MARKETBEAT
PERTH CBD
OFFICE Q4 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
17% Vacancy Rate	▼	—
-4.599 6-month Net Absorption, sqm	▲	▲
$384 Prime Net Effective, sqm pa	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.1% (National) GDP Growth	▲	▲
1.4% (Western Australia) State Final Demand Growth	▼	▲
4.4% (National) Unemployment Rate	▲	▲

Source: ABS

ECONOMIC OVERVIEW:

Economic conditions remain steady, supported by solid domestic demand and a strong labour market, though inflationary pressure has been more persistent than expected. Headline CPI rose 3.4% year-on-year (yoy) in November, it's fourth month above the Reserve Bank of Australia's (RBA) 2%-3% target band, while trimmed mean inflation also stayed above 3%. Recent RBA commentary indicates the current easing cycle is likely complete, with policymakers taking a longer-term view before considering further adjustments. Australian economic growth eased slightly in the second half of 2025, with GDP rising 0.4% quarter-on-quarter (qoq) in Q3, down from 0.6% in Q2. Momentum is expected to build through 2026. Western Australia's economic growth is expected to outperform other states, with Gross State Product estimated to expand by 1.4% in 2025 before strengthening to 2.7% by the end of 2026 and 3.1% in 2027.

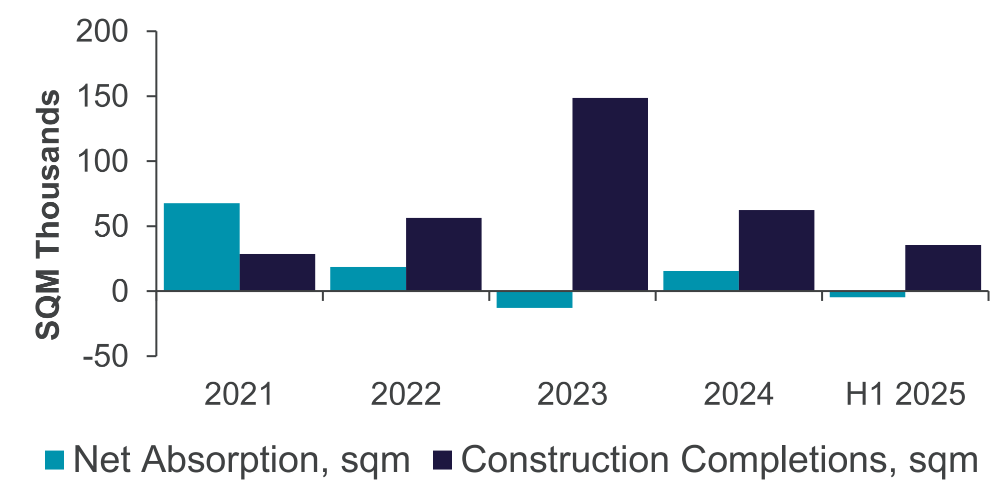
DEMAND:

Demand in the Perth CBD office market held steady through Q4 2025, with Cushman & Wakefield agents reporting strong enquiry levels across the CBD, particularly for well-located prime grade assets. Occupiers continue to prioritise value, quality, and location, while decision-making timelines have extended, interest in top-tier space is driving activity, supported by expectations of rental growth and tightening incentives. Limited near-term supply and improving confidence are likely to encourage forward commitments as businesses position ahead of 2026. This dynamic is reinforcing competition for high-quality stock, even as broader market conditions remain cautious.

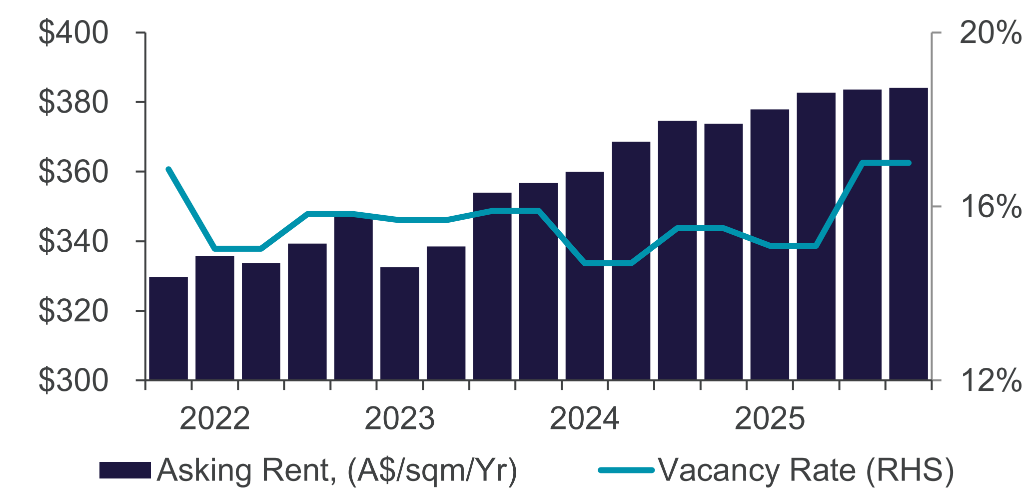
RENT:

Perth's CBD office marked recorded minimal rental movement through Q4 2025, with most grades holding steady after incremental gains earlier in the year. Premium net effective rents remained unchanged at $434 per square metre per annum (sqm pa), while Prime sits at $284 sqm pa. A Grade assets edged slightly higher to $349 sqm pa, up just 0.3% quarter-on-quarter, with secondary assets holding firm at $256 sqm pa. Incentives remain stable, with Prime at 46.4%, and secondary at 49.6%, though downward pressure persists as landlords prepare for tightening conditions. While Q4 was largely flat, expectations for rental growth in early 2026 remain strong, driven by improving demand fundamentals and limited new supply. The market continues to favour well-located, high-quality assets, with occupiers positioning ahead of anticipated uplift.

SPACE DEMAND / DELIVERIES

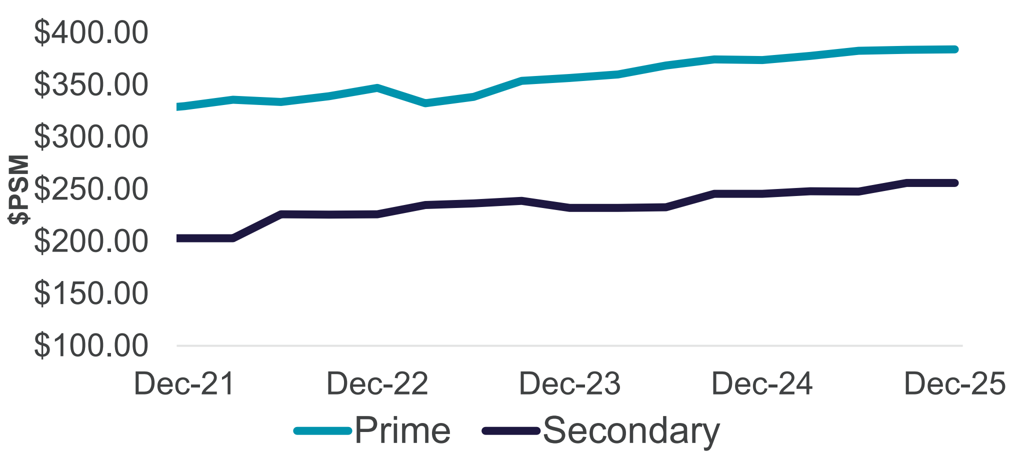


OVERALL VACANCY & PRIME NET EFFECTIVE RENT

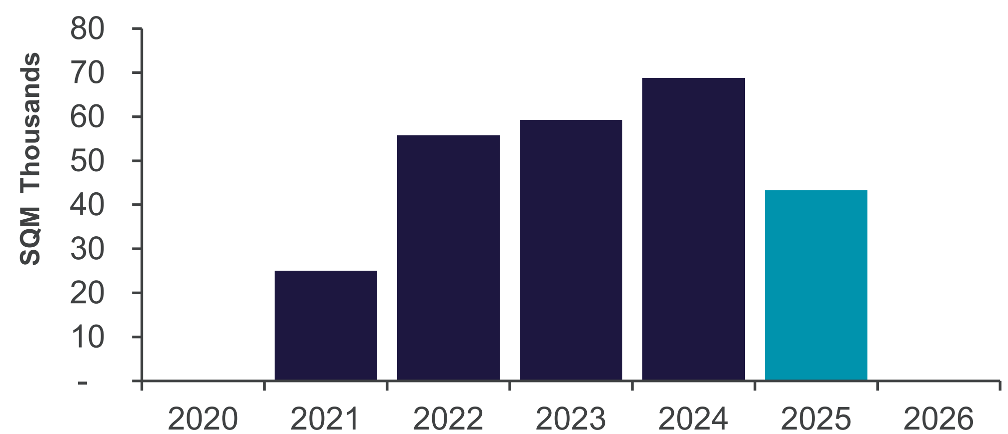


Better never settles

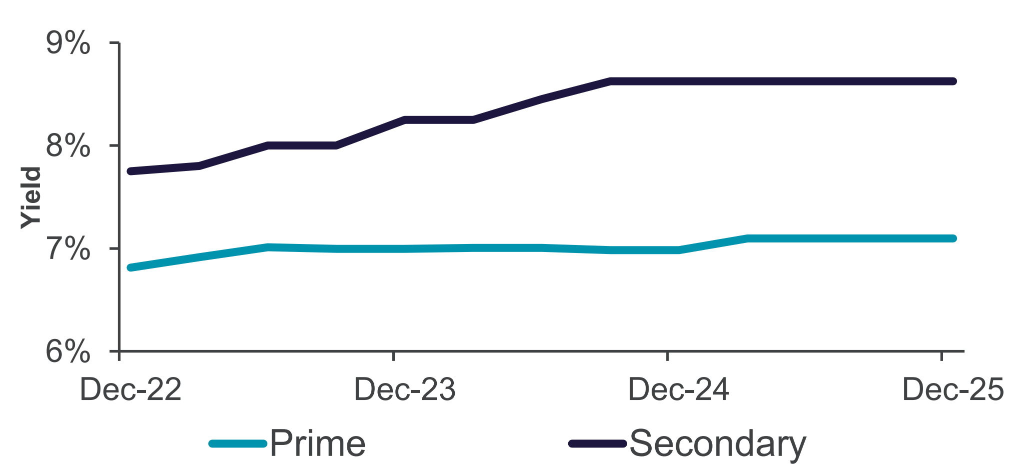
AVERAGE NET EFFECTIVE RENTS



SUPPLY



AVERAGE YIELDS



VACANCY & SUPPLY:

Perth CBD office vacancy remains elevated at 17.0%, up from 15.1% in January, following new supply earlier in the year that is still being absorbed. The completion of 9 The Esplanade (Lot 6, Elizabeth Quay) added 33,554 sqm of Premium space, now over 90% leased to tenants including EY, Multiplex, and HUB. A smaller refurbishment at 8 The Esplanade delivered 2,439 sqm. Near-term additions are limited, with EQ West (Lots 2 & 3) set to bring 2,000 sqm of new space by early 2026, alongside the Atlas Building refurbishment. Beyond this, Perth's pipeline is heavily weighted toward longer-term projects, with major schemes such as Elizabeth Quay Lot 4 (60,000 sqm) and Kings Square 5 (44,233 sqm), approved but not expected until 2033 or later. Despite elevated vacancy levels, the lack of meaningful near-term supply and strong pre-commitment activity on recent completions are expected to support gradual absorption ahead of the next development cycle.

YIELDS:

Perth CBD office yields remain broadly stable through Q4 2025, reflecting a period of market stability and minimal pricing pressure over the quarter. Premium grade yields remain unchanged at 6.38%, with the lower end of the range supported by a small number of prime-quality assets continuing to trade defensively. A-grade yields moved marginally softer to 7.69%, while Prime yields edged higher to 7.14%, reflecting a gradual recalibration of expectations amid quiet investment activity. Secondary yields remain stable at 8.63%, unchanged since Q3 2024.

INVESTMENT MARKET:

Perth CBD office investment activity remained modest in Q4 2025, with volumes continuing to track below long-term averages. One sale was recorded during the quarter which was 464 Murray Street, sold by Margstev to Heytesbury Holding Company for $2.6 million, highlighting ongoing interest in smaller, strategically located assets. Leasing activity saw a notable deal at the Exchange Tower, where Genesis Minerals secured 1,500 sqm, underscoring steady demand for quality space despite broader market caution. While overall transaction activity remains limited, buyer interest in assets offering repositioning or redevelopment potential continues to build.

OUTLOOK

- The outlook for the Perth CBD office market remains positive, supported by resilient occupier demand, continued net absorption and limited forecast supply, which are underpinning improving leasing conditions.
- Prime and high-quality secondary assets are expected to lead rental growth from early 2026, as steady demand, limited near-term supply and increasing competition for space place pressure on incentives.
- Economic growth is expected to remain moderate in the short term before strengthening from 2026 onwards, with Western Australia’s GDP forecast to outperform other states.
- Occupier enquiry levels are anticipated to remain resilient through 2026, particularly for well-located, high-quality assets, as businesses seek value and flexibility.
- Vacancy is anticipated to trend lower over the medium term, supported by high pre-commitment levels.
- Yields are expected to remain stable, with further softening likely to be gradual and asset-specific.

PERTH CBD
OFFICE Q4 2025

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	6-MONTH NET-ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM)	NET EFFECTIVE RENT ($ SQM PA)	AVERAGE NET INCENTIVES	AVERAGE OUTGOINGS ($ SQM PA)
Premium	500,426	46,888	10.8%	23,084		$435	45.0%	$218
A-Grade	684,744	122,949	18.5%	-28,517		$349	47.5%	$188
Prime^	1,185,170	169,837	15.3%	-5,433		$384	46.4%	$200
Secondary	535,501	113,996	21.3%	-4,692		$256	49.5%	$142
TOTALS	**1,833,164**	**311,651**	**16.0%**	**-4,599**	**123,949**	**-**	**-**	**-**

**Rental rates reflect Asking Net Rent*

^Prime grade is a combination of Premium and A Grade.

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
219 St Georges Terrace	Statistical Division 2	NRW	8900	Direct
Exchange Tower	Statistical Division 3	Genesis Minerals	1500	Direct
Durack Centre	Statistical Division 5	Colliers Engineering	1327	Direct
Dynons, 905 Hay Street	Statistical Division 1	Dept of Social Services	1800	Direct
GPO, 3 Forrest Place	Statistical Division 1	Dept of Finance	1515	Direct
240 St Georges Terrace	Statistical Division 2	Wood Group Australia	5941	Direct

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SQM	PRICE (AUD M)
464 Murray Street	Statistical Division 2	Margstev/Heytesbury Holding Company	239	2.6

KEY PROJECTS UNDER CONSTRUCTION & COMPLETIONS

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER/DEVELOPER
98 Mounts Bay Road	Statistical Division 2	Various	13,681	AAIG
186 St Georges Terrace	Statistical Division 3	Various	3,920	Silverleaf
100 St Georges Terrace	Statistical Division 3	South32	6,200	ISPT
9 The Esplanade	Statistical Division 3	Ernst & Young, Inpex, Argonaut, VGW	33,500	Brookfield Properties/Cbus Property

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