MARKETBEAT
SHANGHAI
CAPITAL MARKETS 1H 2026

CUSHMAN & WAKEFIELD
戴 德 梁 行

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
23.3B YTD Transaction Volume (RMB)	+47%	▲
5.70% Office (CBD) Cap Rate	+0bps	—
6.20% Business Park Cap Rate	+0bps	—
5.90% Retail Cap Rate	+0bps	—

Source: Cushman & Wakefield

ECONOMIC INDICATORS Q1 2026

	YOY Chg	12-Month Forecast
5.9% GDP growth	▲	—
0.6% CPI growth	▲	▲
1.75% 10-year government bond rate	▲	—

**10-year government bond rate is as of 30th June. 2026*
Source: Shanghai Statistics Bureau, China Foreign Exchange Trade System, Moody's Analytics

MARKET SENTIMENT STRENGHTENS, TRANSACTION VOLUME RISES SIGNIFICANTLY

The 1H 2026 period recorded total transaction volume of RMB23.3 billion across 35 deals, marking a 47% y-o-y rise. The average deal size trended upward, with a notable increase in larger transactions exceeding RMB1 billion.

By asset class, the top three sectors by transaction value in 1H 2026 were office / R&D office at 58.8%, mixed-use at 17.0%, and hotel at 9.6%.

Large-ticket office transactions rose notably, with five deals of more than RMB1 billion taking a 64.9% share of total office transaction volume.

Long-term rental and residential rental assets remained highly sought-after by institutions, with three deals exceeding RMB2.1 billion.

High-net-worth investors targeted core-area boutique hotels, accounting for 9.7% of total transaction volume, and favoring premium property assets at less RMB500 million.

FOREIGN DIVESTMENT, SCARCE PREMIUM ASSETS, BOOMING SELF-USE OFFICE DEMAND

Foreign investors sold assets totaling RMB8.7 billion via eight deals in the 1H period. Four trades at more than RMB1.6 billion were chiefly office-hotel and office-retail mixed-use assets.

Notable deals included Xiangyu's RMB2.07 billion acquisition of Ciros Plaza, and a Shandong industrial entity's RMB1.9 billion purchase of CTS Tower Huangpu, with both being office-hotel or office-retail mixed-use complexes.

Buyers in 1H were mainly self-use SOEs and non-Shanghai private firms. Assets are retained long-term post-closing, reducing available tradable premium assets. All three major 1H 2026 trades were in Huangpu's core district: CTS Tower Huangpu, Ciros Plaza and Platinum (Xinmao Tower).

Non-institutional investors contributed 83% of total transaction volume via 31 deals, mostly for self-use.

Self-use transactions hit RMB11.3 billion for a 47% share of total transaction volume, up 23% y-o-y, and signaling cyclical bottom stabilization and real economy recovery, with office/R&D office assets dominating transactions.

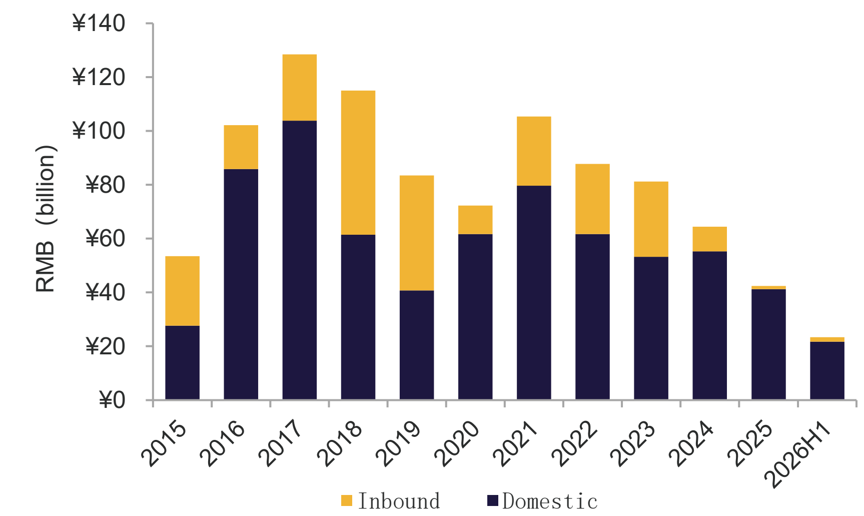
FUTURE OUTLOOK

Strengthened domestic capital value growth: Sustained low interest rates will reduce financing costs for SOEs and leading private firms, driving domestic capital to acquire cash-generating premium core inner-ring assets.

REIT expansion to energize existing assets: Mature retail centers, office/commercial properties convertible to long-term rental apartments, AI-enabled premium data centers, and 3-4 star hotels will be key targets for domestic and foreign institutional buyers.

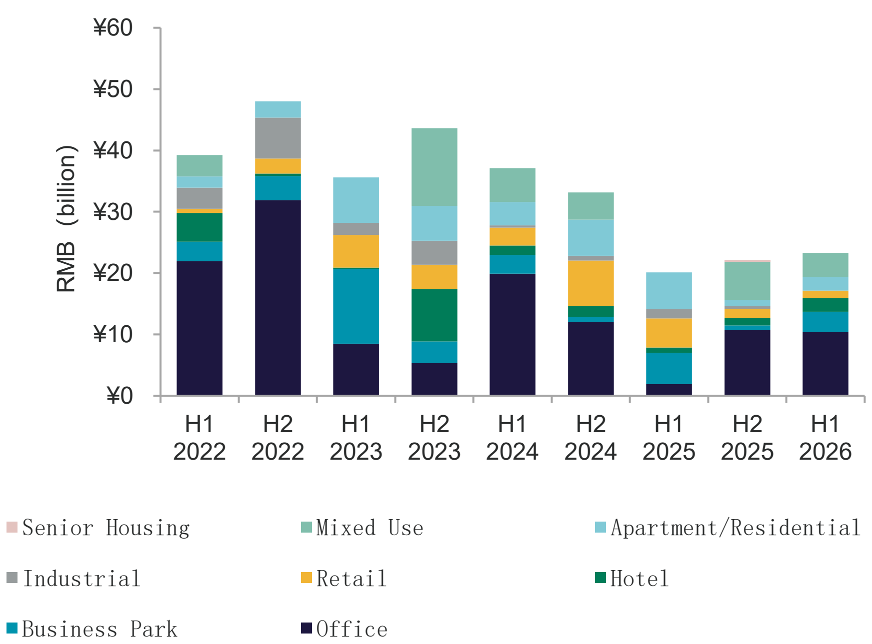
Booming sectors to lift self-use office demand: New energy, biopharmaceuticals, AI and advanced manufacturing enterprises are expected to deliver solid growth and stable cash flow.

INVESTMENT SALES VOLUME(BY YEAR)



Source: Cushman & Wakefield

INVESTMENT SALES VOLUME BY SECTOR

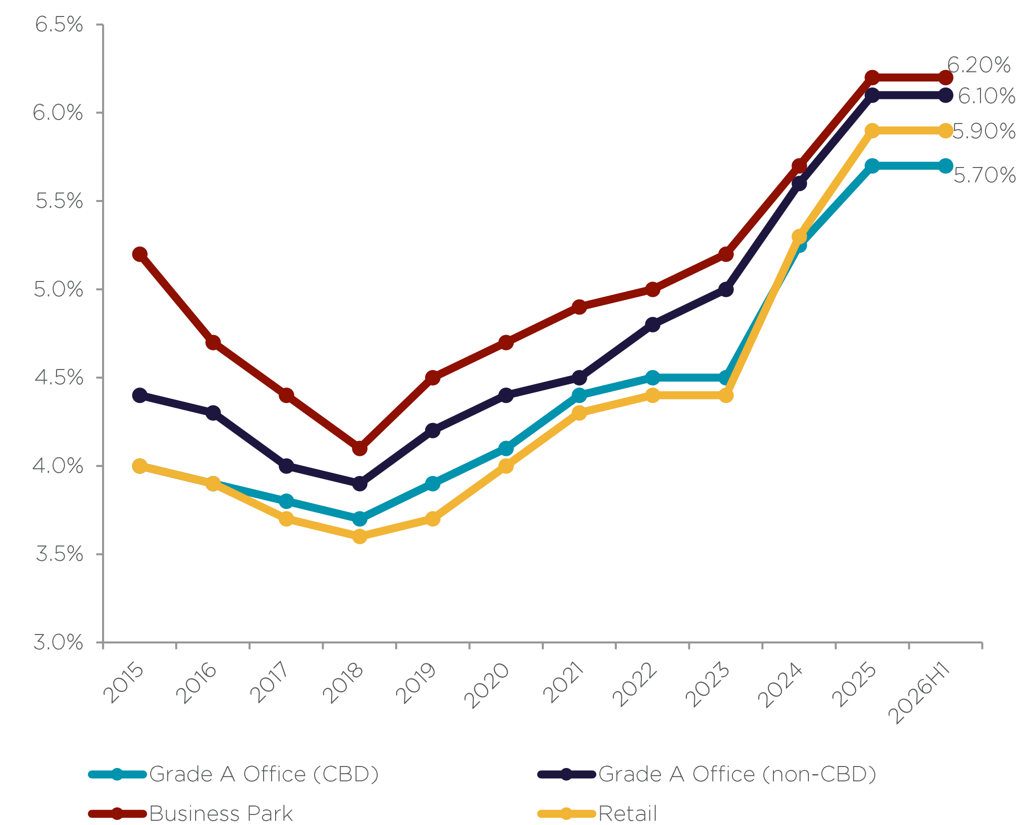


Source: Cushman & Wakefield

SIGNIFICANT SALES

PROPERTY	LOCATION	ASSET TYPE	PRICE (RMB BN)	VENDOR	PURCHASER	TRANSACTION PURPOSE
98.86% Equity of Ciros Plaza	Huangpu	Office + Retail	2.07	PAG + GAW Capital + Goldman Sachs	Xiangyu Group	Self-use
Platinum (Xinmao Tower)	Huangpu	Office	1.63	ESR	Shenzhen Jingfa Industrial	Investment
BaseLiving-SuHe	Jingan	Rental Housing	0.76	Golden Union Assets	Dinghui	Investment
65% Equity of COZI East Bund & Xinjiangwan Apartment Portfolio	Yangpu	Rental Housing	1.2	Lasalle Investment Management	China Life Capital	Investment
DBS Building	Pudong New Area	Office	3.37	Lujiazui Group	Pinduoduo	Self-use

CAP RATE TREND



Source: Cushman & Wakefield

SHAUN BRODIE
Senior Director
Head of Research Content, Greater China
Tel: +86 21 2208 0529
shaun.fv.brodie@cushwake.com

FRANK CAI
Co-head & Executive Director
Capital Markets, East China
Tel: +86 21 2208 0685
frank.f.cai@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In Greater China, a network of 23 offices serves local markets across the region. In 2025, the firm reported revenue of $10.3 billion across its core services of Valuation, Consulting, Project & Development Services, Capital Markets, Project & Occupier Services, Industrial & Logistics, Retail, and others. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.