Colliers Radar

Property Research | East China
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Time to Look Further Afield

Occupiers and investors should consider the attractions of the outlying logistics property markets in East China

Accelerating success.

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Colliers has recently completed a detailed investigation into the logistics property sector in East China. We note that:

1. Modern logistics property are in short supply in greater Shanghai due to firm demand from e-commerce and third party logistics businesses
2. Traditional demand for logistics and warehousing has been spilling over to new logistics property as the sector has become more modern and specialised
3. Due to rising rents, the new restriction on land use periods and the demolition of illegal facilities, Shanghai's demand for warehouses has overflowed to surrounding cities such as Taicang, Kunshan and Jiaxing. More recently, demand has flowed to cities further away like Changzhou, Wuxi, Nantong and Changshu.

Given firm demand and limited land supply, we think vacancy will fall and rents rise in coming years in prime logistics property in Shanghai. Due to the scarcity of vacant areas and land supply in Shanghai and nearby cities, we advise occupiers and investors to plan for the future and consider logistics land or properties in outlying cities with high accessibility, supportive local policies and competitive rents.

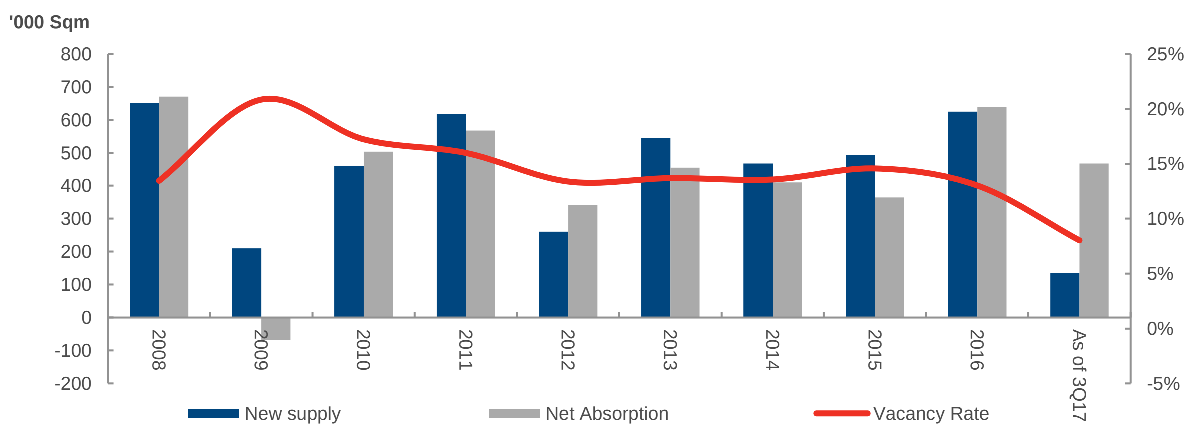
Executive Summary

In research on the logistics property sector in East China, Colliers has identified several key trends. First, due to strong demand and limited land supply, modern logistics property in Shanghai are in very short supply. Second, due to specialisation and modernisation in the sector, demand for traditional warehouse facilities is giving way to demand for facilities in modern logistics property. Third, reflecting rising rental rates, the new restriction on land use periods and the demolition of illegally constructed facilities, a good portion of Shanghai's demand for warehouses has overflowed to surrounding cities such as Taicang, Kunshan and Jiaxing. More recently, demand has flowed to cities further away like Changshu, Changzhou, Nantong and Wuxi. We expect that these trends will persist for the next two to three years.

From the perspective of occupiers, due to reliably strong demand, vacancy rates in prime logistics property should stay low, while rents should trend upwards. Due to fast growth and seasonal demand from e-commerce businesses for logistics facilities, vacant area in H2 2017 will be very scarce in Shanghai and surrounding cities. We recommend potential tenants to take this factor into account and make leasing plans accordingly.

From an investment perspective, with continued market growth, we expect en-bloc investment transactions to increase. Since little land is available for development in Shanghai and neighbouring cities (such as Taicang, Kunshan and Jiaxing), the demand for investment and development is spilling over into cities further away. We make the following recommendations for acquisition of logistics land. Firstly, at a city level, Nantong, Changzhou, Wuxi and Changshu should be the main targets. Secondly, besides land with good accessibility, investors can also consider land a little further away from the exit from the highway.

New supply, net absorption and vacancy rate of Shanghai logistics property (2008-3Q17)



Source: Colliers International Research

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Industry focus: Promising outlook for logistics property sector triggering acquisitions

According to the official website of Global Logistic Properties (GLP) China, on July 14, 2017, Nesta Investment Holdings Limited and GLP jointly announced that a Chinese private equity consortium comprising the Vanke Group, Hopu Investment Management, the Hillhouse Capital Group, SMG and the Bank of China Group Investment had subscribed for all of the ordinary shares of GLP, with a price set at SGD3.38 per share (USD2.48). GLP is the world's leading provider of modern logistics facilities and industrial infrastructure, and the deal with a total value of SGD16.0 billion (USD11.6 billion) is considered one of Asia's largest private equity acquisitions.

According to a report by Mingtiandi.com dated September 8, 2017, Asia's leading logistics property developer, the owner and operator E-Shang Redwood (ESR Group) and Invesco Real Estate, a global real estate investment and management company, announced that the two parties will form a joint venture to manage the ESR Group's core logistics assets in China. Invesco acquired a majority stake of the ESR Group's high-quality logistics property in China, paying more than RMB2.0 billion (USD300 million) through this transaction. The ESR Group will retain a portion of its equity, and play the role of asset and property manager, collaborating with Invesco's asset management team and creating new value for Invesco.

These two acquisition cases demonstrate that investors are generally optimistic about the current Chinese market for high-quality logistics facilities and infrastructure. As the national leader in the development of the logistics industry, Shanghai is one of the key markets for logistics property developers, investors and tenants. Colliers has conducted in-depth research on the logistics property sector in Shanghai and surrounding markets in East China for the reference of developers, investors and occupiers.

National economy still firm for logistics property market

National economic outlook

Announced in July, YOY real GDP growth for China in Q2 2017 exceeded most forecasts, reaching 6.9% or the same as in Q1. The high figure partly reflected strength in housing sales growth and housing starts, notably in smaller cities. However, resilience in residential property was not the only factor. Notably, goods exports growth rose from 14.8% YOY in Q1 to 15.0% in Q2, driven by firm global demand. Moreover, growth in industrial value added rose to 7.6% YOY in June, while household consumption growth and retail sales were also robust.

After the announcement, Oxford Economics raised its forecast for Chinese real GDP growth for 2017 as a whole from 6.3% to 6.8%, compared to 6.7% in 2016. Certain parts of China, notably the north-east, still face economic pressures. Moreover, following the Q2 GDP data there were signs of moderation in trade activity which suggested that H2 would be cooler than H1. As announced in October, real GDP growth for Q3 duly eased slightly to 6.8% as exports and investment lost pace, although consumption growth remained stable.

Nevertheless, on a year-on-year basis, China is currently accelerating modestly rather than slowing down. Moreover, the near-term outlook remains firm: Oxford Economics forecasts real GDP growth of 6.4% for 2018, and points out that China only needs to grow by 6.3% per annum over 2018-20 in order to meet its ambitious goal of doubling 2010 GDP by 2020.

Note. Please see "Country Economic Forecast, China", 24 October 2017, by Oxford Economics. See also the report of 18 September.

Looking forward, Oxford Economics expects average real GDP growth in China to slow from 6.1% over the period 2017-2021 to 4.9% over the period 2022-2026. In order to avoid the risk of a financial crisis, the economy needs to wean itself off the traditional credit-fuelled and investment-led growth model. Moreover, with returns to investment now more modest, capital stock is likely to make a significantly lower contribution to growth in the future. The contribution from the labour supply will also be negligible given a declining working age population

Figure 1: Major Asian economies: estimated real GDP growth 2016-2021

	2016	2017	2018	2019	2020
China	6.7%	6.8%	6.4%	6.0%	5.7%
Japan	1.0%	1.7%	1.6%	0.9%	0.0%
Hong Kong	2.0%	3.5%	2.3%	2.5%	2.4%
Singapore	2.0%	3.0%	2.8%	2.8%	2.8%
India	7.9%	6.5%	7.5%	7.1%	6.9%

Source: Oxford Economics

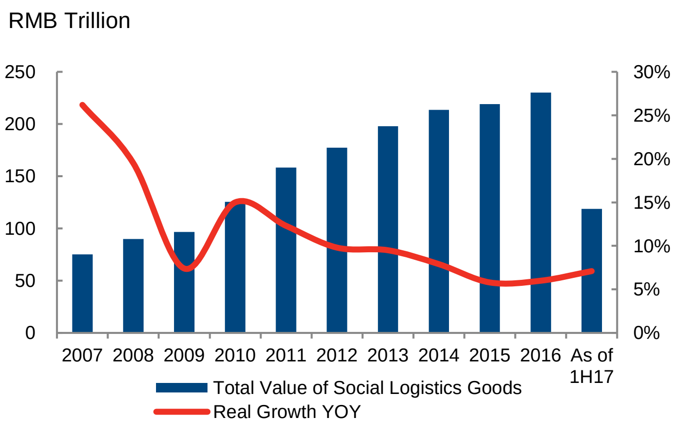
from 2016. On the other hand, China should move up the economic and technological "value chain" as it loses its competitive edge in labour-intensive sectors.

Firm economy drives logistics sector

As noted, China's economy was stable in Q3 2017 with growth of 6.9% GDP. Strong performances were seen in some economic indicators. Average per capita disposable income rose by 7.5% YOY, and total import and export values improved markedly by 16.6%. According to the China Federation of Logistics and Purchasing, China's total value of logistics goods in the first half of 2017 rose by 7.1% YOY, reaching RMB118.9 trillion (USD17.7 trillion), with an average compound annual growth rate of 11.8% in the past decade.

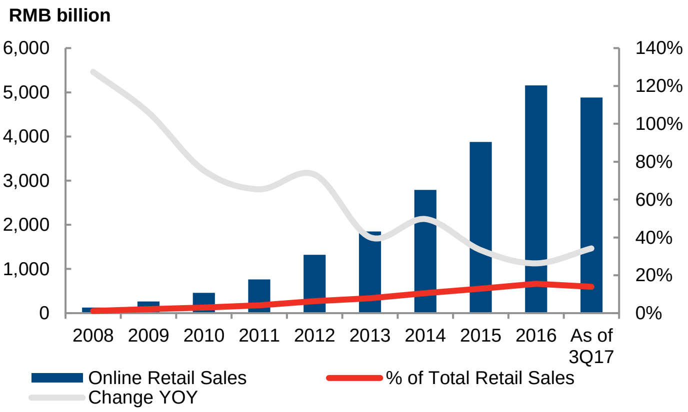
Consumer goods retailing and the e-commerce industry have also maintained steady growth, and are highly correlated with the logistics industry. Retail sales between 2007 and 2016 showed significant average compound annual growth rate of 14.1%. E-commerce retail sales grew by 34% YOY and reached RMB4.88 trillion (USD736 billion) as of the third quarter of 2017, showing a compound annual average growth rate of 67% over the last ten years.

Figure 2: Total value of logistics goods and real YOY growth（2007-1H17）



Source: China Logistics Information Centre

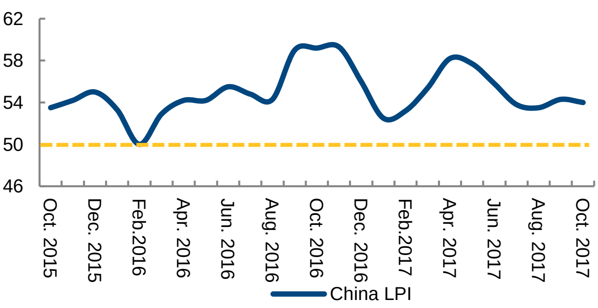
Figure 3: National total online retail sales, percentage of total retail sales and YOY change（2008-3Q17）



Source: National Bureau of Statistics

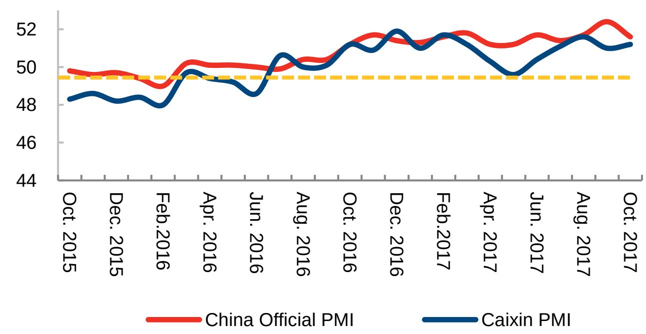
The China Logistics and Purchasing Federation, together with the China Logistics Information Centre, released the China Logistics Prosperity Index (LPI) for October 2017. This was 54.0, meaning the logistics industry is in a state of continuous expansion. Both the official and Caixin's purchasing managers index (PMI) have shown expansion during June to October in China, reflecting steady growth in the industrial economy.

Figure 4: China LPI (Oct. 2015 - Oct. 2017)



Source: China Logistics Information Centre

Figure 5: China PMI (Sep. 2015 - Oct. 2017)



Source: National Bureau of Statistics, Caixin

Related industries driving strong demand in Shanghai

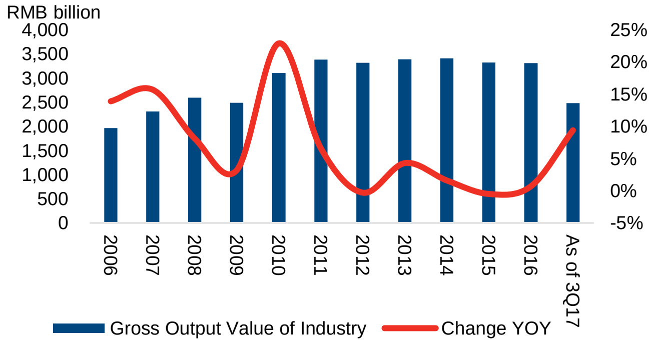
As of Q3 2017, economic indicators correlated with the logistics industry in Shanghai showed a promising growth trend. The total industrial output value rose by 9.4% YOY and the total cargo volume rebounded sharply 10.6% YOY after a slight dip in 2016. In terms of trading, both total import volume and total export volume showed a rapid growth trend over the first three quarters of 2017, with the total export value increasing 10.5% YOY, while the total import value increased 21.2% YOY. Another important indicator of import and export activity is container throughput, which rose by 8.2% YOY in the first half of the year. Logistics and related industries continue to provide healthy demand for the logistics property in the greater Shanghai region.

Figure 6: Shanghai's logistics-correlated economic indicators (as of Q3 2017)

INDICATORS	FIGURES (CUMULATIVE)	GROWTH YOY
Gross Domestic Product (GDP)	USD326 billion	7.0%
Total Retail Sales	USD131 billion	8.0%
Per Capita Disposable Income (Urban)	USD6,683	8.5%
Industrial Output	USD374 billion	9.4%
Total Import Volume	USD214 billion	21.2%
Total Export Volume	USD145 billion	10.5%
Total Cargo Transport Throughput	724 million tons	10.6%
Total Container Throughput	29.9 million TEU	8.2%

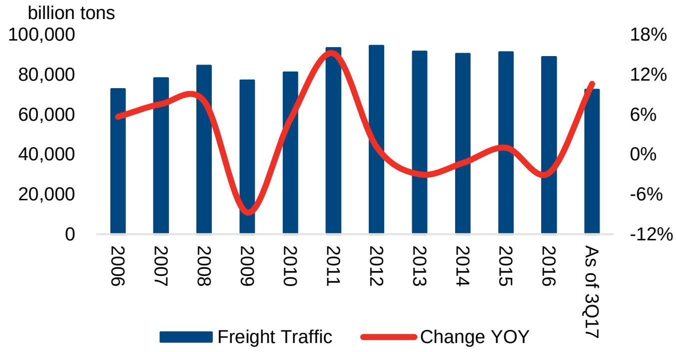
Source: Bureau of Statistics of Shanghai

Figure 7: Shanghai's industrial output (2006 – 3Q17)



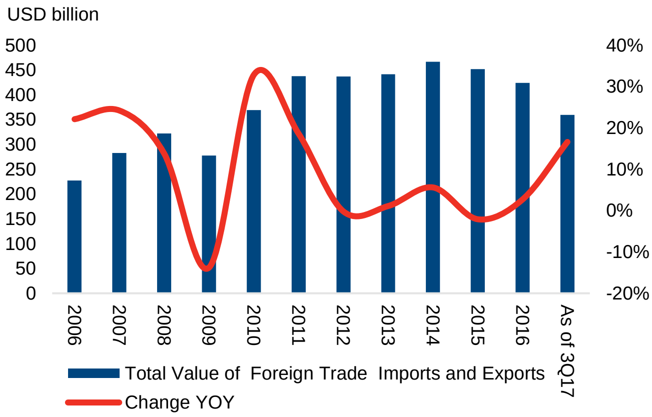
Source: Bureau of Statistics of Shanghai

Figure 8: Shanghai's total volume of freight (2006 – 3Q17)



Source: Bureau of Statistics of Shanghai

Figure 9: Shanghai's total value of foreign trade (2006 – 3Q17)



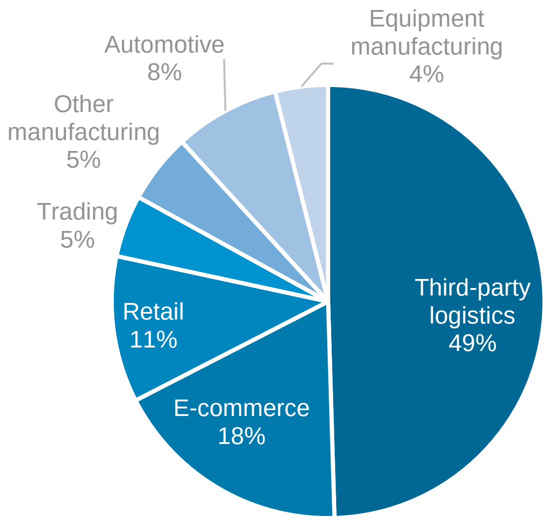
Source: Bureau of Statistics of Shanghai

In the context of globalisation and industrial upgrading, Shanghai's logistics industry is transforming from traditional warehousing to modern integrated logistics practices that include informatization, automation and a focus on sustainability. This provides an excellent opportunity for the immediate development of modern logistics property. There are several industries that are becoming the major driving forces of this trend, including e-commerce, advanced manufacturing and third-party logistics.

E-commerce remain fast growth rate

According to the Shanghai Bureau of Statistics, Shanghai's total retail sales over the first three quarters of 2017 increased by 8.0%, reaching RMB866.7 billion (USD130.6 billion). Meanwhile, online retail sales rose by 16.4% YOY, reaching RMB118.0 billion (USD17.8 billion), and taking an 13.6% share of the total retail sales of consumer goods. This is a 2.3 percentage point increase compared to the previous year. Growth rate of online retail remain at a relatively high level. This continued growth is putting pressure on the logistics capabilities of e-commerce businesses, and is creating a strong demand for modern logistics property. GLP's official China website revealed in May this year that two large e-commerce groups have signed leases for over 220,000 sq metres (2.37 million sq feet). Meanwhile, Jingdong (JD.com) continued to sign leases in logistics property in Taicang, Kunshan and other nearby cities to meet increasing demand for logistics in Shanghai and the Yangtze River Delta in Q3.

Figure 10: Logistics property tenant types in leasing transactions （1Q15 – 3Q17）



Source: Colliers International Research

Advanced manufacturing continues to grow

The manufacturing industry in Shanghai is currently in the process of modernizing, which accordingly raises requirements for the quality of warehouses and logistics facilities. Thus, modern logistics property has recently become the prime choice for advanced manufacturing enterprises. As of Q3 2017, the output of the automobile manufacturing industry grew by 23.0% YOY to RMB491.0 billion (USD74.4 billion), while the output of the pharmaceutical manufacturing industry in Shanghai increased by 9.4% YOY to RMB56.5 billion (USD8.6 billion). Automobile, pharmaceuticals and other advanced manufacturing enterprises have become stable tenants for the logistics property sector leaders like GLP and Goodman in Shanghai and its surrounding areas.

Increasing presence of third-party logistics companies

While the size of the logistics industry is increasing, the third-party logistics companies are taking a larger proportion of it. Fast expansion of e-commerce (including cross-border e-commerce), globalisation, integration, and the digitalisation of the corporate supply chain, has driven e-commerce's demand for third-party logistics, which make them a strong driving force behind the development of prime logistics property.

Shanghai market: demand, supply and rent analysis

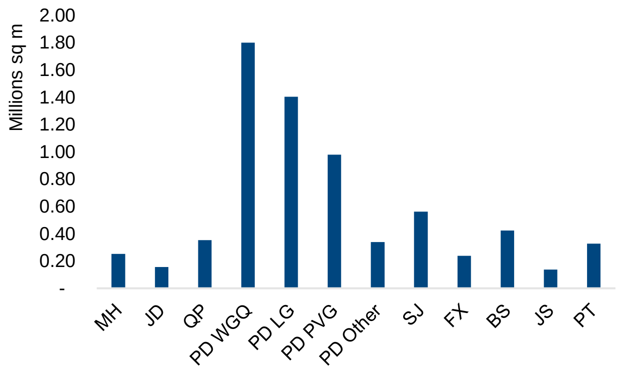
Geographic segmentation, stock and new supply

The logistics market in Shanghai includes the following submarkets: Jiading, Putuo, Qingpu, Songjiang, Minhang, Waigaoqiao, Pudong International Airport, Lingang, Jinshan and Fengxian. The following image shows the location and traffic infrastructures of these submarkets.

As of Q3 2017, GLP's Yuanzhong Logistics Park and Zhuqiao South Logistics Park were completed, expanding the total stock of Shanghai's prime logistics property to 6.96 million sq m (77.9 million sq ft). Pudong district now accounts for 65% of total stock. Despite the completion of new projects, Shanghai's logistics property remains in short supply. The chart overleaf shows the stock in each submarket.

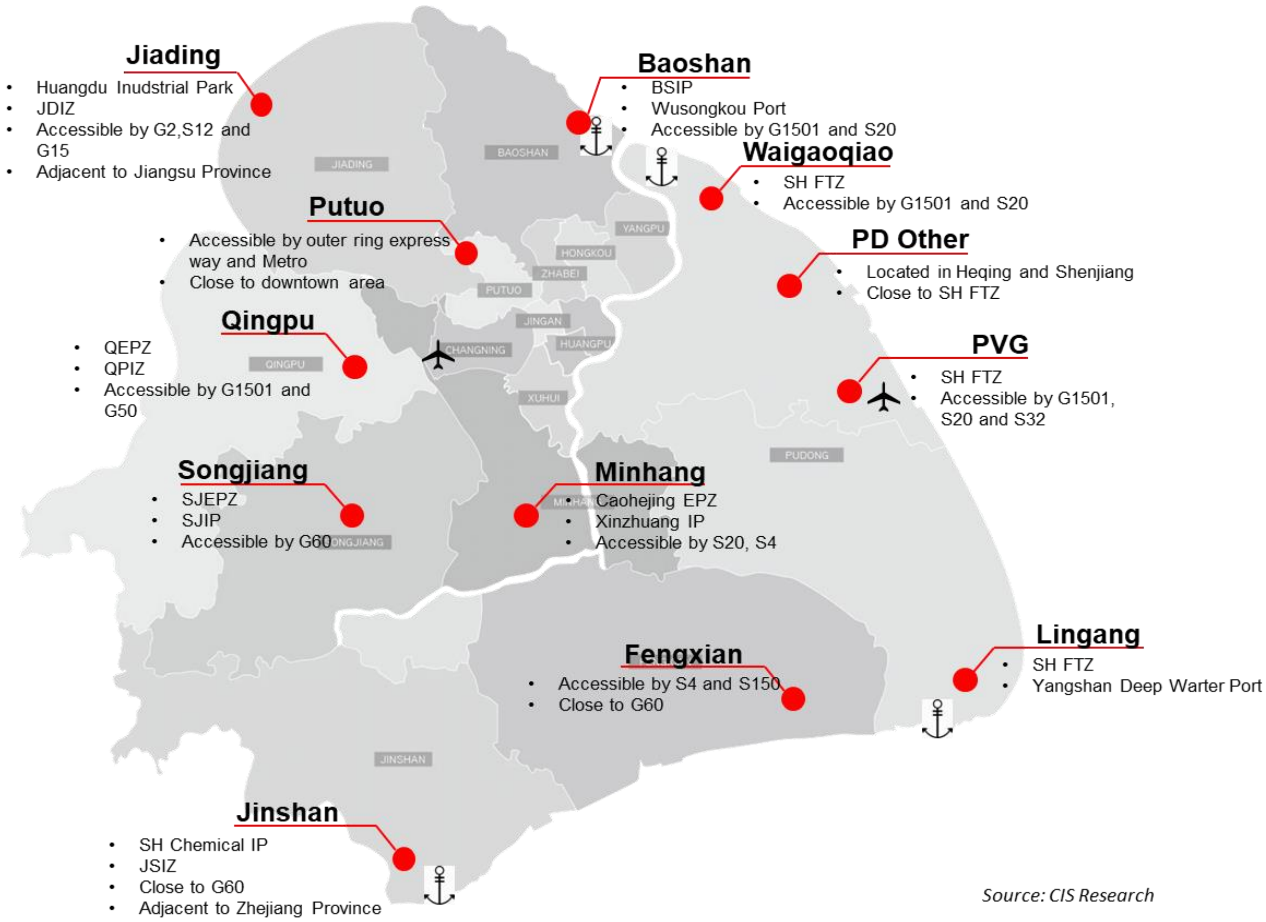
This stock of 6.96 million sq metres (74.9 million sq ft) included both bonded and non-bonded prime logistics property in Shanghai, while the total stock of high quality grade A logistics property is approximately 5.0 million sq metres (53.8 million sq ft).

Figure 11: Total stock of Shanghai's sub-market (As of 3Q17)



Source: Colliers International Research

Figure 12: Shanghai's sub-markets and traffic infrastructures

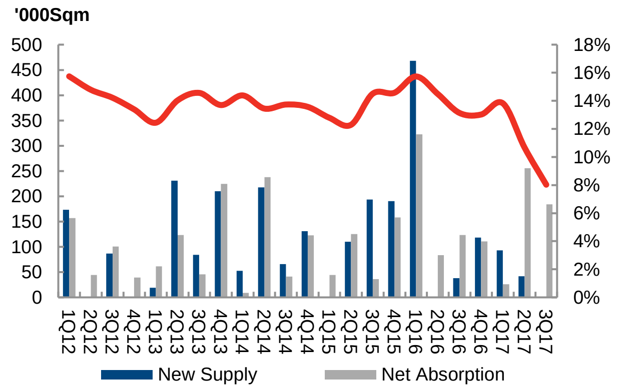


Source: Colliers International Research

Net absorption and vacancy rate

Due to the rectification of illegally constructed facilities in Shanghai in this year, demolition of illegally constructed workshops and warehouses has been ongoing. This has pushed many tenants towards new high-quality logistics property and created additional demand for storage space. Demand from third-party logistics, e-commerce and manufacturing companies were strong in Q3 2017, and several submarkets are in short supply. The net absorption in Q3 2017 was approximately 184,000 sq metres (1.98 million sq ft). Rapid growth in e-commerce and the launch of a variety of online shopping festivals have also increased demand for logistics property. Especially, started from September, e-commerce companies were eager to seek any vacant space and offered high rent to landlord. Short leasing terms between 4-6 months is a very common practice in the market. Thus, the vacancy rate decreased by 2.7 percentage points QOQ to 8.0% in Q3.

Figure 13: New supply, net absorption and vacancy rate of Shanghai prime logistics property (1Q12 – 3Q17)



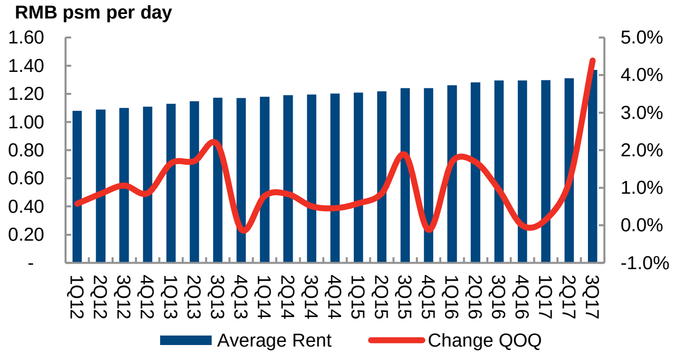
Source: Colliers International Research

Rent and growth rate

Although vacant space was very limited, demand for prime logistics property was strong, and rental growth QOQ achieved a record high. The city's average rent jumped up by 4.4% QOQ to RMB1.37 per sq metre per day (USD0.20). Most properties recorded rental rate growth, and the market continued to favour landlords. By submarkets, rent in the Baoshan and Songjiang submarkets rose significantly. Rental growth of certain properties in these markets was more than 10%.

*Average rent equals "net effective rent"

Figure 14: Average rent and QOQ change (1Q12– 3Q17)



Source: Colliers International Research

Investment market

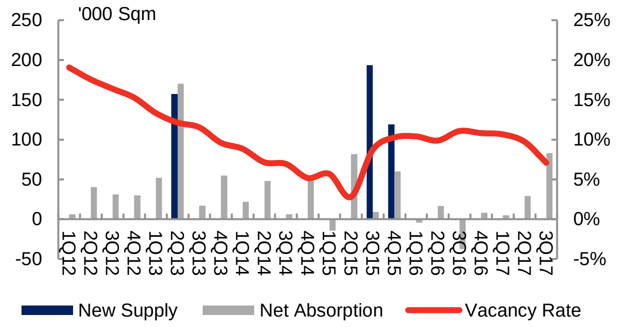
The East-China investment market has been active so far in 2017, with both domestic and foreign investors showing optimism about the logistics property sector. Thus, the net yield of Shanghai logistics property has declined from 7.6% in Q4 2011 to 5.0% in Q3 2017, although this is still higher than for other property market segments. However, logistics property that were available for sale were quite limited as most property owners prefer to hold them for long term return.

Comparison between bonded and non-bonded logistics property

The total stock of Shanghai's bonded logistics property was stable at 3.15 million sq metres (33.9 million sq feet) in Q3 2017. The vacancy rate decreased by 3.7 percentage points to 7.1%, compared to the end of 2016. Demand was mainly drove by the auto parts, bio-medicine and cross border e-commerce.

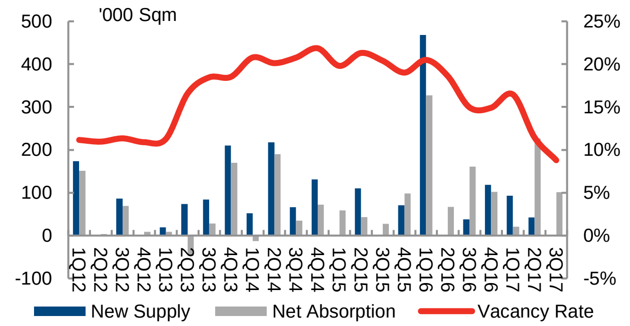
On the other hand, non-bonded logistics property expanded to 3.82 million sq metres (41.1 million sq ft). The leasing market was active, and the vacancy rate decreased by 6.1 percentage points from 14.9% in 2016 to 8.8%. Demand came mainly from the 3PL, e-commerce and retail industry.

Figure 15: New supply, net absorption and vacancy rate of bonded Shanghai logistics property sector (1Q12 – 3Q17)



Source: Colliers International Research

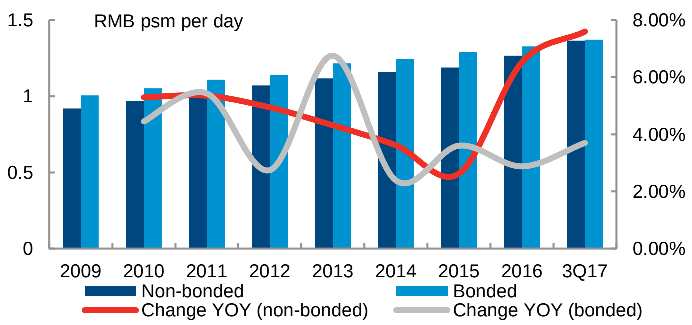
Figure 16: New supply, net absorption and vacancy rate of non-bonded Shanghai logistics property sector (1Q12 – 3Q17)



Source: Colliers International Research

Average rent for non-bonded logistics property rose by 7.6% YOY to RMB1.37 per sq metre per day (USD0.20) within this active market in Q3 2017. Average rent of bonded logistics property also increased by 3.7% YOY to RMB1.37 per sq metre per day (USD0.20).

Figure 17: Rent comparison between non-bonded and bonded logistics property (2009 – 3Q17)



Source: Colliers International Research

Surrounding markets: demand, supply and rent analysis

Shanghai demand overflowing to adjacent cities

As a consequence of rectification of illegally constructed facilities, large amounts of companies have been looking for storage space. Strong demand has quickly absorbed vacancies in Shanghai's logistics property, and has spilled over to nearby cities. Cities like Kunshan, Taicang and Jiaxing have benefited from this effect. Their leasing market has become very active while average rents have continued to increase. Recently, large-scale logistics property developers are trying to expand investments and development efforts in these markets.

Figure 18: Tenant Profile in Kunshan, Jiaxing and Taicang (1H17)

CITIES	MAJOR TENANTS	INDUSTRIES	MAJOR OWNERS
Taicang	Kuehne & Nagel, Sinopec, REHAU, LF Logistic (Nike), Mobil, Schaeffler, JD	3PL, e-commerce, manufacturing	Evergain, Sin-sino, GLP, Goodman, Taicang Xingang Logistics, Intexproperties, E-shang
Kunshan	Amazon, Dachser Logistics, H&M, LF Logistics, Eternal Asia, Toyota, Vipshop, Tyco Electronics	E-commerce, retail, 3PL, electronic, manufacturing	E-shang, GLP, Prologis, Goodman, Blogis.Yupei, Tianxi, Vanke, Vailog, Pingan
Jiaxing	Warmart,DHL, Deppon,Best Logistics, C.H. Robinson	E-commerce, retail, 3PL	E-shang, GLP, Yupei Goodman, Prologis, Blogis

Source: Colliers International Research and Industrial Services

Vacancy rate and rent

Demand was strong in Kunshan, Taicang, and Jiaxing, where average rent rose by 1%-3%, to RMB1.05, 0.86 and 0.83 per sq metre per day (USD0.15, 0.13, 0.13) in H1 2017. The vacancy rates continued to drop, reaching low levels of around 1%, 2% and 6% respectively.

As there is less leasable space in these three markets, strong demand has spilled over to more cities. As Colliers has monitored, cities further away such as Wuxi, Changshu, Nantong and Changzhou have all seen occupancy pick up and leasing demand increase.

Notable leasing transactions of logistics property in nearby cities included: a 3PL company's new lease of

34,000 sq metres (365,800 sq ft) in Jiaxing; an e-commerce company's new leases and pre-lease of total 230,000 sq metres (2.47 million sq ft) in Kunshan, Jiaxing and Nantong, and a manufacturing company's new lease of 60,000 sq metres (645,600 sq ft) in Changshu.

Figure 19: Total stock, net effective rent and vacancy rate in Shanghai's Nearby Cities (1H17)

CITY	TOTAL STOCK (SQ M.)	NET EFFECTIVE RENT (RMB PSM PER DAY)	VACANCY RATE
Kunshan	2,000,000	1.05 (USD0.15)	1%
Taicang	750,000	0.86 (USD0.13)	2%
Jiaxing	580,000	0.83 (USD0.13)	6%
Wuxi	850,000	0.84 (USD0.12)	33%
Changshu	328,000	0.80 (USD0.12)	5%
Nantong	249,000	0.80 (USD0.12)	10%
Changzhou	280,000	0.75 (USD0.11)	14%

Source: Colliers International Industrial Services

Outlook for East China market

Interpreting the 13th Five-Year Plan for logistics industry's development

Shanghai's municipal government has issued the "13th Five-Year plan for the development of the modern logistics industry in Shanghai" ("The Plan") in the fourth quarter of 2016. While affirming the achievements during the 12th Five-Year, The Plan focused on industry's shortcomings, such as the limited ability to support advanced manufacturing, and insufficient informatisation and standardisation. It also laid out future challenges like increasing the quality and efficiency of the whole industry, and establishing better connections between the manufacturing and service sectors. The vision for the future lies in enhancing logistics capacity and efficiency, which will have a positive influence on the modern logistics property sector. An example of a quantitative target is to reduce the proportion of the cost of logistics by 2-3 percentage points of GDP by 2020, bringing the level down from 15% in 2015. This can only happen with significant investment into upgrading logistics facilities and transforming the use of property for this sector.

In addition, The Plan proposes an overall "5+4" layout for the future development of Shanghai's logistics property, including five major logistics properties located in Waigaoqiao, Lingang, Pudong Airport, Northwest and Southwest. There will also be four specialised logistics bases for manufacturing, agricultural products, express delivery, and freight. The three logistics properties on the east coast (Waigaoqiao, Lingang, and Pudong International Airport) will be mainly functioning to connect international trading; and the two logistics properties in western Shanghai (Northwest and Southwest) will be mainly connecting with the Yangtze Delta, and striving to upgrade the traditional logistics industry. We expect with the synergy of economic growth, industry transformation and government guidance, logistics property in greater Shanghai will continue to grow into the foreseeable future.

Current state and projection of Shanghai logistics land resources

Compared to manufacturing industrial land, logistics land generates less output, taxation and employment. A large number of new logistics facilities can impact local traffic and the environment in surrounding areas. Therefore, the supply of logistics land from local governments is usually relatively limited.

Due to the limited land supply and the change of land policy, it can be expected that in the future, logistics property investors and developers will develop logistics property in a fast pace. It is also fair to foresee that there will be more investment from e-commerce businesses like Tencent, Alibaba and Jingdong to develop their own logistics facilities.

Leasing forecast

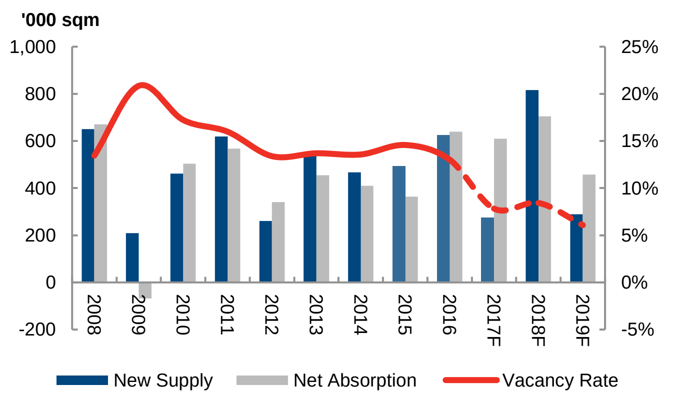
More than 1.2 million sq metres (12.9 million sq feet) of high quality logistics property will be completed in Shanghai over the next three years, increasing the total stock to over 8 million sq metres (86.1 million sq feet). Out of this total, more than half of the new supply will be in Pudong district, and most are non-bonded logistics property. Large-scale new supply will also be completed in nearby cities, like Kunshan which has more than 1.0 million sq metres (10.8 million sq feet) of new supply scheduled to come on line in 2017-2019. Despite the growing supply, we expect that the vacancy rate in

Shanghai will fluctuate between 6% and 8%, while the vacancy rate in Taicang and Kunshan will remain low.

Over the next three years, high-quality logistics property should continue to be sought after by a large number of tenants, absorbing logistics space in Shanghai and nearby cities. The demand will come mainly from third-party logistics companies, large retail enterprises, e-commerce businesses and advanced industrial manufacturing businesses. The market should still favour landlords, and rental rates should continue to increase. Additional demand will result from the enforcement of illegal property use and will place upward pressure on rental rates in Shanghai and nearby cities. We expect the city's annual rental growth to be between 5.0% and 7.0%.

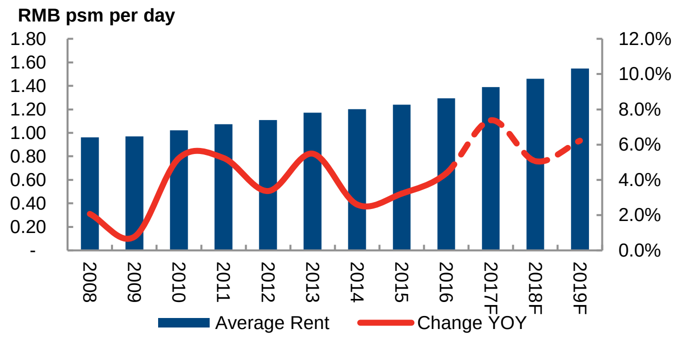
Due to the fast growth of the e-commerce industry and the seasonal demand for additional logistics facilities, vacant area in H2 2017 will be very scarce in Shanghai and nearby cities like Taicang, Kunshan and Jiaxing. We recommend that potential tenants should take this factor into consideration and make leasing plans accordingly.

Figure 20: New supply, net absorption and vacancy rate forecast of Shanghai market （2008-2019F）



Source: Colliers International Research

Figure 21: Average rent and growth rate Forecast（2008-2019F）



Source: Colliers International Research

Investment forecast

Logistics property in Shanghai and nearby cities continue to appeal to real estate developers, institutional investors, and investment funds. The main reason is that the net yield for industrial property is still higher than for other property market segments even though it is likely to decline slightly over the next few years. Another reason is that the rental demand should remain strong and leases are long and stable. In addition, as scarcity of logistics land supply and continued increasing of the mature logistics properties' capital values, we expect that there will be more en-bloc transactions of logistics property in Shanghai and surrounding cities.

While there is not much land for development available in Shanghai and neighbouring cities (such as Taicang, Kunshan and Jiaxing), the demand for investment and development is experiencing rapid spill-over to cities further afield. Logistics land and industrial land which can be used for storage purpose in cities further away from Shanghai including Changshu, Changzhou, Hangzhou, Nantong and Wuxi are being rapidly developed. We consider that the acquisition and development strategies pursued by investors and developers will be influenced greatly by the actual supply and availability situation in the market and therefore should be flexible.

We make the following recommendations for acquisition of logistics land. Firstly, at a city level, Nantong, Changzhou, Wuxi and Changshu should be the main targets. These cities are within three hours' driving distance of Shanghai and still have adequate logistics land supply. Secondly, besides land with good accessibility, investors can also consider the site close to highway exit.

396 offices in 68 countries on 6 continents

United States: 153
Canada: 29
Latin America: 24
Asia Pacific: 79
EMEA: 111

$2.6
billion in
annual revenue

2.0
billion sq feet
under management

15,000
professionals
and staff

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