

Modest Increase in Rent, Vacancy Rate Down

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Guangzhou's Grade A office market witnessed rising average rent and decreasing vacancy in Q4 2017, supported by firm demand and a growing economy. We expect rent to grow modestly in 2018 while the vacancy rate should decrease steadily. Given a high new supply pipeline over the next four years, we believe the vacancy rate will peak in 2020 and drop steadily afterwards. However, we foresee that average rent will continue to increase marginally as net absorption of office space should remain firm.

Forecast at a glance



Demand

Demand for Guangzhou's Grade A office in Q4 2017 was supported by strong economic growth and more than 87,000 sq m (940,000 sq ft) of net absorption was recorded. We expect dynamic demand, especially from the finance and technology sector, will keep net absorption to increase further in 2018.



Supply

We expect new supply of 30,500 sq m (328,300 sq ft) to enter the market in Q1 2018. We foresee 0.38 million sq m (4.06 million sq ft) to be delivered in 2018 and 0.90 million sq m (9.65 million sq ft) in 2019. New supply should reach its peak at 1.21 million sq m (13.04 million sq ft) in 2020 and start to drop afterwards.

租金温和增长，空置率下行

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受益于旺盛的市场需求与持续增长的经济，2017 年第四季度广州甲级写字楼平均租金实现增长，空置率下降。预计 2018 年全市平均租金温和增长，空置率稳定下降。随着未来四年大量新增优质写字楼陆续入市，预计全市空置率将在 2020 年达到顶峰，随后逐渐下降。但预计全市净吸纳量将保持稳健，租金水平保持缓慢上升。

预测一览表



需求

受益于稳健的经济增长，广州甲级写字楼市场需求活跃，2017 年第四季度全市净吸纳量约 8.7 万平方米。预计 2018 年市场需求保持旺盛，来自金融业与科技业的租赁需求将促进 2018 年全市净吸纳量的增长。



供应

预计 2018 年第一季度将有约 3 万平方米新增供应推出市场，2018 年与 2019 年全年新增供应分别接近 38 万平方米与 90 万平方米。预计 2020 年推出市场的优质写字楼体量超过 121 万平方米，达到近年来的顶峰，随后新增供应逐年下降。



Vacancy rate

Guangzhou witnessed an 8.3% vacancy rate at end-Q4, down by 1.7% QOQ. We expect a modest decrease in vacancy in Q1 2018 due to limited new supply. The vacancy rate for 2018 as a whole should also decrease steadily before rising again in 2019 due to consecutive years of new supply.



空置率

截至第四季度，广州甲级写字楼空置率为8.3%，环比下降1.7%。由于新增供应有限，2018年第一季度空置率将小幅下降，预计2018年全市空置率将稳定下降。2019年开始陆续入市的大量新增供应将导致未来空置率上升。



Rent

Average rent in Guangzhou grew by 0.7% QOQ. Benefiting from dynamic demand for space from the finance and technology sectors and a firm economy, we predict a 5% YOY growth in rent for 2018. However, we expect rent growth to slow down to 2% YOY each year from 2019 to 2022 due to new supply.



租金

广州甲级写字楼平均租金环比增长0.7%。受益于稳健的经济和金融业与科技业活跃的表现，预计2018年全市平均租金将实现5%的同比增长。由于新增供应的入市，预计2019年至2022年平均租金增幅将减缓至每年2%的同比增长。

Finance and technology sectors dominated the leasing market

Guangzhou's economy grew smoothly in 2017 with its total GDP surpassing RMB 2 trillion (USD 308 billion) for the first time. As of end-November 2017, the industrial production climbed by 1.4% YOY for the first eleven months of 2017, supported by higher operating efficiency and rising profit margins. Investment in industry and real estate increased steadily while investment growth in infrastructure exceeded 15% YOY.

"Source: Guangzhou Municipal Statistics Bureau"

Given no new office supply in Q4 2017, all submarkets recorded rental growth of different degrees. As Guangzhou's premier office submarkets, the average rents in Pearl River New City (PRNC) and Tianhe North-Sport Center (NTSC) increased by 0.6% QOQ and 0.4% QOQ in Q4, reaching RMB183 per sqm per month (USD2.6 per sq ft per month) and RMB167 per sqm per month (USD2.4 per sq ft per month) respectively. Meanwhile, rent in Yuexiu increased by 1.6% due to an extremely low vacancy rate of 2.2% at the end of Q4 2017. As the focal point of new supply for the next four years, rent in the Pazhou submarket rose fastest with a QOQ growth of 1.9%. The vacancy rate of Pazhou also decreased significantly, reaching 14.6% by end-2017, a drop of 6.1% in Q4.

金融业与科技业主导租赁市场

2017年广州经济平稳增长，全年GDP首次突破2万亿元。截止2017年11月，企业提高质量效益与利润率，全市工业总产值同比增长1.4%。工业投资与房地产开发投资平稳增长，基础设施建设同比增长超过15%。

资料来源：广州市统计局

由于第四季度无新增供应，广州甲级写字楼全体子市场租金水平均实现不同程度的增幅。作为广州最优质的两个子市场，珠江新城和天河北体育中心环比分别增长0.6%和0.4%，分别达到183元每平方米每月和167元每平方米每月。越秀子市场空置率达到2.2%的低位，本季度平均租金录得1.6%的环比涨幅。作为全市未来四年新增供应的焦点，琶洲本季度录得全市最快租金增幅，环比上升1.9%；与此同时琶洲空置率比上一季度下降6.1%，为14.6%。

Vacancy Rate and Rent

Submarket	Rent (RMB/sq m/month)	QOQ Change	Vacancy Rate	QOQ Change
Pazhou	125	↑1.9%	14.6%	↓6.1%
PRNC	183	↑0.6%	8.0%	↓0.9%
NTSC	167	↑0.4%	7.1%	↓2.3%
Yuexiu	127	↑1.6%	2.2%	↑0.2%
Overall	169	↑0.8%	8.3%	↓1.7%

Source: Colliers International

The finance and technology sectors dominated the office leasing market in Q4. According to recorded market transactions data, the finance sector constituted 41% of total new leased space in Q4 while the technology sector was responsible for 28% of the total new leased space. There were 10 major leasing transactions with total space surpassing 2,000 sq m (21,500 sq ft), and all of them were from finance and technology sectors.

For the finance sector, five tenants leased over 2,000 sq m (21,500 sq ft). China Great Wall Asset Management and Nanyang Commercial Bank moved to Central Tower while Ping An Insurance and China Life Insurance expanded their new branches in Park Place. TCL Finance expanded their pace in Pearl River Town.

There were also five leasing transactions exceeding 2,000 sq m (21,500 sq ft) in the technology sector. Guangzhou Lizhi Network Technology moved to Tian'an Life Center while Masget Technology chose Hengjian Tower. Beijing Sohu New Media Information Technology renewed their leasing contract in the R&F Center. Guangzhou Baturu Information Technology and Niesheng E-Commerce occupied new offices in the Window of Canton.

空置率及平均租金

子市场	平均租金 (元/平方米/月)	环比变化	空置率	环比变化
琶洲	125	↑1.9%	14.6%	↓6.1%
珠江新城	183	↑0.6%	8.0%	↓0.9%
天河北体育中心	167	↑0.4%	7.1%	↓2.3%
越秀	127	↑1.6%	2.2%	↑0.2%
全市	169	↑0.8%	8.3%	↓1.7%

数据来源：高力国际

金融业与科技业在本季度主导广州写字楼租赁市场。根据录得的市场交易信息，金融业和科技业的交易面积分别占全市交易面积的41%与28%。本季度共有十宗市场交易租赁面积超过2,000平方米，全部来自金融业与科技业。

金融业方面，共有五宗交易租赁面积超过2,000平方米。中国长城资产管理与南洋商业银行分别进驻凯华国际中心。平安保险与中国人寿分别在环球贸易中心设立新办公点。TCL集团财务有限公司进驻珠江城大厦。

本季度科技业亦有五宗交易的租赁面积超过2,000平方米。广州力挚网络科技和荣邦科技分别搬迁至天安人寿中心和恒健大厦，北京搜狐新媒体信息技术在富力中心续约。而广州市巴图鲁信息科技与广州涅生电商股份亦于本季度进军广州之窗商务港。

Major Leasing Transactions in Q4 2017

MAJOR LEASING TRANSACTIONS IN FINANCE		
PROPERTY	TENANT	SIZE (SQ FT)
Central Tower	China Great Wall Asset Management	75,300
Park Place	Ping An Insurance	46,400
Central Tower	Nanyang Commercial Bank	32,300
Pearl River Town	TCL Finance	23,700
Park Place	China Life Insurance	23,200

Source: Colliers International

2017 年第四季度主要租赁交易

金融业租户主要租赁交易		
项目	租户	面积 (平方米)
凯华国际中心	中国长城资产管理	7,000
环球贸易中心	平安保险	4,300
凯华国际中心	南洋商业银行	3,000
珠江城大厦	TCL 集团财务有限公司	2,200
环球贸易中心	中国人寿	2,200

数据来源：高力国际

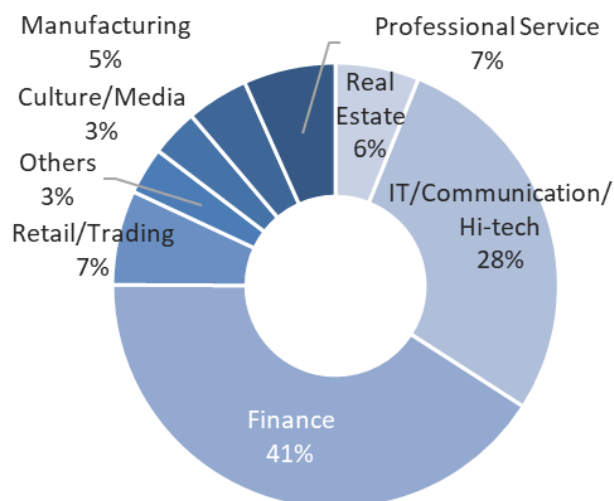
MAJOR LEASING TRANSACTIONS IN TECHNOLOGY		
PROPERTY	TENANT	SIZE (SQ FT)
Tian'an Life Centre	Guangzhou Lizhi Network Technology	53,100
R & F Center	Beijing Sohu New Media Information Technology	26,500
Window of Canton	Guangzhou Baturu Information Technology	24,800
Window of Canton	Niesheng E-Commerce	23,700
Hengjian Tower	Masget Technology	21,500

Source: Colliers International

科技业租户主要租赁交易		
项目	租户	面积 (平方米)
天安人寿中心	广州力挚网络科技	4,900
富力中心	北京搜狐新媒体信息技术	2,500
广州之窗	广州市巴图鲁信息科技	2,300
广州之窗	广州涅生电商股份	2,200
恒健大厦	荣邦科技	2,000

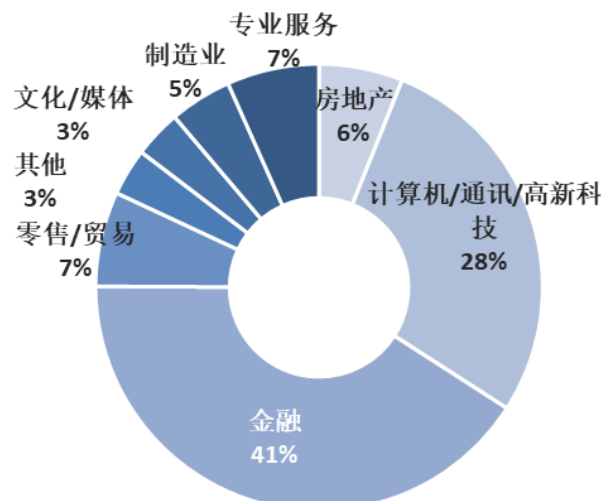
数据来源：高力国际

Market Share of Leased Area by Industry



Source: Colliers International

行业交易面积市场份额



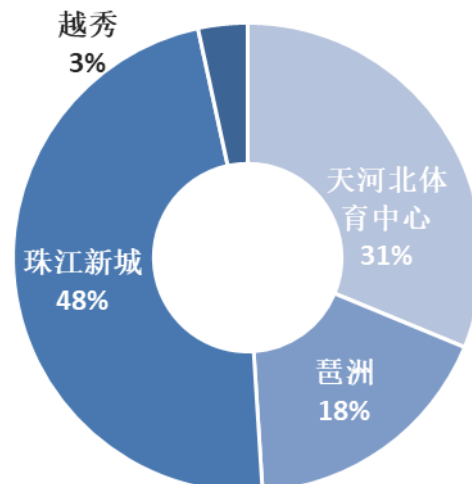
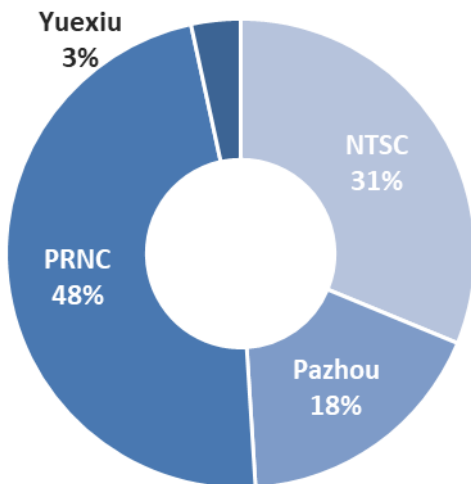
数据来源：高力国际

Among different office submarkets, PRNC was the most active submarket, accounting for 48% of total new leased area in Q4. The finance and technology sectors continued to dominate PRNC, representing 77% of total new leased area within PRNC. Capturing 31% of total new office space leased in Q4, NTSC is another submarket popular among finance, technology, and professional service sectors.

珠江新城仍然是最活跃的子市场，占2017年第四季度全市租赁交易面积48%。其中珠江新城子市场内77%的交易面积均来自金融业与科技业。天河北体育中心第四季度成交的租赁面积占全市的31%，主力租户行业类别为金融业，科技业以及专业服务业。

Market Share of Leased Area by Submarket

子市场交易面积市场份额

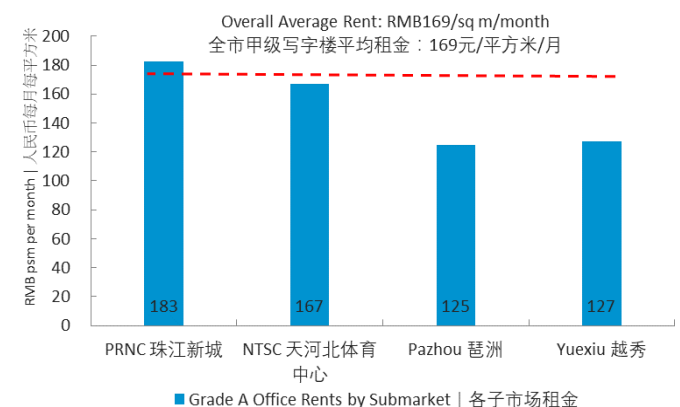
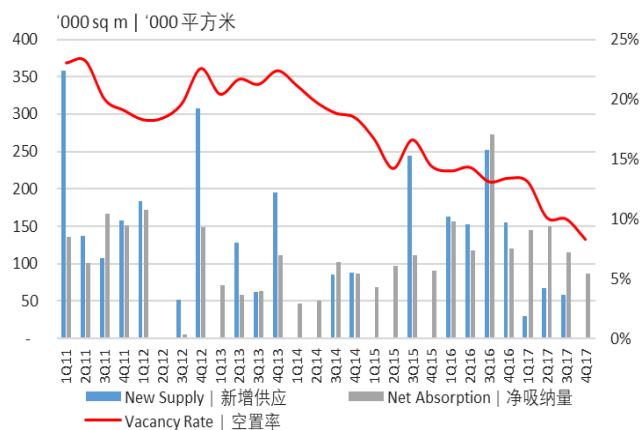


Source: Colliers International

数据来源：高力国际

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

Rent by Submarket 子市场租金



Source: Colliers International
数据来源：高力国际

Source: Colliers International
数据来源：高力国际

Modest rent growth and steadily decreasing vacancy rate in 2018

2018 年租金小幅上涨，空置率稳定下降

Guangzhou Grade A office market demand has been supported by firm economic growth, and we expect that leasing activity will be further stimulated by the large new

广州甲级写字楼市场需求受稳健的经济增长驱动，未来四年的大量优质新增供应将进一步刺激全市的租赁活动。预计

supply of quality offices in the next four years. We expect only 30,500 sq m (328,200 sq ft) of new supply to be launched in Yuexiu in Q1 2018. This new supply should not put pressure on rent in Yuexiu because the amount is small and the current vacancy rate is very low (2.2% by end of Q4). With relatively small overall new supply in 2018, estimated to be 376,900 sq m of which nearly one-half will be located in Pazhou, we believe Guangzhou's Grade A office market rent will not be negatively affected. Accordingly, we continue to predict 5% YOY rent growth for Guangzhou as a whole, while the occupancy rate should remain high outside of Pazhou.

With approximately 2.97 million sqm (32.0 million sq ft) of new office supply to enter the market for the next four years, we expect the overall vacancy rate will peak in 2020 before starting to drop again. However, a large portion of the new supply in Pazhou will be owned and occupied by large technology companies, such as Tencent and Alibaba. Hence, this large supply of new office space should not significantly disrupt the office leasing market.

2018 年第一季度越秀子市场约 3 万平方米新增供应推出市场。截至 2017 年第四季度，越秀空置率处在 2.2% 的低位，预计新增供应不会为该子市场的租金水平带来压力。2018 年新增供应体量相对有限（约 38 万平方米），且接近一半供应位于琶洲子市场。预计其他子市场将保持低水平的空置率，全市租金水平仍能实现 5% 的同比增长。

未来四年约 297 万平方米新增供应将陆续入市，预计全市空置率将在 2020 年升至顶峰，随后逐渐下降。由于琶洲子市场内大部分新增供应由互联网公司自用作总部办公，如腾讯、阿里巴巴等，预计不会对市场造成显著的冲击。

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