



\$445 Prime Gross Effective Rents (per sqm p.a)

-0.3% YoY Premium Gross Effective Rent growth

\$340 B-Grade Gross Effective Rents (per sqm p.a)

ECONOMIC OVERVIEW

Australia's economy has rebounded back to life following the short sharp COVID induced recession, internationally Australia's performance is a standout as well. Data to March 2021 indicates the Australian economy returned to growth in H2 2020, with GDP rising 3.4% in Q3 and 3.2% in Q4 and continuing to grow in Q1 2021, rising 1.8%. Real state final demand in Queensland (Qld) also bounced in H2 2020 following a decline in H1. Q3 rose 7.0%, Q4 1.9% and the growth continued in Q1 2021 with real state final demand rising 0.4%. Both Qld's and Australia's economic growth rates are expected to remain positive over the forecast horizon, with relatively strong growth expected over the next few years. Deloitte Access Economics forecast real gross state product (GSP) to increase by 3.5% over calendar 2021 and 3.7% over 2022, with annual growth to average 2.9% between 2023 and 2030. Over the past 10 years, Qld GSP annual growth has averaged 2.0%.

SUPPLY AND DEMAND

Midtown Centre at 155 Charlotte Street is nearing practical completion, with the balance of the 44,000 squaremetres to be delivered next month. 60,000 square metres is under construction at 80 Ann Street and is expected to be delivered in 2022. Pending pre-commitment, from 2024 onwards there are currently around nine projects proposed for development.

Deloitte Access Economics estimates office related white collar employment in the Brisbane CBD decreased by 2,800 in 2020. The latest employment forecasts expect white collar employment recovery to be swift, with an increase of 4,700 additional employees expected in the CBD in 2021.

RENTS

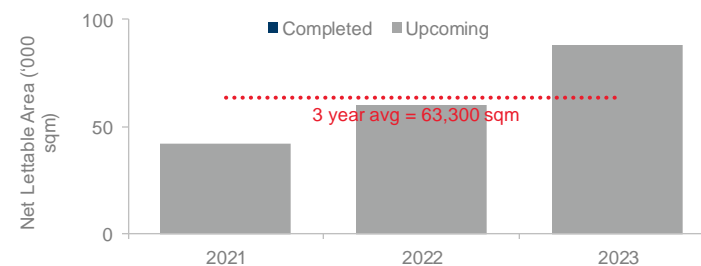
Gross effective rents have stalled in both the Premium and A grade office markets after the fall in Q1, with gross effective rents averaging \$540 and \$410 per square metre, respectively. B grade recoded a \$5 drop in average gross effective rent over Q2 2021, now averaging \$430 per square metre per annum. Like the rents, incentives in Premium and A grade markets have remained the same as Q1, with gross incentives averaging 37.5% and 41.5% respectively. B grade incentives increase from 43% to 45% over the same time period.

PRIME GROSS EFFECTIVE RENT, OVERALL VACANCY (6 MONTHLY)



Source: PCA; Cushman & Wakefield Research

SUPPLY PIPELINE: NEW DEVELOPMENTS & MAJOR REFURBS



Source: Cushman & Wakefield Research; PCA

ECONOMIC INDICATORS Q1 2021

Q4 20 Q1 20 12-Mo. Forecast

GDP Growth (National)* **-2.4% -2.4%** ▲

State Final Demand Growth (QLD)* **-0.2% 0.2%** ▲

Unemployment (QLD)† **7.5% 6.0%** ▼

*Average annual growth rate, †Seasonally adjusted
Source: ABS; Deloitte Access Economics; Cushman & Wakefield Research



MARKET STATISTICS

SUBMARKET	INVENTORY* (SQM)	VACANCY RATE*	UNDER CONSTRUCTION (SQM)	GROSS EFFECTIVE RENT		
				A\$/SQM/YR	US\$/SQM/YR	EUR/SQM/YR
Premium	335,470	6.8%	60,000	540	405	340
A-Grade	944,736	13.3%	44,000	410	310	260
Prime *	1,280,260	11.6%	104,000	445	335	280
B-Grade	725,053	16.0%		340	255	215
BRISBANE CBD TOTAL^	2,270,620	13.6%				

*Prime Grade is a combination of Premium and A Grade

^All-Grades - As at January 2021. Source: Property Council of Australia and Cushman & Wakefield.

AUD/USD = 0.7545; AUD/EUR = 0.66326 as at 24th June 2021

KEY LEASING TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
300 George Street	CBD	Tucker & Cowen	700	Direct
12 Creek Street	CBD	Paypa Plane	250	Direct
123 Eagle Street	CBD	MacDonnell's Law	400	Direct

Source: Cushman & Wakefield Research

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANTS	SQM	COMPLETION DATE
Midtown Centre, 155 Charlotte Street	CBD	Rio Tinto	44,000	Q3 2021
80 Ann Street	CBD	Suncorp	60,000	Q1 2022

Source: Cushman & Wakefield Research

JAKE MCKINNON

Senior Research Analyst

+61 (7) 32394033 / Jake.Mckinnon@cushwake.com

JOHN SEARS

Head of Research, Australia & New Zealand

+61 (0) 466 387 016 / john.sears@cushwake.com

cushmanwakefield.com

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