Beijing Grade-A Office Market Report

Q2 2026

This report focuses on the Grade-A office market in Beijing, including information about supply and demand, rents, vacancy rates and the office investment market

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Overview and Outlook

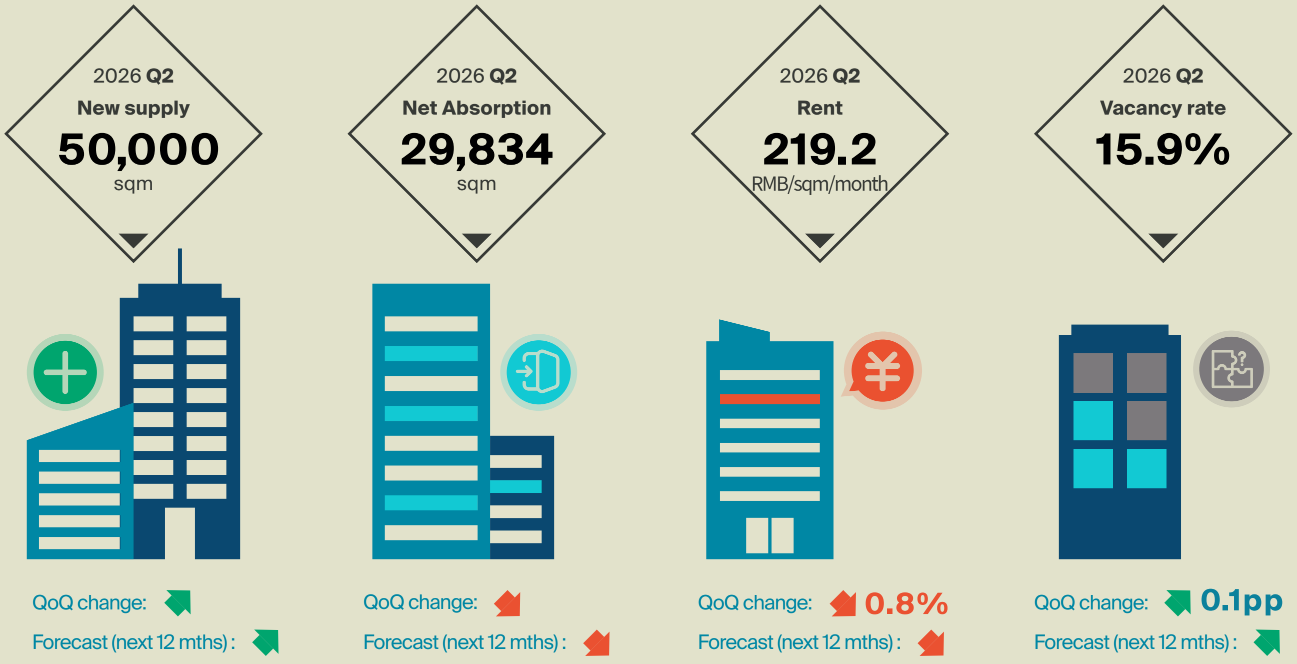
The market stabilises in the short term

In Q2 2026, Beijing's Grade-A office market remained broadly stable. New supply was released in stages, demand from the technology sector stayed active, while downward pressure on rents persisted. The citywide average net effective rent for Grade-A offices stood at RMB219.2 per sqm per month, down 0.8% QoQ and 8% YoY. Over the past year, existing office stock continued to be absorbed, with oversupply pressure easing compared with earlier periods. The citywide average vacancy rate edged up by 0.1 percentage point QoQ to 15.9% but was down 2.5 percentage points YoY.

Divergence among office submarkets continued, with performance varying significantly across locations. Zhongguancun led the city in rental resilience, supported by its concentration of artificial intelligence, integrated circuits and other industries. The CBD and Financial Street benefited from stable renewal demand from financial and professional services firms, resulting in a narrower increase in vacancy. By contrast, foreign corporate office demand in Lufthansa continued to contract, pushing vacancy higher YoY and placing clear pressure on rents. In East 2nd Ring Road and East Chang'an Avenue, Wangjing-Jiuxianqiao and Lize, vacancy rates all improved, but rental trends diverged: Lize remained broadly stable on the back of support from the digital finance sector; Wangjing-Jiuxianqiao weakened slightly; and East 2nd Ring Road and East Chang'an Avenue recorded one of the steepest rental declines in the city due to a lack of core industry support.

Looking ahead, the CBD submarket in the eastern Beijing will see the concentrated completion and delivery of three new projects in Q3: CBD Z5 Dajia Future Centre, Z6 Vision Place and the CBD Z3 consortium project by CICC, GLP and Hongkong Land. In addition, the first stage of Taikoo Place Phase II will be completed and delivered in the Wangjing-Jiuxianqiao submarket in the northeast area, creating a short-term peak of new supply in Q3. The concentrated launch of projects in the eastern and northeast areas will intensify regional competition, and landlords are expected to continue offering concessions to attract tenants. Rents will remain under downward pressure, while vacancy may rise temporarily.

Fig 1: Beijing Grade-A office market indicators[1]

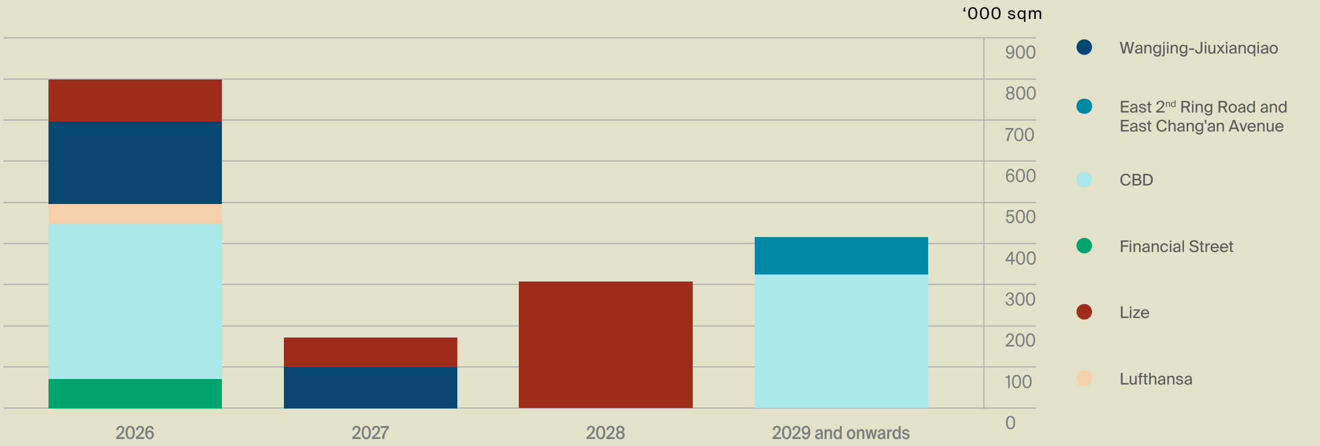


Source: Knight Frank Research

[1] Rent refers to average effective rent

[2] Historical data in this report has been adjusted for consistency, and previously published data is not directly comparable

Fig 2: Beijing office development pipeline, 2026-2029 and onwards



Source: Knight Frank Research

Supply and Demand

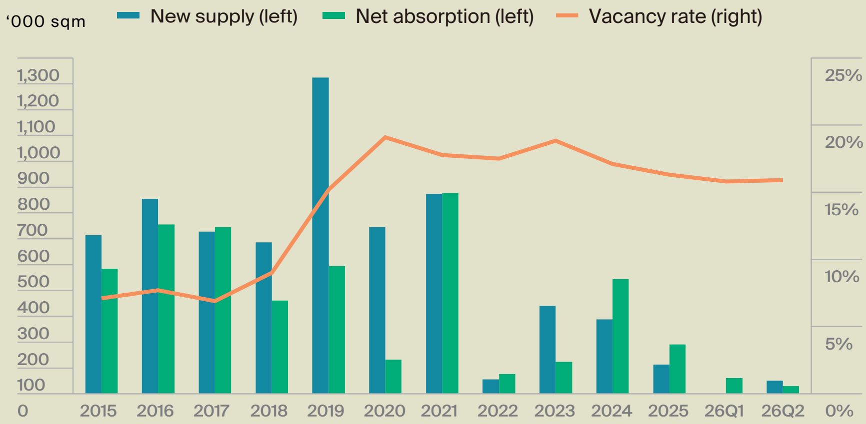
The technology sector continues to lead demand

In Q2 2026, Qijiayuan Diplomatic Service Building in the CBD submarket was completed and delivered, adding approximately 50,000 sqm of office gross floor area (GFA). Positioned to meet the foreign-related office needs of diplomatic institutions and multinational companies, the project had achieved a certain level of pre-leasing prior to completion. The citywide Grade-A office stock rose to 12.266 million sqm.

In Q3, the CBD submarket will see the completion and delivery of three new projects: CBD Z3 by the CICC, GLP and Hongkong Land consortium, CBD Z6 Vision Place and CBD Z5 Dajia Future Centre. At the same time, first stage of Taikoo Place Phase II in the Wangjing-Jiuxianqiao submarket will also be delivered. Driven by this, new supply in Beijing's eastern and northeast areas will be released in a concentrated manner, further intensifying leasing competition in these areas.

Leasing demand this quarter was characterised by geographic concentration, industry clustering and a dominance of domestic occupiers, with Zhongguancun leading the city in transaction activity. Driven by the release of concentrated demand from technology and innovation companies, Zhongguancun recorded several new leases, including Sunmmio Technology taking 3,000 sqm at Yingu Tower and Rank Computing taking 3,712 sqm at

Fig 3: Grade-A office supply, net absorption and vacancy rate



Source: Knight Frank Research

Sigma Building, supporting one of the strongest absorption performances among all submarkets. By industry, TMT accounted for a relatively high share of leased area. In addition to the companies mentioned above, Huaxia Technology also recorded new leasing demand. Among financial institutions, China Fortune International Trust continued to expand in the core Financial Street area. Meanwhile, professional services, pharmaceuticals and manufacturing provided stable supplementary demand, supporting overall leasing activity. In terms of tenant origin, domestic companies remained the mainstay of the market, accounting for more than 85% of transactions, while foreign demand remained subdued at less than 15%, with only a small number of firms such as Roland Berger and GE Aerospace adjusting mainly through renewals and relocations within the same area.

The citywide average vacancy rate stood at 15.9% this quarter, edging up by only 0.1 percentage point QoQ. Continued absorption of existing space helped ease inventory pressure on the supply side, but submarket performance varied markedly. Financial Street remained stable, supported by state-owned enterprise tenants. The CBD recorded new leases from tenants such as Huaxia Technology, although overall leasing activity was relatively moderate.

Lufthansa and East 2nd Ring Road and East Chang'an Avenue were mainly supported by renewals of existing tenants, with relatively limited new demand.

Overall, the "flight-to-quality" trend continued to strengthen. Projects with well-developed industry ecosystems and higher building quality absorbed space more quickly, while older properties lacking industry support came under clear pressure. Activity levels varied across areas, and this divergence is expected to continue.

Rents

Zhongguancun shows strong rental performance

In Q2 2026, Beijing's Grade-A office average net effective rent was RMB219.2 per sqm per month, down 0.8% QoQ. Landlords continued to offer incentives such as longer rent-free periods, fit-out subsidies and rental discounts to attract tenants. Market divergence has intensified further: submarkets with concentrated industry clusters have shown stronger rental resilience, while areas lacking industry support face greater downward pressure on rents.

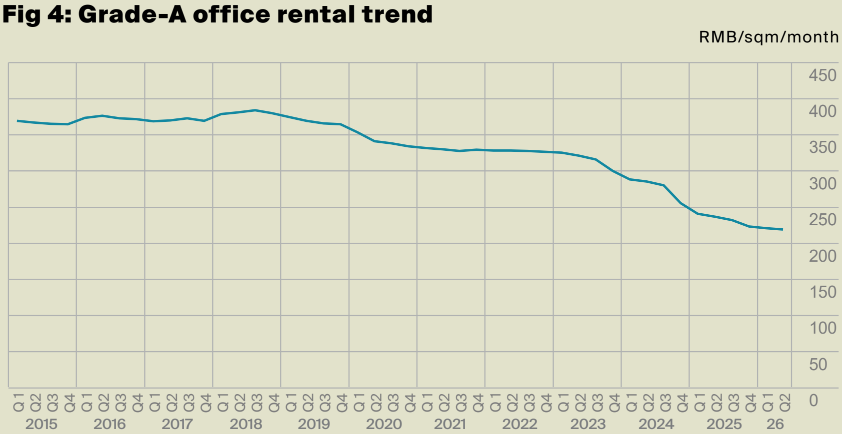
Zhongguancun was the best submarket in terms of rental performance this quarter, with an average rent of RMB251.4 per sqm per month, up slightly by 0.3% QoQ. Benefiting from continued expansions and relocations by AI, semiconductor and private equity firms, Zhongguancun's vacancy rate remained steadily below 10%, demonstrating strong rental resilience and making it the only submarket in the city to record a QoQ rental increase.

The CBD's average rent was RMB231.9 per sqm per month, down 0.6% QoQ, with corporate leasing activity mainly consisting of renewals within the area and small-scale relocations, leading to a modest softening in overall rents. Financial Street remained the city's highest-rent submarket, with an average rent of RMB336.7 per sqm per month, down 2.2% QoQ.

Rental declines in Asian-Olympic and Lize were moderate, as a few technology and finance leases continued to ease downward pressure on rents. Wangjing-Jiuxianqiao's average rent was RMB148.6 per sqm per month; with many companies opting for downsizing relocations and new projects scheduled for concentrated delivery in the second half of the year, rents in this submarket will remain under pressure.

In Lufthansa, multinational occupiers continued to reduce their leased space, with average rents down 1.2% QoQ to RMB183.5 per sqm per month amid scarce new leasing demand. East 2nd Ring Road and East Chang'an Avenue lacked new industry inflows, and vacancy continued to rise. Rents fell 2.5% QoQ to RMB201.7 per sqm per month, leaving landlords with little choice but to continue lowering asking rents to accelerate the absorption of vacant space.

Fig 4: Grade-A office rental trend



Source: Knight Frank Research

Table 1: Major Grade-A office leasing transactions, Q2 2026

Submarket	Building	Tenant	Area (sqm)	Type
Financial Street	Financial Street Centre	China Fortune International Trust	2,000	New lease
Zhongguancun	Yingu Tower	Sunmmio Technology	3,000	New lease
Zhongguancun	Sigma Building	Rank Computing	3,712	New lease
CBD	China Life Financial Centre	Huaxia Technology	3,300	New lease

Source: Knight Frank Research

Note: All transactions are subject to confirmation

INVESTMENT MARKET

Technology and innovation owner-occupiers demand drives the investment market

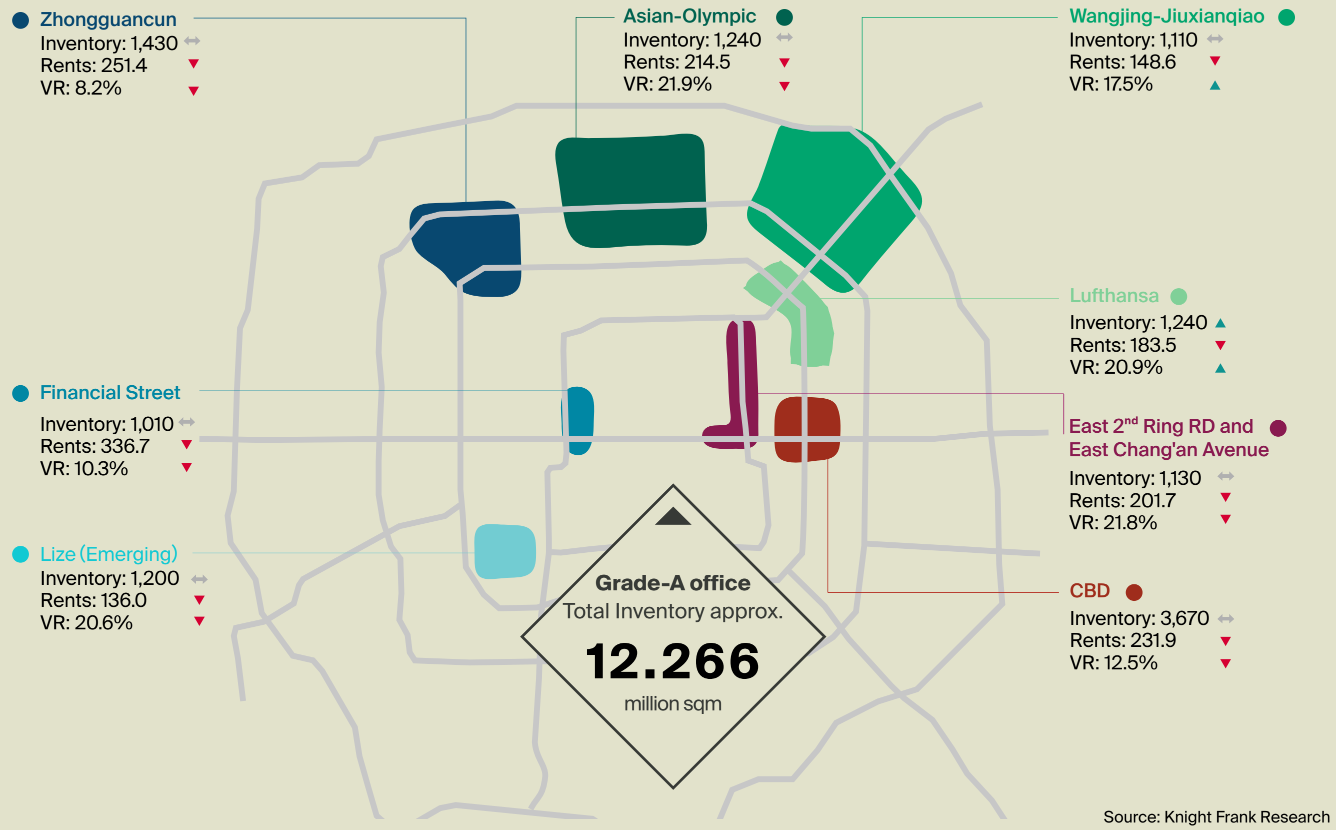
In Q2 2026, Beijing's Grade-A office investment market continued to be dominated by domestic capital, with the transaction structure tilting further towards industry-oriented buyers. The share of owner-occupier acquisitions by technology and innovation companies increased, while purely financial investment continued to decline. Capital was concentrated in the Zhongguancun technology and innovation area. In the CBD and Wangjing-Jiuxianqiao, only a small number of companies purchased stratified units, while en-bloc transactions remained scarce. Foreign participation stayed subdued, with only a few overseas asset managers acquiring small-scale properties in core areas.

Two transactions this quarter reflect current investment preferences from different perspectives. First, Zhipu AI acquired Diamond Building in Zhongguancun Software Park of approximately 22,700 sqm GFA for about RMB361 million, with plans to hold it for self-use in artificial intelligence large-model and computing-power R&D. The acquisition aligns with Zhongguancun's technology and innovation function. Second, in June, Beijing Jinting Real Estate Co., Ltd., controlled by China Life, acquired the core CBD Z10 land parcel at the reserve price of RMB2.993 billion. The site covers 8,046 sqm with a planned GFA of 120,000 sqm and is designated for commercial and financial use. Located in a mature business district and adjacent to several major landmark projects, the site will, upon completion, give China Life ownership of two core CBD landmark projects, Z13 and Z10. The acquisition indicates that insurance capital is more inclined to allocate to core assets in mature locations with stable leasing demand and long-term cash-flow potential, matching its long-term liability profile and steady-return objectives.

Overall, investors focused primarily on rental income have become increasingly cautious, while owner-occupier with genuine operational and location requirements have remained relatively more active. Capital is placing closer attention to quality assets that are closely aligned with local industry fundamentals and offer long-term development potential. Divergence in asset performance across different business districts is expected to persist.

Beijing Grade-A office market dashboard Q2 2026

Beijing Grade-A office inventory, rents and vacancy rates of major business districts



Source: Knight Frank Research

Note: unit for market inventory – 1,000 sqm; rents using average effective rent at RMB/sqm/month; VR refers to average vacancy rate. Historical data in this report have been adjusted to reflect changes in statistical methodology and are therefore not directly comparable with previously published data. The Tongzhou and Yizhuang areas is not included in the current office stock reported by Knight Frank.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

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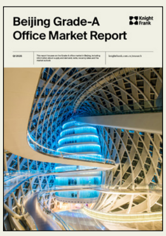

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