Perth CBD Office State of the Market

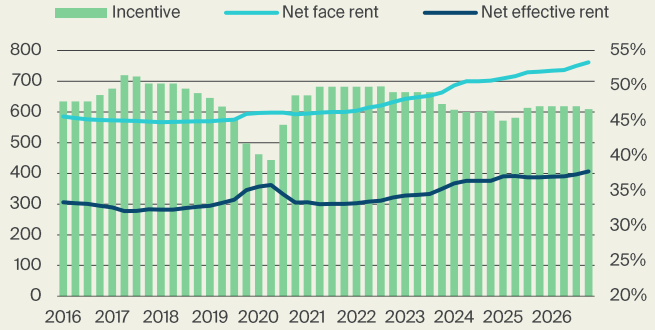
Prime vacancy tightens as rents continue to rise

Q3 2026

- Prime net face rents in Perth's CBD average $761/sqm, up 1.6% q/q and 4.2% y/y.
- Prime incentives eased slightly to 46.6%, lifting net effective rents 2.4% q/q to $406/sqm.
- Prime vacancy fell to 13.7% in July 2026 (from 15.6%), with total CBD vacancy at 15.4%.
- Development remains limited to only 15 The Esplanade (54,000 sqm) to be delivered in H2 2030.
- Prime CBD office yields edged out 3 bps to average 7.93%, up 35 bps over the year.
- After a flurry of investment deals in H1, Q3 was quiet; year-to-date volumes remain at $161.2 million

Face rents rise and incentives ease

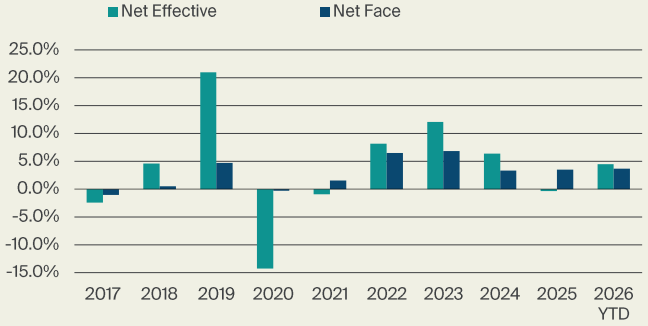
Net face/effective rent $/sqm (LHS), and incentive % (RHS)



Source: Knight Frank Research

Net face and effective rents rise

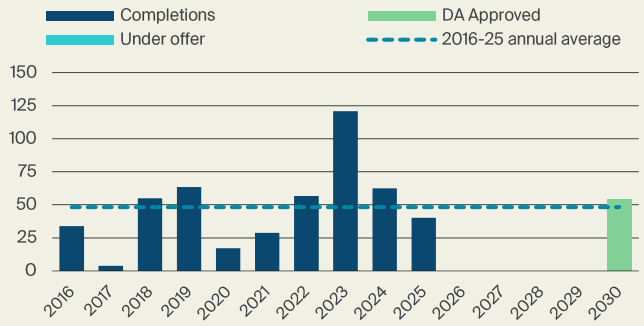
Net face and effective rent annual growth %



Source: Knight Frank Research

No new CBD supply expected until 2030

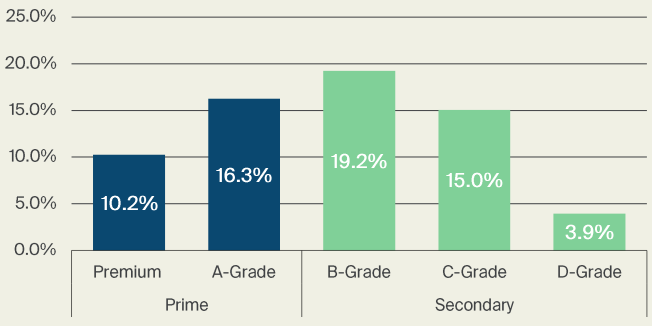
By development stage, 000's sqm



Source: Knight Frank Research

Prime grade vacancy falling

By grade, %



Source: Knight Frank Research, PCA

Perth CBD Office Market Indicators – Q3 2026

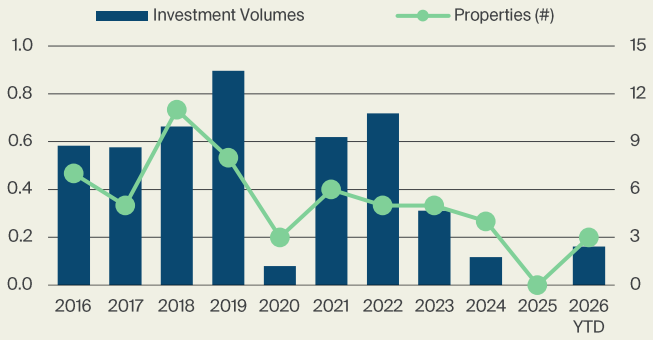
	Net face rent ($/sqm)	Qtr change (%)	Annual change (%)	Net effective rent ($/sqm)	Net incentive (%)	Qtr change (%)	Annual change (%)	Core market yield (%) #	Vacancy rate (%) *	Stock (sqm) *
Prime	761	1.6	4.2	406	46.6	2.4	5.0	7.93	13.7	1,195,854
Secondary	473	0.0	0.0	236	50.0	0.0	0.0	8.95	18.4	647,994

#Assuming WALE 5 years ** As of July 2026*

Source: Knight Frank Research

2026 volumes pass 2025 & 2024 levels

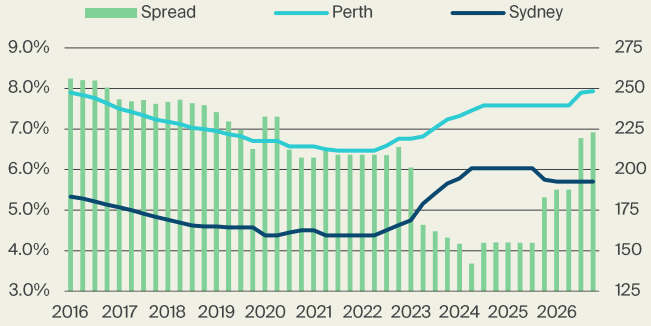
Volumes AUD$b (LHS), and # transactions (RHS); sales >$6 million



Source: Knight Frank Research, MSCI

Perth-Sydney yield spread widens to 223 bps

By capital city % (LHS), and spread in bps (RHS)



Source: Knight Frank Research

Recent Significant Sales

Property	Price ($m)	NLA (sqm)	Cap Value ($/sqm)	Type	Yield (%)	WALE (years)	Purchaser	Vendor	Sale date
1 Nash Street	79.4	12,362	6,422	Investment	8.3	5.5	Castlerock	CorVal	May-26
KS3, 10 Telethon Avenue	72.3	9,185	7,872	Owner Occupier	^	^	EC University	Dexus	May-26
178 St Georges Terrace	9.5	3,207	2,962	Conversion	#	#	SKS Group	Private	Jan-26
66 St Georges Terrace	75.0	11,254	6,664	Investment	8.2	3.3	Oceania Capital	RF CorVal	Oct-24

^ Owner occupier acquisition *# Sold to be converted*

Source: Knight Frank Research, MSCI

New supply

Address	Developer	Committed (%)	NLA (sqm)	Status	Due Date
15 The Esplanade	BGRE	100.0%*	54,000	DA Approved	2030
Lot 4 Elizabeth Quay	AAIG	-	60,000	Planning	2032

**Rio Tinto has recently committed to all 53,158sqm for 15 years with construction to start in December 2026*

Source: Knight Frank Research

Economic Indicators

	2023	2024	2025	2026 (f)	2027 (f)	2028 (f)	2029 (f)
Western Australia							
Annual GSP Growth (%)	1.9	1.3	1.9	1.1	1.4	1.4	1.7
Annual Population Growth (%)	3.4	2.9	2.2	2.0	1.5	1.3	1.4
Unemployment Rate (%)	3.7	3.7	4.0	4.2	4.7	4.6	4.2
Australia							
CPI Inflation (%)	3.9	3.6	3.4	3.4	3.2	2.5	2.3
Cash Rate (%)	4.3	4.3	3.6	4.6	4.9	3.9	3.4
10-year Government Bond Yield (%)	4.0	4.5	4.8	5.4	5.3	4.8	4.3

Source: Knight Frank Research, Oxford Economics



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