Industrial Intel
Q3 2020
Connect With Us

In Australia, Knight Frank has 22 offices, servicing both capital cities and regional centres, with approximately 1,000 employees.

Knight Frank Industrial focuses on partnering with our clients to deliver innovative and integrated property solutions, to improve the way they make real estate decisions.
Brisbane Snapshot

There are extremely high interest levels being shown by investors in industrial property. Any reasonable investment that is on the market will attract multiple offers. The vast majority of current activity is happening off market and we see this continuing into the future.

We are predicting a much more active quarter for leasing activity along with borders re-opening. The run in to Christmas and early 2021 could be very active for leasing agents.

Market Highlights

Whilst decision making processes have blown out due to COVID-19 impacts, general tenant enquiry levels have started to increase towards the back end of the quarter.

Lease deals picking up with several major transactions taking place

Very limited sales activity in the market, however high levels of interest from investors

Key Appointments

63 Tile Street, Wacol
Size 16,887* sqm
Agent Mark Clifford

31 Meakin Road, Meadowbrooks
Size 861 sqm
Agent Sam Harper, Matthew Williams

278 Orchard Road, Richlands
Size 7,280 sqm
Agent Lachlan Hateley, Mark Clifford

37 Freight Street, Lytton
Size 9,036 sqm
Agent Chris Wright, Ben Hatch

92 Sandstone Place, Parkinson
Size 13,738 sqm
Agent David Knox, Lachlan Hateley

70 Darlington Drive, Yatala
Size 11,262 sqm
Agent Sam Harper, Matthew Williams

Key Transactions

4, 200 Holt Street, Pinkenba
Size 7,320 sqm
Rental $125 p/sqm
Agent Chris Wright, Ben Hatch

13 Business Street, Yatala
Size 8,951 sqm
Rental Undisclosed
Agent Sam Harper, Matthew Williams

T3, 16 Quarry Road, Stapylton
Size 12,420 sqm
Rental Undisclosed
Agent Matthew Williams, Mark Clifford

T4, 16 Quarry Road, Stapylton
Size 5,600 sqm
Rental Undisclosed
Agent Matthew Williams, Mark Clifford

80 Computer Road, Yatala
Size 5,707 sqm
Price $2,000,000
Agent Sam Harper, Matthew Williams

“We are predicting a much more active quarter for leasing activity as borders re-open. The run in to Christmas and early 2021 could be very active for leasing agents.”

By Mark Clifford & Chris Wright
Brisbane Market Overview

South | South West
The last quarter has seen an increase in levels of interest from tenants in the larger spec developments which are either completed or near completion. Several larger tenant briefs look set to find a home with decisions getting close on over 35,000 sqm of requirements. This will make a sizeable dint in the vacancy levels in these precincts and further encourage other spec developers to get started on their respective DA approved sites. Investors are highly active in the precinct with demand far exceeding current supply of opportunity.

TradeCoast
The TradeCoast market has experienced an uplift in both tenant and owner occupier enquiry over the last quarter. Notable transactions across the precinct include Australia Post leasing approximately 7500 sqm of Charter Hall’s speculatively built space at 4, 200 Holt Street, Pinkenba and Amazon’s commitment to Goodman’s 15,000 sqm facility at Export Street, Lytton. Land sale enquiries have spiked in recent months however this market trend is met with a dearth of well positioned industrial land available for sale, particularly at the larger end of the market (>10,000 sqm).

Yatala
Strong levels of activity have been seen in the precinct, with several of the larger deals taking place including AMES- Quarry Rd Stapylton (12,420 sqm) and the purchase of 80 Computer Rd, Yatala. Several major infrastructure projects will have a massive impact on the area, with the Coomera Connector set to be the biggest driver of activity there over the next decade. The key industrial estates in the precinct will benefit from the new road infrastructure, and it will further boost the areas reputation as a strategic location for larger DC’s.

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Sydney Snapshot

We have seen a complete acceleration of retail and logistic occupiers seeking larger warehouse space as the COVID-19 environment has led to a strengthening e-commerce and logistics market place. Suburbs such as Eastern Creek and Erskine Park are in demand, therefore many more traditional industrial occupiers are being priced out and now searching for financially viable alternative location.

Investments

The NSW Government has decided on utilising infrastructure spending as the means of avoiding an ongoing recession. Investment in a world-class transport system with projects such as the Sydney Metro West, WestConnex, and significant road and rail upgrades to support the new Western Sydney Airport will provide the backbone for industrial occupiers’ success. Global capital markets are aware of this and are scrambling to acquire assets that will benefit from this unprecedented level of State Government spending.

Market Highlights

- Shift in occupier demand specifically from e-commerce and logistics operators
- Increase in vacancy in more expensive locations
- Since the ease of restrictions over the past three months has seen an increase in market activity
- Strong appetite in for industrial stock across the market

“Industrial continues to be the more resilient sector throughout the pandemic. We are now envisaging the first quarter of 2021 to be very active with more recent enquiry entering into the market.”

Key Appointments

133-139 Newton Road, Wetherill Park
- Size: 3,900 - 9,000 sqm
- Agent: Matthew Pizzonia, Anthony Bosnar

Western Sydney Airport
- Size: 13 ha
- Agent: Angus Klem, James Reeves, Matthew Pizzonia

12 Fredrick Street, St Leonards
- Size: 50,000 sqm*
- Agent: Angus Klem

14-16 Abel Street, Jamisontown
- Size: 2,200 sqm
- Agent: James Reeves

22 Crescent Street, Holroyd
- Size: 2,000 sqm
- Agent: Matthew Pizzonia, Anthony Bosnar

Key Transactions

1/153 Beauchamp Road, Matraville
- Size: 1,061 sqm
- Price: $4,710,000
- Agent: Mark Silva

30 - 32 Bowden Street, Alexandria
- Size: 617 sqm
- Price: $194/sqm
- Agent: Mark Silva

Tenancy 5, 19 Holbeche Road, Arndell Park
- Size: 2,571 sqm
- Price: $145/sqm
- Agent: Matthew Pizzonia, James Reeves
Sydney Market Overview

Industrial Logistics

The industrial sector continues to be the strongest performing asset class in the COVID-19 environment, with e-commerce and logistics occupiers driving demand. With a rapid shift to online during this period, we are seeing 3PL and logistics providers scramble to meet demand with an increase in uptake of industrial space. It continues to be the more resilient sector throughout the pandemic. We are now envisaging the first quarter of 2021 to be very active with more recent enquiry entering into the market.

We are also seeing occupiers taking advantage of the current climate and shifting from more expensive areas to a more cost-effective location and negotiating better deals within areas holding more vacancy. The need to review business expenses and costs is more apparent than in any other time. Occupiers are also reviewing their lease expiry profiles a lot earlier than previously years to better prepare for what’s ahead, in most cases 2–3 years out. With the uncertainty landlords are entertaining shorter term leases than usual to avoid extensive vacancies.

With rents climbing to unsustainable levels in the South Sydney precinct pre-COVID-19, we are seeing a new surge of enquiry coming out of the South into the West as South Sydney continues to battle circa 160,000 sqm of upcoming vacancy, unseen for many years.

The tightness in supply and an increase demand for industrial stock across NSW from private investors and institutional groups continues to dominate the market as well as the buzz surrounding the new Western Sydney Airport with continued interest in potential opportunities within the precinct.

Industrial Investments

The investment market arguably remains the most sought-after asset class nationally, driven by a flight away from retail and a large slice of industrial tenants who have thrived during the pandemic.

The low-interest-rate environment constrained land market, and few trading opportunities, are other key drivers of this sector.

Building activity has reduced as financiers tighten their lending requirements to ensure that only the proven developers are provided with the necessary capital to produce new products. This is in contrast to the surprisingly high take-up numbers, especially within Sydney and Melbourne, when compared to historical averages.

Corporate Australia and global enterprises continue to review assets performance and the buoyant investment markets, leading to an increasing number of sale and leaseback transactions.

Data centres are also on the move, with Knight Frank establishing global and local expertise in this burgeoning field.

Our Team

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Melbourne Snapshot

In spite of the COVID-19 pandemic and stage 4 lockdown, transactions in the sub 10,000 sqm space remain strong with the rise of e-commerce and construction/food groups looking to continue to grow.

Melbourne’s record infrastructure spend is paving the way for new development and demand in our Western and Northern markets. Despite a number of developments being put on hold, Melbourne’s industrial market still looks assured of new supply over the medium term.

Prime yields will hold with strong appetite from buyers seeking long WALE assets and, as expected, continued exponential growth of e-commerce and an economic climate of low interest has made industrial a safe asset class.

Market Highlights

Strong leasing activity in the sub 10,000 sqm space

Demand continues for long WALE assets in good locations

Developers/institutions looking to acquire land for future pipeline

“COVID-19 has accelerated the shift to online retail, and this is having a flow-on effect on demand for industrial property in Melbourne.”

By Gab Pascuzzi

Key Appointments

<table>
<thead>
<tr>
<th>Address</th>
<th>Size</th>
<th>Agent</th>
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<tbody>
<tr>
<td>140 Northcorp Blvd, Broadmeadows</td>
<td>22,707 sqm</td>
<td>Marco Sandrin, Brent Glassford</td>
</tr>
<tr>
<td>41-51 Monash Drive, Dandenong South</td>
<td>15,830 sqm</td>
<td>Gab Pascuzzi, Adrian Garvey</td>
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<tr>
<td>44 Translink Drive, Keilor Park</td>
<td>3,076 sqm</td>
<td>Marco Sandrin, Brent Glassford</td>
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<tr>
<td>41-47 William Angliss Drive, Laverton North</td>
<td>4,967-6,826 sqm</td>
<td>Joel Davy, Steve Jones</td>
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<tr>
<td>1084 Centre Road, Oakleigh South</td>
<td>3,997 sqm</td>
<td>Adrian Garvey, Stuart Gill</td>
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Key Transactions

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<th>Address</th>
<th>Size</th>
<th>Rental</th>
<th>Agent</th>
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<tr>
<td>Warehouse 6, 33 Fitzgerald Road, Laverton North</td>
<td>8,271 sqm</td>
<td>$88/sqm</td>
<td>Joel Davy, Steve Jones</td>
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<tr>
<td>Warehouse 6, 4 Judge Street, Sunshine</td>
<td>6,283 sqm</td>
<td>$75/sqm</td>
<td>Steve Jones, Joel Davy</td>
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<tr>
<td>Warehouse B, Reid Way, Melbourne Airport</td>
<td>4,532 sqm</td>
<td>Undisclosed</td>
<td>Marco Sandrin, Brent Glassford</td>
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<tr>
<td>520–528 Somerville Road, Sunshine West</td>
<td>10,600 sqm (site)</td>
<td>$3,600,000</td>
<td>Michael Satterley, Andrew Galtucci</td>
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<tr>
<td>6-10 Lace Street, Doveton</td>
<td>7,143 sqm</td>
<td>$3,050,000</td>
<td>George Linn, Adrian Garvey</td>
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</table>
City Fringe

The City Fringe industrial market continues to see many larger occupiers moving out of the inner suburbs and taking up space further out in Melbourne’s West or North. This is a direct result of high outgoing expenses and high rental rates ($65/sqm) throughout. Of recent, we have seen one of the largest distribution centres in Port Melbourne come to the market with Toll providing the landlord with notice they will be moving on.

The opportunity to significantly reduce property expenses and secure long leases is becoming a great incentive for occupiers to relocate to the outer suburbs.

Enquiry levels to purchase and lease city fringe facilities from 200 to 600 sqm remain very healthy, however the lack of stock in that size range is making it difficult and forcing buyers and tenants to explore different locations. On the larger end, we are witnessing strong activity from pharmaceutical, automotive, meat and cold store groups who currently operate out of the City Fringe markets wanting to increase or double their footprint. These groups have their eye on purchasing due to the large sums that are required to relocate and set up in another location. Unfortunately, for some of the groups listed property owners are very reluctant to sell or engage in conversation due to it being very difficult to replace similar quality assets after selling.

West

The Western industrial market continues to see strong appetite for land. The lack of zoned industrial land hasn’t seen prices move much with owner occupiers and developers are still looking for opportunities. One hectare land parcels are selling for between $350 to $420/sqm with smaller blocks edging up towards $500/sqm.

There was a large increase in sublease warehouse space in the west in Q1 and Q2, and due to that we saw a large number of institutional owners put their spec building plans on hold due to the increase in vacancy. We were anticipating close to 200,000 sqm of spec space to come online by Q4 2020 but less than half of that figure will come to market before year’s end.

The positive of Q3 has been that the majority of the existing specs and most of the sublease space has now been leased. This has allowed institutional owners to start planning around construction on speculative developments.

Chatterhall, GPT, Deuxes, LOGOS and Altol, all have plans to develop new speculative warehouses starting Q1 in 2021.

We have experienced renewed interest and enquiry levels from tenants over the last two months. Market sentiment has increased with the dropping numbers of COVID-19 cases to a level now where individuals and companies are once again planning for future business growth.

Most of these businesses are associated with e-retail, e-commerce, warehousing & logistics and government infrastructure projects.

North

The Northern industrial market is continuing to experience strong enquiry from occupiers in the transport and logistics sectors despite the current COVID-19 restrictions being in place for an extended period of time. This is mainly due to the increased activity in online and e-commerce over the past few months.

We have seen two major pre-lease commitments with Ford Australia pre-committing to 5,595 sqm (approx) at Mernda Business Park and Reace Australia committing to a 16,670 sqm (approx) facility at Melbourne Airport Business Park.

We have also seen significant investment into the northern industrial market by Logos, who have purchased two sites in Epping (37ha) and Broadmeadows (25ha). This demonstrates security in the northern market due to a shortage of land available that is currently zoned and ready for construction.

South East

With limited supply of A-grade industrial assets above 5,000 sqm and limited new speculative development forecast to commence in the second half of 2020, pre-commitment activity remains stagnant. A number of developers in the marketplace have recently secured new tenants prior to construction of proposed speculative facilities placing further downward pressure on the vacancy supply. Rents remain stable whilst the competition for pre-commitments is seeing an increase in leasing incentives being offered from developers.

There have been releases of vacant land to the marketplace which is being well received. Lots ranging in size from 3,000 sqm to 2 ha are selling for $500/sqm. New development from this release will ease pressure on the middle markets in 2022, although rents and sales prices are forecast to remain at record pricing as demand will still outweigh supply.

ESR is preparing to launch a new development in Clayton providing new high clearance, modern warehousing to the precinct for the first time in 5 years. Stage 1 of the development is expected to reach practical completion in Q4 2022.

The announcement of the inland container port at Lyndhurst was made in conjunction by the state and federal government with developer Salta, providing significant investment in the region. The project is forecast to create 1,000 jobs during the construction phase and ultimately remove 100,000 trucks from local streets and the M1 Freeway when fully operational. Freight costs to the region are expected to reduce by 25% which will further enhance the appeal of the precinct to larger occupiers.

East

The East’s prime vacancy remains constrained by a lack of new supply. Existing assets are keenly sought by occupiers along the EastLink toll-way with Caribbean Park experiencing high levels of demand. Existing assets in this estate are being leased prior to becoming vacant as was evidenced by the sub lease of 8 Lakeview Drive with four parties entering a competitive tender to secure the upcoming vacancy.

Industrial land supply remains limited with brownfield sites more readily available. Tupperware recently transacted the sale of their 6 ha site to a private developer who look to reposition the existing warehouses in addition to further development of the site once Tupperware vacate the region.

As the demand for online shopping increases nationally service providers are actively seeking opportunities in this region, most notably Australia Post who are looking to establish a 20,000 sqm parcel fulfilment facility in 2021.
Adelaide Snapshot

Investment demand
Nationally, industrial property has been the preferred asset class for many investors as it has shown resilience during the COVID-19 pandemic. There has been increased appetite from institutional investors for fully leased industrial property, particularly long WALE assets with strong lease covenants reflected in the strong metrics shown in recent transactions.

Industrial leasing and vacant land
Leasing activity has remained limited as a result of the uncertainty of COVID-19, with some businesses delaying relocation decisions and the continuing trend of owner occupation in SA, where in lieu of leasing their property requirements, occupants are favouring to purchase their facilities. Evidence has shown that over the past 12 months, there has been an increase of owner-occupiers purchasing properties in the Northern precinct, particularly vacant land in the Outer North areas such as Direk and Edinburgh. Buyers to date have been predominately owner-occupiers with plans to purpose build facilities. Furthermore, the North to South Corridor infrastructure development and increasing density in the Inner North precinct has positively impacted land values in the Inner and Outer North precincts.

Supply
Industrial supply has been strong over the past 12 months with the majority of the developments being logistics or temperature-controlled distribution centres. However, unlike some markets in the eastern states, all of the supply noted is either pre-committed or owner-occupiers.

Market Highlights
Year to date, 2020 total sales volume for industrial properties above $5 million were 35% higher compared to same time last year.

Outer North precincts continues to see increasing demand from owner occupiers.

Prime industrial assets with strong lease covenants show resilience during COVID-19.

Increased appetite from institutional investors for industrial assets such as cold storage and distribution facilities.

Key Appointments

<table>
<thead>
<tr>
<th>Address</th>
<th>Size (sqm)</th>
<th>Agent</th>
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<tbody>
<tr>
<td>136 Daws Road, Melrose Park</td>
<td>9,332</td>
<td>Marco Onorato, Rory Dyus</td>
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<tr>
<td>17 Francis Road, Wingfield</td>
<td>2,270</td>
<td>Jack Dyson, Oliver Totani</td>
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<tr>
<td>14-22 Dixon Street, Royal Park</td>
<td>2,200</td>
<td>Oliver Totani, Marco Onorato</td>
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<tr>
<td>10-30 Brinkley Road, Murray Bridge</td>
<td>4,630</td>
<td>Jack Dyson, Marco Onorato, Oliver Totani</td>
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<tr>
<td>397-401 Churchill Road, Kilburn</td>
<td>5,500</td>
<td>Jack Dyson, Oliver Totani</td>
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<tr>
<td>620 Mersey Road, Osborne</td>
<td>8,006</td>
<td>Oliver Totani, Guy Bennett</td>
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Key Transactions

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<th>Address</th>
<th>Size</th>
<th>Price</th>
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<tr>
<td>47 King William Street, Kent Town</td>
<td>983 sqm</td>
<td>$180,000</td>
<td>Jack Dyson, Marco Onorato, Oliver Totani</td>
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<tr>
<td>260 Regency Road, Regency Park</td>
<td>2,050 sqm</td>
<td>$95/sqm</td>
<td>Marco Onorato, Rory Dyus</td>
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<tr>
<td>340-342 Hanson Road, Wingfield</td>
<td>2,501 sqm</td>
<td>$2,910,000</td>
<td>Marco Onorato, Oliver Totani</td>
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“Recent sale evidence, suggests the Adelaide industrial market has weathered the COVID-19 storm. With defence and mining set to drive demand over the next cycle, Adelaide industrial is in a good space.”

By Oliver Totani
Adelaide Market Overview

Inner West
Sales and leasing remain limited as the high underlying land value is driving a change from industrial to mixed use, which is evident through Thebarton.

Inner North – Majority of the supply from Inner North
New supply has been driven by expansion and relocation to better quality accommodation. Recent complete developments include the 94,000 sqm expansion of Woolworths Adelaide Regional Distribution Centre at Gepps Cross, O-I Glass distribution centre (33,980 sqm) at Kilkenny, Drakes supermarkets distribution centre (48,400 sqm) at Edinburgh North, Pacific Marine Batteries (12,000 sqm) at Osborne, Sigma Health Care (10,390 sqm) at Pooraka and Huhtamaki (8,280 sqm) at Pooraka. Other notable underway projects are Metcash (68,000 sqm) at Gepps Cross, SA Health (11,000 sqm) at Gepps Cross and Cochrane’s (7500 sqm) at Gillman.

Outer North
The North to South Corridor infrastructure development and increasing density in the Inner North precinct has positively impacted land values in the Inner & Outer North precincts. Over the past six months, average land values for properties below 5,000 sqm have increased approximately 6.6% in the Inner north and approximately 6.2% in the Outer North. As at July 2020, average land values below 5,000 sqm in the Inner North are circa $250/sqm - $260/sqm and for the Outer North circa $860/sqm - $120/sqm. Land values for all other precincts (Inner West, Inner South and Outer South) remained relatively constant.

Over the past 6 months, there has been an uplift in sales activity for vacant land in northern areas with majority of the transactions located at Outer North precincts such as Edinburgh and Direk. Buyers to date have predominately owner-occupiers with plans to purpose build facilities.

Le Fevre Peninsula
The defence infrastructure development at Osborne South shipyard has recently been completed. The facilities will house the $35 billion frigates project which will kick off with prototypes before the first production in 2022. Meanwhile, phase 1 of the Osborne North shipyard is underway and will support the $50 billion submarine project which is scheduled to commence in 2023. The outlook for Adelaide defence sector is positive as the federal government announced a commitment to invest $270 billion nationally over the next decade in new and upgraded defence capabilities with SA likely to get a slice of it.

Inner South
There have been limited sales & leasing activities. However, there is a demand for industrial property under $3 million.

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Perth Snapshot

Western Australia’s position on COVID-19 and its huge mining sector has provided a significant boost to the industrial property market across the board.

Buildings that have remained vacant for some time are now being taken up at rental levels close to asking. This is particularly prevalent in the more industrial sectors in the east and south. Workshop rates are back to $95 - $100 sqm depending on crane capacity.

The more local markets with smaller tenancies are still struggling with smaller businesses still working the effects of COVID-19.

Developers are still looking to secure land for future development. While the larger developers continue to look for larger “bargains” to land bank, we are no seeing smaller developers looking to secure sites for developments of 1,000 - 2,000 sqm. This is particularly noticeable in some infill sites in prime locations.

It is worth noting that the WA government has posted a $1.7 billion surplus for the 2019/20 financial year leading to an increase in spending for larger infrastructure projects in the Perth area.

Market Highlights

Rentals in prime locations continue to firm
Workshops still in demand
Yields for properties with long WALEs continue to fall
State government in surplus

“The strength of the industrial sector highlighted by upward pressure on rentals and land values.”

By Geoff Thomson

Key Appointments

<table>
<thead>
<tr>
<th>Location</th>
<th>Size (sqm)</th>
<th>Agent</th>
</tr>
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<tbody>
<tr>
<td>25 Ilda Road, Canning Vale</td>
<td>2,200</td>
<td>Geoff Thomson</td>
</tr>
<tr>
<td>4/310 Spearwood Ave, Bibra Lake</td>
<td>10,996</td>
<td>Scott Bailey</td>
</tr>
<tr>
<td>2/51 Howson Way, Bibra Lake</td>
<td>1,440</td>
<td>Scott Bailey</td>
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<tr>
<td>86 Discovery Drive, Bibra Lake</td>
<td>1,499</td>
<td>Scott Bailey</td>
</tr>
<tr>
<td>10 Ferguson Street, Kewdale</td>
<td>3,300</td>
<td>Geoff Thomson</td>
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Key Transactions

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<tr>
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<th>Rental (sqm)</th>
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<tr>
<td>2 Aitken Way, Kewdale</td>
<td>1,800</td>
<td>$93/sqm</td>
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<td>Geoff Thomson</td>
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<tr>
<td>50 Hope Valley Road, Naval Base</td>
<td>700 sqm</td>
<td>$55/sqm</td>
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<td>Scott Bailey</td>
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<td>54 Achievement Way, Wangara</td>
<td>980 sqm</td>
<td>$92/sqm</td>
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<td>22 Supreme Loop, Gnangara</td>
<td>2,400</td>
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<td>15 Opportunity Street, Kewdale</td>
<td>1,290 sqm</td>
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<td>$1,383,000</td>
<td>Scott Bailey</td>
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<tr>
<td>28 Mordaunt Circuit, Canning Vale</td>
<td>660 sqm</td>
<td></td>
<td>$1,383/3sqm</td>
<td>Geoff Thomson</td>
</tr>
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</table>

“The strength of the industrial sector highlighted by upward pressure on rentals and land values.”

By Geoff Thomson
Perth Market Overview

East

In the past few months we have seen an increase in activity in the eastern corridor, particularly from medium to large warehousing businesses. There has been a take-up of a number of properties in the Kewdale and Welshpool areas with small reductions in asking rents and minimal incentives. Demand for workshops with gantry cranes and yard space is still strong.

Demand for sites is still strong with developers and owner occupiers looking for opportunities. The price of industrial land has come off some 10-15% due to COVID-19. Land that was previously achieving $400+ per sqm is now being sold at rates in the high $300 per sqm.

The Hazelmere/Forrestfield precinct is finally seeing large areas being re-zoned to industrial. Current landowners in this precinct are Logos and the Hodgson Group.

South

The southern corridor is quickly becoming a location of choice for a number of industrial organisations. The government’s announcement of the new port and associated infrastructure that will service WA for the next 50 years is significant. Development WA are also bringing to the market some 70 ha of industrial land in the next 5 years.

The demand for space is dominated by heavy industrial users, with Knight Frank securing tenants for approximately 60,000 sqm of space. Much of this space is secondary.

Land rates are firm at $150 - $200 and rental rates vary between $65 - $80 m2 depending on the quality of the space.

North

The northern areas of Malaga and Wangara are in demand from both tenants and buyers. This has seen a tightening of rental and land rates. Malaga, for example, is now achieving rates of $380 - $400 sqm for sites of 7000 - 10,000 sqm sites. The lack of quality sites in both these areas is driving the prices up to a level which is at odds with other suburbs.

Given the demand, we are seeing developers looking to secure large in fill sites for both subdivisions and or pre-leases. Further to the north Development WA’s estate of Neerabup is finally seeing some solid interest. Knight Frank is working with two buyers for large parcels of industrial land. The buyers are looking to secure tenants looking for pre-leases.

Our Team

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