

Investment



Beijing's investment market was flat

Potential investors remain cautious, leading to transaction volume declines.

- The total transaction area of the first-hand strata-title office market reached 197,191 sqm, down 3.0% quarter-on-quarter (QoQ), with combined consideration of RMB8.31 billion, up 17.6% QoQ.
- The total transaction area of the first-hand strata-title retail market reached 208,166 sqm, marking a 60.4% QoQ increase. The total consideration registered RMB3.89 billion, up 13.9% QoQ.
- In Q3/2024, Beijing en-bloc investment market was quiet, with the quarterly consideration registering RMB4.95 billion, down 36% QoQ.
- In the first three quarters of 2024, the total transaction volume of en-bloc investment market reached RMB20.75 billion, down 22.0% year-on-year (YoY).
- Grade A office capital values registered an average of RMB68,225 psm in Q3/2024, and the gross yield dropped to 4.95%.
- A total of 13 land plots were transacted for RMB26.72 billion, of which seven plots were for residential, four for commercial and two for industrial.

“Beijing’s current en-bloc investment market has cooled down, with transaction volumes showing varying degrees of decline across various asset classes. However, with the implementation of supportive real estate policies to enhance the market confidence, it is expected that the market’s activity will pick up quickly.”

VINCENT LI, SAVILLS RESEARCH

Savills team

Please contact us for further information

RESEARCH

James Macdonald
 Senior Director
 China
 +8621 6391 6688
 james.macdonald@savills.com.cn

Vincent Li
 Director
 Beijing
 +8610 5925 2044
 vincentx.li@savills.com.cn

INVESTMENT

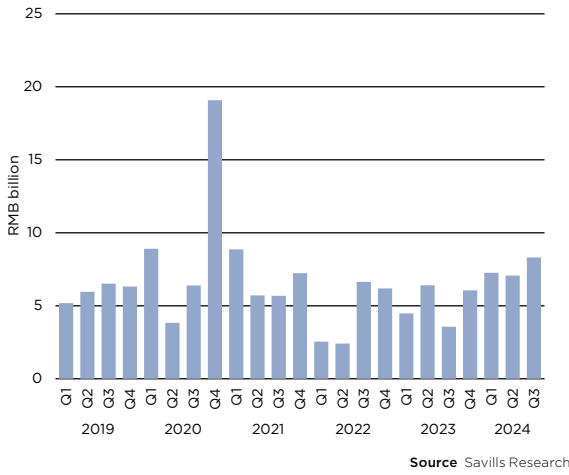
Ted Li
 Senior Director
 Northern China
 +8610 5925 2068
 ted.li@savills.com.cn

SAVILLS VALUATION PROFESSIONAL SERVICES

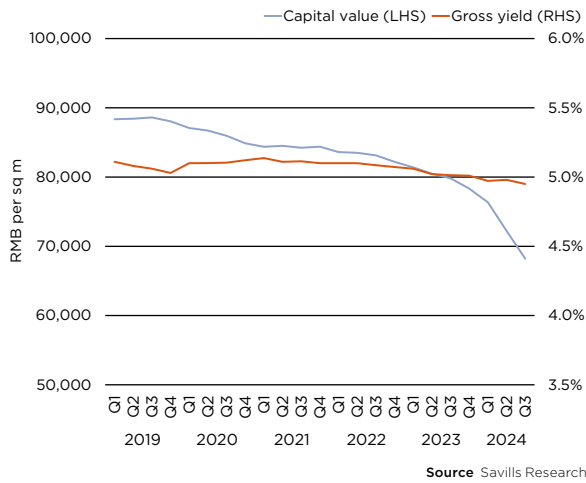
Sarah Zhang
 Director
 Northern China
 +8610 5925 2211
 sarah.y.zhang@savills.com.cn

Savills plc
 Savills is a leading global real estate service provider listed on the London Stock Exchange. The company established in 1855, has a rich heritage with unrivalled growth. It is a company that leads rather than follows, and now has over 700 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East. This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. Whilst every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.

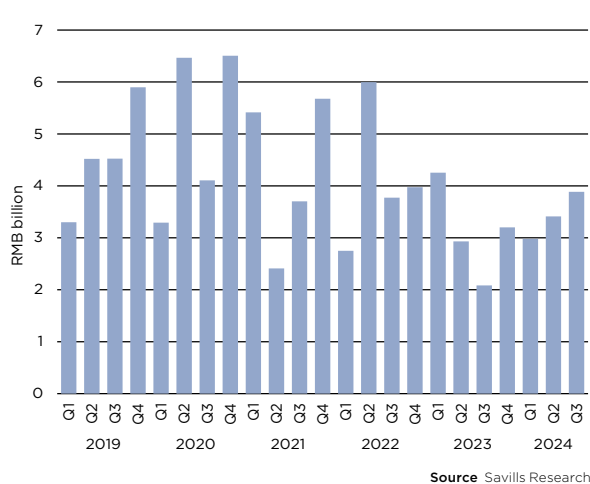
GRAPH 1: First-Hand Strata-Title Office Sales, Q1/2019 To Q3/2024



GRAPH 2: Grade A Office Capital Values And Yields, Q1/2019 To Q3/2024



GRAPH 3: First-Hand Strata-Title Retail Sales, Q1/2019 To Q3/2024



OFFICE SECTOR

The first-hand strata-title office market saw a new supply of 87,820 sqm in Q3/2024, a 47.2% QoQ increase. The total transaction area reached 197,191 sqm, down 3% QoQ.

The total consideration was RMB8.31 billion, up 17.6% QoQ. Average transaction prices stood at RMB42,141 psm, up 21.2% QoQ.

Grade A office capital value registered an average of RMB68,225 psm in Q3/2024. The gross reversionary yield dropped slightly to 4.95%.

RETAIL SECTOR

In Q3/2024, the first-hand retail market saw 88,796 sqm of new supply of strata-title retail units. The total transaction area reached 208,166 sqm, up 60.4% QoQ.

Meanwhile, the total consideration registered RMB3.89 billion, up 13.9% QoQ. Transaction prices averaged RMB18,663 psm, down 29% QoQ.

EN-BLOC INVESTMENT MARKET

Beijing’s en-bloc investment market turned relatively quiet and flat during Q3/2024, with a total transacted consideration of RMB4.95 billion, down 36% QoQ. In the first three quarters of 2024, the total transaction volume of en-bloc investment market reached 20.75 billion, down 22% YoY.

Major transactions in this quarter included:
 - Tongshang Group acquired Tower B of Beijing Forte Financial Center in Tongzhou Canal Business District for RMB946 million.

LAND MARKET

A total of 13 land plots were transacted in Q3/2024 with a total consideration of RMB26.72 billion. Of these transacted plots, seven plots were designated for residential use, four for commercial and two for industrial use.

MARKET OUTLOOK

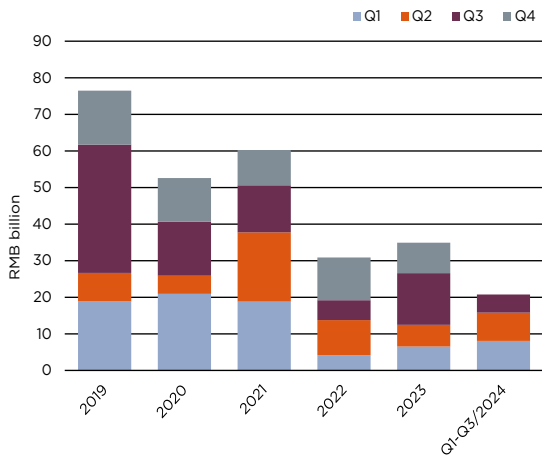
The activity in en-bloc transactions reflects changes in commercial real estate values and serves as an indicator of market confidence. Beijing’s en-bloc investment market is currently cooling down, with varying degrees of uncertainty and divergent growth prospects across different asset classes. Some potential investors are adopting a conservative and cautious strategy, leading to transaction volume declines. Looking ahead, with the rollout of a series of supportive real estate policies, the overall environment in the Beijing en-bloc investment market is expected to improve, which in turn will drive a rebound in market activity.

TABLE 1: Major First-Hand Strata-Title Office Projects, Q3/2024

PROJECT	Changping Science Park Cloud Intelligence Center	Galaxy Center	Zhixiang Center
LOCATION	Changping District	Tongzhou District	Haidian District
DEVELOPER	Beijing Changping Science Park Development/Shokai Group	Beijing Hongchang Real Estate	N/A
TRANSACTION AREA (SQ M)	16,214	8,436	4,245
AVERAGE PRICE (RMB PER SQ M)	33,537	34,881	31,000

Source: Savills Research

GRAPH 4: En-bloc Investment Volumes, 2019 To Q3/2024



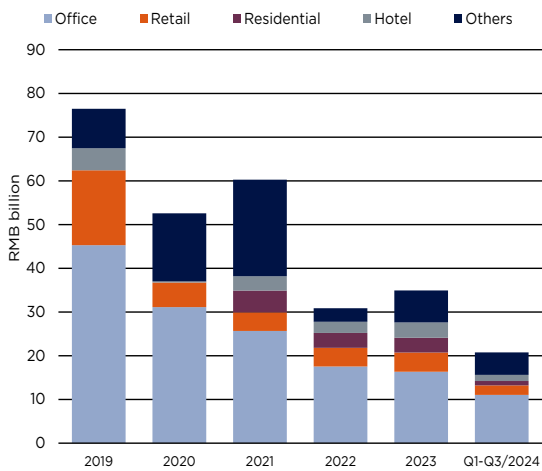
Source Savills Research

TABLE 2: Major First-Hand Strata-Title Retail Projects, Q3/2024

PROJECT	Xinjing Home	Changping Science Park Cloud Intelligence Center	Light Mansion
LOCATION	Dongcheng District	Changping District	Shunyi District
DEVELOPER	New World China	Beijing Changping Science Park Development/Shokai Group	Poly Development & Holdings/CR Land
TRANSACTION AREA (SQ M)	9,941	1,556	937
AVERAGE PRICE (RMB PER SQ M)	61,890	48,000	35,965

Source Savills Research

GRAPH 5: En-bloc Investment Volumes By Property Type, 2019 To Q3/2024



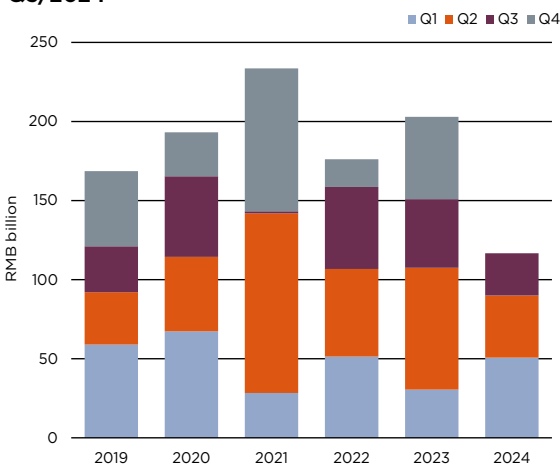
Source Savills Research

TABLE 3: Major En-Bloc Transactions, Q3/2024

PROJECT	Beijing Forte Financial Center Tower B
BUYER	Tongshang Group
SELLER	FORTE Group
LOCATION	Canal Business District, Tongzhou District
PURCHASED AREA(SQ M)	35,660
TRANSACTION PRICE (RMB MILLION)	946
UNIT PRICE (RMB PER SQ M)	26,528
DEAL STRUCTURE	Asset Transaction

Source Savills Research

GRAPH 6: Land Transaction Volumes, 2019 To Q3/2024



Source Savills Research

TABLE 4: Major Land Transactions , Q3/2024

PLOT CODE	DISTRICT	TOTAL GFA (SQ M)	USAGE	CONSIDERATION (RMB MILLION)	BUYER
Haidian 2024-026	Haidian	162,894	Residential	8,901	BCEG/Poly Development & Holdings
Shunyi 2024-032	Shunyi	185,879	Residential	4,320	Maoyuan Real Estate
Daxing 2024-025	Daxing	144,005	Residential	3,217	Beijing Xingchuang Investment
Daxing 2024-033	Daxing	65,733	Residential	2,225	Beijing Xingchuang Investment

Source Savills Research