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Asia Pacific cap rates stabilise as investors focus on high-conviction assets: Colliers

[Deep domestic capital and a flight to quality underpin resilience across the region](#)

ASIA PACIFIC, May 14 – Cap rates across Asia Pacific stabilised in the first quarter of 2026, with investor demand increasingly concentrated on prime assets and defensive sectors, according to [Colliers' Q1 2026 Cap Rates Report](#).

The report highlights a shift in investor behaviour, with capital being deployed more selectively towards high-quality, income-secure assets across key Asia Pacific markets. The region continues to demonstrate resilience, supported by deep domestic capital pools and long-term economic fundamentals.

“Across Asia Pacific, cap rates have remained largely stable, reflecting a more balanced investment environment as macroeconomic pressures persist,” CK Lau, Colliers Managing Director, Asia Valuation & Advisory Services, said. “Investors are increasingly prioritising resilience and income stability, with a strong focus on prime assets and sectors that offer long-term fundamentals. This shift underscores a more disciplined approach to capital deployment across the region.”

Across sectors, performance remained uneven but stable overall.

- Office markets continued to see a flight to quality, with occupiers upgrading to high-quality buildings in central locations and near transport hubs.
- Retail showed early signs of recovery in several markets, supported by resilient occupier demand and selective investment activity, including a sharp rebound in Hong Kong investment volumes.
- Industrial and logistics assets were a standout in some markets, underpinned by strong demand linked to e-commerce, logistics and supply chain resilience, particularly in markets such as Jakarta.

While overall cap rate movement remained limited, local market dynamics varied. Australia reflects a stabilising but evolving macro backdrop, with inflation easing but expected to rise again amid higher oil prices. Japan also continues to demonstrate stability, supported by a flight to quality in office, resilient retail demand driven by tourism, and steady logistics activity despite new supply.

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India is seeing sustained growth momentum, with strong office leasing activity and rental increases supporting a balanced market environment, and New Zealand also remains relatively resilient to global headwinds, underpinned by strong economic fundamentals and continued investor activity.

Mainland China markets remained cautious, with Beijing facing oversupply and demand challenges, while Shanghai saw stronger domestic-led transactions. Hong Kong showed early signs of stabilisation, supported by lower borrowing costs and resilient occupier demand, while Singapore and Tokyo continued to demonstrate stability in prime segments, with investors focused on income security and long-term capital preservation.

Southeast Asia markets such as Jakarta and Manila saw mixed conditions, with demand concentrated in high-quality or logistics-led assets.

“While macroeconomic uncertainty continues to influence sentiment, Asia Pacific remains well-positioned due to its domestic liquidity and structural growth drivers,” Mr Lau said. “We expect investment to remain targeted, with investors seeking clarity, quality and conviction in an evolving market environment.”

Download the full report [HERE](#).

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