

# Leasing activity remains upbeat, backed by solid 3PL and e-commerce demand



## Key Trends

- Appetite for large modern assets in Korea strengthened in Q3 2025, supported by a slowdown in new supply. Flight to quality continues to drive leasing momentum, with tenant profiles becoming increasingly diverse, although e-commerce and 3PLs continue to dominate.
- Robust domestic demand drove solid nationwide leasing momentum in India this quarter. Leasing activity remains upbeat, with the market witnessing a surge in short-term requirements ahead of the festive season, driven by e-commerce players preparing for peak sales.
- In Indonesia, steady 3PL and e-commerce expansion drove solid demand for modern warehouses during the period. Leasing demand for Grade A warehouses in Greater Jakarta has been resilient over the past year despite global uncertainty and the softer local economy.

“ Modern logistics facilities continue to attract strong demand across Asia Pacific. Korea is witnessing rising interest in larger properties, while leasing in India is maintaining momentum as occupiers retain asset-light strategies. Indonesia continues to see tight availability amid occupiers’ strong expansionary appetite. ”

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# Korea

**Appetite for large modern assets strengthens, supported by slowdown in new supply**

## SIX-MONTH OUTLOOK



### STATE OF THE MARKET

- Pre-leasing activity softened in H1 2025 despite easing supply. Net absorption for the period reached about 40% of last year’s total, with current momentum set to continue through the back half of the year.
- Logistics supply in Greater Seoul continues to decline. This will likely help drive down vacancy rates for both dry and cold warehouses, signalling the early stages of a market recovery.

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### TRANSACTION ACTIVITY

- Flight to quality continues to drive leasing momentum, with tenant profiles becoming increasingly diverse.
- E-commerce and 3PLs continue to dominate. During the quarter, a major e-commerce player, which already occupies about 20% of total Grade A logistic stock in Greater Seoul, continued to expand and upgrade both its dry and cold storage facilities.
- Multinationals in the fashion apparel and automotive sectors are planning relocation and consolidation, often targeting larger floor plate, single-floor and newly built warehouses.

### EMERGING TRENDS

- Larger and more established occupiers looking to relocate are prioritising buildings with advanced ESG credentials, with green certifications such as LEED Gold and Silver most sought after.
- While the adoption of logistics automation is gaining momentum, particularly among global fashion and apparel companies, electricity availability and floorplate composition continue to pose a challenge. Popular technologies include automated retrieval systems as well as robotics sorting and delivery solutions.
- Investment activity is largely driven by foreign capital, with Incheon emerging as a preferred submarket, particularly for larger assets.

### OUTLOOK

- Occupiers are advised to move swiftly to secure space, particularly for large floor plate warehouses, availability of which is becoming increasingly scarce. With rents likely to rise from next year, tenants should move now to secure space at competitive terms.
- With the market appearing to have bottomed-out, now is the ideal time for investors and landlords to turn more acquisitive.

# India

## Robust domestic demand drives solid nationwide leasing momentum

### STATE OF THE MARKET

- Leasing activity remains upbeat, with the market recently witnessing a surge in short-term requirements ahead of the festive season, driven by e-commerce players preparing for peak sales.
- Industrial leasing continues to thrive amid a trend towards asset-light strategies as local firms opt for leasehold instead of ownership.
- Demand for properties with advanced specifications is pushing up rents and fit-out costs while also extending construction timelines

### TRANSACTION ACTIVITY

- Leasing activity is dominated by large-scale deals, particularly those exceeding 10,000 sq. m., led by 3PLs and e-commerce operators.
- Continued urbanisation and rising e-commerce penetration in tier II cities is expected to further boost logistics demand in these emerging markets.
- Local occupiers typically favour leasing while foreign companies, especially Japanese firms, prefer land acquisition and built-to-suit.

### EMERGING TRENDS

- India continues to benefit from global supply chain diversification, attracting investment from Japanese, Korean, and Taiwanese companies in sectors such as electronics, EVs and FMCGs.
- While most industrial demand is concentrated in the top eight metros, government incentives such as industry-specific subsidies and land acquisition support are generating interest in South India.
- Although trade uncertainty remains a cause for concern, no immediate impact has been observed on domestic industrial activity.

### OUTLOOK

- Occupiers, especially those prioritising timely and cost-effective delivery, should lock in favourable lease terms and incentives now as the market remains in their favour.
- Rising land costs in urban metros are expected to limit in-city warehousing options as land is increasingly diverted to commercial and residential development.
- Developers facing capital constraints and soaring land prices should consider expanding into emerging submarkets beyond the traditional top cities.

### SIX-MONTH OUTLOOK



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# Indonesia

## Steady 3PL and e-commerce expansion drive solid demand for modern warehouses

### SIX-MONTH OUTLOOK



### STATE OF THE MARKET

- Leasing demand for Grade A warehouses in Greater Jakarta has been resilient over the past year despite global uncertainty and the softer local economy.
- With occupancy standing above 90%, there is minimal room for expansion, ensuring the market remains balanced between landlords and tenants.
- Strong demand is encouraging landlords to build more warehouses, with several projects under construction and/or at the planning stage.

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### TRANSACTION ACTIVITY

- Supported by Indonesia’s robust e-commerce sector, local 3PL operators and end users continue to expand across Greater Jakarta. The typical lease term for 3PLs is one to two years to maintain operational flexibility. End users often prefer slightly longer lease terms.
- Mainland Chinese manufacturers are prioritising Indonesia for regional expansion. CBRE is tracking a surge in enquiries for leasing compact factory and workshop units as firms establish their first foothold in this market. Many are planning to scale operations and transition to ownership within two to five years, driven by rising local demand and Indonesia’s growing role in global supply chains.

### EMERGING TRENDS

- While submarkets in the Jakarta Eastern Corridor such as Cikarang remain the focus of demand due to stock depth, tenants are open to submarkets further away when suitable space is available.
- Existing foreign and local developers/operators are proceeding with ongoing projects, signalling confidence in strong demand and long-term fundamentals. Meanwhile, new-to-market institutional capital is in wait and see mode due to global uncertainty and anticipation of the new government’s policy.

### OUTLOOK

- Occupiers, particularly those requiring large floorplates, should plan expansion and lease renewals well in advance as near-term supply will remain tight until early 2027.
- In the interim, occupiers and landlords should collaborate to strike a balance between cost and quality in available space.

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