For Immediate Release

Japanese capital drives Living investment across Asia Pacific, with Australia emerging as key growth market

Structural housing shortages and sustained rental demand are accelerating capital flows into institutional rental housing across the region

ASIA PACIFIC, 30 July, 2026 – Japanese investors are increasing allocations to rental housing across Asia Pacific (APAC), driving the next phase of Living sector growth as capital targets markets backed by strong demand and long-term income stability.

Conal Newland, Cushman & Wakefield's International Director, Head of Living, APAC, said the sector is entering a new phase of institutional expansion driven by structural demand.

Australia has emerged as a key destination for this capital, supported by strong population growth, urbanisation and persistent housing undersupply. Japanese capital into Australian real estate exceeded USD$3 billion in 2025 and equates to over USD$7 billion in the last three years, reinforcing its position as a key investment market and signalling sustained investor conviction despite more complex global conditions. Cushman & Wakefield estimate that approximately 30% of that investment has been in the build-to-rent sector.

This reflects a broader shift across APAC, where housing shortages and sustained rental demand are supporting increased institutional investment in Living assets.

Japan remains APAC's most mature and liquid multifamily market, while Australia is emerging as one of the region's fastest-growing markets, supported by stronger population growth, deeper supply shortages and increasing institutional investment. As a result, Japanese investors are applying their domestic experience and expertise to higher-growth markets, accelerating the institutionalisation of Australia's rental housing sector and reinforcing its position as a key opportunity in the region.

Japanese investors have been among the most active sources of offshore capital into Australia over the last five years, with growing focus on Living assets as part of a broader diversification strategy.

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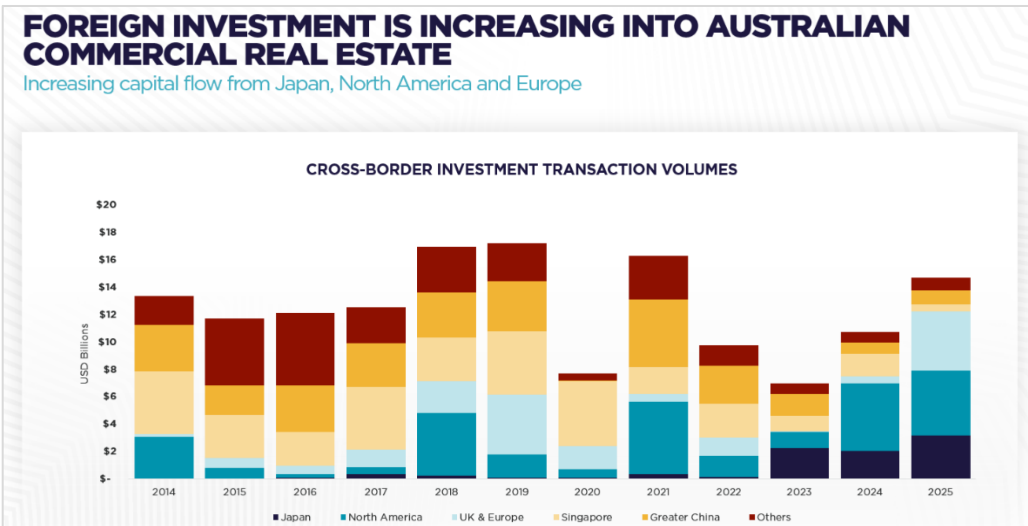

Source: RCA; Cushman & Wakefield Research

While Australia remains a primary destination, Japanese investors are deploying capital across a broader set of APAC Living markets, maintaining strong domestic exposure while expanding into Singapore, South Korea and Hong Kong. According to Mr Newland, this momentum reflects a long-term investment perspective:

"At first glance, the timing may appear counterintuitive. Global conditions are more complex than they were several years ago. Yet Japanese institutions continue to deploy capital into Australia's Living sector because they are investing in long-term fundamentals rather than short-term cycles."

Across APAC, the Living sector is moving beyond cyclical recovery into a structurally driven growth phase, supported by demographic demand and supply constraints. In Australia, housing supply continues to lag demand across major cities, reinforcing the need for scalable, professionally managed housing and driving increased institutional participation.

"Even after a period of strong rental growth, supply is still not keeping up with demand. That imbalance is supporting long-term income growth and reinforcing investor confidence in the sector," Mr Newland added.

Capital is also expanding beyond Build-to-Rent into adjacent sectors including co-living, purpose-built student accommodation and affordable housing, reflecting growing investor interest across the full spectrum of housing solutions.

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Positioned for long-term demand

As policy settings across APAC continue to evolve and supply constraints persist, institutional capital is expected to play an increasingly important role in delivering new rental housing.

This reflects the continued institutionalisation of rental markets across the region, supported by demographic demand, income resilience and scalable operating platforms.

“Global investors, particularly from Japan, are looking beyond today’s market conditions and focusing on where rental housing demand will be in five, ten and twenty years’ time. That long-term view, combined with persistent supply shortages, will continue to drive capital into institutional rental housing across the region,” Mr Newland said.

Note to Editors: The insights in this release are based on a keynote presentation delivered by Conal Newland, Cushman & Wakefield's International Director, Head of Living, APAC, at The Urban Developer Build-to-Rent Summit in Melbourne, where he explored the growing role of Japanese capital in Australia's rental housing market and the structural drivers shaping Living sector investment across APAC.

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