

A photograph of a large outdoor storage yard filled with stacks of shipping containers. The containers are stacked in several rows, with some stacks reaching up to six or seven units high. The colors of the containers vary, including white, red, blue, and green. The sky is a clear, light blue, and the ground is a flat, paved surface. The overall scene is industrial and organized.

# Asia-Pacific H2 2021 Warehouse Highlights

# Asia-Pacific Overview

Q4 2021

**16 of 16**

Markets to improve or remain stable over the next 12 months

**Sydney**

Highest year-on-year rental growth in 2021

**13 of 16**

cities recorded stable or increasing rents in Q4 2021

**Positive**

Expectations for 2022

Take-up in the region's warehouse markets remained robust in the second half of 2021, lifted by resurgent trade flows from the recovery in global demand. As a result, rents for logistics warehouses across Asia-Pacific rose by a marginal 0.5% year-on-year in the same period.

Despite close to 9 million sqm of new supply expected to be delivered in the region in 2022, vacancies are likely to remain tight on strong demand and active pre-commitments. The creation of supply chain redundancies due to commodity and shipping price shocks, alongside logjams in shipping traffic, will continue to shape space requirements.

So far, divergent policies and vaccination rates across the region are leading to an

uneven recovery. While logistics warehouses have benefitted from powerful e-commerce tailwinds, at some point, further growth will have to be sustained by macroeconomic stability in consumption and investment.

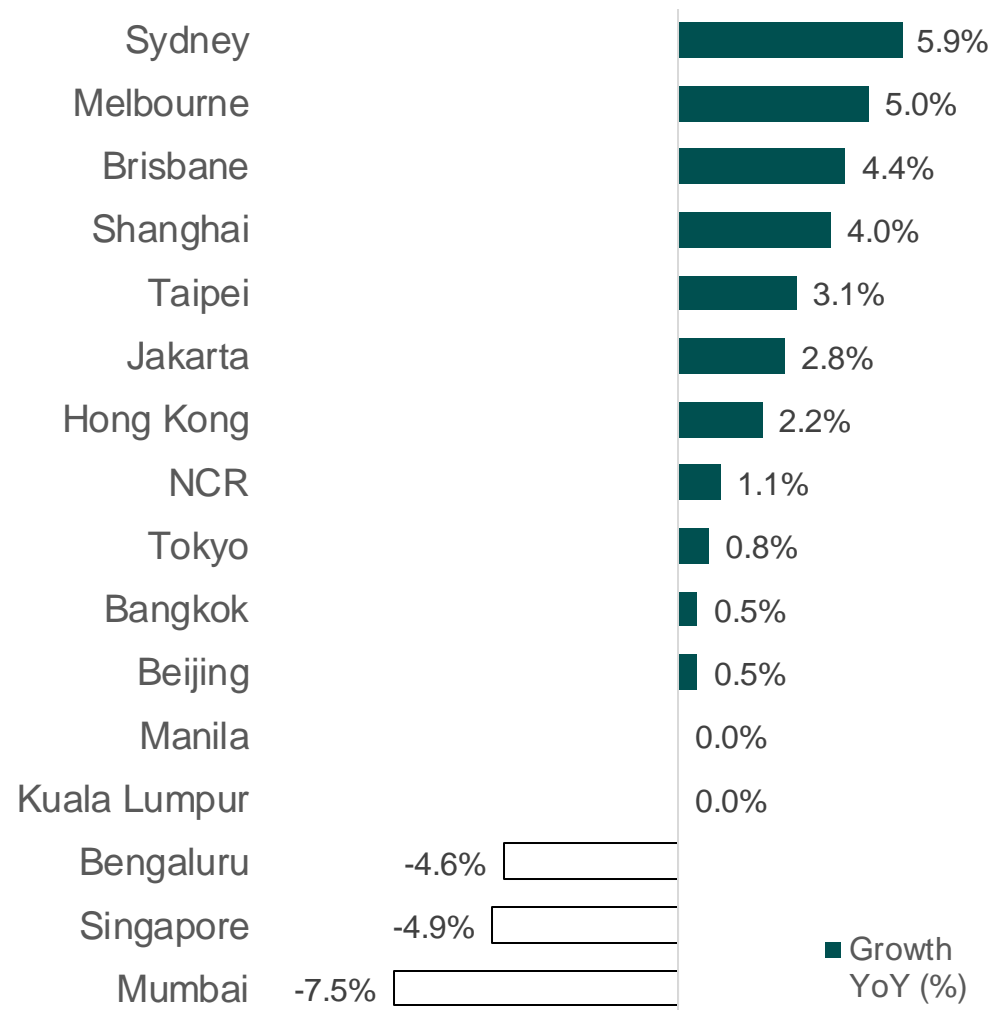
As a result, the outlook for the logistics sector in 2022 is bifurcated between the developed and emerging markets.

“The emergence of the Omicron variant late into 2021 created fresh headwinds for the region. While it has put pressure on supply chains in the short term and constrained trade, which has been a vital engine of growth, it is unlikely to detract from the long-term structural fundamentals that logistics markets in the Asia Pacific enjoy. The current momentum indicates that demand from occupiers in the region still has ample room to run. Rents are tipped for further growth in 2022 but will be challenged by occupiers' cost sensitivity in certain sectors. The supply imbalance in the region, however, will continually tilt markets in landlords' favour.”

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

# Asia-Pacific Warehouse Rents

More markets recording growth compared to declines



Stable occupancies at 90% and over



Rapid tightening in Australian cities



Structural undersupply in emerging markets



Continued hunt for development opportunities

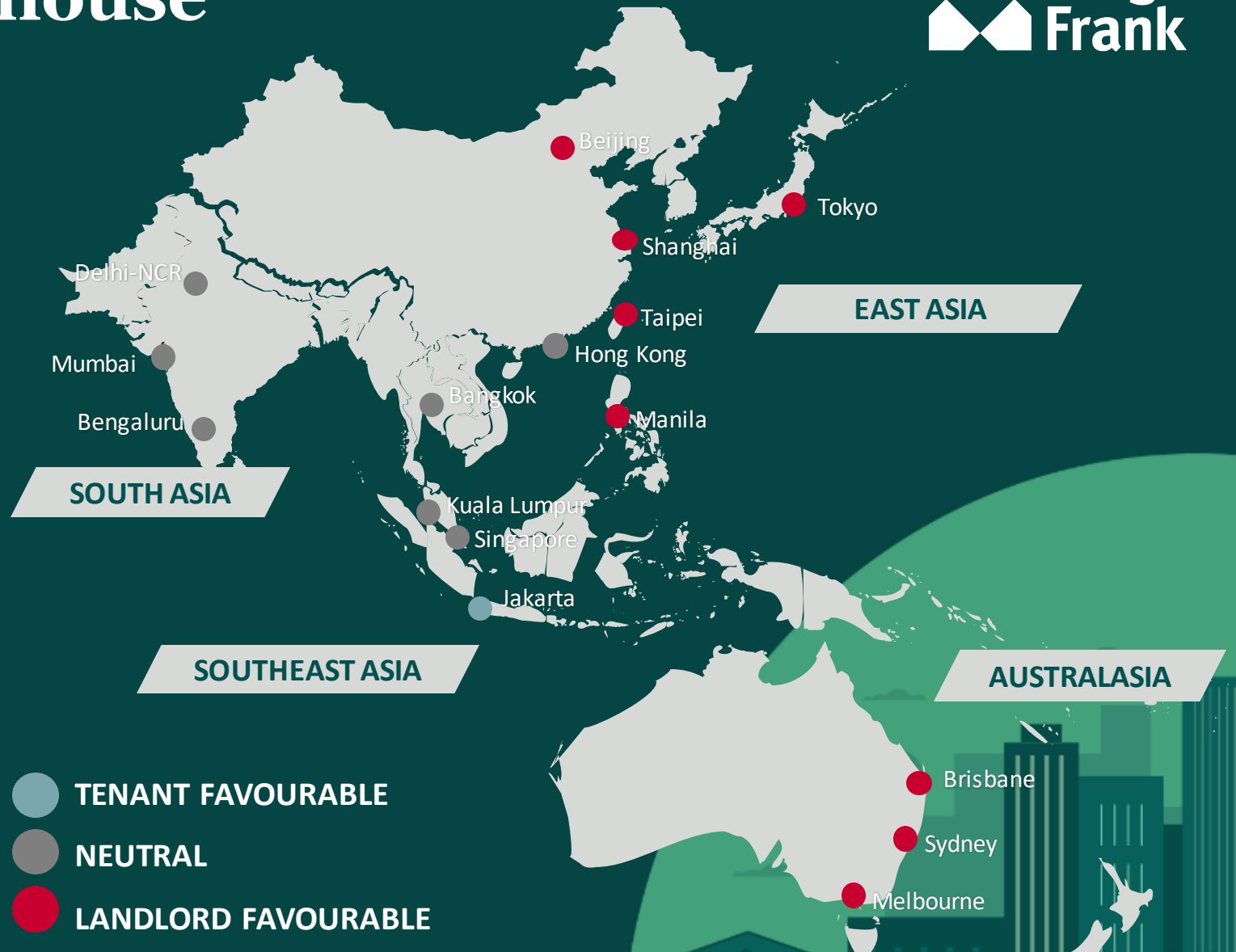
# Outlook 2022 – Warehouse

## Unchanged

- Bengaluru
- Mumbai
- NCR
- Bangkok
- Jakarta
- Kuala Lumpur

## Increasing

- Beijing
- Brisbane
- Hong Kong
- Melbourne
- Shanghai
- Manila
- Singapore
- Sydney
- Taipei
- Tokyo



- TENANT FAVOURABLE
- NEUTRAL
- LANDLORD FAVOURABLE



# Market Dashboards

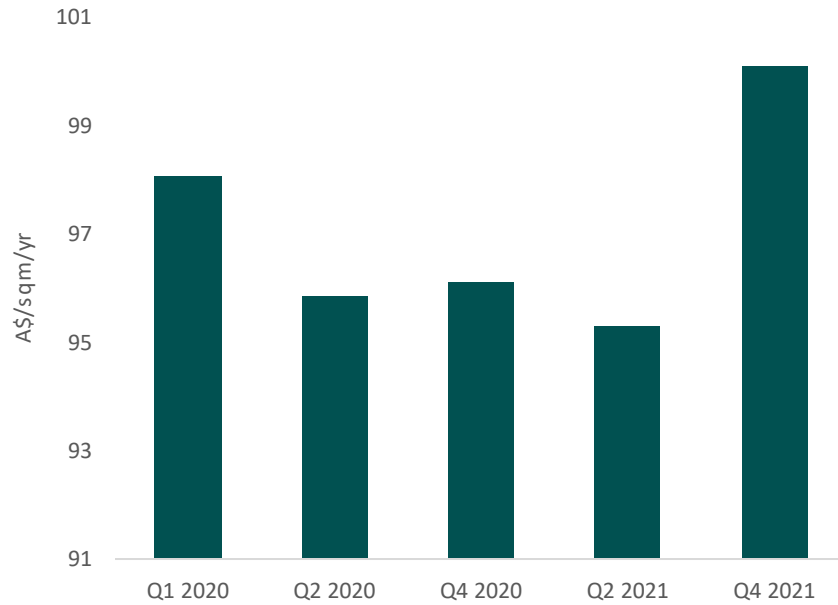


# Oceania

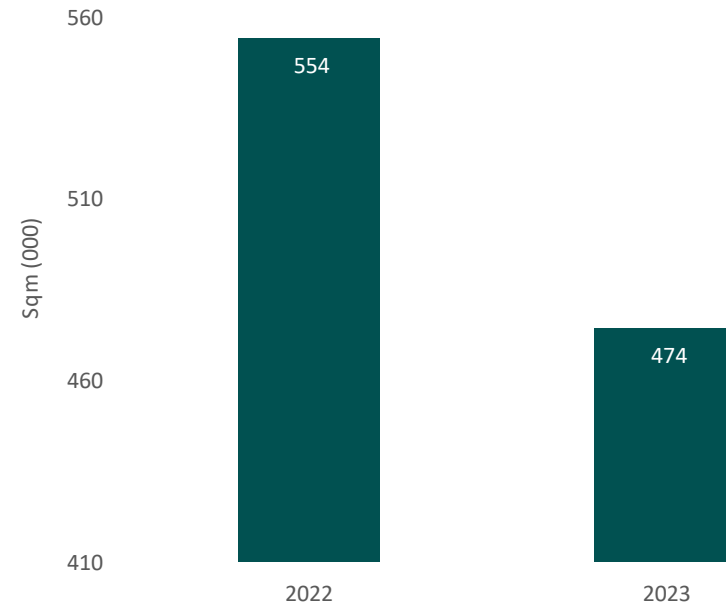
Australia's prime warehouse rents on its Eastern Seaboard posted the highest increases in the region in the second half of the year, buoyed by healthy tenant demand. Rental growth in Sydney picked up pace in the second half of 2021 to grow over 5%. Similar market dynamics were also observed in Brisbane and Melbourne. Leasing activity remained above pre-pandemic levels as the need for increased warehouse space to mitigate supply chain disruptions as well as sustained strong online retail sales heightened take-up rates. The volume of available vacant supply on the east coast declined for the fourth consecutive quarter to its lowest level in a decade.

# Brisbane

Net Effective Rents



Supply Pipeline



Economic Indicators (National)

	2021F	2022F
GDP Growth	3.5%	4.1%
Unemployment Rate	5.2%	4.8%
Inflation	2.5%	2.1%

Prime Warehouse Indicators

	H2 2021	2022 F
Net Effective Rent	100	↑
Market Pendulum	Landlord	Landlord

Source: Knight Frank Research, Macrobond



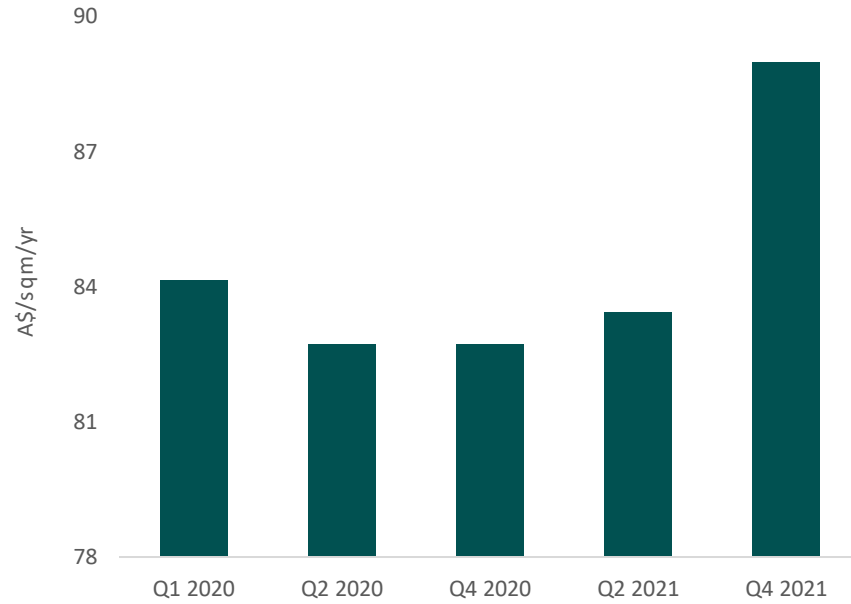
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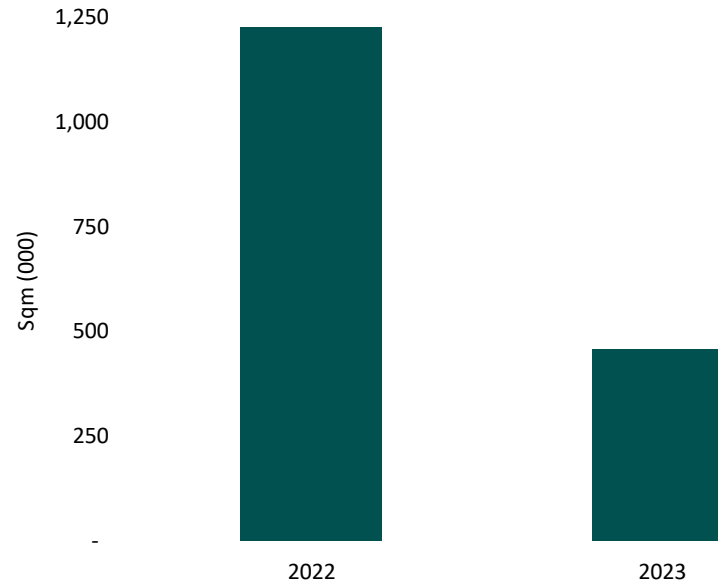


# Melbourne

Net Effective Rents



Supply Pipeline



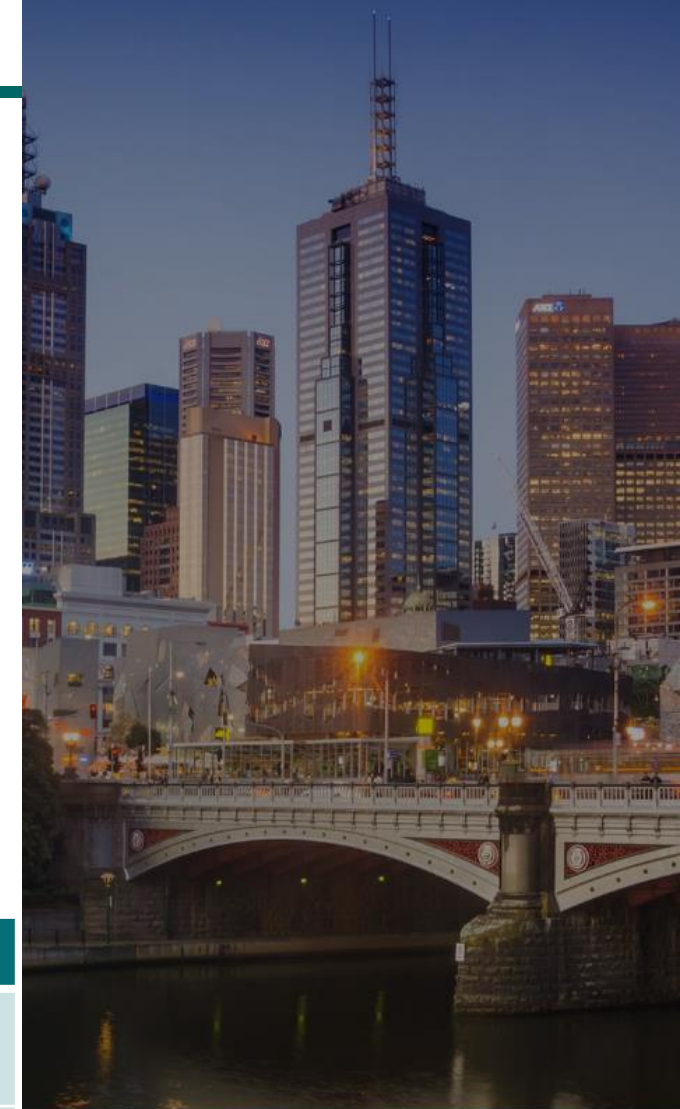
Economic Indicators (National)

	2021F	2022F
GDP Growth	3.5%	4.1%
Unemployment Rate	5.2%	4.8%
Inflation	2.5%	2.1%

Prime Warehouse Indicators

	H2 2021	2022F
Net Effective Rent	89	↑
Market Pendulum	Landlord	Landlord

Source: Knight Frank Research, Macrobond



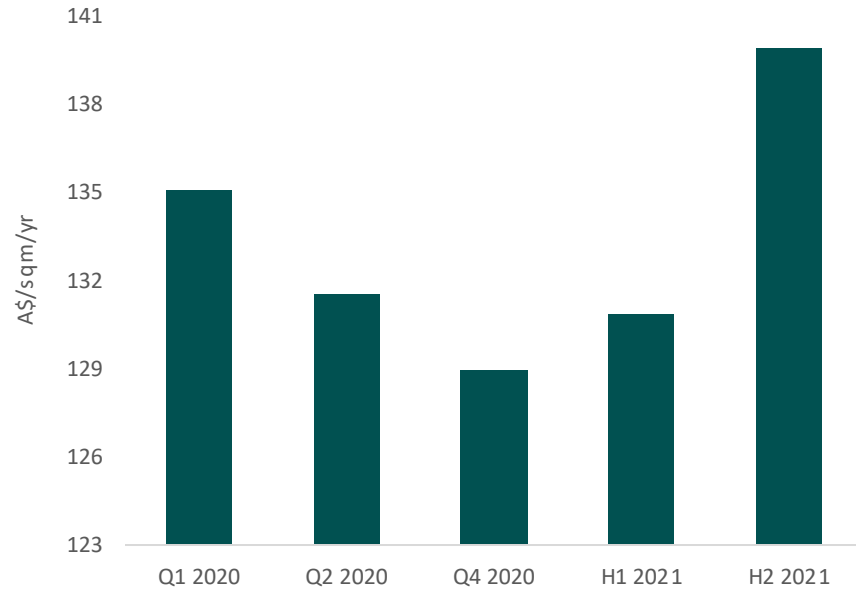
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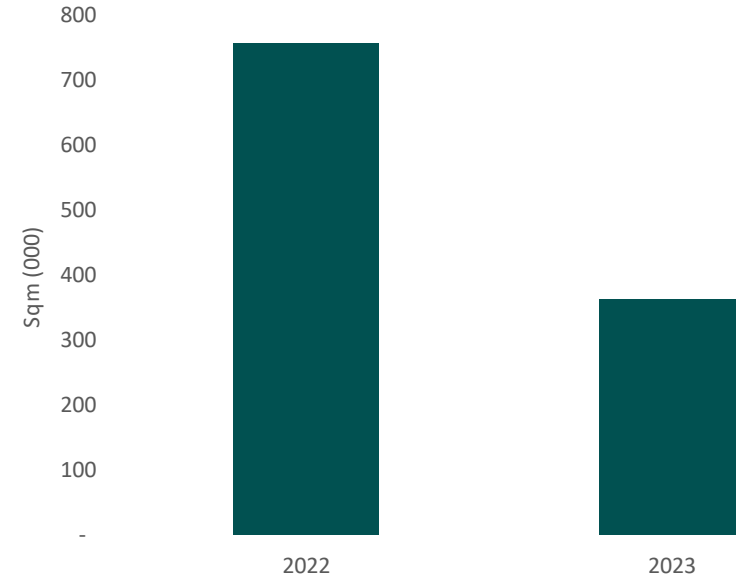


# Sydney

Net Effective Rents



Supply Pipeline



Economic Indicators (National)

	2021F	2022F
GDP Growth	3.5%	4.1%
Unemployment Rate	5.2%	4.8%
Inflation	2.5%	2.1%

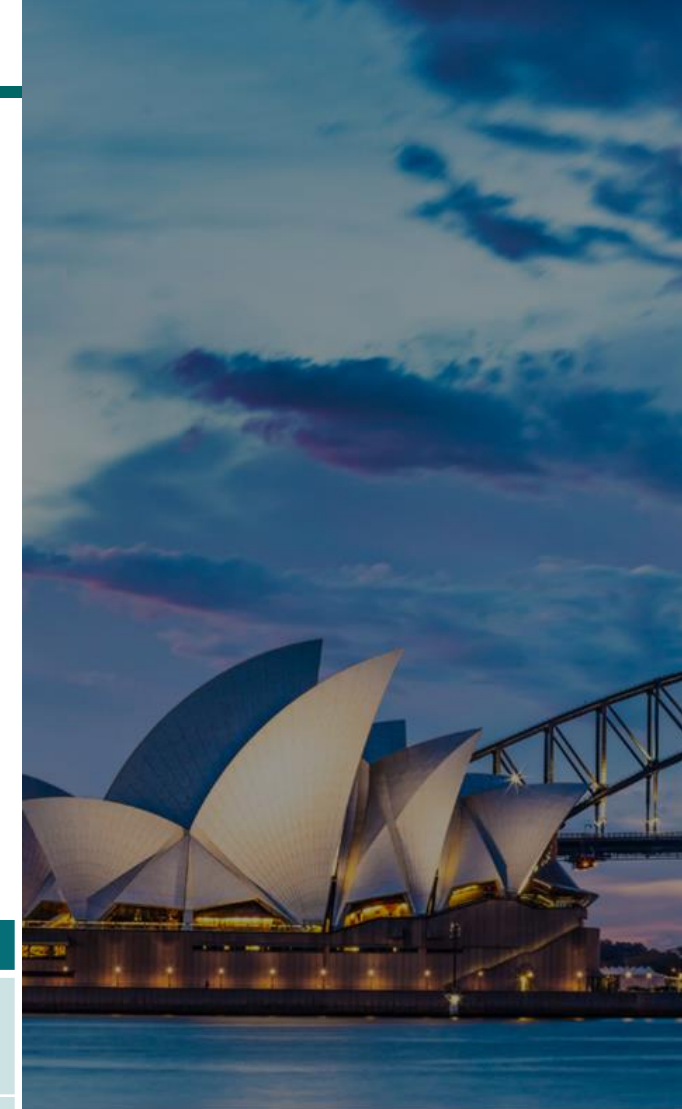
Prime Warehouse Indicators

	H2 2021	2022 F
Net Effective Rent	140	↑
Market Pendulum	Tenant	Landlord

Source: Knight Frank Research, Macrobond

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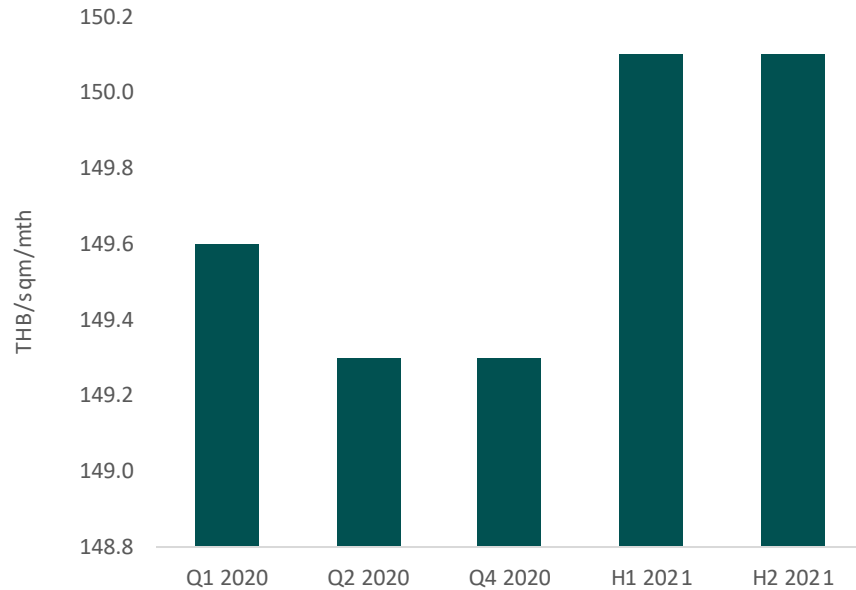
# South East Asia

Rents across emerging Southeast Asia were largely stable in 2021, despite bearing the brunt of a delta-fueled infection wave. While conditions remain positive in Jakarta, landlords are holding off any rate increases as the pandemic continues to inhibit consumption. Strong growth in e-commerce revenues in Malaysia, which rose by over 20% in 2021, sustained demand in Kuala Lumpur. Anchored by a predominantly built-to-suit market, conditions were also largely balanced in Bangkok. Meanwhile, even though warehouse rents in Singapore eased 4.9% year-on-year, the logistics market was nonetheless underpinned by healthy tenant demand with occupancy improving marginally to 90% as of H2 2021.

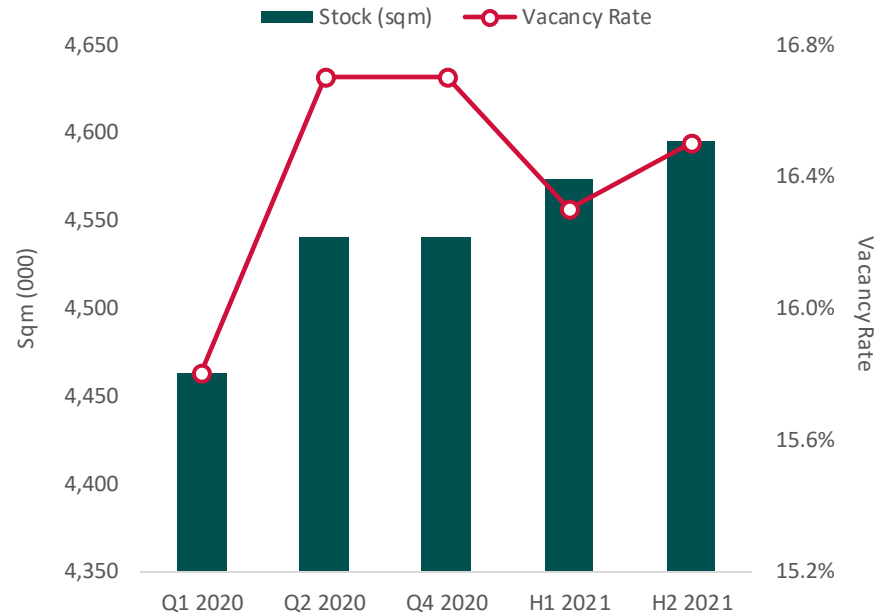


# Bangkok

Net Effective Rents



Stock/Vacancy Rate



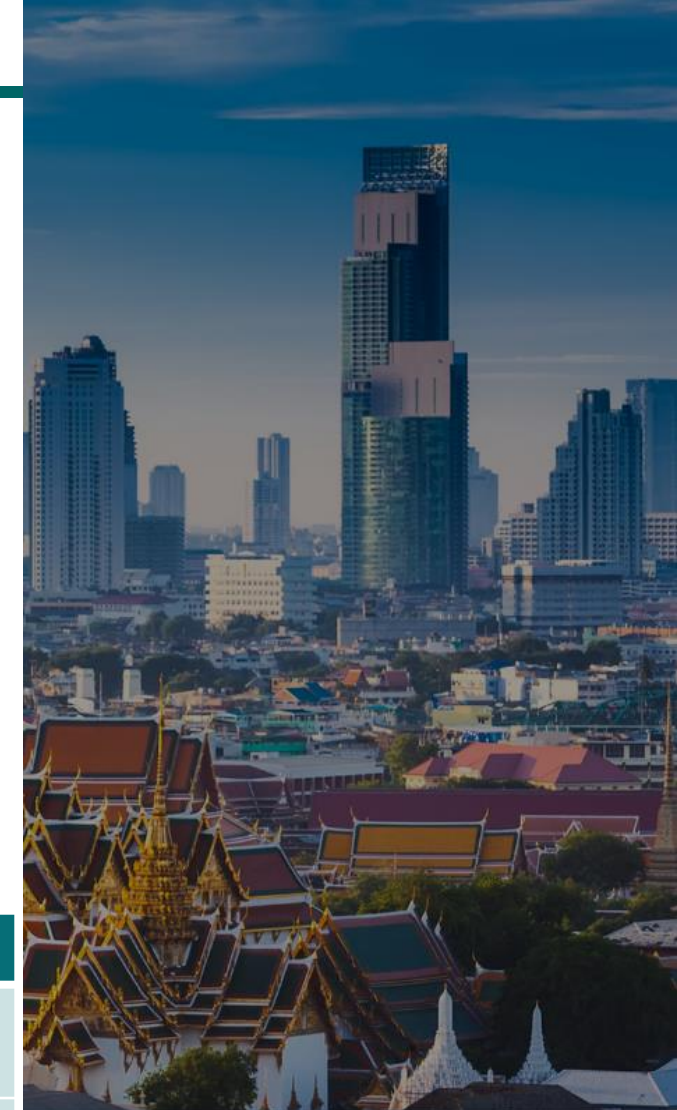
Economic Indicators (National)

	2021F	2022F
GDP Growth	2.6%	5.6%
Unemployment Rate	N/A	N/A
Inflation	1.3%	1.0%

Prime Warehouse Indicators

	H2 2021	2022F
Net Effective Rent	150	→
Market Pendulum	Balanced	Balanced

Source: Knight Frank Research, Macrobond



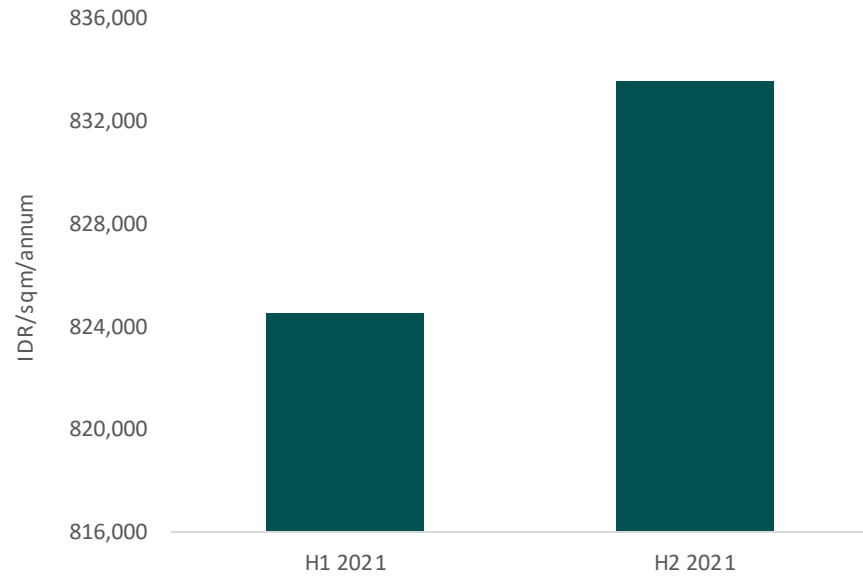
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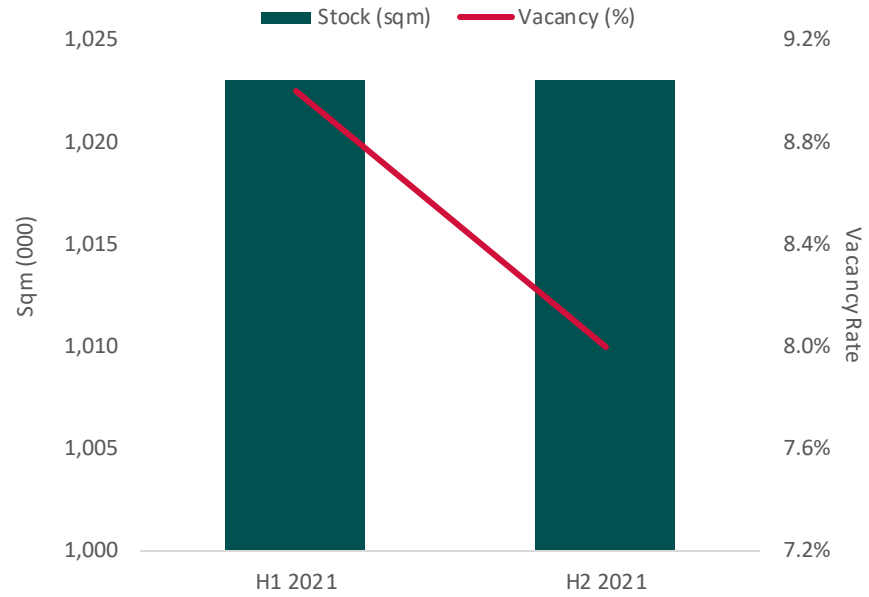


# Jakarta

Net Effective Rents



Stock/Vacancy Rate



Economic Indicators (National)

	2021F	2022F
GDP Growth	4.3%	5.8%
Unemployment Rate	6.5%	5.8%
Inflation	2.0%	3.9%

Prime Warehouse Indicators

	H2 2021	2022F
Net Effective Rent	833,613	→
Market Pendulum	Tenant	Tenant

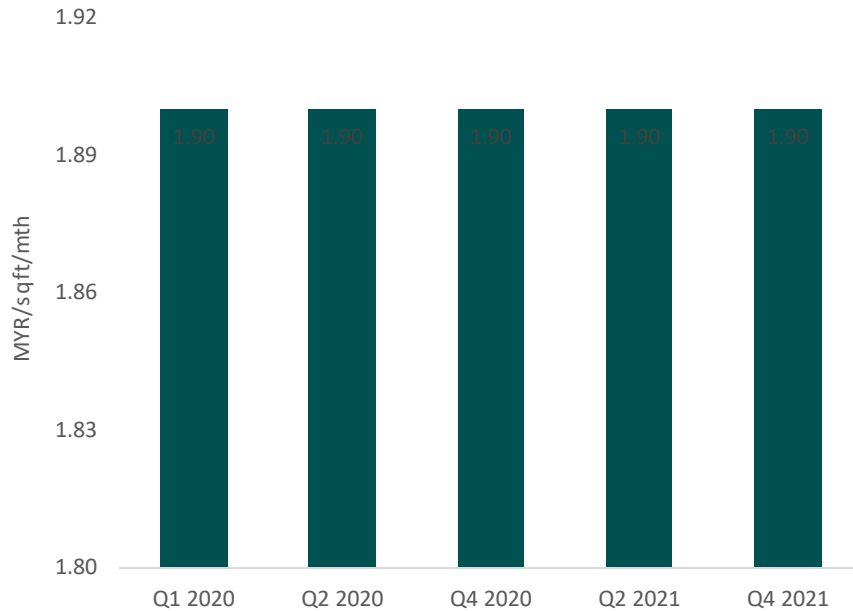


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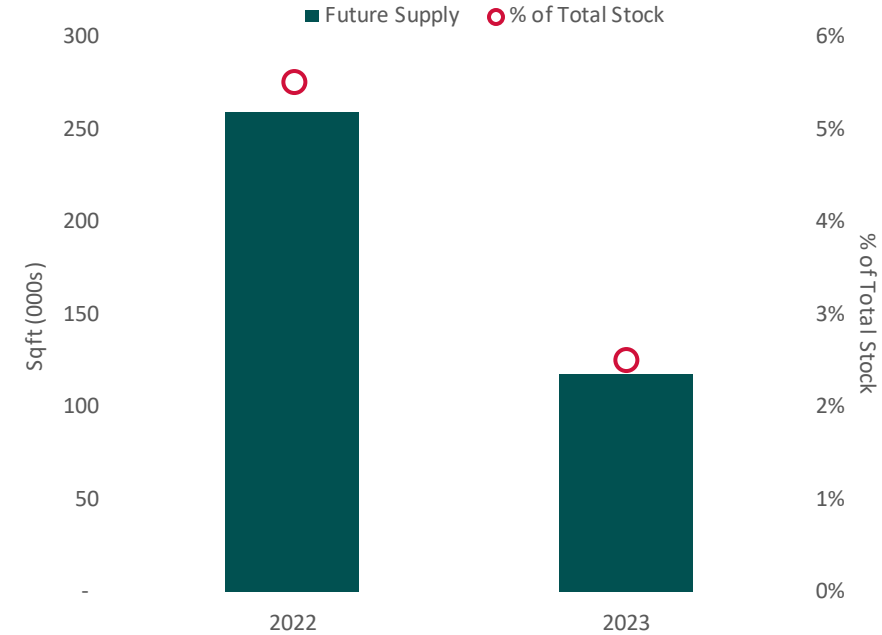
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# Kuala Lumpur

Net Effective Rents



Supply Pipeline

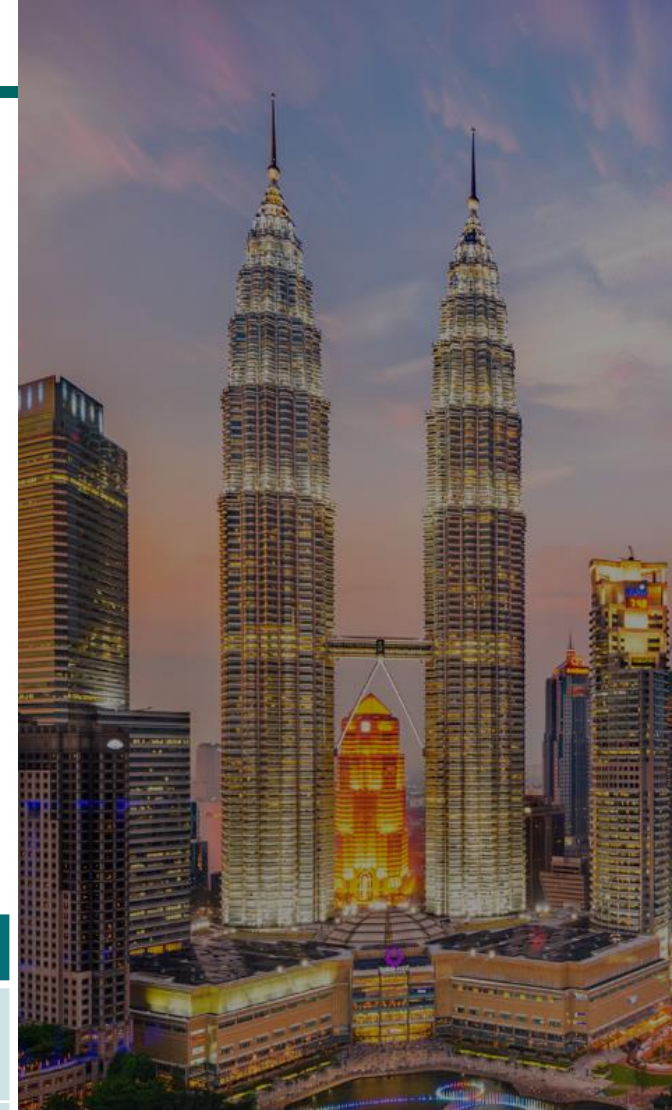


Economic Indicators (National)

	2021F	2022F
GDP Growth	6.5%	6.0%
Unemployment Rate	6.5%	5.8%
Inflation	2.0%	2.0%

Prime Warehouse Indicators

	H2 2021	2022F
Net Effective Rent	1.90	→
Market Pendulum	Balanced	Balanced

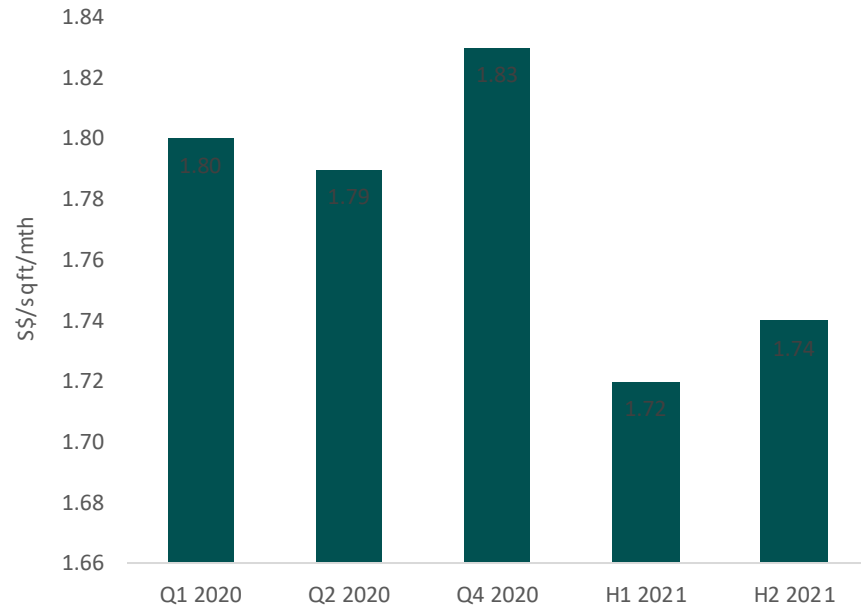


For more information please contact

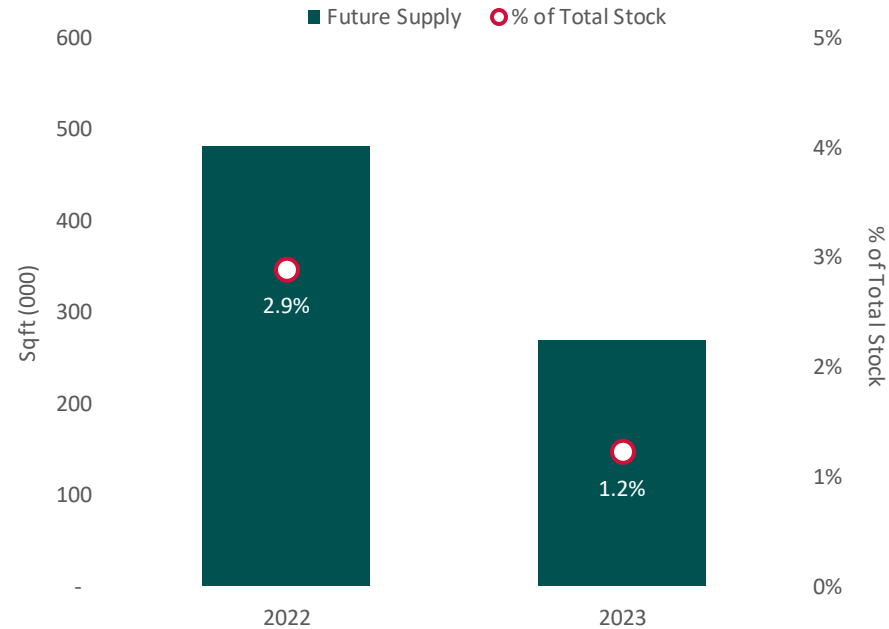
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# Singapore

Net Effective Rents



Supply Pipeline



Economic Indicators (National)

	2021F	2022F
GDP Growth	5.2%	3.2%
Unemployment Rate	2.8%	2.5%
Inflation	0.2%	0.8%

Prime Warehouse Indicators

	H2 2021	2022F
Net Effective Rent	1.74	↑
Market Pendulum	Balanced	Balanced

Source: Knight Frank Research, Macrobond

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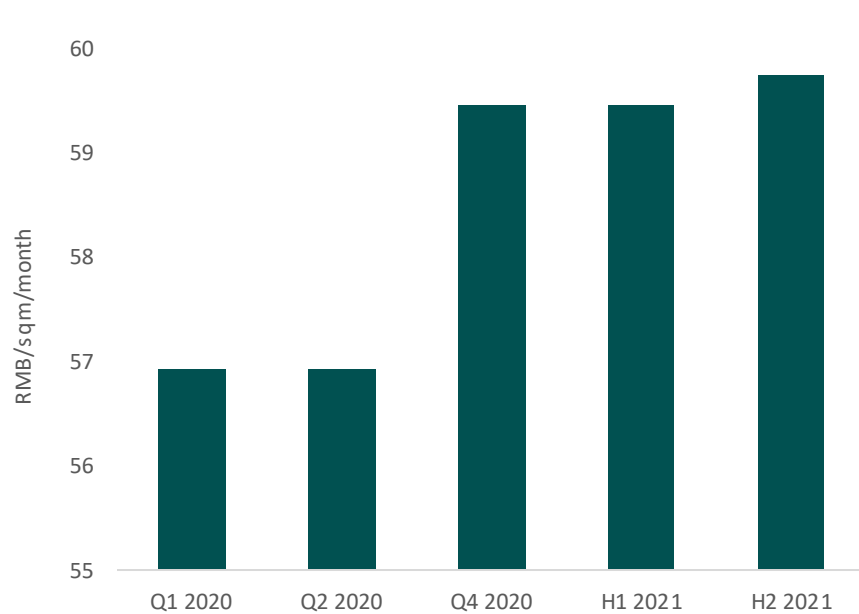
# East Asia

Rents for warehouses in the territory rose marginally in the second half of 2021 as vacancies tightened to below 6%. Similar to the rest of the region, e-commerce continued to be the main demand driver. While Omicron's emergence has led to a cluster of outbreaks, leasing fundamentals in the city's warehouse market are expected to remain firm with rents expected to post an upside of 3% in 2022. Buoyant demand for warehouse space in the tiered-one cities of Chinese Mainland's northeast remained conducive to rising rents. Those in Shanghai rose 2.2% in the second half of 2021 as demand continued to outpace supply. While rent increases in Beijing were more modest, vacancy tightened to just above 3%.

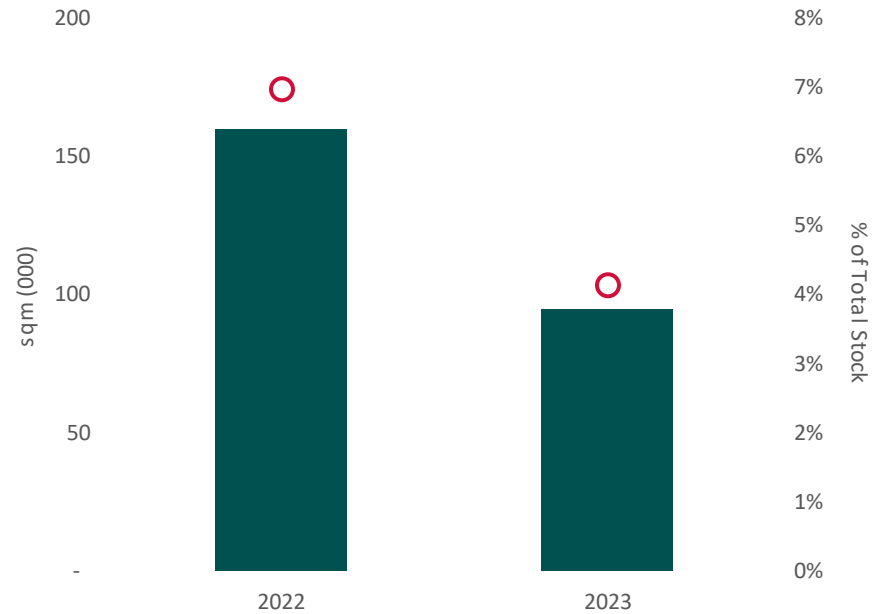


# Beijing

Net Effective Rents



Supply Pipeline



## Economic Indicators (National)

	2021F	2022F
GDP Growth	8.4%	5.6%
Unemployment Rate	3.6%	3.6%
Inflation	1.2%	1.9%

## Prime Warehouse Indicators

	H2 2021	2022 F
Net Effective Rent	59.75	↑
Vacancy	3.2%	→
Market Pendulum	Landlord	Landlord

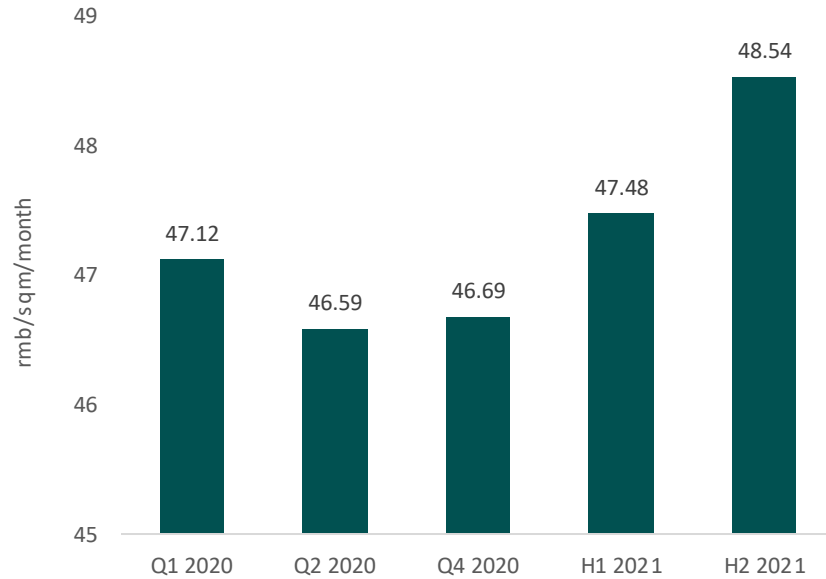


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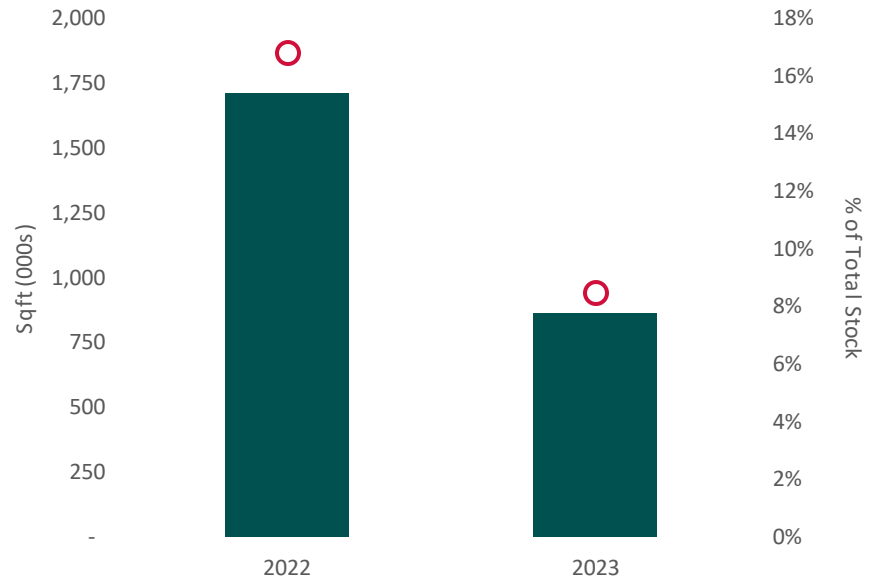
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# Shanghai

Net Effective Rents



Supply Pipeline



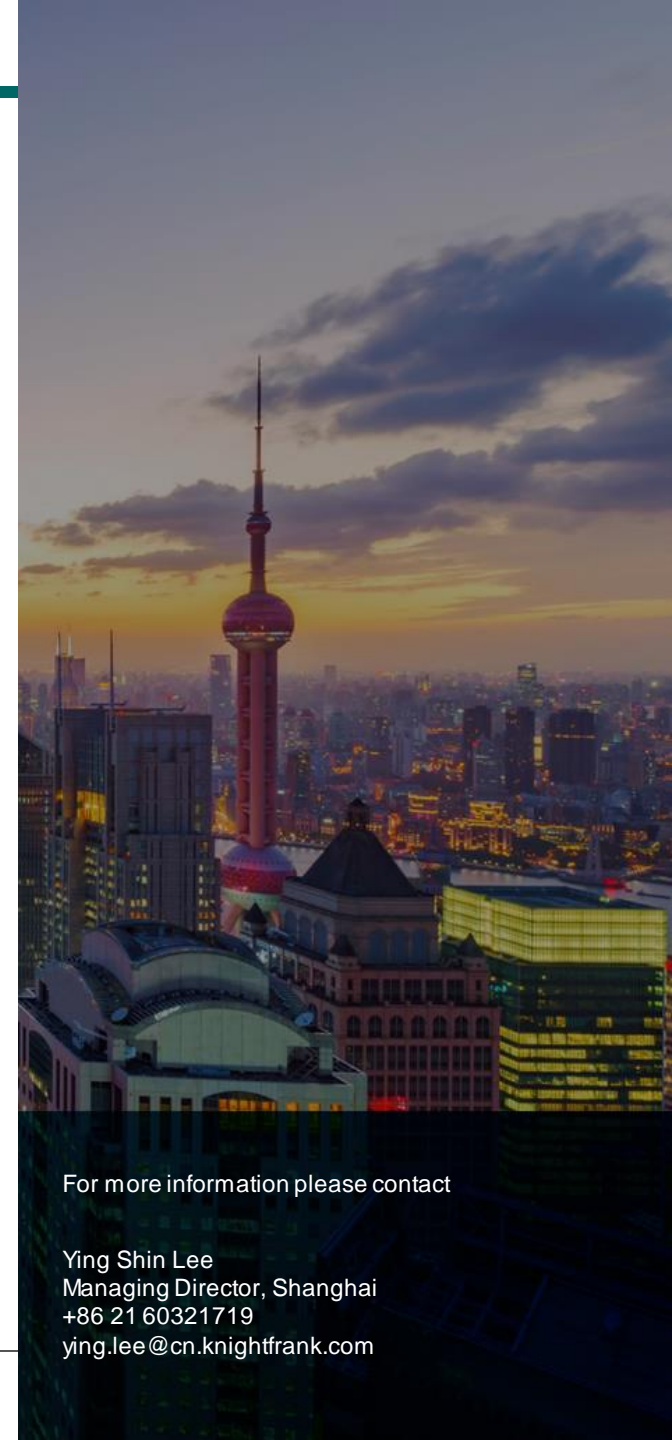
Economic Indicators (National)

	2021F	2022F
GDP Growth	8.4%	5.6%
Unemployment Rate	3.6%	3.6%
Inflation	1.2%	1.9%

Prime Warehouse Indicators

	H2 2021	2022 F
Net Effective Rent	48.54	↑
Vacancy	12%	→
Market Pendulum	Landlord	Landlord

Source: Knight Frank Research, Macrobond



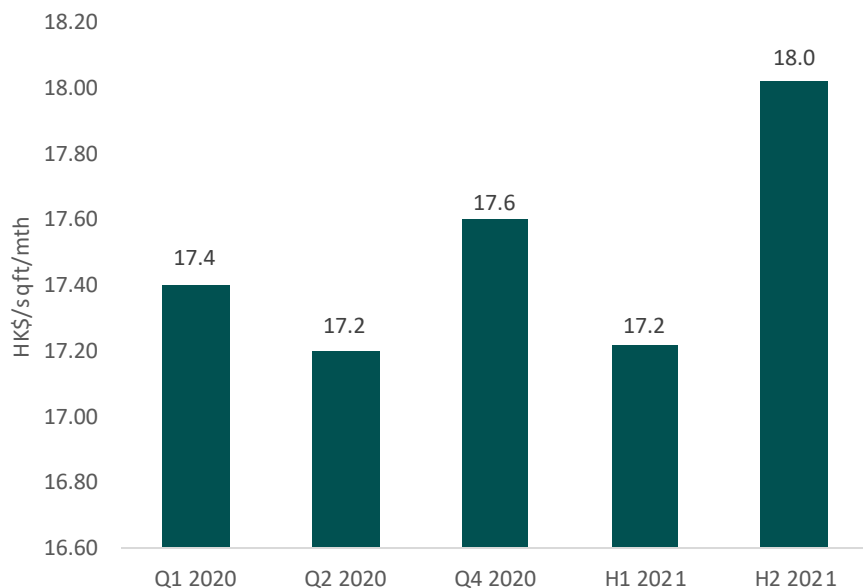
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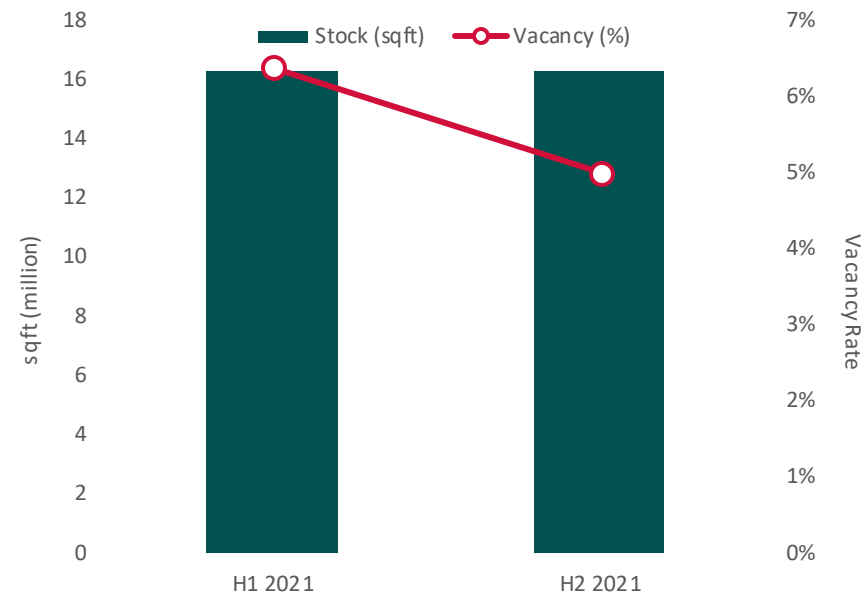


# Hong Kong SAR

Net Effective Rents



Stock/Vacancy Rate



Economic Indicators (National)

	2021F	2022F
GDP Growth	4.3%	3.8%
Unemployment Rate	5.2%	4.3%
Inflation	1.4%	1.9%

Prime Warehouse Indicators

	H2 2021	2022F
Net Effective Rent	18.02	→
Vacancy	5.0%	↑
Market Pendulum	Balanced	Landlord

Source: Knight Frank Research, Macrobond

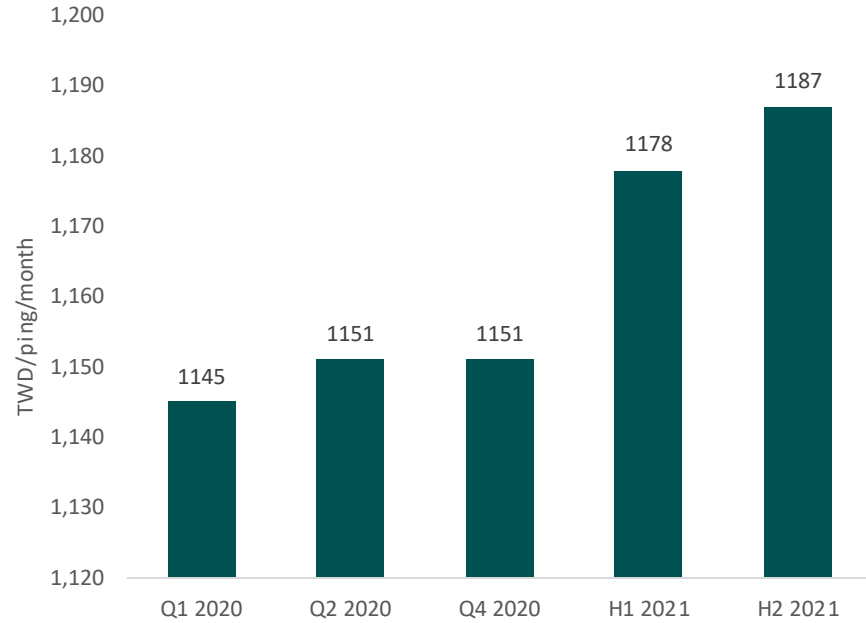


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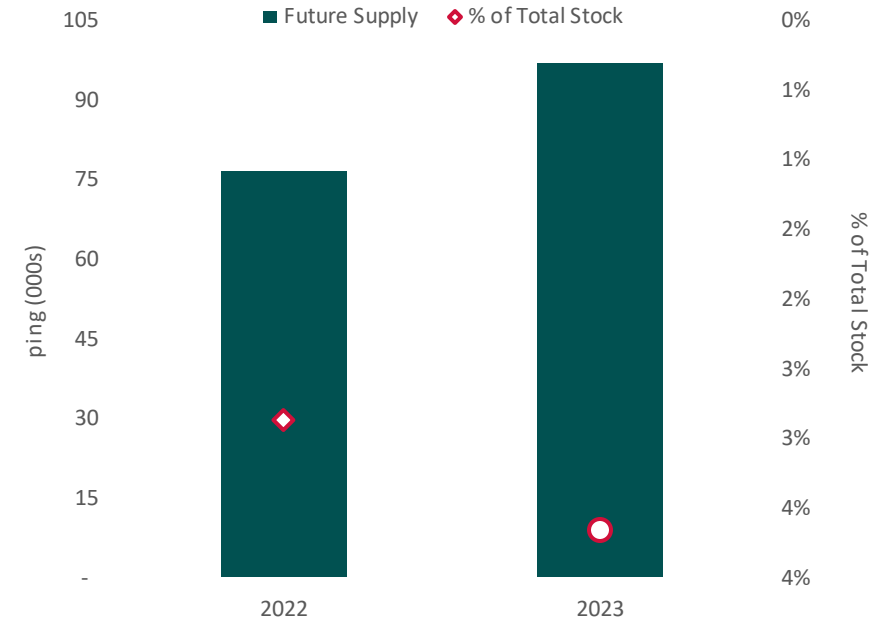
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# Taipei

Net Effective Rents



Pipeline Supply



Economic Indicators (National)

	2021F	2022F
GDP Growth	4.7%	3.0%
Unemployment Rate	3.8%	3.8%
Inflation	0.9%	1.2%

Prime Warehouse Indicators

	H2 2021	2022F
Net Effective Rent	1,187	↑
Vacancy	7.2%	→
Market Pendulum	Landlord	Landlord

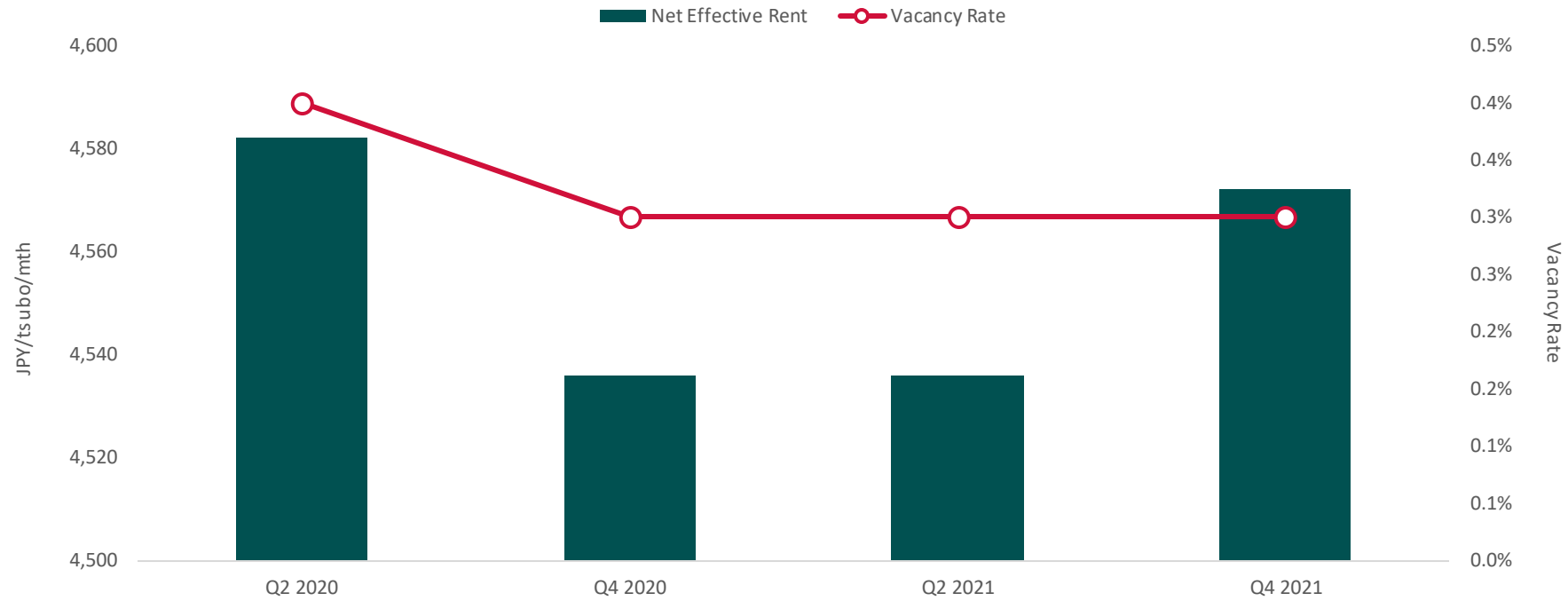
Source: Knight Frank Research, Macrobond



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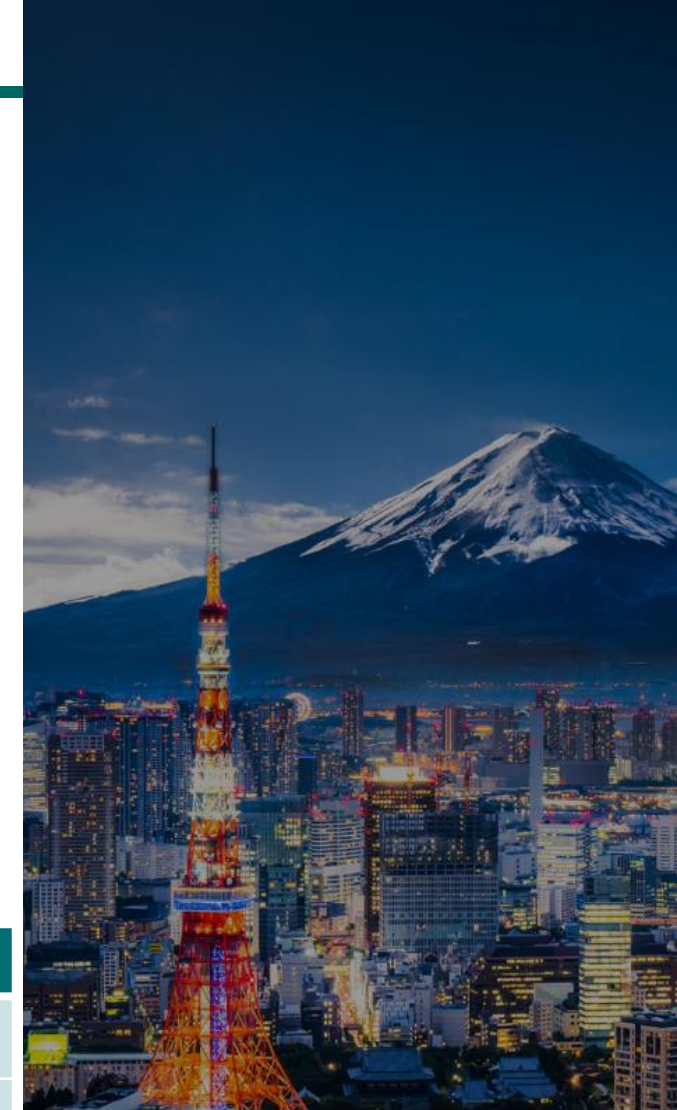
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# Tokyo



Economic Indicators (National)		
	2021F	2022F
GDP Growth	3.3%	2.5%
Unemployment Rate	3.8%	3.6%
Inflation	0.1%	0.7%

Prime Warehouse Indicators		
	H2 2021	2022F
Net Effective Rent	4,536	↑
Vacancy	0.5%	→
Market Pendulum	Balanced	Balanced



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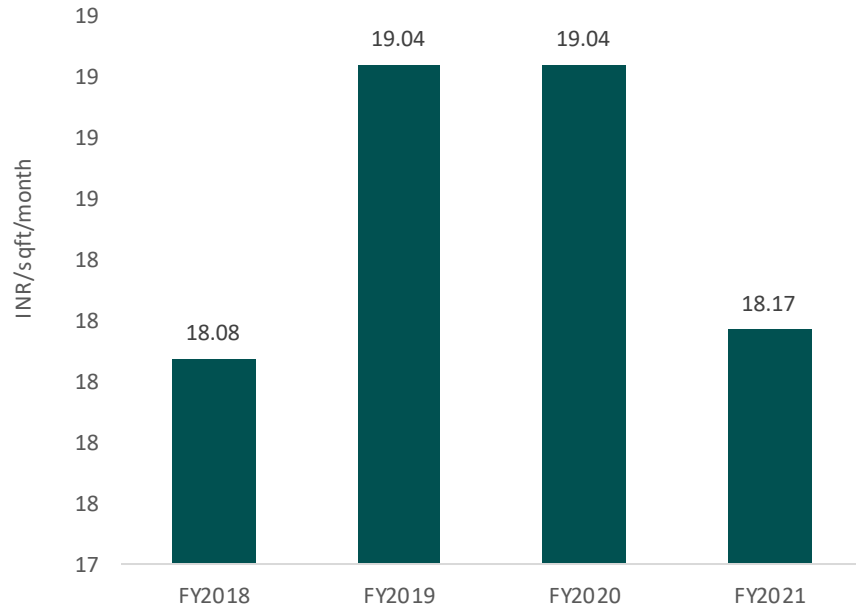


# South Asia

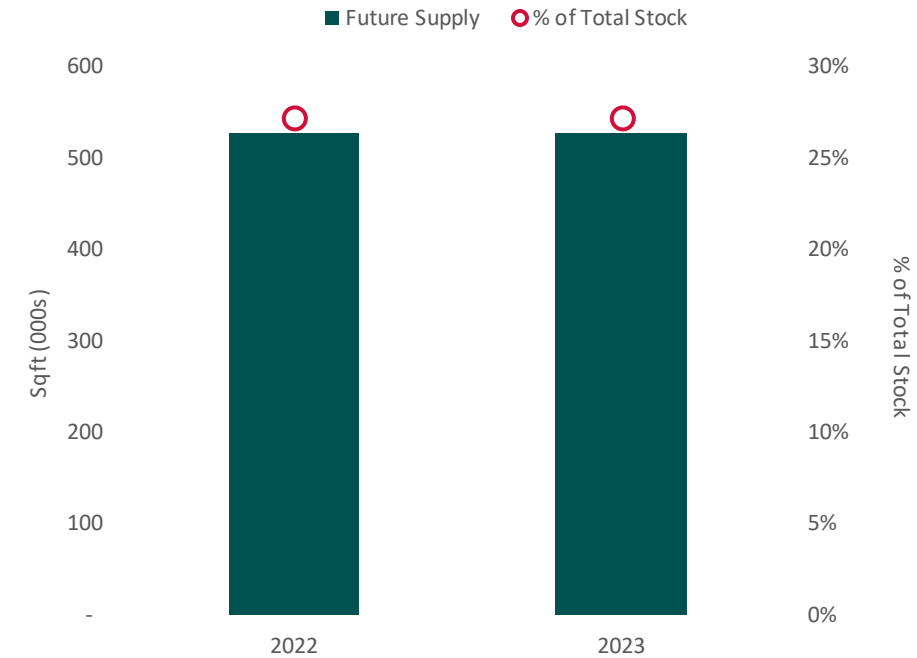
Rents for warehouses in Mumbai and Bengaluru corrected while those in the National Capital Region were observed to have risen in the reported period. Take-up in the Indian cities continued to be underpinned by e-commerce and 3PL players as the largest sources of demand. While the outlook remains positive, rents are expected to remain unchanged, capped by elevated vacancies. A surge in Omicron infections, which have prompted fresh curbs, is also weighing on recovery momentum. Still, the impact is likely to be contained as the country is far better positioned to cope with more targeted measures to control spread as well as a successful vaccination drive.

# Bengaluru

Net Effective Rents

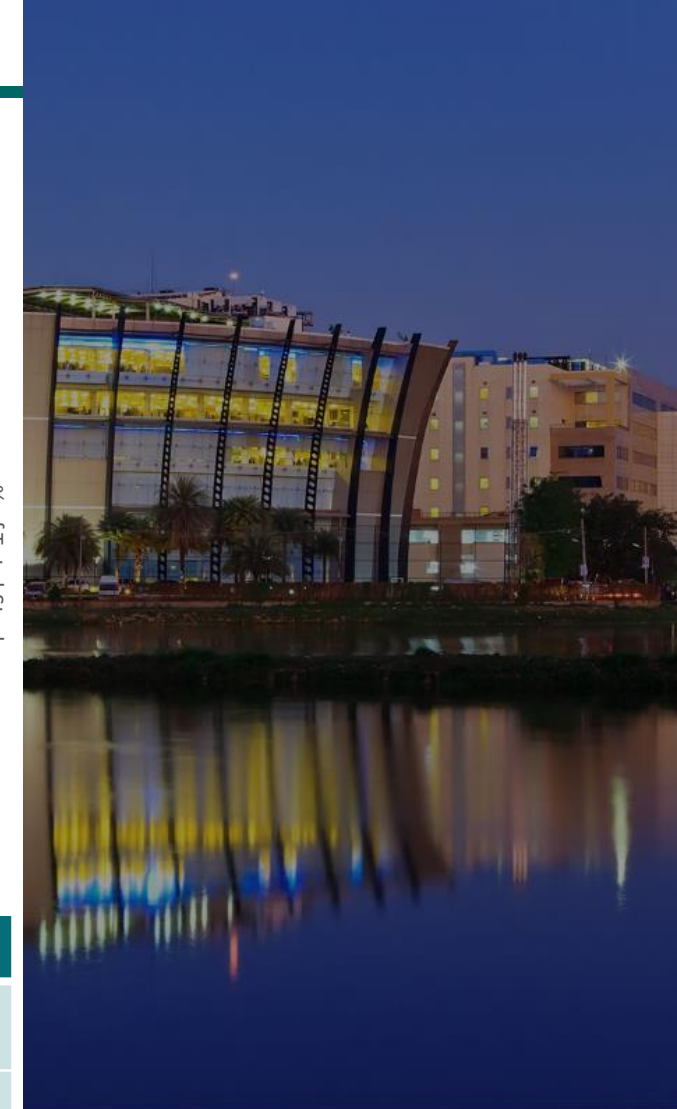


Supply Pipeline



Economic Indicators (National)			Prime Warehouse Indicators		
	2021F	2022F		H2 2021	2022F
GDP Growth	12.6%	6.9%	Net Effective Rent	18.17	→
Unemployment Rate	NA	NA	Vacancy	25.2%	↓
Inflation	4.9%	4.1%	Market Pendulum	Balanced	Balanced

Source: Knight Frank Research, IMF, Macrobond



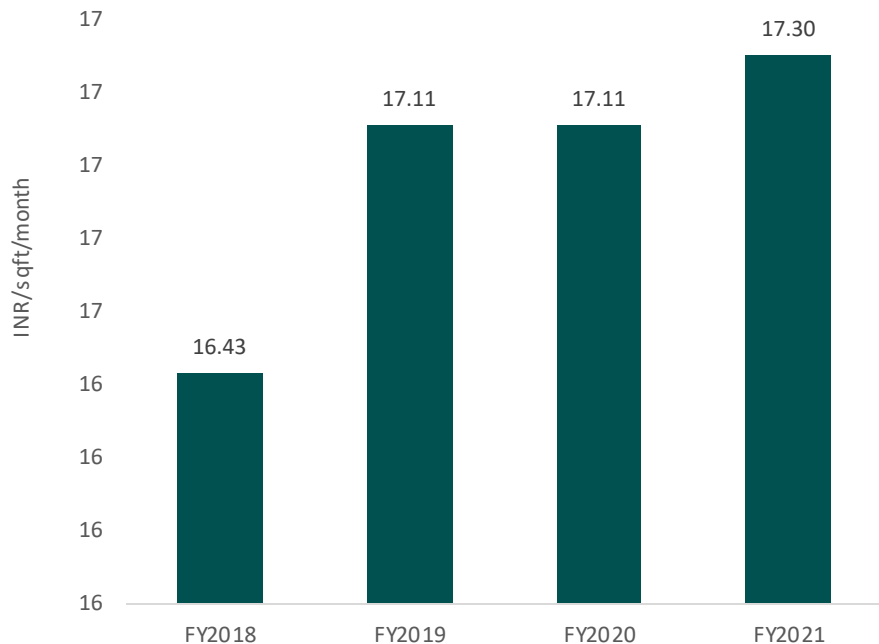
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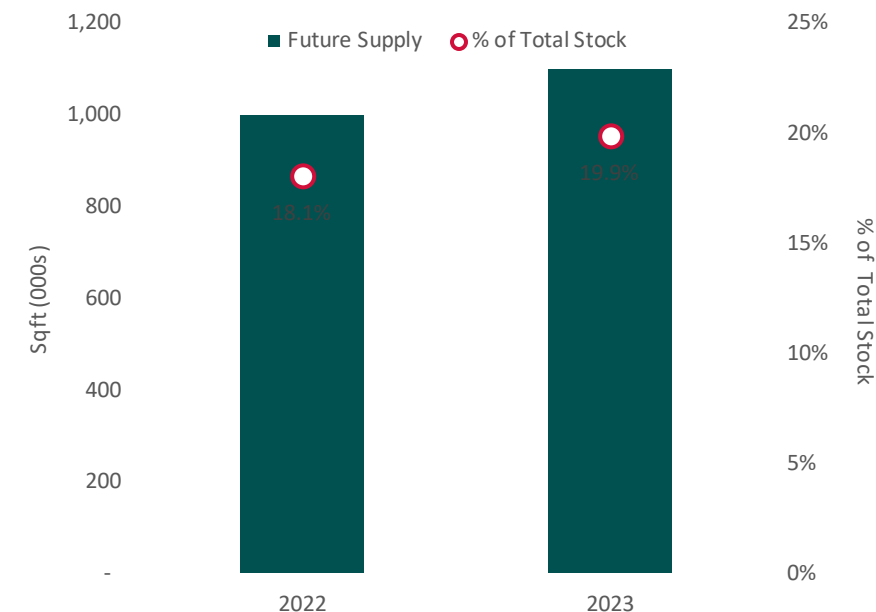


# Delhi - National Capital Region

Net Effective Rents



Supply Pipeline



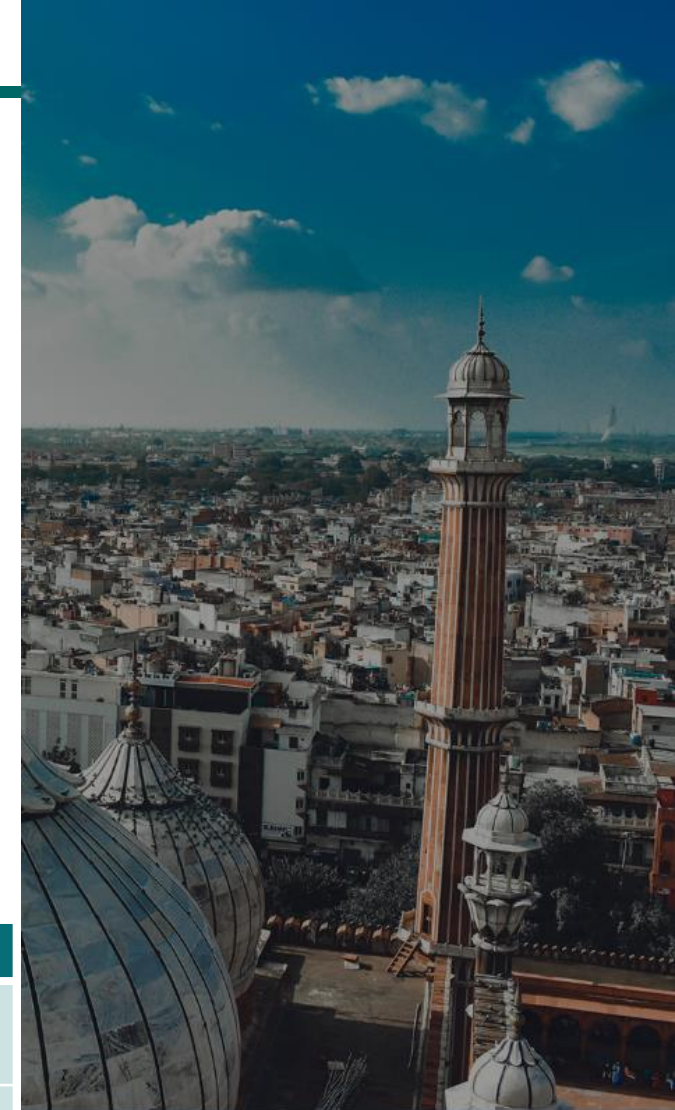
Economic Indicators (National)

	2021F	2022F
GDP Growth	12.6%	6.9%
Unemployment Rate	NA	NA
Inflation	4.9%	4.1%

Prime Warehouse Indicators

	H2 2021	2022F
Net Effective Rent	17.30	→
Vacancy Rate	15.8%	→
Market Pendulum	Balanced	Balanced

Source: Knight Frank Research, IMF, Macrobond



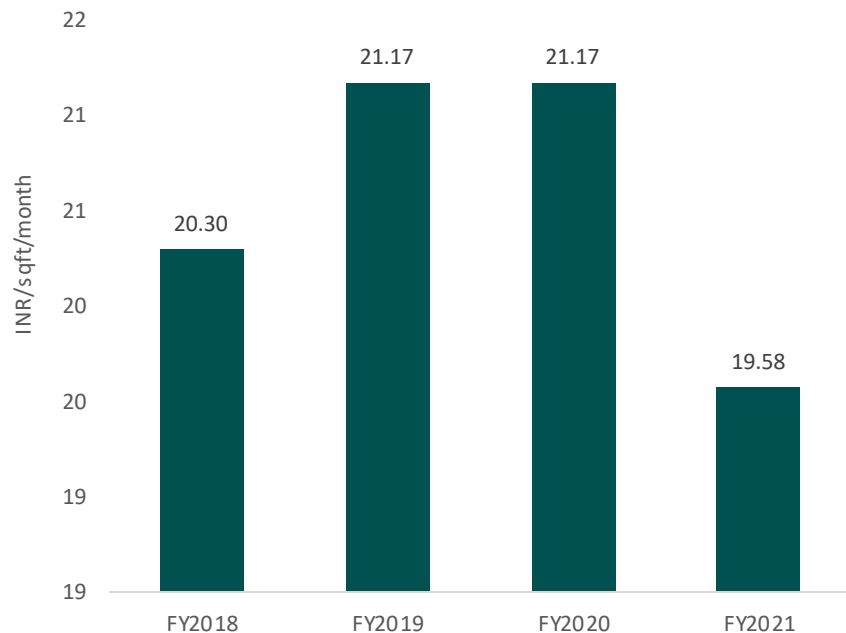
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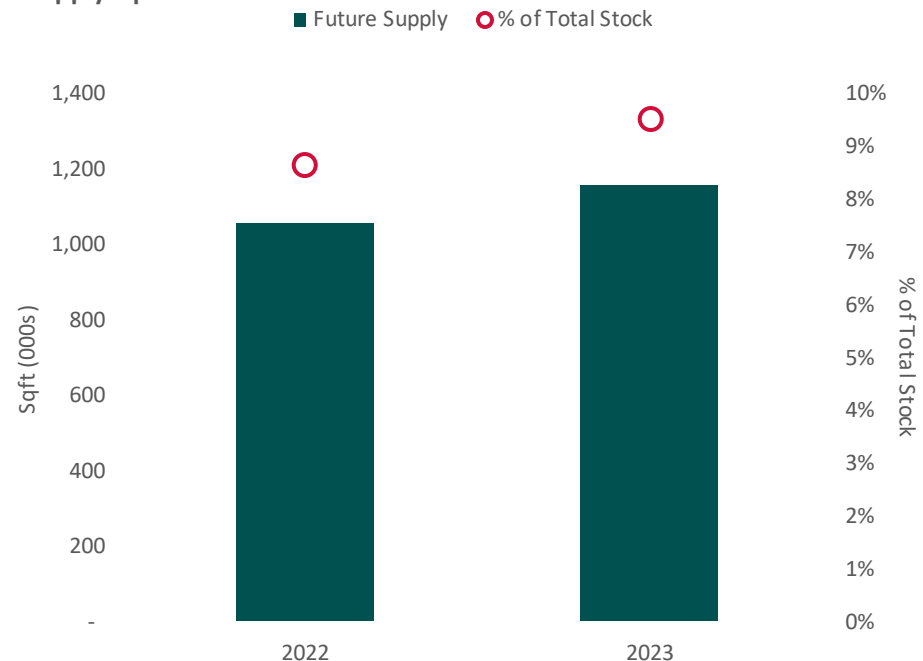


# Mumbai

Net Effective Rents



Supply Pipeline



Economic Indicators (National)			Prime Warehouse Indicators		
	2021F	2022F		H2 2021	2022 F
GDP Growth	12.6%	6.9%	Net Effective Rent	19.58	→
Unemployment Rate	NA	NA	Vacancy	13.3%	↑
Inflation	4.9%	4.1%	Market Pendulum	Balanced	Balanced

Source: Knight Frank Research, IMF, Macrobond

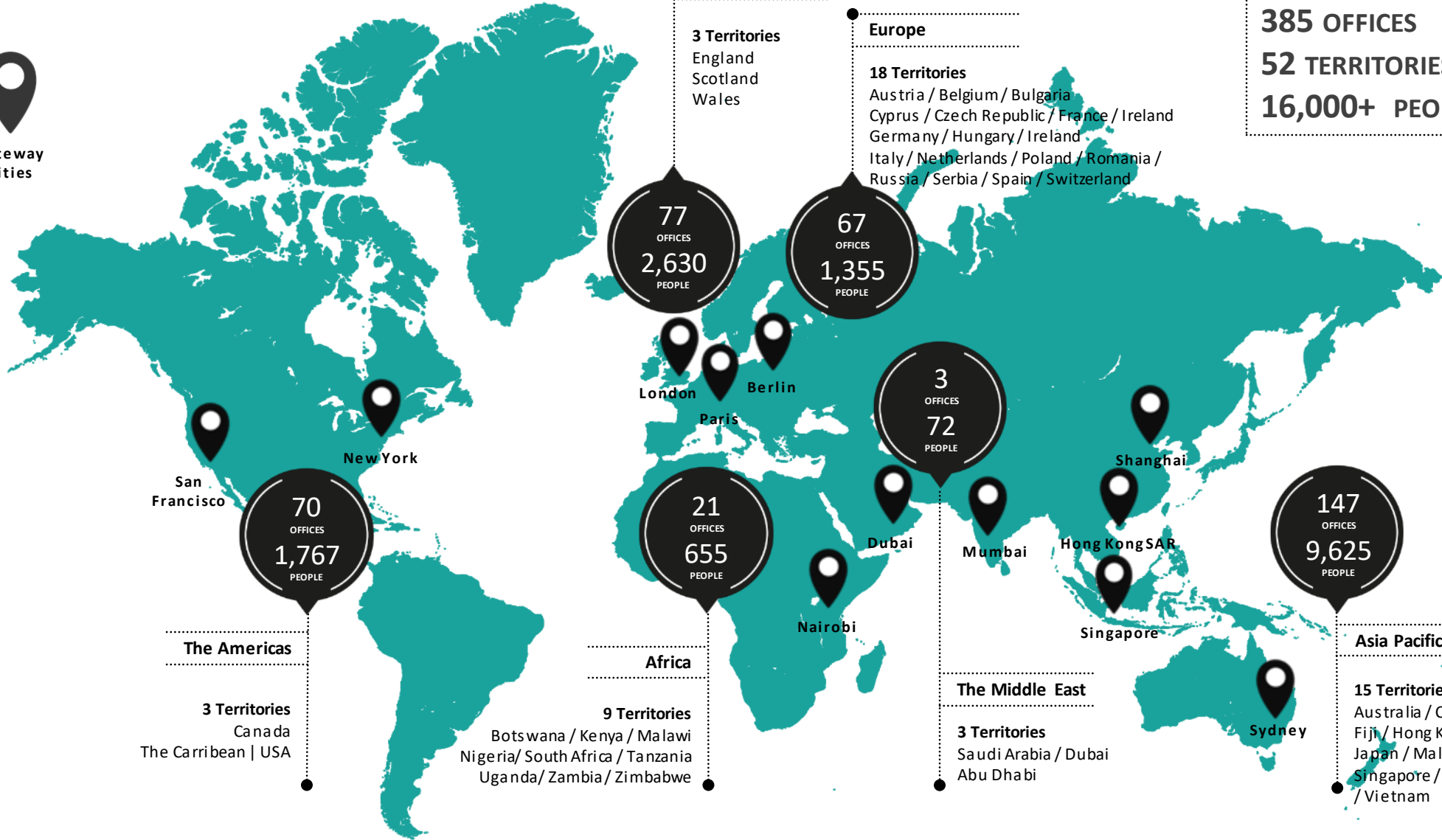


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# Our Global Presence

Gateway Cities



**385 OFFICES**  
**52 TERRITORIES**  
**16,000+ PEOPLE**

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

**70 OFFICES**  
**1,767 PEOPLE**

**United Kingdom**  
 3 Territories  
 England  
 Scotland  
 Wales

**77 OFFICES**  
**2,630 PEOPLE**

**Europe**  
 18 Territories  
 Austria / Belgium / Bulgaria  
 Cyprus / Czech Republic / France / Ireland  
 Germany / Hungary / Ireland  
 Italy / Netherlands / Poland / Romania /  
 Russia / Serbia / Spain / Switzerland

**67 OFFICES**  
**1,355 PEOPLE**

**Africa**  
 9 Territories  
 Botswana / Kenya / Malawi  
 Nigeria / South Africa / Tanzania  
 Uganda / Zambia / Zimbabwe

**21 OFFICES**  
**655 PEOPLE**

**The Middle East**  
 3 Territories  
 Saudi Arabia / Dubai  
 Abu Dhabi

**3 OFFICES**  
**72 PEOPLE**

**Asia Pacific**  
 15 Territories  
 Australia / Cambodia / Chinese Mainland  
 Fiji / Hong Kong SAR / India / Indonesia  
 Japan / Malaysia / New Zealand / Philippines  
 Singapore / South Korea / Taiwan / Thailand  
 Vietnam

**147 OFFICES**  
**9,625 PEOPLE**

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

The Asia Pacific Occupier Strategy & 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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