Shenzhen Grade-A Office Market Report

Knight Frank

Q3 2026

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

knightfrank.com.cn/research



Overview and Outlook

Take-up accelerates as landlords trade price for volume

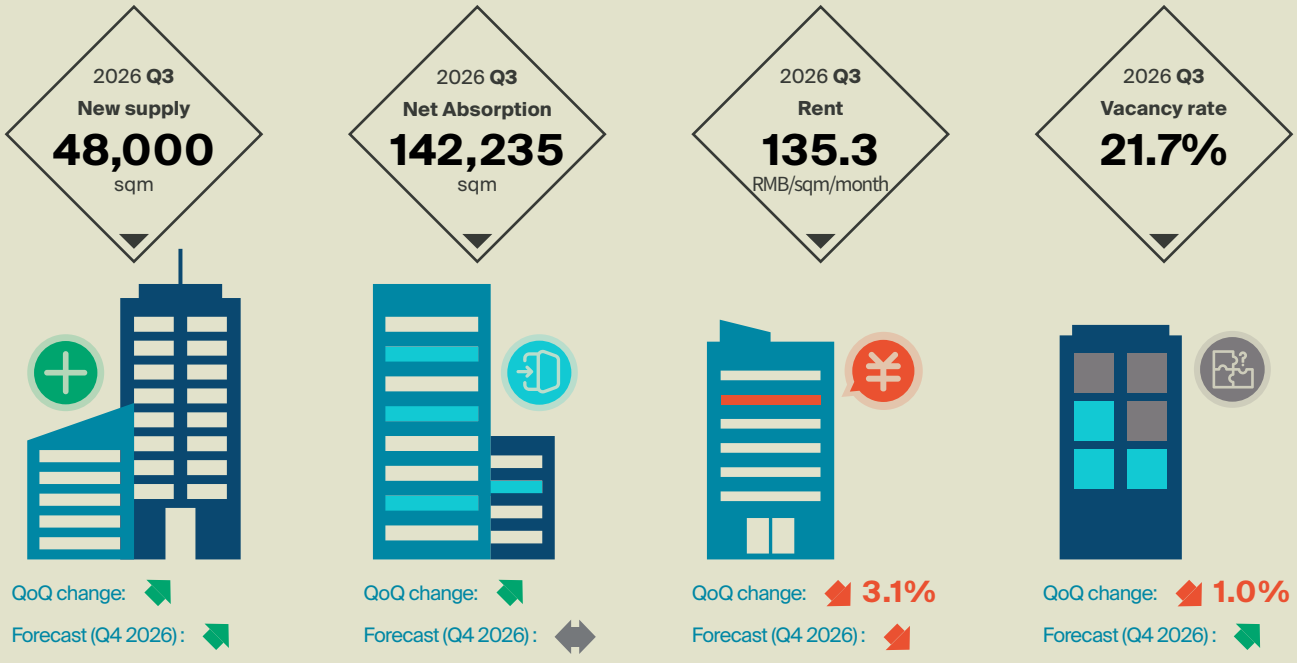
In Q3 2026, Shenzhen's Grade A office market extended the recovery in take-up seen in H1, accelerating from the pace recorded in Q2, although activity remained heavily reliant on landlord concessions. New supply totalled around 48,000 sqm during the quarter, with the launch of MCC Tower in Qianhai. Net absorption reached approximately 142,235 sqm — close to three times new supply — driving the citywide vacancy rate down 1.0 ppt QoQ to 21.7%, a fourth consecutive quarterly decline.

On the rental side, citywide average effective rents fell approximately 3.1% QoQ to RMB135.3 sqm/mth, a markedly wider decline than in the previous quarter. That vacancy is falling even as rental declines accelerate suggests take-up is still being driven largely by price concessions, with landlords trading price for volume more proactively than in Q2. There is still no sign of rents stabilizing.

On the demand side, relocations remained the main source of take-up this quarter, with expansion demand still limited and corporate appetite showing little sign of a meaningful recovery. By sector, TMT, manufacturing and finance were the primary sources of demand, with technology and advanced-manufacturing firms maintaining a reasonable level of activity. In the investment market, en-bloc office transactions remained subdued, with any recovery in asset pricing still contingent on rents stablisation and a further easing of vacancy pressure.

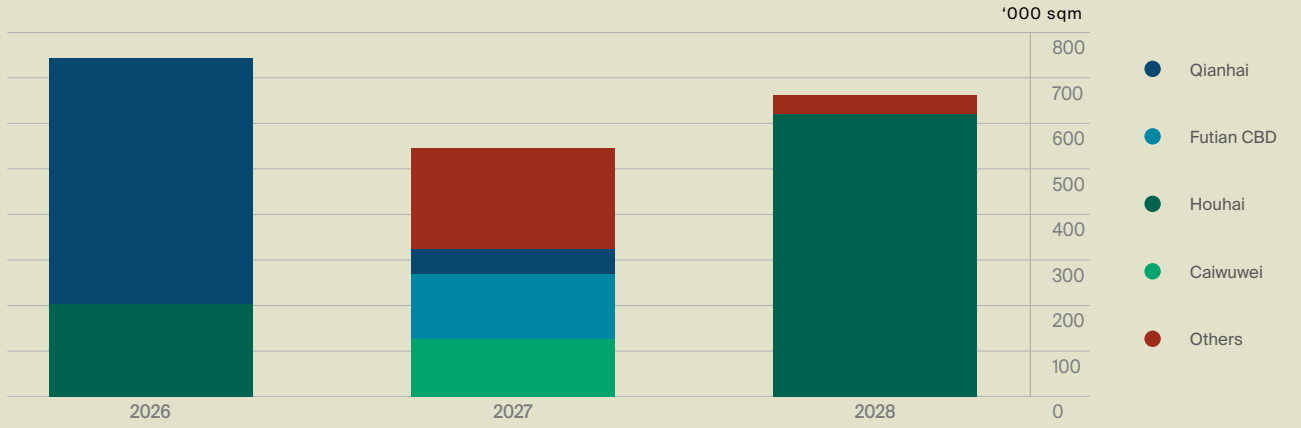
Looking into Q4 2026, supply remains the key variable shaping market performance. If projects scheduled for completion this year come on stream as planned, quarterly supply will rebound markedly from Q3 levels and potentially resulting in a temporary uptick in the vacancy rate. On the demand side, relocations and footprint adjustments are expected to continue, but whether they can offset the impact of new supply will hinge on whether large-space requirements translate into actual leasing transactions.

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



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

Fig 2: Shenzhen office development pipeline, 2026-2028



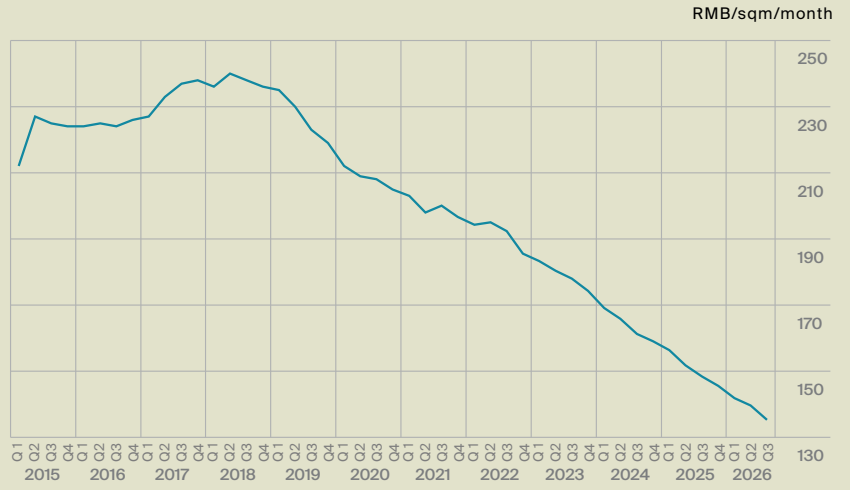
Source: Knight Frank Research
Others include Chegongmiao, Shekou and Bao'an CBD
Projected supply in 2026 includes projects already on the market
Caiwuwei represents Luohu district

Rental Level

Rent declines widen as landlords' pricing strategies diverge further

In Q3 2026, citywide average effective Grade A rents fell to RMB135.3 sqm/mth, down 3.1% QoQ — a markedly wider decline than the 1.5% recorded in Q2 and the sixth consecutive quarterly fall. Landlords trading price for volume remained the main driver of the adjustment with the widening quarterly decline indicating that price concessions are still deepening at the margin rather than narrowing. Landlords' pricing strategies have also become increasingly divergent owing to differences in financial strength and operating capability. Those holding quality assets with steady cash flow have relatively limited room to adjust rents, while projects facing greater leasing pressure continue to attract tenants through more substantial discounts. Overall, rents have yet to show clear sign of stablisation.

Fig 3: Shenzhen Grade-A office rental trend



Source: Knight Frank Research

At the submarket level, Houhai and Qianhai recorded the largest rental declines, falling 5.5% and 4.8% QoQ respectively. In Houhai, elevated availability at flagship projects kept landlords cutting asking rents, resulting in the steepest decline citywide. Qianhai, dominated by newly launched and recently delivered projects, saw leasing rents generally well below the submarket average, dragging down its rental benchmark.

By contrast, High-tech Park rents fell just 1.0% QoQ, the smallest decline citywide, as the mature technology cluster provided a measure of support to rents. Futian CBD, Chegongmiao, Shekou and Bao'an CBD recorded declines of between 2.0% and 2.4%, while Luohu fell 3.0%. Despite improving vacancy in these submarkets, rents have yet to stop falling, indicating that take-up still relies primarily on price concessions and that landlords remain weak in bargaining.

Looking into Q4, the downward trend in rents is expected to persist. As the market gradually enters the pre-leasing phase fornew supply scheduled for 2027, the pricing strategies of new projects may exert competitive pressure on existing stock in surrounding submarkets, potentially delaying the point at which rents bottom out.

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

Submarket	Rent (RMB / sqm / month)	Rental % changes (QoQ)	Vacancy Rate	Vacancy rate percentage change (QoQ)
Luohu	113.8	↓3.0%	27.1%	↓0.8
Futian CBD	164.5	↓2.3%	16.9%	↓1.1
Futian-Chegongmiao	132.9	↓2.4%	20.2%	↓0.2
Nanshan- High-tech Park	124.2	↓1.0%	12.4%	↓1.4
Nanshan- Houhai	138.4	↓5.5%	34.5%	↑1.4
Nanshan- Shekou	148.3	↓2.3%	22.7%	↓0.6
Nanshan- Qianhai	121.7	↓4.8%	22.8%	↓2.7
Bao'an CBD	113.4	↓2.0%	27.3%	↓0.6

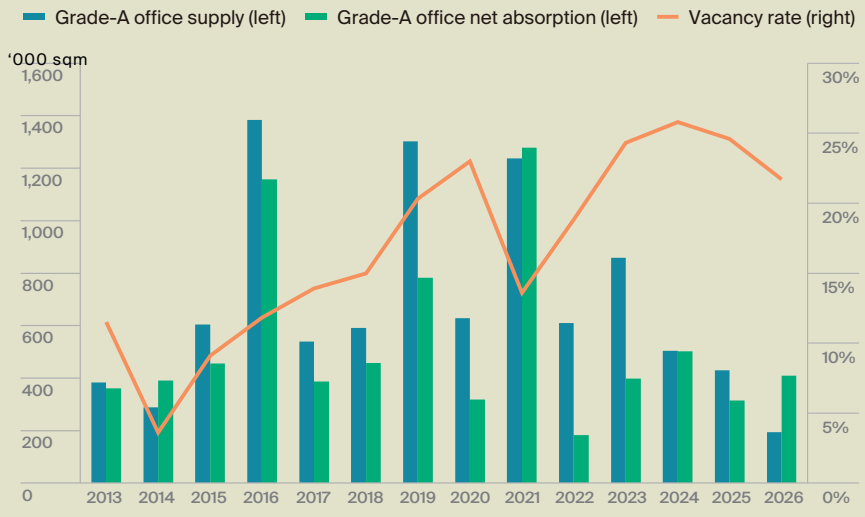
Source: Knight Frank Research
Note: Owing to database adjustments, some data may be different, specific values are based on Q3

Supply and Demand

Supply stays low as rent adjustments unlock relocation demand

In Q3 2026, Shenzhen's Grade A office market saw one new project — MCC Tower in Qianhai, totalling approximately 48,000 sqm — enter the market, a modest increase from Q2. Citywide net absorption reached about 142,235 sqm, up notably QoQ, driving the citywide vacancy rate down 1.0 ppt QoQ to 21.7%, marking a fourth consecutive quarterly decline. In the first three quarters of 2026, cumulative new supply totalled approximately 193,500 sqm and cumulative net absorption about 408,404 sqm. The relatively low level of new supply during the year has provided room for the absorption of existing stock.

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



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

By sector, TMT accounted for around 42.8% of leased area this quarter, driven mainly by a single cross-border e-commerce relocation spanning tens of thousands of square metres. Manufacturing ranked second at approximately 29.0%, with demand spanning smart terminals, electronics technology and consumer brands, and several leasing deals of over 1,000 sqm recorded. Finance accounted for about 20.3%, driven largely by relocation demand from fintech and insurance firms. Demand from other sectors was relatively dispersed, with traditional office demand still dominated by small-space requirements and based on operations needs.

By transaction type, relocations accounted for around 80.9% of leased area and remained the main source of take-up this quarter, with several large-space relocations contributing the bulk of volume while the remainder largely reflected companies adjusting office location and space configuration. New set-ups accounted for about 9.3%, concentrated mainly in Qianhai. Renewals represented around 7.5%,

dominated by foreign-invested enterprises, as landlords increasingly preferred to retain existing tenants through concessions in a falling-rent environment. Expansions accounted for about 2.3%, with corporate expansion appetite yet to recover meaningfully.

Looking into Q4 2026, supply remains the key variable shaping market performance. If new supply scheduled for completion this year comes on stream as planned, quarterly supply will rebound markedly from Q3 levels, potentially putting renewed upward pressure on the citywide vacancy rate. On the demand side, office requirements from technology, smart-terminal and outbound-focused firms, together with relocations and footprint adjustments leveraging low rents, are expected to continue providing some support to take-up.

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

District	Building	Tenant	Area (sqm)	Transaction Type
Nanshan	Gemdale Viseen Centre	Shopee	40,000	Relocation
Nanshan	Qianhai CTF Finance Tower	Oppo	15,000	Relocation
Nanshan	Skyworth Overseas Development Tower	Coocaa	6,600	Relocation
Nanshan	Excellence Houhai Centre	ZhongAn Insurance	5,500	Relocation
Nanshan	Nanhai E-Cool	Hasbro	4,316	Renewal
Nanshan	China Resources Land Tower	Gaga	1,300	Renewal

Source: Knight Frank Research

Note: all transactions are subject to confirmation

Investment Market

Deal activity stays thin as asset pricing awaits further adjustment

In Q3 2026, Shenzhen's office investment market remained subdued, recording just one en-bloc office transaction, involving Shum Yip Taifu Yinying Tower at a consideration of approximately RMB1.249 billion. Other en-bloc deals were dominated by assets outside the pure office sector: Midea Group, together with local state capital, acquired Clou Smart Energy Industrial Park for approximately RMB1.31 billion, completing the property transfer in September. Centralcon Holding announced on 27 August its intention to acquire a 60% stake in a Longhua mixed-use complex for approximately RMB350 million. Industrial capital and state-backed buyers remained the main source of demand. Meanwhile, office assets continued to be offered through judicial auctions and debt and equity disposal channels, with transaction routes becoming increasingly diversified.

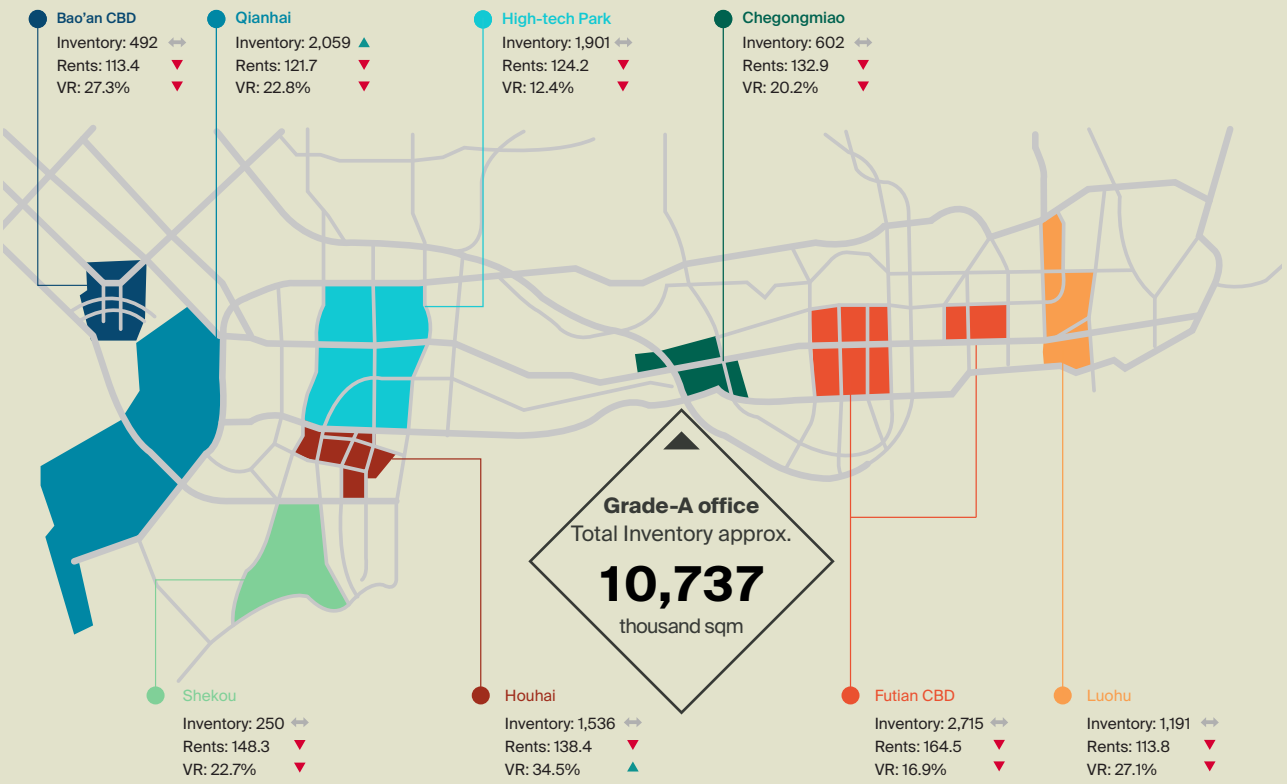
The judicial auction market, meanwhile, continued to reflect pricing pressure on office assets. Floors 43, 48, 50 and 53 of Huangting Tower in Futian CBD all failed to sell in their first auctions in August. Among them, Floor 48 approximately 2,332 sqm was reduced to around RMB89 million, equivalent to around RMB38,000 per sq m — some 20% below the RMB48,000 per sqm achieved for Floor 51 of the same building in November 2024 — yet the property still failed to sell, indicating that even with significant discounts on core-area assets, the valuation gap between buyers and sellers has yet to narrow meaningfully.

Over the same period, Longgang Kangmeisi Digital Plaza and the Shum Yip Diwang Tower asset package changed hands at premiums of approximately 35% and nearly 40% respectively. However, these assets comprise a mix of warehousing, wholesale, factory and residential uses, and the premiums stemmed largely from urban-renewal expectations, the composition of uses and leasable area, and are therefore not directly representative of pricing for pure office assets.

Overall, this quarter's en-bloc office market was characterised by selective transactions, while higher-value assets remained difficult to dispose of. As rental declines widen, buyers are demanding greater cash-flow stability and a wider pricing cushion. In the near term, en-bloc activity is expected to remain at a low level, with demand dominated by owner-occupier purchases and transactions materialising mainly through intra-group transfers, judicial auctions and debt disposals. Any recovery in asset pricing still hinges on rents stabilising and an improvement in market expectations.

Shenzhen Grade-A office market dashboard Q3 2026

Shenzhen 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
Owing to database adjustments, some data may be different, specific values are based on Q3

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

Research & Consultancy



Esther Liu
Director, Head of Research & Consultancy, Greater China
+852 2846 4813
esther.liu@hk.knightfrank.com



Regina Yang
Director, Head of Research & Consultancy, Shanghai & Beijing
+86 139 1872 3123
regina.yang@cn.knightfrank.com

Shenzhen Office Strategy & Solutions



Ken Kan
Managing Director, Shenzhen
Head of Office Strategy & Solutions, South China
+86 186 6682 5418
ken.kan@cn.knightfrank.com



Henry Chen
Analyst, Research & Consultancy, Shenzhen
+86 136 4231 4481
henry.chen@cn.knightfrank.com

Recent market-leading research publications



Beijing Office Market Report Q3 2026



Shanghai Office Market Report Q2 2026



Guangzhou Office Market Report Q2 2026



Shenzhen Office Market Report Q2 2026



From ESG Ambition to Action - A 3-Stage Framework for China Occupiers

Knight Frank

Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: ©Knight Frank : This document and the material contained in it is general information only and is subject to change without notice. All images are for illustration only. No representations or warranties of any nature whatsoever are given, intended or implied. Knight Frank will not be liable for negligence, or for any direct or indirect consequential losses or damages arising from the use of this information. You should satisfy yourself about the completeness or accuracy of any information or materials and seek professional advice in regard to all the information contained herein. This document and the material contained in it is the property of Knight Frank and is given to you on the understanding that such material and the ideas, concepts and proposals expressed in it are the intellectual property of Knight Frank and protected by copyright. It is understood that you may not use this material or any part of it for any reason other than the evaluation of the document unless we have entered into a further agreement for its use. This document is provided to you in confidence on the understanding it is not disclosed to anyone other than to your employees who need to evaluate it.