



¥90.9
Rent (PSM/MO)

12-Mo.
Forecast

-1.9%
Rental Growth (QOQ)

23.3%
Vacancy Rate

Source: Cushman & Wakefield Research

SUZHOU ECONOMIC INDICATORS 2020

3.4%
GDP Growth

Q1-Q3
2020

12-Mo.
Forecast

2.4%

3.5%
Tertiary Sector
Growth

2.6%

2.2%
CPI Growth

2.8%

-0.5%
Real Estate Sector
Investment

0.4%

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

No New Supply in Q1 but Plenty Scheduled for 2021

No new office supply has yet entered the market in 2021. Longfor Center is scheduled to enter in April, and the launch of this project will be the start of a wave of new quality office supply for 2021. Many developers started new plans on some lands in the city, which shall present more projects in the long term future.

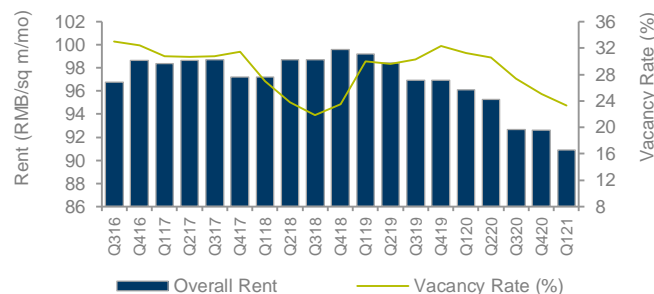
Leasing Activity Led by TMT, Professional Services, Education and Finance Firms

Given some of the policy advantages enjoyed by firms in the Free Trade Zone (FTZ) in Suzhou, industries involved in international trade were active in the quarter, despite the challenging economic situation around the globe. Among the FTZ policies, the government has set up more "green passes" for related firms, reformed financial policies, and strengthened the RMB position within the international trade arena by expanding cross-border RMB settlement within the Suzhou FTZ. Spurred by this impetus, TMT, professional services and finance companies were relatively more active than firms in other industries in the quarter. Besides, education sector was also active. Overall net absorption subsequently remained high, recording 38,918 sq m in Q1. Consequently, the citywide vacancy rate dropped to 23.3%.

Average Rental Levels Declined in Q1

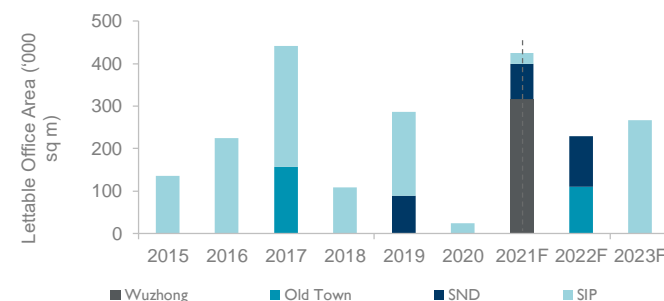
Competition in the market meant that landlords continued to lower their expectations on rental levels in order to maintain occupancy. Even though some core properties saw increases in rents in the quarter, many more projects reduced rents. As a result, the overall average rental for Grade A offices in Suzhou moved down to RMB90.9 per sq m per month. The influx of prime office supply into the rest of 2021 will improve the quality office offering in Suzhou, and with this improved offering, coupled with Suzhou's commercial importance in the Yangtse River Delta region, more businesses across various commercial sectors are expected to locate in Suzhou in the near-future.

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
SND	242,014	24.8%	526,433	¥84.3	US\$1.20	€1.01
Old Town	209,734	27.6%	110,000	¥72.5	US\$1.03	€0.87
SIP	1,668,442	22.0%	293,914	¥96.7	US\$1.38	€1.16
Wuzhong	97,104	31.3%	316,000	¥64.0	US\$0.91	€0.77
SUZHOU GRADE A CBD TOTAL	2,217,294	23.3%	1,246,347	¥90.9	US\$1.30	€1.09

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
GCL	SIP	Huawei	2,100	New Setup
GCL	SIP	Zhangmen Education	2,100	New Setup
Taiping Finance Building	SIP	Beike	1,200	New Setup
GCL	SIP	Guohua Life Insurance	700	New Setup

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION YEAR
Longfor Center	SND	-	50,000	2021
Hengtai Innovation Center	SIP	-	26,812	2021
Yilin Business Plaza	Wuzhong	-	200,000	2021
China Central Place	Old Town	-	110,000	2022
Vanke SIP Zuo'An Project	SIP	-	90,000	2023
China Overseas Project	SIP	-	80,000	2023

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