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Industrial Snapshot

Melbourne

Vacancy by Submarket



High-Level Indicators

19%
Average Incentive

3.1%
Average Vacancy

$175/sqm
Avg. Prime Net Face Rent

$37/sqm p.a.
Average Outgoings

Market Trends

- **Vacancy averaged 3.1% in H1 2025**, with outer precincts such as the North (5.3%) and West (3.7%) carrying higher availability - offering tenants a wider pool of options and greater bargaining power than inner markets.
- **Sublease listings now make up 18% of total vacancy**, giving tenants more flexible (often cheaper) alternatives - many with existing fitouts that can fast-track occupancy.
- **Almost half of 2025's pipeline (45%) remains uncommitted,** allowing tenants to target brand-new builds and negotiate design input, favourable terms, and long lease incentives before completion.
- **Incentives are still elevated**, peaking at 30% in some outer precincts, enabling significant reductions in total lease costs when negotiated effectively.
- **Tenants willing to consider fringe locations or early pre-commitment** can secure modern, future-ready facilities while competition for premium inner-metro stock remains high.

Breakdown by Submarket

Submarket	Net Face Rent ($/SQM p.a.)	Outgoings ($/SQM p.a.)	Incentive (%)	Net Effective Rent ($/SQM p.a.)
Prime				
City Fringe	245	70	17.5	202
North	144	25	17.5	119
East	167	30	17.5	138
South East	166	30	19.5	134
West	152	28	24.2	115
Secondary				
City Fringe	195	70	17.5	161
North	125	28	12.5	109
East	135	30	19.5	109
South East	138	30	19.5	111
West	129	28	20	103

Disclaimer: All figures are averages. The data in this report has been gathered from several reputable sources. While considered trustworthy, it may contain omissions and is provided without a guarantee of accuracy.