JLL SEE A BRIGHTER WAY

Asia Pacific **Capital Tracker**

Q1 2024

Nothing venture, nothing win

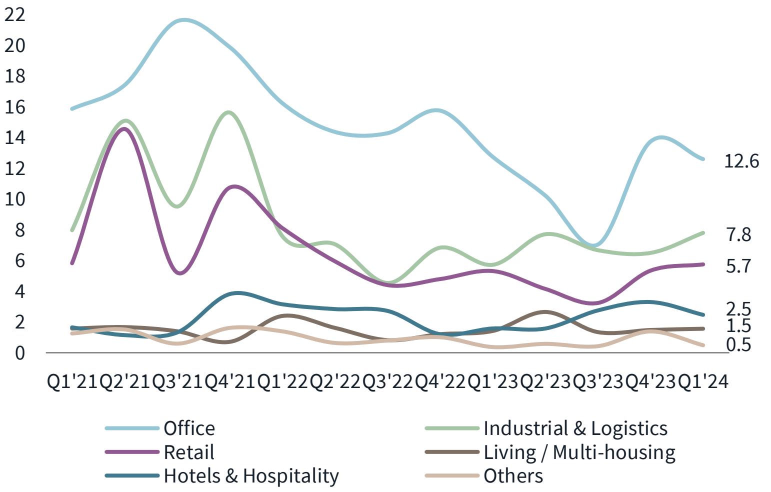
April 2024

APAC volumes gain 13% year-over-year driven by domestic demand

- Asia Pacific investment volumes registered **USD 30.5bn** in Q1, gaining 13% YoY, marking the second consecutive quarterly increase. Office remained the most active sector, while logistics, retail and hotels all recorded volume growth from a year ago.
- **Japan** was the most active market with volumes of USD 11.5bn, rising 29% YoY. Domestic buyers focused on core assets, and foreign capital went after value-add/ opportunistic investments. Interest in logistics remained high as seen through two large portfolio transactions.
- **South Korea** garnered USD 4.3bn, improving 73% YoY. Office investments dominated given its stable fundamentals, low vacancy rates and bullish leasing demand.
- **Singapore** investments grew 14% to USD 2.2bn. Capital allocation pivoted towards retail assets owing to their favourable rental outlook and positive yield spreads.
- **Australia** registered USD 3.0bn, dropping 19% YoY. Domestic REITs were active sellers for capital recycling purposes, while domestic superannuation funds made large acquisitions in logistics assets.
- **China** reached USD 5.6bn in trades, declining 19% YoY. Local developers and some foreign investors offloaded assets at discounts. Insurers seized opportunity to make acquisitions at dislocated pricing.
- **Hong Kong** volumes reached USD 0.7bn, falling 54% YoY. The investment market was quiet bar a notable disposal of a neighbourhood shopping centre by a local developer.
- **India** recorded USD 0.4bn, significantly higher than a year ago. Asset investments were mainly from the office sector. Investors were also interested in development, financing, joint venture and entity deals.

Investment volume by sector

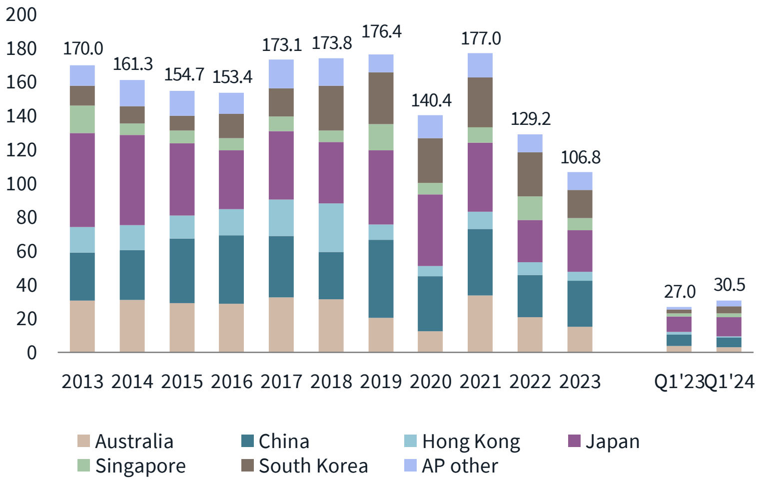
USD bn



Source: JLL Research, as at Q1 2024

Investment volume by geography

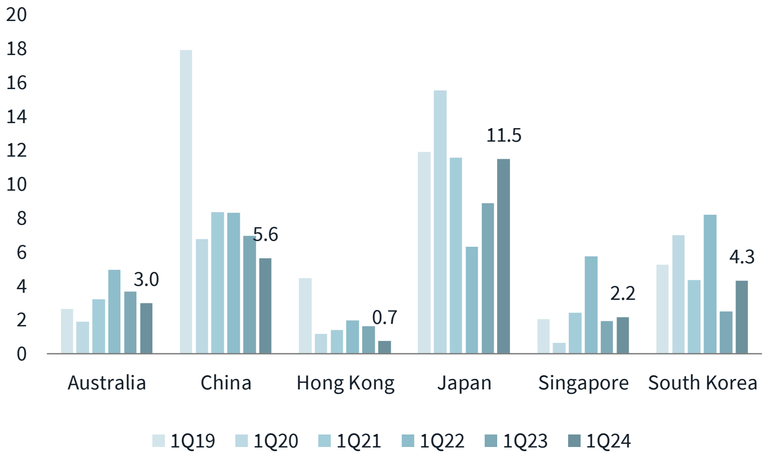
USD bn



Source: JLL Research, as at Q1 2024

6-year Q1 volume comparison

USD bn

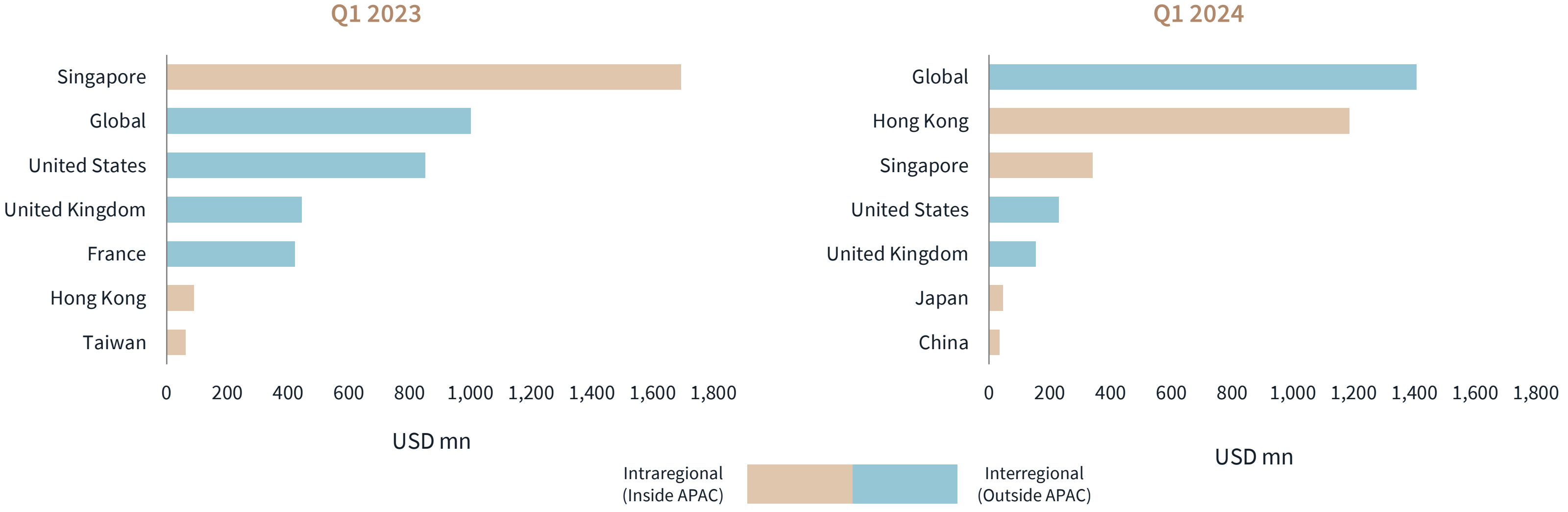


Source: JLL Research, as at Q1 2024

Limited cross-border activities

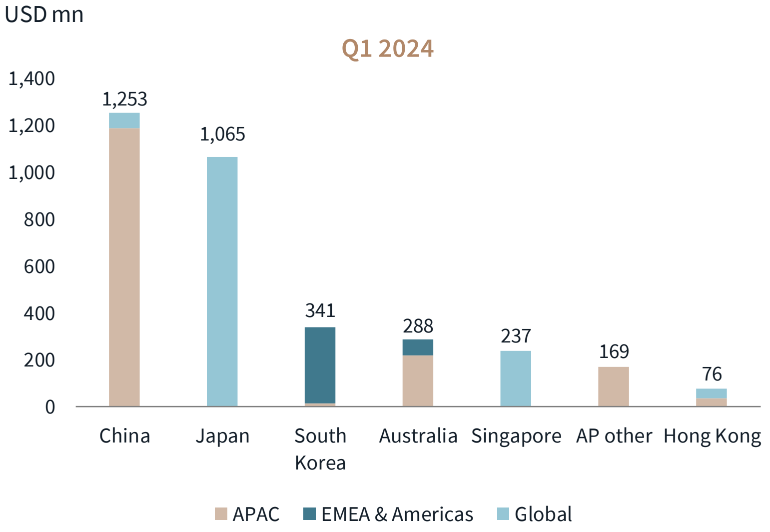
- Cross-border investment volumes to APAC registered **USD 3.4bn**, declining 25% YoY. Investor caution and pricing uncertainties continued to keep cross-border activities modest.
- Amongst active capital sources, **global** investors made major acquisitions in Japan and Singapore, while institutional investors from **Hong Kong** continued to deploy capital in mainland China.
- Offshore investors, including insurance companies and REITs, looked for 'special situations' in **China** as more distressed opportunities were made available amid the ongoing liquidity crisis.
- Overseas investors remained interested in **Japan,** with large acquisitions made in office and logistics, due to its loose financial conditions, positive yield spreads, and weak currency.
- While local institutional investors in **South Korea** were facing funding difficulties, cross-border investors remained conservative due to concerns about further price corrections.
- The well-capitalised real estate market of **Australia** attracted foreign, especially Singaporean, investors to deploy capital, albeit at relatively small deal sizes.
- The better-than-expected tourist spending in **Singapore** enticed global investment funds to buy hotel assets in the city state.
- Foreign capital remained indifferent towards **Hong Kong** as evidence of repricing began to emerge.

Sources of cross-border capital to Asia Pacific



Source: JLL Research, as at Q1 2024
Note: Global refers to capital with >30% coming from multiple geographies and is regarded as interregional

Cross-border volumes to Asia Pacific by purchaser region

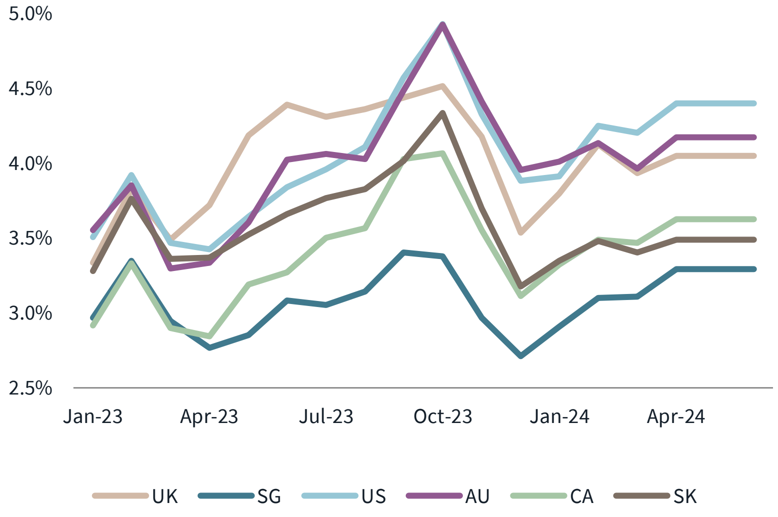


Source: JLL Research, as at Q1 2024

APAC Debt Market Update

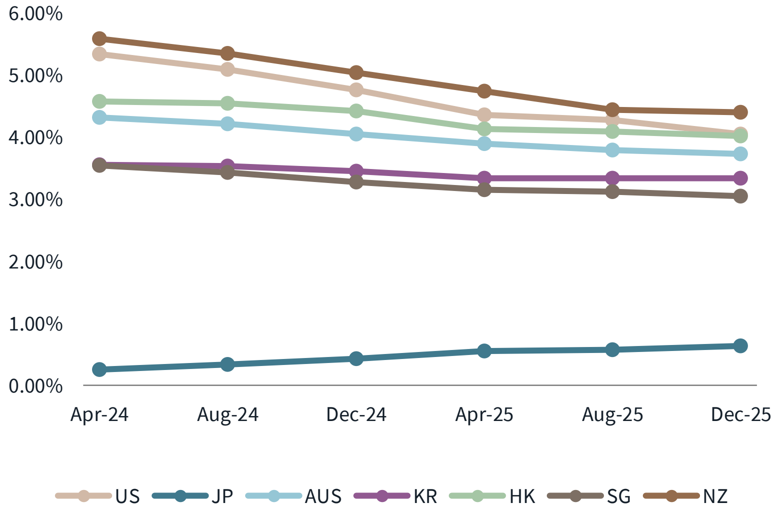
- Since the start of the year, market projections for rate cuts by the Fed have undergone significant revision. Expectations have gone from 150-175 bps, to a scaled down 25-50 bps reduction over fewer cuts.
- Benchmark US 10-year note's yield rose to the highest level since mid-November last year. This comes after strong economic data releases in the US- robust headline and core CPI, retail figures topping estimates indicating continued momentum in consumer spending, and resurging employment growth. Fed Chair Powell's remarks on "lack of progress" towards inflation target has prompted investors to rethink rate cut assumptions.
- Since the start of 2024, 3-year fixed rates have risen, but are still largely below floating rate levels - implying rates will remain elevated for longer. Traders have postponed expectations on the timing of the first rate cut to be in July or September, rather than June.
- The latest forward rate curves suggest that major Asian economies will have a more measured monetary easing cycle.
  - **Australia:** Forward curve indicates borrowing costs are forecasted to subside in Q3, including but not limited to softening inflation and debt market issuance programs by Australian banks. The first rate cut is expected to be in Q1 2025.
  - **South Korea:** Swaps market is pricing in 0 rate cuts in next 6 months.
  - **Japan:** Swaps market is signalling expectations that the BoJ's target interest rate will rise to 0.3% in 2024, up from the current 0 to 0.1% target. Impact on Japanese capital flows are likely to come through currency changes, rather than the rate hike itself.
- Looking frwd, rising geopolitical tensions, volatile oil prices, US job market normalisation and govt bond issuance may further delay anticipated rate cuts.

Global 10-year government bond yield trend



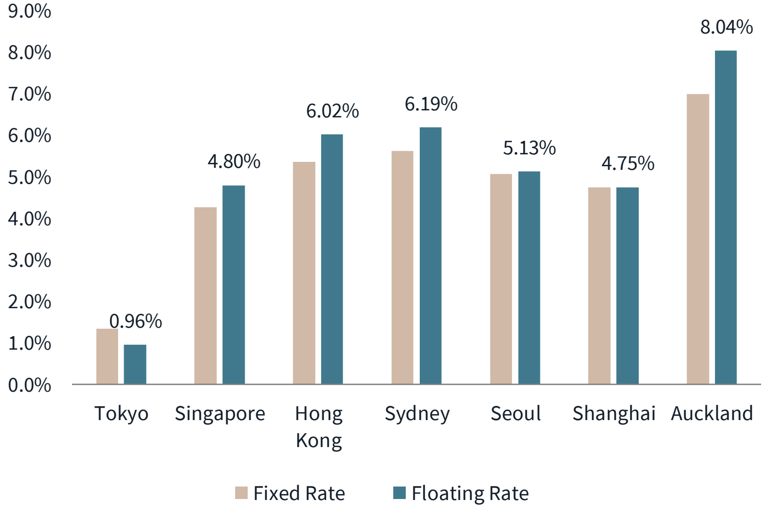
Source: JLL, Bloomberg as at Jan 2024

3M forward rates between 2024 and 2025



Source: JLL, Bloomberg as at Apr 2024

Apr 2024 APAC 3-month floating vs 3-yr fixed for senior loan



Source: JLL estimates, as at Apr 2024

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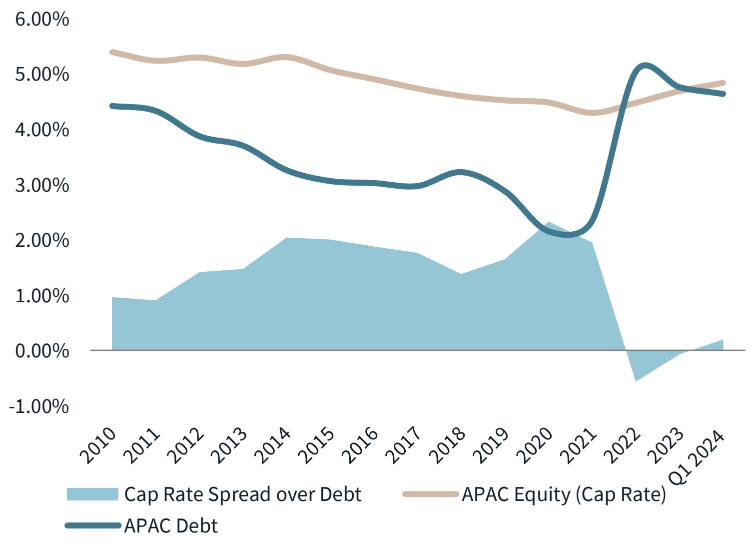
Private Credit: Higher risk adjusted returns

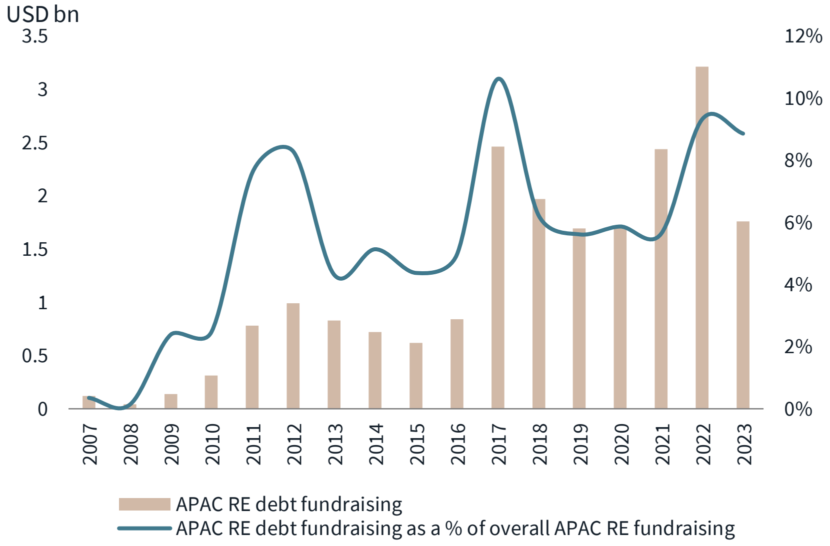
- In elevated rate environments, credit strategies tend to outperform equity strategies when it comes to absolute yield. Investment managers and LPs are increasingly turning to credit for AUM growth and capital deployment. In APAC, 2023 RE debt fundraising as a share of total RE fundraising was elevated at 9%, higher than the historical average of 5%.
- Due to capital value corrections and ICR (interest coverage ratio) declines from >2 (early 2022) to <1.5 currently, the loan-to-value ratio across APAC has decreased from 40-60% (early 2022) to 30-50%.
- Although Asian banks remain engaged in the CRE lending market, funding from traditional lenders does not fully meet market demand, particularly in mezzanine/preferred equity and development loans. This presents an opportunity for private credit.
- Private credit can also help bridge some of the funding gap, especially in Hong Kong, China, Australia, and logistic assets in Korea - markets where banks have tightened lending over time.
- Private credit offers superior risk-adjusted returns for the lender. For the borrower, it provides flexibility on covenants and more direct influence over debt structuring. It also offers streamlined execution.
- Globally, the top 3 investor types most interested in accessing private credit are pension funds, insurers and SWFs. Several APAC private credit funds/partnerships that closed recently include **Muzinich & Co**'s debut USD 500mn fund and **Goldman Sachs** and **Mubadala**'s USD 1bn partnership to invest in opportunities including real estate.
- Overall APAC RE fundraising dropped 55% yoy in Q1, to USD 2.28bn.

APAC Equity (cap rate) vs Debt return comparison



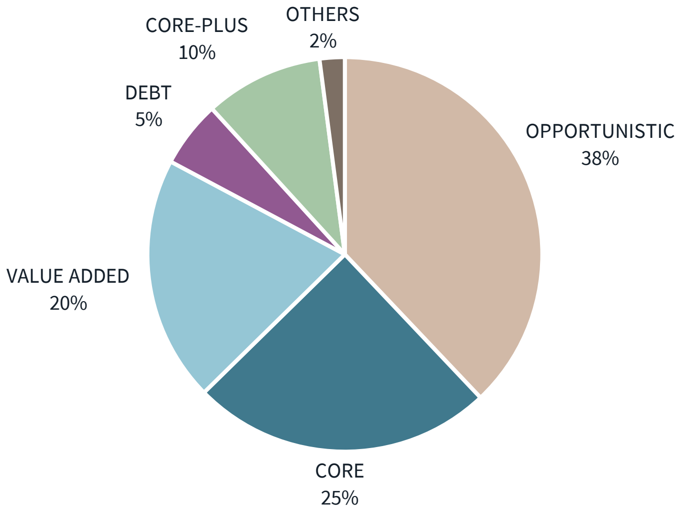
Source: JLL, as at Q1 2024

APAC real estate debt fundraising



Source: Preqin, JLL Research, as at Q1 2024
Note: Overall APAC RE fundraising includes core, core-plus, value-add, opportunistic, distressed, secondaries funds etc.

APAC Real Estate Dry Powder



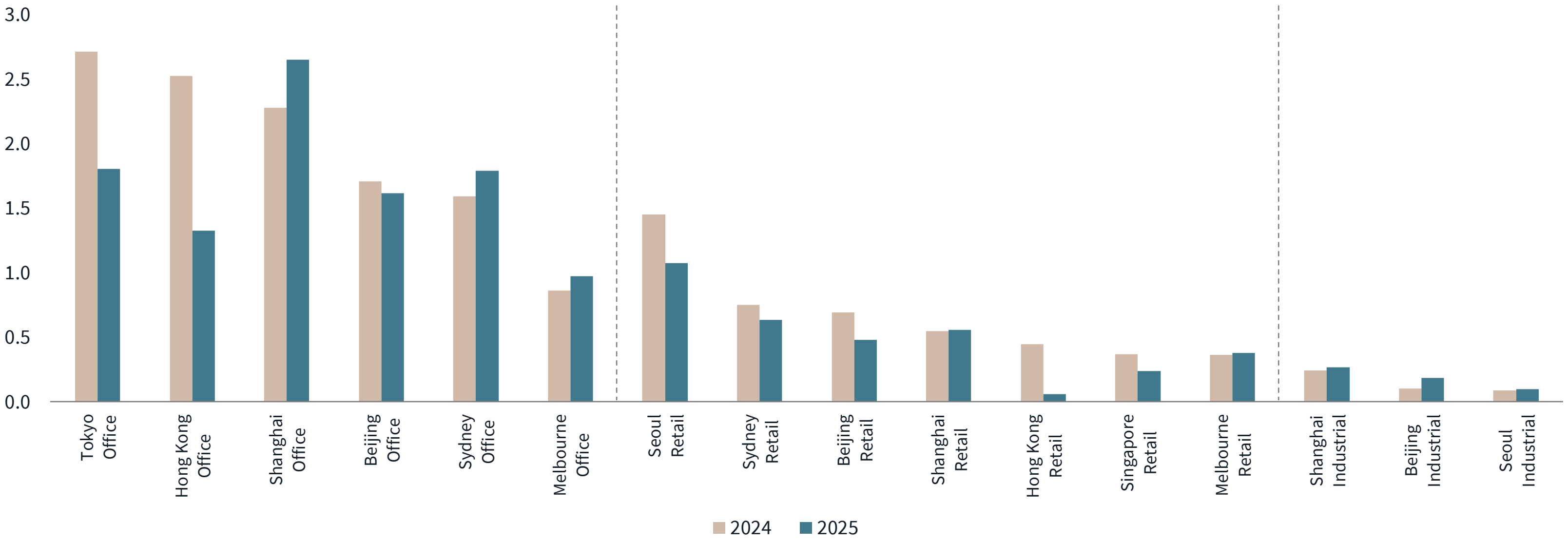
Source: Preqin, JLL Research, as at Q1 2024
Note: "Others" include distressed, fund of funds and co-investment

Office assets at risk of higher refinancing gaps

- The refinancing gap is defined as the difference between the available loan amount at the time of refinancing and the original loan amount for the same asset. The size of the refinancing gap can be affected by the changes in the capital value of the asset and the loan-to-value (LTV) ratio adopted by the lender.
- As commercial real estate (CRE) capital values have corrected by 10-20% across major APAC markets, traditional lenders, including banks, are taking a more conservative stance towards CRE lending and reducing their exposure to the sector by lowering the LTV ratio from 40-60% to 30-50%. This gives rise to considerable refinancing shortfalls in 2024 and 2025 and presents ample opportunities for private debt capital in APAC.
- As the office sector has been hit by rental decline and yield expansion, office values across APAC are facing repricing pressure. While caution still prevails amongst many investors due to higher interest rates, office owners cannot dispose of the assets in the current market and have to resort to private credit for refinancing. Tokyo and Hong Kong record the largest refinancing gaps in 2024 with many assets traded previously due for refinancing.
- The retail sector suffers similarly as office, but the refinancing gaps have been smaller owing to lower investment volumes. Nevertheless, the industrial sector has remained resilient with only limited refinancing gaps in selected markets across the region.

Estimated CRE refinancing gaps based on transactions

USD bn



Source: RCA, JLL
Note: Assuming three-year loan tenure, 2024 and 2025 refinancing gaps are estimated by considering the 3-year rolling average of transactions closed

Recent refinancings

Yotta India Data Centre
Sector: Data centre
Loan amount: USD 82mn
Lender: State Bank of India
Borrower: Hiranandani Group

Samsung F&M Yeoksam Building
Sector: Office
Loan amount: USD 77mn
Lender: Shinhan Bank & Woori Financial
Borrower: Shinhan Alpha REIT

Source: RCA

New and emerging capital sources: Australian super funds

- Globally, Australian pension funds have the fastest growing pool of retirement savings, up 632% in the period between 2002 and 2022 – representing 140% of the country's GDP, according to Thinking Ahead Institute (TAI). TAI estimates that Australia's pension assets grew to AUD 2,448bn in 2023. This is set to expand further driven by inflows due to compulsory contributions of 11% of workers' wages and positive investment returns. This pace of growth will be determined by how much baby boomers draw down as they move into retirement as well as money inflows determined by demographics (immigration, birth rates etc.). ASFA[1] projects that by 2050, super assets will reach AUD 5,000 - 6,000bn, or 170% of GDP.
- According to ASFA, currently, 7% of super assets are allocated to property (5% unlisted and 2% listed). Even if percent of asset allocation remains constant, the overall growth in AUM means the absolute real estate allocation will increase. Most of these funds have the dry powder, the cash and a very long-term horizon. For example, **AustralianSuper** has net cash inflows of AUD 20bn per annum. The long-term focus enables them to pursue opportunistic strategies that position them to accept a higher risk and thus higher return. In 1Q 2024, super funds were seen buying up development sites for conversion into warehouses – rather than built out logistics assets.
- Beyond office, super funds now invest in logistics, living and alternatives. Given the equity they will amass, they will make moves overseas in coming years.
    - In Q1 2024, a **UniSuper** and **ISPT** JV bought Burra Park, a 280-ha greenfield site next to Sydney's planned new airport for AUD 862mn, to build an AUD 3.9bn logistics hub.
    - In 2023, **AustralianSuper** invested AUD 364mn (90% of the required AUD 405mn equity) in cost to develop three BTR sites.
    - In 2023, **Aware Super** similarly acquired an AUD 158mn mixed-use (BTR and retail) project in Canberra.

UniSuper acquired Gate 6 Tilburn Road, a prime greenfield industrial site in Deer Park, Melbourne for AUD 260mn. The site will be converted into an AUD 1bn 330,000 sqm logistics hub.

Pension assets as % of GDP

Market	2013	2023
Australia	108.3%	145.0%
Canada	138.6%	146.6%
China	1.0%	2.4%
Germany	13.2%	13.4%
Hong Kong	41.7%	56.0%
India	4.7%	6.5%
Japan	55.5%	80.0%
South Korea	37.1%	64.5%
UK	112.2%	96.2%
US	120.4%	132.1%

Source: Thinking Ahead Institute Global Pension Assets Study 2024, JLL Research
Note: ASFA1 - Association of Superannuation Funds of Australia

Superannuation Schemes

Name	AUM (USD Bn)	Current Real Estate allocation %
AustralianSuper	300	4.43%
Australian Retirement Trust (ART)	280	5.93%
Aware Super	150	9.17%
UniSuper	125	-
Hostplus	100	10.3%
CBUS Super	86	11.01%
HESTA	82	6.29%

Source: JLL Research, Preqin, as at Q1 2024

Infrastructure funds outraise and outperform

- APAC-focused infrastructure AUM has been steadily rising, reaching an estimated USD 84.2bn in 2023, a 5.3% yoy increase.
- Capital from infrastructure funds are increasingly investing in CRE Alternatives like data centers and PBSA. They provide further liquidity to drive scale. Some asset managers have combined their infrastructure and property teams. **AustralianSuper**, **Australian Retirement Trust** and **BlackRock** have done so, with the latter two merged under a “real assets” group.
- On a global level, infrastructure target allocations by sovereign wealth funds (SWFs) and government agencies increased significantly in 2023. Similarly, in APAC, SWFs and pension funds have been committing more capital to this asset class. **Seraya Partners Fund I**, a USD 800mn APAC infra fund, is backed by pension funds Alberta Investment Management, SWFs from Singapore, South Korea and North America and insurers.

AMP CAPITAL

AMP's Diversified Infrastructure Trust and Core Infrastructure Fund bought AUD 112mn **PBSA** assets at ANU in Canberra

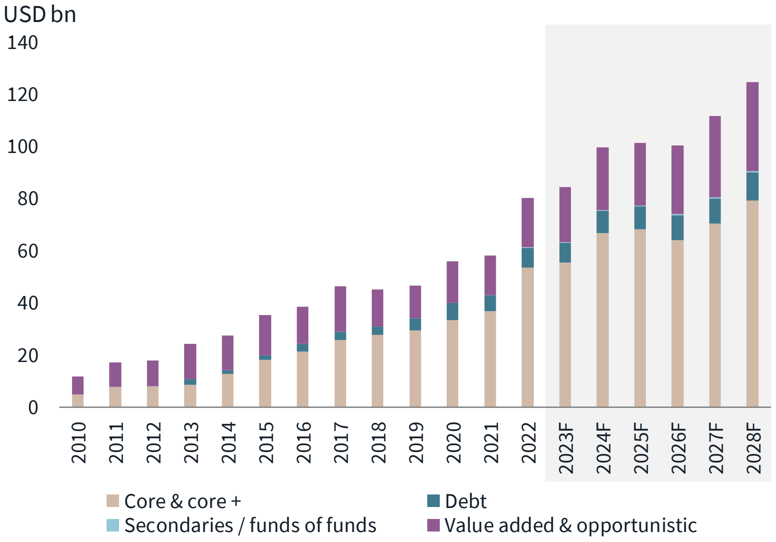
Stonepeak

Stonepeak Infrastructure Partners and other investors committed USD 1bn to form Digital Edge, an APAC **data centre** platform

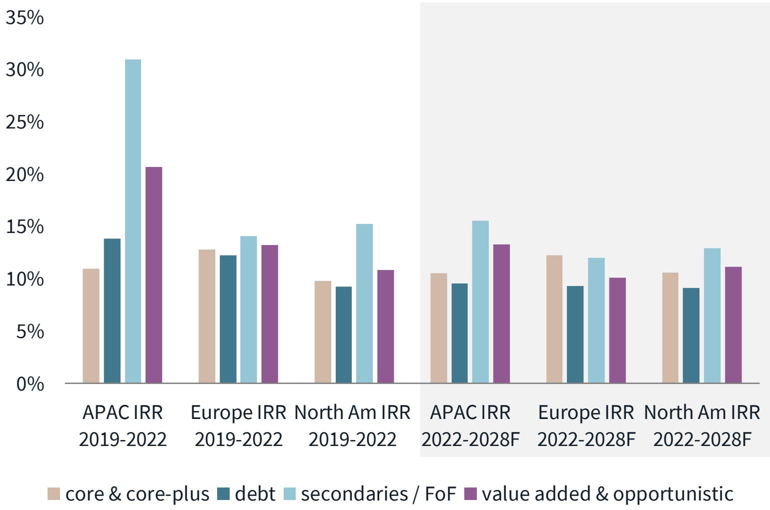
KKR

Part of its digital infra strategy, **KKR** acquired a 20% stake in Singtel’s **data centre** business, part of Singtel’s Digital InfraCo infrastructure arm

APAC-focused infrastructure AUM



Infrastructure historical and forecast IRR



Notable APAC infra-funds

Fund	Firm	Fund size (USD mn)	Primary strategy
KKR Asia Pacific Infrastructure Investors Fund	KKR	6, 400	
Pacific Equity Partners Secure Assets Fund II	Pacific Equity Partners	900	Value-added
Seraya Partners Fund I	Seraya Partners	800	
IMM Infra No.9	IMM Investment	500	Core
Bestinver Infra	Bestinver Asset Management	300	Core plus

Source: Preqin, JLL Research

Great expectations: India rising

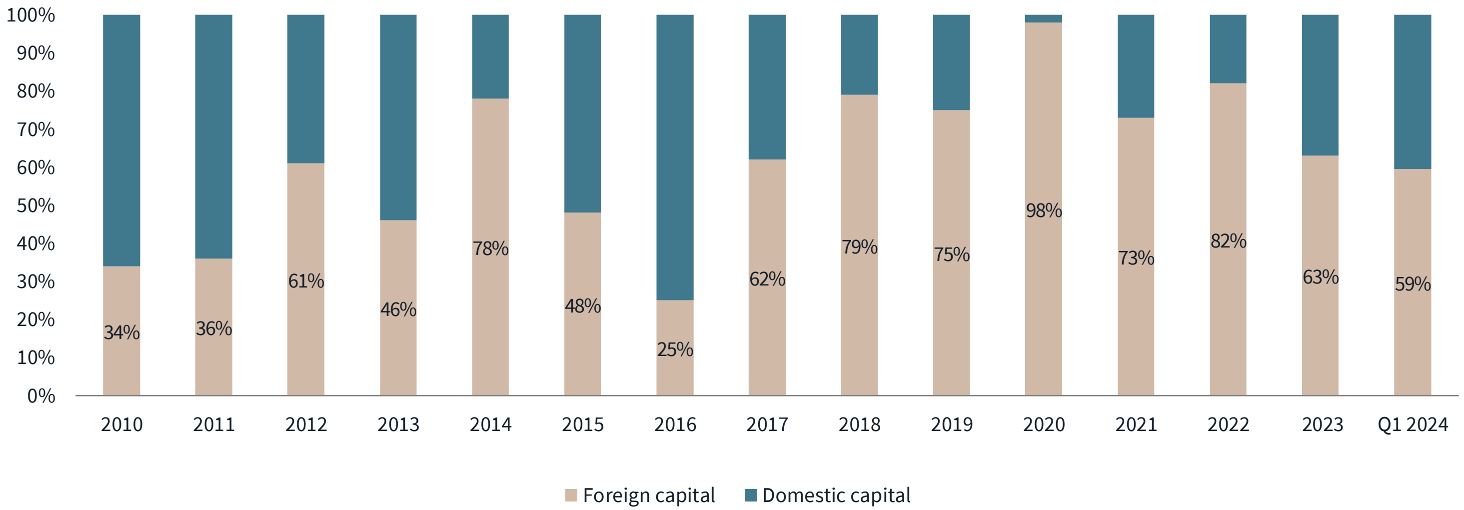
- Foreign capital has entered India mainly via REITs that offer a more regulated and familiar investment structure for international investors. Govt initiatives such as Real Estate Regulation and Development Act (2016) and the relaxation of FDI norms have reassured foreign capital.
- In the past 12 months, foreign investors – mostly, global and Singaporean, have made up majority of the transaction volume in India, acquiring assets via REITs. In Q1 2024, **Capitaland India Trust REIT** forward funded BlueRidge3 (office) for USD 93mn and OneHub Chennai (logistics) for USD 32mn. This is in line with Capitaland's aims to double its real estate AUM in India to SGD 8bn in the next 3 years.
- At the same time, domestic capital participation in CRE is expected to rise. Domestic institutions have been anchor investors in recent REITs. As India's economy accelerates, HNW and family offices are expected to grow exponentially which will also deepen the domestic capital pool.
- While office is expected to continue to be favored due to strong leasing demand by Global Capability Centers (offshore units of MNCs) with tenants in tech, finance and pharma, alternatives such as data centers and PBSA are gaining traction from institutional investors as investible stock expands.
- For data centers, an estimated 678 MW of supply addition is expected by 2025 which will require a USD 4.8bn capital outlay. DC operators will have to tap global investors to fund these supply additions.
- More youth are opting for higher education in India driving demand for PBSA. In Q4 2023, **Alta Capital** acquired **Goldman Sachs**' and **Warbug Pincus**' 100% stake in India's largest student housing platform, **Good Host Spaces**, for USD 320mn.

For more information: India: Investing in tomorrow

Edelweiss Alternatives acquired Manyata Tech Park, a Bangalore office building, for USD 178mn

Godrej Group sold nearly 200,000 sqft of office space across the Godrej BKC project in Mumbai to **Max Life Insurance** for ~USD 108mn

Share of investments from domestic vs foreign domiciled funds



Source: JLL Research, as at Q1 2024

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Sectors

1. Office
2. Logistics
3. Retail
4. Living
5. Alternatives
6. Hotels

Large quantum deals make up nearly a third of office volumes

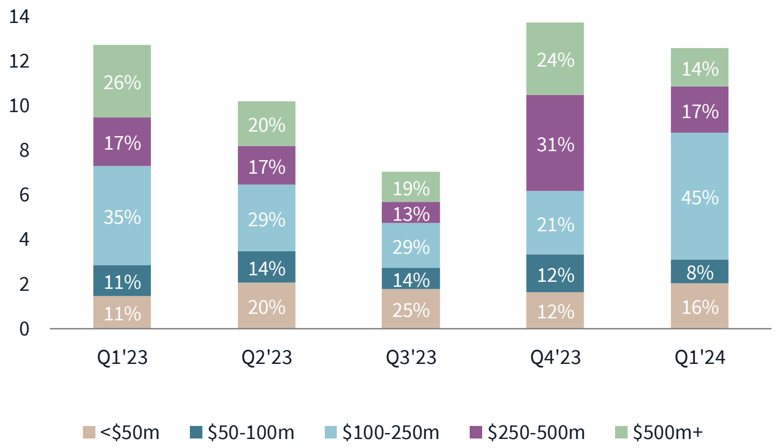
- APAC office volumes dipped 1% YoY to **USD 12.6bn** in Q1. Investment activities were mainly contributed by domestic investors, while foreign investors remained cautious due to concerns about repricing.
- **Japan** was the most active office market as domestic REITs and property companies continued to make acquisitions. While Tokyo CBD remained the preferred location, opportunities have been limited and investors would turn to fringe Tokyo and Osaka in lieu.
- **South Korea** remained attractive given the robust occupier demand for offices. Several quality office buildings were bought by domestic investors, while corporates considered purchasing office assets for occupation to save rental expenses amid rapid market rental growth.
- **China** recorded several transactions involving office assets offloaded by foreign investors and local developers, and picked up by insurers and corporate occupiers.
- Transactions in **Australia** were made up of smaller deals as investors remained cautious towards office assets of scale. Private wealth was a major source of capital.
- **Singapore** and **Hong Kong** office volumes were low as investors re-allocated their capital to other sectors, namely retail. Investment activities mainly involved strata sales.
- Real estate funds in **India** targeted quality office assets with attractive rental yields, injecting liquidity to the sector.

Toyosu Bayside Cross
Location: Tokyo
Price: USD 295mn
Yield: 3.5% (stabilised)
Vendor: Mitsui Fudosan
Purchaser: Nippon Building Fund

K Square City
Location: Seoul
Price: USD 231mn
Yield: 5.4% (stabilised)
Vendor: Koramco
Purchaser: Pacific AM

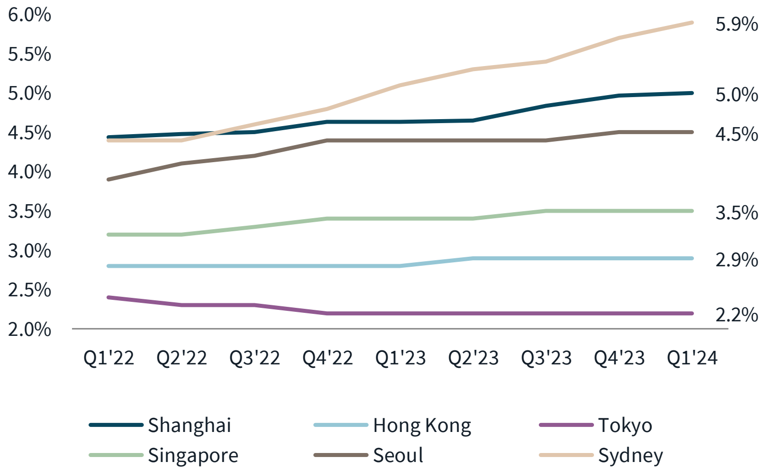
Office volumes by deal tranche size

USD bn



Source: JLL Research, as at Q1 2024

Office yield trends



Source: JLL Research, as at Q1 2024
Note: Market yields are quoted for Hong Kong, Tokyo, Singapore and Seoul; cap rates for Shanghai; equivalent yields for Sydney

Largest office transaction in Gangnam since 2020

Arc Place

142 Teheran-ro, Gangnam-gu, Seoul | Korea

Overview

- 100% freehold interest of the land and the building. The target buyer pool was core capital due to 100% occupancy and strong leasing market fundamentals.
- A total of 4 bids were received from domestic investors.
- Koramco REITs & Trust, a local asset manager, has deployed their blind fund with dry powder to invest in core office assets, specifically focusing on common equity investments. In addition, they sourced various domestic preferred equity investors and institutions.

Profile

- Landmark office building with significant frontage located on the most desirable and famous office boulevard in Korea, Teheran-ro
- Spanning across 62,748m^2 (18,981py), the building has excellent transit connectivity, and is 100% occupied by a diverse range of blue-chip tenants.
- Short-term 3.12-year WALE (July 2023) allows for significant rental reversion upon the expiration of existing leases, backed by the strong leasing demand

Key Metrics

Location	South Korea	Price (USD)	587.9 million
Property Type	Office	Passing yield	4.3%
Gross Floor Area	62,725 sqm	Vendor	Mirae Asset Global Investment
Occupancy	100%	Purchaser	Koramco REITs & Trust

> "Amidst the backdrop of thin liquidity in the domestic market, high interest rates and increasing yield requirements, prime office assets in CBD with high-profile anchor tenants and a stable income profile have remained sought-after by domestic investors.

Keehoon Lee
Senior Director, Korea

- In Q1 2024, Gangnam recorded a low vacancy rate of 0.3%. No expected new Grade A office supply until 2028 and demand remains strong, demonstrating the solid fundamentals of the Seoul office leasing market.
- Domestic Asset Management Companies (AMCs) with available capital from blind funds and listed REITs are reviewing assets on a selective basis. Foreign AMCs are adopting a cautious approach, investing in value-add opportunities or properties with lower prices. Yet, due to a prolonged negative leverage situation amid higher interest rates, there is still a significant bid price gap between buyers and sellers. Domestic

For more info, Seoul Office Market Dynamics Q1 2024

50% stake

255 George Street

255 George Street, Sydney NSW 2000 | Australia

Overview

- International Expressions of Interest campaign closed in December 2023. There were multiple rounds of bidding and the process attracted interest from primarily offshore capital.
- Represents the largest commercial real estate transaction in Australia YTD 2024.

Profile

- Completed in 1985, the 29-storey A-Grade tower was repositioned in 2022, including AUD 50mn in upgrades to central plant, end of trip, and amenities
- 5.5-Star NABERS Energy, 4.5-star NABERS Water rating
- 16 office and 1 retail tenant with a long WALE of 6.35 years

Key Metrics

Location	Australia	Price (USD)	233 million gross
Property Type	Office	Initial yield	5.97%
Lettable Area	38,997 sqm	Vendor	Mirvac
Occupancy	93%	Purchaser	Keppel REIT

> "This outcome demonstrates that, despite the prevailing global office market headwinds, investors are recognising that Australia's office market is highly resilient and decoupled from the North American experience. Offshore and domestic groups alike are increasingly cognizant of the limited window of opportunity to acquire the highest quality assets within Sydney's Core office market.

Luke Billiau
Head of Capital Markets, Australia & New Zealand

- 8 office developments are set to complete in 2024 in Sydney CBD, totalling 177,600 sqm of new or refurbished stock, which may put upward pressure on vacancy rates as new and backfill space is offered to the market.
- Sydney CBD recorded prime net face rental growth of 0.8% over Q1 2024. Prime yields softened 25bps on the upper end and 12bps on the lower end to now range between 5.25%-6.50%. Some liquidity for prime stock is slowly being unlocked which will provide guidance on pricing.

Investors look beyond Tokyo

Sun Mullion Tower

2-6-12 Minamihommachi, Osaka | Japan

Overview

- As part of their portfolio quality review process, ORIX J-REIT was looking to acquire a core stabilized asset. Osaka's market size and stable leasing demand outlook over the medium-long term was considered during decision making.
- The sale is approximately in line with the recent appraisal value at 19, 600 million yen.

Profile

- A 21-storey quality office building located in the historic business district "Hommachi Area". The building is well connected to major metro stations.
- Though more than 30 years old, the building remains attractive due to renovation
- Stable income profile with 26 tenants.

Key Metrics

Location	Japan	Price (USD)	128 million
Property Type	Office	NOI yield	4.0% (stabilised yield)
Gross Floor Area	23,755 sqm	Vendor	Japan special purpose company
Occupancy	88.6%	Purchaser	ORIX J-REIT

> "Despite the marginal interest rate hike, Japan properties continue to exhibit yield differentials and accretive cash-on-cash returns. Japan's strong political and economic fundamentals and clear exit opportunities for investors remain the pull factor attracting capital.

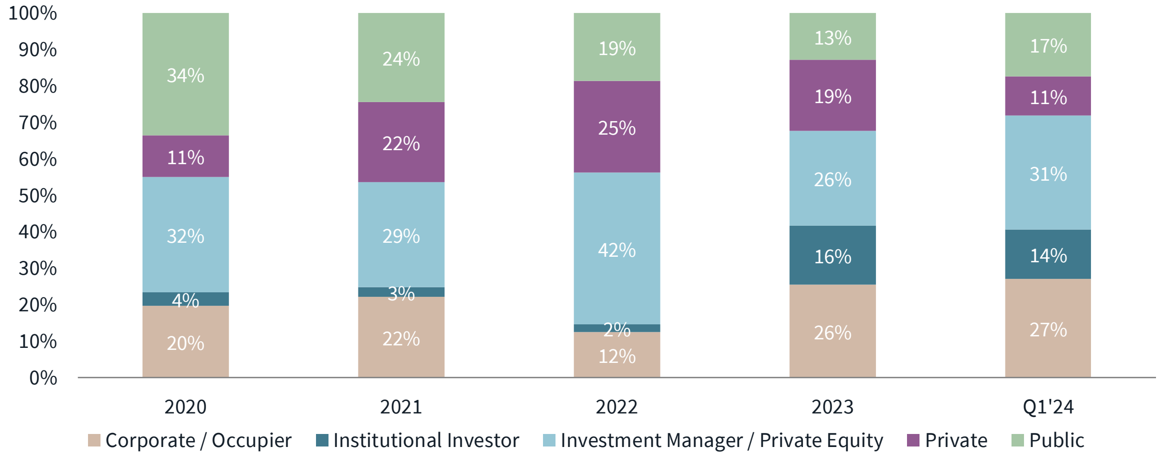
Koji Naito
Head of Capital Markets Research, Japan

- Due to relatively limited investment opportunities in Tokyo CBD, investors have been looking at Tokyo fringe and Osaka. Osaka made up ~12% of office investment volume in Q1 2024,
- Average monthly rents in Osaka were up 0.5% q-o-q, as new completions with high rents pushed up the market average. Osaka office capital values increased 1.0% q-o-q and cap rates remained stable.

Diverse pool of purchasers for logistics

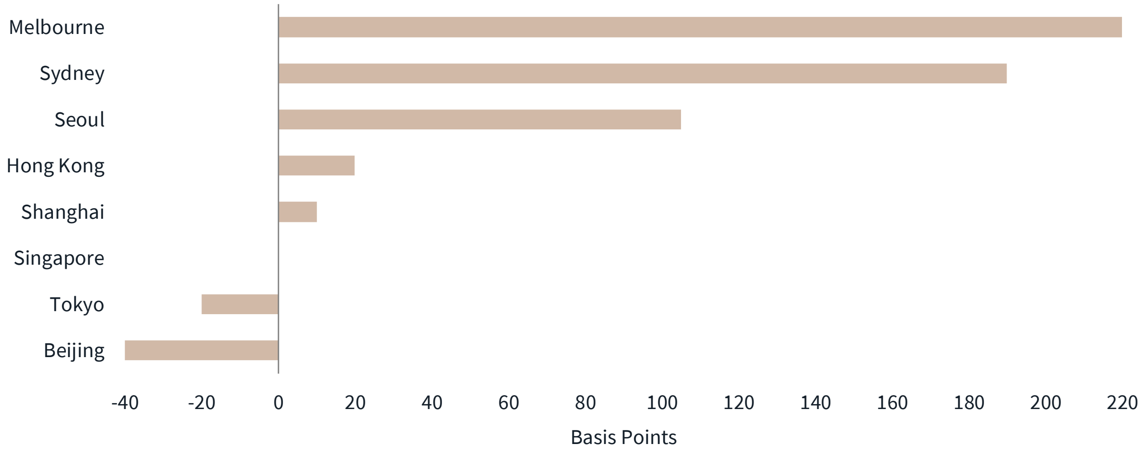
- APAC logistics volumes reached **USD 7.8bn** in Q1, improving 36% YoY. The resilient nature of the sector continued to entice investment funds and institutional investors into deploying capital.
- **Japan** logistics remained favoured by investors as J-REITs continued to make major acquisitions. While foreign investors were interested in the sector, available investment stock, especially large multi-tenanted facilities, was limited.
- **Australia** logistics volumes improved on the back of several large acquisitions made by domestic institutional investors. Private wealth investors were also active purchasers, attracted by the strong rental performance exhibited by the sector.
- Investment demand for **China** logistics was mainly from insurers and occupiers. Investors remained interested in modern prime logistics warehouse facilities located at core logistics hubs, considering their relatively stable yields compared with other sectors.
- Despite overseas investors becoming conservative in deploying capital, domestic investment funds and occupiers supported activities in **South Korea**. More distressed opportunities are anticipated after the short-term extensions for project financing loans end in H2 2024.
- While investors were interested in **Singapore** logistics for its positive yield spreads, the shortage of quality stock and entry barriers kept volumes low.
- **Hong Kong** volumes remained modest amid the current high interest rate environment.

APAC logistics purchaser composition



Source: JLL Research, as at Q1 2024

Estimated prime logistics yield movements, Q1 2022-Q1 2024



Source: JLL Research, as at Q1 2024
Note: Beijing yield last compressed in Q4 2022 and held steady since then

Retail: Assets of scale begin to move

In Q1 2024, APAC retail volumes rose 8% YoY to **USD 5.7bn**. Notably, deals above USD 250mn staged a comeback.

- **Singapore:** Retail volumes increased significantly due to two deals above USD 250mn, the remainder were primarily shophouse transactions. Suburban retail is expected to be a bright spot underpinned by favourable rent growth outlook, supply-demand fundamentals and positive yield spread over funding costs.
- **Japan:** Average rents in Tokyo's prime retail market increased 4% QoQ and 14.5% YoY, leading to capital value growth of 15.2% YoY. Rents could further increase driven by demand from international luxury retailers. Over the quarter, retail activity picked up, driven by trades between domestic buyers and domestic sellers, which may place downward pressure on cap rates.
- **China:** Retail volumes increased 109% YoY. Cash strapped developers liquidated their shopping mall portfolios to raise funds; this trend will likely continue with the government encouraging SOEs to buy these assets. Foreign investors also made exits – e.g. Capitaland divested CapitaMall Shuangjing in Beijing for USD 117mn, at an exit yield of 2.8%.
- **Hong Kong:** Scheduled large supply between 2024 and 2027 alongside consumption leakage to mainland China and surrounding countries likely to soften shopping mall sentiment
- **South Korea:** Couple of high street retail assets transacted, though at smaller quantums. Majority of the assets were purchased by corporate occupiers. Given that Chinese e-commerce is making rapid strides in the Korean market, differentiated offline strategies and experiential content will drive footfall to offline retail stores.
- **Australia:** Deals were dominated by those of smaller quantum - the average deal size was USD 21mn. Private wealth has been active in their acquisitions, making up 65% of the purchasers.

D-Park, Hong Kong

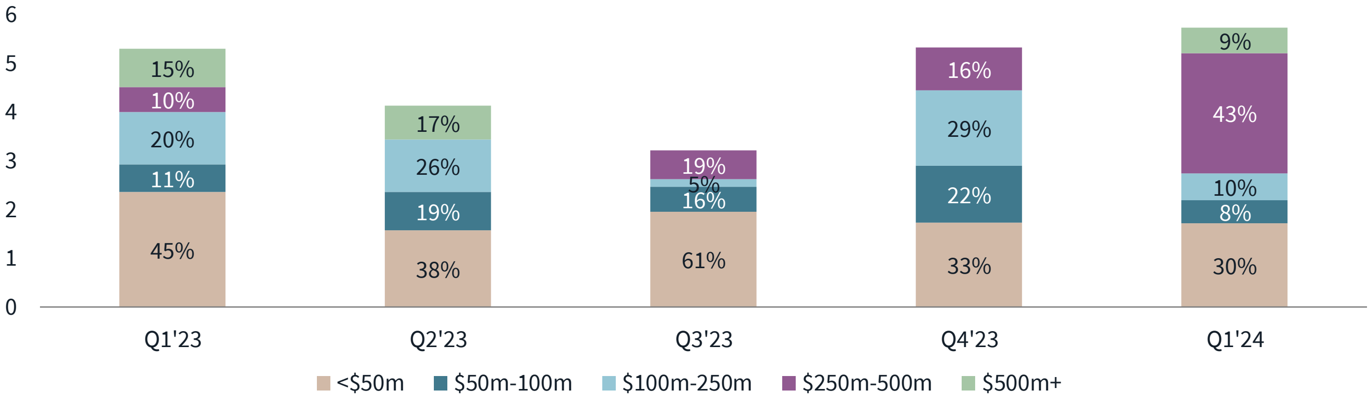
Chinachem acquired the 95%-occupied mall from New World Development for long term investment.

Qibao Vanke Plaza, Shanghai

Link REIT bought the remaining 50% stake it does not own in the mall from the troubled developed Vanke for USD 332mn, at a 33% discount from latest appraised value

Retail volumes by deal tranche size

USD bn



Source: JLL Research, as at Q1 2024

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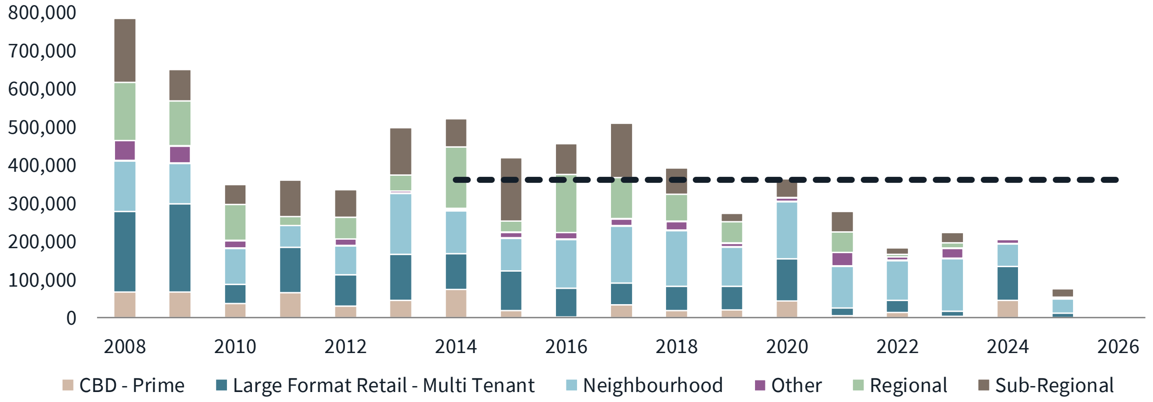
Revival of Australian Retail

- Retail spending grew at 5.1% p.a. until 2020, has now accelerated to 6.3% p.a. This demand growth is expected to persist with the government's revised tax cuts and rebounded population growth.
- Retail supply pipeline is also well below base case population growth requirements due to development challenges. Owners are likely to delay large-scale pure-play retail projects and opt for upgrades to existing assets.
- Shopping center income profiles are improving due to strong retail sales and re-basing of some rents, indicating tenants have more ability to absorb rental escalations. Based on a standard 5-year retail lease (CPI+1.5%) signed in 2019, rents would have grown 24% while MAT (Moving Annual Turnover, proxy for retail sales) has grown 29% by end of the lease – implying a 4% positive re-leasing spread.
- Despite this, there has been a disconnect between asset performance and valuation. While retail sales performance has grown by 14% since peak 2018 valuations, asset values decreased 12% over the same period.
- In 2023, a high proportion of stock was sold in non-metro locations, largely reflecting higher yielding assets above 7.0%. There were a small number of core assets in metro locations that traded, albeit below AUD200mn, largely reflecting yields in the 5.75-6.50%, at book value. The bid-ask spread on transactions was on average -6% in 2023 for assets over AUD 100mn, skewed by 6 out of 19 transactions that occurred at book value.
- Activity was skewed towards syndicator capital which made up more than 65% of the acquisitions, along with high-net-worth private investors. Offshore capital was relatively inactive in 2023 but interest has increased significantly.
- Reset in rents and valuations is driving renewed interest in the retail and will likely translate into more deployment from a range of core and core-plus funds.
- Pricing is reaching a level which is getting engagement and recognition from institutional, foreign and new market entrants – beyond the syndicator and private investors that have dominated acquisitions in the past 3 years.

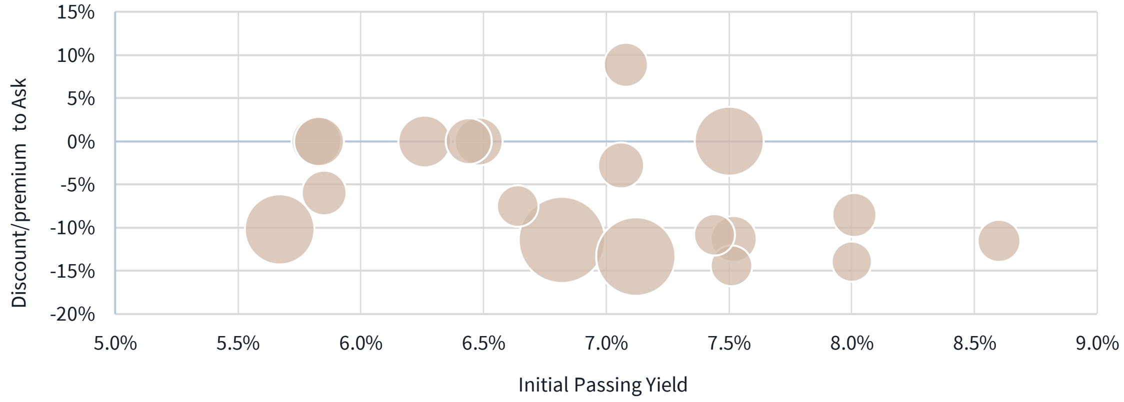
For more info: Reviving retail strategies

Retail completions & forecast (under construction)



Source: JLL Research, as at Q1 2024

Bid-ask spread on completed retail transactions >$100 million in 2023



Source: JLL Research, as at Q1 2024

Strength in SG sub-regional retail

The Seletar Mall

33 Sengkang West Avenue | Singapore

Overview

- 100% interest in The Seletar Mall was sold following a competitive expression of interest marketing campaign
- Competitive bids received from domestic and global investors
- Buyers are attracted to the resilience and attractive long-term returns of Singapore's suburban retail that are typically supported by robust residential catchment

Profile

- Built in 2014, the mall caters to the surrounding highly dense public and private residential community
- The mall is 100% tenanted and has robust tenant mix anchored by NTUC Fairprice, Haidilao, Harvey Norman, Uniqlo and Shaw Theatres.
- The mall has a 99-year tenure, expiring in 2111 (approximately 87 years remaining)

Key Metrics

Location	Singapore	Price (USD)	410 million
Property Type	Retail	Net Yield	4.3%
Net Lettable Area	189,467 sqft	Vendor	Cuscaden Peak (70%), United Engineers Developments (30%)
Occupancy	100%	Purchaser	Allgreen Properties

> "Singapore's suburban retail sector continues to be highly sought after by global and domestic capital seeking exposure in the tightly held retail investment market. The compelling resilience of the retail sector in addition to the attractive returns profile underpins the demand of capital partnering retail experts to access the market.

Ting Lim
Head of Capital Markets, Singapore

- Islandwide retail vacancy in Singapore remains low. Prime retail vacancy at Q1 2024 was 1.8%, lower than the 3.4% recorded in Q1 2023. Suburban retail vacancy at Q1 2024 was at 1.1%, a decline from 1.6% a year ago. This has supported rental growth in all submarkets.
- Capital value growth is expected due to a scarcity of quality retail assets coupled with growing investor interest and capital allocation towards retail assets. Capital values grew 0.6% yoy in both prime retail and suburban retail

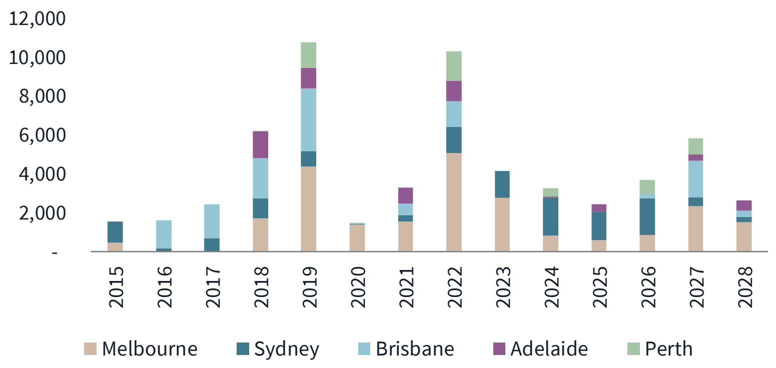
JLL

Australia PBSA moves closer to liftoff

- Australia has had a significant rebound in population growth, marked by a recovery in student enrolments and a record number of lodged and approved international student visa applications. International students continue to choose to study in Australia due to the reputation of the education system, safe environment and depreciation of the AUD which has made fees more affordable.
- A tailwind for the PBSA sector, the private rental market remains very tight – residential vacancy has declined to historic lows of 1.1% and asking rents have grow 10.5% yoy.
- There has been a geographical diversification of student demand. While China leads demand, strong growth has been recorded in India, Philippines and Colombia. Besides reducing dependence on a single country, diversification affects the type of accommodation product offered. Most schemes designed included studio rooms to cater to Chinese, now more shared and affordable options are being explored.
- The PBSA supply pipeline has fallen sharply due to market challenges - construction, labour, land and project finance costs are impinging on development margins. JLL estimates an undersupply of 7,000 beds per annum over the next 5 years based on international student arrivals and known supply pipeline. Pre-COVID supply was 5,200 beds per annum
- Consolidation was a theme, driven by large scale investments by institutional capital and the appetite to achieve economies of scale across existing platforms. More recently, new entrants have entered looking to diversify their capital allocation and increase exposure to the living sector. Given limited opportunities to purchase stabilised operational stock and with development challenges, investors are increasingly considering turnkey and fund-through solutions which allow capital to be deployed more efficiently while reducing development and planning risk.
- PBSA yields have compressed over the past decade, driven by increasing sector scale, development of high-quality product and greater liquidity backed by offshore investment. Yields are 236 bps lower than in 2013. Investors are attracted to PBSA's ability to capitalise on the rent reversions via short term leases (annual or semi-annual).

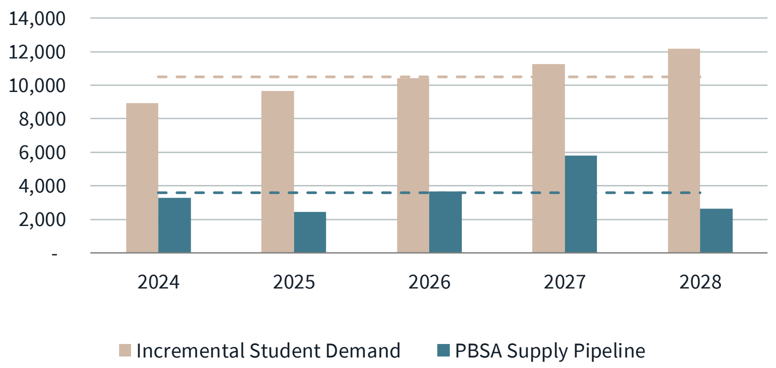
For more info, Student accommodation's role in a living sector strategy

National PBSA supply pipeline (no. of beds)



Source: JLL Research, as at Q1 2024
Note: Includes all operational beds, developments under construction, with plans approved and submitted

Supply-demand mismatch (no. of beds)



Source: JLL Research, as at Q1 2024

Australia PBSA sector prime yield range, by city

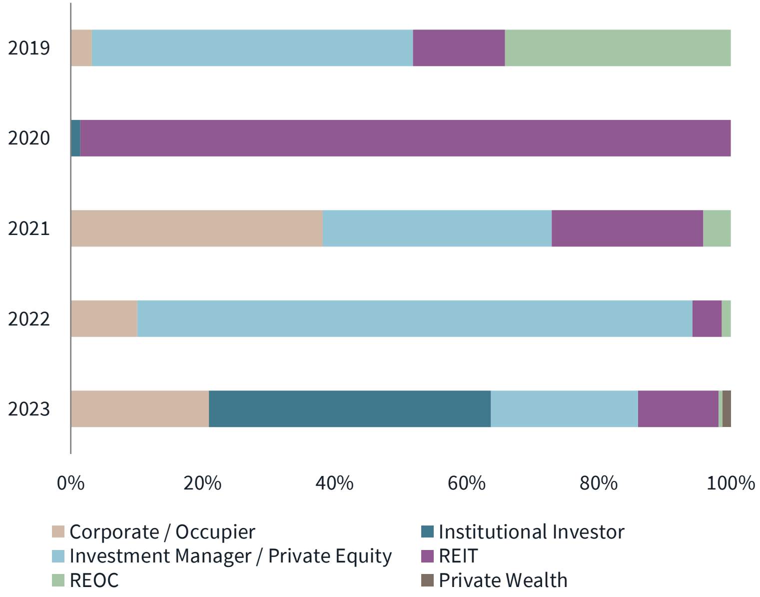
Q1 2024	Low	High
Sydney	5.00%	5.50%
Melbourne	5.25%	5.75%
Brisbane	5.50%	6.00%
Adelaide	6.00%	6.50%
Canberra	5.75%	6.25%
Perth	6.00%	6.50%

Source: JLL Research, as at Q1 2024

Life Sciences: Growing market liquidity

- The life sciences industry has been the beneficiary of huge amount of private and government investment across APAC. The sector's rare resistance to economic cycles and gross undersupply of quality facilities make it an attractive real estate sector for investors.
- Most of the life sciences assets in APAC used to be owned or operated by governments, non-profit institutions and corporate occupiers. As industry demand grew, there were a wave of development activities of modern lab spaces and business parks, and more existing assets were made available for investors.
- Given the sector's stable cash flows, attractive and resilient returns, and yield compression potential, different types of investors have been deploying capital in life sciences assets, injecting liquidity into the sector.
- China has been the most active investment market in recent years, with insurance companies and private equity funds making forays into the sector, and occupiers acquiring assets for operations. In Japan and Australia, domestic REITs have been recycling their capital and establishing a growing presence in life sciences.
- For more information: Life Sciences Industry & Real Estate Perspective 2024

APAC life sciences volumes by purchaser type



Source: RCA, JLL

Active life sciences investors in APAC

China
Gaw Capital, AIA, DNE, Ascent Real Estate Investors

Japan
Daiwa House, Goldman Sachs, Mitsui Fudosan, Sumitomo Corporation, Industrial & Infrastructure Fund Investment Corporation

Australia
Charter Hall, dexus, Goodman, Sentinel Group Australia, Arcana Capital

South Korea
Hana Financial Group, Aptamer Sciences, EDGC EONE-DIAGNOMICS Genome Center, LabGenomics, Genolution

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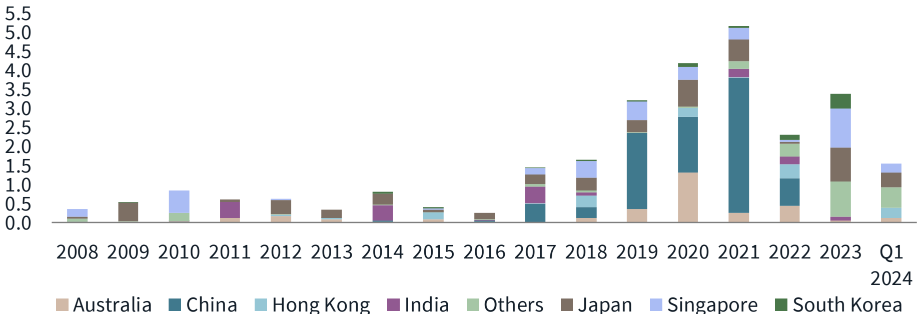
JLL

Data Centers grow on the back of credit lending

- As private equity pours billions into the data center sector, CRE lenders are following. Operators are largely using leverage rather than balance sheet capital to expand. However, the sector comes with its unique complexities and merely financing the building itself is not enough. While location, rent growth, operator experience remains important, lenders should consider key DC operating risks such as power supply continuity, DC maintenance clauses, data security and relocation provisions when underwriting loans. Lenders typically underwrite a construction loan and once construction has started, the loan is syndicated to other types of lenders, such as institutional capital.
- Bank interest and credit for data center development/refinancing projects rose in Q1 2024:
  - Vantage Data Centers secured a USD 64mn loan from **CTBC Bank and Cathay United Bank** to fund the development TPRE11, its first DC in Taipei.
  - BDx Data Centers secured a USD 155mn loan from **DBS and OCBC** to optimise its capital structure.
  - Pi Data Center in Cyberjaya secured a USD 53mn loan from **Malaysian Bank Pembangunan**
- Recently, green loans are more commonplace. As energy-intensive assets, lenders are increasingly lending to DC projects that abide by power efficiency standards, prompting operators to focus on sustainability so as to secure loans
  - Empyrion DC, a DC operator, secured a USD 98mn green loan from **UOB** to refinance the 12.5MW SG1 Dodid data center in Singapore.
- Unlike offices, the value creation of a DC operator is not in building, operating and exiting one DC, but in its ability to build many DCs and exiting the platform once tenant-occupied. In Q1 2024, GDS raised USD 587mn of funding for GDS International (GDSI), its holding company for international operations that operates in Hong Kong, Singapore, Malaysia, and Indonesia. It sold a 43.9% stake of the platform to investors including **Hillhouse, Rava Partners, Boyu, Princeville Capital, and Tekne Capital.**

AP data centre investment volume 2008- Q1 2024



Source: JLL, as at Q1 2024
Note: Includes entity deals

NEXTDC

NextDC acquired the land and completed core and shell DC development in Sydney (S6), offering 13.5MW for AUD 184mn. The facility has been designed exclusively for AI factories

BDx acquired OneTen Paya Lebar for SGD 140mn. The asset was a warehouse that was **repositioned** into an eight-story hi-tech industrial building. It was leased to BDx in 2020 on a "shell and core" basis - BDx increased grid power and IT capacity on-site and upgraded design specifications to meet hyperscaler requirement.

JLL

Active hotel markets in Japan and Singapore

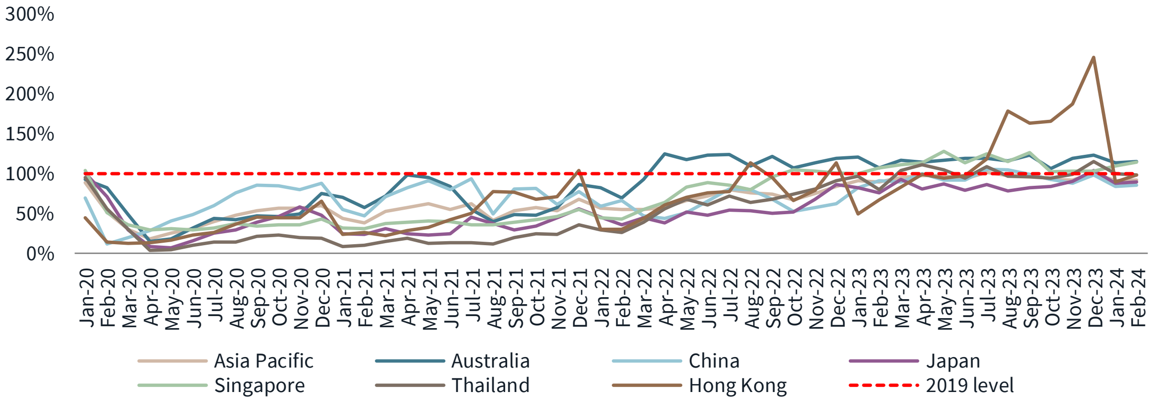
Japan, Singapore, and South Korea emerged as the powerhouses of hotel capital market activity in Q1 2024, representing over 60% of the region's total hotel transaction volume.

- **Japan:** Japanese developers dominated the hotel investment market by capturing majority of the total volume. Notable acquisitions include Fairfield by Marriott Osaka Namba for approximately USD102 million.
- **Singapore:** Demand for hotel assets in the city-state was primarily driven by Private Equity investors, motivated by the favourable safe-haven status and strong tourism fundamentals and performance.
- **South Korea:** Korea continues to be a highly coveted market, attracting significant interest from both domestic and international institutional investors.

In India, the hospitality industry attracted investments of USD401 million in 2023 (including development and land for hotel purpose deals), marking a significant increase compared to 2022. There were 22 hotel transactions, the highest number in the past decade, with a focus on under-construction hotels in both business and leisure destinations. The strong momentum from 2023 is expected to continue in 2024. For more information, Hotel Investment Trends in India

Monthly RevPAR (USD) recovery

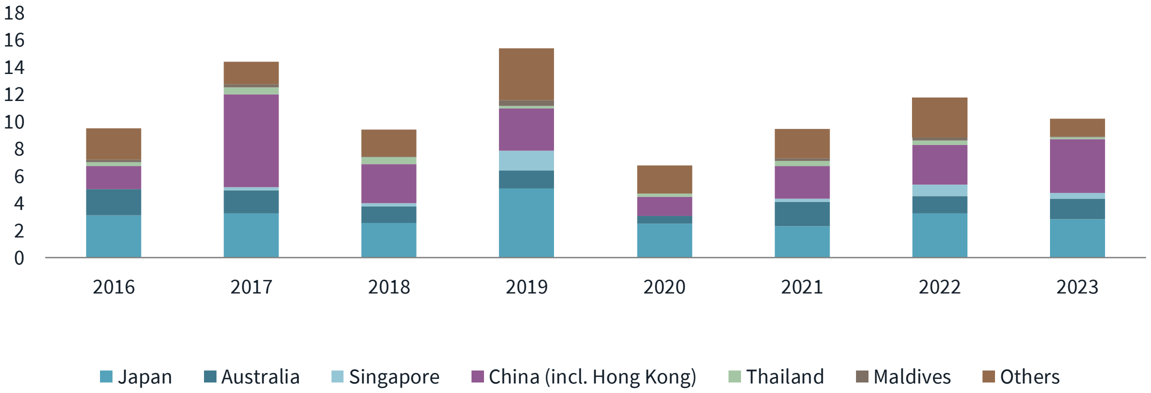
% recovery in monthly RevPAR (USD)



Source: STR, JLL

Asia Pacific Hotel Investment Volume

USD bn



Source: JLL estimates, as at Q1 2024 – data pertains to to transactions USD5M and above, and excludes Casino Property, Pub/Licensed Leisure, Development Site, Non-arm's length

Pasir Panjang Inn
Location: Singapore
Price: USD 295mn
Vendor: LHN Ltd
Purchaser: Globalpoint Far East

Okinawa Prince Hotel Ocean View Ginowan
Location: Japan
Price: USD 148mn
Yield: 4.9% (stabilised)
Vendor: Kenedix
Purchaser: KDX Realty Investment Corporation

Thailand

Karnmanee Palace Hotel

Overview

- The Karnmanee Palace Hotel, a 199-key property, was acquired by Urban Hospitality Group (UHG) on a 30-year leasehold interest. The hotel will undergo significant renovations and be rebranded as The Quarter hotel, UHG's flagship brand.
- UHG is an experienced real estate developer and management company specialising in various property types, including office buildings, hotels, residences, and mixed-use complexes in Bangkok's CBD. The company has a strong track record with notable projects such as Ari Hills, The Quarter Ari by UHG, and Evergreen Place Siam by UHG. UHG currently manages a hotel portfolio totalling 1,800 rooms across Bangkok.

Key Metrics

Location	Bangkok (Thailand)
Property Type	Hotels
Buyer	Urban Hospitality Group
Seller	Srisuparaj Co. Ltd
Total Price (USD)	*Confidential*
Closing date	4 January 2024

> "The recent open-market deal outside of Bangkok's core areas marks a promising start to 2024, reflecting the growing trend of investors seeking leasehold properties as an alternative to freehold acquisitions in a market impacted by a wider bid-ask spread and asset availability.

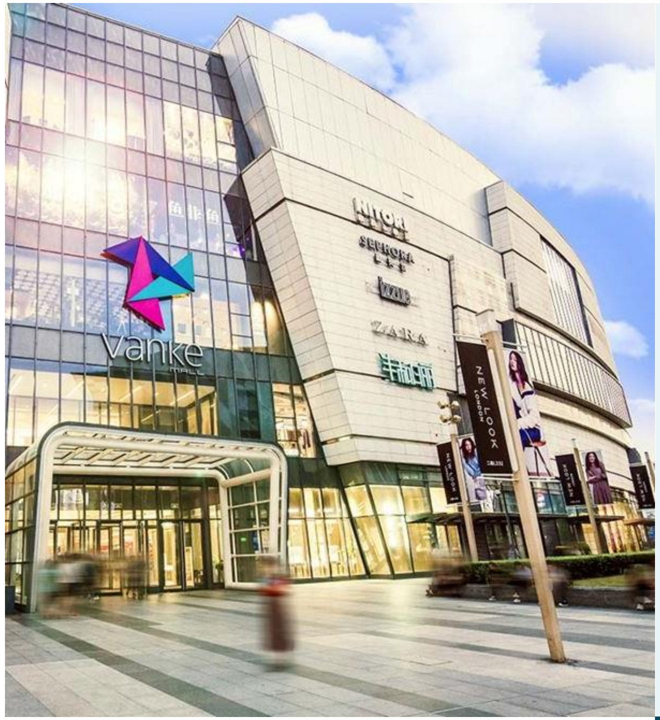
Nihat Ercan
CEO Asia Pacific, JLL Hotels & Hospitality Group

- The Karnmanee Palace Hotel deal is one of the first open-market deals located outside of the traditional Bangkok's core areas of Silom, Sathorn and Sukhumvit to ever be transacted. There have been other deals outside of Bangkok's core, however most of the assets were for conversion into condominiums. JLL has forecasted a total of c. USD250 million worth of transactions this year.
- More investors are looking for leasehold properties as an alternative to freehold acquisitions since 2018, especially in Bangkok where land prices have surged. In 2023, leasehold transactions accounted for approximately 40% of the total volume of hotel transactions. For more info, Thailand Hotel Investment Guide 2024

Geographies

1. China
2. Hong Kong
3. South Korea
4. Japan
5. Singapore
6. Australia
7. India

Insurers continue to make acquisitions



Qibao Vanke Plaza

Shanghai

Key trends:

- **Economic growth:** China's GDP grew 5.3% in Q1, beating market expectations. The growth was driven by industrial production and manufacturing investment. Nevertheless, retail sales and property investment remained relatively weak, while deflationary pressure persisted.
- **Insurer acquisitions:** Insurance companies continued to be a capital source purchasing real estate assets, with Hong Kong-based insurer AIA making acquisitions in Beijing and Xi'an from foreign investment funds.
- **Dislocated pricing:** As more local developers opted to offload assets to resolve their liquidity problems, transactions were observed at dislocated pricing. For instance, Vanke sold its stake in a Shanghai mall to its JV partner Link REIT at a ~30% discount to the latest appraised property value.

Outlook:

- **Occupier demand:** While institutional investors generally hold a cautious approach towards capital deployment, corporate occupiers and government agencies are expected to be the main types of purchasers active in the market.
- **Distressed sales:** As the ongoing property sector challenges continues to evolve, more local developers facing liquidity problems are going to dispose of assets at below market prices.
- **Retail REITs:** The broadening of the REIT pilot programme to include department stores, shopping malls and other retail assets will enhance the turnover of retail assets, as it provides an alternative exit strategy for investors.

Key deals	Asset	Price (USD mn)	Unit price (USD psm)	Vendor	Purchaser
Q1 2024	Capital Square Beijing	334	5,734	CapitaLand Investment	AIA Group
Q1 2024	Qibao Vanke Plaza (50% interest)	332	4,456	Vanke	Link REIT

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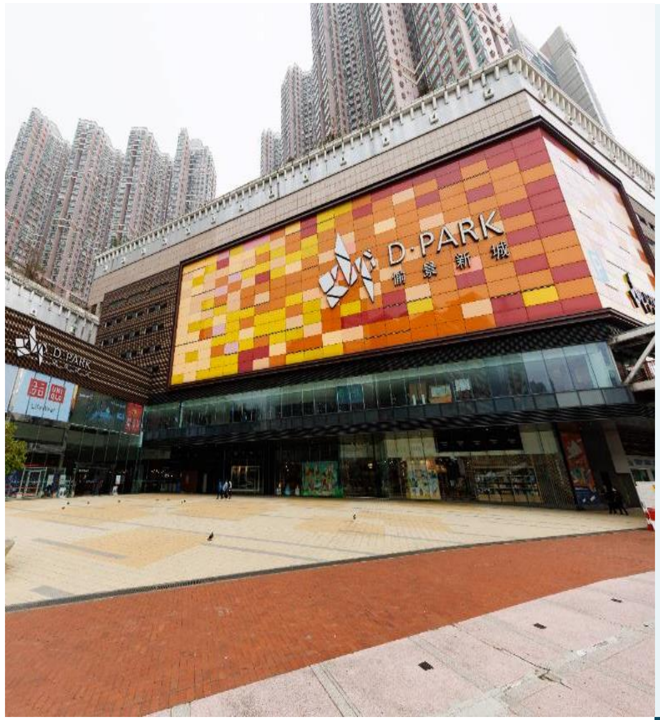
Retail holds growth potential on the back of tourism recovery



D-Park
Hong Kong

Key trends:

- **Subdued investment sentiment:** The investment market was quiet as interest rates remained elevated. While overall investment volumes lingered at low levels, the gradual return of inbound tourists could potentially give fresh impetus to investment activities.
- **Retail interest:** Retail was the most sought-after sector for long-term investment, by virtue of its significant price corrections and yield expansion over the past few years. Local private wealth investors have shown interest in high street shops in traditional tourist districts to capture their rental growth.
- **Discounted disposal:** Local developer New World Development sold D-Park, a neighbourhood shopping centre with a total retail GFA of 630,000 sq ft and approximately 1,000 carpark spaces, to another local developer Chinachem Group at a 33% discount to its initial asking price.

Outlook:

- **Policy support:** With the government's relaxation of the maximum loan-to-value ratio from 60% to 70% for non-residential properties valued at below HKD 30 million, investment momentum in commercial properties is likely to receive a boost.
- **Yield expansion:** Expansion of yields are expected to persist across commercial sectors amid the high interest rate environment. Retail properties will see a faster growth in rents than capital values, whereas office and industrial properties will have a greater drop in capital than rental values.
- **Rate cut expectation:** In the face of the currently weak market sentiment, more notable improvements will only materialise once the anticipated rate cuts commence.

Key deals	Asset	Price (USD mn)	Unit price (USD psm)	Vendor	Purchaser
Q1 2024	D-Park	514	8,783	New World Development	Chinachem Group
Q1 2024	The Sheung Wan by Ovolo	41	16,940	Ovolo	PGIM Real Estate

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Strong office leasing market underpins investment activities

Key trends:

- **Borrowing costs:** The Bank of Korea has held the key rate steady for ten consecutive meetings. With a gradual economic recovery and expectations of rate cuts, borrowing costs for senior loans on offices fell slightly. Inflation and stabilisation of household debt are considerations for future rate cuts.
- **Constrained liquidity:** Institutional investors preferred stable debt investments over equity outlays, tightening liquidity in the market. This encouraged local asset management companies to partner with corporate owners with abundant capital seeking offices for occupation.
- **Big-ticket office sales:** Despite the challenging financing conditions and slim liquidity in the market, several large office transactions were recorded in Q1, including Arc Place and the portfolio deal of Metro Tower and Seoullo Tower, as occupier demand for offices remained robust.

Outlook:

- **Investor pool:** Domestic investors will be the major source of capital for office acquisitions, as foreign investors are reducing portfolio exposure to the sector. Nevertheless, there are several core / core plus Singaporean investors and a few value-add international players actively gauging investment opportunities in the country.
- **Pricing:** The investment market is dominated by a small pool of buyers, resulting in limited price competition for assets. The negative leverage situation in office acquisitions prompts investors to be less bullish with pricing.
- **Corporate withdrawal:** The risk of corporate owners withdrawing from transactions shortly before deal closure has become a major concern, as such cases have been observed in the market.

T412
Seoul

Key deals	Asset	Price (USD mn)	Unit price (USD psm)	Vendor	Purchaser
Q1 2024	Metro Tower	313	7,602	ANDA Asset Management	IGIS Asset Management
Q1 2024	T412	249	9,448	Hanwha Asset Management	Allerman

Active office investment market

Aoyama Building

Tokyo

Key trends:

- **Macro conditions:** Consumer prices continued to rise, but wage increases were slow. Although the BOJ ended its negative interest rate policy and interest rates rose for the first time in 17 years, financing conditions remained loose.
- **Domestic investors targeting office assets:** Since Q1 marked the end of Japan's fiscal year, office investment opportunities increased and domestic investors, including listed J-REITs and private REITs, actively acquired office assets.
- **Investment locations:** Tokyo CBD was still the preferred location and transaction prices of office assets continued to rise. Fringe Tokyo and Osaka also presented investment opportunities to investors.

Outlook:

- **Office market recovery:** With the return of large office deals and a strong pipeline of future transactions, investment volumes are expected to increase significantly in 2024.
- **Inflation:** Labour and construction costs are rising along with consumer prices, and real estate rents and capital values are likely to increase as well.
- **Currency and policy risks:** While the yen continues to weaken, it is becoming difficult to predict monetary policy changes and their impact on the commercial real estate market.

Key deals	Asset	Price (USD mn)	Unit price (USD psm)	Vendor	Purchaser
Q1 2024	Aoyama Building	592	15,897	Gaw Capital Partners	Taisei Corporation
Q1 2024	Hub Yatomi	441	2,022	Hines	PAG

Capital allocated towards retail assets

NEX
Singapore

Key trends:

- **Capital value growth:** Overall CBD Investment Grade office rents and capital values turned around in Q1, after trending down for the past two and five consecutive quarters respectively. Capital values of prime floor retail space rose, underpinned by rental growth and relatively stable yields. Logistics rents rose for the 12th consecutive quarter, which supported another quarter of capital value growth as yields held steady.
- **Sector reallocation:** Capital allocation towards retail assets garnered momentum, underpinned by a rental growth outlook, favourable supply-demand fundamentals and positive yield spreads over funding costs. Hospitality assets were also favoured by investors amid the tourism revival.
- **Notable sales:** Investment activities were dominated by retail and hotel transactions. Two large shopping centre sales, The Seletar Mall and NEX, were recorded during the quarter, while several hotels were acquired by domestic and foreign investors.

Outlook:

- **Investment sentiment:** Retail, hospitality and logistics assets are expected to remain on investors' radars. While the impending interest rate cuts and rental recovery could potentially spur more office transaction activities, these are likely to be focused on bite-size freehold assets.
- **Growth forecast:** A rental growth outlook, the scarcity of quality retail properties and growing investor interest in retail assets should underpin retail capital value growth and compress yields in 2024. Pent-up demand and the impending interest rate cuts should support the recovery in office rents and capital values. Meanwhile, the growth in logistics rents and capital values could moderate further while keeping yields steady.
- **Macro:** The materialisation and strength of the global economic recovery and the timing and pace of the anticipated Fed rate cuts will affect the performance of the real estate market in Singapore.

Key deals	Asset	Price (USD mn)	NOI yield	Vendor	Purchaser
Q1 2024	NEX (24.5% effective interest)	389	4.8%	Frasers Property Limited	Frasers Centrepoint Trust
Q1 2024	Citadines Mount Sophia Singapore	110	3.2%	CapitaLand Ascott Trust	Weave Living & BlackRock

Improving investor sentiment

Bayview Eden

Melbourne

JLL deal

Key trends:

- **Investor sentiment:** Investor activity has remained stable in Q1, but there has been a notable uptick in investor sentiment with many groups re-educating themselves on the Australian market, given its relative stability compared with other developed nations.
- **Bid-ask spreads:** Bid-ask spreads across most property sectors have tightened as most of the anticipated economic volatility begins to stabilise. The narrowing bid-ask spreads indicate a notable improvement in market confidence and a greater alignment between buyers and sellers, albeit some investors are still assessing the current repricing trend carefully.
- **Active buyers:** Superannuation funds were the most active buyer type during the quarter. As they have remained largely inactive since H2 2021, the renewed interest shown recently signifies the improving sentiment towards real estate.

Outlook:

- **Asset divestment:** Some major owners have begun to selectively divest assets to shore up balance sheets and we expect some further capital recycling for sector reallocation purposes to take place in the short to medium term.
- **Interest rates:** Inflation has continued to moderate in line with RBA's latest forecasts and as a result the futures market forecasts the cash rate has now peaked at 4.35% with expectations of at least one rate cut by the end of 2024. However, the volatile risk-free rate continues to create some uncertainties around where long-term expected return hurdles should sit for real estate.
- **Yield softening:** Yields across core property sectors are forecast to continue to soften throughout 2024 before beginning to stabilise in the medium term.

Key deals	Asset	Price (USD mn)	Unit price (USD psm)	Vendor	Purchaser
Q1 2024	Burra Park	567	N/A	Roberts Jones Funds Management	ISPT & UniSuper
Q1 2024	105-113 Hollinsworth Road	197	N/A	Busways	CDC

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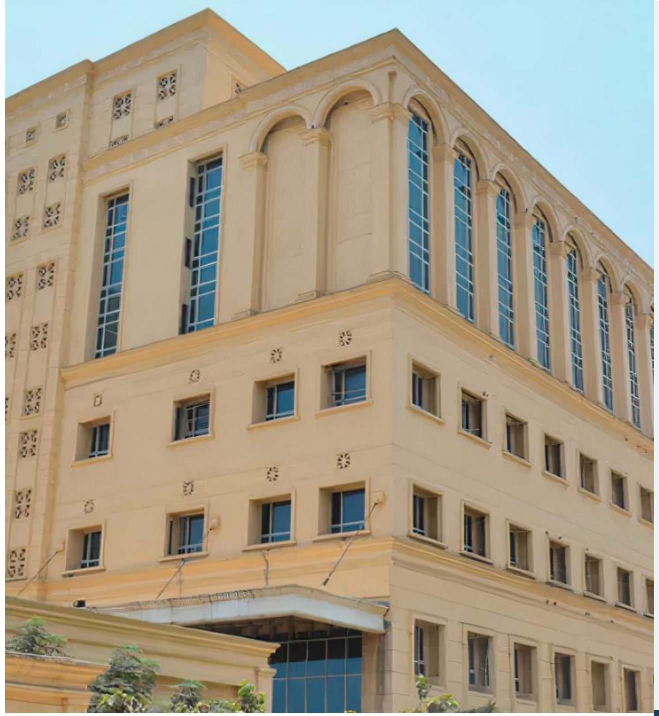
Investors favour office assets



KIMS Hospital
Mumbai

JLL deal

Key trends:

- **Investor caution:** Institutional investments in the Indian real estate sector experienced a decline in Q1. The slowdown in capital flows was an indication of investors adopting a cautious approach. Foreign institutional investors continued to be the largest contributors of total investments.
- **Office investment:** Office continued to be the preferred sector for investors. For instance, some domestic investment funds made acquisitions of office assets in Bengaluru during the quarter.
- **Equity raise:** Local developer Lodha successfully raised USD 400mn from institutional investors including Invesco Oppenheimer, BlackRock, Carmignac, APG and HDFC Life with an issue of equity share sale through qualified institutional placement.

Outlook:

- **Indian growth:** Investment outlook in the Indian real estate sector has shown positive trends in recent years and is expected to remain strong in the foreseeable future. The growth will continue to be driven by foreign companies diversifying their supply chains into India.
- **Capital allocation:** The economic uncertainties and monetary tightening in developed countries can potentially lead to increased risk aversion among investors, which may become more cautious about allocating capital into real estate.
- **General election:** The upcoming Indian general election in Q2 may cause delays in real estate investment and capital deployment decision-making.

Key deals	Asset	Price (USD mn)	Unit price (USD psm)	Vendor	Purchaser
Q1 2024	Manyata Tech Park	178	1,580	MFAR Developers	Edelweiss Alternatives
Q1 2024	OneHub Chennai	32	440	Casa Grande Group	CapitaLand India Trust

Direct deals

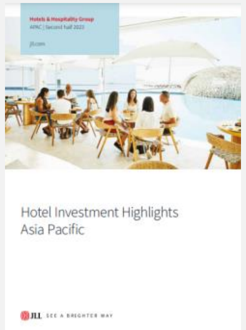
Transaction	Date	Sector	Price (USDmn)	Vendor	Purchaser	Remarks
China						
GLP I-Park Xi'an	Jan-24	Office & Industrial	225	GLP	AIA Group	3 properties
BAIC-Hyundai Chongqing Factory	Jan-24	Industrial	225	Hyundai Motor & BAIC Motor	Chongqing Liangjiang Dev	
Yaoqi Tower, Shanghai	Mar-24	Office	169	China Overseas	Hongqi Village	
Yitian Plaza, Shanghai	Mar-24	Office	146	Yitian	Tongji	
Pinggao Cold Storage Phase 2, Shanghai	Mar-24	Industrial	139	Pinggao	DNE	
Yango Jinqiao Apartments, Shanghai	Mar-24	Living	118	Yango	Shandong Investment & Hong Leong Group	
Hong Kong						
16/F, NCB Innovation Centre	Feb-24	Office	40	Mandom Industrial Ltd	Maycorol Co Ltd	
Units A-D, 2/F, Tai Ping Industrial Centre Block 1	Jan-24	Industrial	17	Hong Kong Economic Times	China Mobile	
South Korea						
Gwanghwamun G Tower, Seoul	Mar-24	Office	217	IGIS Asset Management	Shinhan REITs Management	
Seokpo-ri Logistics Center, Gyeonggi-do	Mar-24	Industrial	160	Pivot Plus	IGIS Asset Management	
PIA Seocho PFV SK Retail Portfolio, Seoul	Jan-24	Retail	143	PIA	Innocean Worldwide Inc	2 properties
Jamsil Sigma Tower, Seoul	Mar-24	Office	124	HL REITs AMC	Rifa AMC	
Woonsu-ri Logistics Center, Gyeonggi-do	Mar-24	Industrial	112	Geumo Distribution	Starlord AMC	
Japan						
IIF REIT Portfolio	Mar-24	Industrial	729	Logisteed	Industrial & Infrastructure Fund Investment Corporation	17 properties
HK Logistics GK Portfolio	Mar-24	Industrial	703	Logisteed	HK Logistics GK	4 properties
Gran Tokyo South Tower, Tokyo	Mar-24	Office	278	Nippon Building Fund	Goldman Sachs	
Prime Takanawa Gateway, Tokyo	Feb-24	Office	216	Loadstar Investments	Daiichikosho	
DPL Urayasu III, Tokyo	Mar-24	Industrial	202	Urayasu Facility Development TMK	Daiwa House REIT Investment Corporation	
Shibuya Prime Plaza, Tokyo	Feb-24	Office	168	Union Investment	JR East Building	
Singapore						
Pasir Panjang Inn	Jan-24	Hotel	295	LHN Ltd	Globalpoint Far East	20% interest
Hotel G	Jan-24	Hotel	178	Gaw Capital Partners	Ascott & CapitaLand Wellness Fund	
Capri by Fraser Changi City	Mar-24	Hotel	127	Frasers Property	TPG Angelo Gordon, Far East Consortium & Atelier Capital Partners	
Australia						
Gate 6 Tilburn Road, Melbourne	Feb-24	Industrial	171	Orica	UniSuper	
635S Hall Street, Melbourne	Mar-24	Industrial	151	Salta	ESR & Frasers Property	
117 Clarence Street, Sydney	Jan-24	Office	85	Investa Property Group	Forza Capital	

JLL thought leadership compendium

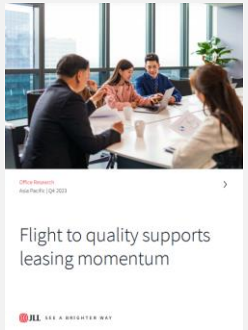
Investor Intel

2024 APAC Property Investment Guide

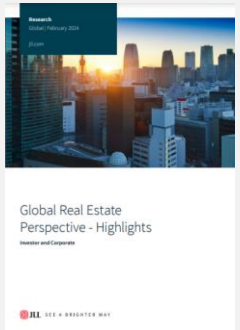
Life Sciences Industry & Real Estate Perspective 2024 (APAC)



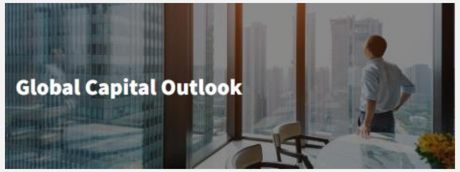
APAC Hotel investment highlights – 2H 2023



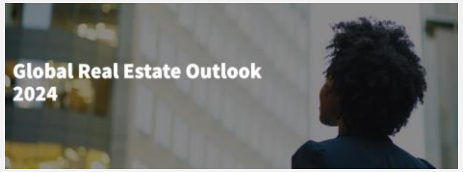
APAC cross-sector report Q4 2023



Global Real Estate Perspective



Global Capital Outlook 2024



Global Real Estate Outlook 2024

Data Centers 2024 Global Outlook

Capital Tracker Q4 2023

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