

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
22.1% Vacancy Rate	▲	▲
7.4M Stock, sqm	▲	▲
¥114.7 Rent (PSM/MO) <i>(Property of GRADE A)</i>	▼	▼

ECONOMIC INDICATORS

2025 Q1-Q4	YOY Chg	12-Month Forecast
4.0% GDP Growth	▲	▲
4.8% Tertiary Sector Growth	▼	▲
0.2% CPI Growth	▲	▲
-2.8% Real Estate Development & Investment Growth	▲	—

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

NEW SUPPLY IMPACT SEES PRICE-FOR-VOLUME STRATEGY REMAIN

Guangzhou's Grade A office market saw 326,461 sq m of new supply in Q1, accounting for 86.4% of the full-year 2025 total. The new supply was sourced entirely from Pazhou and International Financial City submarkets, pushing the city's total stock to 7.37 million sq m. The citywide vacancy rate rose by 1.5 percentage points q-o-q to 22.1%. As landlords remain cautious on a demand recovery, aggressive leasing strategies such as rental concessions and higher renovation standards remain prevalent. In turn, the citywide average rental level fell by 1.3% q-o-q to RMB114.7 per sq m per month, with the rate of decline narrowing by 1.8 percentage points q-o-q.

EXISTING DEMAND DOMINATES AS EMERGING AREAS GAIN TRACTION

Rental declines have led to a rise in leasing enquiries. The tenant-favorable market has shortened decision cycles, accelerating decision-making. Citywide quarterly net absorption reached 150,174 sq m — expanding almost four times on last quarter and up 11.5% y-o-y. Relocation deals accounted for more than half of the total leased area, driven by several whole-floor and multi-story deals. The trade & retail, professional services, and TMT sectors were the leaders in leasing activity during the quarter. The latter two saw q-o-q growth in their share of leased area, but the overall pace of demand recovery across these sectors remains slow. In terms of location preference, Zhujiang New Town, Pazhou and the International Financial City continued to attract strong market interest. Notably, emerging submarkets are diverting demand from mature districts by offering more flexible floors and significant rental advantages. One such deal was Eccom's relocation from Zhujiang New Town to the Grantral Centre.

SUPPLY-DEMAND GAP TO SUSTAIN MARKET PRESSURE

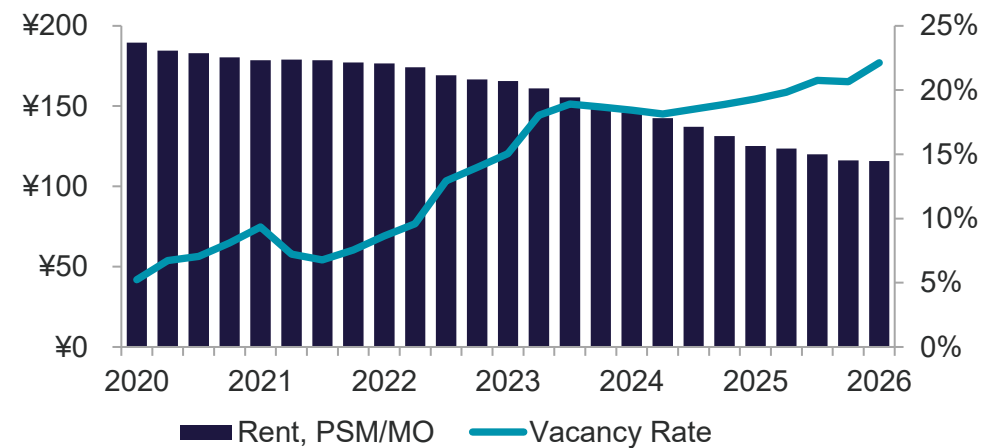
The city is expected to deliver an additional 468,221 sq m of new supply through the rest of 2026, including several headquarters properties in Pazhou and the International Financial City. Such headquarters properties face challenges in differentiation, while renovation and upgrading will be the most effective routes for older projects to enhance their market competitiveness.

Looking ahead, the development of the city's modern industrial system is expected to generate new market demand and gradually alleviate the imbalance between supply and demand in the office market.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY RATE & GRADE A RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	VACANT (SQ M)	VACANCY RATE	FUTURE SUPPLY TILL 2028 (SQ M)	GRADE A FACE RENT		
					RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO
Tianhe Sports Center	963,132	185,958	19.3%	0	¥118.3	US\$1.62	€ 1.41
Zhujiang New Town	3,289,426	707,053	21.5%	69,200	¥130.4	US\$1.79	€ 1.55
Yuexiu	450,426	66,831	14.8%	0	¥99.4	US\$1.34	€ 1.17
Pazhou	2,231,736	502,305	22.5%	660,526	¥97.6	US\$1.32	€ 1.14
International Financial City (Start-up Area)	437,055	169,013	38.7%	1,264,964	¥92.4	US\$1.12	€ 0.98
GUANGZHOU GRADE A TOTAL	7,371,775	1,631,161	22.1%	1,994,689	¥114.7	US\$1.57	€ 1.36

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 = 6.88324962 RMB= 0.86957486 Euros (2026.03.17)

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
Yuexiu Financial Tower	Zhujiang New Town	MARS	10,000	Relocation
GDH BCC	Zhujiang New Town	Goldsun Law Firm	4,500	Relocation
GZ Media Building	Pazhou	VDAIFU	2,000	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

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

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