

Brisbane Industrial Precincts



April 2025

This report provides a precinct-by-precinct quarterly update of the Brisbane industrial market

knightfrank.com.au/research



Investment

Industrial turnover was lower in Q1 but yields showed modest ongoing firming over the quarter

■ **5.73%**

Super prime yields stable in Q1; -10bps y/y

▼ **6.10%**

Prime yield; down 4bps q/q; -16bps y/y

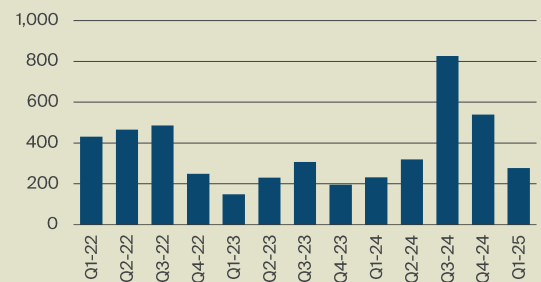
▼ **6.62%**

Secondary yield; down 20bps q/q; -64bps y/y

KEY TRENDS

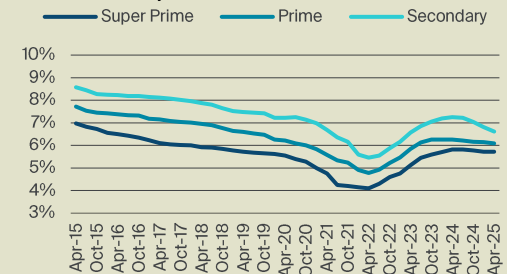
- Industrial turnover of \$277 million (sales \$10m+) was recorded in Q1, a step back from the \$539 million of Q4, returning to levels seen in 2023.
- The largest transaction for Q1 was Stockland's sale of its 43,369sqm multi-warehouse estate at 14 Dixon Street, Yatala, purchased by Korda Mentha & PGIM Real Estate for \$102.50 million, reflecting a CMY of 6.35%.
- Super prime yields remained mostly untested in Q1, though strong interest in industrial assets such as Wacol Logistics Estate suggests the potential to firm through 2025.
- Greater certainty around interest rates at the start of 2025 and buyer engagement have led to a slight sharpening of prime yields to 6.10%.
- Secondary yields continued to sharpen in Q1, now 64bps tighter than a year ago, supported by underlying land values and strong demand from private investors.

Brisbane Industrial Sales Volume
Quarterly, \$ million (sales \$10m+)



Source: Knight Frank Research, RCA

Brisbane Industrial Yields
% core market yield



Precinct	Property	Price \$M	Size sqm	\$/sqm	Site sqm	Purchaser	Vendor	Core Market Yield %	WALE
South East	14 Dixon St, Yatala	102.50	43,369	2,363	96,460	Korda Mentha/PGIM Real Estate	Stockland	6.35	4.7
South	836-854 Boundary Rd, Coopers Plains	89.60	40,110	2,234	80,030	Blackstone/151 Property	Goodman	6.69	3.83
South	1717 & 1727 Ipswich Rd, Rocklea	46.50	27,316	1,702	90,741	Standard Universal	Private Investor	8.98	1.9
Greater North	Lot 1/ 165 South Pine Road, Brendale	19.23	5,678	3,386	19,330	Private Owner Occupier	Arrow Capital Partners	6.02^	0.75

^ Passing yield

Vacancy & Tenant Demand

Vacant space rose 21% in Q1 due to new development and lower leasing take up.

5.2%
Total vacancy rate Q1-25, up 86bps q/q and 207bps higher y/y

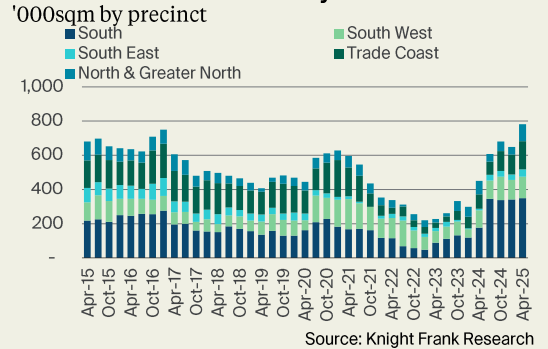
43%
Of current availability is speculative development

874k
Sqm RTM leasing take-up at Q1-25, 16% higher y/y

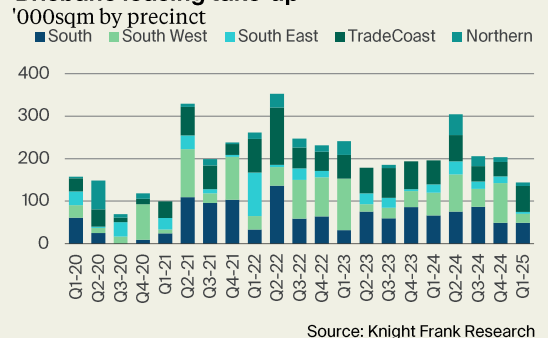
KEY TRENDS

- In Q1-2025, vacancy increased by 21% to 782,562sqm, representing a vacancy rate of 5.2%, up from 4.3% in Q4-24 and above the five and ten-year averages by 71% and 54% respectively.
- Whilst vacancy did rise in Q1, majority of the increase is due to new developments with 35% of new vacancy speculative projects coming online, and a further 34% credited to backfill space as tenants relocate to new developments.
- 335,232sqm of total vacancy is speculative projects either complete or under construction, up by 44,455sqm in Q1. Existing building vacancy grew 25% in Q1 to 447,330sqm.
- Leasing activity in Q1 was 22% lower q/q at 159,483sqm, reflecting a slow start to the year. Rolling annual take-up was 873,600sqm, still up 16% y/y.

Brisbane Industrial Vacancy



Brisbane leasing take-up



BRISBANE AVAILABLE SPACE 3,000SQM+ Q3-2024

Precinct	Available Space	Quarter Change	Annual Change
Trade Coast	165,948	+51,233	+80,659
North & Greater Nth	99,761	+54,607	+21,000
South	349,452	+7,695	+173,355
South West	124,669	+10,916	+22,035
South East	42,732	+9,732	+34,732
Total	782,562	+134,183	+331,781

RECENT MAJOR TENANT COMMITMENTS

Tenant	Precinct	Area	Net Rent \$/sqm
United Rentals	Trade Coast	7,435	290
Vellex	South	14,592	145
Air Road	South	6,759	150
Bunnings	South West	27,083	155
Centurion Trucks	South West	14,564	165
Coles	South West	14,500	168

South

Yields remained stable over Q1 with increased transactions providing greater certainty

261k

Sqm RTM leasing take-up, down 9% y/y

6.7%

Y/Y prime face rental growth to \$160/sqm net

13%

Prime Incentives stable in Q1; up 200bps y/y

2%

Vacancy rose q/q to 349,452sqm; almost doubled y/y

227k

Sqm new supply forecast for delivery in 2025

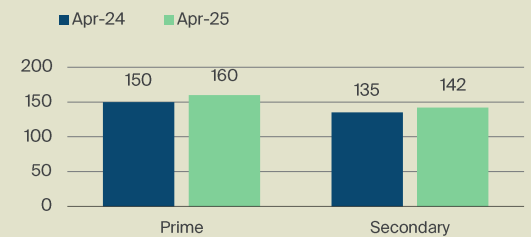
6.1%

Prime yields Stable in Q1

KEY TRENDS

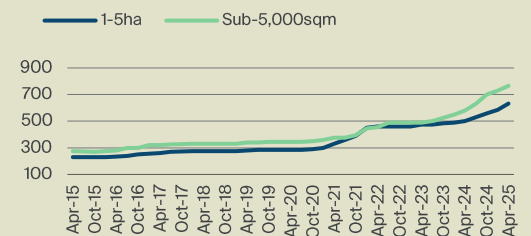
- Vacancy in the South increased by 2% to 349,452 sqm in Q1 with 22,439 sqm of existing space re-entering the market. Vacancy has been elevated since Q2-24, currently sitting at a rate of 7.7%.
- Prime and secondary rents saw modest growth in Q1 to be up by 1.3% and 2.2% respectively. Both remain up annually, with prime rents up 6.7% y/y and secondary by 5.2% y/y. Incentives were stable in Q1 at 13% on average for prime space.
- Due to reduced site availability and strong demand, land value have continued to climb in Q1, up 26.5% for sites 1-5ha at \$633/sqm y/y, and smaller lots (sub-5,000sqm) rising 32% y/y to \$766/sqm.
- Leasing take-up slowed slightly by 1% at 48,728sqm in Q1 as leasing activity continued the slowdown shown towards the end of 2024.
- Prime yields were stable in the quarter, down 20bps y/y, while secondary yields sharpened by 13bps q/q at 6.63%; down 16bps y/y. Recent sales in the south have provided greater yield certainty, including the sale of 836-854 Boundary Rd, Coopers Plains which settled for \$89.60m at a CMY of 6.69%.

South Rents
\$/sqm net face



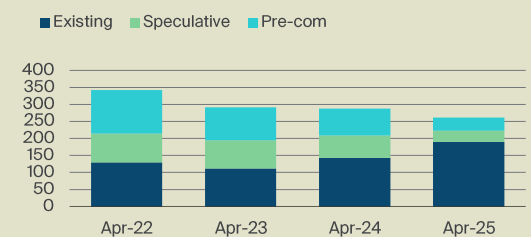
Source: Knight Frank Research

South Land Values
\$/sqm site



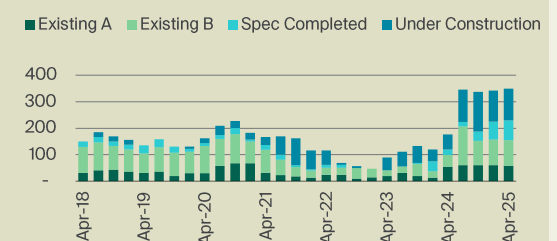
Source: Knight Frank Research

South Leasing Take-up
'000sqm by type, RTM



Source: Knight Frank Research

South Vacancy
'000sqm available space by type



Source: Knight Frank Research

South West

Vacancy lifted by 10% in the past quarter with uplift in secondary vacancy

259k

Sqm RTM leasing take-up, up 80% y/y

10%

Increase in vacancy q/q to 124,669sqm

5.3%

Y/Y prime face rental growth to \$158/sqm net

77k

Sqm new supply forecast for delivery in 2025.

12%

Prime incentives fell modestly in Q1

6.2%

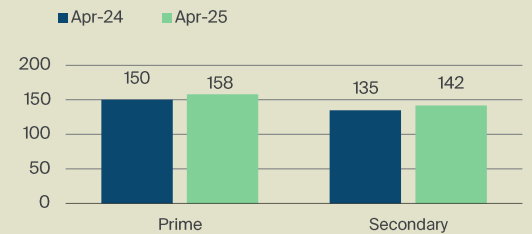
Prime yield 15bps sharper in Q1; down 10bps y/y

KEY TRENDS

- Vacancy increased by 10,916sqm in Q1, representing a vacancy rate of 3.8%. Preference for prime space has been prevalent with existing prime vacancy down 46% y/y while secondary vacancy is up 9% for the year reaching 62,570sqm.
- Average prime rents were stable over Q1 at \$158/sqm, up 5.3% y/y. Secondary rents saw a slight decline of 0.9% to \$142/sqm; but remain up 5.2% y/y.
- Take up in the South West was quieter over the start of the year, down from the peak observed in the previous quarter. The final 7,430sqm of Fife Capital's 43 Rudd Street speculative project was leased to a cold storage tenant at a net rate of \$265/sqm. The remaining quarterly take up was dominated by existing stock.
- Land values continued to show growth in the quarter with sub-5,000sqm now 13.2% higher y/y and sites 1-5ha up 12.1% y/y.
- Prime yields tightened in Q1, down 15bps q/q and 10bps sharper annually. Secondary yields sharpened by 18bps in Q1; down 50bps y/y as land value appreciation continues to impact values.

South West Rents

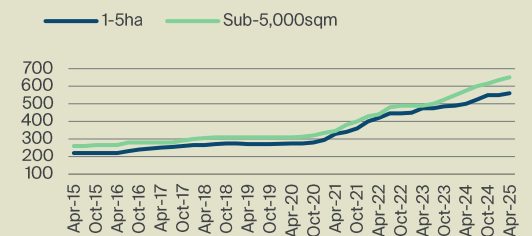
\$/sqm net face



Source: Knight Frank Research

South West Land Values

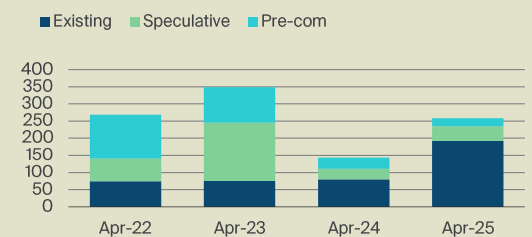
\$/sqm site



Source: Knight Frank Research

South West Leasing Take-up

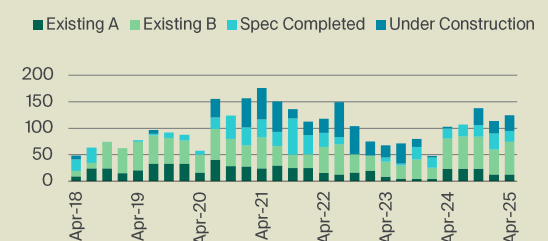
'000sqm by type, RTM



Source: Knight Frank Research

South West Vacancy

'000sqm available space by type



Source: Knight Frank Research

South East

Limited sub 5,000sqm vacancy and strong owner occupier activity keeps the market tight

69k

Sqm RTM leasing take-up, down 6% y/y

6.7%

Y/Y prime face rental growth to \$160/sqm net

11%

Incentives down 100bps y/y; stable in Q1

42k

Vacancy up 29% q/q

44k

Sqm of new supply due in 2025

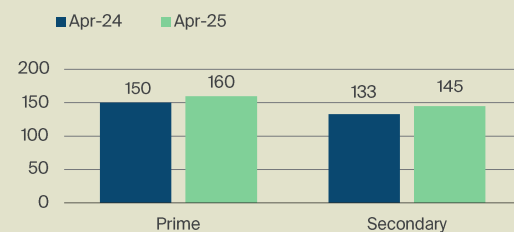
6.2%

Prime yields down 3bps in Q1, 13bps lower y/y

KEY TRENDS

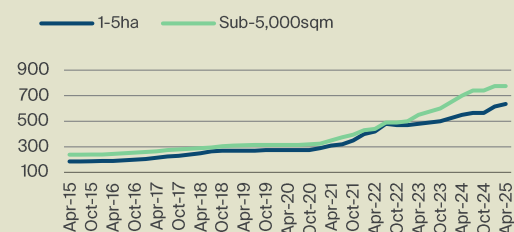
- Vacancy increased by 9,732sqm in Q1, still reflecting tight conditions in the South-East corridor with total vacancy rate of 2.5%. Available stock +3,000sqm is mostly made up of prime sublease opportunities, with the largest being 25,000sqm in the Goodyear facility in Stapylton.
- RTM leasing take-up fell 6% below the previous year at 69,056sqm, with continued strong pre-commitment activity. Speculative take-up was limited over the year.
- Prime and Secondary net rents were steady at \$160 & \$145/sqm in Q1. Prime rents grew 6.7% y/y with secondary rents up 9.0% y/y.
- Land values continue to benefit from overflow demand from the Gold Coast and limited availability, pushing sub-5,000sqm lots to \$775/sqm, a 10.7% uplift y/y.
- Prime yields tightened by 3bps in Q1, 13bps lower y/y while secondary yields were down 28bps in the quarter, 70bps sharper y/y. The significant sale was Stockland's Industrial estate at 14 Dixon St, Yatala, purchased by Korda Mentha & PGIM Real Estate for \$102.50 million at a CMY of 6.35%.

South East Rents
\$/sqm net face



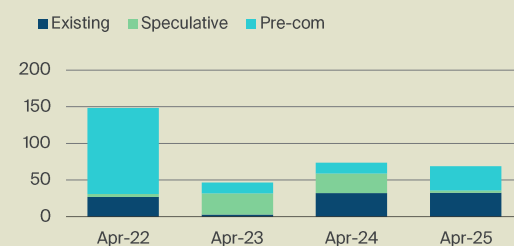
Source: Knight Frank Research

South East Land Values
\$/sqm site



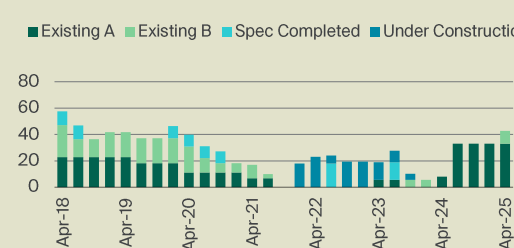
Source: Knight Frank Research

South East Leasing Take-up
'000sqm by type, RTM



Source: Knight Frank Research

South East Vacancy
'000sqm available space



Source: Knight Frank Research

Trade Coast

Scarcity of available land continues to put upward pressure on land values for small lots

193k
Sqm RTM leasing take-up, down 23% y/y

165k
Vacancy rose 45% in Q1.

12%
Y/Y prime face rental growth to \$202/sqm net.

206k
Sqm new supply forecast for 2025; up 36% from 2024

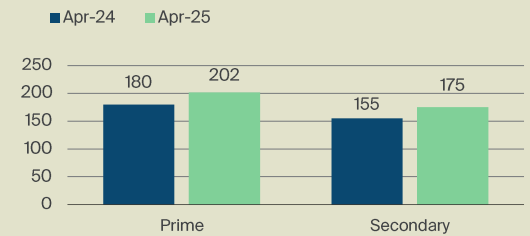
9.5%
Prime incentives stable q/q

5.9%
Prime yield down 4bps in Q1, down 17 bps y/y

KEY TRENDS

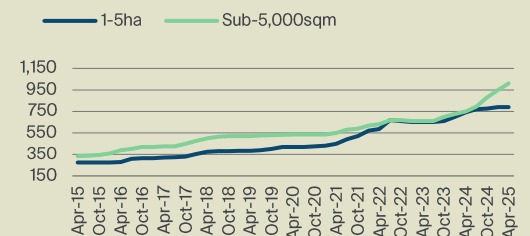
- Vacancy rose 45% in Q1 to 165,948 sqm. This uplift was mostly due to new development, with 60% of this new vacancy backfill space and 31% made up of new speculative projects. Total prime vacancy in Q1 was 68,329 sqm, with secondary space making up 97,619 sqm.
- Take up was 60,628sqm in Q1, up 75% q/q. 31,378sqm of quarterly take up was existing space, with a further 21,815sqm made up of speculative developments. Pre-commitments were limited in Q1, with United Rentals signing up for 7,435sqm over a 15-year term at 461 Main Myrtletown Rd, Brisbane Airport.
- Prime net rents increased modestly by 1% to \$202/sqm in Q1 and are up 12.2% y/y. Secondary rents also lifted slightly, up 2% q/q to \$175/sqm, 13% higher y/y.
- Land value growth remains significant due to scarcity of freehold undeveloped land with smaller lots now at \$1,010/sqm, up 34.7% y/y and 1-5ha sites stable at \$790/sqm, up 6.4% y/y.
- Prime yields are down 4bps in Q1, to 5.88%, with secondary tightening by 16bps q/q due to underlying land value.

TradeCoast Rents
\$/sqm net face



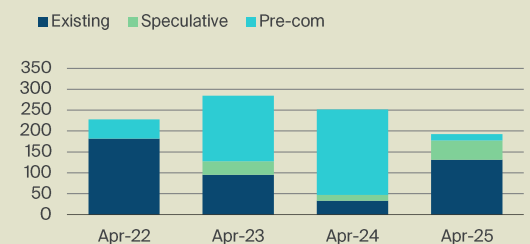
Source: Knight Frank Research

TradeCoast Land Values
\$/sqm site



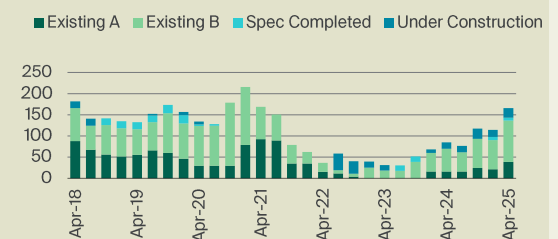
Source: Knight Frank Research

TradeCoast Leasing Take-up
'000sqm by type, RTM



Source: Knight Frank Research

Trade Coast Vacancy
'000sqm available space by type



Source: Knight Frank Research

North & Greater North

High levels of development cause uplift in vacancy in the northern precincts

92k

Sqm RTM leasing take-up, up significantly y/y

6.9%

Y/Y prime face rental growth to \$170/sqm net

12%

Incentives stable in Q1; down 50 bps y/y

99k

Vacancy more than doubled q/q, up 27% y/y.

64k

Sqm new supply forecast for 2025; up 54% y/y

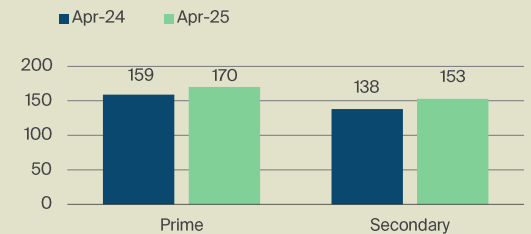
6.1%

Prime yield stable in Q1; down 23bps y/y

KEY TRENDS

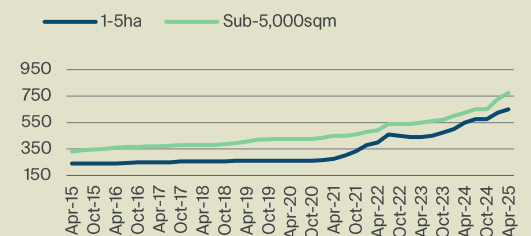
- Vacancy in the northern precincts increased significantly over the quarter with 54,607 sqm coming available to start the year, taking total vacancy to 99,761 sqm, more than half of this from speculative developments. The Northern vacancy rate now sits at 5.8%.
- Annual leasing take-up rose significantly to 92,071sqm. A recent example includes Knauf who have taken 8,374sqm of speculative warehouse at 22 Ellison Rd, Geebung at a net rent of \$210/sqm.
- Prime net rents increased slightly in Q1 to \$170/sqm; up 6.9% y/y while secondary rents are sitting at \$153/sqm, up 10.9% y/y.
- Land value appreciation remains strong in the northern precincts with lots under 5,000sqm up 24% y/y at \$775/sqm and 1-5ha lots average \$650/sqm, up by 18.2% over the year.
- Prime yields were stable in Q1, down by 23bps y/y, to 6.1%. Arrow Capital Partners sold Lot 1, 165 South Pine Brendale, a 5,678sqm warehouse on a 1.9ha site to a private owner occupier for \$19.2 million reflecting a CMY of 6.02%.

North & Greater North Rents
\$/sqm net face



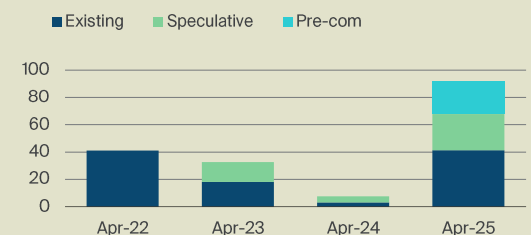
Source: Knight Frank Research

North & Greater North Land Values
\$/sqm site



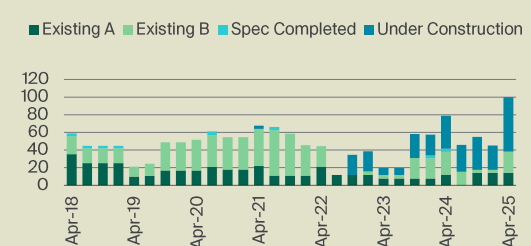
Source: Knight Frank Research

North Leasing Take-up
'000sqm by type, RTM



Source: Knight Frank Research

North & Greater North Vacancy
'000sqm available space by type



Source: Knight Frank Research

Data Digest

Prime Grade: Asset with modern design, good condition & utility with an office component 10-30%. Located in an established industrial precinct with good access.

Secondary Grade: Asset with an older design, in reasonable/poor condition, inferior to prime stock, with an office component between 10-20%.

Take-up: For the purposes of this vacancy report take-up represents only the absorption of existing assets or speculative developments, it excludes pre-commitments or D&C agreements.

Vacancy Methodology:

This analysis collects and tabulates data detailing vacancies (3,000m²+) within industrial properties across all of the Brisbane Industrial Property Market. The buildings are categorised into 1) Existing Buildings – existing buildings for lease. 2) Speculative Buildings – buildings for lease which have been speculatively constructed and although have reached practical completion, still remain vacant. 3) Spec. Under Construction – buildings for lease which are being speculatively constructed and will be available for occupation within 12 months.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



Research & Consulting
Jennelle Wilson
+61 7 3246 8830
Jennelle.Wilson@au.knightfrank.com



Industrial Logistics
Mark Clifford
+61 7 3246 8888
Mark.Clifford@au.knightfrank.com



Research & Consulting
Wade Leofa
+61 7 3516 8816
Wade.leofa@au.knightfrank.com



Valuations
Tom Hadfield
+61 7 31936822
Tom.Hadfield@qld.knightfrankval.com.au



Research & Consulting
Ben Burston
+61 2 9036 6756
Ben.Burston@au.knightfrank.com



Industrial Investments, QLD
Elliot Ryan
+61 7 3246 8828
elliott.ryan@au.knightfrank.com

Recent Research



Brisbane CBD State of the Market April 2025



Australian Industrial Review Q4 2024



Brisbane PCA Office Statistics February 2025



Queensland Population Growth update March 2025



Australian Horizon Report 2025



The Wealth Report 2025