



¥109.1
Rent (PSM/MO)

QoQ
Change



-0.1%
Rental Growth (QoQ)



34.8%
Vacancy Rate



Source: Cushman & Wakefield Research

WUHAN ECONOMIC INDICATORS 2020

-4.7% 2019 12-Mo. Forecast
GDP Growth 7.4%



-3.1% 8.2%
Service Sector GDP Growth



2.4% 3.2%
CPI Growth



-11.8% 9.8%
Real Estate Development Investment Growth



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

New Projects Heighten Overall Vacancy

The opening of Hang Lung Center in Q1 brought 151,471 sq m of new Grade A office supply to the market. Total stock increased to approximately 2.4 million sq m. In order to accelerate leasing deals, owners of newly delivered office buildings adopted more flexible leasing strategies, in turn supporting a continued pick up in absorption. The five core business districts recorded total net absorption of 50,993 sq m in Q1. However, the new completions also helped push up the city's overall vacancy rate by 2.1 percentage points q-o-q to reach 34.8%. Average monthly rent dropped slightly, down 0.1% to RMB109.1 per sq m.

Finance Firms Lead Transaction Activity

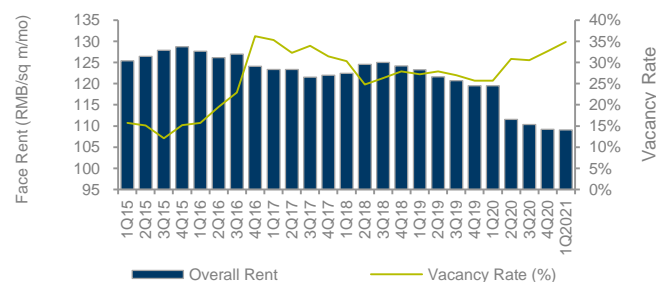
By sector, the main drivers of occupier demand in Q1 were the finance, education and manufacturing sectors. These accounted for approximately 42.6%, 12.1% and 10.5% of leased space respectively. Relocation was still the primary driver for companies seeking office space in Q1, accounting for 51.2% of total leasing transaction numbers in the quarter. Demand for office space expansion also trended up, accounting for 4.9% of total transactions. Expansion demand was primarily derived from the education and professional services sectors, and notably from online education firms and law firms.

The economic recovery coupled with delivery of new quality projects has stimulated leasing demand from new business setups. In particular, startup operations represented 58.8% and 54.5% shares of total leasing transactions in Wuguang and Jianshe Ave. business districts, respectively, benefiting from plentiful available leasing space at new projects.

Outlook

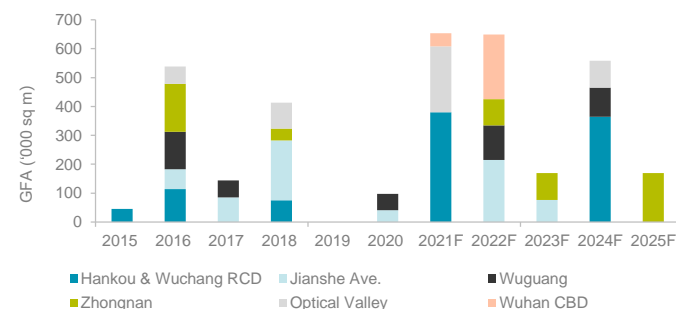
Looking forward, high-quality new projects including CAH Center, Wuhan Tiandi A1 and Fanyue Center are expected to be completed within the year. Upon completion, they will bring a total of 654,121 sq m of new space to the market.

GRADE A OFFICE RENT & VACANCY RATE



Source: Cushman & Wakefield Research

GRADE A OFFICE ANNUAL NEW SUPPLY



Source: Cushman & Wakefield Research



MARKET STATISTICS

| SUBMARKET | INVENTORY (sq m) | VACANCY RATE | PLANNED & UNDER CONSTRUCTION TILL 2025 (sq m) | GRADE A FACE RENT | | |
|--------------------------|---------------------|-----------------|---|-------------------|------------|-----------|
| | | | | RMB/SQ M/MO | US\$/SF/MO | EUR/SF/MO |
| Jianshe Ave. | 877,662 | 37.6% | 291,372 | 99.8 | 1.4 | 1.2 |
| Wuguang | 592,618 | 54.2% | 219,355 | 99.6 | 1.4 | 1.2 |
| Hankou & Wuchang RCD | 377,142 | 14.6% | 744,462 | 128.7 | 1.8 | 1.5 |
| Zhongnan | 400,857 | 28.0% | 353,796 | 119.3 | 1.7 | 1.4 |
| Optical Valley | 149,358 | 10.6% | 322,955 | 117.0 | 1.7 | 1.4 |
| WUHAN CORE GRADE A TOTAL | 2,397,637 | 34.8% | 1,931,940 | 109.1 | US\$1.6 | €1.3 |
| Wuhan CBD | - | - | 268,754 | - | - | - |

* Rent is calculated based on gross floor area and assuming a letting of mid floors for a typical three-year lease term with VAT.
 1 USD = 6.510417RMB = 0.840495 EUR as at 10th Mar 2021

KEY LEASING TRANSACTIONS 1Q21

| PROPERTY | SUBMARKET | TENANT | SQ M | LEASE TYPE |
|-------------------------------|----------------------|--|-------|------------|
| K11 ATELIER | Wuguang | Sinopec Green Energy (Wuhan) Technology Energy Co. Ltd | 500 | New Setup |
| New World Center T1 | Optical Valley | Apes Tutoring | 1,700 | Expansion |
| Tianyue Bund Financial Center | Hankou & Wuchang RCD | Wuhan Metro Line 12 Construction and Operation Co. Ltd | 1,800 | Relocation |
| Hang Lung Center | Wuguang | Ping An Life Insurance | 5,313 | Relocation |

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

| PROPERTY | SUBMARKET | MAJOR TENANT | AREA (SQ M) | COMPLETION YEAR |
|----------------------|----------------------|--------------|-------------|-----------------|
| CAH Center | Wuhan CBD | - | 45,573 | 2021 |
| Wuhan Tiandi A1 | Hankou & Wuchang RCD | - | 177,117 | 2021 |
| Fanyue Center | Optical Valley | - | 229,001 | 2021 |
| The Greenland Center | Hankou & Wuchang RCD | - | 202,430 | 2021 |

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