Asia Pacific Thought Leadership Journal

Issue 3

Urban Land Institute

Asia Pacific
Thought Leadership Journal

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In May last year, ULI hosted webinars discussing the impact of US tariffs on the global economy and on real estate investment. Today, geopolitics remains front and centre as a consideration for investors in this region.

To get a steer on how geopolitics and particularly the Trump administration might affect Asia Pacific real estate in 2026, I attended a presentation and discussion at the American Chamber of Commerce in Hong Kong. The key message for the region was that the administration's trade policy is unlikely to be disrupted by the midterm elections, even though polling suggest the governing Republicans will lose control over the House of Representatives.

While such a loss might affect domestic policy, trade policy has tended to bypass the House. More important will be the President's visit to China in April, with both countries keen for a 'win' to celebrate. This means some sort of US-China deal is likely and thus a lowering of tariffs. Nonetheless the relationship between the US and China is expected to remain adversarial. For example, the US is focusing on whether products assembled from Chinese parts another country ought to be considered Chinese. A tougher line on such activity could derail "China plus one" manufacturing strategies and the real estate supporting them.

A final point of interest for Asia Pacific observers, the US mid-term elections may be influenced by a backlash against AI and AI infrastructure, which is blamed for rising electricity prices, overbuilding and job losses. Any backlash could be seen as an opportunity for Asia Pacific nations to attract more AI investment or pessimistically as something which will one day occur here.

This edition of the ULI Asia Pacific Thought Leadership Journal covers topics including the impact of technology on fire safety, insights from recent local council conferences and a recap of the Emerging Trends in Real Estate® Asia Pacific 2026 report. It also contains a contribution from one of our members in Australia, for which we are very grateful. We would like to see more!

Mark Cooper
Senior Director
Thought Leadership
ULI Asia Pacific

Evolving regulations and technology can prevent future fire tragedies

The fear of fire is primeval, but just as relevant in the modern world, where fire remains a hazard in the built environment. Advances in regulation and technology, often spurred by tragic events, are helping cities, asset owners and occupiers to protect themselves.

Last November, a fire broke out at the Wang Fuk Court apartment complex in Tai Po, Hong Kong. It burned for 43 hours and killed 168 people, making it the worst fire in Hong Kong for nearly 80 years. The tragedy followed the 2017 Grenfell Tower fire in London, which claimed 72 lives and the Los Angeles wildfires of 2025, which killed more than 30 people and destroyed 16,000 buildings. The three conflagrations demonstrate that even wealthy cities with developed regulatory systems can be vulnerable to fire.

The causes of the Tai Po fire remain under investigation by the Hong Kong Police and Independent Commission Against Corruption, as well as by an independent committee established by the Hong Kong government. This article will not touch on such investigations, instead examining how regulations and technology are being advanced to improve fire safety in the built environment.

Following the Grendell fire, the UK implemented substantial reforms to building regulations, most of which came under the Fire Safety Act 2021 and the Buildings Safety Act 2022. Updated regulations included a ban on the use of metal composite materials with an unmodified polyethylene core and other combustible materials in external walls of new high-rise buildings. A new Buildings Safety Regulator was established to oversee high-rise buildings. There are also stricter risk management requirements for principal designers and contractors.

Updated regulations naturally follow such disasters. Following a fatal fire in a Hong Kong self-storage facility in 2016, more stringent regulations and safety requirements were introduced, which led to a period of reconstruction and consolidation in the self-storage industry. It is expected that Hong Kong will update regulations on construction materials and practices in the wake of the Tai Po fire. For example,

the government announced in January that it will ban smoking on all construction sites.

Preventing further tragedies often requires more than just legislation. Following the Los Angeles fires, ULI, the UCLA Ziman Centre for Real Estate and the USC Lusk Centre for Real Estate published a report which examined best practices for rebuilding after the fires. The report noted that a key pillar of future efforts would be "the partnership between various community stakeholders including the private and public sectors, nonprofits, community organisations and more."

The report, entitled Project Recovery: rebuilding Los Angeles after the January 2025 wildfires is available to download at the ULI Knowledge Finder.

Advances in technology, including artificial intelligence (AI) and the Internet of Things (IoT), will play a key role in improving fire safety in the built environment and Hong Kong is already engaged with ways to use this technology, particularly for older buildings. The average age of buildings in Hong Kong is close to 35 years old and the number of buildings more than 50 years old is growing, which means there is a need for practical retrofitting solutions.

Hong Kong IoT pilot scheme

The Hong Kong Fire Services Department (FSD) has begun a pilot scheme for an Internet of Things Fire Detection System (IoT FDS) with the objective of enhancing the fire safety standards in older buildings. At present, such systems are being installed in ten older buildings of less than six storeys across Hong Kong Island, Kowloon and the New Territories.

Unlike traditional manual fire alarm systems, the system offers real-time monitoring and will automatically alert the Fire Services Communications Centre in the event of a fire, even if that incident has not been spotted by the public. The sensors are designed to filter out environmental interference, such as cooking fumes or incense smoke, which are common in residential settings.

The pilot system is intended to replace the combination of manual alarms, water tanks and hose reels which tend to be present in older buildings. Immediate alerts to the FSD, enabling early tackling of a fire, are considered more effective than onsite firefighting equipment. They are also cheaper, with an estimated cost of HK$200,000 per building for the IoT FDS, compared with $600,000 for a traditional alarm and hose-reel system.

There are other smart building technologies which can be used to prevent fires or to help reduce loss of life or property in the event of a fire. For example, integrated systems can trigger alarms, emergency lighting, and dynamic signage to guide people to the safest exits, based on where the fire is detected. Apps for building users or SMS alerts can push floor plans, exit routes and fire service instructions to occupants and facility teams in real time. More advanced, AI-supported smart building platforms adjust smoke extraction, fire dampers, and door controls automatically to keep escape routes open.

Several AI-based platforms are being used in nations including Australia, Canada and the USA to detect wildfires. For example, Pano AI uses monitors on high points such as communications towers to monitor for smoke, while California's Firesat uses a low-orbit satellite network to detect fires and feeds directly into fire service dispatch systems.

AI is also being used to advance fire simulations and modelling, which can speed up compliance testing and building permits. Digital twins can also be used for simulation-based resilience planning. AI can also help by predicting where fire is likely to occur, as well as by detecting it.

Delivering liveable futures: housing, places and the path forward for Australia

Australia's government has set an ambitious target to deliver 1.2 million well-located homes by 2029, under the National Housing Accord, a compact across all levels of government to unlock supply and enable infrastructure.

On any given evening, an estimated 122,000 people across Australia are homeless. Meanwhile, essential workers (teachers, nurses, police, caregivers) are increasingly priced out of the nation's major cities. Recent analysis by the University of Sydney found early-career essential workers cannot afford a median-priced home in any area of Greater Melbourne or Greater Sydney.

Australia's population is projected to grow to 31.3 million by 2035, from 27 million today. Meanwhile, the number of over-75s will surge to 3.2 million from 2.1 million, heightening demand for age-friendly and accessible homes and neighbourhoods. The 2025 ULI Australia Conference, held in Sydney last November, was set against this demographic backdrop.

Speaking at the ULI Australia Conference, Virginia Anderson, regional head for SJ Group in Australia and New Zealand, observed that a greater variety of family types influences today's demographic mix. Rising levels of separation and divorce, single parenting, blended families, and adult children delaying independence all contribute to the growth of multigenerational households.

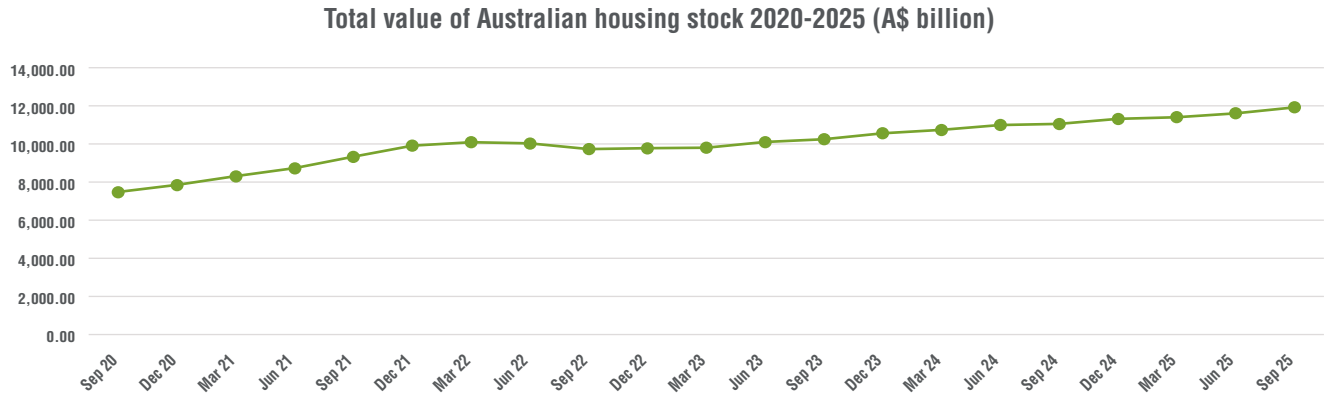
Throughout the conference, one message became clear: social shifts are reshaping demand, and successful projects emerge from the alignment of market forces, community values, and government leadership. Australia must create liveable, affordable and enduring places, with resilient design, diversity of choice, and trusted delivery, which integrate density with transport, green space, and social infrastructure.

Australia's social housing makes up only about 4 percent of all households, a level which the Australian Housing and Urban Research Institute notes has fallen from 4.9 percent in 1981. In Austria, which has similar GDP per capita, social housing makes up 24 percent of the market.

Launched in 2023, the Housing Australia Future Fund (HAFF) is the country's largest public/private housing program, backed by A$10 billion (US$6.63 billion) from the federal government. Alongside the National Housing Accord Facility, HAFF targets 40,000 social and affordable homes over five years through grants and concessional loans. It aims to build partnerships with community housing providers, states and territories, developers, and institutional investors.

Michael Camerlengo, executive leader for clients and capital at Housing Australia, noted that the National Housing Accord Facility and the first two rounds of HAFF approved 279 projects totalling 18,650 homes. A third round of HAFF opened in January. These projects employ diversified financing structures and are selected for being well-located, cost-effective, and deliverable at pace. In just 14 months, A$14 billion (US$9.27 billion) has been allocated. Camerlengo called for industry collaboration to deliver generational benefits and lasting change for Australian communities.

Industry leaders underscored the private sector's role in expanding affordable housing. A panel discussion highlighted developer contributions, including Stockland's appointment to deliver the Waterloo South renewal precinct in Sydney. Peta Carruthers,



Source: *Australian Bureau of Statistics, Total Value of Dwellings September Quarter 2025*

Stockland's head of capital solutions, noted that 50 percent of the 3,100 apartments will be delivered as social and affordable housing. Developer Third.i Group also showcased its Crows Nest over-station development, which will include 60 affordable housing units within a A$1 billion (US$663 million) precinct.

Australia's growing population faces slowing housing supply constrained by land use. Anderson noted that more efficient land would increase capacity. If Sydney was as densely-develop as Toronto, an extra 250,000 homes could be built within 9 miles (15 km) of the CBD.

Local programmes

In 2024–2025, Sydney and Melbourne introduced programmes to promote greater diversity of housing, through the Transport-Oriented Development and Activity Centre policy programmes. In Sydney, a complementary Housing Pattern Book provides architect-designed typologies for low- and mid-rise housing and a fast-track pathway to reduce approval times and holding costs. The New South Wales government has also established a Housing Delivery Authority to assess high-yield residential projects at the state level, thus bypassing local councils.

New housing models are rapidly gaining traction, which reflects changing demographics and evolving lifestyle preferences. Senior living and land-lease communities are supporting downsizing, shared amenities, and low-maintenance living. In a land-lease community, residents purchase their home but lease the land it sits on, reducing upfront costs and freeing equity while providing secure tenure for people age 50 and older.

Other models reshaping the market include co-living, catering to younger renters. Meanwhile, build-to-rent (BTR) provide high-amenity and professionally managed homes for Australians looking for alternatives to home ownership. A relatively new niche, BTR properties have so far been pitched at the premium end, with high levels of amenity and services.

Housing delivery is not just about supply. It's also about choice, resilience, and liveability, enabled by financial and approval mechanisms which deliver at speed. Although housing is under immense pressure, solutions across policy, planning, funding, design, and delivery mark a path forward. Government is reimagining partnerships to unlock supply; industry is embedding social and environmental outcomes; and communities are shaping projects through active engagement and a vocal desire for meaningful change.

The challenge is not simply numbers but also quality. Homes must be affordable, adaptable and resilient, supporting flexible work and diverse households. Meeting this challenge demands bold policy, attractive investment settings, and genuine collaboration. However, in the wake of significant reform, we are beginning to see these things emerge.

Karmi Palafox is a Sydney-based urban planner with international experience in shaping city development strategies, master-planning communities, and futureproofing urban environments for resilience and growth. She is a principal at Tract Consultants and a longstanding member of ULI Asia Pacific.

Cautious optimism for the year ahead

Emerging Trends in Real Estate® Asia Pacific 2026, published by ULI and PwC in November, showed a mood of cautious optimism amongst real estate investors in the region, with the expectation that 2026 will be better than last year. However, confidence is fragile and could be derailed by geopolitics or a worsening economy.

The Emerging Trends survey revealed a strong preference for developed markets, particularly Japan, which was supported by interviews with investors. Interviewees express a desire for liquidity, resilience, and a good balance between demand and supply. Resilience is a key factor in decision-making. Investors are looking for sectors which have resilient demand supported by global megatrends, such as digitalisation and the rise of AI supporting data centres or demographic necessity supporting demand for rental housing and senior living.

The "most favoured" sector was data centres, where demand is underpinned by digitisation and the rise of artificial intelligence (AI). Again, at the time interviews were carried out, concerns about an "AI bubble" were low, but these have risen in the past few months. Nonetheless, Asia Pacific remains undersupplied with data centres, even without considering the demand from AI.

The most significant concern for survey participants was construction costs, which have been rising sharply since the pandemic and which act as a constraint on new development in a number of markets. Geopolitics and conflict continue to cast a shadow over market sentiment. At the time interviews were carried out, the expectation was that Japanese interest rates would remain favourable. However, since the report was published, Japan has raised interest rates and the bond markets expect further rises.

While the list of top cities for investment is much the same as in previous years, a dramatic change has occurred in the expectations for Hong Kong, which rocketed to 10th place in the ranking, from 19th in the 2025 report. The city's prospects have been boosted by a strong student housing market and the beginnings of a recovery in the prime office market, with a number of high profile lettings and purchase by corporate occupiers. Meanwhile the city's tourism market continues to recover, with more visitors from Mainland China and the rest of the world.

Nonetheless there are still opportunities to buy Hong Kong assets at heavily-discounted prices. The same applies in Mainland China, but only domestic investors are buying and they have been able to pick the best and most stable assets. Meanwhile, the rest of the region seems to have sidestepped distress, outside of a few examples.

Emerging Trends in Real Estate® Asia Pacific 2026 and earlier editions are available online. The Emerging Trends in Real Estate® Global 2026 report will be published next month.

Top cities for investment

City	Rank
Tokyo	1.
Singapore	2.
Sydney	3.
Osaka	4.
Seoul	5.
Melbourne	6.
Ho Chi Minh City	7.
Mumbai	8.
New Delhi	9.
Hong Kong	10.

Capital considerations: insights from ULI conferences

Rising construction costs, tight supply and debt were amongst the capital markets topics discussed at ULI local council conferences around the region in the last quarter of 2025.

Pressure from high construction costs was cited by delegates at both the ULI Australia Conference and the ULI Japan Fall Conference. Speakers at the Japan conference noted that construction costs for logistics development had risen by more than half in the past two years, while in Australia, concerns were also expressed about the scarcity of land in its state capital cities. Nonetheless, continued rental growth is supporting logistics development in prime locations in both markets and constrained supply across many sectors is supporting rental growth.

A notable difference between Australia and Japan is the growth of real estate private credit in the former. Once centred on development finance, it is increasingly driving refinancing activity, including non-bank-to-non-bank transactions. Meanwhile, Japanese banks continue to support real estate investment.

The Japanese hotels market has seen "exceptional growth and momentum" since the end of the pandemic. Despite a recent fall off in Chinese visitors due to a political spat, some observers are predicting Japan will exceed 70 million annual visitors by 2030, ahead of the government's targeted 60 million. Meanwhile, constrained supply in Australian hospitality is expected to boost the prospects of assets in that sector.

Tokyo is unusual amongst global cities in having a thriving office market and a strong retail market. Office vacancy is below 2 percent and more than half Tokyo's office occupiers are looking to expand. Meanwhile tourism growth and new launches from retail brands continue to support the Ginza retail market.

Japanese wage inflation of around 3 percent supports continued rental growth in the multifamily residential sector, as does increasing immigration. Larger cities such as Tokyo and Osaka continue to grow as people move from provincial Japan. However, speakers noted that rental growth has outpaced wage growth in the past year, which suggests limits on future growth.

Closing keynote speaker Jon Tanaka, Head of Asia Pacific and Co-Head of Japan at Hines (pictured), noted that Japan was the most liquid real estate market in the region and the most popular with foreign capital, attracted by that liquidity and a strong economy.

The Chinese real estate market is in a very different stage to both Japan and Australia, however speakers at the ULI China Summit cited China REITs as a notable capital markets success story. Recent legislation means growing opportunities for long-term rental apartments and commercial real estate to access capital markets. However, challenges remain around tax optimization, land lease terms, and regulatory frameworks.

Industry leaders emphasized that sustainable real estate development in China requires moving beyond debt-driven growth toward models focused on long-term profitability. A stable REIT market does more than protect investors: it gives buyers and sellers room to negotiate across cycles, allowing asset value to be realised over a longer horizon, rather than a sale within a limited market window.

Product Council members drive systems-level change in Singapore

In September, ULI Asia Pacific Net Zero Council co-chairs, Joelle Chen (LaSalle Investment Management) and John Haffner (Hang Lung Properties), convened real estate, supply chain, financing and regulatory leaders in Singapore for a groundbreaking roundtable on decarbonisation across the industry. The session, hosted with visiting experts from Columbia Climate School, explored why traditional company-by-company approaches to net zero have limited impact.

The discussion revealed a critical insight: while technical solutions have advanced rapidly, the way our industry coordinates hasn't kept pace. Participants recognised that most emissions outcomes depend on factors beyond any single company's control—energy grids, materials supply chains, government policies, and market incentives. This creates a coordination challenge where even the most ambitious companies struggle to achieve meaningful scale working alone.

The roundtable reframed the question: rather than asking what individual firms can accomplish, participants explored what industry-wide changes are needed by 2030. This perspective shift sparked ideas about how the Net Zero Council can facilitate collaboration across traditionally siloed functions—planning, design, construction, operations, and finance teams whose separate mandates often work at cross-purposes.

This conversation marks an important evolution in how our members are approaching industry transformation. Beyond building-level improvements and company commitments, we are now collaborating to address the structural barriers that affect everyone's ability to reduce emissions across Asia Pacific's built environment.

ULI Greenprint members help shape global standards for Asia Pacific reality

ULI Greenprint members are ensuring that international sustainability frameworks reflect the practical realities of Asia Pacific real estate. In recent months, Greenprint convened focus groups to provide critical feedback on two influential global standards that will shape how buildings demonstrate climate progress.

In December, members contributed to SBTi's (Science Based Targets initiative) standard update consultation. Rather than accepting a one-size-fits-all approach, the group highlighted regional considerations—from tropical climates to varied regulatory environments—that affect what's achievable and meaningful for various Asia Pacific markets.

Most recently, Greenprint engaged with CRREM (Carbon Risk Real Estate Monitor), which establishes energy performance pathways that help investors assess climate risk in building portfolios. Members provided input on methodology adjustments needed for the region's diverse building stock and climate conditions.

Why does this matter beyond sustainability teams? Buildings that can demonstrate credible climate progress using globally recognized frameworks are increasingly prioritized in investment decisions, financing terms, and tenant selection processes.

By ensuring these frameworks are practical and regionally appropriate, Greenprint members are helping the entire industry reduce compliance burdens while maintaining focus on driving real improvement.

> ULI Greenprint is an alliance of real estate owners and developers dedicated to decarbonising the built environment and driving towards net zero emissions. More information about the programme in Asia Pacific can be found **here**.

Healthy cities: lessons from Hong Kong

Dense and vertical, Hong Kong has developed innovative approaches to transit-oriented development, public housing, and open space, which can offer both inspiration and critical lessons for cities grappling with similar challenges.

Members of ULI's Health Leaders Network visited the city in November to meet local experts, tour neighbourhoods and visit projects to discover how history, governance, and daily life intersect to shape the built environment. They found eight actionable takeaways for other cities.

1. Transit-oriented development to support active daily life. The integration of the MTR network with development encourages public transport use and reduces car dependency.
2. Design for ageing in place across generations. While the ageing population remains a challenge, amenities such as parks with both children's playgrounds and exercise equipment for elders boost health and wellbeing.
3. Prioritise housing stability as a public health need. Housing attainability is a significant problem for the city; however its public housing developments are walkable and integrated into the community.
4. Activate public space as an outdoor living room. In a city where density means smaller homes, parks, plazas, and promenades function as the living room of daily life.
5. Integrate green and blue spaces into daily life. Despite its density, Hong Kong has significant protected green space and is making better use of its many waterfronts.
6. Frame climate resilience as a public health investment and asset-level value add. No stranger to extreme weather, Hong Kong is investing in resilient infrastructure such as flood and heat mitigation, drainage systems, and operational preparedness.
7. Leverage public/private partnership for scalable development. ULI Health Leaders felt the ability to execute projects with both intention and scale was a key lesson from Hong Kong's approach.
8. Use structured tools to enable participatory design. Organisations and firms such as Architecture Commons use guided prompts, toolkits, and codesign methods to start dialogue which leads to more inclusive design.

"Hong Kong is a master class in coordination—real estate development, transit, harbour activation, and housing, all moving in lockstep," said Moe Magali, director of business development at Public Works Partners. "Getting an inside look at how this city works was inspiring and, honestly, a reminder of what's possible when systems, vision, and execution align."

Anh-Vy Pham is a program manager with the ULI Randall Lewis Centre.

Beth Nilsson is a director with ULI Building Healthy Places Initiative.

A longer version of this article can be found at Urban Land online.

The ULI Health Leaders Network, established in 2017, connects ULI members across disciplines such as architecture, urban planning, real estate development, and public health. Through in-person convenings in global cities and monthly virtual sessions, the cohort program fosters cross-sector collaboration around healthier and more equitable communities. In November 2025, Cohort 8 of the programme travelled to Hong Kong to learn how that city's built environment supports health, wellness, and equity.

Desirable districts

Technological advancements, changing economic conditions, global disruptions, and the growth of remote work have transformed business districts in recent years, raising and changing the expectations of occupiers, investors and citizens.

The 2025 Global Business Districts Attractiveness Report, created by EY and ULI for the GBD Innovation Club, provides a detailed assessment of the world's 30 leading business districts. New York's Midtown and Financial District topped the tables, followed by Tokyo's Marunouchi in third place.

The report noted that Asian GBDs hosted more Fortune Global 500 companies than their European peers and were also a focus for more investment. Real estate investment volumes in the top European GBDs and their host cities were 60% lower than in Asia — a reversal from the 2020 report.

Other highly-rated Asia Pacific districts included Beijing's CBD, Singapore's Downtown Core and Seoul's Gangnam. Districts are rated on a number of factors, including access to talent, real estate stock, urban amenities and innovation. Emerging GBDs include Bangalore's Outer Ring Road, which could become a key AI hub, as well as the growing Middle East hubs of Dubai in Riyadh, boosted by pro-investment policies and ambitious real estate development.

The report identified four clear megatrends redefining the urban core in cities across the world. The report predicts that the next generation of global business districts will move beyond their purely commercial origins to become "social districts", vibrant, integrated and inclusive environments that combine work, living, culture, and sustainability. Winning cities must:

- Attract world-class talent through urban vitality and accessibility
- Reinvent real estate through renovation
- Leverage technology and AI to enhance the user experience
- Commit to low-carbon growth and social inclusion

There are challenges for business districts to address. Firstly, the expense of GBDs - only 9% of stakeholders surveyed believe they offer fair value. Second, only 10% of respondents believe the net zero transition and climate change risk are being effectively addressed and third, fewer than one in five respondents believe GBDs foster an environment which is ideal for innovation. Indeed, only 12% the "unicorn" companies in global cities are based in their business districts.

Nonetheless, 44% of stakeholders "strongly agree" that GBDs are the prime locations for businesses to stay connected to clients, partners, and markets, and 39% "strongly agree" they provide a strategic advantage for companies seeking to attract and retain top-tier talent.

The 2025 Global Business Districts Attractiveness Report is available for download at **ULI Knowledge Finder**.

Urban Land Institute Asia Pacific Events

ULI India Annual Conference	25–26 February 2026
ULI Hong Kong Spring Conference	19 March 2026
ULI Philippines Housing Symposium	19 March 2026
ULI GBA Future City Forum	18 April 2026
ULI Japan Spring Conference	11 June 2026
ULI Asia Pacific Summit	25–27 May 2026
ULI South Korea Annual Conference	18–19 June 2026

Urban Land Institute Global Events

ULI Spring Meeting	5 May 2026
ULI Europe Conference	8 June 2026

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About the Urban Land Institute

The Urban Land Institute is a global, member-driven organisation comprising more than 45,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide. ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 84 countries.

ULI Urban Land Institute

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