



Here's your pre-meeting briefing  
 KOHLER

# Business Spectator

SEARCH  GO

**NEWS - PROPERTY**

Published 7:56 AM, 4 Feb 2010  
 Last update 7:56 AM, 4 Feb 2010  


## Australia office vacancy rate up

[QUICK SUMMARY](#) | [FULL STORY](#)

Reuters

Australia's office vacancy rate hit its highest level in five years in the six months to January and a significant rise in supply this year will likely keep the sector under pressure, the Australian Property Council said.

Data released by the council on Thursday showed that the vacancy rate jumped to 9.3 percent in January, the highest since January 2005, from 8.3 percent in July.

"The Australian economy didn't go into a recession like other countries and neither did the property industry. Nevertheless demand is weak," Property Council CEO Peter Verwer said.

"There is going to be a big spike in supply and that would provide challenges to the property market," Mr Verwer said.

He added that while there was an encouraging sign in tenant demand, it is just one twentieth of the historic average.

In 2010, a total of 968,600 square metre of office space is expected to come onto the market, 760,000 square metre of which will be available in the first half of the year, the biggest addition of stock in one period on record.

Adam Learmonth, director for Anvil Capital, said the pace at which the vacancy increased is slowing due to a pick up in demand in cities such as Brisbane, where coal and gas companies expended their office space.

"Although demand is returning in most markets, we are seeing an increase in supply. I can't see any upward pressure on rents, certainly, not for the next 12 and even to 24 month," he said.

In Sydney's central business district (CBD), empty offices space totalled 8.1 percent in January, the highest since July 2006, and up from 7.8 percent in July 2009. This year, 130,200 square metre of new stock is due to enter the Sydney market of which only 14 percent pre-committed.

Among other major cities, Melbourne's CBD saw its vacancy rate rise to 6.6 percent from 4.8 percent while the Perth CBD vacancy rate edged up to 8.2 percent from 8 percent.

**TOP NEWS**

- iiNet wins Federal Court case **10:19 AM**
- ASIC to appeal Fortescue ruling **10:24 AM**
- Tabcorp flags uncertain year as H1 profit dips **10:30 AM**
- Myer posts flat Q2 sales, H1 revenue lifts slightly **10:17 AM**
- CSR shares fall on trading halt exit **10:11 AM**

**THE SPECTATORS**

- Greece's crisis is contagious
- SCOREBOARD: US risk
- GOTTLIEBSEN: Europe at a crossroads
- The holes in China's accounts
- THE DISTILLERY: Too much sugar

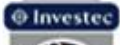


find out more.


## \$100 billion real estate transactions globally since 2002.

**Most Read Commentary**

1. Greece's crisis is contagious
2. The Conroy curse
3. Two great wealth destroyers
4. SCOREBOARD: US risk
5. The naked truth at Mac Bank



Year of the Brumbies or the Reds?



[Investec Super 14 Tipping Challenge](#)

**Most Read News**

1. Wall St dragged down by gloomy earnings
2. Pratt heirs seek IPO: report
3. Tabcorp flags uncertain year as H1 profit dips
4. Macquarie to clinch Sal. Oppenheim assets: sources
5. Pace of US job losses slows

