CUSHMAN & WAKEFIELD

VANTAGE POINT

ASIA REIT MARKET INSIGHT

2024-2025

Better never settles

EDITOR'S NOTE

Dear Reader,

We are excited to present the 9th annual edition of Cushman & Wakefield's Asia REIT Market Insight series. This comprehensive report, based on data primarily provided by our China Valuation & Advisory team, provides in-depth analyses and comparisons of the five largest REIT markets in Asia: Japan, Singapore, the Chinese mainland, Hong Kong, China ("Hong Kong"); and India.

The new report offers a broad exploration of the trends shaping real estate investment trust (REIT) markets across the region. Reflecting on a year of dynamic transition amid shifting global financial conditions, it provides valuable insights into how mature markets such as Japan, Singapore, and Hong Kong are navigating stabilization challenges, while growth markets such as the Chinese mainland and India forge ahead with notable momentum. By examining key performance metrics, regulatory frameworks, and evolving market landscapes, the report is designed to equip stakeholders with actionable knowledge tailored to this evolving sector.

One of the central themes of this report is the growth trajectory of emerging markets within Asia, with the Chinese mainland standing out as a beacon of opportunity. The past year has seen the Chinese mainland REIT market achieve significant milestones, including an 85% year-on-year increase in market value by the end of 2024. This growth is underpinned by strong investor demand for infrastructure-backed REITs and robust issuance of new products, particularly in consumer infrastructure and industrial sectors. The Chinese mainland market's performance underscores its role as a critical driver of regional expansion and a key area to watch in the coming years.

India’s REIT market also features as a major highlight, demonstrating robust growth across both office and retail sectors. With record leasing volumes driven by demand from multinational occupiers and Global Capability Centers (GCCs), Indian REITs have shown exceptional resilience and adaptability. The success of office REITs, paired with emerging opportunities in small and medium REITs (SM-REITs), highlights India's potential as a fast-developing investment destination. The coming year promises further milestones, including the debut of Knowledge Realty Trust (KRT), poised to become one of the largest REITs in the country.

Looking ahead, the Asia REIT market is poised to evolve against a backdrop of global economic shifts and localized developments. Mature markets such as Japan, Singapore and Hong Kong are expected to stabilize, while emerging markets will likely continue to lead growth on the back of robust domestic fundamentals and supportive policy measures. In addition, sectors such as data centres and hospitality are likely to remain in focus, presenting opportunities for investors seeking to diversify their portfolios. Together, these trends position the Asia REIT market as a dynamic and increasingly prominent segment within the global real estate investment landscape.

We trust this report will prove a valuable resource for your investment decisions in Asia’s real estate sectors.

Sincerely,

Catherine Chen,

Director, Investor Client Intelligence & Insights

Asia Pacific, Cushman & Wakefield

EXECUTIVE SUMMARY

Cushman & Wakefield data reveals a total of 263 active Real Estate Investment Trust (REIT) products in the Asia market as at Dec. 31, 2024, with a combined market value of US$235.8 billion, reflecting a year-on-year decline of 6.5%. The year 2024 was characterized by structural trends in the Asia REIT landscape. Firstly, the Chinese mainland REIT market achieved robust growth, surpassing Hong Kong in market value to secure a top-three position among Asia REIT markets. Meanwhile, mature markets such as Japan, Singapore, and Hong Kong witnessed market value contractions, influenced by shifts in the global financial environment. And finally, emerging markets such as Thailand, the Philippines, Malaysia, and India gained momentum, supported by strong domestic economic fundamentals.

Major Asian REIT markets also experienced widespread declines in stock prices through 2024, despite three interest rate reductions by the U.S. Federal Reserve in the second half of the year. Contributing factors included politically driven uncertainty, the pace of monetary policy adjustments, and the varying impacts of national interest rate policies. Among mature markets, Singapore stood out with heightened activity in equity financing and mergers and acquisitions (M&A). Singapore data centre REITs stand out as an example, with thriving activity bolstered by advancements in artificial intelligence (AI). Local office and hotel assets also continued to demonstrate resiliency in operational performance. In the Japan market, REITs recorded higher dividend yields, with hotel REITs outperforming due to surging demand from inbound tourism.

Looking ahead, the Asia REIT market is poised for continued evolution as it navigates the dual forces of mature market stabilization and emerging market expansion. The mature markets of Japan, Singapore, and Hong Kong will likely focus on enhancing operational efficiencies and optimizing capital structures, while grappling with the challenges posed by global monetary policy shifts and rising financing costs. On the other hand, emerging markets, particularly the Chinese mainland, Thailand, the Philippines, and India are expected to continue to grow, bolstered by strong economic fundamentals and supportive regulatory frameworks.

By asset sector, data centre and hospitality REITs are expected to remain highly visible on investors' radar, driven by AI advancements and recovery in the tourism sector, respectively. Additionally, M&A activity is likely to pick up as players seek scale and diversification to better weather market fluctuations.

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OVERVIEW OF THE ASIA REIT MARKET

1.1 NUMBER OF REIT PRODUCTS

The Asia REIT market continued to grow in 2024, with the total number of active REIT products rising to 263 as at Dec. 31, 2024. This marked a net addition of 38 REIT products over the previous year. Among the newly listed REITs, the Chinese mainland, Thailand, and South Korea were the key contributors, collectively accounting for 40 new REIT products. The Chinese mainland led the region with an addition of 29 new REITs, while Thailand and South Korea contributed six and five REITs, respectively. These markets exhibited a strong focus on core property sectors, including industrial/logistics, infrastructure, retail, and sustainability.

Elsewhere, market dynamics in Japan and Singapore presented a contrast. Japan saw its total number of listed REITs fall by one due to consolidation through merger activity, with REITs combining diversified property portfolios. Singapore also experienced a contraction, with one REIT suspension due to financial issues, highlighting the tightening regulatory oversight and operational challenges present in the market.

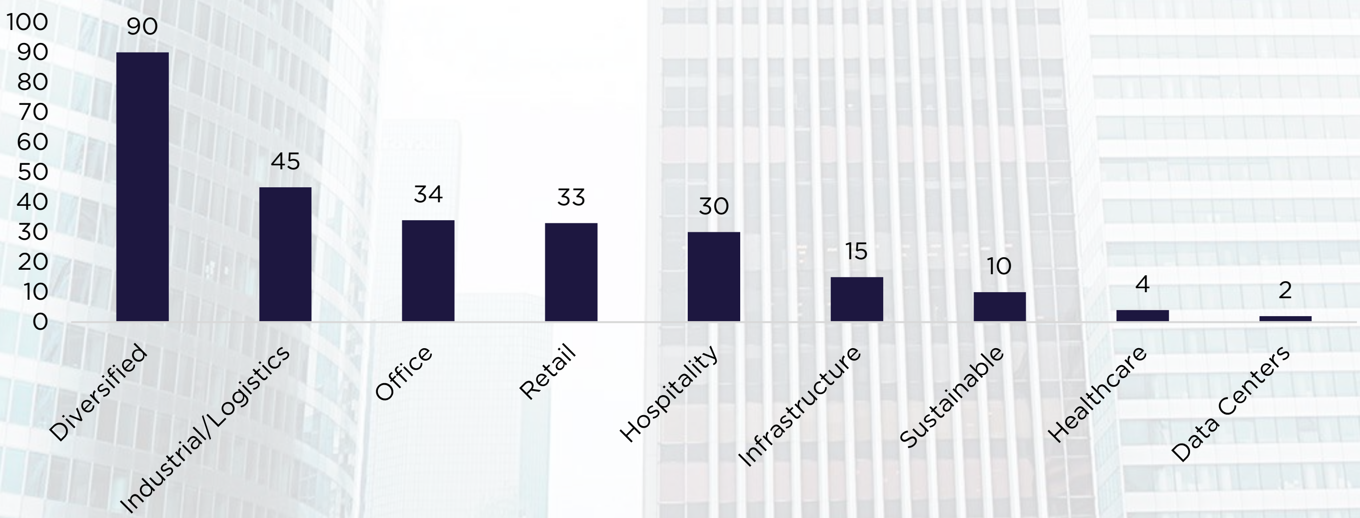
Number of REITs by Property Type

Of the 263 active REITs in the Asia market as at Dec. 31, 2024, diversified-asset REITs maintained their position as the largest category, with 90 products, accounting for nearly 34% of the total. Industrial and logistics REITs followed, with 45 active listings, reflecting their appeal as stable income-generating assets favored for their resilience during periods of economic uncertainty. Office REITs represented the third-largest category, with 34 products, though this segment faced challenges from shifting workplace trends and evolving tenant preferences.

Retail REITs, at 33 products, and hospitality REITs, at 30, remained significant contributors, with the latter segment benefiting from a recovery in travel and tourism across the region.

Specialized sectors also remained in play, with 15 infrastructure REITS, 10 sustainability REITS, four healthcare REITS, and two data centre REITS. The rising prominence of sustainability and data centre REITs is attributed to growing awareness of environmental, social, and governance (ESG) considerations and an increasing reliance on technology-driven assets.

Figure 1: Number of REITs by Property Type in Asia



Source: Bloomberg database, websites of Hong Kong Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield

1.2 MARKET VALUE

At the close of 2024, the total value of the Asia REIT market reached US$235.8 billion, reflecting a 6.5% year-on-year decline from the US$252.1 billion recorded at the end of 2023. The contraction was principally driven by declines in the US dollar values of the Japan, Singapore, and Hong Kong markets, as a result of widespread softening in REIT stock prices and unfavorable exchange rate movements. The Hong Kong market registered the steepest value drop at 24%, followed by Japan and Singapore, which recorded declines of 17% and 11%, respectively.

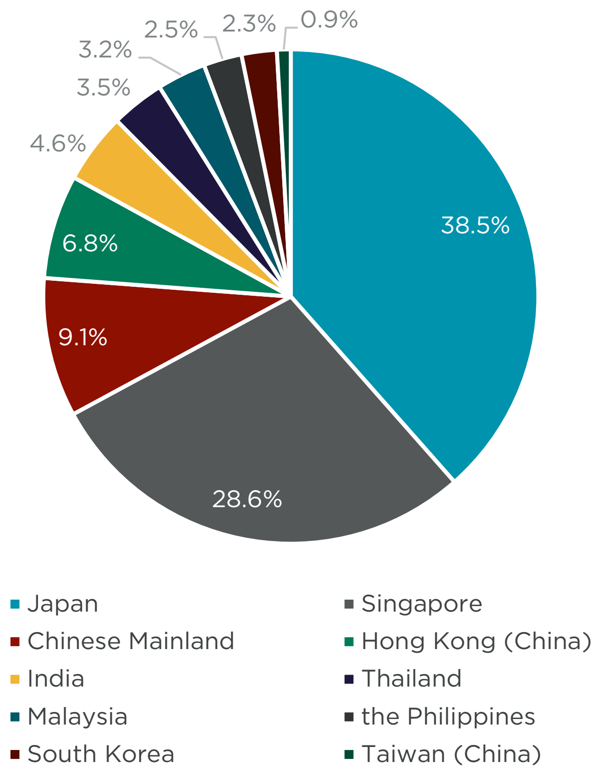
Amid these declines, the Chinese mainland market emerged as a bright spot, posting an impressive 85% year-on-year rise in market value, attributable to new REIT product issuances and strong investor demand for infrastructure-backed assets. Thailand also demonstrated robust performance with a 41% increase in market value, marking it as the second-highest growth market in the region. Other emerging markets, including the Philippines, Malaysia, and India, reported increases of 37%, 21%, and 13%, respectively, supported by their favorable economic fundamentals and attractive real estate sectors.

Table 1: Total Market Value of Active REITs on Major Asia Exchanges

Market	Number of REITs	Market Value (USD billion)	Market Share (%)
Japan	57	90.8	38.5
Singapore	39	67.4	28.6
Chinese Mainland	58	21.4	9.1
Hong Kong, China	11	16.1	6.8
India	4	11.0	4.6
Thailand	38	8.3	3.5
Malaysia	18	7.7	3.2
The Philippines	8	5.8	2.5
South Korea	24	5.3	2.3
Taiwan, China	6	21.0	0.9
Total	263	235.8	100

Source: Bloomberg database, websites of Hong Kong Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield

Figure 2: Market Value Share of REITs Active on Asia Exchanges



Source: Bloomberg data base, websites of Hong Kong Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield

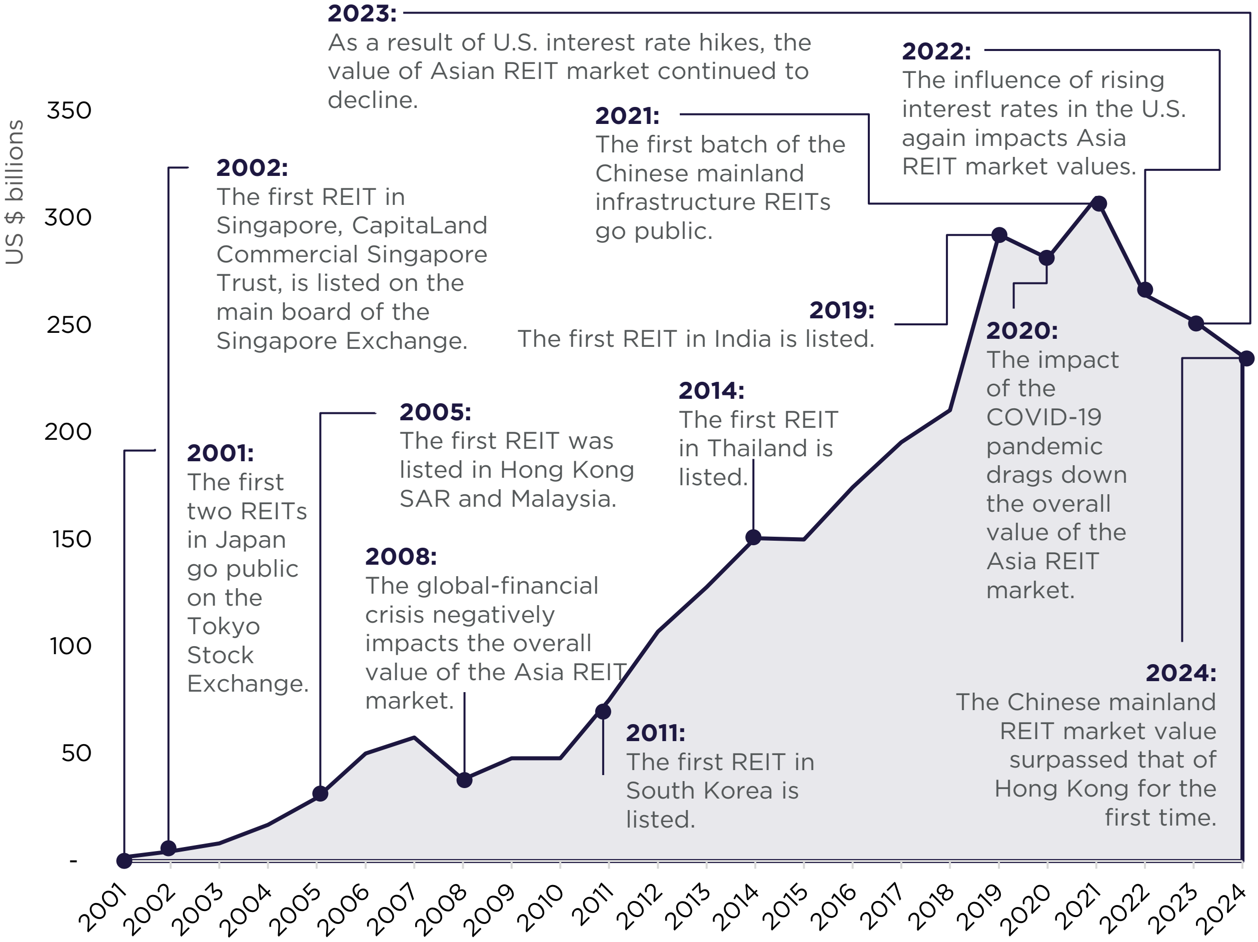
1.3 OVERALL MARKET SITUATION

The Asia REIT market navigated a complex environment in 2024, influenced by global and regional economic conditions. Despite three interest rate cuts by the U.S. Federal Reserve in the second half of the year, markets grappled with subdued investor sentiment, fluctuating rate-cut expectations, and changing domestic monetary policies. Against this backdrop, secondary market performance was lackluster for most major markets, with stock prices under pressure.

However, there were notable pockets of strength. Singapore witnessed greater activity in equity financing and asset acquisitions within its REIT industry, capitalizing on opportunities in high-growth sectors. Data centre REITs in particular outperformed, benefiting from advancements in AI and the growing demand for digital infrastructure. Japanese REITs experienced a pullback in stock prices, but high dividend yields, particularly those of hotel REITs buoyed by a resurgence in inbound tourism, attracted renewed investor interest. Emerging markets such as Thailand and Malaysia contributed positively to regional trends, leveraging strong localized demand and policy support.

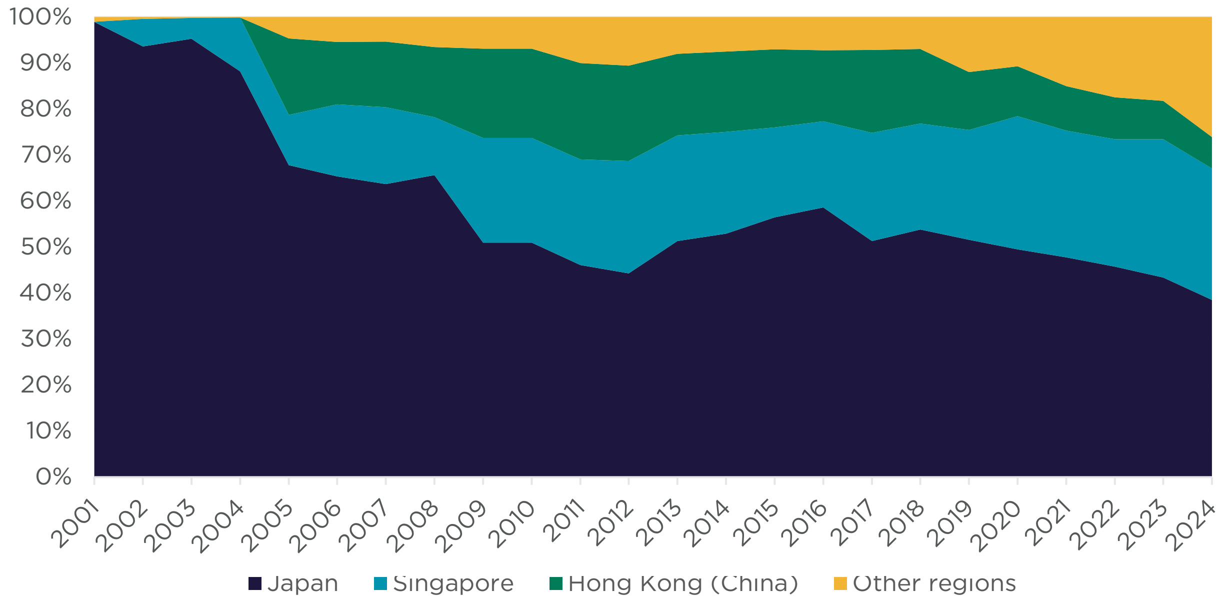
In addition, the Indian REIT market has demonstrated robust overall performance, with the total operational portfolio size of its four REITs growing by more than 12% in the past year to exceed 105 million sq ft as at June 2025. All three office REITs delivered more than 15% capital appreciation during the 12-month period up to June 2025. In contrast, the Bombay Stock Exchange (BSE) index experienced a correction. The success of the office REITs was driven by strong leasing demand from Global Capability Centers (GCCs) together with a growing preference for premium-grade assets. The three office REITs listed in India had an occupancy rate of close to 90% as at March 2025. The fourth REIT, Nexus Select Trust, primarily consists of retail assets, also achieved an outstanding high occupancy rate at 97.2%.

Figure 3: The Course of REIT Development in Asia



Source: Bloomberg database, websites of Hong Kong Stock Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield.

Figure 4: Asia REIT Market Share (2001-2024)



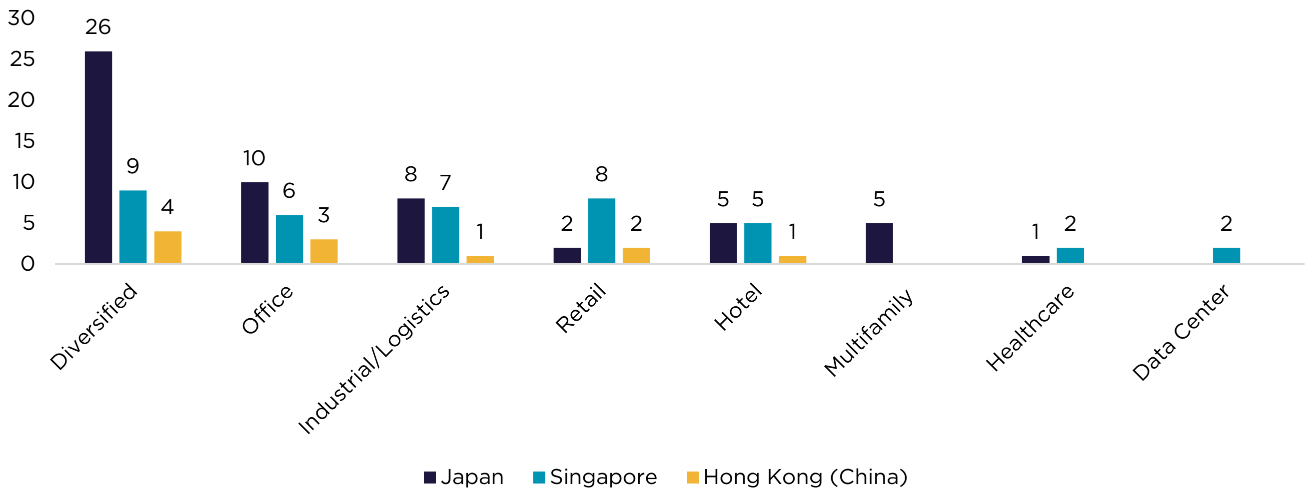
Source: Bloomberg data base, websites of Hong Kong Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield

02

ANALYSIS OF REIT MARKET PERFORMANCE IN JAPAN, SINGAPORE, AND HONG KONG

Japan, Singapore, and Hong Kong together accounted for more than 70% of the total Asia REIT market value as at the end of 2024. Consequently, this report section focuses primarily on analysis of these three mature markets. Unless otherwise noted, we refer to the annual financial reports published by REITs, focusing on the four financial indicators of leverage ratio, dividend yield, total return, and price-to-book (P/B) ratio. At the time of this report there were 57 REITs listed on the Tokyo Stock Exchange, 39 on the Singapore Exchange, and 11 on the Hong Kong Exchange.

Figure 5: Number of REITs by Property Type in Japan, Singapore, and Hong Kong



Source: Bloomberg data base, websites of Hong Kong Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield

2.1 LEVERAGE RATIO

The leverage ratio, defined as the ratio of total liabilities to total assets, remains a critical financial indicator when evaluating REIT market performance. Japan's REIT market does not impose a specific cap on leverage ratios, similar to other mature markets such as the United States and Australia, offering flexibility to REIT managers. Hong Kong mandates a 50% maximum for leverage, with Singapore adopting a 45% guideline, extendable to 50% for REITs meeting a minimum interest coverage ratio (ICR) of 2.5 times. This regulatory environment underscores both similarities and distinctions in market behavior, which directly influence capital structures and investor confidence.

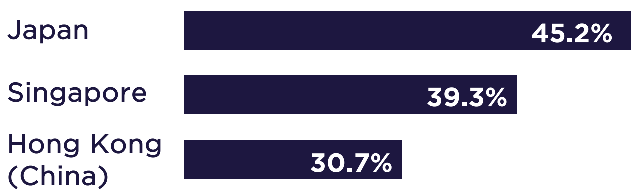
Leverage Ratio Analysis by Market

Japan: The average leverage ratio in Japan's REIT market was at 45.2% as at year-end 2024, reflecting a slight increase of 40 basis points (bps) from 2023. With no regulatory cap, J-REITs' leverage ratios tend to surpass those in Hong Kong and Singapore. Among the 57 active REITs, five exceeded 50%, comprising three apartment REITs and two diversified REITs. At the lower end, five REITs recorded leverage ratios below 40%. Mitsui Fudosan Logistics REIT posted the lowest at 36.4%, benefiting from its stable rental yield and conservative financial management.

Singapore: Singaporean REITs recorded an average leverage ratio of 39.3% in 2024, a rise of 1.2 percentage points (ppts) from 2023. The median leverage ratio also aligned at 39.3%, showcasing growth across the board. Amendments to Singapore's Code on Collective Investment Schemes introduced in November 2024 brought a standardized leverage limit of 50% across REITs, with an ICR threshold of 1.5 times. Streamlining leverage requirements can provide REITs with greater flexibility for growth by allowing higher debt levels, while also promoting financial prudence through the introduction of ICR requirements.

Hong Kong: The average leverage ratio in Hong Kong rose moderately to 30.7% in 2024, approximately 60 bps higher than in 2023. Among the city's 11 REITs, three surpassed 40%, including Yuexiu Property Trust at 42%. Despite persistently high offshore interest rates, local adjustments, such as reduced RMB financing costs, bolstered stability in key players such as Yuexiu Property Trust, which effectively reduced its blended rate by 58 bps.

Figure 6: Average Leverage Ratio



Source: Bloomberg data base, websites of Hong Kong Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield

Leverage Ratio by Property Type

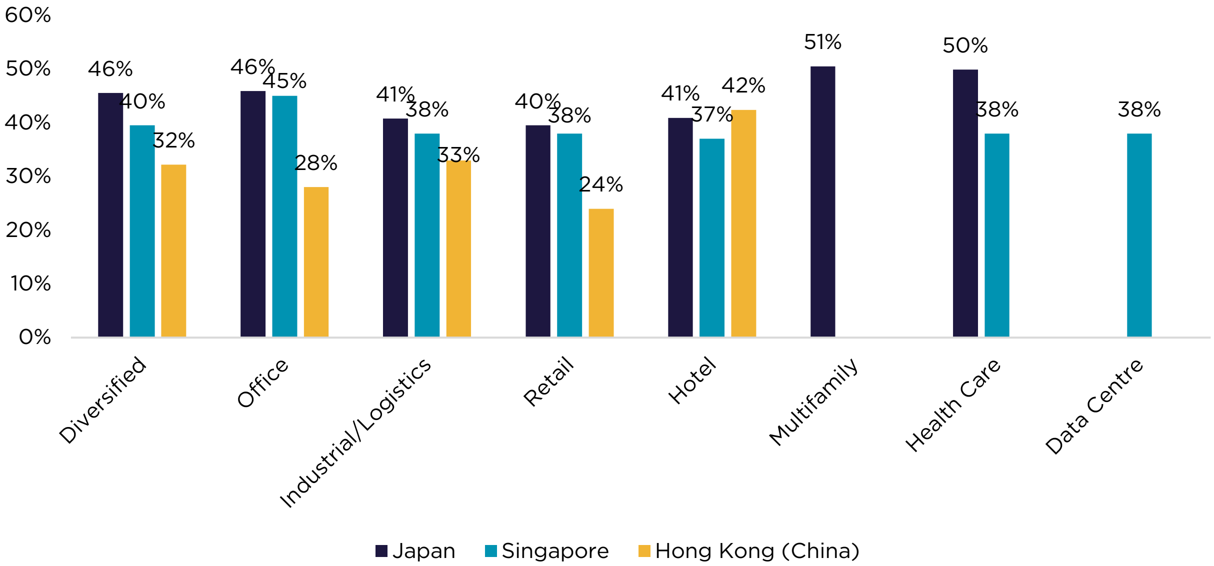
Leverage ratios varied significantly across property types in 2024, reflecting different operational and market conditions.

Japan: Apartment REITs led with ratios exceeding 50%, while healthcare and retail averaged 41% and 40%, respectively. The industrial/logistics sector maintained relatively low ratios of approximately 39%.

Singapore: Office REITs recorded the highest leverage, averaging 45%, driven by resilient domestic demand offsetting volatility in U.S. markets. Data cente REITs also climbed by 2.4 ppts to 38%.

Hong Kong: Hotel REITs stood out with a leverage ratio of 42%, while office and logistics sectors maintained lower ratios below 30%.

Figure 7: Average Leverage Ratio by Property Type



Source: Bloomberg data base, websites of Hong Kong Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield

2.2 DIVIDEND YIELD

Dividend yield is a second key metric and is calculated as total dividends paid over the past 12 months divided by the REIT's stock market price. By year-end 2024, the following averages were observed across the primary Asian markets:

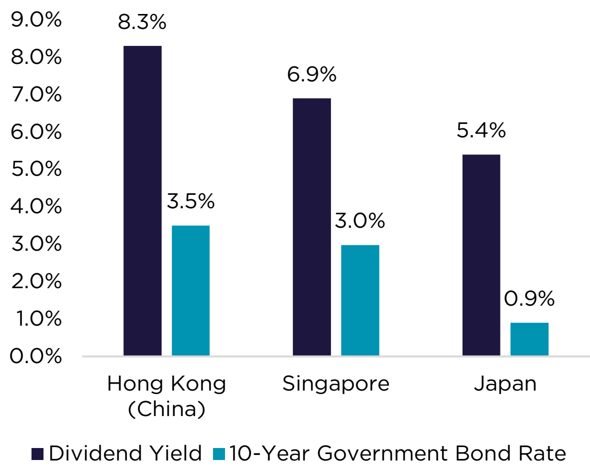
- Japan: 5.4% (up 91 basis points from 2023)
- Singapore: 6.9% (down 16 basis points from 2023)
- Hong Kong: 8.3% (down 20 basis points from 2023)

While higher yields generally reflect favorable opportunities for investors, performance varied due to stock price movements and underlying asset operations.

Japanese REITs experienced significant gains in dividend yield, led by stock price moderation, and asset performance improvements, particularly among hotel REITs, which benefited from inbound tourism. By contrast, Singapore and Hong Kong REITs saw slight decreases in dividend yield in key sectors such as office and retail.

Fluctuations in U.S. interest rates played a role as well, with Japan's widening yield-bond spreads offering higher premiums and stronger investment appeal. Meanwhile, Hong Kong maintained a steady spread of 4.8 ppts, reflecting cautious optimism amid market adjustments. Singapore saw its spread narrow, suggesting that the excess risk premium offered by Singapore REITs diminished, weakening their overall investment appeal. However, at the same time, the P/B ratios of Singapore REITs also declined, leading to more pronounced discounts. This made Singapore REITs more attractive from a valuation perspective and is expected to partially offset the impact of the narrower yield spread.

Figure 8: Comparison of Average Dividend Yield: REITs vs. 10-Year Government Bonds



Note: The average dividend yield excludes >20% or 0% dividend

Source: Bloomberg database, websites of Hong Kong Stock Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield.

Dividend Yield by Property Type

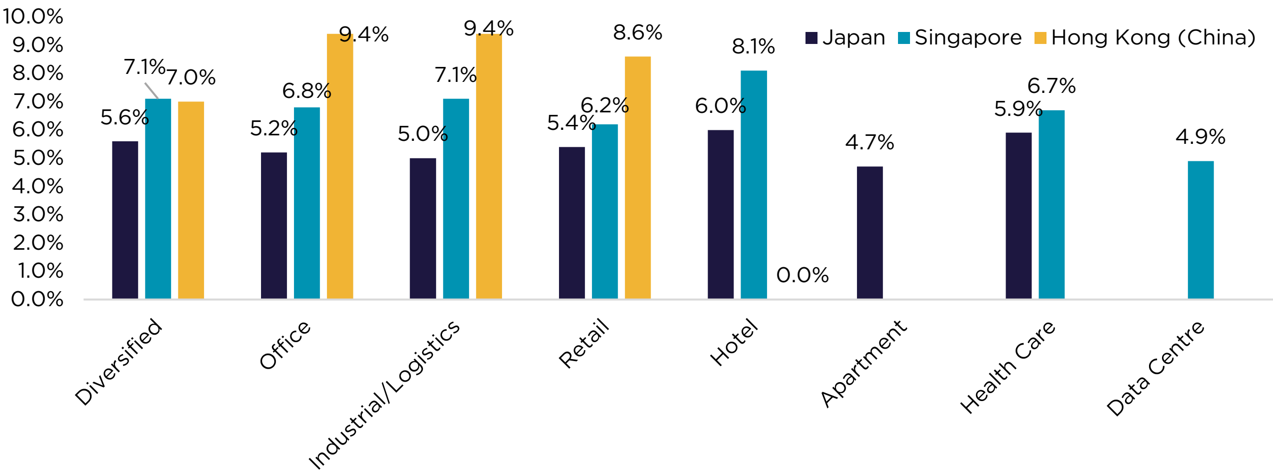
When looking at overall dividend yields across the three key Asia markets in 2024, office REITs experienced a notable decline, and were surpassed by industrial/logistics REITs as the highest average yield property type, although the gap between the two remains relatively narrow. Specifically, office and data centre REITs both saw year-on-year yield declines of more than 50 bps. The drop in office REIT yields was mainly attributed to the weak operational performance of the underlying office assets. For data centres, both the Keppel DC REIT and Digital Core REIT in the Singapore market experienced yield declines, the former due to a rise in stock price and the later due to weaker asset performance. In contrast, retail, hotel, apartment, and healthcare REITs all recorded a rise in dividend yields of more than 50 bps compared to 2023. Overall, despite a slight decline, diversified and industrial/logistics REITs remained relatively stable, reflecting their strong resilience to market risk.

In the J-REIT market, dividend yields across all property types generally increased in 2024. The most notable rise came from hotel REITs, which saw a jump of 1.8 ppts compared to 2023 to boast the highest-yielding REIT category of the year. This significant increase was primarily driven by the booming inbound tourism sector in Japan, which led to strong operational performance of the underlying hotel assets. According to the 2024 financial report released by Japan's largest hotel REIT — Japan Hotel REIT — the distributable income per unit exceeded expectations to surge by 30.6% from 2023. In addition, healthcare REITs recorded a 1.3 ppts increase in dividend yield year-on-year, making them the second-highest yielding REIT category in Japan for 2024. This was chiefly attributed to the continued softening in the stock price of Japan's sole healthcare REIT: Healthcare & Medical REIT.

In the Singapore REIT market, the dividend yield of office REITs declined sharply by 4.1ppts in 2024 compared to 2023. This drop was primarily caused by the weakened operational performance of some underlying office assets, particularly those REITs holding U.S. office properties. For example, PRIME US REIT had a dividend yield of more than 20% in 2023, but this figure dropped to less than 3% in 2024. According to its 2024 annual report, its distributable income per unit fell by nearly 90% year-on-year, with an average vacancy rate reaching 20% by year-end. In contrast to the downturn in the U.S. office market, Singapore's domestic office properties maintained the steady operational performance seen since the second half of 2023. As a result, Keppel REIT — the largest office REIT by market value in Singapore — recorded a dividend yield of more than 6% in 2024, rising from the previous year. Dividend yields for data centre REITs experienced a slight decline, primarily due to a rise in Keppel DC REIT's stock price. Hotel REITs posted a 1.6 % increase in dividend yield in the year, reflecting the strong performance of hotel assets supported by Singapore's status as a leading global tourism destination.

In Hong Kong's REIT market, dividend yields across most property types declined in 2024, with retail REITs being the only category to record an increase. Office and industrial/logistics REITs posted the highest yields, both exceeding 9%. However, due to the limited number of REITs in each category in the Hong Kong market, dividend yield figures are heavily influenced by individual products and may not fully reflect the impact of property type on yield performance.

Figure 9: Dividend Yield Return by Property Type



Note: Dividend Indicated Yield is used for Hong Kong REITs, which is calculated using the most recent dividend yield and the stock price as at December 31, 2024.

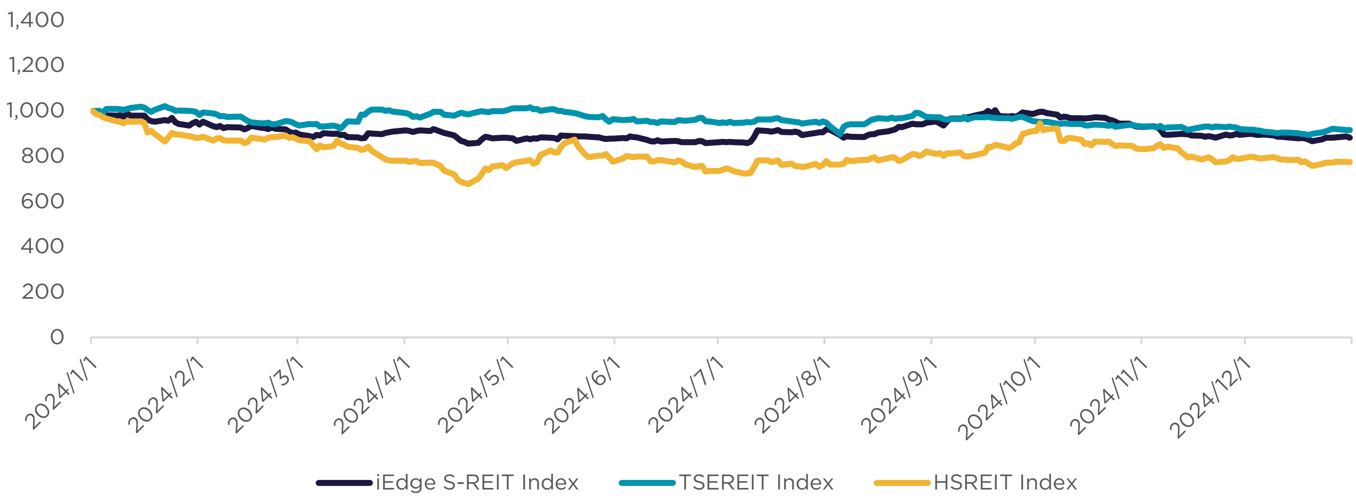
Source: Bloomberg database, websites of Hong Kong Stock Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield.

2.3 TOTAL RETURN

A REIT's total return combines dividend yield with stock price appreciation or depreciation. Data for 2024 derived from indices including the Tokyo SE REIT Index, iEdge S-REIT Index, and Hang Seng REIT Index shows variance reflective of market conditions.

In 2024, although the U.S. Federal Reserve began a rate-cutting cycle, the slower pace of cuts and the persistently high global interest rate environment led to continued declines in REIT price indices across Japan, Singapore, and Hong Kong, with year-on-year drops of 12% in Singapore, 9% in Japan, and 23% in Hong Kong.

Figure 10: Performance of REIT Price Indices in Singapore, Japan, and Hong Kong in 2024



Source: Bloomberg database, compiled by Cushman & Wakefield.

The Tokyo Stock Exchange REITs Total Return Index (TSEREITTRI) saw a wider year-on-year decline in TRI in 2024 at -4.6%.

In Singapore, the iEdge S-REIT Total Return Index (iEdge S-REIT TRI) for 2024 was at 3.0%. Based on data released by SGX, positive total returns were observed across multiple property types in 2024, including data centres at 9.7%, and healthcare at 6.9%. Although the total returns for retail and office REITs remained negative, the losses narrowed significantly compared to 2023. The total return for diversified REITs saw a larger decline than the previous year, while that for industrial/logistics REITs turned from positive to negative.

The Hang Seng REITs Total Return Index (HSREIT TRI) in Hong Kong posted a narrower decline compared to 2023, with a total return of -16.4% for the full year.

Table 2: Total Return

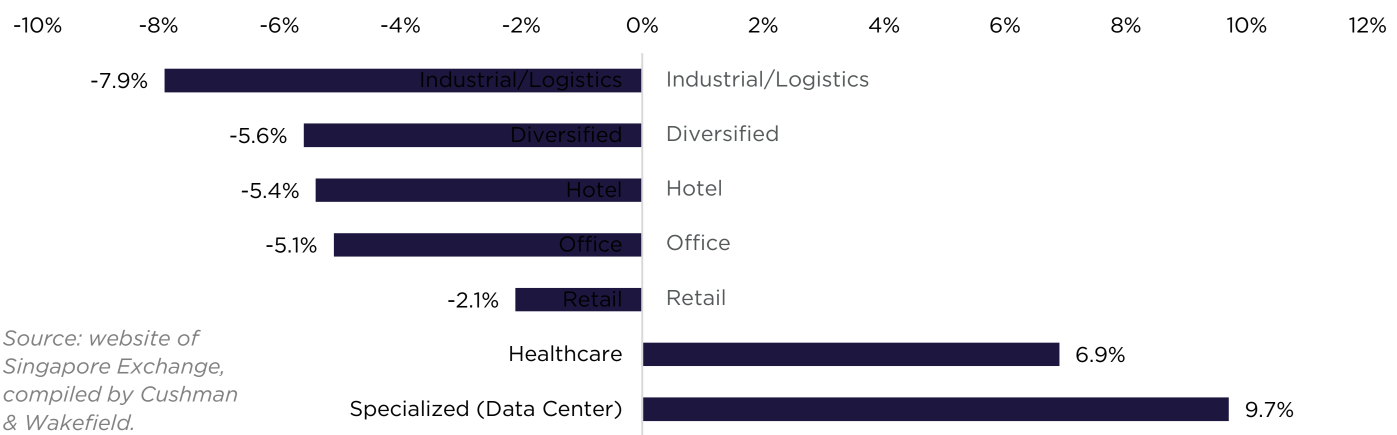
Japan					
Representative Indicator: Tokyo SE REIT Index					
2024: -4.6%	**2023: -0.3%**	**2022: -4.8%**	**2021: 20.0%**	**2020: -13.4%**	**2019: 26.5%**

Singapore					
Representative Indicator: iEdge S-REIT Index					
2024: 3.0%	**2023: 7.0%**	**2022: -11.9%**	**2021: 6.2%**	**2020: -2.2%**	**2019: 27.4%**

Hong Kong (China)					
Representative Indicator: Hang Seng REIT Index					
2024: -16.4%	**2023: -23.0%**	**2022: -23.7%**	**2021: 0.1%**	**2020: -13.5%**	**2019: 7.0%**

Source: Singapore Exchange, based on local currency

Figure 11: Total Return Rate in the Singapore REIT Market by Property Type (2024)



Source: website of Singapore Exchange, compiled by Cushman & Wakefield.

2.4 PRICE TO BOOK (P/B) RATIO

We define P/B ratio as the ratio of the market price per fund unit (based on the market price as at Dec. 31, 2024) to the net asset value per fund unit. If the ratio is greater than one, it is at a premium, and if it is less than one, it is at a discount. At the end of 2024, all three major REIT markets presented discounts in market price relative to net asset value, with the degree of discount widening compared to the end of 2023.

By the end of 2024, the P/B ratio in Japan's REIT market had dropped significantly for the second consecutive year, standing at 0.81. Specifically, 48 REITs had P/B ratios between 0.7 and 0.9, while three REITs traded below 0.7 and six REITs exceeded 0.9. Ichigo Hotel REIT boasted the highest P/B ratio. The REIT primarily invests in hotel assets located in major Japanese cities. As at Jan. 4, 2025, its portfolio consisted of 29 properties with a total of 4,369 rooms, and its price-to-book ratio stood at 1.05. In contrast, Sankei Real Estate REIT (office) had the lowest P/B ratio at just 0.65.

In Singapore's REIT market, the average P/B ratio declined from the prior year, standing at 0.74. Six REITs had a P/B ratio below 0.5, and one REIT fell below the 0.3 level. Keppel DC REIT and ParkwayLife REIT had the highest P/B ratios, both at 1.6. Keppel DC REIT primarily invests in data centres, with its underlying assets located across 10 markets in Asia-Pacific and Europe.

ParkwayLife REIT is the largest healthcare REIT listed in Asia. As at Dec. 31, 2024, it held a total portfolio size of 75 properties, including 60 high-quality nursing homes and care facilities in Japan. Dasin Retail Trust, in the retail sector, had the lowest P/B ratio at just 0.05. It is the only Singapore-listed REIT focused on investing in, developing, and managing retail properties in China's Guangdong–Hong Kong–Macao Greater Bay Area, and it currently remains negatively impacted by past debt default events.

The Hong Kong REIT market has long been traded at a discount, and further stock price declines in 2024 saw the average P/B ratio drop to 0.32. SF Real Estate Investment Trust, the first logistics REIT listed in Hong Kong had the highest P/B ratio at 0.60. Regal Real Estate Trust had the lowest P/B ratio at just 0.12.

Figure 12: Average P/B Ratio by Market

Source: Bloomberg database, websites of Hong Kong Stock Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield.

Price-to-Book Ratio by Property Type

Price-to-book ratios for REITs in most property categories demonstrated a downward trend in 2024, buffeted by market conditions. However, the data centre REIT market continued its strong momentum from 2023, with its P/B ratio still rising. In absolute terms, healthcare and data centre REITs maintained relatively high average P/B ratios, both at more than 1.0.

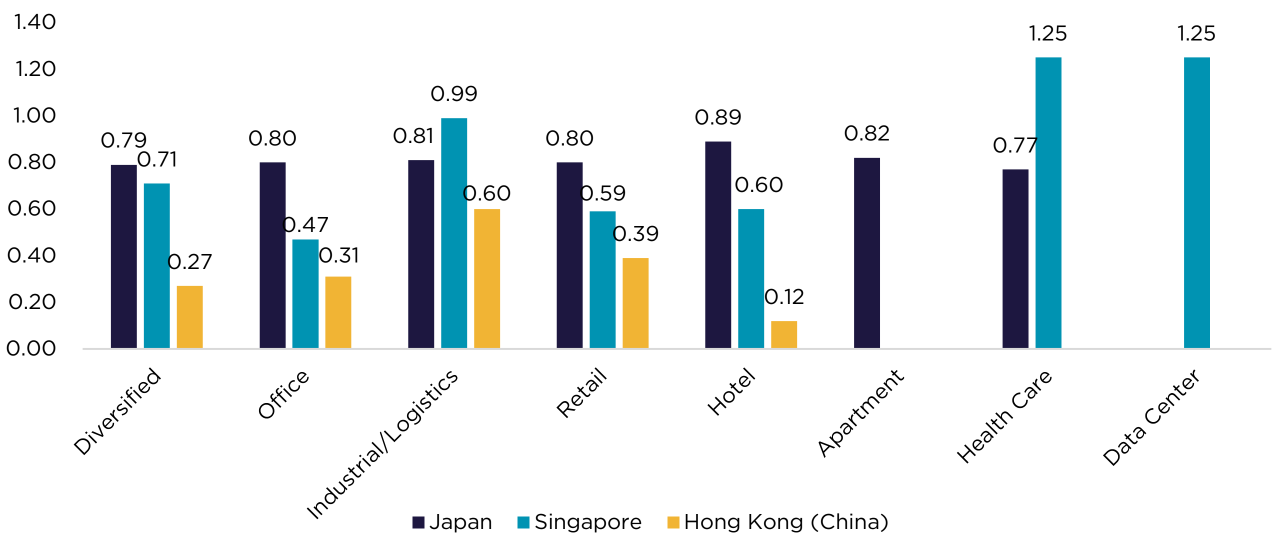
In Japan, as at the end of 2024, REITs across all property types experienced a fall in P/B ratios. Healthcare, retail, apartment, diversified, industrial/logistics, and office REITs saw drops of more than 0.05. Healthcare REITs experienced the largest decline, marking the second consecutive year that this sector has recorded the steepest drop. Hotel REITs saw the smallest decline and, in absolute terms, maintained the highest P/B ratio at 0.89.

In Singapore, only data centre REITs saw increases in their P/B ratios, from 1.10 at the end of 2023 to 1.25 at the end of 2014. There are two data centre REITs in the Singapore market: Keppel DC REIT and Digital Core REIT. In November 2024, Keppel DC REIT acquired Keppel DC Singapore 7 and Keppel DC Singapore 8 for SG$1.03 billion, boasting the largest transaction since its listing. Keppel DC REIT also acquired Tokyo Data Centre 1, marking its first entry into the Japan market, the second-largest data centre hub in Asia. As at Dec. 31, 2024, the occupancy rate of its portfolio remained high at 97.2%, and its P/B ratio rose from 1.40 at the end of 2023 to 1.60 at the end of 2024. Digital Core REIT strengthened its portfolio through strategic investments in 2024, increasing its stake in a facility located in Frankfurt, Germany, by 40% and expanding its equity in Digital Osaka 2 by 10%. Its P/B ratio climbed from 0.80 at the end of 2023 to 0.90 at the end of 2024.

The rise in P/B ratios of these two REITs reflects investor recognition in Singapore's data centre sector. Of other property asset sectors in the Singapore market, office, apartment, and healthcare REIT P/B ratios remained unchanged, while diversified, industrial/logistics, and hotel REITs saw declines of more than 0.05.

In the Hong Kong market, industrial/logistics REITs saw an increase in P/B ratio, while all other sectors experienced further discounts, with diversified and retail REITs recording declines on the previous year.

Figure 13: Average P/B Ratio by Property Type



Source: Bloomberg database, websites of Hong Kong Stock Exchange, Singapore Exchange, Tokyo Stock Exchange, compiled by Cushman & Wakefield.

03

THE GROWTH OF THE CHINESE MAINLAND AND INDIA REIT MARKETS

3.1 THE CHINESE MAINLAND REIT MARKET

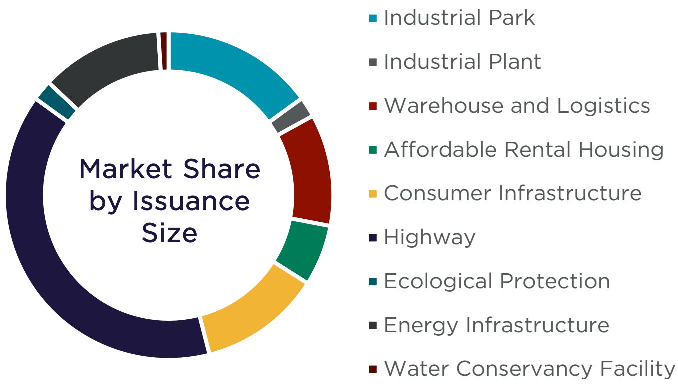
Summary of Issuance

By number of products, as at March 31, 2025, a total of 64 public infrastructure REITs were listed in the Chinese mainland, marking a significant period of growth in the market. The year 2024 saw a breakthrough in issuance with 29 REITs coming to market, comprising 19 real estate-backed REITs and 10 toll revenue-rights-backed REITs. This represented the highest annual issuance recorded to date. Among product categories, consumer infrastructure REITs led the issuance count with seven new listings, followed by industrial park REITs with six launches. Highway REITs also performed well with five newly issued products. Heading into 2025, the market maintained its robust trajectory with six REITs launched in Q1, including five real estate-backed products.

By issuance size, as at March 31, 2025, the cumulative issuance volume of all Chinese mainland REITs reached RMB174.8 billion, averaging approximately RMB2.7 billion per product. For the 19 real estate-backed products issued in 2024, the average issuance size was RMB2.0 billion, reflecting a slight decline from the previous year. Among these, consumer infrastructure REITs recorded the highest average issuance size at RMB2.8 billion, while industrial park and warehouse/logistics REITs had lower averages of RMB1.3 billion.

By asset type, industrial park REITs demonstrated significant momentum in issuance throughout 2024, with cumulative issuance volume reaching RMB25.9 billion by the end of March 2025. This accounted for 15% of the total real estate-backed issuance for the period, ranking first within this category. Consumer infrastructure REITs also gained prominence as an emerging product category, achieving a total issuance volume of RMB21.3 billion within a single year. Their strong market performance enabled the sector to surpass industrial park REITs in market value by Q1 2025, becoming the largest asset type among real estate-backed REITs, with a 15% share of total market value.

Figure 14: Market Share by Issuance Size



Source: Wind, compiled by Cushman & Wakefield

Market Performance and Trading Activity

By the close of March 2025, the total market value of the 64 listed Chinese mainland REITs reached RMB186 billion. This comprised RMB94 billion (51%) for real estate-backed REITs and RMB92.1 billion (49%) for toll revenue-rights-backed REITs.

Trading activity in the secondary market began recovering in 2024, with total trading volume for the year reaching RMB102.22 billion. The average daily trading volume rose to RMB420 million, up 34% from RMB320 million in 2023. This momentum carried into 2025, with average daily trading volume in Q1 reaching RMB690 million. The average daily turnover rate remained stable at 0.8% in 2024 but rose to 1.0% in Q1 2025, reflecting a noticeable uptick in market activity.

Stock Price Performance

As at March 31, 2025, the average stock price of all REITs relative to their issue prices had risen by 26% (including dividends). Real estate-backed REITs recorded an average increase of 24%, while quasi-REIT products saw a higher average gain of 27%.

By asset type, strong performers included energy infrastructure, affordable rental housing, water conservancy facilities, and consumer infrastructure REITs, each delivering significant premiums of 48%, 46%, 45%, and 39%, respectively, over their issuance prices. Affordable rental housing sustained its appeal due to stable cash flows and risk resilience, often favored during periods of economic uncertainty.

Conversely, industrial park and warehouse/logistics REITs posted more modest gains of 14% and 16%, respectively. Despite this growth, these sectors were hindered by economic headwinds and an oversupply in certain regions, which exerted pressure on rents and occupancy rates through 2024.

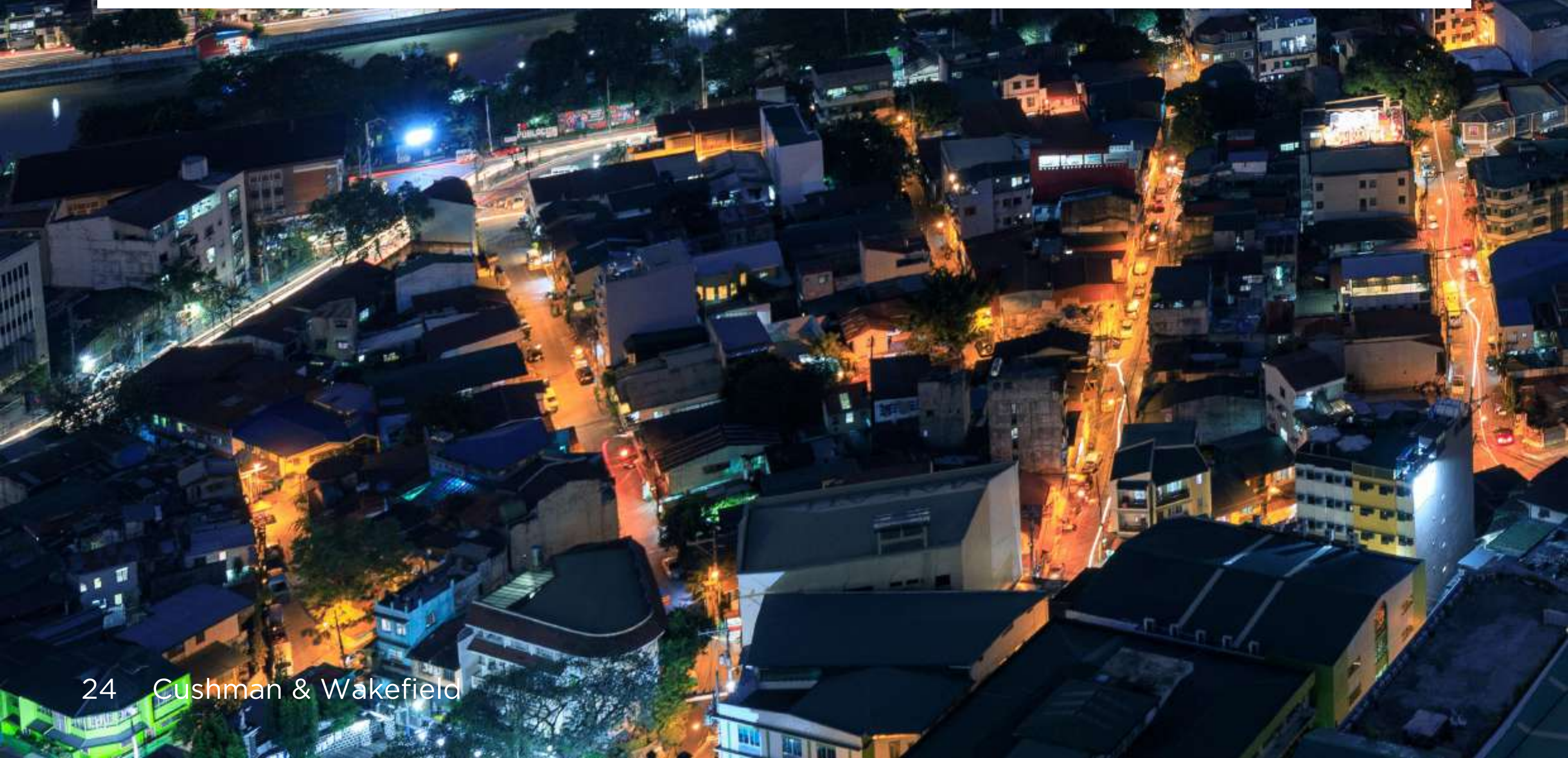
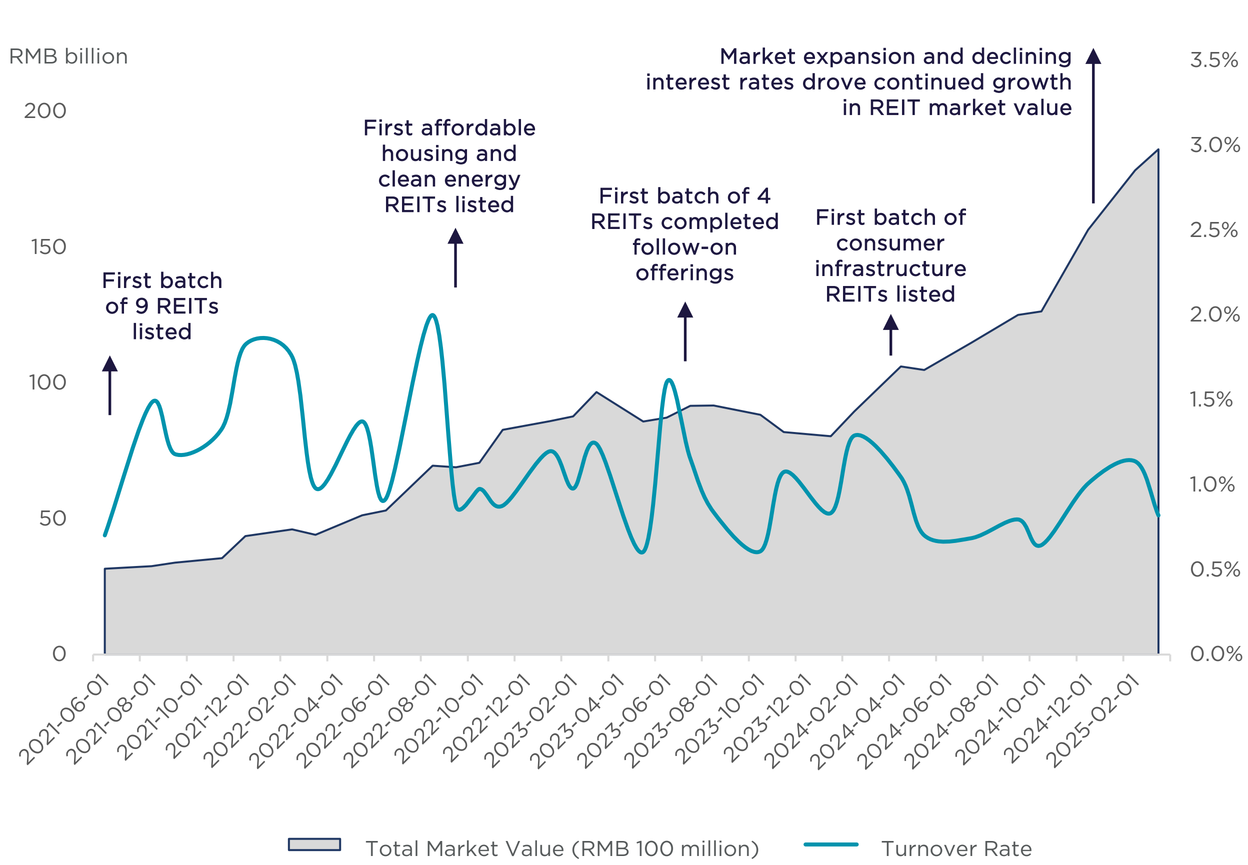
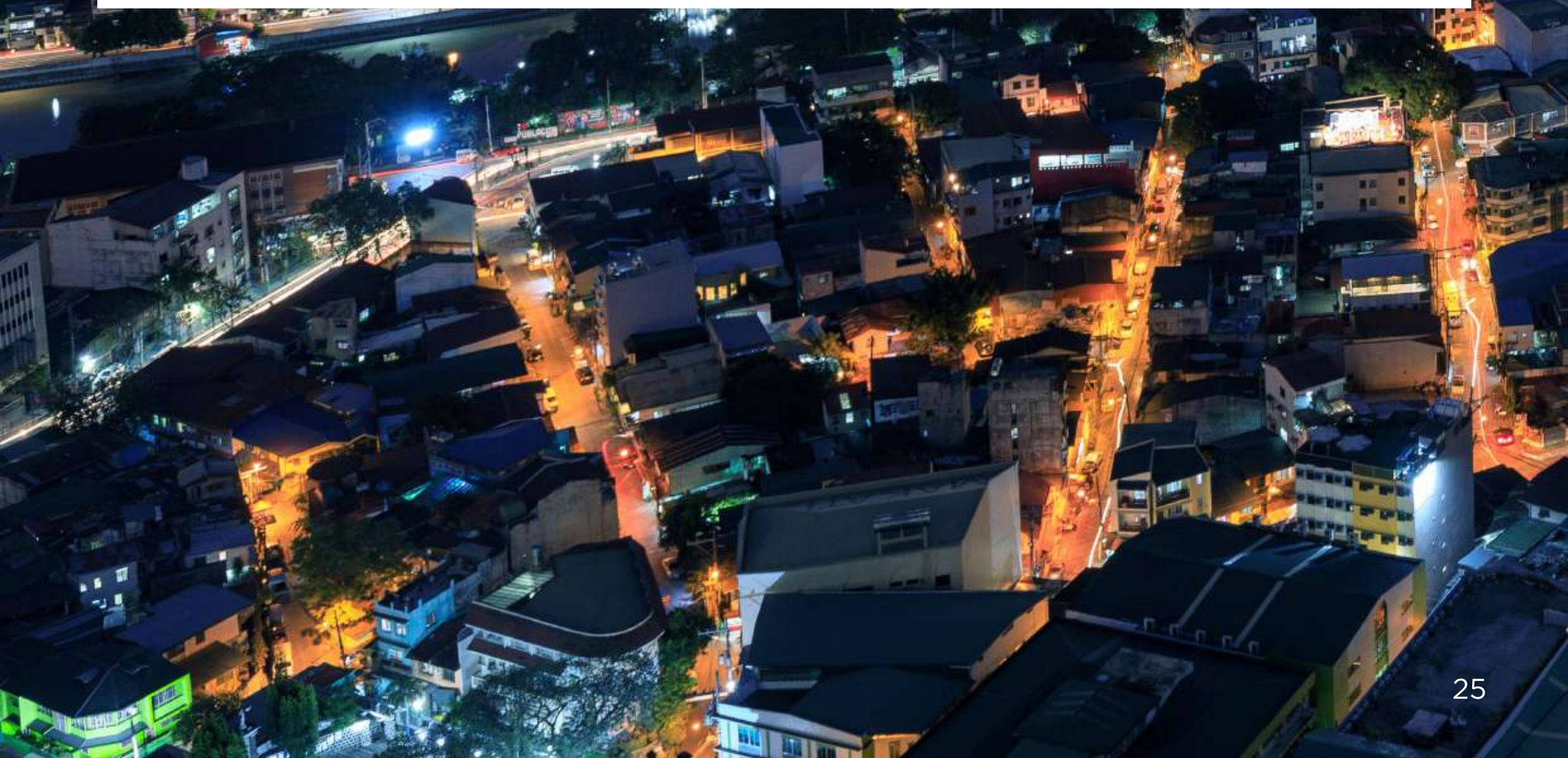


Figure 15: The Public Infrastructure REITs Market in the Chinese Mainland



Source: Wind, compiled by Cushman & Wakefield



3.2 THE INDIA REIT MARKET

As at June 2025, the Indian REIT market comprised three office REITs and one retail REIT, collectively managing an operational portfolio size of more than 105 million sq ft. While the number of listed REITs has not changed through the last 12-month period, their combined portfolio size has grown by more than 12%, taking the institutional share to approximately 13% of the country's total Grade A office stock. Apart from this, more than 23 million sq ft of new office space is under construction or is planned, and we can expect this new supply to be added to the total REIT portfolio in the coming years.

The financial year 2024–2025 (ending March 2025) was a strong one for India's office REITs. The three office REITs collectively garnered leasing volumes of more than 16 million sq ft, which accounted for close to a fifth of the gross leasing volume (GLV) across the top eight cities in the country. Interestingly, the REIT assets have managed to attract a considerable share of demand coming from global capability centers (GCCs), which is an important growth driver for India's office markets. At a Pan-India level, GCCs have accounted for 28%–29% of GLV on average over the last four quarters up to Q1 2025. In contrast, REIT landlords were able to achieve a much higher share, at 40%–60% of total leasing demand coming from GCC firms, rendering institutionally owned assets the preferred choice for many multinational occupiers.

After nearly two years of underperformance, India's office REIT stocks outperformed the Bombay Stock Exchange (BSE) Realty Index significantly. During the 12-month period up to June 2025, all three office REIT stocks delivered more than 15% capital appreciation. In contrast, the BSE Index experienced a correction. The key driver has been the underlying strength of India's office real estate market, triggered by heightened demand from GCCs, engineering and manufacturing, and BFSI firms. There has also been a growing preference among occupiers for premium grade assets, thereby significantly benefiting REITs. Consequently, all three office REITs achieved occupancy rates close to 90% as at the end of the Q1 2025 period.

By the end of the calendar year 2025, a fourth office REIT is expected to make its listing debut on the bourse. Knowledge Realty Trust (KRT), backed by Blackstone and Sattva Developers, has already filed its draft red herring prospectus (DRHP) with the Indian market regulator — the Securities and Exchange Board of India (SEBI). With 48 million sq ft of pan-India Grade A office space (37 million sq ft operational and 11 million sq ft under development), we expect to see KRT become one of the largest real estate investment trusts listed in India.

The performance of Nexus Select Trust (retail) was also robust during the fiscal year ending March 2025. It achieved higher net operating income and tenant sales, and also delivered a remarkable improvement in occupancy rate to record 97.2%, despite factoring in two new strategic mall acquisitions during the year.

India's market regulator had in March 2024 introduced regulations governing small and medium REITs (SM-REITs), becoming a further instrument available for investors to own real estate through fractional ownership. Since then, the PropShare Platina SM-REIT with approximately 247,000 sq ft of office space, was listed in December 2024, attracting investors with a projected distribution yield of 9.0% for the financial year 2025–2026. Two further SM-REITs, PropShare Titania and hBits, are expected to list in the current financial year, highlighting the growing legitimacy of fractional ownership as a mainstream investment asset class.

Table 3: Summary Table of REITs listed in India

	Embassy Office REIT	Brookfield Office REIT	Mindspace Office REIT	Nexus Select Trust REIT
Listing month	Apr-19	Feb-21	Aug-20	May-23
Overall IPO subscription status	O/S by 2.57x	O/S by 8.0x	O/S by 13x	O/S by 5.5x
Completed Area (MSF) March 2025	40.3	24.5	30	10.4
UC + FD (MSF) March 2025	10.9	4.5	7.1	N.A.
Latest Occupancy rates March 2025	~87%	~88%	~91% (committed)	97.2%

Source: various investor presentations, complied by Cushman & Wakefield

AUTHORS:

RIKA LIU
Senior Director
Valuation and Advisory Services
North China
rika.h.liu@cushwake.com

SUVISHESH VALSAN
Senior Director
Research
India
suvishesh.valsan@cushwake.com

NADIA LI
Associate Director
Valuation and Advisory Services
North China
nadia.jj.li@cushwake.com

ERWIN PEI
Valuer
Valuation and Advisory Services
North China
erwin.pei@cushwake.com

THEA CHEN
Assistant Manager
Valuation and Advisory Services
North China
thea.chen1@cushwake.com

EDITORS:

CATHERINE CHEN
Director
Investor Client Intelligence & Insights
Asia Pacific
catherine.chen@cushwake.com

SIMON GRAHAM
Senior Communications Manager
Greater China
simon.graham@cushwake.com

FOR REQUESTS ON GREATER CHINA REIT VALUATION, PLEASE CONTACT:

ANDREW CHAN
Managing Director
Valuation and Advisory Services
Greater China
andrew.kf.chan@cushwake.com

FENG HU
Managing Director, North China
Head of Valuation & Advisory Services
North China
feng.hu@cushwake.com

CHRIS YANG
Senior Director
Valuation and Advisory Services
North China
chris.z.yang@cushwake.com

FOR REQUESTS ON REIT RELATED SERVICES INCLUDING CAPITAL MARKETS ADVISORY IN ASIA PACIFIC, PLEASE CONTACT:

JAMES YOUNG
Head of investor Services
APAC & EMEA
james.young@cushwake.com

GORDON MARSDEN
Head of Capital Markets
Asia Pacific
gordon.marsden@cushwake.com

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