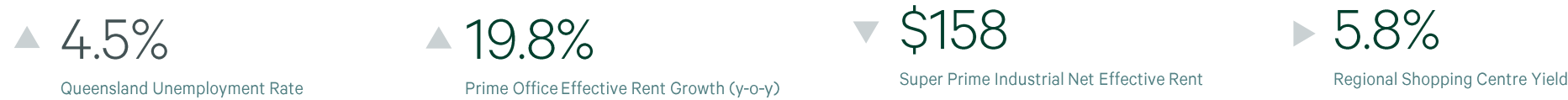


FIGURES | BRISBANE | Q3 2026

Investment volumes strong, lead by retail and office



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

Key Points

- **OFFICE:** Rental growth accelerated further in Q3 2026 as landlords were able to achieve new benchmarks in their buildings.
- **OFFICE:** The office investment market in Brisbane was very active in Q3 2026 with \$1.7 billion worth of transactions in the CBD.
- **INDUSTRIAL:** Gross take up this quarter totalled c.145,000 sqm, slightly below the five-year quarterly average.
- **INDUSTRIAL:** Transaction volumes in Q3 totalled just over \$500 million, remaining above the long-term quarterly average.
- **RETAIL:** Forecast development supply in 2026 is c.86,900 sqm, slightly below the 10-year annual average of c.123,400 sqm, reinforcing the structurally subdued supply environment.
- **RESIDENTIAL:** After reaching record highs and establishing itself as the second most expensive capital city market behind Sydney, Brisbane’s price decline accelerated noticeably in the September quarter.

Brisbane Effective Rent Growth by Sector (y-o-y)



Source: CBRE Research, Cotality

Office Leasing

Lack of availability leading to more renewals.

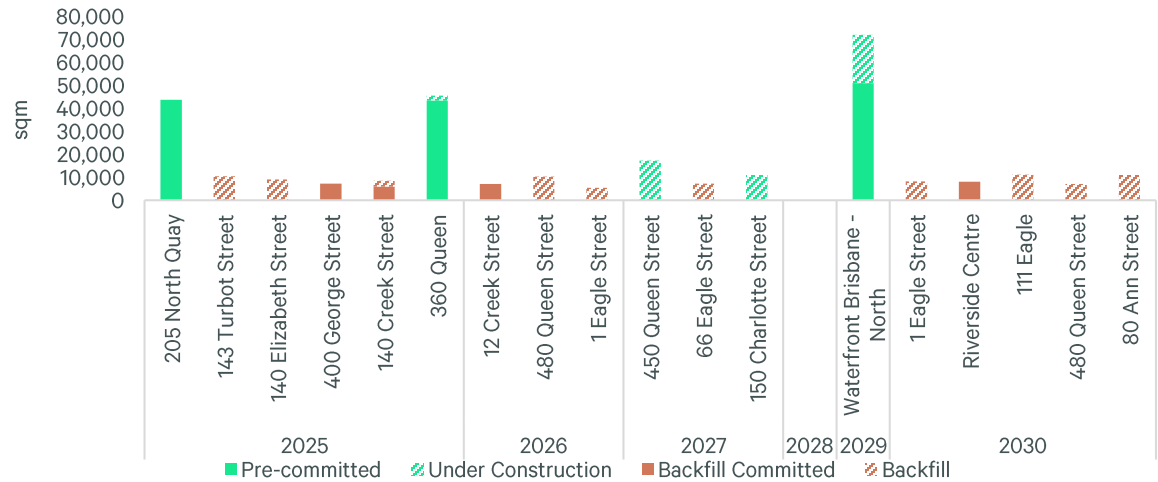
Leasing enquiry in Brisbane was strong in Q3 2026, as more tenants released briefs to the market. Year-to-date, enquiries are up 9% compared to the same time last year. However, this is not translating into leasing deals as yet, with tenants taking longer to make decisions. Also, tenants have been more likely to renew than relocate due to high fit-out costs. There is an acknowledgement that the market is getting tighter and will continue to do so, which is bringing forward decision making, particularly from larger corporates.

Total net absorption in the Brisbane CBD was 38,800 sqm for H1 2026, with 48,800 sqm over the past 12 months. The relocation of CIMIC from the Fringe into 12 Creek Street was one of the contributions to the positive figures in early 2026. Prime net absorption was particularly strong at 33,100 sqm over H1, which caused a significant drop in vacancy at that end of the market. Secondary net absorption totalled 5,600 sqm, the first positive result for secondary stock in three years.

Rents continue to accelerate despite limited deal activity

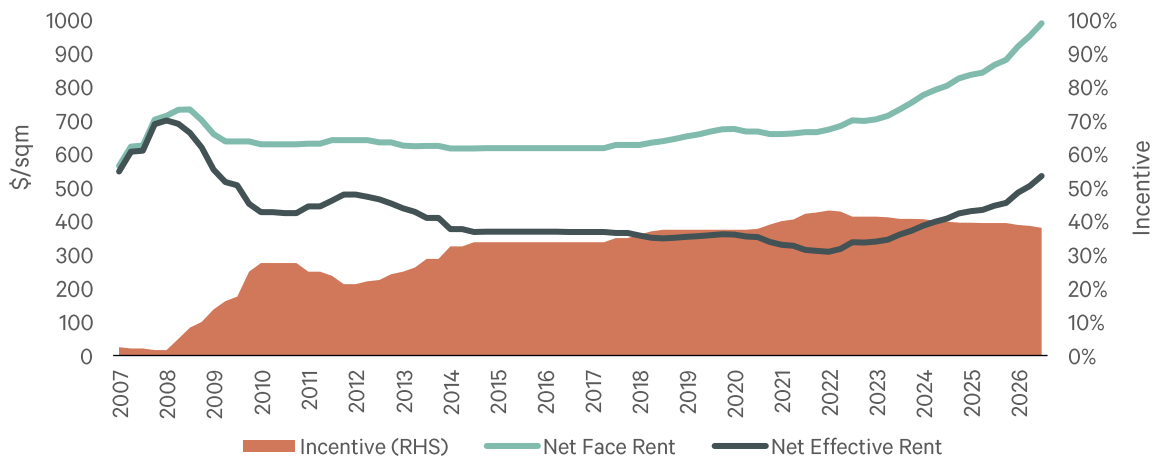
Rental growth accelerated further in Q3 2026 as landlords were able to achieve new benchmarks in their buildings. Asking rents continue to rise, with most of the evidence in the market being achieved through renewals. Prime gross face rents grew by 3.3% q-o-q and 12.7% y-o-y in Q3 2026. The decline in incentives is starting to gain momentum as the vacancy rate tightens. Incentives declined by 57 bps during the quarter to average 38.1%. As a result, effective rental growth was 5.9% q-o-q and 19.8% y-o-y. A recent trend has been the outperformance of A-Grade assets compared to Premium, with effective rents growing by 24.6% compared to 16.6%. Over the past few years, the gap between Premium and A-Grade rents has expanded.

Brisbane CBD Supply Outlook



Source: CBRE Research

Brisbane CBD Office Prime Rents and Incentives



Source: CBRE Research

Office Capital Markets

Significant deal volumes so far in 2026

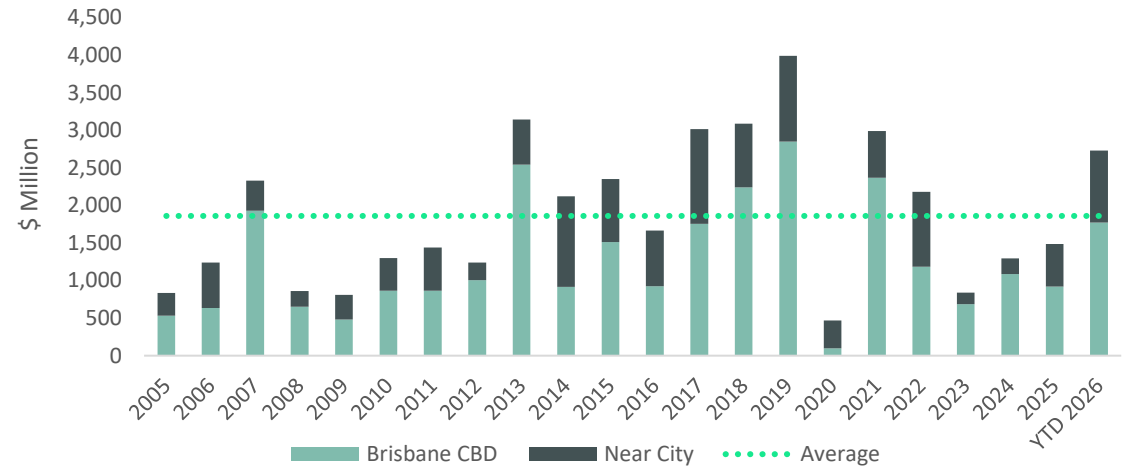
The office investment market in Brisbane was very active in Q3 2026 with \$1.7 billion worth of transactions in the CBD. The major transactions that occurred during the quarter included 480 Queen Street (\$700m to Barings), 123 Albert Street (Part of portfolio to BGO/Investa), 66 Eagle Street (\$380m to GPT), 100 Creek (\$159m to PAG) and 133 Mary St (\$82m to Quintessential). This highlights the buyer depth in Brisbane at the moment, given the strong fundamentals of the market.

Volumes year-to-date are already the highest they have been for Brisbane since 2021, largely due to a significant Q3. There remains more stock on the market that might trade by the end of the year. However, given recent macro-economic events, buyers are a little more cautious than they were 6 months ago. This might result in a slowdown in deal volumes over the next 3-6 months.

Yields stable in Q3

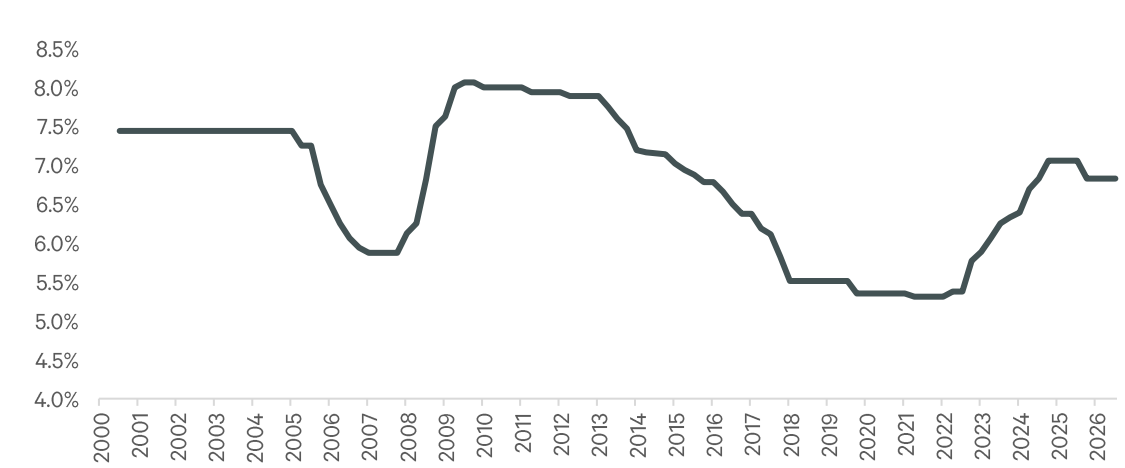
Prime CBD yields were steady in Q3 2026 at 6.83%, after tightening at the end of last year from 7.06%. However, the 10-year bond rate rose by about 60 bps during Q3, off the back of higher inflation expectations and similar moves in global bond markets. This may impact on cap rate expectations for buyers moving forward. However, given the significant rental growth in the market at present, capital values may be unaffected by any cap rate softening.

Brisbane Office Transaction Volumes



Source: CBRE Research

Brisbane CBD Prime Office Yields



Source: CBRE Research

Industrial Leasing

Leasing momentum moderates as occupiers remain disciplined

Gross take up this quarter totalled c.145,000 sqm, slightly below the five-year quarterly average. Despite the moderation, demand has remained resilient amidst a more uncertain economic backdrop as businesses stay willing to commit to well-located, operationally efficient facilities.

The South recorded the largest source of demand in Q3, with the precinct reinforcing its position from the previous quarter as one of Brisbane’s most active industrial markets. Over the quarter, average face rents stabilised while incentives expanded as the market becomes more balanced following several quarters of strong rental growth.

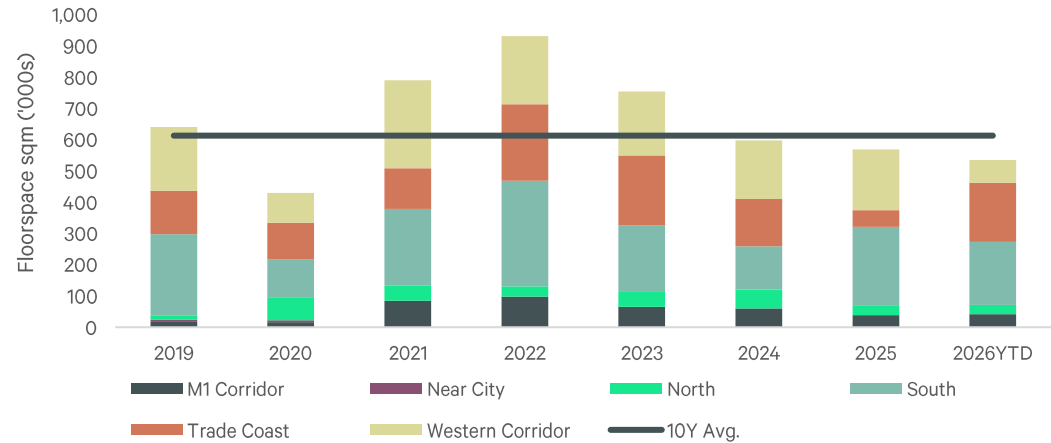
Looking ahead, Brisbane’s leasing market is expected to remain well supported by the city's strong fundamentals. Ongoing population growth and significant infrastructure investment associated with the 2032 Olympic Games is likely to drive occupier demand while constrained availability of high-quality industrial accommodation in the near term underpins elevated rental benchmarks.

Long term development pipeline records an uplift

New floorspace added to the market in Q3 totalled c.170,000sqm, an uplift from the previous quarter’s delivery of c.100,000sqm. More than 80% of this year’s pipeline has now been delivered following Q3 completions. Development activity was concentrated primarily in the Western Corridor and M1 Corridor, reflecting continued developer preference for well-located estates where occupier demand continues to grow.

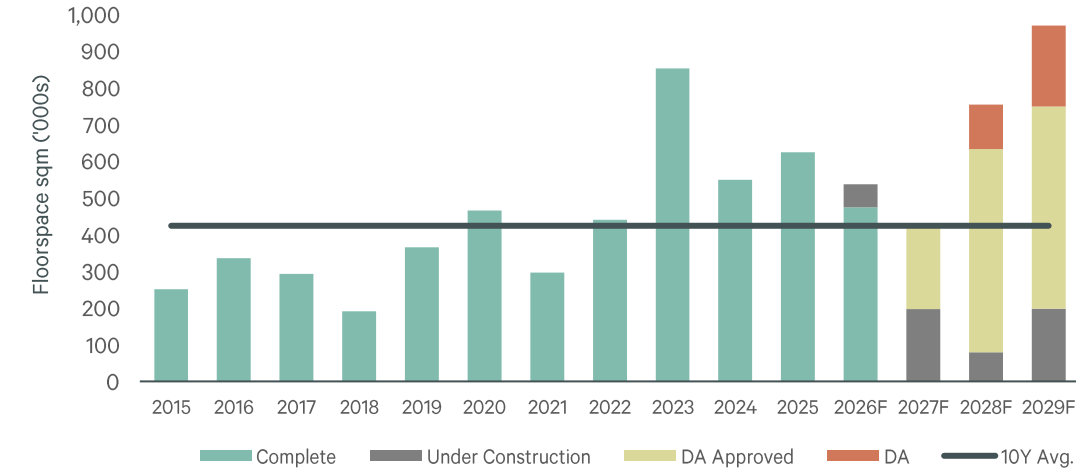
Despite the recent uplift in supply this quarter, near term deliveries have moderated with a meaningful share of next years development pipeline being deferred or delayed. Beyond 2027, Brisbane’s development pipeline has transitioned toward a more healthy level of supply, however, elevated construction costs and more disciplined capital allocation are likely to continue shaping development decisions.

Brisbane Industrial | Gross Take-Up by Precinct



Source: CBRE Research

Brisbane Industrial Development Supply Pipeline



Reflects projects >3,000sqm
Source: CBRE Research

Industrial Capital Markets

Investment activity remains resilient despite increased buyer caution

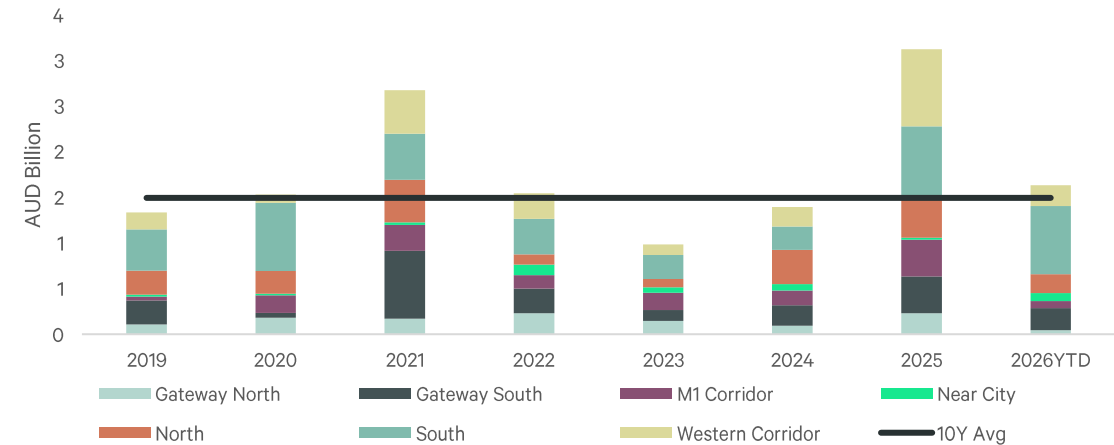
Transaction volumes in Q3 totalled just over \$500 million, remaining above the long-term quarterly average. Investment volumes this quarter were underpinned by a small number of larger transactions as broader market activity slows while buyers take a more disciplined approach to acquisitions.

Investor sentiment in the short-term has been impacted by the higher interest rate outlook. However, the long run fundamentals in Brisbane remain strong with solid population growth and ongoing infrastructure investment associated with the 2032 Olympic Games.

Yields begin to soften in select Industrial precincts

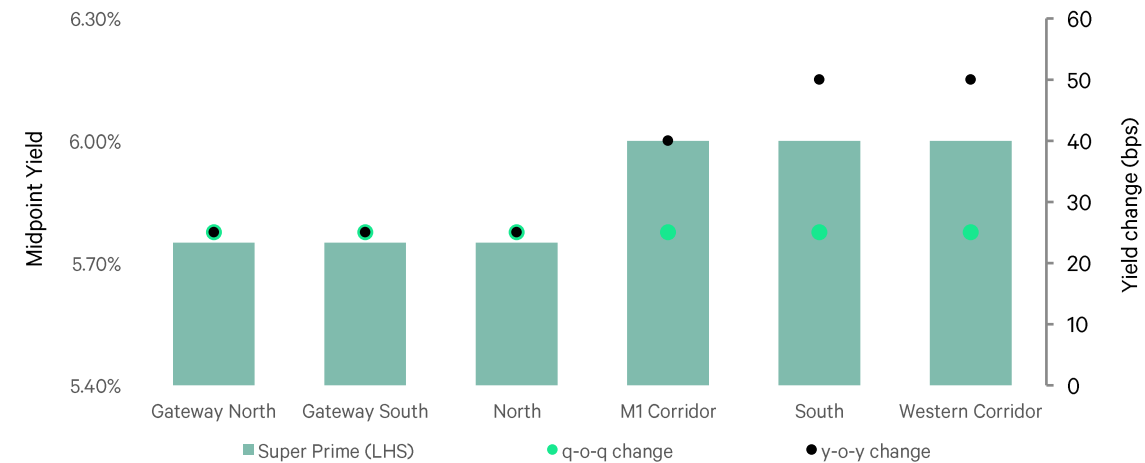
Yields softened modestly over the quarter among Brisbane's super prime assets as higher interest rates and global volatility impacted on investor sentiment. Despite some outward movement, investor demand remains evident for large scale, well-located assets that offer secure income.

Brisbane Industrial Investment Sales (≥ AUD 5 million)



Source: CBRE Research

Brisbane Industrial Average Current Yields and Yield Movements by Precinct.



Source: CBRE Research

Retail

Supply remains below average for SEQ Retail

Supply completions in Q3 2026 totalled c.51,300 sqm, representing around 60% of this year’s development pipeline and a significant uplift from the c.5,300 sqm recorded in the previous quarter. Forecast development supply in 2026 is c.86,900 sqm, slightly below the 10-year annual average of c.123,400 sqm, reinforcing the structurally subdued supply environment.

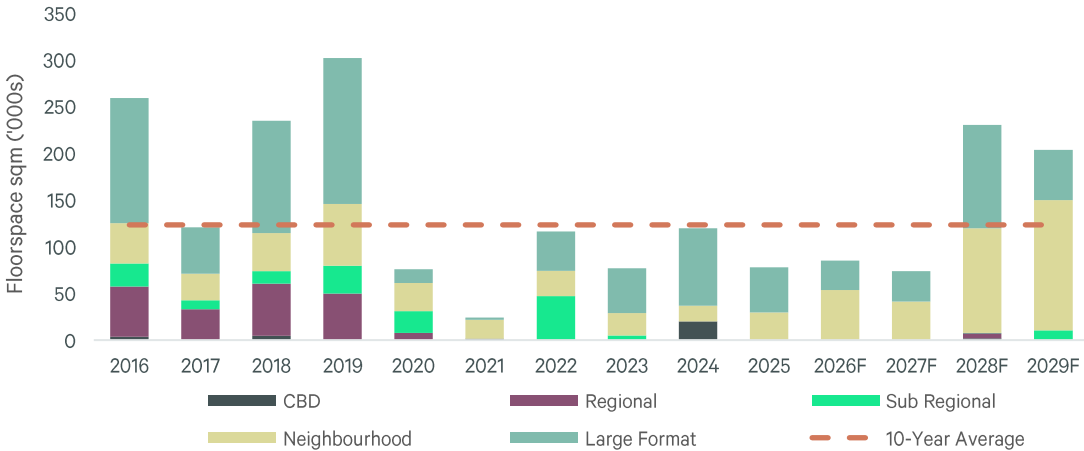
This quarter saw the opening of two major large format retail centres consisting of Stockland’s Aura Home + Life Centre in the Sunshine Coast and The Anaconda Adventure HQ in Brendale. Looking ahead, developments are predominantly concentrated in neighbourhood centres and large format retail, accounting for around 55% and 35% of total forecast supply to 2029. The ongoing limitation of new retail supply in the near term is likely to tighten conditions in core catchments, supporting stable rental growth and helping to offset softness in discretionary spending

Sales volumes continue to grow

Investment sales over the quarter totalled almost \$2.4 billion (for transactions above \$5 million), well above the 10-year quarterly average of \$560 million. The exceptional performance was driven by several larger transactions, most notably Scentre Group selling a 50% stake in Westfield Mt Gravatt to Australian Retirement Trust acquiring it for \$882.5 million. Another notable transaction was Cbus Property purchasing a half stake of Lendlease’s Westfield Carindale for \$757.5 million. Both deals highlight institutional capital looking to deploy into some of the best assets in Queensland.

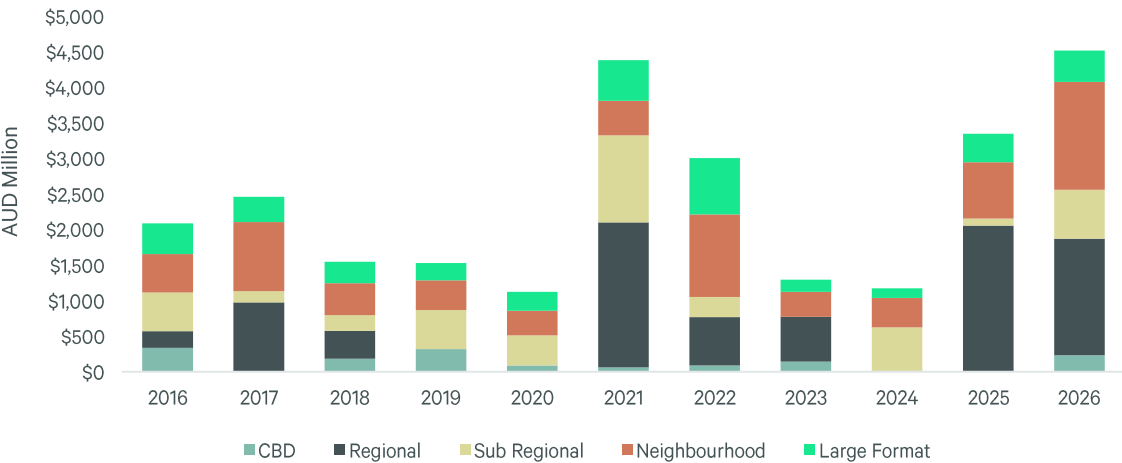
Overall, yields across all subsectors were stable in Q3 after some tightening over the past 12 months. This reflects the changes to the macro-economic environment, particularly the higher long-term bond rate. Despite this, Queensland remains a key target for investors looking to increase their exposure to the retail sector.

Brisbane Retail Supply by Asset Category



Source: CBRE Research

Brisbane Retail Sales by Asset Category



Source: CBRE Research

Residential

Brisbane price decline accelerates

After reaching record highs and establishing itself as the second most expensive capital city market behind Sydney, Brisbane’s price decline accelerated noticeably in the September quarter. Cotality data to September was showing:

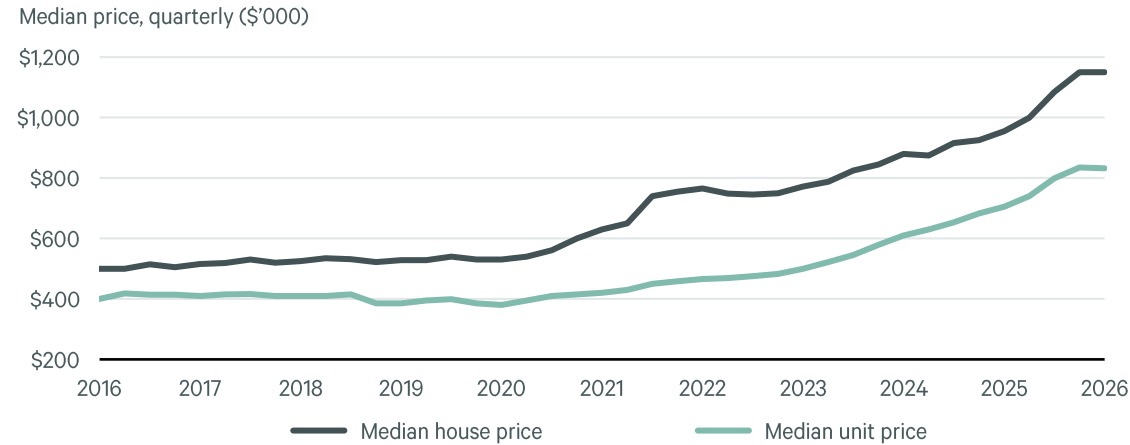
- a median house value of \$1.146 million, down 4.9% q-o-q but still 5.3% higher than a year ago; and
- a median unit value of \$834,627, down 4.2% q-o-q but still 8.5% higher than a year ago.

The quarterly shift in house values was the second largest decline of all capitals (behind just Sydney) while the unit value decline was behind just Perth. That values are still around 5% to 10% above those of a year earlier illustrate well the extent of the most recent growth cycle. Uplift of around 50% for houses and 70% for units was observed over the three years to June, erasing Brisbane’s historic affordability advantage. CBRE’s Q3 Residential Valuers Survey was identifying the weakening sentiment, with half of Valuer’s already describing demand in their local markets as soft or very limited. Price expectations over the next 12 months were also softening with a little over half respondents expecting house price declines of up to 10% and 60% expecting similar drops for units.

Supply pipeline remains constrained, pushing rents further

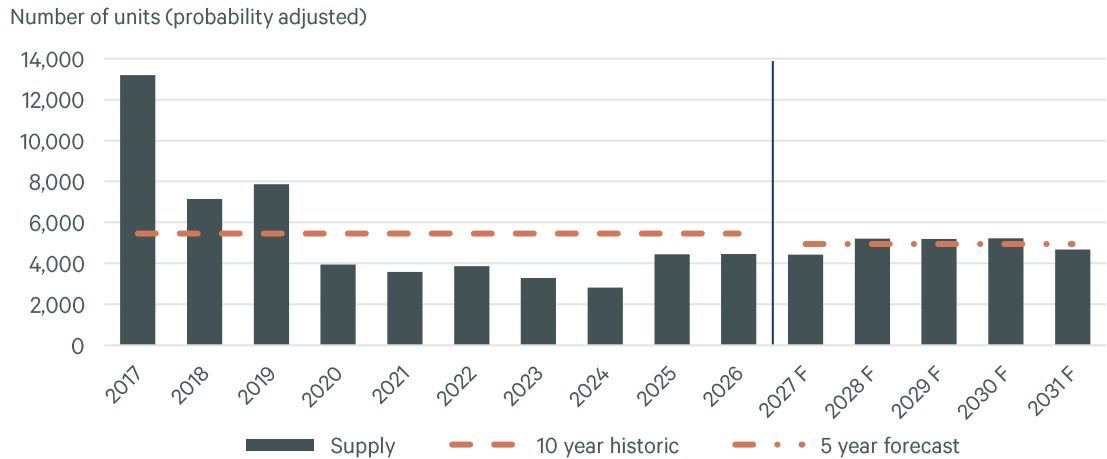
Brisbane’s residential vacancy rate has settled around the 1.0% mark since 2022 and was at 0.9% in September 2026. The extended run of low vacancy has driven rental uplift of almost 60% over the past five years. REIA data was showing median house rent at \$620/week in June with the median unit rent at \$615/week. While the pace of growth has slowed in 2026, the y-o-y increase was still high at 7.0%. CBRE forecasts a continuation of tight vacancy and rental growth for the rest of the decade, with the supply pipeline to remain constrained and impacted by Olympics and infrastructure build demands. Rental growth is forecast to average 4.7% per annum through to 2031, equating to a further cumulative 26% increase in median rents.

Brisbane Residential Median House and Unit Price (quarterly).



Source: Real Estate Institute of Australia

Brisbane Residential High Density /Medium Density Completions, Metropolitan Brisbane.



Source: CBRE Research.

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