

# High vacancy rate with continued rental correction

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Shenyang's prime office property market was soft in H1 2017. A new phase at an existing project was completed while one project was withdrawn from the market. The overall vacancy rate stayed at a high level. Average rent continued to edge down. Looking forward, amidst soft new demand Colliers expects that new projects will push up the already high vacancy rate. We think average rent will drop further due to continued competition among landlords.

## Forecast at a glance



### Demand

Relocation should account for a large portion of demand in the short to medium term



### Supply

Five new projects with a GFA of about 400,000 sq m (4.3 million sq ft) are expected to enter the market by end-2018, although there is a chance that the supply will be postponed



### Vacancy rate

We predict the overall vacancy rate of Shenyang prime office market will increase from 38% to 43% at end-2018



### Rent

Colliers expects a 2.4% decline in the average rent by end-2018 due to competition among landlords

# 高空置率及持续的租金调整

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2017 年上半年沈阳优质写字楼物业市场疲软。一现有项目的新区完工入市，而另有一项目退市。整体空置率处于高位。平均租金继续微降。展望未来，鉴于疲软的新增需求，高力国际预计新增供应或将推升已处于高位空置水平。我们认为鉴于业主间的持续竞争，平均租金将进一步降低。

## 预测一览表



### 需求

中短期内，搬迁或将占据大部分需求



### 供应

总体量约 40 万平方米（430 万平方英尺）的五个新项目有望于 2018 年底前完工入市，然而该些供应或有推迟可能



### 空置率

我们预测沈阳优质写字楼市场整体空置率将由目前的 38% 递增至 2018 年底的 43%



### 租金

高力国际预测由于业主间竞争，截至 2018 年底平均租金将进一步降低 2.4%

## One project was withdrawn in Q2

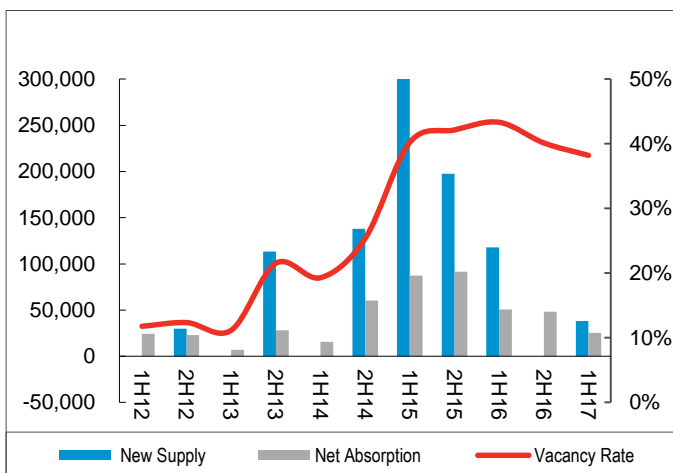
A new phase at an existing project entered into Shenyang's prime office property market in H1 2017: the middle zone of MY Time Centre in the Wulihe submarket. Meanwhile, China Overseas Plaza Tower F1 in Huanggu District was withdrawn from the market. As a result, the total stock decreased by 0.4% HOH to approximately 1.5 million sq m (16.1 million sq ft).

## Finance & insurance sectors as major demand generator

Demand was subdued in the first half of 2017. Leasing enquiries and transaction volumes both saw a decrease due to limited growth of new business setups in the city. Tenant relocations continued to account for a large portion of demand. Net absorption mainly focused on buildings completed in recent years and totalled about 25,000 sq m (269,000 sq ft), down 47.6% HOH. The overall vacancy rate saw a decrease of 1.9 percentage points HOH to 38.2%, mainly due to the retreat of the project with a relatively high vacancy rate.

Domestic companies from the finance and insurance sectors were the key demand generators. Regional financial institutions in the North Station CBD submarket showed slightly higher demand in H1 2017, as evidenced by NewUp Bank of Liaoning's lease of 4,000 sq m (43,000 sq ft) at Fortune Plaza Tower A and Ping An Puhui's lease of 800 sq m (8,600 sq ft) at Ping An Fortune Centre.

### New Supply, Net Absorption and Vacancy Rate of the Shenyang Prime Office Market (sq m)



Source: Colliers International

## 本季度一项目退市

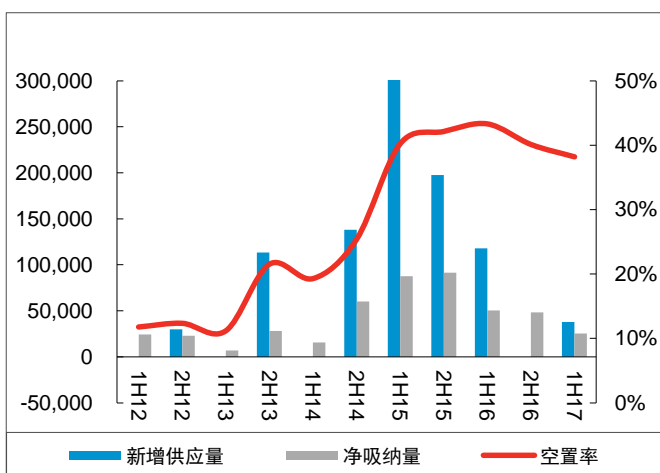
2017 年上半年，沈阳优质写字楼物业市场一现有项目的新区域完工入市，即位于五里河子市场的茂业中心中区。与此同时，皇姑区的中海广场 F1 座退市。有鉴于此，总体量半年环比下降 0.4% 至约 150 万平方米（1,610 万平方英尺）。

## 主要需求源自金融及保险行业

2017 年上半年需求疲软。鉴于该市新增商业机构有限，租赁问询量及成交量均有所降低。租户搬迁继续占据相当部分需求。净吸纳量主要集中在近年入市项目，共计约 25,000 平方米（26.9 万平方英尺），半年环比下降 47.6%。整体空置率半年环比下降 1.9 个百分点至 38.2%，主要因退市项目空置率较高所致。

内资金融及保险类企业为主要需求驱动力。2017 年上半年，北站 CBD 子市场的区域性金融机构需求小幅回升，辽宁振兴银行于财富中心 A 座承租 4,000 平方米（43,000 平方英尺）及平安普惠于平安财富中心承租 800 平方米（8,600 平方英尺）即系佐证。

### 沈阳优质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

Several insurance companies upgraded from older buildings to newly completed projects, including MetLife's and Unionlife Insurance's relocations of 2,200 sq m (24,000 sq ft) respectively to Fortune Plaza Tower A, and China Taiping Insurance's relocation of 2,000 sq m (22,000 sq ft) to MY Times Centre.

若干保险企业由老旧楼宇升级至近期入市的项目，包括：中美联泰大都会人寿保险及合众人寿搬迁至财富中心 A 座并分别承租 2,200 平方米（24,000 平方英尺），中国太平保险搬迁至茂业中心并承租 2,000 平方米（22,000 平方英尺）。

## Average rent saw a passive growth

The retreat of the project with a below-average rental level drove the average rent for prime office properties up by 0.4% HOH to RMB88.5 (USD 13.0) per square metre (psm) per month. Excluding this impact, however, the average rent continued to edge down by 1.0% HOH to RMB87.3 (USD 12.9) psm per month.

In light of the large amount of vacant office space in the market, landlords of both newly completed projects and older buildings granted concessions in rents to attract tenants to relocate or to retain existing tenants. Nevertheless, certain properties with prime locations and high building specifications in the North Station CBD submarket were able to maintain the previous rental levels.

## 平均租金被动增长

受退市项目低于平均租金水平影响，沈阳优质写字楼物业平均租金半年环比上升 0.4% 至人民币 88.5 元（13.0 美元）每月每平方米。然而除却该因素，平均租金继续半年环比微降 1.0% 至人民币 87.3 元（12.9 美元）每月每平方米。

鉴于市场内大量空置写字楼面积，新近入市与老旧写字楼项目的业主均提供租金优惠以吸引租户搬迁或挽留现有租户。然而，部分位于北站 CBD 子市场核心区域并拥有高建筑标准的项目仍可维持以往租金水平。

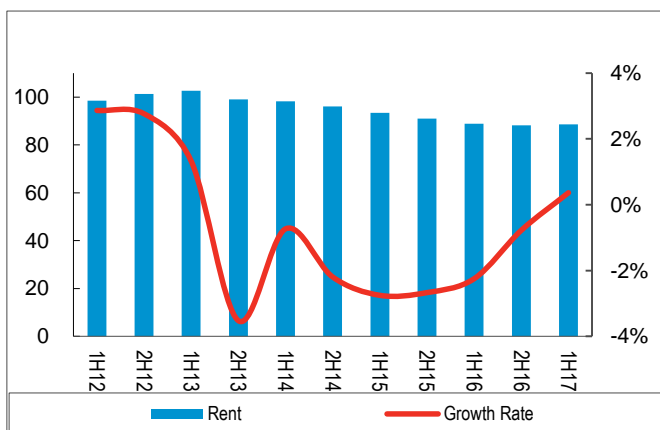
## More properties listed for en-bloc sale

The en-bloc office investment market was quiet in H1. Several properties were listed for sale due to the adjustment by certain landlords from a hold-and-lease strategy to en-bloc sales.

## 更多项目意欲整售

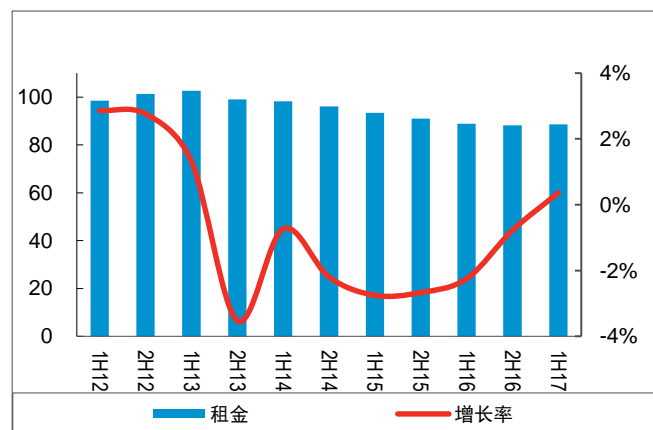
本季度写字楼整售投资市场表现平静。由于业主进行战略调整，一些项目由自持租赁转化为整售。

Rent and Growth Rate of the Shenyang Prime Office Market (RMB psm per month)



Source: Colliers International

沈阳优质写字楼子市场租金和增长率（人民币每月每平方米）



数据来源：高力国际

Nevertheless, investors remained cautious given the continuous rental decline and the high level of vacant stock. Strata-titled sales or a dual lease/sale strategy continued to dominate the market.

## New supply in H2 2017

Several projects in Shenyang have been postponed, but one new project with a GFA of 100,000 sq m (1.08 million sq ft) is scheduled to enter the market in H2 2017.

Looking ahead, Colliers therefore expects the new projects will push up the city's already-high vacancy level. By our estimate, this new project will help push up the vacancy rate from 38% at end-H1 to 39% at the year-end. Consequently, we think that Shenyang's prime office market will see a further rental decline due to intensified competition among landlords. We expect some landlords will respond in various ways including providing better property management and service to retain tenants in addition to rental discounts.

## Major Leasing Transactions

MAJOR LEASING TRANSACTIONS H1 2017		
PROPERTY	TENANT	INDUSTRY
Fortune Plaza Tower A	NewUp Bank of Liaoning	Finance
Ping An Fortune Centre	Ping An Puhui	Finance
Fortune Plaza Tower A	MetLife	Insurance
MY Time Centre	China Taiping Insurance	Insurance

Source: Colliers International

然而，鉴于持续下降的租金以及大量空置面积，投资者保持谨慎。散售及租售结合模式仍是投资市场主流。

## 下半年将有新增供应

尽管沈阳市场的部分项目已经推迟，但一个总体量为 10 万平方米（108 万平方英尺）的新项目计划于 2017 年下半年入市。

展望未来，高力国际预计短期内新增供应将继续拉升该市已处高位的空置水平。根据我们的预测，新增供应将推升空置率由目前的 38% 增至年底的 39%。鉴于业主间日益激烈的竞争，我们认为沈阳优质写字楼市场租金或将进一步降低。我们预计除租金优惠外，部分业主将以提供更优物业维护及管理服务的方式以期挽留租户。

## 主要租赁交易

2017 年上半年主要租赁交易		
项目	租户	行业
财富中心 A 座	辽宁振兴银行	金融
平安财富中心	平安普惠	金融
财富中心 A 座	中美联泰大都会人寿保险	保险
茂业中心	中国太平保险	保险

数据来源：高力国际

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