

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
23.6% Vacancy Rate	▲	▲

	YOY Chg	12-Month Forecast
18.15M Stock, SQM	▲	▲

	YOY Chg	12-Month Forecast
¥199.0 Rent (PSM/MO)	▼	▼

Source: Cushman & Wakefield Research

ECONOMIC INDICATORS

Q4 2025	Q3 2025	12-Month Forecast
5.4% GDP Growth	5.5%	—
6.0% Tertiary Sector Growth	5.9%	—
0.1% CPI Growth	0.0%	▲
-3.1% Real Estate Development & Investment Growth	2.2%	▲

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

THREE GRADE A OFFICE PROJECTS DELIVERED IN Q1 2026

Three new Grade A office projects were delivered to the market in Q1 2026, adding 386,172 sq m of premium office space. All are located in core areas, comprising A.F.A Rongqiao Centre at the former Shanghai Tensteel Factory in Changning, Three ITC Tower B in Xujiahui, Xuhui; and China Resources Centre in the West Nanjing Road submarket of Jing'an.

MARKET SEES RESILIENT NET ABSORPTION GROWTH

Market sentiment improved in Q1, with citywide quarterly net absorption reaching 212,220 sq m, up 72.3% q-o-q and 102.9% y-o-y. Emerging districts recorded solid absorption performance, with North Bund, Xuhui Riverside, and Zhenru gaining traction as preferred corporate locations.

By sector, leasing activity was led by professional services, finance, retail & trade, and TMT, collectively accounting for more than 80% of total leasing volume. Professional services took a 33.5% share, while co-working operators continued expansion. Financial services followed at 24.4%, supported by demand from funds and banks. Retail & trade and TMT contributed 15.1% and 9.6%, respectively.

Average monthly rents continued to soften, falling below the RMB200 per sq m mark to RMB199.0, down 1.2% q-o-q. The overall vacancy rate edged up to 23.6%. Core area monthly rents declined 2.0% q-o-q to RMB234.0 per sq m, with vacancy at 20.3%. In contrast, emerging districts, with no new completions, saw rents ease 0.4% qoq to RMB158.7 per sq m per month, while vacancy dropped to 27.2%.

EMERGING INDUSTRIES TO DRIVE NEW LEASING DEMAND

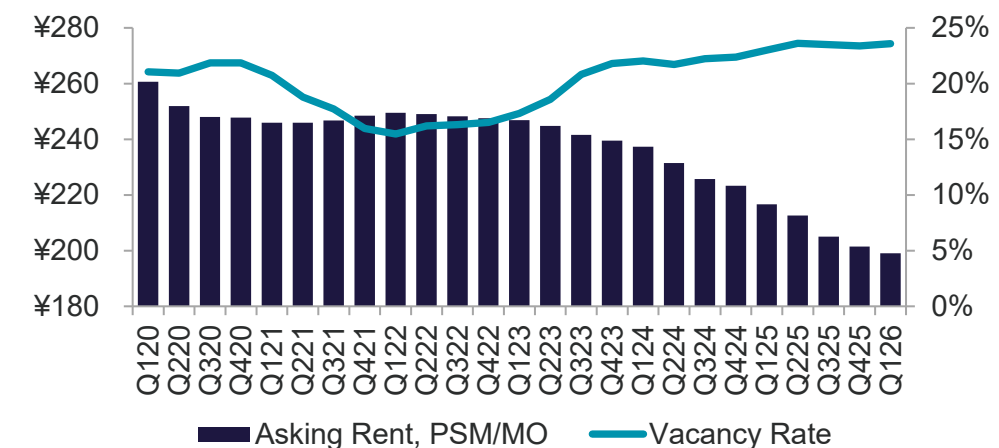
As the inaugural year of the 15th Five-Year Plan in 2026, Shanghai is advancing a "2+3+6+6" modern industrial framework, promoting digital and green transformation, accelerating development in integrated circuits, biomedicine, and AI, and fostering world-class industrial clusters.

Eight new project entrants are expected by Q4 2026, adding 542,283 sq m of space. While supply pressures will persist, policy support and the growth of emerging industries — particularly in Xuhui Riverside, Yangpu Riverside, and other key areas as well as the five new cities — are expected to drive leasing demand and support rental stabilization.

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	1,547,660	354,585	22.9%	88,000	¥266.21	US\$3.59	€3.12
Huangpu	2,182,167	338,502	15.5%	404,880	¥218.88	US\$2.95	€2.57
Lujiazui	2,179,646	319,413	14.7%	164,055	¥283.53	US\$3.83	€3.33
Zhuyuan	1,119,128	191,756	17.1%	70,000	¥224.12	US\$3.02	€2.63
Core Xuhui	841,997	278,973	33.1%	-	¥238.52	US\$3.22	€2.80
Changning	1,555,760	430,045	27.6%	-	¥173.00	US\$2.34	€2.03
CBD TOTALS	9,426,358	1,913,275	20.3%	726,935	¥234.01	US\$3.16	€2.75
EMERGING TOTALS	8,724,359	2,369,078	27.2%	1,632,067	¥158.74	US\$2.14	€1.86
SHANGHAI TOTALS	18,150,717	4,282,353	23.6%	2,359,002	¥199.03	US\$2.69	€2.34

* Rental equals Gross Transacted Face Rental
1.00 USD = 0.86957486 EUR = 6.88324962 RMB (17.03.2026)
The database was adjusted.

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
China Resources Centre	Core Jing'an	LV	8,000	Relocation
China Resources Centre	Core Jing'an	Hui Ye Law Firm	5,600	Relocation
Grand Gateway 66 T2	Core Xuhui	Red Chamber	3,350	Relocation
The Summit T2	Zhuyuan	BZW Law Firm	2,900	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	DEVELOPER	SQ M	COMPLETION DATE
K11 Atelier	Huangpu	New World Development	37,500	2026
Longyang Road TOD 04	Century Park	Pudong Development	235,597	2027
One and Two Qiantan Place	Expo & New Bund	Swire Properties, Lujiazui Properties	125,000	2027
Westbund Central T4, T5, T6	Xuhui Riverside	Hongkong Land	204,807	2027

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