

Evolving Workforce

# Australian Office Sublease Barometer

REPORT

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CBRE RESEARCH  
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CBRE



# Sublease levels trend downwards over first half of 2024

National sublease volumes decreased over Q2 2024, falling to 245,007 sqm. This figure represented a 3-month decline of 17,185 sqm (-6.6%).

In a continuation of the trend observed over the first quarter, the declines recorded in Q2 2024 were driven primarily by a reduction in sublease listings in Sydney and Melbourne. Sublease volumes in Sydney have now declined by 49,666 sqm (-38.3%) over H1 2024, while volumes in Melbourne declined 17,427 sqm (-11.8%). The listing of large blocks of space by corporate occupiers slowed in each of these markets over Q2 2024 and this allowed overall sublease levels to recede.

Sublease volumes in each of the other capital cities tracked by CBRE remained fairly stable over Q2 2024. Perth saw volumes decline slightly while volumes in Brisbane and Adelaide increased marginally.

Despite these overall increases, the smaller markets have remained very tight from a sublease perspective. Sublease availability rates remained below 1.0% in each of these markets as of the end of the period.

FIGURE 1

Sublease Availability by Market

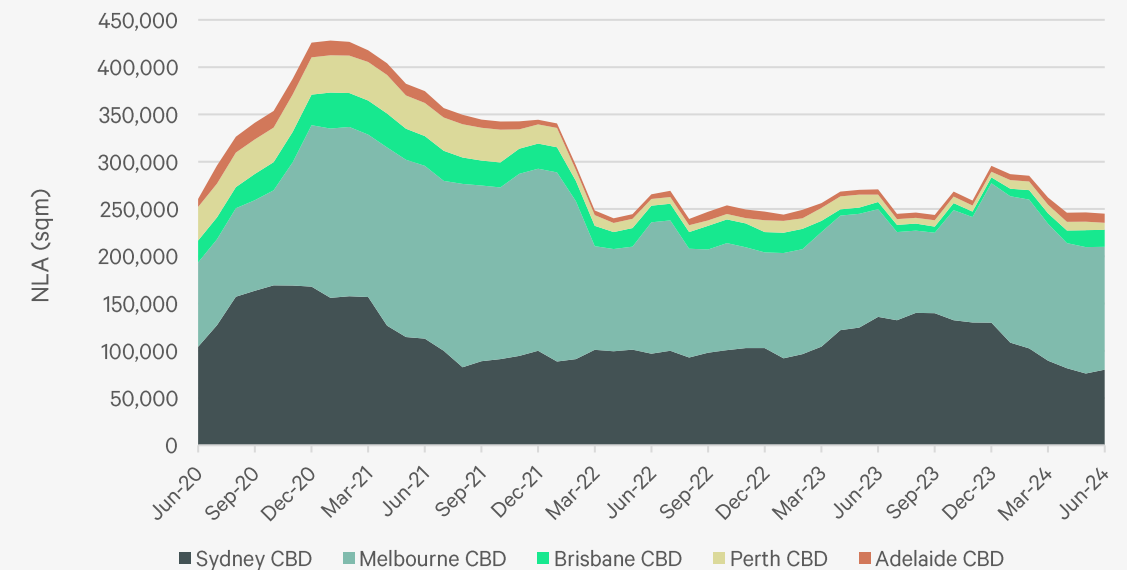
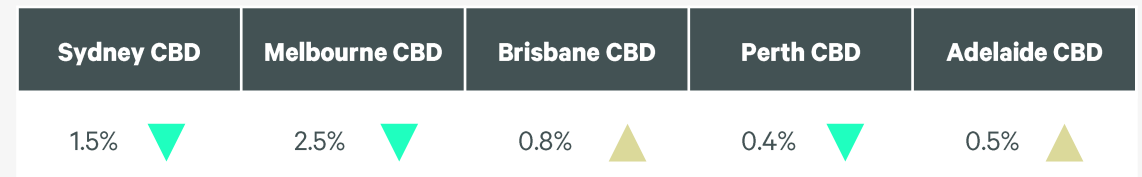


FIGURE 2

Sublease as % of Total Stock – June 2024



Source: CBRE Research

## Finance & Insurance firms driving national volumes

The Finance & Insurance and Technology, Media & Telecommunications sectors remained the largest contributors to sublease availabilities in Q2 2024. These sectors accounted for a combined 71.4% of the national total as of period end. Professional services firms remained the third largest sublease sector as of June 2024.

Encouragingly, sublease volumes in all three of these sectors declined in Q2 2024. The largest declines were seen in the Professional Services and Technology, Media and Telecommunications sectors where volumes fell by 28.5% and 17.3%, respectively.

## The listing of large blocks of sublease space slows

After driving much of the increase in sublease volumes recorded over Q4 2023, listings by large corporate occupiers slowed in Q2 2024. The number of sublease listings sized greater than 1,000 sqm has declined from 65 in Q4 2023 to only 49 in Q2 2024. The reduction in large listings on the market has resulted in the average size of subleases declining to 2,130 sqm. This marked a quarter-over-quarter decline of -14.7%.

The slowdown in large listings is encouraging for the market as it signals that larger occupiers are nearing the end of their right-sizing cycles.

FIGURE 3

National Sublease Availability by Sector

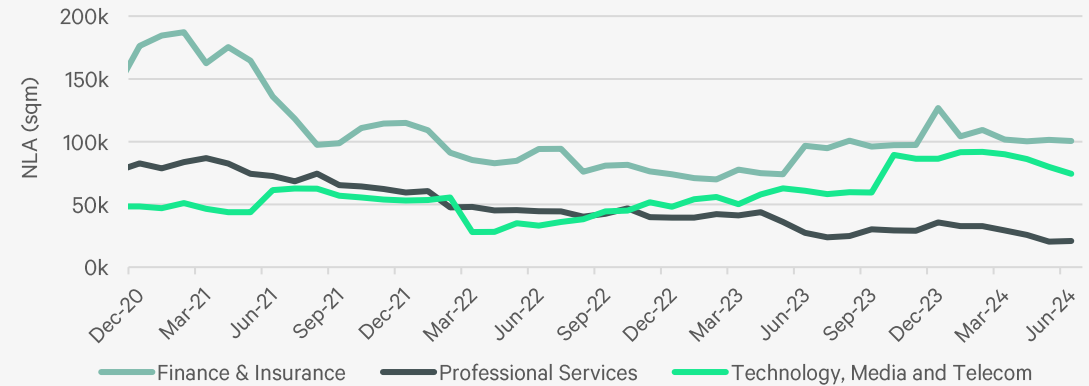
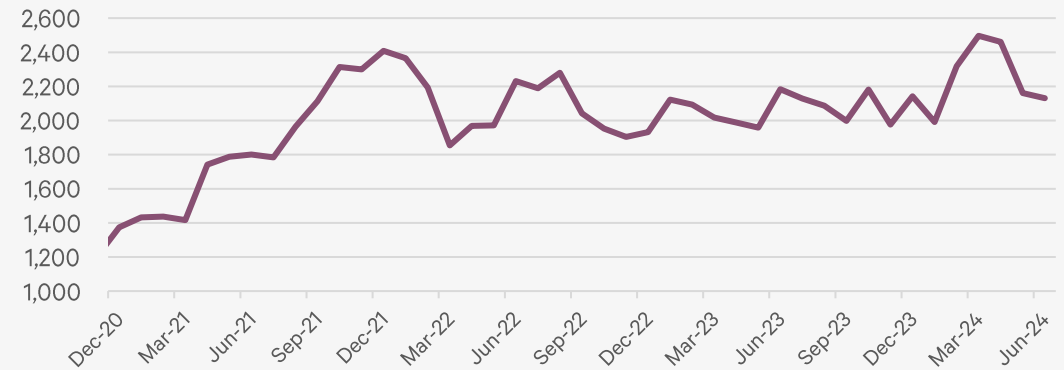


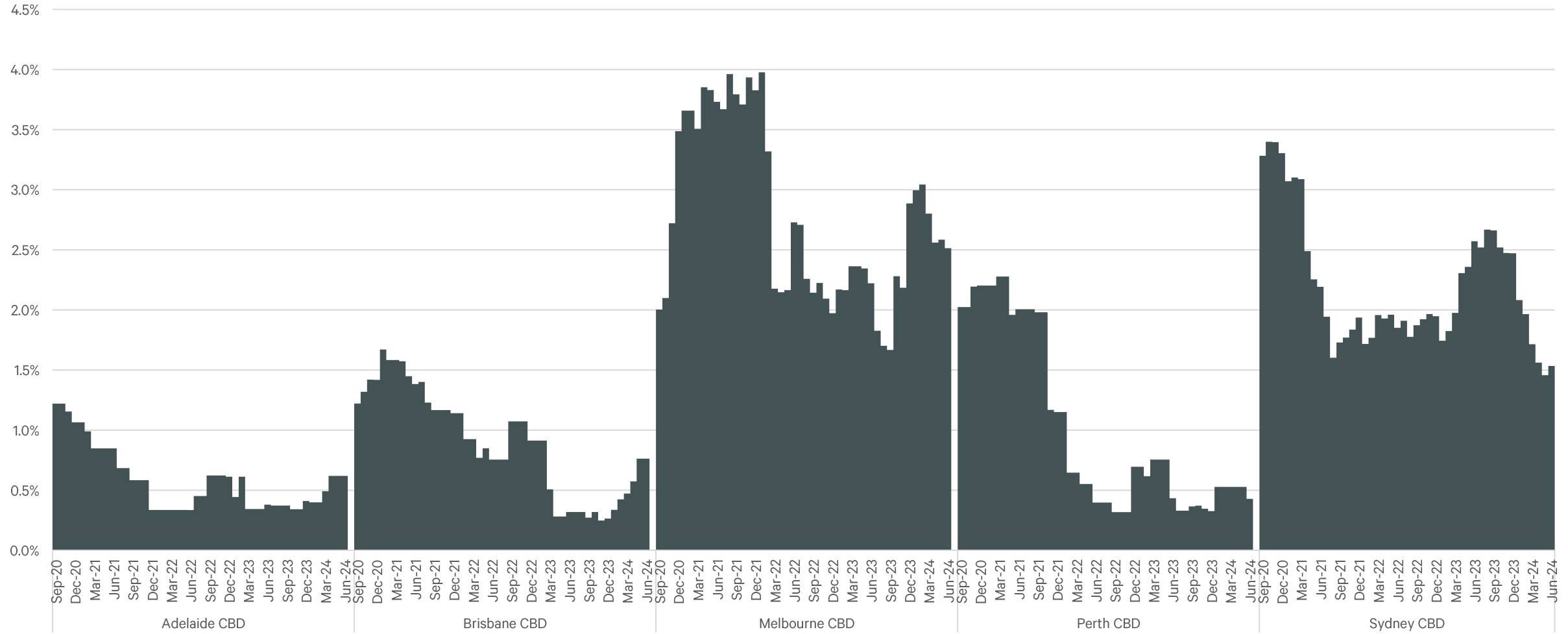
FIGURE 4

Average Sublease Size



Source: CBRE Research

Figure 5  
Sublease as % of Total Stock by Market



Source: CBRE Research

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