

Brisbane CBD State of the Market



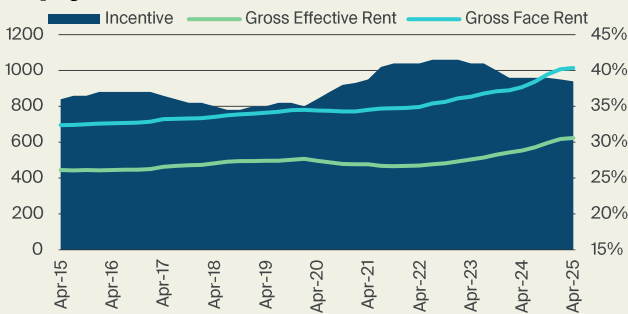
New supply to lift in 2025 as investor activity builds

Q1 2025

- Prime gross face rent grew by a modest 0.6% in Q1-25, reflecting a slow down from the 3.1% q/q growth in Q4, but still has strong 11.8% annual growth. Corporate tenant focus appears to remain on renewals rather than relocation. Average prime incentives have reduced slightly to 38.5%.
- Secondary gross face rents were up 2.0% in Q1 to be 4.2% higher y/y, small fitted suites have higher growth.
- The first new supply since 2022 will come on-line from Q2-25 with 205 North Quay to be occupied in tranches during 2025. 360 Queen St will complete in late 2025 and is now 74% pre-committed.
- Yields were stable in Q1 for both prime and secondary assets. Investor interest is growing with a broadening range of buyers actively analyzing the market, with the expectation of more successful campaigns this year.

Brisbane CBD prime rents and incentives

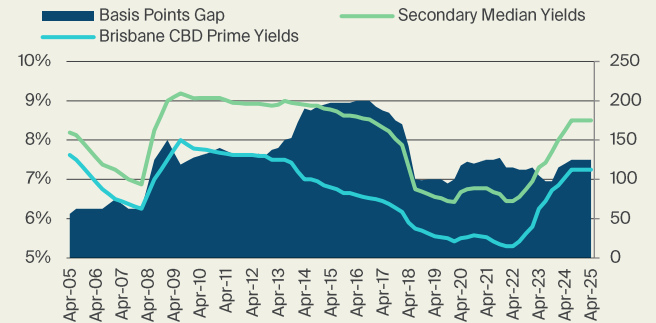
\$/sqm gross rent (LHS), % incentive (RHS)



Source: Knight Frank Research

Brisbane CBD Average Yields

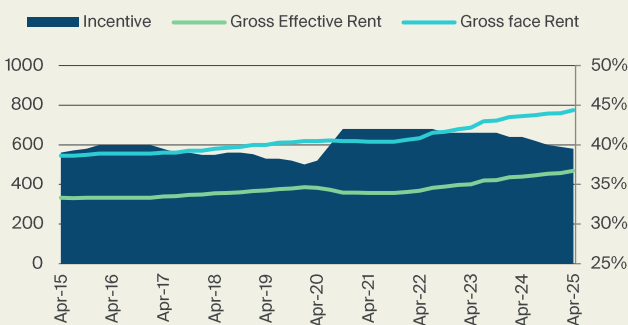
% median core market yield (LHS), Bps spread (RHS)



Source: Knight Frank Research

Brisbane CBD Secondary rents and incentives

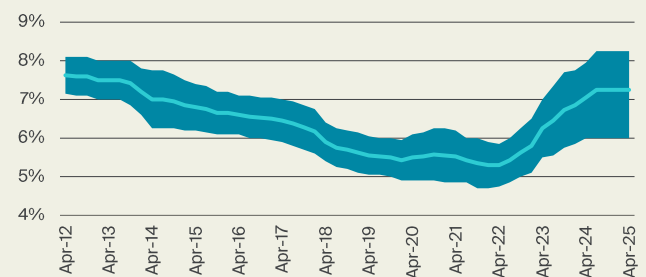
\$/sqm gross rent (LHS), % incentive (RHS)



Source: Knight Frank Research

Brisbane CBD Prime Yield Range

Core market yield range & median (3-5 year WALE)

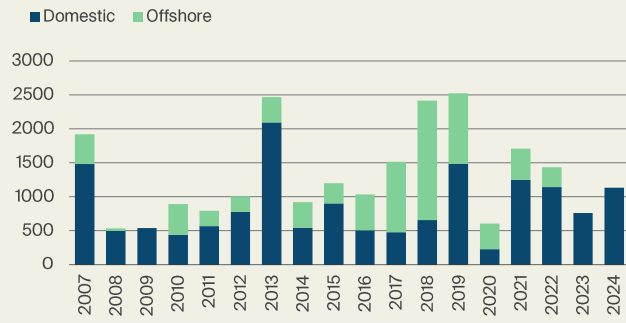


Source: Knight Frank Research

Brisbane CBD	Q1-25	Qtr Change	Six Mth Change	Annual Change	Outlook
Prime					
Gross Face Rent	\$1,014	▲ +0.6%	+3.7%	+11.8%	Resistance emerging to further uplift
Gross Incentive	38.5%	▼ -25bps	-50bps	-50bps	Minor recent contraction
Gross Effective Rent	\$624	▲ +1.0%	+4.5%	+12.7%	Driven by face rent growth
Median Yield	7.25%	● Stable	Stable	+20 bps	Stabilised with transaction support
Secondary					
Gross Face Rent	\$775	▲ +2.0%	+2.4%	+4.2%	Catch up to bridge to prime market
Gross Incentive	39.5%	▼ -25bps	-50bps	-150bps	Incentives stable below 40%
Gross Effective Rent	\$469	▲ +2.4%	+3.2%	+6.8%	Small spec suites remain favoured
Median Yield	8.50%	● Stable	Stable	+27 bps	Private investors & syndicates active

Brisbane CBD Office Transactions

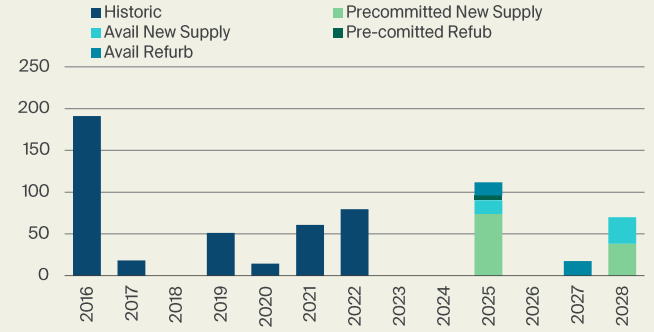
\$million by purchaser location, sales \$10m+



Source: Knight Frank Research

Brisbane CBD Historical & Future Supply

'000sqm new supply



Source: Knight Frank Research, PCA

Recent Tenant Commitments

Tenant	Property	Precinct	Lease type	Size (sqm)	Gross face rent (\$/sqm)	Incentive (%)	Term (yrs)	Start date
HWL Ebsworth	360 Queen St	Financial	Pre-com	4,777	u/d	u/d	10	2026
DWF	71 Eagle St	Financial	Direct	1,207	u/d	u/d	8	Nov 25
Dentons	111 Eagle St	Financial	Direct	1,433	1,350	35-40	10	Sep 25
QBCC	80 Ann St	Legal	Direct	4,501	c960	35-40	10	Aug 25
Federal Government	80 Ann St	Legal	Direct	2,213	c900	35-40	10	Apr 25

u/d = undisclosed

Recent Sales

Property	Price (\$m)	NLA (sqm)	\$/sqm	Yield (%)	WALE	Purchaser	Vendor	Sale date
53 Albert St (50%)	c110.0	19,059	11,534	tbc	3.5	NTT/Realmont	JP Morgan	Jan 25
145 Ann Street	215.50	27,552	7,822	7.80	3.0	Aware Super	Dexus REIT	Dec 24
247 Adelaide St	19.0	2,941	6,460	7.63	n/a	Qld Country Bank	BWC Properties	Nov 24
60 Edward St	72.0	10,634	6,773	8.29	2.3	Sentinel Property Gp	RACQ	Oct 24
41 George Street	123.0	29,463	4,175	n/a	VP	Dexus/Marquette JV	AEPIM	Oct 24

Major Developments

Property	Precinct	NLA (sqm)	Pre-commit (%)	Status	Completion date
205 North Quay	Nth Qtr	43,700	100	Under construction	H1 2025
140 Elizabeth St (refurbishment)	Retail	9,908	-	Under construction	H1 2025
70 Eagle St (refurbishment)	Financial	11,476	50	Under Construction	H1 2025
360 Queen St	Financial	45,000	74	Under construction	H2 2025



Office Leasing
Mark McCann
+61 7 3246 8853
Mark.mccann@au.knightfrank.com



Capital Markets
Justin Bond
+61 7 3246 8872
Justin.bond@au.knightfrank.com



Investment Sales
Matt Barker
+61 7 3246 8810
Matthew.barker@au.knightfrank.com



Valuations & Advisory
Peter Zischke
+61 7 3193 6811
Peter.Zischke@qld.knightfrankval.com



Investment Sales
Blake Goddard
+61 7 3246 8848
Blake.goddard@au.knightfrank.com



Research & Consulting
Jennelle Wilson
+61 7 3246 8830
Jennelle.wilson@au.knightfrank.com