

¥91.4
Rent (PSM/MO)

12-Mo.
Forecast



-1.8%
Rental Growth (QOQ)



29.8%
Vacancy Rate



Source: Cushman & Wakefield Research

TIANJIN ECONOMIC INDICATORS Q1 2021

15.9%
GDP Growth

Q4
2020

1.5%

12-Mo.
Forecast



11.0%
Tertiary Sector
Growth

1.4%



0.0%
CPI Growth

2.0%



29.0%
Real Estate
Development &
Investment Growth

-4.4%



Source: Tianjin Statistics Bureau/ Cushman & Wakefield Research

Continued Leasing Demand Supported by Lower Rents

No new supply entered the Tianjin office market in Q2, and citywide total stock remained at 2.38 million sq m. Leasing demand continued to be steadily released into the market during the quarter, with net absorption reaching 56,475 sq m, down just 1.0% q-o-q. In turn, the overall vacancy rate dropped a further 2.37 pp q-o-q to 29.8%. Market activity has been supported by more affordable leasing costs, and citywide average rents continued trending down in Q2, falling by 1.8% q-o-q to RMB91.4 per sq m per month.

Professional Services and Education Sectors Drive Demand

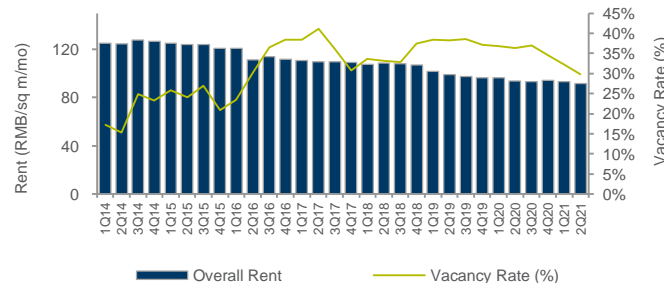
The professional services and education sectors accounted for 28.0% and 21.0% respectively of total leased area in Q2, together taking nearly half of all market transactions.

Greater Beijing-Tianjin Industrial Integration to Boost Office Market Development

No new supply is now expected to enter the Tianjin office market in 2H 2021, and consequently we anticipate overall vacancy to continue to fall in the short-term. However, in 2020 approximately 355,360 sq m of new supply is scheduled to complete. The influx will be expected to intensify market competition and to exert continued downwards pressure on rental levels.

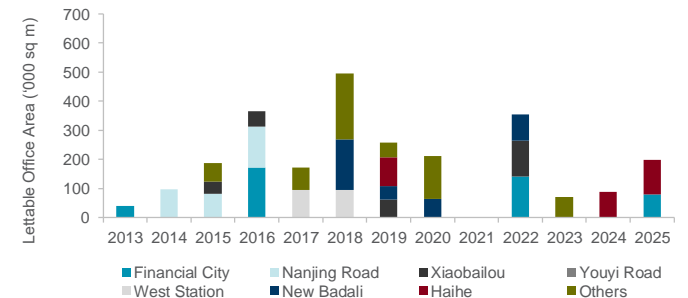
Looking ahead, we see a strategic focus on technological innovation and the introduction of new technologies yielding rewards in enhancing office building quality and the office tenant experience. The 2021 China (Tianjin) Smart Building Economic Summit, held in May, for example, will help promote the use of 5G, AI and Cloud Computing in office properties. Tianjin is also actively recruiting enterprises from Beijing's non-core functional industries, such as manufacturing, with 22 SOEs setting up 39 new institutions in the city, and 22 key projects established at a total investment of more than RMB90 billion. These development initiatives are likely to add new vitality to the Tianjin office leasing market into the longer-term.

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
Nanjing Road	590,737	21.92%	0	104.97	1.53	1.25
Financial City	332,370	31.50%	220,960	90.17	1.31	1.08
Xiaobailou	295,971	33.78%	123,600	94.26	1.37	1.12
Youyi Road	162,675	28.39%	0	90.44	1.31	1.08
West Station	189,450	30.22%	0	86.58	1.26	1.03
New Badali	220,964	31.63%	90,000	70.11	1.02	0.84
Haihe	96,968	50.14%	208,165	77.24	1.12	0.92
Others*	495,850	31.37%	71,840	87.94	1.28	1.05
TIANJIN GRADE A OVERALL TOTAL	2,384,985	29.84%	714,565	91.40	1.33	1.09

*Projects of others not belonging to any of the above submarkets.

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: 1 CNY=0.1565USD=0.1284 EUR as of Jun 8th, 2021

KEY LEASING TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
METROPOLIS CENTER	Others	zuoyebang	2,500	Relocation
Yanlord Land International Center	Others	RYS.COM	1,600	Relocation
China Life Finance Centre	Xiaobailou	BDO	1,150	Relocation
VANKE TIMES	Others	YINGXIN INNOVATEL	956	Relocation

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
JING JIN INTERNATIONAL CENTER	Financial City	N/A	141,760	2022
PAFC	Xiaobailou	N/A	123,600	2022
JINMAO	Others	N/A	25,986	2023
TIANJIN KERRY CENTRE	Haihe	N/A	88,165	2024

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