

# Rent edges down 租金小幅下降

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**Wuhan's office market remained stable and over Q2 2017 and no new projects were completed. The city's average rent decreased slightly amidst rising competition between new projects from Q4 last year. We expect rent will decrease by 3%-4% over H2 2017 due to heavy new supply. We expect continued heavy new supply over 2018-2021 which will push up vacancy and depress rent levels. This should present an opportunity for tenants to upgrade to higher-quality buildings. That said, demand has been firm, so positive surprises are possible.**

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2017 年第二季度，武汉写字楼市场保持稳定，无新增供应竣工。因 2016 年第四季度入市的新增项目之间竞争加剧，全市平均租金小幅下调。随 2017 年下半年大量新项目之竣工，我们预测租金将继续下降 3%-4%。同时，我们预测 2018-2021 年间大量新增供应的持续入市将推升空置率，并抑制租金水平。这将给予租户升级至更高品质楼宇办公的机会。即便如此，需求保持强劲，未来市场乐观可期。

## Forecast at a glance



### Demand

We expect net absorption will break 200,000 sq m over 2017, stimulated by new supply.



### Supply

We expect an average of 440,000 sq m of new supply will be completed in the next four years, while the total stock in 2021 will be twice as much as in 2016.



### Vacancy rate

The vacancy rate should increase from 30.3% at end-Q2 to the 38%-40% range by 2021.



### Rent

We expect rent to decrease by 4-6% over 2017-2018 amidst increasing competition, and then show steady growth of 2%-3% over 2019-2021.

## 预测一览表



### 需求

受新项目所刺激，我们预测净吸纳量将突破 20 万平方米



### 供应

我们预测未来四年将有年均 44 万平方米的新项目竣工，届时 2021 年总存量较 2016 年翻番



### 空置率

2021 年，空置率将由第二季度末的 30.3% 上升至 38%-40% 范围内



### 租金

2017-2018 年间，租金或因竞争的加剧于而下降 4%-6%，2019 至 2021 年，又将保持 2%-3% 的稳定增长态势

## No new supply

No new projects were completed in Q2 2017, and the total stock of Wuhan's prime office market remained at 2.06 million sq m (22.2 million sq ft). East Lake CBD was the largest submarket by office area, accounting for nearly 31% of the city's total stock, followed by Jianshe Avenue (24%).

## The market continued to digest new supply from 2016

Wuhan's GDP grew by 7.5% YOY to RMB601.9 billion (USD 89.4 billion) in Q2 2017, accelerating by 0.6 percentage points QOQ, according to the Wuhan Statistics Bureau. The value of the tertiary (services) sector grew 8.2% YOY, accelerating by 0.1 percentage point.

Demand for Wuhan's prime office space remained stable. Net absorption decreased by 37% QOQ over Q2 to 29,000 sq m (312,000 sq ft), although this represented a 59% increase YOY. Demand from finance, IT and real estate was strong. Notably, demand from the trade and education sectors for quality office projects increased as companies upgraded their corporate image. The city's overall vacancy rate decreased by 1.4 percentage points QOQ to 30.3%.

By submarket, East Lake CBD had the highest net absorption at 12,439 sq m (133,843 sq ft), followed by Hankou CBD (7,327 sq m or 78,838 sq ft) and Jianshe Avenue (5,520 sq m or 59,395 sq ft). On the other hand, Wuguang recorded negative net absorption for the eighth consecutive quarter, as tenants relocated to new projects in other submarkets.

Notable leasing transactions included: an IT company's new lease of 1,000 sq m at Corporate Centre T3; an investment company, Fubon Bank and Toutiao's new leases of 3,600 sq m, 1,800 sq m and 1,800 sq m respectively at Great Wall Complex T1; ThoughtWorks's new lease of 1,930 sq m at Poly International; and 51Talk's new lease of 2,500 sq m at Yuexiu Fortune Centre.

## 无新增供应

2017年第二季度，无新增供应竣工，武汉优质写字楼市场总存量维持206万平方米（2,220万平方英尺）。就写字楼体量而言，东湖CBD为最大子市场，占全市写字楼总存量31%，建设大道次之（24%）。

## 市场持续消化 2016 年新项目

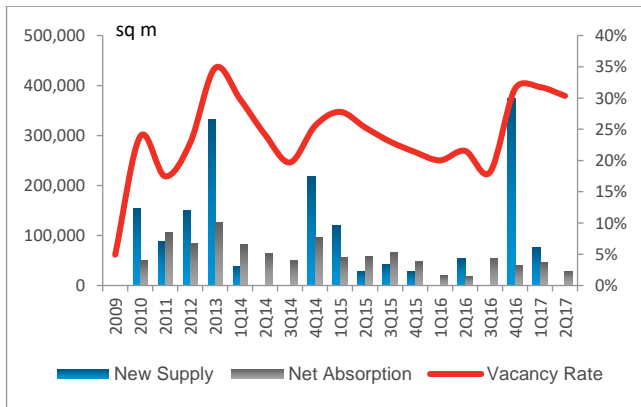
据武汉市统计局，截至2017年第二季度，全市地区生产总值同比增长7.5%至人民币6,019亿元（894亿美元），增速环比提升0.6个百分点。第三产业增加值同比增长8.2%，增速加快0.1个百分点。

季内，武汉优质写字楼市场需求保持稳定。净吸纳量环比下降37%，但同比增长59%至29,000平方米（31.2万平方英尺）。源于金融、IT以及房地产的需求强劲。值得注意的是，源于贸易及教育行业因企业形象升级，其对优质写字楼项目的需求有所提升。全市平均空置率环比下降1.4个百分点至30.3%。

按子市场，东湖CBD录得最高吸纳量，为12,439平方米（13.4平方英尺），汉口CBD（7,327平方米或7.9万平方英尺）以及建设大道（5,520平方米或5.9万平方英尺）位居其后。另一方面，武广区域由于租户迁址至其它子市场的新项目中而连续八个季度录得负净吸纳量。

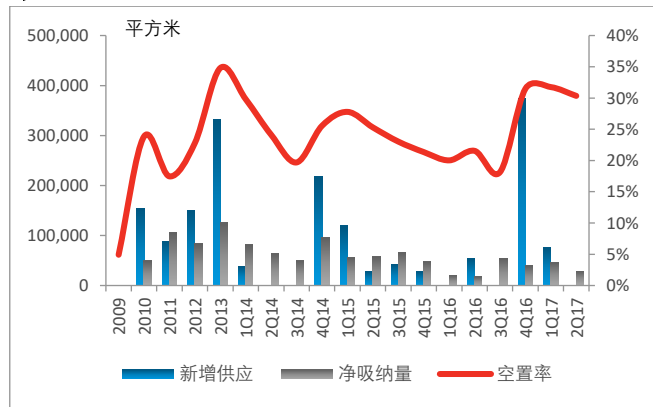
瞩目的租赁交易包括：一家IT公司于企业中心3号新租1,000平方米；一家投资公司、富邦华一银行以及今日头条于长城汇T1分别承租3,600、1800及1800平方米；思特沃克于光谷保利广场新租1,930平方米；以及无忧英语于越秀财富中心新租2,500平方米。

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



Source: Colliers International

**图1：武汉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

## Rent edged down due to increasing competition

The average rent of Wuhan's prime office market decreased by 0.8% in Q2 to RMB105.5 (USD 15.6) per square metre (psm) per month from the previous quarter, amidst increasing competition. One project in East Lake CBD recorded rental growth this quarter, due to strong upgrade demand in that area.

## 竞争加剧致使租金小幅下调

季内，武汉优质写字楼市场竞争加剧，致使平均租金环比下降 0.8% 至人民币 105.5 元每月每平方米。东湖 CBD 一座项目于季内录得租金涨幅，缘于区域内升级需求强劲。

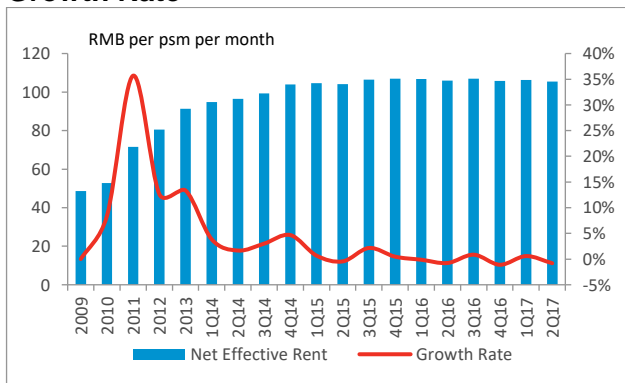
## No en bloc sales

No en bloc sales transactions were disclosed in Q2 2017. Investment opportunities for en bloc sales remained limited as landlords of new projects preferred a hold and lease strategy for long-term returns. Investors appear cautious in the short term given the looming oversupply.

## 无整售交易

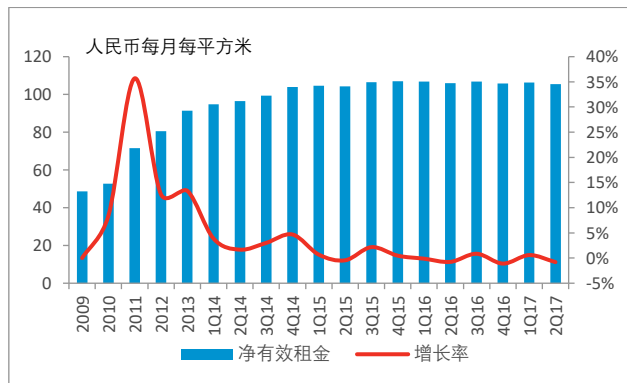
2017 年第二季度，无整售交易公布。新项目业主更倾向于自持资产以获取长期租金收益，致使市场可供整售或投资项目稀缺。同时，考虑到市场可能存在供应过剩，投资者于短期愈发谨慎。

**Figure 2 Wuhan Prime Office Rent and Growth Rate**



Source: Colliers International

**图2 武汉优质写字楼子市场租金及增长率**



数据来源：高力国际

## Tenant-led market will persist

We expect that four projects with approximately 290,000 sq m (3.12 million sq ft) of office space will be completed in the second half of 2017, and predict more than 440,000 sq m (4.73 million sq ft) of new supply each year from 2018-2021. This means that the total stock in 2021 will be twice the level of end-2016, at 4.1 million sq m (44.1 million sq ft). Thus, the market should favour tenants more strongly. We expect average rent to decrease by 4-6% in 2017-2018 amidst increasing competition, but then show steady growth of 2%-3% over 2019-2021.

However, we expect certain buildings to outperform the market and achieve rental gain. These buildings typically offer a high-standard of quality in both construction and management, and are usually held in a single ownership structure. Demand from the IT, trade and finance sectors for these office projects ought to remain strong given the need of occupiers in those sectors for better working environments. Due to firm demand, we expect that net absorption will show a large increase in H2 2017 despite our assumption of an increase in the overall vacancy rate to the 33%-34% range by year-end. For 2018-2021, we expect the net absorption will remain at a high level (200,000 to 280,000 sq m).

## 租户市场或将持续

高力国际预测将有合计写字楼面积 29 万平方米（312 万平方英尺）的四个新项目于 2017 年下半年竣工入市，且 2018-2021 年间年均新增供应超过 44 万平方米。这将意味 2021 年总存量较 2016 年底总存量翻番，为 410 万平方米（4,410 万平方英尺）。因此，市场将更倾向于租户方，市场竞争加剧，租金将于 2017-2018 年间下降 4%-6%，但 2019-2021 年间将稳定 2%-3% 的涨幅。

尽管如此，我们预测若干楼宇的表现仍将优于整体市场并实现创收。这些楼宇通常拥有高建筑规格及管理质量，且通常为单一业主产权持有。源于 IT、贸易以及金融行业为改善其办公环境对此类项目的需求将保持强劲。我们预测净吸纳量于 2017 年下半年有较大幅度提升，但空置率将上升至 33%-34% 范围内。2018-2021 年，我们预测净吸纳量将保持高位（20 万-28 万平方米）。

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