

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
16.47% Vacancy Rate	▼	▲
13.68M Stock, sqm	▲	▲
¥215.51 Rent (PSM/MO)	▼	▼

(Property of GRADE A)
Source: Cushman & Wakefield Research

ECONOMIC INDICATORS

	Q2 2025	Q1 2025	12-Month Forecast
5.5% GDP Growth	5.5%	5.5%	—
5.6% Tertiary Sector Growth	5.6%	5.4%	—
-0.3% CPI Growth	-0.3%	-0.5%	▲
-7.5% Real Estate Development & Investment Growth	-7.5%	-5.0%	▲

Source: Beijing Statistics Bureau / Moody's Analytics / Cushman & Wakefield Research

MARKET RENTAL LEVEL CONTINUES DOWNWARD TREND

Total Beijing Grade A office stock remained at 13.68 million sq m in Q3 2025. Net absorption in the quarter was again impacted by soft new leasing demand coupled with lease surrenders and space downsizing, the citywide figure reaching 54,811 sq m and the five core submarkets 7,217 sq m. Landlords continued to adopt the strategy of sacrificing price for volume to attract new tenants and to retain existing clients. In turn, the citywide average monthly rental level fell a further 2.90% q-o-q to RMB215.51 per sq m. In the five core submarkets, the average monthly rental level dropped 2.93% q-o-q to RMB250.03 per sq m. With no new supply since the beginning of the year, the market continued to absorb existing stock. Citywide net absorption for the year-to-date totals 248,560 sq m, with core submarket net absorption recording 117,846 sq m. The citywide and core submarket vacancy rates fell 1.8 and 1.4 percentage points from the end of 2024 to 16.5% and 10.8%, respectively.

TMT FIRMS DRIVE LEASING DEMAND

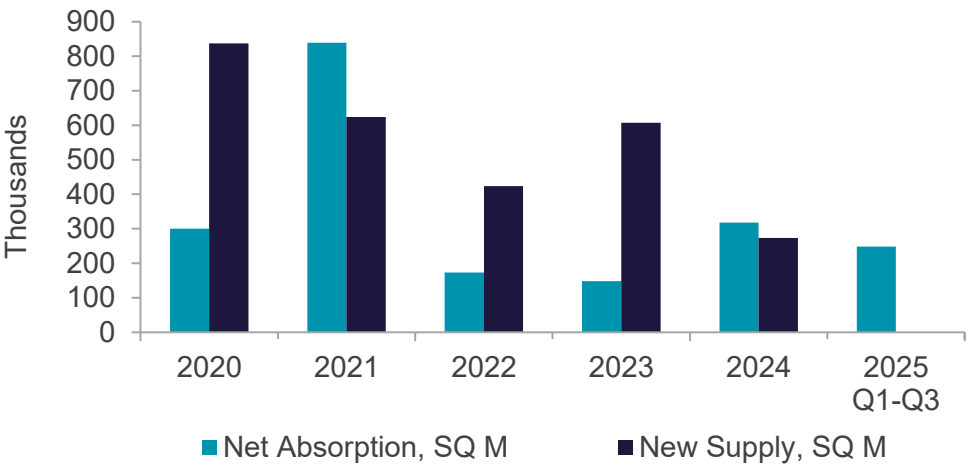
Lease renewal activities accounted for 31.7% of total leased transaction area in Q3. Among new leases and relocations, the TMT sector took a 41.9% share of total new leased area, followed by the finance sector at 15.0% and professional services at 10%. Within the TMT sector, AI-related enterprises underpinned market demand. In the finance sector, securities, fund management, and insurance firms remained active. In the professional services sector, law firms, education and management consultants were demand bright spots.

NEW SUPPLY TO REMAIN ON HOLD THROUGH Q4

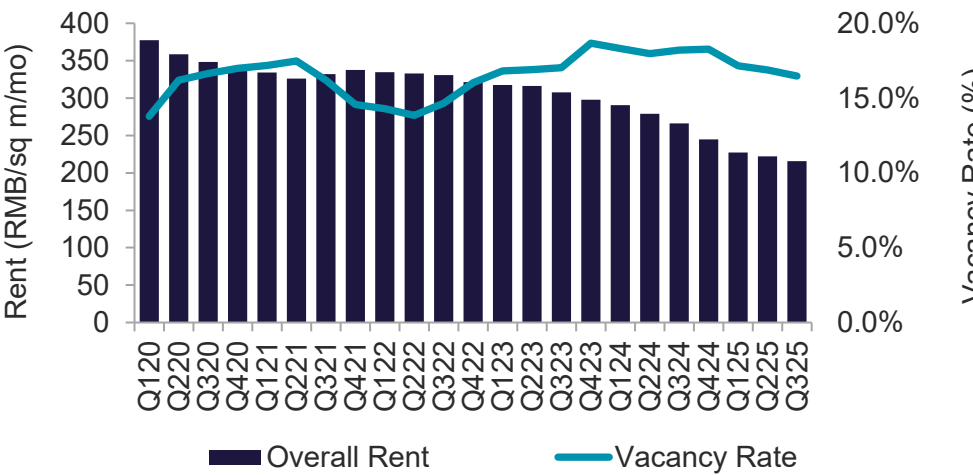
No new supply is expected to enter the market through Q4. Under pressure to meet their own performance targets, landlords may offer more lease signing incentives or special-priced units to tenants. We expect to see both rental and vacancy rates continue their current downward trend in Q4.

However, in the coming three years, the market will see approximately 1.8 million sq m of future supply, with nearly 47.4% located in the CBD. The supply influx will provide more options for high-quality enterprises to set up and expand office spaces in the area. In mid-September, Beijing introduced a further 16 measures to accelerate the development of future industries, and this should also help boost a demand recovery in Beijing's future office leasing market.

OVERALL GRADE A DEMAND / NEW SUPPLY



OVERALL GRADE A RENT & VACANCY RATE



MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	OVERALL VACANCY (SQ M)	OVERALL VACANCY RATE	PLANNED & UNDER CONSTRUCTION (2025Q4 - 2028) (SQ M)	GRADE A EFFECTIVE RENT		
					RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO
CBD	3,217,236	412,653	12.83%	854,000	¥238.31	US\$3.12	€ 2.63
Financial Street	1,637,800	86,454	5.28%	57,800	¥350.25	US\$4.58	€ 3.86
Lufthansa	1,014,410	197,193	19.44%		¥198.12	US\$2.59	€ 2.19
East 2nd Ring Road	1,516,110	165,951	10.95%		¥218.64	US\$2.86	€ 2.41
Zhongguancun	1,301,972	73,723	5.66%		¥270.42	US\$3.54	€ 2.98
WangJing-Jiuxianqiao	922,342	180,279	19.55%	387,000	¥161.04	US\$2.11	€ 1.78
Olympic Games Village (OGV)	1,169,884	216,346	18.49%	0	¥229.30	US\$3.00	€ 2.53
Beijing Development Area (BDA)	614,648	120,020	19.53%	0	¥83.20	US\$1.09	€ 0.92
Li'ze Financial Business District	1,255,676	368,222	29.32%	156,500	¥160.69	US\$2.10	€ 1.77
Others*	573,953	161,958	28.22%	0	¥205.20	US\$2.68	€ 2.26
BEIJING GRADE A CBD TOTAL	8,687,528	935,975	10.77%	911,800	¥250.03	US\$3.27	€ 2.76
BEIJING GRADE A SUBURBAN TOTAL	4,992,389	1,316,828	26.38%	888,500	¥166.01	US\$2.17	€ 1.83
BEIJING GRADE A OVERALL TOTAL	13,679,917	2,252,803	16.47%	1,800,300	¥215.51	US\$2.82	€ 2.38

*Other projects not classified in the above submarkets.
Effective Rent is calculated based on gross floor area and assuming a letting of mid floors for a typical three-year lease term with VAT and rent-free periods factored in.
Exchange Rate: 1USD = 7.1057203 CNY = 0.84387995 EUR as of September 17th 2025

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
China Foreign Languages Mansion	Zhongguancun	Beijing Pocket First Machine Network Technology Co., Ltd	3,381	Relocation
Posco Center	WangJing-Jiuxianqiao	TUBI	1,910	Renewal
Kerry Centre	CBD	DLA Piper	1,455	Renewal

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	DEVELOPER	SQ M	COMPLETION DATE
Taikoo Place Beijing T1-T4	WangJing-Jiuxianqiao	Swire Properties	173,000	2026Q3
Zhaotai Financial Street	Financial Street	Zhaotai Group	57,800	2026Q3
Zhongfu Plot (Z3)	CBD	GLP/CICC/HongKong Land	120,000	2026Q3
Zhongfu Plot (Z5)	CBD	Dajia Insurance	166,000	2026Q3
Zhongfu Plot (Z6)	CBD	Sino-Ocean Land/HSBC	120,000	2026Q3

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ABOUT CUSHMAN & WAKEFIELD

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