

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
20.9% Vacancy Rate	▼	▲
18.04M Stock, SQM	▲	▲
¥192.3 Rent (PSM/MO)	▼	▼

Source: Cushman & Wakefield Research

ECONOMIC INDICATORS

Q2 2026	Q1 2026	12-Month Forecast
5.6% GDP Growth	5.9%	—
5.9% Tertiary Sector Growth	6.0%	—
0.8% CPI Growth	0.6%	▲
-4.6% Real Estate Development & Investment Growth	0.1%	—

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

NO NEW SUPPLY DELIVERED IN Q3 2026

No new Grade A office projects were delivered to the market in Q3 2026, with citywide Grade A office stock holding steady at 18.04 million sq m. For the Q1 2026 to Q3 2026 period, a total of four new projects entered the market across the city, all located in core submarkets, with total new supply of 423,672 sq m. The slower pace of new completions has provided a window to absorb existing vacant space.

TMT SECTOR LEADS LEASING DEMAND

Grade A office rents remained on a downward trajectory in Q3, with the citywide average transacted rent falling to RMB192.3 per sq m per month, down 1.5% q-o-q and 6.2% y-o-y, a marginally narrower decline than in Q2. Average monthly rents in the core and non-core submarkets fell to RMB224.1 and RMB154.9 per sq m, down 1.7% and 1.3% q-o-q, respectively.

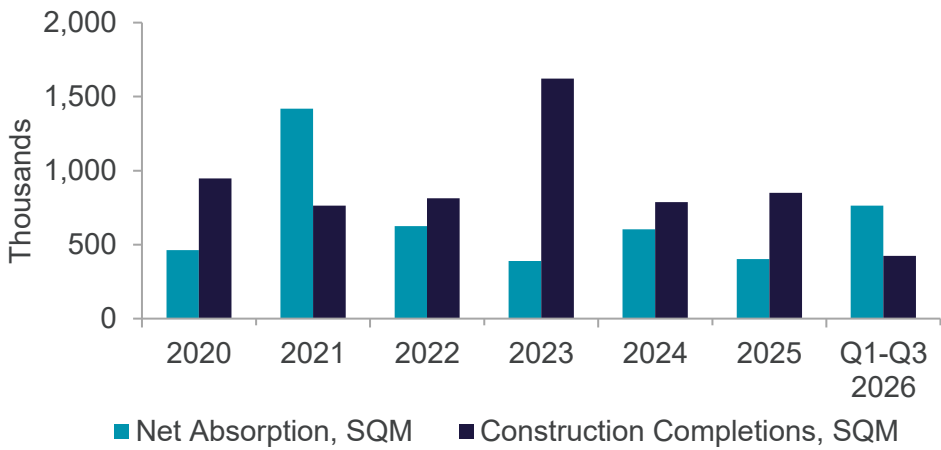
The TMT, finance, and professional services sectors were most active in Q3, accounting for 32.7%, 14.9% and 12.8% of total transacted area, respectively. The TMT sector took the leading share, reaching a multi-year high, driven by relocation and expansion demand from AI, smart hardware and internet enterprises. The retail & trade and manufacturing sectors followed at 12.5% and 8.6%, respectively. Overall, domestic enterprises took an 80.9% share of total transacted area.

Relocations remained the dominant activity at 52.7% of total transacted area, with tenants favoring higher-quality projects offering competitive rents. New leases and expansions together accounted for 37.3%. Citywide net absorption reached approximately 318,000 sq m in Q3, up 36.3% q-o-q and 258.5% y-o-y. The citywide vacancy rate dropped to 20.9%, with the CBD and emerging submarkets at 18.2% and 23.9%, respectively.

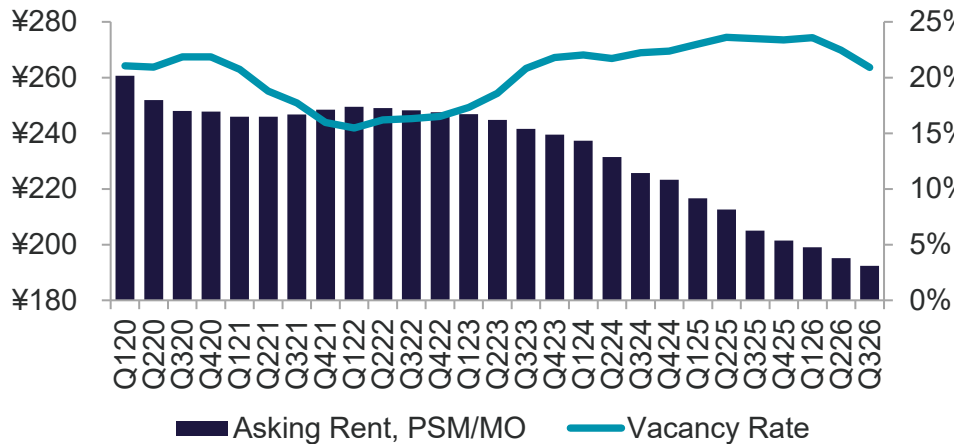
SUPPLY PRESSURE TO RETURN IN Q4 2026

Seven Grade A office projects are scheduled for completion in Q4 2026, adding 515,266 sq m of new supply. If delivered as planned, total annual completions will reach 938,938 sq m, sustaining ongoing supply pressure. However, with new economy sectors continuing to release expansion demand and rental declines moderating, quality projects in core submarkets are set to stabilize first.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	UNDER CNSTR (Q4 2026– 2028, SQM)	OVERALL AVG FACE RENT		
					RMB/SQM/MO	USD/SF/MO	EUR/SF/MO
Core Jing'an	1,547,660	334,557	21.6%	88,000	¥258.28	US\$3.58	€3.12
Huangpu	2,219,667	255,539	11.5%	367,380	¥211.02	US\$2.92	€2.55
Lujiazui	2,179,646	295,749	13.6%	164,055	¥256.59	US\$3.55	€3.10
Zhuyuan	1,119,128	175,033	15.6%	70,000	¥218.52	US\$3.03	€2.64
Core Xuhui	841,997	242,730	28.8%	-	¥232.69	US\$3.22	€2.81
Changning	1,555,760	418,816	26.9%	-	¥173.38	US\$2.40	€2.10
CBD TOTALS	9,463,858	1,722,424	18.2%	689,435	¥224.12	US\$3.10	€2.71
EMERGING TOTALS	8,576,518	2,050,999	23.9%	1,630,893	¥154.89	US\$2.15	€1.87
SHANGHAI TOTALS	18,040,376	3,773,424	20.9%	2,320,328	¥192.35	US\$2.66	€2.33

* Rental equals Gross Transacted Face Rental
1.00 USD = 0.87274908 EUR = 6.70749216 RMB (15.09.2026)
The database was adjusted.

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
Jinmao Tower	Lujiazui	DBS Bank	15,000	Relocation
Alibaba Center	Xuhui Binjiang	Zhihuishu	12,000	Relocation
ONE Shanghai	Core Jing'an	Logitech	5,300	Relocation
Shanghai World Financial Centre	Lujiazui	CPIC Fund	4,000	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	DEVELOPER	SQ M	COMPLETION DATE
International New Centre	Core Jing'an	Baohua Group	88,000	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 Binjiang	Hongkong Land	204,903	2027

SHAUN BRODIE
Head of Research Content
Greater China
Tel: +86 21 2208 0529
shaun.fv.brodie@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.