alpha WATCH

Asia Pacific

Still the World's Beacon of Growth

February 2016

Contents

Executive summary

Global capital markets have gotten off to a rocky start in 2016. After two years of insipid economic growth, there are concerns that 2016 may disappoint further, with various downside risks such as a deeper-than-expected slowdown in China, lower for longer oil prices, increased capital outflows and currency volatility especially in emerging markets, stock market crashes and major corporate failures.

However, the Asia Pacific (APAC) region remains the world's beacon of growth notwithstanding the choppy global conditions. Based on IMF's latest forecast, global economic growth is likely to come in at 3.2-3.6% p.a. between 2016 and 2020, but APAC is likely to exceed that and grow at 5.4-5.7% in that period, maintaining its position as the world's fastest-growing region. While China undergoes a slowdown, a hard landing is not our base-case scenario and the government is still expected to gun for growth rates of 6-7% p.a. over 2016-2020.

We identify five macro trends that we believe will shape and drive fundamental real estate demand in APAC for years, even decades. They are (1) urbanisation; (2) consumerism; (3) growing tourism; (4) ageing population; and (5) connected cities. These secular trends will continue to be in play despite global upheavals and the usual cycles associated with real estate markets.

APAC governments are cognisant of the advantages these trends can provide and are keen to leverage on them to ensure sustainable economic growth. Urbanisation will play an important role in driving China's economic growth, boosting demand for urban housing and driving consumption as living standards improve. Meanwhile, regional economic cooperation and integration, such as the Trans-Pacific Partnership (TPP) and China's "One Belt, One Road" initiative would lead to more targeted infrastructure spending and increased trade and tourism. Tapping on the growing middle class, increased consumerism and tourism are becoming important economic drivers in APAC, boosting demand for retail and hospitality assets. The ageing population could be turned into a multi-trillion dollar economy, benefiting the hospitality, healthcare and senior housing sectors.

Home to 60% of the world's population and accounting for nearly two-thirds of global economic growth, APAC is clearly too important to be ignored. By seizing the right opportunities, investors can participate in the potential upside associated with APAC's secular growth. Market downcycles are inevitable, but they also present attractive investment opportunities for investors.

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Introduction

If one relies solely on media headlines these days, it is easy to become pessimistic and draw the conclusion that the world is heading into a recession with hardly any hiding place. Indeed, 2016 got off to an ominous start as global stock markets sold down on concerns of falling oil prices and a possibly deeper-than-expected slowdown in China, which will have spill over effects on its fellow Asian neighbours. In addition, the still lacklustre economic activity in Europe, increasing geopolitical tensions within the EU (e.g. potential Brexit and the refugee crisis) and in the Middle East (e.g. terrorist insurgencies and civil wars) and interest rate normalisation in the U.S. suggest that the near-term prospects for global economies will stay challenging.

As worrying as all that may sound, we do not think that "the sky is falling". APAC economies may face slower growth in the near-term, but their fundamentals remain largely intact and APAC will still be the world's beacon of growth at more than 5% GDP growth p.a. over 2016-2020, according to the IMF's projections. This is underpinned by secular trends which will also benefit APAC's real estate markets over the medium- to long-term.

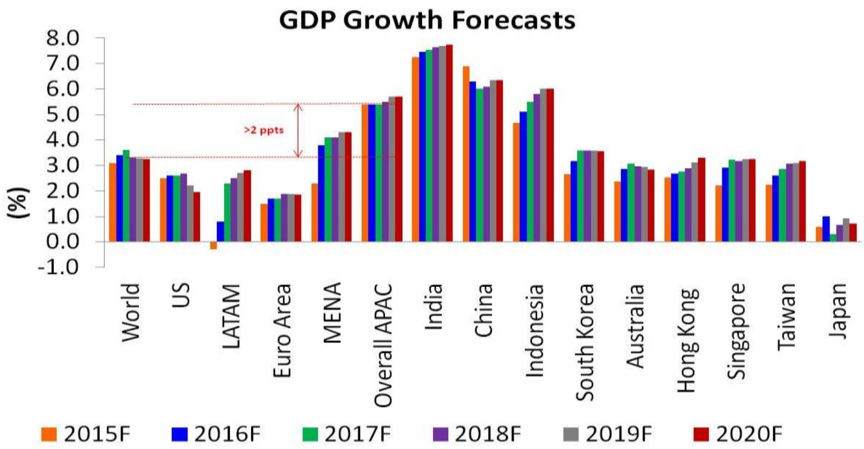
In this paper, we highlight the current state of the economies, five macro trends that underpin long-term real estate demand in APAC and where the opportunities may lie to support our belief that many favourable factors remain in place in APAC's real estate markets.

Asia Pacific Economic Snapshot

APAC's Growth is Not Stalling

In a global environment where growth remains weak and uneven, the IMF still expects APAC to register relatively robust growth rates of 5.4-5.7% p.a. over 2016-2020, outpacing the rest of the world by a significant margin of at least 2 ppts (Figure 1). While lower than historical average, APAC's growth is clearly not stalling.

Figure 1: APAC's GDP Growth to Outpace Rest of the World by >2ppts



Note: Forecasts dated Jan 2016
Source: IMF, AIP Research

These growth projections are partly contingent on China avoiding a hard landing. Questions remain over the pace and impact of economic reforms in China, especially the possibility of further Renminbi devaluation. APAC countries will also have to brace for the impact of divergent monetary policies as the US Federal Reserve has begun its gradual process of interest rate normalisation, which the IMF warned could lead to tightening financial conditions in Asia, particularly where debt levels have risen rapidly in recent years and potentially exacerbated by depreciating local currencies.

Nonetheless, with the appropriate policy action at the country level and greater economic integration regionally, APAC will stay resilient amid the challenging environment and collectively retain its position as the global growth leader. Our base-case is that the Chinese government will manouevre the economy through a soft landing, targeting a 6-7% average annual growth over 2016-2020. Refer to our Alpha Watch published in December 2015 titled *"China: Why we are still positive"*.

Five Major Macro Trends

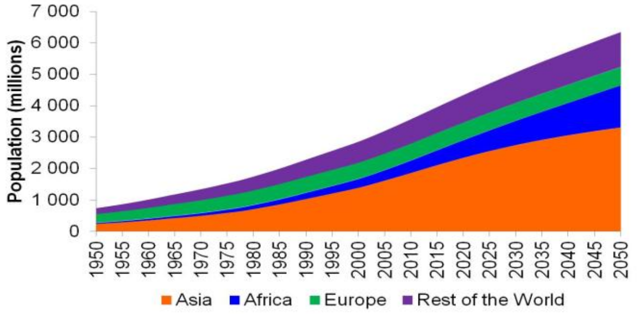
We have identified five secular macro trends that we believe will shape and drive long-term fundamental real estate demand and economic growth in APAC and where investment opportunities may lie to best capitalise on these trends. They are:

I. Urbanisation
II. Consumerism
III. Growing tourism
IV. Ageing population
V. Connected cities

Trend #1: Urbanisation

Urbanisation, defined as the increasing share of population living in urban areas[1], is perhaps the most important trend in favour of Asia. As of end-2015, Asia's urbanisation rate is estimated at only 48.2% compared with 54% globally[2]. Over the next 50 years, much of the urbanisation across the world will occur in Asia (Figure 2), where the number of city-dwellers is set to increase by 234 million between 2015 and 2020, and by another 405 million by 2030, which together will be twice the entire population of the U.S. today. Despite this strong urban push, Asia's estimated urbanisation rate of 58.4% by 2030 would still be slightly below the global average of 60% then. In comparison, the urbanisation rates of Europe and North America are already at 73.4% and 81.6% respectively as of 2015.

Figure 2: Most of the Future New Urbanites Will Be in Asia



Source: UN World Urbanzation Prospects: The 2014 Revision, AIP Research

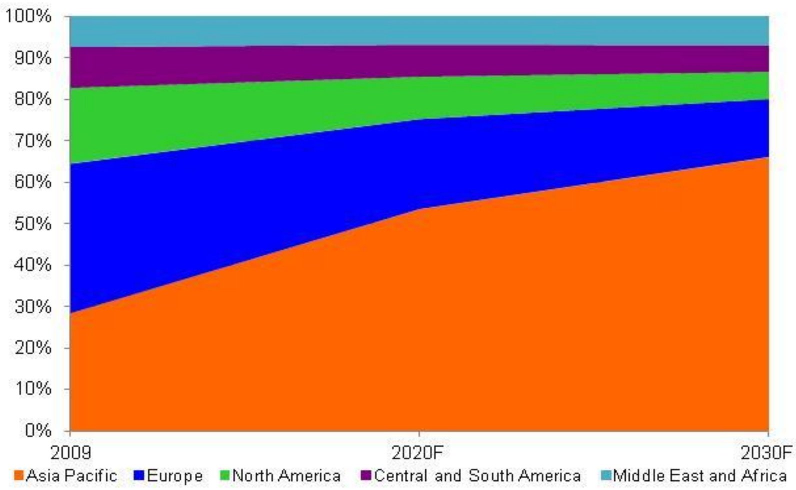
[1] International Institute of Environment and Development, "Urbanisation, rural-urban migration and urban poverty", Mar 2015
[2] United Nations Population Division, "World Urbanization Prospects: The 2014 Revision", Jun 2014

China will drive Asia's urbanisation, with the UN projecting that its urban population will grow by another 240 million people between 2015 and 2030 as the urbanisation rate increases from 55.6% to 68.7%. This translates to an average annual increase of 16 million urbanites (or nearly twice as many people in London). Based on the official average household size of 3 persons as of 2013[3], this implies that there will be fundamental demand for ~5.3 million new urban dwellings annually. Urbanisation plays an important role in China's economic transformation and the central government is reforming its *hukou* system to facilitate the urbanisation process.

The other countries in emerging Asia that are expected to see greater urbanisation include Indonesia and Vietnam. These countries also have relatively younger demographics, which will lead to higher household formation and further underpinning housing demand. India's urbanisation rate may not be as impressive at a projected 39.5% by 2030, but that still translates to ~11.5 million new urbanites requiring housing each year, with the potential to create 17 new megacities over the next 15 years.

With urbanisation, city-dwellers will have access to better education and higher-paying jobs, and consequently, the middle class in APAC will see its ranks swell. According to estimates from the Brookings Institution (Figure 3), the Asian middle class will triple to 1.7 billion people by 2020, before hitting 3.2 billion by 2030[4]. That is ten times as many people as there are in the U.S. today.

Figure 3: Asians to Form the Bulk of the Global Middle Class



Source: Wolfensohn Center for Development at Brookings; Jan 2010

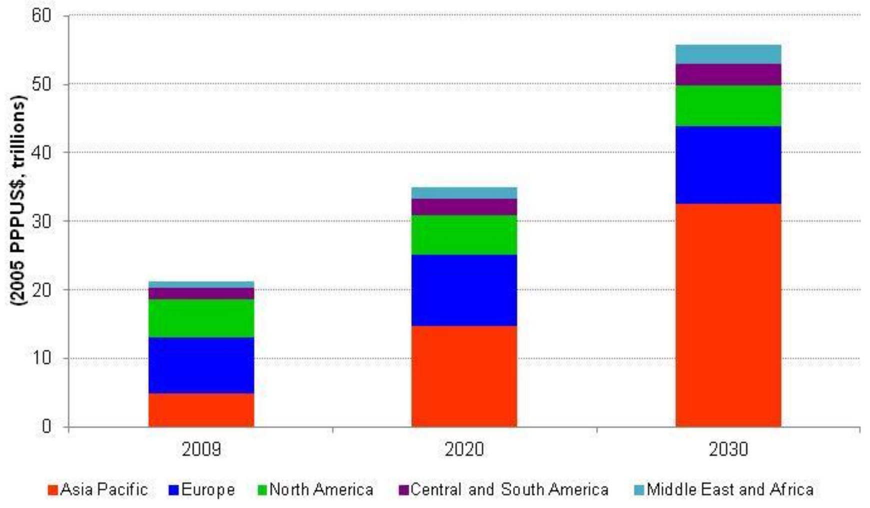
Trend #2: Consumerism

Due to urbanisation and increased wealth, APAC is predicted to be home to 40% of the world's private wealth by 2019[5]. Spending will naturally increase as households enjoy greater disposable incomes, and hence more can be apportioned to discretionary spending. According to estimates from the Brookings Institute (Figure 4), APAC's middle class alone could potentially account for 59% of global middle

[3] National Bureau of Statistics of China
[4] Wolfensohn Center for Development at Brookings, "The New Global Middle Class: A Cross-Over from West to East", Jan 2010
[5] Boston Consulting Group, "Global Wealth 2015: Winning the Growth Game", Jun 2015

class consumption (by value in PPP terms) by 2030 from just 23% in 2009, underscoring the growth potential for APAC's consumer demand.

Figure 4: Total Middle Class Consumption by Regions



Source: Wolfensohn Center for Development at Brookings; Jan 2010

The consumption behaviour of the middle class has been dubbed 'new consumerism', whereby there is a constant upscaling of lifestyle norms, as well as a desire for various services, ranging from legal, financial and lifestyle. Due to the growing middle class in China and other Asian emerging countries, more consumerism will flow within and beyond the region in the form of higher import demand and overseas travel, enhanced further by the proliferation of smart devices and e-commerce platforms. More parents can also afford to send their children overseas for higher education and Australia has traditionally been a popular destination for international students within the APAC region.

Trend #3: Growing tourism

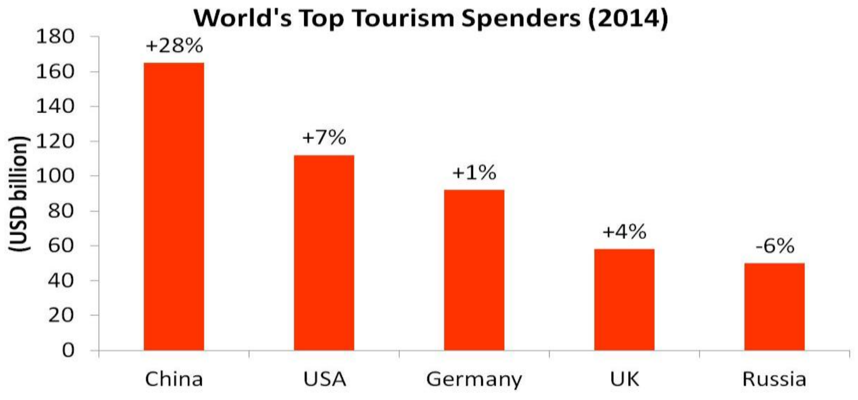
In the decade spanning 2005-2014, APAC enjoyed the strongest growth in international tourist arrivals with a CAGR of 6.2% (vs 3.8% globally), facilitated by improved transport connectivity and greater wealth within the region. In 2015, APAC welcomed 277 million international tourist arrivals, up 4.8% yoy led by Oceania, but dragged down slightly by South Asia and Northeast Asia[6], likely due to the Middle East Respiratory Syndrome (MERS) outbreak in South Korea. UN World Tourism Organisation expects growth in APAC to be maintained at 4-5% in 2016, which together with the Americas will be the fastest growing regions.

An important growth driver in recent years for APAC and global tourism is the surge in outbound tourists from China. The total number of outbound tourists from China was estimated at 120 million in 2015 (up 19.5% yoy)[7] - nearly twice the size of the US' outbound market each year. That is just the tip of the iceberg, given that only an estimated 4% of China's population, or ~55 million individuals, held passports as of 2014. Goldman Sachs projected that the passport ownership rate will rise by 10% per year[8] to number 150 million by 2025. Besides the sheer numbers, Chinese

[6] UNWTO World Tourism Barometer, Jan 2016
[7] China National Tourism Administration
[8] Goldman Sachs, "The Chinese Tourist Boom", Nov 2015

tourists have also become the highest-spending tourists globally, beating tourists from wealthier countries like the US and Germany by at least 50% (Figure 5).

Figure 5: China Tops the World in Tourism Spending



*Percentage figures depict yoy growth
Source: UN World Tourism Organisation, AIP Research

Tourism is thus increasingly viewed as a GDP driver by many countries in the region. Tourism in APAC accounted for 9.2% of GDP and 8.5% of jobs (direct, indirect and induced) in 2014, and is expected to grow to 10.1% of GDP and 10.2% of employment by 2025[9]. To boost arrivals and grab a bigger share of this market, various countries have adopted measures such as relaxing visa requirements and increasing the number of regional flights. Cities such as Singapore, Beijing, Seoul and Hong Kong will continue to leverage on their MICE (Meetings, Incentives, Conventions & Events) facilities to attract business travellers. ASEAN member nations have also agreed on an "ASEAN for ASEAN" initiative built upon a 10-year Tourism Strategic Plan set for 2016-2025 to collectively promote ASEAN as a single-market tourist destination and to increase tourism's GDP contribution to the bloc from the current 12% to 15% by 2025.

Trend #4: Ageing population

Asians are quickly joining the ranks of the world's greying population. Within APAC, the population of older people (aged 60 and above as defined by the UN) is expected to more than double to 1.3 billion by 2050, forming 25% of the population from 11.6% currently[10]. The effect of rapid ageing is most pronounced in Japan, where the proportion of older people will rise from 24% in 2012 to over 42% by 2050. Joining Japan will be the more advanced economies, chiefly Hong Kong, Singapore, South Korea and Taiwan, characterised by their low fertility rates. Even though still a developing economy, China is also faced with an ageing population. Based on current projections, more than 35% of its population will be older people by 2030 compared with just 15.2% now.

The ageing trend is often viewed with trepidation, considering the impact of a dwindling workforce and the increased burden on taxpayers. While there are challenges, the ageing trend need not necessarily turn out to be a deleterious "silver tsunami" but rather, markets should seize the opportunity to turn "silver" into

[9] World Travel & Tourism Council, 2015
[10] United Nations, "World Population Prospects: The 2015 Revision", Jul 2015

"gold". That is because the silver economy both globally and in APAC are potentially worth a whopping USD15 trillion[11] and USD3.3 trillion[12] respectively by 2020.

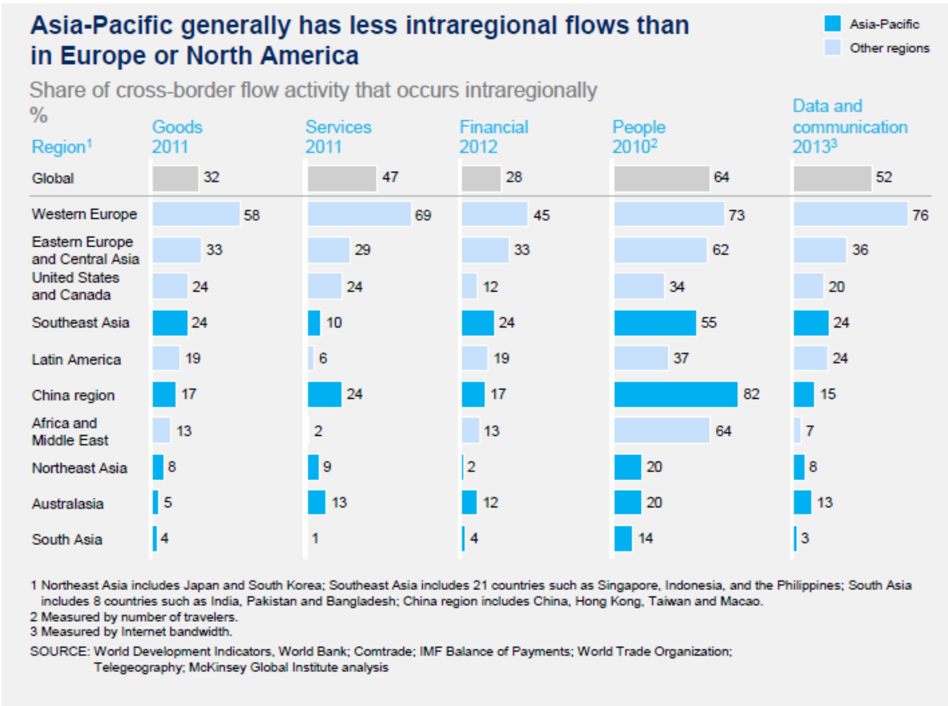
Besides greater retail spending on wellness and health-related goods and services, the demographic change results in greater demand for medical and healthcare facilities and housing that caters to the needs of the elderly. The hospitality sector in APAC will also benefit from the growing number of "cashed up, time rich" older tourists.

Trend #5: Connected cities

"No man is an island," said English poet John Donne in 1624, which holds true even more so today. The exchange of people, goods, money, services and information have formed the foundation for economic development in cities, and the greater the ease and efficiency of exchange, the larger the economic benefits the cities will enjoy through economies of scale, agglomeration effects and networking advantages[13].

APAC is still relatively under-penetrated in terms of intraregional cross-border flows compared to Europe and North America (Figure 6), lagging particularly in the exchange of services and data and communications, but regional economies are actively taking steps to change that by deepening and broadening international connections.

Figure 6: Comparison of Intraregional Cross-Border Flows



In recent years, countries in the APAC region have been fervently working towards finalising various free trade agreements and economic cooperation frameworks, such as the ASEAN Economic Community (AEC), the Regional Comprehensive

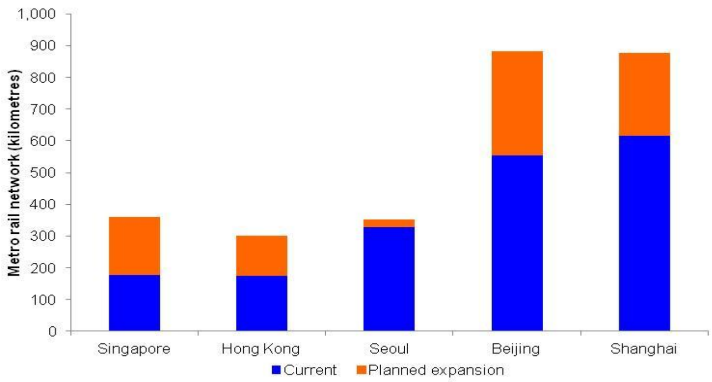
[11] Merill Lynch, "The Silver Dollar – Longevity Revolution Primer", Jun 2014
[12] Ageing Asia Pte Ltd, "3rd Asia Pacific Silver Economy Business Opportunities Report, 2015
[13] LSE Cities, NCE Cities – Paper 03, "Accessibility in Cities: Transport and Urban Form", Nov 2014

Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP). China is also pushing for its "One Belt, One Road" (OBOR) initiative, which includes the Maritime Silk Road and the land-based Silk Road Economic Belt.

The Asian Development Bank estimates that Asia needs to invest ~USD8 trillion between now and 2020 in overall national infrastructure, which would in turn generate about USD13 trillion in real income gains[14]. The funding gap, which historically has been an issue hampering the pace of infrastructural development, could be narrowed with the recent opening of the Asian Infrastructure Investment Bank (AIIB), which has a paid-up capital of USD100 billion. The balance would likely have to be majority funded by public-private partnerships.

Significant investments into various infrastructures are being planned or already underway in many APAC cities, such as high-speed rail and metro line expansions. For instance, cities like Beijing, Shanghai and Hong Kong have plans to expand their metro networks by at least 30% (Figure 7). China also plans to spend another RMB 3.5 trillion (~USD530 billion) between 2016 and 2020 to expand its world's longest high-speed rail network by another 11,000 km to total 30,000 km. To put that in perspective, that will take you three quarters around the Earth's equator.

Figure 7: Status of Metro Rail Networks in Selected Asian Cities



Source: Singapore Land Transport Authority, www.gov.hk, www.infra.seoul.go.kr, China National Development and Reform Commission, People's Daily, AIP research

Today, digital connectivity has become a vital means in the exchange of information and capital. The exponential growth in digitisation has led to new business areas such as the Internet of Things (IoT), omni-channel marketing, financial technology (FinTech), cloud computing and data analytics. Leveraging on technologies like these, cities such as Singapore and South Korea's Songdo are on their way to becoming smart cities, alongside potentially another ~200 such cities in China and 100 in India. We may be some way off from the futurama envisioned by the 1960's cartoon series *The Jetsons*, but smart technologies have already begun to permeate into nearly every aspect of our urban lives and drive up the volume of data generated and required to be processed.

[14] Asian Development Bank, "Infrastructure for a Seamless Asia", Aug 2009

Turning Trends Into Opportunities

Long-Term Home Demand Fundamentals Intact

Due to urbanisation, cities will get larger, denser and more inter-connected, generating greater housing demand both as a basic necessity as well as for investment. The residential markets in key gateway and capital cities like Singapore, Sydney and Shanghai, are also favoured destinations for local and foreign capital for investment purposes or use as a second home. This is particular evident from the increase in home buying demand within China's Tier 1 cities whenever policies are relaxed, even though the Home Purchase Restrictions remain in force in these cities.

However, the residential sector is susceptible to government intervention which may depress prices (e.g. Hong Kong, Singapore and more recently Sydney) or stimulate markets (e.g. China). Hence investors have to be selective and capitalise on market cycles to time their entry.

In Australia, there is a growing market for student housing, given the popularity of Australia as a destination for higher education and the lack of specialised student accommodation. JLL estimated that as of 2014, there was a supply-demand gap of nearly 30,000 beds in Sydney and almost 70,000 beds in Melbourne, taking into account the total number of international students in these cities.

Retail Malls Are Still Relevant

To capture the growth in discretionary consumption from higher incomes and increased tourism, strategically-positioned and innovative retail malls play an important role in catering to consumer needs, despite a growing acceptance of online shopping platforms. Online retail is undoubtedly creating significant disruption to retailers and landlords by impacting demand for physical retail space from segments of retailers such as fashion and apparel and bookstores. However, with growing sophistication and higher purchasing power from locals and tourists, physical retail malls that cater to shoppers' entertainment, lifestyle and experiential needs will remain relevant and in demand.

With a robust projected CAGR of 27.8% in 2016-19, online retail sales will account for 20.4% of total retail sales by 2019[15]. Nevertheless, this suggests that offline retail will remain the predominant mode of sales retaining nearly 80% market share. In addition, offline sales in APAC are not expected to stagnate, but rather record a relatively healthy 4.8% CAGR in 2016-18 vis-à-vis 3.9% CAGR worldwide. APAC therefore still presents a significant growth opportunity for physical retailers and is one of the key target regional markets for expansion. Starbucks, for example, is reportedly looking to grow its APAC business by 80%, adding ~10,000 new locations (mainly in China, India and Southeast Asia) by 2019 from its current 23,500 stores worldwide. E-commerce companies are also increasingly going "online to offline" (O2O), taking up physical stores to complement their online businesses. E.g., Alibaba recently opened its first ever physical store in Tianjin Free Trade Zone to access the broader market and showcase a wide variety of imported products which range from food items to kitchen tools.

With a total population of 1.37 billion people, rising urban wages and a growing middle class, China is the world's largest consumer market and it is impossible for

[15] eMarketer

retailers to ignore. Tier-1 cities, particularly Shanghai, will continue to offer the best exposure given the large urban populations and the above-average levels of disposable income. Other cities across APAC with rising income levels and proportionately low retail supply will also do well, especially in areas serving large population catchments and in prime locations.

Office Demand to Grow with Regional Integration

We expect the growth of cities and closer economic integration to be key demand drivers for office space across APAC. Besides increased cross-border business activities, greater economic integration requires comprehensive supporting services, such as financial services for global transactions, legal services to advise on tax and local regulations and arbitration services for international trade disputes.

Key gateway cities like Singapore, Hong Kong, Tokyo, Shanghai and Beijing in particular enjoy strong fundamental demand, even if they were to experience cyclical downturns now and then. In fact, downturns can present better investment opportunities. It is noteworthy that APAC countries consistently rank amongst the top 10 global economies in terms of business environment and competitiveness (Figure 8). Such characteristics provide these economies with robust office fundamental demand. In Singapore, the expected surge in new office supply in 2016/17 may lead to downside pressure on rents in the immediate term, but we expect the supply to be absorbed in a couple of years given Singapore's competitive business landscape. Likewise in Hong Kong, its strong regulatory efficiency and open markets make it an attractive gateway to China and continually sees strong demand for office space from both MNCs and mainland Chinese firms.

Figure 8: APAC Countries (shaded) Score Well on Global Business Rankings

Ranking	Index of Economic Freedom 2016	Ease of Doing Business Ranking 2016	Global Competitive Index 2015-16
#1	Hong Kong	Singapore	Switzerland
#2	Singapore	New Zealand	Singapore
#3	New Zealand	Denmark	United States
#4	Switzerland	South Korea	Germany
#5	Australia	Hong Kong	Netherlands
#6	Canada	United Kingdom	Japan
#7	Chile	United States	Hong Kong
#8	Ireland	Sweden	Finland
#9	Estonia	Norway	Sweden
#10	United Kingdom	Finland	United Kingdom

Source: The Heritage Foundation, World Bank, World Economic Forum

Have Money, Will Travel

Tourists' behaviour and preferences are changing quickly. The term "tourists" may soon become passé, as they evolve into today's savvier and wealthier "travellers" who take more active participation in their travel experiences. These well-informed and highly mobile travellers tend to avoid destinations with uncertain political situations and will seek out places where they feel at ease or welcomed. Many APAC countries are enjoying healthy growth in visitor arrivals, largely due to growing wealth and the rise of Chinese travellers, especially the free and independent travellers (FITs). However, countries are also eager to diversify their sources of tourists to avoid over-reliance on one source market and are wooing travellers from elsewhere, such as India and Southeast Asia.

The biggest beneficiaries from the recent Chinese tourist boom are South Korea and Japan. South Korea further intends to build six Integrated Resorts (IRs) with casinos within Incheon, which also come with minimum investment requirements for MICE and themed attraction components. We believe such efforts will be positive for hotels located in and around Seoul. Japan's tourism growth has been stellar on the back of a weak yen, visa deregulation and increased duty-free items and shops, so much so that last year, it almost hit its original target of 20 million foreign tourists by 2020 five years early. The government is now expected to raise the target to 30 million and increase the capacities of both Narita and Haneda airports to cater to the higher demand by 2020 in time for the Tokyo Olympics.

Cities like Bangkok, Singapore, Hong Kong and Taipei also rank highly as APAC's most popular destinations. With the "ASEAN for ASEAN" initiative, intra-regional travel will further improve. Despite a weak year in 2015 for tourist arrivals in Hong Kong, its authorities are targeting a wider tourist base and are reviewing its tourism and cultural offerings, including the development of a tourism hub on the site of the former Kai Tak Airport and a possible expansion of the Hong Kong Disneyland.

China, too, is looking to stimulate its inbound tourism market with measures such as easing visa restrictions and offering tax refunds to foreign shoppers. It has also reached out to other countries to promote tourism exchange, e.g. 2016 is the "China-US Tourism Year" as well as the "Year of Chinese Tourism" in India. To encourage greater tourist spending in Taiwan, the minimum threshold for Value-Added Tax (VAT) refunds has been lowered from TWD3,000 to TWD2,000 (USD60) per day. The Taiwanese Tourism Bureau also leveraged on social media by partnering with Youtube to rope in popular video loggers (better known as vloggers) to shoot promotional clips in Taiwan to be shared on their Youtube channels.

Increased Connectivity a Boon for Logistics Space

The logistics space is another beneficiary of greater physical connectivity and enhanced regional trade. The growing e-commerce sector has also led to greater demands on supply-chain management and in particular on warehousing and distribution. In Japan, the need for high-spec facilities following the March 2011 earthquake and the growth in e-commerce have led to greater demand for high-quality assets such as large multi-tenant logistics properties (LMTs), but these remain sorely lacking at only ~4% of the total warehouse supply[16]. India's logistics market could be the best proxy to tap on its rising middle class as the retail sector remains fragmented and FDI into multibrand retail remains capped at 51%. The government is also sponsoring the development of Foreign Trade Warehousing Zones (FTWZ) to meet the growth of logistics demand, which will spur the development of more logistics facilities.

Handling Big Data

More and more data centres are required to transfer, process and store the estimated 4.5 quintillion (i.e. a trillion trillion) bytes of data being generated each day globally. Stricter compliance and regulatory requirements on data security and electronic data risk management are also driving data centre demand. APAC's third-party data centre market is currently the smallest and most fragmented, suggesting greater room for growth. APAC has four Tier 1 data centre markets, namely Tokyo,

[16] CBRE, "Tokyo Logistics Market Outlook", March 2015

Singapore, Hong Kong and Sydney, while other emerging markets in the region include Beijing and Shanghai, with China pushing its Internet Plus initiative. India is another growing market with companies like Amazon Web Services and Microsoft setting up data centres to support their cloud services.

For more background on data centres, refer to our Alpha Watch published in December 2014 titled *"Data Centres – Fast Growing, Superior Quality and High Yielding Asset Class"*.

Healthcare and Senior Housing Needs to Grow

As a significant proportion of the APAC population gets older and wealthier, there will be growing demand for high-quality medical and healthcare facilities, as well as senior housing. The investable markets for these sub-sectors are still relatively small and fragmented compared with the core asset classes, but over time, favourable legislation and increased public-private partnerships could see these sub-sectors grow. Interesting markets to watch out for include China, Singapore, South Korea and Japan due to their demographic profiles.

Conclusion

Even as global economic growth remains subdued, countries in the APAC region are still expected to collectively outperform the rest of the world driven by the five long-term macro trends. There will be ample opportunities in APAC real estate which will gain from these trends. In the near term, investors can ride on rising markets and capitalise on the downturns in some markets for attractive opportunities. Against a backdrop of modest growth in developed countries, exposures in APAC real estate provide investors the chance to participate in the region's multi-year secular growth and reap higher returns.

The global economic pivot to Asia may have already begun, but the region will still be right in the thick of the action in the coming decades.

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