

Country Profile

Population 1.4 billion
Capital City Beijing
Currency CNY (¥)

Country Macroeconomic Profile

GDP..... USD 3.84 trillion
GDP Growth 2.3 %
Unemployment Rate 4.2 %
Inflation 2.5 %



5 Quarter Real Estate Investment Volume Your Market

Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
2.09 bn \$	02.33 bn \$	0.677 bn \$	2.14 bn \$	2.62 bn \$

Market Overview

While the effects of the epidemic are gradually subsiding, business activities are steadily increasing. Domestically financed companies are particularly active in leasing, especially financial service companies, such as domestically financed public funds and securities companies, which are experiencing rapidly growing demand. The main purpose of their leasing is to control costs and consolidate headquarters. Tenants use the opportunity of lower rent to modernize or expand their offices and move into higher quality, newly completed projects.

Market Office Data Trends

Price Office Rents 2020/2021

Quarter	City/Market	Rent(USD / sqm / month)	Yield
Q1 2021	Shanghai	38.42	4.95%
Q4 2020	Shanghai	33.50	4.95%
Q3 2020	Shanghai	33.50	4.90%
Q2 2020	Shanghai	32.54	4.90%
Q1 2020	Shanghai	33.84	4.80%

Price Retail Rents 2019/2020

Quarter	City/Market	Rent(USD / sqm / month)	Yield
Q1 2021	Shanghai	122.20	5.90%
Q4 2020	Shanghai	119.55	5.90%
Q3 2020	Shanghai	119.96	5.80%
Q2 2020	Shanghai	114.96	5.80%
Q1 2020	Shanghai	119.30	5.70%

Major Transactions

Quarter	Property Type	Seller	Buyer	Price, mln. \$
Q1 2021	Minhang Qibao Plaza (50% shares)	GIC	Link Reit	41.54
Q4 2020	Shanghai Innov Star (90% shares)	D&J	NPS & Allianz	33.85
Q4 2020	Tomorrow Square (Floor 7-32)	CEFC China Energy Co., Ltd.	Guosheng Group	301.52
Q3 2020	Green Land Bund Center C1	Green Land	Sealand Securities	208.23

Market Opportunities

Office buildings in Shanghai have recovered surprisingly well from an epidemic related downswing in the first half of last year. Especially green office buildings find it easy to attract new tenants. Financial and technology companies continue to expand and are a driver in the uptake of new office space.

During the epidemic, the financial and technology industries acted as the backbone helping to stabilize the office rental market.

In the coming five-year period, it is expected that this trend continues especially since recent political announcements indicate a further opening up of the financial market. The also announced 'dual circulation' strategy refers to plans of strengthening domestic consumption on the one side while keeping exports strong on the other side, too.

In terms of real estate development, industrial parks, warehouses, data centers, R&D facilities and office buildings continue to be the leading driver of growth.

Overview

Office

In the first quarter of 2021, the performance of the Shanghai office rental market remained active. The rental demand came predominantly from the major industries of TMT, financial services and biomedicine. In terms of the location of various industries, Internet and game companies actively expanded in the Caohejing Hi-tech Park, while financial technology and e-commerce services were actively growing in the new business areas, such as Qiantan and Xuhui Binjiang, effectively raising the rents of both regions. The demand for space of pharmaceutical R&D and medical device companies remains high. For these companies, Zhangjiang and Jinqiao continue to be preferred locations. Shanghai Metro Line 14 will be fully operational by the end of this year. By then, the connection of various business areas in Shanghai will be further enhanced, offering an added flexibility for tenant companies in location selection.

Retail

Shanghai saw a peak in domestic consumption during the first quarter of 2021. A plummet in the number of people leaving the city during Spring Festival led to a substantial increase in customers visiting shopping malls, thus boosting consumer demand and sales. In particular, the F&B industry is seeking for further expansion opportunities in various retail malls. Domestic coffee and tea brands account for 30% of the market for catering locations, most of which chose the first floor or underground floor of shopping centres in secondary business districts. In 2021, Shanghai will witness a peak in supply of shopping centres. During the coming six months, Shanghai's retail property market will usher in the new supply of more than 900,000 square meters.

Country Profile

Population 51.3million
 Capital City Seoul
 Currency KRW (₩)

Country Macroeconomic Profile

GDP..... \$1.679 trillion (USD)
 GDP Growth 1.6%
 Unemployment Rate 3.7%
 Inflation.....1.36%

5 Quarters Real Estate Investment Volume

Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
\$9.44 bn	\$8.12 bn	\$ 10.98 bn	\$6.67 bn	\$5.09 bn
(4,738 transactions)	(3,617 transactions)	(4,338 transactions)	(3,840 transactions)	(3,701 transactions)



Market Overview

During Q1 2021, the gross transaction for the commercial real estate (CRE) in Korea was \$9.44 billion (USD) and the gross transaction quantity was 4,738 units, both of which increased from the previous year. This gross transaction was the highest figure among the figures in the 1st quarters of past years. In term of a property type, the transaction amount (\$) for the retail facilities increased dramatically from 2020 when the corporations began to sell off their retail facilities. Compared to Q1 2020, for example, the transaction (\$) for the retail facilities rose by \$9.3 million (USD) as the largest transaction of Q1 2021, Big Market (Dobong branch) for \$152.8 million (USD), was a retail facility. However, it decreased from the previous quarter Q4 2020 due to the landmark skyscrapers transacted in that quarter. On the other hand, the educational facilities decreased all from QOQ, from YOY_3months, and from the YOY_12months, which suggest that the transaction (\$) for educational facilities has been stagnated over the year.

Market Office Data Trends

Price Office Rents 2021/2020

Q / Year	City/Market	Rent (/sqm/month)	Yield
Q1 2021	Seoul	USD 64.56	2.16%
Q4 2020	Seoul	USD 65.54	1.80%
Q3 2020	Seoul	USD 64.63	1.45%
Q2 2020	Seoul	USD 64.63	1.57%
Q1 2020	Seoul	USD 64.63	1.87%

Price Office Rents by District Q1 2021

Q / Year	Business District	Rent (/sqm/month)	Yield
Q1 2021	CBD	USD 80.70	1.88%
	GBD	USD 67.15	2.19%
	YBD	USD 52.45	2.45%
	BBD	USD 43.81	2.20%
	ETC	USD 38.62	2.26%

*USD : KRW = 1 : 1,145.00 as at 13 July 2021 (16:39) by Hana Bank Corp.

Price Retail Rents 2021/2020

Q / Year	City/Market	Rent (/sqm/month)	Yield
Q1 2021	Seoul	USD 143.34	1.60%
Q4 2020	Seoul	USD 149.68	1.25%
Q3 2020	Seoul	USD 151.00	1.25%
Q2 2020	Seoul	USD 151.88	1.36%
Q1 2020	Seoul	USD 152.14	1.68%

Price Retail Rents by Size Q1 2021

Q / Year	Retail Size	Rent (/sqm/month)	Yield
Q1 2021	Condominium	USD 135.75	1.43%
	Medium-Large	USD 150.73	1.81%
	Small	USD 143.53	1.55%

Major Transactions

Q / Year	Property Name	Seller	Buyer/Lessee	Price (\$)
Q1 2021	Vic Market (Dobong Branch)	LOTTE Shopping	The Synerge II	USD 152.15 mn
Q1 2021	KICOX Venture Center	Korea Industrial Complex Corporation (KICOX)	Jinyang Construction Ltd.	USD 103.39 mn
Q1 2021	K-Square Gangnam I	KORAMKO REITs & Trust	Yura Co., Ltd	USD 110.87 mn
Q1 2021	511 Tower	SERIM TTC Inc.	Yura Co., Ltd	USD 91.30 mn
Q1 2021	Ssanglip Building	KORAMKO REITs & Trust	Sadang Development PFV Ltd.	USD 78.26 mn

Market Opportunities

"The constant demands to develop the middle-to-large properties, seen to be the main driver of the high transaction level in Q1 2021, are still predicted to increase in coming months. But the currently-increasing vacancy level and Korea government's restriction against loans might turn down the transaction for relatively small properties."

The considerable increase of the transactions for the middle-to-large properties was turned out to be due to the government's restriction against loans and the prolonged low interest rates. The overall transaction showed an obvious increase in Q1 2021 and this was a higher transaction level than any 1st quarter in the past.

The government's new legislation came out last January, which was to initiate the development of the subway areas in the main cities currently suffering from the excessive demands and short supply. This will help sustain the demands to develop relatively small sites as the legislation will encourage developers to build more residential properties and logistic warehouses.

Sector Overview

Office Sector

The average yield of the entire CRE in Korea was 1.64% in Q1 2021. Gyeonggi, Seoul and Gwangju showed the first three highest yields in order, whereas Gyeongnam, Jeju and Choongnam were the three lowest yields. The capital city Seoul was of 1.80%, and this high yield was due to the constant increase of the liquidity in Seoul and also due to the limit to the outbound/foreign investment caused by COVID-19. Within Seoul, YBD and CBD were the first two highest with 2.09% and 1.77% respectively, and Gongduk in YBD was the highest town in Seoul with 2.27%. Jongro was the highest town in CBD with 2.16% but there was no town in GBD which yield was more than 2.0%.

The vacancy level in the office sector in Seoul was 8.6% far lower than the national average of 11.0%. Within Seoul, the vacancy rate of GBD was 7.2% on average and within GBD, Nonhyun Station was the lowest with 2.2%. The monthly rent in Seoul was \$64.63 on average, 0.2% down from Q4 2020, apparently due to the prolonged pandemic of COVID-19. But the rent in Seoul was still one of the highest areas in Korea were Gyeonggi, Incheon and so on. Like Q4 2020, CBD and GBD was the first two highest districts in terms of a monthly rent/m², with \$24.91 and \$20.73 respectively. In CBD, the highest in terms of a monthly rent, Gwanghwamoon and Euljiro towns marked the highest rent with \$29.17 /m² both.

Retail Sector

The average yield of the medium-to-large retails (330m² GFA or larger & 3F or higher) in Seoul was 1.53% which was the forth highest after Daejeon, Gwangju and Busan. Within Seoul ETC was the highest with 1.58% and within ETC, Ttukseom Island area was the highest with 2.47%. For the small retails (329m² GFA or smaller & 2F or lower), GBD and ETC were the two highest districts with 1.53% and 1.37% and within ETC, Ttukseom Island area was again the highest with 2.93%. For the condominium retails, ETC was the highest with 1.74% and within ETC Nowon Station area was the highest with 2.08%.

CBD showed the highest vacancy level of 12.6% for the medium-to-large retail sector, whereas ETC was the lowest with 7.3%. GBD, with the 2nd highest vacancy rate in the small retail sector, showed the lowest vacancy rate in the medium-to-large retail sector and CBD (10.5%) showed the highest vacancy rate both in the small retail sector and in the medium-to-large retail sector. In terms of a monthly rent per pyeong, Seoul (\$48.22), Busan (\$26.69) and Incheon (\$24.02) were the first three highest cities in Korea and within Seoul, CBD was the highest from the small to the large retail sectors. Again within CBD, Myeongdong area was outstanding that its vacancy level surged up to 38.4% but its monthly rent level remained highest with \$648.47.

Country Profile

Population 23million
 Capital City Taipei
 Currency NTD
 1US=28 NTD

Country Macroeconomic Profile

GDP 32.2k per
 capital GDP Growth 8%
 Unemployment Rate 3.6%
 Inflation..... 2 %



5 Year Real Estate Investment Volume Your Market

2020	2019	2018	2017	2016
16 bn US	13.6 bn US	10 bn US	7 bn US	5.2 bn US

Market Overview

Taiwan 2021 GDP Q1 growth is 8%. It is due to increasing consumption and robust export demand. Taiwan is also expected to continue to benefit from an ongoing shift in global supply chains. The Central Bank of Taiwan will likely leave its policy rates unchanged in the first few quarters of 2021 on account of mild inflation

Taiwan investors displayed strong interest in commercial real estate investment. Commercial real estate investment volume rose by 18% to 16 bn US y-o-y in 2020

Grade A office demands mainly stemmed from large enterprise from the finance, high-tech, and medical sectors. Small businesses located at Grade B office have begun to consolidate operations to save cost which make landlords have been cautious on rental adjustments

Market Office Data Trends

1 USD = 28 NT

Quarter	City/Market	Rent(US/SM/month)	Yield
Q1'21	Taipei Grade A	30.8 (or 2860 NT/ping)	0.7%
Q4'20	Taipei Grade A	29.6 (or 2840 NT/ping)	0%
Q3'20	Taipei Grade A	29.6 (or 2840 NT/ping)	1%
Q2'20	Taipei Grade A	29.3 (or 2810 NT/ping)	0.7%
Q1'20	Taipei Grade A	29.1 (or 2790 NT/ping)	1.5%

Year	City/Market	Rent(US/SM/month)	Yield
Q1'21	Taipei Grade B	17.9(or 1722 NT/ping)	-1%
Q4'20	Taipei Grade B	18.1 (or 1740 NT/ping)	0%
Q3'20	Taipei Grade B	18.1(or 1740 NT/ping)	1.1%
Q2'20	Taipei Grade B	18 (or 1720 NT/ping)	0.7%
Q1'20	Taipei Grade B	17.9 (or 1710 NT/ping)	0.8%

Major Transaction

1ping = 3.3 sm

Quarter	Property Type	Owner/ Builder	Buyer/Lessee	Size (sm/ping)
Q1	Grade A	Taiwan Life Insurance Zhongshan Bldg.	Keyence Taiwan	4,158 (or 1260 ping)
Q1	Grade A	Farglory Financial Center	Future Tech Development	1,023 (or 310 ping)