

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
19.8% Vacancy Rate	▲	▲
6.9M Stock, sqm	▲	▲
¥123.5 Rent (PSM/MO) <i>(Property of GRADE A)</i>	▼	▼

ECONOMIC INDICATORS

2025 Q1	YOY Chg	12-Month Forecast
3.0% GDP Growth	▼	▲
3.7% Tertiary Sector Growth	▼	▲
-0.5% CPI Growth	▼	▲
-10.8% Real Estate Development & Investment Growth	▼	—

Source: Guangzhou Statistics Bureau,
Moody's Analytics, Cushman & Wakefield Research

NEW SUPPLY SLOWS AS PAZHOU LEADS ABSORPTION

A single new project entered the Guangzhou market in Q2 2025. The city's total new supply reached 269,055 sq m in the first half of the year, up 55.8% y-o-y. The International Financial City accounted for most of the new supply, taking citywide total stock beyond 6.9 million sq m. Citywide net absorption reached 152,330 sq m in the 1H 2025 period, down 13.3% y-o-y. In turn, the vacancy rate climbed 0.9 percentage points to 19.8%. Pazhou submarket witnessed the most active leasing activity in Q2, with the district's vacancy rate falling by 1.7 percentage points q-o-q and 3.6 percentage points y-o-y to 23.2%. Yuexiu submarket also recorded multiple transactions of more than 1,000 sq m in Q2, pulling its net absorption into positive territory. With the overall market still tenant-favorable, the average Grade A office rental level continued to soften, dropping 1.4% q-o-q to RMB123.5 per sq m per month. However, the rate of decline narrowed by 3.3 percentage points compared to Q1 2025, with the rate of rental level drop narrowing in each core submarket.

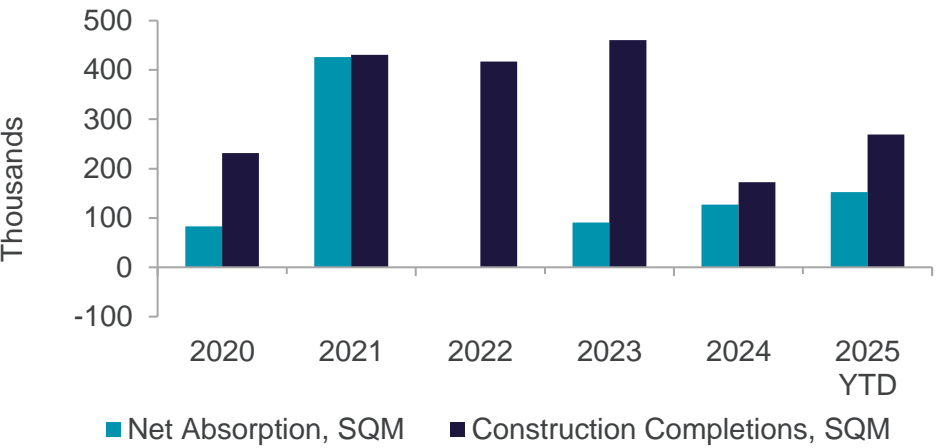
TMT SECTOR REMAINS ACTIVE, PROFESSIONAL SERVICES ADJUSTING

The TMT sector continued to lead market transactions in Q2, maintaining the top spot for demand with 37.4% of total leased area, up 13.2 percentage points q-o-q and 8.9 percentage points y-o-y. Game development firms were particularly active. The professional services sector activity shrank by 6.7 percentage points y-o-y, with a 14.1% share of leased area. Law firms and accounting firms entered a rental strategy adjustment period following an expansion cycle, leading to reduced demand for larger spaces. The financial sector ranked third with 13.8% of transaction area. Some institutions considered adding office in space Pazhou, while growth in cross-border e-commerce also boosted demand in related industries. Several internet marketing and fintech companies recorded multiple leases of a whole floor or more during the quarter.

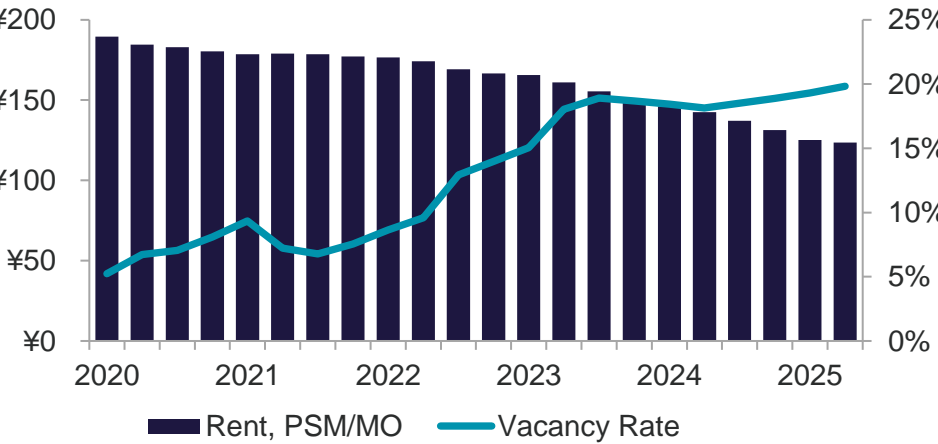
LANDLORDS MAY CONTINUE TO OFFER INCENTIVES

Nearly 807,000 sq m of new supply is scheduled to enter the market in the 2H 2025 period. Substantial new supply in the International Financial City and Pazhou is set to intensify price competition, exerting downward pressure on average rents. We can expect existing landlords to continue to extend incentives to attract quality tenants.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY RATE & GRADE A RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	VACANT (SQ M)	VACANCY RATE	FUTURE SUPPLY TILL 2027 (SQ M)	GRADE A FACE RENT		
					RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO
Tianhe Sports Center	963,132	146,666	15.2%	0	¥128.1	US\$1.66	€ 1.44
Zhujiang New Town	3,289,426	608,412	18.5%	69,200	¥139.4	US\$1.80	€ 1.56
Yuexiu	450,426	91,373	20.3%	0	¥103.4	US\$1.34	€ 1.16
Pazhou	1,964,618	456,475	23.2%	1,069,928	¥104.0	US\$1.34	€ 1.17
International Financial City (Start-up Area)	269,055	72,583	27.0%	1,255,779	¥89.3	US\$1.15	€ 1.00
GUANGZHOU GRADE A TOTAL	6,936,657	1,375,508	19.8%	2,394,907	¥123.5	US\$1.60	€ 1.38

Face Rent is calculated based on gross floor area and assuming a letting of mid floors for a typical three-year lease term with VAT.

Exchange Rate: 1 USD = 7.1845929 RMB= 0.86685683 Euros (2025.6.16)

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
Jie Tai Plaza	Yuexiu	Meituan	5,000	Relocation
Yuexiu Financial Tower	Zhujiang New Town	Grant Thornton	3,000	Relocation
Hanyin Plaza	International Financial City	Dream of Dragon Games	3,000	New Set Up
GAL Tower	Pazhou	XTransfer	2,000	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	DEVELOPER	SQ M	COMPLETION DATE
MINISO Headquarters	Pazhou	MINISO	103,897	2026
Guangzhou Cultural Center	Pazhou	Southern Publisher & Media	103,700	2026
Sunpina Headquarters	International Financial City	Sunpina	56,247	2027

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