

EASTERN SEABOARD INDUSTRIAL VACANCY STUDY

Q4 2022

Urbis' Industrial Vacancy Study gives essential insights to major industrial owners and occupiers.

MELBOURNE

Vacancy now

0.6%

6 months ago

0.8%

SYDNEY

Vacancy now

0.1%

6 months ago

0.2%

BRISBANE

Vacancy now

0.9%

6 months ago

1.4%



VACANCY RATES

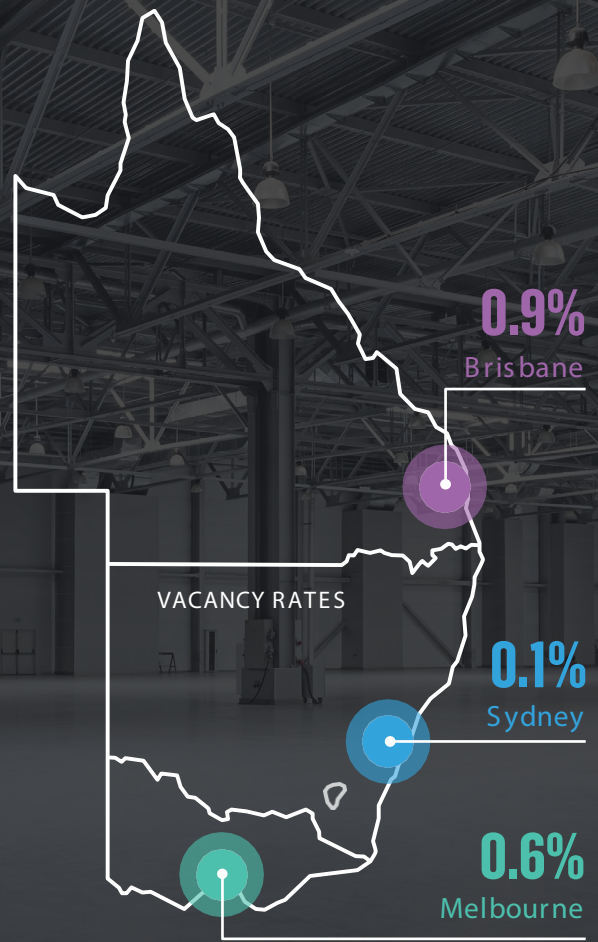
This report provides the current industrial vacancy rate for buildings over 10,000m² across the three capital cities on the Eastern Seaboard.

Overall, we're seeing vacancy rates at historic lows, by far the lowest levels since Urbis commenced its Industrial Vacancy research in 2013. The stats are 0.6% in Melbourne, 0.1% in Sydney and 0.9% in Brisbane.

The Q4 2022 statistics resulted in a decrease in the overall vacancy rate; a trend that has seen the eastern seaboard vacancy fall from 3.3% in Q1 2020; to 2.5% in Q1 2021 and then down to the current level of 0.5%. This has occurred in a market where the level of new construction and supply for the 2020 & 2021 years were well ahead of the longer term averages in almost every location. Rental growth is now clearly evident 'on the ground' in the deals being concluded with the growth coming from both increased Face rentals but also a fall in the incentives being provided.

Here, we outline some of the headlines. To delve into the data further, speak to Shane Robb about accessing our new subscription-based Industrial Vacancy Dashboard.

- ▶ Interactive dashboard – access the data on tap, where you want, when you want.
- ▶ Slice the data in multiple scenarios, by geography, grade or size.
- ▶ See all vacant stock.



	Stock Evaluated	Highest Vacancy Sub-Market	Average Size of Vacancy	Prime/Modern Vacancy Rate	Secondary/Tertiary Vacancy Rate
Melbourne	18,383,264	East (3.19%)	16,290	0.1%	1.5%
Sydney	12,929,030	South (2.36%)	14,290	0.0%	0.4%
Brisbane	7,284,440	Logan Corridor (3.85%)	20,700	1.1%	0.5%

INTERPRETING THE ANALYSIS

Our study has targeted buildings of 10,000m² or greater in Melbourne, Sydney and Brisbane. In total, our analysis covers over 1,850 buildings and 38,300,000m² of industrial floor space.

Quality gradings have been applied to all buildings summarised as follows:

Prime – Buildings no older than ten years which suit a diverse range of occupiers. A minimum 8.5 metres internal clearance and extensive truck marshalling and hardstand areas.

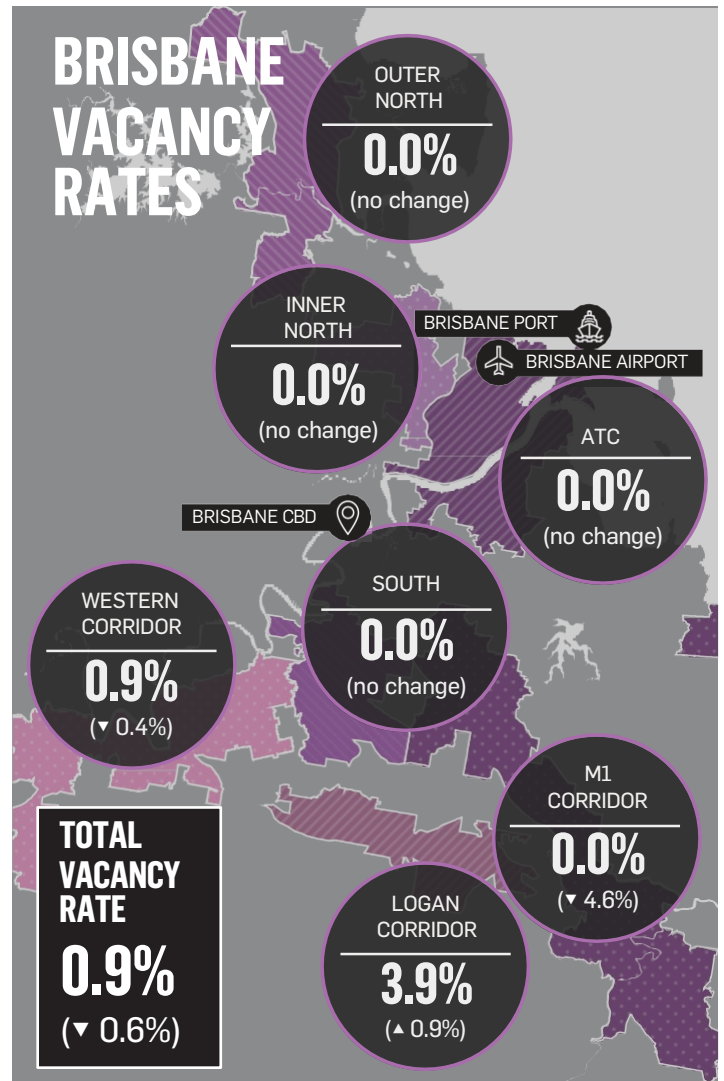
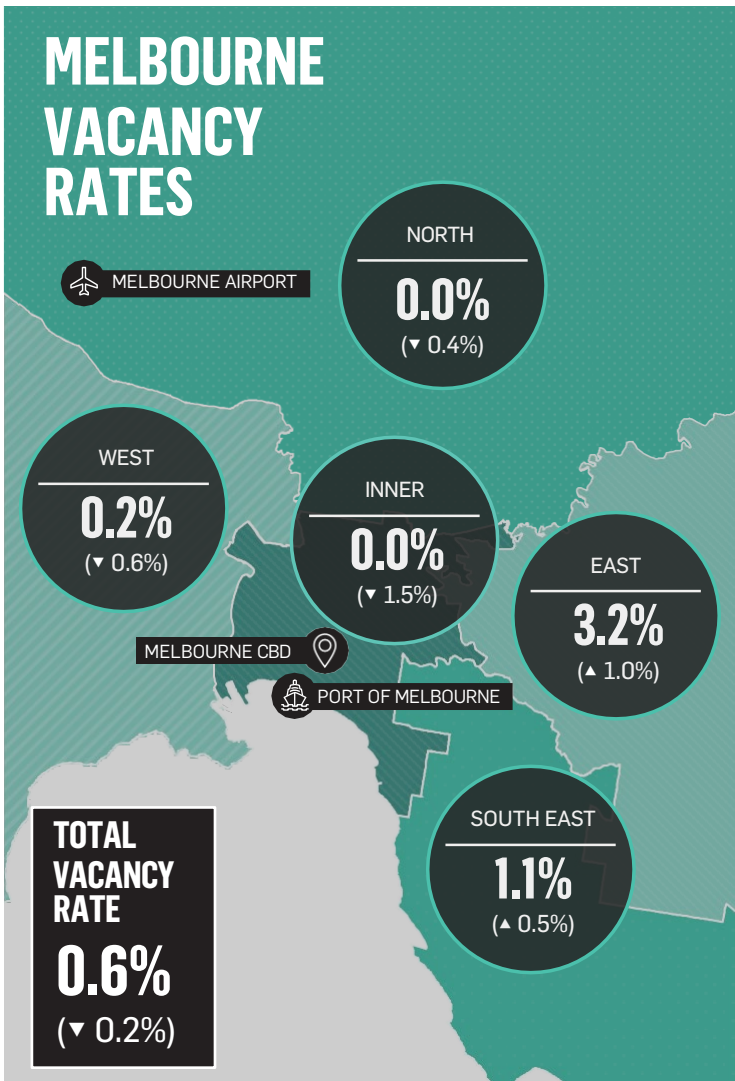
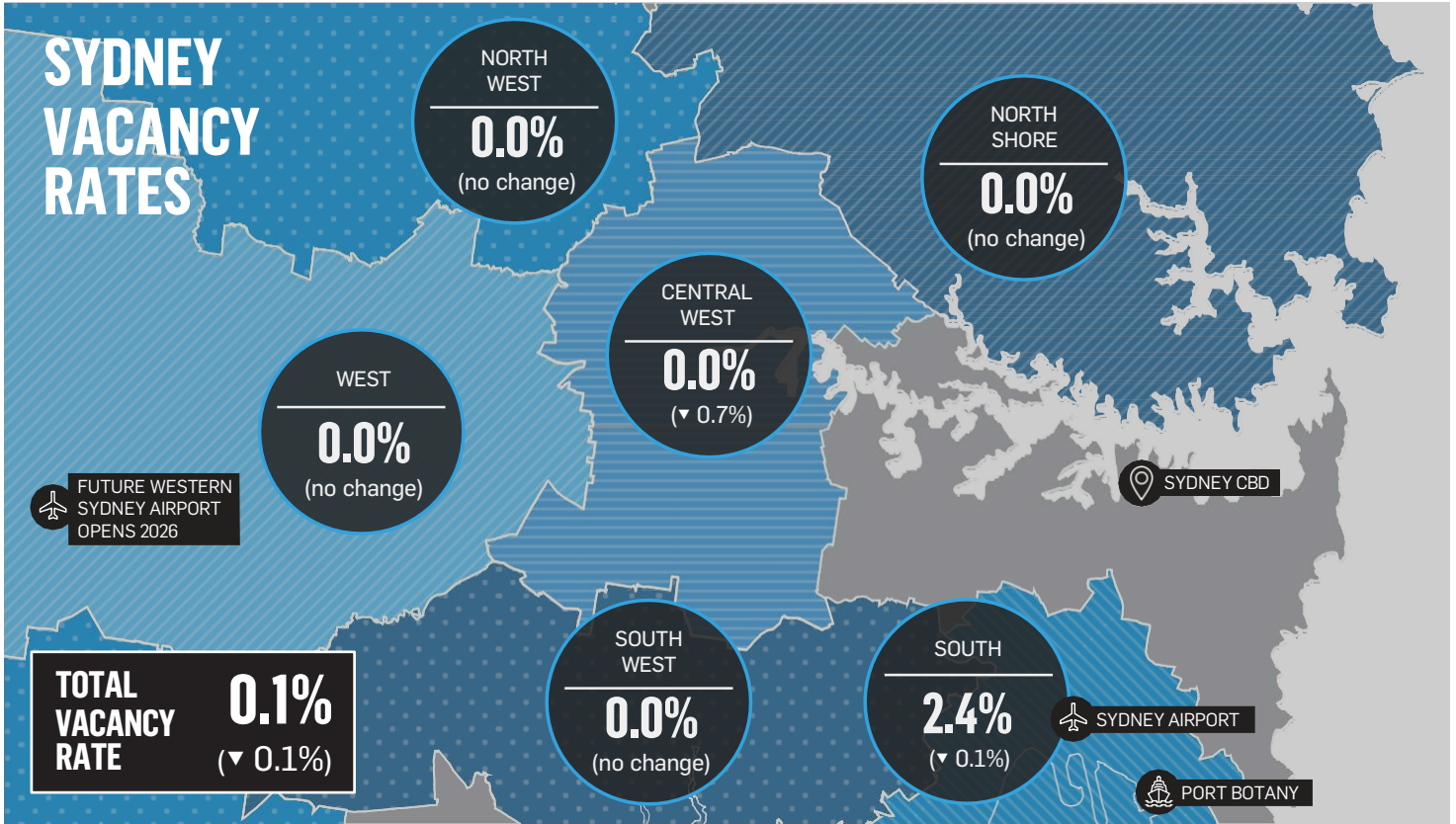
Modern – Buildings between 10 and 20 years old, generally providing over 7 metres of internal clearance.

Secondary – Buildings between 20 and 35 years old, generally providing a minimum 6 metres internal clearance.

Tertiary – Buildings over 35 years old, most of which are unlikely to have many alternate users, other than discount short-term storage, upon vacation by the current occupier.

Included as vacant buildings, beyond those physically vacant, are buildings under construction and to reach practical completion within three months in addition to those currently occupied on a monthly tenancy or those where the current occupier is known to be relocating to alternate premises within the next three months.

Excluded from the study are buildings within the various sea Ports (e.g. Port of Melbourne, Botany and Brisbane) as they represent a narrow and specific (freight) industrial user group in addition to buildings outside the respective Metropolitan regions (e.g. Geelong, Warnervale, Newcastle).



*all changes are over a 6 month period



In today's dynamic and complex markets, putting a value on property involves much more than local knowledge and simple sums.

Our valuations take account of everything likely to impact the value of a property, now and in the future. Drawing on extensive experience across every sector, we look at property from more angles to give institutional and private investors, corporate clients and government more insightful analysis, more nuanced advice plus a clearer sense of value – and how to maximise it.

With consultants specialising in the industrial, residential, retail, commercial and self-storage sectors, we provide insightful analysis and accurate reporting to help minimise risk and maximise opportunities.

Contact one of our industrial specialists to find out how we can assist you. If you would like to contribute to the research, just email indvacancy@urbis.com.au.



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BRISBANE

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