Owner-occupier demand continues to underpin Perth's industrial market

▼ c.65,000 sqm
New industrial supply Q2 2026

▲ c.187,000 sqm
Gross take-up Q2 2026

► 6.0%
Super prime midpoint yield

Note: Arrows indicate change from previous quarter.

Key Points

- Gross take-up reached c.187,000 sqm in Q2 2026, lifting rolling 12-month leasing activity to c.409,000 sqm, well above the long-run average.
- Approximately 65,000 sqm of new supply was delivered during the quarter. The forward development pipeline remains elevated, although average annual completions are expected to moderate from recent highs.
- Pre-commitment levels remain strong at approximately 74%, limiting speculative supply and highlighting continued occupier demand for new industrial accommodation.
- Super prime net face rents remained stable over the quarter and are 6.5% higher year-on-year, with incentives holding at 15%, supporting continued growth in net effective rents.
- Owner-occupier demand and constrained serviced land supply continue to drive land values higher across all precincts, with the South precinct recording the strongest annual growth.
- Investment activity remains below historical averages; however, super prime midpoint yields held firm at 6.0%, reflecting stable pricing and continued investor confidence in Perth's industrial market.

Demand

Strong quarter lifts annual take-up

Approximately 187,000 sqm of gross take-up was recorded in Q2 2026, representing the strongest quarterly leasing outcome since 2024 and well above the recent quarterly average.

The strong quarterly outcome lifted rolling 12-month gross take-up to almost 409,000 sqm, more than double the volume recorded during the cyclical low in 2022 and well above Perth's long-run average of approximately 194,000 sqm. This reinforces that underlying occupier demand has remained resilient despite elevated economic uncertainty.

Leasing activity during the quarter was highly concentrated in the East precinct, which accounted for 70% of total floorspace leased. This was largely driven by Centurion's 38,750 sqm commitment in Hazelmere and ATOM's 21,500 sqm pre-lease in Kenwick, highlighting the continued appeal of established freight and logistics corridors.

While quarterly activity was concentrated in the East, leasing over the rolling 12 months has been more balanced, with the East and South accounting for 48% and 45% of take-up respectively.

Transport, Postal & Warehousing remained the largest source of demand, representing 36% of leasing activity, followed by Wholesale Trade (22%) and Retail Trade (10%). The diversity of occupier demand across logistics, wholesale and retail sectors continues to support leasing fundamentals and reinforces Perth's position as one of Australia's strongest performing industrial markets.

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

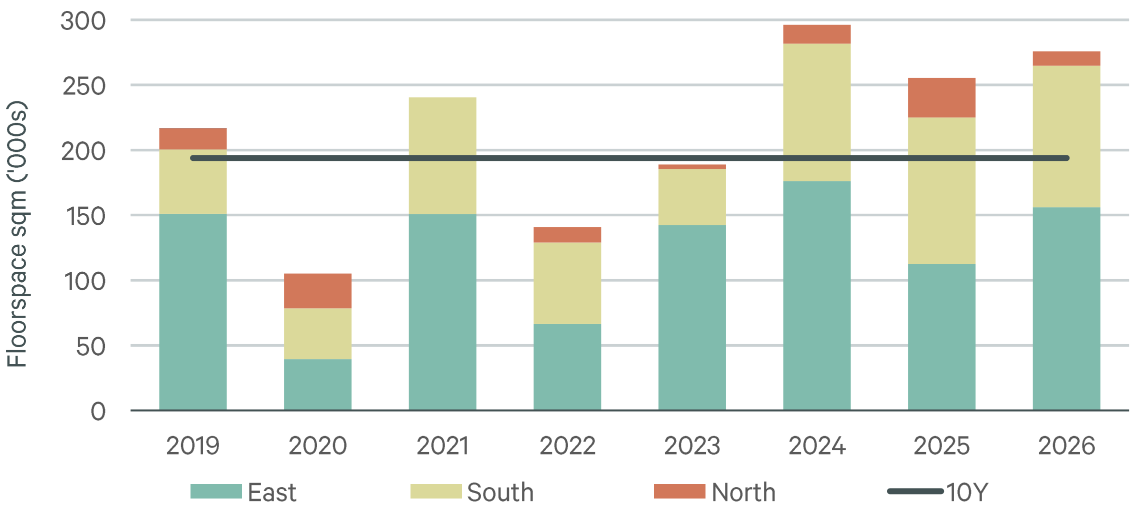
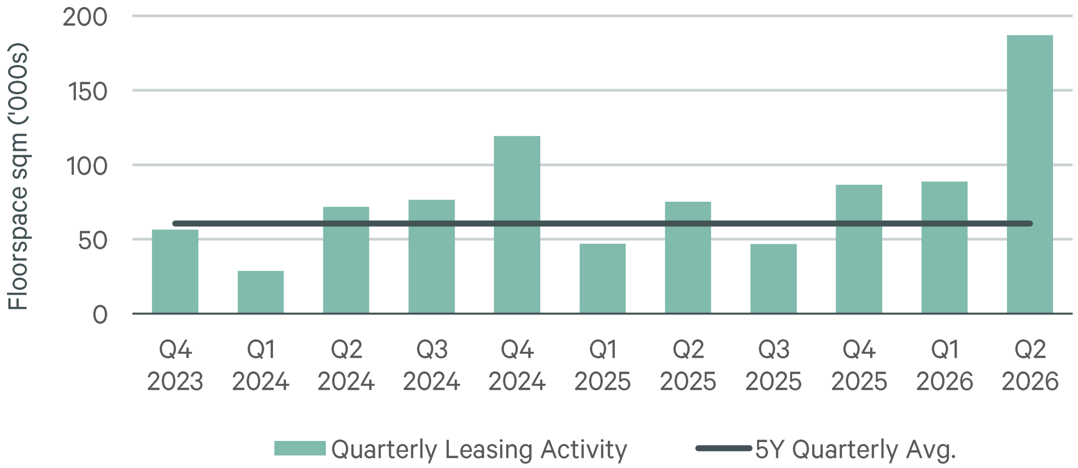


FIGURE 2: Perth Quarterly Gross Take-Up, 4Q23-2Q26



To note: Reflects leasing transactions >3,000 sqm.
Source: CBRE Research Q2 2026

Supply

Elevated pipeline underpinned by strong pre-commitment levels

Approximately 65,000 sqm of new industrial floorspace was delivered in Q2 2026, accounting for around 23% of the CY2026 development pipeline. Rolling 12-month completions now total approximately 345,000 sqm, remaining well above the long-term average of 140,000 sqm.

Around 70% of the CY2026 pipeline has now reached practical completion, with the remaining projects scheduled for delivery during the second half of the year.

Development completions during the quarter were concentrated in the South precinct, representing 72% of total deliveries, with the balance completed in the East. Key projects included Birchmead's Nutrien Ag facility in East Rockingham (24,750 sqm), Hodgson's speculative facility in Maddington (13,600 sqm) and a further 11,337 sqm speculative development on Artemis Loop, Wattleup.

While development activity remains elevated relative to historical levels, the forward pipeline is expected to gradually normalise. Average annual completions between 2026 and 2028 are forecast at approximately 184,000 sqm, remaining above the long-run average but below the recent delivery cycle. Importantly, pre-commitment levels remain high at around 74%, indicating developers continue to secure occupier demand well ahead of completion and limiting the volume of speculative space entering the market.

Looking ahead, the development pipeline remains firmly focused on the East precinct, which is forecast to account for 59% of new supply through 2028, reflecting its strategic freight connectivity and availability of industrial land. The South is expected to contribute a further 36%, while development activity in the North is anticipated to remain comparatively limited.

FIGURE 4: Perth Development Supply Pipeline 2019-2029F

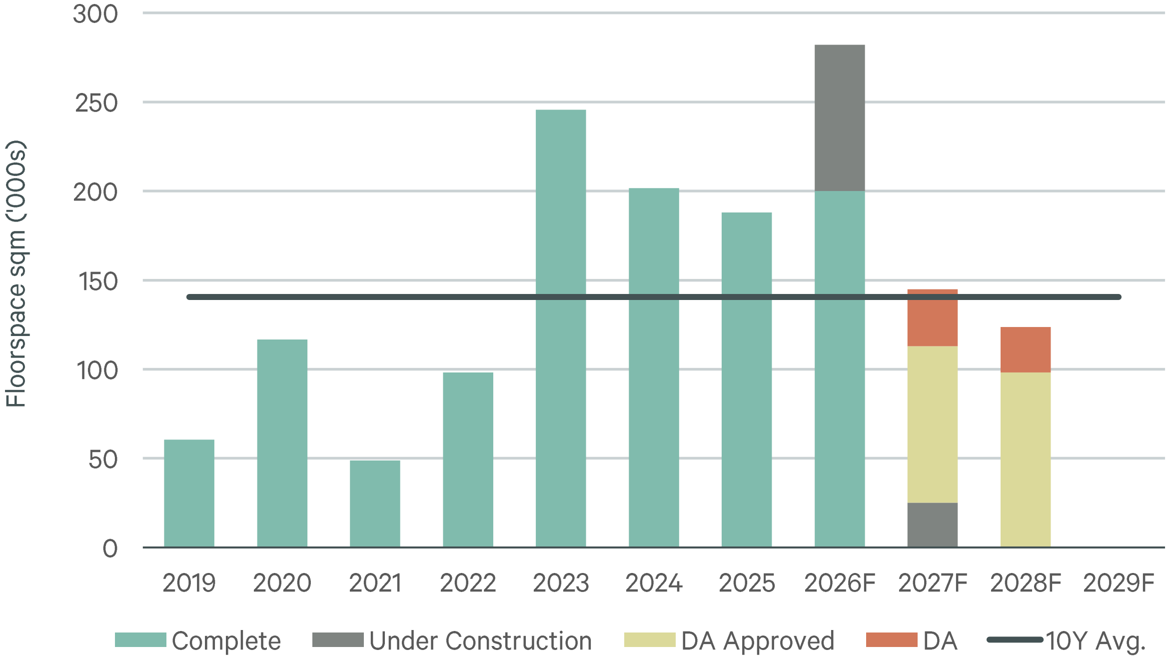
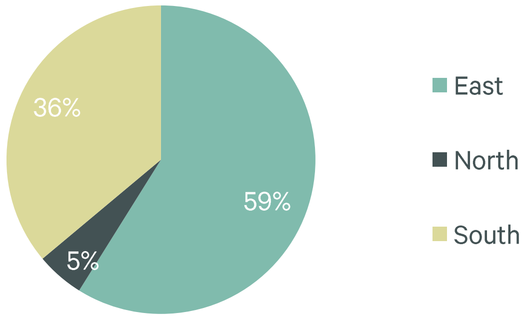


FIGURE 5: Development Supply 2026F-2029F Floorspace Share, by Precinct



Source: CBRE Research. As at 2Q26
Projects > 3,000 sqm.

Leasing Market

Rental growth remains supported by tight vacancy and rising replacement costs

Super prime net face rents remained stable at AUD 165/sqm during Q2 2026, representing annual growth of 6.5%. Incentives remained unchanged at 15%, supporting further growth in net effective rents to approximately AUD 140/sqm. Rental growth continues to be underpinned by Perth's limited availability of high-quality accommodation and the increasing cost of delivering new industrial product.

Prime net face rents also remained unchanged over the quarter at AUD 150/sqm, increasing 3.4% over the past year. Stable incentives of 15% have supported net effective rents of approximately AUD 128/sqm, reflecting balanced market conditions despite the recent increase in development activity.

In the secondary market, face rents were stable at AUD 125/sqm, representing annual growth of 8.7%, while incentives remained at 20%. Although incentive levels remain elevated relative to super prime assets, ongoing rental growth reflects continued demand for well-located existing stock and limited competitive supply across Perth's industrial market.

Looking ahead, rental growth is expected to moderate from the rapid gains recorded over recent years but remain positive. Tight vacancy, elevated construction costs and strong owner-occupier demand are expected to continue supporting rental levels, particularly for modern, well-located assets.

FIGURE 6: Perth Average Net Effective Rent Growth y-o-y, by Asset Grade (2020-2026)

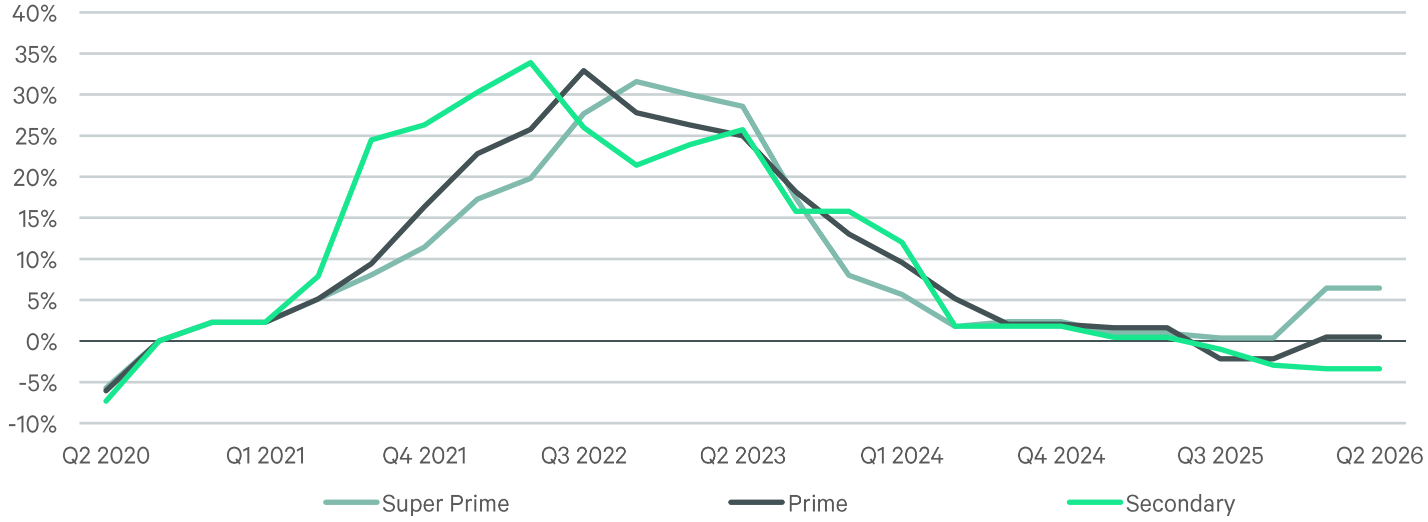
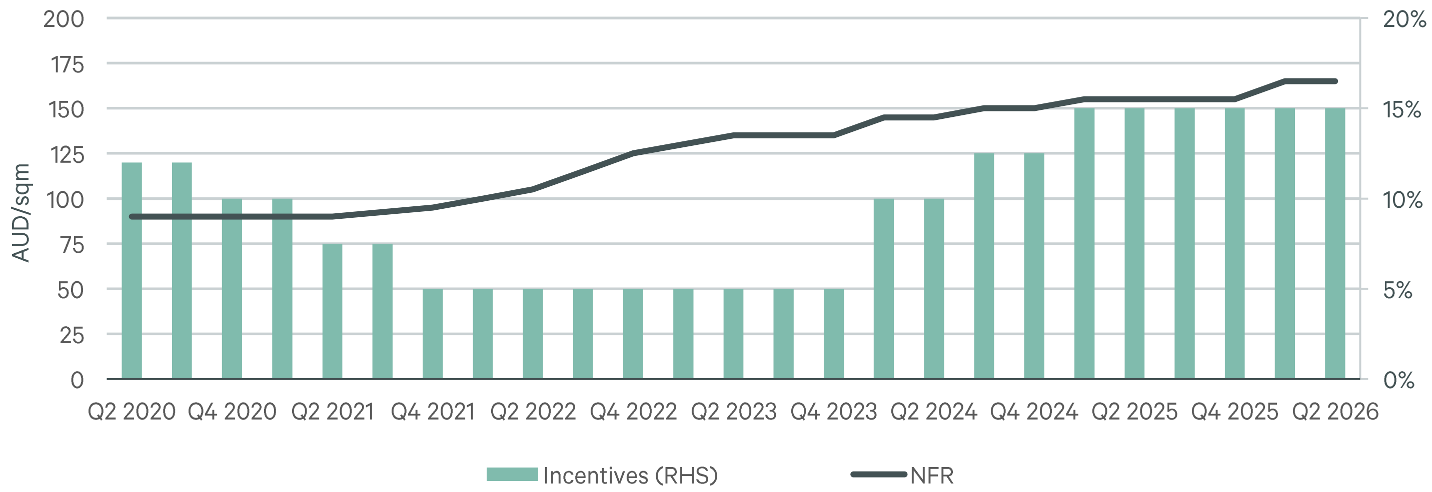


FIGURE 7: Perth Average Super Prime Net Face Rents and Incentives (2020-2026)



Source: CBRE Research Q2 2026

Land Values

Owner-occupier demand continues to underpin land value growth

Industrial land values continued to strengthen across all Perth precincts during Q2 2026, supported by sustained owner-occupier demand, constrained serviced land supply and ongoing infrastructure investment. Average land values increased across both 0.25 ha and 1.6 ha lot sizes, with growth recorded in every precinct.

For 0.25 ha lots, average land values increased to approximately AUD808/sqm, representing annual growth of 23%. The South precinct recorded the strongest growth, followed by the East and North, reflecting continued demand for smaller development opportunities in established industrial locations.

Larger 1.6 ha lots also recorded robust growth, increasing 21% over the year to an average of AUD527/sqm. The South continued to outperform, supported by strong owner-occupier demand, strategic infrastructure investment and improving connectivity, while the East and North also recorded solid annual increases.

The strength in land values continues to reflect limited availability of serviced industrial land rather than speculative investor activity. As development opportunities remain constrained and infrastructure investment continues to unlock new industrial precincts, land values are expected to remain well supported over the medium term despite a more balanced leasing environment.

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

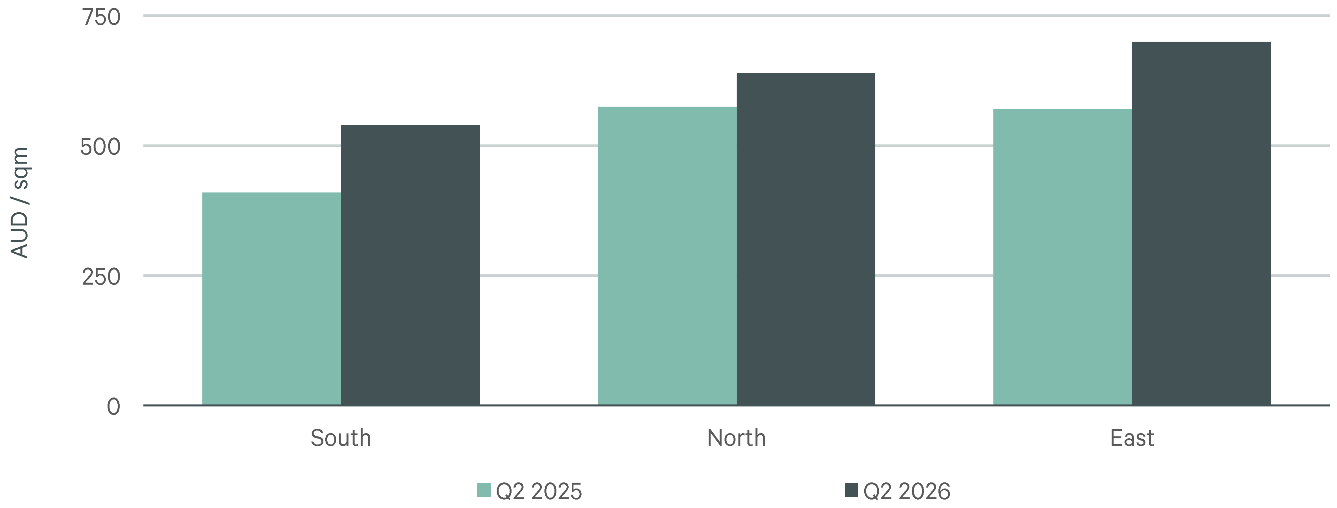
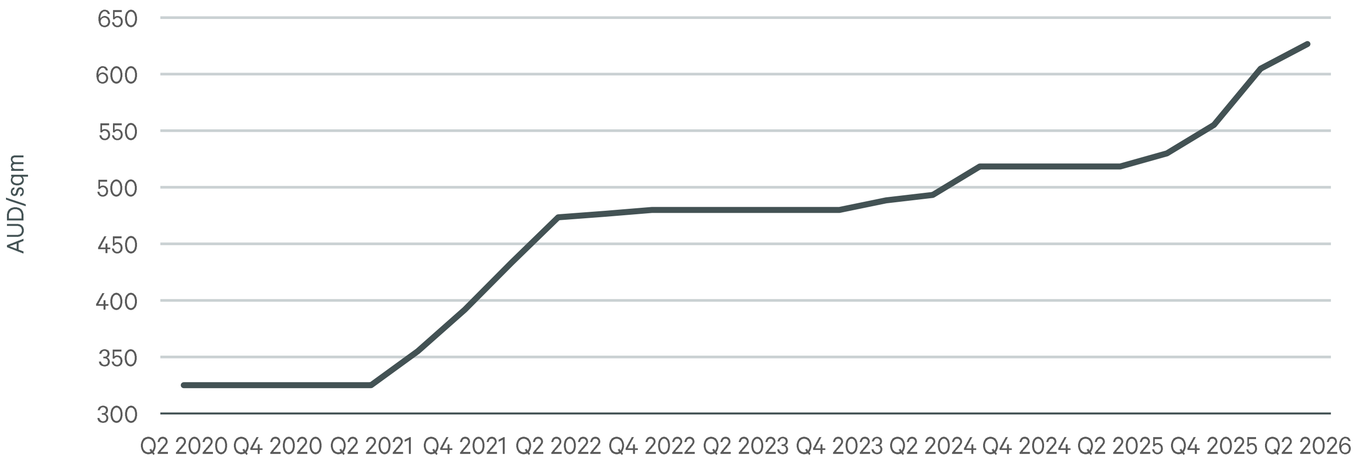


FIGURE 8: Perth Average Land Values, 1.6 ha lots (2020-2026)



Source: CBRE Research

Investment Market

Investment activity remains subdued while pricing stabilises

Investment activity remained relatively subdued during the first half of 2026, with approximately AUD300 million in transactions above AUD 5 million recorded. While transaction volumes remain below the long-term average, investor interest in Perth industrial assets continues to be supported by favourable leasing fundamentals, resilient rental growth and limited vacancy. Higher interest rates and ongoing global economic uncertainty continue to influence capital deployment and pricing decisions, with investors maintaining a disciplined approach to acquisitions. However, underlying demand for high-quality industrial assets remains evident, particularly where assets offer secure income and rental reversion potential.

Notable transactions during the period included Blackfox Property Group's acquisition of 146 Maddington Road for AUD35.9 million and the purchase of 171 Camboon Road, Malaga by a local private investor for AUD 17.37 million, highlighting continued activity from both institutional and private capital.

Super prime midpoint yields remained stable at 6.0% during the quarter, while prime and secondary yields were also unchanged at 6.5% and 7.0%, respectively. With pricing now appearing to have stabilised and leasing fundamentals remaining favourable, transaction activity is expected to improve as investor confidence strengthens and additional assets are brought to market.

Source: CBRE Research Q2 2026

FIGURE 9: Super Prime Midpoint Yield, by Precinct

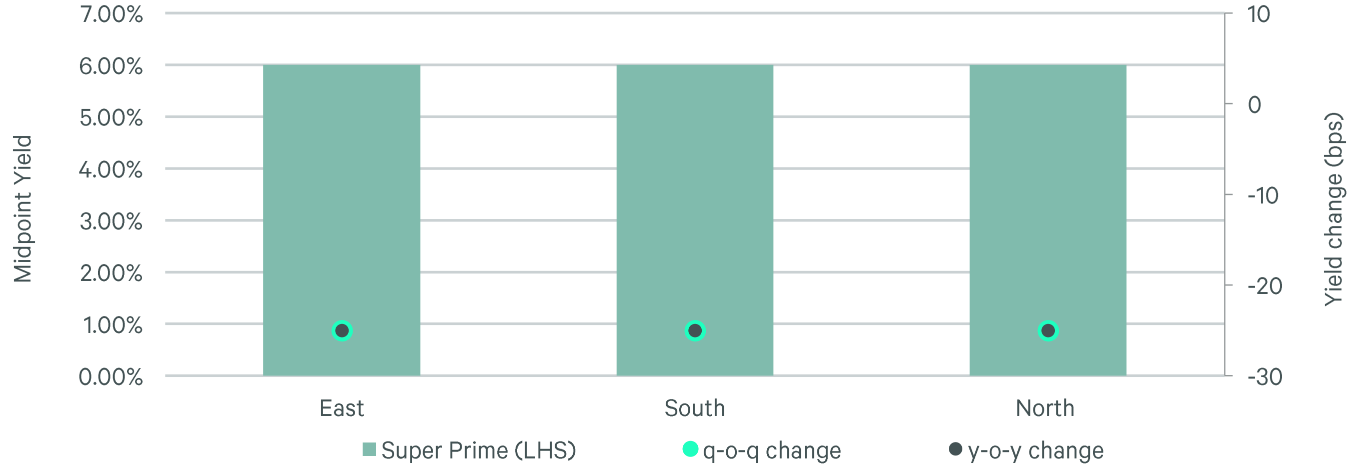
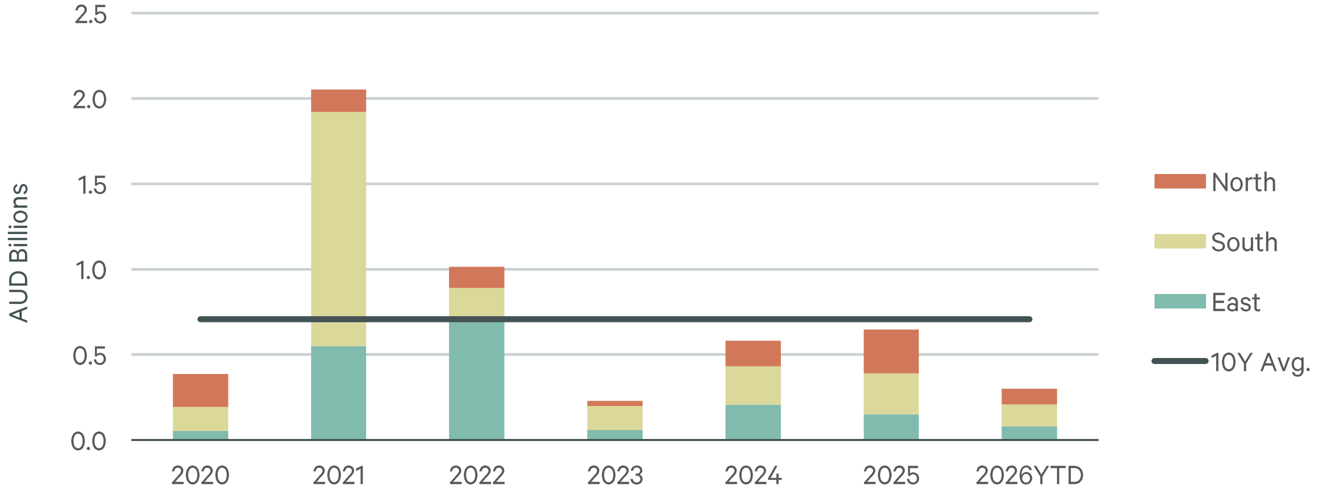
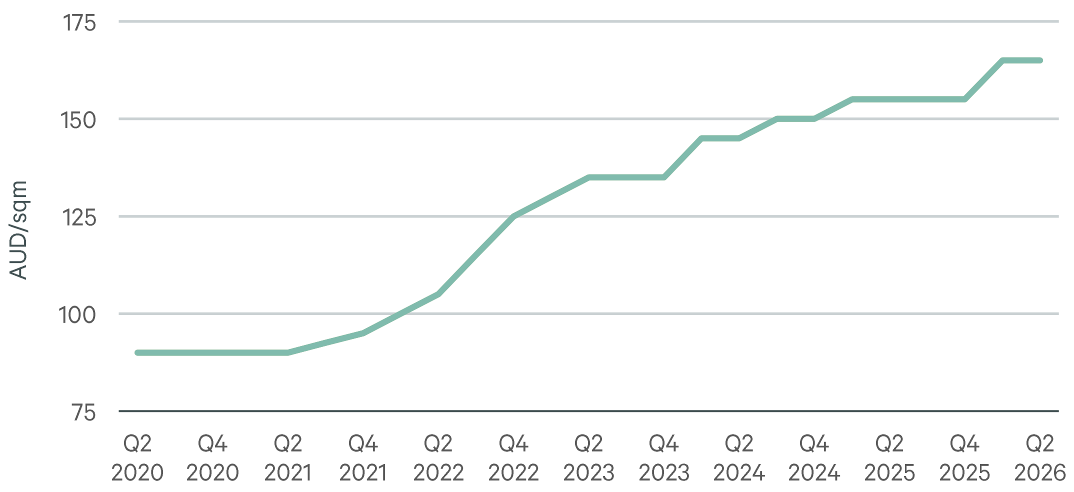


FIGURE 10: Perth Industrial Investment Sales (≥ AUD 5 million)



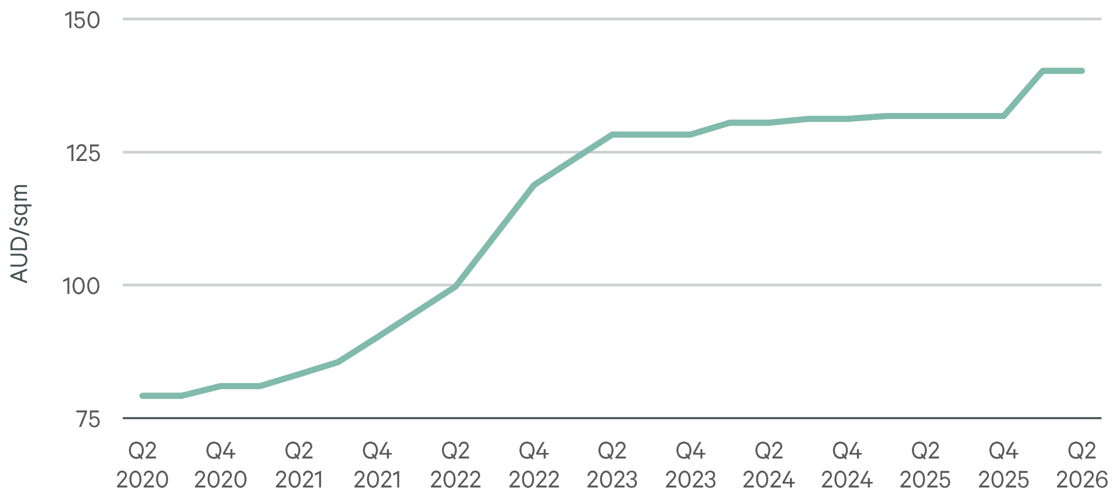
To note: does not include land sales.
Source: CBRE Research Q2 2026

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



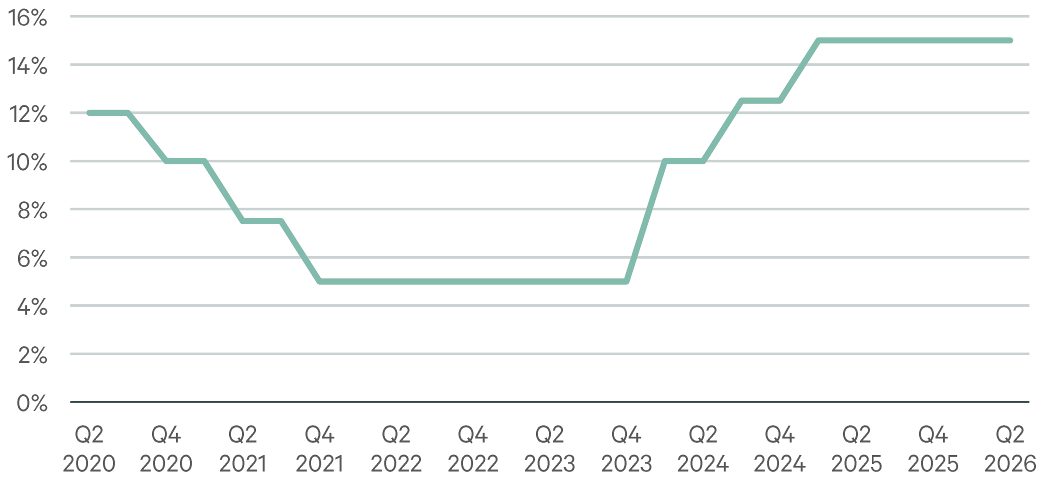
Source: CBRE Research Q2 2026

FIGURE 13: Average Perth Super Prime Net Effective Rents (2020-2026)



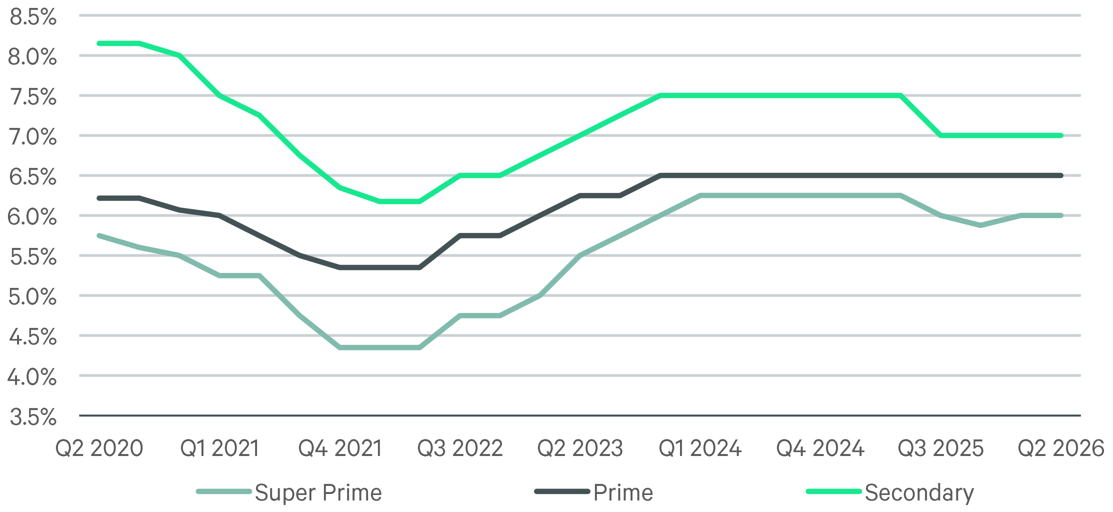
Source: CBRE Research Q2 2026

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



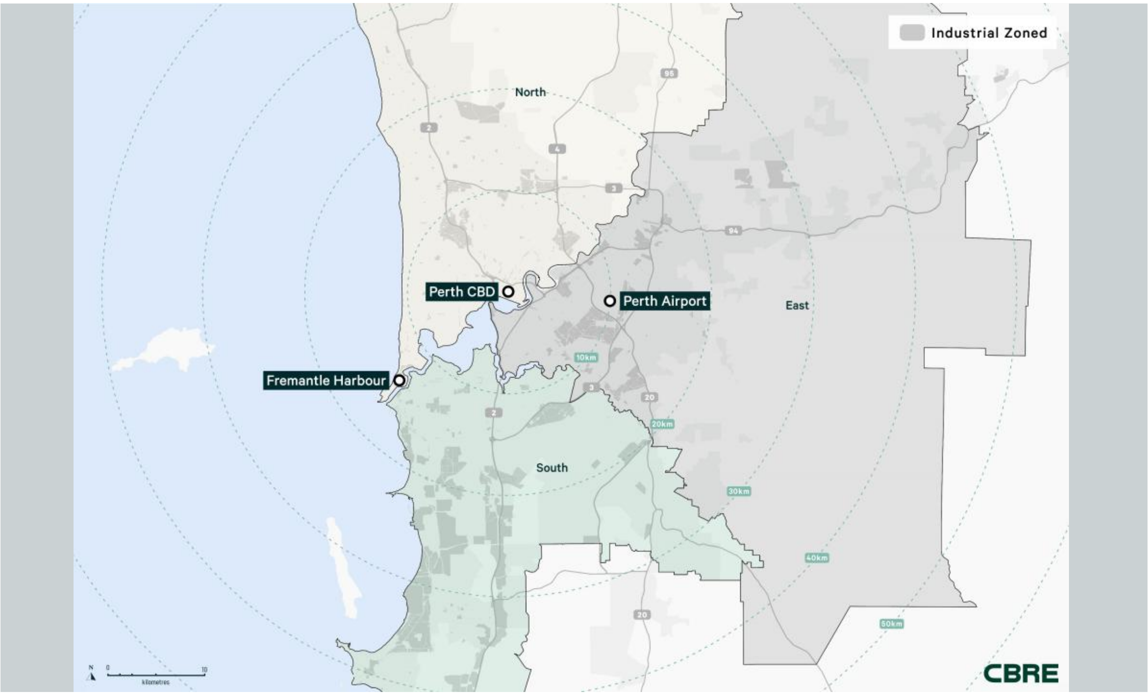
Source: CBRE Research Q2 2026

FIGURE 16: Midpoint Perth Yields, by Asset Grade (2020-2026)



Source: CBRE Research Q2 2026

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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