

Rising supply just outweighs solid demand

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In Q1 2017, Beijing's Grade A office market remained stable. Leasing demand mainly came from the finance, IT and service sectors. The completion of two new projects pushed up the overall vacancy rate and the average rent. Looking forward, the heavy future supply that we predict should drive the city's vacancy rate to increase in the coming quarters. Although certain future projects command above-average rents, we believe that landlords of existing projects will need to be more flexible in rental negotiations in order to compete. Accordingly, we predict a minor average decline in rents over the period of 2017-2019.

Forecast at a glance



Demand

Despite the strong Beijing economy, we expect growth in demand to lag behind growth in office supply



Supply

Eight projects with an office GFA of 678,000 sq m are planned to enter the market in the rest of 2017



Vacancy rate

Colliers predicts the city's average vacancy rate to increase to 13.0% at end-2019 given the large amount of new supply



Rent

We predict an average annual rental decline of 0.5% between 2017 and 2019

需求稳健，供应增长快于需求

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2017年第一季度，北京甲级写字楼市场保持稳定。租赁需求主要来源于金融、IT和服务行业。两个新项目完工入市，推升整体空置率与平均租金。展望未来，我们预计大量的新增供应将在未来若干季度内致使全市空置率上升。尽管若干新增项目收取高于平均水平的租金，我们认为现存项目的业主需在租金谈判上更为灵活以应对竞争。有鉴于此，我们预测在2017-2019年期间，平均租金将小幅下降。

预测一览表



需求

尽管北京经济强劲，我们预计写字楼的需求增长将滞后于供应增长



供应

建筑面积为67.8万平方米的八个项目计划于2017年余下时间内入市



空置率

鉴于大量的新增供应，高力国际预测全市平均空置率将于2019年末上升至13.0%



租金

我们预测2017年至2019年间的平均租金年增长率为-0.5%

Strong tertiary industry in Beijing

Beijing's year-on-year real GDP growth was 6.9% in Q1 2017, an acceleration of 0.2 percentage points compared to 6.7% for 2016, according to the Beijing Statistics Bureau. The tertiary industry output increased by 6.6% YOY to about RMB493.2 billion (USD71.6 billion) and accounted for 82% of total GDP.

Two new projects were completed

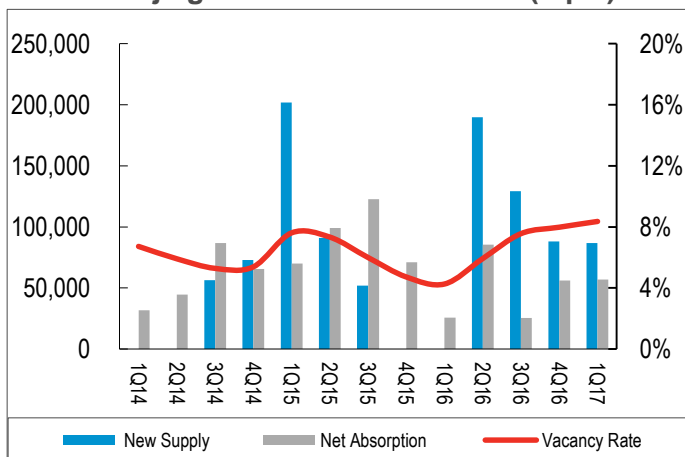
Two Grade A office projects were completed during Q1 2017, Emperor Group Centre in the East Chang An Avenue submarket and Central Park Plaza A1 in the Lufthansa submarket. These two projects added 86,700 sq m (933,231 sq ft) of office space to Beijing's office leasing market, leading the city's total stock to expand by 1.5% QOQ to 6.06 million sq m (65.2 million sq ft).

The overall vacancy rate edged up to 8.4%

Leasing demand in Beijing's Grade A office market was stable in Q1 2017. Net absorption rose by 1.1% QOQ to nearly 57,000 sq m (613,500 sq ft) and was focused on new projects and certain existing projects with high vacant space. The average vacancy rate rose by 0.4 percentage points QOQ to 8.4% due to new supply. Excluding the effect of new supply, the vacancy rate edged down by 0.6 percentage points QOQ.

By submarket, the vacancy rate in Wangjing declined by 3.5 percentage points QOQ to 20.5% as recently completed projects with available high-quality space and reasonable rents attracted new leases and prompted occupiers to relocate, notably high-tech and investment

New Supply, Net Absorption and Vacancy Rate of the Beijing Grade A Office Market (sq m)



Source: Colliers International

北京第三产业强劲

据北京市统计局，2017 年第一季度北京市生产总值同比增速为 6.9%，较 2016 年的 6.7% 上升 0.2 个百分点。第三产业产值同比增长 6.6% 至约人民币 4,932 亿元（716 亿美元），占生产总值的 82%。

两个新项目完工入市

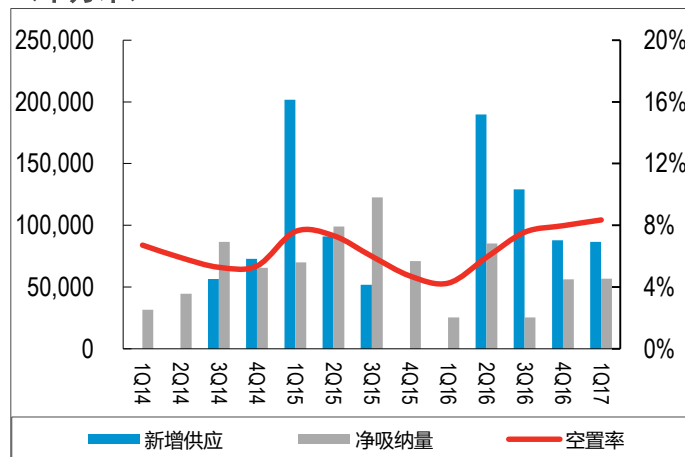
两个甲级写字楼于 2017 年第一季度完工入市，位于东长安街子市场的英皇集团中心和位于燕莎子市场的骏豪中央公园广场 A1 座。这两个项目为北京写字楼租赁市场带来 86,700 平方米（933,231 平方英尺）的写字楼面积，致使全市总存量环比扩大 1.5% 至 606 万平方米（6,520 万平方英尺）。

整体空置率小幅上升至 8.4%

2017 年第一季度北京甲级写字楼市场租赁需求稳定。净吸纳量环比上升 1.1% 至约 57,000 平方米（613,500 平方英尺）并且集中于新项目与空置率较高的现存项目中。新增供应致使平均空置率环比上升 0.4 个百分点至 8.4%。除却新增供应的影响，空置率环比下降 0.6 个百分点。

就子市场而言，望京空置率环比下降 3.5 个百分点至 20.5%，因拥有高品质空间和合理租金的近期完工入市的项目吸引新租并促使租户搬迁，尤其是高科技与投资公司。

北京甲级写字楼市场新增供应、净吸纳量和空置率（平方米）



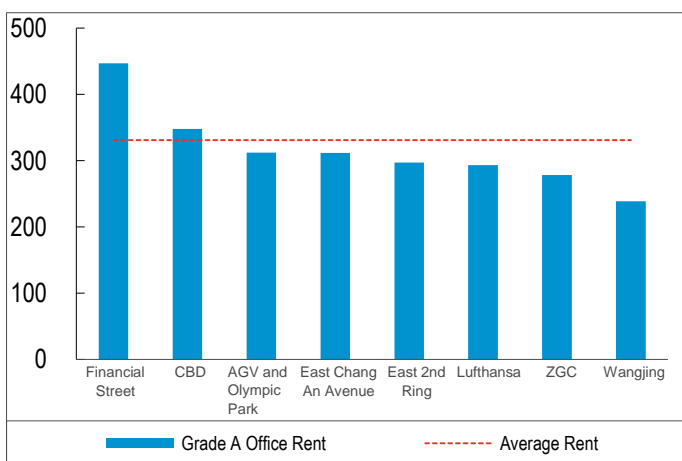
数据来源：高力国际

companies. In Zhongguancun, supported by sustained demand from IT and internet-related companies, the vacancy rate declined by 1.1 percentage points QOQ to 2.2%. Vacancy rates in the East Chang An Avenue submarket and Lufthansa submarket were pushed up by the new completion to 12.8% and 10.9% respectively. The CBD saw the vacancy rate edge up 0.1 percentage point to 4.8% due to tenant withdrawals.

Leasing demand mainly came from finance, IT and service sectors

Finance, IT and service companies were the major sources of demand. During this quarter, domestic asset management, insurance and securities companies recorded a number of large-size leasing transactions, including: China Huarong's new lease of approximately 20,000 sq m (215,278 sq ft) at Emperor Group Centre; Ping An Life Insurance's relocation of 4,700 sq m (50,590 sq ft) to World Financial Centre; and June Life Insurance's relocation of 3,640 sq m (39,181 sq ft) to China Overseas Plaza. Despite continuous office space consolidation and relocation activity in Beijing's Grade A office market given the cost concerns, leasing demand from the IT and service sectors was active in Q1 2017. Both domestic companies and multinational corporations (MNCs) in these sectors contributed to several representative leasing transactions, including: Airbnb's expansion of 4,500 sq m (48,438 sq ft) at World Financial Centre; Wanda Cultural Industry Group's renewal of 3,500 sq m (37,674 sq ft) at Gemdale Plaza; and Morrison Foerster LLP's relocation of 1,500 sq m (16,146 sq ft) to World Financial Centre. Notably, the international flexible workspace operator WeWork launched operations in Beijing during Q1, opening a 4,000 sq m (43,056 sq ft) workspace at Guanghua Office Park.

Beijing Grade A Office Rent by Submarket (RMB psm per month)



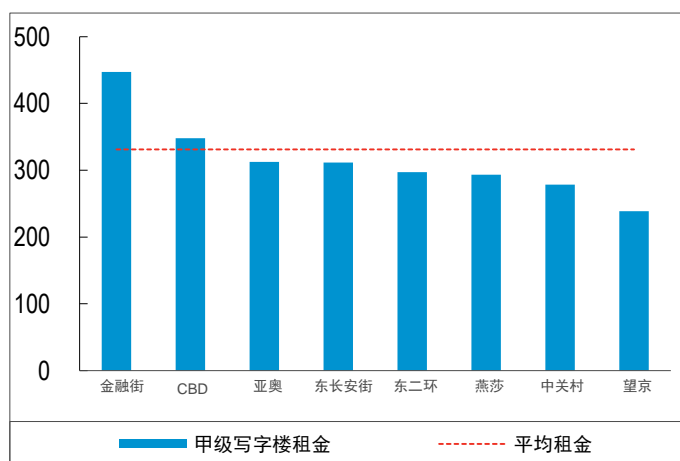
Source: Colliers International

中关村子市场内，受来自 IT 和互联网相关公司持续需求的支持，空置率环比下降 1.1 个百分点至 2.2%。新项目分别推升东长安街子市场和燕莎子市场空置率至 12.8% 和 10.9%。由于租户退租，CBD 的空置率小幅上升 0.1 个百分点至 4.8%。

租赁需求主要来源于金融，IT 与服务行业

金融，IT 与服务行业是需求的主要来源。季内，内资资产管理、保险与证券公司录得多宗大面积租赁交易，包括：中国华融于英皇集团中心新租约 20,000 平方米（215,278 平方英尺）；平安人寿搬迁至环球金融中心并承租 4,700 平方米（50,590 平方英尺）；以及君康人寿搬迁至中海广场并承租 3,640 平方米（39,181 平方英尺）。尽管出于对成本因素的考量，北京甲级写字楼市场持续出现办公空间整合和搬迁的活动，但 2017 年第一季度来自 IT 和服务行业的租赁需求活跃。这些行业内的内资与跨国企业均促成若干代表性的租赁交易，包括：爱彼迎搬迁至环球金融中心并扩租至 4,500 平方米（48,438 平方英尺）；万达文化产业集团于金地中心续租 3,500 平方米（37,674 平方英尺）；美富律师事务所搬迁至环球金融中心并承租 1,500 平方米（16,146 平方英尺）。值得一提的是，国际联合办公运营商 WeWork 于第一季度开始运营，在远洋光华国际开设面积为 4,000 平方米（43,056 平方英尺）的办公空间。

北京甲级写字楼子市场租金（人民币每月每平方米）



数据来源：高力国际

The average rent was pulled up by two new projects

The average rent in Beijing increased by 0.2% QOQ to RMB331.3 (USD48.1) per square metre (psm) per month, mainly owing to the above average rent at the two new projects in the East Chang An Avenue and Lufthansa submarkets. As a result, the average rent in these two submarkets increased by 2.8% and 0.7% QOQ to RMB311.5 (USD45.2) and RMB293.3 (USD42.6) psm per month respectively. Excluding the effect of new supply, the average rent remained more or less flat compared to the previous quarter. Due to the limited leasing space and stable demand, average rent in both the Financial Street and Zhongguancun submarkets edged up by 0.2% QOQ to RMB447.1 (USD64.9) psm per month and RMB278.5 (USD40.4) psm per month respectively. Average rent dropped by 0.1% QOQ to RMB348.1 (USD50.5) psm per month in the CBD submarket as certain landlords increased brokers' commissions, offered rent concessions or other subsidies to attract new tenants or retain tenants. Rents in the Wangjing and AGV & Olympic Park submarkets remained at previous levels, i.e. RMB238.8 (USD34.6) and RMB312.5 (USD45.3) psm per month.

One investment transaction disclosed in Q1

Institutional investors continued to show their interest in purchasing properties with value-added potential, as reflected in one investment transaction disclosed during Q1 2017. Asia Resources acquired the office property (planned GFA of 8,335 sq m) of Beijing Convention and Exhibition International Port Project Phase III in Shunyi District for RMB220 million (USD32 million) for investment use. The project is scheduled to be completed in 2018.

Heavy new supply means landlords should be flexible in rent talks

Eight Grade A office properties with a total office GFA of approximately 680,000 sq m (7.32 million sq ft) are scheduled to be completed over the rest of 2017, including CWTC 3B in the CBD submarket and LSH Centre Tower B in the Wangjing submarket. This will expand the city's total stock to nearly 6.75 million sq m (72.7 million sq ft) by the end of 2017, if all these projects are completed as scheduled.

We predict that the heavy future supply will push up the city's overall vacancy rate from 8.4% to 13.0% at end-2019. Consequently, more enterprises, particularly MNCs

平均租金被两个新项目拉高

北京平均租金环比上涨 0.2 个百分点至人民币 331.3 元 (48.1 美元) 每月每平方米, 主要由于位于东长安街与燕莎子市场的两个新项目租金高于平均水平所致。因此, 这两个子市场内的平均租金分别环比上升 2.8% 和 0.7% 至人民币 311.5 元 (45.2 美元) 和人民币 293.3 元 (42.6 美元) 每月每平方米。除却新增供应的影响, 平均租金基本与上季度持平。由于需求稳定并且租赁面积有限, 金融街与中关村子市场的平均租金环比均小幅上涨 0.2% 至人民币 447.1 元 (64.9 美元) 和人民币 278.5 元 (40.4 美元) 每月每平方米。鉴于若干业主提高代理佣金和提供租金折扣或其他补贴以吸引新租或挽留租户, CBD 子市场的平均租金环比小幅下降 0.1% 至人民币 348.1 元 (50.5 美元) 每月每平方米。望京与亚奥子市场的租金维持上季度水平, 为人民币 238.8 元 (34.6 美元) 和人民币 312.5 元 (45.3 美元) 每月每平方米。

第一季度录得一宗投资交易

机构投资者持续表现出对购买有增值潜力物业的兴趣, 2017 年第一季度一宗投资交易的披露即系佐证。亚洲资源以人民币 2.2 亿元 (3,200 万美元) 收购位于北京会展国际港项目第三期的写字楼物业 (规划建筑面积 8,335 平方米) 作为投资用途。该项目计划于 2018 年完工。

大量新增供应意味着业主在租金谈判中或将更为灵活

写字楼建筑面积总计约 68 万平方米 (732 万平方英尺) 的八个甲级写字楼项目计划于 2017 年余下时间内入市, 包括位于 CBD 子市场的国贸三期 B 阶段和位于望京子市场的利星行中心 B 座。若这些项目如期完工, 全市总存量将于 2017 年底扩大至约 675 万平方米 (7,270 万平方英尺)。

我们预计大量的未来供应将致使全市整体空置率从 8.4% 上升至 2019 年末的 13%。出于对成本的考虑, 更多企业,

are showing a willingness to relocate from the core area to emerging areas or fringe CBD because of cost concerns. We expect the vacancy rate in areas such as CBD and East 2nd Ring to increase continuously.

In terms of rental performance, although certain future projects command above-average rents given their high building standards and prime location, we predict that landlords in a number of existing projects will become more flexible in rental negotiations, by offering incentives or better facilities in order to compete with future projects. As a result, Colliers forecasts the average rental growth to be constrained.

Major Leasing Transactions

MAJOR LEASING TRANSACTIONS Q1 2017		
PROPERTY	TENANT	INDUSTRY
Emperor Group Centre	China Huarong	Finance
World Financial Centre	Ping An Life Insurance	Finance
World Financial Centre	Airbnb	Internet
China Overseas Plaza	June Life Insurance	Finance
World Financial Centre	Morrison Foerster LLP	Professional service
Gemdale Plaza	Wanda Cultural Industry Group	Entertainment

Source: Colliers International

尤其是跨国企业表现出从核心区域向新兴区域或 CBD 边缘搬迁的意愿。我们预计 CBD 或东二环等地区的空置率将持续增加。

就租金表现来说，尽管部分项目租金因楼宇品质高和位置优越将高于平均水平，我们预计若干现存项目的业主在租金谈判上将更为灵活，通过提供优惠或更好的设施以期与未来项目竞争。因此，高力国际预测租金增长将受限。

主要租赁交易

2017 年第一季度主要租赁交易		
项目	租户	行业
英皇集团中心	中国华融	金融
环球金融中心	平安人寿	金融
环球金融中心	爱彼迎	互联网
中海广场	君康人寿	金融
环球金融中心	美富律师事务所	专业服务
金地中心	万达文化产业集团	文娱

数据来源：高力国际

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