

¥100.58
Rent (PSM/MO)

12-Mo.
Forecast



-0.67%
Rental Growth (QOQ)



21.84%
Vacancy Rate



Source: Cushman & Wakefield Research

QINGDAO ECONOMIC INDICATORS Q4 2020

Indicator	Q3 2020	12-Mo. Forecast
3.7% GDP Growth	2.2%	▲
4.1% Tertiary Sector Growth	2.0%	▲
2.4% CPI Growth	3.3%	▼
13.4% Real Estate Development & Investment Growth	11.2%	▲

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

Leasing Demand From Logistics and New Media Enterprises Performed Relatively Strongly

No new supply entered Qingdao's Grade A office market in Q1, and overall Grade A office stock remained at 1.45 million sq m. Grade A office average monthly effective rents continued to decline in the quarter, dropping 0.7% q-o-q to RMB100.52 per sq m. The vacancy rate fell by 0.91 pp from the previous quarter to 21.84%.

Logistics, new media and tourism service companies were active in leasing transactions in Q1. Nippon Logistics leased around 1,000 sq m of office space in Farglory International Plaza, while Evergrande Tourism and Duo Cai New Media took approximately 2,300 sq m and 1,500 sq m of office space respectively in the Excellence Century Center.

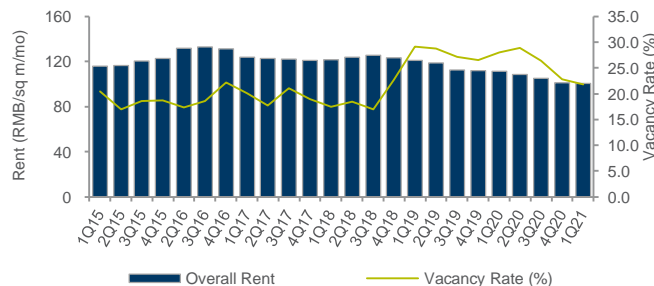
Shinan CBD Set for Building and Environment Quality Improvement

By the end of 2023, nearly 840,000 sq m of new supply will be added to the Qingdao office market, including the Qingdao Guoxin Haitian Center, which will become the tallest office building in Shandong province upon its launch on July 1, 2021.

Qingdao city has formulated an implementation plan for the development of modern service industry clusters, and this has become an important support for regional development. Further incentives and supportive policies for business, commerce and manufacturing should also see these sectors help drive more demand in the Grade A office market.

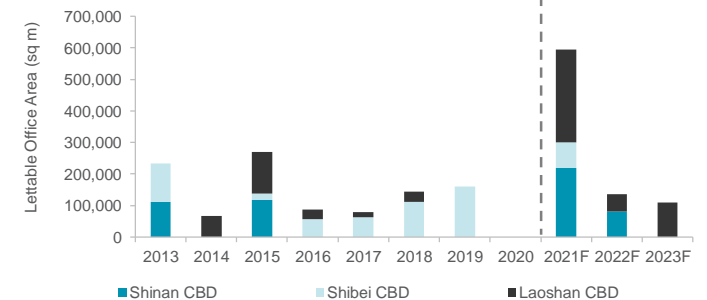
Ahead, the Qingdao Municipal Government is committed to making efforts to enhance the quality of the Shinan CBD public space, including improving traffic conditions, opening enclosed spaces, and optimizing the overall environment. In turn we can expect enhancements to building quality and the overall business environment in Shinan CBD.

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
Shinan CBD	626,921	21.72%	220,000	102.58	15.76	13.24
Shibei CBD	508,461	21.45%	80,000	81.78	12.56	10.56
Laoshan CBD	310,360	22.64%	294,509	117.2	18.00	15.13
QINGDAO GRADE A OVERALL TOTAL	1,445,742	21.84%	594,509	100.52	15.44	12.98

*Projects of others not belonging to any of the above submarkets.

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=0.1536USD=0.1291EUR as of Mar, 10, 2021

KEY LEASING TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Yuanxiong International Plaza	Shinan CBD	RiTong logistics	1000	New Lease
Century Center of excellence	Shibei CBD	Evergrande Group Tourism	2300	New Lease
Century Center of excellence	Shibei CBD	Colorful New Media	1500	New Lease

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Qingdao Hisense International Center	Laoshan CBD	N/A	114,000	2021
SIIC Center	Laoshan CBD	N/A	31,700	2021
Peking University Resource Plaza	Laoshan CBD	N/A	60,000	2021
Hisense Caizhi Valley	Laoshan CBD	N/A	53,600	2022
Deep Blue Centre	Shinan CBD	N/A	80,000	2022

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