

## grade 'a' office market statistics



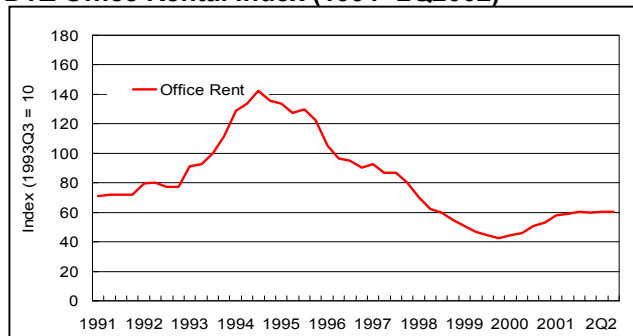
|           | Total Stock (sqm) | Vacancy (%) | Rent (US\$/sqm/day) | Occupancy Cost (US\$/sqft/yr) | % change (from Jan 02) | 6 month Forecast |
|-----------|-------------------|-------------|---------------------|-------------------------------|------------------------|------------------|
| Jingan    | 274,730           | 9.0         | 0.69                | 31.10                         | -2.8                   |                  |
| Luwan     | 253,560           | 3.8         | 0.66                | 29.90                         | 3.0                    |                  |
| Lujiazui  | 672,200           | 12.1        | 0.74                | 33.10                         | 2.8                    |                  |
| Changning | 418,810           | 19.5        | 0.55                | 25.70                         | 1.9                    |                  |
| Huangpu   | 364,480           | 18.0        | 0.55                | 25.70                         | -3.7                   |                  |
| Xuhui     | 129,920           | 3.6         | 0.56                | 26.10                         | 3.7                    |                  |
| Overall   | 2,194,890         | 12.6        | 0.63                | 28.80                         | 0.2                    | —                |

Note: Total stock and vacancy statistics reflect the overall Grade A office market. Rent exclusive of management fees and other outgoings. Occupancy cost is rent plus all outgoings. All units are expressed on net floor area.

## office market overview

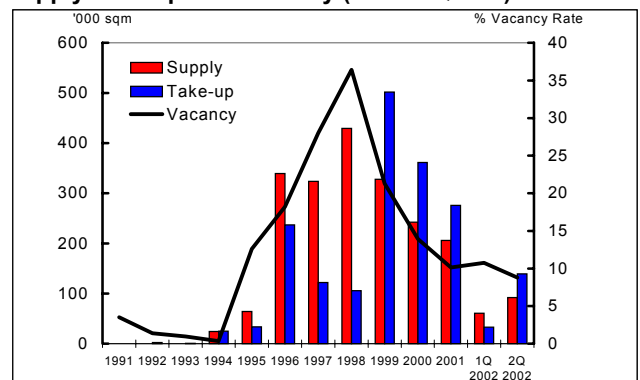
- Demand in Shanghai surged in 2Q2002 with take-up of 139,460 sqm, up from 33,040 sqm last quarter. While China's WTO accession continued to play a strong role, new supply in recent quarters was also a key factor as firms took advantage of improved quality and favorable lease terms in these projects.
- While demand among multinationals has recovered strongly in recent months, demand from local firms, particularly those in the financial sector, weakened in 2Q2002 as they began to feel pressure from the poor performance of the local stock market over the last several months.
- New supply in 2Q2002 was 101,960 sqm with significant buildings including the Bund Center (66,400 sqm) and Ocean Towers (35,561 sqm), both in Huangpu district.
- Shanghai's economy continued to experience robust growth in 2Q2002. GDP growth in June was up 10% on a year-on-year basis while contracted foreign direct investment was up 30.3% on the year.

## DTZ Office Rental Index (1991- 2Q2002)



Source: DTZ Research

## Supply Take up and Vacancy (1991- 2Q2002)



Source: DTZ Research

## recent transactions

- **Deloitte & Touche** | leased 4,000 sqm net in Bund Center, Huangpu.
- **Clifford Chance** | leased 1,040 sqm net in Bund Center, Huangpu.
- **Pacific-Aetna Life Insurance** | leased 5,090 sqm net in Shanghai World Trade Tower, Changning.
- **Trident Multimedia** | leased 2,340 sqm net in Kerry Everbright City, Zhabei.

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