

Sydney CBD Office State of the Market

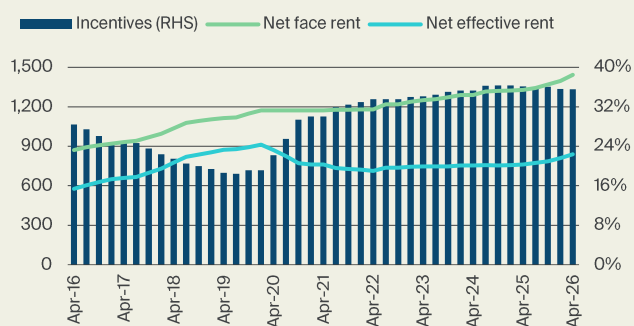


Rents continue to rise

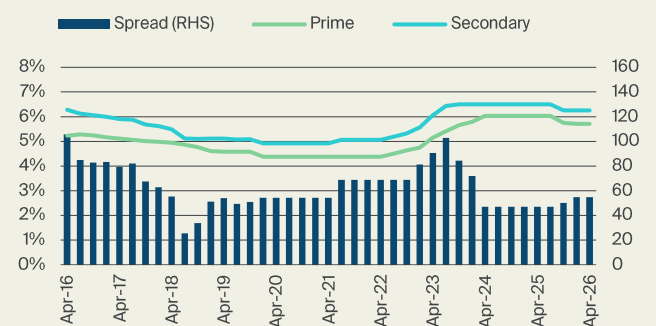
Q1 2026

- The strong rental growth experienced in 2025 has continued into Q1 with prime net face rents in Sydney CBD rising 3.3% over the quarter to average \$1,443/sqm, on an annual basis net face rents have grown 8.6%. Rental growth has been strongest in the core with growth of 11.2% over the year.
- The continued weighting of tenant demand towards the Core precinct has widened the net face rental spread between Core and other precincts, of note is the 45% discount to the Southern precinct.
- Following yield compression over the second half of 2025, yields have remained flat in Q1 to average 5.7%.
- There has been solid investor activity in Q1 with a portion of 180 George Street transacting and 32-36 York Street. Despite the current geopolitical climate and macroeconomic uncertainty there are several opportunities for more assets to trade over the coming quarter.

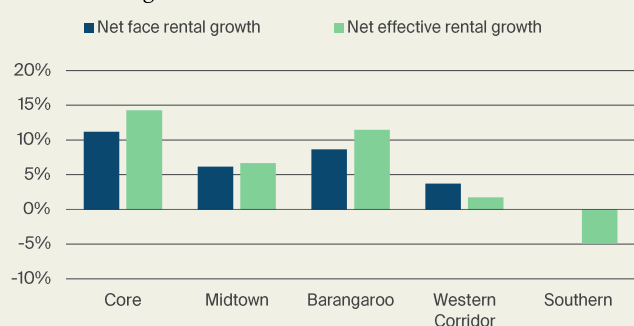
Sydney CBD prime rents and incentives



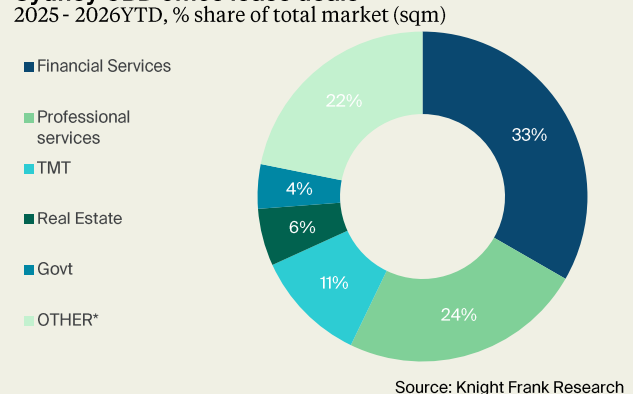
Sydney CBD core precinct office yield spread



Sydney CBD prime office rental growth



Sydney CBD office lease deals



Sydney CBD Office Market Indicators – Q1 2026

Precinct	Prime								Total Market Figures*	
	Net face rent (\$/sqm)	Qtr change (%)	Annual change (%)	Net effective rent (\$/sqm)	Qtr change (%)	Annual change (%)	Incentive (gross, %)	Core market yield (%) ^	Vacancy Rate (%)	Stock (sqm)
Core	1,661	3.3	11.2	1,031	3.6	14.3	32.4	5.70	11.6	2,214,676
Western	1,081	3.4	3.7	557	3.9	1.7	41.2	6.94	15.0	1,197,361
Barangaroo	1,567	6.8	8.7	949	7.6	11.5	33.0	6.00	9.5	335,011
Midtown	1,289	1.3	6.2	715	2.0	6.7	37.7	6.33	17.9	1,252,016
Southern	908	0.0	0.0	456	0.0	-4.9	42.0	7.42	11.9	350,047
CBD Avg.	1,443	3.3	8.6	840	3.8	10.2	35.5	6.14	13.8	5,385,115

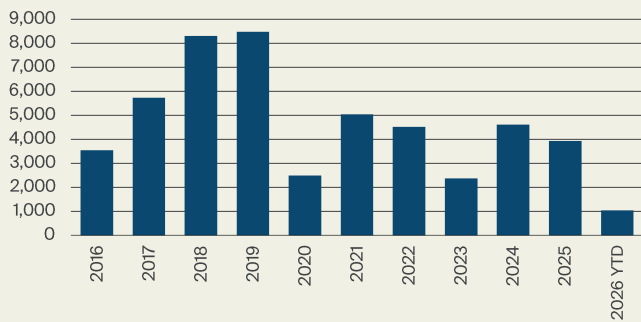
Source: Knight Frank Research, PCA

^ Assuming WALE 5 years

*As at January 2026

Sydney CBD office transactions

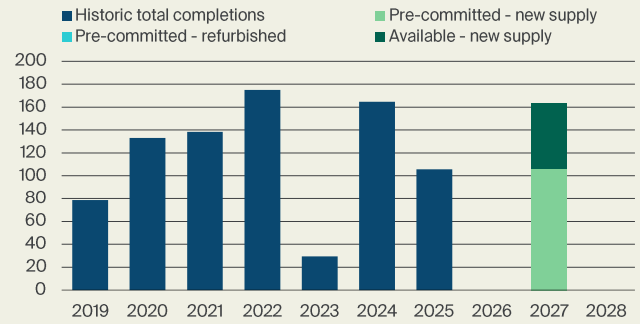
By purchaser locations, \$ millions, \$10m+



Source: Knight Frank Research, RCA

Sydney CBD development completions

By commitment type, '000sqm



Source: Knight Frank Research

Recent Significant Tenant Commitments

Tenant	Property	Precinct	Lease type	Size (sqm)	Net face rent (\$/sqm)	Incentive (%)	Term (yrs)	Start date
Tajon	343 George St	Core	Direct	1,900	1,250 (gross)	~ 40.0	10	Q3-27
Plenti	123 Pitt St	Core	Direct	1,593	1,450	40.0	5	Q1-27
Scentre	100 Market St	Midtown	Renewal	9,169	1,187	42.0 (gross)	10	Q1-27
Soul Pattinson	121 Castlereagh St	Midtown	Direct	1,997	1,200	37.0	9	Q2-26
Optiver	275 Kent St	Western	Direct	9,225	1,465	38.0	10	Q1-26

Recent Significant Sales

Property	Price (\$m)	NLA (sqm)	\$/sqm	Core market yield (%)	WALE	Purchaser	Vendor	Sale date
180 George St (19.9%)	357.2	61,914	29,000	5.5	4.6	OUE REIT	Mitsubishi Estate	Q1-26
32-36 York St	166.4	8,202	19,045	6.3	5.6	DWS Group	Milligan Group / Phoenix Property Investors	Q1-26
35 Tumbalong Blvd.	360.0	27,749	12,973	6.7	3.3	Barings	Lendlease / Aware Super	Q4-25
225 George St (50%)	860.0	85,509	20,115	6.0	3.4	GPT	CSC	Q4-25

Major Developments

Property	Precinct	NLA (sqm)	Pre-commit (%)	Status	Completion date
Atlassian Central	Southern	58,000	100*	Under Construction	2027
55 Pitt St	Core	63,000	43	Under Construction	H1 2027
2 Chifley South	Core	56,500	50	Under Construction	H2 2027

* Sub-lease space available of 21,000sqm



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