

Sydney CBD Office State of the Market

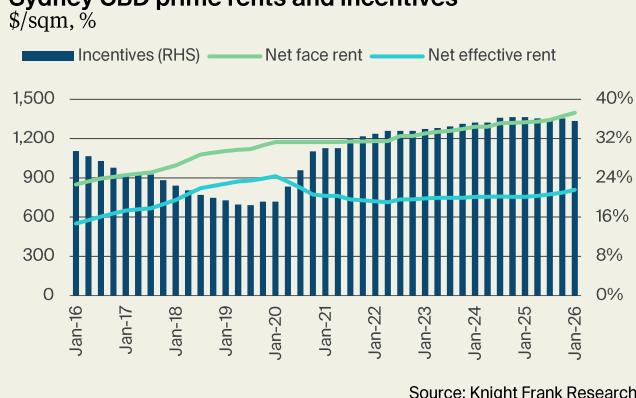


Rents soar in the core

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



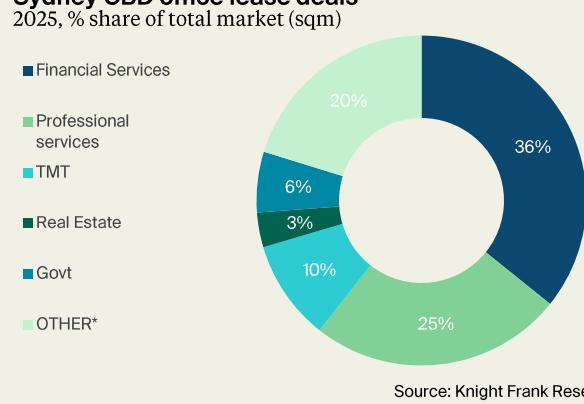
Sydney CBD core precinct office yield spread



Sydney CBD prime office rental growth



Sydney CBD office lease deals



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



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