Asia Pacific Insights

2026 GLOBAL INVESTOR OUTLOOK

Investors move to capture momentum

The Asia Pacific Insights report, drawn from the 2026 Colliers Global Investor Outlook, captures the views of senior Colliers experts on the ground throughout the region, as well as the results of a comprehensive survey of regional and global investor priorities and strategies analysed by Colliers' industry-leading research team.

The report is based on a series of interviews conducted with senior Colliers experts as well as a survey of around 1,150 property investors in August and September 2025, close to 400 of whom were from Asia Pacific (APAC).

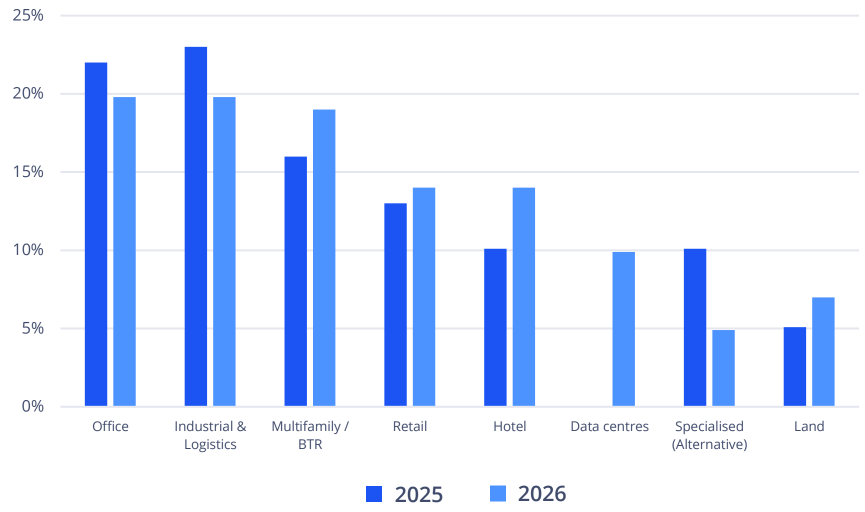
This year's findings highlight a noticeable shift in global allocations to Asia Pacific as investors globally seek to diversify and seize on the opportunities offered in a region that is increasingly at the forefront of global growth, wealth and innovation.

Even in a less stable trade and geopolitical environment, many economies in APAC remain relative outperformers. Investment continues to flock to established regional destinations such as Australia, Japan, South Korea and Singapore, but is also expanding to emerging markets that are set to benefit from improving infrastructure and technology and an expanding middle-class population, such as India.

Our latest survey shows that investor appetite for the retail, hotel and multifamily/build-to-rent (BTR) sectors is rising, while industrial & logistics (I&L) and office remain the top two preferred sectors overall.

Activity in APAC will only accelerate as real estate sees a broader recovery globally. With both domestic and international investors growing more active and a rise in fundraising, expect 2026 to be characterised by more assets coming to market, increased competition and steadily higher transaction volumes as the year progresses.

APAC sector preferences 2026 vs 2025



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Asia Pacific

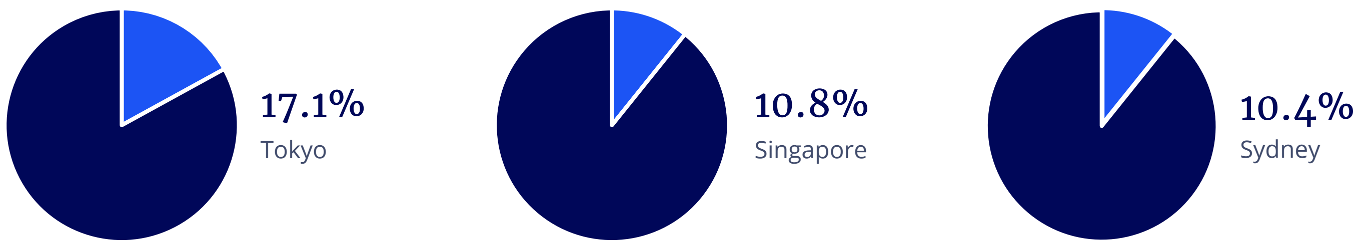
Key themes

Against a backdrop of shifting global allocations, changing investor preferences and evolving regional dynamics, the following themes capture the forces shaping capital markets and real estate investment strategies in Asia Pacific for 2026.

1. Capital shifts to APAC as investors bet on growth potential

After years of heavy allocations to the US and Europe, investors are increasingly turning to APAC, where they remain relatively underweight despite strong growth prospects. According to PERE data, APAC-focused capital raising has increased over 130% since 2024, reaching 11% of global fundraising in Q1 through Q3 2025, up from 6% at the end of 2024, signalling greater fund deployment in the region. While established markets such as Japan, Australia and Singapore remain popular, emerging markets, particularly India, are gaining attention as destinations for higher returns.

2026 Investor preferences in APAC by city



The top three markets contribute to almost 40% of investor preferences for 2026 in the APAC region.

> "The shift back to APAC is positive, especially for core markets like Japan and Australia. New investor groups are also eyeing India as a scalable opportunity for capital deployment. Compared to the Americas and Europe, APAC investment remains more balanced across the office, retail and industrial sectors, with retail and industrial showing strong momentum driven by growth and income opportunities."

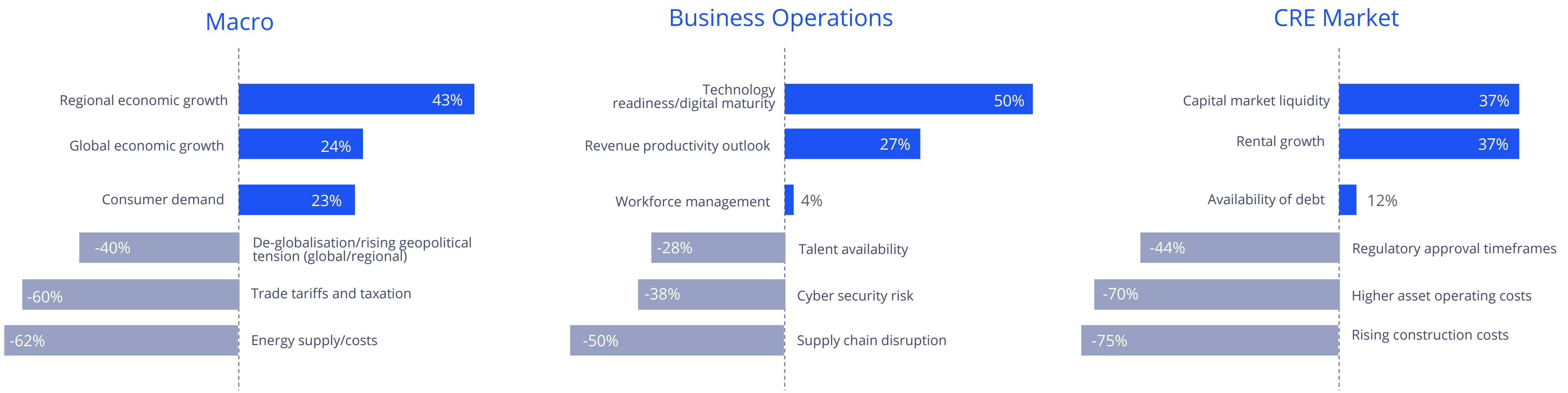
JOANNE HENDERSON

National Director
Research
Australia

2. Growing upside momentum to enhance valuations, support income growth

Despite concerns about trade tensions and geopolitical instability, Colliers' survey of regional investors found that 64% (43% net) are anticipating an uplift from regional economic growth next year. In addition, nearly 60% (37% net) are positive on both capital market liquidity conditions and rental growth.

Top 3 Challenge and opportunities by segment, net balance



3. Private capital and innovative dealmaking gain traction

Family offices and high-net-worth individuals are becoming more active in markets such as Hong Kong and Australia, often taking a counter-cyclical view and moving on compelling pricing opportunities that see limited uptake by larger institutions.

More investors are experimenting with tactics such as corporate sale-and-leasebacks or taking a private credit position to gain exposure to an asset in a more tax-efficient manner, especially in Australia, and when traditional bank financing is hard to access. In line with global trends, there is a growing tendency among limited partners (LPs) and private equity funds to acquire stakes in operating companies or platforms alongside real estate assets, especially in the living and hospitality sectors.

> “We're delighted to see foreign capital from family offices flowing into Hong Kong over the past 12 months, driven by our government's supportive policies, favourable tax regime and internationally recognised legal system, with this positive trend set to continue.”

THOMAS CHAK
Head of Capital Markets and Investment Services
Hong Kong

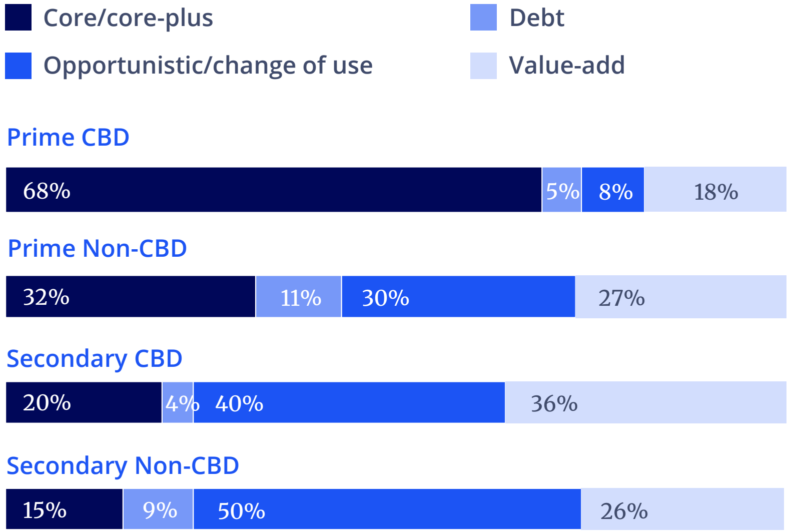
4. Office comes in from the cold

After a brief period of stagnation, the office sector is seeing renewed investor interest across APAC, encouraged by resilient demand side fundamentals, particularly in markets such as Seoul, Tokyo and Sydney, and a realisation among investors that values have generally bottomed out.

The sector is a major beneficiary of the shift of capital to the region, with a notable increase in US and Japanese capital flowing into the Australian market, and Japan drawing investors with low vacancy and positive rental growth rates.

The high costs of construction in the region are steering investors towards existing, tenanted buildings, though more developers are moving to capitalise on opportunities to buy, refurbish and reposition lower-grade office assets in fringe locations. However, there has been a marked uptick in interest from opportunistic investors, particularly for secondary CBD assets. The survey reveals that the appetite for these assets has grown by 10 percentage points (pps) year-on-year. With values now more favourable, these well-located core office assets are attracting attention as investors seek to meet tenant demand amid a slowdown in new office development.

APAC office investor type preferences to office location/quality



> "After a quiet period, office is coming back as an asset class that is catching investors' attention. The gap between borrowing costs and market yields is still very attractive."

LUCY MALLICK
International Capital Lead
Australia

5. Retail regains its shine

The general acceptance that retail supply has 'right-sized' in many APAC markets is giving investors more confidence in the sector's income profile and potential to outperform. Investors are shifting attention back to core, high-quality retail assets, which some now see as a safer bet than certain alternative sectors. Cap rates are set to further compress, indicating the lower perceived risk and growing attractiveness of the asset class.

Colliers' investor survey shows that neighbourhood centres and CBD/high-street retail are the preferred sub-sectors, with 31% and 27% of respondents planning to allocate to these areas, respectively.

"We're seeing a renewed focus on well-located assets with demographic tailwinds. Retail, long considered a premier asset class, then viewed as an alternative, has now swung back to premier status. It's truly 'back to the future' for retail."

LACHLAN MACGILLIVRAY

Managing Director
Retail Capital Markets
Asia Pacific

"In New Zealand, the retail sentiment is improving, particularly for well-located centres anchored by essential services. Large format retail continues to perform strongly and is attracting high levels of investor interest."

RICHARD KIRKE

International Sales Director
Capital Markets
New Zealand

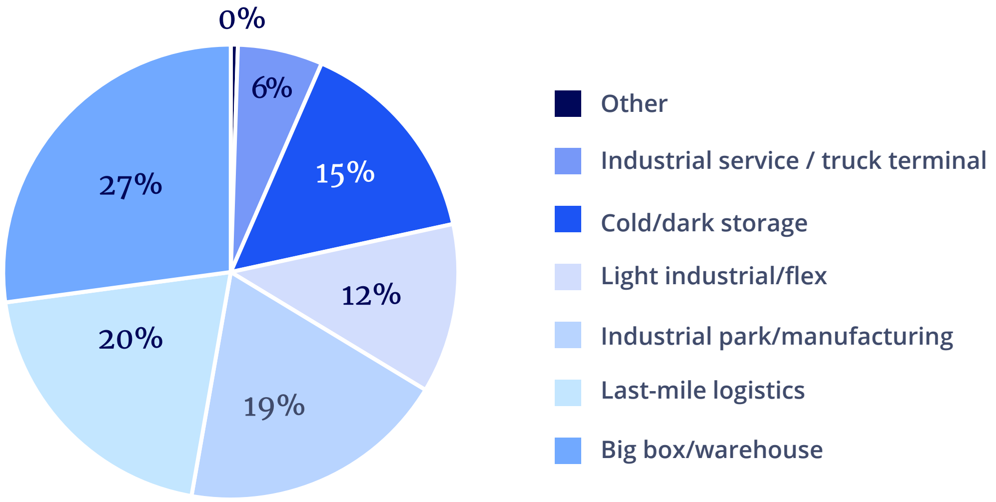
6. E-commerce drives I&L demand across APAC

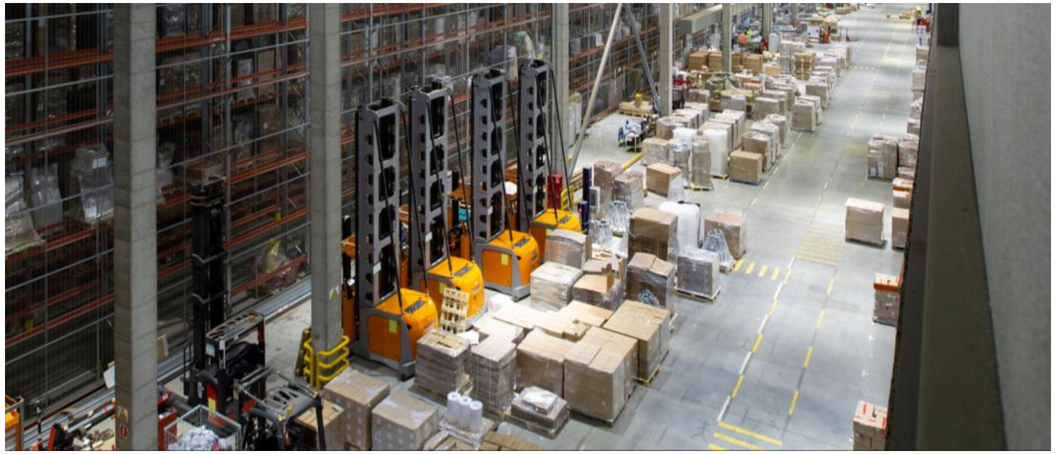
The I&L sector remains a top priority for investors, with transaction activity surging in Australia and rising demand in India and Japan, fuelled by continued growth in e-commerce. Investors favour Australia, New Zealand, Japan and South Korea, though rising vacancy rates in some markets are prompting caution. Survey respondents highlight Big Box warehousing (27%) and Last Mile Logistics (20%) as leading investment opportunities, while interest in Cold Storage Logistics rose 2 pps year-on-year to 15%. This uptick in Cold Storage interest reflects growing investor focus on population-driven demand segments, particularly pharmaceuticals and food delivery, which are expected to fuel an increased need for temperature-controlled logistics assets.

> "Investor focus across the logistics sector is shifting toward core assets, with core-plus strategies remaining active. Limited available stock is contributing to further yield compression and continued investment activity, supporting a positive outlook for the sector."

GAVIN BISHOP
Managing Director, Industrial & Logistics
Head of Industrial & Logistics Capital Markets
Australia

APAC I&L sub-sector preferences





7. Data centres emerge as a key growth sector

Data centres are a major growth area across APAC, with significant capital raised for deployment in Singapore and Australia. India is also drawing attention due to its large tech sector, though near-term growth is limited by supply side constraints. In Japan, restricted access to power could pose additional bottlenecks. The survey shows that cross-border capital has strong interest in data centre investment for 2026, with 11% of respondents planning to deploy into the sector in APAC, only slightly behind the US at 14%.

"There's been a huge amount of money raised by several groups in the data centre space, and we're going to see that getting deployed in Japan, Australia and some Southeast Asian markets as well."

ALEX WORTHINGTON
Director
APAC Capital Markets
Singapore

"Singapore continues to stand out as a core investment destination in Asia Pacific, supported by its liquidity, transparency and strong fundamentals. As global capital increasingly invests in the region, we expect heightened competition for data centre and prime office assets in Singapore, alongside growing interest in value-add opportunities."

TERRY WONG
Head of Capital Markets & Investment Services
Singapore

8. Major cities lead residential growth

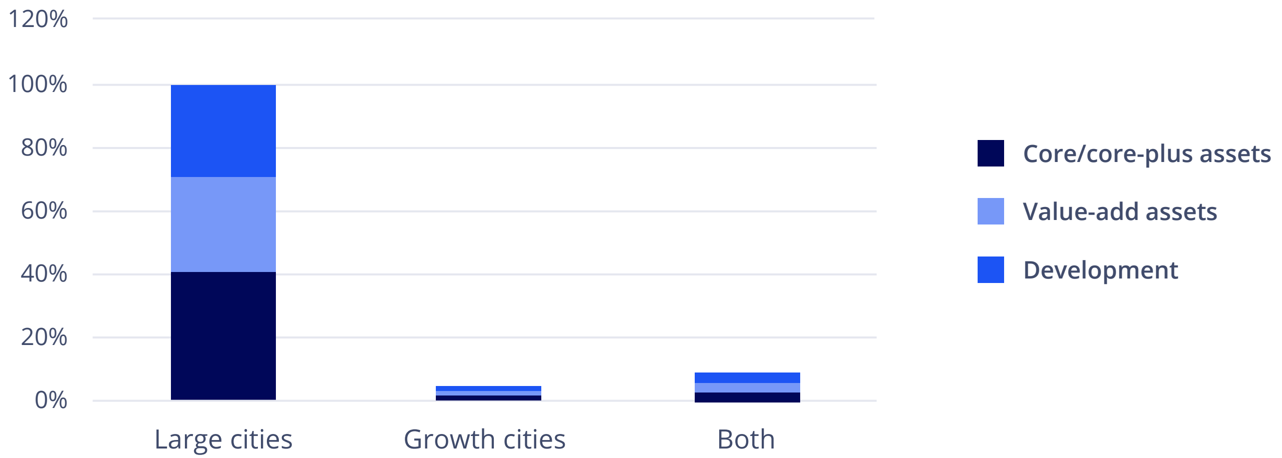
Residential is also likely to see higher volumes in 2026 as more private equity targets the sector. Most investors are focusing on the region's large cities, with 87% of respondents highlighting a preference for major city locations.

The multifamily sector in Japan is particularly vibrant due to migration to major cities and limited new supply, while the market in India offers steady performance and significant long-term potential. Long development timelines and elevated construction costs will continue to loom heavy on the regional multifamily market in the short- to mid-term.

> "Japan's major cities, particularly Tokyo, continue to shine as magnets for multifamily investment. With strong urban migration, limited new supply and growing domestic capital, the outlook for Japan's residential market in 2026 remains positive."

MASAHIRO TANIKAWA
Executive Director & Head
Capital Advisory,
Japan

APAC – Investor location preferences by strategy for living

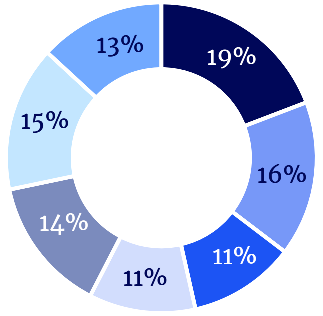


9. Hospitality driven by tourism and conversions

The hospitality sector is benefiting from a strong recovery in tourism, with airlines expanding routes across APAC, and markets such as Australia, Korea, Singapore and Thailand are among the main beneficiaries. Colliers' investor survey points to a clear focus among APAC investors on city rather than resort properties, with significant interest in luxury and serviced apartment assets. However, luxury and boutique-style accommodation still garnered strong interest among investors, with a preference for the resort accommodation type.

An increase in branded residences is another trend to watch. Among the negatives is the possibility of a slowdown in consumer spending impacting hotel rates, while some markets will have to cope with overtourism, as well as the growing threat of natural disasters.

APAC investor preferences by hospitality type



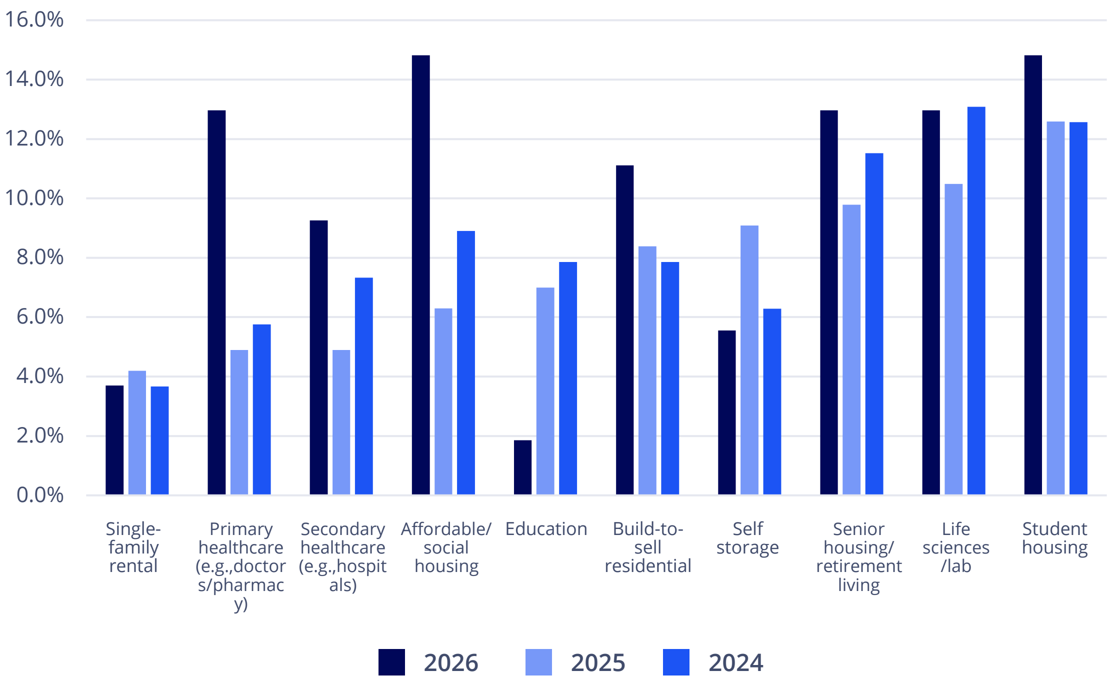
"Investment is focused on Japan's hospitality sector, driven by strong tourism growth, and Hong Kong, where a 'Hostels in the City' policy is spurring hotel to student accommodation conversions. We expect interest from international family offices and strategic end users, while private equity players could step in to fill the funding gap created by mainstream banks, tightening lending practices."

SHAMAN CHELLARAM
Senior Director
Valuation and Advisory Services
Hong Kong

10. Student housing gains momentum

Student housing is attracting increasing capital, particularly in supply-constrained markets such as Hong Kong, where strategies are emerging to convert underperforming hotels into student residences. Foreign investors are showing strong interest in India, betting on a mismatch between growing demand and limited quality supply, driven by an expanding young population.

APAC investor preferences for alternative asset classes



11. High construction costs present a regional challenge

The Colliers survey shows 80% of respondents expect high construction costs to have a negative market impact. These costs are creating supply constraints and pushing investors towards conversions and adaptive reuse projects rather than new builds. This is compounded by labour shortages in key markets such as Japan and Hong Kong, which can impact the operating margins of assets such as hotels.

"The property sector in Philippines continues to be a buyer's market. While land transactions for office and residential condominium development have fallen, the retail and industrial sectors continue their growth momentum. Lower interest rates and a new law allowing 99-year leases are seen to prop up the property market."

JULIUS GUEVARA

Senior Director and Head
Capital Markets and Investment Services
Philippines

"Taiwan's tech sector is driving industrial real estate growth, led by offices, factories and warehouses. Land deals remain muted amid tight capital and weak housing demand. The industrial outlook stays resilient, and we expect US monetary easing and local rate or regulatory adjustments to boost liquidity and confidence."

DEREK HUANG

Deputy Managing Director and Head
Capital Markets and Investment Services
Taiwan

12. Complex risk environment emerges as market impediment

Global economic and geopolitical uncertainty, sticky inflation and the potential for interest rate hikes could all potentially weigh on sentiment, although survey respondents indicated a more positive view on the availability of debt (+12% net balance). Tariffs and taxation were highlighted as the top macroeconomic concern in Colliers' survey of regional investors, cited as a negative factor by 67% of respondents, followed by energy supply/costs and geopolitical tensions.

> "Indonesia's capital markets remain resilient, with hospitality continuing to thrive in Bali in spite of growing concern about traffic congestion. Industrial and logistics sectors are equally dynamic, driven by strong inquiries for both acquisitions and disposals, particularly in emerging industrial estates in parts of Indonesia such as Central Java. These trends underscore Indonesia's diverse opportunities for strategic investment."

MIKE BROOMELL
Managing Director and Head
Capital Markets and Investment Services
Indonesia

Asia Pacific

Opportunities

As more international capital migrates to APAC, it will discover that the region's depth and diversity can cater to a wide range of strategies and risk profiles. APAC real estate markets boast of differing and often complementary strengths, and stand at varying stages of development, pointing to continued dynamism and long-term growth potential.

Australia remains a top draw for international capital

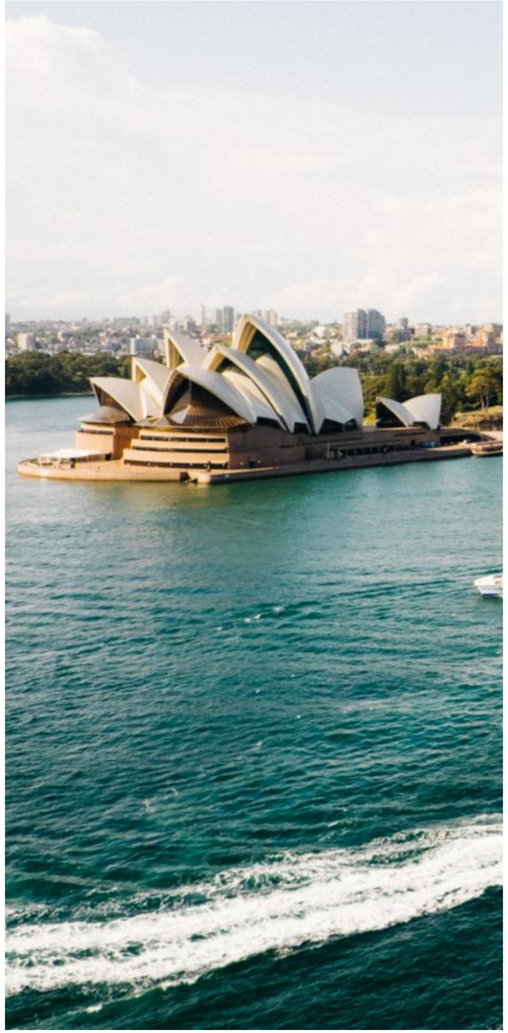
Australia will be among the main beneficiaries of rising international capital flows to the region, based on its strong fundamentals and political stability. Residential and I&L assets in Sydney and Melbourne are among the top targets for cross-border capital in the region, according to Colliers' investor survey.

Japanese capital, historically heavily focused on the US, is increasingly pivoting to Australia, and there has also been a notable increase in US capital flowing into the Australian office market. Retail and office are emerging as preferred sectors amid an increasingly favourable supply-demand balance. In addition, more developers are moving to capitalise on opportunities to buy, refurbish and reposition lower-grade office and residential assets in fringe locations.

"We're seeing a lot of international capital moving back into the Australian market, and a number of first-time investors have either deployed or are about to deploy. A lot of that's been driven by a general acceptance that retail supply has been right-sized across various markets, and that it's an asset class that's set up to outperform."

LACHLAN MACGILLIVRAY

Managing Director
Retail Capital Markets
Asia Pacific



"The Australian industrial and logistics market remains a preferred market for global investors, supported by deep liquidity and significant US and APAC participation. Low vacancy, continued population growth and large-scale infrastructure investment continue to reinforce the sector's resilient fundamentals."

GAVIN BISHOP

Managing Director, Industrial & Logistics
Head of Industrial & Logistics Capital Markets
Australia

Domestic investors set to boost share of volumes in Japan

Japan is the region's other top investment draw, though cap rates have limited room to compress further, potentially slowing activity by primarily value-add focused international capital. Despite this, Colliers' investor survey reveals that Tokyo and Osaka remain the region's leading destinations for cross-border investment.

The office sector remains the most active, with a strong presence of both domestic and international investors, while multifamily has been supported by continued migration into major urban centres. There are clear signs of the J-REIT market posting a recovery, with the Kasumigaseki Hotel REIT recently staging the sector's first IPO in four years. One potential market-specific risk is a rise in the Bank of Japan's policy rates from current lows.

"Japan attracted more international capital focused on value-add investments in 2025 but that will change next year, when domestic capital targeting core investments could eclipse foreign funds."

MASAHIRO TANIKAWA

Executive Director and Head
Capital Advisory
Japan

India is emerging as a key market for investors

Seeking higher returns and scalable deployment of capital, investors are drawn to India's favourable demographics, stable government and robust economic outlook. The booming REIT and IPO market in India is providing fresh liquidity options to investors, which in turn is spurring ever greater cross-border flows to commercial real estate. New market entrants are evaluating and actively deploying into India across asset classes, a trend that will likely continue as institutional grade stock continues to grow.

The residential and office sectors are expected to see the most activity in 2026. Meanwhile, leasing demand for high-quality industrial and office space is attracting significant interest from institutional and private investors. Within the hospitality sector, business hotels are a segment to watch out for, as the supply of premium assets even in major cities remains low.

"India is very well placed from an investor perspective and should do well over the near- to mid-term. Not many markets can offer such attractive investment opportunities. Logistics hubs and industrial parks are proving lucrative, and there is still ample demand in the residential sector across cities."

PREMANGSHU BHOWMICK

Senior Director
Capital Markets and Investment Services
India

"India's real estate sector has shown remarkable resilience, underscoring strong fundamentals and investor confidence. In 2025, investments were driven by a healthy mix of foreign and domestic capital. Supported by economic growth, urbanisation, infrastructure expansion and demand across core assets, momentum is set to continue, with rising participation from the US and Asia Pacific, reflecting India's enduring global appeal."

BADAL YAGNIK

Chief Executive Officer
and Managing Director
India

Pockets of opportunity persist in China

While international investors remain hesitant to deploy in China, there are multiple areas where domestic investors remain highly active. Institutional investors are focusing on income-producing assets such as rental housing, large malls and data centres, while private buyers tend to target smaller office and hospitality deals. Senior housing in Tier I cities, the hospitality sector and the expansion of resort markets are also emerging as promising themes.

The market could be constrained by interest rates and persistent gaps between buyer and seller expectations, but the presence of profitable insurers looking to deploy windfalls and a shortage of prime assets are expected to provide support throughout 2026.

"Private buyers believe the market will trend down for another two years, making this a good time to buy, but will limit themselves to deal sizes under US$100 million. Domestic institutional investors are expected to focus on and cherry-pick I&L assets in leading markets on the east coast."

JIMMY GU

Managing Director
Capital Markets and Investment Services
China

Asia Pacific

2026 outlook

Asia Pacific is set for renewed investment momentum in 2026, driven by recovery, diversification and growing interest in emerging markets and new sectors.

Korea

Outlook 2026

Colliers research and trends on the ground show more investors will deploy capital at scale in APAC next year, as the global market enters a gradual recovery and the diversification trend grows.

While the bulk of capital is likely to flow to established markets such as Australia, Japan and South Korea due to their size and liquidity and the range of opportunities on offer, more activity is expected in India and the emerging markets of Southeast Asia as some investors gravitate towards less crowded trades and bet on future growth. Similarly, more investors will move beyond core office, industrial and residential assets to explore high-growth sectors linked to economic and population trends, such as retail, data centres and student housing.

Investors remain highly cognizant of downside risks, particularly the potential impact of tariffs and persistent trade and geopolitical tensions, which could test regional supply chain resilience. Inflation and potentially higher interest rates could also challenge sentiment and financing conditions. That said, Colliers anticipates a broad-based increase in regional transaction volumes in 2026, in line with global trends.

Asia Pacific

Key takeaways

Investors face a more competitive, complex landscape in 2026. Success will hinge on speed, selectivity and strategy, ranging from navigating geopolitical shifts and rate cycles to pursuing specialist opportunities, redevelopment plays and sustainability-led value creation.

Key takeaways

Amid tighter competition and limited supply, prepare to act fast	With more investors planning to boost allocations to APAC, the limited supply of prime assets in popular locations will become increasingly apparent, especially in office, residential and retail. Investors should expect more domestic and international competition for these assets versus the relatively subdued environment of previous years and be ready to act quickly to execute deals even in an uncertain environment.
Keep a close eye on the geopolitical and policy trajectory	Although multiple positive factors will support regional real estate markets in 2026, the export-dependent economies of APAC remain highly sensitive to substantial changes in the trade and tariff environment, which could quickly take a toll on industrial assets and produce knock-on effects in other sectors. Investors should also bear in mind that the interest rate environment is more complex and varied than in many other markets; while rates appear to be on a downtrend in many markets, Japan is poised to begin a cycle of rate hikes. Investors should therefore be ready to model a range of financing and cost scenarios and their consequent impact on portfolios.
Adopt specialist strategies to drive value	As interest in the region and diversification grows, investors are beginning to explore more targeted approaches. More funds are being raised for specific asset classes such as hotels, with investors seeking partnerships and a more active role in the operation of assets to introduce synergies and improvements. Strategies like these can provide access to local expertise and networks that can identify emerging opportunities and provide footholds in markets that can support growth and portfolio performance over the long term.
Rising costs add to cases for redevelopment	Labour shortages and elevated construction costs will continue to weigh on development opportunities in general, as well as operating margins in sectors such as hospitality. However, it is increasingly apparent that these dynamics can also introduce opportunities to convert assets to be repositioned in sectors where demand is high and supply is low, as seen recently with the trend of some hotels being repurposed for student housing. Alignment with government policy and/or incentives can add to the financial viability of these strategies.
Apply a sustainability lens to the portfolio	With Colliers' survey showing that sustainability factors are becoming more firmly embedded in investment decisions and asset valuations, compliance with current and future sustainability standards should become an essential part of the analysis for any prospective investment. Where this compliance is lacking, assets should be evaluated in terms of their potential for upgrades that could generate substantial additional value. Climate risk is another factor that is an increasingly important consideration, especially given the relatively high exposure of many key APAC markets to extreme weather events.

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Accelerating success.

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