

No new supply in Q2, market stable

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Underpinned by firm Chinese economic growth, Guangzhou's Grade A office property market witnessed steady demand and a 1.4% QOQ rent increase in Q2 2017. Lack of new supply also supported rent levels. Looking ahead, we expect total new supply of 246,000 sq metres to enter the market by end-2017, raising total stock to over 5.0 million sq metres. We predict heavy new supply in Pazhou and Financial City over the next three years. Hence, we expect vacancy to rise to a peak in 2019, and rents to fall over 2018 and 2019. Thereafter, supply should ease, vacancy should drop and rents should pick up.

Forecast at a glance



Demand

Leasing demand is steady supported by firm economic growth, but looks set to lag supply over 2018 and 2019.



Supply

We expect new supply of 246,000 sq metres (2.65 million sq ft) to enter the market in 2017; the new supply will exceed 1.0 million sq metres (10.76 million sq ft) per year in 2018 and 2019. Over 2020, supply should fall back sharply.



Vacancy rate

The vacancy rate in Guangzhou stood at 9.8% at end-Q2, down by 2% from end-Q1. We expect the vacancy rate to rise to a peak in 2019 since 2015 before falling back by end-2020.

季内无新增供应，市场表现平稳

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受国内稳健的经济增长的支撑，广州甲级写字楼物业市场第二季度租赁需求十分稳定，因季度内无新增供应，平均租金较第一季度攀升了1.4个百分点。展望未来，年内预计将有24.6万平方米的新增供应入市，这将令年末的总存量突破500万大关。长期来看，自2018年起未来三年内，琶洲和国际金融城将会有大量新增供应，我们预测空置率将于2019年攀升至历史高位。而租金会有所下调。此后新增供应量将减缓，空置率下行，租金也会有所回升。

预测一览表



需求

受稳健的经济支撑，租赁需求表现稳定，但在2018年和2019年或将落后于即将大量入市的新增供应。



供应

我们预计2017年内将有24.6万新增供应，2018年和2019年两年的新增供应均将超过100万平方米。而后至2020年，新增供应或有明显回落。



空置率

本季度广州全市空置率为9.8%，同第一季度相比回调2%。我们预估空置率将于2019年攀升至自2015年来的历史高位，随后或于2020年年底回调并逐渐回归稳定。



Rent

Reflecting zero new supply, average rent in Guangzhou grew by 1.4% in Q2 over Q1. We expect rent will be stable in 2H 2017. Despite the heavy supply, we predict the rent will stay flat in 2018 and 2019, since a high proportion of the new supply will be for self-use. Thereafter, rents should pick up slightly.



租金

季内，受无新增供应的影响，广州市平均租金环比涨幅 1.4%。我们预期 2017 下半年租金会较为稳定；尽管新增供应即将达到近年历史高位，我们预测，由于新增供应中包含大量自用面积，2018 年和 2019 年租金会维持平稳，此后租金或将有所回升。

Demand stayed steady; PRNC dominated the leasing market, Pazhou showed great potential

Guangzhou's economic background remains positive. Over H1 2017, Guangzhou's GDP reached RMB989.2 billion (USD150.1 billion), up by 7.9% YOY; moreover, fixed asset investment reached RMB229.5 billion (USD36.5 billion), up by 8.6% YOY. At the same time, tertiary industry accounted for 70% of total GDP, up by 1.5% YOY.

Each district showed a different performance in Q2. Yuexiu and Tianhe North Sports Centre, due to their mature development and lack of new supply, showed no obvious change in rent and vacancy rate: Yuexiu saw the rent and vacancy rate both increase by 0.5% QOQ; while Tianhe North Sports Centre benefited from adjacent location to PRNC, increasing the rent by 1.2% QOQ and vacancy rate by 0.1%. PRNC and Pazhou, considered as the existing CBD and emerging CBD, saw their vacancy rates drop by 3.1% and 4.9% respectively, with their rents rising correspondingly by 1.6% and 1.7%.

Demand remained steady in Q2, and various tenant industries showed strength, ranging from manufacturing, finance, technology, to professional services and others. Large leasing transactions during Q2 mostly happened in PRNC. Notable leasing transactions included:

- Guangdong Zhongsheng Innovation & Culture LTD. leased 27,662 sq m at Imperial Building
- Netease and Wangpin Consulting occupied 18,236 sq m and 2,909 sq m respectively at Pearl River Tower;
- PP money leased 12,000 sq m and 7,000 sq m respectively from MCRE centre and at R&F East Building;

租户租赁需求稳定；珠江新城依然为租赁交易主场，琶洲有崛起之势

广州经济保持积极稳健态势，截至 2017 上半年，全市 GDP 达 9891.48 亿元，同比增长 7.9%；全市固定资产投资达 2295 亿元，同比增长 8.6%；全市第三产业占地区生产总值比重同比增长 1.5%，跃至 69.6%。

2017 年第二季度，各区表现不尽相同。越秀区和天河北体育中心片区由于发展较为成熟，且无新增供应，因而租金和空置率均无明显变化：越秀租金和空置率环比各增长 0.5%，天河北体育中心租金得益于临近珠江新城，环比增长 1.2%，空置率环比增长 0.1%。珠江新城和琶洲则因分别为核心商业区区和新兴商业区，表现突出，其空置率环比分别下降 3.1% 和 4.9%，租金也相应分别环比增长 1.6% 和 1.7%。

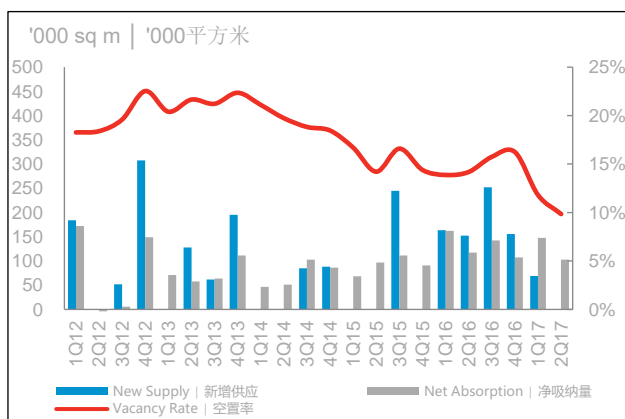
季内，租赁需求稳定，租户行业多元化，有来自于制造业、金融、科技、专业服务等多个产业类别。季内录得的若干大面积租赁成交，主要集中在珠江新城，琶洲也入得若干例。瞩目的租赁成交包括：制造类公司广东中晟创新文化股份于外商大酒店租赁 27,662 平方米；网易和北京网聘咨询分别在珠江新城的珠江城租赁 18,236 平方米和 2,909 平方米；万惠投资分别在珠江新城的美百年中心和富力盈东大厦承租 12,000 平方米和 7,000 平方米；盈科律师事务所在珠江新城的凯华国际中心承租 7,000 平方米；钱途（金融公司）在高德置地 H 座承租 4,200 平方米；宝地广场则分别迎来了青岛海信电器营销股份有限公司和北控水务集团有限公司，各自承租面积为 2,905 平方米和 2,500 平方米。

- Yingke took 7,000 sq m from Central Tower;
- Qiantu leased GTLand Plaza H Building 4,200 sq m
- Qingdao Hisense and Bewg Group took respectively 2,905 sq m and 25,00 sq m at Beuland

Steady new supply in 2017; Pazhou will become the focus of new supply

There was no new supply in 2017 Q2; over H2, we expect five new projects with an accumulated area of 246,000 sq m (2.65 million sq ft) entering the market, which will raise the total stock of Guangzhou city to over 5.0 million sq m (53.8m million sq ft). Looking forward, we will see heavy new supply in both 2018 and 2019. Among all new supply, Pazhou along will contribute 53%, followed by 23% from International Financial City. Accordingly, we expect to see the focus of new supply will swift gradually to Pazhou.

New Supply, Net Absorption and Vacancy Rate 新增供应、净吸纳量及空置率

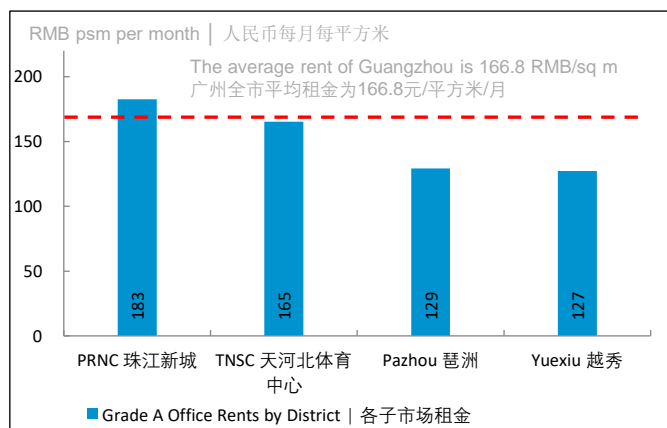


Source: Colliers International | 数据来源: 高力国际

年内新增供应平稳，未来三年琶洲成为新增供应的主要增长极

2017年第二季度，全市并无新增供应；下半年预计将有5个项目入市，面积合计约为24.6万平方米，届时广州市甲级写字楼将突破500万平方米大关。展望未来，2018年和2019年将有大量新增供应入市，其中琶洲将占全部新增供应的53%，国际金融城尾随其后，占新增供应比23%。由此可见，未来两三年新增供应的重心将逐步转向琶洲。

Rent by Submarket 子市场租金



Major Leasing Transactions

MAJOR LEASING TRANSACTIONS Q2 2017		
PROPERTY	TENANT	INDUSTRY
Imperial Trader Building	Zhongsheng Innovation & Culture(GD)	Manufacturing
Pearl River Tower	NetEase	Technology
MCRE Centre	PP Money	Finance
R&F East Building	PP Money	Finance
Central Tower	Yingke Law Firm	Professional Services

Source: Colliers International

主要租赁交易

2017 年第二季度主要租赁交易		
项目	租户	行业
外商大酒店	广东中晟创新文化	制造业
珠江城	网易	科技
美百年中心	万惠投资	金融
富力盈东大厦	万惠投资	金融
凯华国际中心	盈科律师事务所	专业服务

数据来源：高力国际

Vacancy rate up, average rent flat in 2018 & 2019

Leasing demand is steady supported by firm economic growth, but will probably lag supply over 2018 and 2019; We expect there will be 246,000 sq metres new supply in 2017 entering the market; the new supply will exceed 1 million sq metres in 2018 and 2019. Over 2020, supply should fall back sharply; The vacancy rate of Guangzhou stood at 9.8% at end-Q2, down by 2% from end-Q1. We expect the vacancy rate to rise to a peak in 2019 since 2015 before falling back to stability by end-2020. Impacted by zero new supply, average rent in Guangzhou grew by 1.4% in Q2 over Q1. We expect the rent will be stable over 2H 2017. Despite the heavy supply, we predict the rent will stay flat in 2018 and 2019, since a high proportion of the new supply will be for self-use. Thereafter, rents should pick up slightly.

未来两年空置率上升，租金平稳

受稳健的经济支撑，租赁需求表现稳定，但在 2018 年和 2019 年或将落后于即将大量入市的新增供应。我们预计 2017 年内将有 24.6 万新增供应，2018 年和 2019 年两年的新增供应均将超过 100 万平方米。而后至 2020 年，新增供应或有明显回落；相应的，本季度广州全市空置率为 9.8%，同第一季度相比回调 2%。我们预估空置率将于 2019 年攀升至历史高位，随后或于 2020 年年底回调并逐渐回归稳定。季内，受无新增供应的影响，广州市平均租金环比涨幅 1.4%。我们预期 2017 年下半年租金会较为稳定；然而，尽管新增供应即将达到自 2015 年来的历史高位，我们预测，由于新增供应中包含大量自用面积，2018 年和 2019 年租金会维持平稳，此后租金或将有所回升。

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