

# Brisbane CBD State of the Market

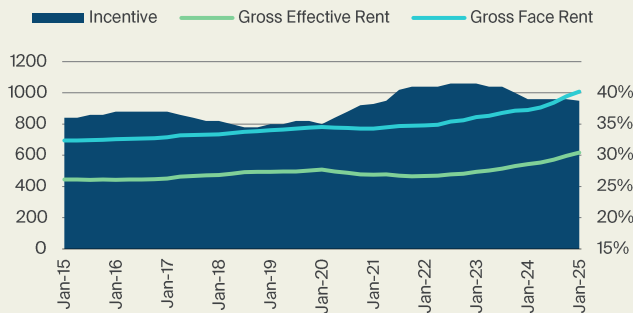


Sales activity lifted in H2 2024 with greater yield certainty

Q4 2024

- Prime gross rent lifted 3.1% in Q4-24, slightly slower than the 4.3% q/q growth in Q3, but still reflecting strong 13.3% annual growth. Corporate tenant focus appears to remain on renewals rather than relocation. Incentives have reduced slightly to 38.75% driven by the premium market.
- Secondary gross face rents were up 0.4% in Q4 to be 2.7% higher y/y, small fitted suites have higher growth.
- As expected, there was no new supply in 2024. The first new supply since 2022 will come on line in Q1-25 with 205 North Quay staging completion in tranches during the course of the year.
- Yields remained stable in Q4 for both prime and secondary assets. Late 2024 saw a lift in investment activity and sale completions which reflects the growing confidence from buyers that yields have now stabilised.

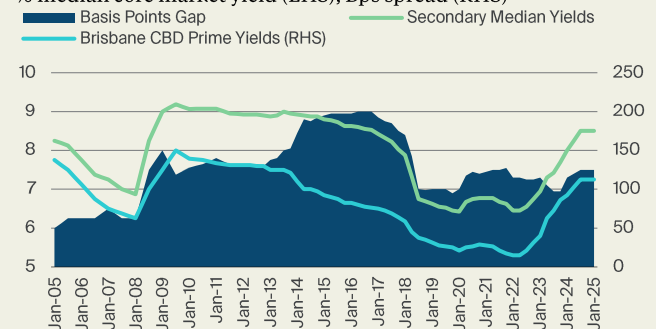
**Brisbane CBD prime rents and incentives**  
\$/sqm gross rent (LHS), % incentive (RHS)



Source: Knight Frank Research

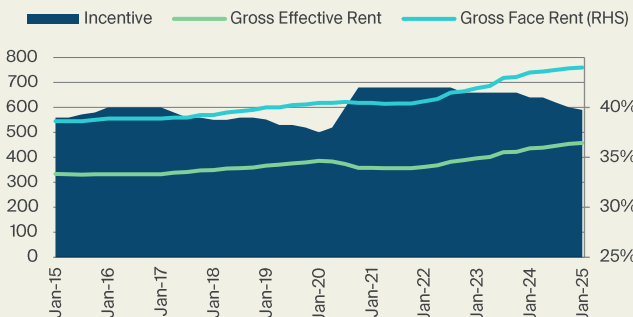
**Brisbane CBD Average Yields**

% median core market yield (LHS), Bps spread (RHS)



Source: Knight Frank Research

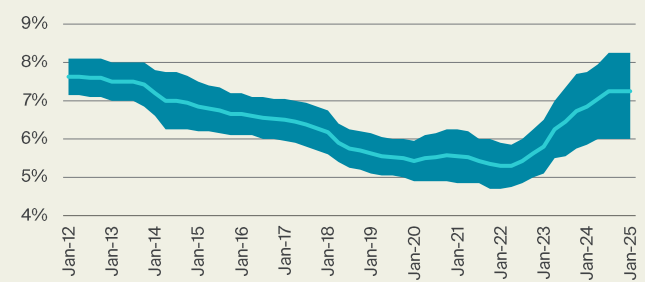
**Brisbane CBD Secondary rents and incentives**  
\$/sqm gross rent (LHS), % incentive (RHS)



Source: Knight Frank Research

**Brisbane CBD Prime Yield Range**

Core market yield range & median (3-5 year WALE)

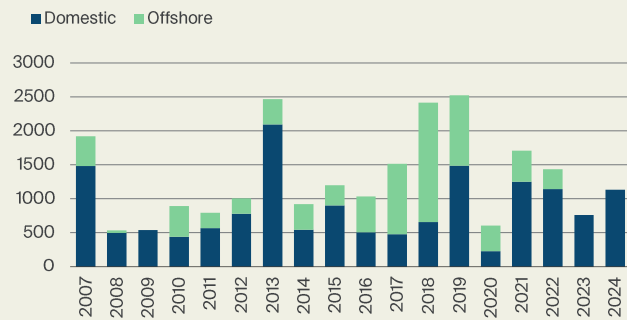


Source: Knight Frank Research

| Brisbane CBD         | Q4-24   |   | Qtr Change | Six Mth Change | Annual Change | Outlook                                |
|----------------------|---------|---|------------|----------------|---------------|----------------------------------------|
| <b>Prime</b>         |         |   |            |                |               |                                        |
| Gross Face Rent      | \$1,008 | ▲ | +3.1%      | +7.5%          | +13.3%        | Led by premium grade uplift            |
| Gross Incentive      | 38.75%  | ▼ | -25bps     | -25bps         | -25bps        | Minor recent contraction               |
| Gross Effective Rent | \$617   | ▲ | +3.5%      | +7.9%          | +13.7%        | Driven by face rent growth             |
| Median Yield         | 7.25%   | ● | Stable     | Stable         | +40 bps       | Stabilised with transaction support    |
| <b>Secondary</b>     |         |   |            |                |               |                                        |
| Gross Face Rent      | \$760   | ▲ | +0.4%      | +1.3%          | +2.7%         | Full floor growth lagging small suites |
| Gross Incentive      | 39.75%  | ▼ | -25bps     | -75bps         | -125bps       | Incentives fall below 40%              |
| Gross Effective Rent | \$458   | ▲ | +0.4%      | +1.3%          | +2.7%         | Small tenants dominating activity      |
| Median Yield         | 8.50%   | ● | Stable     | Stable         | +50 bps       | Broad yield band but stable overall    |

## Brisbane CBD Office Transactions

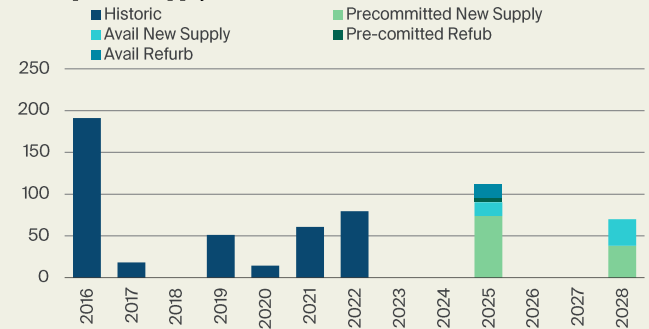
\$million by purchaser location, sales \$10m+



Source: Knight Frank Research

## Brisbane CBD Historical & Future Supply

'000sqm new supply



Source: Knight Frank Research, PCA

## Recent Tenant Commitments

| Tenant                  | Property        | Precinct  | Lease type | Size (sqm) | Gross face rent (\$/sqm) | Incentive (%) | Term (yrs) | Start date |
|-------------------------|-----------------|-----------|------------|------------|--------------------------|---------------|------------|------------|
| QBCC                    | 80 Ann St       | Legal     | Direct     | 4,600      | ~975                     | 30-35         | 10         | Nov 25     |
| Slater & Gordon         | 215 Adelaide St | Financial | Direct     | 952        | 850                      | u/d           | 7          | Sep 25     |
| Mineralogy              | 240 Queen St    | Financial | Direct     | 981        | 925                      | 30-35         | 5          | Jul 25     |
| Engeny                  | 545 Queen St    | Uptown    | Direct     | 2,138      | 710                      | 35-40         | 6          | Mar 25     |
| Commonwealth Government | 300 George St   | Legal     | Direct     | 5,554      | u/d                      | u/d           | 10         | Dec 24     |

## Recent Sales

| Property         | Price (\$m) | NLA (sqm) | \$/sqm | Yield (%) | WALE | Purchaser          | Vendor         | Sale date |
|------------------|-------------|-----------|--------|-----------|------|--------------------|----------------|-----------|
| 145 Ann Street   | 215.50      | 27,550    | 7,822  | 7.80      | 3.1  | Aware Super        | Dexus REIT     | Dec 24    |
| 247 Adelaide St  | 19.0        | 3,061     | 6,207  | 7.43      | n/a  | Qld Country Bank   | BWC Properties | Nov 24    |
| 60 Edward St     | 72.0        | 10,637    | 6,769  | 8.37      | 2.33 | Sentinel           | RACQ           | Oct 24    |
| 41 George Street | 123.0       | 29,463    | 4,175  | n/a       | VP   | Dexus/Marquette JV | AEPIM          | Oct 24    |

## Major Developments

| Property                         | Precinct  | NLA (sqm) | Pre-commit (%) | Status             | Completion date |
|----------------------------------|-----------|-----------|----------------|--------------------|-----------------|
| 205 North Quay                   | Nth Qtr   | 43,700    | 100            | Under construction | H1 2025         |
| 140 Elizabeth St (refurbishment) | Retail    | 9,908     | -              | Early works        | H1 2025         |
| 70 Eagle St (refurbishment)      | Financial | 11,476    | 50             | Early works        | H1 2025         |
| 360 Queen St                     | Financial | 45,000    | 62             | Under construction | H2 2025         |



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