



GREATER CHINA LOGISTICS MARKET

Q2 2026

Better never settles

01

KEY TRENDS & OVERVIEW

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KEY TRENDS

Greater China's Logistics Market



The Chinese mainland's GDP reached RMB69.6 trillion in H1 2026, expanding by 4.7% y-o-y. The domestic economy withstood pressure and operated within a reasonable range through the H1 2026 period, with production and supply growing at a relatively fast pace, employment generally stable, prices rising moderately, foreign trade maintaining solid momentum, new growth drivers expanding rapidly and people's livelihoods effectively safeguarded. Together, these factors underscored the economy's continued resilience.



In H1 2026, the Chinese mainland logistics market remained broadly stable, with the total value of social logistics goods reaching RMB181.1 trillion, representing year-on-year growth of 5.1%. Structurally, logistics demand from high-end manufacturing continued to expand at a relatively strong pace, supporting demand for modern warehouse facilities with higher specifications and stricter cleanliness standards. At the same time, green and circular logistics infrastructure continued to develop, accelerating the deployment of reverse logistics networks and recycled-resource distribution facilities. In addition, the rapid growth of cross-border e-commerce exports, coupled with the expansion of international logistics corridors, underpinned steady demand for bonded warehousing and other premium logistics facilities. Overall, the ongoing optimisation of demand drivers is providing solid support for both sustained occupier demand and the quality upgrading of the premium logistics warehouse market.



Investors in the Chinese mainland investment market remained cautious in H1 2026, with the industrial and logistics sector accounting for 10% of total transaction volume. As the REIT market continues to mature, the valuation of logistics assets is increasingly centred on operational performance throughout the holding period, with greater emphasis placed on stable rental income, a diversified tenant base and strong lease continuity. At the same time, the requirements of public REITs regarding asset compliance, income generation and operational maturity have further reinforced investor focus on assets capable of delivering sustainable cash flow and long-term operational resilience.



In Q2 2026, the premium logistics warehouse market remained in an adjustment phase. New supply continued to enter the market, while leasing demand recovered moderately. Rental and vacancy performance diverged across regions, with markets facing greater supply pressure continuing to rely on rental incentives and flexible leasing strategies to support absorption. Looking ahead, as the pace of new completions gradually moderates, market pressures are expected to ease. In response, landlords are increasingly focusing on leasing existing vacant space, optimising tenant mixes and enhancing operational and service capabilities. Meanwhile, projects in core locations with strong operational fundamentals are expected to demonstrate greater resilience and maintain relatively stable performance.

MARKET OVERVIEW

Greater China's Logistics Market — Q2 2026



CHINESE MAINLAND

- The total stock of premium logistics warehouse space on the Chinese mainland reached 141 million sq m in Q2 2026.
- Approximately 0.77 million sq m of new supply entered the Chinese mainland logistics market in Q2.
- The overall vacancy rate dropped 0.55 percentage points q-o-q to record 17.5%.
- The overall average rental level fell 1.6% q-o-q to RMB28.4 per sq m per month.
- Ahead, an additional 11.46 million sq m of new supply is scheduled for completion by the end of 2028.



HONG KONG, CHINA

- Hong Kong's total stock of premium logistics space remained at 35.25 million sq ft (3.27 million sq m) in Q2 2026.
- Citywide prime warehouse rents declined further by 3.5% q-o-q in Q2, to HK\$12.4 psf per month, the lowest level since Q1 2014. The continued rental adjustment has meant greater affordability and has helped stimulate leasing momentum. As a result, the overall vacancy rate fell to 11.2% in Q2 from 11.8% in Q1.
- Vacancy will likely remain high and continue to weigh on the leasing market in the mid- to near-term. As such, we expect the leasing market to remain tenant-favourable in H2 2026, with prime warehouse rents forecast to decline by 7% over the full year of 2026.



TAIWAN, CHINA

- Total premium logistics stock increased to approximately 1.40 million pings (4.63 million sq m).
- Incoming supply is expected to add 262,637 pings (868,223 sq m) of stock by the close of 2027, an increase of approximately 18.7%.
- Around 68% of stock is concentrated in Taoyuan City, close to Taoyuan International Airport. The average monthly rental level is approximately NT\$750–850 per ping.

Source: Cushman & Wakefield Research



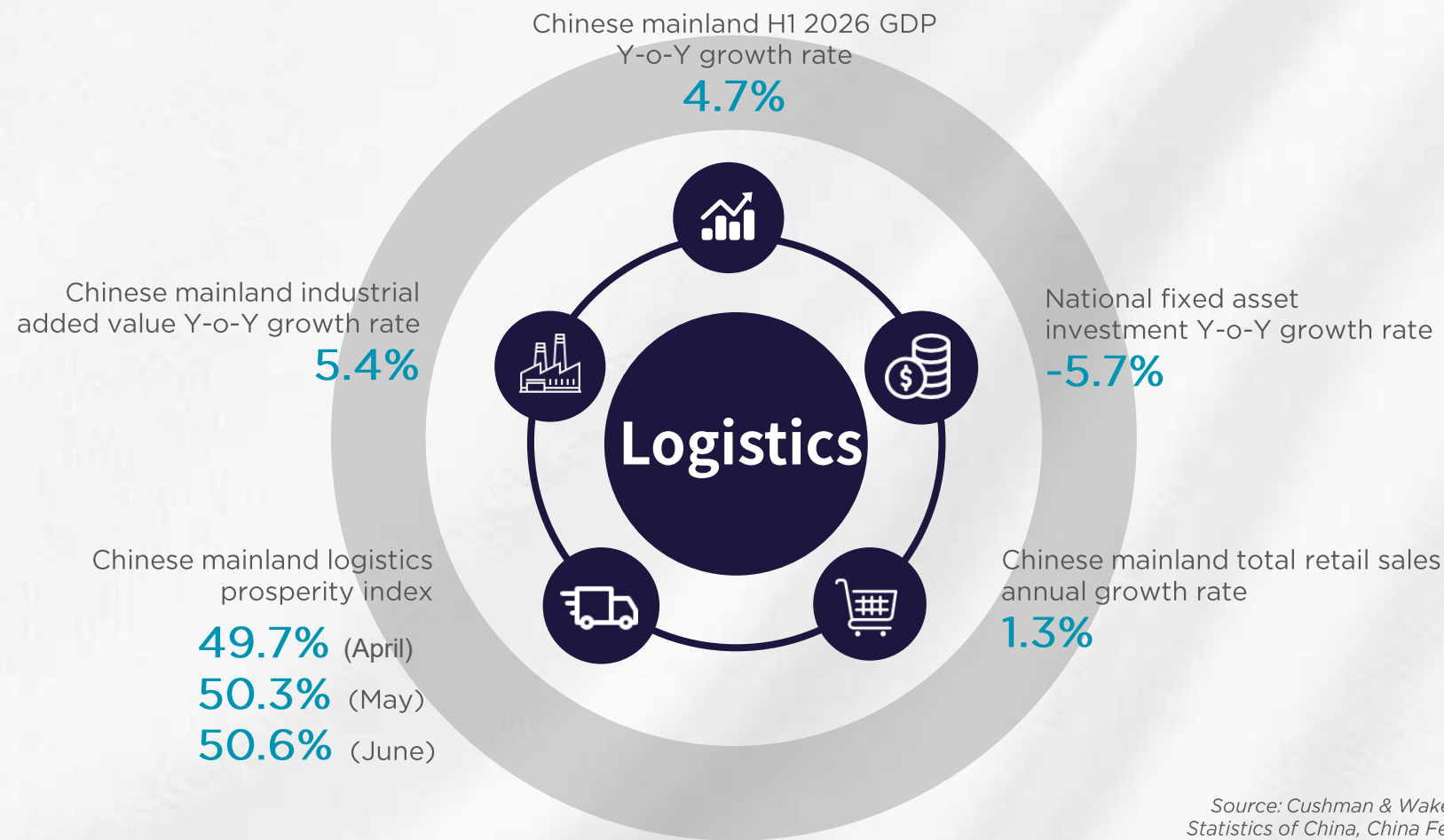
02

THE MACRO - ECONOMY

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THE MACRO ECONOMY

Major Logistics Indicators — H1 2026



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



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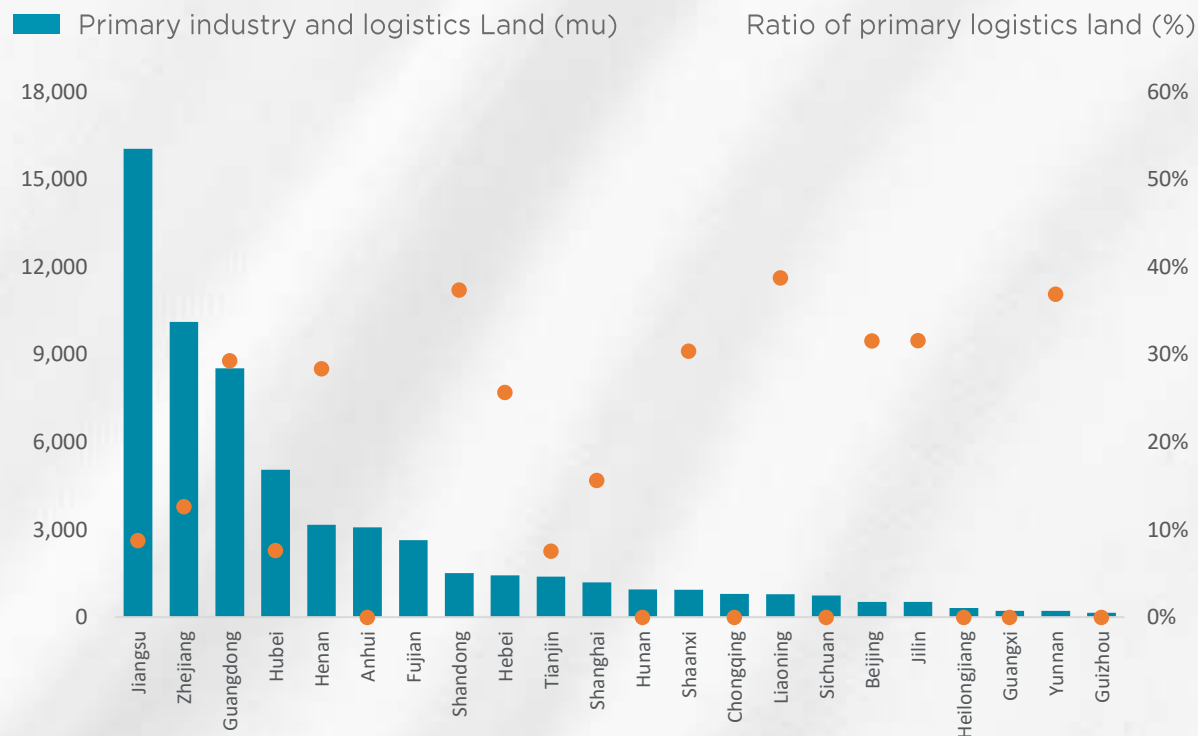
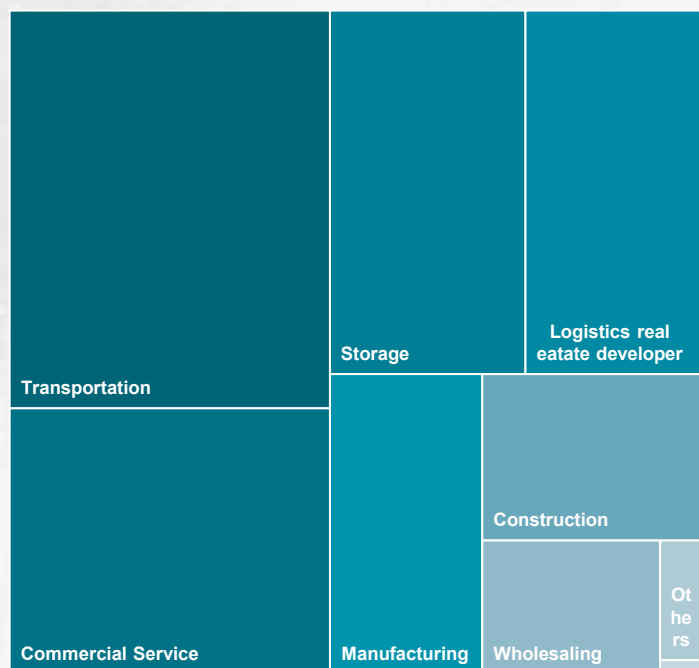
THE GENERAL MARKET

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THE PREMIUM LOGISTICS MARKET

Chinese Mainland Logistics Land Supply Q2 2026

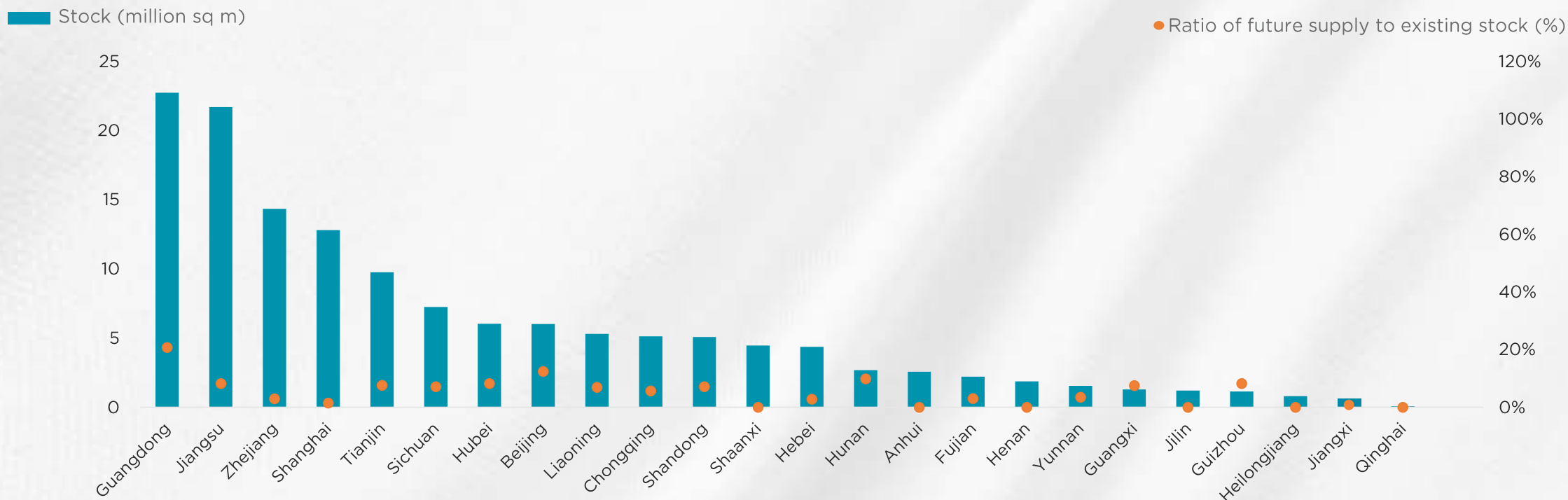
Share of primary logistics land by industry



- Government sales of industrial and logistics land plots across 74 cities on the Chinese mainland totaled approximately 60,285 mu in Q2 2026, with logistics land accounting for 17.3% of the total transaction area, a marked increase from Q1 2026.
- By industry, the transportation, commercial services and warehousing sectors were the top three for logistics land acquisition transactions. Logistics real estate developers accounted for 14.3% of logistics land transactions in Q2 2026.

THE PREMIUM LOGISTICS MARKET

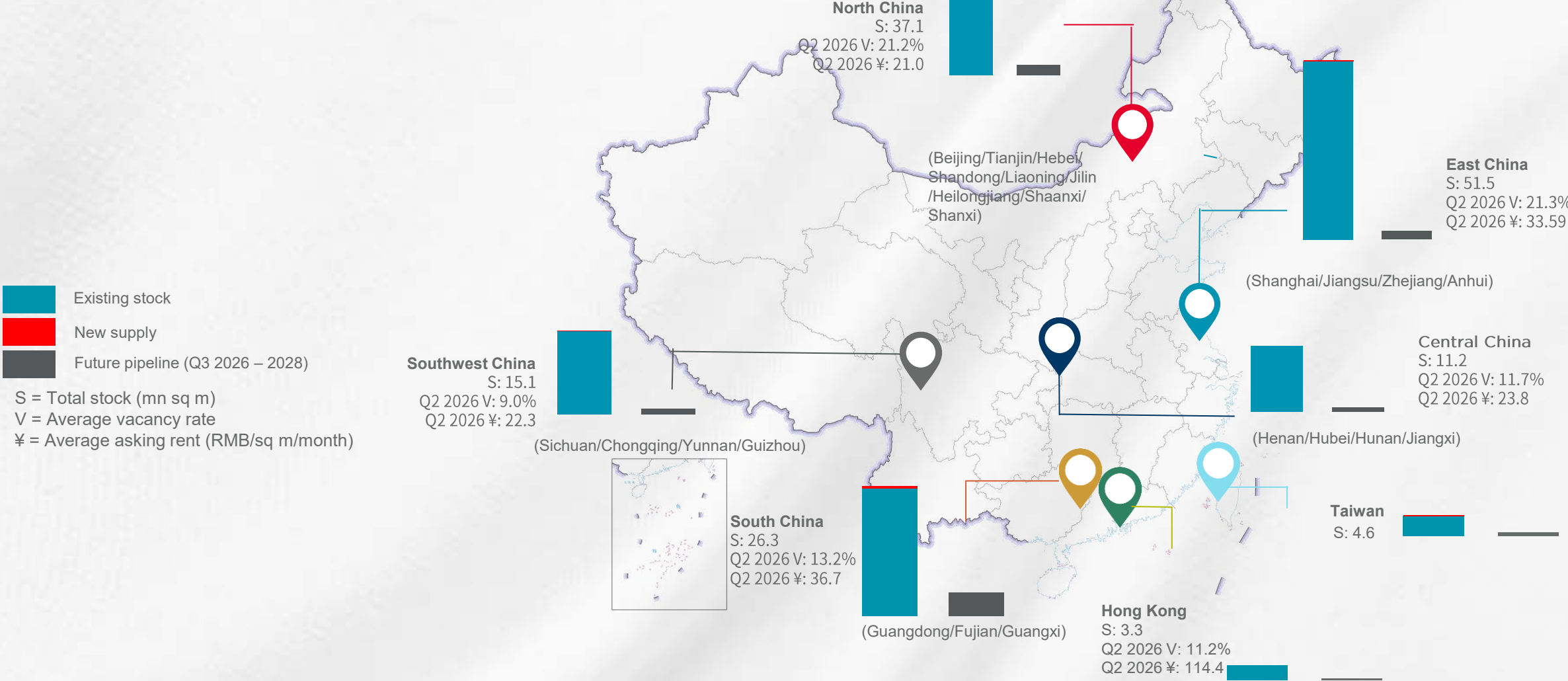
Chinese Mainland Stock and Future Supply (Q3 2026-2028)



- Guangdong, Jiangsu and Zhejiang were the top three locations for total stock in Q2 2026. New supply continued to be released, and leasing demand recovered moderately, while rental and vacancy performance diverged across regions; markets facing greater supply pressure continued to rely on price adjustments and flexible leasing arrangements to drive absorption. As the pace of future supply moderates, market pressures may gradually ease, with landlords shifting their operational focus towards absorbing existing space, optimising tenant mixes and enhancing service capabilities. Projects in core locations with a solid operational foundation are expected to perform relatively steadily.
- Guangdong ranked first nationwide in terms of the ratio of future supply to existing stock. The gradual release of new supply may keep some markets under absorption pressure, with subsequent performance hinging on the pace of supply delivery, industrial demand and landlords' operating strategies.

THE PREMIUM LOGISTICS MARKET

Market Overview for Greater China – Q2 2026

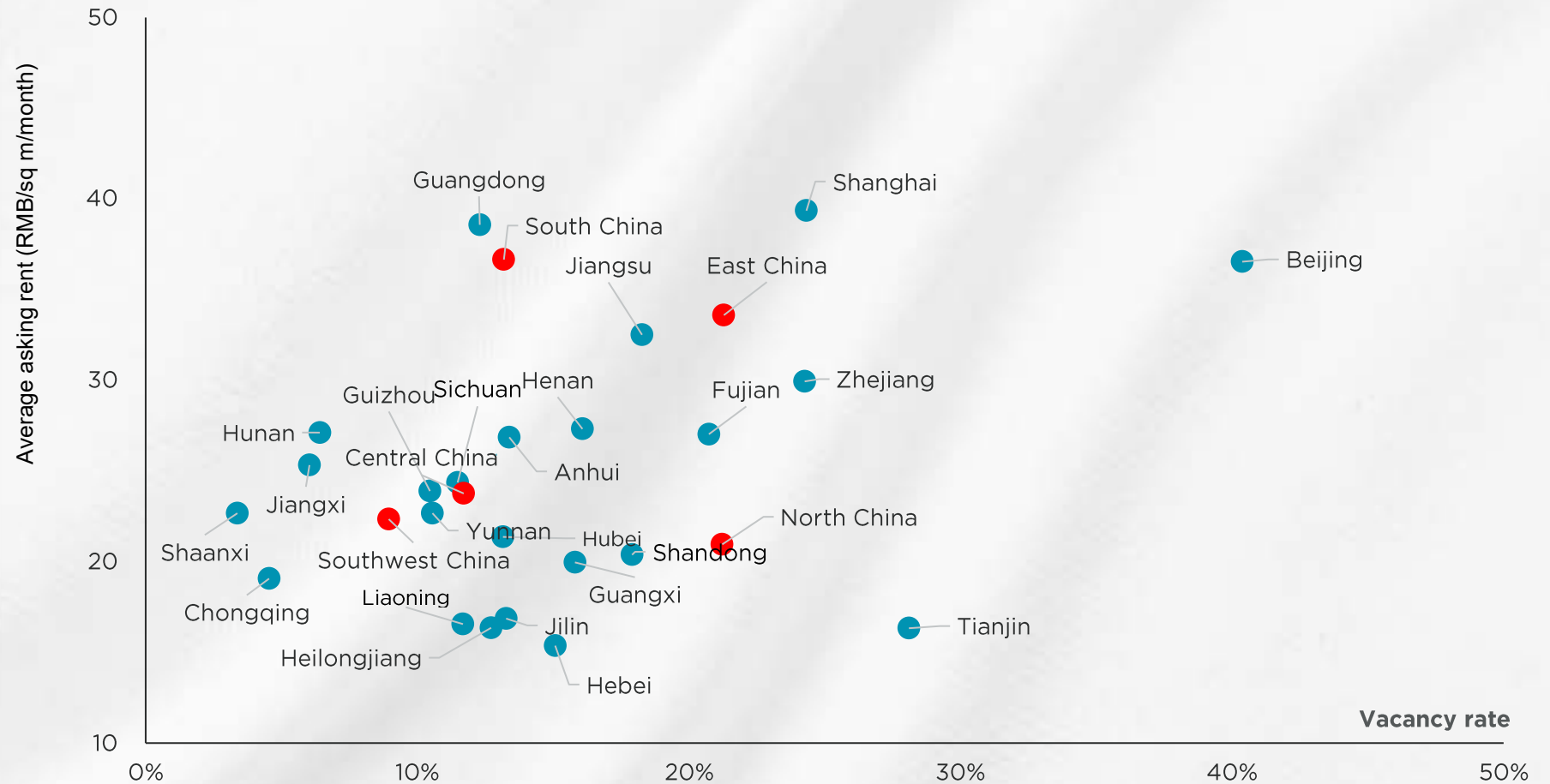


CHINESE MAINLAND PREMIUM LOGISTICS MARKET

Vacancy and Rental by Provincial Market — Q2 2026



Source: Cushman & Wakefield Research

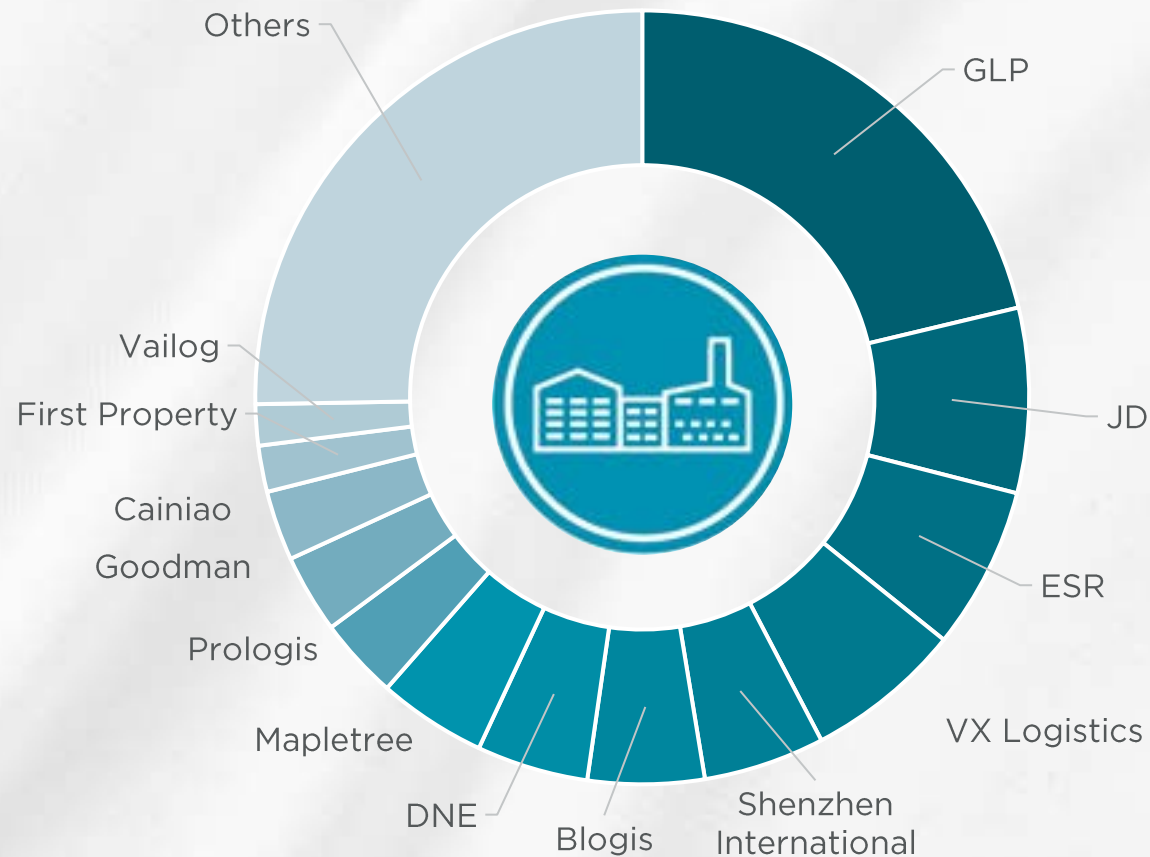


THE PREMIUM LOGISTICS MARKET

Chinese Mainland Leasable Breakdown by Operator – Q2 2026

Latest major market information:

Approximately 770,000 sq m of new supply entered the Chinese mainland logistics market in Q2 2026, bringing the total stock of premium logistics warehouse space on the Chinese mainland to 141 million sq m.



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 — 2025 and H1 2026



In H1 2026, investors in the Chinese mainland’s investment transaction market remained cautious, with industrial/logistics sector investment accounting for 10% of total transaction volume.

As the REIT market continues to mature, the valuation of logistics assets is increasingly driven by operating performance throughout the holding period, with greater emphasis on stable rental income, a diversified tenant base and strong lease continuity. At the same time, the requirements of public REITs regarding asset compliance, income generation and operational maturity have further reinforced investor focus on assets capable of delivering sustainable cash flows and long-term operational resilience.



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THE REGIONAL MARKETS

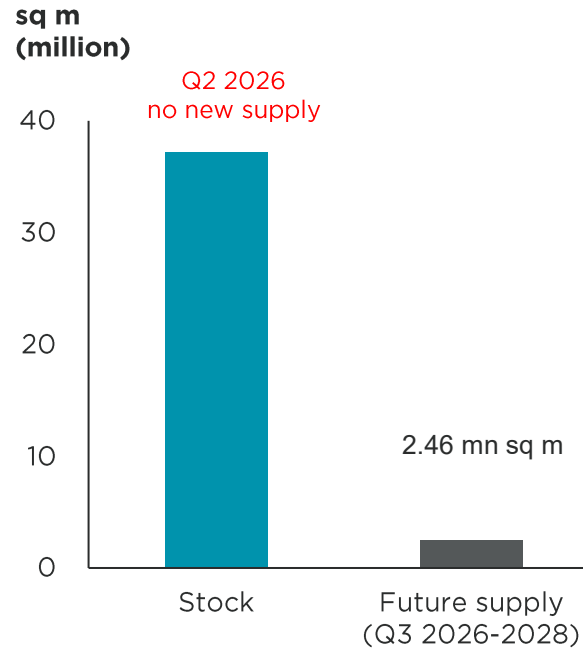
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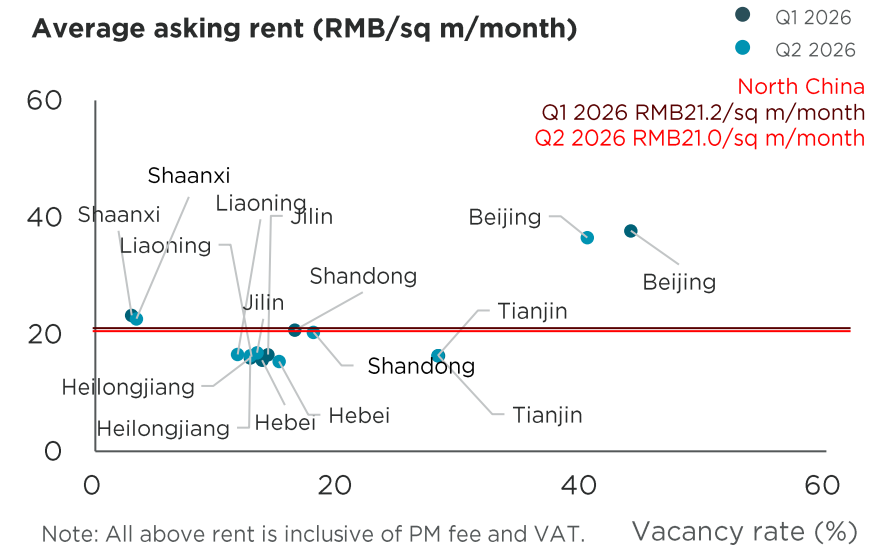
North China Logistics Overview — Q2 2026

- The North China premium warehouse market recorded stable performance in Q2. Average monthly rents moved down 1.1% to RMB20.95 per sq m. The premium warehouse vacancy rate fell by 0.5 pp q-o-q to 21.2%.
- The e-commerce, 3PL and manufacturing sectors remained the key tenants in Beijing. E-commerce demand showed positive momentum in the quarter. Landlords continued to adopt a price-for-volume strategy to drive absorption. The overall market vacancy rate dropped by 3.57 percentage points to 40.4%.
- Tianjin's premium warehouse market posted steady overall performance, with the vacancy rate dipping slightly to 28.1%. Vacancy remains at a high level across the market, and absorption pressure persists.
- In Langfang, landlords implemented a price-for-volume strategy to capture spillover demand from price-sensitive warehouse tenants relocating out of Beijing, with the overall premium warehouse vacancy rate rising 1.45 percentage points q-o-q to 14.0%.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS



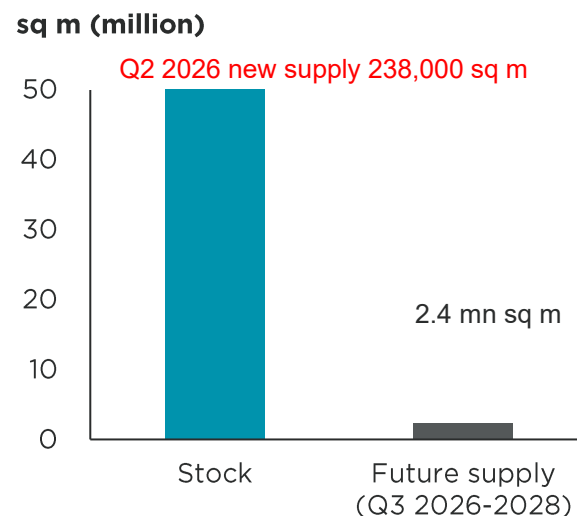
Source: Cushman & Wakefield Research

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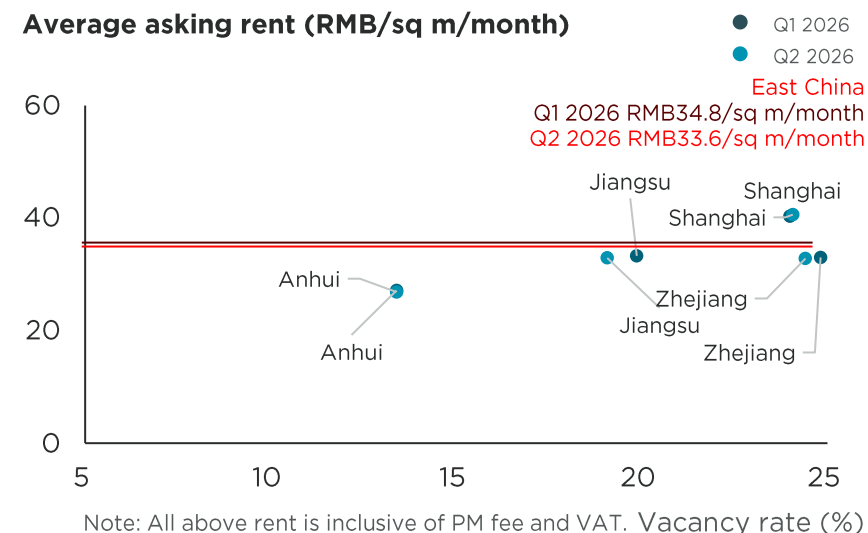
East China Logistics Overview — Q2 2026

- The East China premium warehouse leasing market posted steady overall performance. New completions reached approximately 238,000 sq m. The average monthly rental level moved down 3.4% to RMB33.6 per sq m. The premium warehouse vacancy rate fell by 0.3 percentage points to 21.3%.
- The key demand drivers in East China's overall premium logistics warehouse market remained the 3PL, manufacturing, e-commerce and express delivery sectors, with e-commerce demand staying stable. Leasing activity from the snack food and energy storage sectors picked up, as leading snack brands accelerated their expansion across East China. Meanwhile, tenants moved to optimise and consolidate warehouse spaces, relocating to premium parks with higher specifications and more competitive rents.
- In Shanghai, tenants in non-core areas enjoyed considerable bargaining room, pulling overall market rents down 3.1% to RMB39.35 per sq m. In Zhejiang, driven by e-commerce tenants' space expansion, the overall vacancy rate edged slightly lower but remained elevated. In Jiangsu, overall demand continued to be dominated by existing-space demand, with rents dropping 1.2%. In Anhui, market performed steadily overall, with rents and vacancy rates both at relatively low levels.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS



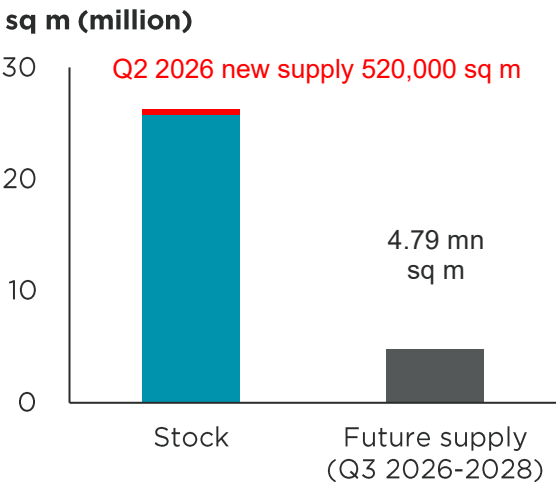
Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

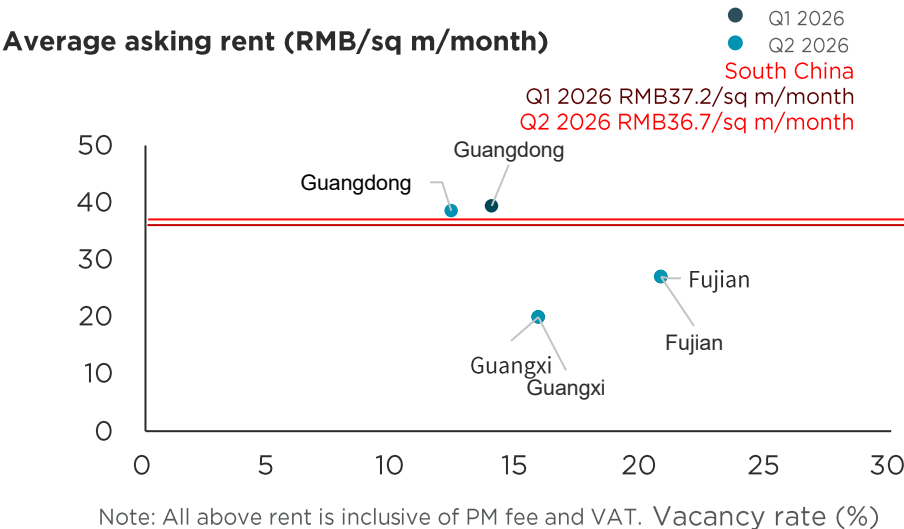
South China Logistics Overview — Q2 2026

- The South China premium warehouse market recorded 520,000 sq m of new supply this quarter. The average vacancy rate fell 1.46 percentage points q-o-q to 13.2%, while the average monthly rental dropped 1.4% q-o-q to RMB36.7 per sq m.
- Shenzhen's premium logistics warehouse market recorded new supply during the quarter, adding to leasing pressure and keeping the overall vacancy rate at an elevated level. Looking ahead, the pipeline of new supply is expected to moderate. Coupled with proactive leasing initiatives aimed at attracting both upstream and downstream enterprises, market conditions are expected to gradually improve, with vacancy rates likely to trend down over time, although competitive leasing pressure will remain.
- Guangzhou's market maintained relatively stable performance, with e-commerce and 3PL players remaining the key tenants. The vacancy rate climbed to 6.6% amid new supply additions. Some tenants consolidated and relocated to areas with lower rents.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS



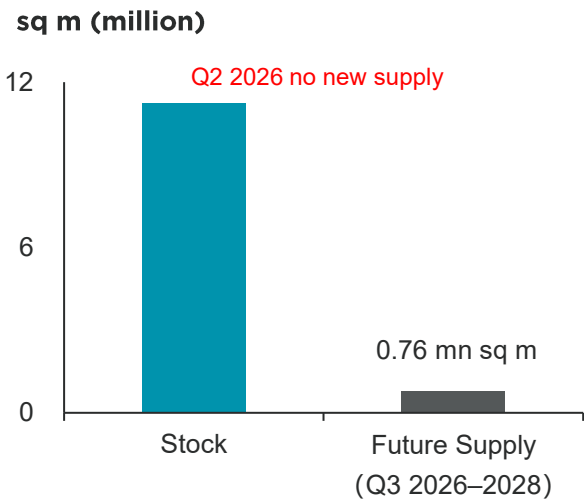
Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

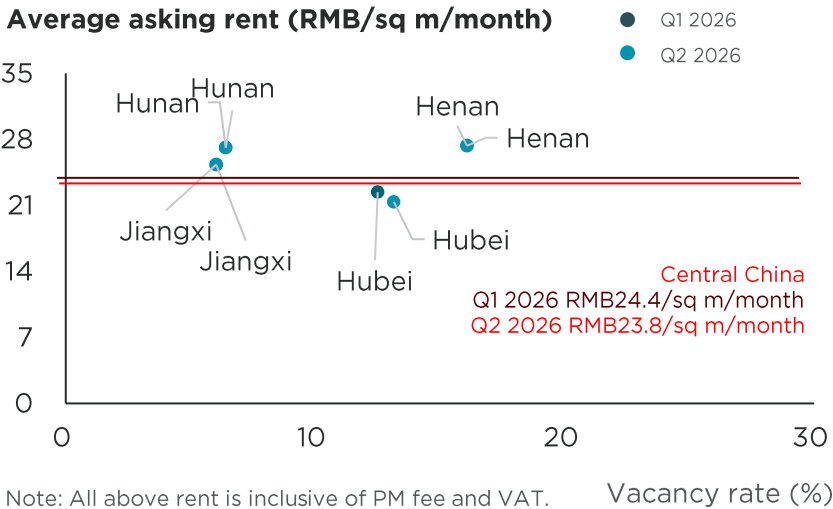
Central China Logistics Overview — Q2 2026

- The Central China premium warehouse market maintained stable performance. The premium warehouse vacancy rate rose 0.4 percentage points to 11.7%, while the average market rental declined 2.4% q-o-q to RMB23.8 per sq m per month.
- The Wuhan premium warehouse market remained steady overall. E-commerce, fast-moving consumer goods, apparel, and express delivery sectors remained the key demand drivers. Rents fell 4.6% q-o-q to RMB22.24 per sq m per month.
- The Changsha premium warehouse market posted solid overall performance. E-commerce and 3PL players constituted the major tenants. Landlords continued to adopt a price-for-volume leasing strategy for tenant acquisition.

CURRENT STOCK, NEW & FUTURE SUPPLY



AVERAGE RENTAL AND VACANCY RATES BY CHINESE MAINLAND PROVINCIAL MARKETS



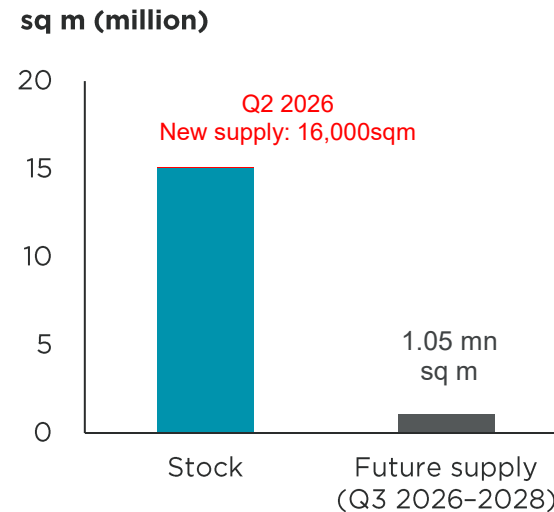
Source: Cushman & Wakefield Research

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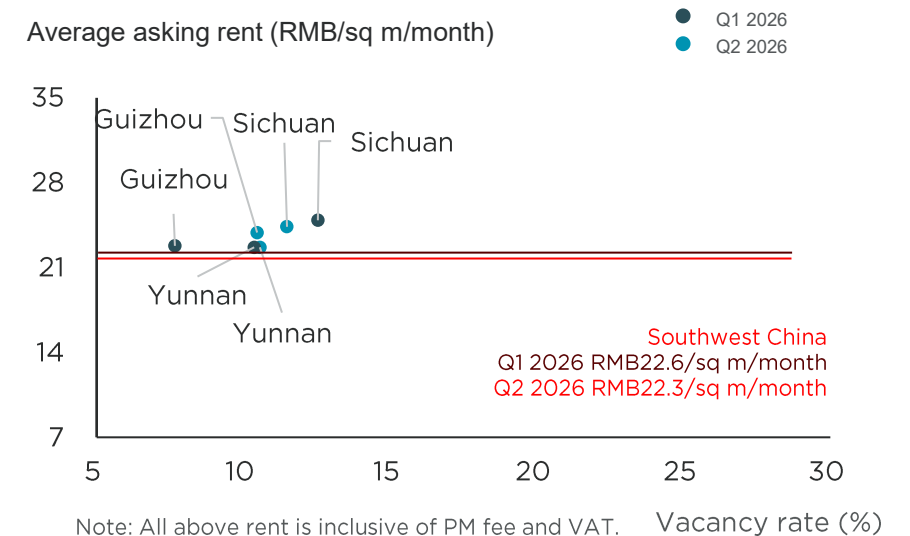
Southwest China Logistics Overview — Q2 2026

- The Southwest China premium warehouse market recorded 16,000 sq m of new completions this quarter. The vacancy rate dropped 0.3 percentage points to 9.0%. The average market rental dipped 1% q-o-q to RMB22.3 per sq m per month.
- Chengdu's premium warehouse market delivered steady and moderate growth, with expansion demand from 3PL firms notably apparent. Tenant demand has visibly shifted toward premium warehouses featuring higher specifications and improved on-site supporting services. The vacancy rate fell 1.09 percentage points to 11.6%.
- In Chongqing, the market maintained stable performance. Demand linked to the new energy vehicle industrial chain remained the core demand driver and continued to underpin overall market leasing activity. Accordingly, the vacancy rate in the city's premium warehouse market dropped 0.04 percentage points q-o-q to 4.54%.

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 — Q2 2026

City	Stock GFA (sq m)	Supply to 2028 GFA (sq m)	Rental change (q-o-q)	Vacancy change (pp q-o-q)
Shanghai	12,423,000	190,000	3.1%↓	0.26↑
Tianjin	9,765,000	741,000	-	0.06↓
Chengdu	6,955,000	519,000	2.2%↓	1.09↓
Beijing	6,020,000	751,000	3.1%↓	3.57↓
Chongqing	5,128,000	289,000	0.7%↓	0.04↓
Suzhou	5,126,000	797,000	-	1.37↓
Wuhan	4,982,000	409,000	4.6%↓	0.57↑
Guangzhou	4,621,000	1,475,000	2.5%↓	1.07↑
Jiaxing	4,160,000	-	4.3%↓	0.68↓
Shenyang	3,959,000	304,000	-	1.47↓
Foshan	3,920,000	962,000	4.0%↓	1.05↑
Kunshan	3,886,000	-	2.4%↓	1.54↓
Xi'an	3,631,000	-	3.9%↓	0.42↑
Hangzhou	3,546,000	-	6.1%↓	0.23↑
Shenzhen	3,343,000	432,000	3.2%↓	1.95↓
Wuxi	3,010,000	-	-	-
Nanjing	2,621,000	-	10.2%↓	-

Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

Taiwan Logistics Overview – Q2 2026

Trade Performance

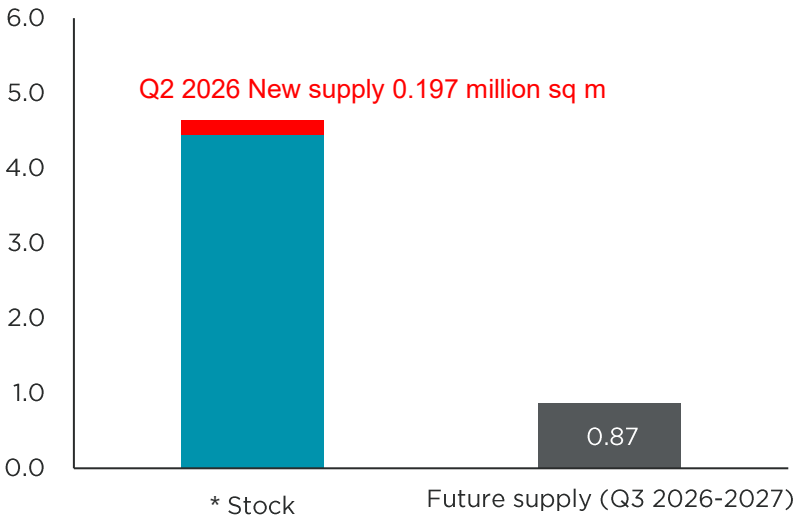
- Trade and manufacturing activity remained robust in Q2 2026. Taiwan’s exports reached US\$220.93 billion in Q2 2026, up 43.7% year-on-year, supported by sustained technology-sector demand and active global supply chain activity. Export growth continued to drive demand for imported raw materials, components and equipment, with imports rising 45.1% year-on-year to US\$176.47 billion. In June alone, exports reached US\$74.83 billion, the third-highest monthly level on record, while imports climbed to a record US\$62.63 billion. The strong performance of external trade reflects resilient cross-border cargo flows and ongoing expansion across technology-related supply chains.
- Domestic distribution and consumption activity also strengthened during the quarter. Wholesale sales reached NT\$4.853 trillion in Q2, representing year-on-year growth of approximately 39.8%, with momentum accelerating from Q1 as emerging technology applications continued to generate opportunities across related supply chains. Retail sales recovered steadily, rising 6.2% year-on-year to NT\$1.243 trillion. Meanwhile, online retail sales increased 12.1% year-on-year to NT\$176.6 billion, accounting for 14.2% of total retail sales, up 0.8 percentage points from a year earlier. The continued expansion of wholesale activity, improving retail performance and sustained growth in e-commerce are expected to support demand for logistics, warehousing and last-mile distribution facilities.

Logistics Property Market Performance

- The total premium logistics stock grew to approximately 1.40 million pings (4.63 million sq m). In addition, 262,637 pings (868,223 sq m) of new stock will be added by 2027, raising the total stock by 18.7%.
- Taiwan’s overall prime logistics and warehousing stock is primarily concentrated in Taoyuan City, accounting for approximately 68% of the total market. As e-commerce and high-tech supply chains continue to expand, companies are consolidating fragmented logistics locations and upgrading warehouse facilities, driving the logistics real estate market toward larger-scale and smarter development. Market demand remains stable, with rents at approximately NT\$750-850/month/ping.

CURRENT STOCK, NEW & FUTURE SUPPLY

Area (GFA, sq m, millions)



Source: Cushman & Wakefield Research

PREMIUM LOGISTICS MARKET

Hong Kong Logistics Overview — Q2 2026

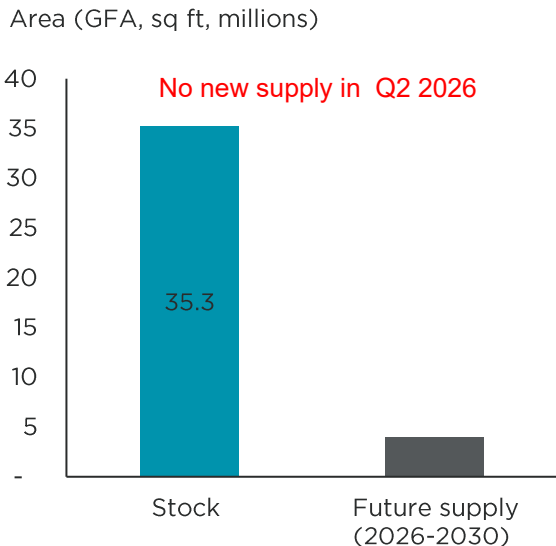
Trade Performance

- Hong Kong's logistics market continued to exhibit mixed performance in Q2 2026, shaped by diverging trade dynamics and shifts in supply chain demand. From April to May 2026, total imports and exports expanded by 43% and 42% y-o-y, respectively, primarily driven by rising demand for high-value goods and electronic products. However, broader business sentiment remained cautious, with the S&P Global Hong Kong Purchasing Manager's Index (PMI) standing at 50.4 in May amid persistent geopolitical uncertainties.
- The growth in trade was increasingly skewed towards higher-value cargo. While airfreight volumes rose by 4% y-o-y to 854,000 tonnes over the same period, container throughput continued to decline, by 1.1% y-o-y. This divergence highlights a shift towards high-value and air cargo-driven trade, with demand becoming more concentrated in modern facilities as occupiers prioritize efficiency, with limited spillover to traditional warehouses.

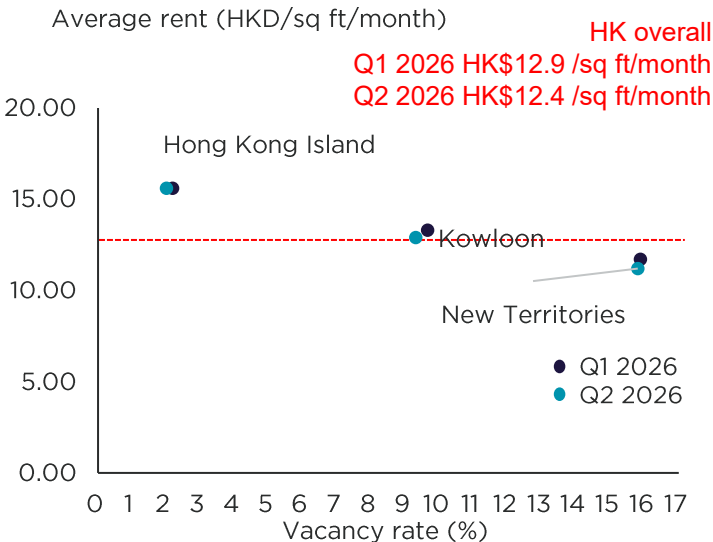
Logistics Property Market Performance

- Citywide prime warehouse rents declined further by 3.5% q-o-q in Q2, to HK\$12.4 psf per month, the lowest level since Q1 2014. This also represents a cumulative -19% correction from the peak of HK\$15.3 psf in Q1 2024. The continued rental adjustment has meant greater affordability and helped stimulate leasing momentum. As a result, the overall vacancy rate fell to 11.2% in Q2 from 11.8% in Q1.

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

- The market witnessed several transactions from third-party logistics operators (3PLs) in Q2. Notable deals included YesAsia Logistics' commitment of 47,500 sq ft at Mapletree Logistics Hub Tsing Yi for expansion. In Kwai Chung, 3PL operator Arvato took 61,200 sq ft at ATL Logistics Centre, for relocation and expansion. The cold storage segment also recorded a big-ticket deal, as Yick Ngai Cold Chain leased the whole Block C of Yee Lim Industrial Building in Kwai Chung, totaling 320,000 sq ft.

Building	District	Tenant	GFA sq ft	Type
Yee Lim Industrial Building Block C	Kwai Chung	Yick Ngai Cold Chain	320,000	New Lease
ATL Logistics Centre	Kwai Chung	Arvato	61,200	New Lease
Mapletree Logistics Hub Tsing Yi	Tsing Yi	YesAsia Logistics	47,500	New Lease
Cainiao Smart Gateway	Chek Lap Kok	Kwai Bon Transportation	27,800	New Lease
ATL Logistics Centre	Kwai Chung	Coils Electronic Co	50,300	Renewal

Source: EPRC, Cushman & Wakefield Research

OUTLOOK

Looking ahead, leasing demand is expected to increasingly come from the e-commerce, AI-related electronics, and commodities trading sectors. These occupiers are likely to place more emphasis on building specifications, including greater floor loading, ceiling height, and security standards, to support fast-paced throughput and high-value cargo handling. Despite this shift towards higher-quality demand, vacancy will likely remain high and continue to weigh on the leasing market in the mid-near term. As such, we expect the leasing market to remain tenant-favourable in 2H 2026, with prime warehouse rents forecast to decline by 7% over the full year of 2026.



05

THE GENERAL OUTLOOK

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THE PREMIUM LOGISTICS MARKET

General Outlook – Key Takeaways

- As new supply volume gradually recedes in certain regions, the overall premium logistics warehouse market is expected to shift further towards absorbing existing space and optimising its structure. The recovery of leasing demand will continue to depend on the macro economy, corporate cost controls, and warehouse network adjustments, and the pace of recovery may vary across regions. Projects in core locations with a solid industrial base and stronger operating capabilities are expected to perform relatively steadily.
- On the investment side, the industry's focus on logistics real estate is gradually shifting from scale and capital appreciation towards cash flow stability and sustained operating capability. As long-term capital tools such as public REITs continue to develop, lease quality, tenant mix and income performance are becoming increasingly important. Landlords may place greater emphasis on operating existing assets, optimising their customer portfolio and building service capabilities, while the long-term value of logistics real estate will continue to rest on stable occupancy performance and sustainable operating income.

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ABOUT CUSHMAN & WAKEFIELD

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In 2026, 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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