

Office Q1 2022

12-Mo. Forecast

**¥82.68**  
Rent (PSM/MO)



**-0.57%**  
Rental Growth (QOQ)



**29.92%**  
Vacancy Rate



Source: Cushman & Wakefield Research

## CHONGQING ECONOMIC INDICATORS Q4 2021

Q1-Q3 2021

12-Mo. Forecast

**8.3%**  
GDP Growth

**9.9%**



**9.0%**  
Tertiary Sector Growth

**10.3%**



**0.3%**  
CPI Growth

**0%**



**0.1%**  
Real Estate Development & Investment Growth

**0.2%**



Note: Growth figure is y-o-y growth;  
Source: Chongqing Statistics Bureau; Oxford Economics; Cushman & Wakefield Research

## Stable Office Rent, Large Submarket Vacancy Rate Differentials

No new supply was added in Q1. Chongqing's Grade A office stock remained at approximately 2.25 million sq m and overall average rent fell 0.57% q-o-q to RMB82.68 per sq m. The market's vacancy rate increased 0.08 percentage points q-o-q to 29.92%. By submarket, the vacancy rate of Dashihua and Guanyinqiao rose significantly due to many education companies terminating leases early. In contrast, the vacancy rate of Zhaomushan fell by 11 percentage points due to strong momentum at The Ring Office Tower B. In general, large area surrenders from real estate companies and education institutions resulted in a rise in market vacancy, with net absorption weakening to -1,894 sq m.

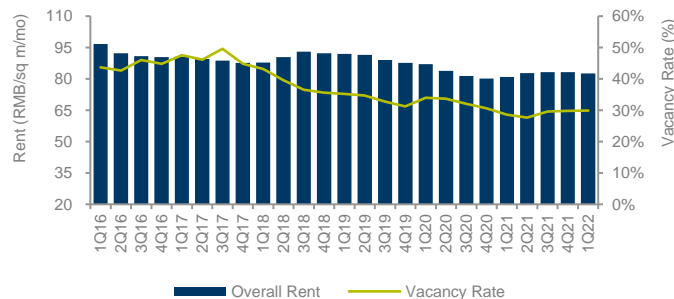
## Emerging Industries such as TMT and Medical Sectors Are Rising Market Players

The TMT sector ranked first for leasing deals in Q1, accounting for 27.5%. The Dashihua and Jiangbeizui submarkets were once the preferred locations for TMT firms, but are now being matched by Zhaomushan, Xinpaifang and other northern submarkets, increasingly favored for their concentration of Internet industry firms and greater choice of rentable space. Chongqing's medical and pharmaceutical industry also performed well, with 14.7% of leasing deals. According to an incentive policy for the medical industry, Chongqing will cultivate three enterprises with an output value of RMB10 billion, five enterprises with an output value of RMB5 billion, and ten newly listed enterprises by the end of the 14th Five-Year Plan. Emerging industries represented by the TMT and medical sectors will also benefit the tenant structure and take-up of Grade A office space.

## Chongqing Supporting Financial Industry

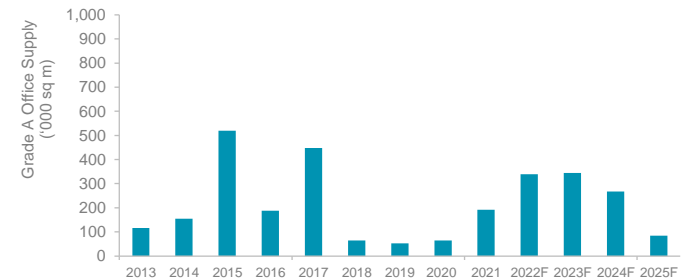
The 14th Five-Year Plan for Financial Reform and Development of Chongqing has been released: Chongqing will build a western financial center and an inland international financial center, and promote the construction of a "Jiangbeizui - Jiefangbei - Changjiahui" financial core area. The inflow of relevant capital and talent will promote upgrading of Chongqing's financial industry, modern services industry, and urban construction.

## GRADE A RENT & VACANCY RATE



Source: Cushman & Wakefield Research

## GRADE A SUPPLY PIPELINE



Source: Cushman & Wakefield Research

SUBMARKET	INVENTORY (sq m)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (sq m)	GRADE A AVG RENT		
				RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO
Jiefangbei	639,420	35.6%	85,000	¥81.18	US\$1.20	€1.10
Dashihua	381,661	26.5%	217,000	¥71.70	US\$1.04	€0.95
Jiangbeizui	708,900	22.5%	120,000	¥90.28	US\$1.32	€1.21
Guanyinqiao	51,000	22.0%	111,337	¥75.00	US\$1.09	€1.00
Nanping	48,101	35.0%	-	¥58.00	US\$0.88	€0.80
Xinpaifang	223,090	25.3%	108,000	¥86.89	US\$1.27	€1.16
Yangjiaping	85,000	22.0%	50,000	¥81.00	US\$1.21	€1.11
Shapingba	63,000	62.0%	-	¥80.00	US\$1.24	€1.13
Zhaomushan	54,000	82.0%	-	¥96.00	US\$1.39	€1.27
Central Park	-	-	345,296	-	-	-
<b>CHONGQING GRADE A TOTAL</b>	<b>2,254,172</b>	<b>29.9%</b>	<b>1,036,633</b>	<b>¥82.68</b>	<b>US\$1.22</b>	<b>€1.11</b>

Face Rent is calculated based on gross floor area and assuming a letting of mid floors for a typical three year lease term with VAT.  
Exchange Rate: 1USD = 0.91332398 Euros = 7.8291523 Hong Kong Dollars = 6.3656467 Chinese Yuan Renminbi = 28.528117 Taiwan New Dollars

### KEY LEASING TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
The Ring Center	Zhaomushan	Xiaomi	4,000	New setup
World Financial Center(WFC)	Jiefangbei	An art company	2,300	New setup
HNA-Poly International Center(HCC)	Jiefangbei	A medical company	2,000	New setup

### SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Concord international centre	Guanyinqiao	-	72,000	2022
Xinhua Xiexin Center	Guanyinqiao	-	39,337	2022
Junhao	Jiangbeizui	-	120,000	2022
Vanke Enterprise Tiandi Building 1	Dashihua	-	217,000	2023
Huarun Office Marketbeat Phase II	Yangjiaping	-	50,000	2023
Joy City	Central Park	-	43,812	2024
Jiefangbei Book City Mixed-use Project	Jiefangbei	-	85,000	2025

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