



Office Market Report

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Australia's property industry

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The Office Market Report subscription also includes the following:

- Strata Market Report*
- Office Market Insights*
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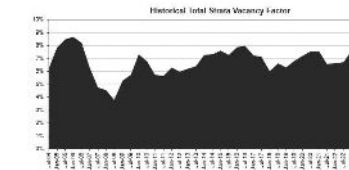
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Strata Market Report

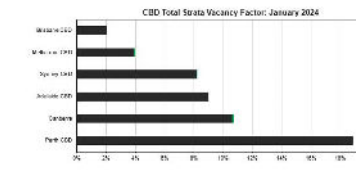
- Reporting on strata buildings in 15 Australian CBD and non-CBD markets, this report is presented in the same format as the Office Market Report and will shed some light on the growth and performance of strata office buildings since July 2004.

Strata Market Report 2024

MARKET: **Australia** COUNTRY: **Total Market**



Graphs



Strata Market Report 2024

Market	Total Stock (sqm)	Direct Vacancy (sqm)	Sub-lease Vacancy (sqm)	Total Vacancy (sqm)	Direct Vacancy Factor (%)	Sub-lease Vacancy Factor (%)	Total Vacancy Factor (%)	Net Supply Additions 6 Mths to Jan-24 (sqm)	Net Supply Additions 12 Mths to Jan-24 (sqm)	Change in Occupied Stock 6 Mths to Jan-24	Change in Occupied Stock 12 Mths to Jan-24	Change in Vacancy 6 Mths to Jan-24 (sqm)	Change in Vacancy 12 Mths to Jan-24 (sqm)	Audited Net Absorption 6 Mths to Jan-24 (sqm)	Audited Net Absorption 12 Mths to Jan-24 (sqm)
Sydney CBD	468,526	37,576	125	37,701	8.2%	0.0%	8.2%	0	15,357	0.9%	2.9%	4,025	2,315	4,029	12,732
Melbourne CBD	276,213	10,527	230	10,757	3.9%	0.1%	4.0%	0	0	0.6%	2.1%	-1,520	574	1,520	5,611
Perth CBD	91,498	17,263	0	17,263	18.9%	0.0%	18.9%	8,614	2,000	7.7%	6.9%	2,385	5,332	6,229	4,758
Brisbane CBD	80,427	1,641	0	1,641	2.0%	0.0%	2.0%	0	0	0.7%	5.9%	-562	-4,380	582	4,390
Canberra	77,466	8,263	80	8,343	10.6%	0.1%	10.7%	0	0	-1.7%	-1.0%	669	889	889	569
Adelaide CBD	45,958	4,113	0	4,113	9.0%	0.0%	9.0%	0	0	-0.5%	-0.2%	198	99	-199	-98
Australian CBD Strata	1,023,769	79,323	454	79,777	7.7%	0.0%	7.8%	-8,614	-13,057	-1.0%	0.1%	569	-2	-9,183	1,020
Gold Coast	131,178	5,383	198	5,581	4.1%	0.1%	4.2%	0	0	13.3%	11.8%	215	1,233	14,714	13,256
Melbourne Non-CBD	116,053	4,671	0	4,671	4.0%	0.0%	4.0%	0	0	0.3%	-1.6%	-363	1,785	363	-1,785
Lower North Shore	91,338	9,755	0	9,755	10.7%	0.0%	10.7%	0	0	0.7%	0.0%	575	28	575	28
North Sydney	72,614	7,520	330	7,850	10.4%	0.5%	10.6%	0	0	2.3%	1.2%	-1,443	-789	1,443	789
Brisbane Fringe	72,395	3,903	0	3,903	5.4%	0.0%	5.4%	0	0	6.9%	7.0%	4,425	-4,463	4,429	4,463
Parramatta	59,856	5,164	0	5,164	8.6%	0.0%	8.6%	0	0	-1.9%	-2.1%	1,020	1,195	-1,020	-1,195
West Pym	49,035	3,173	0	3,173	6.5%	0.0%	6.5%	0	0	10.3%	8.0%	-1,756	-140	9,330	3,411
Newcastle	33,714	4,234	0	4,234	12.6%	0.0%	12.6%	0	0	-2.1%	-2.1%	618	818	-818	-818
Adelaide Fringe	33,116	622	0	622	1.9%	0.0%	1.9%	0	0	-1.0%	0.0%	105	-110	-125	110
Australian Non-CBD Strata	638,961	44,773	566	45,339	7.0%	0.0%	7.1%	0	0	4.3%	3.2%	7,063	643	24,773	18,413
Australian Strata	1,662,730	124,096	1,020	125,116	7.5%	0.0%	7.5%	-8,614	-13,057	1.0%	1.3%	-6,434	-645	15,598	19,433

Statistical Summary


Change in Occupied Stock: Twelve Months to January 2024



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Office Market Insights

- Reporting on the market's performance including analysis; key market indicators; supply and withdrawals affecting the market; stock conversions; and major market movers affecting demand.



Office Market Insight Sydney CBD

Provides a detailed insight into the drivers of your markets performance

January 2024


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Headline comments

- Sydney CBD office vacancy increased to 12.2 per cent over the past six months
- Sydney CBD's office vacancy rate is at its highest point since July 1995
- Sydney CBD recorded -64,628sqm of net absorption, the lowest figure since July 2009
- Prime net absorption (-47,203sqm) was lower than secondary grade net absorption (-17,425sqm)
- 10,410sqm of new stock was added to the market over the six months to January 2024, while 41,078sqm of stock was withdrawn. Both supply and withdrawals were below their respective historical averages
- 188,957sqm of new stock is anticipated to enter the Sydney CBD market in 2024, with a further 36,148sqm anticipated in 2025, and 188,965sqm in 2026 and beyond.

Key market indicators

Grade	Vacancy Jan 24 (%)	Vacancy Jul 23 (%)	Net absorption 6 months to Jan 24 (sqm)
Premium	13.0	11.0	-27,494
A Grade	12.2	11.7	-18,708
B Grade	12.4	12.4	-46,328
C Grade	10.9	10.4	-2,388
D Grade	9.3	9.5	205
Total Market	12.2	11.5	-64,628



Office Market Insight Sydney CBD

January 2024

Sydney office analysis

Sydney CBD vacancy continued its upward trend through the six months to January 2024. Vacancy increased for a ninth consecutive period, reaching the highest recorded vacancy since July 1995.

Demand remained in negative territory for the third consecutive period, decreasing to -64,628sqm. Contractions of -35,180sqm was the main driver of this negative demand, while tenant relocations were reported at -27,494sqm. 8,280sqm of expansions were reported this period. The largest tenant move recorded was Commonwealth Bank vacating 16,000sqm at Tower 1, 281 Sussex Street, while TPB moved into 5,200sqm at 280 George Street Avenue.

Sydney CBD major future projects: 2024




Property Council's NSW Executive Director Katie Stevenson said the data confirmed what has been observed by industry and is a reminder that innovative solutions are needed to bring workers back to our CBDs.

"In order to bring workers back to our CBD, we need to invest in great places where people want to spend their time during and outside of work."

"This data reinforces how industry and government need to work in partnership to not only renew our office buildings but to invest in the areas around our premium office buildings," Ms Stevenson concluded.

10,400sqm of stock was added to the market in the six months to January 2024. 3 Hooking Place, Merchant 12,588sqm and 5 Central Park Avenue, The Brewery 16,700sqm were the major supply additions this period. 4,078sqm of stock was withdrawn over the period. The majority of this space was at 270 Pitt Street, as 24,000sqm was brought offline for full refurbishment. 26-30 Lee Street (12,587sqm) was withdrawn for demolition, and 4,401sqm was taken offline at 342 George Street for a partial refurbishment.

For further information please contact Property Council Research
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Office Market Insight Sydney CBD

January 2024

Vacancy Sydney CBD, January 2024

Sub-locale	Vacancy rate Jan 24 (%)	Vacancy rate Jul 23 (%)	Vacancy rate Jan 23 (%)
City Core	10.5	9.8	12.2
Midtown	11.9	14.5	10.8
Southern	10.9	13.3	11.4
The Rocks	5.1	8.9	7.4
Walsh Bay	10.9	13.1	8.2
Western	13.8	18.1	10.3
Total Market	12.2	11.5	11.3

Supply & withdrawals

Supply/Withdrawal	Location	SQM	Type
Supply	5 Central Park Avenue	5,700	Full Refurbishment
Supply	3 Hooking Place	2,800	New Development
Withdrawal	270 Pitt Street	24,000	Full Refurbishment
Withdrawal	26-30 Lee Street	12,587	Demolition
Withdrawal	342 George Street	4,401	Partial Refurbishment

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Consensus Forecast Office

An economic property outlook overview and consensus from experts in the industry covering most markets tracked in the Office Market Report.



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