News Release

FOR IMMEDIATE RELEASE

Unlocking tangible office real estate savings

Colliers releases latest Asia Pacific Office Markets report

SINGAPORE, April 29, 2024 – Occupiers across the Asia Pacific region are still willing to pay higher rentals for better quality offices and amenity-rich locations to drive talent acquisition, despite cost consciousness emerging as the top priority for occupiers in 2024.

According to Colliers' latest edition of **Expert Insights | Asia Pacific Office Markets April 2024**, top of mind for APAC business leaders across industries is how to effectively optimise resources, maximise savings and drive growth as they navigate a dynamic business landscape in 2024.

"These challenges remain compounded by unprecedented inflation, fierce competition for talent, and the rising pressures of digitalisation and climate action," **Mike Davis, Colliers Managing Director of Occupier Services, Asia Pacific,** said. "Amid this scenario, offices today, albeit with much higher workforce flexibility, remain the epicentre of the work culture, with relocation decisions being underpinned by talent strategy and ESG goals.

"In Asia Pacific, a much greater pull to the office is creating higher occupancy than witnessed in other markets globally – causing the continued upward pressure on office rentals across the region.

Colliers' report highlights six priorities to achieve cost savings in office real estate. We also present the Colliers Q1 2024 Office Market Research Reports from key Asia Pacific markets, unearthing actionable insights for real estate leaders.

1. **Align office strategy to business goals:** Linking the office strategy to an organisation's unique business goals is the first step to identifying strategic opportunities for cost reduction. Decisions around owning versus leasing should be aligned to location objectives and expected length of requirement for each office.

2. **Portfolio strategy:** Consolidation opportunities, including reimagining office campuses or adopting hubs, could be a game changer to unlock cost efficiencies. Monetising non-core assets, along with right-sizing and repurposing offices to match new ways of working, is key to thriving in today's dynamic environment.
3. **Maximise lease negotiations:** Save on rent arbitrage by identifying areas of above market rent or by relocating to a lower cost market. Dispose of excess space by subleasing or exercising termination or contraction options. Consider shorter-term and coworking options to minimise up-front costs. Renegotiate leases and contracts.
4. **Data-driven space utilisation:** Invest in smart building technologies, digital workplace platforms and facility management software. By leveraging technology to automate routine tasks, track space utilisation, and enhance operational efficiency, you can achieve cost savings and improve the overall performance of your corporate office real estate.
5. **Prioritise energy efficient systems and upgrade:** By prioritising sustainability initiatives and green building practices, you can achieve long-term cost savings while enhancing the environmental performance of your office buildings. Leverage energy-efficient lighting, HVAC systems and building automation systems to reduce utility costs while improving the overall environmental impact of your office space.
6. **Drive employee engagement and satisfaction:** Ensure a positive work environment to drive employee engagement, satisfaction and productivity. Happy and engaged employees are more likely to utilise office space efficiently and contribute to cost-saving initiatives.

"Whilst cost concerns have started to filter through the decision-making process, occupiers in the region are still willing to pay higher rentals for better quality offices and amenity-rich locations to drive talent acquisition," **Mr Davis** said. "The good news is, Asia Pacific is benefitting from more cost-conscious occupiers on a global scale, with greater uptake from Global Capability Centres (GCCs), particularly for markets such as India where GCCs are expected to contribute over 40% of the total office leasing in the next one to two years. The region remains a dominant source and destination for global capital across asset classes, including offices."

For more information, and to view Colliers Q1 2024 Office Market Research Reports from key markets across Asia Pacific, [CLICK HERE](#).

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