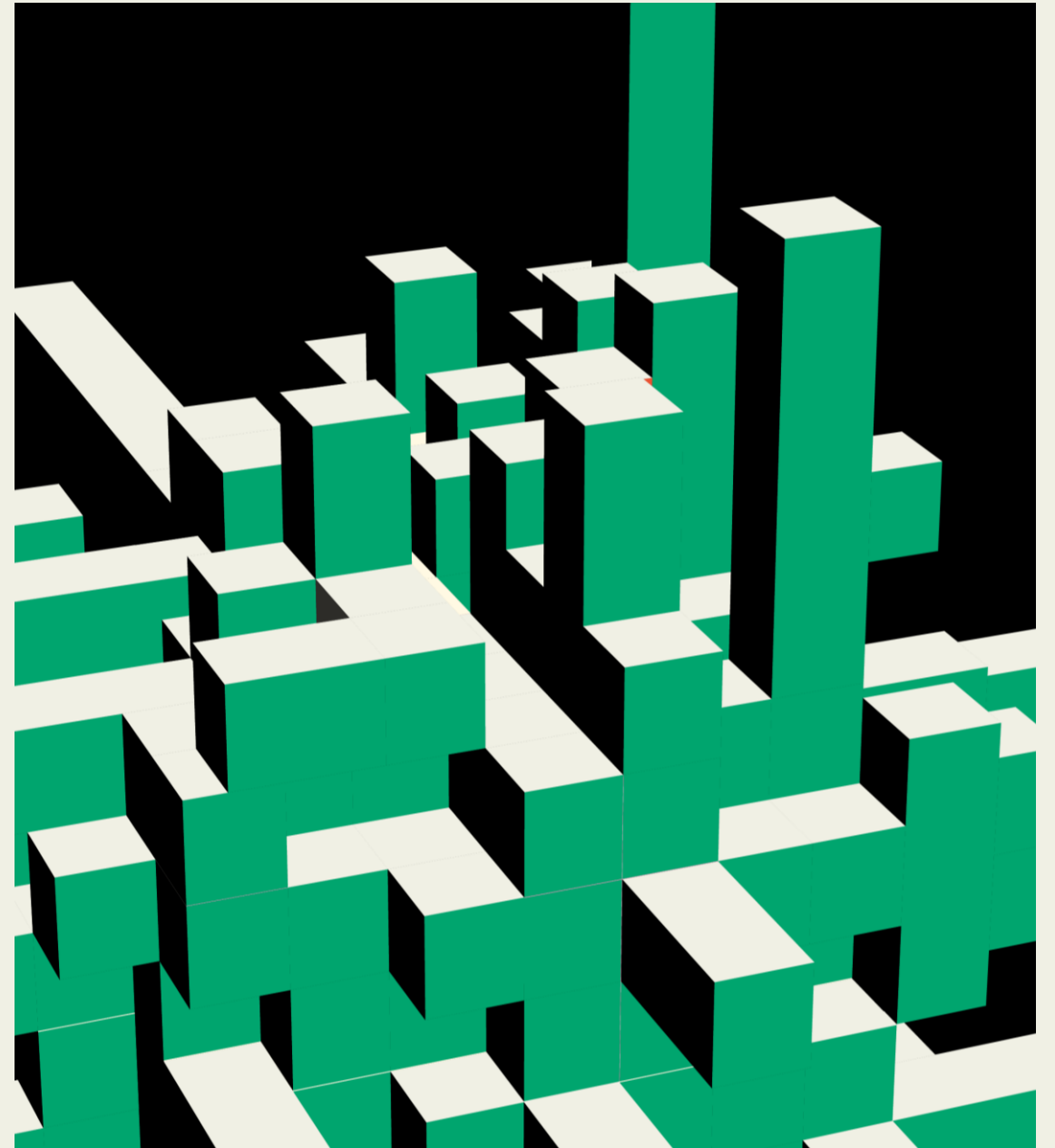


# Office Highlights Q2 2025

Knight Frank Asia-Pacific

Your partners in property

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# Asia-Pacific Overview – Q2 2025

## Summary

Prime rents in the region registered their first quarterly uptick in close to three years, rising a marginal 0.2% quarter-on-quarter. While the Chinese mainland prime office market continues to drag on the region's rents, policy support has stabilised vacancy rates and moderated rental declines, particularly in Beijing. However, it is still too soon to call a bottom yet as conditions remain volatile.

Healthy demand in major Indian and Australian office markets were able to offset the drop in the Chinese mainland. Brisbane continued to lead rental growth, which rose by over 14% year-on-year, due to the uplift in premium-grade assets as competition for high-quality spaces remain in force, driven by legal firms and government bodies.

Notably, leasing volumes in Bengaluru, Mumbai and Delhi-NCR were at 1.2 million sqm in Q2 2025, marking the highest second-quarter volume on record and representing a 20% increase from the previous year. Regionwide vacancies remained stable amid tightening availabilities in India and Southeast Asian markets.

US quant trading firm, Jane Street, struck one of Hong Kong's largest prime office leases, taking up over 220,000 sq ft. The territory is benefiting from US-China financial decoupling, as the city emerges as a leading centre for Chinese mainland firms seeking offshore funding.

Amid ongoing trade tensions with the US, Chinese and Hong Kong firms are also targeting Southeast Asia for expansion. Chinese companies are reportedly keen to tap Singapore's bourse to enter or expand in Southeast Asia.

However, companies looking to expand in Hong Kong will find current rentals attractive, which have fallen by 34% since Q4 2019. The premium Hong Kong offices once held over Singapore has narrowed sharply, from 105% in Q4 2019 to just 24%.

With tariff fatigue setting in, the expiration of Trump's deadline, now delayed to August, continues to cloud visibility. The lack of consistency can be expected to weigh on leasing momentum in the short term.

## ► 0.2%

QoQ change for Asia-Pacific Rental Index in Q2 2025

## ► Mumbai

Recorded the highest QoQ rental growth in Q2 2025

## ► 17 of 23

Tracked cities recorded stable or increasing rents YoY in Q2 2025

## ► Cautious

Expectations for 2025 office outlook

“As global disruption becomes the status quo, occupiers are rethinking real estate not just as a place to work, but as a strategic platform for growth. They want flexibility to pivot with speed, functionality that supports evolving business models, and resilience built into every square foot to weather what's ahead. Tenant activity for relocations is likely to remain modest for now as occupiers turn selective, shifting focus towards more holistic and dynamic strategies amid a flight-to-functionality.”



**Tim Armstrong**

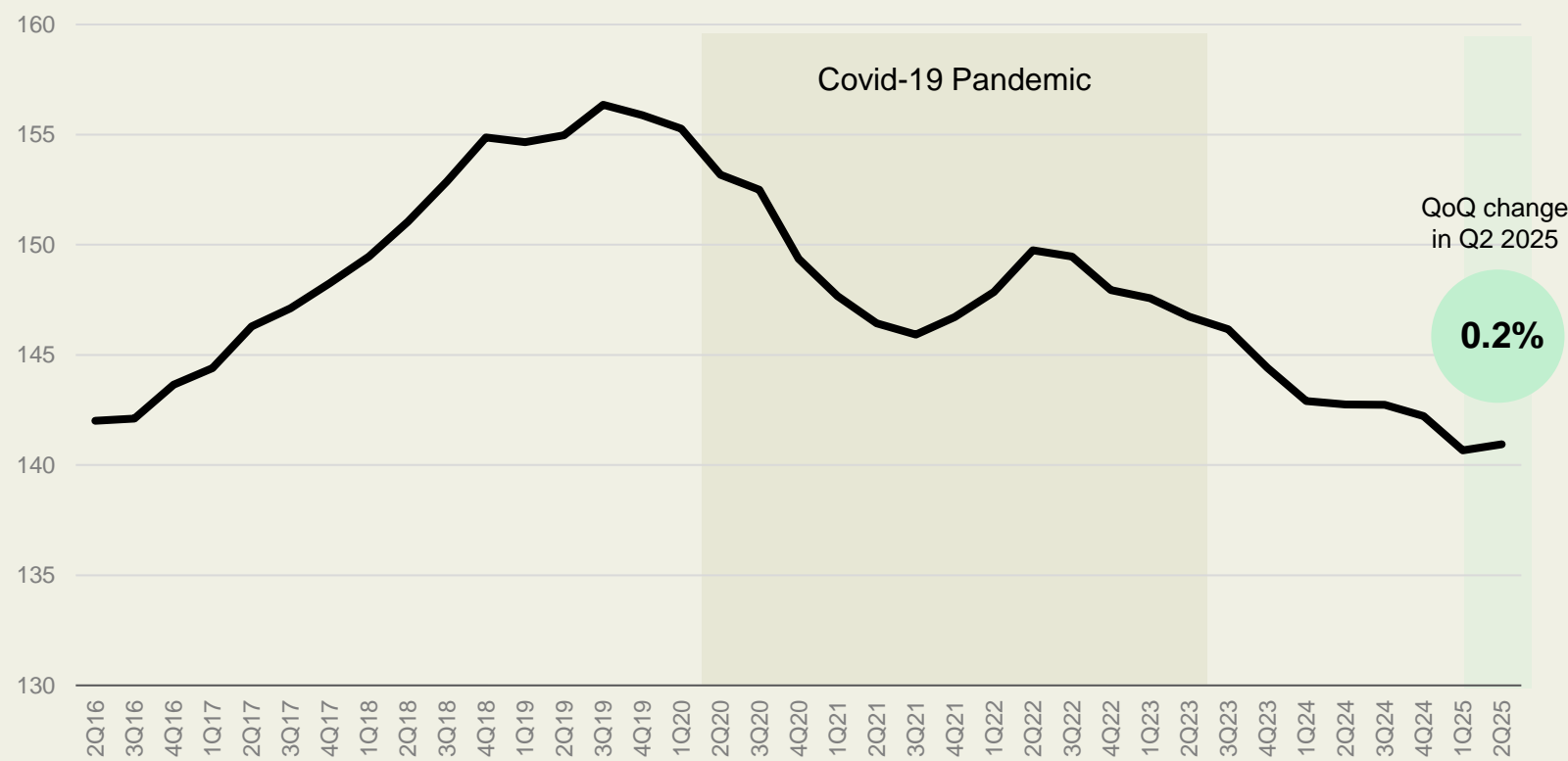
Global Head of Occupier Strategy and Solutions

# APAC Prime Office Rental Index

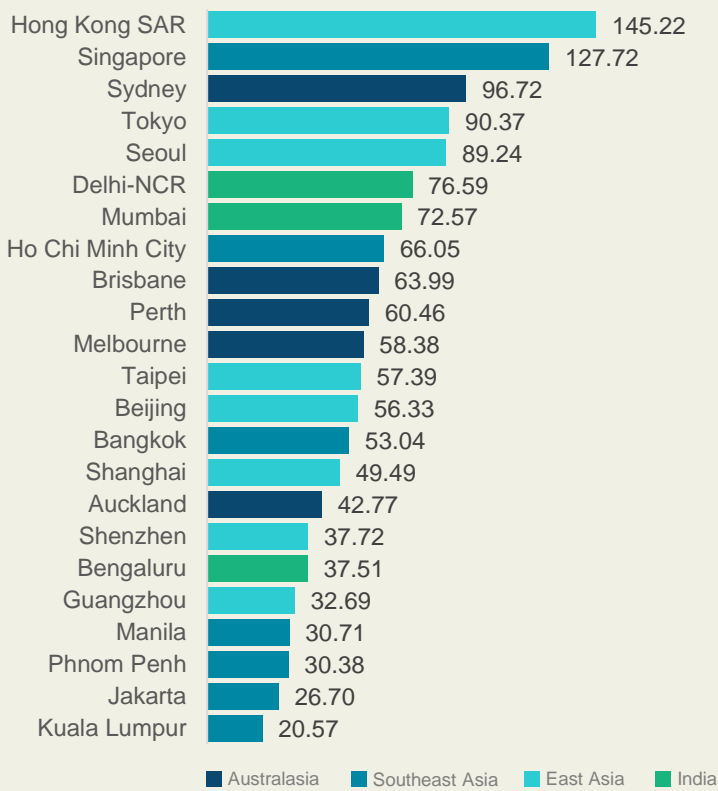


Prime rents in the region registered its first uptick in close to three years

APAC Prime Office Rental Index – 10 Year Historical



Q2 2025 Occupancy Cost (US\$/sqft/Year)

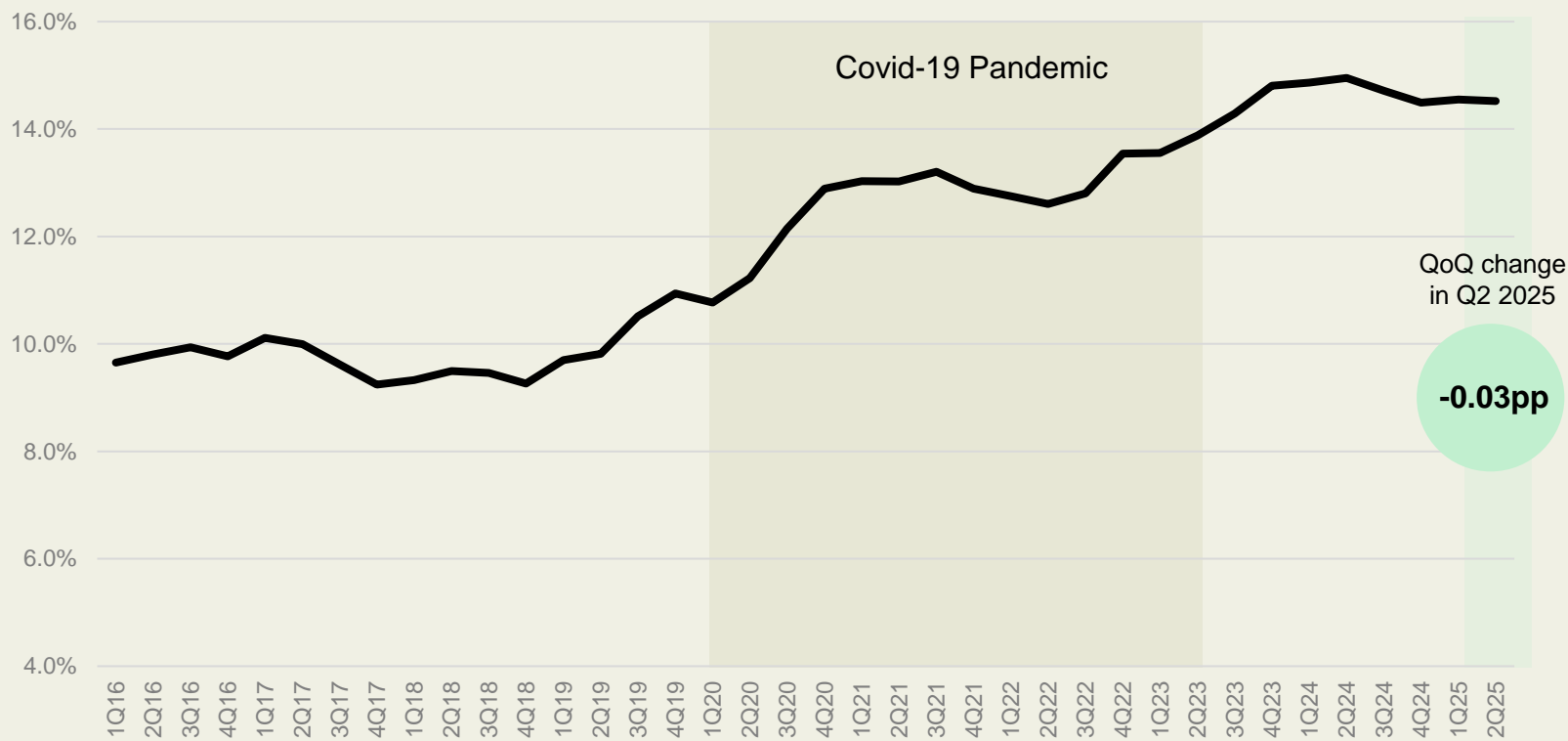


# APAC Prime Office Vacancy Rate

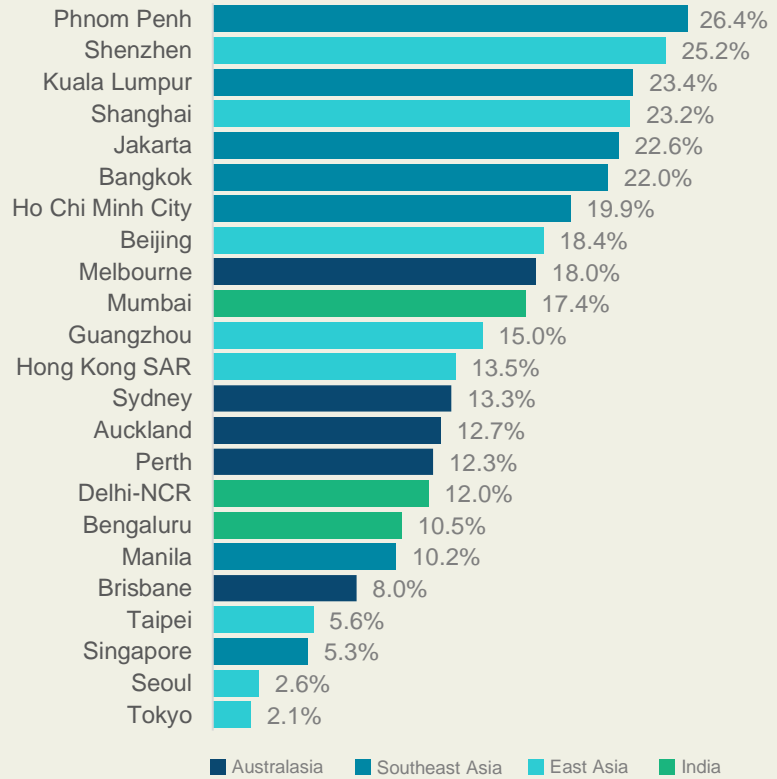


Tightening availabilities in India and Southeast Asia stabilise vacancy rate

APAC Prime Office Vacancy Rate – 10 Year Historical



Q2 2025 Vacancy Rate

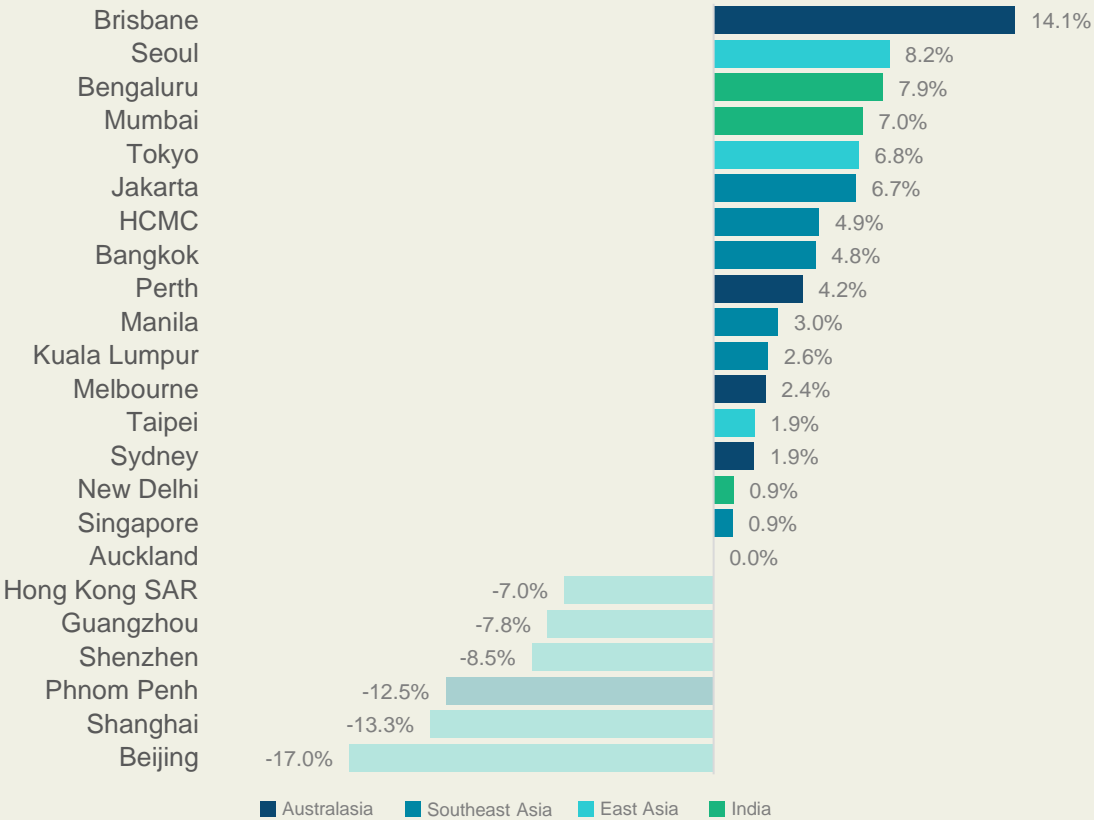


# APAC Prime Rental Rate Growth – Q2 2025

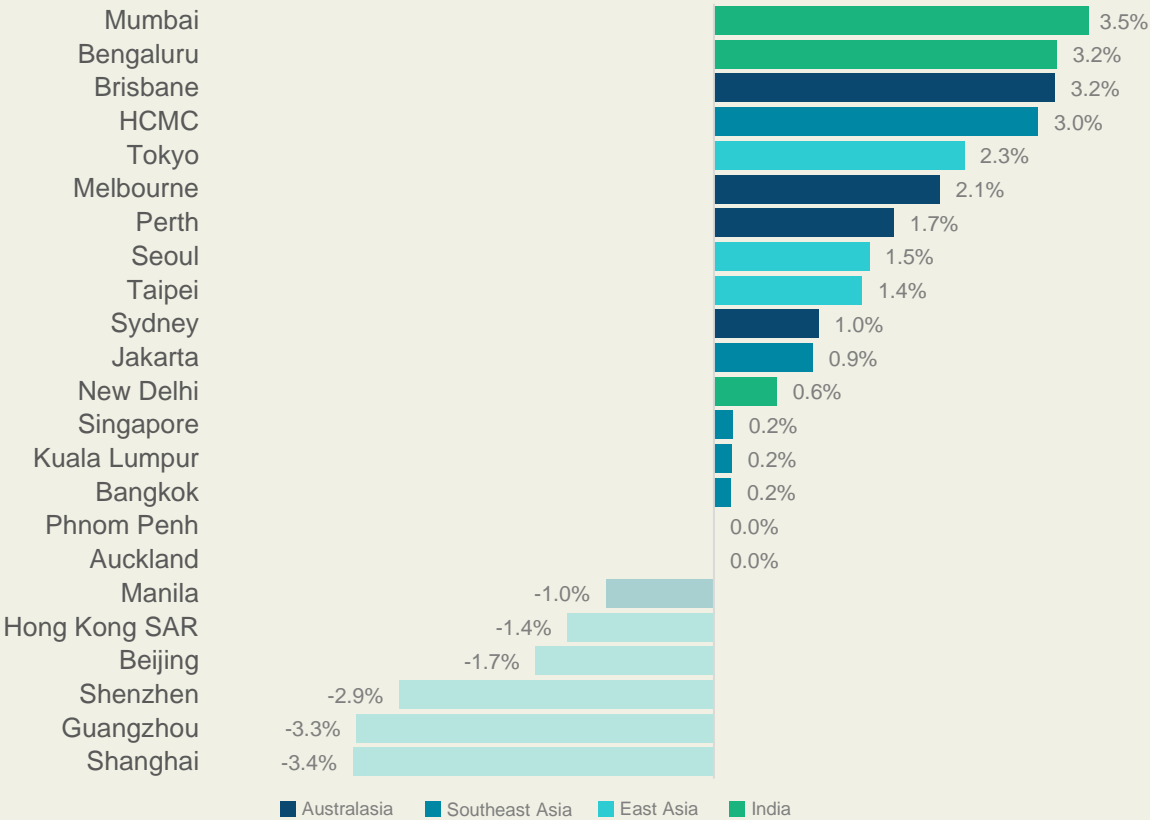


## Prime rental growth decelerates across the region

Year-on-Year Change (%)



Quarter-on-Quarter Change (%)



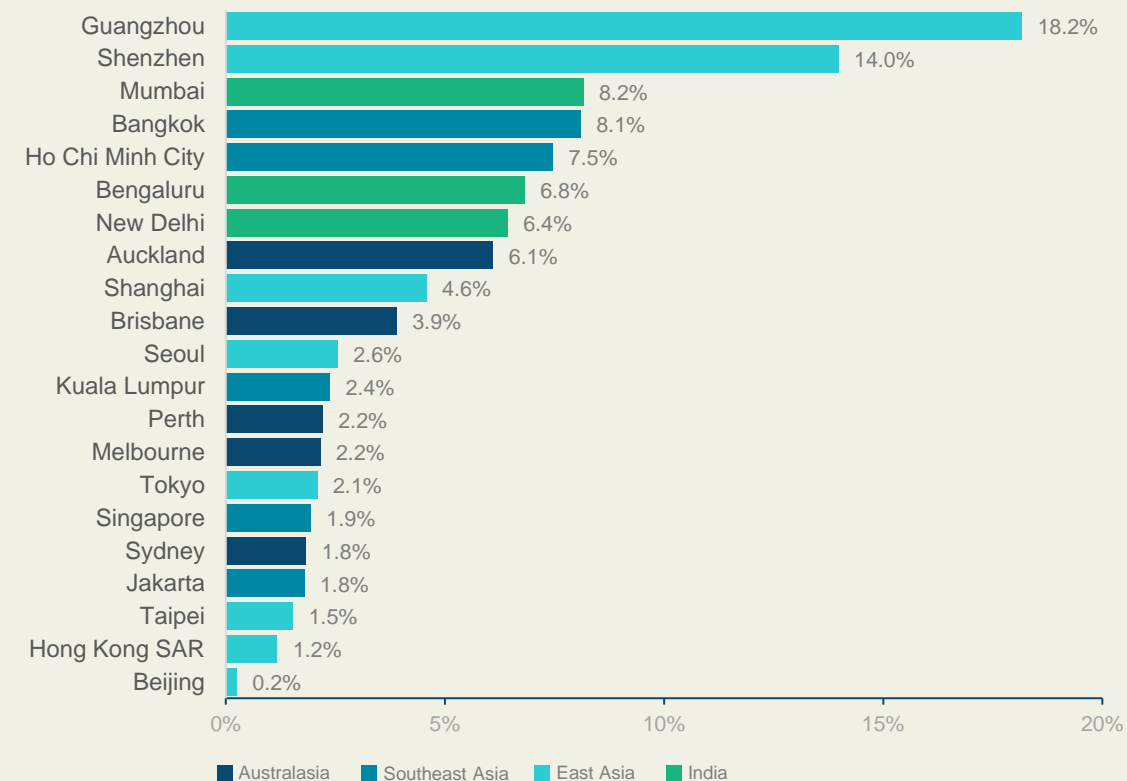
# APAC Office Pipeline Supply



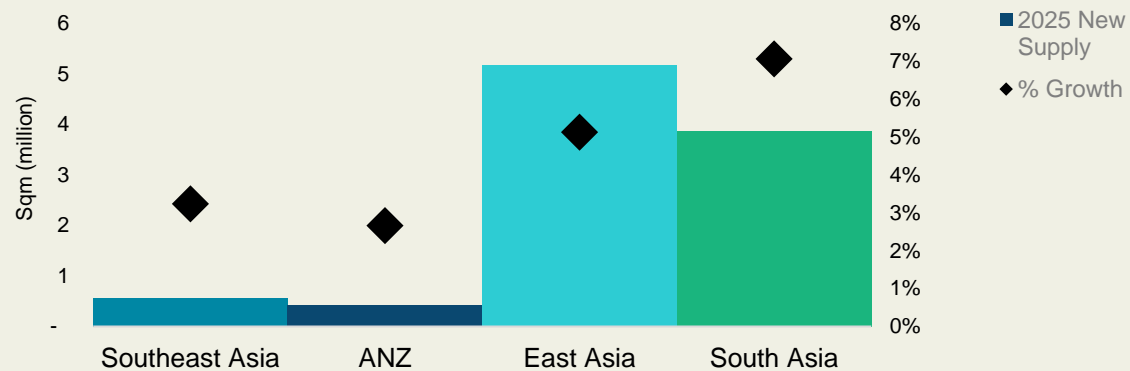
## Deferred completions swell development pipeline in 2025

### New Supply Growth in 2025

Proportion of 2025 Supply to 2024 Stock

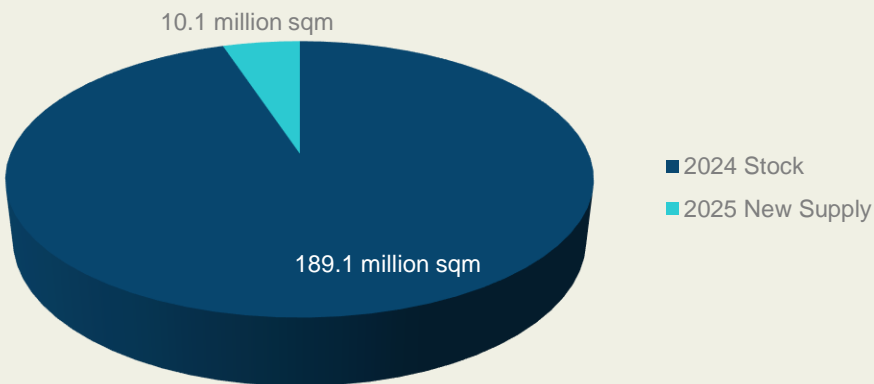


### New Supply by Sub-Region



### APAC Grade A Stock

Office inventory to rise 5.3% in 2025



# APAC Office Snapshot – Q2 2025

## 12-Month Rental Outlook

### ▼ Decreasing

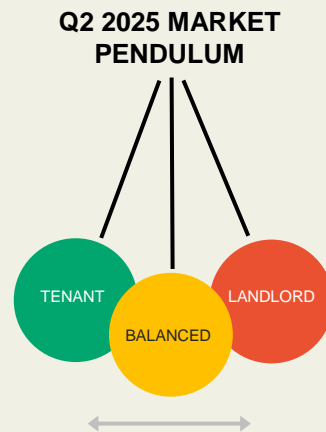
- Beijing
- Shanghai
- Guangzhou
- Shenzhen
- Hong Kong SAR

### ◀▶ Unchanged

- Bengaluru
- Mumbai
- Delhi-NCR
- Singapore
- Kuala Lumpur
- Melbourne
- Jakarta
- Phnom Penh
- Ho Chi Minh City
- Manila

### ▲ Increasing

- Brisbane
- Sydney
- Perth
- Taipei
- Auckland
- Seoul
- Bangkok
- Tokyo



# APAC Rent Summary – Q2 2025

City	Submarket(s)	Units	Prime Net Headline Rent	YoY % Change	QoQ %Change	12-month Outlook	Vacancy
Brisbane	CBD	AUD/sqm/annum	842	14.1%	3.2%	↑	8.0%
Melbourne	CBD	AUD/sqm/annum	735	2.4%	2.1%	→	18.0%
Perth	CBD	AUD/sqm/annum	756	4.2%	1.7%	↑	12.3%
Sydney	CBD	AUD/sqm/annum	1,342	1.9%	1.0%	↑	13.3%
Auckland	CBD	NZD/sqm/annum	590	0.0%	0.0%	→	12.7%
Tokyo	Central 5 Wards	JPY/tsubo/month	30,273	6.8%	2.3%	↑	2.1%
Beijing	Various	CNY/sqm/month	233	-17.0%	-1.7%	↓	18.4%
Guangzhou	CBD	CNY/sqm/month	125	-7.8%	-3.3%	↓	15.0%
Shanghai	Puxi, Pudong	CNY/sqm/month	198	-13.3%	-3.4%	↓	23.2%
Shenzhen	CBD	CNY/sqm/month	152	-8.5%	-2.9%	↓	25.2%
Hong Kong SAR	Central	HKD/sqft/month	86.50	-7.0%	-1.4%	↓	13.5%
Taipei	Downtown	TWD/ping/month	3,347	1.9%	1.4%	↑	5.6%
Seoul	CBD, GBD, YBD	KRW/sqm/month	43,805	8.2%	1.5%	↑	2.6%
Bengaluru	CBD	INR/sqft/annum	1,771	7.9%	3.2%	→	10.5%
Mumbai	BKC	INR/sqft/annum	3,875	7.0%	3.5%	→	17.4%
Delhi-NCR	Connaught Place	INR/sqft/annum	4,116	0.9%	0.6%	→	12.0%
Phnom Penh	City Centre	USD/sqm/month	21.29	-12.5%	0.0%	→	26.4%
Jakarta	CBD	IDR/sqm/month	330,040	6.7%	0.9%	↑	25.0%
Kuala Lumpur	City Centre	MYR/sqft/month	6.02	2.6%	0.2%	→	23.4%
Singapore	Raffles Place, Marina Bay	SGD/sqft/month	11.38	0.9%	0.2%	→	5.3%
Bangkok	CBD	THB/sqm/month	1,250	4.8%	0.2%	→	22.0%
Manila	Various	PHP/sqm/month	1,373	3.0%	-1.0%	↓	10.2%
Ho Chi Minh City	CBD	USD/sqm/mth	53.39	4.9%	3.0%	↓	9.0%



# Selected Leasing Deals/Negotiations

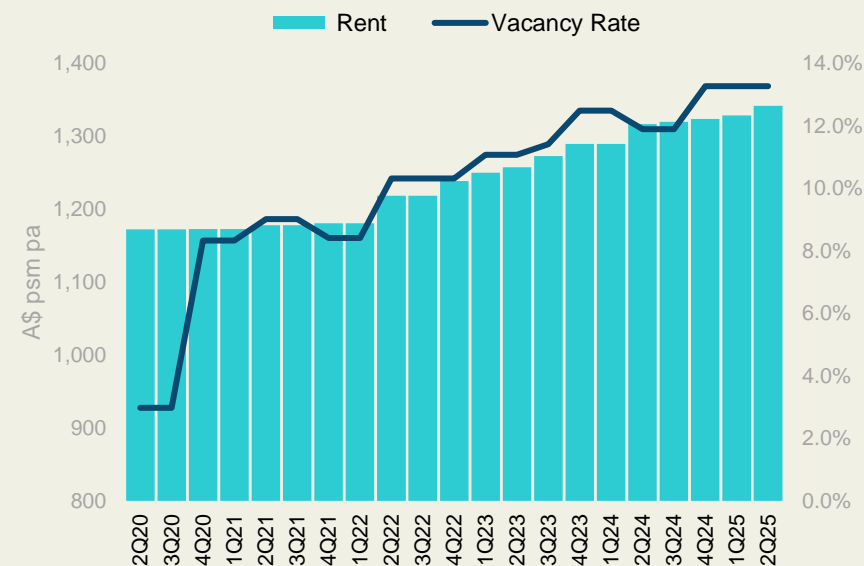
City	Tenant	Building Name	Submarket	Size (sqm)	Type
Bengaluru	Tablespace	Gopalan Fortune City	Non-CBD	46,452	Expansion
	Qualcomm	Bagmane Constellation	Non-CBD	13,935	Expansion
	WSP Consultant	Embassy Manyata Tech Park	Non-CBD	13,860	Expansion
Guangzhou	Hikvision	Guangzhou HEMC Wisdom Valley	Non-CBD	6,000	New Lease
	Yuanfang Goods	Joyy Building	Non-CBD	4,000	Relocation/Expansion
	FWD Tech	GT Land Plaza	CBD	4,460	Renewal
Ho Chi Minh City	Astrazeneca	Marina Central Tower	CBD	2,400	Relocation
	HCL	Riverfront Financial Centre	CBD	1,600	Relocation
	JustCo	Riverfront Financial Centre	CBD	1,300	New Lease
Hong Kong	Jane Street Asia	New Central Harbourfront	CBD	20,758	New Lease
Shanghai	Everest Medicines	AIA Centre	Non-CBD	3,300	Relocation
	Luxottica	IFC Phase Two	CBD	2,500	Renewal
Shenzhen	Huawei Harmony Department	Gemdale Viseen Tower	CBD	10,000	New Lease
	GEM	Satcom Building	Non-CBD	6,000	Relocation
	China Merchants Life Insurance	Xinyi Qianhai Building	Non-CBD	5,500	Relocation
Singapore	Singlife	Marina One East Tower	CBD	6,810	Relocation
	Bank of New York Mellon (BNY)	Marina One East Tower	CBD	4,645	Relocation
	Quantedge Capital	Capital Square	CBD	2,787	Relocation/Expansion
Sydney	Mott MacDonald	Darling Park Tower 1	CBD	3,726	New Lease
	Steadfast	2 Park St	CBD	2,647	New Lease
Taipei	Dentsu	Fubon A25	CBD	16,400	Relocation



# Australasia

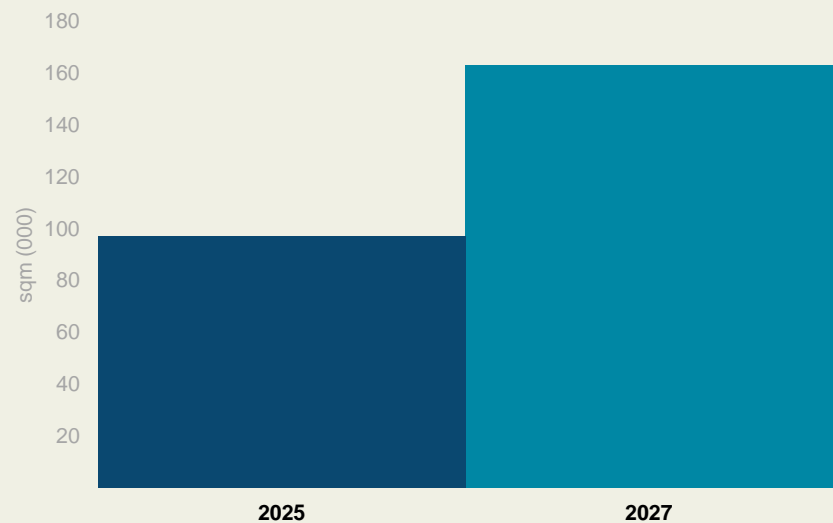
Rental growth picked up steam, with broad based rises across the Eastern Seaboard markets. Prime net effective rents across Australia's prime office markets rose 4.3% year-on-year, lifted by the 14.1% increase in Brisbane. Average incentives, estimated at 38.5% in 2025, are down from an average of 40% in the last two years, while new supply in 2025 is coming online with almost full pre-commitments. Rents in Melbourne also reversed the preceding quarter's decline to rise 1.8%. Growth was observed to be largely concentrated in the prime Eastern Core submarket, driven by legal and professional services firms. The area is rich in amenities and well-connected, which is what tenants are gravitating to and prepared to pay for. While face rent in Perth continued to rise, higher incentives to get deals over the line, which rose to about 47%, led to a marginal dip in effective rents. Auckland's office leasing market has remained in a holding pattern due to softer business confidence.

## Rents and Vacancy



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

## Pipeline Supply



\*No supply expected in 2026

Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (A\$ psm pa)	1,342	↑
Vacancy	13.3%	→
Market Balance	Tenant	Tenant

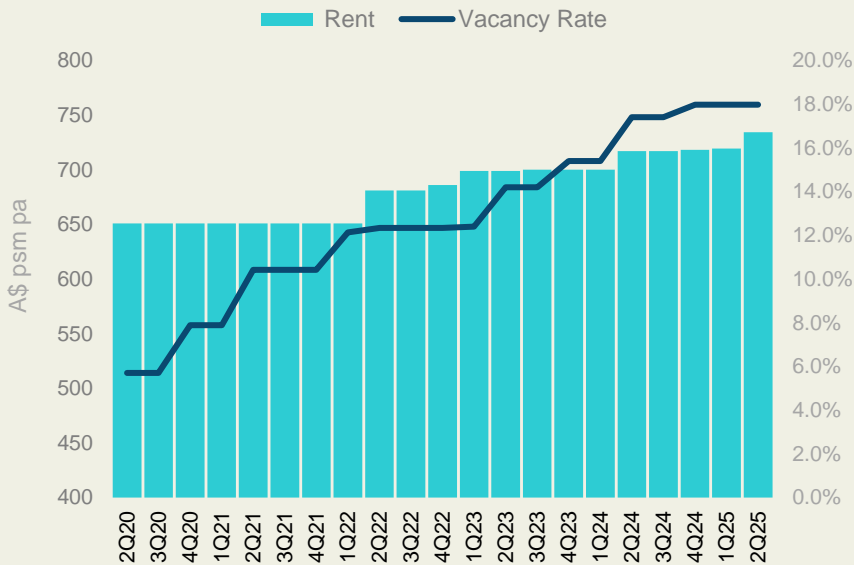


For more information,  
please contact:

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

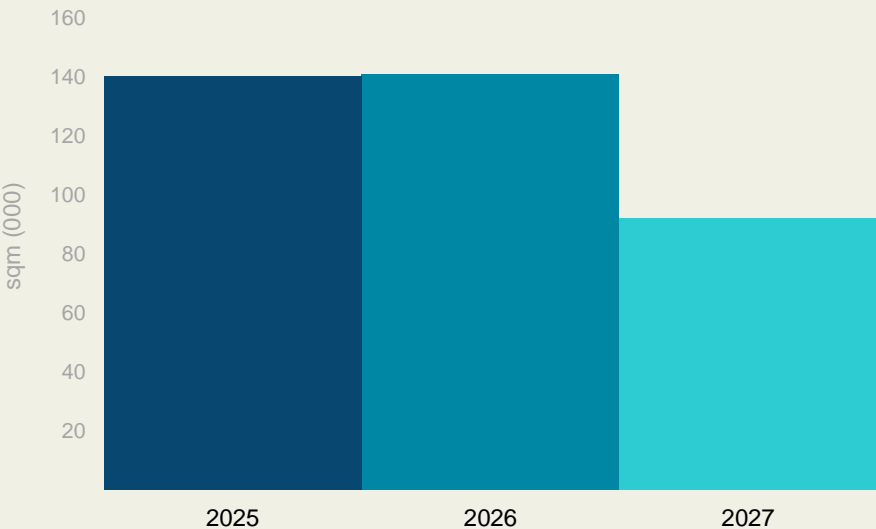


## Rents and Vacancy

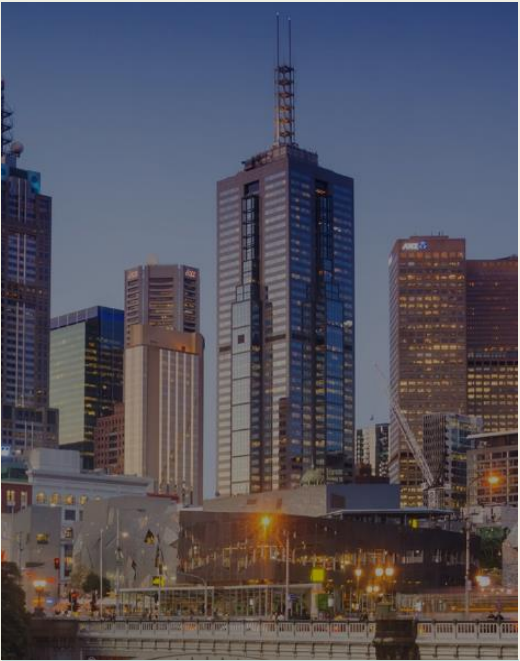


Economic Indicators		
	2025F	2026F
GDP Growth	2.4%	2.3%
Unemployment Rate	4.2%	4.2%
Inflation	3.7%	2.8%

## Pipeline Supply



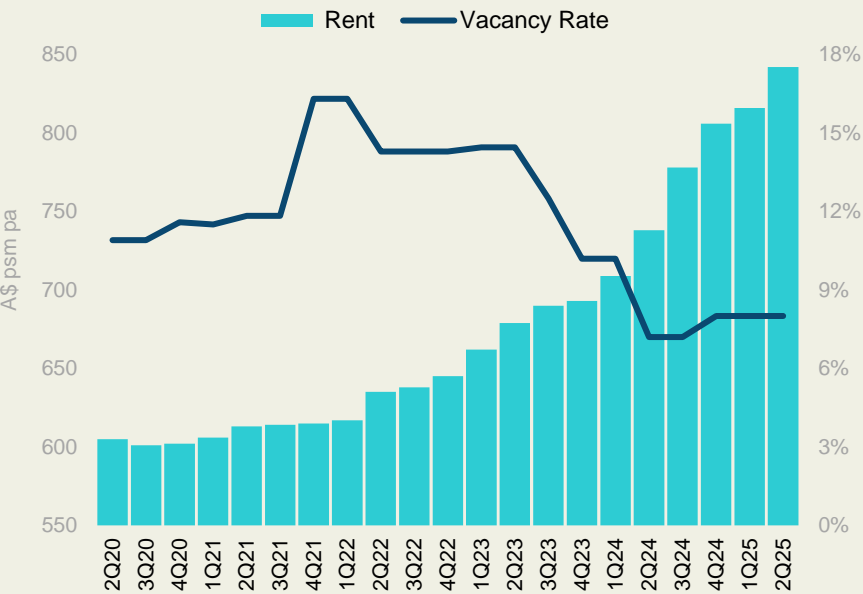
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (A\$ psm pa)	735	→
Vacancy	18.0%	→
Market Balance	Balanced	Balanced



For more information,  
please contact:

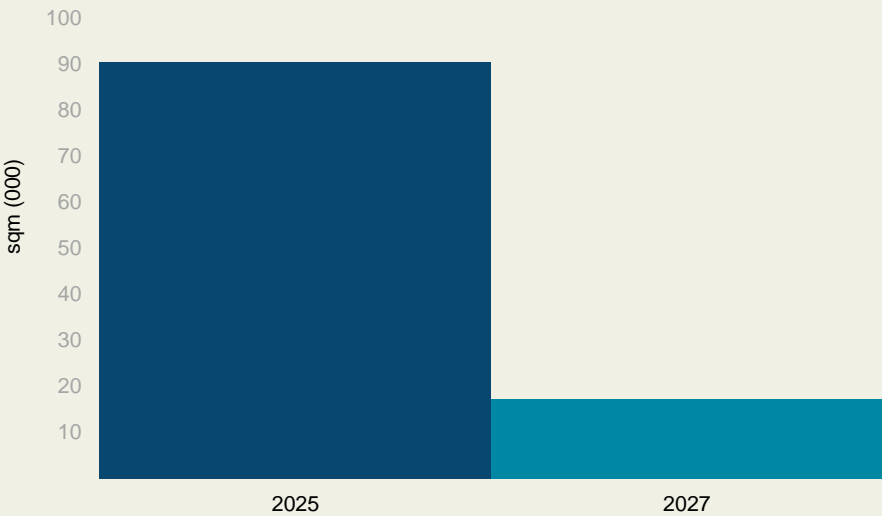
**Craig Carr**  
Head of Tenant Representation –  
Victoria  
[Craig.Carr@au.knightfrank.com](mailto:Craig.Carr@au.knightfrank.com)  
+61 447 463 778

Rents and Vacancy



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

Pipeline Supply



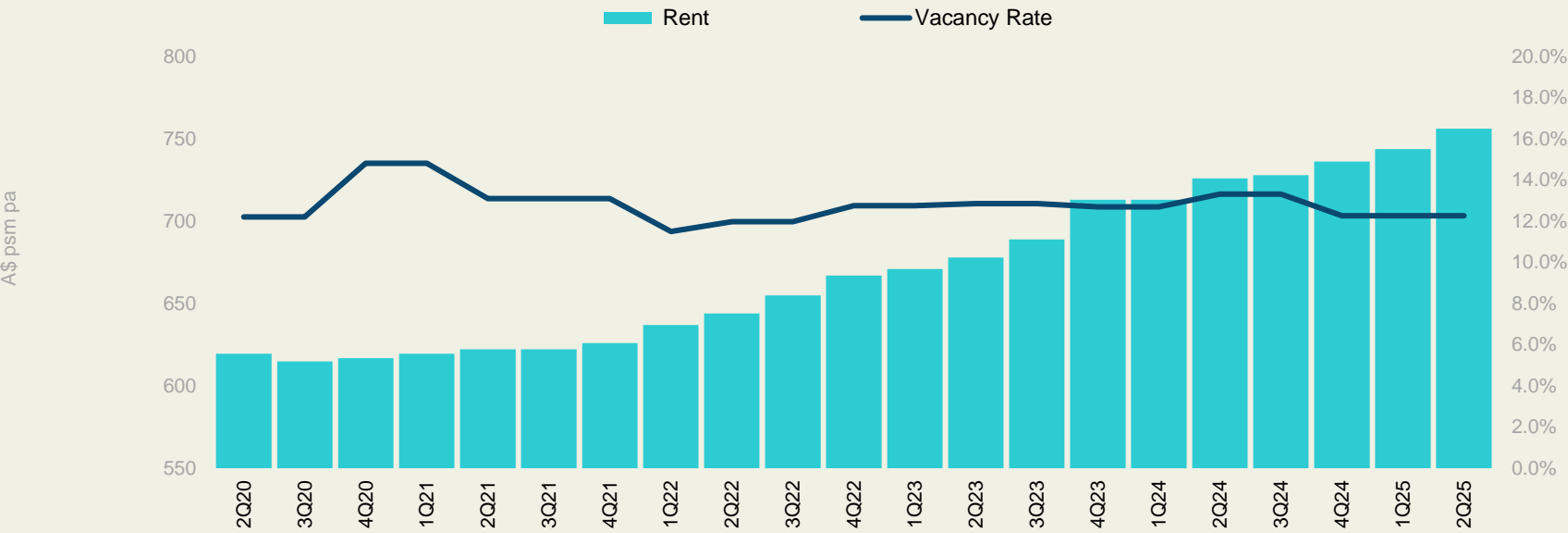
\*No supply expected in 2026

Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (A\$ psm pa)	842	↑
Vacancy	8.0%	↑
Market Balance	Balanced	Balanced



For more information,  
please contact:  
**Richard Pearce**  
Partner, Tenant Representation Office  
[Richard.pearce@au.knightfrank.com](mailto:Richard.pearce@au.knightfrank.com)  
+61 7 3246 8836

Rents and Vacancy



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

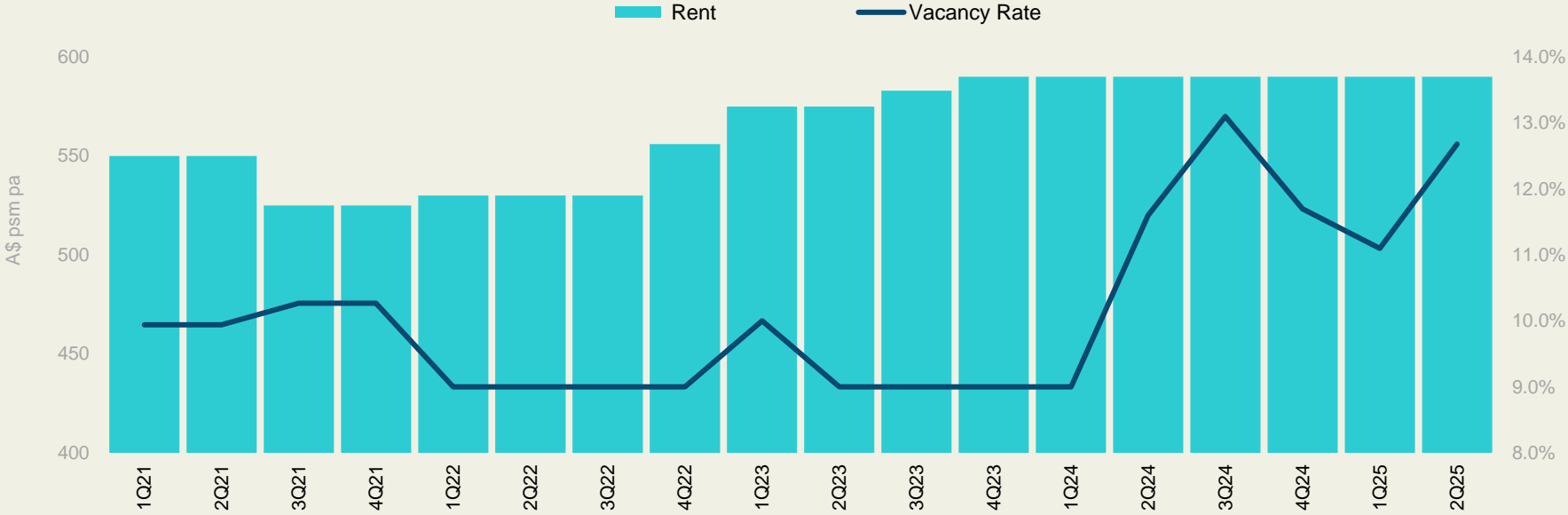
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (A\$ psm pa)	756	↑
Vacancy	12.3%	→
Market Balance	Tenant	Balanced



For more information,  
please contact:

**Alyson Martinovitch**  
State Head of Tenant Representation -  
WA  
[Alyson.Martinovitch@au.knightfrank.com](mailto:Alyson.Martinovitch@au.knightfrank.com)  
+61 459 696 098

## Rents and Vacancy



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

Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (NZ\$ psm pa)	590	→
Vacancy	12.7%	→
Market Balance	Balanced	Balanced



For more information,  
please contact:

**Steve Rendall**  
National and Head of Occupier Strategy  
& Solutions  
Steve.rendall@bayleys.co.nz  
+64 27 521 2599



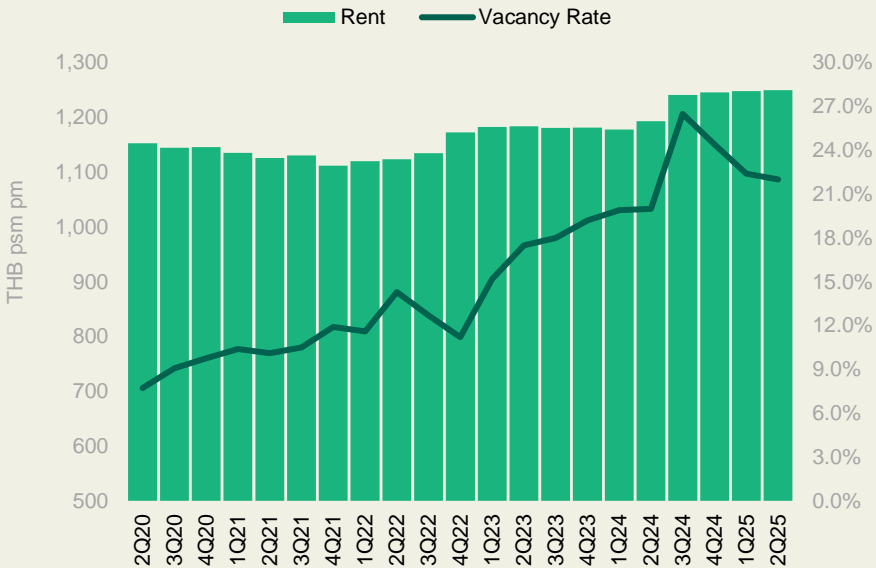


# Southeast Asia

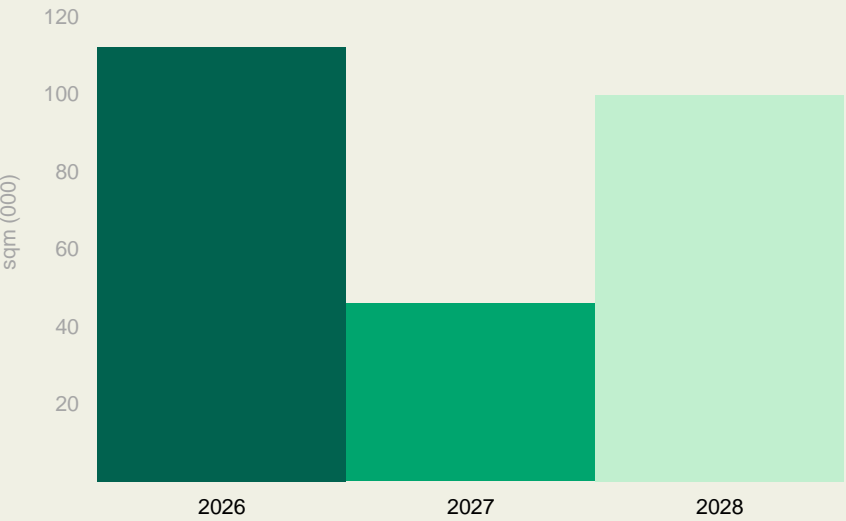
With most markets pass the peak in the development cycle, vacancies tightened across Southeast Asia's emerging markets. Rents in Jakarta rose the fastest, up 6.9% quarter-on-quarter as the reduction in new supply fostered a more balanced market which lifted rentals in the capital for a second consecutive quarter. Those in Bangkok also rose as prime-grade buildings entering the market charged a premium. Those in Kuala Lumpur remained relatively unchanged despite elevated vacancies, due to higher rents, particularly in transit-linked and/or Grade A buildings within integrated developments. However, prime vacancy rate spiked in Ho Chi Minh City, which hit close to 20% during the quarter, due to the completion of over 69,000 sqm of new office space. Singapore's prime office market remained largely stable. Most occupiers continued to prefer renewals to avoid raising CAPEX where possible. As such, leasing activity will mostly be made up of small and mid-size spaces in flight-to-quality moves in the latter part of 2025.



## Rents and Vacancy



## Pipeline Supply



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

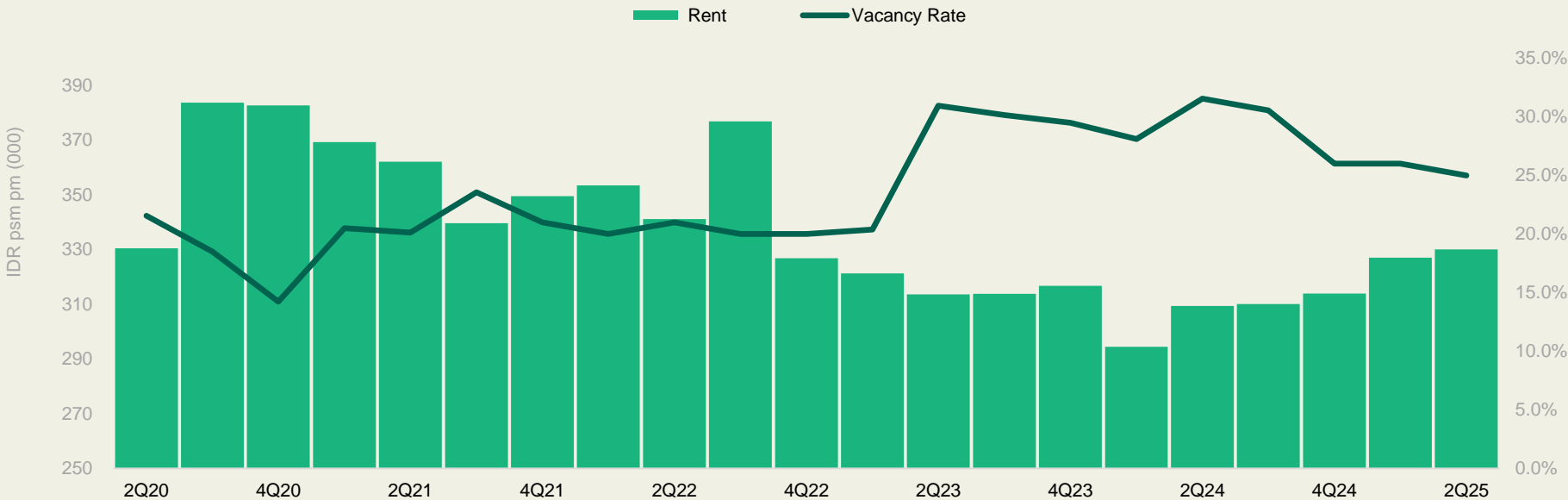
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (THB psm pm)	1,250	→
Vacancy	%	↑
Market Balance	Tenant	Tenant



For more information,  
please contact:

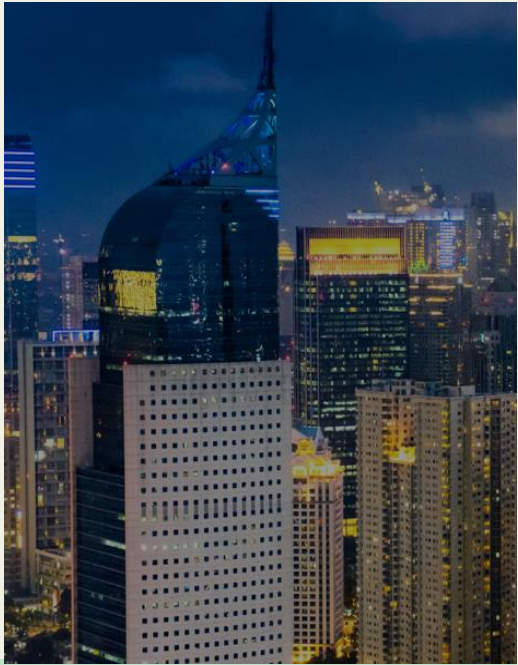
**Panya Jenkitvathanaalert**  
Executive Director and Head of Office  
Strategy & Solutions  
[panya.jenkitvathanaalert@th.knightfrank.com](mailto:panya.jenkitvathanaalert@th.knightfrank.com)  
+66 86 999 5557

Rents and Vacancy



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

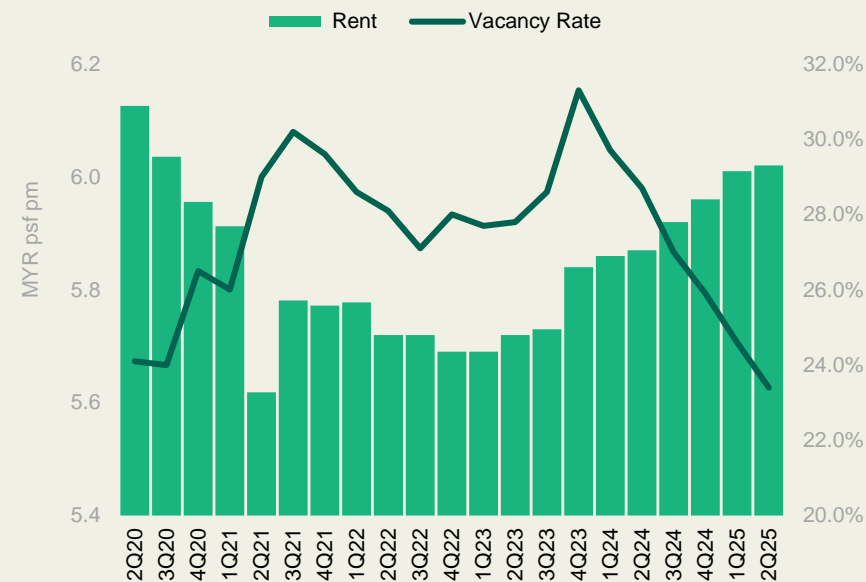
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (IDR psm pm)	330,040	↑
Vacancy	25.0%	↓
Market Balance	Tenant	Tenant



For more information,  
please contact:

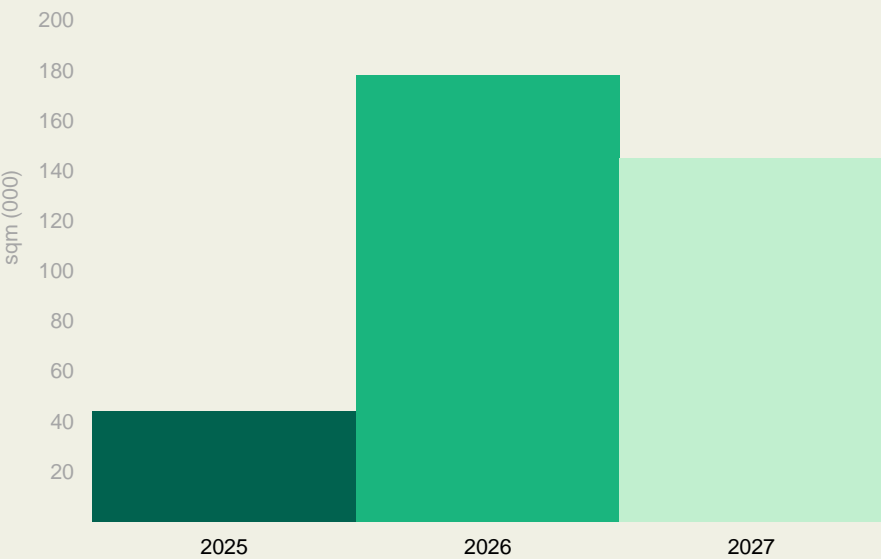
Rina Martianti  
Associate Director, Occupier Strategy and  
Solutions, Indonesia  
[rina.martianti@id.knightfrank.com](mailto:rina.martianti@id.knightfrank.com)  
+62 81398967313

## Rents and Vacancy



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

## Pipeline Supply



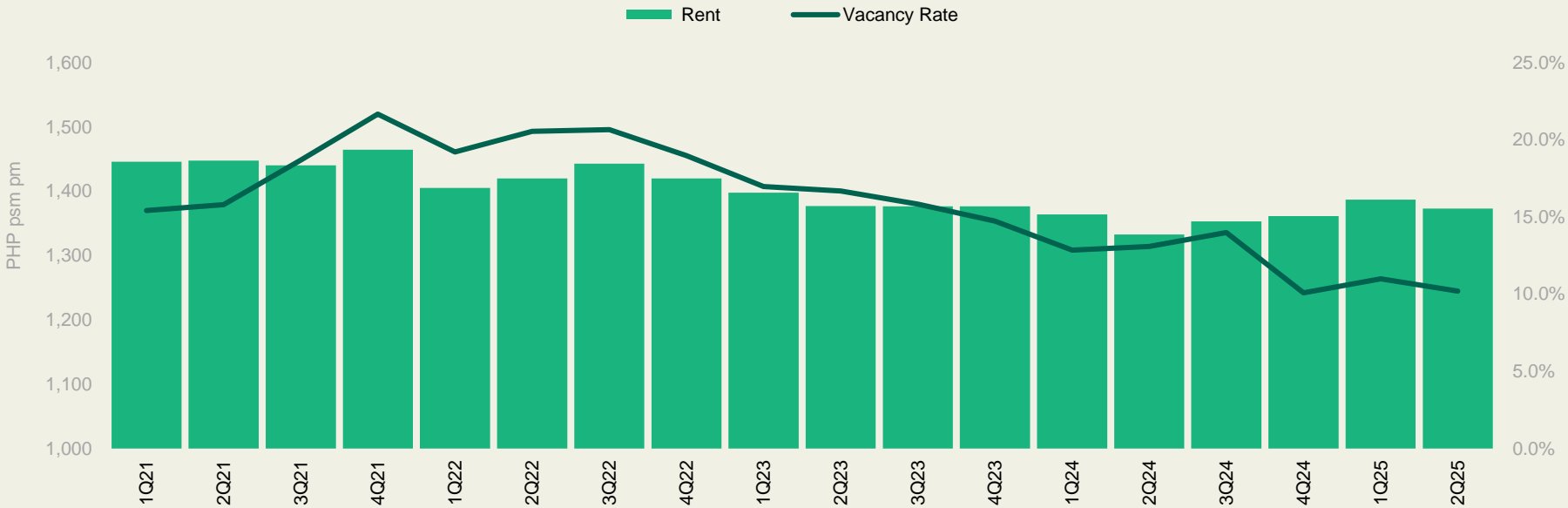
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (MYR psf pm)	6.0	→
Vacancy	23.4%	→
Market Balance	Tenant	Tenant



For more information,  
please contact:

**Young Khean Teh**  
Senior Executive Director, Office Strategy  
and Solutions, Malaysia  
[youngkhean.teh@my.knightfrank.com](mailto:youngkhean.teh@my.knightfrank.com)  
+603 228 99 619

Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	6.0%	6.5%
Unemployment Rate	4.1%	4.1%
Inflation	2.5%	3.0%

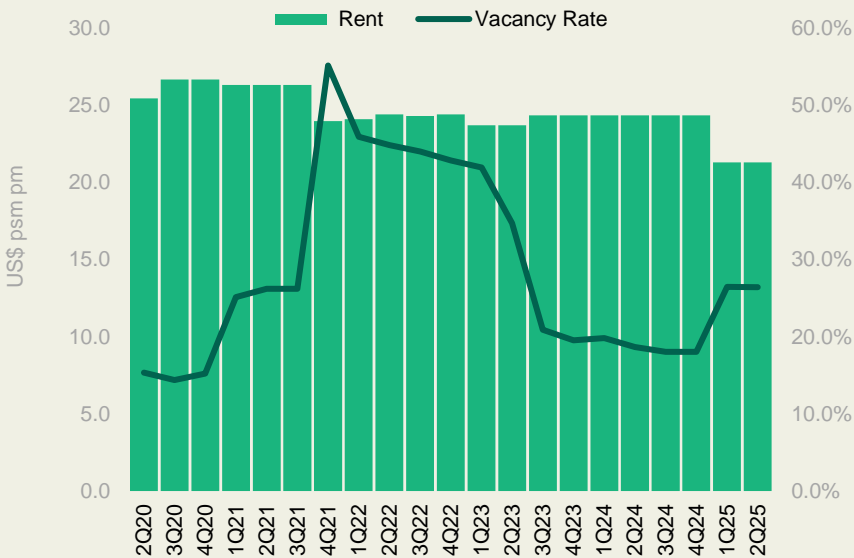
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (PHP psm pm)	1,373	↓
Vacancy	10.2%	↓
Market Balance	Tenant	Tenant



For more information,  
please contact:

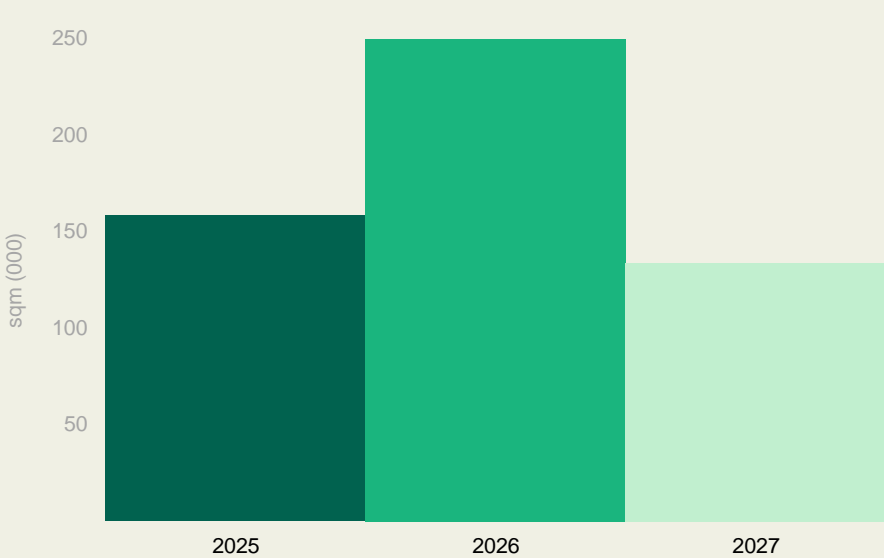
**Morgan McGilvray**  
Senior Director, Occupier Strategy  
and Solutions, Philippines  
[morgan.mcgilvray@santos.knightfrank.ph](mailto:morgan.mcgilvray@santos.knightfrank.ph)  
+632 7752 2580

## Rents and Vacancy

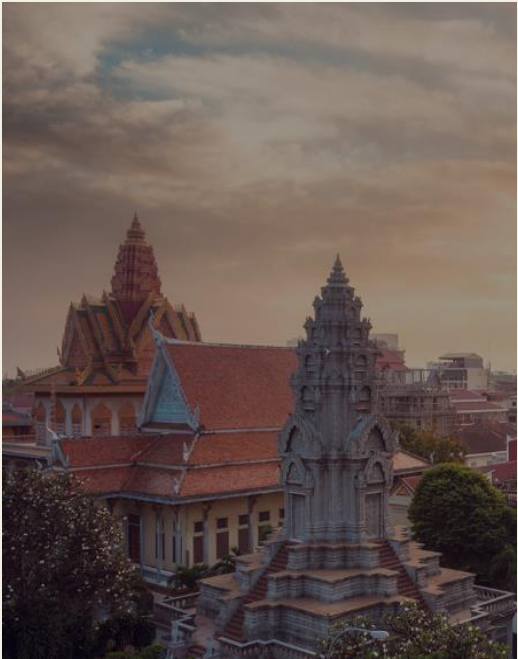


Economic Indicators		
	2025F	2026F
GDP Growth	5.8%	6.2%
Unemployment Rate	NA	NA
Inflation	2.1%	3.2%

## Pipeline Supply (All Grades)



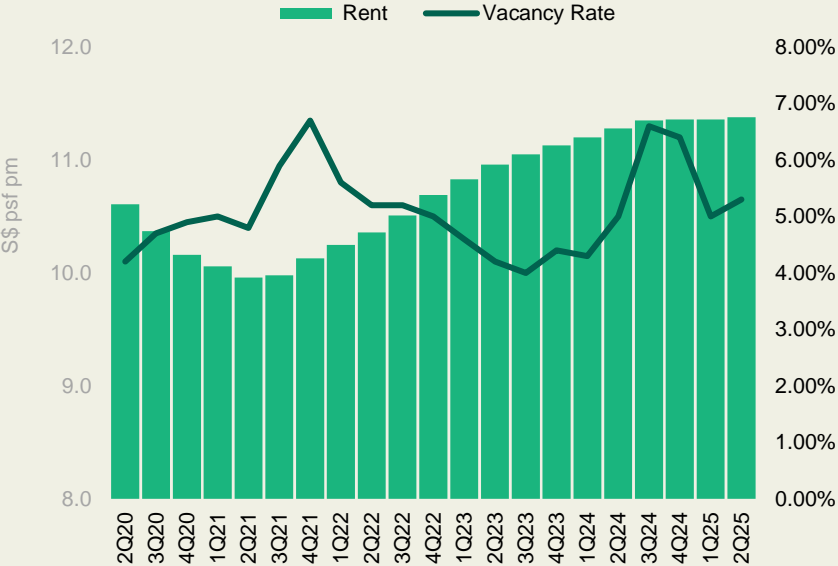
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (US\$ psm pm)	21.3	→
Vacancy	26.4%	→
Market Balance	Tenant	Tenant



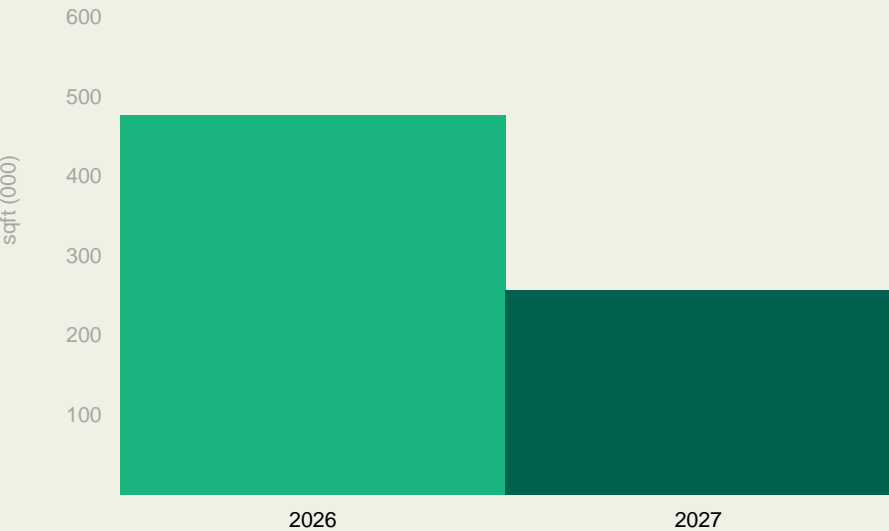
For more information,  
please contact:

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

## Rents and Vacancy



## Pipeline Supply



Economic Indicators		
	2025F	2026F
GDP Growth	1.0%	2.3%
Unemployment Rate	1.0%	1.8%
Inflation	1.5%	1.9%

Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (S\$ psf pm)	11.4	→
Vacancy	5.3%	↑
Market Balance	Balanced	Balanced



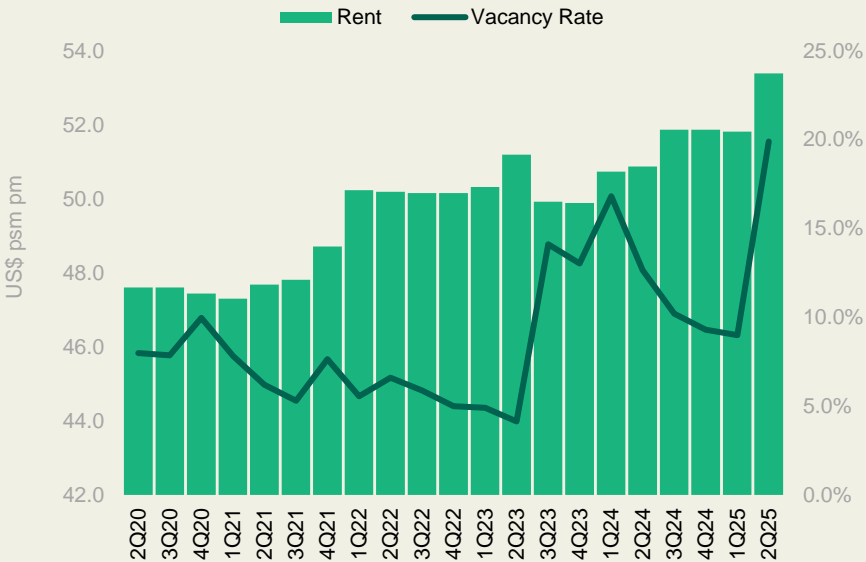
For more information,  
please contact:

**Calvin Yeo**  
Managing Director, Occupier Strategy  
and Solutions, Singapore  
[calvin.yeo@sg.knightfrank.com](mailto:calvin.yeo@sg.knightfrank.com)  
+65 6228 6887



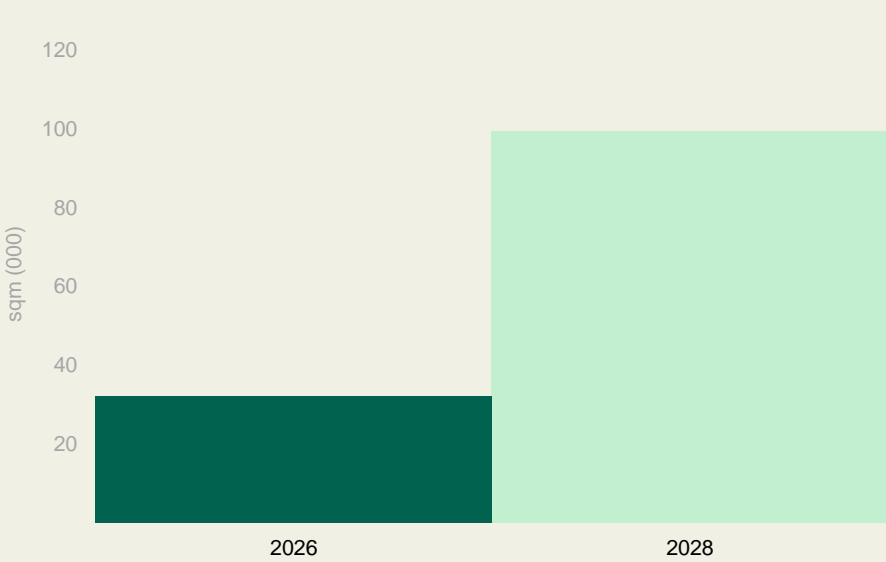
# Ho Chi Minh City

## Rents and Vacancy



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

## Pipeline Supply



\*No supply expected in 2025 and 2027

Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (US\$ psm pm)	53.4	↓
Vacancy	19.9%	↓
Market Balance	Tenant	Tenant



For more information,  
please contact:

Leo Nguyen  
Senior Director, Occupier Strategy &  
Solutions  
[Leo.nguyen@knightfrank.com](mailto:Leo.nguyen@knightfrank.com)  
+84 905 79 87 88

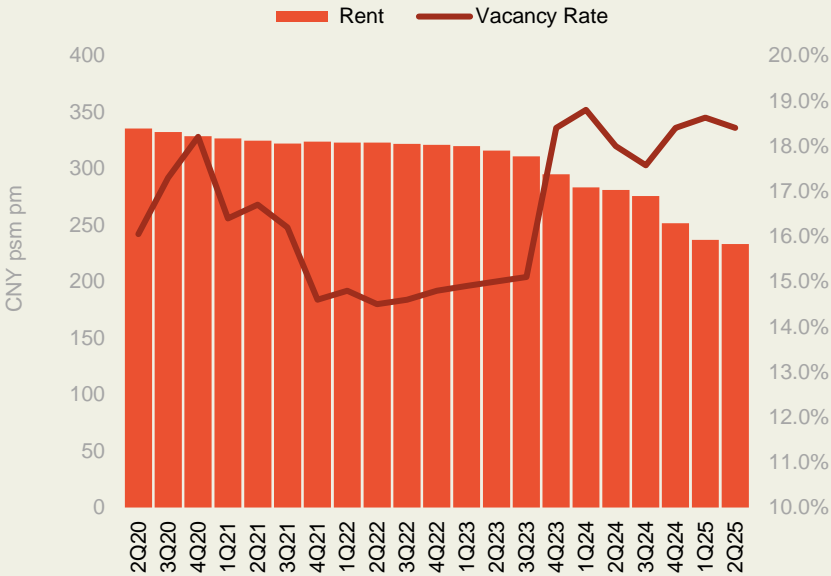


# East Asia

The rental decline across the Chinese mainland's tier-one cities moderated in Q1 2025, with prime rents softening 2.9% quarter-on-quarter, compared to 4.3% in Q1 2025. Leasing demand picked up in Shenzhen, driven by TMT and professional services firms. Notably, a division of Huawei Technologies took up 10,000 sqm in a prime office tower, as the government begins a drive to promote technology self-sufficiency. Absorption also picked up in Shanghai, with some occupiers observed to have upgraded their spaces in the current down market. Consumption subsidies have propelled occupier demand in the consumer electronics and automobile sectors as well as new retail brands. Although the downtrend persists in Hong Kong, Jane Street's deal for over 230,000 sqft shows that the city remains an important financial hub, underscored by a buoyant stock market and reviving IPOs. Citadel Securities and Tower Research Capital are also reportedly recruiting and expanding their presence in Hong Kong SAR. Meanwhile, Tokyo overtook Seoul as the region's tightest market, as the delivery of new supply and a delay in negotiations amid South Korea's elections marginally lifted vacancy rate in its capital.

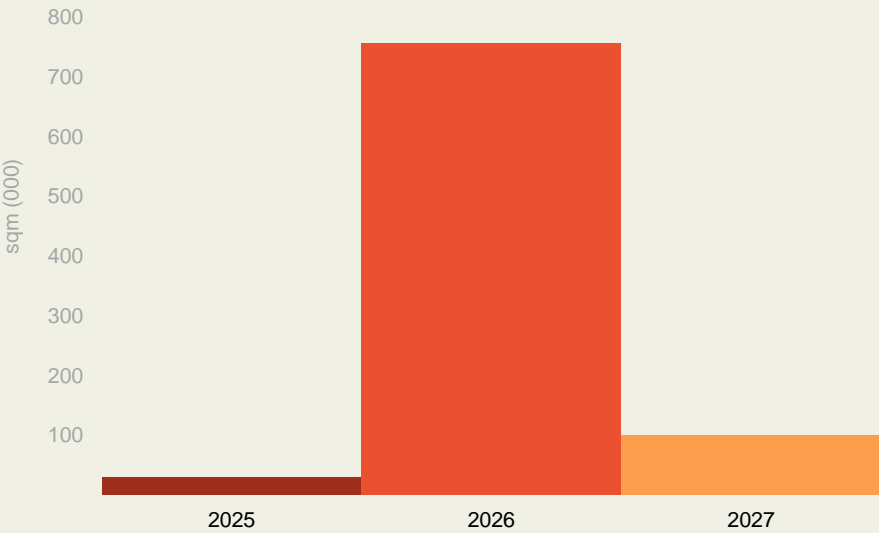


Rents and Vacancy



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

Pipeline Supply



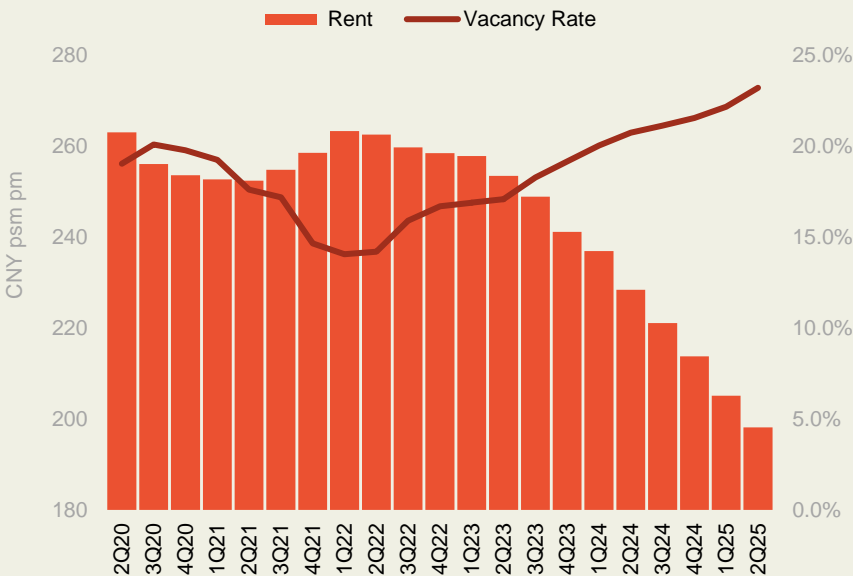
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (CNY psm pm)	233.1	↓
Vacancy	18.4%	↑
Market Balance	Tenant	Tenant



For more information,  
please contact:

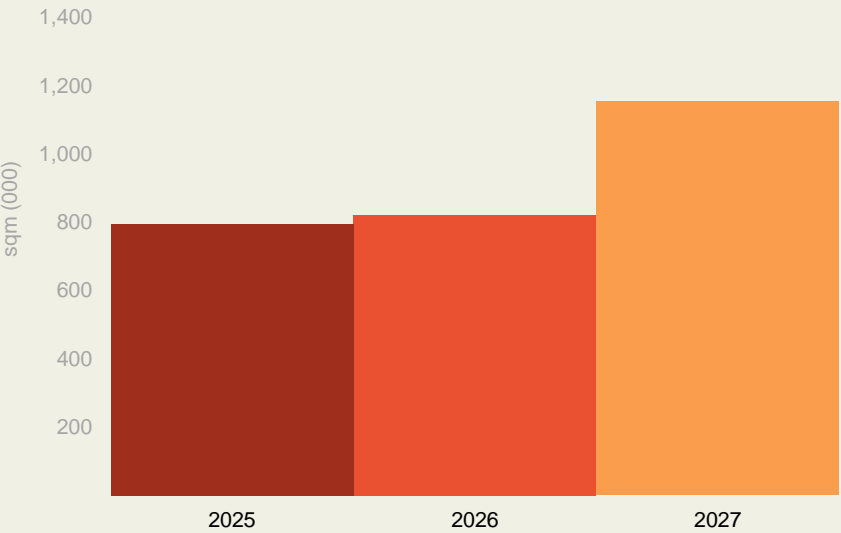
**Charles Yan**  
General Manager, Office Strategy and  
Solutions, Beijing  
[charles.yan@cn.knightfrank.com](mailto:charles.yan@cn.knightfrank.com)  
+86 139 1111 1607

## Rents and Vacancy



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

## Pipeline Supply



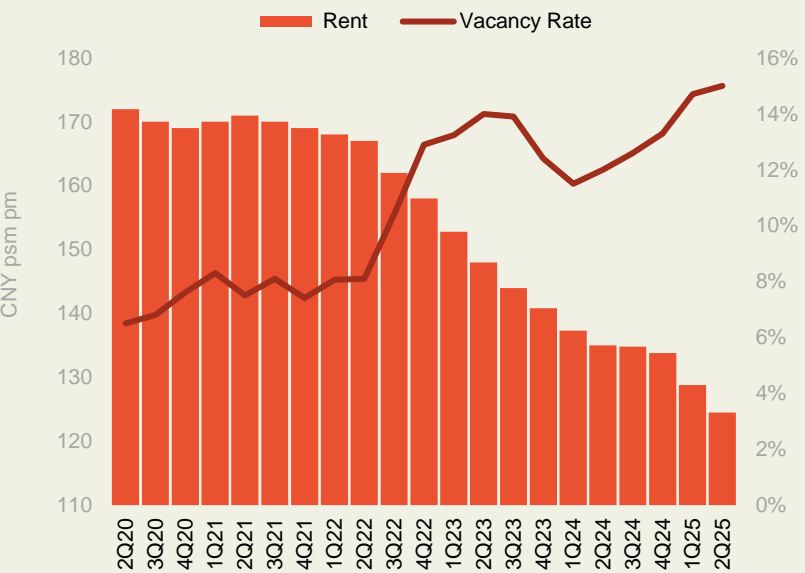
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (CNY psm pm)	198.0	↓
Vacancy	23.2%	↑
Market Balance	Tenant	Tenant



For more information,  
please contact:

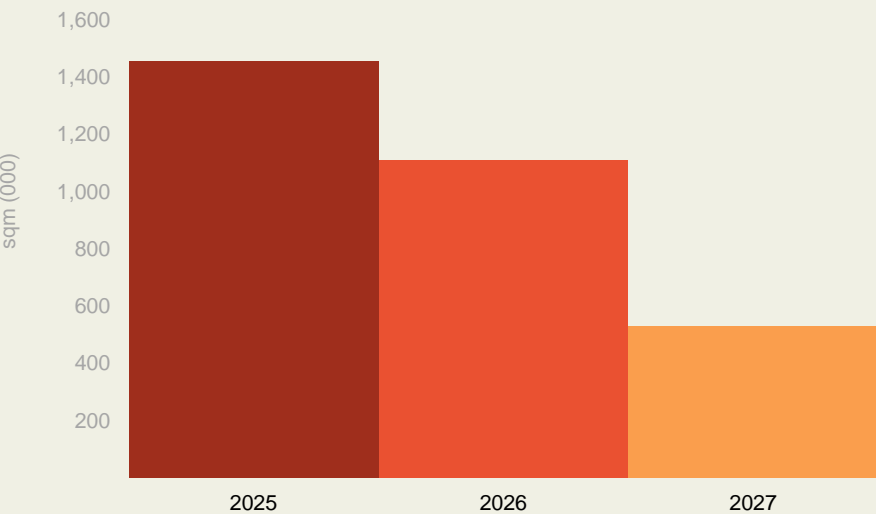
Virginia Huang  
Managing Director, North and East China  
[virginia.huang@cn.knightfrank.com](mailto:virginia.huang@cn.knightfrank.com)  
+86 21 6032 1719

## Rents and Vacancy



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

## Pipeline Supply



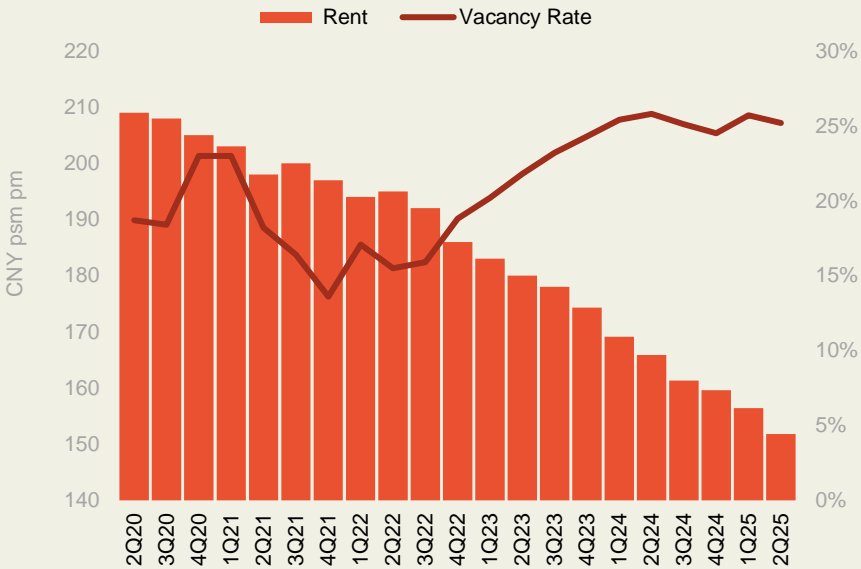
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (CNY psm pm)	124.5	↓
Vacancy	15.0%	↑
Market Balance	Tenant	Tenant



For more information,  
please contact:

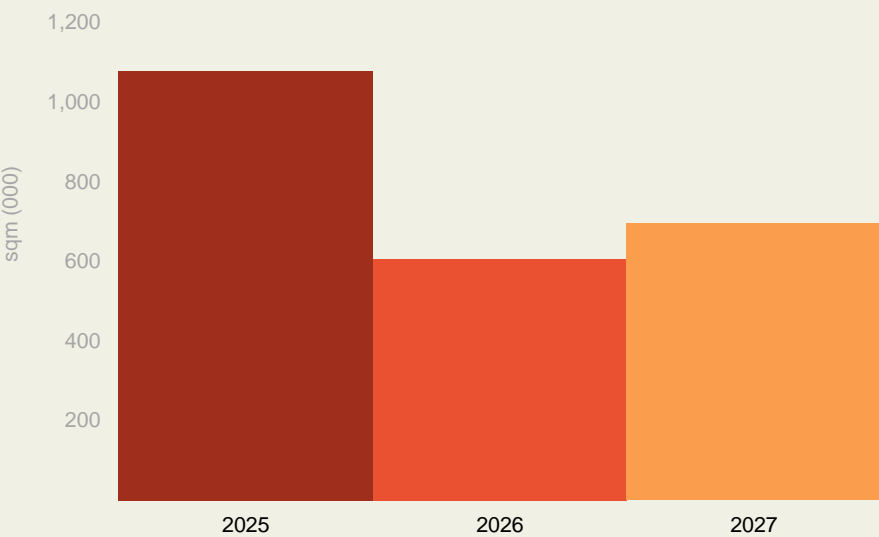
Aaron Huang  
Head of Office Strategy & Solutions,  
Guangzhou  
[Aaron.huang@cn.knightfrank.com](mailto:Aaron.huang@cn.knightfrank.com)  
+86 166 5801 0718

## Rents and Vacancy



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

## Pipeline Supply



Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (CNY psm pm)	151.8	↓
Vacancy	25.2%	↑
Market Balance	Tenant	Tenant

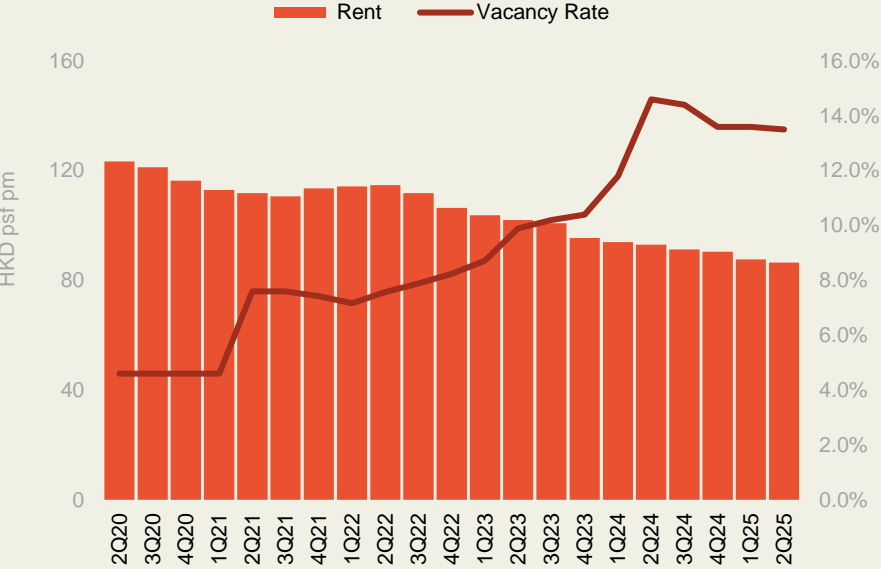


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please contact:

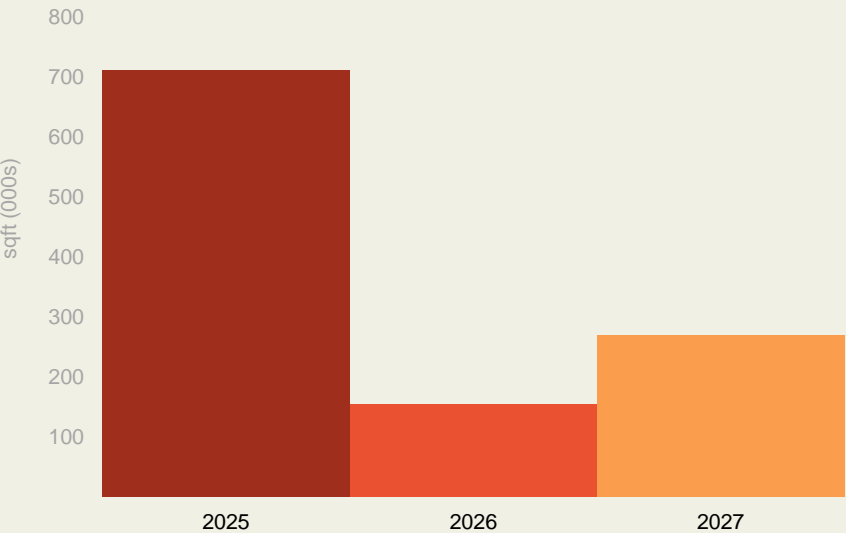
**Ken Kan**  
Managing Director, Head of Office  
Strategy and Solutions, Shenzhen  
[Ken.kan@cn.knightfrank.com](mailto:Ken.kan@cn.knightfrank.com)  
+86 755 6661 3141

# Hong Kong SAR

Rents and Vacancy



Pipeline Supply



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

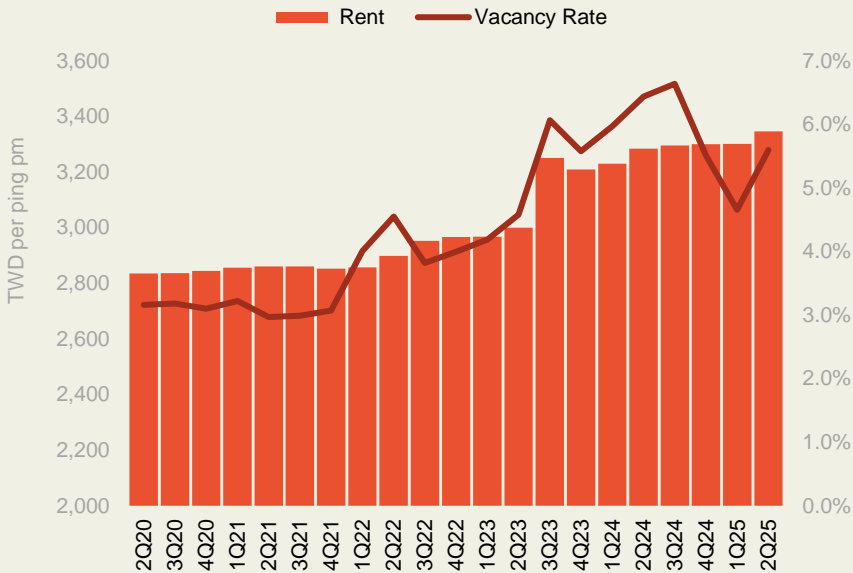
Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (HK\$ psf pm)	86.5	↓
Vacancy	13.5%	→
Market Balance	Tenant	Tenant



For more information, please contact:

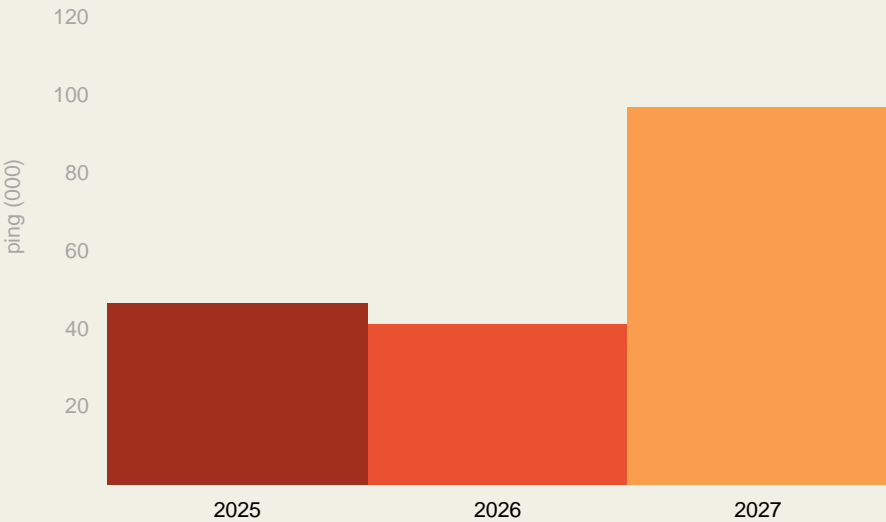
Wendy Lau  
Executive Director, Head of Hong Kong Office Strategy & Solutions  
[Wendy.lau@hk.knightfrank.com](mailto:Wendy.lau@hk.knightfrank.com)  
+852 2846 4988

Rents and Vacancy



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

Pipeline Supply



Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (TW\$ per ping pm)	3,347	↑
Vacancy	5.6%	↑
Market Balance	Balanced	Tenant

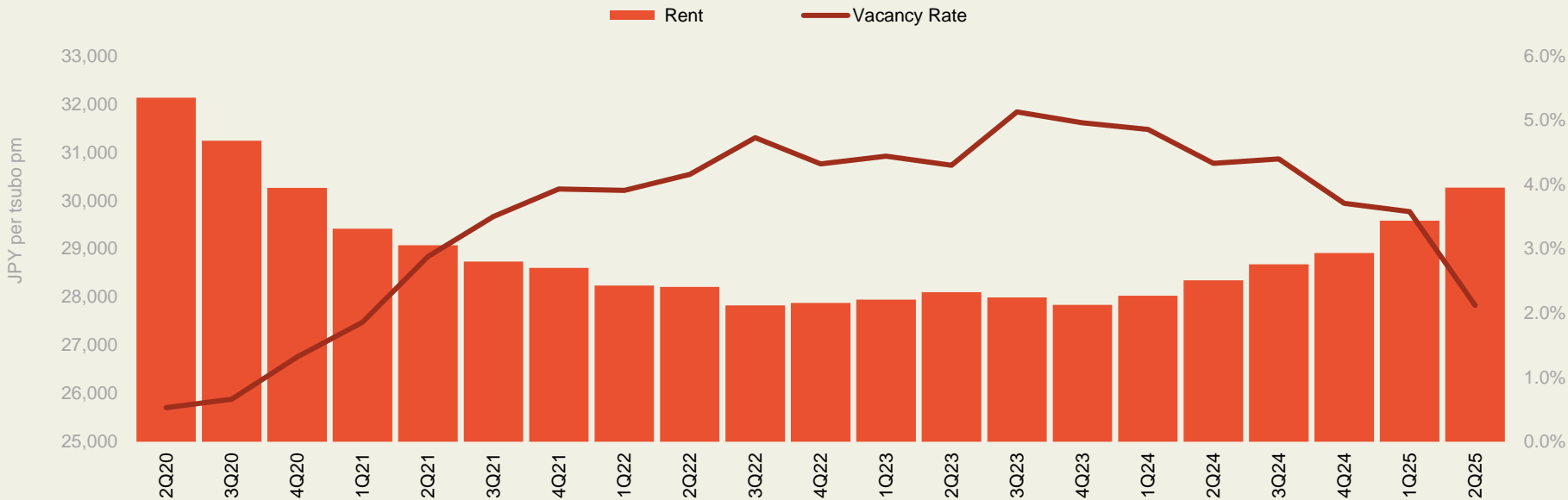


For more information,  
please contact:

Jessica Lu  
Head, Office Strategy and Solutions,  
Taiwan  
[jessica.lu@repro.knightfrank.com](mailto:jessica.lu@repro.knightfrank.com)  
+886 2 8729 8776



Rents and Vacancy



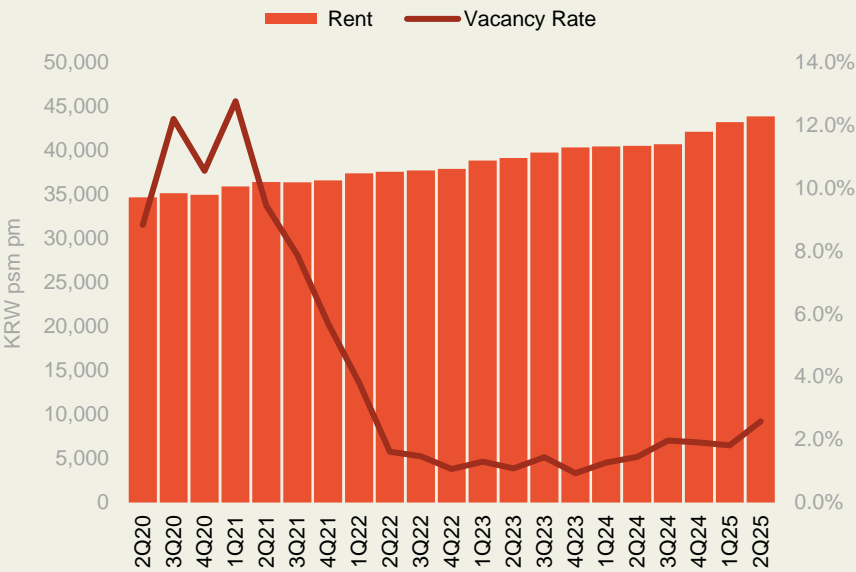
Economic Indicators		
	2025F	2026F
GDP Growth	0.5%	0.7%
Unemployment Rate	2.6%	2.5%
Inflation	2.3%	2.7%

Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (JPY psm pa)	30,273	↑
Vacancy	2.12%	→
Market Balance	Balanced	Balanced

For more information,  
please contact:

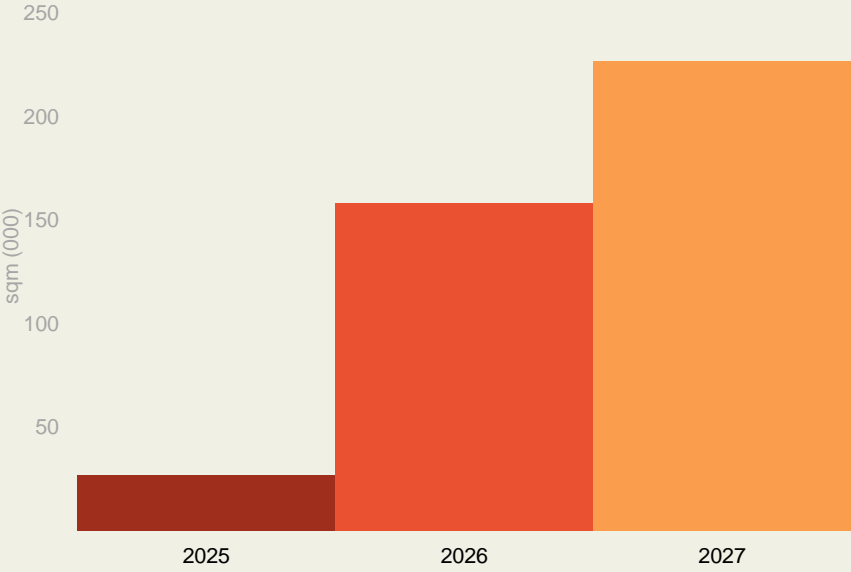
**Tim Armstrong**  
Global Head of Occupier Strategy  
and Solutions  
[tim.armstrong@asia.knightfrank.com](mailto:tim.armstrong@asia.knightfrank.com)  
+65 6429 3531

Rents and Vacancy



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

Pipeline Supply



Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (KRW psm pm)	43,805	→
Vacancy	2.58%	→
Market Balance	Landlord	Balanced



For more information,  
please contact:

David Lee  
Director, Global Portfolio Solutions/  
Project Management, Korea  
[david.lee@kr.knightfrank.com](mailto:david.lee@kr.knightfrank.com)  
+82 2 2175 3988

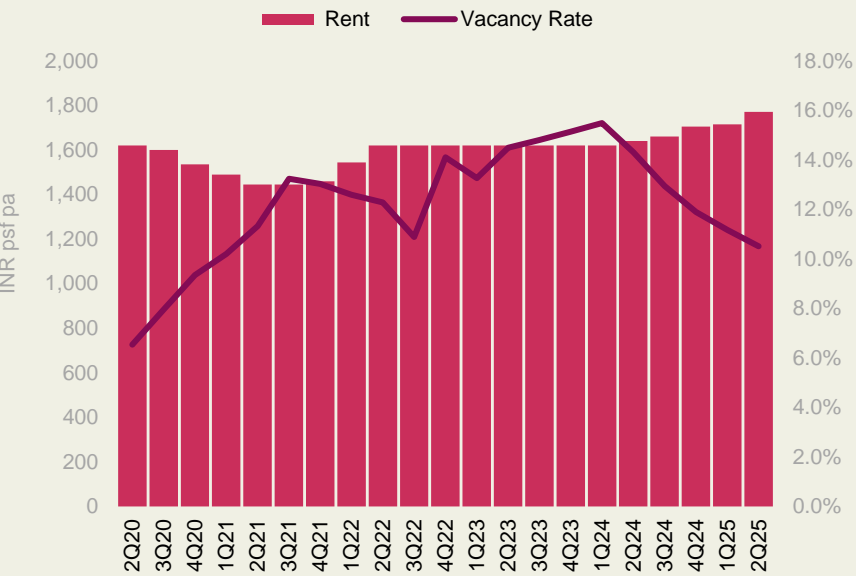




# India

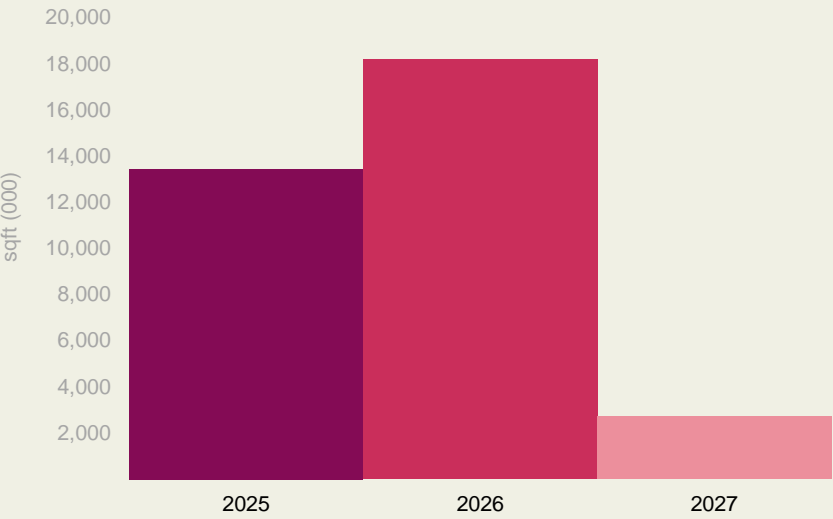
Leasing volumes in India's three largest office occupier markets rose over 20% to reach 1.2 million sqm in Q2 2025, as business sentiment remained robust despite geopolitical headwinds. Consequently, rental growth accelerated during the quarter to rise 4.5% year-on-year. GCCs made up the largest share among all occupier segments, with Bengaluru once again dominating GCC-related leasing activity. The city continued to headline India's occupier markets, with the 1.7 million sqm leased in H1 2025 already surpassing volumes for the whole of 2024. NCR also scaled new heights during H1 2025, with the 700,000 sqm leased a record for the city. Third-party IT service providers have re-emerged as a major force in the first half of 2025, more than doubling their 10% share from the same period last year, as AI adoption reinforces India's position as a preferred hub for outsourced IT services. The increasing impact of GCCs and the steady revival of third-party IT services are expected to continue powering demand in the country.

## Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	6.5%	6.5%
Unemployment Rate	NA	NA
Inflation	3.7%	4.0%

## Pipeline Supply



Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (INR psf pa)	1,771	→
Vacancy	10.5%	→
Market Balance	Landlord	Balanced

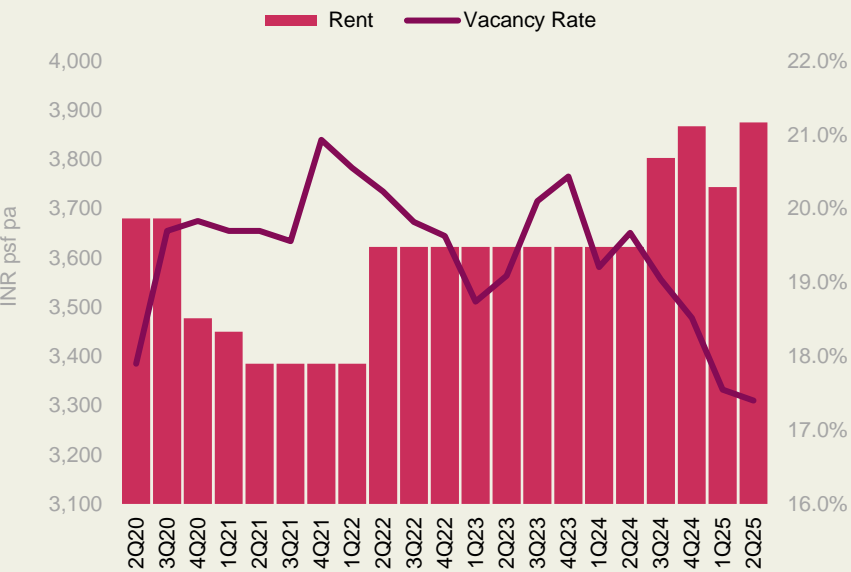


For more information,  
please contact:

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

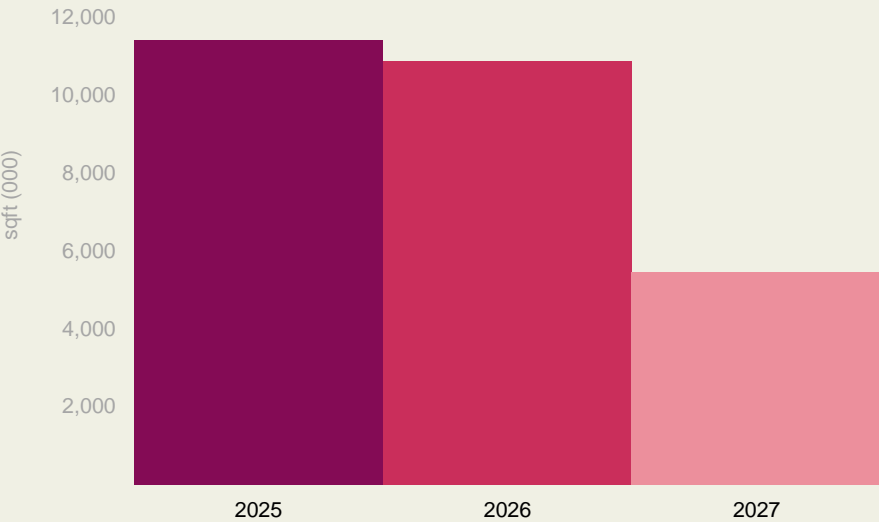
# Mumbai Metropolitan Region (MMR)

Rents and Vacancy

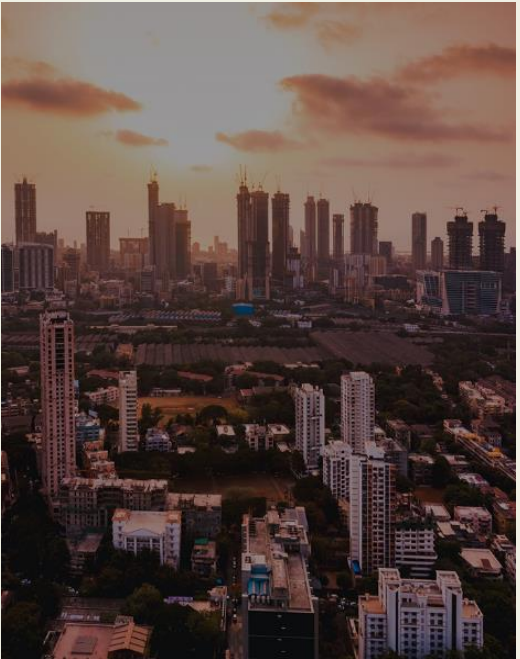


Economic Indicators		
	2025F	2026F
GDP Growth	6.5%	6.5%
Unemployment Rate	NA	NA
Inflation	3.7%	4.0%

Pipeline Supply



Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (INR psf pa)	3,875	→
Vacancy	17.4%	→
Market Balance	Landlord	Balanced

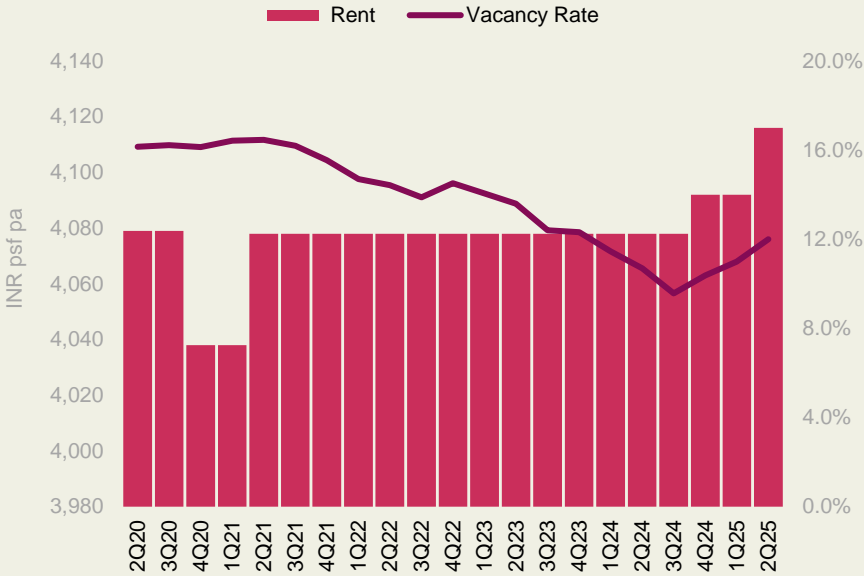


For more information,  
please contact:

**Kaushik Shah**  
National Director, Occupier Strategy and  
Solutions  
[kaushik.shah@in.knightfrank.com](mailto:kaushik.shah@in.knightfrank.com)  
+91 22 6745 0256

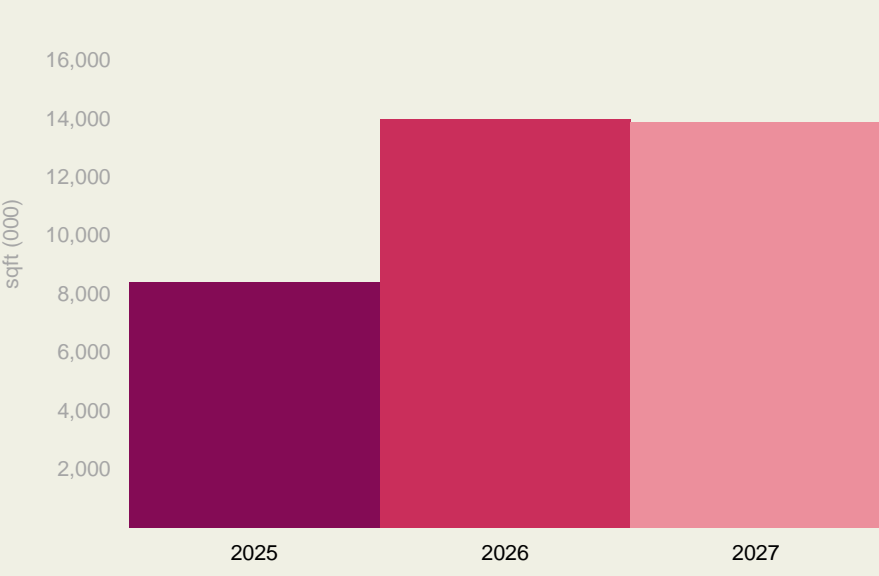


## Rents and Vacancy



Economic Indicators		
	2025F	2026F
GDP Growth	6.5%	6.5%
Unemployment Rate	NA	NA
Inflation	3.7%	4.0%

## Pipeline Supply



Real Estate Indicators		
	Q2 2025	12mth Forecast
Prime Rent (INR psf pa)	4,116	→
Vacancy	12.0%%	→
Market Balance	Landlord	Balanced



For more information,  
please contact:

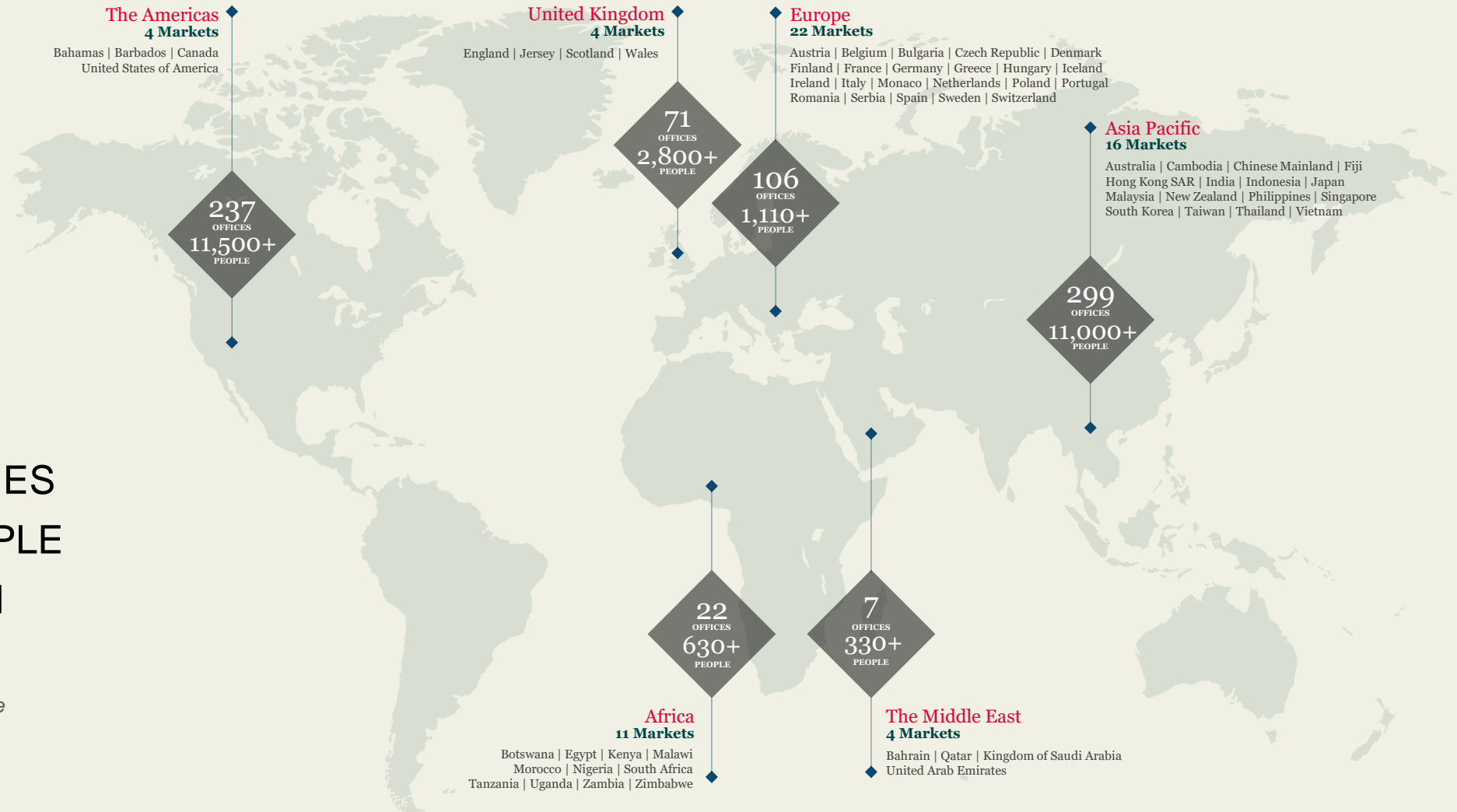
**Viral Desai**  
Sr. Executive Director – Occupier  
Strategy and Solutions  
[viral.desai@in.knightfrank.com](mailto:viral.desai@in.knightfrank.com)  
+91 80 4073 2600

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For further information on the report, please contact:



**Tim Armstrong**

Global Head of Occupier  
Strategy & Solutions  
[tim.armstrong@asia.knightfrank.com](mailto:tim.armstrong@asia.knightfrank.com)  
+65 9737 9991



**Geraldine Xiao**

Director, Occupier Strategy & Solutions  
Asia-Pacific  
[geraldine.xiao@asia.knightfrank.com](mailto:geraldine.xiao@asia.knightfrank.com)  
+65 9191 9560



**Christine Li**

Head of Research  
Asia-Pacific  
[christine.li@asia.knightfrank.com](mailto:christine.li@asia.knightfrank.com)  
+65 8511 3758



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