MARKETBEAT
BRISBANE
LOGISTICS & INDUSTRIAL Q4 2025

MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.4% Vacancy Rate	▲	▼
5.85% Average Prime Yield	▼	▼
1.6% Prime QoQ Rental Growth	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.1% National GDP Growth	▲	▲
1.9% 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. Queensland's economic growth remains resilient, expanding 1.9% year-on-year, with momentum expected to strengthen to 3.4% by the end of 2026. .

DEMAND

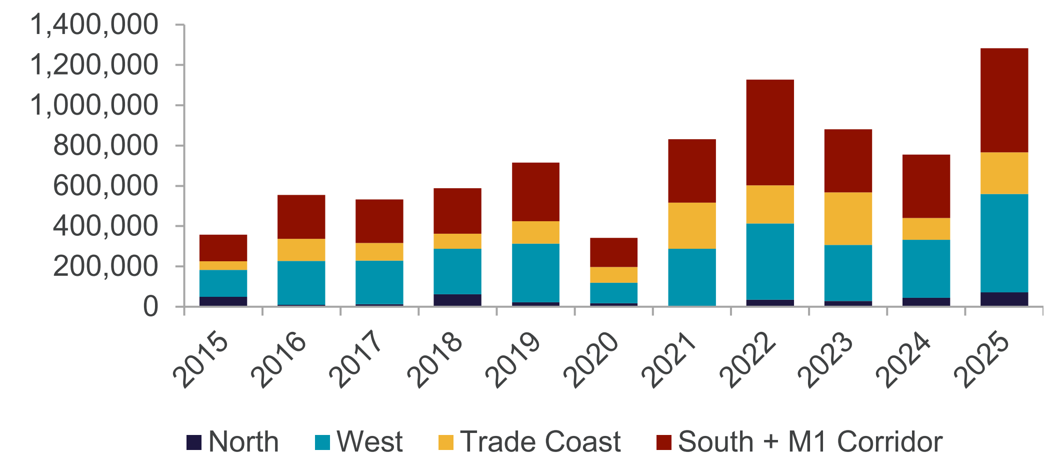
Brisbane recorded a record year of take-up in 2025, with just over 1.0 million sqm leased, well above the 620,000 sqm in 2024. Notably, this is the first time that leasing volumes exceeded 1.0 million sqm. Similarly, net absorption remains positive, reaching almost 385,000 sqm for the year, making it the strongest market in the country. Beyond this, there are several large lease deals close to being finalised, which will further reduce availability in early 2026.

The strong result was underpinned by the South submarket, which accounted for almost half of take-up activity in 2025. The Trade Coast also recorded solid demand, led more recently by the leasing of 50 Tradecoast Drive, Eagle Farm (21,563 sqm).

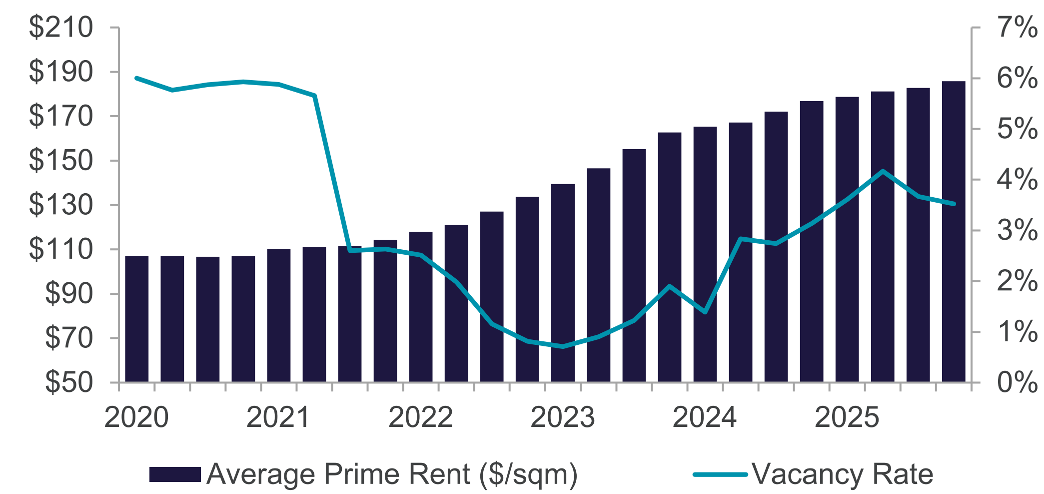
Activity at the smaller end of the market remained elevated, supported by trade-based occupiers, construction groups and population-serving uses. The average tenancy size for the year was 8,750 sqm, while 72% of deals were sized in the 3,000 – 10,000 sqm size bracket.

Demand continues to be skewed towards the transport and logistics sector, while demand from the construction and manufacturing sectors has increased given the pipeline of private and public sector works.

GROSS TAKE-UP (SQM)



VACANCY & AVERAGE PRIME RENTS



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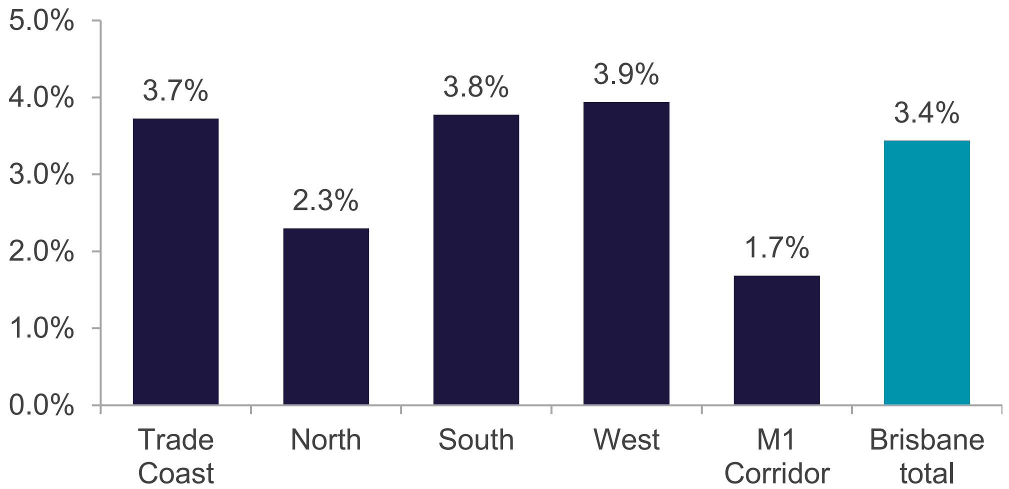
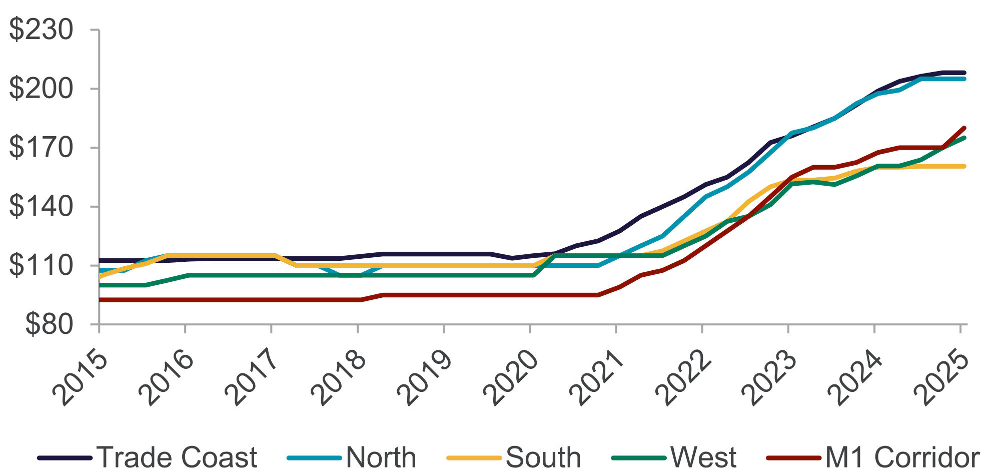
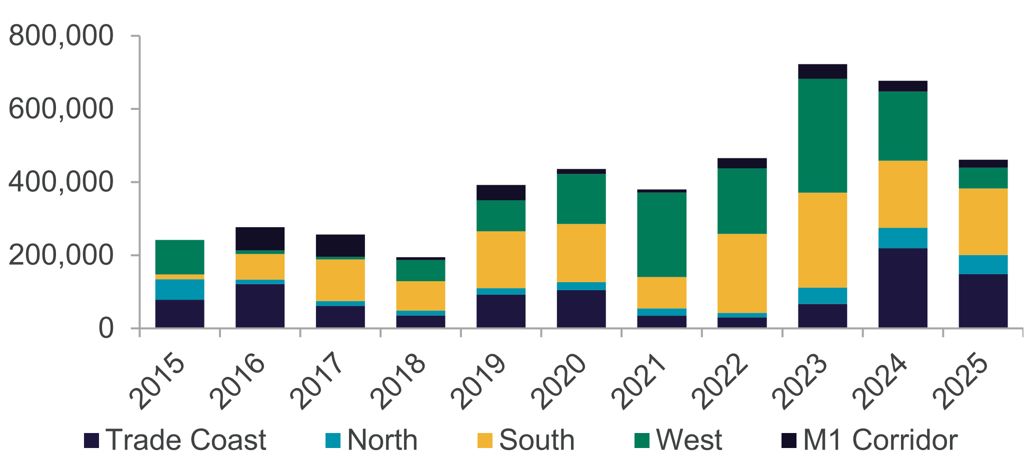
Q4 2025 VACANCY RATES BY SUBMARKET



PRIME NET FACE RENTS BY SUBMARKET ($/SQM)



SUPPLY BY SUBMARKET (SQM)



VACANCY

Brisbane vacancy continued to tighten through Q4 2025, easing from 3.7% to 3.4% at year-end. This improvement was largely supported by the strong take-up in South and West submarkets, which together accounted for the bulk of quarterly absorption. Vacancy across infill precincts such as the Trade Coast and Inner North remains constrained, with limited prime availability and heightened competition for well-located space. While new speculative supply continues to influence overall availability, the majority of vacant floorspace (around two-thirds) stems from existing facilities, predominantly secondary stock. Recent additions to the vacancy list include Hale's speculative cold storage facility at Morningside (19,530 sqm).

RENTS & INCENTIVES

Rental growth across the Brisbane market has eased; however, the pace of growth remains one of the strongest in the country. Prime rents edged up 1.6% over the quarter to an average of $186/sqm, marking an annual increase of 5.0%. Growth continues to be strongest in infill precincts where competition for well-located sites persists. Incentives have moved higher in most submarkets. Current ranges are broadly between 10.0% and 22.0%, with the South and West remaining at the upper end given pre-lease land availability. As a result, net effective rental growth has been flat across most submarkets over the past 12 months.

SUPPLY

The delivery of new supply picked-up in Q4 2025, reaching almost 150,000 sqm, taking the 2025 annual total to approximately 460,000 sqm. This level of supply was well below the 2023 and 2024 annual average of 700,000 sqm and reflects the pullback in speculative supply from developers. Additions in Q4 2025 included Hale's CityPort cold storage facility at Morningside (19,530 sqm).

The South and Trade Coast submarkets were the most active in 2025, collectively accounting for 72% of floorspace additions in the year.

For 2026, a similar level of supply is anticipated (465,000 sqm), underpinned by the West submarket and includes Officeworks new facility at Redbank (~70,000 sqm). Speculative supply across the city is forecast to reach 180,000 sqm, led by the South and West precincts and includes ESR's Wacol Industry Park and Acacia Ridge Business Park.

OUTLOOK

- Occupier demand in Brisbane is expected to remain comparatively resilient through 2026, albeit both gross take-up and net absorption is expected to weaken due to lower levels of availability. Leasing activity is forecast to remain strongest for modern, efficient facilities.
- New supply is expected to moderate as developers pivot toward pre-commitment strategies following the recent wave of speculative completions. This shift will limit future availability and reduce the risk of oversupply, particularly in established logistics corridors.
- Vacancy is forecast to tighten over the next 12 months as existing availability is progressively absorbed and fewer speculative projects reach completion.
- Rental growth of approximately 4.0% is anticipated for 2026, led by the Trade Coast and North submarkets. There is potential for higher net effective growth as incentives begin to taper in select precincts.

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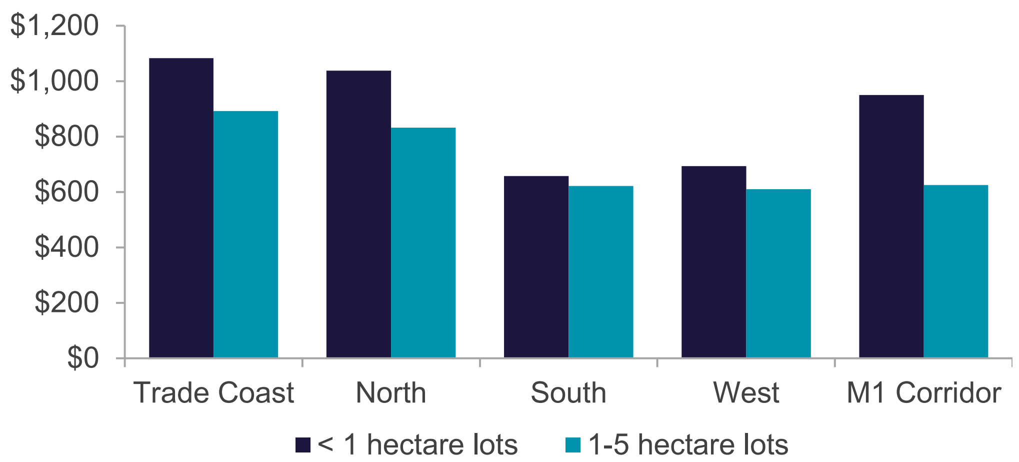
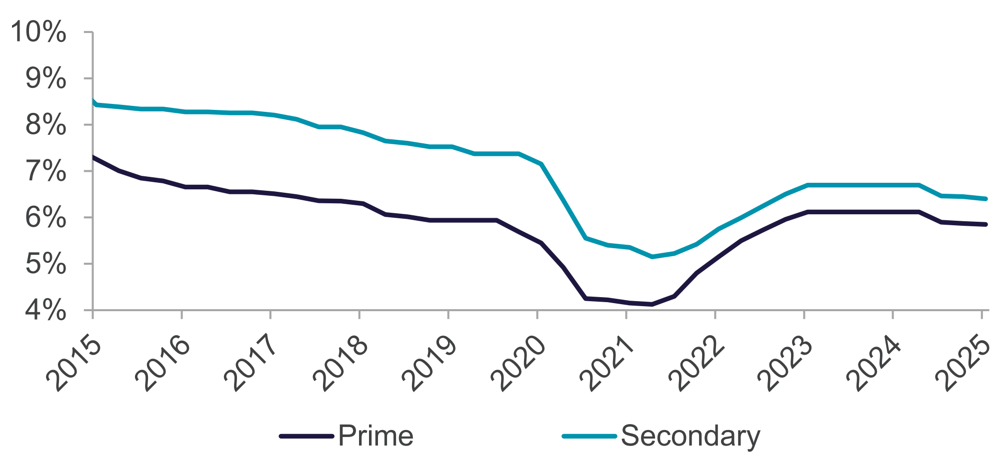
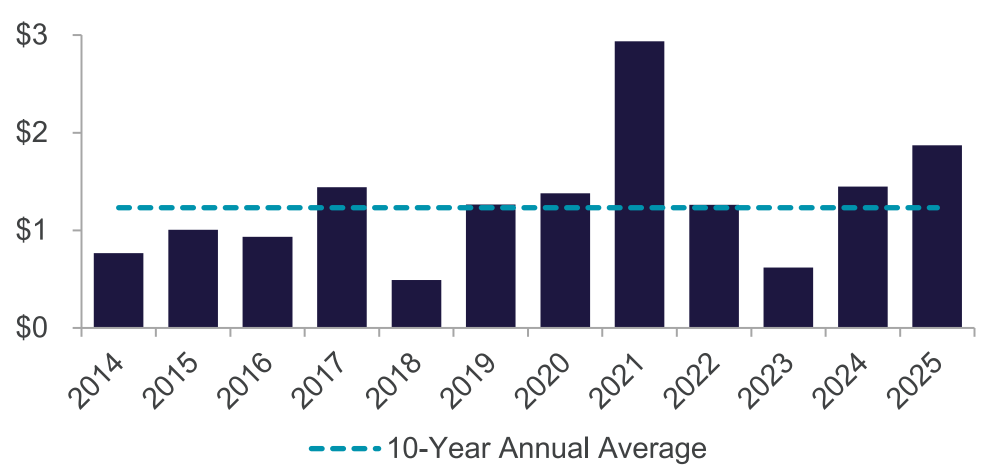
Q4 2025 LAND VALUES BY SIZE ($/SQM)



YIELDS BY GRADE



INVESTMENT VOLUMES ($B)



LAND VALUES

Brisbane industrial land values recorded a solid uplift in Q4 2025, driven by persistent scarcity of development-ready sites and strong pre-lease activity removing a significant portion of the near-term pipeline. Average values for 1-5 hectare lots now sit at $689/sqm, up 4.6% over the quarter, while larger lots above 5 hectares average $610/sqm. Premium pricing remains concentrated in infill precincts, particularly the Trade Coast, where values range from $700-$1,200/sqm for 1-5 hectare lots, with Eagle Farm being at the higher end of the range.

The South and West continue to offer more affordable options due to land availability in precincts such as Crestmead, Bundamba and Swanbank. The M1 Corridor recorded one of the strongest increases, with 1-5 hectare lots now at $613/sqm, up 6.5%, reflecting heightened demand for strategic sites along key transport routes.

YIELDS

Prime industrial yields in Brisbane continued to firm in Q4 2025, with a further 11 basis points of compression recorded over the quarter. Prime core market yields now broadly range between 5.30% and 6.00%, reflecting sustained investor appetite. While the pace of tightening has moderated compared to earlier cycles, select transactions indicate pricing below the lower end of this range for high-quality assets in infill locations. Secondary yields saw compression in the order of 7 basis points in the quarter, with core market yields ranging between 5.88% to 6.75%. The large spread reflects the divergence in pricing by asset quality and location.

INVESTMENT

Capital flows into Brisbane remain strong, supported by relative value compared to Sydney and the current tax implications in Victoria. In combination with solid occupier fundamentals, this has positioned Brisbane as one of the most sought-after investment markets nationally.

Investment volumes in Brisbane have reached just over $2.0 billion in 2025, well surpassing the $1.3 billion recorded for 2024. Notable trades include 95 Gilmore Road, Berrinba, which was acquired by Cadence Property Group (from CapitaLand Ascendas REIT) for $101.8 million, reflecting a core market yield of approximately 5.85%. Further, Hale Capital acquired 1035-1051 Nudgee Road & 10 Buchanan Road, Banyo from Dexus for $50 million.

OUTLOOK

- Solid owner-occupier demand and an improvement in development feasibilities from further rental growth and yield compression will support growth in land values in select precincts over the next 12 months. This will be led by land-constrained infill markets.
- The recent uptick in inflation is expected to result in no further rate cuts in 2026; however, the weight of capital seeking to be deployed into the logistics sector is forecast to maintain pressure on pricing. 2026 is expected to see the emergence of new capital sources, particularly out of Japan who have recently undertaken thorough market and sector due diligence.
- Our base case is for a further 10-25 basis points of compression to occur for the prime market, taking the average midpoint yield in Brisbane to ~5.50%. However, yield movements will not be uniform across all markets, and risk is expected to be more appropriately priced.

Q4 2025 BRISBANE MARKET STATISTICS

SUBMARKET	VACANCY RATE (TOTAL MARKET)	YTD TAKE-UP (TOTAL MARKET SQM)	AVERAGE NET FACE RENT ($/SQM P.A.)	AVERAGE OUTGOINGS ($/SQM P.A.)	AVERAGE INCENTIVES	AVERAGE YIELDS	AVERAGE CAPITAL VALUES ($/SQM P.A.)	AVERAGE LAND VALUES (1-5ha, $/SQM)
PRIME								
Trade Coast	3.7%	209,274	$208	$46	12.0%	5.56%	$3,742	$892
North	2.3%	72,214	$205	$34	15.0%	5.88%	$3,489	$832
South	3.8%	488,156	$161	$35	19.5%	5.80%	$2,767	$622
West	3.9%	205,912	$175	$35	18.2%	6.00%	$2,917	$610
M1 Corridor	1.7%	28,757	$180	$34	10.0%	6.00%	$3,000	$625
PRIME AVERAGE	**3.4%**	**1,004,313**	**$186**	**$37**	**14.9%**	**5.85%**	**$3,183**	**$716**
SECONDARY								
Trade Coast	-	-	$155	$46	12.0%	6.19%	$2,505	-
North	-	-	$150	$32	15.0%	6.44%	$2,330	-
South	-	-	$141	$35	16.3%	6.44%	$2,183	-
West	-	-	$140	$35	20.0%	6.45%	$2,171	-
M1 Corridor	-	-	$160	$34	10.0%	6.50%	$2,462	-
SECONDARY AVERAGE	**-**	**-**	**$149**	**$37**	**14.7%**	**6.40%**	**$2,330**	**-**

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