



Office Q1 2021

¥72.95

Rent (PSM/MO)

12-Mo.  
Forecast

-1.2%

Rental Growth (QOQ)



27.4%

Vacancy Rate



Source: Cushman &amp; Wakefield Research

SHENYANG ECONOMIC INDICATORS  
Q4 2020

0.8%

GDP Growth

Q3  
2020

-1.6%

12-Mo.  
Forecast

-0.6%

Tertiary Sector  
Growth

-2.4%



2.3%

CPI Growth

2.9%



5.2%

Real Estate  
Development &  
Investment Growth

2.1%

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

## Professional Service Sectors Led Leasing Demand

No new supply entered the Shenyang office market in Q1, and the city's Grade A office stock remained at 1.10 million sq m. Leasing transaction activity gradually recovered in the quarter, with citywide net absorption jumping 62% q-o-q to reach 14,618 sq m. In turn, the overall vacancy rate fell 1.4 pp q-o-q to 27.4%. Average Grade A office rents continued to slide, falling 1.2% q-o-q to RMB72.9 per sq m per month.

The Taiyuan Street submarket welcomed a significant lease deal, with Liaoning Carbon Emission Exchange taking 7,000 sq m of office space at North York Landmark. As a result, professional service leasing transactions accounted for 85.5% of the total leased space in all sectors.

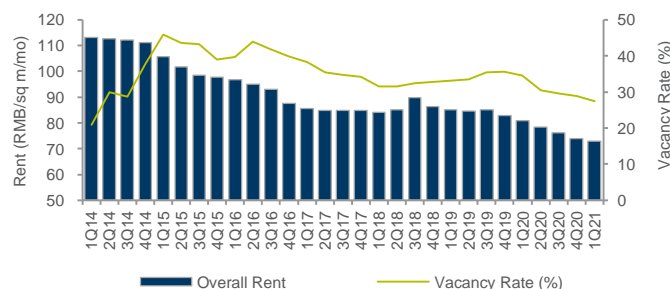
## High-Speed Rail Link Will Bring New Opportunities for Shenyang Market

The Grade A office market will usher in approximately 116,325 sq m of new supply in 2021, mainly concentrated in the Golden Avenue-Wulihe submarket. Market competition will intensify, and we can expect overall vacancy to be pushed up again.

The opening of the Beijing-Shenyang high-speed rail link will bring new opportunities to the Shenyang commercial market. At the government level, the connection between Beijing and Shenyang will be further deepened, and some companies from Beijing will seek to expand their footprint in the northeast region, bringing further opportunity to the Shenyang office market. From the perspective of policy orientation and regional development, the finance, professional services and hi-tech sectors will enjoy further development opportunities and drive greater office demand ahead.

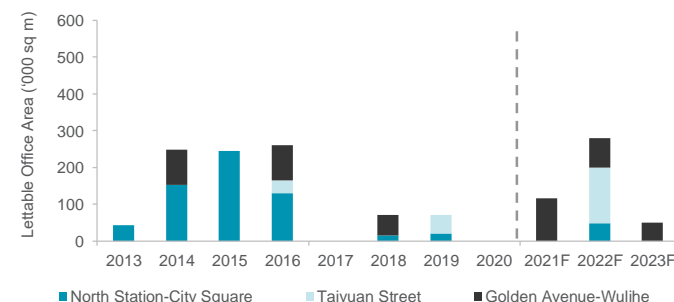
The focus of operations of landmark office projects has shifted from increasing occupancy rates to optimizing the tenant structure. With the intensifying market competitive environment, landlords are putting more effort into high-quality and sustainable development, in order to improve a building's long-term comprehensive competitiveness.

## GRADE A CBD RENT &amp; VACANCY RATE



Source: Cushman &amp; Wakefield Research

## GRADE A OFFICE ANNUAL NEW SUPPLY



Source: Cushman &amp; 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
North Station-City Square	544,439	19.8%	49,000	71.59	1.02	0.86
Taiyuan Street	244,452	46.0%	150,000	61.95	0.88	0.74
Golden Avenue-Wulihe	309,184	26.3%	247,507	84.05	1.20	1.01
SHENYANG GRADE A OVERALL TOTAL	1,098,075	27.4%	446,507	72.95	1.04	0.87

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: 1 CNY=0.1536USD=0.1291 EUR as of Mar 10<sup>th</sup>, 2021

## KEY LEASING TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
North York Landmark	Taiyuan Street	Liaoning Carbon Emission Exchange	7,000	Relocation
Fortune Plaza A	North Station-City Square	Chengxinyouxuan	640	New Lease
Sunny World Center Tower 1	North Station-City Square	Baicaoyishou	560	Expansion

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Shenyang Vanke Center	Golden Avenue-Wulihe	N/A	46,325	2021
Shenyang GFC T2	Golden Avenue-Wulihe	N/A	70,000	2021
HongYun Center	Taiyuan Street	N/A	80,000	2022
One World	Taiyuan Street	N/A	70,000	2022
CIFI Center	North Station-City Square	N/A	49,000	2022
The King Business Center	Golden Avenue-Wulihe	N/A	81,600	2022
Lingxi Center	Golden Avenue-Wulihe	N/A	49,582	2023

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