



Australian Flexible Office Market Report

Q3, 2023

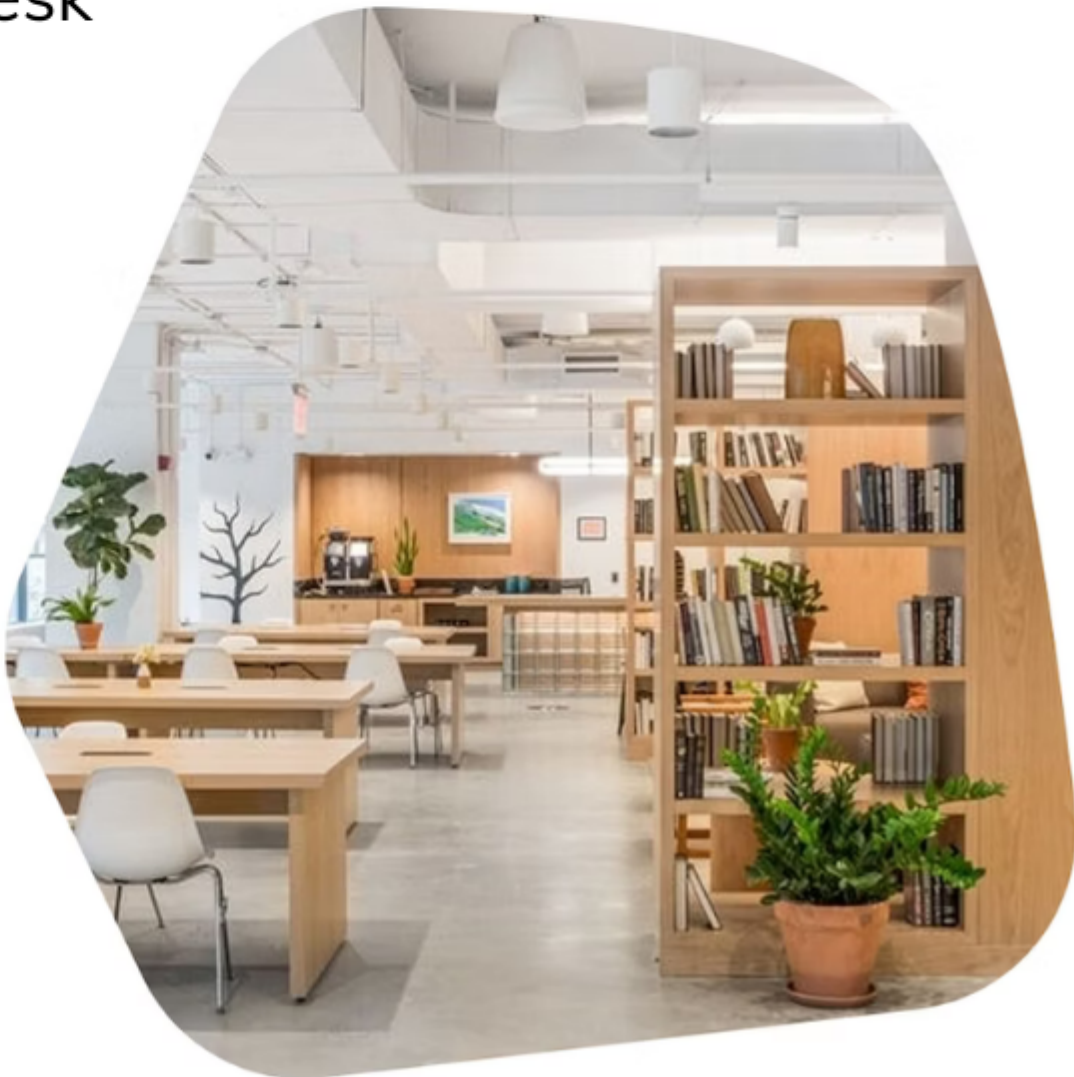
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Desk Rates Cool as Available Flex Space Increases 9.2% YoY

With per capita growth in decline and 70% of Australian businesses expecting a recession in the next 12 months, negative business sentiment has pushed vacancy rates higher and slowed flex take-up in Q3.

Despite a 1.5% increase in desk rates to \$660 since Q2, there are clear signs that prices may retract into Q4 as businesses wait it out and landlords continue to offer incentives to maintain tenants.

While desk rates across Australia cooled, including Sydney which fell 1% to \$975 per desk, rates in Melbourne went against the trend and drove overall prices higher as rates increased 4% to \$725 per desk. Prices for desks in Perth and Canberra remained flat while Brisbane and Adelaide 1% and 2.5% to \$600 and \$634 per desk respectively.

Larger enterprise offices for 16-25 people saw the most significant increase with an 11% increase to \$750 per desk from Q2 while offices for 26-50 staff were up 6% to \$735 per desk.

Flex Office Space at a Glance

Vacant Offices

2,468

↓ -1.9%

Vacant Space (sqm)

180,095

↑ 0.5%

Vacant Workstations

31,252

↓ -0.5%

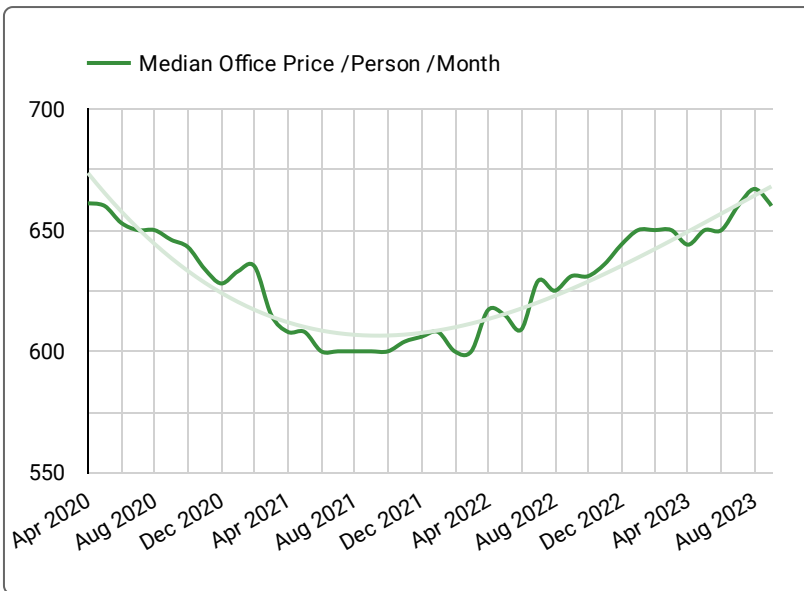
Median Office Cost

\$660

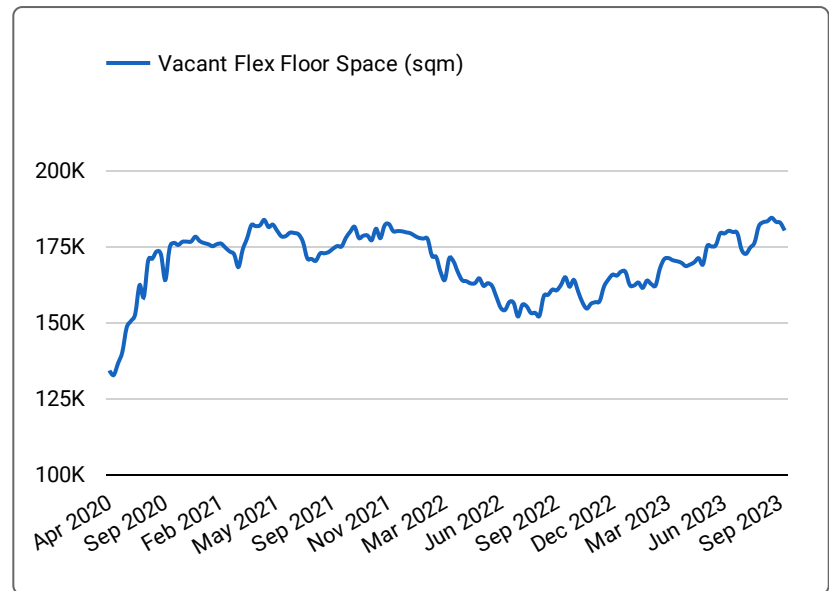
↑ 1.5%

Relative to previous quarter

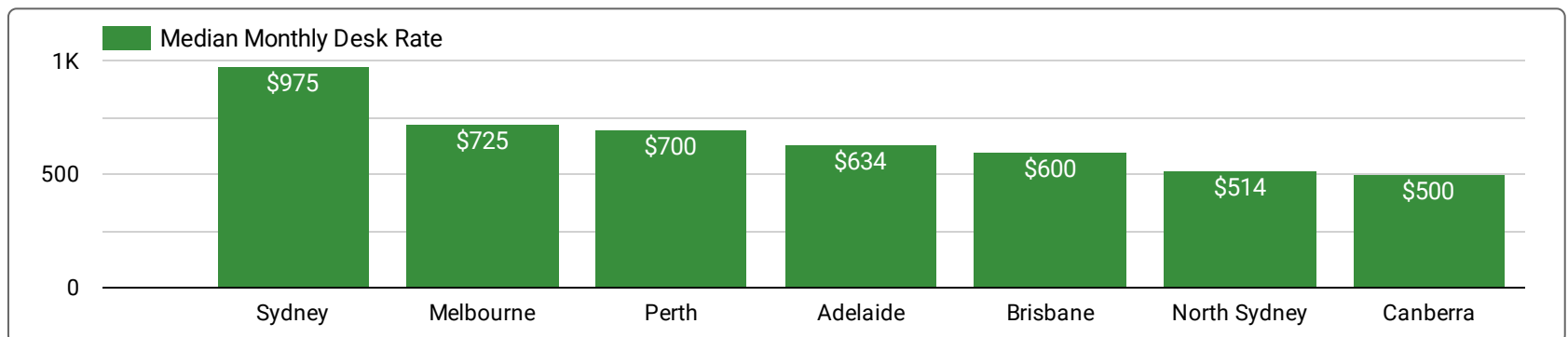
Median Office Price /Person /Month over Time



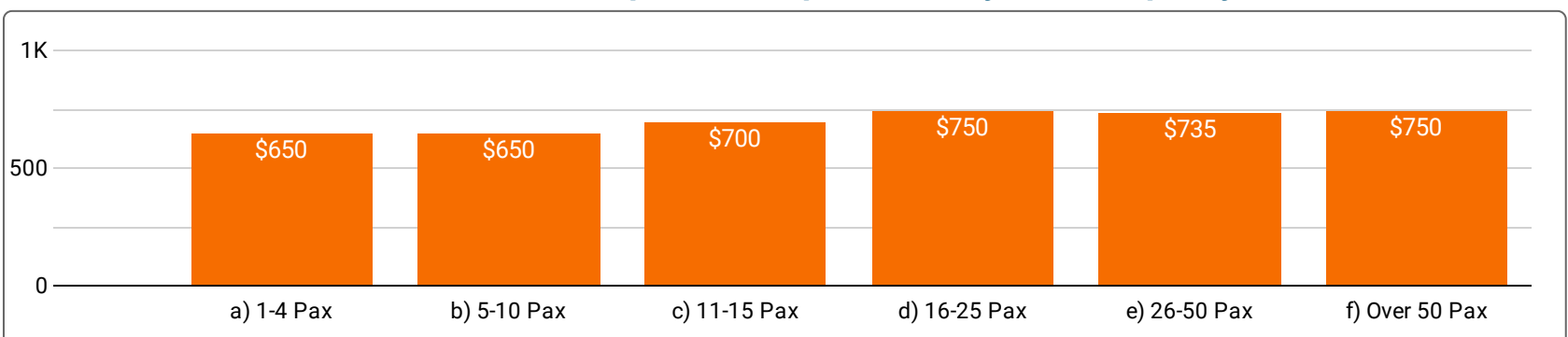
Vacant Flex Space (sqm) over Time



Median Office Rate per Person per Month by City



Median Office Rate per Person per Month by Office Capacity



Sydney CBD - Rates Fall 1% for First Time in 6 Quarters

Despite a year-over-year increase in desk rates across Sydney, the market has finally begun to show signs of price weariness falling 1% to \$975 per desk. As demand slowed further in Q3, supply increased by 7% with a mix of new subleases and traditional flex space added across the Rubberdesk platform.

Offices for mid-sized teams of 5 to 25 staff remained over \$1000 per desk but came under some price pressure for the first time in 2023, falling 3% to \$1018 per desk. On the other hand, larger offices for 50 or more people fell 16% to \$836 as demand dropped and operators began reconfiguring their available space for smaller spaces.

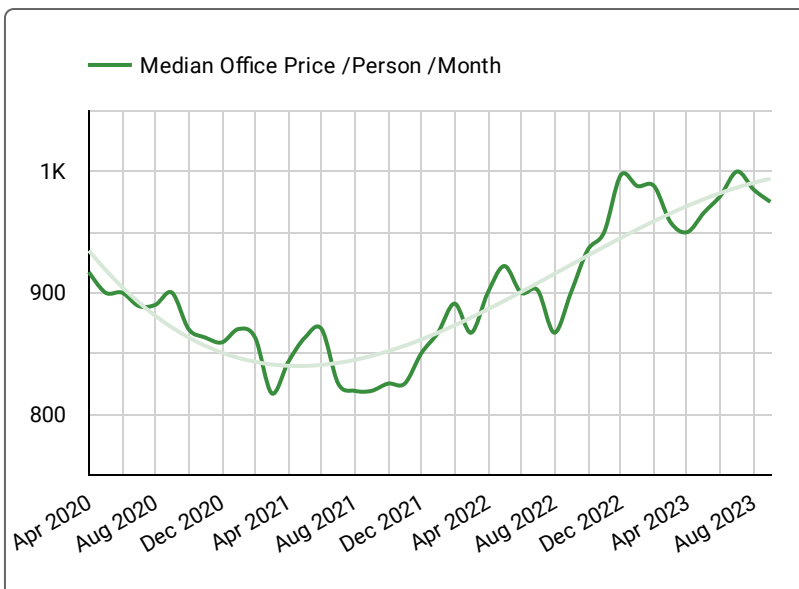
While prices within the Sydney CBD remained relatively unchanged from the previous quarter, suburbs outside the city center like Parramatta fell 12% to \$725 per desk while Manly dropped 14% to \$600 per desk as new supply was added. Despite premium prices within the Sydney CBD, businesses can find more economical options in Darlinghurst, Surry Hills, and North Sydney with rates of \$869, \$797, and \$514 per desk respectively.

Flex Office Space at a Glance

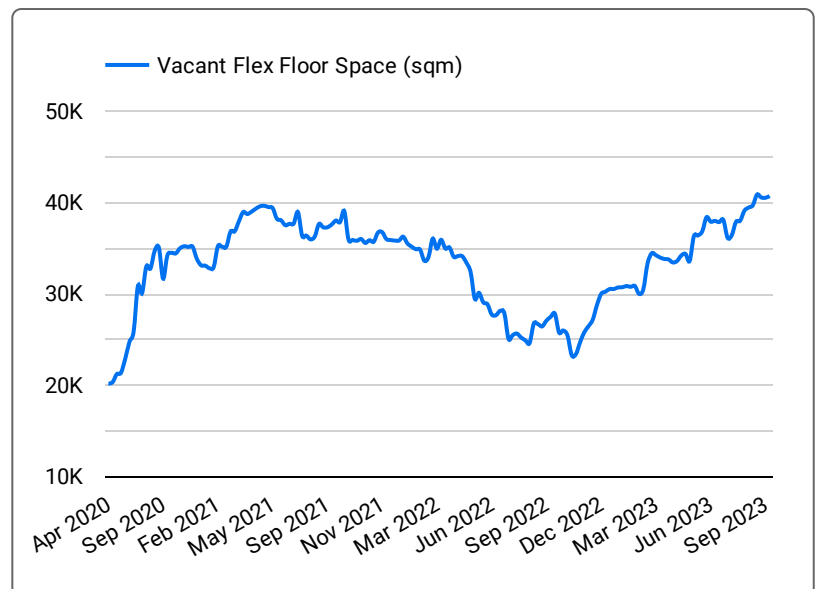
Vacant Offices	Vacant Space (sqm)
394	40,685
↑ 3.7%	↑ 6.9%
Vacant Workstations	Median Office Cost
7,283	\$975
↑ 4.1%	↓ -1%

Relative to previous quarter

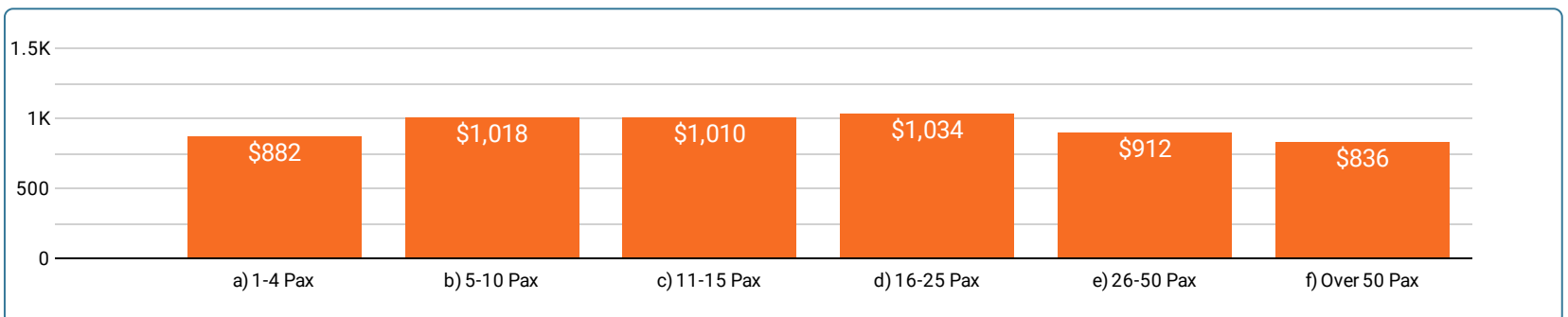
Median Office Price /Person /Month



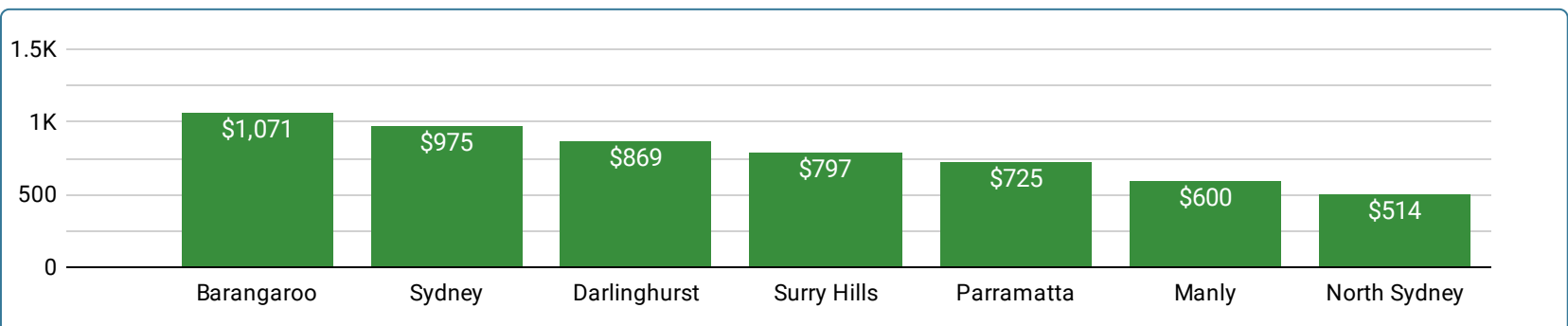
Vacant Flex Space (sqm)



Sydney Median Office Rate /Person /Month by Office Capacity



Sydney Median Office Rate per Person per Month by Suburb



Melbourne CBD - Desk Rates Rise 4% to Lead Aussie Market

Despite subdued demand and an increase in vacancy rates across commercial office towers to 15%, desk rates across Melbourne's CBD rose 4.3% to \$725 per desk as supply rose 3% to 38,660 sqm.

While desk rates fell by 3.4% and 1% in Melbourne's more expensive suburbs of Richmond and Cremorne to \$800 and \$792 per month respectively, Outside the CBD, Docklands saw the highest price increases, rising 15% to \$580 per desk, however, it remains the most economical suburb to rent office space in the city. Collingwood and Southbank also single digit increases of 9% and 7% to \$710 and \$750 per desk.

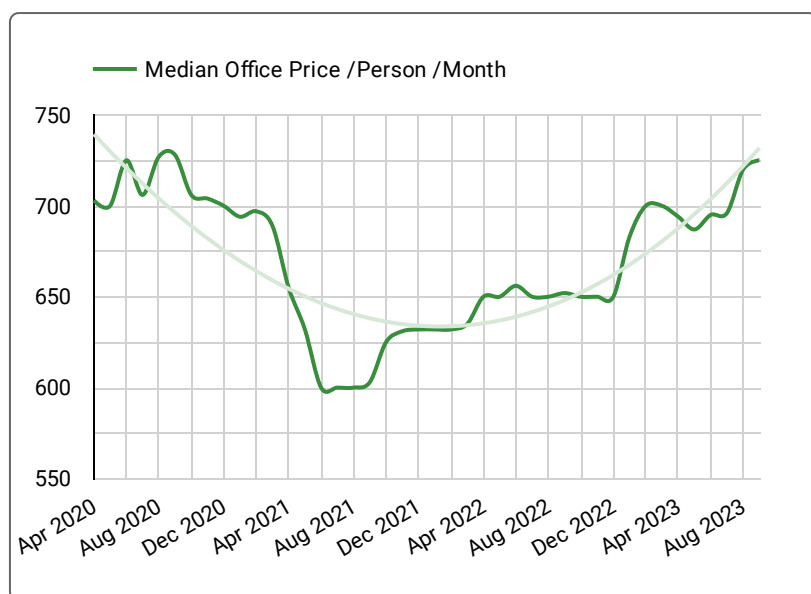
Desk rates for offices of less than 10 staff saw an average price drop of 4.5%, while mid-sized offices for teams of 11-15 and 16-25 were up by 8% to a median price of \$800 per desk. Larger offices for teams of 26 or more remained even at a median rate of \$697 per desk per month.

Flex Office Space at a Glance

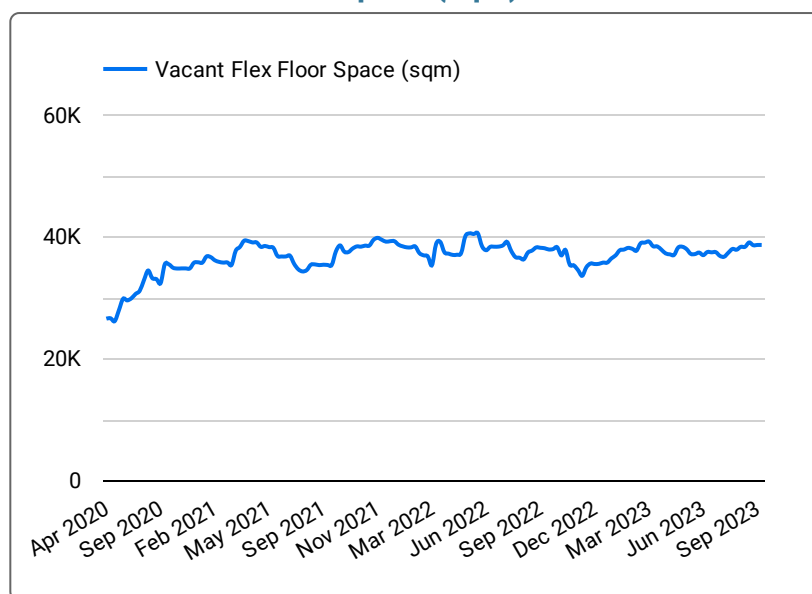
Vacant Offices	Vacant Space (sqm)
520	38,660
↓ -2.6%	↑ 3.1%
Vacant Workstations	Median Office Cost
7,038	\$725
↑ 3.8%	↑ 4.3%

Relative to previous quarter

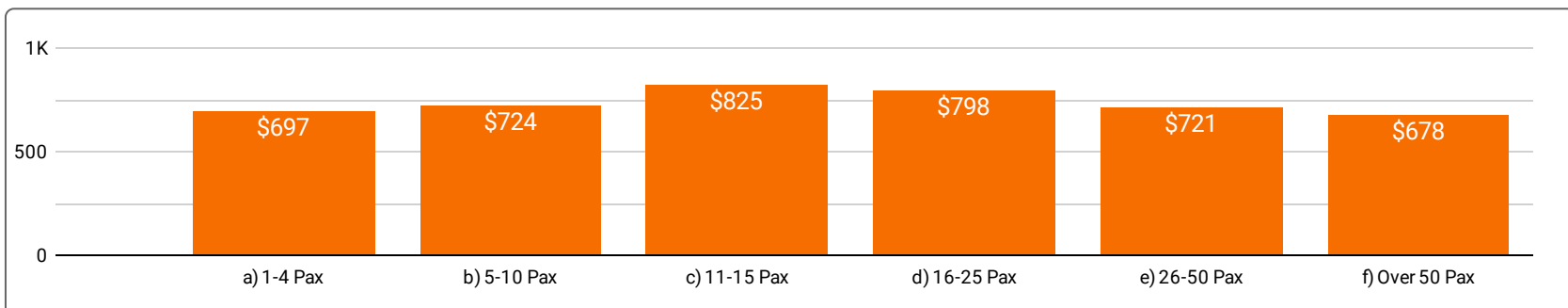
Median Office Price /Person /Month & Trendline



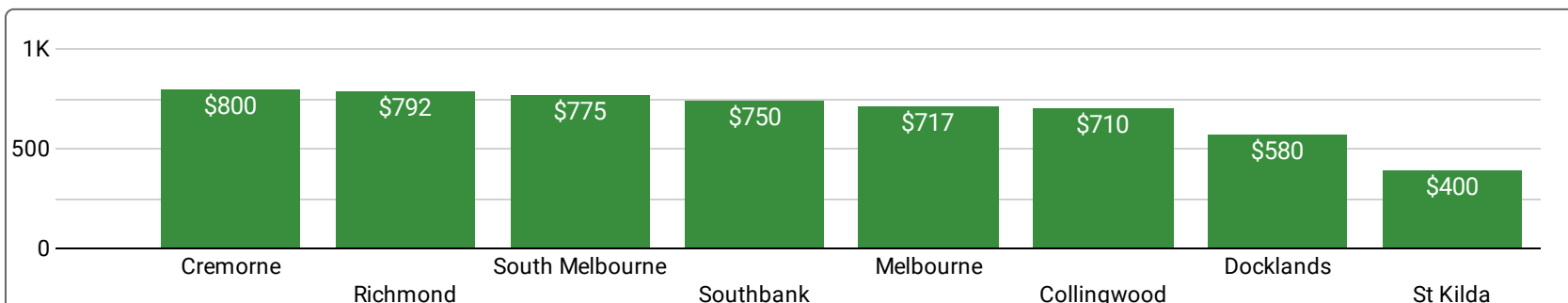
Vacant Flex Space (sqm) over Time



Melbourne Median Office Rate /Person /Month by Office Capacity



Melbourne Median Office Rate per Person per Month by Suburb



Greater Brisbane - Rates Fall 1% as Demands Slides

Though rates across the greater Brisbane area rose quickly at the start of Q3, they fell just as fast to \$600 per desk as rate increases outstripped demand. Surprisingly, inventory fell again to 12,050 sqm.

While desk rates in the Brisbane CBD fell 13.4%, prices across other suburbs like Bowen Hills saw a small increase of 2% to \$557 per desk. All other areas within the greater Brisbane like Fortitude Valley and South Brisbane remained unchanged from Q2 at \$750 and \$527 per desk respectively.

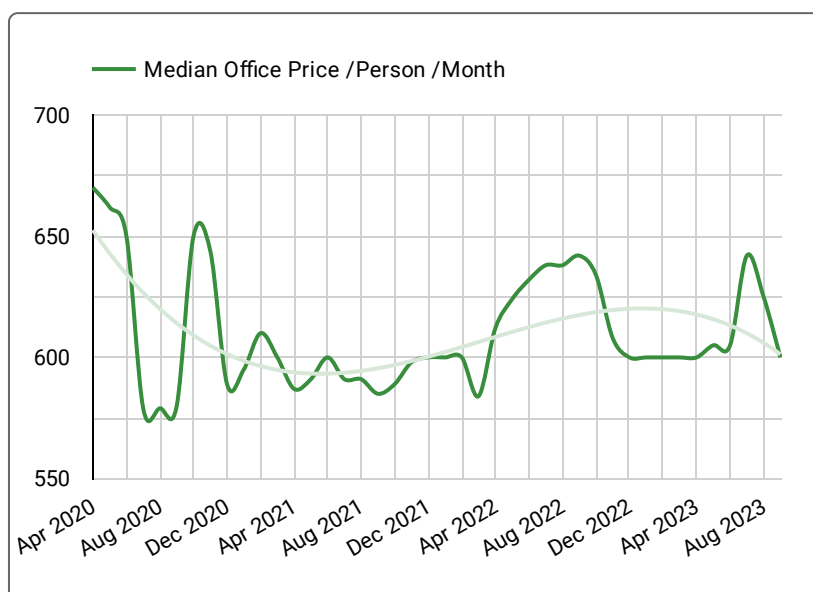
Smaller offices for 1-4 people, saw the largest decrease, falling 16% from \$717 per desk to \$600 while desk rates for 26 or more staff rose 22% to a median price of \$667 per desk on the back of a 37% decrease in these larger enterprise offices.

Flex Office Space at a Glance

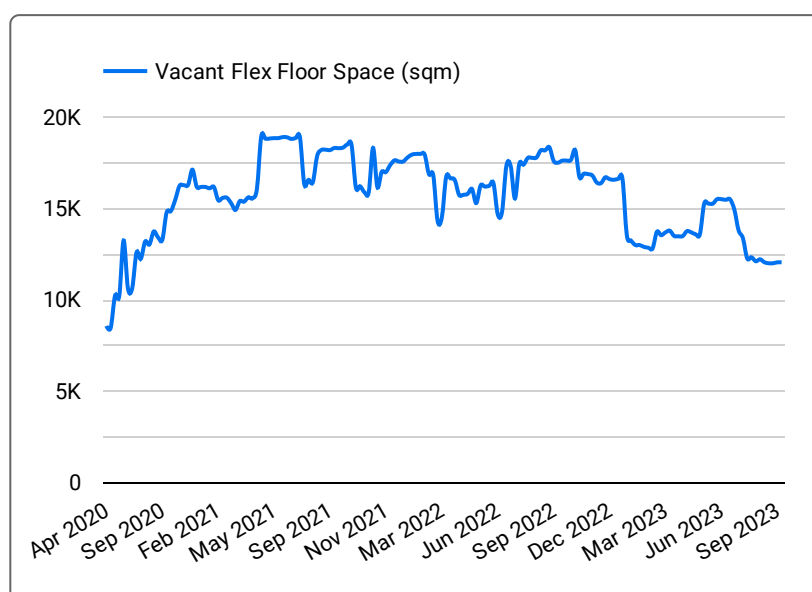
Vacant Offices	Vacant Space (sqm)
190	12,050
↓ -14.8%	↓ -19.4%
Vacant Workstations	Median Office Cost
2,240	\$600
↓ -21.5%	↓ -0.8%

Relative to previous quarter

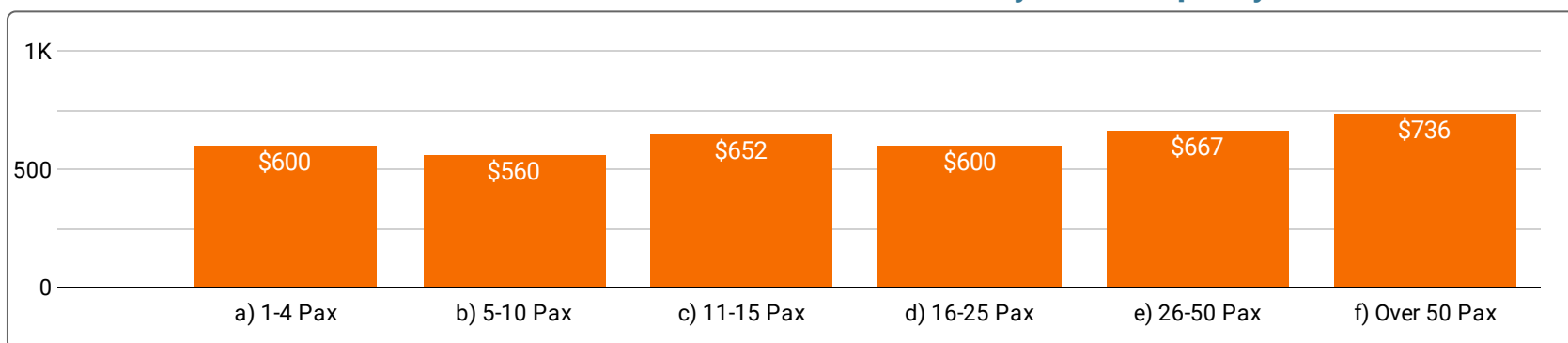
Median Office Price /Person /Month & Trendline



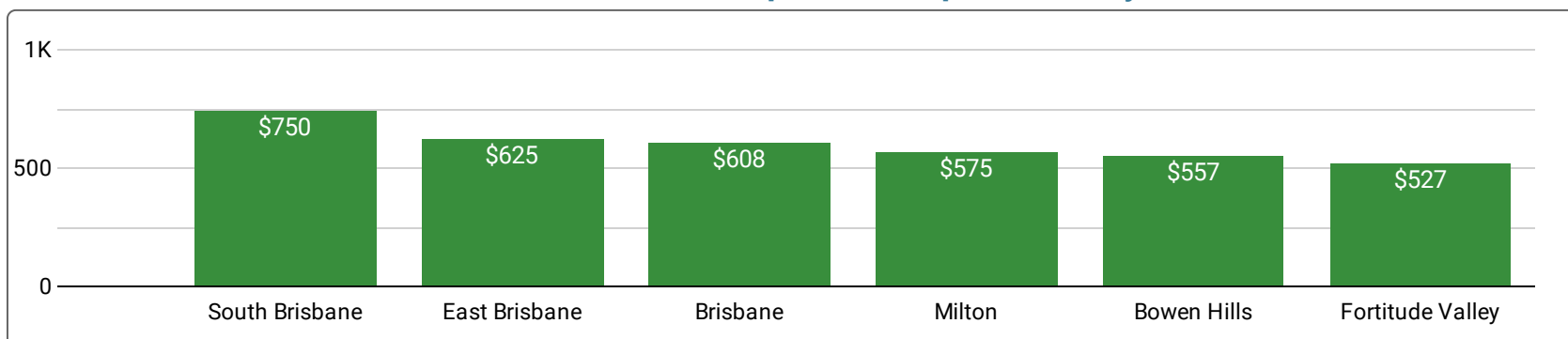
Vacant Flex Space (sqm) over Time



Brisbane Median Office Rate /Person /Month by Office Capacity



Brisbane Median Office Rate per Person per Month by Suburb



Perth: Rates Remain Unchanged as Inventory Dips 11%

With a tight commercial real estate market, desk rates for flexible office space in Perth remained unchanged at \$700 per desk. Though supply dropped by 11%, softer demand wasn't enough to move the needle on price.

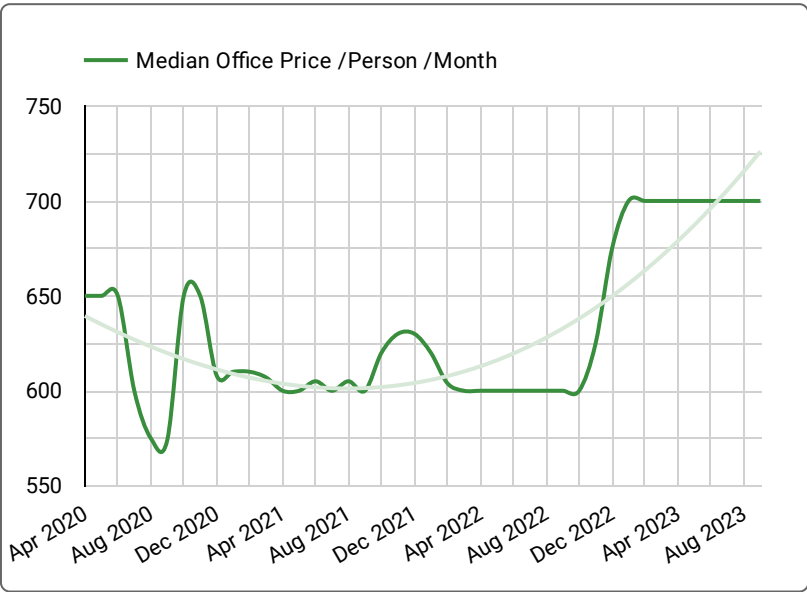
As a smaller market, 87% of all available spaces cater to teams of 10 or fewer. Rates for 1-4-person offices fell 5% to \$700 per desk while offices for teams of 5-10 people fell 7% to \$650 per desk.

Although desk rates outside the Perth CBD are on average \$100 less than those found in the CBD, these locations only make up 29% of the available space and provide limited options for businesses looking for a serviced office with all the amenities.

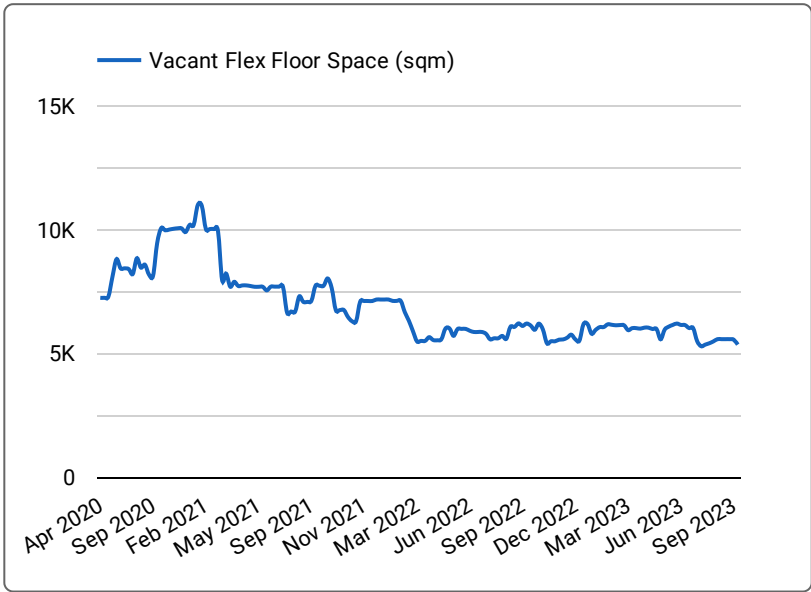
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqm)
108	5,370
↓ -6.9%	↓ -11.1%
Vacant Workstations	Median Office Cost
944	\$700
↓ -11.7%	0.0%
Relative to previous quarter	

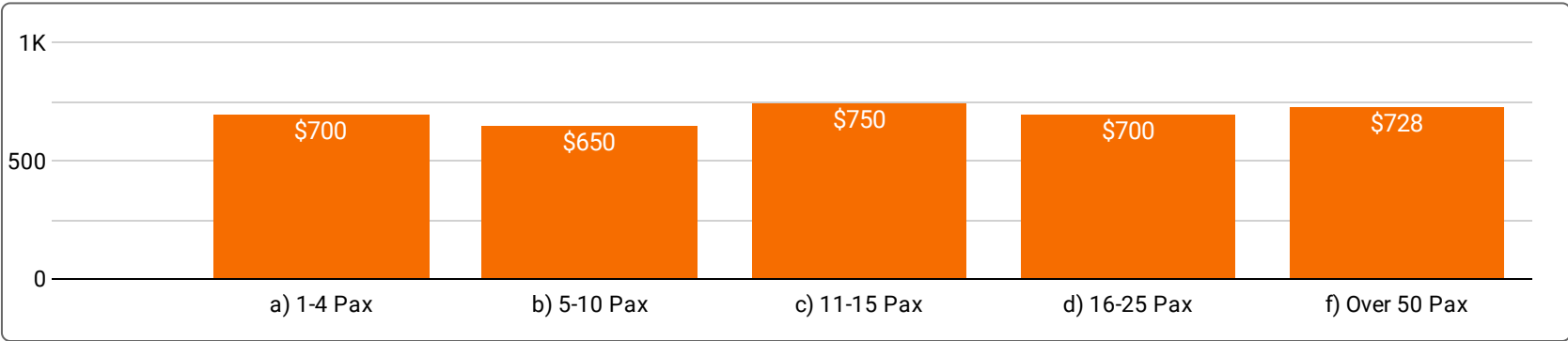
Median Office Price /Person /Month & Trendline



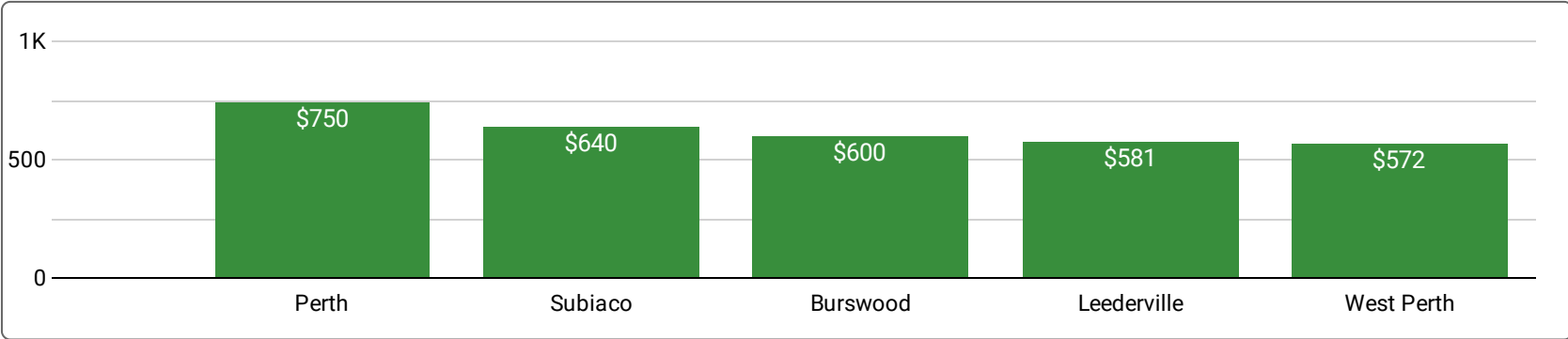
Vacant Flex Space (sqm) over Time



Perth Median Office Rate /Person /Month by Office Capacity



Perth Median Office Rate per Person per Month by Suburb



Canberra: Available Flex Space Unchanged

After sharp price swings in early 2023, the desk rates in greater Canberra have returned to their long-term rate of \$500 per desk per month. Though there are savings to be had in suburban areas such as Symonston, Phillip, and Dickson at a median rate of \$400 per desk options are limited. The Central Business District (CBD) on the other hand provides twice the amount of choice but comes at a premium of \$525 per desk.

With 85% of the available space focused on smaller teams of 1-10 people, options for larger teams with over 15 staff are extremely limited. The Canberra market is best suited for smaller teams.

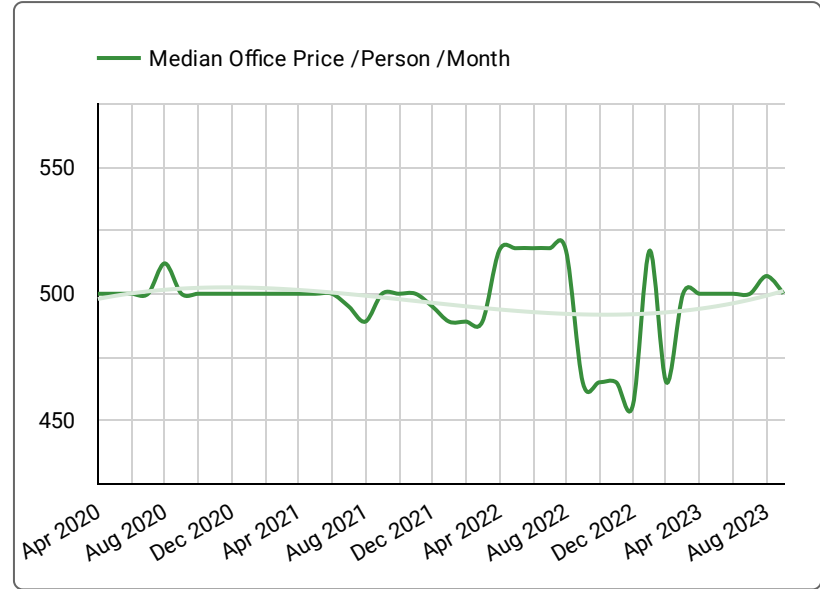
Despite limited options, Canberra still presents a reasonable selection of 17 operators to choose from, including well-known names such as Work Club Global, WOTSO, Hub Australia, and Servcorp.

Flex Office Space at a Glance

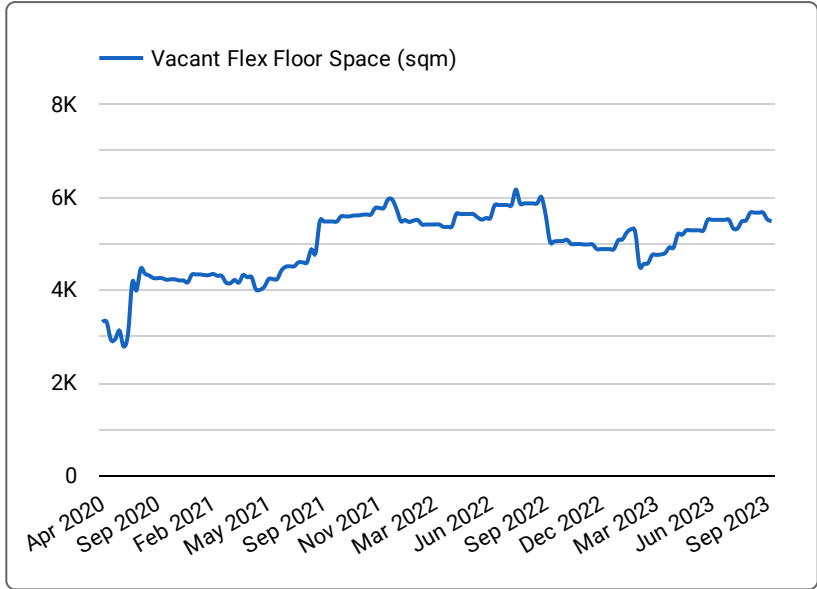
Vacant Offices	Vacant Space (sqm)
91	5,480
↓ -7.1%	↓ -0.5%
Vacant Workstations	Median Office Cost
1,004	\$500
↓ -3.4%	0.0%

Relative to previous quarter

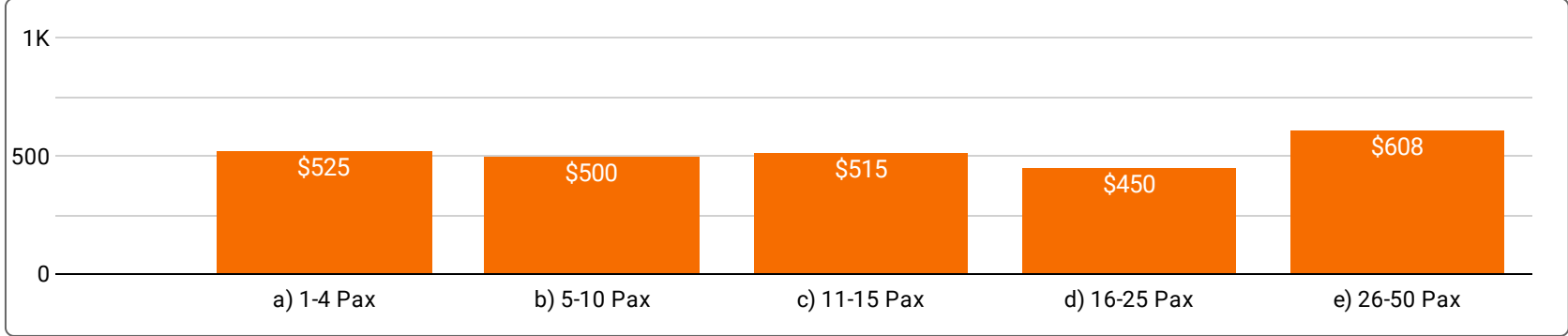
Median Office Price /Person /Month & Trendline



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: Desk Rates Cool 2.5% QoQ

Desk rates across the greater Adelaide market fell 2.5%, resulting in the first quarterly decrease in the past year to \$634 per desk. Supply increased by 2% to 695 vacant workstations.

78% of all available offices are located in the Adelaide CBD though there are a few options available in Eastwood, Seaton, and Mawson Lakes.

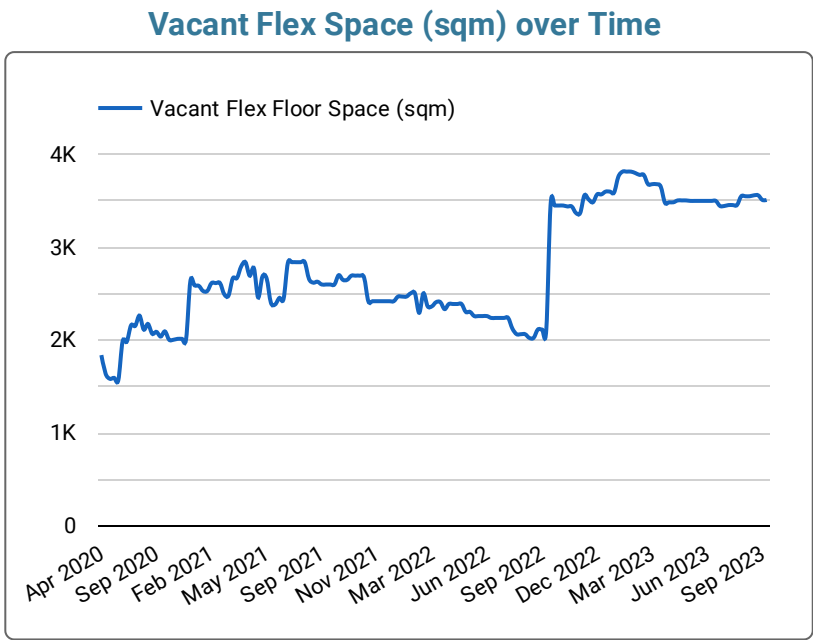
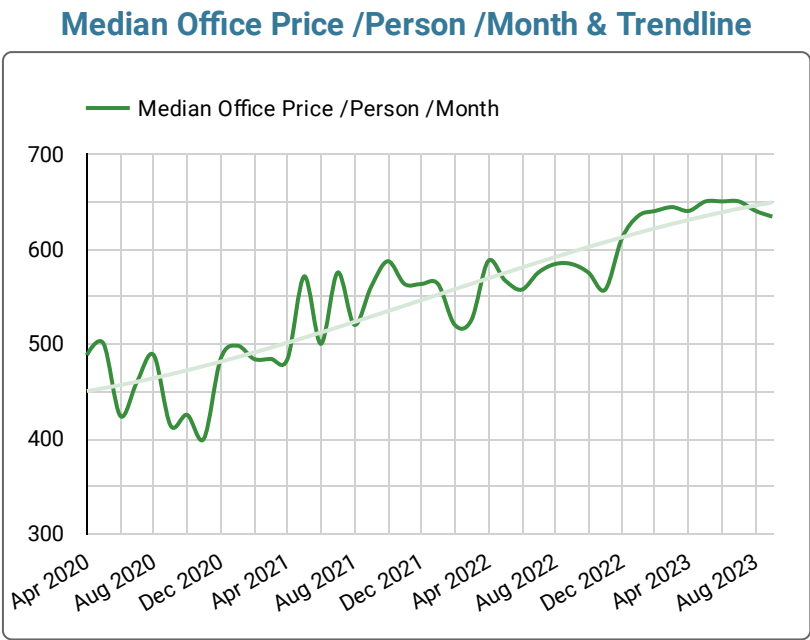
With smaller offices for teams of 1-10 making up 86% of all available spaces, businesses will find a median rate of \$563 to be a bit more palatable to the budget while offices for larger teams of 50 or more staff attract a much higher premium starting at \$1,070 per desk.

As a smaller market with limited supply. Adelaide has a strong independent coworking scene with operators such as Spot Coworking, Business Hub, Mache, Wilkin Group, and The Innovation Factory.

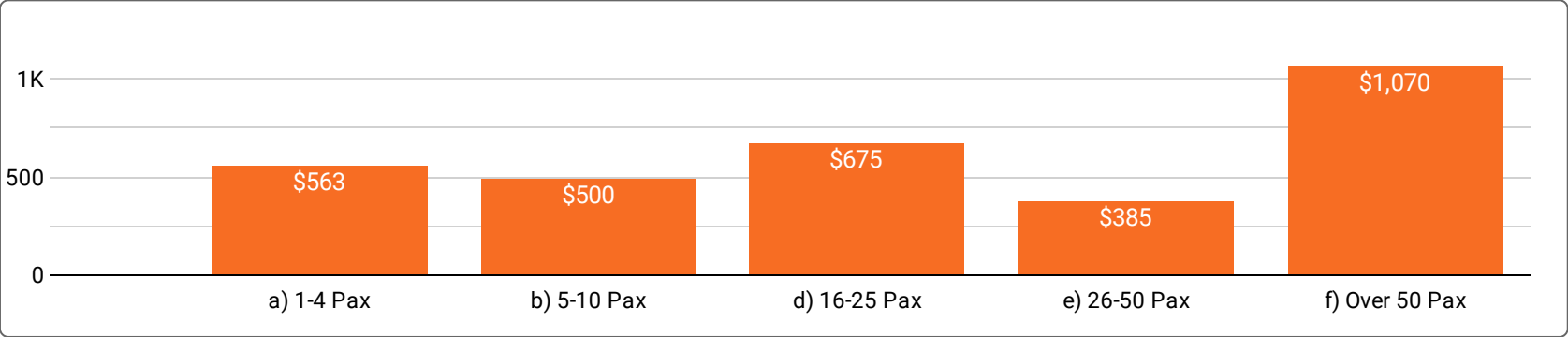
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqm)
45	3,880
↑ 2.3%	↑ 1.7%
Vacant Workstations	Median Office Cost
695	\$634
↑ 1.9%	↓ -2.5%

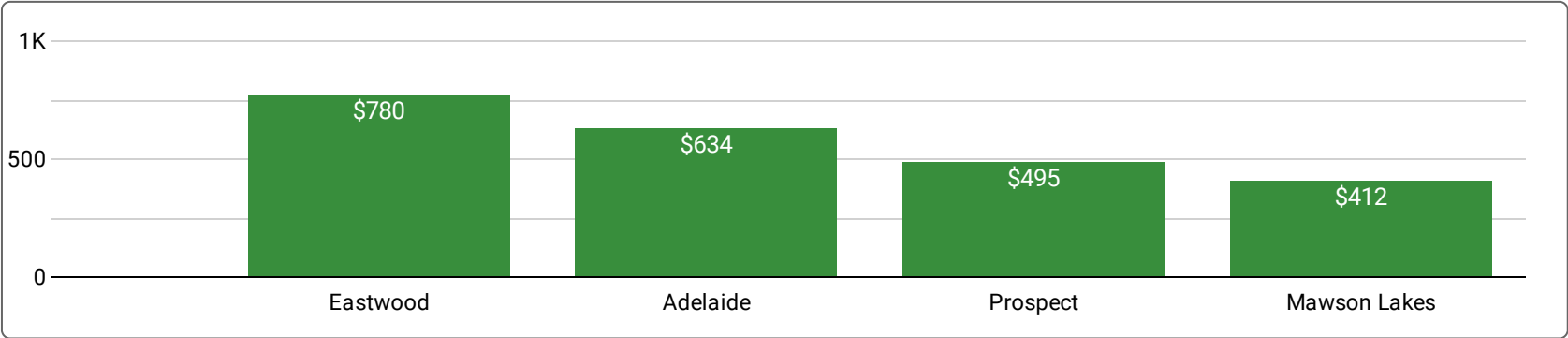
Relative to previous quarter



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.