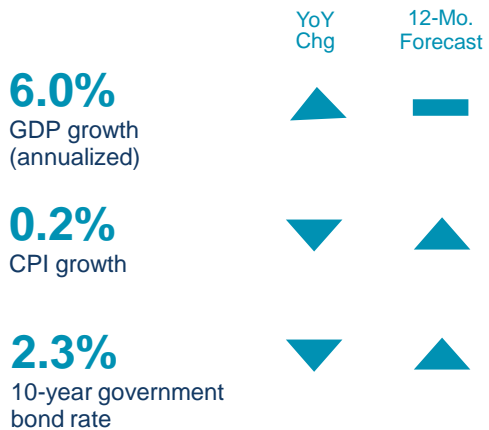


Source: Cushman & Wakefield

### ECONOMIC INDICATORS 2024 Q1



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

### Beijing Investment Market Transaction Numbers and Volume Rise in Q2

Beijing investment market transaction numbers and volume in Q2 2024 rose slightly compared to the same period last year, with the deal count climbing 8.2% y-o-y to 13 transactions, and investment volume up 1.2% y-o-y to record RMB12.06 billion. Overall transaction volume for the 1H 2024 period reached RMB22.8 billion from 20 transactions. The office sector was the most preferred asset type, taking a 50.0% share of the total 1H volume. However, the inclusion of consumer infrastructure in public REITS has made commercial projects a new market favorite, and retail assets' share of investment volume increased to 19% in 1H 2024 from 12% in 2023.

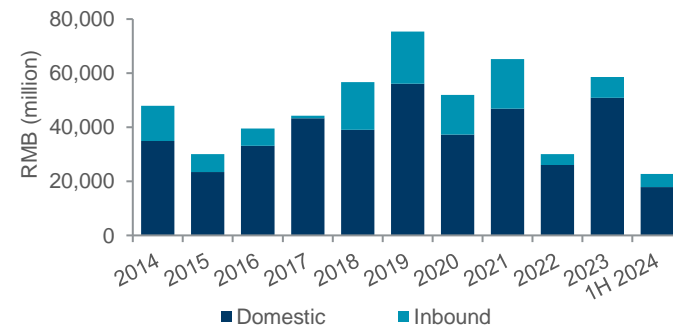
### Insurance Buyers Lead Activity

In terms of deal structure, domestic equity transactions accounted for the highest share in Q2, with transaction volume of RMB8.95 billion representing 74.2% of the total. Judicial auction projects also continued to be an important channel for buyers to acquire assets. Seven transactions were completed via judicial auction in Q2, accounting for 53.8% of the total deal count, with investment volume reaching RMB2.35 billion, up 106.7% y-o-y. Insurance buyers continued to be the mainstay of the Beijing investment market in the quarter, with transaction volume of RMB8.56 billion accounting for 71% of the total. Throughout the 1H 2024 period, insurance buyers concluded total investment volume of RMB15.4 billion, accounting for 67.5% of the total. Domestic institutions continued to dominate market transactions, claiming all deals in Q2, but foreign institutions' share of activity still increased throughout 1H 2024, up to 21% from 14% in 2023.

### Multiple Factors Fuel Investment Opportunities Ahead

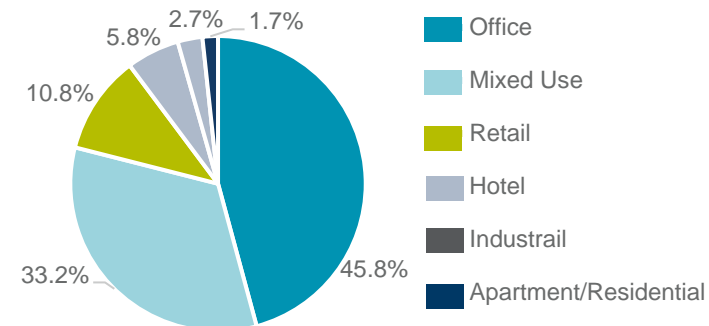
Ahead, in terms of property types, we expect office assets to remain the primary focus of investors, although hotel assets are now receiving more attention from resource buyers. Long-term rental apartments, and retail and other sectors able to issue public REITs also continue to be favored by the market. In terms of buyer types, domestic institutions continue to dominate the market, and insurance companies are likely to maintain expansion of their real estate investment allocations via multiple channels. As for investment targets, the relaxation of real estate policies and the lowering of lending rates have made core assets more valuable for investment. In addition, with the downwards adjustment of quality asset sale prices, enterprises will strengthen capital reserves by selling non-core assets to reduce debt ratios. These factors will see more high-quality assets come into the Beijing market sales cycle.

### TRANSACTION VOLUME BY INVESTOR TYPE



Source: Cushman & Wakefield

### TRANSACTION VOLUME BY SECTOR (2Q 2024)

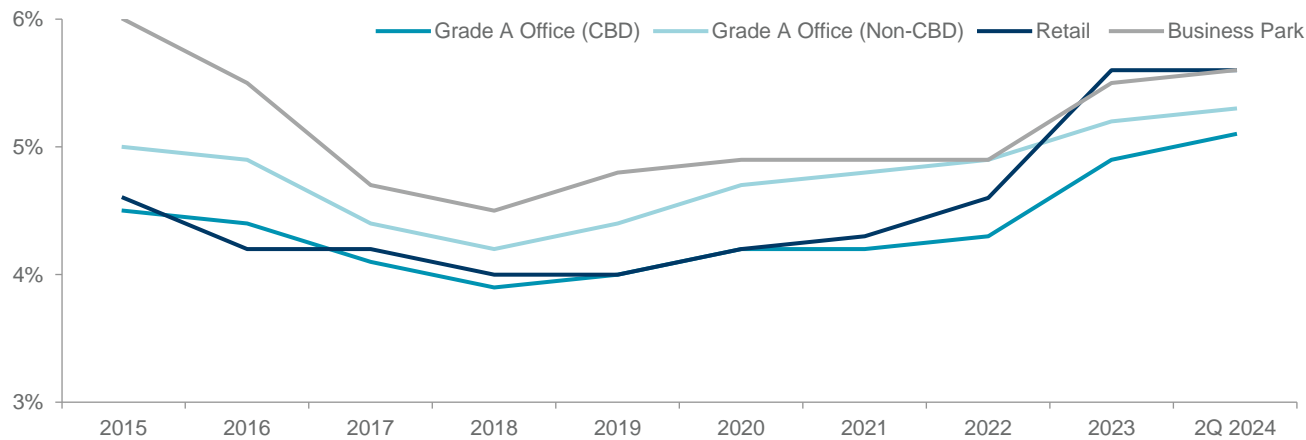


Source: Cushman & Wakefield

### KEY SALE TRANSACTIONS (2024 Q2)

PROPERTY	LOCATION	SECTOR	PRICE (RMB MN)	VENDOR	PURCHASER	DEAL TYPE
INDIGO Phase II (64.79% Stake and Debt)	Chaoyang	Mixed Use	4,000	Sino-Ocean Group	China Life + Swire Properties	Investment
Schonbrunn Hotel	Haidian	Hotel	700	Schonbrunn	Beijing Taiheng Xinjing Commerce and Trade Ltd.	Investment

### CAP RATE TREND



Source: Cushman & Wakefield

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