

Investment volume remains elevated as leasing activity strengthens

+4.4% / +3.9%

APAC GDP Growth
(2025F/2026F)

21.7% / 21.4%

APAC Net Employment Outlook*
(Q4 2025/Q1 2026)

+3.7% / +3.6%

APAC Industrial Production
(2025F/2026F)

Note#: The net employment outlook is calculated by taking the percentage of employers anticipating an increase in hiring activity and subtracting this from the percentage of employers expecting a decrease in hiring activity.
Source: CBRE Research, ManpowerGroup Employment Outlook Survey Q4 2025 & Q1 2026, Oxford Economics, January 2026.

Executive Summary

- **Office:** Regional office occupier sentiment improved further this quarter as the clearer economic outlook and improved certainty around trade policy encouraged occupiers to commit to leasing decisions.
- **Retail:** Retailer sentiment picked up slightly during Q4 2025, leading to an increase in tenant enquiries and site inspections compared to the previous quarter. Stronger retail sales also provided retailers with the confidence to commit to new leases.
- **Logistics:** Regional logistics leasing momentum strengthened over the quarter, supported by a stronger-than-expected uplift in mainland China. Robust exports and year-end festive demand boosted 3PL and e-commerce expansion, driving net absorption above earlier expectations.
- **Investment:** Asia Pacific commercial real estate investment volume increased 4% q-o-q to US\$44.4 billion in Q4 2025, the highest quarterly volume recorded since 2021. The strong end to 2025 brought full year investment volume to US\$157 billion, an increase of 22% y-o-y.

TABLE 1: Quick Figures

Investment*	q-o-q	y-o-y
Total volume	+4%	+25%
Cross-border	+32%	+25%
Office	q-o-q	y-t-d
Rents	+0.1%	-0.6%
Capital values	-1.2%	-6.2%
Retail	q-o-q	y-t-d
Rents	-0.1%	+0.8%
Capital values	1.0%	0.5%
Logistics	q-o-q	y-o-y
Rents	-1.6%	-6.3%
Capital values	-2.1%	-9.2%

Source: CBRE Research, Q4 2025.

*Transactions include deals above US\$10 million in the Office, Retail, Industrial, Hotel, Residential (Income-Producing), Mixed and Other commercial sectors, using fixed exchange rates.

Economy

Economy records solid finish to 2025

The Asia Pacific economy ended the year on a strong note, with full year GDP growth reaching 4.3%. Economic performance confounded downbeat expectations set earlier in the year after the U.S. announced new tariffs, which rattled market sentiment. By H2 2025, most Asia Pacific markets had reached trade agreements with the U.S., helping to reduce uncertainty and support business confidence.

Despite most countries being subject to U.S. tariffs of between 10-20%, with some such as mainland China facing even higher rates, export growth continued to perform well through Q4 2025, backed by the boom in AI-related demand. During the quarter, overall exports registered very strong growth in Taiwan (+49.4% y-o-y), Hong Kong SAR (+20.7% y-o-y), Vietnam (+19.2% y-o-y) and Singapore (+14.8% y-o-y).

Strong exports helped buoy overall GDP growth in Vietnam (+8.5% y-o-y) and Singapore (+5.7% y-o-y) in Q4 2025, beating earlier expectations. While data for the same period is not yet available for India and Taiwan, both markets performed well in the previous quarter, with each registering growth of +8.2% y-o-y in Q3 2025.

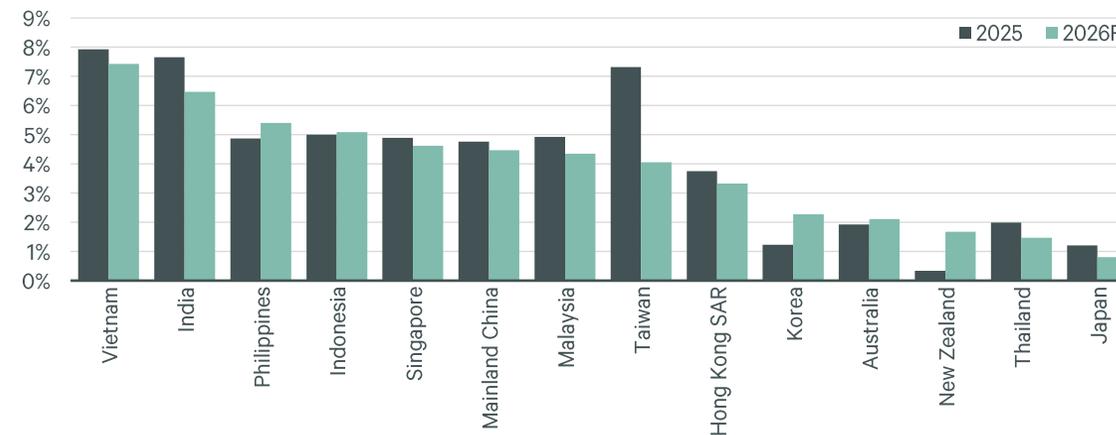
Selected markets pause interest rate cutting cycle

Interest rates in Asia Pacific held steady across most major markets in Q4 2025, with central banks in Australia, Korea and mainland China keeping policy rates unchanged. However, the People's Bank of China (PBoC) cut the relending rate and removed its “three red lines” regulatory requirements for property developers, while the Reserve Bank of Australia (RBA) hiked its policy rate by 25bps in February 2026 amid persistent inflation.

New Zealand and India’s central banks cut rates by -75bps and -25bps, respectively, this quarter. In Hong Kong SAR and Singapore, as of January 28, 2026, the key market rates, i.e. the three-month HIBOR and three-month SORA, had fallen by -69bps and -30bps since Q3 2025.

The Bank of Japan (BoJ) once again bucked the regional trend during the quarter by hiking rates by +25bps in December, bringing the total interest rate increase for 2025 to +50bps. The BoJ has also signalled further rate hikes are likely in 2026.

FIGURE 1: Asia Pacific GDP Growth Forecast (y-o-y%)



Source: CBRE Research, Oxford Economics, January 2026.

TABLE 2: Key Interest Rate Changes

Market	Rate	Latest % (as of 28 Jan 2026)	Change since end-2024	Change since Q3 2025
New Zealand	Cash Rate	2.25	-200 bps	-75 bps
Singapore	3M SORA	1.15	-192 bps	-30 bps
Hong Kong SAR	3M HIBOR	2.84	-153 bps	-69 bps
Philippines	Reverse Repo Rate	4.50	-125 bps	-50 bps
Indonesia	7-Day Repo Rate	4.75	-125 bps	Flat
India	Policy Repo Rate	5.25	-125 bps	-25 bps
Thailand	1-Day Repo Rate	1.25	-100 bps	-25 bps
Australia	Cash Rate	3.60	-75 bps	Flat
Korea	Base Rate	2.50	-50 bps	Flat
Malaysia	Overnight Rate	2.75	-25 bps	Flat
Mainland China	1Y Loan Prime Rate	3.00	-10 bps	Flat
Taiwan	Discount Rate	2.00	Flat	Flat
Vietnam	Discount Rate	3.00	Flat	Flat
Japan	Key Policy Rate	0.75	+50 bps	+25 bps

Source: CBRE Research, Macrobond, January 2026.

Office

Investment Turnover
+33% y-o-y

Capital Values
-1.2% q-o-q

Rental Values
0.1% q-o-q

Sentiment brightens as occupiers display stronger expansionary appetite

Regional office occupier sentiment improved further this quarter as the clearer economic outlook and improved certainty around trade policy encouraged occupiers to commit to leasing decisions. [CBRE's Q4 2025 Asia Pacific Leasing Market Sentiment Index](#) recorded a third consecutive quarter of expansionary sentiment involving upgrading and expansion.

Grade A office net absorption reached 16.3 million sq. ft. NFA in Q4 2025, a rise of 12% q-o-q. India's tier I cities continued to lead regional net absorption, fuelled by expansion from domestic corporates, and global firms scaling Global Capability Centre (GCC) operations. Office absorption in Delhi NCR, Bangalore, and Mumbai collectively increased by 23% q-o-q, with GCCs accounting for 39% of absorption in major markets. In Australia, core locations in Sydney and Brisbane drove positive absorption, while Melbourne saw absorption turn positive for the first time since Q4 2022.

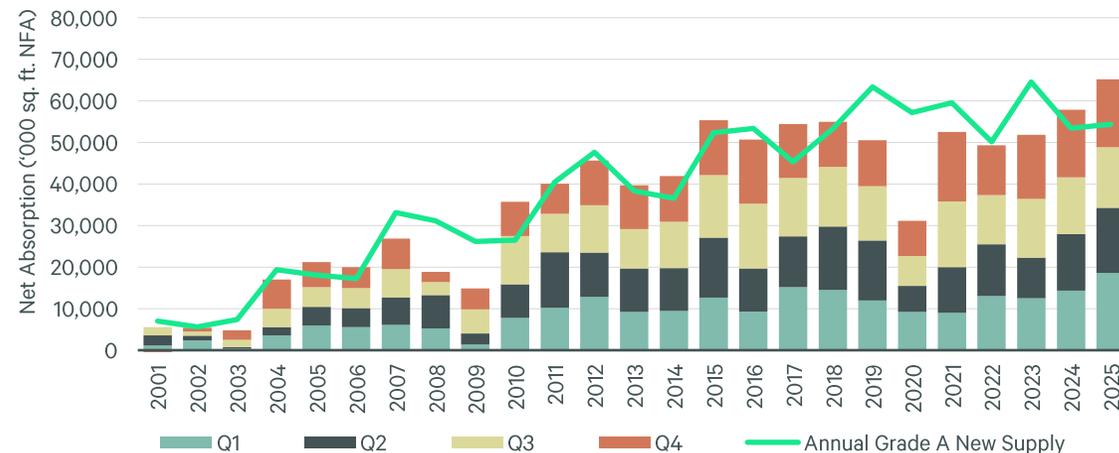
While demand for office space in Tokyo remained robust, limited availability pushed down absorption to 203,000 sq. ft. NFA, one-third of Q3 2025 levels. Backed by strong financial sector demand, all major submarkets in Hong Kong SAR reported positive net absorption for a second consecutive quarter. Mainland China's net absorption grew steadily, with tech the primary source of demand in all tier I markets. Leasing demand in 2026 is expected to strengthen further, fuelled by improving office attendance and flight-to-quality activity.

TMT drives demand; requirements from non-bank financial sector strengthens

The TMT sector continued to drive demand in Q4 2025, backed by AI-related expansionary requirements. In India, software and services accounted for the bulk of leasing activity in Bangalore and Hyderabad, with especially strong needs to accommodate AI, machine learning, data analytics, and cloud computing-related headcount. Beijing's tech-hubs such as Zhongguancun (ZGC) continued to attract expansion and upgrading relocations, while demand in Shanghai was supported by tech relocations from e-commerce, AI, and semiconductor companies.

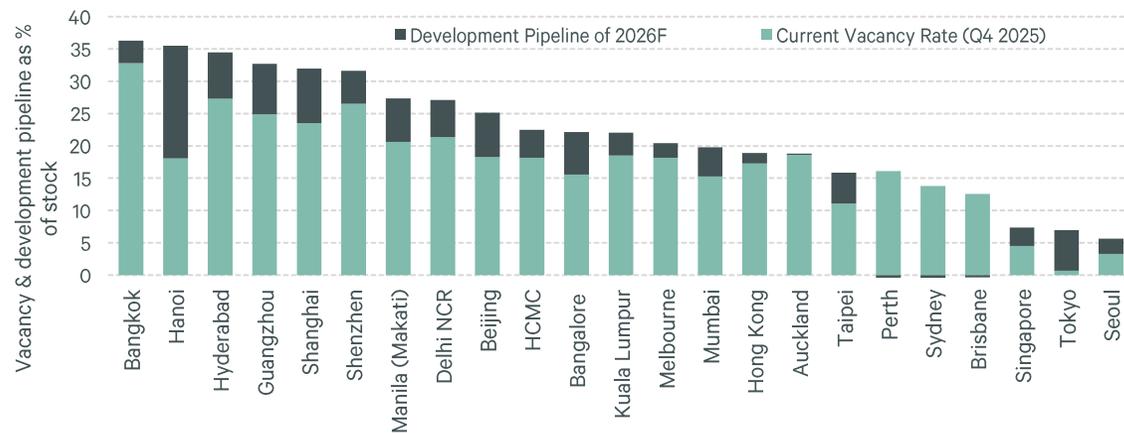
Hong Kong SAR and Singapore remained the regional anchors of finance sector demand. Hong Kong's banking and finance sector accounted for 39% of leasing volume by non-bank financial occupiers in the region this quarter, while demand in Singapore largely stemmed from asset management and financial software companies.

FIGURE 2: Asia Pacific Office Net Absorption and New Supply



Source: CBRE Research, Q4 2025.

FIGURE 3: Vacancy Rate and Development Pipeline



Note: Grade A vacancy rate and new gross supply as a % of Grade A stock for Asian markets. Pacific markets are based on total vacancy and new gross supply as a % of total stock.
Source: CBRE Research, Q4 2025.

Vacancy shrinks in developed markets

New Grade A office supply in Asia Pacific reached 12.2 million sq. ft. NFA in Q4 2025. Supply in developed markets such as Tokyo, Seoul and Singapore remained relatively muted this quarter. India saw the addition of 5.3 million sq. ft. NFA of new stock, accounting for more than 40% of regional supply. Hong Kong SAR added 2.1 million sq. ft. NFA, mainly due to the completion of International Gateway Centre in Tsim Sha Tsui West. No new supply was added in mainland China's tier I markets except Shanghai, where Q4 2025 supply reached 2.8 million sq. ft. NFA, the highest quarterly total since Q3 2022.

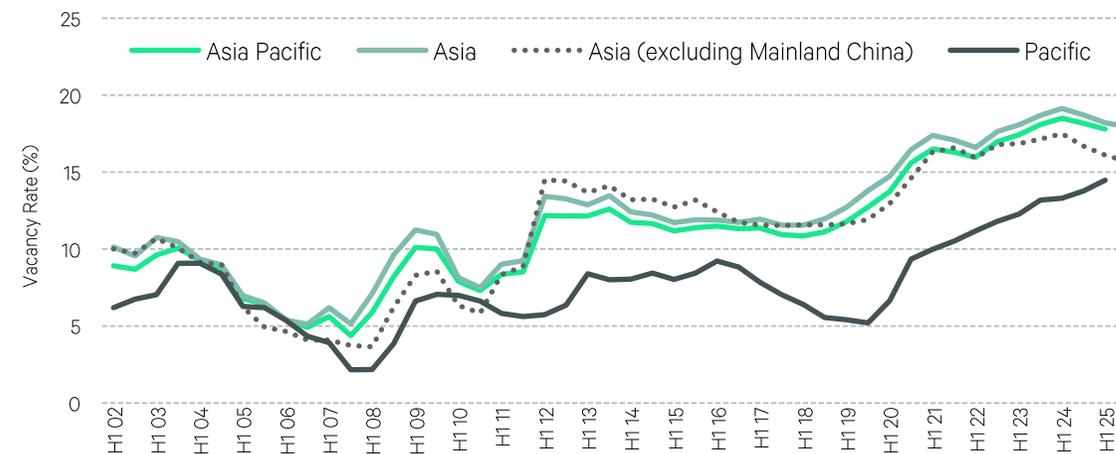
Regional Grade A vacancy contracted mildly this quarter, driven by developed markets. Tokyo's vacancy fell to 0.7%, its lowest level since Q2 2020, while Singapore's vacancy dropped 0.6% q-o-q. Demand in India remained robust, with vacancy in Mumbai BKC contracting due to flex operator expansion and supply scarcity. Sydney's and Melbourne's vacancy was stable, but CBD core occupancy continued to outperform outer precincts. Vacancy in Beijing, Guangzhou and Shenzhen contracted but rose in Shanghai due to the spike in new supply. Availability in most mature markets, especially Tokyo, Singapore and Seoul, will remain tight in 2026. Mainland China and Hanoi will see vacancy edge up due to incoming supply.

Core and premium offices command higher rents

All markets in CBRE's Asia Pacific Grade A Office rental basket except for mainland China registered q-o-q rental growth this quarter. Overall rents in India continued to trend up. However, rental growth in Mumbai BKC decelerated to 3.9% q-o-q from the previous high base, while that in Bangalore ORR pulled back to 1.9% q-o-q due to elevated city-wide supply. Tokyo's rents rose steadily over the quarter and will maintain double-digit percentage growth in 2026 on the back of low vacancy and occupiers' willingness to pay a premium for high quality prime office space to attract and retain employees. Seoul's rental growth picked up slightly but rising supply and rent-free incentives available in newer offices may hamper near-term growth.

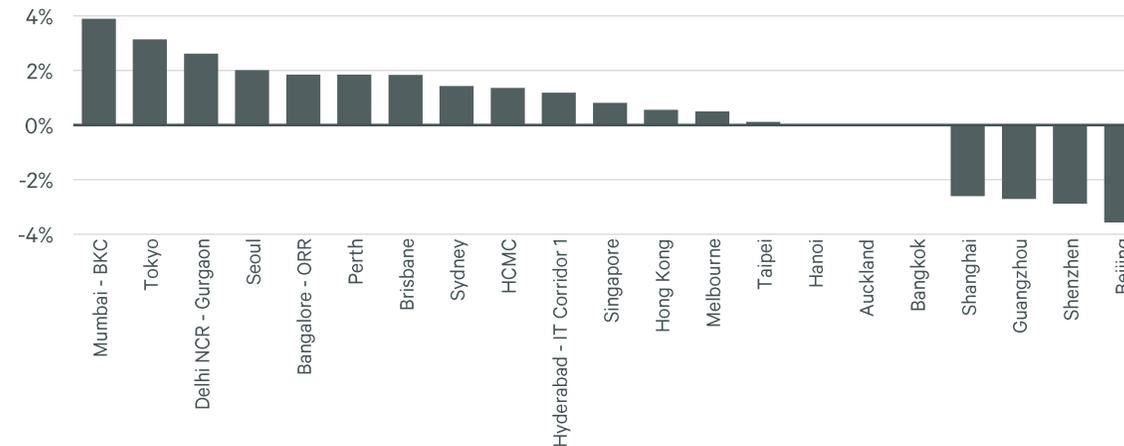
Hong Kong SAR's rents grew 0.6% from Q3 2025, marking the first q-o-q gain since Q1 2019. Rents in this market should see further growth in 2026, driven by core submarkets. Growth momentum in Australia is largely concentrated in premium assets within Sydney and Brisbane's core locations, while Canberra and Perth also showed resilient growth. Rents in mainland China declined but at a slower pace than the previous quarter, while selected submarkets such as Beijing's ZGC outperformed amid robust tech and AI-related demand.

FIGURE 4: Asia Pacific Grade A Vacancy (%)



Source: CBRE Research, Q4 2025.

FIGURE 5: Q-o-Q Grade A Rental Change in Selected Markets



Note: Grade A effective rents are used for Mainland China, Hong Kong SAR, Seoul, Tokyo, Singapore, Bangkok and the Pacific, while Grade A asking rents are used for other markets.
Source: CBRE Research, Q4 2025.

Retail

Investment Turnover
+64% y-o-y

Capital Values
+1.0% q-o-q

Rental Values
-0.1% q-o-q

Retail sales accelerate ahead of holiday season

Asia Pacific retail sales performed well in October and November ahead of the holiday season. Increasing tourist arrivals and mega-events bolstered sales in Hong Kong SAR and Singapore, while stronger discretionary spending lifted household spending in Australia. In addition to further growth in international tourists, positive consumer sentiment supported retail sales in Korea.

Among other major markets, retail sales growth in mainland China further weakened in Q4 2025 as the effect of the government's spending stimulus gradually wore off. Japan's retail sales improved from a slower Q3 2025 performance as domestic consumption activity and tourist arrival lifted sales.

Leasing sentiment improves as retailers focus on experiential retail

Retailer sentiment picked up slightly during Q4 2025, leading to an increase in tenant enquiries and site inspections compared to the previous quarter. Stronger retail sales also provided retailers with the confidence to commit to new leases. Retailers nevertheless remain selective toward location, preferring to focus on prime retail space for expansion.

Fashion & apparel, sports & athleisure, and F&B were the three main drivers of leasing activity this quarter. In addition to street fashion and fast fashion brands expanding their footprint across the region, selected domestic online brands, especially from southeast Asia, were seen looking to expand their brick-and-mortar footprint. Amid the rising wellness trend and consumers' preference for experiential retail, outdoor brands and up-and-coming athleisure brands are looking for flagship expansion opportunities on prime streets, aiming to increase their exposure by including experiential elements into their stores. Other trades augmenting experiential elements include toys & collectibles, which continue to attract customers based on their stores' strong emotional appeal.

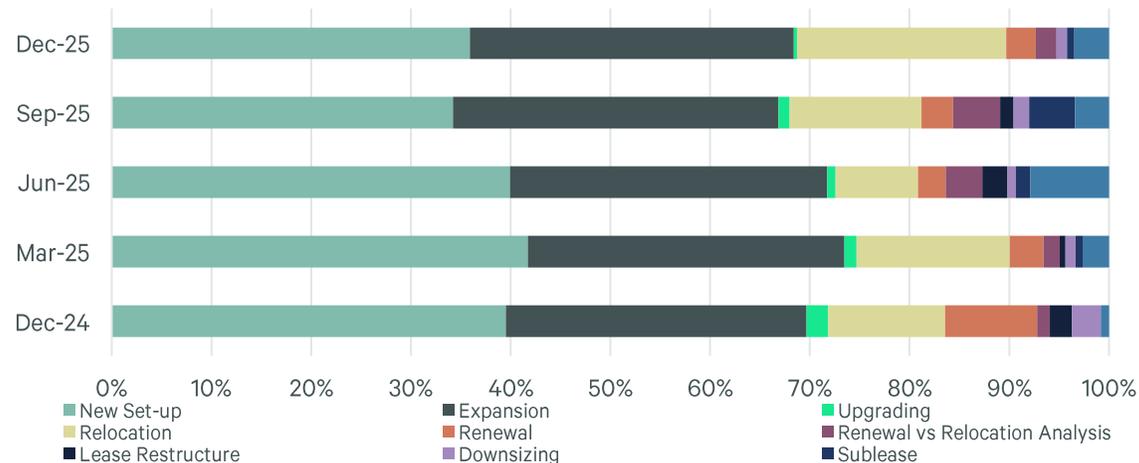
While casual dining remains a key demand driver, leasing activity from the fine dining segment is slowing due to higher set-up costs and consumers' conservative spending on premium items. Shoppers' cautious spending patterns are also weighing on luxury brands' performance. With luxury sales still in the downward cycle, retailers remain careful towards real estate planning and are becoming even more selective toward location.

FIGURE 6: Y-o-Y Growth in Overall Retail Sales in Selected Markets



Note: December results are not included in Q4 2025. Australia growths represent household spending. Korea and Singapore numbers exclude motor vehicles. Japan and mainland China retail sales growth rate as reported.
Source: CEIC, CBRE Research, January 2026.

FIGURE 7: Retail Leasing Sentiment



Source: CBRE Research, December 2025.

Prime vacancy declines; new supply concentrated in mainland China

Most new supply in Q4 2025 was concentrated in mainland China, which saw the addition of close to 11 million sq. ft of new shopping mall space, mostly in non-prime areas. Lower rents in new projects resulted in steady pre-leasing progress, ensuring vacancy was mostly stable across tier I markets.

Vacancy in Hong Kong SAR and Singapore prime streets fell noticeably this quarter as retailers expanded their presence in core locations. In Tokyo, strong demand in prime space kept vacancy at low levels, with Ginza and Shibuya both reporting 0% vacancy.

With several projects due to come on stream in 2025 having been delayed, this year is expected to see a supply peak. The bulk of upcoming supply is concentrated in mainland China's tier I cities, with around 33 million sq. ft. of new shopping centre stock expected to open in 2026. Other markets with large pipelines include Bangkok, with 4.5 million sq. ft. due to be added this year. As retailers generally prefer newer assets, landlords with older properties should consider adopting asset enhancement plans to ensure their properties stay relevant.

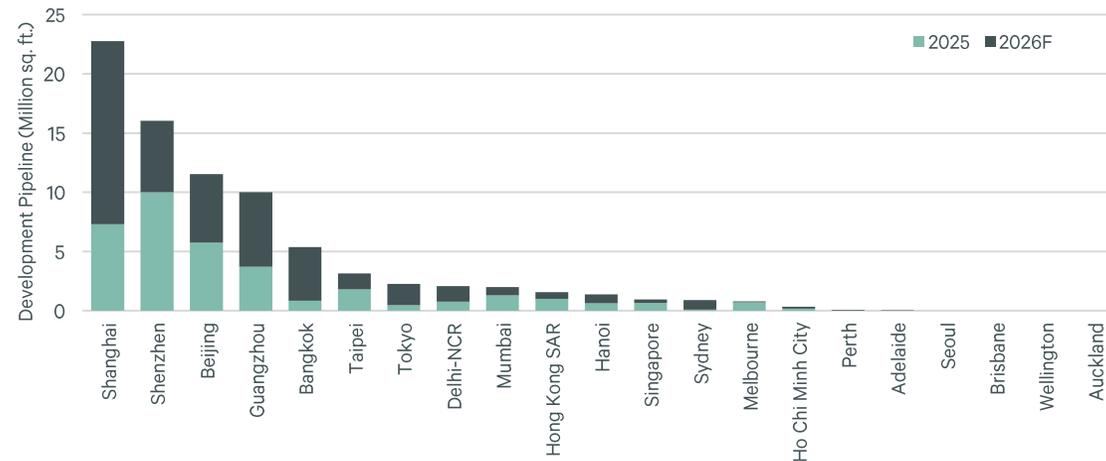
Limited prime availability supports rental growth

Rent trended higher in Vietnam's CBDs and Tokyo Ginza this quarter despite already standing at record highs. The lack of quality supply in Vietnam's CBDs provided a strong foundation for rental growth, while strong retailer demand and 0% vacancy in Tokyo Ginza pushed rents even higher. Fuelled by population growth and healthy household spending, regional centres in Australia performed well over the quarter, with Sydney seeing the strongest growth. Hong Kong SAR's and Singapore's rents also improved as availability in prime locations contracted.

Mainland China saw rents correct further as the slowdown in retail sales and substantial upcoming supply pipeline compelled landlords to be more flexible towards lease terms. Auckland regional centres also recorded a slight decline in rents due to the economic slowdown.

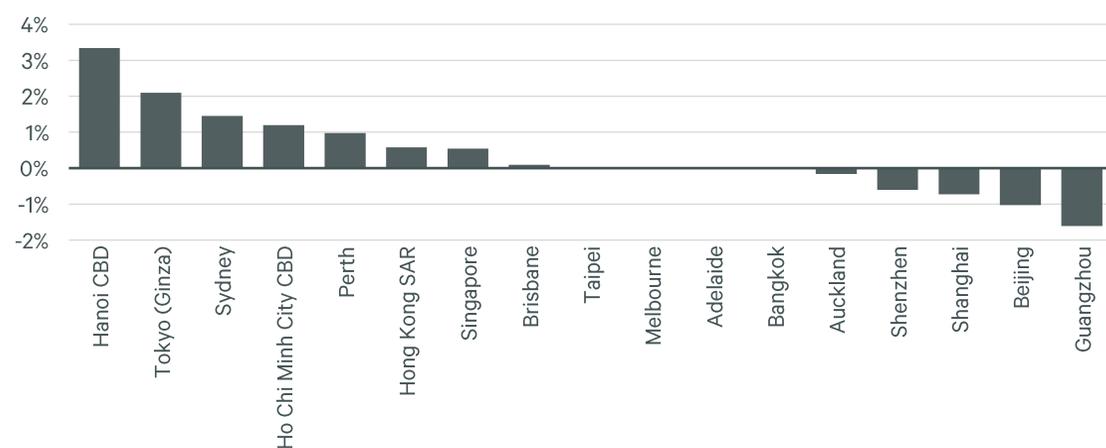
Asia Pacific retail rents are expected to sustain steady upward momentum across most markets in 2026, supported by tight vacancy in prime locations and limited future supply. Mainland China's rents will continue to correct as landlords prioritise occupancy over rents.

FIGURE 8: Retail Development Pipeline



Source: CBRE Research, Q4 2025.
 Note: Citywide supply is tracked except Tokyo (Core) and Australia (CBD and regional centres)

FIGURE 9: Q-o-Q Retail Rental Change in Selected Markets



Source: CBRE Research, Q4 2025.
 Note: Retail rental changes track shopping centres for major cities in mainland China and Australia, New Zealand, Vietnam, Singapore, Bangkok; and high streets for Hong Kong SAR, Taipei, and Tokyo.

Logistics

Investment Turnover
+21% y-o-y

Capital Values
-2.1% q-o-q

Rental Values
-1.6% q-o-q

Leasing momentum lifted by upbeat year-end activity

Regional logistics leasing momentum strengthened in Q4 2025, supported by a stronger-than-expected uplift in mainland China. Robust exports and year-end festive demand boosted 3PL and e-commerce expansion over the quarter, driving net absorption above earlier expectations. Hong Kong SAR posted a notable rebound from a low base, aided by policy-led relocations from brownfield sites into warehouses, although overall full-year activity remained soft versus historical norms.

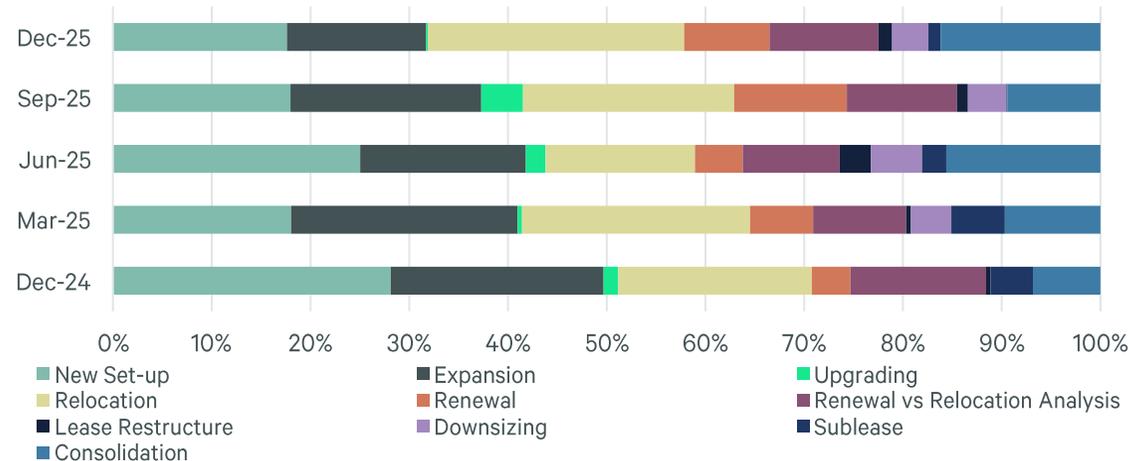
3PLs and e-commerce operators continued to underpin regional leasing demand. In India, over 60% of quarterly take-up came from 3PL and e-commerce tenants, with steady expansion by quick-commerce, retail and FMCG occupiers. Australia and Japan saw sustained growth from major e-commerce players, supported by stable domestic consumption. Korea also recorded solid 3PL-led demand, particularly for prime dry facilities fit for automation. Singapore maintained resilient flight-to-quality demand from e-commerce and semiconductor-linked activity, supporting absorption and rents in new completions. While the establishment of the Johor-Singapore SEZ may draw some cost-sensitive operators to the former, higher-value and core logistics activity are still expected to continue in the latter.

Logistics demand is expected to soften in 2026. CBRE's latest Asia Pacific Logistics Leasing Sentiment Survey points to cooling expansionary enquiries alongside rising relocation and consolidation demand, indicating a more selective occupier stance. Regional leasing volume is likely to be weighed down by mainland China, where slowing cross-border e-commerce demand and softer domestic consumption are set to further curb activity.

Vacancy diverges across region

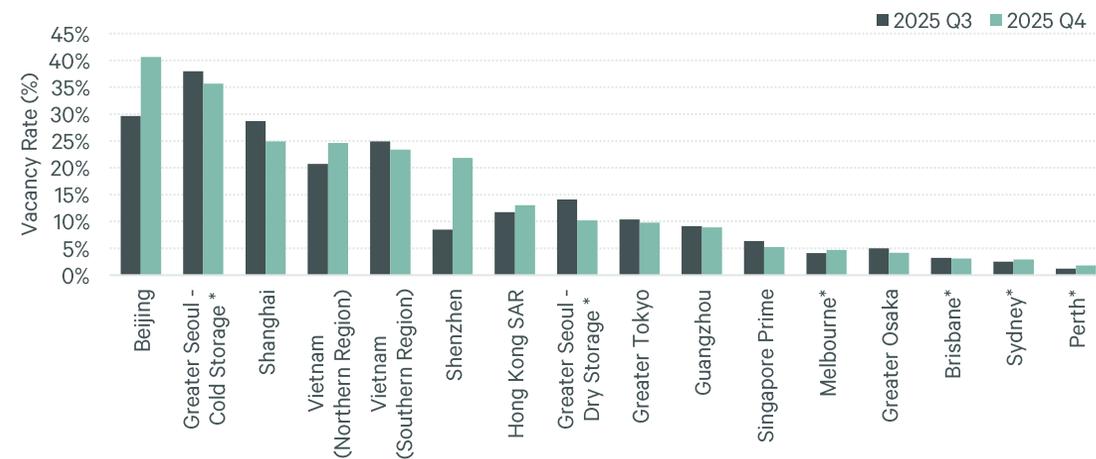
Vacancy fell in Japan, Korea and Singapore as they continued to absorb earlier supply peaks. Greater Tokyo vacancy declined for a third consecutive quarter to 9.8%, with that in Tokyo Bay and Gaiando tightening below 5%, although persistent pressure along the Ken-o-do corridor kept overall vacancy elevated. In Greater Seoul, vacancy dropped across both the dry and cold storage segments as 3PL expansion continued. Conversely, mainland China's vacancy remained high despite a temporary uplift in demand, with Beijing's vacancy surging above 40%. In Australia, vacancy edged up in Melbourne, Sydney and Perth as new projects were completed, although levels remain low compared to the wider region.

FIGURE 10: Nature of the Five Largest industrial & logistics Enquiries Received over the Past Month



Source: Asia Pacific Leasing Sentiment Index, CBRE Research, Q4 2025.

FIGURE 11: Logistics Vacancy Rate



Source: CBRE Research, Q4 2025.

* refers to data for Q2 2025 available only.

New supply to remain high but pipeline shows signs of moderating

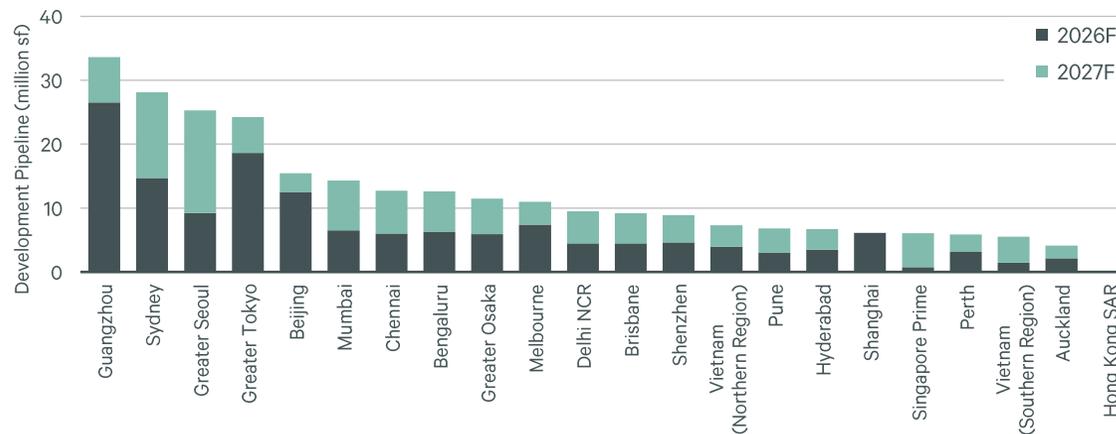
Asia Pacific logistics supply totalled 50 million sq. ft. in Q4 2025, bringing the full-year total to 156 million sq. ft.. Mainland China accounted for more than half of new stock this quarter. Beijing saw the completion of 10.7 million sq. ft., driving up supply and vacancy to record highs, while Shenzhen added 8.6 million sq. ft., ending a period of undersupply. Several new projects in Guangzhou were deferred to 2026 due to weak pre-commitments, shifting vacancy pressure into the next 12 months. In Greater Seoul, over 7 million sq. ft. of warehouse stock was added in H2 2025, but strong take-up in Incheon and Anseong kept vacancy on a downward trajectory.

152 million sq. ft. of new space is scheduled for 2026, 3% below the previous two-year average. Mainland China is expected to remain the largest source of new supply, while Australia is also poised for an uplift in new stock, particularly in Sydney. However, over 80% of the supply will be situated in the vicinity of the new airport in the Outer Northwest submarket, with super-prime stock remaining scarce in inner city areas. Elsewhere, new supply in Korea, Vietnam, and Singapore will normalise following earlier peaks. In Japan, supply in Greater Tokyo is expected to remain stable, whereas Greater Osaka will drop to 5.9 million sq. ft., around 40% of its 2025 size. Hong Kong SAR will not see the addition of any new stock until 2028, which should alleviate some vacancy pressure. The regional pipeline is expected to contract substantially in 2027 and beyond as developers respond to slower rental growth and rising construction costs.

Regional rental growth continues to be constrained by supply-heavy markets

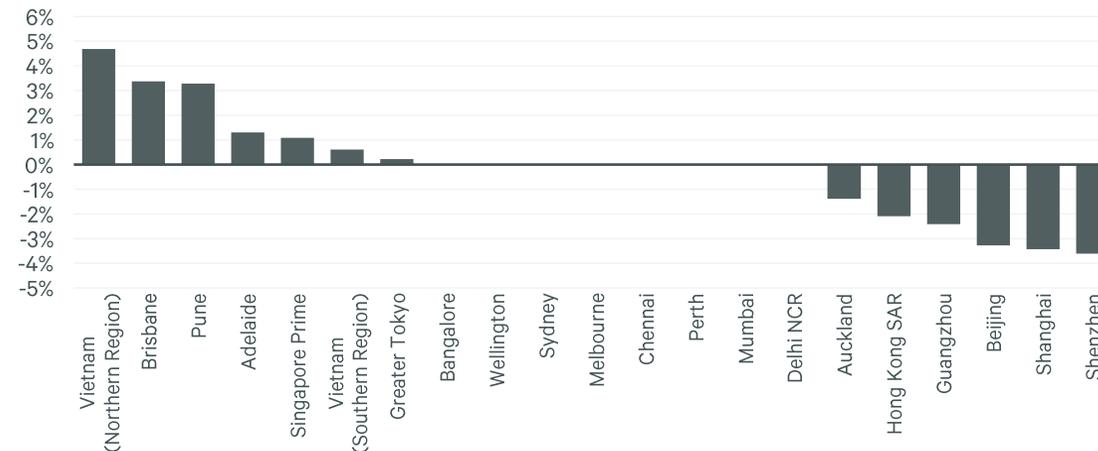
CBRE's Asia Pacific Logistics Rental Index fell 1.6% q-o-q in Q4 2025, bringing the full-year decline to 6.3% y-o-y. Greater China remained the key source of downward pressure, with all four tier I markets recording lower rents. Hong Kong SAR's rents fell 2.1% q-o-q and 8.4% y-o-y, marking the steepest annual contraction since 2002. Brisbane was the only Australian market to register rental growth, supported by the limited availability of super prime stock. Both northern and southern Vietnam recorded further rental increases, underpinned by robust industrial demand amid improved tariff visibility and strong FDI inflows. CBRE expects most major markets to see a return to rental growth in 2026 as the supply pipeline eases. In Australia, effective rents are expected to turn positive by year-end, with vacancy projected to peak in H1 2026 before stabilising. However, elevated vacancy in Greater China is likely to remain a structural headwind, ensuring the regional average remains under downward pressure.

FIGURE 12: Logistics Development Pipeline in Major Markets



Source: CBRE Research, Q4 2025.

FIGURE 13: Q-o-Q Logistics Rental Change in Selected Markets



Note: Rental changes for mainland Chinese cities adopt like-for-like rental change.
Source: CBRE Research, Q4 2025.

Investment

 Total Investment Turnover
+25% y-o-y

 Cross Border Turnover
+25% y-o-y

Investment volume exceeds previous quarter's high level

Asia Pacific commercial real estate investment volume increased 4% q-o-q to US\$44.4 billion in Q4 2025, the highest quarterly volume recorded since 2021. The strong end to 2025 brought full-year investment volume to US\$157 billion, an increase of 22% y-o-y.

Hong Kong SAR reported the largest quarterly increase of any market in the region, with growth of 150% q-o-q. This quarter's strong volume was underpinned by Alibaba Group and Ant Group's acquisition of multiple floors at One Causeway Bay from Mandarin Oriental Hotel Group for US\$927 million, along with JD.com's purchase of a 50% stake in China Construction Bank Tower from Lai Sun Group for US\$450 million. Investment volume in mainland China remained relatively flat, moving up marginally by 2% q-o-q to US\$8.3 billion.

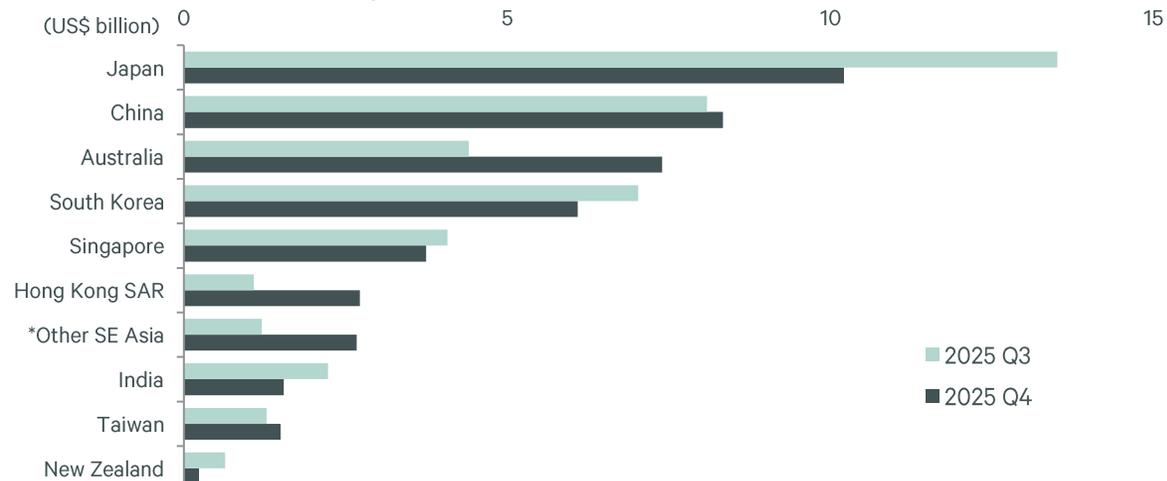
Australia was another market to record robust quarterly growth in Q4 2025, with turnover rising 67% q-o-q to US\$7.4 billion, driven by the retail and office sectors. The largest deal this quarter was GPT's purchase of Grosvenor Place on George Street in Sydney for US\$650 million.

Investment volume in Japan fell -21% q-o-q to US\$10.3 billion. One of the largest deals was Nissan's sale leaseback of its headquarters in Yokohama to an entity backed by Minth Group and KKR for US\$629 million, which included a 20-year leaseback. Investment turnover in Korea fell by -9% q-o-q to US\$6 billion, with the acquisition of Cheongna Logistics Center by a KKR-managed property fund for US\$765 million being the largest transaction this quarter.

Singapore and India both saw investment volume drop q-o-q in Q4 2025. Volume in India fell 29% q-o-q to US\$1.5 billion, while turnover decreased 7% q-o-q in Singapore. The largest transaction in Singapore was Keppel REIT's purchase of an additional 33.3% stake in Marina Bay Financial Centre Tower 3 from Hongkong Land for US\$1.1 billion, bringing its ownership share of the building up to two-thirds.

Among the major sectors, retail saw the highest gains in investment volume at 96% q-o-q, driven by activity in Australia, mainland China, Japan and Singapore.

FIGURE 14: Transaction Volume by Market

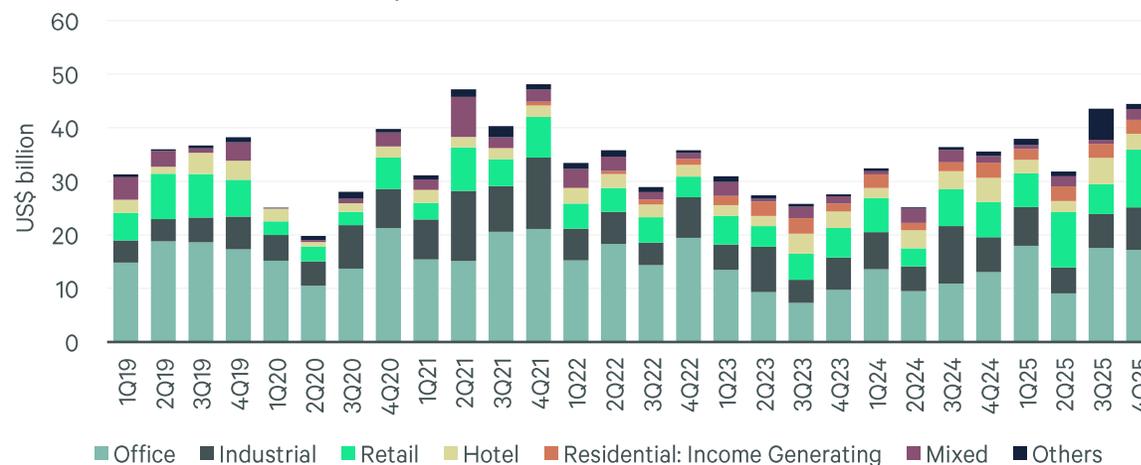


Note: Transactions include deals above US\$10 million in the Office, Retail, Industrial, Hotel, Residential (Income-Producing), Mixed and Other commercial sectors

*Other SE Asia includes Malaysia, Indonesia, Philippines, Thailand and Vietnam

Source: CBRE Research, Q4 2025.

FIGURE 15: Transaction Volume by Sector



Source: CBRE Research, Q4 2025.

Yield compression varies within mature markets

While mature markets in Asia Pacific continue to observe some yield compression, there have been some variance among interest rate movements in the region.

In Singapore, the office and retail sectors witnessed yield declines, with the retail sector tightening sharply by around 20bps to 5.10%. This came as the city's lending rate fell by over 50bps q-o-q in line with the significant drop in the three-month SORA.

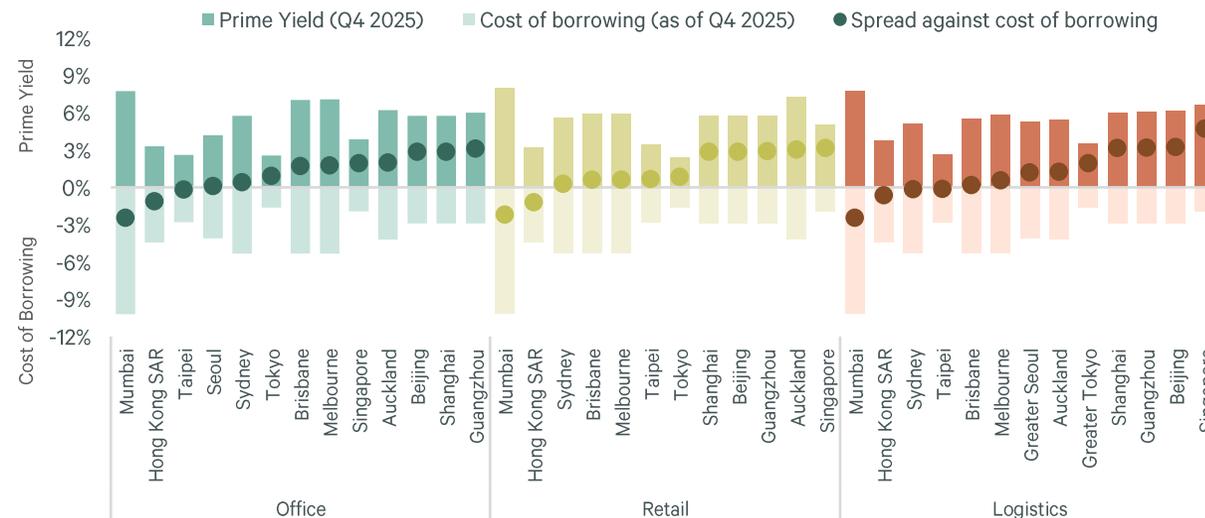
Yields compressed by a further 20bps q-o-q to 2.45% in Tokyo's retail sector amid heightened investment activity. This came even as the lending rate in Japan trended upward during the quarter. Greater Tokyo's logistics yields expanded by 10bps to 3.55% amid falling rents and large new supply. While investors remain highly interested in Japan, they are turning more watchful amid rising interest rates.

Australia also observed some yield compression during the quarter, particularly for regional shopping centres in Sydney, where yields tightened 10bps q-o-q to 5.60%. Even though the RBA held the policy rate stable during the quarter, borrowing costs have begun to rise alongside an increase in the three-month bank bill swap rate. The RBA raised the policy rate in February 2026, which could dampen investor sentiment.

In Korea, yields held steady during the quarter, while the lending rate increased by over 30bps q-o-q alongside an increase in the three-month CD rate, despite the policy rate remaining unchanged. As a result, the office yield spread over the borrowing rate narrowed significantly over the quarter.

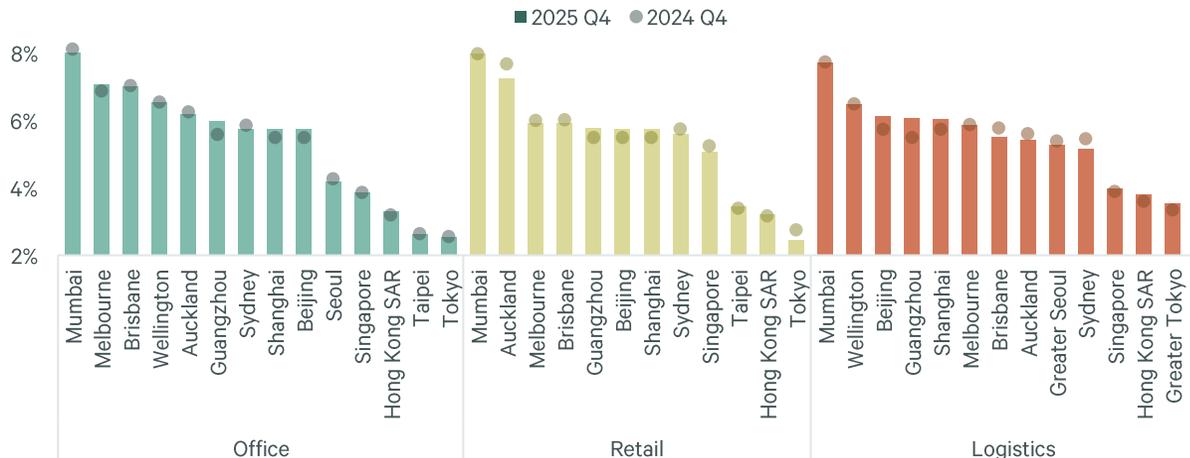
In contrast to other economies in the region, markets in Greater China still recorded yield expansion even amidst a loosening monetary environment. In Hong Kong SAR, a mild yield expansion of 5bps q-o-q was recorded in the office sector, while the borrowing rate dropped sharply by nearly 60bps q-o-q, helping to reduce but not eliminate negative yield carry. Mainland China's years-long yield expansion cycle extended into Q4 2025, with logistics yields witnessing the steepest increases. Although the benchmark five-year Loan Prime Rate remained steady, the lending environment is loosening.

FIGURE 16: Prime Yield to Relative Borrowing Costs (spread)



Note: Singapore logistics yield refers to 30-year leasehold en-bloc assets; Australia and New Zealand retail yields refer to regional shopping centres.
Source: CBRE Research, Q4 2025.

FIGURE 17: Yields by Market and Sector



Source: CBRE Research, Q4 2025.

TABLE 3: Key Markets Indicative Grade A Office Rent and Overall Vacancy Rate

City	Per local measurement	Grade A rent (local)	US\$/sq. ft. per annum	Q-o-Q change (% local)	Y-o-Y change (% local)	Vacancy rate (%)
Beijing	RMB sq. m. p.m.	219	48	-3.6	-13.6	18.3
Shanghai	RMB sq. m. p.m.	173	39	-4.1	-10.2	23.5
Guangzhou	RMB sq. m. p.m.	116	27	-2.9	-13.8	24.9
Shenzhen	RMB sq. m. p.m.	131	29	-2.9	-16.0	26.5
Hong Kong SAR	HK\$ sq. ft. p.m.	43.8	68	0.6	-2.9	17.3
Taipei	NT\$ ping p.m.	3,092	52	0.1	0.6	11.1
Tokyo	JPY tsubo p.m.	37,750	83	3.1	13.2	0.7
Seoul – CBD	KRW sq. m. p.m.	37,853	55	2.7	7.2	4.1
Seoul – Gangnam	KRW sq. m. p.m.	43,814	65	2.4	8.0	2.2
Seoul – Yeouido	KRW sq. m. p.m.	33,629	58	0.7	3.8	3.3
Delhi NCR – Delhi	INR sq. ft. p.m.	263	47	1.9	6.3	20.5
Delhi NCR – Gurgaon	INR sq. ft. p.m.	133	28	2.6	10.1	23.0
Mumbai – Nariman Point	INR sq. ft. p.m.	210	35	0.0	0.0	4.1
Mumbai – BKC	INR sq. ft. p.m.	400	77	3.9	23.1	3.3
Bangalore – CBD	INR sq. ft. p.m.	148	20	1.4	5.7	11.7

City	Per local measurement	Grade A rent (local)	US\$/sq. ft. per annum	Q-o-Q change (% local)	Y-o-Y change (% local)	Vacancy rate (%)
Singapore	S\$ sq. ft. p.m.	12.3	114	0.8	2.9	4.5
Bangkok CBD	THB sq. m. p.m.	1,037	36	0.0	-1.0	32.8
Ho Chi Minh City	US\$ sq. m. p.m.	47	52	1.4	2.4	18.2
Hanoi	US\$ sq. m. p.m.	30	33	0.0	2.3	18.1
Kuala Lumpur	MYR sq. ft. p.m.	7.1	21	0.0	2.9	18.5
Manila - Makati	PHP sq. m. p.m.	1,150	22	0.0	-2.6	20.6
Jakarta CBD	IDR sq. m. p.m.	258,000	19	0.2	2.2	24.7
Adelaide CBD	A\$ sq. m. p.a.	326	20	0.5	5.2	15.4
Brisbane CBD	A\$ sq. m. p.a.	455	28	1.8	7.5	12.6
Canberra CBD	A\$ sq. m. p.a.	334	20	3.7	5.4	10.6
Melbourne CBD	A\$ sq. m. p.a.	389	24	0.5	2.6	18.2
Perth CBD	A\$ sq. m. p.a.	396	24	1.8	4.9	16.1
Sydney CBD	A\$ sq. m. p.a.	1009	62	1.4	6.9	13.8
Auckland CBD	NZ\$ sq. m. p.a.	474	25	0.0	-0.5	18.4
Wellington CBD	NZ\$ sq. m. p.a.	418	22	-2.5	-7.9	17.7

Source: CBRE Research, Q4 2025.

Grade A effective rents are used for Mainland China, Hong Kong SAR, Seoul, Tokyo, Singapore, Bangkok and the Pacific, while Grade A asking rents are used for other markets. Grade A rents (local) are quoted based on local measurement (i.e. net floor area / gross floor area) whereas Grade A rents in U.S. dollars are quoted based on net floor area basis. Grade A vacancy is used for Asia markets, while total grade vacancy is used for Pacific markets.

TABLE 4: Key Markets Indicative Retail Rent

City	Type	Per local measurement	Average rent local	US\$/sq. ft. per annum	Q-o-Q change (% local)	Y-o-Y change (% local)	Vacancy rate (%)
Beijing	Shopping Centre	RMB sq. m. p.day	30	146	-1.0%	-2.4%	7.4
Shanghai	Shopping Centre	RMB sq. m. p.day	31	151	-0.7%	-2.2%	8.8
Guangzhou	Shopping Centre	RMB sq. m. p.day	21	102	-1.6%	-6.7%	7.1
Shenzhen	Shopping Centre	RMB sq. m. p.day	18	86	-0.6%	-2.8%	4.6
Hong Kong SAR	High Street	HK\$ sq. ft. p.m.	303	467	0.6%	2.9%	5.8
Taipei	High Street	NT\$ sq. m. p.m.	4,055	144	0.0%	0.5%	n/a
Tokyo (Ginza)	High Street	JPY tsubo p.m.	292,000	628	2.1%	4.3%	0.0
Singapore	Shopping Centre	S\$ sq. ft. p.m.	28	259	0.5%	2.4%	6.3
Bangkok	Shopping Centre	THB sq. m. p.m.	2,180	77	0.0%	0.0%	7.3
Ho Chi Minh City (CBD)	Shopping Centre	US\$ sq. m. p.m.	285	318	1.2%	4.1%	3.4
Hanoi (CBD)	Shopping Centre	US\$ sq. m. p.m.	178	198	3.3%	3.0%	1.7

City	Type	Per local measurement	Average rent local	US\$/sq. ft. per annum	Q-o-Q change (% local)	Y-o-Y change (% local)	Vacancy rate (%)
New Delhi	Shopping Centre	INR sq. ft. p.m.	1,350	180	3.8%	3.8%	n/a
New Delhi	High Street	INR sq. ft. p.m.	2,000	267	2.6%	5.3%	n/a
Mumbai	Shopping Centre	INR sq. ft. p.m.	1,100	147	0.0%	10.0%	n/a
Sydney	Regional Centre	A\$ sq. m. p.a.	1,637	101	1.5%	5.0%	n/a
Melbourne	Regional Centre	A\$ sq. m. p.a.	1,388	86	0.0%	3.1%	n/a
Adelaide	Regional Centre	A\$ sq. m. p.a.	1,363	84	0.0%	2.3%	n/a
Brisbane	Regional Centre	A\$ sq. m. p.a.	1,474	91	0.1%	4.4%	n/a
Perth	Regional Centre	A\$ sq. m. p.a.	1,083	67	1.0%	6.6%	n/a
Auckland	Regional Centre	NZ\$ sq. m. p.a.	1,212	65	-0.2%	-0.1%	n/a

Source: CBRE Research, Q4 2025.

Note: Australia and New Zealand rental figures represent net effective rents on regional centres

TABLE 5: Key Markets Indicative Logistics Rent

City	Per local measurement	Logistics Rent	US\$/sq. ft. per annum	Q-o-Q change (% local)	Y-o-Y change (% local)	Vacancy rate (%)
Beijing [≠]	RMB sq. m. p.m.	37.1	5.9	-3.3	-14.8	40.7
Shanghai [≠]	RMB sq. m. p.m.	36.3	5.8	-3.4	-17.6	24.9
Guangzhou [≠]	RMB sq. m. p.m.	35.5	5.7	-2.4	-7.6	8.9
Shenzhen [≠]	RMB sq. m. p.m.	46.5	7.4	-3.6	-3.8	21.9
Hong Kong SAR	HK\$ sq. ft. p.m.	11.9	18.3	-2.1	-8.4	13.0
Greater Tokyo	JPY tsubo p.m.	4,490	9.7	0.2	-0.2	9.8
Greater Osaka	JPY tsubo p.m.	4,290	9.2	0.7	1.9	4.2
Greater Seoul	KRW pyeong p.m.	35,911	8.4	n/a	2.4	17.0
Singapore (Prime)	SGD sq. ft. p.m.	1.9	17.4	1.1	0.0	5.2
Chennai	INR sq. ft. p. m.	27.5	3.7	0.0	1.9	n/a
Pune	INR sq. ft. p.m.	31.5	4.2	3.3	5.0	n/a
Delhi NCR	INR sq. ft. p.m.	21.5	2.9	0.0	0.0	n/a
Mumbai	INR sq. ft. p.m.	22.0	2.9	0.0	0.0	n/a
Vietnam (Northern Region)	USD sq. m. p.m.	4.9	4.9	4.7	5.1	24.6
Vietnam (Southern Region)	USD sq. m. p.m.	5.0	5.0	0.6	6.2	23.4

City	Per local measurement	Logistics Rent	US\$/sq. ft. per annum	Q-o-Q change (% local)	Y-o-Y change (% local)	Vacancy rate (%)
Sydney	AUD sq. m. p.a.	282.9	17.5	0.0	2.6	2.9
Melbourne	AUD sq. m. p.a.	158.8	9.8	0.0	1.6	4.7
Brisbane	AUD sq. m. p.a.	184.0	11.4	3.4	8.0	3.1
Adelaide	AUD sq. m. p.a.	155.0	9.6	1.3	4.0	1.8
Perth	AUD sq. m. p.a.	155.0	9.6	0.0	3.3	1.8
Auckland	NZD sq. m. p.a.	193.5	10.3	-1.4	-2.7	2.4
Wellington	NZD sq. m. p.a.	167.2	8.9	0.0	-1.1	3.2

Source: CBRE Research, Q4 2025

Notes: 1. Logistics rents - Average rental values are derived from a basket of super prime logistics properties located in major industrial zones in each market. Australia rents represent face rents of local super prime basket. From 2022 Q2 onwards, this report will report prime logistics rents of Singapore.

2. [≠]Refers to like-for-like rental change for Q-o-Q & Y-o-Y. India's sub-market rents representing Western Corridor I in Chennai; Eastern Corridor in Bangalore; Gurgaon (NH8) in Delhi-NCR; Bhiwandi (NH-3) in Mumbai; Chakan - Talegaon in Pune; Northern Corridor in Hyderabad.

TABLE 6: Key Markets Indicative Prime Yields

City	Prime Office Yield	Q-o-Q Change (bps)	Prime Retail Yield	Q-o-Q Change (bps)	Prime Industrial Yield	Q-o-Q Change (bps)
Beijing	5.75	+5	5.75	+5	6.15	+15
Shanghai	5.75	+5	5.75	+5	6.05	+10
Hong Kong SAR	3.30	+5	3.25	0	3.80	0
Taipei	2.60	0	3.45	+5	2.65	0
Tokyo	2.55	0	2.45	-20	3.55	+10
Seoul	4.20	0	n/a	n/a	5.30	0
Singapore	3.85	-5	5.10	-20	6.65	-5
Delhi NCR	6.70	0	7.75	0	7.75	0
Mumbai	7.75	-30	8.00	0	7.75	0
Sydney	5.75	0	5.60	-10	5.15	0
Melbourne	7.10	0	5.95	0	5.90	0
Brisbane	7.05	0	5.95	0	5.50	0
Auckland	6.20	-5	7.25	-15	5.45	-10

Notes: Yield figures are rounded to the nearest 0.05%. Q-o-Q changes in yields are rounded to the nearest 5 bps. Australia and New Zealand prime retail yields refer to regional shopping centres yields. Source: CBRE Research, Q4 2025.

NOTES AND DEFINITIONS

CBRE's investment transaction data in this report is based on real estate transactions valued at US\$10 million and above in the office, retail, industrial, hotel, residential (income-producing), mixed and other commercial property sectors in 14 markets throughout Asia Pacific. Development sites and residential-for-sale transactions are excluded. Transaction prices are tracked in local currencies and converted to US dollars using average exchange rates recorded in the respective quarter of the year.

The CBRE Asia Pacific Office Capital Value Index tracks the performance of 24 office markets throughout Asia Pacific. The CBRE Asia Pacific Retail Capital Value Index tracks the performance of 15 retail markets throughout Asia Pacific. The CBRE Asia Pacific Industrial / Logistics Capital Value Index tracks the performance of 14 industrial markets throughout Asia Pacific. The CBRE Asia Pacific All Sectors Capital Value Index is the weighted average of three capital value indices for office, retail and industrial sectors.

The indicative prime yield presented in this report is the ratio between annual net rental income (rent less non-recoverable costs) and the total amount invested (purchase price plus purchasers' on-costs), expressed as a percentage figure, achievable in the relevant top-tier building(s) in prime location, let according to market conditions. It is based both on sale & purchase contracts concluded during a period and also on the market overview of the local investment department. No allowance is made for any future rental growth.

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