

MARKET FUNDAMENTALS

<div>9.63B</div> <div>YTD Transaction Volume (RMB)</div>	<div>YOY Chg</div> <div>-59.7%</div>	<div>12-Month Forecast</div> <div>▲</div>
<div>5.3%</div> <div>Office (CBD) Cap Rate</div>	<div>+20bps</div>	<div>▲</div>
<div>5.8%</div> <div>Business Park Cap Rate</div>	<div>+20bps</div>	<div>▲</div>
<div>5.6%</div> <div>Retail Cap Rate</div>	<div>+0bps</div>	<div>▲</div>
<div>Source: Cushman & Wakefield</div>		

ECONOMIC INDICATORS
JAN – MAR 2025

<div>5.5%</div> <div>GDP growth</div>	<div>YOY Chg</div> <div>▼</div>	<div>12-Month Forecast</div> <div>▬</div>
<div>-0.5%</div> <div>CPI growth</div>	<div>▼</div>	<div>▲</div>
<div>1.7%</div> <div>10-year government bond rate</div>	<div>▼</div>	<div>▼</div>

Source: *10-year government bond rate is as of 30th June 2025.

INVESTMENT MARKET TRANSACTION VOLUME DOWN 59.7% Y-O-Y

A total of 15 transactions were completed in the 1H 2025 period. Smaller-scale transactions prevailed, with those at less than RMB500 million taking a 60% share of the total deal count. Total transaction volume for the period was RMB9.63 billion, slumping 59.7% y-o-y to mark the lowest level in five years. By asset type, office transactions continued to lead the market in the 1H period, with transaction volume of RMB2.65 billion accounting for 27.6% of the total volume. However, institutional investors also demonstrated strong interest in shopping center, rental apartment, and data center assets, taking 20.0%, 24.1% and 21.1% shares of total transaction volume, respectively. Investment-oriented buyers claimed the largest share of transaction volume in the 1H 2025 period at RMB5.81 billion. Self-use buyers followed with RMB3.82 billion, or 39.6% of the 1H total, growing nearly 3.1 percentage points from the full year 2024 performance.

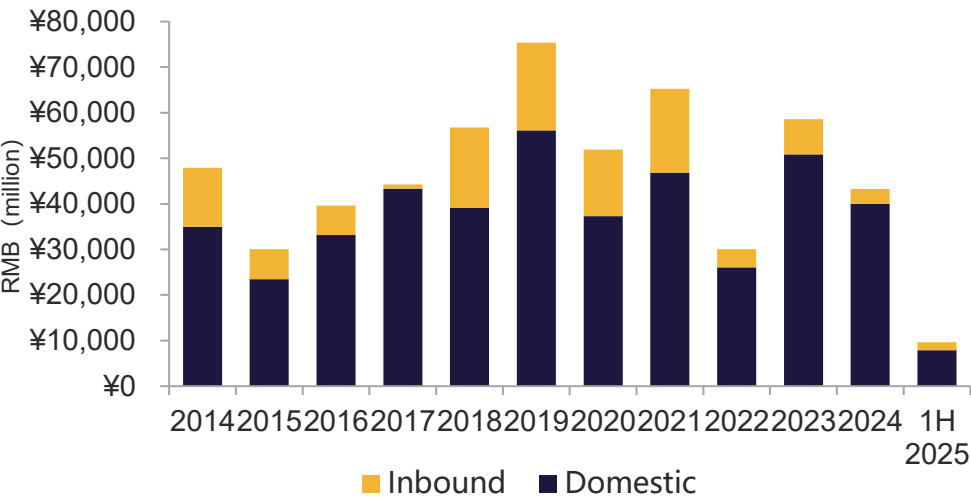
DOMESTIC INVESTORS MAINTAIN ACTIVITY

In terms of buyer type, domestic investors continued to dominate Beijing market activity, with 1H 2025 recorded transaction volume of RMB7.88 billion accounting for 81.8% of the total. Regardless, foreign institutions maintain interest, with total transaction volume of RMB1.75 billion expanding the share of total volume to 18.2% from 8% at the end of 2024. Non-institutional buyers were active in 1H, taking 50% of the deal count and with investment volume of RMB3.28 billion accounting for 34.1% of the total. Continued expansion of China’s public REIT market has also prompted foreign institutions to significantly expand participation in the private REIT market.

OUTLOOK

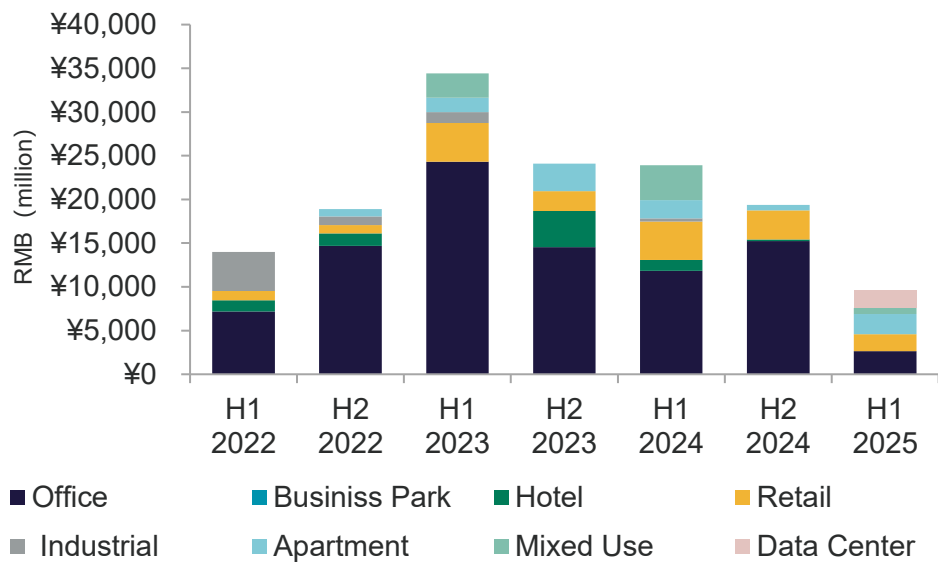
Looking forward to 2H 2025, domestic institutions will continue to drive the market. Self-use buyers are now the key to asset owners’ market exits. The decline in asset prices has spurred diversification in buyer profiles, with growing participation from individual and non-institutional buyers, and new investment buyers have boosted market confidence. By asset type, investors’ primary focus remains on the office sector. Insurance sector buyers also remain keen on the long-term rental apartment sector. In the energy industry, we expect individual players to continue to acquire five-star and super five-star hotel properties, in search of cash flow stabilization and asset inheritance benefits. Finally, the development of AI technologies and surging demand for computing power will drive renewed interest in data center investment opportunities.

INVESTMENT SALES VOLUME



Source: Cushman & Wakefield

INVESTMENT SALES VOLUME BY SECTOR



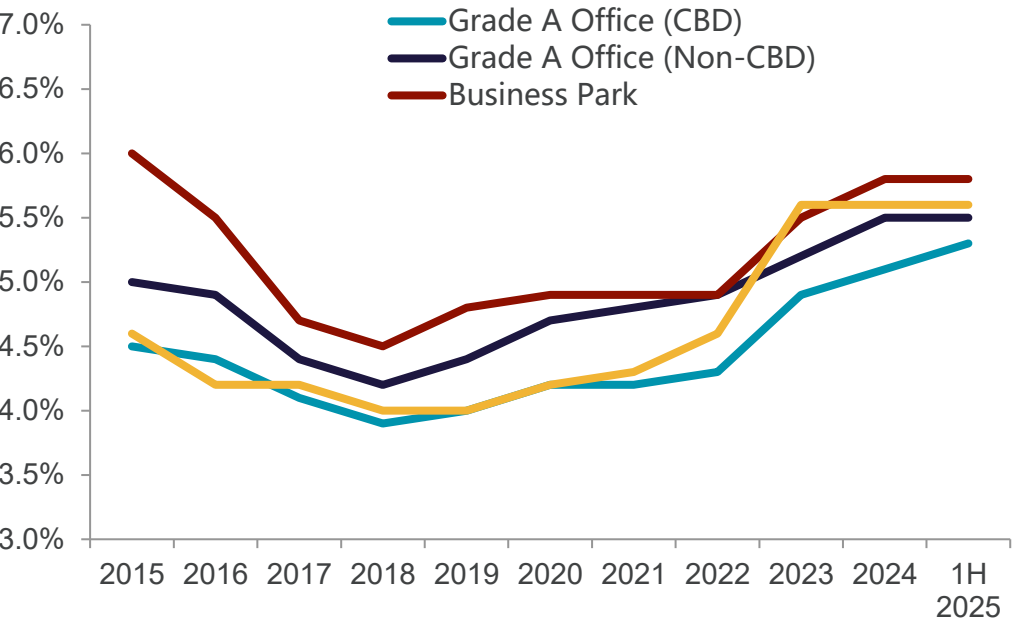
Source: Cushman & Wakefield

SIGNIFICANT SALES

PROPERTY	LOCATION	SECTOR	PRICE (RMB MN)	VENDOR	PURCHASER	DEAL TYPE
GDS Services BJ 20-23 (70% stake)	Shunyi	Data Center	2,030	GDS Services	China Life, Yong 'an Insurance, China Insurance, CITIC Securities	Investment
Kunyi Xiyuan	Chaoyang	Apartment	1,683	C-Land	CCP Capital	Investment
Aolin NEO	Chaoyang	Office	1,220	Hitone Capital	Enlight Media	Owner Occupation

Sources: Real Capital Analytics, Cushman & Wakefield Research Closed transactions over \$10 million
*SF includes office, industrial and retail. Unit calculation for apartment only

CAP RATE TREND



Source: Cushman & Wakefield

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