

## Knight Frank Asia-Pacific Prime Office Rental Index Q1 2019

*Slow start for Asia-Pacific prime office rents  
Headwinds from 2018 persist*

**29 May 2019, Malaysia** – Knight Frank, the independent global property consultancy, has launched its **Asia-Pacific Prime Office Rental Index for Q1 2019**. The index fell 0.4% quarter-on-quarter in Q1 2019 to a reading of 142.6, though it remains up 6.2% year-on-year.

### Results for Q1 2019

- Of the 20 cities tracked by the index, 15 recorded either stable or increased rents; two less than the 17 reported in the previous quarter.
- Singapore recorded the highest year-on-year increase in prime office rents at 23.7% in the last quarter, driven in part by limited supply for mid-sized units.
- Jakarta saw the biggest drop at -16% in the 12 months from Q1 2018 to Q1 2019, continuing its downward trend since Q4 2014.

**Nicholas Holt, Head of Research for Asia-Pacific**, says, “Prime office markets in Asia-Pacific saw a soft start to 2019, as sentiment continues to be dampened by uncertainties following major elections across the region, an unresolved Brexit and the re-escalation of trade tensions between the US and China. The muted start is likely to carry through the year, with moderate increases in rents compared to 2018.”

**Teh Young Khean, Executive Director of Corporate Services at Knight Frank Malaysia**, says, “The tenant-led office market continues to be under pressure with looming supply and weak absorption of space. Amid heightened competition and growing economic concerns, rents in Kuala Lumpur City Centre are likely to fall.”

### Asia-Pacific Prime Office Rents

City	Submarket(s)	3-month % change (Q4 2018 – Q1 2019)	Forecast next 12 months
Brisbane	CBD	0.3%	Increase
Melbourne	CBD	2.8%	Increase
Perth	CBD	0.0%	Increase
Sydney	CBD	1.1%	Increase
Tokyo*	Central 5 Wards	-1.9%	Same
Beijing	Various	-1.4%	Decrease
Guangzhou	CBD	0.0%	Same
Shanghai	Puxi, Pudong	-2.1%	Decrease
Hong Kong	Central	-1.6%	Decrease
Taipei	Downtown	1.0%	Increase
Seoul	CBD, GBD, YBD	0.2%	Same
Bengaluru	CBD	0.0%	Increase
Mumbai	BKC	0.1%	Increase
NCR	Connaught Place	1.4%	Same
Phnom Penh	City Centre	0.5%	Same
Jakarta	CBD	0.0%	Same

Kuala Lumpur	City Centre	-0.3%	Decrease
Singapore	Raffles Place, Marina Bay	1.5%	Increase
Bangkok	CBD	6.1%	Increase
Manila	Various	3.5%	Decrease

Source: Knight Frank Research / \*Sanko Estate

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