



GREATER CHINA LOGISTICS MARKET

Q4 2024

Better never settles

01

KEY TRENDS & OVERVIEW

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KEY TRENDS

Greater China's Logistics Market



China's GDP reached RMB134.9 trillion for the full-year 2024, marking a year-on-year (y-o-y) rise of 5.0%. Faced with a complex and changing environment characterized by mounting external pressures and internal challenges, China's economy maintained overall stability. Notably, the timely deployment of a package of incremental policies effectively boosted social confidence, spurred economic recovery, and ensured the successful completion of major economic and social development goals and tasks.



China's logistics market maintained stable development in 2024, supported by policy stimuli and diversified demand. The total value of social logistics goods in China reached RMB360.6 trillion, marking y-o-y growth of 5.8%, and accelerating 0.6 percentage points y-o-y. By sector, the total value of industrial logistics products grew by 5.8% y-o-y, serving as the primary driver of logistics demand. Simultaneously, new e-commerce models fueled rapid expansion in online consumption, with online retail sales of physical goods rising 6.5% y-o-y. The steady growth of the consumer market continued to drive the development of the premium logistics warehouse leasing market.



For the full-year 2024, the industrial/logistics sector's share of total investment transaction volume was at 21%, up from 14% in 2023. Ahead, the deployment of large-scale AI models is expected to reshape the industrial logistics market across warehousing, transportation, and customer service fields. These advancements are poised to drive further evolution in the investment landscape.



Leasing demand in China's premium logistics warehouse saw moderate growth in 2024, supported by traditional e-commerce festivals, the expansion of cross-border e-commerce, and sustained pro-consumption policies. However, a surge in new project completions throughout the year provided tenants with greater options, while intensifying market competition. To maintain healthy occupancy rates, landlords adopted the strategy of trading leasing space volume for lower rentals. Consequently, the premium logistics warehouse rental level declined, with vacancy rates remaining elevated in certain regions and cities.

MARKET OVERVIEW

Greater China's Logistics Market – Q4 2024



CHINESE MAINLAND

- The total stock of premium logistics warehouse space on the Chinese mainland reached 126 million sq m in Q4 2024.
- Approximately 905,000 sq m of new supply entered the Chinese mainland logistics market in Q4.
- The overall vacancy rate dropped 0.2 percentage points q-o-q to record 17.8%.
- Overall average rents fell 0.5% q-o-q to RMB31.1 per sq m per month.
- Ahead, an additional 29.88 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 Q4 2024.
- The Hong Kong overall prime warehouse vacancy rate stabilized at 7.6%, down 0.2 percentage points q-o-q. The overall prime warehouse rental level retreated by 1.3% q-o-q to record HK\$15.0 per sq ft per month in Q4, the steepest quarterly downward adjustment since Q3 2020.
- Looking ahead, mid- to short-term new supply will remain scarce, with no further major new logistics projects to be seen before 2027. As such, we expect the vacancy rate to remain stable in the coming 1–2 years, and we forecast the prime warehouse rental level to fall by 5% through 2025.



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 – 2024



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



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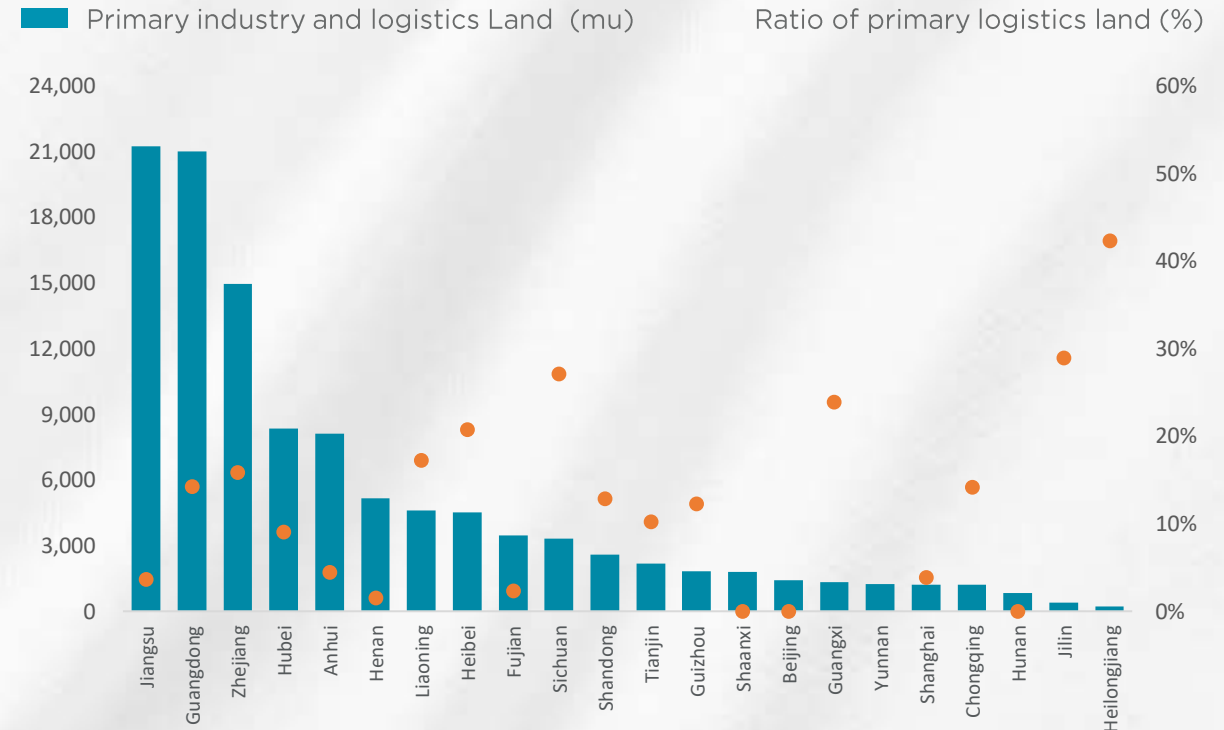
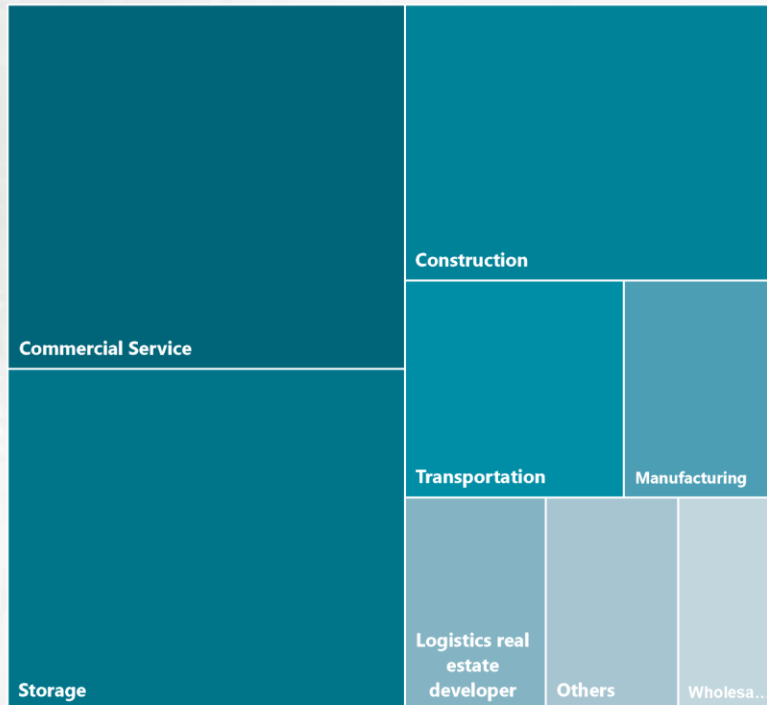
THE GENERAL MARKET

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THE PREMIUM LOGISTICS MARKET

Chinese Mainland Logistics Land Supply Q4 2024

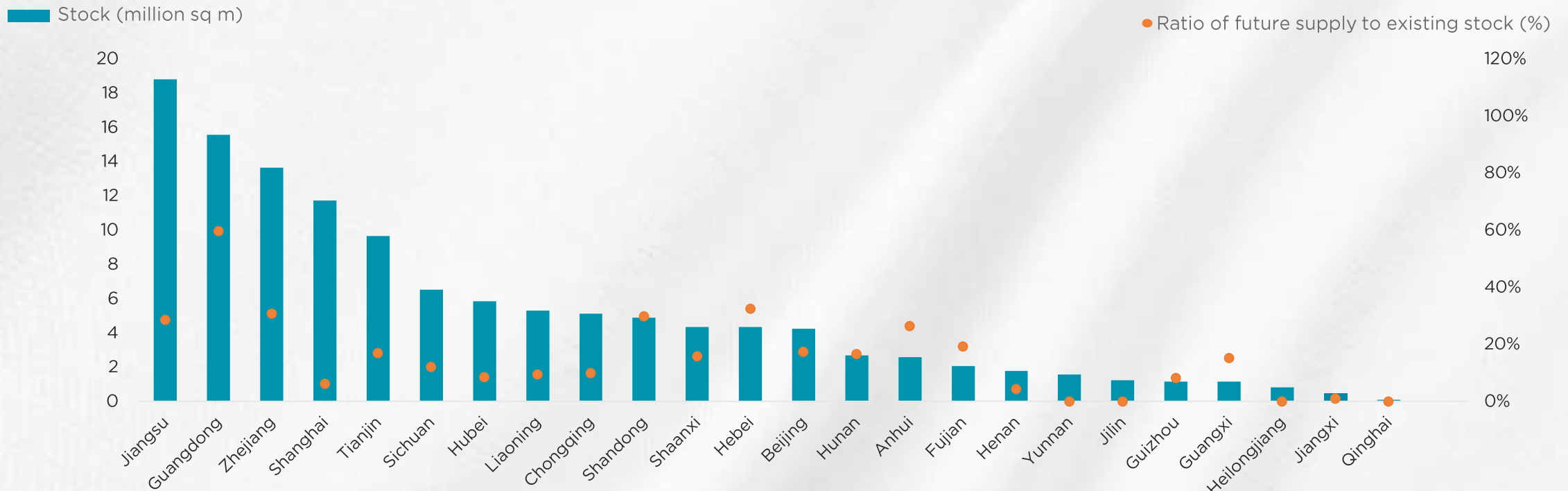
Share of primary logistics land by industry



- Government sales of industrial land plots across 74 cities on the Chinese mainland totaled approximately 110,795 mu in Q4 2024. Logistics land plot supply slightly increased, accounting for 11.1% of the total transaction area.
- The commercial services, storage, and construction sectors were most active in land acquisition. Logistics real estate developers accounted for 5.5% of logistics land transactions in Q4 2024.

THE PREMIUM LOGISTICS MARKET

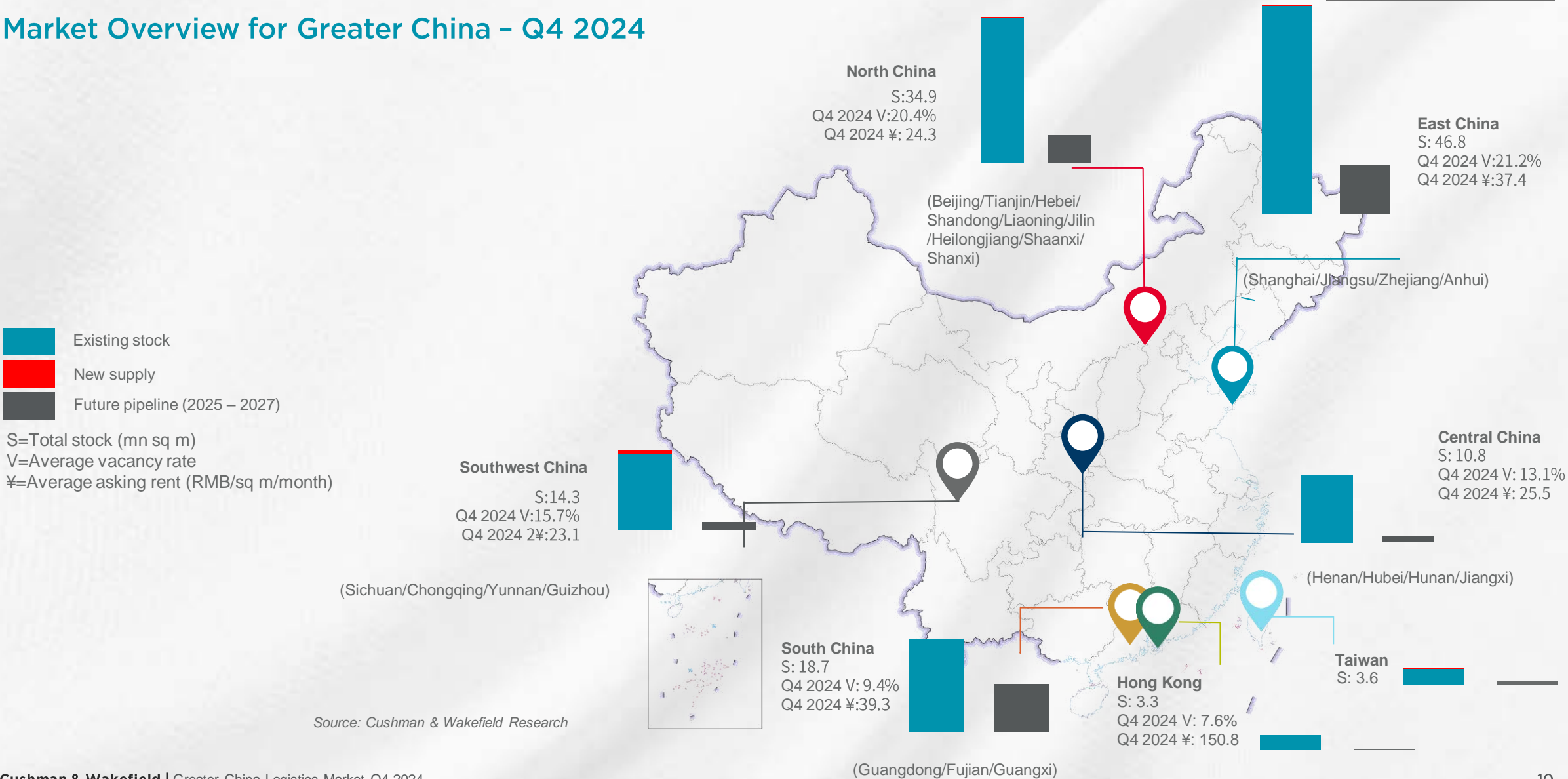
Chinese Mainland Stock and Future Supply (2025-2027)



- Jiangsu, Guangdong and Zhejiang were the top three locations for total stock in Q4 2024. The influx of new projects has intensified competition within the premium logistics warehouse market, driving up overall vacancy rates. To maintain healthy occupancy rates, landlords have adopted the strategy of trading leasing space volume for lower rental levels. Tenants now enjoy greater flexibility in their choices, and remain highly sensitive to rental fluctuations while placing increased emphasis on cost efficiencies and time-to-market advantages. This dynamic is compelling logistics real estate operators to offer more attractive lease terms and value-added services tailored to evolving client demands.
- Guangdong, Beijing and Zhejiang 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 – Q4 2024

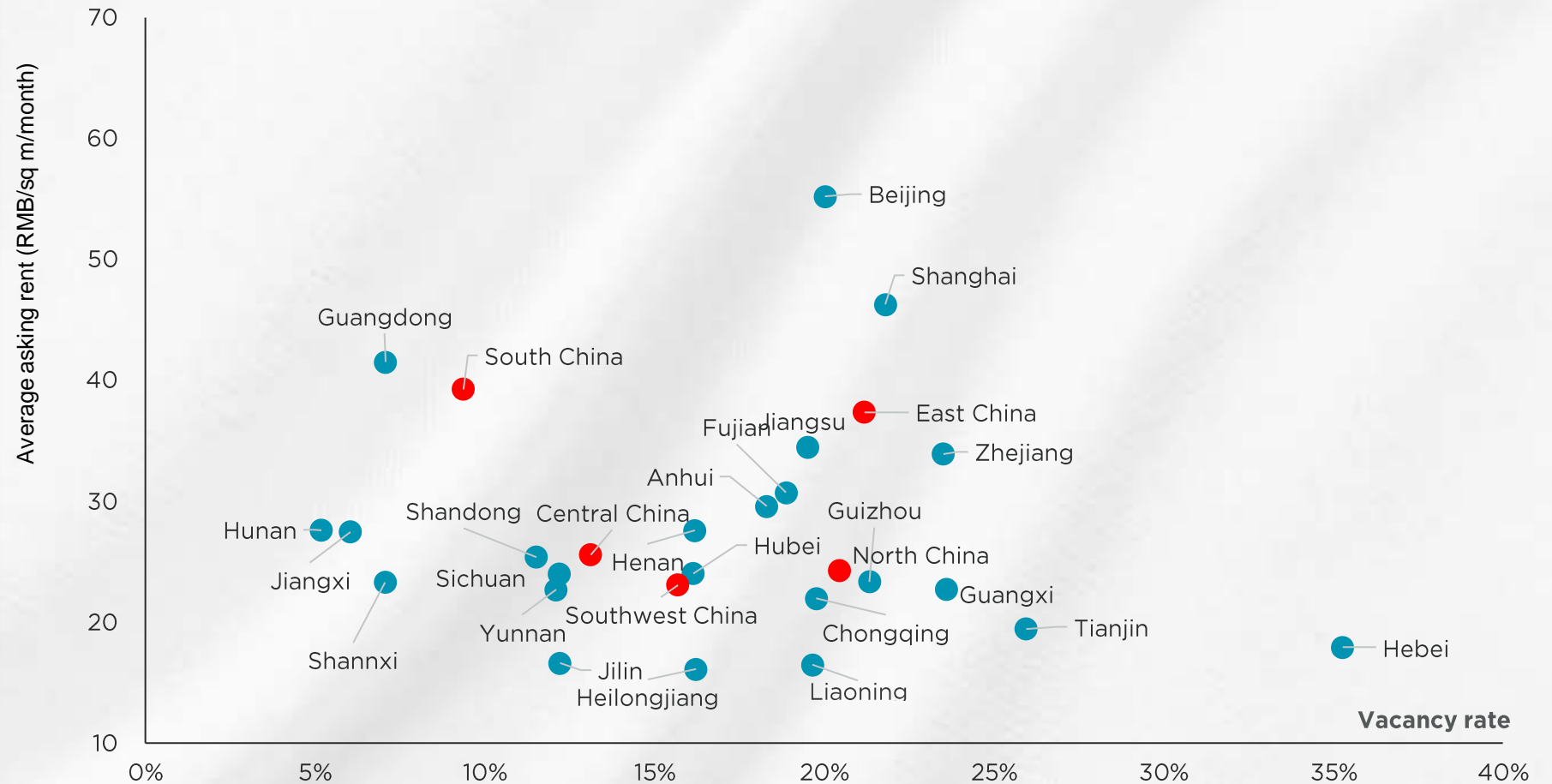


CHINESE MAINLAND PREMIUM LOGISTICS MARKET

Vacancy and Rental by Provincial Market - Q4 2024



Source: Cushman & Wakefield Research

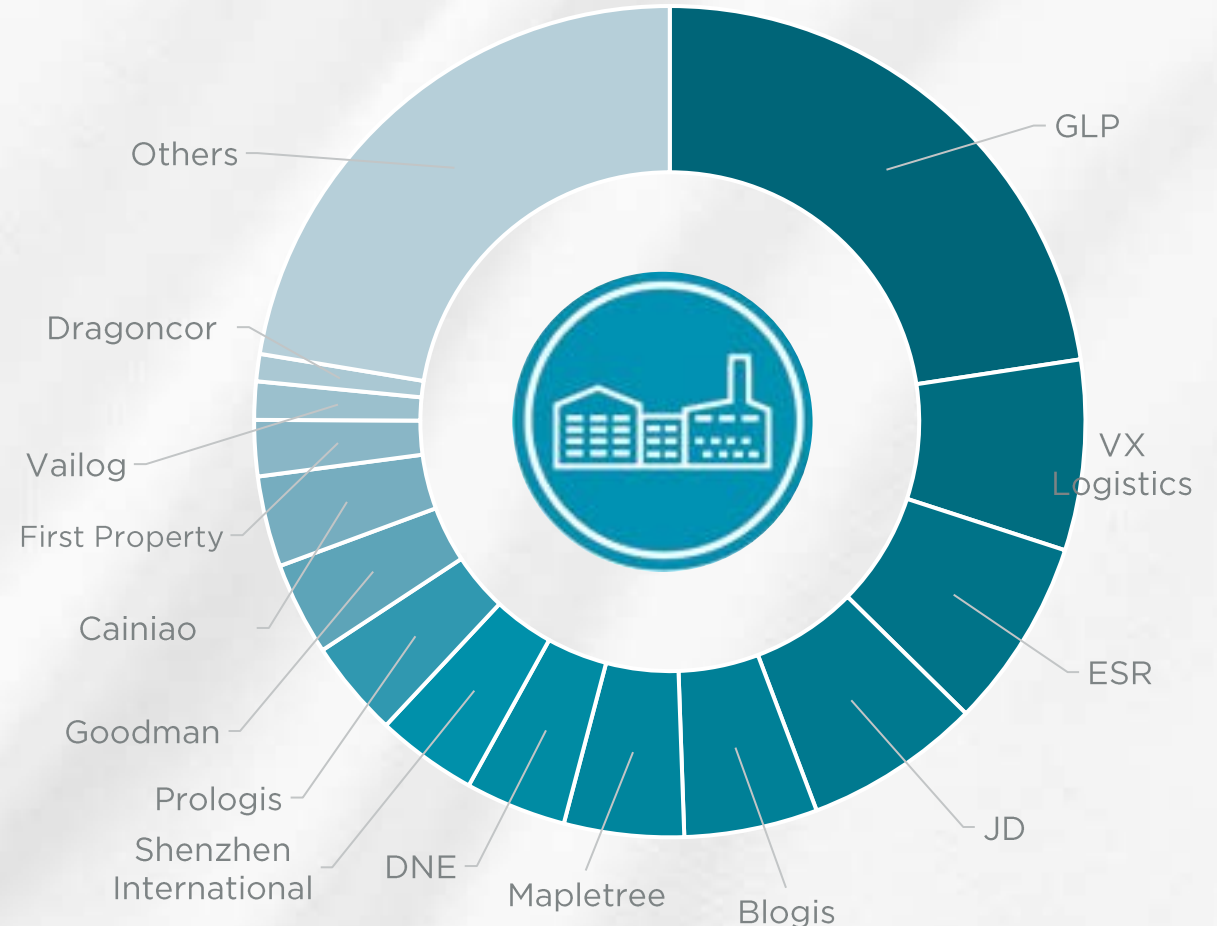


THE PREMIUM LOGISTICS MARKET

Chinese Mainland Leasable Breakdown by Operator - Q4 2024

Latest major market information:

In Q4 2024, Hillhouse Investment boosted its China logistics operation through a deal that merges Black Kite Property's assets and management into the fund manager's Gaolu Group warehouse property division.



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

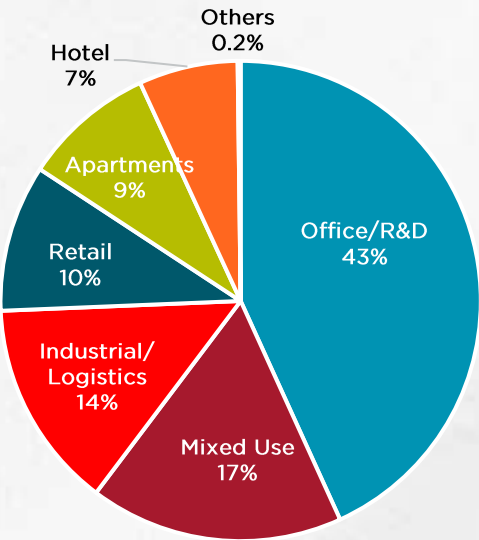
Source: Cushman & Wakefield Research

THE PREMIUM LOGISTICS MARKET

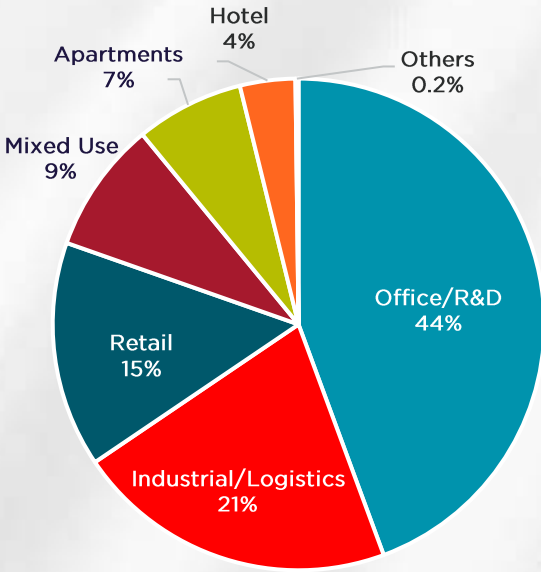
Investment

Investment transaction volume on the Chinese mainland – 2023 and 2024

2023



2024



For the full-year 2023, investment transaction volume in the industrial/logistics property sector reached 14% of the total property sector volume. For the full-year 2024 this figure increased to 21%.

Looking ahead, the deployment of large-scale AI models are expected to reshape the industrial logistics market across warehousing, transportation, and customer service fields. These advancements are poised to drive further evolution in the investment landscape.



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THE REGIONAL MARKETS

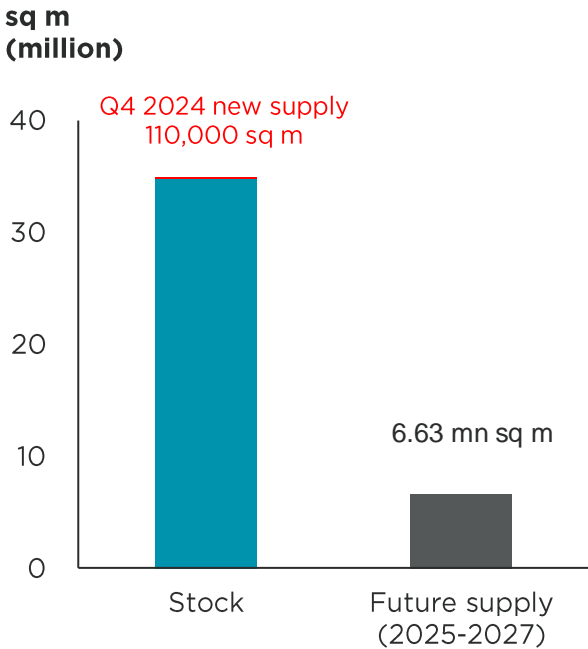
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PREMIUM LOGISTICS MARKET

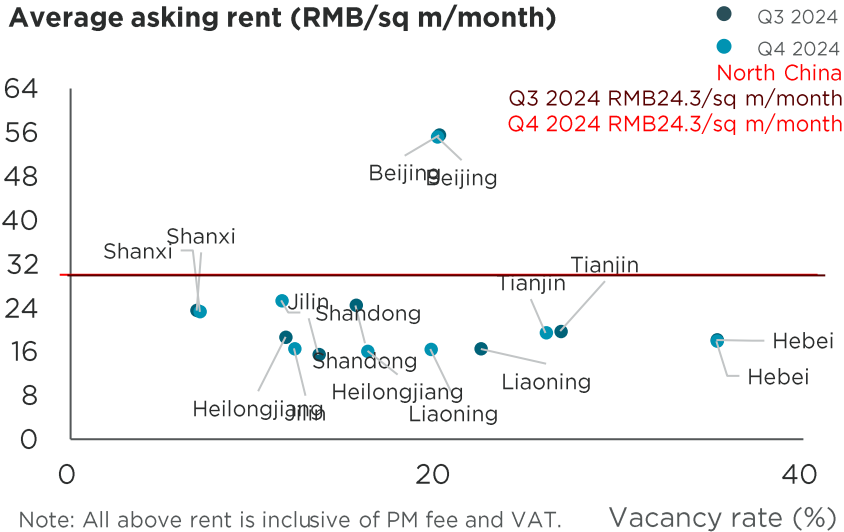
North China Logistics Overview – Q4 2024

- The North China premium warehouse market saw new completions reach 110,000 sq m. The average monthly rental level remained at RMB24.3 per sq m. The premium warehouse vacancy rate dropped 0.7 percentage points to 20.4%.
- The e-commerce, 3PL and manufacturing sectors remained the key drivers in the premium logistics warehouse market in Beijing. With a slow release of overall market demand, the average vacancy rate dropped 0.1 pp q-o-q to 20%.
- The tenant mix remained stable. With substantial new supply, the market continues to afford tenants greater bargaining power. The average monthly rental level fell 1.6% q-o-q to RMB19.4 per sq m, while the vacancy rate remained at a high level.
- The Langfang market remained under significant leasing pressure. The overall vacancy rate remained at 41%.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS



Source: Cushman & Wakefield Research

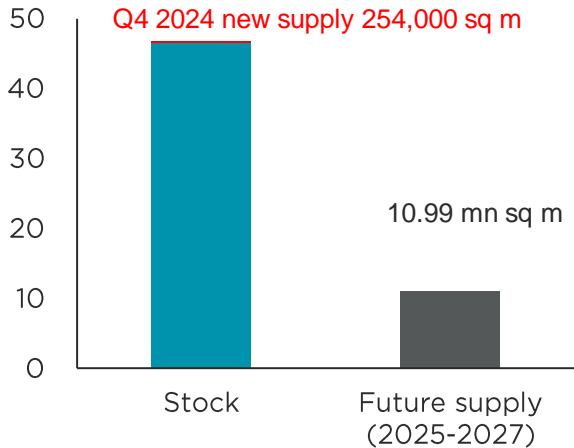
PREMIUM LOGISTICS MARKET

East China Logistics Overview – Q4 2024

- The East China premium warehouse market performance remained steady. The market saw new completions reach 254,000 sq m. The overall average monthly rental level fell 0.3% to RMB37.4 per sq m. The overall warehouse vacancy rate rose 0.9 percentage points q-o-q to 21.2%.
- The e-commerce, 3PL, express delivery and manufacturing sectors were the key drivers in the premium logistics warehouse market. Boosted by the e-commerce shopping festival period, some existing vacancies were absorbed by short-term leasing from the e-commerce sector.
- The Shanghai market performance was stable. The overall warehouse vacancy rate dropped slightly to 22% in Shanghai. The vacancy rate dropped 0.4 pp q-o-q to 19.5%. In the Zhejiang market the vacancy rate remained at an elevated level. We can expect that the market will experience pressure on absorption rates. Landlords of projects experiencing leasing pressure are increasingly looking to trim rents to attract tenants.

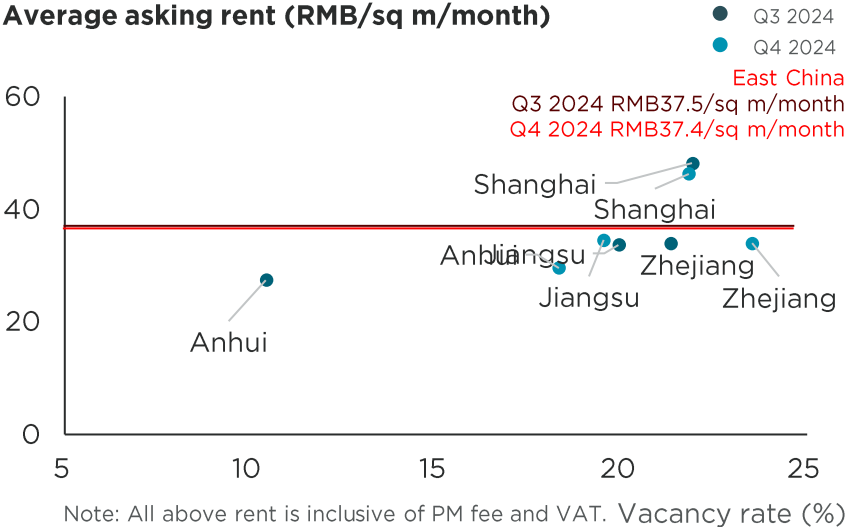
CURRENT STOCK, NEW & FUTURE SUPPLY

sq m (million)



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS

Average asking rent (RMB/sq m/month)



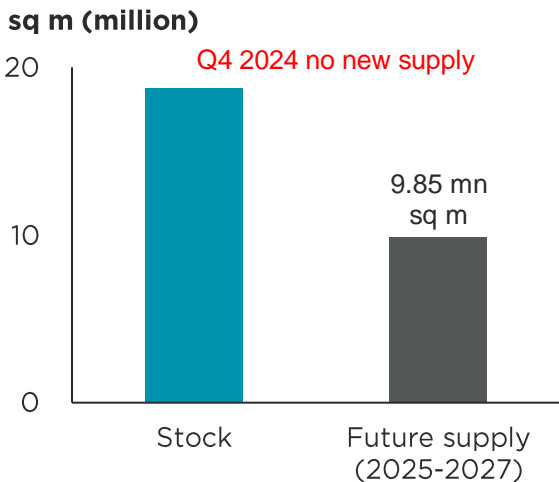
Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

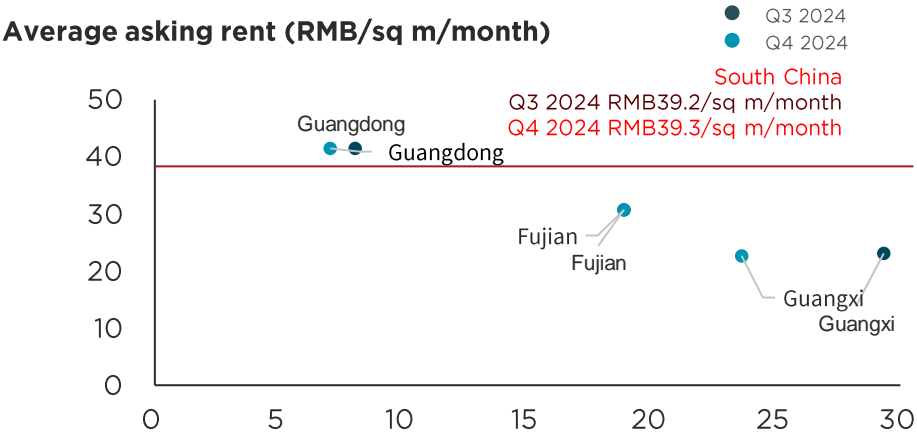
South China Logistics Overview – Q4 2024

- The South China market performance was generally stable in the Q4 period. The overall vacancy rate dropped 1.2 percentage points to 9.4%, while the average monthly rental level rose 0.2% to RMB39.3 per sq m.
- In the Shenzhen market, the e-commerce and manufacturing sectors were the main drivers of demand. The average monthly rental level edged down by 0.2% to RMB49.2 per sq m. The influx of concentrated new future supply into the market is likely to generate additional leasing pressures.
- The overall performance of the Guangzhou market was relatively stable. The 3PL and e-commerce sectors remained as the key tenants. The average monthly rental level remained at RMB42.7 per sq m. We can expect the market to experience greater absorption pressures due to the strong future supply.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS



Note: All above rent is inclusive of PM fee and VAT. Vacancy rate (%)

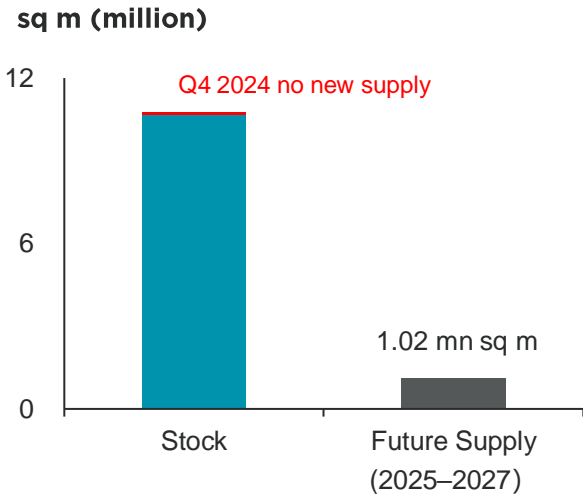
Source: Cushman & Wakefield Research

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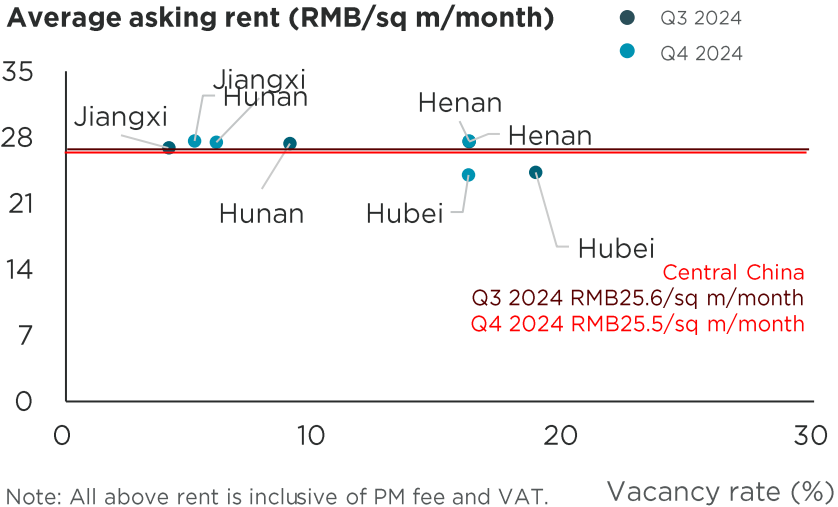
Central China Logistics Overview – Q4 2024

- The Central China premium warehouse market was stable through the Q4 period. The overall vacancy rate dropped 2.3 percentage points to 13.1%. The average monthly rental level dipped by 0.3% to record RMB25.5 per sq m.
- The Wuhan premium warehouse market was generally steady in the period. The express delivery, FMCG, e-commerce, and apparel sectors remained the main drivers of activity. A moderate increase in e-commerce demand saw the overall vacancy rate drop 3.3 pp to record 17%.
- 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



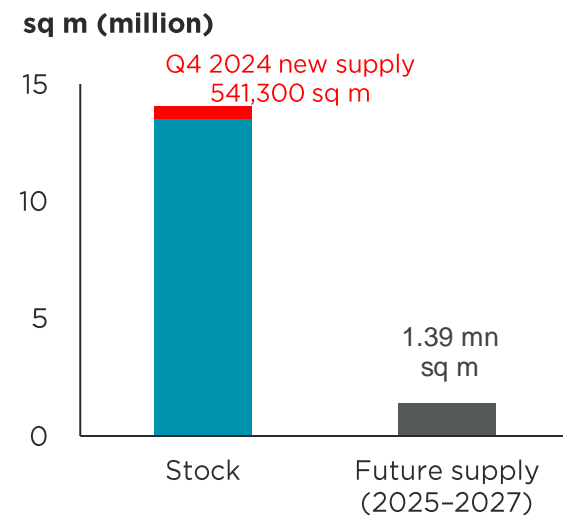
Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

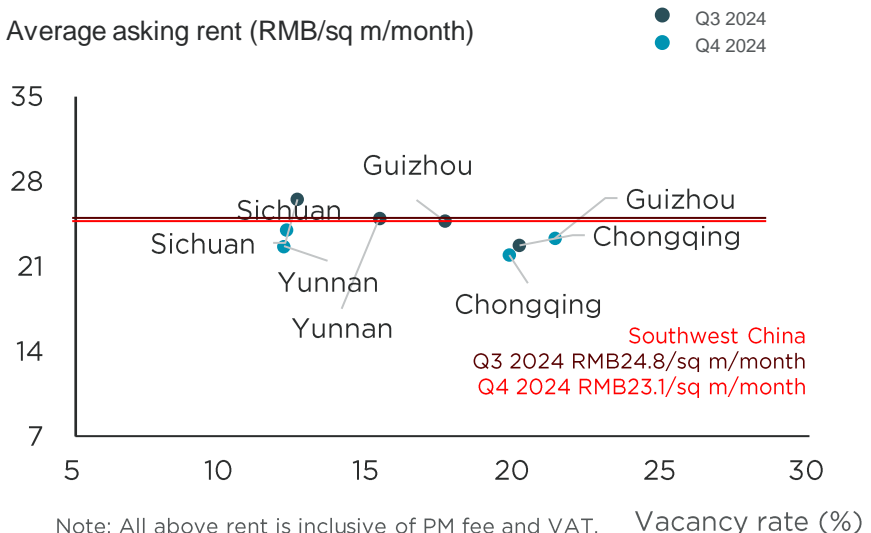
Southwest China Logistics Overview – Q4 2024

- The Southwest China market recorded new supply of approximately 541,000 sq m, with the vacancy rate edging down 0.4 percentage points to 15.7%. The average monthly rent declined by 7.1% q-o-q to RMB23.1 per sq m.
- The Chengdu premium logistics warehouse market was generally stable in the period. Landlords moved to adopt the strategy of trading price for volume in the short term to maintain property occupancy rates. The average monthly rental level dropped 9.9% q-o-q to RMB24.2 per sq m.
- The Chongqing premium logistics warehouse market experienced leasing pressures. The market vacancy rate dropped 0.4 pp q-o-q to record 19.8%.

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 - Q4 2024

City	Stock GFA (sq m)	Supply to 2027 GFA (sq m)	Rental change (q-o-q)	Vacancy change (pp q-o-q)
Shanghai	11,731,000	734,000	3.87%↓	0.10↓
Tianjin	9,662,000	1,640,000	1.61%↓	0.80↓
Chengdu	6,303,000	790,000	9.86%↓	0.38↓
Chongqing	5,128,000	507,000	3.50%↓	0.35↓
Wuhan	4,836,000	409,000	1.23%↓	3.28↓
Beijing	4,234,000	735,000	0.62%↓	0.47↑
Jiaxing	4,080,000	988,000	1.70%↓	1.24↓
Shenyang	3,959,000	369,000	1.37%↑	0.00
Guangzhou	3,772,000	2,207,000	-	2.27↓
Suzhou	3,598,000	100,000	0.60%↓	0.55↑
Xi'an	3,551,000	689,000	1.06%↓	2.35↑
Kunshan	3,515,000	483,000	0.08%↓	0.10↓
Hangzhou	3,291,000	344,000	-	0.17↓
Wuxi	2,781,000	76,000	0.99%↑	2.32↑
Foshan	2,712,000	1,909,000	0.24%↑	1.33↓
Nanjing	2,621,000	186,000	0.46%↓	2.42↓
Shenzhen	1,949,000	1,848,000	0.15%↓	0.08↑
Qingdao	1,673,000	406,000	0.49%↓	1.82↑
Dalian	1,347,000	61,000	5.00%↓	11.36↓
Nantong	943,000	792,000	0.74%↑	1.37↑

Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

Taiwan Logistics Overview – Q4 2024

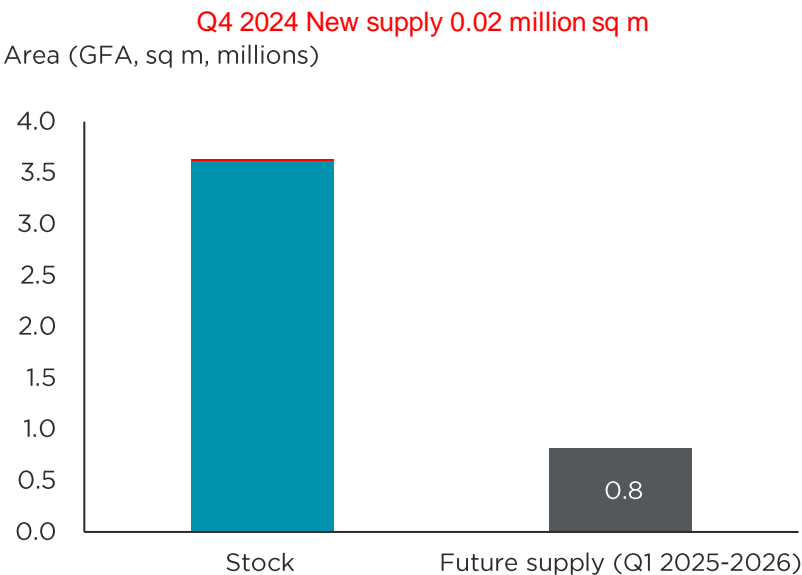
Trade Performance

- Taiwan's international trade exports in Q4 2024 grew by 9.1% over the same period last year. Business opportunities in the artificial intelligence and other emerging technology sectors remained strong. Combined with the traditional peak season demand and Lunar New Year effect, this generated the 14th consecutive month of positive growth. Imports rose by 18.2% y-o-y, mainly due to internationalization within the AI industry chain operation and related export demand, coupled with semiconductor equipment investment warming up significantly. For the full-year 2024, exports are forecast to grow 9.9%, and imports by 12.2%, both of which will be the second-highest increases in some years.
- Wholesale industry turnover in December expanded by 12.9%. The wholesale machinery and equipment industry benefited from growth in AI, high-performance computing and other emerging technologies. Retail industry turnover grew by 2.9% y-o-y, the integrated merchandise retailing industry by 4.7% y-o-y, and the fabrics and apparel retail industry by 8.4% y-o-y. These figures indicate that the domestic demand market remains the driving force for sustained growth in demand in Taiwan's logistics and warehousing industry.

Logistics Property Market Performance

- Total premium logistics stock grew to approximately 1.10 million pings (3.64 million sq m) in 2024. Ahead, 246,135 pings (813,670 sq m) of new stock is due to enter by 2026, in turn expanding total stock by 22.4%.
- Taiwan's overall high-quality logistics facilities are concentrated in Taoyuan City, adjacent to Taiyuan International Airport, with 83% of total stock. In response to growing logistics demand, the four major retail giants have invested nearly NT\$100 billion into building logistics and warehousing facilities, with new supply expected to be completed by 2026. In general, market demand is steadily growing, and rental performance is also trending upward. The overall average rental level is at approximately NT\$700-850 per ping per month.

CURRENT STOCK, NEW & FUTURE SUPPLY



Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

Hong Kong Logistics Overview – Q4 2024

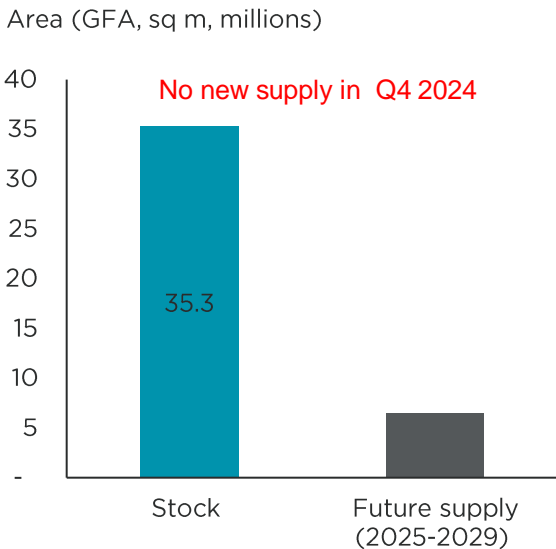
Trade Performance

- Hong Kong's business conditions steadily improved through the Q4 2024 period, with the S&P Manufacturing Purchasing Manager's Index (PMI) climbing to record 51.2 in November, then standing above the contraction line of 50.0 for three consecutive months.
- Hong Kong's trading performance also picked up in October and November, bringing the city's aggregate imports to a rise of 6.8% y-o-y, and exports to 9.1% y-o-y, for the first 11 months of the year.

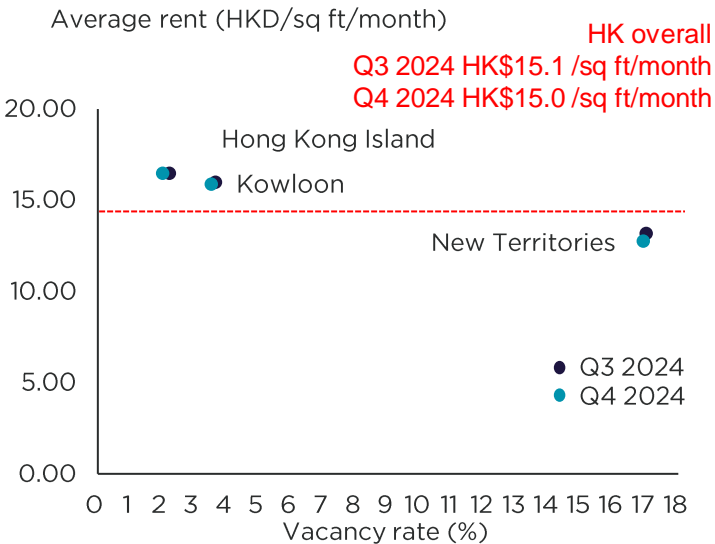
Logistics Property Market Performance

- Landlords were generally more willing to provide additional incentives to occupiers in the Q4 period, with little sign of market sentiment strengthening notably in the short-term.
- The overall prime warehouse rental level retreated by 1.3% q-o-q to record HK\$15.0 per sq ft per month in Q4, the steepest quarterly downward adjustment since Q3 2020. However, the rental level for the full-year 2024 still grew by 1.3%.
- While most occupiers remained in a wait-and-see stance towards the end of 2024, the overall prime warehouse vacancy rate stabilized at 7.6%, down 0.2 percentage points q-o-q.

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

- Third-party logistics operators (3PLs) remained cautious and leasing momentum further slowed in Q4. The market mainly focused on renewal activities, with a few notable cases recorded.
- In new leasing activity, key transactions included consumer goods firm RB & Manon committing to 13,200 sf at the Goodman Shatin Logistics Centre Phase 2 facility.

Building	District	Tenant	GFA sq ft	Type
Goodman Shatin Logistics Centre Phase 2	Shatin	RB & Manon	13,200	New Lease
ATL Logistics Centre B	Kwai Chung	H&M	138,000	Renewal
Tuen Mun Distribution Centre	Tuen Mun	Geodis HK	57,000	Renewal
Tai Hing Industrial Building	Tuen Mun	Bollere Logistics	26,100	Renewal
Goodman Global Gateway	Tsuen Wan	Vpower Security	21,000	Renewal

Source: EPRC, Cushman & Wakefield Research

OUTLOOK

The U.S. Presidential election result may bring more uncertainties in Sino-U.S. relations. Coupled with the generally cautious business sentiment, this may continue to curtail leasing appetite from 3PLs. More brightly, initiatives launched by the Central Government to boost the economy and consumption power should contribute to stabilizing leasing demand from e-commerce and consumer goods in the mid-to-long run.

On the supply side, tenders for three logistics sites in Tsing Yi, Yuen Long, and Hung Shui Kiu will close by Q1 2025, bringing potential new supply of 8.4 million sf in 2030+. However, mid-to short-term new supply will remain scarce, with no further major new logistics projects to be seen before 2027. As such, we expect that the vacancy rate will remain stable in the coming 1-2 years, and we forecast the prime warehouse rent to decline by 5% throughout 2025.

05

THE GENERAL OUTLOOK

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THE PREMIUM LOGISTICS MARKET

General Outlook – Key Takeaways

- Looking ahead, leasing pressure from new supply remains significant. If all planned projects enter the market on schedule, the influx of new supply will likely exert downward pressures on rental growth in the medium term while pushing up the overall vacancy rate. Landlords may further temper rental expectations and continue the strategy of trading leasing space volume for lower rentals in order to maintain healthy occupancy levels.
- Tenants also enjoy more flexibility in their choices, remaining sensitive to rental fluctuations while placing greater emphasis on cost efficiencies and time-to-market advantages. This dynamic is compelling logistics real estate operators to offer more attractive lease terms together with value-added services tailored to evolving client demands.

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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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