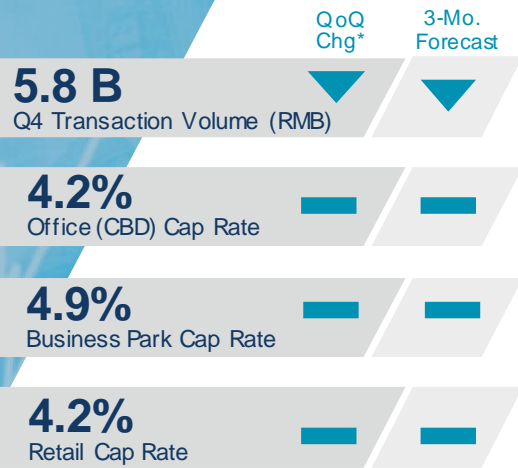


# BEIJING

## Capital Markets Q4 2020



### Transaction Volume in 2020 Still at Third-Highest Level on Record

The Beijing investment market was hobbled in 2020 by the dual pressures of the COVID-19 outbreak and prevailing economic headwinds. Annual transaction volume dropped by 31.1% y-o-y to RMB51.91 billion, but this was still sufficient to equal the third-highest level on record. Office sector assets remained the key driver of the market in the year, accounting for 71.2% of total transactions at RMB36.95 billion. Investor interest in data center properties also continued to rise, growing from 3.3% of total transactions in 2019 to 7.3% in 2020.

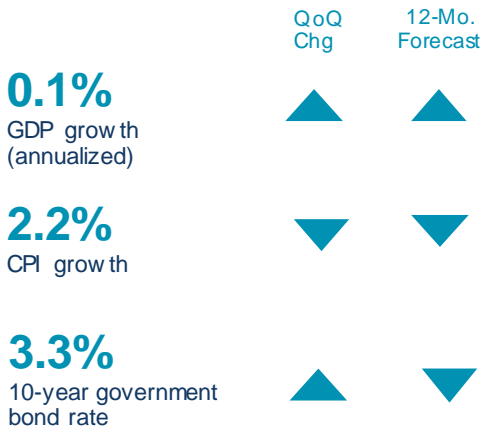
### International Investors Expand, Non-Performing Assets Remain Attractive

Domestic buyers continued to be the mainstay of the Beijing market in 2020, but international investors expanded their engagement to account for 30% of total transactions, up from 25.5% last year. Foreign investment transaction volume and share of the market during the year also exceeded that in Shanghai. Singapore's GIC was particularly active in Beijing, acquiring or joint investing in the Vanke Times Center (Wangjing), LG Twin Towers and U-SHOW properties to take an 80.5% share of the full-year foreign transaction volume. Non-performing assets also continued to attract investors' attention, with seven transactions valued at approximately RMB6.98 billion completed, representing approximately 13.4% of total transaction volume.

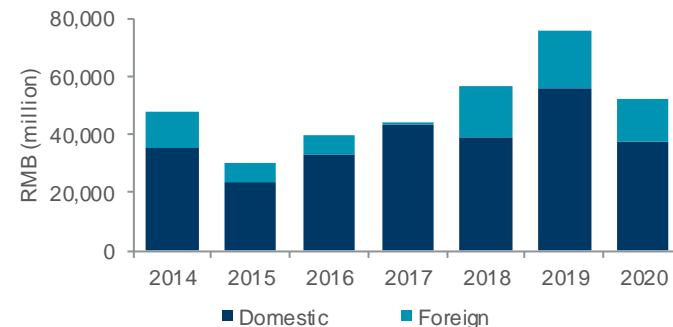
### Beijing Free Trade Zone to Drive Development of Zhongguancun-Shangdi and Tongzhou Markets

The shortage of supply in Beijing's core submarkets has led to increasing demand spill over. As a result, non-core areas such as Tongzhou, Fengtai, and Zhongguancun-Shangdi have attracted growing investor attention in the past two years. These areas accounted for around 51.4% of total transactions in 2020, predominantly for office properties. Additionally, the China (Beijing) Pilot Free Trade Zone (FTZ) Overall Plan, issued by the State Council in September, has designated the Zhongguancun-Shangdi district as a Science and Technology Innovation Area, and Tongzhou district as an International Business Service Area. The development of the FTZ can be expected to boost investor interest in these districts.

### ECONOMIC INDICATORS 2020 Q3

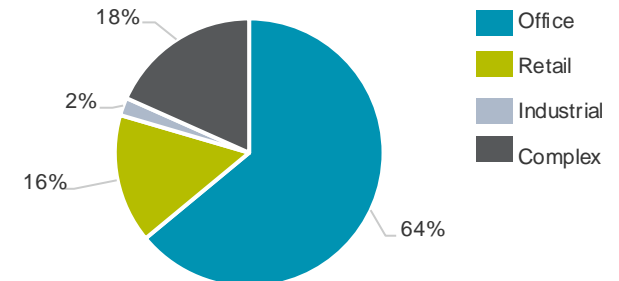


### TRANSACTION VOLUME BY INVESTOR TYPE



Source: Cushman & Wakefield

### TRANSACTION VOLUME BY SECTOR (4Q 2020)



Source: Cushman & Wakefield

Source: Cushman & Wakefield

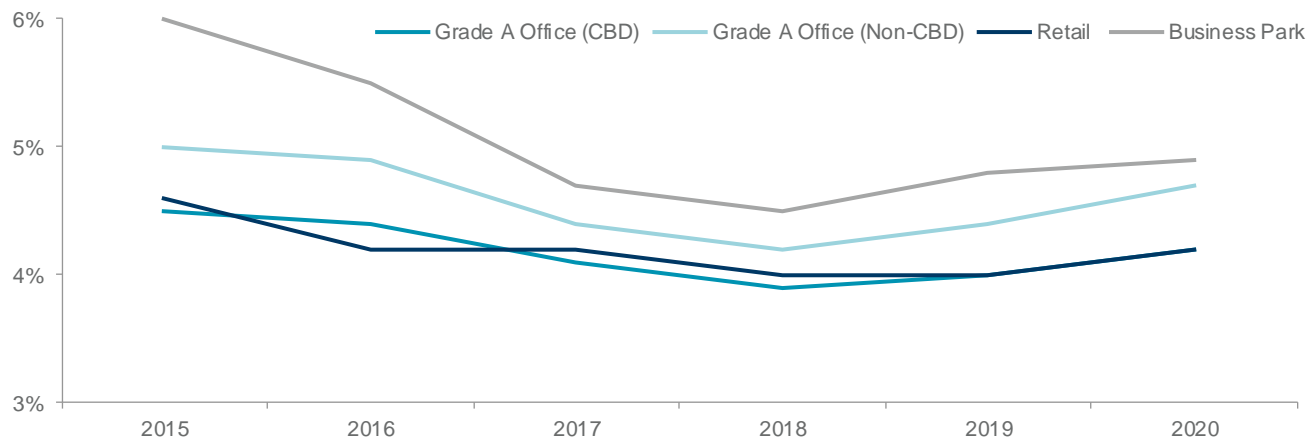
\* Transaction volume of Q3 update to 19.5 billion

Source: Beijing Stats Bureau, China Foreign Exchange Trade System, Oxford Economics

### KEY SALE TRANSACTIONS (2020 Q4)

PROPERTY	LOCATION	SECTOR	PRICE (RMB BN)	VENDOR	PURCHASER	DEAL TYPE
Future Center	Fengtai	Office	3.71	Financial Street Holdings, Vanke	Ping An Life Insurance Of China	Investment
Van Palace Center	Chaoyang	Complex	1.06	Foreclosure	Beijing Baixiang Trading Co., LTD	Investment
In-do Mansion Tower D	Haidian	Retail	0.90	Hengtai HongZe- Hua Yuan Yingdu Commercial Assets Support Special Plan	GLP	Investment
Ji Yun Group Office Building	Fengtai	Industrial	0.12	Foreclosure	Beijing Hengye Jiarong Property Co. LTD	Self-use

### CAP RATE TREND



**Sabrina Wei**

Head of North China Research

+86 10 8519 8087 / [sabrina.d.w@cwai.com](mailto:sabrina.d.w@cwai.com)

**Gordon Liu**

Deputy Managing Director

Capital Markets, China

+86 10 8519 8113 / [gordon.b.liu@cwai.com](mailto:gordon.b.liu@cwai.com)

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