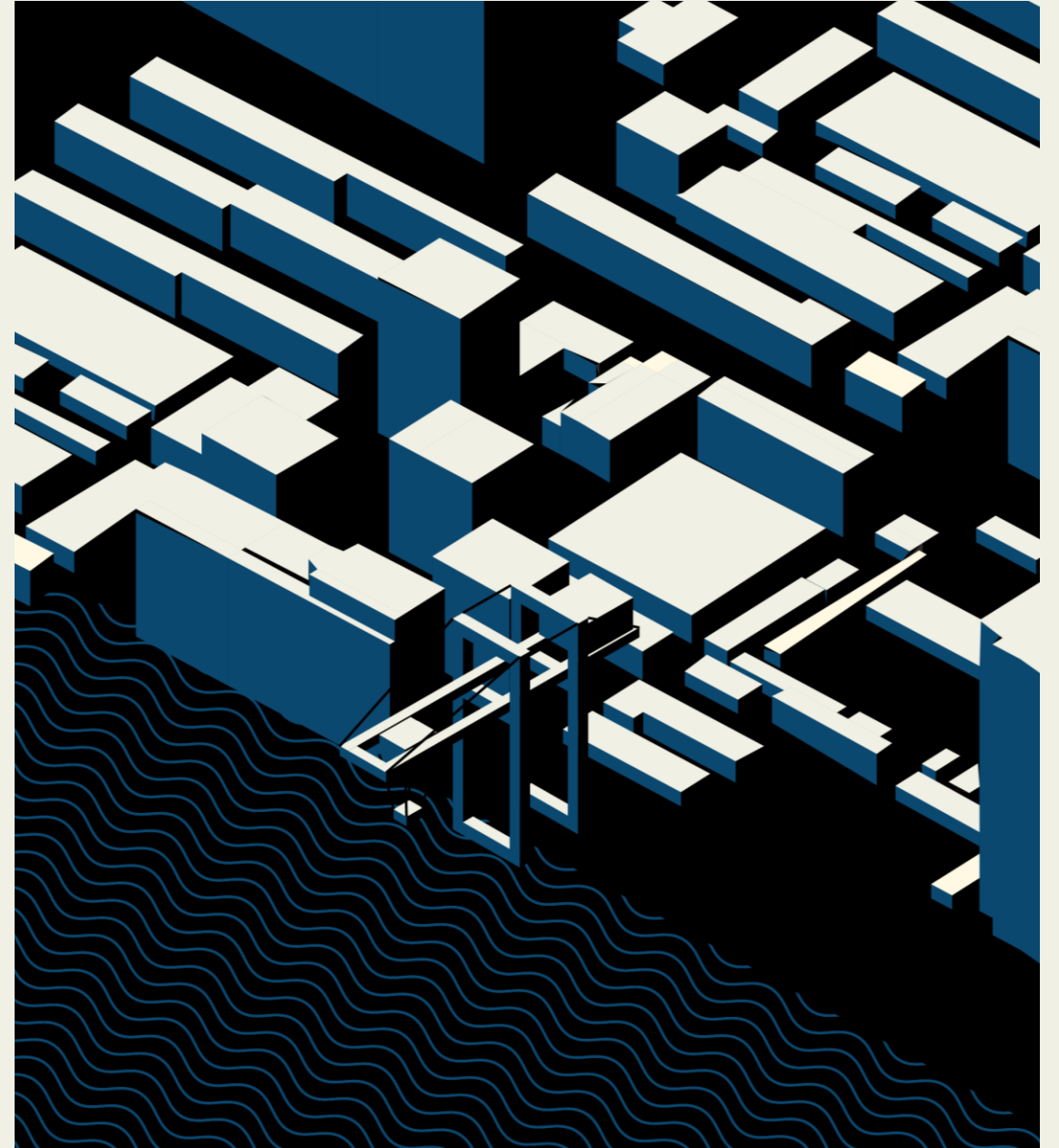

Logistics Highlights H2 2025

Knight Frank Asia-Pacific



Asia-Pacific Overview – H2 2025

Summary



Rents for logistics space across the region remained broadly stable, edging up by a marginal 0.2% in H2 2025 to end the year just 0.3% higher year-on-year. While rent growth remains weighed down by Chinese markets, those in Australia were also observed to have decelerated.

Singapore's market lead the region in terms of rental growth, rising over 7% in H2 2025. Demand for specialised assets from a diverse manufacturing base as well as 3PL firms supported leasing activity in the same period amid a limited supply pipeline.

Across Asia-Pacific, 3PLs, e-commerce players, and manufacturing occupiers continued to underpin occupier activity. Heightened tariff uncertainty has accelerated 'China+n' strategies, with occupiers exploring split logistics footprints across Southeast Asia and India to hedge cross-border tariff risks.

Container carriers have reportedly expanded intra-Asian capacity through 2025, with Chinese operators among the most aggressive, reflecting manufacturers' push to establish overseas production bases amid escalating trade tensions. In the second half of 2025, Maersk opened its largest Asia Pacific contract logistics facility, spanning 180,000 sqm, near Kuala Lumpur.

Asia-Pacific's logistics occupier markets will continue to navigate a varied landscape in 2026. While companies will continue to diversify supply chains and establish regional footprints, they are likely to proceed in a measured manner and are increasingly willing to take up space in phases rather than committing to large requirements all at once. With pipeline supply in 2026 remaining elevated, rent growth will largely be restrained to under 2%.

► 0.3%

YoY rental change in Asia-Pacific in H2 2025

► Singapore

Recorded the highest annual/half-yearly rental growth

► 15 of 18*

Tracked cities recorded stable or increasing rents YoY in H2 2025

► Cautious

Expectations for H2 2025

*coverage of the region's logistics markets have been increased to include Greater Hanoi

"While US trade policies will remain fluid in 2026, occupiers are expected to gradually adapt to the structural uncertainty, reflecting a broad tactical shift to move supply chain strategies beyond short-term tariff workarounds towards longer-term arrangements. With volatility the new baseline, supplier diversification, higher inventory buffers and friend-shoring will be among the most common strategic shifts planned for 2026 amid the higher tariff environment. Against this backdrop, demand for logistics space in the region is expected to remain resilient, supported by selective expansion as firms continue to reinforce their supply chains. Demand from 3PL providers is also poised to grow, driven by firms' heightened reliance on contract logistics solutions to navigate higher supply chain complexities while remaining operationally agile."



Tim Armstrong

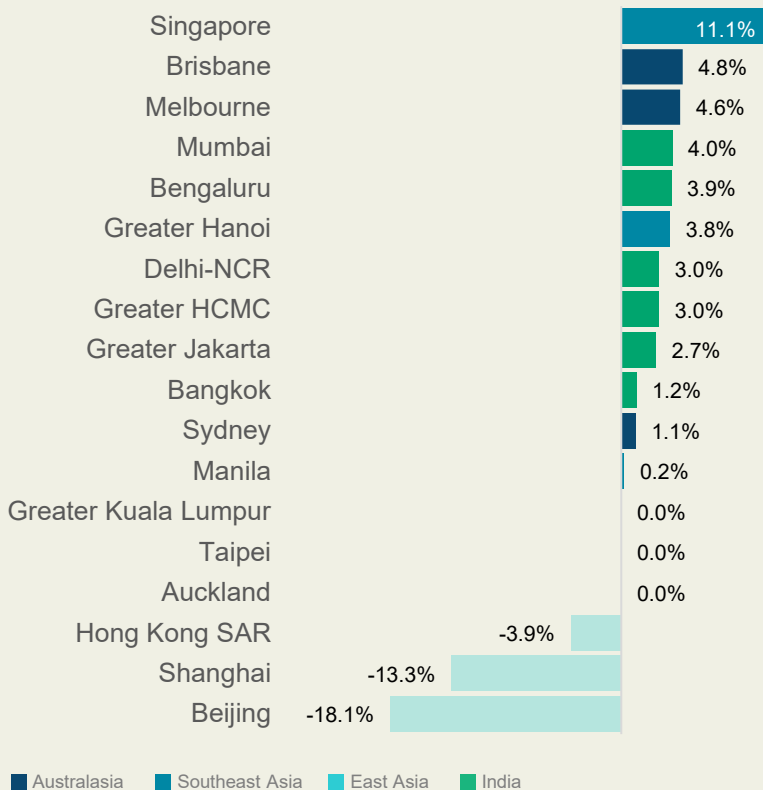
Global Head of Occupier Strategy and Solutions

APAC Logistics Rental Trends H2 2025

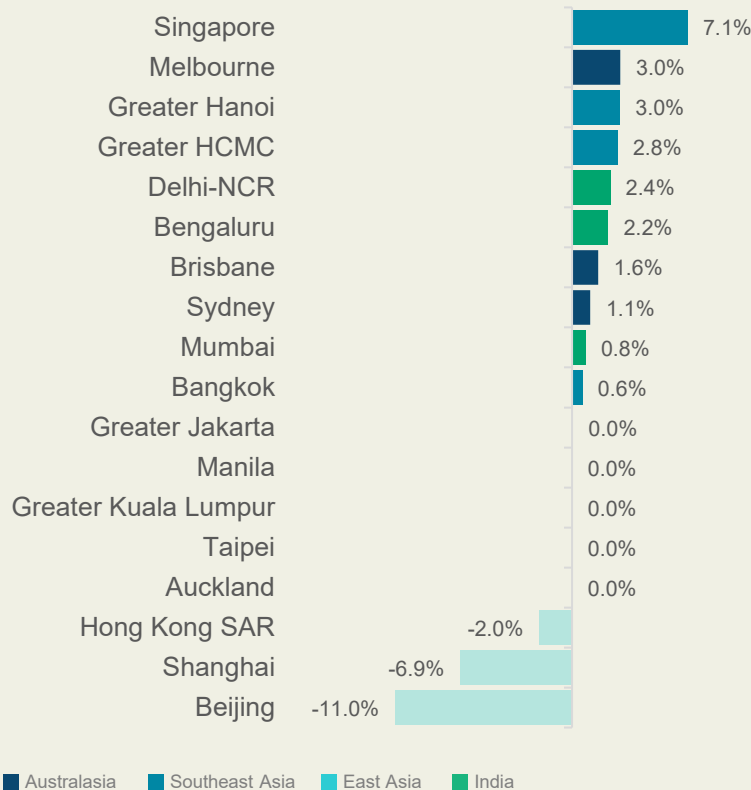


Rental growth decelerates in the region

Rental Growth Year-on-Year



Rental Growth Half-Yearly



Rent growth decelerates across most markets



Leasing conditions remain divergent in Chinese mainland markets



Rental growth in 2026 to remain muted amid ample supply and occupier caution



Leasing demand from 3PLs to rise as firms outsource supply-chain operations

APAC Logistics Snapshot – H2 2025

12-Month Rental Outlook

▼ Decreasing

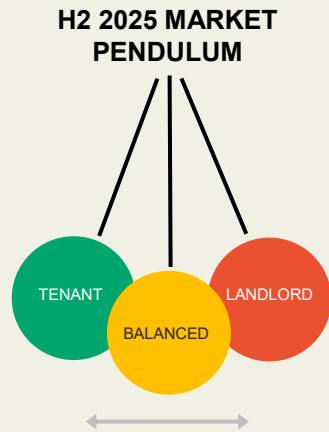
- Beijing
- Shanghai
- Hong Kong SAR

◀▶ Unchanged

- Auckland
- Greater Hanoi
- Bangkok
- Greater Kuala Lumpur
- Bengaluru
- Manila
- Delhi-NCR
- Greater Jakarta
- Mumbai
- Singapore
- Greater Hanoi
- Sydney

▲ Increasing

- Brisbane
- Melbourne
- Taipei

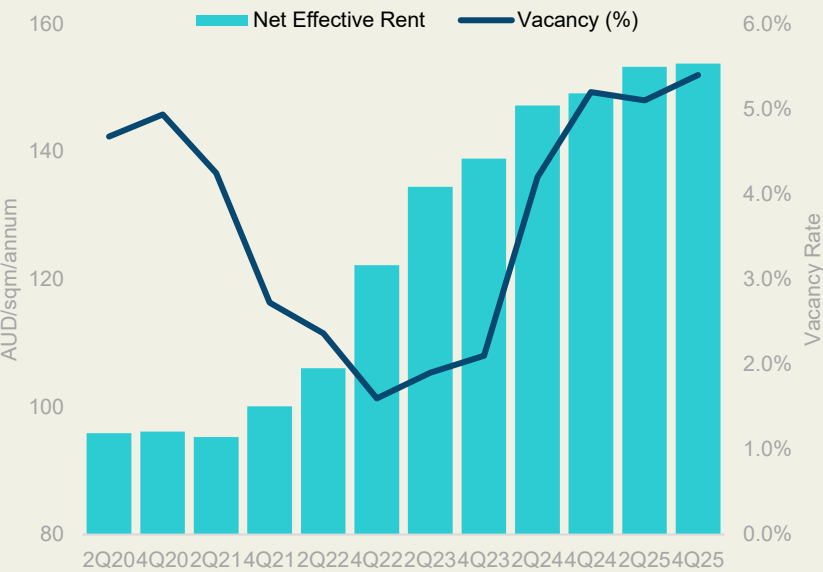




Australasia

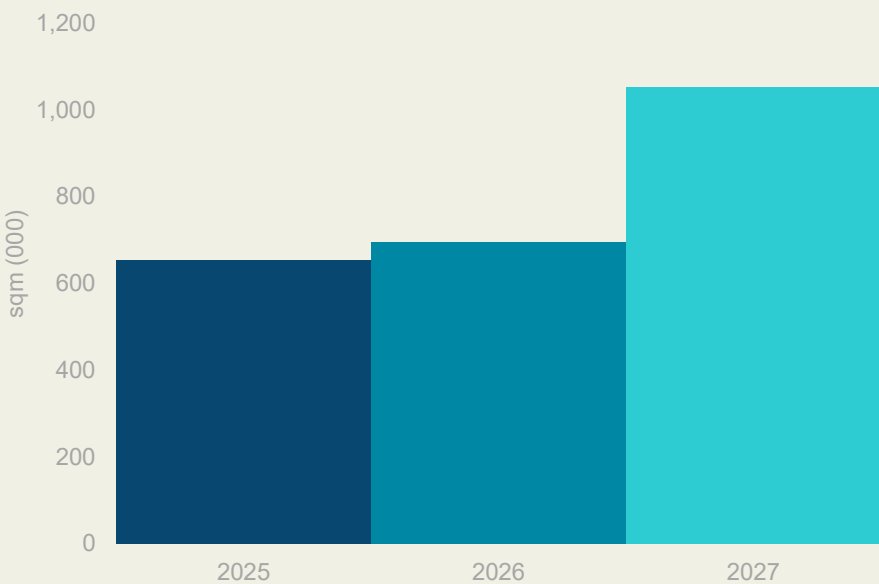
After several years of strong rental growth, Australia's markets shifted gears in 2025, as rising supply, higher vacancies and normalising tenant demand began to weigh on market fundamentals. Average effective rents across the country's Eastern Seaboard markets fell 2.1% from a year ago with higher incentives, which rose to 17.9% from 14.5% in the same period, eroding marginal gains in face rents. Those in Sydney's softened the most, driven largely by city's Outer West precinct, where the delivery of more than 400,000 sqm of new stock fueled sublease availabilities and lifted incentives. However, following a year of calibration, baseline tenant demand across the East Coast is anticipated to strengthen in 2026, driven by an increase in retail activity and a strong infrastructure pipeline. While the 3PL sector has been less active in 2025, a renewed focus on automation and delivery infrastructure is expected to underpin absorption rates in 2026. Amid a lower construction pipeline, vacancy levels are also likely to stabilise.

Net Effective Rent



Economic Indicators		
	2025F	2026F
GDP Growth	1.8%	2.1%
Unemployment Rate	4.2%	4.4%
Inflation	2.8%	3.3%

Future Pipeline Supply



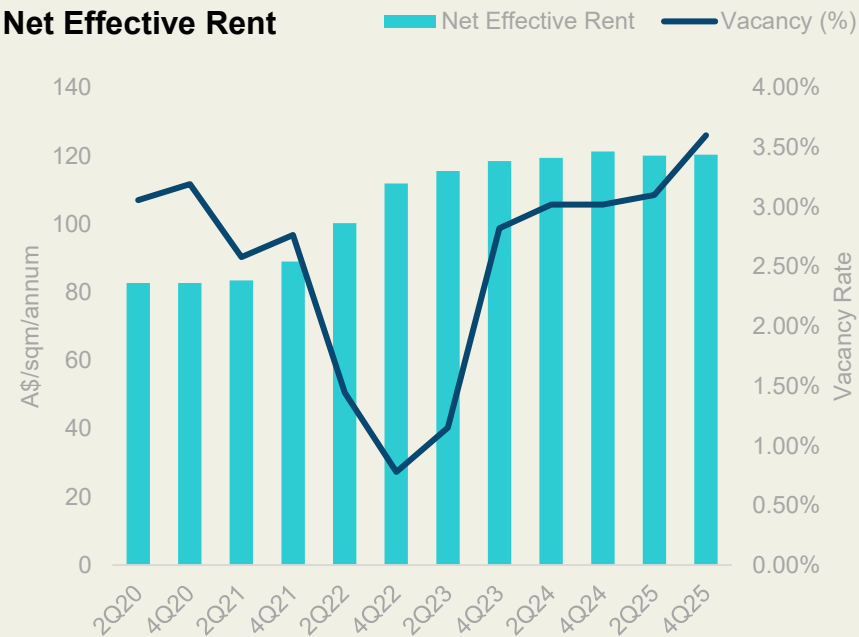
Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (A\$ psm pa)	176.6	↑
Vacancy	5.4%	→
Market Balance	Tenant	Balanced



For more information,
please contact:

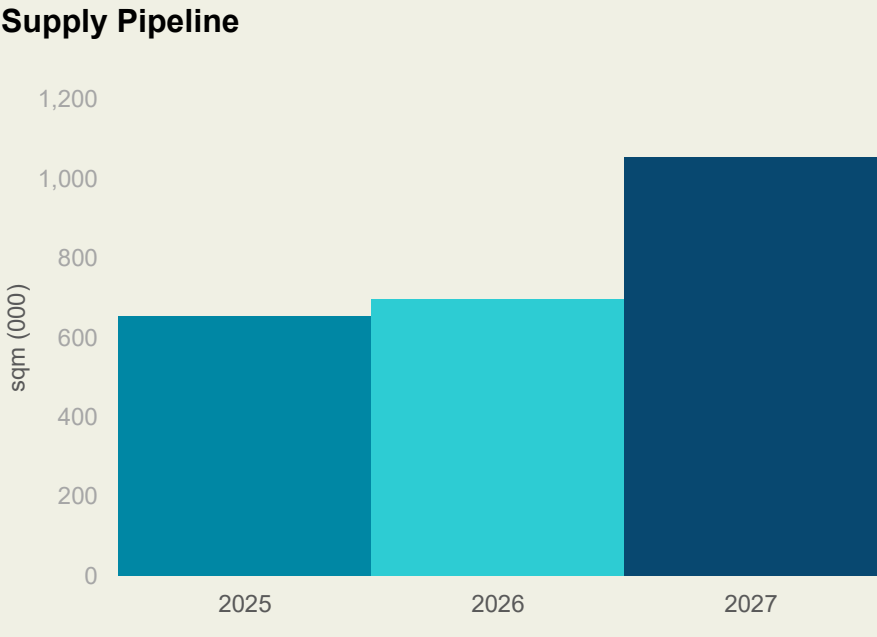
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Net Effective Rent

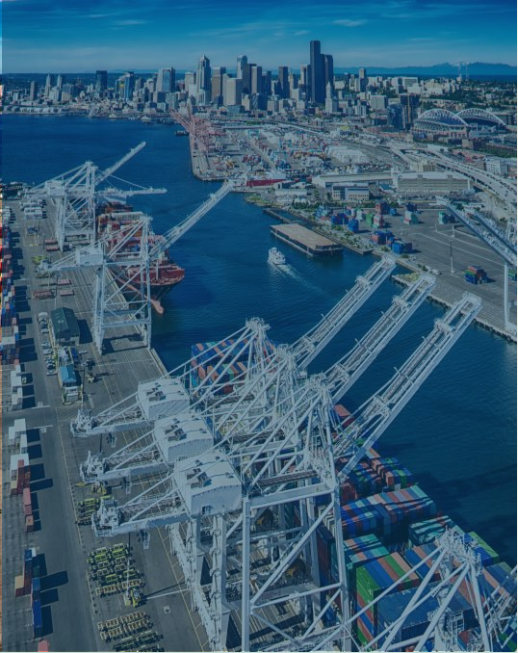


Economic Indicators		
	2025F	2026F
GDP Growth	1.8%	2.1%
Unemployment Rate	4.2%	4.4%
Inflation	2.8%	3.3%

Supply Pipeline



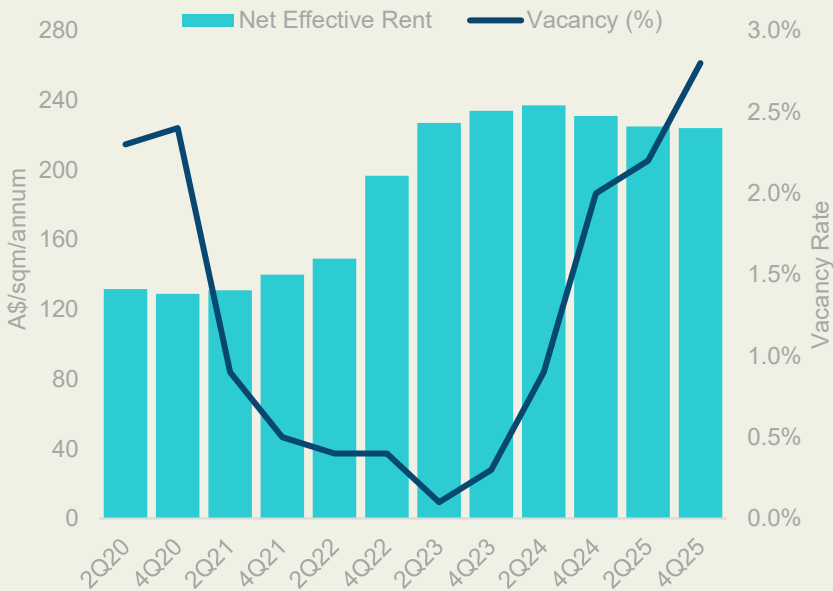
Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (A\$ psm pa)	151.0	↑
Vacancy	3.6%	→
Market Balance	Tenant	Balanced



For more information, please contact:

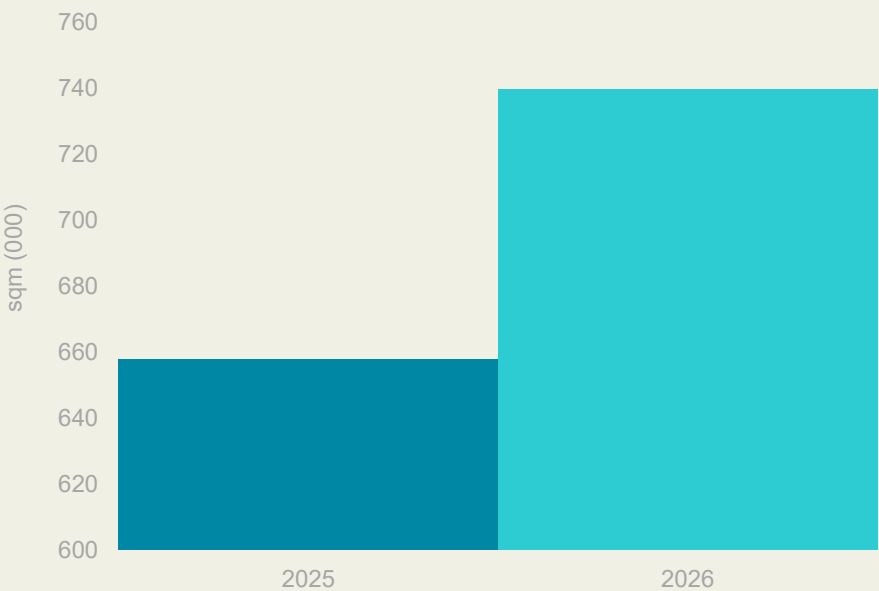
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Net Effective Rent

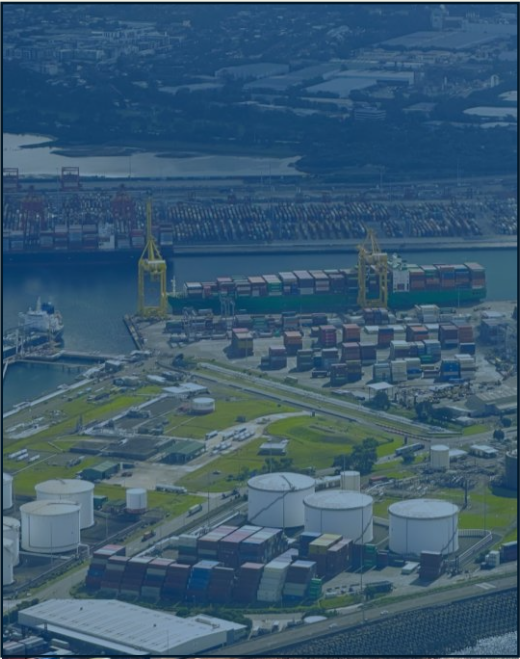


Economic Indicators		
	2025F	2026F
GDP Growth	1.8%	2.1%
Unemployment Rate	4.2%	4.4%
Inflation	2.8%	3.3%

Future Pipeline Supply



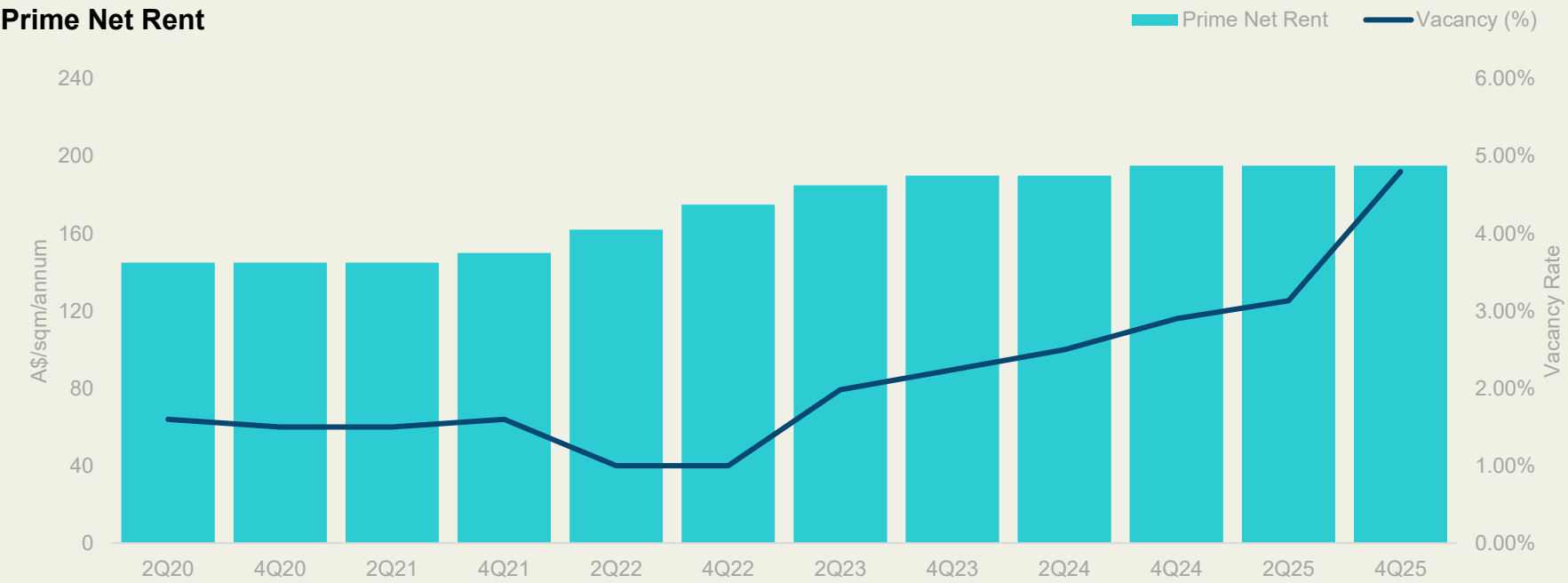
Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (A\$ psm pa)	270.0	→
Vacancy	2.8%	→
Market Balance	Tenant	Tenant



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Prime Net Rent



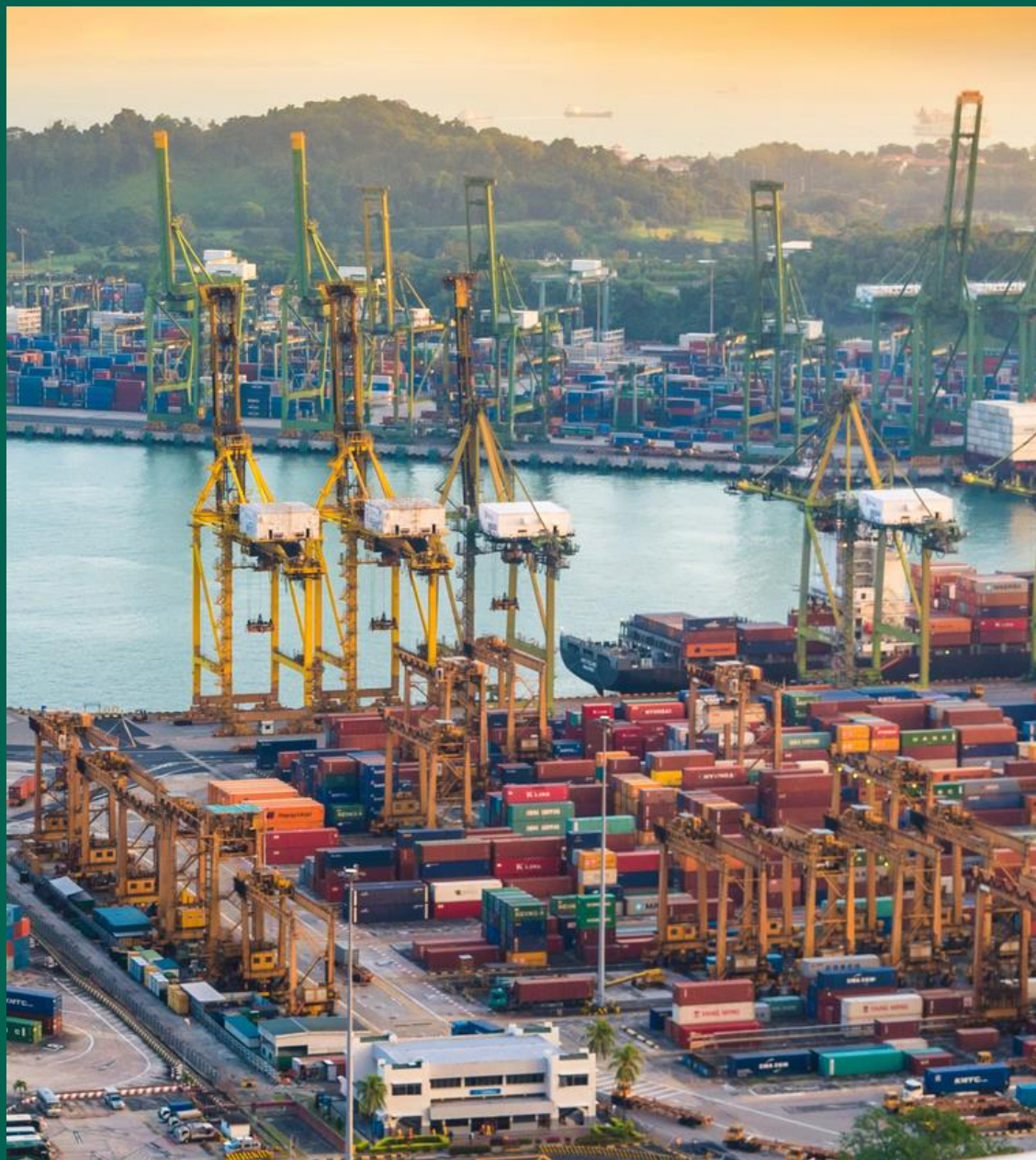
Economic Indicators		
	2025F	2026F
GDP Growth	1.1%	2.1%
Unemployment Rate	5.3%	5.2%
Inflation	2.8%	2.4%

Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (NZ\$ psm pa)	195	→
Vacancy	%	→
Market Balance	Tenant	Tenant



For more information,
please contact:

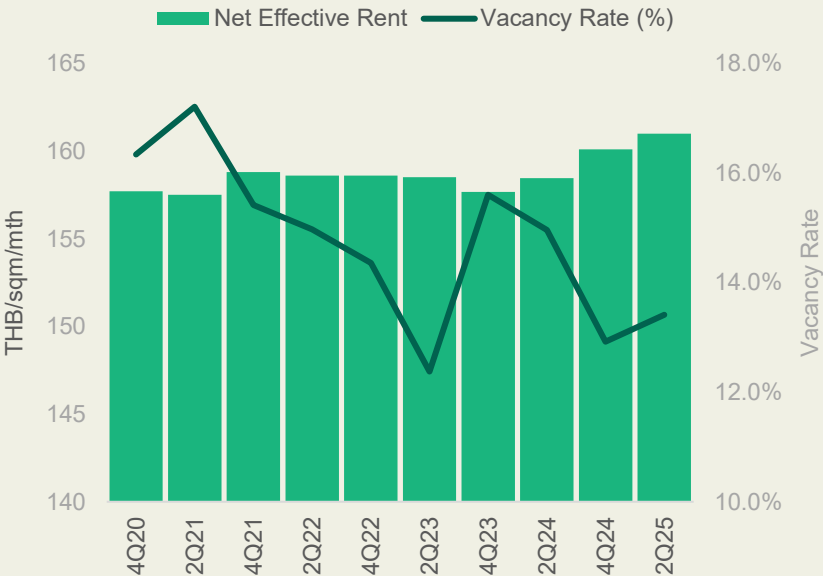
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Southeast Asia

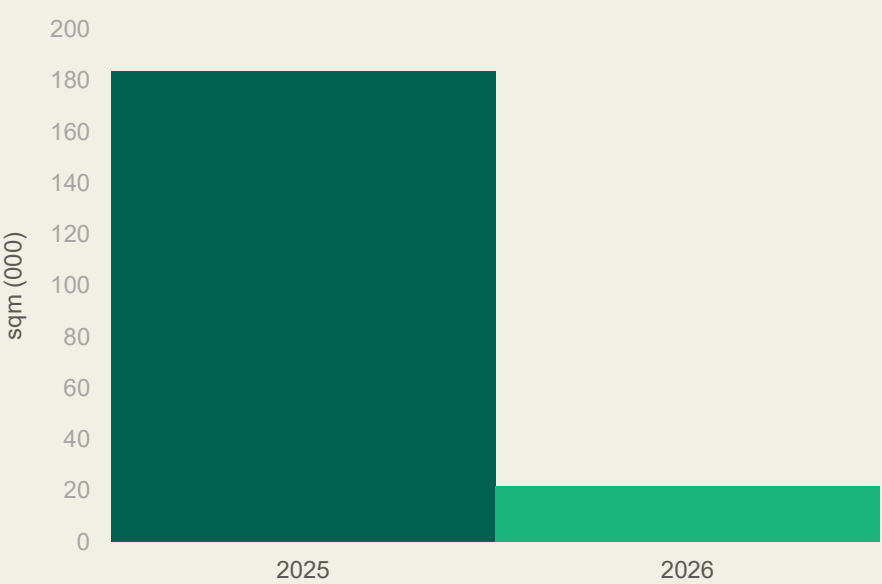
Rent growth in emerging Southeast Asian markets accelerated in H2 2025, rising 1.3% from six months ago, as compared to just 0.3% in H1 2025. While emerging economies in the region have faced some of the highest reciprocal tariffs, most countries have since successfully secured lower rates. Rents in the Greater HCMC market exhibited the strongest rise, growing by 2.8% in the same period. New modern warehouse developments in the key logistics hubs of Long An and Dong Nai, located close to Ho Chi Minh City, have lifted average rental rates. Leasing activity were observed to have been robust, with several large-scale transactions ranging from 3,000 to 20,000 sqm negotiated, notably involving 3PL operators from Indonesia and the Chinese mainland. Indonesian 3PL firm, J&T Express, for instance, took up a 20,000 sqm space in Logicross Nam Thuan in Long An Province. Rents in Jakarta also rose from broad-based demand from manufacturers and 3PL firms. Meanwhile, Kuala Lumpur's market continued to be characterised by cautious decision making. As a result, the market remains functional and stable, although rental growth will be muted.

Prime Rent



Economic Indicators		
	2025F	2026F
GDP Growth	2.1%	2.0%
Unemployment Rate	0.9%	0.9%
Inflation	-0.2%	0.3%

Supply Pipeline



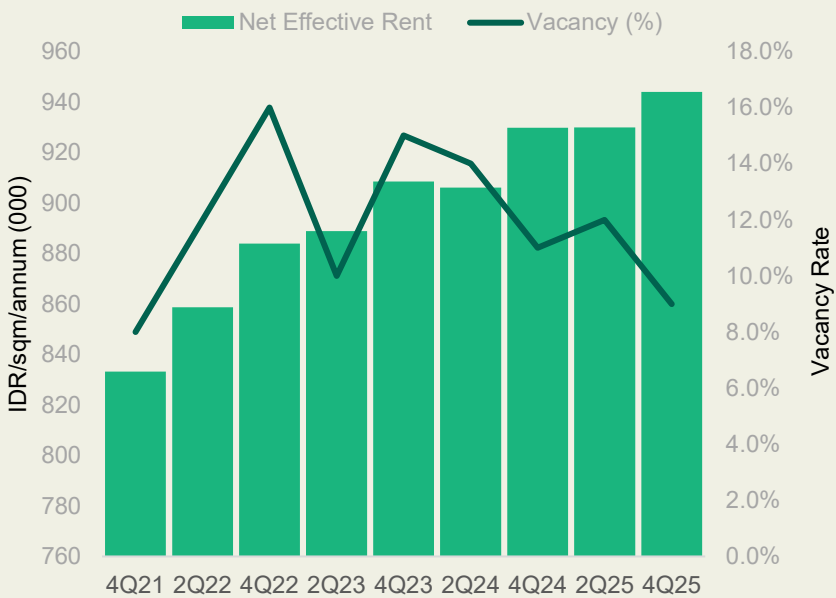
Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (THB psm pm)	162	→
Vacancy	8.8%	↓
Market Balance	Balanced	Balanced



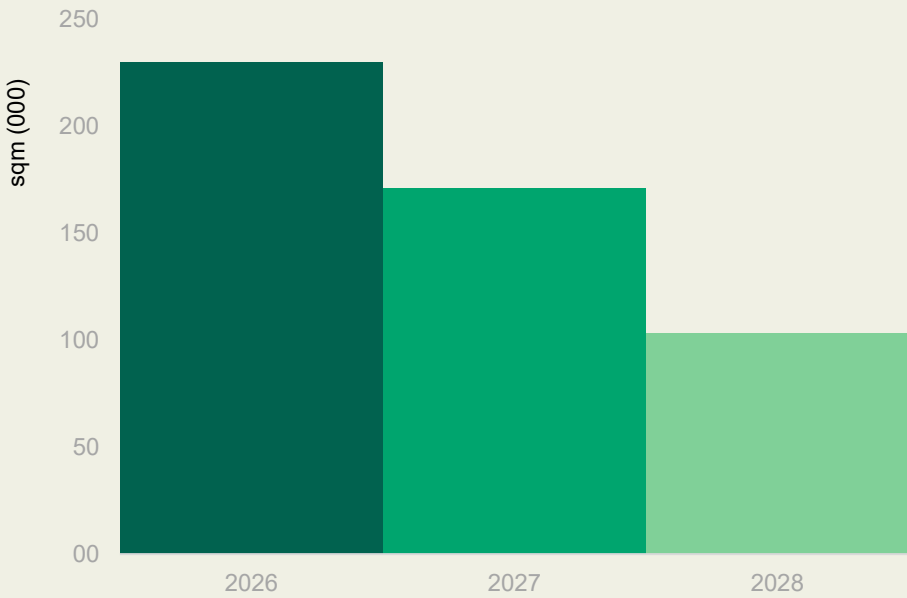
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Net Effective Rents

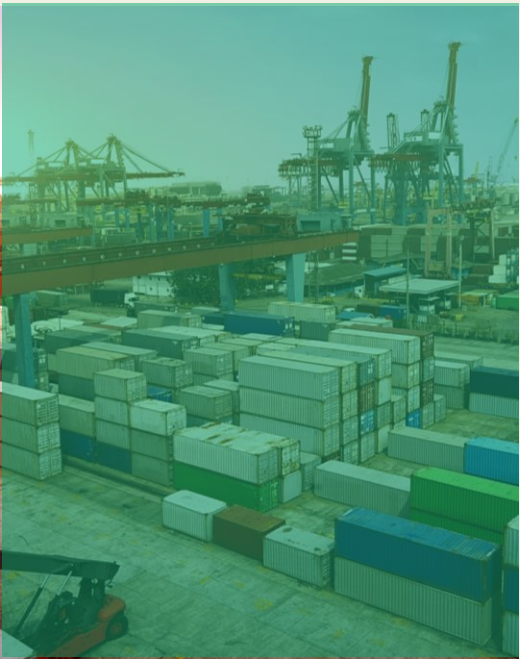


Supply Pipeline



Economic Indicators		
	2025F	2026F
GDP Growth	5.0%	5.0%
Unemployment Rate	4.9%	4.9%
Inflation	1.9%	2.5%

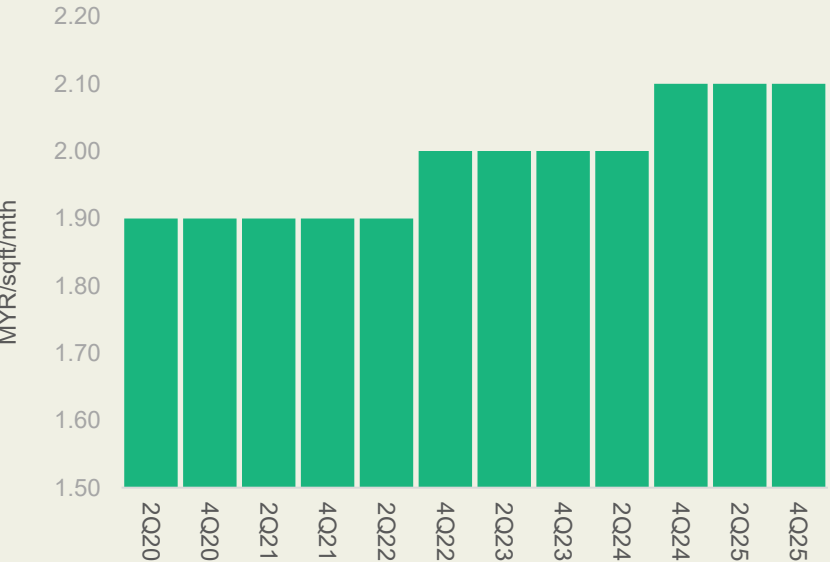
Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (IDR psm pm)	947,508	→
Vacancy	9.0%	→
Market Balance	Balanced	Balanced



For more information,
please contact:

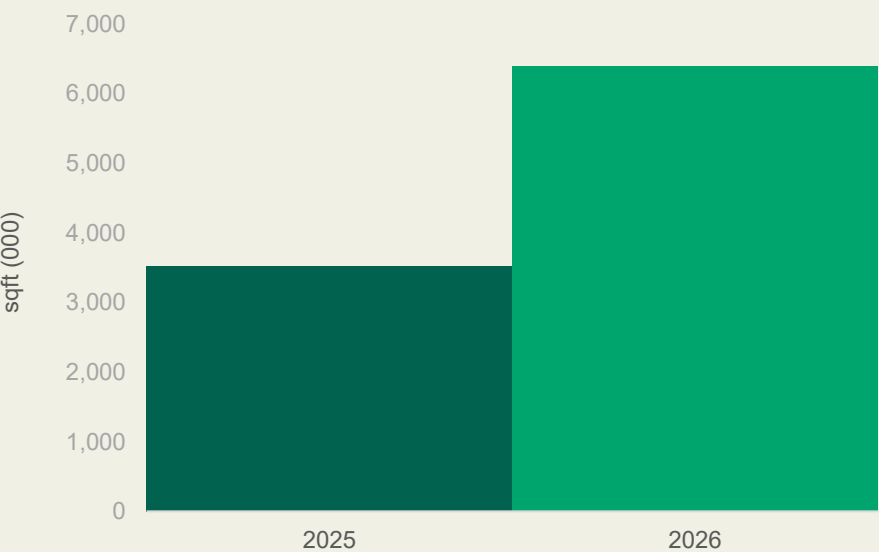
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Prime Net Rents

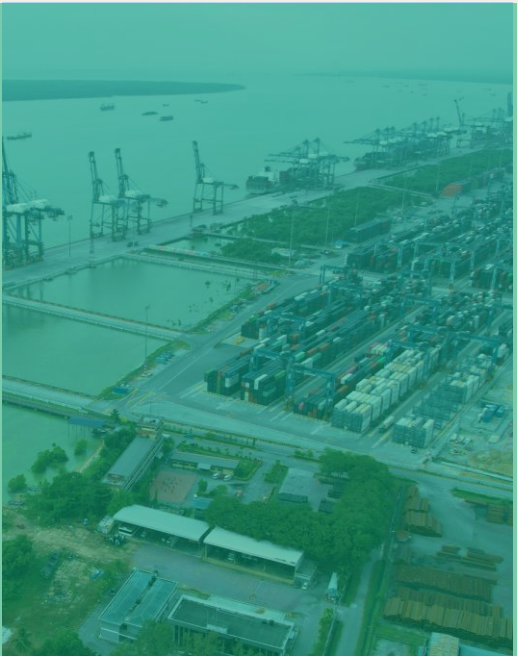


Economic Indicators		
	2025	2026F
GDP Growth	4.9%	4.0% - 4.5%
Unemployment Rate	2.9%	3.0%
Inflation	1.4%	1.3% - 2.0%

Supply Pipeline



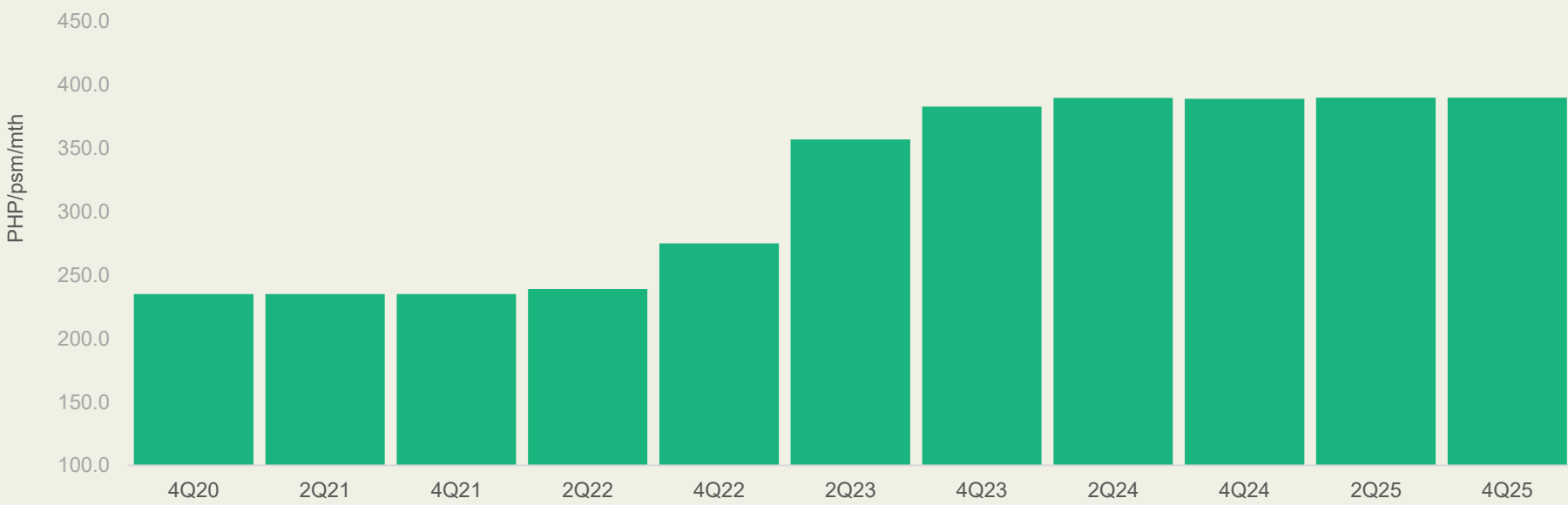
Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (MYR psf pm)	2.10	→
Market Balance	Balanced	Balanced



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Prime Net Rent



Economic Indicators		
	2025F	2026F
GDP Growth	4.8%	5.7%
Unemployment Rate	3.8%	4.2%
Inflation	1.7%	2.7%

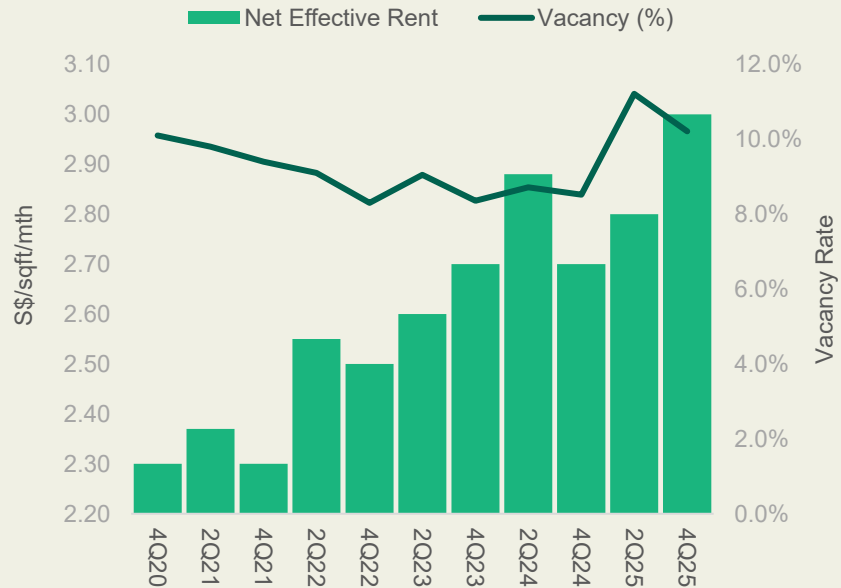
Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (PHP psm pm)	390	→
Market Balance	Balanced	Balanced



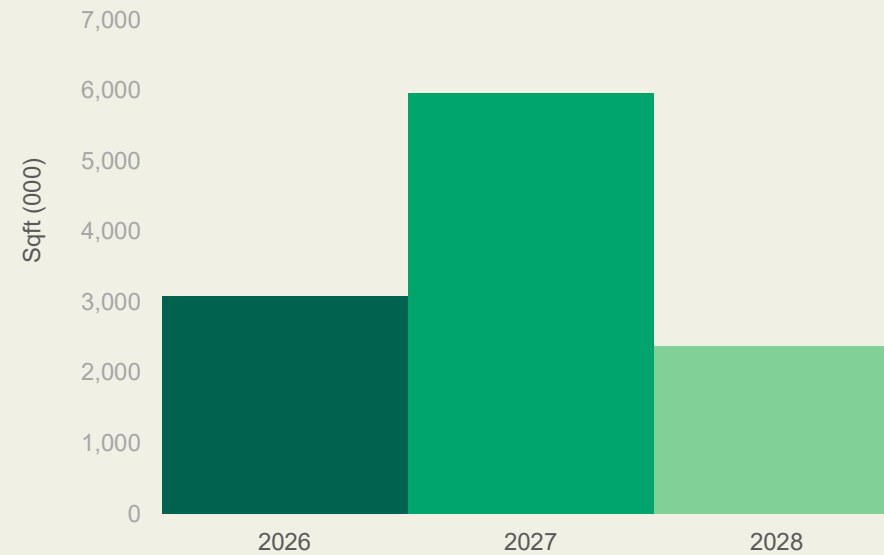
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Net Effective Rents



Supply Pipeline

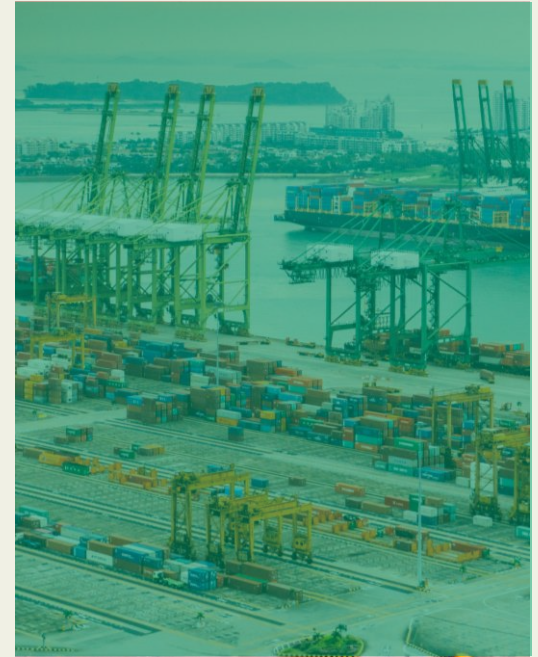


Economic Indicators

	2025F	2026F
GDP Growth	4.8%	2.0%
Unemployment Rate	2.0%	1.8%
Inflation	1.0%	1.0%

Real Estate Indicators

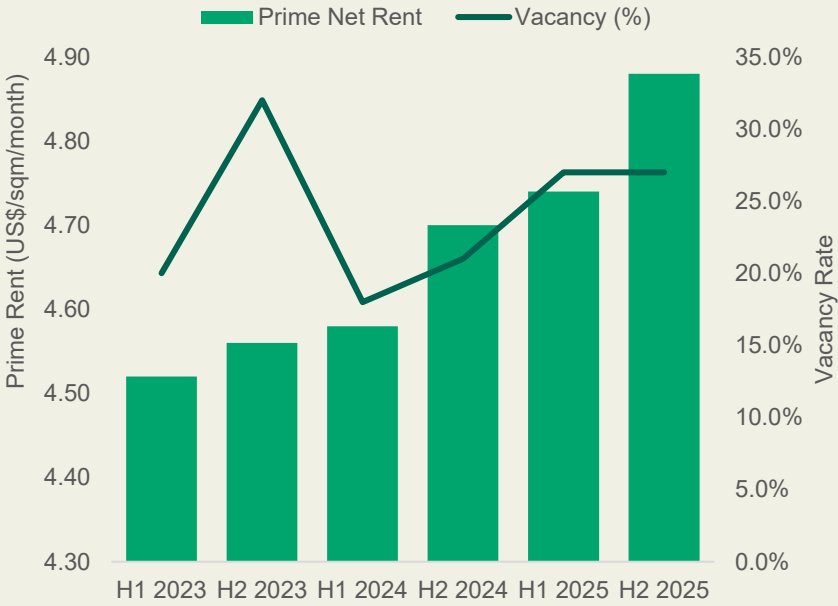
	H2 2025	12mth Forecast
Prime Rent (S\$ psf pm)	3.00	↑
Vacancy	10.2%	↑
Market Balance	Balanced	Balanced



**For more information,
please contact:**

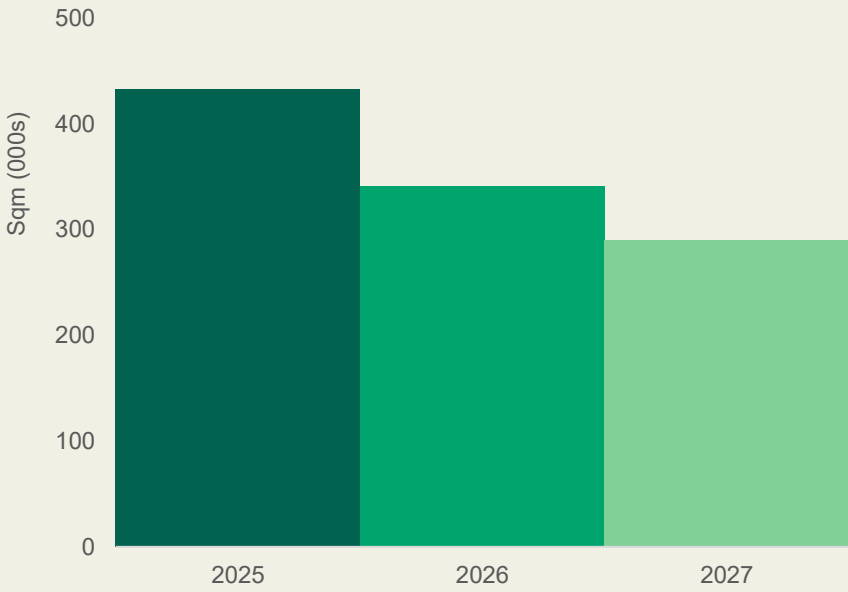
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Prime Net Rent



Economic Indicators		
	2025F	2026F
GDP Growth	8.0%	6.7%
Unemployment Rate	NA	NA
Inflation	3.3%	3.1%

Supply Pipeline



Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (US\$ psm pm)	4.88	→
Vacancy	27.0%	→
Market Balance	Tenant	Tenant

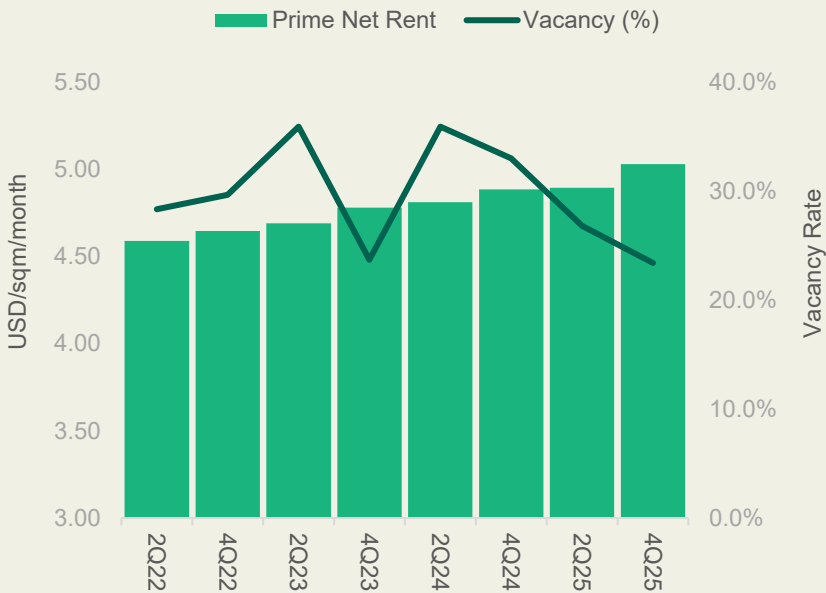
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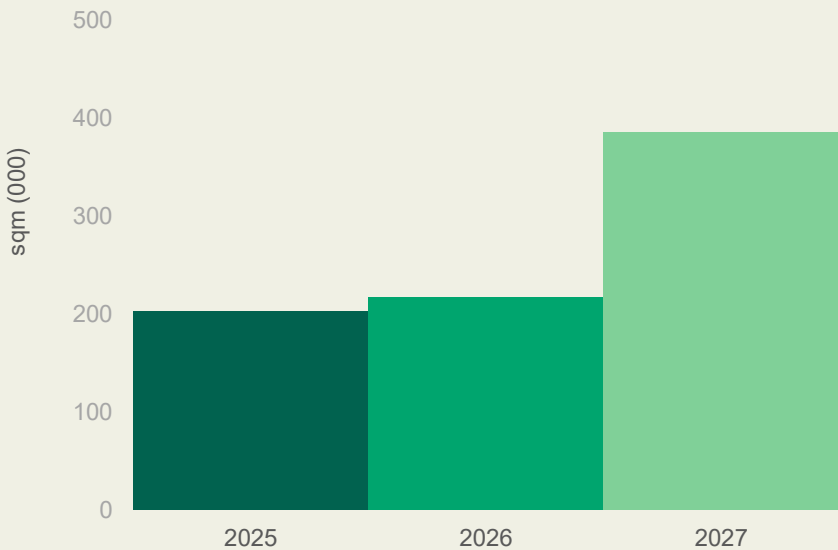


Prime Net Rent

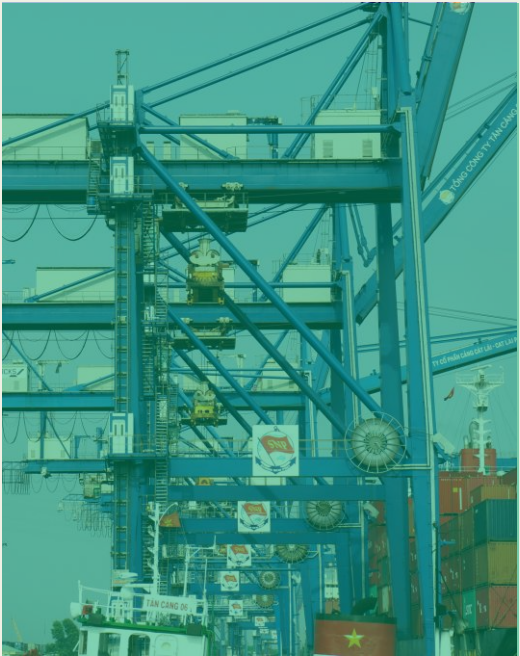


Economic Indicators		
	2025F	2026F
GDP Growth	8.0%	6.7%
Unemployment Rate	NA	NA
Inflation	3.3%	3.1%

Supply Pipeline



Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (US\$ psm pm)	5.03	→
Vacancy	23.4%	↓
Market Balance	Tenant	Tenant



For more information,
please contact:

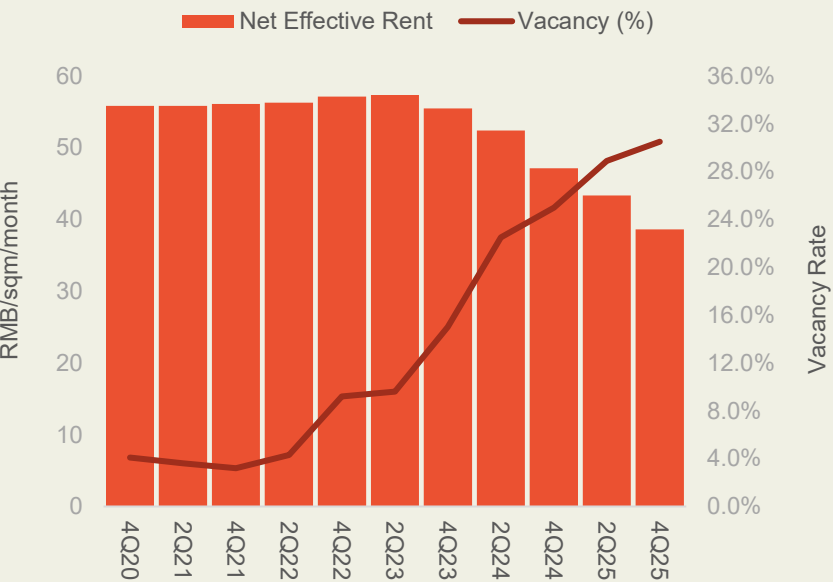
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East Asia

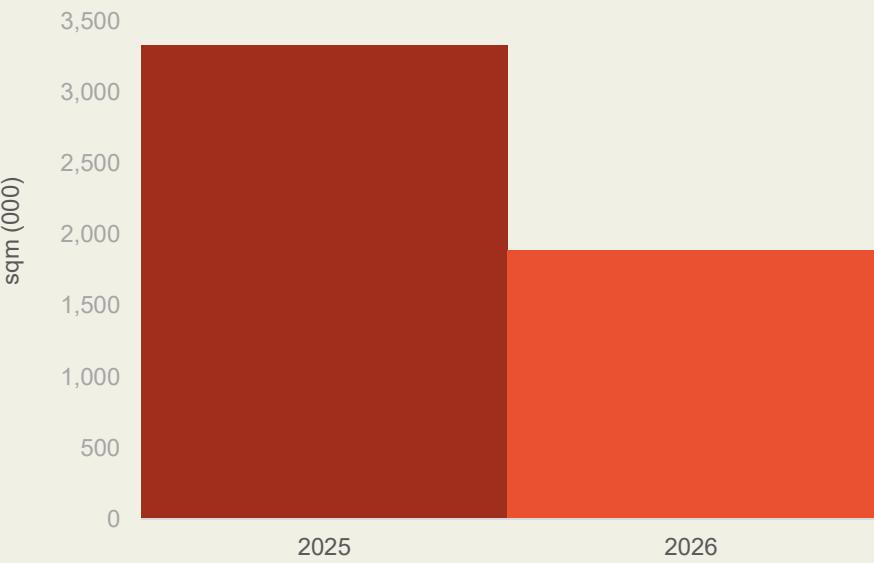
Total logistics supply in Beijing and Shanghai grew more than 15% in 2025, lifting total inventory to about 20 million sqm. The wave of new completions drove up overall vacancy rates across both markets to 28.3% while rents softened by 14.3% year-on-year in 2025, as landlords adopted aggressive pricing strategies to maintain occupancies. The manufacturing sector continued to serve as a critical demand driver in both cities, with logistics requirements from plants in the Yangtze River Delta as well as Beijing's eastern and southern submarkets supporting absorption. However, Beijing's rents are expected to remain under pressure, with a further 2 million sqm, equivalent to almost half of its existing stock, scheduled for delivery in 2026. In contrast, Shanghai is expected to approach the bottom of its rental cycle. Driven by the government's policies to boost domestic consumption, the expansion of 3PLs, manufacturing, and retail industries are expected to lift demand for modern warehouses, positioning rental rates to stabilise toward the end of 2026.

Net Effective Rent

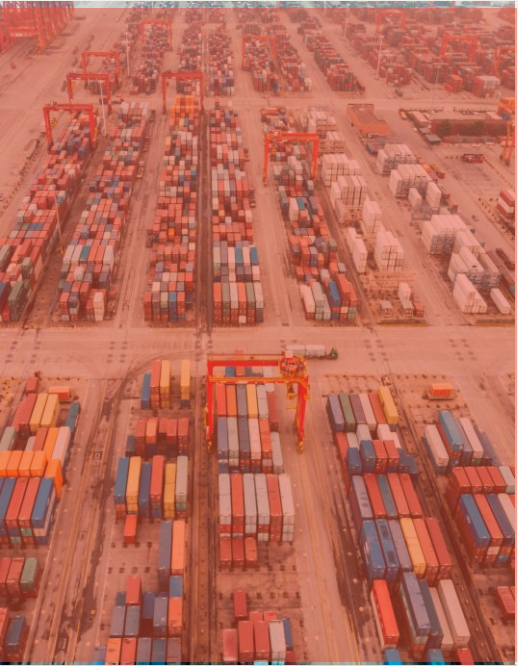


Economic Indicators		
	2025F	2026F
GDP Growth	4.8%	4.4%
Unemployment Rate	5.2%	5.3%
Inflation	0.0%	0.5%

Supply Pipeline



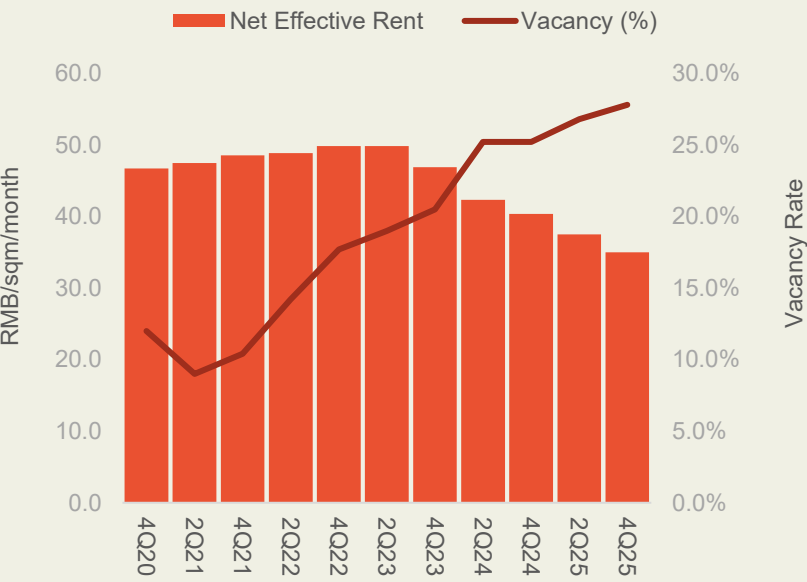
Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (CNY psm pm)	39.80	↓
Vacancy	30.5%	↑
Market Balance	Tenant	Tenant



For more information,
please contact:

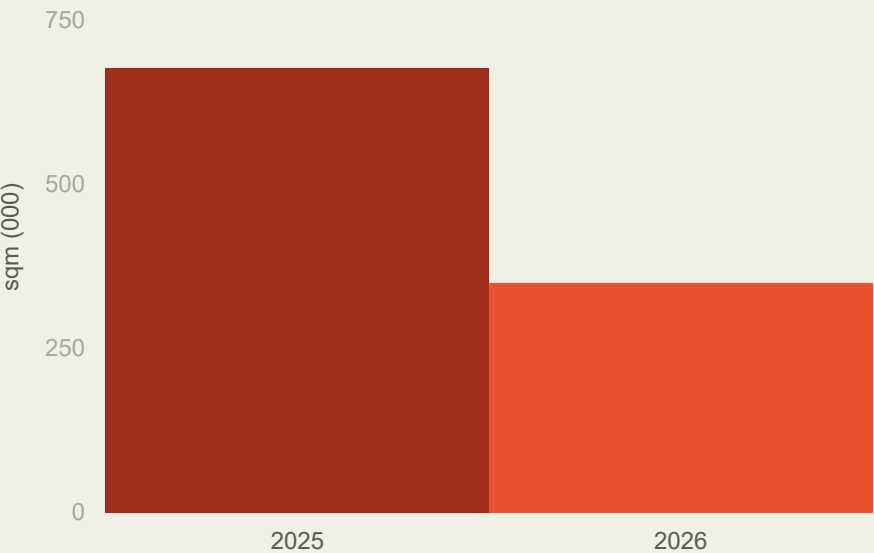
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Net Effective Rent



Economic Indicators		
	2025F	2026F
GDP Growth	4.8%	4.4%
Unemployment Rate	5.2%	5.3%
Inflation	0.0%	0.5%

Supply Pipeline



Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (CNY psm pm)	36.05	↓
Vacancy	27.8%	↑
Market Balance	Tenant	Tenant



For more information,
please contact:

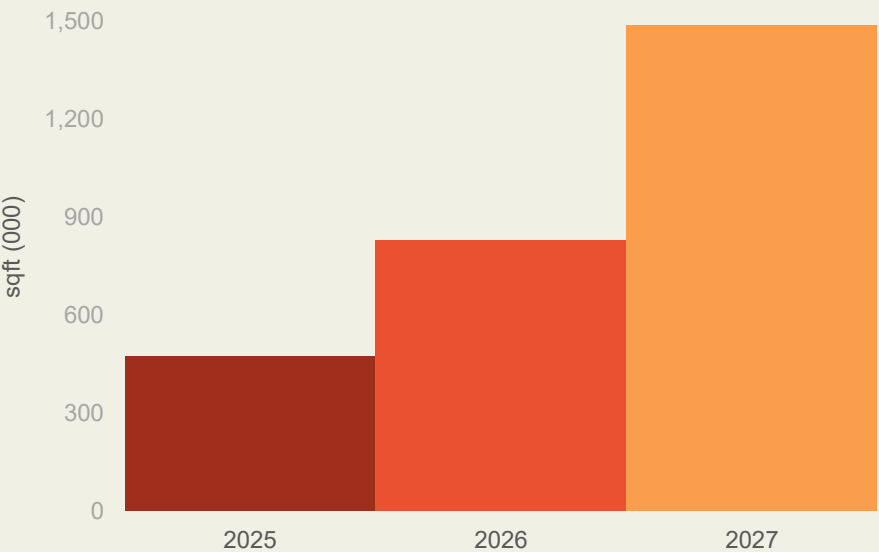
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Prime Net Rents



Economic Indicators		
	2025F	2026F
GDP Growth	3.3%	2.1%
Unemployment Rate	3.5%	3.5%
Inflation	1.4%	1.5%

Supply Pipeline



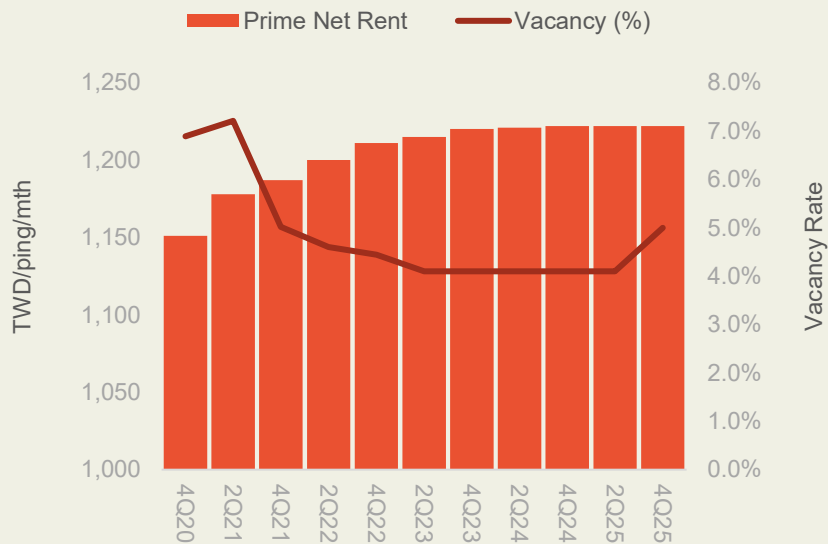
Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (HK\$ psf pm)	14.60	↓
Vacancy	10.7%	↑
Market Balance	Tenant	Tenant



For more information,
please contact:

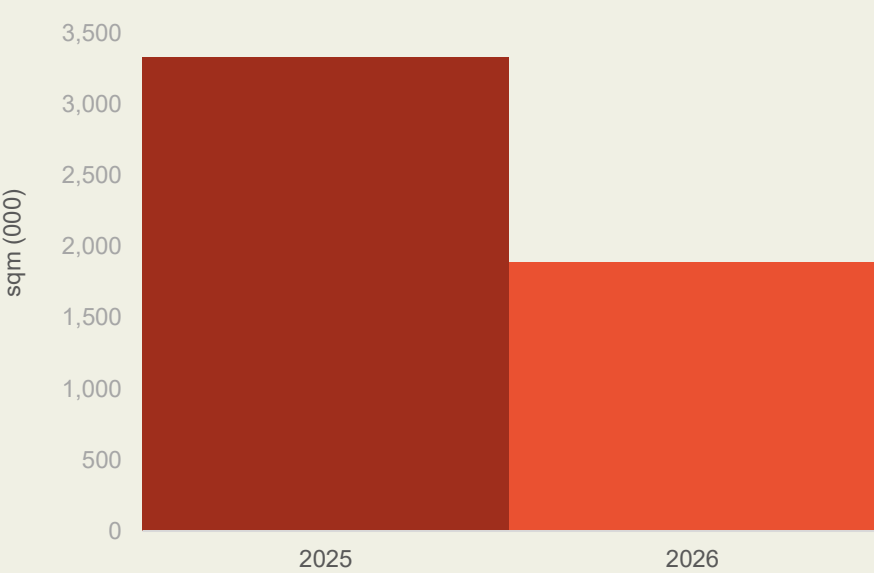
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Prime Net Rent

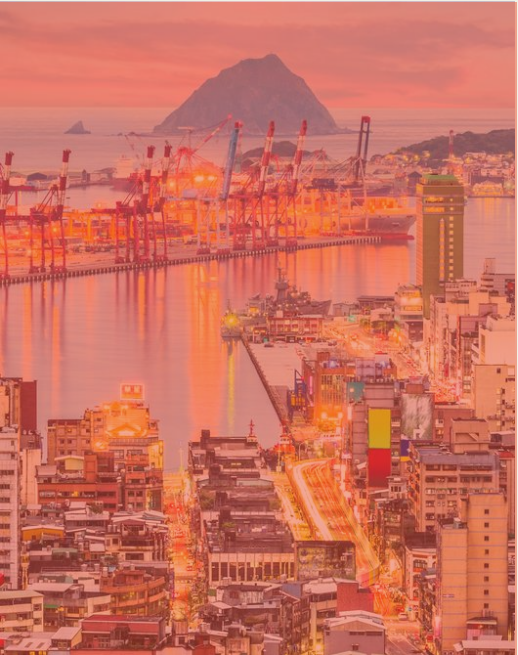


Economic Indicators		
	2025F	2026F
GDP Growth	6.4%	2.4%
Unemployment Rate	3.4%	3.5%
Inflation	1.7%	1.2%

Supply Pipeline



Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (TW\$ per ping pm)	1,222	↑
Vacancy	5.0%	→
Market Balance	Landlord	Landlord



For more information,
please contact:

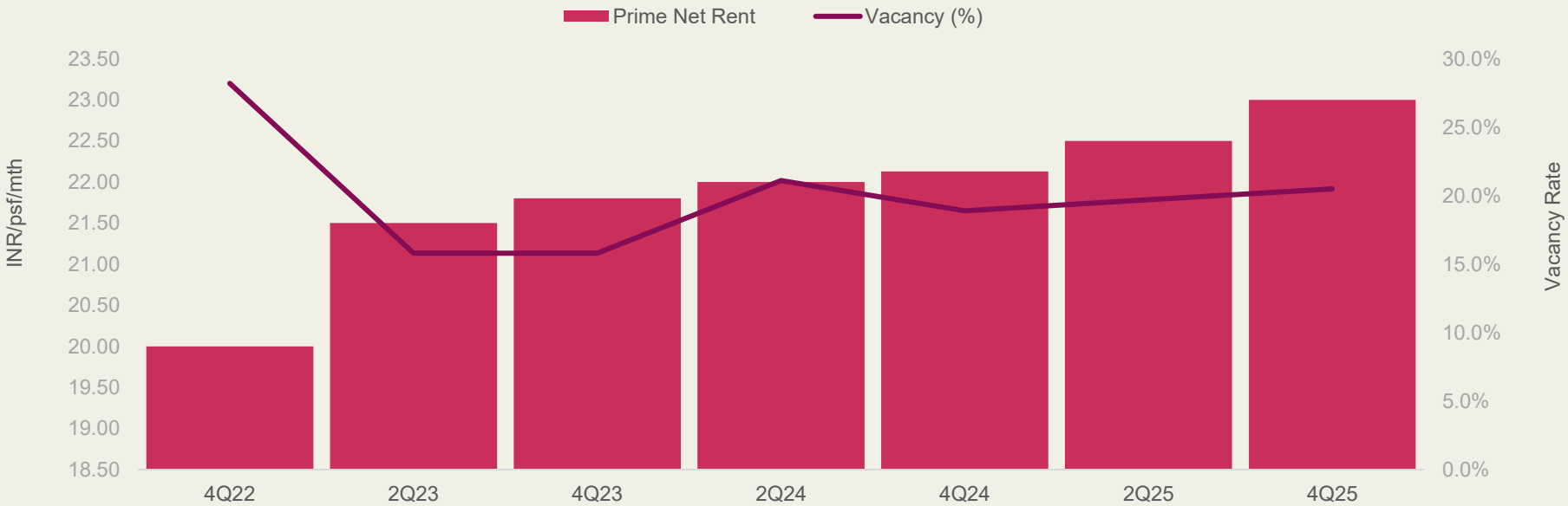
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India

Despite a rocky start to the second half of 2025, triggered by a steep increase in US tariffs to 50% on many Indian exports, rents continued to edge upwards, growing 1.5% in H2 2025. Demand for prime spaces remained robust in Bengaluru, Mumbai and Delhi-NCR, underpinned by resilient manufacturing demand, which continued to be the dominant occupier segment. India's growing role as an alternative manufacturing base to the Chinese mainland, particularly in consumer electronics, boosted leasing activity as global firms expanded their local footprints. Take-up by 3PL players and e-commerce operators also grew, indicating broad-based demand across sectors. A sustained flight-to-quality trend, driven by occupiers seeking to streamline supply chains and boost throughput, has been a prominent theme in India's warehousing landscape, where over 60% of take-up has occurred in the prime segment. The expanding role of 3PL providers in supply chain optimisation, coupled with the renewed momentum in the e-commerce sector, is expected to gain prominence as a demand driver in 2026.

Prime Net Rent



Economic Indicators		
	2025F	2026F
GDP Growth	6.5%	6.7%
Unemployment Rate	NA	NA
Inflation	2.5%	5.0%

Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (INR psf pa)	22.5	→
Vacancy	19.7%	→
Market Balance	Balanced	Balanced

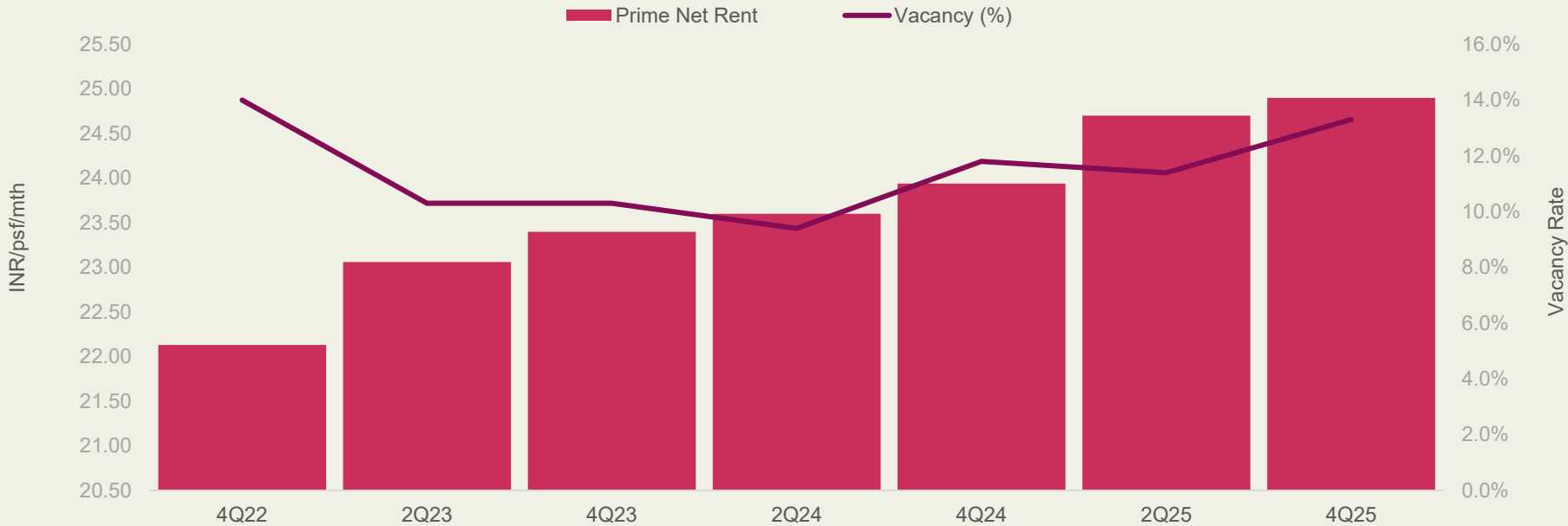


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Mumbai Metropolitan Region (MMR)

Prime Net Rent



Economic Indicators		
	2025F	2026F
GDP Growth	6.5%	6.7%
Unemployment Rate	NA	NA
Inflation	2.5%	5.0%

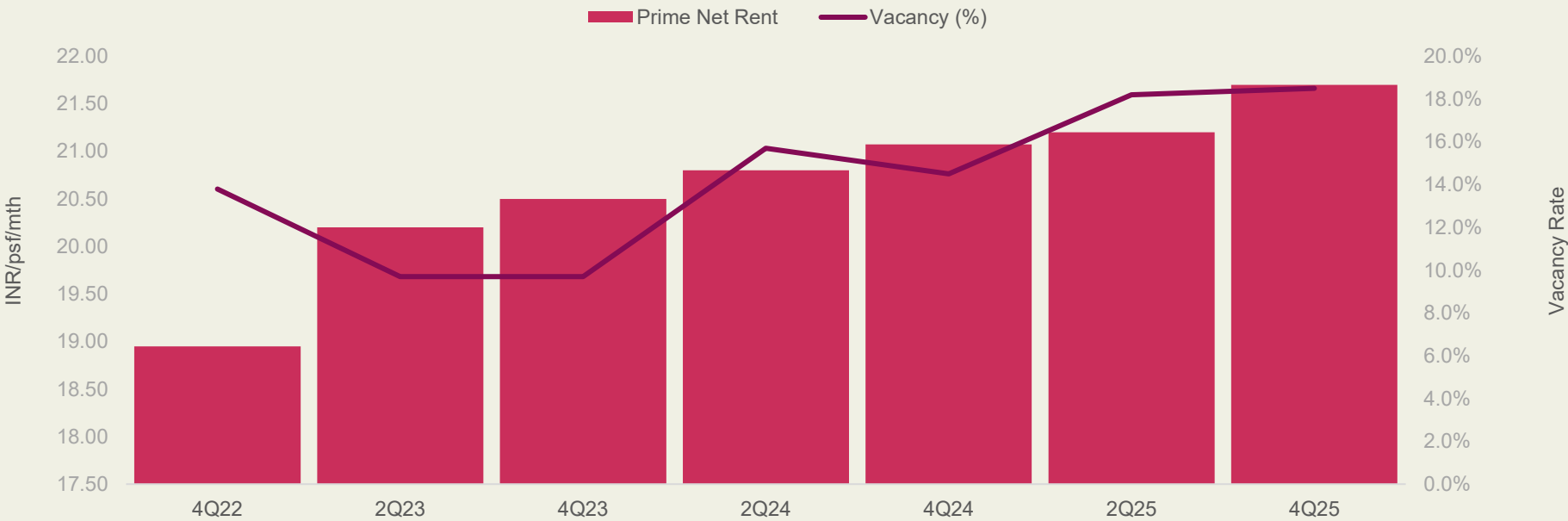
Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (INR psf pa)	24.7	→
Vacancy	11.4%	→
Market Balance	Balanced	Balanced



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Prime Net Rent



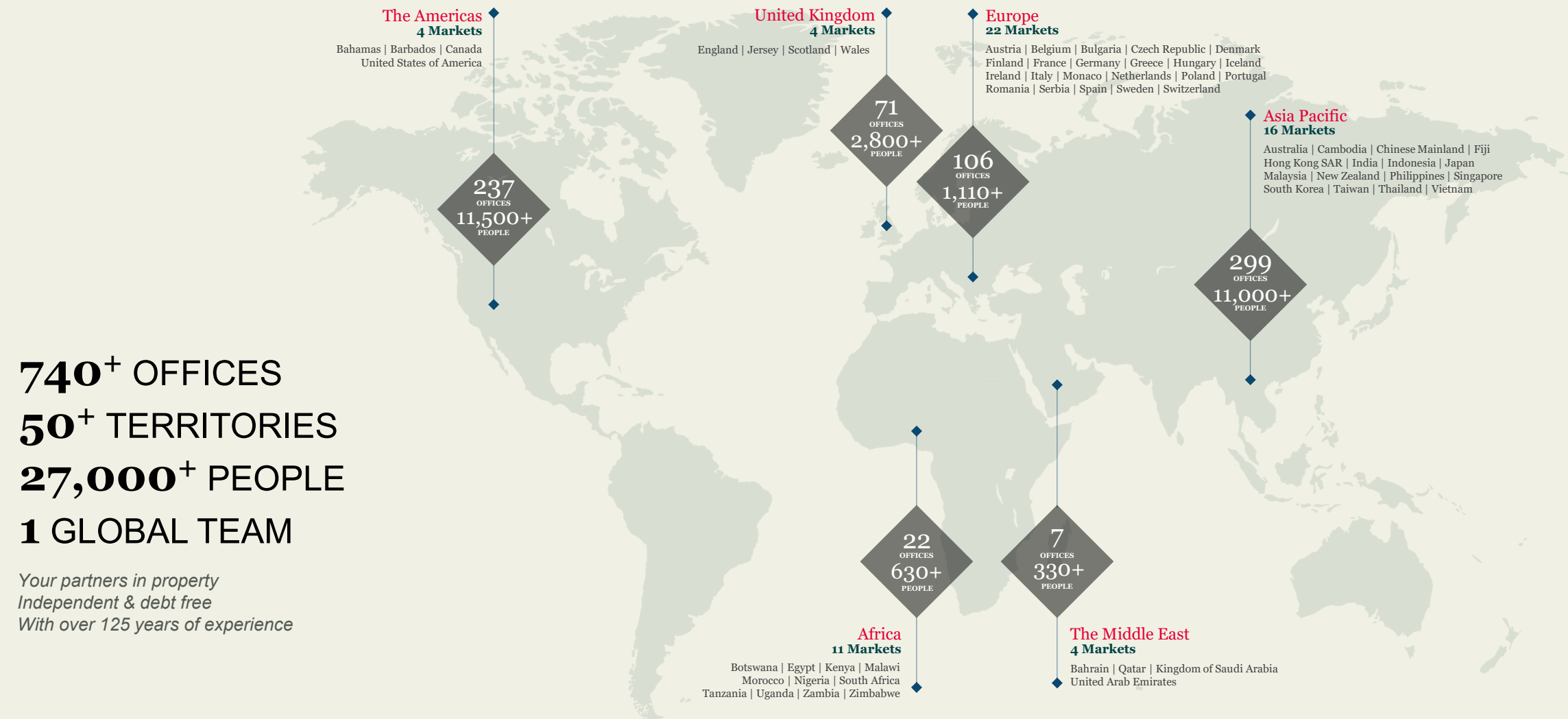
Economic Indicators		
	2025F	2026F
GDP Growth	6.5%	6.7%
Unemployment Rate	NA	NA
Inflation	2.5%	5.0%

Real Estate Indicators		
	H2 2025	12mth Forecast
Prime Rent (INR psf pa)	21.2	→
Vacancy	18.2%	→
Market Balance	Balanced	Balanced

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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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