



GREATER CHINA LOGISTICS MARKET

Q1 2025

Better never settles



01

KEY TRENDS & OVERVIEW

**WE DIDN'T
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KEY TRENDS

Greater China's Logistics Market



China's GDP reached RMB31.9 trillion in Q1 2025, growing by 5.4% year-on-year. Amid increased external pressures and lingering internal challenges, existing policies and a comprehensive package of new policies have continued to take effect, with technological innovation and industrial upgrading and transformation advancing steadily. The economy has maintained a stable start, demonstrating momentum toward new growth opportunities.



China's overall logistics market demand structure continued to optimize and upgrade in Q1 2025, with supply-side service capabilities achieving dual improvements in quality and quantity. China's total value of social logistics goods reached RMB91.0 trillion, growing by 5.7% y-o-y, demonstrating strong supply resilience and sustained development potential. By sector, the total value of industrial goods grew by 5.9%, accounting for over 80% of the total value of social logistics goods and remaining the primary driver of demand growth. Additionally, emerging e-commerce models such as instant retail and live-streaming sales continued to develop steadily, with physical goods online retail sales increasing by 5.7%, driving demand for warehousing space.



Investors maintained a cautious attitude in the Q1 2025 period. The industrial/logistics sector accounted for 19% of total investment transaction volume in Q1 2025, dropping slightly from the 21% recorded in 2024. Looking ahead, the overall logistics market will require multi-industry integration and synergies, accelerated digital transformation, and green and low-carbon development, to jointly build a resilient supply chain system, thereby enhancing overall positivity in the investment market.



Although the pace of new supply growth slowed through Q1 2025 it still remains at a high level, exerting rental pressures on the overall premium logistics warehouse market. In areas with large volumes of new supply, landlords continued to adopt the strategy of trading leasing space volume for lower rentals in order to alleviate leasing pressure, resulting in modest rental level declines. Meanwhile, the substantial volume of new supply in the medium-to-long term poses continued downward pressure on future rent growth. Amid increasing market uncertainties, developers may opt to reduce new project entries or delay project commencements in order to mitigate leasing challenges.

MARKET OVERVIEW

Greater China's Logistics Market — Q1 2025



CHINESE MAINLAND

- The total stock of premium logistics warehouse space on the Chinese mainland reached 127 million sq m in Q1 2025.
- Approximately 824,000 sq m of new supply entered the Chinese mainland logistics market in Q1.
- The overall vacancy rate dropped 0.5 percentage points q-o-q to record 17.3%.
- Overall average rents fell 1.4% q-o-q to RMB30.6 per sq m per month.
- Ahead, an additional 29.60 million sq m of new supply is scheduled for completion by the end of 2027.



HONG KONG, CHINA

- Hong Kong's total stock of premium logistics space remained at 35.3 million sq ft (3.27 million sq m) in Q1 2025.
- The Hong Kong overall prime warehouse vacancy rate rose to 8.2%, up 0.6 percentage points q-o-q. The overall prime warehouse rental level fell by 5.2% q-o-q in Q1, to HK\$14.2 per sf per month, marking the largest quarterly correction since Q2 2020.
- Looking ahead, although there will be no new supply in 2025–2026, three new projects are expected to be completed in 2027–2028.



TAIWAN, CHINA

- Total premium logistics stock increased to approximately 1.10 million pings (3.64 million sq m).
- Incoming supply is expected to add 246,135 pings (813,670 sq m) of new stock by the close of 2026, an expansion of approximately 22.4%. Around 83% of stock is concentrated in Taoyuan City, close to Taoyuan International Airport.
- The average monthly rental level increased to approximately NT\$700–850 per ping.

Source: Cushman & Wakefield Research



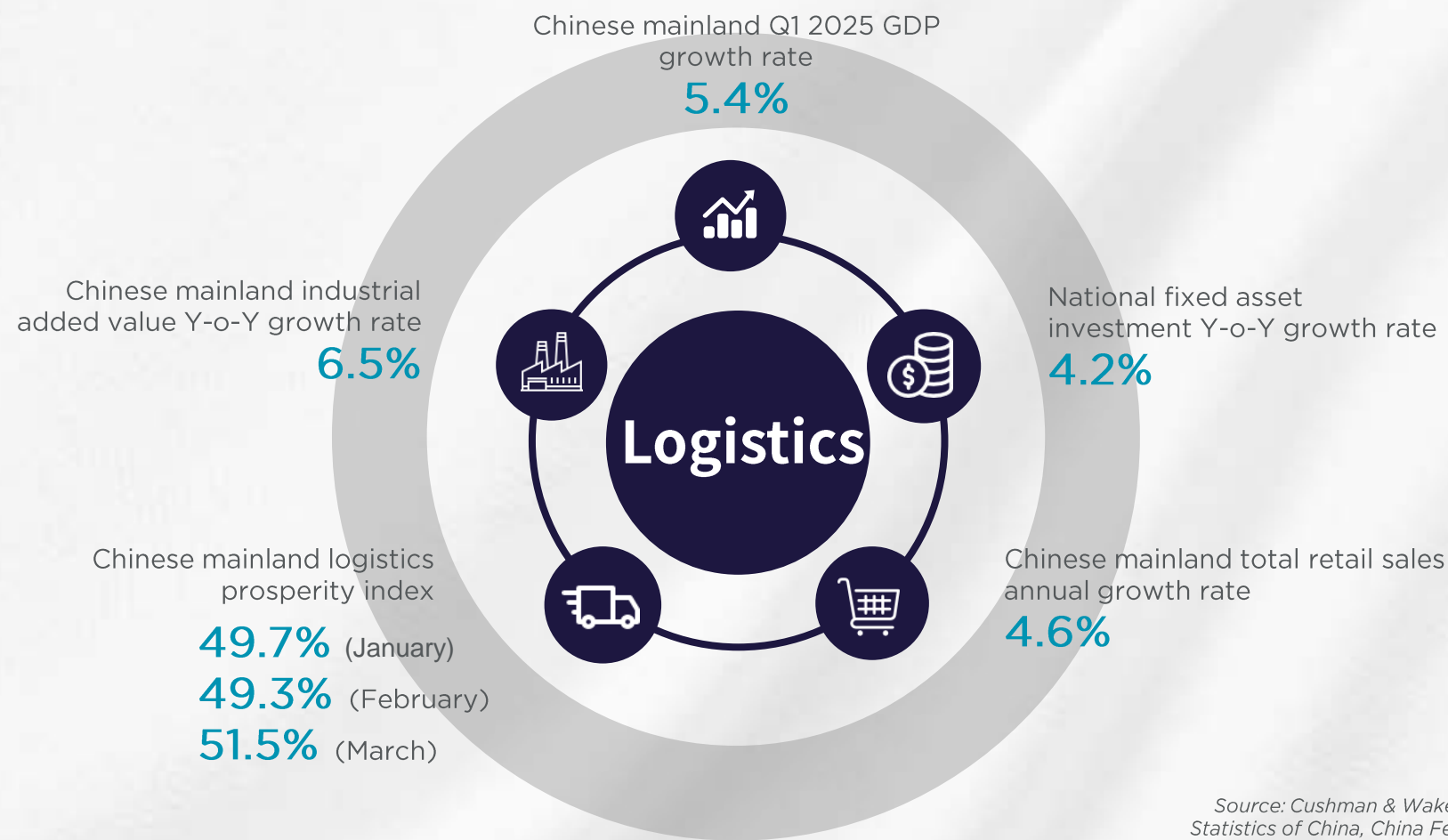
02

MACRO - ECONOMY

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THE MACRO ECONOMY

Major Logistics Indicators — Q1 2025



Source: Cushman & Wakefield Research, National Bureau of Statistics of China, China Federation of Logistics & Purchasing



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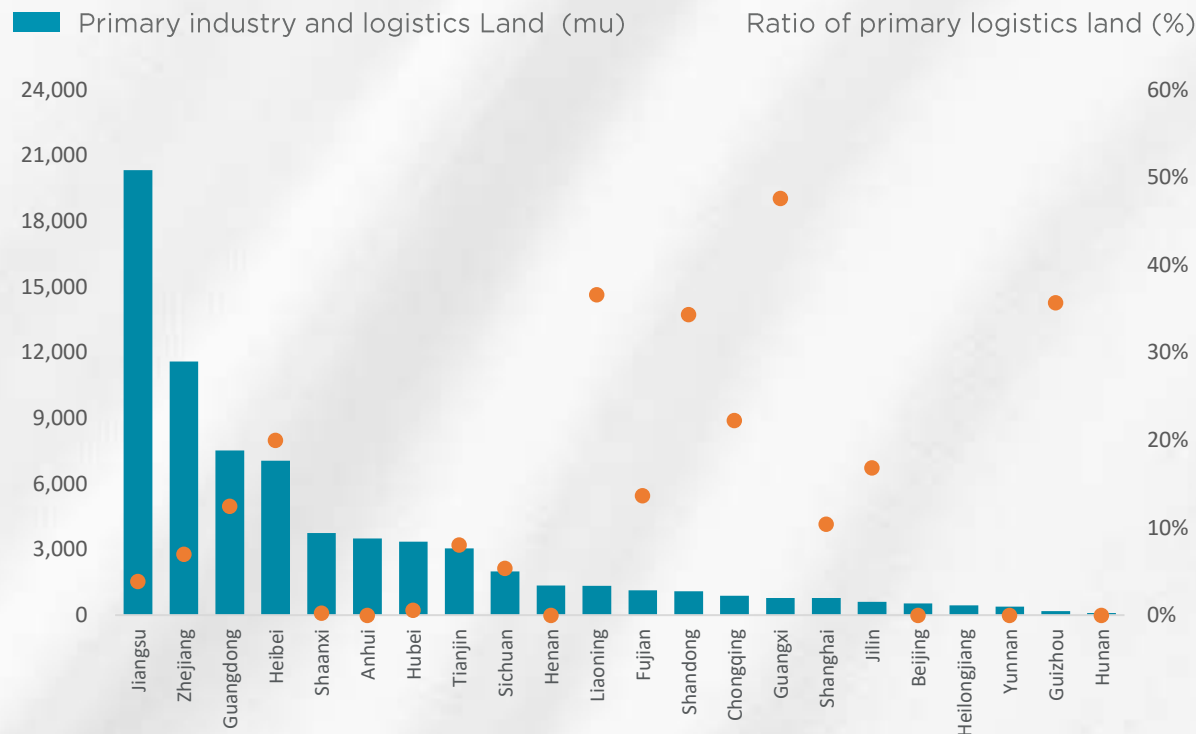
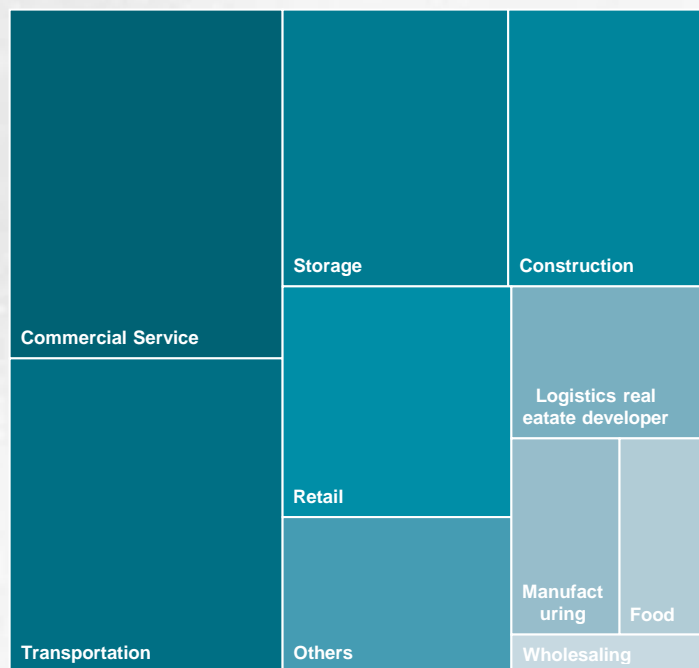
THE GENERAL MARKET

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THE PREMIUM LOGISTICS MARKET

Chinese Mainland Logistics Land Supply Q1 2025

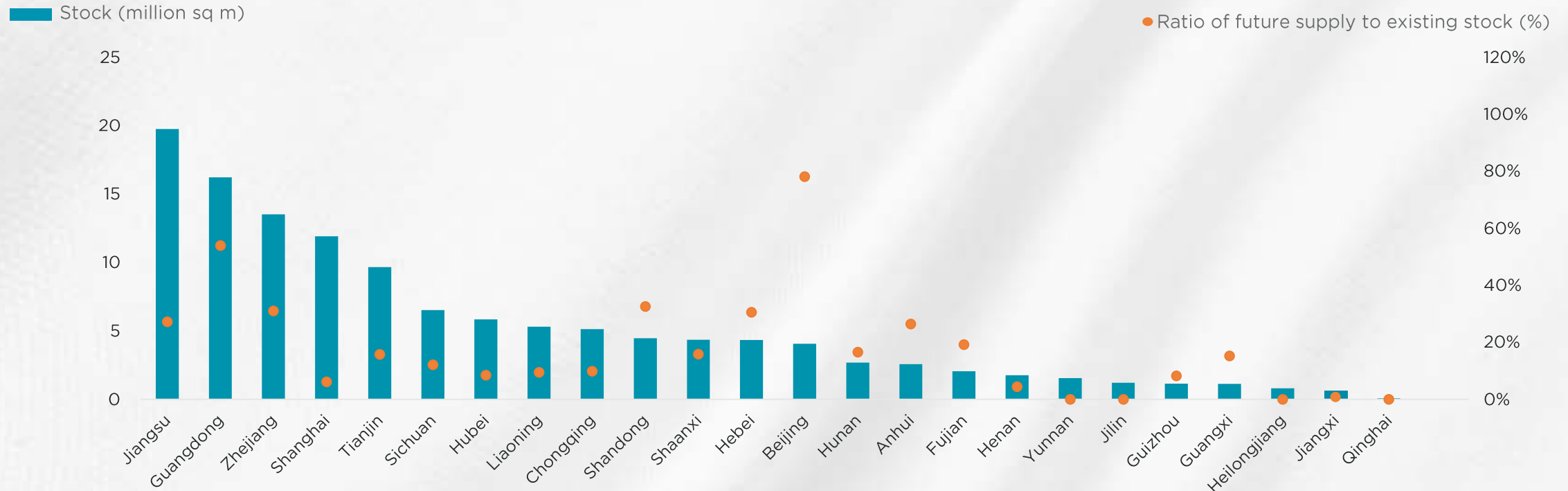
Share of primary logistics land by industry



- Government sales of industrial land plots across 74 cities on the Chinese mainland totaled approximately 71,800 mu in Q1 2025. Logistics land plot supply slightly decreased, accounting for 9.0% of the total transaction area.
- The commercial services, transportation, and storage sectors were most active in land acquisition. Logistics real estate developers accounted for 6.4% of logistics land transactions in Q1 2025.

THE PREMIUM LOGISTICS MARKET

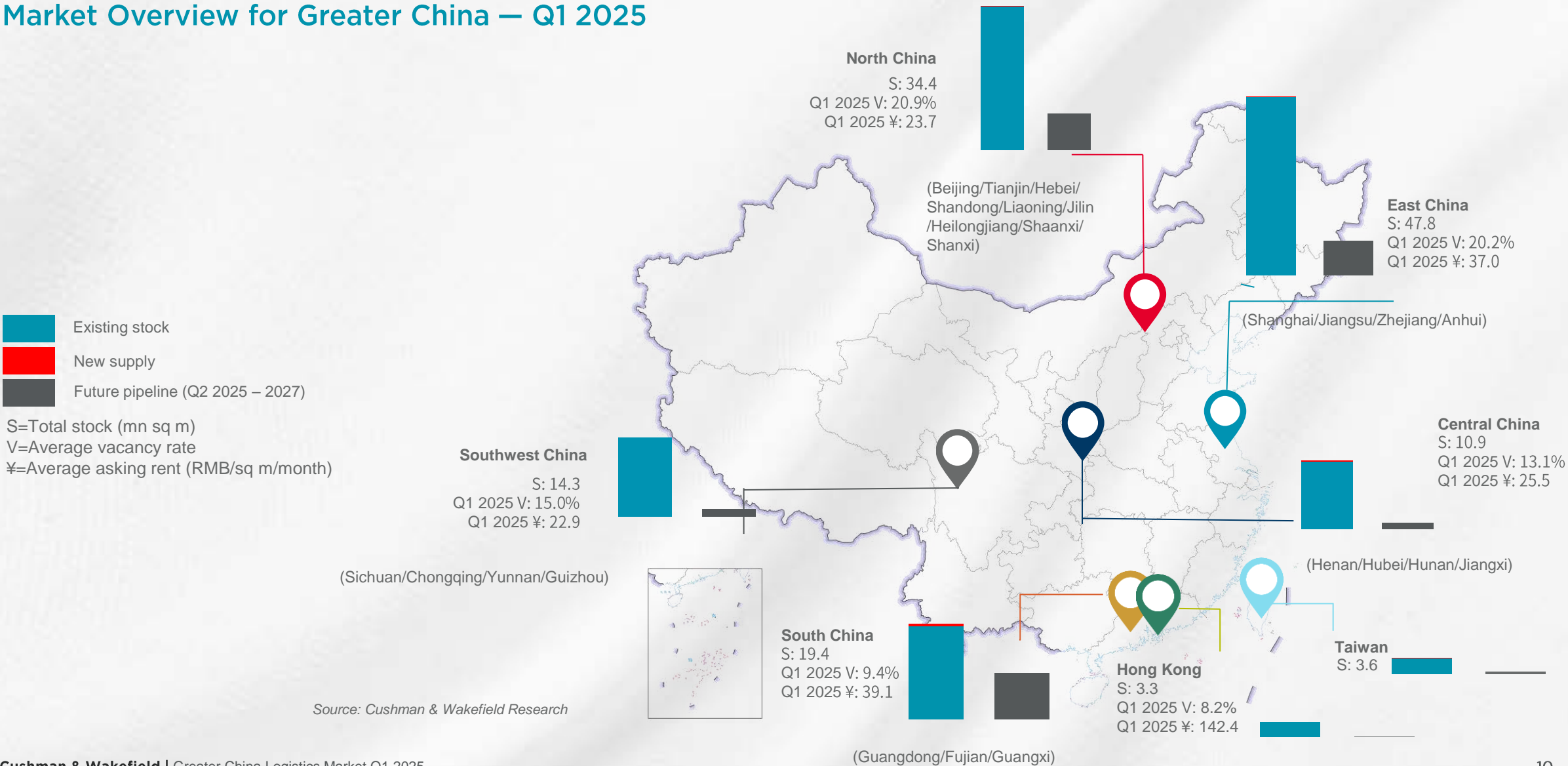
Chinese Mainland Stock and Future Supply (Q2 2025-2027)



- Jiangsu, Guangdong and Zhejiang were the top three locations for total stock in Q1 2025. Although the pace of new supply growth has slowed, it remains at a high level, exerting rental pressures on the overall premium logistics warehouse market. In areas with large volumes of new supply, landlords continued to adopt the strategy of trading leasing space volume for lower rentals to alleviate leasing pressures, resulting in modest rental level declines. The logistics industry is transitioning from a cost-driven model to a value-driven model, requiring data-driven precision operations to achieve differentiated competitiveness. Digital transformation is not merely a technological upgrade but a reconfiguration of the business model. The integration of digitalization with green and intelligent development will become a key focus for logistics operators.
- Beijing, Guangdong and Shandong are the top three areas in terms of the ratio of future supply to existing stock. With their well-developed infrastructure and robust industrial bases, the new supply in these three markets will be gradually leased as industrial growth drives demand for premium logistics warehouse leasing.

THE PREMIUM LOGISTICS MARKET

Market Overview for Greater China – Q1 2025

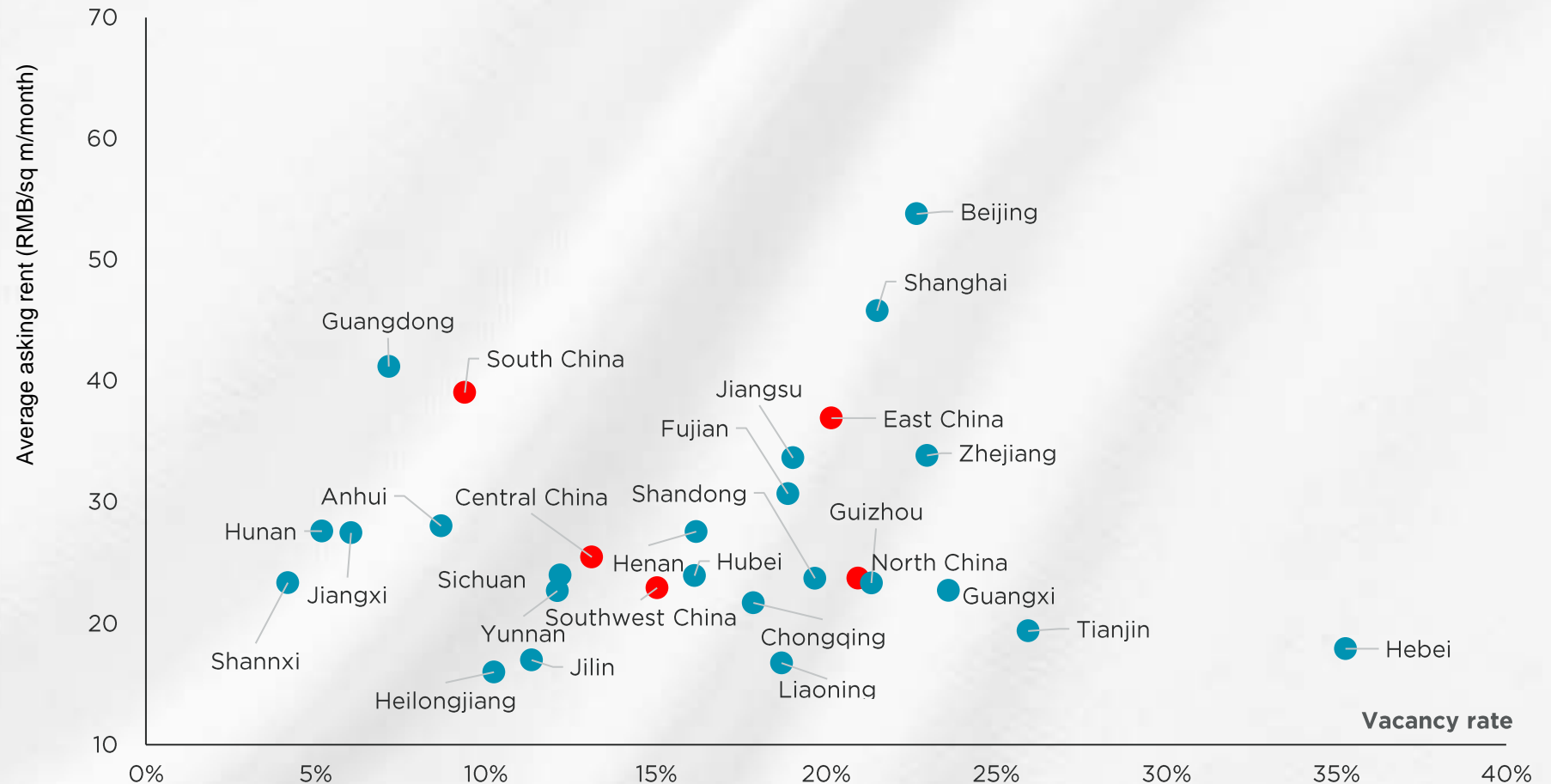


CHINESE MAINLAND PREMIUM LOGISTICS MARKET

Vacancy and Rental by Provincial Market — Q1 2025



Source: Cushman & Wakefield Research

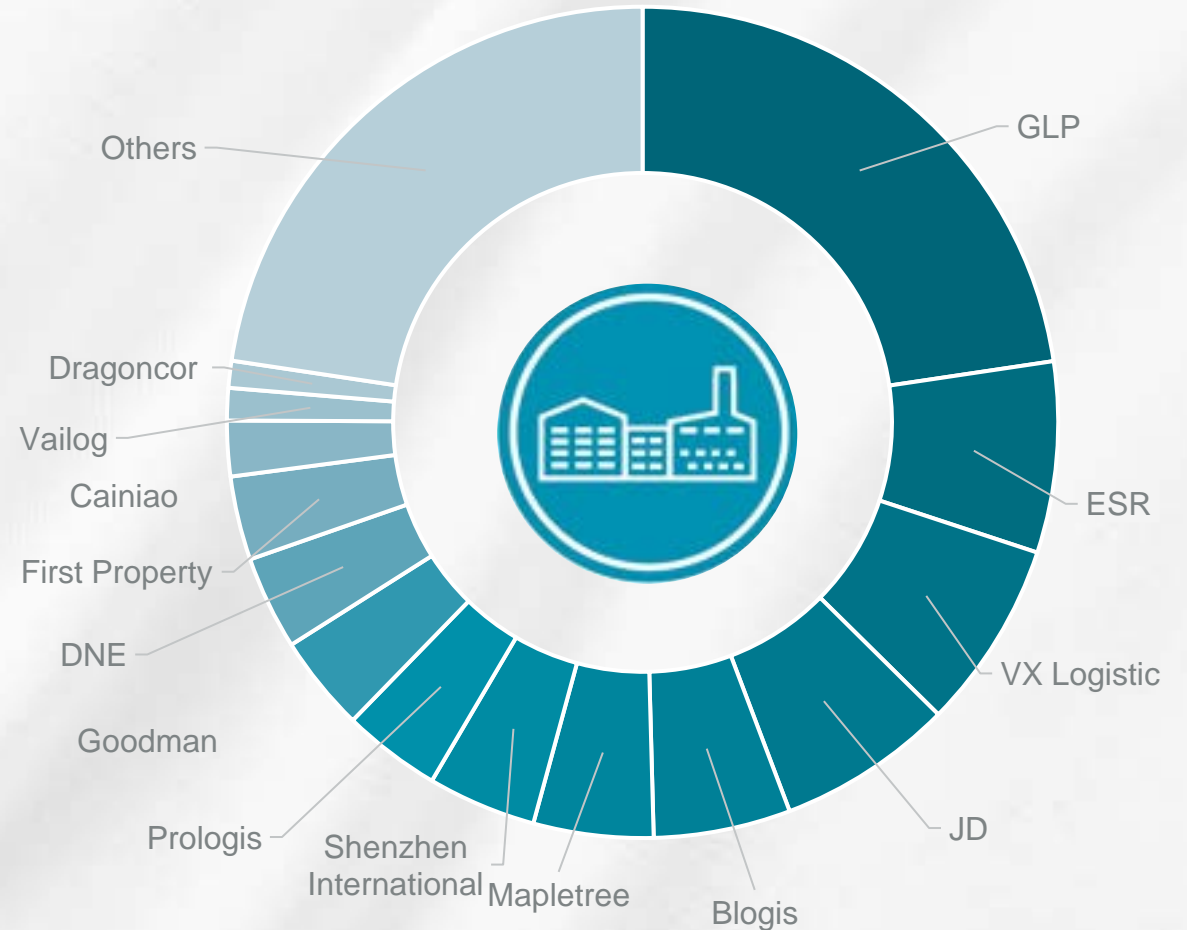


THE PREMIUM LOGISTICS MARKET

Chinese Mainland Leasable Breakdown by Operator — Q1 2025

Latest major market information:

In Q1 2025, Ping An Insurance (Group) acquired two logistics and warehousing assets located in Dongguan from First Property Group.



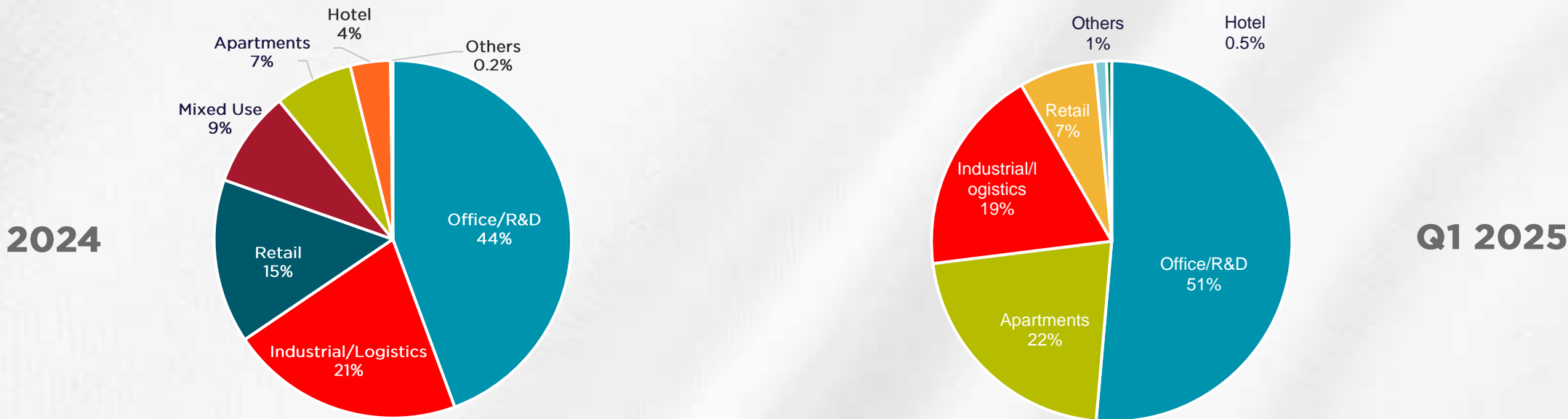
Note: By Operator Holding >1% of Total Market Stock

Source: Cushman & Wakefield Research

THE PREMIUM LOGISTICS MARKET

Investment

Investment transaction volume on the Chinese mainland — 2024 and Q1 2025



Investors maintained a cautious stance in Q1 2025, with the industrial/logistics sector accounting for 19% of total investment transaction volume, declining slightly from the 21% recorded in 2024.

The industrial/logistics investment market maintained a stable trend through the Q1 2025 period. From a sector perspective, demand for express delivery and freight forwarding demonstrated steady growth, while cross-border logistics experienced fluctuations influenced by policy changes. Looking ahead, the overall logistics market will require multi-industry integration and synergies, accelerated digital transformation, and green and low-carbon development, to jointly build a resilient supply chain system, thereby enhancing overall positivity in the investment market.



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THE REGIONAL MARKETS

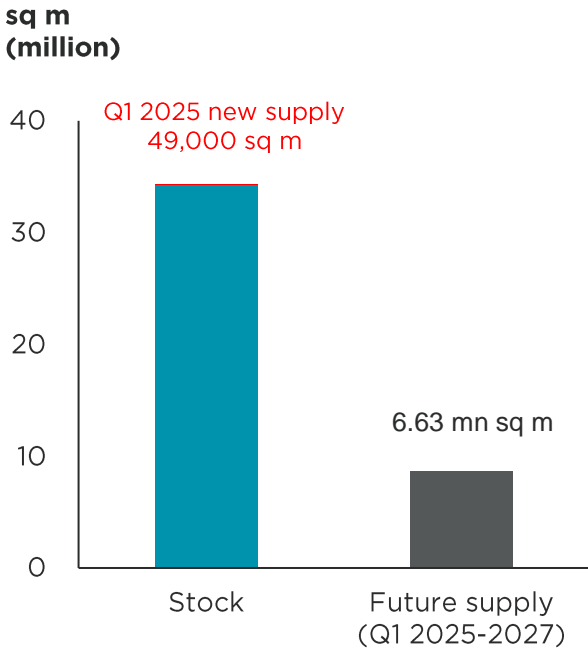
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PREMIUM LOGISTICS MARKET

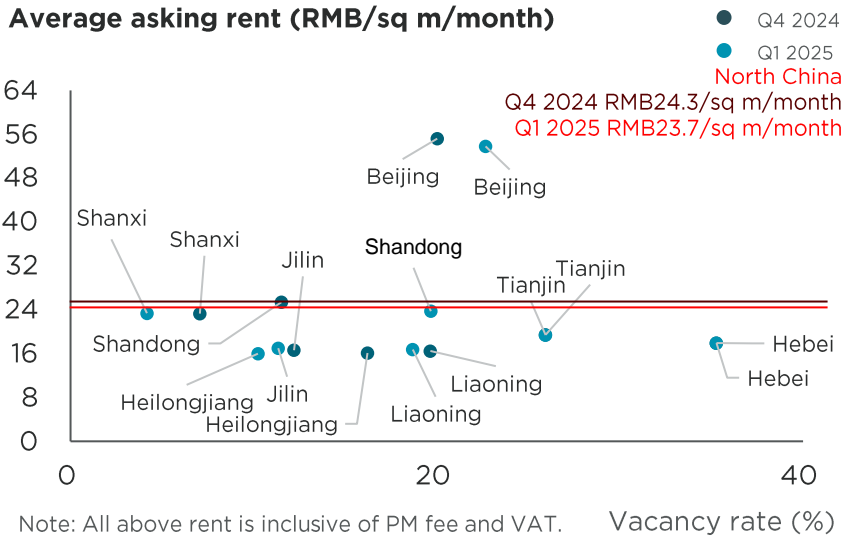
North China Logistics Overview — Q1 2025

- The North China premium warehouse market saw new completions reach 49,000 sq m. The average monthly rental level fell slightly by 2.1% q-o-q to RMB23.7 per sq m. The premium warehouse vacancy rate increased 0.5 pp q-o-q to 20.9%.
- The e-commerce, 3PL and manufacturing sectors remained the key drivers in the premium logistics warehouse market in Beijing. The overall absorption rate of the market has been slow, with the average monthly rental rate dropping 2.6 pp q-o-q to RMB53.8 per sq m.
- In Tianjin, the premium logistics warehouse market continued to face slow absorption, with significant tenant negotiation power and a high vacancy rate.
- In Langfang, the existing inventory was still under pressure, with a vacancy rate of 41%. It is expected that the overall leasing market will continue to face challenges in the future.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS



Source: Cushman & Wakefield Research

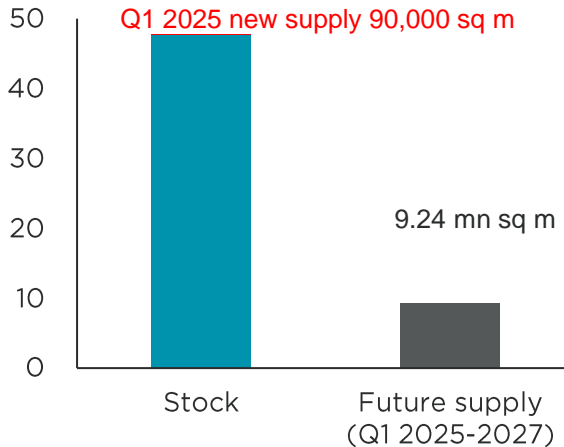
PREMIUM LOGISTICS MARKET

East China Logistics Overview — Q1 2025

- The East China premium warehouse market performance remained steady. The market saw new completions reach 90,000 sq m. The overall average monthly rental level fell 1.1% to RMB36.7 per sq m. The overall warehouse vacancy rate dropped 1.02 percentage points q-o-q to record 20.2%.
- The e-commerce, 3PL, express delivery and manufacturing sectors were the key drivers in the premium logistics warehouse market. In the quarter, inquiries for manufacturing increased, while e-commerce demand inquiries decreased, overall maintaining a stable tenant structure.
- The Shanghai market remained relatively stable, with the vacancy rate declining by 0.35 percentage points q-o-q to record 21.5%. The Zhejiang market continued to face high vacancy rates, while the Jiangsu market saw a slight vacancy rate decrease of 0.5 percentage points to record 19%. Lease terms have shortened, prompting landlords to adjust leasing strategies to mitigate the risk of tenant turnover. The overall market still faced moderate leasing challenges.

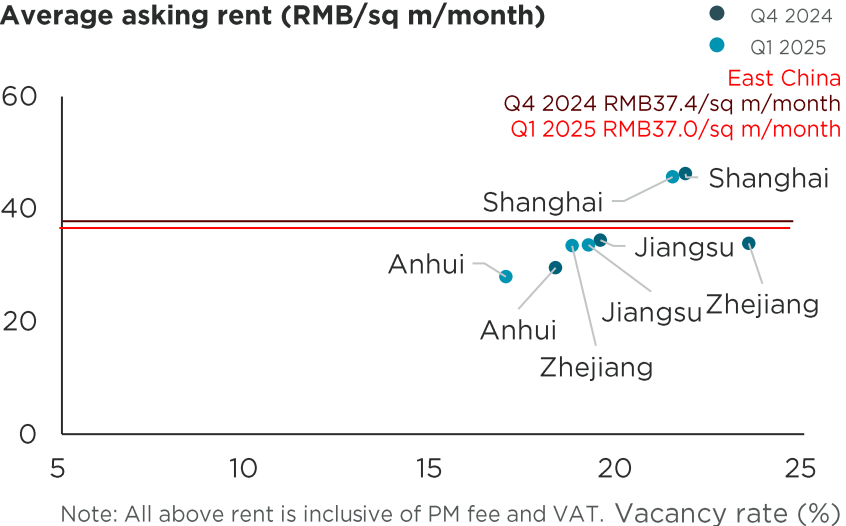
CURRENT STOCK, NEW & FUTURE SUPPLY

sq m (million)



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS

Average asking rent (RMB/sq m/month)



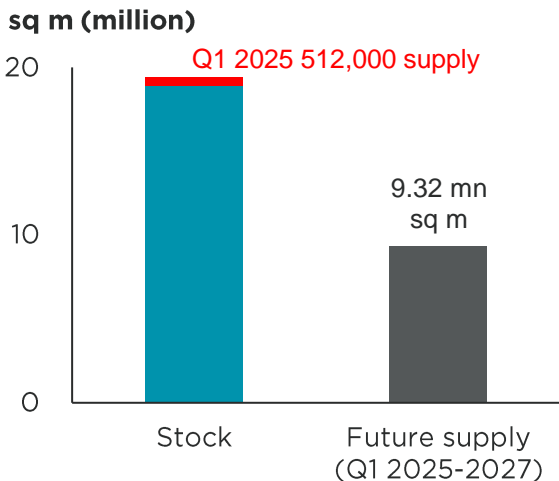
Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

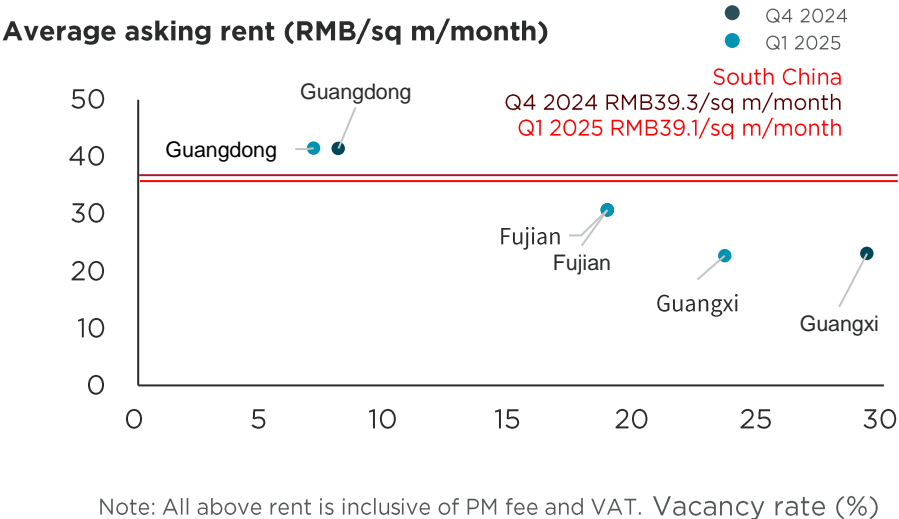
South China Logistics Overview — Q1 2025

- The South China market performance was generally stable, with an average vacancy rate of 9.4% in Q1 2025, remaining unchanged from Q4 2024. The average monthly rental level fell slightly by 0.5% to RMB39.1 per sq m.
- Shenzhen's overall market demand remained stable, with e-commerce and manufacturing continuing to be the key drivers. The average monthly rental declined slightly by 2.3% to RMB49.1 per sq m. Future supply in Shenzhen may pose a moderate challenge to market absorption.
- Guangzhou's market remained relatively stable, with e-commerce and 3PL still representing the core tenant base. The vacancy rate rose by 0.32 percentage points q-o-q to record 8.9%. Guangzhou's concentrated supply entry in the future is expected to further increase leasing pressures.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS



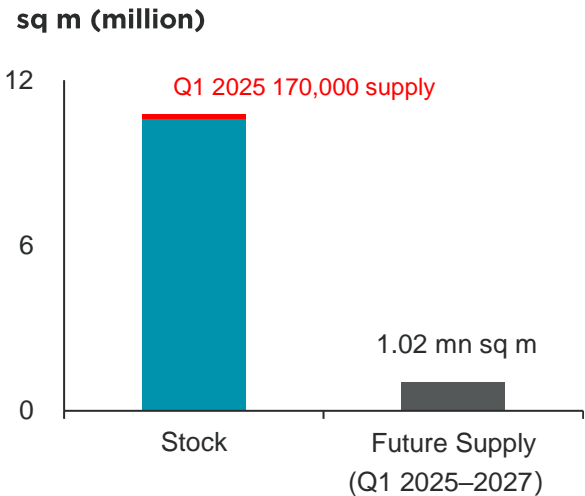
Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

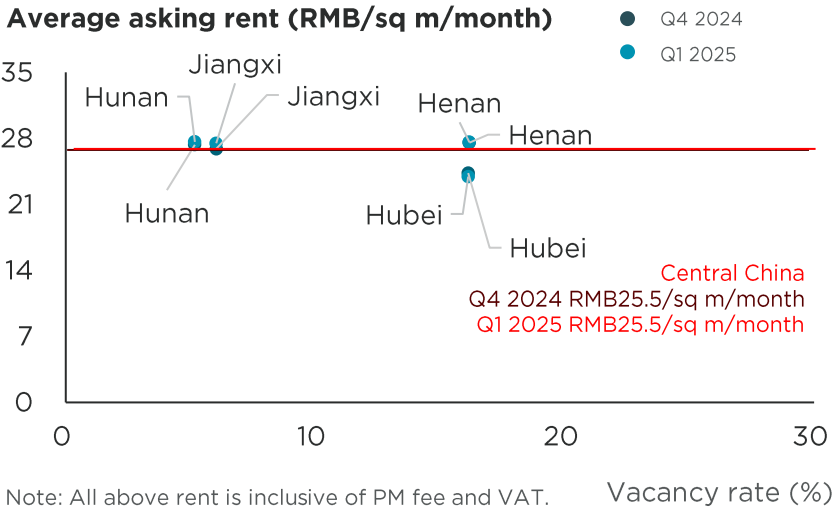
Central China Logistics Overview — Q1 2025

- The Central China premium warehouse market maintained stable performance, with the vacancy rate of 13.1% continuing to hold steady. The average monthly rental declined by 0.3% q-o-q to RMB25.5 per sq m.
- The Wuhan premium warehouse market showed consistent stability, with e-commerce, fast-moving consumer goods, apparel, and express logistics remaining the key tenant sectors. The market still faces moderate leasing pressure, with a vacancy rate of 17% persisting.
- The 3PL and e-commerce sectors were the major demand drivers in the Changsha premium warehouse market. The average monthly rental level remained at RMB27.6 per sq m.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS



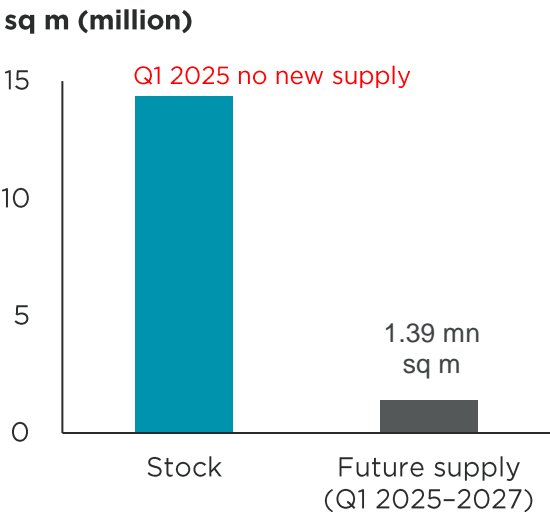
Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

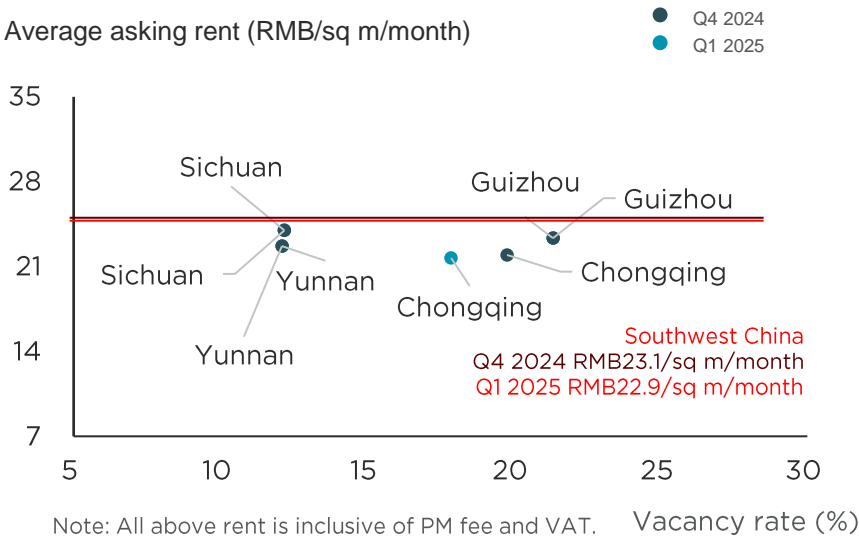
Southwest China Logistics Overview – Q1 2025

- The Southwest China market recorded no new projects, with a vacancy rate declining by 0.65 percentage points to 15%. The average monthly rental decreased by 0.5% q-o-q to RMB22.9 per sq m.
- In Chengdu, the tenant structure remained stable, with logistics and warehousing demand maintaining a balance during the transition between new and existing lessees. The substitution effect of emerging industries and adjustments in traditional sectors jointly influences the market. Inquiry areas for mass-market snacks, liquor, home appliances, furniture, and express logistics have expanded. E-commerce and 3PL companies remained the major lessees, while the growth of warehouse demand for discount retail and budget-friendly fashion brands is driven in the context of consumption downgrading.
- The Chongqing premium logistics warehouse market continued to face pressure, with significant tenant negotiation power. The vacancy rate fell by 1.9 percentage points to 17.9%.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS



Source: Cushman & Wakefield Research

CHINESE MAINLAND PREMIUM LOGISTICS MARKET

Major Market Logistics Dashboard – Q1 2025

City	Stock GFA (sq m)	Supply to 2027 GFA (sq m)	Rental change (q-o-q)	Vacancy change (pp q-o-q)
Shanghai	11,925,000	734,000	1.23% ↓	0.35↓
Tianjin	9,662,000	1,527,000	0.27% ↓	-
Chengdu	6,303,000	790,000	-	-
Chongqing	5,128,000	507,000	1.18% ↓	1.9↓
Wuhan	4,836,000	409,000	-	-
Suzhou	4,344,000	1,097,000	2.71% ↓	2.19↑
Jiaxing	4,080,000	917,000	4.11% ↓	0.95↑
Beijing	4,068,000	2,945,000	2.56% ↓	2.68↑
Shenyang	3,959,000	369,000	1.39%↑	0.48↓
Guangzhou	3,772,000	2,207,000	-	0.32↑
Xi'an	3,551,000	688,000	0.10%↑	3.09↓
Kunshan	3,515,000	483,000	-	1.9↓
Hangzhou	3,291,000	344,000	1.87% ↓	1.5↑
Wuxi	2,781,000	76,000	-	-
Foshan	2,712,000	1,909,000	0.12% ↓	0.94↓
Nanjing	2,621,000	186,000	0.62% ↓	2.68↓
Shenzhen	2,161,000	1,562,000	2.26% ↓	3.1↑
Qingdao	1,673,000	406,000	5.19% ↓	3.02↑
Dalian	1,347,000	61,000	2.08%↑	2.23↓
Nantong	943,000	792,000	-	2.14↓

Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

Taiwan Logistics Overview — Q1 2025

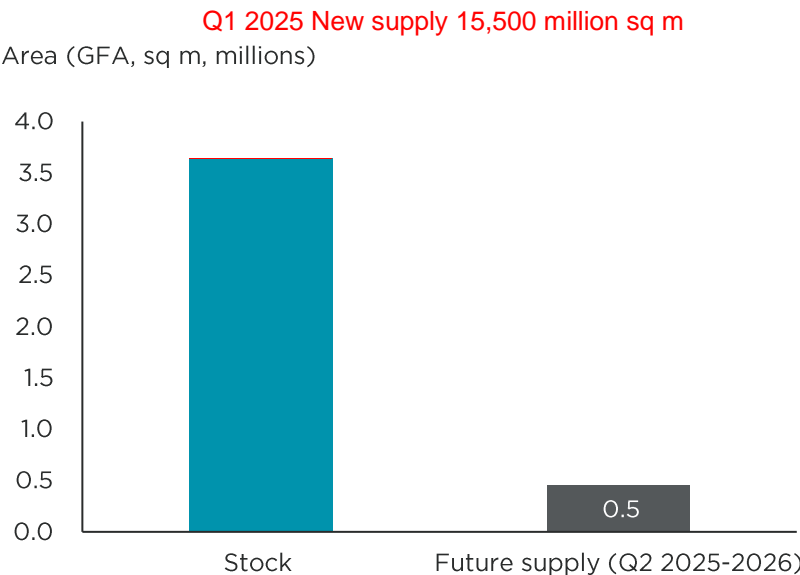
Trade Performance

- In the first quarter of 2025, Taiwan’s exports reached US\$129.58 billion, marking a 17.5% year-on-year increase and setting a new quarterly record. This growth may be attributed to rising demand for AI applications and high-performance computing, as well as potential shifts in U.S. tariff policies that led to front-loaded shipments. In March alone, exports amounted to US\$49.57 billion — also a historical high — representing an 18.6% increase year-on-year and a 20% increase month-on-month. On the import side, Taiwan recorded US\$106.02 billion in imports for the first quarter, a 16.3% year-on-year increase. Imports in March totaled US\$42.62 billion, the highest single-month figure on record, reflecting strong capital expenditure in semiconductor equipment and AI-related supply chains.
- In the first quarter of 2025, wholesale sector sales increased by 7.5% year-on-year. The machinery and equipment wholesale sector grew by 20.5%, driven by continued expansion of business opportunities related to emerging technologies such as AI and high-performance computing. However, due to fewer working days and conservative restocking by clients, the wholesale sectors of building materials, food products, and household goods recorded year-on-year declines. As for the retail sector, first-quarter sales rose by 3.1% year-on-year. Department stores, apparel retailers, and supermarkets achieved steady growth, benefiting from store expansions and promotional activities. Online retail sales increased by 3.6% year-on-year, accounting for 10.7% of total retail sales. Overall, both wholesale and retail sectors recorded growth, indicating stable domestic demand and providing support for Taiwan’s trade and logistics needs.

Logistics Property Market Performance

- The total premium logistics stock grew to approximately 1.10million pings (3.64 million sq m). In addition, 138,280 pings (457,124 sq m) of new stock will be added by 2026, raising the total stock by 12.6%.
- Taiwan’s overall high-quality logistics distribution is concentrated in Taoyuan City, adjacent to Taiyuan International Airport, with 67% of the total. In response to growing logistics demand, the five major retail giants have invested over NT\$100 billion into building logistics and warehousing facilities with new supply expected to be completed by 2026. In general, market demand is growing steadily. The rental price is approximately NT\$700-850/month/ping.

CURRENT STOCK, NEW & FUTURE SUPPLY



Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

Hong Kong Logistics Overview — Q1 2025

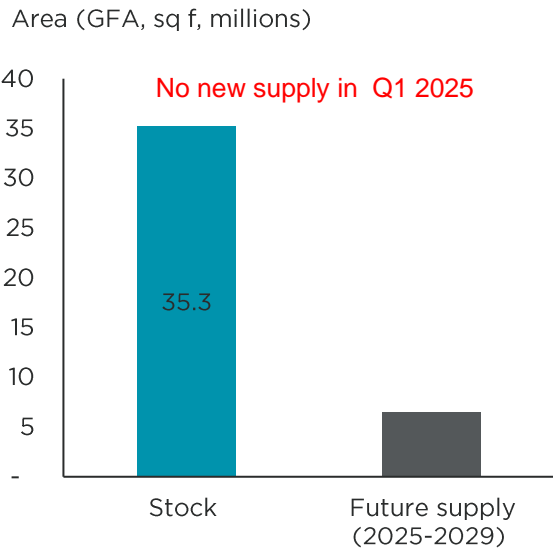
Trade Performance

- Hong Kong's logistics and business sentiment in Q1 2025 was mixed. The city's total imports and exports for January and February climbed by 6% and 7% y-o-y respectively, but the S&P Manufacturing Purchasing Manager's Index (PMI) in March fell under the contraction line to 48.3.
- Hong Kong's ports handled 2.1 million TEU shipping containers for the first two months of 2025, representing a drop of 2.3% y-o-y.

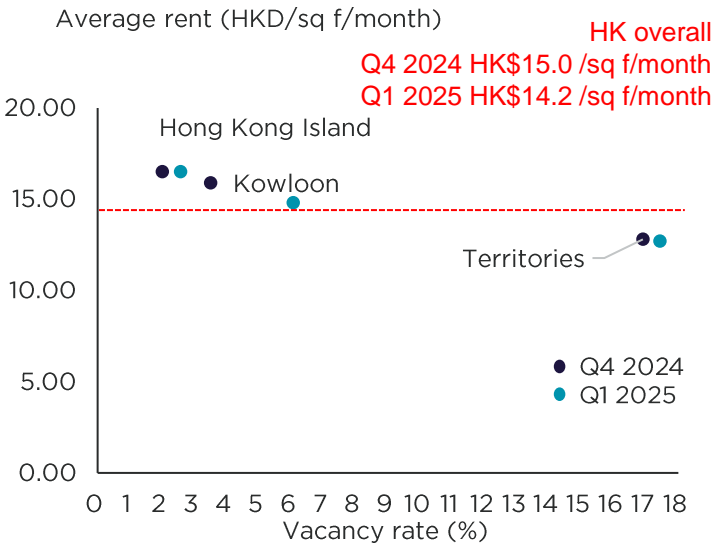
Logistics Property Market Performance

- In response to weaker market momentum and intensified competition to attract tenants, landlords were more willing to provide incentives to occupiers, even at prime logistics facilities. In turn, the overall prime warehouse rental level fell by 5.2% q-o-q in Q1, to HK\$14.2 per sq ft per month, marking the largest quarterly correction since Q2 2020.
- The overall prime warehouse vacancy rate rose to 8.2%, up 0.6 percentage points q-o-q, chiefly due to greater vacant stocks in Kwai Chung and Tsing Yi. This marked the highest vacancy level since the COVID-19 pandemic.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY SUBMARKET



Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

Hong Kong Recent Notable Transactions and Outlook

Notable Transactions

- Renewed uncertainties in the global trading market brought on by the United States' new trading policies continued to weigh on leasing demand from third-party logistics operators (3PLs), with leasing activities in Q1 2025 mainly focused on relocation or renewal.

Building	District	Tenant	GFA sq ft	Type
China Resources International Logistics Centre	Kwai Chung	Kintetsu World Express	202,800	New Lease
Goodman Interlink	Tsing Yi	Zuellig Pharma	59,200	New Lease
Goodman Interlink	Tsing Yi	Chanel	302,600	Renewal
ATL Logistics Centre Block A	Kwai Chung	Nisko Warehouse	52,400	Renewal
Goodman Dynamic Centre	Tsuen Wan	Avnet Technology	33,900	Renewal

OUTLOOK

Looking ahead, although there will be no new supply in 2025–2026, three new projects are expected to be completed in 2027–2028. Amid the growing future supply, the recent new trade uncertainties combined with generally cautious business sentiment will force occupiers to be cost-cautious, curtailing leasing appetite. Against this backdrop, we expect to see more landlords to adopt prudent approaches and to provide further incentives to retain tenants. We expect the overall prime warehouse rental level to decline by 8% through 2025.

Source: EPRC, Cushman & Wakefield Research

05

THE GENERAL OUTLOOK

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THE PREMIUM LOGISTICS MARKET

General Outlook – Key Takeaways

- Looking ahead, although the momentum of new supply has slowed, it remains at a high level, meaning the overall premium logistics warehouse market continues to face rental pressures. In areas with abundant new supply, landlords will continue to adopt the strategy of trading leasing space volume for lower rentals to alleviate leasing pressures, resulting in modest rental level declines, which may lead to further declines in rental rates in order to maintain healthy occupancy levels.
- Additionally, the substantial volume of new supply in the medium-to-long term, combined with increasing market uncertainties, may prompt logistics real estate developers to reduce new project entries or delay project commencements in order to alleviate rental pressures.

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ABOUT CUSHMAN & WAKEFIELD

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In 2024, the firm reported revenue of \$9.4 billion across its core services of Valuation, Consulting, Project & Development Services, Capital Markets, Project & Occupier Services, Industrial & Logistics, Retail, and others. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture.

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ABOUT CUSHMAN & WAKEFIELD

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