

Knight Frank Asia-Pacific Prime Office Rental Index Q2 2019

Most markets remained stable or experienced growth, despite growing headwinds

4 September 2019, Malaysia – Knight Frank, the independent global property consultancy, has launched its **Asia-Pacific Prime Office Rental Index for Q2 2019**. The index rose 0.9% quarter-on-quarter, reversing the decline seen in Q1.

Results for Q2 2019

- Of the 20 cities tracked by the index, 14 recorded either stable or increased rents; one less than the 15 reported in Q1 2019
- **Tokyo** recorded the highest rise at 6.9% quarter-on-quarter rise due to limited supply of prime office space
- Most office markets in Asia-Pacific remained stable or saw growth: **Sydney** saw 1.3% growth and **Singapore** registered 0.9% prime office rental growth; while **Hong Kong** (-1.0%) and **Shanghai** (-1.1%) both saw declines in the past quarter.

Nicholas Holt, Head of Research for Asia-Pacific, said, “With no end in sight over the trade tensions between the world’s two dominant economies, the looming prospect of a hard Brexit and the ongoing concerns in Hong Kong, we expect the rest of 2019 to remain challenging for Asia-Pacific office markets.”

Teh Young Khean, Executive Director of Corporate Services at Knight Frank Malaysia, said, “Office rents in Kuala Lumpur City Centre saw a marginal decline in the second quarter of 2019.

“Faced with the high impending office supply driven by new construction, prime grade office rents in KL City continue to be under pressure with landlords competing to attract new occupiers as well as to retain existing tenants.”

Asia-Pacific Prime Office Rents

City	Submarket(s)	3-month % change (Q1 2019 – Q2 2019)	Forecast next 12 months
Brisbane	CBD	0.7	Increase
Melbourne	CBD	3.7	Increase
Perth	CBD	0.8	Increase
Sydney	CBD	1.3	Increase
Tokyo*	Central 5 Wards	6.9	Same
Beijing	Various	-1.6	Decrease
Guangzhou	CBD	0.2	Same
Shanghai	Puxi, Pudong	-1.1	Decrease
Hong Kong	Central	-1.0	Decrease
Taipei	Downtown	1.0	Increase
Seoul	CBD, GBD, YBD	0.4	Same
Bengaluru	CBD	0.0	Increase
Mumbai	BKC	0.0	Increase
NCR	Connaught Place	0.0	Same
Phnom Penh	City Centre	0.0	Same
Jakarta	CBD	-0.02	Same
Kuala Lumpur	City Centre	-0.2	Decrease

Singapore	Raffles Place, Marina Bay	0.9	Increase
Bangkok	CBD	-0.1	Same
Manila	Various	1.9	Decrease

Source: Knight Frank Research / *Sanko Estate

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Notes to Editors

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