

FIGURES | BEIJING | Q4 2025

Office vacancy drops for fourth straight quarter; new logistics supply and vacancy at record highs

+5.4%

GDP
(FY 2025, Y-o-Y)

-2.9%

Retail Sales
(FY 2025, Y-o-Y)

+5.5%

Fixed Asset Investment
(FY 2025, Y-o-Y)

Source: CBRE Research, Beijing Municipal Statistics Bureau, Jan 2026

Executive Summary

- **Office:** Full year new supply fell to an 11-year low in 2025. Tech-hub submarkets captured the bulk of absorption in Q4 2025, pulling down the citywide vacancy rate for a fourth consecutive quarter. Landlords cut rents further as competition for tenants intensified.
- **Retail:** All new retail supply in 2025 consisted of renovated properties. F&B expansion moderated, while demand from the fashion sector continued to recover. Vacancy declined to Q4 2024 levels. Downward pressure on rents was higher in the secondary market.
- **Logistics:** New supply and vacancy rose to historical highs this quarter. Manufacturers remained upbeat, accounting for 32% of new leases. Average rents fell below RMB 40 per sq. m. per month for the first time in nearly a decade.
- **Business Park:** Seven new projects were completed in 2025, six for life sciences use. Downward pressure on rents accelerated landlords’ shift toward operational upgrading.
- **Investment:** The scarcity of transactions by domestic institutional investors was the key factor underpinning the contraction in full-year investment volume in 2025. Corporate buyers were the primary source of demand.

Table 1: Quick Statistics

Office	q-o-q	y-t-d	y-o-y
Rent	-2.7%	-10.7%	-10.7%
Vacancy	-0.6 pp	-1.9 pp	-1.9 pp
Retail	q-o-q	y-t-d	y-o-y
Rent	-1.0%	-2.4%	-2.4%
Vacancy	-0.4 pp	0.0 pp	0.0 pp
Logistics	q-o-q	y-t-d	y-o-y
Rent	-3.3%	-14.8%	-14.8%
Vacancy	+11.0 pp	+16.3 pp	+16.3 pp
Business Park	q-o-q	y-t-d	y-o-y
Rent	-2.4%	-10.9%	-10.9%
Vacancy	-1.4 pp	-0.4 pp	-0.4 pp
Investment	q-o-q	y-o-y	y-t-d total, y-o-y
Total volume	+37.6%	-51.6%	-37.3%
Domestic	+88.3%	-51.6%	-39.3%

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, Q4 2025.

Office

 Net Absorption
96,100 sq. m.

 Vacancy
-0.6 pp q-o-q

 Face Rent
-2.7% q-o-q

Supply tightens to 11-year low; vacancy rate declines for fourth consecutive quarter

With no new projects delivered in Q4 2025, full-year new supply totalled 180,000 sq. m., the lowest level since 2015. The contraction in supply helped ease pressure on absorption over the course of the year.

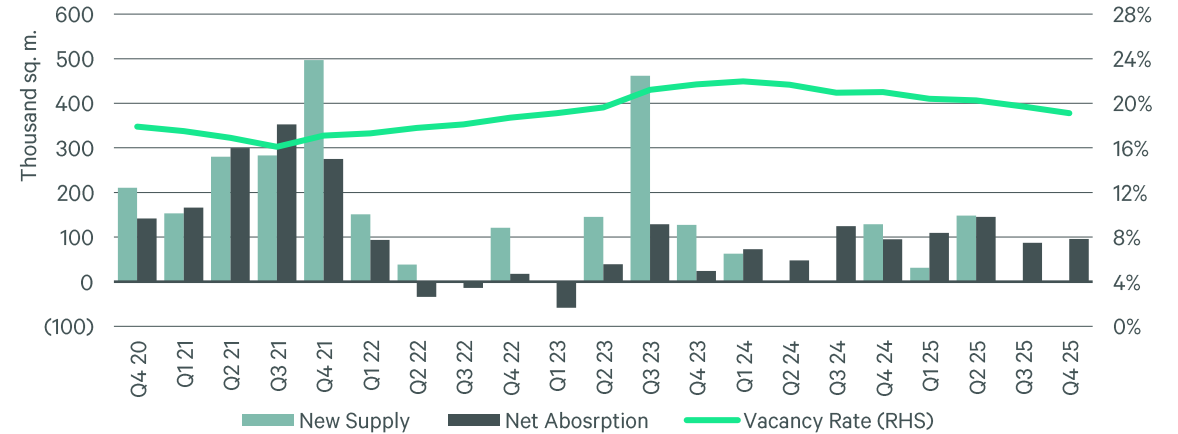
New leasing demand got off to a strong start, weakened mid-year, and finished the year steadily. Relocation remained the dominant transaction type, accounting for 76% of total leasing volume, as ongoing cost pressures prompted occupiers to pursue quality upgrades within existing submarkets. For cross-submarket moves, Lize continued to attract decentralisation demand from the CBD, Financial Street and ZGC. Leasing volume involving relocations declined y-o-y, largely due to occupiers' improved executions of lease restructurings and renewals, which boosted activity in the latter. Expansion and new set-up demand recovered modestly, making a slight contribution to overall leasing volume.

TMT remained the key source of demand, with the computing-powered system solutions, AI, and big data/cloud segments most active. Financial sector demand recovered slowly, with most new leases small in size. In the professional services segment, upgrading and relocation demand from domestic law firms and consulting firms stayed robust, making it the third most active sector. The culture, sports, and entertainment sector came in at fourth place.

Full-year citywide net absorption reached 438,000 sq. m., pulling down the vacancy rate for a fourth consecutive quarter to 19.1%. Driven by several large deals, net absorption rose 10% q-o-q. Grade A led the way, contributing 70% of annual take-up. Regional performance diverged, with tech-hub submarkets such as ZGC continuing to attract expansion, consolidation, and upgrading relocations from leading tech firms and capturing the bulk of absorption. In contrast, traditional areas including the CBD, Financial Street, Wangfujing, Lufthansa, and E2R faced pressure from consolidation-driven lease terminations by financial and TMT occupiers, especially in Grade B and older buildings.

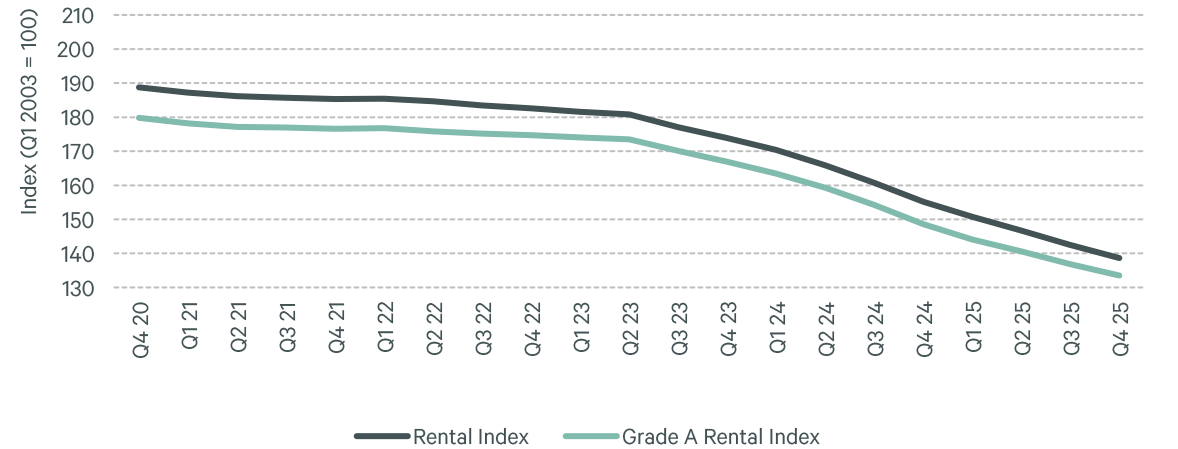
Amid a slow recovery in new demand and mounting cost-control pressures, competition among landlords intensified, pushing down rents. Citywide average face rents fell 2.7% q-o-q on a like for like basis to RMB 228.5 per sq. m. per month in Q4 2025, with the y-o-y fall reaching 10.7%. Financial Street recorded one of its largest ever annual drops but the decline in ZGC narrowed. Landlords of Grade A projects cut rents to attract tenants, attracting upgrades from Grade B and older buildings. In contrast, owners of Grade B properties in traditional areas were forced to implement steeper rental declines.

FIGURE 2: Office Supply and Demand



Source: CBRE Research, Q4 2025.

FIGURE 3: Office Rental Index



Source: CBRE Research, Q4 2025.

Retail

 Net Absorption
283,600 sq. m.

 Vacancy
00.4 pp q-o-q

 Rent
-1.0% q-o-q

Property upgrades spur consumption as proactive strategies help lower vacancy

New retail supply in Beijing totalled 534,000 sq. m. in 2025, all of which came from renovated properties. This quarter’s new openings included Zhongguancun IMIXPARK and LONGFU II, both in secondary submarkets, which added 294,000 sq. m to the markets, while one department store in prime closure. Alongside supply-side renovations, owner of older assets sought to boost competitiveness through operational repositioning, tenant mix restructuring, and content innovation.

Beijing’s retail sales declined by just 3.1% y-o-y from January to November 2025, nearing a stabilisation point. While F&B remained the key driver of demand, expansion moderated over the quarter, with new openings dropping from 49% of the total to 42%. Demand from value-oriented formats with low experiential appeal and high delivery substitution, such as fast food, slowed most noticeably, but local quality casual dining and tea & bakeries remained active, with cuisines such as Wuhan-style creative and Yunnan-Guizhou-Sichuan accounting for several new leases. Fashion retail recovered gradually, with local and young designer brands and streetwear turning more active. Driven by consumer’s emotional impulses and landlords’ focus on enhancing experience and cultural engagement, lifestyle openings rose to an annual high of 8.4%, particularly in non-prime areas. The sports & outdoors and wellness category displayed cyclical resilience, with new openings remaining steady from the previous quarter, while immersive and scenario-driven experiential stores saw sustainable growth. Luxury brands continued to optimise store networks, focusing on prime flagships to improve sales productivity and customer experience. The “first-store” economy stayed active, blending traditional culture with contemporary trends and local distinctiveness with global appeal. However, its benefits have grown increasingly concentrated in a few highly operational or comprehensively repositioned projects, highlighting market polarisation.

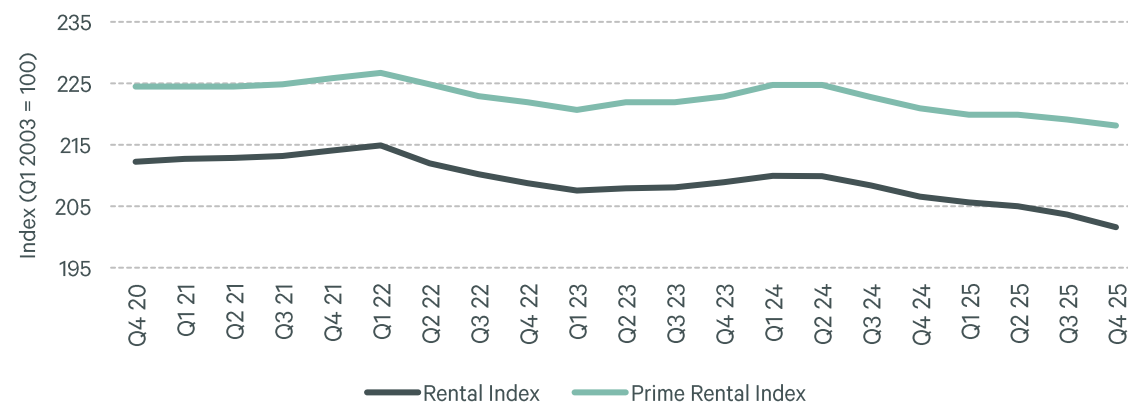
After rising for four consecutive quarters, the overall vacancy rate declined in Q4 2025, returning to Q4 2024 levels. Landlord strategies such as rental concessions and a focus on targeting F&B or lifestyle tenants with stronger customer retention, alongside government initiatives to upgrade commercial districts and attract first stores, helped absorb space. By quarter-end, citywide average shopping centre ground floor rents (like-for-like) had fallen 1.0% q-o-q to RMB 30.0 per sq. m. per day, bringing the full-year decline to 2.4%. Secondary areas (e.g., Zhongguancun, Wangjing and Olympic Village) faced stronger downward pressure on rents due to new supply and weaker local demand, while prime areas remained relatively stable thanks to tenant upgrading and property renovations.

FIGURE 4: New Supply and Selected Leasing Transactions

New Supply	Submarket	GFA (sq. m.)	Landlord
Zhongguancun IMIXPARK	Zhongguancun	200,000	Everbright Ashmore
LONGFU II	Dongcheng Others	94,000	Beijing Xinlongfu Cultural Investment Co., Ltd
New Openings	Sector	Property	Submarket
TamKoKo	Café & Tea	T + MALL	Sanlitun
Haglofs	Sports	China World Mall	Zhongguancun
NEED Korean Cuisine	F&B	Taikoo Li Sanlitun South	Sanlitun
parfait delice	Bakery & Dessert	CapitaMall-Xizhimen	Xicheng
Vuori	Fashion	Taikoo Li Sanlitun North	Sanlitun
Wiggle Wiggle	Lifestyle	Chaoyang Hopson One	Outer CBD
W. Management	Fashion	LIVAT Xihongmen Shopping Center	Others

Source: CBRE Research, Q4 2025.

FIGURE 5: Retail Rental Index



Note: Prime retail submarkets are CBD, Wangfujing, Sanlitun and Xidan.
Source: CBRE Research, Q4 2025.

Logistics

 Net Absorption
106,900 sq. m.

 Vacancy
11.0 pps q-o-q

 Rent
-1.3% q-o-q

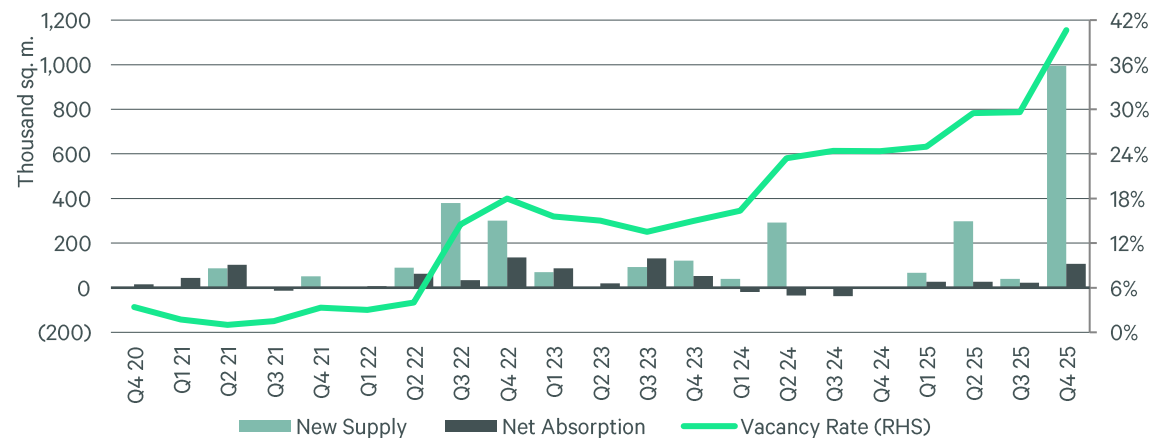
Supply Wave Intensifies, Manufacturing Demand Outperforms

In 2025, market recorded 1.40 million sq. m. of new supply in Beijing, driving the overall vacancy rate up to 40.7% by year-end. Both figures reached historical highs. In contrast, Langfang saw 511,000 sq. m. of new completions, the lowest level in the past five years, while Tianjin recorded 282,000 sq. m., the lowest in nearly six years, indicating a meaningful easing of supply-side. Notably, especially in Q4, Beijing and its surrounding markets—Langfang and Tianjin—simultaneously experienced their annual supply peaks. In Beijing’s Pinggu–Mafang submarket, three projects were delivered, totaling 995,000 sq. m., among which the 84.3 million sq. m. DNE project set a new record as the largest single logistics facility in Asia. Meanwhile, Langfang and Tianjin together completed four new projects during the same period.

From a full-year perspective, demand dynamics of Beijing completed a clear transition: from a “cost-driven relocation” pattern led by 3PL operators in H1 2025, to a “quality-driven upgrade” fueled by manufacturing occupiers in the second half. This transition effectively stabilized the demand. Manufacturing sectors—particularly automotive components, pharmaceuticals, and electronic communications—actively released relocation and expansion demand, accounting for 32% of new leases, predominantly in the Pinggu, Majuqiao, and Miyun. For the full year, Beijing achieved a net absorption of 182,000 sq. m., with 107,000 sq. m. recorded in Q4, marking the strongest quarterly performance in nearly two years. Net absorption in existing assets doubled q-o-q. Across the surrounding markets, Langfang recorded the annual net absorption of 1.19 million sq. m., a historical high, led by the Guangyang and Gu’an, with 3PL operators remaining the primary demand driver. Tianjin’s leasing activity was more balanced, with manufacturing and 3PL occupiers contributing equally, supporting an annual net absorption of 371,000 sq. m.. Notably, vacancy rates in both markets declined significantly by y-o-y.

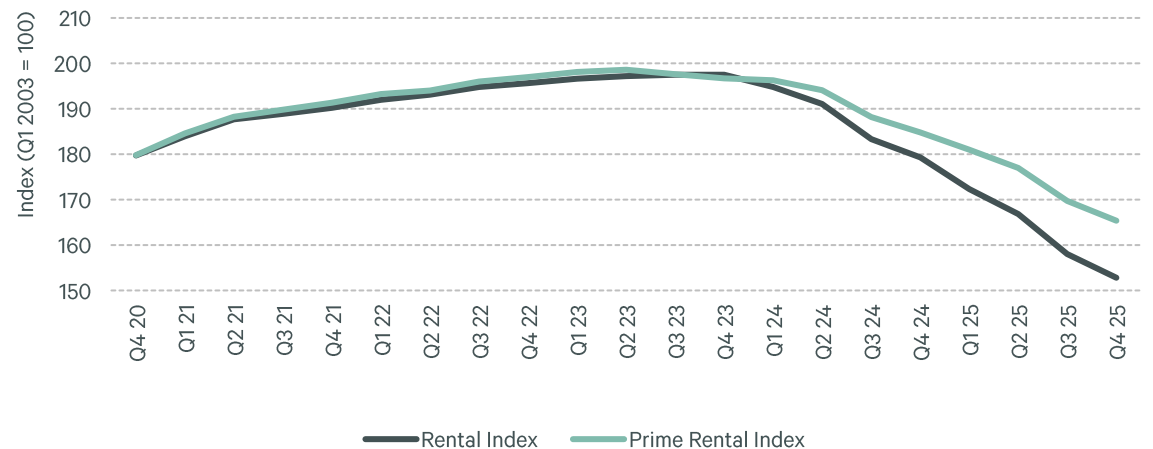
Beijing, Langfang and Tianjin exhibited markedly divergent rental trends throughout the year. By year-end, Beijing’s average headline rent fell below RMB 40 per sq. m. per month for the first time in nearly a decade, settling at RMB 37.1 per sq. m. per month, representing a 3.3% q-o-q decline on a like-for-like basis and a 14.8% decrease y-o-y. The steepest rental declines were observed in Pinggu, Miyun, and Shunyi, while landlords across most submarkets increased leasing flexibility to retain existing tenants. In contrast, rental declines in Langfang and Tianjin began to narrow toward year-end. Submarkets with vacancy levels have seen rents gradually bottom out.

FIGURE 6: Logistics Supply and Demand



Source: CBRE Research, Q4 2025.

FIGURE 7: Logistics Rental Index



Note: Prime logistics submarkets are Shunyi Airport, Majuqiao and Jingnan.
Source: CBRE Research, Q4 2025.

Business Park

Net Absorption
148,500 sq. m.

Vacancy
-1.4 pp q-o-q

Rent
-2.4% q-o-q

Life Science Parks Dominate New Supply

In 2025, seven new projects with total GFA of 598,000 sq. m. were delivered into the market. These projects were concentrated in the Beiqing Road and BDA submarkets, with six projects dedicated to life sciences uses. As multifunctional products continue to come on stream, business parks are evolving from traditional R&D office formats toward end-to-end platforms integrating R&D, pilot production, and light manufacturing, closely aligning with the spatial needs of high-tech and advanced industries.

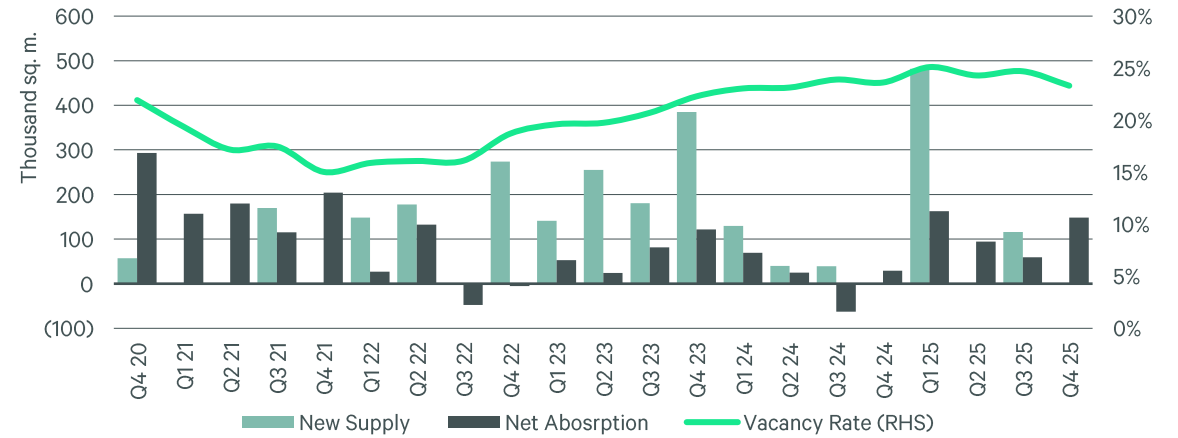
Overall net absorption reached 465,000 sq. m. in 2025, including 148,000 sq. m. in Q4, underscoring the resilience of the existing stock. Leasing momentum was strongest in BDA, supported by ongoing government-led investment promotion, which attracted semiconductor and life science companies from outside Beijing and further strengthened industrial clustering. In BEZ, price adjustments triggered a wave of in-zone relocations and upgrades, resulting in several large-scale transactions and a marked increase in leasing activity. While, the Greater ZGC area continued to see declining vacancy, underpinned by relocation and consolidation demand from TMT and life science occupiers.

By sector, TMT accounted for 40% of new leasing demand, mainly in Dongsheng and Shangdi/Z-park, followed by BEZ submarket. Life sciences sector represented around 31%, driven by new project deliveries along Beiqing Road and BDA, while industrial and manufacturing-related occupiers accounted for roughly 17%. Overall, new demand remained highly concentrated in core submarkets with established industry ecosystems and strong supporting infrastructure, highlighting increasing structural polarization in market absorption.

Rental Pressure Accelerates the Shift Toward Operational Upgrading

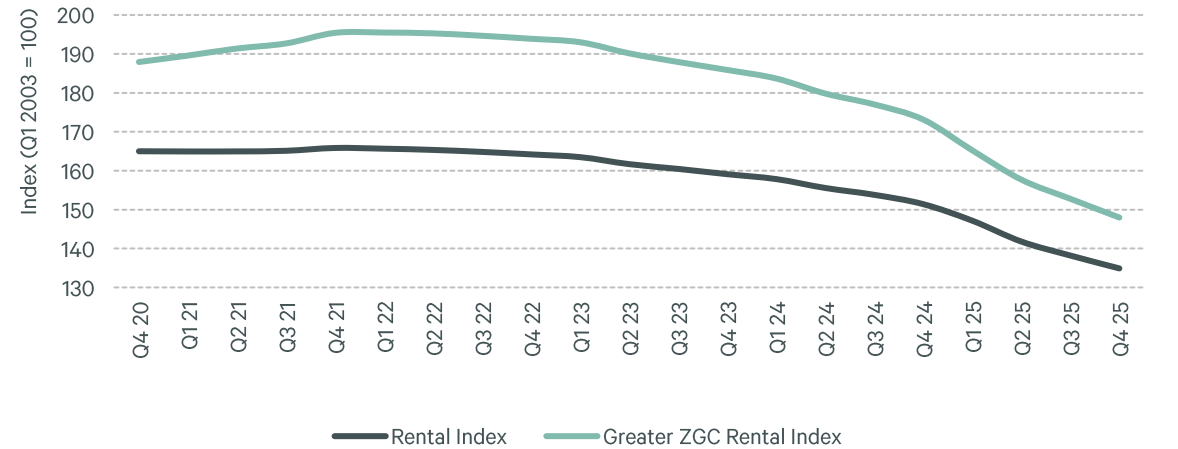
Rents remained under downward pressure. The overall average asking rent declined by 2.4% q-o-q on a like-for-like basis, bringing the full-year decline to 10.9%, to RMB 131.1 per sq. m. per month. Rental declines widened across all submarkets compared with last year, led by the Greater ZGC area. Against the backdrop of rising supply and cautious occupier sentiment, landlords broadly adopted more flexible leasing strategies and rental concessions to support absorption. In this environment, parks with strong industrial operations, clear sector focus, and policy support continued to demonstrate greater resilience.

FIGURE 8: Business Park Supply and Demand



Source: CBRE Research, Q4 2025.

FIGURE 9: Business Park Rental Index



Note: Greater ZGC contains Shangdi, Z-Park, Beiqing Road and Dongsheng.
Source: CBRE Research, Q4 2025.

Investment

Transaction Volume
38% q-o-q

Transaction Number
9

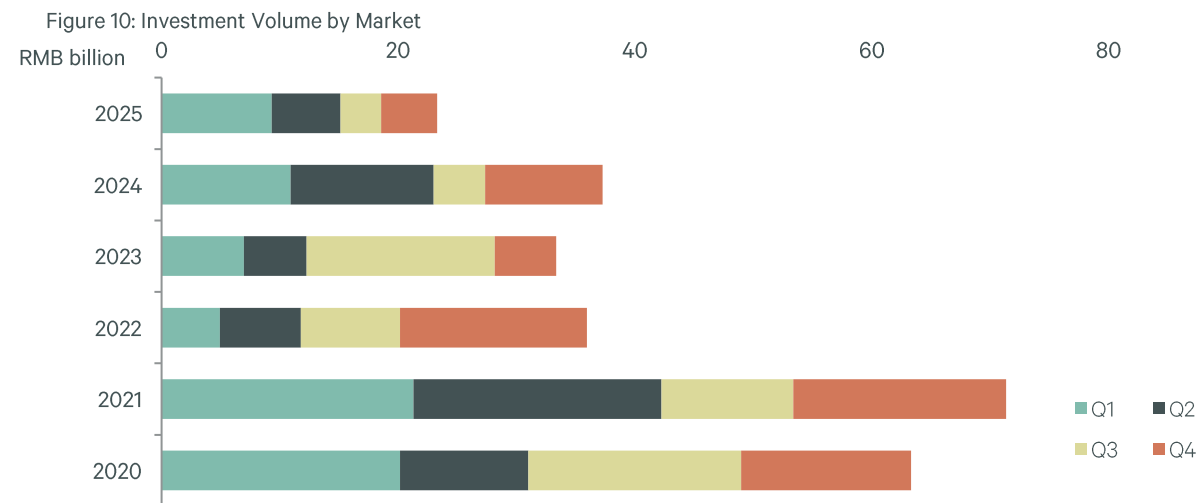
Core Assets Open a Strategic Allocation Window for Corporate Buyers

In 2025, Beijing capital market recorded 40 completed transactions with a total consideration of RMB 23.27 billion. In Q4, nine deals were concluded, amounting to RMB 4.73 billion, up 38% q-o-q. While full-year transaction value declined 37% y-o-y, the number of deals fell by only 13%, indicating that market activity remained relatively resilient, albeit with smaller average deal sizes. The scarcity of transactions by domestic institutional investors was a key factor behind the contraction in overall transaction value.

As pricing adjustments deepened and opportunities to acquire core assets at cyclical lows emerged, market dynamics shifted from cautious observation to more substantive engagement and bid submission. The quarter saw a high-quality office asset in Beijing CBD acquired by a private pharmaceutical company for RMB 2.25 billion via a judicial auction. This deal established a new price benchmark for core-area assets, signaling that valuations have entered a highly attractive allocation range and providing a notable boost to market confidence.

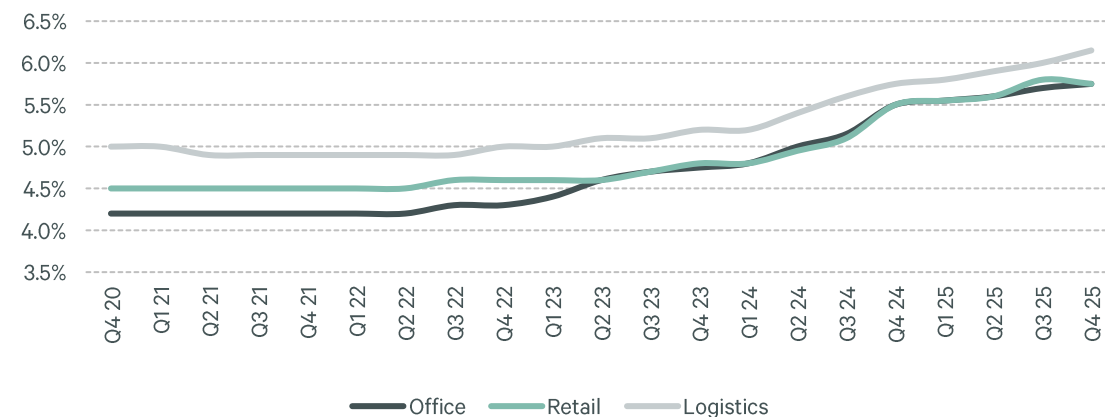
Throughout the year, corporate buyers were the primary source of demand, accounting for 71% of total transactions, driven by both self-use and long-term investment considerations. Enterprises from outside Beijing were particularly active in acquiring assets in core locations, underscoring the enduring strategic value of prime Beijing assets through market cycles. In Q4, self-use buyers dominated market activity, representing 47% of total transaction value, with a clear preference for small-scale, low-density office assets in core districts. Representative deals included a standalone office in Dongcheng acquired for RMB 400 million, and a rare low-density office within the Second Ring purchased by a government entity for RMB 310 million. While institutional investors remain focused on large-scale assets with strong scarcity and stable cash flows, they continue to adopt a highly selective and cautious approach, particularly with respect to cap rate expectations. Nevertheless, some institutions have begun to diversify investment strategies to enhance execution agility in capturing time-sensitive opportunities.

Office sector accounted for 64% of total transaction value in 2025, with core areas representing 37% and secondary 13%. Despite broader market headwinds, capital continues to favor core and near-core assets, reflecting investors' preference for certainty amid value repricing. Meanwhile, the apartment sector remained comparatively resilient, with a high-quality core-area multifamily asset successfully sold in Q4, highlighting the defensive characteristics of the living sector.



Source: CBRE Research, Q4 2025.

Figure 11: Yield Trends



Source: CBRE Research, Q4 2025.

Outlook

OFFICE

Beijing's office market is expected to see a modest upturn in supply in 2026, with approximately 530,000 sq. m. of premium space due to come on stream, predominantly in core locations. Net absorption is likely to remain stable. While the influx of new supply will help accommodate tenants looking to upgrade, especially large occupiers, it poses a significant challenge for landlords seeking to retain tenants. This will see market competition intensify and shift the focus from pure rental repricing to comprehensive asset offering. CBRE advises landlords seeking to attract new tenants or review existing tenancy profiles to place greater emphasis on identifying tenants with strong stability and growth potential, supported by targeted leasing strategies and tailored solutions. Landlords should leverage short-term vacancy pressure as a strategic opportunity to proactively reshape tenant composition and refine building functions.

RETAIL

Over 500,000 sq. m. of new retail supply is expected to come on stream in 2026. Several renovated properties will also re-open, mainly in mature submarkets, while a number of large-scale new projects will arrive in decentralised markets such as Tongzhou. The positioning of new schemes is diverse, either focusing on themes such as “emotional resonance” and “heritage-infused retail” or attracting customers by creating non-standard commercial and immersive scenarios. As a broad-based consumption recovery will take time, rents, especially in secondary submarkets, will remain under pressure. Local government policies will continue to encourage the creation of experiential consumption spaces and integrated culture-tourism formats. Projects with special themes, exceptional operational capabilities, and content innovation will gain more policy and market support. Conversely, those with vague positioning and outdated offerings will face growing pressure to be vacated or renovated.

LOGISTICS

In 2026, under the continued advancement of the Jing-Jin-Ji coordinated development strategy, the logistics markets of Beijing, Langfang, and Tianjin are expected to become increasingly integrated. near-suburban Beijing assets are expected to maintain stable, needs-based demand, with future leasing activity primarily focused on the optimization and adjustment of existing stock. Meanwhile, submarkets including Pinggu, Langfang's Beisanxian, Guangyang, Gu'an,

Tianjin's Wuqing, and the Binhai New Area are poised to capture incremental demand for high-specification facilities, integrated industrial ecosystems, and greater capacity for advanced manufacturing and logistics functions. While rental levels in certain projects that remain relatively elevated are likely to face further downward pressure, a broader range of areas in Langfang and Tianjin are expected to see rent stabilization.

BUSINESS PARK

In 2026, business park market is expected to see approximately 640,000 sq. m. of new supply, with over 80% from BeiQing Road submarket, largely comprising life science parks with similar formats and functions. Competitive pressure in the area is therefore set to intensify, with differentiation increasingly driven by niche sector positioning, functional space fit, and industrial operations capability. At the policy level, Beijing continues to advance initiatives in tech-finance, commercialization of research outcomes, and standardization, with a strategic focus on industries such as AI, BeiDou spatiotemporal technologies, and digital infrastructure. These policies are expected to generate sustained medium to long-term demand from “specialized and innovative” enterprises and commercialization projects for high-quality, multifunctional spaces, providing ongoing support for market absorption. Landlords are advised to move beyond a purely rent-driven approach and reposition from space providers to industrial service partners and ecosystem builders, leveraging policy alignment, tenant services, and cross-park collaboration to attract and retain high-potential occupiers and support sustainable asset performance.

INVESTMENT

Recent policy announcements expanding public REIT eligibility to include Grade A office buildings in key cities, as well as four-star and above hotels. As a core Tier-1 city, Beijing maintains relatively lower vacancy rates and more manageable future supply compared with peer markets, underpinning the appeal for investors of the assets. In parallel, the continued maturation of the RMB-denominated real estate capital market and the establishment of a multi-layered capital framework covering the full asset life cycle are set to support diversified capital deployment. Under this backdrop, traditional core assets—including office, logistics, and retail—are expected to remain key allocation targets for insurance capital and large institutions, while consumer-oriented assets with stable cash flows, such as rental housing and community retail, are attracting increasing institutional interest. Together, these trends are likely to steer Beijing's capital markets into a phase of gradual recovery with structural differentiation, with core asset transactions expected to stabilize first and progressively gain momentum.

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