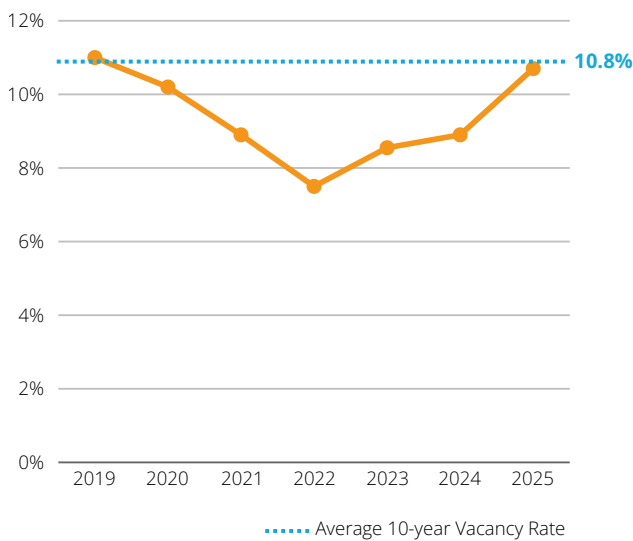


H1 2025 Office Snapshot Canberra CBD

Vacancy Rate Over Time



H1 2025 - Civic Overview

↑
10.7%
Average Vacancy

↑
\$582 /sqm
Civic Prime Gross Face Rent

↑
\$322 /sqm
Civic Prime Net Effective Rent

↔
27.9%
Average Civic Gross Incentive

	Prime		Secondary	
	Civic	Non-Civic	Civic	Non-Civic
Gross Face Rent/sqm	\$582	\$479	\$523	\$441
Net Effective Rent/sqm	\$322	\$301	\$221	\$223
Av. Gross Incentive	26.5%	24.9%	29.2%	27.1%
Av. Vacancy (ex. sublease)	16.2%	7%	9.6%	11.6%

Upcoming Supply

A supply upswing is coming, with 70,000 sqm completing in 2025 - about 50% above average. Early projects such as One City Hill and 9-11 Molonglo Drive mark the start of a new prime-grade development phase.

More due by 2027, including:

- **62 Constitution Avenue**
◦ 16,000 sqm
- **1A Constitution Place**
◦ 15,500 sqm
- **8-10 Petrie Plaza**
◦ 5,000 sqm
- **15 Sydney Avenue**
◦ 37,000 sqm
- **19 National Circuit**
◦ 18,128 sqm

For tenants, rising vacancy and new supply will lift competition, improving choice and strengthening negotiating power.

Rents + Incentives

Civic and non-Civic rents saw modest lifts, with prime face rents reaching \$582/sqm in Civic and \$523/sqm outside the CBD. Incentives remained steady. These increases are driven more by new, higher-quality stock than demand, keeping leasing conditions favourable for tenants.

Tenant Movements

- **ACIAR** – 38 Sydney Avenue, Forrest (1,453 sqm)
- **Lander & Rogers** – 15 National Circuit, Barton (431 sqm)
- **VMware Australia** – 60 Marcus Clarke Street, Civic (345 sqm)
- **Orbis Operations** – 15 National Circuit, Barton (326 sqm)

Market Trends

- **Public Sector Consolidation and Private Sector Caution** - The Commonwealth is consolidating into modern hubs like DFAT's new 4,500-staff Barton HQ, releasing older Civic space back to market. This creates opportunities for private tenants, though Barton vacancy remains extremely tight at below 2%.
- **Flight to Quality and Precinct Polarisation** - Demand is concentrating in modern, ESG-aligned buildings in Barton and Forrest, where vacancy is under 2%. Older Civic assets continue to lag despite elevated incentives.
- **Workplace Reform and Footprint Optimisation** - Hybrid work is driving smaller, more efficient footprints with shared desking and collaboration-focused layouts. This is reducing overall NLA demand while lifting interest in fitted, flexible space near the Parliamentary Triangle.
- **Incentives and Fit-out Packages** - Incentives remain high at 25-30%, with even higher offers in some secondary assets. Turnkey fit-outs and capital packages have become standard negotiation levers for tenants.