

Sydney CBD Office State of the Market

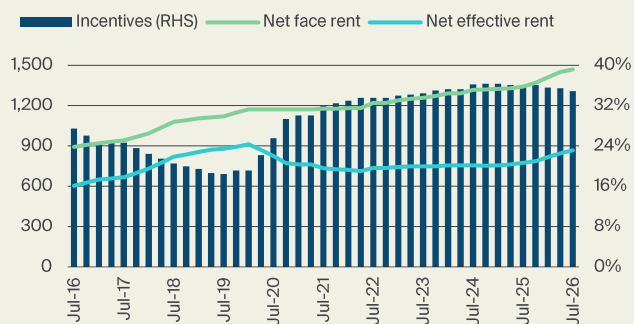


Rental growth continues

Q2 2026

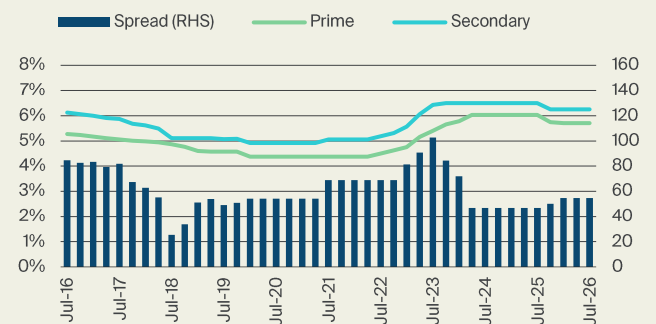
- Strong rental growth in Q1 has continued in Q2, with prime net face rents in Sydney CBD rising 1.4% over the quarter to average \$1,470/sqm, on an annual basis net face rents have grown 9.5%. Rental growth has been strongest in the core with growth of 11.2% over the year.
- The continued weighting of tenant demand towards the Core precinct has widened the net face rental spread between Core and other precincts, of note is the 46% discount to the Southern precinct.
- With investor sentiment still strong for good quality assets, yields remained flat in Q2 to average 5.7%.
- Several transactions in H1 underpin investor confidence; including the 50% stake in the O Block Precinct and a portion of 180 George Street. Additionally, over \$500 million in assets are currently progressing through due diligence, which is expected to lift transaction volumes and provide a clearer indication of pricing metrics.

Sydney CBD prime rents and incentives



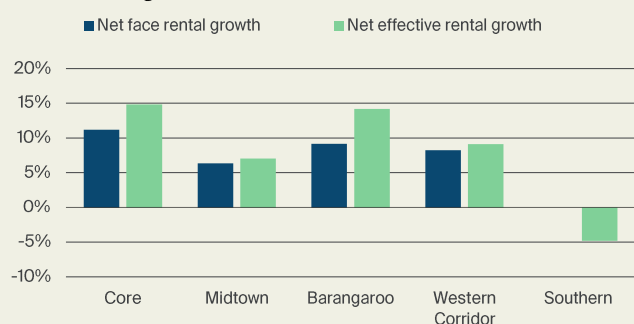
Source: Knight Frank Research

Sydney CBD core precinct office yield spread



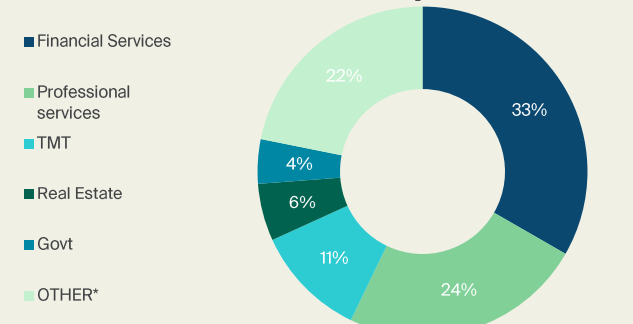
Source: Knight Frank Research

Sydney CBD prime office rental growth



Source: Knight Frank Research

Sydney CBD office lease deals



Source: Knight Frank Research

Sydney CBD Office Market Indicators – Q2 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	1,687	1.6	11.2	1,063	3.2	14.8	31.6	5.70	11.6	2,214,676
Western	1,131	1.7	8.3	598	3.2	9.1	40.2	6.94	15.0	1,197,361
Barangaroo	1,592	1.6	9.1	985	3.8	14.2	32.0	6.00	9.5	335,011
Midtown	1,294	0.4	6.3	717	0.3	7.0	37.7	6.33	17.9	1,252,016
Southern	908	0.0	0.0	455	-0.3	-4.8	42.0	7.42	11.9	350,047
CBD Avg.	1,470	1.4	9.5	868	2.7	12.2	34.9	6.14	13.8	5,385,115

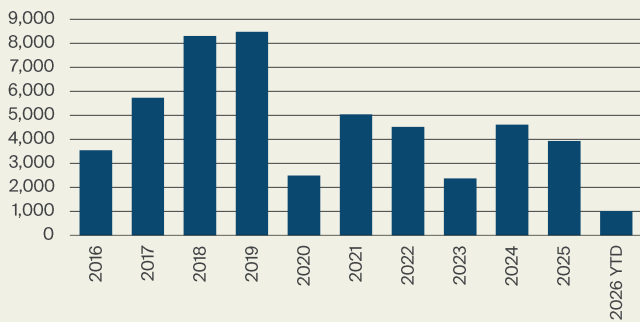
Source: Knight Frank Research, PCA

^ Assuming WALE 5 years

*As at January 2026

Sydney CBD office transactions

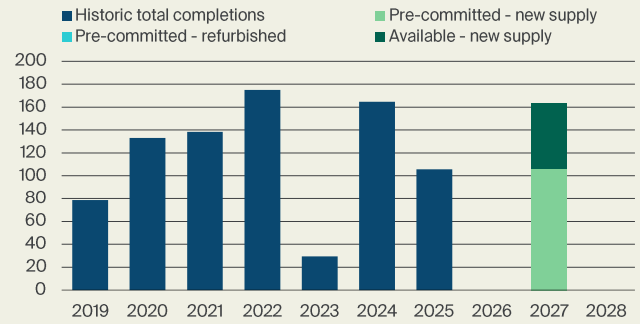
By purchaser locations, \$ millions, \$10m+



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
QUBE Research	88 Phillip St	Core	Direct	1,356	1,830	27.0	7	Q2-27
Australian Registry Investments	680 George St	Midtown	Direct	1,816	1,200	43.5	10	Q1-27
Angle Auto Finance	60 Carrington St	Core	Direct	1,190	1,100	40	5	Q4-26
Engineers Australia	44 Market St	Western	Direct	386	1,250	35	3	Q3-26
AC3	477 Pitt St	Southern	Direct	2,532	970	42.0	4	Q2-26
Talent Quarter	20 Hunter St	Core	Direct	340	1,350	38	3	Q2-26

Recent Significant Sales

Property	Price (\$m)	NLA (sqm)	\$/sqm	Core market yield (%)	WALE	Purchaser	Vendor	Sale date
O Block Precinct (50%)	529.5	59,167	17,890	5.8	2.3	Charter Hall	ADIA	Q1-26
180 George St (19.9%)	357.2	61,914	28,992	5.5	4.6	OUE REIT	Mitsubishi Estate	Q1-26
32-36 York St	166.4	8,202	20,286	6.2	5.5	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

Major Developments

Property	Precinct	NLA (sqm)	Pre-commit (%)	Status	Completion date
Atlassian Central	Southern	58,000	100*	Under Construction	H1 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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