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# Resilience and regional momentum drive renewed optimism in APAC investment markets

## Colliers launches H1 2025 Investment Insights report

**SINGAPORE,** 29 August 2025 – Real estate investment across Asia Pacific is holding firm in the face of global uncertainty, with new Colliers research reporting domestic capital, stabilising interest rates and sectoral diversification are setting the stage for a stronger second half of 2025.

Colliers' *Investment Insights H1 2025* report found investor sentiment in the region remains steady despite total investment volumes across nine key markets declining 6% year-on-year to USD$71.9 billion. Local capital continues to lead activity in South Korea, Japan and Australia, while offshore interest remains strong in Singapore, India and Hong Kong.

Office assets remained the most in-demand, accounting for 36% of total volumes, with **South Korea** and **Japan** leading the charge. Retail investment saw a notable upswing however, with investment rising 13% year-on-year, driven by investment in **Australia**, **India, South Korea** and **Mainland China**. While industrial and logistics volumes softened overall, **Taiwan** stood out with a 46% increase fuelled by demand from tech-related manufacturers.

"Retail is a bright spot across Asia Pacific, emerging as the most traded asset class in Australia. In India, too, retail, along with mixed use assets, led investment volumes," Lachlan MacGillivray, Colliers' Managing Director of Retail Capital Markets, Asia Pacific, said. "The upswing reflects improving consumer sentiment and renewed investor interest in income-generating retail assets, particularly in central and secondary business districts of major APAC cities. Large-scale shopping centres are also experiencing renewed optimism, particularly in high-density locations where population growth is accelerating.

"This demographic momentum is fuelling consumer spending and reshaping retail dynamics. The sector is also evolving through diversification, with mixed-use developments integrating residential, entertainment, and lifestyle offerings further enhancing resilience and long-term value."

Other key findings in the report include:

- **Singapore's** market remains buoyant, supported by large portfolio deals and REIT activity.
- **India** saw foreign capital account for over half of total inflows, particularly in office and residential segments.
- In **South Korea**, domestic institutional investors are returning to the market, boosting liquidity and supporting large-scale transactions.
- **Japan's** fundamentals remain strong, with steady activity in office and multifamily sectors and a positive outlook for hospitality.
- Mainland **China**, while experiencing a 41% decline in volumes, is seeing domestic investors focus on CREIT-eligible assets and distressed opportunities.

"Despite global uncertainties, Asia Pacific's real estate markets are showing remarkable resilience," Alex Worthington, Director, Colliers' Key Client Account Management & Investor Intelligence, APAC Capital Markets, said. "We're seeing a clear shift in investor strategy towards quality, diversification and long-term value."

The second half of 2025 is expected to bring renewed momentum, according to the report. With monetary policy stabilising and yield spreads improving, investor confidence is set to strengthen. Alternative assets such as data centres, life sciences, senior living, and build-to-rent housing are also gaining traction as investors seek diversification and long-term resilience.

"Investors are recalibrating their portfolios to align with evolving market dynamics," Lucy Mallick, Colliers' International Capital Lead, Australia, said. "We're seeing increased interest in non-traditional sectors that offer stable returns and future-proof value. As the region enters the second half of the year, we anticipate a gradual rebound in investment activity, supported by a more stable macroeconomic backdrop and a broader range of opportunities across both core and emerging asset classes."

To view the full report, click here.

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