

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
15.89% Vacancy Rate	▼	▲
13.68M Stock, sqm	▲	▲
¥205.62 Rent (PSM/MO)	▼	▼

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

ECONOMIC INDICATORS

Q3 2025	Q2 2025	12-Month Forecast
5.6% GDP Growth	5.5%	▬
5.8% Tertiary Sector Growth	5.6%	▬
-0.4% CPI Growth	-0.3%	▲
-13.7% Real Estate Development & Investment Growth	-7.5%	▲

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

RENTS CONTINUE TO DECLINE, ANNUAL NET ABSORPTION STABLE

Total Beijing Grade A office stock remained at 13.68 million sq m in Q4 2025. Landlords continued to adopt lower rents and longer rent-free and fit-out periods to drive occupancy. In turn, the citywide average monthly rental level fell a further 4.6% q-o-q and 16.0% y-o-y to RMB205.62 per sq m. In the five core submarkets, the average monthly rental level dropped 5.6% q-o-q and 18.6% y-o-y to RMB235.96 per sq m. In terms of market demand, citywide and five core submarkets quarterly net absorption reached 79,294 sq m and 34,828 sq m respectively, curtailed by softer new leasing demand, lease surrenders and space downsizing. For the full year, citywide and core submarkets net absorption was at 327,855 sq m and 152,673 sq m respectively, on a par with 2024 levels. With no new supply added in the year, sustained absorption of existing inventory continued to drive down vacancy. The citywide vacancy rate fell by 0.6 percentage points q-o-q and 2.4 percentage points y-o-y to 15.89%. The five core submarket vacancy rate fell by 0.4 percentage points q-o-q and 1.8 percentage points y-o-y 10.37%.

TMT SECTOR BOLSTERS OFFICE MARKET DEMAND

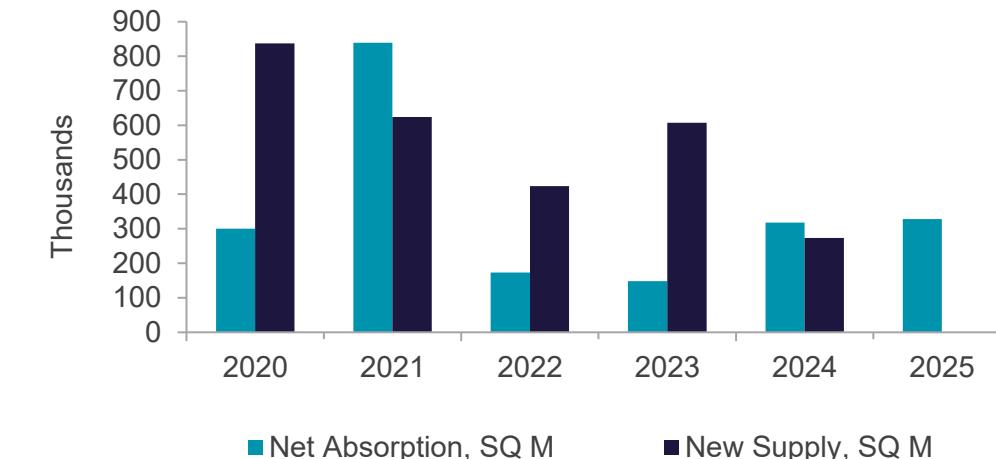
Among new leases and relocations, the TMT, professional services and finance sectors accounted for 38.5%, 23.4% and 17.2% of total new leased area, respectively. 2025 marks the concluding year of the "14th Five-Year Plan" period, through which high-tech industries have emerged as Beijing's primary economic pillar. The TMT sector has taken a 45% share of total transactions by area in the past five years, with AI-related enterprises experiencing particularly rapid growth. Within professional services, law firms have demonstrated the strongest performance. In the finance sector, banks, insurance companies, and fund/securities management firms remain active.

NEW SUPPLY TO EXERT PRESSURE THROUGH THE COMING YEAR

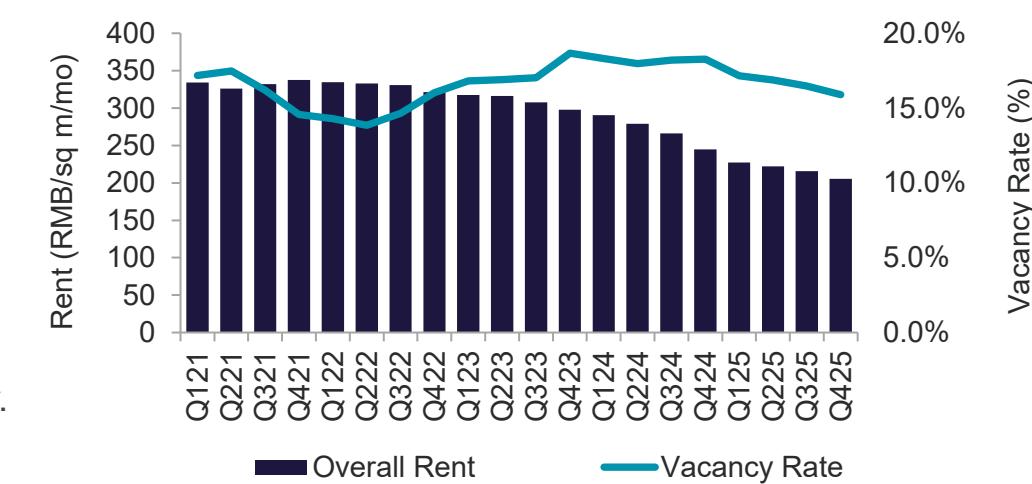
Ahead, 1.88 million sq m of new supply is scheduled to enter the market by the end of 2028, of which 1.26 million sq m will complete in 2026. Over the next year, the influx of new supply will continue to exert pressures on the market, pushing vacancy rates up while maintaining downward pressure on rents.

From the demand perspective, the incoming supply will enhance market liquidity. We can also expect policies highlighted in Beijing's "15th Five-Year Plan" such as "developing high-end, precision and sophisticated industries and promoting the quality upgrade of key industries" to further support Beijing office market demand growth in the coming period.

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)	RMB/SQ M/MO	GRADE A EFFECTIVE RENT	
						US\$/SF/MO	EUR/SF/MO
CBD	3,217,236	409,384	12.72%	919,261	¥219.22	US\$2.89	€ 2.46
Financial Street	1,637,800	78,523	4.79%	57,800	¥337.53	US\$4.45	€ 3.79
Lufthansa	1,014,410	182,091	17.95%	0	¥189.28	US\$2.49	€ 2.12
East 2nd Ring Road	1,516,110	167,721	11.06%	0	¥204.78	US\$2.70	€ 2.30
Zhongguancun	1,301,972	63,428	4.87%	0	¥264.86	US\$3.49	€ 2.97
WangJing-Jiuxianqiao	922,342	173,028	18.76%	400,000	¥159.31	US\$2.10	€ 1.79
Olympic Games Village (OGV)	1,169,884	211,622	18.09%	0	¥226.79	US\$2.99	€ 2.54
Beijing Development Area (BDA)	614,648	114,715	18.66%	0	¥81.65	US\$1.08	€ 0.92
Li'ze Financial Business District	1,255,676	343,226	27.33%	156,500	¥158.71	US\$2.09	€ 1.78
Others*	573,953	153,540	26.75%	0	¥202.27	US\$2.66	€ 2.27
BEIJING GRADE A CBD TOTAL	8,687,528	901,147	10.37%	977,061	¥235.96	US\$3.11	€ 2.65
BEIJING GRADE A SUBURBAN TOTAL	4,992,389	1,272,362	25.49%	901,500	¥162.11	US\$2.14	€ 1.82
BEIJING GRADE A OVERALL TOTAL	13,679,917	2,173,509	15.89%	1,878,561	¥205.62	US\$2.71	€ 2.31

*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 = 7.05225664 CNY = 0.85163697 EUR as of December 15th 2025

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
Genesis Beijing	Lufthansa	Mitsubishi	2,380	Renewal
Exchange Twin Towers	CBD	Bristol Myers Squibb	1,717	Renewal
FFC	CBD	Amgen	1,713	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

SABRINA WEI

Director

Head of North China Research

4/F, South Tower, Beijing Kerry Centre, 1 Guanghua Road, Beijing 100020, China

sabrina.d.wei@cushwakefield.com

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