

Creating Resilience

# Asia Pacific Leasing Market Sentiment Index

Brief

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CBRE RESEARCH  
DECEMBER 2025

# Executive Summary



## Leasing sentiment remains positive

Office leasing sentiment remained on an upward trajectory in Q4 2025, with the period marked by an increase in tenant enquiries and expansion. Positive or neutral overall sentiment was observed in all markets except mainland China. Stronger expansionary demand was evident in Australia, Korea, and Singapore, while enquiries involving renewal vs. relocation decisions declined as the clearer economic outlook and improved certainty around trade policies encouraged occupiers to commit to leasing decisions. The tech sector, particularly software and tech services (e.g. Big Data & AI), is set to drive expansionary demand in 2026, especially in mainland China.



## Market conditions improve but mainland China lags

Retailer sentiment picked up slightly this quarter, leading to an increase in tenant enquiries and site inspections compared to Q3 2025. Stronger retailer confidence supported leasing activity in most major markets, resulting in mild rental growth and tighter prime availability, reinforcing the landlord-favoured market. In contrast to the rest of the region, mainland China continued to struggle amid mounting supply pressure. Leasing demand is expected to further improve in 2026, led by the casual dining, fashion and sporting goods categories.



## Sentiment softens amid supply pressure and weaker expansionary demand

Logistics leasing sentiment softened after briefly improving in the previous quarter as sustained supply pressure ensured the market remained in favour of tenants. Relocation and consolidation dominated leasing activity across the region. Expansionary demand weakened, dragged down by subdued Greater China markets and a slowdown in Australia and Japan. Leasing sentiment is expected to weaken further in 2026 amid the subdued outlook in Hong Kong SAR and normalisation in Singapore following strong take-up in 2025.

# Leasing sentiment improves across all sectors except industrial & logistics

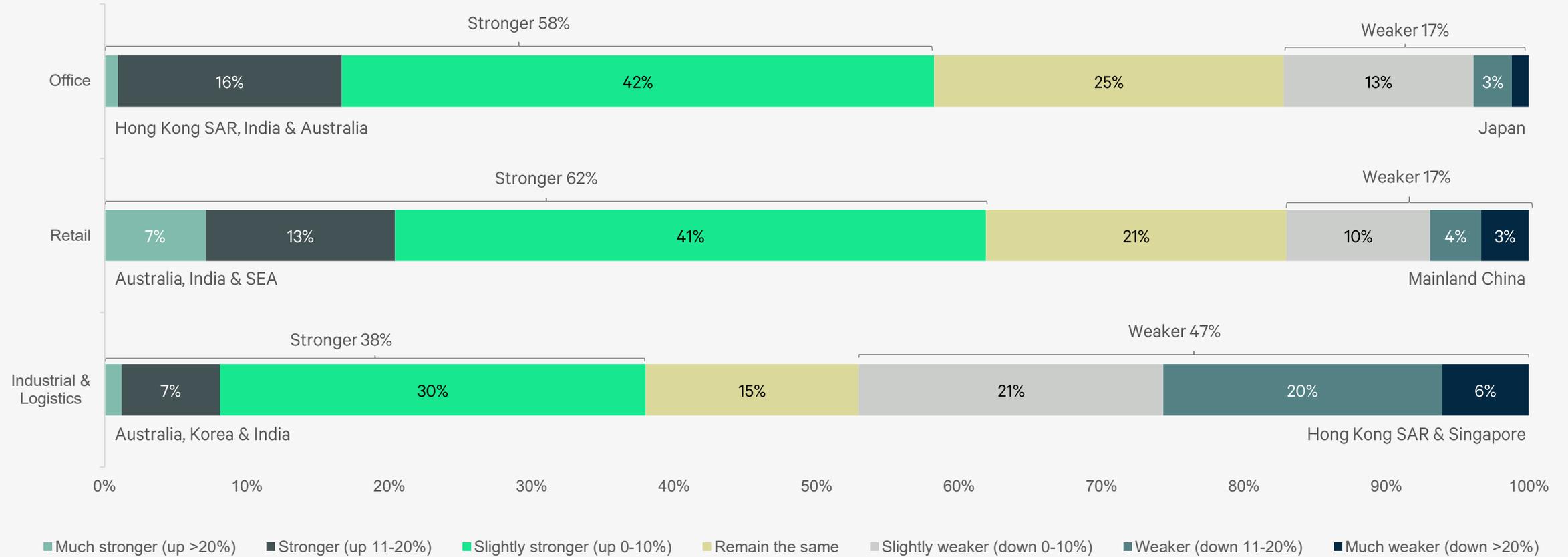
Aggregate sentiment based on all surveyed responses by market



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, December 2025.

# Office and retail leasing volume to improve; industrial & logistics to soften

Compared to 2025, leasing volume in 2026 will be?



Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

Office

# Office sentiment continues to pick up

Office | Retail | Industrial & Logistics

## Market Summary

- Office leasing sentiment strengthened during Q4 2025, leading to an uptick in tenant enquiries and site inspections. India and Japan were the most upbeat markets while Australia witnessed a strong improvement as leasing activity resumed.
- Rents increased or stayed the same across the region, except in mainland China, which continued to witness downward pressure. Overall incentives stabilised but those in Japan declined further due to extremely limited availability.
- Stronger expansionary demand was witnessed this quarter in Australia, Korea and Singapore. Enquiries involving renewal vs. relocation decisions declined as improved clarity on global trade policy provided occupiers with greater confidence to commit to leasing decisions.

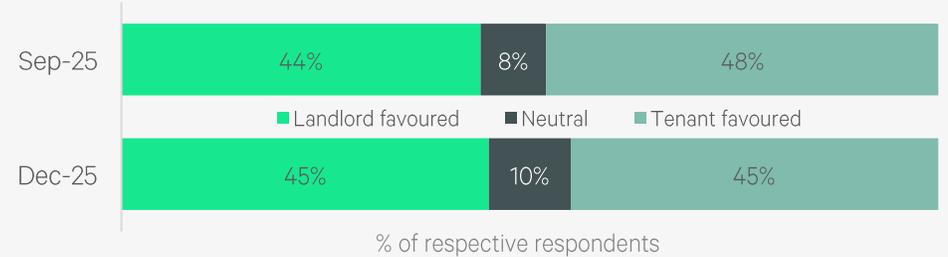
How would you rate the frequency of **tenant enquiries** and **site inspections** in the past month?



How are **rents** and **incentives** trending in your market compared to a month ago?



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



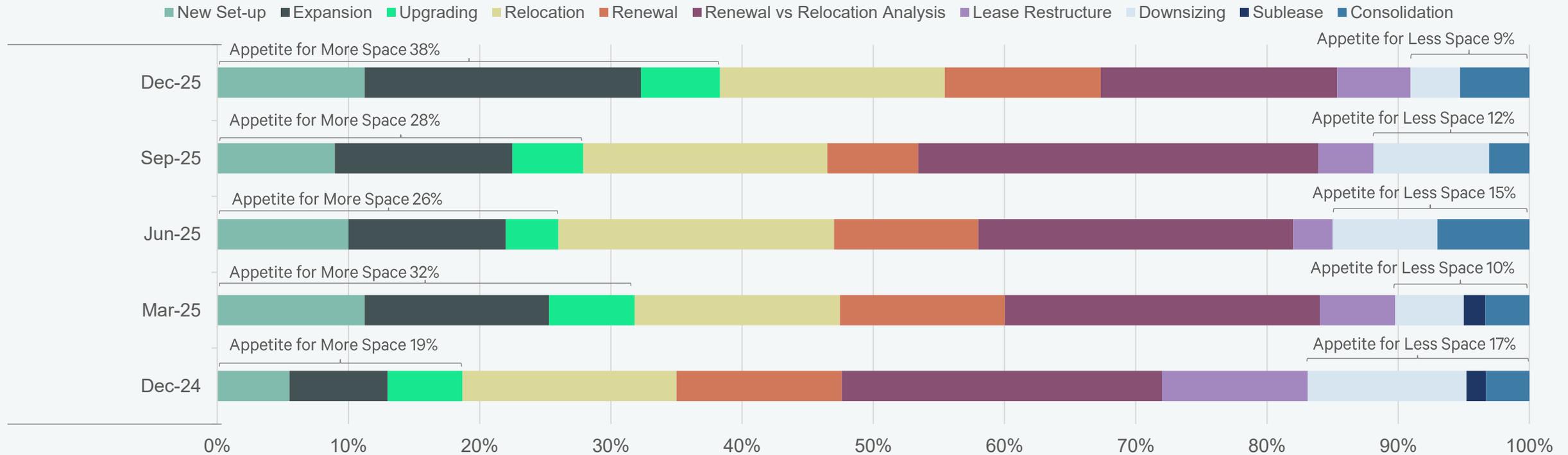
Note: Combined options of "Highly landlord favoured" & "Landlord favoured" and "Highly tenant favoured" & "Tenant favoured".

Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

# Stronger expansionary demand for more space

Office | Retail | Industrial & Logistics

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.

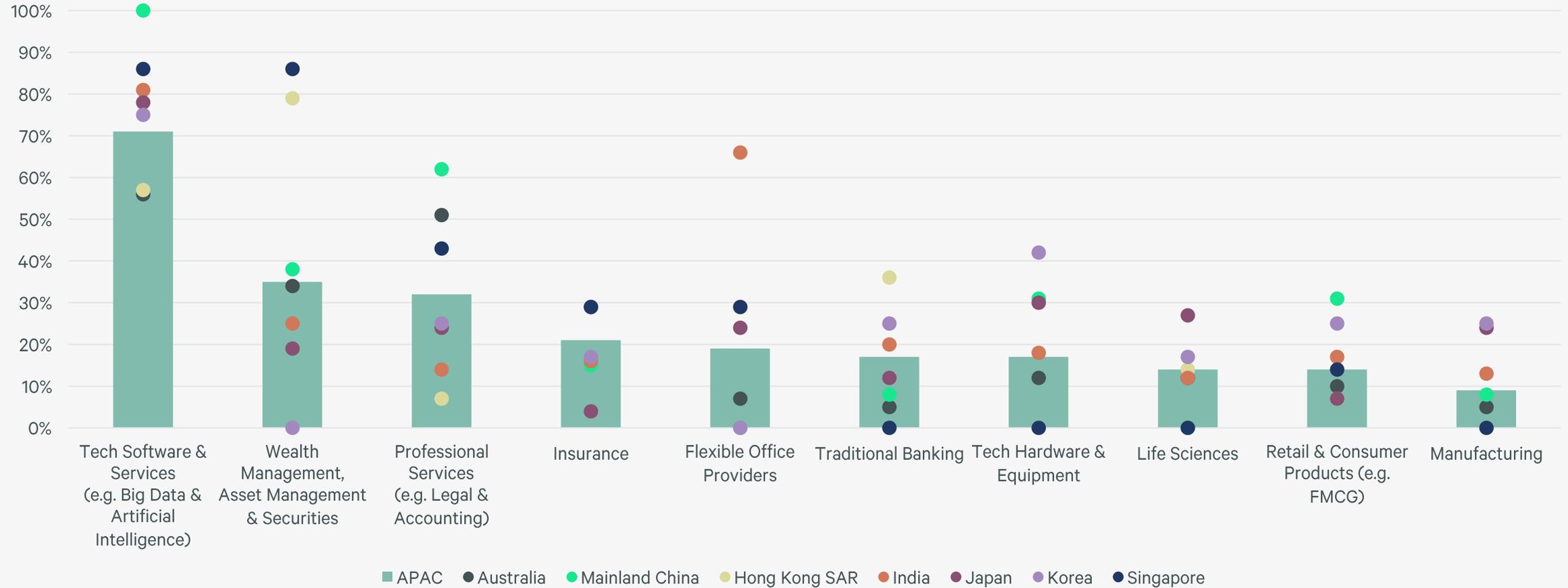
Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

# Software and services to lead expansionary demand

Office | Retail | Industrial & Logistics

Which **three sectors** will display the strongest expansionary demand in 2026?

% of respondents



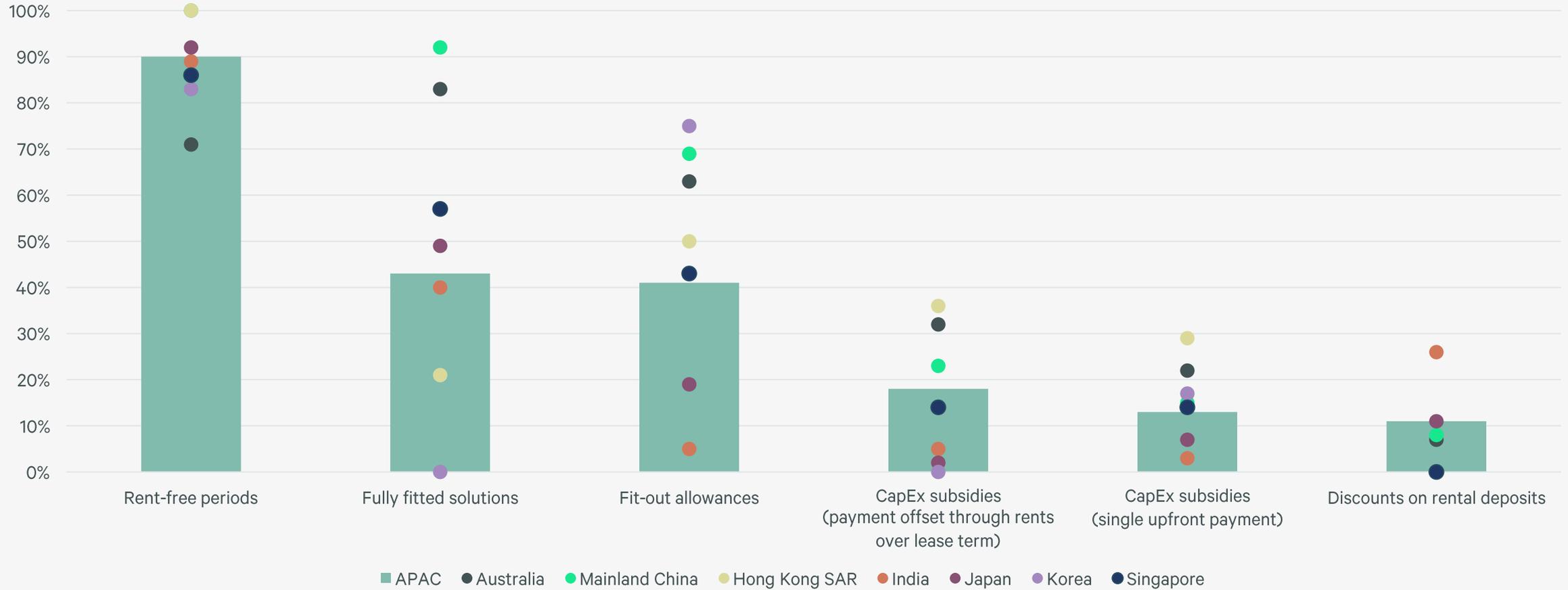
Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

# Incentives led by rent-free periods and fit-out offerings

Office | Retail | Industrial & Logistics

What types of incentives are landlords most likely to offer to new tenants? **(Please select those apply)**

% of respondents



Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

Retail

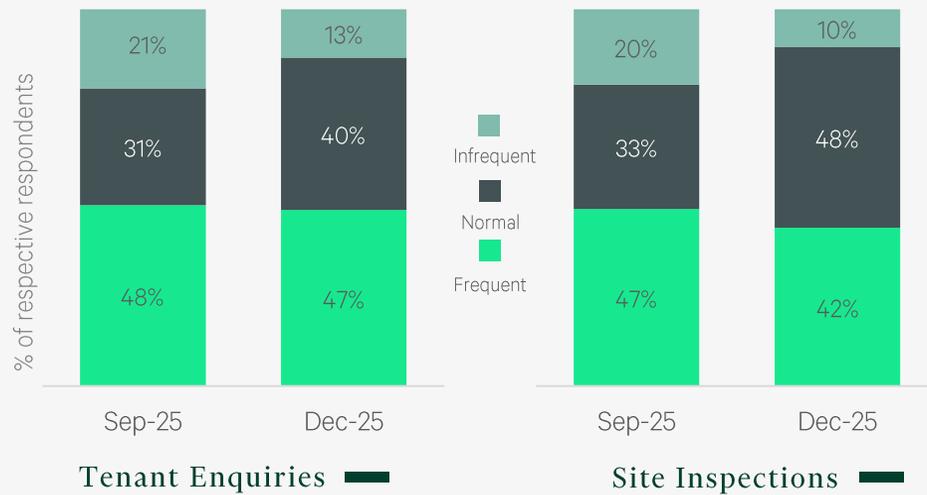
# Leasing sentiment improves; negotiating power diverges

Office | Retail | Industrial & Logistics

## Market Summary

- Tenant enquires and site inspections were upbeat in Q4 2025, with most markets reporting an increase from the previous quarter. Singapore saw the strongest q-o-q gain as the hosting of several large events and solid retail sales growth instilled retailers with greater confidence.
- Rental expectations were largely unchanged from Q3 2025. Most markets expect rents to increase mildly while those in mainland China are set to decline as landlords prioritise occupancy.
- Upcoming supply and prime availability are affecting negotiating power. While landlords in mainland China are under pressure as more supply comes on stream, owners in Japan, Korea and Australia enjoy a stronger position due to limited prime availability. While India remains a landlord's market, owners are increasingly concerned about retailers' ability to pay current high rents.

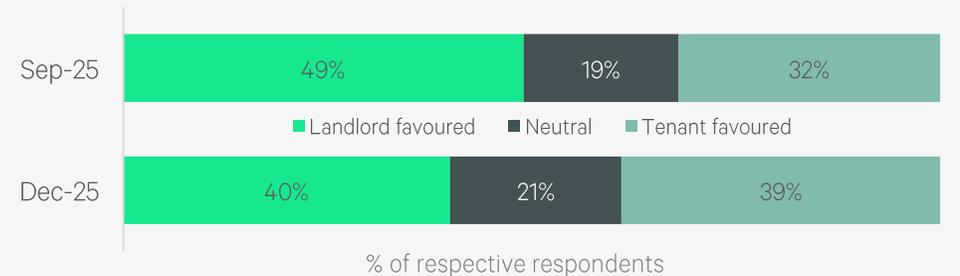
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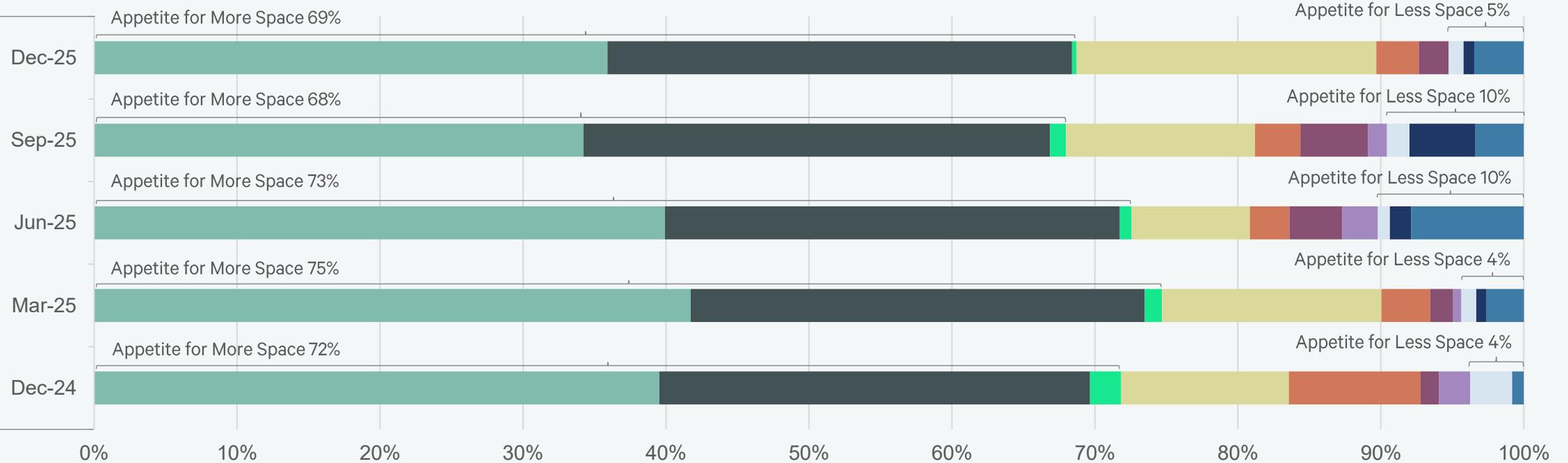
Note: Combined options of "Highly landlord favoured" & "Landlord favoured" and "Highly tenant favoured" & "Tenant favoured".

Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

# Cost concerns prompt more retailers to consider relocating Office | Retail | Industrial & Logistics

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

■ New Set-up ■ Expansion ■ Upgrading ■ Relocation ■ Renewal ■ Renewal vs Relocation Analysis ■ Lease Restructure ■ Downsizing ■ Sublease ■ Consolidation



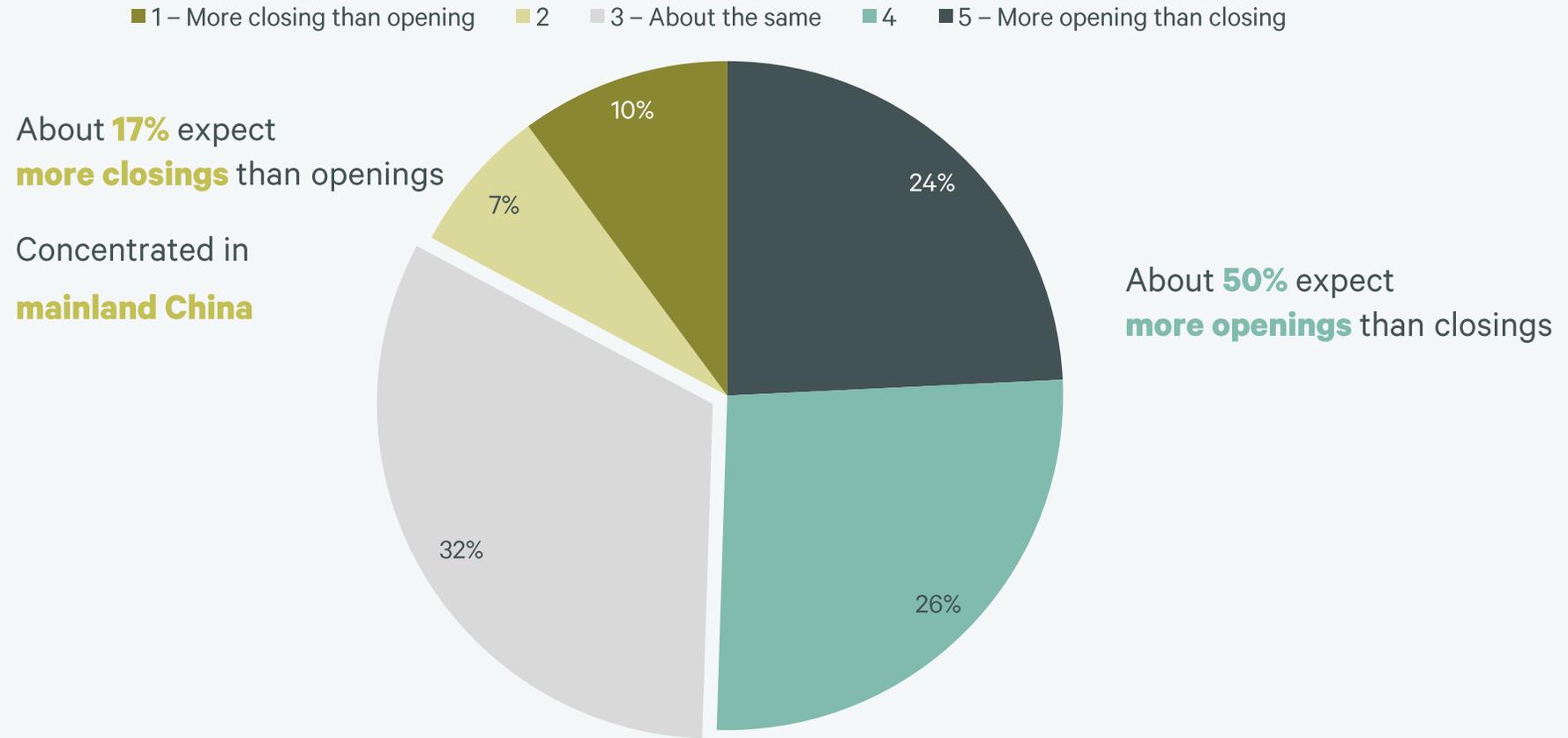
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Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

# Retailers expected to open more stores in 2026

Office | Retail | Industrial & Logistics

On a scale of 1 – 5, how would you assess your clients’ net store opening intentions in 2026?

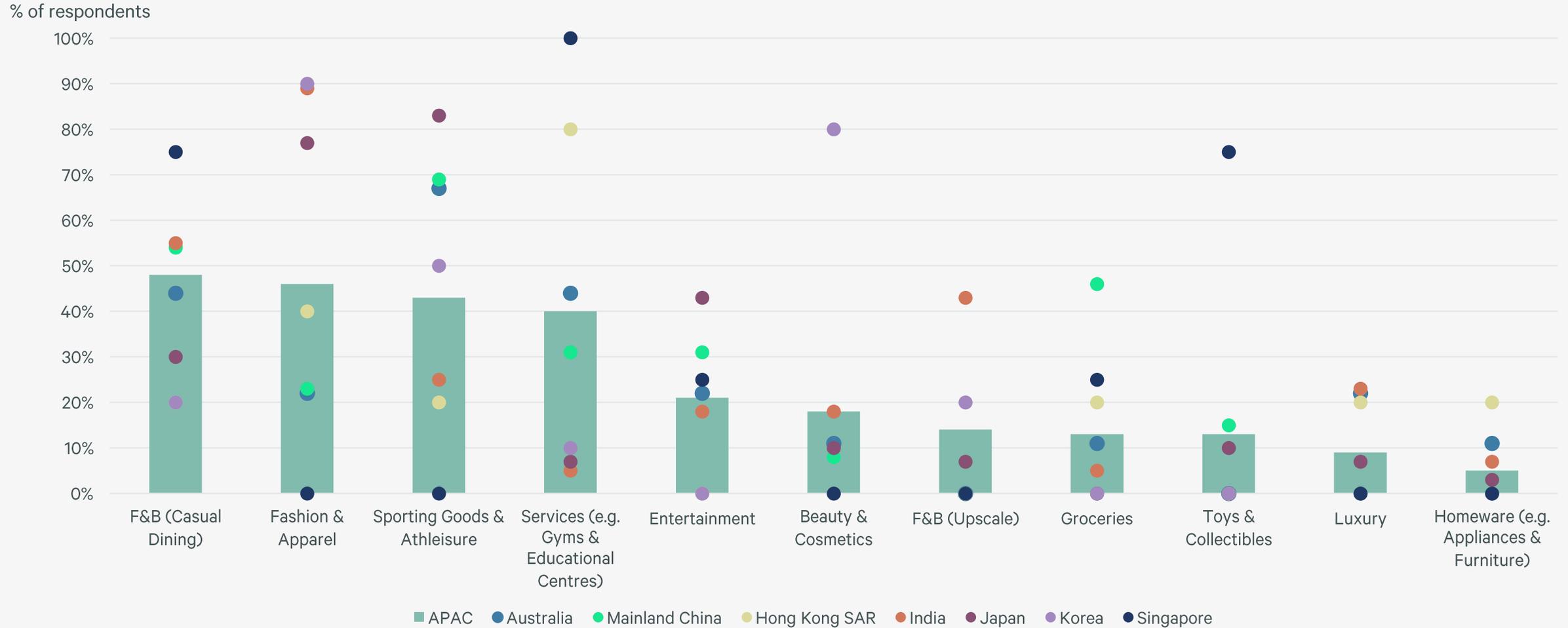


Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

# Casual dining, fashion and sports goods to drive growth

Office | Retail | Industrial & Logistics

Which **three trade categories** will display the strongest expansionary demand in 2026?



Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

# Industrial & Logistics

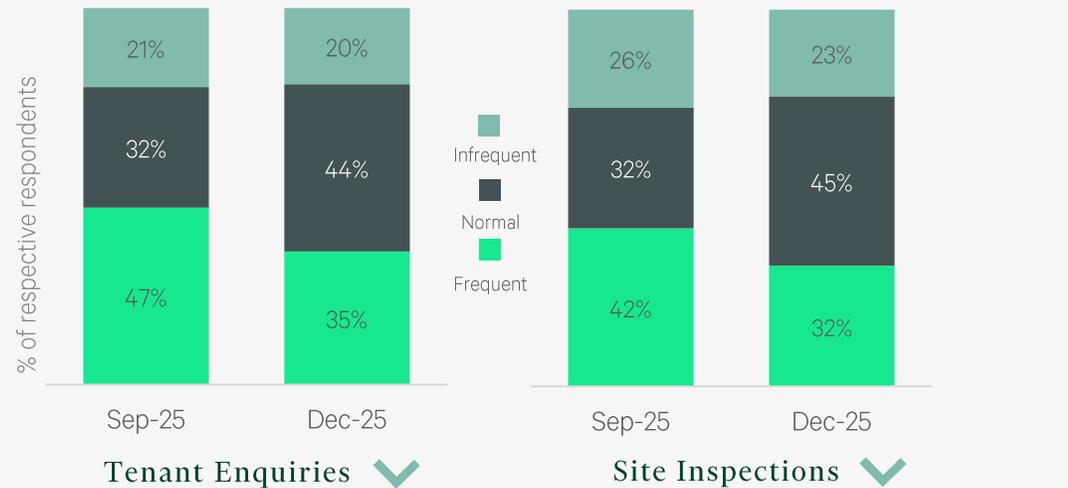
# Sustained supply pressure weighs on sentiment

Office | Retail | Industrial & Logistics

## Market Summary

- Leasing sentiment cooled in Q4 2025 after improving in the previous quarter, with tenant enquiries and site inspections holding stable. India reported strong expansionary demand while leasing activity in Korea gained further momentum on the back of 3PL and logistics demand. Occupier sentiment was weakest in Greater China, where the uncertain economic outlook continued to weigh on demand.
- The Asia Pacific logistics market remains firmly in favour of tenants, with rents under pressure from the elevated pipeline across most major markets. Japan and Australia are expected to see demand hold firm into 2026, with rental levels constrained by ample supply.
- Flight-to-quality relocation demand is supporting leasing in new projects in markets with high availability, while cost-driven consolidation dominates in Mainland China and Hong Kong SAR.

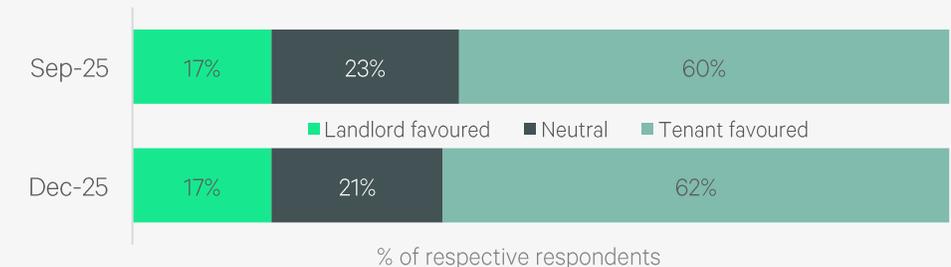
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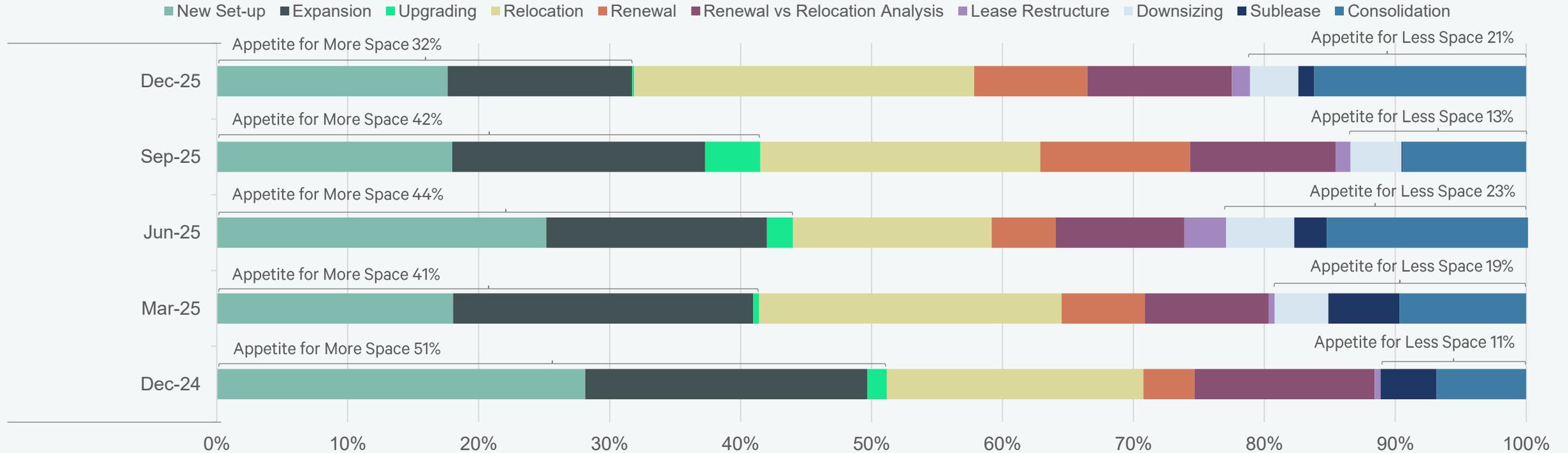
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# Relocation and consolidation drive leasing momentum

Office | Retail | Industrial & Logistics

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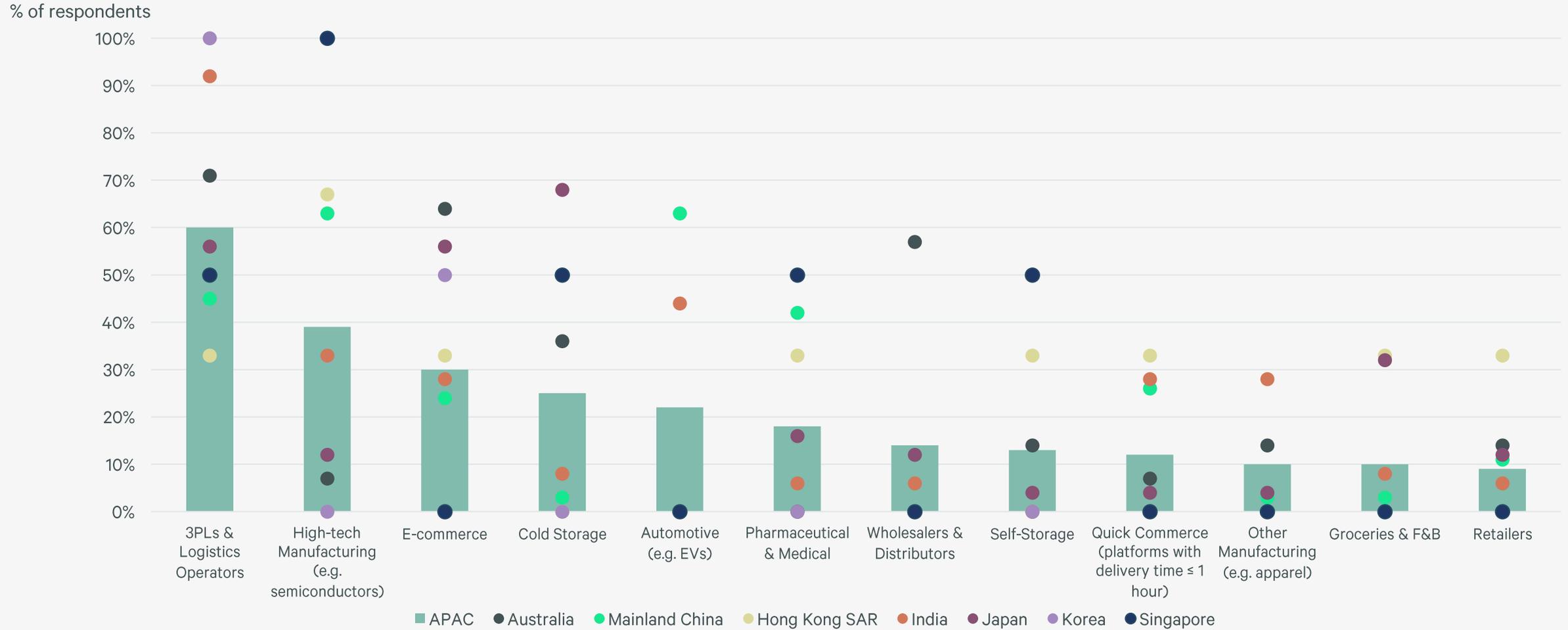
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# 3PLs and logistics operators continue to lead expansion

Office | Retail | Industrial & Logistics

Which **three trade categories** will display the strongest expansionary demand in 2026?



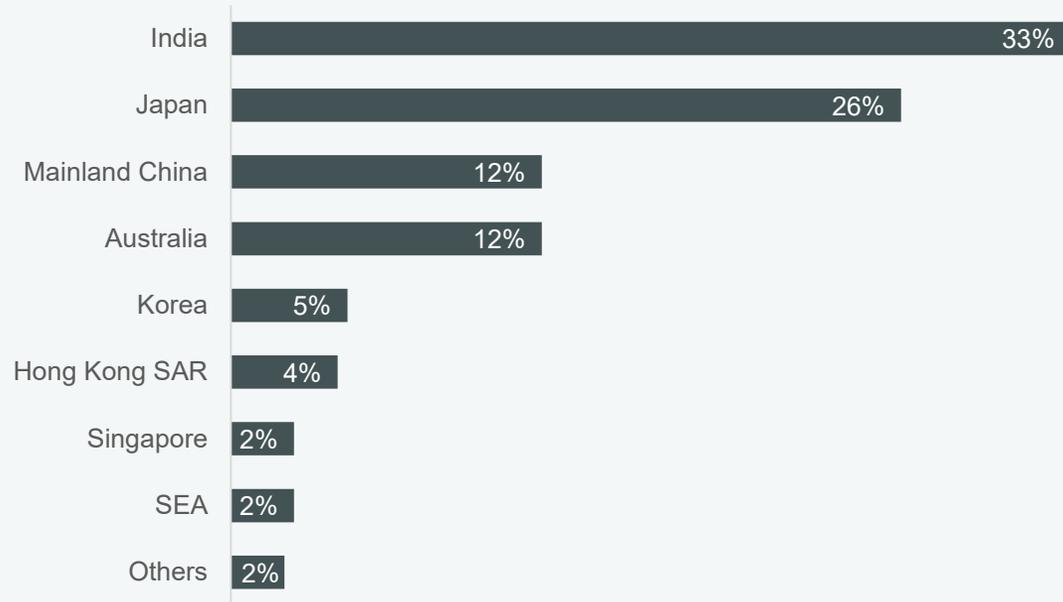
Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

# Survey Profile

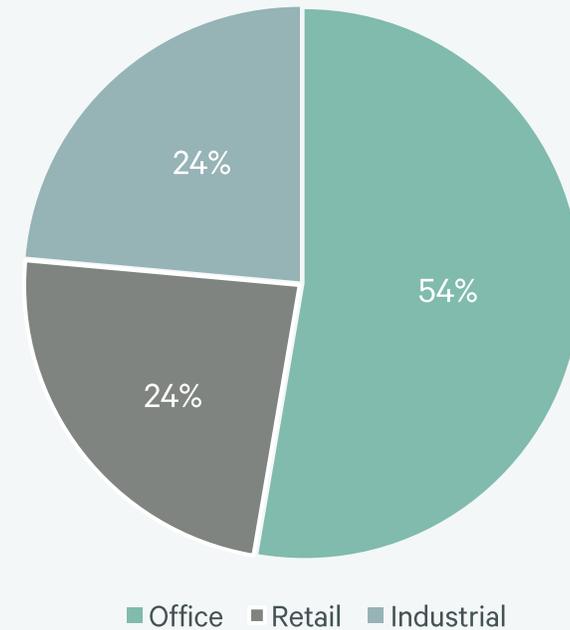
# Survey Profile

CBRE's Asia Pacific Market Sentiment Survey was conducted from November 12<sup>th</sup>, 2025, to November 24<sup>th</sup>, 2025. A total of 522 responses were received from CBRE's leasing market professionals across Asia Pacific.

### Respondents by Market



### Respondents by Sector



Note: Others include Taipei, Macau SAR and New Zealand.  
 Source: Asia Pacific Leasing Market Sentiment Index, December 2025.

# Typical Office Leasing Terms in Key Asia Pacific Markets

	Lease Term	Renewal Option	Rent Quotation
<b>Australia</b>	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 generally common.	Expressed as Australian dollars (AUD) per sq. m. per year, based on net lettable area. Outgoings could be included or excluded.
<b>Hong Kong SAR</b>	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.
<b>India</b>	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.
<b>Japan</b>	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.
<b>Korea</b>	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.
<b>Mainland China</b>	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.
<b>Singapore</b>	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.

# Contacts

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