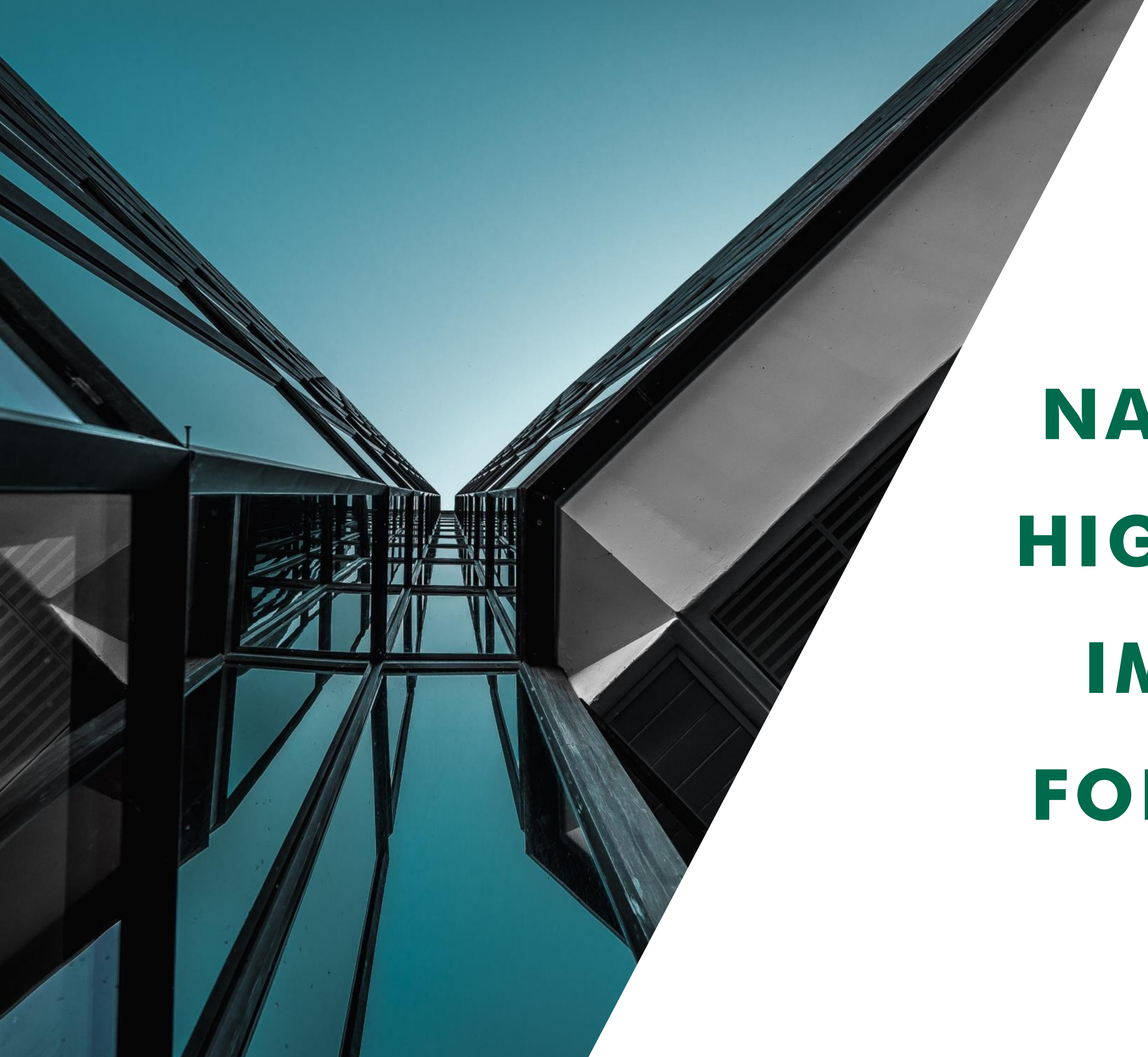
CBRE RESEARCH

CHINA'S 14TH FIVE-YEAR PLAN

HIGHLIGHTS AND IMPLICATIONS FOR REAL ESTATE

March 2021

CBRE



NATIONAL PLAN HIGHLIGHTS AND IMPLICATIONS FOR REAL ESTATE

KEY DEVELOPMENT TARGETS UNDER THE 14TH FIVE-YEAR PLAN (FYP)

Key Word	Indicator	13th FYP Target	13th FYP Actual	14th FYP Target
Economic Development and Upgrading	Annual GDP growth^	>6.5%	5.7%	Maintain reasonable growth for the five-year period and set annual targets in line with macroeconomic conditions **CBRE's forecast 5.5%**
	Annual growth in labour productivity^	>6.6%	5.7%	> GDP growth
	Strategic emerging industries as % of GDP *	15%	11.5% (2019)	>17%
	Tertiary industries as % of GDP *	56%	54.5%	Not mentioned
Innovation	R&D expenditure as % of GDP*	2.5%	2.4%	Achieve >7% annual growth in R&D expenditure and increase the intensity of R&D expenditure
	Share of basic research in R&D*	-	6.2%	>8%
	High-value invention patents per 10,000 people *	-	6.3	12
	Digital economy as % of GDP*	-	7.8%	10%
Urbanisation	Population (100 mn) *	14.2	14.0 (2019)	Strive to achieve an appropriate birth rate
	Urbanisation rate *	60%	60.6% (2019)	65%
Consumption Upgrading	Annual growth in per capita disposable income^	>6.5%	5.6%	Match GDP growth
	Surveyed urban unemployment rate*	- (Registered Unemployment Rate <=5%)	5.2% (2020)	<5.5%
Sustainability	Energy consumption per unit of GDP*	Down 15%	Down 13.3%	Down 13.5%
	CO_2 emission per unit of GDP*	Down 18%	Down 19.2%	Down 18%

Remark: * for end-of-period goals and ^ for goals during the period
Source: 13th Five-Year Plan, 14th Five-Year Plan, National Statistics Bureau, CBRE Research, March 2021

China's macroeconomic goals and policies in 2021

- China's 2021 Government Work Report published in March 2021 set a lower target limit (>6.0%) for economic growth this year. This indicates a stronger focus on the quality and efficiency of growth and the flexibility of regional economic development goals and policy. CBRE expects economic growth to reach 8.2% in 2021.
- To ensure a gradual and smooth normalisation of fiscal and monetary policy, 2021's fiscal deficit target has been set at 3.2%, with the expansion of total social finance to be in line with nominal GDP growth.

Highlights of the 14th FYP

- **Enhance the quality and efficiency of the economy**

  The 14th FYP emphasises the quality of economic development and structural optimisation, particularly the development and upgrading of the manufacturing industry. Nine strategic emerging industries are targeted to account for more than 17% of GDP in 2025, a significant increase from 11.5% in 2019.

- **Innovation as the key to internal circulation**

  Technological innovation is the key to China's economic transformation and upgrading and is also one of the main components of the internal circulation policy announced last year. Over the next five years, the value added of the digital economy will increase from 7.8% to 10% of GDP.

- **Continue to drive urbanisation and consumption upgrading**

  Urbanisation will generate more than 60 million new urban residents in China in the next five years. The 14th FYP will support the development of metropolitan areas and puts forward digitalisation and sustainability as strategies to transform the mode of urban development. Along with the continued increase of household income, supply-side improvement of high-quality commodities and services such as education and medication will drive the upgrading of China's domestic consumption.

- **Binding goals for sustainability**

  The 14th FYP calls for a 15% reduction in energy consumption per unit of GDP and a 18% reduction in carbon dioxide emissions per unit of GDP over the next five years.

- **Further opening-up of the services sector**

  The 14th FYP proposes to further shorten the negative list of foreign investment access, promote the orderly opening of tertiary industries, and establish a high-standard free trade zone under the Regional Comprehensive Economic Partnership (RCEP).

Key Development Targets 2021

Indicator	2020 Actual	2021 Target
Annual GDP growth	2.3%	>6.0%
New urban jobs (million)	11.86	>11
Surveyed urban unemployment rate	5.2%	<5.5%
Fiscal deficit rate	3.7%	3.2%
Local government special purpose bonds (RMB trillion)	3.75	3.65
Annual M2 growth	10.1%	In line with GDP growth
Annual total social financing growth	13.3%	In line with GDP growth
CPI	2.5%	About 3%
Energy consumption per unit of GDP	Down about 0.1%	Down about 3%

Source: 2021 Government Work Report, National Statistics Bureau, CBRE Research, March 2021

CBRE'S VIEW | OFFICE

Policy highlights

- Prioritise domestic circulation and promote positive interplay between domestic circulation and international circulation. Maintain annual growth of R&D spending at 7%. Supported by digitalisation, raise the contribution of pillar industries to 10%. Steadily proceed with the opening-up of the financial sector.
- Accelerate the process of opening key areas in service industries. Accelerate the development of modern service industries and ensure alignment with advanced manufacturing and modern agriculture through digitalisation.
- Develop net-zero business parks and buildings to achieve long-term carbon neutral goals.

Implications for real estate

- **Stronger upgrading demand from service industries**

  With the 14th FYP set to further reduce the negative investment list, more high-quality foreign professional services companies will establish a presence in China. The period will also see more domestic technology companies in Internet Plus industries lease office space.

- **Leasing activity to be led by technology and finance companies**

  Oxford Economics expects employment within China's finance & business services and information technology sectors to expand at an accumulated growth rate of 25% and 17%, respectively, during the 14th FYP period, eclipsing growth witnessed during the 13th FYP. This should translate to strong demand for additional office space from companies in these industries, which collectively accounted for 67% of total leased office space in 2020. CBRE forecasts that office net absorption will exceed 5.8 million sq. m. annually between 2021 and 2023, an increase of 34% compared to the three years between 2018 and 2020. Demand will be especially strong in tier I and key tier II cities such as Hangzhou, Wuhan, Chengdu and Xi'an.

- **More focus on green buildings**

  With the built environment accounting for an estimated 40% of global carbon dioxide emissions, the central government will intensify efforts to promote green technology and green financing in the real estate sector during the 14th FYP period. CBRE's 2020 Mainland China Occupier Survey found that 57% of occupiers intend to prioritise environmentally certified buildings as part of their long-term leasing strategy, 13 pp higher than the Asia Pacific average[1].

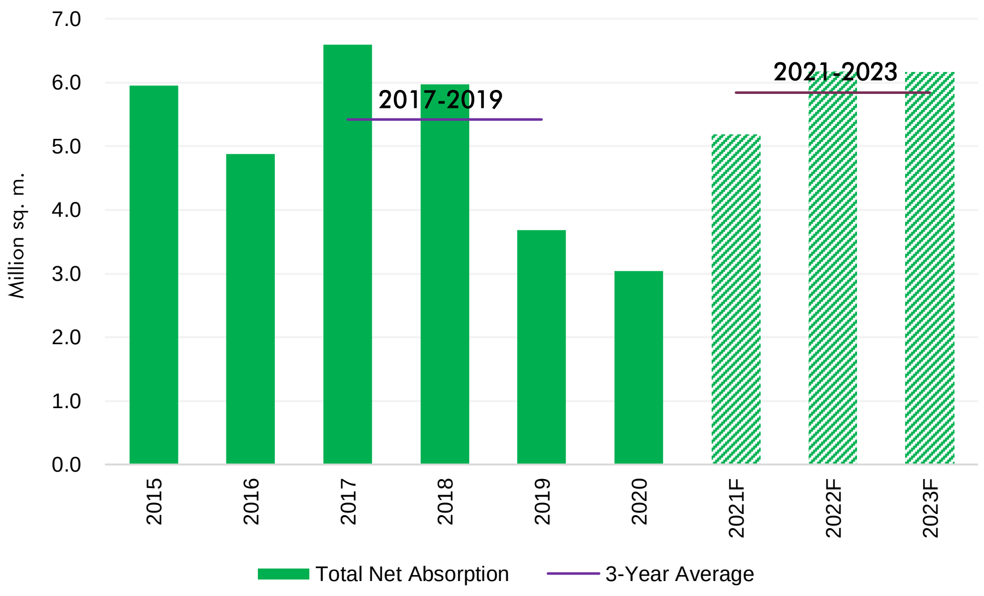
Key Takeaways

Dual Circulation

Service Industry Upgrading

Green Buildings

Nationwide office net absorption forecast



1. 2020 Asia Pacific Occupier Survey – Mainland China, CBRE Research, April 2020

Source: CBRE Research, March 2021

Policy highlights

- Lift the urbanisation rate to 65%. Help more residents settle in larger city clusters including major tier I and tier II cities via the loosening of the Hukou policy.
- Add a further 100 million people to the middle-income population. Implement a national strategy to address population ageing.
- Encourage the development of Chinese brands in the cosmetics, fashion, housewares and electronics categories. Add more customisation, experience and technology to the retail market. Accelerate omnichannel retail development. Hasten the introduction of touchless retail services.

Implications for real estate

- **Growing consumption power in tier I and key tier II cities**

  Urbanisation and the loosening of the Hukou household registration system will boost consumption power in tier I and key tier II cities for the duration of the 14th FYP. Oxford Economics expects the number of Chinese cities with annual retail sales exceeding RMB 1 trillion to reach eight by 2025, with Shenzhen, Hangzhou, Chengdu, Chongqing and Wuhan joining Beijing, Shanghai and Guangzhou in this elite group.

- **Demographic change to drive shift in shopping mall trade mix**

  Ministry of Civil Affairs data show the number of elderly people in China aged 60 and above will reach 300 million by the end of 2025, the end of the 14th FYP period, classifying the country as a 'moderately ageing' society. Shopping mall landlords are advised to cater to the growing number of elderly consumers by restructuring their tenant mix to include more medical and healthcare retailers along with goods and services that have been awarded the China Time-honoured Brand title. Alterations may also be required to building hardware to improve access and convenience for older shoppers.

- **Accelerated development of new retail formats**

  The COVID-19 pandemic hasted the development of omnichannel strategies as retailers sought to overcome disruption resulting from the closure of brick-and-mortar stores and higher demand for online shopping. Euromonitor expects online retail sales to account for 32% of China's overall retail sales by 2025. More retailers will open online stores in the coming five years while there will also be stronger demand for Click-and-Collect space and last mile storage.

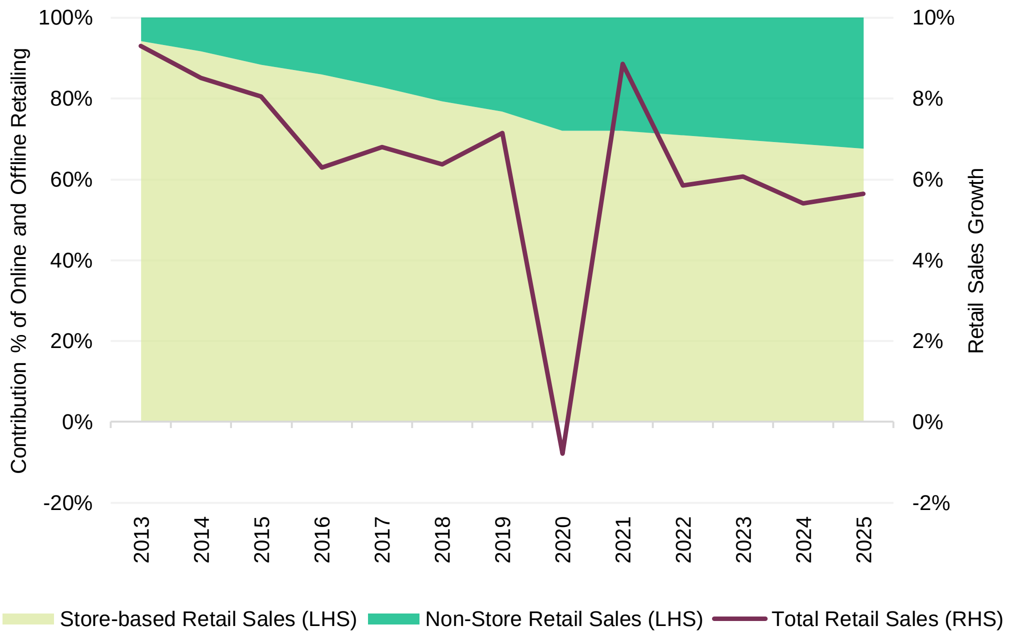
- **Faster growth among Chinese brands**

  Chinese brands, especially retailers in the cosmetics, designer fashion, lifestyle and 3C (computers, consumer electronics, and communication) will expand rapidly in shopping malls.

Key Takeaways

Demographic Change | City Clusters | Homegrown Brands

China online and offline retail sales forecast



Source: Euromonitor, CBRE Research, March 2021

Policy highlights

- Create a modern logistics system with 120 national logistics hubs. Promote the development of cold chain logistics.
- Ensure the manufacturing industry remains stable and accelerate the cultivation of advanced manufacturing clusters. Raise the added value of new strategic industries to over 17% of GDP.
- Accelerate the construction of new infrastructure. Increase the penetration rate of 5G users to 56%. Bring the added value of the digital economy up to 10% of GDP.

Key Takeaways

Logistics Hubs

New infrastructure

Manufacturing clusters

Implications for real estate

- **Growing demand for cold chain logistics and faster e-commerce penetration in lower tier markets**

  Pandemic-led growth in online sales of fresh food, pharmaceuticals and other categories led to a spike in logistics demand in 2020. CBRE predicts that demand for high-standard warehouses in major cities in China from 2021-2023 will increase by 40% over 2018-2020, with requirements for cold chain facilities expected to exhibit particularly strong growth. New infrastructure will accelerate e-commerce penetration in lower-tier markets, spurring demand for high-standard storage facilities in regional logistics hubs and lower-level logistics nodes.

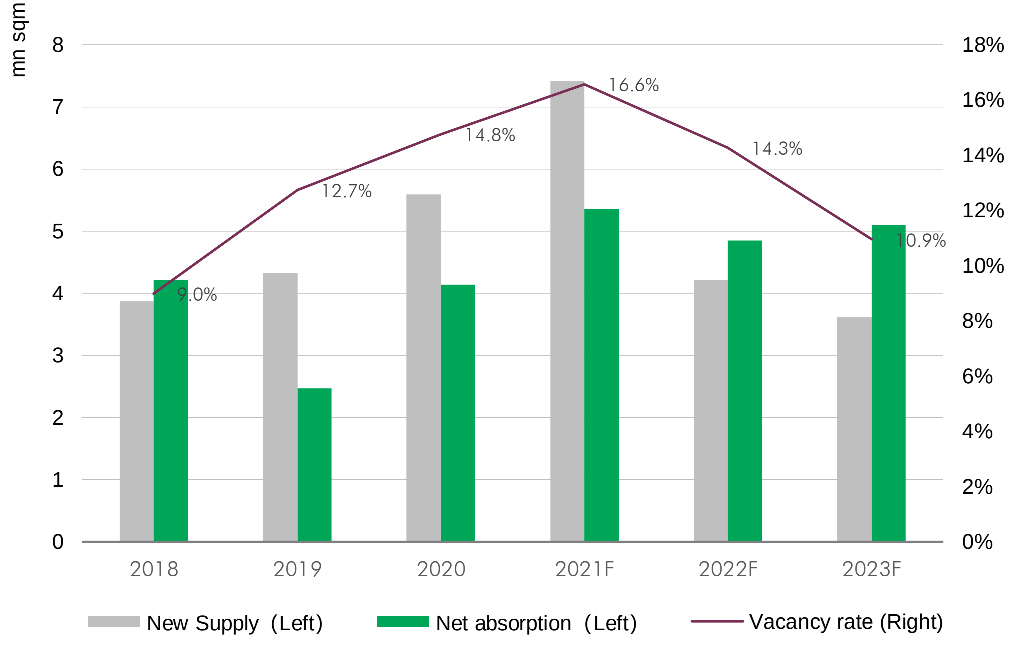
- **Surging requirements for data centres**

  The rapid deployment of 5G will promote China's digital transformation and benefit industries in the digital economy in fields such as cloud computing, Internet of Things (IoT) and big data. The International Data Corporation's predicts that data generated by China will increase from 7.6ZB to 48.6ZB in 2018-2025[1], making it the world's largest data circle. This will drive robust demand for data centres.

- **Upgrading opportunities for industrial parks**

  Policy support for advanced manufacturing and strategic emerging industries will be enhanced under the 14^{th} FYP, with authorities publishing preferential tax policies for related industries since H2 2020[2]. The eastern region and the Yangtze River Economic Belt will focus on establishing advanced manufacturing clusters to drive demand for industrial real estate such as business parks, R&D facilities, and laboratories.

New supply, net absorption and vacancy in China's major cities



Source: CBRE Research, March 2021

1. https://www.cnbc.com/2019/02/14/china-will-create-more-data-than-the-us-by-2025-idc-report.html，IDC，2019年1月
2. "Policies to promote the development of integrated circuit industry and the software industry", July 2020

Policy highlights

- Launch and promote China infrastructure public REITs.
- Accelerate the development of a residential leasing market and gradually equalise the rights of house owners and lessees for public services.
- Accelerate urban renewal and the upgrading of old commercial buildings.

Implications for real estate

- **Launch of public REITs to drive investment in industrial assets**

  China's first batch of infrastructure public REITs will be officially issued this year, with applications already received from nearly 50 projects. As they are classified as "new infrastructure“, industrial parks, logistics facilities and data centres can be included in underlying assets. The growth of the public REIT market will therefore accelerate the flow of capital into infrastructure.

  CBRE's 2021 China Investor Intentions Survey found that 57% of investors plan to purchase more real estate in China this year, with respondents signalling a preference for industrial assets such as high-quality logistics facilities, data centres, and cold storage. CBRE therefore expects investment in industrial real estate to grow rapidly during the 14th FYP period.

- **Accelerated urban renewal**

  The coming years will bring increasing opportunities for urban renewal amid the centralisation of resources to regional hubs. CBRE predicts that by the end of the 14th FYP period, the volume of office stock that is more than 20 years old will reach 24.48 million sq. m., an increase of 44% from the end of the 13th FYP period. The volume of retail stock that is more than 20 years old will reach 14.81 million sq. m., up 60% from the end of the 13th FYP period. As most of these properties are concentrated in core areas, they offer appealing prospects for investment and upgrading.

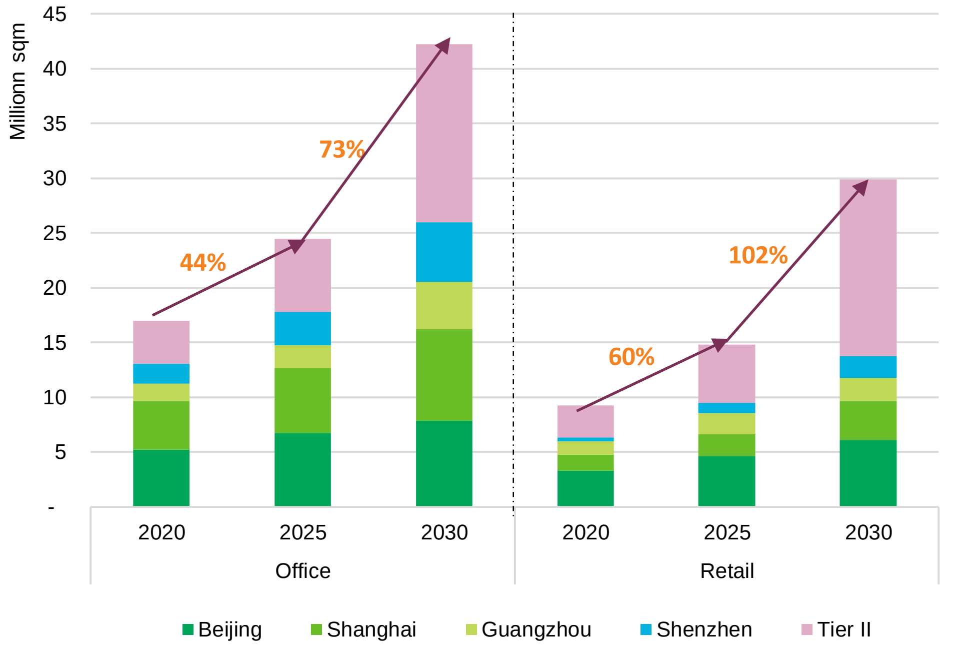
- **Development of a long-term lease apartment market**

  The 14th FYP will promote the development of a residential leasing market by addressing issues such as supply and the equal rights of homeowners and lessees for public services. Supported by rapid urbanisation and Hukou system reform, the years from 2021-2025 will see the emergence of long-term leasing apartments in core areas of tier I and II cities attracting strong population inflows.

Key Takeaways

REITs	Urban Renewal	Equal Rights for Home Buyers and Tenants

Total office and retail stock 2020-2030



Tier II cities include Tianjin, Hangzhou, Nanjing, Suzhou, Wuxi, Ningbo, Wuhan, Chengdu, Chongqing, Shenyang, Dalian and Qingdao

Source: CBRE Research, March 2021

CITY PLAN HIGHLIGHTS AND IMPLICATIONS FOR REAL ESTATE

CITY PLAN HIGHLIGHTS | BEIJING

Key economic indicators

	13th Five-Year plan goals	13th Five-Year plan actual	14th Five-Year plan goals
GDP growth rate^	6.5%	5.5%	About 5%
Added value of tertiary industry as % of GDP *	>80%	83.9%	Further strengthen tertiary industry
Population (million) *	<23	21.5 (2019)	≤23
Foreign direct investment (Accumulative)	Over USD 50 billion for five years	USD 83 billion	About USD 83 billion for five years
Growth^/Proportion of digital economy	No specific goal	38% (Proportion, 2019)	Growth rate of around 7.5%
Total social investment in R&D as a % of GDP^	About 6%	6%	About 6%
Per capita disposable income growth rate^	Match GDP growth rate	7.5%	Match GDP growth rate
Carbon emissions	Decrease per the national standard	Down 23% from 2015	Decrease per the national standard
Scale of urban construction land*	<2800 sq.km	2860 sq. km. (goal for 2020)	Keep falling

Remark: * for end-of-period goals and ^ for goals during the period
Source: Beijing 13th Five-Year Plan, Beijing 14th Five-Year Plan, Beijing Statistics Bureau, CBRE Research, March 2021

Key industry drivers

Modern Tertiary Industry

- Modern financial innovation centre
- Global consumption centre
- Key logistics hub
- Cultural and travel destination.

High-end Industry

- Added value of high-end industry targeted to reach 30% of GDP
- Focus on new high-tech, pharmaceuticals and new energy industries

Digital Economy

- Build 50,000 new 5G stations, covering 95% of the city area
- Create an internationally competitive digital industry cluster

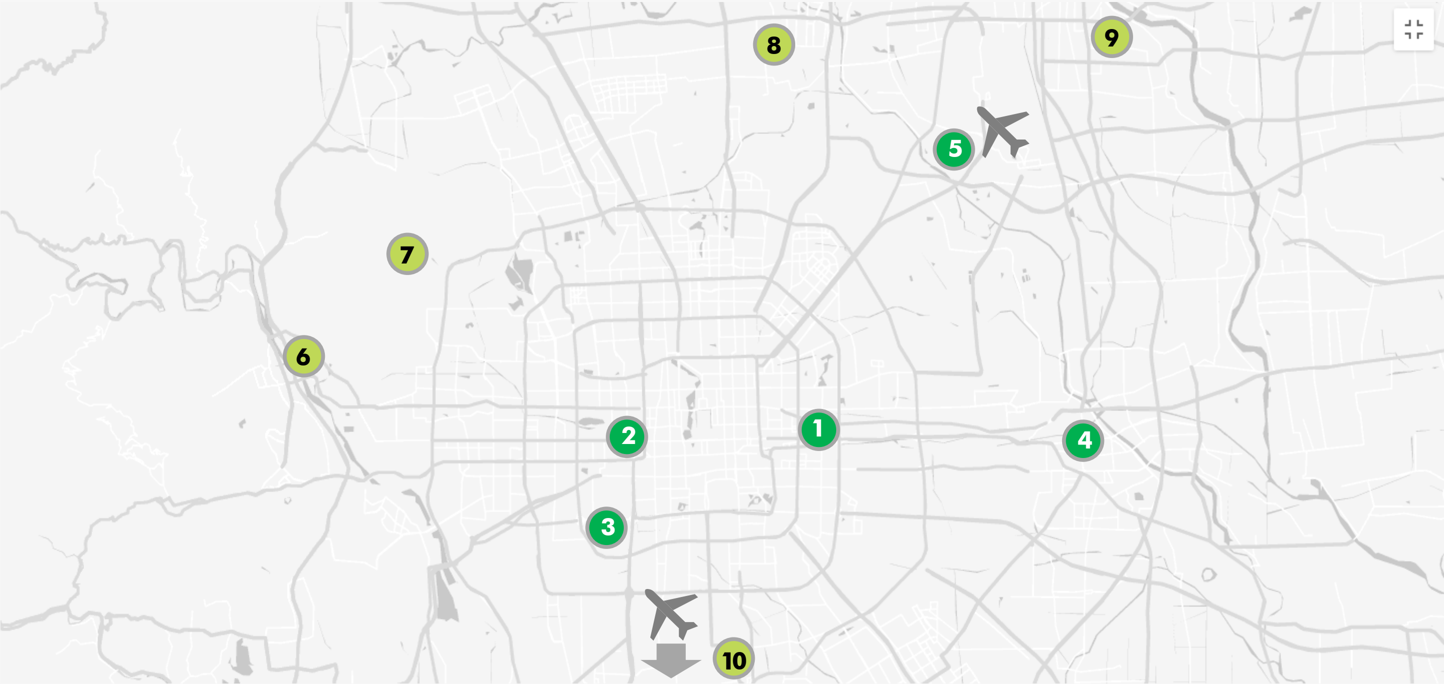
Implications for real estate

- TMT companies were the largest source of leasing demand for **offices and business parks** in Beijing in 2020. The rapid development of high-end industries and the digital economy during the 14th FYP period will provide a strong foundation for continued strong TMT sector demand for these property types;
- Beijing's emergence into an international consumption centre will feature an emphasis on "first store" and omnichannel development. This will spur **retail property market** growth, characterised by a stronger focus on international, experiential and omnichannel features;
- The 14th FYP will support the redevelopment of warehouses and factories to cold chain facilities and stereoscopic warehouses, creating new opportunities for **industrial real estate investment**;
- From 2021-2025 Beijing will introduce urban renewal schemes involving 700 old factories and upgrade Grade A offices that are more than 10 years old. The latter involve more than 5 million sq. m. of space, generating prospects for investment in **urban renewal**.

CITY PLAN HIGHLIGHTS | BEIJING

MAJOR CLUSTERS FOR DEVELOPMENT DURING THE 14TH FIVE-YEAR PLAN

- Business Service Cluster
- High-Tech Cluster



1 CBD

2 Financial Street

3 Lize

4 Tongzhou

5 Airport EDZ (Capital International Airport)

6 Shijingshan

7 Zhongguancun Science City

8 Changping Future Science City

9 Huairou Science City

10 Airport EDZ (Daxing International Airport)

CITY PLAN HIGHLIGHTS | SHANGHAI

Key economic indicators

	13th Five-Year plan goals	13th Five-Year plan achievement	14th Five-Year plan goals
GDP growth rate^	6.5%	6.2%	5.0%
Added value of tertiary industry as % of GDP *	70%	73.1%	70%
Population (million) *	< 25	24.3	Population in five new towns to reach 3.6 million
Foreign direct investment Growth*	USD 82 billion	USD 92 billion	To be the first choice of foreign companies who plan to invest in China
Exports*	To contribute 25% of national total	-	To contribute 3.2% of global port imports and exports
Proportion of digital economy*	50%	50%	>60%
R&D intensity*	3.5%	4.1%	4.5%
Number of headquarters of MNCs*	To add another 200 (535 by end of 2015)	771	1,000
Per capita disposable income*	RMB 72,000 per capita	RMB 72,232 per capita	Annual growth rate of 5%
Carbon emissions*	Total carbon emission below 250 million tons	-	Total carbon emissions to be under 43 million tons

Remark: * for end-of-period goals and ^ for goals during the period
Source: Shanghai 13th FYP, Shanghai 14th FYP, Shanghai Statistics Bureau, March 2021

Key industry drivers

Financial Opening-up and MNC Headquarters

- Financial market trading volume to reach RMB 2,800 trillion
- Number of multinational headquarters to reach 1,000

Consumption

- Establish itself as a global consumption centre
- Localise the high-end brand segment
- Attract new-to-China brands

International Trading and Shipping

- Raise annual container throughput to 47 million TEUs by end-2025

Emerging Industries

- Ensure emerging industries contribute 20% of total GDP

Implications for real estate

- The further opening-up of the financial markets and the setting up of more multinational headquarters will bring strong momentum to the **office** leasing market;
- Demand for **industrial and logistics** real estate will receive a boost from strategic emerging industry development;
- Stronger economic growth momentum and industry growth will attract more investors to participate in the **commercial** real estate investment market.
- Shanghai will continue to be a preferred market for international **retail** brands as well as for large scale flagship stores.

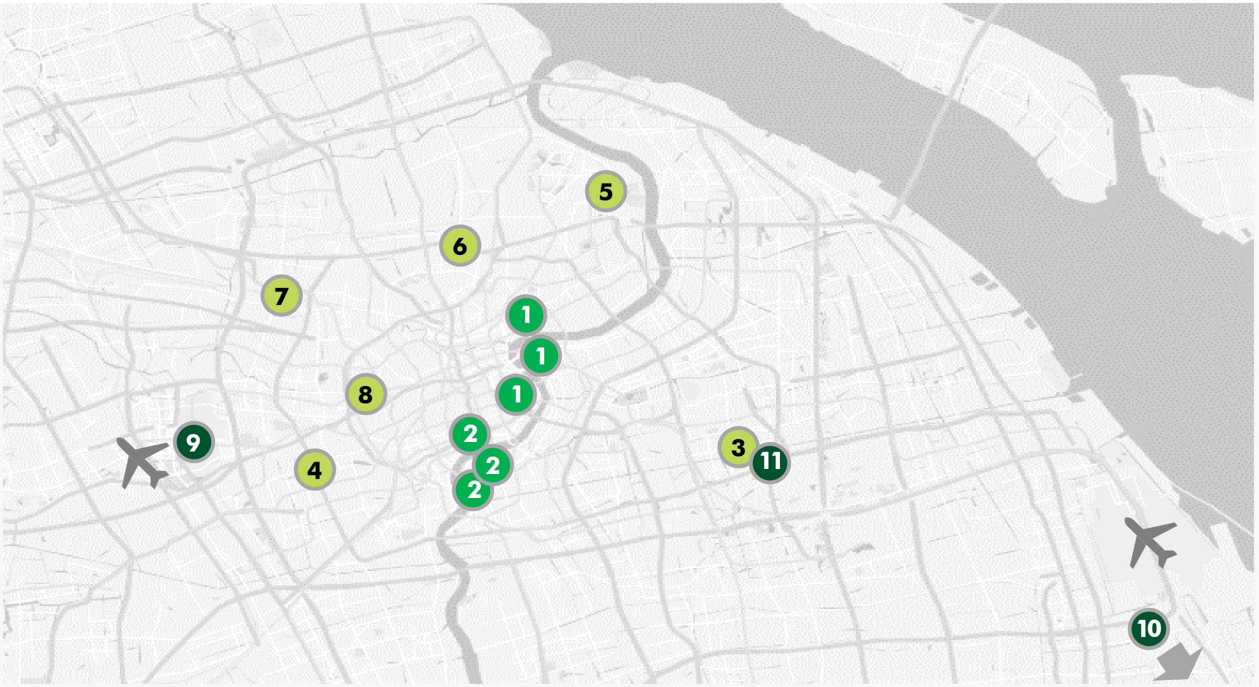
CITY PLAN HIGHLIGHTS | SHANGHAI

MAJOR CLUSTERS FOR DEVELOPMENT DURING THE 14TH FIVE-YEAR PLAN

Business Service Center

High-Tech Cluster

Carrier Cluster of National Strategy



1	Bund – Lujiazui – North Bund
2	Expo – Qiantan – West Bund
3	Zhangjiang
4	Caohejing
5	Yangpu Demonstration Zone of Entrepreneurship & Innovation
6	Shibei High-Tech Zone
7	China – Israel Innovation Hub
8	Hongqiao Innovation Center
9	Hongqiao CBD
10	Lingang
11	Zhangjiang Science City

CITY PLAN HIGHLIGHTS | GUANGZHOU

Key economic indicators

Key Indicator	13th Five-Year plan goals	13th Five-Year plan actual	14th Five-Year plan goals
GDP growth rate^	7.5%	6%	Continued healthy growth rate
Added value of tertiary industry as % of GDP *	70%	72.5%	Maintain stability
Added value of finance industry as % of GDP *	12%	8.6%	Accelerate the creation of a modern financial system
Population (million) *	< 15.5	15.3 (end 2019)	< 20 (end 2035)
FDI Growth (Period Value)*	-	7.5% (2020 data)	Further opening of service industry
Exports*	USD 200 billion (total exports and imports)	-	Upgrade and optimise international trading
Added value of digital economy as % of GDP*	-	-	Establish a leading position in the digital economy
R&D intensity*	3%	2.87%	Further investment
Per capita disposable income growth rate^	Same growth rate as GDP	8.1%	Same growth rate as GDP
Sustainability	Decrease pollution emissions	Air quality met targets	Reduce carbon emissions

Remark: * for end-of-period goals and ^ for goals during the period

Source: Guangzhou 13th FYP, Guangzhou 14th FYP (draft), Guangzhou Statistics Bureau, March 2021

Key industry drivers

Technology and Innovation

- Construct country-level R&D centres;
- Focus on the development of artificial intelligence, IoT and the automotive industry

Modern Service

- Strengthen the importance of the China Import and Export Fair
- Accelerate the construction of the Guangzhou Futures Exchange

Manufacturing

- Ensure a stable contribution from the manufacturing industry
- Prioritise growth of emerging industries

Implications for real estate

- The further opening-up of the financial and services industries will have a positive knock-on effect on **office** leasing demand in Guangzhou.
- Urban renewal will create more **commercial** real estate development opportunities.
- The expansion of Nansha Port and construction of Shugang Railway will enhance Guangzhou's role as a logistics centre in the Greater Bay Area (GBA). The development of a modern automotive industry will benefit **industrial** real estate.
- As a core market in the GBA, Guangzhou will remain a priority **investment** destination.

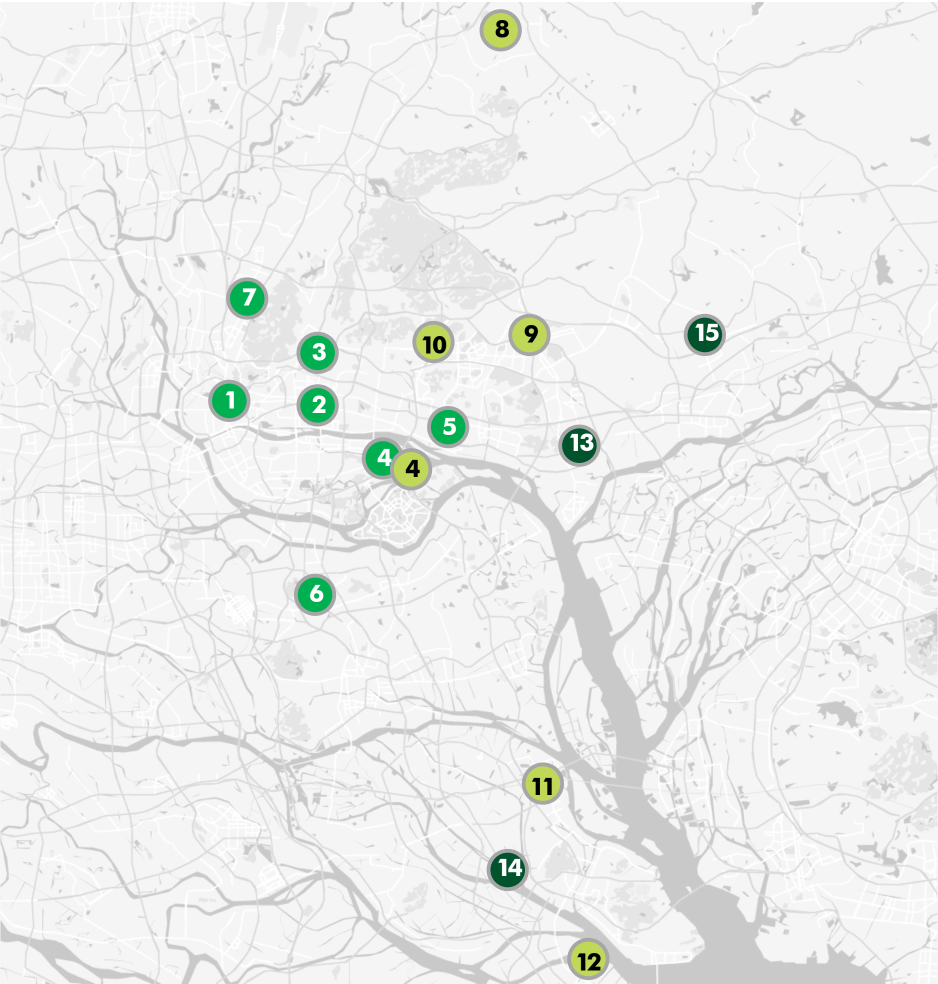
CITY PLAN HIGHLIGHTS | GUANGZHOU

MAJOR CLUSTERS FOR DEVELOPMENT DURING THE 14TH FIVE-YEAR PLAN

Business Service Cluster

High- Tech Cluster

Manufacturing Cluster



1	Yuexiu
2	Zhujiang New City
3	Tianhe Sports Center
4	Pazhou – Guangzhou Pilot Zone of Artificial Intelligence and Digital Economy
5	Guangzhou International Finance City
6	Wanbo Changlong Area
7	Baiyun New City Headquarters Area
8	China – Singapore Guangzhou Knowledge City
9	Guangzhou Science City
10	Tianhe Smart City
11	Nansha Science City (Qingsheng)
12	Nansha Science City (Mingzhu)
13	Guangzhou Economic and Technology Development Zone
14	Nansha Economic and Technology Development Zone
15	Zengcheng Economic and Technology Development Zone

CITY PLAN HIGHLIGHTS | SHENZHEN

Key economic indicators

	13th Five-Year plan goals	13th Five-Year plan actual	14th Five-Year plan goals
GDP growth rate^	9.72%	7.04%	8.92%
Added value of tertiary industry as % of GDP *	61%	62.1%	Not published yet
Population (million) *	14.8	13.4	Balanced population growth strategy
Foreign direct investment growth rate^	-	7.14%	Loosening foreign investment access restrictions for frontier technology
Export growth rate^	-	0.72%	Create quality national export hub
Digital economy growth^	Scale of strategic new industries reaches RMB 3 trillion in 2020, including digital economy	7.20%	Average annual growth rate of 6.5% as per the special plan1
R&D intensity*	4.25%	4.93%	5.0%
Per capita disposable income*	60,000	64,878	Not published yet
Sustainability*	Non-fossil fuels to comprise 15% of total energy consumption in 2020	-	Pilot to achieve a national standard by 2030

1 "Action plan for digital economies in Shenzhen (2021-2023)"

Remark: * for end-of-period goals and ^ for goals during the period

Source: 13th Five-Year Plan, 14th Five-Year Plan, Shenzhen Statistics Bureau, CBRE Research, March 2021

Key industry drivers

Strategic New Industry

- Serve as a growth engine for strategic new industries
- Promote the development of advanced manufacturing clusters for new energy automotive production and other industries

Modern Tertiary Industry

- Develop knowledge-intensive service industries
- Further open the service industry
- Build an international convention and exhibition centre

Financial industry

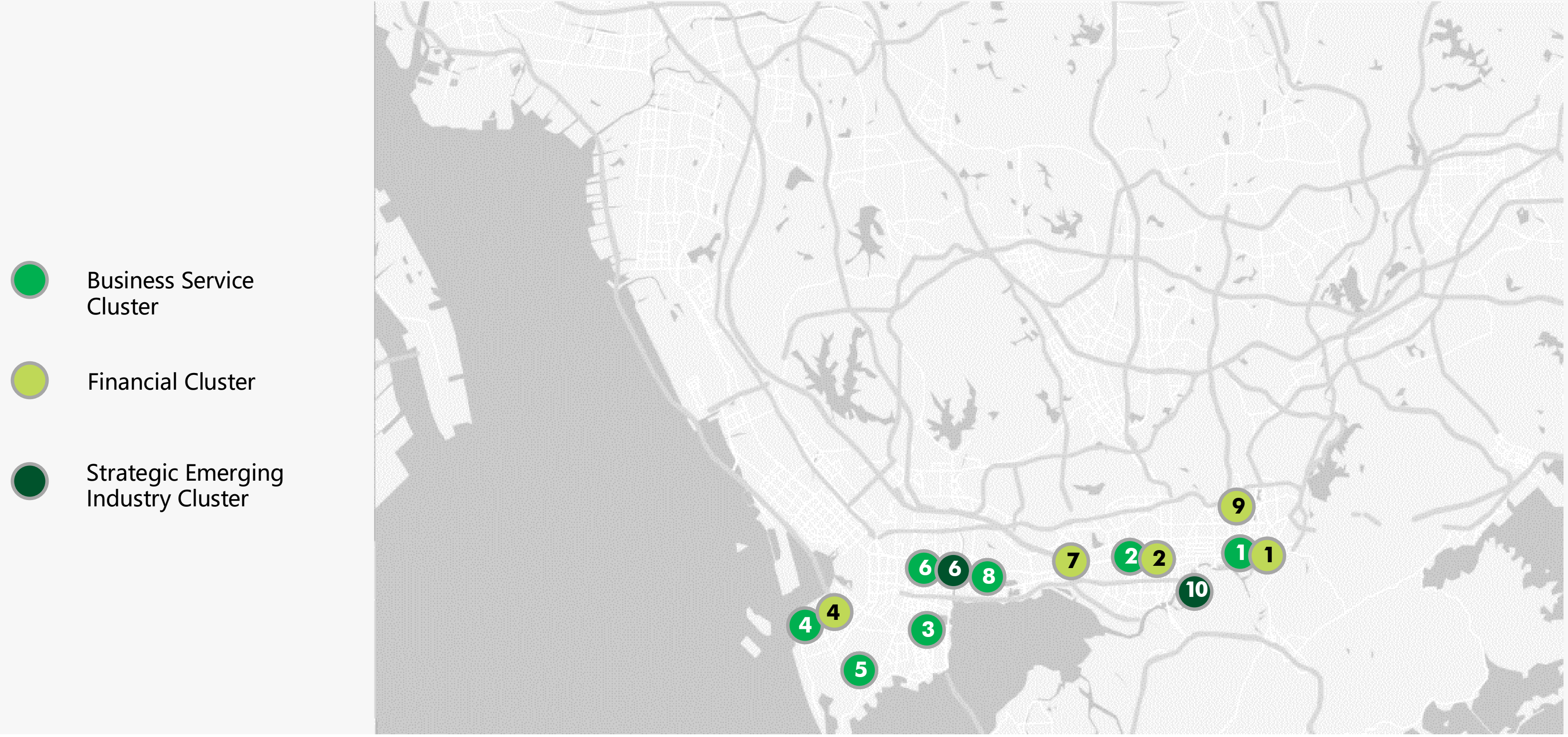
- Build a global capital formation centre
- Promote two-way financial opening-up
- Create a national pilot zone for green finance
- Construct a pilot zone for financial supervision

Implications for real estate

- The growth of strategic new industries will drive new office demand from the technology sector. The further development of modern tertiary industry and financial industry will also support **office** leasing;
- Shenzhen will be developed into an international consumption centre catering to high-end consumers. Brands related to the automotive industry and sporting goods will generate requirements for **retail space**;
- The development of bonded logistics zones and cold chain logistics facilities, together with the upgrading of traditional retail and new consumption modes, will support further **industrial** market growth;
- Shenzhen's healthy development of pillar industries and strong long-term leasing fundamentals will underpin robust **investor** interest in the city.

CITY PLAN HIGHLIGHTS | SHENZHEN

MAJOR CLUSTERS FOR DEVELOPMENT DURING THE 14TH FIVE-YEAR PLAN



1	Caiwuwei
2	Futian CBD
3	Houhai
4	Qianhai
5	Shekou
6	High-Tech Park
7	Xingmihu Financial Center
8	Shenzhen Bay Headquarters Base
9	Hongling Emerging Financial Industry Belt
10	Hetao Shenzhen – Hong Kong Corporation Zone for Technology and Innovation

KEY DEVELOPMENT GOALS UNDER 14TH FIVE-YEAR PLAN FOR MAJOR TIER II CITIES

Key Word	Indicator	Goals under 14th Five-Year Plan								
		Hangzhou	Suzhou	Ningbo	Chengdu	Chongqing	Xi'an	Changsha	Zhengzhou	Qingdao
Economic Development and Upgrading	Annual GDP growth^	RMB 2.3 trillion by 2025	About 6%	Annual average 6.5%	6-8%	About 6%	>6.5%	About 7%	GDP of Economic development zone of RMB 200 bn by 2025	7%
	Annual growth in labour productivity^	-	6%	7%	Higher than GDP	19%	7%	-	-	-
	Strategic emerging industries as % of GDP*	-	-	-		-	5%（core industries of digital economy as % of GDP）	>35%（High tech industry as % of GDP）	12%	40% for four new forms of economy1
	Tertiary industries as % of GDP *	-	-	-	-	-	-	-	65%	Reached more than 60% by the end of 13th Five-Year Plan. Not detailed in 14th Five Year Plan
Innovation	R&D expenditure as % of GDP*	4%	About 4%	3.6%	8+%（R&D expense growth rate）	2.5%	-	About 10.5%	-	-
	Share of basic research in R&D*	-	-	-	-	-	-	-	-	-
	High-value invention patents per 10,000 people *	-	23.8	45,000 patents	18	16	12	1.5 patent per 10,000 people	-	20
	Digital economy as % of GDP*	30%	>30%	11%	Higher than national level	35%	-	12%	-	8.5%
Urbanization	Population*	-	-	-	-	-	-	-	-	11 million permanent residents
	Urbanisation rate*	82%	Reach 76%	80%	80%	73%	77%	82%	-	-
Consumption Upgrading	Annual growth in per capita disposable income^	Reach RMB 85 thousand by 2025	Match GDP growth rate	5%	Match GDP growth rate	6.5%	7.50%	About 7%	7%	Per capita GDP of USD 40,000 in 2035
	Surveyed urban unemployment rate*	-	<3%	-	About 5%	<5.5%	<5.5%	-	≤4%	New employment of 1.75 million
Sustainability	Energy consumption per unit of GDP*	-	Per provincial goal	Per provincial goal	Per provincial goal	Per national goal	-	-	Energy intensive industries drop to 20% of all industries	-
	CO_2 emission per unit of GDP*	Achieve peak emissions by 2025	Per provincial goal	Per provincial goal	Per provincial goal	Per national goal	-	-	-	-

Remark: * for end-of-period goals and ^ for goals during the period; 1：new technology, new industry, new business, new form of economy; Source: 13th Five-Year Plan and 14th Five-Year Plan of each city, CBRE Research, Mar 2021

FOR MORE INFORMATION, PLEASE CONTACT

CBRE Research

Sam Xie
Head of Research, China
Sam.xie@cbre.com

Shirley Hu
Director, China Research
Shirley.hu@cbre.com

Victoria Hong
Manager, China Research
Victoria.hong@cbre.com

Joey Wu
Senior Analyst, China Research
Joey.wu@cbre.com

Ophelia Liu
Analyst, China Research
Ophelia.liu@cbre.com

Ivy Lu
Head of Research, East China
Ivy.lu@cbre.com

Tin Sun
Head of Research, North China
Tin.sun@cbre.com

Sabrina Guo
Director, Shenzhen Research
Sabrina.guo@cbre.com

Frannie Yang
Associate Director, Guangzhou Research
Frannie.yang@cbre.com

Adina Lin
Associate Director, Chengdu & Chongqing Research
Adina.lin@cbre.com

Karen Zhao
Manager, Xi'an Research
Karen.Zhao@cbre.com

Dian Huang
Associate Manager, Central China Research
Dian.huang@cbre.com

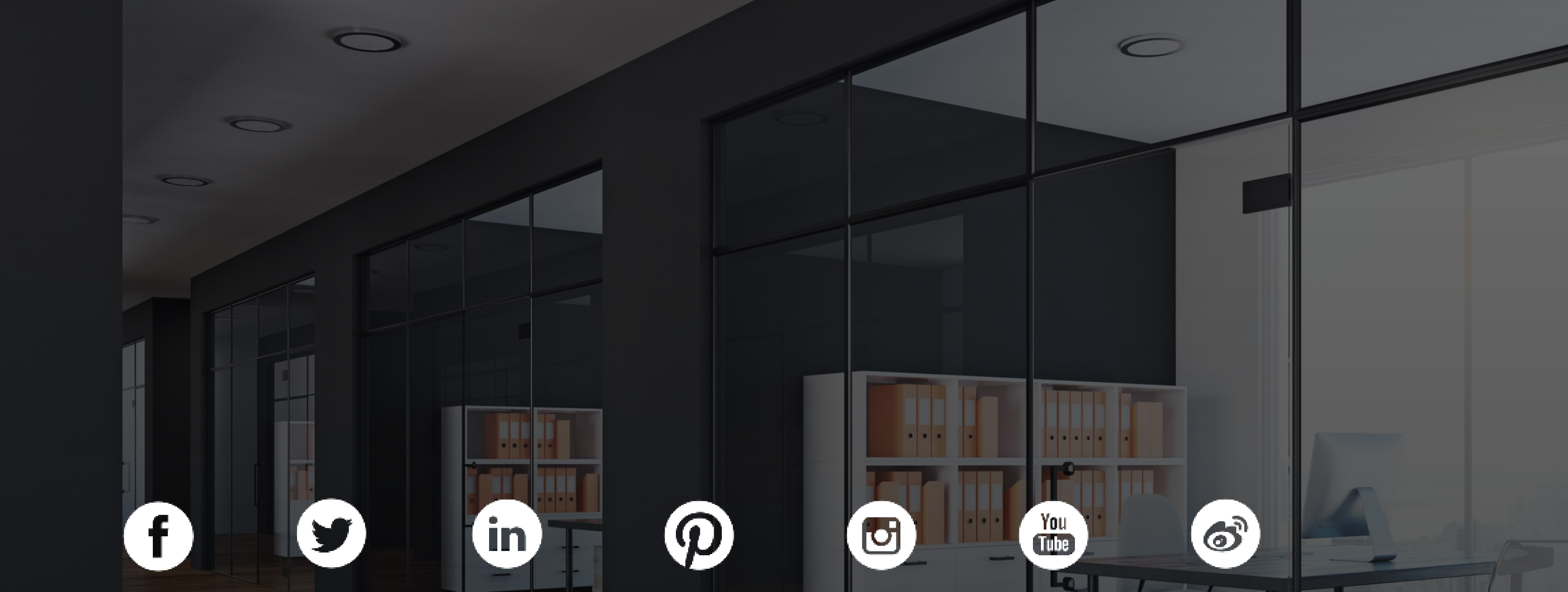
For more information regarding global research, please contact:

Richard Barkham, Ph.D., MRICS
Global Chief Economist &
Head of Americas Research
richard.barkham@cbre.com

Neil Blake, Ph.D.
Global Head of Forecasting and Analytics |
EMEA Chief Economist
neil.blake@cbre.com

Henry Chin, Ph.D.
Global Head of Investor Thought Leadership
Head of Research, Asia Pacific
henry.chin@cbre.com.hk

Spencer Levy
Chairman Americas Research &
Senior Economic Advisor
spencer.levy@cbre.com



CBRE RESEARCH

This report was prepared by the CBRE China Research Team, which forms part of CBRE Research – a network of preeminent researchers who collaborate to provide real estate market research and econometric forecasting to real estate investors and occupiers around the globe.

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/research-and-reports

CBRE