

# Sydney Industrial State of the Market



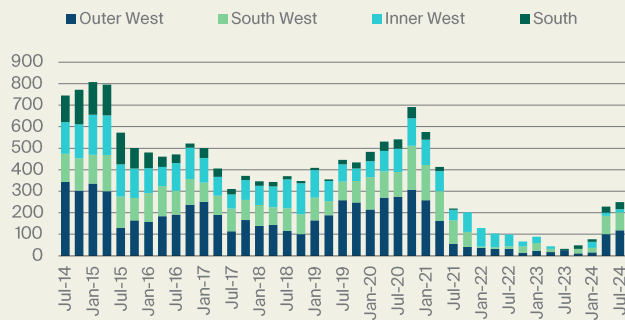
Vacancy is on the rise, albeit still below the long-term average

Q2 2024

- Net face rents have held flat since late 2023, whilst incentives have edged up slightly.
- Transport and manufacturing occupiers led tenant demand in Q2, accounting for 71% of deal volumes.
- Vacancy rose 9% over Q2 to reach 249,525 sqm, while still 46% below the historical average.
- Prime and secondary yields were stable over Q2, averaging 5.46% and 6.38% respectively.
- New supply in 2024 is anticipated to reach 866,420sqm, with 342,771sqm already delivered in H1.

## Sydney industrial vacancy

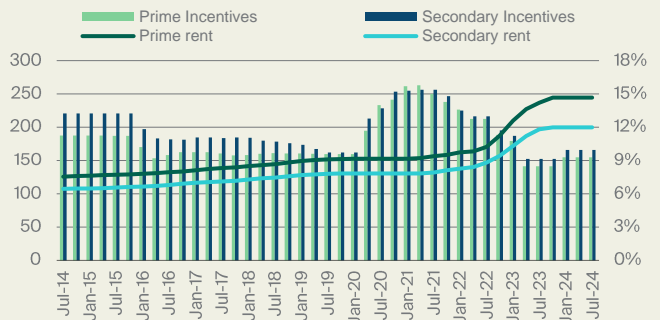
By precincts, floorspace in '000sqm, 5,000sqm+



Source: Knight Frank Research

## Sydney industrial rents and incentives

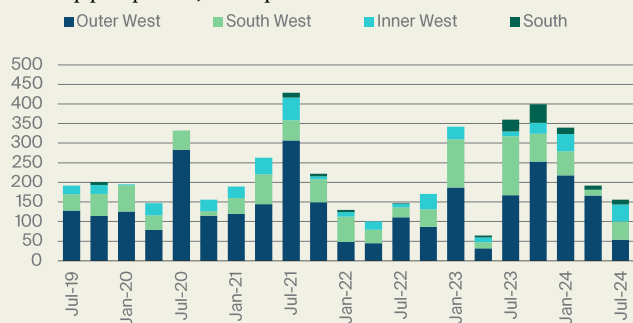
\$/sqm (LHS), % (RHS)



Source: Knight Frank Research

## Sydney industrial take-up by precincts

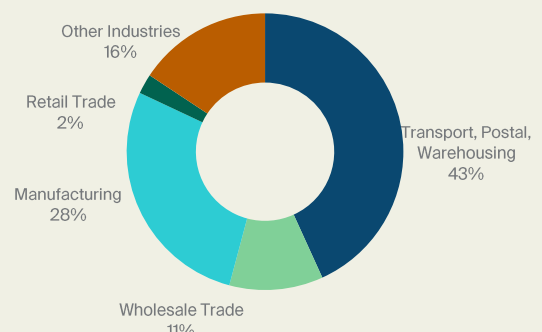
Take-up per quarter, '000sqm



Source: Knight Frank Research

## Sydney leasing take up by industry

Q2 2024, % share by sqm leased

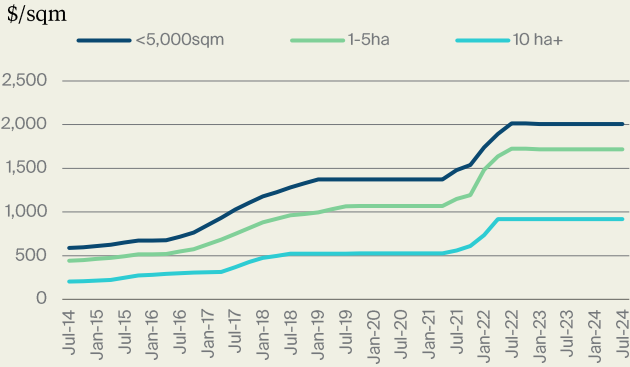


Source: Knight Frank Research

## Industrial Market Indicators – Q2 2024

Precinct	Prime net face rent (\$/sqm)	% change q/q	Land values <5,000 sqm (\$/sqm)	Land values 1-5 ha (\$/sqm)	Vacancy (sqm)	Take-up (sqm)	Core market yield
Outer West	203	0.0	1,383	1,200	118,345	53,403	5.25 - 5.75
South West	190	0.0	1,155	1,160	83,497	46,886	5.25 - 5.75
Inner West	214	0.0	1,538	1,425	14,153	43,672	5.00 - 5.50
South	328	0.0	4,050	3,000	33,531	11,867	4.75 - 5.00
North	288	0.0	1,900	1,795	-	-	5.75 - 6.25

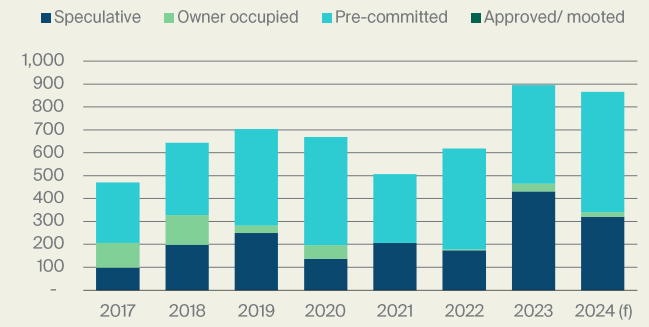
## Sydney industrial land values



Source: Knight Frank Research

## Sydney industrial supply

By types, '000sqm, completed 2017-2024(f)



Source: Knight Frank Research

## Recent Significant Tenant Commitments

Tenant	Property	Precinct	Lease Type	Size (sqm)	Net rent (\$/sqm)	Term (yrs)
DB Schenker	WH 4A, 2 Cuprum Cl, Kemps Creek	Outer West	Speculative	17,435	220	3
Signify Australia	S2B, 400 Moorebank Ave, Moorebank	South West	Speculative	14,569	228	5
Area Safe Products	17 Sterling Road, Minchinbury	Outer West	Prelease	4,430	230	7
UPS	Unit 3-5, 14A Baker St, Banksmeadow	South	Existing	11,867	360	5
Pac Trading	3-11 Shirley St, Rosehill	Inner West	Existing	11,178	280	5

## Recent Significant Sales

Property	Precinct	Price (\$m)	Size (sqm)	\$/sqm	Purchaser	Vendor	Yield (%)	WALE
133 Vanessas St, Kingsgrove	South West	55.8	13,102	4,255	Blackstone	Charter Hall	5.50	0.7
11 Huntingwood Dr, Huntingwood	Outer West	30.3	5,390	5,622	Suttons Investment	Charter Hall	UD	UD
488-494 Victoria St, Wetherill Park	Outer West	45.0	8,795	5,117	Suttons Investment	Gms Properties	4.91	0.5
47 Fitzpatrick St, Revesby	South West	12.5	3,351	3,730	Jkkk Investments	Commonwealth Bank of Australia	5.80	UD
25 Williamson Road, Ingleburn	South West	39.4	10,733	3,671	Pittwater Industrial	Pax Australia	5.69	10.0

## Major Developments

Property	Warehouses	Precinct	Warehouse size (sqm)	Completion Date	Developer	Lease type
2 Christina Road, Villawood	WH 1-12	Inner West	69,123	Q3-24	Brookfield	Speculative
813-913 Wallgrove Rd, Horsley Park	Lot 12	Outer West	29,710	Q3-24	Gazcorp	Pre-committed
West Link Industrial Estate, Kemps Creek	Stage 1	Outer West	82,622	Q4-24	ESR	Pre-committed
9 Bessemer St, Blacktown	-	Outer West	16,450	Q4-24	ISPT	Speculative
500 South St, Marsden Park	-	Outer West	24,737	Q1-25	Loftex	Speculative



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