

April 2024



Q1 2024 Asia-Pacific Capital Markets

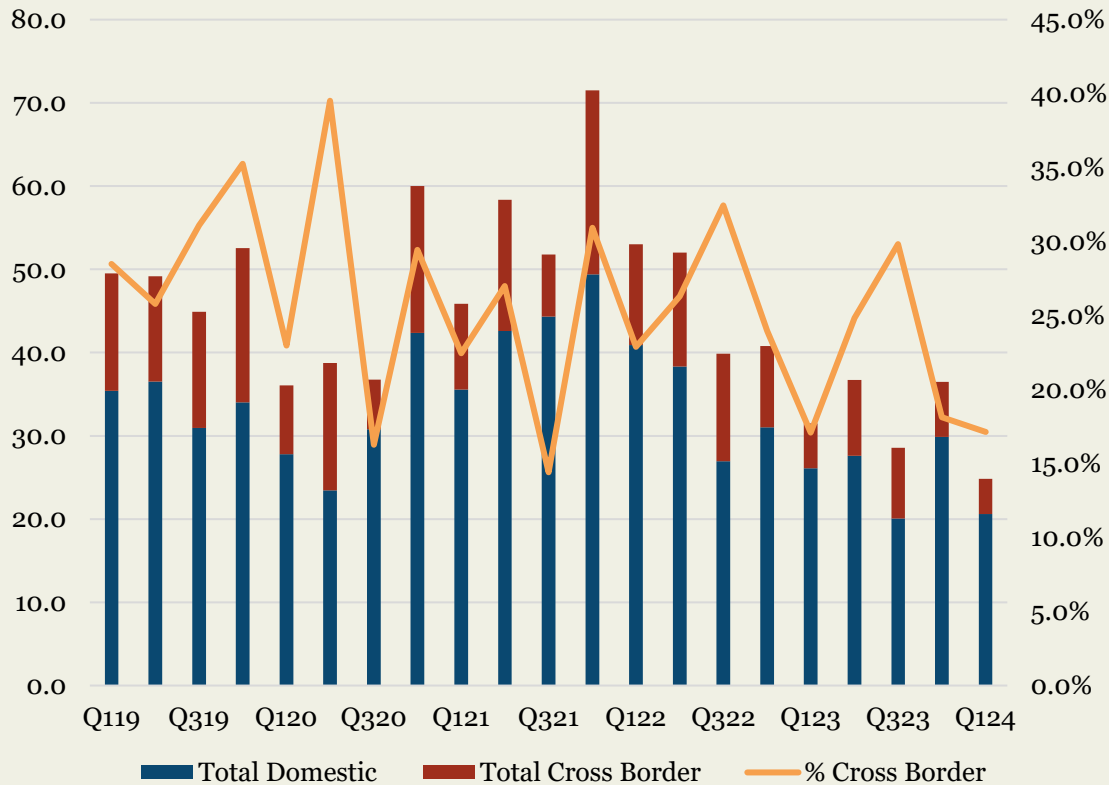
Capital Flows Highlights

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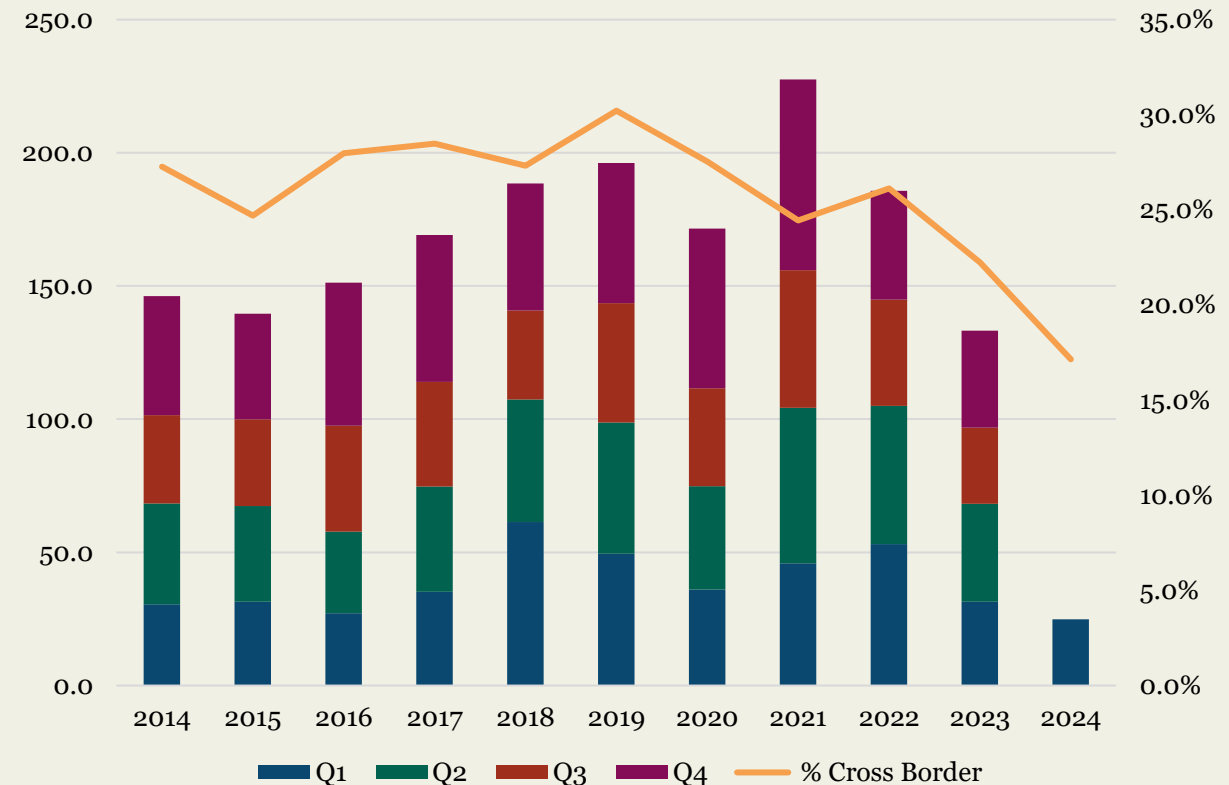
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Asia-Pacific Transaction Volume

Transaction Volume (US\$ Bn)



Transaction Volume (US\$ bn)



Investment sentiments remained cautious in Q1 2024

- APAC transaction volumes ↓ 31.9% QoQ and ↓ 21.1% YoY
- Q1 volume amounted to only half of the 5-year average
- Region experienced diverse levels of investment activities

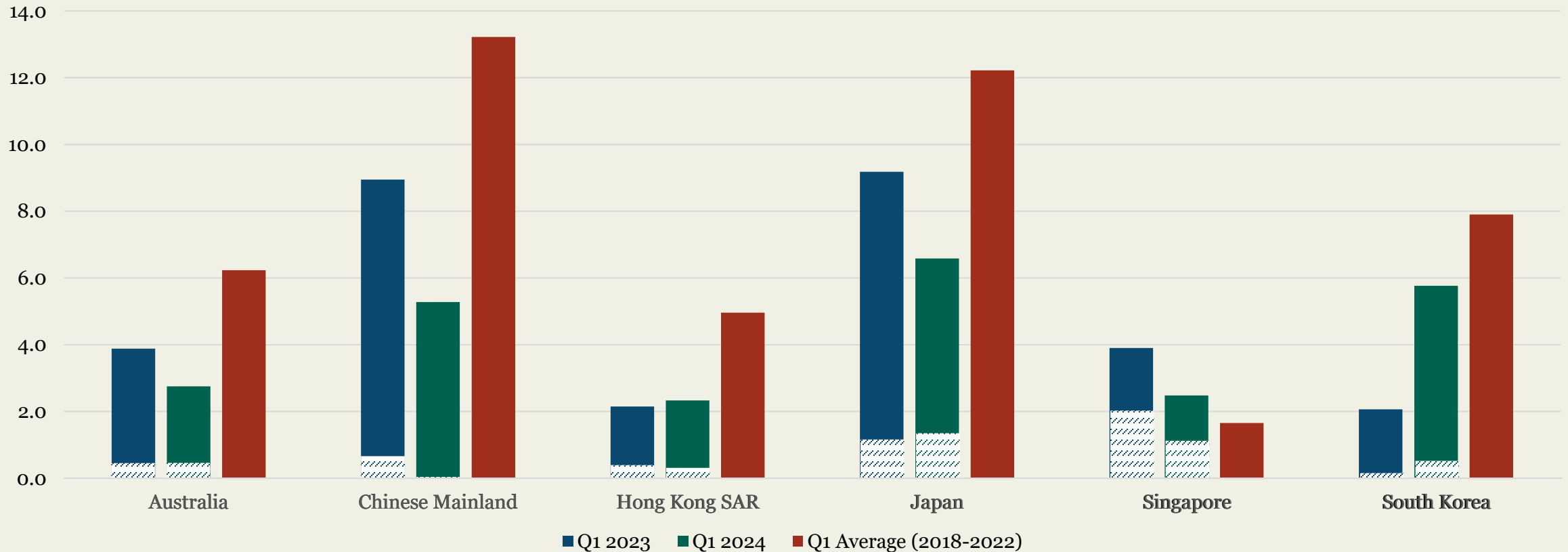
Cross border transactions experienced a harsher retreat

- Quarterly, it registered a 35.6% decline in volume while the domestic transactions recorded a 31.1% drop
- Inward investments to mitigate macroeconomic risks

Regional Heavyweights - Quarterly

- Cross border investors' interest in Singapore sustained, despite the overall decline
- South Korea saw a powerful comeback, underscored by office and hotel acquisitions
- Japan recorded the highest investment volume in APAC, bolstered by office and industrial transactions

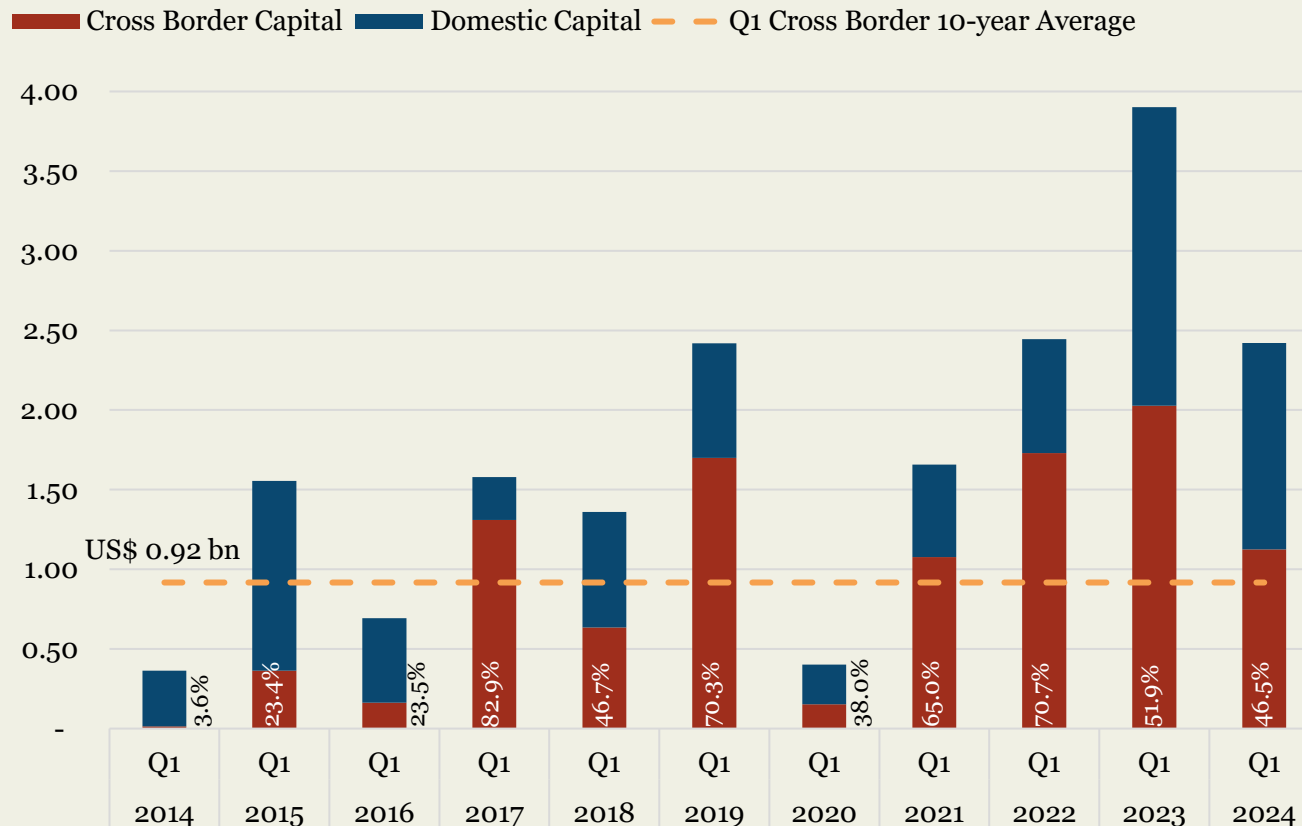
Transaction Volume (US\$ Bn)



Cross Border Volume Supported Activities in SG

While cross border activities declined in general for the entire region, investors' interest in Singapore sustained, especially institutional ones

Proportion of Cross Border Capital for First Quarters (US\$ billion)



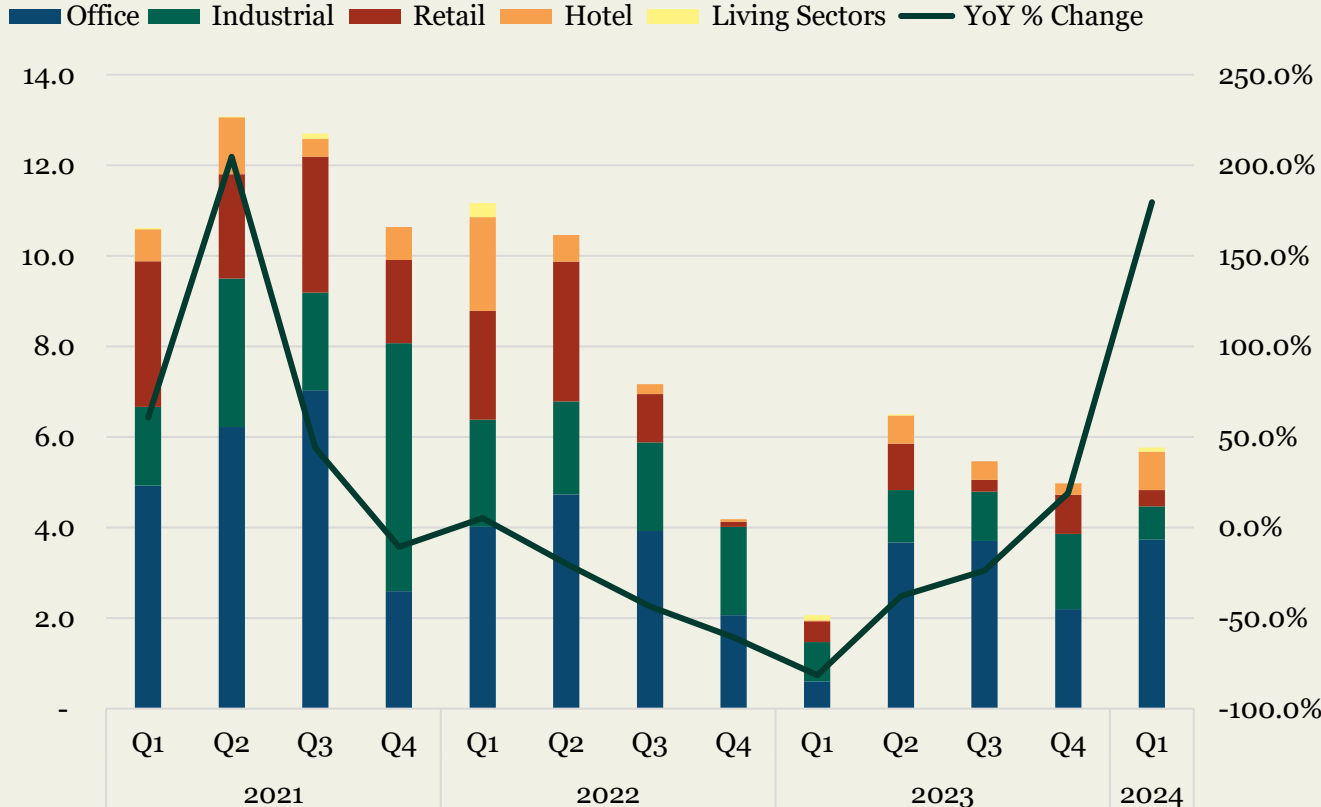
- Cross border volume supported the overall investment market activity in Singapore – highest proportion (46.5%) of overseas capital received among APAC markets
- While the volume dropped 29.2% QoQ and 44.5% YoY, cross border activities still stood 22.8% above its Q1 10-year average
- 6 out of 11 buyers were institutional investors, with transactions amounting to US\$ 906 million and a focus on hospitality assets
- Value-add opportunities to entice more investors into the hospitality sector
- Strategic partnerships can be formed between investors and developers to enhance or redevelop assets to reap higher yields and drive capital appreciations, such as the acquisition of Citadines Mount Sophia Singapore and Hotel G Singapore

* % indicates proportion of cross border capital
Source: MSCI Real Assets, Knight Frank Research

Powerful Comeback for South Korea

Investment volume in South Korea amounted to US\$ 5.8 billion in Q1 2024, a notable rise of 12.5% QoQ and an even more impressive surge of 180% compared to Q1 2023

South Korea Investment Volume (US\$ billion)



- Office deals dominated the scene, accounting for 64.7% of the total investment volume – an uptick of 69.6% QoQ and a stunning six-fold increment YoY
- In contrast to last quarter where strategic investors were snapping up office buildings for self-occupancy, Korean institutional investors have started to ramp up office investments
- Largest office deal: ARC Place – US\$ 593 million
- Hospitality assets clinched an investment volume of US\$ 850 million, a 234.7% increase from Q4 2023 and a stunning 44-fold expansion YoY, with a majority of institutional investors funding these transactions
- Largest hotel deal: Conrad Seoul Hotel – US\$ 318 million

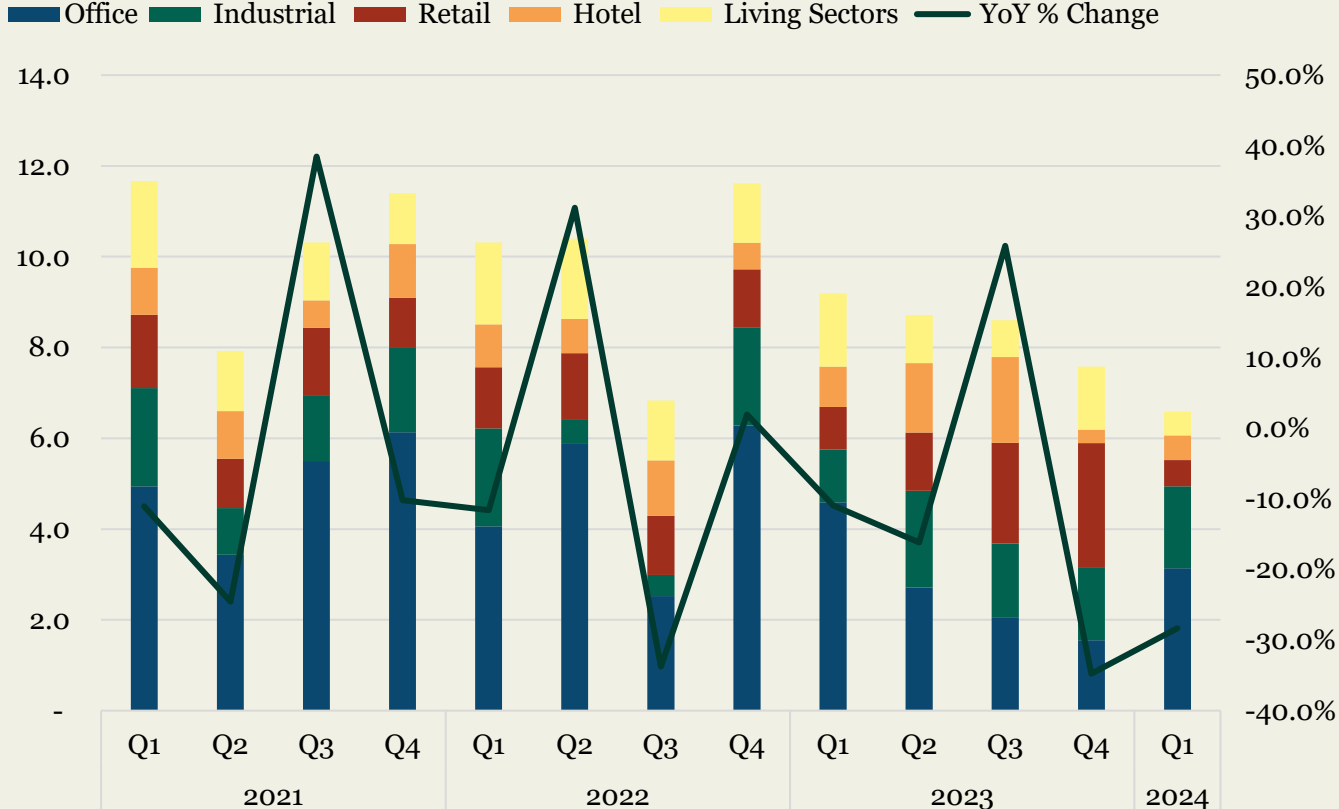
Living Sectors: Multifamily, Senior Living, PBSA
 Source: MSCI Real Assets, Knight Frank Research

Data download as at: 17 April 2024
 Inclusive of pending deals/excludes land

Traditional Assets in Focus for Japan

Although volume contracted 13.2% QoQ and 28.3% YoY, there seems to be renewed interest in office and industrial assets

Japan Investment Volume (US\$ billion)

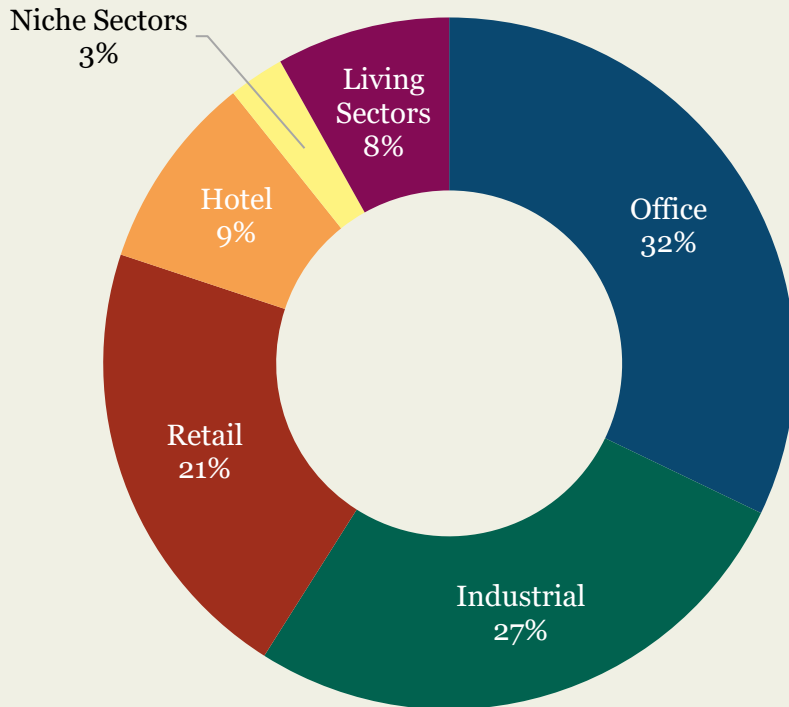


- Office transactions accounted for almost half of the total volume, where it **doubled from the previous quarter**, but dropped 31.6% compared to a year ago
- Investors motivated by the positive momentum anticipated for the office sector, underpinned by consistent occupier demand
- Some notable deals are:
 - Garden City Shinagawa Gotenyama – US\$ 406 million
 - Honmachi Garden City – US\$ 296 million
 - GranTokyo South Tower (6-9FL) – US\$ 274 million
- Yield-chasing – Industrial came in second (27.4% of volume), propped up by a US\$ 694 million deal of four logistics property portfolio

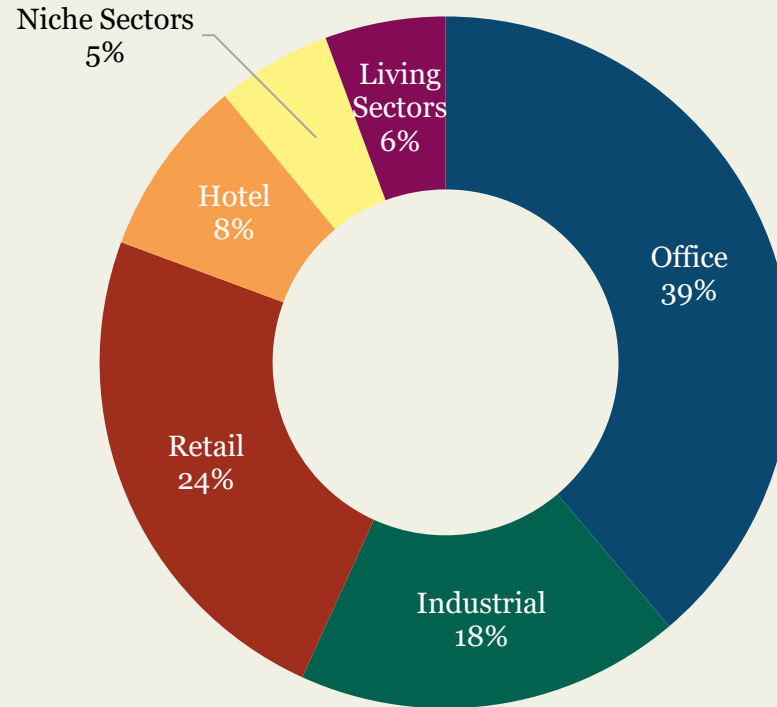
Asia-Pacific Asset Allocation Trends

The office and retail received more investment interests this quarter compared to other property types

2023 Property Type Analysis



Q1 2024 Property Type Analysis



Office

- Upheld by large-ticket transactions in South Korea – Out of the top 10 priciest deals, Seoul took four spots, followed by Tokyo with three transactions

Retail

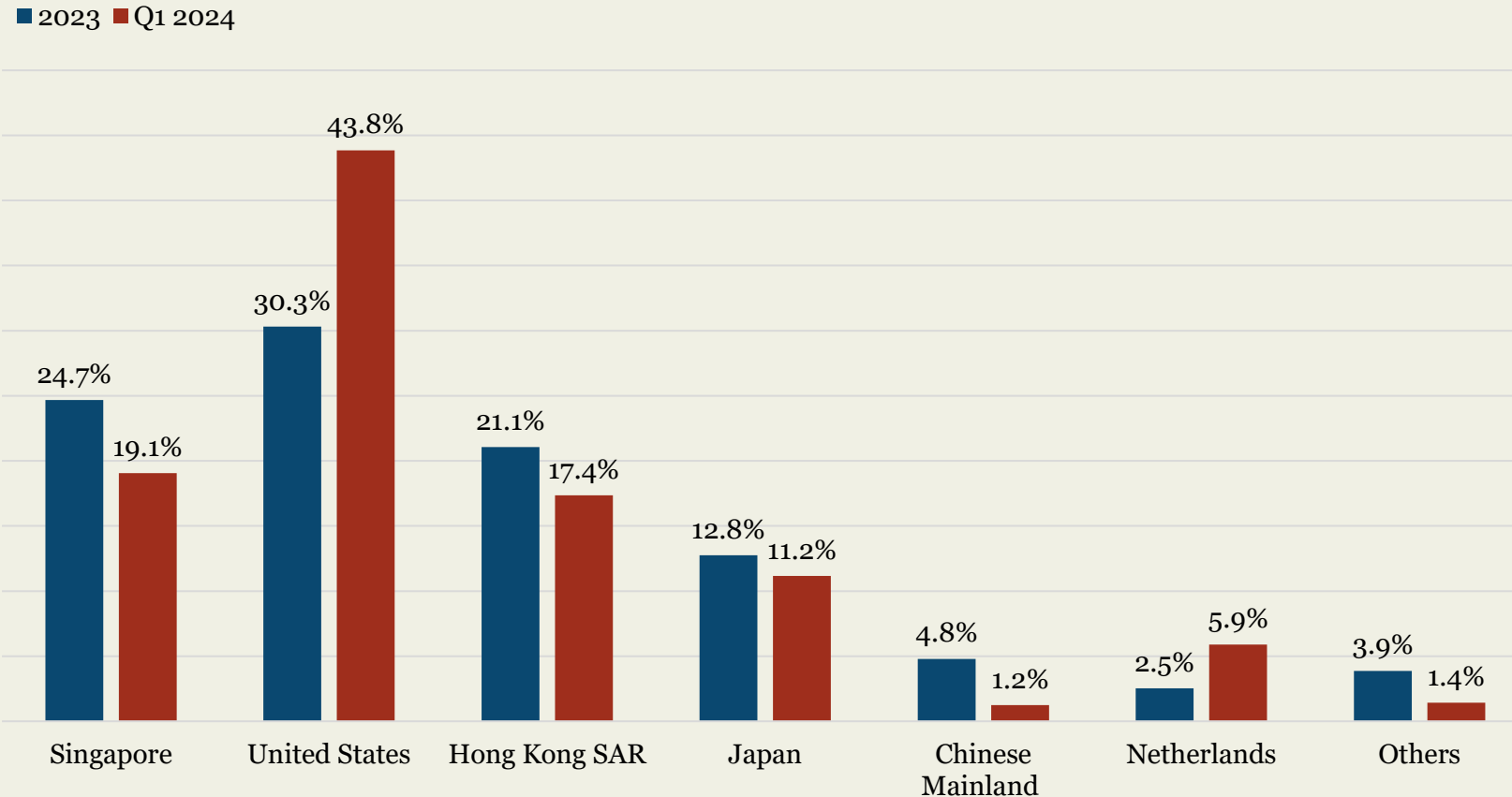
- Investment volume was more diversified in Q1 2024, marked by multiple deals that took place across the region
- Chinese Mainland took the largest share with Link REIT acquiring 50% stake in Shanghai Qibao Vanke Plaza for US\$ 363 million, officially owning 100% of the mall

Living Sectors: Multifamily, Senior Living, PBSA
 Niche Sectors: Medical, R&D, Data Centres

Asia-Pacific Top Cross Border Capital Sources

Capitals from US, Singapore and Hong Kong SAR dominated the scene

Asia-Pacific Top Cross Border Capital Sources

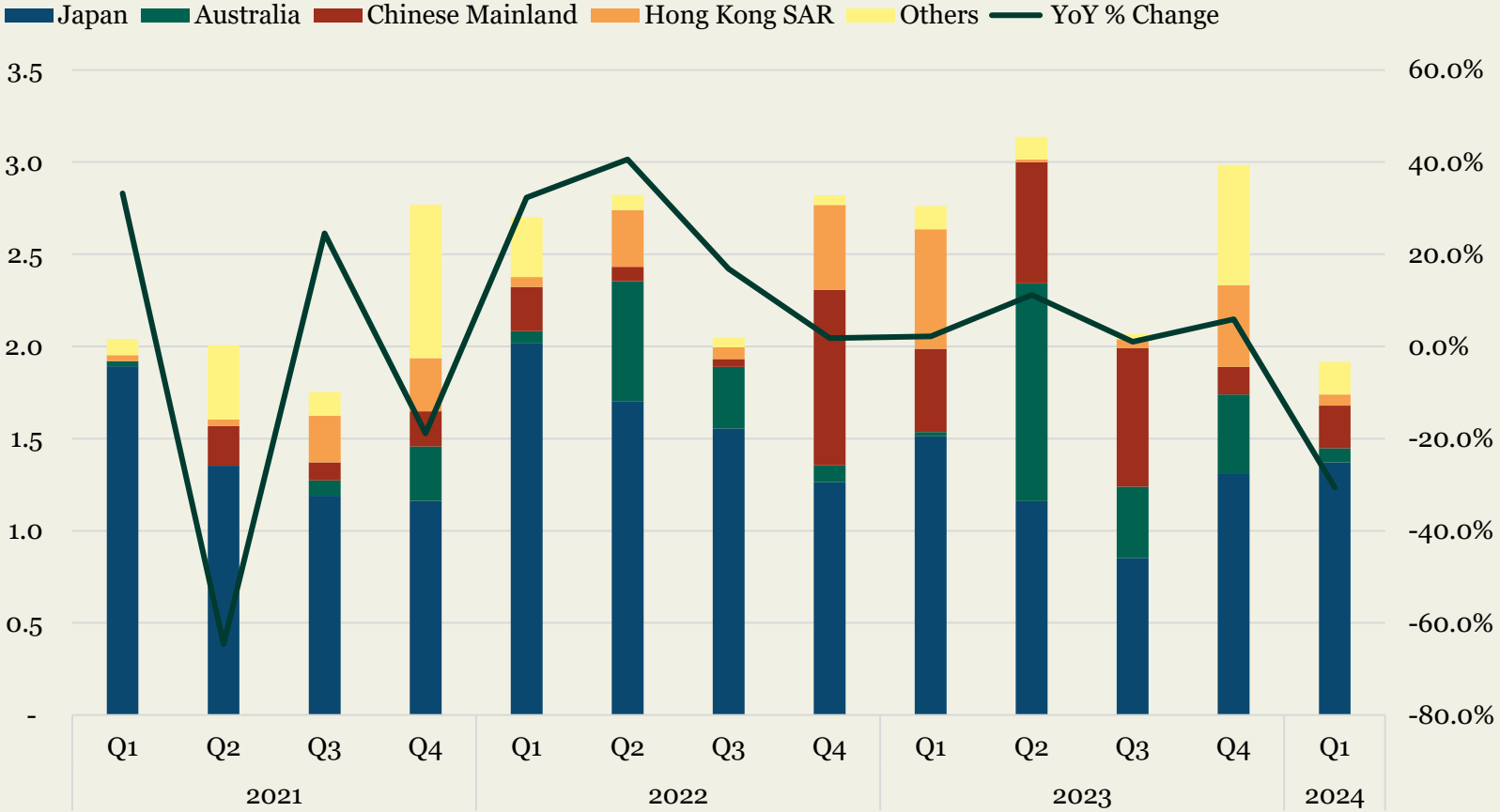


- US institutional investors were especially focused on office, with the largest acquisition being Vision Crest in Singapore at US\$ 348 million
- On the other hand, Singapore investors were more interested in hotel assets, such as the US\$ 318 million Conrad Seoul Hotel in South Korea
- Similarly, investors from Hong Kong SAR have their eyes set on hotels, such as the US\$ 126 million Capri by Fraser Changi City in Singapore

Asia-Pacific Multifamily Sector

Affected by the overall downbeat investment sentiments, the multifamily sector recorded lacklustre performance for Q1 2024

Asia-Pacific Multifamily Investment Volume (US\$ billion)

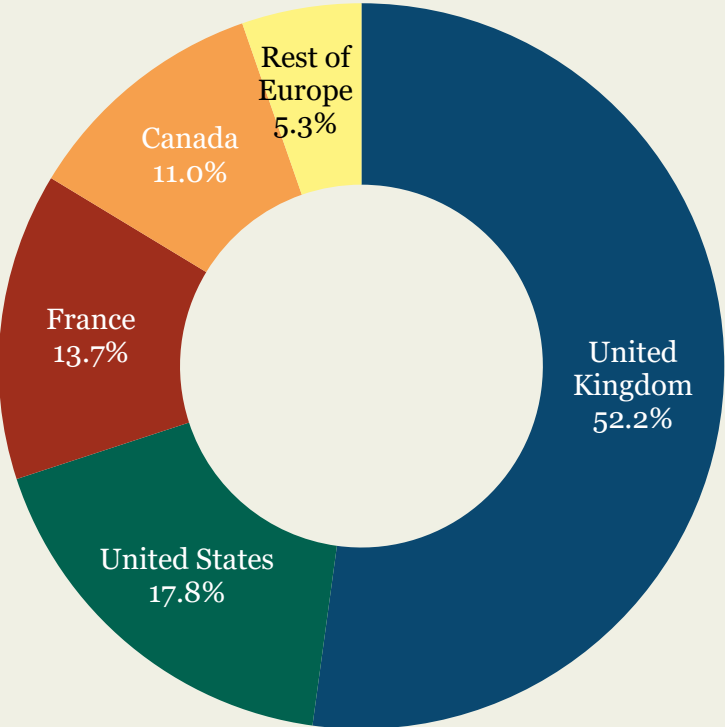


- With a total of US\$ 1.9 billion clinched, Q1 2024 volume contracted by a 35.8% QoQ and 30.6% on an annual basis
- Still exceeded the 5-year Q1 average by 15.1%, indicating sustained investor interest in the sector for its defensive characteristics against volatility

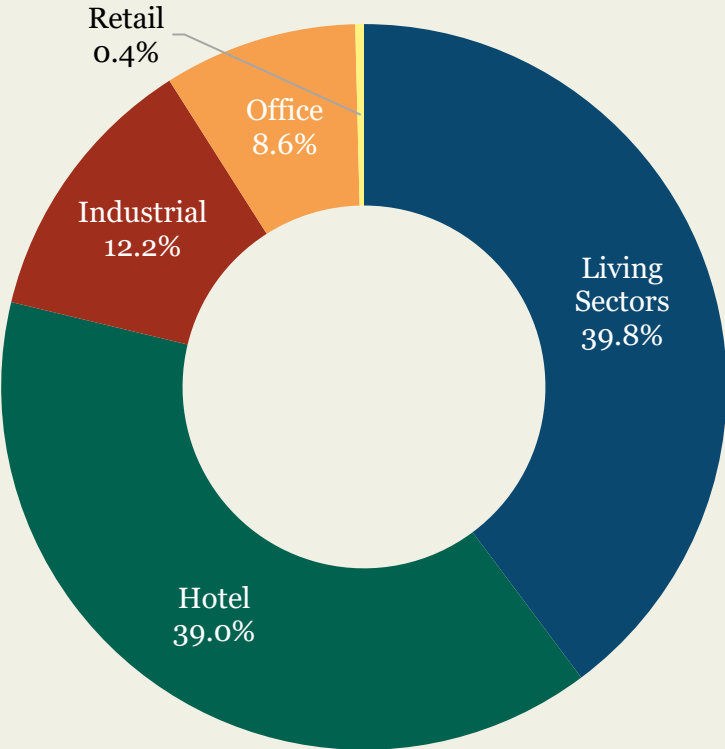
Asia-Pacific Outbound Statistics

Distress multifamily sale by Guangzhou R&F Properties to Chinese developer CC Land in London single-handedly held up the APAC outbound volume

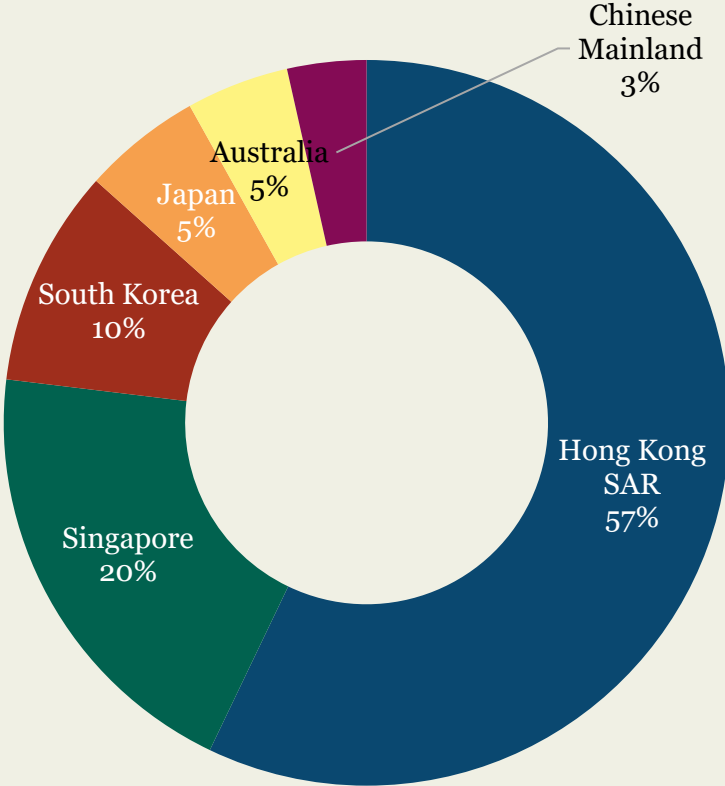
Q1 2024 Destination



Q1 2024 Property Type



Q1 2024 Capital Source





Neil Brookes

Global Head of Capital Markets

+65 6429 3585

Neil.Brookes@asia.knightfrank.com



Emily Relf

Director, Capital Markets, Asia-Pacific

+65 6429 3591

Emily.Relf@asia.knightfrank.com



Christine Li

Head of Research, Asia-Pacific

+65 6429 3598

Christine.Li@asia.knightfrank.com

knightfrank.com/research

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