

**MARKET FUNDAMENTALS**

	YOY Chg	12-Month Forecast
<b>15.79%</b> Vacancy Rate	▼	▲
<b>13.68M</b> Stock, sqm	▲	▲
<b>¥200.31</b> Rent (PSM/MO) <small>(Property of GRADE A)</small>	▼	▼

Source: Cushman & Wakefield Research

**ECONOMIC INDICATORS**

Q4 2025	Q3 2025	12-Month Forecast
<b>5.4%</b> GDP Growth	<b>5.6%</b>	—
<b>5.8%</b> Tertiary Sector Growth	<b>5.8%</b>	—
<b>-0.1%</b> CPI Growth	<b>-0.4%</b>	▲
<b>-15.5%</b> Real Estate Development & Investment Growth	<b>-13.7%</b>	▲

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

**RENTAL DECLINE NARROWS, VACANCY RATE STABLE**

No new supply entered the Beijing office market in Q1 2026, with total Grade A office stock unchanged at 13.68 million sq m. During the quarter, the overall average rental level decline trend narrowed. The citywide average monthly rental level fell 2.6% q-o-q and 11.8% y-o-y to RMB200.31 per sq m. In the five core submarkets, the average monthly rental level dropped 1.3% q-o-q and 11.9% y-o-y to RMB232.95 per sq m.

Market leasing demand remained relatively subdued in the period, influenced by the Spring Festival holiday. Combined with large space lease surrenders by some tenants, citywide quarterly net absorption stood at 13,891 sq m, with the five core submarkets at less than 100 sq m. The overall office market vacancy rate remained stable compared to the previous quarter. The citywide vacancy rate fell by 0.1 percentage points q-o-q and 1.4 percentage points y-o-y to 15.79%. The vacancy rate in the five core-submarket area remained unchanged from Q3 and fell by 0.4 percentage points y-o-y to 10.37%.

**BIOPHARMACEUTICAL INDUSTRY MAINTAINS MOMENTUM**

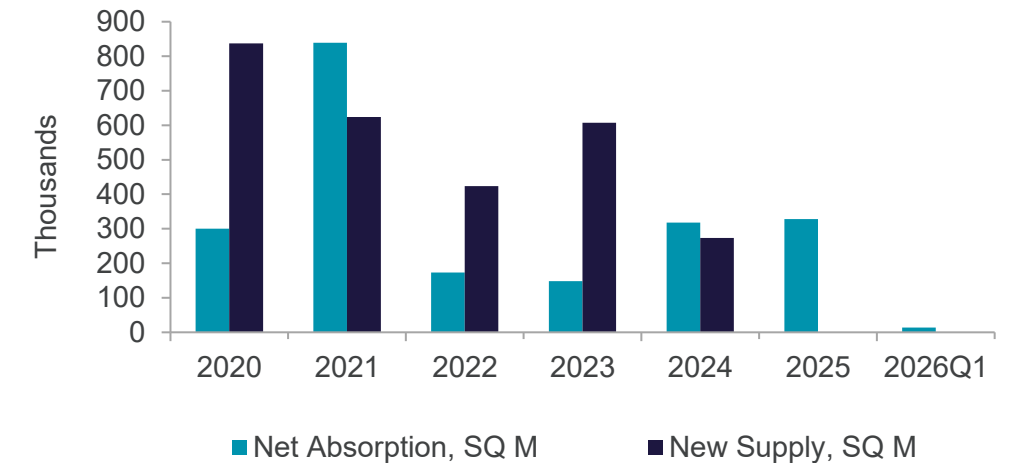
In terms of lease transaction type, renewals have continued to dominate the market entering 2026. In Q1, renewals accounted for 47.7% of total transactions by lease area. Among new leases and relocations, the TMT, finance, and professional services sectors accounted for 32.6%, 20.4% and 14.8% of the total leased area, respectively.

In the 2026 government work report, the state sent a clear policy signal to accelerate the upgrading of the biopharmaceutical industry. Biopharmaceutical firms were active in the quarter, taking a 10.5% share of total transaction leased area, rising to fourth place.

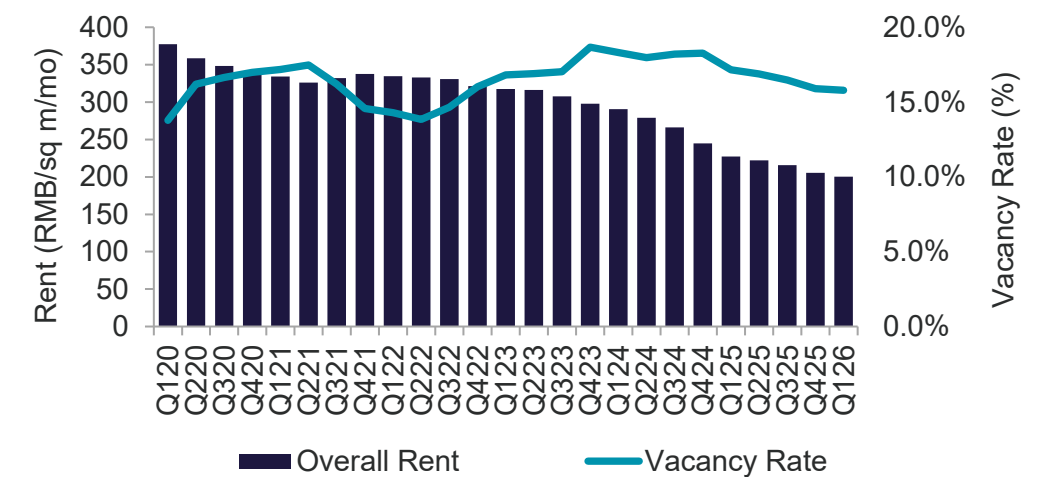
**NEW SUPPLY TO EXERT PRESSURE THROUGH 2026**

No new supply is scheduled to enter the Beijing Grade A office market in Q2. We expect the market to continue to digest existing stock, in turn pulling the overall vacancy rate further downwards. Further ahead, 1.30 million sq m of new supply will complete in 2H 2026, with 50% in the CBD submarkets. The influx of new space will continue to exert pressures on the market, and the overall vacancy rate will then be pushed up accordingly.

**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 (2026 - 2028) (SQ M)	GRADE A EFFECTIVE RENT		
					RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO
CBD	3,217,236	404,252	12.57%	916,261	¥222.07	US\$3.00	€ 2.61
Financial Street	1,637,800	78,214	4.78%	57,800	¥321.39	US\$4.34	€ 3.77
Lufthansa	1,014,410	191,004	18.83%	37,902	¥192.08	US\$2.59	€ 2.25
East 2nd Ring Road	1,516,110	177,374	11.70%	0	¥195.91	US\$2.64	€ 2.30
Zhongguancun	1,301,972	50,272	3.86%	0	¥262.27	US\$3.54	€ 3.08
WangJing-Jiuxianqiao	922,342	180,164	19.53%	400,000	¥147.85	US\$2.00	€ 1.74
Olympic Games Village (OGV)	1,169,884	213,541	18.25%	0	¥213.63	US\$2.88	€ 2.51
Beijing Development Area (BDA)	614,648	110,218	17.93%	0	¥81.65	US\$1.10	€ 0.96
Li'ze Financial Business District	1,255,676	356,888	28.42%	156,500	¥146.49	US\$1.98	€ 1.72
Others*	573,953	141,813	24.71%	0	¥199.64	US\$2.69	€ 2.34
<b>BEIJING GRADE A CBD TOTAL</b>	<b>8,687,528</b>	<b>901,116</b>	<b>10.37%</b>	<b>1,011,963</b>	<b>¥232.95</b>	<b>US\$3.14</b>	<b>€ 2.73</b>
<b>BEIJING GRADE A SUBURBAN TOTAL</b>	<b>4,992,389</b>	<b>1,258,501</b>	<b>25.21%</b>	<b>901,500</b>	<b>¥153.51</b>	<b>US\$2.07</b>	<b>€ 1.80</b>
<b>BEIJING GRADE A OVERALL TOTAL</b>	<b>13,679,917</b>	<b>2,159,617</b>	<b>15.79%</b>	<b>1,913,463</b>	<b>¥200.31</b>	<b>US\$2.70</b>	<b>€ 2.35</b>

\*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 = 6.88324962 CNY = 0.86957486 EUR as of March 17<sup>th</sup>, 2026

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
INDIGO	WangJing-Jiuxianqiao	Wisdom Bud Information Technology	1,324	Relocation
Regent Land	East 2 <sup>nd</sup> Ring Road	Standard Chartered Bank (China) Co., Ltd. Beijing Branch	630	Relocation

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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