

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
29.5B YTD Transaction Volume (RMB)	23.9%	▲
5.75% Office (CBD) Cap Rate	25bps	▲
5.75% Retail Cap Rate	25bps	▲

Source: Cushman & Wakefield

ECONOMIC INDICATORS JAN - SEP 2025

	YOY Chg	12-Month Forecast
5.5% GDP growth	▲	■
0.1% CPI growth	■	▲
1.9% 10-year government bond rate	▲	▼

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

TOTAL 2025 TRANSACTION VOLUME CLIMBS 23.9% Y-O-Y.

Shenzhen capital market activity continued to strengthen in 2H 2025, with transaction volume of RMB17.79 billion taking full-year 2025 volume to RMB29.53 billion, climbing 23.9% y-o-y. The judicial auction transaction channel remained robust, recording full-year 2025 transaction volume of RMB3.99 billion, jumping 168.4% y-o-y. However, auction sale prices may depress prices of comparable assets and subsequent market expectations.

Domestic buyers dominated the market through 2025, accounting for 97.6% of total transaction volume. Government entities, SOEs, and major financial institutions were the chief drivers of large-value transactions. Financial institutions, particularly insurance firms, are showing heightened interest in large centrally located commercial properties with clear title deeds and regulatory compliance, as well as long-term rental apartments in prime locations. Private investors are focused more on relatively smaller-scale assets such as commercial shops, factories, and luxury residences.

SELF-USE BUYERS DRIVE OFFICE TRANSACTION ACTIVITY

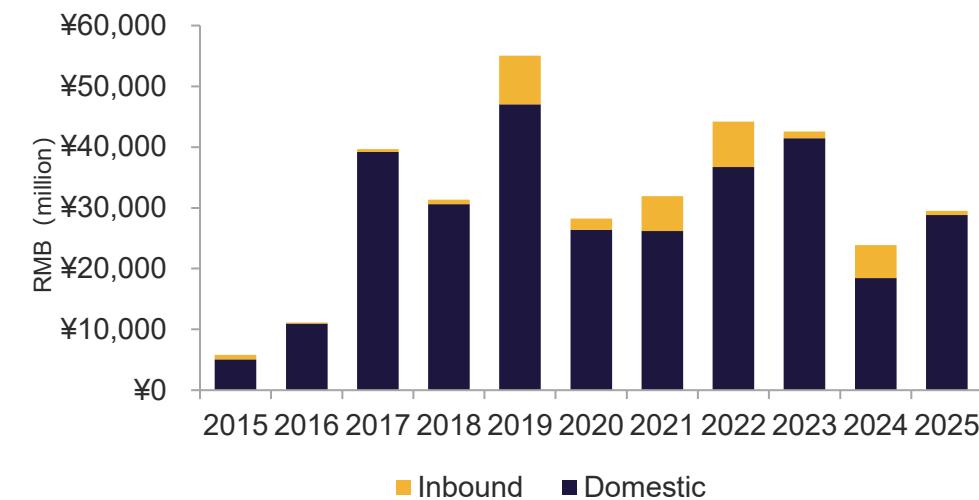
Mixed-use assets took a leading 28.3% share of full-year 2025 transaction volume, followed by the office sector at 25.5%. Office space was the most actively traded asset in 2025, with mixed-use properties incorporating large office spaces. Investors in the manufacturing and technology sectors are seizing opportunities to acquire prime office properties at current prices in central locations for both self-use and portfolio expansion. Government bodies are also purchasing new office space for future industrial support initiatives.

Industrial assets took an 18.4% share of 2025 total transaction volume, with 80% of deals via judicial auctions, which are now a significant channel for large-scale industrial asset transactions. Smaller-scale, lower-value retail properties continued to attract private investors, while large-scale shopping centers drew increased institutional interest following the implementation of consumer infrastructure REITs. Hotel and luxury residential assets took 17.0% and 5.8% shares respectively of 2025 total transaction volume.

OUTLOOK

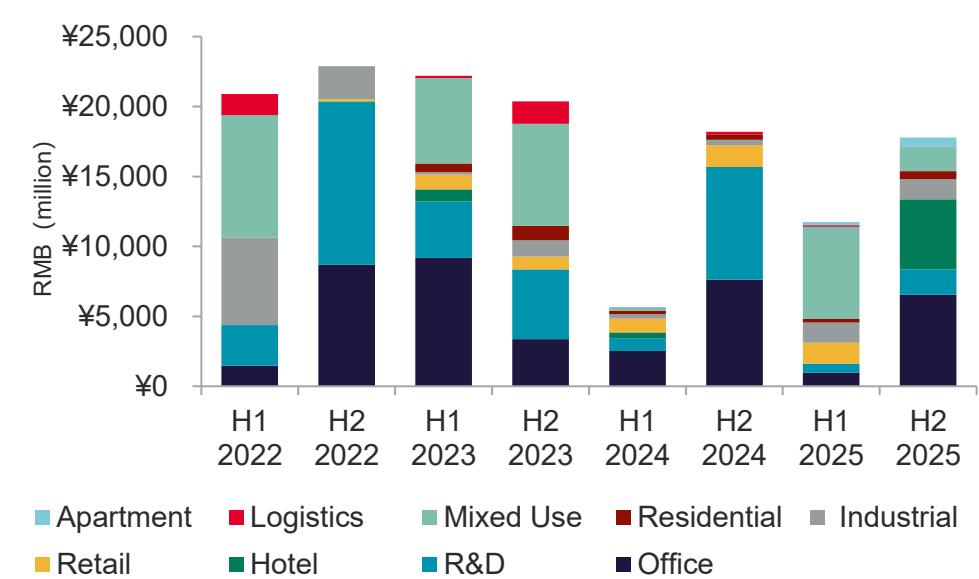
The newly released public REITs industry scope list is anticipated to boost demand for commercial assets such as office buildings and hotels. We expect capital to concentrate on assets with favorable policy support and stable returns.

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
CIMC International Qianhai Center East Tower	Qianhai	Office	2,530	CIMC	Government	Owner Occupation
Futian Cultural and Creative Park Urban Renewal Unit	Futian	Mixed-Use	1,740	Shenzhen Fuji Construction Development	CSCEC Yipin	Development
Runrong Tower (Phase II)	Qianhai	Office	710	Qianhai Shekou Qidi Industrial	Fortior Technology	Owner Occupation
OCT Pure Waterfront	Nanshan	Residential	365	Private Vendor	Private Investor	Owner Occupation

Sources: Real Capital Analytics, Cushman & Wakefield Research Closed transactions over \$10 million

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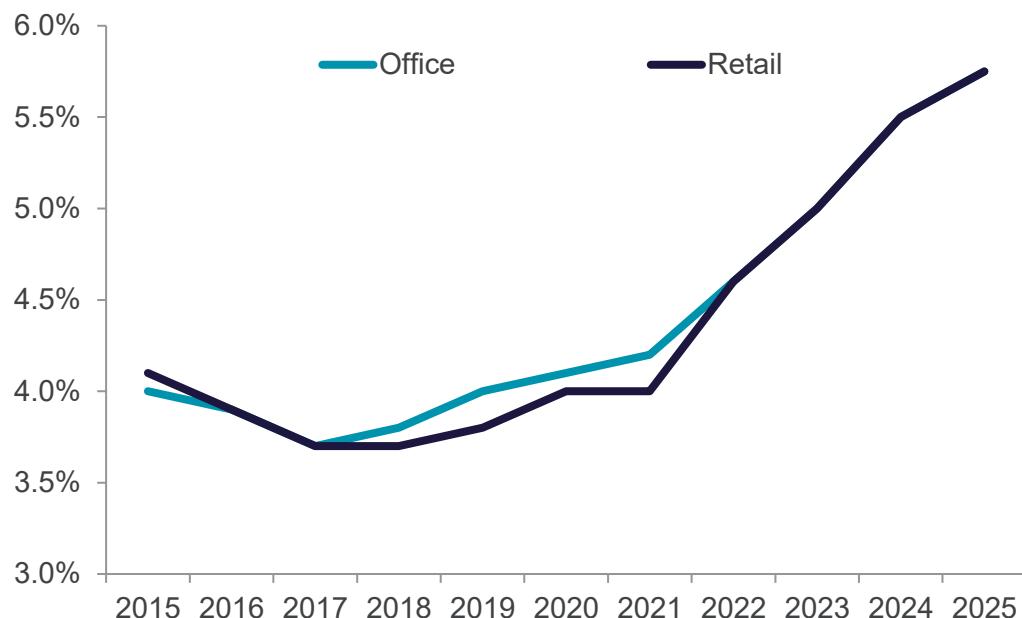
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CAP RATE TREND



Source: Cushman & Wakefield