



¥100.7

Rent (PSM/MO)

QoQ  
Change

-2.4%

Rental Growth (QoQ)



35.1%

Vacancy Rate



Source: Cushman &amp; Wakefield Research

WUHAN ECONOMIC INDICATORS  
2021

12.2%

GDP Growth

2020

-4.7%

12-Mo.  
Forecast

12.3%

Service Sector GDP  
Growth

-3.1%



0.6%

CPI Growth

2.4%



17.2%

Real Estate  
Development Investment  
Growth

-11.8%

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

## New Project Deliveries Prompt Rise in Overall Vacancy

The opening of TF Tower in Q1 brought 89,628 sq m of new Grade A office supply to the Wuhan market. Citywide office stock then rose to approximately 2.7 million sq m. Consecutive quarters of new project delivery brought downward pressure on the average Grade A office rental level in Q1, average Grade A rents in the city's five core business district dropping by 2.4% q-o-q to RMB100.7 per sq m. The five core business districts recorded total net absorption of 43,480 sq m in the quarter, up 29.7% q-o-q, although down 14.7% y-o-y. However, the additional available space also prompted a rise in the overall vacancy rate, increasing 0.6 percentage points q-o-q to reach 35.1%.

## TMT Firms Lead Transaction Activity

The TMT sector was the primary driver of occupier demand in Q1, taking a 38.7% share of total leased space. Professional services firms took a 17.4% share of space, followed by financial firms at 11.4%. Relocation was the most important factor for leasing activity, accounting for 50.0% of total leasing transactions in the quarter. It is worth noting that large area office transactions in Q1 fell compared to the previous quarter, with the market dominated by smaller area leases in the quarter.

## Outlook

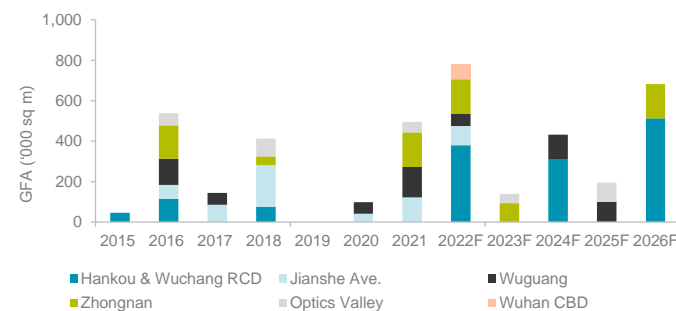
High-quality new projects including Wuhan Tiandi A1, Hong Kong Center A, and CR Land T1, are scheduled to be completed through 2022, and are estimated to bring a total of 778,567 sq m of new supply to the market. We can expect the influx of space to drive up the overall vacancy rate, with average market rental levels coming under further pressure.

## GRADE A OFFICE RENT &amp; VACANCY RATE



Source: Cushman &amp; Wakefield Research

## GRADE A OFFICE ANNUAL NEW SUPPLY



Source: Cushman &amp; Wakefield Research



## MARKET STATISTICS

SUBMARKET	INVENTORY (sq m)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION TILL 2026 (sq m)	GRADE A FACE RENT		
				RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO
Jianshe Ave.	998,735	39.1%	95,797	91.4	1.3	1.2
Wuguang	592,618	43.9%	280,105	87.7	1.3	1.2
Hankou & Wuchang RCD	377,142	15.6%	1,204,462	122.8	1.8	1.6
Zhongnan	490,485	37.9%	432,661	109.8	1.6	1.5
Optics Valley	202,179	19.4%	139,944	113.7	1.7	1.5
WUHAN CORE GRADE A TOTAL	2,661,159	35.1%	2,152,969	103.2	US\$1.5	€1.3
Wuhan CBD	-	-	72,569	-	-	-

\* 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 = 6.3656467RMB = 0.91332398EUR as of 15h Mar 2022

## KEY LEASING TRANSACTIONS 1Q22

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
Poly International Center	Optics Valley	Weipie Technology Co., Ltd	325	Expansion
CAH Fortune Center T1	Jianshe Ave.	Minmetals Futures Co. Ltd	350	New Setup
Hang Lung Center	Wuguang	Wuhan Jicui Technology Co., Ltd	857	Relocation
New World Center T1	Optics Valley	Narwal Robot	2,105	New Setup

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	AREA (SQ M)	COMPLETION YEAR
Hong Kong Center A	Wuguang	-	60,750	2022
Wuhan Tiandi A1	Hankou & Wuchang RCD	-	177,117	2022
CR Land T1	Jianshe Ave.	-	95,797	2022
Hubei Financial Holding Center	Zhongnan	-	91,039	2022

## Cherry Hu

Assistant Manager

Research, Central China

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](mailto:cherry.hu@cushwake.com)

[cushmanwakefield.com](http://cushmanwakefield.com)

## About Cushman &amp; 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 in the world, with approximately 50,000 employees in over 400 offices and 60 countries. In Greater China, a network of 22 offices serves local markets across the region, earning recognition and winning multiple awards for industry-leading performance. In 2021, the firm had revenue of \$9.4 billion across core services including valuation, consulting, project & development services, capital markets, project & occupier services, industrial & logistics, retail and others. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2022 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.