PERTH

LOGISTICS & INDUSTRIAL Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.2% Vacancy Rate	▬	▼
6.13% Average Prime Yield	▼	▲
4.1% Prime QoQ Rental Growth	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.5% National GDP Growth	▲	▲
2.8% 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. 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.

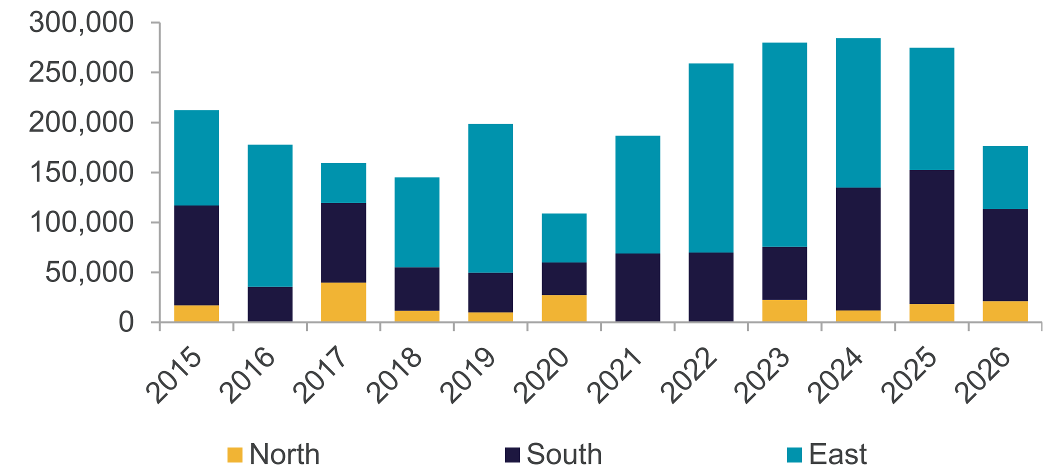
DEMAND

Leasing momentum remained strong through Q2 2026, with almost 105,000 sqm of gross take-up recorded during the quarter and approximately 175,000 sqm transacted over the first half of the year. While the average deal size in 2026 has measured 7,852 sqm, this is skewed higher by three deals above 20,000 sqm, with just over 75% of deals being sized between 3,000 – 6,000 sqm which remains the sweet spot for demand.

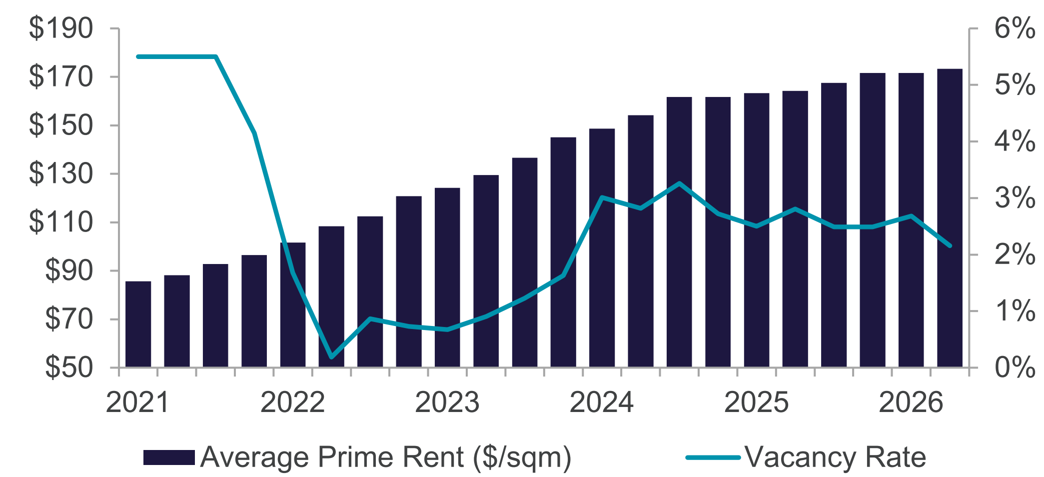
The South and East submarkets continue to account for the majority of leasing activity due to the concentration of available opportunities. Encouragingly, net absorption reached 67,301 sqm during the quarter, reflecting continued expansion by occupiers and healthy underlying space demand.

While enquiry remains broad-based, a notable feature of the current market is the depth of major logistics contract-driven requirements, with several large occupiers actively assessing options. At the same time, supply of quality accommodation remains constrained in certain segments, particularly for workshop and sites which offer adequate hardstand and yard capability. This environment is pushing occupiers to consider pre-lease options.

GROSS TAKE-UP (SQM)



VACANCY & AVERAGE PRIME RENTS



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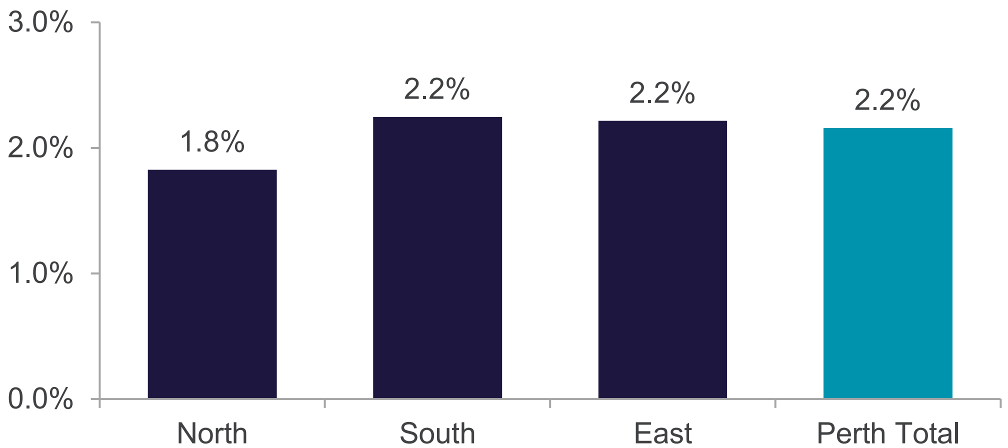
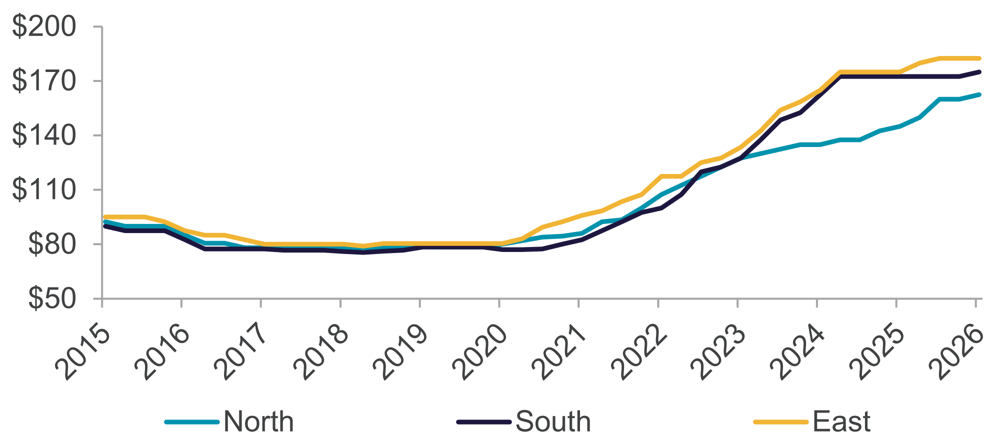
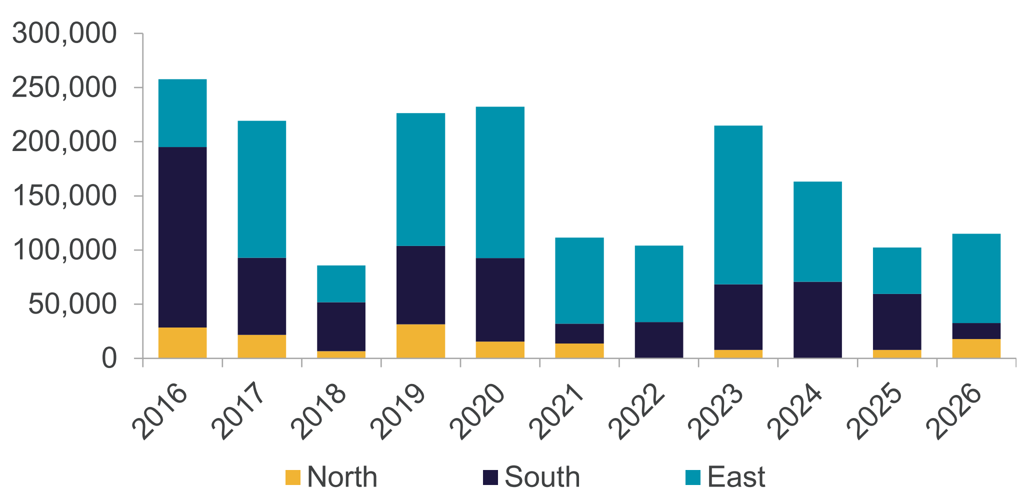
Q2 2026 VACANCY RATES BY SUBMARKET



PRIME NET FACE RENTS BY SUBMARKET ($/SQM)



SUPPLY BY SUBMARKET (SQM)



VACANCY

The recent leasing of several large facilities has underpinned a decline in the vacancy rate to 2.2%, down from 2.7% in the quarter prior. As a result, Perth is the tightest market in the country. Sublease availability continues to distort the headline vacancy rate, and excluding this space, the vacancy rate tightens to 1.7%.

The largest fall in vacancy occurred within the South submarket and for the first time since early 2023, vacant floorspace has fallen below the East submarket. More broadly, the gravitation of occupiers towards prime facilities has reduced speculative availability across the market, providing an opportunity for developers with active land supply to deliver new product to the market.

RENTS & INCENTIVES

Recent deal evidence has supported further growth in rents, with prime rents increasing by 1.0% in Q2 2026. Average prime midpoint rents are now approaching $175/sqm net, while rents in the East submarket are closer to $185/sqm. On an annual basis, prime rents grew by 5.6%, which continues to remain above the national benchmark of 2.8% for the same period. Rental growth remains bifurcated; with growth most pronounced for sub-6,000 sqm tenancies where the bulk of leasing activity has occurred.

Tightening availability has supported a downward pressure on incentives, which currently range between 5.0% and 15.0% (down from 7.5% and 20.0% in 2025). This has supported prime annual net effective rental growth of 9.2%.

SUPPLY

Warehouse supply across pre-commitments and speculative developments for 2026 totals approximately 95,000 sqm, which is lower than forecast as the timing of several facilities were pushed into 2027. As a result, supply for the year is the lowest the market has seen since 2018. Land constraints in core locations and feasibility challenges from higher economic rents have also played a part in the downward level of supply.

Unlike recent years, the balk of supply has been pre-commitment led, which for 2026 has included facilities to Toll, Lindsay Transport and Daikin. Speculative supply is low and includes additions at Wattleup, including 30 Artemis Loop (11,337 sqm). Encouragingly, speculative supply is earmarked to increase in 2027; however, the majority of this has yet to commence construction.

OUTLOOK

- Occupiers have had greater choice over the past 12 months, particularly at the larger end of the market; however, the balance of power has firmly shifted towards landlords. As a result, occupiers looking to expand and can't wait for pre-lease timeframes will be likely forced to compromise on facility location and grade in select locations.
- Overall, conditions within the WA economy remain supportive of demand; however, broader macroeconomic issues are expected to weigh on larger national and international occupiers in the near term. Smaller population driven occupiers are expected to remain more resilient.
- Vacancy is forecast to trend lower over the balance of 2026 as limited new stock reaches the market. Core precincts are expected to remain undersupplied, reinforcing competitive leasing conditions, particularly for well-located, smaller assets
- Rental growth in the order of 4.0% is forecast for 2026, while net effective rents could exceed this as incentives move lower.

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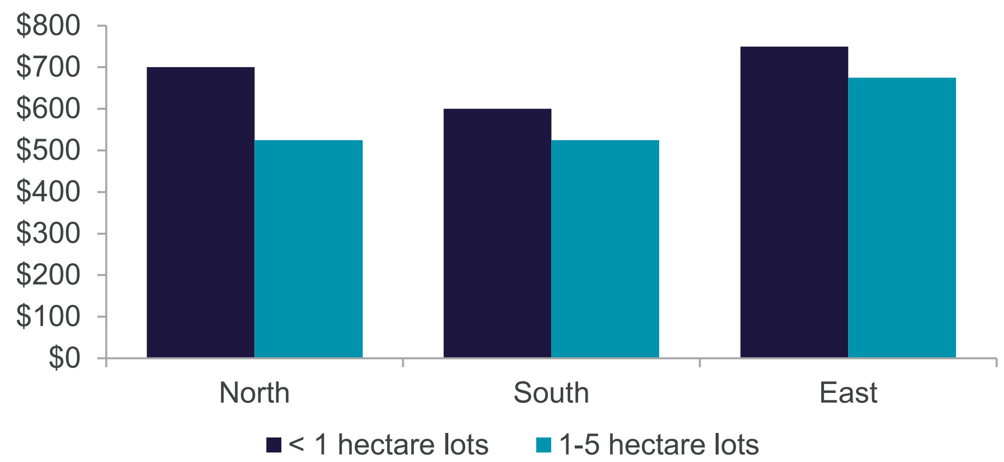
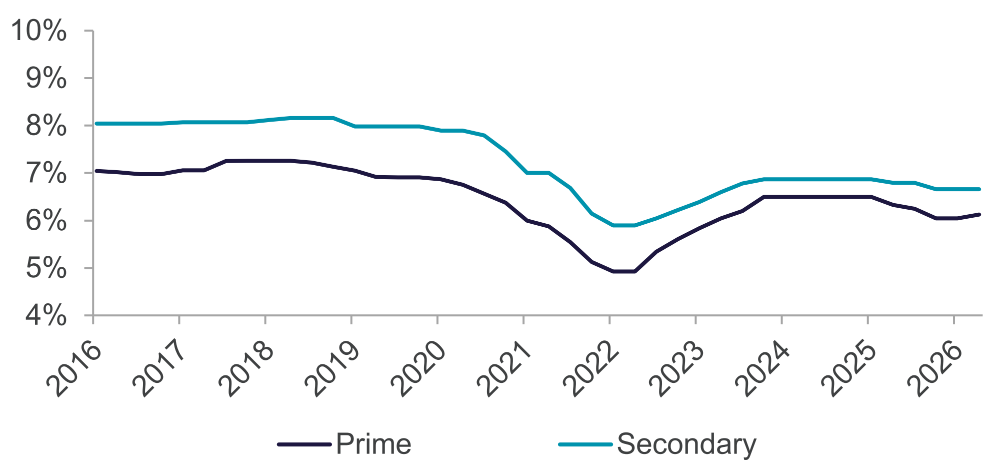
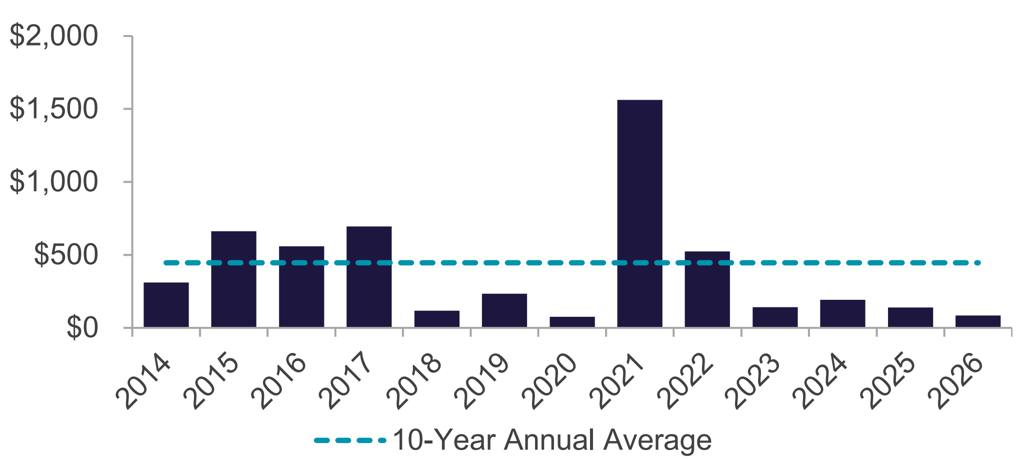
Q2 2026 LAND VALUES BY SIZE ($/SQM)



YIELDS BY GRADE



INVESTMENT VOLUMES ($M)



LAND VALUES

Land take-up volumes have jumped sharply off the back of owner occupier demand, underpinning land value growth across the Perth market. This has been most evident in the 1–5 hectare segment, where values increased by 7.8% over Q2 2026 to average $575/sqm, with the East remaining materially higher at an average of $675/sqm, reflecting its proximity to key infrastructure and established occupier demand.

Lots sized below 10,000 sqm increased by 3.8% in Q2 2026, currently standing at $683/sqm, with expectations of growth over the next 12 months.

YIELDS

A further 25 basis point interest rate rise in the quarter has resulted in a modest 8 basis point expansion in yields as investors have adjusted hurdle rates. Prime core yields are currently in the 6.00% to 6.25% range, although transaction evidence continues to vary depending on asset quality, lease profile and covenant strength. Despite the upward movement in debt costs, investment demand has remained resilient, supported by Perth's favourable relative pricing and solid market fundamentals.

The 90-day BBSW has increased to approximately 4.4% over the quarter, which, when combined with prevailing lending margins, has pushed all-in debt costs above 5.5%. Despite this, Perth industrial assets continue to offer a modest positive carry, supporting leveraged investment returns. Investors are increasingly adopting a medium-term view on monetary policy, with expectations that easing will occur in late 2027 as inflation moderates, providing a more supportive backdrop for pricing.

INVESTMENT

Transaction activity for 2026 has so far totalled approximately $85.0 million (income producing assets above $10 million), with volumes remaining muted by the lack of stock being offered to the market.

The largest sale to occur in Q2 2026 was 146 Maddington Road, Maddington, which Blackfox Property acquired from Capital Prudential for $35.9 million. The 15,370 sqm asset on 31,363 sqm of land reflected a rate of $2,336/sqm of GLA. Other trades include 2-10 Kewdale Road, Welshpool which Leyton Funds purchased from Fife Capital for $20.6 million.

OUTLOOK

- Owner-occupier demand is expected to remain a key driver of the Perth market, supporting competition for development sites and reinforcing land values despite a more measured economic backdrop.
- Following the modest upward pressure recorded in Q2 2026, yields are expected to stabilise for the balance of 2026, supported by current market expectations that the rate hiking cycle has come to and end.
- Transaction volumes are expected to remain subdued, reflecting the limited availability of investable stock rather than any deterioration in underlying investor demand.
- Despite recent pricing uncertainty, underlying investor demand for Perth remains intact, supported by relative yield attractiveness compared to the East Coast and strong market fundamentals.

Q2 2026 PERTH 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								
North	1.8%	21,108	$163	$33	10.0%	6.13%	$2,653	$525
South	2.2%	92,359	$175	$33	10.0%	6.13%	$2,857	$525
East	2.2%	62,856	$183	$33	10.0%	6.13%	$2,980	$675
PRIME AVERAGE	**2.2%**	**176,323**	**$173**	**$33**	**10.0%**	**6.13%**	**$2,830**	**$575**
SECONDARY								
North	-	-	$128	$33	11.3%	6.63%	$1,925	-
South	-	-	$133	$33	11.3%	6.63%	$2,000	-
East	-	-	$145	$33	11.3%	6.63%	$2,189	-
SECONDARY AVERAGE	**-**	**-**	**$135**	**$33**	**11.3%**	**6.63%**	**$2,038**	**-**

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.*

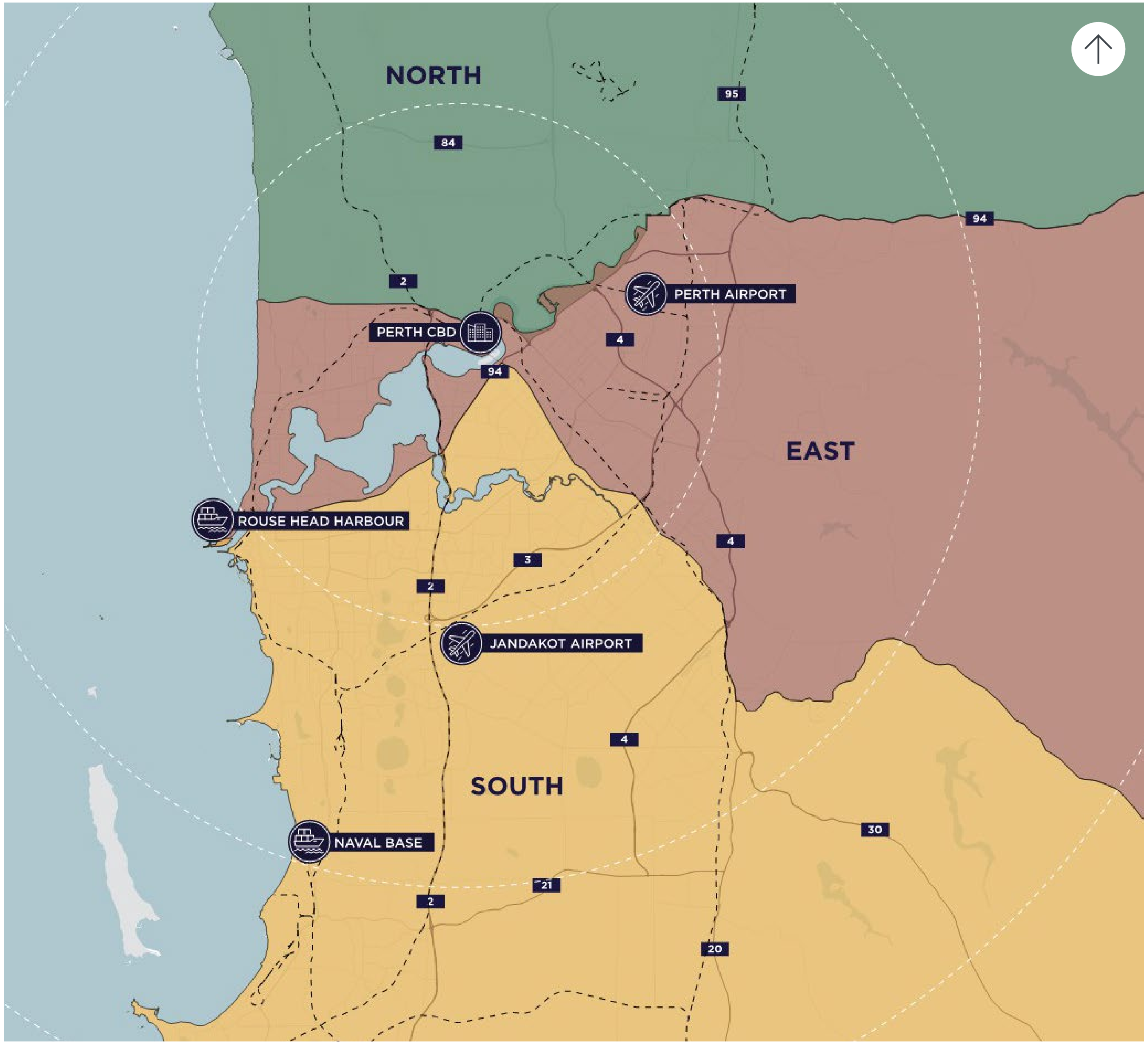
Secondary: *Built prior to 2010 with clearances between 8m and 11m, lower specifications than prime assets which provide lower warehouse efficiency.*

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.*

PERTH SUBMARKET OVERVIEW



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