

Represented Tenant Report

3Q 24



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Record year of briefs to market continues through 3Q

Demand for office space in the lead up to the State Election stagnated in 3Q, as State Government entered caretaker mode and larger corporations adopted a more cautious approach. It is also worth noting that we are approaching the final stages of the 5 year period which began pre-covid (2019 to Q1, 2020) which will see the last of 5 year leases struck at the time expiring, softening demand. These factors facilitated the 32% reduction in demand (by NLA) from the previous quarter although the number of briefs have remained consistent. As we approach the end of the year, the market is on track to establish a new demand record for office space, having already recorded 140 briefs at the close of Q3, outpacing prior annual figures.

Unlike recent quarters, this period did not see any requirements exceeding 4,000 sqm, contributing to the decrease in NLA in 3Q. Larger requirements this reporting period were seen through several ~2,000sqm to ~4,000sqm requirements, with a couple having 2025 time frames that could play a role in the absorption of vacancies in the shorter term. The most notable larger requirements this quarter include: Australian Energy Market Operator (AEMO) (1,800 – 2,500 sqm), Domino's (2,000 – 3,000 sqm) and Icon Group (3,000 - 4,000 sqm).

The preference for fitted spaces remains a dominant theme, representing 64% of all briefs by count. Meanwhile, 29% are open to both fitted and unfitted options, while just 7% require exclusively unfitted premises. Notably, the largest demand for fitted space is from Populous, seeking up to 1,500 sqm in a character or heritage space, a requirement that can currently be fulfilled by one CBD heritage building (149 Adelaide St) at the time of writing.

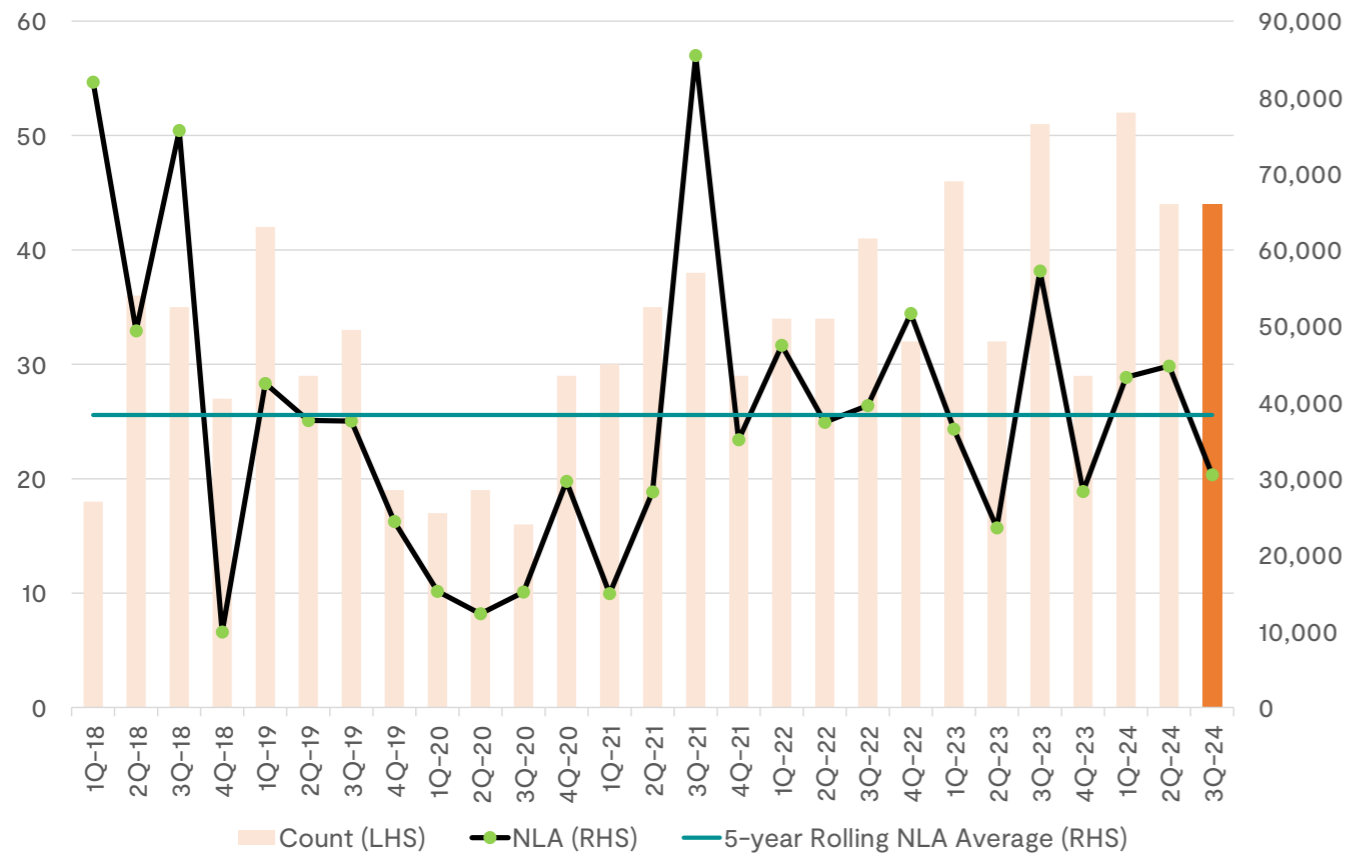
The resources sector was the most active with an accumulation of ~5,500sqm of requirements, notably led through AEMO. Through the end of 3Q, the sector has stimulated 23,950sqm of office demand and is the most active sector to date for 2024. Positively, the financial sector has shown more life, reporting a 2,000 sqm (103%) increase from the previous quarter.

Following the election results, and based on historical data, an increase in demand is expected moving forward. Companies and industries dependent on government policies usually exhibit greater confidence regarding their requirements in light of the economic sentiment after the elections. This trend is anticipated to drive positive absorption rates across all markets when coupled with more aggressive Olympic planning and activation.

Should you require further information than what is contained within this report, please reach out to our Caden Research Team.

Requirements post-election in 2020 jumped ~100% (3Q20 to 4Q20)

Number of briefs vs size of briefs (NLA)

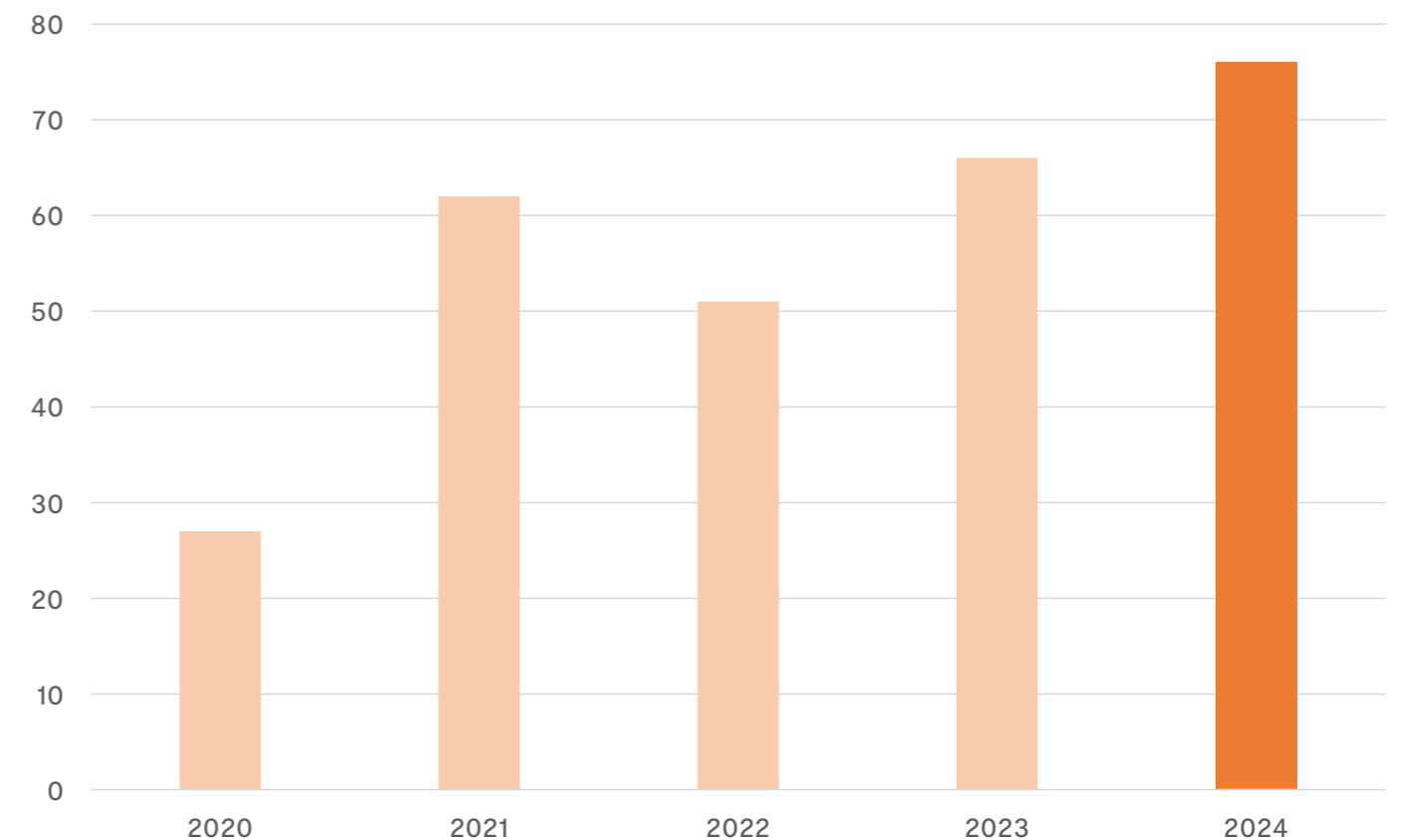


- » Demand in 3Q on a count basis has remained steady compared to the previous quarter with 44 briefs released but is significantly higher than the 5-year quarterly average of 33.
- » 3Q saw 30,535sqm worth of office requirements, a significant drop from previous quarters averaging mid-40,000s. We see this being attributable to larger companies putting a temporary pause on their requirements in the lead up to the State Election. This is further evidenced by the 20% reduction in >500 sqm requirements when compared to 3Q last year.
- » Nonetheless, demand (by count) is on course to set a new record in 2024 as the number of requirements at the close of 3Q (140) has already exceeded some previous annual figures. This speaks to the pervasiveness of the Tenant Rep role which has only expanded and now captures a greater number of brokerage requirements.

TRs becoming more prevalent in brokerage market

- » Sub-500 sqm requirements continues to dominate the Brisbane CBD office market, with the exact sweet spot being 151 – 300 sqm. Briefs <500 sqm has seen a continual shift since 2020 with the cumulative total across the 1Q to 3Q period in 2024 outperforming previous years.
- » 3Q saw no >4,000 sqm briefs released to market which influenced the quarterly decline in requirements by NLA. All >4,000 sqm requirements released this calendar year have lease commencement dates in 2026 and beyond which could see them commit to new development or backfill absorption.
- » Largest requirements in 3Q include:
 - ✓ **Australian Energy Market Operator (AEMO):** 1,800 - 2,500 sqm;
 - ✓ **Domino's:** 2,000 - 3,000 sqm;
 - ✓ **Icon Group:** 3,000 - 4,000 sqm.

Number of sub 500 sqm briefs released annually from 1Q to 3Q



Higher fit out costs only a further deterrent for unfitted

3Q 24 requested fit out statistics (by Count)

Fitted: 64%

- ✓ Of all requirements in search for fitted premises, 71% are smaller businesses (sub-500sqm). This reflects a consistent trend observed over the past 3 years, averaging around -69%.
- ✓ Since Jan-23, approximately 52% of businesses based in the Fringe will exclusively seek fitted premises when considering the CBD as a relocation option.

Both: 29%

- ✓ Consistent with previous quarters, the demand for both fit out types has mostly come from mid-larger businesses requiring >700 sqm.
- ✓ All requirements >1,500 sqm have a preference for the CBD and Prime Grade accommodation. Historically, this often includes the consideration of new developments as part of their brief.

Unfitted: 7%

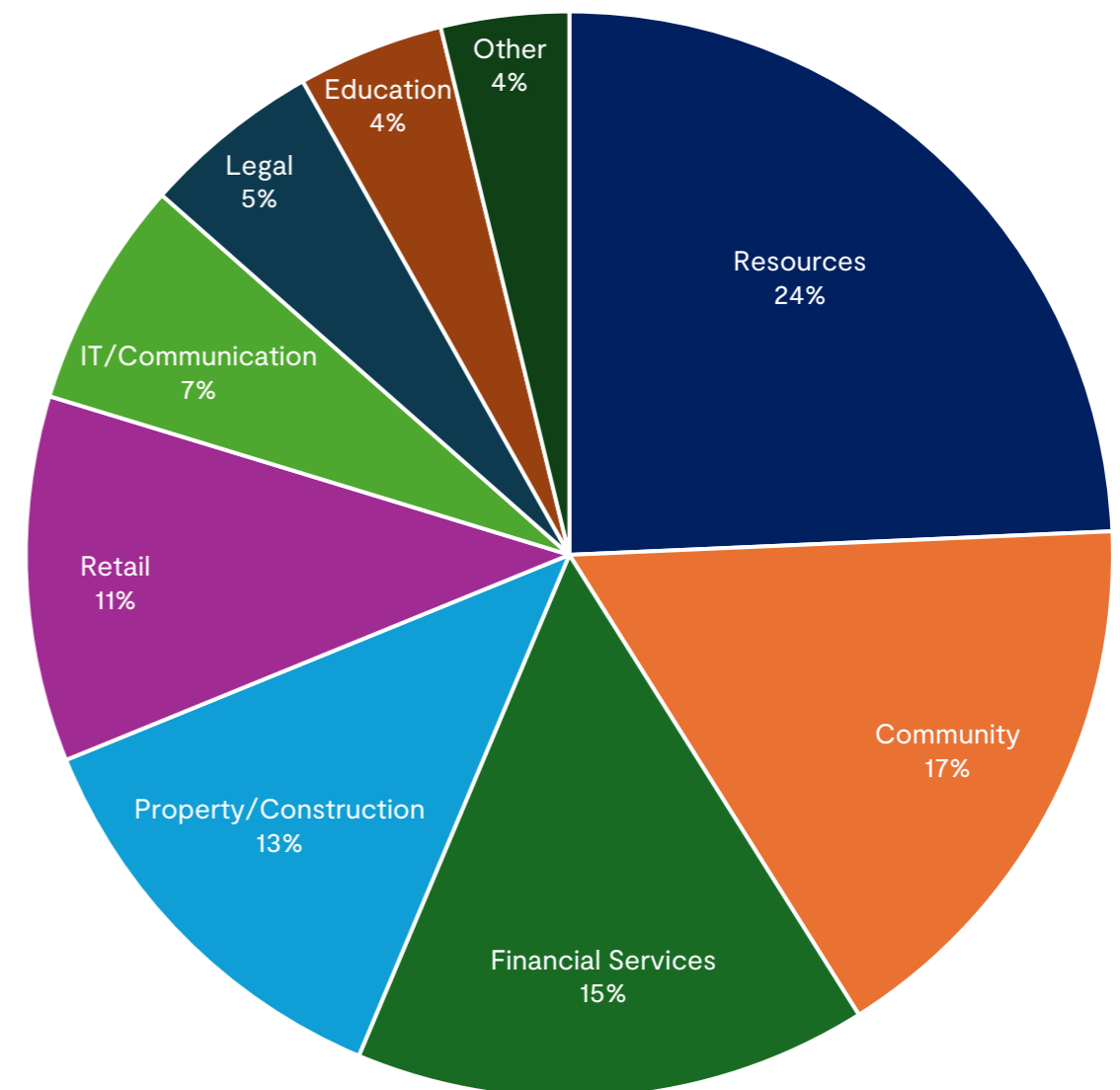
- ✓ Domino's have a requirement for 2,000 – 3,000 sqm of A Grade accommodation or new developments, targeting a 2028 move-in date.
- ✓ Historically, requirements of unfitted nature are typically requested by companies with >1,000 sqm in footprint.

- » As cost to build remains elevated, 64% of occupiers show an outright mandate for fitted premises. Meanwhile 29% are flexible and open to both fitted and unfitted options, while just 7% are in search for unfitted only.
- » Briefs under 500 sqm highlight their search preference for fitted tenancies to accommodate faster occupancy timeframes and reduced risk in constructing a fit out. Among them was a global architecture firm in search for up to 1,500 sqm of fitted character or heritage style office.
- » Lease terms for occupiers seeking fitted spaces average 4.4 years, while those pursuing unfitted and both fit out types are expressing to commit to a lease term of more than 5 years.

Demand spread as Resources show form

- » The Resources sector dominated in 3Q releasing ~5,500 sqm of requirements to market, with AEMO being the largest contributor to this (notably not true resources demand). From the start of the year to the conclusion of 3Q, this sector has established itself as the most active, reaching a total demand of 23,950 sqm.
- » After a slight hiatus in the previous quarter, the Financial Services sector has resurfaced with requirements amounting to ~3,500 sqm. EML Payments issued the largest brief seeking 650-900 sqm.
- » The Education sector remains subdued with the sole requirement of note being Omni Academies chasing 1,000 sqm in the Fringe.

Active industries in 3Q (by NLA)



Detailed List and Summary of Briefs Released to Market



Month	Tenant	Handling Advocacy	Location	Suburb	Grade	Timing	Searching CBD	Searching Fringe	Size Low	Size High	Seeking Grade
Jul-24	Carter Connell	ACORPP	488 Queen St	Brisbane	B	Q4-24	Yes	Yes	120	150	B
	knowmore	Tenant CS	144 Edward St	Brisbane	B	Q3-24	Yes	Yes	500	550	A & B
	Australian Energy Market Operator (AEMO)	Cushman & Wakefield	10 Eagle St	Brisbane	A	Q2-25/Q3-25	Yes	No	1,800	2,500	A
	Prosperity Advisers	Colliers	333 Ann St	Brisbane	A-/B+	Q3-25	Yes	No	700	850	A-/B+
	Confidential	CBRE				Oct-24	Yes	Yes	250	350	Premium & A
	Confidential	Occupy				Aug-25	Yes	Yes	1,500	2,000	Premium & A
	Mantel Group	JACX	22 Constance St	Fortitude Valley	Exempt	Q4-24/Q1-25	Yes	Yes	800	1,100	A
	PRA Group	Colliers	275 George St	Brisbane	A	Q4-24	Yes	No	350	450	B+/B
	Confidential	Colliers				Q4-25	Yes	No	650	750	A
	Quantum Rail	JACX	127 Creek St	Brisbane	B	Q4-24	Yes	No	200	250	A & B
	Omni Academies	CBRE	2447 Moggill Rd	Pullenvale	Exempt	Jan-25	No	Yes	1,000	1,000	Not disclosed
	Rhombus	Commercial Tenant Advisory	240 Queen St	Brisbane	A	not disclosed	Yes	Yes	150	175	B
	Headspace	Tenant CS	240 Queen St	Brisbane	A	Q2-25	Yes	No	300	400	A & B
	Newmont Mining	TACTIC	147 Coronation Dr	Milton	A	Apr-25	Yes	Yes	700	750	Premium & A
	WP Engine	CBRE	333 Ann St	Brisbane	A-/B+	Q4-24	Yes	Yes	200	300	A & B
	Griffith Hack	Colliers	110 Eagle St	Brisbane	B	Aug-25	Yes	No	200	200	A & B
	Confidential	Colliers				Q1-25	No	Yes	1,500	1,500	A & B
	Domino's	CBRE	485 Kingsford Smith Dr	Hamilton	A	Q1-28	No	Yes	2,000	3,000	New developments & A
	Anderssen Lawyers	Occupy	12 Creek St	Brisbane	A	Apr-25	Yes	No	200	300	A & B
	Aug-24	ScotPac	Colliers	10 Eagle St	Brisbane	A	Q3-25	Yes	No	400	500
Lycopodium		TACTIC	60 Leichhardt St	Spring Hill	B	May-25	Yes	Yes	900	1,000	A & B
Puma Bitumen		Colliers	51 Alfred St	Fortitude Valley	A	May-25	Yes	Yes	300	350	A & B
Confidential		CBRE				Q2/Q3 2025	Yes	No	250	400	A & B
Confidential		CBRE				Q4-24	Yes	No	200	250	A & B
EML Payments		Occupy	333 Ann St	Brisbane	A-/B+	Aug-25	Yes	No	650	900	A & B

Month	Tenant	Handling Advocacy	Location	Suburb	Grade	Timing	Searching CBD	Searching Fringe	Size Low	Size High	Seeking Grade
Aug-24 (cont'd)	Civeo	JLL	480 Queen St	Brisbane	Premium	Q4-24	Yes	Yes	1,000	1,200	Premium & A
	Emtek	CBRE	410 Queen St	Brisbane	B	Mar-25	Yes	No	150	200	A & B
	Three Plus	Colliers	102 Adelaide St	Brisbane	B	Mar-25	Yes	Yes	200	250	A & B
	Fulton Trotter Architects	ACORPP	18 Portman Lane	Spring Hill	B	Q2-25	Yes	Yes	350	500	Heritage
	MEC Mining	Colliers	300 Adelaide St	Brisbane	B	Q4-25	Yes	No	600	700	A & B
	Boston Scientific	CBRE				Q1-25	No	Yes	200	300	A & B
Sep-24	Europ Assistance	CBRE	Based in Sydney			Q2-25	No	Yes	700	800	A
	Blackstart Pty Ltd	Corporate Property Partners	New to Brisbane			Q4-24	Yes	Yes	180	250	Not disclosed
	Confidential	CBRE				Q1-25	No	Yes	800	1,000	A
	Confidential (Design firm)	Savills				Q1-25	Yes	No	400	400	Premium, A & Heritage
	Icon Group	CBRE	22 Cordelia St	South Brisbane	A	Q2-27	Yes	Yes	3,000	4,000	A & B
	IRIQ Law	Scout Transaction Advisory	241 Adelaide st	Brisbane	B	Jul-25	Yes	No	200	300	A & B
	Confidential Client	CBRE				Mar-25	Yes	No	800	1,000	A & B
	Hawsons Iron	Occupy	12 Creek St	Brisbane	A	Mar-25	Yes	Yes	100	150	A & B
	Populous Design	Colliers	469 Adelaide St	Brisbane	Character	Dec-25	Yes	Yes	1,200	1,500	Charter / Heritage
	Barmingo	CBRE	288 Edward St	Brisbane	B	Q1-25	Yes	No	100	120	A & B
	Pearce & Heers	Colliers	127 Creek St	Brisbane	B	Q1-25	Yes	No	200	250	A & B
	Rapid Circle	Tenant CS	52 McDougall St	Milton	B	Q4-24	Yes	No	100	175	B
	Confidential	JLL				Q2-25	No	Yes	900	1,000	A



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Vacancy Tracker: October 2024



Caden Stock Update: October 2024



Represented Tenant Report: 2Q 24



Deals Transacted: 2Q 24



Spec Suite Tracker: 2Q & 3Q 2024



Office Leasing Outlook - 2024

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