

Australia Commercial Real Estate - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

Australia Commercial Real Estate Market Analysis

The Australia commercial real estate market size is valued at USD 52.33 billion in 2025 and is forecast to reach USD 67.81 billion by 2030, reflecting a 5.32% CAGR over 2025-2030. This steady expansion signals the sector's resilience as post-pandemic recovery, government infrastructure spending, and accelerating digitalization lift demand across offices, logistics assets, hotels, and data-center facilities. Institutional investors are rotating capital toward core assets in Sydney and Melbourne, while data-localization rules are propelling hyperscale and edge data-center pipelines in several metropolitan areas. Hybrid work adoption continues to reshape CBD office requirements, yet premium ESG-compliant buildings in connectivity-rich precincts attract flight-to-quality tenants willing to pay rental premiums. Meanwhile, elevated construction costs and labor shortages are curbing new supply, tightening vacancy in prime logistics hubs and further supporting rent growth.

Australia Commercial Real Estate Market Trends and Insights

Surge in Institutional Capital Allocation to Core Office Assets

Transaction volumes in the office sector climbed 70% year-on-year to USD 4 billion during H1 2024 as foreign investors identified pricing dislocations in prime CBD towers. Capital is gravitating to trophy assets offering strong tenant covenants, sustainability credentials, and repositioning potential. Sydney's Collins Street precinct recorded effective rental growth in 16% of prime buildings as occupiers pursued amenity-rich space that supports hybrid work collaboration. Investor conviction remains anchored

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in Australia's stable legal framework and transparent leasing structures, positioning core offices as a defensive allocation within global portfolios. Portfolio managers also anticipate that the cyclical low in CBD valuations will converge with long-term occupational demand once hybrid strategies stabilize.

Accelerated Demand for Prime Industrial & Logistics Space Driven by E-Commerce

Warehouse vacancy has compressed to nearly 1%, driving double-digit rental growth in Sydney and Brisbane corridors as retailers and 3PLs secure last-mile assets near dense population clusters. Industrial properties now facilitate USD 1.2 trillion of goods flow annually, equating to 38% of household consumption. Supply-chain onshoring and automation requirements are prompting developers to prioritize high-clearance, technology-enabled facilities, with Perth registering the nation's fastest sequential rental increase at 1.8%. These conditions underpin sustained outperformance of logistics within the Australia commercial real estate market.

Persistent Work-from-Home Adoption Softening CBD Office Net Absorption

Regular remote work remains the norm for 36% of Australia's workforce, limiting space take-up and pushing Sydney and Melbourne vacancy above historic averages. Tenants are reducing footprints through desk-sharing and flexible workspace solutions while redirecting savings to premium fit-outs that enhance collaboration. Sub-lease availability has grown, intensifying competition among landlords to secure credit-worthy occupiers. Although 83% of CEOs expect full office returns within three years, prevailing behavioral patterns suggest hybrid models will persist, tempering absorption forecasts within the Australia commercial real estate market.

Other drivers and restraints analyzed in the detailed report include:

Government-Backed Infrastructure Pipeline Lifting Commercial Land Values / Re-Rating of ESG-Compliant Green Buildings
Unlocking Premium Rents / Elevated Construction Costs & Labour Shortages Delaying Project Delivery /

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Logistics captured 5.91% CAGR growth momentum and remains the fastest-advancing segment, while offices retained the largest 31% share of the Australia commercial real estate market in 2024. E-commerce penetration, onshoring of inventories, and automation investments have converted fulfillment centers into critical infrastructure, anchoring long-term demand. Vacancy below 1% in core east-coast corridors combined with restrictive land-use policies elevates pricing power for institutional landlords. Major players such as Goodman Group and GPT are scaling speculative builds to meet pre-commitments from retailers and 3PLs, often securing lease terms exceeding 10 years. Data-center campuses, classified as systems of national significance, add a high-value layer within industrial estates, attracting foreign capital and specialty operators.

Modern warehouses increasingly incorporate robotics, mezzanine floors, and high-capacity power to accommodate micro-fulfillment and cold-chain functions. These features command rental uplifts of 15%-20% compared with legacy stock. With the Australia commercial real estate market size for logistics assets projected to expand at 5.91% CAGR through 2030, investors view the segment as a secular outperformer. In contrast, office landlords are recalibrating portfolios by divesting non-core B-grade towers and reinvesting in mixed-use redevelopments to mitigate prolonged occupancy pressure.

The Australia Commercial Real Estate Market Report is Segmented by Property Type (Offices, Retail and More), by Business Model (Rental and Sales), by End User (Individuals / Households, Corporates & SMEs and More) and by Region (New South Wales,

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Victoria, Queensland and More). The Report Offers Market Size and Forecasts in Value (USD) for all the Above Segments.

List of Companies Covered in this Report:

Dexus / Goodman Group / GPT Group / Charter Hall Group / Mirvac Group / Stockland / Lendlease Corporation / Scentre Group / Vicinity Centres / Cromwell Property Group / Centuria Capital Group / Investa Property Group / Frasers Property Australia / Growthpoint Properties Australia / AMP Capital Investors / Brookfield Asset Management (Australia) / Blackstone Real Estate (Australia) / GIC Real Estate (Australia) / LaSalle Investment Management (Australia) / QIC Real Estate /

Additional Benefits:

The market estimate (ME) sheet in Excel format /
3 months of analyst support /

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