

12-Mo. Forecast

¥100.44
Rent (PSM/MO)



20.9%
Vacancy Rate



Source: Cushman & Wakefield Research

Active Office Leasing Demand Drives Overall Rental Level Growth

The Shuangjin Building in Olympic CBD submarket and Yunding Building in Hi-Tech submarket both completed in 1H 2021, bringing a total of 130,000 sq m of new supply to the Jinan Grade A office market, and taking total Grade A stock up to 1.38 million sq m.

Office leasing activity picked up in the first half of the year with the further domestic containment of the pandemic. Combined with full leasing by large-scale tenants at the new projects, citywide net absorption reached 166,920 sq m. The overall vacancy rate dropped 5.1 percentage points from the end of last year to 20.9%. Robust market performance drove citywide average Grade A office market rents back to pre-pandemic levels, rising 7.7% from the end of last year to reach RMB100.44 per square meter per month.

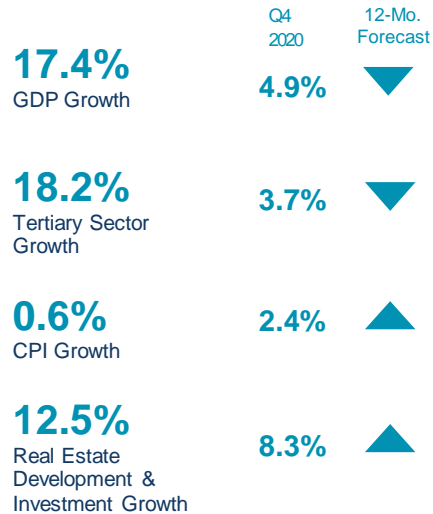
Hi-Tech and Internet firms emerged as the main office leasing force in the 1H period, accounting for 61% of total transaction area. Notable transactions include ByteDance's lease of approximately 20,000 sq m of office space in Shuangjin Building, while Meituan leased 3,900 sq m of space in Tian'an Times Square.

New Projects to Lift Olympic CBD Submarket

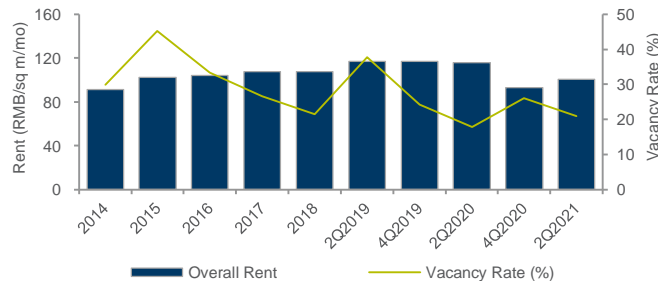
Approximately 1.2 million sq m of new high-quality supply is scheduled to enter the market within the next three years, with all the new projects located in the Olympic CBD submarket. The Janbon Fortune Center is due for delivery in 2H 2021. Looking ahead, the Grade A office market is set for a significant quality uplift from the new completions, and we expect to see growth in the overall rental level.

The update of Jinan's urban planning strategy calls for a more comprehensive industrial system to be established in the eastern urban area of the Olympic CBD area, helping to attract leading firms and promoting industrial upgrading in the eastern region.

JINAN ECONOMIC INDICATORS Q1 2021

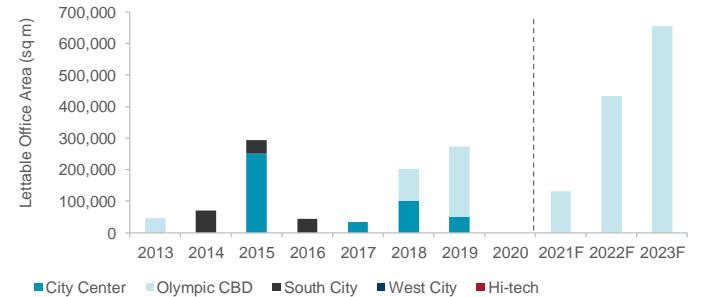


GRADE A CBD RENT & VACANCY RATE



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
City Center Submarket	498,230	15.13%	0	114.4	1.66	1.36
Olympic CBD Submarket	339,350	28.19%	1,218,600	106.3	1.55	1.27
South City Submarket	159,245	14.44%	0	92.9	1.35	1.11
Hi-Tech Submarket	170,000	3.5%	0	119.1	1.73	1.42
West City Submarket	212,156	41.54%	0	49.0	0.71	0.58
JINAN GRADE A OVERALL TOTAL	1,378,981	20.90%	1,218,600	100.44	1.46	1.20

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: 1CNY = 0.1549USD = 0.1297EUR as of JUN 28, 2021

KEY LEASING TRANSACTIONS 1H 2021

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Shuangjin Building	Olympic CBD Submarket	ByteDance	20,000	Relocation
Tian'an Times Square	City Center Submarket	Meituan	3,900	New Lease
Vanke Center	Hi-Tech Submarket	HONOR	547	New Lease

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Janbon Fortune Center	Olympic CBD Submarket	N/A	132,000	2021
Green Land IFC	Olympic CBD Submarket	N/A	170,000	2022
The Mixc Resources Land Plaza	Olympic CBD Submarket	N/A	130,000	2022
Pingan IFC	Olympic CBD Submarket	N/A	200,000	2023

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