

New supply to boost market competition

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Suzhou's GDP grew by 7.0% YOY to RMB829.0 billion (USD 123.2 billion) in H1 2017, according to the Suzhou Statistics Bureau. Suzhou's office market was stable, and average rent continued to grow. We expect new projects will be completed in both SIP (Lake West) and SIP (Lake East) in H2 2017, stimulating further rivalry between similar projects and giving tenants more negotiating power to upgrade to higher quality buildings.

Forecast at a glance



Demand

We expect net absorption will break 130,000 sq m, stimulated by the completion of Suzhou Centre.



Supply

We expect more than 160,000 sq m (1.72 million sq ft) of prime office space to be finished in H2, boosting market stock by 8.5%. Average supply over 2018-2021 should be 160,000 sq m each year.



Vacancy rate

The vacancy rate should rise by 1-2 percentage points from the current 25.5% in 2017. We expect the vacancy rate will continue to rise in 2018, and start to decrease over 2019-2021.



Rent

We expect average rent to rise by 1.0%-3.0% each year over 2017-2021 as more high quality projects are launched.

新增供应加剧市场竞争

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据苏州市统计局, 2017 年上半年, 全市地区生产总值同比增长 7.0% 至人民币 8,290 亿元 (1,232 亿美元)。苏州写字楼市场持续稳定, 平均租金保持上扬态势。我们预测 2017 年下半年苏州工业园湖东和湖西均将录得新项目, 导致相似项目之间竞争加剧, 为租户在升级至更高品质楼宇时获得更强的议价能力。

预测一览表



需求

受苏州中心竣工所刺激, 我们预测净吸纳量将突破 13 万平方米



供应

我们预测将有逾 16 万平方米 (172 万平方英尺) 的优质写字楼面积于下半年竣工, 推动市场存量扩增 8.5%。2018-2021 年年均新增供应将超过 16 万平方米



空置率

2017 年, 空置率将由目前的 25.5% 上升 1-2 个百分点。我们预测 2018 年空置率将继续上升, 并于 2019-2021 年开始下降



租金

随更多高品质项目的竣工, 我们预测 2017-2021 年间平均租金年均涨幅为 1.0%-3.0%

Two new supply

Tower A of Suzhou Centre in SIP (Lake West) and Hengye Platinum Building in SND were completed in Q2 2017, adding 103,000 sq m (1.11 million sq ft) of effective GFA to Suzhou's prime office market. Hengye was the first building in SND since 2012. As a result, the city's total stock increased by 8.4% QOQ to 1.88 million sq m (20.2 million sq ft).

SIP (Lake East) recorded the highest net absorption

Demand for Suzhou's prime office space slowed from the previous quarter but remained active, with net absorption of approximately 22,503 sq m (242,132 sq ft). Demand from real estate, finance and professional service sectors was strong, accounting for 62% of total net absorption. However, the average vacancy rate rose by 3.2 percentage points to 25.5% given the low occupancy rate of new projects.

By submarket, SIP (Lake East) recorded the highest net absorption at approximately 17,000 sq m (182,920 sq ft), and its vacancy rate decreased by 2.5 percentage points QOQ to 25.1%. In SIP (Lake West) and SND, the vacancy rate increased by 5 and 12.2 percentage points QOQ to 30.3% and 20.5% respectively due to the completion of new projects.

两座新项目

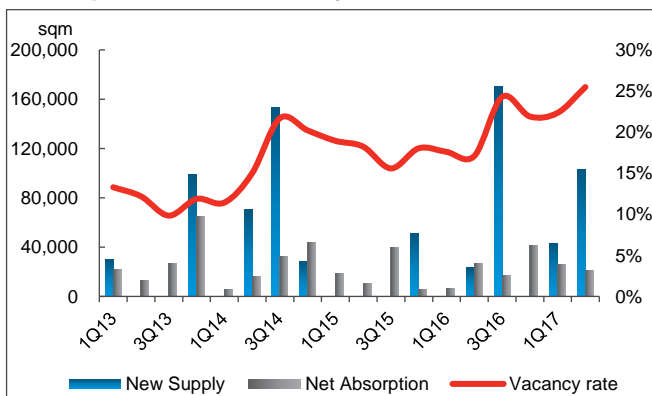
2017年第二季度，苏州工业园区(湖西)的苏州中心A塔以及高新区的恒业铂金大厦竣工交付，为苏州优质写字楼市场新增10.3万平方米(111万平方英尺)有效面积。恒业铂金大厦是高新区自2012年以来首个新项目。因此，全市总存量环比扩增8.4%至188万平方米(2,020万平方英尺)。

苏州工业园区(湖东)录得最高净吸纳量

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22,503平方米(24.2万平方英尺)。源于房地产、金融和专业服务行业需求强劲，占总净吸纳量的62%。尽管如此，平均空置率因新项目之低入驻率而上升3.2个百分点至25.5%

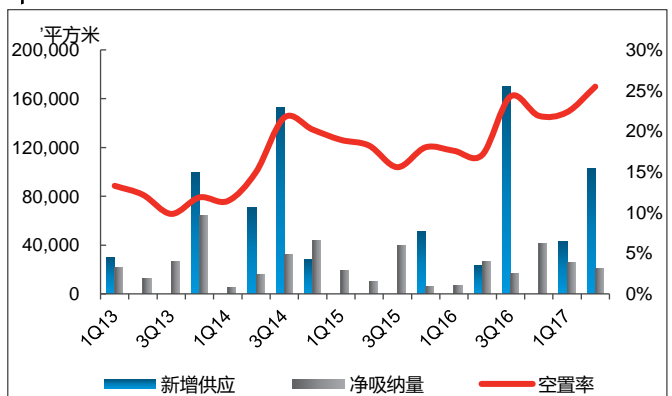
按子市场，苏州工业园区(湖东)录得最高净吸纳量，约17,000平方米(18.3万平方英尺)，空置率环比下降2.5个百分点至25.1%。在苏州工业园(湖西)和高新区，空置率随新项目的竣工分别环比上升5和12.2个百分点至30.3%和20.5%。

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



Source: Colliers International

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: 高力国际

Notable leasing transactions included: Aeon Life Insurance and iKand Group new leases of 3,000 sq m and 1,040 sq m in Trirun Fortune Plaza; Ernst & Young, Future Land Group and CIFI Real Estate's new leases of 2,450 sq m, 2,450 sq m and 3,130 sq m in Modern Media Plaza; China Construction and a finance firm's new leases of 530 sq m each in The Summit (South Tower); and a finance firm's new leases of 700 sq m at Shin Kong Place.

瞩目的租赁交易包括：百年人寿和爱康集团分别于兆润财富中心新租 3,000 和 1,040 平方米；安永华明会计师事务所、新城控股集团以及旭辉地产于现代传媒大厦分别新租 2,450、2,450 和 3,130 平方米；中国建设和一家金融公司于苏悦广场（南楼）分别新租 530 平方米；以及一家金融公司于新光天地新租 700 平方米。

Rent edged up

The average rent of Suzhou's prime office market was largely stable at RMB2.8 (USD 0.41) per square metre (psm) per day, a slight increase (0.8%) from the previous quarter, pulled up by the above-average rent of Suzhou Centre and an upward adjustment of one project in SIP (Lake East).

租金小幅上涨

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，较上季度小幅上涨 0.8%，主要系苏州中心之高于平均水平的租金以及苏州工业园区（湖东）一座项目上调租金所致。

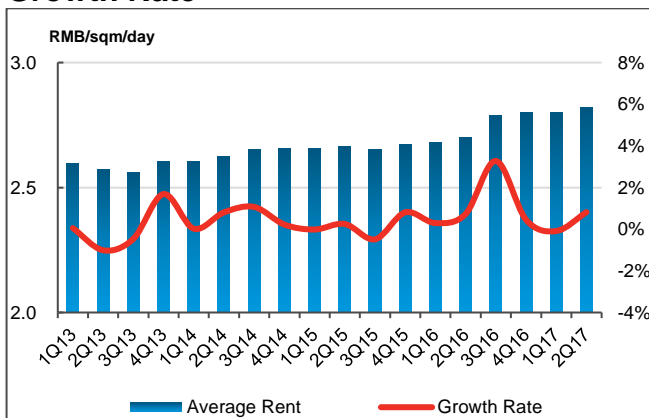
No en bloc sales

No en bloc sales transactions were disclosed in Q2 2017. In the strata-titled market, office areas between 80-160 sq m (860-1,720 sq ft) were attractive to end-users or investors as seen with sales in two projects in SIP (Lake East).

无整售交易

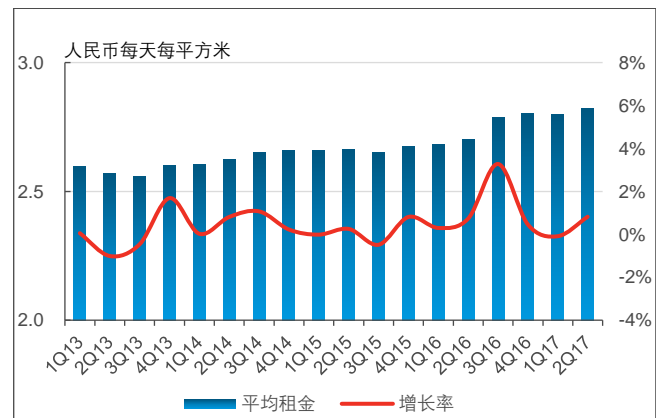
2017 年第二季度，无整售公布。散售市场中，面积在 80-160 平方米（860-1720 平方英尺）的写字楼受终端客户与投资者所青睐，苏州工业园区（湖东）两座项目的散售成交中可见一斑。

Figure 2 : Suzhou Prime Office Rent and Growth Rate



Source: Colliers International

图2：苏州优质写字楼子市场租金及增长率



数据来源：高力国际

Completion of major projects will mean more competition

重点项目竣工将意味竞争加剧

We expect more than 160,000 sq m (1.72 million sq ft) of prime office space will be completed over the rest of 2017. Since these projects have started pre-leases in 2016, we expect net absorption will break 130,000 sq m (1.40 million sq ft) in 2017. However, demand is still being outpaced by supply in 2017, and the vacancy rate will continue to increase by 1-2 percentage points to 27%. In 2018-2019, four projects with approximately 320,000 sq m (200,000 sq m in SIP (Lake East) and 117,000 sq m in SND) will be completed, and the vacancy rate should continue to rise in 2018 and start to decrease in 2019.

As a result, increasing competition between similar projects will give tenants more negotiating power to upgrade to higher quality buildings. We expect rental incentives are expected in less competitive projects. However, we expect the average rent will rise by 2.0%-3.0% in 2017 as Towers C and D of Suzhou Centre are launched with the market's highest rent. For 2018-2019, we expect the average rent will continue to grow by 1.0%-2.0%.

2017年下半年,我们预测将逾16万平方米(172万平方英尺)的优质写字楼面积即将竣工。因这些项目已于2016年开始预租,我们预测2017年净吸纳量将突破13万平方米(140万平方英尺)。然而,2017年需求始终未能超越供应,空置率将继续上升1-2个百分点至27%。2018-2019年,合计建筑面积32万平方米的四个新项目将交付(20万平方米位于苏州工业园区(湖东)以及11.7万平方米位于高新区),2018年空置率将继续上升,并于2019年开始下降。

有鉴于此,相似项目之间的加剧竞争,将给予租户在升级至更高品质楼宇时更好的议价能力。预计竞争力相对较弱的项目将给予租金优惠。但是,我们预测2017年平均租金将随拥有市场最高租金水平的苏州中心C、D塔交付而上涨2.0%-3.0%。2018-2019年,我们预测平均租金仍将上涨1.0%-2.0%。

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