

## For Immediate Release

### Asia Pacific's Office Market Enters a New Era of Strategic Maturity

- *APAC office stock nearly doubles to 2.33 billion sq ft across 39 cities over the past decade*
- *17 cities across India, Southeast Asia, and Chinese mainland account for two-thirds of 900 million sq ft of office absorption*
- *Demand for innovation-driven, tech-enabled, ESG-aligned Grade A office space is rising*

**SINGAPORE, September 18, 2025** – Asia Pacific's office market is entering a new era of strategic maturity, driven by a decade of rapid expansion and growing demand for future-ready, innovation-driven workspaces. According to Cushman & Wakefield's report, [Asia Pacific Office Demand – Navigating Expansionary Markets](#), the region's Grade A office stock has nearly doubled to 2.33 billion sq ft across 39 cities over the past decade — adding the equivalent of Washington, D.C. to office stock each year. Demand has remained strong, with nearly 900 million sq ft absorbed over the same period, two-thirds of which came from 17 cities across India, Southeast Asia (SEA), and the Chinese mainland.

“We're seeing a fundamental shift in how occupiers approach office space in Asia Pacific,” said Anshul Jain, Chief Executive – India, SEA & APAC Office and Retail at Cushman & Wakefield. “It's no longer just about expansion. The office has become a platform for brand expression, cultural alignment, and performance. From India's consistent demand to SEA's evolving industry mix and China's innovation-led growth, companies are prioritizing spaces that foster talent, support ESG commitments, and enable long-term resilience.”

#### Demand Drivers & Market Evolution in APAC

While vacancy rates have risen from 13% to over 18% over the past decade, this shift reflects a broader evolution: occupiers are becoming more selective, and landlords are responding with smarter, more sustainable buildings. Across the region, three core engines — the Chinese mainland, India, and SEA are driving this change.

#### Innovation-led Growth Reshapes China's Office Landscape

China's Grade A occupied office stock has more than doubled to 640 million sq ft, driven by sustained demand from Technology, Media & Telecom (TMT), Professional Services, and Finance.

While these sectors continue to lead, emerging industries such as AI, biomanufacturing, and quantum computing are creating new pockets of demand. Shanghai and Shenzhen are forecast to deliver a total of 38 million sq ft of new Grade A space in the next year — exceeding major global markets like Central London's five-year total.

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A clear flight to quality is underway as tenants consolidate into better buildings and landlords reposition assets to meet ESG and tech demands. Occupiers are increasingly evaluating buildings based on operational performance from air quality to energy systems — signaling a shift in how real estate supports business strategy.

### Global Capability Centres (GCC) and Start-Ups Drive India's Office Demand

India remains one of the world's strongest performing office markets, recording over 40 million sq ft of annual net absorption across its top cities in 2023–24. With the country home to nearly 50% of the world's GCCs, it is no surprise that they account for around 30% of India's leasing activity. At the same time, growth in manufacturing and a thriving start-up ecosystem are adding new layers of demand, reinforcing India's position as the go-to destination for digital transformation and R&D.

Top Cities	Net Absorption Q3-24 to Q2-25 (msf)	Vacancy Rate as at Q2 2025
Bengaluru	14.0	9.3%
Mumbai	12.2	11.2%
Delhi NCR	8.4	20.7%
Hyderabad	8.2	22.9%
Pune	7.6	13.1%

Cities such as Bengaluru and Mumbai led the charge, with Bengaluru alone absorbing more office space in one year than many European cities do in five. Demand is increasingly concentrated in Grade A+ buildings, which are commanding 5–10% rental premiums and seeing 3–6% lower vacancy.

### Sectoral Diversity and Prime Rents Fuel SEA's Office Market

SEA's office market has grown steadily, with occupied Grade A stock now totaling 235 million sq ft – a 10% increase over the past five years. Despite elevated vacancy rates in most markets, top-tier developments in cities like Manila, Bangkok, and Ho Chi Minh City are achieving record-high rents, with prime Grade A spaces commanding more than 20% rental premium above the overall Grade A market benchmarks.

- Banks and financial firms are leading the charge, especially in cities like Hanoi, Kuala Lumpur, Singapore, and Bangkok — driven by a growing middle class and rising consumer activity.
- Tech companies, Information Technology and Business Process Management (IT-BPM) providers, and healthcare firms are expanding across the region, creating a more diverse and sophisticated tenant mix.
- SEA's strong office culture and economic resilience are helping the region withstand global hybrid work trends, with many occupiers upgrading to better-quality spaces rather than downsizing.

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### Looking Ahead

Asia Pacific's office market is not just expanding — it's maturing. Occupiers are becoming more selective, landlords more innovative, and cities more competitive. The next phase will be defined by strategic reinvention, where real estate becomes a platform for brand, culture, and performance.

"Asia Pacific's office sector is undergoing a profound transformation. We're seeing a shift from volume to value — where the quality of space, its alignment with ESG goals, and its ability to support innovation are becoming the new benchmarks. This report reflects not just where the market has been, but where it's heading."— *Dr. Dominic Brown, Head of International Research, Cushman & Wakefield.*

Please click [here](#) to download the report.

### **About Cushman & Wakefield**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that *Better never settles*, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

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