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# Asia-Pacific H1 2024 Logistics Highlights

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Knight Frank Asia-Pacific Logistics Markets

# Asia-Pacific Overview – H1 2024

Rents for logistics spaces in the region remained on an upward trend, growing by an average of 2.4% year-on-year in H1 2024. However, this was a sharp deceleration from the 6.2% clocked in 2023, as a slowdown in business activity on the Chinese Mainland led to a 13.5% plunge in rentals in Beijing and Shanghai.

Vacancies in both markets have surged to over 20%, compelling landlords to cut rents and shorten leases to compete for tenants. The situation is likely to be compounded by an ample construction pipeline, as the bulk of new supply in the region will be delivered in Chinese Mainland markets. Over 17 million sqm completing in Beijing and Shanghai will continue to weigh on market conditions for the rest of 2024.

Chinese Mainland markets stood in contrast with the rest of the region, with all other markets registering stable to increasing rents from six months ago. Singapore's rental increase led the region. The overall Singapore Purchasing Manager's Index remained in expansionary territory at mid-year, as international manufacturers continue to see the island as a potential manufacturing location to expand operations.

Occupiers' expansionary plans will likely moderate further, with cost rationalisation prioritised to sustain bottom lines against persistent rental growth amid the challenging macro-environment. However, the drive for efficiency and ESG standards will remain supportive of demand for new spaces. To mitigate rising rents and at the same time improve security of tenure, occupiers in some markets have been observed to explore buying, rather than leasing, warehouse spaces.

## 2.4%

YoY growth for Asia-Pacific Rental Index in H1 2024

## Singapore

Recorded the highest semi-annual rental growth

## 14 of 17

Tracked cities recorded stable or increasing rents YoY in H1 2024

## Tempered Optimism

Expectations for H2 2024

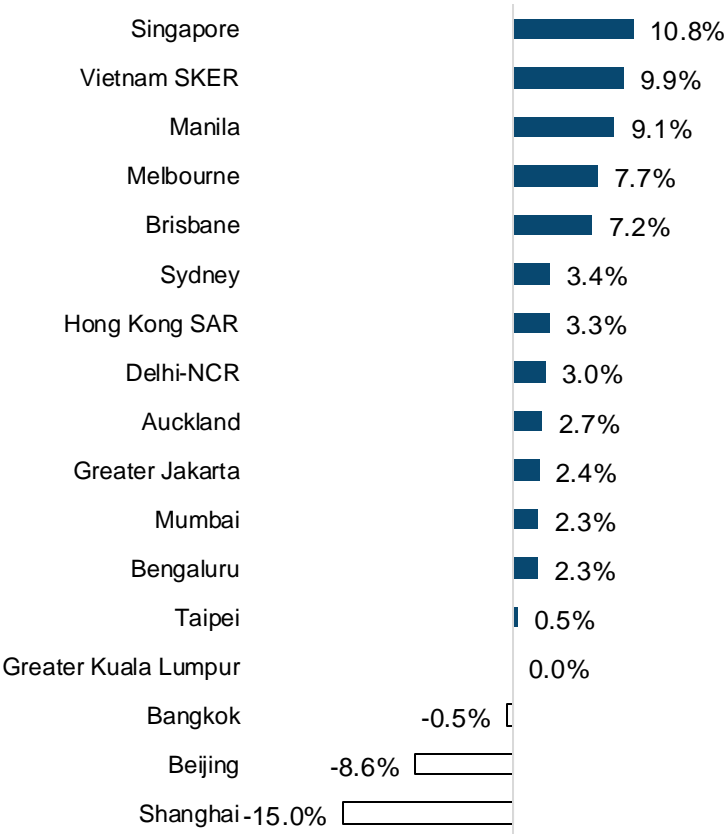
"Global supply chains have once more contended with disruptions this year, which have lifted transportation overheads. Consequently, margin pressures have continued to remain significant amid weaker consumer demand. Most occupiers are also anticipating higher rental rates on lease renewals. Constrained by the fragile economic outlook and challenging operating conditions, occupiers will continue to scrutinise space requirements. Leveraging technology and strategically aligning logistics footprints will remain key priorities. Occupiers are expected to be increasingly discerning when considering expansion spaces."

**Tim Armstrong**  
Global Head of Occupier Strategy and Solutions

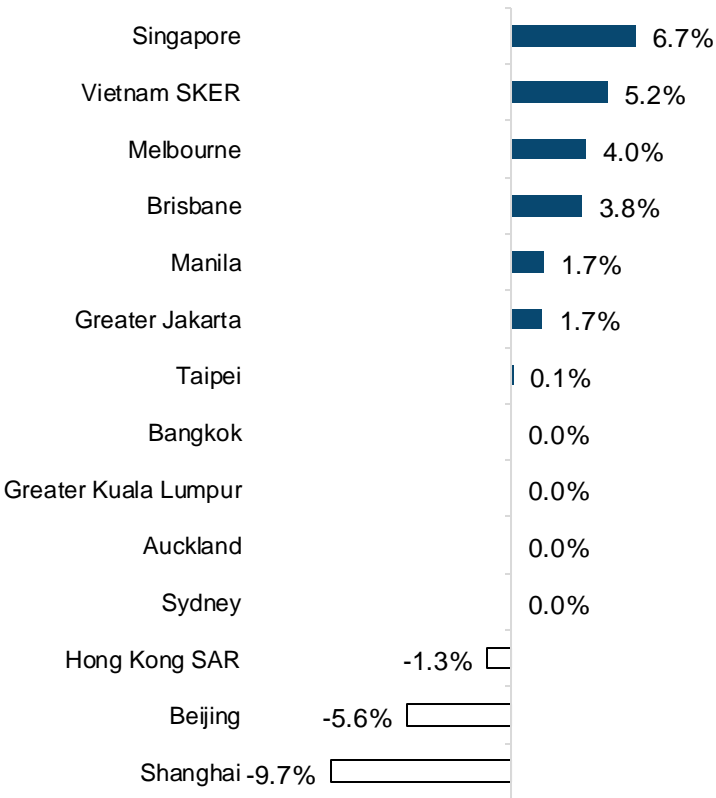
# APAC Logistics Rental Trends H1 2024

Manufacturers drive rent growth in Singapore

Rental Growth Year-on-Year



Rental Growth Half-Yearly



Market transitioning from landlord favourable to more neutral conditions



Ample development pipeline and growing sublease availabilities provide more options



Rent growth to remain moderate in H2 2024



Specialist / well-located facilities will be beneficiaries of supply chain optimisation / modernisation

\*India tracks by Financial Year (April-March period) and is thus excluded from this chart

# APAC Logistics Snapshot

## 12-Month Rental Outlook

### Decreasing

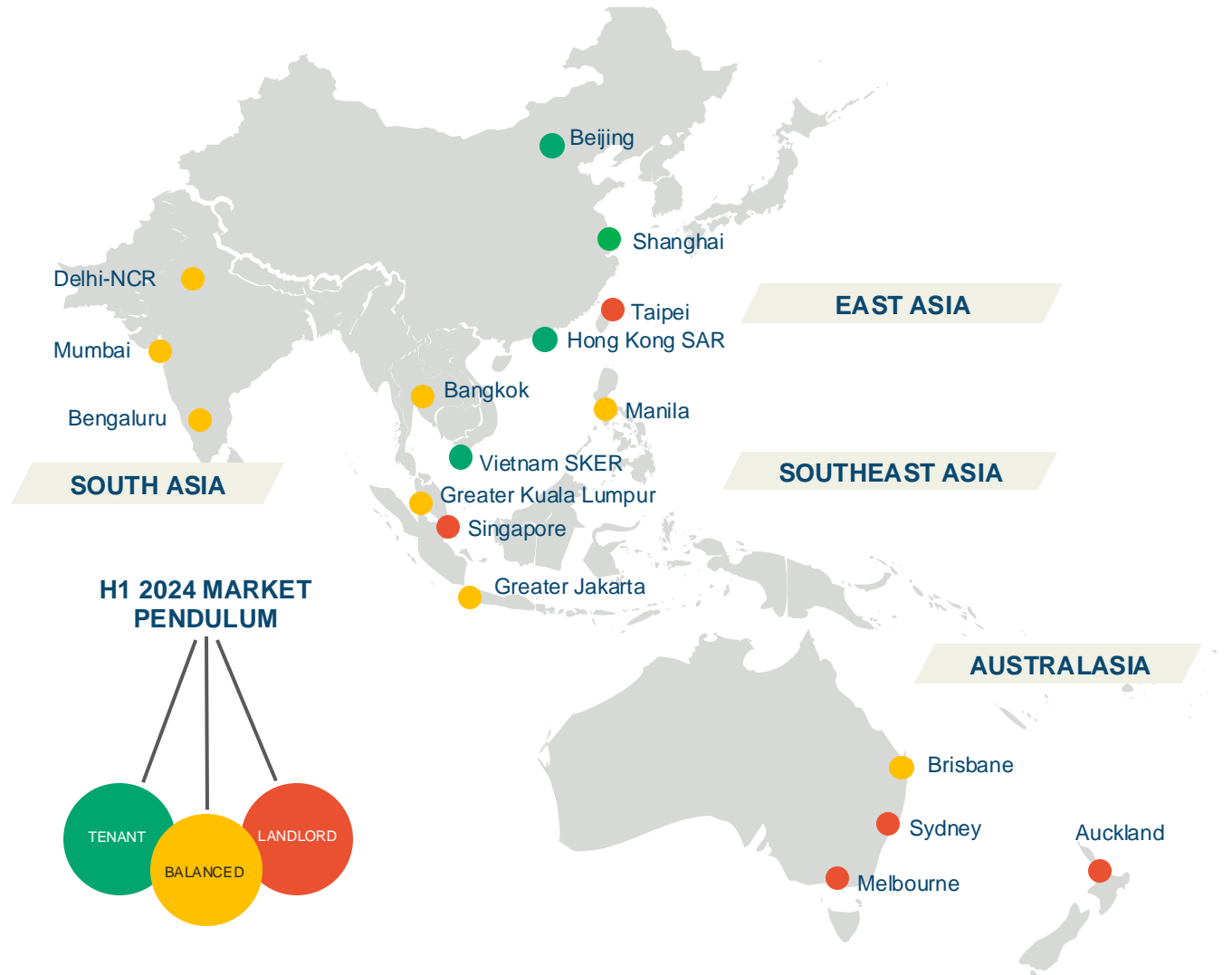
- Beijing
- Shanghai
- Hong Kong SAR

### Unchanged

- Bengaluru
- Delhi-NCR
- Mumbai
- Bangkok
- Greater Kuala Lumpur
- Greater Jakarta
- Sydney
- Vietnam SKER

### Increasing

- Auckland
- Brisbane
- Melbourne
- Singapore
- Taipei
- Manila



# Market Dashboards

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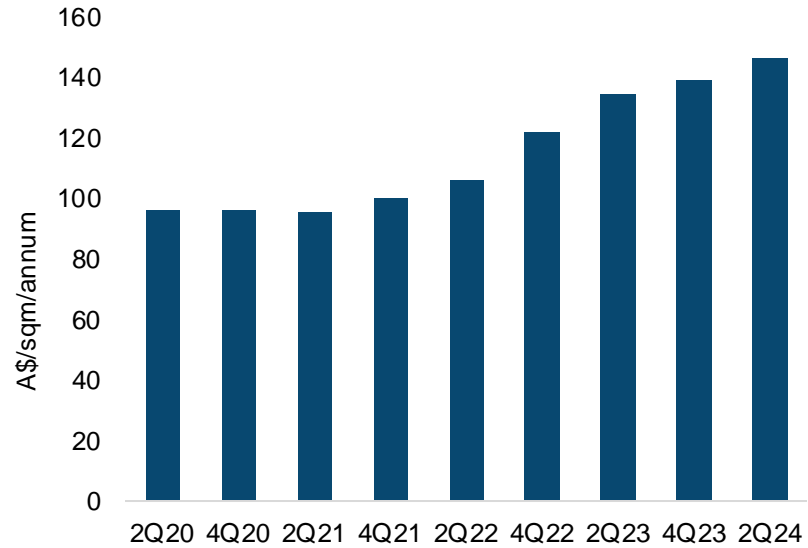
# Australasia

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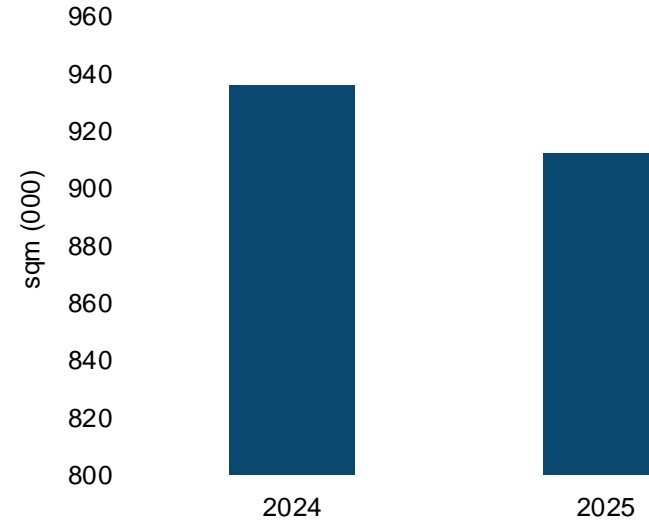
Rents remained on an increasing trend in Melbourne and Brisbane, as demand for new prime stock remained firm in these cities. Those in Melbourne rose 4% to post the highest growth from six months ago among industrial markets on the Eastern Seaboard, highlighting the continued demand for new prime stock and a recovery in take up. New supply in Australia will remain high during 2024 with just under 3 million sqm currently anticipated, which will alleviate a tight market and normalize availabilities. Rents in Auckland are also further anticipated to rise further due to persistently low vacancies but moderating enquiries and an increase in sublease spaces hint at more modest rates of growth for the next 12 months.

# Brisbane

## Net Effective Rent



## Pipeline Supply

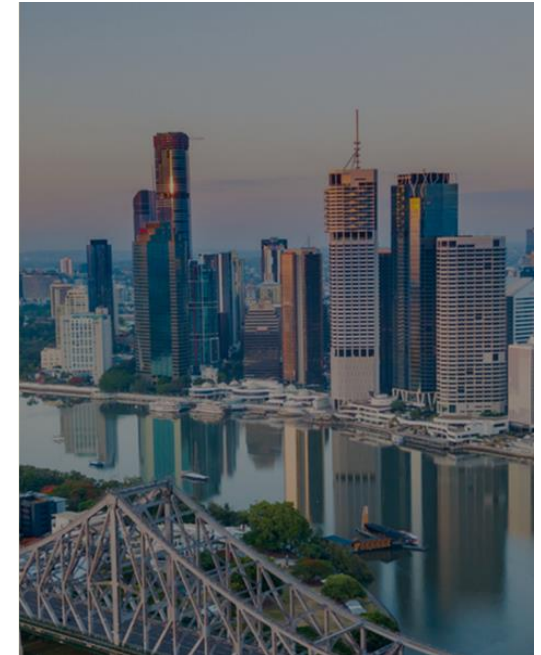


### Economic Indicators

	2024F	2025F
<b>GDP Growth</b>	1.3%	2.7%
<b>Unemployment Rate</b>	3.7%	4.3%
<b>Inflation</b>	3.2%	2.5%

### Real Estate Indicators

	H1 2024	12 mth Forecast
<b>Prime Rent (A\$ psm pa)</b>	164	↑
<b>Market Balance</b>	Balanced	Balanced

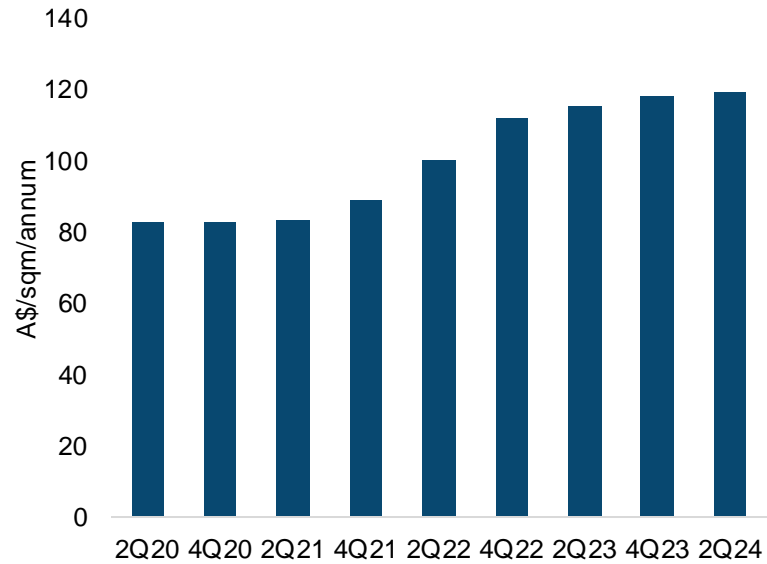


For more information, please contact:

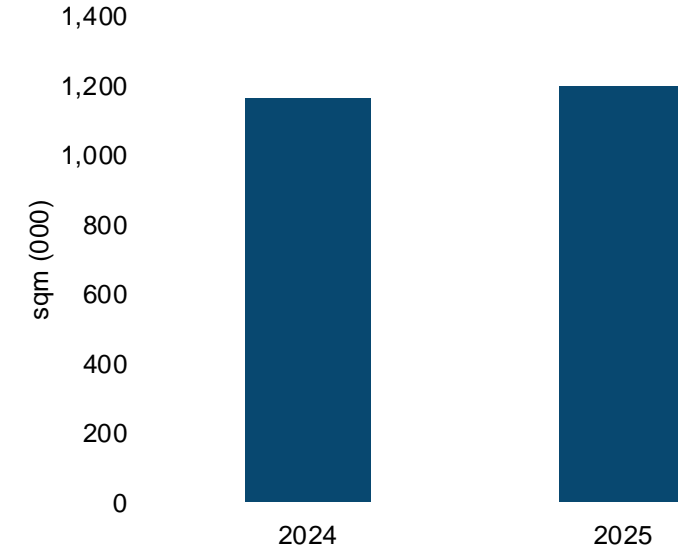
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# Melbourne

## Net Effective Rent



## Pipeline Supply

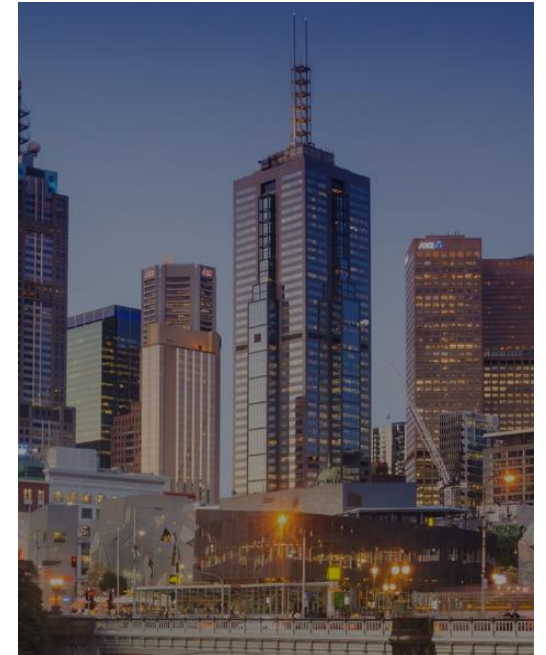


### Economic Indicators

	2024F	2025F
<b>GDP Growth</b>	1.3%	2.7%
<b>Unemployment Rate</b>	3.7%	4.3%
<b>Inflation</b>	3.2%	2.5%

### Real Estate Indicators

	H1 2024	12 mth Forecast
<b>Prime Rent (A\$ psm pa)</b>	141	↑
<b>Market Balance</b>	Landlord	Balanced



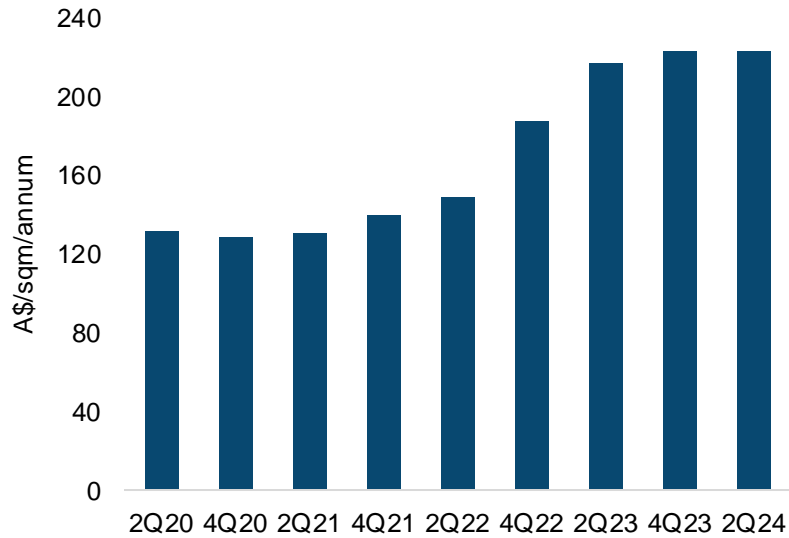
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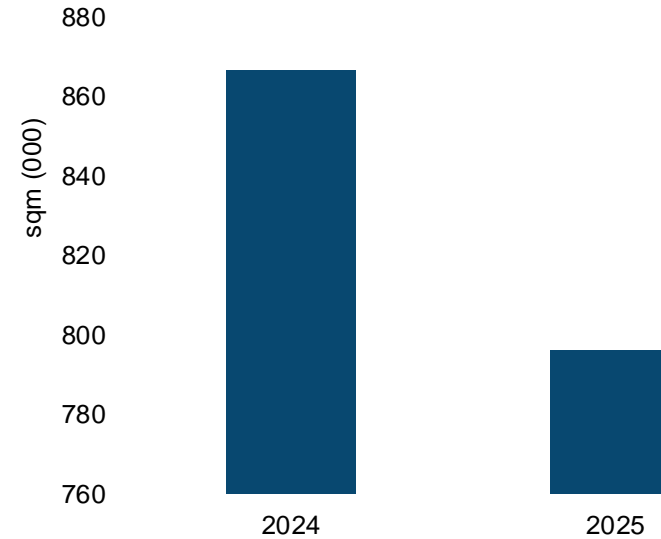


# Sydney

## Net Effective Rent



## Pipeline Supply

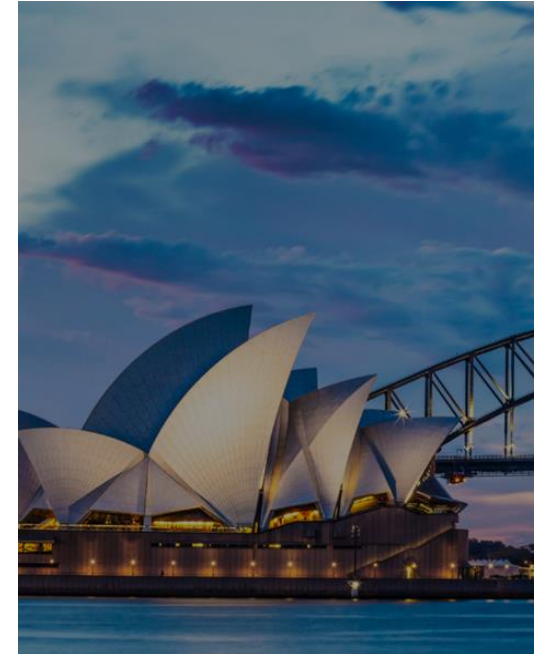


### Economic Indicators

	2024F	2025F
<b>GDP Growth</b>	1.3%	2.7%
<b>Unemployment Rate</b>	3.7%	4.3%
<b>Inflation</b>	3.2%	2.5%

### Real Estate Indicators

	H1 2024	12 mth Forecast
<b>Prime Rent (A\$ psm pa)</b>	245	→
<b>Market Balance</b>	Landlord	Landlord

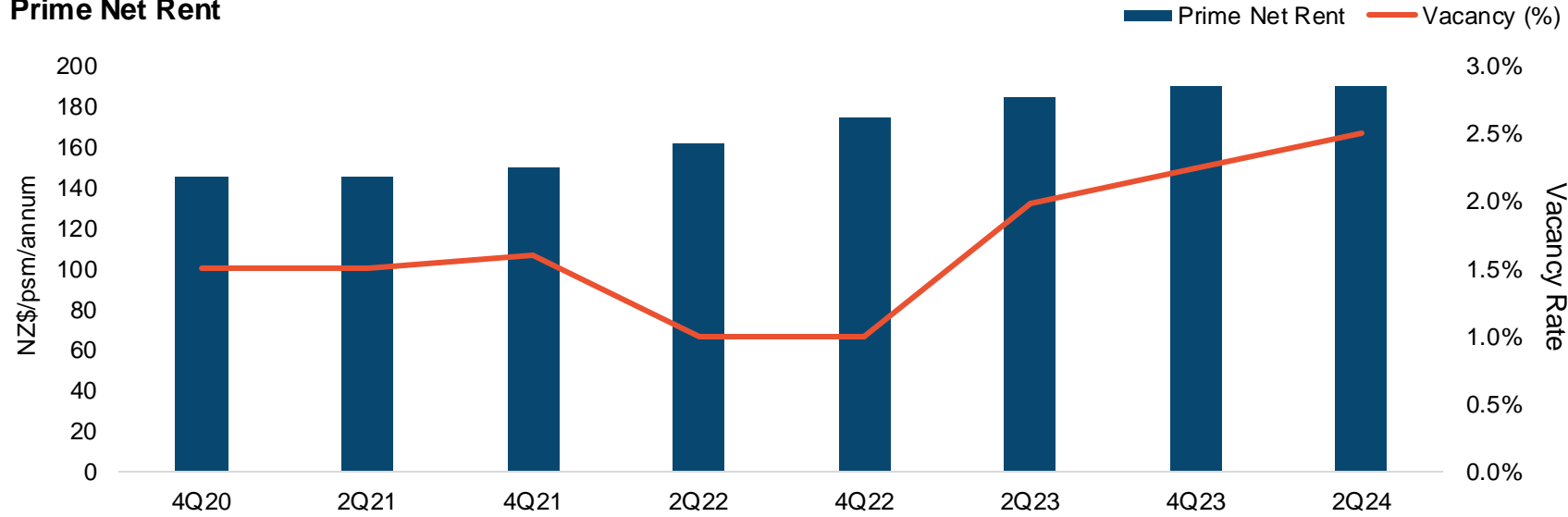


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# Auckland

## Prime Net Rent

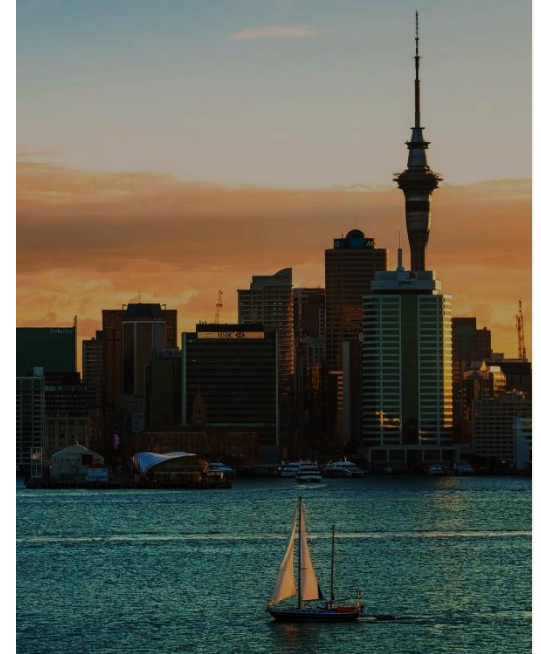


### Economic Indicators

	2024F	2025F
GDP Growth	1.1%	1.0%
Unemployment Rate	3.8%	4.9%
Inflation	4.9%	2.7%

### Real Estate Indicators

	H1 2024	12 mth Forecast
Prime Rent (NZ\$ psm pa)	190	↑
Vacancy	2.5%	→
Market Balance	Landlord	Landlord



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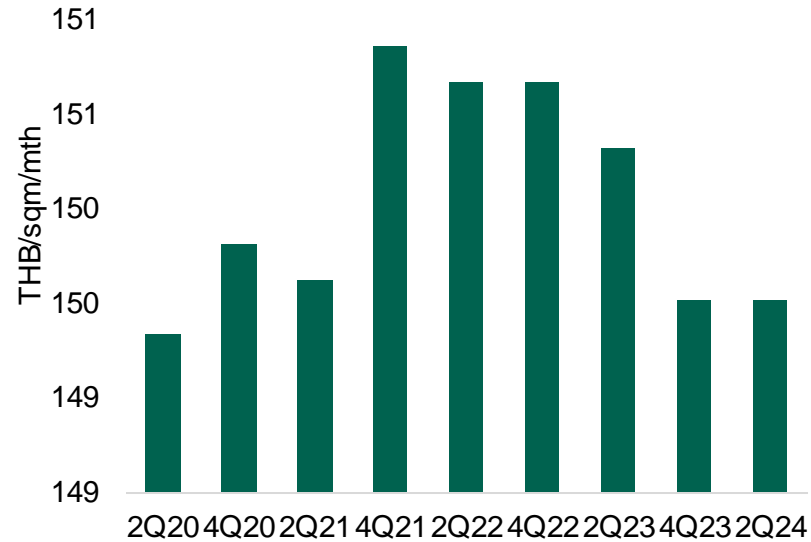
# Southeast Asia

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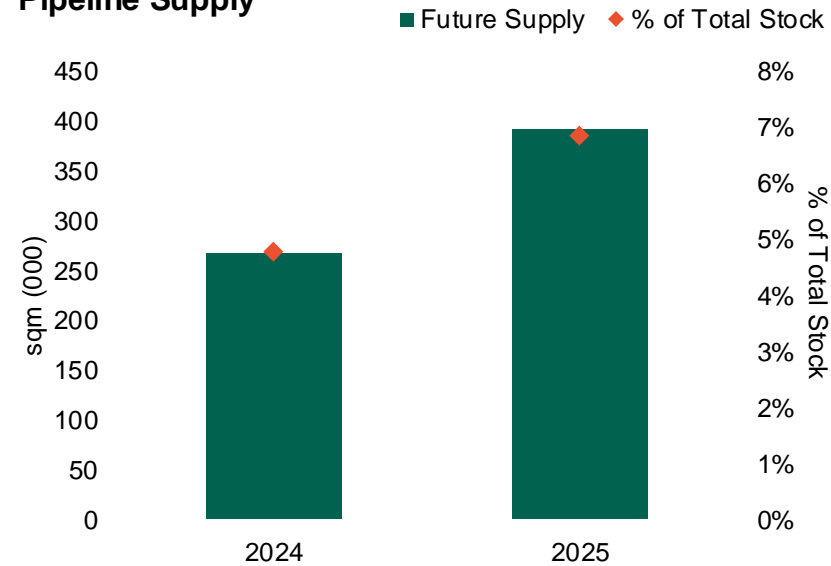
Logistics rents across Southeast Asia rose 2.5% on average from six months ago, driven by increases in Vietnam Southern Key Economic Region (SKER), Greater Jakarta, Metro Manila and Singapore. The increase was led by Singapore, with top-tiered rents reaching a record high of S\$2.88 psf pm, supplemented with renewed demand for cold storage space. Strong demand for cold storage facilities in the Philippines also prompted major industrial developers to expand. Vietnam SKER, which climbed over 5% from six months ago, benefitted from infrastructure development as well as e-commerce growth and manufacturing expansion. While rents remained stable in Greater Kuala Lumpur, higher development costs will eventually result in marginal rent growth.

# Bangkok

## Net Effective Rent



## Pipeline Supply

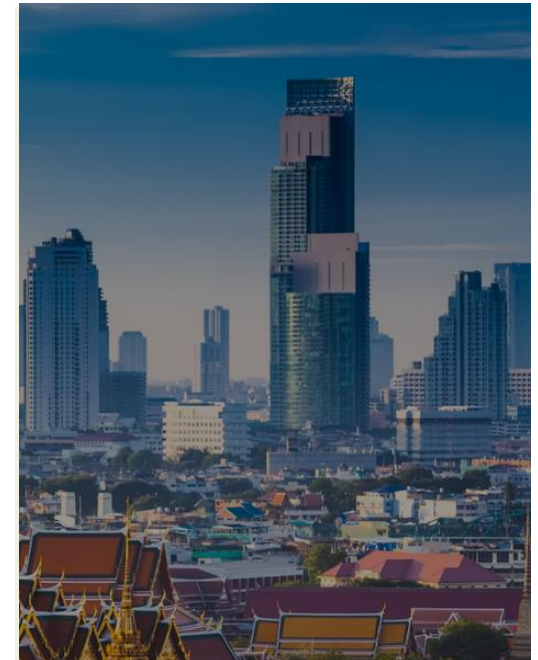


### Economic Indicators

	2024F	2025F
GDP Growth	2.7%	3.2%
Unemployment Rate	N/A	N/A
Inflation	1.5%	1.6%

### Real Estate Indicators

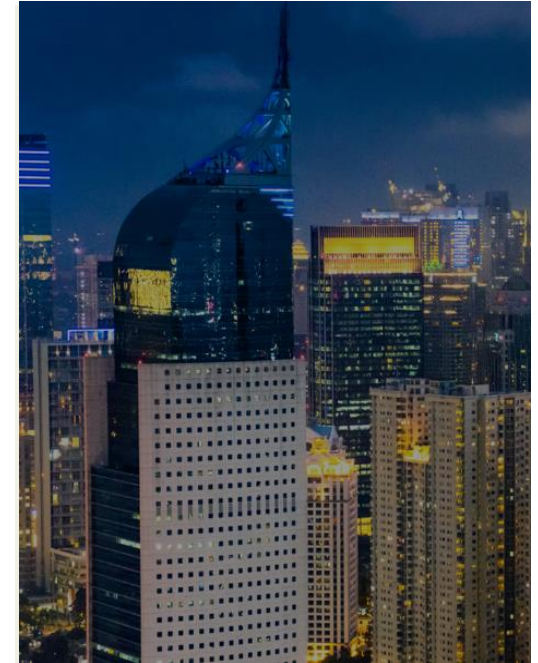
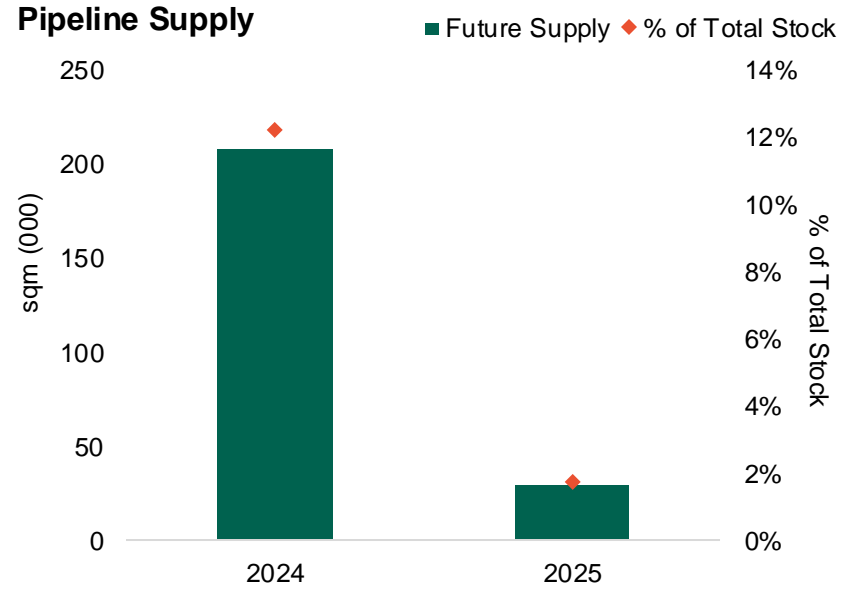
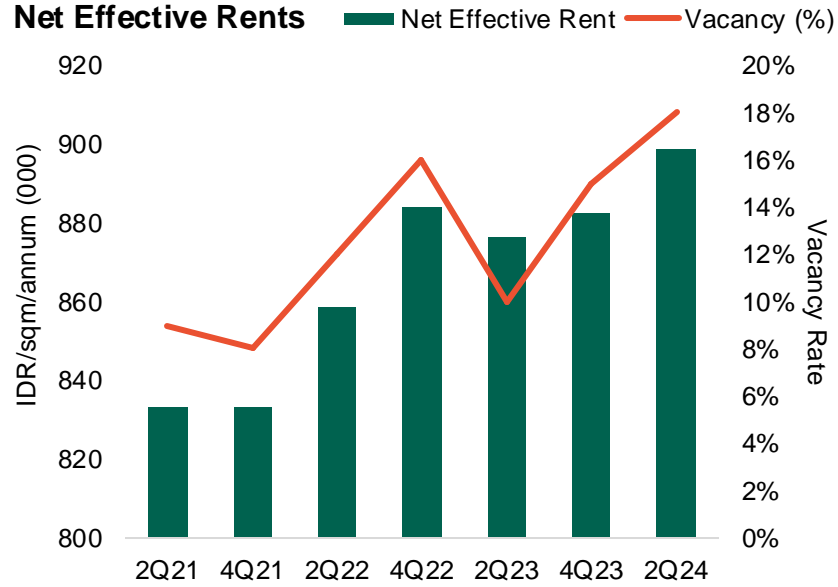
	H1 2024	12 mth Forecast
Prime Rent (THB psm pm)	158	→
Vacancy	15.6%	→
Market Balance	Balanced	Balanced



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# Greater Jakarta



## Economic Indicators

	2024F	2025F
GDP Growth	5.0%	5.0%
Unemployment Rate	5.3%	5.2%
Inflation	3.6%	2.5%

## Real Estate Indicators

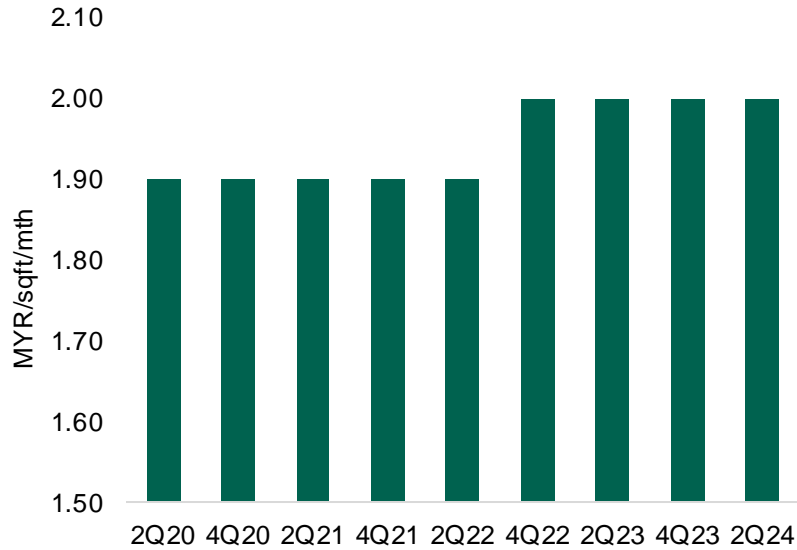
	H1 2024	12 mth Forecast
Gross Rent (IDR psm pa)	921,180	→
Vacancy	18.0%	→
Market Balance	Balanced	Balanced

For more information, please contact:

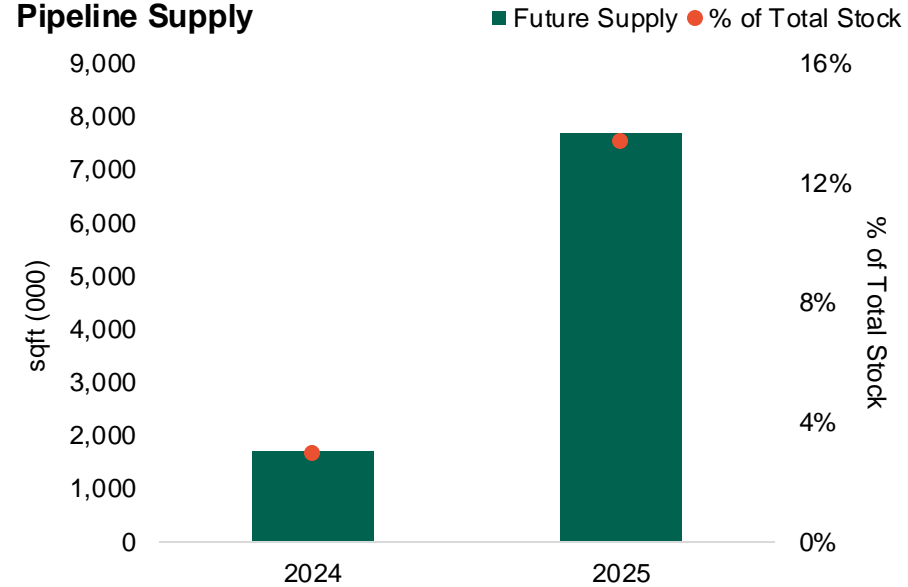
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# Greater Kuala Lumpur

## Prime Net Rent



## Pipeline Supply



### Economic Indicators

	2024F	2025F
<b>GDP Growth</b>	4.0-5.0%	4.4%
<b>Unemployment Rate</b>	3.3%	3.5%
<b>Inflation</b>	2.0-3.5%	2.5%

### Real Estate Indicators

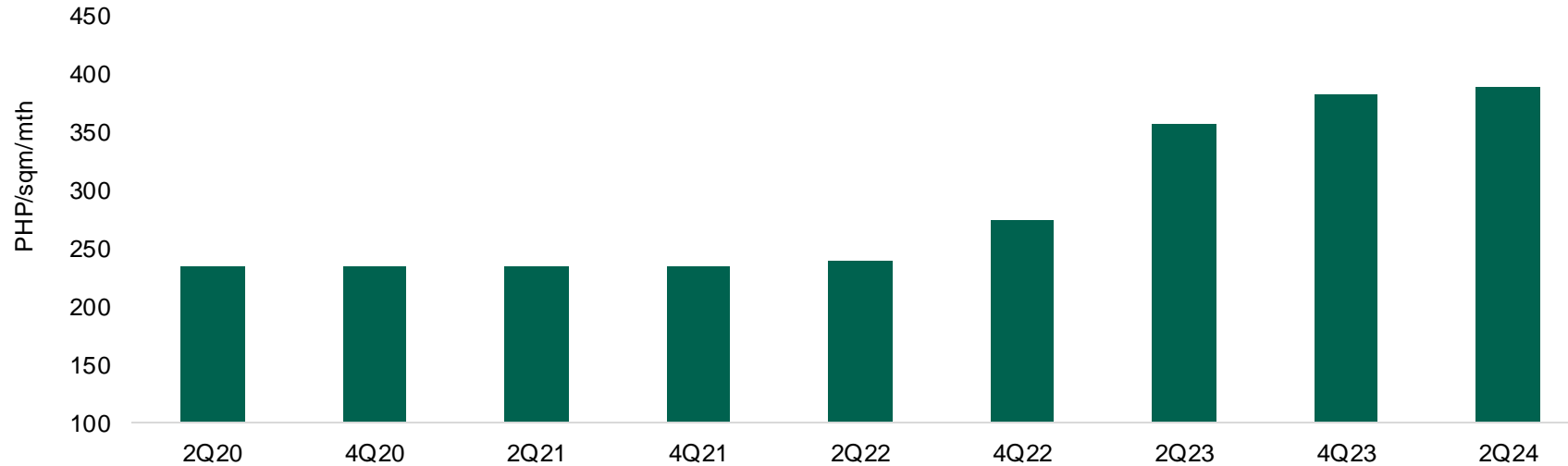
	H1 2024	12 mth Forecast
<b>Prime Rent (MYR psf pm)</b>	2.00	→
<b>Market Balance</b>	Balanced	Balanced



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## Prime Net Rent

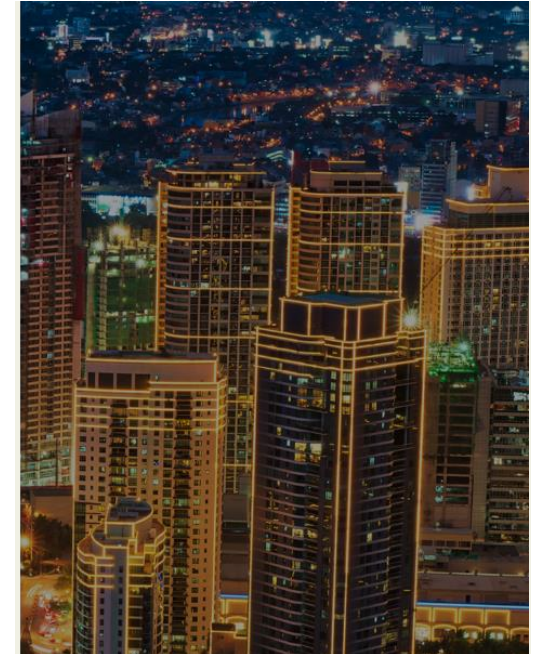


### Economic Indicators

	2024F	2025F
<b>GDP Growth</b>	5.3%	5.9%
<b>Unemployment Rate</b>	4.7%	5.1%
<b>Inflation</b>	5.8%	3.2%

### Real Estate Indicators

	H1 2024	12 mth Forecast
<b>Prime Rent (PHP psm pm)</b>	390	↑
<b>Market Balance</b>	Balanced	Balanced

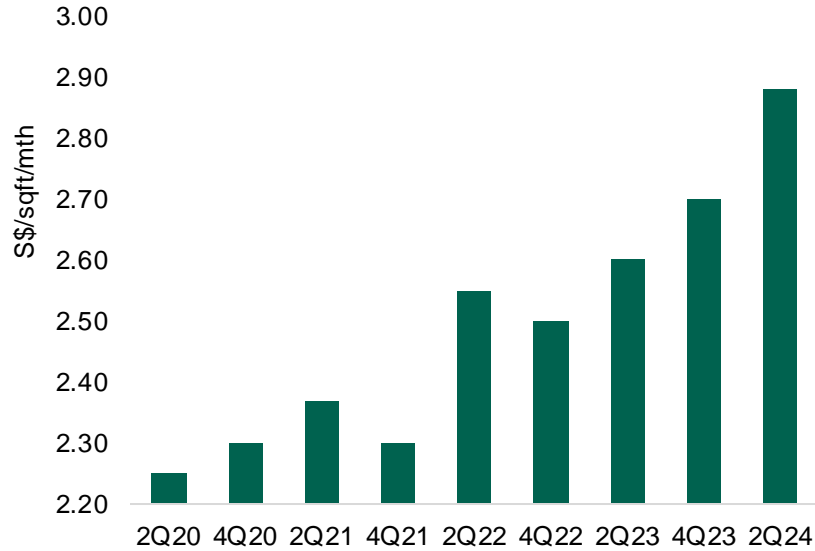


For more information, please contact:

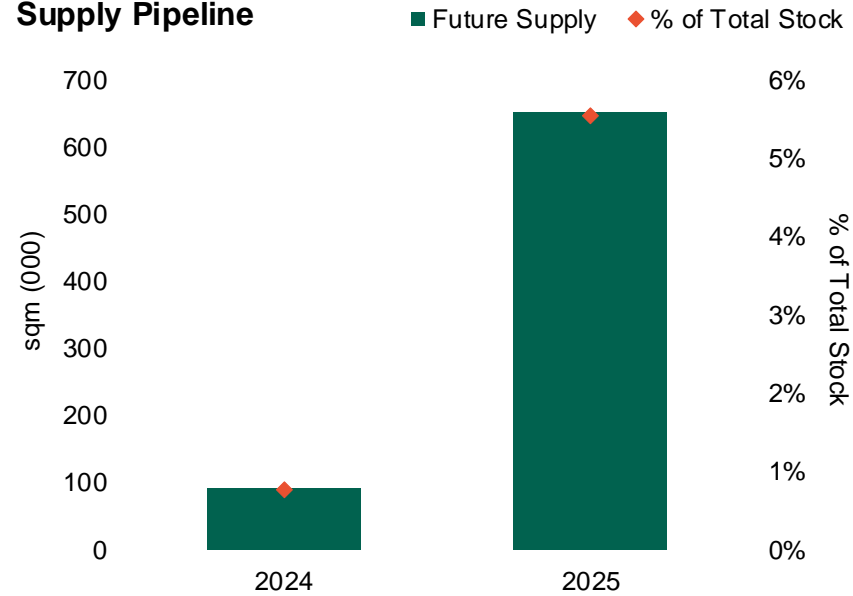
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 morgan.mcgilvray@santos.knightfrank.ph

# Singapore

## Net Effective Rents



## Supply Pipeline

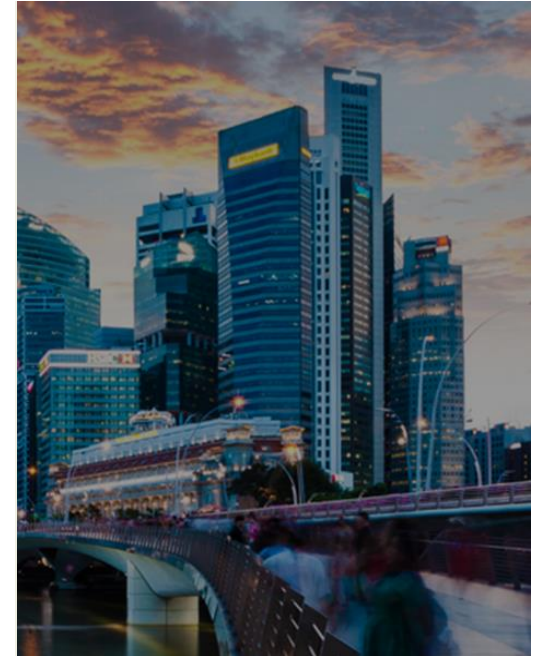


## Economic Indicators

	2024F	2025F
<b>GDP Growth</b>	1.2%	2.1%
<b>Unemployment Rate</b>	1.8%	1.8%
<b>Inflation</b>	5.5%	3.5%

## Real Estate Indicators

	H1 2024	12 mth Forecast
<b>Prime Rent (S\$ psf pm)</b>	2.88	↑
<b>Vacancy</b>	8.4%	↑
<b>Market Balance</b>	Landlord	Balanced

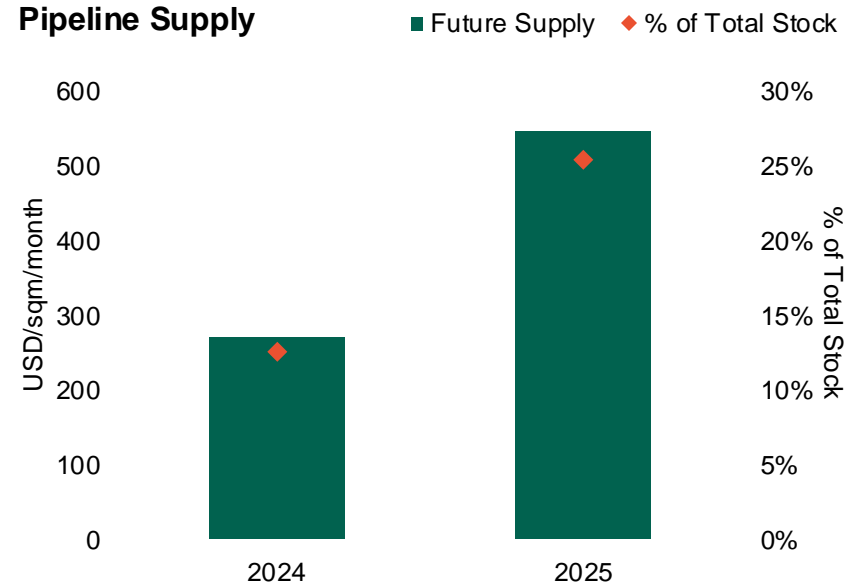
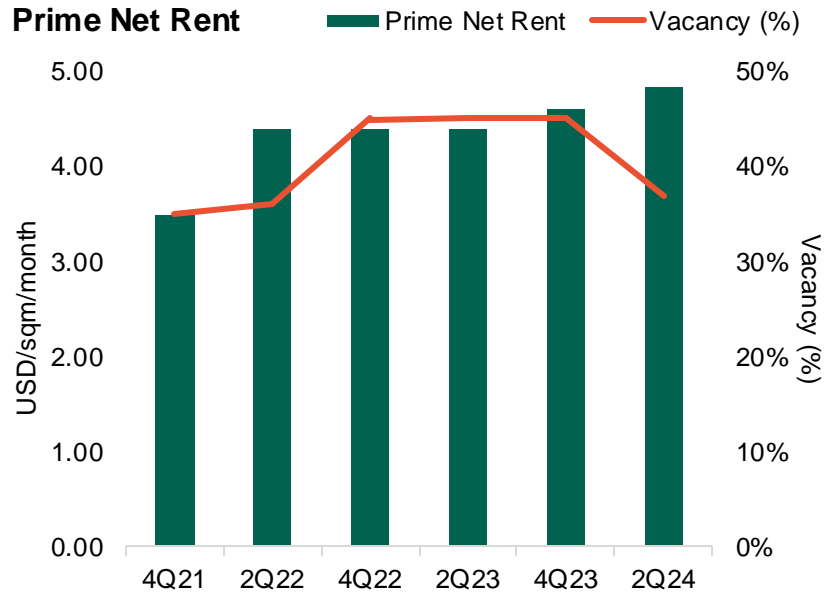


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# Vietnam Southern Key Economic Region



Economic Indicators		
	2024F	2025F
<b>GDP Growth</b>	6.0%	6.2%
<b>Unemployment Rate</b>	2.4%	2.4%
<b>Inflation</b>	4.0%	4.0%

Real Estate Indicators		
	H1 2024	12 mth Forecast
<b>Prime Rent (US\$ psm pm)</b>	4.84	→
<b>Vacancy</b>	37.0%	→
<b>Market Balance</b>	Tenant	Tenant

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Source: Knight Frank Research, ADB

Note: Vietnam Southern Key Economic Region includes Ho Chi Minh City and provinces of Binh Duong, Dong Nai, Long An and Ba Ria-Vung Tau

Updated 19 July 2024

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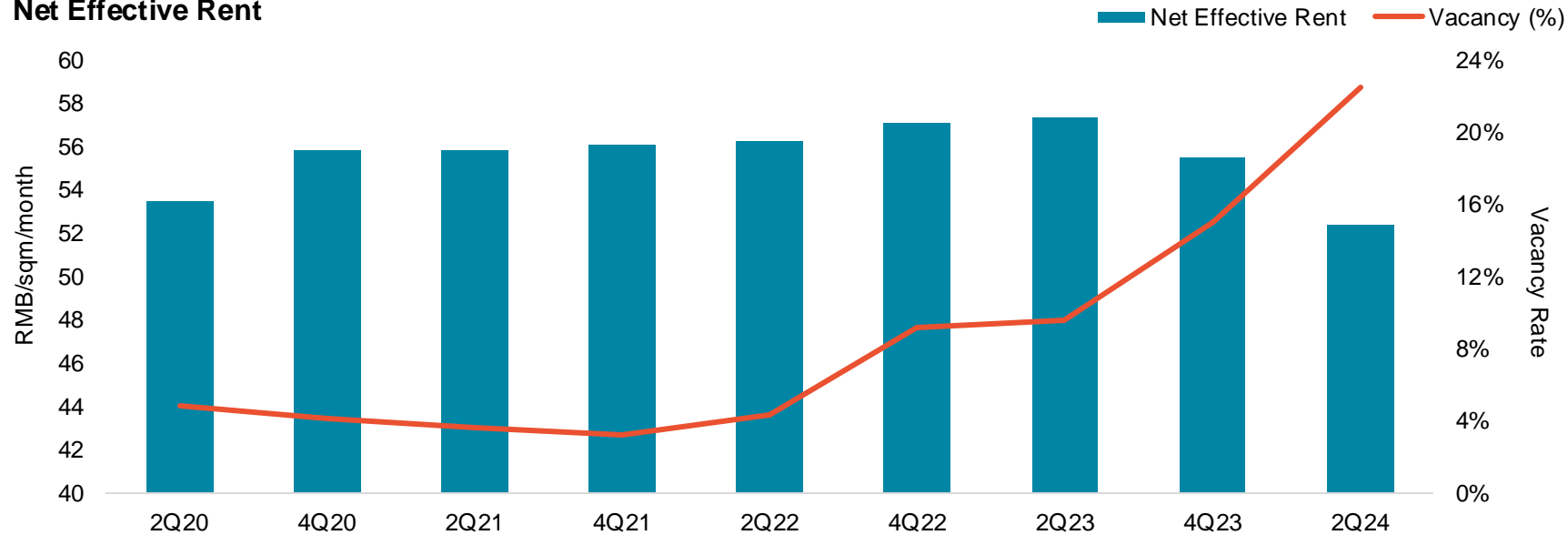
# East Asia

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The broader economic slowdown in the Chinese Mainland has impacted demand for logistics warehousing space, as weakening consumption and exports led to a decrease in the volume of goods stored and transported. Overall vacancy rates in Beijing and Shanghai rose over 5 ppt from six months ago, with those in the capital surging to an unprecedented high as tenants surrendered leases to move to smaller spaces due to declining business volumes and profit margins. Hong Kong's logistics market was also tepid, as economic activity remained lacklustre and only few large transactions transpired. Despite a tightening in availabilities, rents fell from six months ago due to supply pressures from incoming pipelines. Taipei remains one of the region's most stable markets with broad based demand from retail and e-commerce players as well as manufacturers relocating back to the city.

# Beijing

## Net Effective Rent

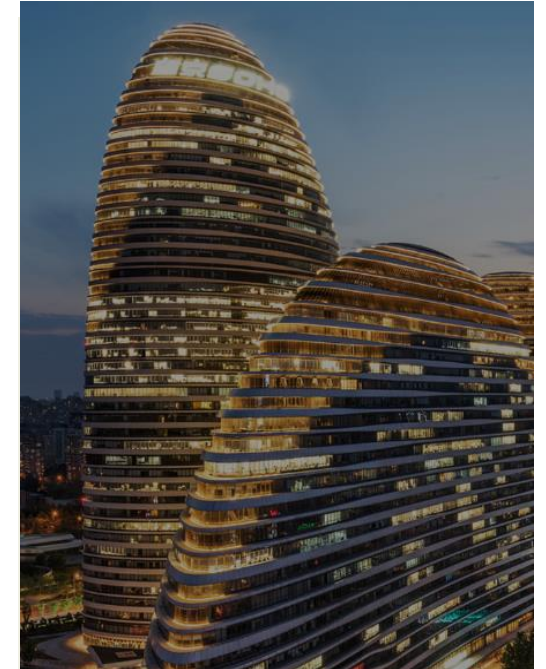


### Economic Indicators

	2024F	2025F
<b>GDP Growth</b>	5.0%	4.2%
<b>Unemployment Rate</b>	5.3%	5.2%
<b>Inflation</b>	0.7%	1.7%

### Real Estate Indicators

	H1 2024	12 mth Forecast
<b>Prime Rent (CNY psm pm)</b>	54.00	↓
<b>Vacancy</b>	22.5%	↑
<b>Market Balance</b>	Tenant	Tenant

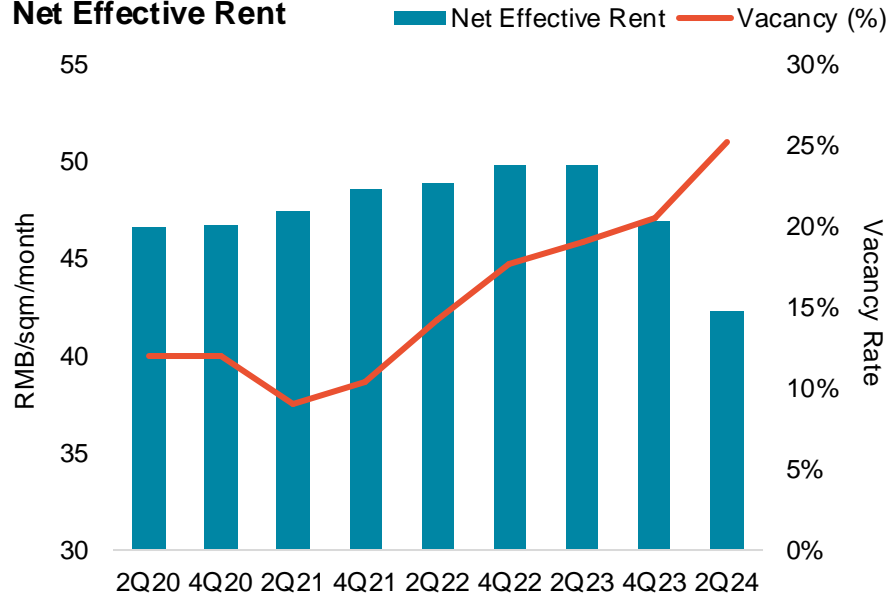


For more information, please contact:

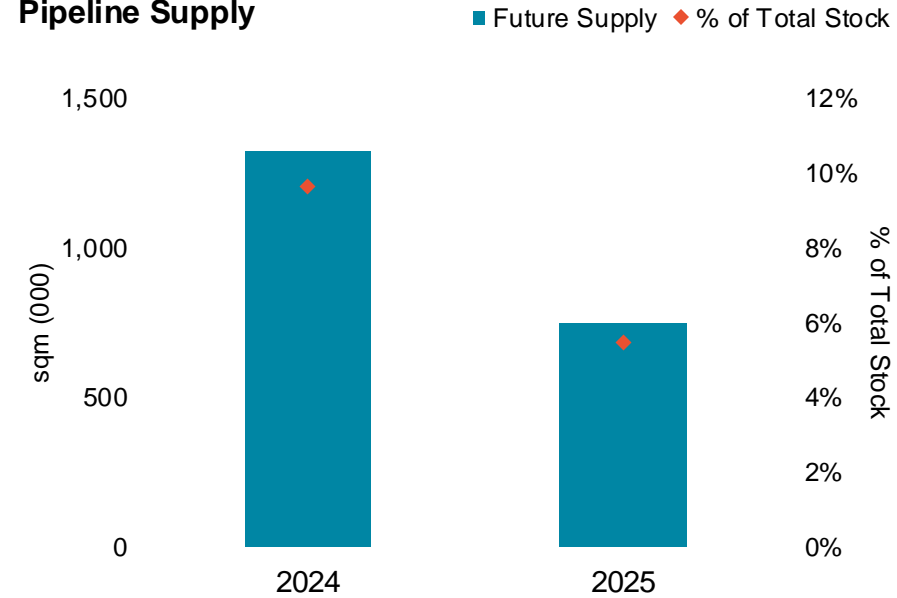
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# Shanghai

## Net Effective Rent



## Pipeline Supply

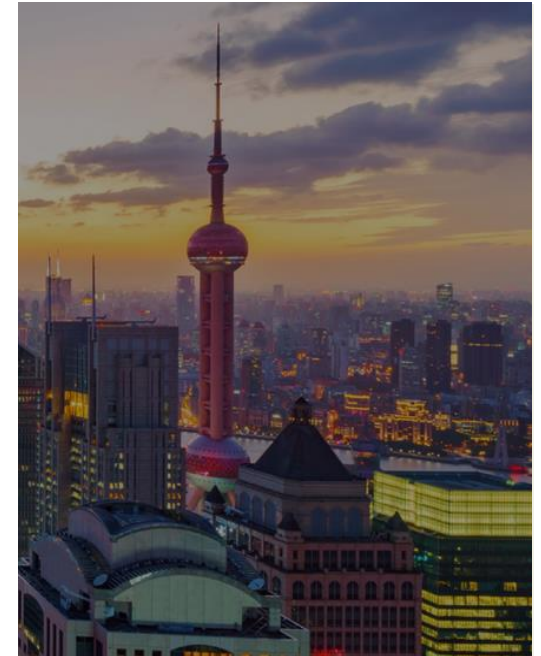


### Economic Indicators

	2024F	2025F
GDP Growth	5.0%	4.2%
Unemployment Rate	5.3%	5.2%
Inflation	0.7%	1.7%

### Real Estate Indicators

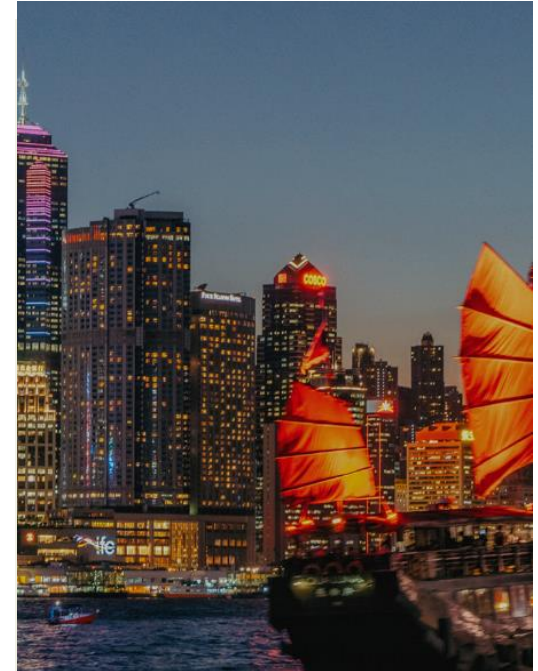
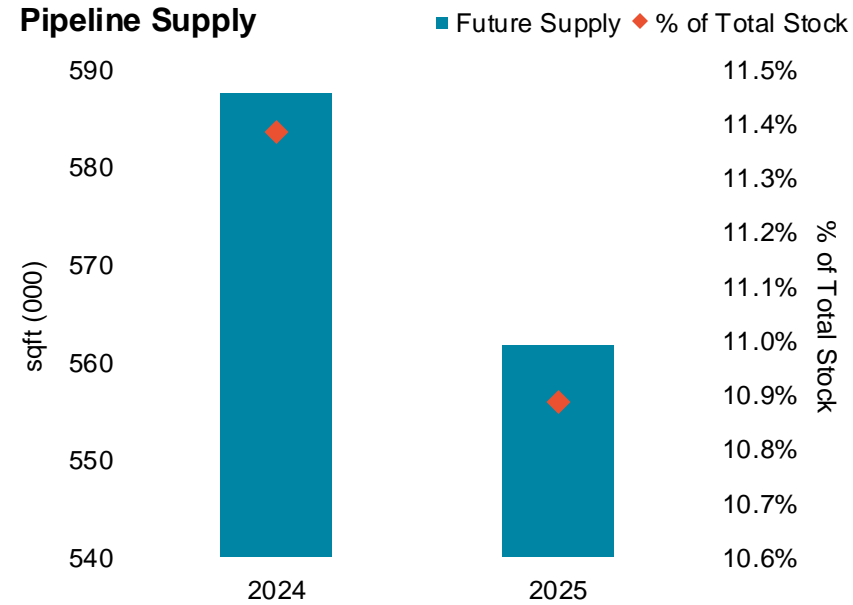
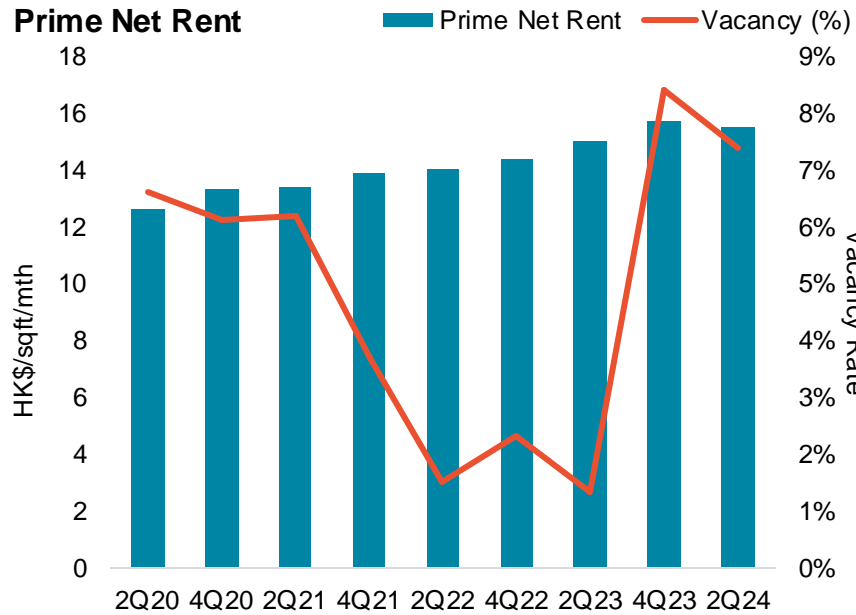
	H1 2024	12 mth Forecast
Prime Rent (CNY psm pm)	43.65	↓
Vacancy	25.2%	↑
Market Balance	Tenant	Tenant



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# Hong Kong SAR



## Economic Indicators

	2024F	2025F
<b>GDP Growth</b>	4.4%	2.9%
<b>Unemployment Rate</b>	3.2%	3.1%
<b>Inflation</b>	2.2%	2.3%

## Real Estate Indicators

	H1 2024	12 mth Forecast
<b>Prime Rent (HK\$ psf pm)</b>	15.50	↓
<b>Vacancy</b>	7.4%	↑
<b>Market Balance</b>	Tenant	Tenant

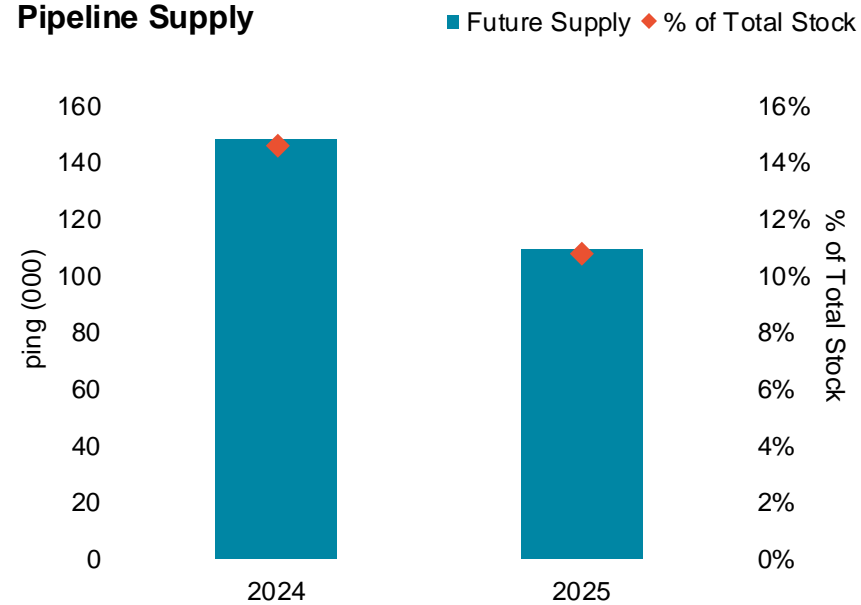
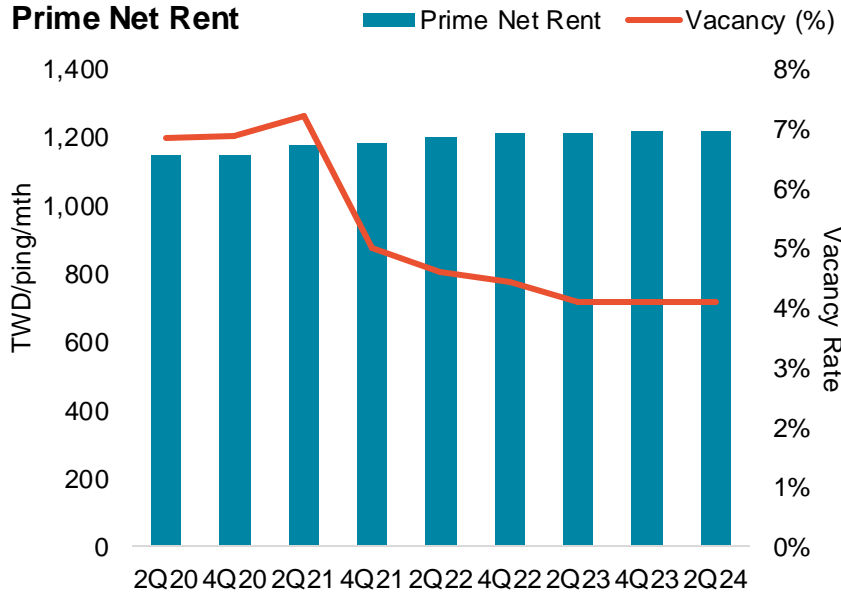
Source: Knight Frank Research, Macrobond, ADB

Updated 19 July 2024

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# Taipei



## Economic Indicators

	2024F	2025F
<b>GDP Growth</b>	1.4%	3.0%
<b>Unemployment Rate</b>	3.7%	3.7%
<b>Inflation</b>	2.1%	1.5%

## Real Estate Indicators

	H1 2024	12 mth Forecast
<b>Prime Rent (TW\$/ping/mth)</b>	1,221	↑
<b>Vacancy</b>	4.1%	→
<b>Market Balance</b>	Landlord	Landlord

Source: Knight Frank Research, Macrobond, ADB

Updated 19 July 2024

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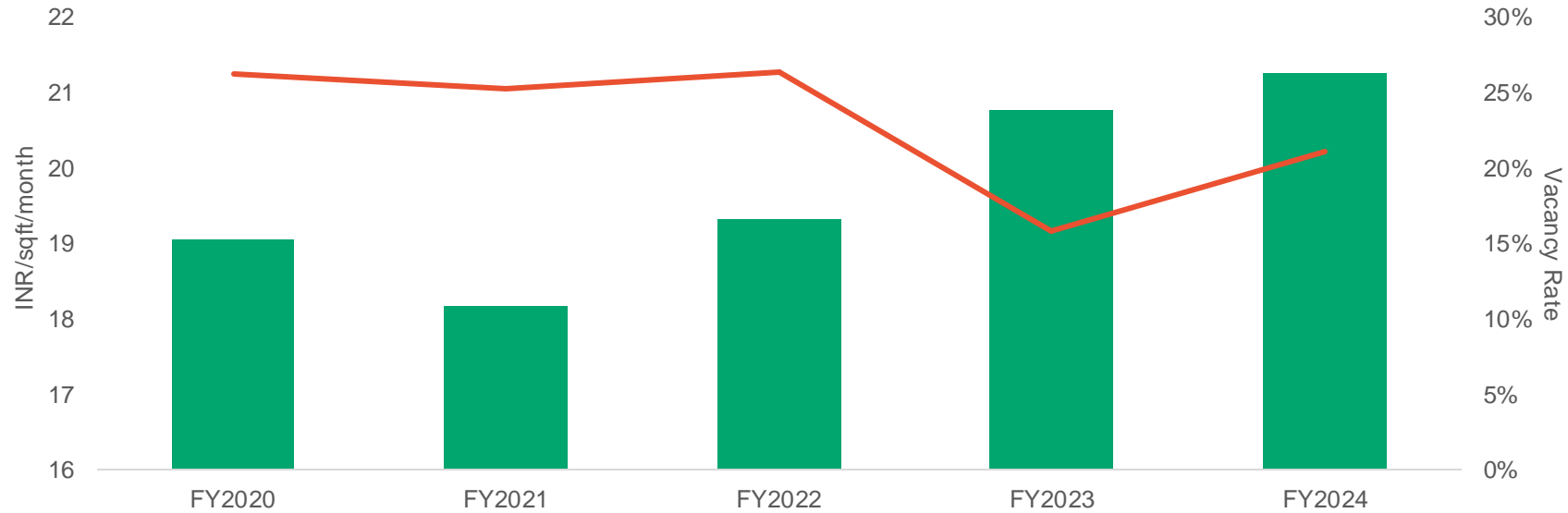
# India

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Warehousing market rents have grown significantly since the pandemic, spurred by growing occupier demand which breached record highs till FY 2023. While occupier activity appears to have moderated since, rent growth trajectory in Bengaluru, Mumbai and NCR has been maintained in H1 2024, compared to levels at the end of H1 2023. Elevated vacancy levels in NCR and Bengaluru due to speculative development could temper the rent growth trajectory in these markets, however high development costs along with the healthy demand from the manufacturing and 3PL sectors should sustain rent levels for the remainder of 2024.

# Bengaluru

## Net Effective Rents

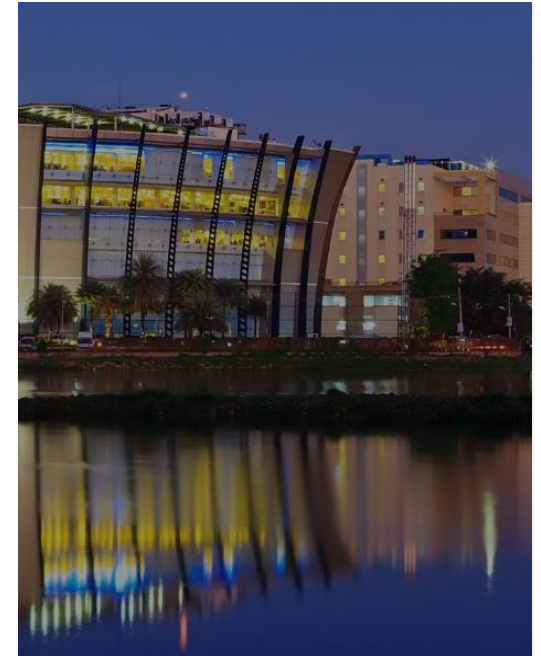


### Economic Indicators

	FY24	FY25F
<b>GDP Growth</b>	8.2%	7.2%
<b>Unemployment Rate</b>	NA	NA
<b>Inflation</b>	5.4%	4.5%

### Real Estate Indicators

	FY2024	12 mth Forecast
<b>Prime Rent (INR psf/mth)</b>	22.00	→
<b>Vacancy</b>	21.1%	↓
<b>Market Balance</b>	Balanced	Balanced



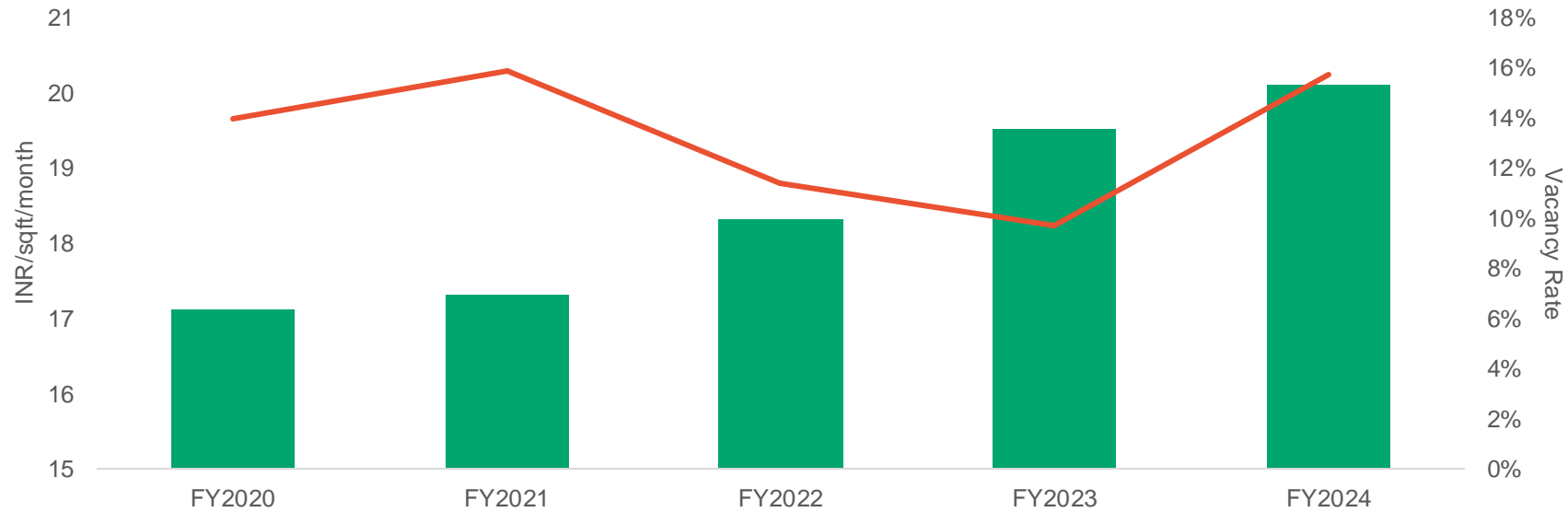
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# Delhi-NCR

## Net Effective Rents

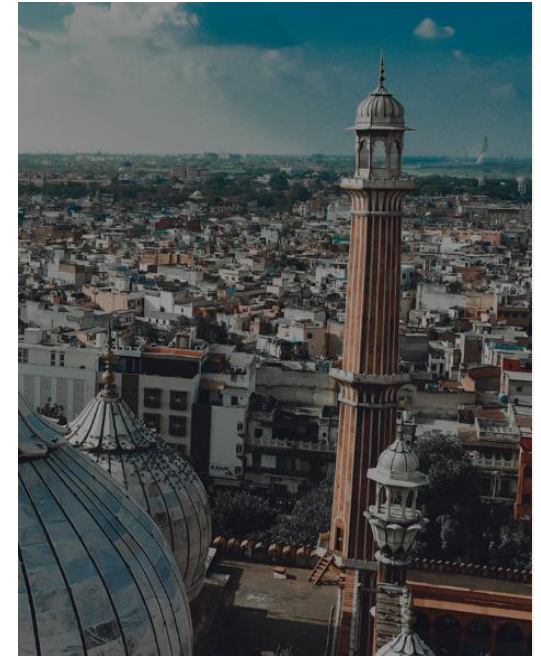


### Economic Indicators

	FY24	FY25F
<b>GDP Growth</b>	8.2%	7.2%
<b>Unemployment Rate</b>	NA	NA
<b>Inflation</b>	5.4%	4.5%

### Real Estate Indicators

	FY2024	12 mth Forecast
<b>Prime Rent (INR psf/mth)</b>	20.80	→
<b>Vacancy</b>	15.7%	↓
<b>Market Balance</b>	Balanced	Balanced

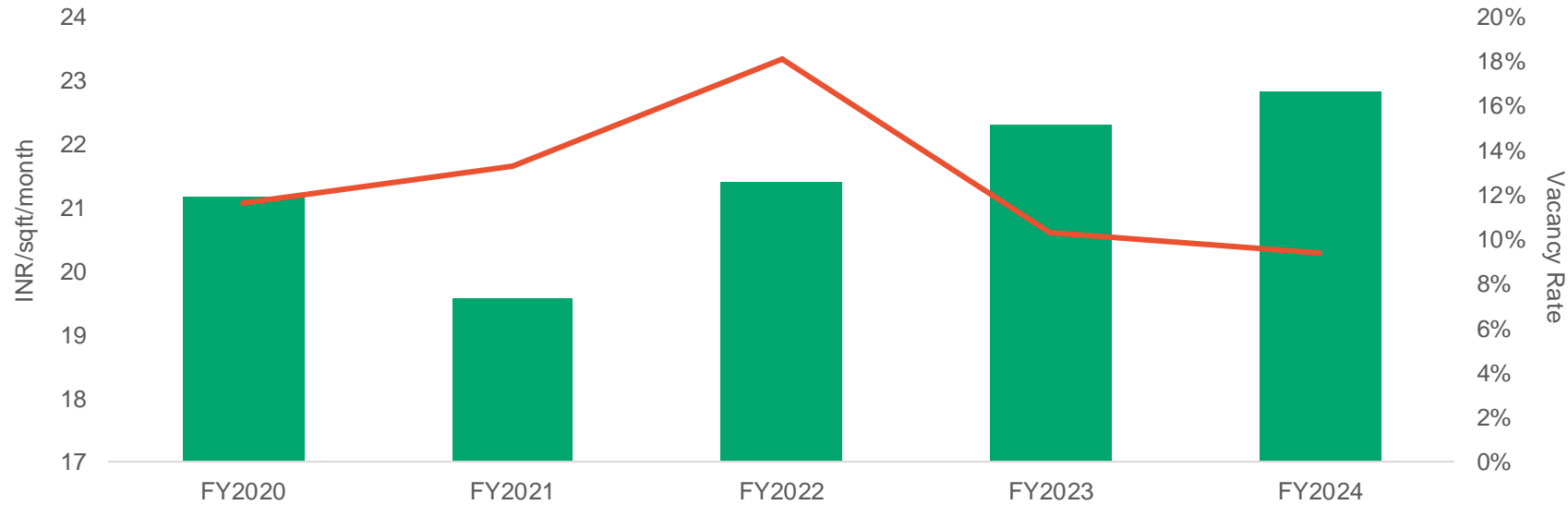


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# Mumbai

## Net Effective Rents

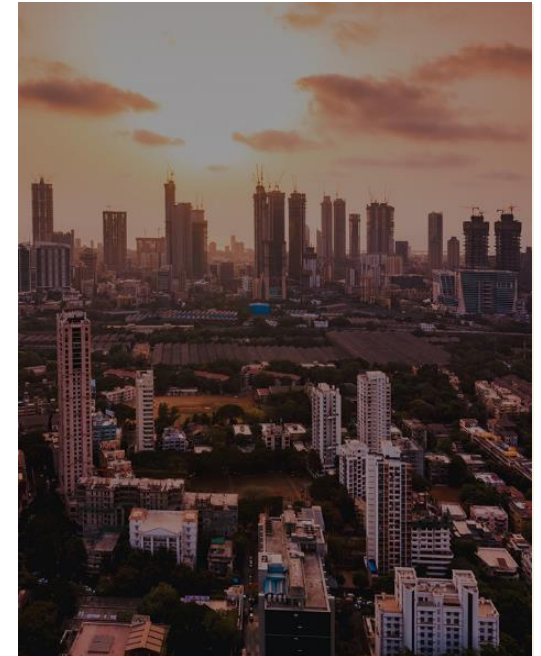


### Economic Indicators

	FY24	FY25F
<b>GDP Growth</b>	8.2%	7.2%
<b>Unemployment Rate</b>	NA	NA
<b>Inflation</b>	5.4%	4.5%

### Real Estate Indicators

	FY2024	12 mth Forecast
<b>Prime Rent (INR psf/mth)</b>	23.60	→
<b>Vacancy</b>	9.4%	↓
<b>Market Balance</b>	Balanced	Balanced



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# Our Global Presence



**The Americas**  
3 Territories  
Canada  
The Caribbean | USA

228  
OFFICES  
10,999  
PEOPLE

SAN  
FRANCISCO

NEW YORK

**United Kingdom**

4 Territories  
England | Jersey |  
Scotland | Wales

82  
OFFICES  
3,093  
PEOPLE

LONDON  
PARIS  
BERLIN

**Europe**

21 Territories

Austria | Belgium | Bulgaria  
Czech Republic | Denmark | Finland | France | Germany |  
Greece | Hungary | Iceland | Ireland | Italy | Netherlands  
Poland | Portugal | Romania | Serbia | Spain | Sweden |  
Switzerland

104  
OFFICES  
1,091  
PEOPLE

**Asia Pacific**

16 Territories

Australia | Cambodia | Chinese Mainland | Fiji  
Hong Kong SAR | India | Indonesia | Japan  
Malaysia | New Zealand | Philippines | Singapore  
South Korea | Taiwan | Thailand | Vietnam

160  
OFFICES  
9,616  
PEOPLE

SHANGHAI

HONG KONG  
SAR

SINGAPORE

MUMBAI

DUBAI

NAIROBI

SYDNEY

**Africa**

10 Territories

Botswana | Egypt | Kenya | Malawi  
Nigeria | South Africa | Tanzania  
Uganda | Zambia | Zimbabwe

23  
OFFICES  
644  
PEOPLE

7  
OFFICES  
285  
PEOPLE

**The Middle East**

4 Territories

Bahrain | Qatar | Saudi Arabia | UAE

**604** OFFICES  
**58** TERRITORIES  
**25,000+** PEOPLE  
**1** GLOBAL TEAM

*Your partners in property  
Independent & debt free  
With over 125 years of  
experience*

GATEWAY CITIES

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## Our mission at Knight Frank is to ‘Connect People and Property, Perfectly’.

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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