the one hand, the government accelerated the construction of the transportation network to connect with the surrounding regions. On the other hand, the government utilized digitalization in major central districts to enhance the city environment to attract more enterprises. Modernized medical services, the digital economy, the 5G network, new energy automobiles and other innovative industries were much emphasized in recent investment and construction.

Finance, Healthcare and TMT Firms Led Leasing Demand

Many finance occupiers, including insurance firms, were active at the beginning of the year, though the derivatives market faced some difficulty after the Spring Festival. Healthcare and TMT firms were also active in continually expanding. There was a small group of enterprises which outflowed from Xinjiekou, which pushed the vacancy rate up slightly. Transactions in Hexi New Town, however, kept net absorption at 6,225 sq m in Q1, which drove the overall vacancy rate dropping to 24.6%.

Rental to Remain Around Current Level in the Near-Term

Shui On Land, along with a fund company, made a sizeable office investment in Xinjiekou at the year end of 2020. Additionally, rentals were adjusted in many projects to a more reasonable level. Meanwhile, more prime projects are expected to complete, which should help to continue to stabilize rentals. Currently, due to the internal adjustment about the database, the overall prime market in Nanjing stands at RMB130.2 per sq m per month.

NANJING ECONOMIC INDICATORS 2020

Q1-Q3 2020 12-Mo. Forecast

4.6%
GDP Growth **3.3%**

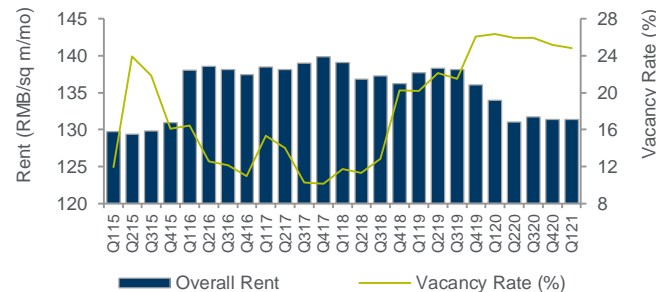
4.1%
Tertiary Sector Growth **3.5%**

2.4%
CPI Growth **3.1%**

5.2%
Real Estate Sector Investment **0.2%**

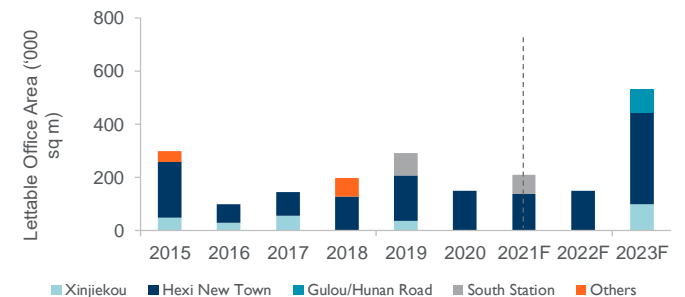
Source: Nanjing Statistics Bureau
The forecast is based on Oxford Economics

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
Xinjiekou	538,069	20.2%	100,000	¥152.0	US\$2.17	€1.82
Hexi New Town	1,003,177	30.0%	719,135	¥125.5	US\$1.79	€1.50
Gulou/Hunan Road	155,618	29.5%	86,861	¥127.7	US\$1.82	€1.53
South Station	83,583	6.8%	70,000	¥98.8	US\$1.41	€1.18
Baijiahu	100,000	7.4%	0	¥97.3	US\$1.39	€1.17
Others	40,000	10.0%	0	¥121.6	US\$1.74	€1.46
NANJING GRADE A CBD TOTAL	1,890,447	24.6%	965,996	¥130.2	US\$1.86	€1.56

Rental equals "Gross Transacted Face Rental"

1RMB = 0.1536USD = 0.1291EUR (March 10th 2021)

KEY LEASING TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Asia Pacific Tower	Xinjiekou	AIA	3,000	New Setup
Financial City	Hexi New Town	K. Wah Group	1,700	New Setup
Glarun Tower	Hexi New Town	Zhong Cheng Chu International Trade	762	New Setup
Ping'An Financial Center	Xinjiekou	Xueshitong Educational Technology	500	New Setup

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION YEAR
Nanjing IFC Phase II	Hexi New Town	-	138,900	2021
Greenland Zijin Center	Gulou/Hunan Road	-	22,416	2023
Financial City II	Hexi New Town	-	160,000	2023
Hongkong Land Jinling Central	Xinjiekou	-	100,000	2023
Walsin Centro AB Plot	Hexi New Town	-	186,000	2023

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