

MARKET FUNDAMENTALS

	YOY Chg	Outlook
10.2% Vacancy Rate		
38,785 6-month Net Absorption, sqm		
\$530 Prime Net Effective, sqm pa		

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.1% (National) GDP Growth		
3.8% (Queensland) State Final Demand Growth		
4.4% (National) Unemployment Rate		

Source: ABS

ECONOMIC OVERVIEW:

Economic conditions remain mixed, with growth improving modestly while inflationary pressures remain elevated. GDP rose by 0.4% in the June quarter and 2.1% over the year, marking a slight improvement in quarterly growth despite a moderation in the annual rate. Meanwhile, headline CPI reached 3.5% year-on-year in July, while trimmed mean inflation rose to 3.6%, indicating that underlying inflation remains persistent. The RBA raised the cash rate by 25 bps to 4.60% in September, reflecting ongoing concerns around inflationary pressures and its commitment to returning inflation to the target range, while signaling that further tightening may be required if inflation remains elevated. Queensland’s state final demand is forecast to grow by 1.4% in 2026, before strengthening to 1.7% in 2027.

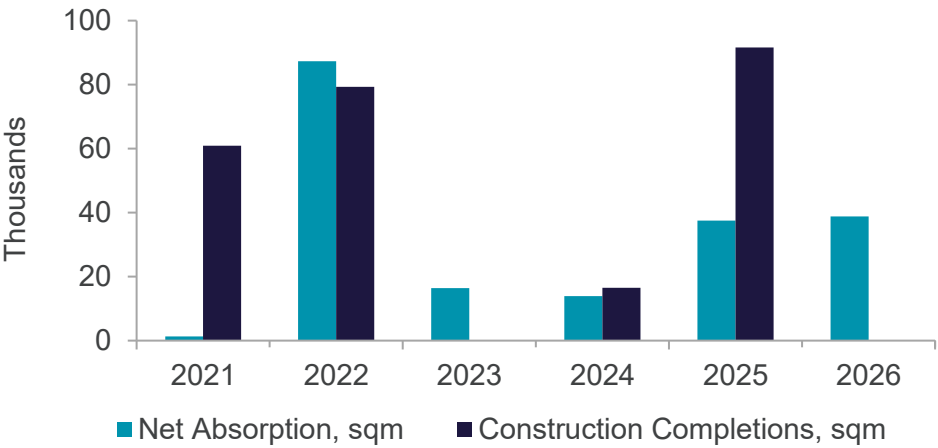
DEMAND:

Brisbane CBD occupier demand strengthened further through Q3, with 38,785 sqm of net absorption recorded over the six months. Activity remained concentrated in Premium and A Grade assets, which recorded 7,756 sqm and 25,384 sqm of absorption respectively. Positive B Grade absorption of 10,622 sqm suggests demand is broadening beyond the traditional flight-to-quality theme, although lower-grade stock continues to face pressure. Well-located secondary assets, particularly those benefiting from investment in amenity and refurbishment, are also attracting occupier demand. Limited new supply is expected to reinforce competition for quality space.

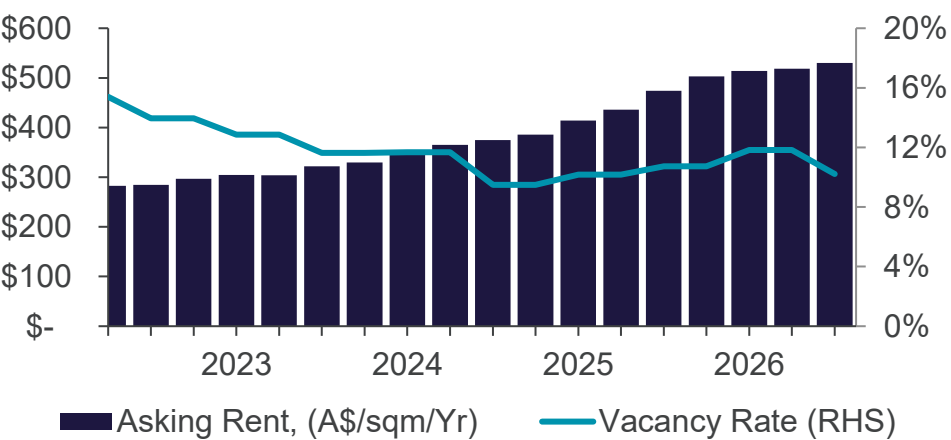
RENTS:

Brisbane’s CBD office market maintained its upward rental trajectory in Q3 2026, with net effective rents continuing to rise across all grades, albeit at a more moderate pace. Premium-grade net effective rents increased to \$639 per square metre per annum (sqm pa), up 9.8% year-on-year (YoY), while A Grade rents reached \$484 sqm pa, representing 12.7% YoY growth. Secondary rents also improved to \$319 sqm pa, up 9.0% YoY. Incentives were broadly stable, averaging 33.0% for Premium, 33.5% for A Grade and 37.5% for Secondary stock. With incentives stabilising following significant compression over the past year, rental growth is increasingly being driven by higher face rents.

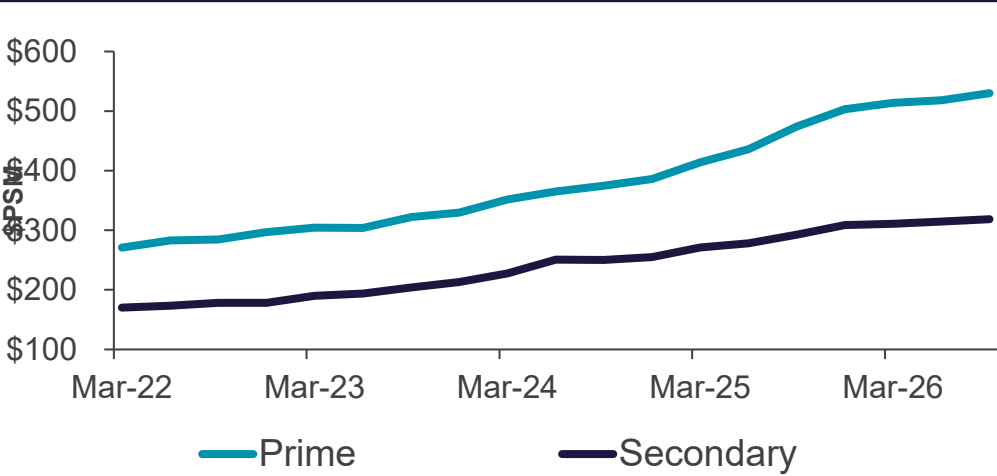
SPACE DEMAND / DELIVERIES



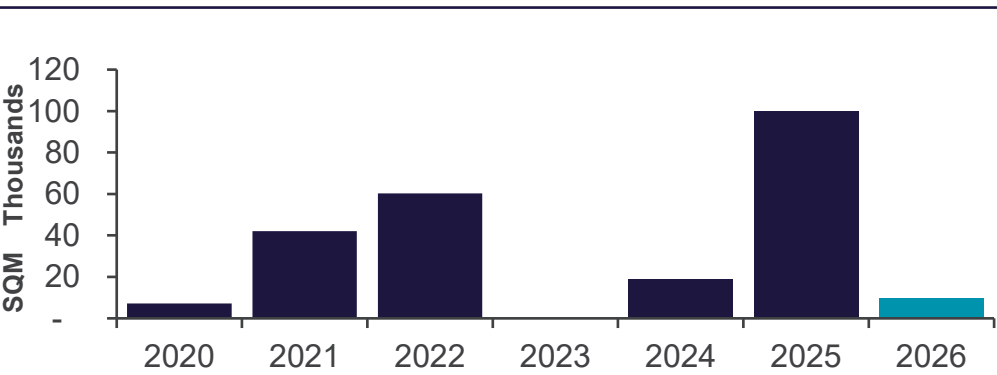
OVERALL VACANCY & PRIME NET EFFECTIVE RENT



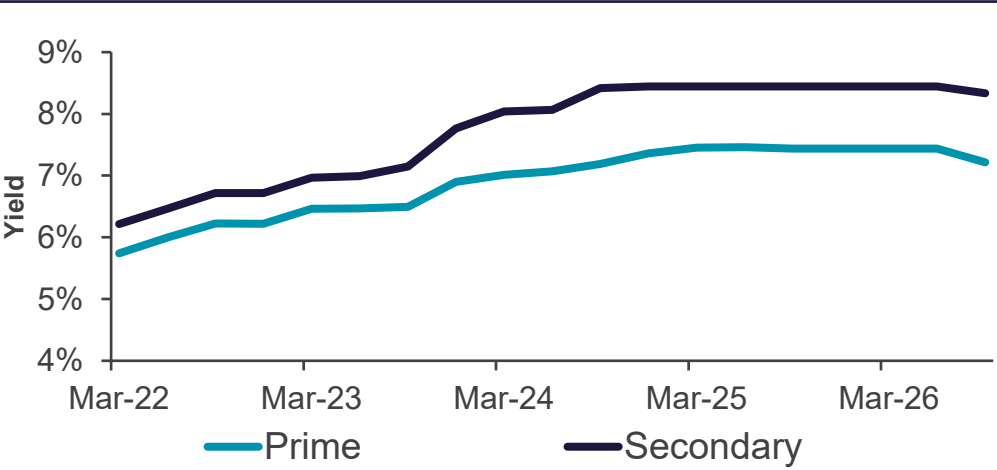
AVERAGE NET EFFECTIVE RENTS



SUPPLY



AVERAGE YIELDS



VACANCY & SUPPLY:

Brisbane CBD vacancy fell to 10.2% from 11.8% over the six months, with tightening recorded across all major grades. Premium vacancy declined particularly sharply to 6.5%, while A Grade fell to 8.3%, leaving high-quality availability increasingly constrained. Secondary vacancy also improved to 13.3%, reinforcing evidence that demand is broadening across the market. With the recent wave of completions now largely delivered and the future pipeline relatively thin, availability is expected to tighten further as existing space is absorbed.

The recent delivery of 360 Queen Street (45,000 sqm), 205 North Quay (43,700 sqm) and the refurbishment of 140 Elizabeth Street (9,908 sqm) continues to work through the market. Beyond these additions, the development pipeline remains limited, with the Waterfront precinct North Tower expected to deliver 72,500 sqm in 2027, followed by 101 Albert Street in 2029, adding 47,918 sqm with 71% already pre-committed. With few major projects approaching and demand strengthening, limited new supply is expected to support tighter availability over the medium term.

YIELDS:

Brisbane CBD office yields tightened modestly in Q3 following an extended period of stability, with Prime yields moving to 7.2% and Secondary to 8.3%. Improving occupational fundamentals, strong rental growth and greater transaction evidence have supported confidence in pricing. While improving fundamentals are supporting asset values, further yield compression is likely to depend on sustained transaction activity and broader competition for assets.

INVESTMENT MARKET:

Investment activity in Brisbane's CBD strengthened through Q3 2026, with several major transactions providing greater evidence of institutional demand. Key deals included 480 Queen Street for \$657.3 million, 123 Albert Street for \$464.0 million and 100 Creek Street for approximately \$159.0 million, acquired through a new investment venture with PAG taking a 95% interest and Cromwell retaining 5%. The transactions attracted a mix of domestic and offshore capital, supported by improving office fundamentals, strong rental growth and tightening vacancy. The return of capital to larger transactions is providing greater price discovery and signalling improved liquidity across the Brisbane CBD market.

OUTLOOK

- Economic growth is expected to strengthen through 2026 and 2027 as domestic demand improves, and Queensland's economy continues to expand.
- Effective rental growth is expected to continue, increasingly supported by face rental growth as incentives stabilise and high-quality availability tightens.
- Vacancy is expected to remain under downward pressure as recent supply is absorbed and the development pipeline thins, with availability likely to become increasingly constrained across Premium and A Grade stock.
- Minimal new supply beyond 2026-27, which is expected to heighten competition for prime space.
- Investment liquidity is improving, with recent major transactions providing greater pricing evidence, although buyer appetite remains selective.
- Brisbane's combination of tightening vacancy, strong rental growth and limited future supply is expected to support continued office market momentum.

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	28,563	6.5%	7,756	72,500	\$1,064	33.0%	\$259
A-grade	1,034,235	85,365	8.3%	25,384	17,265	\$819	33.5%	\$215
Prime	1,474,922	113,928	7.7%	33,140	89,765	\$892	33.4%	\$228
Secondary	697,743	92,887	13.3%	10,622	0	\$631	37.5%	\$206
TOTALS^	2,405,730	245,566	10.2%	38,785	89,765			

*Rental rates reflect full service asking

^ Total reflects all grades

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
123 Albert Street	CBD	ConocoPhillips	3,000	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SQM	PRICE (AUD M)
480 Queen Street	CBD	Dexus / Barings	56,799	657.3
123 Albert Street	CBD	Dexus / Investa & BGO	39,299	464.0
100 Creek Street	CBD	Cromwell / PAG	20,223	159.0

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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