

MARKETBEATS

10%
A-GRADE NET FACE RENT
GROWTH NORTH SYDNEY

124,000
SQM – THE SIZE OF 6&8
PARRAMATTA SQUARE

+85%
POTENTIAL STOCK ADDITIONS
IN PARRAMATTA

WHAT'S NEXT

HIGHLIGHTS

Northwest Metro open, Light rail coming

The first section of the Sydney Metro rail project opened to the public on May 26th linking the rapidly growing Northwest corridor to Chatswood, and eventually to the Sydney CBD and beyond. The Sydney Light Rail's CBD to Randwick line is due for completion in December 2019, and the Kingsford line in March 2020 – Surry Hills should be a beneficiary.

Low vacancy has pushed rents higher

Multiple years of healthy employment growth and strong office leasing demand has pushed vacancy rates lower and driven rents higher right across Sydney's metropolitan and fringe A-Grade markets. Notable year-on-year A-Grade net face rental growth has included 10% in North Sydney, 7.5% in Macquarie Park, 6% in Chatswood, and 6% in Pyrmont/Ultimo.

Biggest office in Oz coming to Parramatta

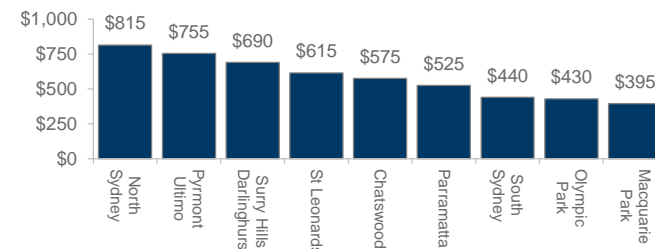
Early in 2019 planning approval was granted for 6&8 Parramatta Square which will become Australia's largest office building at over 124,000 sqm. The NSW Government has pre-committed to 43,800 sqm while Link Market Services will occupy 20,000 sqm. Parramatta's vast office pipeline is gradually firming, assisted by development approvals and pre-commitments. 85% more stock could be added by 2024.

ECONOMIC INDICATORS

	Q4 18	Q1 19	12-Month Forecast
GDP Growth (National)*	2.8%	2.5%	▲
State Final Demand Growth (NSW)*	3.5%	3.0%	▼
Unemployment (NSW)†	4.3%	4.3%	▲

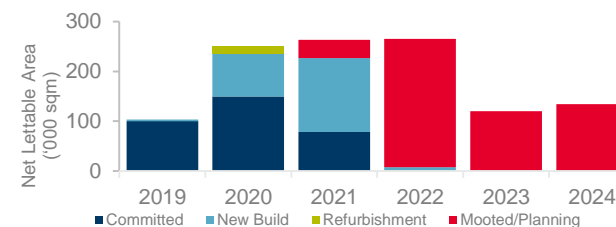
*Average annual growth rate, †Seasonally adjusted
Source: ABS; Deloitte Access Economics; Cushman & Wakefield Research

A-GRADE METRO NET FACE RENTS



Source: Cushman & Wakefield Research

METRO SYDNEY SUPPLY PIPELINE



Source: Cushman & Wakefield Research; PCA

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MARKET	A-GRADE			GROSS EFFECTIVE RENT (A-GRADE)		
	NET FACE RENT (A\$)	OUTGOINGS (A\$)	GROSS INCENTIVES	A\$/SQM/YR	US\$/SQM/YR	EUR/SQM/YR
Sydney CBD	1,055	178	20%	990	686	607
North Sydney	815	129	20%	755	523	463
Pymont Ultimo	755	117	16%	720	499	442
Surry Hills Darlinghurst	690	114	20%	640	444	392
St Leonards	615	123	20%	580	402	356
Chatswood	575	118	20%	555	385	340
Parramatta	525	112	18%	525	364	322
South Sydney	440	85	19%	435	301	267
Sydney Olympic Park-Rhodes	430	97	23%	410	284	251
Macquarie Park	395	95	18%	405	281	248

AUD/USD = 0.6931; AUD/EUR = 0.6133 as at 20th June 2019

KEY LEASING TRANSACTIONS H1 2019

PROPERTY	MARKET	TENANT	SQM	LEASE TYPE
6&8 Parramatta Square	Parramatta	NSW Government	43,800	Pre-commitment
6&8 Parramatta Square	Parramatta	Link Market Services	20,000	Pre-commitment
10 Parkview Drive	Sydney Olympic Park	AIBT	7,764	Consolidation relocation

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	MARKET	MAJOR TENANT	SQM	COMPLETION DATE
4 Parramatta Square	Parramatta	NSW Government	62,000	Q3 2019
21 Harris Street	Pymont	Publicis Groupe	10,100	Q4 2019
45 Waterloo Road	Macquarie Park	NSW Government	35,000	Q1 2020
3 Parramatta Square	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
32 Smith Street	Parramatta	QBE	26,400	Q4 2020
6&8 Parramatta Square	Parramatta	NSW Government	124,000	2021

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