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Singapore real estate investment rises 49% as large deals drive Asia Pacific recovery – Savills

APAC investment turnover reached US$46 billion in Q2 2026, up 18% year-on-year, as cross-border capital and mega-deals supported activity

For Immediate Release — According to Savills' Q2 2026 Global Capital Markets report, Singapore real estate investment activity rose 49% year-on-year (YoY) in Q2 2026, making it one of Asia Pacific's stronger-performing markets as large-scale transactions helped drive investment volumes higher.

Across Asia Pacific, total investment turnover reached US$46 billion in Q2, up 18% YoY, bringing first-half turnover growth to 25%. The recovery remained uneven, with Mainland China (+140%) and Hong Kong SAR (+120%) accounting for much of the improvement, albeit from low bases. Australia (+24%) and Singapore (+49%) also recorded meaningful growth, while South Korea (-22%) and Japan (-27%) weighed on overall momentum.

Singapore has been the region's primary market for core office deals this year. The investment pipeline also remains strong, with a number of large assets coming to market. The report notes that Khazanah and Temasek had reportedly selected a preferred bidder for Marina One, at a valuation of around US$4.4 billion.

Across the region, cross-border investors remained strong net buyers of APAC real estate, accounting for 35% of acquisitions in the first half of 2026, up from 28% a year earlier. Partial-stake transactions have also reached record levels as investors pursue partner buyouts, minority stake sales and recapitalisations of existing club structures.

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Joint venture (JV) activity has similarly become more prominent, with fundraising shifting in some areas away from pooled private vehicles towards more targeted club and JV platforms. This has been particularly evident in large-scale living developments in Australia, insurance-backed portfolio transactions in China, corporate real estate buyouts in Japan and data centre platform acquisitions across the region.

Nicholas Wilson, Senior Director, Strategic Research & Advisory, Asia Pacific Capital Markets at Savills, comments: "Asia Pacific's investment recovery is gathering momentum, but it is being led by scale rather than a broad-based increase in activity. Cross-border investors remain strong net buyers, while larger transactions, recapitalisations and joint-venture structures are playing an increasingly important role in getting capital deployed.

"Singapore stands out in this environment, with lower funding costs, strong operating fundamentals and a pipeline of large assets supporting investment activity. More broadly, the divergence between markets reinforces how selective investors have become, with capital gravitating towards assets and markets where there is conviction around income growth, asset quality and long-term fundamentals, rather than simply following yield."

Office investment across APAC has now recorded eight consecutive quarters of annual growth, with turnover rising 8% in Q2 2026. Transaction numbers have grown more slowly, however, indicating that average deal sizes are increasing as investors concentrate on larger core assets. Mega-deals above US$500 million more than doubled in the first half of the year, supporting activity across South Korea, Japan and Singapore.

Investment across the industrial and logistics sectors also continued to recover, rising 17% YoY in Q2 and 28% in the first half. Momentum was particularly evident across Australia, Mainland China, Singapore and Taiwan, although operating fundamentals remain more mixed across some savills

markets. The regional manufacturing cycle is increasingly being driven by AI and semiconductor capital spending rather than a broad-based recovery in goods demand.

Meanwhile, although APAC living sector investment softened in Q2, the headline figures mask a growing number of development and entity-level transactions. Momentum is building in purpose-built student accommodation (PBSA), supported by rising international student numbers and the expansion of institutional platforms. In Hong Kong, Centaline Group acquired the Regal Oriental Hotel for US$194 million with plans to convert it into 1,568 student beds, while Warburg Pincus made a US$1.2 billion tender for JSB, Japan's largest student housing operator.

The APAC recovery comes against a broader improvement in global investment markets. Global real estate investment activity reached around US$250 billion in Q2, up 13% YoY. Pending deals data points to an active pipeline entering the second half, supporting Savills' forecast for a potential 16% increase in global investment activity for full-year 2026.

Rasheed Hassan, Managing Director, Global Capital Markets at Savills, comments: "Globally, Q2 surprised on the upside. Investors are trying to find ways to bid through the today and underwrite a better tomorrow, and we are quietly seeing the effects of this in the turnover numbers. While conditions remain uncertain, the foundations for the next phase of the cycle are being laid with the most experienced and well-capitalised investors remaining in the market, which should place us on a healthy footing in the years ahead. The key takeaway is that this is not a market devoid of opportunity, but one that places a greater premium on selectivity, conviction and a clear understanding of fundamentals."

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Notes to Editors
The Asia Pacific section of the Savills Q2 2026 Global Capital Markets report accompanies this release. Read the global research on Savills Impacts here.

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