

Rent stable while vacancy rate rises

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Suzhou's GDP increased by 7.5% YOY to RMB1.5 trillion (USD217.4 billion) in 2016, with tertiary industry growing by 9.7% YOY to RMB800 billion (USD115.9 billion), according to the Suzhou Statistics Bureau. At the same time, revenue of internet and hi-tech companies grew 30% YOY, leading to increased demand for office space from these sectors. In Q1 2017, one new project was completed and the rent remained stable. Given the completion of Suzhou Centre in Q2 2017, the vacancy rate will reach a record high. This should present an opportunity for tenants to upgrade to higher-quality buildings.

Forecast at a glance



Demand

Will be stimulated by new completion of Suzhou Centre, with interest from the finance and high-tech sector especially high



Supply

Two more projects, including Suzhou Centre, will be completed in the rest of 2017, which will expand market stock by 12%



Vacancy rate

Likely to be pushed from 22.3% now to a record high of about 25% by new supply



Rent

We expect landlords will offer rental discounts to retain existing tenants, though average rent will still be pushed up by 3.1% YOY in 2017 by above-average rent for new supply

租金维稳，空置上升

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据苏州市统计局，2016 年全市地区生产总值同比增长 7.5% 至人民币 1.5 万亿元 (2,174 亿美元)，第三产业增加值同比增长 9.7% 至人民币 8,000 亿 (1,159 亿美元)。同期，互联网及高科技企业营业利润同比增长 30%，带动该行业对写字楼需求的提升。2017 年第一季度，有一座新项目竣工，且全市租金保持稳定。鉴于苏州中心即将于第二季度竣工，全市空置率或将上升至历史新高。这将为租户提供升级至更高品质楼宇办公的机会。

预测一览表



需求

苏州中心的竣工将刺激需求，尤以金融与高科技行业为甚



供应

包括苏州中心在内的另两个项目将于 2017 年竣工，市场存量将随之扩增 12%



空置率

空置率或因新项目的入市由目前的 22.3% 上升至 25% 的历史新高



租金

高力国际预测业主将提供租金折扣以保留现有租户，但 2017 年平均租金仍将因新项目之高于平均水平水平的租金同比上涨 3.1%

One new project completed

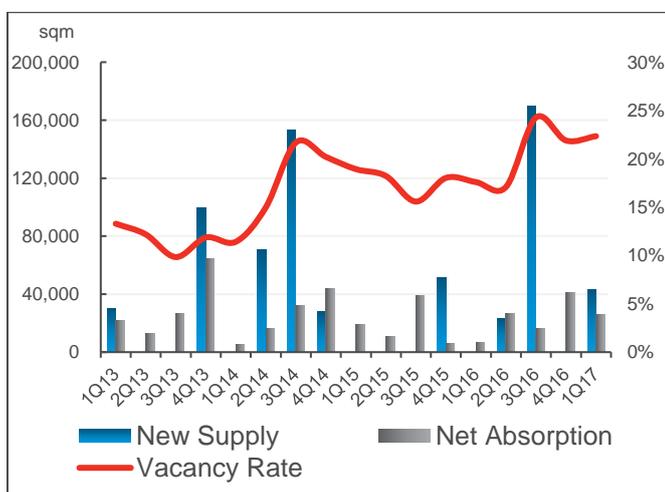
Hengyu Property Phase III was completed in Q1 2017 quarter, adding 43,000 sq m (459,000 sq ft) of office space to SIP (Lake East). Thus, the total stock of Suzhou's prime office market expanded by 2.5% to approximately 1.8 million sq m (19.2 million sq ft). The mixed-use project is located on Wangdun Street, surrounded by bank headquarters. Notably, the project is available for both lease and strata-titled purchase.

Net absorption decreased, but market remained active

Demand for Suzhou's prime office space slowed from the previous quarter but remained active, with net absorption of approximately 25,776 sq m (275,000 sq ft). Demand from internet and hi-tech clients for prime office space increased, reflecting government support, their increasing encroachment on the finance sector, and their need to upgrade their corporate image and working environment. However, the average vacancy rate rose by 0.4 percentage points to 22.3% given the completion of the new project.

By submarket, SIP (Lake East) recorded the highest net absorption at about 16,000 sq m (171,000 sq ft), though its vacancy rate increased by 2.4 percentage points QOQ to 27.6% due to the new completion. In SIP (Lake West), the vacancy decreased by 1.4 percentage points QOQ to 25.3%, following absorption at The Summit and Trirun Fortune Plaza.

Figure 1 Suzhou Prime Office New Supply, Net Absorption and Vacancy



Source: Colliers International

一座新项目入市

2017 年第一季度，恒宇三期竣工，为苏州工业园区（湖东）新增 43,000 平方米(45.9 万平方英尺)写字楼面积。因此，苏州优质写字楼市场总存量扩增 2.5%至约 180 万平方米(1,920 万平方英尺)。该综合体项目位于旺墩道，四周环绕各银行总部。值得关注的是，该项目租售皆宜。

净吸纳量减少，但市场依旧活跃

苏州优质写字楼市场需求较上季度放缓，但仍保持活跃，录得净吸纳量约 25,776 平方米 (27.5 万平方英尺)。随着政府对互联网及高科技行业的支持、愈多该类企业涉足金融业以及其对升级企业形象与工作环境的需求，该类企业对优质写字楼的需求提升。然而，全市平均空置率因新项目的入市而上升 0.4 个百分点至 22.3%。

按子市场，苏州工业园区(湖东)录得最高净吸纳量，约 16,000 平方米(17.1 万平方英尺)，但其空置率因新项目的入市环比上升 2.4 个百分点至 27.6%。在苏州工业园区(湖西)，空置率随苏悦广场及兆润财富中心去化环比下降 1.4 个百分点至 25.3%。

图 1 苏州优质写字楼新增供应、净吸纳量及空置率



数据来源：上海高力国际研究部

Notable leasing transactions included: an internet company's and JDI Electronics' new leases of 2,000 sq m and 770 sq m in Trirun Fortune Plaza; OfficeStar's new lease of 2,450 sq m in Modern Media Plaza; Foriseland Real Estate and a financial company's new lease of 1,100 sq m and 550 sq m in Jinghope Plaza (East Tower); China Taiping and an investment company's new lease of 1,235 sq m and 560 sq m in Harmony City; a trading company and a human resource consultancy firm's new leases of 1,370 sq m and 700 sq m at Shin Kong Place; and two consultancy firms' lease of 400 sq m in The Summit (South Tower).

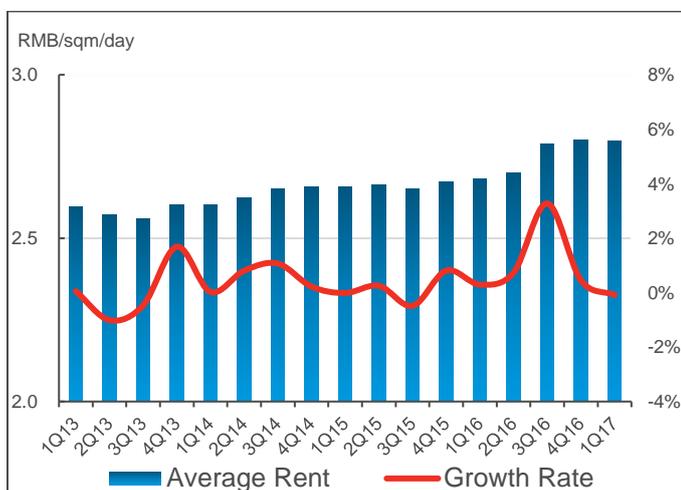
Rent remained stable

The average rent of Suzhou's prime office market was largely stable at RMB2.8 (USD0.41) per square metre (psm) per day, a slight decrease (0.1%) from the previous quarter, mainly due to the below average rent of the new supply. Rent in other submarkets remained stable.

No en-bloc sales in Q1 2017

No en bloc sales transactions were disclosed in Q1 2017. End users continued to make strata-titled purchases, as seen with a listed company's purchase of approximately 8,000 sq m (85,400 sq ft) in Hengyu Property Phase III.

Figure 2 Suzhou Prime Office Rent and Growth Rate



Source: Colliers International

其它瞩目的租赁交易包括：一家互联网公司与晶端显示贸易有限公司分别于兆润财富中心新租 2,000 和 770 平方米；星辰商务于现代传媒大厦新租 2,450 平方米；复华置地与一家金融公司各自于晋合广场(东塔)新租 1,100 和 550 平方米；中国太平及一家投资公司分别于圆融星座新租 1,235 和 560 平方米；某贸易公司与人力资源顾问公司分别于新光天地新租 1,370 和 700 平方米；以及两家咨询公司于苏悦广场(南楼)新租 400 平方米。

租金保持稳定

苏州优质写字楼市场平均租金大体维稳于人民币 2.8 元（0.41 美元）每天每平方米，较上季度微幅下降 0.1%，主要由新项目之低于平均水平租金所致。其余子市场租金保持稳定。

2017 年第一季度，无整售交易

2017 年第一季度，无整售交易公布。终端客户仍以购置散售物业为主，一家上市公司于恒宇三期购置约 8,000 平方米(85,400 平方英尺) 物业之交易中可见一斑。

图 2 苏州优质写字楼租金及增长率



数据来源：上海高力国际研究部

Spike in vacancy rate as major project is completed

The major project Suzhou Centre is expected to complete in Q2 2017, adding 174,000 sq m (1.86 million sq ft) to Suzhou's prime office market. This will lead to a spike in the city's average vacancy rate in the short term, and should present an opportunity for tenants, who may be able gain negotiating power to upgrade to higher-quality buildings. This will be reinforced by an additional 40,000 sq m (427,000 sq ft) added in the SND submarket (at Hengye Platinum Building), also in Q2.

We expect the above-average rent of Suzhou Centre will pull up the overall rental level, though it will be limited by rental discounts associated with the opening period.

Meanwhile, we expect stable properties in desirable locations are expected to make upward adjustments to their rental levels. In total, we expect net absorption in 2017 to break 120,000 sq m (12.8 million sq ft), as new projects stimulate demand, as well as continuous supporting from finance, professional service, IT and Hi-tech industry at existing projects.

空置率因重点项目入市将大幅升高

重点项目苏州中心将于 2017 年第二季度入市，为苏州优质写字楼市场新增 17.4 万平方米(186 万平方英尺)。这将导致短期内全市平均空置率大幅攀升，但对租户而言，或将成为升级至更高品质楼宇时获得有利谈判立场的机会。此外，该效应或将随第二季度高新区内另一 40,000 平方米(42.7 万平方英尺)新项目(恒业铂金大厦)的入市而增强。

高力国际预测苏州中心之高于平均的租金将抬高整体租金水平，但受抑于入市初期业主提供的租金折扣。

同时，我们预测位于优质地段且收益稳定的项目将上调其租金水平。整体而言，高力国际预测 2017 年，因新项目对需求的刺激效应以及金融、专业服务、IT 与高科技行业对现有项目的支撑，净吸纳量将突破 12 万平方米(1,280 万平方英尺)。

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