

# Stable new supply, robust and diverse demand

Kirsten Geng Assistant manager | South China

Underpinned by firm Chinese economic growth, Shenzhen's Grade A office property market witnessed robust demand not only from finance and technology, but also from automobile, manufacturing, and professional services. We saw rent increase by 2.6% QOQ rent during Q3 2017 due to scarce new supply in Luohu. While considering the heavy new supply in the next three years, especially Nanshan and Qianhai, we predict the vacancy rate should rise to 29% by 2019. We also expect high quality new supply may push up the rent in 2018, followed by slight adjustment in 2019.

## Forecast at a glance



### Demand

Leasing demand is solid supported by firm economic growth. Tenants appeared to be more diverse, with backgrounds in professional services, automobile, manufacturing, etc.



### Supply

We expect nine new projects with 0.49 million sq metres of rental space to be delivered in Q4, which will push the total stock up to 5.82 million sq metres. Over the next three years, we expect new supply to come mostly from Nanshan and Qianhai.



### Vacancy rate

The vacancy rate stood at 17% at end-Q3. We expect the vacancy to rise a peak of nearly 29% in 2019 due to heavy new supply in Nanshan and Qianhai, and then to fall back to 14% by end-2021.

# 新增供应稳定；需求旺盛且多元化

耿毓坤 副经理 | 华南

受国内稳健的经济增长的支撑，深圳甲级写字楼物业市场第三季度租赁需求十分活跃。除了传统强势行业如金融和科技，来自汽车、制造业、房地产和专业服务等行业租赁需求也表现突出。季内平均租金受罗湖稀缺新增供应的影响环比攀升了 2.6 个百分点，而由于未来将有持续大量新增供应入市，尤其是南山和前海，我们预测空置率将于 2019 年攀升至 29%。考虑到新增供应的高品质，我们预计 2018 年租金会稳中有升，而到 2019 年或有细微调整。

## 预测一览表



### 需求

受稳健的经济增长支撑，租赁需求表现活跃；本季度租户表现呈多元化，分散化；租户不再集中于金融和科技，而来自专业服务，汽车，制造等多个行业。



### 供应

合计可租赁建筑面积约有 49 万平方米的 9 个项目预计集中于 2017 年最后一个季度交付。这将令年末的总存量跃至 582 万平方米。未来三年新增供应将以南山和前海为主。



### 空置率

本季度空置率为 17%，我们预估南山和前海的大量新增供应将带动全市空置率在 2019 年攀升至近 29% 的历史高位，随后或于 2021 年年底回调至 14%。



## Rent

Average rent in Shenzhen grew by 2.6% in Q3 over Q2 due to scarce new supply in Luohu. Both Futian and Nanshan has seen rental growth slow down. We expect high-quality new supply may push up the rent in 2018, followed by slight adjustment in 2019.



## 租金

季内，虽然全市平均租金环比上行 2.6%，但主要是受罗湖稀缺新增供应影响；福田和南山上浮幅度放缓；考虑到新增供应的高品质，我们预测 2018 年租金会稳中有升，而得到 2019 年或有细微调整。

## Demand stayed robust; key industries showed diversity

Shenzhen's economic background remains positive. Over the first eight months of 2017, fixed asset investment reached RMB297.6 billion RMB (USD45.3 billion), up by 32% YOY. At the same time, tertiary industrial added value grew by 9.7% YOY, tertiary industrial value grew by 25.6% YOY, reaching RMB247.0 billion RMB (USD37.6 billion),

Each district showed different performance in Q3. Luohu saw its vacancy rate increase by 3.1 percentage points to 8.2%. due to limited new supply in the district. With strong demand in Futian, the vacancy rate decreased by 5.7 percentage points even the new supply was heavy in Q3. Nanshan saw its vacancy rate drop by 7.2 percentage points QoQ as there was no new supply in the area. Qianhai had 3 projects so far with a vacancy rate of 86.5%, which we expect to be maintained at a high level in the near future. In Q3, the high quality of new supply in Futian has further stimulated the leasing demand from the tenants, making absorption in this district account for 72% of absorption for the whole city. By end-2017, Futian's new supply growth should reach the historical peak and then ease. Looking forward, leasing demand in Futian should become stable, while Nanshan and Qianhai should also become more active.

Demand remained robust in Q3, and came from diverse industries such as professional services, technology manufacturing, automobile, real estate, etc. Large leasing transactions during Q3 showed this pattern of diversity. Notable leasing transactions included:

- Foxconn leased 40,000 sq m at Rongchao HQ Building
- Novo Space rented approximately 4,000 sq m at Life Tech Building
- CMG rented 3,500 sq m at Yanxiang Tech Building
- Bojue Wedding and Zhenai took about 3,000 sq m and 1,500 sq m respectively from KingKey 100 and Galaxy Development Centre

## 租户租赁市场活跃，产业转向多元化，分散化

深圳经济保持积极态势，截至八月，全市固定资产投资达 2976 亿元 (453 亿美元)，同比增长 32%；全市第三产业总值同比增长 9.7%，第三产业投资达 2469.46 亿元 (376 亿美元)，同比增幅达 25.6%。

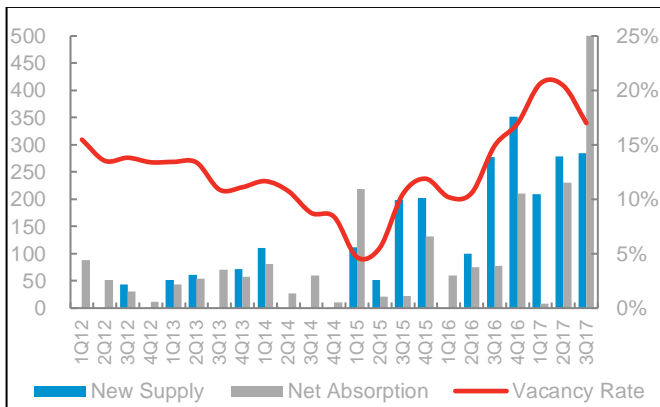
2017 年第三季度，各区表现不尽相同。罗湖区由于出现了稀缺的新增供应，致使空置率攀升 3.1 个百分点至 8.2%；福田 CBD 尽管新增供应体量较大，然而由于需求旺盛，空置率的环比下跌 5.7 个百分点。南山由于季内无新增供应，空置率下调 7.2%；前海目前只有三个项目入市，空置率为 86.5%，短期内或因未成熟的基建环境而维持高位。本季度内，福田的高品质新增供应进一步刺激的租户对该区域的租赁需求，促使该区域的吸纳量超过全市七成。至 2017 年年末，福田的新增供应将达到历年历史高位，而后逐渐放缓。中长期来看，福田租赁需求将趋于稳定，南山和前海将日渐活跃。

季内，租赁需求强劲，且来自多个行业，如专业服务、科技制造、汽车、房地产等。季内录得的若干大面积租赁成交呈现出多元化和分散化的特点。瞩目的租赁成交包括：科技制造业的富士康于荣超总部大厦租赁 40,000 平方米；新创空间在先建科技大厦租赁约 4,000 平方米；招商局于南山的研祥科技大厦承租约 3500 平方米；伯爵婚纱和珍爱网各自在京基一百和星河中心承租约 3000 平方米和 1500 平方米。

## Heavy new supply in 2017, with nearly 70% in Futian

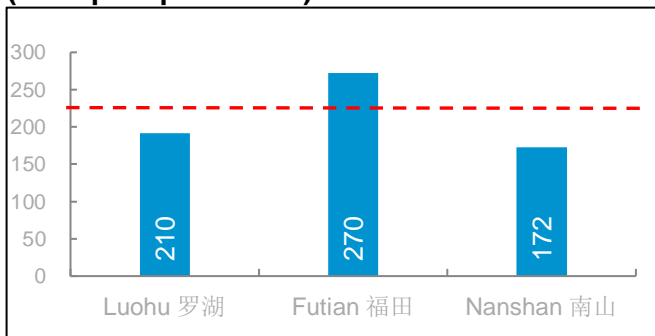
In total, four new projects entered the market in Q3 with leasable floor area of 284,000 sq m (3.06 million sq ft). These were: Fude Sino Life Building in Futian, China Life Building in Futian, the Life Tech Building in Nanshan, Gemdale Centre in Futian, and SCT Centre in Luohu. For 2017, we expect total new supply in Shenzhen of 1.43 million sq metres (15.49 million sq ft), an historic peak which represents an increase of about one-third over the 2016 year-end stock. We estimate that Futian will account for 990,000 sq metres of new supply, representing 69% of the total for the city. The new supply should start to shift to the Nanshan/Qianhai area in the next three years.

### New Supply, Net Absorption and Vacancy Rate of the Shenzhen Grade A Office Market ('000 sq m)



Source: Colliers International

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

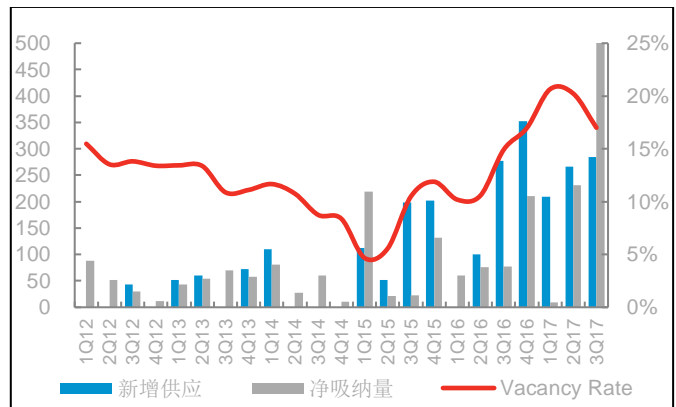


Source: Colliers International

## 年内新增供应强劲，福田占比近七成

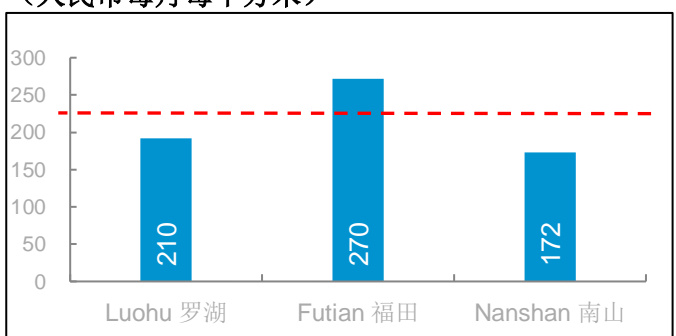
2017年第三季度，全市甲级写字楼物业市场共有四个新交付新项目，可供租赁建筑面积合计约为28.4万平方米（306万平方英尺）：福田区的富德生命人寿保险大厦、金地中心和中国人寿大厦，以及罗湖的深城投中心。截止年末，新增供应将达到143万平方米，约占去年总存量的三分之一，位于历史高位；其中福田的新增供应累计可达99万平方米，占2017年新增供应的69%。未来两三年新增供应的重心将逐步转向南山前海。

### 深圳甲级写字楼市场新增供应、净吸纳量和空置率（千平方米）



数据来源：高力国际

### 深圳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

## Major Leasing Transactions

MAJOR LEASING TRANSACTIONS Q2 2017		
PROPERTY	TENANT	INDUSTRY
Rongchao HQ Building	Foxconn	Manufacturing
Life Tech Building	Novo Space	Real Estate
Yanxiang Tech Building	CMG	Comprehensive
Kingkey 100	Bojue Wedding	Wedding
Galaxy Development Centre	Zhen'ai	Wedding

Source: Colliers International

## Obvious rental and vacancy differentiation by district during next three years

Leasing demand is solid supported by firm economic growth. Tenants appeared to be more diverse, with industrial backgrounds including professional services, technology, automobile, manufacturing, etc. We expect nine new projects with 0.49 million sq metres (5.27 million sq ft) of rental space to be delivered in Q4, which will push the total stock up to 5.82 million sq metres (56.7 million sq ft). During the next three years, we expect the new supply to come mostly from Nanshan and Qianhai. The citywide vacancy rate stood at 17% at end-Q3. We expect the vacancy to rise a peak of nearly 29% in 2019 due to heavy new supply in Nanshan and Qianhai, and then to fall back to 14% by end-2021. Average rent in Shenzhen grew by 2.6% in Q3 over Q2 due to scarce new supply in Luohu. Futian and Nanshan has slowed down the rental growth. We expect high-quality new supply may push up the rent in 2018, followed by slight adjustment in 2019.

## 主要租赁交易

2017 年第三季度主要租赁交易		
项目	租户	行业
荣超总部大厦	富士康	科技制造
先建科技大厦	众创空间	房地产
研祥科技大厦	招商局	综合
京基一百	伯爵婚纱	婚庆
星河中心	珍爱网	婚庆

数据来源：高力国际

## 未来三年空置率和租金区域差异化明显

受稳健的经济增长支撑，租赁需求表现活跃，吸纳量惊人；季度租户表现呈多元化，分散化；租户不再集中于金融和科技，而来自专业服务，汽车，制造等多个行业；合计可租赁建筑面积约有 49 万平方米的 9 个项目预计集中于 2017 年最后一个季度交付。这将令年末的总存量跃至 582 万平方米。未来三年新增供应将以南山和前海为主；本季度空置率为 17%，我们预估南山和前海的大量新增供应将带动全市空置率在 2019 年攀升至近 29% 的历史高位，随后或于 2021 年年底回调至 14%；季内，虽然全市平均租金环比上行 2.6%。但主要是受罗湖稀缺新增供应影响；福田和南山上浮幅度放缓；尽管新增供应处于高位，考虑到这些楼宇的优秀品质，我们还预测 2018 年的租金会稳中有升，而 2019 年或有细微调整。

### For more information:

**Joey Yuan** *MRICS*  
Deputy General Manager |  
Shenzhen  
+86 755 8825 8637  
Joey.Yuan@colliers.com

**Andrew Haskins**  
Executive Director  
Research | Asia  
+852 2822 0511  
Andrew.Haskins@colliers.com

**Daniel Shih**  
Director | Research | Hong  
Kong and South China  
+852 2822 0654  
Daniel.Shih@colliers.com

Copyright © 2017 Colliers International.  
The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



Accelerating success.