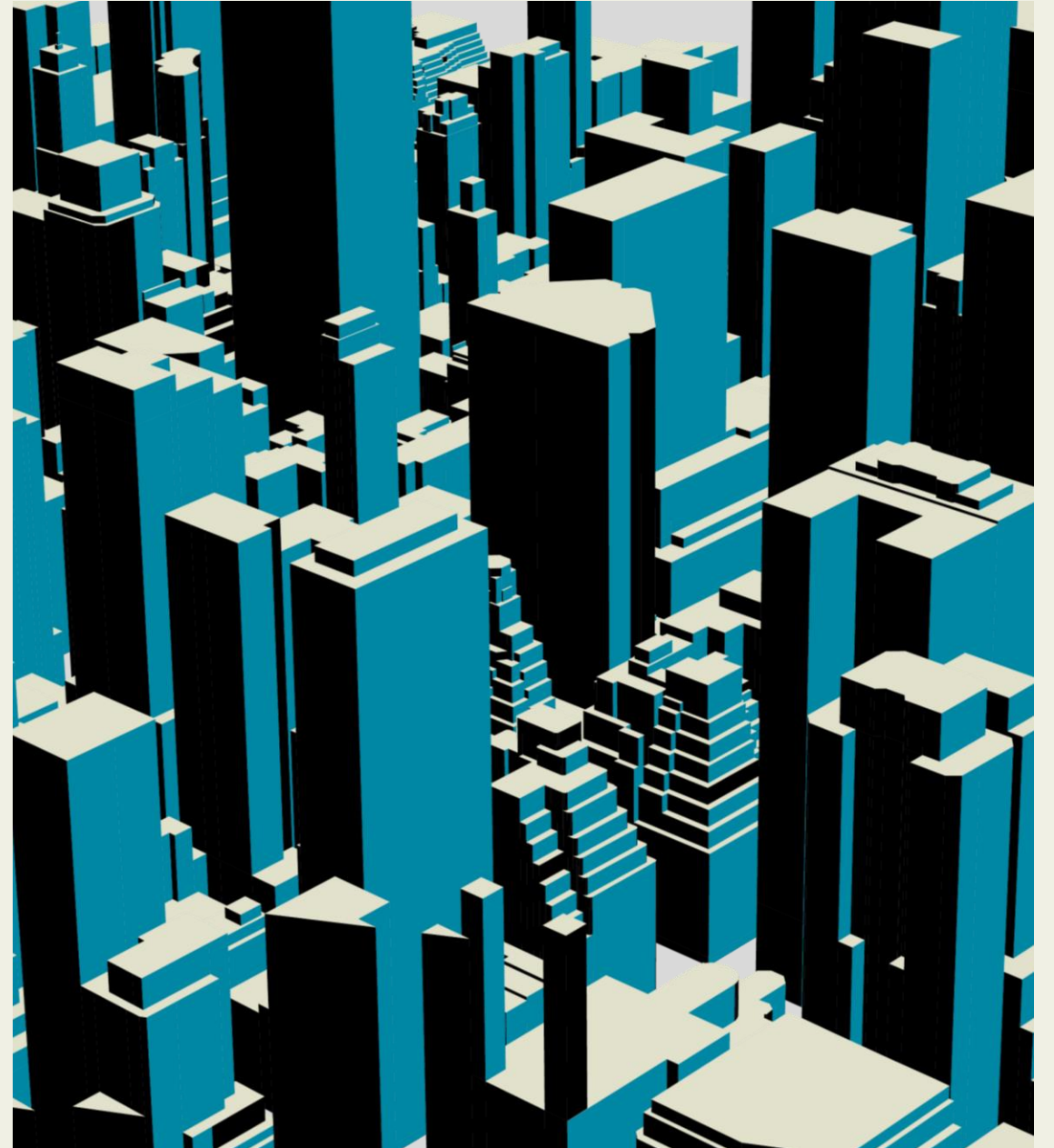

Office Highlights Q1 2025

Knight Frank Asia-Pacific

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Asia-Pacific Overview – Q1 2025

Summary



Prime rents in the region fell faster during the quarter, dropping a steeper 0.9% quarter-on-quarter compared to 0.4% in Q4 2024. While conditions in tier-one Chinese mainland cities remained challenging, rental growth was also observed to have cooled in Australia. 17 of the 23 monitored cities reported stable or increasing rents year-on-year, up from 16 in Q4 2024, with Jakarta reversing a rental downtrend.

Rents in Brisbane continue to register the highest annual growth. However, the city's rental upcycle is stabilising, with rents in the city registering just a 0.5% quarterly rise. This can be attributed to the recent period of sustained strong rental growth and ongoing high fit-out costs, with tenants choosing to remain focused on renewals. However, the underlying lack of new supply and strong tenant

demand will likely trigger stronger growth beyond 2025.

Regionwide vacancies remained largely unchanged during the quarter due to tightening availabilities in India and Southeast Asian markets, despite the delivery of 1.3 million sqm. Notably, leasing volumes in Bengaluru, Mumbai and Delhi-NCR hit a quarterly record of 1.7 million sqm.

Trump's decision to raise tariffs against its trading partners has induced significant economic volatility globally. These measures are likely to disproportionately impact the region's economies. However, we expect some markets to remain resilient due to the strength of domestic demand, such as India, where leasing volumes have largely been anchored by businesses that are domestically driven.

► -1.4%

YoY change for Asia-Pacific Rental Index in Q1 2025

► Brisbane

Recorded the highest YoY growth in Q1 2025

► 17 of 23

Tracked cities recorded stable or increasing rents YoY in Q1 2025

► Cautious

Expectations for 2025 office outlook

“As Trump’s tariffs continue to evolve, the full economic impact of the new measures will take time to unfold. However, forward-looking expectations will inevitably turn more cautious as a new modus operandi for the global economy emerges. As companies re-assess their occupational footprints, we expect occupiers to delay significant real estate decisions due to tariff uncertainties. This trend is driving a stronger focus on lease renewals, particularly for those who have moved into higher-quality buildings in the past few years and prompting occupiers to explore flexible spaces and shorter lease terms. While the ongoing uncertainty is complicating long-term decision-making that will likely weigh on occupier sentiment in the near term, we believe India and emerging Southeast Asia to remain resilient, as occupiers diversify their operations to navigate the new landscape..”



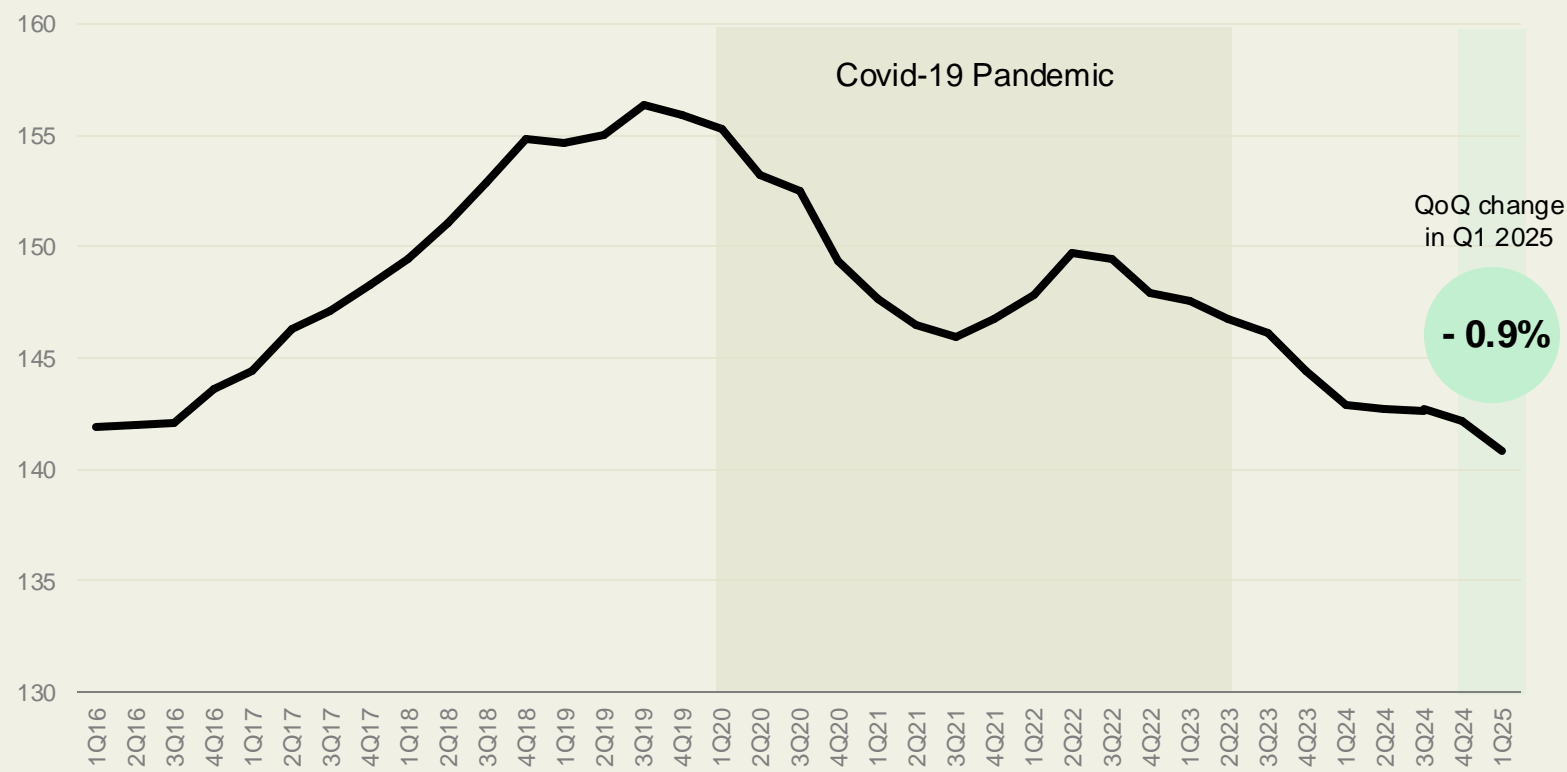
Tim Armstrong
Global Head of Occupier Strategy
and Solutions

APAC Prime Office Rental Index

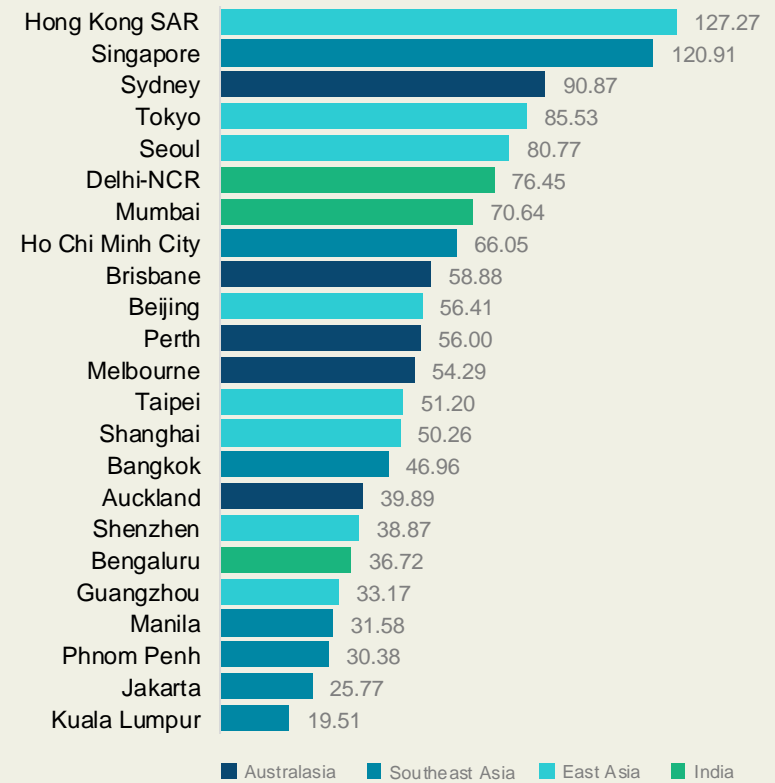


Rental decline accelerates in the region

APAC Prime Office Rental Index – 10 Year Historical



Q1 2025 Occupancy Cost (US\$/sqft/Year)

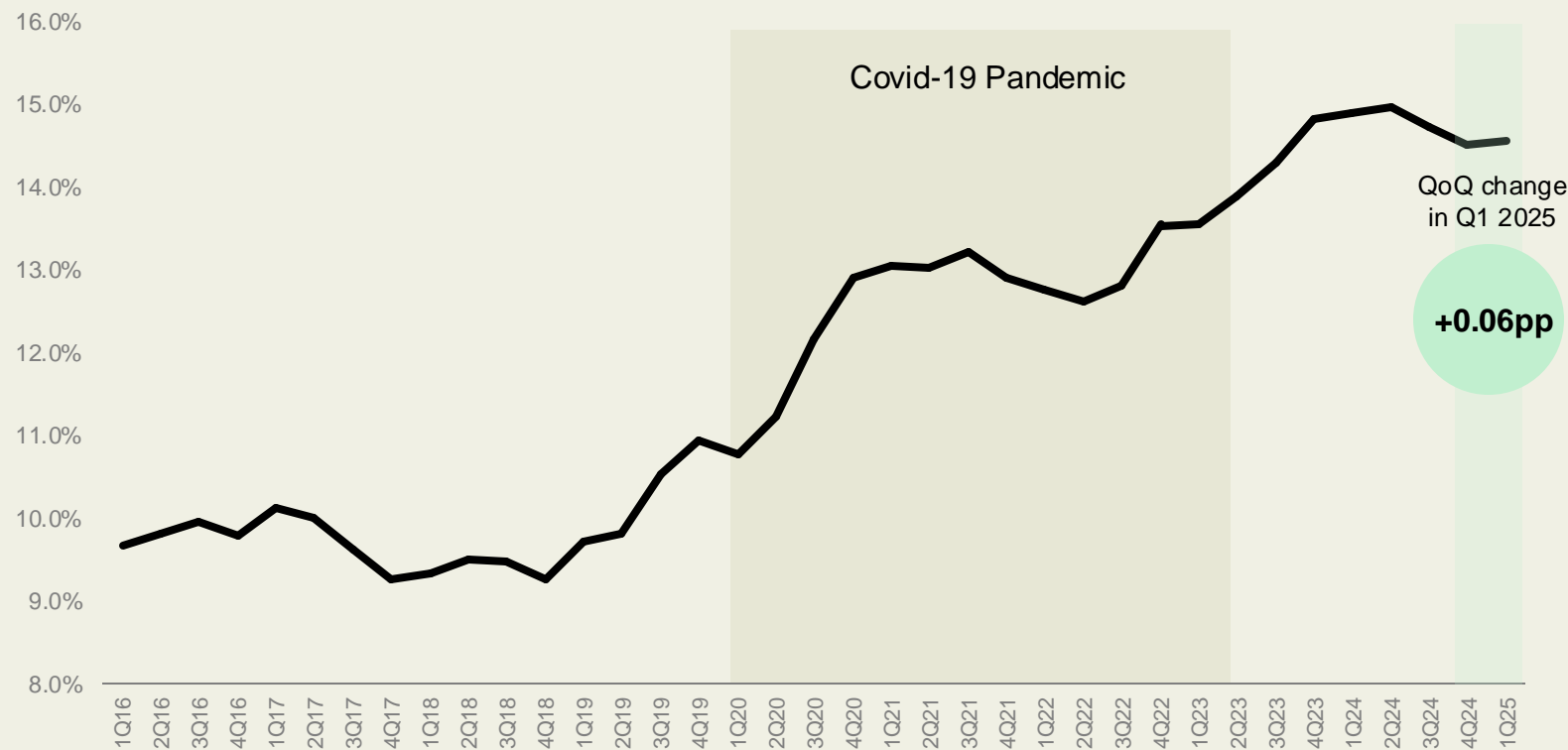


APAC Prime Office Vacancy Rate

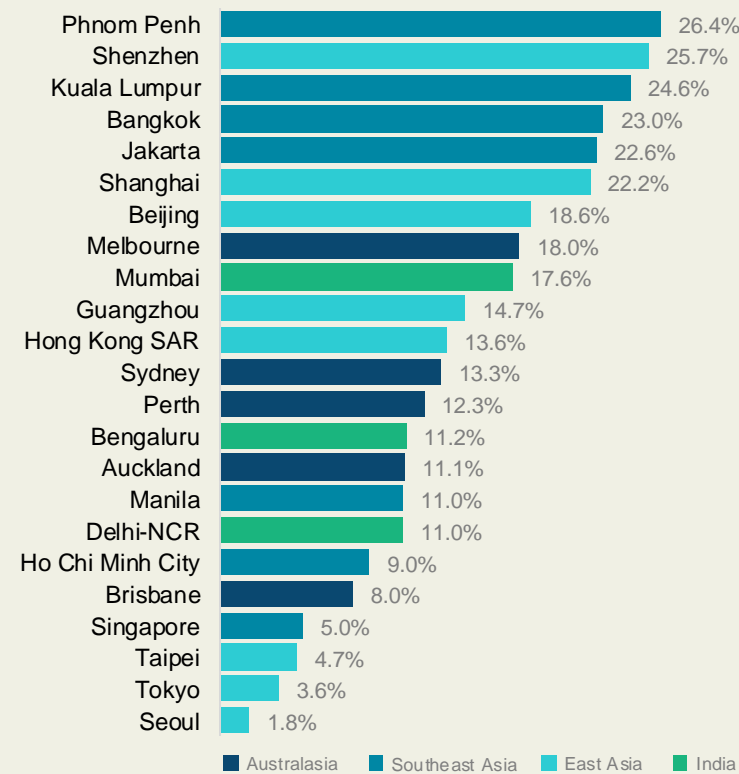


Tightening availabilities in India and Southeast Asia offset rise in Chinese Mainland

APAC Prime Office Vacancy Rate – 10 Year Historical



Q1 2025 Vacancy Rate

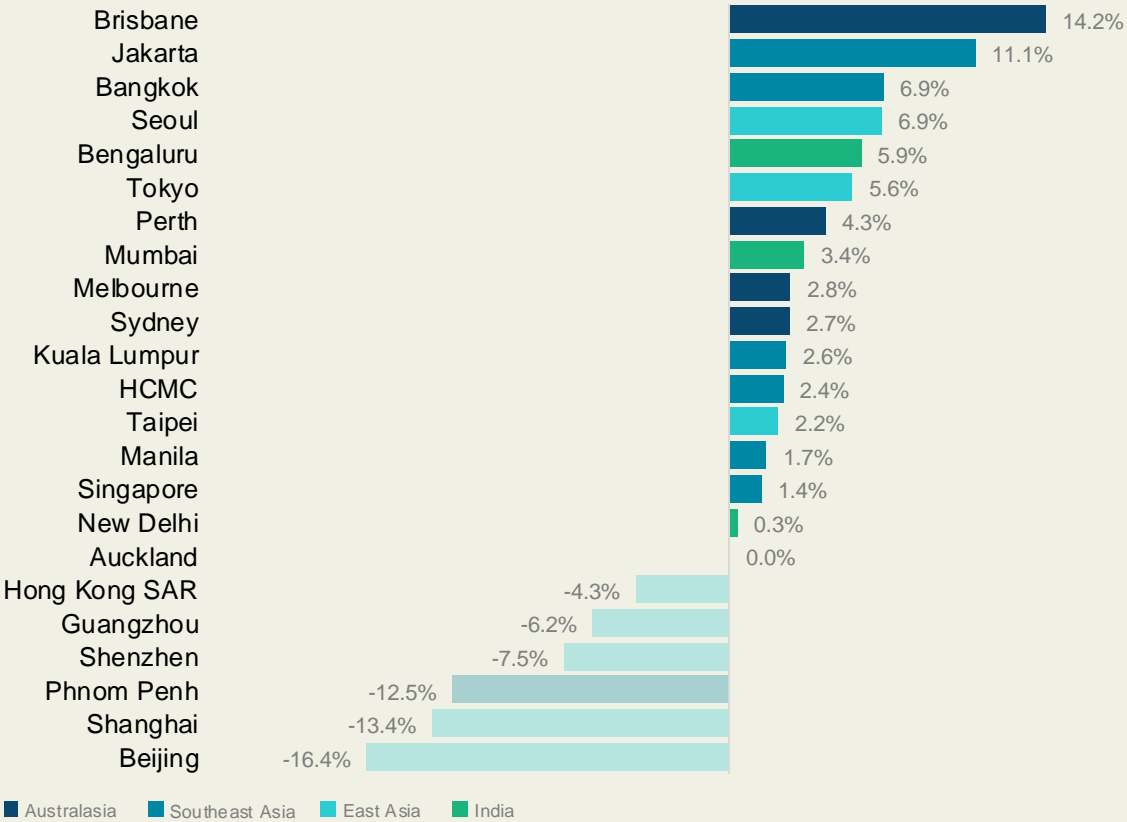


APAC Prime Rental Rate Growth – Q1 2025

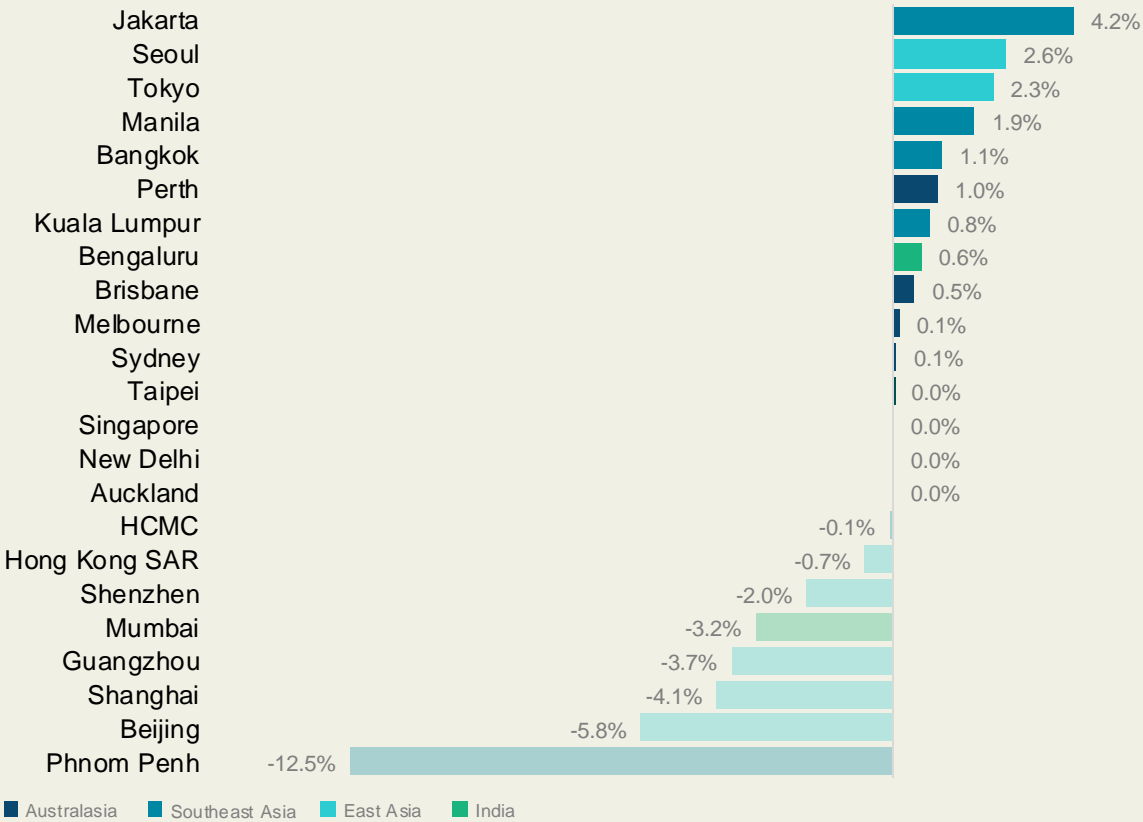


Prime rental growth decelerates across the region

Year-on-Year Change (%)



Quarter-on-Quarter Change (%)



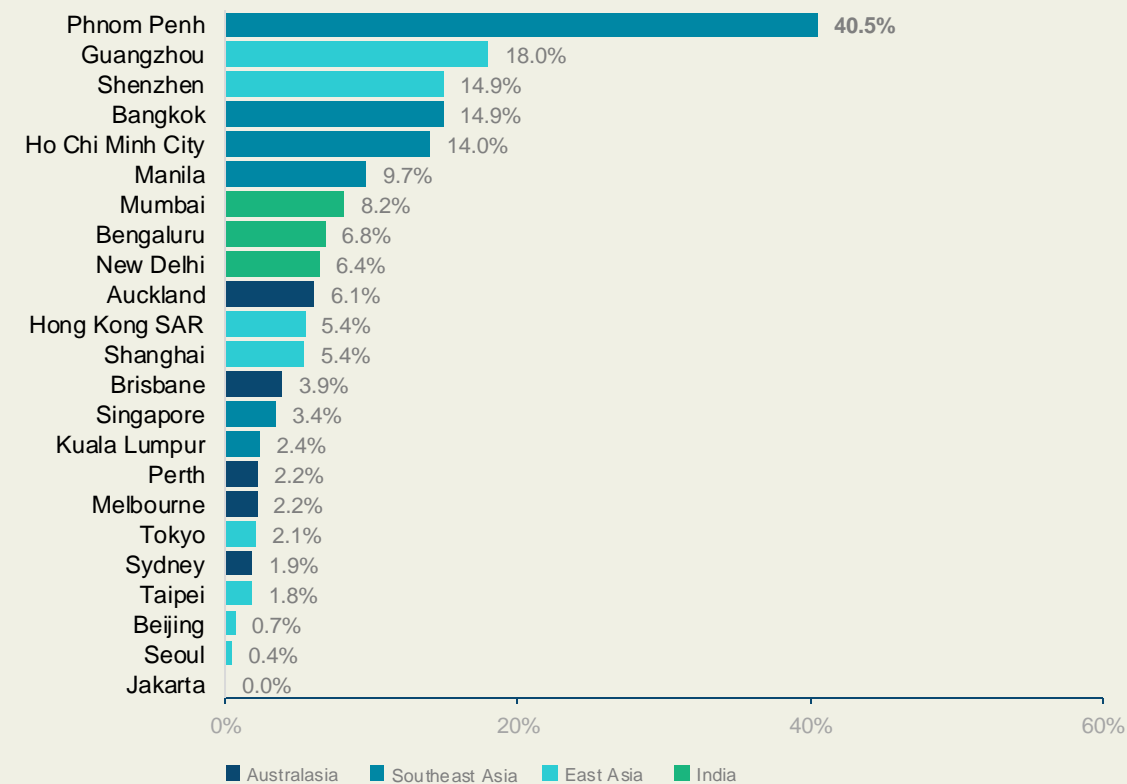
APAC Office Pipeline Supply



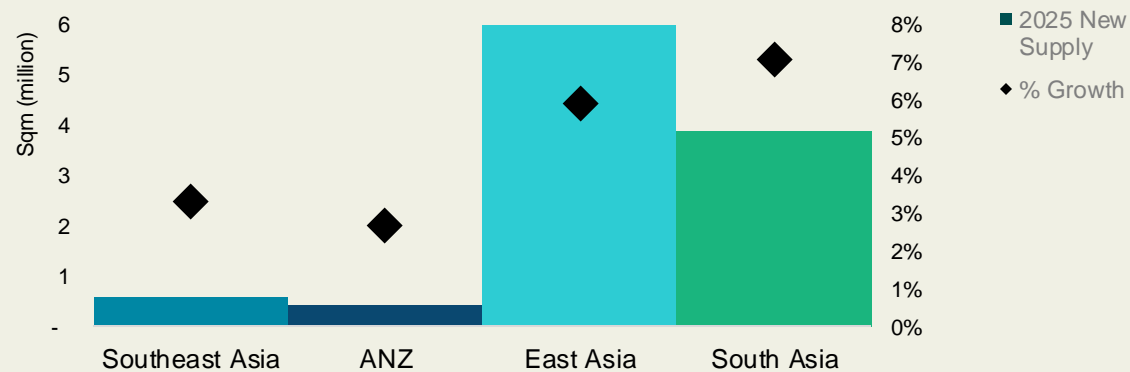
Deferred completions swell development pipeline in 2025

New Supply Growth in 2025

Proportion of 2025 Supply to 2024 Stock

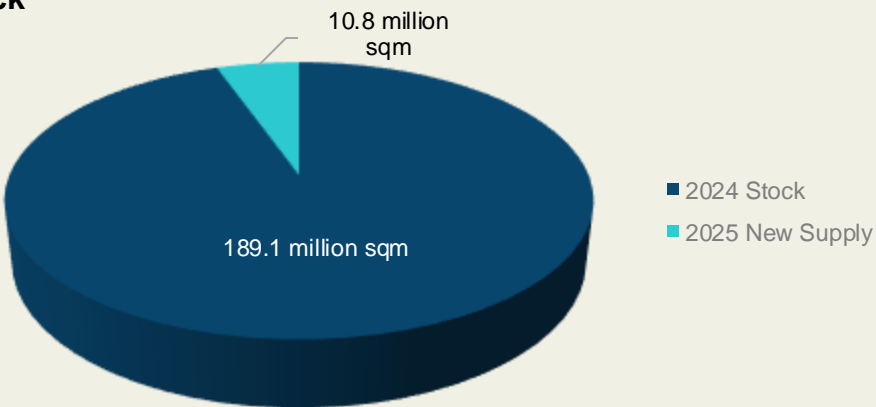


New Supply by Sub-Region



APAC Grade A Stock

Office inventory to rise 5.7% in 2025



APAC Office Snapshot – Q1 2025

12-Month Rental Outlook

▼ Decreasing

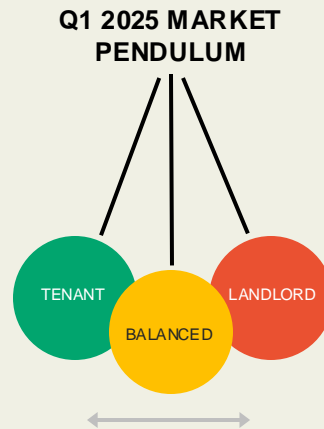
- Beijing
- Shanghai
- Guangzhou
- Shenzhen
- Hong Kong SAR

◀▶ Unchanged

- Bengaluru
- Mumbai
- Delhi-NCR
- Singapore
- Kuala Lumpur
- Melbourne
- Jakarta
- Phnom Penh
- Bangkok
- Manila

▲ Increasing

- Brisbane
- Sydney
- Perth
- Taipei
- Auckland
- Seoul
- Ho Chi Minh City
- Tokyo

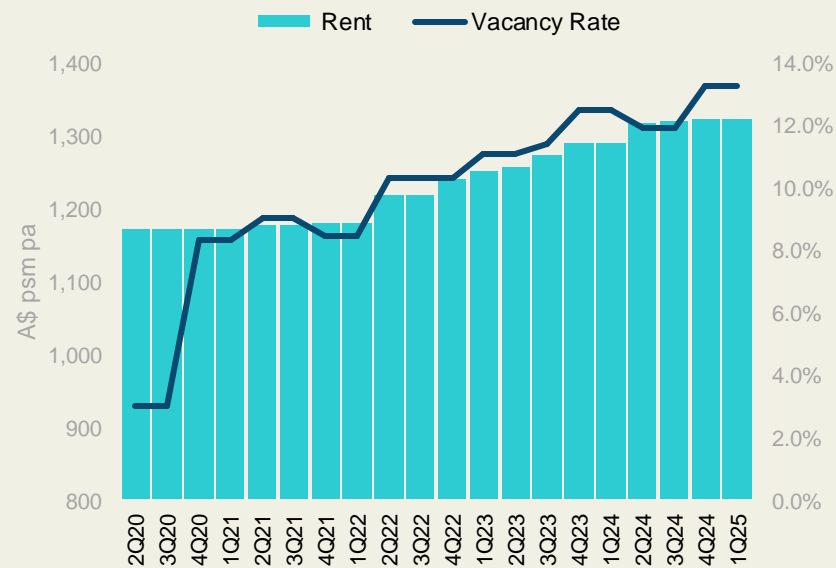




Australasia

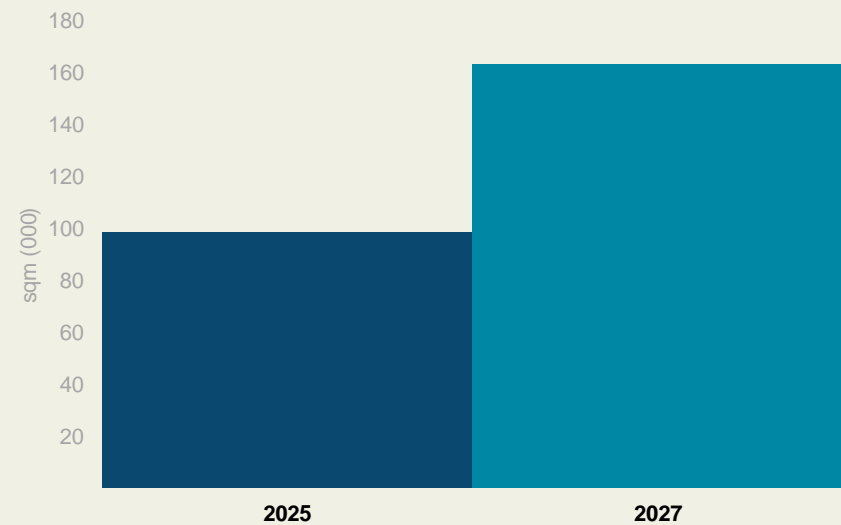
Prime net effective rents in Australia's offices ended largely flat, down just 0.1% quarter-on-quarter, with a marginal increase in incentives offsetting the rise in face rents. On the whole, rent growth has noticeably lost momentum going into the new year. A rise in incentives was observed for Melbourne's prime offices, which increased by 0.8 percentage points to average 47.8%, as landlords aimed to raise occupancies. Vacancies in the city hit 18%, reportedly the highest in over 20 years, mostly attributed to AUS Post vacating 111 Bourke Street, which released 44,000 sqm to the market. However, demand is projected to improve as the return-to-office trend gains momentum, and the completion of major infrastructure projects enhances connectivity. While the elevated vacancies across Australia's major markets are likely to hold back rental increases, the thin development pipeline in 2025 is expected to rapidly diminish options of quality spaces for occupiers.

Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	2.4%	2.3%
Unemployment Rate	4.2%	4.2%
Inflation	3.7%	2.8%

Pipeline Supply



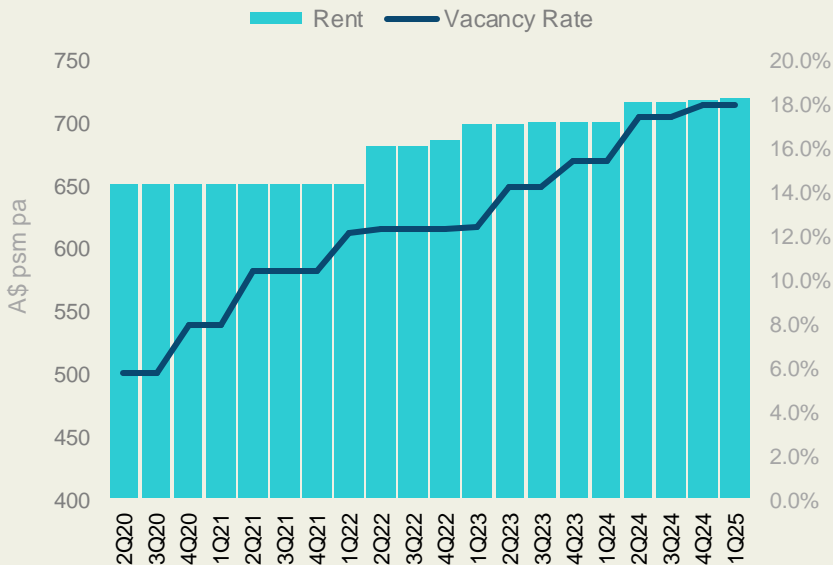
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (A\$ psm pa)	1,324	↑
Vacancy	13.3%	→
Market Balance	Tenant	Tenant



For more information,
please contact:

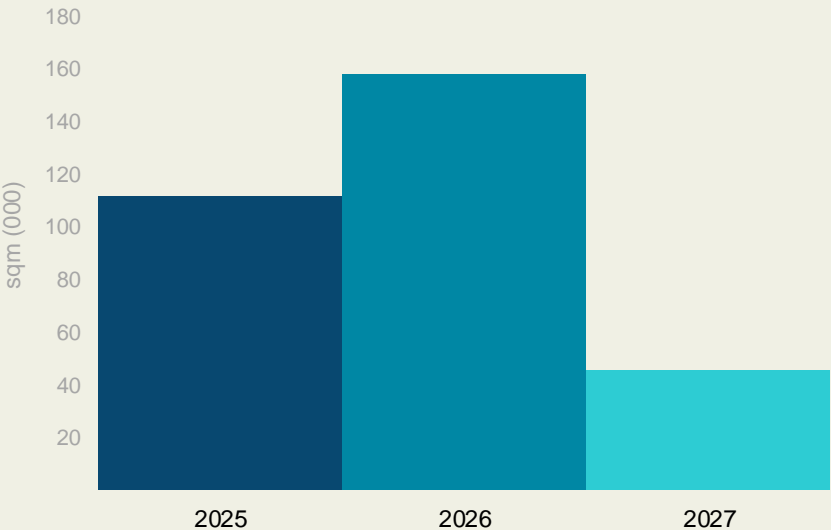
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	2.4%	2.3%
Unemployment Rate	4.2%	4.2%
Inflation	3.7%	2.8%

Pipeline Supply



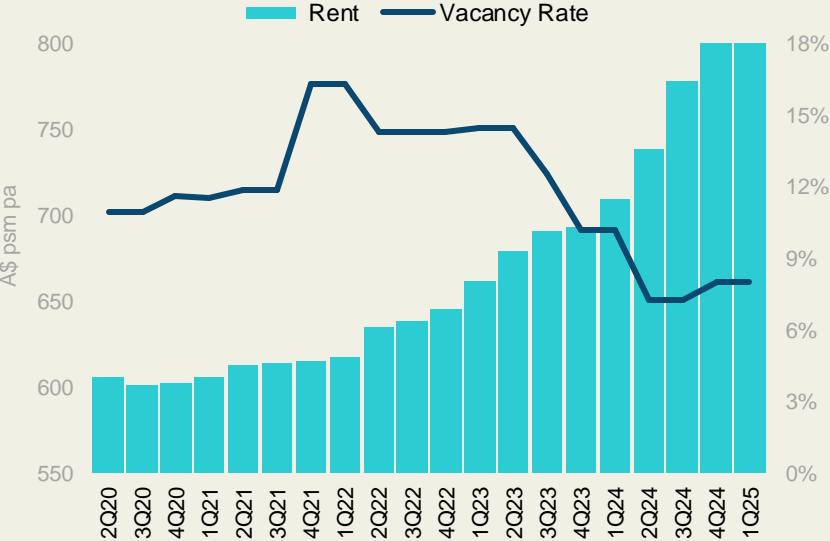
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (A\$ psm pa)	719	→
Vacancy	18.0	→
Market Balance	Tenant	Tenant



For more information,
please contact:

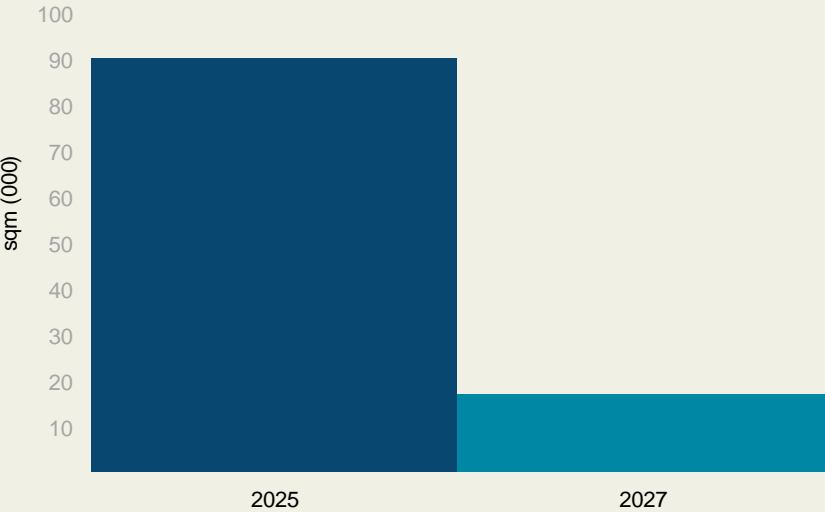
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	2.4%	2.3%
Unemployment Rate	4.2%	4.2%
Inflation	3.7%	2.8%

Pipeline Supply

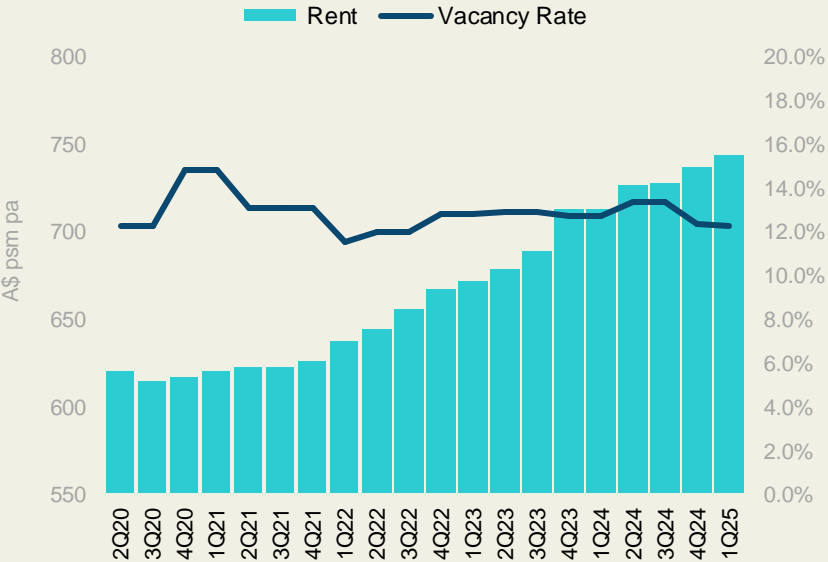


Real Estate Indicators		
	Q4 2024	12mth Forecast
Prime Rent (A\$ psm pa)	810	↑
Vacancy	8.0%	↑
Market Balance	Balanced	Balanced



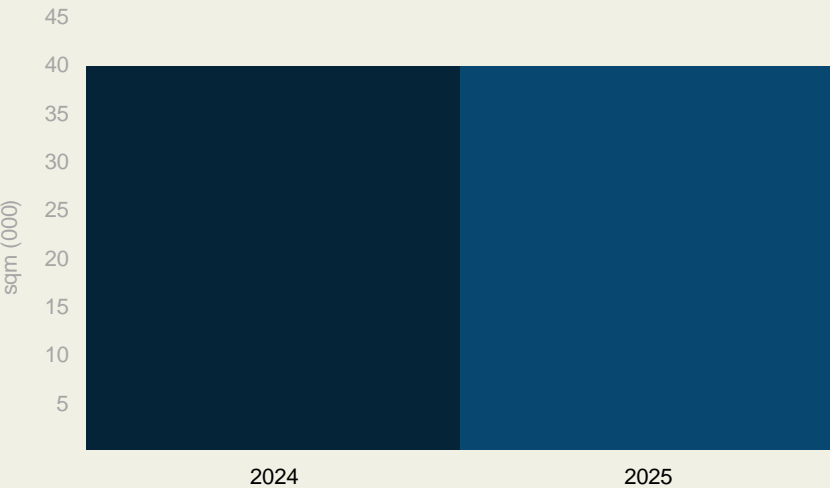
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	2.4%	2.3%
Unemployment Rate	4.2%	4.2%
Inflation	3.7%	2.8%

Pipeline Supply



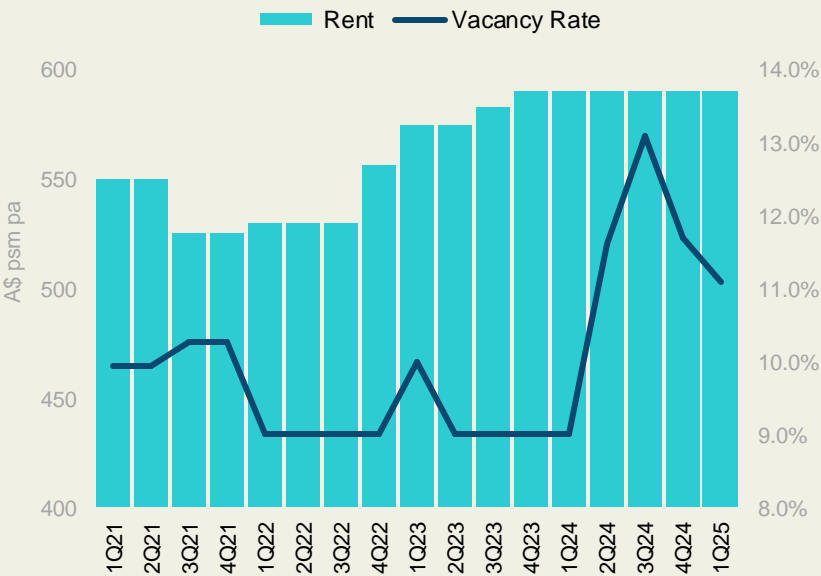
Real Estate Indicators		
	Q4 2024	12mth Forecast
Prime Rent (A\$ psm pa)	744	↑
Vacancy	12.3%	→
Market Balance	Balanced	Balanced



For more information,
please contact:

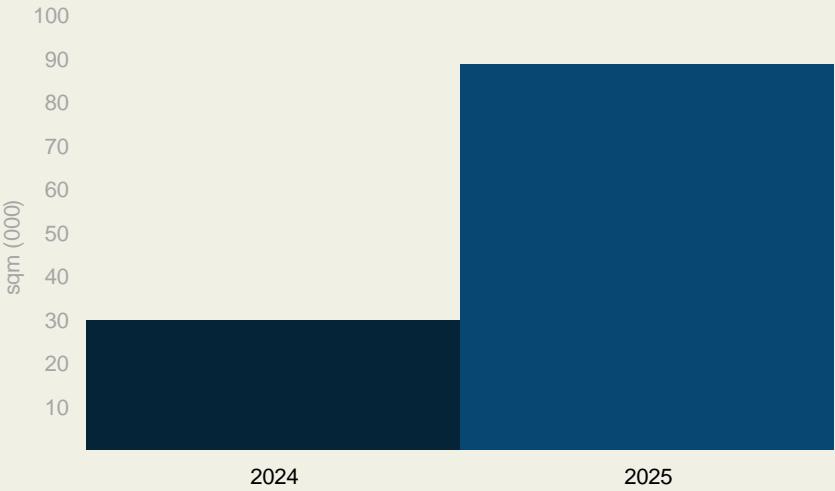
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	1.0%	3.0%
Unemployment Rate	5.1%	4.4%
Inflation	2.6%	1.9%

Pipeline Supply



Real Estate Indicators		
	Q4 2024	12mth Forecast
Prime Rent (NZ\$ psm pa)	590	→
Vacancy	11.1%	→
Market Balance	Balanced	Balanced



For more information,
please contact:

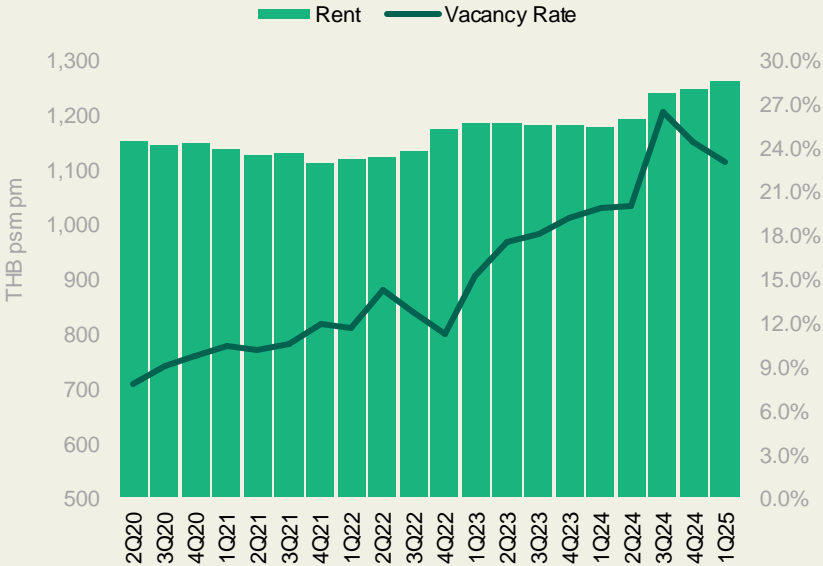
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Southeast Asia

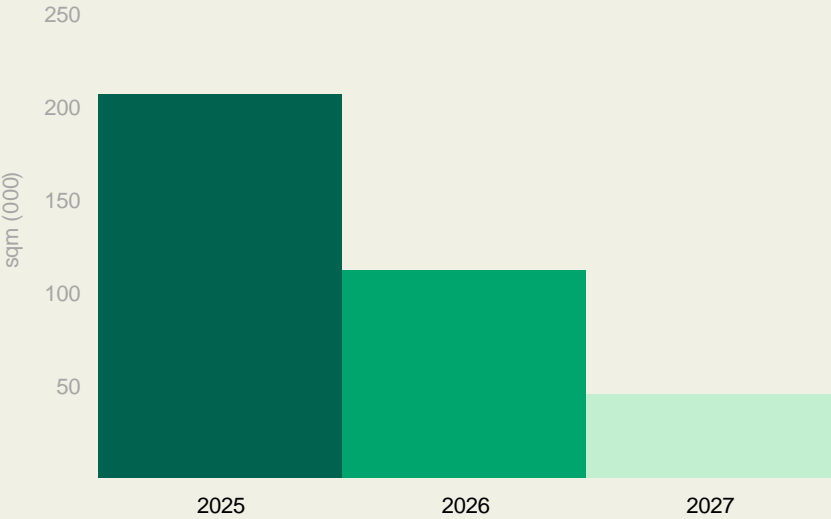
Rents rose an average of 1.3% quarter-on-quarter in Southeast Asia's emerging markets, powered by increases in Jakarta, Kuala Lumpur and Bangkok. After facing continued rental declines and elevated vacancy rates since mid-2023, Jakarta's occupier fundamentals are set to improve 2025, driven by a receding pipeline supply which should foster a more balanced market. Meanwhile, continued tenant preference for high-quality, amenity-rich environment lifted rents for Bangkok's prime offices. Occupancies in the Kuala Lumpur's office market also continued to improve, which had benefitted from the expansion of tech firms as well as MNCs seeking to strengthen their regional presence. However, rents in Singapore were unchanged quarter-on-quarter, as occupiers are increasingly considering cost neutral options that include right-sizing and moving to more modern office facilities.

Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	3.1%	3.0%
Unemployment Rate	1.0	1.0
Inflation	1.6%	1.1%

Pipeline Supply



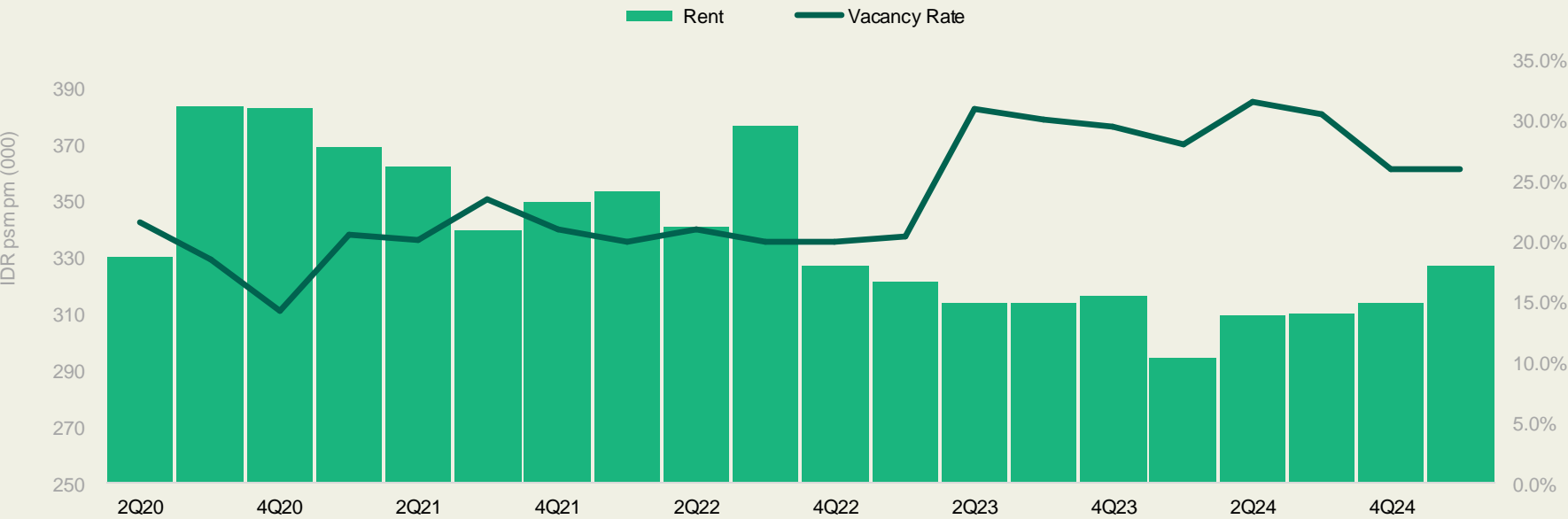
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (THB psm pm)	1,260	→
Vacancy	23.0%	↑
Market Balance	Tenant	Tenant



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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	4.9%	4.9%
Unemployment Rate	5.0%	4.9%
Inflation	2.3%	2.7%

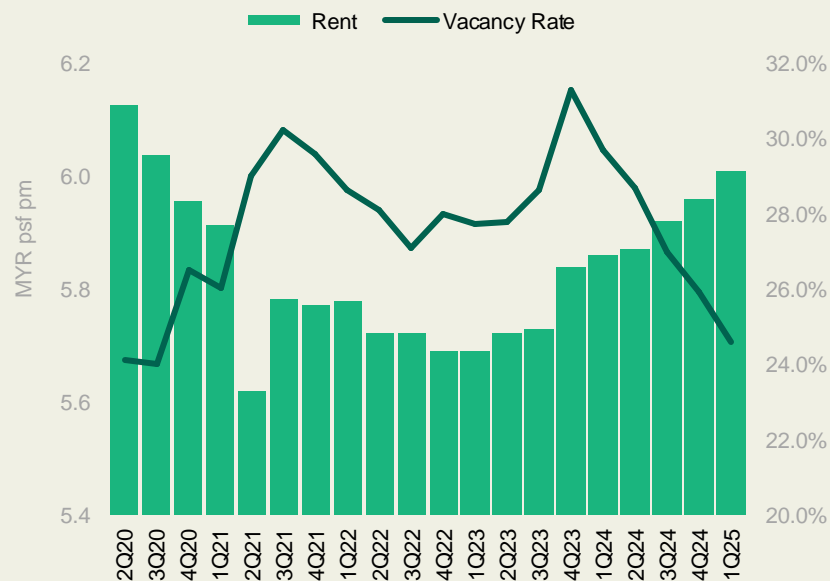
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (IDR psm pm)	327,019	↑
Vacancy	26.0%	↓
Market Balance	Tenant	Tenant



For more information,
please contact:

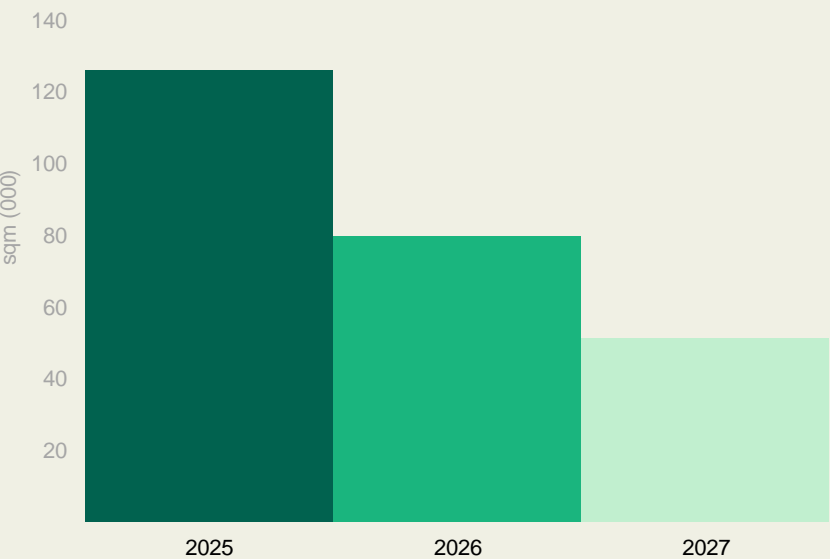
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	4.5% - 5.5%	4.5
Unemployment Rate	3.1%	3.2
Inflation	2.0% - 3.5%	2.0

Pipeline Supply



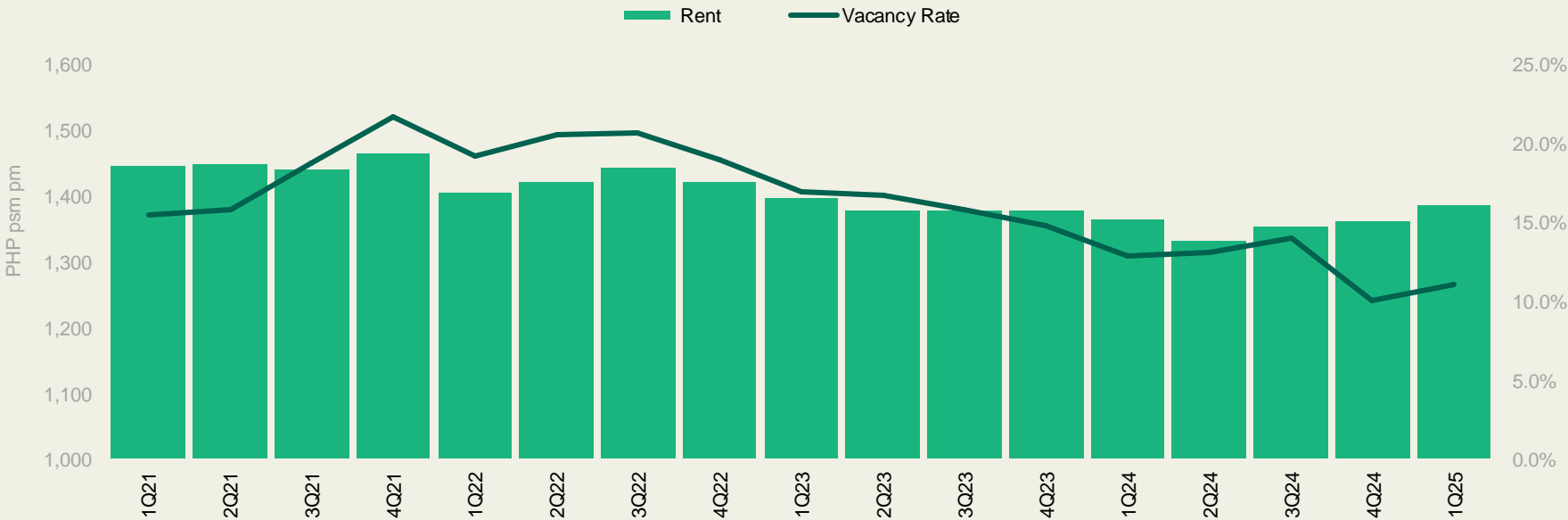
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (MYR psf pm)	6.01	→
Vacancy	24.6%	→
Market Balance	Tenant	Tenant



For more information,
please contact:

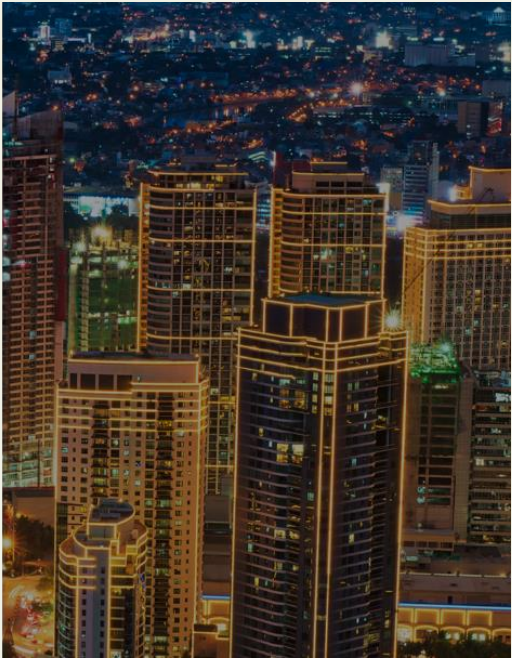
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Senior Executive Director, Office Strategy
and Solutions, Malaysia
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+603 228 99 619

Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	6.0%	6.2%
Unemployment Rate	3.8%	3.6%
Inflation	3.1%	3.2%

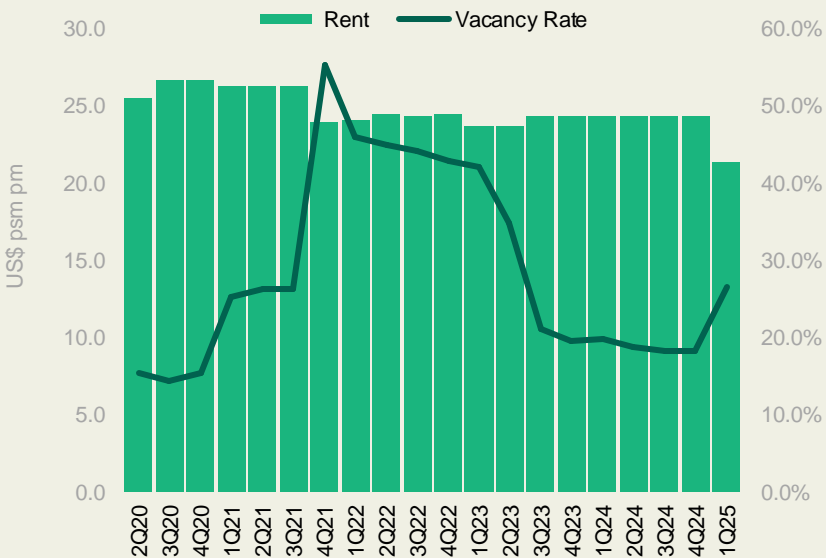
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (PHP psm pm)	1,387	↓
Vacancy	11.0%	↓
Market Balance	Tenant	Tenant



For more information,
please contact:

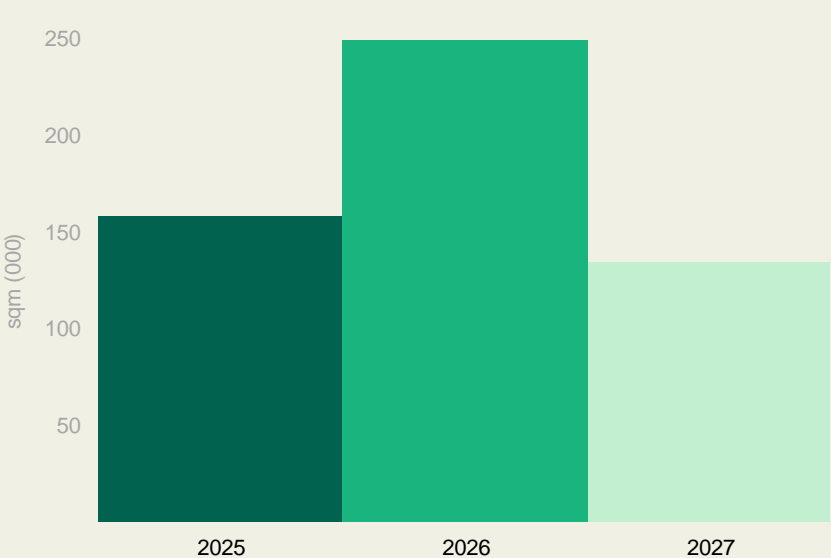
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Rents and Vacancy

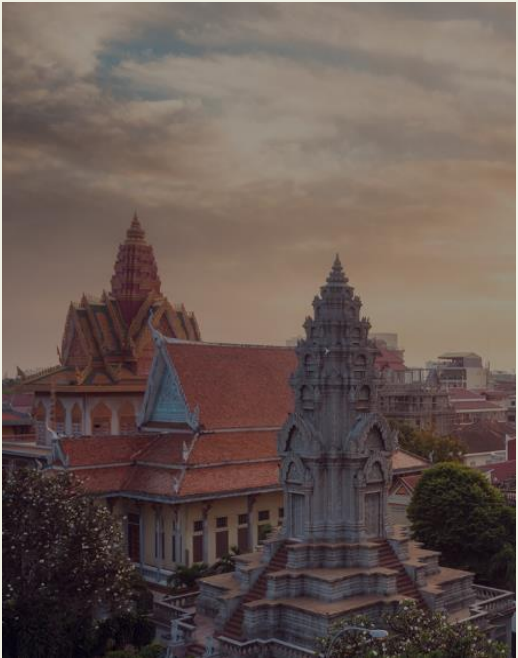


Economic Indicators		
	2025F	2026F
GDP Growth	5.8%	6.2%
Unemployment Rate	NA	NA
Inflation	2.1%	3.2%

Pipeline Supply (All Grades)



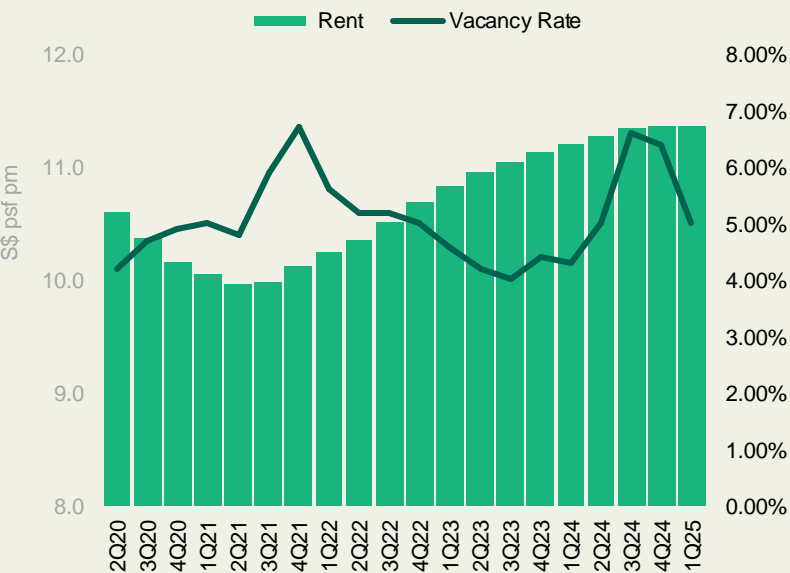
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (US\$ psm pm)	21.29	→
Vacancy	26.4%	→
Market Balance	Tenant	Tenant



For more information,
please contact:

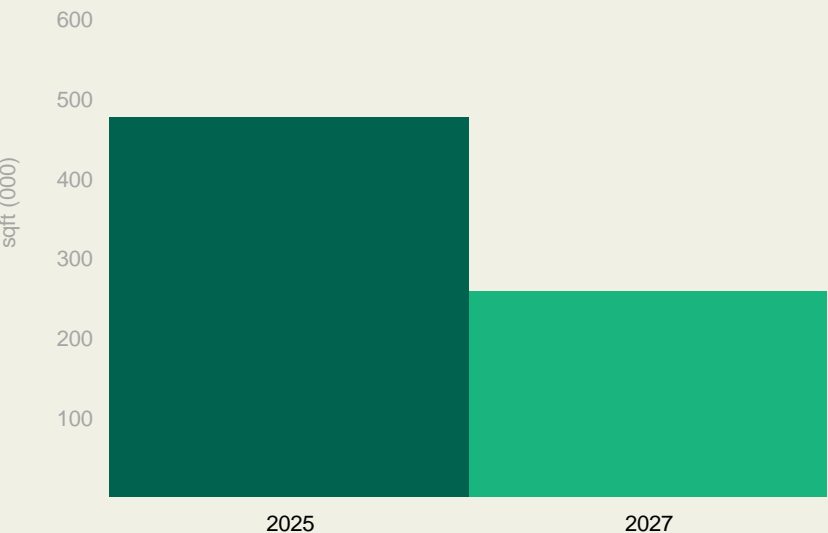
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	2.5%	2.4%
Unemployment Rate	1.0%	1.8%
Inflation	1.5%	1.9%

Pipeline Supply



Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (S\$ psf pm)	11.36	→
Vacancy	5.0%	↑
Market Balance	Balanced	Balanced

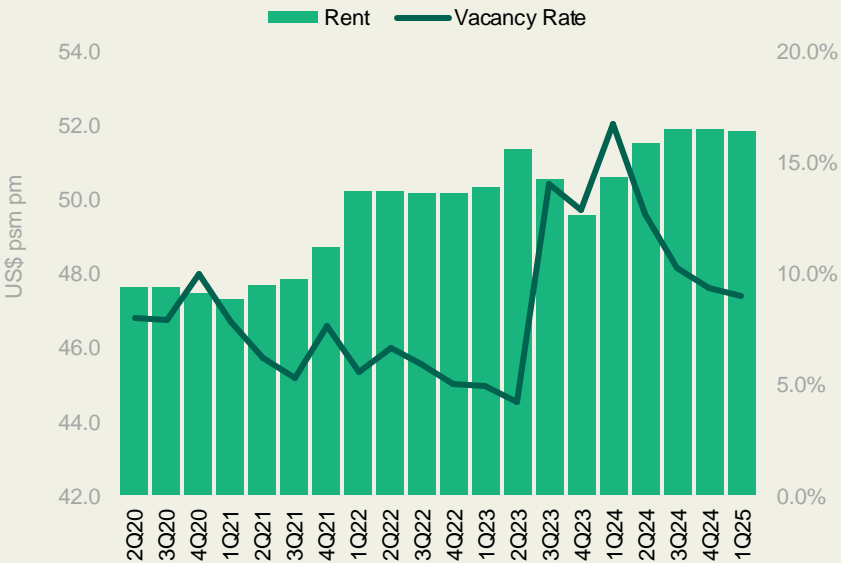


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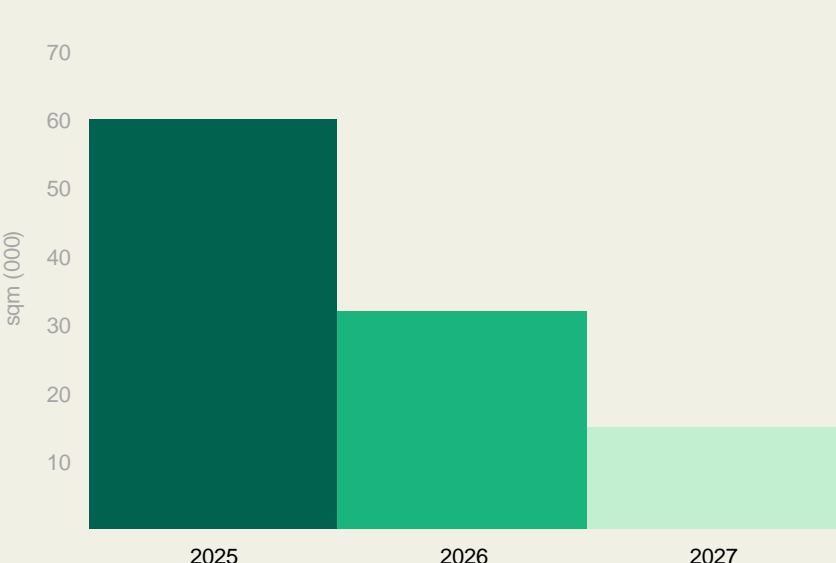
Ho Chi Minh City

Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	6.6%	6.7%
Unemployment Rate	3-4%	3-4%
Inflation	3.4%	3.5%

Pipeline Supply



Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (US\$ psm pm)	51.82	↓
Vacancy	9.0%	↑
Market Balance	Tenant	Tenant



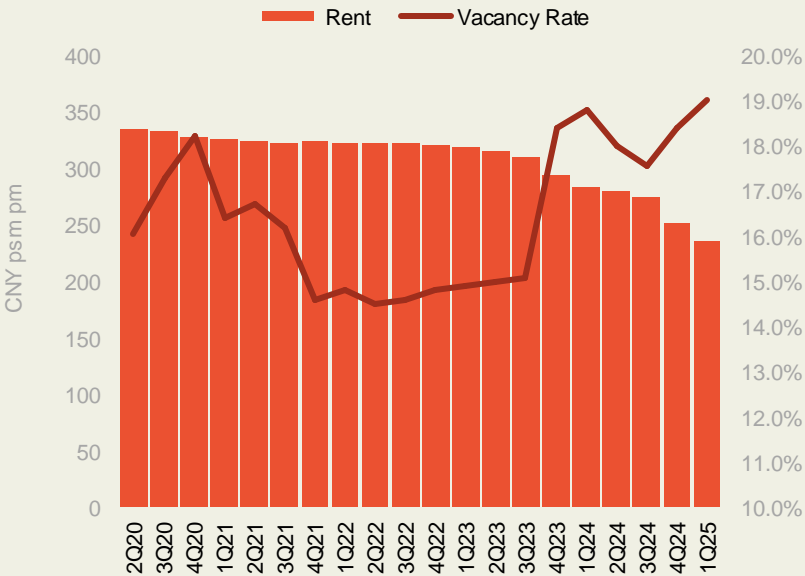
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East Asia

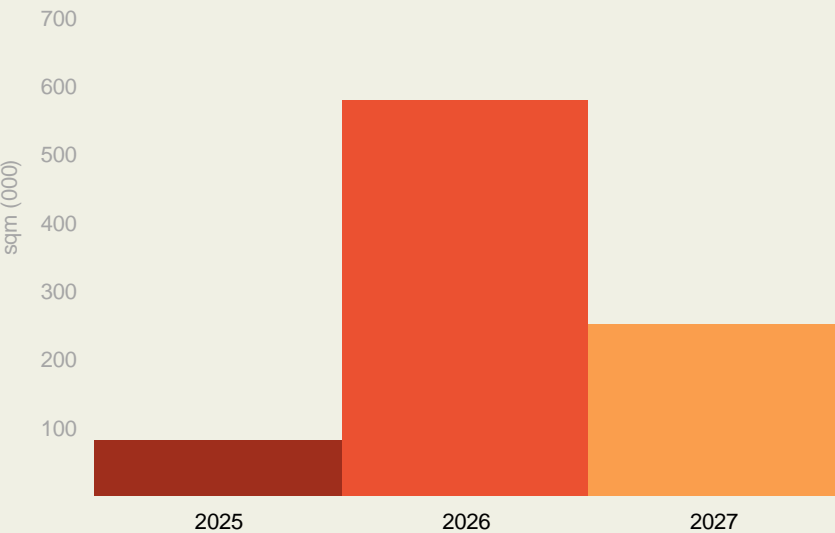
The rental decline across the Chinese mainland's tier-one cities accelerated in Q1 2025, with prime rents dropping at a faster 4.5%, compared to 4.3% in Q4 2024. Prime rents are now 13% lower than they were in Q124, with vacancies hitting over 20%. Downward pressure on its office property market is likely to persist as foreign companies shrink their presence amid rising tensions with the US and profitability declines as the nation's economic growth slows. While Hong Kong SAR's office leasing market continues to grapple with an ample pipeline, there were notable take-ups by firms in the legal and financial sectors. The increasing complexity of financial markets, such as crypto, has led to heightened demand for specialised legal services. An alternative investment firm leased over 55,000 sf space in The Henderson, which is quickly shaping up to be an attractive address for financial firms. Rental growth in Tokyo also gathered momentum on the back of robust demand. According to Sanko Real Estate, net absorption in the five central wards breached 100,000 tsubo for the first time in over four years.

Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	4.1%	3.8%
Unemployment Rate	5.3%	5.5%
Inflation	0.3%	0.4%

Pipeline Supply



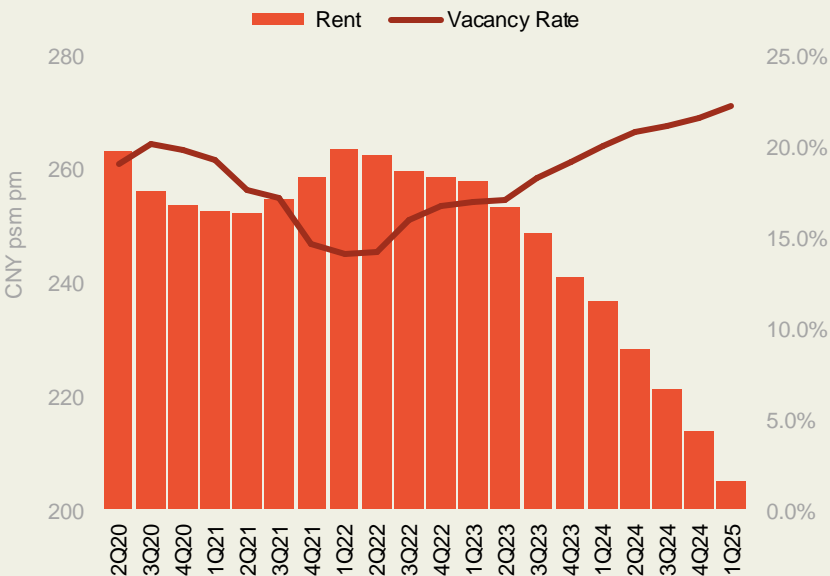
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (CNY psm pm)	237	↓
Vacancy	18.6%	↑
Market Balance	Tenant	Tenant



For more information,
please contact:

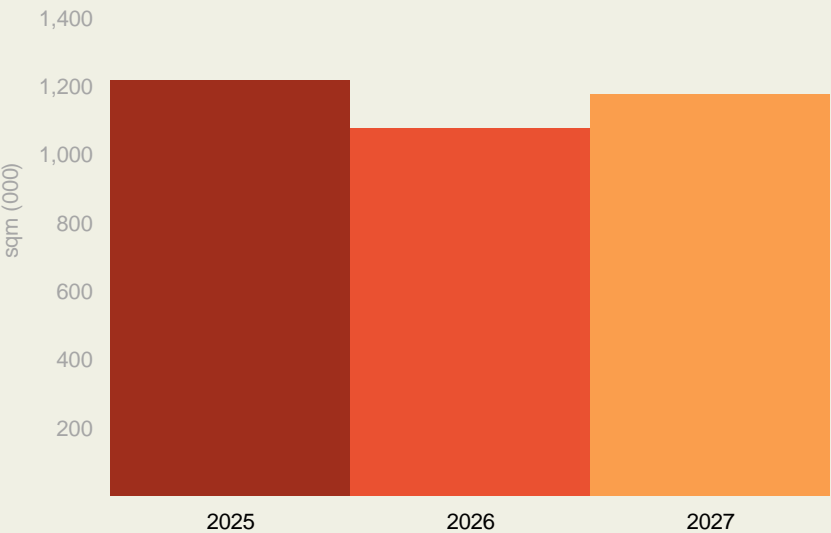
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	4.1%	3.8%
Unemployment Rate	5.3%	5.5%
Inflation	0.3%	0.4%

Pipeline Supply



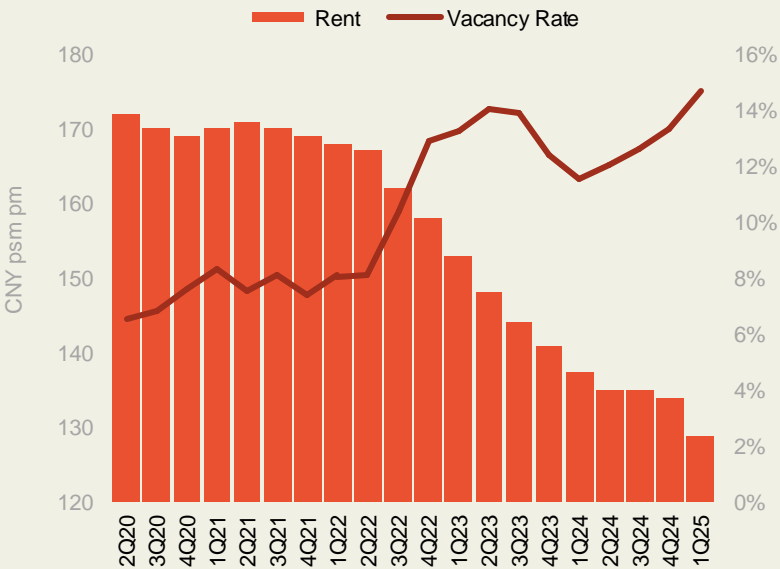
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (CNY psm pm)	205	↓
Vacancy	22.2%	↑
Market Balance	Tenant	Tenant



For more information,
please contact:

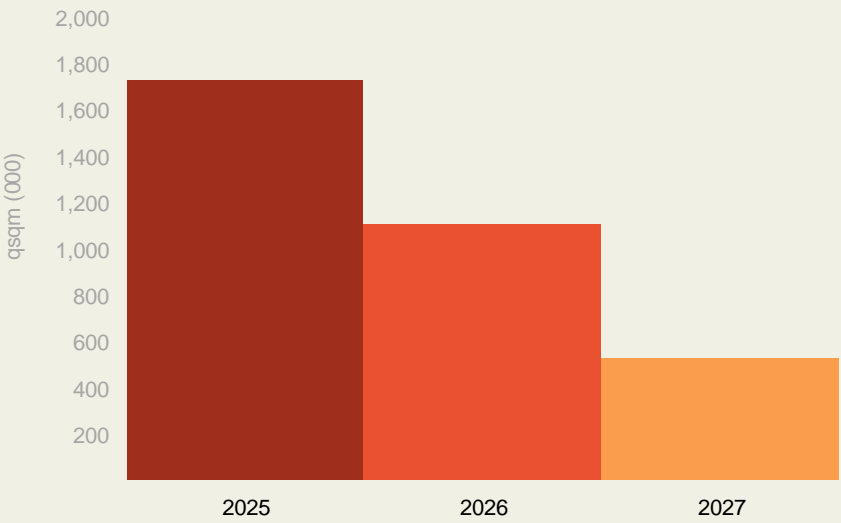
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	4.1%	3.8%
Unemployment Rate	5.3%	5.5%
Inflation	0.3%	0.4%

Pipeline Supply



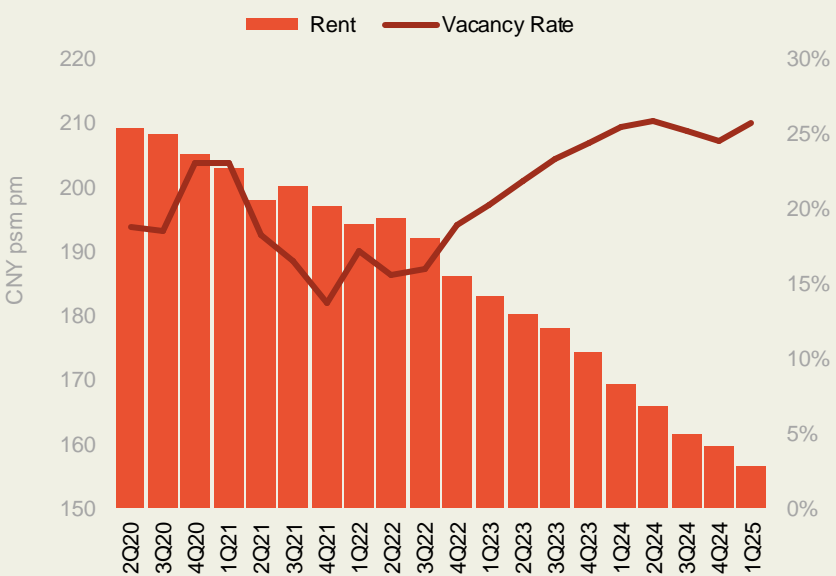
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (CNY psm pm)	128.80	↓
Vacancy	14.7%	↑
Market Balance	Tenant	Tenant



For more information,
please contact:

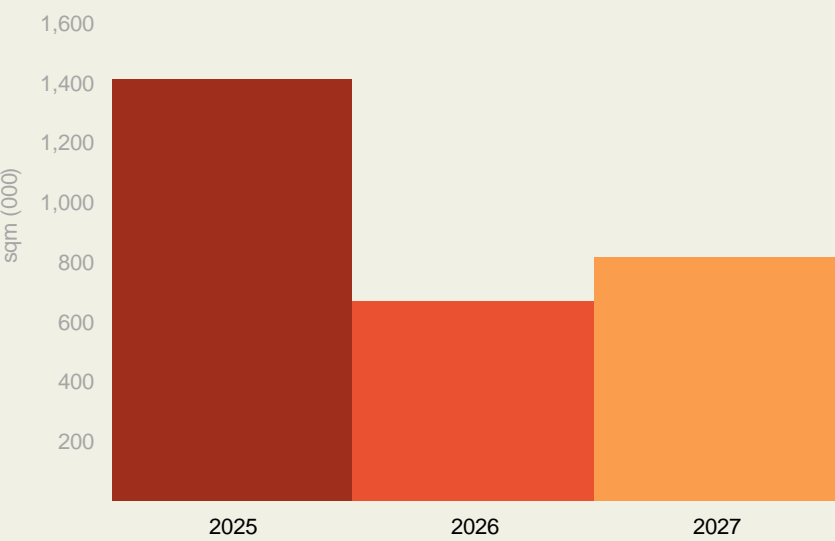
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	4.1%	3.8%
Unemployment Rate	5.3%	5.5%
Inflation	0.3%	0.4%

Pipeline Supply



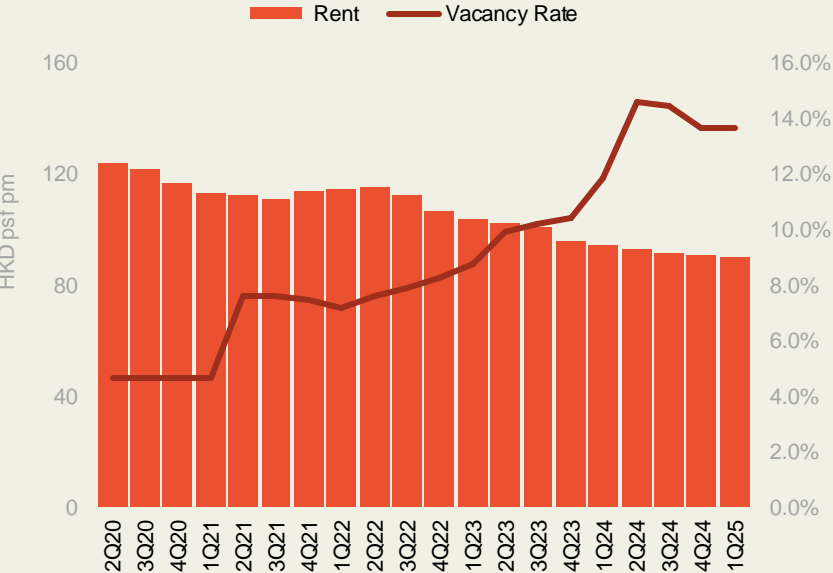
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (CNY psm pm)	156.40	↓
Vacancy	25.7%	↑
Market Balance	Tenant	Tenant



For more information,
please contact:

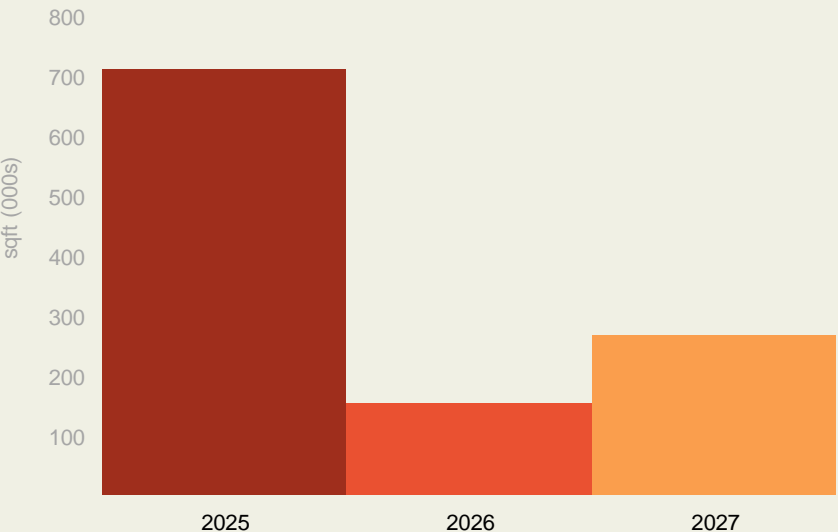
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	2.3%	2.3%
Unemployment Rate	3.0%	2.9%
Inflation	1.7%	1.6%

Pipeline Supply



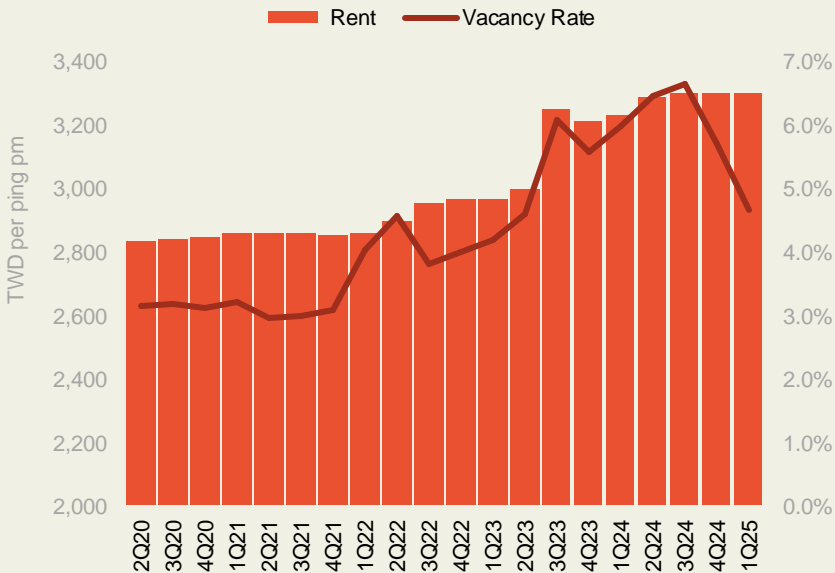
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (HK\$ psf pm)	89.90	↓
Vacancy	13.6%	↑
Market Balance	Tenant	Tenant



For more information,
please contact:

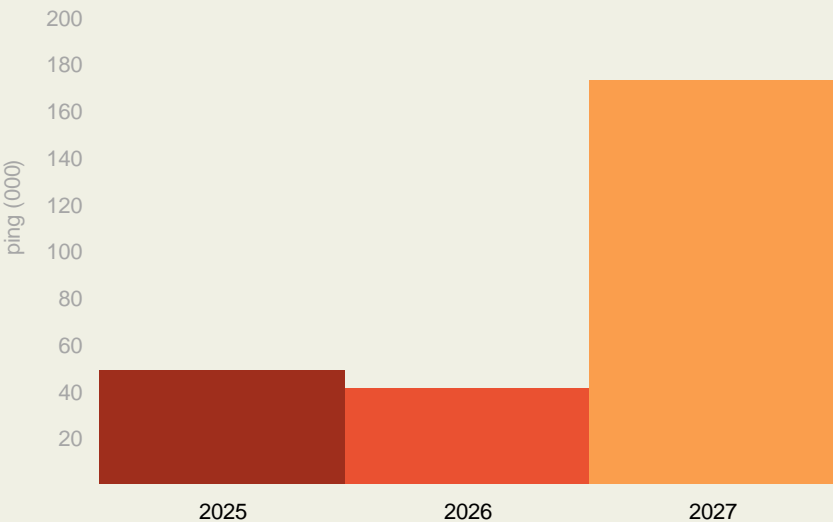
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	2.1%	2.4%
Unemployment Rate	3.6%	3.5%
Inflation	1.5%	0.8%

Pipeline Supply



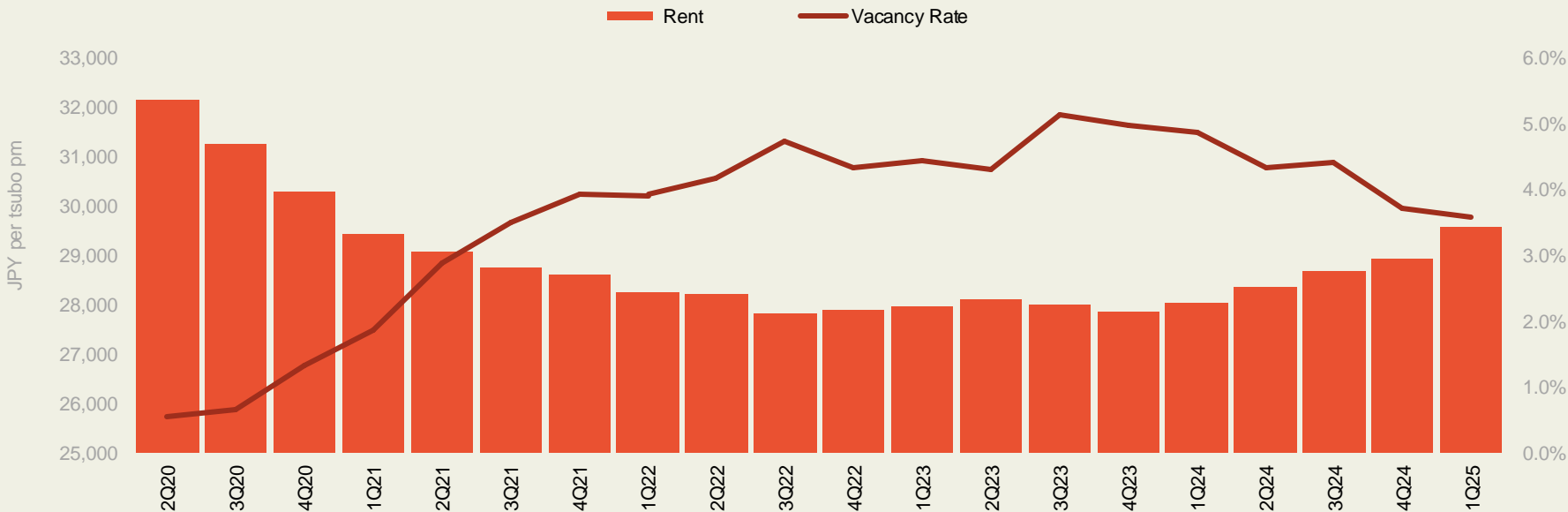
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (TW\$ per ping pm)	3,301	↑
Vacancy	4.7%	↑
Market Balance	Tenant	Tenant



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Rents and Vacancy



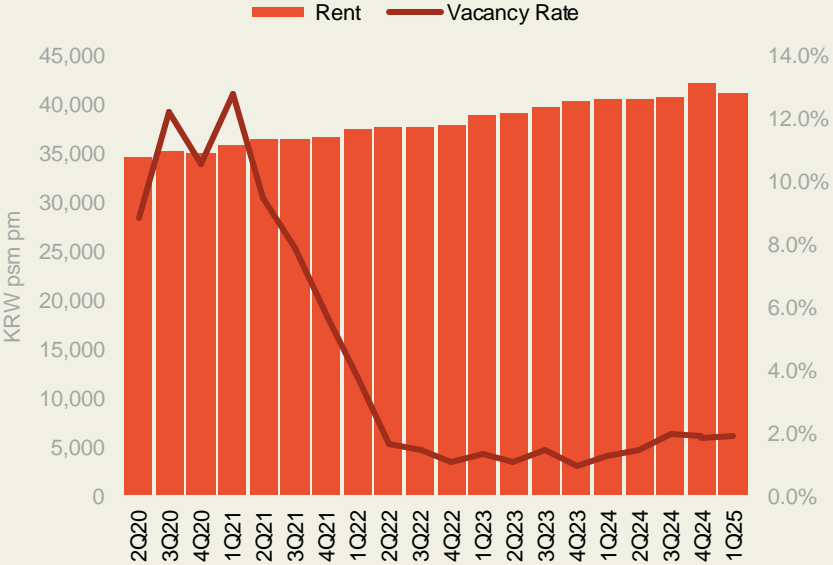
Economic Indicators		
	2025F	2026F
GDP Growth	1.3%	1.0%
Unemployment Rate	2.6%	2.5%
Inflation	2.2%	2.1%

Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (JPY psm pa)	29,581	↑
Vacancy	3.6%	→
Market Balance	Balanced	Balanced

For more information,
please contact:

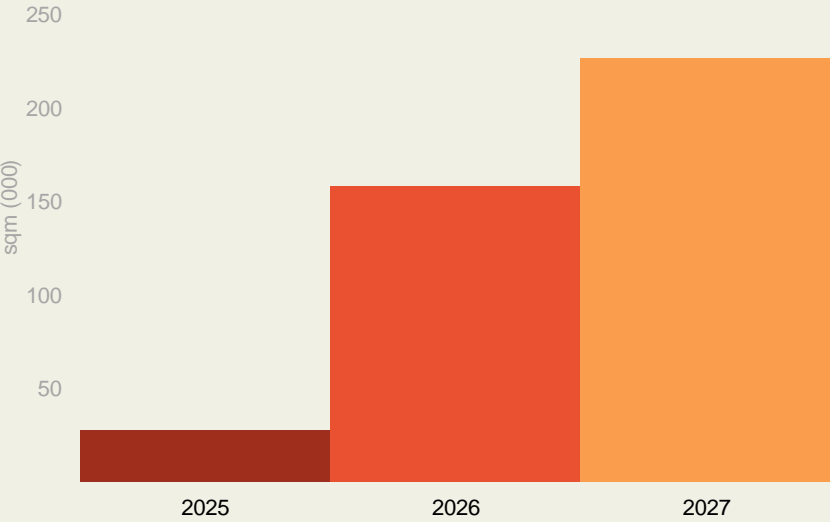
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	2.0%	2.0%
Unemployment Rate	2.7%	2.7%
Inflation	1.9%	1.8%

Pipeline Supply



Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (KRW psm pm)	41,180	→
Vacancy	1.9%	→
Market Balance	Landlord	Balanced



For more information,
please contact:

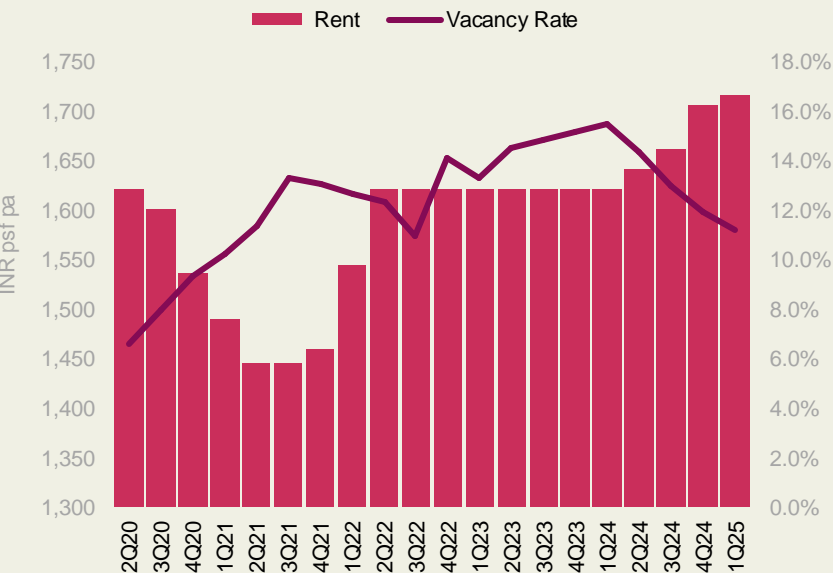
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India

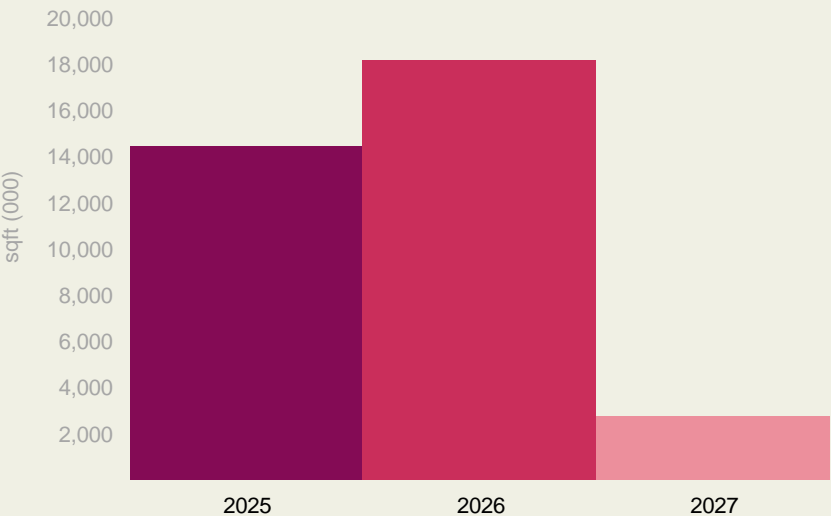
Demand in Q1 2025 trended higher in India's three largest office occupier markets, reflecting the strong business sentiments in the country. Leadership teams across industries, including tech giants, are also actively driving a return to office. Notably, leasing activity during the quarter was dominated by GCCs, taking the spotlight from domestic-focused businesses which had anchored the market since the pandemic. 65% of all GCC transactions were concentrated in Bengaluru. Flex space operators were also particularly active, which increased requirements by 28% year-on-year, taking up close to half a million sf during the quarter, with a higher incidence of small businesses taking up co-working spaces. However, rents fell in Mumbai, as landlords prioritized occupancies amid the substantial volume of new office spaces expected to be completed in 2025.

Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	6.7%	6.8%
Unemployment Rate	NA	NA
Inflation	4.4%	4.6%

Pipeline Supply



Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (INR psf pa)	1,716	→
Vacancy	11.2%	→
Market Balance	Balanced	Balanced



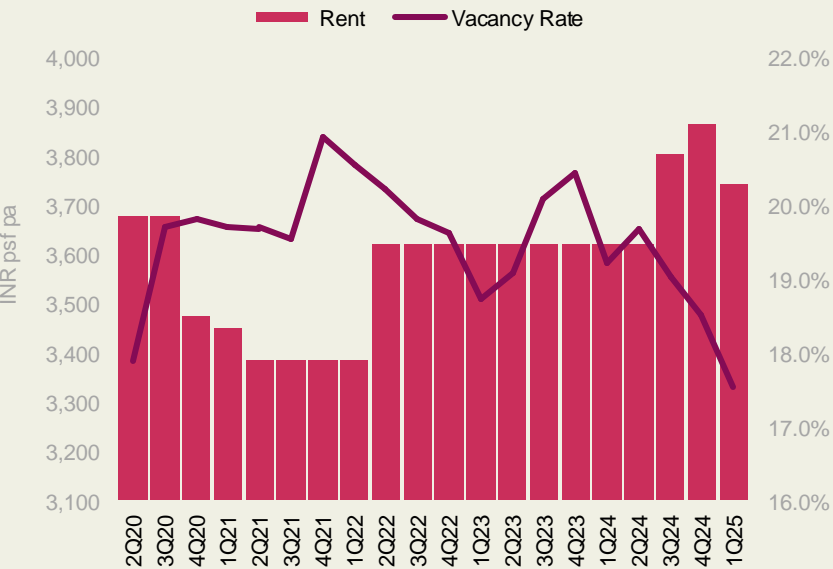
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Mumbai Metropolitan Region (MMR)

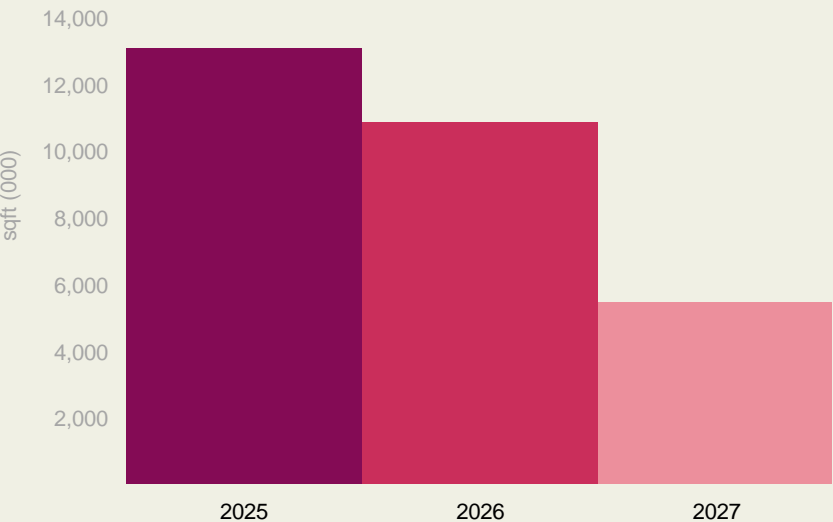


Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	6.7%	6.8%
Unemployment Rate	NA	NA
Inflation	4.4%	4.6%

Pipeline Supply



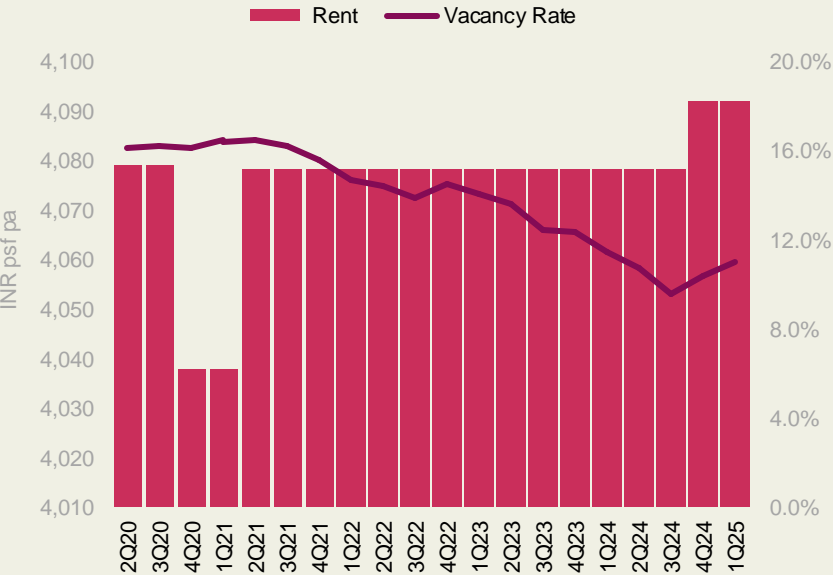
Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (INR psf pa)	3,744	→
Vacancy	17.6%	→
Market Balance	Balanced	Balanced



For more information,
please contact:

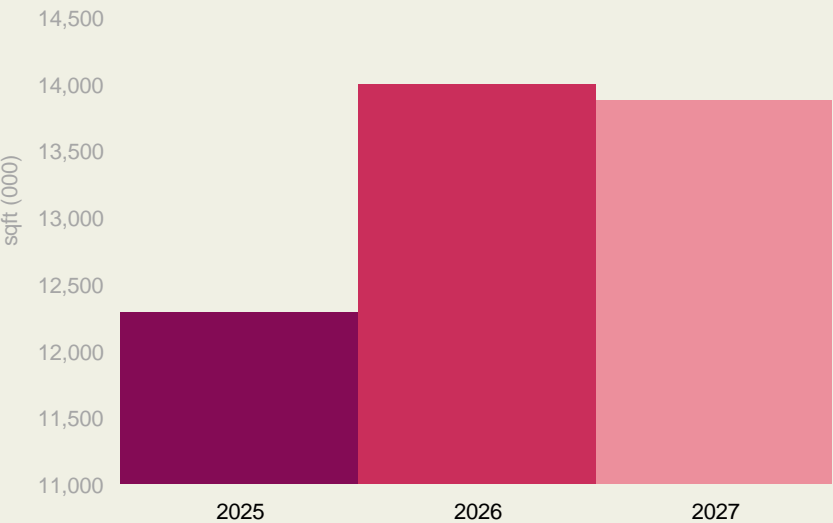
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Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	6.7%	6.8%
Unemployment Rate	NA	NA
Inflation	4.4%	4.6%

Pipeline Supply



Real Estate Indicators		
	Q1 2025	12mth Forecast
Prime Rent (INR psf pa)	4,092	→
Vacancy	11.0%	→
Market Balance	Balanced	Balanced



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Our Global Presence



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50⁺ TERRITORIES
27,000⁺ PEOPLE
1 GLOBAL TEAM

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Whether you are looking for or currently occupy industrial space, office space or retail space, Knight Frank has experienced teams that are dedicated to advising you, the occupier. Our bespoke commercial agency leasing team ensures we have the optimum expertise for each project. Our relationship with occupiers also ensures we speak to the decision makers who determine occupational strategy.

We are locally expert, and yet globally connected. Our multi-market clients are managed centrally from our hubs across Asia-Pacific, from Singapore, Australia, Hong Kong and India, where we devise strategies to empower clients to attain their desired goals.

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