

July 2023



---

# Asia-Pacific Q2 2023 Office Highlights

---

Knight Frank Asia-Pacific Office Markets

Your partners in property

[knightfrank.com/research](https://knightfrank.com/research)

# Asia-Pacific Overview – Q2 2023

---

Rents in the region fell at a faster clip in Q2 2023, maintaining a year-long downward trend as Knight Frank's Asia-Pacific Prime Office Rental Index dipped by a fourth consecutive quarter, down 1.6% quarter-on-quarter, in Q2 2023. This brings annual decline to 3.1%, which were largely due to continued soft conditions in the Chinese Mainland.

15 out of the 23 tracked cities reported stable-to-increasing rents, down from 16 in Q1 2023. Vacancies also rose marginally by a quarter of a percentage point quarter-on-quarter to 13.8%, sustaining a trend that has seen the metric rise to its highest in over 10 years since Q4 2022.

However, seen in the context of a delivery of over 4 million sf during the quarter, office demand in Asia-Pacific has held up better than those in US and Europe, with a stronger return-to-office trend. With tech occupiers continuing to rationalise employee headcount, financial and professional services firm as well as flexible space operators have made up the slack in leasing activity. Demand was also supported by a flight-to-quality trend that has pervaded across the region.

With the region entering a development phase, new supply in 2023-24 will clock in at cyclical highs, near doubling the levels in 2022, which will add close to 10% to existing stock. Consequently, market conditions across most of the region will continue to favour tenants for the rest of the year.

---

## -1.6%

QoQ change for Asia-Pacific Rental Index in Q2 2023

---

## Perth

Recorded the highest YoY growth in Q2 2023

---

## 15 of 23

Tracked cities recording stable or increasing rents YoY in Q2 2023

---

## Cautious

Expectations for 2023 office outlook

“Landlords in major office markets across the world are managing the effects of both an economic slowdown as well as a return-to-office that has stalled, particularly in the US. Markets in Asia-Pacific have clearly outperformed with higher office utilisation rates compared to other regions, and demand is holding up better supported by a flight-to-quality trend. With the region's development cycle expected to extend into 2024, the expansion of options will give occupiers leverage to secure favourable leasing terms in the current window, extending the flight-to-quality trend which will amplify the gap between best-in-class and lower-rated assets.”

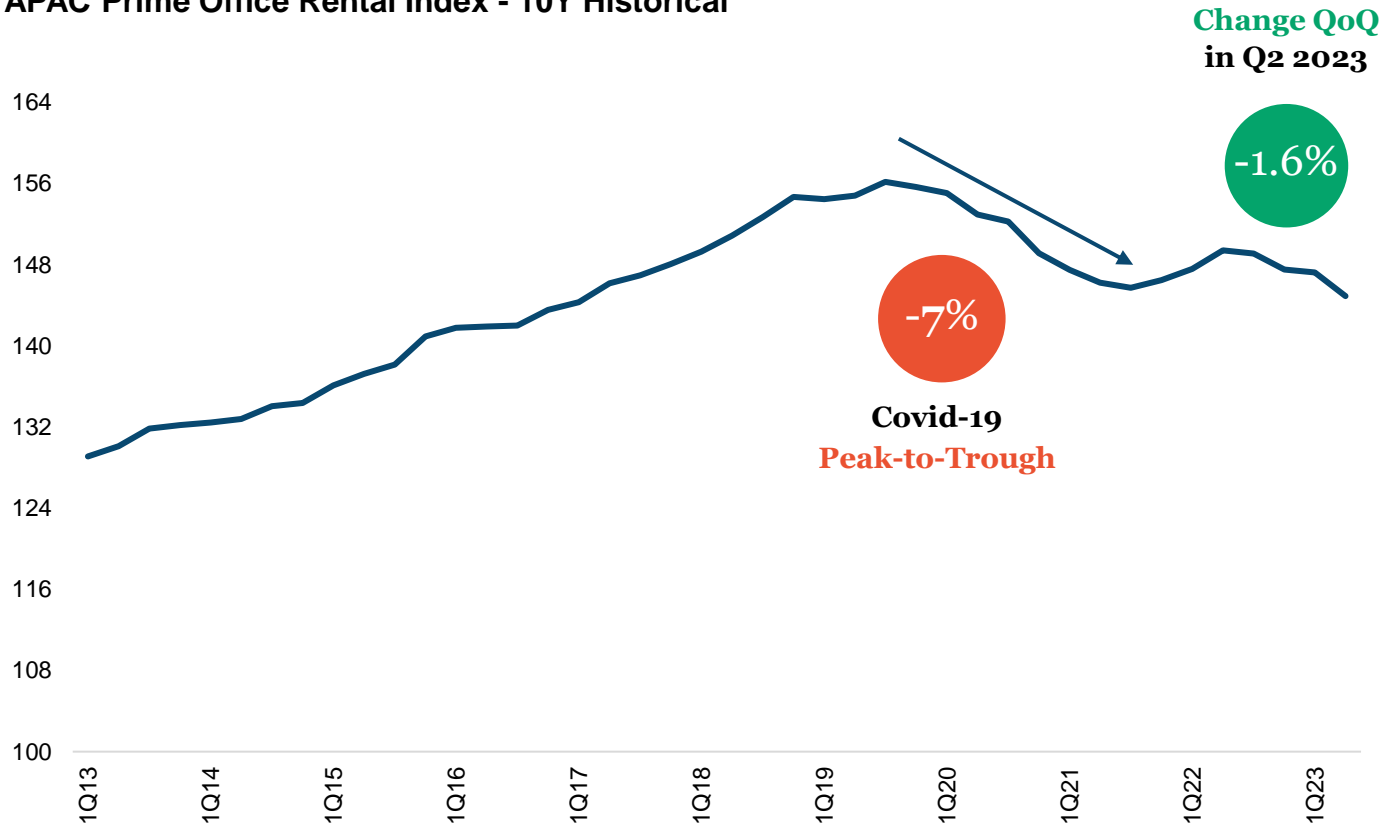
---

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

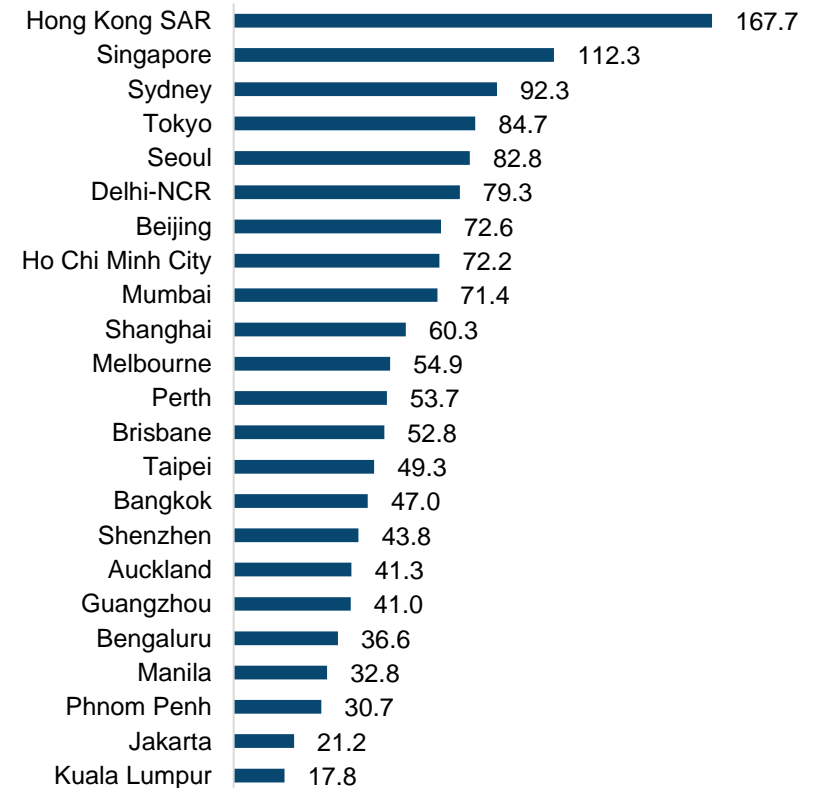
# APAC Prime Office Rental Index

Rents fell at a faster pace of 1.6% QoQ in Q2 2023

APAC Prime Office Rental Index - 10Y Historical



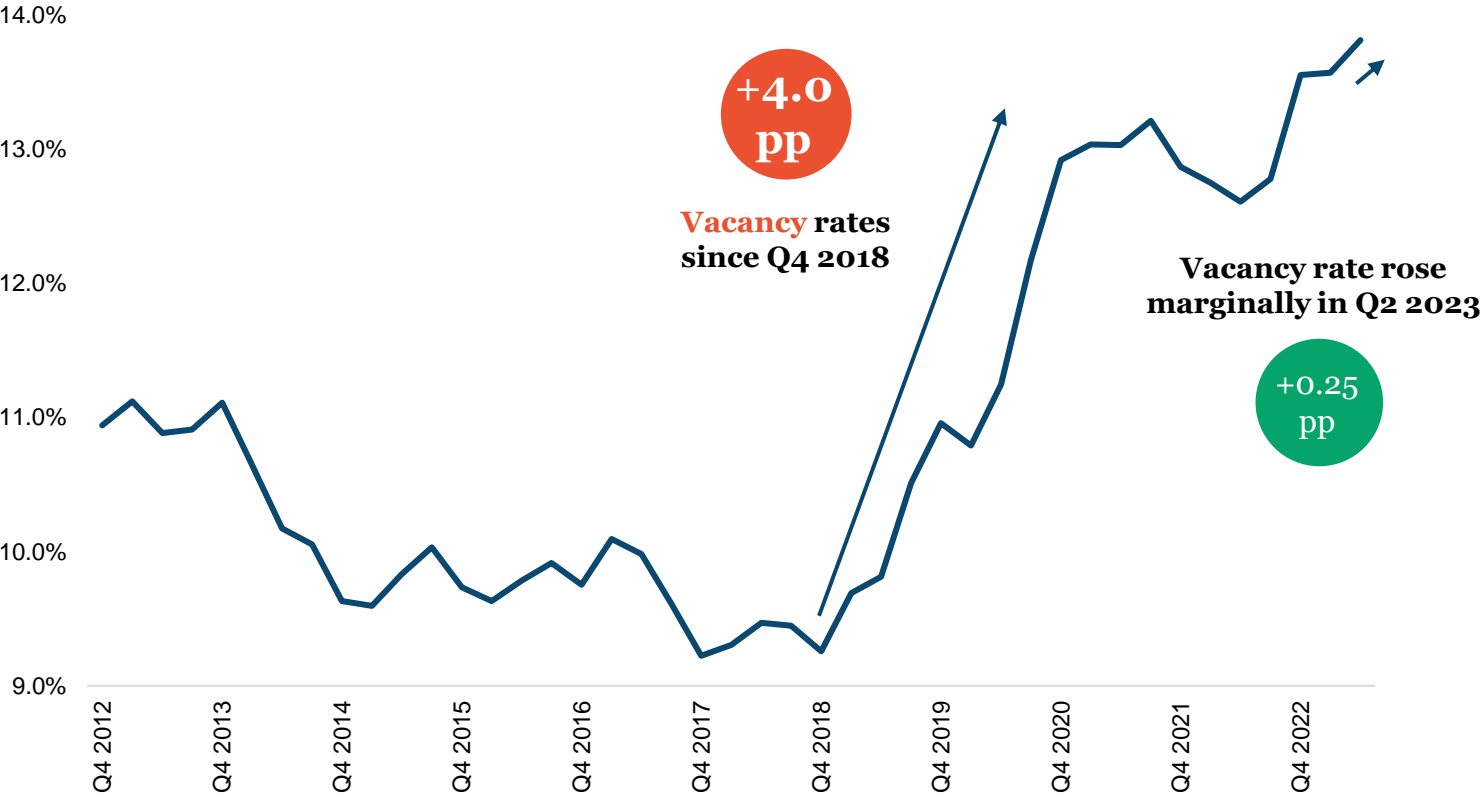
Q2 2023 Occupancy Cost (US\$/sqft/year)



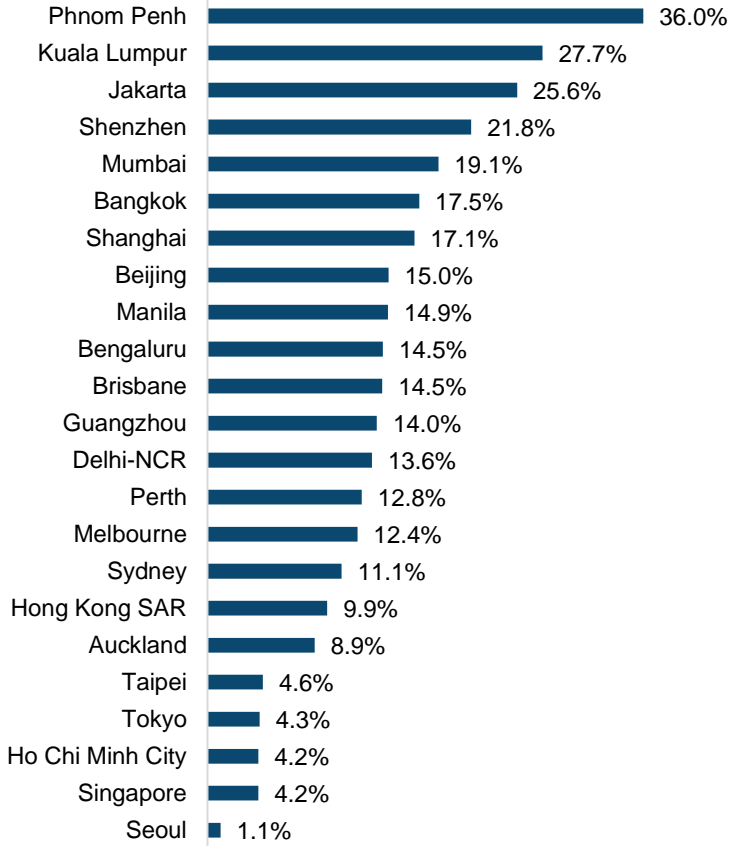
# APAC Prime Office Vacancy Rate

Overall vacancy rate remained stable as demand kept pace with the delivery of over 4 million sqm of new supply

APAC Prime Office Vacancy Rate - 10Y Historical



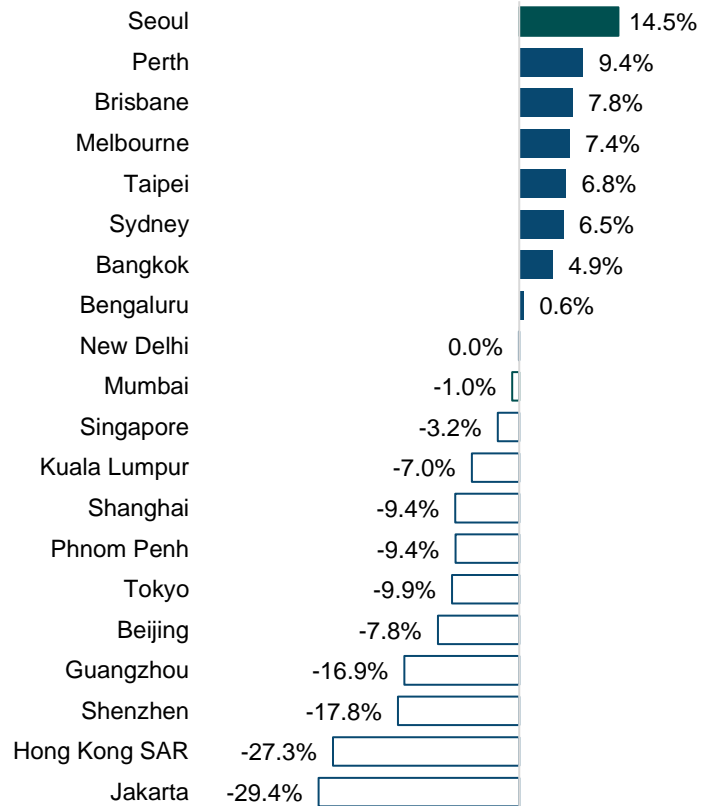
Q2 2023 Vacancy Rate



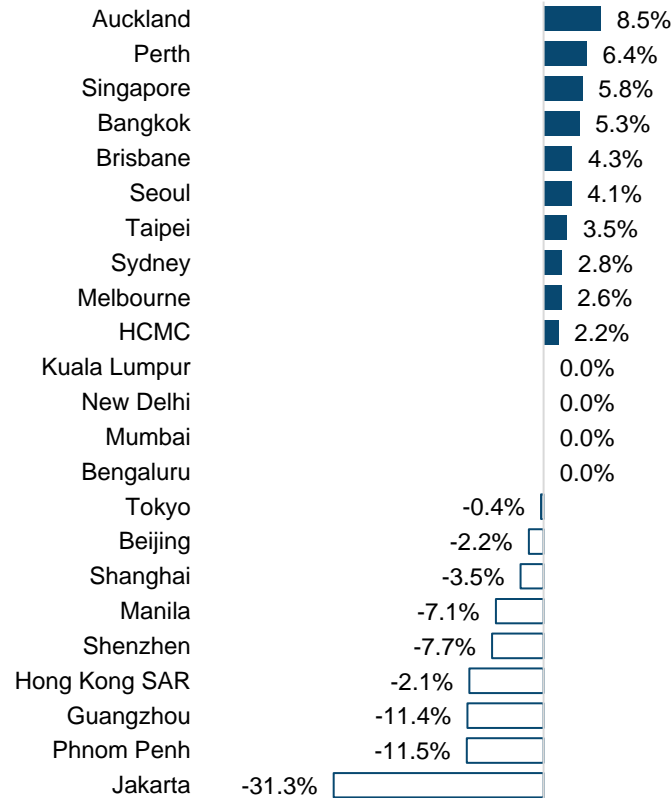
# APAC Prime Rental Rates

Mainland Chinese markets remained soft in Q2 2023

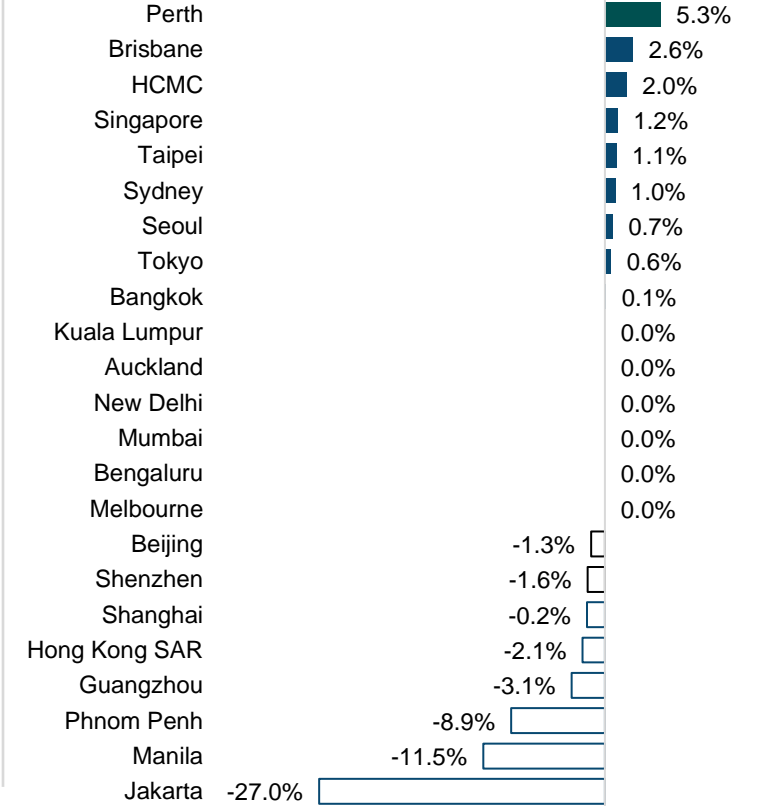
Q2 2023 vs Q4 2019 Change



Prime Office Q2 2023 Growth YoY (%)



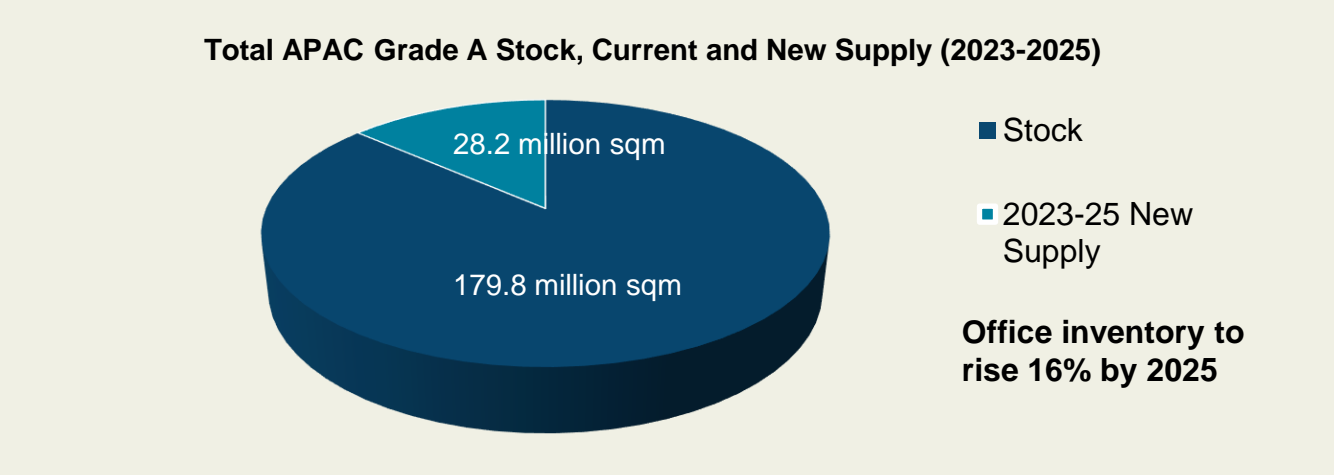
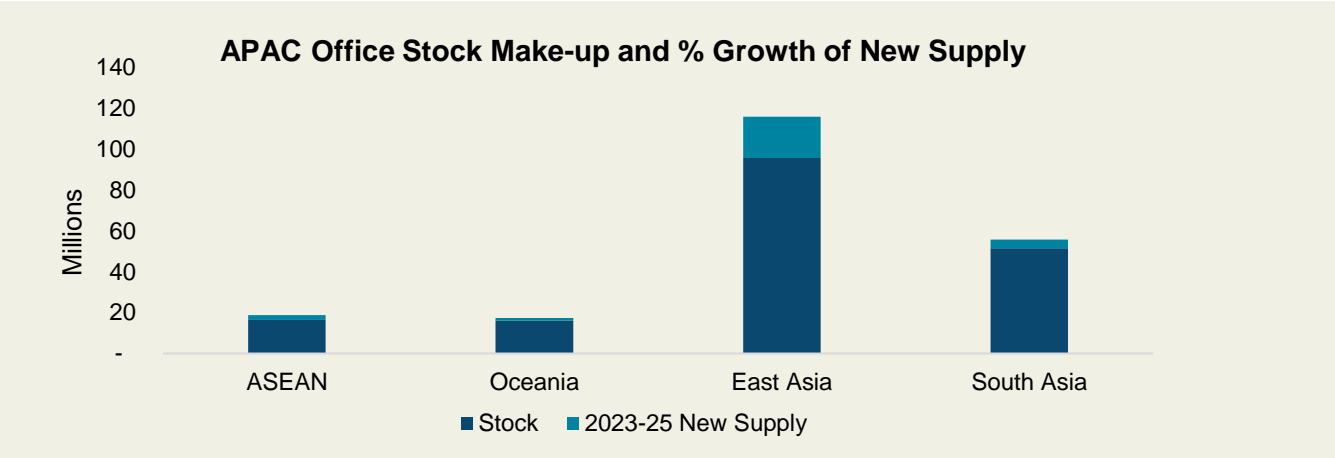
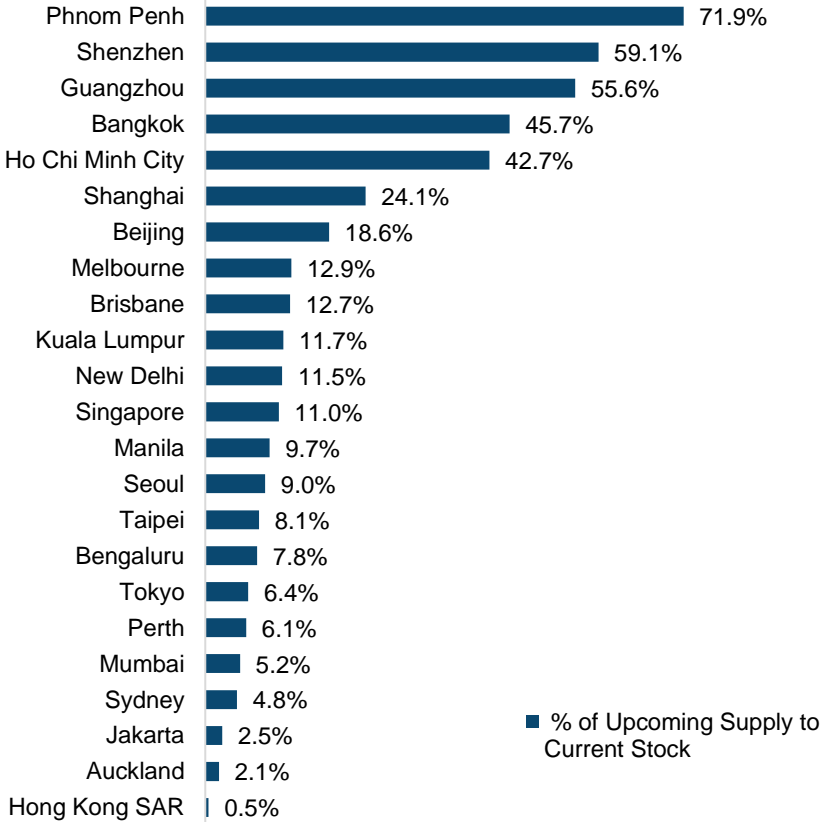
Prime Office Q2 2023 Growth QoQ (%)



# APAC Office Pipeline Supply

Extended flight-to-quality trend as new supply in 2023-24 hit a cyclical high

Proportion of Upcoming Supply to Current Stock



# APAC 2023 Office Outlook

## 12-Month Rental Outlook

### Decreasing

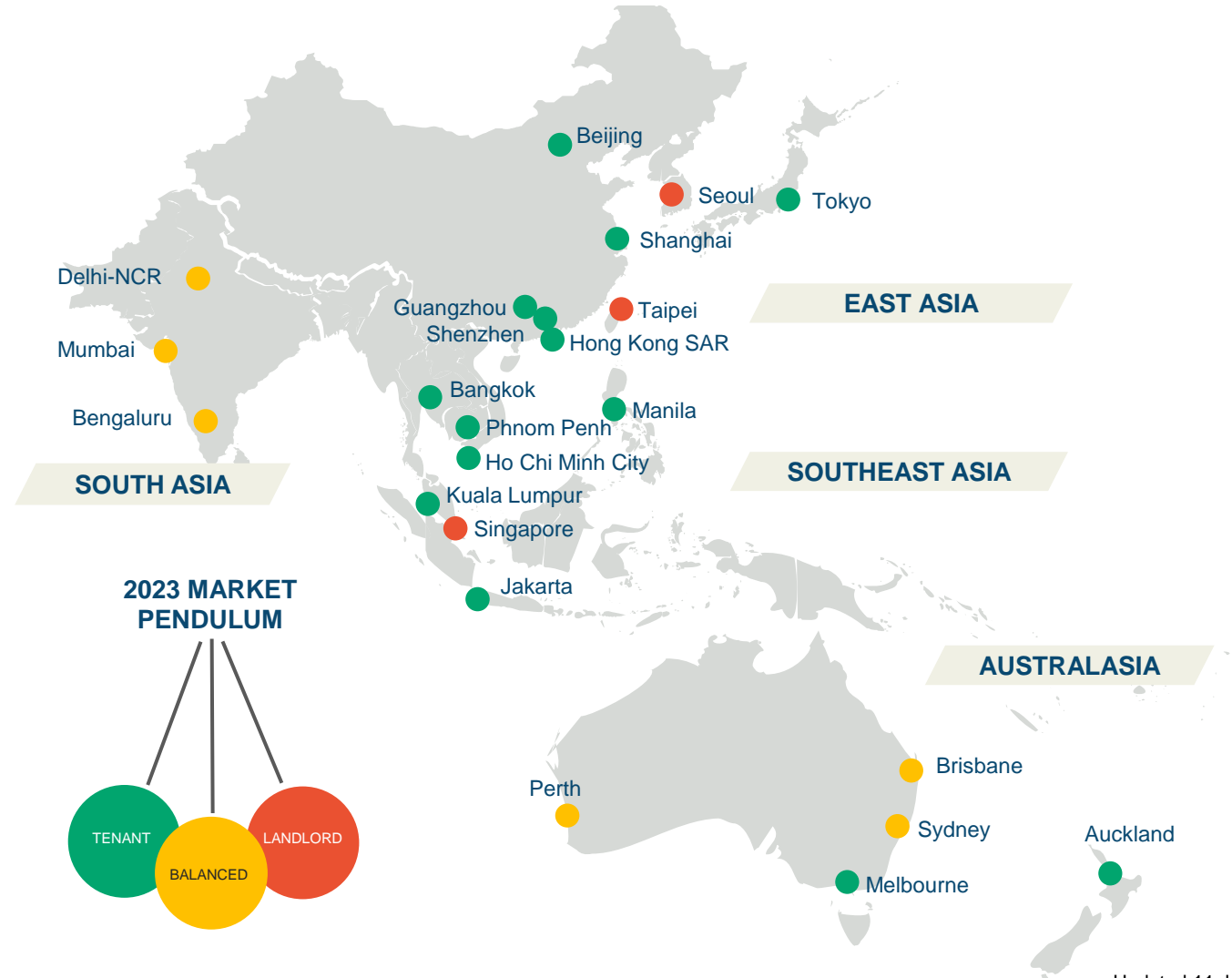
- Guangzhou
- Shenzhen
- Hong Kong SAR
- Phnom Penh
- Kuala Lumpur
- Ho Chi Minh City

### Unchanged

- Auckland
- Melbourne
- Tokyo
- Beijing
- Seoul
- Jakarta
- Manila
- Bengaluru
- Mumbai
- Delhi-NCR

### Increasing

- Brisbane
- Perth
- Sydney
- Shanghai
- Taipei
- Bangkok
- Singapore



---

# Market Dashboards

---



---

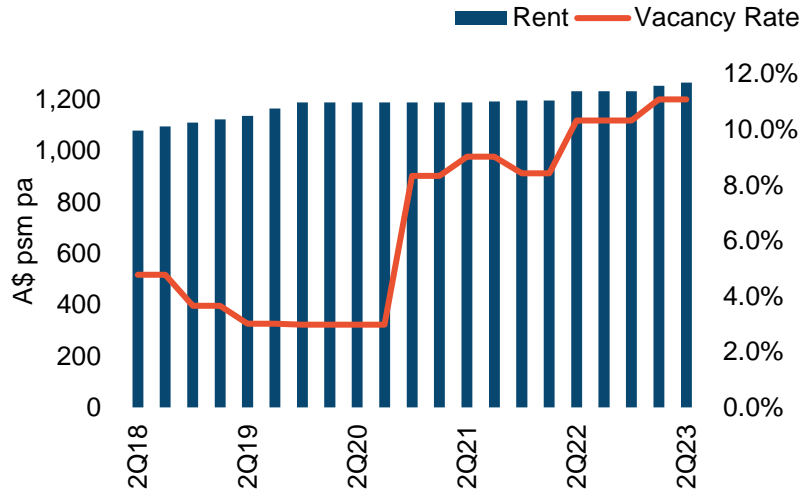
# Oceania

---

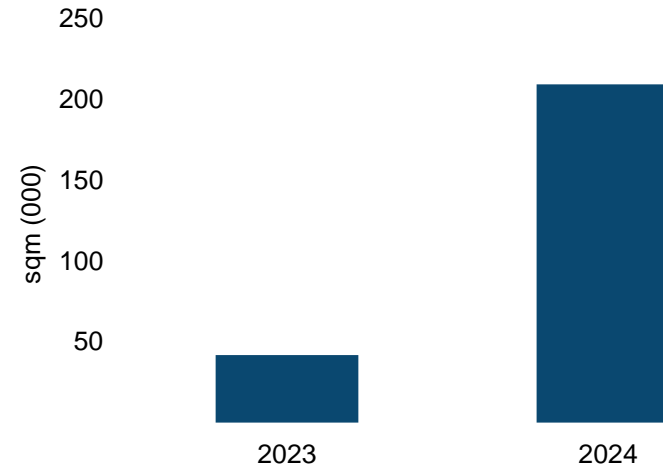
Despite elevated vacancies, rents across Oceania rose or remained unchanged, supported by robust demand for prime spaces. Incentives remained above pre-pandemic levels but across the continent's major markets, corporate tenants, focusing on the quality of their office footprint, are widening the rental gap between higher rated assets and lower quality ones. Melbourne was the only market to experience a sequential quarterly fall in gross effective rents. With a lower exposure to TMT and Financial Services tenants, Australia's resource driven markets – Brisbane and Perth – are enjoying a resurgence since the end of the last commodity boom. Perth recorded the highest year-on-year rental growth in Asia-Pacific, as it benefitted from elevated bulk commodity prices and the strongest employment growth over the past three years. With new supply easing, vacancy levels in the Pacific markets are expected to tighten gradually in the second half of 2023.

# Sydney

## Rents and Vacancy



## Future Pipeline Supply

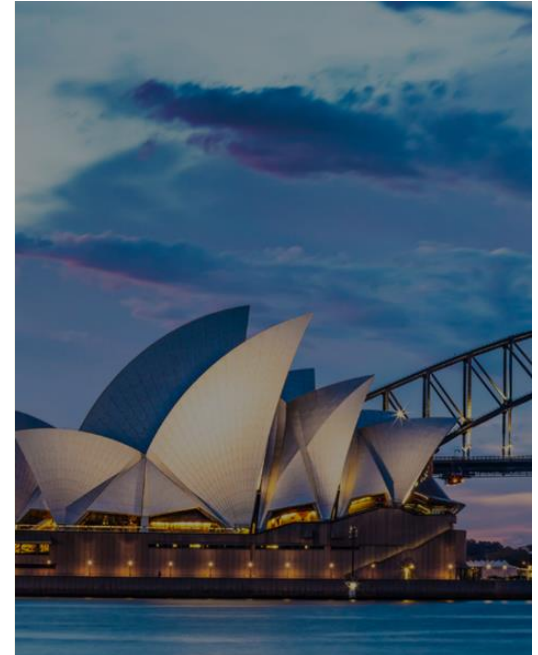


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 1.5%  | 1.6%  |
| <b>Unemployment Rate</b> | 3.8%  | 4.3%  |
| <b>Inflation</b>         | 5.4%  | 3.4%  |

### Real Estate Indicators

|                                | Q2 2023  | 12mth Forecast |
|--------------------------------|----------|----------------|
| <b>Prime Rent (A\$ psm pa)</b> | 1,266    | ↑              |
| <b>Vacancy</b>                 | 11.1%    | →              |
| <b>Market Balance</b>          | Balanced | Balanced       |

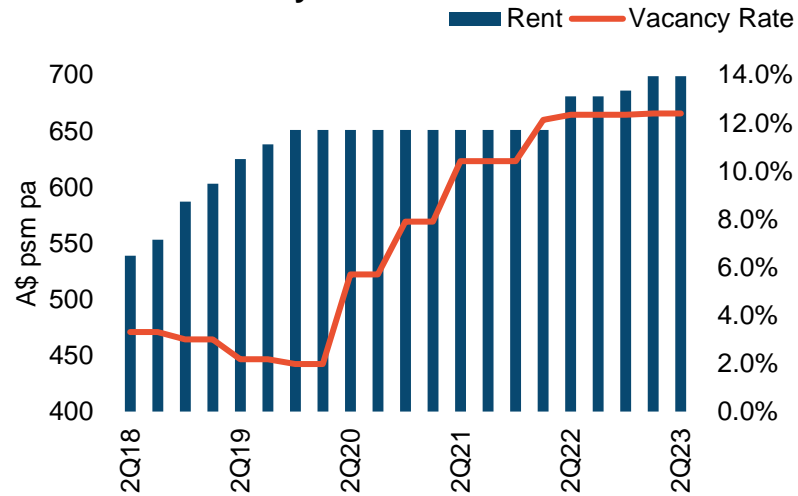


For more information, please contact:

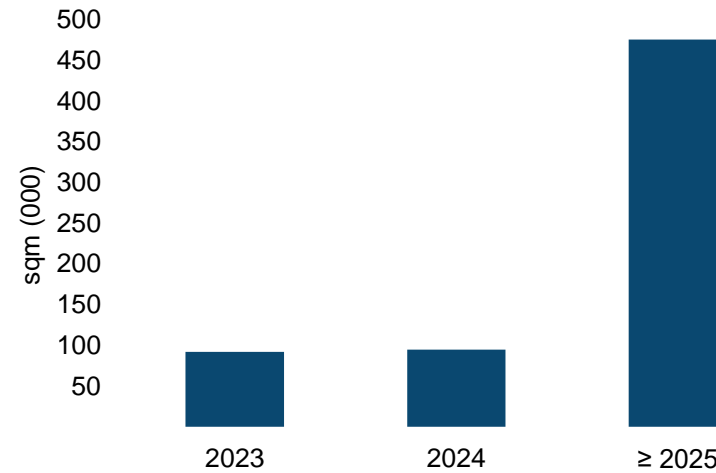
**Katherine Moss**  
 Partner, National Head of Tenant Representation – Office  
 +61 2 9036 6647  
 katherine.moss@au.knightfrank.com

# Melbourne

## Rents and Vacancy



## Future Pipeline Supply

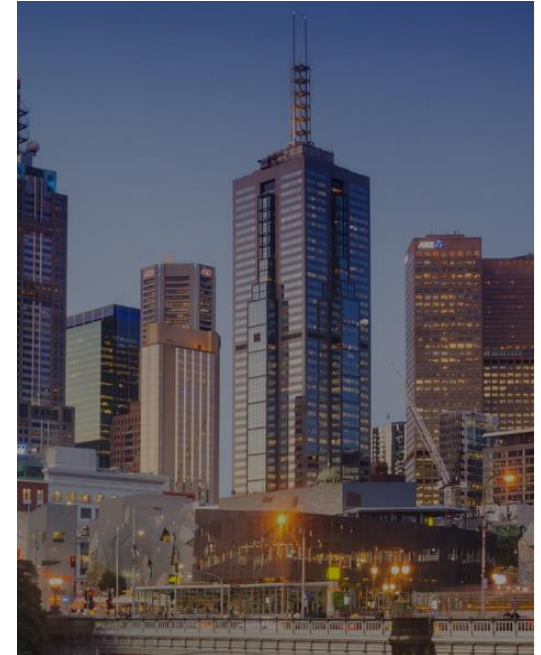


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 1.5%  | 1.6%  |
| <b>Unemployment Rate</b> | 3.8%  | 4.3%  |
| <b>Inflation</b>         | 5.4%  | 3.4%  |

### Real Estate Indicators

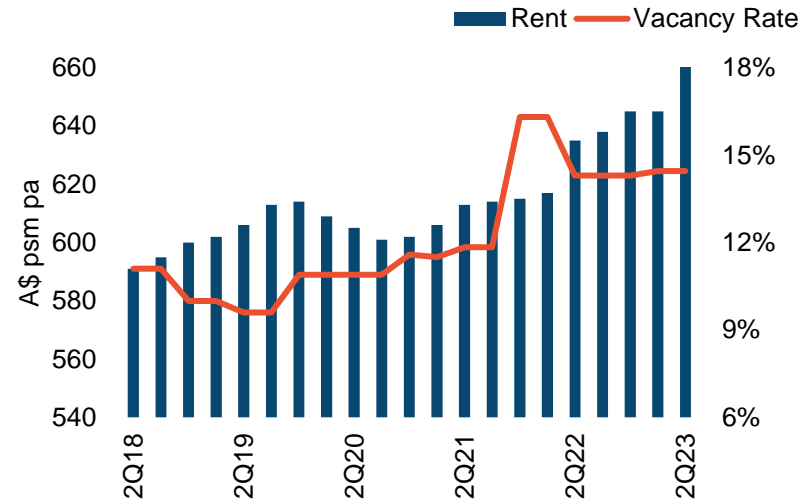
|                                | Q2 2023 | 12mth Forecast |
|--------------------------------|---------|----------------|
| <b>Prime Rent (A\$ psm pa)</b> | 699     | →              |
| <b>Vacancy</b>                 | 12.4%   | →              |
| <b>Market Balance</b>          | Tenant  | Tenant         |



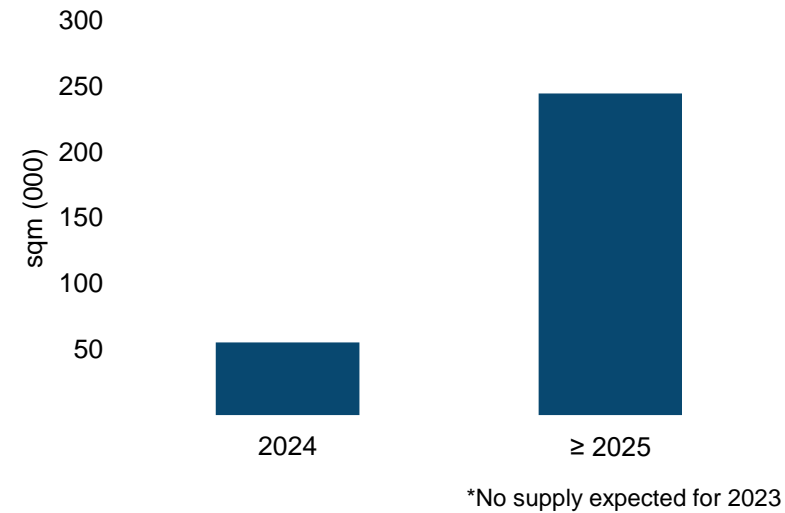
For more information, please contact:

**David Chalmers**  
 Director, Tenant Representation,  
 Office  
 +61 3 9604 4646  
 David.chalmers@au.knightfrank.com

## Rents and Vacancy



## Future Pipeline Supply

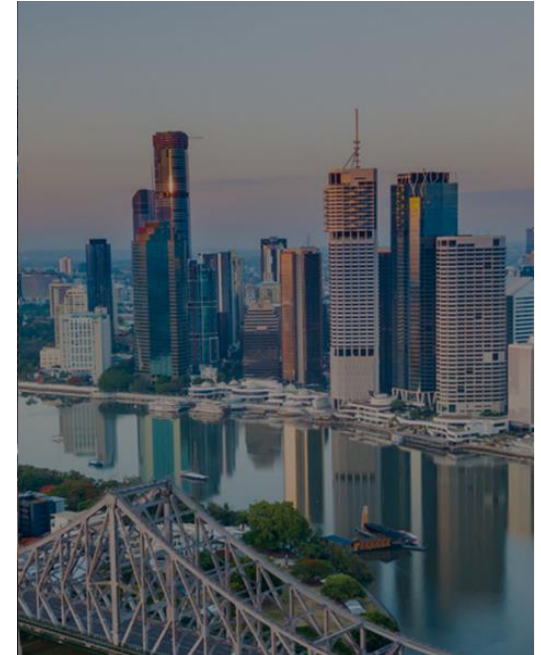


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 1.5%  | 1.6%  |
| <b>Unemployment Rate</b> | 3.8%  | 4.3%  |
| <b>Inflation</b>         | 5.4%  | 3.4%  |

### Real Estate Indicators

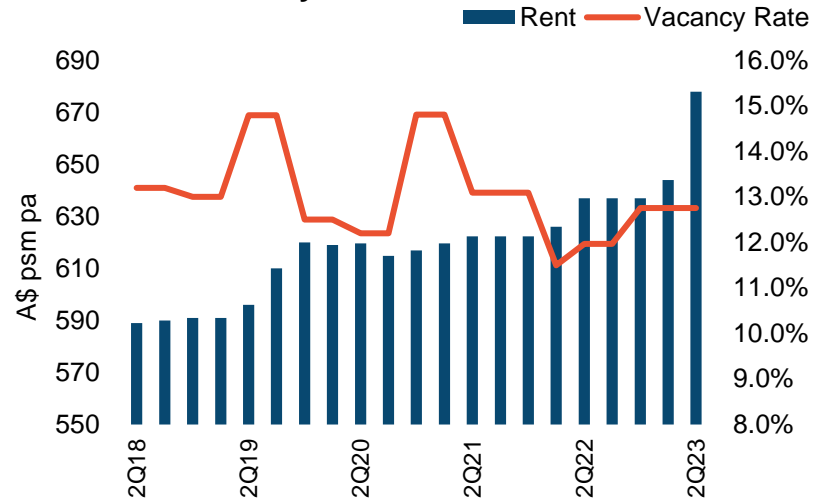
|                                | Q2 2023  | 12mth Forecast |
|--------------------------------|----------|----------------|
| <b>Prime Rent (A\$ psm pa)</b> | 662      | ↑              |
| <b>Vacancy</b>                 | 14.5%    | ↓              |
| <b>Market Balance</b>          | Balanced | Balanced       |



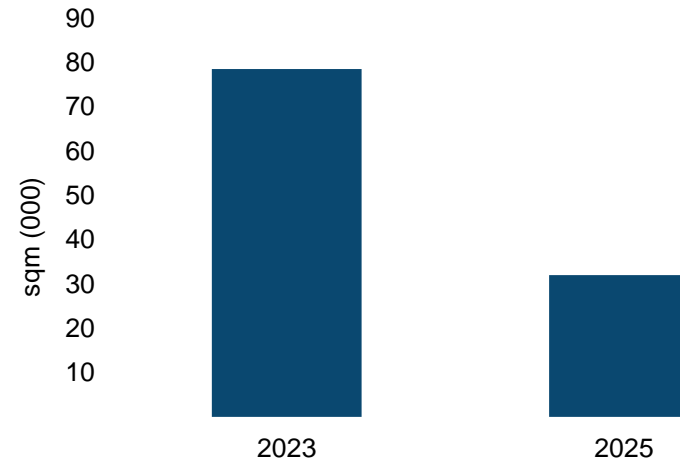
For more information, please contact:

**Carl Knaggs**  
 Director, Occupier Strategy & Solutions  
 +61 7 3246 8813  
 Carl.knaggs@au.knightfrank.com

## Rents and Vacancy



## Future Pipeline Supply



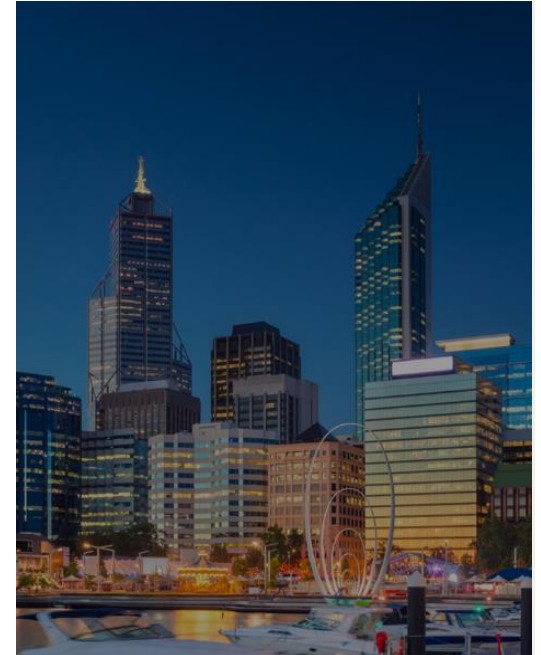
\*No supply expected for 2024

### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 1.5%  | 1.6%  |
| <b>Unemployment Rate</b> | 3.8%  | 4.3%  |
| <b>Inflation</b>         | 5.,4% | 3.4%  |

### Real Estate Indicators

|                                | Q2 2023  | 12mth Forecast |
|--------------------------------|----------|----------------|
| <b>Prime Rent (A\$ psm pa)</b> | 678      | ↑              |
| <b>Vacancy</b>                 | 12.8%    | →              |
| <b>Market Balance</b>          | Balanced | Balanced       |

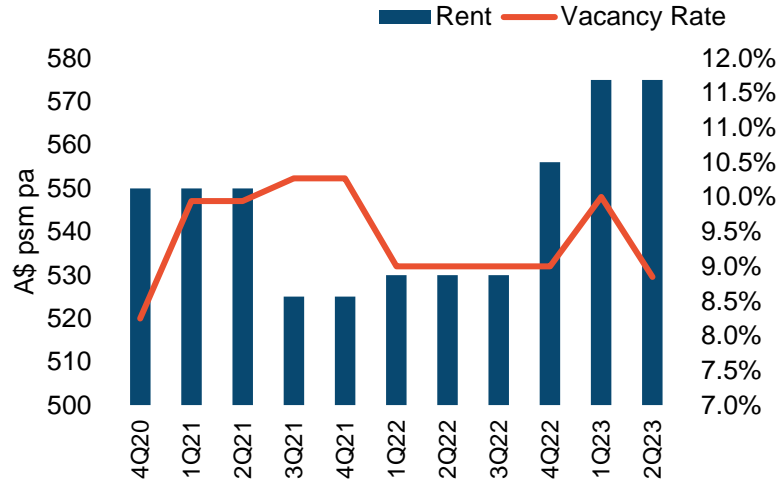


For more information,  
please contact:

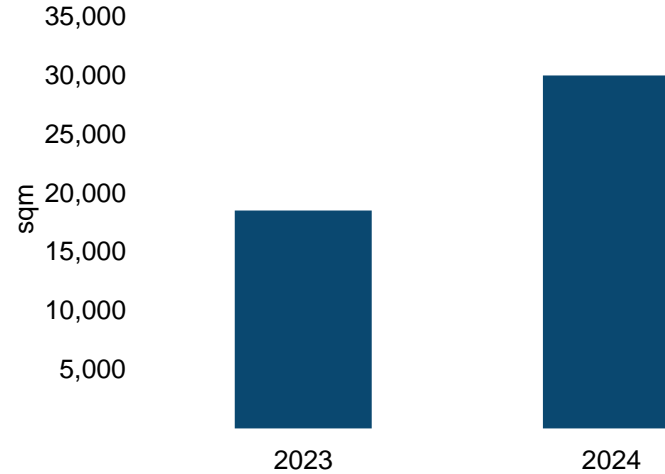
**Alyson Martinovich**  
State Head of Tenant Representation,  
WA  
+61 8 9225 2576  
alyson.martinovich@au.knightfrank.com

# Auckland

## Rents and Vacancy



## Future Pipeline Supply



### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 1.1%  | 0.9%  |
| <b>Unemployment Rate</b> | 4.3%  | 5.3%  |
| <b>Inflation</b>         | 5.5%  | 2.6%  |

### Real Estate Indicators

|                                 | Q2 2023  | 12mth Forecast |
|---------------------------------|----------|----------------|
| <b>Prime Rent (NZ\$ psm pa)</b> | 575      | →              |
| <b>Vacancy</b>                  | 8.9%     | →              |
| <b>Market Balance</b>           | Balanced | Balanced       |



For more information, please contact:

**Lloyd Budd**  
 Executive Director, Auckland  
 Commercial and Industrial  
 +6421 073 8789  
 lloyd.budd@bayleys.co.nz

---

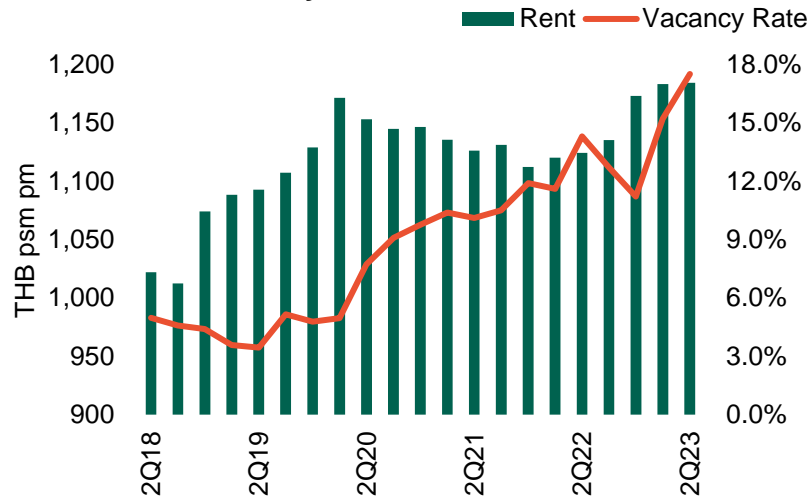
# Southeast Asia

---

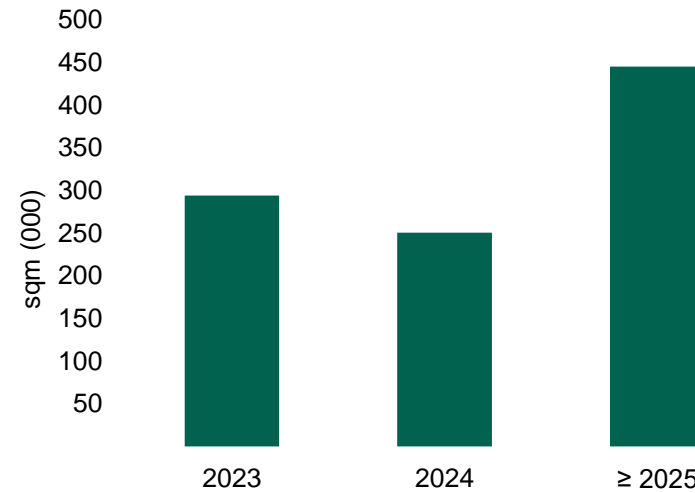
Rental growth in Southeast Asia's emerging markets is showing signs of moderation as an elevated supply pipeline erodes pricing power. However, rents in Ho Chi Minh City remain on an upward trend, as new supply in 2023, while substantial, is the first injection in over two years. Kuala Lumpur's market also firmed with rents remaining stable during the quarter, supported by GDP growth in the first quarter which beat expectations as the country continued to bounce back from the pandemic slump. Meanwhile, Singapore's market continued to remain robust on corporate relocations and a flight-to-quality trend.

# Bangkok

## Rents and Vacancy



## Future Pipeline Supply

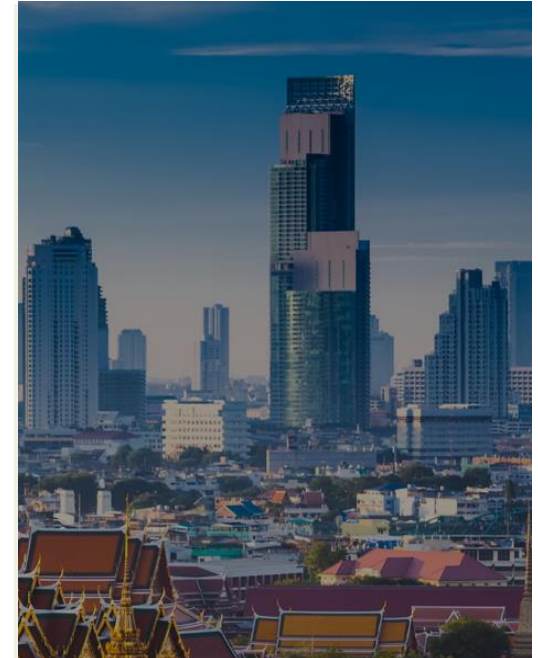


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 3.4%  | 3.6%  |
| <b>Unemployment Rate</b> | N/A   | N/A   |
| <b>Inflation</b>         | 2.8%  | 2.0%  |

### Real Estate Indicators

|                                | Q2 2023 | 12mth Forecast |
|--------------------------------|---------|----------------|
| <b>Prime Rent (THB psm pm)</b> | 1,184   | ↓              |
| <b>Vacancy</b>                 | 17.5%   | ↓              |
| <b>Market Balance</b>          | Tenant  | Tenant         |

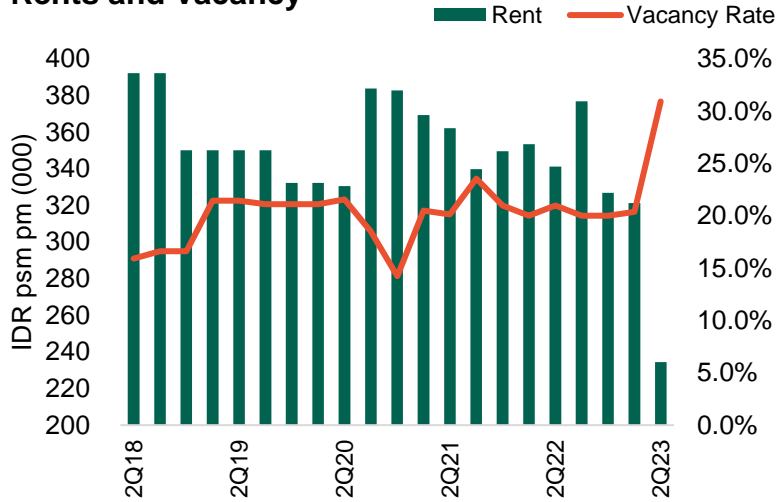


For more information, please contact:

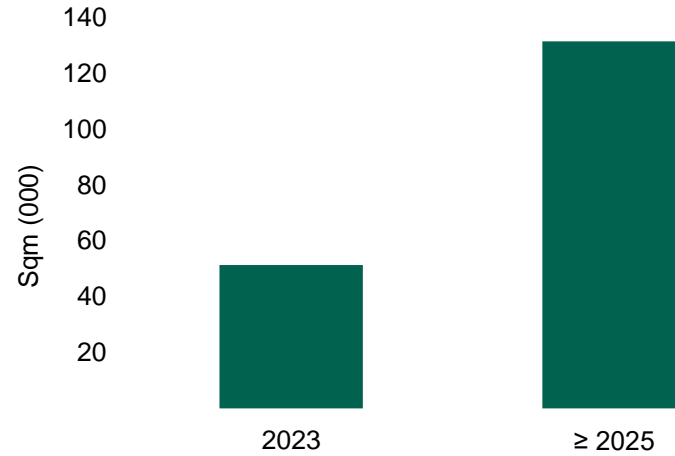
**Marcus Burtenshaw**  
 Head of Occupier Strategy and Solutions, Thailand  
 +66 (0)2643 8223  
[marcus.burtenshaw@th.knightfrank.com](mailto:marcus.burtenshaw@th.knightfrank.com)



## Rents and Vacancy



## Future Pipeline Supply



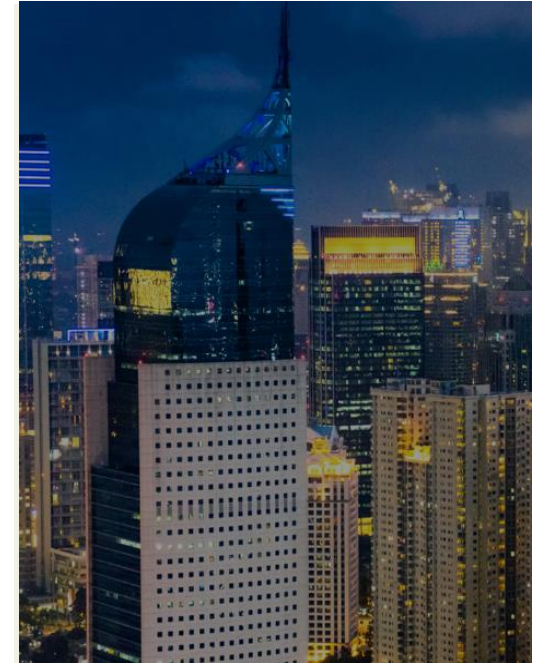
\*No supply expected for 2024

### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 5.0%  | 5.1%  |
| <b>Unemployment Rate</b> | 5.3%  | 5.2%  |
| <b>Inflation</b>         | 4.4%  | 3.0%  |

### Real Estate Indicators

|                                | Q2 2023 | 12mth Forecast |
|--------------------------------|---------|----------------|
| <b>Prime Rent (IDR psm pm)</b> | 234,408 | →              |
| <b>Vacancy</b>                 | 30.9%   | →              |
| <b>Market Balance</b>          | Tenant  | Tenant         |

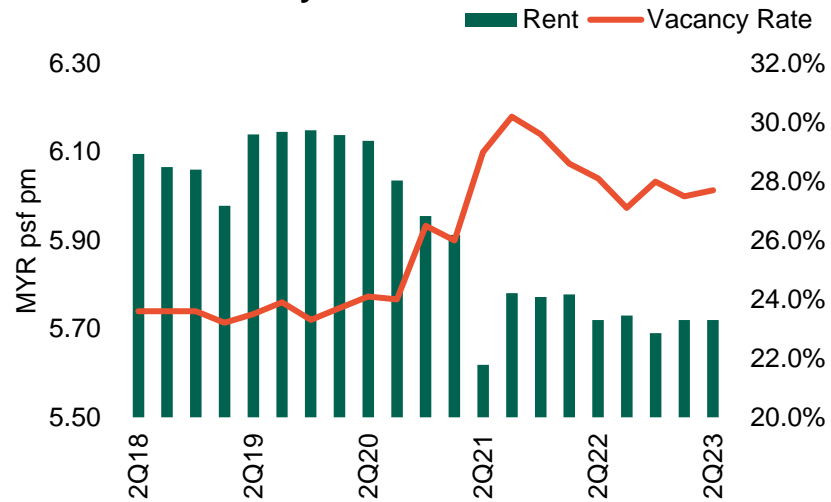


For more information, please contact:

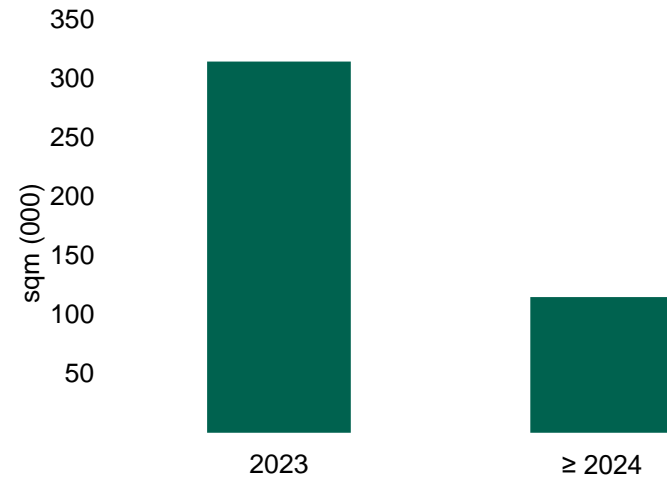
**Rina Martianti**  
 Associate Director, Occupier Strategy and Solutions, Indonesia  
 +62 81398967313  
 rina.martianti@id.knightfrank.com

# Kuala Lumpur

## Rents and Vacancy



## Future Pipeline Supply



### Economic Indicators

|                          | 2023F    | 2024F |
|--------------------------|----------|-------|
| <b>GDP Growth</b>        | 4.0-5.0% | 4.9%  |
| <b>Unemployment Rate</b> | 3.5%     | 3.5%  |
| <b>Inflation</b>         | 2.8-3.8% | 2.8%  |

### Real Estate Indicators

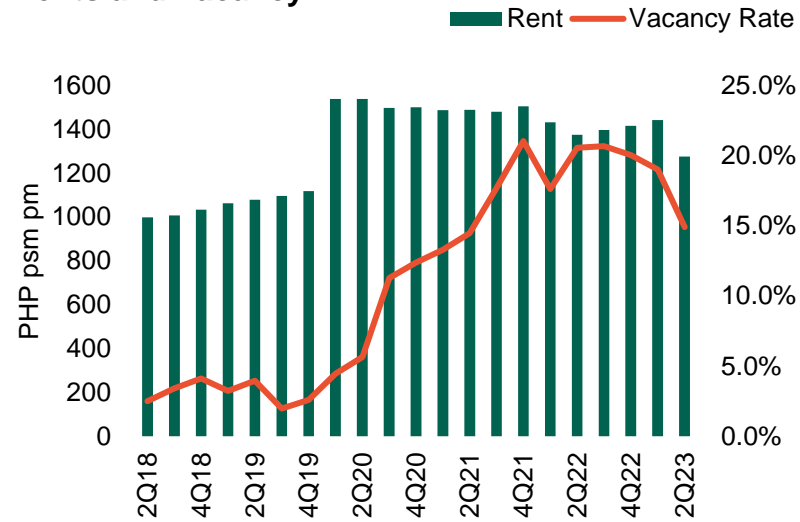
|                                | Q2 2023 | 12mth Forecast |
|--------------------------------|---------|----------------|
| <b>Prime Rent (MYR psf pm)</b> | 5.72    | →              |
| <b>Vacancy</b>                 | 27.7%   | →              |
| <b>Market Balance</b>          | Tenant  | Tenant         |



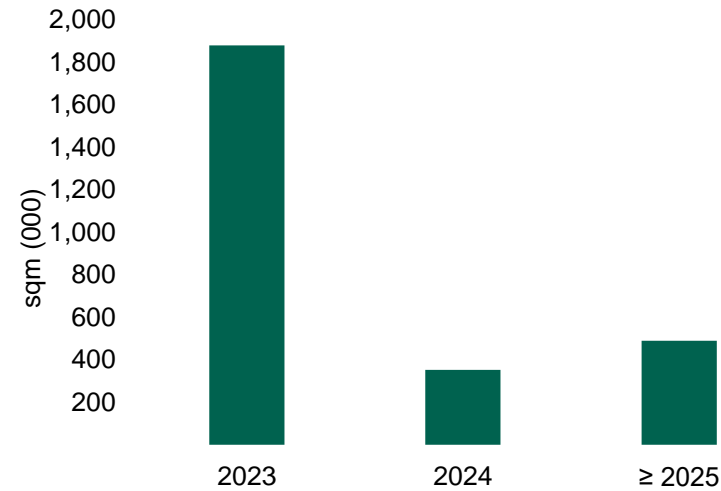
For more information, please contact:

**Teh Young Khean**  
 Executive Director, Office Strategy and Solutions, Malaysia  
 +603 228 99 619  
 youngkhean.teh@my.knightfrank.com

## Rents and Vacancy



## Future Pipeline Supply

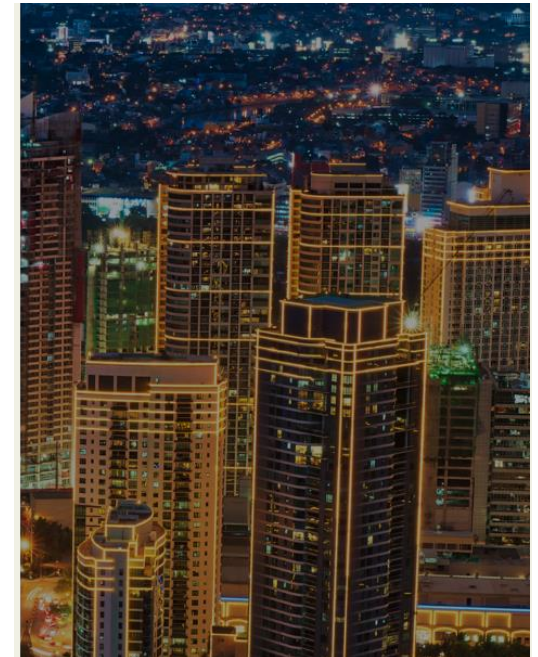


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 6.0%  | 6.2%  |
| <b>Unemployment Rate</b> | 5.1%  | 5.1%  |
| <b>Inflation</b>         | 6.2%  | 4.0%  |

### Real Estate Indicators

|                                | Q2 2023 | 12mth Forecast |
|--------------------------------|---------|----------------|
| <b>Prime Rent (PHP psm pm)</b> | 1,276   | →              |
| <b>Vacancy</b>                 | 14.9%   | →              |
| <b>Market Balance</b>          | Tenant  | Tenant         |

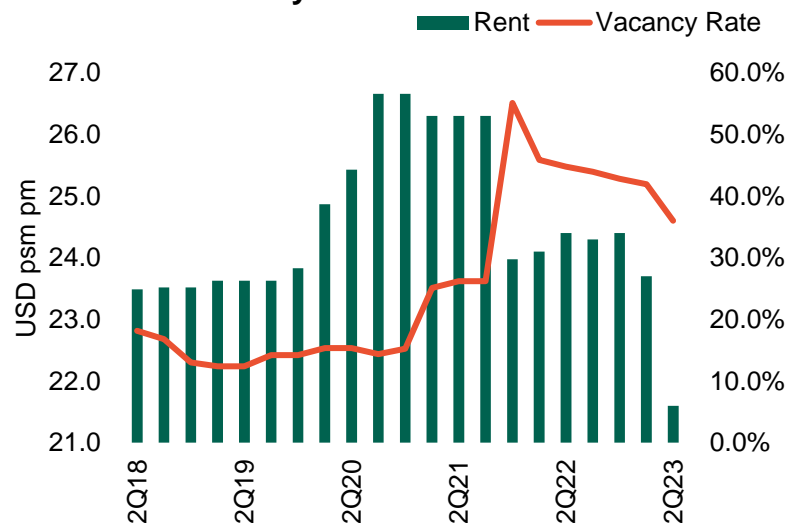


For more information, please contact:

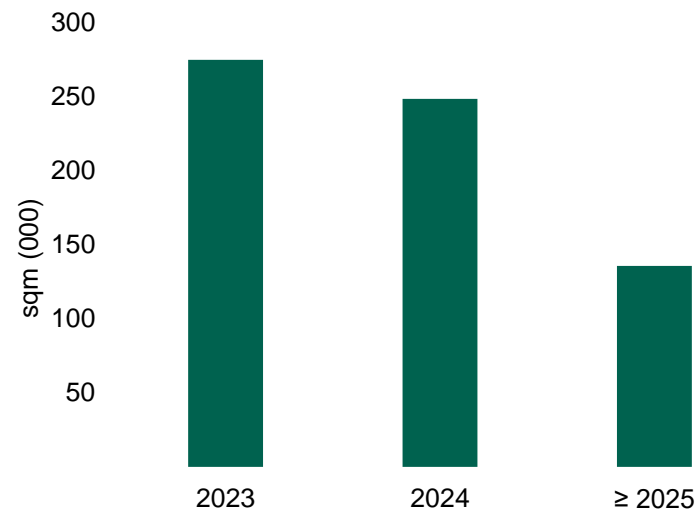
**Morgan Mcgilvray**  
 Senior Director, Occupier Strategy and Solutions, Philippines  
 +632 7752 2580  
 morgan.mcgilvray@santos.knightfrank.ph

# Phnom Penh

## Rents and Vacancy



## Future Pipeline Supply

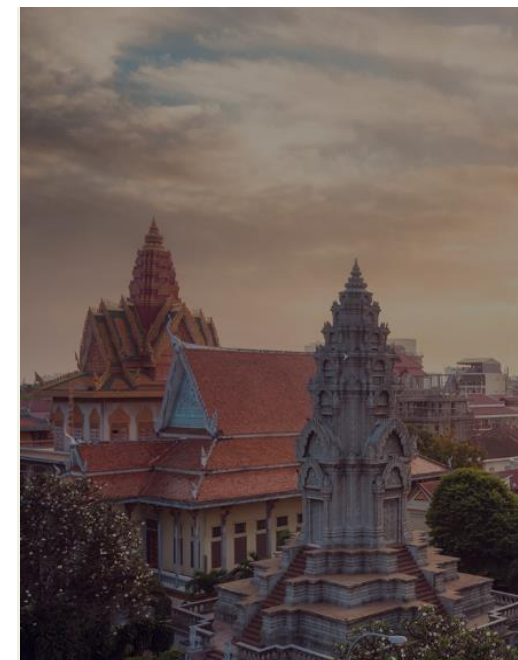


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 5.5%  | 6.0%  |
| <b>Unemployment Rate</b> | N/A   | N/A   |
| <b>Inflation</b>         | 3.0%  | 4.0%  |

### Real Estate Indicators

|                                 | Q2 2023 | 12mth Forecast |
|---------------------------------|---------|----------------|
| <b>Prime Rent (US\$ psm pm)</b> | 21.60   | ↓              |
| <b>Vacancy</b>                  | 36.0%   | ↑              |
| <b>Market Balance</b>           | Tenant  | Tenant         |

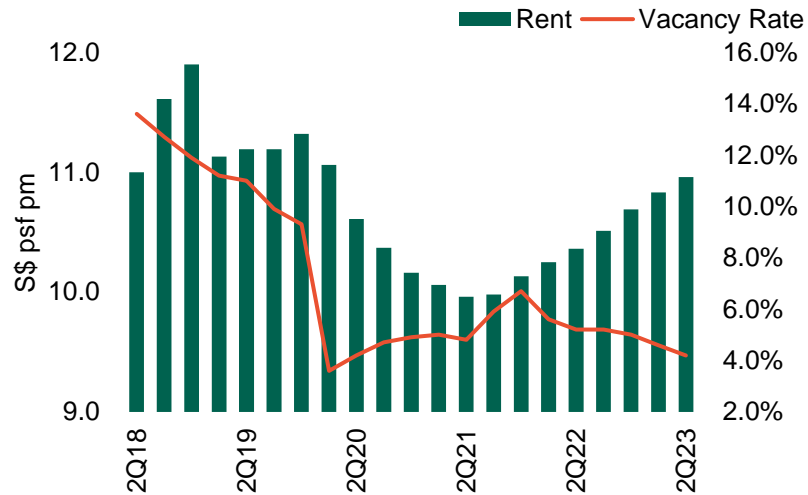


For more information, please contact:

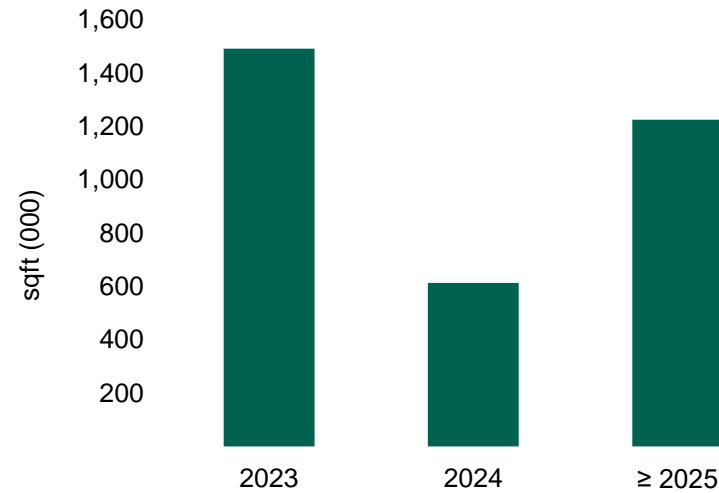
**Ross Wheble**  
Country Head, Cambodia  
+855 (0) 23 966 878  
ross.wheble@kh.knightfrank.com

# Singapore

## Rents and Vacancy



## Future Pipeline Supply

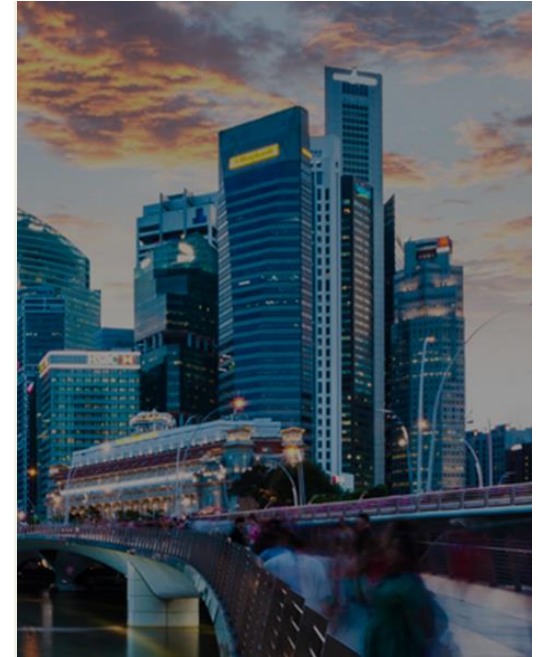


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 1.5%  | 2.1%  |
| <b>Unemployment Rate</b> | 2.1%  | 2.1%  |
| <b>Inflation</b>         | 5.8%  | 3.5%  |

### Real Estate Indicators

|                                | Q2 2023  | 12mth Forecast |
|--------------------------------|----------|----------------|
| <b>Prime Rent (S\$ psf pm)</b> | 10.96    | ↑              |
| <b>Vacancy</b>                 | 4.2%     | ↑              |
| <b>Market Balance</b>          | Landlord | Balanced       |

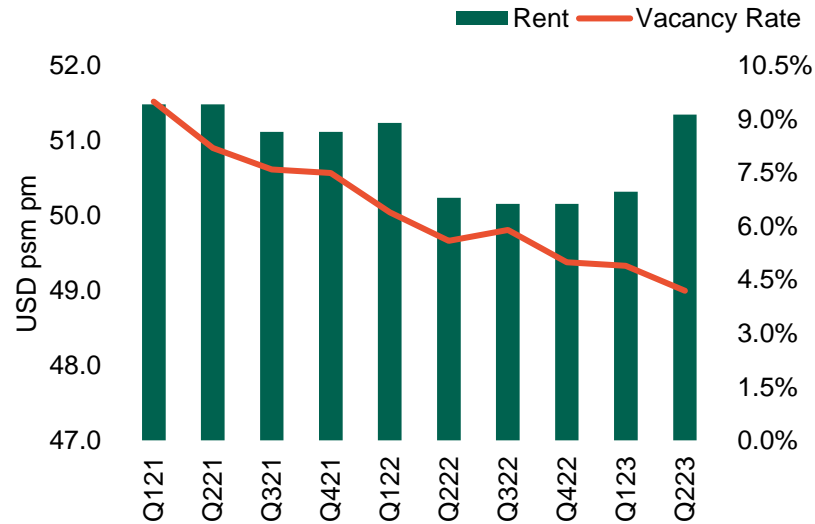


For more information, please contact:

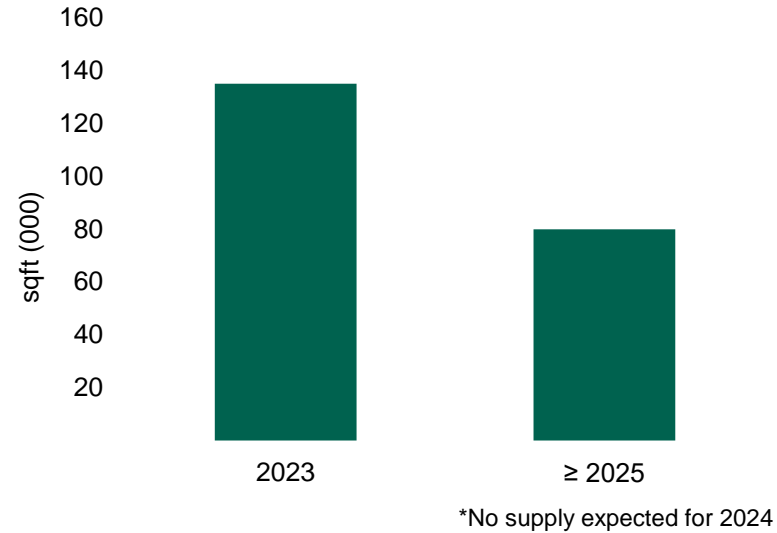
**Calvin Yeo**  
 Managing Director, Occupier Strategy and Solutions, Singapore  
 +65 6228 6887  
 calvin.yeo@sg.knightfrank.com

# Ho Chi Minh City

## Rents and Vacancy



## Future Pipeline Supply



## Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 6.5%  | 6.8%  |
| <b>Unemployment Rate</b> | 2.4%  | 2.4%  |
| <b>Inflation</b>         | 4.5%  | 4.2%  |

## Real Estate Indicators

|                                 | Q2 2023 | 12mth Forecast |
|---------------------------------|---------|----------------|
| <b>Prime Rent (US\$ psm pm)</b> | 51.35   | ↓              |
| <b>Vacancy</b>                  | 4.2%    | ↑              |
| <b>Market Balance</b>           | Tenant  | Tenant         |



For more information,  
please contact:

**Alex Crane**  
Managing Director, Vietnam  
+84 93 645 8000  
alex.crane@knightfrank.com

---

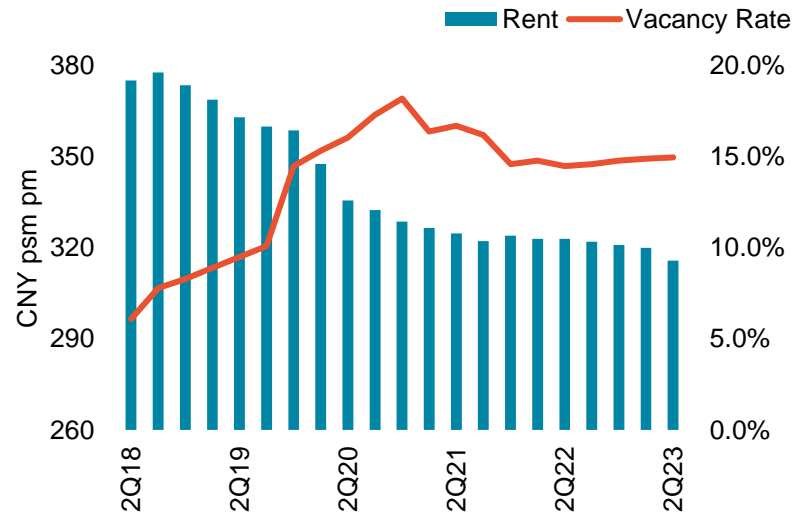
# East Asia

---

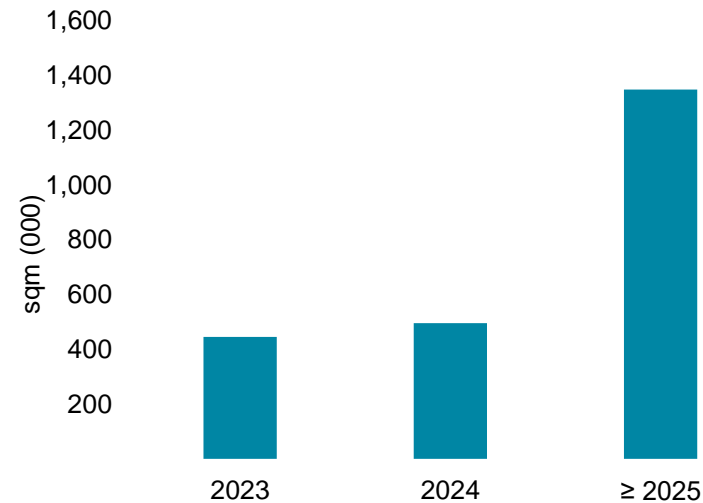
Office markets in the Chinese Mainland remained under pressure as rental declines showed little signs of bottoming, with vacancies staying stubbornly elevated. Prime rents in Hong Kong Island also softened, pressured by vacancies that clocked another high during the quarter. The faltering economic recovery in the Chinese Mainland is amplifying the effects of an elevated supply pipeline across these markets, which in the past, would have little problems absorbing. A pickup in the economic recovery remains crucial to reviving the office markets in these cities. Markets elsewhere in East Asia showed contrasting fortunes. Leasing activity in Tokyo is rebounding on post-pandemic demand, as rents rose a marginal 0.8% for H1 2023 despite looming supply. Seoul's ultra-tight vacancies at just over 1%, standing in stark contrast to most markets in Asia-Pacific, will continue to foster higher rents.

# Beijing

## Rents and Vacancy



## Future Pipeline Supply

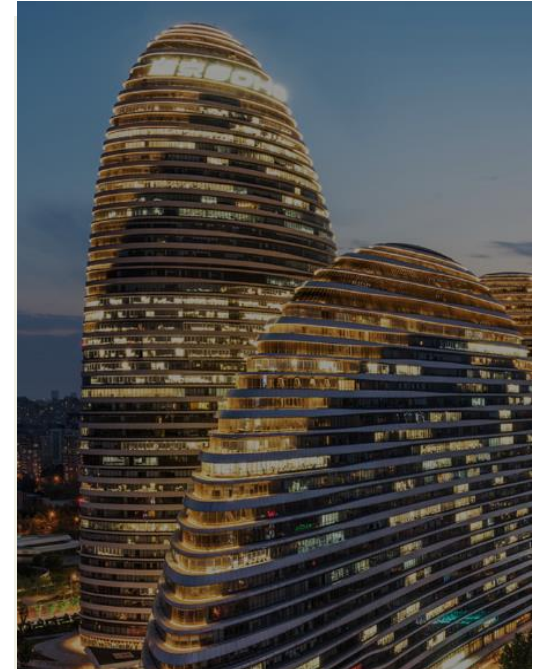


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 5.2%  | 4.5%  |
| <b>Unemployment Rate</b> | 4.1%  | 3.9%  |
| <b>Inflation</b>         | 2.0%  | 2.2%  |

### Real Estate Indicators

|                                | Q2 2023 | 12mth Forecast |
|--------------------------------|---------|----------------|
| <b>Prime Rent (CNY psm pm)</b> | 316     | →              |
| <b>Vacancy</b>                 | 15.0%   | ↑              |
| <b>Market Balance</b>          | Tenant  | Tenant         |



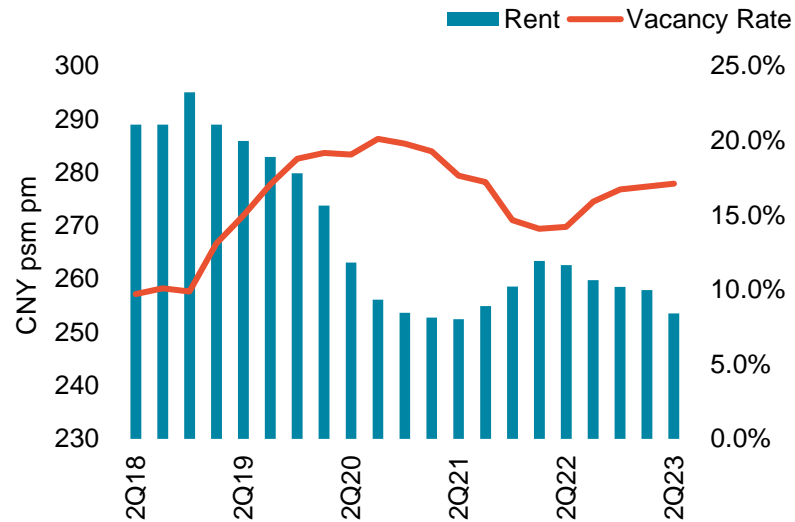
For more information, please contact:

**Katherine Lu**  
 Managing Director, Beijing  
 +86 10 6113 8021  
 katherine.lu@cn.knightfrank.com

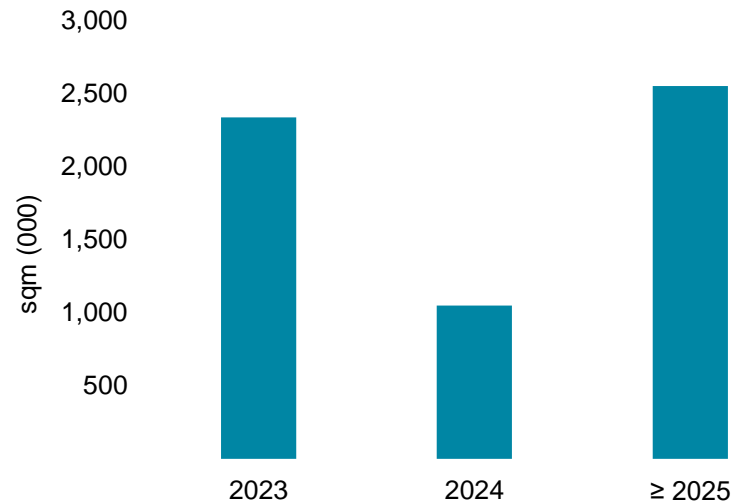


# Shanghai

## Rents and Vacancy



## Future Pipeline Supply

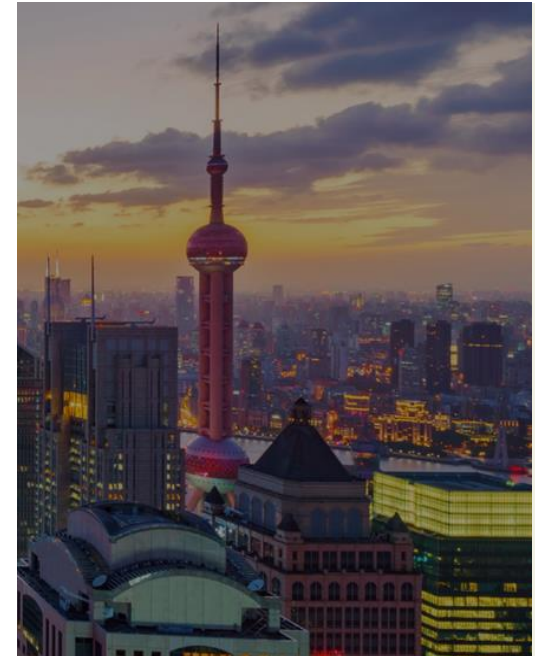


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 5.2%  | 4.5%  |
| <b>Unemployment Rate</b> | 4.1%  | 3.9%  |
| <b>Inflation</b>         | 2.0%  | 2.2%  |

### Real Estate Indicators

|                                | Q2 2023 | 12mth Forecast |
|--------------------------------|---------|----------------|
| <b>Prime Rent (CNY psm pm)</b> | 254     | ↑              |
| <b>Vacancy</b>                 | 17.1%   | ↓              |
| <b>Market Balance</b>          | Tenant  | Tenant         |

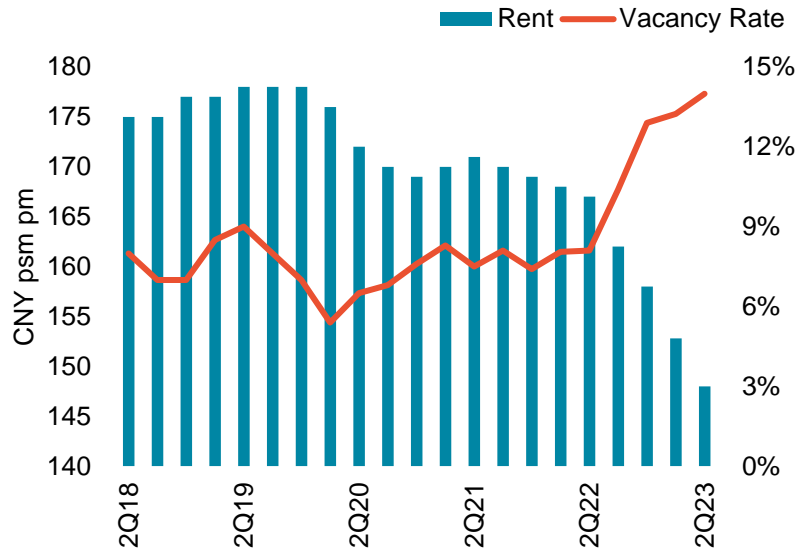


For more information,  
please contact:

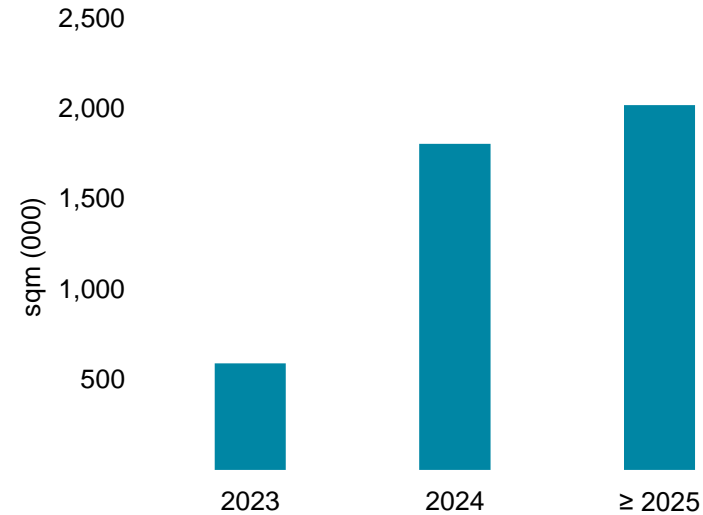
**Jonathan Rideout**  
Head of Office Strategy and  
Solutions, Shanghai  
+86 21 6032 1713  
jonathan.rideout@cn.knightfrank.com

# Guangzhou

## Rents and Vacancy



## Future Pipeline Supply



### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 5.2%  | 4.5%  |
| <b>Unemployment Rate</b> | 4.1%  | 3.9%  |
| <b>Inflation</b>         | 2.0%  | 2.2%  |

### Real Estate Indicators

|                                | Q2 2023 | 12mth Forecast |
|--------------------------------|---------|----------------|
| <b>Prime Rent (CNY psm pm)</b> | 148     | ↓              |
| <b>Vacancy</b>                 | 14.0%   | ↑              |
| <b>Market Balance</b>          | Tenant  | Tenant         |

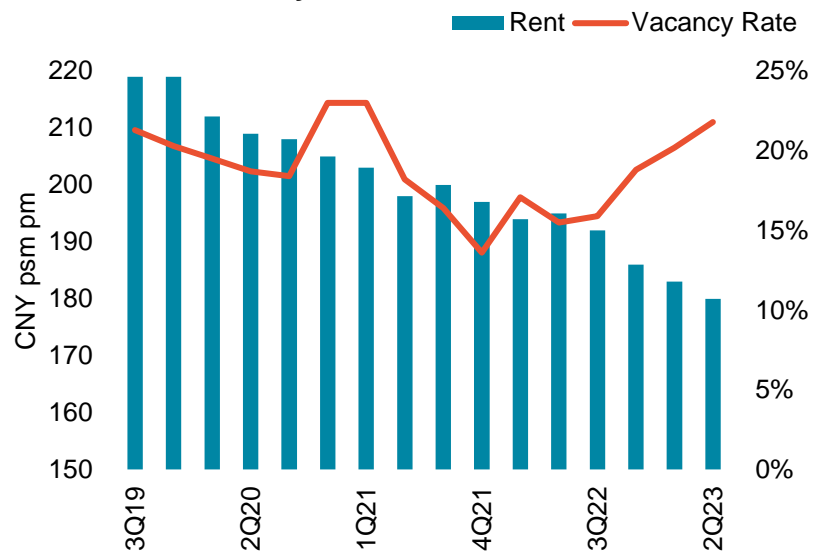


For more information, please contact:

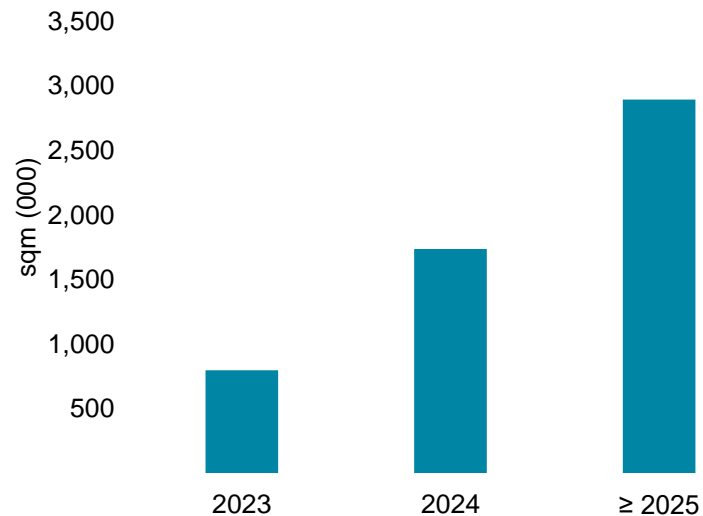
**Patrick Mak**  
 Managing Director, Office Strategy and Solutions, Greater Bay Area  
 +852 2846 0628  
 patrick.mak@hk.knightfrank.com

# Shenzhen

## Rents and Vacancy



## Future Pipeline Supply



### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 5.2%  | 4.5%  |
| <b>Unemployment Rate</b> | 4.1%  | 3.9%  |
| <b>Inflation</b>         | 2.0%  | 2.2%  |

### Real Estate Indicators

|                                | Q2 2023 | 12mth Forecast |
|--------------------------------|---------|----------------|
| <b>Prime Rent (CNY psm pm)</b> | 180     | ↓              |
| <b>Vacancy</b>                 | 21.8%   | ↑              |
| <b>Market Balance</b>          | Tenant  | Tenant         |

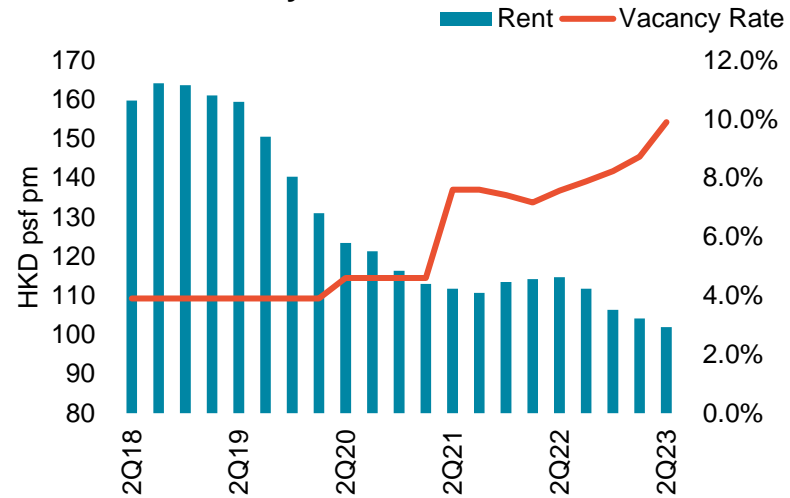


For more information, please contact:

**Patrick Mak**  
 Managing Director, Office Strategy and Solutions, Greater Bay Area  
 +852 2846 0628  
 patrick.mak@hk.knightfrank.com

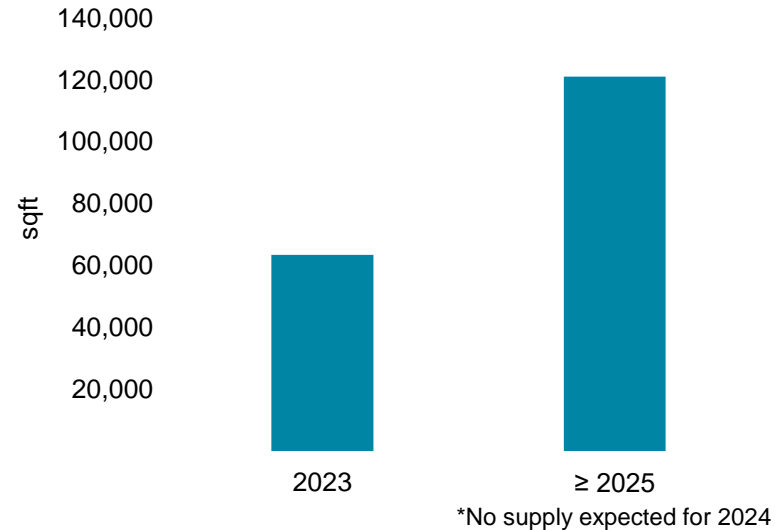
# Hong Kong SAR

## Rents and Vacancy



\*Grade A office space in prime area in Hong Kong Island, aka Central

## Future Pipeline Supply

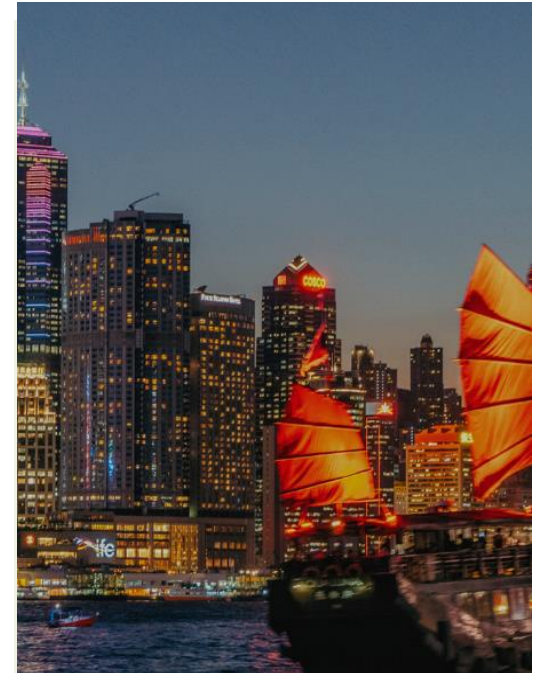


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 3.6%  | 3.7%  |
| <b>Unemployment Rate</b> | 3.4%  | 3.3%  |
| <b>Inflation</b>         | 2.3%  | 2.1%  |

### Real Estate Indicators

|                                 | Q2 2023 | 12mth Forecast |
|---------------------------------|---------|----------------|
| <b>Prime Rent (HK\$ psf pm)</b> | 104.2   | ↓              |
| <b>Vacancy</b>                  | 9.9%    | ↑              |
| <b>Market Balance</b>           | Tenant  | Tenant         |

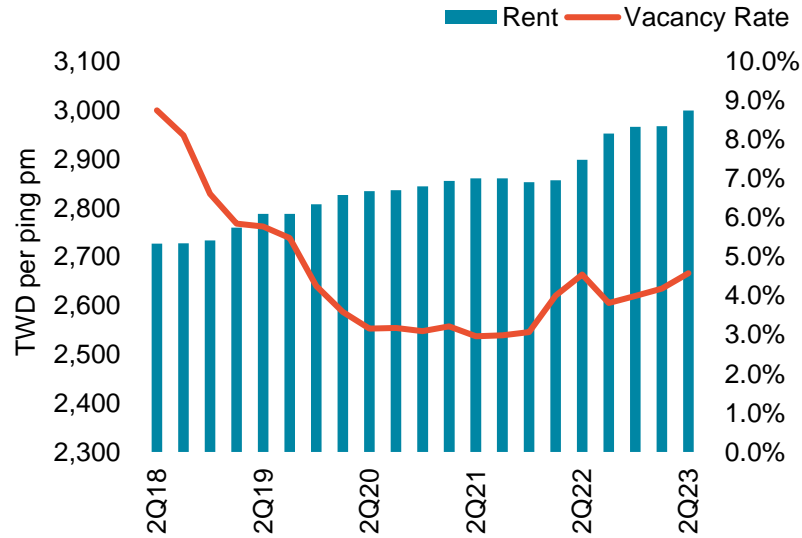


For more information,  
please contact:

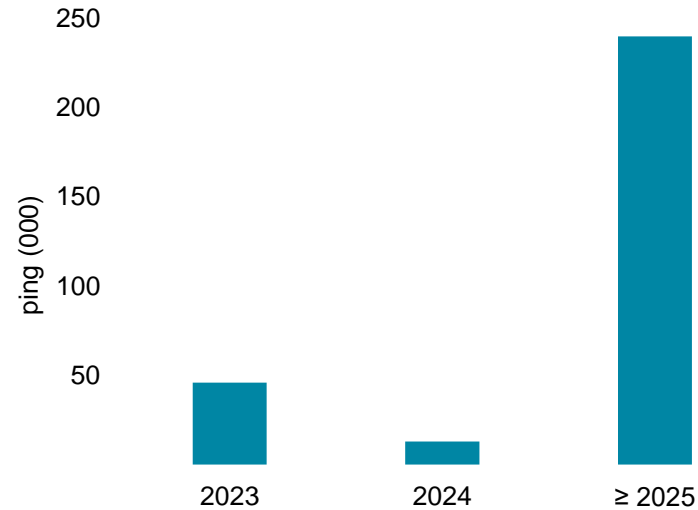
**Matthew Short**  
Head of Global Portfolio Solutions,  
Greater China  
+852 2846 7191  
matthew.short@hk.knightfrank.com

# Taipei

## Rents and Vacancy



## Future Pipeline Supply



### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 2.0%  | 2.6%  |
| <b>Unemployment Rate</b> | 3.7%  | 3.7%  |
| <b>Inflation</b>         | 2.0%  | 2.0%  |

### Real Estate Indicators

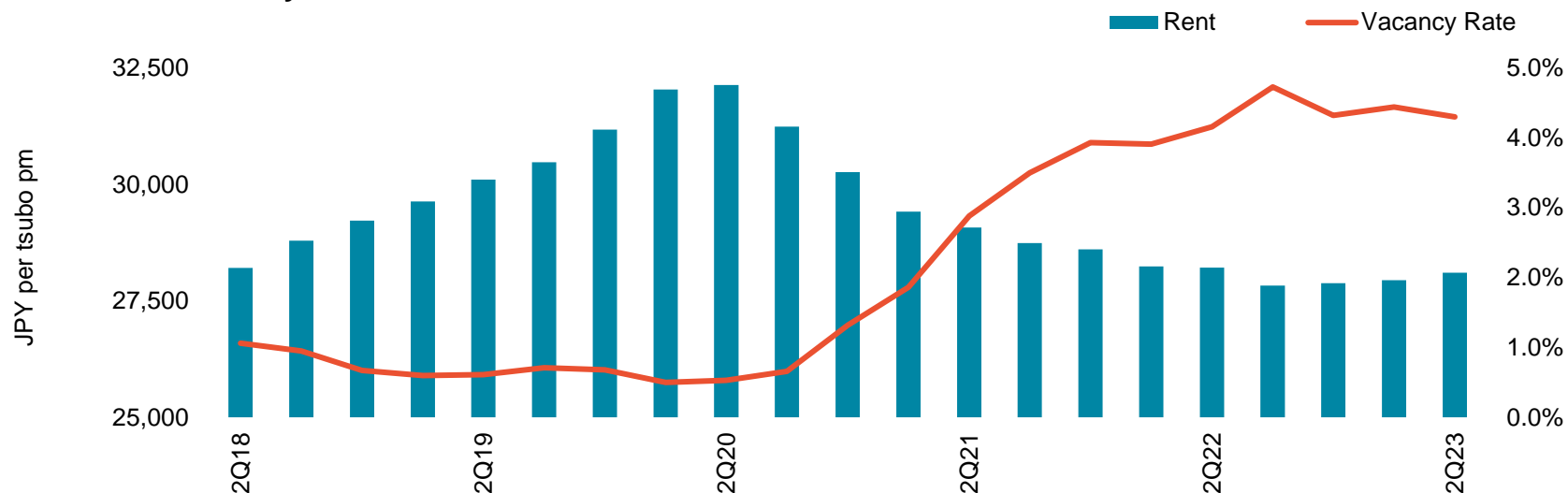
|                                      | Q2 2023  | 12mth Forecast |
|--------------------------------------|----------|----------------|
| <b>Prime Rent (TW\$ per ping pm)</b> | 3,000    | ↑              |
| <b>Vacancy</b>                       | 4.6%     | →              |
| <b>Market Balance</b>                | Landlord | Landlord       |



For more information, please contact:

**Jessica Lu**  
 Head, Office Strategy and Solutions  
 +886 2 8729 8776  
 jessica.lu@repro.knightfrank.com

## Rents and Vacancy

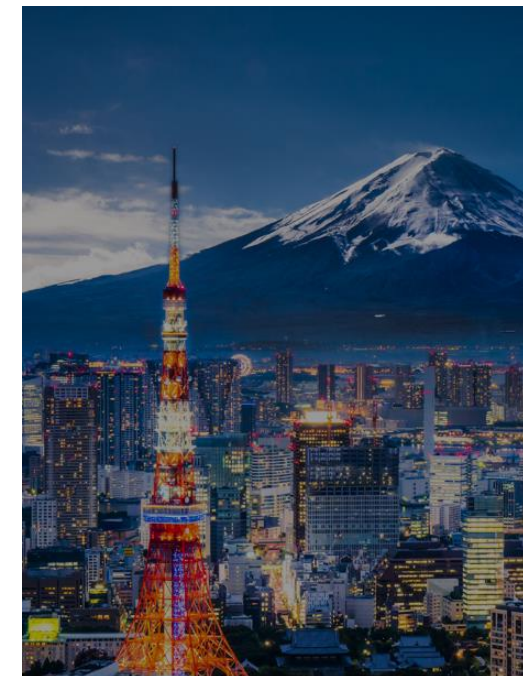


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 1.3%  | 1.0%  |
| <b>Unemployment Rate</b> | 2.3%  | 2.3%  |
| <b>Inflation</b>         | 2.7%  | 2.2%  |

### Real Estate Indicators

|                                      | Q2 2023 | 12mth Forecast |
|--------------------------------------|---------|----------------|
| <b>Prime Rent (JPY per tsubo pm)</b> | 28,104  | →              |
| <b>Vacancy</b>                       | 4.3%    | ↑              |
| <b>Market Balance</b>                | Tenant  | Tenant         |

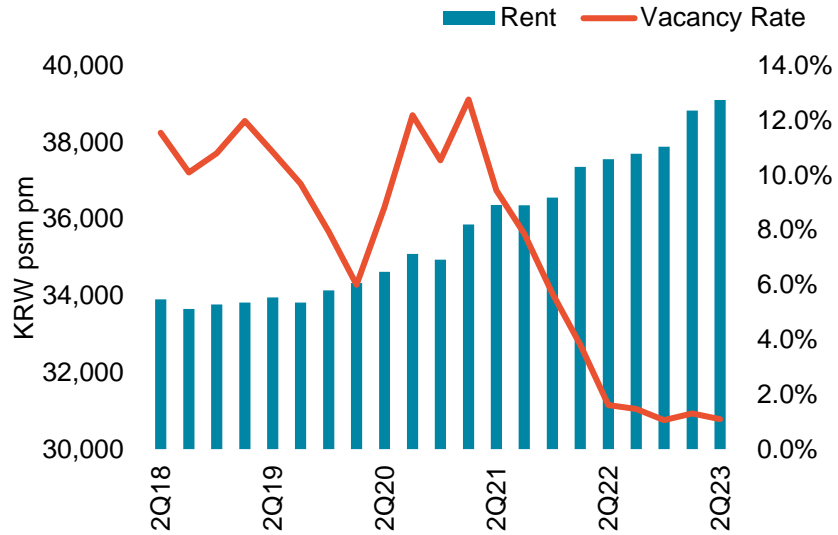


For more information,  
please contact:

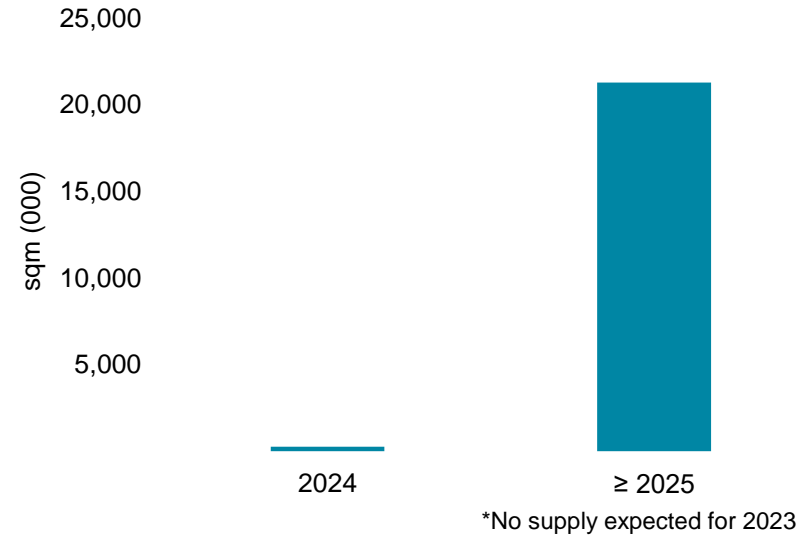
**Tim Armstrong**  
Global Head of Occupier Strategy  
and Solutions  
+65 6429 3531  
tim.armstrong@asia.knightfrank.com

# Seoul

## Rents and Vacancy



## Future Pipeline Supply



## Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 1.5%  | 2.2%  |
| <b>Unemployment Rate</b> | 3.7%  | 3.7%  |
| <b>Inflation</b>         | 3.2%  | 2.0%  |

## Real Estate Indicators

|                                | Q2 2023  | 12mth Forecast |
|--------------------------------|----------|----------------|
| <b>Prime Rent (KRW psm pm)</b> | 39,100   | →              |
| <b>Vacancy</b>                 | 1.1%     | →              |
| <b>Market Balance</b>          | Landlord | Landlord       |



For more information, please contact:

**David Lee**  
 Deputy Senior Manager, Global Portfolio Solutions/ Project Management, Korea  
 +82 2 2175 3988  
 david.lee@kr.knightfrank.com

---

# South Asia

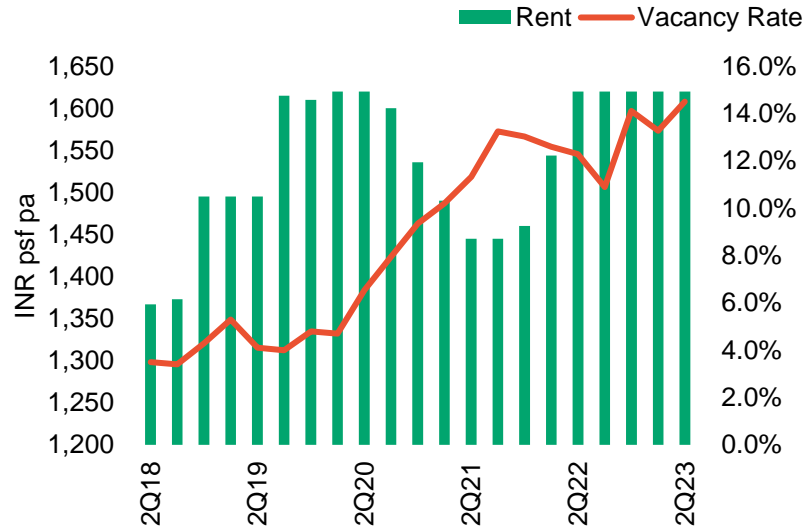
---

India has emerged as the fastest growing large economy in the world. This undercurrent of economic stability and growth is also reflected in the relatively stable occupier activity seen in the Indian office market, as the country established itself firmly among the top outsourcing destinations with growth capital increasingly finding its way into the country. The shrinkage in leasing by the IT sector was compensated by the flex occupiers and Global Capability Centers. Notwithstanding the global economic headwinds, office space demand has remained extremely resilient while new supply, at a cyclical low, preserved an equilibrium that has kept rental levels stable across the country's major markets in Q2 2023, a trend that has run into its fifth consecutive quarter. These conditions are expected to remain sustained for the rest of 2023, which will keep landlord-tenant conditions neutral.

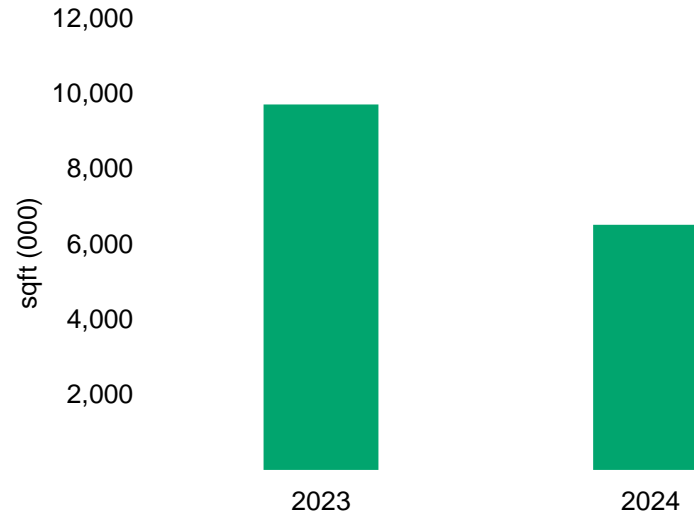


# Bengaluru

## Rents and Vacancy



## Future Pipeline Supply

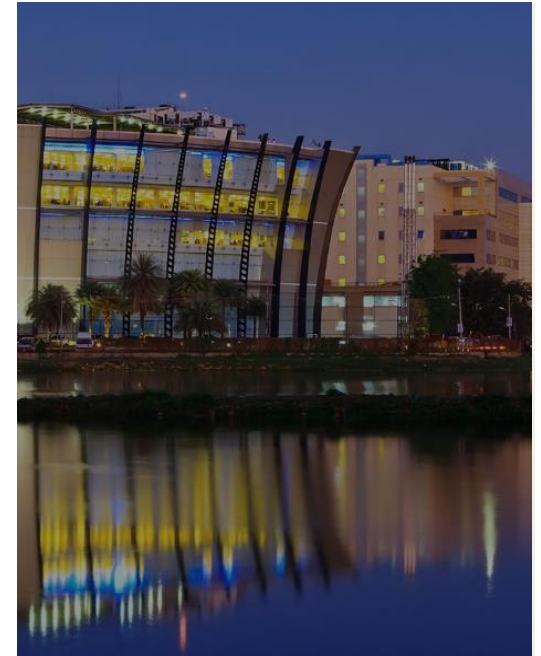


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 6.4%  | 6.7   |
| <b>Unemployment Rate</b> | NA    | NA    |
| <b>Inflation</b>         | 5.0%  | 4.5%  |

### Real Estate Indicators

|                                | Q2 2023  | 12mth Forecast |
|--------------------------------|----------|----------------|
| <b>Prime Rent (INR psf pa)</b> | 1,620    | →              |
| <b>Vacancy</b>                 | 14.5%    | →              |
| <b>Market Balance</b>          | Balanced | Balanced       |

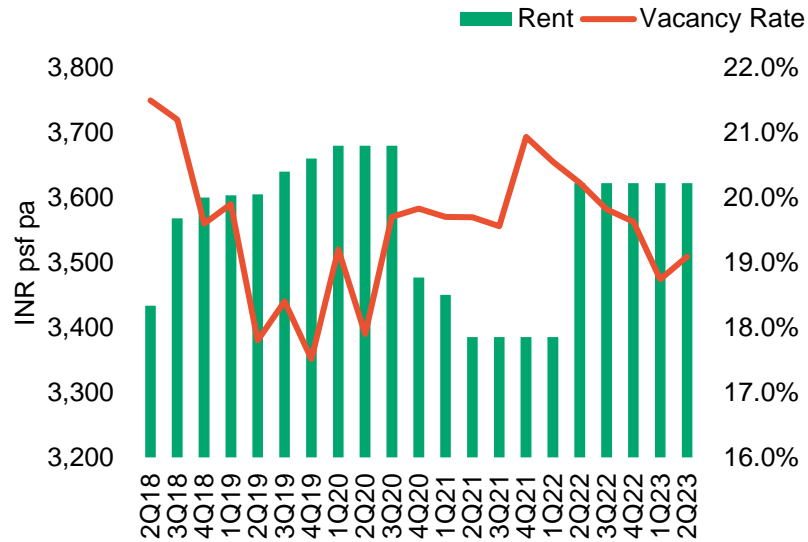


For more information, please contact:

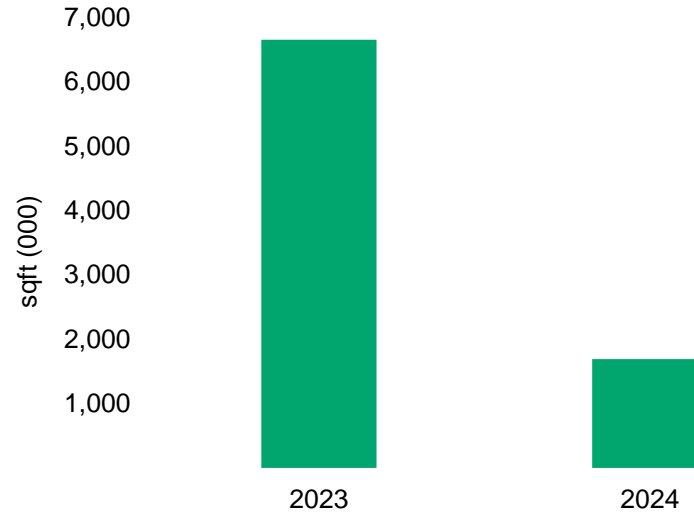
**Rahil Gibran**  
 National Director, Head of Occupier Strategy and Solutions, Bangalore  
 +91 80 6818 5674  
 rahil.gibran@in.knightfrank.com

# Mumbai Metropolitan Region (MMR)

## Rents and Vacancy



## Future Pipeline Supply

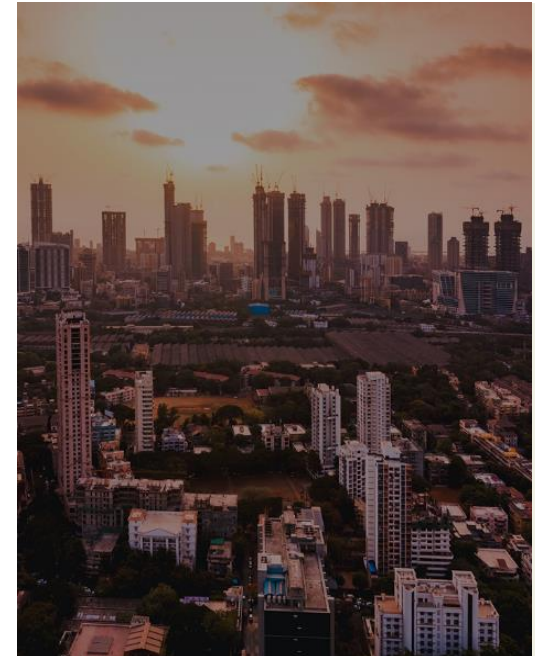


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 6.4%  | 6.7   |
| <b>Unemployment Rate</b> | NA    | NA    |
| <b>Inflation</b>         | 5.0%  | 4.5%  |

### Real Estate Indicators

|                                | Q2 2023  | 12mth Forecast |
|--------------------------------|----------|----------------|
| <b>Prime Rent (INR psf pa)</b> | 3,622    | →              |
| <b>Vacancy</b>                 | 19.1%    | →              |
| <b>Market Balance</b>          | Balanced | Balanced       |

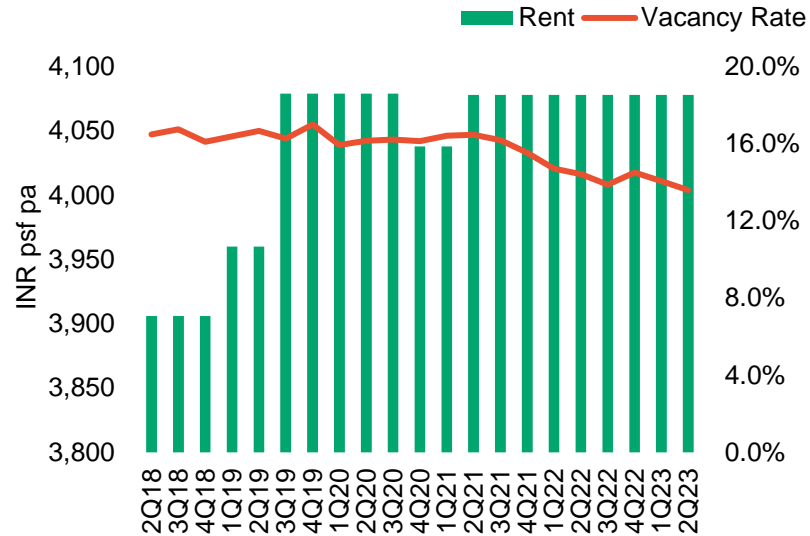


For more information, please contact:

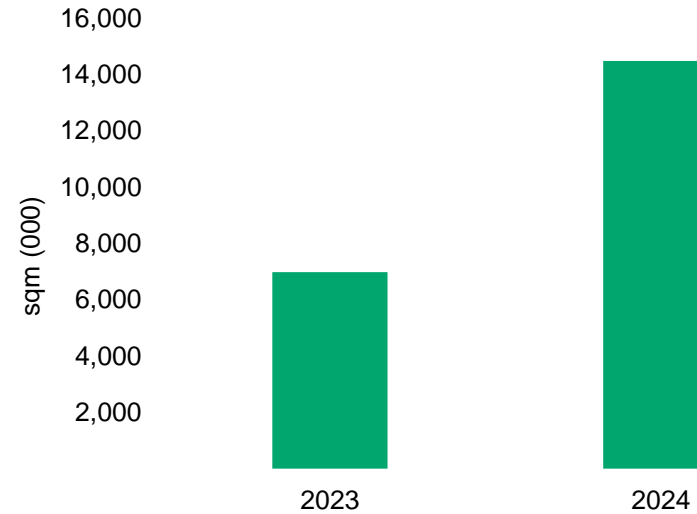
**Kaushik Shah**  
National Director, Occupier Strategy and Solutions  
+91 22 6745 0256  
kaushik.shah@in.knightfrank.com

# Delhi-NCR

## Rents and Vacancy



## Future Pipeline Supply

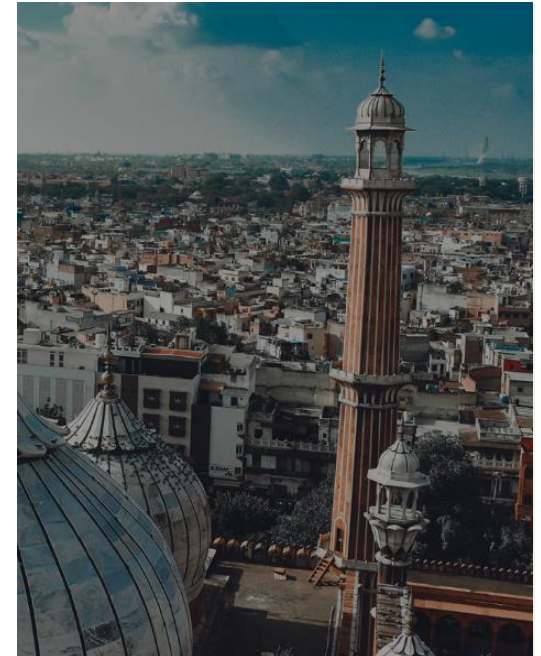


### Economic Indicators

|                          | 2023F | 2024F |
|--------------------------|-------|-------|
| <b>GDP Growth</b>        | 6.4%  | 6.7   |
| <b>Unemployment Rate</b> | NA    | NA    |
| <b>Inflation</b>         | 5.0%  | 4.5%  |

### Real Estate Indicators

|                                | Q2 2023  | 12mth Forecast |
|--------------------------------|----------|----------------|
| <b>Prime Rent (INR psf pa)</b> | 4,078    | →              |
| <b>Vacancy</b>                 | 13.6%    | →              |
| <b>Market Balance</b>          | Balanced | Balanced       |



For more information, please contact:

**Viral Desai**  
 Sr. Executive Director – Occupier Strategy and Solutions  
 +91 80 4073 2600  
 viral.desai@in.knightfrank.com

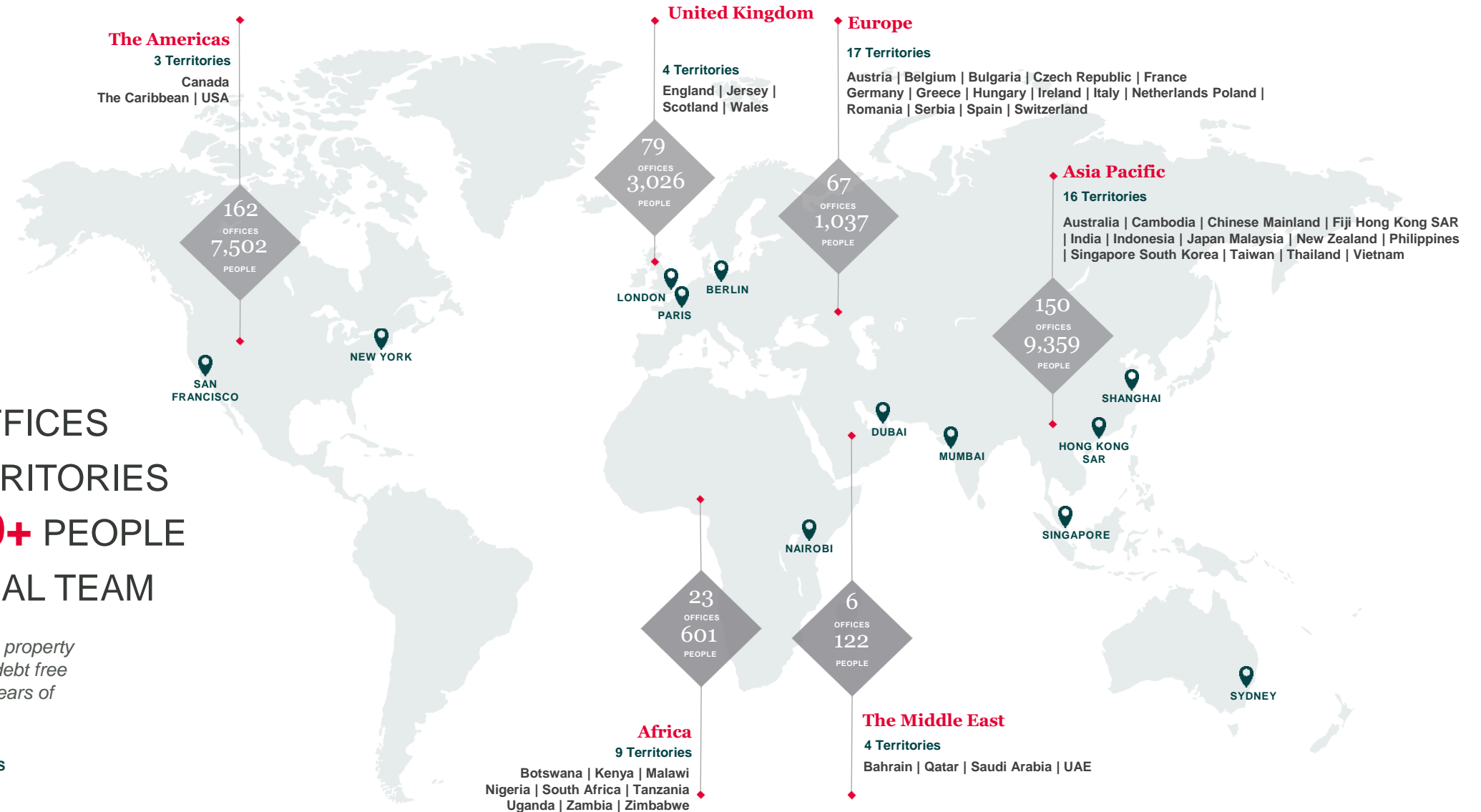
# Our Global Presence



**487** OFFICES  
**53** TERRITORIES  
**20,000+** PEOPLE  
**1** GLOBAL TEAM

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

 GATEWAY CITIES



---

## 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.



**Tim Armstrong**

Global Head of Occupier Strategy & Solutions

[tim.armstrong@asia.knightfrank.com](mailto:tim.armstrong@asia.knightfrank.com)

+65 9737 9991



**Matthew Short**

Executive Director

Head of Global Portfolio Solutions,  
Greater China

[matthew.short@hk.knightfrank.com](mailto:matthew.short@hk.knightfrank.com)

+852 2846 7191



**Christine Li**

Head of Research,  
Asia Pacific

[christine.li@asia.knightfrank.com](mailto:christine.li@asia.knightfrank.com)

+65 8511 3758