Guangzhou Grade-A Office Market Report

Knight Frank

Q3 2026

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

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Overview and Outlook

Improving take-up cannot offset rental decline; market pressure persists amid rising supply

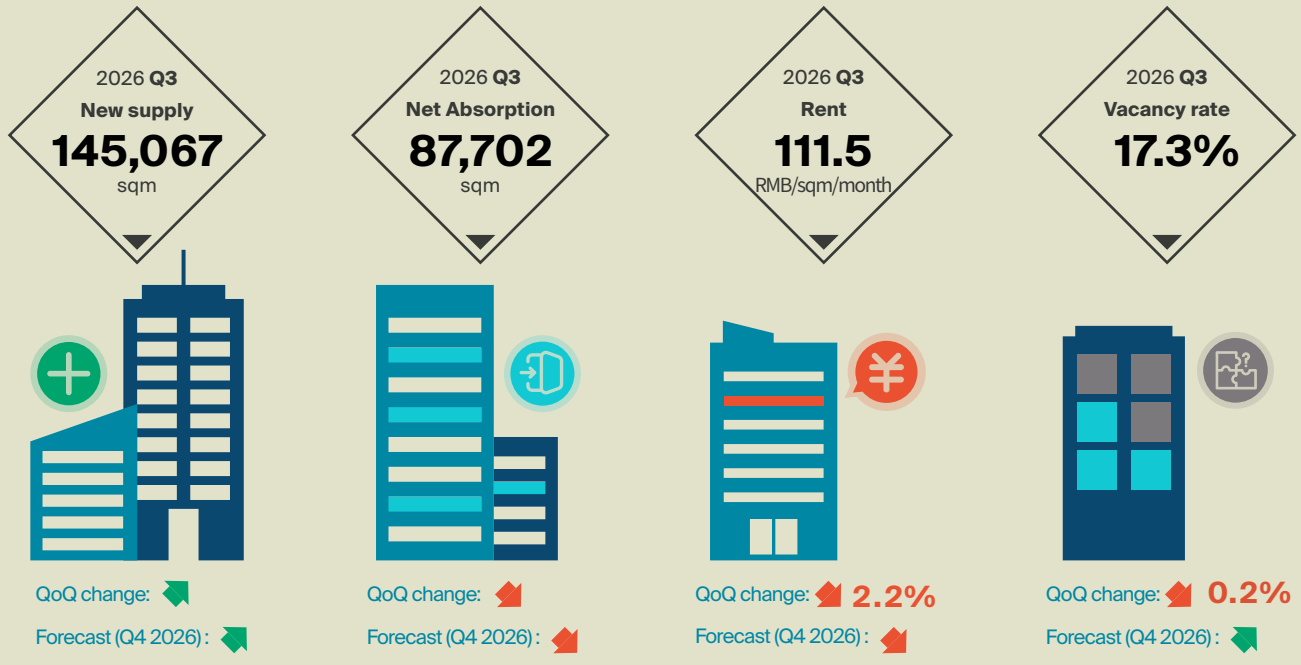
In Q3 2026, Guangzhou Grade A office market saw a continued recovery in demand, although downward pressure on rents intensified. The citywide average rent fell 2.2% QoQ to RMB 111.5 per sqm per month, while the vacancy rate declined 0.2 percentage points QoQ to 17.3%. New supply was recorded during the quarter, with net absorption of approximately 88,000 sqm. Supported by the inflow of new supply and the continued release of demand, the vacancy rate edged down, but the rental decline widened from the previous quarter, further sharpening the divergence between volume and price trends.

On the supply and demand front, the city recorded approximately 145,000 sqm of new supply during the quarter, concentrated in Financial City and Pazhou and ending the zero-supply conditions of the previous quarter. Net absorption reached approximately 88,000 sqm, down from the previous quarter. Finance remained the largest source of leasing activity, followed by professional services and technology companies. Relocations continued to dominate transactions, while incremental demand from tenant expansion remained limited. The release of demand during the quarter continued to be driven primarily by the reallocation of existing requirements, with overall market activity moderating from the previous quarter.

In the investment market, no en-bloc office transactions were recorded during the quarter. Citywide en-bloc investment activity was instead concentrated in the land market and dominated by residential sites, while the transfer of commercial and office assets was limited to individual under-construction projects sold via judicial auction. Third-party investment demand for office assets remained subdued.

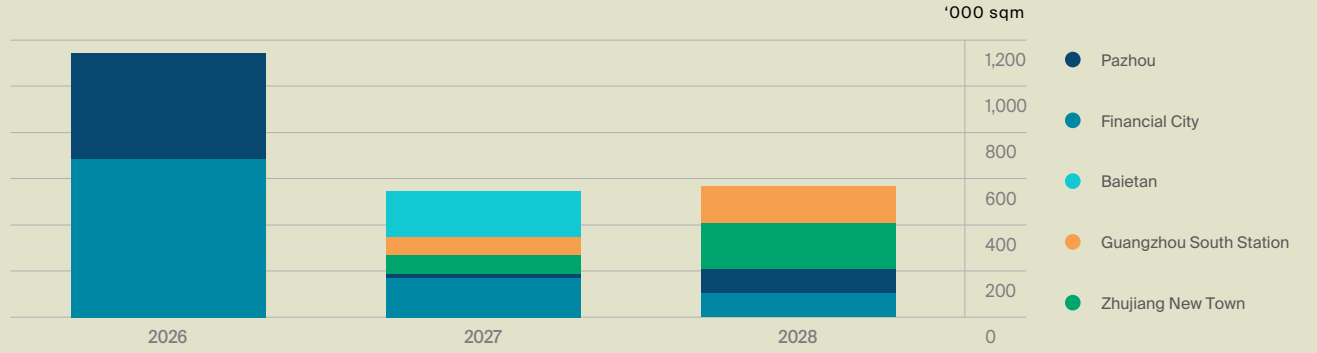
Looking ahead to Q4, a concentrated wave of new supply is expected to enter the market, while demand is unlikely to expand at a comparable pace, putting renewed upward pressure on the citywide vacancy rate. The citywide average rent should continue to soften, with submarkets facing a concentrated release of new supply — such as Financial City — likely to see larger rental adjustments than mature business districts. Competition among landlords will therefore hinge more on commercial terms such as rent-free periods, delivery specifications and payment arrangements.

Fig 1: Guangzhou Grade-A office market reference index[1]



Source: Knight Frank Research
[1] Rent refers to average effective rent

Fig 2: Guangzhou office development pipeline, 2026-2028



Source: Knight Frank Research
Note: Projected supply in 2026 includes projects already on the market

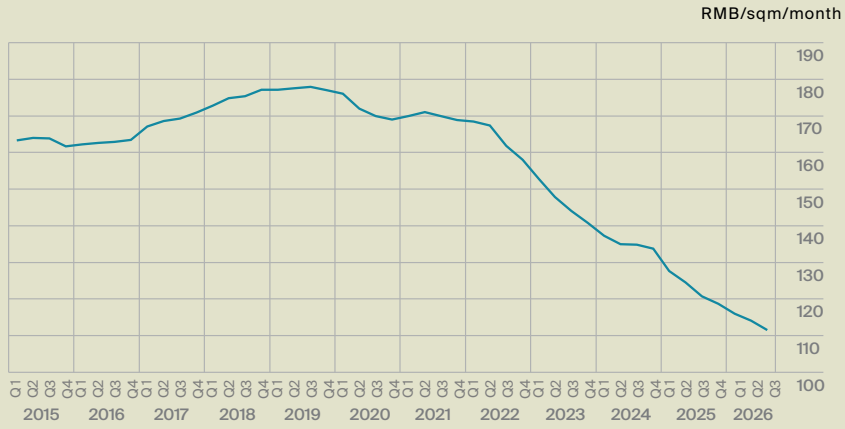
Rental Level

New supply intensifies rental pressure; adjustment more pronounced in Financial City

In Q3, the citywide average rent of Guangzhou Grade A office space fell 2.2% QoQ to RMB 111.5 per sqm per month, with the decline widening from 1.6% in the previous quarter. Existing projects continued to adjust rents to attract tenants, while new supply entered the market at rents below the average for their respective submarkets, together weighing on the citywide average. Rents declined across all five major submarkets, with Financial City recording the largest fall.

At the submarket level, Financial City faced heightened pressure from new supply and elevated vacancy. New projects entered the market at competitive rents, while some existing projects also lowered rents to secure deals, resulting in the lowest average rent among the city's major submarkets. Zhujiang New Town continued to be supported by upgrade demand from finance and professional services tenants, keeping rents relatively stable, while adjustments in Yuexiu were concentrated in older buildings. Some buildings in Tianhe North faced competition from ageing stock and lower-rent projects in other submarkets, keeping rents under downward pressure. Landlords in Pazhou further eased leasing terms amid new supply and destocking pressure.

Fig 3: Guangzhou Grade-A office rental trend



Source: Knight Frank Research

Looking ahead to Q4, additional new projects are expected to enter the market in Financial City and Pazhou, keeping citywide rents under pressure in the near term. Submarkets facing heavier new supply and projects with higher vacancy are expected to continue attracting tenants through lower rents and longer rent-free periods. Declining leasing costs will also provide opportunities for relocations and office upgrades, supporting take-up at some projects, although this is unlikely to reverse the broader downward trend in rents.

Table 1: Major Guangzhou Grade-A office sub-market indicators, Q3 2026

Submarket	Rent		Rental % changes (QoQ)	Vacancy Rate	Vacancy rate percentage change (QoQ)
	RMB/sqm/mth	RMB/sqm/day			
Tianhe North	103.9	3.4	↓2.1%	10.1%	↓2.8
Zhujiang New Town	129.2	4.2	↓1.3%	15.7%	↑2.1
Yuexiu	97.5	3.2	↓1.1%	9.4%	↓0.1
Pazhou	99.8	3.3	↓2.1%	20.6%	↓0.3
Financial City	80.4	2.6	↓12.8%	45.8%	↓8.8

Source: Knight Frank Research

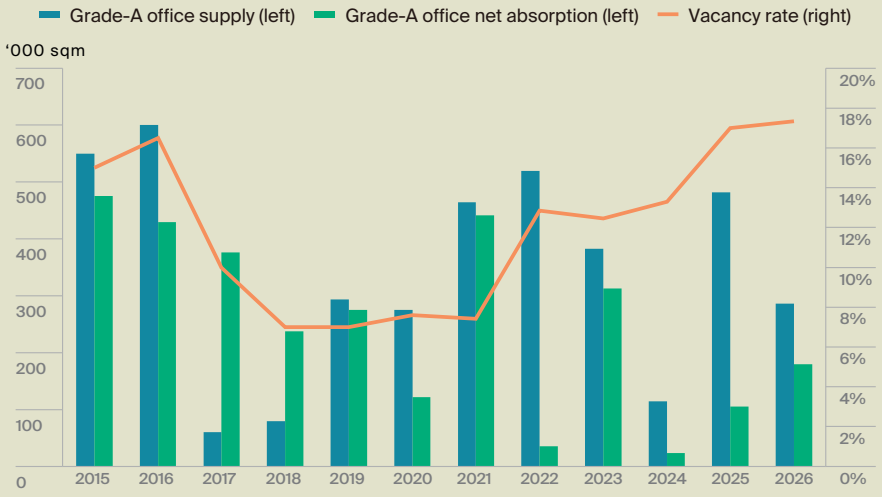
Supply and Demand

Take-up improvement loses momentum as new supply awaits absorption

In Q3, Guangzhou recorded two new Grade A office projects totalling approximately 145,000 sqm — the NCI Building in Financial City and the QiAnXin New Headquarters Building in Pazhou. Net absorption during the same period was approximately 88,000 sqm, which, together with database adjustments, pushed the citywide vacancy rate down 0.2 percentage points QoQ to 17.3%. Take-up continued to be supported by relocation and lease-restructuring demand prompted by rental adjustments. However, net absorption moderated from the previous quarter, indicating a slowdown in demand momentum.

By sector, the financial industry accounted for approximately 34.1% of leased area and remained the largest source of demand, with insurance (47.6% of financial-sector leased area), securities (24.7%) and funds (8.0%) together contributing around 80% of financial-sector transactions. Professional services accounted for approximately 14.7%, with demand from law firms, consultancies and business services remaining active. Technology companies (TMT) accounted for approximately 14.6%, with software, telecommunications and artificial-intelligence-related enterprises continuing to contribute transactions. The culture, creative and entertainment sector accounted for approximately 6.6%, driven mainly by gaming, content production, advertising and media firms. Together, these four sectors contributed approximately 70% of leased area, with the remaining demand spread across trade and retail, manufacturing, transportation and other industries.

Fig 4: Guangzhou Grade-A office supply, take-up and vacancy rate



Source: Knight Frank Research
Notes: The supply and net absorption of Grade A office space in 2026 is accumulated
The 2026 vacancy rate is for Q3

By transaction type, relocations continued to dominate at approximately 79.5% of leased area, up further from the previous quarter. Renewals accounted for approximately 13.2%, new lettings and new set-ups together approximately 4.4%, and expansions approximately 2.1%. The persistently high share of relocations reflects the fact that enterprises are primarily adjusting their office location and building choices to balance cost and quality, rather than expanding their overall footprint. The low shares of expansions and new lettings indicate that corporate appetite for expansion remains limited. In terms of regional flows, Zhujiang New Town continued to absorb upgrade and cross-district relocation demand, while Financial City absorbed relocation demand from Zhujiang New Town.

Looking ahead to Q4, the boost to take-up from the release of pent-up demand is expected to weaken further. Corporate appetite for expansion is likely to remain limited, with incremental demand continuing to come mainly from relocations and upgrades, lease restructurings and newly established entities. Given the existing supply pipeline, a large volume of space is still scheduled to enter the market in Q4, and demand growth is unlikely to keep pace, the citywide vacancy rate is expected to rise again.

Table 2: Major Guangzhou Grade-A office leasing transactions, Q3 2026

District	Building	Tenant	Area (sqm)	Transaction Type
Zhujiang New Town	Pearl River Tower	AIA Insurance	5,400	Renewal
Pazhou	GAL Tower	Guangzhou Sysmax Innovations Company Limited	4,400	Relocation
Pazhou	Pazhou Centre	YeehoO	3,500	Relocation
Pazhou	Guangzhou International Media Harbor	Helipay	3,340	Relocation

Source: Knight Frank Research

Note: all transactions are subject to confirmation

Investment Market

Office investment remains under pressure; transaction opportunities yet to materialise

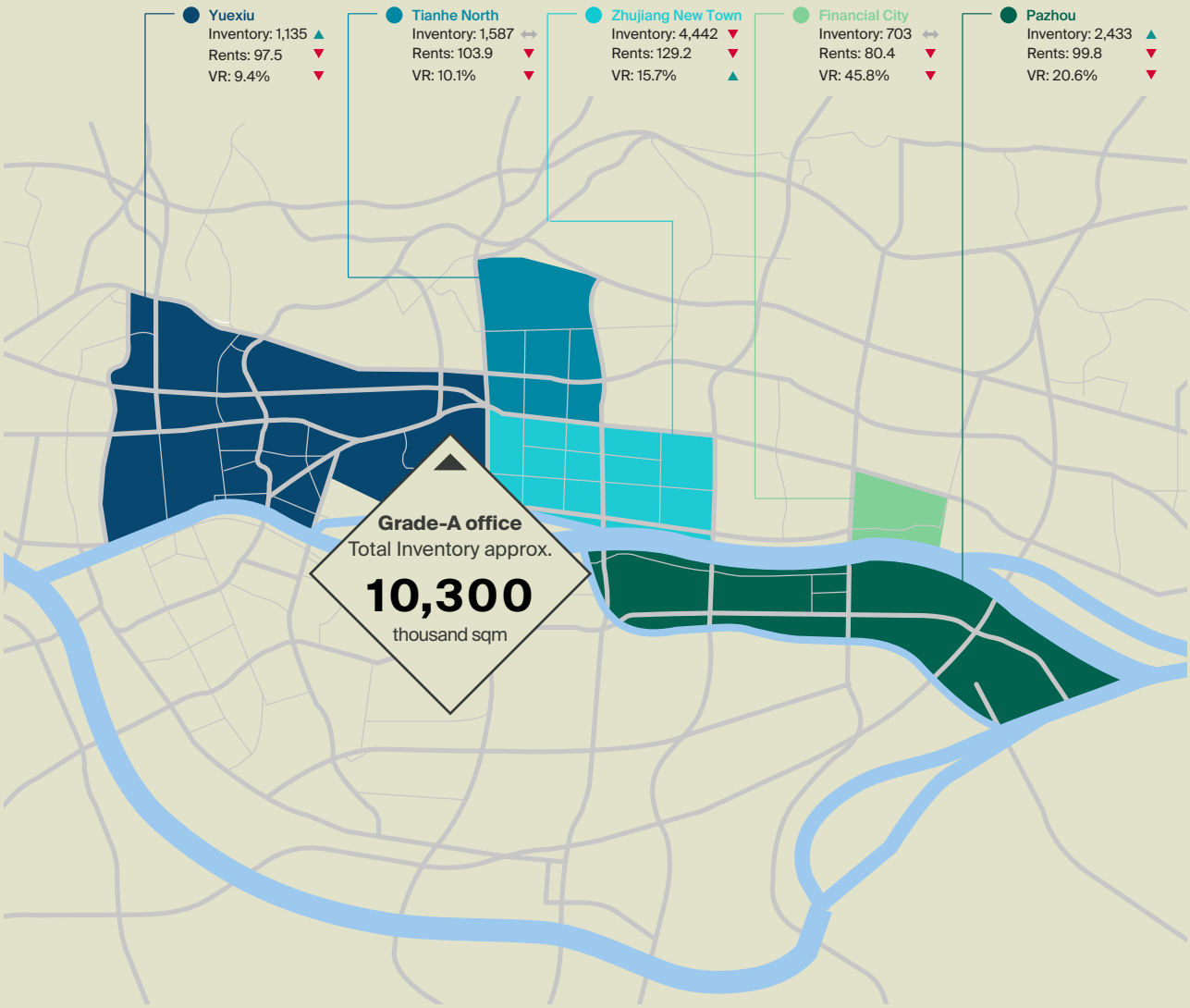
In Q3, the Guangzhou en-bloc office market recorded no transactions, with investment activity in existing office assets remaining subdued. Over the same period, en-bloc capital was concentrated in development land, with a transaction value of approximately RMB 19.94 billion, accounting for more than 90% of total transaction value and dominated by residential sites. The pockets of activity in the land market have yet to spill over into the office investment market. In terms of commercial property transactions, the Jinghaofang East District project under construction in the Beijing Road commercial area of Yuexiu District was sold via judicial auction on 26 September for approximately RMB 151 million, in line with the starting price.

The transaction characteristics of Guangzhou's en-bloc market this quarter further highlighted weak investment demand for existing commercial and office assets. First, capital clearly favoured the development end of the market, dominated by residential sites, while acquisitions of existing commercial and office properties remained limited, reflecting investors' preference for deploying capital at the development stage rather than into existing assets. Second, commercial and office asset transactions were dominated by judicial auctions and distressed-asset disposals, with relatively few market-driven negotiated transfers. Third, discounts sat alongside failed auctions and bidding was subdued. The Jinghaofang East District project was finally sold only after 11 failed auctions, at less than 20% of the initial starting price and with zero premium, reflecting buyers' caution regarding redevelopment risks, property rights and future capital expenditure. Buyers activity continued to be dominated by local state-owned enterprises and large developers, with limited participation from third-party institutional investors.

Looking ahead to Q4, Guangzhou en-bloc office market is expected to continue to expected to remain subdued, with whole-building office transactions and institutional capital inflows unlikely to improve materially in the near term. Nevertheless, should landlords further adjust their price expectations, projects with better locations, clear title and stable leases are expected to gradually fall within buyers' acceptable price ranges, creating conditions for individual transactions. Owner-occupier demand may also provide some support for assets meeting corporate site-selection and usage requirements. Overall, new supply and declining rents will continue to weigh on investment confidence, and market opportunities are expected to materialise more in the form of individual transactions concluded after price adjustments than as a broad-based recovery in investment demand.

Guangzhou Grade-A office market dashboard Q3 2026

Guangzhou 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

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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