

Average Rent Remained stable

平均租金保持稳定

Nanjing's GDP grew by 8.1% YOY to RMB870.3 billion (USD133.9 billion) in the first three quarters of 2017, according to the Nanjing Statistics Bureau. During the period, tertiary industry grew by 10.6% YOY to RMB514.6 billion (USD79.1 billion), accounting for 59% of GDP. This growth supported demand for Nanjing's prime office market. Average rent remained largely stable, but rental performance varied by project in H2 2017. For 2018, three high quality projects will be completed in Hexi and will release suppressed demand from both expansion and relocation in this area. However, we predict a peak in new supply in 2019-2020, which will have a more significant adverse impact on vacancy and rent.

据南京市统计局，2017年前三季度全市生产总值同比增长8.1%至人民币8,703亿元（1,339亿美元）。期间，第三产业同比增长10.6%至人民币5,146亿元（791亿美元），占GDP比重达59.1%。该涨势支撑了下半年南京优质写字楼市场的需求，全市整体租金总体平稳，但因项目而异。2018年，河西将有三个高品质项目竣工，或将进一步释放该区域写字楼扩张及搬迁需求。然而，高力国际预期2019-2020年新增供应的高峰或将对空置率和租金产生较为显著的影响。

Forecast at a glance

预测一览表



Demand

Hexi submarket should lead the leasing market in 2018-2022. The traditional CBD will face competition due to relocation of tenants to Hexi.



需求

2018-2022年河西子市场将引领写字楼租赁市场。传统商务区或将面临租户迁至河西的竞争。



Supply

Three new projects with 167,000 sq m (1.8 million sq ft) of office GFA are due to be completed in 2018, and more than 1.4 million sq m (15.1 million sq ft) new supply is expected in 2019-2022, leading the city's stock to expand by 113% to nearly 3.1 million sq m (33.4 million sq ft).



供应

2018年将有3个新项目竣工，合计写字楼建筑面积16.7万平方米（180万平方英尺），2019-2022年另有超过140万平方米（1,510万平方英尺）的新项目计划入市，全市存量将扩增113%至近310万平方米（3,340万平方英尺）。



Vacancy rate

The vacancy rate should increase modestly to 9-10% in 2018. However, large supply in Hexi over 2019-2021 should push the city's average vacancy rate to 25-30% by end-2021.



空置率

2018年，空置率或将适度上升至9%到10%之间。然而，随着2019-2021年河西的大量新增供应入市，全市空置率或将上升至25%至30%范围内。



Rent

Rental growth in Xinjiekou should push up the city's average rent by 1-2% in 2018. However, for 2019-2021, landlords in Hexi are cautious about rising rent as competition will be fierce in this area. At the same time, the traditional CBD will also face competition due to relocation of tenants to Hexi, so rental growth will be limited.



租金

2018年，新街口或将推升全市平均租金上涨1%-2%。然而，在2019至2021年，河西业主或因区域内的竞争加剧而对上调租金持谨慎态度。同时，传统商务区也将面临租户搬迁至河西商务区所导致的竞争，因而租金上涨有限。

No new supply

Golden Eagle Phase III was repositioned into other uses, thus no new office project was completed in H2 2017, and the total stock of Nanjing's prime office market remained at 1.44 million sq m (15.5 million sq ft).

无新项目竣工

因金鹰三期留作它用，故2017年下半年无写字楼项目入市，南京优质写字楼市场总存量维持于约144万平方米（1,550万平方英尺）。

Flexible workspace operators to help absorb vacant area

Stable demand from occupiers for both relocation in Hexi and new leases in Xinjiekou led the net absorption to increase by 48% YOY to 44,609 sq m (480,000 sq ft) in H2 2017. The overall vacancy rate decreased by 3.1 percentage points HOH to 7.9% amidst a lack of new supply. Most net absorption was seen in Xinjiekou and Hexi, which accounted for 43% and 47% of the total take-up. As a result, the vacancy rate of Xinjiekou and Hexi dropped by 2.2 and 6.4 percentage points to 9.4% and 6.0% respectively. Meanwhile, Gulou's vacancy rate decreased by 2.0 percentage points to 4.5% at the end of 2017.

Notably, flexible workspace operators were active in H2 2017. Beside SOHO3Q and Landing Business Centre's new lease of 6,500 sq m and 2,000 sq m in Sunny World Phase III, Regus set-up its 2,000 sq m new service office in Deji Plaza.

Other leasing transactions included: Excellence Group and Minmetals Land's new lease of 500 and 1,000 sq m at Sunny World; Sinopec Group's expansion of 2,300 sq m in AVIC Technology Plaza; Met Life's expansion by 1,200 sq m in Nanjing IFC; and Everbright Trust's new lease of 500 sq m in Asia Pacific Tower.

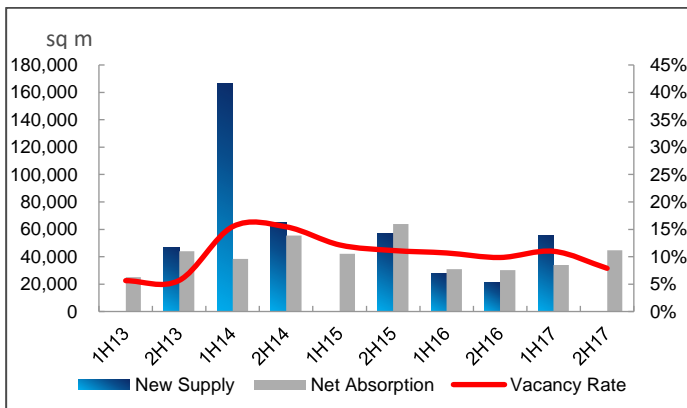
联合办公品牌助力去化空置面积

2017下半年，源于河西区域内升级搬迁需求以及新街口新租需求的带动下，净吸纳量同比增长48%至44,609平方米（48万平方英尺）。在缺乏新增供应的情况下，全市整体空置率半年环比下降3.1个百分点至7.9%。多数净吸纳量来源于新街口及河西，分别占总吸纳量的43%和47%。有鉴于此，至2017年年底，新街口及河西的空置率分别下降2.2和6.4个百分点至9.4%和6.0%；同时，鼓楼的空置率下降2.0个百分点至4.5%。

值得注意的是，2017年下半年灵活办公空间的运营方表现活跃。除SOHO3Q及兰汀商务中心分别在新地中心三期新租6,500和2,000平方米后，雷格斯在德基广场新设2,000平方米服务式办公。

其他租赁交易包括：卓越集团及五矿地产于新地中心分别新租500和1,000平方米；中石化于中航科技楼扩租2,300平方米；大都会人寿于南京国际金融中心扩租1,200平方米；及光大信托于亚太商务楼新租500平方米。

Figure 1: Nanjing Prime Office New Supply, Net Absorption and Vacancy Rate



Source: Colliers International

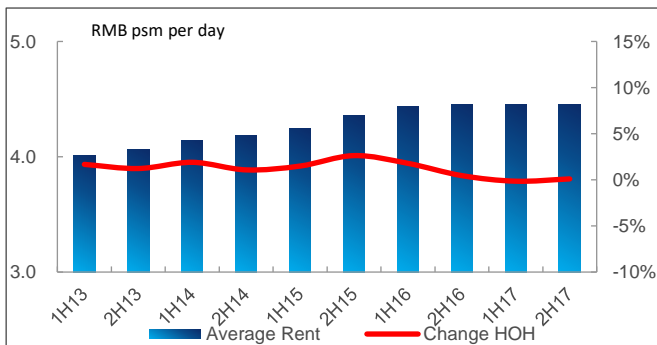
Most landlords chose to maintain current rent

Nanjing's average rent increased by 0.1% HOH to RMB4.5 (USD0.66) psm per day in H2 2017. Few projects reduced their rent in exchange for higher occupancy rates, while two projects with stable demand in Xinjiekou achieved annual rental growth. Rents for most developments remained unchanged during H2 2017 as most landlords are cautious about raising rent due to the high supply planned for the next few years.

Two en-bloc sales

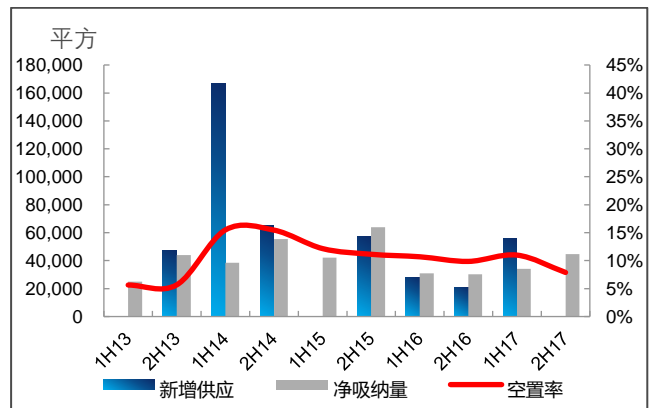
Two en bloc sales transactions were disclosed in H2 2017. ICBC bank acquired Nanjing Financial City (Building 7) in Hexi with a total GFA of 35,478 sq m for approximately RMB700 million. China Life acquired Tower 4 of Walsin Plaza, also in Hexi, with a total GFA of 41,876 sq m for RMB1.05 billion.

Figure 2: Nanjing Prime Office Rent and Growth Rate



Source: Colliers International

图 1：南京优质写字楼新增供应、净吸纳量及空置率



数据来源：高力国际

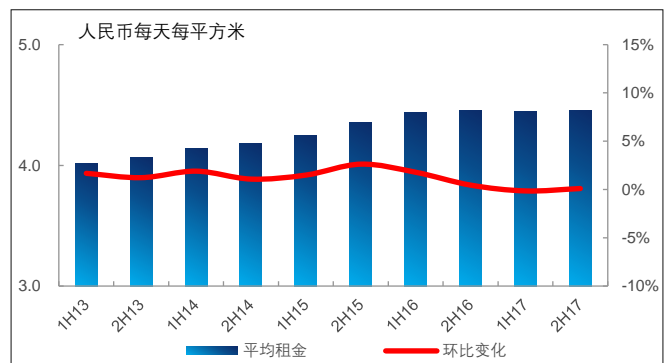
多数业主维持项目当前租金水平

全市平均租金半年环比上涨 0.1% 至人民币 4.5 元 (0.66 美元) 每天每平方米。若干项目下调租金以期能提高入驻率，两个新街口项目因稳定的需求而录得年租金增长。季内，鉴于未来几年内将有大量新增供应，业主们对上调租金持谨慎态度，大部分现有项目租金保持稳定。

两宗整售交易

2017 年下半年，两宗整售交易公布。工商银行以人民币近 7 亿元购得河西南京金融城七号楼，总建筑面积 35,478 平方米。另一宗交易为中国人寿以 10.5 亿元购得河西华新城四号楼，总建筑面积 41,876 平方米。

图 2：南京优质写字楼平均租金及环比变化



数据来源：高力国际

Xinjiekou or Hexi

Three new projects with office GFA of 167,000 sq m (1.8 million sq ft) are due to be completed in 2018, and we expect more than 1.4 million sq m (15.1 million sq ft) of news supply over 2019-2022, leading the city's stock to expand by 113% to nearly 3.1 million sq m (33.4 million sq ft). As a result, we expect that the vacancy rate will increase moderately to 9-10% in 2018, and that large supply over 2019-2022 will push up the city's average vacancy rate to the 25%-30% range.

We expect that new supply will release suppressed demand from occupiers for expansion and relocation. Tenants in the finance and professional service sectors should continue to be attracted by Xinjiekou's mature business atmosphere and good transportation options; meanwhile, the real estate and finance sectors should be attracted by high-quality building specifications and government support in Hexi. These two submarkets will lead Nanjing's prime office market in 2018-2022

Rental growth in Xinjiekou and the above-average rent of new developments should push the city's average rent up by 1-2% in 2018. For 2019-2020, landlords in Hexi are cautious about rising rent as competition will be fierce in this area. At the same time, the traditional CBD will face competition due to relocation of tenants to Hexi, so rental growth should be limited.

新街口，还是河西

2018年将有三个新项目竣工，合计写字楼建筑面积16.7万平方米（180万平方英尺）。2019至2022年预计超过140万平方米（1,506万平方英尺）的新项目计划入市，带动全市存量将扩增113%至约310万平方米（3,340万平方英尺）。因而，高力国际预期2018年空置率将小幅上涨至9%到10%之间，且大量的新增供应或将致使2019-2022年空置率升至25%-30%的范围。

高力预测新项目将进一步释放写字楼扩张及搬迁需求。新街口成熟的商务氛围、便捷的交通方式将继续吸引来自于金融及专业技术服务业的需求，而河西高品质规格的写字楼及来自于政府的支持，将吸引房地产及金融企业入驻。这两个子市场将在2018至2022年引领南京优质写字楼市场。

2018年，新街口的租金上调及新项目高于平均水平的租金将带动全市平均租金上涨1%-2%。2019至2021年，河西业主或因区域内的激烈竞争而对上调租金持谨慎态度。同时，传统商务区也将面临租户搬迁至河西商务区所导致的竞争，因而租金上涨有限。

For more information:

Tammy Tang
Managing Director
Executive Director | Industrial Services | China
+86 28 8658 6288
Tammy.tang@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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