



¥89.1
Rent (PSM/MO)

12-Mo.
Forecast



0 %
Rental Growth (QOQ)



30.1%
Vacancy Rate



Source: Cushman & Wakefield Research

TIANJIN ECONOMIC INDICATORS Q4 2021



Source: Tianjin Statistics Bureau/ Cushman & Wakefield Research

Pandemic and Double Reduction Measures Depress Net Absorption, Rental Level Remain Stable

No new supply entered the Tianjin office market in Q1, and citywide total stock remained at 2.38 million sq m. However, the recurrence of COVID-19 had a significant impact on office leasing demand. The "double reduction" regulations in the education sector and overall business challenges also combined to send quarterly citywide net absorption into negative territory at -20,767 sq m. Consequently, the citywide vacancy rate rose by 0.9 percentage points q-o-q to reach 30.1%. Rental levels remained stable compared to last quarter at RMB89.1 per sq m per month.

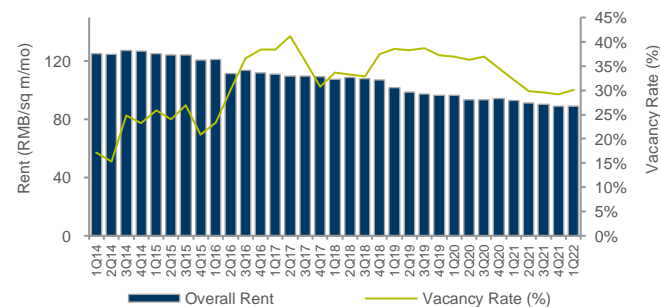
In terms of leasing transactions, TMT firms continued to lead the city in Q1, taking a 36.6% share of total office lease transactions by area. Notable deals included Sunny Culture Media (Tianjin) Co.'s lease of 2,000 sq m of office space in the Vanke Times building, while Lianxin Purdue Technology Co. took 1,685 sq m at Lujiazui Financial Plaza.

Future Supply Concentrated in Haihe Submarket, Digital Industry to Bring New Opportunities

The Tianjin office market is expected to usher in three new high-quality office projects through the next three quarters, totaling a further 194,860 sq m of space. The influx is expected to drive up overall market vacancy and to exert downward pressure on rental levels. From 2022 to 2025, 52% of scheduled new projects will be concentrated in the Haihe submarket, with supply of about 359,425 sq m. By then, market competition among the emerging submarkets will be further intensified.

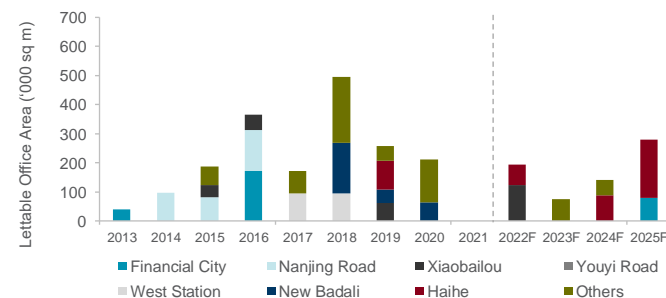
On March 9, 2022, the Tianjin Development and Reform Work Conference fully deployed the 2022 development and reform goals. The conference proposed that Tianjin will actively undertake Beijing's non-capital functions, increase investment promotion, and attract more enterprises to move into the city. In addition, Tianjin will make every effort to develop the digital economy, promoting the Internet and big data industries, while creating a number of digital demonstration parks and intelligent office buildings. A series of favorable policies will help promote new development opportunities in the Tianjin office market, further stimulating office market leasing demand.

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 (2022Q2-2025) (sq m)	GRADE A EFFECTIVE RENT		
				RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO
Nanjing Road	590,737	29.0%	0	100.31	1.46	1.34
Financial City	332,370	33.4%	79,200	89.21	1.30	1.19
Xiaobailou	295,971	38.8%	123,600	91.77	1.34	1.22
Youyi Road	162,675	30.0%	0	86.36	1.26	1.15
West Station	189,450	26.8%	0	80.50	1.17	1.07
New Badali	220,964	23.0%	0	72.82	1.06	0.97
Haihe	96,968	32.3%	359,425	76.02	1.11	1.01
Others*	495,850	28.0%	126,054	87.21	1.27	1.16
TIANJIN GRADE A OVERALL TOTAL	2,384,985	30.1%	688,279	89.05	1.30	1.19

*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: 1USD = 6.3656467CNY = 0.91332398EUR as of March 15th, 2022

KEY LEASING TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
VANKE TIMES	Others	Sunny (Tianjin) culture media development Co., Ltd	2,000	Expansion
Lujiazui Financial Plaza	West Station	Lianxin Purdue Technology Co., Ltd.	1,685	Relocation
VANTONE CENTER	Xiaobailou	HUAWEI	1,500	Relocation
GVC	Financial City	Schindler	750	Relocation

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
Tianjin Hopson Fortune Plaza	Haihe	N/A	45,274	2022
PAFC	Xiaobailou	N/A	123,600	2022
JINMAO	Others	N/A	25,986	2022
TIANJIN KERRY CENTRE	Haihe	N/A	88,165	2024

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