Beijing Grade-A Office Market Report

Q4 2025

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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Market Overview

Price adjustments drive modest vacancy improvement

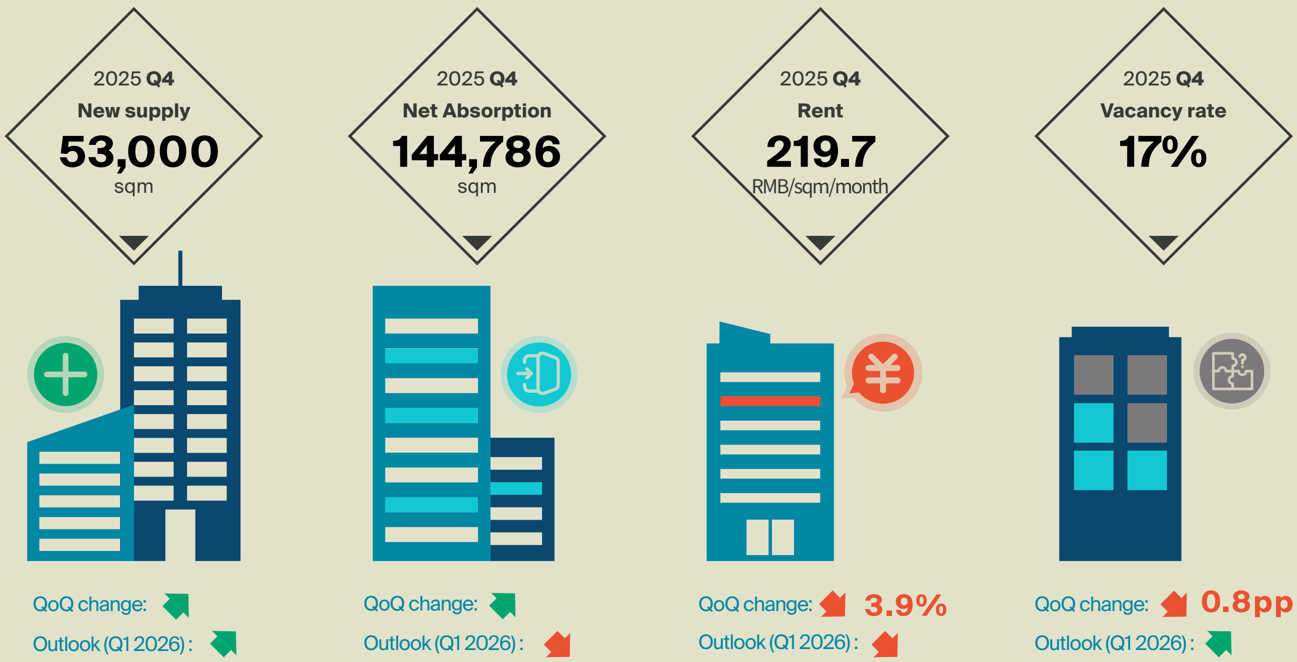
In Q4 2025, the Beijing Grade-A office market continued to trade off price for volume. The citywide average effective net rent declined to RMB219.7 per sqm per month, down 3.9% QoQ and 12.7% YoY. Vacancy edged down to 17.0%, a 0.8-percentage-point QoQ decrease and a 1.43-percentage-point YoY improvement, reflecting marginal absorption gains amid sustained rental correction.

Limited new supply and ongoing stock optimisation defined market conditions. Leasing demand remained fragmented, with most submarkets under pressure. Yizhuang stood out as the sole submarket recording a rental increase, with rents rising 2.2% QoQ to RMB 84.4 per sqm per month, supported by industrial inflows. Submarkets with strong industry clustering, notably ZGC and Lize, recorded more pronounced vacancy reductions, underpinning overall market resilience. By contrast, areas such as OGV continued to face structural supply-demand imbalance, with vacancies still trending higher on a YoY basis.

Looking ahead,15th Five-Year Plan (2026–2030) reinforces a technology-led, high-quality development agenda. Together with the proactive fiscal policy and moderately accommodative monetary stance outlined at the Central Economic Work Conference in late 2025, these policies provide longer term support for the office sector. However, near-term challenges remain pronounced. Beijing is forecast to receive approximately 757,000 sqm of new Grade-A office supply in 2026, largely concentrated in CBD, including projects such as Z5 Dajia Future Centre and Z6 Weisheng Centre. The influx of high-quality space is expected to intensify competition and place further downward pressure on rents, particularly in eastern submarkets. Given that specific stimulus policy measures have yet to be introduced, the outlook for Beijing's office market over the coming year remains uncertain. The vacancy rate is expected to rise to around 20.5% YoY, and rents are also projected to decline by roughly 9%.

In the longer term, policy emphasis on low-carbon development, smart systems and operational efficiency, combined with stringent quality-led growth targets, is expected to accelerate the differentiation of office assets. ESG credentials, technological readiness and sector alignment will increasingly dictate asset performance, particularly in meeting the evolving requirements of SOEs and technology firms. The market is rapidly transitioning from scale-driven expansion to value-oriented asset repositioning, with projects aligned to policy direction and industrial demand set to outperform during the 15th Five-Year Plan period.

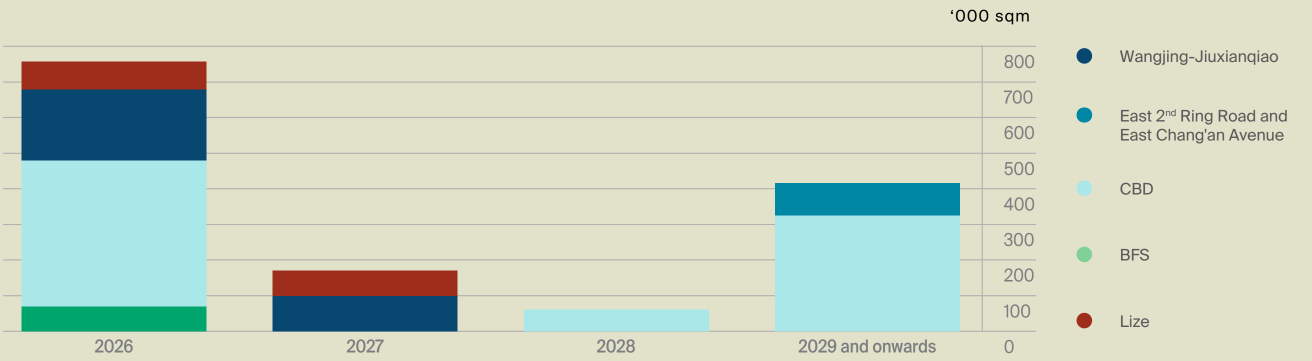
Fig 1: Beijing Grade-A office market indicators[1]



Source: Knight Frank Research

[1] Rent refers to average effective rent

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



Source: Knight Frank Research

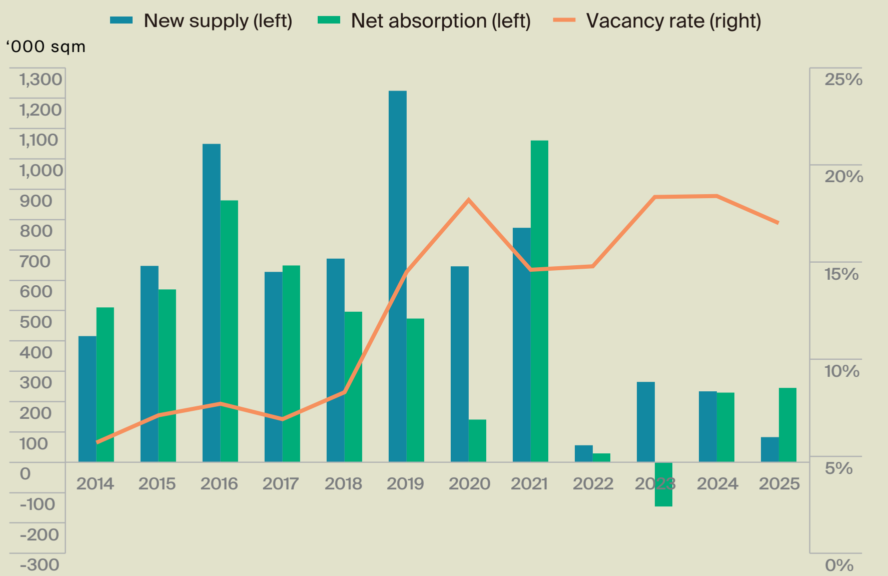
Supply and Demand

Technology sector maintains lead

Beijing recorded 83,000 sqm of new Grade-A office supply in 2025, a 71% decline compared with 2024, bringing the total stock to 12.65 million sqm by year-end. Yufu Business Centre, the only new Grade-A project to enter the Haidian district during Q4, contributed 53,000 sqm to quarterly supply, underscoring the overall slowdown in completions.

Leasing demand in 2025 demonstrated clear patterns of geographic concentration, sector stability and domestic enterprise dominance. The CBD remained the most active submarket, accounting for 30%–37% of annual transactions. BFS, Lufthansa and ZGC collectively formed a secondary tier, with their combined share rising to 9%–12% over the year. By sector, TMT, financial services and professional services collectively accounted for over 70% of total take-up, with technology firms sustaining their leading position. Domestic occupiers strengthened their dominance, while foreign demand continued to contract. Full-year net absorption reached 244,900 sqm, up from 229,500 sqm in 2024, indicating a modest expansion in overall demand volume.

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



Source: Knight Frank Research

Several submarkets emerged as key engines of recovery. BFS continued to benefit from stable demand from financial institutions, including China Exim Bank's 17,000 sqm expansion at ChemSunny World Trade Centre and Xiamen International Bank also secured a new lease of 10,800 sqm at Taikang International Tower. In the CBD, Guotai Haitong Securities Co., Ltd. consolidated 15,000 sqm at Jinyi Building, while Canon (China) Co., Ltd. renewed 13,800 sqm at China Life Financial Centre. In ZGC, ByteDance secured approximately 10,000 sqm at Dinghao DH3 Building. These transactions underscoring ongoing emphasis on quality upgrades and strategic location optimisation across the market.

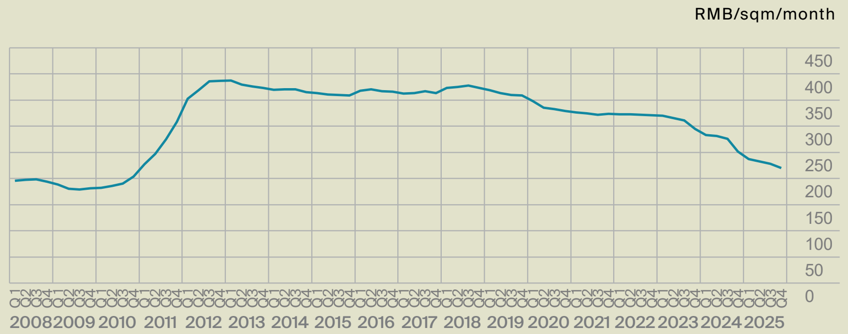
Rents

Downward pressure on rents persists

Overall Grade-A office rents in Beijing remained in a downcycle. The citywide average rent declined to RMB 219.7 per sqm per month, representing a 3.9% QoQ decrease and a 12.7% YoY decline. In response to intensified market competition, landlords continued to rely primarily on rental reductions to retain existing tenants and attract incremental demand. These pricing adjustments were commonly complemented by extended rent-free periods and customised fit-out packages. The prevailing strategy of trading price for occupancy has yet to reverse materially.

Rents in the Lufthansa submarket weakened as tenant demand shifted to neighbouring areas and corporates continued to downsize their office footprints. While the vacancy rate edged down slightly QoQ, it remained elevated, and limited progress in asset upgrades further undermined the submarket's competitiveness. In the CBD, rents continued to decline, although relatively stable leasing demand provided short-term support for absorption. Looking ahead, the expected supply peak in 2026 is likely to reinforce downward rental pressure. Along the East Second Ring Road, ageing building stock and ongoing corporate relocations have aggravated supply–demand imbalances, leading to a lag in rental adjustments. BFS maintained comparatively high rental levels; however, absorption pressure has increased as state-owned and centrally administered enterprises continue to relocate back to self-owned office premises. ZGC recorded the smallest rental decline among all submarkets, with rents falling by just 2.5% QoQ in Q4 2025, well below the citywide average. This reflects the submarket's relative resilience, underpinned by the ongoing expansion of technology companies and sustained underlying demand. In OGV, rents remained on a prolonged downward trajectory due to continued demand diversion towards Wangjing–Jiuxianqiao. Although lease renewals by existing tenants, together with relocation and new leasing activity from technology firms, absorbed some vacant space, these factors only temporarily eased the pace of rental decline. Wangjing–Jiuxianqiao continued to face rental pressure. The completion of Taikoo Place Beijing in 2026 is expected not only to attract high-quality tenants within the broader area but also to raise overall product standards, reshaping the competitive landscape over the medium term. Lize continued to attract corporate occupiers, supported by comprehensive infrastructure and a strong value-for-money proposition. Leasing demand remained on an upward trajectory, while rents, despite declining QoQ, showed early signs of stabilisation with no further acceleration in the rate of decline. Notably, Yizhuang was the only submarket in Beijing to record positive rental growth. In Q4 2025, rents rose by 2.2% QoQ to RMB 84.4 per sqm per month, representing a 1.6% YoY increase. This counter-cyclical growth was driven primarily by the development of strategic emerging industries, including commercial aerospace and new-energy vehicles, which stimulated occupier upgrades from Grade-B to Grade-A office space. Together with ongoing improvements in asset quality, these factors have created a distinct growth dynamic running counter to the broader market trend.

Fig 4: Grade-A office rental trend



Source: Knight Frank Research

Table 1: Major Grade-A office leasing transactions, Q4 2025

Submarket	Building	Tenant	Area (sqm)	Type
BFS	ChemSunny World Trade Centre	The Export-Import Bank of China	17,000	Expansion
BFS	Jinyi Building	Guotai Haitong Securities Co., Ltd.	15,000	Relocation
CBD	China Life Financial Centre	Canon (China) Co., Ltd.	13,800	Renewal
BFS	Taikang International Tower	Xiamen International Bank	10,800	New Lease
ZGC	Dinghao DH3 Building	ByteDance	approx. 10,000	New Lease

Source: Knight Frank Research

Note: All transactions are subject to confirmation

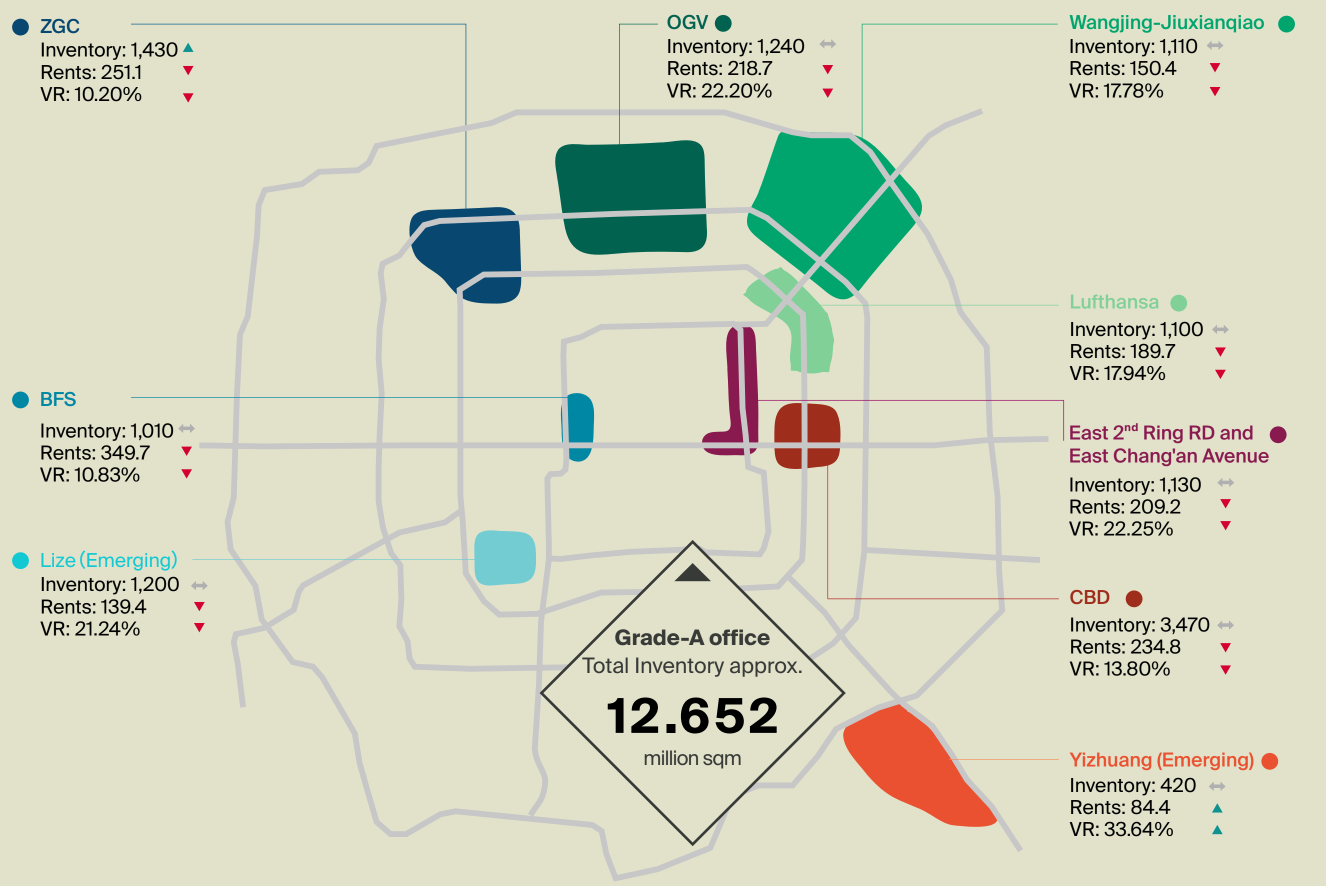
INVESTMENT MARKET

Domestic capital continues to dominate the buyer landscape

In Q4 2025, Beijing's Grade-A office investment market remained firmly dominated by domestic capital, with capital deployment closely aligned with the value attributes of high-quality commercial assets located in core areas. On 4th November, Beijing Yangzijiang Property Co., Ltd. (a wholly owned subsidiary of Yangzijiang Pharmaceutical Group) acquired the Beijing Shimao Tower mixed-use complex at a base price of RMB2.254 billion through JD Judicial Auction Platform. The transaction price represented approximately 70% of the appraised value, making it a benchmark case in Beijing's recent judicial auction market for commercial office assets. The property has a gross floor area of approximately 70,174.9 sqm and is situated in a prime location within Chaoyang District. The entry of a leading pharmaceutical group into core-location commercial office ownership reflects evolving demand patterns and asset allocation preferences among healthcare and life-sciences enterprises for Grade-A office buildings in prime districts. In another notable transaction, Beijing Huajing Education acquired the whole of Building 2 of E_ZIKOO Smart Valley in H2 2025 for approximately RMB 400 million. The standalone office building has a GFA of 9,516 sqm and is located in the core area of Yongfeng Industrial Base, within the northern section of Zhongguancun Science Hub, part of Haidian's emerging northern innovation cluster. This transaction represents one of the more typical examples of owner-occupier acquisitions by private enterprises in Beijing during 2025.

Beijing Grade-A office market dashboard Q4 2025

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.

The Tongzhou area 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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