



 **JLL** SEE A BRIGHTER WAY

# Tenant Demand Report Q3 2023

**Melbourne CBD**

Source: JLL Office Leasing Database

# Q3 2023 Key Statistics



97,140 sqm from 65 requirements

## Fitted Space

Preference for fitted space dominates demand with only 3% of briefs seeking refurbished, open plan space.

|              | No. of Briefs | Percentage  |
|--------------|---------------|-------------|
| Fitted       | 31            | 48%         |
| Unfitted     | 2             | 3%          |
| Either       | 32            | 49%         |
| <b>Total</b> | <b>65</b>     | <b>100%</b> |

## Premium/A Grade

Flight to quality continues with over 63% of all briefs considering Prime-grade premises (Premium & A-grade)

|              | No. of Briefs | Percentage |
|--------------|---------------|------------|
| Premium/ A   | 17            | 26%        |
| A Only       | 10            | 15%        |
| A & B        | 14            | 22%        |
| B & Below    | 7             | 11%        |
| Any          | 17            | 26%        |
| <b>Total</b> | <b>65</b>     | <b>100</b> |

## Real Estate & Consulting

The top industry on the move by number of active tenants to market was Real Estate and Consulting, with 7 briefs each.

|                       | No. of Active Tenants |
|-----------------------|-----------------------|
| Consulting            | 7                     |
| Real Estate           | 7                     |
| Financial Non-Banking | 5                     |
| Government            | 5                     |
| Professional Services | 3                     |

## CBD Preference

Focus on the CBD prevails with a 79% of briefs are considering options within the CBD.

|              | No. of Briefs | Percentage  |
|--------------|---------------|-------------|
| CBD Only     | 32            | 39%         |
| CBD & Fringe | 22            | 26%         |
| CBD, SB, DL  | 11            | 13%         |
| Fringe Only  | 18            | 22%         |
| <b>Total</b> | <b>83</b>     | <b>100%</b> |

## M2 Sub-500sqm Market

Demand remains strong in the sub-1,000sqm market, with 41 briefs in Q3 2023.

|              | No. of Briefs | Percentage  |
|--------------|---------------|-------------|
| <500         | 26            | 40%         |
| 500-999      | 15            | 23%         |
| 1,000-1499   | 10            | 15%         |
| 1500-1999    | 1             | 2%          |
| 2000+        | 13            | 20%         |
| <b>Total</b> | <b>65</b>     | <b>100%</b> |

## Professional Services

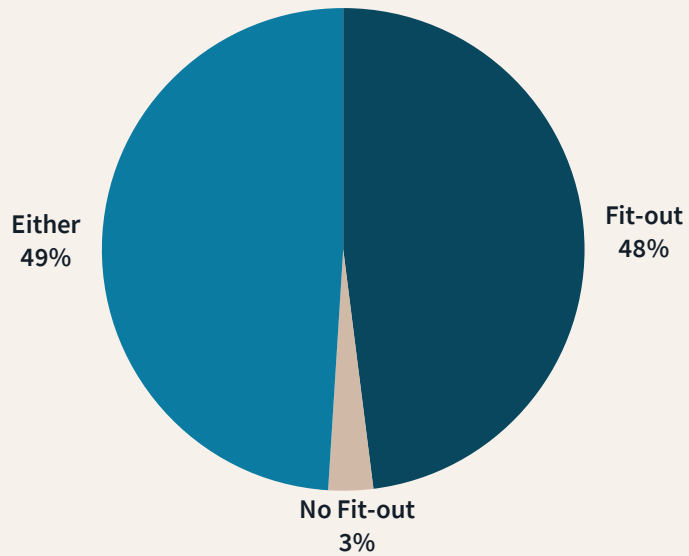
The top industry on the move by gross NLA was professional services - largely due to Ernst& Young coming to market.

|                         | NLA of Briefs |
|-------------------------|---------------|
| Professional Services   | 23,245sqm     |
| Government              | 19,250sqm     |
| Real Estate             | 6,725sqm      |
| Education               | 4,250sqm      |
| Consumer Goods & Retail | 3,025sqm      |

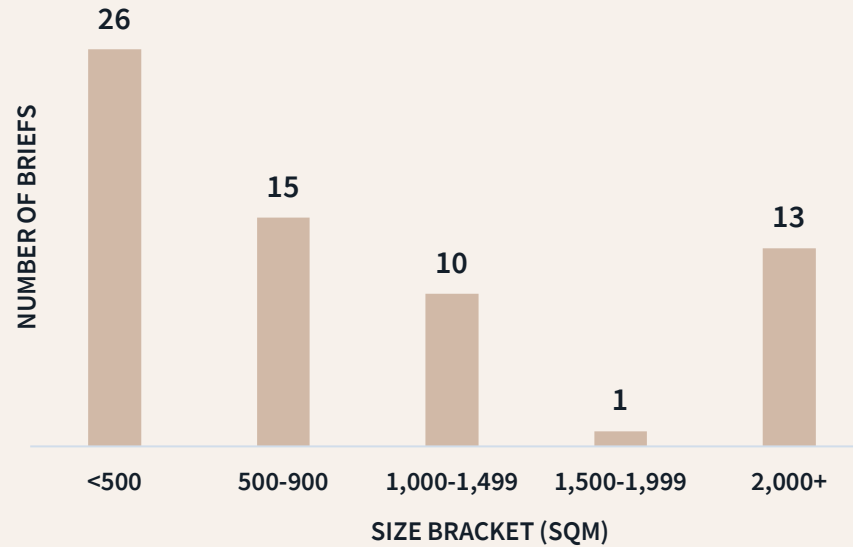
# Tenant Demand Summary

Based on briefs received Q3, 2023

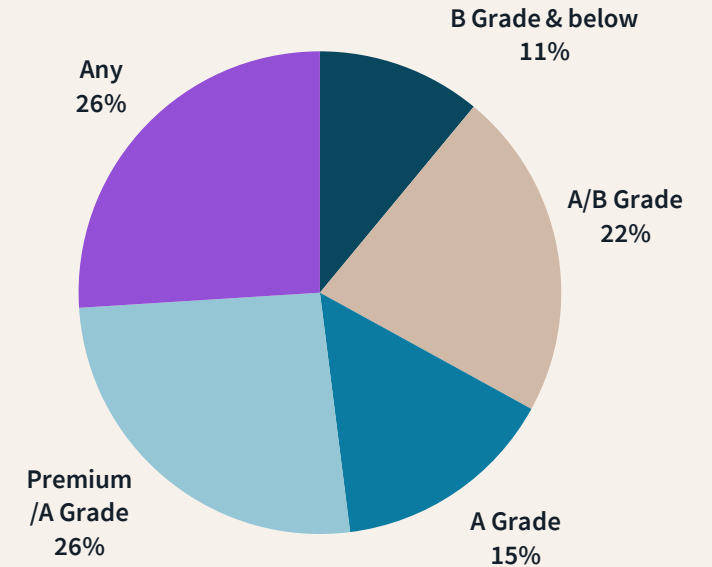
## Fit-out preference



## Demand by Size



## Demand by Grade



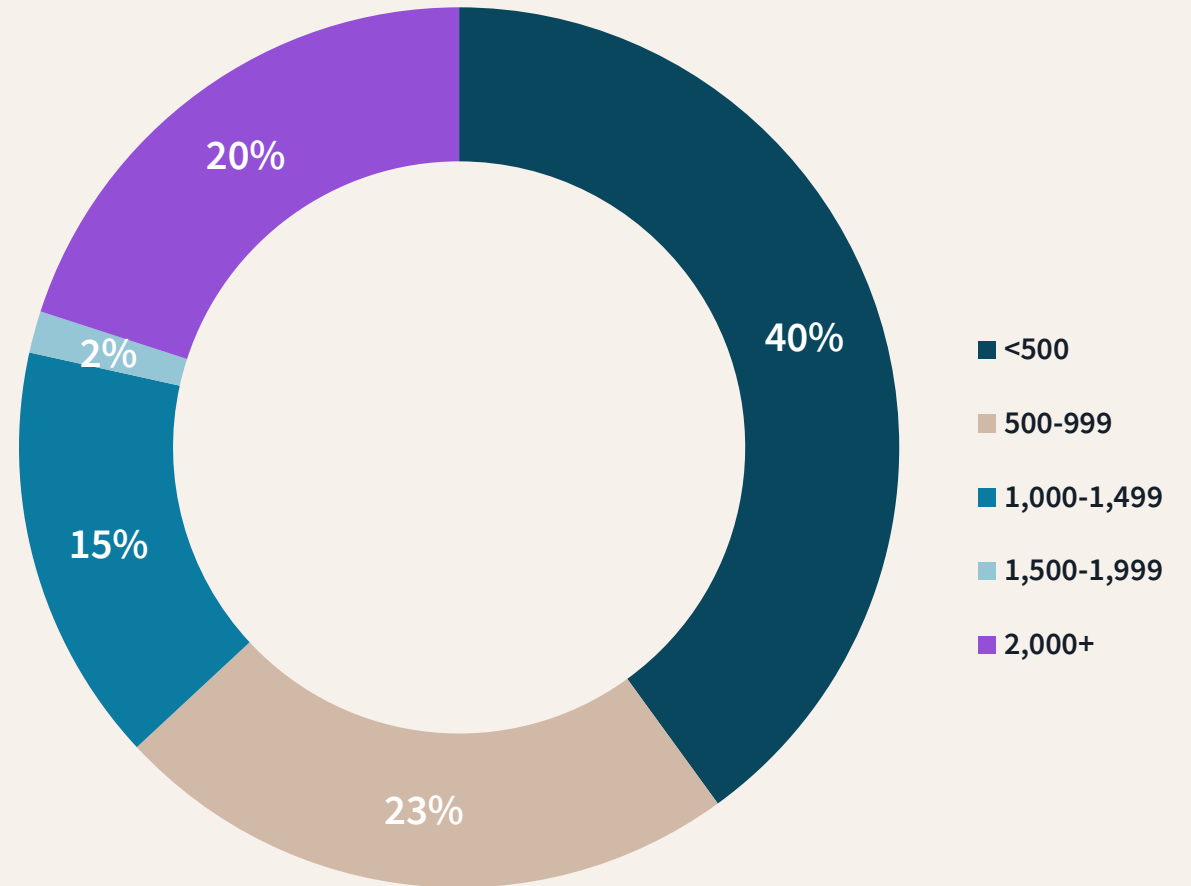
Source: JLL Office Leasing Database

## Demand by Size

Demand remains strong in the **sub-1,000 sqm** market.

| Size Bracket    | No. of Briefs |
|-----------------|---------------|
| <500 sqm        | 26            |
| 500-999 sqm     | 15            |
| 1,000-1,499 sqm | 10            |
| 1,500-1,999 sqm | 1             |
| 2,000 sqm +     | 13            |
| <b>TOTAL</b>    | <b>65</b>     |

Based on the total number of briefs received Q3 2023



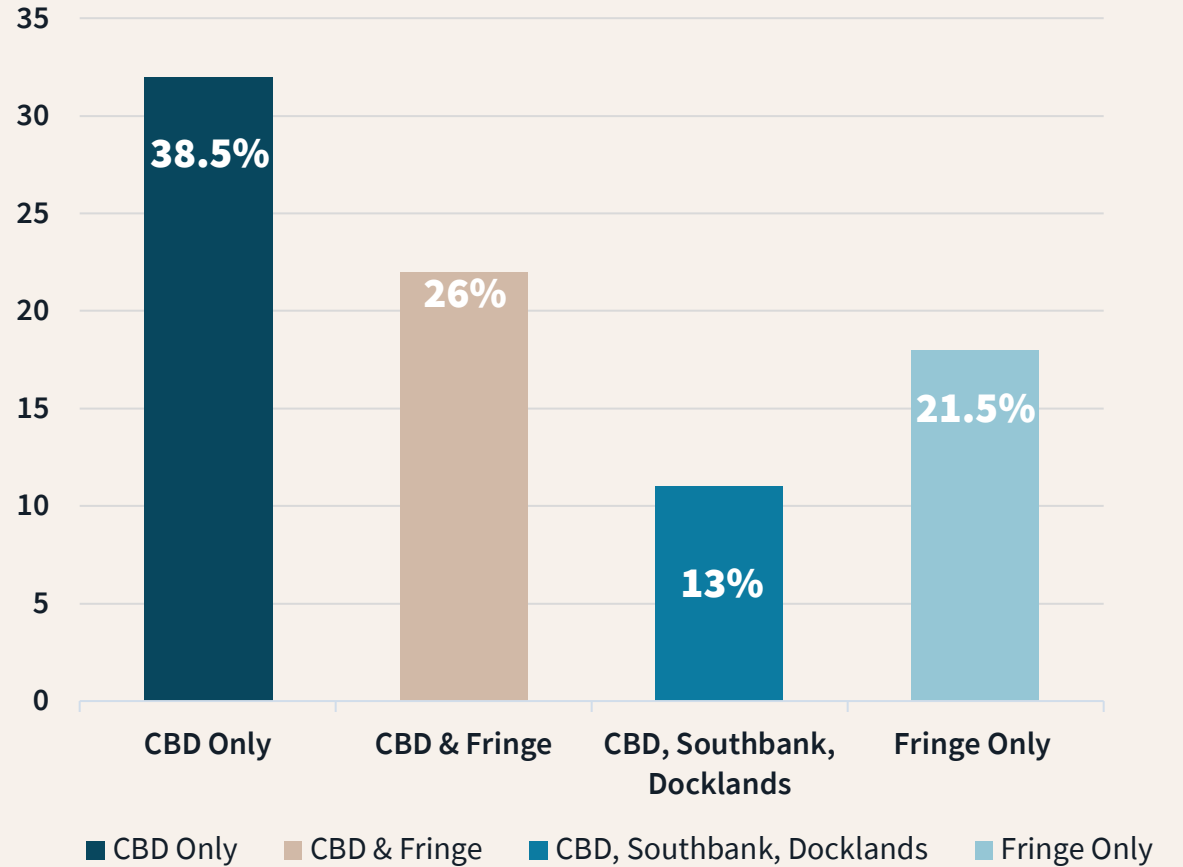
Source: JLL Office Leasing Database

## Demand by Location

Sole focus on the **CBD** precinct prevails.

| Location                  | No. of Briefs |
|---------------------------|---------------|
| CBD Only                  | 32            |
| CBD & Fringe              | 22            |
| CBD, Southbank, Docklands | 11            |
| Fringe Only               | 18            |
| <b>TOTAL</b>              | <b>83</b>     |

Based on the total number of briefs received Q3 2023

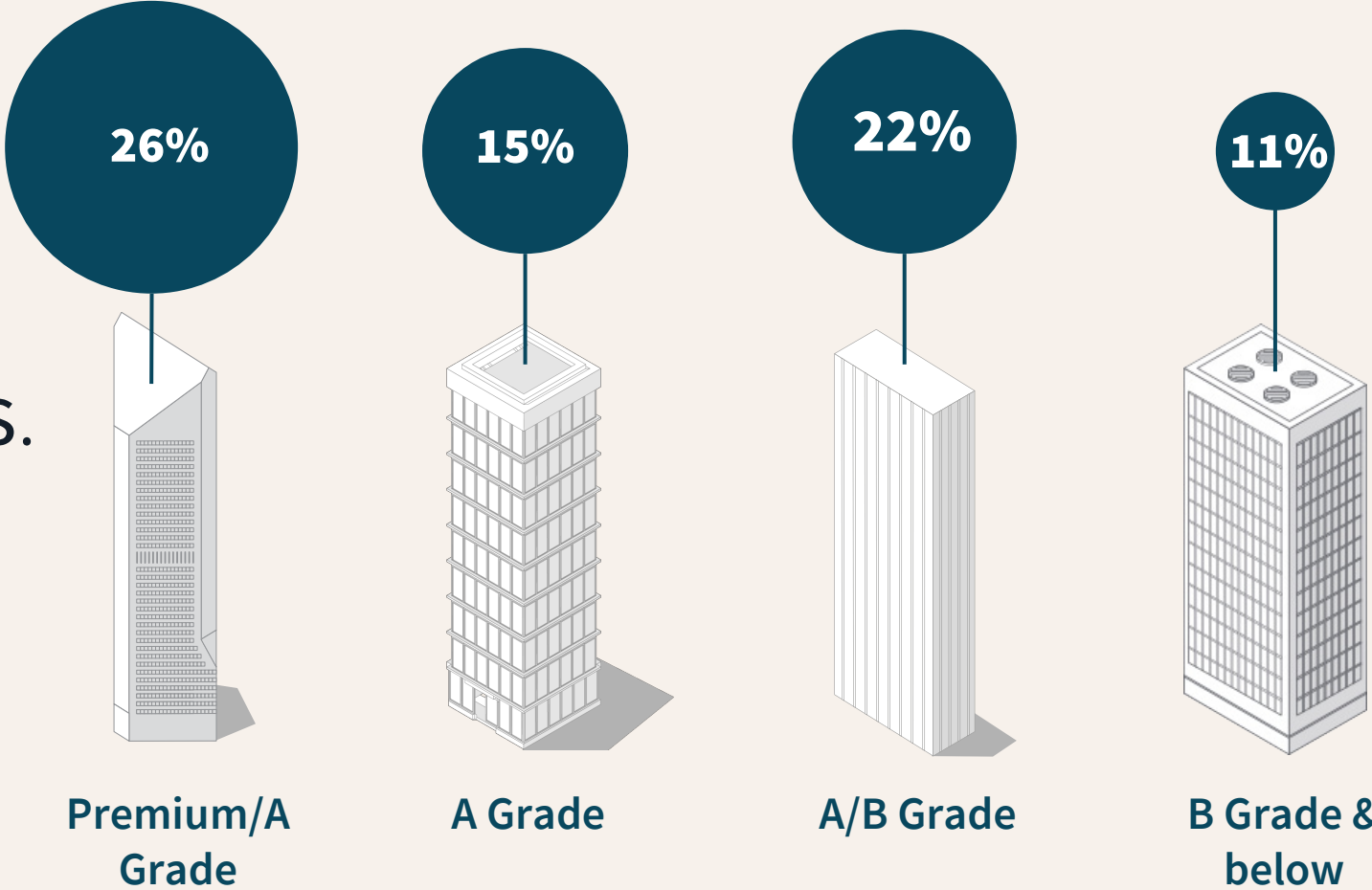


Source: JLL Office Leasing Database

## Building Grade Preference

74% of tenant briefs will consider **Prime-grade buildings.**

26% of tenant briefs had no building grade preference.

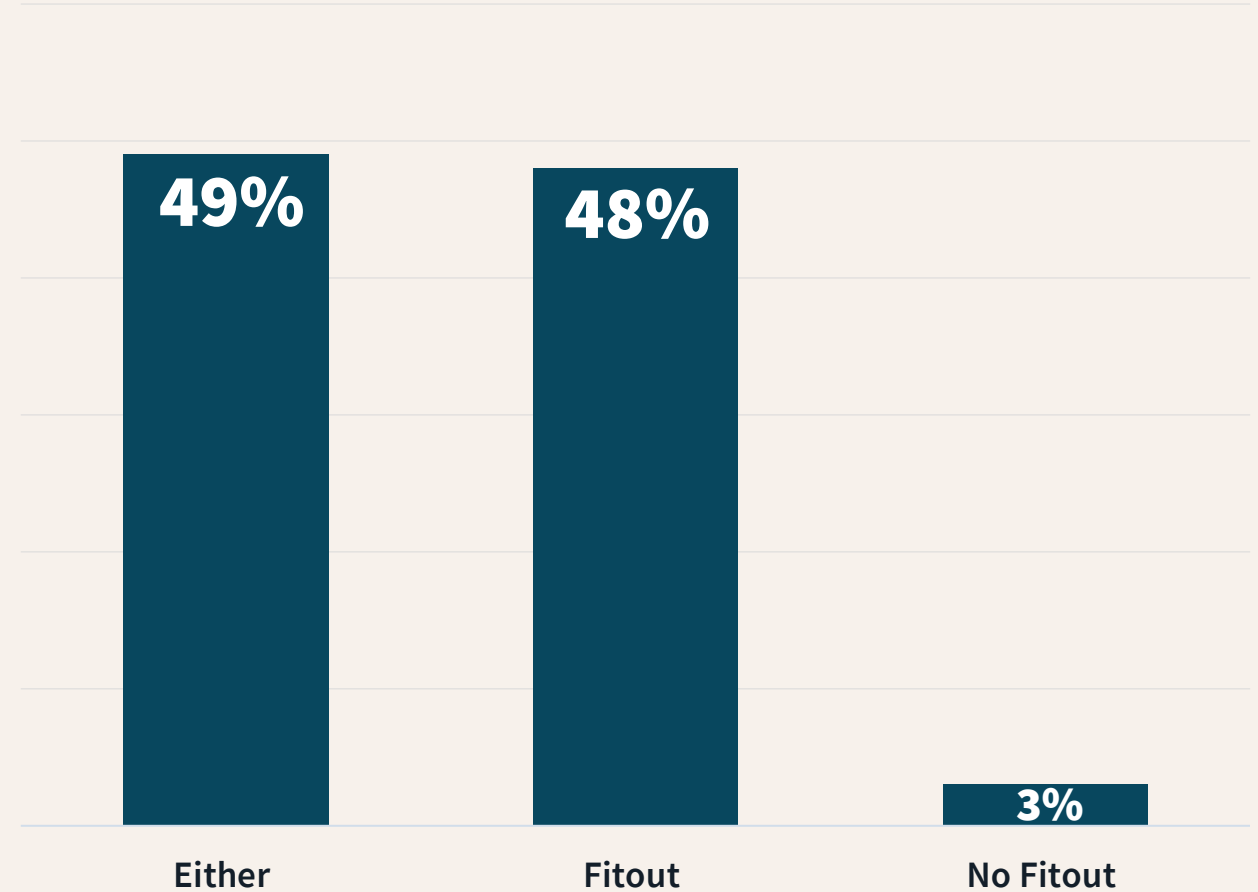


Based on the total number of briefs received Q3 2023

Source: JLL Office Leasing Database

## Fit-out preference

3% of tenant briefs will not consider a tenancy with existing fitout.



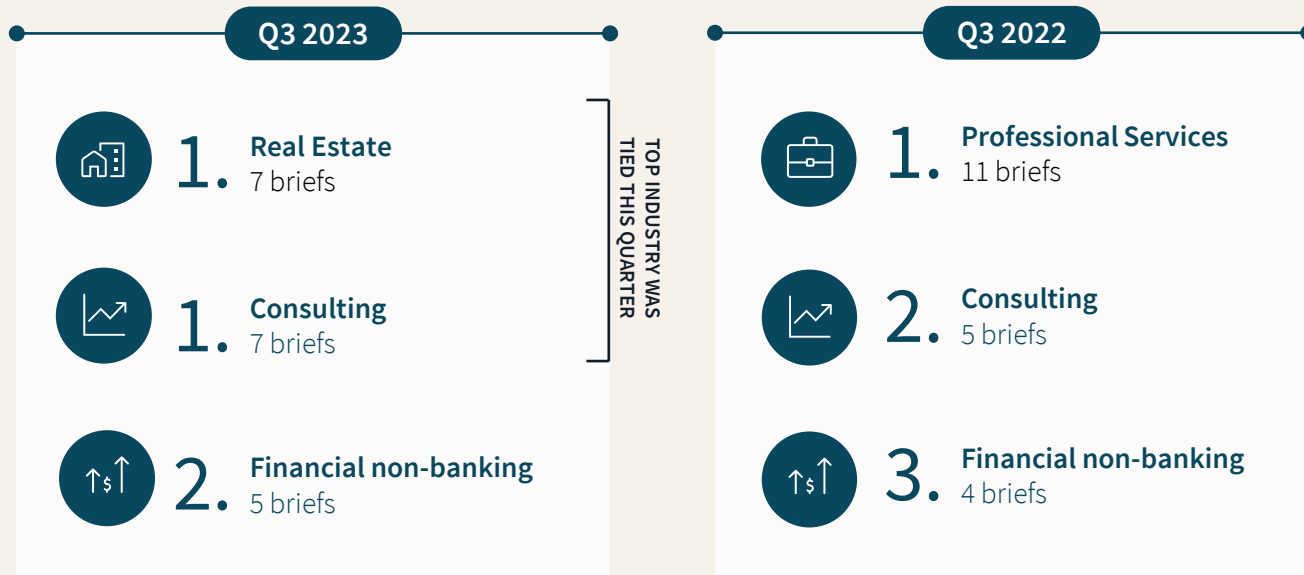
Based on the total number of briefs received Q3 2023

Source: JLL Office Leasing Database

## Industries on the Move

# Top industries on the move for Q3 2023 and Q3 2022.

By number of briefs where tenant/ industry was disclosed



### Industry demand by total sqm required

- Professional Services are demanding most space in the market with requirements totalling over 23,200 sqm, largely due to Ernst & Young's 20,000sqm+ requirement.

### Industry demand by number of active tenants

- Real Estate tenants are leading demand by number of active tenants constituting 10.7% of this year's requirements so far.

### Demand for space within the 'professional services' sector

- Whilst Professional Services are demanding the most space by NLA in Q3 2023, they have had a 29.5% decrease in number of briefs to market in the same period 2022.

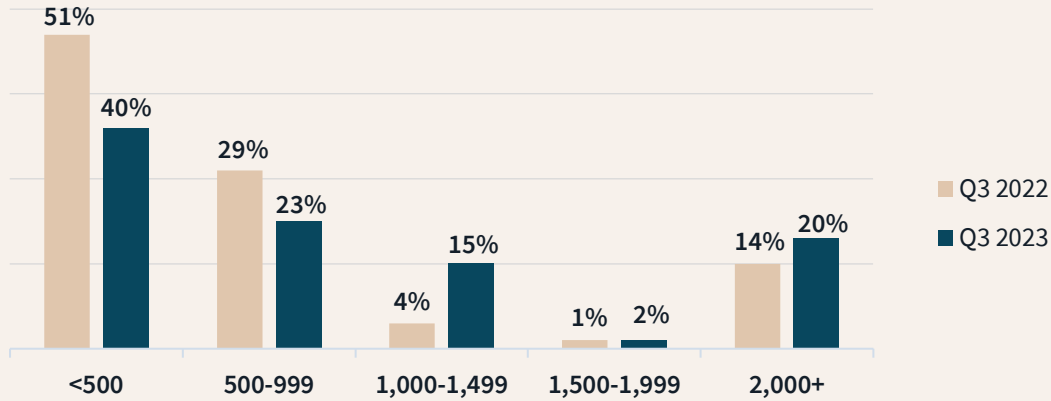
Based on the total number of briefs received Q3 2023 and Q3 2022

Source: JLL Office Leasing Database

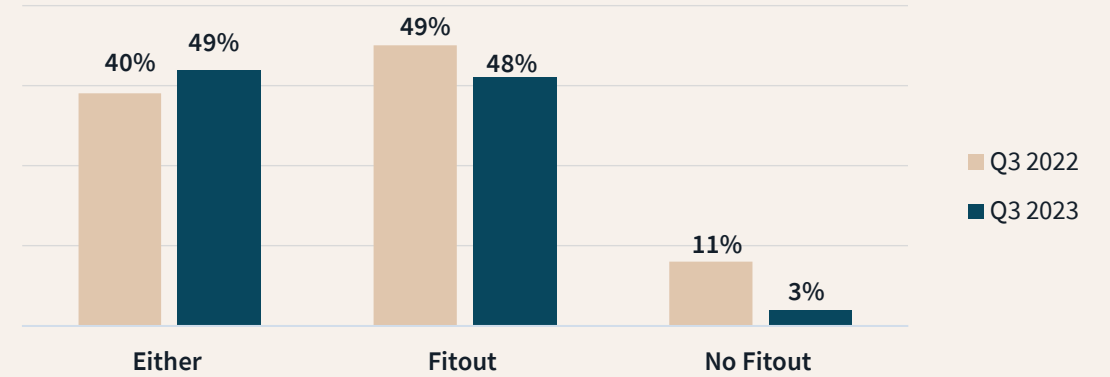
# Q3 2022 v Q3 2023

How this year's quarter 3 compares to last year's quarter 3, by number of briefs

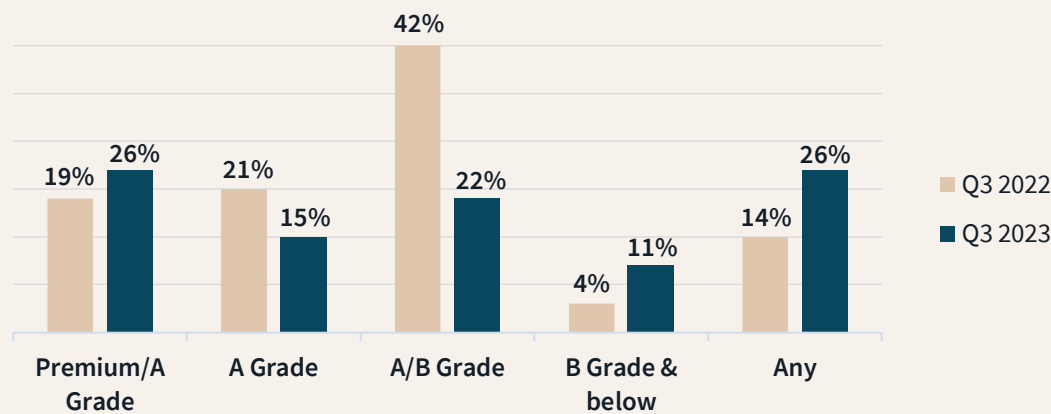
## Demand by Size



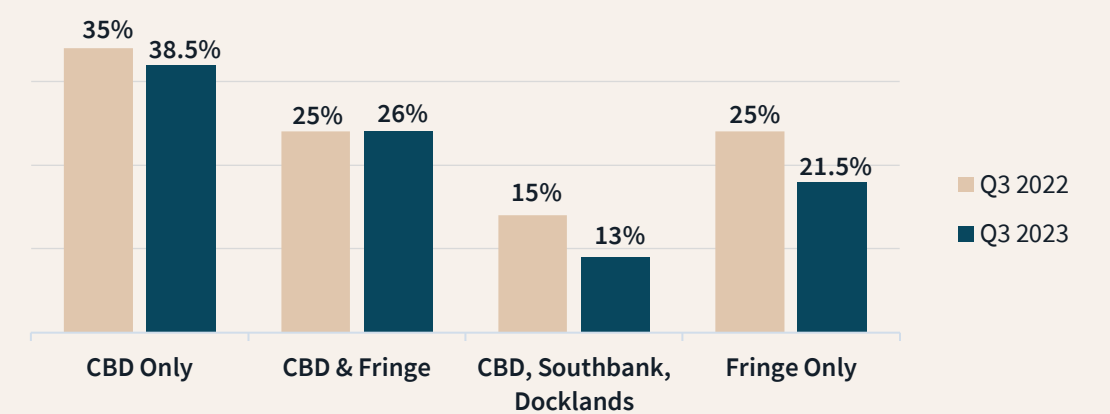
## Fit-out Preference



## Building Grade Preference



## Demand by Location



# Thank You



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