



¥107.1

Rent (PSM/MO)

QoQ
Change

-1.9%

Rental Growth (QoQ)



34.6%

Vacancy Rate



Source: Cushman & Wakefield Research

WUHAN ECONOMIC INDICATORS
2021Q1

58.4%

GDP Growth

2020

-4.7%

12-Mo.
Forecast

46.9%

Service Sector GDP
Growth

-3.1%



-1.9%

CPI Growth

2.4%



290.9%

Real Estate
Development Investment
Growth

-6.4%

Source: Wuhan Statistics Bureau // Oxford Economics/
Cushman & Wakefield Research

New Projects Spur Optical Valley Submarket Absorption

The launch of Fanyue Center T2 in Q2 brought 52,821 sq m of new Grade A office supply to the market. Total stock increased to approximately 2.5 million sq m. The new delivery helped relieve pent-up demand for Grade A space in Optical Valley submarket, which subsequently achieved outstanding net absorption performance, accounting for 54.0% of the citywide total in the quarter. The five core business districts recorded total net absorption of 39,147 sq m in Q2. In turn, the citywide overall vacancy rate dropped 0.2 percentage points q-o-q to 34.6%. The average monthly rent level slipped again, down 1.9% to RMB107.1 per sq m.

Startup Operations Lead Transaction Activity

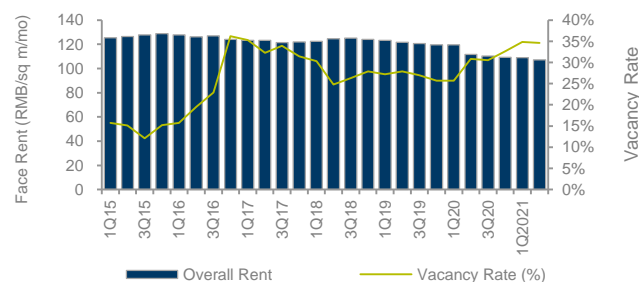
By sector, the main drivers of occupier demand in Q2 were professional services, TMT and trade companies. These accounted for approximately 38.9%, 21.4% and 10.3% of total leased space, respectively. New office startups have now surpassed relocation activities as the primary driver for companies absorbing office space, accounting for 52.6% of total leasing transactions in the quarter.

From the submarket perspective, districts with newly delivered Grade A projects lead leasing overall demand in the city. In Optical Valley, relocation activities were the key driver of occupier demand, accounting for 85.7% of total leasing transactions in the district. However, in Wuguang submarket, new office startup operations led leasing demand.

Outlook

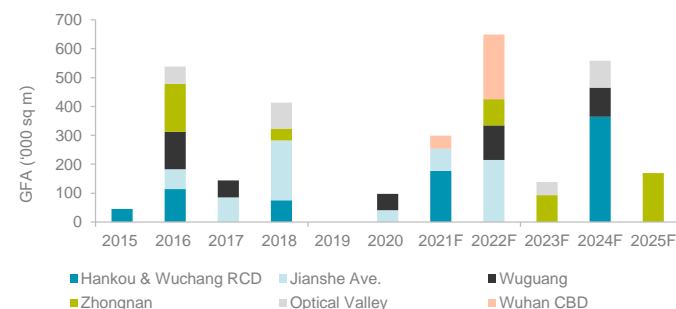
Looking ahead, high-quality new projects including CAH Center, Wuhan Tiandi A1 and Zhonghai Center are currently scheduled to be completed within the year. Combined, the new completions will bring a total of 298,855 sq m of new space to the market.

GRADE A OFFICE RENT & VACANCY RATE



Source: Cushman & Wakefield Research

GRADE A OFFICE ANNUAL NEW SUPPLY



Source: Cushman & Wakefield Research



MARKET STATISTICS

| SUBMARKET | INVENTORY (sq m) | VACANCY RATE | PLANNED & UNDER CONSTRUCTION TILL 2025 (sq m) | GRADE A FACE RENT | | |
|--------------------------|---------------------|-----------------|---|-------------------|------------|-----------|
| | | | | RMB/SQ M/MO | US\$/SF/MO | EUR/SF/MO |
| Jianshe Ave. | 877,662 | 38.0% | 291,372 | 96.5 | 1.4 | 1.2 |
| Wuguang | 592,618 | 51.8% | 219,355 | 96.0 | 1.4 | 1.1 |
| Hankou & Wuchang RCD | 377,142 | 13.1% | 542,032 | 128.7 | 1.9 | 1.5 |
| Zhongnan | 400,857 | 27.6% | 353,796 | 117.1 | 1.7 | 1.4 |
| Optical Valley | 202,179 | 23.5% | 139,944 | 117.4 | 1.7 | 1.4 |
| WUHAN CORE GRADE A TOTAL | 2,450,458 | 34.6% | 1,546,500 | 107.1 | US\$1.6 | €1.3 |
| Wuhan CBD | - | - | 268,754 | - | - | - |

* Rent is calculated based on gross floor area and assuming a letting of mid floors for a typical three-year lease term with VAT.
 1 USD = 6.389776RMB = 0.820447 EUR as of 8th June 2021

KEY LEASING TRANSACTIONS 2Q21

| PROPERTY | SUBMARKET | TENANT | SQ M | LEASE TYPE |
|---------------------------|----------------------|---------------------------|-------|------------|
| Zall International Center | Jianshe Ave. | Dewell & Partners | 3,200 | Relocation |
| Wuhan Tiandi A3 | Hankou & Wuchang RCD | Hangjin Technology | 800 | Relocation |
| Hang Lung Center | Wuguang | Hubei Winning Law Firm | 2,500 | Relocation |
| Fanyue Center T2 | Optical Valley | Huafu Securities co., Ltd | 350 | Relocation |

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

| PROPERTY | SUBMARKET | MAJOR TENANT | AREA (SQ M) | COMPLETION YEAR |
|--------------------|----------------------|--------------|-------------|-----------------|
| CAH Center | Wuhan CBD | - | 45,573 | 2021 |
| Wuhan Tiandi A1 | Hankou & Wuchang RCD | - | 177,117 | 2021 |
| Zhonghai Center | Jianshe Ave. | - | 76,165 | 2021 |
| Times New World T1 | Wuguang | - | 119,355 | 2022 |

Cherry Hu

Assistant Manager

Research, Wuhan

Room 4908-4912, Tower 1 New World International Trade Tower, 568 Jianshe Ave.,

Jiangnan District | Wuhan 430022 | China

Tel: +86 27 6885 0879 / cherry.hu@cushwake.com

cushmanwakefield.com

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 53,000 employees in 400 offices and 60 countries. Across Greater China, 22 offices are servicing the local market. The company won four of the top awards in the Euromoney Survey 2017, 2018 and 2020 in the categories of Overall, Agency Letting/Sales, Valuation and Research in China. In 2019, the firm had revenue of \$ 8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.