



Office Q2 2021

¥92.4

Rent (PSM/MO)

12-Mo.
Forecast

1.8%

Rental Growth (QOQ)



20.1%

Vacancy Rate



Source: Cushman & Wakefield Research

XI'AN ECONOMIC INDICATORS
Q1 2021

16.0%

GDP Growth

Q4
2020

5.2%

12-Mo.
Forecast

12.7%

Tertiary Sector
Growth

4.2%



0.5%

CPI Growth

2.1%



11.4%

Real Estate
Development &
Investment Growth

6.5%

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

Active Office Leasing Market Sustains Rental Growth

No new supply entered the Xi'an office market in Q2, and citywide total stock remained at 2.76 million sq m. Active leasing demand continued in the quarter, with net absorption recording 33,451 sq m. Overall market vacancy dropped 1.2 percentage points q-o-q to 20.1%. Citywide Grade A average rent continued to pick up in the quarter, growing 1.8% q-o-q to reach RMB92.4 per sq m per month.

Financial and Hi-Tech / Internet Sectors Led Leasing Demand

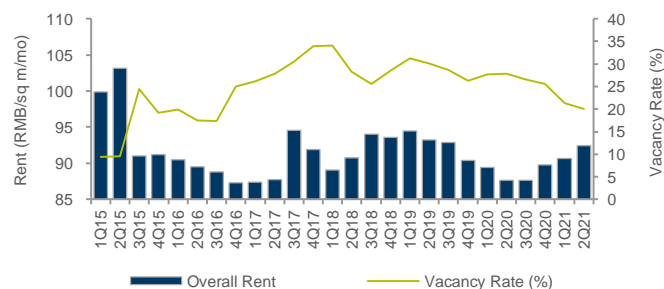
The financial and hi-tech / Internet industries were the key drivers of office leasing activities in Q2. Notable transactions include AVIVA-COFCO's lease of 1,737 sq m of office space in the A&T Center. Ping An Life Insurance leased 3,300 sq m of space in the Kai'ai building, while Oppo took 7,800 sq m in GLP I- Park and Bytedance took 4,221 sq m in IEC-Vanke Center.

Significant New Supply Now Scheduled for Coming Period

Four new projects are now planned to enter the market from 2H 2021 through 2022, bringing 612,800 sq m of high-quality office space. The new entrants will provide more choices for tenants with larger leasing area requirements, although the influx of space is likely to exert new pressures on the overall office market rental level and vacancy rate ahead. The new projects are representative of the Xi'an government's objectives to enhance the business environment, promote the rapid development of the office market, and attract further enterprises to locate into the city.

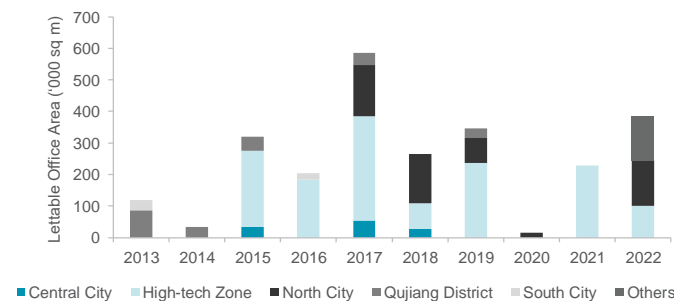
The 2021 Global Hard & Core Technology Innovation Conference opened in Xi'an Hi-tech Zone in June 2021, supporting Xi'an's efforts to become a science and technology innovation center in the Silk Road territory. Industries including fintech, optoelectronics, science innovation, biomedicine, new energy vehicles and artificial intelligence are targeted for progression to become the new engine of the city's economic development, in turn opening new opportunities for sustained leasing demand in the Xi'an office market.

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	15.17%	0	117.69	1.71	1.40
Hi-tech zone	1,663,718	20.53%	328,000	92.82	1.35	1.11
North City	545,179	24.18%	144,800	83.15	1.21	0.99
Qujiang New District	296,826	14.44%	0	88.71	1.29	1.06
South City	55,900	15.00%	0	100.00	1.45	1.19
Others	/	/	140,000	/	/	/
XI'AN GRADE A OVERALL TOTAL	2,757,006	20.10%	612,800	92.37	1.34	1.10

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 Q2 2021

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
A&T Center	Central City	AVIVA-COFCO	1,737	New Lease
GLP I- Park	High tech Zone	OPPO	7,800	New Lease
IEC-Vanke Center	North City	Bytedance	4,221	New Lease

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Guorui Xi'an Financial Center	Hi-tech Zone	N/A	228,000	Q3 2021
Xi'an China Railway Silk Road headquarters	Other	China Railway	140,000	Q3 2022
Taixin building	Hi-tech Zone	N/A	100,000	Q3 2022
Xi'an Rongmin financial center	North City	N/A	144,800	Q3 2022

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