

**QUESTION "Please write down your opinions as a real estate appraisal expert on the trends of the real property market in your country/region. It should be noted that you are basically requested to assume the cities and districts, which are set by our association, in answering the questions."**

**Category 1: Commercial property market**

\*Listed in alphabetical order

No.	Organization	Nation / Region	City	Area	Main usage	Current market condition	COMMENT	Is it changed the current market condition from the previous term?	What exactly is changed the current market condition from the previous term? If yes, please give details.	Future outlook of market in next 12 months	COMMENT
1	Australian Property Institute	Australia	Sydney	Greater Sydney Metro	Office	Fair	The COVID situation has changed the way office space is being utilised for the near future.As lockdowns increased the work from home drive, uncertainty has been a large factor in the Office space demand on the East Coast of Australia.Rising vacancies and subletting has had a significant increase in incentives, around v20-30% through 2020 and face rent growth was around 2.5% in the same period.Sub lease space in Sydney increased by 33% during the December Quarter in 2020. Almost 70% of corporate real estate professionals believe 9-5 working day is now a thing of the past.Subleased space in the Office market Nationally increased by more than 30% in the September quarter 2020.In Sydney the sublease space increased to 56% in the September quarter, highest since 1992.Prime grade office stock is the most affected in sublease space, accounting for 80% of the market.Partly due to COVID and partly due to new supply coming on the market, vacancy rate nationally CBD increased from 9.1% TO 11, 1% in the six month period to January 2021and suburban space vacancy increased from 10.45 to 13.4%, highest since 1994.All other CBD vacancies around Australia reported double digit figures in office vacancy.Covid has forced a big shift in how organisations operate and will in the future, having to adapt and rethink how we work.Real estate is one of the highest fixed costs, business has to rationalise their footprint and their rents.They have to provide a COVID safe workplace as we all start to return to work.Before COVID there was a move towards flexible workplace, but the pandemic has now accelerated this move and flexibility of the workplace is at the forefront of all companies as we go forward in a new world.	Yes	In one word COVID has changed the working and thinking of all businesses going forward with no clear solution and final balance that is needed to sustain safety in the workplace.	Stable	We have seen stabilising in the market but there are no clear solutions as we do not know how the Pandemic will finally end or stabilise infections, so its too early to make and clear predictions.
2	Japan Association of Real Estate Appraisers	Japan	Tokyo	Marunouchi	Office	Fair	The Marunouchi district is the center of the domestic office area where the headquarters and banks of major companies are concentrated, and where strong demand is recognized. The office leasing market in the Tokyo metropolitan area continues to be weak, but office rents in this district have remained flat. As for capitalization rate, the appetite for investment in this district, which is one of Japan's leading office districts, remains stable. Based on this situation, it is judged that land value in this district are flat.	Same as before	N/A	Stable	Although there is still uncertainty about the socio-economic situation due to the impact of the COVID-19 infectious disease, the willingness to invest in the district is predicted to remain stable, so land values are expected to remain flat for the time being.
3	Royal Institution of Surveyors Malaysia (RISM)	Malaysia	Kuala Lumpur	Kuala Lumpur	Office	Bad	Commercial sector is adversely affected by series of lockdowns due to the Covid-19 pandemic	Same as before	N/A	Declining	Flip flops decision making by current government deter MNCs from locating their office in KL; Work from home due to pandemic and opex cautious companies will reduce spatial requirements
4	Philippine Association of Realty Appraisers, Inc.	Philippines	Makati	CBD	Office	Bad	Vacancy is increasing	Same as before	N/A	Declining	Unless COVID is addressed