








Creating Resilience

Asia Pacific Leasing Market Sentiment Index

Brief

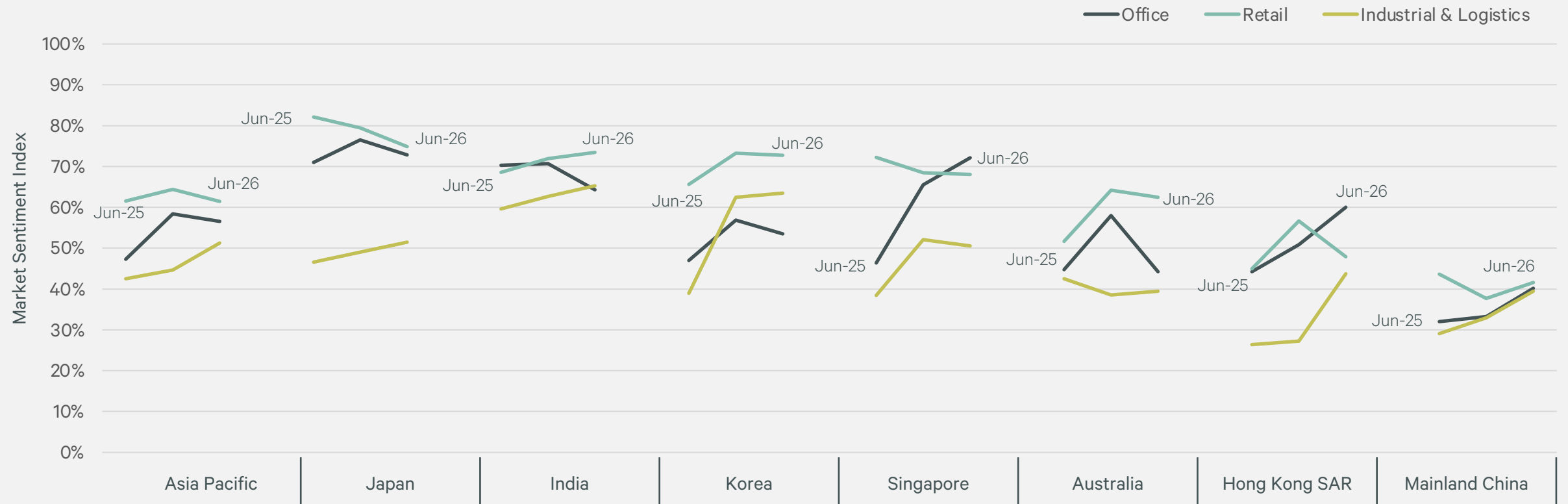
CBRE RESEARCH
JUNE 2026

Executive Summary

	Middle East Conflict	Leasing Activity	Leaders & Laggards
Office	 <p>Most occupiers are only mildly concerned. Business is largely continuing as usual.</p>	 <p>More occupiers are evaluating renewal vs. relocation decisions due to concerns about rising fit-out costs.</p>	 <p>Japan and Singapore favour owners amid tight vacancy. Mainland China and some Southeast Asian cities continue to have the upper hand in negotiations.</p>
Industrial & Logistics	 <p>Occupiers in most markets are adopting a wait-and-see approach due to concerns over elevated energy and freight costs.</p>	 <p>Resilient trade flows continue to underpin expansionary activity, particularly in less-affected markets.</p>	 <p>Easing prime supply is strengthening landlords' position in India and Japan. Australia and mainland China remain tenant-favourable.</p>
Retail	 <p>Most retailers are only mildly concerned and are still assessing the situation. Only a few have postponed expansion plans.</p>	 <p>Expansion demand is still resilient across most markets. Only Australia and some Southeast Asian cities are seeing some pullback.</p>	 <p>Japan and India are strong landlord's markets. Mainland China is still tenant favourable due to the upcoming supply peak.</p>

Office and retail leasing sentiment softens but industrial & logistics displays resilience

Aggregate sentiment based on all surveyed responses by market



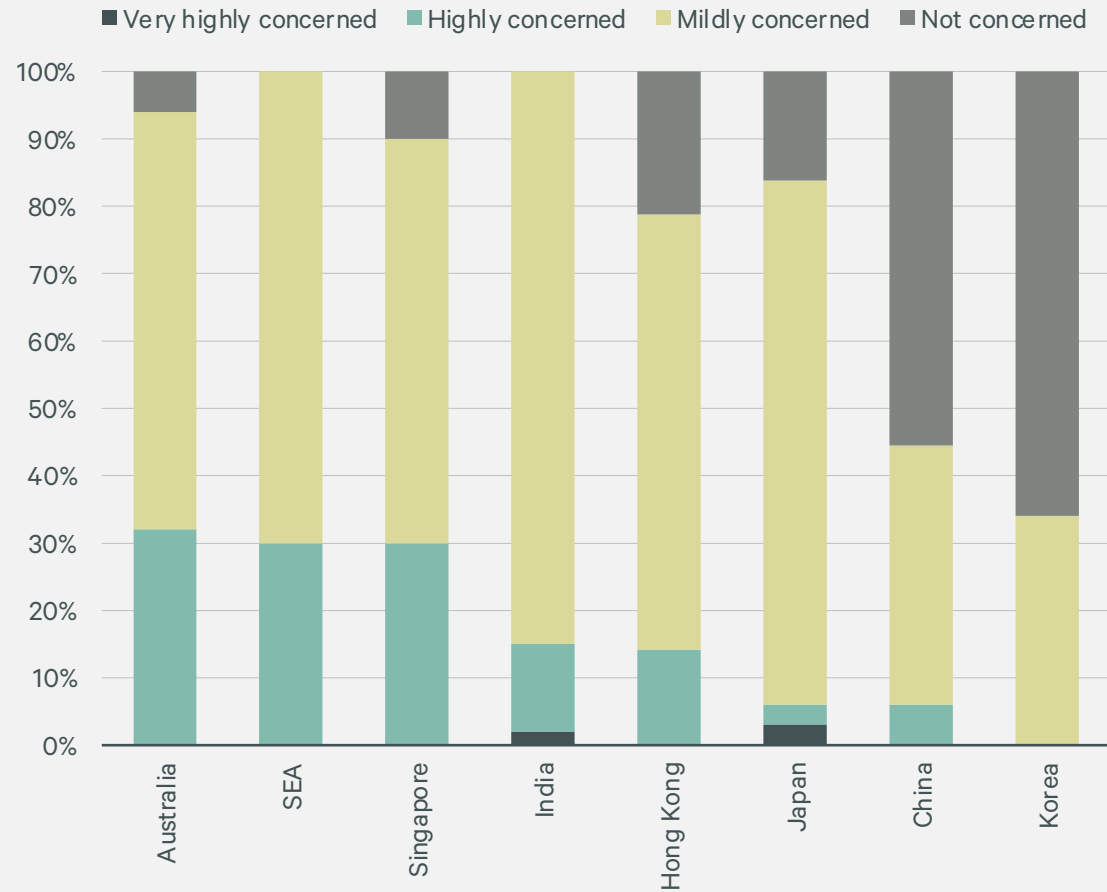
The Market Sentiment Index is based on the leasing intentions of six surveyed indicators. A reading of 50% is regarded as neutral. Source: Asia Pacific Leasing Market Sentiment Index, June 2026.

Office

Occupiers largely unbothered by Middle East conflict

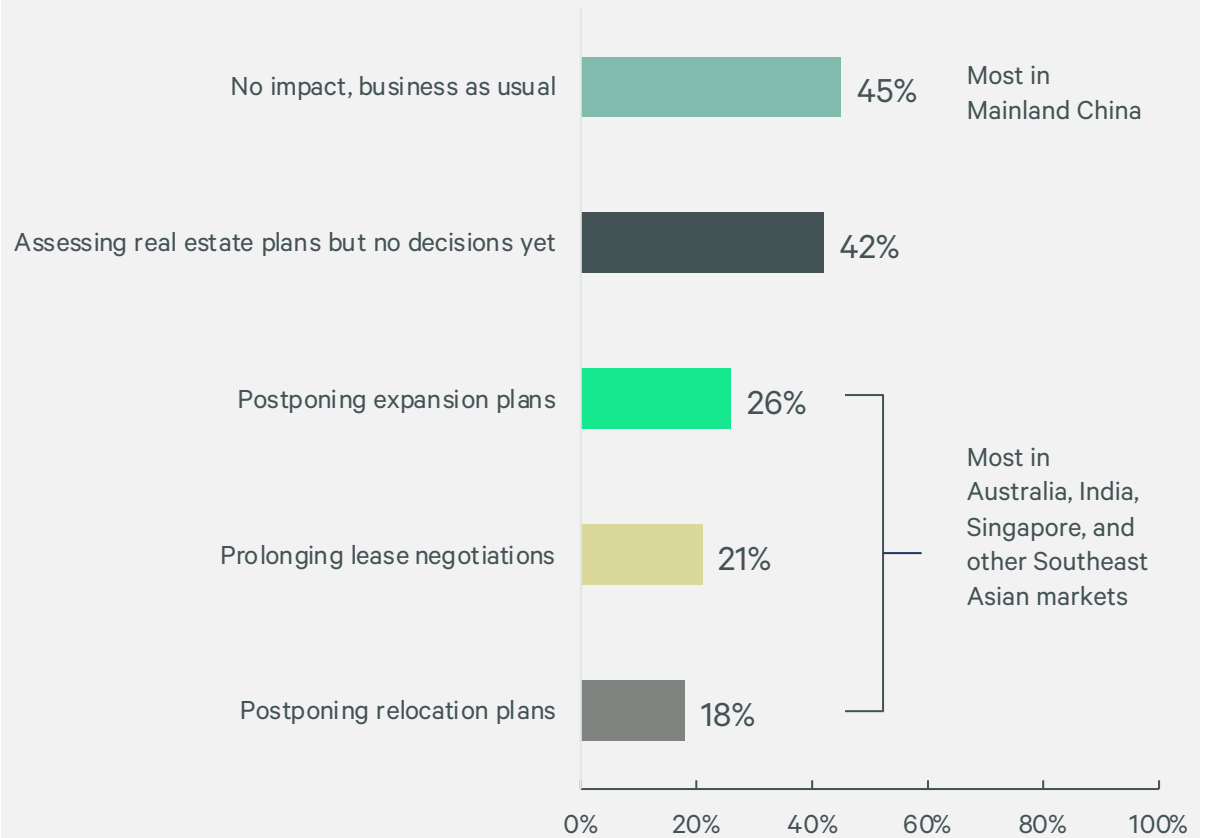
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To what extent are occupiers concerned about the Middle East conflict?



Source: Asia Pacific Leasing Market Sentiment Index, June 2026.

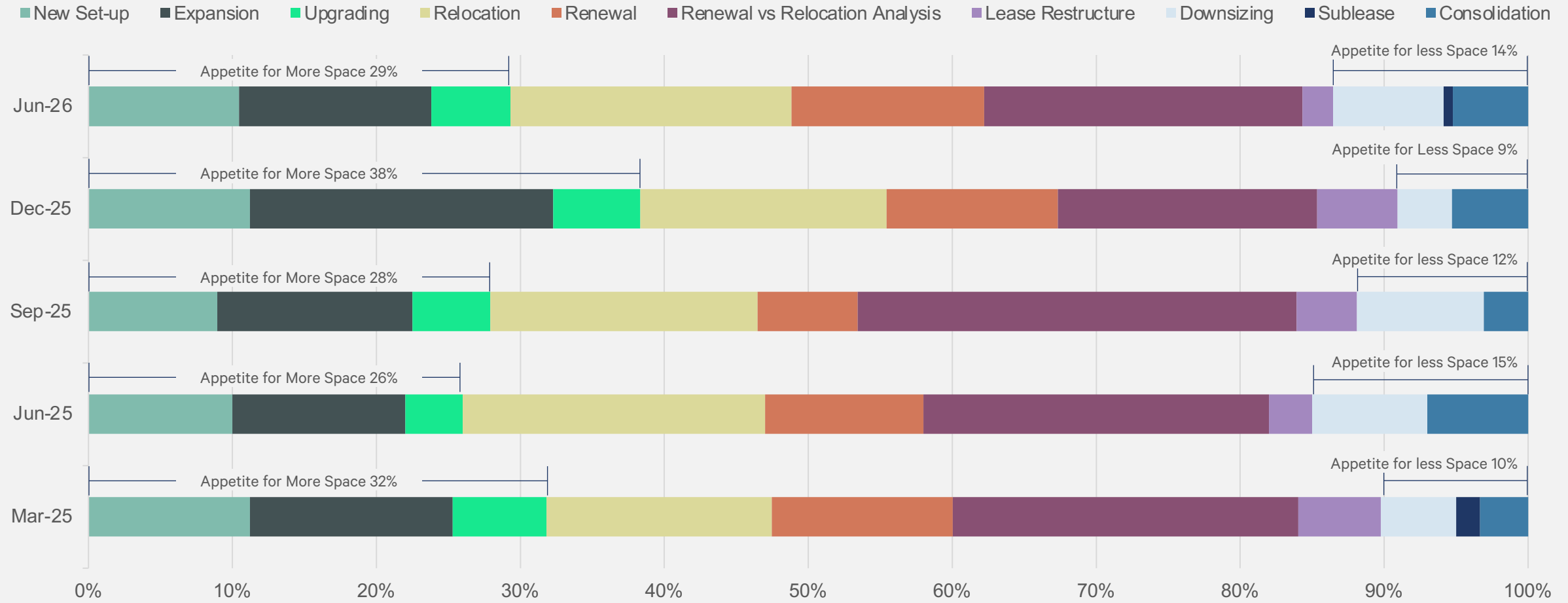
How are occupiers managing the impact of the Middle East conflict? (Select all that apply, top five responses)



Stay vs. go evaluation intensifies as fit-out costs rise

Office | Industrial & Logistics | Retail

What was the nature of the five largest enquiries you received in the past month?



Appetite for more space includes new set-up, expansion and upgrading. Neutral includes relocation, renewal, renewal vs relocation analysis, lease restructure. Appetite for less space includes downsizing, sublease and consolidation.

Source: Asia Pacific Leasing Market Sentiment Index, June 2026.

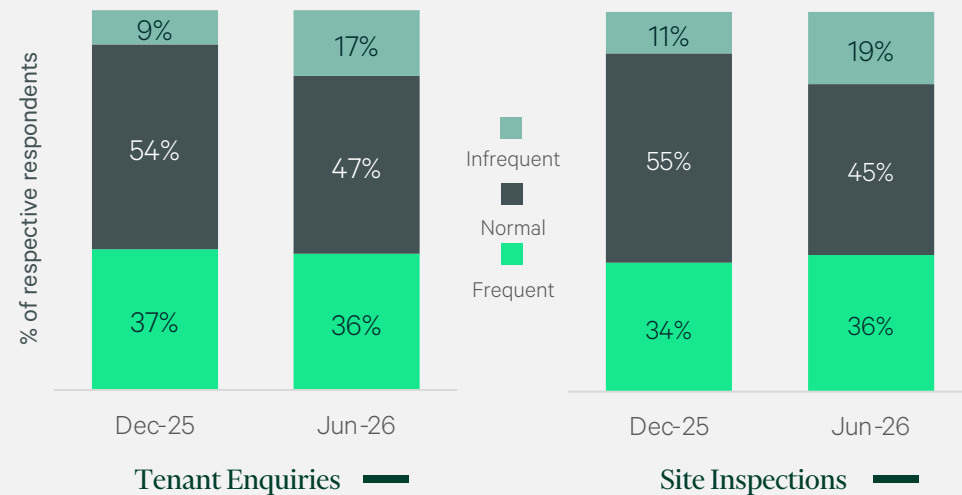
Landlord and tenant power remains balanced

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Market Summary

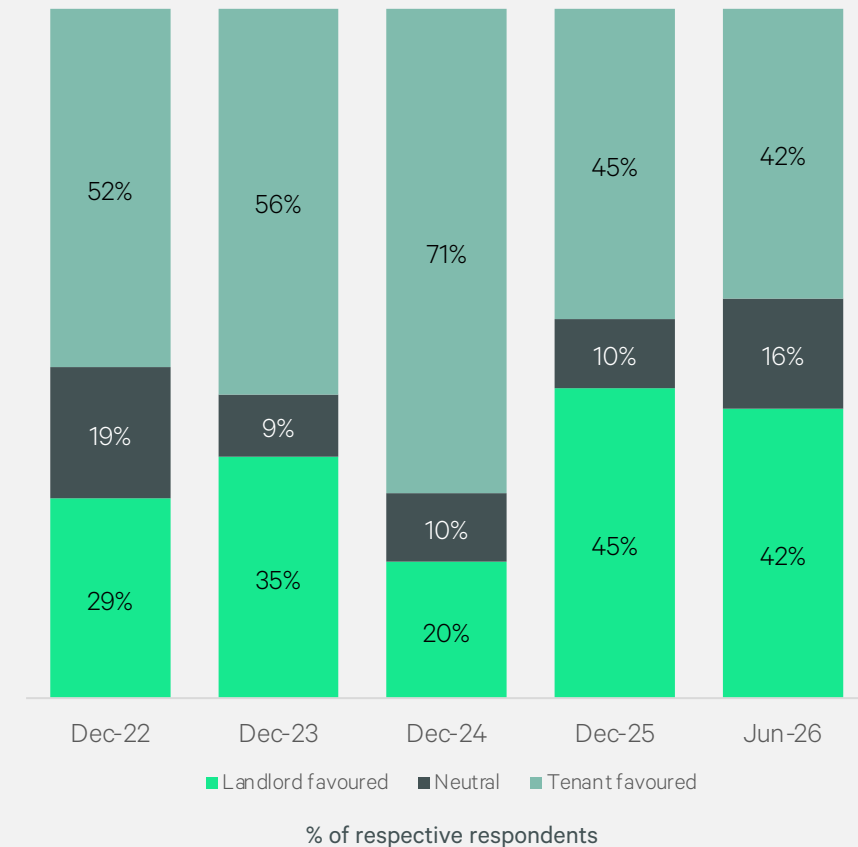
- Office leasing sentiment is softening, with Q2 2026 witnessing a slowdown in tenant enquiries and site inspections. Leasing activity is slowing in Japan and India due to tightening availability in core locations. In contrast, demand in Australia and Southeast Asia is weakening as occupiers turn more cautious amid the ongoing conflict in the Middle East.
- Relocation vs. renewal analysis dominates as occupiers carefully evaluate the benefits of staying in their current office or moving to a new location amid rising fit-out costs. Occupiers are turning more conservative toward new space requirements, with most markets reporting a decline in expansionary demand.
- Landlord-tenant dynamics remain broadly balanced. Japan and Singapore are still strong landlord markets, supported by tight vacancy and robust demand. Mainland China and selected Southeast Asian markets continue to favour occupiers given elevated supply and subdued sentiment.

How would you rate the frequency of **tenant enquiries** and **site inspections** in the past month?



Source: Asia Pacific Leasing Market Sentiment Index, June 2026.

Which **party** has the upper hand in lease negotiations?



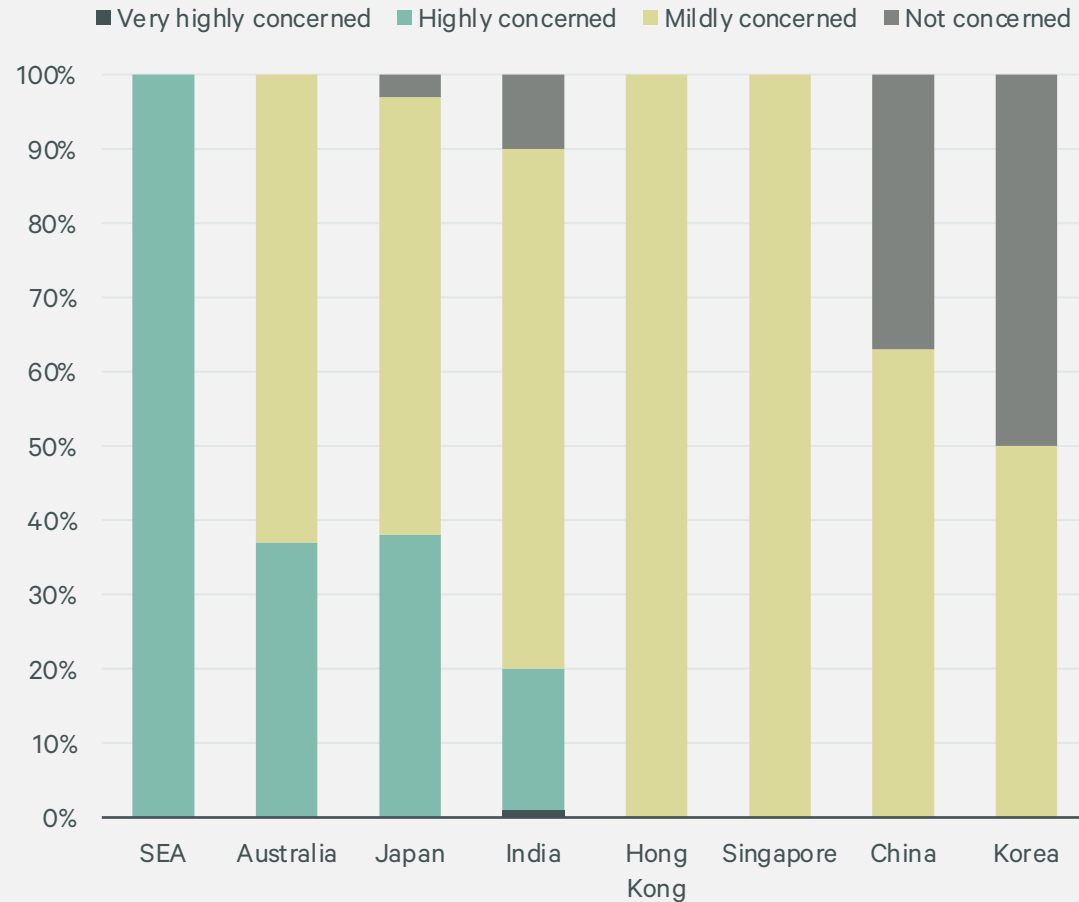
Note: Combined options of "Highly landlord favoured" & "Landlord favoured" and "Highly tenant favoured" & "Tenant favoured".

Industrial & Logistics

Leasing unchanged but concern elevated in some markets

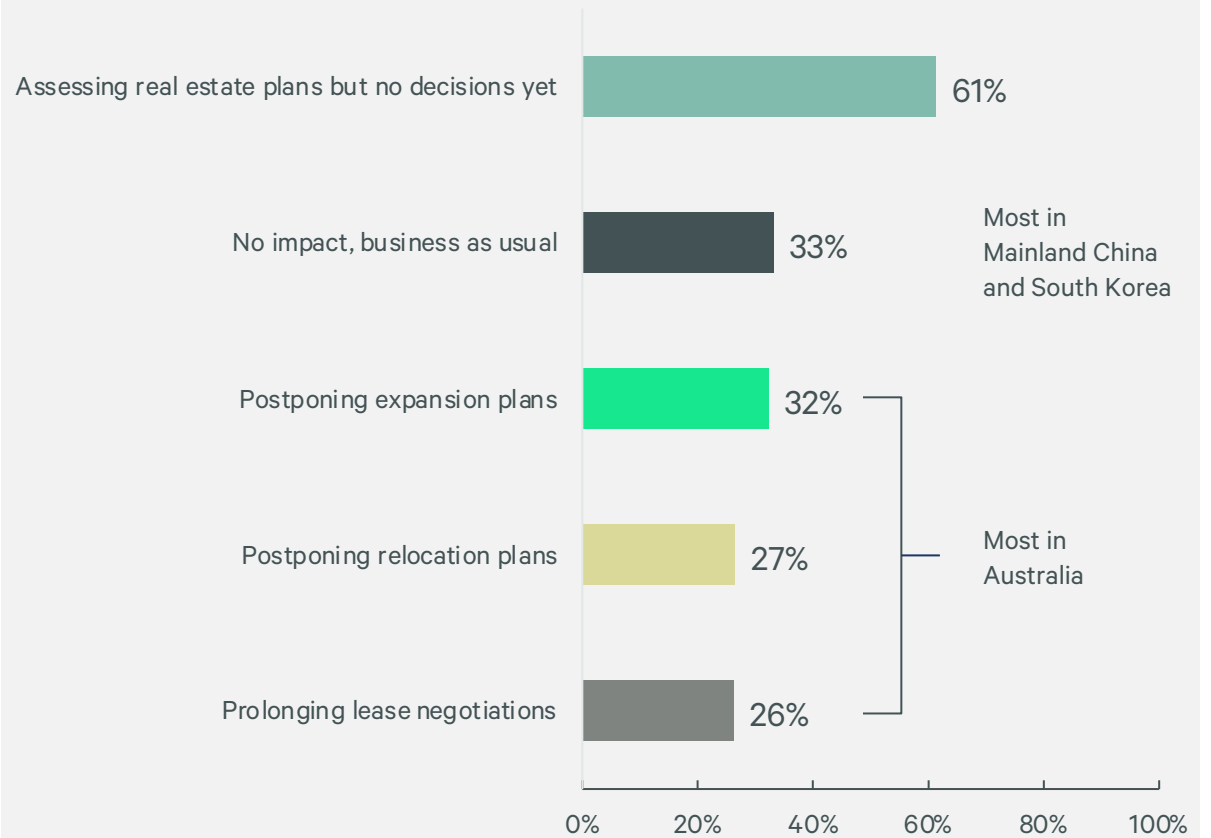
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To what extent are occupiers concerned about the Middle East conflict?



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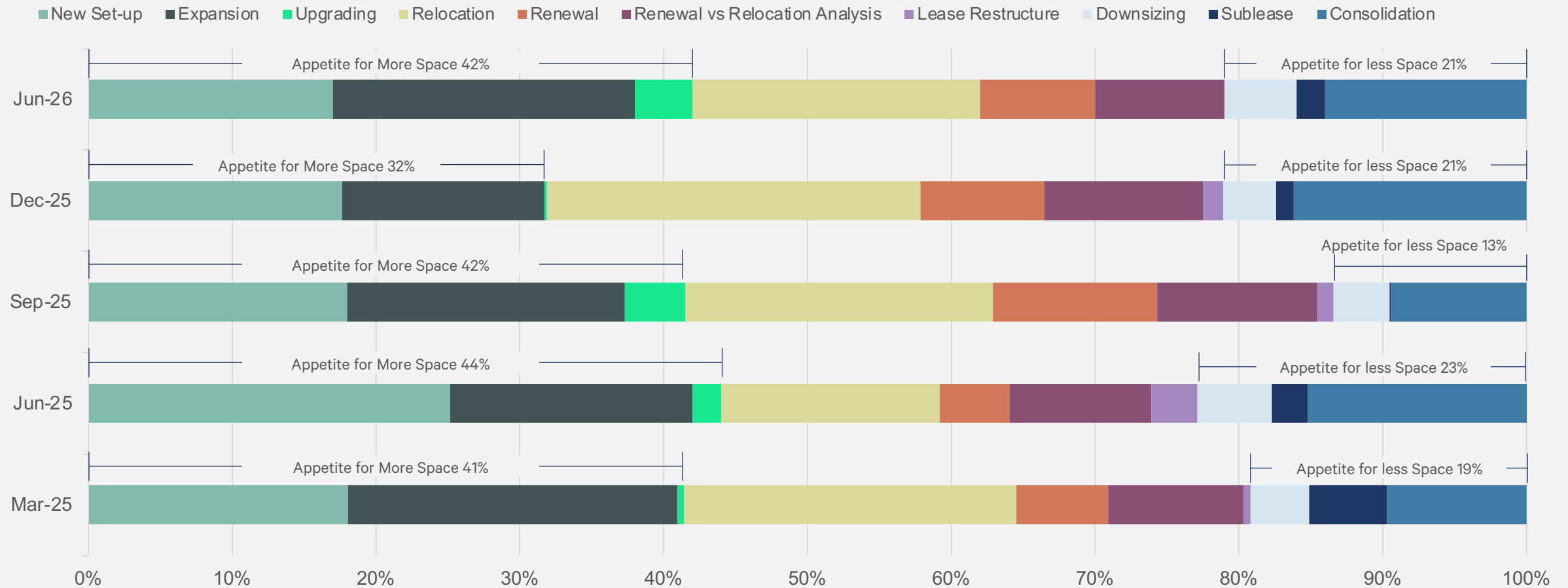
How are retailers managing the impact of the Middle East conflict? (Select all that apply, top five responses)



Expansionary demand strengthens as exports pick up

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What was the nature of the five largest enquiries you received in the past month?



Appetite for more space includes new set-up, expansion and upgrading. Neutral includes relocation, renewal, renewal vs relocation analysis, lease restructure. Appetite for less space includes downsizing, sublease and consolidation.

Source: Asia Pacific Leasing Market Sentiment Index, June 2026.

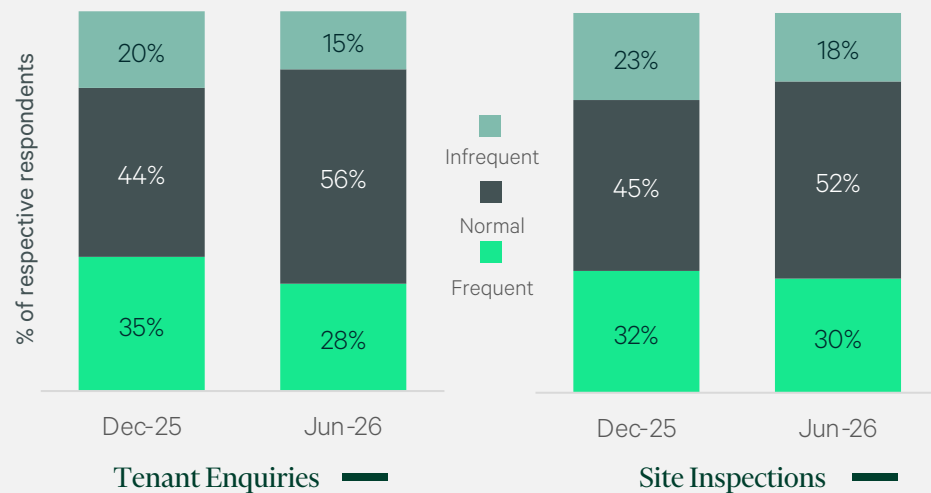
Landlord-tenant balance improves as supply pipeline eases

Office | Industrial & Logistics | Retail

Market Summary

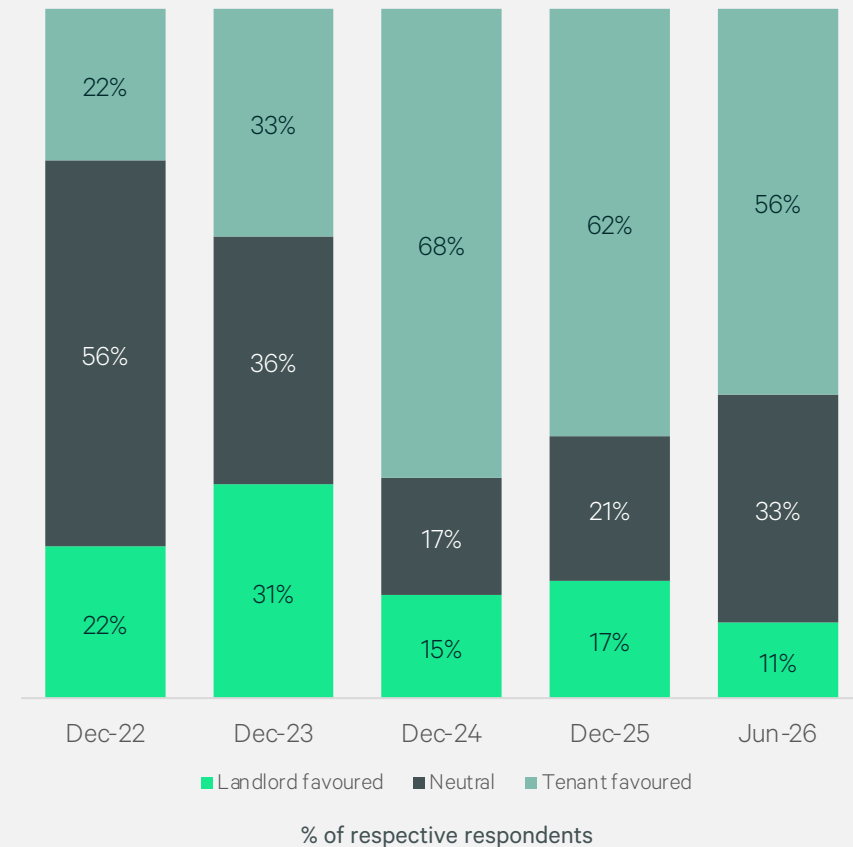
- Leasing sentiment is improving on the back of stronger exports thanks to lower U.S. tariffs and robust AI-driven demand. Tenant enquiries and site inspections are steady while expansion demand is picking up, especially in Korea, where respondents display the lowest concern about the Middle East conflict.
- Respondents in Australia, Southeast Asia, Japan, and India are more concerned about the situation in the Middle East. Sentiment in Australia is softening, with more occupiers considering postponing expansion and relocation. Leasing in Japan and India remains firm, however, thanks to resilient trade fundamentals. Most occupiers are reassessing real estate plans rather than handing back space or cancelling leases.
- The market is shifting toward a more balanced position amid easing supply pressure in prime locations in India, Japan, and Singapore. Mainland China and Australia remain strong tenant's markets, with cost-driven relocation underpinning activity amid sizable near-term supply.

How would you rate the frequency of **tenant enquiries** and **site inspections** in the past month?



Source: Asia Pacific Leasing Market Sentiment Index, June 2026.

Which **party** has the upper hand in lease negotiations?



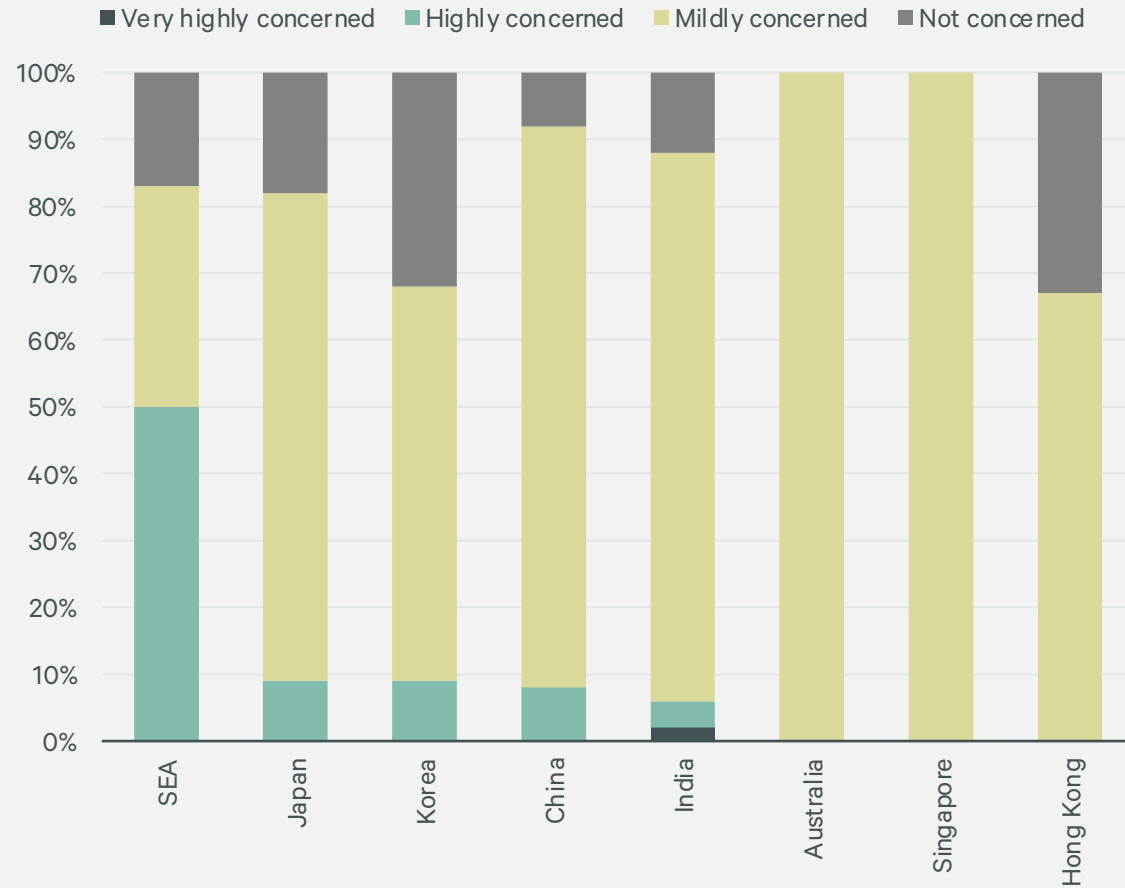
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Retail

Retailers reassess leasing plans but only mild impact seen

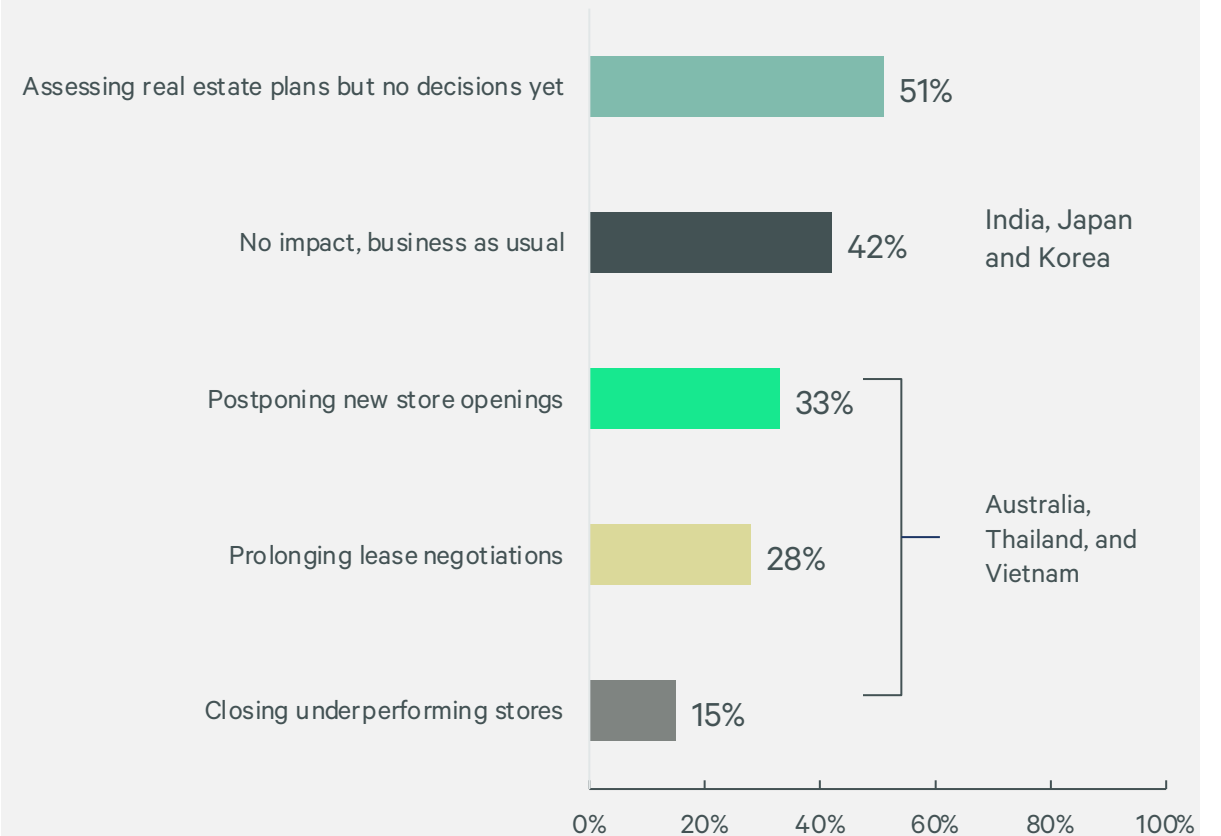
Office | Industrial & Logistics | Retail

To what extent are occupiers concerned about the Middle East conflict?



Source: Asia Pacific Leasing Market Sentiment Index, June 2026.

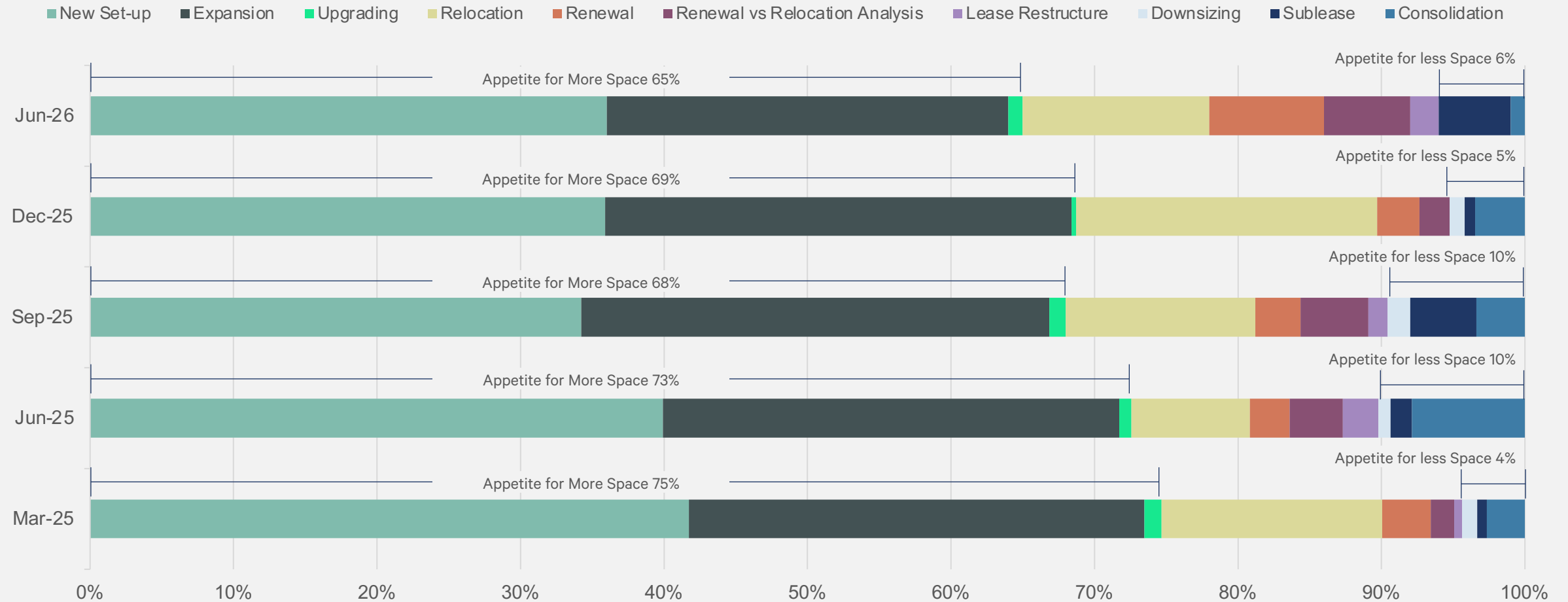
How are retailers managing the impact of the Middle East conflict? (Select all that apply, top five responses)



Expansion appetite remains resilient

Office | Industrial & Logistics | Retail

What was the nature of the five largest enquiries you received in the past month?



Appetite for more space includes new set-up, expansion and upgrading. Neutral includes relocation, renewal, renewal vs relocation analysis, lease restructure. Appetite for less space includes downsizing, sublease and consolidation.

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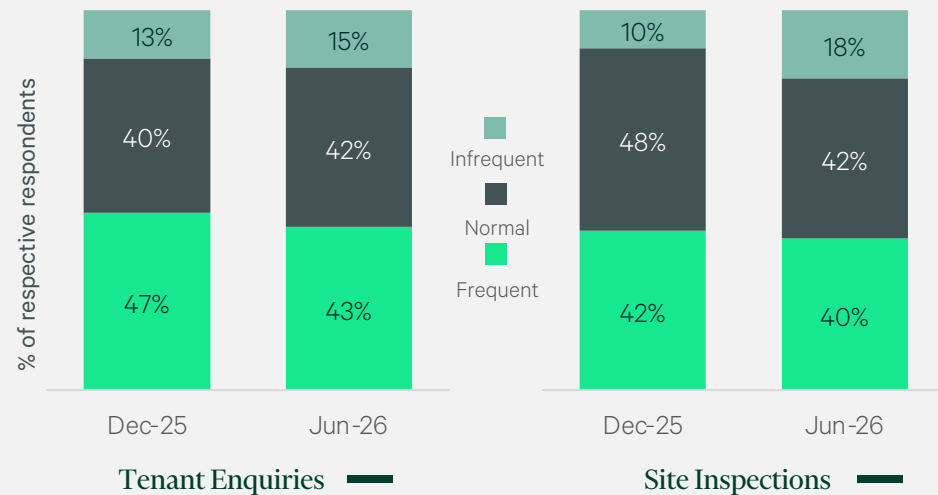
Retail landlords continue to enjoy the upper hand

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Market Summary

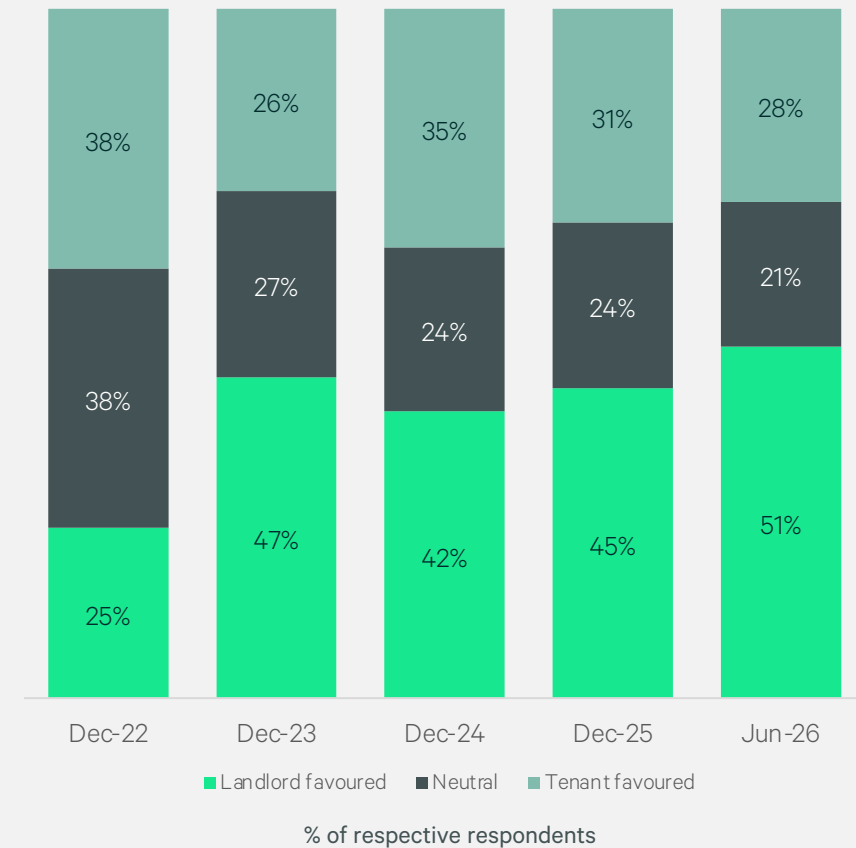
- Tenant enquiries and site inspections are weakening slightly, primarily due to retailers from outside the region being forced to delay travel plans. While rising inflation is also prompting some Asia Pacific retailers to reassess real estate planning, leasing sentiment remains resilient, with Japan, Korea, and India leading the region.
- Since the region exited the pandemic, most markets have shifted in favour of owners. Although tenant enquiries are softening, landlords, particularly those with properties in prime areas, are enjoying stronger negotiating power due to tighter vacancy in prime locations and limited new supply,
- Mainland China continues to favour tenants as the upcoming supply peak encourages landlords to adopt a more flexible attitude toward lease terms to boost occupancy.

How would you rate the frequency of **tenant enquiries** and **site inspections** in the past month?



Source: Asia Pacific Leasing Market Sentiment Index, June 2026.

Which **party** has the upper hand in lease negotiations?



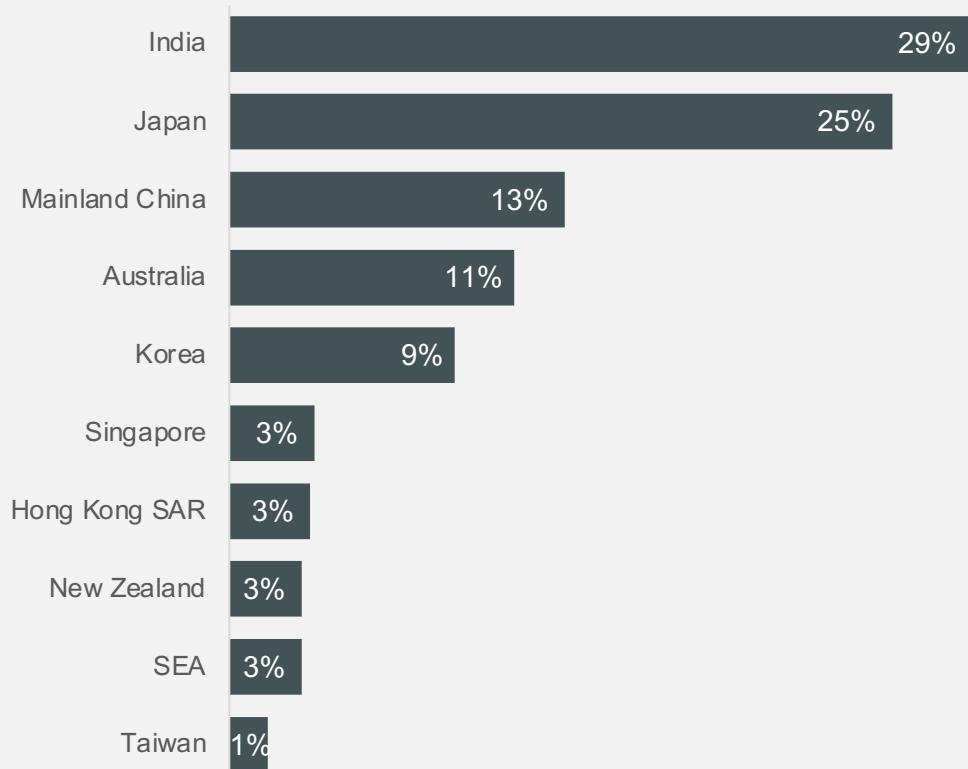
Note: Combined options of "Highly landlord favoured" & "Landlord favoured" and "Highly tenant favoured" & "Tenant favoured".

Survey Profile

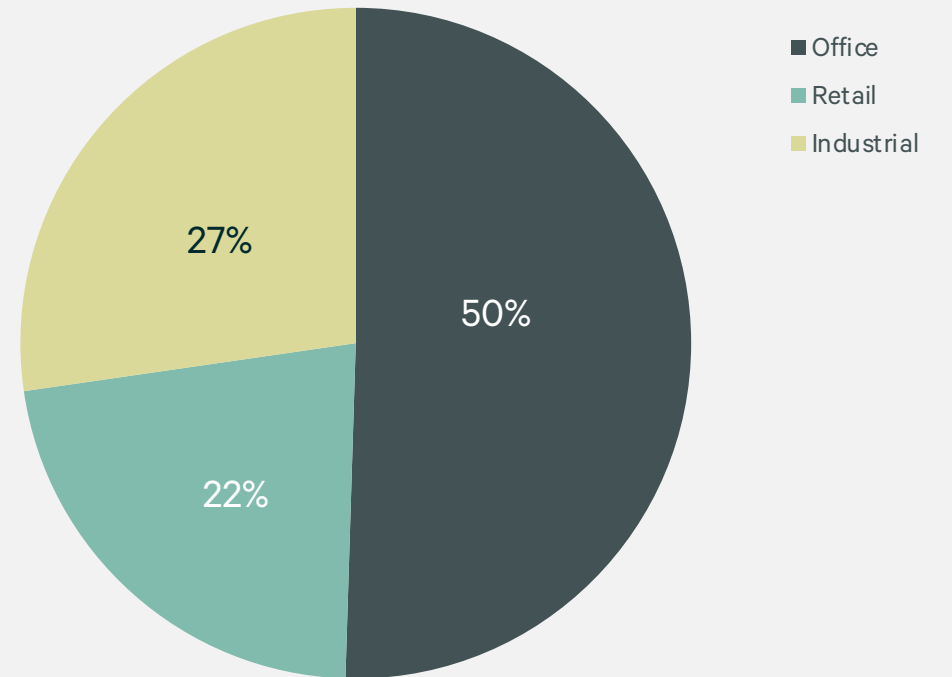
Survey Profile

CBRE's Asia Pacific Market Sentiment Survey was conducted from May 11th, 2026, to May 20th, 2026. A total of 618 responses were received from CBRE's leasing market professionals across Asia Pacific.

Respondents by Market



Respondents by Sector



Source: Asia Pacific Leasing Market Sentiment Index, June 2026.

Typical Office Leasing Terms in Key Asia Pacific Markets

	Lease Term	Renewal Option	Rent Quotation
Australia	Average lease term is normally five years and can be seven years for larger tenants of >1,000 sq. m.	Generally no automatic renewal rights but renewal options are common.	Expressed as Australian dollars (AUD) per sq. m. per year, based on net lettable area. Outgoings could be included or excluded.
Hong Kong SAR	Typical lease term is three years. Large tenants may take longer leases of six to nine years.	Most leases include an option to renew for three more years.	Expressed as Hong Kong dollars (HK\$) per sq. ft. per month, based on leased area as defined by the landlord. Service charge is excluded.
India	Typical lease term is normally three + three + three years or five + five years.	In a three-to-five-year lease, tenants have the option to renew the lease for one / two more terms of three to five years.	Expressed as Indian rupees (INR) per sq. ft. per month usually based on Super Built up Area (SBUA) or in some instances Carpet Area. Service charge is excluded.
Japan	A traditional Japanese lease is usually for two years. It is perpetually renewable and offers security of tenure to occupiers.	Tenant has the right to renew in perpetuity as long as a tenant is not in breach of the lease.	Expressed as Japanese yen (JPY) per tsubo per month, based on net lettable area. Common Area Maintenance (CAM) charge is often included.
Korea	Typical lease term is normally three to five years.	Negotiable. Tenant can renew the lease typically for three more years after the serving of a trigger notice to the landlord usually at least three months prior to lease expiry.	Expressed as Korean won (KRW) per sq. m. per month, based on gross rentable area. Service charge is excluded.
Mainland China	Typical lease term is normally three to five years. Larger tenants might commit to leases of five to eight years.	Most leases include an option to renew for three more years.	Expressed as Renminbi (RMB) per sq. m. per month or per day, based on gross floor area. Service charge is excluded.
Singapore	Typical lease term is normally three to five years.	Most leases include an option to renew for three to five years.	Expressed as Singapore dollars (SGD) per sq. ft. per month, based on net lettable area. Services charge is included.

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