

Office 1H 2021

12-Mo.
Forecast
¥84.1
Rent (PSM/MO)

0.2%
Rental Growth (QOQ)

18.6%
Vacancy Rate


One New Project Completed in 1H

The Landmark Block B completed in the Eastern New Town submarket in 1H 2021. New office supply for the half-year was 38,000 sq m, increasing Ningbo's Grade A office stock to approximately 1.39 million sq m. Regarding rental levels, citywide monthly rent for Grade A office space increased to RMB84.1 per sq m at the end of the first half of the year. Among the submarkets, Jiangbei recorded the highest average rent in the city, at RMB114.1 per sq m per month. Tianyi submarket ranked second, recording an average rent of RMB91.3 per sq m per month.

Jiangbei Recorded the Lowest Vacancy Rate

Leasing demand for Grade A offices continued to be active in 1H, contributing 68,147 sq m of net absorption. Influenced by the newly launched project, the overall vacancy rate rose by 3 percentage points to 18.6% compared to the same period in 2020. Jiangbei submarket recorded the lowest vacancy rate for the city, at 2.1%. Meanwhile, Eastern New Town finished the first half with the city's highest vacancy rate, at 22.9%.

Ningbo to Actively Develop a Headquarters Economy

Approximately 198,000 sq m of new supply is now scheduled to launch into the Ningbo prime office market by the end of 2021, mainly in Yinzhou and Jiangbei CBDs. The K11 Atelier, Ningzhu Center and Greenland Center projects will complete in 2H. Citywide total stock of Grade A office space is then expected to reach 1.6 million sq m.

In the next five years, Ningbo will actively develop a headquarters economy. The city is planning to build three headquarters economic core areas, namely Sanjiangkou, Eastern New Town and Southern Business District. These new areas will focus on key fields including port and shipping logistics, international trade, smart cars, biomedicine, modern finance and digital information.

Ningbo is also striving to create a safe, efficient and smart modern infrastructure system, by taking full natural advantage of the port, enhancing the supporting role of land transportation, and strengthening its aviation hub. Ahead, the gradual introduction of high-grade industries, high-quality enterprises and municipal supporting facilities should ensure strong demand for Grade A office space in Ningbo.

NINGBO ECONOMIC INDICATORS Q1 2021

Q1 - Q4 2020
12-Mo.
Forecast
19.5%
GDP Growth

3.3% ▲

14%
Tertiary Sector
Growth

3.6% ▲

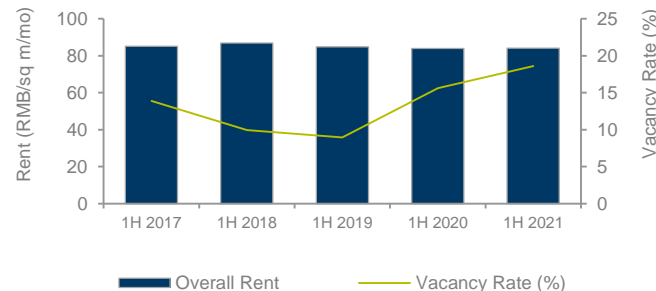
1.4%
CPI Growth

1.9% ▲

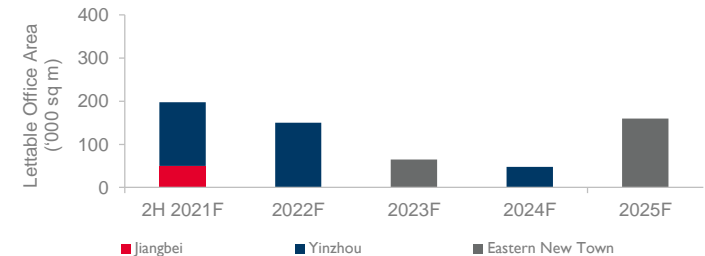
18.2%
Real Estate
Development and
Investment

6.8% ▲

OVERALL RENT & VACANCY RATE



FUTURE SUPPLY



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
Tianyi	32,200	25.0%	0	91.3	1.33	1.09
Jiangbei	56,000	2.1%	50,000	114.1	1.66	1.36
Yinzhou	397,000	10.7%	298,000	73.0	1.06	0.87
Eastern New Town	902,489	22.9%	225,000	81.8	1.19	0.98
NINGBO GRADE A CORE CBD TOTAL	1,387,689	18.6%	573,000	84.1	1.22	1.00

Rental equals "Gross Transacted Face Rental"
1CNY = 0.1565USD = 0.1284EUR (2021.6.8)

KEY LEASING TRANSACTIONS 1H 2021

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Guohua Financial Center	Eastern New Town	Ping An Life Insurance	3,700	Relocation
The Landmark Block B	Eastern New Town	United Win Logistics Company	500	New Setup
Hengtai Building	Tianyi	Law Firm	340	New Setup

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF	COMPLETION DATE
Greenland Center	Jiangbei	50,000	2021
K11 Atelier	Yinzhou	78,000	2021
Ningzhu Center	Yinzhou	70,000	2021
Yongjiang Talent Innovation Center II	Eastern New Town	65,000	2023

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