

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
23.5% Vacancy Rate	▼	▲
17.71M Stock, SQM	▲	▲
¥205.0 Rent (PSM/MO)	▼	▼

Source: Cushman & Wakefield Research

ECONOMIC INDICATORS

	Q2 2025	Q1 2025	12-Month Forecast
5.1% GDP Growth	5.1%	5.1%	—
5.4% Tertiary Sector Growth	5.6%	5.6%	—
0.1% CPI Growth	0.1%	0.1%	▲
3.8% Real Estate Development & Investment Growth	5.1%	5.1%	▲

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

AMPLE YTD SUPPLY APPROACHES FULL-YEAR 2024 TOTAL

Four new Grade A projects launched in Q3 2025, adding a combined 222,416 sq m of premium office space. The SML Center Phase II in Dapujiao, Huangpu, featured in the core area; the Origin New Bund and Infinite New Bund projects entered in the New Bund International Business District; and Cheng Yao Tower opened in Changshou Community, Putuo.

Total new supply from Q1 to Q3 2025 totaled 673,249 sq m, equal to around 86% and 42% of the 2024 and 2023 volumes, respectively. Emerging submarkets were the primary supply source, with volume 3.7 times that of the core areas.

DEMAND REMAINS SOFT, RENTAL UPTURN NOT YET REACHED

Leasing demand in the Q3 period was chiefly driven by relocations, climbing to a 56% share of total leased area, and reflecting the new normal of occupier cost reductions and efficiencies. Net absorption reached 88,712 sq m in Q3, up 3.9% q-o-q, resulting in the overall vacancy rate slightly dropping to 23.5%.

The professional services, finance, and TMT sectors were the key pillars amid generally soft market performance, with combined activity from the three industries exceeding 60% of total leased area. In professional services, with a 26.7% share of total leased area, incubators and co-working operators actively expanded, favoring the Xuhui Binjiang, Yangpu Wujiaochang, and Yangpu Binjiang areas. The finance sector, predominantly securities, investment, and fund firms, took 20.8%. The TMT industry took a 14.9% share to demonstrate solid demand from data, AI, and high-tech firms.

The average monthly transaction rental level in Q3 declined 3.6% q-o-q to record RMB205.0 per sq m. Core areas fell 4.0% q-o-q to RMB242.1 per sq m, while emerging districts softened 2.6% to RMB162.1 per sq m.

DEMAND FROM EMERGING INDUSTRIES SET TO INCREASE

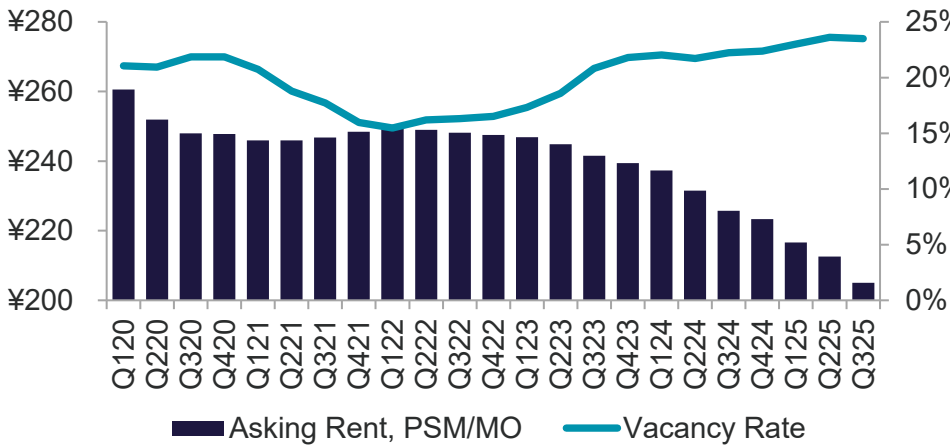
Three new projects scheduled to complete in Q4 2025 will total 262,069 sq m of supply. If completed as planned, overall stock will then surpass 18 million sq m.

National and local authorities have released supportive policies covering NGIT, medical research, and AI empowerment sectors. Leasing demand from emerging industries looks promising. New measures from the State Administration of Foreign Exchange (SAFE) will enable forex profits under FDI to be reinvested in the mainland, further supporting stable market development.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	UNDER CNSTR (Q3 2025– 2028, SQM)	OVERALL AVG FACE RENT		
					RMB/SQM/MO	USD/SF/MO	EUR/SF/MO
Core Jing’an	1,467,591	280,042	19.1%	168,069	¥275.96	US\$3.61	€3.04
Huangpu	2,182,167	382,842	17.5%	404,880	¥226.02	US\$2.96	€2.49
Lujiazui	2,224,646	321,261	14.4%	164,055	¥290.95	US\$3.80	€3.21
Zhuyuan	1,119,128	232,656	20.8%	70,000	¥231.49	US\$3.03	€2.55
Core Xuhui	635,714	91,618	14.4%	206,283	¥251.91	US\$3.29	€2.78
Changning	1,350,640	237,279	17.6%	239,820	¥173.52	US\$2.27	€1.91
CBD TOTALS	8,979,886	1,545,698	17.2%	1,253,107	¥242.10	US\$3.17	€2.67
EMERGING TOTALS	8,725,269	2,612,986	29.9%	1,714,067	¥162.10	US\$2.12	€1.79
SHANGHAI TOTALS	17,705,154	4,158,683	23.5%	2,967,174	¥204.99	US\$2.68	€2.26

* Rental equals Gross Transacted Face Rental
1.00 USD = 0.84387995 EUR = 7.1057203 RMB (17.09.2025)
The database was adjusted.

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
Golden Square	Core Jing’an	Oli’s Kitchen	3,500	Relocation
CPIC Xintiandi Commercial Center T2	Huangpu	DHL	3,100	Relocation
Plaza 66 Phase I	Core Jing’an	Tiffany	2,500	Relocation
Shanghai IFC Phase II	Lujiazui	Linklaters LLP	2,000	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	DEVELOPER	SQ M	COMPLETION DATE
China Resources Centre	Core Jing’an	China Resources	80,069	2025
Crystal Bridge	Changning	TSP, New Changning, Mitsubishi Estate	140,000	2025
K11 Atelier	Huangpu	New World Development	37,500	2026
Three ITC Tower B	Core Xuhui	Sun Hung Kai	206,283	2026

SHAUN BRODIE
Head of Research Content
Greater China
Tel: +86 21 2208 0529
shaun.fv.brodie@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION
Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In Greater China, a network of 23 offices serves local markets across the region. 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. For additional information, visit www.cushmanwakefield.com.

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.