

New completions lead rent to rise

Above-average GDP growth in Hangzhou has continued to support leasing demand from companies involved in finance, real estate and professional services, which were active in Q2 2017. Two new completions led to a temporary rise in the vacancy rate, though they also commanded above-average rents. Colliers expects that the vacancy rate will increase by three to five percentage points to 24% by the end of 2017, as new supply launched in Qianjiang New City and competition between the traditional and emerging submarkets intensifies.

Forecast at a glance



Demand

Developments in Qianjiang New City will attract both new set-up and relocation demand from traditional submarkets



Supply

One new project with 100,000 sq m (1.08 million sq ft) of office GFA is planned for H2 2017, making the total stock increase by 16% YOY. We expect more new supply to be completed in 2018, leading the total stock to exceed 3 million sq m. However, this total should shrink from 2019 to 2021.



Vacancy rate

We expect the vacancy rate to increase by 3-5 percentage points YOY to 24% by end-2017, and further increase to a peak at 28% in 2018 if all new supply in the pipeline is completed. However, stable absorption amidst the slowdown of new completions should drive vacancy to decline to a low level over 2019-2021.

新增供应带动租金增长

2017年第二季度，杭州高于平均水平的GDP增速继续支撑源于金融、地产及专业服务类公司活跃的租赁需求。两个新项目的入市致使空置率暂时上升，但其租金高于全市平均水平。高力国际预测，截至2017年末，全市空置率或将因钱江新城内新增供应的入市以及传统与新兴子市场间的竞争加剧而上升3至5个百分点至年末的24%。

预测一览表



需求

钱江新城的发展将吸引新租需求以及从传统子市场迁址至此的需求



供应

拥有10万平方米（108万平方英尺）写字楼建筑面积的一个新项目计划于2017年下半年入市，总存量将同比增长16%。高力国际预期2018年将有更多新增供应入市，引领总存量突破300万平方米。然而，2019年至2021年间将有所减少



空置率

高力国际预计2017年末全市空置率将同比上升3至5个百分点至24%。2018年，若所有新项目如期入市，空置率将进一步攀升至28%的高峰。然而，2019年至2021年间，随着新项目入市速度的放缓，稳定的市场去化将驱使其降至一个较低水平



Rent

The above-average rent of new supply should offset rental declines in certain projects in traditional submarkets. We predict a 1.5% growth in average rent for 2017. Looking forward, rent should decrease moderately in 2018 due to the supply peak and pick up quickly in 2019



租金

新增供应高于平均水平的租金将抵消传统子市场内若干项目的租金下调。高力国际预期2017年平均租金将上涨1.5%。展望未来，2018年供应高峰将令租金适度下调，但很快将于2019年回升

Active in Qianjiang New City 钱江新城需求活跃

Hangzhou's GDP grew by 8.1% YOY in H1 2017, and tertiary industry grew by 11.2% YOY, according to the Hangzhou Statistics Bureau. Although this was slightly slower than 2016, it was still above the national average. In addition, China as a whole reported 6.9% real GDP growth for Q2 (unchanged from Q1), suggesting that the economic situation remained robust and supporting demand.

A seasonal slow-down in leasing demand drove the city's net absorption to decrease by 23.4% QOQ to 28,873 sq m (310,670 sq ft). The average vacancy rate increased by 2.7 percentage points QOQ to 22.1% as a result of the new project. However, excluding new completions, the average vacancy rate decreased by 1.6 percentage points to 17.9%.

Demand from finance, real estate and professional service industries was active in Qianjiang New City. Several tenants who signed leasing agreements last quarter moved in during this quarter, including Longfor Real Estate, Rongxing Group and Tahoe Group in Uncommon District Centre; and Faw-Volkswagen at China Resources Building.

据杭州市统计局，2017年上半年全市生产总值同比增长8.1%，第三产业同比增长11.2%。尽管增速较2016年同期有所放缓，但仍高于全国平均水平。此外，第二季度中国整体经济增长6.9%（与第一季度持平），反应出经济形势的持续稳健，从而支撑市场需求。

租赁需求的季节性放缓令全市净吸纳量环比减少23.4%至28,873平方米（310,670平方英尺）。因新项目的入市，平均空置率环比上升2.7个百分点至22.1%。然而，除却新项目的影 响，全市平均空置率则会下降1.6个百分点至17.9%。

金融、房地产及专业服务行业对钱江新城写字楼的需求活跃。若干于上季度签署租赁协议的租户已于本季度搬入办公，包括入驻华联UDC的龙湖地产、融信集团及泰禾集团；以及华润大厦的一汽大众。

In addition to these occupiers, which accounted for over 70% of the city's net absorption, a number of new leases were recorded during this quarter, including a newly registered finance company's lease of 4,500 sq m at Uncommon District Centre; Yingke Law Firm and a technology company's separate leases of 4,000 sq m at Raffles City Hangzhou; KPMG's new commitment of 2,000 sq m at Ping'an Finance Center; and China Forestry Group, a law firm and a finance company's leases of 450, 700 and 600 sq m at China Resources Building.

除这些占全市净吸纳量逾七成的入驻活动外，季内还录得诸多新租交易，包括一家新注册的金融公司于华联 UDC 承租 4,500 平方米；盈科律所及一家科技公司分别于杭州来福士承租 4,000 平方米；KPMG 于平安金融中心承租 2,000 平方米；以及中林集团、某律所及某金融公司各自于华润大厦新租 450、700 及 600 平方米。

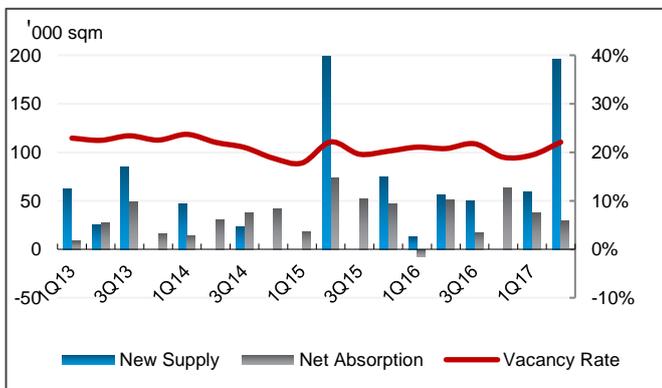
Supply in Qianjiang New City accounted for more than half of total stock

Ping'an Finance Center in Qianjiang New City and Ocean International Center in the emerging Yunhe submarket were completed during the quarter, adding 196,164 sq m (2.11 million sq ft) of office space to Hangzhou's prime office market. As a result, the total stock expanded by 8.4% QOQ to approximately 2.5 million sq m (26.9 million sq ft). Notably, Qianjiang New City accounted for more than half of the city's prime office space (50.2%) for the first time in the past five years.

钱江新城供应量占总存量比重过半

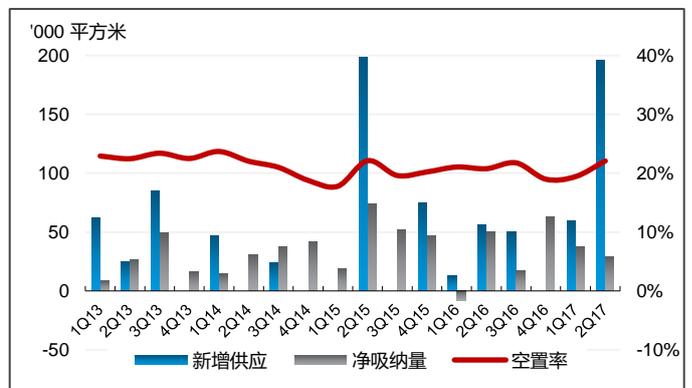
位于钱江新城的平安金融中心及位于新兴运河子市场的远洋国际中心于季内竣工，为杭州优质写字楼市场增加 196,164 平方米（211 万平方英尺）写字楼建筑面积。因此，全市总存量环比扩增 8.4% 至约 250 万平方米（2,690 万平方英尺）。值得注意的是，近五年内，钱江新城占全市优质写字楼供应量比重首次逾半（50.2%）。

Figure 1: New Supply, Net Absorption and Vacancy Rate of the Hangzhou Prime Office Market



Source: Colliers International

图 1：杭州优质写字楼市场新增供应、净吸纳量和空置率

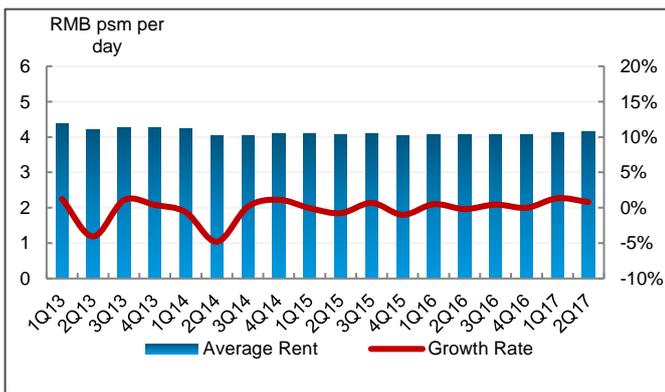


数据来源：高力国际

New completions pulled up the average rent

The average rent for Hangzhou's prime office property increased by 0.8% QOQ to RMB4.2 (USD0.62) psm per day due to above-average rents in the new supply. By submarket, Qianjiang New City achieved the highest rental growth at 3.8% QOQ to RMB3.5 (USD0.52) psm per day. High quality projects with strong absorption made rental adjustments, leading the rents of Huanglong and Qingchun submarkets to increase slightly.

Figure 2: Hangzhou Prime Office Rent and Growth Rate



Source: Colliers International

新增供应推高平均租金

新增供应高于平均水平的租金令杭州优质写字楼物业平均租金环比增长 0.8% 至人民币 4.2 元 (0.62 美元) 每天每平方米。按子市场，钱江新城录得最高租金涨幅，环比上涨 3.8% 至人民币 3.5 元 (0.52 美元) 每天每平方米。高品质项目内强劲的市场去化令其租金发生变动，从而带动黄龙及庆春子市场租金微幅上涨。

图 2：杭州优质写字楼子市场租金及增长率



数据来源：高力国际

Buoyant development in Qianjiang New City

One new project with 100,000 sq m (1.08 million sq ft) of office GFA is planned to be completed in H2 2017. Supply should then peak in 2018, with the majority of new properties in Qianjiang New City.

钱江新城蓬勃发展

一个新项目计划于 2017 年下半年竣工，其拥有 10 万平方米写字楼建筑面积。2018 年或将迎来供应高峰，且多数新项目坐落于钱江新城。

The finance, technology and professional service sectors will continue to support demand, though we expect the average vacancy rate to increase by three to five percentage points to 24% by the end of 2017. In Qianjiang New City, the relatively low rental level of the projects, high specification and convenient accessibility will attract new tenants, especially those with large-space or expansion demand which cannot be met in traditional areas.

As Qianjiang New City attracts companies from downtown submarkets, landlords of properties in traditional submarkets should see downward pressure on rent. However, this will be offset by the above-average rent of new supply. As a result, we predict a 1.5% growth in average rent for 2017. Beyond 2017, we expect rent to decrease moderately in 2018 due to the supply peak. However, rent should pick up quickly in 2019, supported by the expected rental growth in the emerging areas such as Qianjiang New City, in addition to the slowdown of new supply.

金融、科技及专业服务行业将持续支撑市场需求，但预计2017年年底前全市平均空置率将上升3至5个百分点至24%。在钱江新城，项目相对较低的租金水平、高规格以及便利的通达性将吸引新租户入驻，尤以在传统区域无法满足的大面积或扩租需求为甚。

由于钱江新城吸引了众多公司从市中心迁址至此，传统子市场内若干物业业主或将迎来降租压力。然而，这将被新增供应高于平均水平的租金所抵消。因此，高力国际预测2017年平均租金将有1.5%的涨幅。2017年后，租金或将在2018年因供应高峰适度下降，2019年新增供应入市步伐放缓之际，受诸如钱江新城等新兴区域预期的租金增长所支撑，租金将快速回升。

For more information:

Lina Wong MRICS, CCIM
Senior Managing Director
East China
+86 21 6141 3600
Lina.Wong@colliers.com

Andrew Haskins
Executive Director
Research | Asia
+852 2822 0511
Andrew.Haskins@colliers.com

Timothy Chen
Director
Research | East China
+86 21 6141 3550
Timothy.Chen@colliers.com

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