MARKETBEAT

GUANGZHOU

CAPITAL MARKETS 1H 2026

CUSHMAN & WAKEFIELD 戴德梁行

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
9.3B YTD Transaction Volume (RMB)	+187.8%	—
5.9% Office (CBD) Cap Rate	+40bps	▲
5.75% Retail Cap Rate	+25bps	▲

Source: Cushman & Wakefield

ECONOMIC INDICATORS JAN - MAR 2026

	YOY Chg	12-Month Forecast
6.0% GDP growth	▲	▼
1.1% CPI growth	▲	—
1.75% 10-year government bond rate	▲	▲

INVESTMENT DEALS DRIVE MARKET REBOUND

The Guangzhou capital market recorded 15 transactions in 1H 2026, with total volume of RMB9.35 billion, exceeding the full-year 2025 tally and signaling a clear rebound. Domestic buyers remained dominant, accounting for more than 70% of volume. Foreign capital appeared in only one deal: Sun Hung Kai Properties' buyout of the remaining stake in IGC Mall, covering retail, hotel, and parking assets. The transaction enables Sun Hung Kai Properties to fully consolidate ownership of the flagship commercial asset, strengthen unified operational management, and establish clearer title ownership for future renovation and refinancing. By transaction type, investment-driven deals predominated in 1H, while owner-occupiers stayed cautious with just one purchase. Private firms and individual investors were most active, contributing nine deals (more than 60% of the total deal count) across office and retail properties, and one data center — an emerging asset class. Judicial auctions are also emerging as a lower-barrier route to quality assets.

OFFICE AND DATA CENTER ASSETS GAIN TRACTION

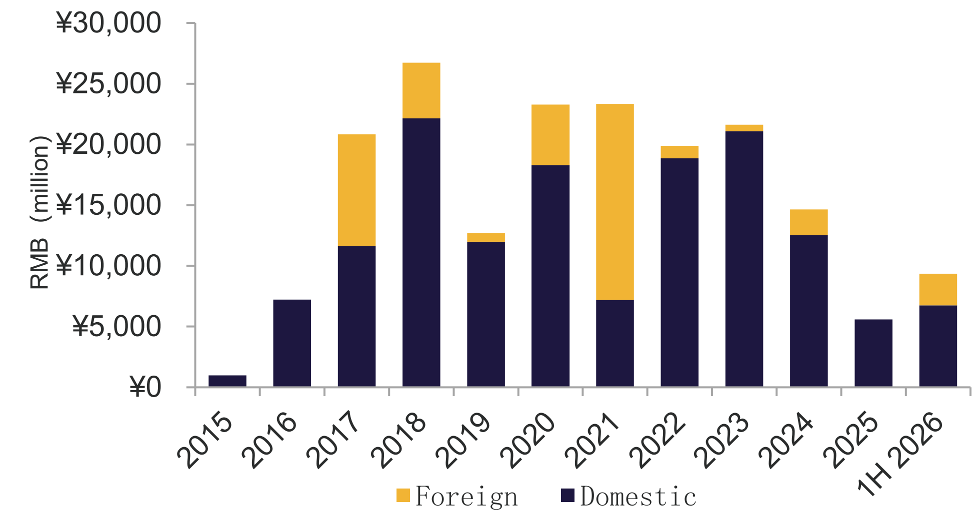
Office and R&D office assets topped all sectors by both deal count and volume, with six deals taking 48.7% of total volume. Yuexiu Property's asset disposal was a major contributor, at RMB4 billion. The vendor's divestment of non-core properties helps optimize its portfolio and to refocus on core projects. The sole owner-occupier purchase was Yunhu Technology's acquisition of an R&D property in Panyu, reflecting digital transformation-driven demand from software and IT firms. Two data center deals also closed, underscoring growing institutional interest in digital infrastructure amid the AI and tech buildout.

OUTLOOK

Continuing low interest rates will sharpen SOEs' financing cost advantages, keeping them focused on prime assets. High-growth AI and advanced manufacturing firms, with strong expansion appetite, will sustain owner-occupier demand for office upgrades and industrial site acquisitions.

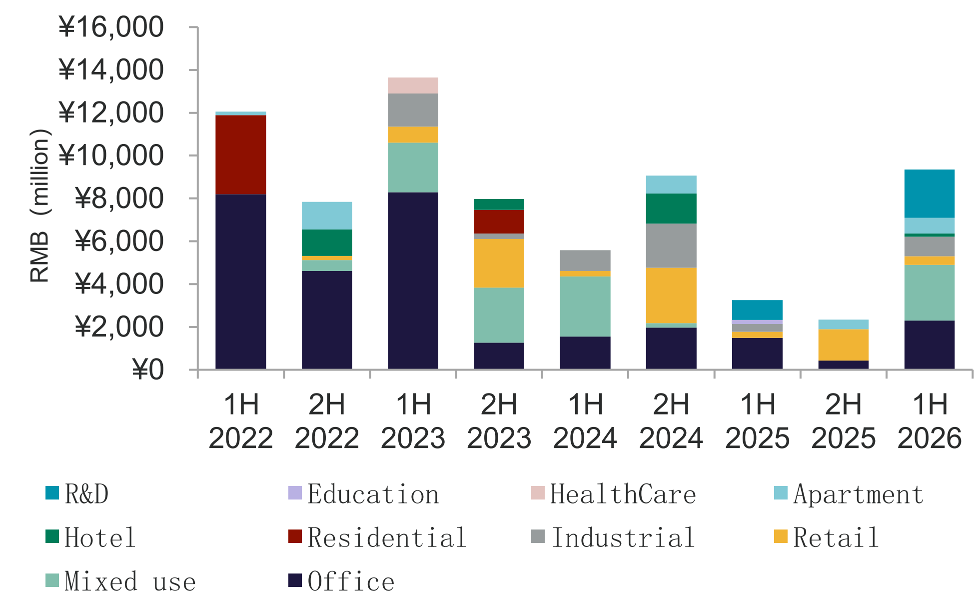
Looking ahead, REIT policy expansion will maintain investor interest in income-generating asset types such as apartments, hotels and retail properties. Meanwhile, stricter yield requirements will favor projects with long-term leases, quality tenant profiles, and high occupancy rates.

INVESTMENT SALES VOLUME



Source: Cushman & Wakefield

INVESTMENT SALES VOLUME BY SECTOR

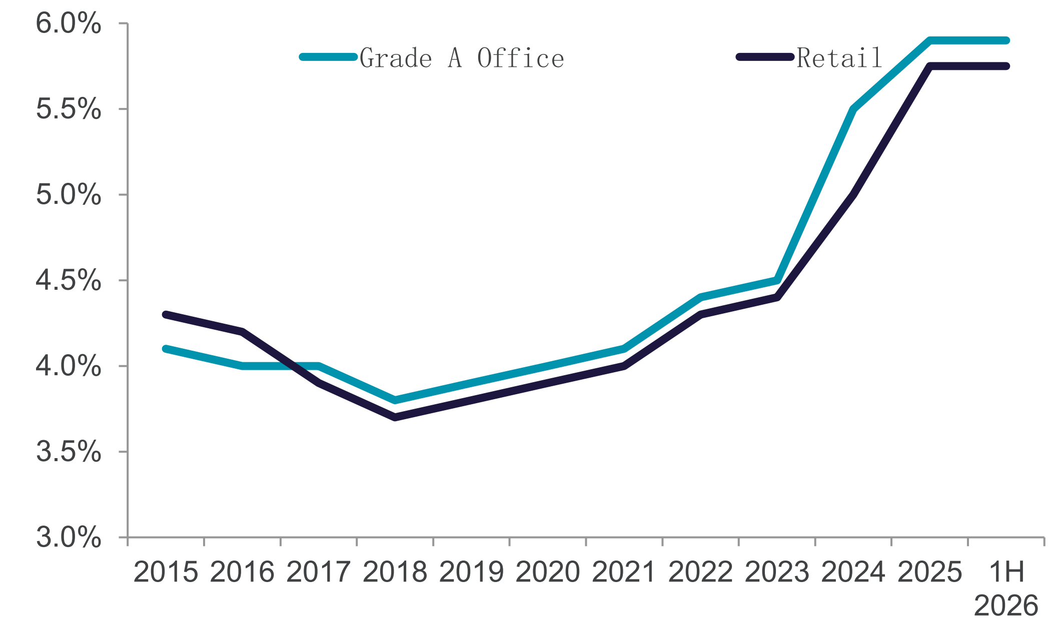


Source: Cushman & Wakefield

SIGNIFICANT SALES

PROPERTY	LOCATION	SECTOR	PRICE (RMB MN)	VENDOR	PURCHASER	DEAL TYPE
IGC Mall, Conrad Guangzhou and related underground parking spaces	Tianhe	Mixed use	-	KWG Group, R&F Group	Sun Hung Kai Properties	Investment
Guangzhou Keyun Data Center	Huangpu	Industrial	763.0	Kehua	Lishui Lianrui No.1 Equity Investment Partnership Enterprise	Investment
Bohao Data Center	Baiyun	Industrial	151.9	Super Telecom	Guangzhou Jianye Cloud Technology Co., Ltd.	Investment

CAP RATE TREND



Source: Cushman & Wakefield

ZHANG XIAO-DUAN
Senior Director,
Head of Research, South & Central China
Tel: +86 755 2151 8116
xiaoduan.zhang@cushwake.com

BONNIE BU
Director
Head of Capital Markets, Central China
Tel: +86 20 8510 8225
bonnie.ls.bu@cushwake.com

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