

## Active demand drives rent growth

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Leasing demand for Shanghai's business park was solid in Q1 2018 despite the traditional quiet period around Chinese New Year. Overall vacancy dropped to 15.6% and average rent continued to grow amid three new completions. Looking ahead, Colliers expects rent will steadily rise supported by high quality new projects and improved infrastructure. We advise investors to pay more attention to investment opportunities in the Shanghai business park market, especially in submarkets like Jinqiao with large supply in the pipeline.

### Forecast at a glance



#### Demand

We expect the high-tech industry and finance sectors should continue to drive leasing demand. Overall leasing demand should remain solid over 2018-2022.



#### Supply

We expect 500,000 sq m (5.38 million sq ft) of new supply to be completed over the rest of 2018, 65% of which will be located in Jinqiao and former Zhabei. Supply will remain adequate over 2019-2022.



#### Vacancy rate

We expect the vacancy rate will drop another 0.6 percentage points to 15.0% by end-2018, and to 14.5% by end-2019. We then expect the vacancy rate to decline gradually to 13.0% by the end of 2022.



#### Rent

We expect the rent will increase by 5% over 2018, and predict average annual rental growth of 4-5% over 2019 to 2022.

## 活跃的需求支撑租金增长

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尽管第一季度为农历新年传统淡季，上海商务园区市场需求稳固。在三个新项目入市的背景下，整体空置率小幅下降至 15.6%且平均租金稳固上升。展望未来，高力国际预计受高质量新项目租金及基础设施的提升，租金仍将稳固上涨。我们建议投资机构加强对上海商务园市场的关注，尤其是金桥等即将迎来大量新增供应的子市场的投资机会。

### 预测一览表



#### 需求

高力国际预测高科技及金融行业仍将驱动租赁需求，2018 至 2022 的整体租赁需求仍将保持稳固。



#### 供应

约 50 万平方米（538 万平方英尺）的新增供应预计将在今年剩余季度内竣工入市，约 65%将位于金桥和前闸北。2019 至 2022 年的供应仍将保持充足。



#### 空置率

高力国际预计至 2018 年年底，空置率将下降 0.6 个百分点至约 15%，至 2019 年年底，将至 14.5%。至 2022 年，空置率或将逐渐下降至 13%。



#### 租金

我们预计至 2018 年年底，租金将上涨 5%，2019 至 2022 年平均租金将上涨 4-5%。

## Net absorption increased

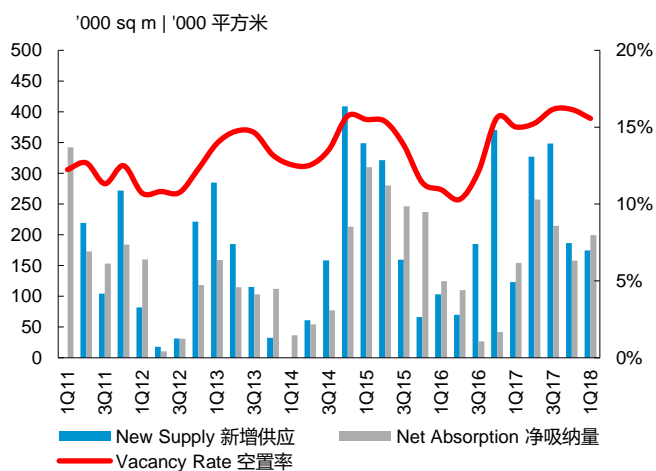
Demand for Shanghai's business park property market was solid in Q1 2018, with the overall vacancy rate edging down 0.4 percentage points QOQ to 15.6%. Net absorption grew 26.5% QOQ to 200,000 sq m (2.15 million sq ft), of which nearly 40% was in Zhangjiang.

In Zhangjiang, absorption of space in high-quality new buildings completed in the past year led the vacancy rate to decrease by 3.0 percentage points QOQ to 21.9%. Domestic companies, particularly from the technology, finance and e-commerce sectors played important roles in generating demand for expansion and new set-ups in business parks. The improved building specifications and high availability of new completions attracted existing tenants to upgrade to new facilities. Most companies chose to remain in their submarket.

Major leasing transactions during the quarter included: technology company AMD's lease of 20,000 sq m at Candor Plaza in Zhangjiang central zone; a trade company's lease of 5,400 sq m at Shanda Creative Box in Zhangjiang central zone; Kunchi trade's lease of 5,000 sq m at E-Park phase II in Zhangjiang, and a finance company leasing 8,000 sq m at Z+ Park in Zhangjiang. Expansion demand remained solid in buildings with professional management, evidenced by a technology company's expansion of 8,000 sq m at Headquarters Park Phase II and an incubator company's expansion of 6,000 sq m in Ascendas i-Link.

**Figure1 Shanghai Business Park New Supply, Net Absorption and Vacancy Rate**

图1 上海商务区新增供应、净吸纳量和空置率



Source: Colliers International Shanghai Research  
数据来源：上海高力国际研究部

## 净吸纳量上升

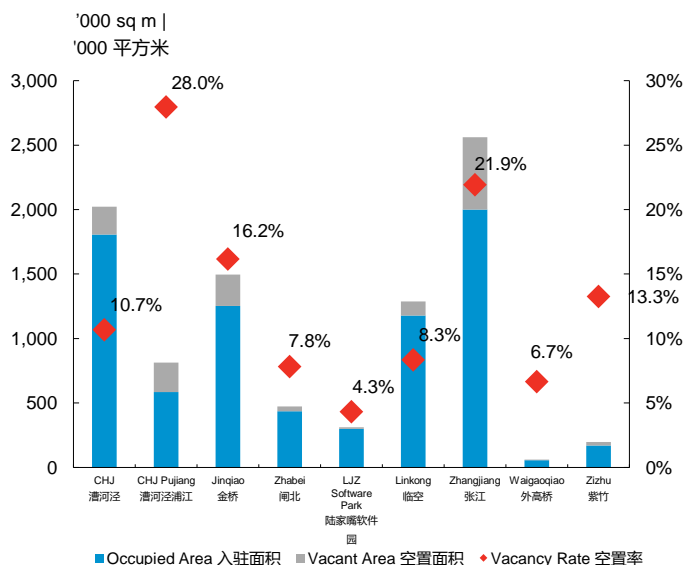
上海商务园区市场需求稳固，整体空置率环比下降 0.4 个百分点至 15.6%。净吸纳量环比上升 26.5% 至 20 万平方米（215 万平方英尺），其中逾 40% 的净吸纳量源于张江。

在张江，于去年完工的高质量项目的快速吸纳使得空置率环比下降 3.0 个百分点至 21.9%。内资公司，尤以科技、金融及电子商务为主的行业为甚。高标准及较多可选择的新项目吸引现有租户升级至新物业。大多数公司选择留在现有子市场内。

季度内主要租赁交易包括：科技公司 AMD 于张江中区的凯瑞大厦租赁 2 万平方米；某贸易公司在张江中区盛大源创谷租赁 5,400 平方米；鲲鹏贸易于张江国创二期租赁 5,000 平方米；某金融公司于张江集创公园租赁 8,000 平方米。具有专业物管的项目内扩租需求保持稳固，某科技公司于总部园二期扩租 8,000 平方米，某孵化器公司于腾飞科技楼扩租 6,000 平方米。

**Figure2 Shanghai Business Park Occupied Area, Vacant Area and Vacancy Rate**

图2 上海商务区入驻面积、空置面积及空置率



Source: Colliers International Shanghai Research  
数据来源：上海高力国际研究部

## Three new completions in Q1

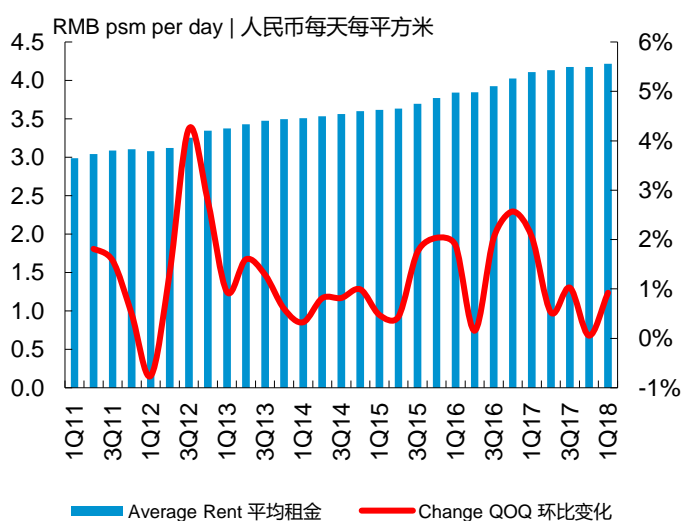
Three new projects were completed during Q1 2018, with an effective GFA of 174,000 sq m. As a result, the total stock of Shanghai's business park property market expanded by 1.9% QOQ or 12.7% YOY to 9.22 million sq m (99.2 million sq ft). Caohejing received Xinzhou Building and Shanghai Business Park Phase III-1(B). Pujiang Intelligence Valley Phase II (East Zone) was completed during the quarter.

## Rent edged up

The average rent of Shanghai's business park property increased 0.9% QOQ or 2.6% YOY to RMB4.21 (USD0.65) psm per day in Q1 2018, as many landlords made annual rental adjustments. By submarket, the highest annual rental growth was witnessed in Jinqiao, increasing by 6.8% YOY to RMB3.43 (USD0.53) psm per day as a result of improved transportation and active leasing demand. In Zhangjiang, the average rent increased 1.8% QOQ to RMB4.51 (USD0.69) psm per day on the back of high-quality buildings, mature amenities and solid demand. In Caohejing, rents increased by 1.6% QOQ or 3.6% YOY to RMB5.03 (USD0.77) psm per day, topping RMB5.0 (USD0.77) psm per day, reflecting continuous strong demand. In Linkong, the average rental level increased 2.7% YOY to RMB4.17 (USD0.64) psm per day.

Figure3 Shanghai Business Park Average Rent and Change QOQ

图3 上海商务园区平均租金及环比变化



Source: Colliers International Shanghai Research  
数据来源：上海高力国际研究部

## 三个新项目于季内入市

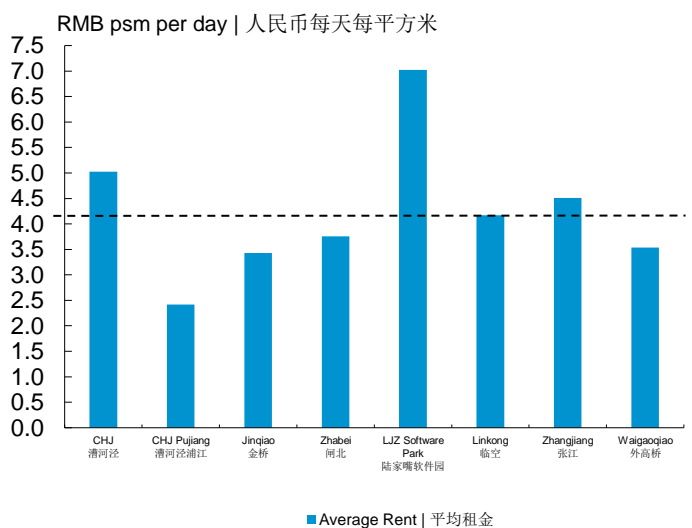
三个新项目于2018年第一季度交付，合计有效建筑面积174,000平方米。因此，上海商务园区总存量环比扩增1.9%或12.7%至922万平方米(9924万平方英尺)。漕河泾子市场内迎来新洲大楼及科技绿洲三期一(B标)。浦江智谷东区于季内交付。

## 租金小幅上涨

2018年第一季度，众多业主进行年度租金调整，因此上海商务园区平均租金环比上涨0.9个百分点或同比上升2.6个百分点至人民币4.21(0.65美元)每天每平方米。按子市场分析，金桥租金录得最大增长，受交通可及性及活跃需求所支撑，平均租金上涨6.8%至人民币3.43元(0.53美元)每天每平方米。受高质量项目、成熟的基础设施及稳固需求所支撑，张江平均租金环比上涨1.8%至人民币4.51元(0.69美元)每天每平方米。漕河泾区域需求持续强劲，租金环比上涨1.6%或同比上涨3.6%至人民币5.03元(0.77美元)每天每平方米，突破人民币5.0元(0.77美元)每天每平方米。临空区域平均租金同比上升2.7%至人民币4.17元(0.64美元)每天每平方米。

Figure4 Shanghai Business Park Rent by Submarket

图4 上海商务园区子市场租金



Source: Colliers International Shanghai Research  
数据来源：上海高力国际研究部

## Investment market was active

Shanghai's business park investment market was active during the quarter, with three en bloc sales transactions. Jinqiao, Zhangjiang and Caohejing remained the most favourable destinations. The sentiment of institutional investors, including foreign funds, domestic institutions and RMB funds as well as end-users remained positive. In January, D&G China purchased the Caohejing SBP Phase III building. In March, Kailong Info Building was sold to Hony Capital. In January, WorldUnion Investment purchased two buildings at City of Elite in Jinqiao.

## Outlook is positive

Within the tertiary industry, nearly one third of the GDP came from finance and technology by the end of 2017, according to Shanghai Statistics Bureau. At the end of 2017, over 426 R&D centres including 20 global R&D centres and 17 Asia Pacific headquarters of multinational corporations were established in Shanghai. High-tech companies and R&D centres are important demand generators of Shanghai's business park market. As a result, the prospects for Shanghai's business park property market, which is underpinned by these positive fundamentals, will remain positive.

The increasingly convenient transport connections and improved infrastructure are expected to continue in 2018 and onwards. Pujiang Line, the extension of line 8, was completed at the end of March in 2018. Phase 3 of Line 13 is scheduled to be completed within the year, passing through Zhangjiang's central zone. We expect these positive market fundamentals and improvements in business atmosphere stimulate demand for nearby properties. The growing number of new enterprises, including both MNCs and domestic companies, should underpin the continued demand for business park space in the city.

We expect approximately 500,000 sq m (5.38 million sq ft) of new supply to be completed in the remaining quarters of 2018. Over 65% of the new supply will be located in Jinqiao and former Zhabei, where available supply was limited in the past few years. Looking forward, Colliers forecasts the vacancy rate will continue to decrease and rent will gradually increase

## 投资市场活跃

上海商务园区市场季内活跃，三宗整售交易完成。金桥、张江及漕河泾仍为最受青睐的投资区域之一。机构投资者，包括外资基金，国内机构及人民币基金和终端用户仍较为积极。一月份，东久中国购买位于漕河泾科技绿洲三期的一栋楼。三月份，凯龙信息大厦被售予弘毅投资。一月份，世联行投资购买位于金桥的金邻之都6号楼和8号楼。

## 未来展望积极

据上海市统计局，截止2017年底，第三产业内，三分之一的产值源于金融及信息技术。截止2017年底，由跨国公司建立的426家研发中心，包括20家全球性研发中心及17家亚太研究中心已落户上海。高科技公司及研发中心为上海商务园区需求的主要来源。因此，这些经济的基本面亦支撑了上海商务园区的发展。

愈加便捷的地铁交通及完善的基础设施将于2018年及之后延续。浦江线，8号线的延伸段，已于2018年3月底通车。经过张江的中区的十三号线3期计划于年内通车。预计这些市场基本面及商务氛围的提升将进一步刺激周边物业的需求。愈来愈多的新企业，包括跨国企业及内资公司将支撑对于商务园区空间的持续需求

约50万平方米（538万平方英尺）的新项目计划于剩余季度内入市。超过65%的新项目将位于历年供应较为有限的金桥及前闸北。展望未来，高力国际预测在当前的健康吸纳水平的背景下，空置率将继续下降且租金将持续上涨。租金增长将保持稳定，预计2018年至2021年租

given the current healthy absorption level. Rental growth should remain stable, hovering around 4-5% per annum over 2018 to 2021. Limited supply in 2020 and 2021 should support this outlook.

金年增长将达到 4 至 5%。2020 年及 2021 年有限的供应将支撑此趋势

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