

**¥93.1**  
Rent (PSM/MO)

12-Mo.  
Forecast



**-1.4%**  
Rental Growth (QOQ)



**32.2%**  
Vacancy Rate



Source: Cushman & Wakefield Research

## TIANJIN ECONOMIC INDICATORS Q4 2020

**1.5%**  
GDP Growth

Q3 2020: **0%** 12-Mo. Forecast:

**1.4%**  
Tertiary Sector Growth

Q3 2020: **0.1%** 12-Mo. Forecast:

**2.0%**  
CPI Growth

Q3 2020: **2.8%** 12-Mo. Forecast:

**-4.4%**  
Real Estate Development & Investment Growth

Q3 2020: **-6.1%** 12-Mo. Forecast:

Source: Tianjin Statistics Bureau/ Cushman & Wakefield Research

## Office Market Leasing Demand Continued to Strengthen in Q1

No new supply entered the Tianjin office market in Q1, and citywide total stock remained at 2.38 million sq m. The city's steady economic improvement saw office market leasing demand continue to strengthen in Q1. Net absorption reached 57,045 sq m, up 2.0% q-o-q, and the vacancy rate fell by 2.4 pp q-o-q to 32.2%. Low rents, sufficient available office space and the improvement of surrounding supporting facilities promoted active lease transactions in the New Badali district, with net absorption of 26,626 sq m accounting for 47% of citywide net absorption.

## Main Demand Came From TMT, Education and Financial Sectors

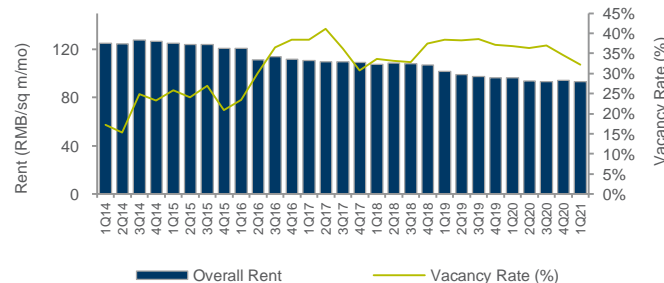
The city's average rent continued on a downward trend in Q1, falling by 1.4% q-o-q to RMB93.1 per sq m per month. The TMT, Education and Financial sectors were the three main demand drivers in the quarter, accounting for 23.8%, 21.0% and 18.2% of the total leased area, respectively.

## New Supply Will Be Distributed Evenly Within the Next Five Years

The Tianjin office market is set for approximately 714,565 sq m of future new supply. However, in the wake of the pandemic some landlords have adjusted project entry plans, and new supply in the next five years is expected to be distributed evenly. From 2021 to 2025, 41.7% of the new supply will be located in emerging submarkets such as New Badali and Haihe. The successive release of new supply will further push up the citywide vacancy rate, with the intensified market competition continuing to exert downward pressure on rents.

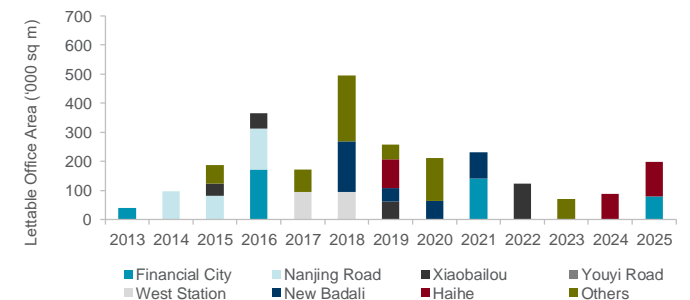
In February, the Tianjin Municipal Government issued the New Infrastructure Three Years Action Plan, focusing on creating new supply, stimulating new demand, and cultivating new economic drivers. Looking ahead, with the effective introduction of intelligent technology companies and high-tech talents, and the gradual development of a technological smart city, new office leasing demand is expected to be gradually released.

## 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
Nanjing Road	590,737	20.79%	0	108.73	1.55	1.30
Financial City	332,370	35.56%	220,960	93.24	1.33	1.12
Xiaobailou	295,971	34.63%	123,600	99.52	1.42	1.19
Youyi Road	162,675	26.76%	0	91.10	1.30	1.09
West Station	189,450	32.22%	0	86.58	1.24	1.04
New Badali	220,964	44.03%	90,000	69.03	0.99	0.83
Haihe	96,968	52.28%	208,165	77.24	1.10	0.93
Others*	495,850	34.71%	71,840	86.93	1.24	1.04
<b>TIANJIN GRADE A OVERALL TOTAL</b>	<b>2,384,985</b>	<b>32.21%</b>	<b>714,565</b>	<b>93.11</b>	<b>1.33</b>	<b>1.12</b>

\*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: 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
Tianjin Hopson Fortune Plaza	Haihe	Haier	2,000	Relocation
Financial Street Center	Nanjing Road	Zhangmen.com	2,200	Relocation
China Overseas Rortune Center	New Badali	BEKE	530	Relocation
Digital Industry Center	New Badali	Worldunion	500	Relocation

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
JING JIN INTERNATIONAL CENTER	Financial City	N/A	141,760	2021
PAFC	Xiaobailou	N/A	123,600	2022
JINMAO	Others	N/A	25,986	2023
TIANJIN KERRY CENTRE	Haihe	N/A	88,165	2024

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