

FIGURES | BEIJING | Q1 2026

Logistics net absorption hits historical high; institutions push up investment volume

+5.4%

GDP
(FY 2025, Y-o-Y)

-0.3%

Retail Sales
(Jan to Feb 2026, Y-o-Y)

+4.1%

Fixed Asset Investment
(Jan to Feb 2026, Y-o-Y)

Source: CBRE Research, Beijing Municipal Statistics Bureau, Apr 2026

Executive Summary

- **Office:** New leasing volume declined and several submarkets recorded lease surrenders. Wangjing, Olympic and Financial Street contributed to relatively stable citywide net absorption. Landlords’ rental concessions helped drive down vacancy.
- **Retail:** One department store closed for renovations this quarter. Emotional and immersive experience themed retailers drove demand growth. Market-wide pressure on rents persists but selected submarkets are bucking the trend.
- **Logistics:** New supply in Pinggu drove quarterly net take-up to a record high. Rents remained on a downward trend, enabling occupiers to continue consolidating their warehouse footprint.
- **Business Park:** Two R&D projects were completed in Beiqing Road. Leasing was concentrated in multifunctional parks of BDA and Daxing. Most R&D/office parks continued to rely on rent concessions to attract tenants.
- **Investment:** Supported by large-scale deals, transaction volume registered both q-o-q and y-o-y growth. Institutional and corporate buyers led on value and deal number, respectively.

Table 1: Quick Statistics

Office	q-o-q	y-t-d	y-o-y
Rent	-2.1%	-2.1%	-10.0%
Vacancy	-0.6 pp	-0.6 pp	-1.9 pp
Retail	q-o-q	y-t-d	y-o-y
Rent	-0.4%	-0.4%	-2.4%
Vacancy	-0.1 pp	-0.1 pp	-0.1 pp
Logistics	q-o-q	y-t-d	y-o-y
Rent	-4.1%	-4.1%	-15.0%
Vacancy	+0.1 pp	+0.1 pp	+15.7 pp
Business Park	q-o-q	y-t-d	y-o-y
Rent	-1.5%	-1.5%	-9.7%
Vacancy	+1.3 pp	+1.3 pp	-0.5 pp
Investment	q-o-q	y-o-y	y-t-d total, y-o-y
Total volume	+134.6%	+19.3%	+19.3%
Domestic	+134.6%	+19.3%	+19.3%

Note: Office rent is the weighted average striking face rent for GFA, excl. mgmt. fee and incl. tax. Retail rent is the simple average shopping mall G/F asking rent for NLA, excl. mgmt. fee and incl. tax. Logistics rent is the weighted average asking rent for GFA, incl. mgmt. fee and excl. tax. Business Park rent is the weighted average asking rent for GFA, incl. mgmt. fee and incl. tax. Transactions include deals above US\$10 million in the office, retail, mixed, industrial, hotel and other commercial sectors.

Source: CBRE Research, Q1 2026.

Office

Net Absorption
95,100 sq. m.

Vacancy
-0.6 pp q-o-q

Face Rent
-2.1% q-o-q

Submarket performance varies

No new office supply was completed in Beijing for a third consecutive quarter. New leasing volume declined by 14% q-o-q and 16% y-o-y due to the Chinese New Year holiday and fewer large-scale transactions. Relocations comprised 72% of transactions, while expansions and new set-ups showed a modest recovery. TMT led new leases with a 38% share, driven by software, internet platform services, and AI firms. Leasing activity by finance firms increased q-o-q, fueled by large-size relocations in the securities industry. Professional services firms focused on leases under 1,000 sq. m. in CBD areas. Real estate & construction, healthcare & life sciences maintained stable activity in emerging and mature submarkets, respectively.

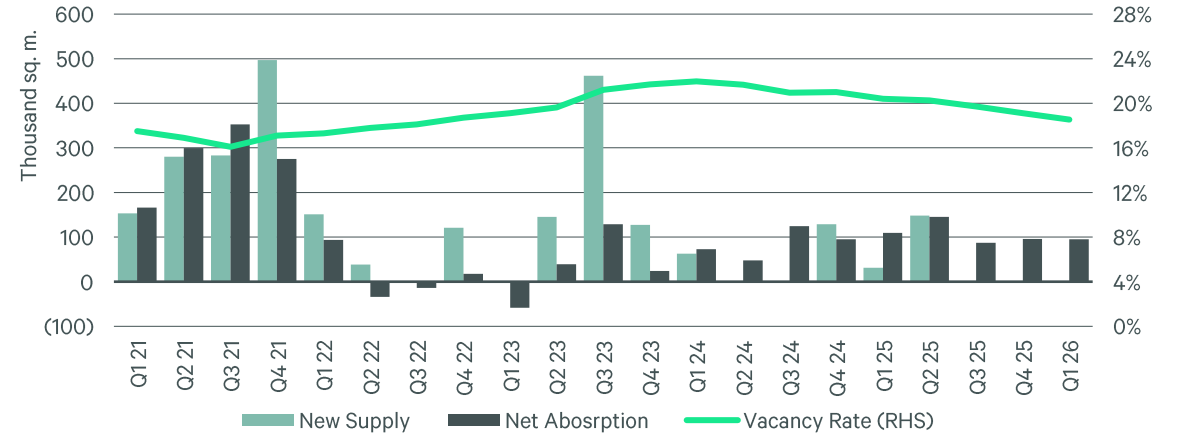
ZGC, Lufthansa and E2R recorded a high number of surrender cases this quarter as tenants sought to downsize. While ZGC posted negative net absorption for the first time since Q2 2023, the release of scarce contiguous space provided landlords with opportunities to optimise their tenant mix and enhance asset resilience. Wangjing and Olympic, both of which are popular clusters for tech firms, jointly contributed 54% of citywide net absorption. Financial Street saw a temporary recovery in demand, driven by large-size leases from financial occupiers, partially offsetting weakness in other submarkets. Overall citywide net absorption remained relatively stable at 95,100 sq. m..

Grade A segment continues to outperform; rental concessions push down vacancy

Citywide vacancy stood at 18.5% in Q1 2026, a decline of 0.6 pps q-o-q. Grade A vacancy fell 0.9 pps. q-o-q, highlighting a flight-to-quality trend. Due to the anticipated supply influx, landlords adopted price-for-volume strategies to secure key tenants, keeping rents under downward pressure. On a like-for-like basis, average face rents declined 2.1% q-o-q to RMB 223.5 per sq. m. per month.

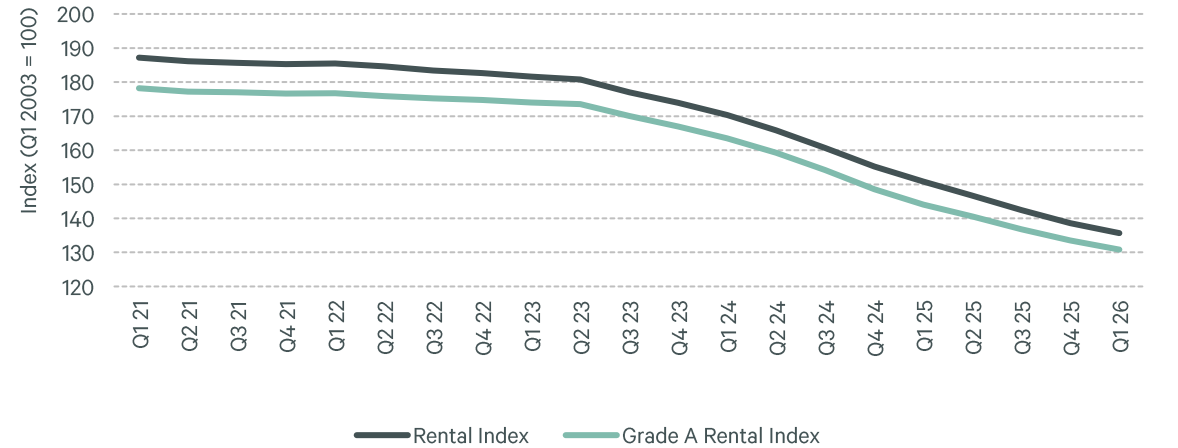
Approximately 350,000 sq. m. of new supply, all concentrated in the CBD, is due in the next six months. In the short term, leasing competition and absorption pressure in core submarkets will intensify. However, high-quality new supply should alleviate the shortage of contiguous space in mature areas, unlocking relocation and consolidation demand and improving market liquidity. On the policy front, supportive measures including the 2026 Work Priorities for Beijing's Future Industries, eased FinTech regulations, and a RMB 1.5 billion special fund are set to boost confidence in the high-tech and precision sectors, stimulating incremental demand from both technology and financial enterprises.

FIGURE 2: Office Supply and Demand



Source: CBRE Research, Q1 2026.

FIGURE 3: Office Rental Index



Source: CBRE Research, Q1 2026.

Retail

Net Absorption
-20,200 sq. m.

Vacancy
-0.1 pp q-o-q

Rent
-0.4% q-o-q

Youth-driven demand drives steady leasing activity

No new shopping mall supply was delivered in Q1 2026. One department store in a secondary area closed for upgrading and is set to reopen as a trendy IP launch centre to serve the cultural and consumption needs of younger consumers.

The decline in Beijing’s y-t-d retail sales (Jan to Feb) narrowed to 0.3% y-o-y thanks to steady growth in F&B sales driven by the Spring Festival. Vacancy edged down by 0.1-pps. q-o-q. F&B accounted for 48% of new openings as leasing from snack and fast-food outlets, together with tea & bakery shops, created a low-price, instant-gratification F&B matrix anchoring base foot traffic. Formats such as hot pot buffet, Makkee, Shan Xin and Blue Bear Milk displayed a strong willingness to expand in non-prime areas.

Other demand was driven by retailers offering emotional and immersive experiences. These included the mid-high grocery brand Windmur and collectible toy brand Luckyloop, which opened their first Beijing stores at WF Central and The Box, respectively. Hybrid retail formats integrating dining and social interaction such as The Grounds, Eastbuy and Looby are increasingly popular, providing younger consumers with high value-added and diversified consumption experiences. The jewellery and 3C categories maintained steady growth, with JEMPER and Borland opening their first Beijing stores at China World Mall; CIGALONG debuting at Taikooli South; Unitree Robotics launching its first Beijing store at In88; and Insta360 and DJI both expanding.

Average rents continue to decline but selected projects buck the trend

Average citywide shopping centre ground floor rents fell 0.4% q-o-q to RMB 30.0 per sq. m. per day in Q1 2026. Selected prime areas outperformed, with Sanlitun’s benchmark projects clustering flagship and first stores, resulting in strong pricing power, solid district vitality and spillover demand for dining and social formats in nearby projects.

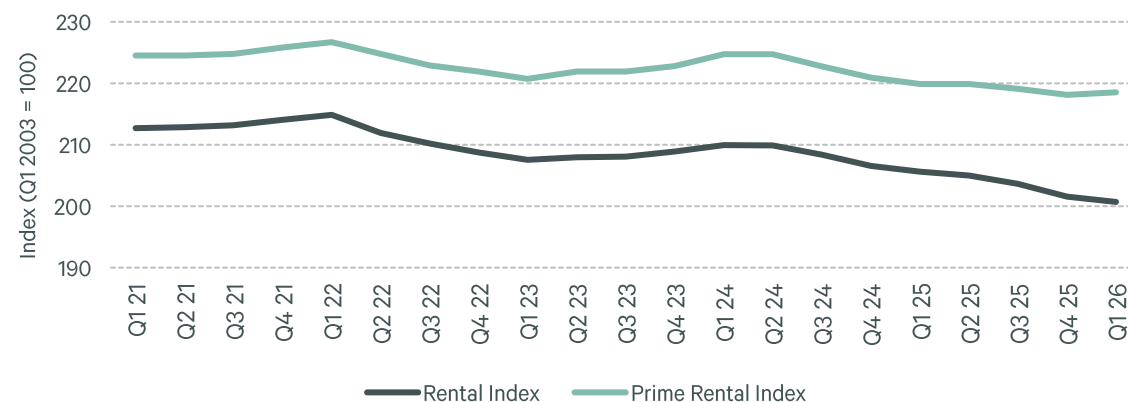
More than 630,000 sq. m. of new supply is due to come on stream over the next six months in Beijing, including renovated projects in mature areas and new malls in decentralised areas. The government’s recently released guidelines to promote digital, cultural and immersive experience, will provide added impetus to landlords’ differentiation strategies.

FIGURE 4: New Supply and select Leasing Transactions

New Supply	Submarket	GFA (sq. m.)	Landlord
-	-	-	-
New Openings	Sector	Property	Submarket
FUMAYE Chocolate Pie	Bakery & Dessert	Chaoyang Joy City	Outer CBD
Salomon	Sports	China World Mall	CBD
Kao Jiang	F&B	Longfor Changying	Others
Teasure	Café & Tea	Golden Resource	ZGC
Onitsuka Tiger	Fashion	IMIX PARK	ZGC
LKEDE SUSHI	Fast Food	XI YUE	Wangfujing
Cigalong	Jewelries	Taikoo Li South	Sanlitun
Insta 360	3C	SOLANA	Lufthansa

Source: CBRE Research, Q1 2026.

FIGURE 5: Retail Rental Index



Note: Prime retail submarkets are CBD, Wangfujing, Sanlitun and Xidan.
Source: CBRE Research, Q1 2026.

Logistics

Net Absorption
197,800 sq. m.

Vacancy
0.1 pps. q-o-q

Rent
-4.1% q-o-q

New supply drives intra-Beijing demand; quarterly absorption hits record high

Around 340,000 sq. m. of new logistics supply came on stream in Pinggu Mafang this quarter, with nearly 150,000 sq. m. of this total absorbed within a short period, making it a key trigger for quarterly take-up. In Greater Beijing, Langfang saw the addition of a 71,000 sq. m. new project, while no new facilities were completed in Tianjin.

Quarterly net take-up reached 198,000 sq. m. in Beijing, a record high. Activity was mainly contributed by Pinggu, led by integrating and relocating demand from 3PL operators and auto-parts companies. Benefiting from a window of opportunity to secure attractive rents and high availability, several such firms managed to optimise costs and efficiency by consolidating previously fragmented and non-standard warehouses across Greater Beijing.

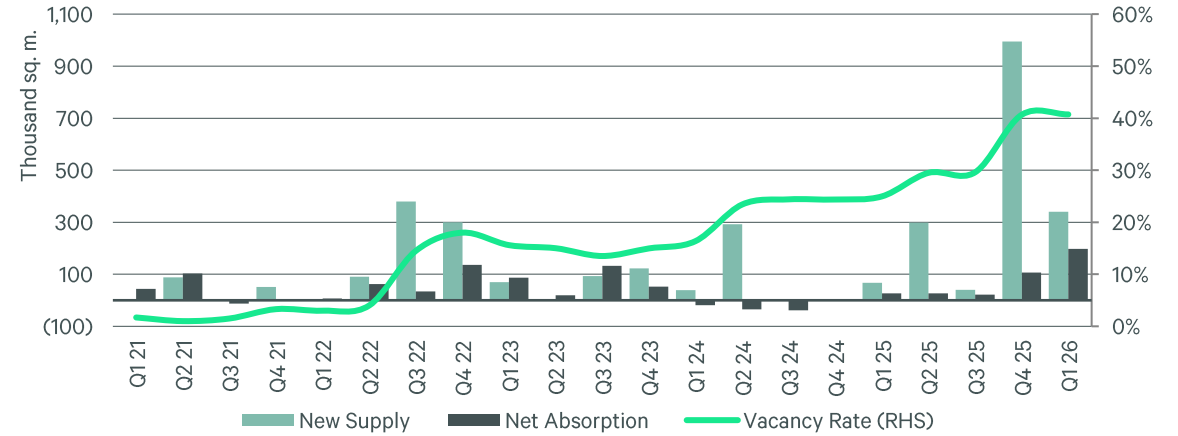
Other trends this quarter included landlords of high-standard bonded facilities in the airport area optimising rental strategies to attract firms with upgrading demand, contributing significantly to absorption. Although some manufacturers surrendered space for cost-saving purposes in submarkets such as Tongzhou and Shunyi Others, the market reported stable absorption. In Greater Beijing, Langfang achieved net absorption of 106,000 sq. m. amid solid leasing in prime locations such as Guangyang and Linkong EDA by brand retail and logistics companies. Despite some submarkets registering negative take-up due to tenant relocations, space continued to be digested at a normal pace. In contrast, Tianjin suffered from several short-term lease terminations, leading to its first negative quarterly absorption in two years at -68,000 sq. m..

Price signals strengthen resource reallocation and demand submarket polarisation

Beijing rents fell 4.1% q-o-q on a like-for-like basis, with Pinggu leading the decline at -11.9% q-o-q. Langfang and Tianjin continued to report lower rents, with downward pressure seen in high vacancy areas. However, submarkets with demand advantages showed signs of rental stabilisation.

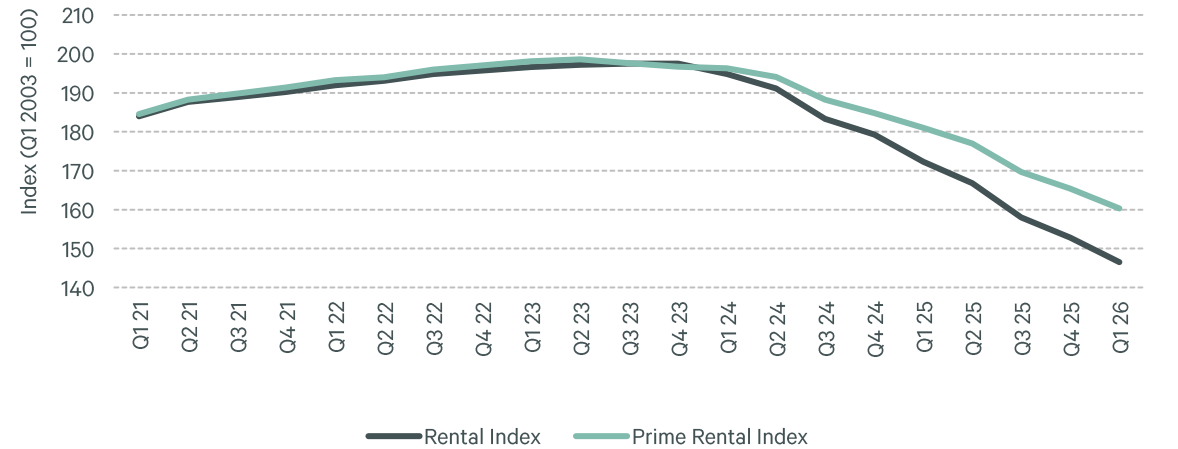
Over the next six months, 323,000 sq. m. of new supply will be added in Pinggu and Shunyi in Beijing, while 485,000 sq. m. will come on stream in Langfang. The market will continue to be driven by cost optimisation and a consumption recovery, with instant retail, dark stores, community delivery, and cold-chain players leading warehouse expansion and vacancy absorption.

FIGURE 6: Logistics Supply and Demand



Source: CBRE Research, Q1 2026.

FIGURE 7: Logistics Rental Index



Note: Prime logistics submarkets are Shunyi Airport, Majuqiao and Jingnan.
Source: CBRE Research, Q1 2026.

Business Park

Net Absorption
43,200 sq. m.

Vacancy
1.3 pps q-o-q

Rent
-1.5% q-o-q

Supply surge of R&D offices; robust demand for multifunctional space

Two R&D business park projects were completed in Beiqing Road in Q1 2026, adding 246,000 sq. m. of space to the market. Both projects remain in the early leasing stage with limited take-up.

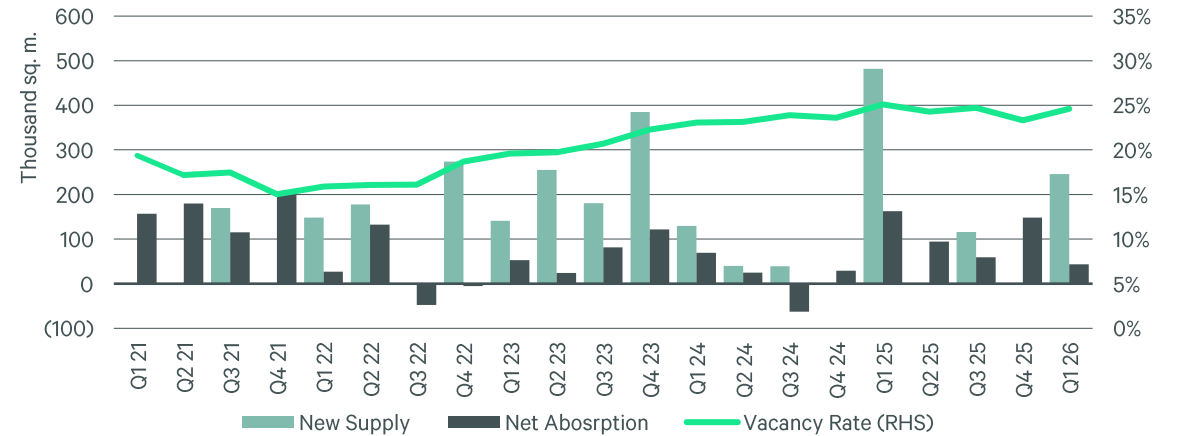
Net absorption reached 43,000 sq. m. this quarter, indicating moderate market demand. Leasing was concentrated in BDA and Daxing, which contributed nearly 90% of take-up. Multifunctional parks-integrating R&D, pilot testing, and light manufacturing functions outperformed. This indicates a shift in corporate site selection strategies, with occupiers increasingly prioritising spatial adaptability for production and commercialisation processes, moving beyond traditional location and rent metrics to holistically evaluate industrial amenities, policy support, and operational service capabilities. Activity in other submarkets was primarily driven by relocations, with demand remaining relatively stable. TMT drove demand (41%) over the quarter, backed by AI and semiconductor firms. Industrial manufacturing (e.g., aerospace and equipment manufacturing) and life sciences continued to demonstrate steady demand, contributing 19% and 18%, respectively.

R&D office ecosystem synergies continue to evolve

Overall vacancy increased by 1.3 pps. q-o-q to 24.6%. Amid the continuous influx of new supply, average asking rents declined by 1.5% q-o-q to on a like-for-like basis to RMB 128.8 per sq. m. per month. Most R&D/office parks continued to rely on rent concessions, flexible leasing terms, and customised fit-out allowances to attract and retain tenants. However, their differentiation from standard commercial offices remains marginal, indicating that the inherent advantages and synergies of specialised industrial operations have yet to be fully harnessed.

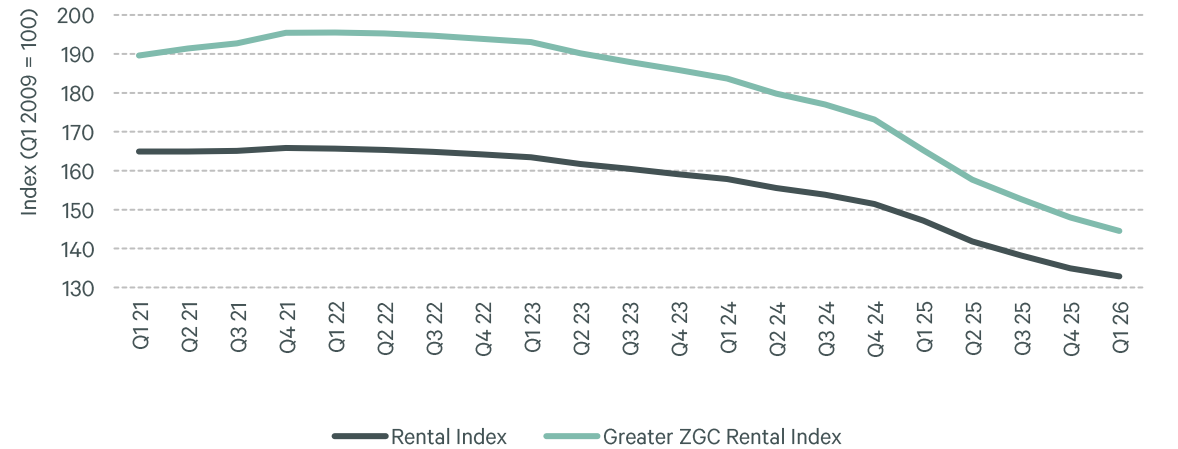
Around 198,000 sq. m. of new supply is expected to be completed in the next six months. All new stock will be in Beiqing Road, intensifying short-term absorption pressures in the area. Nevertheless, the recent rollout of targeted policy support measures including initiatives to promote advanced industrial manufacturing pilot platforms, encourage the integration of IT and manufacturing, and provide specialised backing for innovative pharmaceuticals and high-end medical device R&D, is expected to further solidify the market's demand fundamentals. Key sectors such as AI, integrated circuits, and life sciences continue to exhibit significant latent demand for specialised R&D and pilot-testing spaces.

FIGURE 8: Business Park Supply and Demand



Source: CBRE Research, Q1 2026.

FIGURE 9: Business Park Rental Index



Note: Greater ZGC contains Shangdi, Z-Park, Beiqing Road and Dongsheng.

Source: CBRE Research, Q1 2026.

Investment

Transaction Volume
134.6% q-o-q

Transaction Number
10

Institutional capital drives recovery of market liquidity

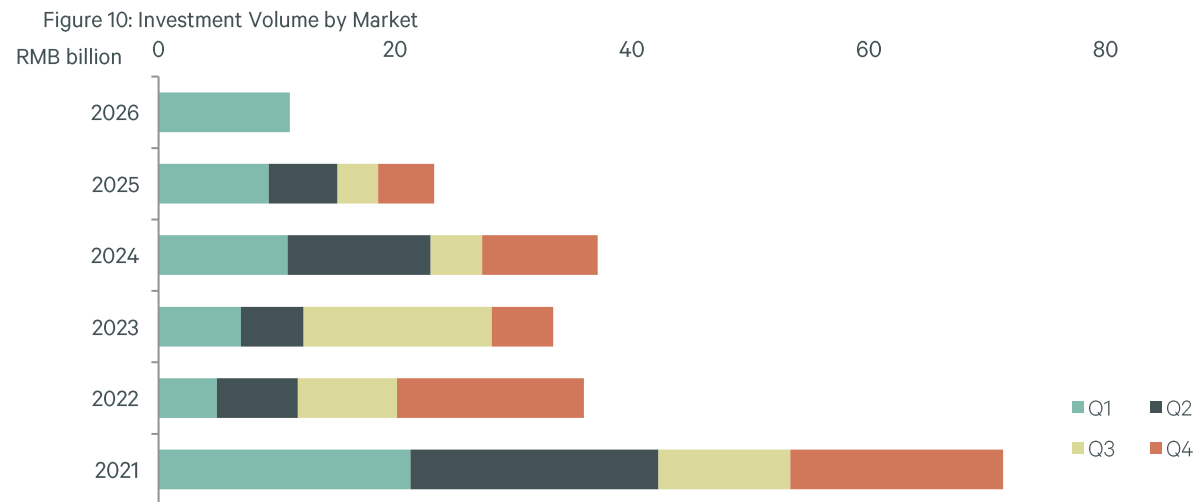
A total of 10 commercial real estate transactions with a combined consideration of RMB 11.08 billion were recorded in Q1 2026. Supported by large-scale deals, transaction volume registered both q-o-q and y-o-y growth, rising by 135% and 19%, respectively.

Institutional capital remained active this quarter. Premium operational assets characterised by significant scale, stable cash flows, ample remaining land tenure, and clear exit strategies (via public or private REITs) - such as multifamily, retail, and mixed-use properties - were the focal points for diverse institutional investors. Pricing adjustments brought core assets back into an investable range, supporting capital deployment. Office assets continued to change hands but with smaller deal sizes and lower value share. The market showed clear bifurcation, with high-quality assets acquired by self-use buyers at stable pricing, and assets with fragmented ownership or weaker operations traded with greater price flexibility.

Corporations accelerate capital deployment at cyclical trough

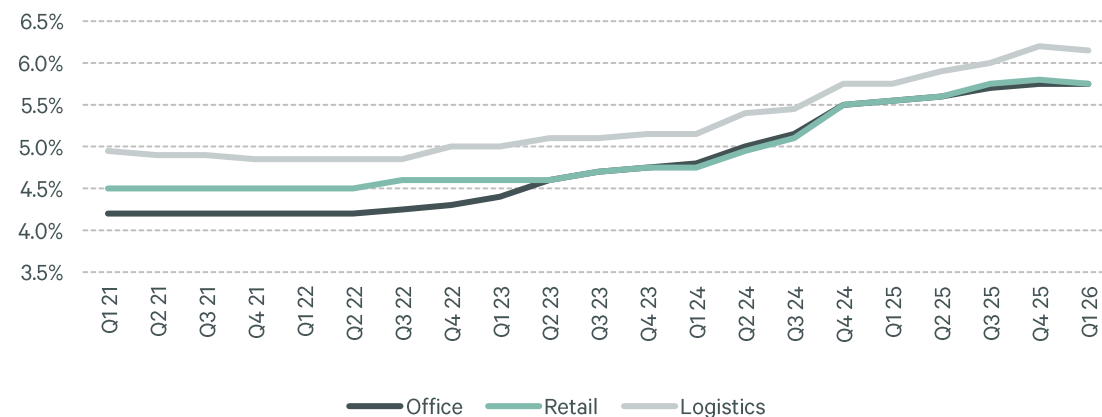
Corporate buyers remained most active in terms of transaction count, predominantly driven by self-use demand, demonstrating a robust appetite for prime assets. This activity helped stabilise market sentiment and provided foundational support for office deals. Several asset management corporations closed transactions this quarter, strategically targeting underperforming or distressed assets via judicial auctions or acquisitions. These investors' strategies centre on unlocking asset value through debt restructuring, operational enhancements, and asset repositioning.

As valuations bottom out, self-use demand will continue to anchor the office sector and stabilise pricing across core and secondary submarkets. The consumption recovery, expanding REIT frameworks, and clearer exit mechanisms will solidify multifamily, retail, and prime industrial parks as top institutional targets. Against this backdrop, a multi-engine investment landscape will persist as end-users seek offices, institutions target strong cash-flow assets, and opportunistic capital drives asset restructuring. Overall market liquidity is projected to gradually improve, with the pace of transactions expected to accelerate further.



Source: CBRE Research, Q1 2026.

Figure 11: Yield Trends



Source: CBRE Research, Q1 2026.

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