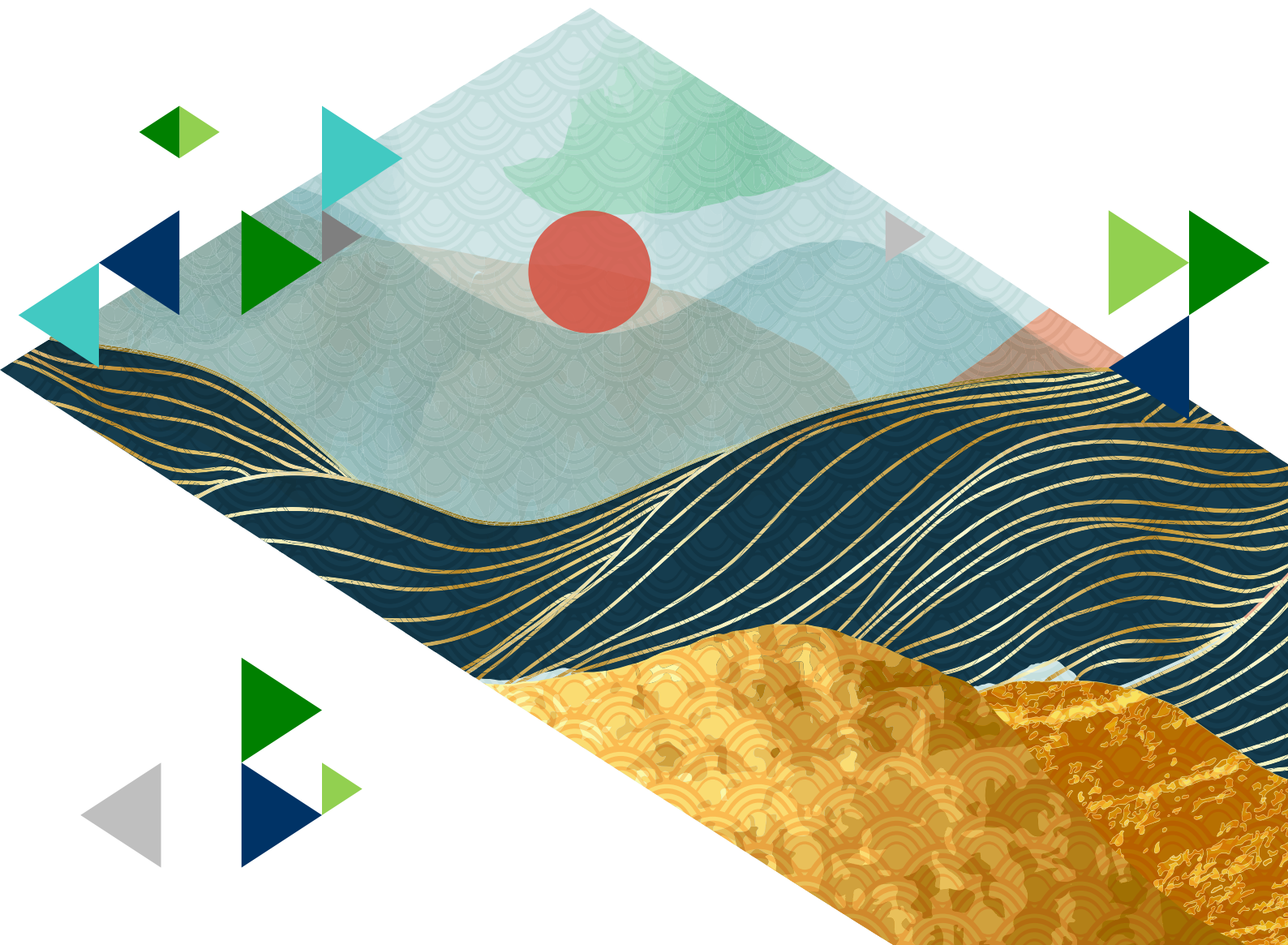


# The Rising Tide of Asia Pacific Real Estate Private Credit

Structural Forces Beyond the Cycle

August 2025





# Executive Summary

Two years after CapitaLand Investment's (CLI) publication of our first research paper on Asia Pacific (APAC) Private Credit, institutional interest in the sector continues to accelerate. Amid tighter financial conditions and higher regulatory constraints faced by traditional lenders, borrowers are turning to private credit for faster execution, flexible structures, and customised solutions. Within this landscape, real estate (RE) private credit is emerging as a key growth segment, supported by APAC's rapid urbanisation, rising refinancing needs, and evolving capital requirements.

RE private credit in APAC remains at an early stage relative to the United States (US) and Europe, however, the region offers significant headroom for growth. Fundraising has accelerated in recent years. A growing funding gap – driven by the refinancing of low-cost debt and more selective bank lending – is fuelling demand for non-bank capital across core-plus, value-add, and transitional strategies. As the asset class matures and institutional adoption deepens, early movers are well-positioned to benefit from attractive entry points, wider spreads, and long-term structural growth.

While market fragmentation and regulatory complexity remain key challenges, these barriers also create opportunities for experienced managers to capture outsized risk-adjusted returns. Developed markets such as **Australia**, **South Korea**, and **Singapore** offer compelling advantages, stemming from their transparent and robust governance and credit frameworks.

In an uncertain market environment that favours yield resilience and downside protection, APAC RE private credit stands out as a strategic allocation opportunity - one that blends stable income with differentiated access to one of the world's most dynamic economic regions.



Real estate private credit is emerging as a key growth segment, supported by APAC's rapid urbanisation, rising financing needs, and evolving capital requirements.

## APAC Private Credit Market

### 1. A MARKET SET TO TAKE OFF

**APAC stands as the world's largest credit market**, valued at an estimated US\$63 trillion – on par with the combined size of North America and Europe – and has delivered a Compound Annual Growth Rate (CAGR) of 6% over the past decade, underscoring its scale and momentum<sup>1</sup>. **Yet nearly 80% of total credit in the region is extended through traditional banking channels**, creating systemic inefficiencies and limiting access to flexible capital for businesses, from refinancing to growth-stage funding<sup>2</sup>.

The tightening of global banking regulations following the 2008 Global Financial Crisis (GFC), including the progressive rollout of Basel III and IV<sup>3</sup>, has meaningfully curtailed banks' lending appetite, particularly for RE and mid-market borrowers. As a result, private credit has emerged as an important portfolio allocation, gaining traction

among a broad range of investors, including family offices, that are seeking to enhance portfolio diversification<sup>4</sup>.

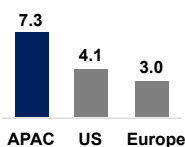
Nonetheless, **APAC's private credit market remains at a nascent stage** compared to other regions (Figure 1). The asset class in APAC has long been associated with distressed debt and opportunistic lending, a legacy stemming from its origins during the Asian Financial Crisis in the late 1990s. Between 2010 and 2019, more than half of private credit fundraising in the region targeted special situations and distressed debts<sup>5</sup>. This is also evident in return levels - median net Internal Rate of Returns (IRR) for APAC private credit funds have historically outperformed North American and European credit funds<sup>6</sup>.

Fast forward to the present, **performing private credit presents a compelling solution to APAC's persistent capital inefficiencies**. As traditional lenders retreat and borrowers seek faster and more tailored solutions, private credit is well-positioned to become a cornerstone of APAC's evolving financial architecture.

Figure 1: APAC's Private Credit Market is Relatively Untapped

**Vast Growth, Limited Capital:**  
The Untapped Opportunity  
in APAC Private Credit

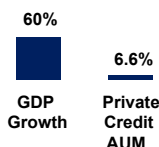
**Private Equity to  
Private Credit Ratio**



**Private capital imbalance in APAC**

The imbalance between private equity and private credit is much more pronounced in APAC, compared to other regions

**APAC's Share of  
Global GDP Growth  
& Private Credit AUM**



**A rising wave in the sea of credit dry powder**

Although APAC's private credit dry powder has more than doubled over the past 10 years, it still accounts for just 0.03% of the region's credit market size

**APAC  
Credit Market  
(US\$63 trillion)**

**vs**

**APAC  
Private Credit  
Dry Power  
(US\$21 billion)**

**Underfunded engine of global growth**

Despite powering close to two-thirds of global GDP growth, APAC accounts for only 6.6% of global private credit AUM

Source: Preqin, PEI, JLL, CLI Group Research, August 2025

1. Source: PEI – "Private Credit in Asia: The End of the Golden Age?", September 2024.
2. Source: JLL – "Asia Pacific Debt: Non-bank Lenders Get in on the Act", May 2024.
3. Basel III is a set of measures developed by the Basel Committee in the years following the global financial crisis of 2007-09. The measures, rolled out over several years, aim to strengthen the regulation, supervision, and risk management of banks. The final set of rules has been dubbed the Basel IV or Basel III Endgame. These rules focus on the amount of capital that banks must have against the credit, operational, and market riskiness of their business. Source: Brookings – "What is Bank Capital? What is Basel III Endgame?", March 2024.
4. Asian family offices remained positive on private credit, because lending rates are seen as more than adequate compensation for the risk of borrower default and distribution come earlier. Source: BNP, The Asia-Pacific Family Office Report, June 2025.
5. Source: Preqin, June 2025.
6. Median IRR for private credit funds vintage between 2013-2022 is 11.7% for APAC, 10.2% for North America and 9.0% for Europe. Source: Preqin – "Alternatives in APAC 2025", June 2025.

## 2. AMPLE ROOM FOR GROWTH

The sheer scale of APAC's credit system creates a compelling backdrop for private credit expansion. 1% reallocation from traditional bank lending to non-bank channels would translate into an additional US\$500 billion in the private financing sector. This highlights how even incremental shifts in credit flows can unlock enormous addressable market opportunities for private lenders.

**APAC's rapid urbanisation, rising capital demand, prolonged elevated interest rates, and increasingly risk-averse banks are key demand catalysts** driving the sector's growth (Figure 2).

Central banks across APAC, with the exception of China and Japan, have tightened policy aggressively since mid-2022, reversing years of accommodative conditions following the GFC and COVID-19, which saw interest rates averaged just 1.5% across key APAC economies such as Australia, Singapore and South Korea. Though a few rounds of rate cuts have been delivered since 2024, with global uncertainties keeping inflation sticky and policy risks elevated, **interest rates are expected to stay structurally above trend for longer** (Figure 3), which **sustains private credit's appeal**.

Furthermore, institutional investors are increasingly valuing private credit's diversification benefits amid rising correlations

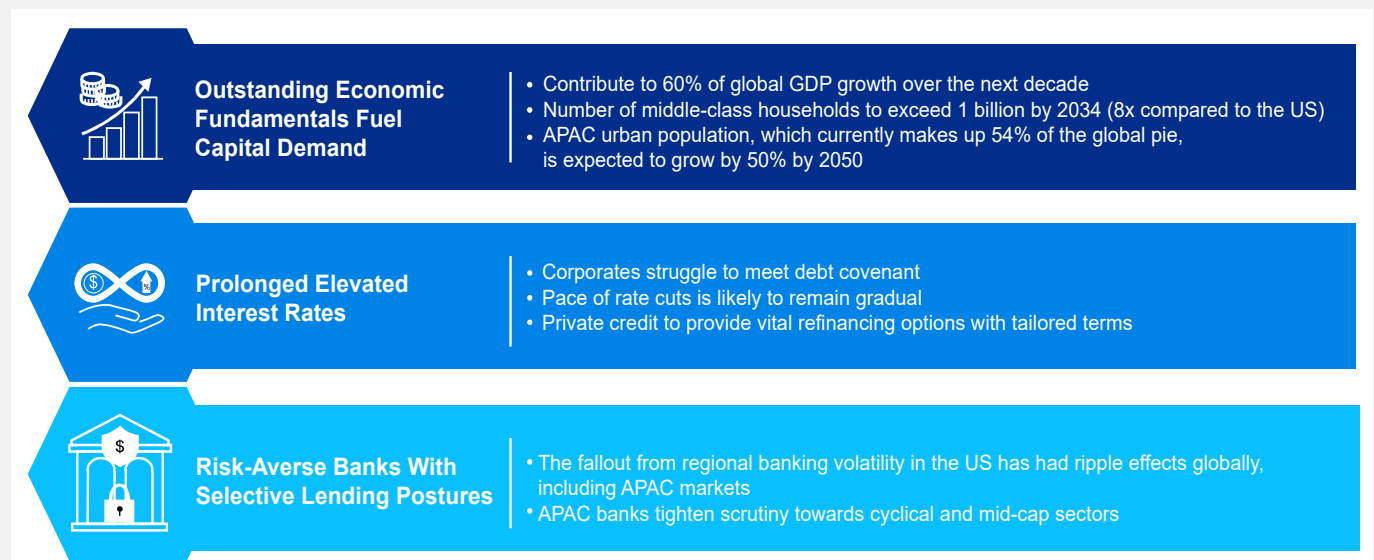
between equity and bond markets, a dynamic that targeted exposure to private credit is well-positioned to address. **Overall, private credit is gaining traction as a defensive, yield-enhancing allocation.**

**While closed-end fund structures continue to dominate private credit fundraising, open-ended vehicles are emerging as a potential evolution in APAC.** These funds offer greater flexibility for investors subscriptions and redemptions. However, they demand sophisticated liquidity tools, such as redemption gates, swing pricing, and queue management mechanisms, to ensure stability. If executed well, open-ended structures could expand the appeal of private credit to a broader investor base and help scale the asset class further.

## APAC RE Private Credit Market

APAC's private credit market spans a diverse set of strategies, of which, **RE private credit has tremendous growth potential** given the region's rapid urbanisation rate. APAC will account for 77% of urban population growth over the next 10 years (across APAC, Europe and the Americas)<sup>7</sup> but only currently represents 27% of the global institutional RE market<sup>8</sup>. This imbalance signals **a wealth of untapped opportunities for RE private credit across the region.**

Figure 2: Demand Catalysts in APAC's Private Credit

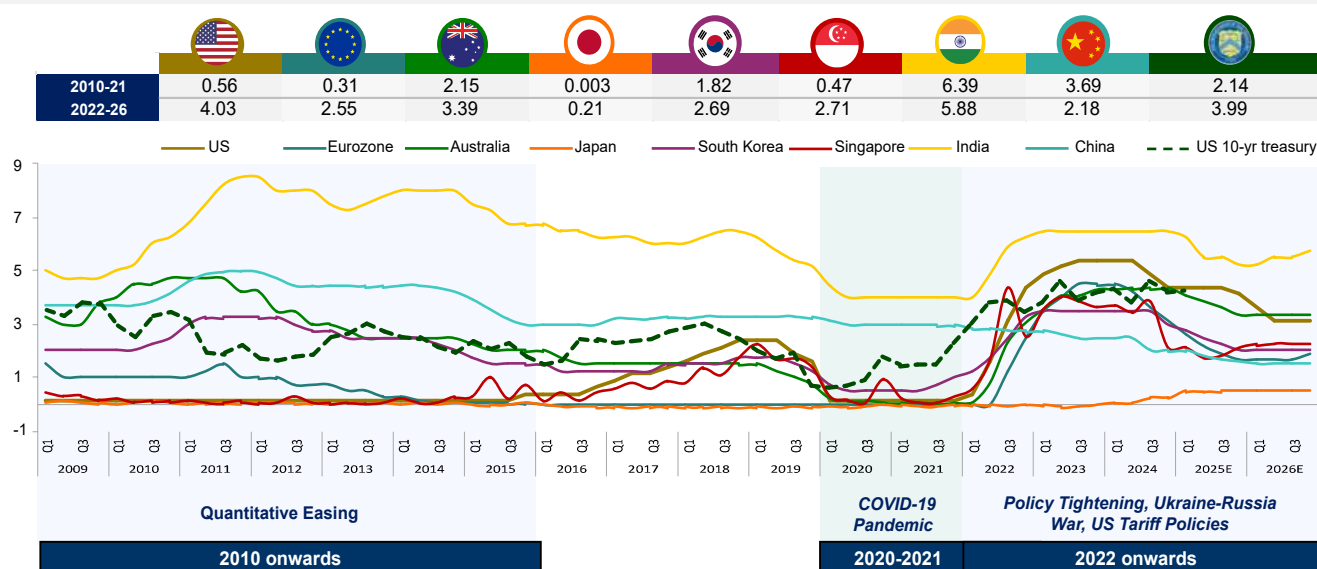


Source: JLL, UN Habitat, CLI Group Research, August 2025

7. Source: Oxford Economics, July 2025.

8. Source: MSCI – "Real Estate Market Size", July 2024.

Figure 3: Central Bank Interest Rates Comparison Over Time



Source: Oxford Economics, Central Bank & Monetary Authority data, CLI Group Research, August 2025.

## 1. GROWING INVESTOR INTEREST

**Institutional capital in APAC is increasingly turning towards RE private credit**, particularly where investments are aligned with scalable platforms or thematic strategies, rather than isolated transactions, allowing large allocators to deploy significant capital with strategic depth and repeatability.

Between 2020 and 2024, approximately US\$11.2 billion was raised for RE private credit strategies, a 42% increase from 2015-2019. Average fund sizes have also surpassed the US\$100 million mark since 2022<sup>9</sup>. Australia took the lion share of capital raised, followed by India, South Korea and Japan (Figure 4).

Interest has also been accelerating among **Asian family offices and high-net-worth investors**, especially in wealth hubs like Singapore and Hong Kong.

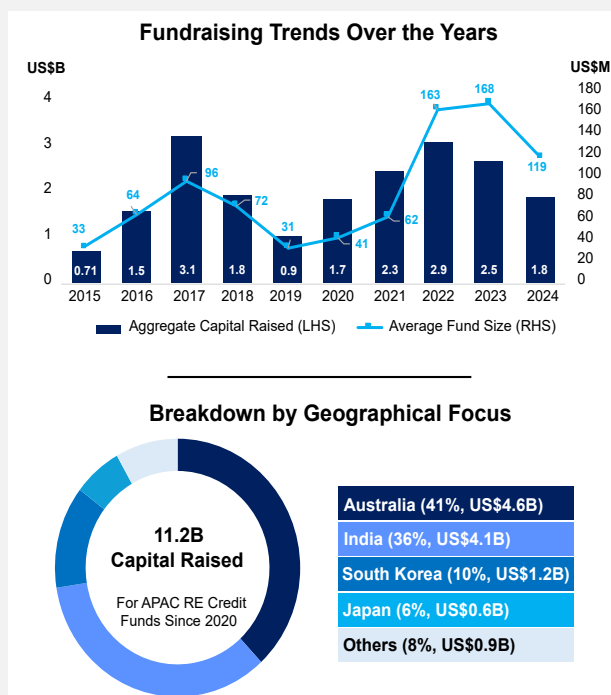
Outside of APAC, US investors remain primarily focused on domestic opportunities, given the attractive yield environment. Meanwhile, European investors have maintained exposure to APAC RE credit, and is expected to show more interest in the near-term, as macro clarity improves and capital deployment windows reopen.

## 2. FURTHER INSTITUTIONALISATION OF THE ASSET CLASS

**Similar to the larger private credit markets in US and Europe, recent regulatory developments across APAC are accelerating further institutionalisation of RE private credit.** The gradual roll out of Basel III and IV capital rules

that restrict traditional bank lending and the ongoing structural adjustments reduce banks' RE exposure. Furthermore, the adoption of IFRS 17 insurance accounting standards in multiple markets since 2023 reinforces the need for insurers to align investments more closely with liability profiles, limiting their capacity to finance illiquid and volatile projects such as RE development<sup>10</sup>.

Figure 4: APAC RE Private Credit Fundraising



Source: Preqin, CLI Group Research, August 2025

9. Source: Preqin, June 2025.

10. Source: McKinsey – "IFRS 17: Insurers Should Plan for Strategic Challenges Now", December 2019.



As low-cost loans originated prior to 2022 reach maturity, many **borrowers now face refinancing at significantly higher interest rates** – conditions that most banks are unwilling or unable to accommodate. This has resulted in a **projected funding gap of US\$8.4 billion between 2024-2026, a huge opportunity for RE private credit lenders**<sup>11</sup>.

At the same time, an **increasing number of bad loans is prompting banks to apply greater borrower scrutiny** across multiple dimensions – including asset quality, asset class, loan size, capital structure, and sponsor profile. **Construction finance is facing tighter terms**, with banks now demanding substantial pre-leasing or pre-sales before drawdowns<sup>12</sup>.

Against this backdrop, RE private credit offers an ideal solution by bridging the funding gaps, providing borrowers with the option to structure financing payments to better align with operational cash flows.

### 3. EARLY MOVER ADVANTAGE

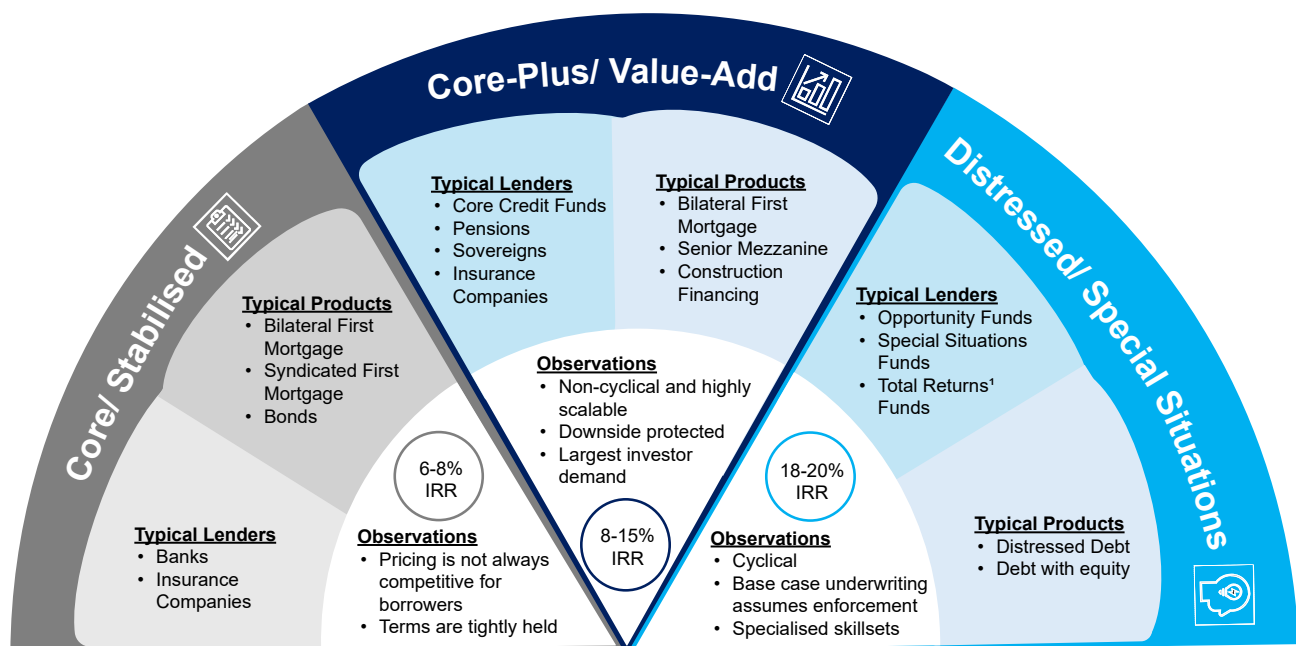
APAC RE private credit presents an early mover advantage from both a structural standpoint and a tactical position. Structurally, despite recent momentum, **private credit still accounts for only 6% of RE financing in APAC** as of mid-2024, significantly below levels seen in more developed regions (41% in the US and 21% in Europe), where private lenders are firmly embedded in the capital stack<sup>13</sup>.

Moreover, much like the broader APAC private credit market, **the majority of RE credit transactions in the region have historically focused on opportunistic or distressed scenarios**, which would typically generate higher returns of 18-20%. Further down the risk spectrum, performing private credit strategies' returns range from 8-15% for core-plus/value-add deals (Figure 5). Thus, the **opportunity to deploy at scale in performing private credit remains largely untapped in APAC** given the region's robust structural drivers of outsized economic growth and urbanisation.

Tactically, in this early phase of APAC RE price recovery, **private credit investors can still access attractive entry points with downside protection from potential asset appreciation**. While interest rates have declined from their 2022 highs, they remain elevated relative to historical norms, sustaining **favourable, though somewhat compressed, risk-adjusted returns**. Lower fund borrowing costs also **help preserve interest spreads**. As rates continue to decline gradually, a rebound in RE investment activity is **expected to boost demand for private credit in acquisitions, refinancings, and development projects**.

Over the long term, the growth of APAC real estate private credit will be propelled less by market dislocations or rate volatility, and more by structural factors – including the rising sophistication of both lenders and borrowers, growing confidence underpinned by proven execution, and the gradual fading of the perception of private credit as capital of last resort.

Figure 5: APAC RE Credit Strategies



Note: (1) Combination of equity and debt investments.

Source: CLI Private Credit, CLI Group Research, August 2025

11. Source: CBRE – “The Debt Funding Gap for Asia Pacific Real Estate”, May 2024.

12. Source: PWC – “Emerging Trends in Real Estate Asia Pacific 2025”, November 2024.

13. Source: PWC – “Emerging Trends in Real Estate Asia Pacific 2025”, November 2024.

## Developed Markets in APAC: A Gateway for RE Private Credit

Institutional capital is gravitating towards markets where the rule of law is strong, credit frameworks are transparent, and lender protections are well-established. In APAC, **Australia**, **South Korea** and **Singapore** stand out as core developed markets for their varying degrees of market maturity and accessibility (Figure 6). While Japan remains a developed economy, structurally low rates and limited scalable credit opportunities have kept overall private credit penetration relatively lower.

### 1. AUSTRALIA

**RE is amongst the most attractive sectors for private credit investment in Australia**<sup>14</sup>. As of end 2024, Australia's commercial RE private credit market was estimated at approximately A\$85 billion and is expected to almost double to A\$153 billion by 2028<sup>15</sup>.

Over the past decade, the Australian Prudential Regulation Authority has curbed banks' exposure to commercial RE, especially construction lending – now viewed as capital-intensive and risk-sensitive under Basel III. Lending practices remain highly conservative, favouring borrowers with simple

balance sheets and stable, recurring cash flows. As a result, **developers and sponsors with more complex financing needs or faster execution requirements are increasingly seeking alternative sources of capital.**

Borrowers are also drawn to private lenders for **one-stop solutions and more tailored terms**, such as higher loan-to-value (LTV) ratio, more flexible construction stage, despite higher interest margins. For example, for one of CLI's senior secured construction loans in Australia, we were able to offer up to 65% loan-to-cost (LTC) initially and a 55% LTV upon stabilisation. Upon exit, when the project was fully stabilised, the developer refinanced with a bank at slightly lower LTV (low 50%) and lower cost. From a return perspective, the gross IRR on loan level was mid-teens leveraging CLI's integrated credit platform that covers origination, risk and loan management in-house, with a focus on driving value through active asset management. Overall, Australia's securities commission is supportive of private credit as liquidity risks are low and is working closely with industry players to establish best practices<sup>16</sup>.

**From a macro perspective, Australia's economic backdrop remains broadly resilient, supported by a stabilising inflation outlook, a tight labour market, and the ongoing resurgence in inbound migration.** GDP growth is expected to accelerate, reaching 2.1% in 2025 and 2.5% in 2026<sup>17</sup>.

Figure 6: Overview of APAC RE Private Credit in Australia, South Korea and Singapore

	Australia	South Korea	Singapore
<b>Duration (Direct lending)</b>	2-4 years	2-4 years	2-4 years
<b>Loan to Value (LTV)</b>	~60%	~65%	~65%
<b>Preferred Asset Types</b>	Logistics, Residential, Retail, Data Centres, Student Accommodation, Office, Hotels	Office, Logistics, Hotels, Data Centres, Coliving	Office, Logistics, Coliving
<b>Typical Returns</b>	8-10% Net IRR (First mortgage)	8-10% Net IRR (First mortgage)	Bank's first mortgage rate is typically at 3-5%. Private credit usually takes on mezzanine loans.
<b>Regulatory Regime</b>	<ul style="list-style-type: none"> <li>Offers one of the most accessible and efficient environments for RE private credit in APAC.</li> <li>Well-established legal framework allows lending to corporates without having a banking license and offers broad contractual freedom in structuring terms.</li> <li>Favourable tax regime, interest withholding tax can be exempted under Section 128F.</li> </ul>	<ul style="list-style-type: none"> <li>Presents attractive yield opportunities, especially through onshore vehicle, i.e. licensed asset management company.</li> <li>Within the 20% per annum interest rate cap, lenders have broad contractual flexibility to negotiate terms.</li> <li>Well-developed legal system with clear procedures for collateral registration.</li> </ul>	<ul style="list-style-type: none"> <li>Offers a transparent, efficient and low-friction environment for RE private credit.</li> <li>Lending to corporates does not require a banking license if the lender qualifies as an excluded moneylender.</li> <li>The market provides broad contractual freedom, with no capital gains tax, and supportive fund incentives.</li> </ul>

Source: Baker Mckenzie, CBRE, JLL, DBS, OCBC, UOB, CLI Private Credit, CLI Group Research, August 2025

14. Source: Herbert Smith Freehills – "A Pulse on Private Credit Investment in Australia 2025", April 2025.

15. Source: Australian Prudential Regulation Authority – "April 2025 Quarterly Release", April 2025; Foresight Analytics – "Australia's Evolving Capital Markets: A Discussion Paper on the Dynamics Between Public and Private Market", April 2025, CLI Private Credit, June 2025.

16. Source: Allens – "ASIC's Private Markets Push: What Industry Should Prepare For", June 2025.

17. Source: Oxford Economics, June 2025.

Importantly, Australia's limited trade exposure to the US insulates its economy from the direct brunt of rising US protectionism, unlike many of its APAC peers. The country's export profile – dominated by either raw commodities or finished goods – also mitigates vulnerability to global value chain disruptions. With inflation expected to gradually ease towards the target range of 2-3%, Reserve Bank of Australia is positioned to loosen policy further in 2H 2025. **Expectations of policy easing, combined with a relatively transparent legal system and real asset demand from institutional capital, position Australia favourably for increased inbound fund flows, especially into alternative and RE credit strategies.**

At the same time, solid economic performance continues to **support local RE markets**. The office market is recovering, with long-term outlook remaining positive. Limited future supply supports rent growth for quality assets; uptick in investment reflects a rebound in market confidence. Flight-to-quality trend persists amid hybrid work culture, prompting landlords to pursue repositioning strategies, often requiring non-bank capital.

The retail sector is benefiting from renewed optimism, as population growth, resilient household spending, and interest rate cuts bolster retail sales and retailers' profitability. Given constrained new supply, landlords are turning to asset optimisation, including extensions and refurbishments.

In the logistics sector, strong fundamentals – driven by e-commerce, migration, and structural supply limitations – are being reinforced by attractive repricing dynamics, as asset values have reset from peak levels. While investors' conviction for core strategies is set to return, there will remain attractive opportunities for value-add strategies, especially urban infill locations where targeted refurbishment can unlock rental growth. Development remains challenged by elevated land costs despite moderating construction costs and falling interest rates.

Meanwhile, the residential market faces one of the most acute supply-demand imbalances driven by record-high net migration and limited new housing stock. With traditional banks pulling back on residential development lending, especially for smaller and mid-tier borrowers, the role of private credit has become pivotal.

**From transitional financing to ground-up construction and recapitalisation, RE private credit has become increasingly important to project delivery across sectors, positioning Australia as the most mature and institutionally embraced RE private credit market in APAC.**

## 2. SOUTH KOREA

**South Korea's evolving regulatory landscape has played a critical role in both enabling and accelerating the growth of private credit.** On the one hand, **domestic banks have significantly curtailed lending to RE project finance**, driven by policy initiatives aimed at cooling the property market and reinforcing financial system resilience. On the other hand, state-linked allocators such as Korea Post and local insurers have issued mandates to increase exposure to private credit<sup>18</sup>. These shifts signal regulatory openness towards foreign non-bank capital, as long as systemic stability is preserved.

**Korean private credit deals are typically backed by real assets**, with a focus on construction loans and refinancing for residential, commercial, and logistics projects. **The recent interest rate cycle, coupled with the typical high leverage and sticky rent levels of the Korean RE market, has created compelling opportunities for asset recapitalisation**, especially where traditional financing channels have contracted. As of end 2024, non-bank's exposure to RE project financing stood at approximately US\$118 billion, reflecting a CAGR of 24% since 2020<sup>19</sup>.

**Notably, the current market dislocation - marked by high levels of domestic corporate debts, challenges facing local lenders, and subdued RE sentiment - has opened a strategic window for foreign private credit investors.** These participants are increasingly drawn to loan refinancing, development funding, and capital structure optimisation, often through partnerships with domestic platforms or their own licensed entities. **With further tightening expected for local credit providers, opportunities remain abundant for foreign investors to complement local lenders.**

**From a macro perspective, South Korea's economy remains subdued, with GDP growth forecast to average 0.8% in 2025, weighed down by weak exports and lacklustre investment.** Exports could face further headwinds from higher US tariffs, while inflation is projected to average 2.0% in 2025. Real wage stabilisation is expected to support consumption, while stronger-than-expected fiscal policy could bolster domestic demand under the newly elected president. **More dovish stance from the Bank of Korea is anticipated.**

**Commercial RE transaction volumes are likely to match or exceed 2024 levels, and together with expectations of stricter bank loan reviews, could potentially drive increased allocations to the RE private credit space<sup>20</sup>.**

In the office sector, banks' selective lending approach and a growing emphasis on asset repositioning are creating opportunities for private lenders to finance value-add strategies.

18. Source: Asia Asset Management – "Korea Post Opens Tender For 150 Billion Won Private Debt Mandate", February 2025, The Korea Economic Daily – "Korean Teachers' Fund to Commit \$495 mn to 10 PE Firms", March 2025, The Korea Economic Daily – "Korean Investors Turn to Private Credit, Secondaries: CIOs", May 2024.

19. Exchange rate of 1 KRW = 0.00074 USD. Source: Bank of Korea Financial Stability Report, December 2024.

20. Source: CBRE – "2025 Korea Investors Intentions Survey", March 2025.



Grade A office supply is expected to remain limited in Seoul's major three business districts in the near-term before a significant pipeline reaches completion from 2028 onwards. As such, banks are approaching office project financing cautiously, prioritising asset quality and location. Furthermore, market bifurcation is driving many landlords to pursue aggressive asset enhancement initiatives to stay competitive.

In the logistics sector, a wave of overdevelopment, especially in cold storage, has created vacancy risk, prompting banks to tighten lending to new projects. This has resulted in distressed and transitional opportunities well-suited for private credit, including the conversion of underutilised cold facilities into dry logistics or data centres.

### 3. SINGAPORE

**Singapore's private credit market remains relatively small as local banks dominate commercial RE lending<sup>21</sup>.** Private credit RE strategy is **mostly opportunistic in nature, with a focus on event-driven situations such as mergers and acquisitions, distressed recapitalisations, shareholder restructurings and value-add initiatives.** As such, activity is concentrated in small, **pure mezzanine plays and holding company lending**, where capital is typically deployed to meet liquidity-driven needs, an area banks are less likely to support across the full capital structure. Asset managers could also leverage relationship with these local banks for collaborative deals.

**From a macro perspective, Singapore's economy experienced stable growth**, driven by key sectors like wholesale trade, finance and insurance, and manufacturing. GDP is expected to grow by 0.0 to 2.0% in 2025 amidst low inflation and a deterioration in Singapore's external demand outlook. Singapore's domestic interest rate is expected to follow a similar downtrend as the Federal Reserve in 2025, with the Monetary Authority of Singapore's Core Inflation and Consumer Price Index-All Items inflation projected to average 0.5-1.5% in 2025.

The country's strong fundamentals, status as a global trade and financial hub, and proactive policy measures are expected to cushion economic shocks, bolster resilience, and sustain foreign investment inflows. Investors who were sitting on the sidelines are likely to return and be more selective in allocating capital to specific sectors or strategies. **RE investment volumes in 2025 are projected to grow 10% from 2024's volumes (\$28.6 billion), with a focus on core-plus to value-add strategies for higher yields<sup>22</sup>.**

In the Grade A central business district office sector, limited new completions and a focus on redevelopment are creating opportunities for private investors to capitalise on rising rents. Meanwhile, rents for prime business parks experienced a significant increase, marking the highest level since 2013<sup>23</sup>.

In the industrial sector, cautious sentiments amid uncertainties resulted in softened leasing momentum, with tenants prioritising lease renewals over expansions or relocations. Factory rents are expected to rise due to limited supply, while prime logistics rents may rebound slightly after a completion surge in 1H 2025.

The retail sector is experiencing a cyclical recovery, driven by healthy leasing sentiments, the return of international tourists, strong pipeline of events and limited supply. Overall, prime retail rents are expected to continue their upward trajectory and to recover to pre-pandemic levels in 2025.

With one of the highest concentrations of family offices and a RE market that is efficient, well-regulated and competitive, Singapore is well-positioned to capture more opportunities for RE private credit.

## CONCLUSION

The APAC private credit landscape is shaped by **a wide range of structural nuances**. Market fragmentation across jurisdictions results in varying legal systems, regulatory frameworks, and deal conventions, necessitating tailored credit solutions rather than standardised terms common in the US and Europe. Transactions in the region are often privately negotiated, with lenders able to structure deals featuring robust security and creditor protections. These complexities, while offering the potential for attractive risk-adjusted returns, also present meaningful execution challenges. As such, **success in this market hinges on aligning with experienced managers** who have strong in-region expertise, deep local networks, and the operational agility to traverse heterogeneous and evolving credit environments.

**This is even more pronounced in RE private credit**, where navigating zoning restrictions, title risks, local developer dynamics, and shifting regulatory landscapes **requires a high degree of sector-specific expertise**. Investors seeking to access this space must partner with managers who not only understand regional credit markets but also bring deep RE knowledge and the capability to underwrite, structure, and monitor complex, asset-backed loans across the diverse APAC markets.

**While investments in APAC RE private credit will continue to benefit from structural themes over the long-term, investors should act decisively to deploy capital now to negotiate favourable terms and lock in outsized spreads.**

21. DBS, OCBC, and UOB collectively hold ~\$146B in Singapore CRE loans, representing ~83% of Monetary Authority of Singapore (MAS)-reported building & construction lending to residents. Source: MAS, respective banks, data as of Dec 2024.

22. Source: CBRE – "2025 Singapore Real Estate Market Outlook", January 2025.

23. Source: Savills, Singapore Industrial Briefing, February 2025.

# About CapitaLand Investment Limited

Headquartered and listed in Singapore in 2021, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at 13 August 2025, CLI had S\$117 billion of funds under management held via stakes in seven listed real estate investment trusts and business trusts and a suite of private real asset vehicles that invest in demographics, disruption and digitalisation-themed strategies. Its diversified real asset classes include retail, office, lodging, industrial, logistics, business parks, wellness, self-storage, data centres, private credit and special opportunities.

CLI aims to scale its fund management, lodging management and commercial management businesses globally and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand Group's development arm. In 2025, CapitaLand Group celebrates 25 years of excellence in real estate and continues to innovate and shape the industry.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for Scope 1 and 2 by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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## Important Information

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