

Brisbane Industrial Precincts



Q2 2025

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

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Investment

Industrial turnover higher in Q2, with tightening yields reflecting renewed investor confidence.

5.65%

Super prime yields down 5bps in Q2; -10bps y/y

6.03%

Prime yield; down 6bps q/q; -18bps y/y

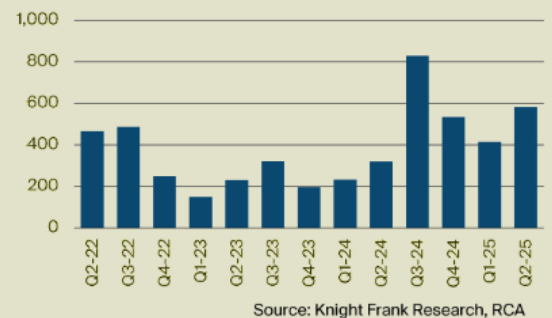
6.62%

Secondary yield; down 12bps q/q; -72bps y/y

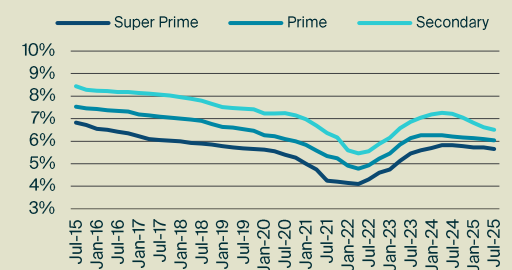
KEY TRENDS

- Industrial turnover of \$581 million (sales \$10m+) was recorded in Q2, surpassing levels last seen in Q4-24 due to strong activity from both private and institutional investors.
- The largest deal of the quarter was ESR's divestment of its super prime Wacol Logistics Hub, acquired by JD.com for approximately \$240 million at a core market yield of 5.60%. The transaction helped benchmark yield compression at the top end of the market.
- Prime yields fell modestly in Q2, supported by stronger buyer activity, recent rate cuts, and expectations of further easing—bringing the current average to 6.03%.
- Secondary yields continued to fall in Q2, now 72bps tighter than a year ago, supported by underlying land values and steady demand from private investors.

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



Brisbane Industrial Yields
% core market yield



Precinct	Property	Price \$M	Size sqm	\$/sqm	Site sqm	Purchaser	Vendor	Core Market Yield %	WALE
South West	3746 Ipswich Rd, Wacol	c250.00	99,291	2,417	182,100	JD.com	ESR	5.60%	6.5
South East	76 Quinns Hill Rd East	40.00	14,812	2,701	41,200	Growthpoint Properties	Centuria	6.25%	6.7
Trade Coast	282 Paringa Rd, Murarrie*	194.00	-	334 on site	58ha	Goodman Group	Dyno Nobel	Land sale	-
South East	90 Quinns Hill Rd, Stapylton	48.75	16,556	2,945	47,300	Private Investor	Stapylton Developments	5.94%	7.0

* Sold with a leaseback while the site is being cleared and remediated

Vacancy & Tenant Demand

Vacancy declined but remains above average, driven by elevated speculative stock.

5.1%
Total vacancy rate Q2-25, down 16bps q/q and 88bps higher y/y

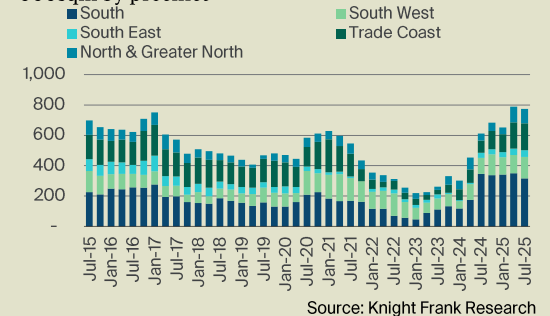
45%
Of current availability is speculative development

737k
Sqm RTM leasing take-up at Q2-25, 16% lower y/y

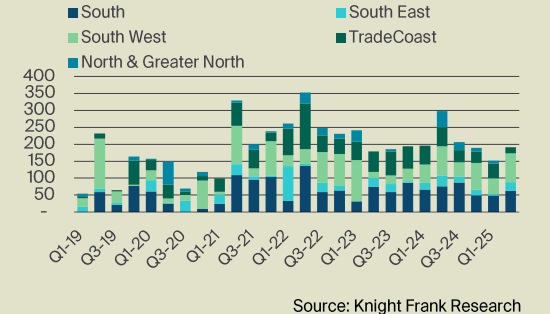
KEY TRENDS

- In Q2-2025, vacancy fell by 13,959sqm to 773,899sqm, representing a vacancy rate of 5.1%, down from 5.2% in Q1-25 and above the five and ten-year averages by 160bps and 97bps respectively.
- Vacancy is largely made up of prime stock, with a precinct wide prime vacancy rate of 6.8%. While existing prime vacancy is a relatively tight 1.8%, prime speculative development has a 4.9% vacancy (made up of 2.9% of completed spec space and 2.0% under construction). Secondary vacancy saw slight elevation to 3.6% in Q2.
- Leasing activity rose across the precincts in Q2, supported by several large pre-commitments – most notably Goodman Group's 77,100 sqm pre-lease with Officeworks at Redbank, as well as an 18,550sqm pre-commitment by wholesale tenant, Dats, at Charter Hall's Flagstone Logistics Estate.

Brisbane Industrial Vacancy '000sqm by precinct



Brisbane leasing take-up '000sqm by precinct



BRISBANE AVAILABLE SPACE 3,000SQM+ Q2-2025

Precinct	Available Space	Quarter Change	Annual Change
Trade Coast	177,578	+5,793	+97,547
North & Greater Nth	94,329	-8,785	+48 339
South	316,706	-32,752	-28,655
South West	141,268	+20,499	+34,263
South East	44,018	+1,286	+11,018
Total	773,899	-13,959	+162,512

RECENT MAJOR TENANT COMMITMENTS

Tenant	Precinct	Area	Net Rent \$/sqm
Officeworks#	South West	77,100	u/d
Bunnings#	South	40,939	130
Dixie Cummings	South East	25,520	u/d
Toll	South	20,040	150
Dats#	South	18,550	u/d
Tasman KB	South	6,262	200

pre-commitment

South

Vacancy fell in Q2, though the South still holds the highest rate across precincts.

247k

Sqm RTM leasing take-up, down 14% y/y

3.2%

Y/Y prime face rental growth to \$163/sqm net

13%

Prime Incentives stable in Q2; up 300bps y/y

32k

Vacancy fell q/q to 316,706 sqm

246k

Sqm new supply forecast for delivery in 2025

6.1%

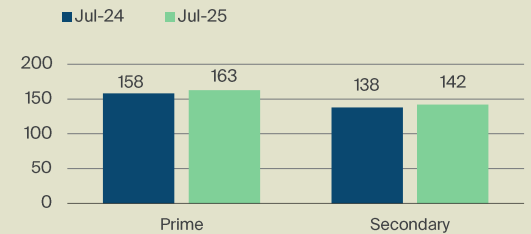
Prime 2bps tighter in Q2; down 17bps y/y

KEY TRENDS

- Vacancy dropped 76 bps in Q2 to a rate of 6.9%, remaining the highest precinct. Prime vacancy edged down but is still high at 12.1% with more than three quarters of this being speculative projects. Existing prime vacancy is tighter, falling to a rate of 2.6%. Secondary vacancy fell 74bps to 3.0%.
- Net face rents rose 1.9% in Q2, bringing annual growth to 3.2% at \$163/sqm for prime. Secondary rents were stable in Q2 at \$142/sqm, 2.9% higher y/y. Incentives remained stable for both grades at 13.5% and 15%, both elevated y/y.
- Land values continued to rise due to limited land availability and strong demand; sites 1-5ha sit at an average of \$642/sqm, up 21% y/y, with smaller sites averaging \$800/sqm, up 27% y/y.
- Leasing activity rose 29% in Q2 to 62,795 sqm, though subdued activity earlier in the year puts RTM take-up 14% lower y/y.
- Prime yields tightened 2 bps in Q2 to 6.08% (down 17 bps y/y), while secondary yields fell 16 bps in the quarter to 6.47%, 83bps lower y/y, supported by underlying land values.

South Rents

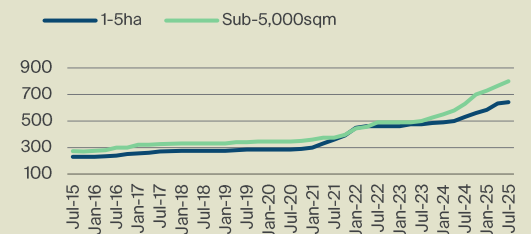
\$/sqm net face



Source: Knight Frank Research

South Land Values

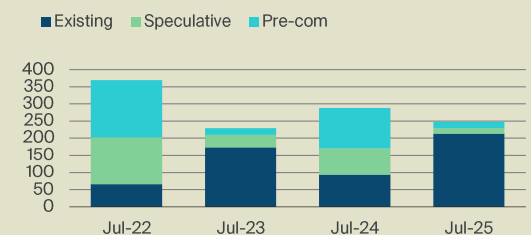
\$/sqm site



Source: Knight Frank Research

South Leasing Take-up

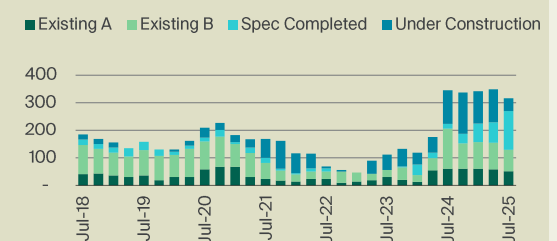
'000sqm by type, RTM



Source: Knight Frank Research

South Vacancy

'000sqm available space by type



Source: Knight Frank Research

South West

Leasing take up was higher in Q2 driven by pre-commitment activity.

252k

Sqm RTM leasing take-up, up 25% y/y

2.5%

Y/Y prime face rental growth to \$164/sqm net

12%

Prime incentives grew 10bps in Q2; up 100bps y/y

20k

Increase in vacancy q/q to 141,268sqm

97k

Sqm new supply forecast for delivery in 2025.

6.1%

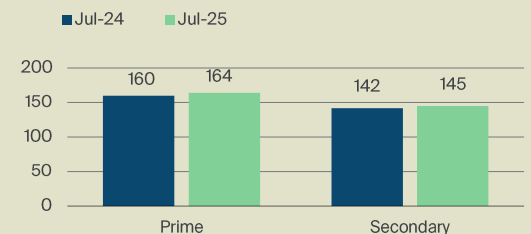
Prime yield 9bps lower in Q2; down 14bps y/y

KEY TRENDS

- Vacancy rose by 20,499 sqm in Q2, lifting to a rate to 4.3%. The largest increase came from existing prime stock, up 102bps to a rate of 1.6%, while speculative vacancy edged up to 3.1%. Secondary vacancy held steady at 3.7%.
- Prime and secondary rents in the South West recorded modest growth in Q2, up 2.5% and 2.1% y/y respectively. Prime incentives rose 10 bps q/q, now on par with secondary incentives, which held steady at 12%.
- Annual RTM leasing take-up rose 25% y/y, driven by strong pre-commitment activity, led by Officeworks' 77,100 sqm at Redbank. Demand for existing secondary space remained solid, contributing 30% of total take-up.
- Land values continued to show growth in the quarter with sub-5,000sqm now 16.7% higher y/y and sites 1-5ha up 18.5% y/y.
- Prime yields tightened 9 bps q/q and 14 bps y/y, while secondary yields fell 36 bps in Q2 and 81 bps y/y, supported by rising land values.

South West Rents

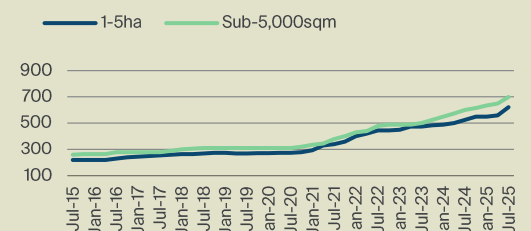
\$/sqm net face



Source: Knight Frank Research

South West Land Values

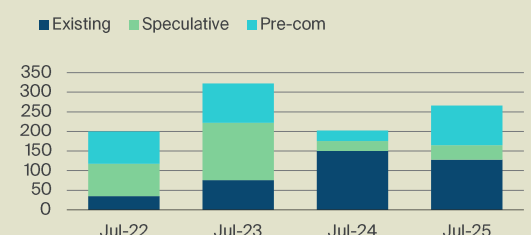
\$/sqm site



Source: Knight Frank Research

South West Leasing Take-up

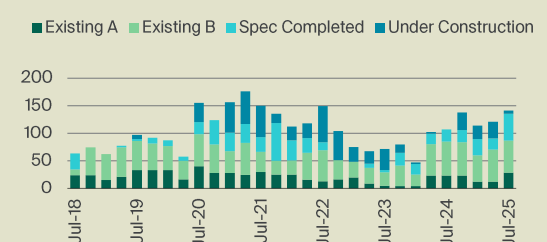
'000sqm by type, RTM



Source: Knight Frank Research

South West Vacancy

'000sqm available space by type



Source: Knight Frank Research

South East

Vacancy edged higher, but South East remains Brisbane's tightest market.

63k

Sqm RTM leasing take-up, down 20% y/y

1.3%

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

11%

Incentives stable in Q2

1.2k

Vacancy up 33% y/y

45k

Sqm of new supply due in 2025

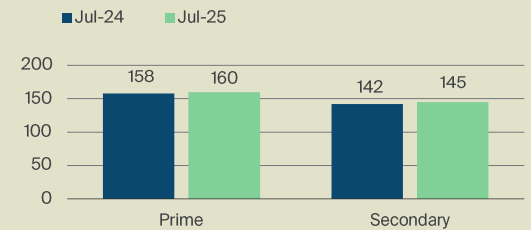
6.1%

Prime yields down 6bps in Q2, 11bps lower y/y

KEY TRENDS

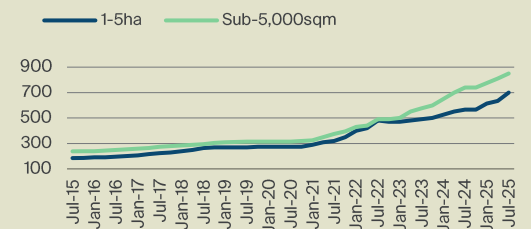
- Vacancy in Brisbane's tightest market increased 7 bps to 2.6% in Q2, mainly due to older stock such as 103 Lahrs Rd and 34 Alloy St coming back to market, pushing secondary vacancy up 157 bps to 2.7%. Meanwhile, prime vacancy tightened 143 bps to 2.4%.
- RTM leasing take-up fell 20% y/y to 63,336 sqm, with most activity focused on prime assets including Goodyear's 25,250 sqm sublease at 2 Fairway Street, Stapylton.
- Prime and secondary net rents were steady at \$160 & \$145/sqm in Q2, with prime rents now 1.3% higher y/y and secondary up 2.1% y/y.
- Strong demand from the Gold Coast and limited supply continue to drive land values, with sub-5,000 sqm lots reaching \$850/sqm (up 15% y/y) and 1-5 ha lots rising to \$700/sqm (up 24% y/y) on average.
- Prime and secondary yields contracted slightly in Q2 to 6.1% and 6.6% respectively. Two significant sales were 90 Quinns Hill Road East, settling for \$48.75m at a CMY of 5.94% and 76 Quinns Hill Road East which sold for \$40m, reflecting a yield of 6.25%.

South East Rents
\$/sqm net face



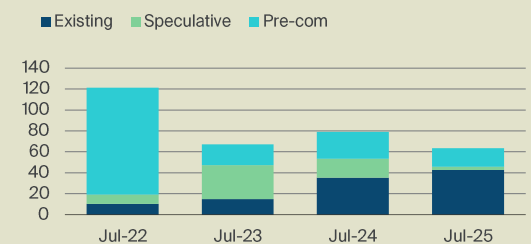
Source: Knight Frank Research

South East Land Values
\$/sqm site



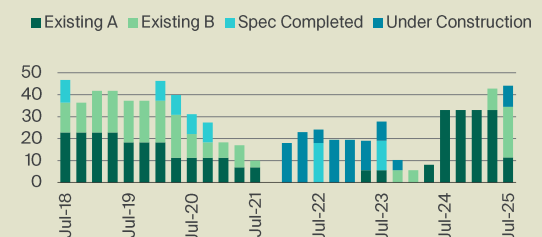
Source: Knight Frank Research

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

131k

Sqm RTM leasing take-up, down 47% y/y

10%

Y/Y prime face rental growth to \$206/sqm net.

10%

Prime incentives stable y/y

178k

Vacancy rose 3% in Q1.

195k

Sqm new supply in 2025; up 28% from 2024

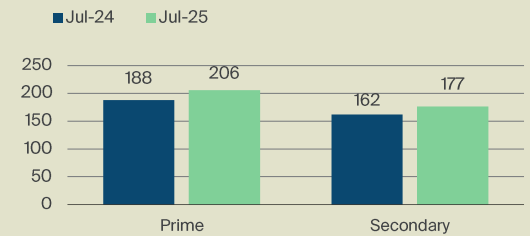
5.9%

Prime yield down 18 bps y/y

KEY TRENDS

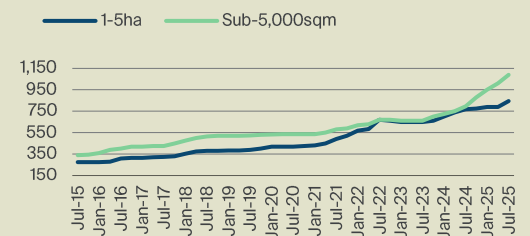
- Vacancy increased by 5,793 sqm in Q2, lifting the vacancy rate to 4.5% (up 23 bps q/q). Prime vacancy sits at 3.7%, with over two-thirds comprising speculative stock. Secondary vacancy also rose, up 25 bps to 5.4%.
- RTM leasing take-up fell 47% y/y, indicating a gradual slowdown. Q2 activity focused on existing stock, including 3,300 sqm at 35 Alexandra Place and 4,487 sqm at 3A/400 Nudgee Road, Hendra.
- Prime rents grew 2% in Q2 to \$206/sqm net, while secondary rents rose 1% to \$177/sqm. Both sitting respectively 9.6% and 9.5% higher annually. Incentives edged up by 50 bps for both prime and secondary assets, as tenants seek greater value amid rising face rents.
- Land values continued to rise, with smaller lots up 37.1% y/y to \$1,090/sqm, and 1–5 ha sites up 9.7% y/y to \$845/sqm. Notably, Goodman Group acquired Gibson Island from Dyno Nobel for \$194 million (\$334/sqm on raw land), sold as a future development site.
- Prime yields held at 5.88% in Q2 (down 13 bps y/y); secondary yields tightened 5 bps to 6.53% (down 54 bps y/y).

TradeCoast Rents
\$/sqm net face



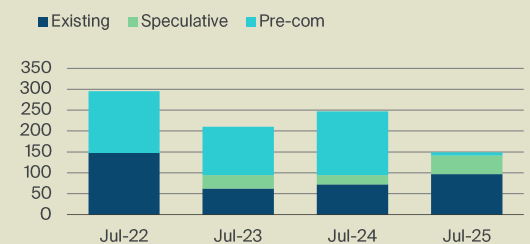
Source: Knight Frank Research

TradeCoast Land Values
\$/sqm site



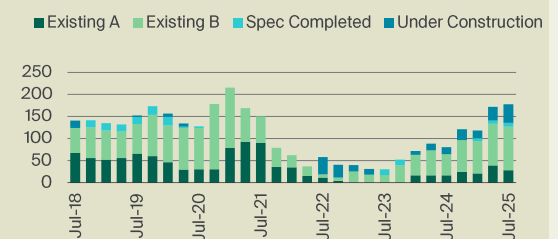
Source: Knight Frank Research

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

Vacancy remains elevated due to high levels of new speculative supply in H1-25

42k

Sqm RTM leasing take-up, down 25% y/y

8.6%

Y/Y prime face rental growth to \$176/sqm net

12%

Incentives stable in Q2; up 150 bps y/y

94k

Vacancy down 9% q/q, more than doubled y/y

75k

Sqm new supply forecast for 2025; up 81% y/y

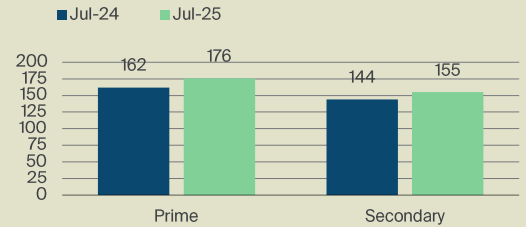
6.0%

Prime yield down 15bps in Q2; 35bps lower y/y

KEY TRENDS

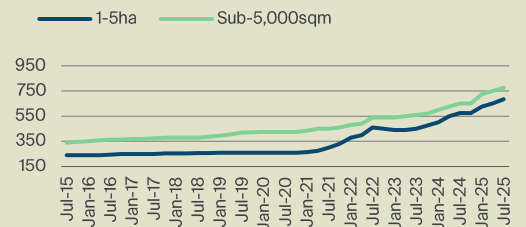
- The vacancy rate in the northern precincts fell slightly in Q2, falling 77bps to 5.2%, still above long term averages. Vacancy is primarily made up of speculative space which make up more than half of total vacancy in the North. Existing prime and secondary vacancy are tight, each sitting at a rate of 2.6% respectively.
- RTM leasing take up fell 25% y/y in Q2 amid subdued activity, with most transactions involving smaller deals under 3,000 sqm.
- Net face rents rose slightly in Q2 to \$176/sqm for prime, up 8.6% y/y, while secondary rents reached \$155/sqm, up 7.6% y/y. Incentives remained stable, averaging 12.5% for prime and 10% for secondary.
- Land value appreciation remains strong in the northern precincts with lots under 5,000sqm up 19.2% y/y at \$775/sqm and 1-5ha lots averaging \$685/sqm, up by 19.1% over the year.
- Prime yields tightened in Q2, falling 35 bps over the year to 5.95%, while secondary yields held steady for the quarter but remain 75 bps sharper y/y.

North & Greater North Rents \$/sqm net face



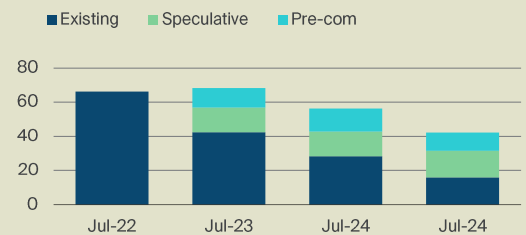
Source: Knight Frank Research

North & Greater North Land Values \$/sqm site



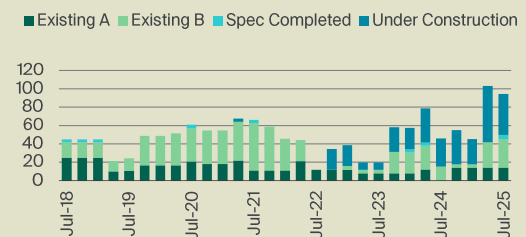
Source: Knight Frank Research

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.



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