

Seasonal factors boost logistics and retail leasing activity; C-REIT expansion unlocks exit channels for office and hotel investment

+5.0%

GDP
(2025, Y-o-Y)

+3.7%

Retail Sales
(2025, Y-o-Y)

-3.8%

Fixed Asset Investment
(2025, Y-o-Y)

Source: National Municipal Statistics Bureau, CBRE Research, February 2026

Executive Summary

- **Office:** Net absorption reached 480,000 sq. m. in Q4 2025, with full-year net absorption rising 12% y-o-y to 2.15 million sq. m.. New supply fell by 7% q-o-q to 1.23 million sq. m., bringing the full year total to 4.43 million sq. m., a 20% increase y-o-y. Average vacancy rose by 0.4 percentage points q-o-q to 24.7%. Rents fell 2.4% q-o-q, bringing the full-year decrease to 10.4%.
- **Retail:** New shopping mall openings pushed up quarterly supply and demand above 1 million sq. m., a near q-o-q doubling of volumes. Full-year supply and demand fell by 17% y-o-y and 33% y-o-y to 3.22 million and 2.52 million sq. m., respectively. Average vacancy rose by 0.1 percentage points q-o-q to 7.6%. Rents dropped by 0.6% q-o-q, bringing the full-year decline to 1.9%.
- **Logistics:** Double 11 and Black Friday pushed up net absorption by 6% y-o-y and 51% q-o-q in Q4 2025, surpassing 3 million sq. m. for the first time in a single quarter. Annual demand rose 40% y-o-y to 10.2 million sq. m., setting a new historical high. Quarterly supply rose by 95% q-o-q to 3.4 million sq. m.. Average vacancy reached 18.6%, a sixth consecutive q-o-q decline.
- **Investment:** A total of 95 transactions worth RMB 55.2 billion were recorded this quarter, representing a 5% decrease q-o-q. Full year investment volume totalled RMB 254.7 billion, marking a 12% y-o-y increase despite a 30% drop in deal count. Deals for mixed-use and office rebounded sharply, while retail and rental housing investment surged to record annual highs.

FIGURE 1: Quick Statistics

Office	q-o-q	y-t-d	y-o-y
Rent	-2.4%	-10.4%	-10.4%
Vacancy Rate	+0.4 pps.	+1.2 pps.	+1.2 pps.
Retail	q-o-q	y-t-d	y-o-y
Rent	-0.6%	-1.9%	-1.9%
Vacancy Rate	+0.1 pps.	+0.3 pps.	+0.3 pps.
Logistics	q-o-q	y-t-d	y-o-y
Rent	-2.9%	-12.8%	-12.8%
Vacancy Rate	-0.3 pps.	-2.7 pps.	-2.7 pps.
Investment	q-o-q	y-t-d total, y-o-y	y-o-y
Total volume ¹	-5.4%	+12.0%	+7.9%

Note 1: Transactions include deals above US\$10 million in the office, retail, mixed, industrial, hotel and other commercial sectors
Source: CBRE Research, Q4 2025.

Economy maintains steady growth

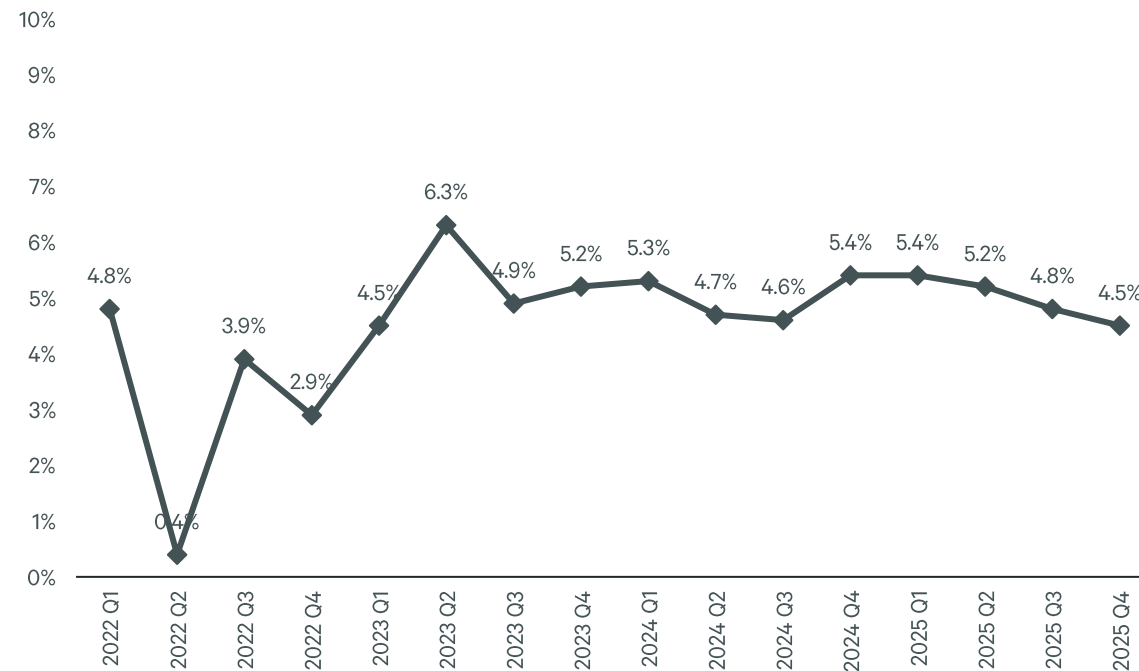
China's GDP grew by 4.5% in Q4 2025, bringing full-year growth to 5%, demonstrating resilience against external volatility while consistently harnessing new drivers for economic expansion.

In October 2025, the CPC Central Committee of the Chinese Communist Party issued "Recommendations of the CPC Central Committee on Formulating the 15th Five-Year Plan for National Economic and Social Development." The document has set the tone for the next five years by prioritising "effective qualitative improvement alongside reasonable quantitative growth." This signifies a strategic shift in China's economic trajectory and marks a move away from a focus on "scale-driven growth" toward "high-quality development." CBRE forecasts that China's GDP growth rate will settle at approximately 4.5% in 2026.

China's export sector demonstrated extraordinary resilience in 2025 amid intensifying international trade friction. Exports in USD grew by 5.5% y-o-y, propelling the country's trade surplus above the US\$1 trillion mark for the first time. The diversification and optimisation of both market distribution and product structures became more pronounced over the course of the year, with exports to Africa, ASEAN, and the EU rising by 25.8%, 13.4%, and 8.4%, respectively. Goods in the high-tech categories—including professional equipment, high-end machine tools, and automobiles—all recorded export growth exceeding 20%. CBRE expects the continued momentum of the Belt & Road Initiative, rising investment in AI infrastructure, and the cooling of China-U.S. trade tensions to provide sustained support to exports in 2026.

In 2025, profits of industrial enterprises above a designated size grew by 0.6% y-o-y, effectively reversing a three-year consecutive decline. However, industrial capacity utilisation remained at a relatively low level of 74.4% in Q4 2025. In the coming year, the manufacturing sector will continue to undergo structural transformation and upgrading, guided by the dual priorities of innovation and anti-involution. With capital expenditure expected to remain skewed toward advanced manufacturing sectors with high export prosperity, fixed-asset investment in manufacturing is expected to maintain low single-digit growth throughout the year.

FIGURE 2: China GDP Growth (% Y-o-Y)



Source: National Statistics Bureau, Q4 2025.

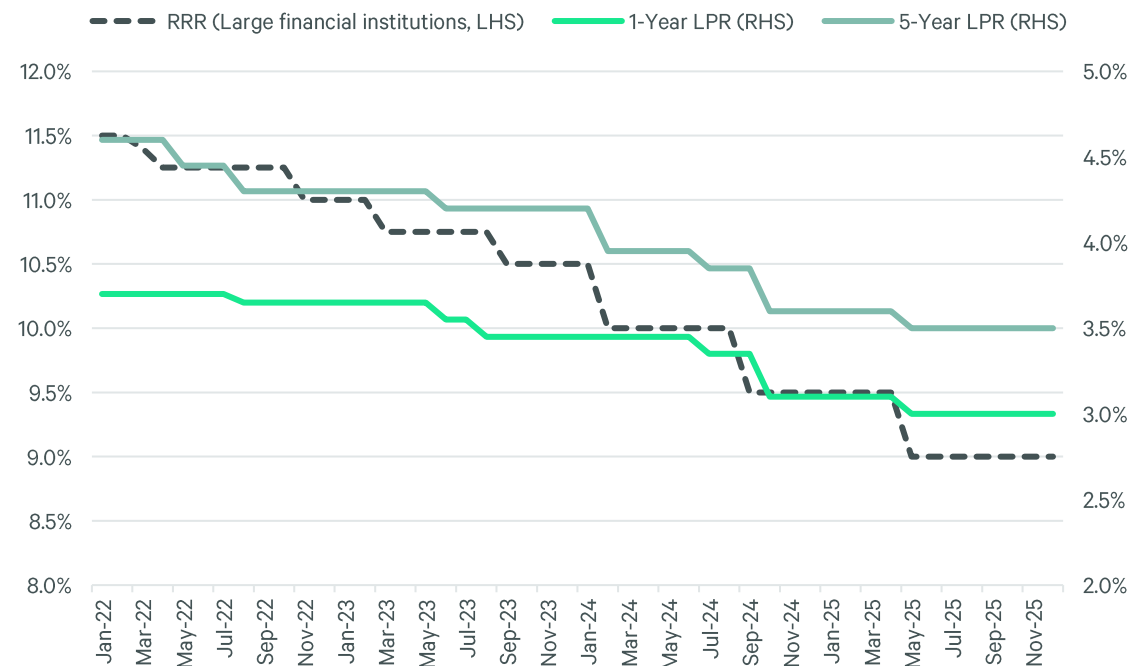
Domestic demand to continue to drive economy

In 2025, final consumption expenditure accounted for 52% of China’s economic growth. However, with PPI declining by 2.6% and CPI remaining flat over the year, expanding domestic demand will remain the core driver of China’s economy in 2026. Over the past two months, the first batch of Ultra-long Special Treasury Bonds, totaling RMB 156.1 billion, was disbursed to support consumer goods trade-ins and equipment upgrades. CBRE anticipates to see the implementation of more proactive fiscal measures this year specifically targeting investment in people through enhanced social welfare and livelihood protection.

Monetary policy is expected to remain moderately accommodative. During a press conference in mid-January, the People’s Bank of China (PBoC) indicated that there is still room for further interest rate cuts CBRE forecasts a reduction of approximately 15bps in the one-year Loan Prime Rate (LPR) in 2026.

In 2025, nationwide property development investment dropped by 17.2%, while sales of new commodity housing fell by 13% y-o-y, with pace of decline narrowing by 4.6 percentage points compared to the previous year. De-stocking remains real estate developers’ top priority in 2026. A series of policies introduced in late 2025, including the optimisation of purchase restrictions in Beijing and VAT exemptions on home purchases, alongside the "dual cuts" to mortgage rates in early 2026, are expected to stimulate the release of legitimate housing demand. Residential sales are projected to gradually approach a bottoming-out range, thereby mitigating the drag effect of real estate investment on the overall economy.

FIGURE 3: Reserve Requirement Ratio (RRR) and 1-year Loan Prime Rate (LPR)



Source: PBoC, CBRE Research, Q4 2025.

Office

Net Absorption
-26% y-o-y

Vacancy
+1.2 pps. y-o-y

Rent
-10.4% y-o-y

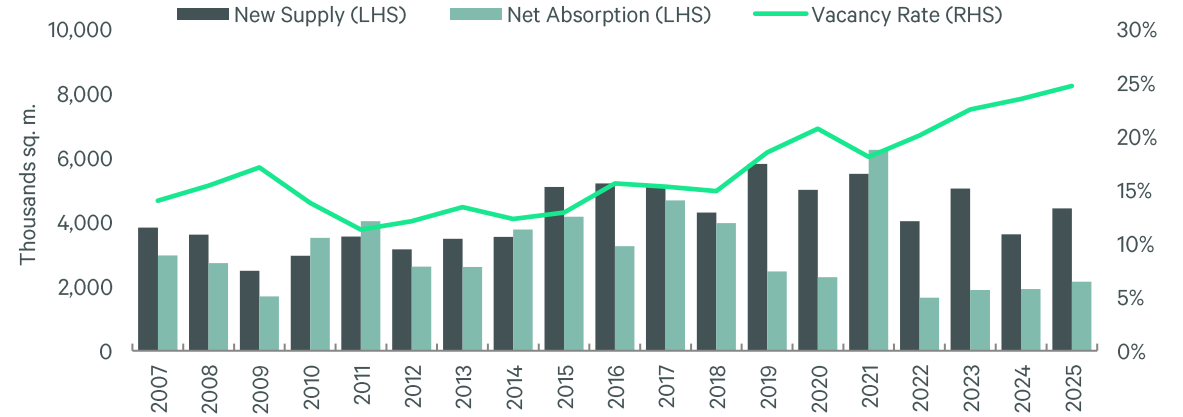
Beijing, Shanghai, and Shenzhen lead demand recovery; nationwide average office rents drop 10% y-o-y

Nationwide office net absorption reached 480,000 sq. m. in Q4 2025, on par with the level of the previous quarter. Full-year net absorption increased by 12% y-o-y to 2.15 million sq. m., surpassing the 2 million sq. m. mark for the first time in three years. Shenzhen, Beijing, and Shanghai registered the highest net absorption this quarter, accounting for 72% of the total across the ten major cities tracked by CBRE. Relocations and renewals contributed nearly 80% of total leased area for the year, increasing by 10% and 17% y-o-y, respectively, reaching a five-year high. Leased area of new set-ups and expansions grew 6% y-o-y following three consecutive annual declines, indicating a marginal improvement in expansionary sentiment.

New supply edged down by 7% q-o-q to 1.23 million sq m. in Q4 2025, with the bulk of new stock concentrated in tier II cities' submarkets including Nanjing Hexi, Chengdu's traditional CBD, Wuhan Xudong Avenue and Hangzhou Qianjiang Century City, along with Shanghai Hongqiao and Zhenru. Annual new supply totaled 4.43 million sq. m., reflecting a 20% increase y-o-y.

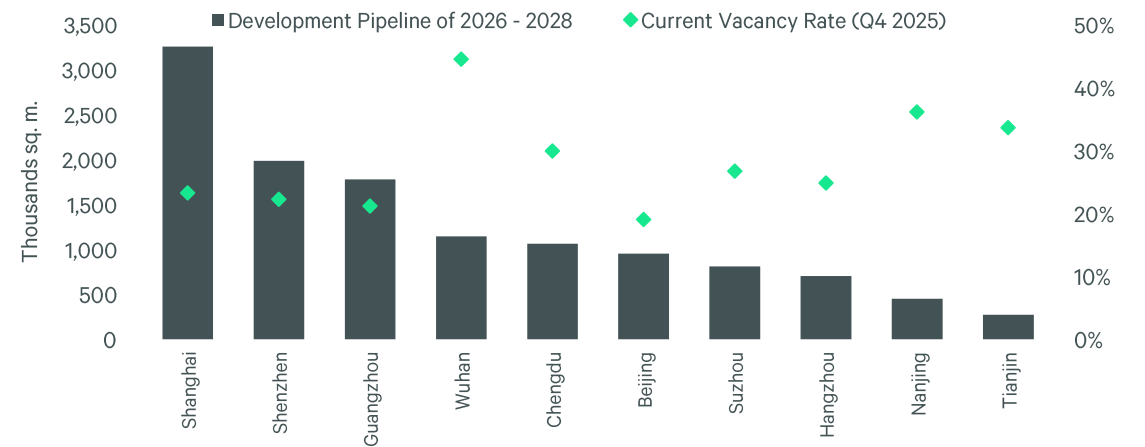
Nationwide average office vacancy rose by 0.4 percentage points q-o-q and 1.3 percentage points y-o-y, respectively, reaching 24.7% by year's end. Expansionary momentum from the TMT sector pulled down Beijing's vacancy to its lowest level in three years. However, vacancy in the other nine cities tracked by CBRE continued to edge up. Amid ongoing pressure on take-up, nationwide average rents declined by 2.4% q-o-q, bringing the full-year decrease to 10.4%. This marked the second largest annual rental decline on record, except for the period following the 2008 Global Financial Crisis (GFC).

FIGURE 4: China Office New Supply, Net Absorption and Vacancy Rate



Source: CBRE Research, Q4 2025.

FIGURE 5: Vacancy Rate and Development Pipeline



Source: CBRE Research, Q4 2025.

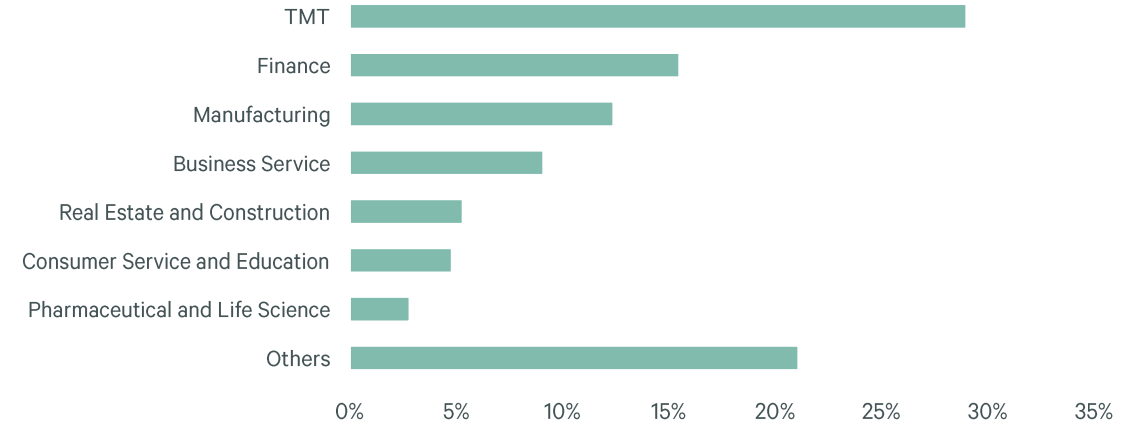
TMT demand reaches three-year high

Nationwide office leasing volume remained flat q-o-q but increased by 11.3% y-o-y in Q4 2025, with the total leased area for the full-year growing by 8.8% y-o-y. TMT contributed one-third of quarterly leasing volume this quarter, its highest level in nearly three years, maintaining its position as the leading demand driver for the seventh consecutive quarter. Artificial intelligence and its upstream and downstream sub-sectors performed well, with leasing volume increasing by 9% q-o-q and 43% y-o-y. New set-up and expansion deals surged by 22% q-o-q and 126% y-o-y. The focus of activity was primarily on submarkets featuring industrial agglomeration, such as Beijing Zhongguancun and Shanghai Xuhui Riverside, where annual net absorption increased by 112% y-o-y and 156% y-o-y, respectively.

While the proportion of leasing transaction area contributed by the finance sector decreased to 16% in Q4 2025, annual leasing volume by firms in this industry still grew by 1.3%, indicating initial signs of stabilisation and recovery. Non-banking financial institutions accounted for 90% of leasing volume within the sector, with nearly 80% of these transactions involving relocations. During the quarter, several large-scale leases were concluded in areas such as Beijing Finance Street, Shenzhen Qianhai, and Chengdu Financial City.

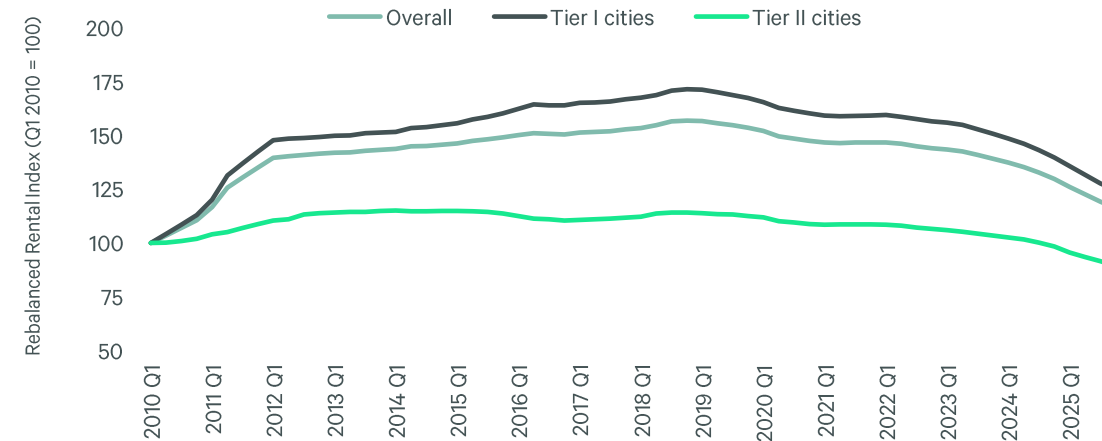
Office leasing volume by robotics manufacturing companies surged by 4.4x q-o-q in Q4 2025, setting a new historical quarterly peak. This ensured the manufacturing sector reclaimed its position among the top three demand drivers in terms of leasing transaction area. Preferred locations for robotics firms include Beijing Zhongguancun, Shenzhen High-tech Park, and Hangzhou Future Sci-Tech City.

FIGURE 6: Proportion of Leased Office Space by Industry²



Note 2: Office leasing transactions include new set up, expansion, relocation and upgrading.
Source: CBRE Research, Q4 2025.

FIGURE 7: China Office Rental Index³



Note 3: China Office Rental Index calculated by nationwide office market average face rent.
Source: CBRE Research, Q4 2025.

Retail

 Net Absorption
+8% y-o-y

 Vacancy
+0.3 pps y-o-y

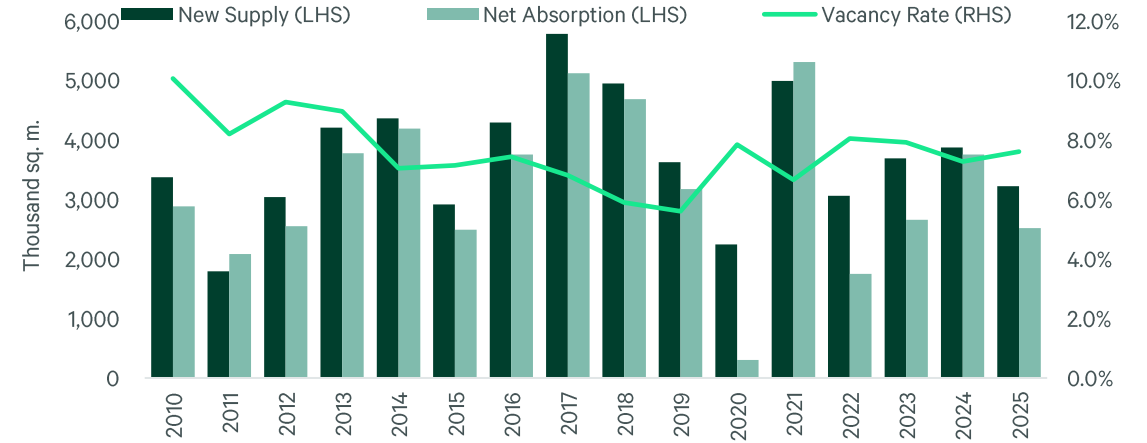
 Rent
-1.9% y-o-y

Waning subsidy-driven stimulus weighs on consumption; rental decline to continue

China's total retail sales of consumer goods reached RMB 50,120.2 billion in 2025, a rise of 3.7% y-o-y, 0.2 percentage points higher than the growth rate recorded in 2024. However, due to the diminishing marginal effect of national subsidy policies and the high base of comparison with the same period of last year, retail sales expansion slowed on a m-o-m basis in H2 2025, with y-o-y growth narrowing to just 0.9% by December 2025. Growth in the furniture and home appliances segment, which was previously boosted by the “trade-in” scheme, declined by more than 10 percentage points in H2 2025 compared to H1 2025. However, retail sales of jewellery, apparel, and cosmetics continued to improve, with average growth rates during the quarter reaching their highest levels for the year.

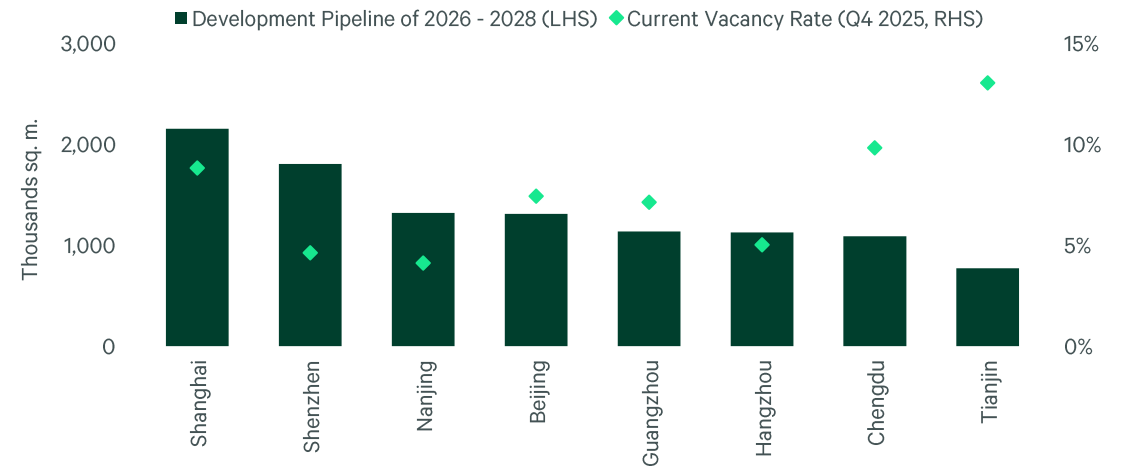
A wave of new shopping mall openings at the end of the year ensured new supply and demand each exceeded 1 million sq. m. in Q4 2025, representing a near q-o-q doubling of volumes. Nationwide average vacancy edged up by 0.1 percentage points q-o-q to 7.6%. Full-year supply and demand declined by 17% y-o-y and 33% y-o-y to 3.22 million and 2.52 million sq. m., respectively. The fall was primarily due to weaker consumption, delays to project timelines and retailers' more prudent expansionary strategies. Nationwide shopping mall ground-floor average rents fell by 0.6% q-o-q this quarter, bringing the full-year decline to 1.9%, marking a further widening of 0.8 percentage points compared to 2024. The period continued to witness intense competition among landlords to attract retailers through offering favourable leasing terms.

FIGURE 8: China Retail New Supply, Net Absorption and Vacancy Rate



Source: CBRE Research, Q4 2025.

FIGURE 9: Vacancy Rate and Development Pipeline



Source: CBRE Research, Q4 2025.

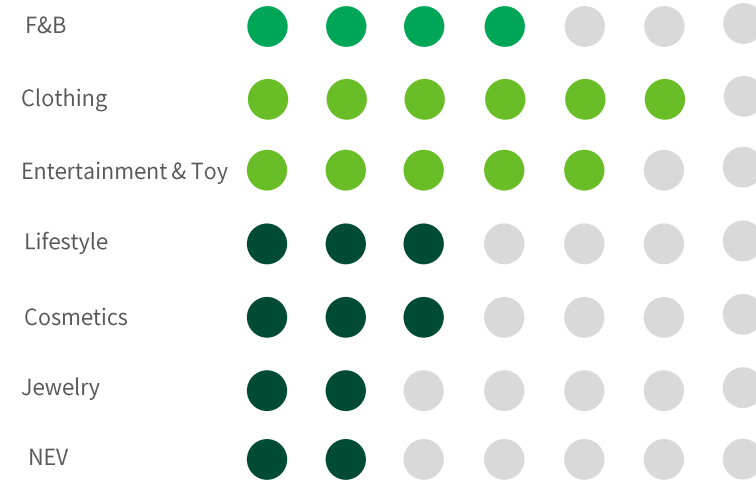
Retail drives leasing demand as F&B activity continues to weaken

Retail accounted for 49% of leasing volume in Q4 2025, achieving its highest quarterly share in nearly two years and securing a position as top demand driver. Outdoor sports brands including Arc'teryx, Salomon, KOLON SPORT, and On set up multiple new stores during the quarter, expanding beyond shopping mall ground floors in prime locations to popular regional hubs such as Shanghai New Bund and Wujiaochang, along with Shenzhen Bao'an CBD. Streetwear brands regained momentum in Q4 2025, with Korean labels MUSINSA, Mmlg, and SATUR's setting up new stores in Shanghai's Huaihai Parkson, and GRVRGROVE expanding in Beijing, Shanghai, Shenzhen, Nanjing, and other cities.

F&B's share of leasing transactions continued to moderate, falling to 39% over the quarter. Fast-food, bakery, and tea brands with lower average spending per customer remained the primary drivers of expansion, while restaurants offering regional cuisines from Yunnan, Guizhou, Sichuan, Jiangxi, and Hunan completed a steady flow of new store openings. F&B chains continue to launch new sub-brands aligned with prevailing consumption trends. These include 85°C, which introduced a donut specialty store; Dian Dou De, which opened a bistro-style outlet; Haidilao, which launched an open-air hot pot concept; and Ah Ma Handmade, which diversified into specialty dining.

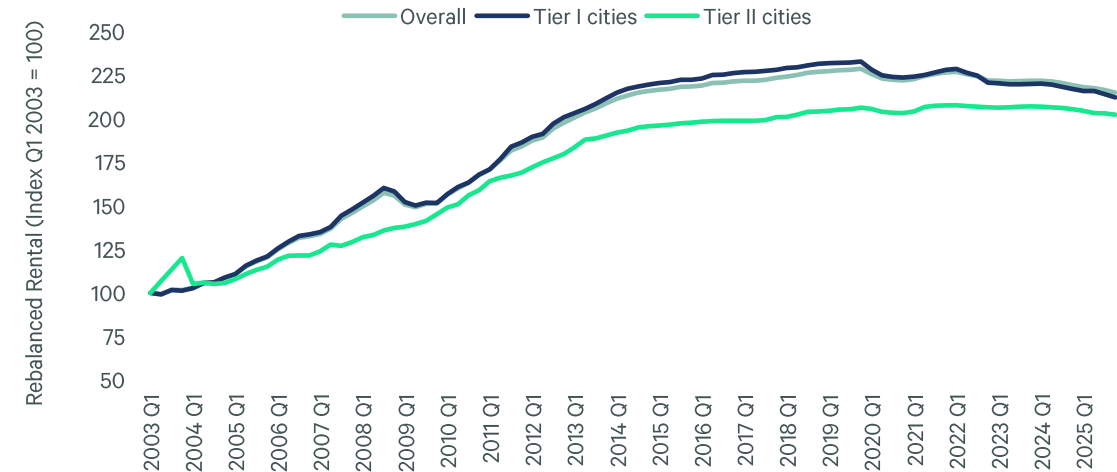
The growth of the "emotional economy" continued to support rapid store expansion in the trendy toy and anime-related categories. During the quarter, brands including Pop Mart, MC HUGS, Pokémon, and WIGGLE WIGGLE opened multiple new stores in cities including Shanghai, Guangzhou, and Hangzhou.

FIGURE 10: New Store Opening Momentum by Trade Category



Source: CBRE Research, Q4 2025.


FIGURE 11: China Shopping Mall Ground Floor Rental Index⁴



Note 4: China shopping mall ground floor rental index calculated by nationwide shopping mall average asking rent. Source: CBRE Research, Q4 2025.

Logistics

 Net Absorption
+5.6% y-o-y

 Vacancy
-2.7% y-o-y

 Rents
-12.8% y-o-y

Double 11 and Black Friday drive record high warehouse demand

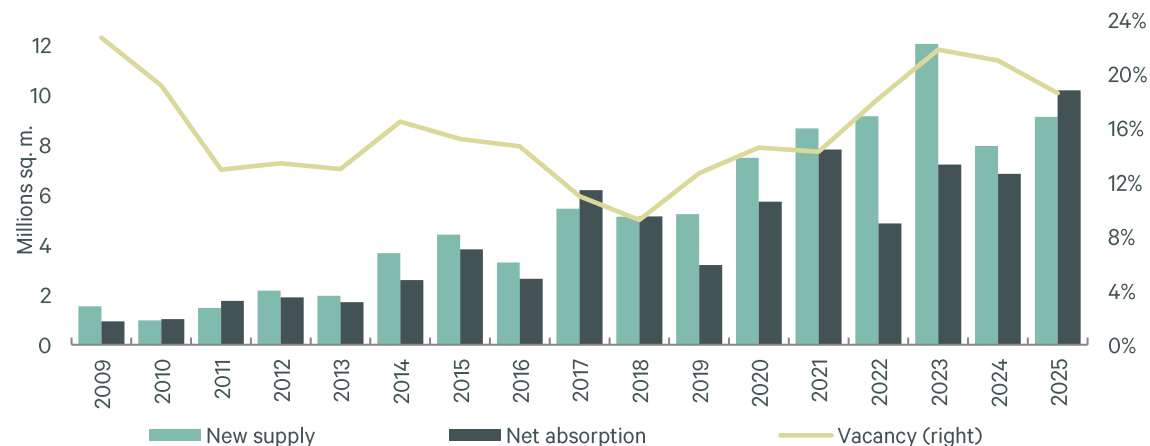
Net absorption surged 6% y-o-y and 51% q-o-q in Q4 2025, surpassing 3 million sq. m. for a single quarter for the first time on record. Annual net absorption reached 10.2 million sq. m., marking a 40% y-o-y increase and setting a new historical high.

Cross-border e-commerce leasing activity exceeded expectations after two sluggish quarters, partly driven by a surge in short-term leases for Black Friday promotions. Dongguan, Foshan, Zhaoqing, and Qingyuan all recorded large-scale transactions over the quarter. Annual net leasing for cross-border e-commerce reached nearly 2.6 million sq. m., down 18% y-o-y, with Foshan alone accounting for over 1 million sq. m. of new leases.

Driven by year-end domestic promotions like Double Eleven and the 2026 round of national appliance subsidies, 3PL leasing demand remained robust, with 53% of leasing volume this quarter originating from major integrated logistics providers such as SF Express and JD Logistics. For the full year, new leases signed by 3PLs surged 65% y-o-y on the back of the government’s subsidy stimulus, fueled by demand for large-item warehouses from major integrated logistics providers. Other significant growth came from electrical appliance supply chain enterprises.

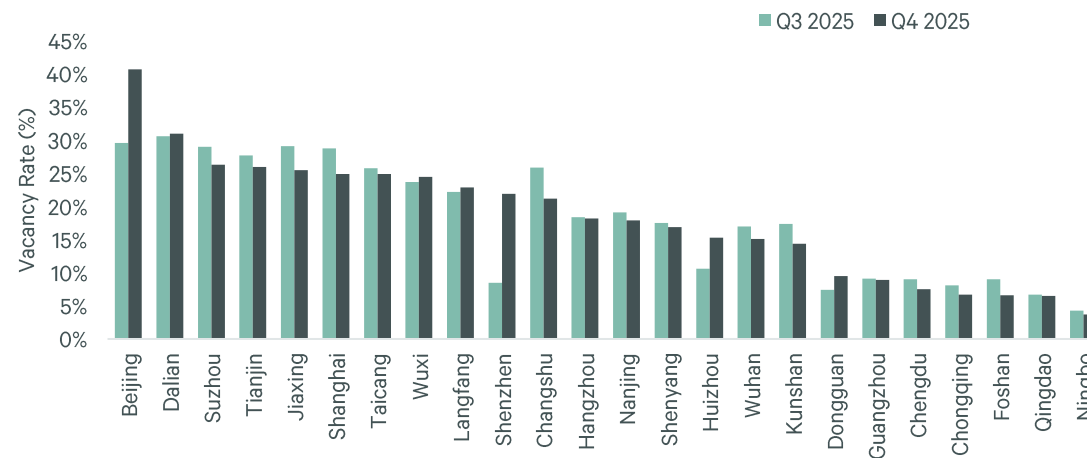
New leases by manufacturers declined 7% q-o-q in Q4 2025 but grew 39% y-o-y for the full year, with automotive and parts contributing over half of demand. The national subsidy programme significantly boosted auto sales, pushing up China’s 2025 automotive market production and sales growth to 10.4% y-o-y and 9.4% y-o-y, respectively—substantially higher than 2024’s 3.7% y-o-y and 5.4% y-o-y. Other sectors like electronics/communications and pharmaceuticals also recorded increases in new leases.

FIGURE 12: China Warehouse Net Absorption, Completions and Vacancy (million sq. m.)



Source: CBRE Research, Q4 2025.

FIGURE 13: Logistics Vacancy Rate in major cities



Source: CBRE Research, Q4 2025.

Quarterly new supply reaches annual peak

New supply this quarter surged 95% q-o-q to 3.4 million sq. m., with 55% and 41% of new stock located in south China and north China, respectively. East China saw the addition of new projects in Suzhou and Wuxi, while there was no new stock in west China and central China.

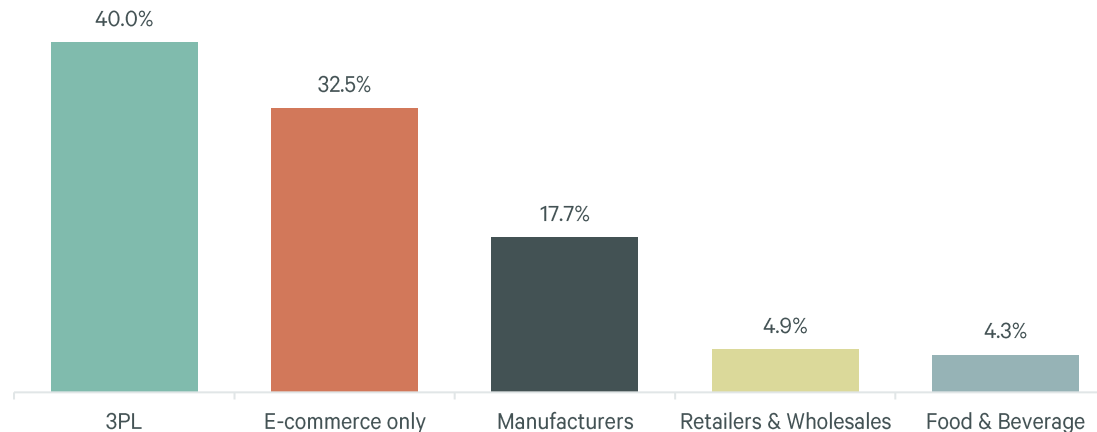
Nationwide average vacancy stood at 18.6% at quarter's end, marking the sixth consecutive quarterly q-o-q decline and a decrease of 2.7 percentage points y-o-y. During the quarter, vacancy rates declined across all regions except south China and north China, with vacancy in south China's exceeding 10% for the first time in a decade.

Rental declines narrow further, showing structural differentiation

Nationwide warehouse rents fell 2.9% q-o-q in Q4 2025, a slower rate of decline compared to the previous quarter. Several cities, including Tianjin, Langfang, and Hangzhou, saw significantly narrower quarterly rental downward momentum this quarter. Chengdu and Chongqing recorded quarterly rental declines below 1% for a second consecutive quarter, while rents in Wuhan stabilised. Rental declines in the five south China cities accelerated significantly due to the completion of substantial new supply.

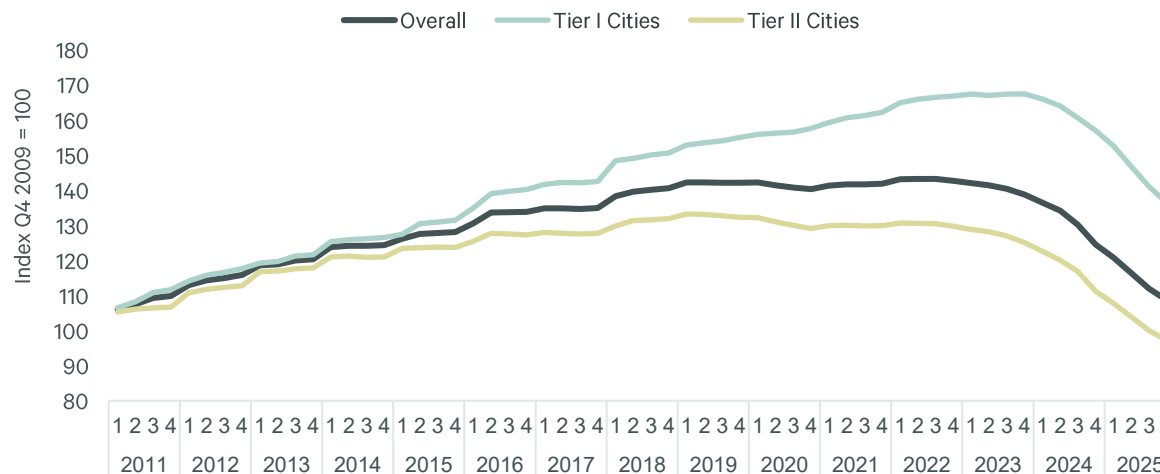
The full-year rental decline reached 12.8% y-o-y in 2025. East China, facing sustained high vacancy rates exceeding 20% for multiple quarters, experienced surging destocking pressure over the course of the year. The area achieved record-high absorption through substantial rental reductions, with the y-o-y rental decline nearing 20%. In north China, Langfang's two-year-long destocking effort narrowed the rental decline to 10% y-o-y. South China recorded a 6.3% y-o-y rental decline for the full-year, while West China and Central China reported declines within 3% y-o-y.

FIGURE 14: Proportion of Leased Logistics Space by Industry



Source: CBRE Research, Q4 2025.

FIGURE 15: China Industrial Rental Index



Source: CBRE Research, Q4 2025.

Investment

Investment Turnover
+7.9% y-o-y

Investment Turnover
-5.4% q-o-q

Retail and rental housing investment surges to record annual highs

A total of 95 commercial real estate investment transactions with a total value of RMB 55.2 billion were recorded in Q4 2025, representing a 5% decrease q-o-q. While total annual transaction volume reached RMB 254.7 billion, up 12% y-o-y, the total number of deals fell by 30%. Large-scale portfolio deals contributed over 40% of total annual investment volume.

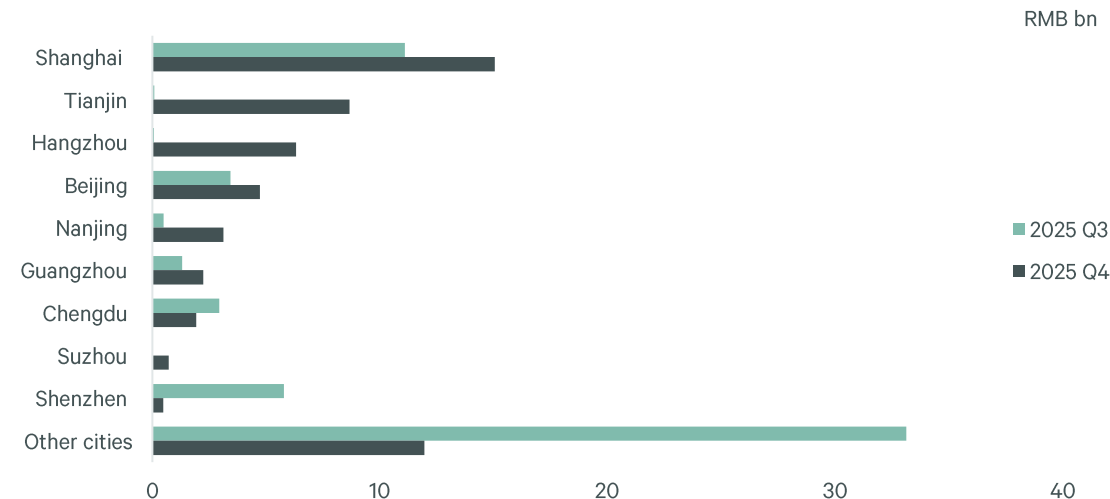
Investment in mixed-use and office (excluding business parks) assets saw a significant rebound from the previous quarter, with transaction volume reaching RMB 14.6 billion and RMB 13.2 billion, respectively. Activity in the mixed-use sector was primarily driven by large-scale deals such as those for Tianjin Goldin and Hangzhou Powerlong City. Office transactions were dominated by owner-occupiers, which contributed nearly 70% of the sector's volume. Major deals included Kosmos Group's acquisition of Shanghai Yango Holding Tower and Lalamove's purchase of Shanghai Crystal Bridge T6.

Retail and rental housing activity improved over the course of 2026, with annual investment volume setting new records in both sectors. Wanda continued to divest assets, transferring multiple properties to GSUM Fund and Hony Capital. The rental housing sector also outperformed, with quarterly transaction volume surging 61% q-o-q. Notable deals included Suzhou Fulong Zhidi Investment's acquisition of Suzhou Lianjian Apartment, and Fosun's and Dajia Insurance's joint acquisition of Shanghai Xuhui Changqiao senior living facility.

Public REIT expansion creates new opportunities for core assets

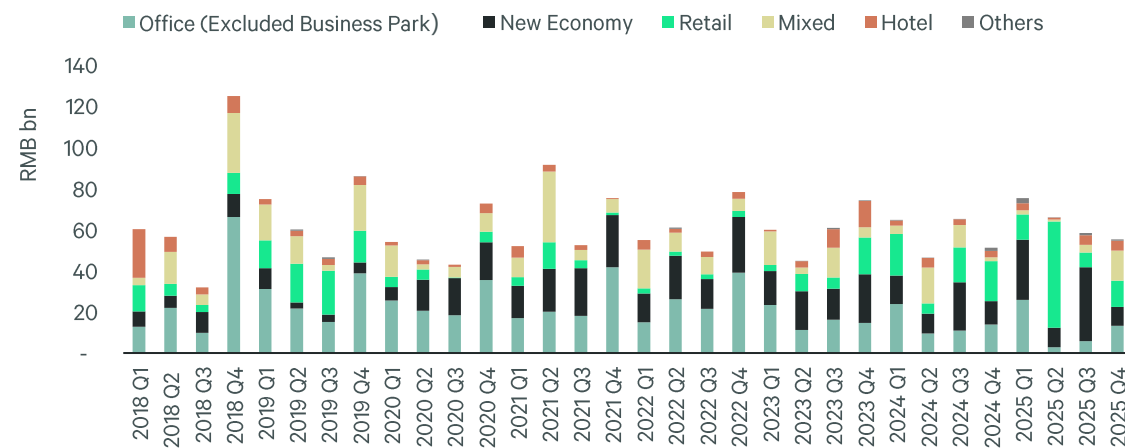
In 2025, regulators announced that underlying assets for public REITs could be expanded to include office buildings and hotels. During the quarter, Shanghai Land and Jin Jiang International initiated related bidding processes. This expansion is expected to significantly enhance the liquidity of related core assets and proactively reshape asset pricing mechanisms.

FIGURE 16: Transaction Volume by Market⁵



Note 5: Transactions include deals above US\$10 million in the Office, Retail, Mixed, Industrial, Hotel and Other commercial sectors. Source: CBRE Research, RCA, Q4 2025.

FIGURE 17: Transaction Volume by Sector⁶



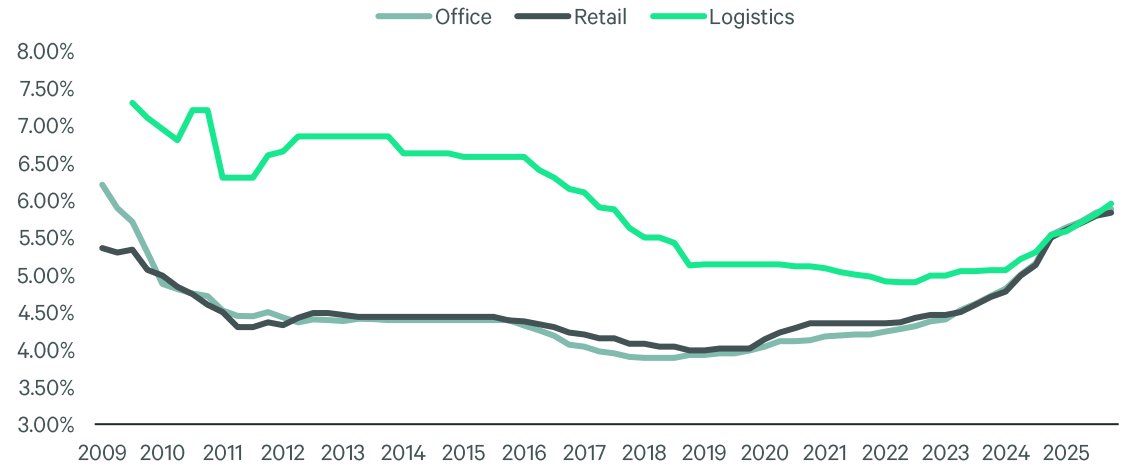
Note 6: New economy sector includes logistics, business parks, residential for income generating, data centres, cold storage and self storage. Source: CBRE Research, Q4 2025.

Cap rates across asset classes expected to stabilise at high levels

Average cap rates for all asset classes in tier I cities continued to expand slightly this quarter. As of Q4 2025, the spread between average cap rates and borrowing costs for Grade A offices, retail properties, and logistics in tier I cities had reached 280-300bps. This not only represents a historical peak for China commercial property investment, but also leads spreads for the same asset classes in major Asia Pacific markets.

With market activity stabilising and asset prices expectations improving, CBRE expects cap rates to remain steady in 2026. However, asset values will continue to experience some adjustment due to ongoing downward pressure on rental income.

FIGURE 18: Tier I Cities Average Net Yields



Source: CBRE Research, Q4 2025.

Outlook

OFFICE

The AI boom along with the rebound in industrial financing and fund raising will continue to underpin leasing demand from the TMT and finance sectors. Under the combined effect of high availability and declining rents, net absorption is expected to maintain moderate growth of 10-15% y-o-y in 2026, reaching approximately 2.4 million sq. m.. Nationwide new office stock is projected to reach 4.7 million sq. m. in 2026, on par with the level seen in 2025, which is anticipated to push the vacancy rate up to around 26%. In 2026, tier I cities' CBDs will account for only 8% of their respective cities' new supply. Given gradually improving demand, these areas are expected to reach a supply-demand equilibrium phase. In tier II cities, over half of new projects due in 2026 will be in CBDs, driving occupier demand for centralisation and office building upgrades.

Due to ongoing oversupply, nationwide average office rents are forecasted to decline by approximately 8% in 2026, a decrease second only to the maximum drop seen in 2025. Most cities will continue to experience a market environment characterised by landlords seeking to trade lower rents for higher occupancy.

RETAIL

Nationwide new retail supply is expected to experience a modest peak in 2026, with 4.4 million sq. m. of new stock scheduled to come on stream, marking an increase of 36% y-o-y. Thereafter, new shopping mall supply is projected to decline on a y-o-y basis. Average annual new stock of 3.56 million sq. m. is expected to be released from 2026 to 2028, reflecting decreases of 15% and 5% from the average levels seen during the 13th and 14th Five-Year Plan periods, respectively. Given that a significant rebound in consumer confidence appears unlikely in the short term, retailers will retain a cautious attitude toward expansion. Nationwide net absorption is forecasted to reach 2.8 million sq. m. in 2026, a rise of 11% y-o-y, but still 18% below the pre-pandemic five-year average. Consequently, the vacancy rate is expected to rise to a range of 8.5% to 9%.

The upcoming supply peak and short-term increase in vacancy will continue to weigh on shopping mall rental performance. Coupled with brands' stronger inclination to consolidate or downsize store networks, national average ground-floor rents are forecasted to decline by 1.5% y-o-y in 2026. Except for Hangzhou and Nanjing, the rental declines in other major cities are expected to narrow by 0.4 to 3.3 percentage points in 2026. Beijing and Shanghai are anticipated to lead the recovery among cities tracked by CBRE.

LOGISTICS

Looking ahead to 2026, new nationwide warehouse supply is projected to decline by 3.3% y-o-y to 8.8 million sq. m., with supply decreasing across all regions outside South China.

On the demand side, the recent easing of U.S.-China tariff tension will somewhat reduce uncertainty around export-related logistics demand, mitigating short-term export disruption. However, considering the marginal weakening of incremental demand from “old-for-new” replacements and the loss of a sizeable quantum of leasing demand resulting from cross-border e-commerce operators building their own warehouses, CBRE forecasts warehouse net absorption for the full year to decline by 20% y-o-y to approximately 8 million sq. m.

By the end of 2026, the national average vacancy rate is projected to decrease by 0.7 percentage points to 17.9%. Cities such as Chengdu, Chongqing, and Wuhan in central and western China, along with Ningbo and Kunshan in east China, are expected to achieve single-digit vacancy rates.

INVESTMENT

CBRE expects investor sentiment to remain cautious in 2026 due to ongoing macroeconomic uncertainty and leasing market volatility. However, falling asset prices and declining financing costs are expected to further boost market activity. As liquidity risks are fully priced in, cap rates are expected to enter a period of stability at high levels in 2026, following four to five years of unilateral upward movement.

Rental housing and retail properties, which continue to demonstrate counter-cyclical resilience, will continue to attract investment, while a window of opportunity to acquire high-quality logistics facilities may open during this cyclical adjustment. The further expansion of public REITs' underlying assets at the end of last year has effectively widened capitalisation channels for office and hotel assets, providing new investment opportunities for value discovery and long-term strategic positioning of core assets.

Rental Cycle

FIGURE 19: China Office Rental Cycle Q4 2025

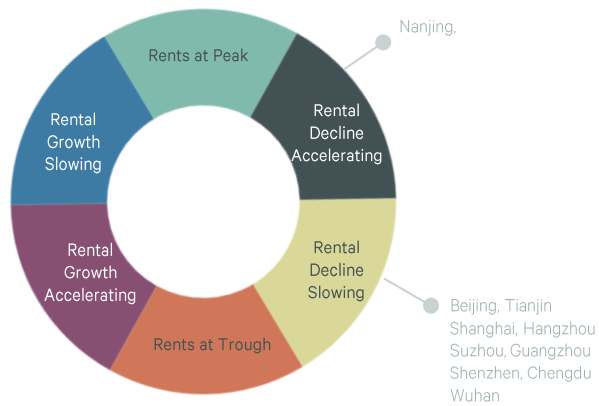


FIGURE 20: China Retail Rental Cycle Q4 2025

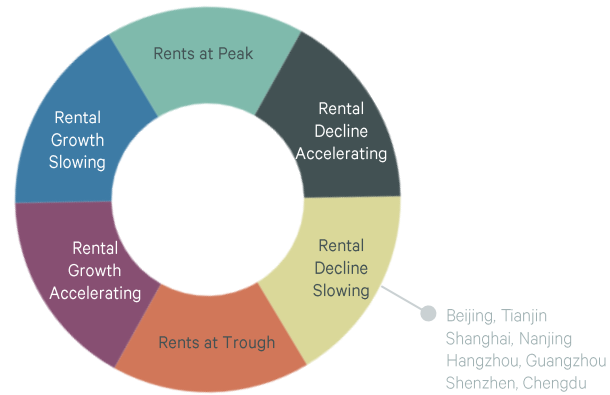
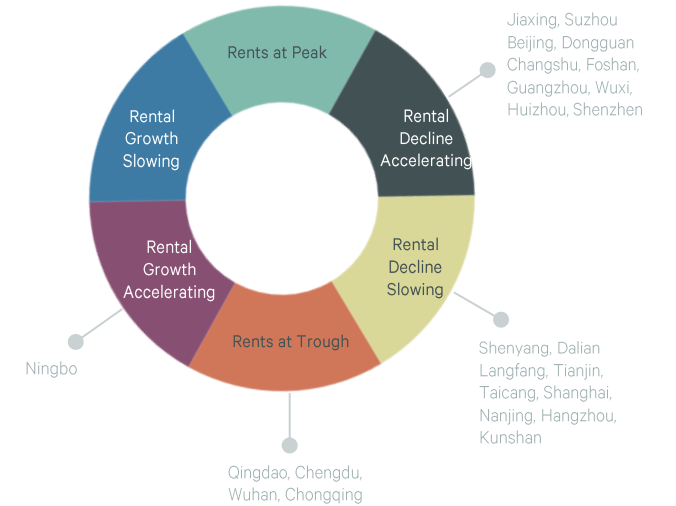


FIGURE 21: China Logistics Rental Cycle Q4 2025



* Office cycle calculated by citywide face rent, retail shopping mall cycle calculated by citywide shopping mall ground floor asking rent, logistics cycle calculated by citywide asking rent.
Source: CBRE Research, Q4 2025.

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