In 2021, despite Covid, Asian outbound real estate investment is expected to recover.

The United States is the most popular outbound property investment destination for Asians. for sale

According to new research from global property consultancy CBRE, Asian outbound commercial real estate investment volume fell 37 percent year over year to $30 billion in 2020, owing to Coronavirus-related obstacles such as travel restrictions and site inspections.

For the third year in a row, Singapore was the most successful source of outbound money, accounting for $12.1 billion in transactions in 2020. The lower hedging costs of the Korean won against the US dollar aided investors in this sector, which accounts for nearly half of Asian outbound investment in the United States and is the second-largest source of outbound funds overall. Mainland China came in third in terms of outbound capital, owing to many large purchases made in Australia. While Mainland China's outbound investment increased marginally, the total figure remains well below historical highs.

The United States was the top outbound capital destination in 2020, raising $7 billion in funds, followed by the United Kingdom, Australia, Mainland China, and Germany. As high liquidity and attractive yields relative to continental European markets more than offset Brexit-related volatility, Asian outbound investment into the UK remained largely consistent with 2019 levels.

"Despite a lower level of outbound investment in 2020, we believe that real estate investment will pick up in the coming 12 months. According to CBRE's 2021 Asia Pacific Investor Intentions Survey, 70% of investors in the area intend to buy assets outside of the region in 2021, indicating a mild recovery in Asian outbound investment volume "CBRE's Dr. Henry Chin, Global Head of Investor Thought Leadership and Head of Research, Asia Pacific, said, "It's going to be a big year." "The majority of these acquisitions are expected to be made within Asia, in markets such as Tokyo, Singapore, Seoul, and Mainland China tier I cities, due to ongoing travel restrictions, investors' familiarity with Asia, and the region's anticipated strong economic rebound. Looking beyond Asia, the United States and the United Kingdom are expected to remain among the top outbound capital destinations, owing to lower hedging costs and a positive yield spread, respectively."

Only logistics saw a spike in Asian outbound investment over the year, with $7.2 billion in deals signed, a substantial increase from the $5.1 billion inked in 2019. The pandemic-driven acceleration of e-commerce consumption, according to CBRE, would fuel demand for this asset class even further in 2021, with portfolios remaining in high demand. Interest in logistics assets in the United States, which accounted for more than half of Asian outbound CBRE Press Release investment in the sector last year, is expected to remain high, owing to relatively low asset availability and declining hedging costs for assets denominated in US dollars.

"Although the pandemic did eventually trigger a drop in Asian outbound investment in 2020, buyer appetite for overseas purchases remained strong, and transaction levels across several key asset classes were remarkably resilient. Asian investors will be on the lookout for opportunities as consumer sentiment and business activities continue to rise. Demand for logistics assets is high, and we expect it to continue in 2021, with some clients even willing to bid above asking prices "CBRE's Head of Capital Markets, Asia Pacific, Greg Hyland, said.

Despite concerns about the outlook for office demand following the reasonably successful mass adoption of remote working, Asian buyers seeking this asset class outside their home region continue to show strong interest in the sector. Sale-leaseback deals for large corporate headquarters, as well as other income-producing office assets, have become particularly common investments. Asian investors closed $17.5 billion in office deals in 2020, more than all other industries combined.