CBRE

# Office supply-demand balance further improves; retail and logistics rental decline accelerates

+5.5%
GDP
(Q1 to Q2 2025, Y-o-Y)

-5.1%
Retail Sales
(Jan to Aug 2025, Y-o-Y)

+10.0%
Fixed Asset Investment
(Jan to Aug 2025, Y-o-Y)

Source: CBRE Research, Beijing Municipal Statistics Bureau,. Oct 2025

### Executive Summary

- **Office:** New leasing activity softened despite solid TMT and finance sector demand. The Grade A segment accounted for nearly 80% of net take-up. Rents continued to decline, led by Financial Street.
- **Retail:** Two projects were shuttered in prime and decentralised areas this quarter. F&B and outdoor sportswear retailers slowed down their pace of new openings. The rental decline accelerated, led by secondary submarkets.
- **Logistics:** The rental downtrend stimulated several cost-oriented relocations in Q3 2025 but led to limited new demand. Old facilities in traditional submarkets continued losing tenants. Downward rental adjustments accelerated in Pinggu and inner submarkets.
- **Business Park:** Two life sciences parks were completed, both featuring integrated designs. Prime assets outperformed but overall rents continued to trend downward.
- **Investment:** Small-scale deals dominated, with corporations among the major purchasers. Five assets were sold through auction, reflecting demand for small- to mid-scale income-producing assets.

Table 1: Quick Statistics

| Office | q-o-q | y-t-d | y-o-y |
|---|---|---|---|
| Rent | -2.9% | -8.6% | -11.3% |
| Vacancy | -0.5 pp | -1.3 pp | -1.3 pp |
| **Retail** | **q-o-q** | **y-t-d** | **y-o-y** |
| Rent | -0.6% | -1.4% | -2.3% |
| Vacancy | +0.2 pp | +0.4 pp | +0.6 pp |
| **Logistics** | **q-o-q** | **y-t-d** | **y-o-y** |
| Rent | -5.3% | -11.9% | -13.8% |
| Vacancy | +0.1 pp | +5.3 pp | +5.3 pp |
| **Business Park** | **q-o-q** | **y-t-d** | **y-o-y** |
| Rent | -2.5% | -8.7% | -10.1% |
| Vacancy | +0.4 pp | +1.0 pp | +0.7 pp |
| **Investment** | **q-o-q** | **y-o-y** | **y-t-d total, y-o-y** |
| Total volume | -41.0% | -20.9% | -32.2% |
| Domestic | -38.3% | -42.2% | -34.3% |

Note: Office rent is the weighted average striking face rent for GFA, excl. mgmt. fee and incl. tax. Retail rent is the simple average shopping mall G/F asking rent for NLA, excl. mgmt. fee and incl. tax. Logistics rent is the weighted average asking rent for GFA, incl. mgmt. fee and excl. tax. Business Park rent is the weighted average asking rent for GFA, incl. mgmt. fee and incl. tax. Transactions include deals above US$10 million in the office, retail, mixed, industrial, hotel and other commercial sectors.

Source: CBRE Research, Q3 2025.

# Office

Net Absorption 87,000 sq. m.

Vacancy 0.5 pp q-o-q

Face Rent -2.9% q-o-q

## New leasing activity temporarily softens

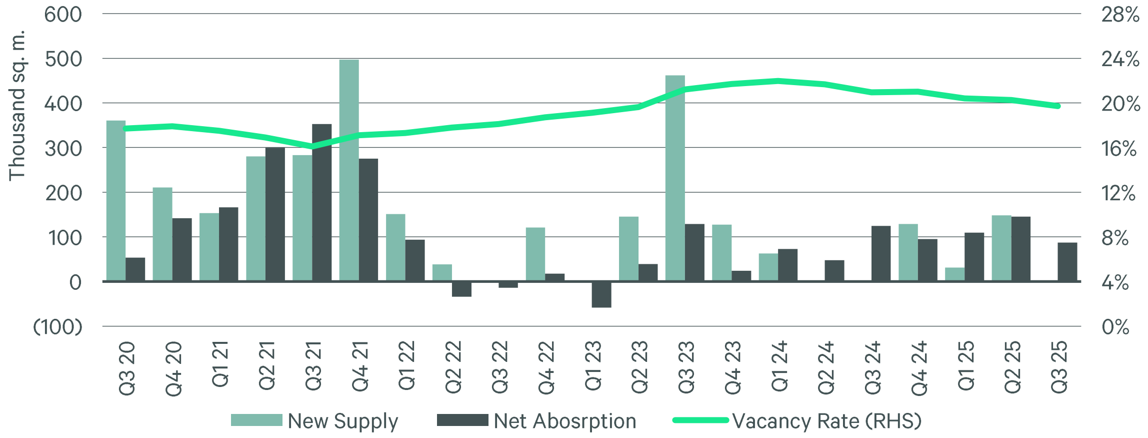
No new office projects were completed in Beijing this quarter. Total new leasing volume fell by 31% q-o-q due to a range of factors including diminishing demand from leading tech firms that was largely satisfied in H1 2025; a sharp drop in available space in the ZGC prime tech hub, which pushed some large requirements to nearby business parks; landlords' greater flexibility towards lease renewals and restructurings; and a trend towards smaller office footprints. Relocations dominated, accounting for 75% of new leases signed during the quarter. Tenant flows showed clear patterns, led by intra-submarket moves in Financial Street and Tongzhou; active circulation among tech-hubs; and several moves to CBD and Lize, which remain key cross-submarket destinations. TMT was the most active industry, accounting for 31% of new leases, driven by AI, big data, clouding service and online games. Financial leases increased by 15% q-o-q, with rising demand for spaces of under 1,000 sq. m.. Professional services ranked third, with the CBD favoured by law, consulting and PR firms. Healthcare and life sciences climbed to fourth position, as leading firms relocated to upgrade their image.

## Price-for-volume strategy shows mixed results

Despite subdued leasing demand and policy-driven large-scale lease surrenders, net absorption reached 87,000 sq. m., pushing overall vacancy down to 19.7%. The Grade A segment attracted nearly 80% of net absorption amid strong flight-for-quality demand. Submarket performance remained polarised, with tech hubs leading absorption. ZGC recorded the lowest vacancy rate, while the CBD and Financial Street continued to report negative absorption. Rental reduction remained an effective demand stimulus. Citywide average face rents fell 2.9% q-o-q to RMB 234.8 per sq. m. per month. Financial Street logged the steepest decline, while eastern submarkets like Wangjing, Wangfujing and the CBD showed no signs of rental pressure easing, particularly in the Grade B segment.

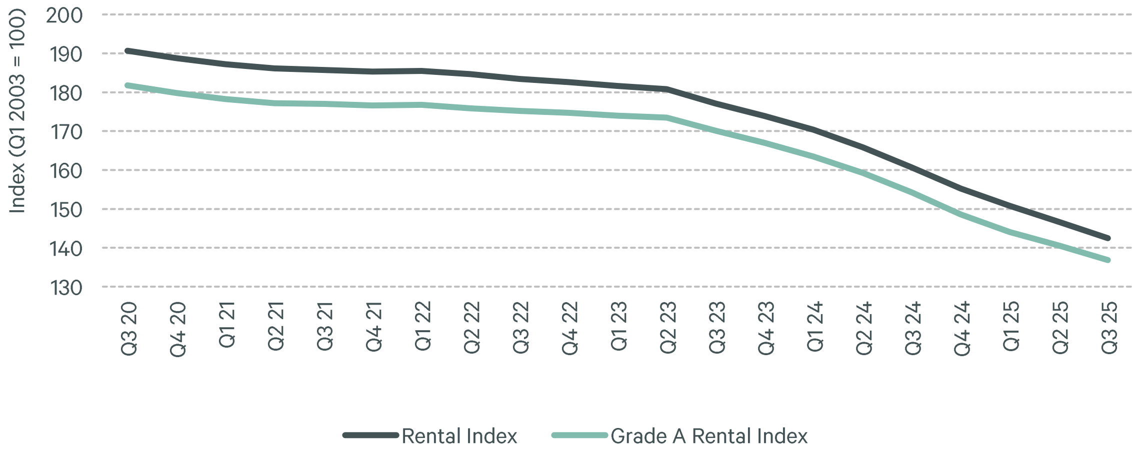
The next six months will see the addition of just one new project in Shijingshan. Overall vacancy is likely to edge down as supply eases. While pressure on rents will persist, the pace of decline is expected to moderate, with prime Grade A offices likely stabilising first. CBRE's 2025 China Office Occupier Survey found that corporate real estate strategies over the next three years will prioritise stability and be increasingly driven by cost efficiency, quality, and sustainability. Market activity will focus on renewals, lease restructuring, and relocations. Incremental demand will be mainly created by technology, finance, and professional services thanks to Beijing's status as a global innovation centre.

FIGURE 2: Office Supply and Demand




Source: CBRE Research, Q3 2025.

FIGURE 3: Office Rental Index




Source: CBRE Research, Q3 2025.

## Retail

Net Absorption
- 20,400 sq. m.

Vacancy
0.2 pp q-o-q

Rent
-0.6% q-o-q

### Landlords look to revitalise older projects

No new malls opened this quarter. A total of two projects closed in a prime and decentralised area after experiencing slow sales, with owners planning to replace the operators or renovate at a later stage.

Y-t-d total social retail sales continued to decline on a y-o-y basis, led by a drop in optional consumer goods followed by a stable decline in catering revenue. Owing to the slower pace of openings by traditional restaurants and fast food, new F&B openings dropped 4-pps. to 43% of the total. However, cafés & tea shops and bakeries saw a strong comeback in popular shopping malls or innovative retail projects. These included CloudD'or, More Yogurt and YeGelato, which opened flagship or brand chain stores in non-prime locations. Fashion retailers share of new openings remained above 30%, driven by an increase in domestic men's and women's clothing demand. The pace of new openings by outdoor sportswear brands slowed; while luxury brands remained subdued with less expansion and more closures in prime areas. Beauty and health care, fitness, supermarkets and other lifestyle service formats stayed active in non-prime reginal malls. Anime-related and pop-up stores with emotional value remained the top choice for foot traffic generation in major projects. New openings included WonderFrogs' pop-up in LIVAT and Detective Conan's pop-up in Xidan Joy City. Although the proportion of citywide newly opened stores rose 12-pps. q-o-q, numerous closures ensured citywide net take-up was negative and overall vacancy rose 0.2-pps. q-o-q to 7.7%.

### Rental decline accelerates, led by secondary submarkets

Demand from non-essential consumption and brands with high rental affordability remained cautious, leading several landlords to downgrade their brand positioning. This led average shopping mall ground floor rents to drop by 0.6% q-o-q on a like-for-like basis to RMB 30.6 per sq. m. per day. Secondary submarkets (e.g., ZGC and Wangjing) led the decline due to intense landlord competition and weak consumption. Falling rents forced several external operators to terminate agreements and cease cooperation with landlords.

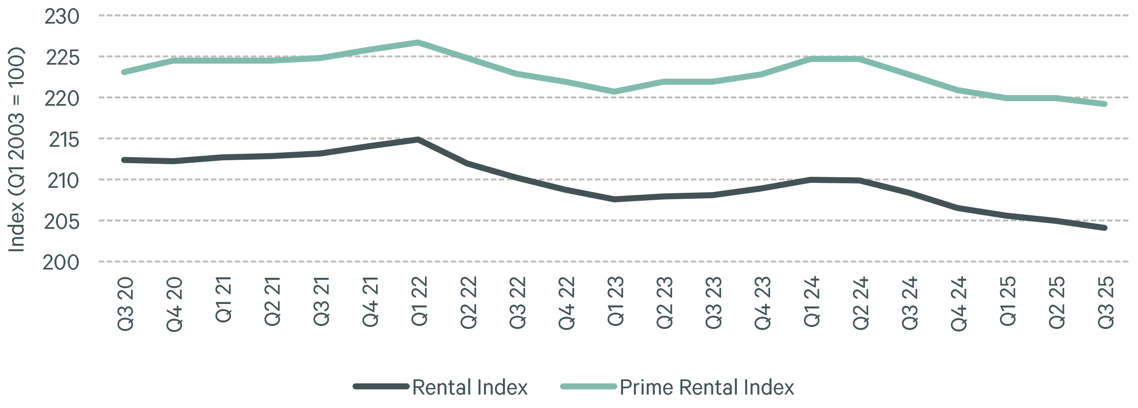
394,000 sq. m. of new shopping mall supply is expected to come on stream in non-prime areas over the next six months. The government's recent plan to enhance service consumption is expected to further stimulate demand for retail space.

FIGURE 4: New Supply and Selected Leasing Transactions

| New Supply | Submarket | GFA (sq. m.) | Landlord |
|---|---|---|---|
| - | - | - | - |
| **New Openings** | **Sector** | **Property** | **Submarket** |
| More Yogurt | Bakery & Dissert | Chaoyang Joy City | Outer CBD |
| ARC'TERYX | Sports | Golden Resources | ZGC |
| Wild Kite Taphouse | F&B | SOLANA | Lufthansa |
| Orange Left | Café & Tea | Chaoyang Hopson One | Outer CBD |
| Songmont | Fashion | Indigo | Wangjing |
| Wangfanxing Noodle | Fast food | Qinghe MIXC ONE | Others |
| LAO PU GOLD | Jewellery | Xihongmen LIVAT | Others |
| AVATR | NEV | Longfor Daxing Paradise Walk | Others |

Source: CBRE Research, Q3 2025.

FIGURE 5: Retail Rental Index




Note: : Prime retail submarkets are CBD, Wangfujing, Sanlitun and Xidan
Source: CBRE Research, Q3 2025.

## Logistics

Net Absorption 22,000 sq. m. | Vacancy 0.1 pps q-o-q | Rent -5.3% q-o-q

### Traditional regions continue to lose tenants

One new logistics facility with a total GFA of 40,000 sq. m. was completed in BDA in Q3 2025. Manufacturers, led by auto-part firms, remained active, accounting for 35% of new leases, followed by F&B and e-commerce, which accounted for 27% and 18%, respectively. Tenants' focus on cost reduction and quality upgrading drove large-size demand in Pinggu, but older facilities in traditional submarkets continued to shed tenants. The rental downtrend stimulated several cost-oriented relocations but led to limited new demand. Net take-up was positive for the third consecutive quarter and totaled 75,000 sq. m. y-t-d but accounted for less than 20% of new supply over the same period. Vacancy continued to set new records, rising 0.1-pps. q-o-q to 29.6%.

### Rental adjustments accelerate in Pinggu and inner submarkets

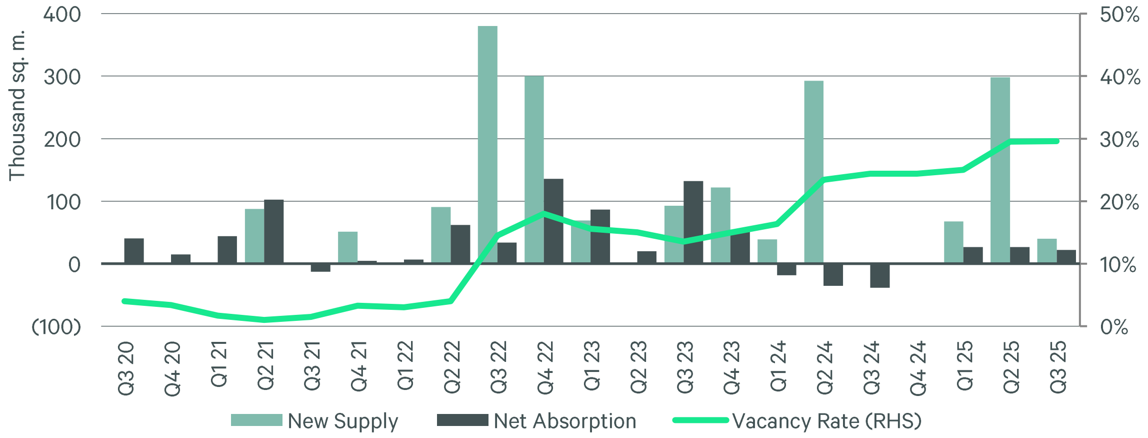
Average rents declined by 5.3% q-o-q on a like-for-like basis to RMB 42.8 per sq. m. per month. All submarkets recorded lower rents over the quarter, led by high-vacancy Pinggu. Stimulated by cost-oriented relocations, rental declines accelerated among higher-priced inner submarkets such as BDA, Tongzhou and Majuqiao.

One new facility with a GFA of 111,000 sq. m. was added in Langfang EDA in Q3 2025. Demand in the city remained strong thanks to its price advantages, ensuring net take-up remained above 200,000 sq. m. for the fifth consecutive quarter. Vacancy fell to its lowest level since mid-2021.

No new facilities were delivered in Tianjin this quarter. Demand saw a slight rebound due to e-commerce promotions scheduled for Q4 2025, pushing up net take-up q-o-q to 72,000 sq. m.. Vacancy dropped 0.9-pps. q-o-q. 3PLs and manufacturers accounted for 45% and 20% of new leases, respectively. Wuqing, Airport and Binhai New District were relatively more active.

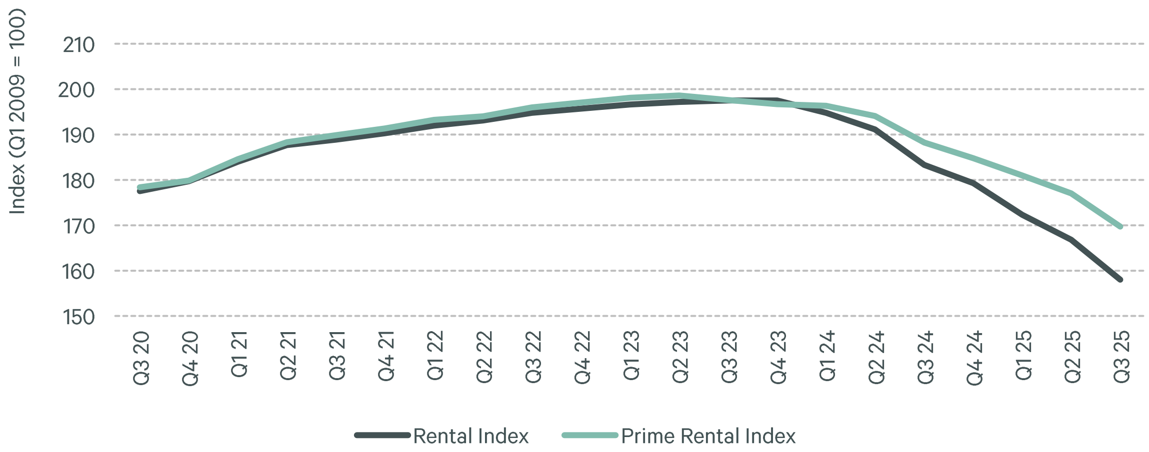
1.29 million sq. m. of new space is due to come on stream in Beijing over the next six months, led by Pinggu. Some 870,000 sq. m. will be completed in Langfang. Cost-oriented relocations will continue to drive demand, putting further pressure on landlords of projects with high vacancy. The accelerating rental decline across Beijing may stimulate market vitality and help digest vacancy by luring back spillover demand and attracting upgrades from lower quality facilities.

FIGURE 6: Logistics Supply and Demand




Source: CBRE Research, Q3 2025.

FIGURE 7: Logistics Rental Index




Note: : Prime logistics submarkets are Shunyi Airport, Majuqiao and Jingnan.
Source: CBRE Research, Q3 2025.

## Business Park

Net Absorption 59,500 sq. m. | Vacancy 0.4 pps q-o-q | Rent -2.5% q-o-q

### New supply of multi-functional industrial parks highlight ongoing evolution

During the quarter, two life sciences parks with s total GFA of 116,000 sq. m. were completed. Both projects feature an "R&D + pilot testing + production" integrated design, reflecting the ongoing evolution of business parks from traditional office-oriented facilities to multifunctional industrial platforms capable of supporting full value-chain activity.

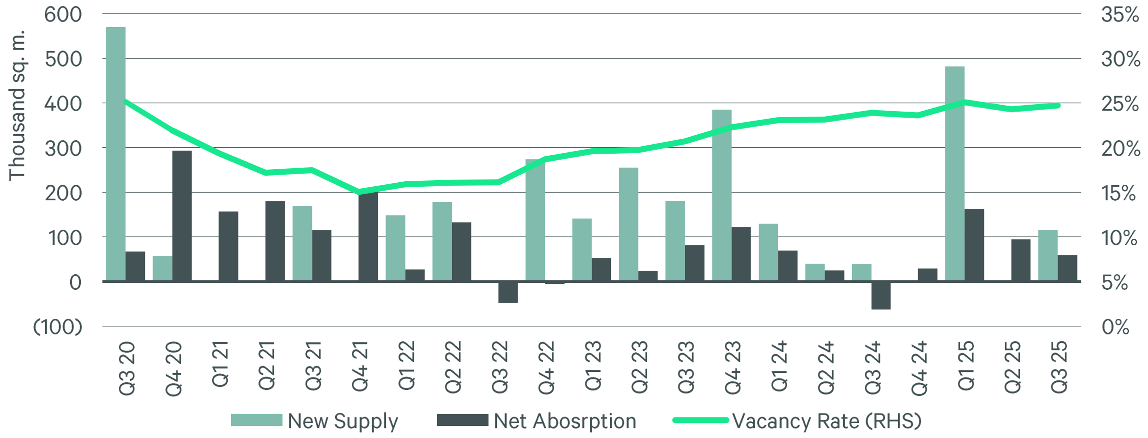
Overall net absorption reached 60,000 sq. m., representing a 37% decline q-o-q but a slight increase y-o-y. Demand continued to show clear polarisation by industry. Internet and AI firms drove relocation and expansion in the Greater ZGC, while enterprises in the semiconductor, low-altitude economy, and new energy vehicle sectors remained active in BDA. The life sciences segment recorded moderate leasing activity, driven by the handover of new facilities and expansion by leading occupiers. Overall leasing demand turned increasingly selective, with projects offering superior functionality and competitive pricing achieving solid absorption, but homogeneous assets with limited operational management remaining under pressure.

### Demand patterns diverge; prime assets outperform

Overall vacancy edged up 0.4-pps. to 24.7%. Average asking rents continued to trend downward, falling by 2.5% q-o-q on a like-for-like basis to RMB 134.3 per sq. m. per month. Most landlords employed rental reductions, flexible leasing strategies, and tailored industrial services to sustain competitiveness. On the occupier side, cost optimisation remained a key priority; a trend expected to prolong rental pressure in the short term. Such an environment nevertheless presents a favourable entry window for enterprises with a long-term strategic outlook.

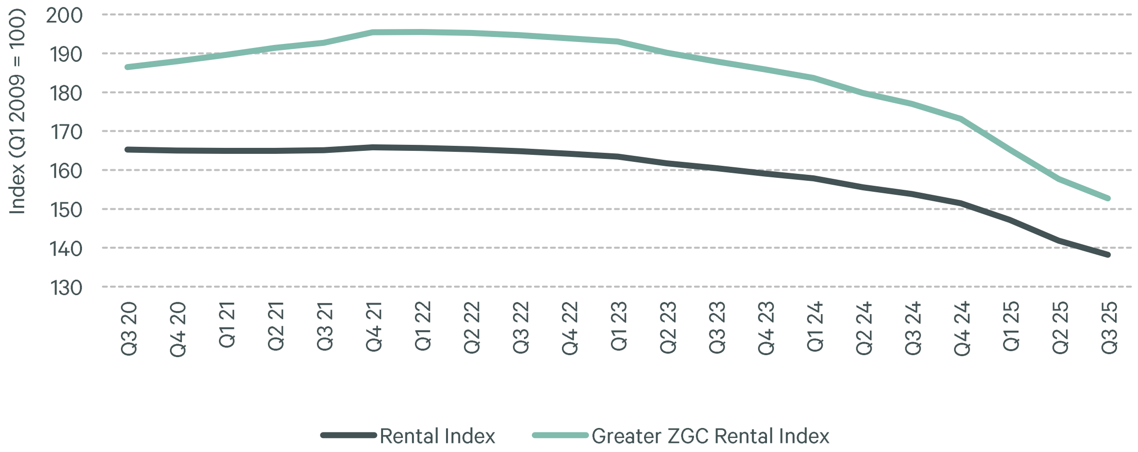
Beijing's continued emphasis on AI, biopharmaceuticals, and advanced manufacturing will sustain strong demand for industrial parks that can accommodate R&D, pilot, and production functions within an integrated setting. However, the availability of such high-spec space remains limited, leading to growing differentiation between high-quality and conventional projects. Over the next six months, approximately 341,000 sq. m. of new supply is scheduled to come on stream. Around 90% will be in the Beiqing Road submarket and predominantly comprise standard R&D office projects, heightening leasing pressure on existing projects lacking industrial transformation or policy incentives.

FIGURE 8: Business Park Supply and Demand




Source: CBRE Research, Q3 2025.

FIGURE 9: Business Park Rental Index




Note: : Greater ZGC contains Shangdi, Z-Park, Beiqing Road and Dongsheng.
Source: CBRE Research, Q3 2025.

# Investment

Transaction Volume
41.0% q-o-q

Transaction Number
11

## Small-scale and opportunistic investments dominate

11 commercial real estate investment deals with a total volume of RMB 3.43 billion were recorded in Q3 2025, a decline of 41% q-o-q and 75% y-o-y. Market sentiment remained cautious, with small-scale deals under RMB 500 million continuing to dominate.

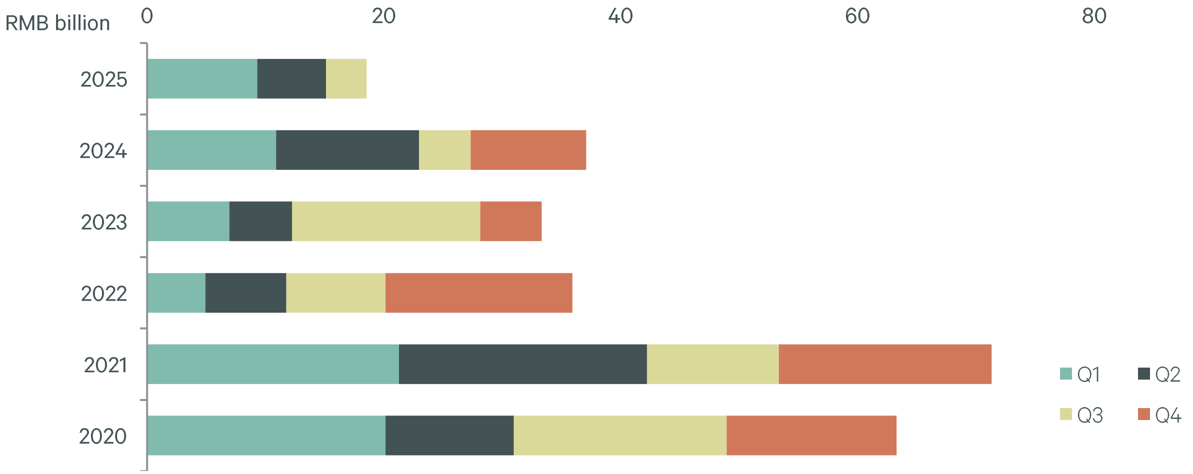
Corporate purchasers completed eight transactions, maintaining strong demand for scarce and high-quality assets. These included acquisitions by an education enterprise in Xibeiwang and a domestic firm in Wangjing, reflecting the steady realisation of self-use demand. Institutional investors continued to execute investments across an increasingly diverse range of asset types, while placing greater emphasis on asset managers' operational capability and cash-flow performance. During the quarter, an insurance investor incorporated a life sciences park in CBP into its newly established RMB real estate fund, with the seller retaining operation rights.. In addition, a total of five assets were sold through auction, reflecting demand for small- to mid-scale income-producing assets.

Developers accounted for 69% of total sales volume, mainly due to their need to accelerate cash recovery. A representative case involved a developer transferring 50% equity and related debt in an under-construction mixed-use project in Tongzhou, not only improving liquidity, but also facilitating project resumption after delays. A significant portion of distressed retail assets sold this quarter also originated from developers, bringing more tradable stock to the market.

## Emerging corporate buyers become key driver of activity

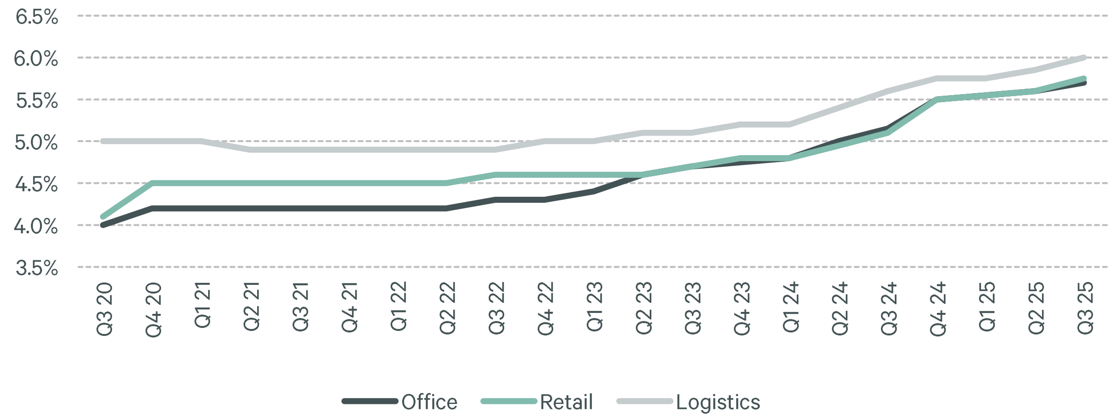
Corporate buyers, driven by self-use or long-term allocation purposes, are emerging as key players in the investment market. These buyers take a long-term, strategic perspective, emphasising the value of core assets rather than short-term returns. Confidence stems from Beijing's position as the capital, which ensures steady fundamentals, and the scarcity of quality assets in core locations. Meanwhile, the participation of buyers with diverse industry resources is fostering collaboration across the asset-management chain. By working with specialised partners in operations and management, these purchasers are revitalising existing assets, improving efficiency, and unlocking hidden value. Such synergies are gradually restoring market confidence and laying the foundation for a future recovery in transaction activity.

Figure 10: Investment Volume by Market




Source: CBRE Research, Q3 2025.

Figure 11: Yield Trends




Source: CBRE Research, Q3 2025.

## CBRE Research


### Sam Xie
Head of Research, China
Sam.xie@cbre.com

### Tin Sun
Head of Research, Northern China
Tin.sun@cbre.com

### Dancy Su
Associate Director, Northern China
Dancy.su@cbre.com

### Kelland Lu
Manager, Northern China
Kelland.lu@cbre.com

### Katie Pan
Assistant Manager, Northern China
Katie.pan@cbre.com


## Business Line


### Christina Liu
Regional MD, Northern China
Christina.liu@cbre.com


## CBRE Office


### Beijing Office
29F, North Tower, CP Center
No. 20 Jinhe East Road,
Beijing, China 100020




CBRE