

# Australian Flexible Office Space Report

## June 2022



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# Australian Flex Office Space Summary

For a second consecutive quarter, the amount of vacant flexible office space fell nationally to 156,875 sqm after months of work from home requirements eased. Fueled by higher prices in Brisbane and Sydney, up 12.7% and 4.5% respectively, the national price to rent a desk in a private office space edged upwards by 2.2% to \$613.

Demand remained strong throughout the first half of the year with the exception of Melbourne which despite showing some promise in Q1 ended June more subdued.

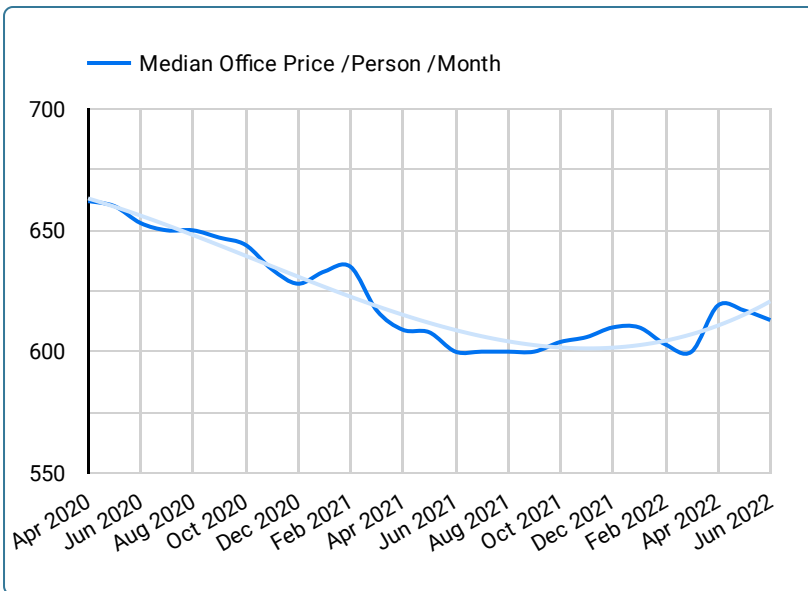
On the supply side, new centres opened in Sydney, Melbourne and Brisbane while Victory Offices's exit from Sydney CBD and three locations in Melbourne has also contributed to the overall decline in available space.

## Flex Office Space at a Glance

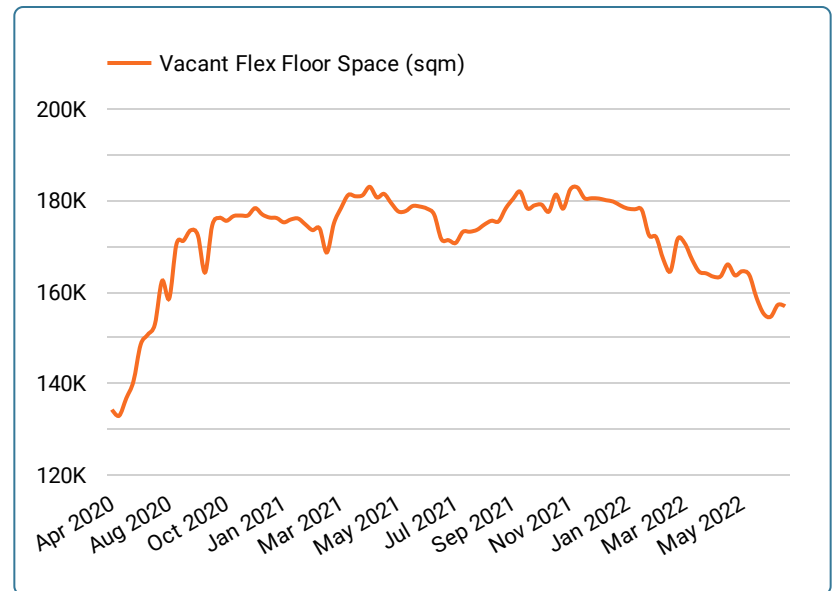
Vacant Offices	Vacant Space (sqm)
<b>2,474</b>	<b>156,875</b>
↓ -3.8%	↓ -6.1%
Vacant Workstations	Median Office Cost
<b>27,057</b>	<b>\$613</b>
↓ -6.5%	↑ 2.2%

Relative to previous quarter

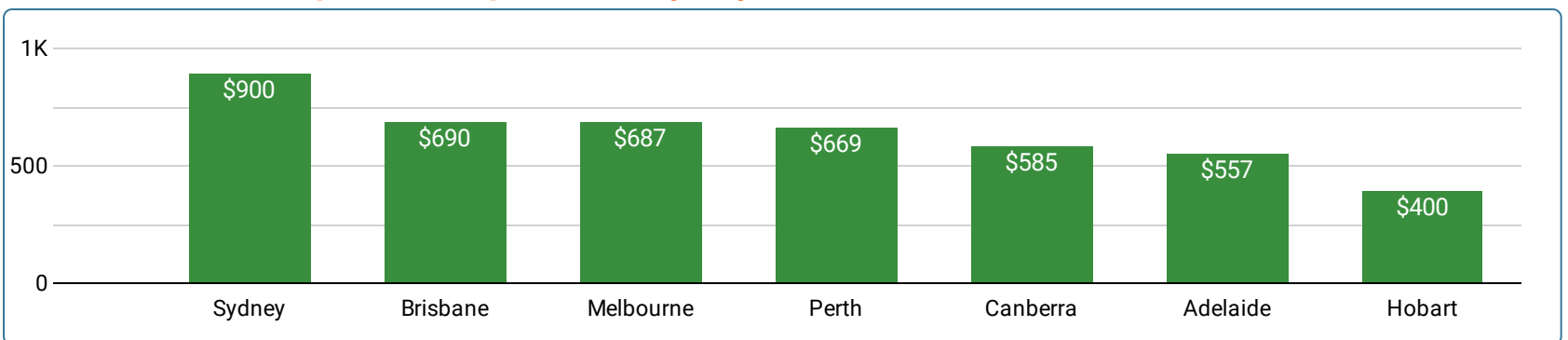
## Median Office Price /Person /Month over Time



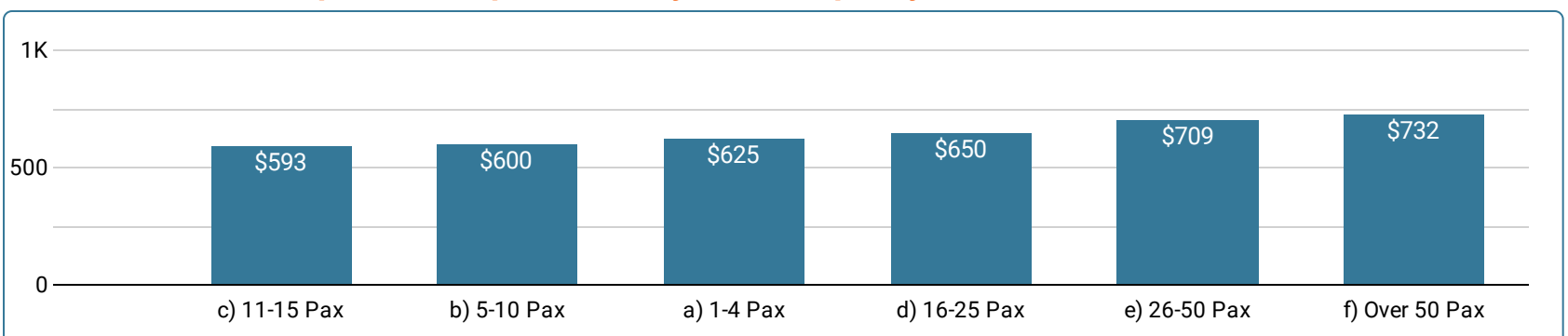
## Vacant Flex Space (sqm) over Time



## Median Office Rate per Person per Month by City



## Median Office Rate per Person per Month by Office Capacity



# Sydney CBD Prices up 4.5%

As demand continued to grow across NSW, prices in Sydney rose 4.5% to settle at \$900 per person QoQ, after reaching a new pre-pandemic high of \$930 in May. Combined with the closure of Victory Offices's Sydney centres and Emerge in the CBD the amount of available space fell by 23% during Q2.

Costs for teams of 5 to 25 people increased the most averaging 20% while larger offices for teams of 50 or more people saw a 33% drop in per desk costs from \$859 to \$573 per month.

While many suburbs across Sydney remained flat, Barangaroo and Darlinghurst saw increases of 21% in monthly rates to \$1,105 and \$1000 per desk as demand for these two sought after locations grew.

**What's New:** Tank Stream Labs opened 4000 sqm in Haymarket; The Work Project opened at 50 Bridge Street in the brand new Quay Quarter Tower; Work Club Global recently opened at 200 George Street.

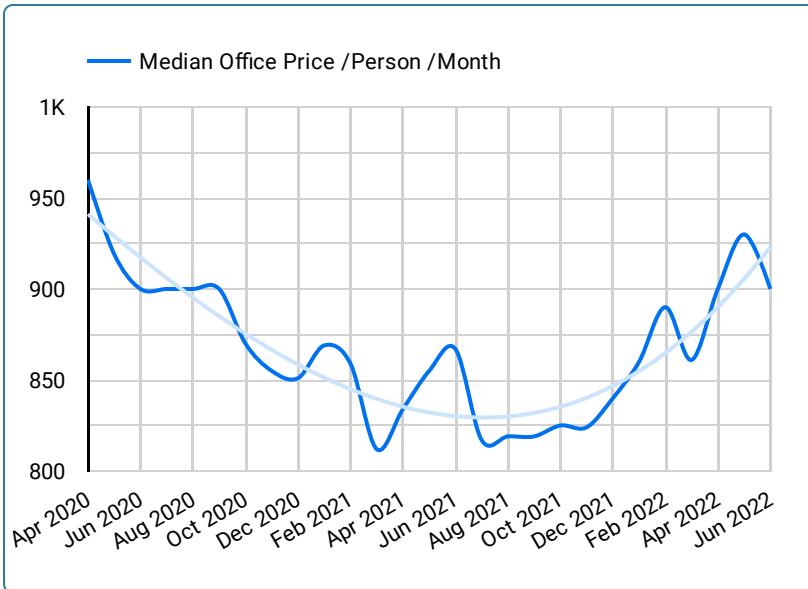
Stone and Chalk will operate the NSW's Scaleup Hub, located at 477 Pitt Street in Sydney starting in July while The Commons will open the newly redeveloped George Street office tower this quarter.

## Flex Office Space at a Glance

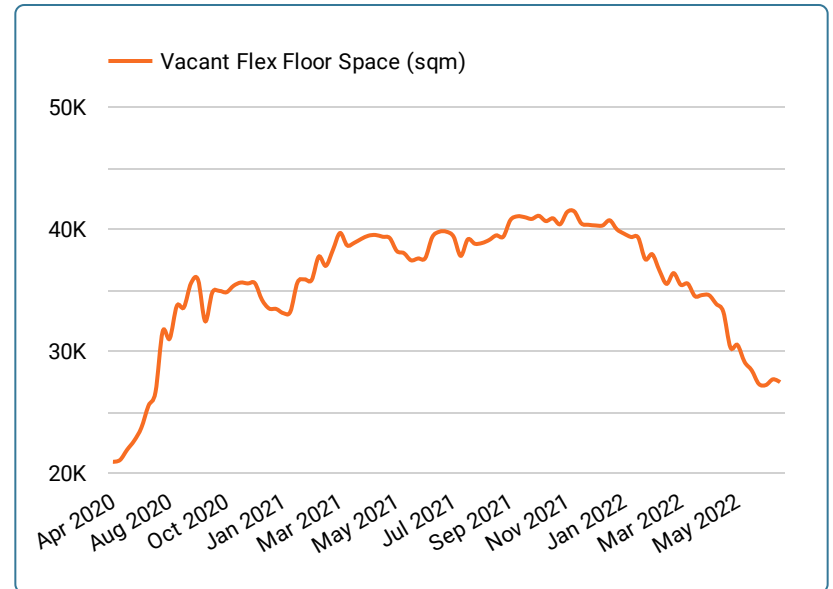
Vacant Offices	Vacant Space (sqm)
<b>314</b>	<b>27,445</b>
↓ -16.5%	↓ -22.7%
Vacant Workstations	Median Office Cost
<b>4,701</b>	<b>\$900</b>
↓ -25.2%	↑ 4.5%

Relative to previous quarter

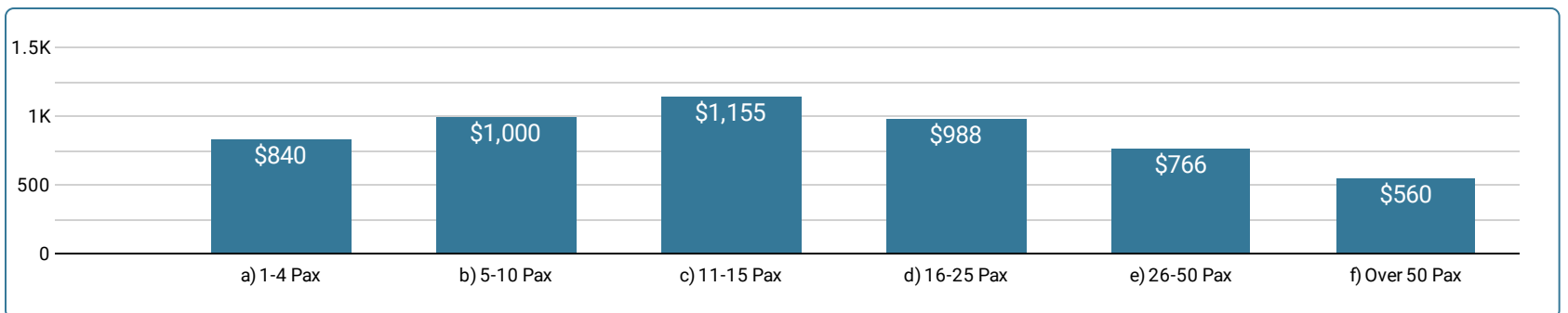
## Median Office Price /Person /Month & Trendline



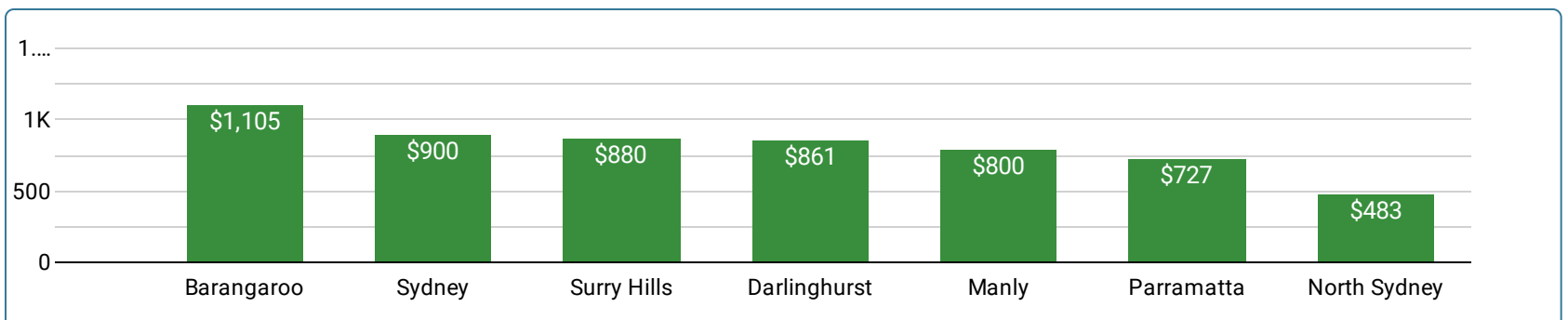
## Vacant Flex Space (sqm) over Time



## Sydney Median Office Rate /Person /Month by Office Capacity



## Sydney Median Office Rate per Person per Month by Suburb



# Melbourne Inventory Up 10% as Demand Remains Flat

Demand in the greater Melbourne region remained low. Unlike Sydney, prices have remained relatively flat, up only 1% from last quarter with a 10% increase in vacant office space due to the addition of new centres adding to supply. For businesses looking for a deal, the Melbourne CBD provided great value at \$679 per desk per month, compared to \$900 and \$896 in Richmond & Southbank. Outside the CBD, businesses can find further savings with great prices on offer at \$513 in Collingwood and \$530 in Docklands.

The amount of vacant space increased by 10% this quarter with offices for 16 or more people accounting for the majority of space. There was also an increase in available Enterprise space in Melbourne with the number of offices for 50 or more staff rising substantially as this segment continues to compete with sublease and fitted suites offered by landlords.

**What's New:** The Loft Workspaces, developed by GOLDFIELDS and JLL's joint venture, launched a new offering at 627 Chapel Street adding 3,243 sqm of flexible office space; Located on the 30th floor, The Executive Centre opened at 30 Colins street.

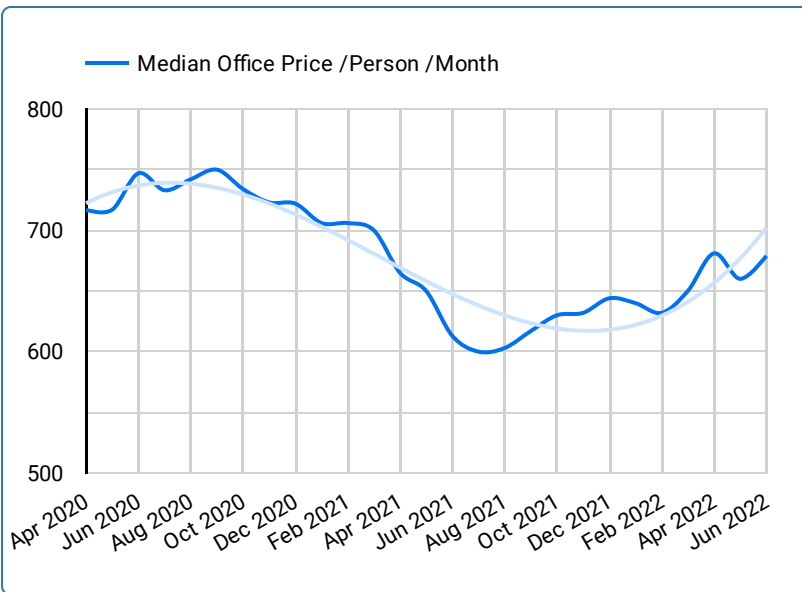
Workspace365 will open a new 1,356 sqm office in Geelong in September while Hub Balaclava will open 2,900 sqm of premium workspace over three floors at the new Open Court development at 21-23 William Street later in the year.

## Flex Office Space at a Glance

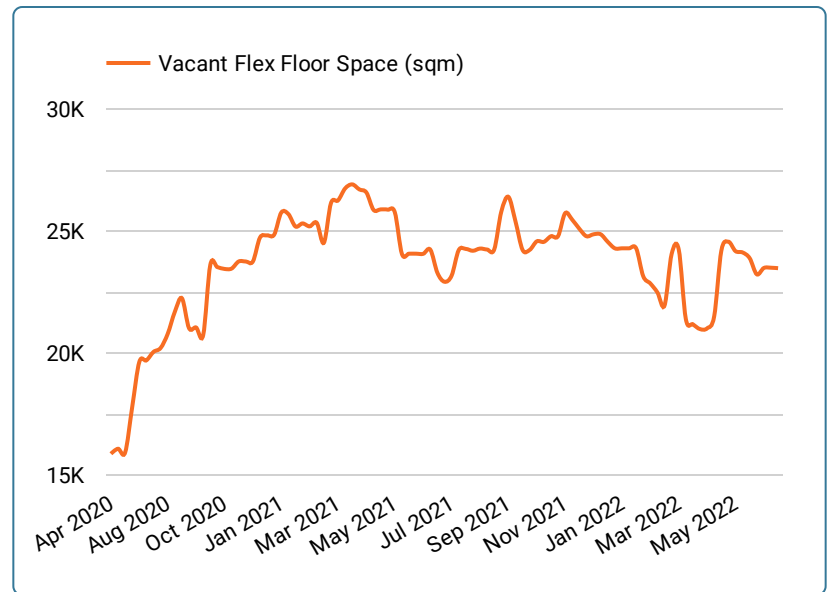
Vacant Offices <b>374</b> 0.0%	Vacant Space (sqm) <b>23,475</b> ↑ 9.7%
Vacant Workstations <b>4,367</b> ↑ 11.2%	Median Office Cost <b>\$679</b> ↑ 4.5%

Relative to previous quarter

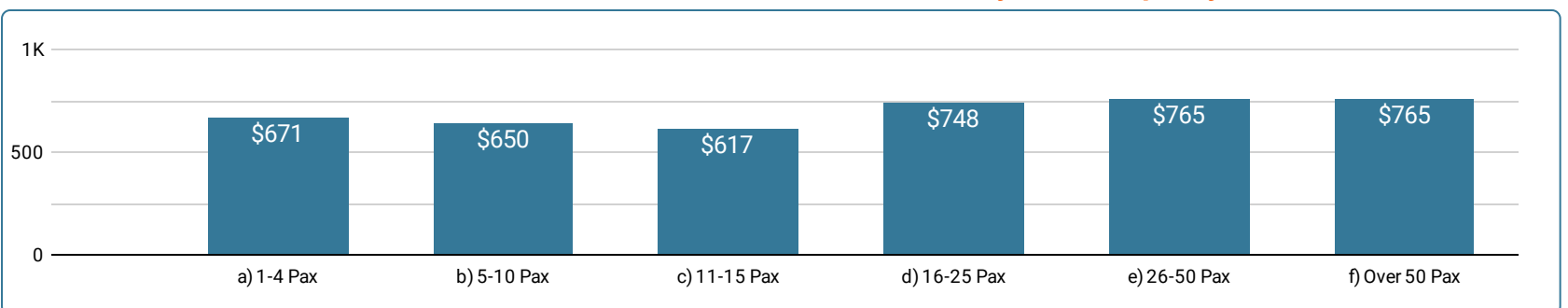
## Median Office Price /Person /Month & Trendline



## Vacant Flex Space (sqm) over Time



## Melbourne Median Office Rate /Person /Month by Office Capacity



## Melbourne Median Office Rate per Person per Month by Suburb



# Brisbane Prices Jump 13% on Higher Demand

After vacant office space dropped 35% in Q1 of 2022, operators have added a net new 11.5% of Flex office space in Q2 with most of this new supply coming from new centres. Despite this increase, demand has been high leading to a 13% increase in desk price to \$690, the largest QoQ rise we've seen in Australia this quarter.

Offices for teams of 11-15 continue to be in high demand and saw the biggest increase in price, rising 60% to \$916 per desk while enterprise offices for teams of 50 or more people dropped by 38% to \$495 per desk.

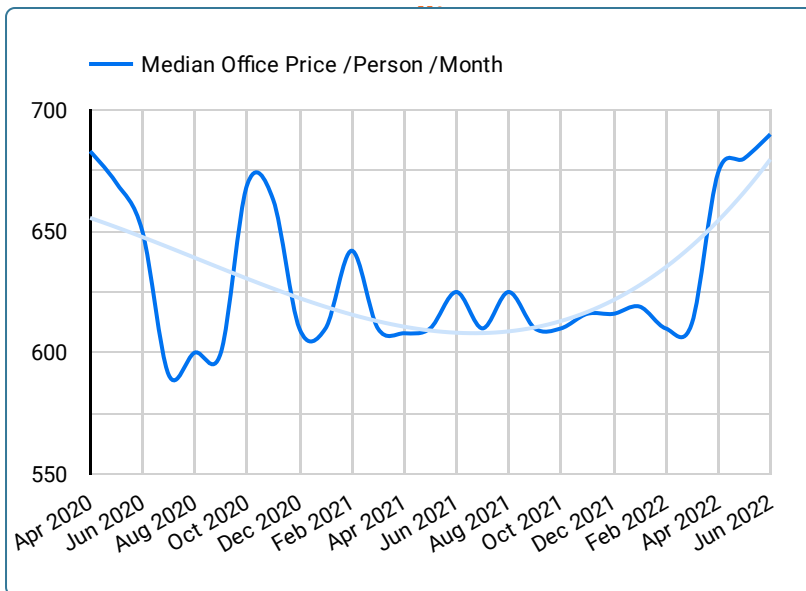
**What's New:** Spaces opened a new space at Jubilee Place in Fortitude Valley at 80 Ann Street; @Workspaces opened its recently renovated venue at 339 Coronation Drive; Located within the stunning new MOBO building towering above South Bank, Mobo Coworking is now open.

## Flex Office Space at a Glance

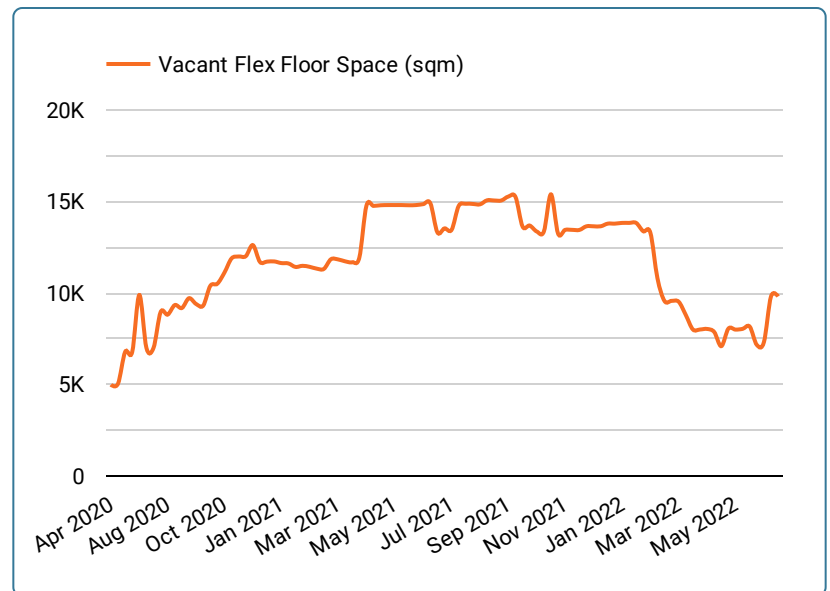
Vacant Offices	Vacant Space (sqm)
<b>207</b>	<b>9,810</b>
↓ -3.3%	↑ 11.5%
Vacant Workstations	Median Office Cost
<b>1,905</b>	<b>\$690</b>
↑ 11.9%	↑ 12.7%

Relative to previous quarter

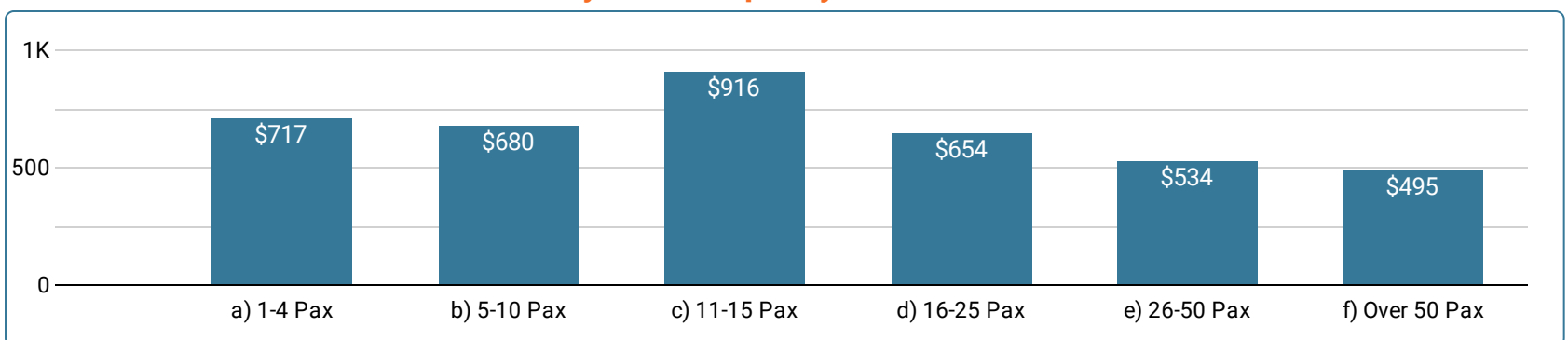
## Median Office Price /Person /Month &



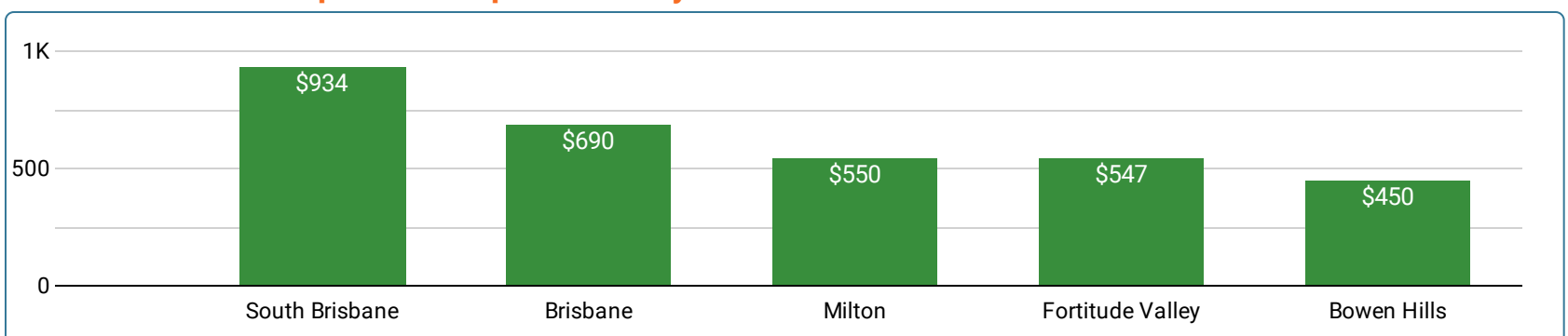
## Vacant Flex Space (sqm) over Time



## Median Office Rate /Person /Month by Office Capacity



## Median Office Rate per Person per Month by Suburb



# Prices in North Sydney Fall for 2nd Consecutive Quarter

North Sydney continues to provide a good mix of office space that includes smaller offices with boutique and local operators to whole floors and enterprise suites.

With a median cost of \$483, per person per month, down 4% QoQ, North Sydney presents excellent value and ~46% discount to the median office rate of the CBD. Even when compared to suburbs further out like St Leonards at \$542, North Sydney continues to provide the best bang for the buck.

The closure of Victory Offices' Mount Street office contributed to a 23% decrease in available space QoQ.

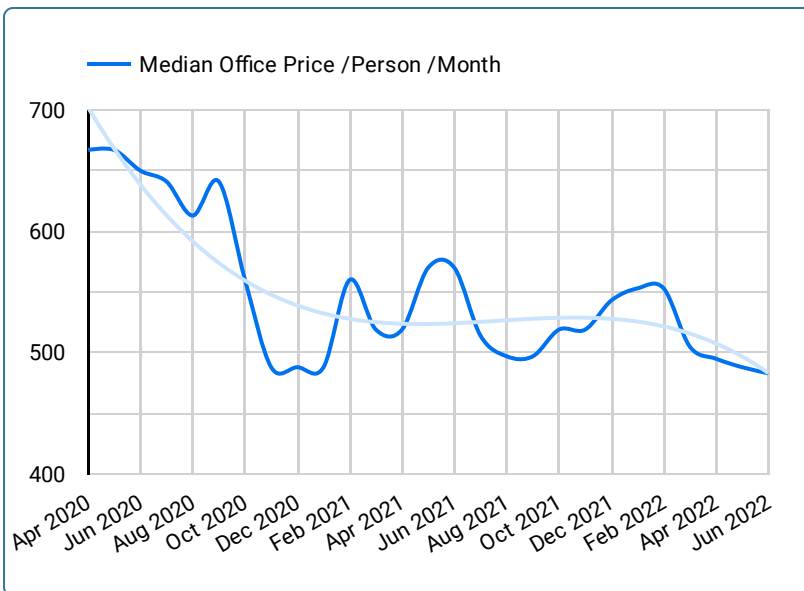
## Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqm)
<b>89</b>	<b>6,235</b>
↓ -16.0%	↓ -22.7%
Vacant Workstations	Median Office Cost
<b>1,178</b>	<b>\$483</b>
↓ -23.4%	↓ -4.4%

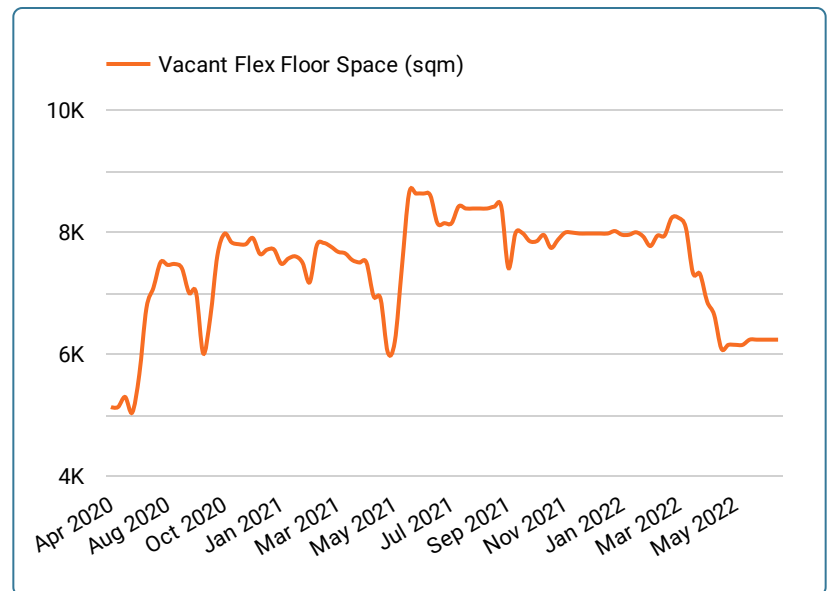
Relative to previous quarter

**What's New:** Look for a new [Spaces](#) venue in July at 1 Denison.

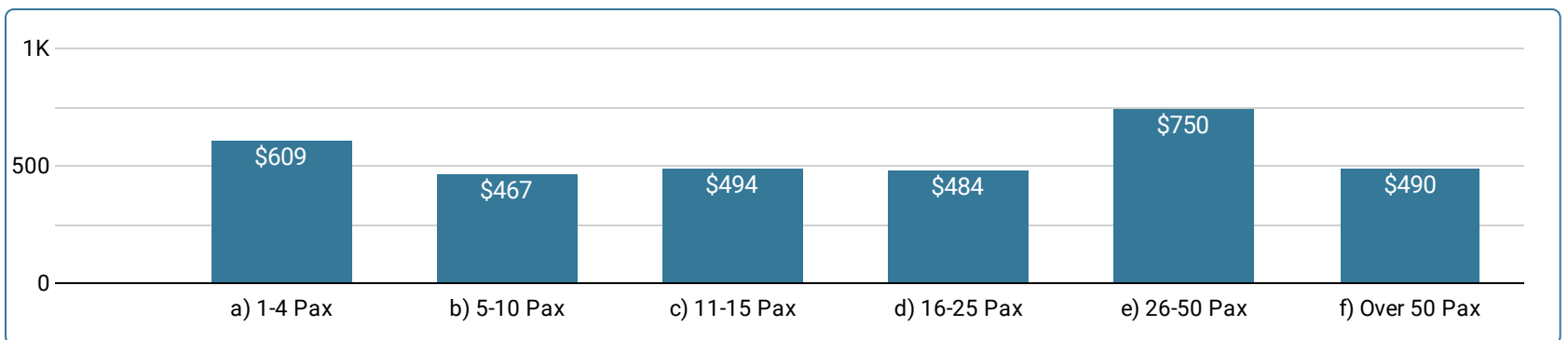
## Median Office Price /Person /Month & Trendline



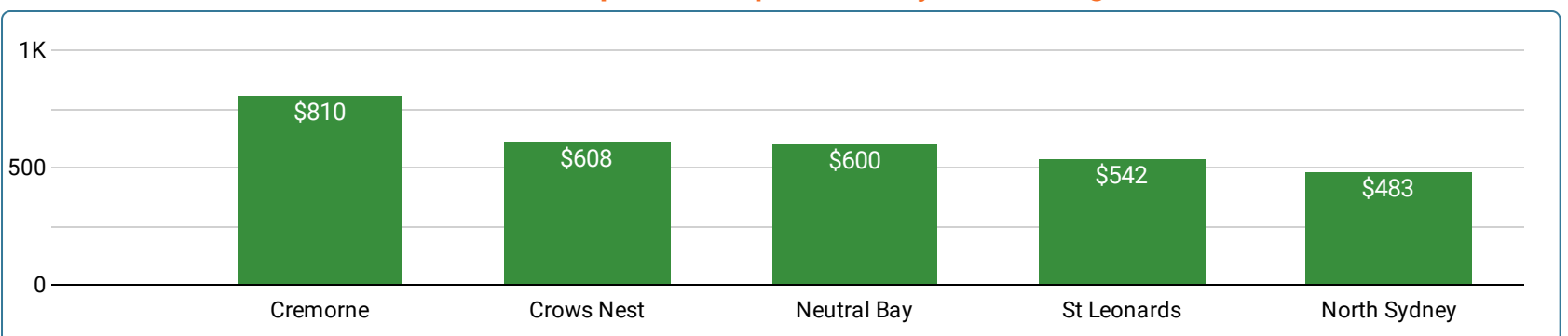
## Vacant Flex Space (sqm) over Time



## North Sydney Median Office Rate /Person /Month by Office Size



## Median Office Rate per Person per Month by Surrounding Suburbs



# Perth Prices Remain Flat

Perth and its surrounds had 102 Flex offices across 26 buildings available to rent at the end of June. There's a total of ~4,895 sqm of Flexible office available, with nearly 900 workstations at a median cost per person per month of \$600. For solopreneurs a single shared desk in a coworking space can be found for \$455 per desk.

Like Sydney, Perth saw a 33% reduction in the number offices for teams of 10-15 people contributing to a 71% increase in cost to \$1000 per desk per month.

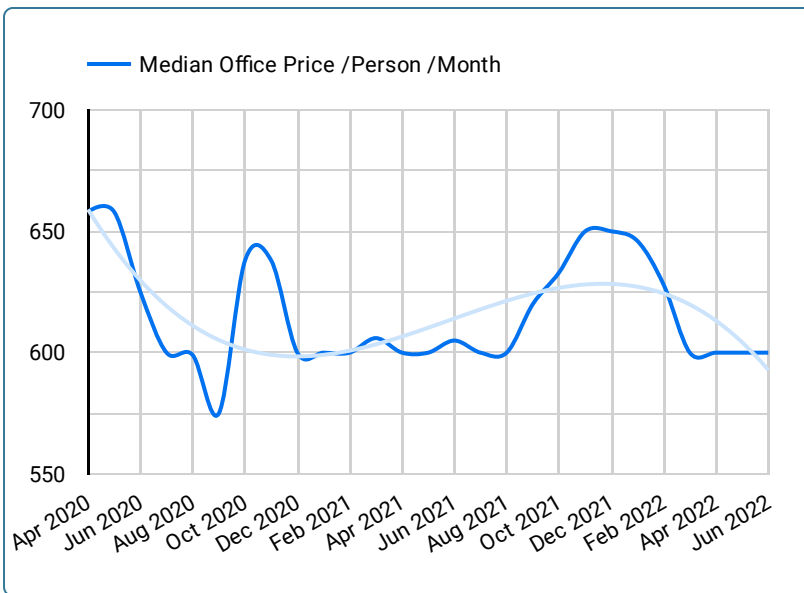
**What's New:** With three premium locations in the CBD, Spacecubed recently listed on Rubberdesk leading to a net gain of 2.5% in available office space.

## Flex Office Space at a Glance

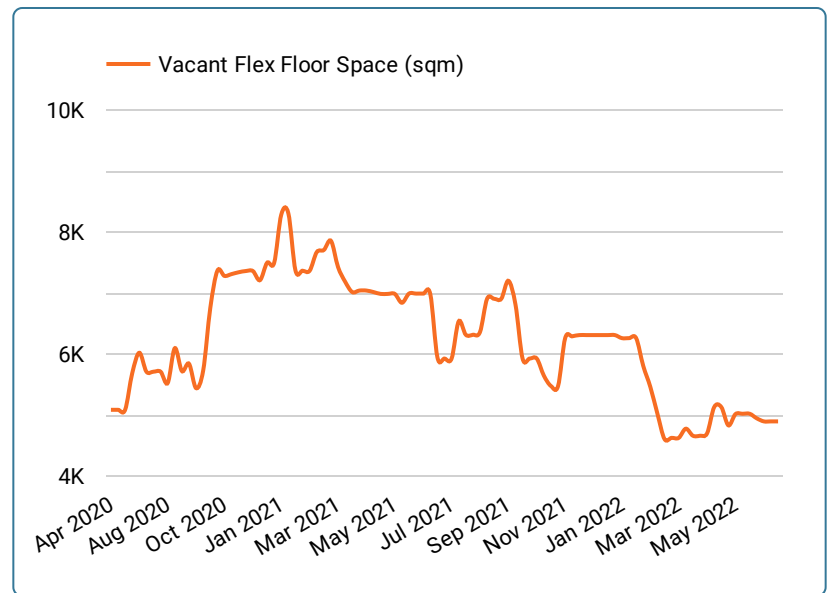
Vacant Offices	Vacant Space (sqm)
<b>102</b>	<b>4,895</b>
0.0%	↑ 2.5%
Vacant Workstations	Median Office Cost
<b>895</b>	<b>\$600</b>
↑ 2.6%	0.0%

Relative to previous quarter

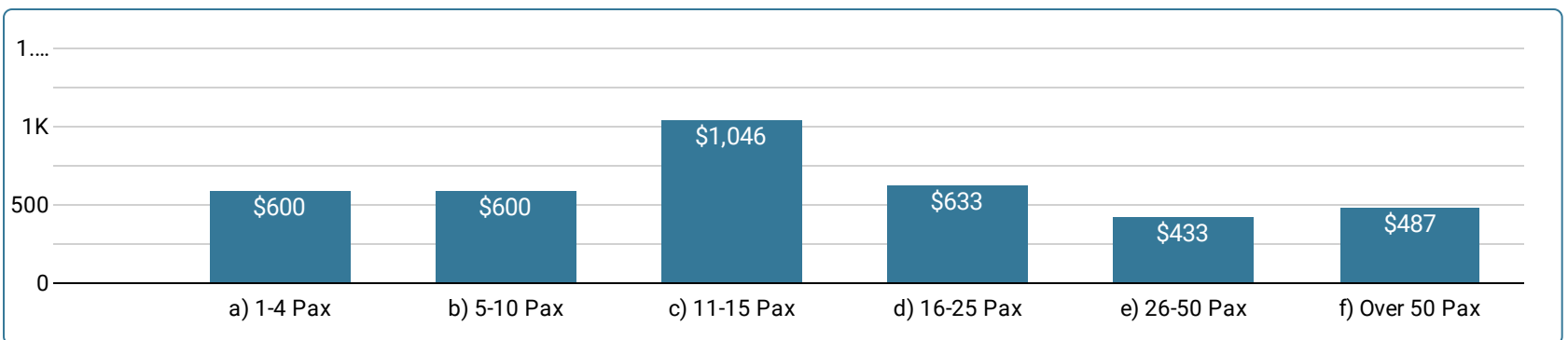
## Median Office Price /Person /Month & Trendline



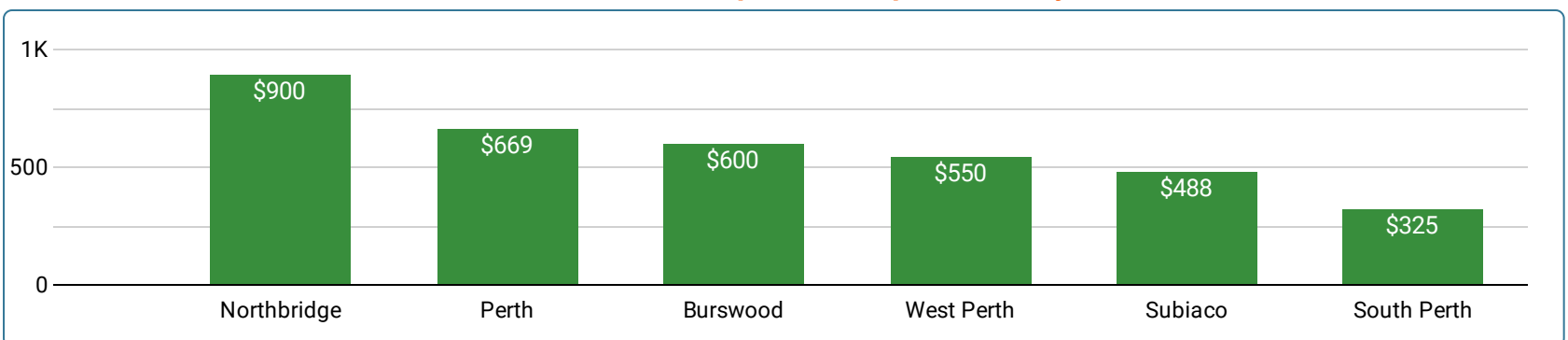
## Vacant Flex Space (sqm) over Time



## Perth Median Office Rate /Person /Month by Office Capacity



## Perth Median Office Rate per Person per Month by Suburb



# Prices Jump 6% in Canberra QoQ

After remaining relatively flat over the past two years, the cost to rent a desk in a private office in Canberra increased 6% this past quarter. Smaller offices for teams up to 10 and those greater than 25 people led to increases of 11.2 and 7.4% respectively. Fyshwick & Symston represent the greatest value with median prices of \$240 and \$400 per desk respectively.

Vacant floor space also climbed nearly 9% to 5,825 sqm as current operators added more stock to the market.

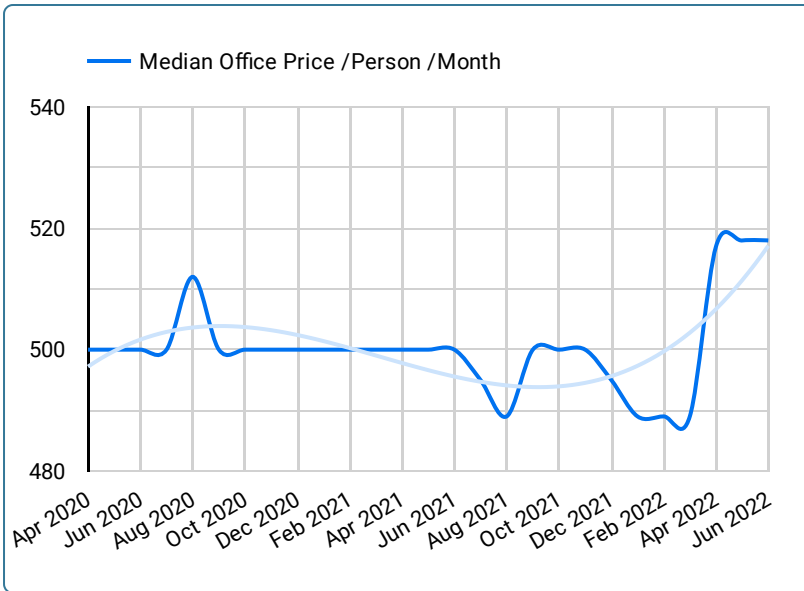
There are currently 117 vacant offices presenting space for 1,100 workstations with a median cost per person per month of \$518.

## Flex Office Space at a Glance

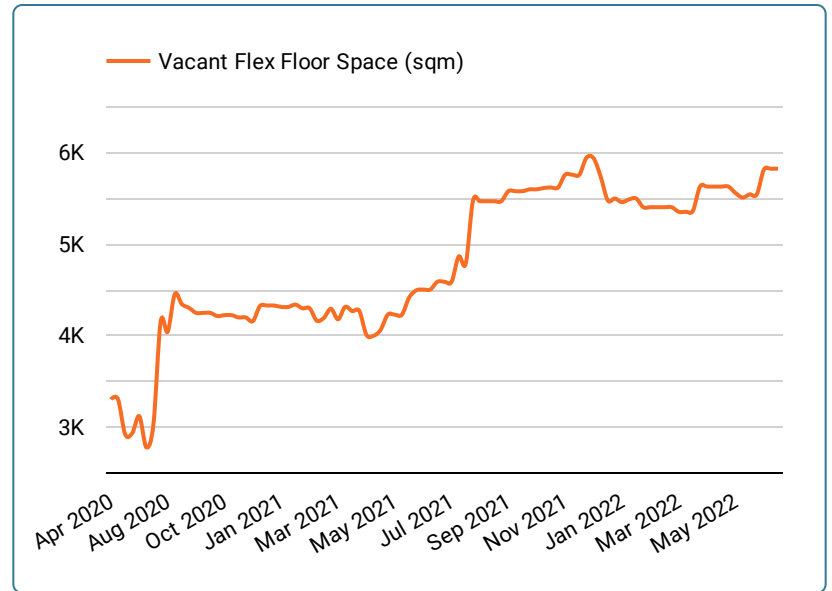
Vacant Offices	Vacant Space (sqm)
<b>117</b>	<b>5,825</b>
↑ 9.3%	↑ 8.8%
Vacant Workstations	Median Office Cost
<b>1,100</b>	<b>\$518</b>
↑ 9.3%	↑ 5.9%

Relative to previous quarter

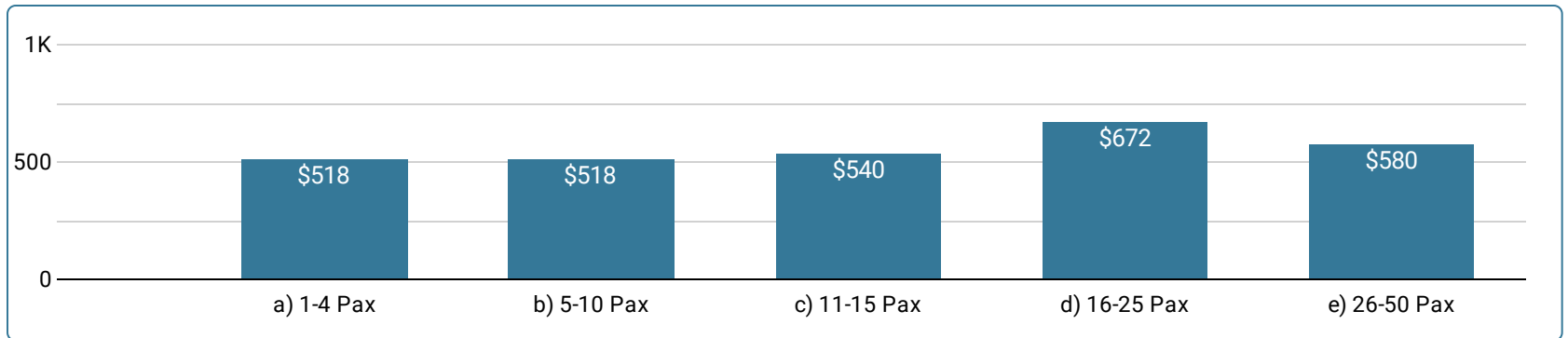
## Median Office Price /Person /Month & Trendline



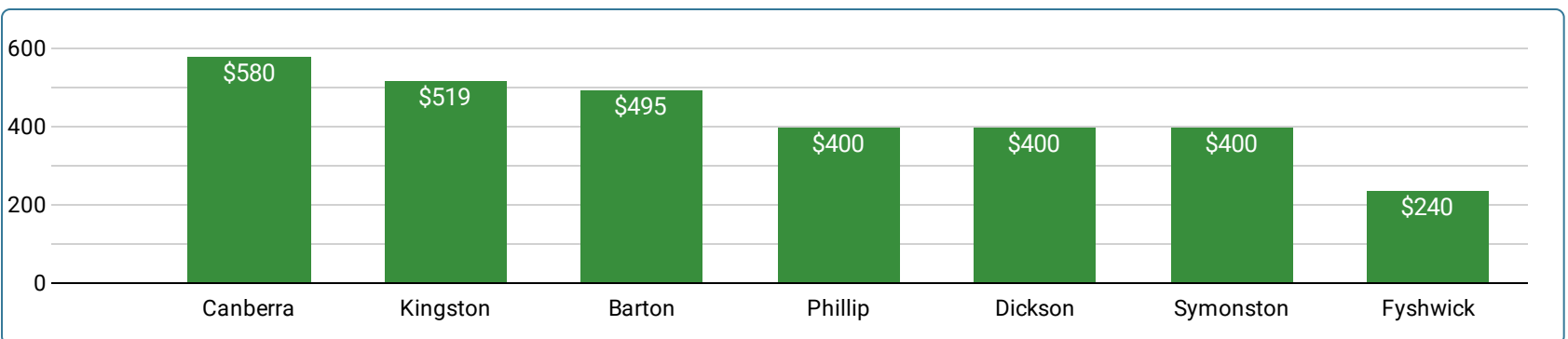
## Vacant Flex Space (sqm) over Time



## Canberra Median Office Rate /Person /Month by Office Size



## Canberra Median Office Rate per Person per Month by Suburb





# Adelaide Prices Continue Upward Trend

Though volatile due to the smaller sample size, prices in Adelaide have been on an upward trend since hitting a low of \$400 in December 2020 to settle at \$557 per desk at the end of Q2.

The median price for a desk increased by 6% led by smaller sized offices for teams up to 10 which jumped 11%.

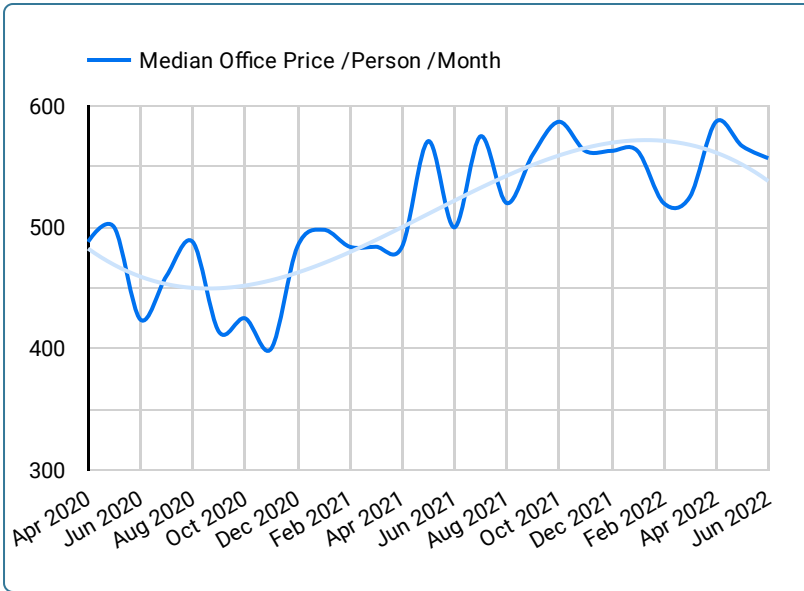
There are currently 51 offices available providing 395 workstations across 18 buildings in the Adelaide CBD.

## Flex Office Space at a Glance

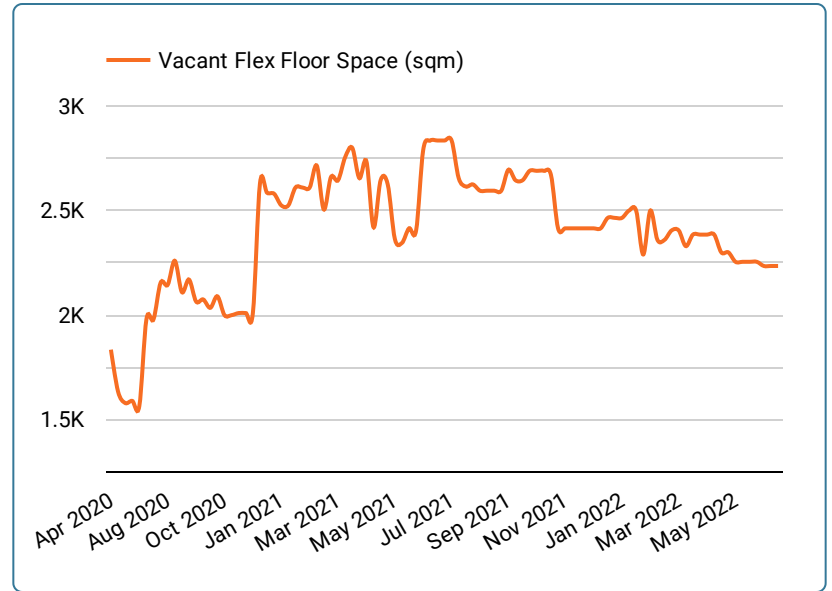
Vacant Offices	Vacant Space (sqm)
<b>51</b>	<b>2,235</b>
↓ -5.6%	↓ -4.1%
Vacant Workstations	Median Office Cost
<b>395</b>	<b>\$557</b>
↓ -4.6%	↑ 6.1%

Relative to previous quarter

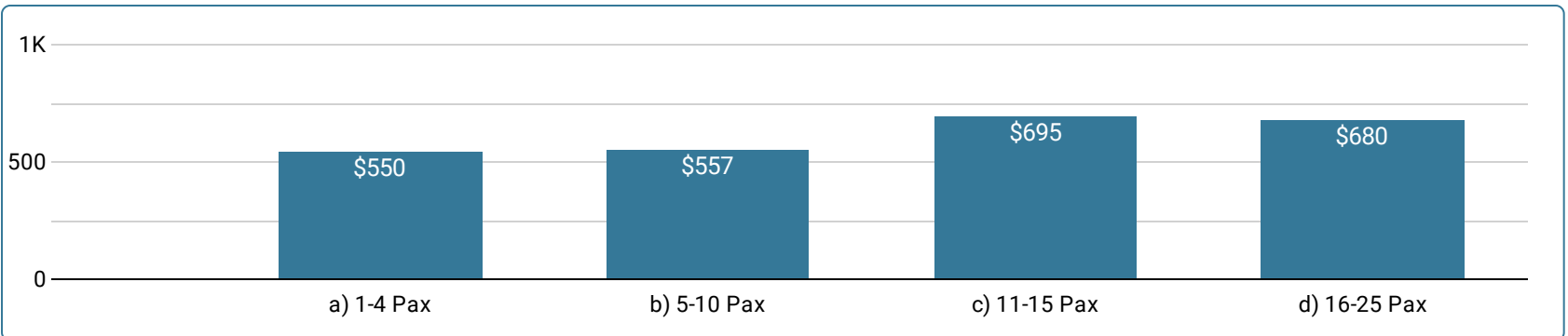
## Median Office Price /Person /Month & Trendline



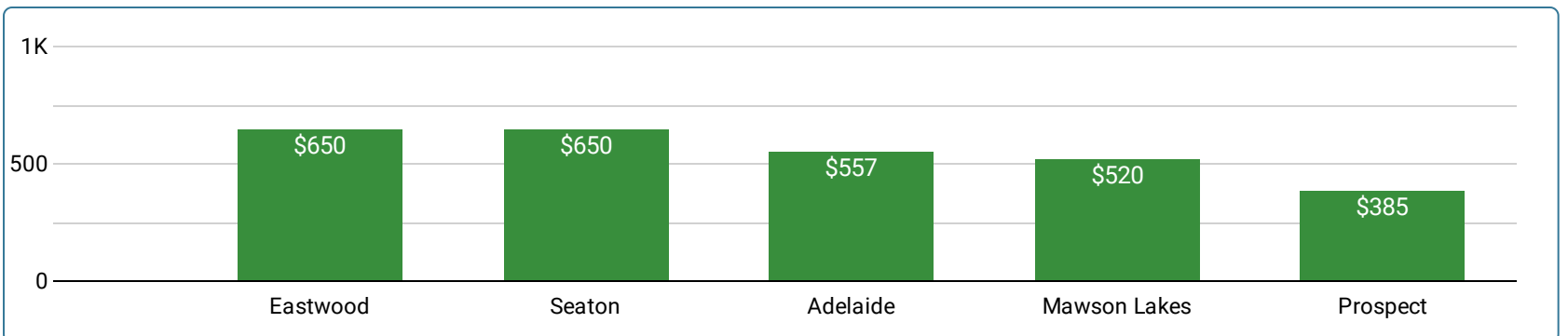
## Vacant Flex Space (sqm) over Time



## Adelaide Median Office Rate /Person /Month by Office Size



## Adelaide Median Office Rate per Person per Month by Suburb



# About Rubberdesk

Rubberdesk is Australia's flexible office marketplace with thousands of fully furnished and all-inclusive offices and coworking spaces available for rent by the month or year.

With offices in Australia, UK and Ireland, our proprietary platform and industry insights from dedicated flex space specialists, help tenants cover the whole Flex market to find the best space for their business.

All for free and without obligation.



## Your next steps...

**01.**

### Focused Brief

We'll turn your office space needs into a clear and actionable brief.

We'll listen to what your business needs and the results you want for your office investment.

You'll save time and focus only on the offices that tick all the right boxes.

You'll save money and get the features your business needs.

**02.**

### Covered Market

Rubberdesk covers the whole Flex space market, with live availability.

We'll give you a bespoke shortlist of the offices that best meet your brief.

When you're ready, we'll arrange inspections and get detailed proposals.

You'll save time and inspect only the most appropriate offices for your business.

**03.**

### Informed Decision

With up-to-date market analytics and custom proposals that meet your brief, you can make an informed decision.

You'll be ready to negotiate the terms that give your business the best outcome for your investment.

Your Rubberdesk Flex Specialist will help achieve your best outcome.

All for free and without obligation.