

12-Mo.
Forecast

¥90.7
Rent (PSM/MO)



1.0%
Rental Growth (QOQ)



21.3%
Vacancy Rate



Source: Cushman & Wakefield Research

XI'AN ECONOMIC INDICATORS Q4 2020

5.2%
GDP Growth

Q3 2020: **4.5%** 12-Mo. Forecast:

4.2%
Tertiary Sector Growth

Q3 2020: **3.6%** 12-Mo. Forecast:

2.1%
CPI Growth

Q3 2020: **2.6%** 12-Mo. Forecast:

6.5%
Real Estate Development & Investment Growth

Q3 2020: **3.0%** 12-Mo. Forecast:

Source: Xi'an Statistics Bureau / Oxford Economics / Cushman & Wakefield Research

Leasing Demand Continues on Positive Trend

No new projects entered the Xi'an Grade A office market in Q1 2021, and the city's total Grade A stock remained at 2.76 million sq m. Leasing demand continued to pick up in the quarter, with net absorption reaching 114,885 sq m. With no new supply entering, overall market vacancy again dropped, down 4.2 pp q-o-q to 21.3%. Citywide Grade A average rent increased by 1.0% q-o-q to RMB90.7 per sq m per month.

Financial and Professional Service Sectors Lead Office Leasing Activity

The financial and professional service industries were the key drivers of office leasing activity in Q1. Finance sector transactions were concentrated in the High-Tech Zone submarket. Deals included the lease by CSCEC-SR of 2,000 sq m of office space in Maik Plaza, while Dinghe Insurance leased 1,380 sq m at the Wynn International Financial Center, and Yuanfufao expanded with 4,000 sq m of office space at Qujiang Creative Circle.

New Supply Pipeline Slows

The office market new supply pipeline has slowed significantly in the wake of the pandemic. Only four projects are planned to enter the market in the next two years, bringing 523,000 square meters of high-quality office space. The new projects will be predominantly located in the High-Tech Zone, with the submarket accounting for 63% of the total scheduled supply.

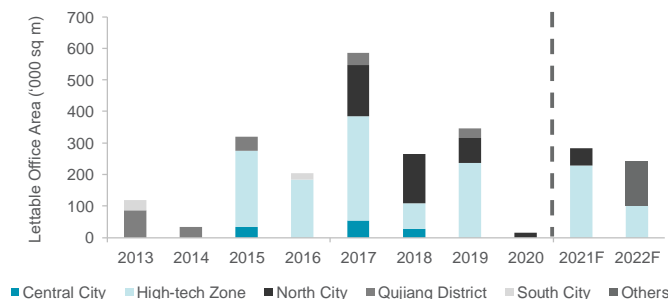
The ongoing advancement of urban development in Xi'an recent years has resulted in supporting facilities in emerging areas gradually improve. The Chanba Ecological Area, Xi Xian New Area, and Aerospace Economic and Technological Development Zone have all seen regional office building clusters. This will further enhance the office environment in these areas and bring more choices for firms considering relocation.

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 |
| Central City | 195,383 | 13.33% | 0 | 118.71 | 1.68 | 1.41 |
| Hi-tech zone | 1,663,718 | 21.24% | 328,000 | 90.75 | 1.30 | 1.10 |
| North City | 545,179 | 29.08% | 55,490 | 78.91 | 1.18 | 0.99 |
| Qujiang New District | 296,826 | 15.77% | 0 | 81.87 | 1.18 | 0.99 |
| South City | 55,900 | 5.00% | 0 | 105.00 | 1.43 | 1.20 |
| Others | / | / | 140,000 | / | / | / |
| XI'AN GRADE A OVERALL TOTAL | 2,757,006 | 21.31% | 523,490 | 90.70 | 1.29 | 1.09 |

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.
Q1 Exchange rate (09:03, March 10th): 1CNY = 0.1536USD = 0.1291EUR = 1.1923HKD = 4.3425TWD

KEY LEASING TRANSACTIONS Q1 2021

| PROPERTY | SUBMARKET | TENANT | SQ M | LEASE TYPE |
|-----------------------------------|----------------|---------------------------|-------|------------|
| Qujiang Creative Circle | Qujiang | Yunfudao | 4,000 | Expansion |
| Maike Plaza | High tech Zone | CSCEC-SR | 2,000 | New Lease |
| Wynn International Finance Centre | High tech Zone | DINGHE insurance | 1,380 | New Lease |
| City Gate | High tech Zone | Ping An Life Insurance | 1,000 | New Lease |
| Radiance International Plaza | High tech Zone | Huatai Property Insurance | 914 | New Lease |

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

| PROPERTY | SUBMARKET | MAJOR TENANT | SQ M | COMPLETION DATE |
|--|--------------|---------------|---------|-----------------|
| Chinalink International Centre | North City | N/A | 55,490 | 2021 |
| Guorui Xi'an Financial Center | Hi-tech Zone | N/A | 228,000 | 2021 |
| Xi'an China Railway Silk Road Headquarters | Other | China Railway | 140,000 | 2022 |
| Taixin Building | Hi-tech Zone | N/A | 100,000 | 2022 |

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