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India's prime office rentals expected to remain stable over next 12-months: Knight Frank Asia-Pacific Prime Office Rental Index Q1 2021

Mumbai, May 12, 2021: Knight Frank, leading international property consultancy, in its latest report **Asia-Pacific Prime Office Rental Index Q1 2021** cited that despite there being uncertainty around the performance of India's office sector, **Bengaluru, NCR** and **Mumbai** markets are expected to remain stable in rental values over the next 12-months. According to the report, **Bandra Kurla Complex (BKC) in Mumbai** witnessed a meaningful recovery in office rents to -0.8% QoQ during the January – March 2021 quarter, compared to -5.5% in the previous quarter. This robust recovery can be attributed to improved transaction activity in the Q1 2021 period.

Knight Frank forecasts that the decline in rents to decelerate this year, with overall rents expected to decline by 3% in the APAC region, compared to the 4.8% decline seen in 2020.

Central Business District (CBD) of Bengaluru, comprising areas such as MG Road, Infantry Road, and Residency Road, has registered a decline of 3.0% QoQ in Q1 2021 against a decline of 4.0% in Q4 2020. Connaught Place in National Capital Region (NCR), office rents saw a flat 0.0% QoQ price change in Q1 2021 compared to -1.0% in Q4 2020.

According to the index, Taipei is the only city expected to witness an increase in office rental values across the APAC region in next 12-months. Of the 22 cities tracked by the index, 8 recorded either stable or increased rents in the past quarter compared to 10 in the previous quarter.

For Q1 2021, Knight Frank's Asia Pacific Prime Office Rental Index fell -1.2% quarter-on-quarter, led by large office markets such as Tokyo, Hong Kong, and Bengaluru recorded rental decline between -3.0% to -2.8% during the same period. On an annual basis, the overall index was down -5.5% year-on-year.

Asia Pacific Prime Office Rents – Q1 2021

City	Annual Change (YoY %)	Quarterly Change (QoQ %)	Forecast next 12 months
Brisbane	-1.8%	-0.7%	Same
Melbourne	0.0%	-0.3%	Same
Perth	-0.3%	0.0%	Same
Sydney	0.0%	0.0%	Same
Auckland	NA	0.0%	Same
Tokyo	-8.2%	-2.8%	Same
Beijing	-6.1%	-0.6%	Same
Guangzhou	-3.4%	0.6%	Same
Shanghai	-7.7%	-0.4%	Decrease
Shenzhen	-4.2%	-1.0%	Decrease
Hong Kong	-13.7%	-2.8%	Decrease
Taipei	1.0%	0.4%	Increase
Seoul	4.5%	2.6%	Same

Bengaluru	-8.0%	-3.0%	Same
Mumbai	-6.2%	-0.8%	Same
NCR	-1.0%	0.0%	Same
Phnom Penh	7.2%	0.0%	Same
Jakarta	-8.4%	-5.8%	Decrease
Kuala Lumpur	-3.9%	-0.9%	Decrease
Singapore	-9.0%	-1.0%	Decrease
Bangkok	-3.1%	-0.9%	Decrease
Manila	0.8%	0.0%	Decrease

Source: Knight Frank Research

Shishir Baijal, Chairman and Managing Director of Knight Frank India said, “The second wave of pandemic and associated regional lockdowns have temporarily delayed occupiers’ office re-occupancy plans. However, control on infection case count with graded regional lockdowns and progress on vaccination drive will act as a market stabiliser in near future. Given the strong fundamentals of India office market, despite the near-term uncertainty, occupiers will positively react to any improvement in the pandemic scenario in the country”

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