MARKETBEAT
BRISBANE CBD
OFFICE Q2 2026

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.8% Vacancy Rate	▲	▲
10,007 6-month Net Absorption, sqm	▼	▼
$514 Prime Net Effective, sqm pa	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.5% (National) GDP Growth	▲	▲
3.1% (Queensland) State Final Demand Growth	▲	▲
4.3% (National) Unemployment Rate	▲	▲

Source: ABS

ECONOMIC OVERVIEW:

Economic conditions remain mixed, with growth moderating while inflationary pressures continue to build. GDP rose by 0.3% in the March quarter and 2.5% over the year, reflecting softer household and government consumption. Meanwhile, headline CPI rose 4.2% year-on-year in April, while trimmed mean inflation ticked higher to 3.4%.

The RBA held the cash rate at 4.35% in June following three increases earlier in 2026; however, the full impact of tighter monetary policy will continue to flow through the economy over coming months. Queensland is expected to be one of the strongest performing economies in 2026, with growth of 1.7% forecast, compared the national forecast of 1.2% for the same period.

DEMAND:

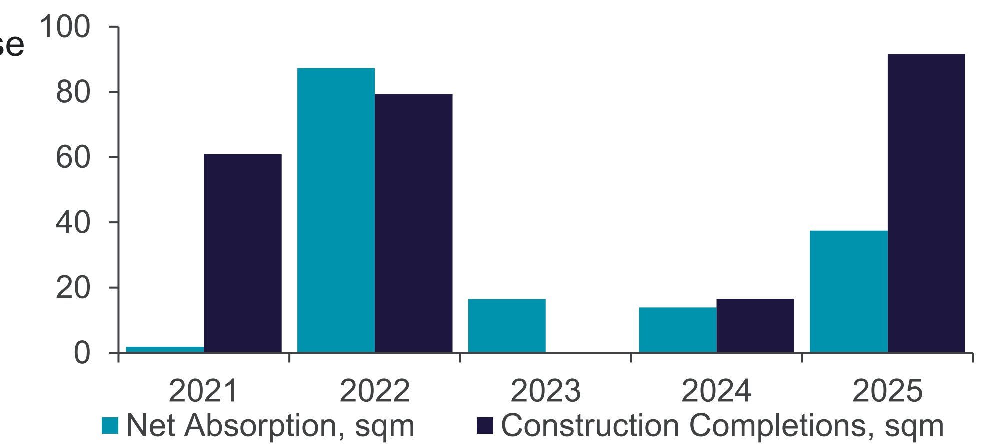
Brisbane CBD leasing demand remained steady through Q2 2026, with activity concentrated in premium and higher-quality A-grade assets. Occupiers continued to prioritise amenity, workplace quality and flexibility to support staff attraction and operational efficiency. Upgrade demand remained the primary driver of leasing activity, although tenants continued to take a disciplined approach to occupancy costs and lease commitments. Recent completions created some backfill availability across the A-grade market, reflecting tenant relocations rather than weaker demand. Limited premium supply is expected to continue supporting demand for high-quality A-grade accommodation.

RENTS:

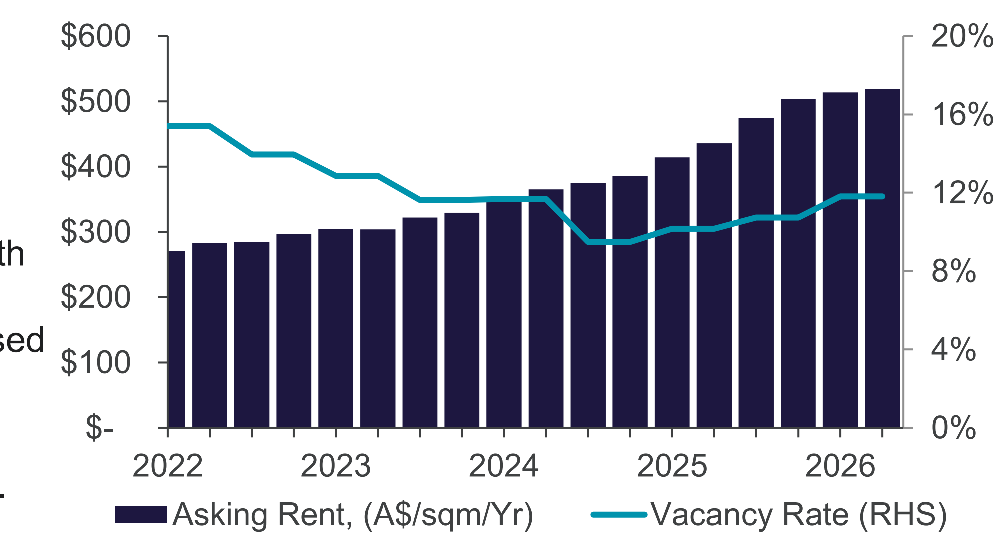
Brisbane CBD rents continued to strengthen in Q2 2026, underpinned by sustained occupier demand and limited availability of quality space. Prime net effective rents increased to $518/sqm pa, up 0.9% QoQ and 18.9% YoY, supported by face-rent growth and stable incentives. Premium rents rose to $628/sqm pa (1.9% QoQ; 14.2% YoY), while A-grade reached $472/sqm pa (0.4% QoQ; 20.0% YoY). Secondary rents increased to $317/sqm pa (2.0% QoQ; 14.0% YoY).

Limited premium supply continued to redirect occupier demand towards high-quality A-grade assets, supporting rental growth and narrowing the gap between the two grades. Incentives remained elevated but stable, allowing face-rent growth to flow through to effective rents. Effective rents remain well above historical averages, highlighting the strength of Brisbane CBD leasing conditions.

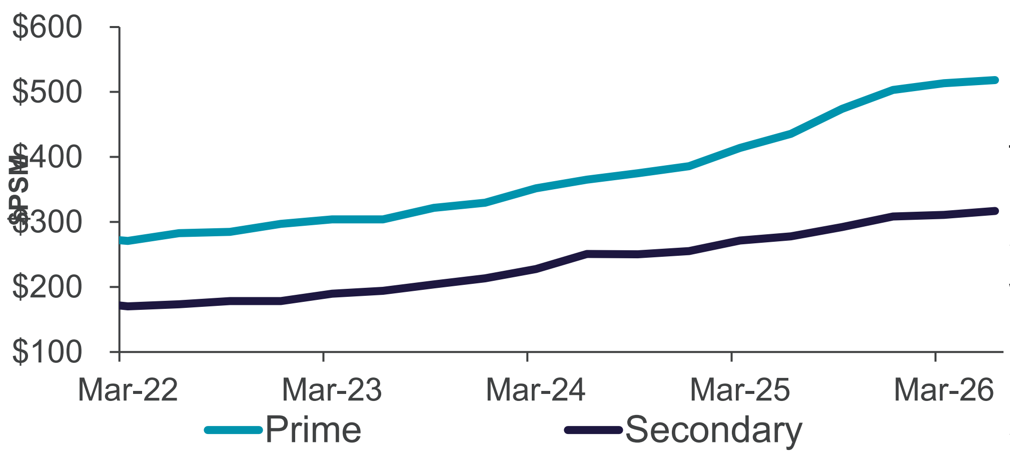
SPACE DEMAND / DELIVERIES



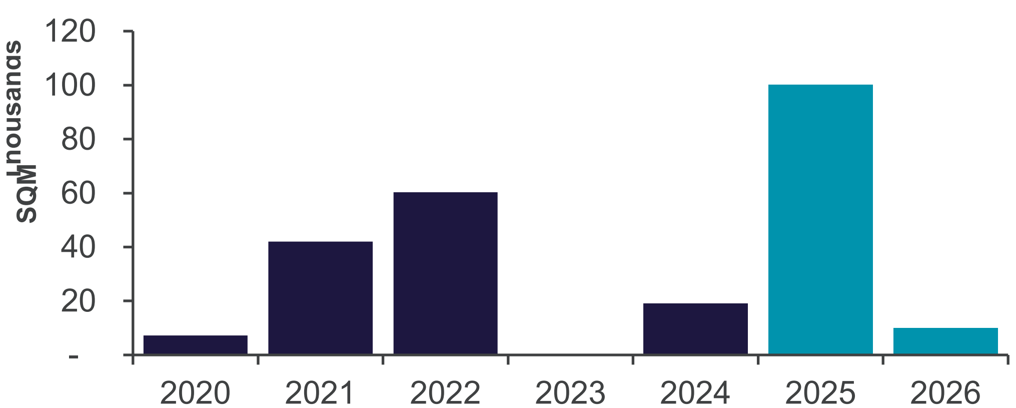
OVERALL VACANCY & PRIME NET EFFECTIVE RENT



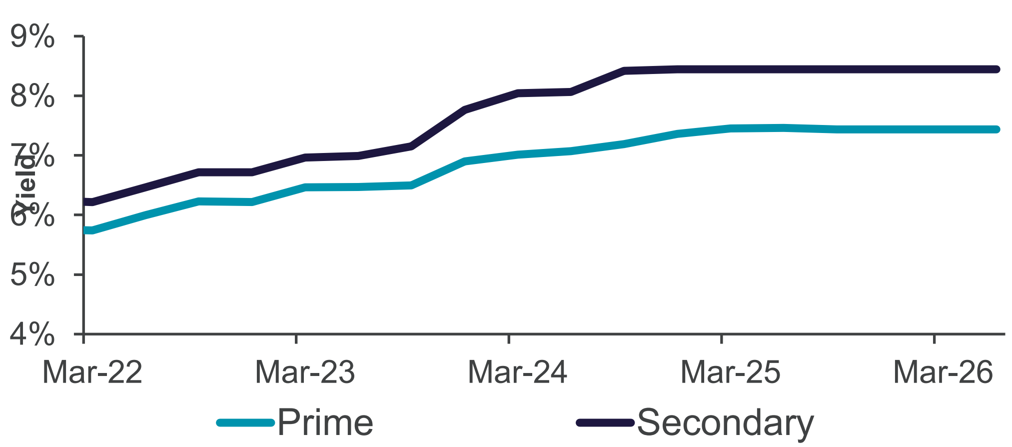
AVERAGE NET EFFECTIVE RENTS



SUPPLY



AVERAGE YIELDS



VACANCY & SUPPLY:

Brisbane CBD vacancy remained at 11.8%, reflecting the absorption period following recent major completions and the associated backfill created by tenant relocations. The uplift appears supply-driven rather than demand-led, with leasing activity remaining focused on higher-quality buildings. Premium and quality A-grade assets continue to attract the strongest tenant interest, while secondary performance remains more asset-specific.

With no major new office supply expected in 2026 and the next additions largely refurbishment-led, vacancy is expected to stabilise before gradually tightening across better-quality stock. Prime availability is expected to tighten first as recently delivered space and associated backfill are absorbed. The limited near-term pipeline should also support further rental growth, particularly in buildings offering high-quality amenity, strong sustainability credentials and proximity to transport and services.

YIELDS:

Brisbane CBD office yields remained stable in Q2 2026, suggesting pricing has largely consolidated following the repricing of recent years. Premium yields held at 6.73%, A-grade at 7.74%, prime at 7.44% and secondary at 8.44%. While leasing fundamentals remain supportive, higher funding costs and elevated bond yields continue to limit near-term yield compression.

Investor focus remains on assets with income security, rental reversion and asset-specific value-add potential. Prime assets with strong tenant covenants and resilient leasing profiles are expected to remain most sought after, while secondary assets will continue to be assessed more selectively. In the current environment, income growth is likely to remain a more important driver of performance than cap rate compression.

INVESTMENT MARKET:

Investment activity improved in Q2 2026, with the Brisbane CBD transactions highlighting renewed buyer interest in assets offering income security, repositioning potential and exposure to future rental growth. Dexus acquired 150 Charlotte Street from Australian Unity for $40.0 million, while Quintessential Equity purchased 133 Mary Street from ESR Asset Management for $81.8 million.

The recent sales activity suggests capital is selectively returning to the Brisbane CBD market, particularly for assets where buyers can underwrite income growth or longer-term value-add strategies. However, elevated debt costs and disciplined underwriting are expected to keep pricing outcomes asset-specific, with investor focus remaining on income durability, leasing upside and asset quality.

OUTLOOK

- Economic conditions are expected to remain mixed through 2026, although Queensland's population growth, infrastructure pipeline and resilient labour market should continue to support occupier demand.
- Effective rental growth is expected to continue, driven primarily by face-rent uplift and limited availability rather than further material incentive compression.
- Vacancy is likely to stabilise in the near term as recent completions and associated backfill are absorbed, before gradually tightening across prime and better-quality A-grade stock.
- With no major new office supply expected in 2026 and the next additions largely refurbishment-led, competition for high-quality space is expected to remain firm.
- Yields are expected to remain broadly stable, with pricing largely reset and future compression dependent on lower funding costs, stronger capital flows and sustained leasing performance.
- Overall, the Brisbane CBD office market remains well positioned, supported by resilient demand, limited near-term supply and continued rental growth, although performance will remain strongest in prime and quality A-grade assets.

BRISBANE CBD
OFFICE Q2 2026

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	TOTAL VACANT (SQM)	OVERALL VACANCY RATE	6-MONTH NET-ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM)	NET FACE RENT ($ SQM PA)	AVERAGE GROSS INCENTIVES	AVERAGE OUTGOINGS ($ SQM PA)
Premium	440,687	36,319	8.2%	24,084	72,500	$1,064	33.0%	$259
A-grade	1,034,235	110,749	10.7%	-12,513		$819	33.5%	$215
Prime	**1,474,922**	**147,068**	**10.0%**	**11,571**	**72,500**	**$892**	**33.4%**	**$228**
Secondary	697,743	103,509	14.8%	1,312	0	$631	37.5%	$206
TOTALS^	**2,405,730**	**284,351**	**11.8%**	**10,007**	**72,500**			

**Rental rates reflect full service asking*

^ Total reflects all grades

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
410 Ann Street	CBD	Opengear	1,046	Direct
400 George Street	CBD	Legal Aid	6,000	Direct
240 Queen Street	CBD	Christie's Group	3,456	Direct

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SQM	PRICE (AUD M)
133 Mary Street	CBD	ESR Asset Management / Quintessential Equity	12,976	81.8
150 Charlotte Street	CBD	Australian Unity / Dexus	31,999	40

KEY PROJECTS UNDER CONSTRUCTION & COMPLETIONS

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER/DEVELOPER
205 North Quay	CBD	Services Australia	43,700	CBUS
360 Queen Street	CBD	BDO / HopgoodGanim	45,000	Charter Hall & Investa
70 Eagle Street	CBD		11,476	Hancock
Waterfront North Tower	CBD	Deloitte / Minter Ellison	72,500	Dexus
450 Queen Street	CBD		17,500	PGIM Real Estate

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