

Sydney CBD Office State of the Market

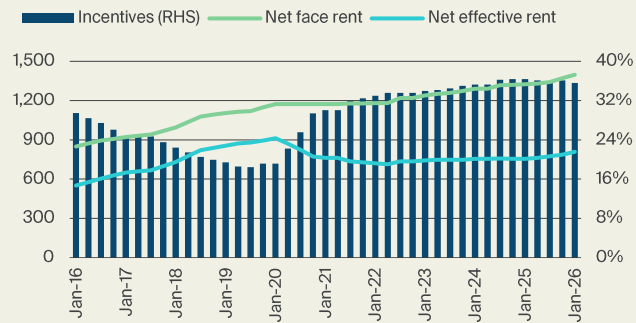


Rents soar in the core

Q4 2025

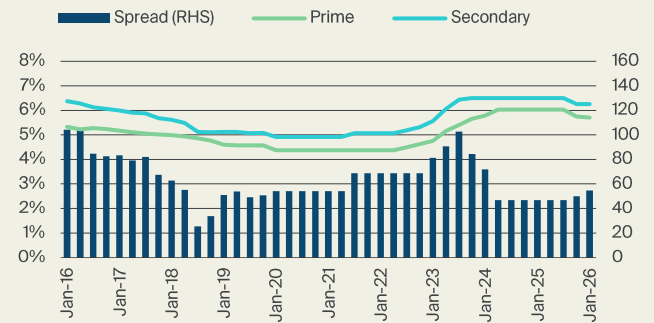
- Prime net face rents in Sydney CBD rose 5.5% in 2025 to average \$1,397/sqm, led by Core (+8.2%) and Midtown (+4.8%) precincts. Incentives edged down from 36.1% in Q4 2024 to 35.6% in Q4 2025, lifting prime effective rents by 7.1% over the same period.
- The continued weighting of tenant demand towards the Core precinct has widened the net face rental spread between Core and other precincts, of note is the 43% discount to the Southern precinct.
- Prime yields tightened in premium locations, compressing by 33bps to 5.7% in the Core and by 14bps to 6.3% in Midtown over 2025.
- Investment volumes reached \$3.3 billion in 2025, this was headlined by the acquisition of Grosvenor place by GPT and Commonwealth Super Corporation in Q4.

Sydney CBD prime rents and incentives
\$/sqm, %



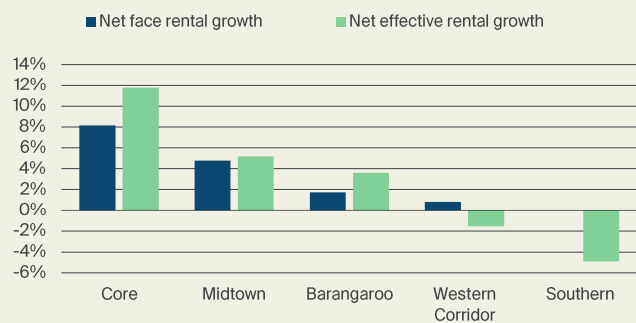
Source: Knight Frank Research

Sydney CBD core precinct office yield spread
Prime v secondary



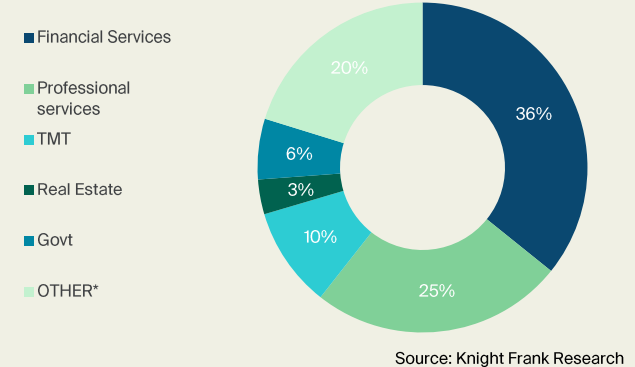
Source: Knight Frank Research

Sydney CBD prime office rental growth
Annual rental growth rate



Source: Knight Frank Research

Sydney CBD office lease deals
2025, % share of total market (sqm)



Source: Knight Frank Research

Sydney CBD Office Market Indicators – Q4 2025

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	1,680	3.1	8.2	995	4.5	11.8	32.4	5.70	11.6	2,214,676
Western	1,046	0.0	0.8	536	0.8	-1.5	41.2	6.94	15.0	1,197,361
Barangaroo	1,467	0.6	1.7	882	2.7	3.6	33.0	6.00	9.5	335,011
Midtown	1,272	1.3	4.8	701	1.5	5.2	37.9	6.33	17.9	1,252,016
Southern	908	0.0	0.0	456	-4.5	-4.9	42.0	7.42	11.9	350,047
CBD Avg.	1,397	1.9	5.5	809	3.1	7.1	35.6	6.14	13.8	5,385,115

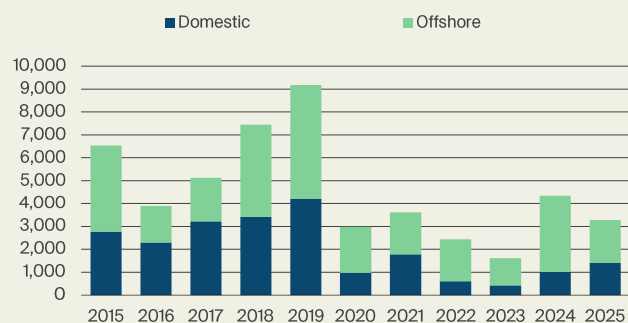
Source: Knight Frank Research, PCA

^ Assuming WALE 5 years

*As at January 2026

Sydney CBD office transactions

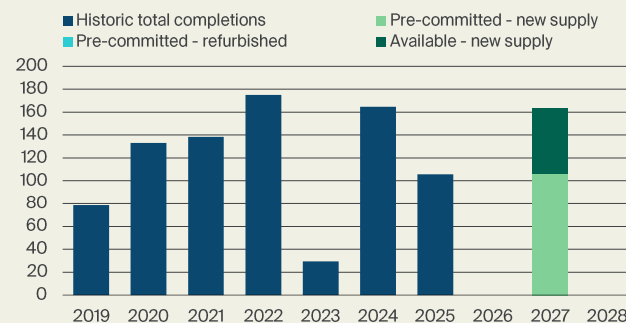
By purchaser location, \$ millions, \$10m+



Source: Knight Frank Research

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
Zembi	347 Kent St	Western	Direct	1,334	1,045	48	7	Q2-26
HWL Ebsworth Lawyers	5 Martin Pl	Core	Direct	11,023	1,360	36	11	Q2-26
Snowy Hydro	225 George St	Core	Direct	1,856	1,565 (gross)	39	10	Q2-26
Sedgwick	35 Clarence St	Western	Renewal	1,089	1,175	37 (gross)	4	Q1-26
NSW Government	252 Pitt St	Midtown	Direct	4,400	1,255	37	10	Q3-25
Fin Design & Effects	477 Pitt St	Southern	Direct	1,497	950	40	7	Q3-25

Recent Significant Sales

Property	Price (\$m)	NLA (sqm)	\$/sqm	Core market yield (%)	WALE	Purchaser	Vendor	Sale date
35 Tumbalong Blvd.	360.0	27,749	12,973	U/D	U/D	Barings	Lendlease / Aware Super	Q4-25
225 George St (50%)	860.0	85,509	20,115	~6.0	3.4	GPT	CSC	Q4-25
75 Elizabeth St	101.8	6,104	16,678	5.4	2.3	Sydney Catholic Archdiocese	Kingold	Q3-25
135 King St	631.5	32,695	19,315	6.2*	4.0	Daibiru Corporation	Investa (ICPF)	Q1-25

* Blended core market yield including office and retail component

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	42,000	50	Under Construction	H2 2027

* Sub-lease space available of 21,000sqm



Office Leasing
Andrea Roberts
+61 2 9036 6703
andrea.roberts@au.knightfrank.com



Capital Markets
Michael Kwok
+61 2 9036 6620
michael.kwok@au.knightfrank.com



Occupier Services
Katherine Moss
+61 2 9036 6647
katherine.moss@au.knightfrank.com



Valuations & Advisory
James Marks
+61 2 9036 6684
james.marks@au.knightfrank.com



Research & Consulting
Marco Mascitelli
+61 2 9036 6656
marco.mascitelli@au.knightfrank.com



Research & Consulting
Naki Dai
+61 2 9036 6673
naki.dai@au.knightfrank.com