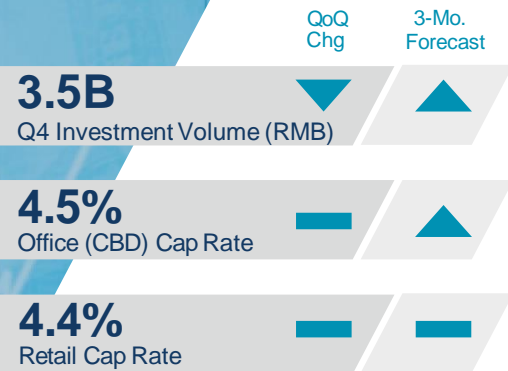


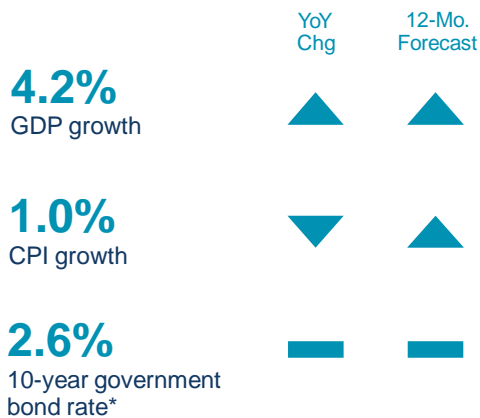
GUANGZHOU

Capital Markets Q4 2023



Source: Cushman & Wakefield

ECONOMIC INDICATORS Q1-Q3 2023



Source: Guangzhou Statistics Bureau, China Foreign Exchange Trade System, Moody's Analytics
*10-year government bond rate is as of 29th Dec 2023.

Full-year 2023 Transaction Volume Surpasses Average of Past Five Years

Guangzhou's capital market recorded four property transactions in Q4, bringing the full-year 2023 transaction number to 25 deals, higher than in the past two years. Total transaction volume for the year reached RMB21.62 billion, up 8.6% y-o-y and surpassing the average level of the past five years. Overall market performance varied through 2023. In the first half of the year, the market achieved the highest 1H period cumulative transaction volume of the past five years. However, in the second half, transaction volume dwindled to RMB7.97 billion due to the dominance of small-scale deals.

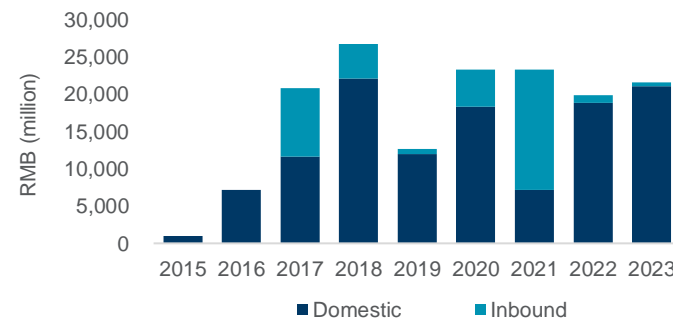
Owner-Occupiers Driving Office Property Acquisitions

The office sector remained the dominant property type in 2023, accounting for 44.2% of total transaction volume. Owner-occupiers were the key buyers in the office sector, with investment buyers completing just one transactions. Some firms purchased landmark properties in core areas to meet their upgrade objectives. In the retail and industrial property sectors transaction volume also rose significantly y-o-y, up by 12.9 and 8.4 percentage points, respectively. Five retail property transactions were recorded for the year, all by investment buyers. As the China Securities Regulatory Commission has expanded the asset types of pilot public REITs to include consumption infrastructure, market interest in retail properties has grown. For operators, the financing channels and exit routes available in the future have been broadened. At the same time, this has prompted retail owners to pay more attention to improving property and asset management.

Outlook

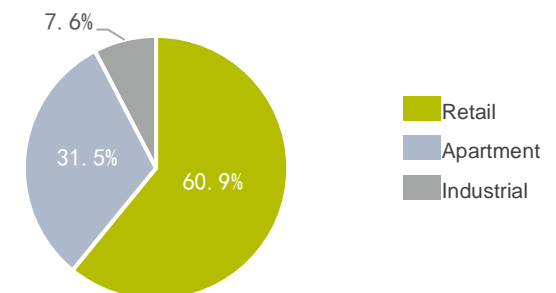
Looking ahead to 2024, despite the release of property-related relief and support measures, some developers are still likely to accelerate asset exits in the short term to enhance liquidity. In turn, asset prices will be further adjusted to improve asset liquidity under the current debt servicing pressures. We expect to see investors seize opportunities to acquire high-quality properties. Meanwhile, capitalization rates are expected to rise further in the short term, reflecting investors' increased demand for yield.

TRANSACTION VOLUME BY INVESTOR TYPE



Source: Cushman & Wakefield

TRANSACTION VOLUME BY SECTOR (4Q 2023)



Source: Cushman & Wakefield

GUANGZHOU

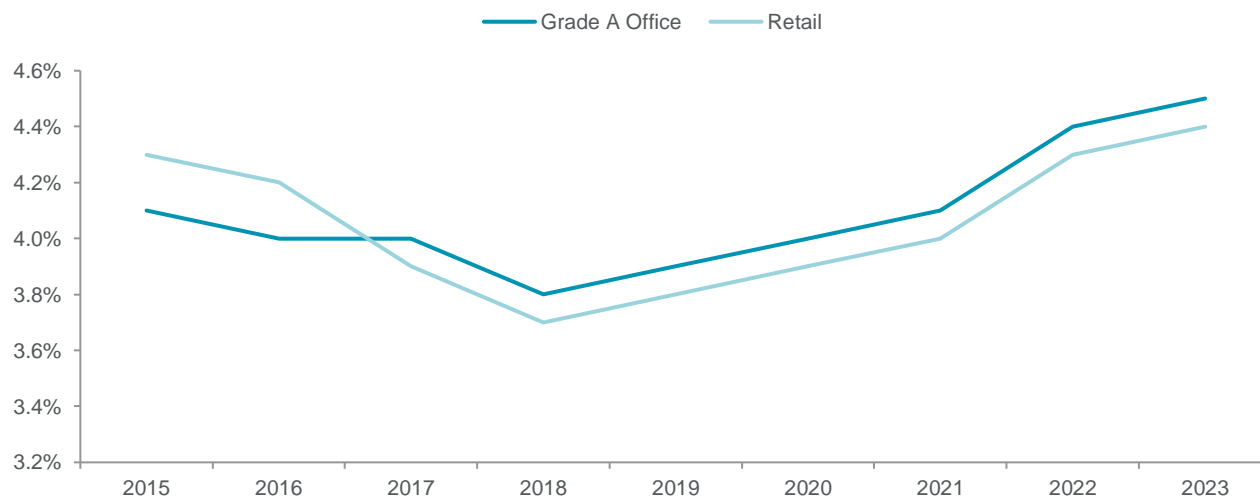
Capital Markets Q4 2023



KEY SALE TRANSACTIONS (2023 Q4)

PROPERTY	LOCATION	SECTOR	PRICE (RMB MN)	VENDOR	PURCHASER	DEAL TYPE
GDH Future City	Baiyun	Apartment	1,100	GDH	-	Investment
Vanke Mall	Tianhe	Retail	880	Vanke	GrandBuy	Investment

CAP RATE TREND



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