MARKETBEAT
SHENZHEN
CAPITAL MARKETS 1H 2026

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
8.1B YTD Transaction Volume (RMB)	-31.2%	▲
5.75% Office (CBD) Cap Rate	25bps	▲
5.75% Retail Cap Rate	25bps	▲

Source: Cushman & Wakefield

ECONOMIC INDICATORS JAN - MAR 2026

	YOY Chg	12-Month Forecast
5.8% GDP growth	▲	–
0.4% CPI growth	▲	–
1.75% 10-year government bond rate	▲	▲

*Source: *10-year government bond rate is as of 30st Jun 2026.*

JUDICIAL AUCTIONS RISE TO 42.6% OF TOTAL INVESTMENT VOLUME

The Shenzhen capital market recorded 24 transactions in 1H 2026 (up one on 1H 2025) totaling RMB8.07 billion, down 31.2% y-o-y. The average transaction volume dropped to RMB336 million from RMB510 million in 1H 2025, reflecting a continued trend toward smaller deals. All buyers were domestic. Investment-driven transactions accounted for 73.4%, while owner-occupations made up 26.6%. Falling asset prices attracted private institutions, individuals, and joint-stock cooperatives to bottom-fish high-quality, low-priced assets. Judicial auctions comprised 42.6% of total volume in 1H, climbing 16.8% y-o-y, with nearly 75% being investment-driven as investors saw strong portfolio value. Owner-occupier buyers were primarily expanding private enterprises focusing on reasonably priced factories and logistics facilities, alongside key-area offices in Qianhai and Houhai.

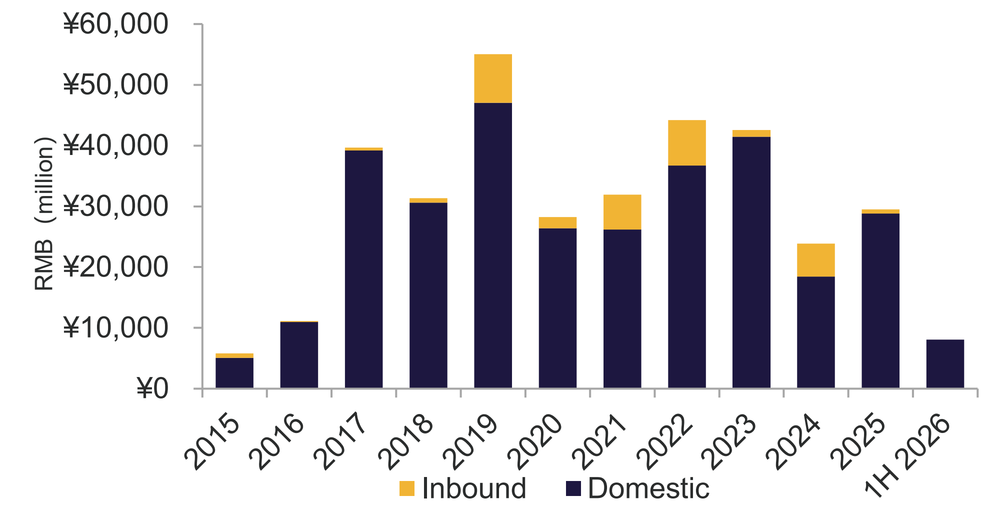
INDUSTRIAL ASSETS TAKE NEARLY 50% OF TRANSACTION VOLUME

Industrial properties led the market in 1H with a 48.0% share of volume, driven by bottom-fishing for assets at bargain prices or via auctions as businesses dispose of assets during industrial upgrading. Office properties accounted for 19.8% of volume, split equally between investment and owner-occupier use. Residential and hotel assets made up 14.9% and 6.9% respectively. Hotels and long-term rental flats remained buoyant, while SOEs and government-backed platform companies continued acquiring residential assets. Notably, the Shenzhen Marriott Hotel Golden Bay was secured at a judicial auction for 40% of its appraised value. Retail properties comprised five deals, all at less than RMB200 million and taking 8.8% of H1 volume, with ground-floor areas in established communities popular.

OUTLOOK

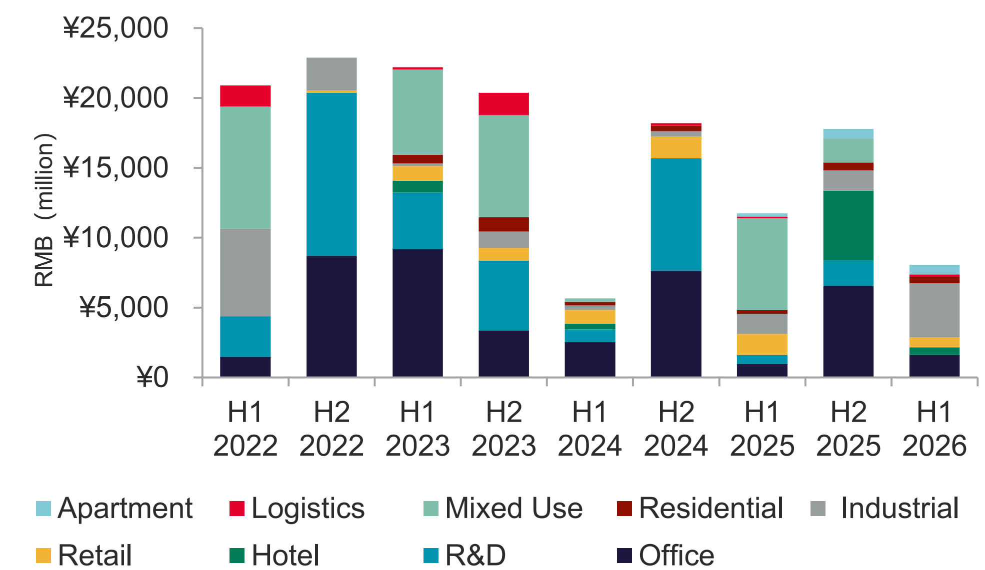
Consumption by visitors from Hong Kong and overseas, combined with convenient cross-border travel, have supported robust hospitality and retail demand in Shenzhen. The launch of several commercial REITs has also spurred growing market interest in hotel and commercial assets. With Shenzhen's "non-residential-to-affordable-housing" policy taking effect in March, investors are eyeing underutilized assets such as offices and factories, paving the way for a surge in transactions in the 2H period. Supported by maturing REITs exit channels, affordable housing policies, and judicial auction pricing, Shenzhen's commercial real estate market is evolving from basic asset buying to professional investing focused on cash flow, renovation upside, and exit pathways.

INVESTMENT SALES VOLUME



Source: Cushman & Wakefield

INVESTMENT SALES VOLUME BY SECTOR



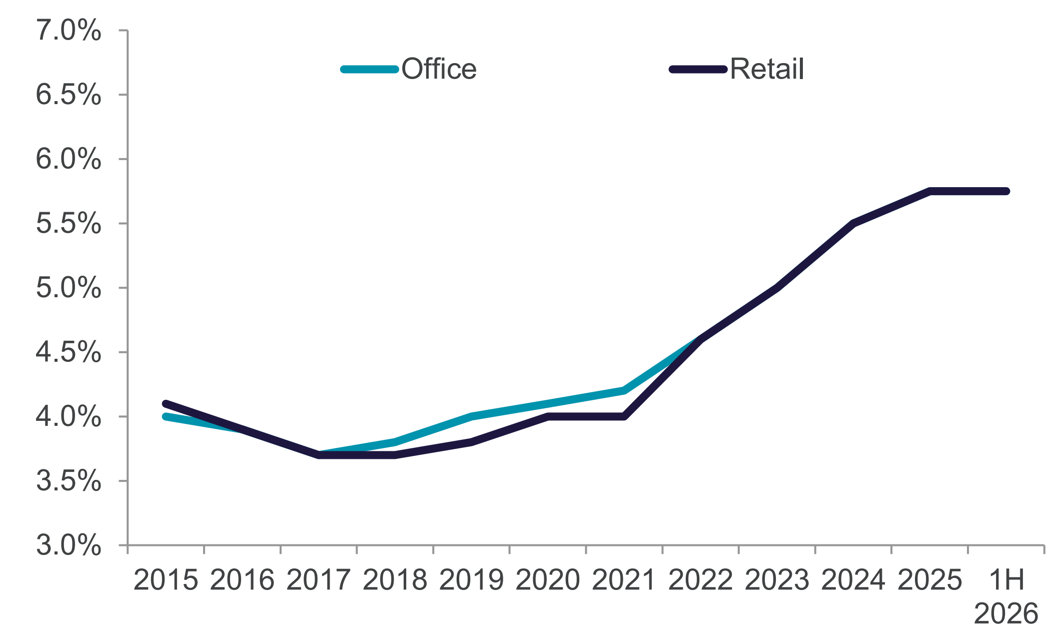
Source: Cushman & Wakefield

SIGNIFICANT SALES

PROPERTY	LOCATION	SECTOR	PRICE (RMB MN)	VENDOR	PURCHASER	DEAL TYPE
Mingkeda Industrial Park	Longhua	Industrial	1,020	SZ Mingkeda Logistics Co., Ltd.	SZ Huai De Joint-Stock Cooperative Company	Investment
Lvgem Baishizhou Jingting Phrase I	Nanshan	Apartment	700	LVGEM (China)	SZ Shenhuitong Investment Holding Group	Investment
SZ Marriott Hotel Golden Bay	Dapeng	Hotel	553	SZ Kaisa Hotel Management	Wanyu Hotel Management	Investment
Xinzhi Technology Park	Longgang	Industrial	363	SZ Xinzhi Technology Development Co., Ltd.	SZ Ruibin Industrial Co., Ltd.	Owner Occupation

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

CAP RATE TREND



Source: Cushman & Wakefield

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