

Perth CBD Office State of the Market

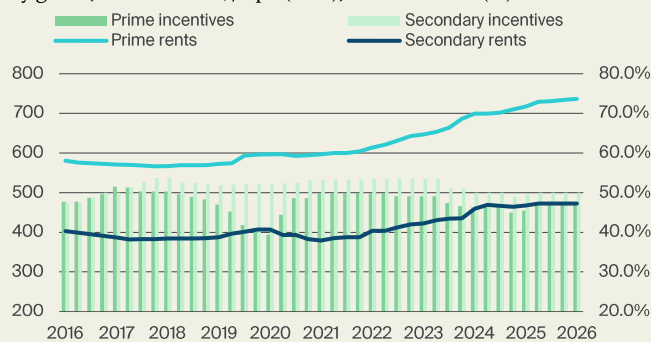


Tightening vacancy expected as supply pipeline stalls

Q1 2026

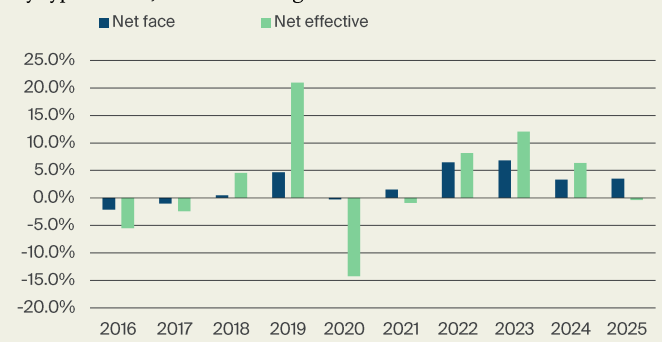
- Rental growth remains moderate, with prime rents up 0.3% q/q and 2.8% y/y, averaging \$737/sqm.
- Incentives remain flat across Q1 2026, averaging 47.0% for prime offices and 50.0% for secondary.
- The development pipeline remains constrained over the next five years, with no new projects forecast until 2031.
- Consequently, vacancy is expected to steadily decline, forecast to reach 10.4% by end of 2029.
- Perth's CBD recorded its first office sale since 2024 in Q1 2026, with 178 Georges Terrace transacting for \$9.5M.
- Prime yields have remained flat for seven consecutive quarters across Perth's CBD, averaging 7.58%.

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



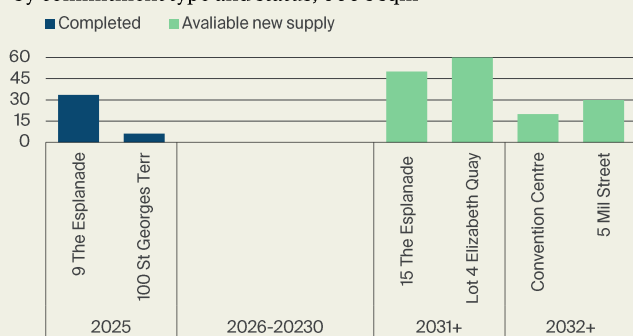
Source: Knight Frank Research

Perth CBD office rental growth
by type of rent, annual rental growth %



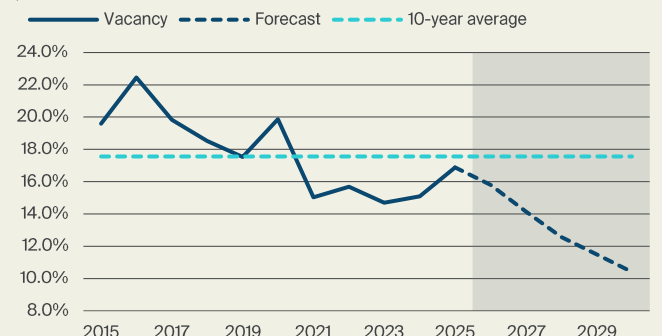
Source: Knight Frank Research

Perth CBD new supply pipeline
by commitment type and status, 000's sqm



Source: Knight Frank Research

Perth CBD vacancy rate forecast
%



Source: Knight Frank Research

Perth CBD Office Market Indicators – Q1 2026

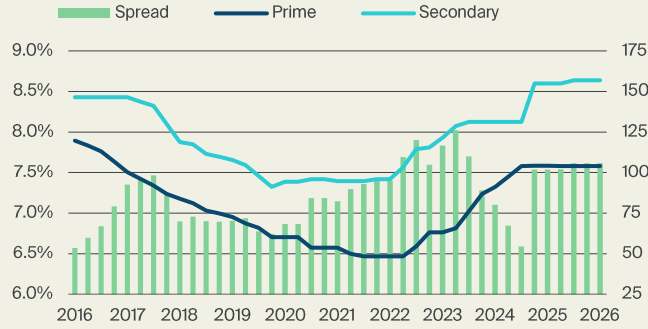
	Net face rent (\$/sqm)	Qtr change (%)	Annual change (%)	Net effective rent (\$/sqm)	Net incentive (%)	Qtr change (%)	Annual change (%)	Core market yield (%) [#]	Vacancy Rate (%) [*]	Stock (sqm) [*]
Prime	737	0.3	2.8	390	47.0	0.3	-0.3	7.6	15.6	1,195,854
Secondary	473	0.0	1.1	236	50.0	0.0	0.1	8.6	19.2	647,994

[#] Assuming WALE 5 years

^{*} As of January 2026

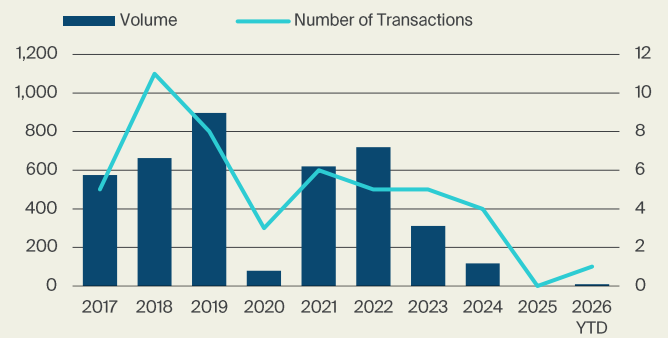
Source: Knight Frank Research, PCA

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



Source: Knight Frank Research

Perth CBD office investment volumes investment volumes A\$mil (LHS), and # transactions >\$6 mil (RHS)



Source: Knight Frank Research

Recent Significant Sales

Property	Price (\$m)	NLA (sqm)	Cap Value (\$/sqm)	Yield (%)	WALE (years)	Purchaser	Vendor	Sale date
178 St Georges Terrace	9.5	3,207	2,962	^	^	SKS Group	Private	Jan-26
66 St Georges Terrace	75.0	11,254	6,664	8.2	3.3	Oceania Capital	RF CorVal	Oct-24
181 St Georges Terrace	26.5	3,590	7,382	6.1	2.5	Yamamoto	Charter Hall	Apr-24

^ Not sold as an investment

Source: Knight Frank Research

New Developments

Address	Developer	Committed (%)	NLA (sqm)	Status	Due Date
9 The Esplanade	Brookfield / CBUS	92.8	31,600	Complete	H1 2025
15 The Esplanade	Brookfield	0.0	50,000	Planning	2030+
Lot 4 Elizabeth Quay	AAIG	0.0	60,000	Planning	2030+

Source: Knight Frank Research

Economic Indicators

	2023	2024	2025	2026 (f)	2027 (f)	2028 (f)	2029 (f)
Western Australia							
Annual GSP Growth (%)	1.88	1.30	1.70	1.60	1.52	1.64	1.78
Annual Population Growth (%)	3.39	2.91	2.17	1.87	1.65	1.59	1.58
Unemployment Rate (%)	3.65	3.71	3.99	4.50	4.50	4.20	4.10
Australia							
CPI Inflation (%)	4.05	2.42	3.73	4.41	2.65	2.40	2.57
Cash Rate (%)	4.35	4.35	3.60	4.10	4.10	3.60	3.35
10-year Government Bond Yield (%)	3.96	4.48	4.76	4.93	4.79	4.34	4.28

Source: Knight Frank Research, Oxford Economics



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