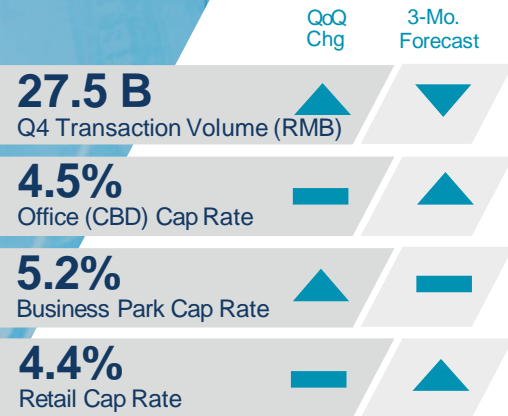


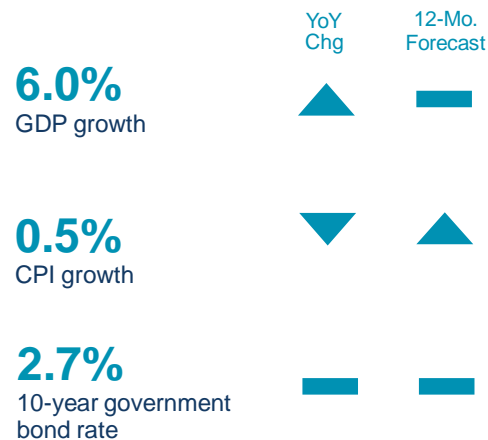
SHANGHAI

Capital Markets Q4 2023



Source: Cushman & Wakefield

ECONOMIC INDICATORS Q3 2023



Source: Shanghai Statistics Bureau, China Foreign Exchange Trade System, Moody's Analytics

Mixed-Use Property Transactions Top the Investment Market in Q4

The Shanghai capital market recorded 27 transactions in Q4 2023, with total transaction volume reaching RMB27.5 billion. The full-year 2023 total transaction number and total transaction volume figure in the Shanghai capital market was 116 and RMB82 billion, respectively. Although the total transaction volume dropped by 7.3% compared with 2022, the downwards trajectory became less steep. Meanwhile, the full-year deal count figure was at a nearly six-year high.

By asset category, mixed-use properties were most preferred, with transaction volume recording RMB12.7 billion, taking 46.2% of total Q4 transaction volume. Key deals included Swire Properties' acquisition of 40% equity shares of two plots in Pudong (the Yangjing Project and the Qiantan No. 21 Project), and Dajia Insurance's purchase of a 65% equity share in the Hong Shou Fang urban regeneration project. The two deals accounted for more than 40% of total Q4 transaction volume.

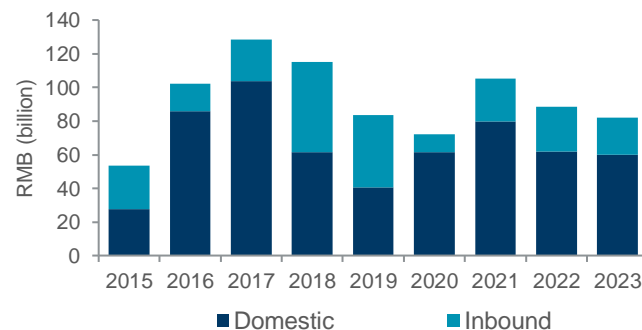
Hotel properties also continued to be favoured by investors in Q4, due to a recovery in consumption, location advantages, and policy support. The quarter saw a hotel transaction boom, with five transactions and volume of RMB6.9 billion recorded, taking a 25% share of total transaction volume and ranking second by asset property type. Key transactions included Jiangsu Jinfeng Group's acquisition of the Bulgari Hotel for RMB2.4 billion. Retail assets took the third spot by property type in the quarter, with transaction volume reaching RMB3.3 billion. The sector accounted for 12% of total transaction volume in Q4.

Overseas Investors Return

In terms of buyer category and transaction volume, domestic and overseas buyers in Q4 recorded RMB15.1 billion, (55.1% market share), and RMB12.4 billion, (44.9% market share), respectively. Notably, the participation of overseas buyers in high-quality assets increased significantly. Companies and institutions such as Swire Properties, Singapore Royal Golden Eagle Group, DNE, and Warburg Pincus executed on acquisitions, driving up the overall overseas transaction volume in the quarter.

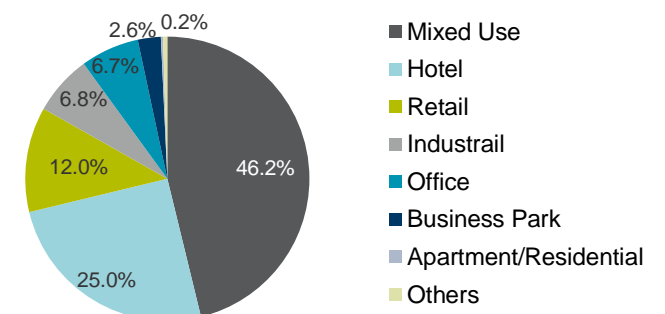
Investment-type transactions were still the key driver in Q4, taking a 90% market share of total transaction volume. Owner-occupier transactions recorded RMB1.5 billion, accounting for just 5.3%. Owner-occupier buyers active in Q4 were predominantly in the TMT and SOE sectors.

TRANSACTION VOLUME BY INVESTOR TYPE



Source: Cushman & Wakefield

TRANSACTION VOLUME BY INDUSTRIAL



Source: Cushman & Wakefield

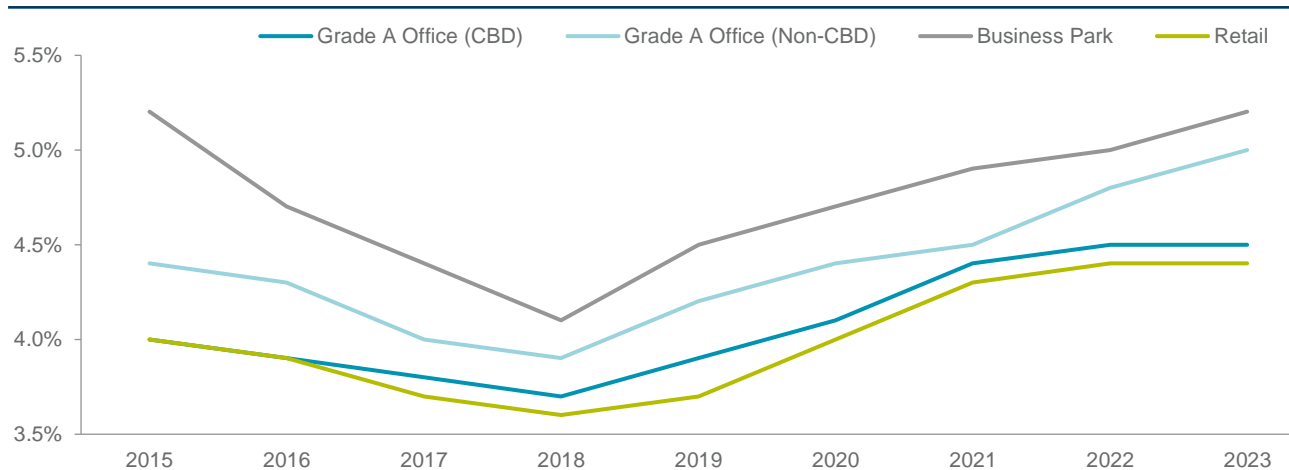
Outlook

Investment momentum is expected to continue as more prime assets in core business districts are expected to be put up for sale in 2024, with buyers targeting opportunities to pick up the slack amidst the challenges of capital constraints in the real estate industry. Meanwhile, the new economy will continue to attract investors' attention, with transactions emerging in areas such as retail properties, long-term rental apartments (especially R4 rental community projects), life science-related business park properties, and high-quality logistics assets.

KEY SALE TRANSACTIONS

PROPERTY	LOCATION	SECTOR	PRICE (RMB BN)	VENDOR	PURCHASER	DEAL TYPE
Bulgari Hotel	Jing'an	Hotel	2.4	OCT Group	Jiangsu Jinfeng Group	Investment
Jinhe Center	Xuhui	Office	1.5	Jinhe	Young Men's Catholic Association	Investment
49% Equity of Kempinski Hotel	Pudong	Hotel	0.7	-	Huineng	Investment
Jiading Net Valley Industrial Park	Jiading	Industrial	0.2	Zhonghai Shengrong	Zhejiang Junyi Technology	Investment
Lujiazui Binjiang Center	Pudong	Office	0.1	Lujiazui Group	Private Enterprise	Owner Occupation

CAP RATE TREND



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