

12-Mo.
Forecast

¥72.5
Rent (PSMMO)

0.3%
Rental Growth (QOQ)

29.7%
Vacancy Rate

Source: Cushman & Wakefield Research

WUXI ECONOMIC INDICATORS 2020

3.7% GDP Growth
Q1-Q3 2020: **2.5%** 12-Mo. Forecast

3.2% Tertiary Sector Growth
Q1-Q3 2020: **2.3%** 12-Mo. Forecast

2.3% CPI Growth
Q1-Q3 2020: **3.1%** 12-Mo. Forecast

-0.6% Real Estate Sector Investment
Q1-Q3 2020: **-1.0%** 12-Mo. Forecast

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

No New Projects Completed in Q1

No new office projects were handed over in Q1. The absence of new completions is likely to extend through the year. However, upcoming projects are scheduled to be finished later into 2022.

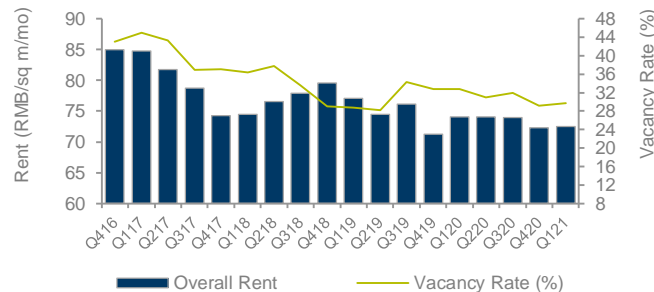
Leasing Activity Led by TMT Firms

Revenue from the integrated circuit industry in Wuxi reached the top spot in Jiangsu province and third place nationwide in 2020, according to recent official data and information. Related industries in Wuxi also thrived in 2020. Bolstered by government support on taxes and in the supply chain, many TMT enterprises saw business pick up. Alongside this business growth, TMT firms were also active in Q1 regarding demand for new office space. Overall, however, citywide take-up was still down on the previous quarter, falling into negative territory at -3,826 sq m at the end of Q1. Consequently, the overall citywide average vacancy rate climbed to 29.7% at the end of the quarter.

Rental Level Levelled up Slightly

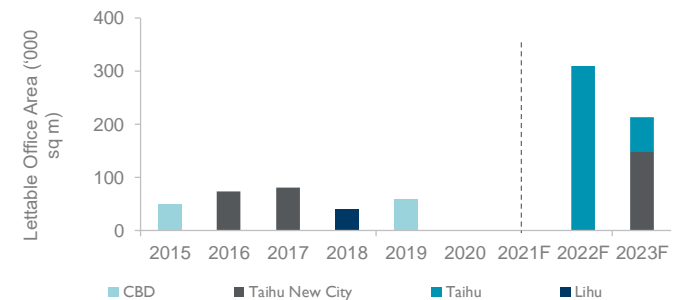
The average rental in the city rose slightly to RMB72.5 per sq m per month. Some projects in Taihu New City increased their asking rental, although others at Taihu Square dropped theirs. Rental levels at most properties did not vary that much during the period. Upcoming new supply is expected to complete later into 2022. This should give the market some breathing space to absorb some of the existing available office space and therefore help to suppress the overall citywide vacancy rate. The TMT sector is expected to remain active for the rest of this year with related companies expected to take up more space in business parks, in downtown offices, and some in co-working office spaces. Over the longer term, Wuxi's strength in innovative technology and in tourism and entertainment, combined with the city's position as an important component of the overall Yangtze River Integration Plan, will help to drive the city's economy and in turn demand for quality office space.

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
CBD	224,759	23.0%	-	¥76.7	US\$1.09	€0.92
Taihu	225,900	50.4%	374,000	¥68.4	US\$0.98	€0.82
Lihu	34,000	30.0%	-	¥73.0	US\$1.04	€0.88
Taihu New City	221,640	15.4%	150,000	¥70.3	US\$1.00	€0.84
WUXI GRADE A TOTAL	706,299	29.7%	524,000	¥72.5	US\$1.03	€0.87

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
Wuxi IFS	Taihu Square	Cifi Real Estate	2,000	New Setup
Center 55	CBD	CICC Wealth Management	1,000	New Setup
Center 66	CBD	FacilityONE Software	500	New Setup

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Greenland Central Plaza	Taihu	-	310,000	2022
World Trade Tower	Taihu	-	64,000	2023
Baoneng Project	Taihu New City	-	150,000	2023

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