

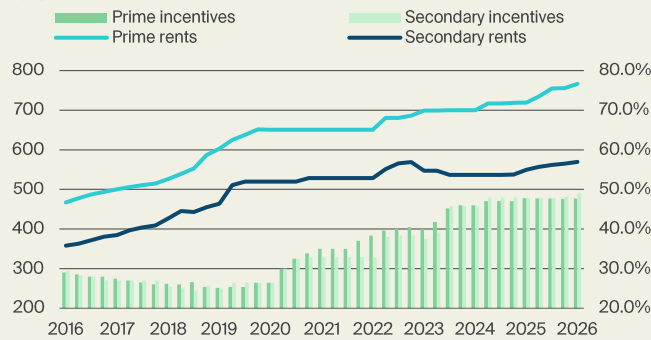
Melbourne CBD Office State of the Market



Development pipeline to stall post-2026 following the completion of 435 Bourke St Q1 2026

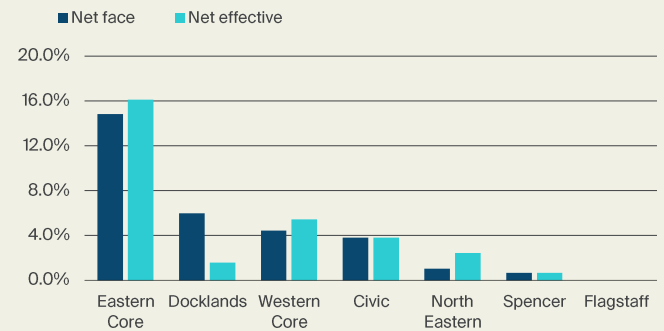
- Melbourne office briefs totalled 81 in Q1 2026, marking the highest first-quarter result on record.
- Effective rents are up 16.1% y/y in the Eastern Core, markedly higher than any other precinct in the CBD.
- Development activity is forecast to halt after 2026, with no clear completion timeline for subsequent projects.
- Over Q1-26 there were no significant CBD office sales as the market adjusts to changes in the economic climate.
- Prime yields softened further in Q1-26, declining 13 bps q/q to average 6.89% across the CBD.

Melbourne CBD rents and incentives
by grade, net face rent \$/sqm (LHS), and incentive (%)



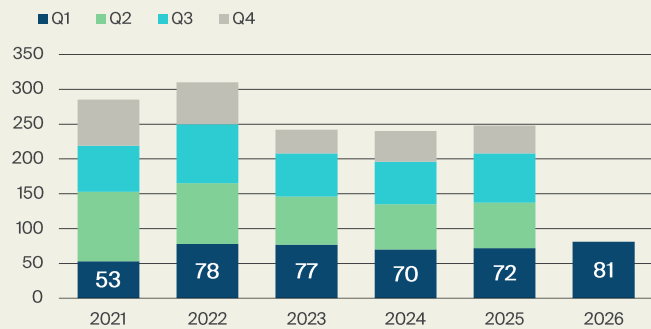
Source: Knight Frank Research

Melbourne CBD office annual rental growth
by precinct and type of rental growth, %



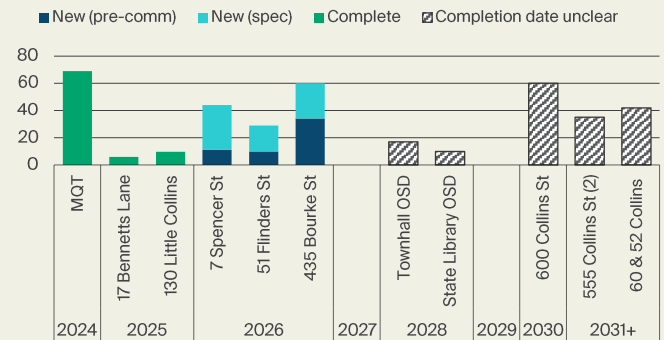
Source: Knight Frank Research

Melbourne office tenant-rep briefs
by quarter and year, number of briefs



Source: Knight Frank Research

CBD office new development pipeline
by commitment type, 000's sqm

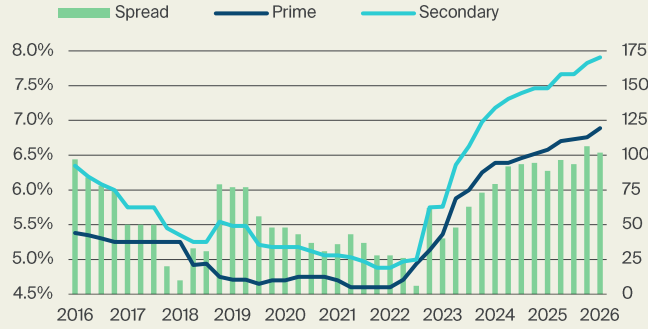


Melbourne CBD Office Market Indicators – Q1 2026

Precinct	Prime								Total Market Figures [^]	
	Net face rent (\$/sqm)	Qtr change (%)	Annual change (%)	Net effective rent (\$/sqm)	Qtr change (%)	Annual change (%)	Net incentive (%)	Core market yield (%) [#]	Vacancy Rate (%)	Stock (sqm)
Eastern Core	1051	4.0%	14.8%	636	4.9%	16.1%	39.5%	6.4%	18.0%	694,069
Western Core	749	0.3%	4.4%	397	0.3%	5.4%	47.0%	7.0%	18.6%	1,751,343
Civic	680	0.0%	3.8%	347	0.0%	3.8%	49.0%	7.1%	15.5%	525,523
Docklands	676	1.3%	6.0%	313	-0.8%	1.6%	53.8%	6.8%	20.1%	1,273,187
Flagstaff	503	0.0%	0.0%	234	0.0%	0.0%	53.5%	7.8%	29.9%	281,416
Spencer	745	0.0%	0.7%	373	0.0%	0.7%	50.0%	6.6%	24.2%	301,173
North Eastern	642	0.0%	1.0%	314	0.0%	2.4%	51.0%	7.0%	12.2%	452,511
CBD	767	1.4%	6.6%	401	1.3%	6.8%	47.7%	6.9%	19.0%	5,279,222

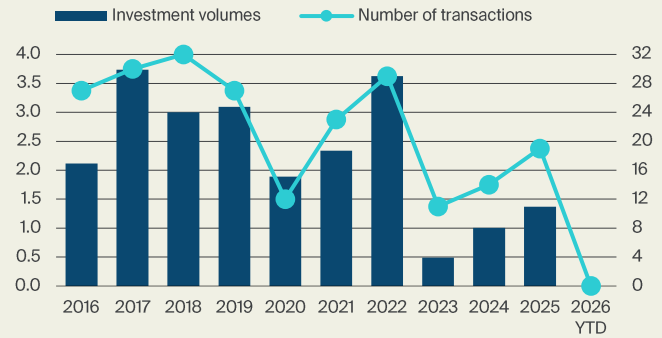
Source: Knight Frank Research, PCA [#]Assuming WALE 5 years [^]As of Jan 2026
*Rental growth attributed to revisions in the basket

Melbourne CBD office yields by grade % (LHS), and spread in bps (RHS)



Source: Knight Frank Research

Melbourne CBD office investment volumes investment volumes in A\$millions (LHS), # transactions (RHS)



Source: Knight Frank Research, MSCI

Recent Significant Tenant Commitments

Tenant	Property	Precinct	Lease type	Size (sqm)	Term (years)	LCD
La Trobe Financial	80 Collins Street (North)	Eastern Core	New Lease	5,600	7.0	H1 2026
Oracle	567 Collins Street	Spencer	New Lease	2,100	7.0	H2 2026
ESS Super	130 Lonsdale Street	North Eastern	New Lease	2,400	7.0	H2 2026
Northrop Consulting Engineering	385 Bourke Street	Western Core	New Lease	1,300	5.0	H2 2026

Source: Knight Frank Research

Recent Significant Institutional Sales

Property	Interest (%)	Price (\$m)	NLA (sqm)	Cap Value (\$/sqm)	Yield (%)	WALE (years)	Purchaser	Vendor	Sale date
470 Collins Street	100%	60.3	11,000	5,482	6.2	1.2	Fortis	Suleman Property	Oct-25
750 Collins Street	100%	383.0	41,399	9,251	6.5	10.0	Trust-Capital	GPT Group	Aug-25
180 Flinders Street	100%	C254.5^	21,000	12,119^	6.5	5.0	PAG	Dexus	Jul-25
357 Collins Street	100%	c195.3	32,000	6,103	c7.3	c2.5	Harry Stamoulis	Frasers	Jul-25
50 Queen Street	100%	40.1	8,650	4,646	c7.0	1.7	Up Property	Fidinam	Jun-25

^Includes the sale of an annexed car-park. c = circa

Source: Knight Frank Research

New Supply

Property	Grade	Type	NLA (sqm)	Pre-commit (%)	Main Tenant	Status	Completion
111 Bourke Street	A-Grade	Refurb	44,000	45.7	EY	Complete	H2 2025
7 Spencer Street	A-Grade	New Development	44,000	25.2	AECOM	U/C	H1 2026
51 Flinders Street	Premium	New Development	29,000	33.7	WPP / AirTrunk	U/C	H2 2026
435 Bourke Street	Premium	New Development	60,000	61.8	CBA / UniSuper	U/C	H2 2026
600 Collins Street	Premium	New Development	60,000	0.0	None	DA Approved	H2 2030

Source: Knight Frank Research



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