MARKETBEAT
PERTH CBD
OFFICE Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
16.9% Vacancy Rate	▼	▲
11,028 6-month Net Absorption, sqm	▲	▲
$391 Prime Net Effective, sqm pa	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.5% (National) GDP Growth	▲	▲
2.8% (Western Australia) 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. As a result, economic growth forecasts for Western Australia have been revised lower, with growth of 0.4% anticipated for 2026 before a recovery to 2.0% in 2027. However, upside to these forecasts exists depending on commodity prices

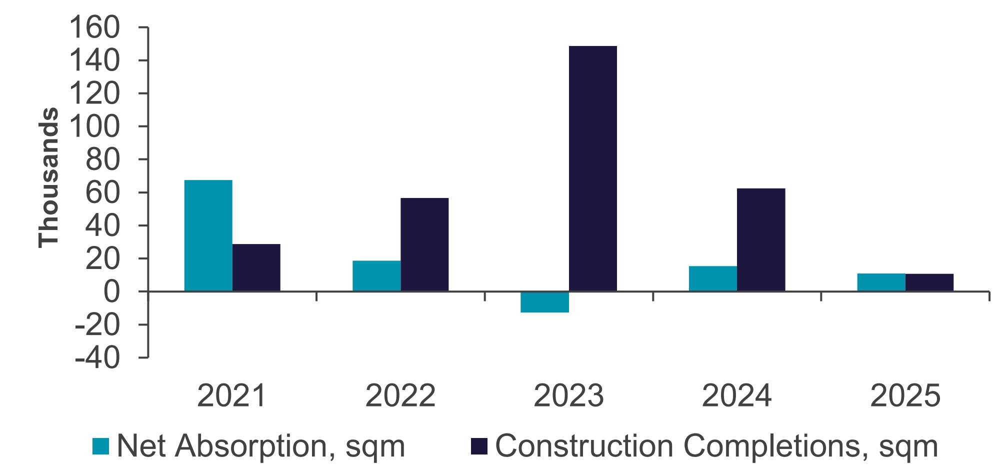
DEMAND:

Demand in the Perth CBD office market remained steady through Q2 2026, with enquiry levels continuing to track well across the core precincts. Tenant activity remains supported by limited near-term supply and improving business confidence, particularly for well-located, higher-quality assets. While occupiers remain selective in their leasing decisions, market conditions are expected to remain favourable through the second half of the year, supporting ongoing leasing activity and rental growth across the better-performing segments of the market.

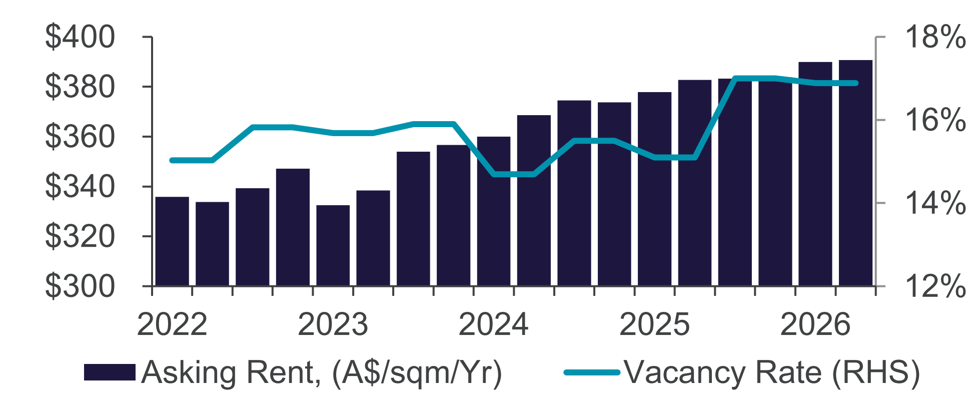
RENT:

Perth CBD rental growth remained positive through Q2 2026, with gains continuing to be concentrated within the prime market. Premium net effective rents increased 3.4% year-on-year (YoY) to $450 sqm pa, while A-grade rents rose 1.3% YoY to $350 sqm pa. Prime-grade rents averaged $391 sqm pa, up 2.1% YoY. While rental growth has moderated from the stronger gains recorded earlier in the cycle, market conditions remain supportive of further rental uplift. In contrast, secondary rents weakened during the quarter and were 0.8% lower than a year earlier. Incentives remained stable across all grades, suggesting landlords are increasingly relying on rental growth rather than incentive reductions to drive value. As a result, the gap in performance between prime and secondary assets continues to widen.

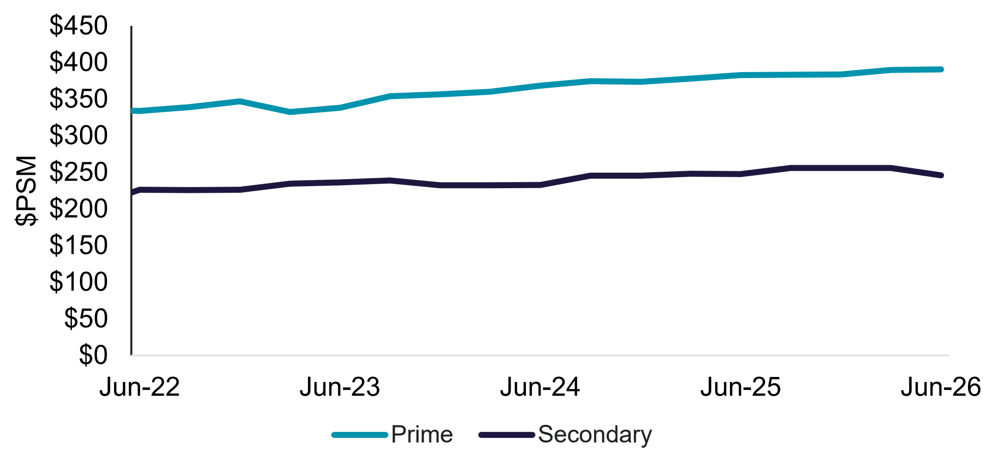
SPACE DEMAND / DELIVERIES



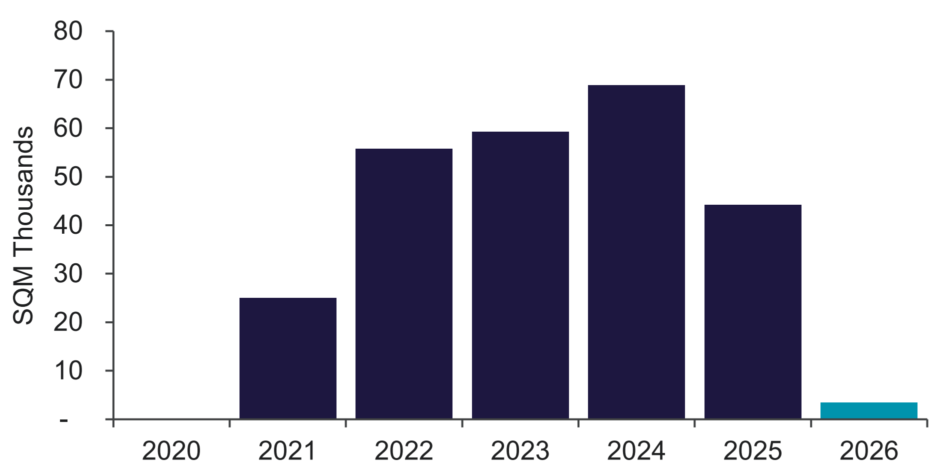
OVERALL VACANCY & PRIME NET EFFECTIVE RENT



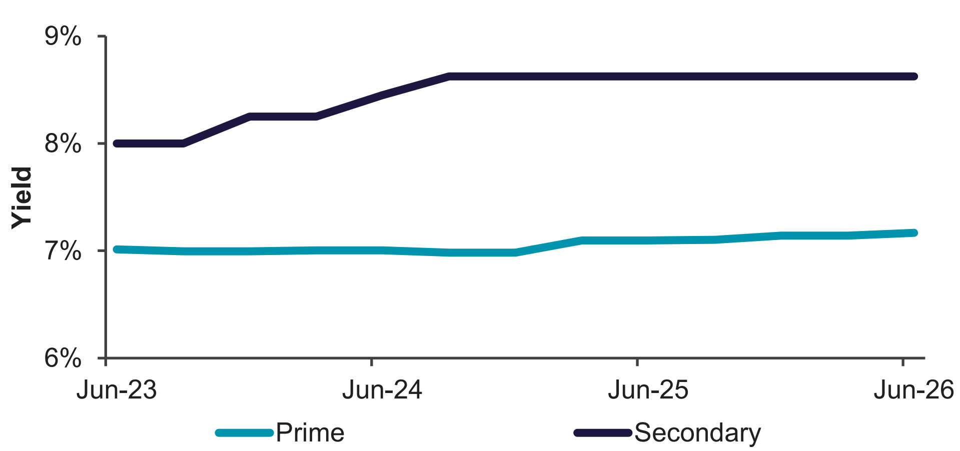
AVERAGE NET EFFECTIVE RENTS



SUPPLY



AVERAGE YIELDS



VACANCY & SUPPLY:

Although vacancy remained elevated entering 2026, market conditions have continued to improve as tenants absorb recently delivered space. The completion of 9 The Esplanade contributed to higher premium and A-grade vacancies; however Perth's forward supply profile remains highly constrained, with no committed developments currently scheduled. This limited pipeline, coupled with strengthening leasing demand, is expected to support a gradual tightening in market conditions over the medium term.

YIELDS:

Pricing across the Perth CBD office market remained broadly stable through Q2 2026, with only limited movement in capital values despite improving leasing market conditions. Premium-grade yields softened marginally to 6.44%, while A-grade and secondary yields remained unchanged at 7.14% and 8.63%, respectively. The modest adjustment in premium yields suggests that stronger occupational market fundamentals have yet to translate into meaningful pricing compression. Instead, investment performance continues to be driven by asset-specific factors, including lease profile, tenant covenant strength and building quality, resulting in increasingly differentiated pricing outcomes across the market.

INVESTMENT MARKET:

Perth CBD office investment activity remained subdued through Q2 2026, with transaction volumes continuing to track below long-term averages. Nevertheless, investor interest remains evident, particularly for well-located assets and opportunities with repositioning potential, as buyers continue to assess leasing market performance and broader economic conditions. One transaction was recorded during the quarter, with Edith Cowan University acquiring 10 Telethon Avenue from Dexus for $72.3 million. The transaction highlights ongoing confidence in quality assets with strong underlying fundamentals, despite a generally cautious investment environment. While deal activity remains limited, improving occupier market conditions and growing interest in value-add opportunities are expected to support a gradual recovery in investment activity over the medium term.

OUTLOOK

- The outlook for the Perth CBD office market remains positive, supported by resilient occupier demand, ongoing net absorption and a limited supply pipeline, which continue to underpin improving leasing conditions.
- Prime and high-quality secondary assets are expected to lead rental growth through 2026, as limited availability and steady demand place downward pressure on incentives.
- Western Australia’s economic outlook remains favourable, with growth expected to strengthen from 2027 and continue outperforming most other states.
- Occupier enquiry is expected to remain resilient, particularly for well-located, high-quality assets, as businesses continue to prioritise value, flexibility and workplace quality.
- Investment market conditions are expected to remain stable, with pricing outcomes increasingly driven by asset-specific factors rather than broader market movements.

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	TOTAL 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	55,595	11.1%	-1,315	-	$450	44.0%	$225
A-Grade	695,428	131,202	18.9%	5,954	-	$350	47.5%	$192
Prime^	**1,195,854**	**186,797**	**15.6%**	**4,639**	**-**	**$391**	**46.0%**	**$206**
Secondary	536,940	108,040	20.1%	6,878	-	$246	49.5%	$146
TOTALS	**1,843,848**	**311,307**	**16.9%**	**11,028**	**0**	**-**	**-**	**-**

*Rental rates reflect full service asking rent.

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

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
190 St Georges Terrace	Statistical Division 3	Koch Solutions	684	Direct
Brookfield Place Tower 2	Statistical Division 3	Lucid Consulting	860	Direct
Australia Place	Statistical Division 3	GPA Engineering	1,228	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SQM	PRICE (AUD M)
10 Telethon Avenue	Statistical Division 1	Dexus/Edith Cowan University	9,185	72.3

KEY PROJECTS UNDER CONSTRUCTION & COMPLETIONS

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER/DEVELOPER
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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