

14.5B

Annual Transaction (RMB)

2022
Forecast

Source: Cushman & Wakefield

ECONOMIC INDICATORS FIRST THREE QUARTERS OF 2021

10.0%

GDP growth

QoQ
Chg12-Mo.
Forecast

0.1%

CPI growth



2.9%

10-year government
bond rateSource: Chengdu Stats Bureau, China Foreign
Exchange Trade System, Moody's Analytics

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Increased Activity in the En-bloc Investment Market in 2021

The Chengdu en-bloc investment market became significantly more active in 2021, recording six transactions at a total volume of approximately RMB14.5 billion, including the Raffles City Chengdu, CMS Chengdu Vogue Legend, and Chengdu China Resources Tower B projects. With limited new supply, coupled with strong tenant demand, rents and occupancy rates in Chengdu's Grade A office market continued to improve. As a result, office properties have become the main target of investment transactions, accounting for 55% of the total consideration in 2021.

Chengnan Office Sector Set to Become Key Focus Area for Investors

Large-scale transaction activity in the city's Chengnan district has grown, with the government's move to the area in turn drawing in leading firms to relocate. As a result, office building rental levels in Chengnan have rapidly increased, leading to potentially higher returns for investors. In the future, as the Jiaozi Park commercial zone in Chengnan becomes more mature, the area will become a key target for office asset investments.

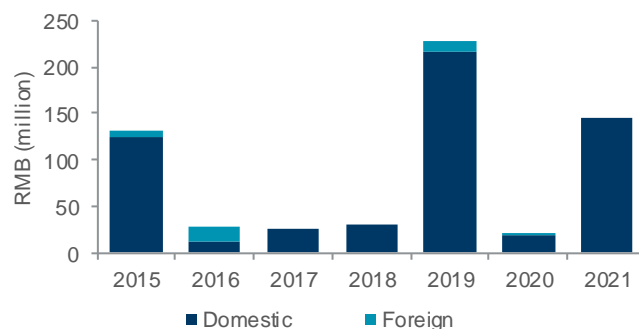
Growing Demand for Self-Use Office Buildings

Demand for self-occupied office buildings in Chengdu has grown steadily. Among large transactions, self-occupied office investment accounted for 40% of total investment in 2021, up from 33% in 2020. Looking ahead, self-use property acquisitions, dominated by state-owned enterprises, will become a key investment driver in the en-bloc transaction market.

Consumption Market Potential to Spur Retail Asset Interest

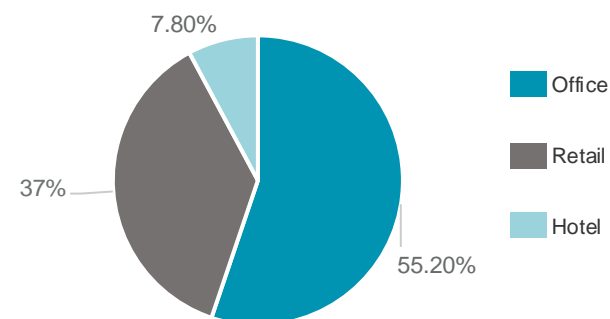
Investors are currently somewhat more cautious on retail assets in Chengdu, predominantly due to retail's extensive asset management requirements and relatively lower returns. However, in the longer-run, we expect the city's strong population growth and purchasing power potential to spur greater investor interest in retail property as an asset class.

TRANSACTION VOLUME BY INVESTOR TYPE



Source: Cushman & Wakefield

TRANSACTION VOLUME BY SECTOR (2021)



Source: Cushman & Wakefield