

2023 OFFICE MARKET REPORT

JAN



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Property Council Research

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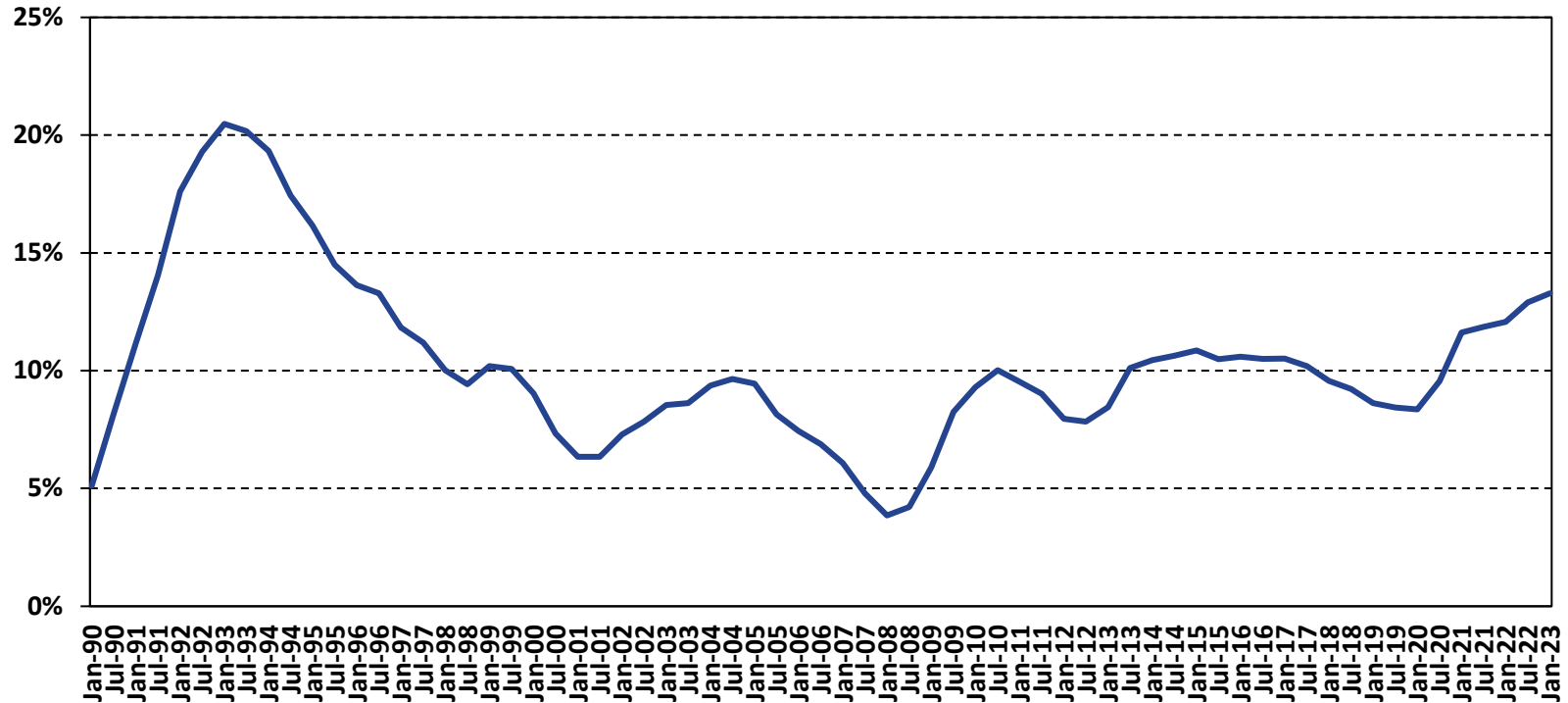
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PROSPERITY | JOBS | STRONG COMMUNITIES

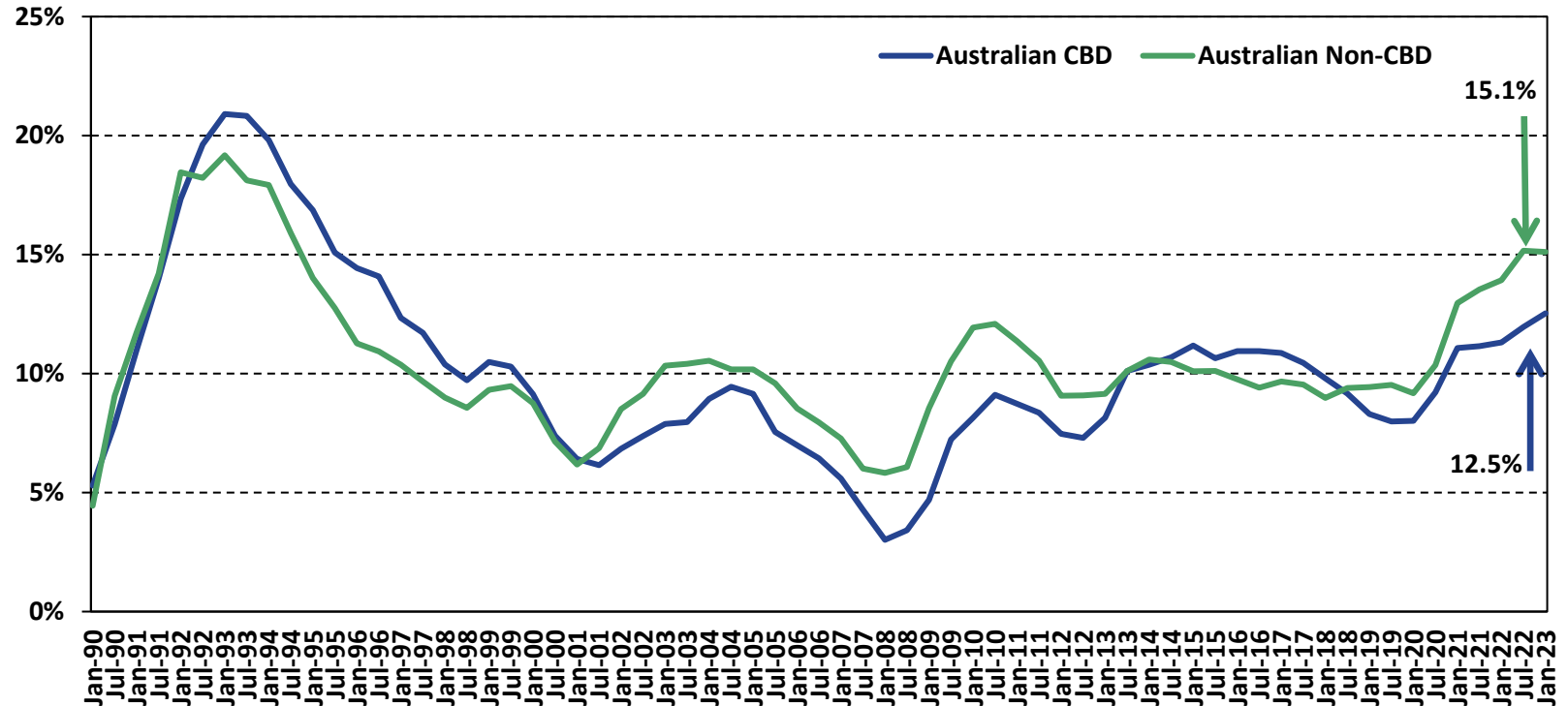

PROPERTY
COUNCIL
of Australia

Australian Vacancy: 1990 – 2023



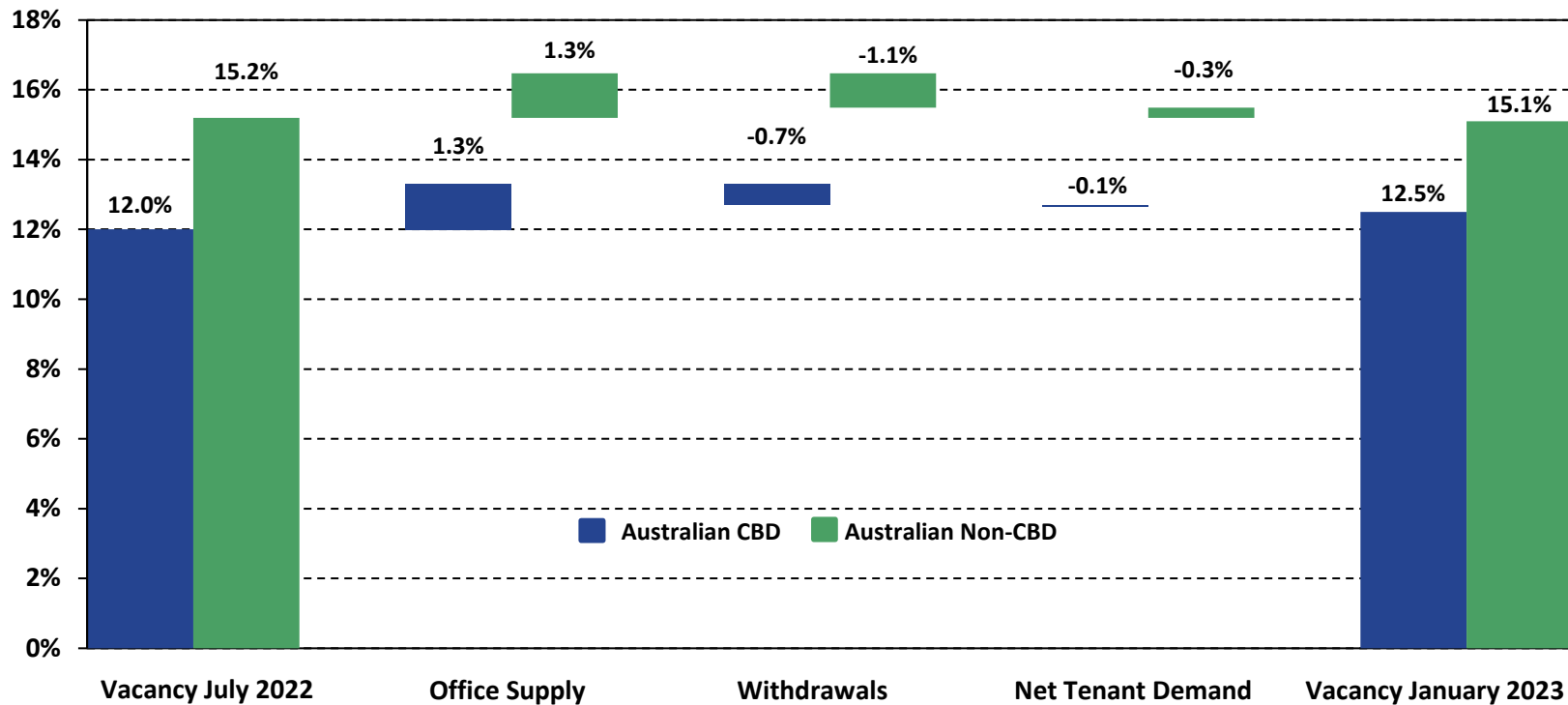
Australian office vacancy increased slightly from 12.9% to 13.3% over the six months to January 2023

Australian CBD v Non-CBD Vacancy: 1990 – 2023



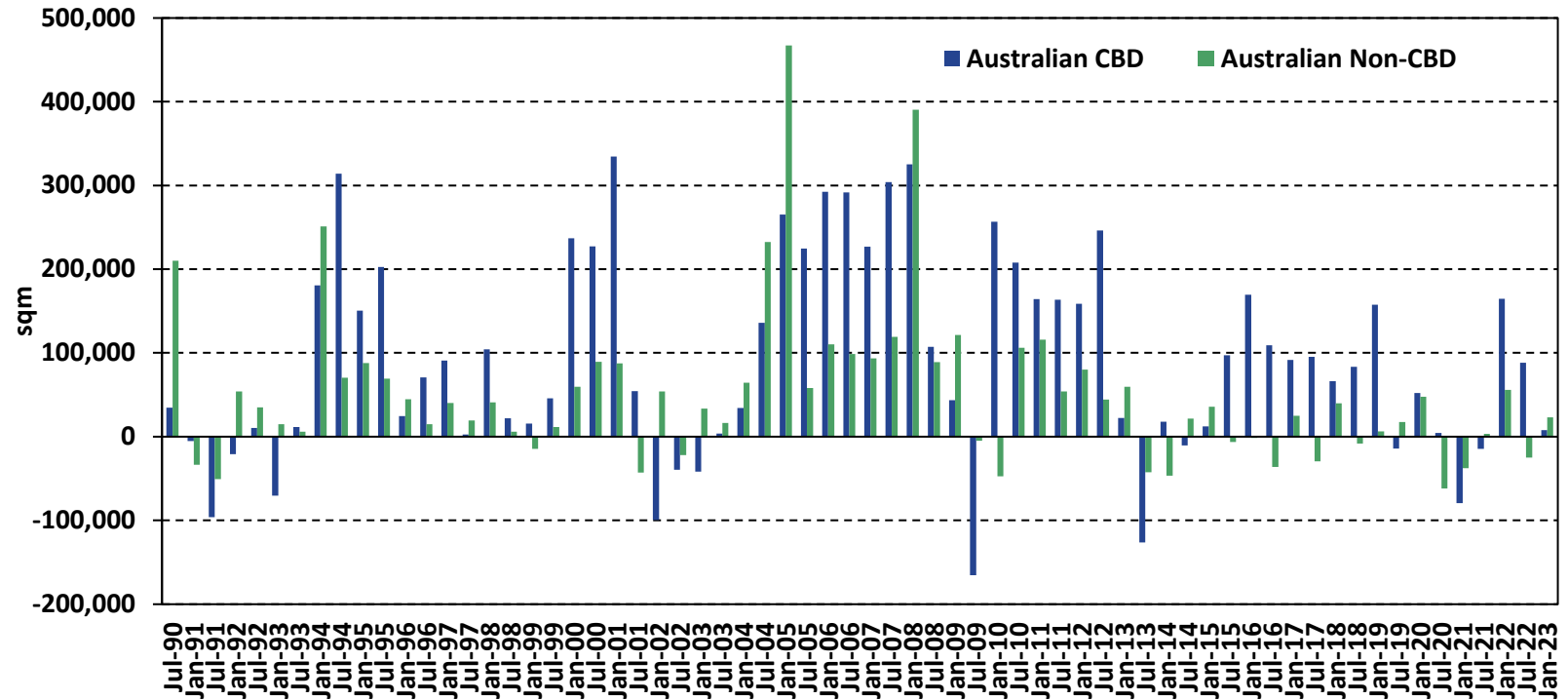
Australian CBD vacancy increased while the Non-CBD vacancy slightly decreased

Net Australian CBD and Non-CBD Vacancy Attribution – Six Months to January 2023



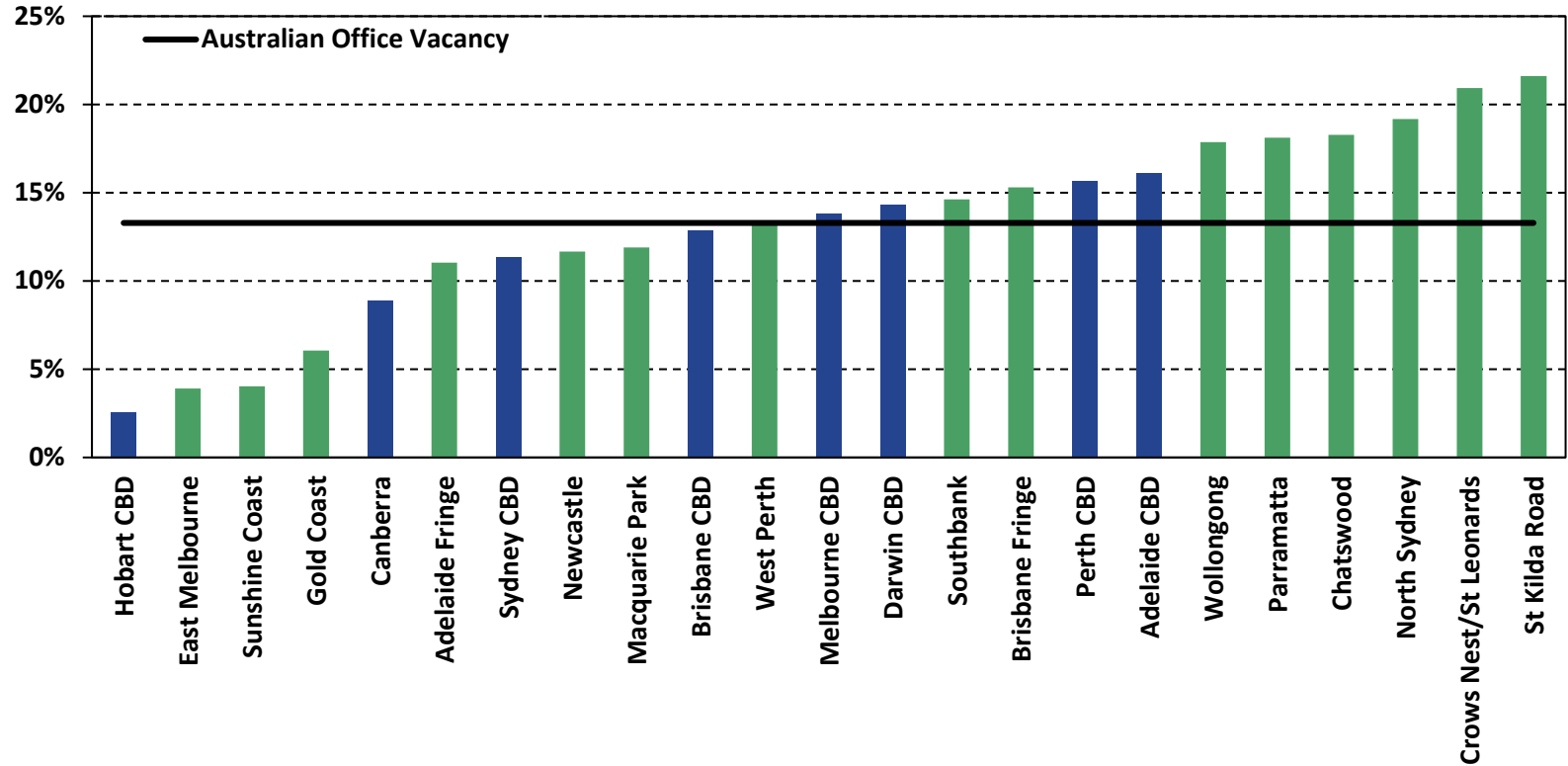
Supply additions were the main contributor to increased vacancy in the Australian CBD market

Australian CBD v Non-CBD Six Monthly Net Absorption: 1990-2023



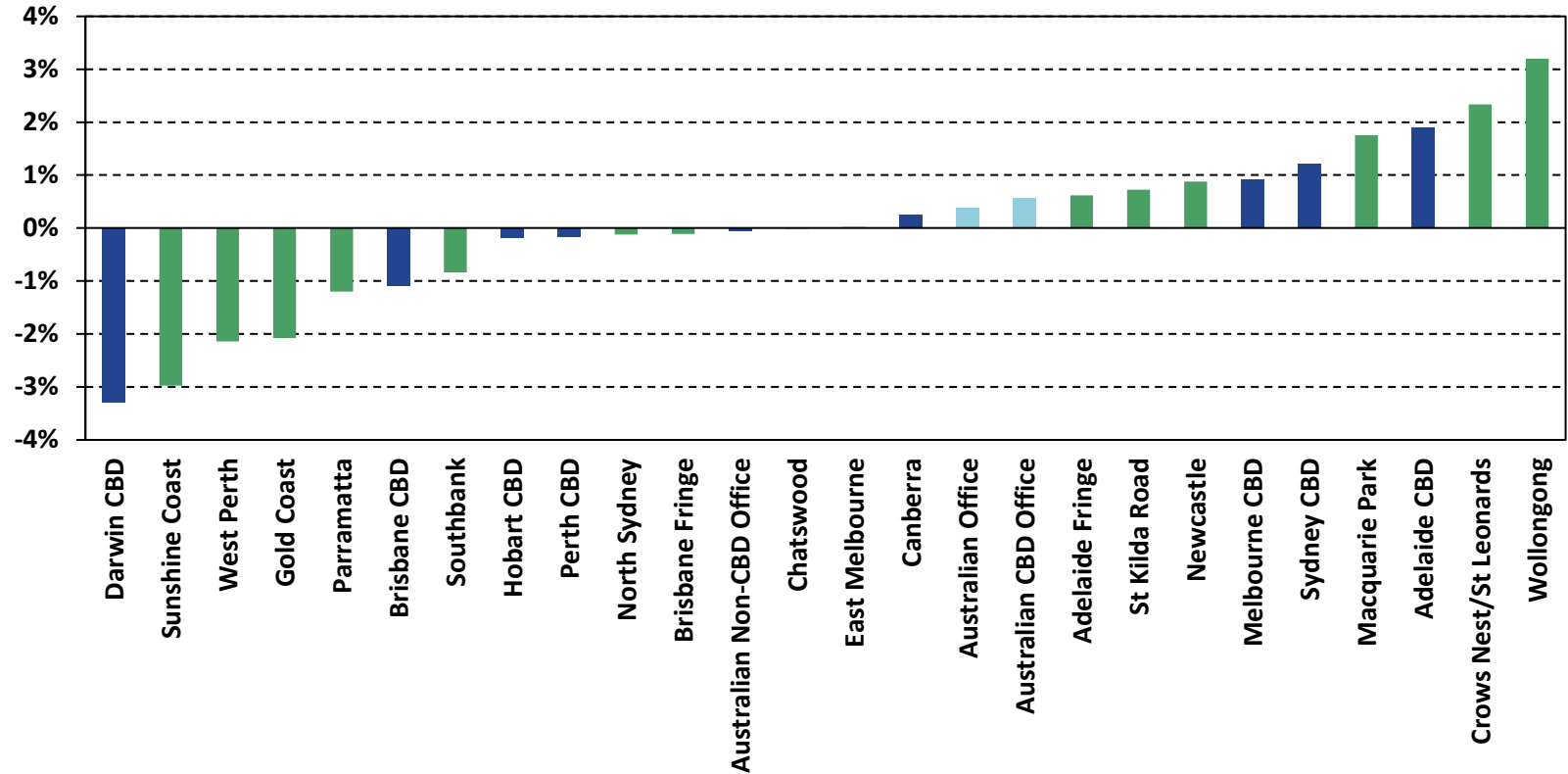
Both the Australian CBD and Non-CBD markets recorded slightly positive demand

CBD & Non-CBD Vacancy Rates – January 2023



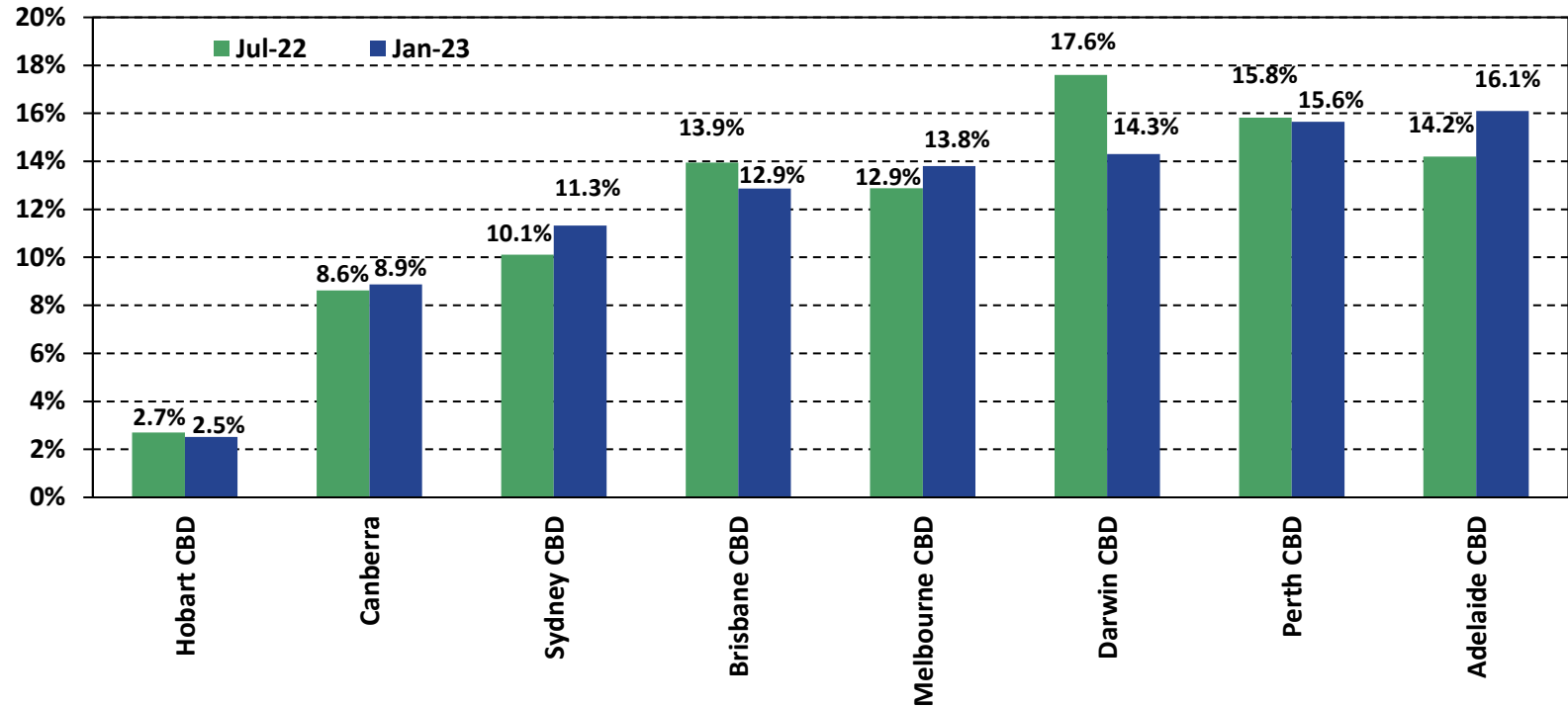
Only two CBD markets recorded vacancy below 10 percent

Vacancy Change – Six Months to January 2023



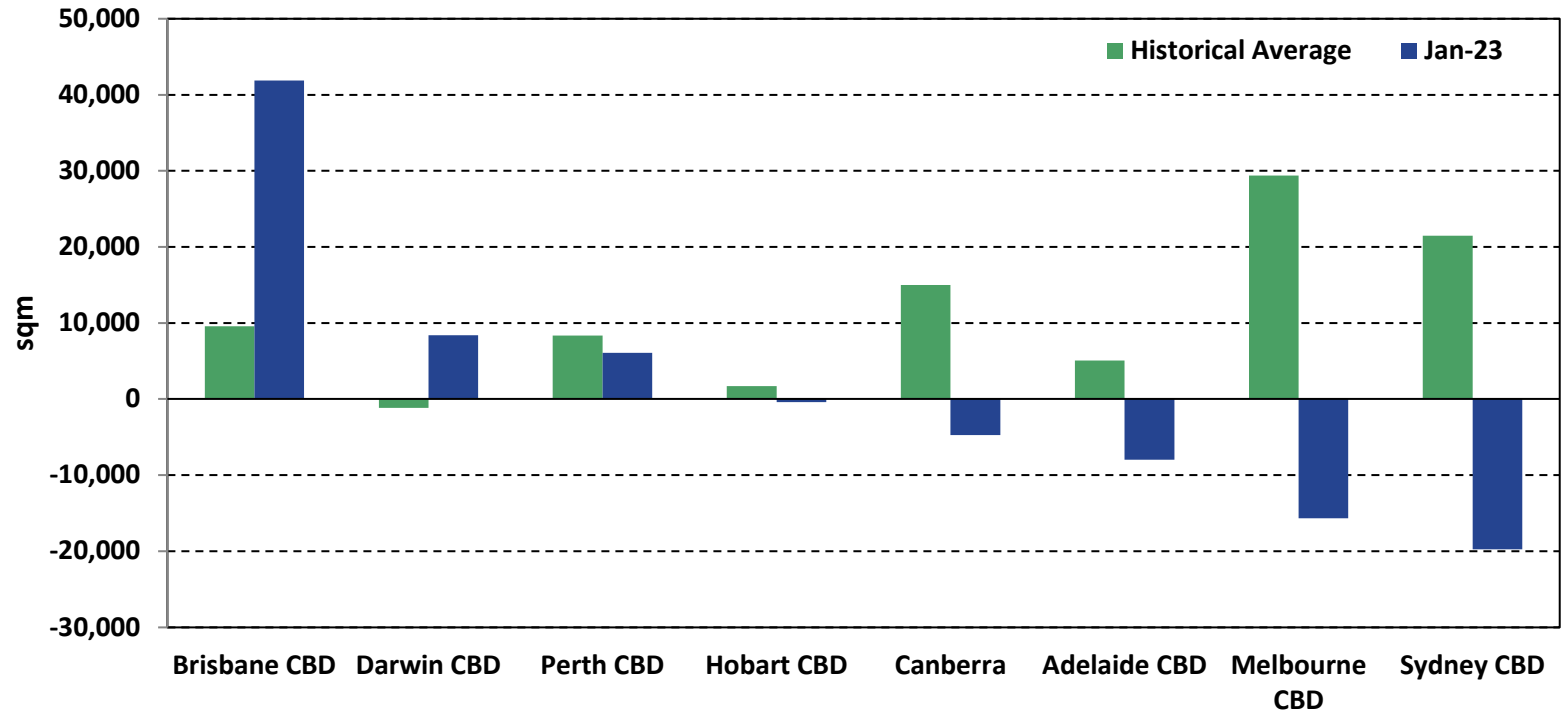
Four out of the five largest vacancy increases were in NSW

CBD Vacancy Change – Six Months to January 2023



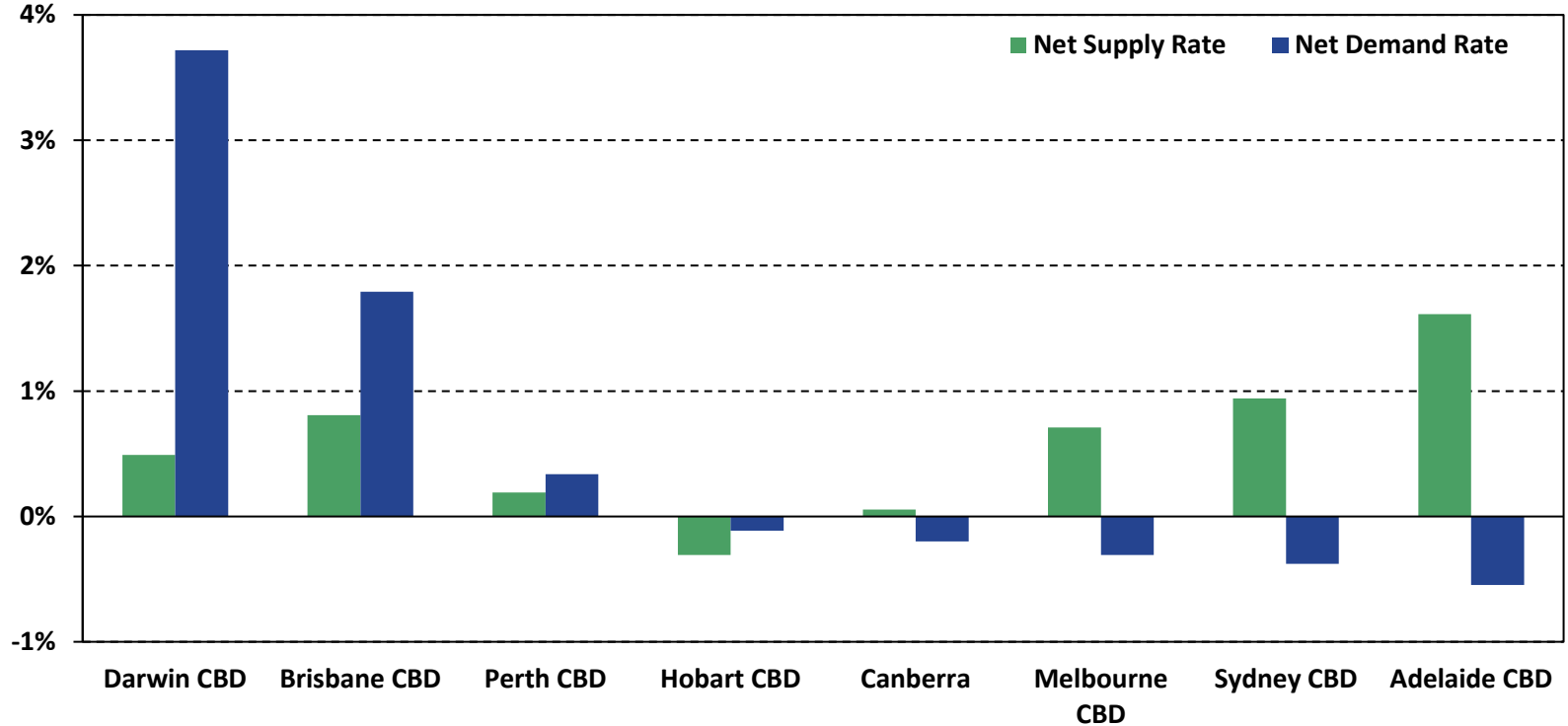
Half the CBD markets recorded vacancy increases including Adelaide, which now has the highest vacancy rate

Net CBD Demand – Six Months to January 2023



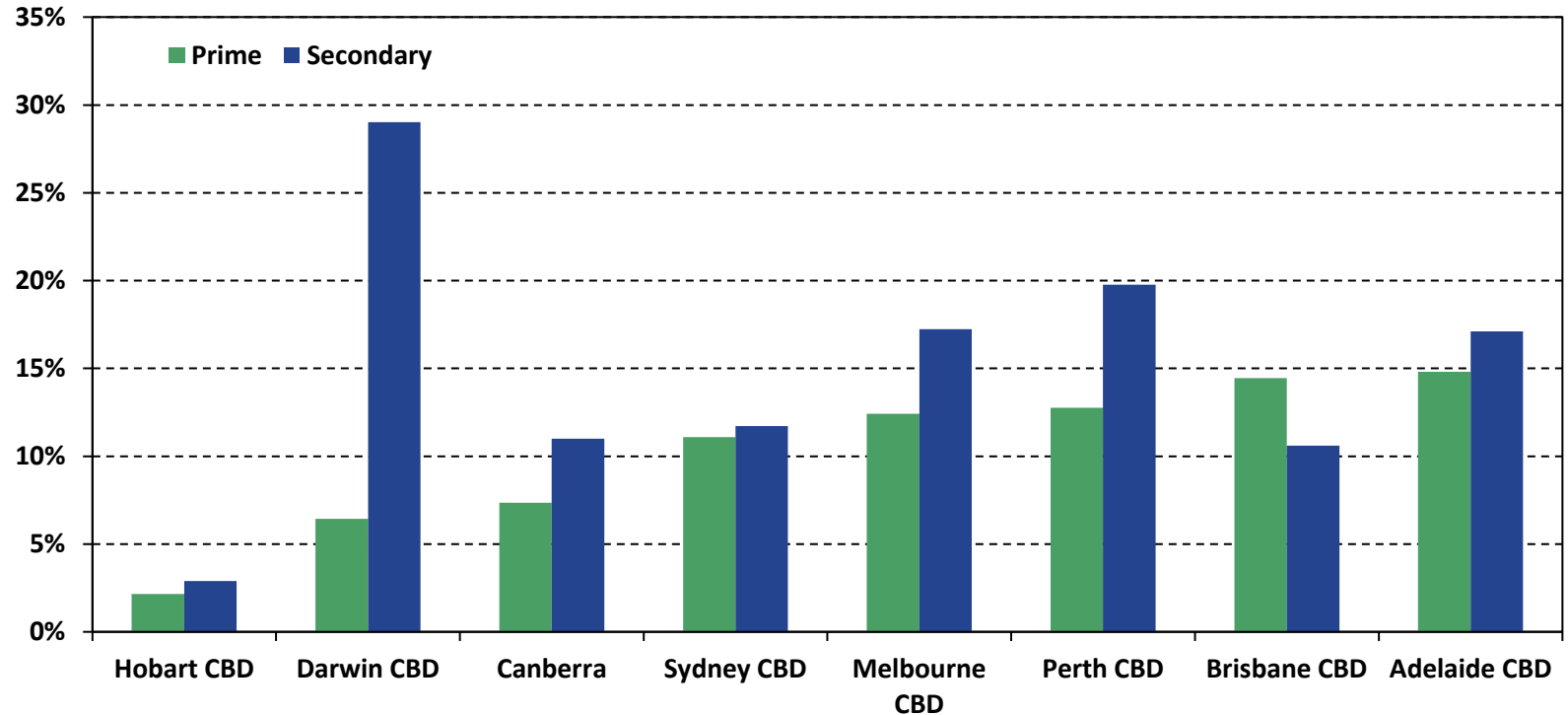
Brisbane and Darwin were the only capital cities to record demand higher than their historical average

CBD Net Supply & Net Demand (% of stock) – Six Months to January 2023



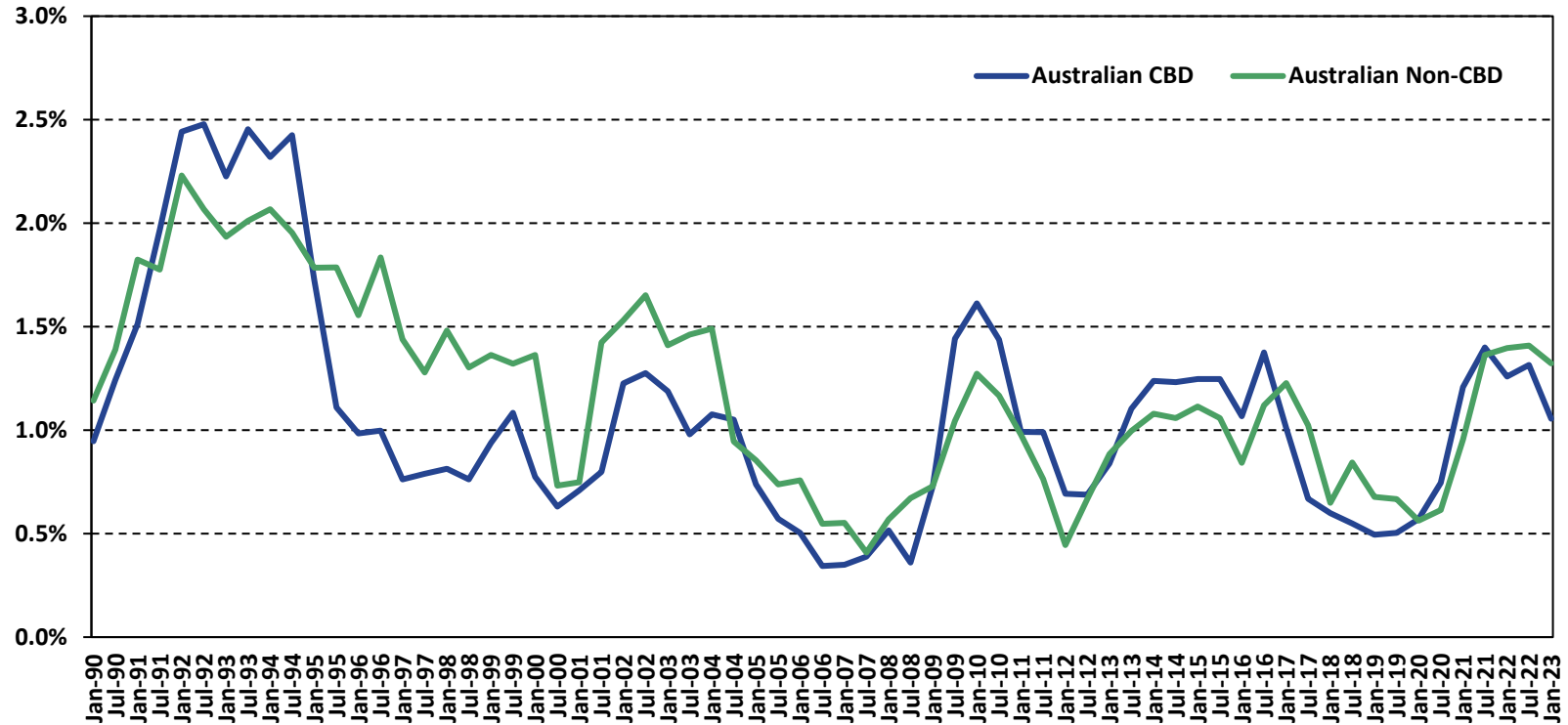
Demand significantly outstripped supply in Darwin and Brisbane CBD

CBD Vacancy Rate – Prime vs Secondary – January 2023



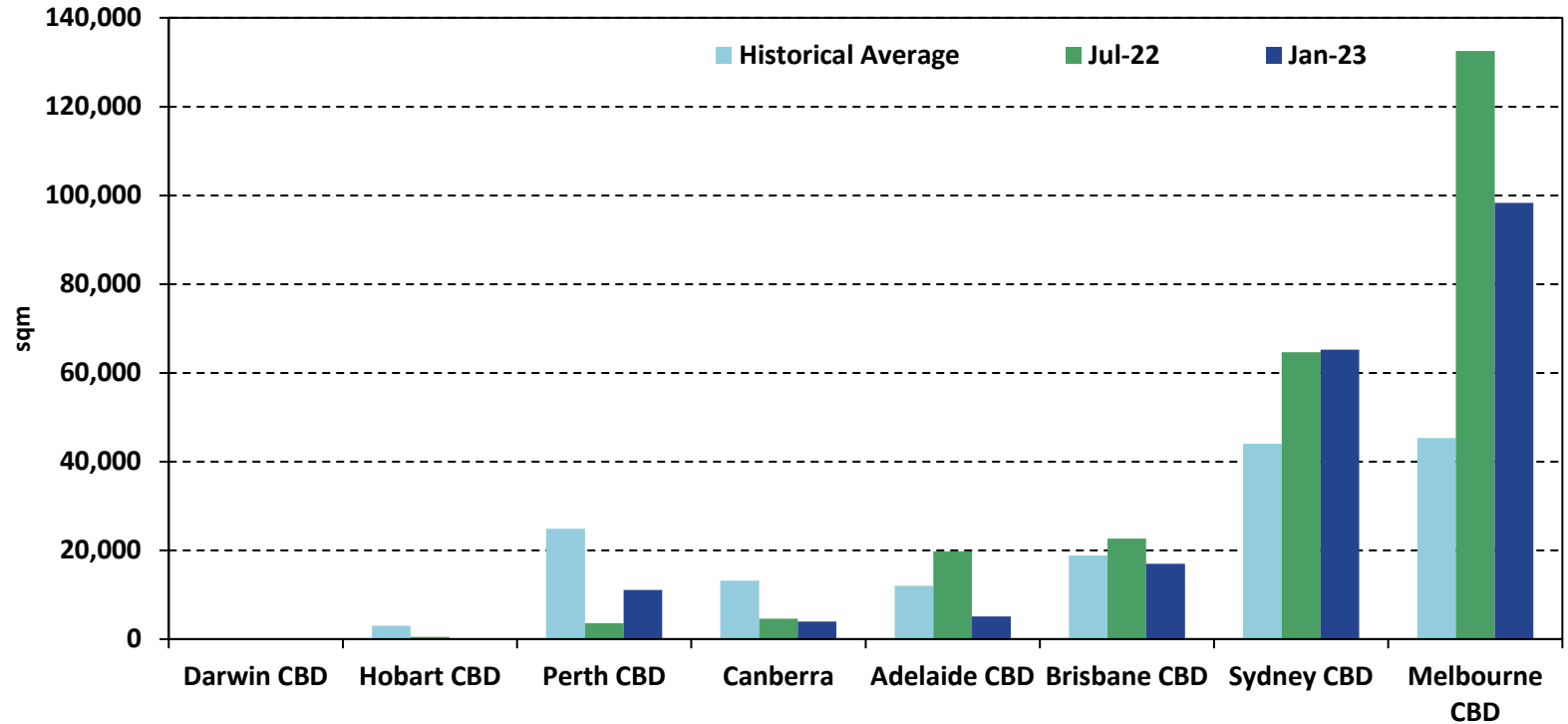
Secondary stock recorded higher vacancy over prime stock in all capital cities with the exception of Brisbane CBD

Australian CBD v Non-CBD Sublease Vacancy: January 1990 - January 2023



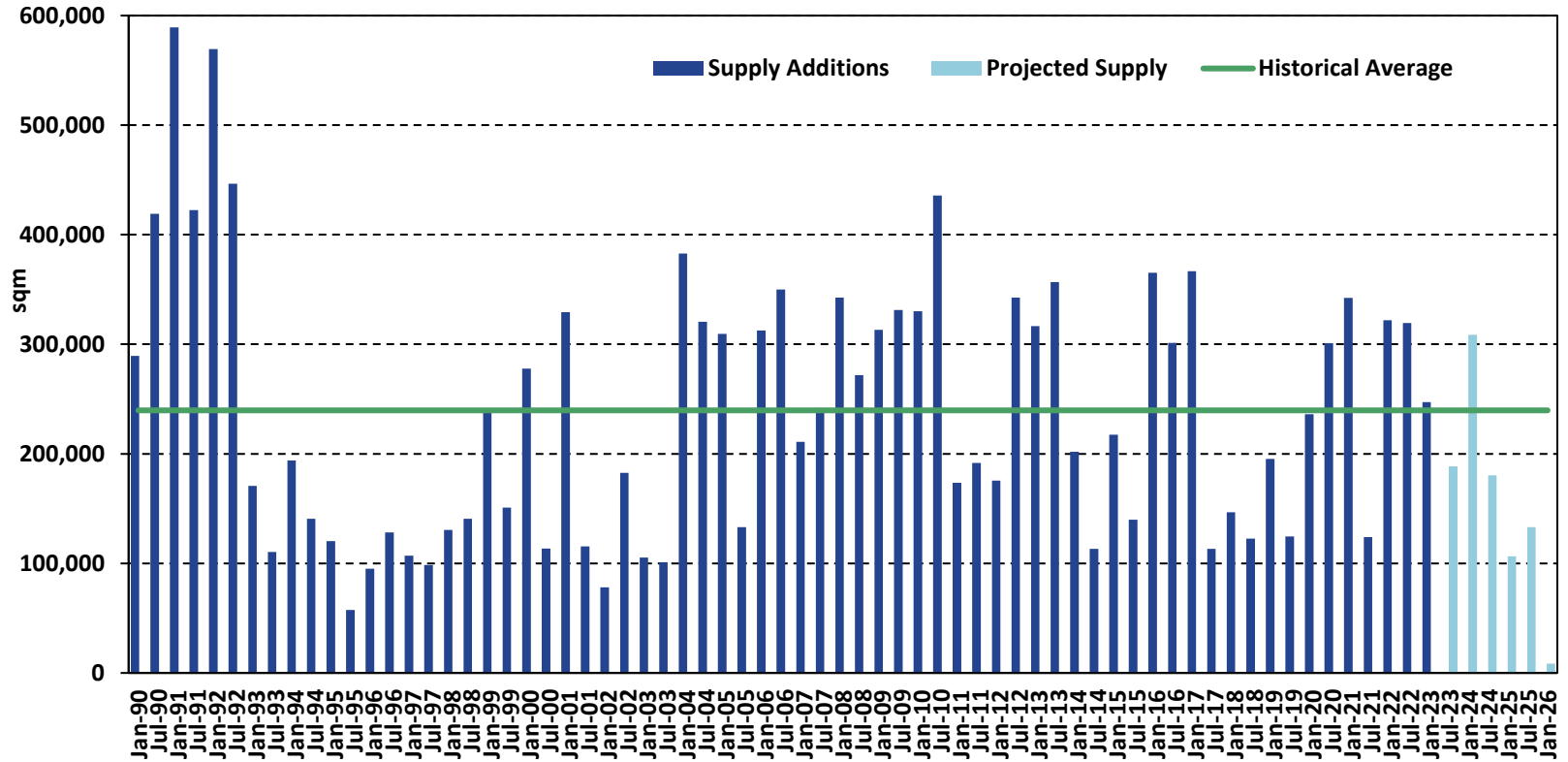
Sublease vacancy declined in both the Australian CBD and Australian Non-CBD market

CBD Sublease Vacancy – Six Months to January 2023

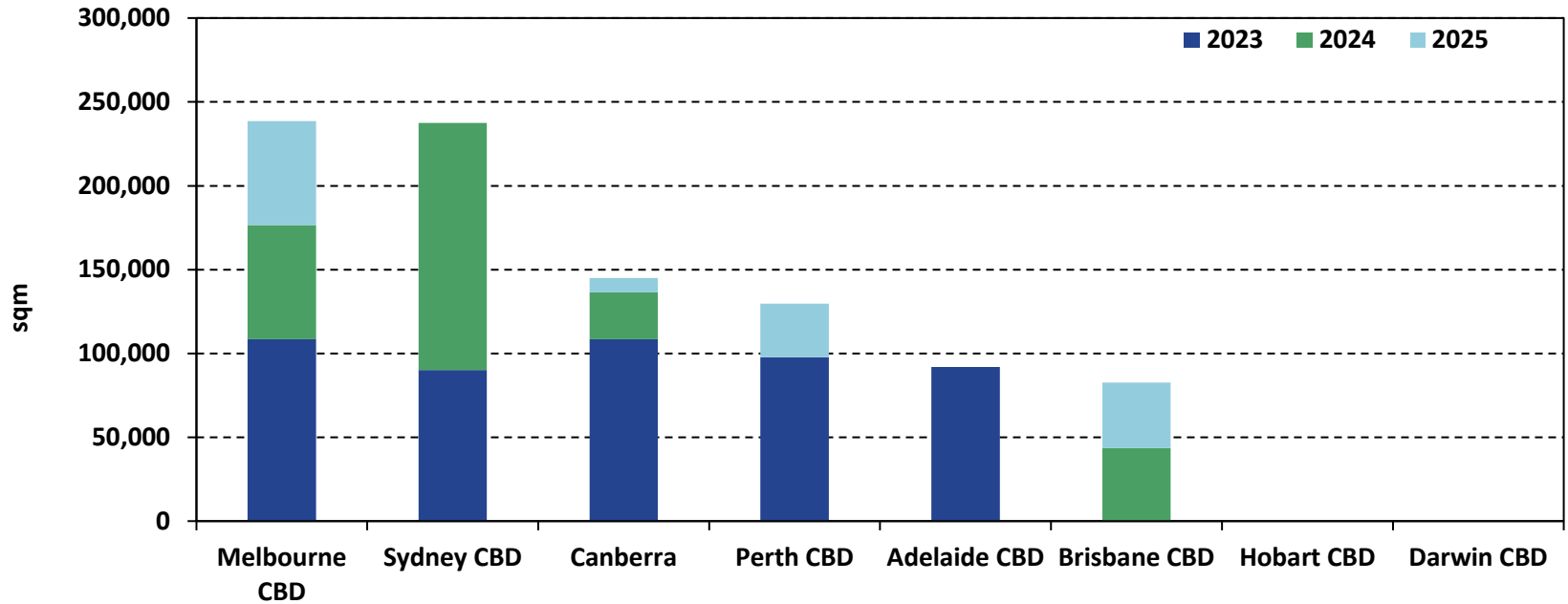


Perth and Sydney recorded increases in sublease vacancy

Australian CBD Six Monthly Gross Supply: January 1990 - January 2026



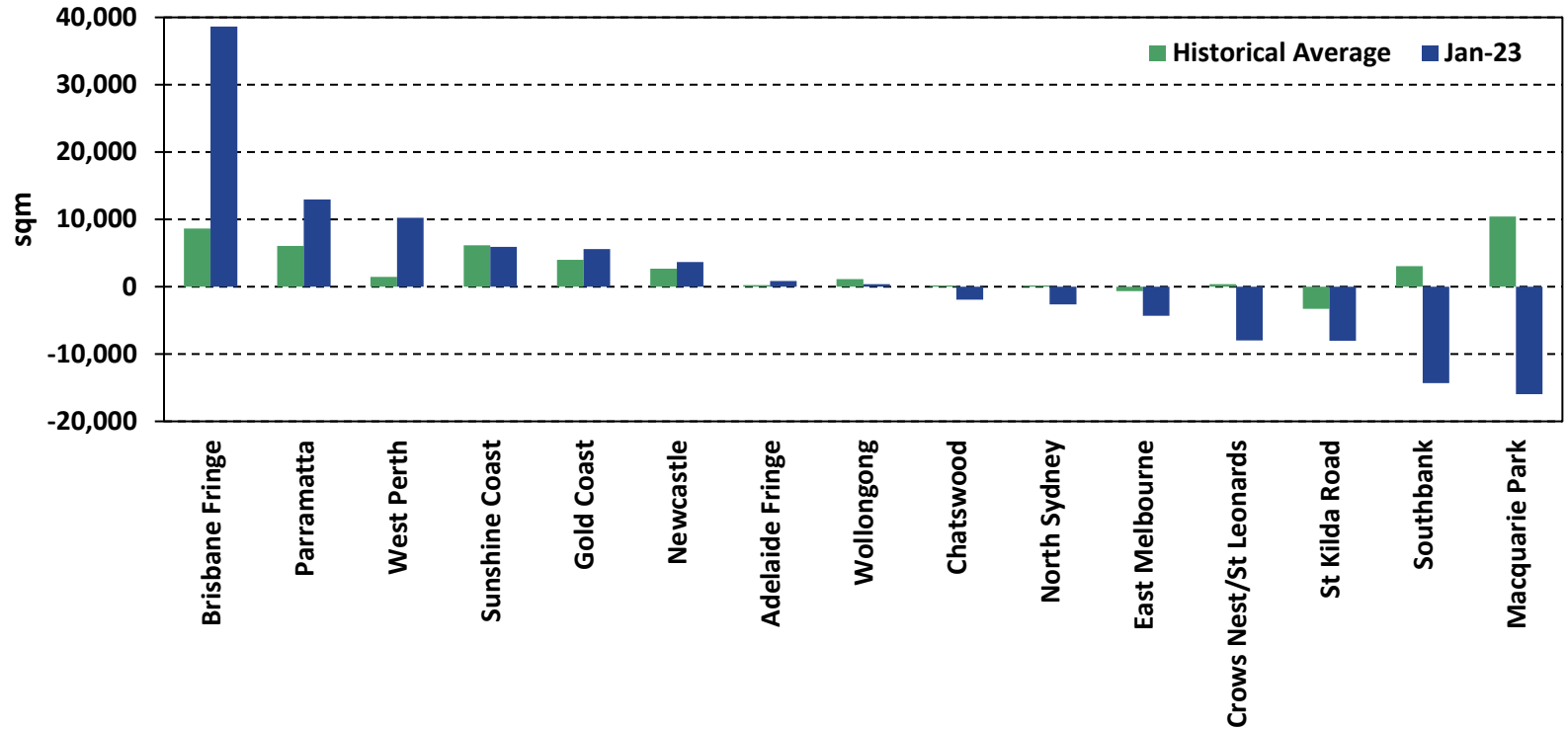
Future Supply of CBD markets (2023-2025)



% of Current Stock	4.7%	4.5%	6.1%	7.2%	6.2%	3.5%	0%	0%
Pre-Commitment	19.6%	21.1%	6.0%	40.0%	44.3%	71.6%	0%	0%

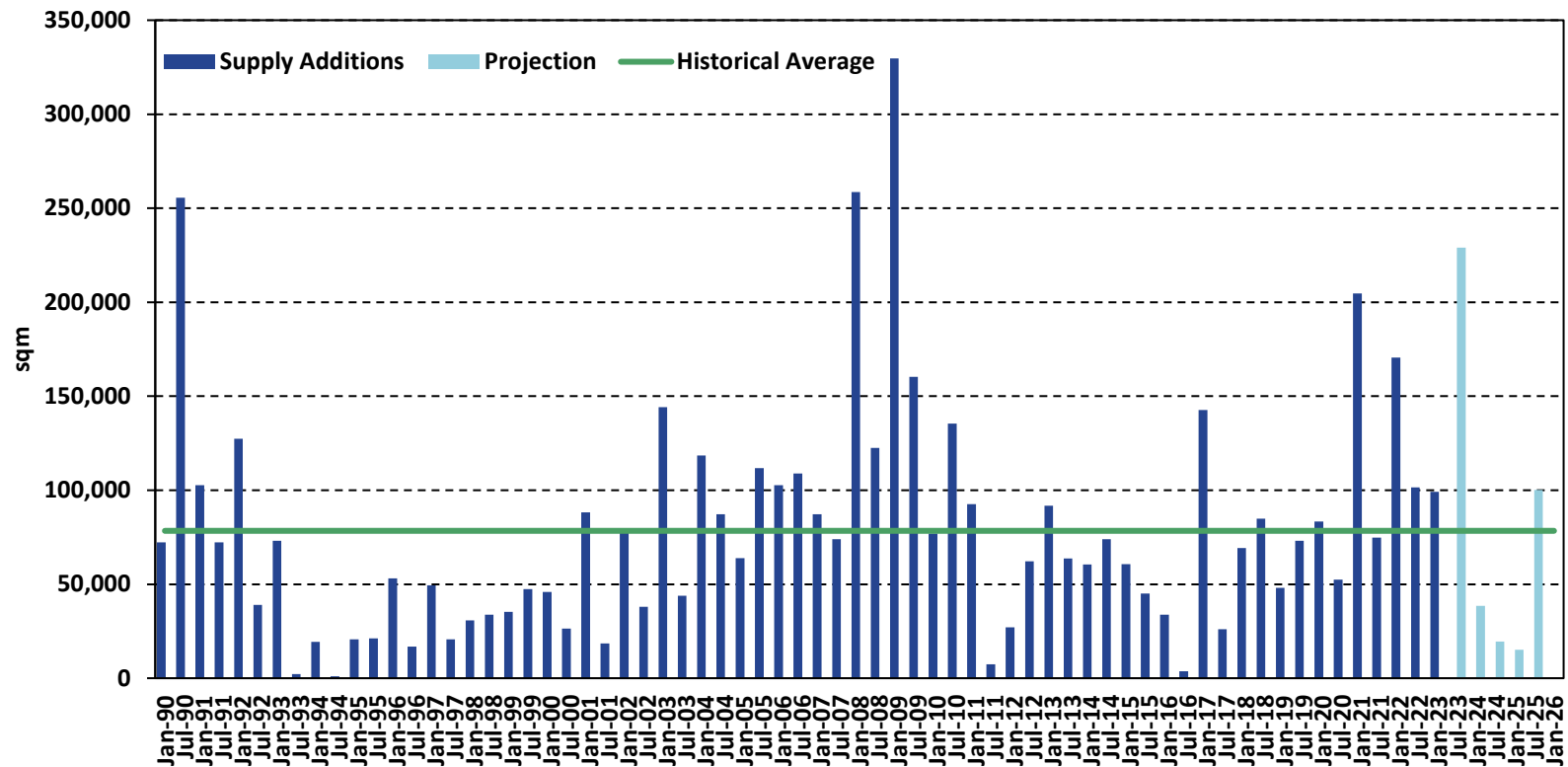
Canberra has the highest projected supply for 2023

Non-CBD Net Demand – Six Months to January 2023



Three out of the five Non-CBD markets with the lowest demand were in Victoria

Australian Non-CBD Six Monthly Gross Supply: January 1990 - January 2026

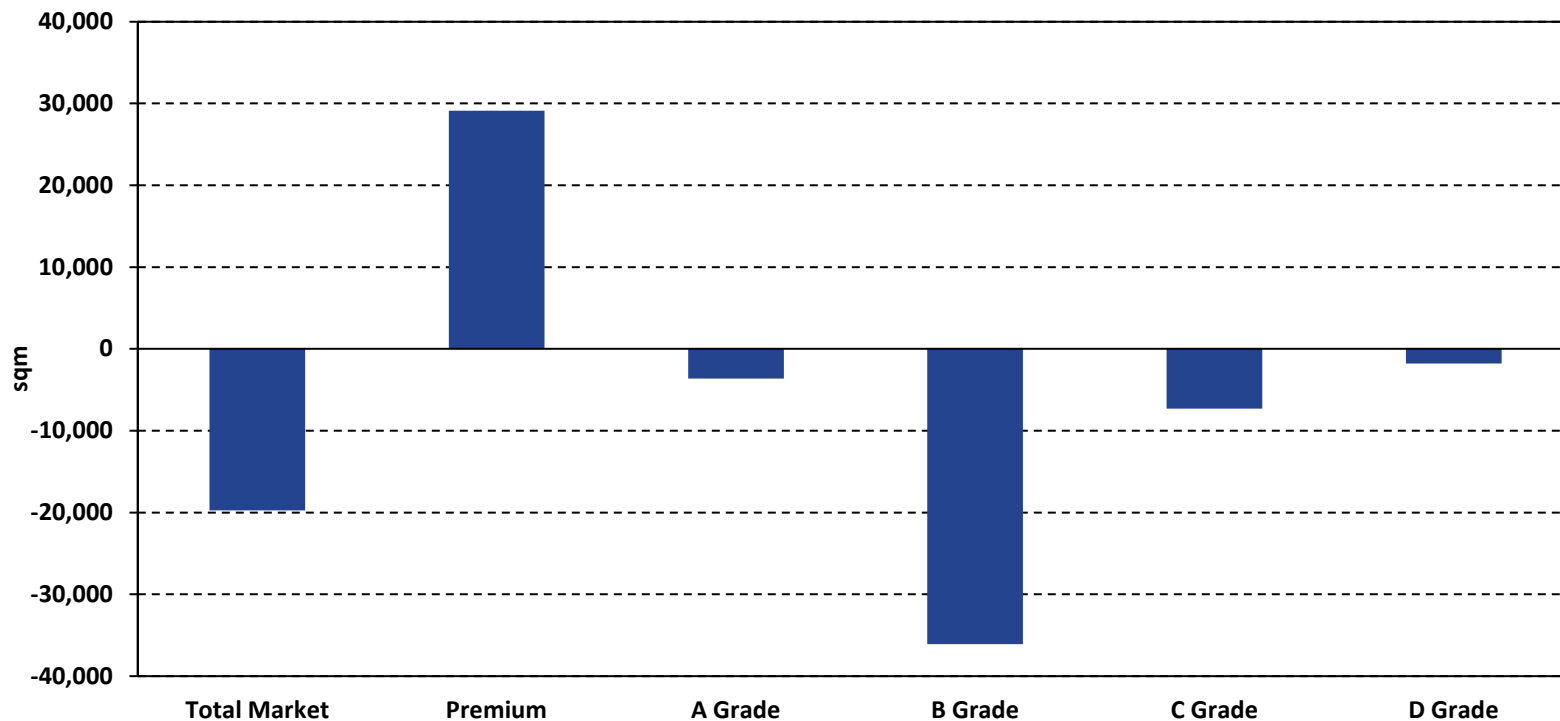


Capital Cities – Key Points

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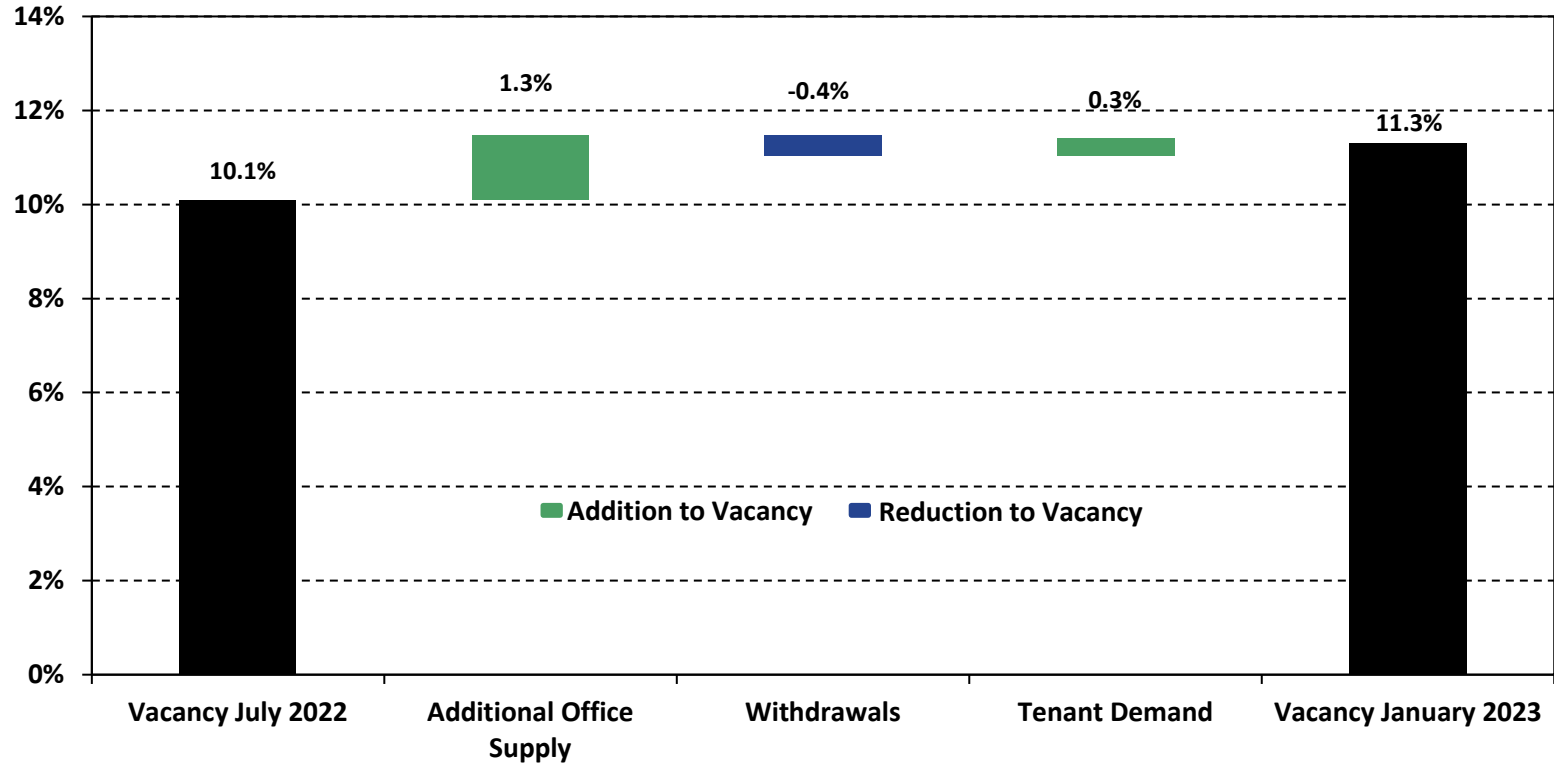


Sydney CBD Six Monthly Net Demand By Grade – January 2023

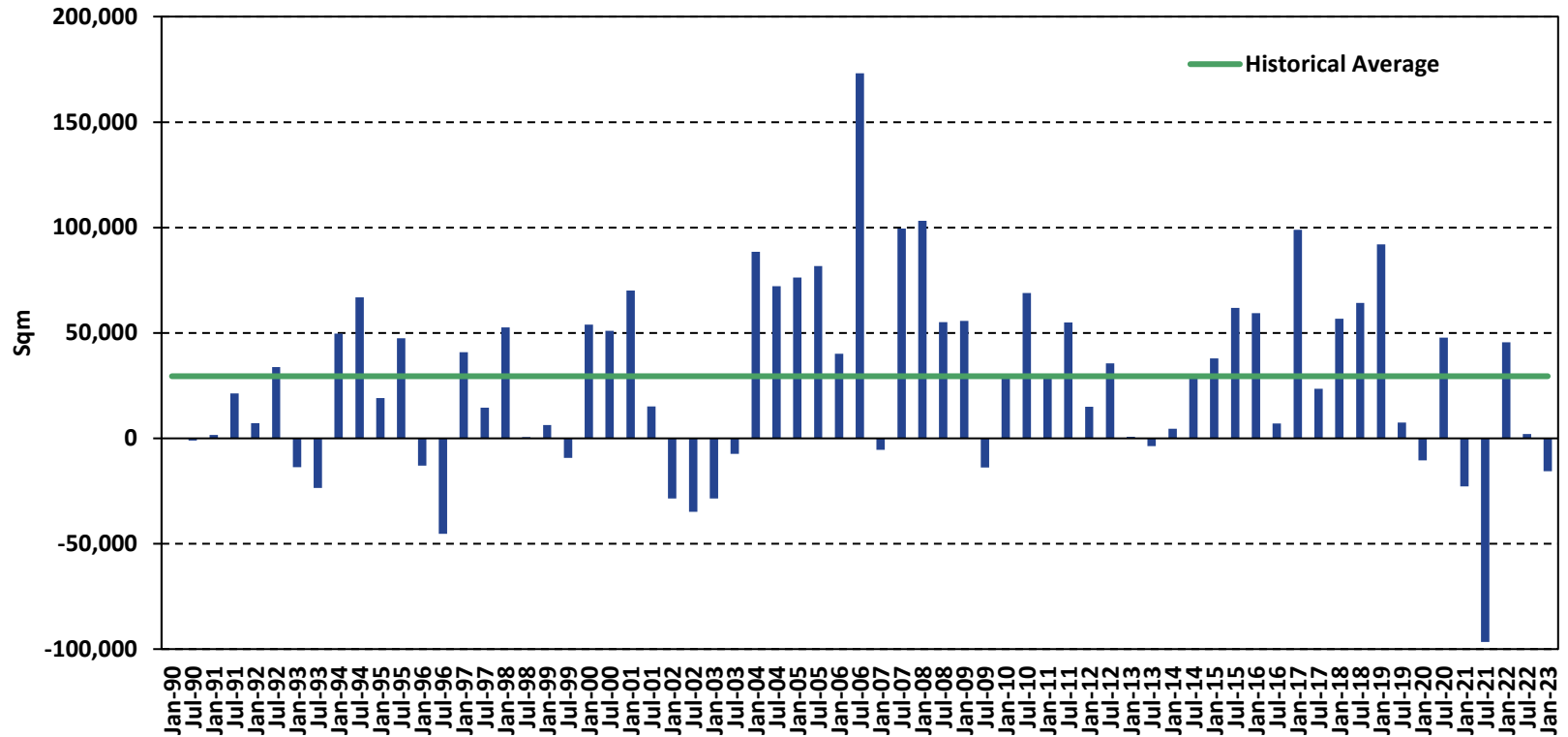


Sydney CBD demand was concentrated in premium stock

Net Sydney CBD Vacancy Attribution - Six Months to January 2023

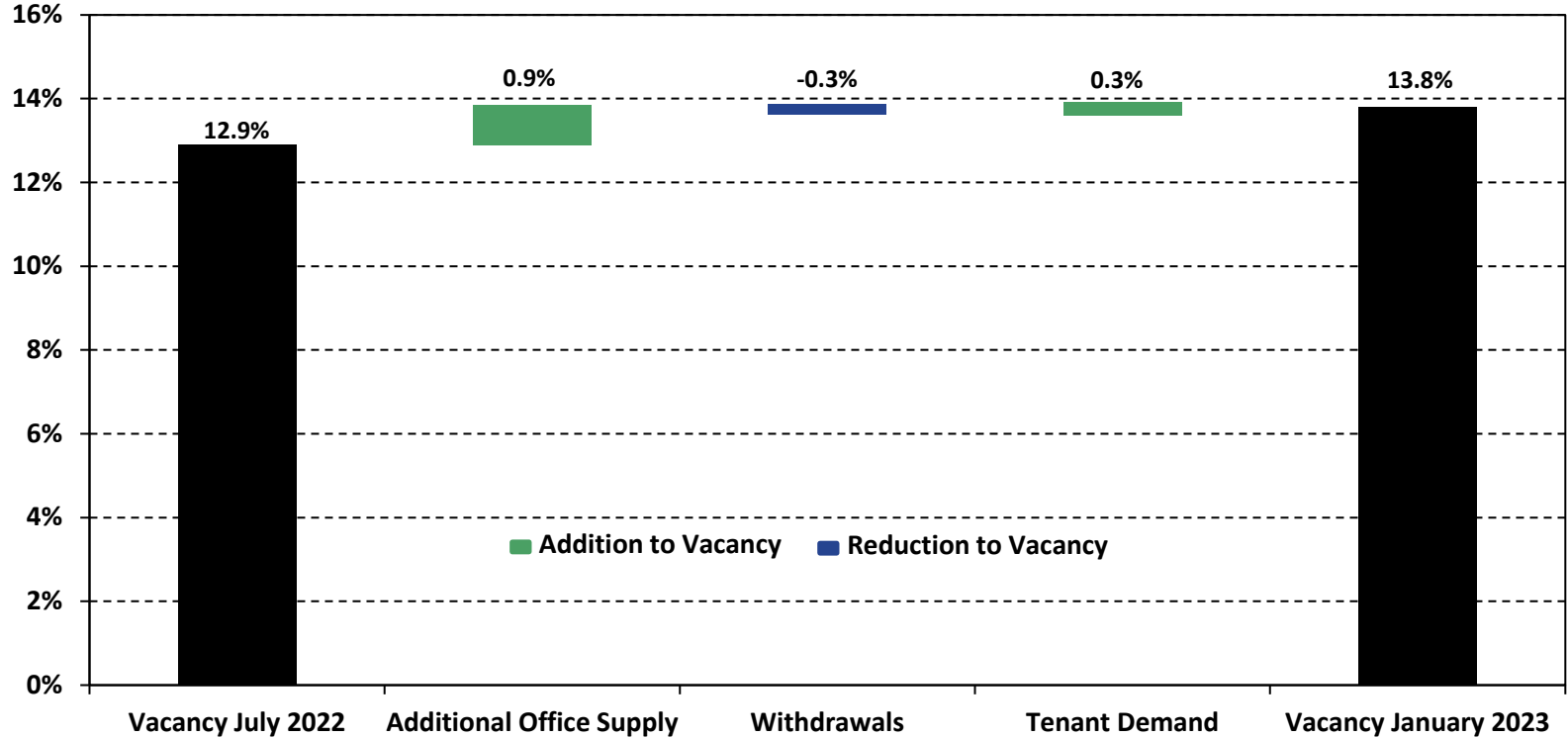


Melbourne CBD Six Monthly Net Demand – January 1990 - January 2023

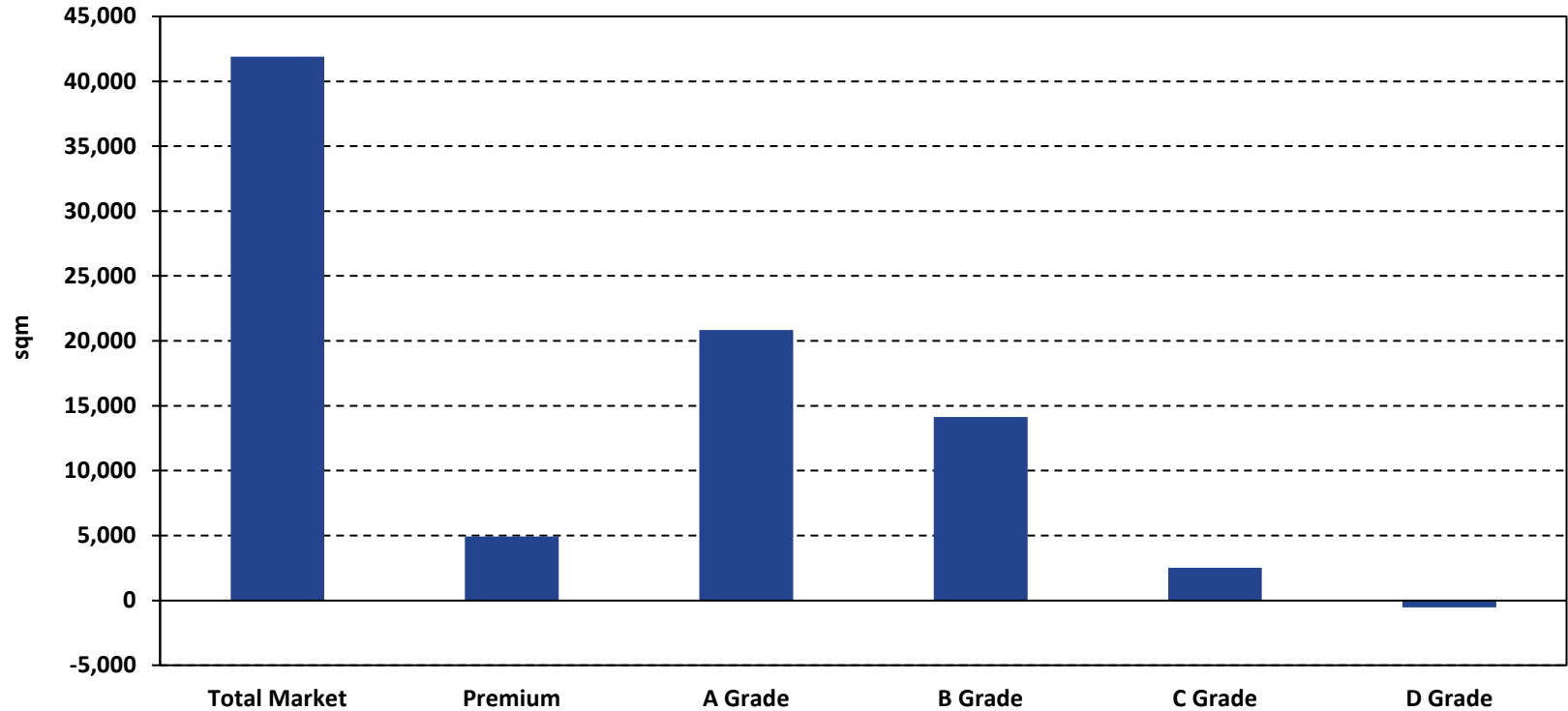


Melbourne CBD demand was negative and well below the historical average

Net Melbourne CBD Vacancy Attribution - Six Months to January 2023

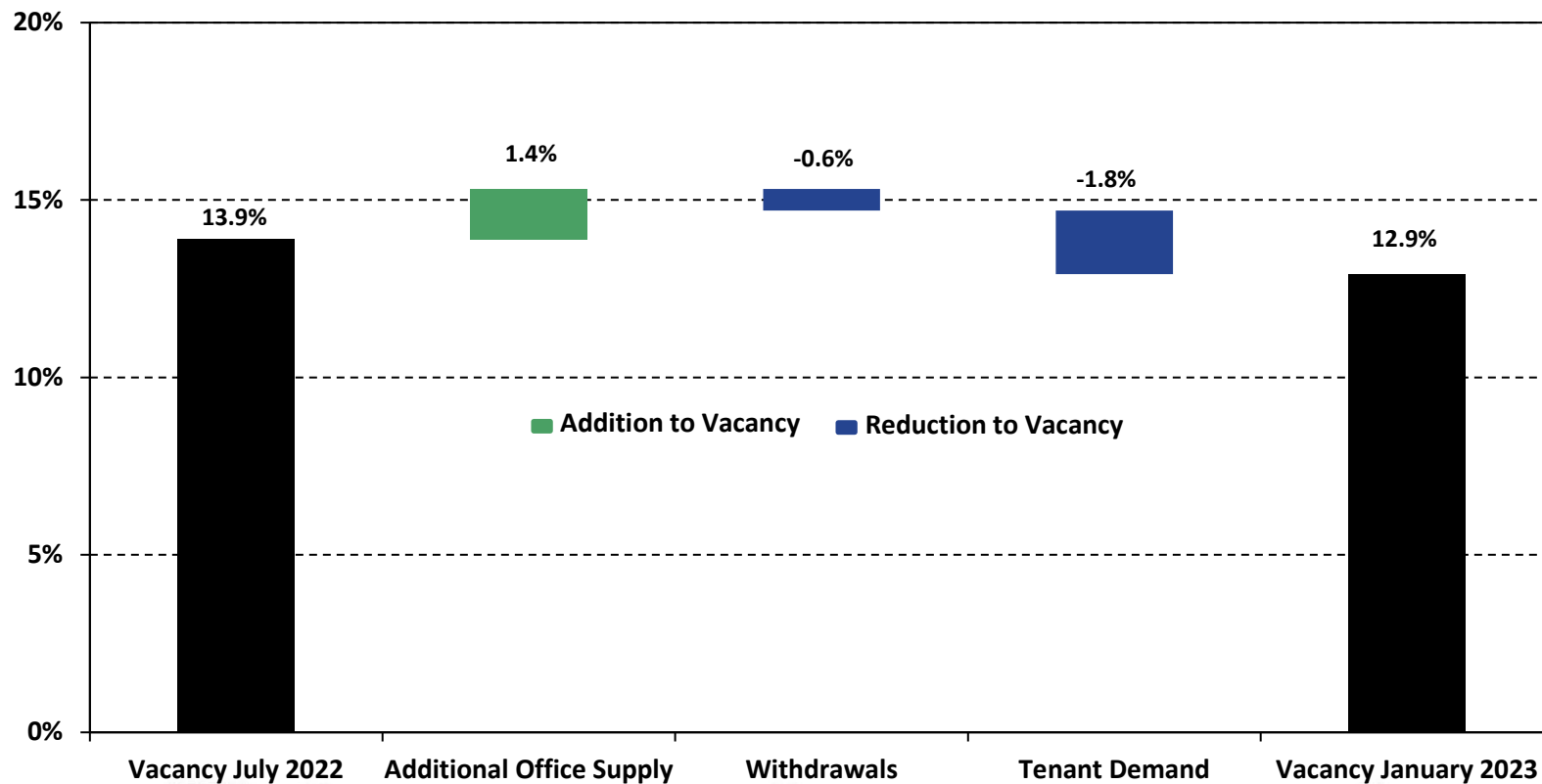


Brisbane CBD Six Monthly Net Demand By Grade – January 2023

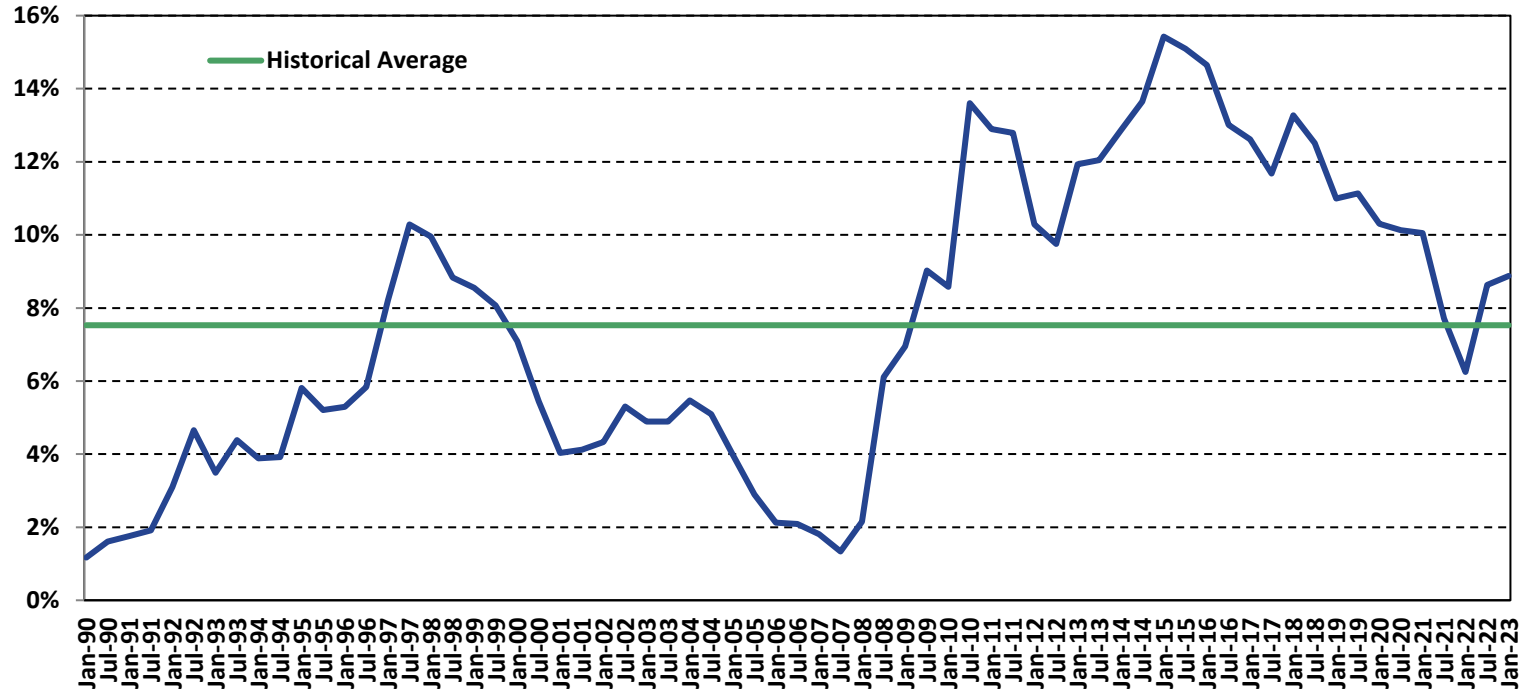


Brisbane CBD's positive demand was concentrated in A and B grade stock

Net Brisbane CBD Vacancy Attribution – Six Months to January 2023

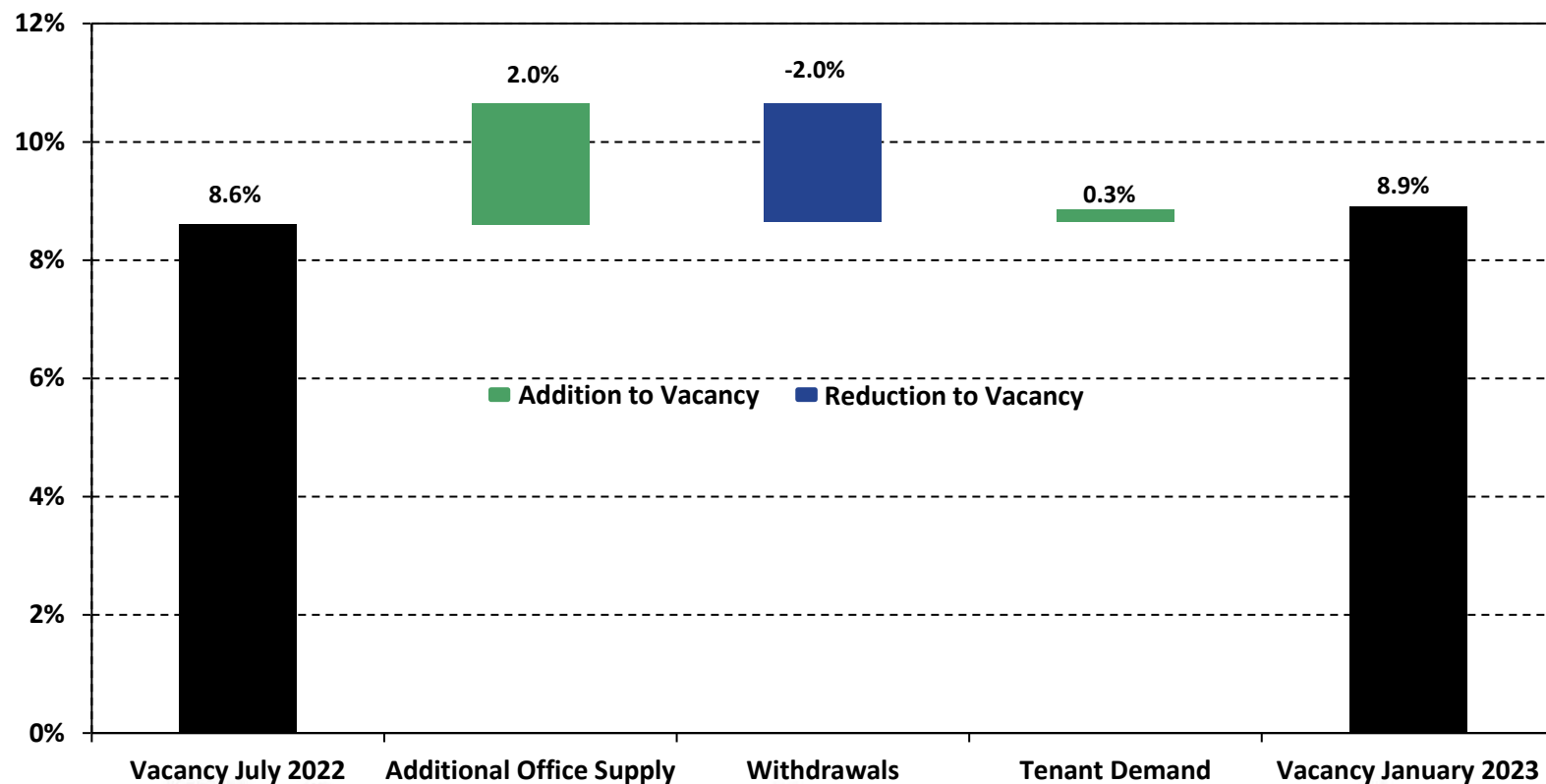


Canberra Vacancy: January 1990 – January 2023

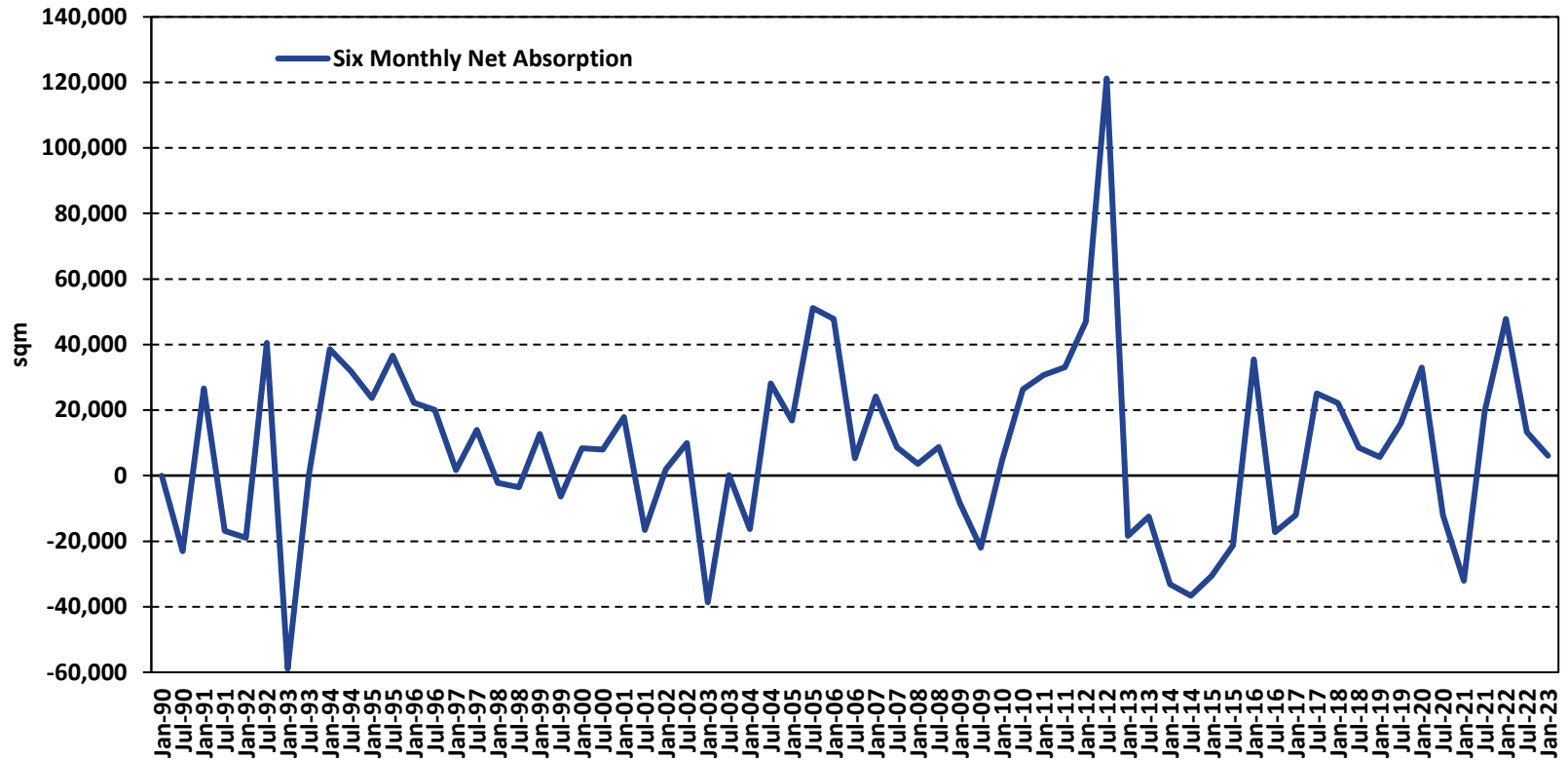


Canberra vacancy continues its upward trajectory and is above its historical average

Net Canberra Vacancy Attribution - Six Months to January 2023

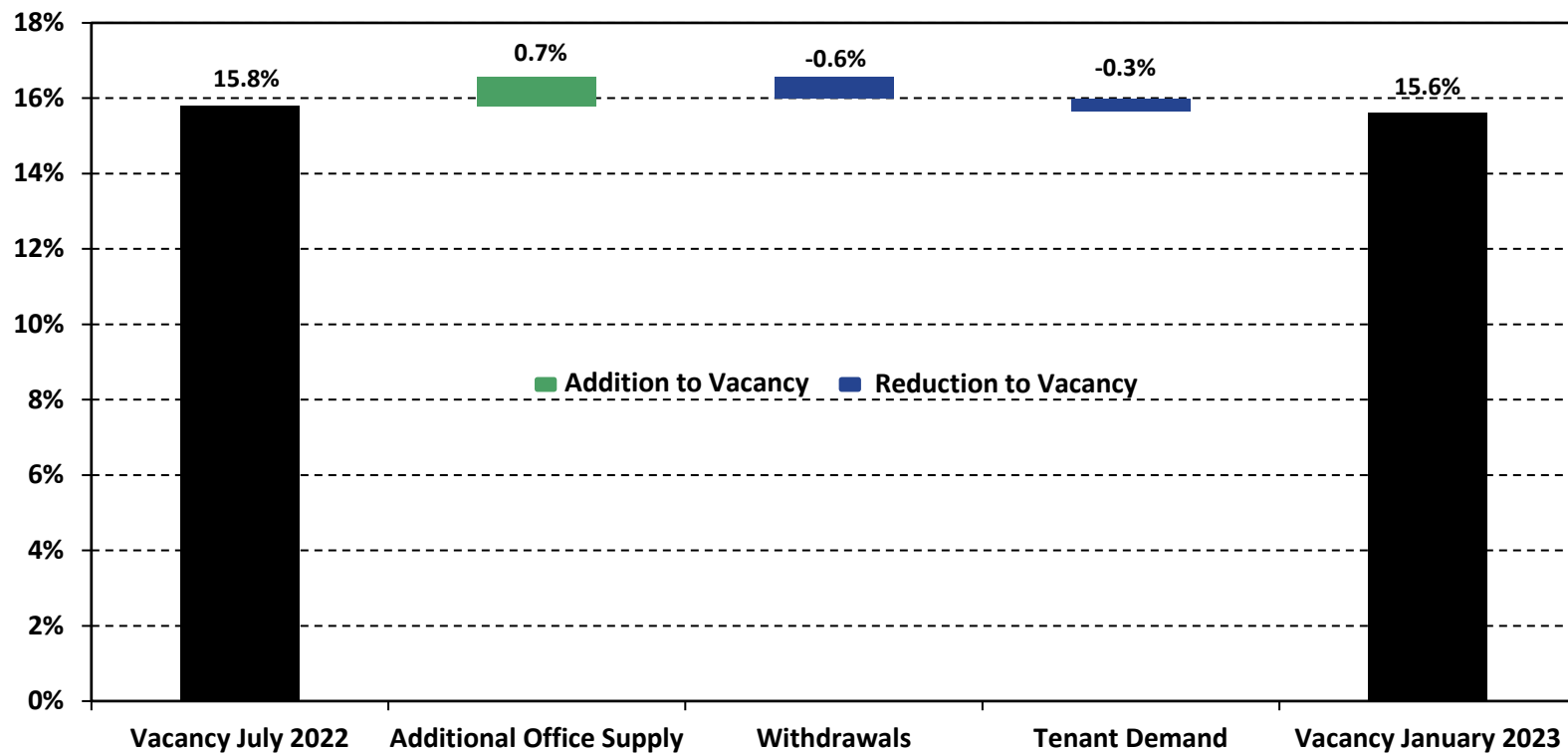


Perth CBD Six Monthly Net Demand - January 1990 - January 2023

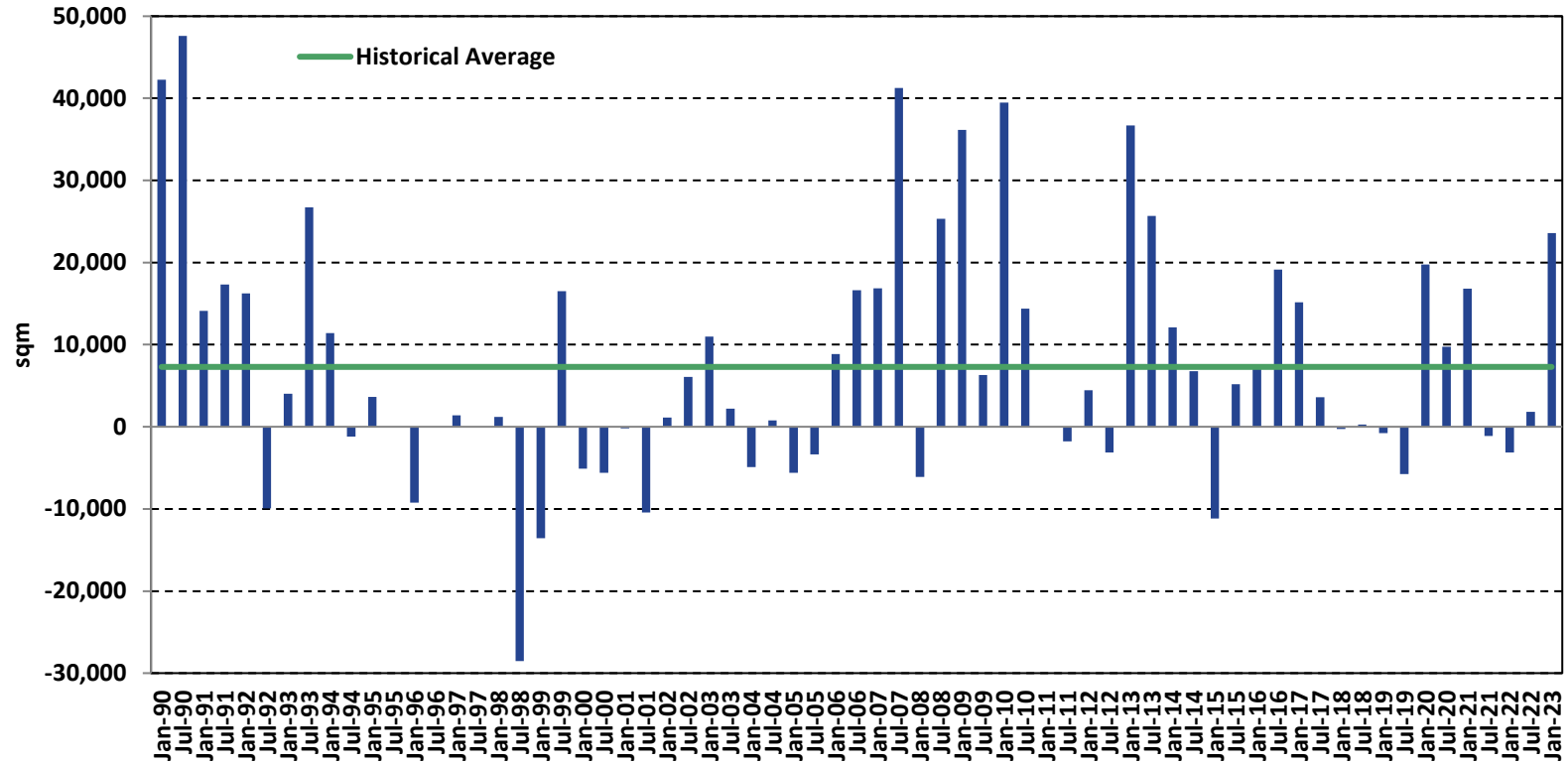


Perth CBD recorded slightly positive demand

Net Perth CBD Vacancy Attribution - Six Months to January 2023

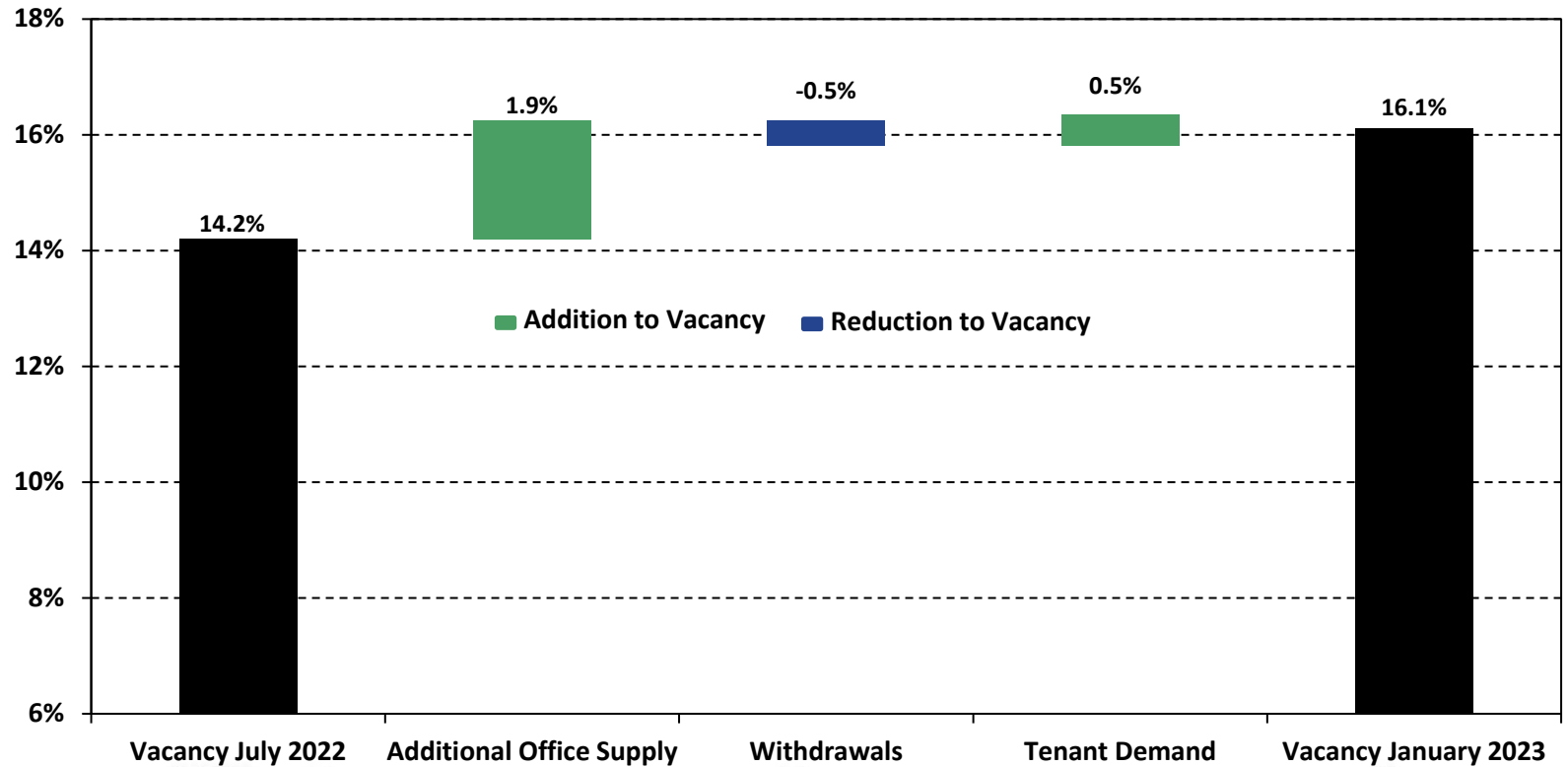


Adelaide CBD Six Monthly Net Supply - January 1990 - January 2023

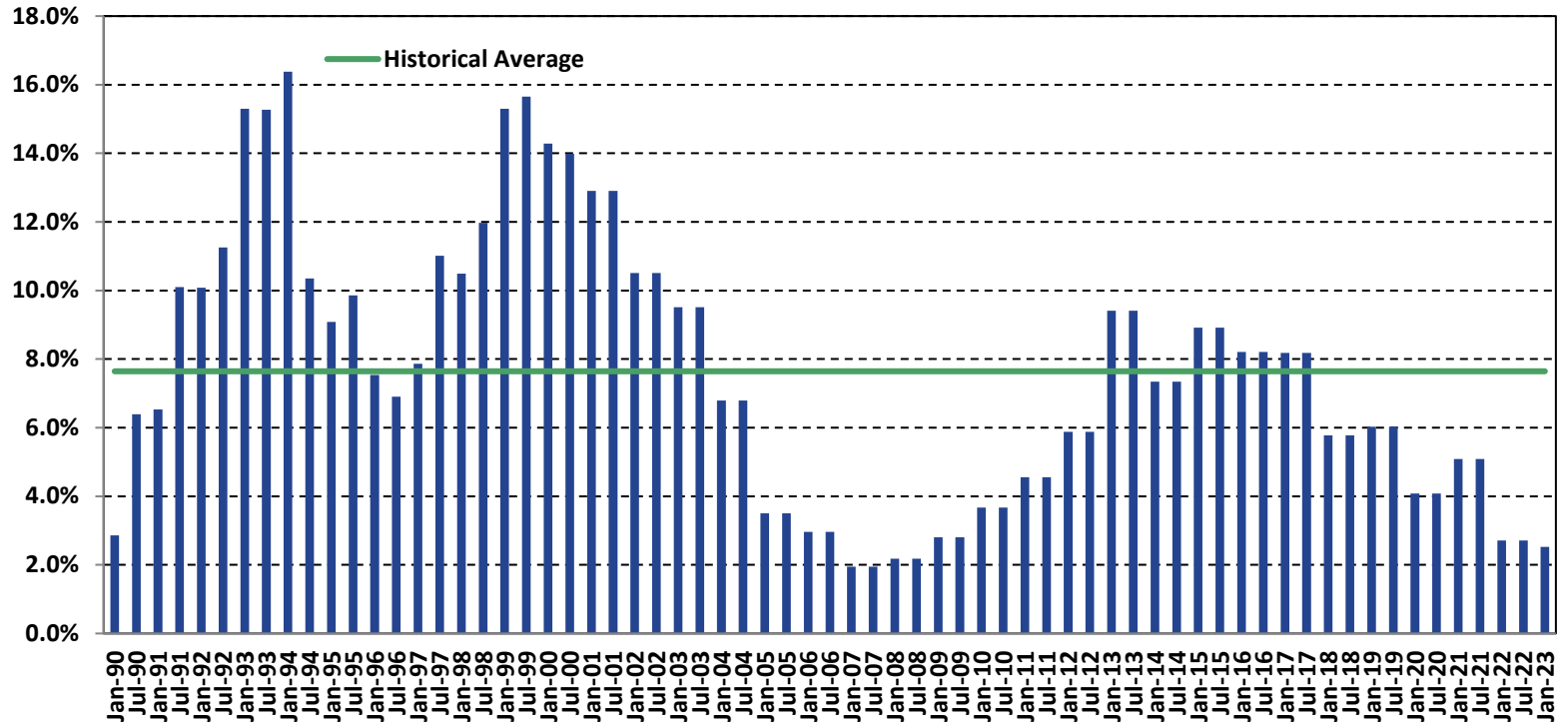


Adelaide CBD recorded net supply well above the historical average

Net Adelaide CBD Vacancy Attribution - Six Months to January 2023

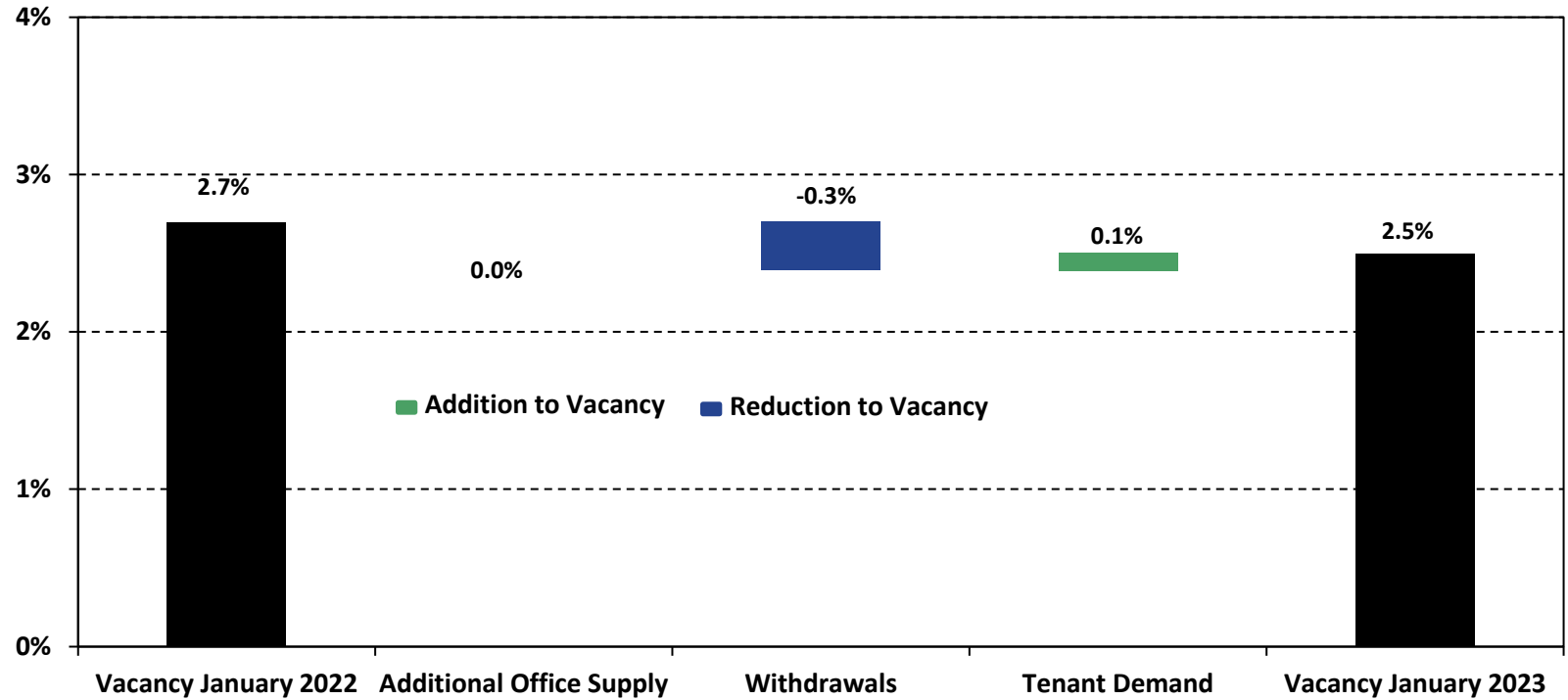


Hobart CBD Vacancy: January 1990 – January 2023

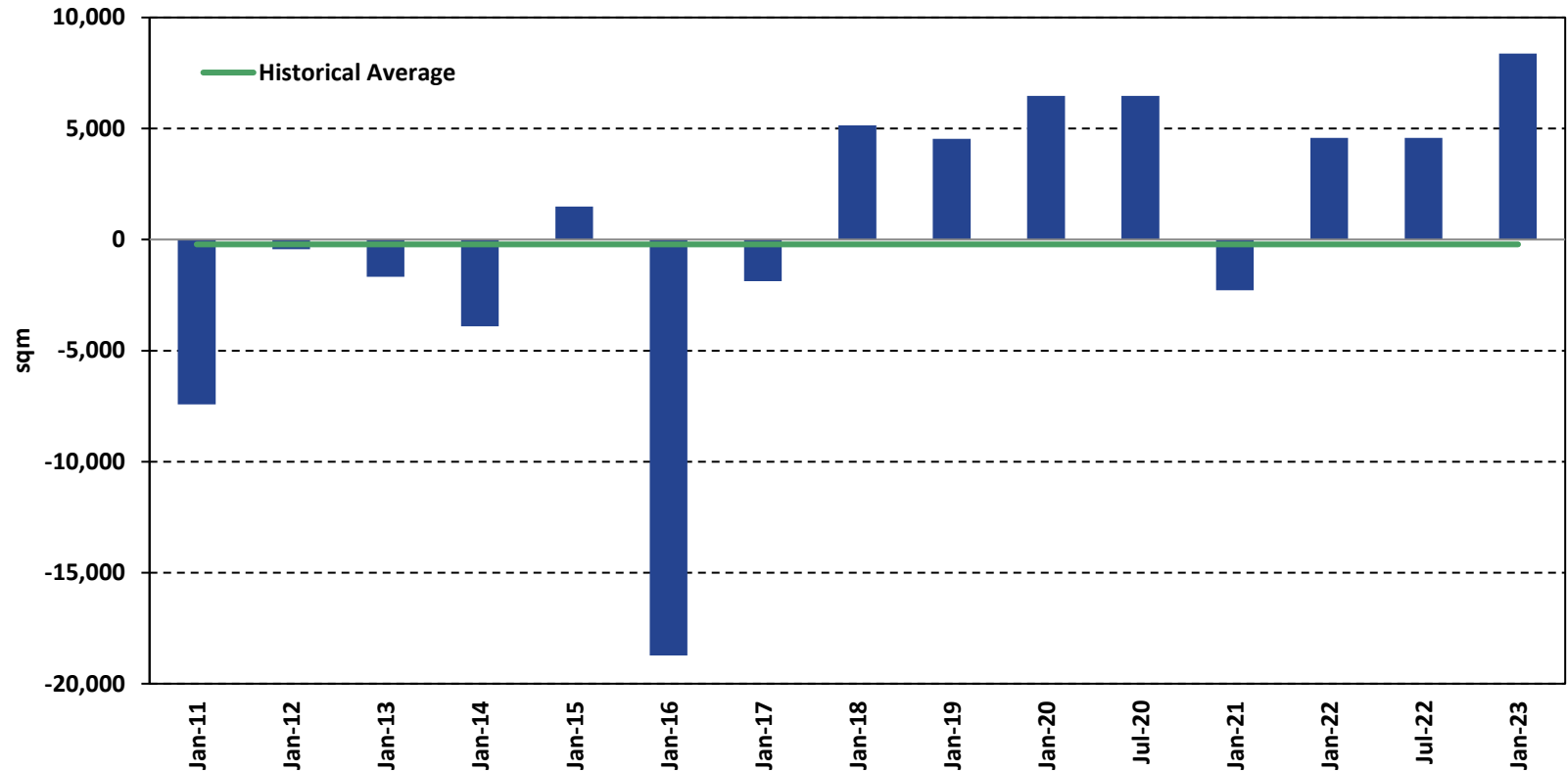


Hobart CBD vacancy has fallen to 2.5%, its lowest since 2008

Net Hobart CBD Vacancy Attribution - Twelve Months to January 2023



Darwin CBD Twelve Monthly Net Absorption - January 2011 - January 2023



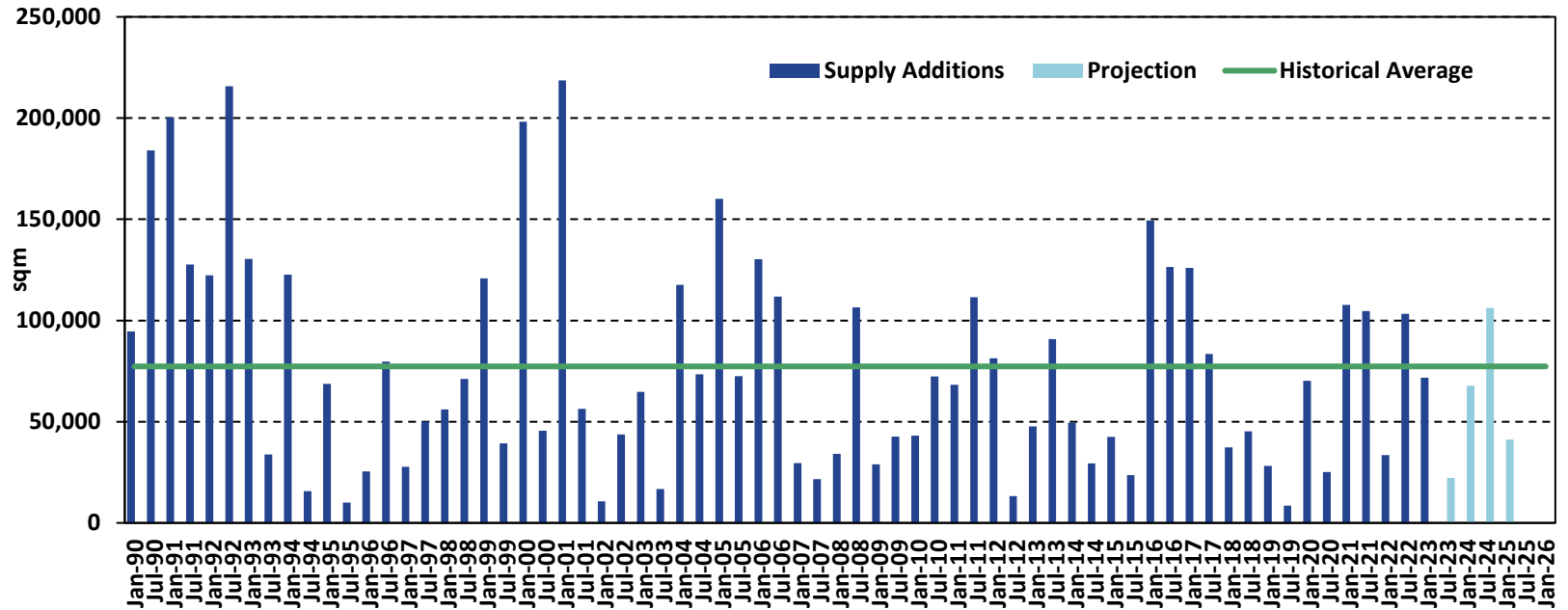
Darwin CBD demand remained in positive territory

Future Supply

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Sydney CBD Six Monthly Gross Supply: 1990-2026



Major Projects

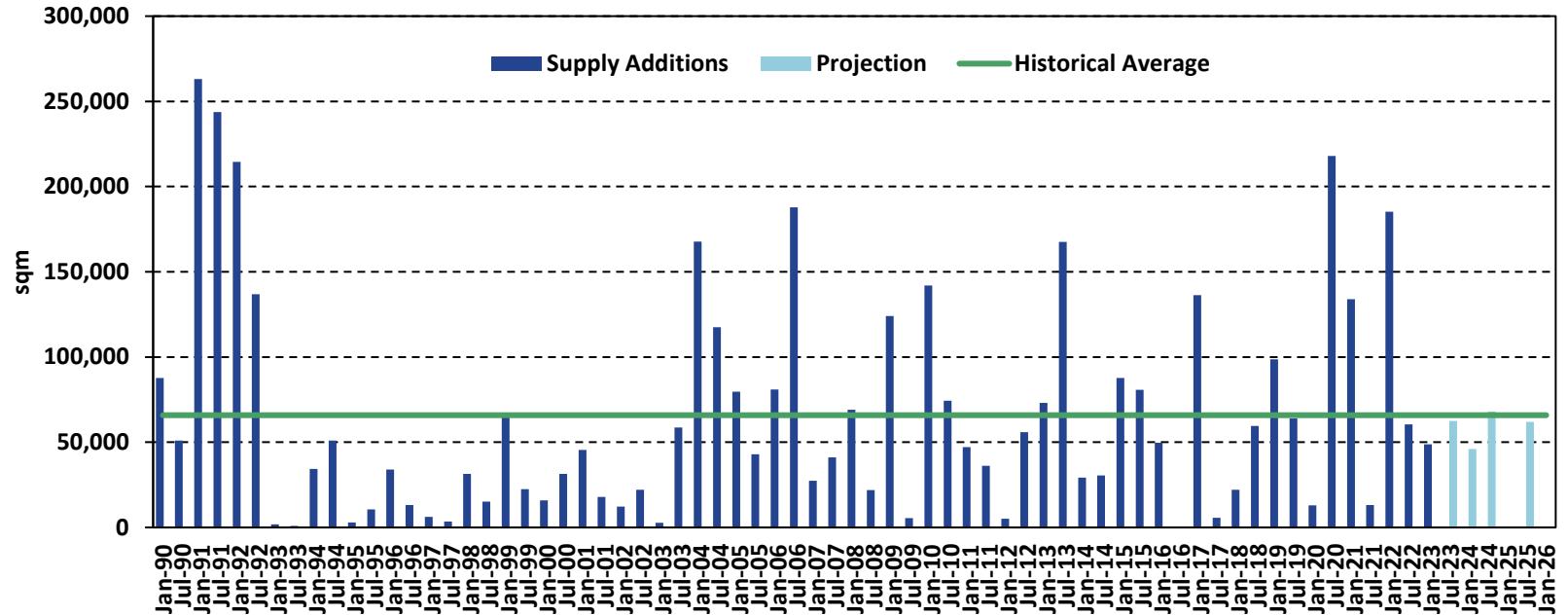
2023 Q1 – 255 George Street – 19,000 sqm

2023 Q4 – 252 Pitt Street – 48,000 sqm

2024 Q1 – 1 Elizabeth Street – 62,000 sqm

2024 Q2 – 39 Martin Place – 30,000 sqm

Melbourne CBD Six Monthly Gross Supply: 1990-2026



Major Projects

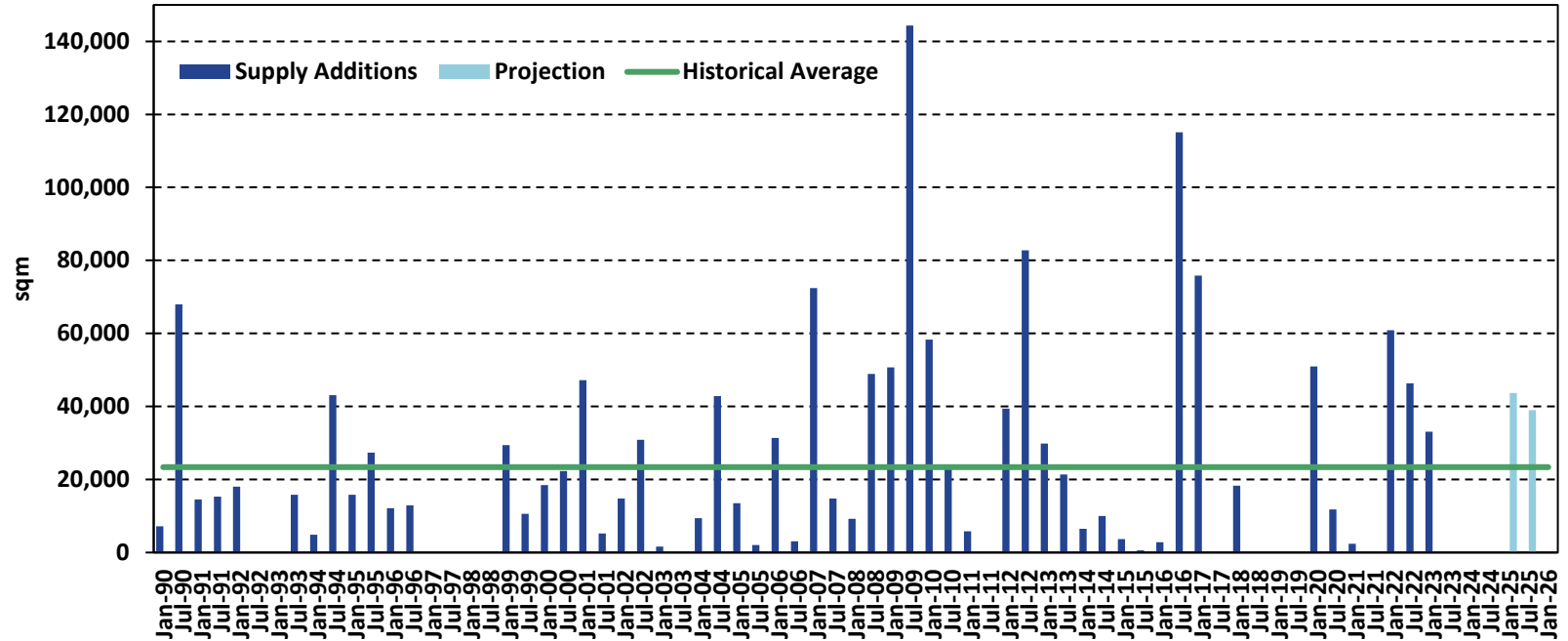
2023 Q2 – 555 Collins Street (Stage 1) – 48,500 sqm

2023 Q2 – 130 Little Collins Street – 9,600 sqm

2023 Q3 – 500 Bourke Street – 46,125 sqm

2024 Q2 – 693 Collins Street (Melbourne Quarter Tower) – 68,000sqm

Brisbane CBD Six Monthly Gross Supply: 1990-2026

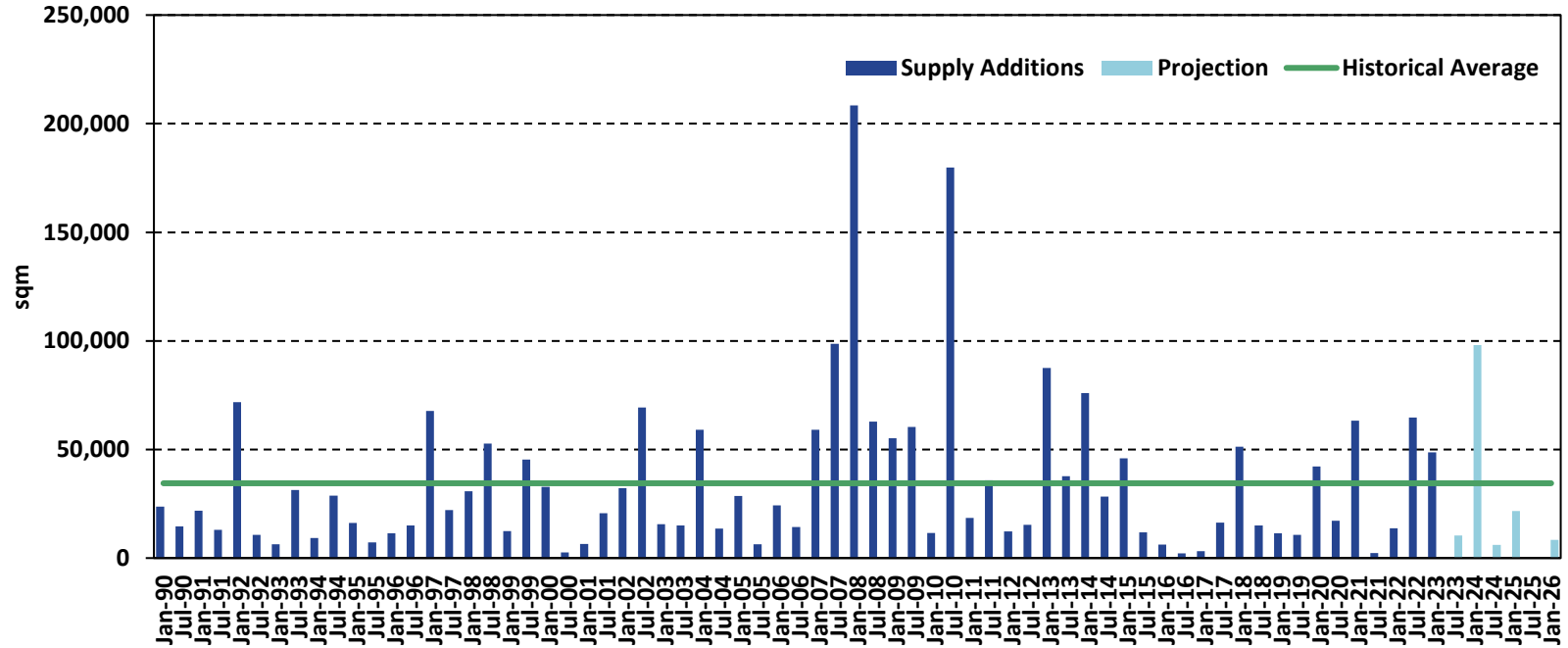


Major Projects

2024 Q4 – 205 North Quay – 43,700 sqm

2025 Q2 – 360 Queen Street – 39,000 sqm

Canberra Six Monthly Gross Supply: 1990-2026



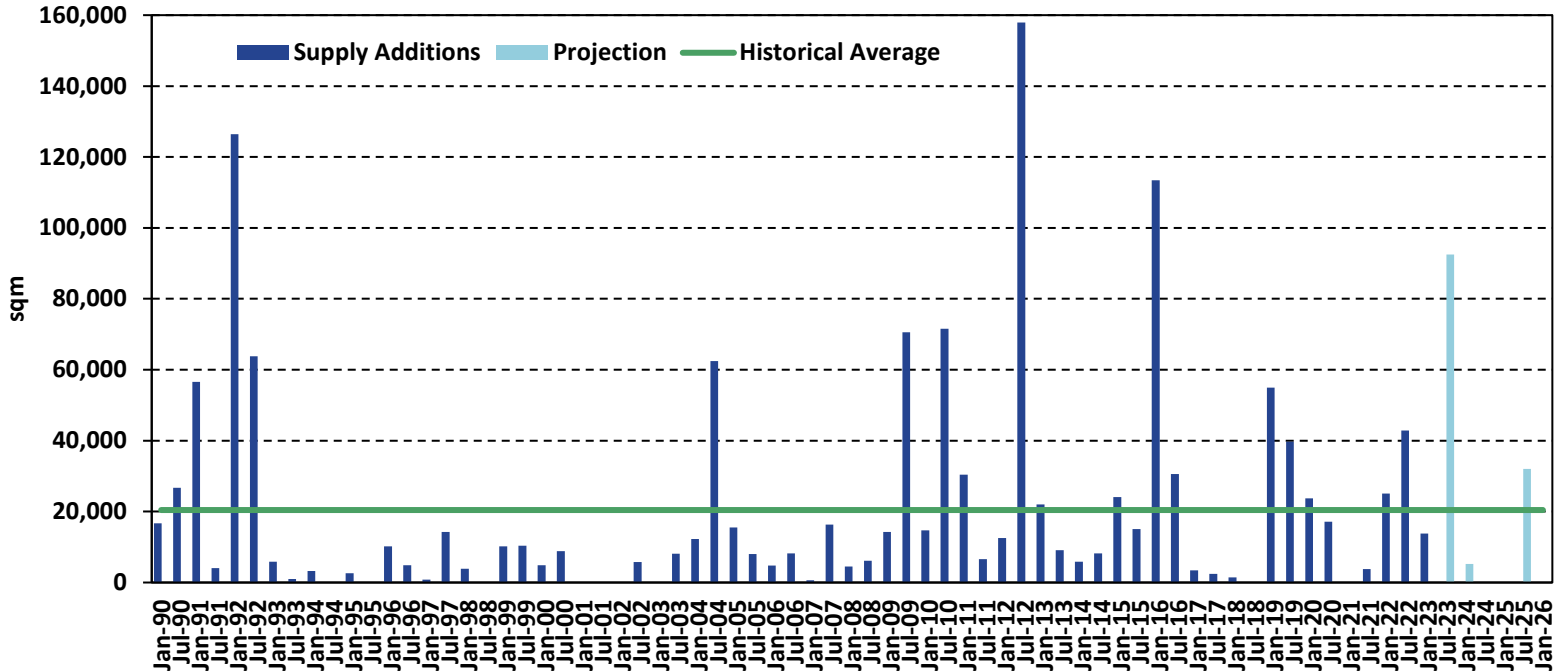
Major Projects

2023 Q3 – City Hall – 34,086 sqm

2023 Q3 – 18 Marcus Clarke Street – 27,400 sqm

2023 Q4 – 9-11 Molonglo Drive – 19,463 sqm

Perth CBD Six Monthly Gross Supply: 1990-2026



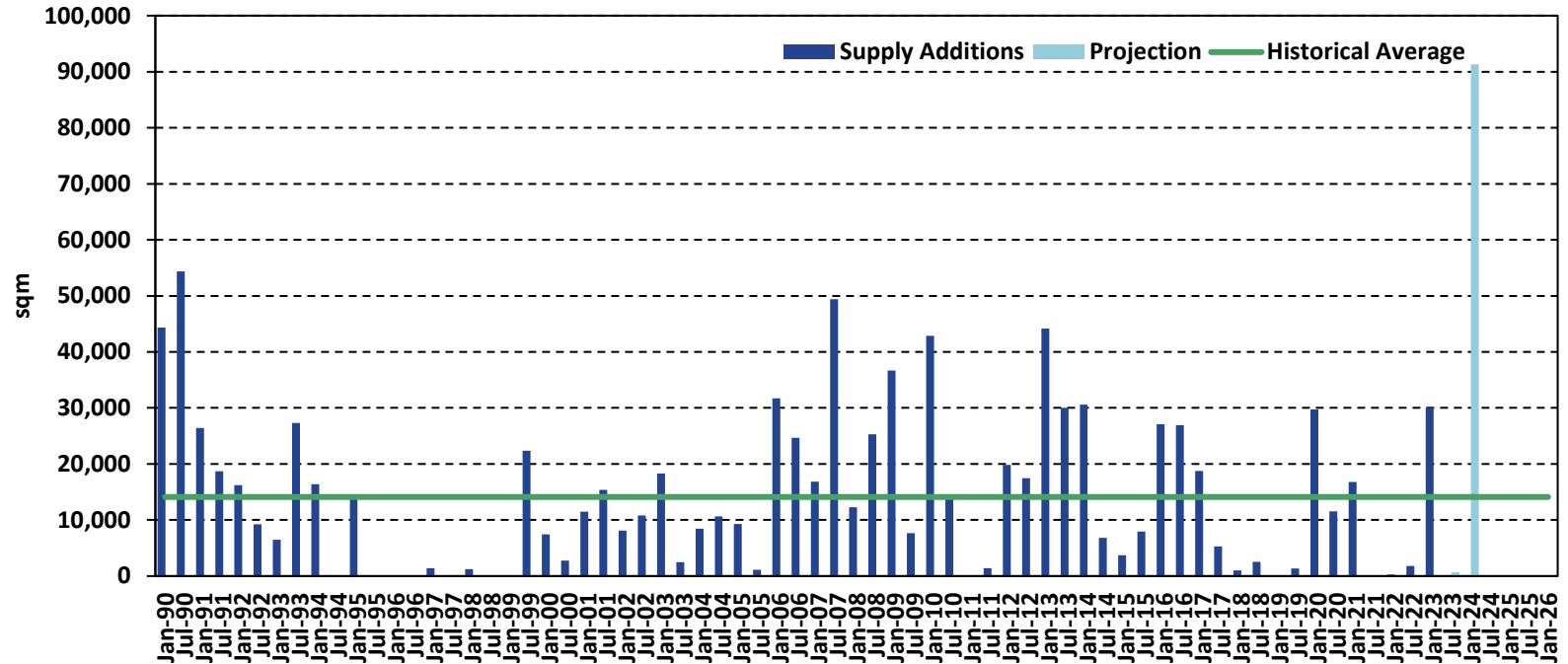
Major Projects

2023 Q1 – Elizabeth Quay – 52,000 sqm

2023 Q2 – 98 Mounts Bay Road – 16,000 sqm

2025 Q1 – 9 The Esplanade – 32,000 sqm

Adelaide CBD Six Monthly Gross Supply: 1990-2026

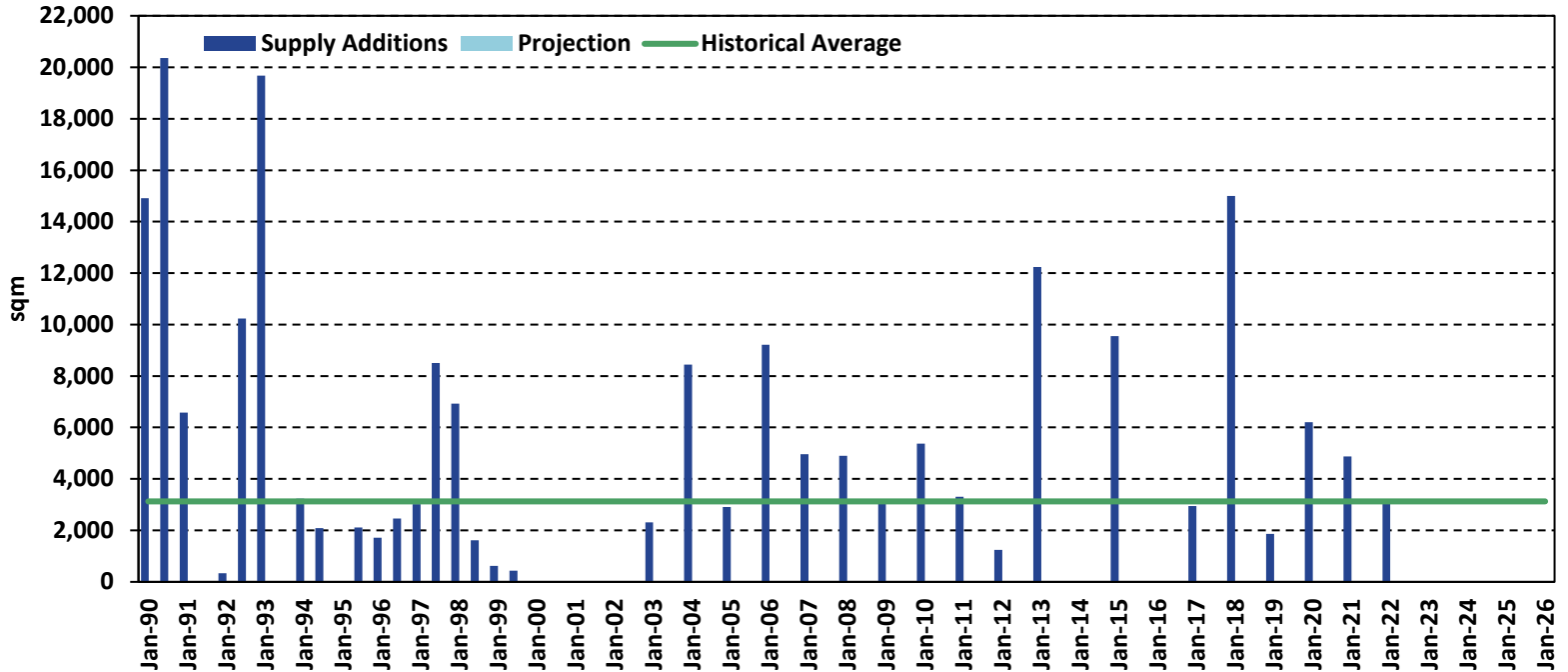


Major Projects

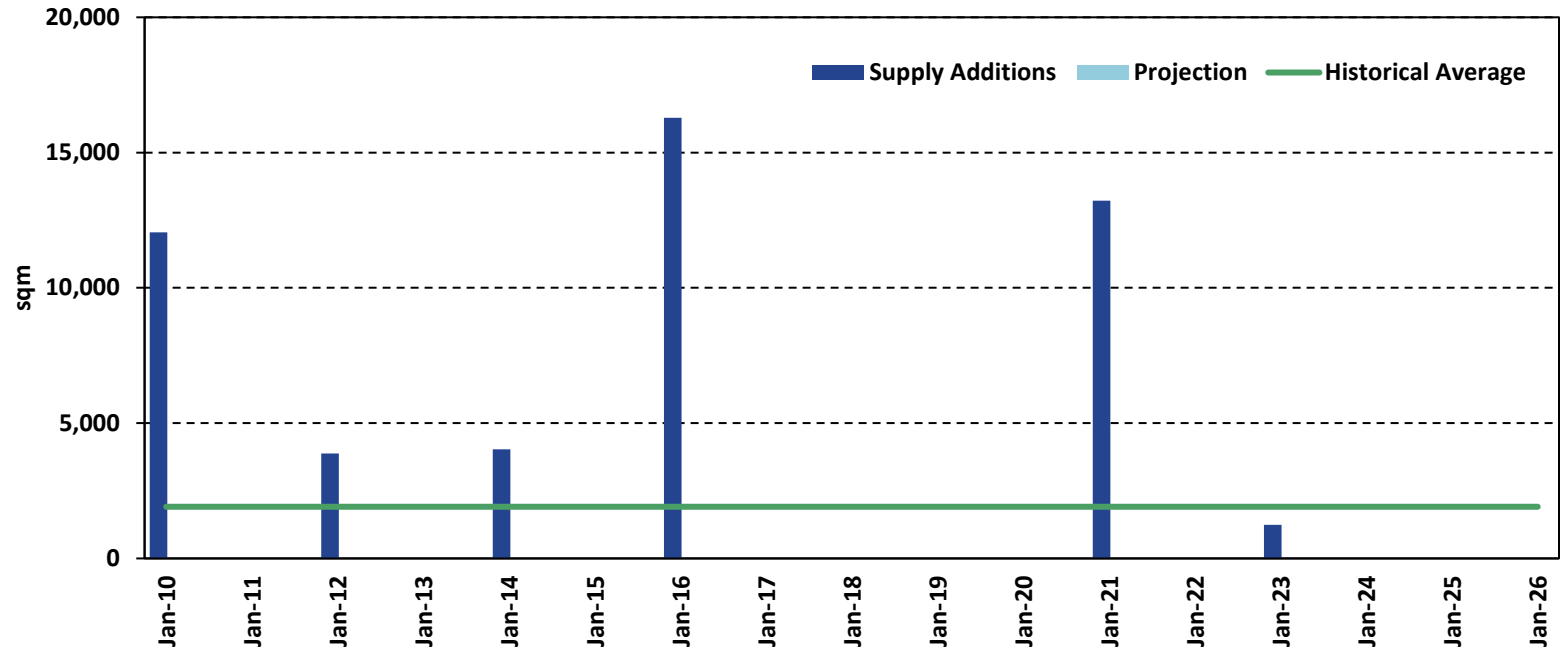
2023 Q3 – 60 King William Street – 40,000 sqm

2023 Q4 – Station Road (Festival Plaza) – 45,000 sqm

Hobart CBD Annual Gross Supply: 1990-2026



Darwin CBD Annual Gross Supply: 1990-2026





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