

CHENGDU

Capital Markets 2022



11
Number of Transactions in 2022

2023
Forecast



Source: Cushman & Wakefield

ECONOMIC INDICATORS 2022 Q1 – Q3

YoY Chg 12-Mo. Forecast

1.5%
GDP growth



2.5%
CPI growth



2.9%
10-year government bond rate



Source: Chengdu Stats Bureau, China Foreign Exchange Trade System, Moody's Analytics

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Investors Remain Confident Even as Market Activity Pauses

The Chengdu capital market has been in a wait-and-see mode since the COVID-19 pandemic-induced economic downturn. However, there were still a number of large transactions in the capital market in 2022, with buyers primarily being local banks and SEOs. We expect regional and international investors to become more active in 2023 as domestic travel restrictions are now lifted and international travel restrictions have been relaxed.

Investors Demonstrate Interest in Variety of Assets, Including Industrial and Hotel Sectors

In 2022 we observed greater investor interest in a variety of property sectors, including warehouses, industrial parks and hotels, rather than a focus on office properties. In response to previous disruptions from the pandemic, the government has focused on supporting the high-end manufacturing sector and enhancing transportation infrastructure. Consequently, we anticipate that investors will remain attracted to industrial assets, including industrial parks and warehouses, in the near-term.

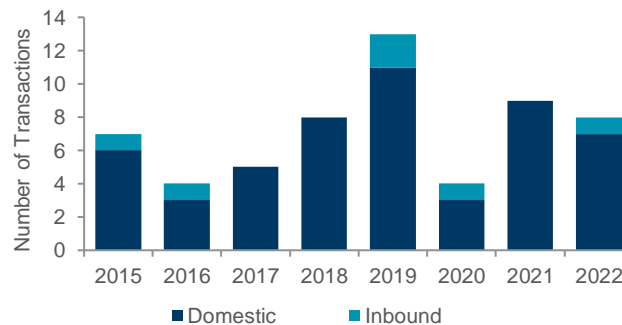
Financial City and Dayuan Transaction Activity Sustains

Prior to 2016, investment in Chengdu was concentrated in the core areas. However, from 2017 onwards, with the development of the South region, Financial City and Dayuan, a growing number of new high-quality office towers and retail developments are offering investors greater asset options. Consequently, seven of the eleven transactions of 2022 were in the South region.

Investment Activity Expected to Pick up in 2023

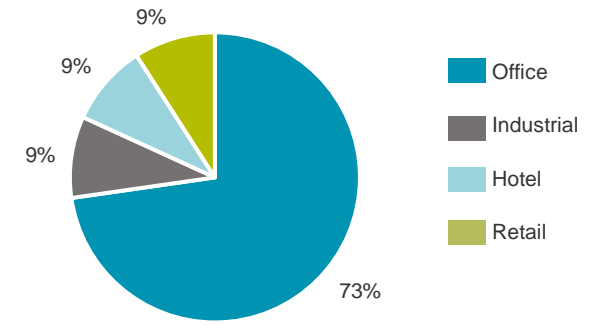
As COVID-19 control measures are relaxed we expect to see a recovering economy in 2023, with investors then regaining confidence in the commercial real estate market. Additionally, demand for investment in office buildings, previously suppressed by the impacts of the pandemic, is expected to be released.

TRANSACTION VOLUME BY INVESTOR TYPE



Source: Cushman & Wakefield

TRANSACTION VOLUME BY SECTOR (2022)



Source: Cushman & Wakefield

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