

MARKET FUNDAMENTALS

3.1%

Vacancy Rate

YOY Chg

▼

Outlook

▼

5.74%

Average Prime Yield

YOY Chg

▼

Outlook

▬

0.5%

Prime QoQ Rental Growth

YOY Chg

▲

Outlook

▲

ECONOMIC INDICATORS

2.1%

National GDP Growth

YOY Chg

▲

Outlook

▲

3.8%

Gross State Product Growth

YOY Chg

▲

Outlook

▲

4.4%

National Unemployment Rate

YOY Chg

▲

Outlook

▲

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, while signaling that further tightening may be required if inflation remains above target. Queensland’s State Final Demand is forecast to grow by 1.4% in 2026, before strengthening to 1.7% in 2027.

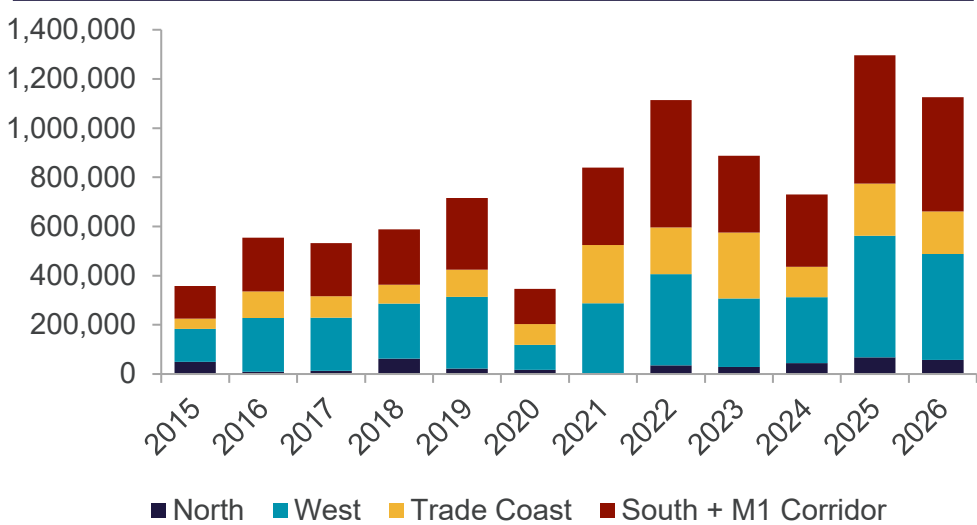
DEMAND

Leasing activity in Brisbane continues to outpace long-term benchmarks, with gross take-up reaching almost 225,000 sqm in Q3 2026 and lifting 2026 volumes to around 870,000 sqm. The South and West submarkets captured more than half of all leasing activity during the quarter, underlining occupiers' continued preference for established logistics precincts with access to major transport infrastructure.

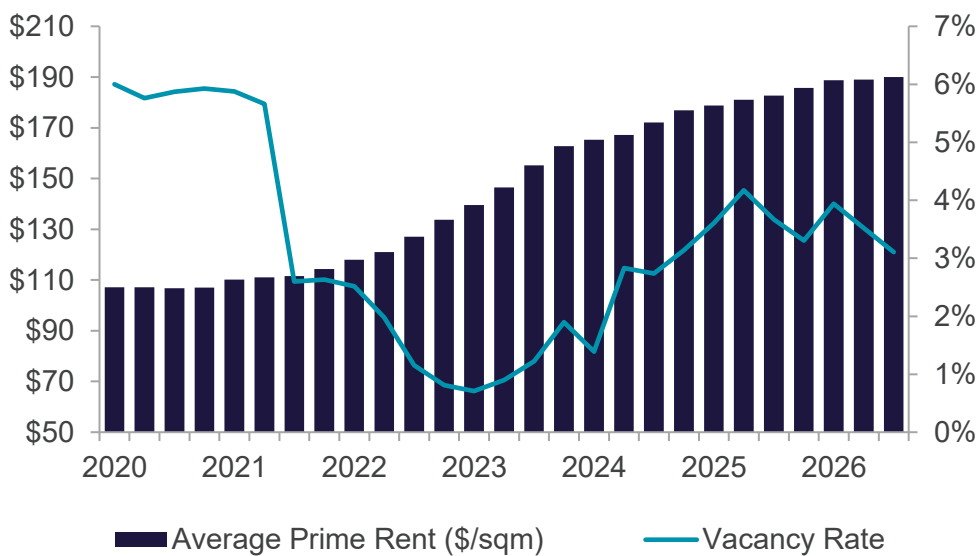
Brisbane remains a priority market for national occupiers, underpinned by positive long-term fundamentals including population growth, infrastructure investment and the economic stimulus tied to the 2032 Olympic Games, which is driving stronger enquiry from infrastructure and construction-related occupiers. Net absorption trends bear this out, with Brisbane accounting for 34% of national net absorption over the past 12 months despite representing just 16% of total stock nationally.

Occupier activity continues to centre on prime-grade facilities, with many businesses using lease expiry events to upgrade into more efficient accommodation or consolidate multiple sites into a single larger facility. However, with supply set to ease sharply over the coming 12 months, occupiers will increasingly need to compromise on building quality in certain locations. This environment is likely to increase pre-leasing activity, particularly from larger occupiers seeking modern facilities in tightly held locations.

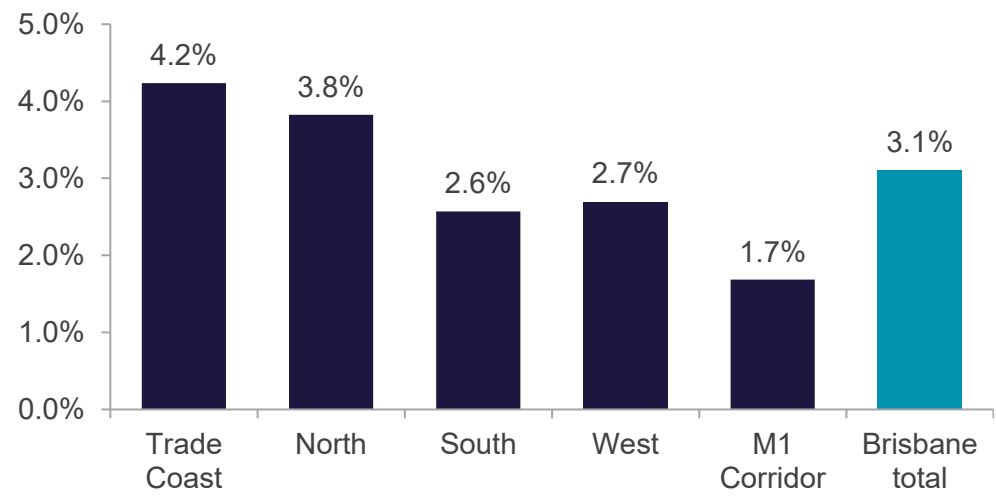
GROSS TAKE-UP (SQM)



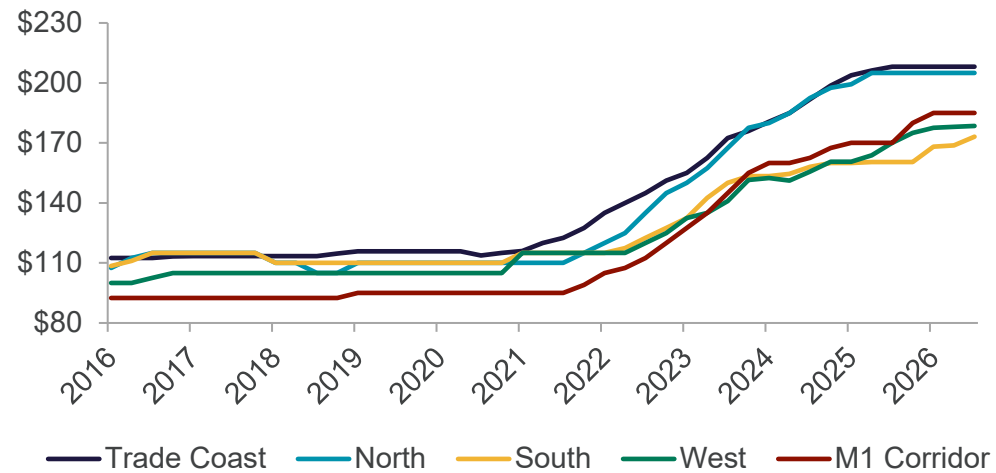
VACANCY & AVERAGE PRIME RENTS



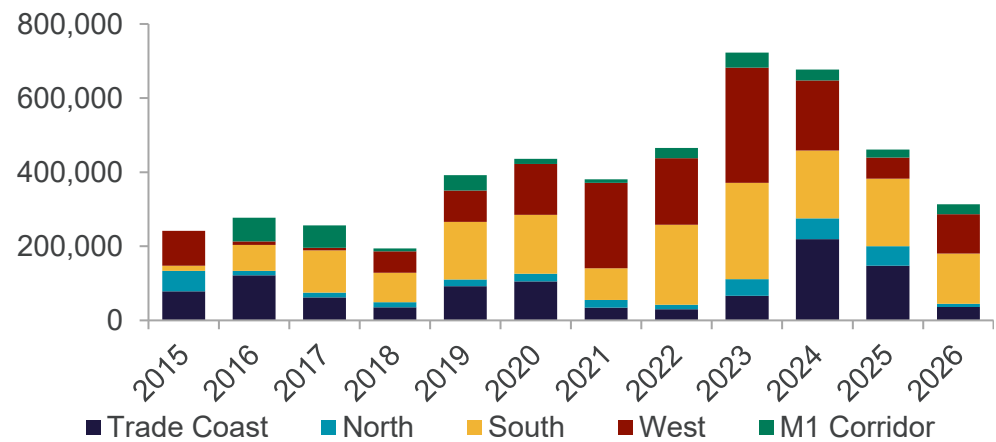
Q3 2026 VACANCY RATES BY SUBMARKET



PRIME NET FACE RENTS BY SUBMARKET (\$/SQM)



SUPPLY BY SUBMARKET (SQM)



VACANCY

Strong net absorption in Q3 2026 drove a further fall in Brisbane's vacancy rate, down to 3.1% from 3.5% in Q2 2026. The South submarket recorded the largest decline in available space, with vacancy falling to 2.6%, its lowest level since mid-2024. The North and West submarkets also saw vacancy decline over the quarter, while the M1 corridor bucked the trend, with vacancy rising to 1.7% and stemmed from three additions to the vacancy list.

The makeup of available space has also shifted, with secondary-grade options now representing a larger share of the market. Existing stock now accounts for 70% of total available floorspace, up from 58% at the same time last year.

RENTS & INCENTIVES

Despite robust occupier demand, rents were largely flat in Q3 2026, with the South and West the only submarkets to post growth. On an annual basis, prime rents rose 4.0%, continuing to outpace the national average of 2.0% over the same period.

Prime rents now average \$190/sqm, while pre-lease rents sit higher at \$193/sqm, with the Trade Coast commanding a 10% premium. Incentives crept slightly higher, currently ranging between 10.0% and 21.0%, with this broad spread reflecting the varied ownership structure and differing dynamics across precincts.

SUPPLY

Brisbane's supply pipeline for 2026 totals just over 300,000 sqm - the lowest annual delivery since 2018 and well below the 10-year average of 430,000 sqm. This subdued outcome stems from a shortage of development-ready land in core precincts, along with a strategic shift among some developers toward pre-lease commitments.

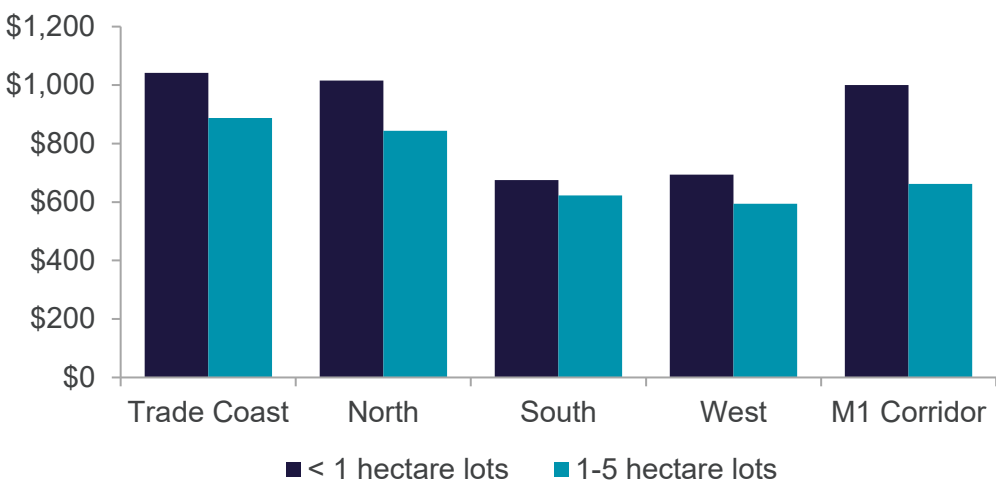
Supply for the year is concentrated in the South and West submarkets, which together account for almost 80% of new floorspace. By contrast, the Trade Coast will see only minor additions, led by Centennial's Morningside and Murarrie projects, both of which are complete.

Supply for 2027 remains largely dependent on pre-commitments being secured, with only 115,000 sqm of speculative supply currently in the pipeline. This includes additions at Brisbane Airport, ESR at North Lakes and Centennial at Pinkenba.

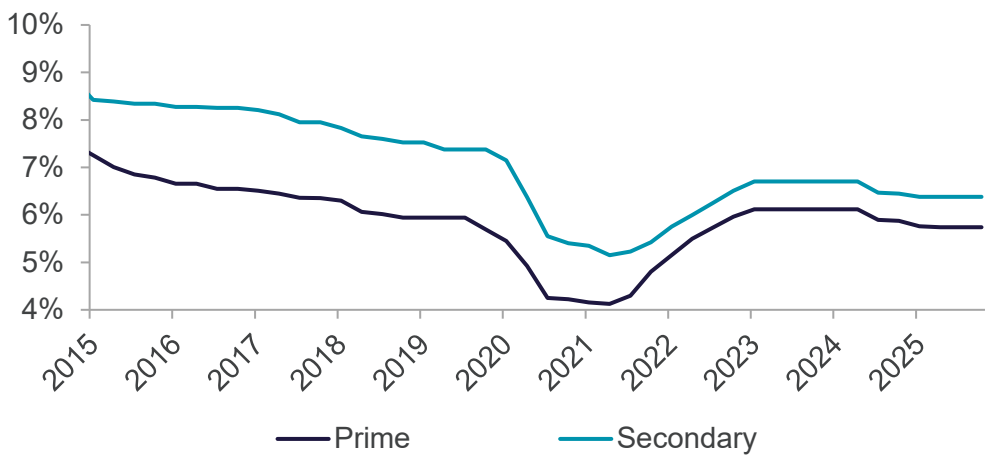
OUTLOOK

- Easing supply conditions combined with sustained occupier demand are expected to tilt the balance of power further towards landlords, closing the window for occupiers to secure favourable leasing terms in select locations.
- Demand is expected to continue to be driven by 3PL, manufacturing and construction-based occupiers, with pre-leasing activity likely to pick up as quality availability tightens.
- A limited development pipeline is forecast to place downward pressure on vacancy over the medium term, led by core logistics precincts where development-ready land remains scarce.
- Rental growth is expected to remain increasingly polarised and concentrated in the sub 10,000 sqm segment where most of the tenant demand exists. Prime rental growth in the order of 4.0% is forecast for 2027, while a modest decline in incentives will support more pronounced net effective rental growth.

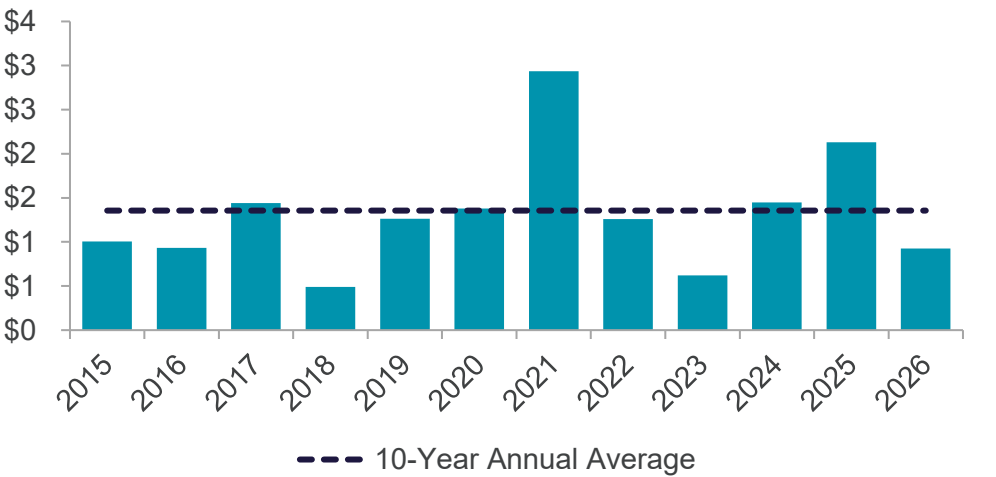
Q3 2026 LAND VALUES BY SIZE (\$/SQM)



YIELDS BY GRADE



INVESTMENT VOLUMES (\$B)



LAND VALUES

Brisbane industrial land values held steady in Q3 2026, with limited sales evidence to support any real movement in pricing. Average values for 1–5 hectare lots sit at \$722/sqm, while select pockets such as Eagle Farm exceed \$1,000/sqm.

The South and West continue to offer more affordable options, supported by land availability in precincts such as Crestmead, Bundamba and Swanbank. The M1 Corridor remains the standout performer for growth, with owner-occupier demand pushing land values up approximately 20% over the past year.

YIELDS

Brisbane industrial yields remained unchanged through Q3 2026, with investment pricing continuing to reflect a balance between resilient underlying fundamentals and a more challenging cost of capital environment. Prime core yields broadly range between 5.50% and 6.00%, while greater dispersion remains evident for secondary assets where investors continue to place a premium on asset quality, location and income security.

The interest rate outlook has also become a more prominent consideration for investment pricing. Sustained inflation is supporting the case for the RBA to raise the cash rate further in 2026, with this renewed uncertainty impacting required returns, particularly for more leveraged buyers. In the event two rate hikes occur in 2026, a modest outward movement in yields is increasingly likely.

INVESTMENT

Investment activity strengthened over the past quarter, with Brisbane industrial transaction volumes reaching almost \$410 million, bringing total investment volumes to approximately \$925 million so far in 2026. Activity in Q3 2026 was underpinned by Stockland extending their partnership with M&G, which for Brisbane included the Willawong Distribution Centre.

Other trades in the quarter include Charter Hall acquiring 39 Gravel Pit Road, Darra for \$70.15 million through a sale and leaseback with Australia Post. The sale reflected an initial yield of 5.75% and provides support to where pricing sits.

More broadly, higher property-related taxes and costs in Victoria are supporting capital flows into Brisbane, reinforced by its comparatively positive rental growth outlook.

OUTLOOK

- Investor conviction in Brisbane's long-term fundamentals is expected to hold firm, underpinned by population growth, infrastructure investment and sustained occupier demand, even against a slower transaction backdrop.
- A narrowing speculative development pipeline will reinforce the scarcity value of stabilised assets, particularly those with expansion potential or modern specifications.
- With debt costs still elevated, pricing is likely to stay disciplined and selective, with investors focused on lease profile, tenant covenant and asset quality rather than broad market movements.
- Constrained development-ready land and subdued speculative construction should continue to support land values and underpin industrial fundamentals, leaving Brisbane well positioned once capital markets turn more accommodative.

Q3 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	4.2%	173,414	\$208	\$46	15.0%	5.53%	\$3,767	\$888
North	3.8%	58,000	\$205	\$37	16.3%	5.83%	\$3,519	\$844
South	2.6%	429,558	\$173	\$35	18.4%	5.68%	\$3,051	\$623
West	2.7%	174,020	\$179	\$35	18.2%	5.80%	\$3,078	\$594
M1 Corridor	1.7%	34,509	\$185	\$34	10.0%	5.89%	\$3,142	\$663
PRIME AVERAGE	3.1%	869,501	\$190	\$38	15.6%	5.74%	\$3,311	\$722
SECONDARY								
Trade Coast	-	-	\$155	\$46	15.0%	6.19%	\$2,505	-
North	-	-	\$140	\$36	15.0%	6.44%	\$2,175	-
South	-	-	\$148	\$35	16.0%	6.38%	\$2,322	-
West	-	-	\$150	\$35	19.7%	6.39%	\$2,348	-
M1 Corridor	-	-	\$163	\$34	10.0%	6.50%	\$2,500	-
SECONDARY AVERAGE	-	-	\$151	\$37	15.1%	6.38%	\$2,370	-

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.

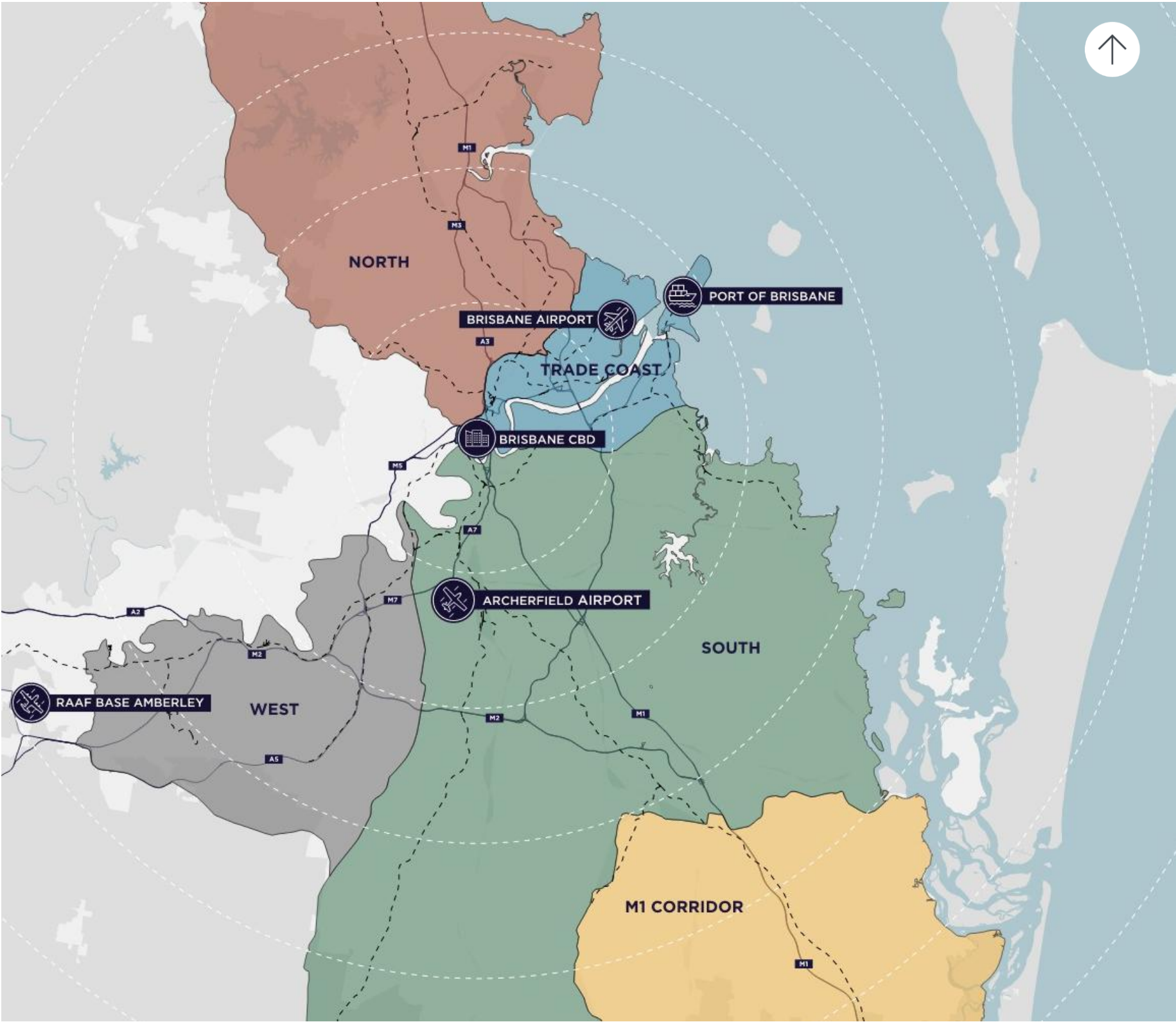
Secondary: Built prior to 2010 with clearances between 8m and 11m, lower specifications than prime assets which provide lower warehouse efficiency.

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.

BRISBANE SUBMARKET OVERVIEW



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