

Investment and leasing activity broadly firm as impact of Middle East conflict yet to materialise

+4.0% / +3.6%

APAC GDP Growth
(2026F/2027F)

21.4% / 30.1%

APAC Net Employment Outlook#
(Q1 2026/Q2 2026)

+3.9% / +3.4%

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 Q4 2025 & Q1 2026, Oxford Economics, April 2026.

Executive Summary

- **Office:** Occupier sentiment remained resilient in Q1 2026, with leasing activity in most markets yet to feel a material impact from the Middle East conflict. Asia Grade A net absorption totalled 17.3 million sq. ft. NFA, up 7.8% q-o-q and broadly on track with 2025 levels.
- **Retail:** Leasing sentiment was resilient this quarter as rising retail sales and strong international tourist arrivals provided retailers with the confidence to expand. However, the Middle East conflict prompted some retailers to turn more cautious toward real estate planning.
- **Logistics:** Despite a strong rebound in exports, leasing momentum slowed in Q1 2026 after a relatively robust previous quarter. Flight-to-quality demand underpinned activity in mature markets, with both Greater Tokyo and Greater Osaka recording strong take-up.
- **Investment:** Asia Pacific commercial real estate investment volume fell -9% q-o-q to US\$46.2 billion in Q1 2026, pulling back slightly from the previous quarter’s record high. On an annual basis, however, volume increased by 18% y-o-y. While geopolitical tension and a less accommodative interest rate environment amid inflationary pressures may drag on investment activity, favourable occupier market fundamentals should shore-up investor confidence.

TABLE 1: Quick Figures

Investment*	q-o-q	y-o-y
Total volume	-9%	+18%
Cross-border	+43%	+75%
Office	q-o-q	y-o-y
Rents	+0.6%	+0.3%
Capital values	-0.3%	-4.5%
Retail	q-o-q	y-o-y
Rents	+0.5%	+0.9%
Capital values	+0.2%	+0.9%
Logistics	q-o-q	y-o-y
Rents	-0.8%	-5.7%
Capital values	-1.0%	-7.9%

Source: CBRE Research, Q1 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

Regional exports remain upbeat but prolonged Middle East conflict a concern

The onset of the Middle East conflict in late February 2026 and resulting energy price shock and supply chain disruption has created headwinds for the Asia Pacific economic outlook. Some markets in the region, such as Korea and Japan, are highly reliant on energy and other imports from the Middle East and hence are more likely to endure a more significant economic impact.

While current geopolitical uncertainty will likely weigh on economic growth later in the year, the Asia Pacific economy performed well in Q1 2026, underpinned by very robust export growth. Mainland China's GDP grew 5.0% y-o-y, driven by February's 40% y-o-y growth in exports. GDP growth also exceeded expectations in Korea and Singapore, expanding by 3.6% y-o-y and 4.6% y-o-y, respectively, for the quarter on the back of solid export growth. Taiwan's economy also performed well thanks to robust exports, which surged by 50% y-o-y amid rising global demand for electronics including semiconductors and other AI-related products.

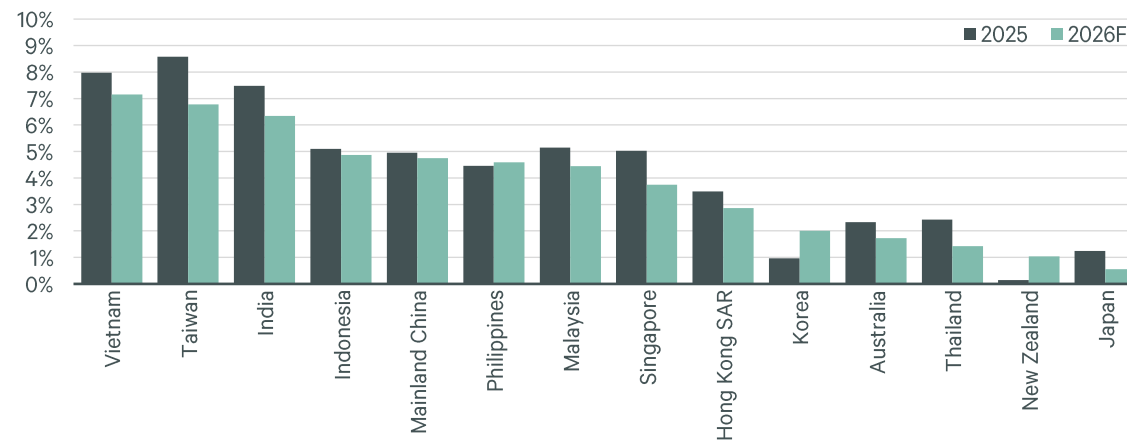
Inflationary pressure sees some central banks hike interest rates

Elevated energy prices are likely to push up inflation, with the CPI already having ticked up in recent months in markets such as Australia (4.6% y-o-y in March), India (3.4% y-o-y in March) and Japan (1.5% y-o-y in March). The latest 2026 inflation forecasts for Asia Pacific have also been revised upwards from the previous February forecasts, with inflation for 2026 expected to be higher than 2025.

Most central banks in Asia Pacific kept policy rates stable in Q1 2026. A key exception was the Reserve Bank of Australia (RBA), which has hiked interest rates thrice by a total of 75bps since the start of the year in response to the sustained inflation of over 3% seen over the last few months. The RBA is expected to hike rates again over the remainder of the year. Although the Bank of Japan (BoJ) has not yet adjusted rates in 2026, it is set to hike rates at least once before year's end.

Market interest rates in Hong Kong SAR (1M HIBOR) and Singapore (3M SORA) have continued to trend down since end-2025, suggesting ample market liquidity and/or capital inflows.

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



Source: CBRE Research, Oxford Economics, April 2026.

TABLE 2: Key Interest Rate Changes

Market	Rate	Latest % (as of 6 May 2026)	Change since end-2024	Change since Q4 2025
Hong Kong SAR	1M HIBOR	2.48	-210 bps	-60 bps
Singapore	3M SORA	1.05	-203 bps	-14 bps
New Zealand	Cash Rate	2.25	-200 bps	Flat
Thailand	1-Day Repo Rate	1.00	-125 bps	-25 bps
Philippines	Reverse Repo Rate	4.50	-125 bps	Flat
Indonesia	7-Day Repo Rate	4.75	-125 bps	Flat
India	Policy Repo Rate	5.25	-125 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
Australia	Cash Rate	4.35	Flat	+75 bps
Taiwan	Discount Rate	2.00	Flat	Flat
Vietnam	Discount Rate	3.00	Flat	Flat
Japan	Key Policy Rate	0.75	+50 bps	Flat

Source: CBRE Research, Macrobond, May 2026.

Office

Investment Turnover
+16% y-o-y

Capital Values
-0.3% q-o-q

Rental Values
+0.6% q-o-q

Leasing market stays resilient despite geopolitical tension

Occupier sentiment remained resilient in Q1 2026, with leasing activity in most markets yet to feel a material impact from the Middle East conflict. Asia Grade A net absorption totalled 17.3 million sq. ft. NFA, up 7.8% q-o-q and broadly on track with 2025 levels.

India remained a regional bright spot, with net absorption reaching 10.3 million sq. ft. NFA across Delhi NCR, Bangalore and Mumbai. Global Capability Centres (GCC) accounted for 44% of new leasing, led by e-commerce, technology, and BFSI firms. Other upbeat markets included Tokyo, where quarterly net absorption reached its second highest level since Q1 2020 thanks to strong pre-commitments in new stock completed in Q1 2026.

Hong Kong SAR saw net absorption stay positive for a fourth consecutive quarter, supported by bank relocations in West Kowloon and a further rebound in activity in Central. Australia continued to record solid leasing activity for prime CBD space, while in mainland China, absorption in Shanghai and Beijing absorption increased q-o-q, driven by flight-to-quality.

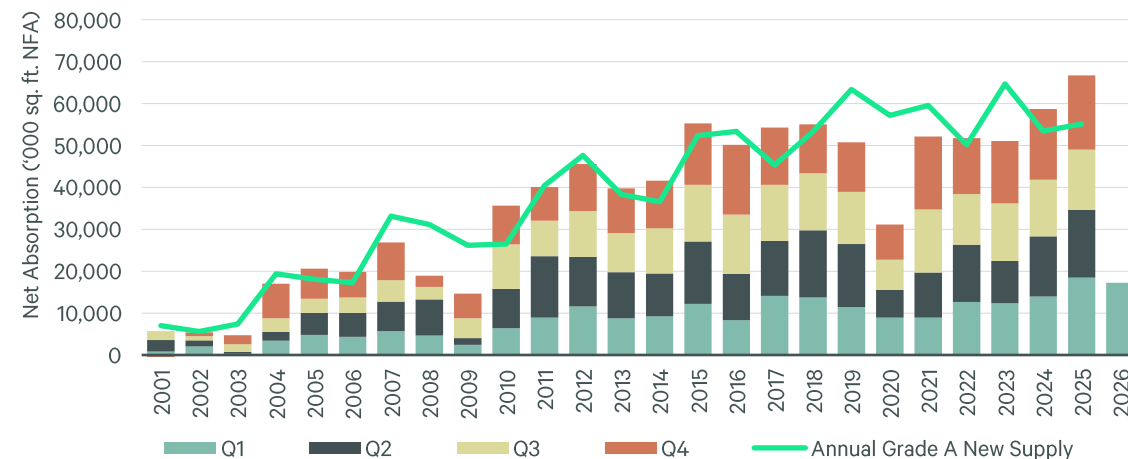
High oil prices and inflationary pressures on fitout costs could weigh on short-term occupier demand, potentially constraining leasing activity in the coming quarters.

Fueled by AI demand, TMT remains dominant sector

The TMT sector once again led regional leasing activity this quarter, driven by expansionary demand from AI companies, with India reporting brisk leasing activity. In Singapore, AI occupiers are increasingly moving from flexible space to self-managed offices as the business segment matures.

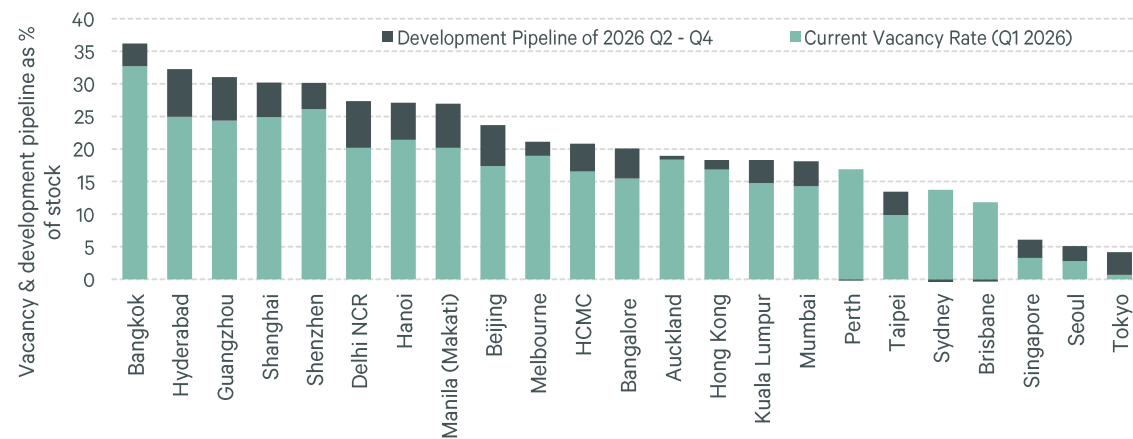
The financial sector ranked as the second largest demand driver, supported by steady leasing activity in key financial hubs such as Hong Kong SAR and Singapore. Submarkets including Beijing's Financial Street are enjoying a temporary rebound in demand, driven by large-scale leases signed by financial occupiers. Finance and insurance firms were active in Seoul, particularly in the GBD, YBD, and Magok, as occupiers upgraded to prime assets.

FIGURE 2: Asia Pacific Office Net Absorption and New Supply



Source: CBRE Research, Q1 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, Q1 2026.

Vacancy declines in most markets as new supply slows

New Grade A office supply in Asia totalled 11.9 million sq. ft. NFA in Q1 2026, with most new stock located in India and mainland China. India’s tier I markets recorded 4.4 million sq. ft. NFA of completions, with supply easing in Delhi NCR and Mumbai. New supply in mainland China totalled 5.0 million sq. ft. NFA, with Shanghai covering 3.5 million sq ft NFA mainly led by its decentralised submarkets.

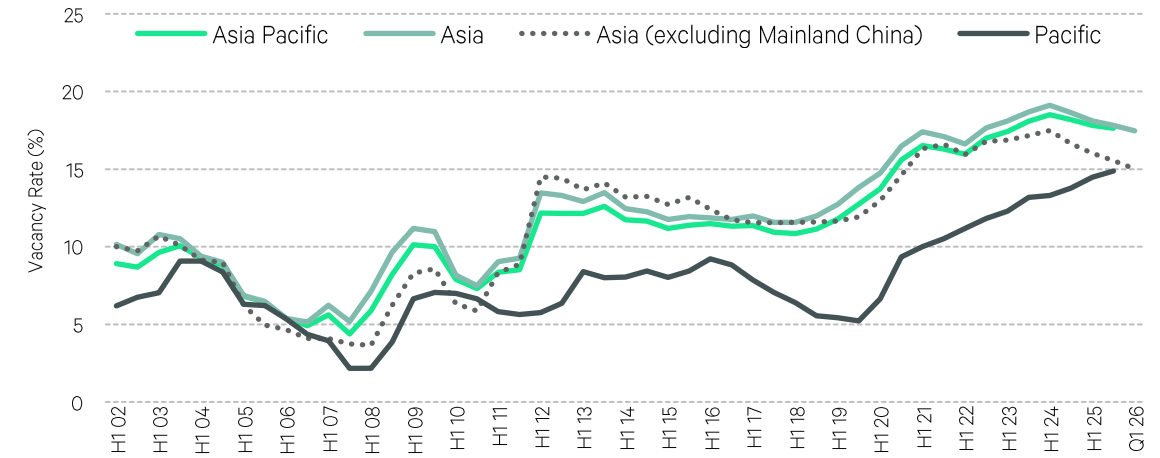
Asia regional Grade A vacancy contracted slightly this quarter, driven by sustained demand and a slowdown in new supply. Tokyo Grade A remained the tightest market, with vacancy standing at 0.7%, supported by robust domestic demand. Singapore vacancy fell to a record-low 3.3% amid steady flight-to-quality demand from the banking and financial sector, while vacancy in Seoul also declined amid stronger absorption in the prime office segment. Vacancy in Beijing, Guangzhou and Shenzhen contracted but rose in Shanghai due to a continued spike in new supply. Vacancy in most mature markets, especially Tokyo, Singapore and Seoul, is expected to remain low throughout 2026, supported by tighter availability and strong domestic demand.

Core markets drive sustained regional rental growth

CBRE’s Asia Pacific Grade A Office Rental Index continued to rise in Q1 2026 as occupiers shifted toward core locations to support talent attraction and market positioning. In India, Hyderabad ITC 1 rents edged up 8.0% q-o-q, supported by stronger demand from flex operators and GCCs. While Mumbai BKC rental growth moderated to 2.5% q-o-q, a flagship office building developed by Sumitomo planned to come on stream in H2 2026 is expected to provide renewed momentum for rental growth. Tokyo Citywide Grade A net effective rental growth accelerated to 6.9% q-o-q on the back of robust core office demand. In Hong Kong SAR, Grade A rents increased by 1.6% q-o-q, with the Central submarket outperforming other districts with growth of 5.9% q-o-q.

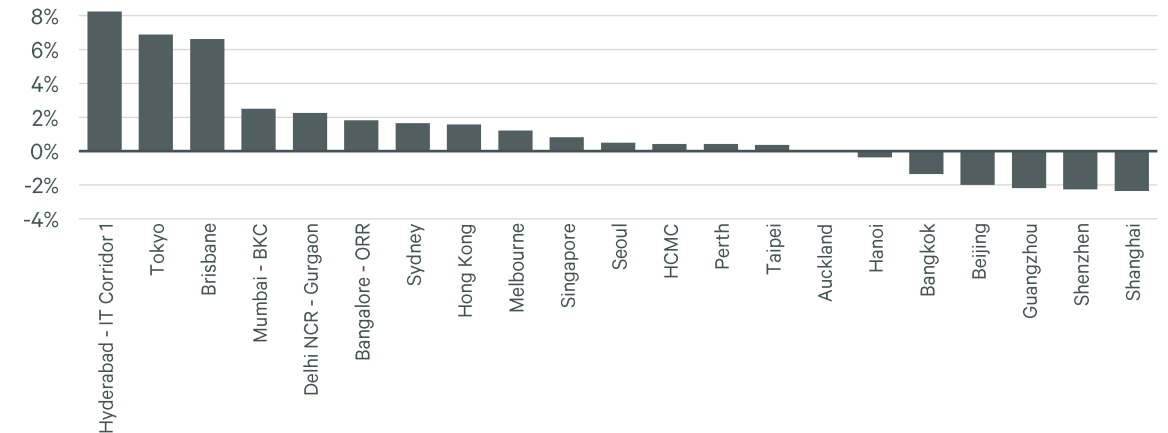
Rented growth in Sydney strengthened this quarter, driven by declining incentives, easing supply, and elevated construction costs. Seoul rents continued to rise, albeit at a slower pace, due to slower pre-leasing in new stock. The rental decline in Shanghai moderated this quarter amid stronger leasing by professional services and finance firms, while Beijing rents weakened further due to a rising number of lease surrenders and downsizing. Rents in emerging markets including Hanoi and Bangkok continued to decline due to elevated supply.

FIGURE 4: Asia Pacific Grade A Vacancy (%)



Source: CBRE Research, Q1 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, Q1 2026.

Retail

Investment Turnover
+14% y-o-y

Capital Values
+0.2% q-o-q

Rental Values
+0.5% q-o-q

New year and major events fuel retail sales but rising inflation could cap growth

Retail sales improved across major Asia Pacific markets in the first two months of 2026. Lunar New Year spending pushed up sales in Hong Kong SAR to their highest level since 2029 and also supported steady sales in Singapore and mainland China. Solid tourism arrivals and major events ensured sales in Japan, Korea, and Australia remained upbeat.

Despite this quarter's strong performance, rising inflation across all major markets and elevated oil prices will exert pressure on consumption should the Middle East conflict be prolonged.

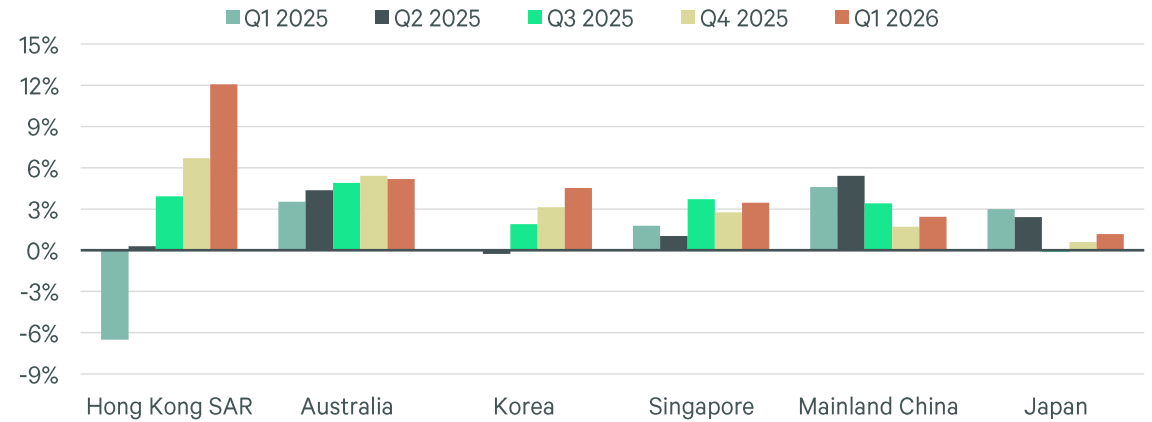
Leasing sentiment resilient as demand focuses on core areas

Leasing sentiment was resilient this quarter as rising retail sales and strong international tourist arrivals provided retailers with the confidence to expand. However, the Middle East conflict prompted some retailers to turn more cautious toward real estate planning. While Asia-based retailers remained active, several international retailers, especially those based in and Europe, delayed decision making due to air travel disruption and deferred site visits.

Most leasing demand this quarter was concentrated in prime retail assets in core locations. Retailers retain a strong preference for these areas for flagship expansion or new market entry to showcase their brand and boost exposure. With prime availability becoming scarcer, some retailers in Korea were seen considering purchasing standalone buildings in high street areas instead of leasing. Other popular retailer strategies to boost exposure include partnering with events and concerts to promote their brands and products.

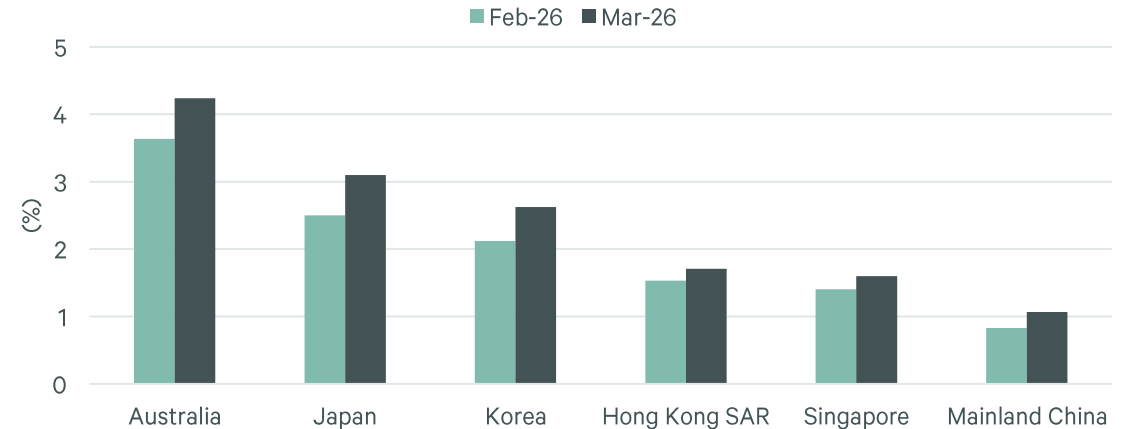
While most leasing activity this quarter continued to be driven by retailers in the fashion & apparel, sports & athleisure, and F&B (casual dining) sectors, the period saw an increase in emerging trades expanding their footprint. These included Korean cosmetic brands and wellness centres, which are rapidly expanding to capture tourist demand and are also considering overseas expansion. Other key trends include more local online fashion brands, especially those in Southeast Asia, setting up physical stores as they adopt omni-channel strategies.

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



Note: Australia growths represent household spending. Korea and Singapore numbers exclude motor vehicles.
Source: CEIC, CBRE Research, April 2026.

FIGURE 7: 2026 Annual Average Inflation Forecast (Feb 2026 vs. Mar 2026)



Source: CBRE Research, March 2026.

Prime area vacancy remains tight; upcoming supply concentrated in mainland China

With most upcoming Asia Pacific retail supply concentrated in mainland China, and the first three months of the year traditionally being a low season for new mall launches, only 3.7 million sq. ft. of new retail stock came on stream in Q1 2026. Vacancy in Shanghai edged up as one new shopping centre was added in a non-core area. Other tier I cities reported no new supply and stable vacancy.

Vacancy in Singapore and Hong Kong SAR's prime streets remained tight as retailer demand continued to be focused on such areas. Tokyo Ginza vacancy stayed at 0% for a fifth consecutive quarter while other tourist focused submarkets also reported sub 1% vacancy.

With several projects having been pushed back from 2025 to 2026, Asia Pacific retail supply is set to reach a peak this year. Close to 46 million sq. ft. of new shopping centre supply is scheduled to come on stream, most of which will be in mainland China's tier I cities, where around 32 million sq. ft. is due to be completed over the next three quarters. Bangkok has the second largest pipeline, with roughly 4.5 million sq. ft. of retail space due in 2026, including One Bangkok Phase II.

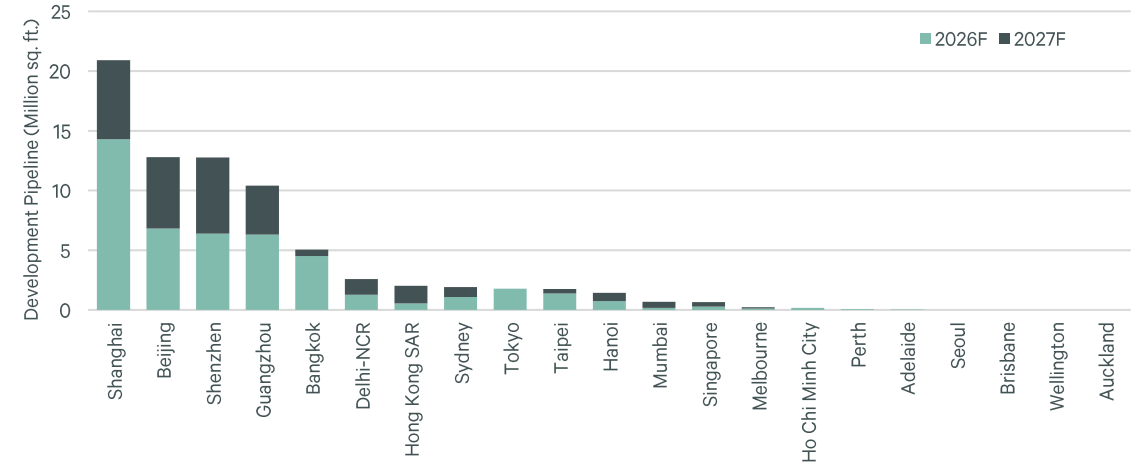
Limited availability in prime areas continues to support rental growth

Rental growth in Q1 2026 was led by the Hanoi CBD, where increasing demand from both local and overseas retailers, together with the opening of a prime retail mall at above-market rents, drove up rents. Although population growth and large events underpinned solid rental growth in Australian shopping centres this quarter, sentiment turned more cautious as living costs continued to rise. With strong leasing demand and no availability in Tokyo Ginza, rents continued to trend up despite already reaching historical highs. Tight vacancy in prime locations in Hong Kong SAR and Singapore supported further rental growth over the quarter.

Rents for Auckland regional shopping centres fell slightly due to rising vacancy amid the economic slowdown. Owing to the large volume of upcoming supply, landlords in mainland China cut rents this quarter to fill vacancy and attract new tenants able to generate footfall.

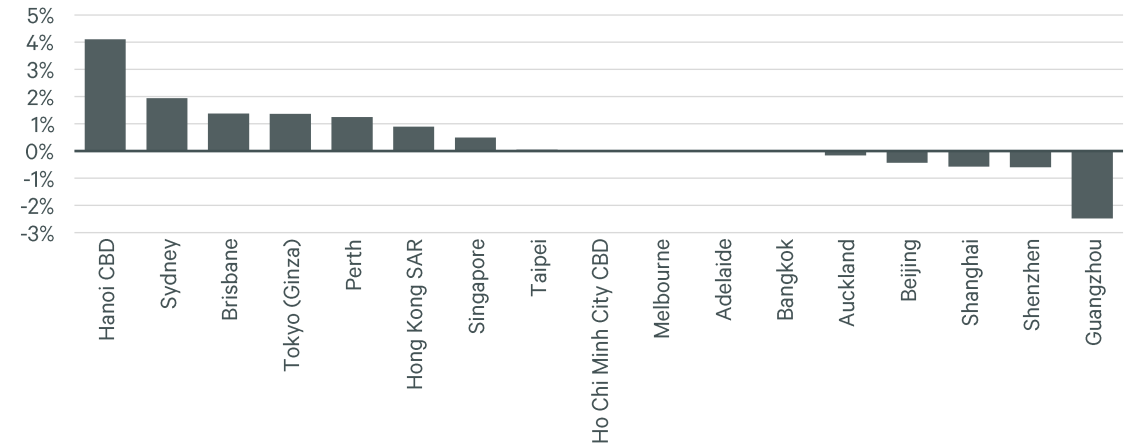
With prime space remaining limited and upcoming supply mostly in non-core locations, prime retail rents in Asia Pacific are expected to stay on an upward trajectory, although geopolitical tension and rising inflation will remain key concerns. Rents in mainland China are expected to correct further as landlords prioritise occupancy over rents.

FIGURE 8: Retail Development Pipeline



Source: CBRE Research, Q1 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, Q1 2026.
 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
0% y-o-y

Capital Values
-1.0% q-o-q

Rental Values
-0.8% q-o-q

Leasing sentiment cools amid mounting cost pressures and geopolitical risks

Export performance in Asia Pacific rebounded strongly y-o-y in Q1 2026, supported by a low base effect, strong AI-driven demand and lower U.S. tariffs. Korea, Singapore and Japan led growth on the back of their strong semiconductor shipments, while mainland China saw solid export activity, driven by resilient supply chain capabilities and the strategic upgrading of its export structure. India's exports softened due to higher freight costs and supply chain disruption tied to the Middle East conflict, with Australia also seeing relatively subdued momentum.

Despite the rebound in exports, leasing momentum slowed in Q1 2026 after a relatively robust previous quarter. Flight-to-quality demand underpinned activity in mature markets, with both Greater Tokyo and Greater Osaka recording strong take-up in new developments as occupiers sought to improve operational efficiency. In Singapore, demand was led by 3PLs and engineering firms supporting the semiconductor sector, reinforcing demand for newer, higher-specification facilities.

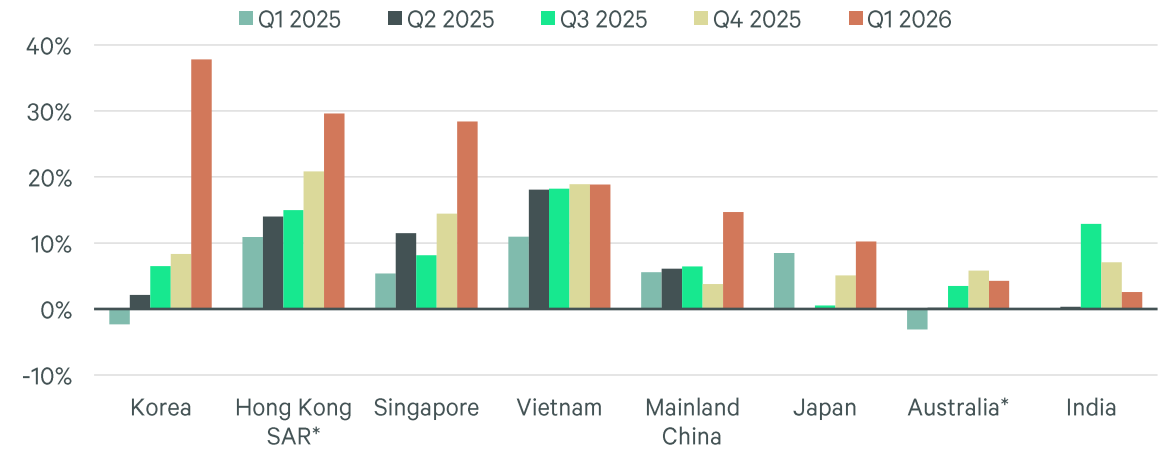
Leasing activity in Australia and India softened this quarter amid widespread cost pressures. In Australia, pre-leasing activity also eased as tenants prioritised certainty within existing stock, which in turn provided rental support to well-located super-prime warehouses. In Mainland China, leasing activity cooled from the festive-driven strength seen in Q4 2025, particularly in southern markets, as cross-border e-commerce operators remained cautious despite firm export performance.

Activity may ease further given occupiers' exposure to fuel and freight volatility. While 3PL operators underpinned the bulk of demand in Q1 2026, sustaining this momentum may prove challenging if cost inflation cannot be passed through or absorbed. A prolonged period of elevated energy prices or supply chain disruption could see a broader range of occupiers adopt a wait-and-see approach toward leasing.

Vacancy tightens in mature markets; pressure lingers in mainland China

Vacancy tightened in selected mature markets this quarter as earlier supply peaks continued to be absorbed. Greater Tokyo vacancy declined further to 9.2%, while that in Greater Osaka fell to 2.2%, entering a structurally tight phase with limited availability in both central and peripheral submarkets. In Singapore, prime logistics vacancy tightened to 4.3% amid an absence of new completions. Hong Kong SAR vacancy edged down to 12.8% as landlords adjusted rents to support occupancy.

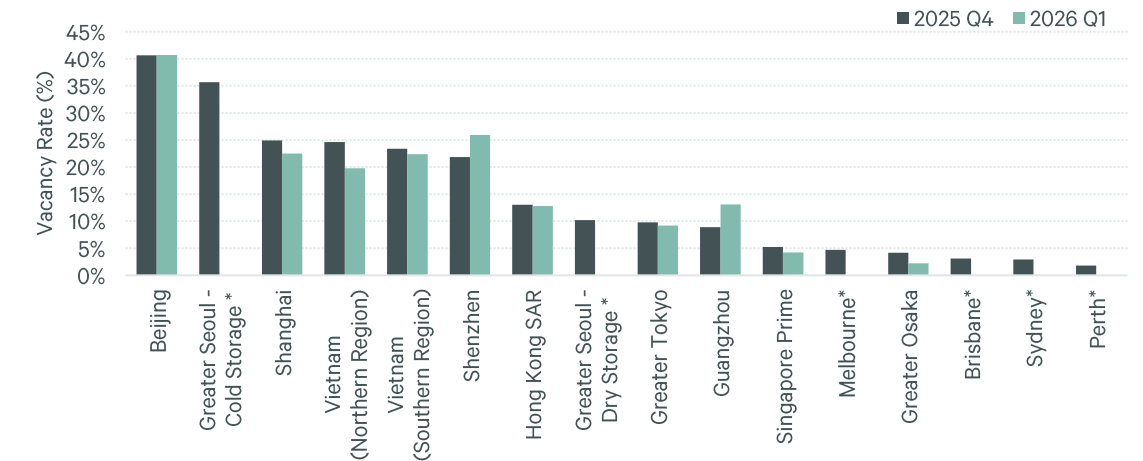
FIGURE 10: Y-o-Y Growth in Total Export Value in Selected Markets



Source: Macrobond, CBRE Research, April 2026.

*Hong Kong SAR and Australia Q1 2026 figures only contain Jan-Feb 2026 data.

FIGURE 11: Logistics Vacancy Rate



Source: CBRE Research, Q1 2026.

* refers to data as of Q4 2025 only

Markets with relatively high vacancy remained concentrated in mainland China, where several cross-border e-commerce operators in southern cities consolidated space or transitioned into self-owned facilities.

New supply eases but pipeline remains elevated in developing markets

Asia Pacific logistics supply fell to 34 million sq. ft. in Q1 2026, with new stock largely concentrated in North Asia. Mainland China and Japan accounted for 28% and 22% of quarterly supply, respectively. In mainland China, supply was led by Beijing, followed by Guangzhou and Shenzhen, with no new stock added in Shanghai. Over 80% of new supply in Greater Tokyo this quarter was along the Ken-o-do and Route 16 area, ensuring vacancy in inner-city submarkets remained tight. New logistics supply across most major Indian markets moderated in Q1 2026, with Mumbai, Delhi NCR and Bangalore witnessing a more calibrated pace of new development.

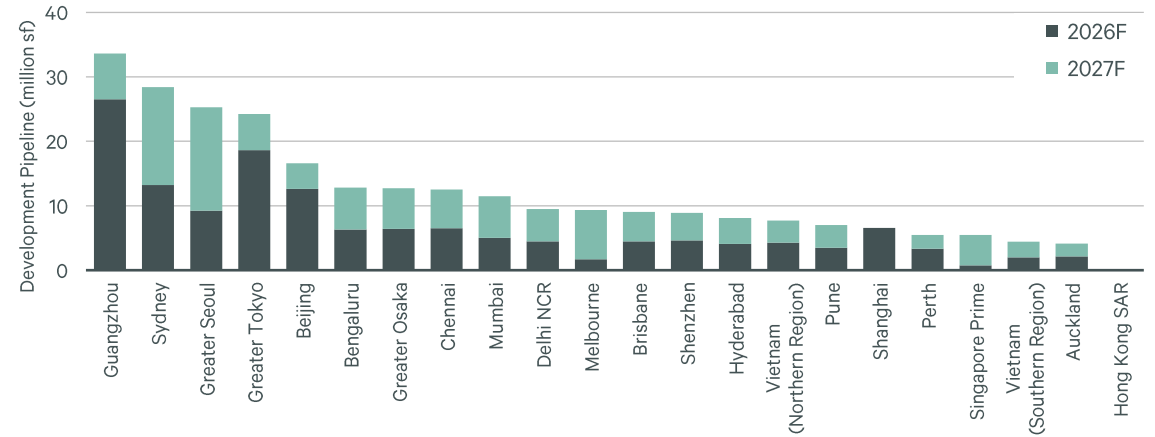
Around 146 million sq. ft. of new logistics supply is due for completion in 2026, about 15% below the previous three-year average. Mainland China will remain the largest contributor, while Australia is set for a notable uplift, especially in Sydney. However, a significant portion of the pipeline has yet to commence construction, as cost escalation continues to weigh on delivery. Many projects remain contingent on securing pre-commitments, which could delay completions. The development pipeline is projected to ease materially from 2027 onwards, falling by around 20–30% from 2026 levels.

Rental decline moderates amid easing supply pressure

CBRE’s Asia Pacific Logistics Rental Index edged down by 0.8% q-o-q in Q1 2026, a slower pace of correction than in previous quarters. Weak rents in Greater China continued to weigh on the regional average, although signs of stabilisation emerged this quarter. In Beijing, net absorption reached a new quarterly high as 3PL and auto-parts occupiers took up newly completed space in Pinggu. Shanghai remained resilient, with rents easing 1.6% q-o-q, the narrowest decline since Q1 2024.

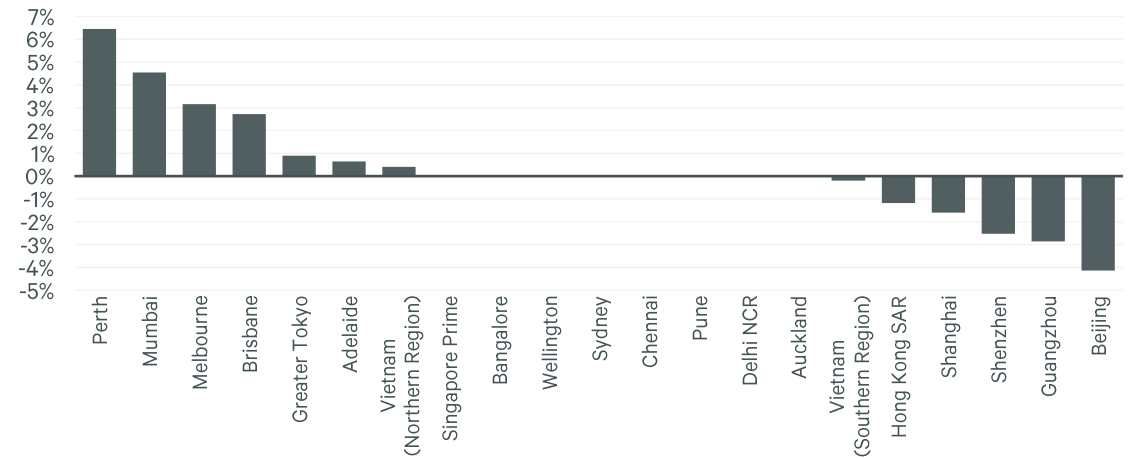
Rental growth in Mumbai and several Australian markets including Perth, Melbourne and Brisbane accelerated this quarter amid tighter availability and easing pipeline pressure. Sydney was the exception, with effective rents softening as rising incentives offset face rental growth. Most major markets are expected to return to rental growth in 2026, although elevated vacancy in Greater China is likely to weigh on the regional average.

FIGURE 12: Logistics Development Pipeline in Major Markets



Source: CBRE Research, Q1 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, Q1 2026.

Investment

 Total Investment Turnover
+18% y-o-y

 Cross Border Turnover
+75% y-o-y

Investment volume falls from previous quarter's record high

Asia Pacific commercial real estate investment volume fell -9% q-o-q to US\$46.2 billion in Q1 2026, pulling back slightly from the previous quarter's record high. On an annual basis, however, volume increased by 18% y-o-y.

Singapore reported the largest quarterly increase in investment volume of any market in the region this quarter, logging growth of 179% q-o-q, supported by the low interest rate environment. Robust purchasing activity was underpinned by Hongkong Land's debut core fund's acquisition of several prime Singapore CBD commercial properties, including Asia Square Tower 1 and Marina Bay Financial Centre Towers 1 and 2, for US\$6.5 billion from sponsor Hongkong Land Holdings and the Qatar Investment Authority.

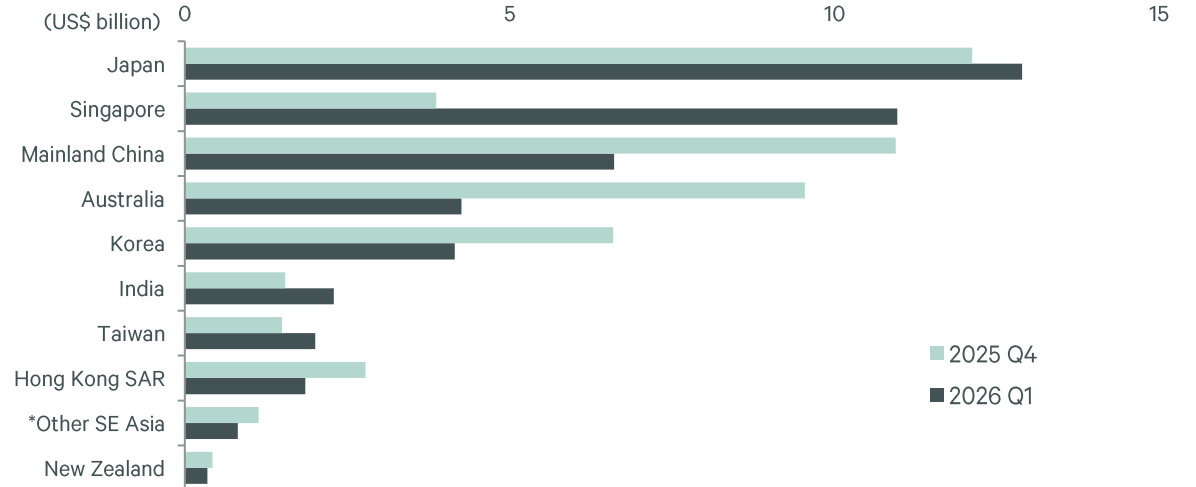
India and Japan also reported quarterly growth in investment volume, logging gains of 53% q-o-q and 8% q-o-q, respectively. Activity in Japan was driven by an increase in acquisition activity by domestic REITs targeting office and hotel assets.

Weaker markets included Australia, where investment volume contracted by -58% q-o-q to US\$4.3 billion as rising interest rates dampened investment appetite. Sydney offices nevertheless continued to attract solid investor interest, accounting for one-third of Australia's total investment volume this quarter. Investment volume in Korea fell by -36% q-o-q to US\$4.2 billion, with rising lending costs weighing on investment sentiment.

Investment volumes dropped -41% q-o-q and -33% q-o-q in mainland China and Hong Kong SAR, respectively. In the former, domestic and Hong Kong SAR investors accounted for almost all acquisition activity, with transactions by domestic property funds surging to over US\$3 billion. In the latter, there was a notable pickup in transaction activity for hotels as investors sought student housing or co-living conversion opportunities.

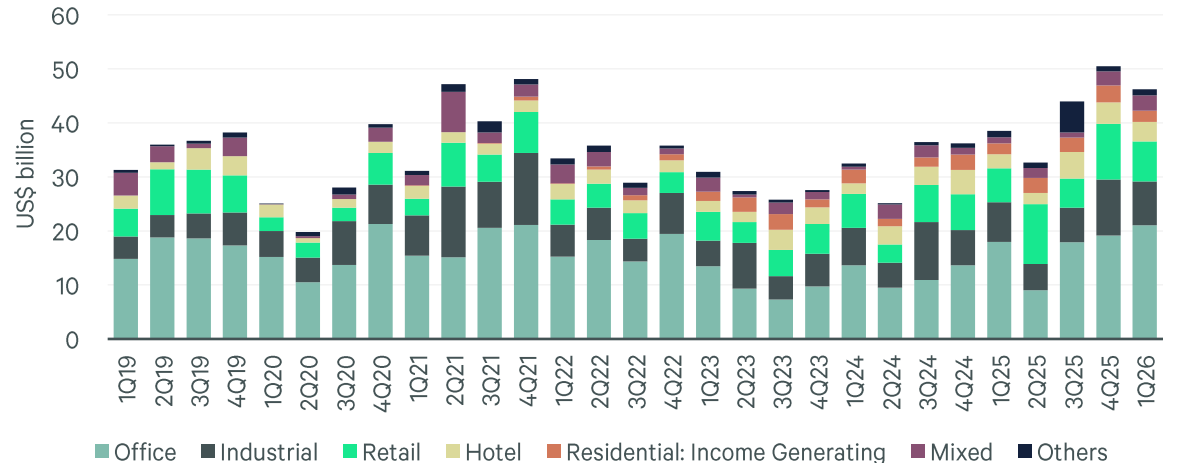
While geopolitical tension and a less accommodative interest rate environment amid inflationary pressures may drag on investment activity in the coming months, favourable occupier market fundamentals should shore-up investor confidence across the region.

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, Q1 2026.

FIGURE 15: Transaction Volume by Sector



Source: CBRE Research, Q1 2026.

Yields mostly stable even as lending rates edge up

Despite upward pressure on interest rates on the back of sustained inflation, yields remained largely stable across most markets during the quarter.

Among Asia Pacific’s major markets, yield compression was most notable in Singapore, where office and retail yields tightened by around 10bps q-o-q each. This came as the city’s lending rate fell by around 10bps q-o-q, in line with the continued downward decline in the three-month compounded SORA.

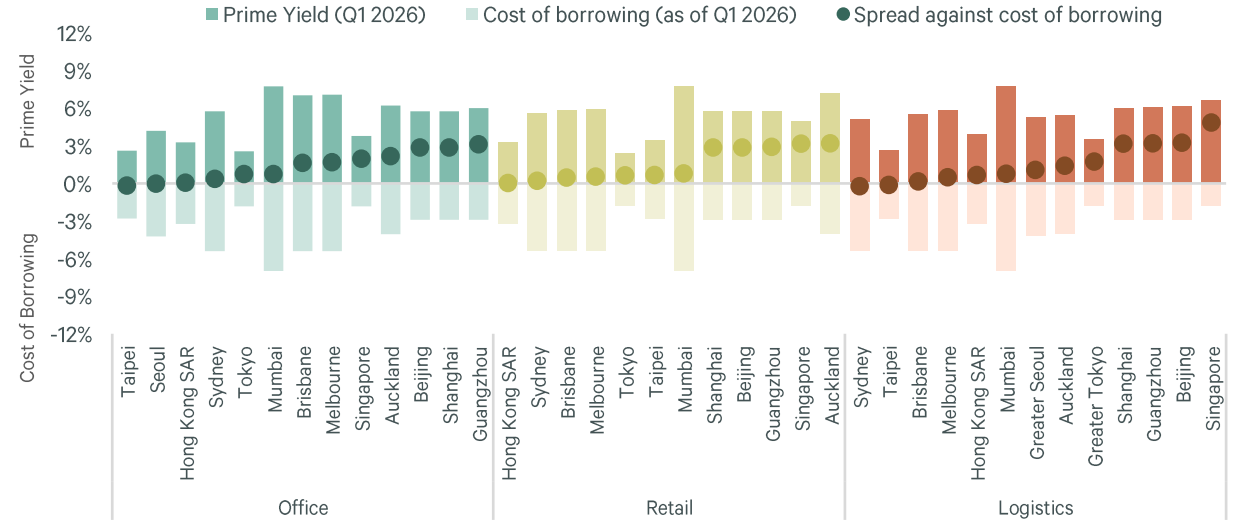
Yields elsewhere were relatively stable. In Japan, yields in Tokyo remained flat across all major sectors even as the lending rate increased by 20bps q-o-q during the quarter. While investors are turning more watchful amid rising interest rates, they retain a keen appetite for Japanese real estate, especially amid robust office rental growth.

While borrowing costs in Australia ticked upward by 6bps q-o-q in Q1 2026, yields remained largely unchanged. Regional shopping centres in Brisbane were a notable exception, with yields for this asset type compressing by 8bps q-o-q. The RBA is expected to further raise the policy rate after already hiking rates a couple of times earlier this year, which could dampen investor sentiment.

In Korea, yields held steady during the quarter even as the lending rate increased by over 10bps q-o-q, despite the policy rate remaining unchanged. The yield spread for the office and industrial sectors over the borrowing rate therefore continued to narrow over the quarter.

After years of persistent yield expansion, yields in mainland China held flat in Q1 2026, possibly indicating that prices are beginning to stabilise. In contrast, mild yield expansion was observed in Hong Kong SAR this quarter, particularly in the logistics sector, where yields moved outward by 10bps q-o-q. This occurred even as the borrowing rate dropped sharply by 120bps q-o-q, helping to move yields to positive 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, Q1 2026.

FIGURE 17: Yields by Market and Sector



Source: CBRE Research, Q1 2026.

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