

MARKETBEATS

\$705

North Sydney A Grade
Net Face Rents

\$655

Pyrmont A Grade
Net Face Rents

\$510

Parramatta A Grade
Net Face Rents

BE
WHAT'S
NEXT

HIGHLIGHTS

Skyscrapers launched in North Sydney

North Sydney now has two Premium grade office developments under construction. The first, 100 Mount Street (41,000 sqm), is due in early 2019, while 1 Denison Street (60,000 sqm) is due in late 2020. Both will benefit from the opening of the Victoria Cross metro station in 2024, above which Transport for NSW is currently seeking concept approval for a 168m, 60,000 sqm office building.

Tech firms swipe right on fringe amenity

Tech firms competing for talent have continued to prioritise fringe markets for their office requirements. From 2019, Google's Pyrmont premises will include all of Workplace6, all of the Fairfax Media site, and the Channel 7 site, which it recently purchased (16,319sqm). Additionally, some expanding tech firms are exclusively considering Surry Hills, unwilling to forgo its cultural, food, and beverage offerings. Grade A net face rents in Surry Hills and Darlinghurst average \$675 per sqm per annum, while in Pyrmont they average \$655 per sqm per annum – approximately 30% less than the CBD.

Parramatta: the burgeoning second CBD

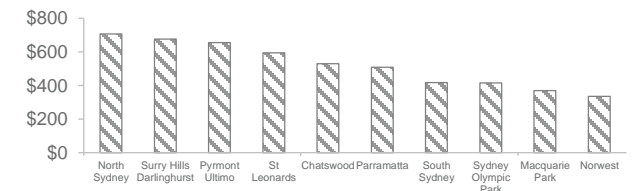
The Greater Sydney Commission has cemented Parramatta's future as Sydney's second CBD. Support from the state government and Parramatta City Council has developed momentum with the likes of Parramatta Square well underway and 1,800 Department of Education staff having recently moved in to the new 105 Phillip Street.

ECONOMIC INDICATORS

	Q4 17	Q1 18	12-Month Forecast
GDP Growth (National)*	2.2%	2.6%	▲
SFD Growth (NSW)*	2.9%	3.1%	■
Unemployment (NSW)†	4.8%	5.0%	■

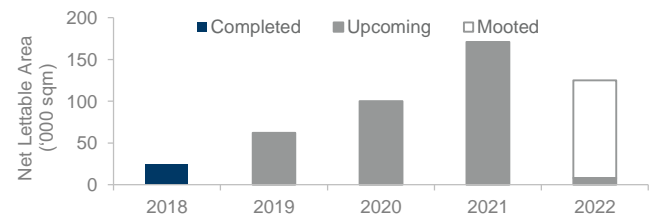
*Average annual growth rate, †Seasonally adjusted
Source: ABS; Deloitte Access Economics; Cushman & Wakefield Research

GRADE A METRO NET FACE RENTS



■ Net Face Rent (LHS)
Source: Cushman & Wakefield Research

PARRAMATTA SUPPLY PIPELINE



Source: Cushman & Wakefield Research; PCA

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MARKET	GRADE A			GROSS EFFECTIVE RENT (GRADE A)		
	NET FACE RENT (A\$)	OUTGOINGS (A\$)	GROSS INCENTIVES	A\$/SQM/YR	US\$/SQM/YR	EUR/SQM/YR
North Sydney	705	125	21%	655	485	417
Surry Hills Darlinghurst	675	110	20%	670	496	427
Pymont Ultimo	655	123	18%	645	478	411
St Leonards	595	124	19%	580	430	369
Chatswood	530	107	20%	510	378	325
Parramatta	510	112	19%	505	374	321
Sydney Olympic Park	415	93	23%	390	289	248
South Sydney	415	85	15%	425	315	271
Macquarie Park	370	95	18%	380	281	242
Norwest	335	72	16%	345	256	220

AUD/USD = 0.7406; AUD/EUR = 0.6366 as at 18th June 2018

KEY LEASING TRANSACTIONS Q2 2018

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
21 Harris Street	Pymont	Publicis Groupe	10,100	Pre-Commitment
1 Denison Street	North Sydney	SAP	6,000	Pre-Commitment
100 Miller Street	North Sydney	Zurich Financial Services	1,950	Direct (Relocation)
201 Coward Street	Mascot	NSW Dept. of Education	1,250	Direct (Relocation)

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION DATE
4 Murray Rose Avenue	Sydney Olympic Park	NSW Government	15,679	Q4 2018
100 Mount Street	North Sydney	NBN, Laing O'Rourke	41,419	Q1 2019
4 Parramatta Square	Parramatta	NSW Government	62,000	Q3 2019
21 Harris Street	Pymont	Publicis Groupe	10,100	Q4 2019
153 Macquarie Street	Parramatta	NAB	42,000	Q2 2020
1 Denison Street	North Sydney	Channel Nine	61,032	Q3 2020
118 Mount Street	North Sydney	Zurich Financial Services	20,000	Q4 2020