

MARKET FUNDAMENTALS

14.98B	YOY Chg	12-Month Forecast
YTD Transaction Volume (RMB)	-65.4%	▲
5.5%	+40bps	▲
Office (CBD) Cap Rate		
5.8%	+0bps	▲
Business Park Cap Rate		
5.6%	+0bps	▲
Retail Cap Rate		

Source: Cushman & Wakefield

ECONOMIC INDICATORS
JAN – SEP 2025

5.6%	YOY Chg	12-Month Forecast
GDP growth	▲	—
-0.4%	▼	▲
CPI growth		
1.85%	▲	▼
10-year government bond rate		

Source: *10-year government bond rate is as of 31st December 2025.

NON-INSTITUTIONAL BUYERS RESHAPE MARKET STRUCTURE

A total of 11 transactions were completed in 2H 2025, with total transaction volume reaching RMB5.25 billion. Non-institutional buyers were dominant, accounting for nearly all transactions in the period. By investment transaction type, economic challenges and greater operational and financial pressures faced by enterprises have seen judicial auctions emerge as a significant transaction channel. With the high-profile Shimao Tower acquired by Yangtze River Pharmaceutical Group for RMB2.254 billion, judicial auctions accounted for RMB2.62 billion in transactions during the latter half of 2025, representing 50% of the period's total transaction volume.

INVESTMENT MARKET ACTIVITY TRENDS DOWN THROUGH 2025

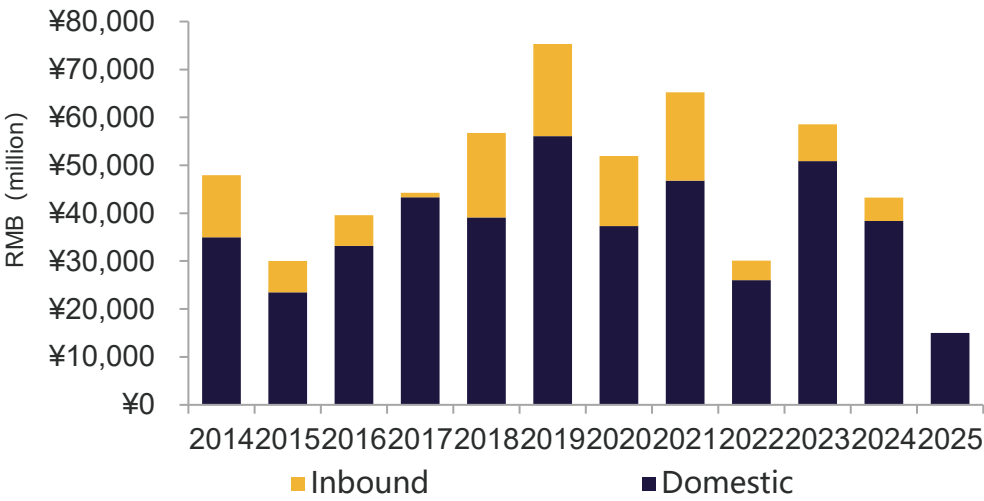
Investment market activity demonstrated a trend of phased decline in 2025. Twenty-seven deals were completed at a combined transaction volume of RMB14.98 billion, the lowest figure of the past five years. Smaller-scale transactions prevailed, with deals at less than RMB1.0 billion accounting for 85% of total transactions. Domestic buyers emerged as the absolute market leader, claiming all deals in 2025.

By asset type, office transactions remained the largest segment by value at 47.3%, despite mounting operational pressures. The long-term rental apartment, retail, data center, and mixed-use sectors also attracted capital attention, taking 16.5%, 15%, 13.5%, and 7.7% shares respectively of total 2025 investment volume. From an investment perspective, self-use buyers remained active, pursuing long-term office space needs and industrial development requirements. Such self-use buyers recorded investment transaction volume of RMB6.87 billion in 2025 to take a 45.9% share of total volume, up by 9.4 percentage points compared to 2024.

OUTLOOK

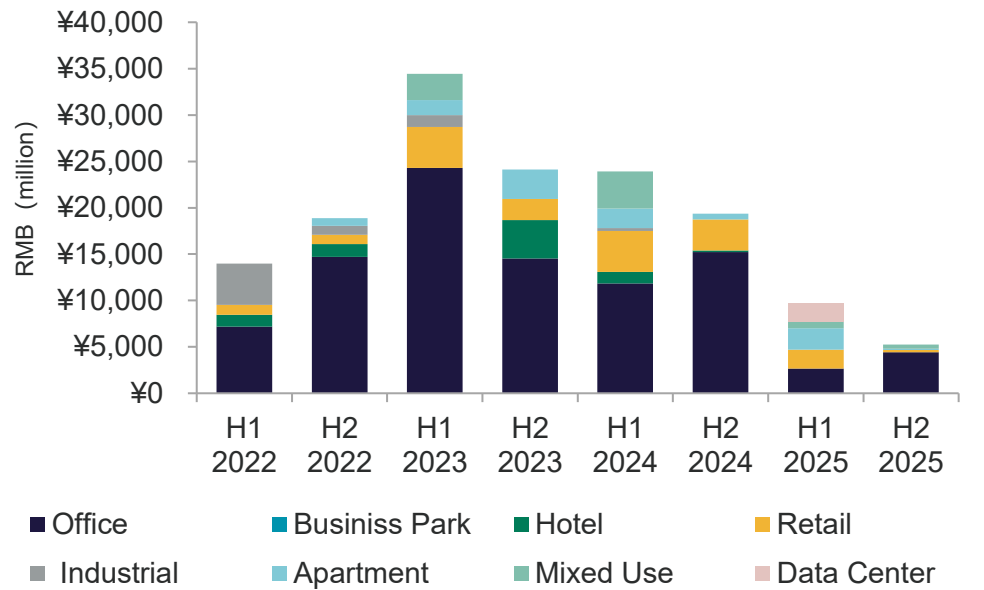
Looking ahead to 2026, domestic buyers will remain the core force in the Beijing investment market. High-growth domestic enterprises actively acquiring space for own use will lead owner-occupiers as the market's central pillar. As C-REITs expand further into office and hotel sectors, such asset classes are poised to redefine their value and attract greater investor attention. Investment interest will also continue to rise across other C-REIT underlying asset categories such as retail, long-term rental apartments, and data centers. Finally, amid persistent market headwinds, projects featuring stable cash flow, prime locations, and compact scale will gain greater investor favor.

INVESTMENT SALES VOLUME



Source: Cushman & Wakefield

INVESTMENT SALES VOLUME BY SECTOR

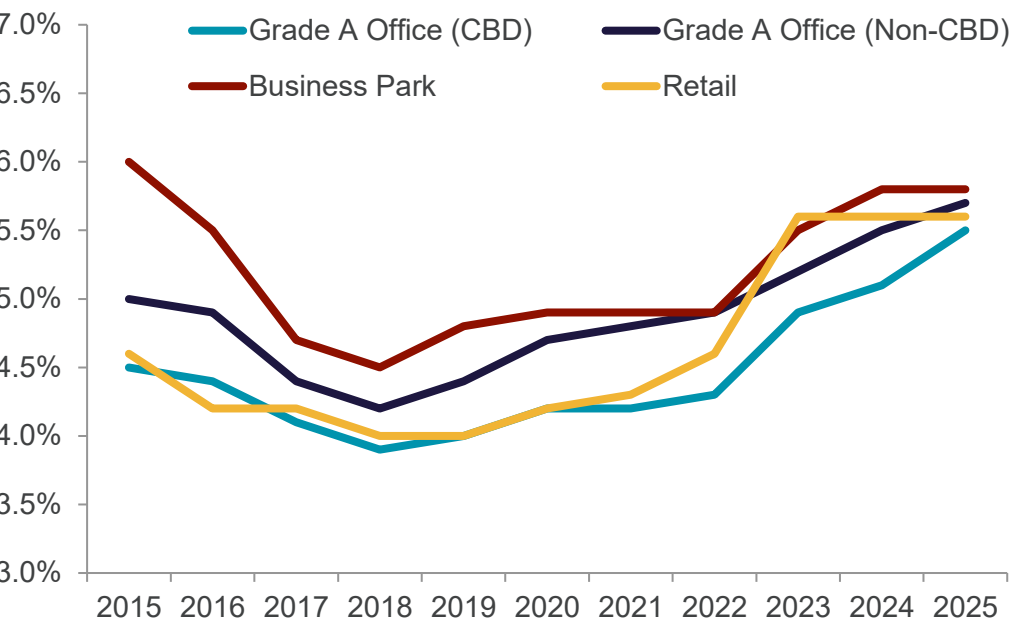


Source: Cushman & Wakefield

SIGNIFICANT SALES

PROPERTY	LOCATION	SECTOR	PRICE (RMB MN)	VENDOR	PURCHASER	DEAL TYPE
Shimao Tower	Chaoyang	Office	2,254	Shimao Group	Yangtze River Pharmaceutical Group	Owner Occupation
Li'ze Capital Group Center No.5 Tower	Fengtai	Office	476	Capital Group	Beijing Agricultural Investment	Owner Occupation
Tongzhou Yunhe Wealth Center (50% Stake and Bonds)	Tongzhou	Mixed Use	156	Shimao Group	FuWah Group	Investment

CAP RATE TREND



Source: Cushman & Wakefield

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