



## In 2016, China dominated Asia's outbound property investment flows, with the United States as the pr

Hotels are available. Increase in portfolios and large-ticket transactions as a result of increased interest

According to CBRE, Chinese investors dominated Asian outbound investment in the first half of 2016, accounting for 60% of total investment, or \$16.1 billion, more than doubling the \$7.3 billion figure from the same period in 2015. Insurance companies were the most active source of Chinese outbound capital, accounting for 50% of all outbound capital, followed by conglomerates (23%), developers (10%), and sovereign wealth funds (10%). (9 percent ).

[Qatar sale](#)

According to the data, the United States remained the most popular destination for Asian outbound investment, accounting for 52 percent of the total. As a result, in the first half of the year, New York has surpassed London as the top Asian capital investment destination.

Asian capital has also been active intra-regionally, as investors tried to diversify their domestic market risks and increase their returns. In the first half of the year, Chinese conglomerates were involved in Hong Kong and Japan, completing signature transactions, while Singaporean investors remained active in Southeast Asian markets.

"Asian capital, especially Chinese capital, continues to show strong interest in overseas markets, particularly in global gateway cities, with the United States remaining the most prominent target market. Asian investors are focusing on capitalizing on US assets as the US economy recovers and its real estate fundamentals improve. Fears of a market downturn in their home market have prompted Chinese investors to seek out a more secure investment environment with higher potential returns "CBRE Asia Pacific's Senior Director of Research, Ada Choi, commented.

"As they increasingly aim to diversify their overseas portfolios, Chinese insurance investors led outbound investment among the various investor groups. Since China has a large supply of investible capital, conglomerates and sovereign wealth funds are also involved and play a significant role in outbound investment "Ms. Choi said.

"The momentum of Asian outbound investment will continue to be high in the second half of 2016, as Asian investors are expected to complete some pipeline deals. China's capital will remain involved, but at a slower pace than before, rather than accelerating quickly "she continued.

The hotel industry is attracting more attention; Asian capital prefers portfolios and large-ticket transactions.

The office sector remained Asian investors' favorite asset class, accounting for nearly half of total investment (47 percent). Hotel properties, on the other hand, continued to attract strong interest from Chinese buyers, accounting for 33 percent of total investment. With two big deals concluded by Singaporean investors in the first half of 2016, experienced Asian capital has emerged to invest in alternative sectors such as student housing.

"For most investors, office investment remains a simple to understand and control asset class. As cap rates continue to fall across the world, investors are increasingly looking for higher-yielding opportunities in secondary markets or 'alternative' real estate sectors like student housing. Early adopters with prior experience in outbound investment are now looking to diversify their portfolio by investing in these sectors. It's good to see that student housing acquisitions in the UK and the US have been among the year's biggest outbound deals so far "CBRE Global Capital Markets Executive Director Marc Giuffrida said.

"We're seeing an increase in interest in forming alliances and joint ventures with local developers and operators among Asian investors looking to grow into new markets and niche strategies. Network investing or joint ventures with local expertise are effective ways for investors to achieve scale, particularly if the strategy requires specialized knowledge "Mr. Giuffrida added.

More Asian investors have turned to portfolio deals in the first half of 2016, up from 29% to 36% year-on-year, in order to quickly increase their business coverage. Portfolio deals accounted for five of the top ten Asian outbound transactions. Furthermore, multiple large-ticket transactions worth more than \$500 million were completed in the industry, accounting for 45 percent of all transactions.