

Intelligent Investment

# 2025 Asia Pacific Investor Intentions Survey: Japan Results

REPORT

JAPAN  
REAL ESTATE

CBRE RESEARCH  
FEBRUARY 2025



# Executive Summary

Appetite among Japan-based investors remain robust;  
Focus shifts from core to value-added investments

CBRE's 2025 Asia Pacific Investor Intentions Survey was conducted in November 2024. The survey asked respondents about their willingness to acquire and sell properties in 2025, as well as their preferred investment strategies and asset types. This report summarizes the responses of investors based in Japan.

The survey results suggest that investor appetite will remain strong in 2025. Although Japan's monetary policy normalized in 2024, any impact on the real estate investment market this year looks set to be limited.

In terms of preferred investment strategies, interest in value-add investments increased in this year's survey. This can be attributed to the widespread movement of pursuing returns under the current environment where interest rates and the cost of capital expenditures are rising.

## Key Findings

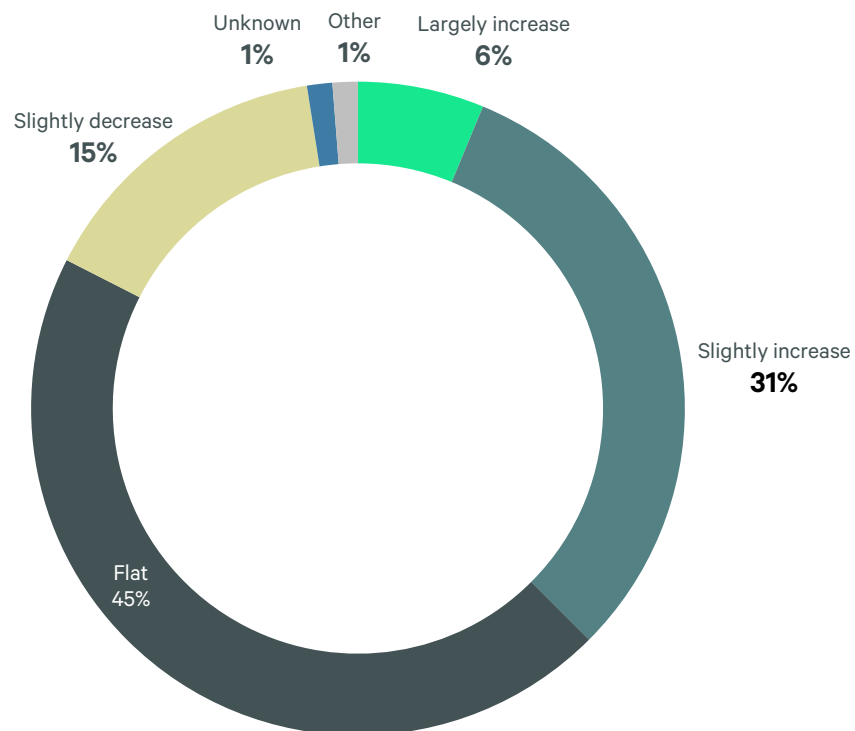
- When asked about their buying intentions in 2025, some 90% of respondents plan to purchase more or the same volume of real estate as last year, while some 80% plan to sell more or the same volume as last year. Although full year investment volume in 2024 was the highest in a decade, strong investment momentum is likely to continue in 2025.
- Residential remains the most popular property type to invest in. Logistics, which declined in the previous survey's rankings, rose to second place this year. CBRE believes this may be due to the potential tightening of the supply-demand balance as rising construction costs deter new construction.
- When asked about their expectations for real estate price changes in 2025, the proportion of respondents who anticipate values to appreciate was higher than the previous survey for all asset classes except for logistics.
- By strategy, the percentage of respondents who chose core declined from the previous survey. Value-add was the highest, with 36%.
- When asked to give their main reason for increasing real estate allocations, the percentage of respondents citing 'capitalize on potential income return growth' significantly increased from the previous survey, reflecting heightened expectations for rental increases.
- Among alternative asset types, interest in cold storage and life science properties increased this year.
- In terms of the Bank of Japan's (BoJ) monetary policy, as of November 2024, 78% of respondents expected policy rate increases to be limited to 50 basis points or less in 2025. There does not seem to be an excessive interest rate outlook among investors.
- The proportion of respondents who are willing to accept a price premium for properties that meet sustainability standards increased once again this year.
- On a regional basis, Asia Pacific investors selected Tokyo as the most attractive investment destination for a sixth consecutive year.

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# Investment Strategies

## Japan real estate investment: 40% of respondents anticipate 2025 investment volume in Japan to increase from 2024

Figure 1: Anticipated change of investment volume in Japan's commercial real estate market in 2025 (single answer)

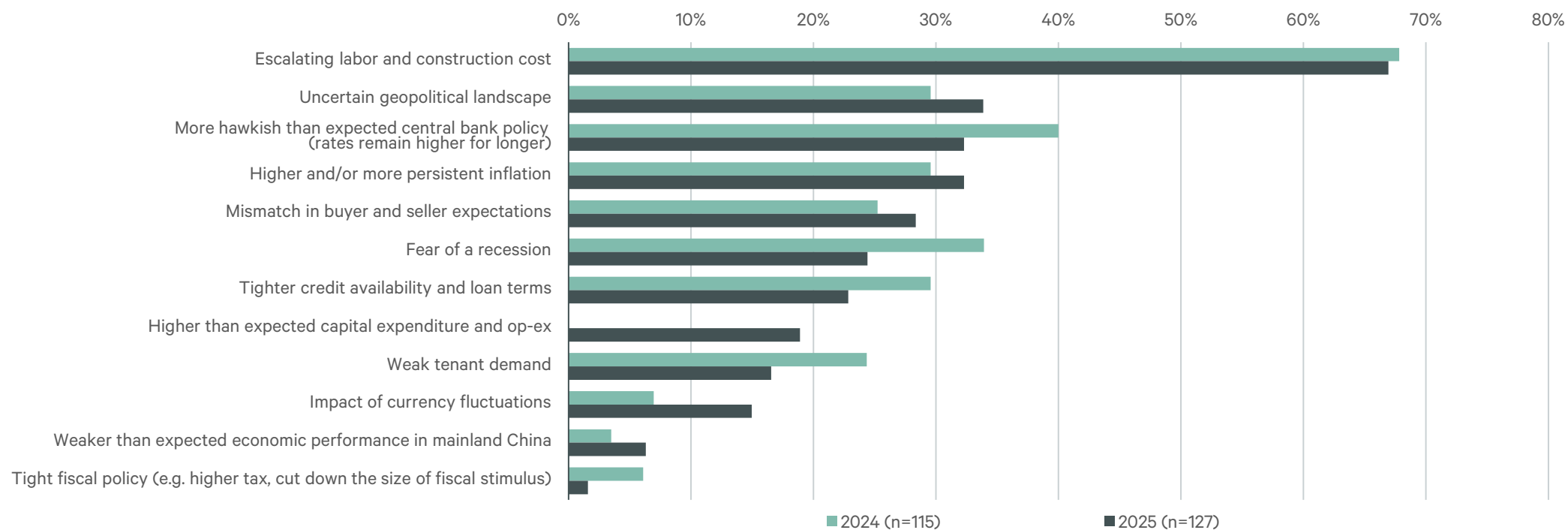


Japan-based investors who transact only in Japan (n=80)

Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

## Risk factors: Rising labor and construction costs remain primary concern; fears of recession recede

Figure 2: Major challenges facing real estate investment (select top three)

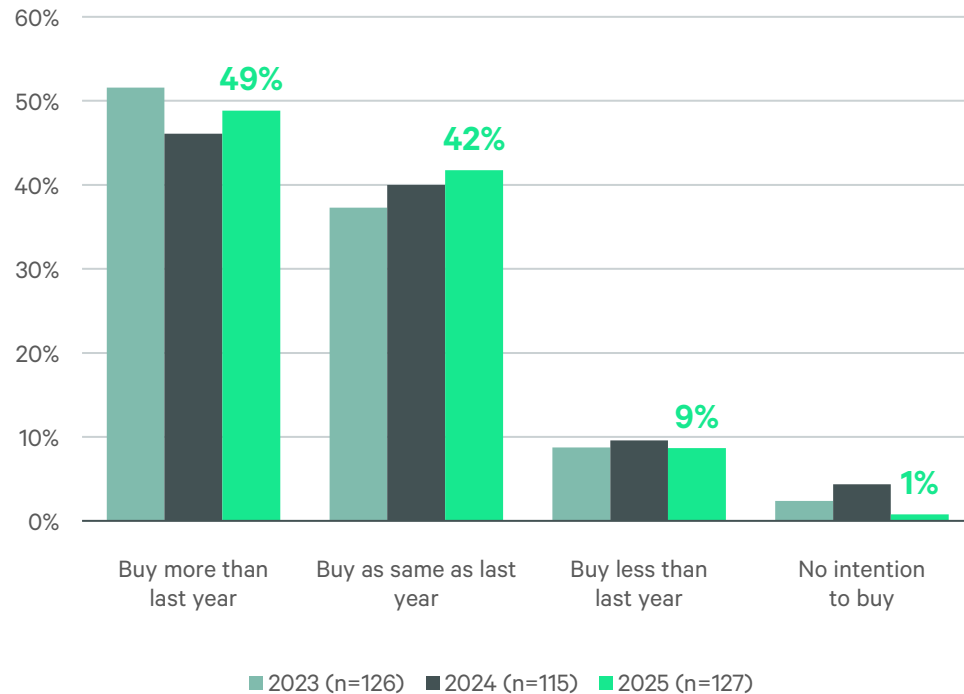


Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

## Buying and selling intentions:

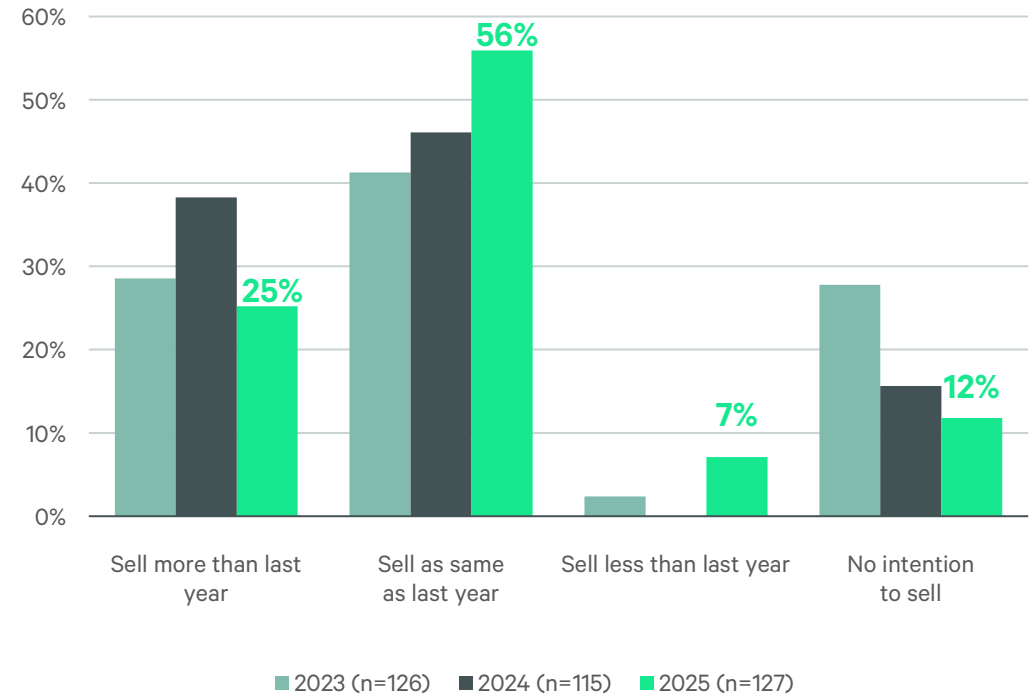
More than 90% of respondents plan to buy more or the same volume as last year;  
more than 80% of respondents plan to sell more or the same volume as last year

Figure 3: Purchasing volume expectations (single answer)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

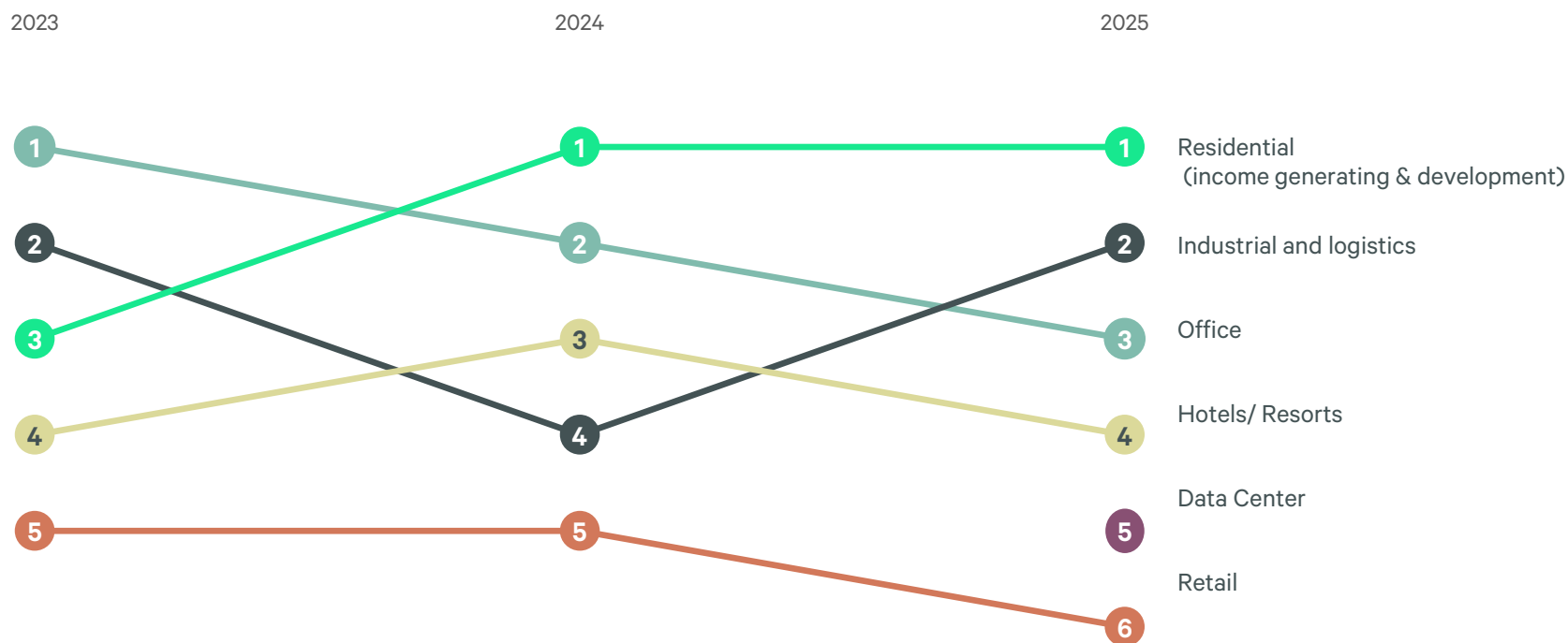
Figure 4: Selling volume expectations (single answer)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

## Preferred asset type: Residential continues to be most popular; logistics rises in rankings

Figure 5: Ranking of preferred asset types



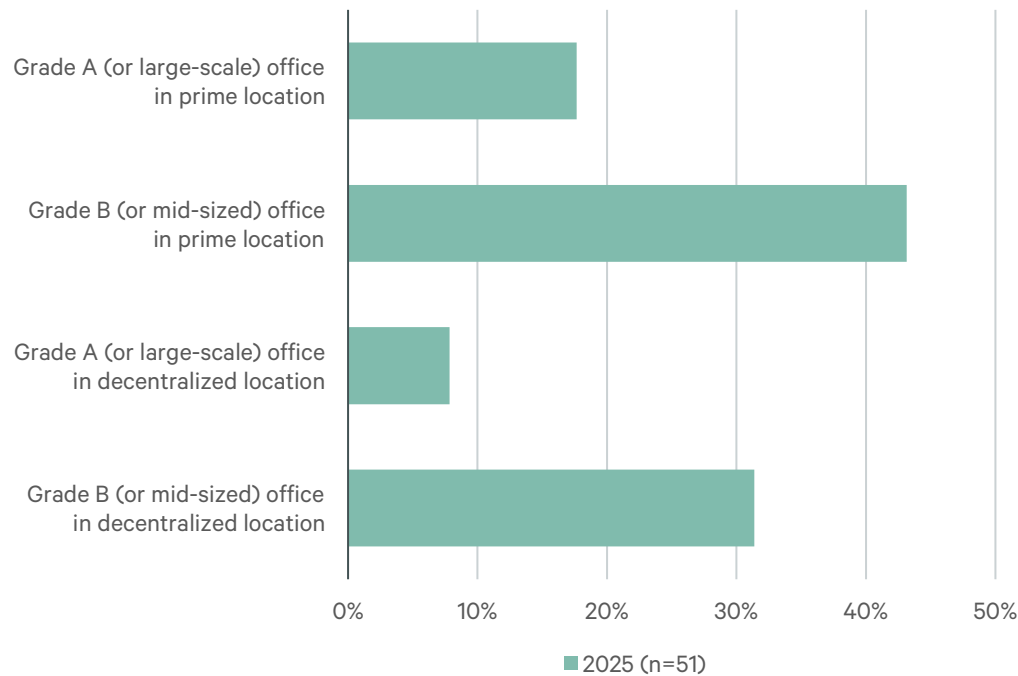
Excluding 'Other'

Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

## Preferred sub-sector (1)

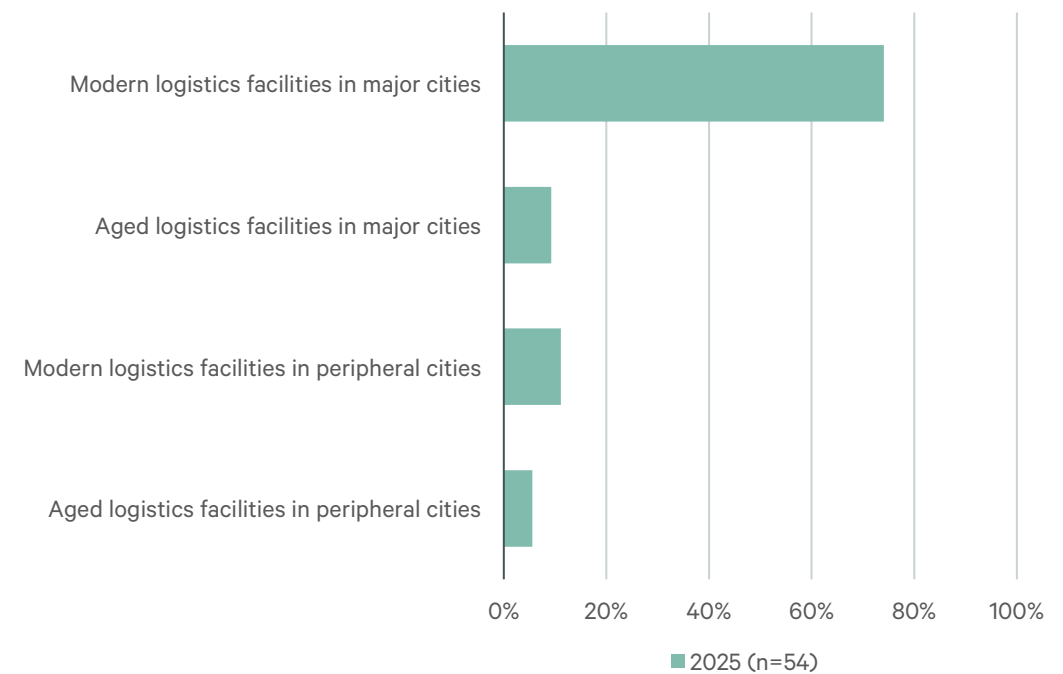
### Mid-sized offices more popular; clear majority of respondents prefer major cities for logistics investment

Figure 6-1: Target sub-sector for office investment (single answer)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

Figure 6-2: Target sub-sector for logistics investment (single answer)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025



## Preferred sub-sector (2)

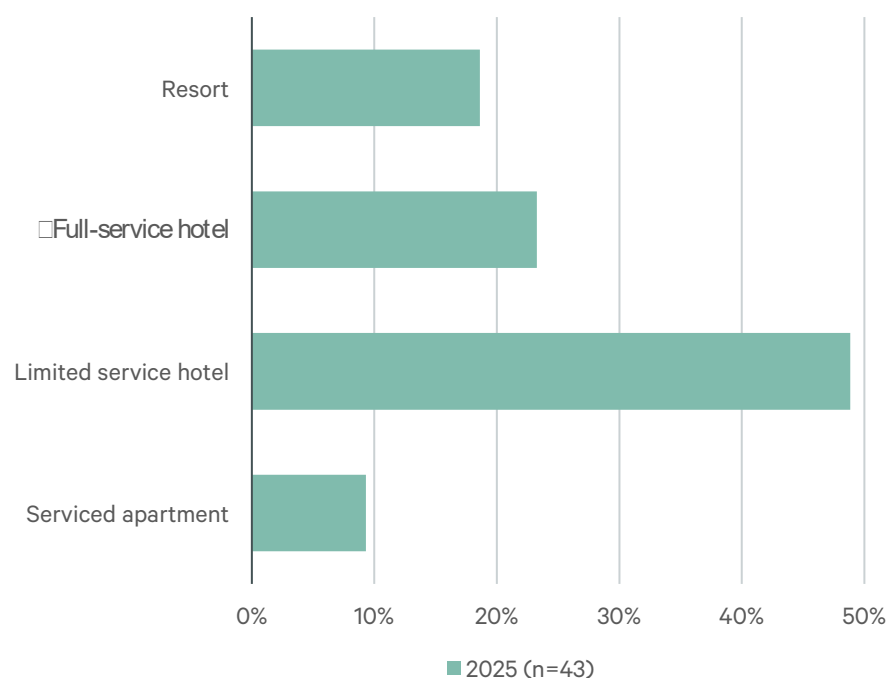
### Prime retail remains most sought after among retail investors; limited-service assets rank top among hotels

Figure 6-3: Target sub-sector for retail investment (single answer)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

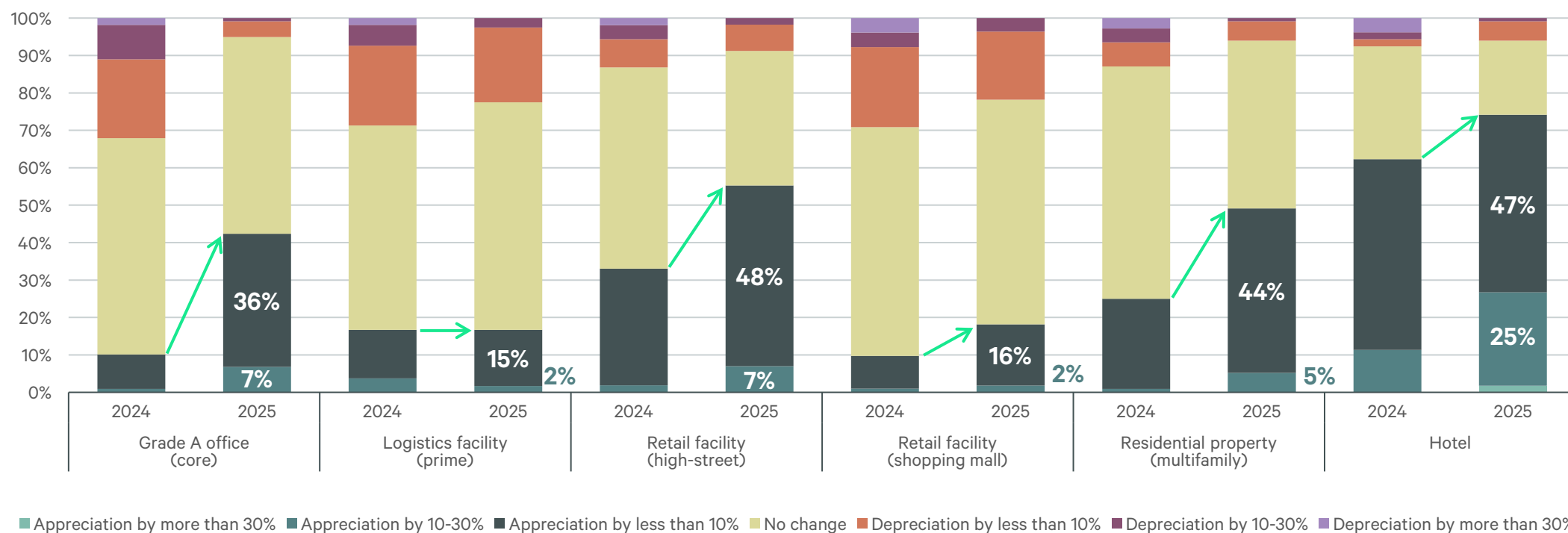
Figure 6-4: Target sub-sector for hotel investment (single answer)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

## Price expectations: Proportion of respondents anticipating values to appreciate rises for all asset types except logistics

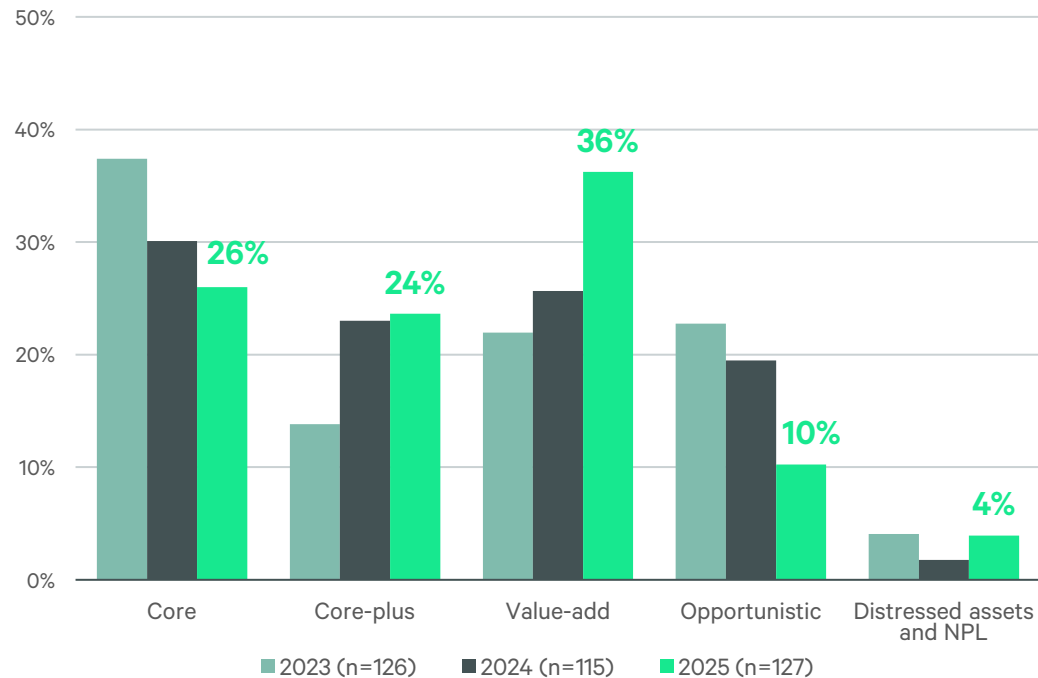
Figure 7: Expected year-on-year change in real estate prices (single answer)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

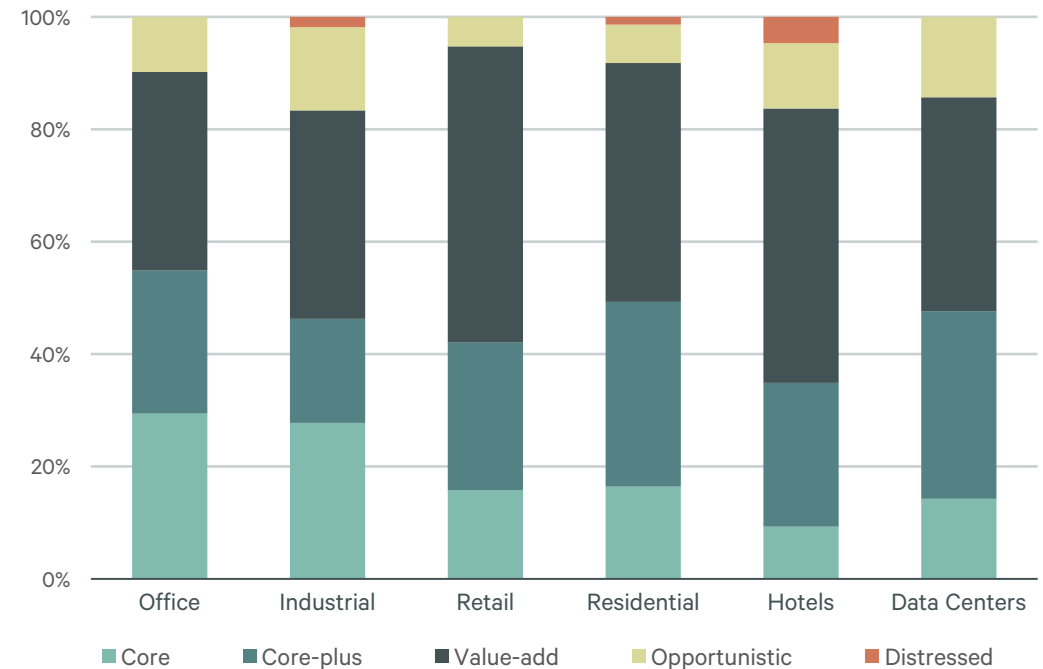
## Investment strategy: Value-add most popular with 36%; ranks top for every asset type

Figure 8: Preferred investment strategy (single answer)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

Figure 9: Preferred investment strategy (by preferred asset type)



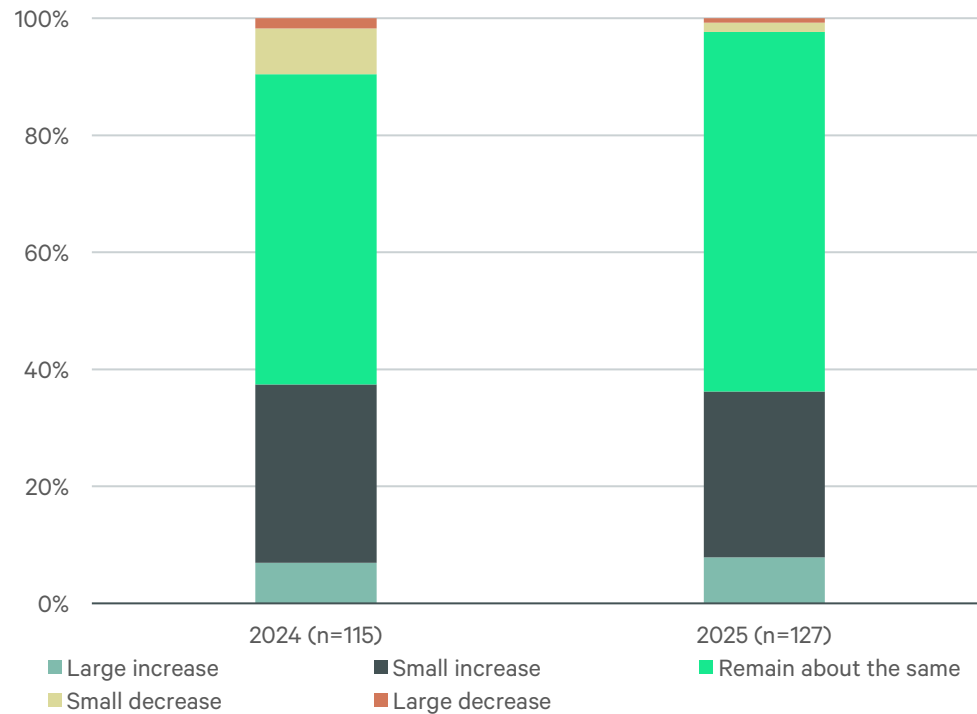
Based on 2025 Survey results (n=127)

Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

## Investment strategy:

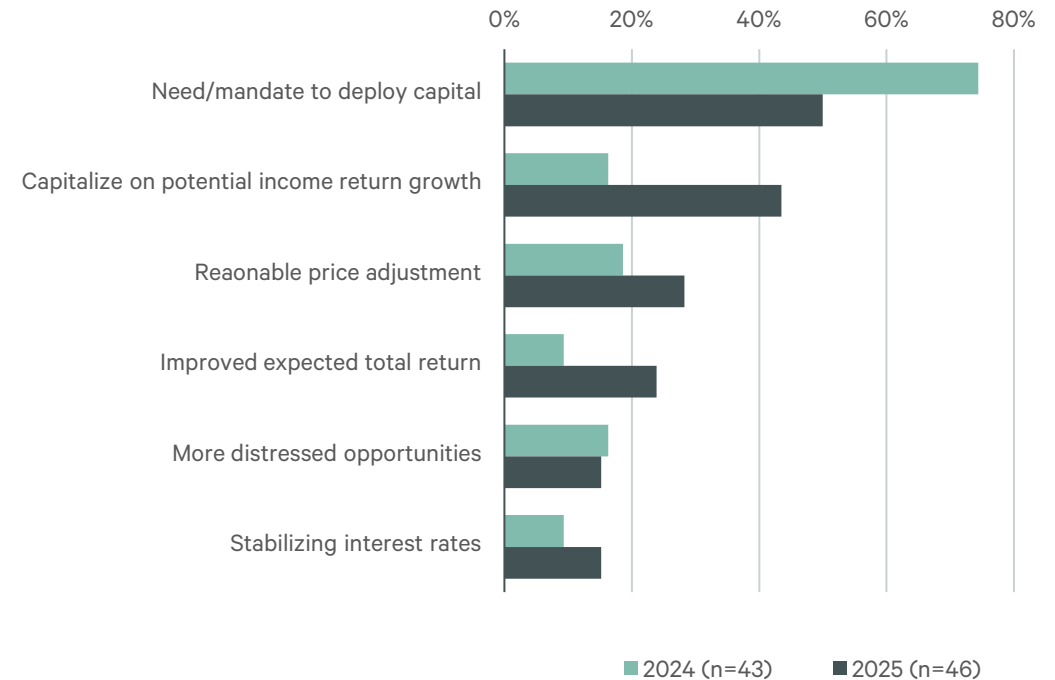
### Percentage of respondents citing ‘capitalize on potential income return growth’ as main motivation for increasing real estate allocations significantly increases

Figure 10: Expected change of investors' allocation to real estate during 2025 (single answer)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

Figure 11: Reason to increase real estate allocation (multiple answers allowed)

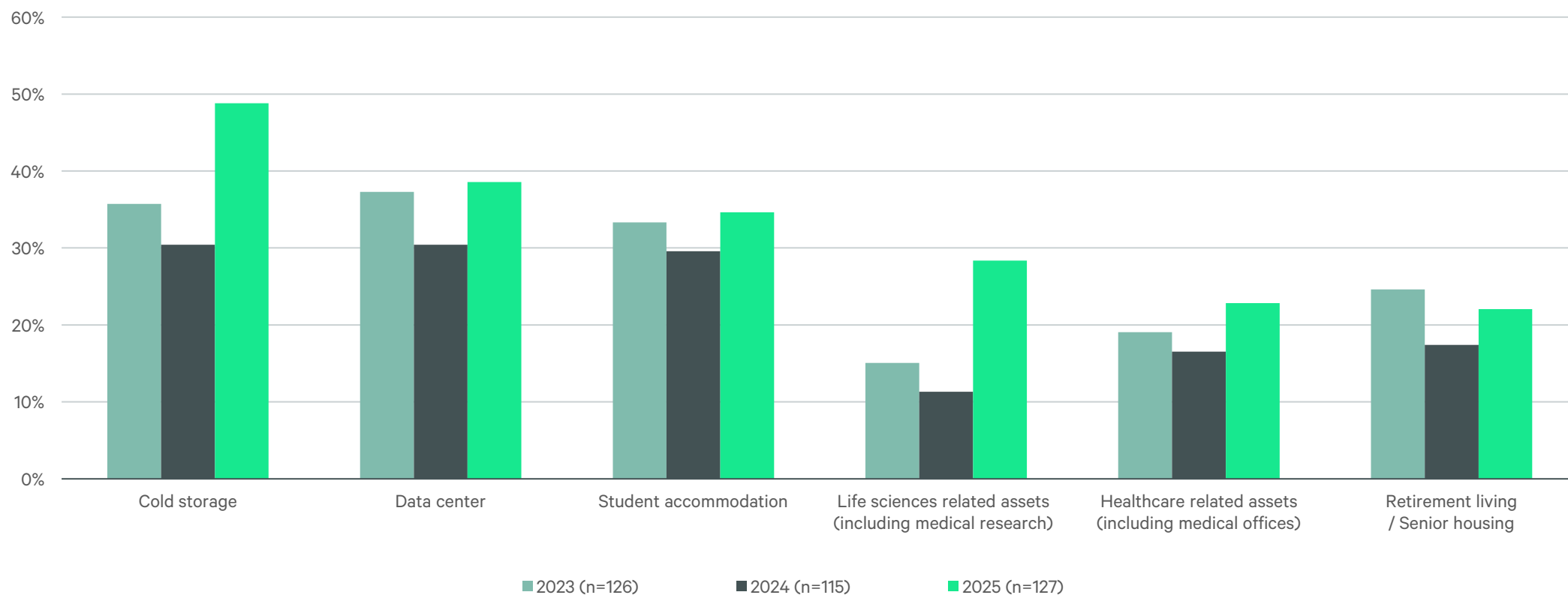


Respondents who indicated 'large increase' or 'small increase' in Figure 10

Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

## Alternative assets: Interest in cold storage and life science assets rises

Figure 12: Alternative asset types considered by investors as targets for investment (multiple answers allowed)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

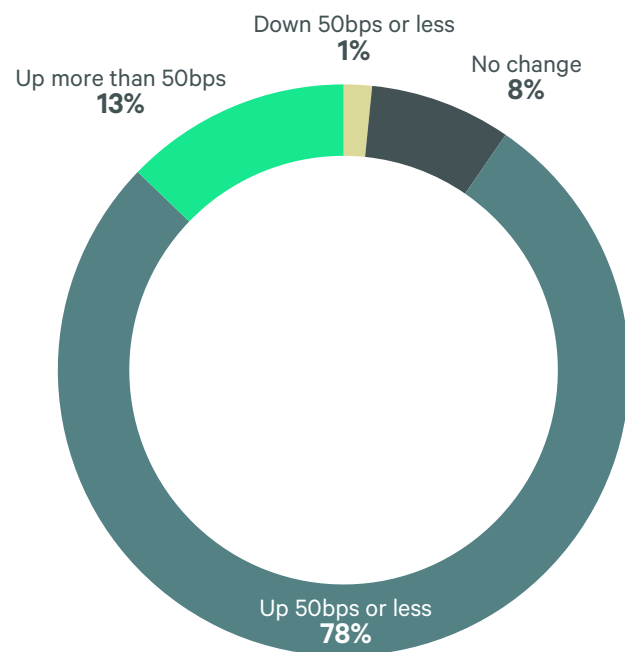
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# Financing Environment

## Monetary policy:

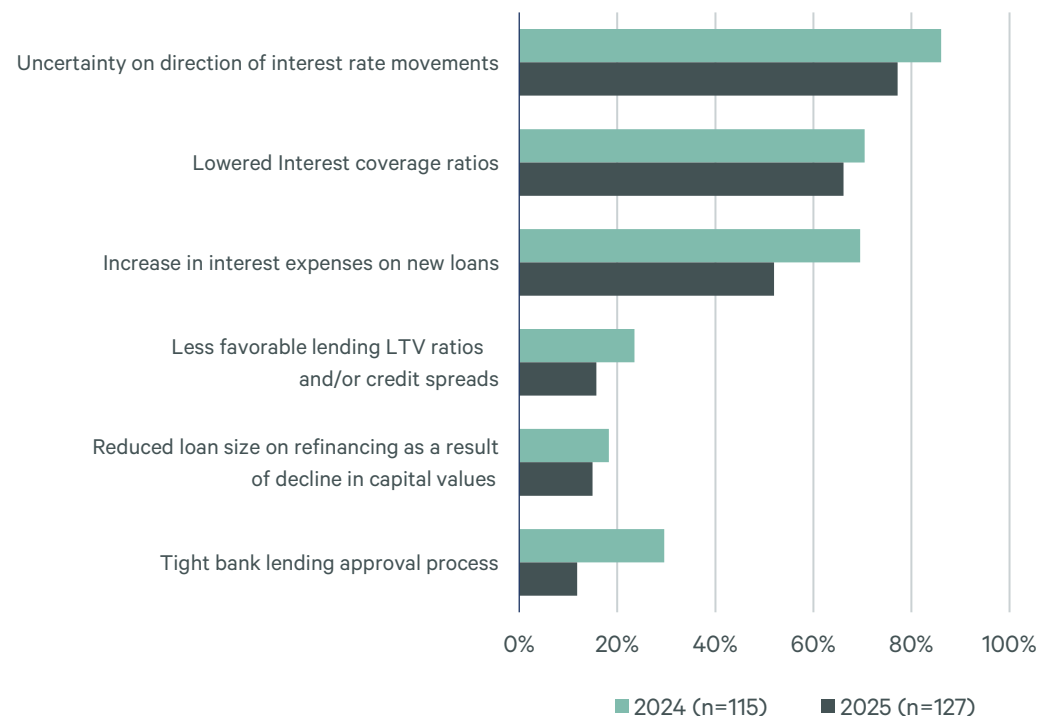
More than three-quarters of respondents expect policy rate increases to be less than 50 basis points by end 2025

Figure 13: Outlook on BoJ's policy rate by the end of 2025 (single answer)



Japan-based investors who selected Japan as the market they primarily transacted in (n=125)  
Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

Figure 14: Major challenges in sourcing debt for investment or refinance (select top three)

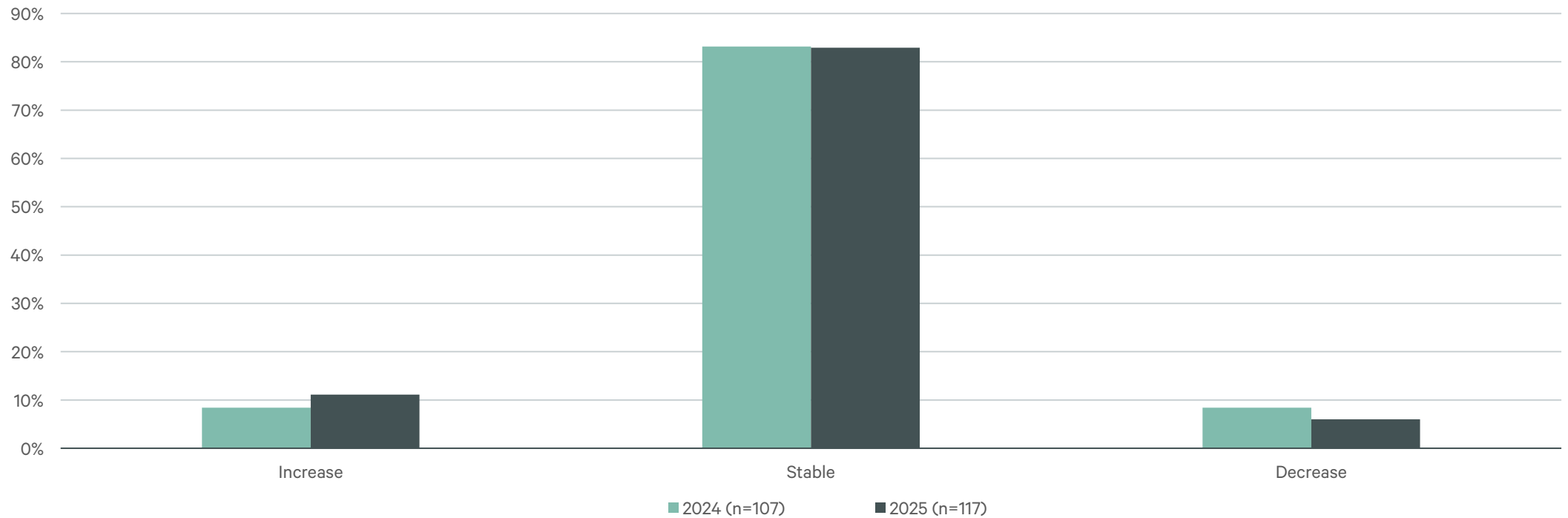


Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

## Debt financing:

Over 80% of respondents expect their debt-to-equity to be stable in 2025; implies interest rate hikes do not significantly influence funding conditions

Figure 15: Anticipated change in debt-to-equity ratio (single answer)



Excluding 'Not applicable'

Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

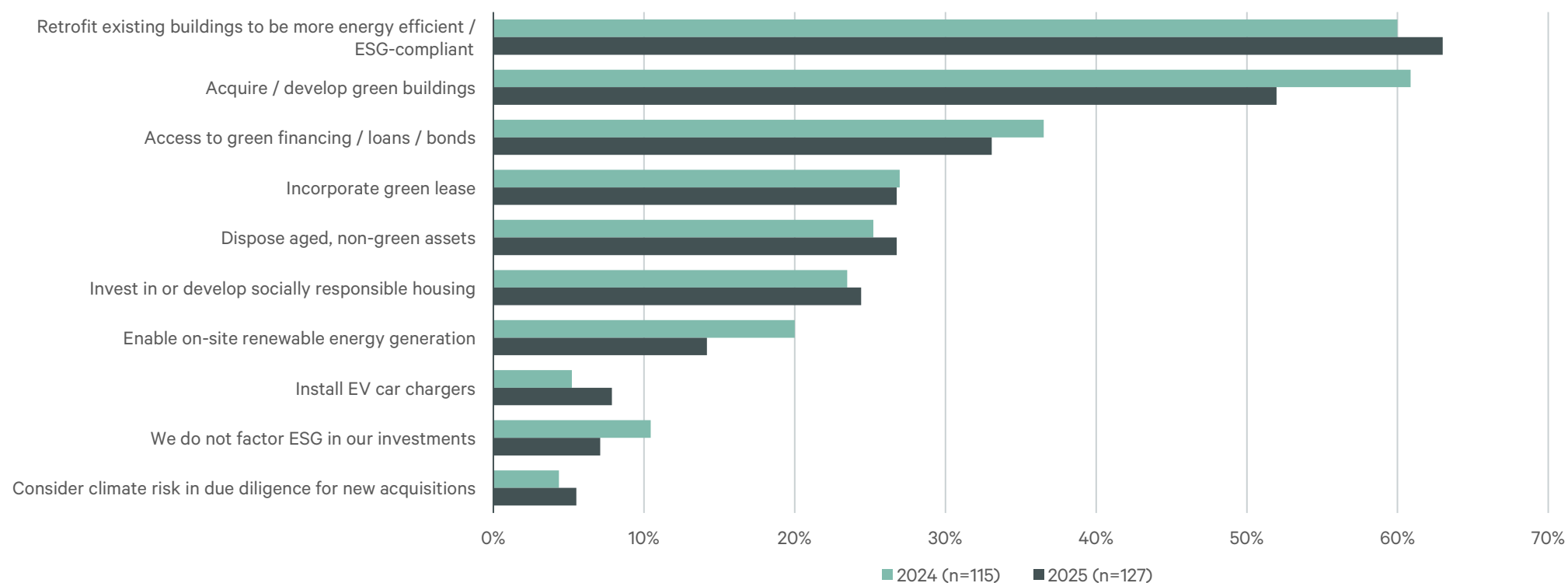


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Sustainability

## Sustainability initiatives: Retrofitting existing building continues to be major initiative

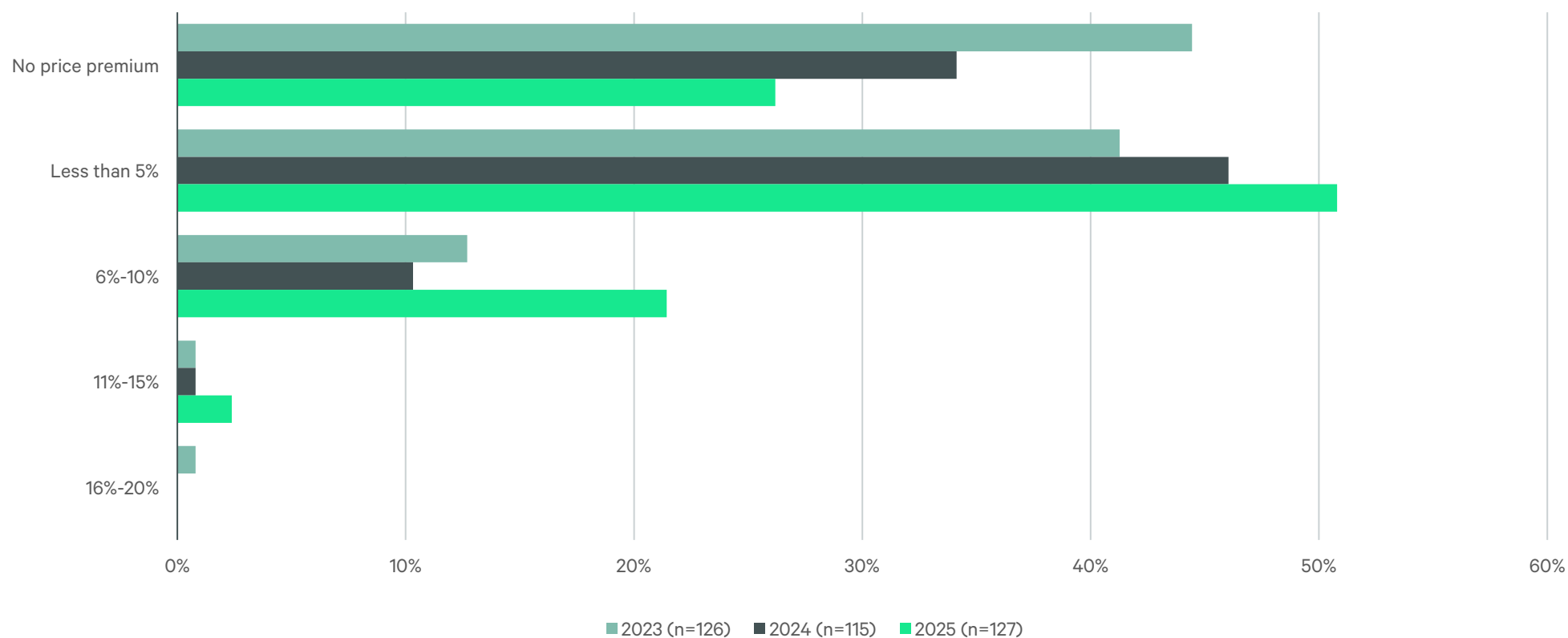
Figure 16: Sustainability initiatives (multiple answers allowed)



Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

## Sustainability premium: More investors willing to accept a price premium for properties that meet their sustainability standards

Figure 17: Price premium assumed for properties that meet sustainability standards (single answer)



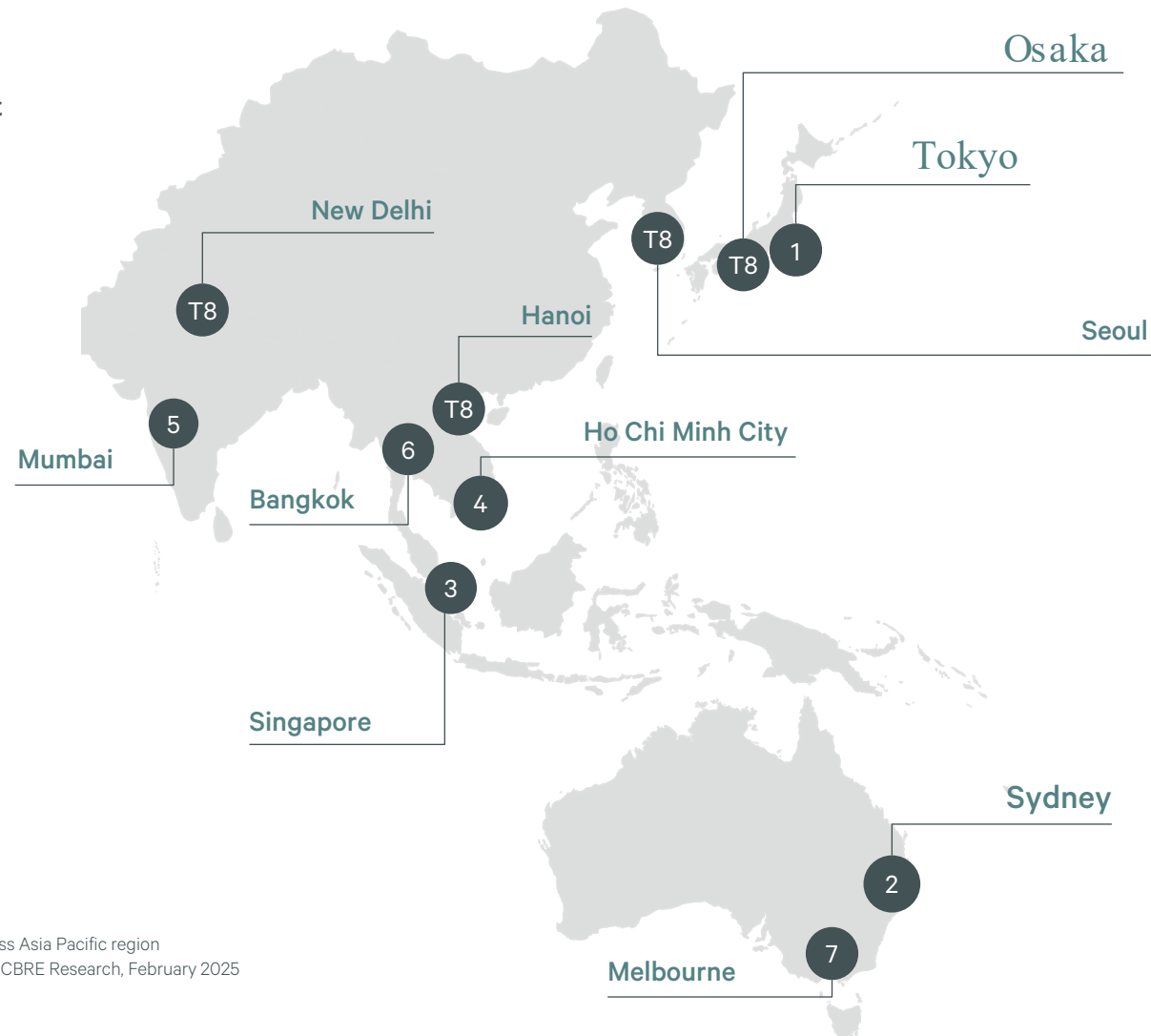
Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

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# Cross-border Investment

## Most attractive investment destination in Asia Pacific: Tokyo ranks top for sixth consecutive year

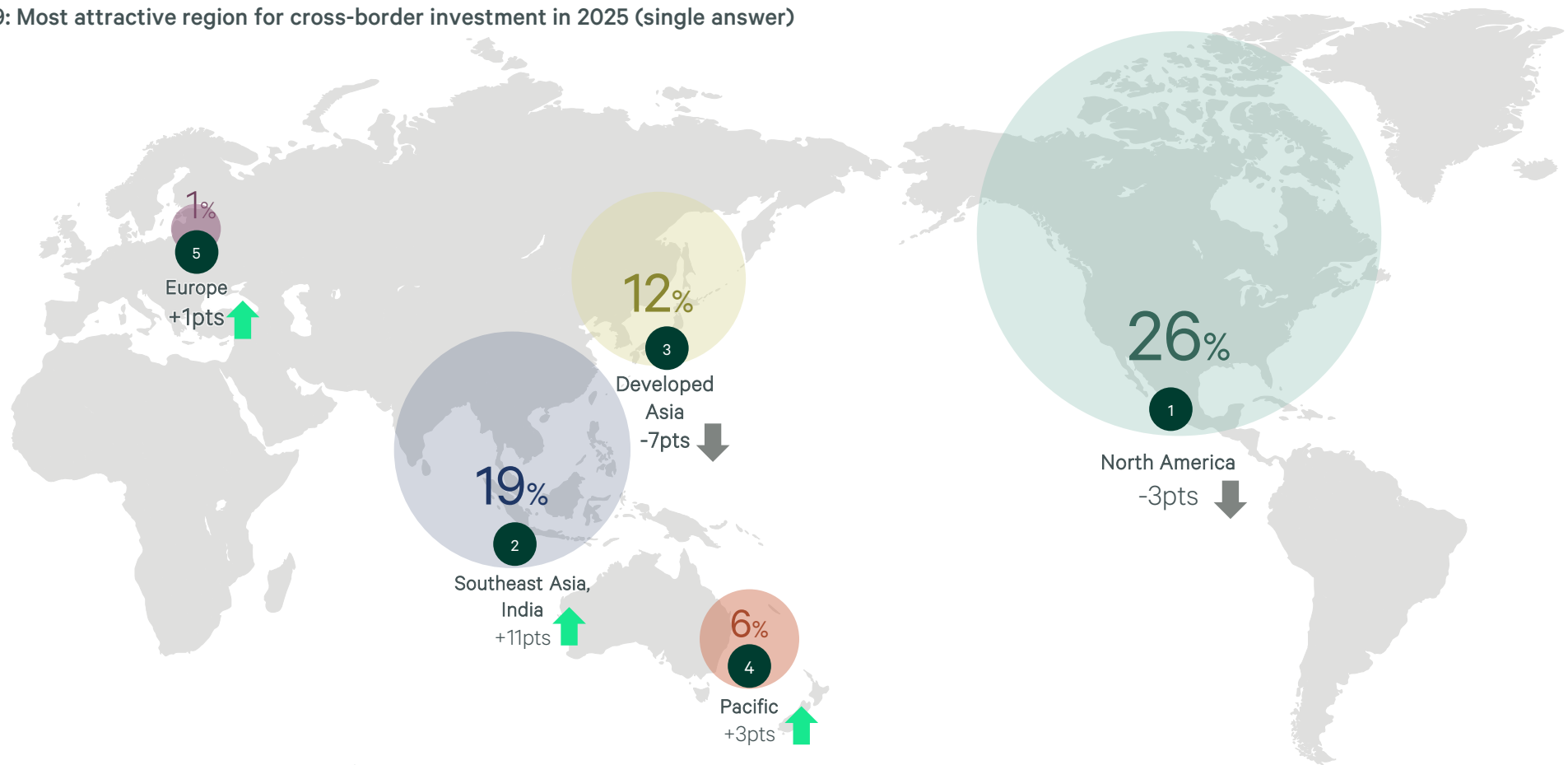
Figure 18:  
Most attractive city for investment  
in 2025 (single answer)



Cross-border investors, out of 468 respondents across Asia Pacific region  
Source: 2025 Asia Pacific Investor Intentions Survey, CBRE Research, February 2025

## Most attractive region for cross-border investment: North America remains most preferred region; interest in Southeast Asia grows

Figure 19: Most attractive region for cross-border investment in 2025 (single answer)



Japan-based investors, excluding no answer, including 'No plans for cross-border investment' (n=126)

Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025

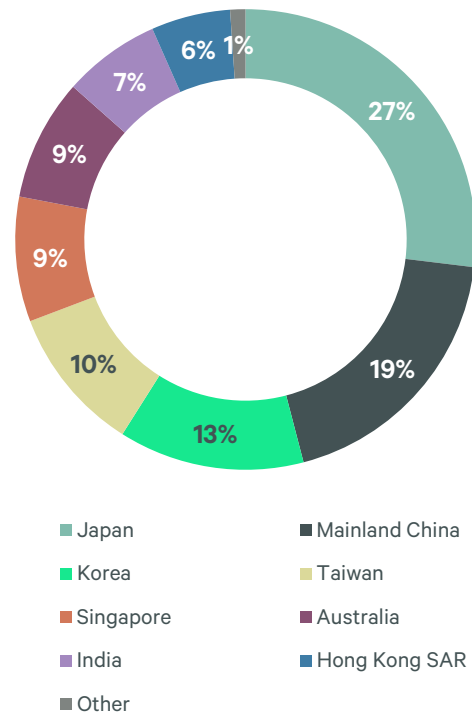
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# Survey Profile

## Survey Profile

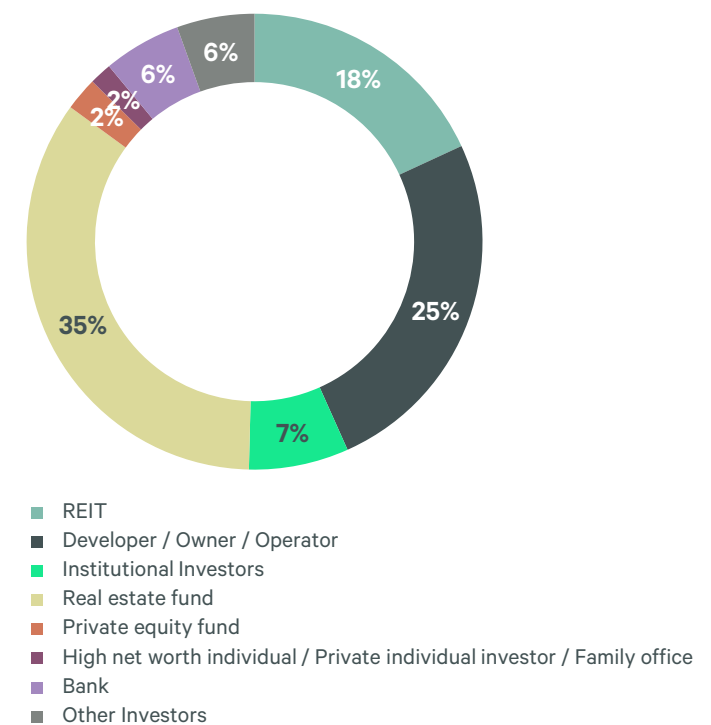
- CBRE's 2025 Asia Pacific Investor Intentions Survey was conducted in November 2024.
- A total of 468 responses were received from investors across the region.
- Unless otherwise stated, the results in this report are based on the responses of Japanese and overseas investors who are based in Japan (127 respondents).

Respondents by Market of Origin (APAC)



Source: 2025 Asia Pacific Investor Intentions Survey, CBRE Research, February 2025.

Investor Type (Japan)



'Institutional Investors' includes sovereign wealth fund, and insurance company  
 Source: 2025 Asia Pacific Investor Intentions Survey: Japan Results, CBRE Research, February 2025.



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