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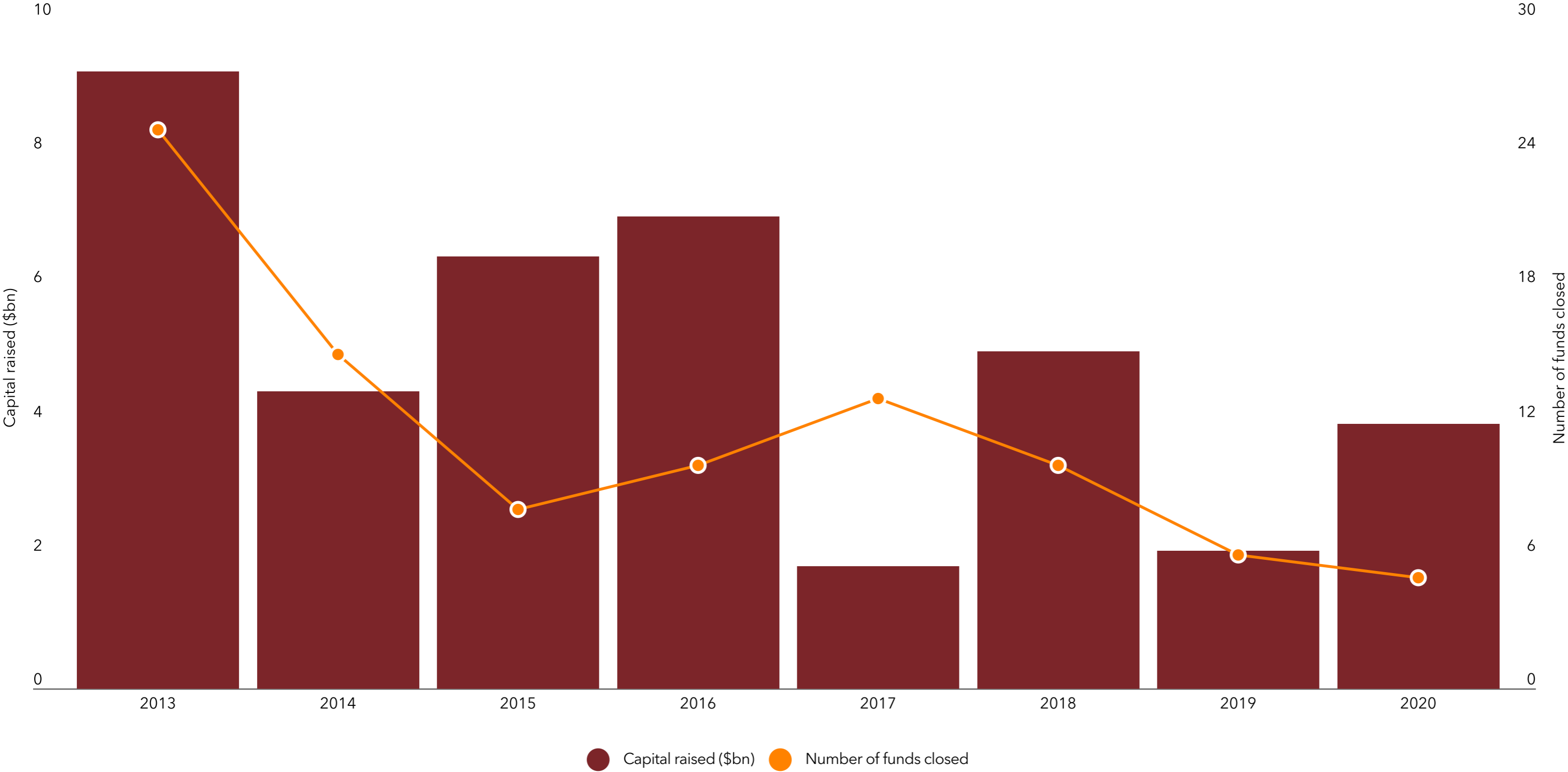
On the menu **China private real** **estate in 5 charts**

Private capital keeps a healthy appetite for China property



Fundraising picked up in 2020

Allocations to China-focused funds reached \$3.9bn, up from \$2bn in 2019



Source: PERE

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on China



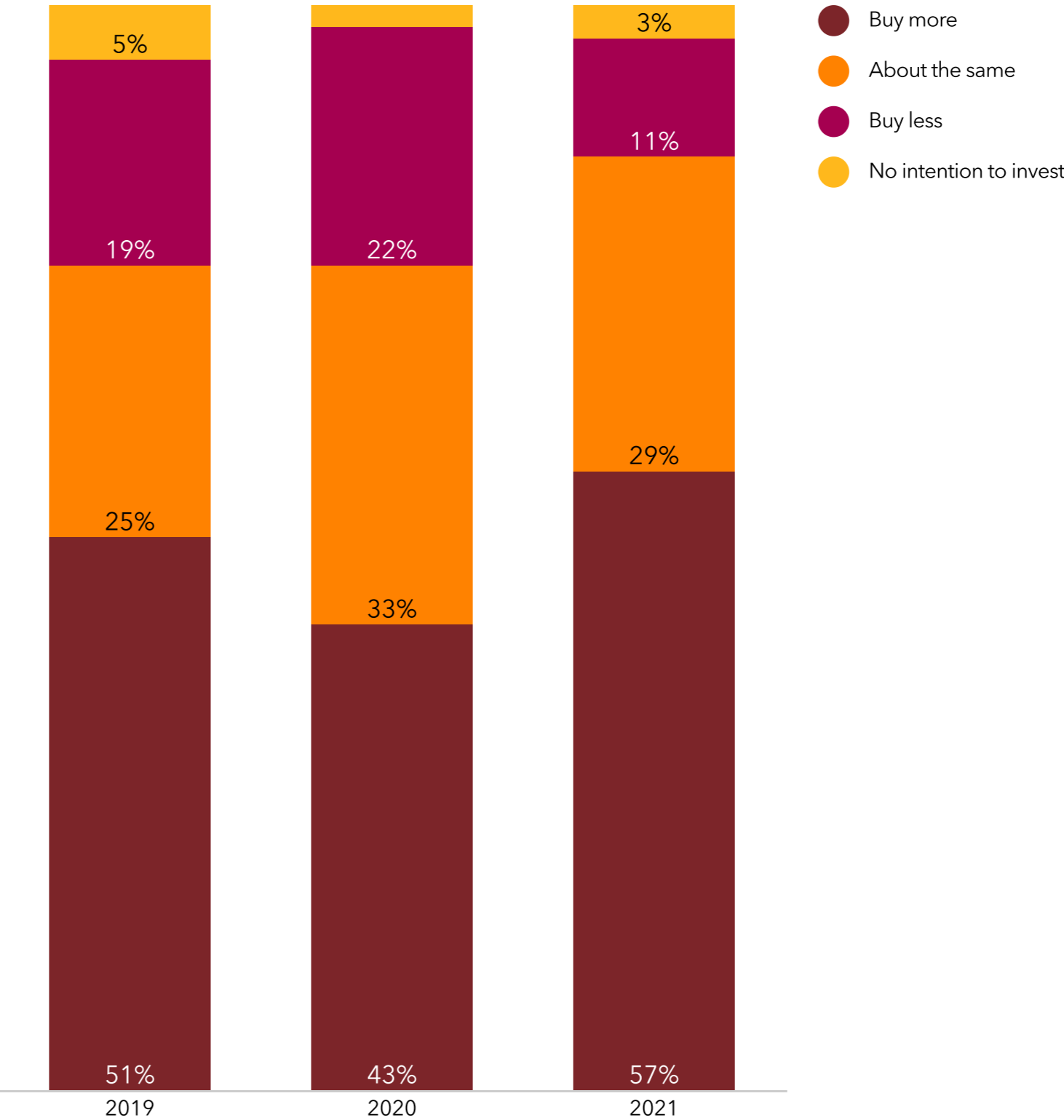
Propensity to buy in 2021

Fifty-seven percent of investors intend to buy more China property in the coming months, according to CBRE data

“US and European businesses all want to engage with Chinese enterprises and to have access to the Chinese market

Tommy Wu,
Oxford Economics

Purchasing activity in China real estate is expected to strengthen in 2021




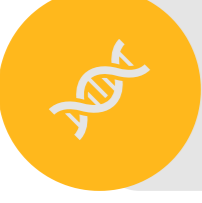

Source: CBRE, China Investor Intentions Survey, 2021

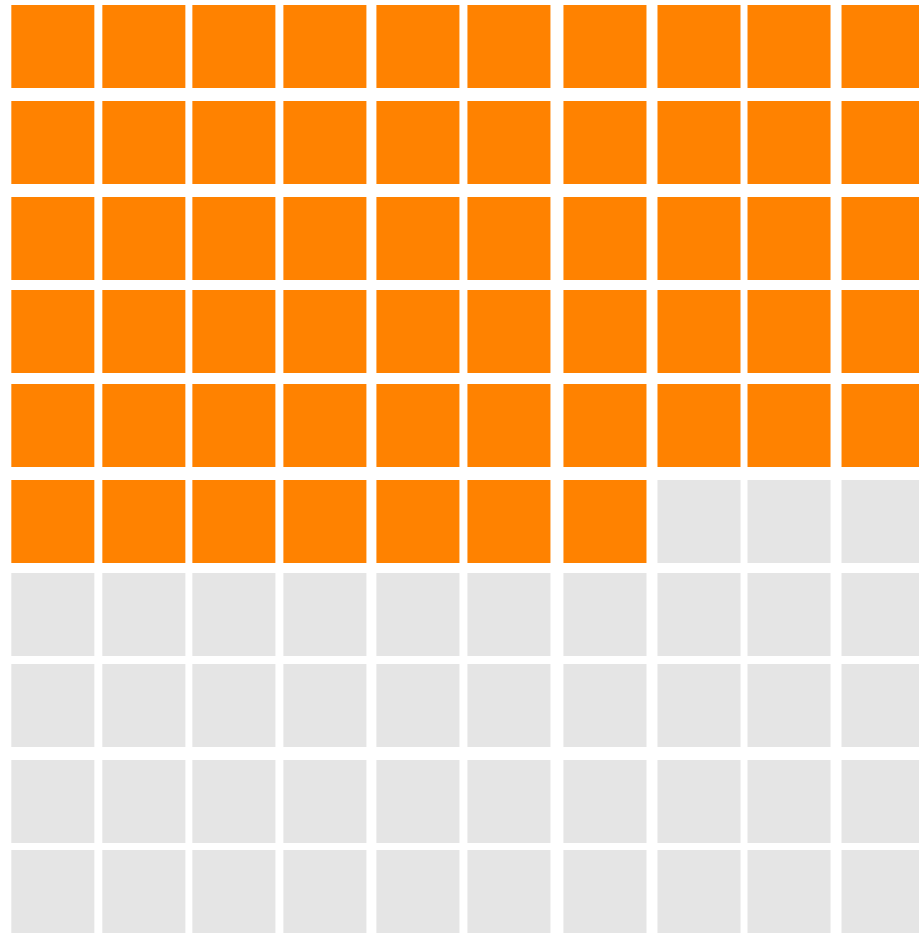
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Investors in China are turning to niche assets

Non-core sectors, like data centers, offer opportunities to build scale and boost returns

Five niche sectors to watch

-  Data centers
-  Self-storage
-  Life sciences
-  Healthcare
-  Education



57%

Percentage of investors that named data centers as their preferred niche sector, according to CBRE's *2021 China Investor Intentions Survey*

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Outbound capital rebounds

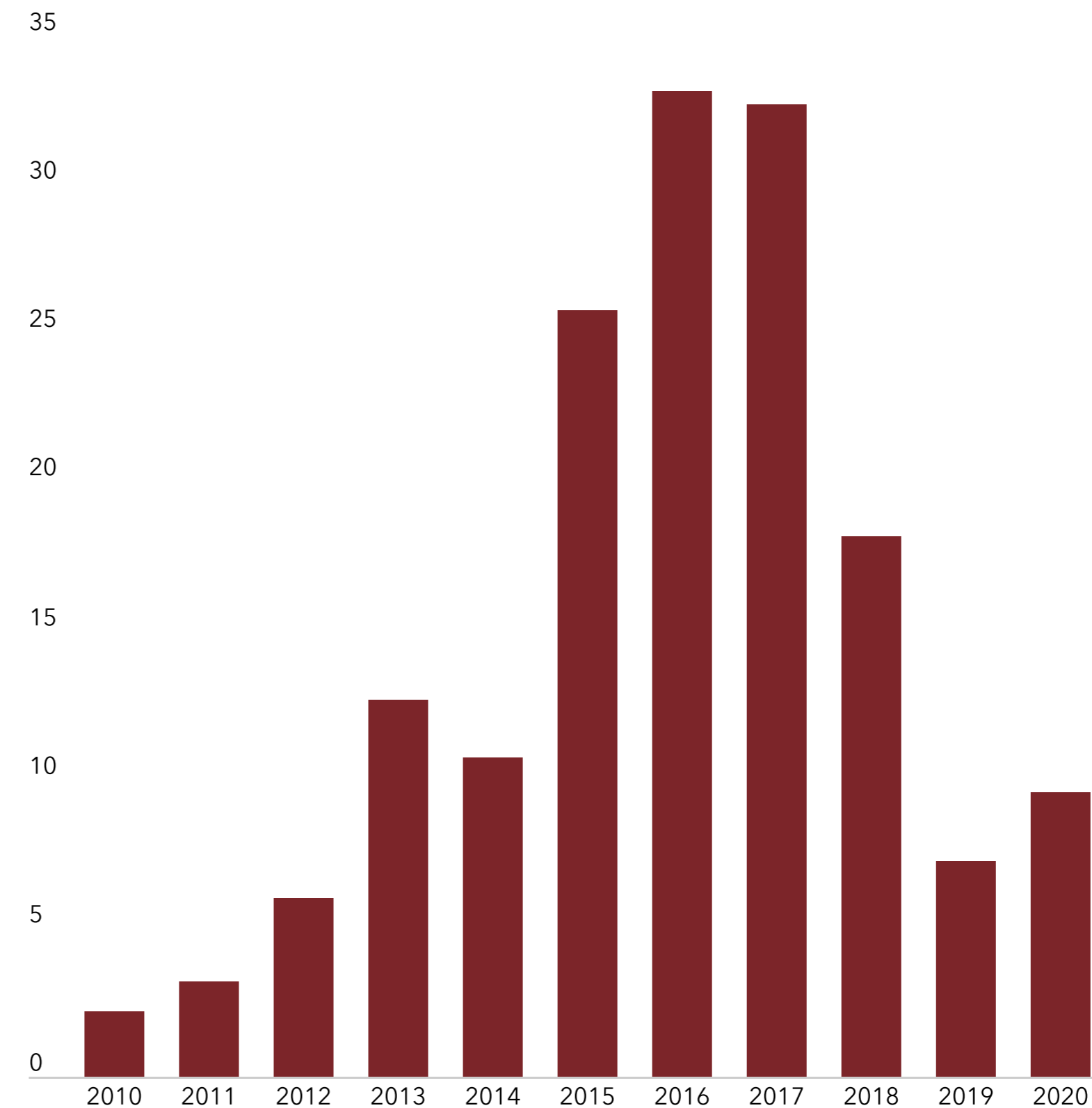
A 32% increase in domestic capital flowing overseas was registered in 2020



For the right type of opportunities, Chinese capital is still very active

David Green-Morgan,
Real Capital Analytics

Chinese outbound investment volumes (\$bn)



Note: figures include capital outflows to Hong Kong, JV deals, but not development site volumes

Source: PERE

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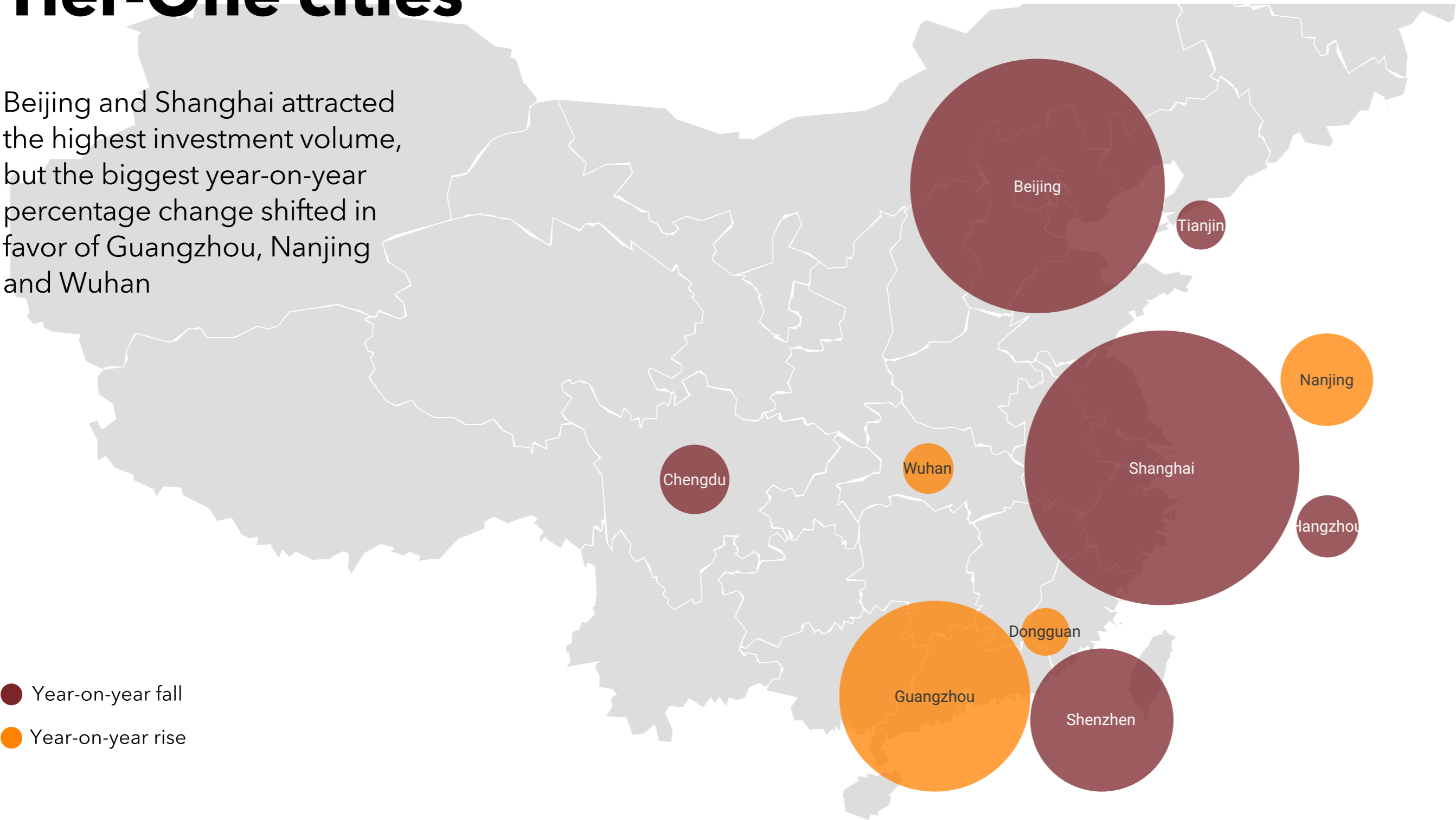
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Domestic capital concentrates on Tier-One cities

Beijing and Shanghai attracted the highest investment volume, but the biggest year-on-year percentage change shifted in favor of Guangzhou, Nanjing and Wuhan

- Year-on-year fall
- Year-on-year rise

Top 10 metros for 2020 compared with 2019:
Investment volumes (\$bn)/Year-on-year change (%)

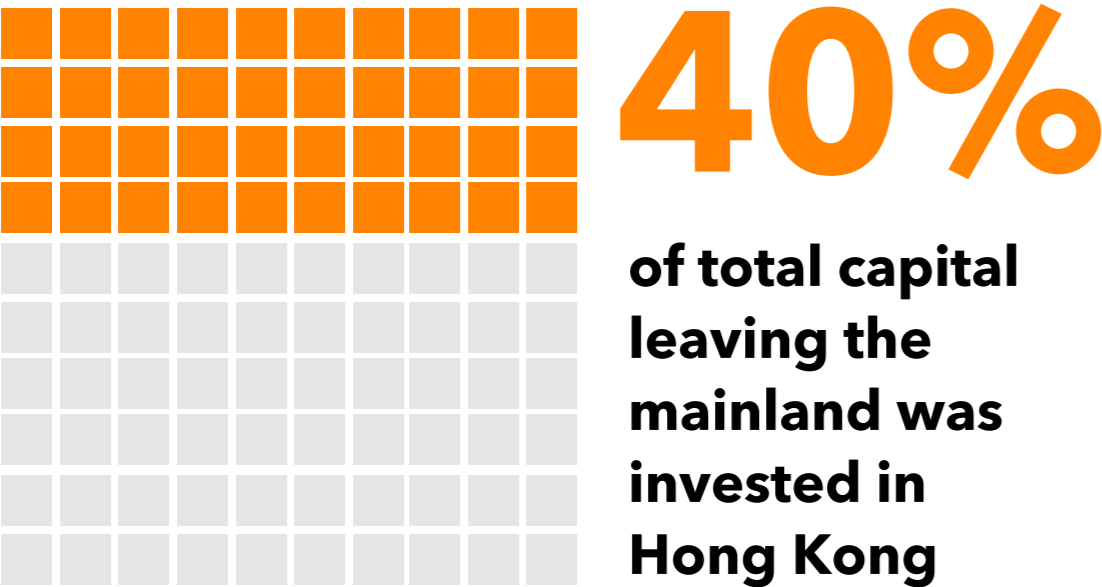


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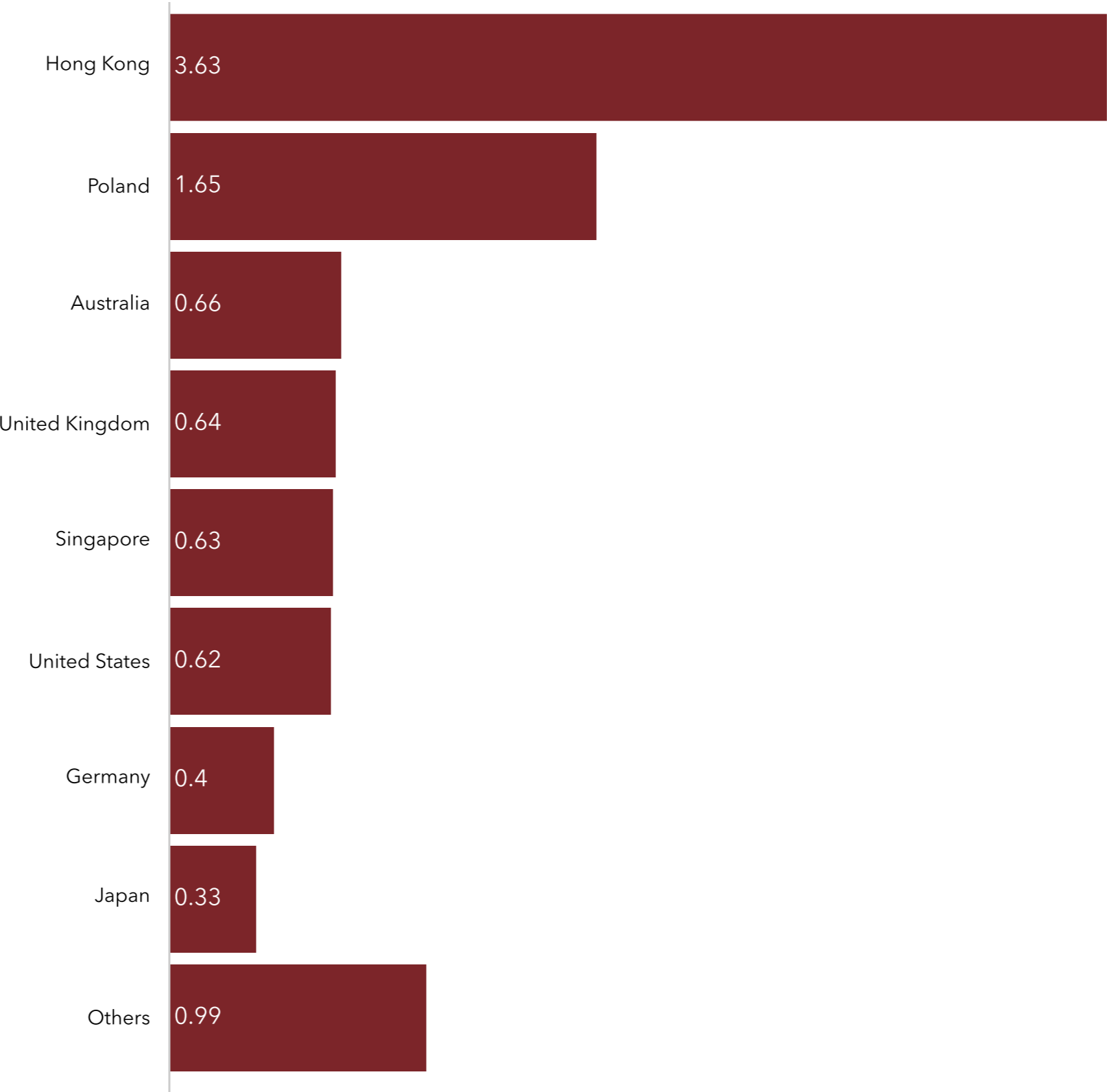


Hong Kong tops the foreign destination list for Chinese capital...

But the attraction of Chinese capital for European logistics, with a deployment into a large portfolio in Eastern Europe, propelled Poland into second position



Top destinations for Chinese capital in 2020 (\$bn)



Note: figures do not include development site volumes
Source: RCA

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What's the outlook over the next 12-18 months?

Positive, according to Guy Fulton, CPPIB's managing director, real estate investments



Logistics and data centers will continue to attract capital while shopping malls will continue to recover. The office sector is well positioned as there doesn't seem to be widespread adoption of 'work from home' practices, but challenges remain due to excess supply in the major markets, which could impact pricing



Guy Fulton,
Canada Pension Plan Investment Board





This report was compiled from data collected for *PERE's* China supplement published in May 2021.

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