

Melbourne Industrial State of the Market

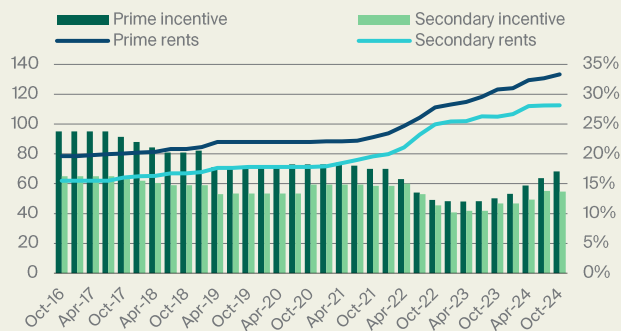


Vacancy rate rises to 3.0% after a quiet end to the quarter

Q3 2024

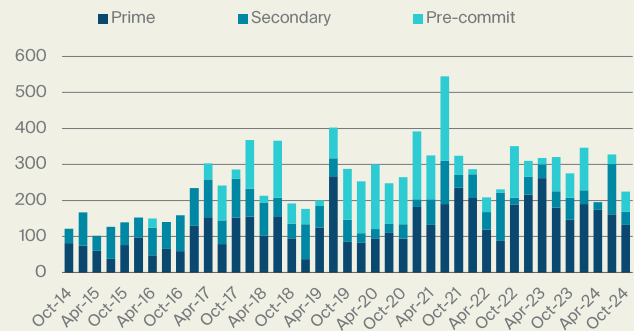
- Leasing activity fell over Q3-2024 evidenced by a 31.5% fall in take-up to 224,406 sqm
- Prime net face rents are up \$2 to \$143 across Melbourne and up 6.0% y/y
- Incentives rise q/q as the market slows, up 250 bps to 19.5% in the West and 167 bps to 16.3% in the North
- Vacancy rate increases for the sixth consecutive quarter, now sitting above the 10-year average at 3.0%
- Development pipeline remains robust with 1,279,296 sqm of new supply coming on in 2024
- A further 925,908 sqm is expected to land in 2025, approximately 71.3% of which is speculative
- Land values for small and medium sized lots plateau across Melbourne, up a mere 0.5% and 1.1% y/y
- Yields edge up 12 bps over Q3-2024 with prime now sitting at 5.6% and secondary at 6.3%

Melbourne industrial rents
by grade, net face\$/sqm (LHS), and % (RHS); excl. City Fringe



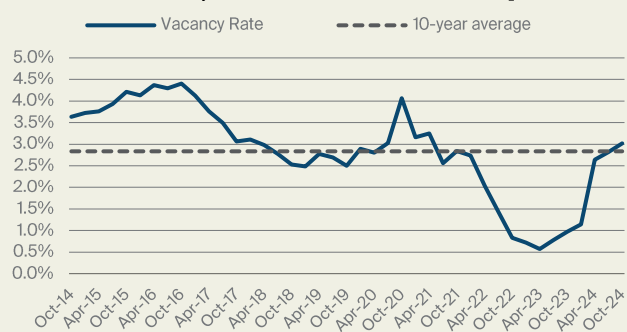
Source: Knight Frank Research

Melbourne industrial take-up
by grade and commitment type, 000's sqm



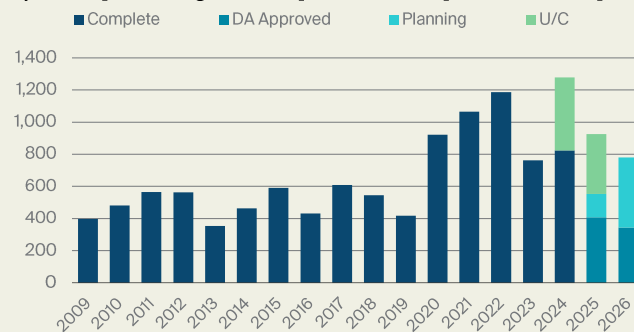
Source: Knight Frank Research

Melbourne industrial vacancy rate
Total market vacancy rate; excl. warehouses <5,000 sqm and



Source: Knight Frank Research

Melbourne industrial developments
by development stage, 000's sqm; excl. developments <5,000sqm

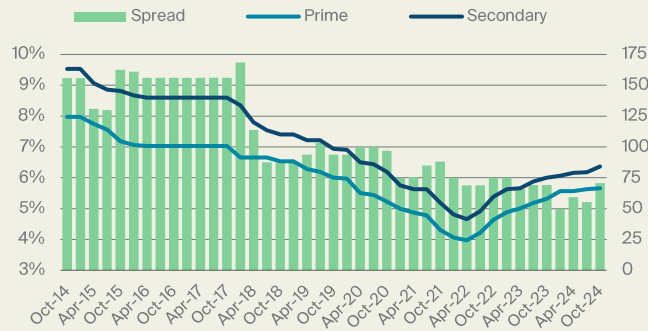


Source: Knight Frank Research

Industrial Market Indicators – Q3 2024

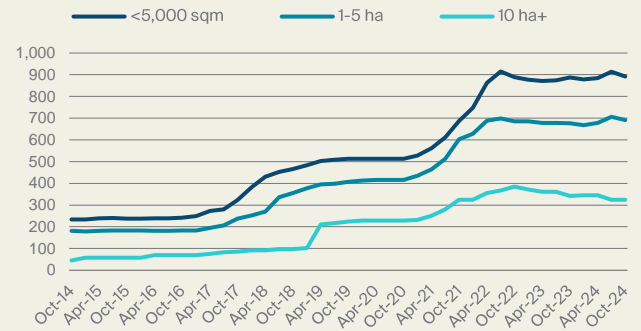
Precinct	Prime net face rent (\$/sqm)	% change q/q	Net incentive (%)	Land values <5,000 sqm (\$/sqm)	Land values 1-5 ha (\$/sqm)	Vacancy (%)	Take-up (sqm)	Core market yield (%)
City Fringe	180	0.0	12.5	2,200	1,800	0.6	0	5.3 - 5.9
North	138	3.4	16.3	800	630	5.2	43,231	5.8 - 6.7
East	125	1.6	16.3	850	680	0.6	0	5.5 - 6.3
Southeast	139	2.8	16.3	1,075	850	1.7	65,185	5.5 - 6.3
West	132	0.0	19.5	845	605	4.5	115,990	5.8 - 6.3

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



Source: Knight Frank Research

Melbourne industrial land values by size, \$/sqm



Source: Knight Frank Research

Recent Significant Tenant Commitments

Tenant	Property	Precinct	Lease Type	Building Size (sqm)	Net rent (\$/sqm)	Term (years)
TIC	30 Niton Drive, Truganina	West	Spec	31,745	125	5.0
Snapes Logistics	Distribution Drive, Truganina	West	Existing	11,800	130	5.0
Doria Bros	W2/50 Glenelg Street, Coolaroo	North	Spec	10,196	130	3.0
Spark Nel	309 Settlement Road, Thomastown	North	Existing	9,875	130	4.0
CMV Trucks	81-97 Princess Highway, Dandenong South	Southeast	Existing	10,473	(c) 180	10.0
Coolkidz	1 Beyer Road, Braeside	Southeast	Existing	6,867	Conf.	Conf.

(For more information, please contact our industrials team)

(c) = Circa

Recent Significant Sales

Property	Suburb	Precinct	Price (\$M)	Land size (sqm)	Building size (sqm)	Purchaser	Vendor
Austrak Business Park	Somerton	North	600.0	989,978	(c) 200,000	Aware & Barings	GPT & Austrak
92 Carrol Road	Oakleigh South	Southeast	50.3	40,468	18,773	Intertrust Group	Synnex Tech
30-38 McArthurs Road	Altona North	West	19.0	23,000	9,397	Private Investor	Bosisto Comm.
28 Jones Road	Brooklyn	West	35.1	69,999	4,250	Conf.	Dexus

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Major Developments

Estate (stage)	Address	Suburb	No. of Warehouses	NLA (sqm)	Completion Date	Developer	Lease type
Rubix Connect (3)	Fox Dr	Dandenong South	3	52,585	Q4-2024	Frasers	Spec / Pre-comm
Reservoir Business Hub (1)	Radford Rd	Reservoir	8	43,561	Q3-2024	Logos	Spec / Pre-comm
Horizon 3023 (5)	Momentum Way	Ravenhall	3	49,869	Q4-2024	Dexus	Spec / Pre-comm
ESR Greenlink (2)	Western Port Hwy	Cranbourne West	6	111,399	Q4-2024	ESR	Spec / Pre-comm



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