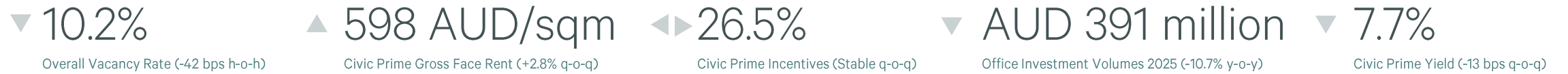


FIGURES | CANBERRA OFFICE | 4Q25

Canberra Office markets continue to hold steady driven by strong demand for Prime space



Note: Arrows indicate change from previous quarter / half / year.

Key Points

- CBRE received 169 leasing enquiries totalling 118,405 sqm over 2025. This marked a decline of 33.2% year-over-year.
- While enquiry volumes slowed, leasing activity remained resilient. Canberra’s overall office vacancy rate ended 2025 at 10.2%. This figure represented a decrease of 42 bps over the second half of the year. Prime vacancy rates declined across much of the market.
- c.54,000 sqm of new office space was delivered to the market in 2025.
- Consistently low vacancy rates, significant increases to outgoings, and the introduction of new stock to the market resulted in gross rental rate growth across Canberra over the last year. Gross rent growth combined with stable incentives led to strong effective rent growth for the market.
- While the Canberra office investment market was muted in 2025, the completion of a large deal in Q4 and stabilizing yield are leading to optimism the market may have bottomed.

FIGURE 1a: Canberra Office | Vacancy Rate Summary

| Indicator | Jan 2025 | Jul 2025 | Jan 2025 | H-o-H Change | Y-o-Y Change |
|--------------|--------------|----------|----------|--------------|--------------|
| Vacancy Rate | 10.2% | 10.7% | 9.2% | -42 bps | +107 bps |

FIGURE 1b: Canberra Civic Office | Summary of Prime Market Indicators

| Indicator | 4Q25 | 3Q25 | 4Q24 | Q-o-Q Change | Y-o-Y Change |
|------------|----------------|---------|---------|--------------|--------------|
| GFR | AUD 598 | AUD 582 | AUD 562 | +2.8% | +6.4% |
| Incentives | 26.5% | 26.5% | 26.5% | Stable | Stable |
| NER | AUD 334 | AUD 322 | AUD 309 | +3.7% | +8.0% |
| Yield | 7.7% | 7.8% | 7.3% | -13 bps | +34 bps |

Source: CBRE Research

Office Demand

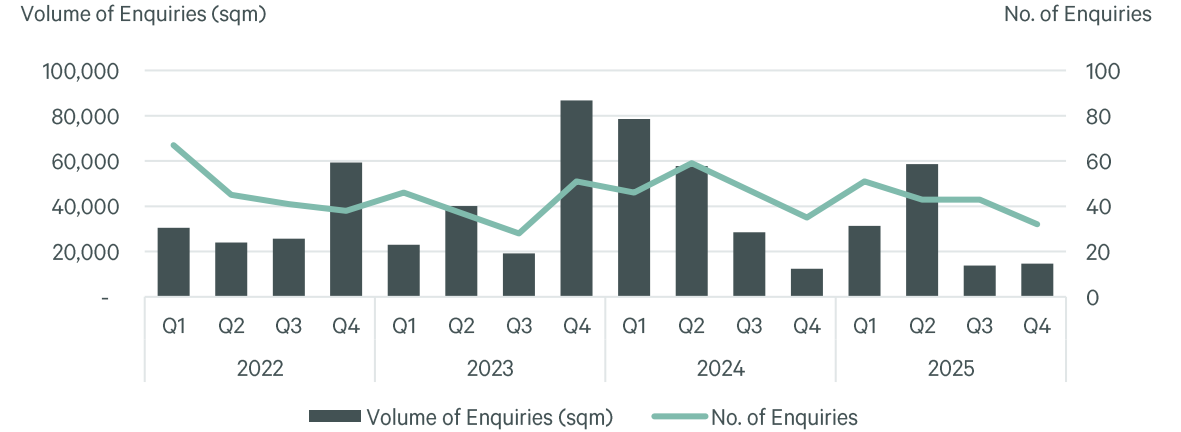
Demand remains highest for highest quality space

Leasing enquiries remained muted over the fourth quarter of the year. CBRE received 32 leasing enquiries totaling 14,608 sqm in Q4 2025. The fourth quarter total brought full year enquiry volumes to 118,405 sqm in 2025. This marked a year-over-year decline of 33.2%.

While enquiries were moderate over the second half, leasing activity was quite strong. The market saw overall net absorption of 10,129 sqm over H2 2025. This brought the 12-month trailing absorption figure to 16,923 sqm. Canberra has continued to see a significant flight-to-quality by occupiers, and this has led to the Prime end of the market outperforming. Prime grade net absorption totaled 29,693 sqm over the last 6 months, while Secondary net absorption totaled -19,564 sqm over this time.

This trend was also consistent across geographies. The Civic and Town Centres & Non-Core submarkets recorded significant positive Prime net absorption of 16,769 sqm and 13,059 sqm, respectively, in H2 2025. The Inner South saw minorly negative net absorption over the second half, although this was partially a function of a lack of space for tenants to expand into given very tight vacancy rates in these submarkets.

FIGURE 2: Sydney CBD Office | Leasing Enquiry Data



Source: CBRE Research

FIGURE 3: Canberra Office | 6-Month Net Absorption, by Submarket & Building Grade



Inner South includes Barton, Forrest, Griffith, Kingston, Deakin, and Parkes.
 Town Centres & Non-Core includes all other non-Civic submarkets.
 Source: PCA, CBRE Research

Supply

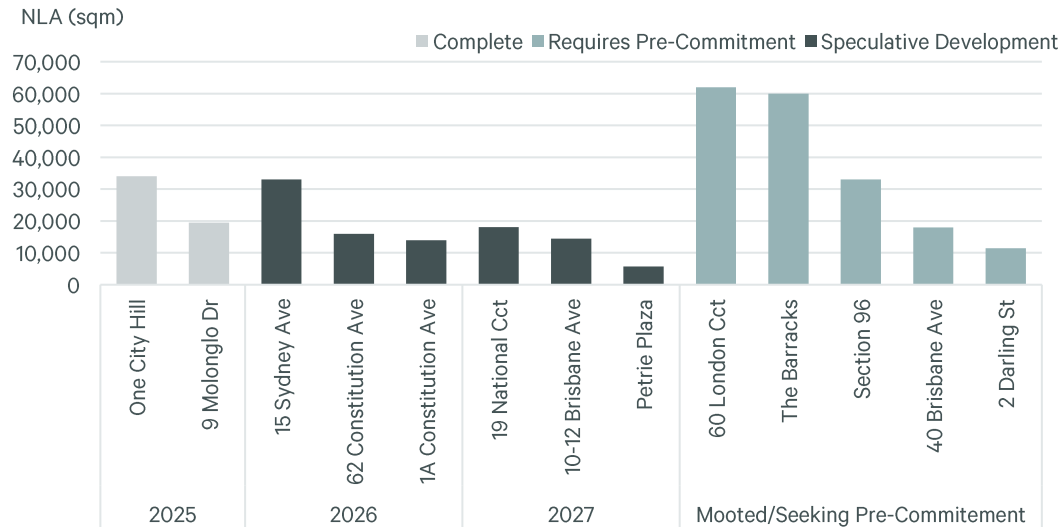
Canberra seeing steady levels of new supply

Canberra is in the midst of a three-year period where new supply has outpaced the trailing 10-year average. c.54,000 sqm of new office space was delivered to the market in 2025. This figure included the delivery of One City Hill (c.34,000 sqm) and 9-11 Molonglo Drive (c.20,000 sqm). The annual total from 2025 was 10.5% greater than the trailing 10-year average.

Following 2025, the market will see the delivery of c.63,000 sqm of new supply in 2026 and c.39,000 sqm in 2027. Projects to be delivered over this time include; 15 Sydney Avenue (33,021 sqm), 19 National Circuit (18,128 sqm), 10-12 Brisbane Avenue (14,500 sqm), and 1A Constitution Avenue (14,000 sqm).

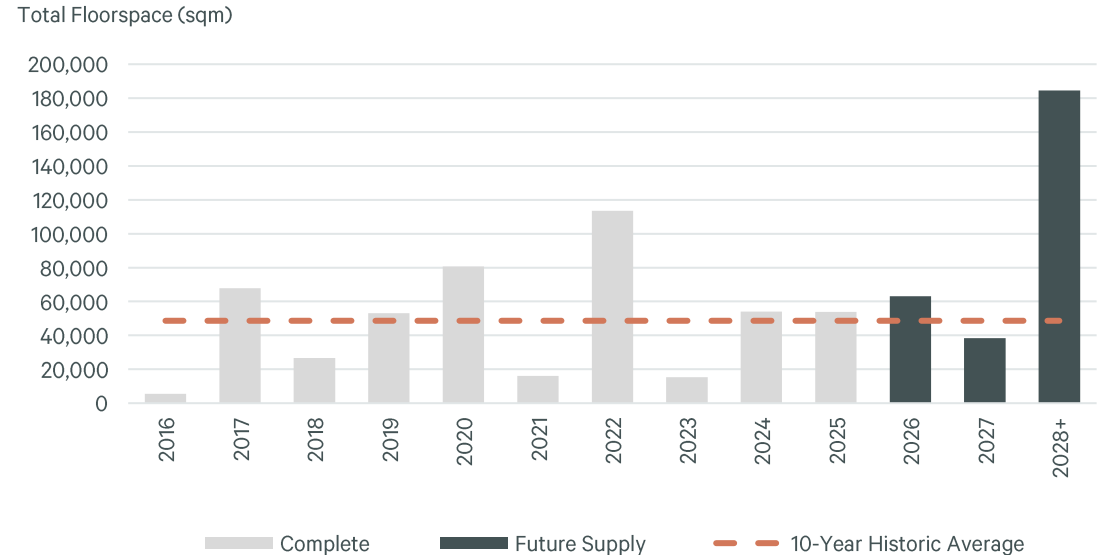
While the elevated levels of new supply are expected to lead to a softening of vacancy rates, Canberra has maintained the tightest office vacancy rate of any capital city in Australia. The market is therefore well positioned to absorb new stock unlike some other markets with less favourable occupancy rates. There are several development projects which may potentially proceed following 2027, however, many of these projects would only launch should they secure a leasing pre-commitment.

FIGURE 4: Canberra Office | Upcoming Development Projects



Source: CBRE Research, PCA

FIGURE 5: Canberra Office | Historical & Forecast New Supply



Source: CBRE Research, PCA

Vacancy

Prime vacancy rates tighten over second half

Canberra’s overall office vacancy rate ended 2025 at 10.2%. This figure represented a decrease of 41 bps over the second half. This compression was driven by increased leasing activity in Prime stock. Prime vacancy rates dropped to 8.4% as of year end, while Secondary vacancy rates rose to 13.1%.

The overall market trend was mirrored when looking at more granular geographies. Prime vacancy rates tightened in each of the Civic and Town Centres & Non-Core geographies over H2 2025, while Prime vacancy in the Inner South remained broadly stable at sub-3.0%. Conversely, Secondary vacancy increased across each of these areas.

While vacancy rates have remained tight, it’s still expected that the market should see some vacancy rate expansion over the coming years due to elevated levels of new supply. There also remains some concern that occupier demand may soften due to a contraction from public sector and affiliated occupiers as leases expire, although this has yet to eventuate.

FIGURE 6: Canberra Overall | Leasing Market Overview

| Market/Grade | Inventory Jan '26 | Vacant Space Jan '26 | Vacancy Rate Jan '26 (6month Diff) | Net Absorption 6 months |
|--------------|-------------------|----------------------|------------------------------------|-------------------------|
| Prime | 1,490,474 sqm | 125,175 sqm | 8.4% (-199 bps) | 29,693 sqm |
| Secondary | 968,590 sqm | 126,602 sqm | 13.1% (+202 bps) | -19,564 sqm |
| Total | 2,459,064 sqm | 251,777 sqm | 10.2% (-41 bps) | 10,129 sqm |

Source: PCA, CBRE Research

FIGURE 7: Civic | Vacancy Rate by Grade

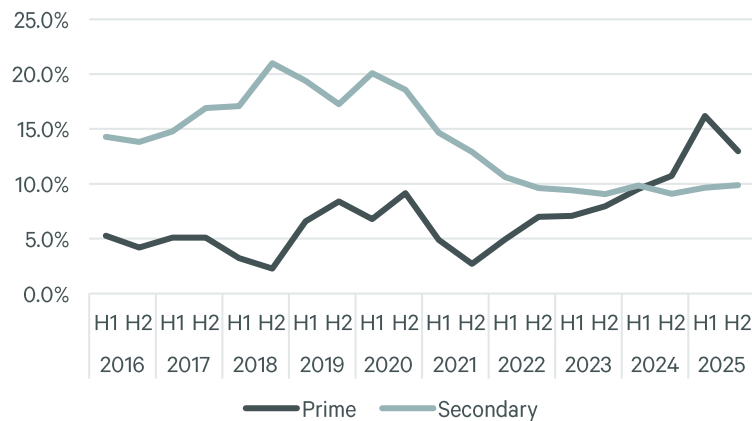


FIGURE 8: Inner South | Vacancy Rate by Grade

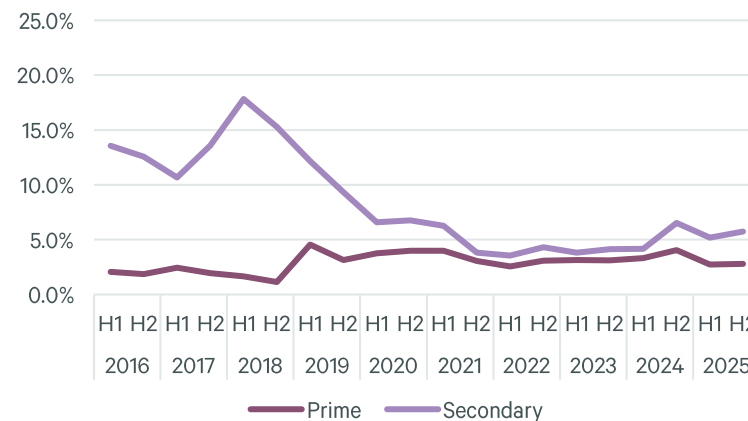
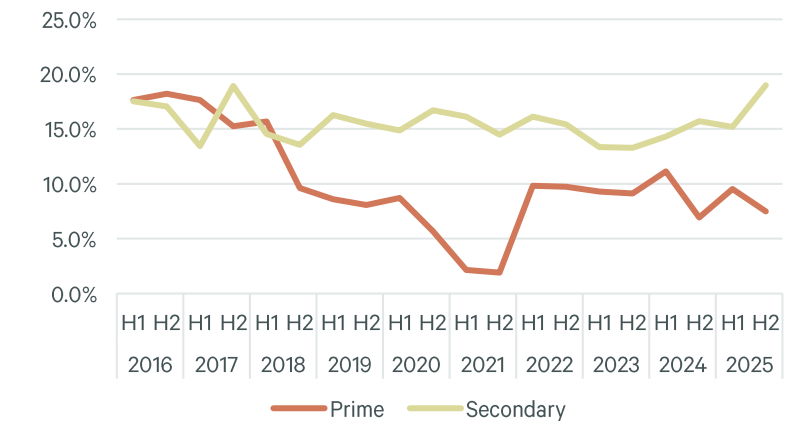


FIGURE 9: Town Centres & Non-Core | Vacancy Rate by Grade



Inner South includes Barton, Forrest, Griffith, Kingston, Deakin, and Parkes.

Town Centres & Non-Core includes all other non-Civic submarkets.

Source: PCA, CBRE Research

Rental Performance

Significant rental rate growth recorded across Canberra in 2025

Consistently low vacancy rates, significant increases to outgoings, and the introduction of new stock to the market resulted in gross rental rate growth across Canberra over the last year. Civic Prime and Secondary gross rental rates ended Q4 2025 at 598 AUD/sqm and 487 AUD/sqm, respectively. These figures represented year-over-year increases of 6.4% and 6.2%. Likewise, Non-Civic Prime and Secondary gross rental rates ending the quarter at 523 AUD/sqm and 465 AUD/sqm. These figures represented year-over-year increases of 2.1% and 10.6%. While these growth rates were very elevated, a large portion of the increase was attributable to increased outgoings, which have grown by an average of c5.0% per annum over the last few years. Incentives held broadly stable over the fourth quarter across most of the market.

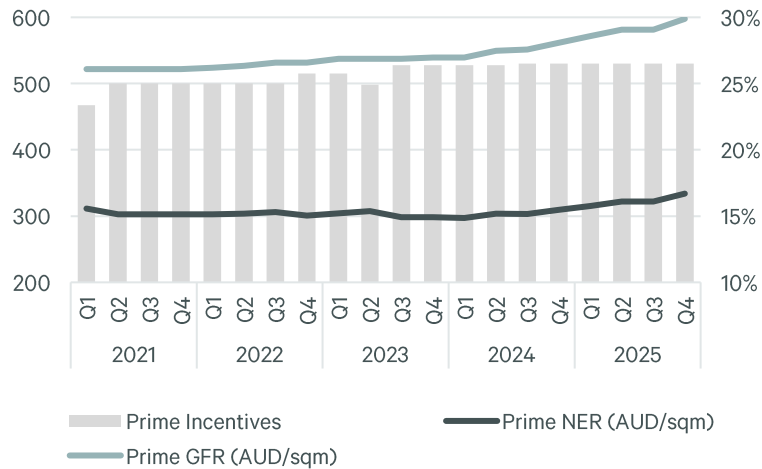
Given gross rental rate growth and lack of changes to incentives, net effective rents increased over 2025. Prime net effective rents in the Civic precinct grew by 8.0% year-over-year, by 2.6% in the Inner South submarkets, and by 1.0% in the Town Centres & Non-Core submarkets.

FIGURE 10: Canberra Office | Rental Indicators, by Submarket & Grade

| Submarket | Grade | GFR (AUD/sqm) | | | NER (AUD/sqm) | | | Incentives (%) | | |
|-----------|-----------|---------------|------------|------------|---------------|------------|------------|----------------|------------|------------|
| | | Current | QoQ Change | YoY Change | Current | QoQ Change | YoY Change | Current | QoQ Change | YoY Change |
| Civic | Prime | 598 | 2.8% | 6.4% | 334 | 3.7% | 8.0% | 26.5% | Stable | Stable |
| | Secondary | 487 | 1.8% | 6.2% | 226 | 2.6% | 8.9% | 29.3% | +9 bps | +11 bps |
| Non-Civic | Prime | 523 | Stable | 2.1% | 301 | Stable | 2.0% | 24.9% | Stable | Stable |
| | Secondary | 465 | 5.5% | 10.6% | 240 | 7.7% | 15.2% | 27.3% | +13 bps | +13 bps |

Source: CBRE Research

FIGURE 11: Civic | Prime Rental Rates and Incentives



Inner South includes Barton, Forrest, Griffith, Kingston, Deakin, and Parkes.
Town Centres & Non-Core includes all other non-Civic submarkets.
Source: PCA, CBRE Research

FIGURE 12: Inner South | Prime Rental Rates and Incentives

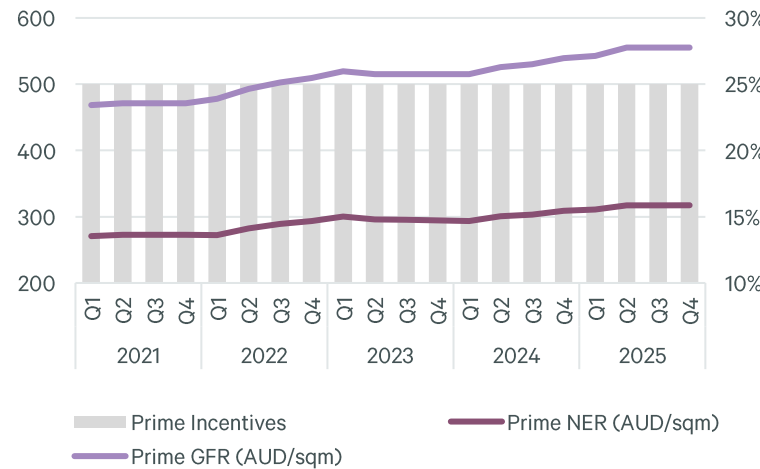
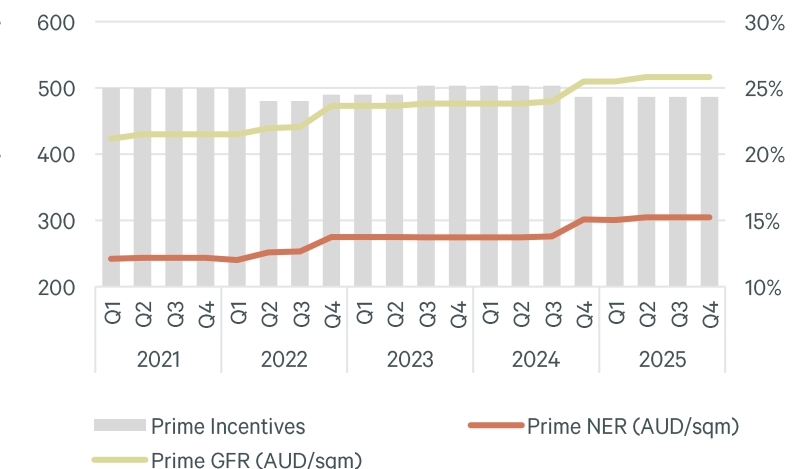


FIGURE 13: Town Centres & Non-Core | Prime Rental Rates and Incentives



Investment Market

Office investment markets remain muted in 2025

The Canberra office investment market was once again very quiet in 2025, with only 4 transactions totalling AUD 391 million closing over the year. Prior to Q4 2025, the only trades to take place in Canberra were the sale of 4 Mort Street for AUD 18.0 million, of 1 Queen Victoria Terrace for AUD 23.5 million, and of a 50% stake in 100 Northcott Drive for AUD 44.0 million. The fourth quarter brought the largest deal of the year with the sale of 23 Furzer Street for AUD 305.0 million. Encouragingly, this was the largest transaction for the market in the last three years.

Pricing for the assets which transacted in 2025 suggested that yields may have now hit their peak. Indicative yields were therefore tightened slightly in Q4 2025. Civic Prime and Secondary yields ended the period at 7.7% and 9.1%, tightening by 13 bps and 6 bps over the fourth quarter. Non-Civic Prime and Secondary yields ended the period at 8.1% and 9.0%, tightening by 1 bps and 40 bps, respectively.

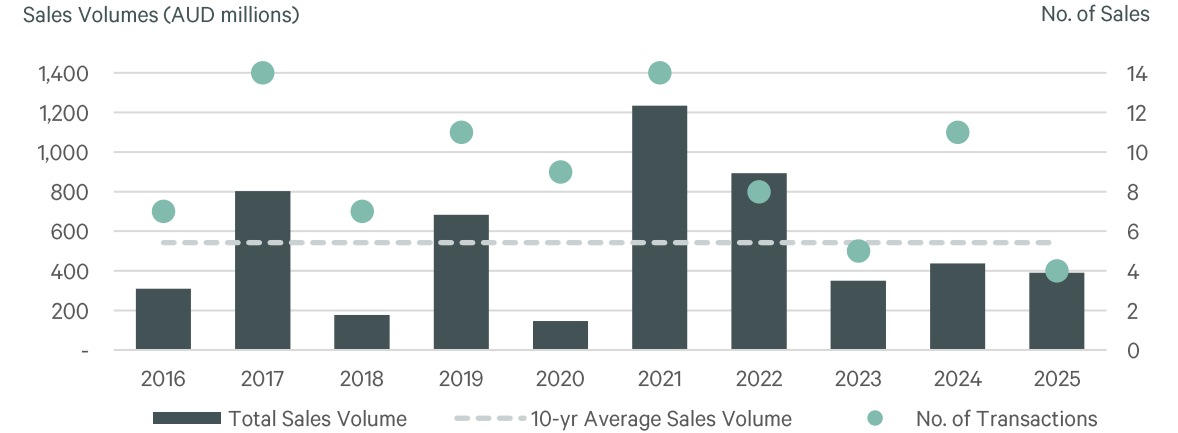
With pricing stabilizing and capital returning to the market, there is growing optimism that investment activity may accelerate in 2026.

FIGURE 14: Canberra Office | Notable Investment Transactions 2025

| Property | Suburb | Price (Millions) | NLA | AUD/sqm |
|--------------------------|----------|---------------------|------------|---------|
| 23 Furzer Street | Phillip | 305.0 | 46,166 sqm | 6,607 |
| 100 Northcott Drive | Campbell | 44.0 (50% Interest) | 41,670 sqm | 2,112 |
| 4 Mort Street | Civic | 18.0 | 5,500 sqm | 3,287 |
| 1 Queen Victoria Terrace | Parkes | 23.5 | 4,958 sqm | 4,739 |

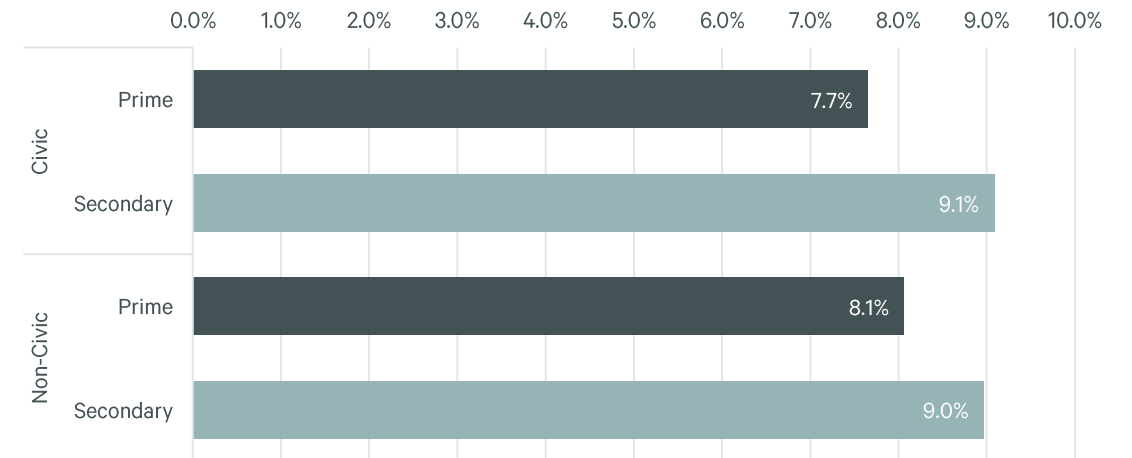
Source: MSCH-RCA, CBRE Research

FIGURE 15: Canberra Office | Sales Activity



Source: MSCH-RCA, CBRE Research

FIGURE 16: Canberra Office | Indicative Yields, by Submarket and Building Grade



Source: CBRE Research

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Research



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Key Office Submarket Map



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