
Asia-Pacific Q4 2024 Office Highlights

Knight Frank Asia-Pacific Office Markets

Asia-Pacific Overview – Q4 2024

Prime rents in the region resumed its decline, falling 0.4% on a quarter-on-quarter basis, after remaining flat in the preceding quarter. Consequently, the region's rent registered a full year decline of 1.6% in 2024, moderating from the 2.4% drop in 2023. Similar to Q3 2024, 16 out of the 23 monitored cities reported stable or increasing rents year-on-year.

Occupier demand remained subdued in the Chinese mainland markets, which has continued to grapple with slow economic growth and a high supply pipeline. However, Brisbane continued to lead the region in terms of rental growth, as sustained occupier demand, combined with owners keen to push higher face rents to support valuations, lifted prime rents by 11.8% in 2024.

Regionwide vacancies fell for a second consecutive quarter, falling 0.3 percentage points to 14.5% in Q4 2024, largely due to tightening availabilities in India and Southeast Asian markets. However, with the delivery of new supply deferred in a number of markets, the region's stock of prime Grade A office space are expected to rise by about 7% in 2025, up from just over 4% in 2024. The bulk of the region's new supply, at over 40%, will be delivered in Chinese mainland markets. Consequently, occupier conditions in the Asia-Pacific will continue to remain tenant friendly.

Some of the strongest rental uplifts will be seen in Australian markets, as the development pipeline contracts. While a flight-to-quality trend will fuel demand for well-located prime office spaces that boast high sustainability specifications, overall rent growth is unlikely to materialise. Regional vacancies are expected to rise with rents likely to soften by 2-3%, largely weighed down by lacklustre demand in Chinese mainland markets.

-1.6%

YoY change for Asia-Pacific Rental Index in Q4 2024

Brisbane

Recorded the highest YoY rental growth in Q4 2024

Seoul

Recorded the lowest vacancy in Q4 2024

16 of 23

Tracked cities recorded stable or increasing rents YoY in Q4 2024

Cautious

Expectations for 2025

“Despite challenges in Chinese mainland markets, office space demand across Asia-Pacific is expected to remain resilient. The region is well-positioned for growth, with strong office utilisation driven by sustained employment growth and stabilising workplace arrangements. The ample development pipeline continues to provide occupiers with opportunities to transform their workspaces, focusing on fostering employee productivity and engagement. While sustainability and access to talent remain primary drivers of occupier decisions, proximity to amenities and connectivity are rapidly becoming key differentiators, particularly for companies aiming to increase office attendance. While well-located prime offices lead the market, occupiers must adapt to varied economic trajectories and supply conditions when developing their space strategies.”

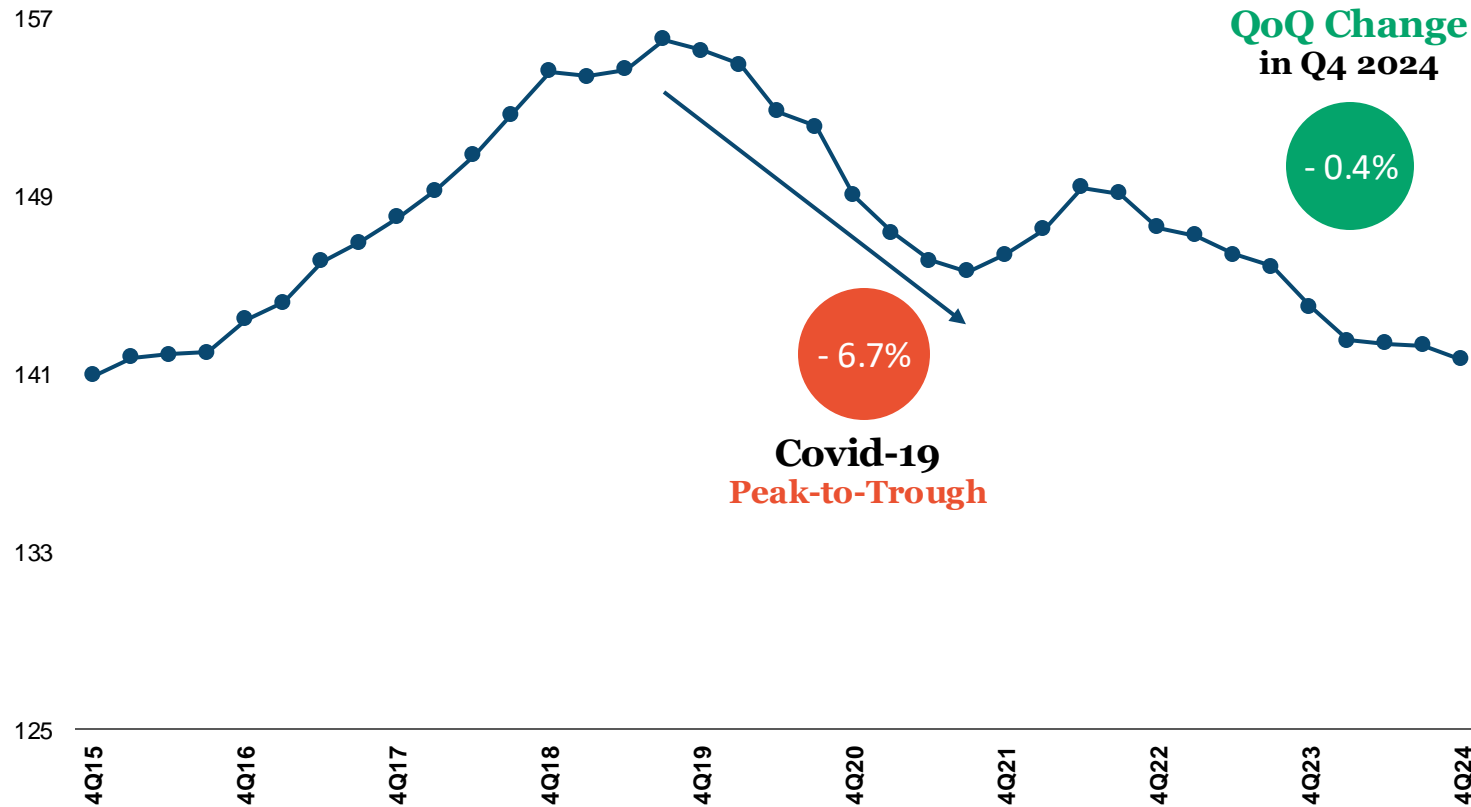


Tim Armstrong
Global Head of Occupier Strategy and Solutions

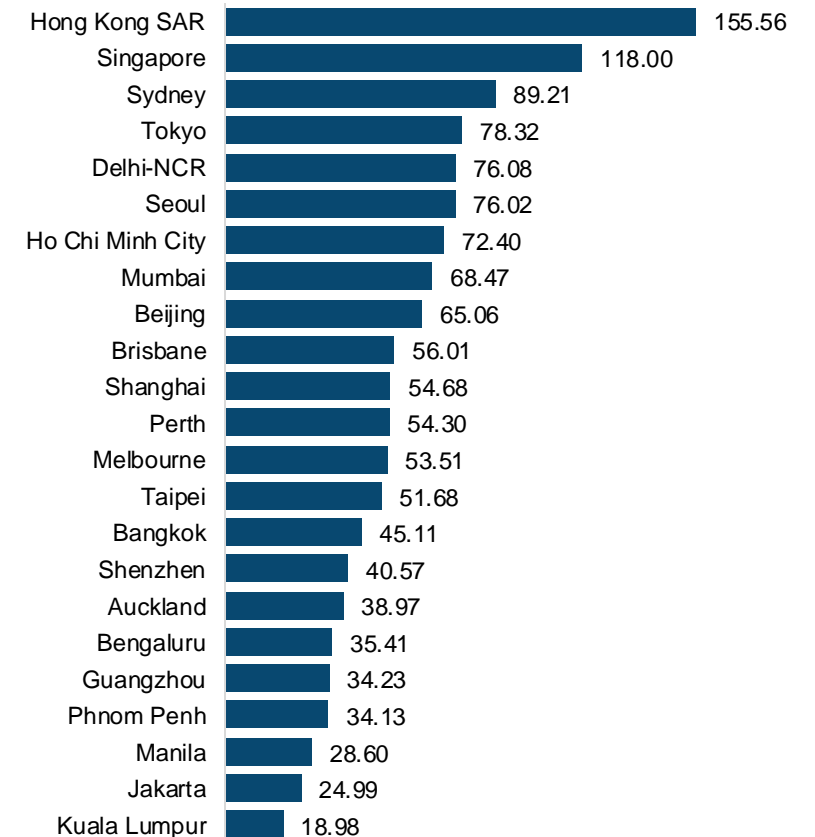
APAC Prime Office Rental Index

Rents resume downward trajectory in the region

APAC Prime Office Rental Index - 10Y Historical



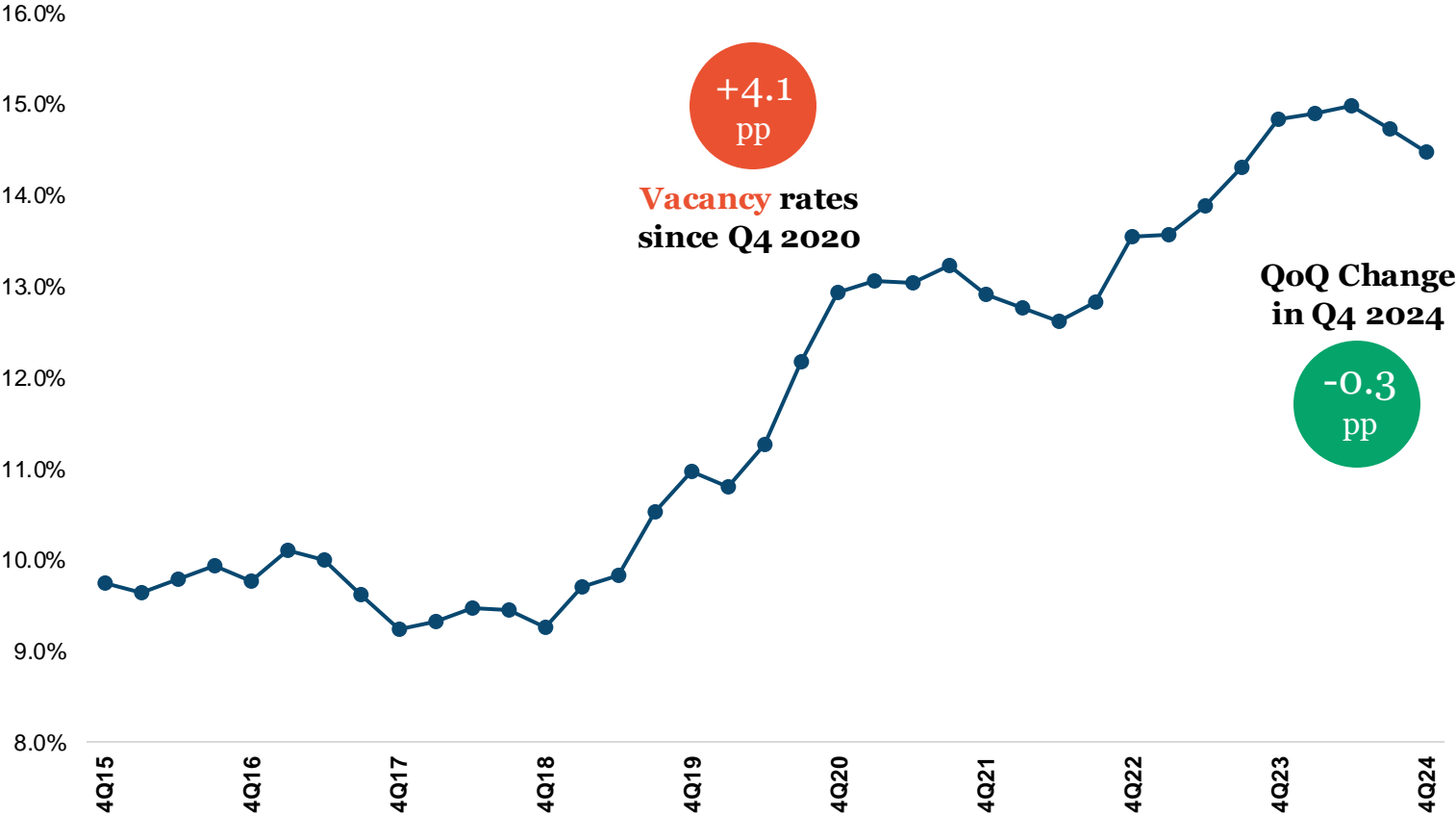
Q4 2024 Occupancy Cost (US\$/sqft/year)



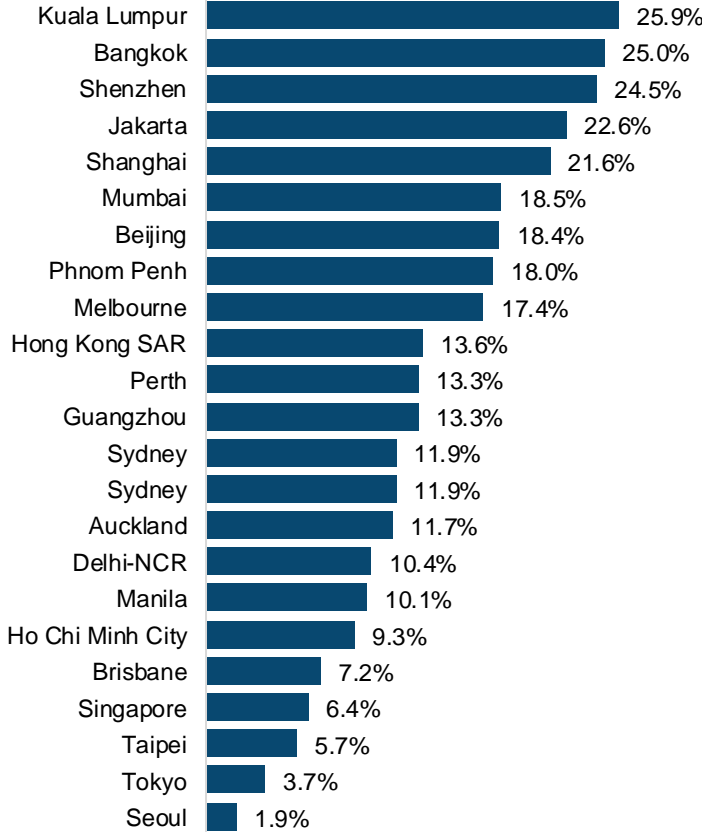
APAC Prime Office Vacancy Rate

Vacancy rate tightens on declining availabilities in India and Southeast Asia

APAC Prime Office Vacancy Rate - 10Y Historical

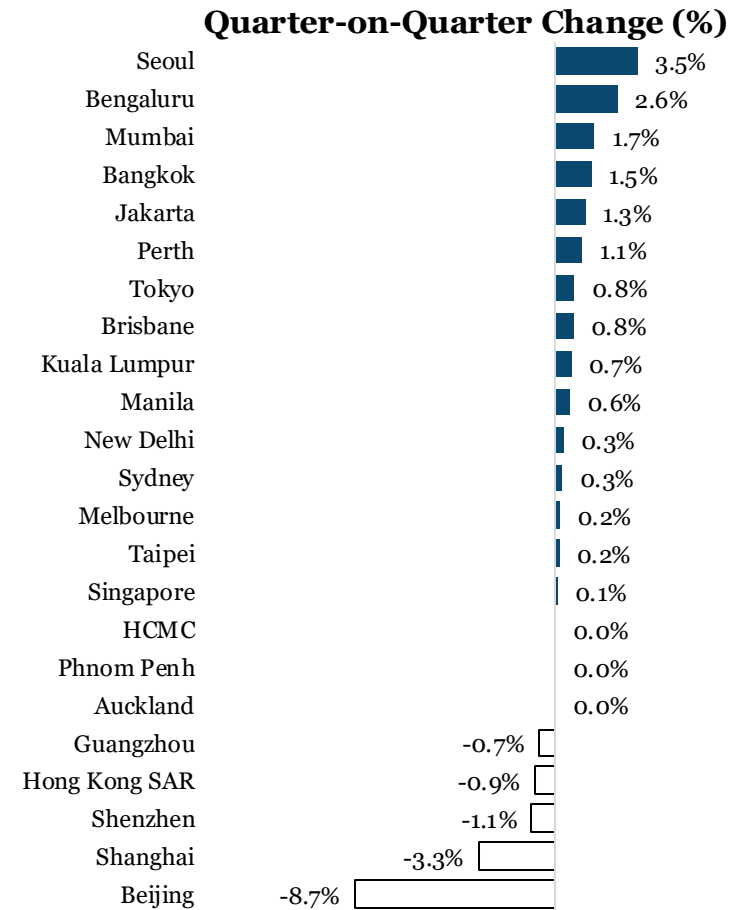
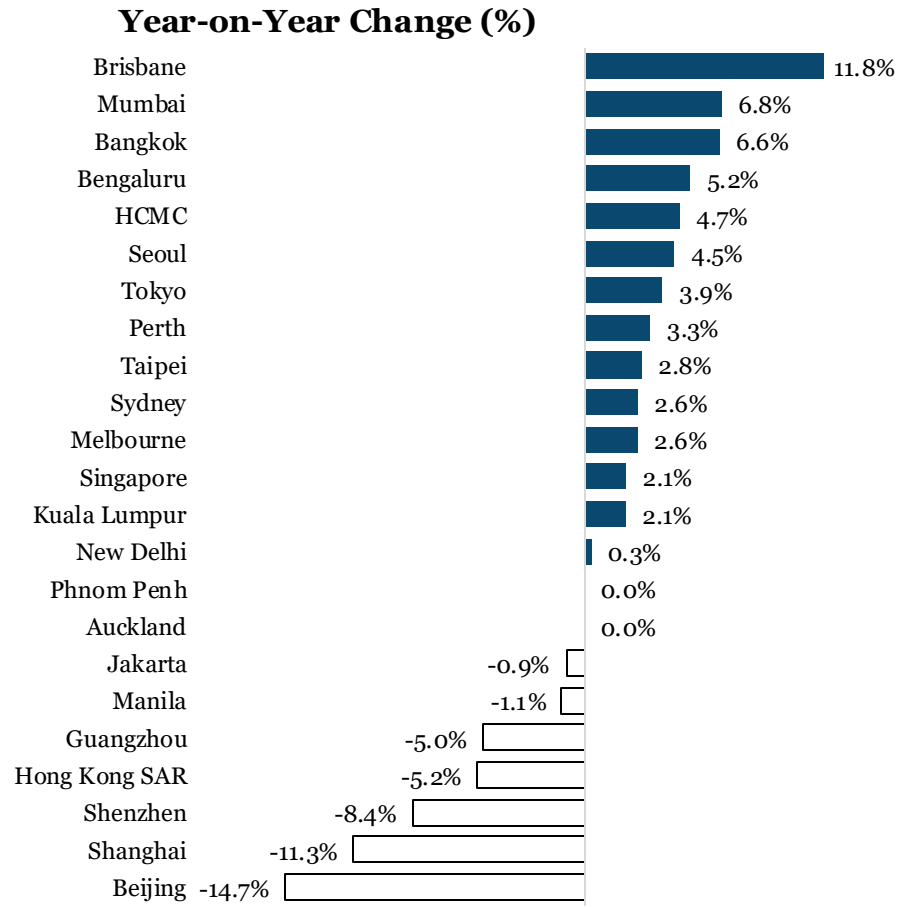


Q4 2024 Vacancy Rate



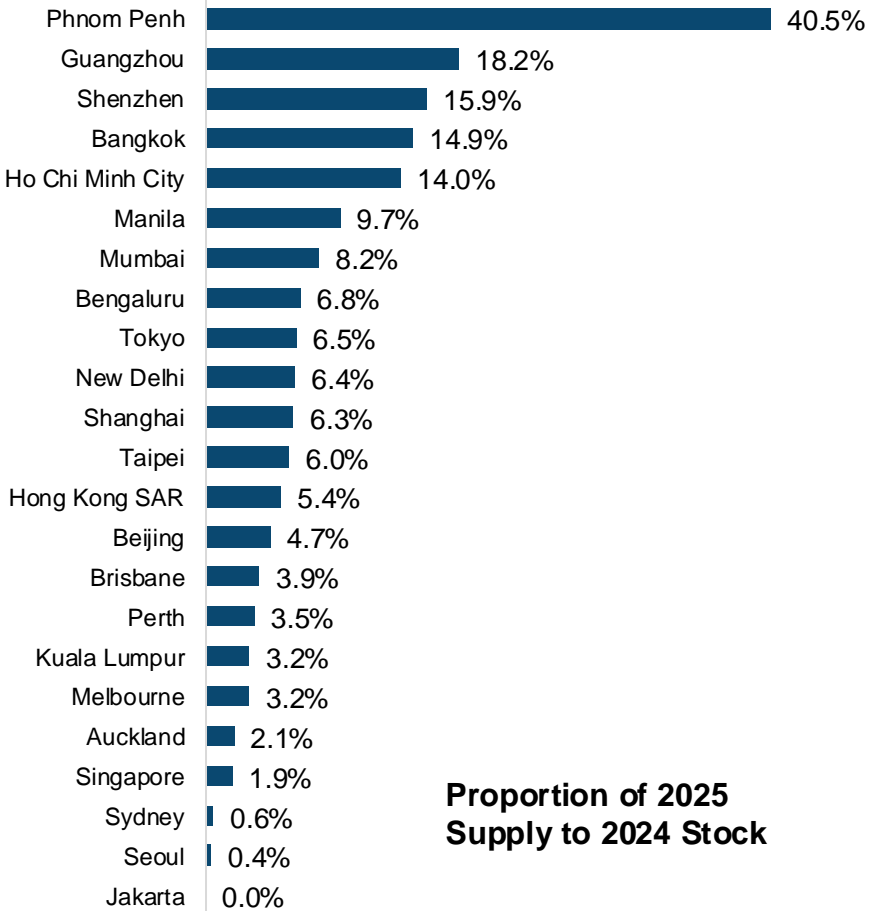
APAC Prime Rental Rate Growth – Q4 2024

Prime rental growth flattening across the region

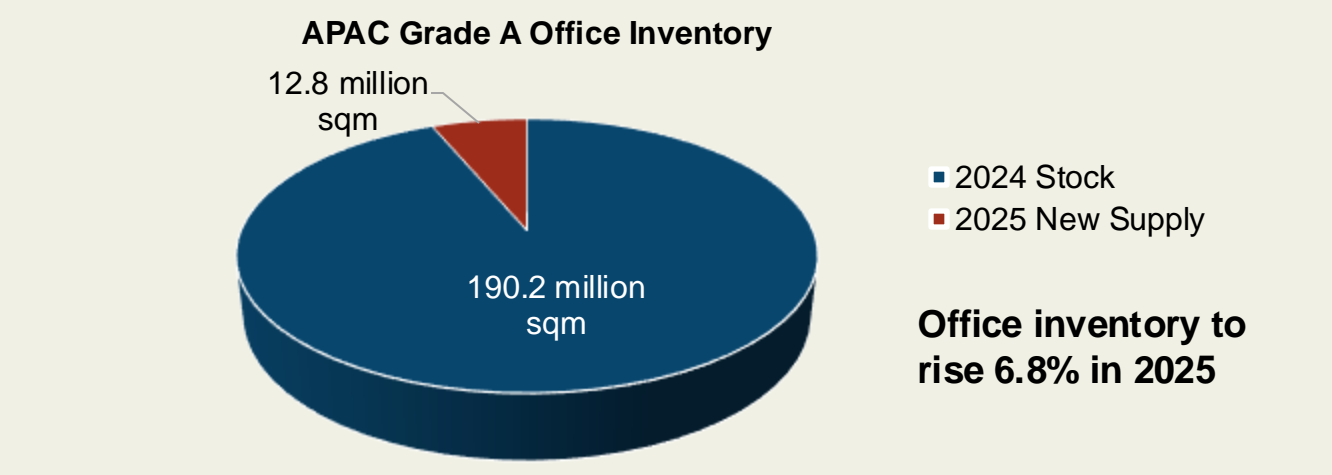
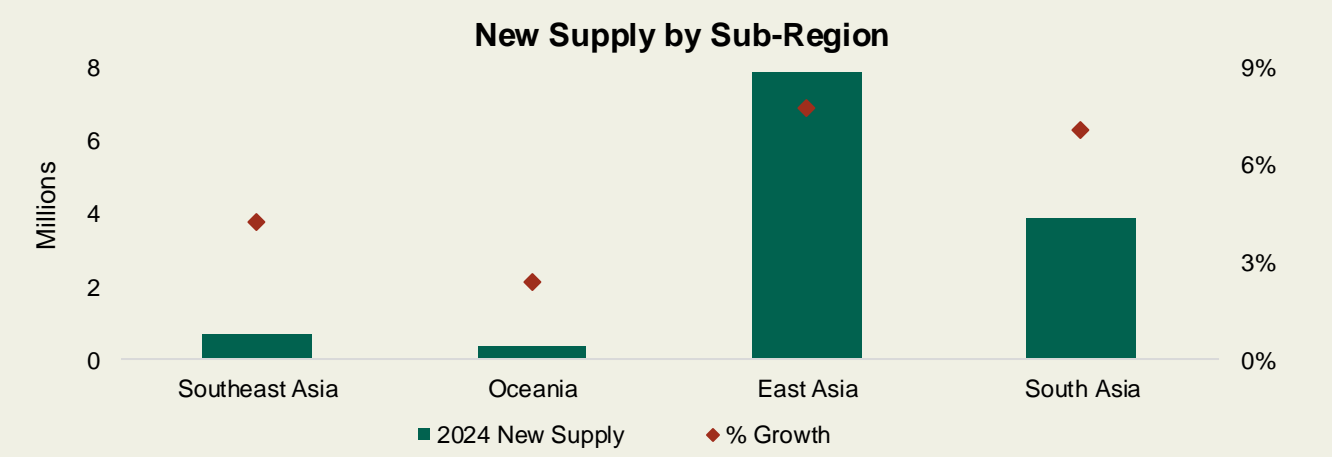


APAC Office Pipeline Supply

Deferred completions swell development pipeline in 2025



Proportion of 2025 Supply to 2024 Stock



APAC Office Snapshot – Q4 2024

12-Month Rental Outlook

Decreasing

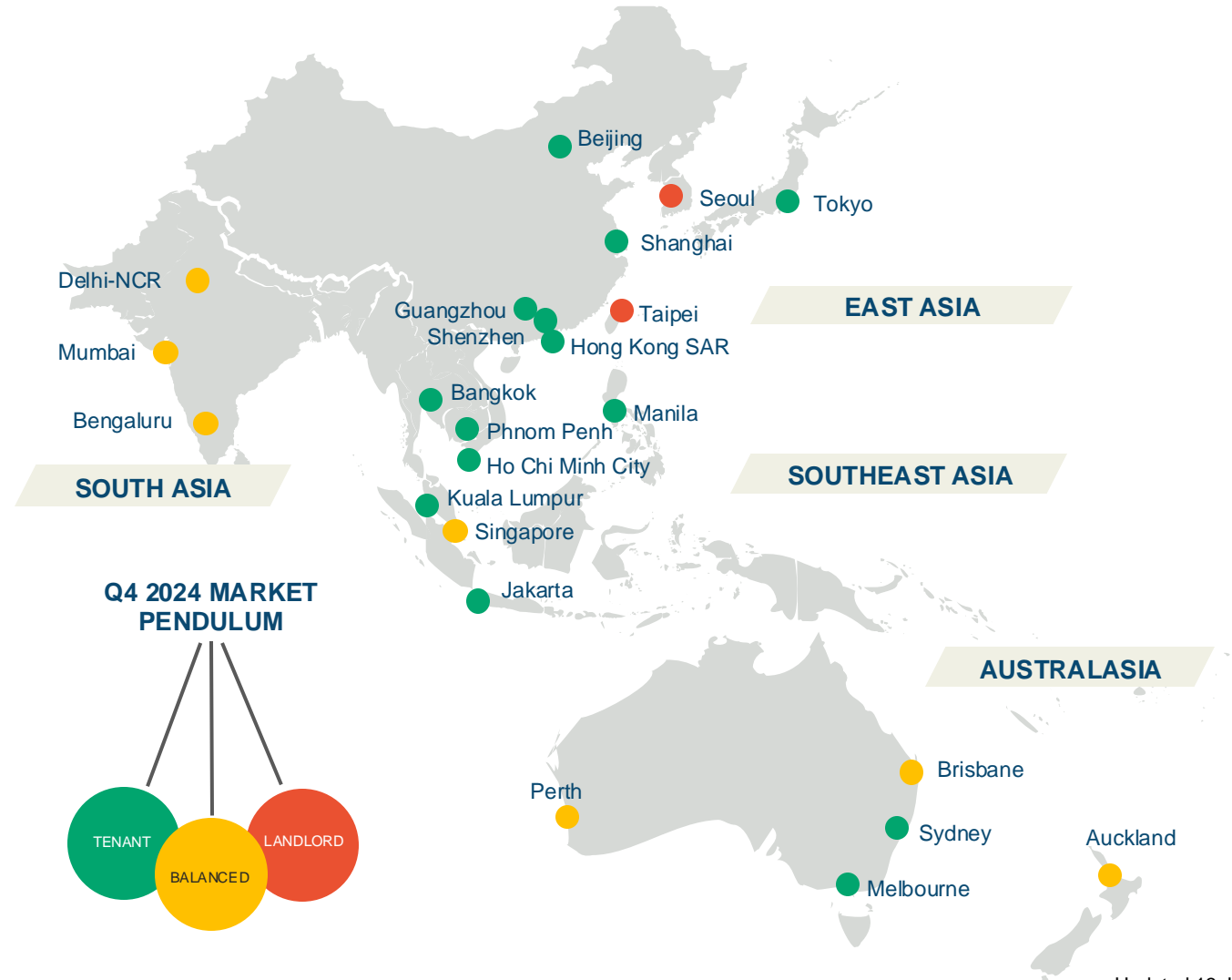
- Shanghai
- Beijing
- Guangzhou
- Shenzhen
- Hong Kong SAR

Unchanged

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

Increasing

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

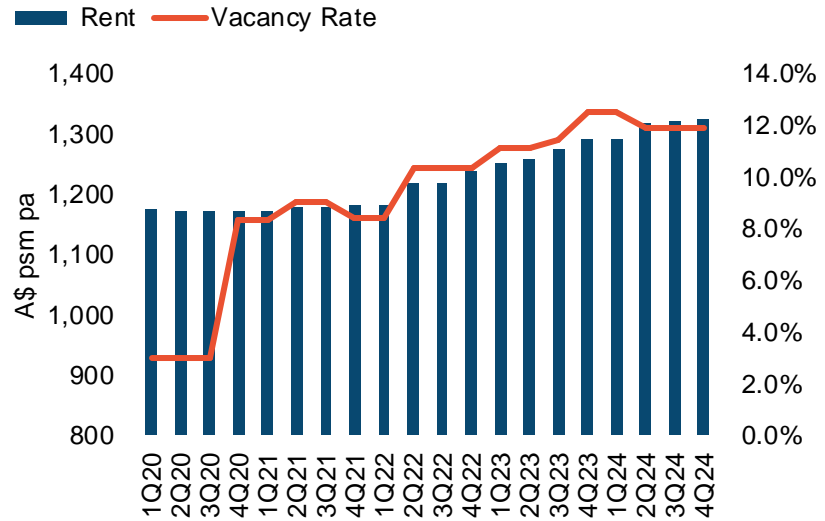


Market Dashboards

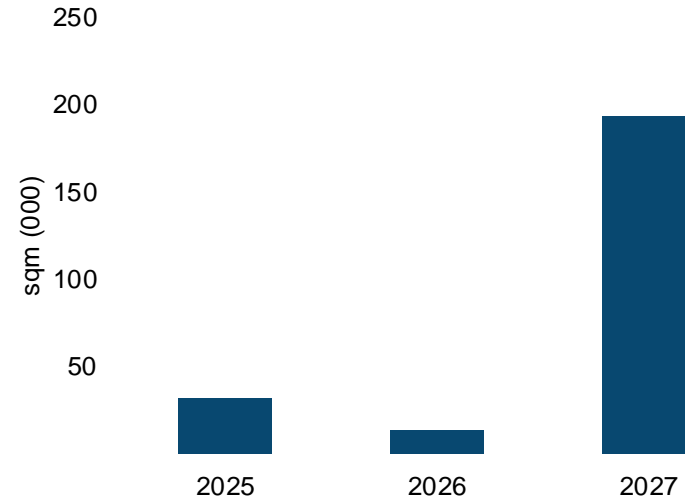
Australasia

Prime net effective rents in Australia's offices rose 1.9% in 2024, with increases observed across all major cities tracked. Those in Brisbane led the way as a dearth of new supply tightened vacancies through the year and lifted rents by 11.8%. Perth also saw rents grow a robust 3.3%. However, those in Sydney and Melbourne were restrained by higher incentives where occupier fundamentals have largely been less robust relative to the resource-led cities. On the whole, the development pipeline will remain thin in 2025 as high construction costs amid the prevalence of elevated interest rates put the brakes on new schemes. While a higher proportion of occupiers are currently opting to renew rather than relocate, this could change during the course of 2025 on the back of an improving economy. With better connectivity reinforcing the appeal of core markets in Brisbane, Melbourne and Sydney, the slowdown in commencements will start to drive decisions and prompt occupiers to act to secure better-quality spaces.

Rents and Vacancy



Future Pipeline Supply

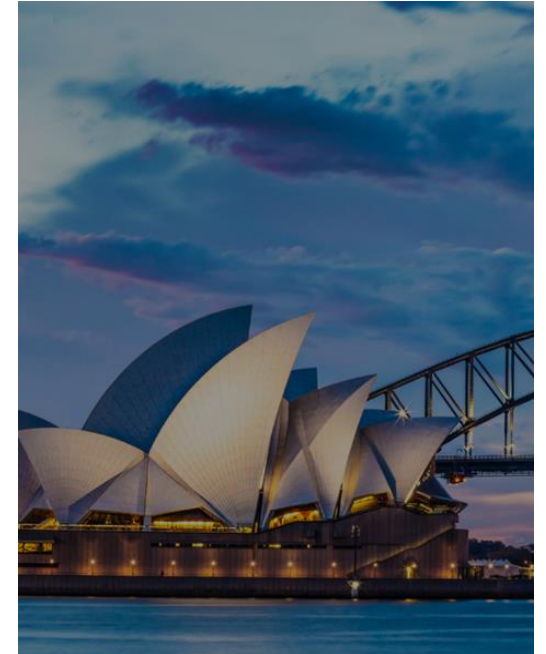


Economic Indicators

	2024F	2025F
GDP Growth	1.5%	2.3%
Unemployment Rate	4.3%	4.5%
Inflation	2.6%	3.7%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (A\$ psm pa)	1,324	↑
Vacancy	11.9%	→
Market Balance	Tenant	Tenant

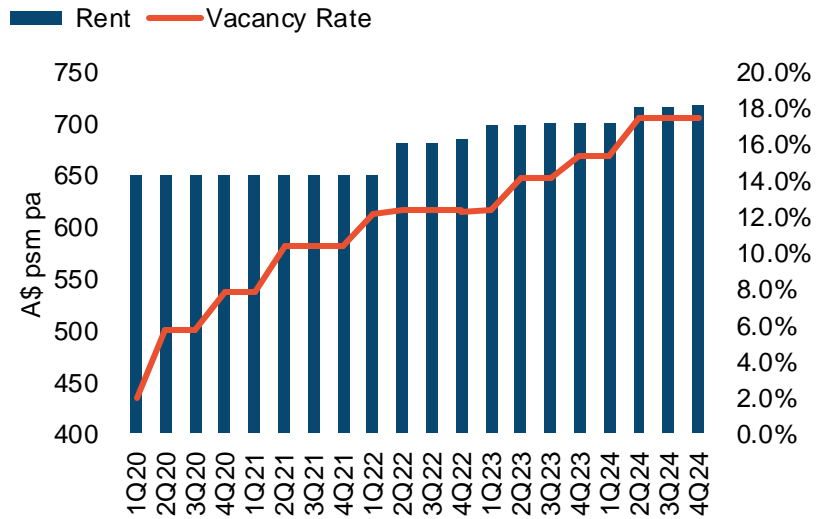


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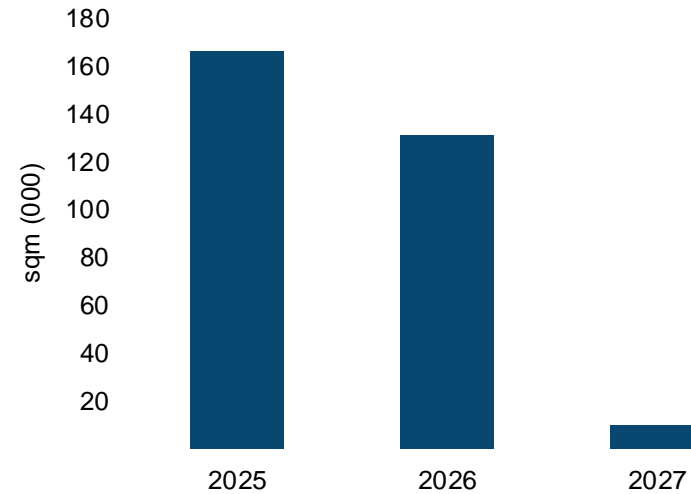
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Melbourne

Rents and Vacancy



Future Pipeline Supply

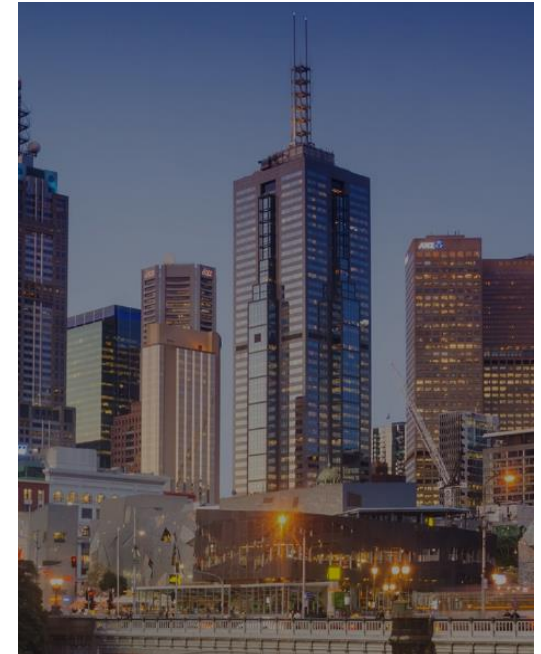


Economic Indicators

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Real Estate Indicators

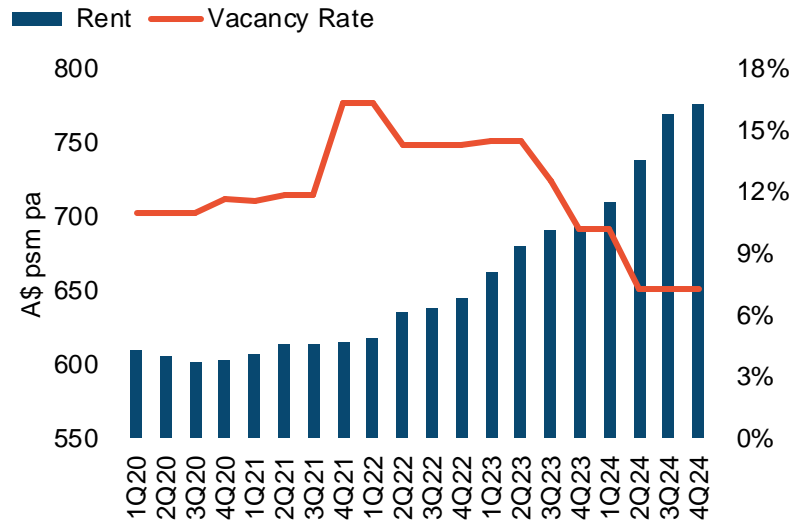
	Q4 2024	12mth Forecast
Prime Rent (A\$ psm pa)	718	→
Vacancy	17.4%	→
Market Balance	Tenant	Tenant



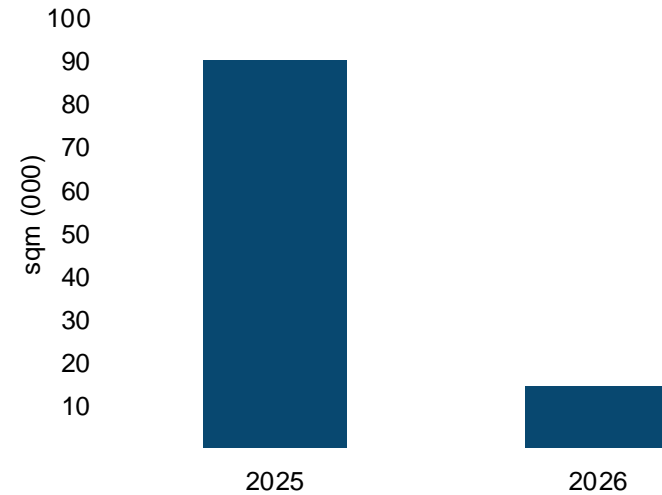
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Rents and Vacancy



Future Pipeline Supply

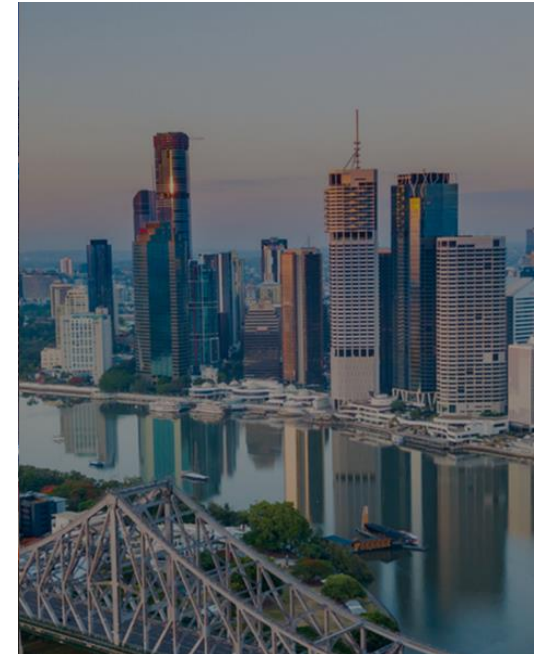


Economic Indicators

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Unemployment Rate	4.3%	4.5%
Inflation	2.6%	3.7%

Real Estate Indicators

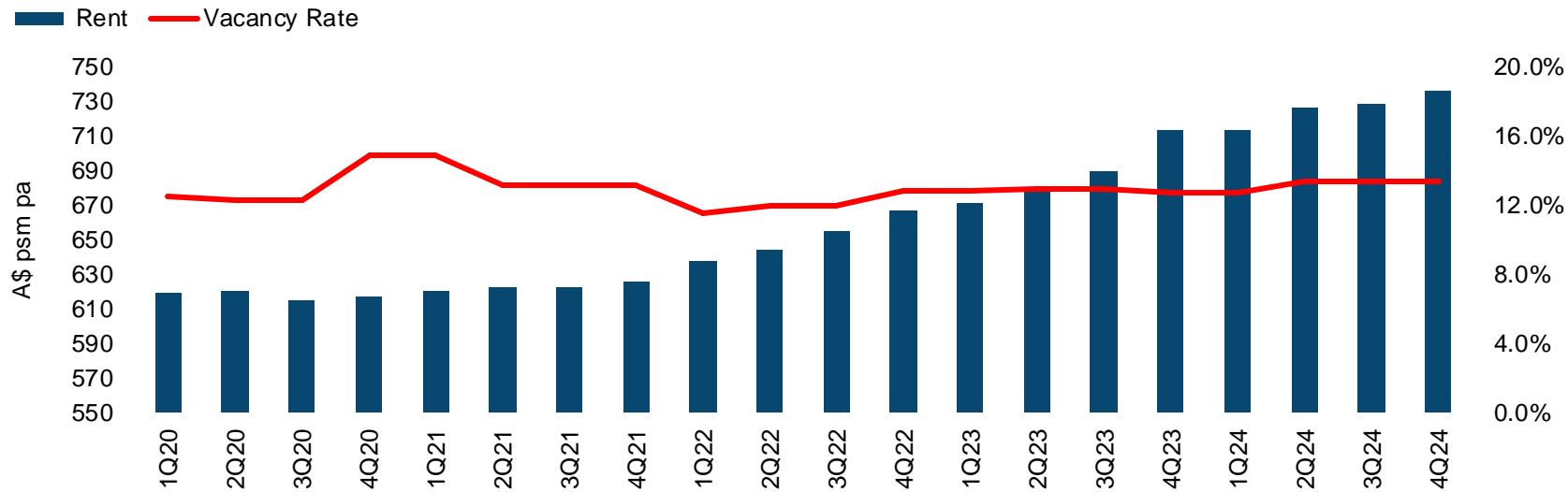
	Q4 2024	12mth Forecast
Prime Rent (A\$ psm pa)	775	↑
Vacancy	7.2%	↑
Market Balance	Balanced	Balanced



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Rents and Vacancy

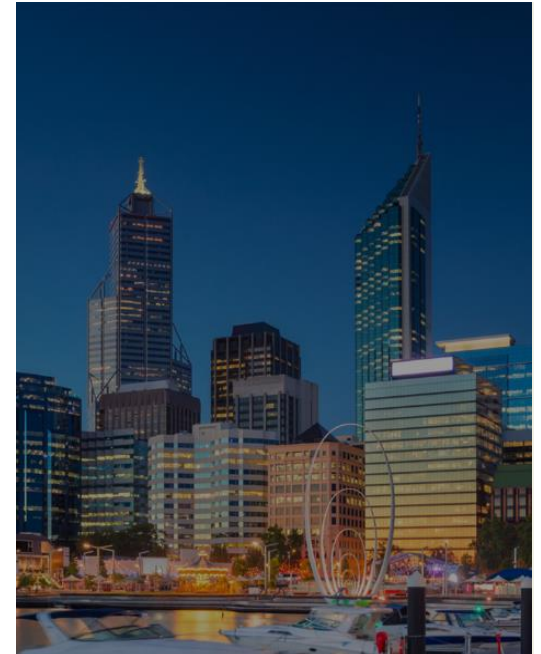


Economic Indicators

	2024F	2025F
GDP Growth	1.5%	2.3%
Unemployment Rate	4.3%	4.5%
Inflation	2.6%	3.7%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (A\$ psm pa)	736	↑
Vacancy	13.3%	→
Market Balance	Balanced	Balanced

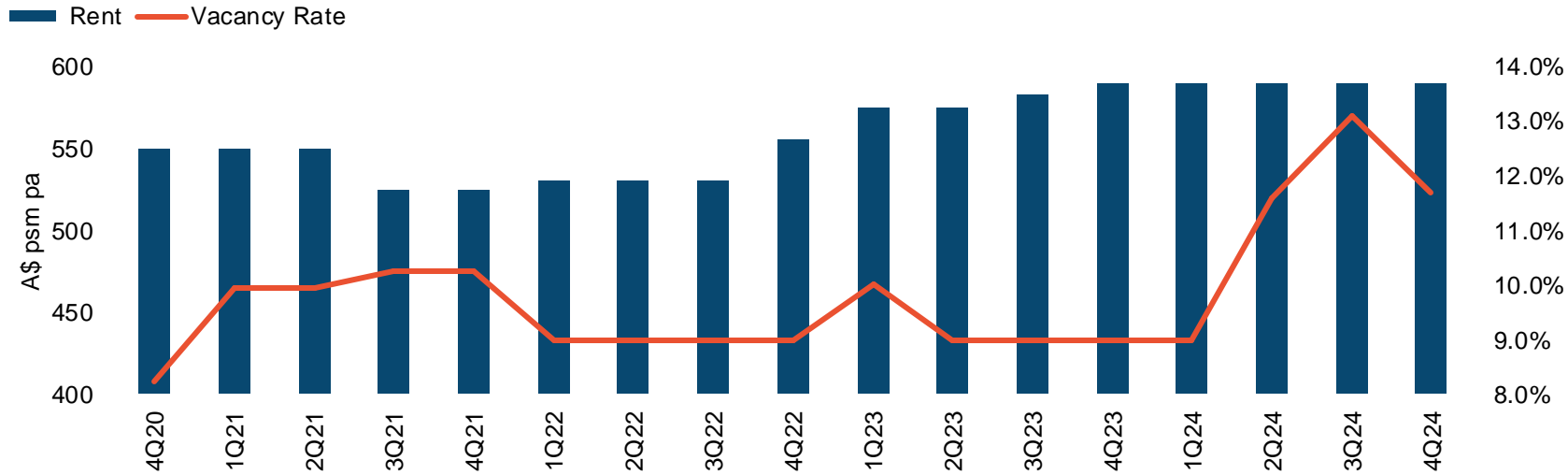


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Auckland

Rents and Vacancy

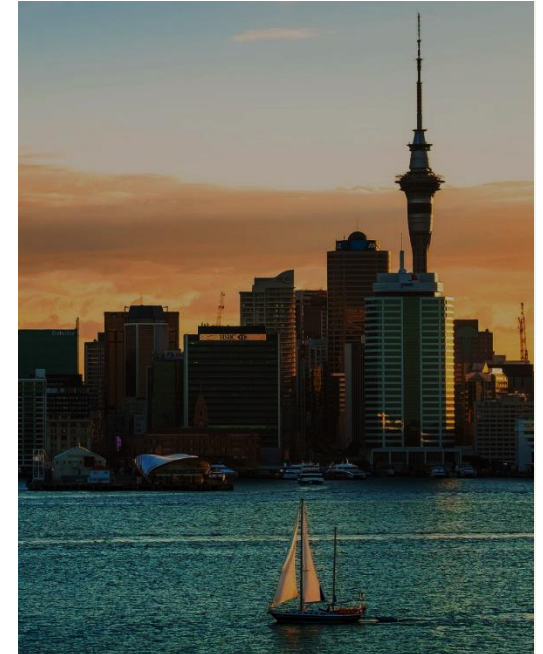


Economic Indicators

	2024F	2025F
GDP Growth	0.8%	2.2%
Unemployment Rate	3.8%	4.9%
Inflation	4.9%	2.7%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (NZ\$ psm pa)	590	→
Vacancy	11.7%	→
Market Balance	Balanced	Balanced



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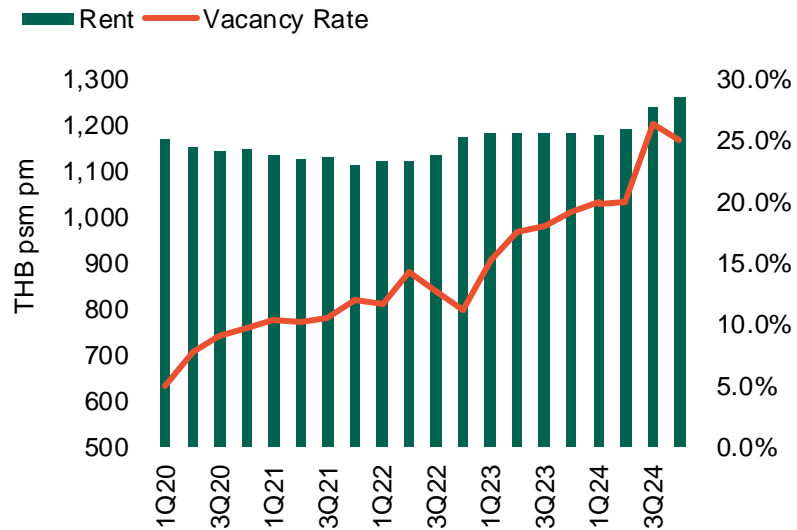
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Southeast Asia

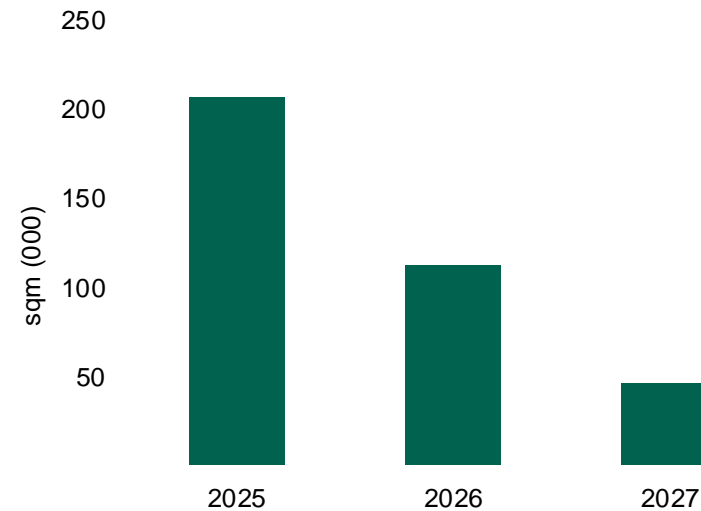
Vacancies in Southeast Asia's emerging markets tightened by over 3 percentage points in 2024 to 22.5%, driven by broad-based improvements in occupancies across all its markets. Rents rose an average of 2.3%, powered by those in Bangkok which raced to a 6.1% increase. The flight-to-quality trend continues to persist in the capital amid the influx of new supply with the significant pipeline of premium spaces elevating rental benchmarks. Meanwhile, occupiers seeking high-quality offices in central locations in HCMC, amid limited supply expansion, drove occupiers in HCMC to accept higher rates. While rents in Singapore were also on an uptrend, the 2.1% rise in 2024 marks a deceleration from the 4.1% growth recorded a year ago. The expansion in rents was largely held in check by occupiers renewing leases at existing premises, adopting a conservative business outlook in light of unrelenting global uncertainty.

Bangkok

Rents and Vacancy



Future Pipeline Supply

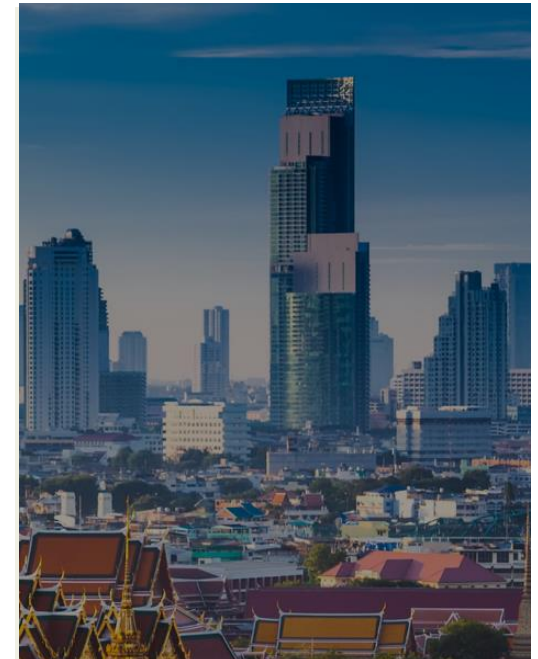


Economic Indicators

	2024F	2025F
GDP Growth	2.8%	3.1%
Unemployment Rate	N/A	N/A
Inflation	0.6%	1.6%

Real Estate Indicators

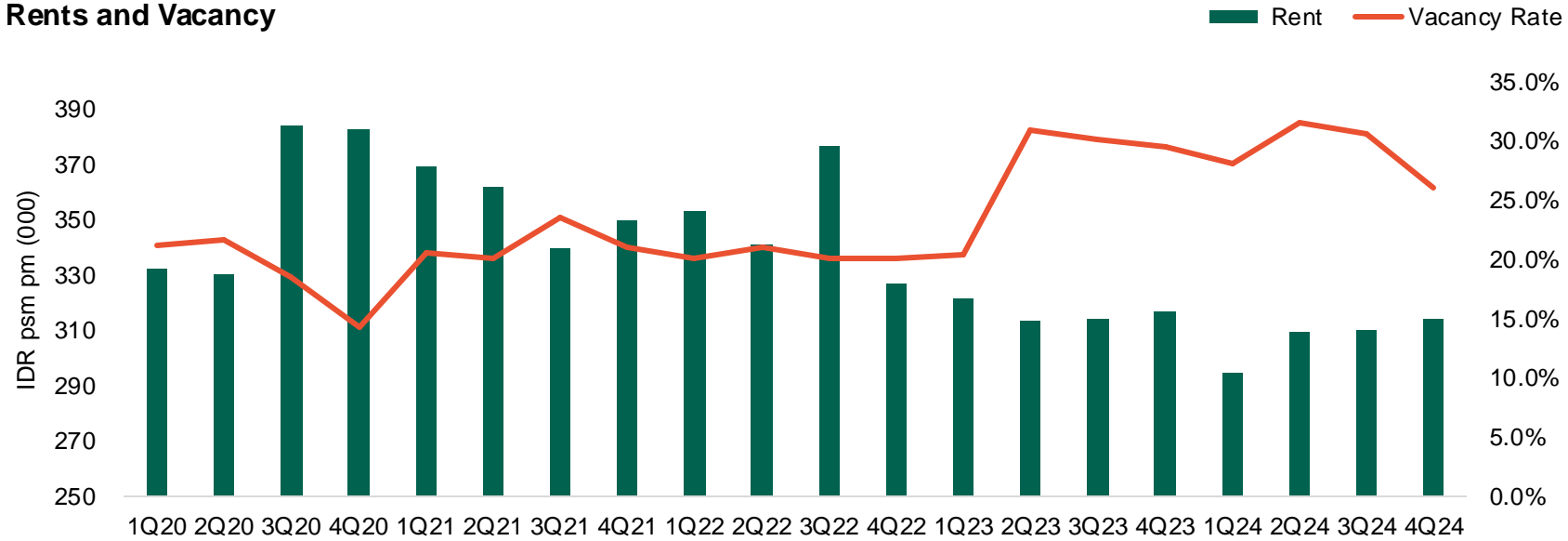
	Q4 2024	12mth Forecast
Prime Rent (THB psm pm)	1,260	→
Vacancy	25.0%	↑
Market Balance	Tenant	Tenant



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Rents and Vacancy

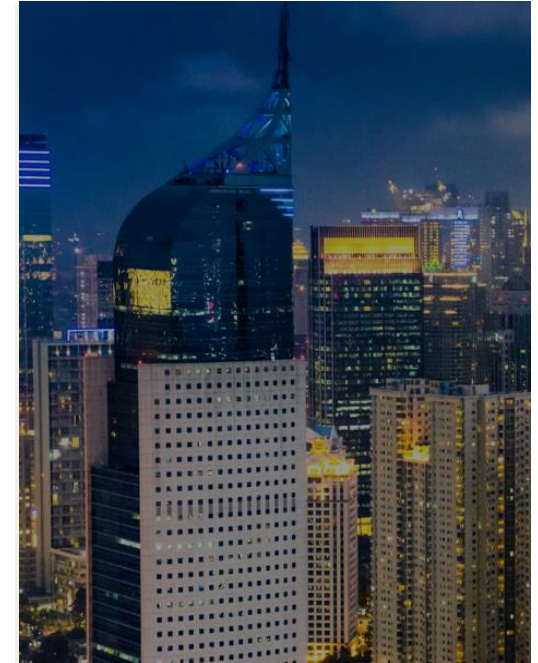


Economic Indicators

	2024F	2025F
GDP Growth	5.0%	4.9%
Unemployment Rate	4.9%	5.0%
Inflation	2.3%	2.3%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (IDR psm pm)	313,981	↑
Vacancy	26.0%	↓
Market Balance	Tenant	Tenant

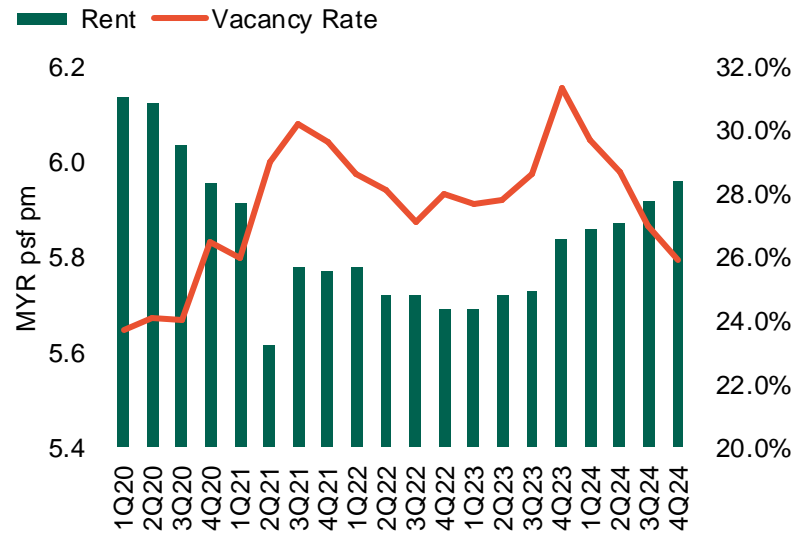


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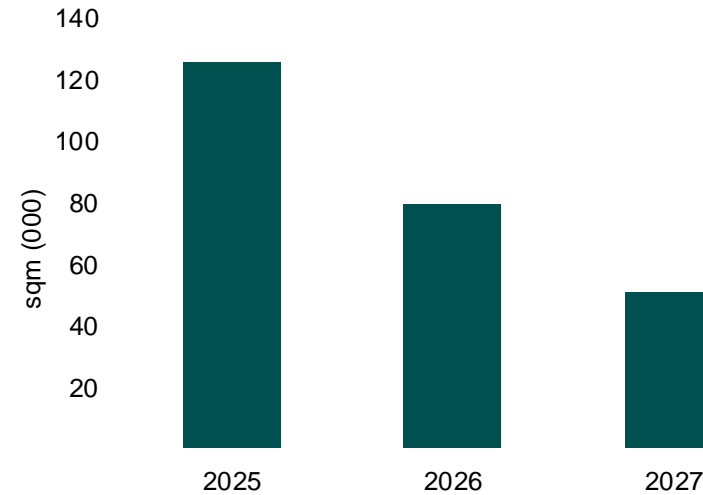
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Kuala Lumpur

Rents and Vacancy



Future Pipeline Supply



Economic Indicators

	2024F	2025F
GDP Growth	4.8-5.3%	4.8-5.5%
Unemployment Rate	3.2%	3.1%
Inflation	1.5-2.5%	2.0-3.5%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (MYR psf pm)	5.96	→
Vacancy	25.9%	→
Market Balance	Tenant	Tenant

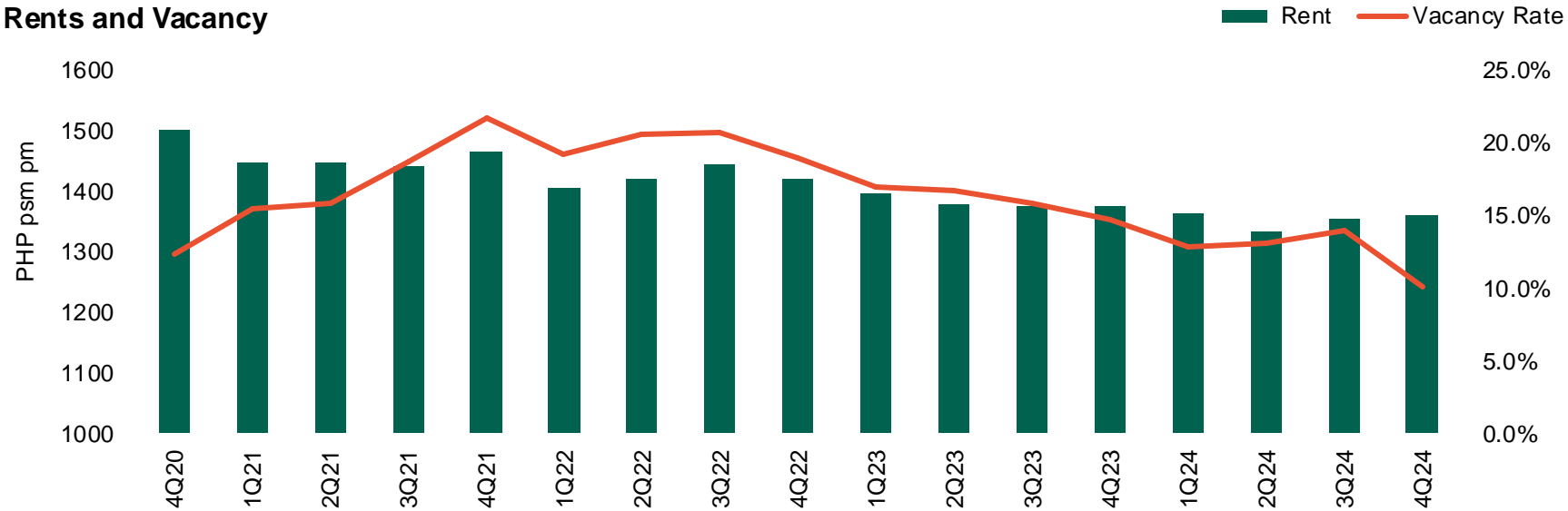


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Manila

Rents and Vacancy

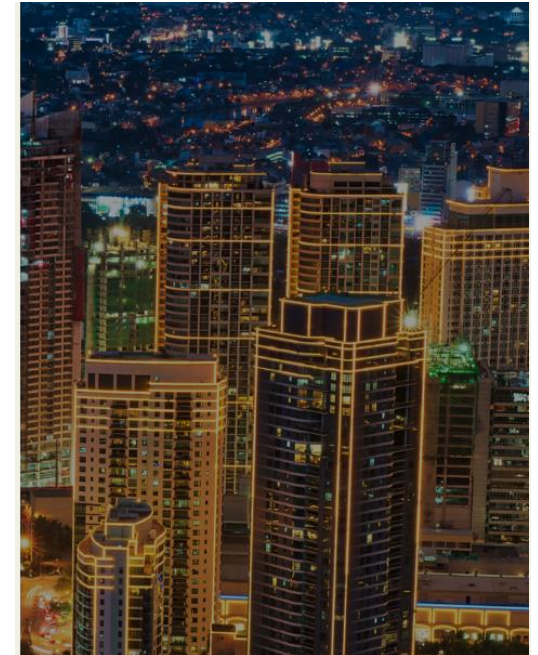


Economic Indicators

	2024F	2025F
GDP Growth	5.5%	6.0%
Unemployment Rate	3.9%	3.8%
Inflation	3.3%	3.1%

Real Estate Indicators

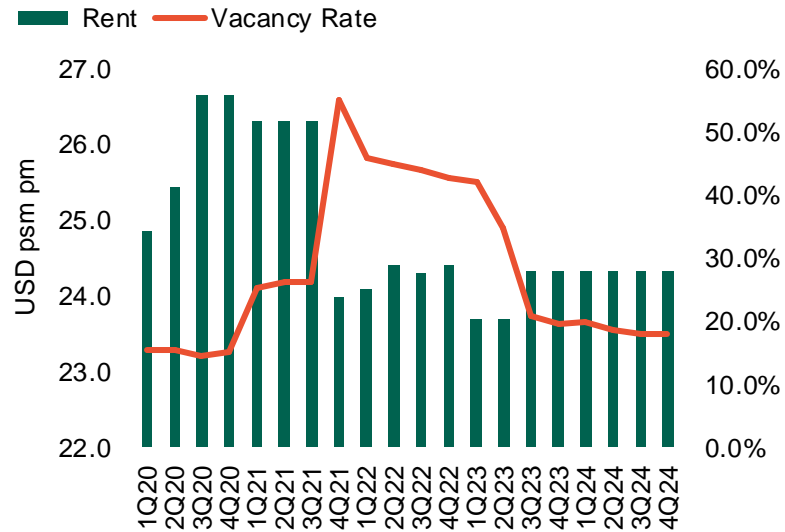
	Q4 2024	12mth Forecast
Prime Rent (PHP psm pm)	1,361	↓
Vacancy	10.1%	↓
Market Balance	Tenant	Tenant



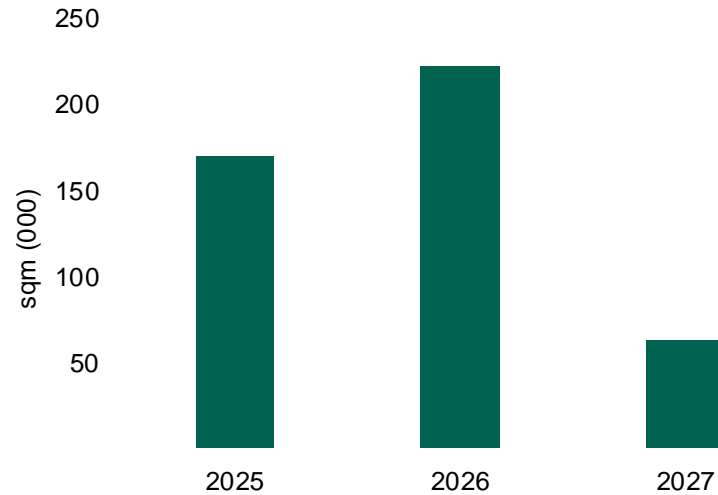
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Phnom Penh

Rents and Vacancy



Future Pipeline Supply

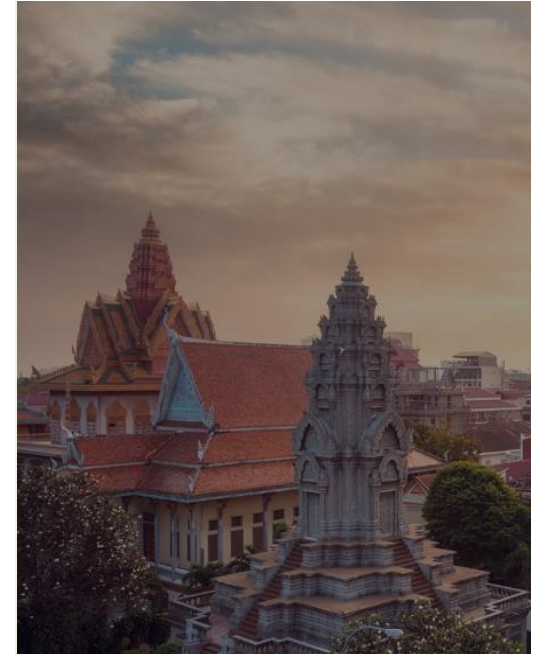


Economic Indicators

	2024F	2025F
GDP Growth	6.0%	6.3%
Unemployment Rate	N/A	N/A
Inflation	2.5%	2.0%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (US\$ psm pm)	24.34	→
Vacancy	18.0%	→
Market Balance	Tenant	Tenant

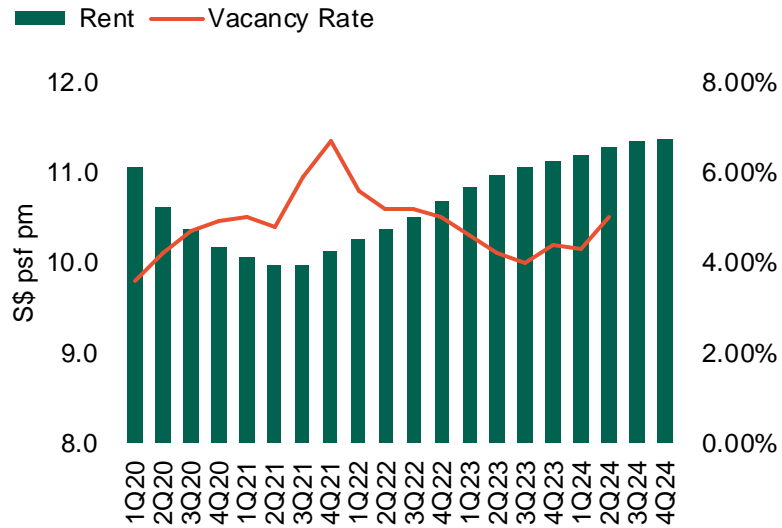


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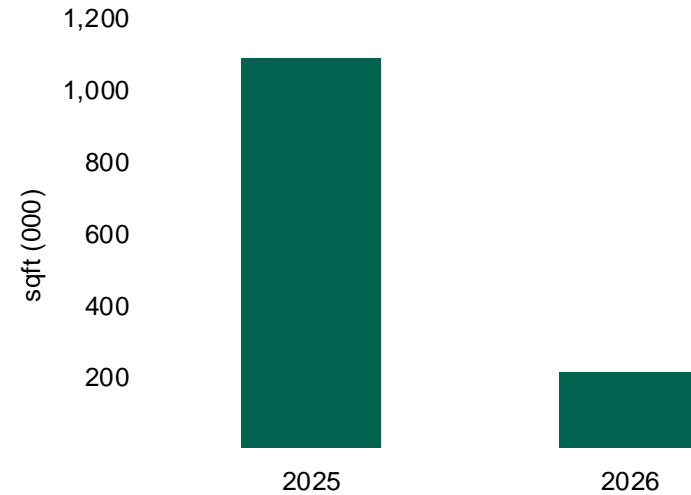
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Singapore

Rents and Vacancy



Future Pipeline Supply

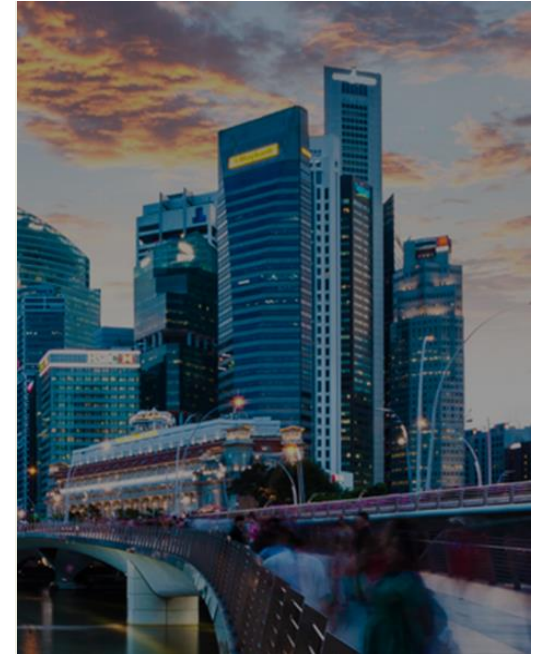


Economic Indicators

	2024F	2025F
GDP Growth	3.5%	2.0%
Unemployment Rate	2.0%	2.2%
Inflation	2.0%	2.0%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (S\$ psf pm)	11.36	→
Vacancy	6.4%	↑
Market Balance	Balanced	Balanced

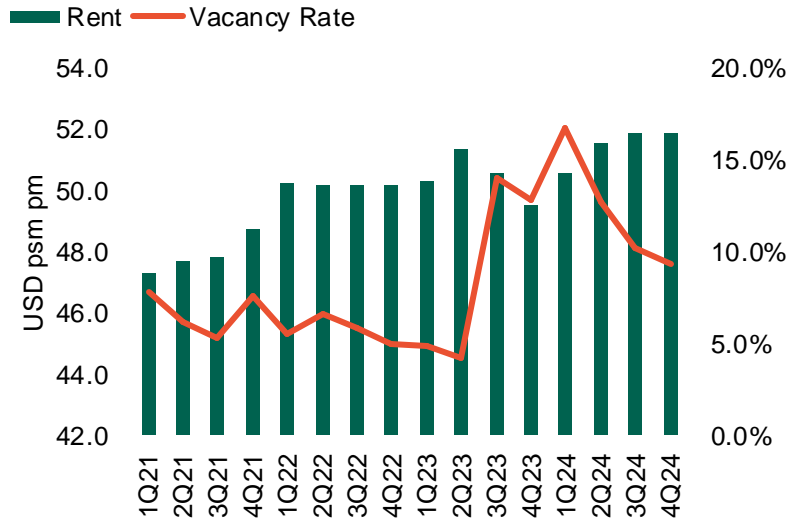


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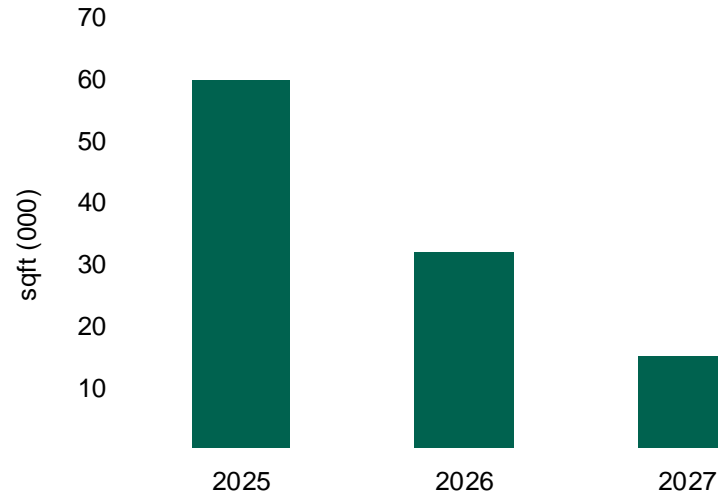
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Ho Chi Minh City

Rents and Vacancy



Future Pipeline Supply



Economic Indicators

	2024F	2025F
GDP Growth	7.1%	9.0%
Unemployment Rate	2.3%	2.1%
Inflation	3.7%	3.4%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (US\$ psm pm)	51.87	↑
Vacancy	9.3%	↑
Market Balance	Tenant	Tenant



For more information, please contact:

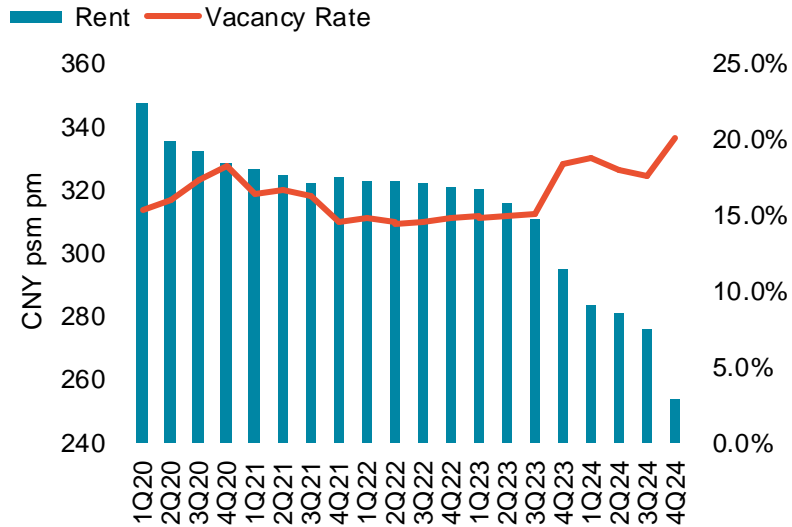
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East Asia

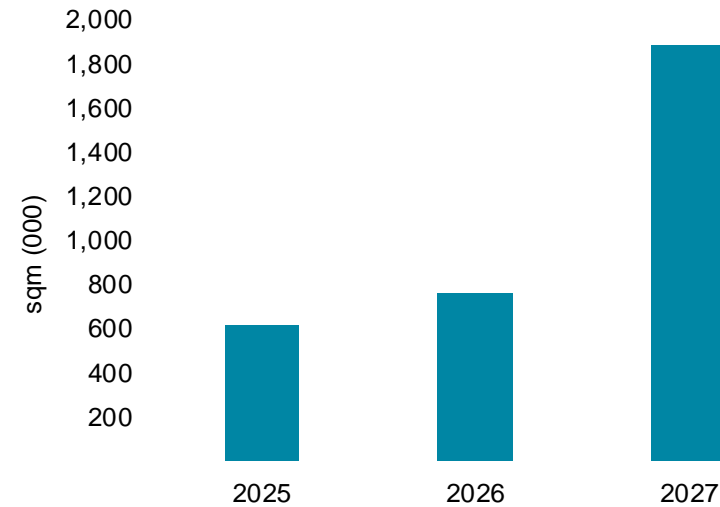
The Chinese mainland's lacklustre economy continued to weigh on office markets in its first-tier cities, as rents declined by over 12% in 2024, accelerating from the 11.1% drop in Q3 2024. Vacancy rates hit 20.0%, up 0.4 ppt from Q3 2024, due to the delivery of new supply in Shanghai and Shenzhen. Due to the ongoing economic downturn, companies are likely to shrink their real estate costs, with tenants relocating to markets with lower rents, while those seeking renewals are downsizing their requirements. A significant influx of new supply in 2025 means landlords will continue to face challenges in maintaining occupancies. While prime rents in Hong Kong SAR remained under pressure, demand for high-quality amenities tightened vacancies noticeably, driven primarily by higher leasing activity from the financial sector. Still, Hong Kong's market will need time to absorb the over 4 million sq ft of space slated for completion in 2025-26 as well as the accumulated backfill spaces.

Beijing

Rents and Vacancy



Future Pipeline Supply

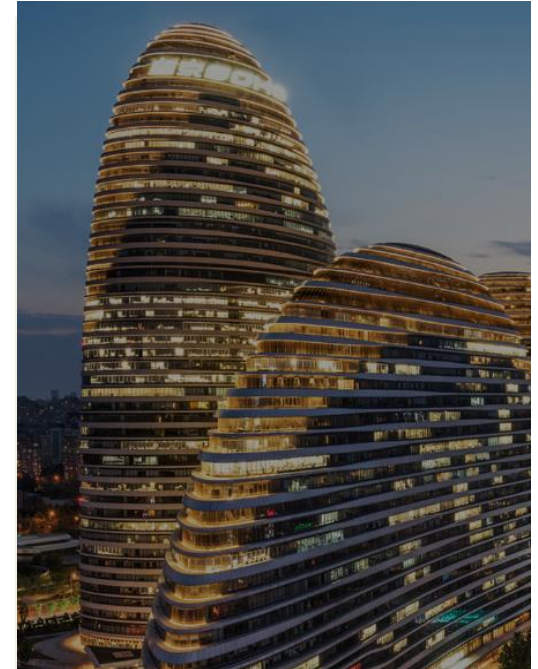


Economic Indicators

	2024F	2025F
GDP Growth	5.0%	4.1%
Unemployment Rate	5.0%	4.9%
Inflation	0.4%	0.3%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (CNY psm pm)	252	↓
Vacancy	18.4%	↑
Market Balance	Tenant	Tenant

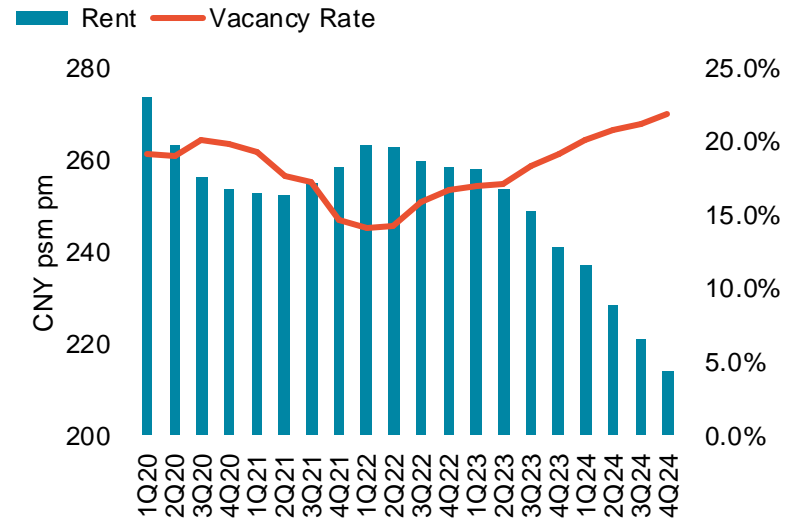


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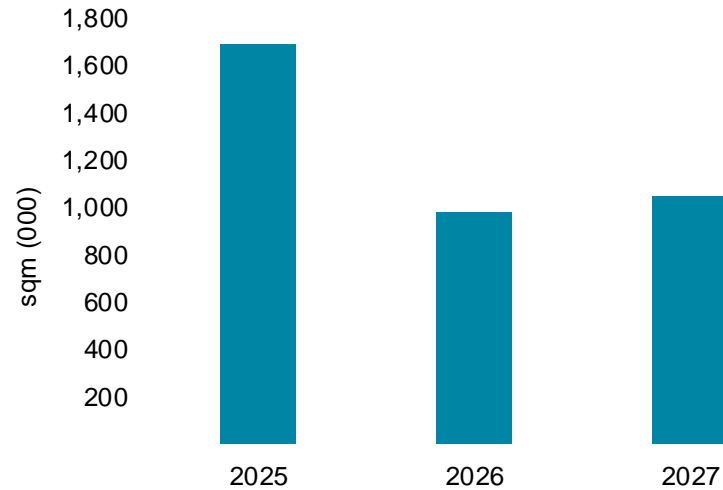
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Shanghai

Rents and Vacancy



Future Pipeline Supply

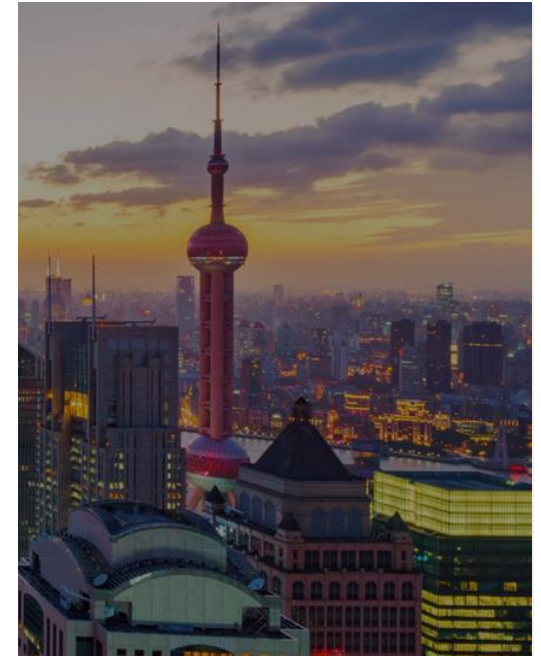


Economic Indicators

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Unemployment Rate	5.0%	4.9%
Inflation	0.4%	0.3%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (CNY psm pm)	214	↓
Vacancy	21.6%	↑
Market Balance	Tenant	Tenant

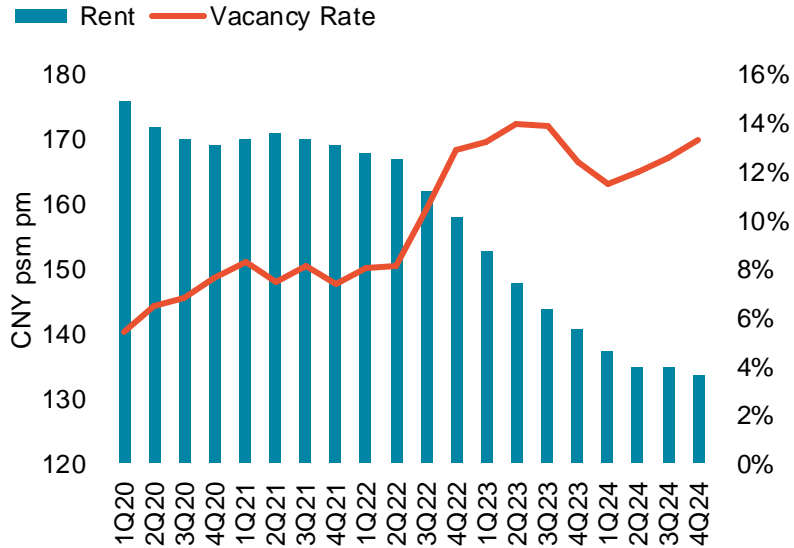


For more information, please contact:

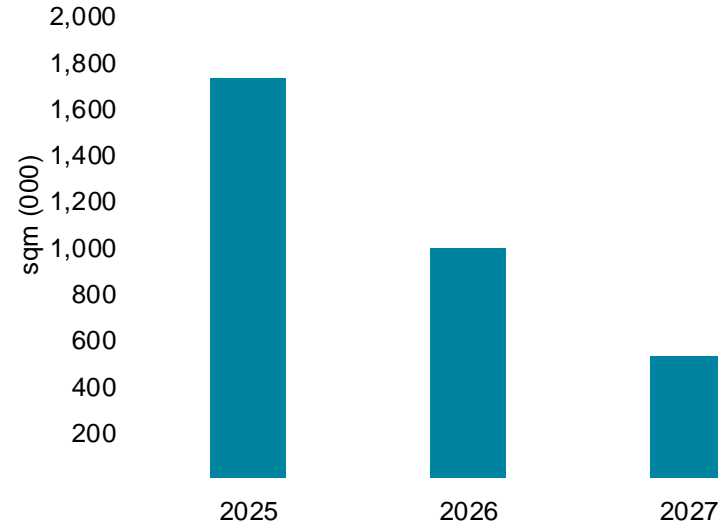
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Guangzhou

Rents and Vacancy



Future Pipeline Supply

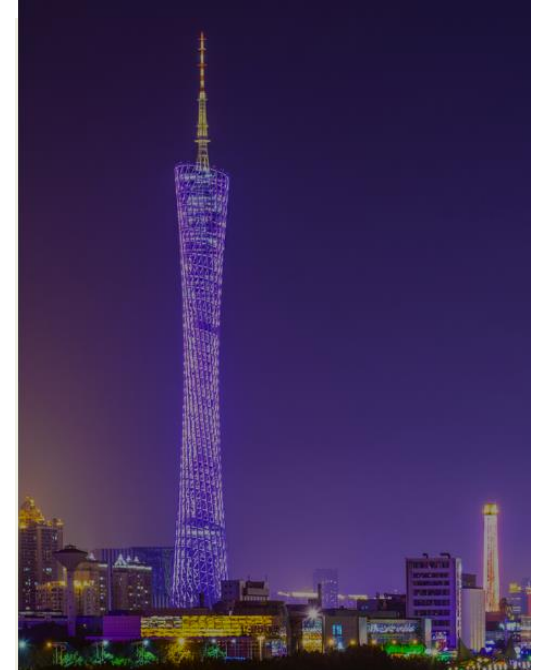


Economic Indicators

	2024F	2025F
GDP Growth	5.0%	4.1%
Unemployment Rate	5.0%	4.9%
Inflation	0.4%	0.3%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (CNY psm pm)	134	↓
Vacancy	13.3%	↑
Market Balance	Tenant	Tenant

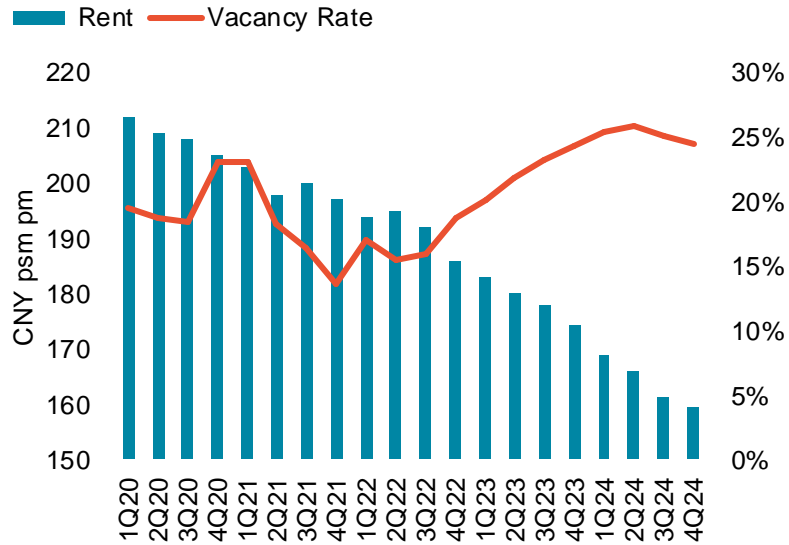


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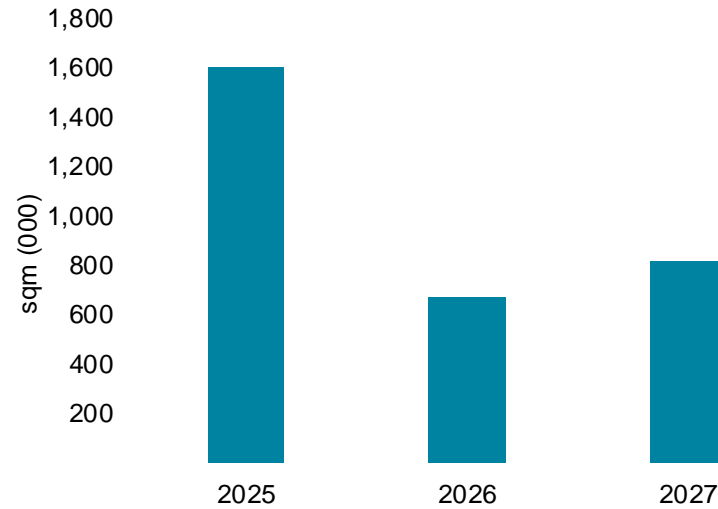
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Shenzhen

Rents and Vacancy



Future Pipeline Supply



Economic Indicators

	2024F	2025F
GDP Growth	5.0%	4.1%
Unemployment Rate	5.0%	4.9%
Inflation	0.4%	0.3%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (CNY psm pm)	160	↓
Vacancy	24.5%	↑
Market Balance	Tenant	Tenant

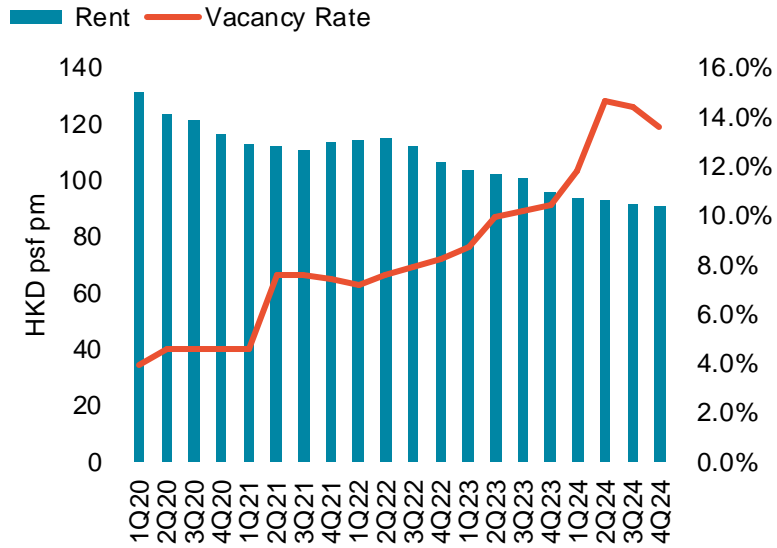


For more information, please contact:

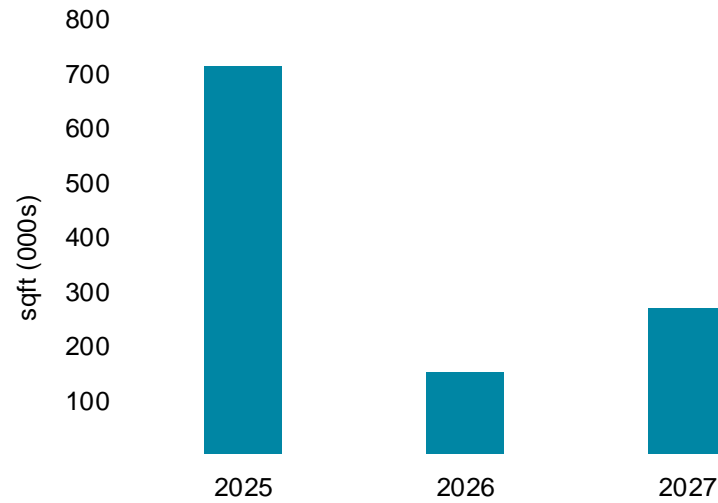
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Hong Kong SAR

Rents and Vacancy



Future Pipeline Supply

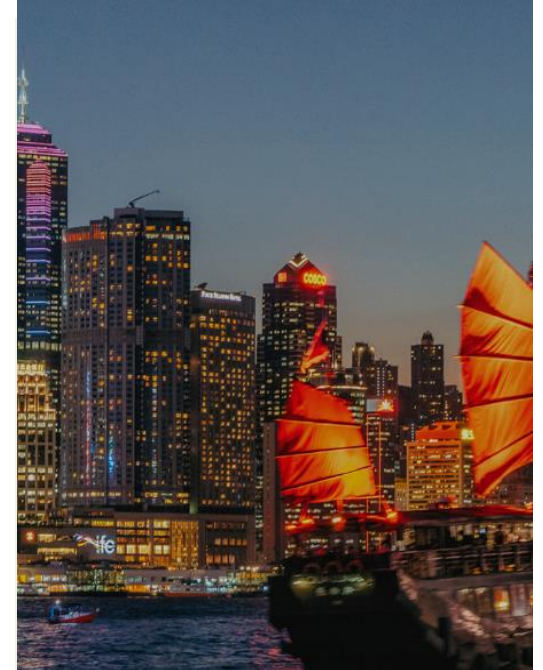


Economic Indicators

	2024F	2025F
GDP Growth	2.5%	2.0%
Unemployment Rate	3.1%	3.5%
Inflation	1.7%	2.1%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (HK\$ psf pm)	90.50	↓
Vacancy	13.6%	↑
Market Balance	Tenant	Tenant



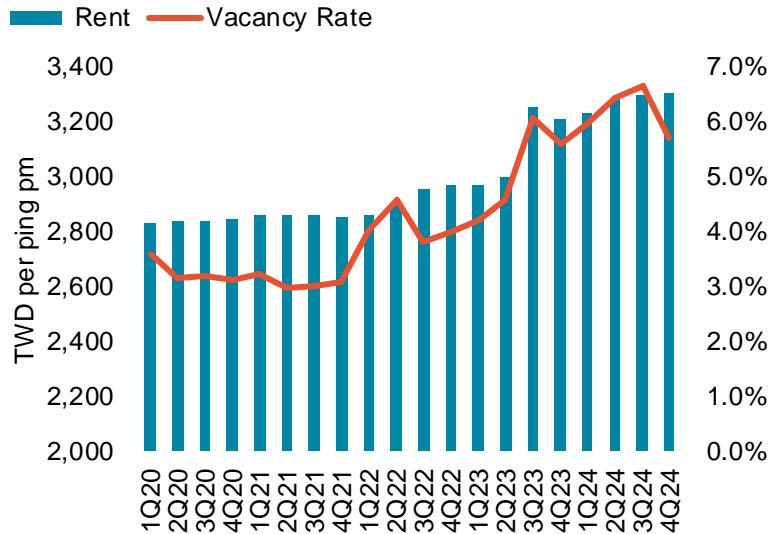
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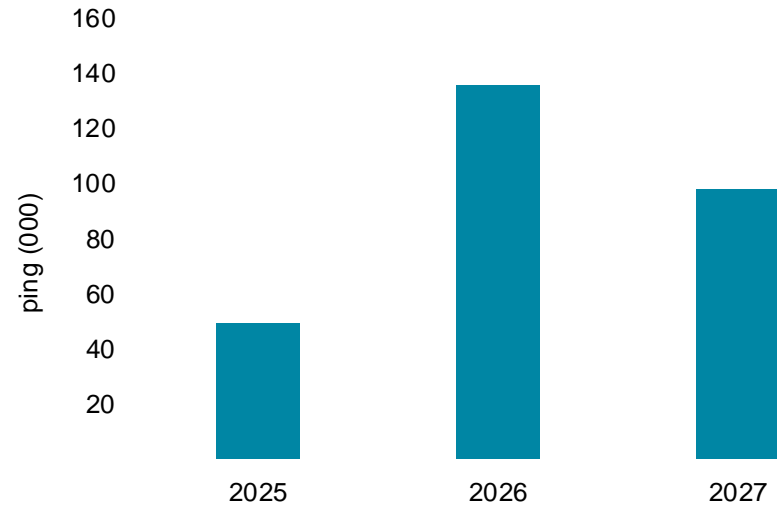
*Grade A office space in prime area in Hong Kong Island, aka Central
 Source: Census and Statistics Department, Knight Frank Research

Taipei

Rents and Vacancy



Future Pipeline Supply



Economic Indicators

	2024F	2025F
GDP Growth	4.3%	3.3%
Unemployment Rate	3.4%	3.3%
Inflation	2.1%	1.9%

Real Estate Indicators

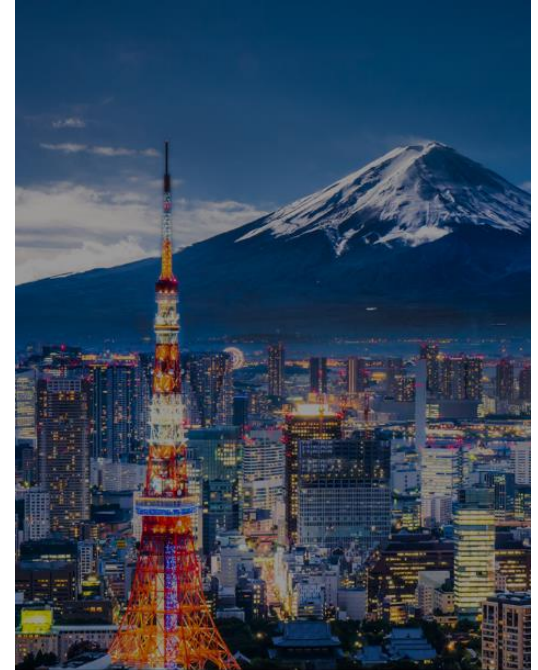
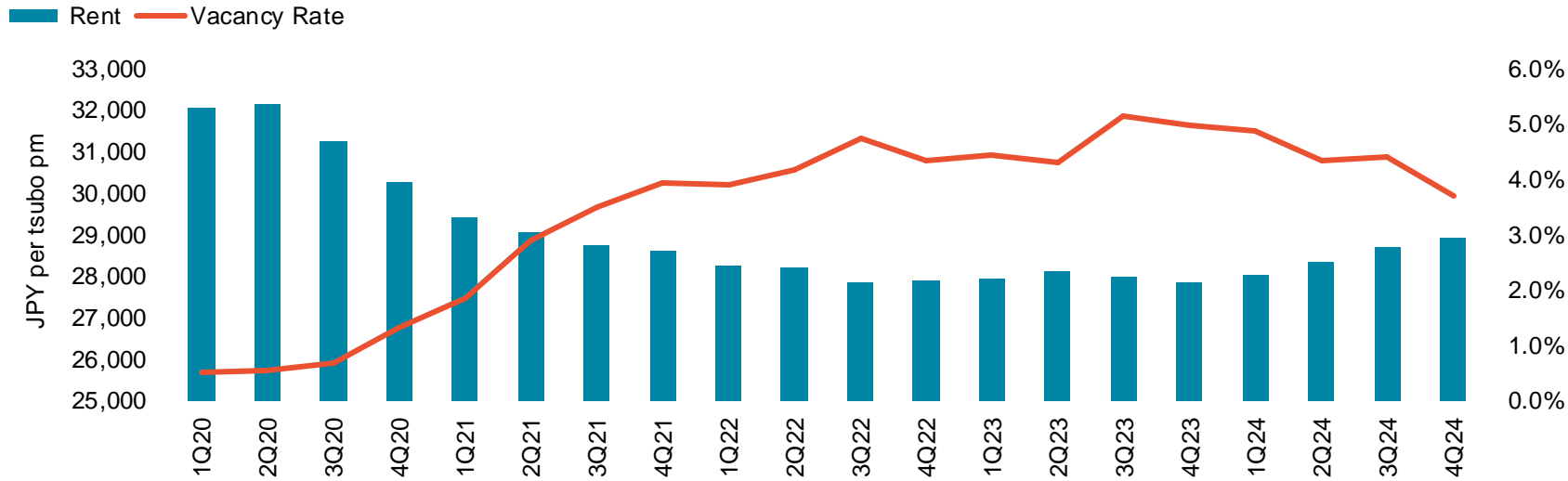
	Q4 2024	12mth Forecast
Prime Rent (TW\$ per ping pm)	3,301	↑
Vacancy	5.7%	↑
Market Balance	Landlord	Landlord



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Rents and Vacancy



Economic Indicators

	2024F	2025F
GDP Growth	0.7%	1.1%
Unemployment Rate	2.5%	2.4%
Inflation	2.5%	2.0%

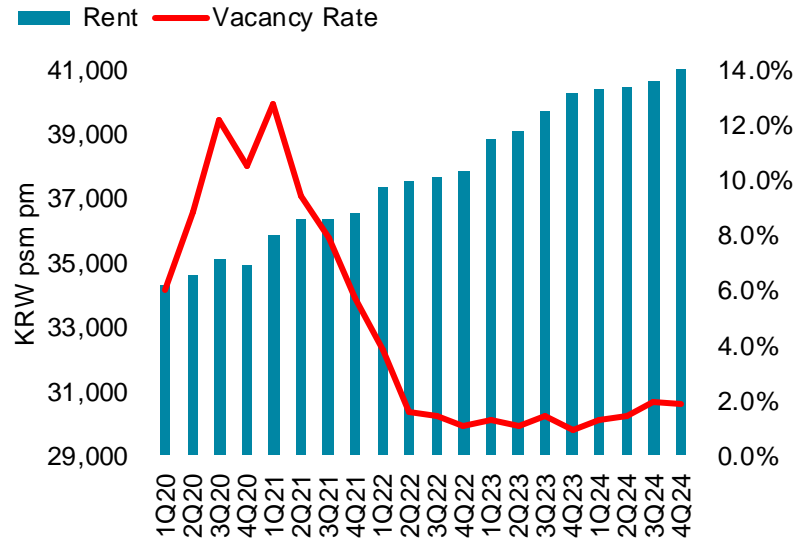
Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (JPY per tsubo pm)	28,915	↑
Vacancy	3.7%	→
Market Balance	Tenant	Balanced

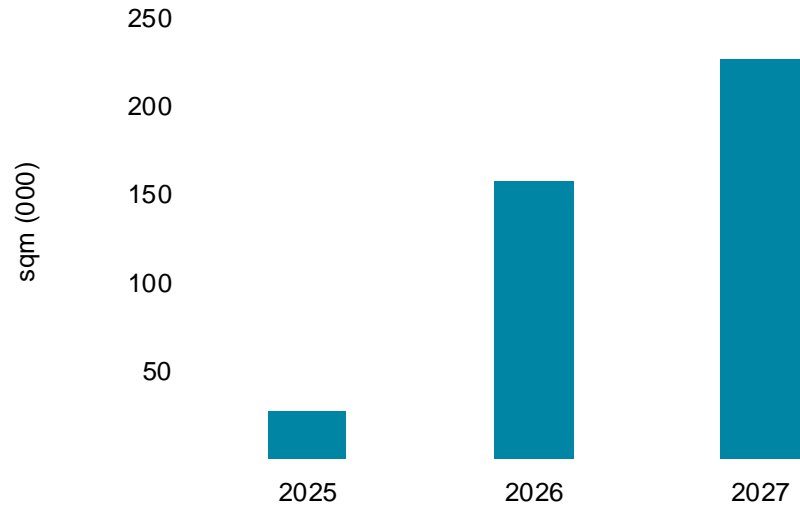
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Rents and Vacancy



Future Pipeline Supply



Economic Indicators

	2024F	2025F
GDP Growth	2.1%	1.8%
Unemployment Rate	2.7%	2.7%
Inflation	2.3%	1.8%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (KRW psm pm)	42,083	→
Vacancy	1.9%	→
Market Balance	Landlord	Balanced



For more information, please contact:

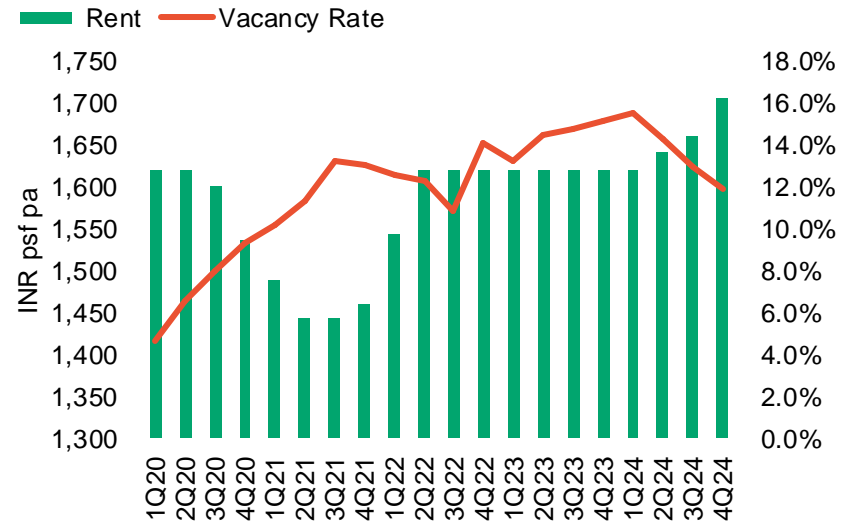
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India

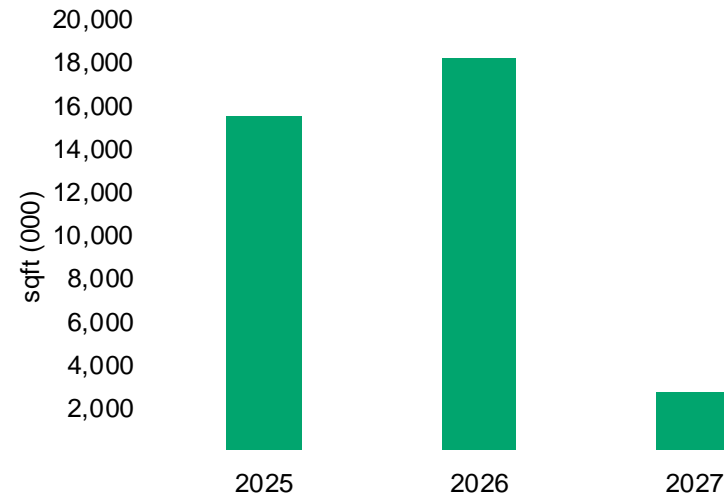
Prime rents in India's three largest occupier markets rose 3.1% year-on-year in Q4 2024 with those in Mumbai and Bengaluru registering strong increases. Despite over 28 million sq ft delivering for the whole of 2024, overall vacancies continued to tighten as leasing volumes scaled record highs in 2024, anchored by demand from domestic businesses as they continued to align business strategies with the growing Indian market. Global companies have also increased the scale of global capability centers' (GCC) operations in the country as they aggressively scaled up the value chain. These sectors are expected to remain supportive of office demand in 2025. However, an estimated 3.9 million sqm of new office space completing in 2025 should keep the market in equilibrium with rents likely to remain stable as a consequence.

Bengaluru

Rents and Vacancy



Future Pipeline Supply

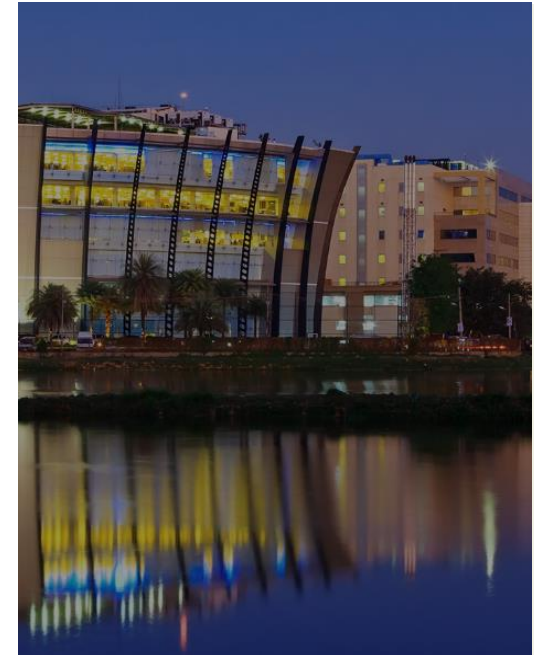


Economic Indicators

	FY24	FY25F
GDP Growth	6.4%	6.6%
Unemployment Rate	NA	NA
Inflation	4.8%	4.1%

Real Estate Indicators

	Q4 2024	12mth Forecast
Prime Rent (INR psf pa)	1,705	→
Vacancy	11.9%	→
Market Balance	Balanced	Balanced

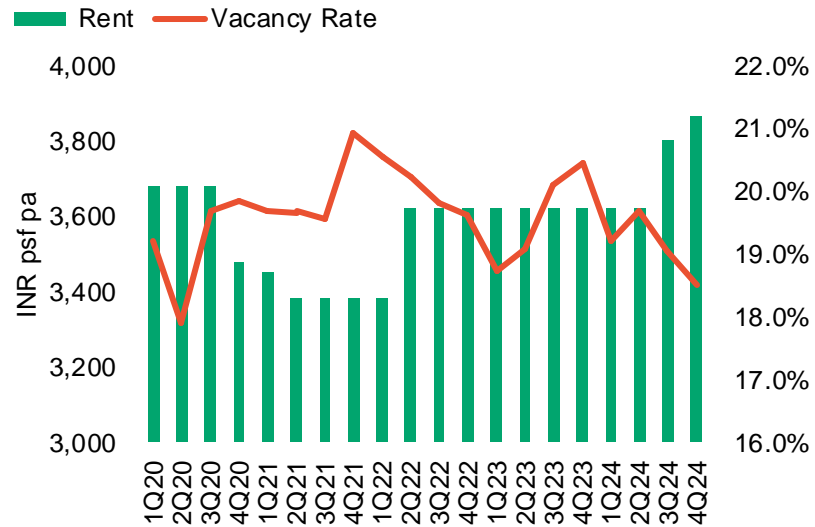


For more information, please contact:

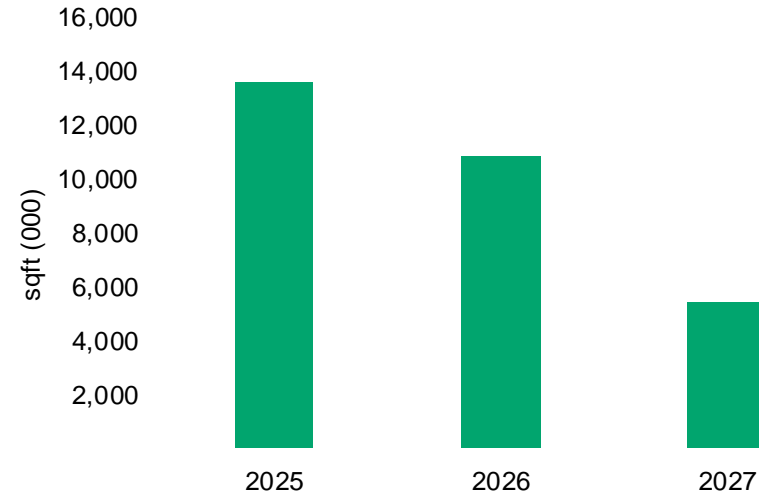
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Mumbai Metropolitan Region (MMR)

Rents and Vacancy



Future Pipeline Supply

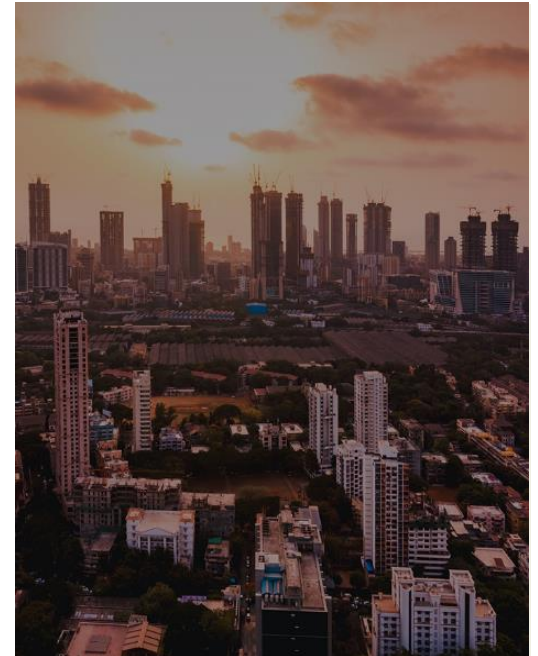


Economic Indicators

	FY24	FY25F
GDP Growth	6.4%	6.6%
Unemployment Rate	NA	NA
Inflation	4.8%	4.1%

Real Estate Indicators

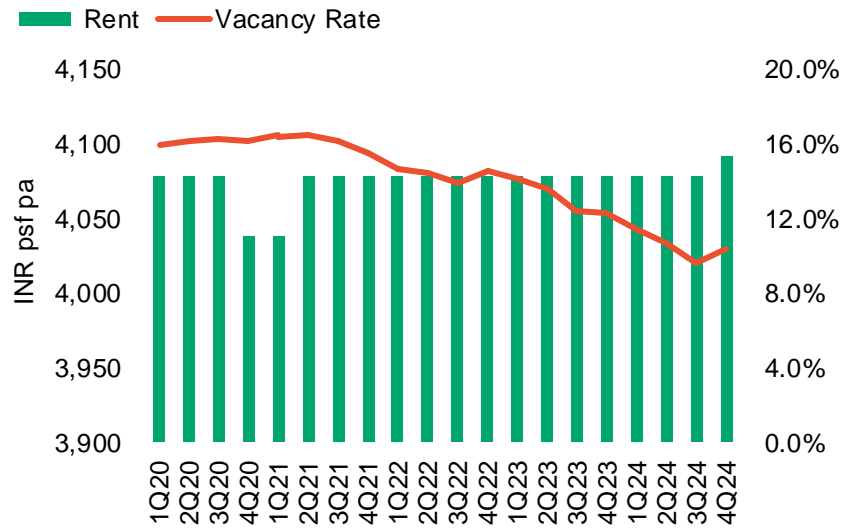
	Q4 2024	12mth Forecast
Prime Rent (INR psf pa)	3,867	→
Vacancy	18.5%	→
Market Balance	Balanced	Balanced



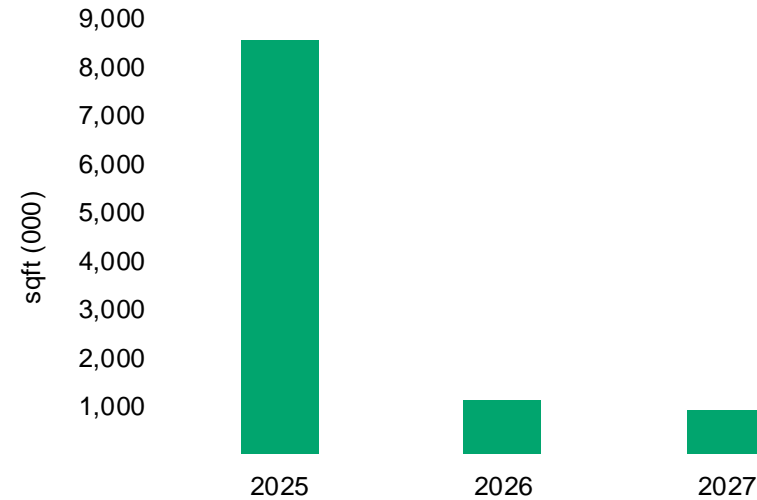
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Rents and Vacancy



Future Pipeline Supply

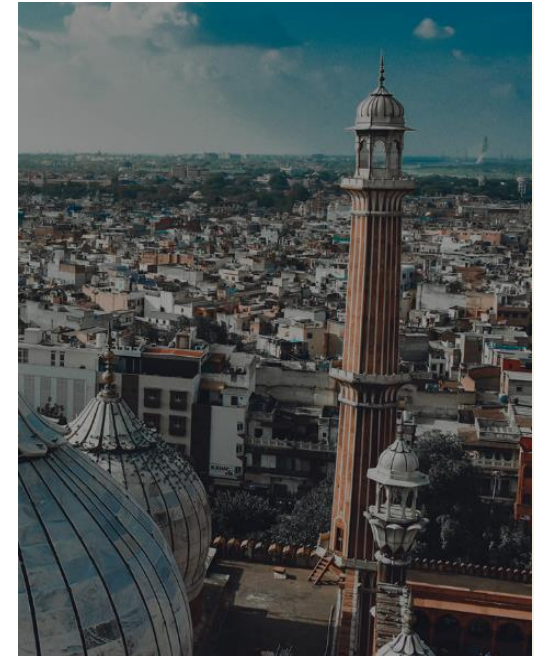


Economic Indicators

	FY24	FY25F
GDP Growth	6.4%	6.6%
Unemployment Rate	NA	NA
Inflation	4.8%	4.1%

Real Estate Indicators

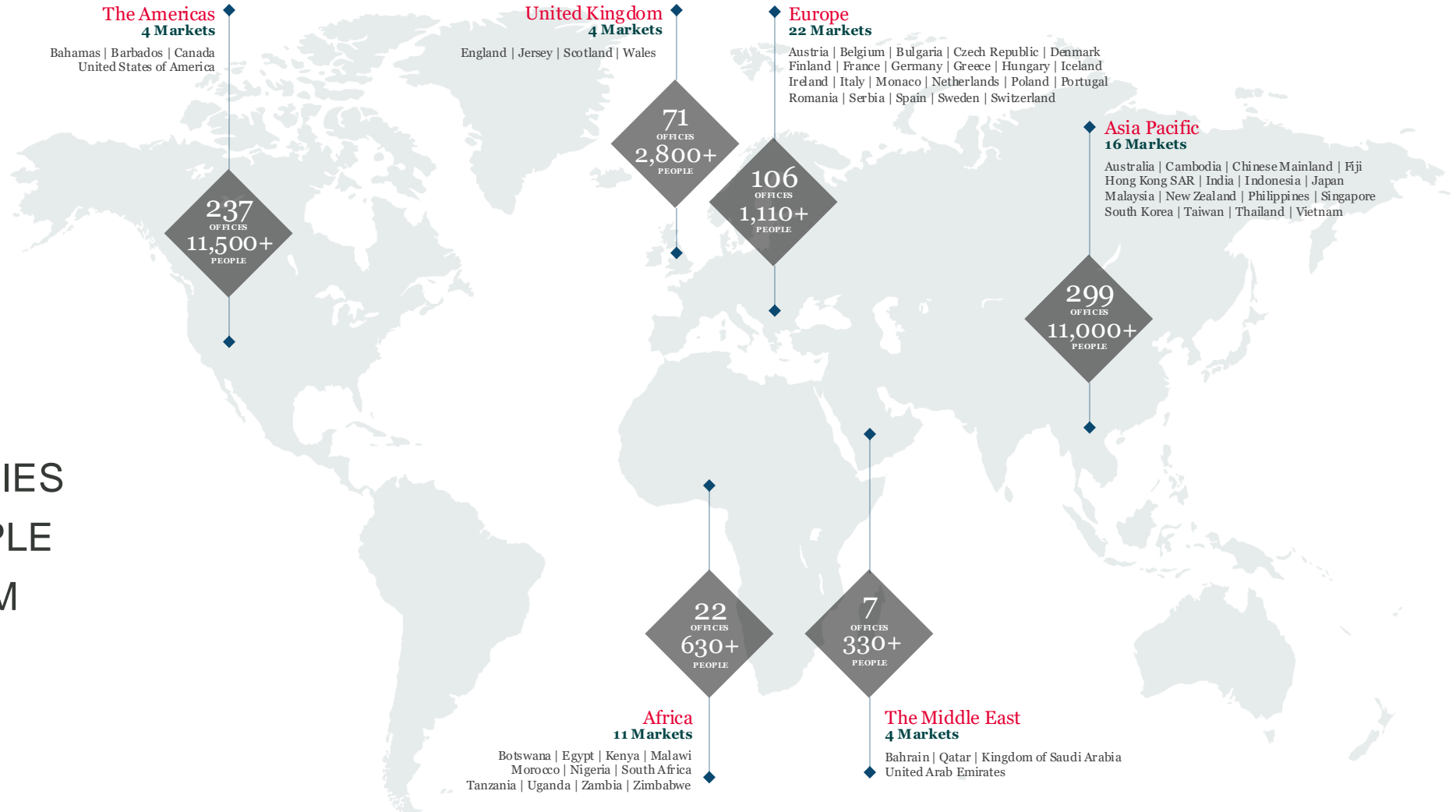
	Q4 2024	12mth Forecast
Prime Rent (INR psf pa)	4,092	→
Vacancy	10.4%	→
Market Balance	Balanced	Balanced



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Our Global Presence



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50+ TERRITORIES
27,000+ PEOPLE
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With over 125 years of
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The Asia Pacific Occupier Strategy and Solutions team facilitates this for our clients, offering a broad suite of consulting and transactional services that deliver domestic and multi-market occupiers with the information and advice they require. The integration of these services enables us to understand the critical success factors for your business.

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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