

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
29.1% Vacancy Rate	▲	▲
9.28M Stock, sqm	▲	▲
¥144.2 Rent (PSM/MO) (Property of GRADE A)	▼	▼

ECONOMIC INDICATORS

Q1 2026	YOY Chg	12-Month Forecast
5.8% GDP Growth	▲	—
5.0% Tertiary Sector Growth	▼	—
0.4% CPI Growth	▲	—
-18.2% Real Estate Development & Investment Growth	▼	▲

Sources: Shenzhen Statistic Bureau,
Moody's Analytics, Cushman & Wakefield Research

CITYWIDE OVERALL VACANCY RATE DROPS THROUGH Q2

No new Grade A office supply entered the market in Q2. Amid persistent market competition and cautious sentiment on both supply and demand sides, the monthly average rental level remained under downward pressure, falling 3.4% from Q4 2025 to RMB144.2 per sq m. Declining Grade A office rents have prompted many enterprises to relocate for workspace upgrades. At the same time, landlords and operators have rolled out flexible space layouts and adjustable lease terms to suit demands of micro, small and medium enterprises, making Grade A office space more appealing.

Market data shows that upgrade relocation demand took a 27% share of total Grade A office leasing area in 1H 2026. New leasing demand, including expansion, startups, and cross-city newcomers, took a 37% share. Citywide net absorption reached 175,000 sq m, pulling the citywide overall vacancy rate down 0.4 percentage points since the end of 2025 to record 29.1%.

TMT SECTOR'S SHARE OF TOTAL DEMAND CONTINUES TO EXPAND

Based on leasing area, the TMT industry remained Shenzhen's largest Grade A office demand sector in 1H 2026 at 32.4%, a 2.4 percentage point rise over the full-year 2025 performance. Relocations and renewals of more than 5,000 sq m represented nearly half of the TMT's sector take-up. AI-related companies were active, with digital services providers and semiconductor firms also delivering sizable leasing deals. Private equity, securities, law and logistics firms were also core demand drivers through 1H 2026.

Leasing momentum for office space operators and hotels sustained in 2026. Office space operators continue to evolve their business models, with joint-operation partnerships with landlords growing more widespread.

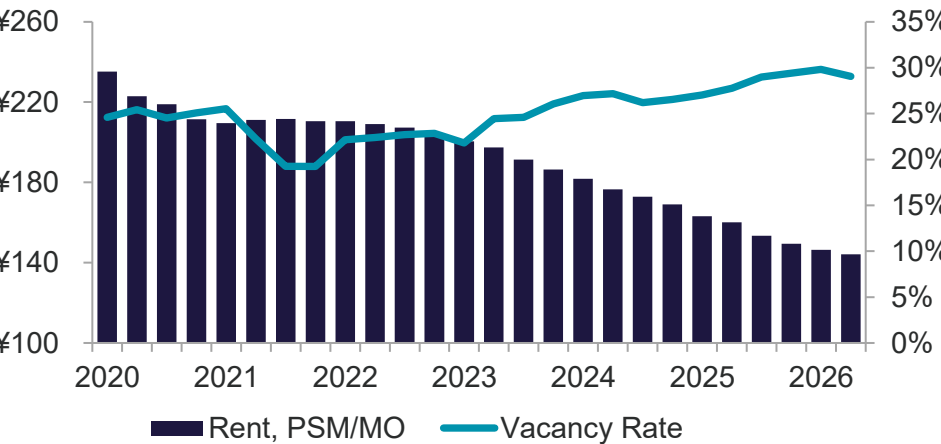
INTEGRATED UPGRADES ARE KEY TO DRAWING TENANTS

Existing stock combined with pipeline new office supply has fueled fierce competition across Shenzhen. Many developments have rolled out proactive upgrades. Buildings offering robust industrial ecosystems and superior amenities have recorded faster absorption with little room for further rent drops. This sets a clear benchmark for other offices: upgrade hardware and ancillary services to sharpen competitiveness, stabilize leasing, and reduce vacancies.

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
Luohu	676,813	238,164	35.2%	320,634	¥113.16	US\$1.56	€1.34
Futian	3,638,107	801,342	22.0%	424,580	¥160.09	US\$2.20	€1.90
Nanshan	2,394,190	713,463	29.8%	1,887,509	¥155.45	US\$2.14	€1.84
Qianhai	2,067,103	768,984	37.2%	1,206,963	¥116.88	US\$1.61	€1.39
Bao'an	506,624	175,438	34.6%	220,978	¥130.40	US\$1.79	€1.55
SHENZHEN GRADE A TOTAL	9,282,837	2,697,391	29.1%	4,060,664	¥144.23	US\$1.98	€1.71

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 = 6.75998356 RMB= 0.86243725 Euros (2026.6.15)

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
China Venture Tower	Qianhai	Pengke Hotel	23,428	New Set up
Hengchang Technology Building	Qianhai	Distinct Healthcare	8,000	New Set up
Qianhai Exchange Square	Qianhai	Xizhouli Technology	2,432	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	DEVELOPER	SQ M	COMPLETION DATE
Smoores Technology Tower	Bao'an Center	Smoores	64,200	2027
The Wumart Office Tower	Futian CBD	Wumart South Technology	49,820	2027
Hongfan Building	Bao'an Center	Hongqiao Investment Holdings	52,900	2028
Qianhai CIMC International Commerce Center West Tower	Qianhai	CIMC	65,303	2028
ZTE Headquarters Base Project	SZ Bay HQ Base	ZTE	121,540	2028

XIAODUAN ZHANG

Head of Research, South & Central China
5F, Tower2, Kerry Plaza, No.1 Zhongxinsi Road,
Futian District | Shenzhen 518048 | China
xiaoduan.zhang@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In Greater China, a network of 23 offices serves local markets across the region. In 2025, the firm reported revenue of \$10.3 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.

©2026 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.