CBRE

Investment normalises after robust first quarter while leasing retains strong momentum

+4.3% / +4.0%	30.1 / 17.4%	+4.9% / +3.2%
APAC GDP Growth (2026F/2027F)	APAC Net Employment Outlook# (Q2 2026/Q3 2026)	APAC Industrial Production (2026F/2027F)

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 Q2 2026 & Q3 2026, Oxford Economics, August 2026.

- **Office:** While occupier sentiment, particularly among the TMT sector, remained resilient this quarter, Asia Grade A net absorption contracted slightly over H1 2026 as limited availability in mature markets constrained leasing activity. Rents edged up by 0.3% q-o-q in Q2 2026.
- **Retail:** Most markets reported solid retail sales in April and May. Leasing activity continues to be driven by F&B and fashion & apparel, with new market entry a key theme. Rents grew at a mild pace as levels in several markets are already at record highs and inflation is pushing up retailers' costs.
- **Logistics:** Leasing momentum strengthened amid robust AI-fuelled demand, largely negating the impact of the Middle East conflict. While expansionary appetite remained intact, occupiers turned more cost-sensitive, lending little support to rental growth. Vacancy tightened.
- **Investment:** Asia Pacific commercial real estate investment volume fell 9% q-o-q to US$43.5 billion in Q2 2026, retreating from the previous quarter's strong performance. On an annual basis, however, volume increased by 32% y-o-y. Despite its upward interest rate cycle, Australia reported the largest quarterly increase in investment volume, while mainland China logged the highest total amount.

TABLE 1: Quick Figures

Investment*	q-o-q	y-o-y
Total volume	-9%	+32%
Cross-border	-32%	-23%
Office	**q-o-q**	**y-o-y**
Rents	+0.3%	+1..0%
Capital values	-0.6%	-3.5%
Retail	**q-o-q**	**y-o-y**
Rents	+0.3%	+0.5%
Capital values	+0.8%	+1.4%
Logistics	**q-o-q**	**y-o-y**
Rents	-1.2%	-5.4%
Capital values	-0.3%	-5.5%

Source: CBRE Research, Q2 2026.
*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

AI demand and technology-driven exports support regional economic growth

Although the Middle East conflict initially dragged on Asia Pacific's economic outlook toward the end of Q1 2026, regional economic performance has proven resilient this quarter, especially in tech-oriented markets such as Korea and Taiwan. AI-related products including semiconductors helped boost total export growth in Korea (+57%), Taiwan (+44%) and Malaysia (+42%) in Q2 2026, with most other markets also recording double-digit y-o-y gains in total exports during the period.

This has led to buoyant Q2 2026 GDP growth in several export-reliant markets, including Vietnam (+8.4% y-o-y), Singapore (+5.7% y-o-y) and Korea (+3.7% y-o-y), with economic growth for full-year 2026 now forecasted to exceed 2025 levels in some of these markets.

Domestic consumption and sentiment varied across the region in Q2 2026. June's Consumer Confidence Index ticked up in Japan, likely partially due to an interim U.S.-Iran ceasefire agreement announced in the middle of the month. Conversely, increasing interest rates and inflationary pressures weighed on domestic consumption in Australia during the same period as discretionary spending showed signs of slowing. Domestic consumption in mainland China also displayed weakness, with retail sales edging up by just 0.2% y-o-y in Q2 2026.

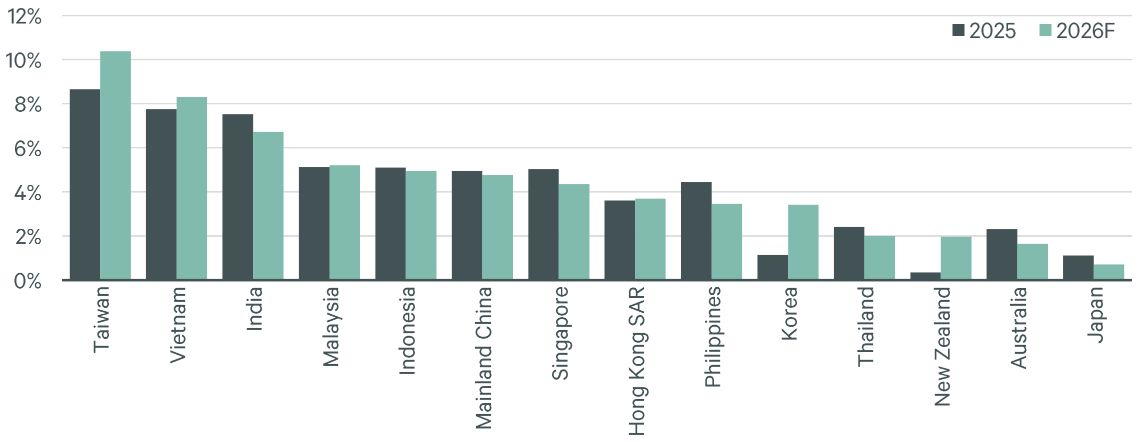
More central banks commence interest rate hike cycle

CPI inflation remained at elevated levels in Q2 2026, with June inflation reaching 3.2% y-o-y in Korea, 4.4% y-o-y in India and 1.7% y-o-y in Japan. The reading for Australia came in at 3.8% y-o-y, below market expectations.

This sustained inflationary pressure has prompted several central banks in Asia Pacific to raise policy rates since the end of Q1 2026. These include the Reserve Bank of Australia (RBA), the Bank of Japan (BoJ) and the Bank of Korea (BoK), each of which has raised policy rates by 25bps since the end of March, with at least one more hike likely in each of these markets over the remainder of 2026.

While market interest rates in Hong Kong SAR (1M HIBOR) and Singapore (3M SORA) have increased since Q1 2026, they remain below end-2025 levels.

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



Source: CBRE Research, Oxford Economics, August 2026.

TABLE 2: Key Interest Rate Changes

Market	Rate	Latest % (as of 27 July 2026)	Change since end-2025	Change since Q1 2026
Indonesia	7-Day Repo Rate	5.75	+100 bps	+100 bps
Australia	Cash Rate	4.35	+75 bps	+25 bps
New Zealand	Cash Rate	2.50	+25 bps	+25 bps
Philippines	Reverse Repo Rate	4.75	+25 bps	+50 bps
Korea	Base Rate	2.75	+25 bps	+25 bps
Japan	Key Policy Rate	1.00	+25 bps	+25 bps
Malaysia	Overnight Rate	2.75	Flat	Flat
India	Policy Repo Rate	5.25	Flat	Flat
Taiwan	Discount Rate	2.00	Flat	Flat
Mainland China	1Y Loan Prime Rate	3.00	Flat	Flat
Vietnam	Discount Rate	3.00	Flat	Flat
Singapore	3M SORA	1.16	-2 bps	+9 bps
Thailand	1-Day Repo Rate	1.00	-25 bps	Flat
Hong Kong SAR	1M HIBOR	2.72	-35 bps	+49 bps

Source: CBRE Research, Macrobond, July 2026.

Office

Investment Turnover +52% y-o-y

Capital Values -0.6% q-o-q

Rental Values +0.3% q-o-q

Record high absorption in India underpins solid regional leasing activity

Occupier sentiment remained resilient in Q2 2026, with limited impact felt from the Middle East conflict. However, Asia Pacific Grade A net absorption contracted slightly by 4.7% y-o-y to 33.0 million sq. ft. NFA in the first six months of the year, as limited availability in mature markets constrained leasing activity. India continued to outperform, recording its highest ever quarterly net absorption on the back of robust leasing activity from Global Capability Centres (GCCs) and domestic companies. Net absorption in mainland China tier I markets registered a combined 2.9 million sq. ft. NFA for the quarter, with nearly half of this figure contributed by TMT, finance, and business services firms in Shanghai.

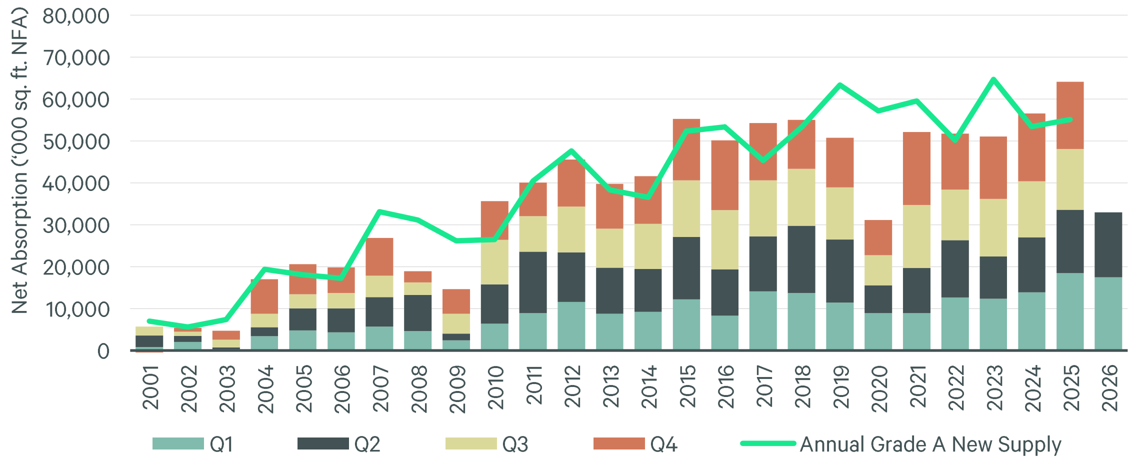
Among mature markets, absorption in Tokyo was limited amid tightening availability but is expected to accelerate in H2 2026 as new supply with high pre-commitment rates comes on stream. Singapore absorption turned negative due to limited room for expansion amid tight availability, although market fundamentals remain strong. Seoul absorption almost doubled q-o-q thanks to the addition of new stock. Hong Kong SAR registered a fifth consecutive quarter of net absorption as all major submarkets recorded positive absorption.

Technology sector expands as AI demand strengthens

The TMT sector remains the primary driver of regional leasing demand, with AI and tech firms continuing to seek flight-to-quality opportunities. In Singapore's CBD, AI companies of varying size continue to upgrade from flexible workspaces into dedicated, self-managed offices, exhibiting a strong preference for prime buildings. In mainland China, technology companies, especially AI firms, are looking to upgrade and expand, while traditional Internet companies in Shanghai are pushing ahead with aggressive expansion.

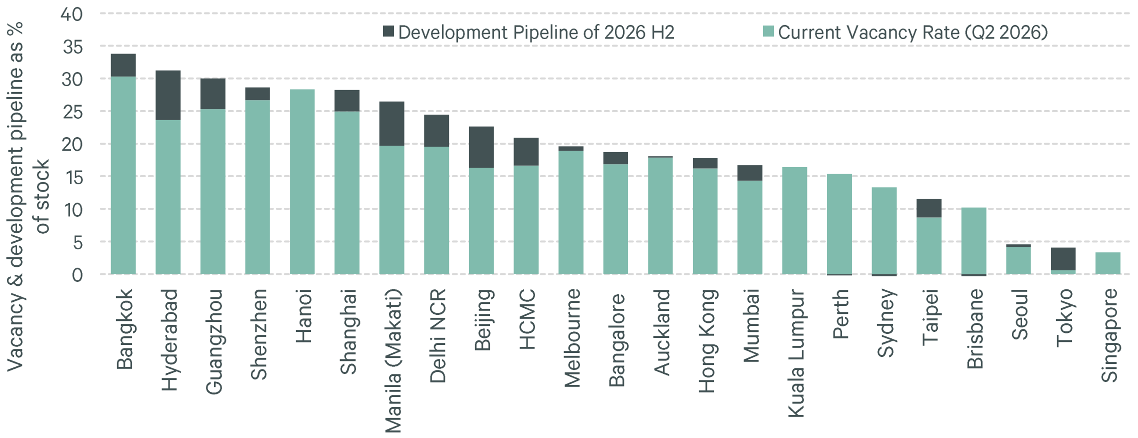
Despite the evolving nature of AI adoption, India continues to witness robust absorption from GCCs as global companies increasingly target this market for higher value outsourcing. In contrast, secondary outsourcing locations in Southeast Asia, such as Manila, have seen weaker activity in recent months as companies apply AI to handle less-complex functions.

FIGURE 2: Asia Pacific Office Net Absorption and New Supply



Source: CBRE Research, Q2 2026.

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, Q2 2026.

New additions in developing markets push up regional supply

Asia Pacific Grade A office new supply increased to 17.3 million sq. ft. NFA in Q2 2026, driven by new additions in India and mainland China. New supply in the former set new records for a first half and second quarter period, with Bangalore, Delhi NCR, and Mumbai accounting for a combined 10.3 million sq. ft. NFA in Q2 2026. Vacancy in Mumbai's BKC remained the lowest but rose in Bangalore due to substantial new supply. New supply in mainland China tier I markets moderated to 4.6 million sq. ft. NFA this quarter, the bulk of which came on stream in Shanghai's decentralised markets, followed by Guangzhou and Shenzhen. All three markets reported higher vacancy. In Beijing, the absence of new supply combined with healthy tech sector demand helped vacancy decline slightly.

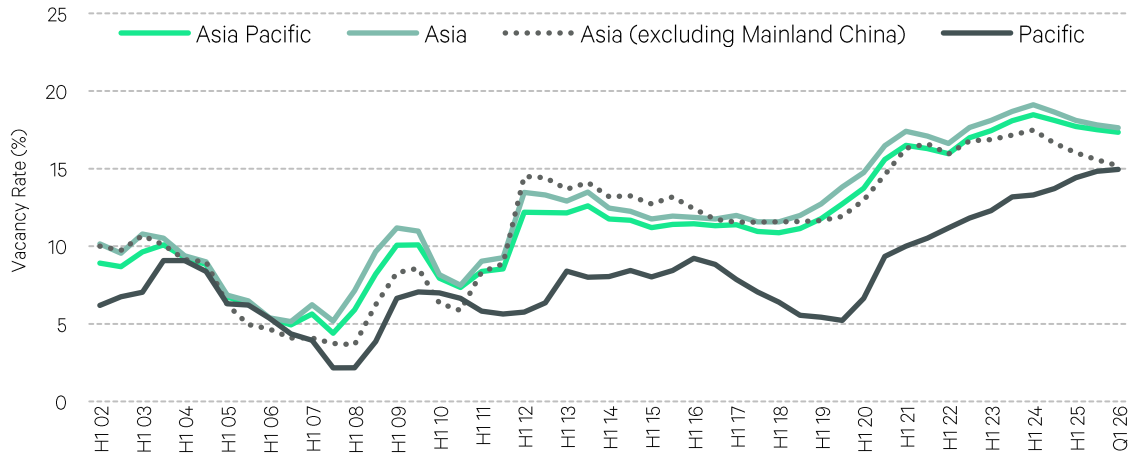
In mature markets, Seoul reported increases in vacancy across its three major business districts as supply picked up after a six-month lull. Tokyo remained the tightest market, with vacancy contracting to 0.6% due to muted supply and robust demand. Singapore vacancy held steady at 3.3% with no new supply due until 2028. Hong Kong SAR vacancy eased for a second consecutive quarter to 16.2%, supported by a recovery in Central, where vacancy has now halved from a year ago.

Mature markets drive rental growth

CBRE's Asia Pacific Grade A Office Rental Index edged up by 0.3% q-o-q in Q2 2026 as rental performance continued to diverge between mainland China and other markets. Tokyo led rental gains on the back of tight supply, although the pace of growth softened. Tight availability and a supply-demand imbalance pushed up rents in Mumbai BKC, while flight-to-quality demand driven by the presence of a strong technology talent pool pushed up rents in Hyderabad ITC 1. Brisbane led in Australia with 4.6% q-o-q growth, driven by healthy occupier demand, followed by Sydney, Perth and Melbourne, where rental growth is still underpinned by supply constraints and easing incentives.

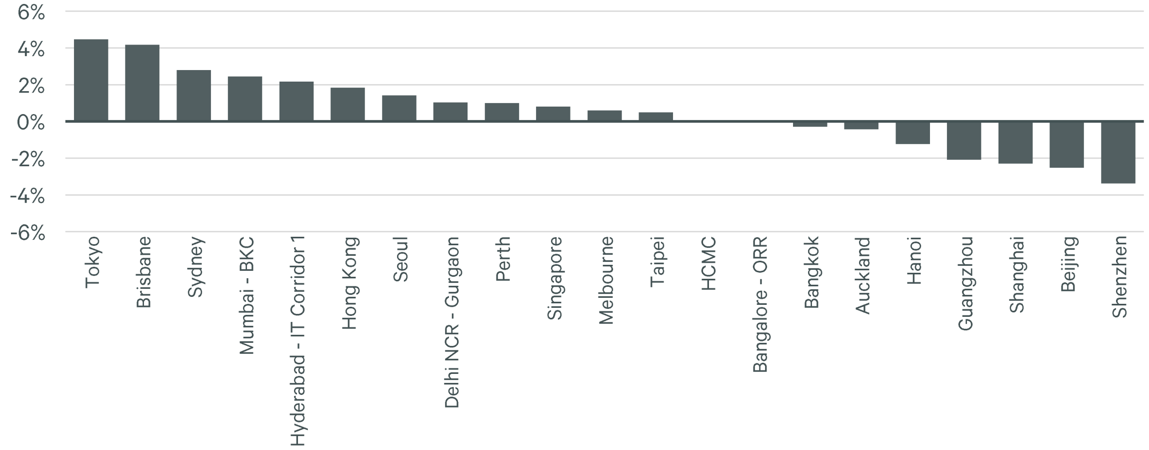
While rents in both Seoul and Taipei increased due to tight availability, growth may be impacted by substantial new supply due in the medium to long term. Solid gains in Central underpinned Hong strong rental growth in Hong Kong SAR this quarter but elevated supply exerted downward pressure on rents in mainland China. Shenzhen's rental decline was largely attributable to the high volume of citywide supply, while Guangzhou struggled amid soft demand and almost-decade high vacancy. Beijing's landlords lowered rents this quarter to retain quality occupiers amid a sizeable supply pipeline, while Shanghai's core submarkets showed signs of stabilisation as supply tightened.

FIGURE 4: Asia Pacific Grade A Vacancy (%)



Source: CBRE Research, Q2 2026.

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, Q2 2026.

Retail

Investment Turnover
-5% y-o-y

Capital Values
+0.8% q-o-q

Rental Values
+0.3% q-o-q

Tourist spending and stronger domestic consumption fuel retail sales

Most Asia Pacific markets reported solid retail sales in April and May, with especially strong visitor arrivals supporting performance in Korea and Hong Kong SAR. Despite a decline in tourist arrivals due to geopolitical volatility and reduced flight capacity, improved domestic consumption propelled retail sales growth in Japan and Singapore. Mainland China was the only market to report softer sales but this was due to 2025's high base when the government's spending stimulus policy was in effect.

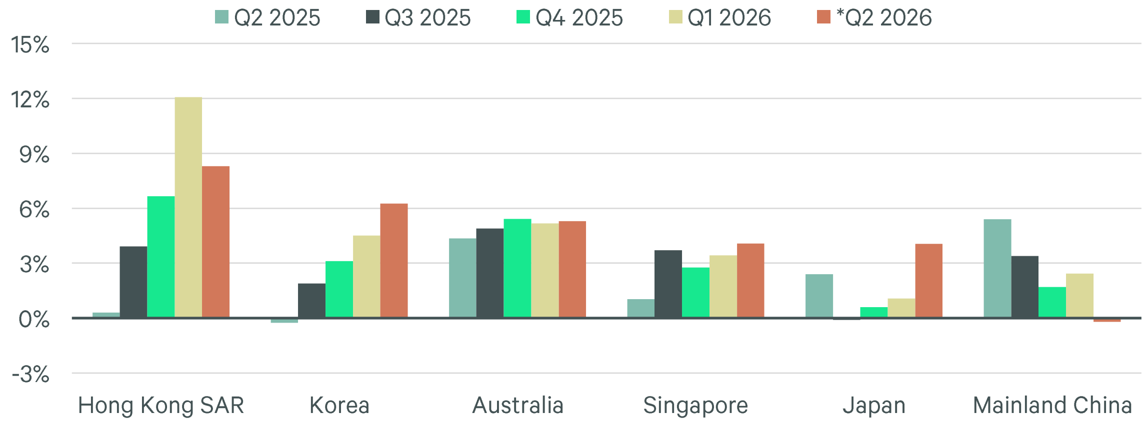
Leasing demand for prime space stays upbeat as retailers target new markets

The Middle East conflict has exerted only a mild impact on retailers' real estate planning thus far, with most groups continuing to assess leasing plans on an ongoing basis. Shifting consumer spending patterns, such as an increase in online purchases and experiential related spending, are exerting a more profound impact on retailers' decision making. Leasing sentiment in core locations across the region remained resilient over the quarter, with retailers demonstrating a preference for prime space and focusing on flagship expansion.

Expansion to new markets is a prominent theme at present and is being facilitated by landlords' willingness to introduce new brands to refresh their tenant mix and strengthen footfall and dwell-time. Retailers retain a strong inclination for opening their first stores in major retail markets (e.g. Tokyo in Japan and Shanghai in mainland China), to maximise brand impact and exposure. Korean fashion retailers, mainland China F&B groups, and up-and-coming athleisure brands are among the categories pursuing this strategy.

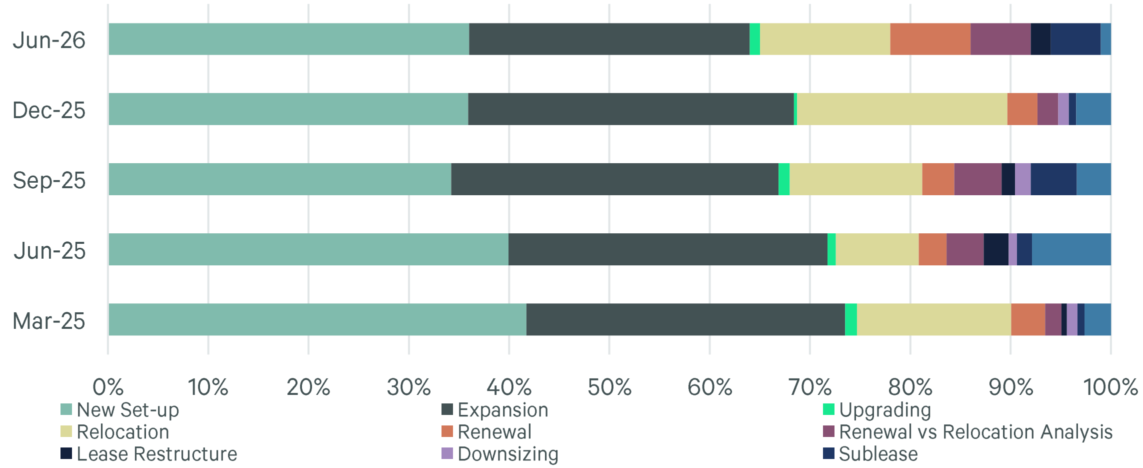
While leasing activity continues to be driven by F&B and fashion & apparel, emerging sources of demand include e-commerce retailers expanding into physical stores in Hong Kong SAR to drive exposure. Entertainment-related retailers are active in India and mainland China, spurred on by landlords' eagerness to attract families and boost their experiential offering. Luxury brands retain a cautious approach toward expansion amid a global sales lull but weaker demand from this sector is being offset by requirements from a wide range of retailers seeking to establish a presence in core locations.

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



Note: Except for mainland China, Q2 2026 data is only as of May 2026. Australia data represents household spending. Korea and Singapore data excludes motor vehicles.
Source: CEIC, CBRE Research, July 2026.

FIGURE 7: Retail Leasing Sentiment



Source: CBRE Research, July 2026.

Mainland China continues to dominate supply pipeline

Around 6.5 million sq. ft. of new retail supply was completed in Q2 2026. While Shanghai and Guangzhou accounted for the bulk of new supply, vacancy in these two markets remained stable thanks to strong pre-leasing. Elsewhere in mainland China, vacancy in Beijing and Shenzhen tightened as owners cut rents to boost occupancy. Vacancy in Hong Kong SAR and Singapore was stable amid solid demand for prime units. With Tokyo Ginza vacancy at 0%, retailers were seen turning to space in as Omotesando/Harajuku and Shibuya.

Despite some project delays, new supply is projected to reach 32 million sq. ft. in H2 2026, led by mainland China. While Bangkok's supply pipeline has been revised down due to several postponements, almost 2 million sq. ft. of new supply is expected to be completed in the second half.

Rents edge up in most markets

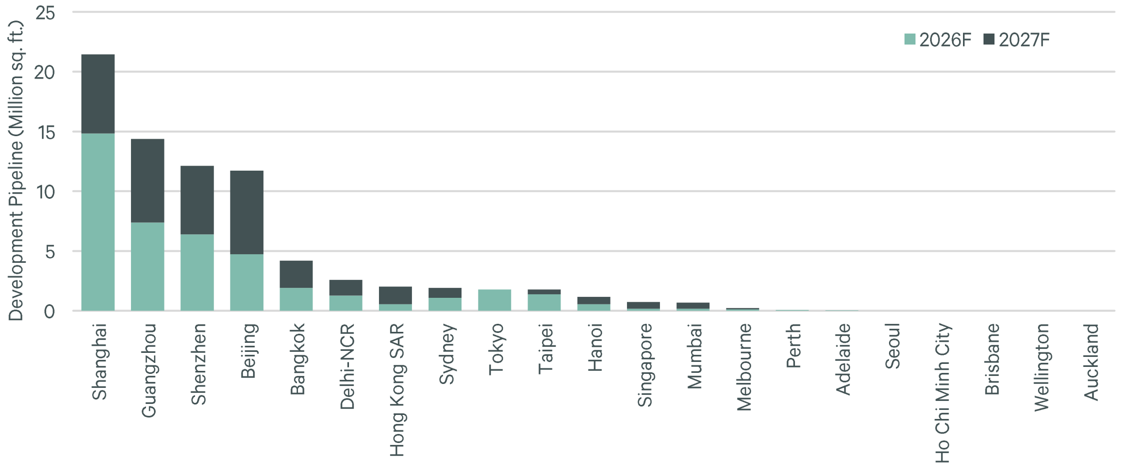
Low availability and limited supply continue to be a feature of most Asia Pacific retail markets. Rents are growing at a mild pace as levels in several markets have reached historical highs and inflation is pushing up retailers' costs.

Despite more cautious consumer sentiment in Australia amid rising living costs, strong population growth continues to support shopping centre rental growth. While standing at record high levels, rents continue to rise in Ho Chi Minh City's CBD and Tokyo Ginza on the back of limited availability. Although Hong Kong SAR and Singapore both registered healthy rental growth this quarter, rents in prime locations edged up only slightly as most growth was driven by online sales.

Rents in Auckland shopping centres pulled back slightly over the quarter as slower economic growth and rising unemployment weighed on consumer demand. While rents in mainland China continue to adjust due to the upcoming supply peak, core areas of Shanghai are reporting a slower rate of decline as vacancy stabilises.

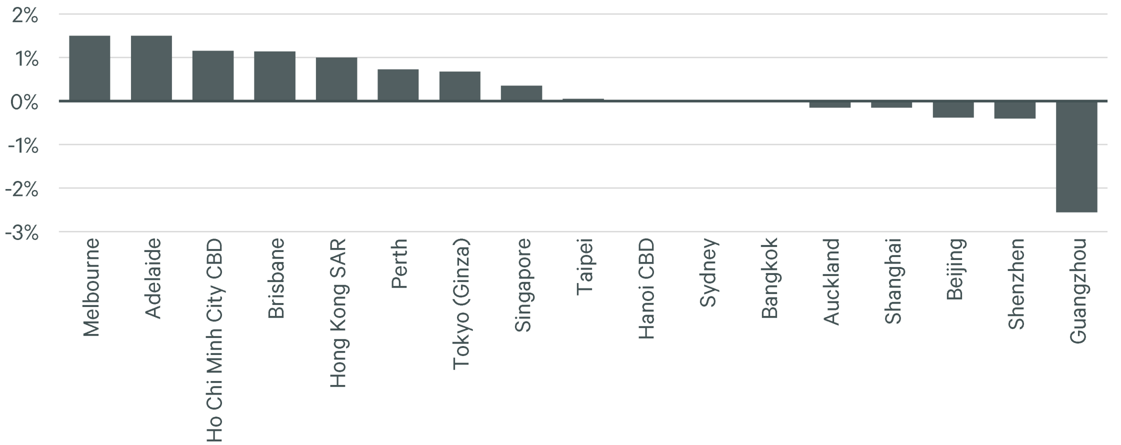
Rising e-commerce penetration and the popularity of experiential formats will compel retailers to re-evaluate their real estate strategies in the coming quarters. Limited availability of prime space will continue to drive up Asia Pacific retail rents, albeit at a milder pace. Rents in mainland China will undergo a further correction but rents in core locations will start to stabilise, beginning with Shanghai and Beijing.

FIGURE 8: Retail Development Pipeline



Source: CBRE Research, Q2 2026.
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, Q2 2026.
Note: Retail rental changes track shopping centres for major cities in mainland China, Australia, New Zealand, Vietnam, Singapore, Bangkok; and high streets for Hong Kong SAR, Taipei, and Tokyo.

Logistics

Investment Turnover +40% y-o-y

Capital Values -0.3% q-o-q

Rental Values -1.2% q-o-q

AI-driven demand offsets Middle East headwinds

Export performance was more resilient than expected in Q2 2026, supported by robust AI-driven demand, weaker regional currencies and a relatively stable U.S. tariff environment. Korea, Japan, mainland China and Singapore led export growth on the back of high-tech manufacturing shipments, while Southeast Asian markets benefited from the electronics upcycle and front-loading activity. Most markets' solid trade fundamentals largely mitigated the disruption caused by the Middle East conflict.

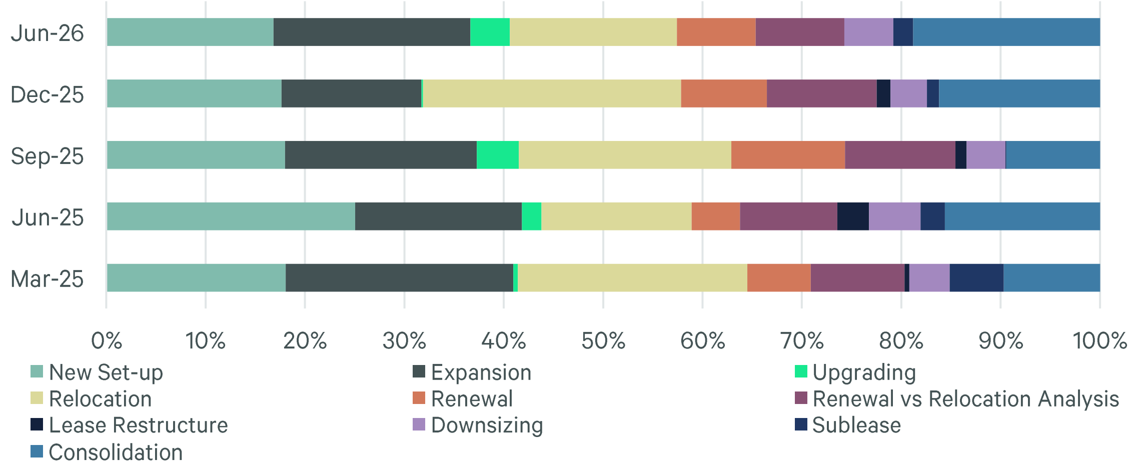
Against this backdrop, Asia Pacific logistics leasing momentum improved during the quarter, with expansionary enquiries rising to 42% in June 2026 from 32% in December 2025. The recovery was driven primarily by Third-Party Logistics (3PL) operators and manufacturers. While expansion appetite remained intact, demand turned more selective amid the uncertain macro environment, with occupiers preferring projects offering attractive rental terms. Upgrading demand gained traction, particularly in inner-city submarkets in Japan, Korea and selected tier I cities in mainland China and India. CBRE expects occupier sentiment to remain selective in the near term as sustained geopolitical volatility and inflationary pressure prompts tenants to adopt a wait-and-see approach. With many markets in the region yet to finalise bilateral trade agreements with the U.S., potential changes to U.S. tariff policy may create additional uncertainty. AI-fuelled structural demand should nevertheless continue to underpin leasing activity in the medium-term.

Vacancy tightens across most markets

Vacancy edged down across most mature logistics markets this quarter. Greater Tokyo vacancy declined to 7.8%, driven by occupiers securing space ahead of a supply slowdown expected in 2027. In Greater Seoul, vacancy rates for dry-storage facilities continued to fall amid steady absorption of previous peak supply, while cold-storage vacancy tightened to 33%, driven largely by a growing wave of cold-to-dry conversions across key submarkets.

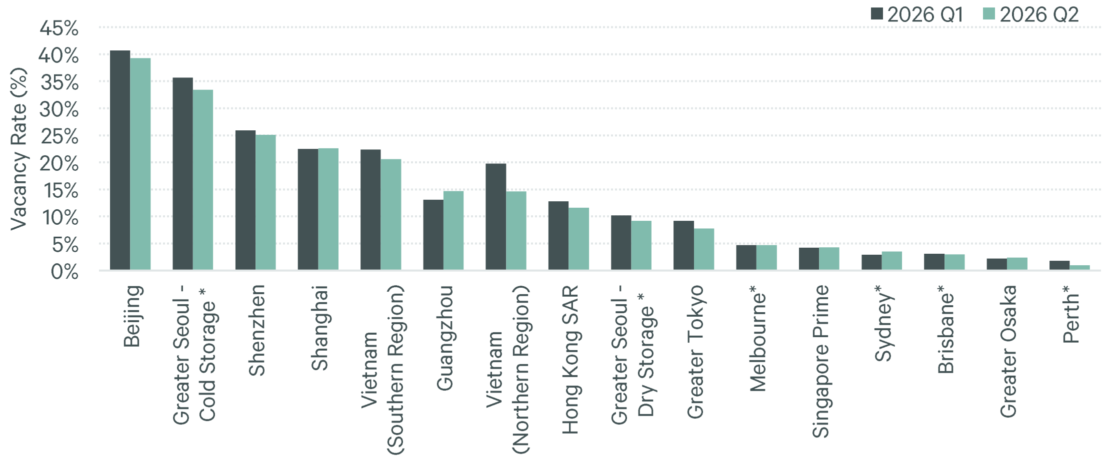
Among developing markets, vacancy trended lower across both northern and southern Vietnam, supported by robust manufacturing demand that has led to shortages of ready-built factory and warehouse space. While vacancy remained elevated across mainland China, cost-driven relocations provided some relief in Beijing and Shenzhen, as occupiers returned from neighbouring cities to take advantage of more competitive lease terms.

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



Source: Asia Pacific Leasing Sentiment Index, CBRE Research, Q2 2026.

FIGURE 11: Logistics Vacancy Rate



Source: CBRE Research, Q2 2026
*comparing Q2 2026 against Q4 2025 data.

New supply eases but pipeline remains elevated in North Asia and Australia

Asia Pacific logistics supply fell to 26 million sq. ft. in Q2 2026, bringing first half supply to approximately 60 million sq. ft., 16% y-o-y below H1 2025 levels. Supply remained concentrated in North Asia, with mainland China accounting for around one-third of the regional total. Guangzhou, Beijing and Shenzhen continued to experience oversupply pressure, but Shanghai has already passed its supply peak. Other markets with substantial new supply included Greater Tokyo and Greater Osaka, which saw the addition of a combined 13 million sq. ft. in H1 2026, although Japan's first half completions stood 30% below H1 2025 levels. New supply in Australia is front-loaded, with Sydney, Brisbane, Perth and Adelaide welcoming 60%-70% of their full-year pipeline in the first half of the year.

Approximately 88 million sq. ft. of new logistics supply is due to be completed in 2026, with mainland China accounting for the bulk of new stock. The pipeline is set to ease more meaningfully from 2027, particularly in mainland China, Japan and Australia, with regional supply projected to decline by 20%-30% from 2026 levels.

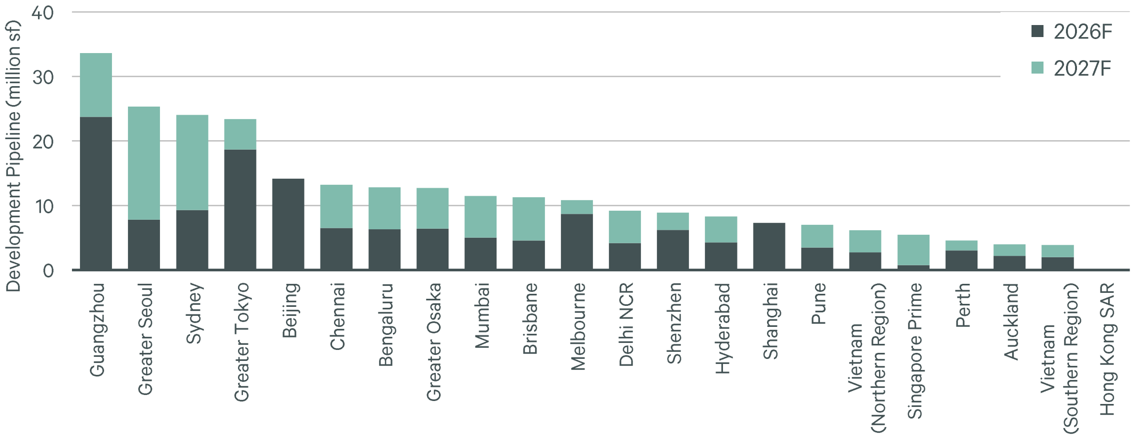
Rents remain under pressure but recovery signals emerge

CBRE's Asia Pacific Logistics Rental Index contracted by 1.2% q-o-q in Q2 2026, with Greater China markets leading the decline. Guangzhou recorded the sharpest drop of 5.8% q-o-q while rents in Hong Kong SAR continued to weaken amid landlords' softer stance. In Australia, rising vacancy around the Western Sydney Airport area and an anticipated H2 2026 supply surge in Melbourne led landlords to offer greater incentives, placing downward pressure on effective rents.

Rental growth accelerated to 1.5% q-o-q in Greater Tokyo due to solid domestic demand. In India, Mumbai rents increased amid tighter availability in core submarkets, while Pune and Chennai rents benefited from upgrading to newly completed modern facilities. Rental growth is set to remain modest nationwide, however, as several industries continue to favour cost-effective alternatives.

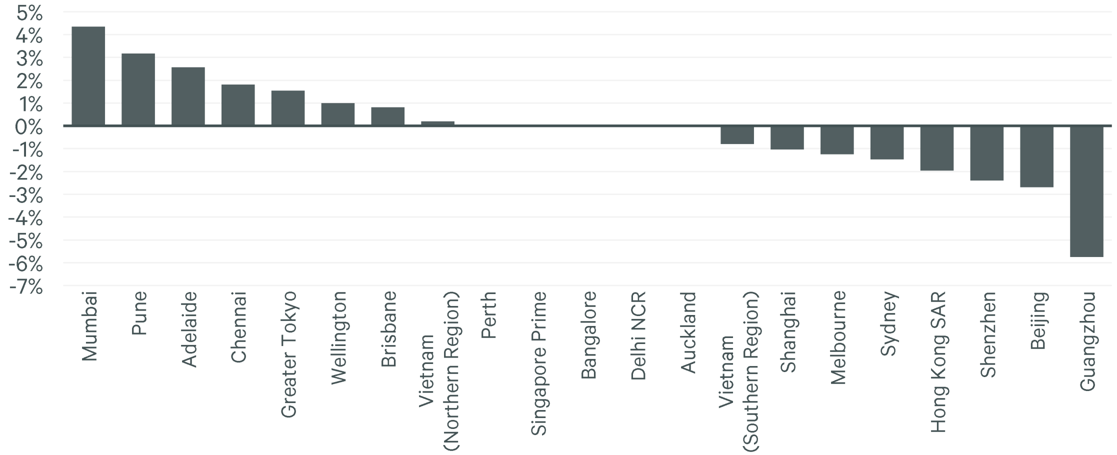
The pace of the rental correction across mainland China is expected to moderate as cost-driven relocations continue to support absorption. Incentives in Australia appear to have peaked, paving the way for a gradual recovery from H2 2026. More broadly, the sharp decline in regional supply projected from 2027 should provide a stronger foundation for rental growth across the region.

FIGURE 12: Logistics Development Pipeline in Major Markets



Source: CBRE Research, Q2 2026

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, Q2 2026

Investment

Total Investment Turnover
+32% y-o-y

Cross Border Turnover
-23% y-o-y

Investment volume continues quarterly downtrend

Asia Pacific commercial real estate investment volume fell 9% q-o-q to US$43.5 billion in Q2 2026, retreating from the previous quarter's strong performance. On an annual basis, however, volume increased by 32% y-o-y.

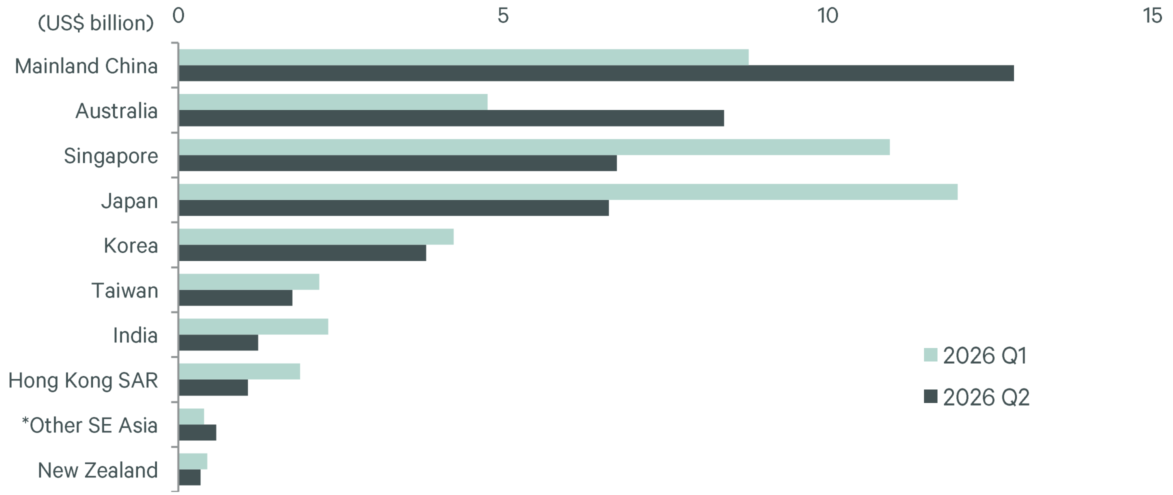
Despite its upward interest rate cycle, Australia reported the largest quarterly increase in investment volume this quarter, logging a rise of 73% q-o-q to US$8.4 billion. Activity was driven by investors targeting retail assets, with office properties in Sydney and Brisbane also attracting strong interest.

Mainland China also recorded a significant increase in investment volume, which grew 44% q-o-q to US$12.9 billion, the highest dollar amount of any market in the region. Purchasing was driven almost entirely by domestic and Hong Kong SAR investors as foreign players continued to either stay on the sidelines or divest assets. Data centre transactions comprised a significant portion of investment volume on the back of a series of major deals including a domestic corporation's purchase of a 91.2% stake in Hoyinn Tech for US$2.4 billion.

Investment declined q-o-q in other major markets. Although Japan investment volume fell 44% q-o-q to US$6.6 billion, foreign investors retained a healthy appetite for office, industrial and multifamily assets amid sustained rental growth. Investment volume in Korea edged down 8% q-o-q to US$3.8 billion as higher lending costs began to bite. Acquisitions were dominated by domestic asset management companies and corporations purchasing offices, while foreign capital targeted hotel, industrial and living assets.

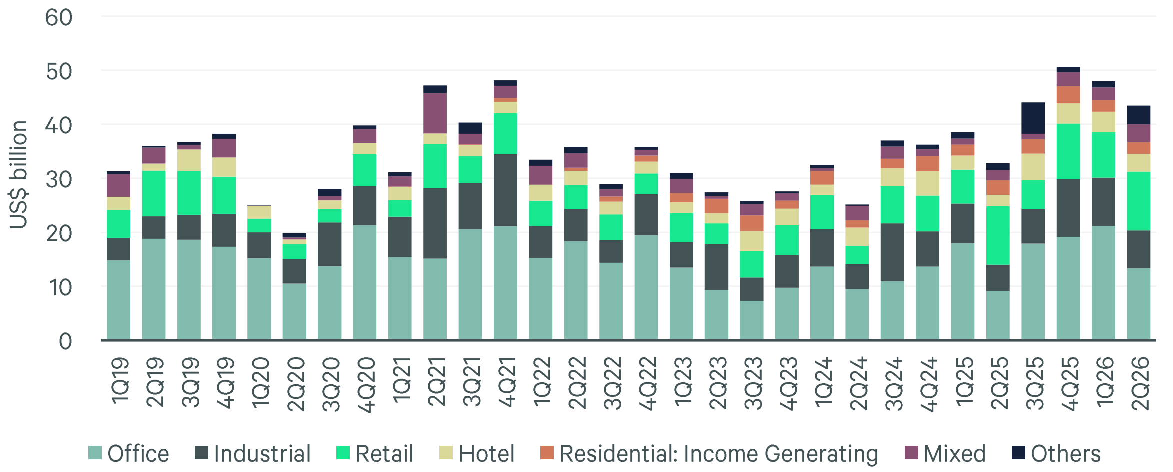
In Singapore, investment volume fell 38% q-o-q due to the high base effect from a record-breaking Q1 2026. This quarter's investment volume is nevertheless the country's second highest since records began. Investment volume declined 43% q-o-q in Hong Kong SAR, where major deals included Singaporean developer Wee Hur's acquisition of a distressed office building with the intention of conversion into student housing.

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, Q2 2026.

FIGURE 15: Transaction Volume by Sector



Source: CBRE Research, Q2 2026.

Mixed movement in yields amid rising lending rates

Despite rising interest rates in much of the region, only limited yield expansion was observed during Q2 2026, with mixed overall yield movement for Asia Pacific overall.

Of the major markets currently in the upward interest rate cycle, only Australia reported some pockets of yield expansion in Q2 2026, with Melbourne and Brisbane logistics yields softening by around 5-15bps q-o-q. In contrast, regional shopping centre yields in these two cities recorded mild compression of 5-10bps q-o-q, although they are forecasted to expand in H2 2026 due to upward pressure from rising interest rates. Yields for other markets and sectors elsewhere in Australia held relatively stable during the quarter, even as lending rates went up by 16bps q-o-q.

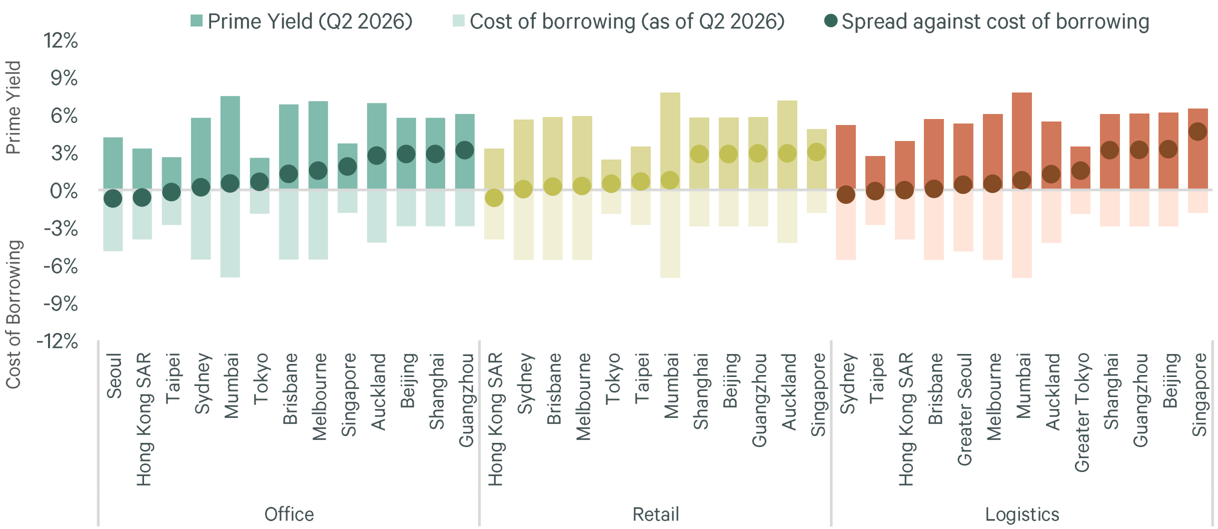
Yields in Greater China mostly held flat in Q2 2026, with indications of continuing yield expansion in some markets. Shenzhen logistics yields decompressed by 10bps q-o-q, while Guangzhou yields registered a milder softening of 5bps q-o-q. Hong Kong SAR also observed mild yield expansion this quarter, with office yields moving outward by around 5bps q-o-q. The one-month HIBOR went up 70bps q-o-q, pushing yields in this market back into negative carry.

In contrast to the rest of the region, Singapore recorded significant yield tightening across all three major property sectors this quarter. Logistics yields fell by almost 20bps q-o-q, retail yields by 15bps q-o-q, and office yields by nearly 10bps q-o-q. This came as lending rates in the city held mostly flat from the previous quarter and investment activity continued to display strength.

Some yield tightening was observed in Japan, even though interest rates and borrowing costs continued to increase. Prime logistics yields in Greater Tokyo compressed by 10bps q-o-q, driven by expectations of strong rental growth, particularly in the Tokyo Bay Area. Tokyo retail yields fell 5bps q-o-q, reflecting robust investor demand for prime retail assets.

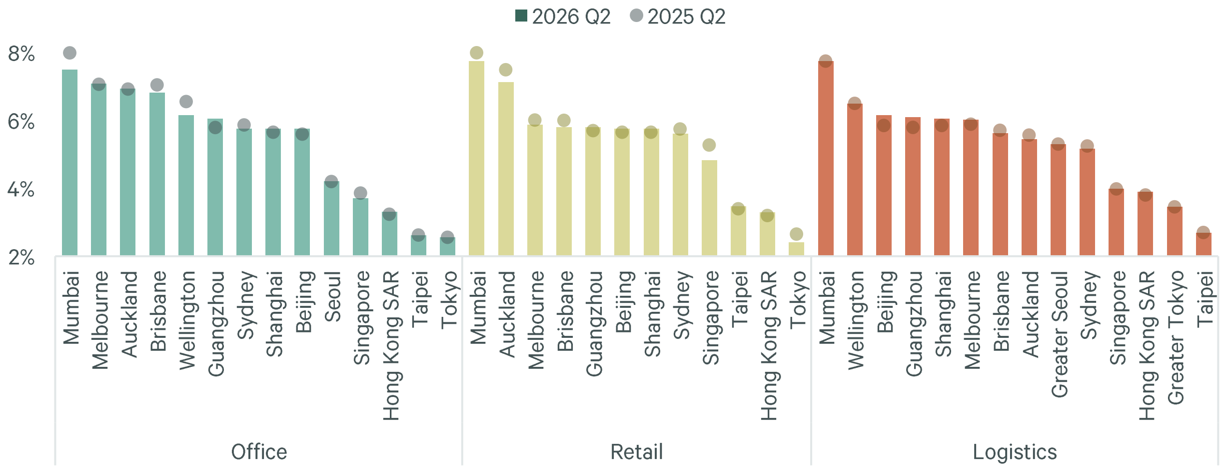
Seoul's yields held steady while the lending rate increased by 67bps q-o-q. This pushed the yield spread for the office sector over the borrowing rate into negative carry.

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, Q2 2026.

FIGURE 17: Yields by Market and Sector



Source: CBRE Research, Q2 2026.

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