

12-Mo. Forecast

**¥268.8**  
Rent (PSM/MO)



**-3.25%**  
Rental Growth (QOQ)



**15.79%**  
Vacancy Rate



(Core, Grade A)  
Source: Cushman & Wakefield Research

## SHANGHAI ECONOMIC INDICATORS Q1 2024

Q4 2023 12-Mo. Forecast

**5.0%**  
GDP Growth

5.0%

**5.8%**  
Tertiary Sector Growth

6.0%

**-0.2%**  
CPI Growth

0.3%

**8.1%**  
Real Estate Sector Investment

18.2%

Source: Shanghai Municipal Bureau of Statistics  
The forecast is based on Moody's Analytics

## Active New Supply With Four Grade A Office Projects Entering the Market in Q2

The Shanghai Grade A office market welcomed the completion of seven Grade A office projects in the H1 2024 period, adding a combined 386,018 sq m of new space. Four of the seven projects entered in Q2. Two projects are in the core area, comprising the CCB Life Building and the CPIC Xintiandi Commercial Center T2 in Huangpu District. The remaining two are in emerging districts, namely the Origin Plaza in Xuhui Riverside, and the Riverside Plaza in the Yangpu riverside area.

## Leasing Demand Picks Up

Shanghai office market leasing activity picked up from previous quarters in Q2, particularly at recently completed projects. The high-quality new supply and leased spaces at specific projects, including leases with related parties, pushed quarterly Grade A net absorption to 263,226 sq m, with the citywide Grade A vacancy rate falling to 21.70%. In emerging districts vacancy fell to 28.08%, and core area vacancy rose slightly to 15.79%.

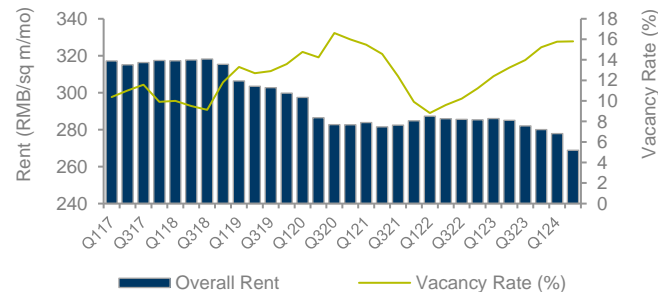
By sector, professional services firms accounted for the largest share of leasing demand in Q2, accounting for 45% of new leased area. Manufacturing, TMT and financial enterprises remained active, accounting for 23%, 15% and 6% of total leased area, respectively. Domestic firms took a relatively high share of all prime office leasing transactions by area, accounting for 72% of total leasing demand in the quarter.

Rents in most submarkets continued to dip in Q2. The citywide average monthly transacted rent recorded RMB230.8 per sq m, down 2.7% from Q1. The core area monthly average rental level dropped to RMB268.8 per sq m, with emerging districts declining to RMB185.2 per sq m.

## Continued Delivery of Sizable Future Pipeline

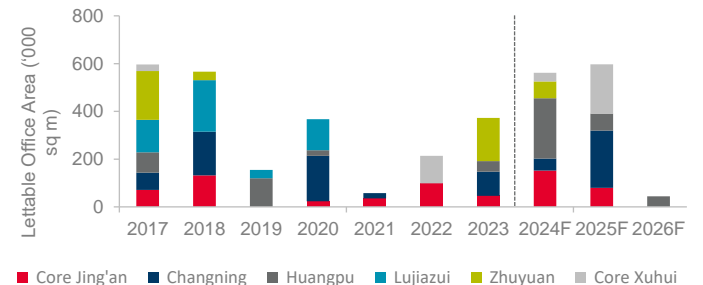
Ahead, eight new high-quality projects are currently scheduled to complete in the second half of 2024, adding more than 700,000 sq m of prime office space to the market. In 2025, a further 15 projects are expected to enter the market, totaling approximately 1.76 million sq m.

## GRADE A CBD OVERALL RENT & VACANCY RATE



Source: Cushman & Wakefield Research

## GRADE A CBD NEW SUPPLY



Source: Cushman & Wakefield Research

SUBMARKET	INVENTORY (sq m)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (sq m)	GRADE A RENT		
				RMB/SQ M/MO	USD/SF/MO	EUR/SF/MO
Core Jing'an	1,348,368	12.6%	232,292	¥314.60	US\$4.03	€3.75
Huangpu	2,000,576	14.3%	236,969	¥256.32	US\$3.28	€3.06
Lujiazui	2,224,646	11.6%	0	¥314.66	US\$4.03	€3.76
Zhuyuan	1,087,583	25.4%	70,000	¥242.15	US\$3.10	€2.89
Core Xuhui	635,714	16.7%	206,283	¥270.71	US\$3.47	€3.23
Changning	1,350,640	20.0%	239,820	¥203.28	US\$2.60	€2.43
<b>SHANGHAI GRADE A CBD TOTAL</b>	<b>8,674,527</b>	<b>15.8%</b>	<b>985,364</b>	<b>¥268.77</b>	<b>US\$3.44</b>	<b>€3.21</b>
Shanghai Grade A Suburban	8,002,012	28.1%	2,053,127	¥185.25	US\$2.37	€2.21

Rental equals "Gross Transacted Face Rental"

1.00 USD = 0.93209119 EUR = 7.2557669 CNY (June 18<sup>th</sup>, 2024)

The database was adjusted.

## KEY LEASING TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE	TRANSACTION DATE
Square City	Expo & New Bund	KE Holdings	13,000	Relocation	Q2 2024
Ruihong Corporate Avenue	Hongkou	Panasonic	11,000	Relocation	Q2 2024
Guoco Changfeng City	Putuo	GE Aerospace	4,200	Relocation	Q2 2024
Suhe Centre	Core Jing'an	Jing Liang Network	2,200	Relocation	Q2 2024

## SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION YEAR
Park Avenue Central	Core Jing'an	-	98,952	2024
CPIC Xintiandi Commercial Center T1	New Huangpu	-	122,400	2024
China Resources Centre	Core Jing'an	-	80,069	2025
Todtown	Minhang	-	50,000	2025
ITC Phase III T2	Core Xuhui	-	206,283	2025

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