MARKETBEAT
BRISBANE
LOGISTICS & INDUSTRIAL Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.5% Vacancy Rate	▼	▼
5.74% Average Prime Yield	▼	▼
0.1% Prime QoQ Rental Growth	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.5% National GDP Growth	▲	▲
3.1% Gross State Product 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.

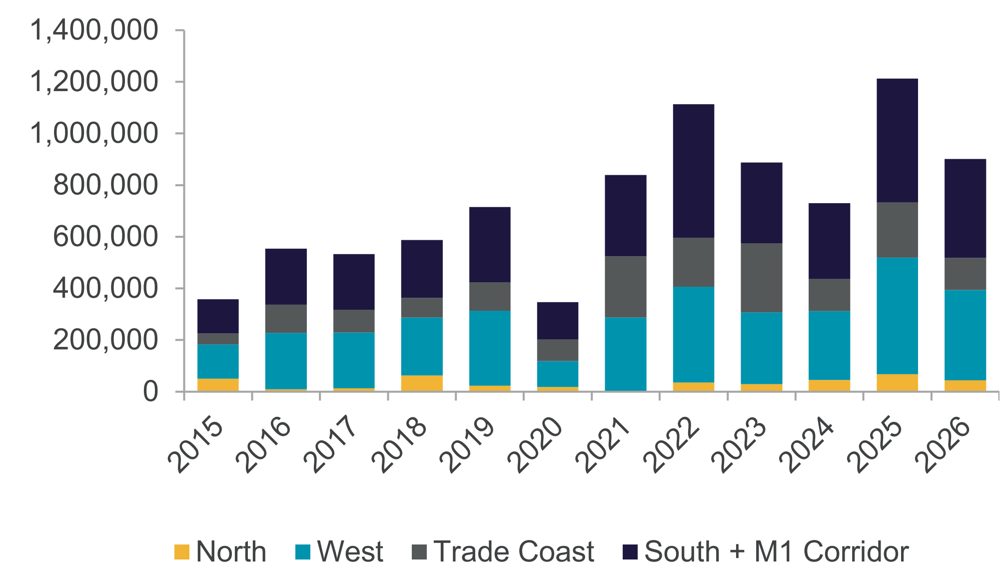
DEMAND

Leasing activity remained elevated in Q2 2026, with gross take-up reaching 330,000 sqm, taking H1 2026 volumes to just over 650,000 sqm. The South submarket accounted for more than half of all leasing activity during the quarter and reflects continued occupier preference for established logistics locations with access to major transport infrastructure. This includes deals to Linfox at Heathwood (17,925 sqm) and Lounge Lover at Willawong (5,987 sqm).

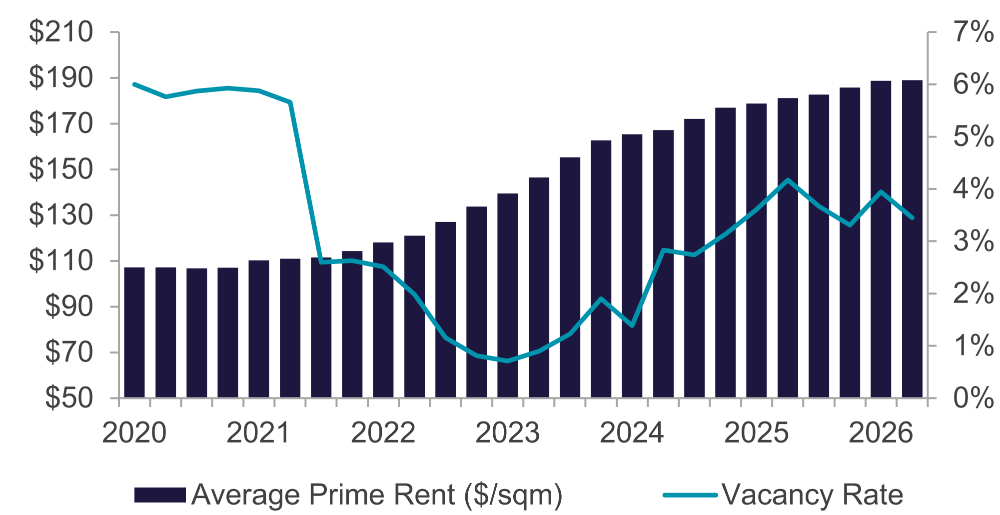
Brisbane remains a focus market for national occupiers, with positive long term fundamentals including population growth, infrastructure investment and the long-term economic stimulus associated with the 2032 Olympic Games driving increased levels of enquiry from infrastructure and building related occupiers. Net absorption trends reflect this, with Brisbane recording 37% of the country's total net absorption over the past 12 months, despite it only representing 16% of total stock nationally.

Occupier activity remains focused on prime-grade facilities, with many businesses taking advantage of lease expiry events to upgrade into more efficient accommodation or consolidate operations across multiple sites into one larger facility. However, with supply easing sharply over the coming 12 months, occupiers are increasingly likely to compromise on building quality in select locations. This environment is expected to drive larger occupiers towards the pre-lease market.

GROSS TAKE-UP (SQM)



VACANCY & AVERAGE PRIME RENTS



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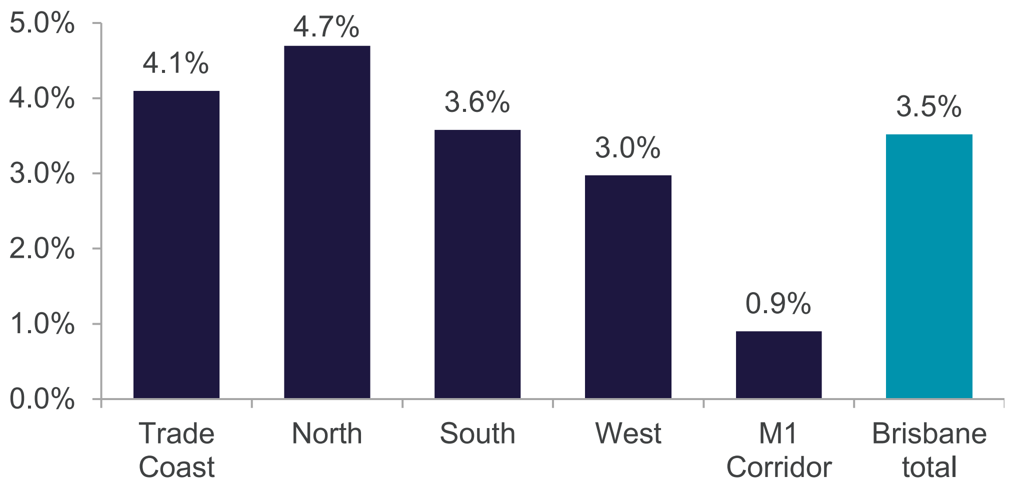
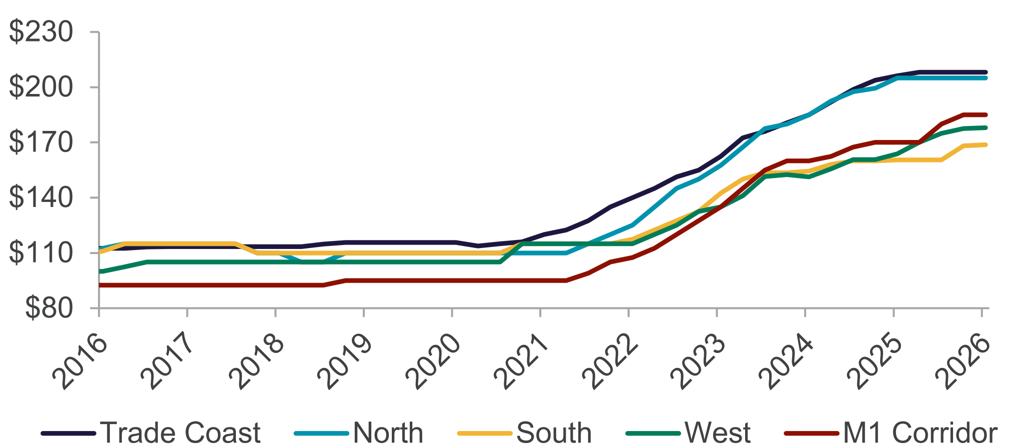
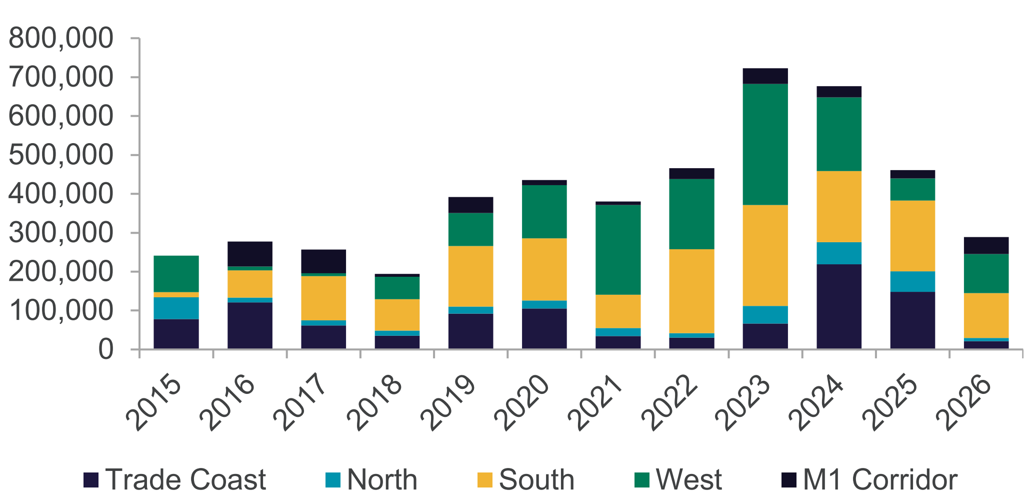
Q2 2026 VACANCY RATES BY SUBMARKET



PRIME NET FACE RENTS BY SUBMARKET ($/SQM)



SUPPLY BY SUBMARKET (SQM)



VACANCY

Solid net absorption in Q2 2026 drove a sharp decline in the Brisbane vacancy rate over the past quarter to 3.5% (down from 3.9% in Q1 2026). The largest decline in leasing availability occurred in the West submarket, which now sits at 2.6%, led by the leasing of several large options including half of 55 Barracks Road, Wacol (12,137 sqm). As a result, the West vacancy rate is now at its lowest level since late 2024. Similarly, both the Trade Coast and South submarkets recorded a decline in vacancy in Q2 2026, while vacancy in the North jumped to 4.7% because of several larger backfill options in precincts such as Northgate and Banyo.

The composition of vacancy has shifted, with secondary grade leasing options now making up a larger share of availability. Existing stock accounts for 70% of total available floorspace, up from 58% at the same point in 2025.

RENTS & INCENTIVES

Despite strong occupier demand, rents largely held steady in Q2 2026, with the South and West the only submarkets to record rental growth. On an annual basis, prime rents grew by 4.3% which continues to outpace the national average of 2.8% over the same period.

Prime rents now average $189/sqm, while pre-lease rents are higher at $193/sqm, with the Trade Coast attracting a 10% premium. Incentives remain unchanged and currently range between 10.0% and 21.0%, with the wide range the result of the varied ownership structure and market dynamics at a precinct level.

SUPPLY

Brisbane's supply pipeline for 2026 stands at just over 300,000 sqm, representing the lowest level of delivery since 2018 and well below the 10-year annual average of 430,000 sqm. A lack of development-ready land in core precincts and a shift in strategy from select developers towards pre-lease are the catalysts behind the low level of supply for the year.

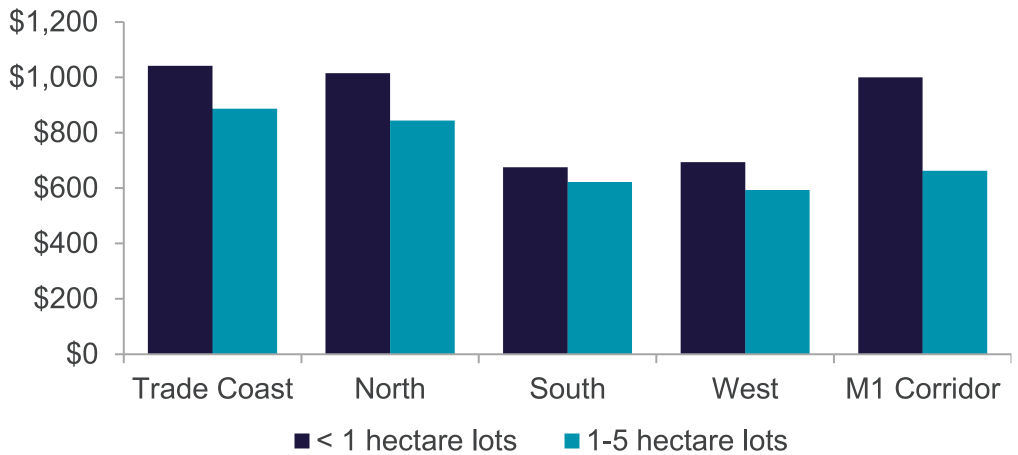
Supply for the year will predominantly stem from the South and West submarkets, collectively accounting for approximately 77% of total new floorspace. Alternatively, the Trade Coast will see only minor additions to stock for the year and is led by Centennial at their Morningside and Murarrie projects.

Supply for 2027 remains heavily contingent on pre-commitments being secured, with just 115,000 sqm of speculative supply in the pipeline at this stage. This includes additions at Brisbane Airport and ESR at North Lakes and Wacol.

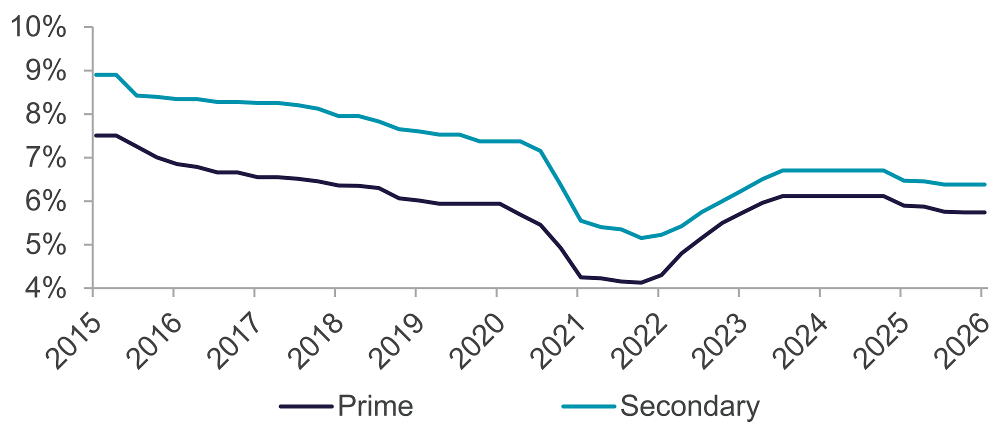
OUTLOOK

- Easing supply conditions and sustained occupier demand are expected to shift the balance of power towards landlords, with the window of opportunity for occupiers to record favourable leasing metrics in select locations closing.
- Demand is expected to remain underpinned by 3PL, manufacturing and wholesale trade occupiers, with pre-leasing activity likely to increase as quality availability tightens.
- The limited development pipeline is expected to place downward pressure on vacancy over the medium term, particularly in core logistics precincts where development-ready land remains constrained.
- Market conditions are becoming more polarised, with prime assets expected to continue outperforming secondary stock. As occupiers compete for modern, well-located facilities, rental growth is expected to remain strongest in precincts where supply remains limited.

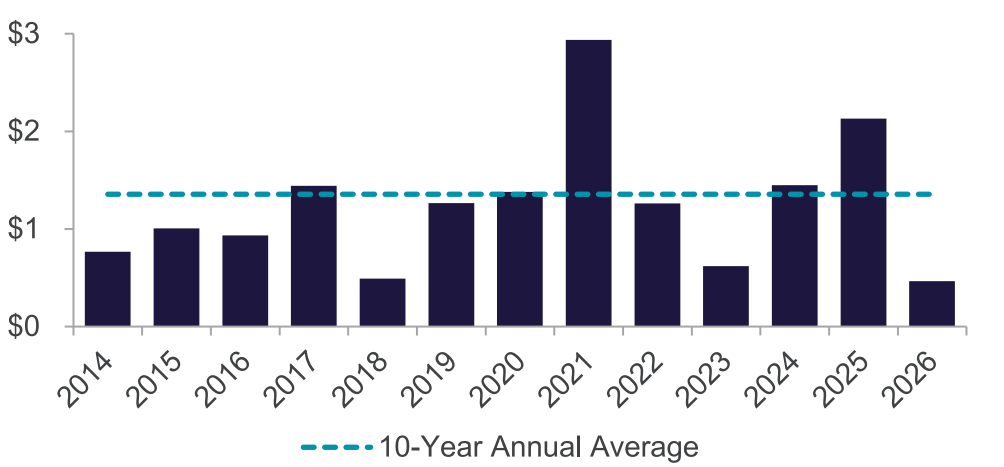
Q2 2026 LAND VALUES BY SIZE ($/SQM)



YIELDS BY GRADE



INVESTMENT VOLUMES ($B)



LAND VALUES

Brisbane industrial land values were maintained in Q2 2026, with minimal sales evidence supporting any movement in pricing. Average values for 1-5 hectare lots now sit at $722/sqm, while select pockets such as Eagle Farm are in excess of $1,000/sqm.

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 remains the standout performer with regard to growth, supported by owner-occupier demand, which has pushed land values higher by approximately 20% over the past year.

YIELDS

Despite the higher interest rate environment following the 75 basis points of rate hikes so far in 2026, yields have remained stable through Q2 2026. Prime core yields broadly range between 5.50% to 6.00%, while secondary core market yields range between 6.00% to 6.75%. Reflecting pricing was AsheMorgan’s acquisition of 51 Mapletree Drive, Crestmead which traded on an initial yield of 5.68% and a core market yield of just over 6.00%.

While debt costs remain elevated, investors continue to take a medium-term view on monetary policy and funding conditions, which is providing a more supportive backdrop for pricing. Notwithstanding, near term headwinds to return hurdles will persist.

INVESTMENT

Investment activity in Brisbane moderated through the first half of 2026, with approximately $465 million transacted year-to-date. While volumes remain below the elevated levels recorded in 2025, there is around $400 million that is currently being marketed or in due diligence.

Major transactions include AsheMorgan's acquisition of 51 Mapletree Drive, Crestmead from Mapletree for $93.5 million, reflecting a rate of $2,467/sqm of GLA, and Corval's purchase of 29-41 Lysaght Street, Acacia Ridge from Dexus for $41.0 million ($2,255/sqm of GLA).

More broadly, capital appetite for Brisbane remains strong, underpinned by conviction in the market's long-term fundamentals, including population growth, ongoing infrastructure investment and the structural undersupply of warehouse space.

OUTLOOK

- Investor conviction in Brisbane's long-term fundamentals is expected to remain strong, supported by population growth, infrastructure investment and sustained occupier demand despite a slower transaction market.
- The narrowing speculative development pipeline will reinforce the scarcity value of stabilised assets, particularly those offering expansion potential or modern specifications.
- With debt costs still elevated, pricing is likely to remain disciplined and selective, with a key focus on lease profile, tenant covenant and asset quality rather than broad market movements.
- Limited development-ready land and subdued speculative construction should continue to underpin land values and support industrial fundamentals, positioning Brisbane favourably once capital markets become more accommodative.

Q2 2026 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)	AVERAGE LAND VALUES (1-5ha, $/SQM)
PRIME								
Trade Coast	4.1%	116,266	$208	$46	13.8%	5.53%	$3,767	$888
North	4.7%	44,461	$205	$36	15.0%	5.83%	$3,519	$844
South	3.6%	349,850	$168	$35	19.1%	5.68%	$2,963	$623
West	3.0%	111,635	$178	$35	18.0%	5.80%	$3,060	$594
M1 Corridor	0.9%	34,218	$185	$34	10.0%	5.89%	$3,142	$663
PRIME AVERAGE	**3.5%**	**656,430**	**$189**	**$37**	**15.2%**	**5.74%**	**$3,290**	**$722**
SECONDARY								
Trade Coast	-	-	$155	$46	13.8%	6.19%	$2,505	-
North	-	-	$140	$33	15.0%	6.44%	$2,175	-
South	-	-	$145	$35	16.0%	6.38%	$2,275	-
West	-	-	$145	$35	20.0%	6.39%	$2,270	-
M1 Corridor	-	-	$160	$34	10.0%	6.50%	$2,462	-
SECONDARY AVERAGE	**–**	**–**	**$149**	**$37**	**15.0%**	**6.38%**	**$2,337**	**-**

DEFINITIONS:

Prime: *Built since 2010, with warehouse clearances above 10 metres (super prime above 13.5 metres), ESFR sprinkler systems, B-double approved access and strong ESG credentials, including Green Star and/or NABERS ratings.*

Secondary: *Built prior to 2010 with clearances between 8m and 11m, lower specifications than prime assets which provide lower warehouse efficiency.*

Gross Take-up: *The total floor space leased during a specified period above 3,000 sqm, excluding lease renewals.*

Net Absorption: *The net change in occupied floor space over a specified period, reflecting changes in tenant occupancy.*

Vacancy Rate: *Buildings above 3,000 sqm that are available now. This includes existing buildings, completed speculative buildings and sublease space.*

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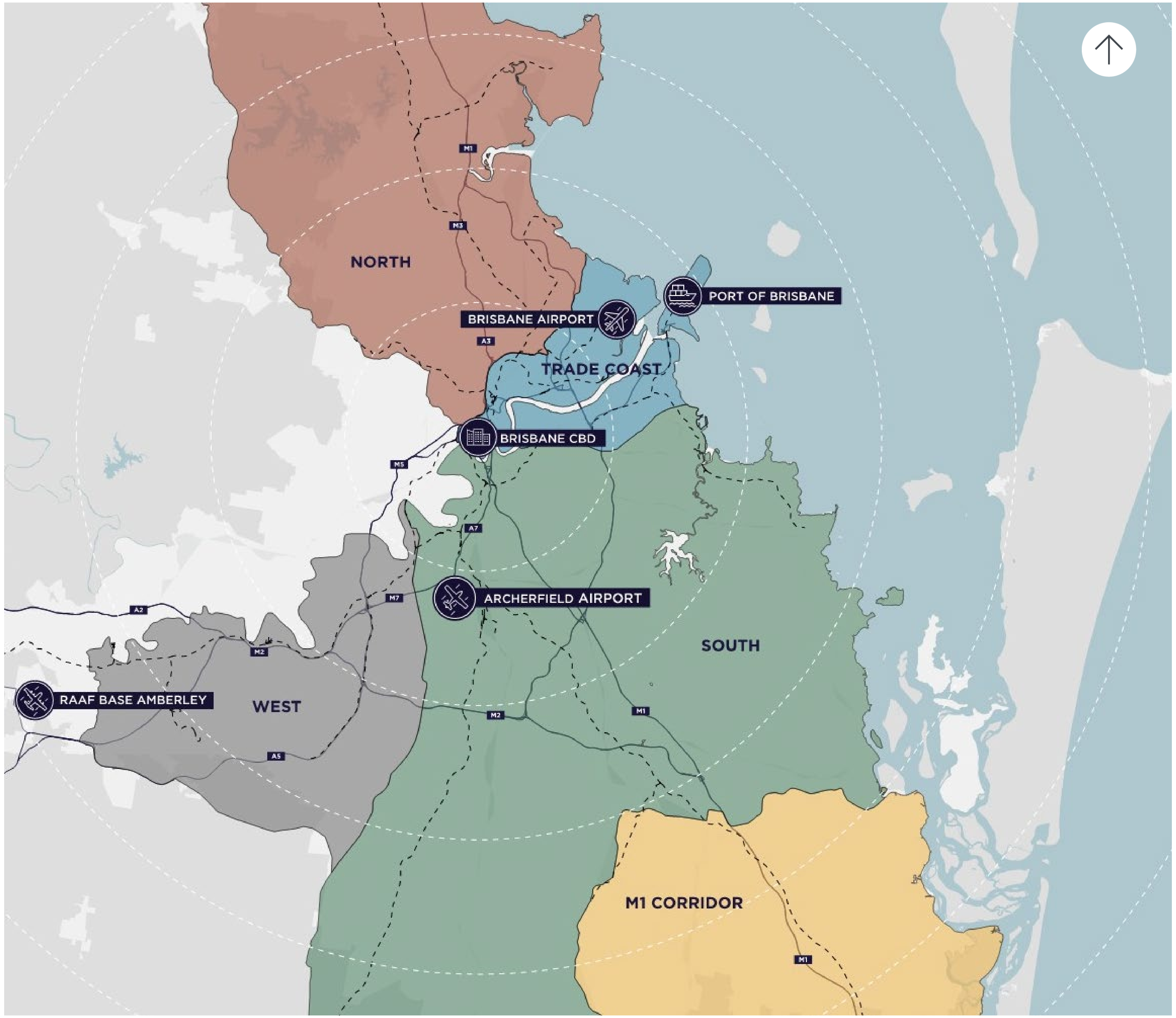
BRISBANE SUBMARKET OVERVIEW



RESEARCH

LUKE CRAWFORD
Head of Logistics & Industrial Research – Australia
+61 421 985 784
luke.crawford@cushwake.com

LOCAL MARKET AGENCY LEADS

GARY HYLAND
National Director
Capital Markets, Logistics & Industrial – Queensland
+61 413 288 933
gary.hyland@cushwake.com

MORGAN RUIG
Director
Head of Brokerage, Logistics & Industrial –
Queensland
+61 403 149 828
morgan.ruig@cushwake.com

NATIONAL LEADS

TONY IULIANO
International Director
Head of Logistics & Industrial - ANZ
+61 412 992 830
tony.iuliano@cushwake.com

DAVID HALL
National Director
Head of Commercial Real Estate (CRE) - ANZ
Head of Brokerage Logistics & Industrial – ANZ
+61 428 242 410
david.j.hall@cushwake.com