

ASIA-PACIFIC

**HORIZON**

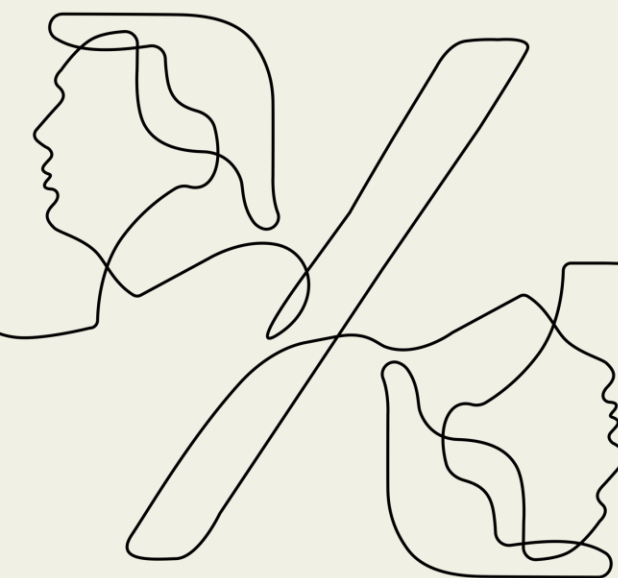


# Whiplash to Resilience: Corporate Real Estate in the New World Order

Knight Frank Asia-Pacific  
Horizon – Part II

This report synthesises fast-moving developments under Trump 2.0 and offers strategic guidance for navigating the turbulence.

**May/June  
2025**



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# Contents

<b>Introduction I</b>		
1.1	What's new in Trump 2.0?	04
1.2	Trump 2.0 and the shape of the New World Order	05
1.3	Trade War I under Trump 1.0	05
1.4	Legacy from Trade War I: 'China +1' strategies	06
1.5	Trade War II	06
1.6	Supply-chain aftershocks	07
1.7	Growth under pressure	08
1.8	Impact of Trump 2.0 scenario outlook	10
<b>Section II: Impact on Commercial Real Estate Leasing Activities</b>		
2.1	Resiliency in the first Trade War (2017–2020)	12
2.2	Office performance	13
2.3	Industrial performance	14
2.4	Fiscal consequences	15
2.5	Traffic Light Map: Winners and Losers in the New Trade Era	16
2.6	Leasing outlook amid trade shifts	17
2.7	Regionalisation in Focus	19
<b>Section III: Corporate Real Estate (CRE) playbook for a fragmented trade landscape</b>		
3.1	Strategic Action framework for the next 12–24 months	23
3.2	Lease Structures in flux: Country Insights	24
3.3	Build-to-Suit Dominance: Customisation Over Speculation	24
3.4	Designing for Resilience: CRE Leadership Priorities	24

# Occupier Outlook

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**Tim Armstrong**

Global Head of Occupier Strategy and Solutions  
Knight Frank Asia-Pacific

“

Our analysis shows that while the temporary tariff reduction provides companies with breathing room, the 'China+N' strategy has become a standard operating model rather than just a response to tariffs. We have entered a time where corporate real estate strategy must evolve from footprint expansion to operational durability and total-cost performance. This isn't a cyclical adjustment, it's a structural transformation that requires entirely new approaches to portfolio planning, lease structures, and location strategy.

”

Introduction I

- 1.1 What's new in Trump 2.0?
- 1.2 Trump 2.0 and the shape of the New World Order
- 1.3 Trade War I under Trump 1.0
- 1.4 Legacy from Trade War I: 'China +1' strategies
- 1.5 Trade War II
- 1.6 Supply-chain aftershocks
- 1.7 Growth under pressure
- 1.8 Impact of Trump 2.0 scenario outlook

Section II: Impact on Commercial Real Estate Leasing Activities

Section III: Corporate Real Estate (CRE) playbook for a fragmented trade landscape

In the New World Order,



the certainties that once underpinned global trade and supply chain decisions have unravelled. Trump 2.0's aggressive tariff regime—encompassing a 124.1% effective tariff rate on Chinese mainland goods and 100% on EVs before the 90-day pause took effect— has redefined cost structures and exposed geopolitical fragility at the core of commercial real estate strategy. As Asia-Pacific

(APAC) enters an era of structural decoupling and accelerated regionalisation, corporate real estate leaders must rethink location models, leasing structures, and investment plays with agility. This report synthesises fast-moving developments under Trump 2.0 and offers strategic guidance for navigating the turbulence.

1.1 What's new in Trump 2.0?



	Trump 1.0	Trump 2.0
Trading Partners Affected	Chinese mainland, Europe	57 countries
Effective tariff rate:		
Chinese Mainland	19.3%	124.1% (30%)
Rest Of The World	3.1%	10.3%
Value of Imports Affected	US\$380 billion	US\$2.3 trillion
Tax Revenue Generated	US\$89 billion	US\$619-840 billion (US\$807-945 billion)
Product Specific Tariffs	<ul style="list-style-type: none"><li>• Steel and Aluminium</li><li>• Washing Machines</li><li>• Solar Panels</li></ul>	<ul style="list-style-type: none"><li>• Agricultural products</li><li>• Steel and Aluminium</li><li>• Automobiles</li><li>• Lumber</li></ul>
Estimated Impact on US GDP	-0.2%	-0.6% (-0.4%)

Note: Revised estimates following trade deals in parentheses  
Source: Tax Foundation, piie.com, The Budget Lab at Yale, Knight Frank Research

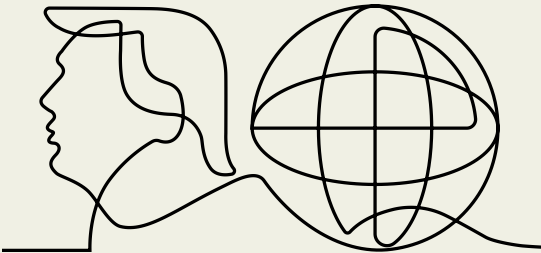
Introduction I

- 1.1 What's new in Trump 2.0?
- 1.2 Trump 2.0 and the shape of the New World Order
- 1.3 Trade War I under Trump 1.0
- 1.4 Legacy from Trade War I: 'China +1' strategies
- 1.5 Trade War II
- 1.6 Supply-chain aftershocks
- 1.7 Growth under pressure
- 1.8 Impact of Trump 2.0 scenario outlook

Section II: Impact on Commercial Real Estate Leasing Activities

Section III: Corporate Real Estate (CRE) playbook for a fragmented trade landscape

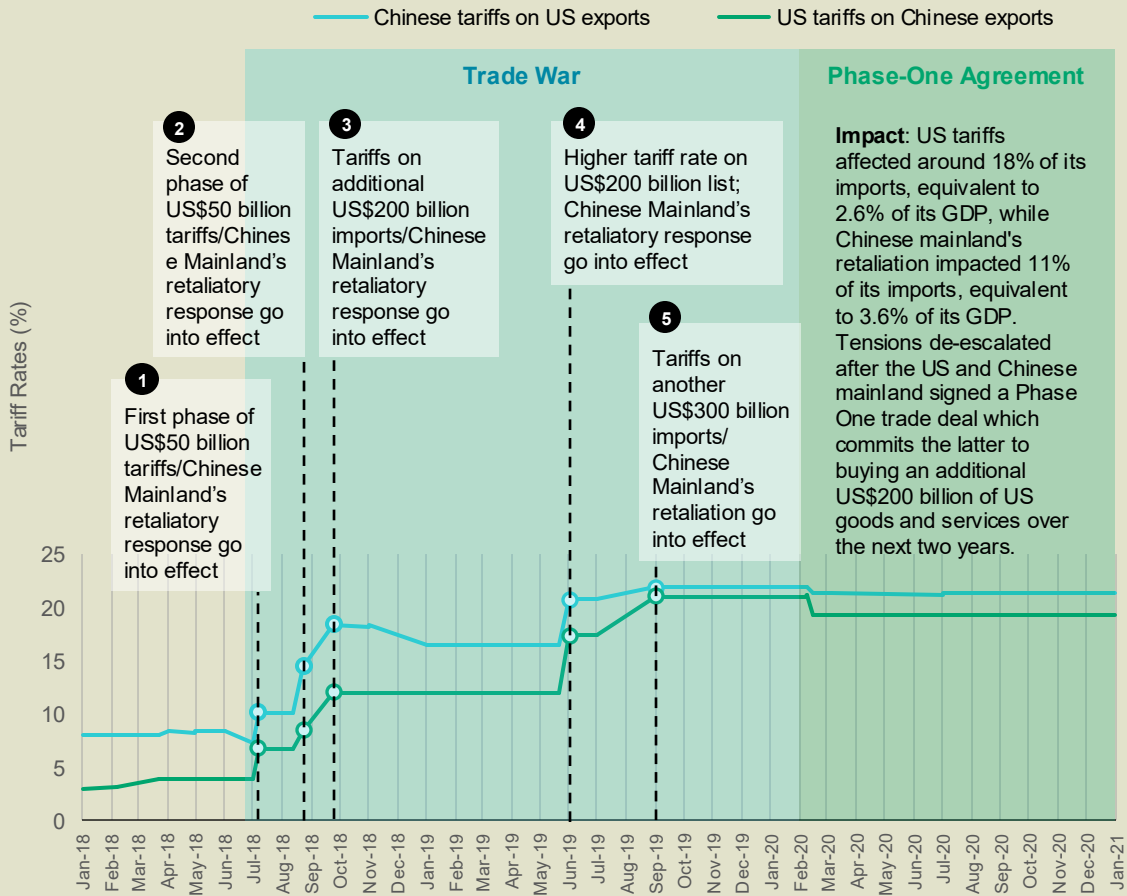
1.2 Trump 2.0 and the shape of the New World Order



Unlike its first incarnation, Trump 2.0 signals a fundamental reordering of the global trade architecture, both in breadth and intensity. The current wave of tariffs now targets 57 countries, far beyond the initial focus on the Chinese mainland and Europe during his first term. These new measures cover an expanded range of goods—from steel and solar panels to EVs, automobiles, and lumber—and affect an unprecedented US\$2.3 trillion in imports, generating close to US\$1 trillion in tax revenue. The effective tariff rate on Chinese goods has soared from 19.3% to 124.1%, and global exposure has widened with rates on the rest of the world jumping from 3.1% to 10.3%. However, this has since been reduced following the 12-May talks. The negotiated pause has cut tariffs on Chinese mainland goods to 30% for 90 days, significantly de-escalating tensions that should pave the way for a new “phase-one” deal.

1.3 Trade War I under Trump 1.0

Figure 1: Timeline of 2018-2019 Trade War



Source: piie.com

Introduction I

- 1.1 What's new in Trump 2.0?
- 1.2 Trump 2.0 and the shape of the New World Order
- 1.3 Trade War I under Trump 1.0
- 1.4 Legacy from Trade War I: 'China +1' strategies
- 1.5 Trade War II
- 1.6 Supply-chain aftershocks
- 1.7 Growth under pressure
- 1.8 Impact of Trump 2.0 scenario outlook

Section II: Impact on Commercial Real Estate Leasing Activities

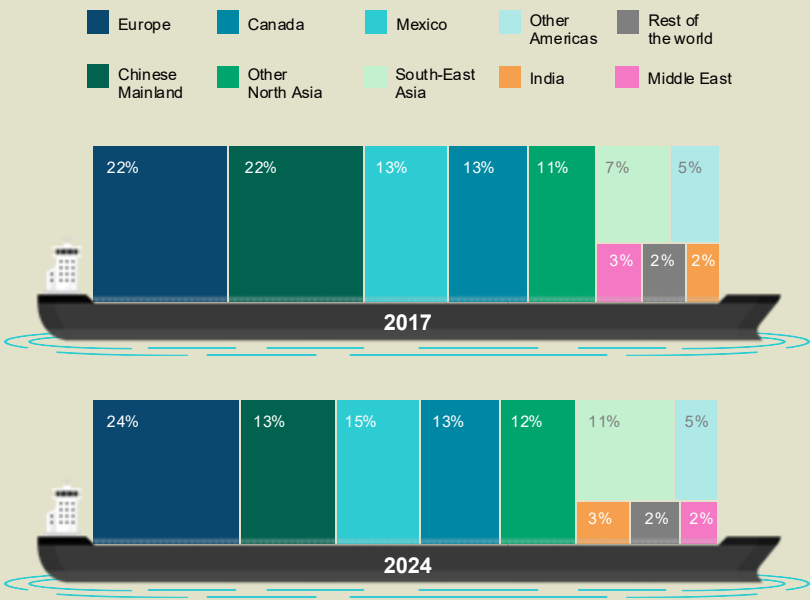
Section III: Corporate Real Estate (CRE) playbook for a fragmented trade landscape

1.4 Legacy from Trade War I: 'China +1' Strategies

'China +1' strategies gained significant traction following US-China trade tensions in 2018-2019. While the proportion of Chinese imports fell significantly between 2017 and 2024, world exports continued to rise as shifting trade linkages mitigated the full effects of the tariffs. Southeast Asia (SEA)

emerged as the top beneficiary, particularly Vietnam, as Chinese manufacturers diversifying their supply chains doubled exports from the region. Demand for logistics spaces soared in the region with rents rising by an average of 17.2% from 2020 to 2024.

Figure 2: US imports: Shifting Tradewinds

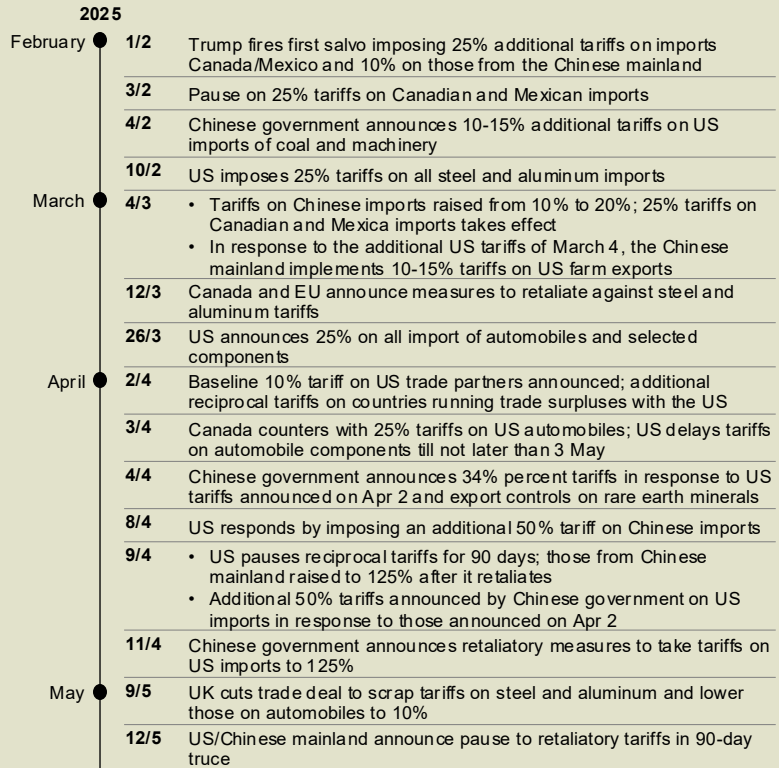


Source: piie.com

1.5 Trade War II

The wide-ranging tariffs imposed during Trump's second term have addressed 'China+1' strategies, effectively narrowing loopholes. For many economies in the region, this comes as a demand shock, but the impact will be disproportionate across the region.

Figure 3: Timeline of 2nd Trade War in 2025



Source: piie.com

Introduction I

- 1.1 What's new in Trump 2.0?
- 1.2 Trump 2.0 and the shape of the New World Order
- 1.3 Trade War I under Trump 1.0
- 1.4 Legacy from Trade War I: 'China +1' strategies
- 1.5 Trade War II
- 1.6 Supply-chain aftershocks
- 1.7 Growth under pressure
- 1.8 Impact of Trump 2.0 scenario outlook

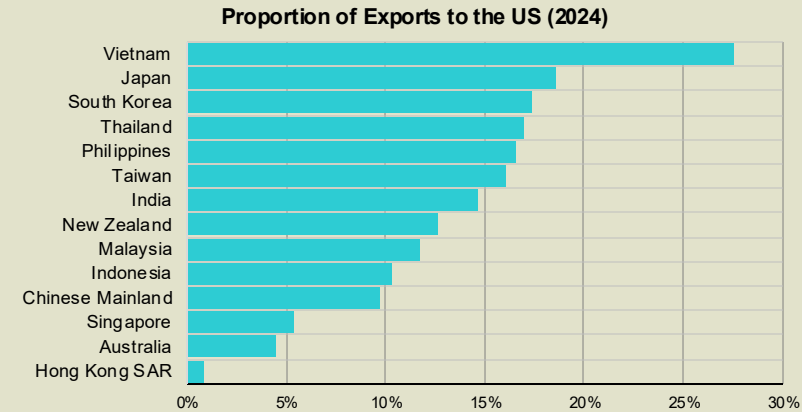
Section II: Impact on Commercial Real Estate Leasing Activities

Section III: Corporate Real Estate (CRE) playbook for a fragmented trade landscape

1.6 Supply-chain aftershocks

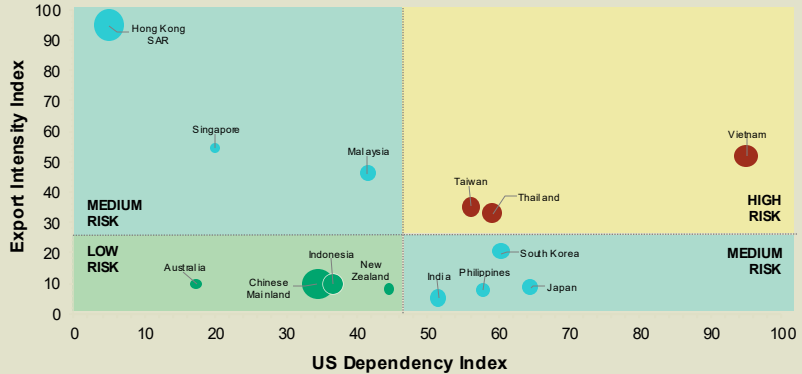


Figure 4: Asia-Pacific exports under threat in 2024



Note: Excludes categories with exemptions  
Source: US Census Bureau

Figure 5: Vulnerability matrix



Note: Size of bubble indicate reciprocal tariff rate as of 9 May 2025  
Source: Constructed using data from US Census Bureau (2024), World Trade Organisation (2023)



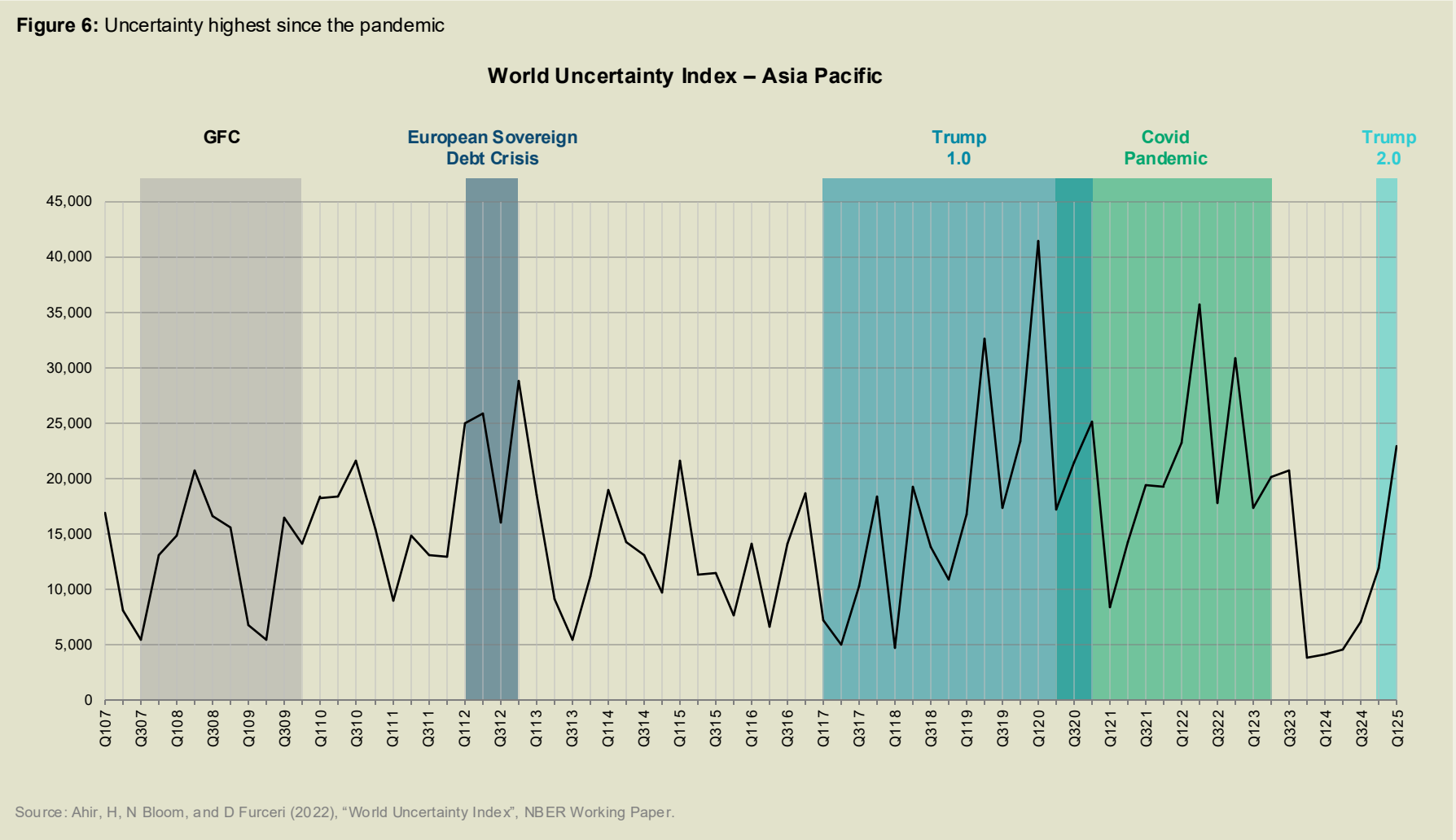
Introduction I

- 1.1 What's new in Trump 2.0?
- 1.2 Trump 2.0 and the shape of the New World Order
- 1.3 Trade War I under Trump 1.0
- 1.4 Legacy from Trade War I: 'China +1' strategies
- 1.5 Trade War II
- 1.6 Supply-chain aftershocks
- 1.7 Growth under pressure
- 1.8 Impact of Trump 2.0 scenario outlook

Section II: Impact on Commercial Real Estate Leasing Activities

Section III: Corporate Real Estate (CRE) playbook for a fragmented trade landscape

1.7 Growth under Pressure





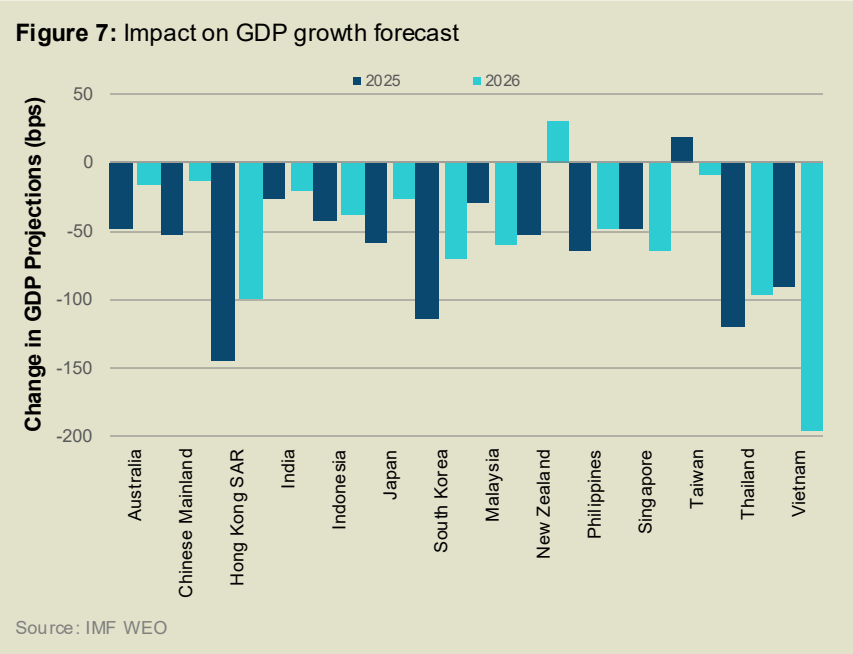
Introduction I

- 1.1 What's new in Trump 2.0?
- 1.2 Trump 2.0 and the shape of the New World Order
- 1.3 Trade War I under Trump 1.0
- 1.4 Legacy from Trade War I: 'China +1' strategies
- 1.5 Trade War II
- 1.6 Supply-chain aftershocks
- 1.7 Growth under pressure
- 1.8 Impact of Trump 2.0 scenario outlook

Section II: Impact on Commercial Real Estate Leasing Activities

Section III: Corporate Real Estate (CRE) playbook for a fragmented trade landscape

1.7 Growth under Pressure (cont.)



The International Monetary Fund (IMF) has sharply revised its growth forecasts for the region's economies, with the following key observations noted:

- 1 Thailand and Vietnam face a significant pull-back.
- 2 Singapore and Malaysia will experience a lagged pullback, with growth to slow further in 2026.
- 3 Markets with large domestic markets and lower trade exposure will be more resilient.
- 4 Despite being categorised as high risk, Taiwan bucks the trend as demand for its main exports – semiconductors and AI-related technologies – is expected to remain resilient.

Although any forecasts under Trump's evolving policies will shift, the directional impact is clear. The sum of first and second-order impacts is likely to result in lower corporate profits, dampen in investments and lead

to lower job and income growth, which will depress consumption. With little visibility on US trade policies, we are of the view that there are **three strategic certainties** in an era of uncertainty:

1 Higher tariffs are the new baseline



Trump 2.0 has entrenched tariffs as a structural tool of economic statecraft. Unlike the narrower scope of the first trade war, the current regime applies sweeping levies across 57 countries, lifting the average US effective tariff rate to **over 10%**— and a staggering **124.1% on Chinese mainland goods**. Even with the temporary 90-day pause intended to allow room for bilateral negotiations, the policy signal is unambiguous: the era of liberal trade that culminated with the WTO's rise is firmly behind us.

2 US-China decoupling will redraw the real estate map



The second term of the Trump administration marks a sharp acceleration in US-China decoupling— not just in trade but also in technology, capital, and talent flows. Blanket tariffs on autos and electronics, coupled with national security controls, are severing supply chains that once bound the world's two largest economies. Strategic sectors such as semiconductors, EVs, and AI are localising rapidly, with Western and Chinese mainland ecosystems moving on divergent tracks.

3 Supply chain diversification is no longer optional



While tariffs on Chinese exports remain punishing, the rest of APAC— particularly SEA and India— retains significant tariff advantages. As a result, the strategic logic of '**China+1**' has expanded into a full spectrum '**China+N**' model, in which multi-country sourcing and flexible production networks are standard operating requirements.

Even as export-dependent economies like Vietnam face pressure from direct tariffs, the broader diversification trend is likely to sustain inbound investment. Notably, Chinese manufacturers have funnelled over US\$6 billion into Vietnam and Indonesia in 2024 alone. Meanwhile, **logistics demand in Vietnam grew by 17.2% over 2020–2024**, reflecting a region-wide shift in production nodes.




Introduction I

- 1.1 What's new in Trump 2.0?
- 1.2 Trump 2.0 and the shape of the New World Order
- 1.3 Trade War I under Trump 1.0
- 1.4 Legacy from Trade War I: 'China +1' strategies
- 1.5 Trade War II
- 1.6 Supply-chain aftershocks
- 1.7 Growth under pressure
- 1.8 Impact of Trump 2.0 scenario outlook

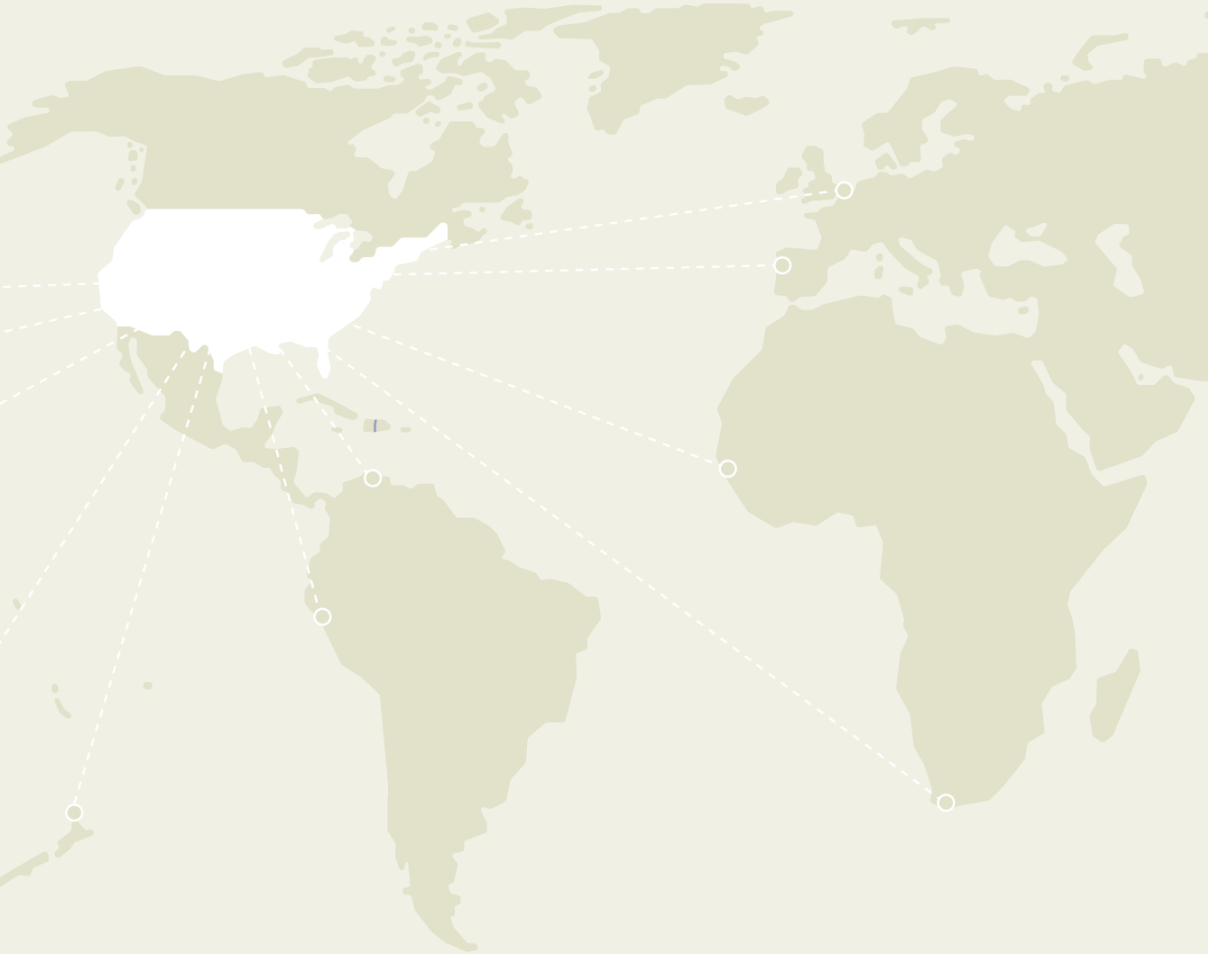
Section II: Impact on Commercial Real Estate Leasing Activities

Section III: Corporate Real Estate (CRE) playbook for a fragmented trade landscape

1.8 Impact of Trump 2.0 scenario outlook

Scenario	Description	Occupier Impact
<b>Mild decoupling</b> 	Tariffs stay but few new barriers	<ul style="list-style-type: none"><li>• Mild drop in leasing volume expected across key trade-exposed hubs;</li><li>• Slow diversification resulting in steady industrial and logistics occupier demand in SEA</li></ul>
<b>Hard decoupling</b> 	Major new tariffs, tech bans	<ul style="list-style-type: none"><li>• Rerouting surge;</li><li>• Oversupply risk in Chinese mainland hubs</li></ul>
<b>Global Trade War</b> 	<p>Europe Union (EU), Chinese mainland, others retaliate;</p> <p>Escalation becomes systemic, global trade volumes contract</p>	<ul style="list-style-type: none"><li>• Broad-based uncertainty;</li><li>• Widespread decline in cross-border CAPEX*;</li><li>• Heavy pullback in multinational expansion;</li><li>• 3PL* outsourcing rises</li></ul>

\*CAPEX = capital expenditure | \*3PL = third party logistics  
Source: Knight Frank Research



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## Section II:

# Impact on Commercial Real Estate Leasing Activities



Introduction I

Section II: Impact on Commercial  
Real Estate Leasing Activities

- 2.1 Resiliency in the first Trade War (2017–2020)
- 2.2 Office performance
- 2.3 Industrial performance
- 2.4 Fiscal consequences
- 2.5 Traffic Light Map: Winners and Losers in the New Trade Era
- 2.6 Leasing outlook amid trade shifts
- 2.7 Regionalisation in Focus
- 2.8 Where are the moves happening?

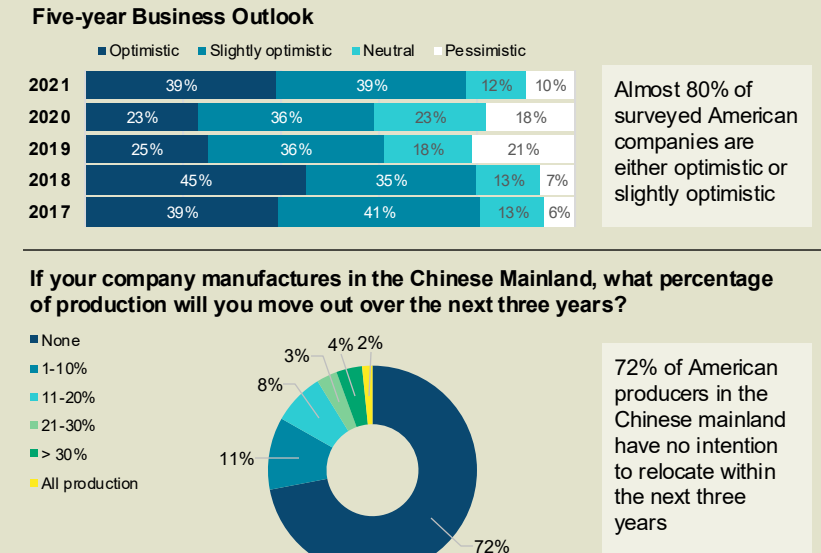
Section III: Corporate Real Estate (CRE)  
playbook for a fragmented trade landscape

2.1 Resiliency in the first Trade War (2017–2020)

Despite the onset of aggressive tariffs under the first Trump administration, US businesses operating in the Chinese mainland remained largely unfazed. By 2021, **nearly 80% of American firms** expressed confidence in their five-year outlook, with sentiment levels

rebounding close to pre-trade war norms. Notably, **72% of US manufacturers in the Chinese mainland** reported no intention to relocate operations within the next three years (Figure 8) — a testament to the Chinese mainland’s entrenched industrial ecosystem.

Figure 8: Trade tensions had minimal impact on the sentiments of US businesses operating in the Chinese mainland as of 2021



Source: American Chamber of Commerce in Shanghai 2021 China Business Report

More cautious corporates began adopting the ‘China+1’ strategy, expanding their manufacturing to neighbouring SEA nations and India to bolster supply chain resilience. However, as the US-China trade

conflict escalated and the pandemic emerged, these regions have grown in attractiveness to firms seeking to bypass restrictions or embrace the ‘China+N’ strategy for supply chain diversification.

Occupier insights for selected markets during 2018-2021	
	Inventory build-up occurred due to pandemic exigencies to mitigate supply chain disruptions/ delays, causing ware-housing demand to grow at a CAGR of 44% from 2017-2020.
	Multinational companies (MNCs), particularly in the electronics, automotive, and pharmaceutical sectors, expanded their inventories to mitigate supply chain disruptions and raw material price volatility.
	Foreign manufacturing investments from the Chinese mainland increased fivefold, rising from RM3.85 billion (US\$ 895 million in 2017) to RM19.67 billion in 2018, which has helped to spur leasing activities in the occupier space.
	Leasing enquiries increased significantly by over 20% YoY in 2019 from manufacturers and logistics firms diversifying out of the Chinese mainland. Vietnam also saw an estimated 15-20% increase in safety stock levels and inventory build-up.

Introduction I

Section II: Impact on Commercial  
Real Estate Leasing Activities

- 2.1 Resiliency in the first Trade War (2017–2020)
- 2.2 Office performance
- 2.3 Industrial performance
- 2.4 Fiscal consequences
- 2.5 Traffic Light Map: Winners and Losers in the New Trade Era
- 2.6 Leasing outlook amid trade shifts
- 2.7 Regionalisation in Focus
- 2.8 Where are the moves happening?

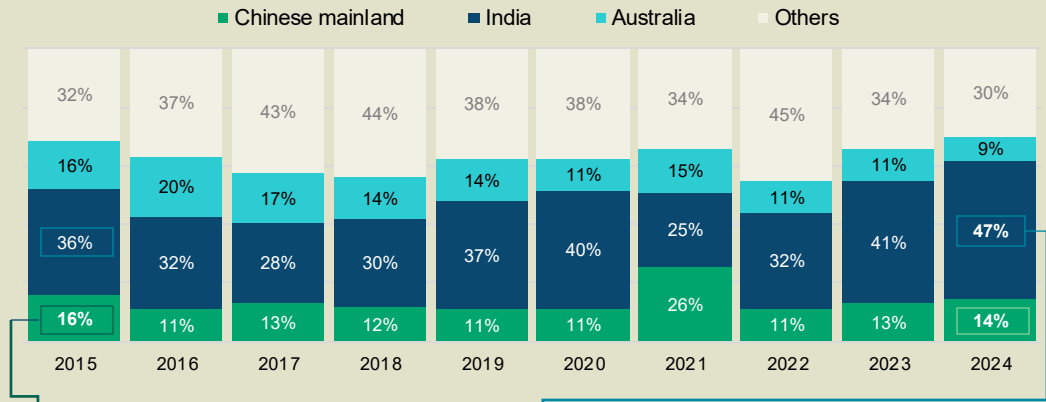
Section III: Corporate Real Estate (CRE)  
playbook for a fragmented trade landscape

2.2 Office Performance

While leasing activity rose 31% in 2021 (Figure 9), this uptick was largely attributable to the Chinese mainland’s early reopening advantage, as one of the few markets not under quarantine. As a result, its share of regional leasing surged to 26%, up from 11% in 2020.



Figure 9: Office leasing volumes pivoting toward India



Chinese Mainland

Despite the market share seemingly reverting to levels from a decade ago, the overall demand for office space has stagnated and failed to keep pace with the growing supply, resulting in a sustained imbalance marked by rising vacancies and persistent rental decline over the past 13 quarters.

India

India’s office market, on the other hand, has expanded significantly, with leasing share rising from 36% in 2015 to 47% in 2024, underpinned by strong economic fundamentals. A record 6.68 million sqm of transactions in 2024 reflect sustained demand from IT, Global Capability Centre (GCCs), and MNCs attracted by talent depth and cost efficiency.

Source: Knight Frank Research

Introduction I

Section II: Impact on Commercial  
Real Estate Leasing Activities

- 2.1 Resiliency in the first Trade War (2017–2020)
- 2.2 Office performance
- 2.3 Industrial performance
- 2.4 Fiscal consequences
- 2.5 Traffic Light Map: Winners and Losers in the New Trade Era
- 2.6 Leasing outlook amid trade shifts
- 2.7 Regionalisation in Focus
- 2.8 Where are the moves happening?

Section III: Corporate Real Estate (CRE)  
playbook for a fragmented trade landscape

2.3 Industrial performance

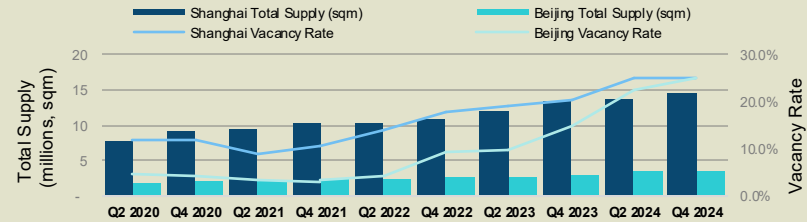
On the industrial front, this shift in supply chain strategy drove heightened demand for industrial space across the region, except in the Chinese mainland.

In recent years, a significant upward trend has been observed in vacancy rates across the industrial markets of Shanghai and Beijing, exacerbated by an oversupply, leading

to a substantial supply outstripping demand. Going forward, the Chinese government's emphasis on domestic consumption expansion as a key economic focus should be the driving force behind occupancy for the Chinese market. Conversely, Southeast Asian nations and India have managed to maintain relatively stable vacancy levels despite a notable increase in supply (Figure 10).

Figure 10: Prime logistics performance

Shanghai and Beijing



Bengaluru, National Capital Region (NCR) and Mumbai

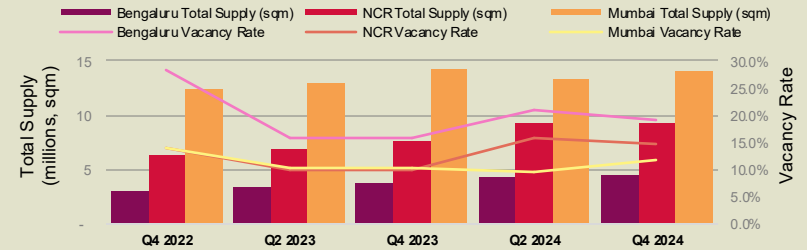
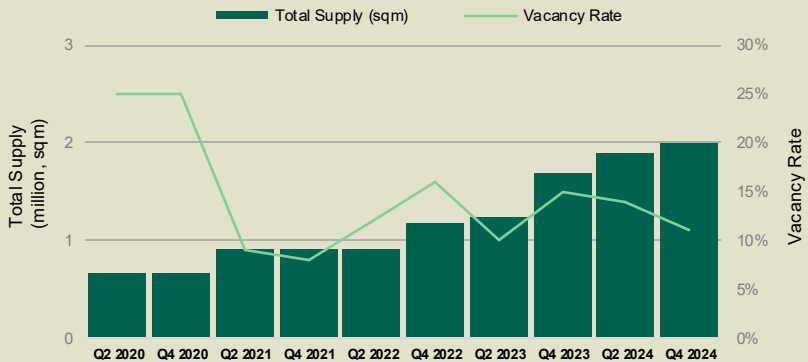
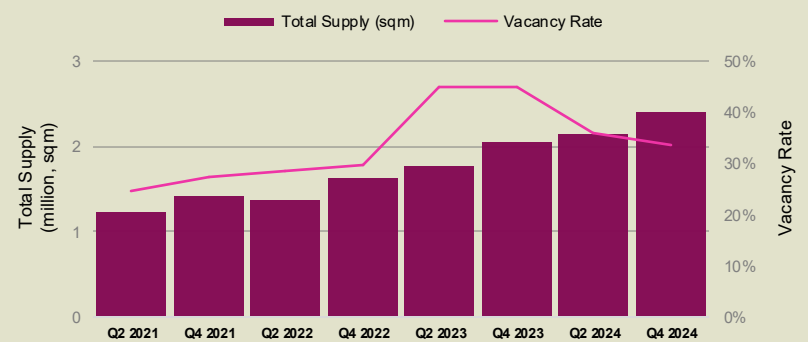


Figure 10: Prime logistics performance

Greater Jakarta



Vietnam SKER



Source: Knight Frank Research



Introduction I

Section II: Impact on Commercial  
Real Estate Leasing Activities

- 2.1 Resiliency in the first Trade War (2017–2020)
- 2.2 Office performance
- 2.3 Industrial performance
- 2.4 Fiscal consequences
- 2.5 Traffic Light Map: Winners and Losers in the New Trade Era
- 2.6 Leasing outlook amid trade shifts
- 2.7 Regionalisation in Focus
- 2.8 Where are the moves happening?

Section III: Corporate Real Estate (CRE)  
playbook for a fragmented trade landscape

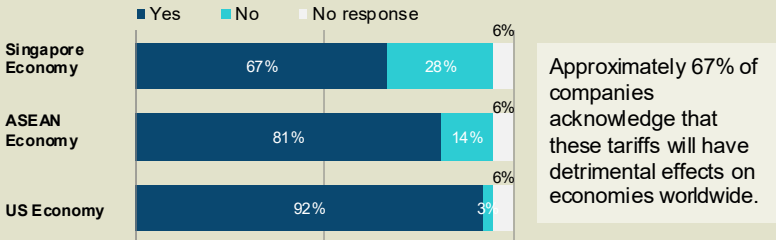
2.4 Fiscal consequences

Fast-forward to 2025, much uncertainty was introduced to the global economy with the implementation of unprecedented levels of tariffs by the new Trump

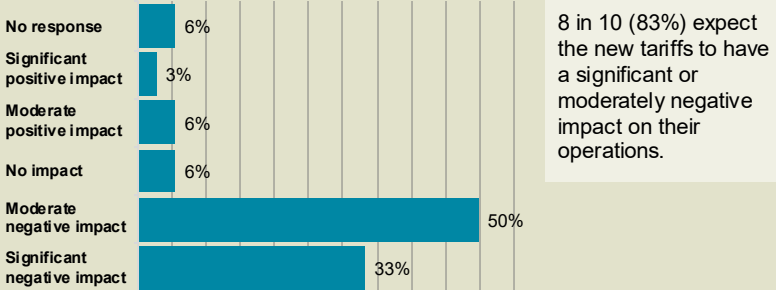
administration. Recent surveys suggest that the market is bracing for impending challenges, indicating a looming shift in economic conditions. (Figure 11).

Figure 11: Companies perceive tariffs to have clear negative impacts on both the economy and the business landscape

Do you think that the tariffs will harm the:



Does your company believe that tariffs will be harmful to the business environment?



Source: American Chamber of Commerce in Singapore Flash Survey (April 2025), n=36

Although proposed tariffs may pose challenges for export-dependent markets such as SEA and India, these regions possess inherent strengths that provide a competitive edge in navigating protectionist policies. Key factors contributing to their resilience include a favourable demographic

profile, an abundant and skilled labour force, and well-established trade relationships. Moreover, continuous improvements in infrastructure and a focus on innovation further bolster the appeal of these markets as attractive investment destinations.





Introduction I

Section II: Impact on Commercial  
Real Estate Leasing Activities

- 2.1 Resiliency in the first Trade War (2017–2020)
- 2.2 Office performance
- 2.3 Industrial performance
- 2.4 Fiscal consequences
- 2.5 Traffic Light Map: Winners and Losers in the New Trade Era
- 2.6 Leasing outlook amid trade shifts
- 2.7 Regionalisation in Focus
- 2.8 Where are the moves happening?

Section III: Corporate Real Estate (CRE)  
playbook for a fragmented trade landscape

2.5 Traffic Light Map: Winners and Losers in the New Trade Era

Country	Outlook	Reasons backing the Outlook
US	Strong	Reshoring back to the US taking off
Mexico	Strong	Nearshoring to North America booming
Vietnam	Cautious	Big beneficiary from ‘China+1’, but vulnerable if US tariffs widen to SEA
Indonesia	Strong	Growing alternative base for electronics, automotive sectors
India	Strong	Domestic growth + global diversification hub, especially in tech manufacturing
Malaysia	Mixed	Gains from diversification, but cautious investor sentiment
Chinese mainland	Weak	Direct hit from higher tariffs; rising vacancy rates in logistics hubs
Japan	Weak	Auto exports hurt badly by 25% US tariffs
South Korea	Weak	Similar to Japan; Auto, electronics facing new US tariffs
Thailand	Weak	Auto and electronics export exposure high; faces 25% tariffs



Introduction I

Section II: Impact on Commercial  
Real Estate Leasing Activities

- 2.1 Resiliency in the first Trade War (2017–2020)
- 2.2 Office performance
- 2.3 Industrial performance
- 2.4 Fiscal consequences
- 2.5 Traffic Light Map: Winners and Losers in the New Trade Era
- 2.6 Leasing outlook amid trade shifts
- 2.7 Regionalisation in Focus
- 2.8 Where are the moves happening?

Section III: Corporate Real Estate (CRE)  
playbook for a fragmented trade landscape

2.6 Leasing outlook amid trade shifts

While it remains challenging to pinpoint precise expectations, as the situation continues to evolve rapidly with a degree of unpredictability, in the near term, occupiers should mostly adopt a wait-and-see attitude and hold off from finalising leasing decisions. It remains crucial for businesses to closely monitor the evolving trade dynamics and adapt their strategies to mitigate potential risks.



Office

We anticipate that the 2025 contraction in office leasing volume could amount to 15-20% as businesses limit and prioritise their CAPEX.



Industrial

We expect a conservative reduction of 20-30% in leasing volume in logistics as trade volumes dive. More industrial occupiers might outsource to 3PL players to minimise real estate costs.



Image credit: i-Park@Indahpura

**Small and Medium Enterprises (SMEs)**, crucial players in shaping demand for flexible industrial spaces, face significant structural challenges in trade policy. SMEs account for over 90% of all firms globally and contribute up to 50% of employment and GDP in many Asia-Pacific economies. Yet they remain acutely exposed to trade disruptions due to their limited capacity to diversify suppliers, absorb cost shocks, or relocate operations swiftly. Surveys by the Asian Development Bank (ADB) and OECD highlight that supply chain disruptions and rising input costs have led to reduced output, delays in delivery, and tightened working capital among SMEs— particularly in sectors such as precision manufacturing, consumer electronics, and textiles. Real estate implications are mixed. In markets like **Malaysia, Vietnam, and parts of South**

**Korea**, anecdotal evidence suggests that uncertainty surrounding trade policy and inflationary pressures has delayed SME expansion plans, weighing on demand for smaller industrial spaces. Vacancy rates for strata-titled light industrial units have edged up in some suburban precincts, and lease renewal negotiations increasingly reflect tenant concerns over cost pass-throughs.

Government-led initiatives— such as Thailand’s Eastern Economic Corridor (EEC), Johor-Singapore Special Economic Zone (JS-SEZ), and Indonesia’s “Making Indonesia 4.0” roadmap— are driving investment into industrial parks and facilities that cater to SME needs, particularly in automation, cold chain logistics, and small-batch production. This suggests potential upside for modular and multi-tenant industrial formats near key transport corridors.



Discover strategies to safeguard your business by exploring our [thought-leadership paper](#).

Introduction I

Section II: Impact on Commercial  
Real Estate Leasing Activities

- 2.1 Resiliency in the first Trade War (2017–2020)
- 2.2 Office performance
- 2.3 Industrial performance
- 2.4 Fiscal consequences
- 2.5 Traffic Light Map: Winners and Losers in the New Trade Era
- 2.6 Leasing outlook amid trade shifts
- 2.7 Regionalisation in Focus
- 2.8 Where are the moves happening?

Section III: Corporate Real Estate (CRE)  
playbook for a fragmented trade landscape

What are industry players saying?

“We are basically tariff-proof because we produce where we sell.”

Roland Busch  
CEO, Siemens

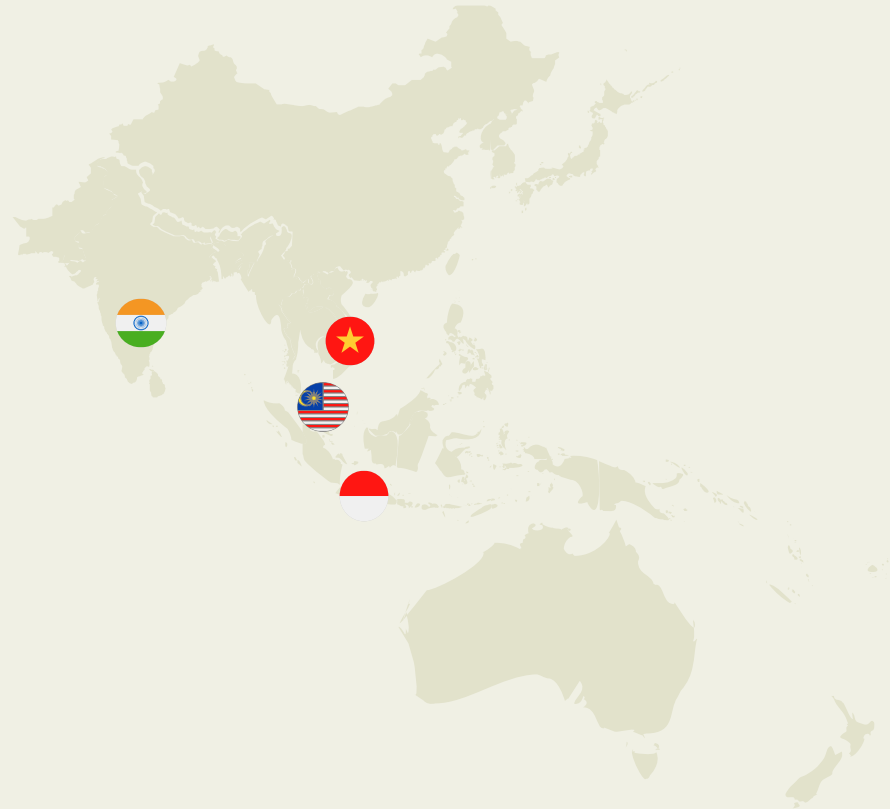
— on Siemens’ localised global operations shielding it from tariff shocks

2.7 Regionalisation in Focus

However, varying levels of optimism are still captured for some markets, underpinned by Chinese demand, suggesting regionalisation, instead of globalisation.

The Chinese mainland’s economic ties with SEA have strengthened significantly, driven by

Free Trade Agreements (FTA) and strategic moves to avoid US tariffs. According to Rhodium Group, Vietnam was the largest recipient of Chinese manufacturing investment in 2024, followed by Indonesia, with both receiving approximately US\$3 billion each in newly announced Chinese manufacturing projects.



Voices from Knight Frank for selected markets

<b>India</b> 	<p>It is difficult to specifically attribute any changes in manufacturing activity due to Trump’s tariffs as the ‘Make in India’ and other government initiatives are already bearing fruit.</p> <p>The entry of global giants like Apple, Samsung, and Foxconn in recent years has further strengthened India’s position as a manufacturing hub, fuelling the need for warehousing infrastructure.</p>
<b>Indonesia</b> 	<p>In the manufacturing sector, demand for production and logistics facilities is projected to grow by 15–20%, driven mainly by companies in the electronics, automotive, and logistics sectors seeking to diversify away from the Chinese mainland.</p>
<b>Malaysia</b> 	<p>Investors are currently cautious in deciding on new investments or expansions. Given the fluidity of the market, the relocation of manufacturing facilities is likely sector-specific and carried out at a selective, measured pace.</p> <p>However, our industrial team has experienced a significant increase enquiry from Chinese manufacturers, largely attributed to President Xi’s recent visit.</p>
<b>Vietnam</b> 	<p>We anticipate a 15-20% increase in manufacturing space demand.</p> <p>Relocation activity is already gaining momentum in anticipation of potential policy shifts.</p> <p>International occupiers, especially Chinese mainland e-commerce firms, are expressing heightened interest in large logistics spaces exceeding 100,000 sqm.</p>

Introduction I

Section II: Impact on Commercial  
Real Estate Leasing Activities

- 2.1 Resiliency in the first Trade War (2017–2020)
- 2.2 Office performance
- 2.3 Industrial performance
- 2.4 Fiscal consequences
- 2.5 Traffic Light Map: Winners and Losers in the New Trade Era
- 2.6 Leasing outlook amid trade shifts
- 2.7 Regionalisation in Focus
- 2.8 Where are the moves happening?

Section III: Corporate Real Estate (CRE)  
playbook for a fragmented trade landscape

What are industry players saying?

“We used to send about 60% of our products to the US, but even before Trump 2.0, we’d already cut that down to 30%. Now, most of our business is with Europe and Asia. Moving forward, we’re planning to reduce our US exposure even more and tap into new markets in Southeast Asia.”

— A Chinese B2B supplier, who used to supply 60% of the products to the US customers, is trying to navigate the uncertainties by looking for new markets

2.8 Where are the moves happening?



Source: Knight Frank Research

FOXCONN – Bac Giang Province

Location	Quang Chau Industrial Park, Bac Giang, Vietnam
Asset Class	Industrial
Size	100 hectares across multiple phases
Year of completion	Initial phase completed in 2020; ongoing expansions through 2025

Foxconn expanded into Vietnam to mitigate rising costs and tariff pressure from the US-China trade conflict. Vietnam offered a cost-effective alternative near its existing China-based supply chain.

Asset Analysis

Foxconn invested hundreds of millions USD into new assembly facilities producing electronics components. The move anchored Bac Giang as a high-tech hub, created thousands of jobs, and sparked a surge of supplier activity in surrounding industrial parks.



Introduction I

Section II: Impact on Commercial  
Real Estate Leasing Activities

- 2.1 Resiliency in the first Trade War (2017–2020)
- 2.2 Office performance
- 2.3 Industrial performance
- 2.4 Fiscal consequences
- 2.5 Traffic Light Map: Winners and Losers in the New Trade Era
- 2.6 Leasing outlook amid trade shifts
- 2.7 Regionalisation in Focus
- 2.8 Where are the moves happening?

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playbook for a fragmented trade landscape

What are industry players saying?

“Tariffs don’t create  
resilience— they create  
friction. Global tech  
ecosystems thrive on  
openness, not isolation.”

Christian Klein  
CEO, SAP

— on the long-term implications of tariff-  
driven fragmentation for tech companies

2.8 Where are the moves happening?



Source: Knight Frank Research

Japan’s Meiko Electronics New Plant

Location	Hoa Binh, Vietnam
Asset Class	Industrial
Size	Land area of 9.2 hectares
Year of completion	2026

	Japan's Meiko Electronics continues its plan to invest 50 billion yen (\$340 million) in a new plant in Vietnam to mass-produce compact, power-saving electronic substrates for iPhones, with production set to commence in fiscal year 2026.
Asset Analysis	Driven by US tariff policy, Apple is accelerating its plans to shift iPhone production from the Chinese mainland to India, where lower tariffs are applicable. Meiko's new plant will supply ultra-small, energy-efficient printed circuit boards (PCBs) to iPhone assembly plants in India, further strengthening the company's position in the smartphone circuit board market.

Introduction I

Section II: Impact on Commercial  
Real Estate Leasing Activities

- 2.1 Resiliency in the first Trade War (2017–2020)
- 2.2 Office performance
- 2.3 Industrial performance
- 2.4 Fiscal consequences
- 2.5 Traffic Light Map: Winners and Losers in the New Trade Era
- 2.6 Leasing outlook amid trade shifts
- 2.7 Regionalisation in Focus
- 2.8 Where are the moves happening?

Section III: Corporate Real Estate (CRE)  
playbook for a fragmented trade landscape

What are industry players saying?

“The biggest downfall is not in China, the biggest impact will be in the United States. We believe a lot of our customers will go bankrupt, by just saying, tomorrow we make the production in America, it's impossible!”

**Peter Handstein**  
founder and CEO of Hape Group  
— a global toy manufacturer and distributor

2.8 Where are the moves happening?



Source: Knight Frank Research

VinFast to open plants in India and Indonesia

Location	Subang, West Java, Indonesia Thoothukudi, Tamil Nadu, India
Asset Class	Industrial
Size	Subang plant: 170-hectare situe Thoothukudi plant: 400-acre site located in Tamil Nadu Industrial Promotion Corporation (SIPCOT)
Year of completion	2025
Asset Analysis	VinFast, a Vietnamese electric vehicle (EV) manufacturer, is prioritising Asian markets such as India, Indonesia, and the Philippines over North America, reflecting a growing trend of automotive companies focusing on regional expansion.  This strategic pivot allows VinFast to leverage similarities in market conditions, consumer preferences, and logistics efficiencies across Southeast Asia. As EV makers recognize the importance of supply chain proximity and cultural understanding, prioritising nearby markets before distant expansion is becoming increasingly common in the automotive industry.

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## Section III:

# Corporate Real Estate (CRE) playbook for a fragmented trade landscape





Introduction I

Section II: Impact on Commercial Real Estate Leasing Activities

Section III: Corporate Real Estate (CRE) playbook for a fragmented trade landscape

- 3.1 Strategic Action framework for the next 12–24 months
- 3.2 Lease Structures in flux: country insights
- 3.3 Build-to-Suit Dominance: Customisation Over Speculation
- 3.4 Designing for Resilience: CRE Leadership Priorities




3.1 Strategic Action framework for the next 12–24 months

Trade volatility is now structural, not cyclical. For CRE leaders, strategic clarity depends on scenario-based planning. As outlined in Section I, the global trade landscape is being reshaped by three shifts: elevated tariffs for longer, deepening US–China decoupling, and accelerated supply chain diversification. Each of these "strategic certainties" carries lasting

consequences for real estate strategy and portfolio planning.

The table below distils the core real estate implications tied to these trends on occupier behaviour and leasing structures— highlighting how occupiers must adapt to a world defined by cost unpredictability, geopolitical divergence, and the need for agility.



Strategic certainty	Key real estate implications
<div>1</div> <div>Higher tariffs are the new baseline</div> <div></div>	Persistent cost inflation across global supply chains is eroding cost predictability. Occupiers will shift to flexible lease structures, hedge geographic exposure, and prioritise cost-optimised, demand-resilient markets. Developers must recalibrate rent expectations and anticipate slower leasing cycles in trade-exposed hubs.
<div>2</div> <div>US–China decoupling</div> <div></div>	A bifurcated path for real estate is emerging. R&D and manufacturing will increasingly re-shore to the US, Mexico, and India. Meanwhile, the Chinese mainland will double down on self-sufficiency, with demand anchored in AI, green tech, and consumption. CRE portfolios must be built for operational resilience, regulatory compliance, and flexibility.
<div>3</div> <div>Supply chain diversification</div> <div></div>	Demand will shift towards flexible logistics parks, leases with built-in options, and sites that can easily scale up or down. Areas near ports and free-trade zones will draw investment, while speculative projects in the Chinese mainland may take longer to fill. Agility, in terms of structure, finances, and contracts, will be key to CRE success.

Introduction I





Section II: Impact on Commercial Real Estate Leasing Activities

Section III: Corporate Real Estate (CRE) playbook for a fragmented trade landscape

- 3.1 Strategic Action framework for the next 12–24 months
- 3.2 Lease Structures in flux: country insights
- 3.3 Build-to-Suit Dominance: Customisation Over Speculation
- 3.4 Designing for Resilience: CRE Leadership Priorities


3.2 Lease Structures in flux: Country insights

Real estate strategies across Asia-Pacific will also respond to prolonged uncertainty by favouring **shorter, more flexible leases** and **customised space solutions**.

	While lease durations remain stable, <b>flex space demand tripled</b> between 2017–2019. Built-to-suit formats gained traction in office and warehousing, supported by strong occupier confidence in the domestic growth story.
	Office leases have evolved from 5-year norms to 1–3 years, driven by the US-China trade war, pandemic, and hybrid work models. Break clauses and rent-free periods are now common, as landlords compete on flexibility.
	Flexible leases emerged largely during the pandemic. Malaysia continues to attract MNCs with <b>cost-efficient, purpose-built facilities</b> , a trend that is expected to continue into the Trump 2.0 era.
	Occupiers have shortened office commitments from 5 to 3–4 years. Industrial tenants increasingly seek <b>3-year leases with expansion and break clauses</b> , USD-denominated rents, and fit-out incentives, and more negotiable expansion clauses.

3.3 Build-to-Suit Dominance: Customisation Over Speculation

As operational certainty becomes a luxury, occupiers are doubling down on purpose-built facilities to match exacting needs.

	While lease durations remain stable, <b>flex space demand tripled</b> between 2017–2019. Built-to-suit formats gained traction in office and warehousing, supported by strong occupier confidence in the domestic growth story.
	Companies want more efficient, tailored spaces. Developers favour built-to-suit or build-to-rent and long-term agreements over speculative projects for stability.
	Purpose-built real estate remains the default for relocating MNCs due to cost advantages and government incentives.
	While speed-to-market drives newcomers to ready-built assets, long-term manufacturers are commissioning customised, scalable space.

3.4 Designing for Resilience: CRE Leadership Priorities

In this volatile landscape, CRE strategy must evolve from footprint expansion to **operational durability** and **total-cost performance**.

Action Checklist for CRE Leaders:

- ✓ Structure leases for flexibility and exit agility
- ✓ Invest in facilities and various geographies that support distributed operations
- ✓ Allocate capital for supply chain-resilient upgrades
- ✓ Embed scenario planning tools into location and lease decisions
- ✓ Prioritise sustainability and tech infrastructure in tenant improvement allowances

We would love to help you with your real estate strategies, contact us to get the conversation started!

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For further information on the report, please contact:

**Authors**

**Christine Li**

Head of Research,  
Asia-Pacific  
[christine.li@asia.knightfrank.com](mailto:christine.li@asia.knightfrank.com)

**Wyai Kay Lai**

Associate Director, Research  
Asia-Pacific  
[wyaikay.lai@knightfrank.com](mailto:wyaikay.lai@knightfrank.com)

**Pamela How**

Manager, Research  
Asia-Pacific  
[pamela.how@asia.knightfrank.com](mailto:pamela.how@asia.knightfrank.com)

**Key Contacts**

**Tim Armstrong**

Global Head of Occupier  
Strategy & Solutions  
[tim.armstrong@asia.knightfrank.com](mailto:tim.armstrong@asia.knightfrank.com)

**Geraldine Xiao**

Director, Occupier Strategy & Solutions  
Asia-Pacific  
[Geraldine.xiao@asia.knightfrank.com](mailto:Geraldine.xiao@asia.knightfrank.com)



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