

FIGURES | BRISBANE CBD OFFICE | Q4 2025

Vacancy rises, although outlook remains unchanged

▲ 11.8%

Vacancy Rate in Jan 26

▲ +7.5%

Prime Net Effective Rent Growth (y-o-y)

▼ 10,007 sqm

Net Absorption in H2 2025

▶ 7.04%

Prime Yield

Note: Arrows indicate change from previous quarter / year.

Key Points

- 360 Queen Street was delivered in Q4 2025, with 90% of the building pre-committed.
- Total net absorption in the Brisbane CBD was 10,007 sqm for H2 2025, bringing total net absorption for the year to 37,480.
- Total vacancy edged higher in H2 2025 to 11.8%, prime also increased to 10.0%.
- Effective rental growth was 1.8% q-o-q and 7.5% y-o-y.
- Investment volumes were up 14.9% in 2025 compared to the previous year, across the CBD and Near City market.
- Prime CBD yields tightened by 2 bps to 7.04% in Q4 2025.

FIGURE 1: Total CBD Vacancy

Brisbane CBD	January 2025	July 2025	January 2026	H-o-H Change	Y-o-Y Change
Vacancy	10.2%	10.7%	11.8%	+110bps	+160bps

FIGURE 1: Summary of Prime CBD Market Indicators

Brisbane CBD	Q4 2023	Q4 2024	Q4 2025	Q-o-Q Change	Y-o-Y Change
GFR	\$935/sqm	\$1,015/sqm	\$1,081/sqm	+1.9%	+6.5%
Incentives	40.7%	39.6%	39.4%	-7bps	-17bps
NER	\$372/sqm	\$423/sqm	\$455/sqm	+1.8%	+7.5%
Yield	6.33%	7.06%	7.04%	-2bps	-2bps

Source: CBRE Research, PCA

Office Demand

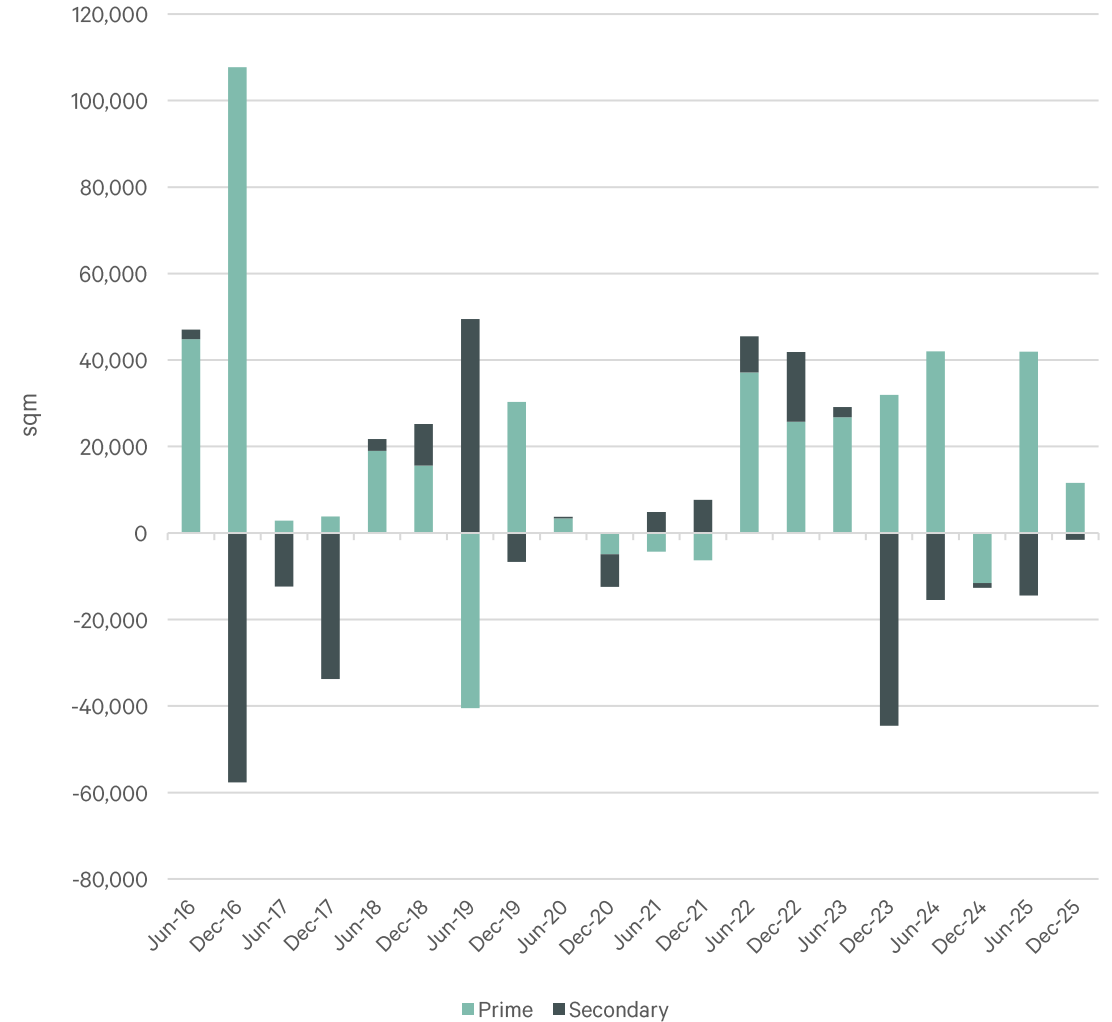
Leasing slow in early 2025, but picks up late in the year

Leasing activity picked up in late 2025, with some major leasing deals that were at heads of agreement stage, now completed. Smaller tenant activity remains slow given higher rents are putting pressure on this segment of the market. Tenants are generally holding footprint or expanding in the market which is underpinning the positive net absorption of the past few years.

Total net absorption in the Brisbane CBD was 10,007 sqm for H2 2025, bringing total net absorption for the year to 37,480. This was the best performance for a calendar year since 2022 for the Brisbane market. Despite this, there has been a clear trend of tenants choosing to renew rather than relocate over the past 12 months, given the cost of relocating has increased. The prime market basically contributed all of the net absorption in H2 2025, recording 11,571 sqm. A major contributor to this was Bank of Queensland moving into 360 Queen Street for just under 6,000 sqm. The tenant is yet to actually move into the building, but this is counted as pure net absorption as they are moving from the Near City market.

Net absorption is expected to be solid over the coming years, particularly with planning for the Olympics starting to gain momentum. We expect project requirements to start to come to the market from 2026 onwards, similar to what happened with Cross River Rail a few years ago.

FIGURE 2: 6-Month Office Net Absorption – Brisbane CBD



Source: PCA, CBRE Research

Supply

Supply elevated in 2025, however outlook remains limited

Supply was elevated in the CBD in 2025 with both 205 North Quay and 360 Queen Street delivered to the market. However, the supply outlook from 2026 onwards looks relatively limited with just two projects under construction in the CBD, and no projects being developed in the Near City.

Charter Hall and Investa delivered 360 Queen Street in Q4 2025, with pre-commitment of almost 90%. BDO is a key tenant who have moved into 360 Queen Street, with their backfill space at 12 Creek Street to be occupied by CPB in 2026. The refurbishment of 450 Queen Street by PGIM is underway which will deliver about 17,000 sqm to the market. The project is due for completion in early 2027. The only other committed project in the pipeline is Dexus' Waterfront Brisbane being delivered by the end of 2028 with pre-commitments for about 50% of the building. There are a range of mooted projects in the pipeline such as QIC's 101 Albert Street, Charter Hall's 60 Queen Street and JGL Properties' Brisbane Place. However, these projects are yet to commence construction and will not be delivered prior to 2028.

FIGURE 3: Brisbane CBD Development Supply Pipeline



Source: CBRE Research

Vacancy

Vacancy rises with the delivery of new supply

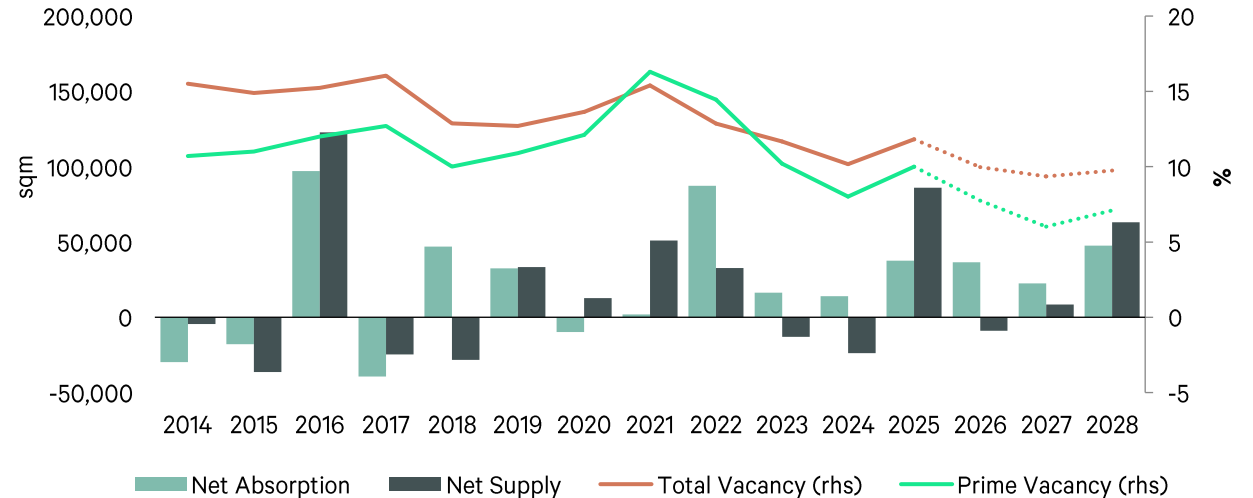
Total vacancy edged higher in H2 2025 to 11.8%, due to the delivery of 360 Queen Street. While the project is 90% pre-committed, the majority of the backfill space is located in the CBD which is now counted as vacancy. The prime vacancy rate increased 10.0%, as supply outstripped net absorption. Premium vacancy has risen to 8.2%, with a number of backfill opportunities arising in the market. A-Grade vacancy also increased to 10.7% due to backfill as well. The secondary market observed a gradual increase in vacancy over the course of the year to 14.7%, from 13.4% a year ago.

Despite the increase in vacancy across the market, this is likely to be a short-term phenomenon given the lack of supply coming to market over the next few years. In addition, some of the backfill that is now counted has already been leased and will be counted in the official vacancy numbers in 2026 (CPB).

FIGURE 4: Summary of Brisbane CBD Office Market

Market/Grade	Stock (sqm) - Jun 25	Net Stock Change (sqm) - 12 months	Vacant (sqm) - Jun 25	Vacancy (%) - Dec 25	Vacancy (%) - Dec 24	Net Absorption (sqm) - 6 months	Net Absorption (sqm) - 12 months
Prime	1,474,922	89,531	147,068	10.0%	8.0%	11,571	53,476
Secondary	930,808	-3,560	137,283	14.7%	13.4%	-1,564	-15,996
Total	2,405,730	85,971	284,351	11.8%	10.2%	10,007	37,480

FIGURE 5: Brisbane CBD Office Market Balance



Source: PCA, CBRE Research

Rental Performance

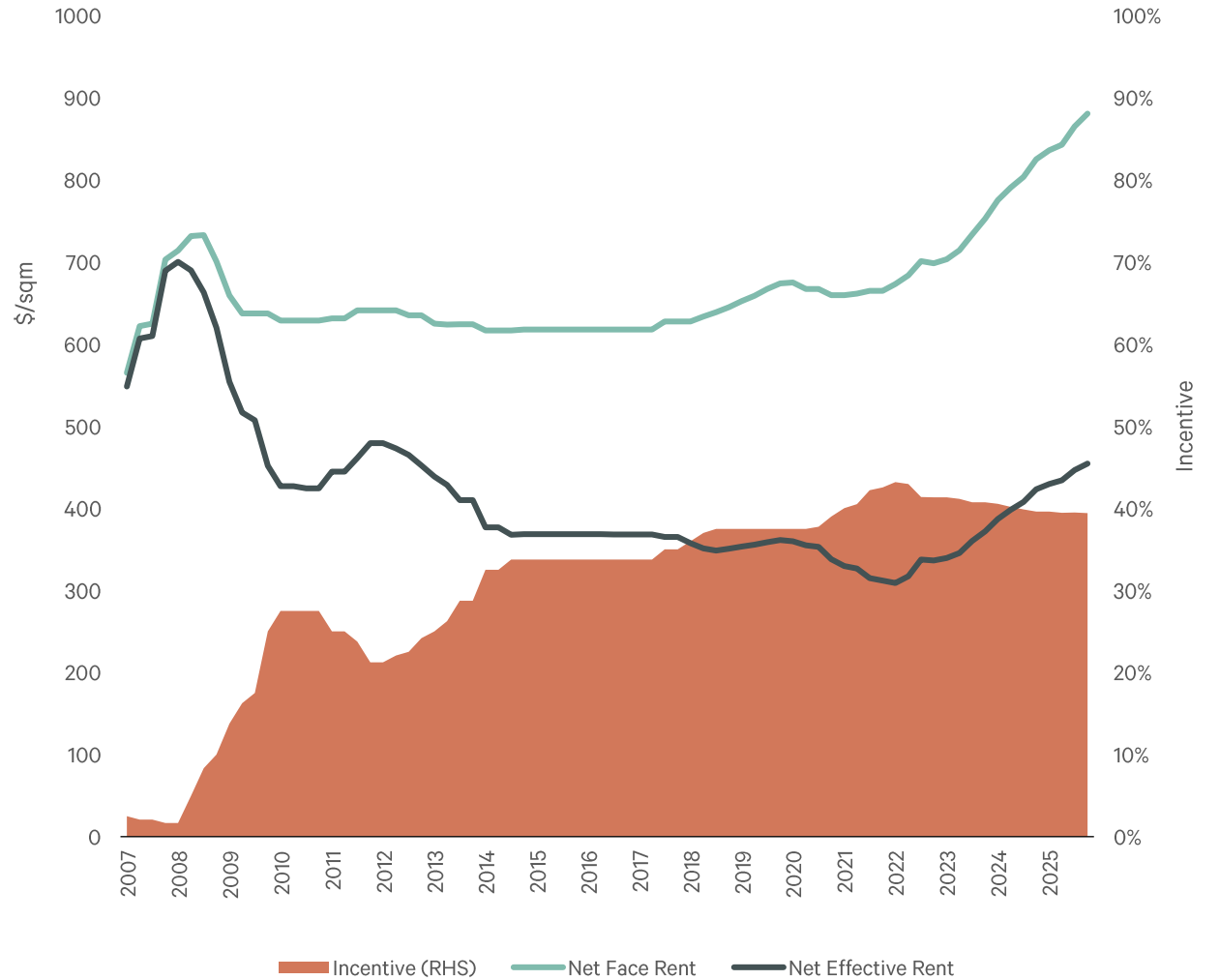
Rents continue trending up from previous year

Rental growth has continued to rise in Q4 2025, given the high economic rents and relatively tight vacancy. Prime gross face rents grew by 1.9% q-o-q and 6.5% y-o-y in Q4 2025. Incentives declined slightly to average 39.4%. Despite the sustained period of vacancy declines in recent years, incentives have remained relatively sticky due to the high fit-out costs in Brisbane. As a result, effective rental growth was 1.8% q-o-q and 7.5% y-o-y. Overall, effective rents have risen by 35.2% over the past three years in the Brisbane CBD.

The secondary market has also performed well with 3.9% y-o-y growth in gross face rents. Incentives have been stable over the past 12 months, averaging 44.1% in Q4. Secondary net effective rents have grown by 3.7% y-o-y.

Strong rental growth is projected to persist in the Brisbane CBD. This is driven by an anticipated tightening of vacancy rates through to the end of 2028, which will increase demand and push rents up. Furthermore, the significant difference in rental costs between new developments and existing properties will also contribute to this ongoing growth.

FIGURE 6: Brisbane CBD Office – Prime Rents



Source: CBRE Research

Investment Market

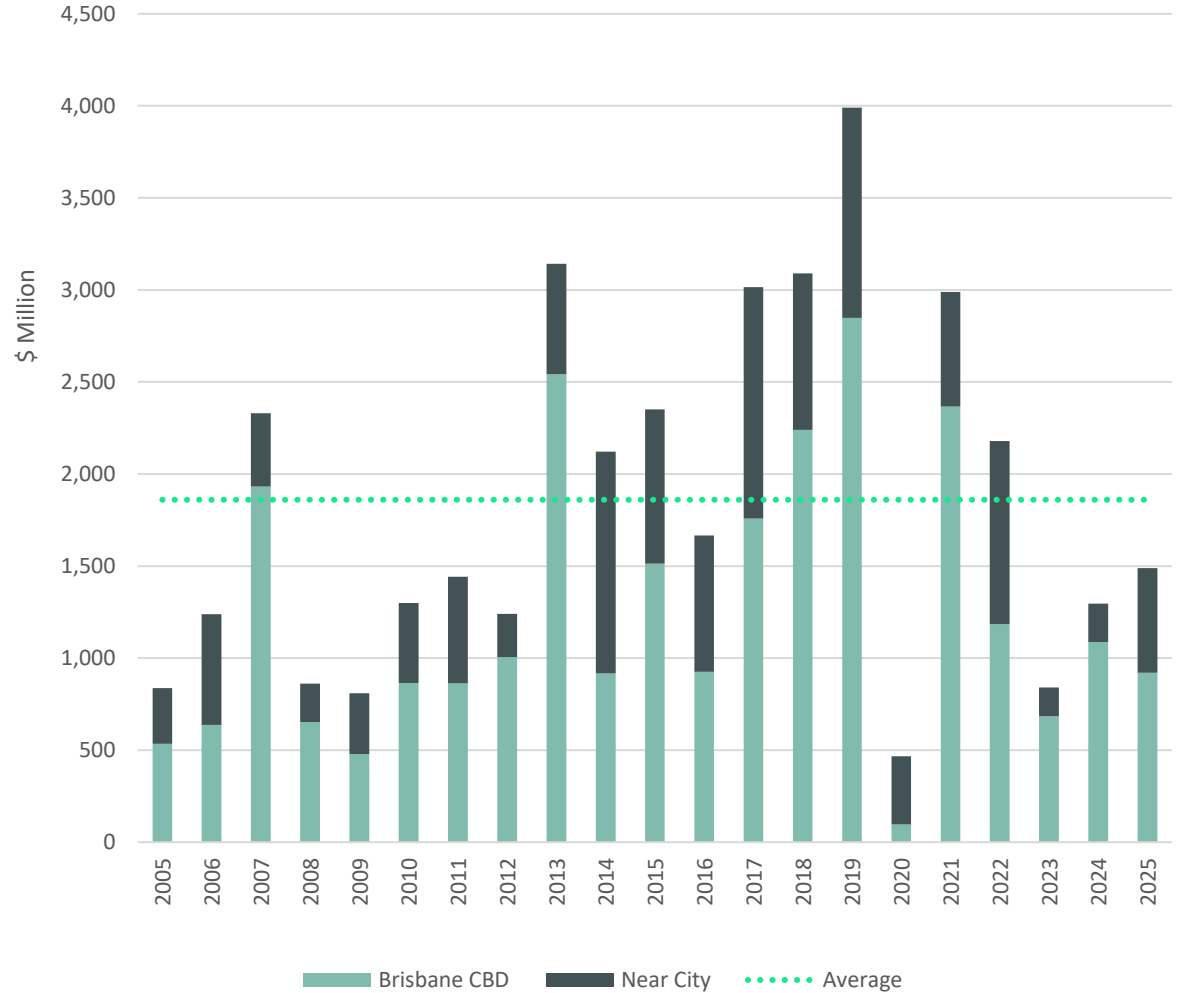
Investment activity improves in 2025, off the back of strong fundamentals

Transaction volumes increased in Q4 2025, reaching \$702 million for the quarter. The most significant transactions were a 50% stake in Central Plaza 1 (\$230m), AM60 (\$208m – exchanged in Q4) and The Barracks (Office and Retail for \$150m). Overall, volumes were up 14.9% in 2025 compared to the previous year, across the CBD and Near City market. Investors are increasingly bullish on the outlook for Brisbane which has underpinned the recovery in the market.

Prime CBD yields tightened slightly off the back of recent deal activity, down 2 bps to 7.04%. Yields remain about 175 bps above peak pricing in early 2022. There is some potential for further yield tightening, although recent increase to the cash rate might slow this process. The secondary market yield was stable at 8.58%.

Given recent inflation data, the market is now pricing in one further interest rate hike for the rest of 2026, after the RBA increased rates in February. This is likely to make the cap rate tightening circle much shallower. However, the fundamentals of a tightening vacancy and supply outlook remains the same, which should underpin further investment into the market moving into 2026.

FIGURE 7: Brisbane Office Sales (greater than AUD 5 million)



Source: CBRE Research

Outlook

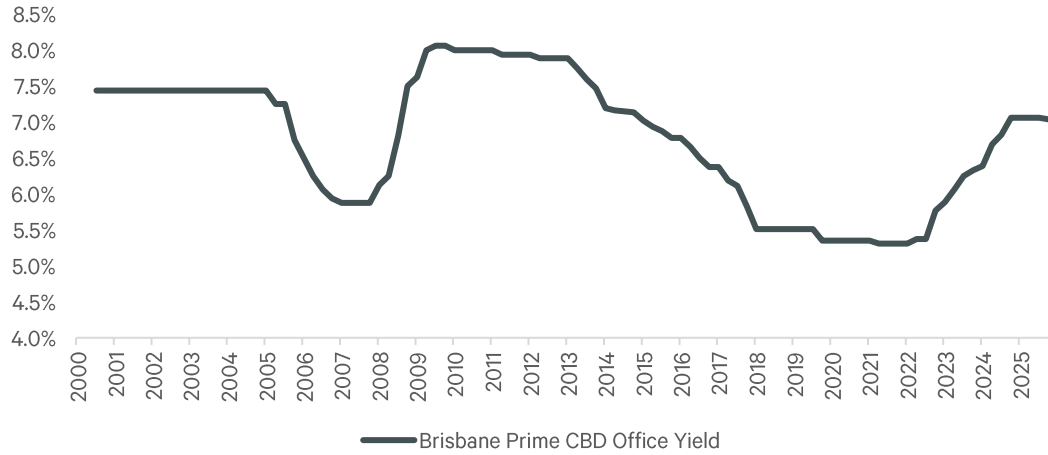
Rental growth likely to be sustainable over the medium term

The outlook remains positive for the Brisbane leasing market over the medium term in Brisbane given the high economic rents for new development. There are very few tenants considering contractions which is showing up in the low sublease availability figures. Net Absorption is likely to be solid, particularly with further centralisation into the CBD and the expected increase in Olympic related project space over the next 24 months.

The lack of supply over the next five years is likely to drive the vacancy rate lower over the coming years. CBRE Research expects total vacancy is expected to drop to 10% by the end of 2026, with prime vacancy dropping below 8% over the same period.

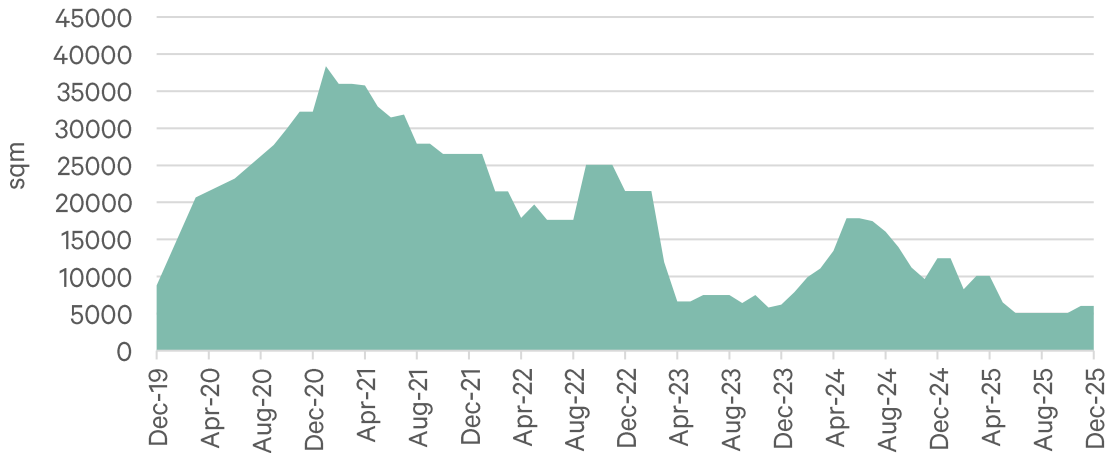
The investment market is expected to continue its improved momentum moving into 2026, as new investors start to consider the market. Larger investors both domestic and offshore have been heavily focused on Sydney over the past few years, but there are early signs that Brisbane is likely the second favoured market.

FIGURE 8: Brisbane CBD Office Yield



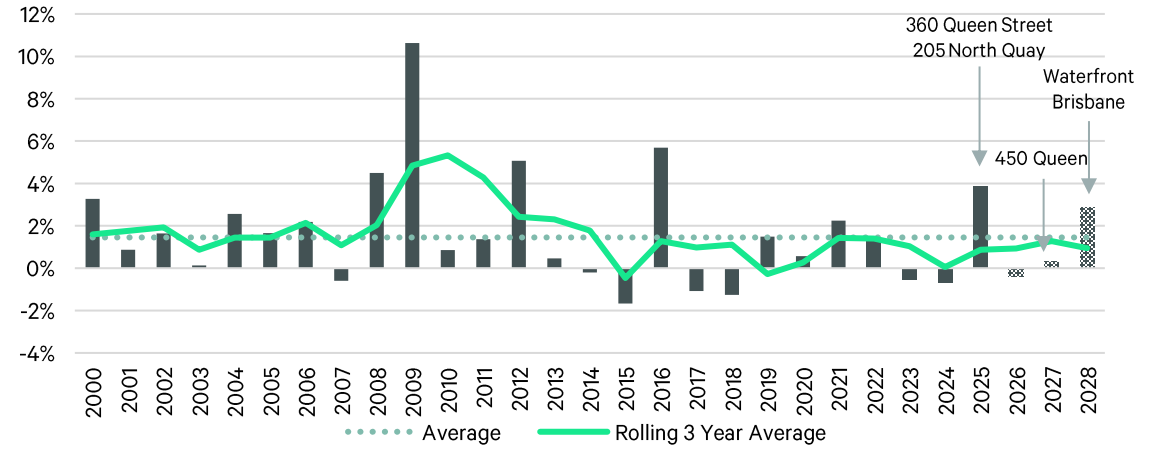
Source: CBRE Research

FIGURE 9: Brisbane CBD Sublease Availability



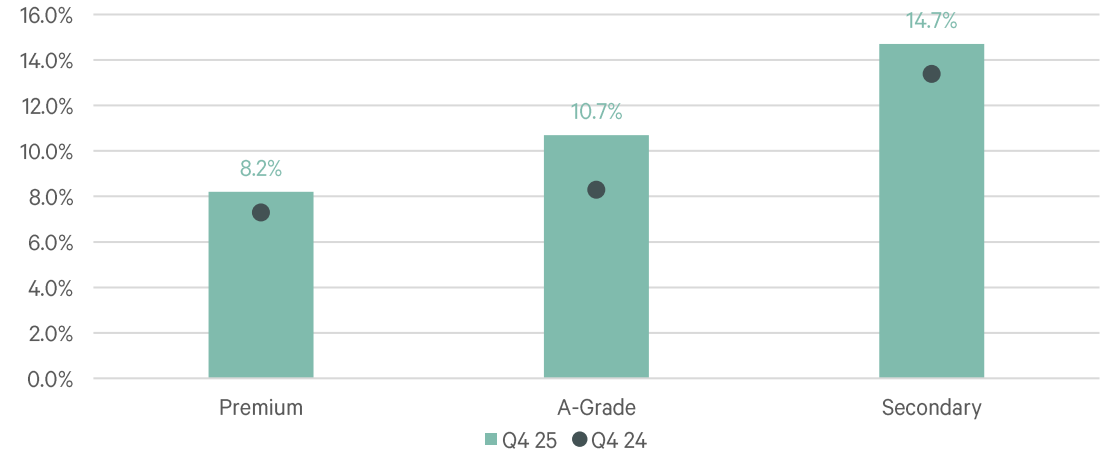
Source: CBRE Research

FIGURE 10: Brisbane CBD Future Growth in Stock



Source: CBRE Research

FIGURE 11: Brisbane CBD Vacancy by Grade



Source: PCA, CBRE Research

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