



Australian Flexible Office Market Report

Q1, 2024

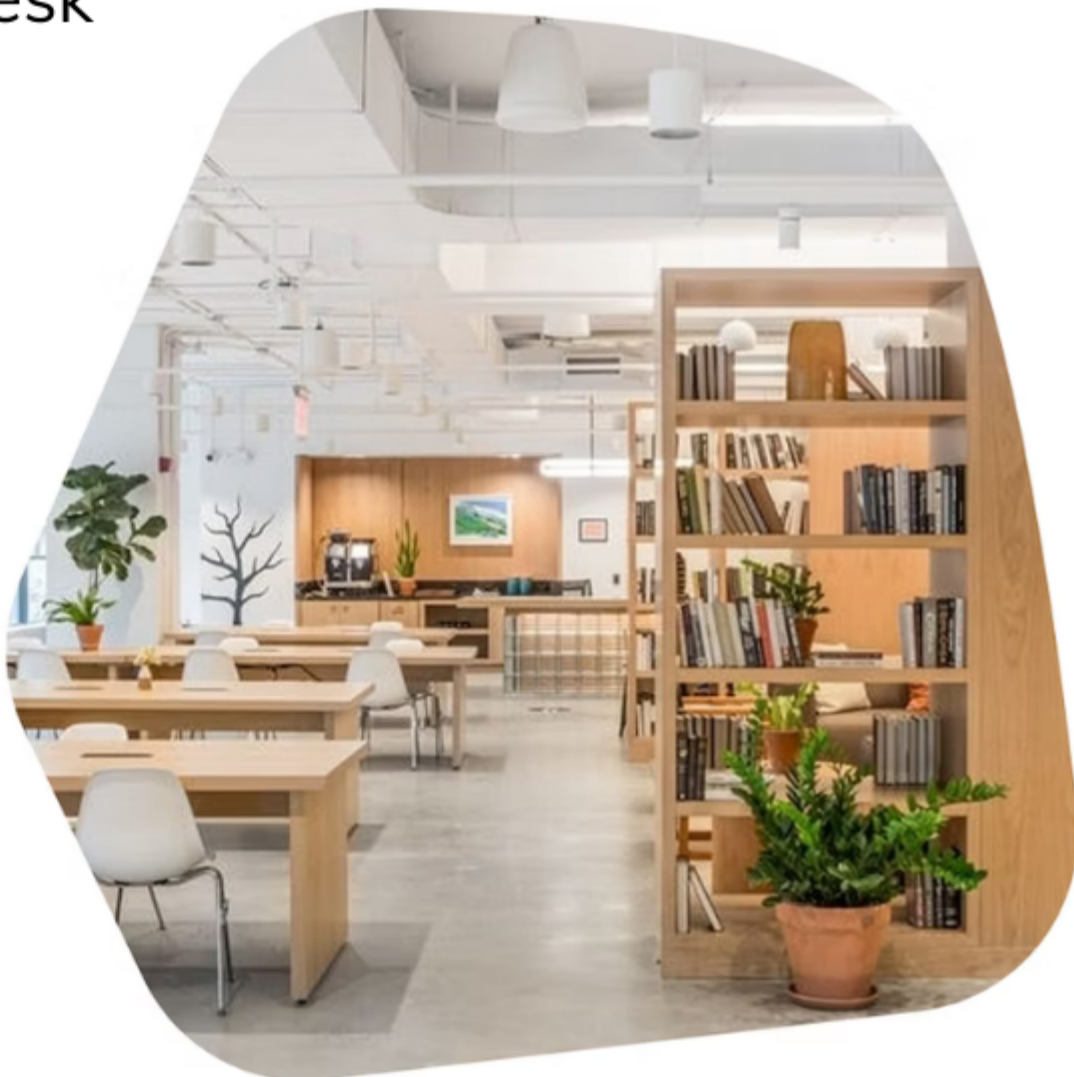
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Flex Desk Rates Show Resilience Amid Economic Challenges

Despite the current economic environment, the national desk rate in Australia continued to show resilience with desk rates holding steady at \$660 per desk in Q4.

Though national prices remained static, the rate conceals significant regional variations. For instance, desk rates in Sydney, a leading market in flexible office space fell 3% to \$943. Meanwhile rates in Melbourne and North Sydney hit new highs of \$728 and \$625 per desk respectively. Canberra also saw a price increase of 2% to \$510 per desk while Brisbane and Perth remained unchanged at \$700 and \$600 per desk. Like Sydney, rates in Adelaide fell from their peak of \$650 per desk to \$600 in Q4.

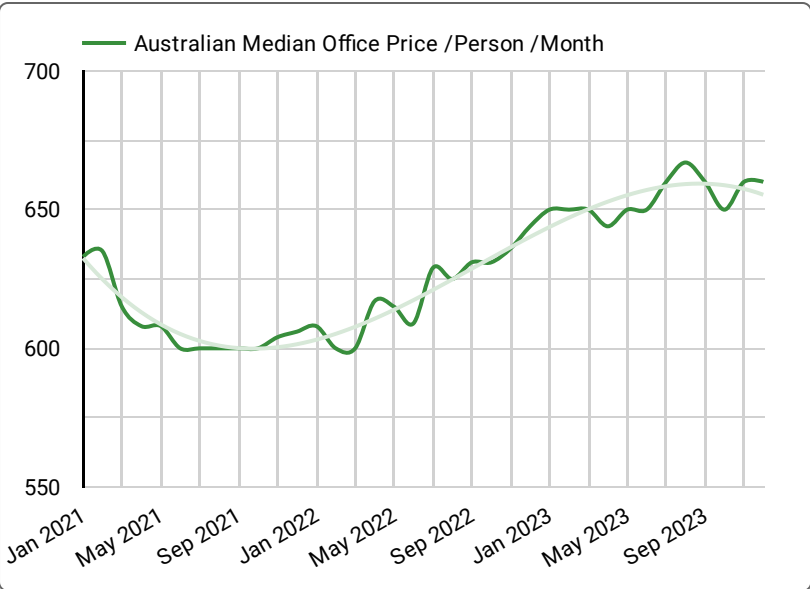
With the RBA forecasting below-average growth in the short term and a slower-than-anticipated decline in inflation, the 2024 economic outlook poses challenges and uncertainty for tenants that Flex Office space is ideally positioned to service.

Flex Office Space at a Glance

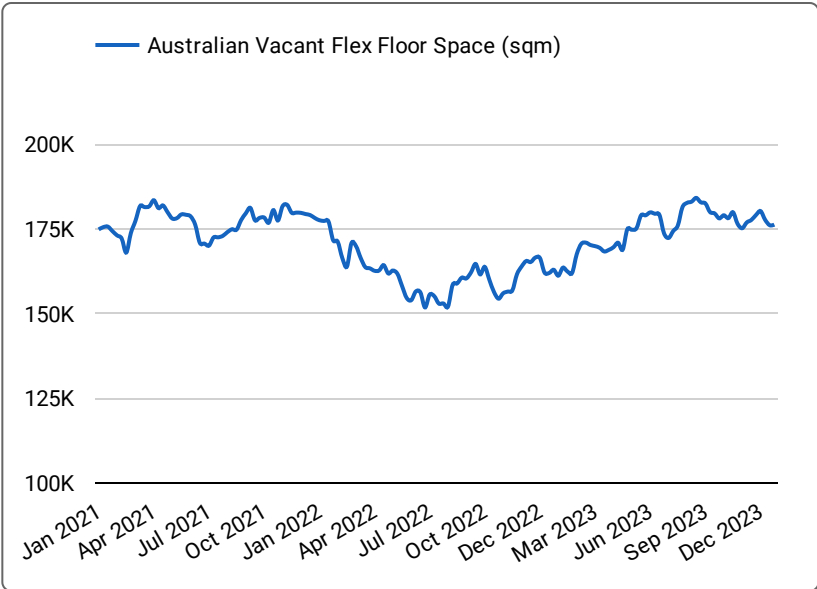
Vacant Offices	Vacant Space (sqm)
2,535	176,360
↑ 3.0%	↓ -1.8%
Vacant Workstations	Median Office Cost
30,741	\$660
↓ -1.4%	0.0%

Relative to previous quarter

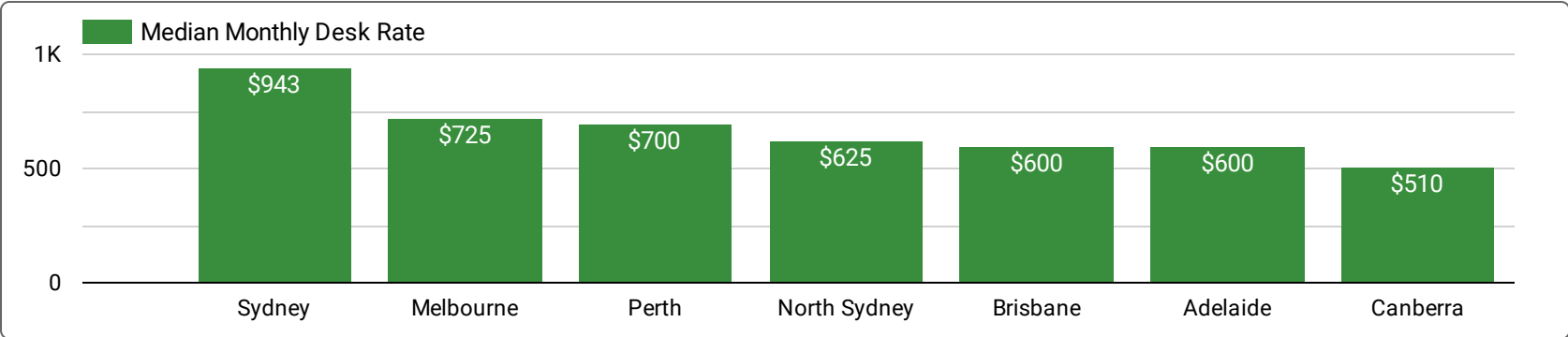
Median Office Price /Person /Month over Time



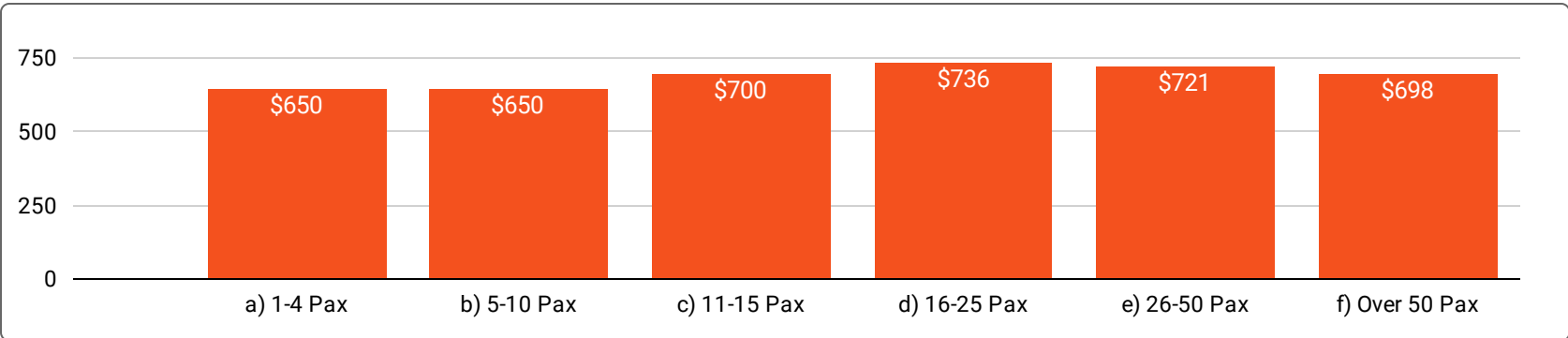
Vacant Flex Space (sqm) over Time



Median Office Rate per Person per Month by City



Median Office Rate per Person per Month by Office Capacity



Sydney CBD Desk Rates in Decline - Down 3%

After two years of strong growth, desk rates in Sydney softened by December, down 6% from their peak in July to \$943 per desk driven by end of year deals.

Available space, which had been on the constant rise since Q3, fell 11% in Q4 to 36,395sqm, partly from new tenants and partly centre closures.

Outside the CBD, Parramatta fell for a second consecutive quarter to \$714 per desk while Surry Hills slipped 5% to \$758 per desk.

Reversing this trend, desk rates in North Sydney reached a new high of \$625 per desk, up 21% over the past quarter, driven by high quality new centre openings adding a 36% increase in new supply.

Flex Office Space at a Glance

Vacant Offices

389

↓ -1.5%

Vacant Space (sqm)

36,395

↓ -10.6%

Vacant Workstations

6,596

↓ -9.5%

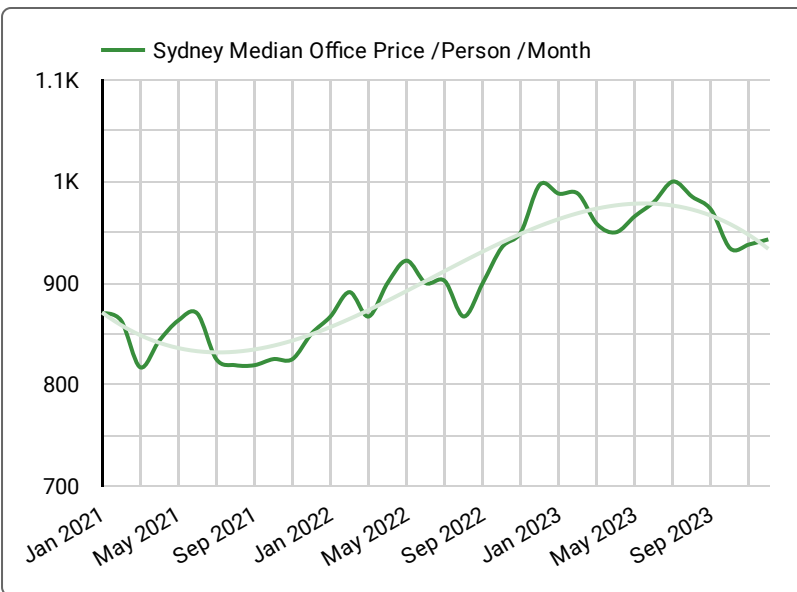
Median Office Cost

\$943

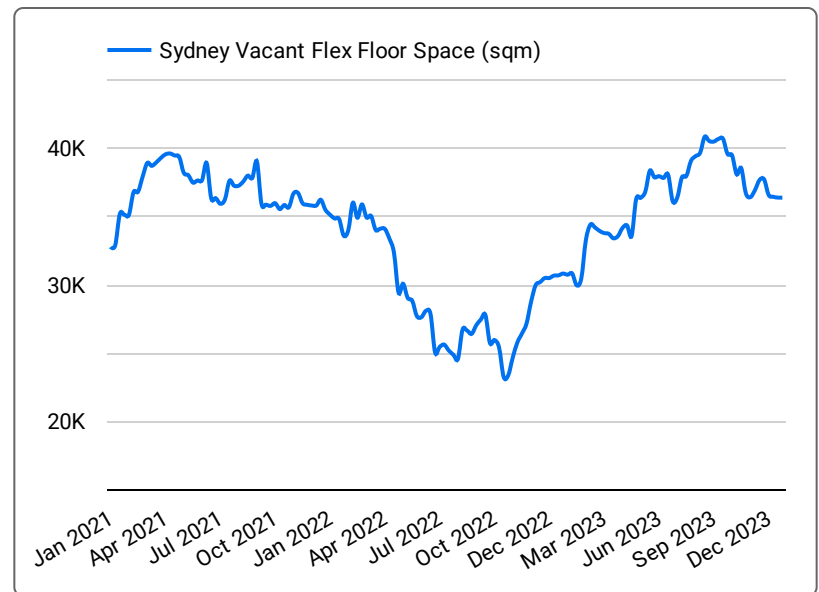
↓ -3.0%

Relative to previous quarter

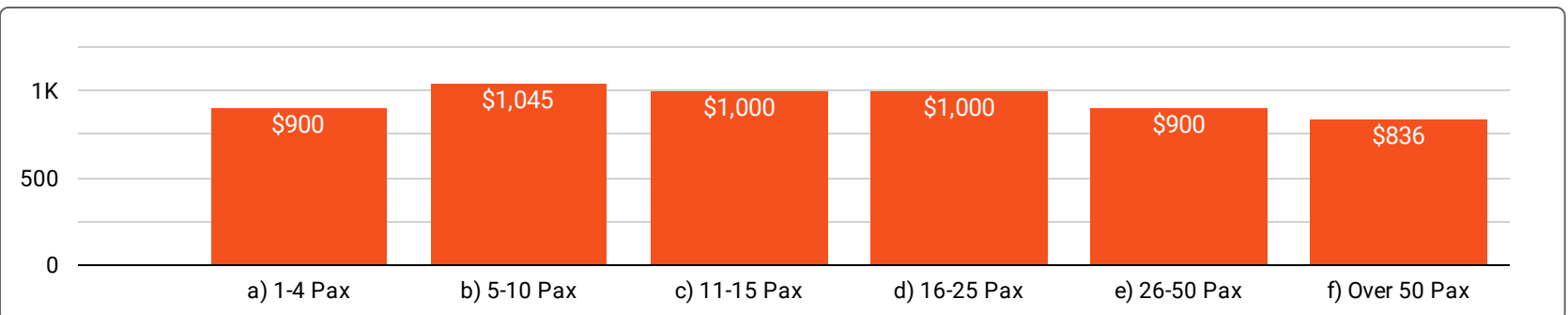
Median Office Price /Person /Month



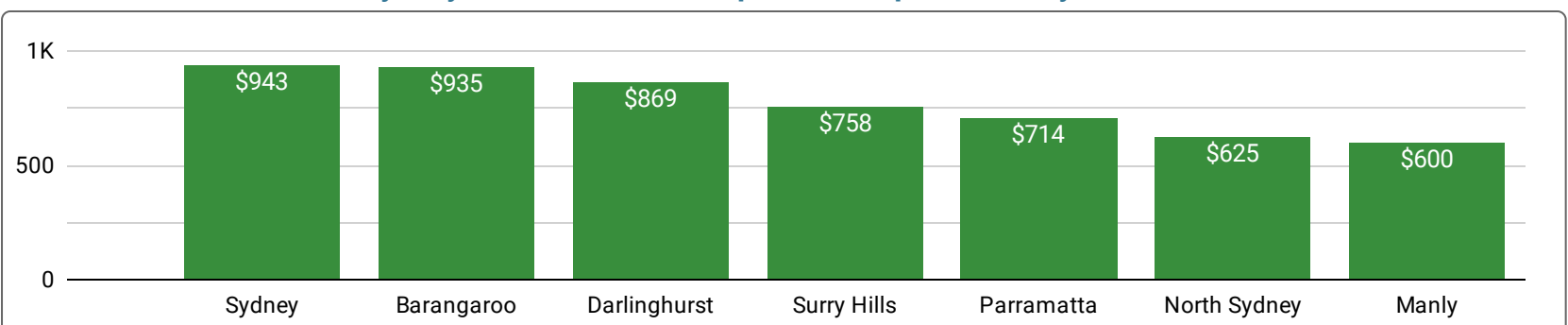
Vacant Flex Space (sqm)



Sydney Median Office Rate /Person /Month by Office Capacity



Sydney Median Office Rate per Person per Month by Suburb



Melbourne CBD Desk Rates Surge 12% YoY

As Melbourne businesses navigate their way back to the office, demand for flexible offices has increased and raised prices to \$725 per desk, a 12% increase since the start of the year and 21% since hitting rock bottom in 2021. Despite a reduction in supply in December, operators have responded with new inventory across most office sizes ending the year with a total of 39,400 sqm.

While desk rates in Southbank remained unchanged at \$750 per desk, many areas saw rates rise including 1.5% in the CBD to \$728 per desk, 2% in Collingwood to \$725 per desk and 12% in Docklands to \$652 per desk. In fact, Docklands has been the biggest gainer all year, seeing a 30% increase in prices since June 2023.

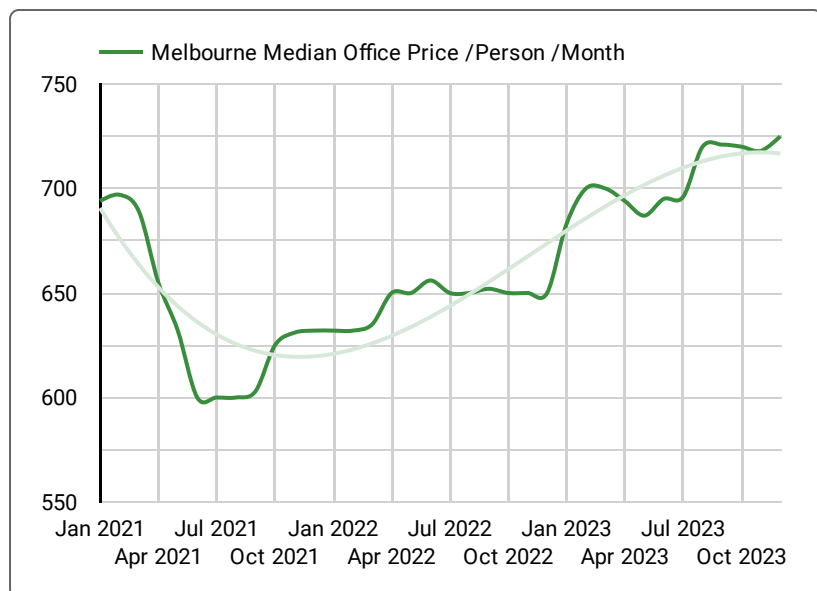
Desk rates for offices of less than 10 staff which makes up 71% of all available offices remained unchanged at \$700 per desk while larger offices with more breakout space led the market with a 6% increase to a median price of \$765 per desk.

Flex Office Space at a Glance

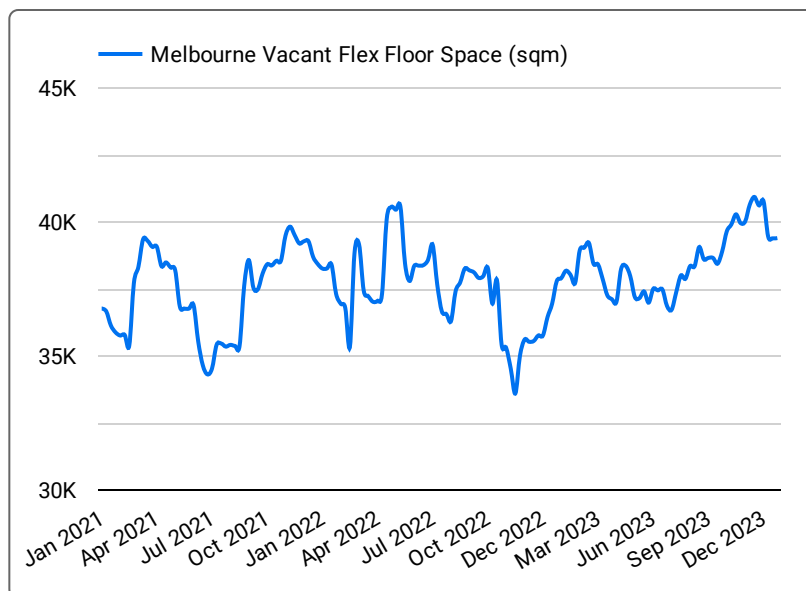
Vacant Offices	Vacant Space (sqm)
528	39,400
↑ 3.9%	↑ 2.5%
Vacant Workstations	Median Office Cost
7,154	\$725
↑ 2.4%	↑ 0.6%

Relative to previous quarter

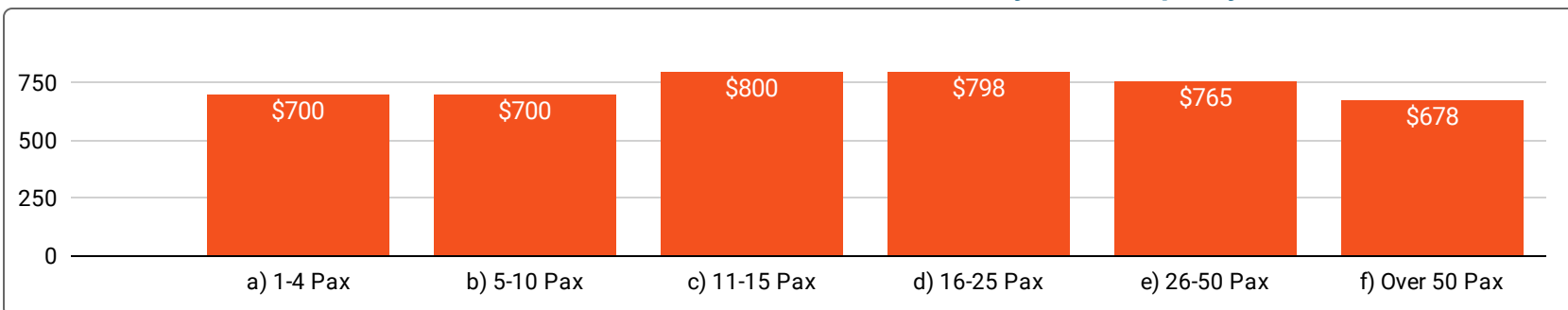
Median Office Price /Person /Month & Trendline



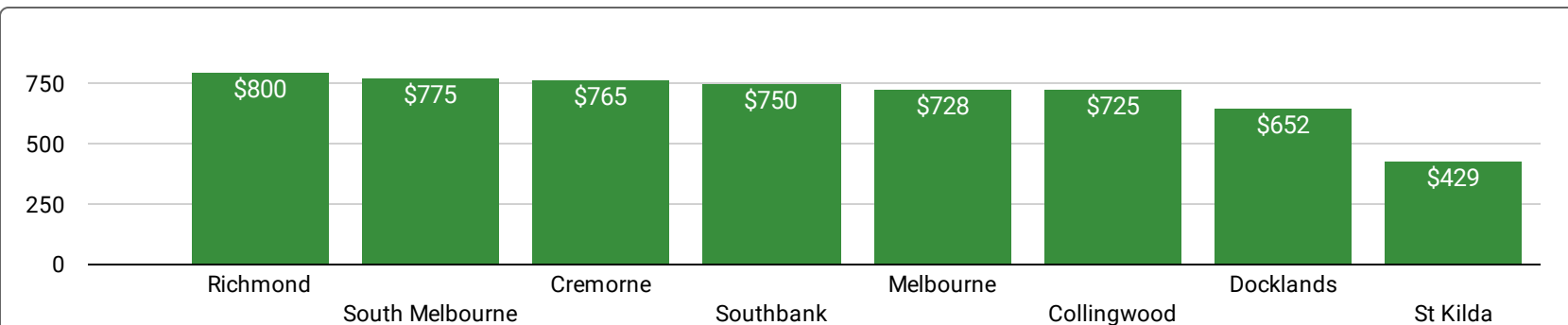
Vacant Flex Space (sqm) over Time



Melbourne Median Office Rate /Person /Month by Office Capacity



Melbourne Median Office Rate per Person per Month by Suburb



Workspace365 & Space&Co Revitalise the Brisbane Market

After falling throughout the year, supply of flexible office space got a well needed burst in Q4 thanks to the addition of new offices from Workspace365 & Space&Co. Desk rates, which rose sharply in Q2 have now settled at \$600 per desk.

Desk rates for larger offices of 26 or more staff fell over 12% to \$584 per desk on the back of a 26% increase in inventory across these larger enterprise offices. Meanwhile office space for smaller teams of 5-10 saw a 8% increase in desk rates to \$600 per desk even though inventories increased 21%.

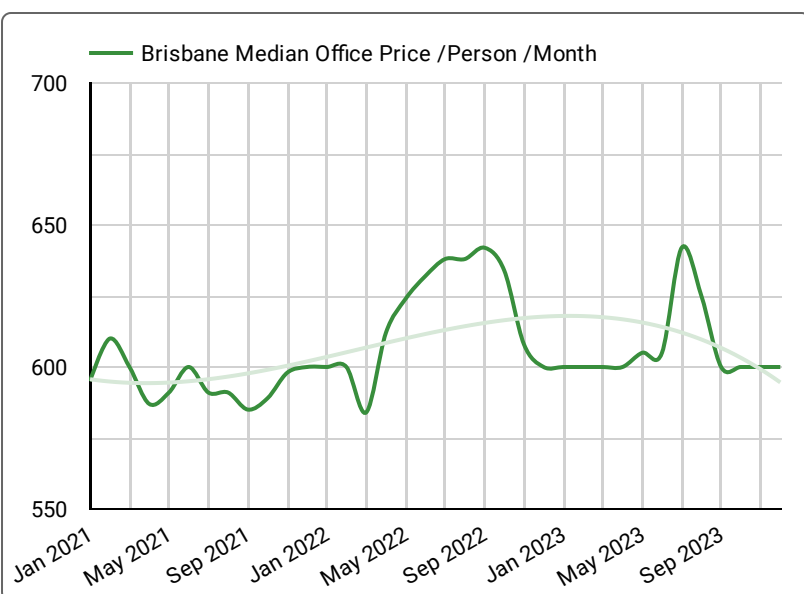
While desk rates in the Brisbane CBD and Fortitude Valley, which account for 83% of all available offices in the greater Brisbane areas, prices across South Brisbane saw prices rise 7% to \$800 per desk due to dwindling supply. All other areas within the greater Brisbane like Milton and Bowen Hills remained unchanged from Q3 at \$575 and \$557 per desk respectively.

Flex Office Space at a Glance

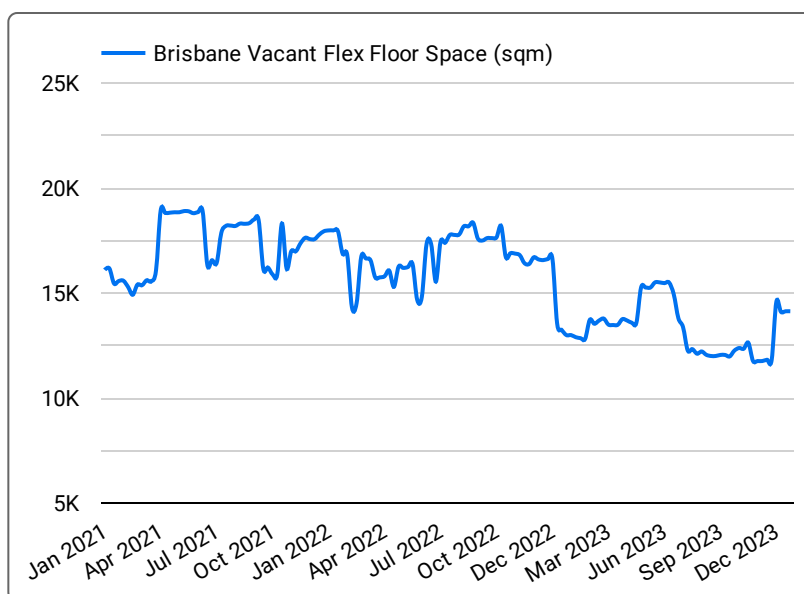
Vacant Offices	Vacant Space (sqm)
217	14,130
↑ 15.4%	↑ 17.9%
Vacant Workstations	Median Office Cost
2,672	\$600
↑ 19.7%	0.0%

Relative to previous quarter

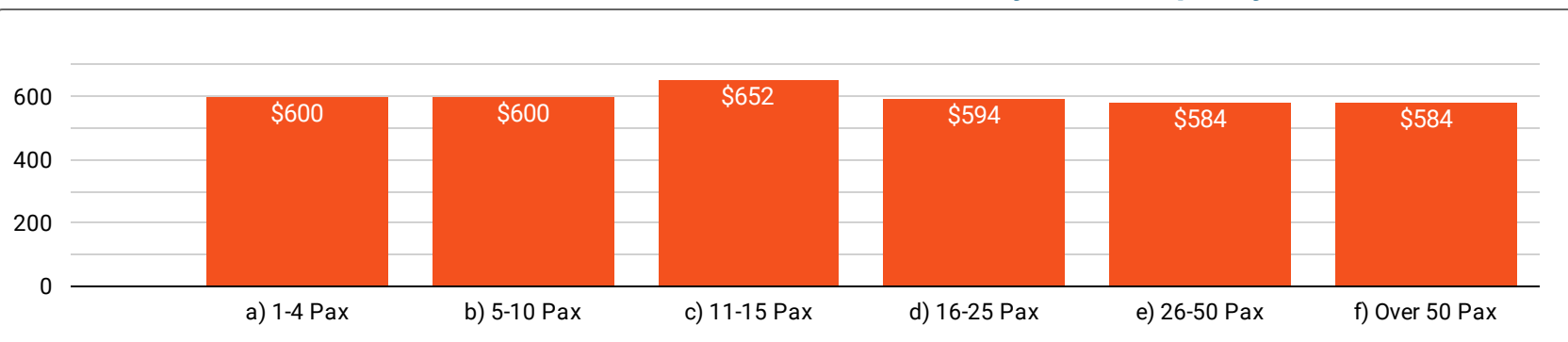
Median Office Price /Person /Month & Trendline



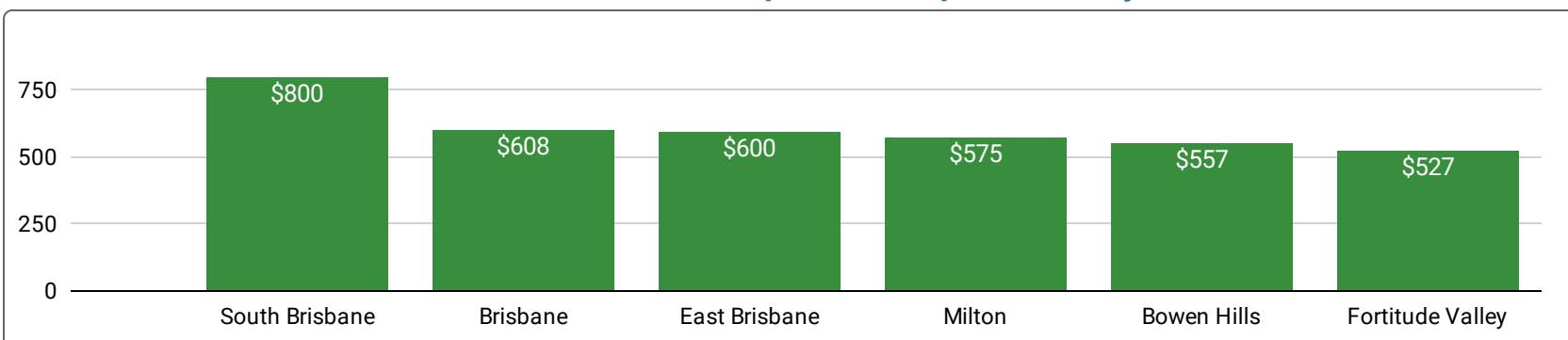
Vacant Flex Space (sqm) over Time



Brisbane Median Office Rate /Person /Month by Office Capacity



Brisbane Median Office Rate per Person per Month by Suburb



Desk Rates in Perth Hold at \$700 Despite 4% Supply Dip

With supply falling 11% since the start of the year and 4% in Q4, Perth's already tight commercial real estate market got even tighter falling to 5,165 sqm. Despite the downward trend, desk rates across the greater Perth market remain unchanged at \$700 per desk.

As a smaller market, 85% of all available spaces cater to teams 1-10 staff. 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.

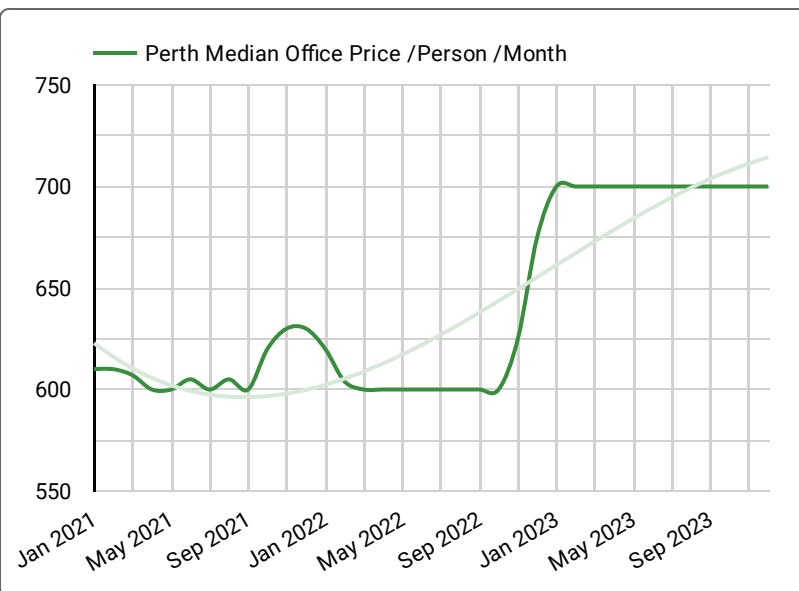
Desk rates in the Perth CBD, which accounts for 70% of the available supply in the Perth region, remained unchanged at \$750 per desk while rates in West Perth dropped 4% to \$550 per desk. For businesses on a budget, there are options available at a desk rate below \$600 per desk in Leederville, Subiaco and Burswood, though supply across larger offices is limited.

Flex Office Space at a Glance

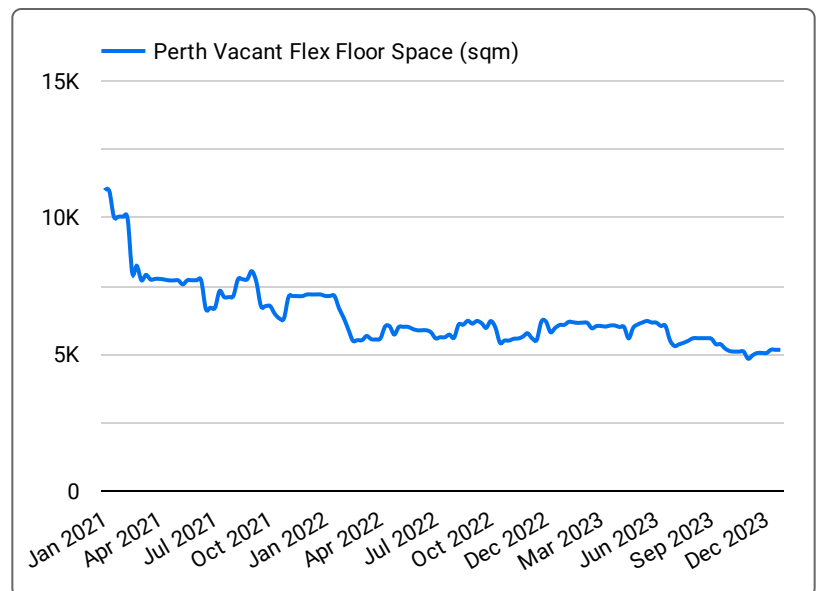
Vacant Offices	Vacant Space (sqm)
107	5,165
↓ -0.9%	↓ -3.8%
Vacant Workstations	Median Office Cost
908	\$700
↓ -3.8%	0.0%

Relative to previous quarter

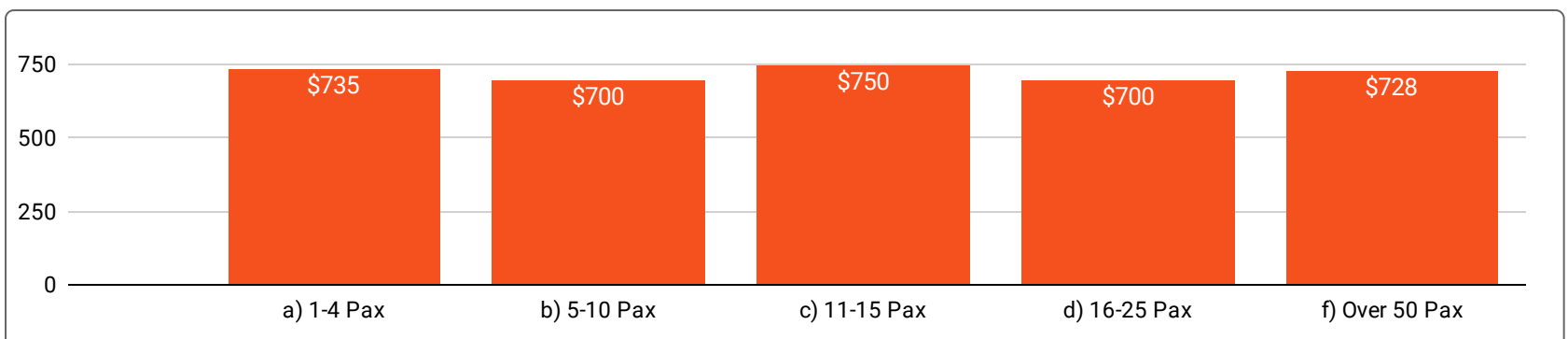
Median Office Price /Person /Month & Trendline



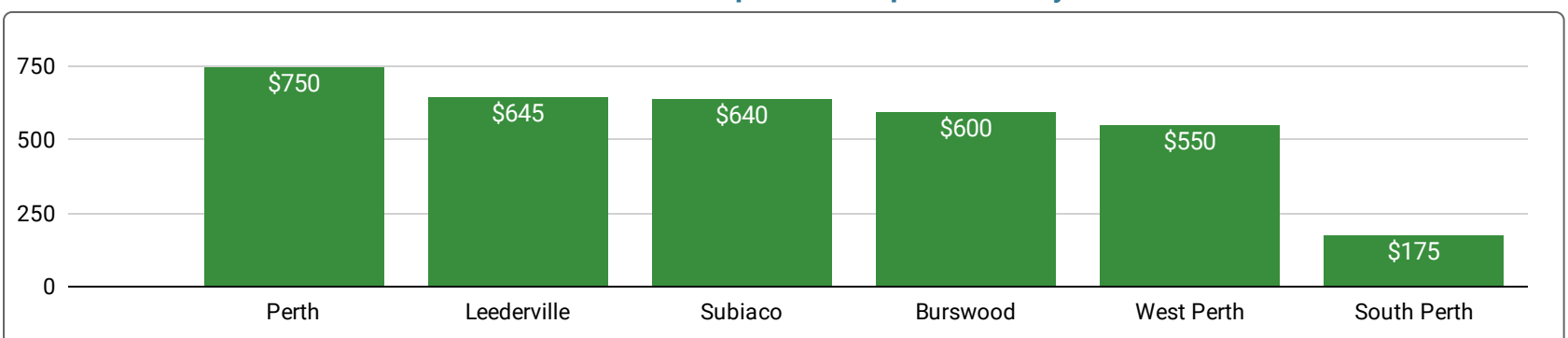
Vacant Flex Space (sqm) over Time



Perth Median Office Rate /Person /Month by Office Capacity



Perth Median Office Rate per Person per Month by Suburb



Canberra Desk Rates on the Rise - Up 2%

After a quiet second half to 2023, desk rates in greater Canberra saw a 2% increase to \$510 per desk. Though the Central Business District (CBD) in Canberra provides the most choice it comes at a premium of \$600 per desk, up from \$525 in Q3. Compare this to Symonston, Dickson and Phillip which continue to provide both value and options at a median rate of \$450 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.

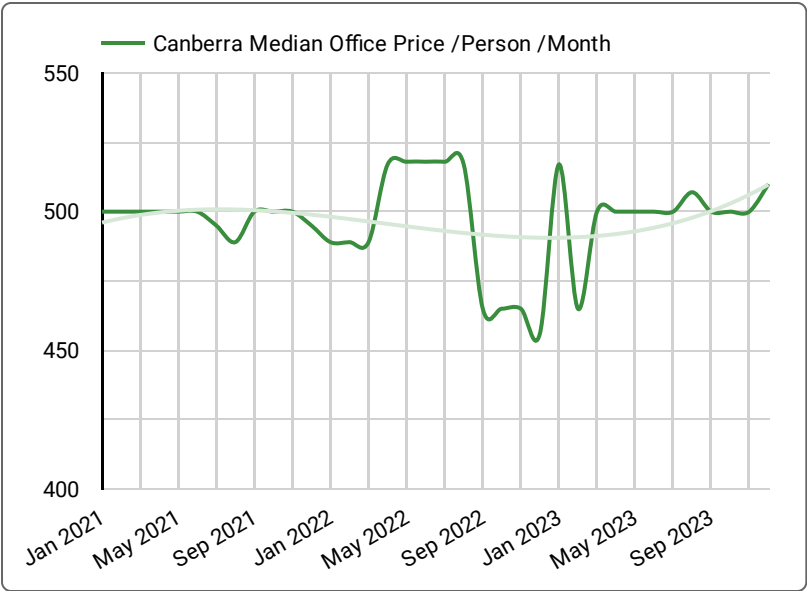
Canberra presents a good selection of 17 operators to choose from, including well-known names such as Work Club Global, WOTSO, Hub Australia, and Servcorp.

Flex Office Space at a Glance

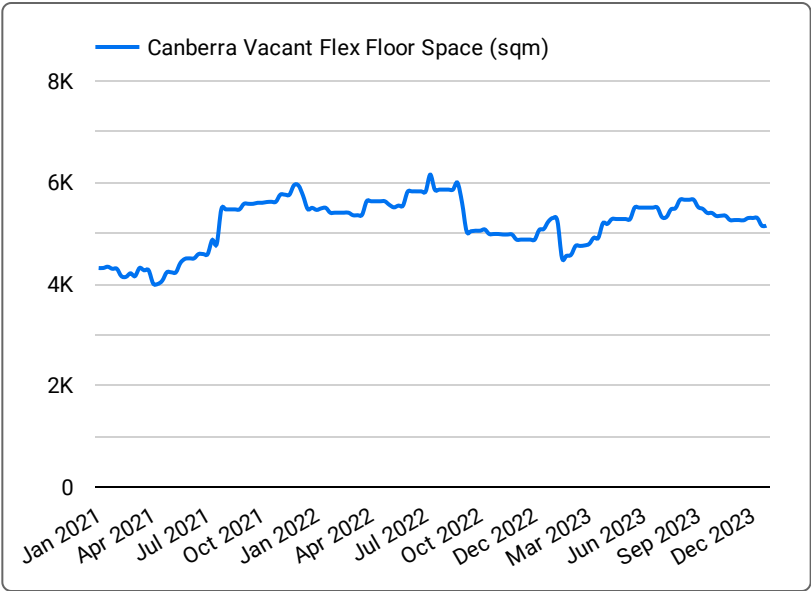
Vacant Offices	Vacant Space (sqm)
90	5,150
0.0%	-4.6%
Vacant Workstations	Median Office Cost
976	\$510
-2.0%	2.0%

Relative to previous quarter

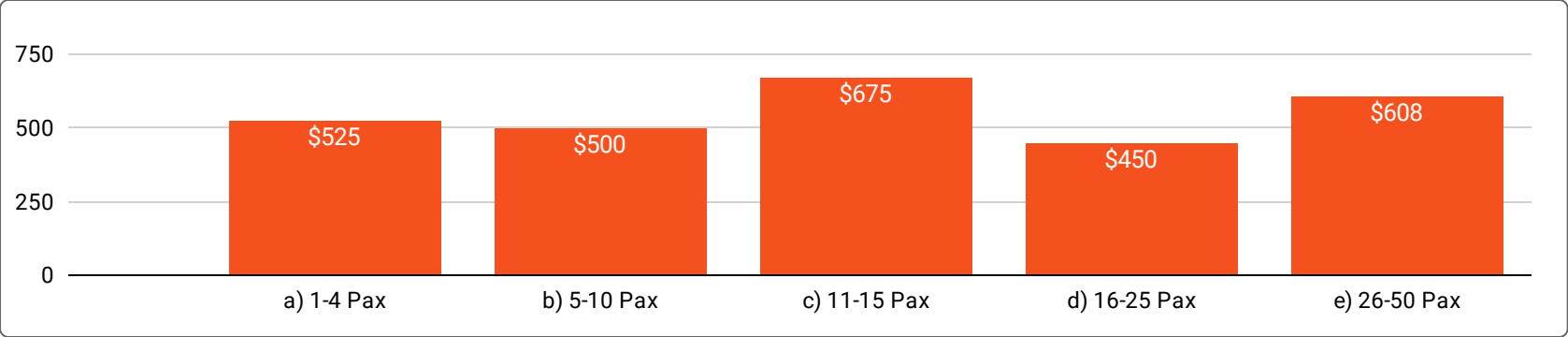
Median Office Price /Person /Month & Trendline



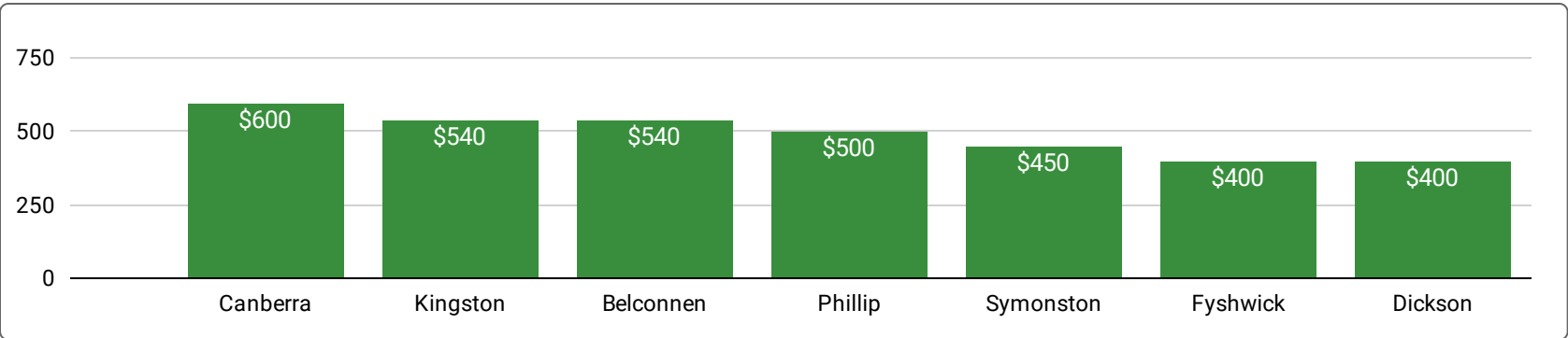
Vacant Flex Space (sqm) over Time



Canberra Median Office Rate /Person /Month by Office Size



Canberra Median Office Rate per Person per Month by Suburb



Adelaide Desk Rates Fall 5% for 2nd Consecutive Quarter

Desk rates across the greater Adelaide market fell 5% for a second consecutive quarter to \$600 per desk, despite a 26% rise in supply to 3,020 sqm.

With 73% of all available offices located in the Adelaide CBD, options elsewhere are limited, though there are a few options available in Dulwich and now Mawson Lakes with recently opened offices.

Desk rates for offices for teams of 1-4 rose 8% to \$700 per desk due to demand while offices for teams of 5-10 staff can be found for \$500 per desk.

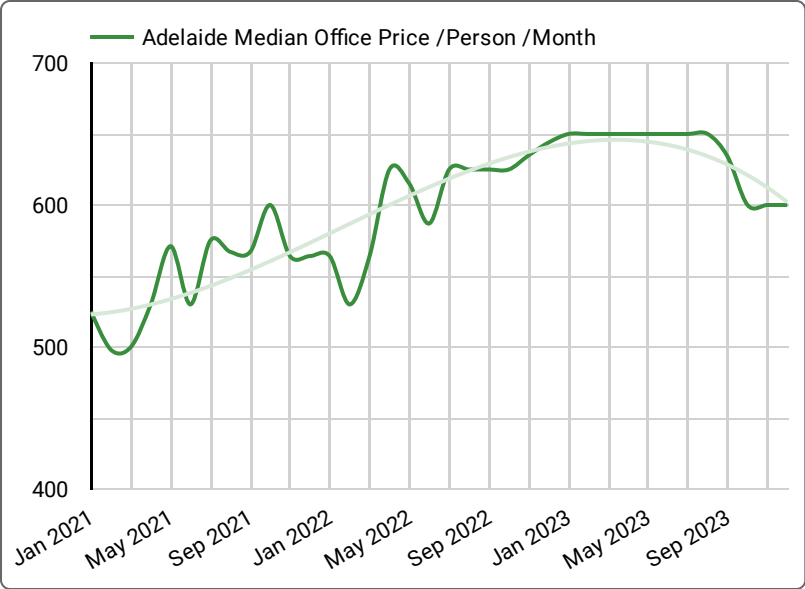
As a smaller market with limited supply. Adelaide has a strong independent coworking scene with operators such as Spot Coworking, Business Hub, Servcorp, Regus, and Hub Australia.

Flex Office Space at a Glance

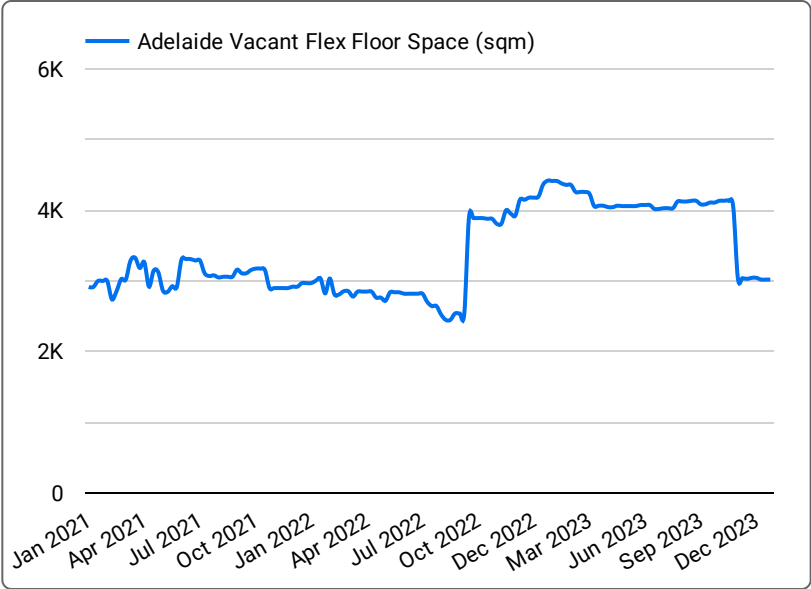
Vacant Offices	Vacant Space (sqm)
66	3,020
↑ 26.9%	↓ -26.5%
Vacant Workstations	Median Office Cost
507	\$600
↓ -30.5%	↓ -5.4%

Relative to previous quarter

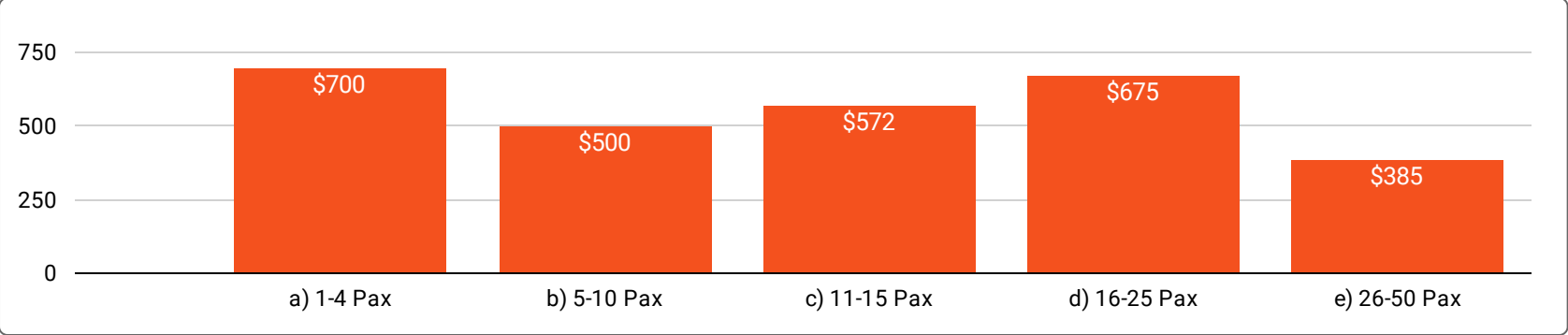
Median Office Price /Person /Month & Trendline



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.