Leasing momentum underpins resilient market fundamentals

▼ c. 100,000 sqm
New Industrial Supply Q2 2026

▲ c.177,000 sqm
Gross Take-Up Q2 2026

▲ 5.6%
Super Prime Midpoint Yield

Note: Arrows indicate change from previous quarter.

Key Points

- Leasing activity strengthened in Q2, with around 177,000 sqm transacted, reinforcing resilient occupier demand for high-quality industrial assets despite a more measured economic backdrop.
- Development activity is moderating towards more sustainable levels, with around 100,000sqm completed during the quarter and most of the near-term pipeline already pre-committed.
- Limited availability of super prime accommodation continues to underpin rental growth, with net face rents increasing across all asset grades as incentives gradually normalise.
- Land values remain well supported by structural supply constraints, with larger development sites continuing to record quarterly growth as serviced industrial land remains scarce.
- Investment activity has normalised following the record 2025, although transaction volumes remain healthy and investor demand continues to be supported by strong long-term fundamentals.
- Yields were broadly stable over the quarter, with only modest outward movement across selected prime and super prime assets.

Demand

Leasing momentum exceeds expectations as occupiers continue to commit

Leasing activity strengthened over the quarter, with take-up reaching the five-year quarterly average (totalling close to 180,000sqm). Occupier demand continues to outperform expectations as businesses remain willing to commit to well-located, operationally efficient facilities despite a more measured economic backdrop.

Leasing activity remained concentrated across the Trade Coast and South precincts, reinforcing their position as Brisbane's most active industrial markets. Most transactions were secured within existing high-quality stock, while pre-commitment activity remained resilient, with most of the near-term development pipeline already committed.

Key transactions in Q2 2026 included:

- Asahi Beverages pre-lease in the Western Corridor
- Hyne Timber in the Trade Coast
- Austral Construction in the Trade Coast

Limited availability of super prime accommodation - particularly for sub-10,000 sqm requirements - continues to support leasing conditions. Demand remains firmly skewed towards modern, high-quality facilities, while older stock continues to face greater leasing competition, reinforcing an increasingly two-speed market.

Leasing demand is expected to remain resilient, supported by population growth, infrastructure investment and preparations for the Brisbane 2032 Olympic Games. While occupiers remain disciplined, many continue to secure accommodation ahead of future requirements while leasing conditions remain relatively favourable.

FIGURE 1: Brisbane Gross Take-Up 2019-2026YTD by Precinct

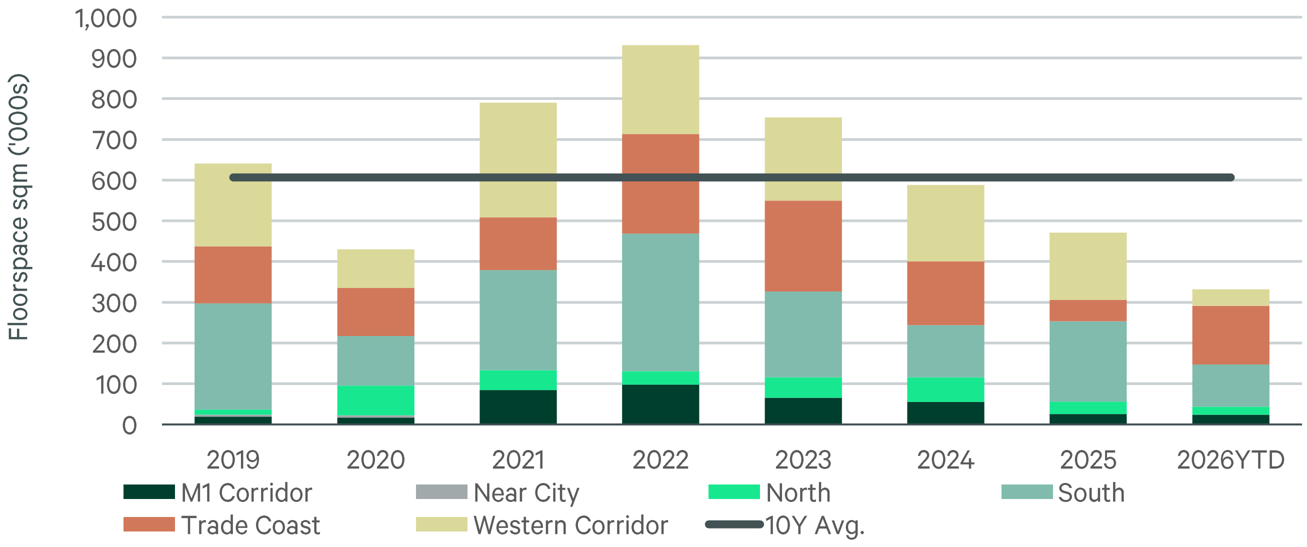
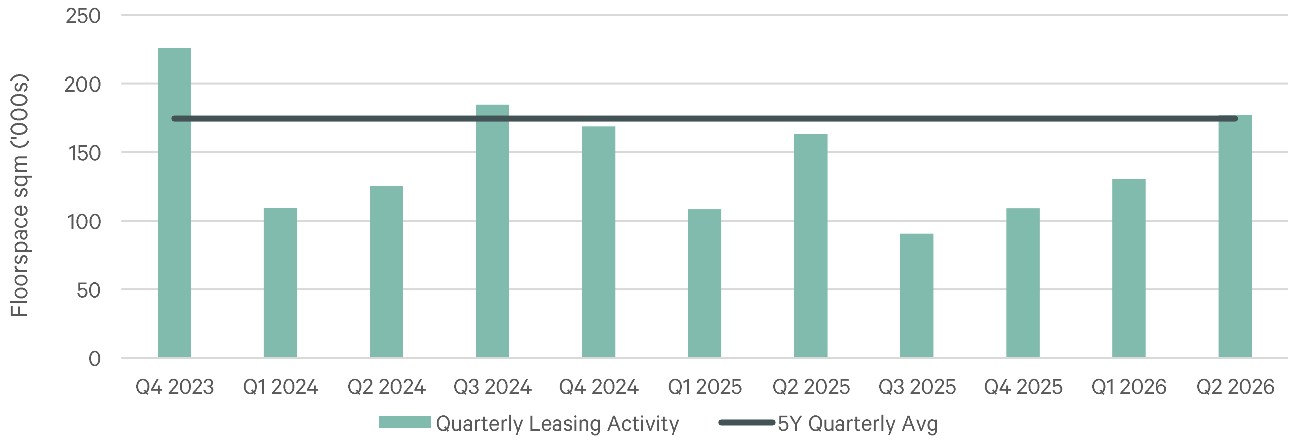


FIGURE 2: Brisbane Quarterly Gross Take-Up, 4Q23-2Q26



To note: Reflects transactions >4,000 sqm.
Source: CBRE Research

Supply

Development pipeline for 2026 is moderating towards the long-run average

Development completions continued through the first half of 2026, although activity is moderating following the elevated levels recorded in 2025. While deliveries remain above long-term norms, the pipeline is transitioning towards a more sustainable level of supply.

Completions remained concentrated across the South and Western Corridor precincts, reflecting developer preference for well-located estates where occupier demand remains strongest.

Looking ahead, delivery is expected to become increasingly staggered. A growing share of projects at planning and approval stages will require pre-commitments before construction commences, while feasibility pressures are likely to delay or defer selected developments.

Elevated construction costs, tighter feasibility and more disciplined capital allocation continue to shape development decisions. Developers are placing greater emphasis on securing tenant commitments and achieving viable rental thresholds before proceeding.

Overall, supply growth is expected to moderate over the medium term, supporting market fundamentals across Brisbane's core industrial precincts.

Major projects expected to reach PC in 2026 and that have secured pre-commitments include:

- Goodman's Redbank Industrial Park Warehouses in the Western Corridor
- Charter Hall's extension to the Brendale Distribution Facility in the North
- Airport Industrial Park Facility on Main Myrtletown Road in the Gateway North

FIGURE 3: Brisbane Development Supply Pipeline 2019–2029F

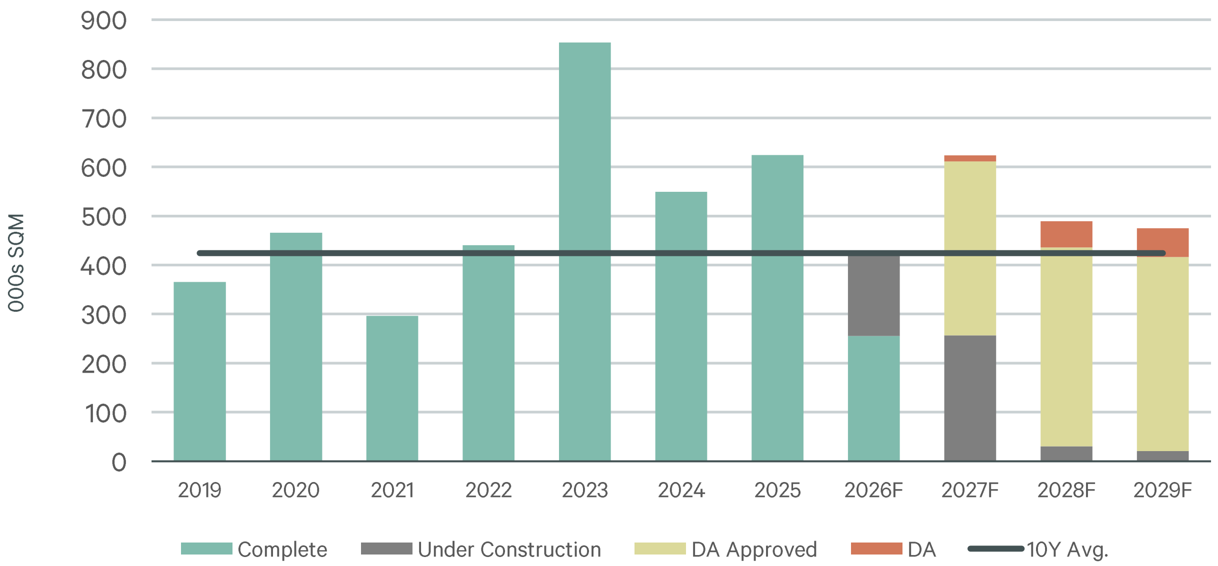
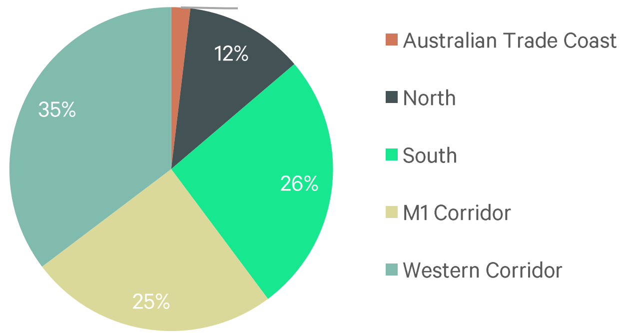


FIGURE 4: Development Supply 2026F-2029F Floorspace Share, by Precinct



To note: Reflects new projects >4,000 sqm.
Source: CBRE Research

Leasing Market

Limited availability continues to underpin rental growth

Rental growth remained positive during the quarter, underpinned by constrained availability of high-quality industrial accommodation. Elevated land values and construction costs continue to support higher rental benchmarks across Brisbane.

Super prime assets continued to outperform, recording solid quarterly rental growth and double-digit annual increases. Performance remained strongest across the South and Western Corridor precincts where vacancy remains particularly constrained.

Prime and secondary assets also recorded modest rental growth during the quarter, reflecting improving leasing conditions across much of the Brisbane market.

Incentives compressed modestly over the quarter to around 15%, reflecting improving market conditions following the increased supply delivered through 2025. While occupiers continue to retain some negotiating leverage, tightening vacancy is expected to support further normalisation over time.

Net effective rents continued to strengthen, with rental growth comfortably offsetting the impact of incentives. Super prime assets continue to deliver the strongest performance, supported by sustained occupier demand and limited availability.

Leasing conditions continue to favour landlords, particularly for well-located, high-quality assets. Although near-term supply will provide some additional leasing choice, the limited availability of super prime accommodation is expected to maintain upward pressure on rents over the medium term.

FIGURE 5: Average Brisbane Net Effective Rent Growth y-o-y, by Asset Grade (2020-2026)

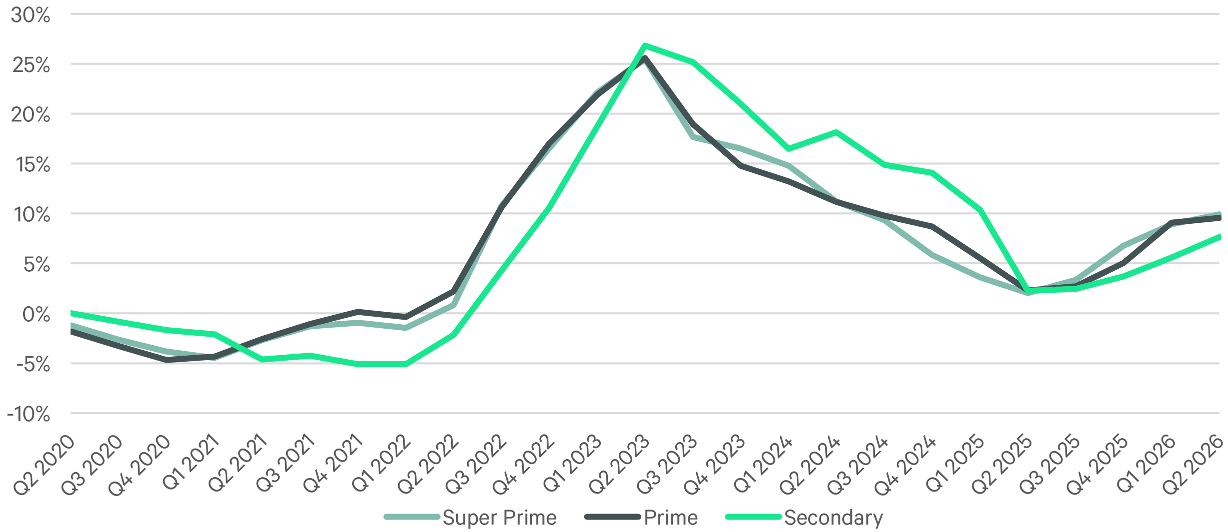
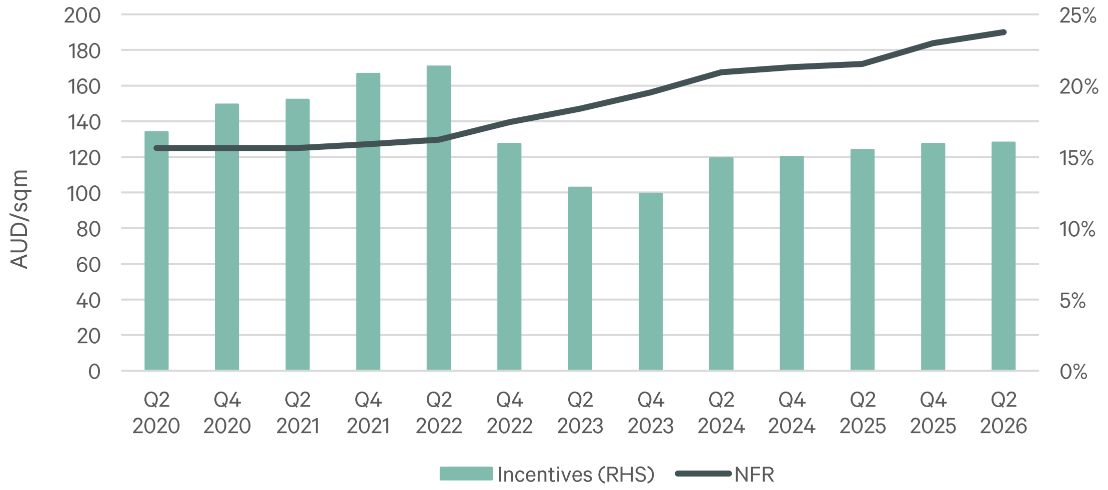


FIGURE 6: Average Super Prime Net Face Rents and Incentives (2020-2026)



Source: CBRE Research Q2 2026

Land Values

Land values remain supported by structural supply constraints

Brisbane's constrained supply of serviced industrial land continues to support land values across the market. Large-format development sites recorded further growth over the quarter, while smaller lot values were broadly stable following several years of strong appreciation.

Over the past 12 months, land values have increased by approximately 17% for larger lots and 11% for smaller lots. Growth has been strongest across the M1 Corridor and North precincts, reflecting limited supply and sustained demand for development opportunities.

Gateway North and Gateway South remain Brisbane's most land-constrained precincts, continuing to command the highest values across the market due to limited development opportunities.

Across Greater Brisbane, only a limited proportion of zoned industrial land is currently serviced and development-ready. This ongoing imbalance continues to underpin land value growth, particularly for prime development opportunities.

Elevated construction costs continue to weigh on development feasibility, encouraging developers to secure pre-commitments before commencing projects. While rental growth has improved project economics, feasibility constraints are expected to continue limiting the pace of new land supply.

FIGURE 7: Average Land Values 1.6 ha lots, by precinct (2Q25 vs. 2Q26)

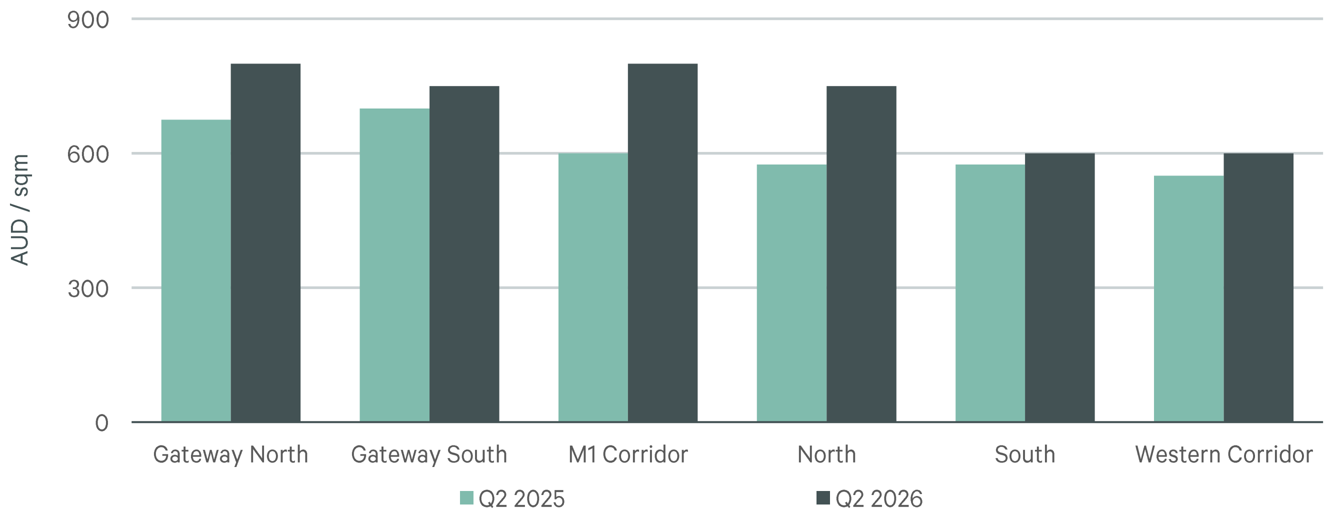
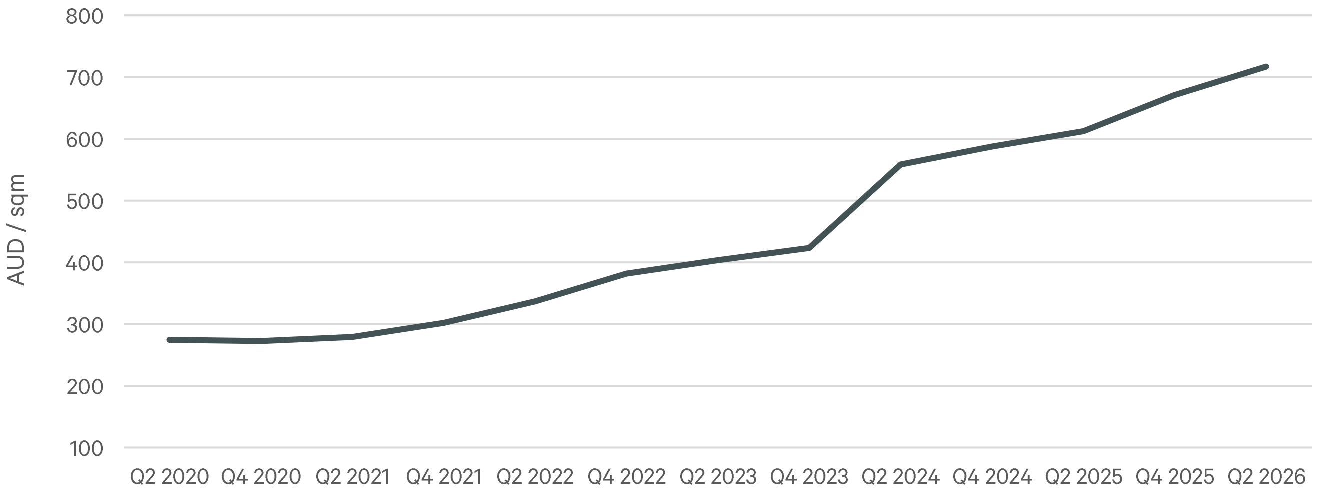


FIGURE 8: Average Land Values, 1.6 ha lots (2020-2026)



Source: CBRE Research

Investment Market

Investment activity remains resilient following a record 2025

Investment activity moderated from the exceptional levels recorded in 2025 but remained resilient during the quarter, with transaction volumes broadly in line with longer-term market norms. Investment sale volumes in Q2 2026 totalled just over half a billion dollars.

Investor confidence continues to be supported by Brisbane's strong population growth, constrained industrial supply and ongoing infrastructure investment associated with the Brisbane 2032 Olympic Games.

Brisbane has also continued to benefit from capital seeking opportunities outside Victoria following changes to investment taxation.

Yields softened modestly during the quarter as the higher interest rate environment continued to influence pricing. Despite some outward movement across selected precincts and grades, industrial assets remain well supported by strong occupier fundamentals and sustained investor demand.

Source: CBRE Research

FIGURE 9: Super Prime Midpoint Yields, by Precinct

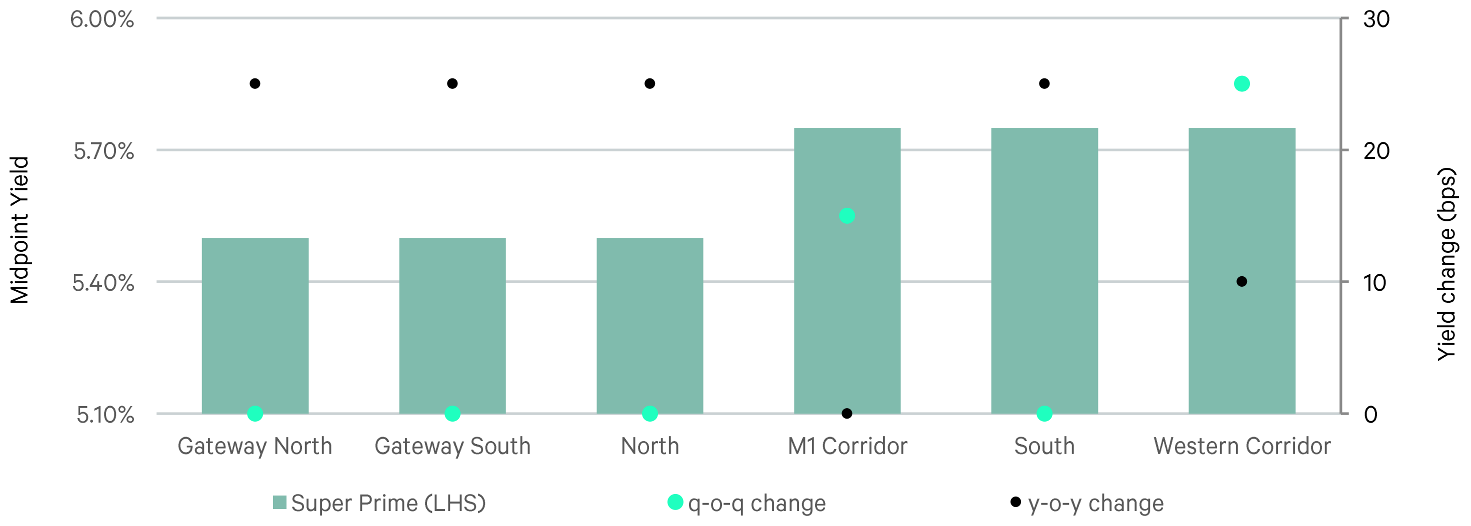
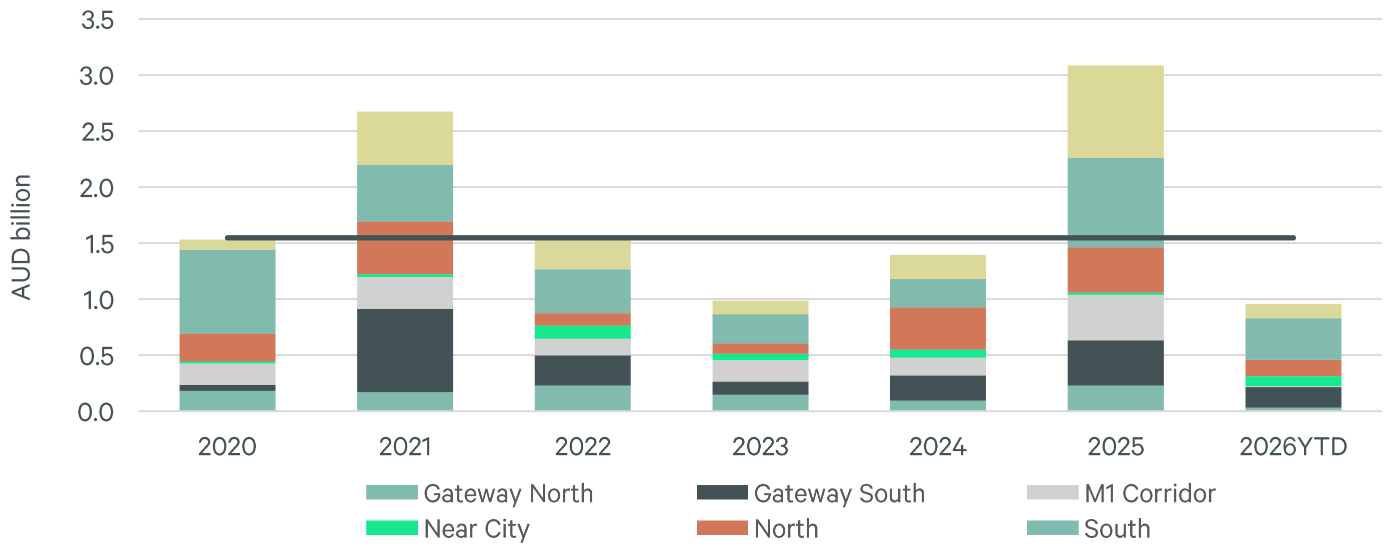
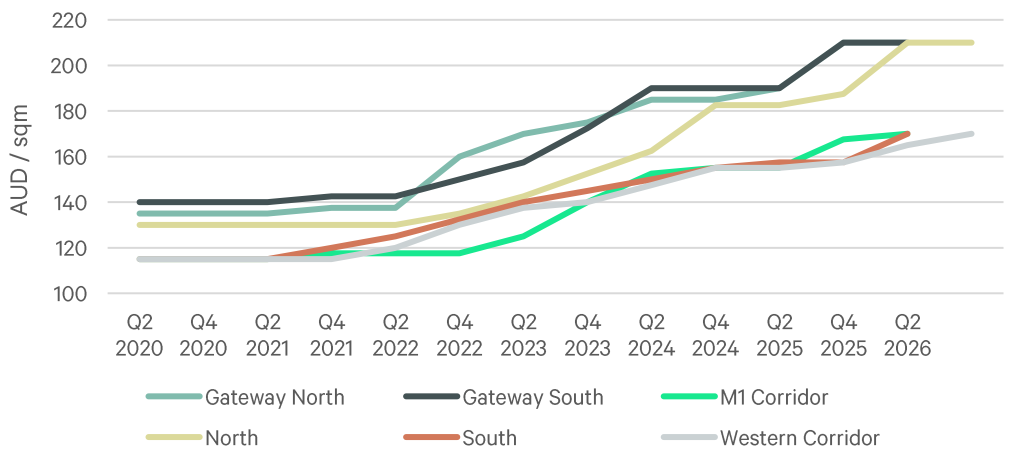


FIGURE 10: Brisbane Industrial Sales (≥ AUD 5 million)



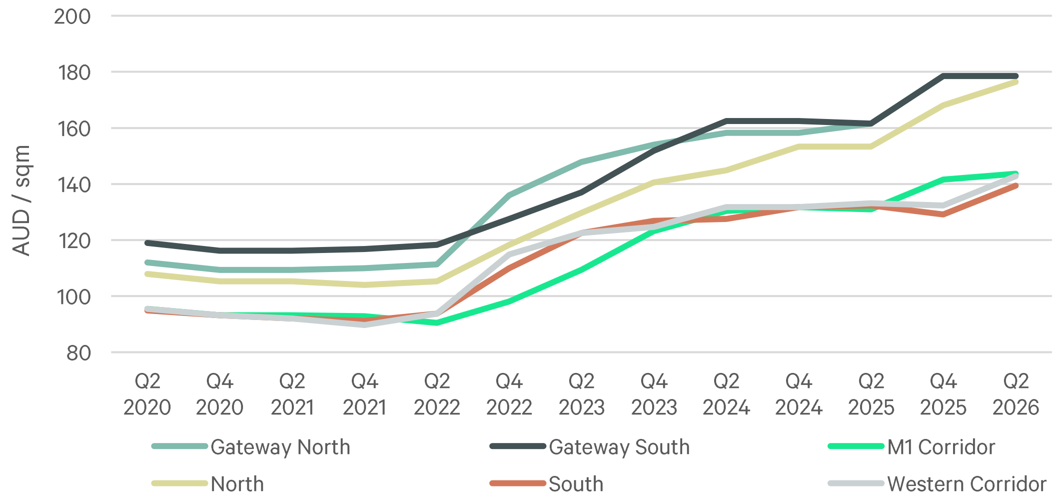
Source: CBRE Research

FIGURE 11: Average Super Prime Net Face Rents, by Precinct (2020-2026)



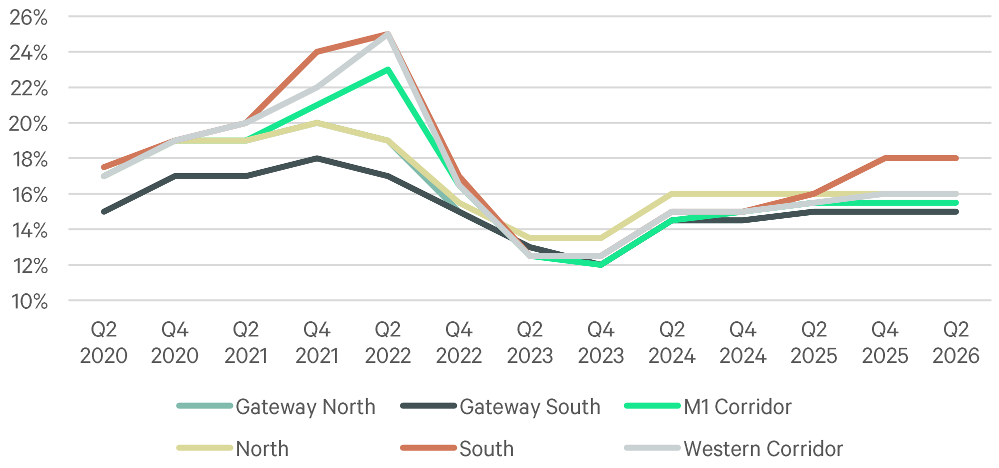
Source: CBRE Research

FIGURE 13: Average Brisbane Super Prime Net Effective Rents, by Precinct (2020-2026)



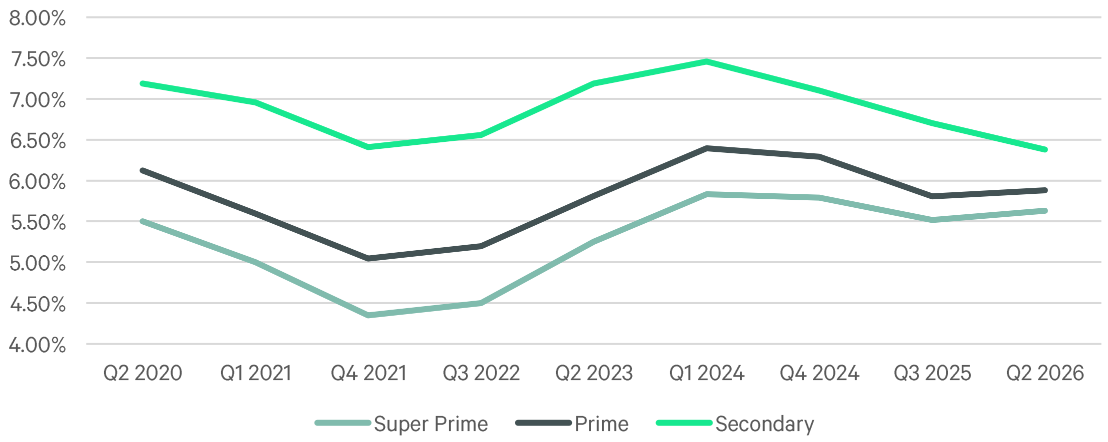
Source: CBRE Research

FIGURE 12: Average Super Prime Incentives, by Precinct (2020-2026)



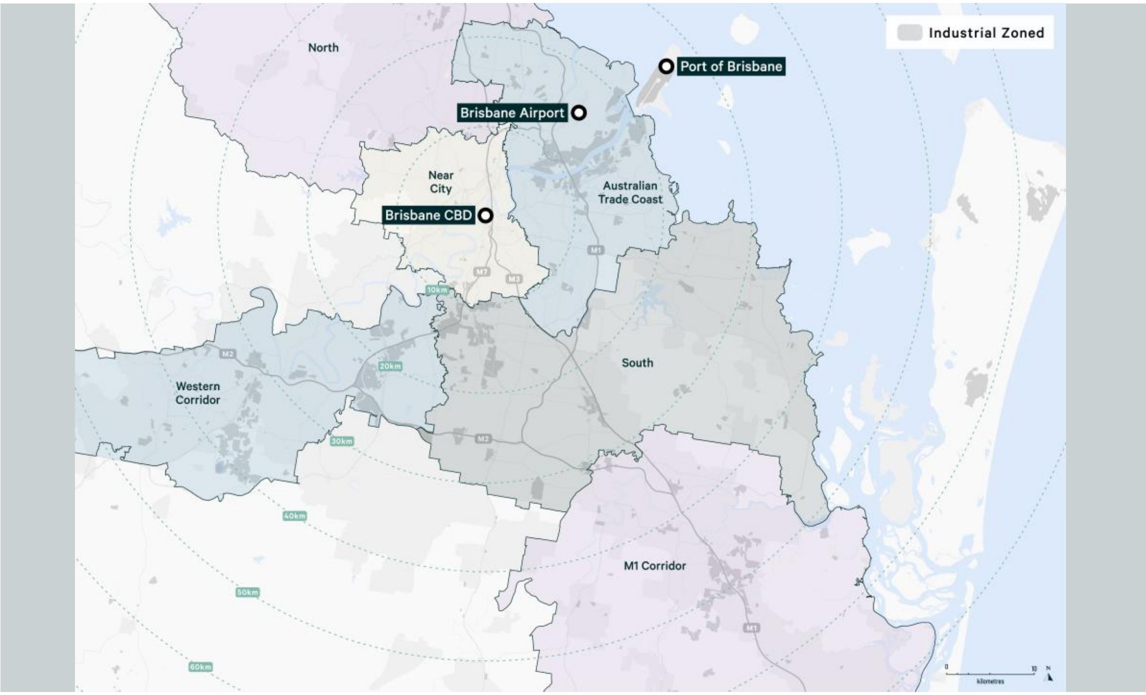
Source: CBRE Research

FIGURE 14: Midpoint Brisbane Yields, by Asset Grade (2020-2026)



Source: CBRE Research

Market Area Overview



Definitions

Super Prime:
Less than 6 years old, height clearance between 13.7m and 14.6m. Buildings showcasing design excellence with combination of ESFR sprinklers and docks / on-grade doors, as well as strong truck articulation for loading/unloading.
Prime:
Generally, between 6 and 15 years old, height clearance over 10m and up to 13.7m.
Secondary:
Buildings that are older style but still very functional, height clearance in the ranges of 8-11m, Over 15 years old.

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