

INTELLIGENT INVESTMENT

CBRE

# Australian Capital Flows Report

H1 2026



CBRE RESEARCH  
July 2026

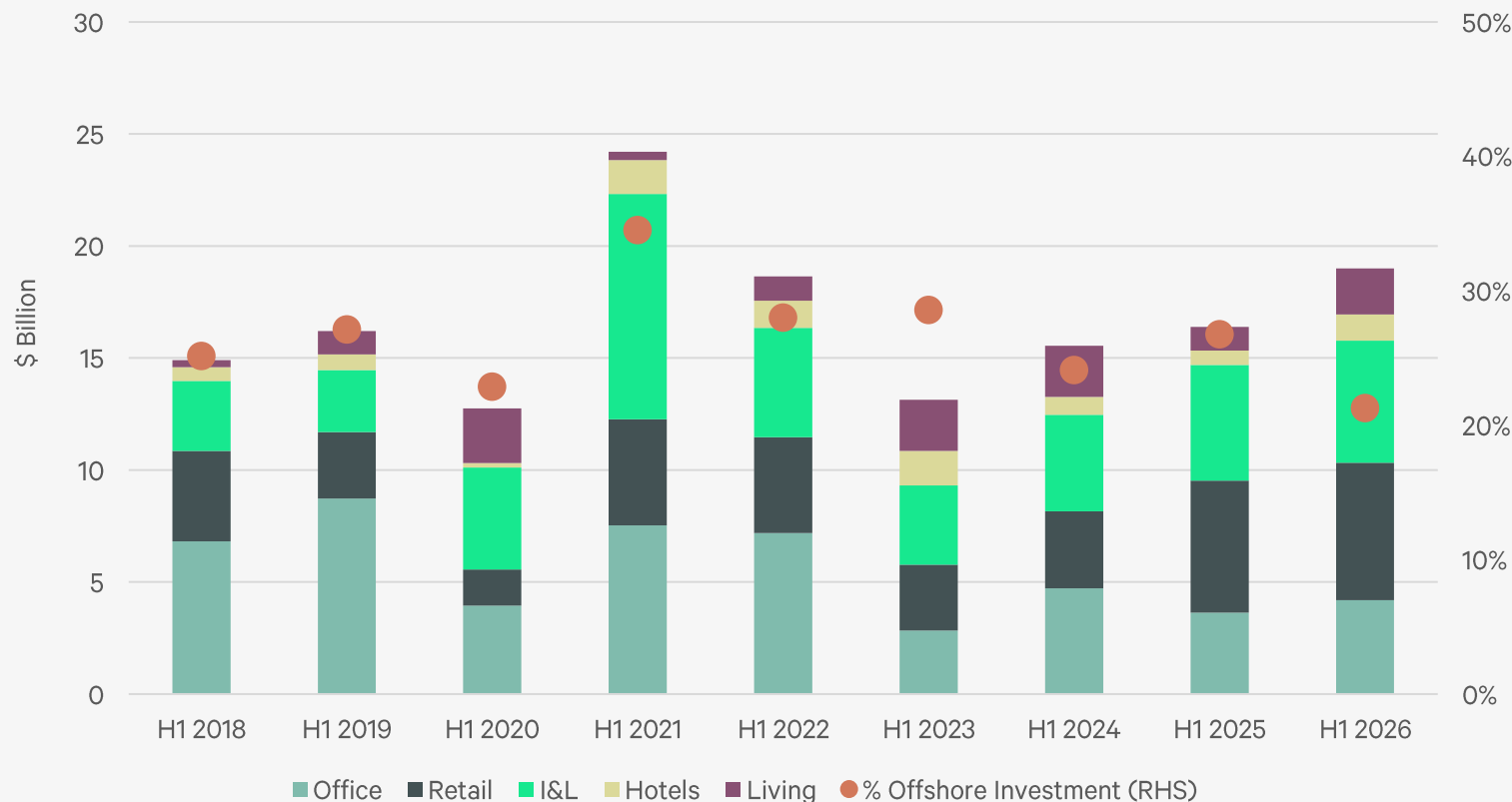
AUSTRALIA  
REAL ESTATE

## Volumes exceed expectations in H1, despite rate hikes and war

Sales volumes in H1 2026 reached \$19.0 billion in H1 2026 across Australia, a 16% increase on the same period last year. This was a surprising result given the 75 bp increase in interest rates and the volatility in the Middle East so far this year. However, the outperformance shows that Australia remains a relatively attractive and stable market compared to its global peers.

Another surprising result was that all sectors recorded growth in H1 compared to the same period in 2025. Retail continued its momentum from 2025, recording the highest volumes of any sector in H1 at \$6.1 billion, reflecting 4% growth y-o-y. The Industrial and Logistics sector came in second with \$5.4 billion transacting so far this year, 5% higher y-o-y. The Office sector observed 15% higher volumes y-o-y at \$4.2 billion, mostly driven by transactions in Sydney. Despite impacts on international travel caused by the war, the Hotels sector rebounded in H1 2026, recording \$1.2 billion worth of transactions, up by 85% y-o-y. The Living sector also observed a bounce of 93% y-o-y to reach \$2.0 billion in H1. Some major Aged Care and Land Lease transactions contributed to this uptick in activity.

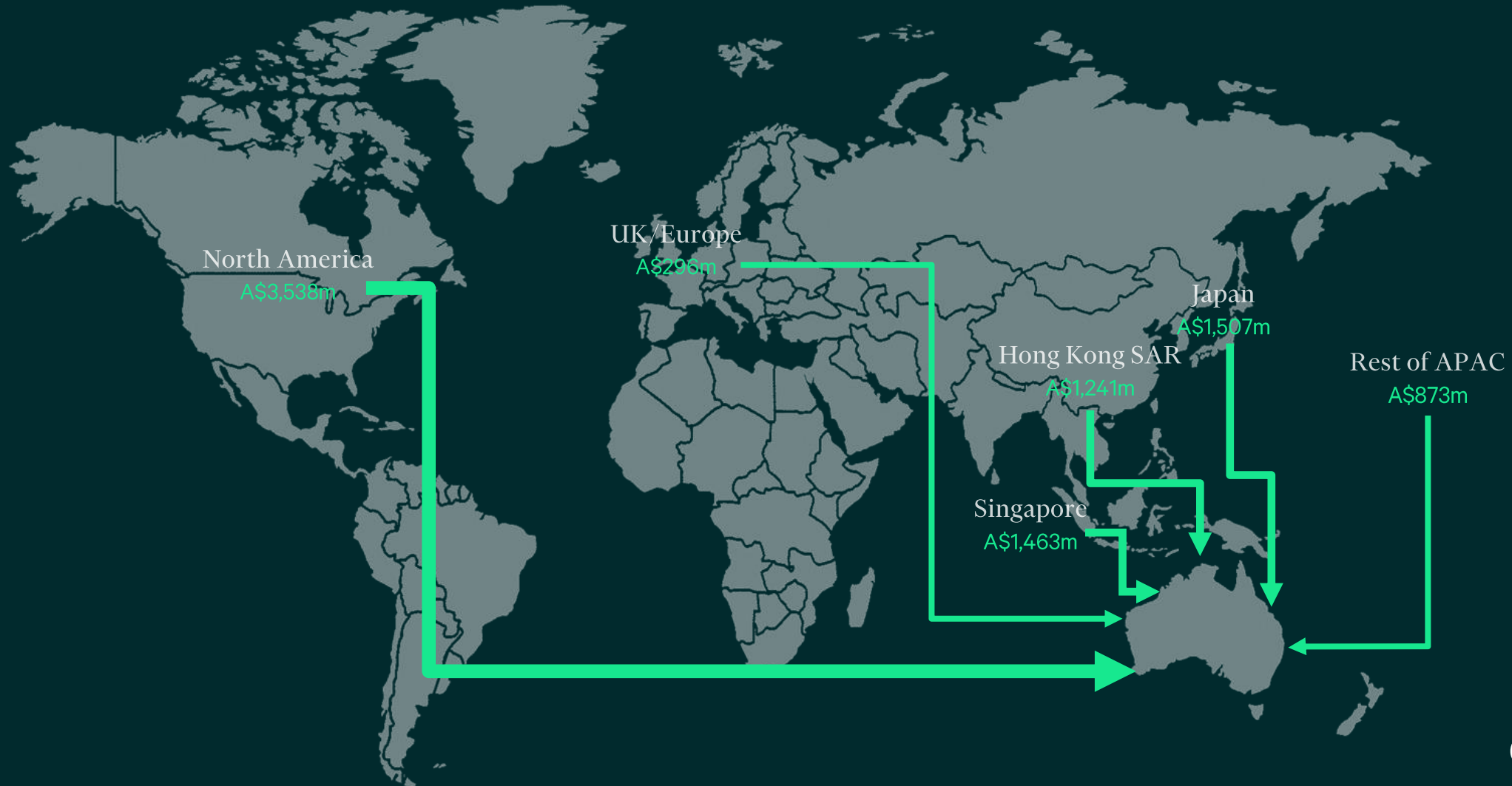
Figure 2: Australian Investment Volumes



Source: CBRE Research

# Capital Flows into Australia FY25/26

Inbound Capital Sources



\*Direct Investment  
Source: CBRE Research

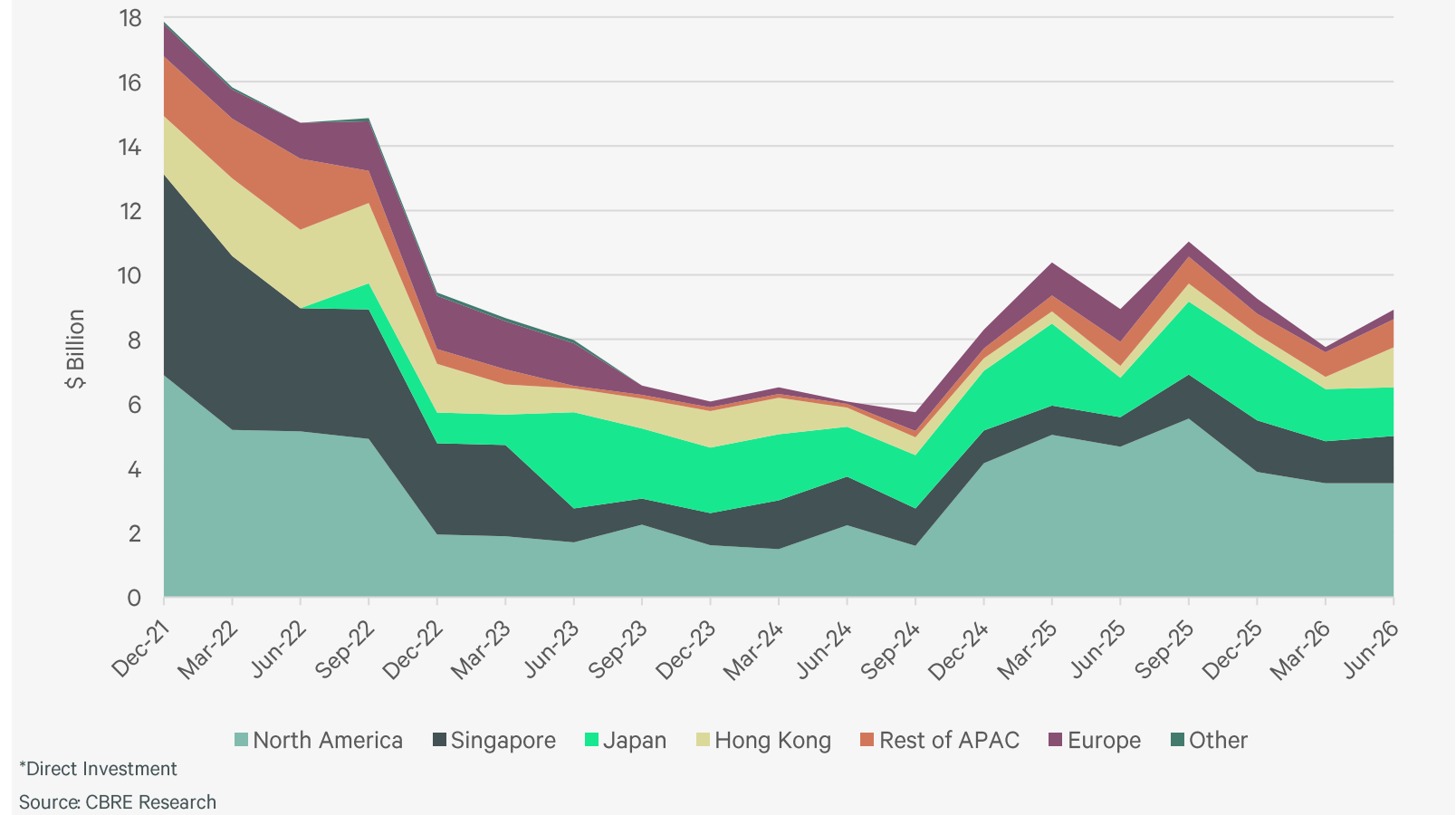
**CBRE**

## Domestic investors get more active as offshore capital slows

Despite the solid growth in volumes in H1 2026, direct offshore investment into real estate dropped by 8% y-o-y. Domestic institutional investors have been more active in early 2026 compared with the past few years. These investors have typically been net sellers in recent years partly due to redemption pressures. However, the tide appears to have turned with re-pricing across most real estate sectors now complete and diversified wholesale investors typically underweight real estate exposure.

In terms of offshore investment into Australia, North American capital continued to lead the charge, injecting \$3.5 billion over the past 12 months. Japanese investment into Australia has slowed slightly, although remains the second most active source market at \$1.5 billion. Investment from Singapore and Hong Kong SAR has picked up over the past 12 months, with inflows of \$1.5 billion and \$1.2 billion respectively.

Offshore Capital Inflows by Source Market – Rolling Annual



# Contacts

---

## Australia Research

### Tom Broderick

Head of Office and Capital Markets Research  
tom.broderick@cbre.com.au

### Sameer Chopra

Head of Research, Pacific & ESG APAC  
sameer.chopra@cbre.com

## Capital Markets

### Flint Davidson

Head of Capital Markets – Pacific  
flint.davidson@cbre.com

### Chris O'Brien

Executive Director Capital Markets I&L – APAC  
chris.o'brien@cbre.com

### Simon Rooney

Head of Capital Markets Retail – Pacific  
simon.rooney@cbre.com

### Michael Simpson

Head of Capital Markets Hotels – Pacific  
michaelj.simpson@cbre.com

### Stuart McCann

Head of Capital Advisors – Pacific & SEA  
stuart.mccann@cbre.com

### Andrew Purdon

Head of Capital Markets Living – Pacific  
andrew.purdon@cbre.com

© Copyright 2026. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

**CBRE**