

MARKET

PULSE

North Shore Office Market

Cadigal Research | September 2026

Cadigal



Table of Contents

01.	Key Data at a Glance	04
02.	In Summary	05
03.	Supply	06
04.	Tenant Demand	08
05.	Tenant Enquiry	12
06.	Vacancy	14
07.	Sublease Availability	16
08.	Rents	18
09.	Outlook	20

Download PDF copy of Pulse

Cadigal

Key Data at a Glance

			Change last 12 months	Expected change next 12 months
SUPPLY				
Total Stock* (sqm, as at Jul-26)	**1,588,050**		↑	↔
North Sydney	967,642		↑	
Crows Nest / St Leonards	353,404		↔	
Chatswood	267,004		↔	
Completions* (sqm, 6 months to Jul-26)	**0**		↔	↔
Net Supply* (sqm, 6 months to Jul-26)	**-1,400**		↑	↔
DEMAND				
Net Absorption* (sqm, 6 months to Jul-26)	**1,965**		↑	↑
North Sydney	1,506		↑	
Crows Nest / St Leonards	2,857		↑	
Chatswood	-2,398		↑	
Tenant Enquiry~ (sqm, as at Jun-26)	**204,880**		↓	↔
VACANCY				
Vacancy Rate* (%, as at Jul-26)	**25.2**		↑	↓
North Sydney	25.8		↑	
Crows Nest / St Leonards	28.0		↓	
Chatswood	19.4		↓	
Sublease Availability~ sqm (% of total stock) as at Jun-26)	**29,715**	(1.9%)	↓	↓
RENTS				
Net (Gross) Face Rents~ ($/sqm avg, as at Jun-26)				
North Sydney				
Premium	1,158N (1,388G)		↓	↑
A Grade	999N (1,195G)		↓	↑
B Grade	864N (1,028G)		↑	↑
Crows Nest / St Leonards				
A Grade	726N (906G)		↑	↑
B Grade	538N (701G)		↑	↑
Chatswood				
A Grade	701N (841G)		↑	↑
B Grade	584N (740G)		↑	↑
Incentives~ (% range, as at Jun-26)	42 - 47		↑	↓

Back to Contents

In Summary

A modest 1,965sqm of **positive net absorption** was recorded over H1 2026 following six consecutive years of negative net absorption. More substantial net absorption of 8,030sqm was tallied in the previous half-year, resulting in consecutive periods of positive net absorption for the first time since Jul-19.

The overall North Shore **vacancy rate** edged down from a 36-year high of 25.4%, to 25.2% over the first half of the year.

Available sublease space more than doubled to 29,715sqm over H1 2026, but accounts for less than 2% of total stock and is currently equal to the 5.5-year average (Dec-20 to Jun-26).

Face rental growth over the year spanned a wide range (-1.4% to 9.6%) led by *B grade* with *Premium* underperforming due to the spike in vacancy as *Victoria Cross Tower* was added to stock.

Tenant incentives have, in general, continued to rise in the last 12 months with *Premium* rising the most and *B grade* the least.

The impact of higher incentives on face rents has led to slower growth in **effective rents**, led by *B grade* (-4.8% to 10.5%) whilst *Premium* underperformed with effective rents *falling* 11.0%-15.6% over the year.



Supply

There is 1.59mil sqm of office space across the North Shore, the most the market has seen with the total remaining unchanged over the first half of 2026.

No substantial new office construction has been undertaken on the North Shore since **Victoria Cross Tower** was completed at the end of 2025. Whilst no new supply is under construction, **105 Miller Street** (28,500sqm) in North Sydney will be returned to total stock in 2027 after refurbishment by new owner **Wentworth Capital**.

The most likely next new development is **Stockland's Affinity Place** at **110 Walker Street**, with 60,745sqm of **Premium** grade office space proposed.



105 Miller Street in North Sydney (above) will be returned to stock in 2027 after refurbishment.



Affinity Place at **110 Walker Street** in North Sydney is likely to be the next new office development on the North Shore.

Proposed Major Office Developments

Project	Owner / Developer	Type	Office NLA	Precinct	Expected Completion	Comment
105 Miller Street	Wentworth Capial	Full Refurbishment	28,500	North Sydney	2027	Adaptive reuse and major refurbishment by Wentworth Capital.
Affinity Place 110 Walker Street	Stockland	New	60,745	North Sydney	Proposed	DA approved, consolidation of three B-grade buildings into 2,300sqm site. Seeking tenant pre-commitment.

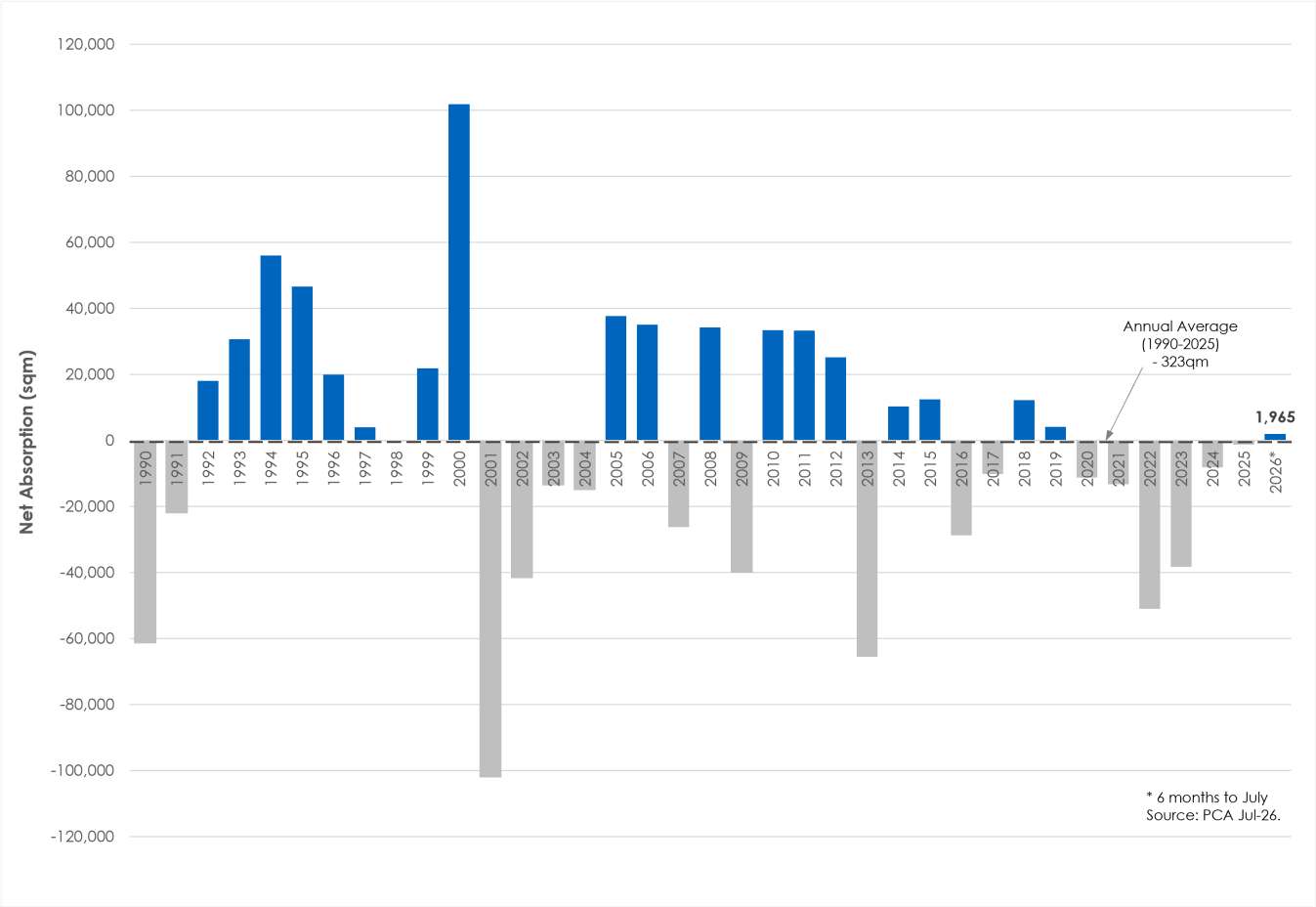
Tenant Demand
Net Absorption

The North Shore office market saw positive net absorption over the first half of 2026, albeit a modest 1,965sqm, following an unprecedented six consecutive years of negative net absorption.

The main **North Sydney** precinct and **Crows Nest / St Leonards** both tallied positive net absorption with only the smaller **Chatswood** sub-market measuring negative net absorption. Over the prior six months (H2, 2025) positive net absorption was recorded in all three precincts resulting in consecutive half-years of positive net absorption on the North Shore for the first time in seven years (since Jul-19).

Across *building grades*, **Premium** and **A grade** have consistently outperformed the secondary grades (**B, C** and **D grades**) over all time frames. In the last 12 months, **A grade** has outperformed **Premium** in terms of tenant demand (net absorption).

Annual Net Absorption - North Shore 1990-2026





Net Absorption by **Precinct**

Precinct	6 Months to Jul-26	12 Months to Jul-26	3 Years to Jul-26*	5 Years to Jul-26*
North Sydney	1,506	3,020	-1,091	-10,734
Crows Nest / St Leonards	2,857	4,711	-5,485	-6,619
Chatswood	-2,398	2,264	-4,018	-3,353
Sydney North Shore	**1,965**	**9,995**	**-10,594**	**-20,705**

* 12-month average

Source: PCA Jul-26

Net Absorption by **Building Grade**

Buiding Grade	6 Months to Jul-26	12 Months to Jul-26	3 Years to Jul-26*	5 Years to Jul-26*
Premium	3,286	7,771	2,839	2,981
A Grade	11,425	15,369	6,951	887
B Grade	-8,667	-14,987	-11,704	-14,122
C Grade	-3,960	1,785	-7,703	-9,867
D Grade	-119	57	-976	-585
Sydney North Shore	**1,965**	**9,995**	**-10,594**	**-20,705**

* 12-month average

Source: PCA Jul-26

Cadigal

Tenant Demand

The recently completed **Victoria Cross Tower** saw the most leasing activity in the market over the first half of the year. **Allianz** committed to two floors (3,438sqm), moving from nearby **101 Miller Street**, whilst **Ericsson** took a floor (1,730sqm), relocating from **Macquarie Park**.

Centralisation into North Sydney continues with **TK Maxx** moving from Mascot to **141 Walker Street** (1,153sqm), **Imperial Tobacco** relocating from Norwest Business Park to **80 Pacific Highway** (902sqm) and **The Access Group** from Chatswood to **118 Mount Street** (816sqm). The relocation of **Otis** to **100 Arthur Street** (902sqm) from the CBD is both significant and notable.

The moves of both **Allianz** and **Otis** involved reductions of footprint compared to their prior locations. The recent lease transactions listed below features only one relocation within the same precinct (**Allianz** in North Sydney), which is not a usual occurrence. The leases of **Gamuda**, **High Speed Rail**, **AZ NGA** and **NEXTDC** all relate to new offices and not relocations of existing offices.

Recent Major Lease Transactions

Tenant	Address	Precinct	Level	Area (sqm)	LCD	Type
Allianz	Victoria Cross Tower 155 Miller Street	North Sydney	16-17	3,438	Nov-26	New
Ericsson	Victoria Cross Tower 155 Miller Street	North Sydney	18	1,730	Apr-27	New
Gamuda (project space)	80 Pacific Highway	North Sydney	8-10	2,800	Q3, 2026	New
Imperial Tobacco Australia*	80 Pacific Highway	North Sydney	3	902	Oct-26	New
High Speed Rail*	73 Miller Street	North Sydney	5	1,723	Aug-26	New
TK Maxx Australia*	141 Walker Street	North Sydney	Mezz, 3	1,153	Jun-26	New
Otis*	100 Arthur Street	North Sydney	pt. 14	920	Mar-27	New
AZ Next Generation Advisory	118 Mount Street	North Sydney	5	816	Jul-26	New
The Access Group	118 Mount Street	North Sydney	12	816	Nov-26	New
NEXTDC*	203 Pacific Highway	St Leonards	4	1,213	Jul-27	New

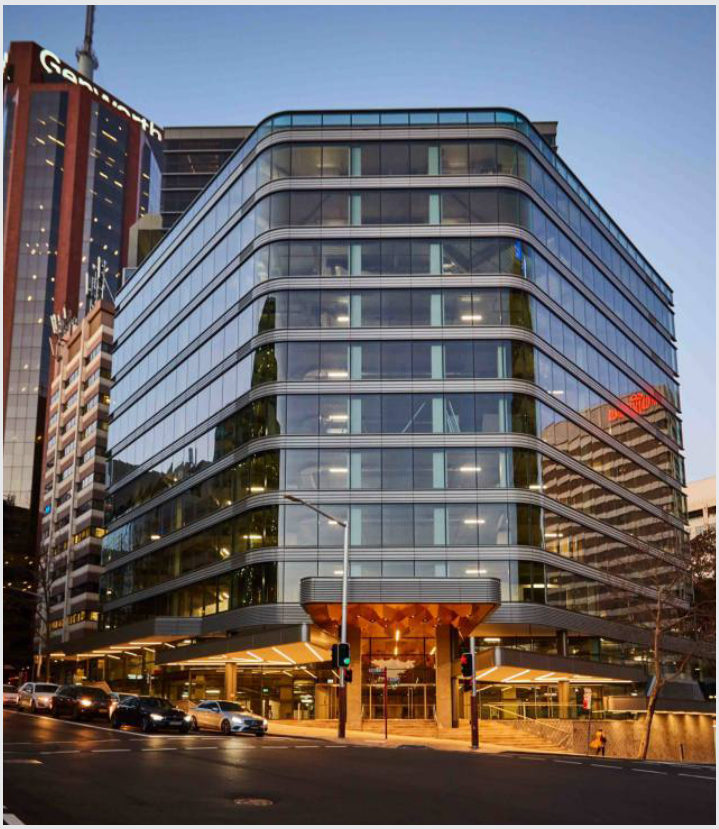
* Cadigal was involved in these transactions.

Significant leasing activity has occurred recently at (clockwise from below left) **Victoria Cross Tower**, **80 Pacific Highway**, **73 Miller Street** and **141 Walker Street**, all in **North Sydney**.









Cadigal

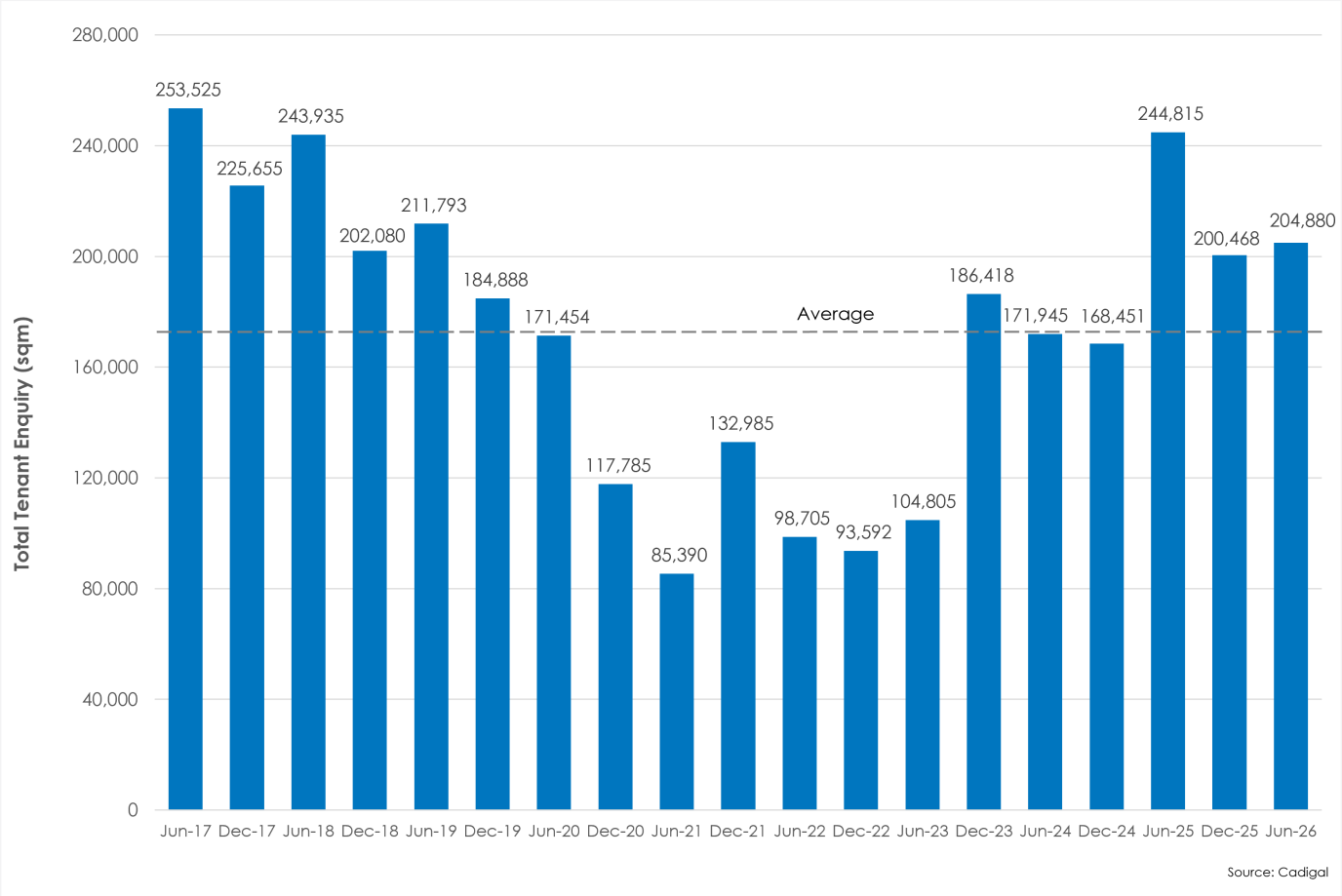
Tenant Enquiry

Total active tenant enquiry for the North Shore rose marginally (+2.2%) to 204,880sqm, over H1 2026. Active enquiry is currently 18% above the nine-year average of 173,872sqm.

The active enquiry is comprised of 170 separate requirements corresponding to an average enquiry size of 1,205sqm, which has been declining. Recent large enquiries to emerge in the North Shore market include **TikTok** (seeking 4,000-8,000sqm for Q2 2028), **Teva Pharma** (3,300-3,600sqm, Q4 2027), consulting engineering group **BG&E** (2,500-3,000sqm, Oct-27) and business management software **MYOB** (1,500-2,000sqm, Q3 2029).

North Shore office tenants come from a diverse range of industry sectors and this is reflected in the current active tenant enquiries with just two sectors - **Information Media & Telecommunications** (21%) and **Architectural, Engineering & Technical Services** (14%) - contributing more than 10% of total enquiry (by area).

Known Tenant Enquiry - North Shore



Source: Cadigal





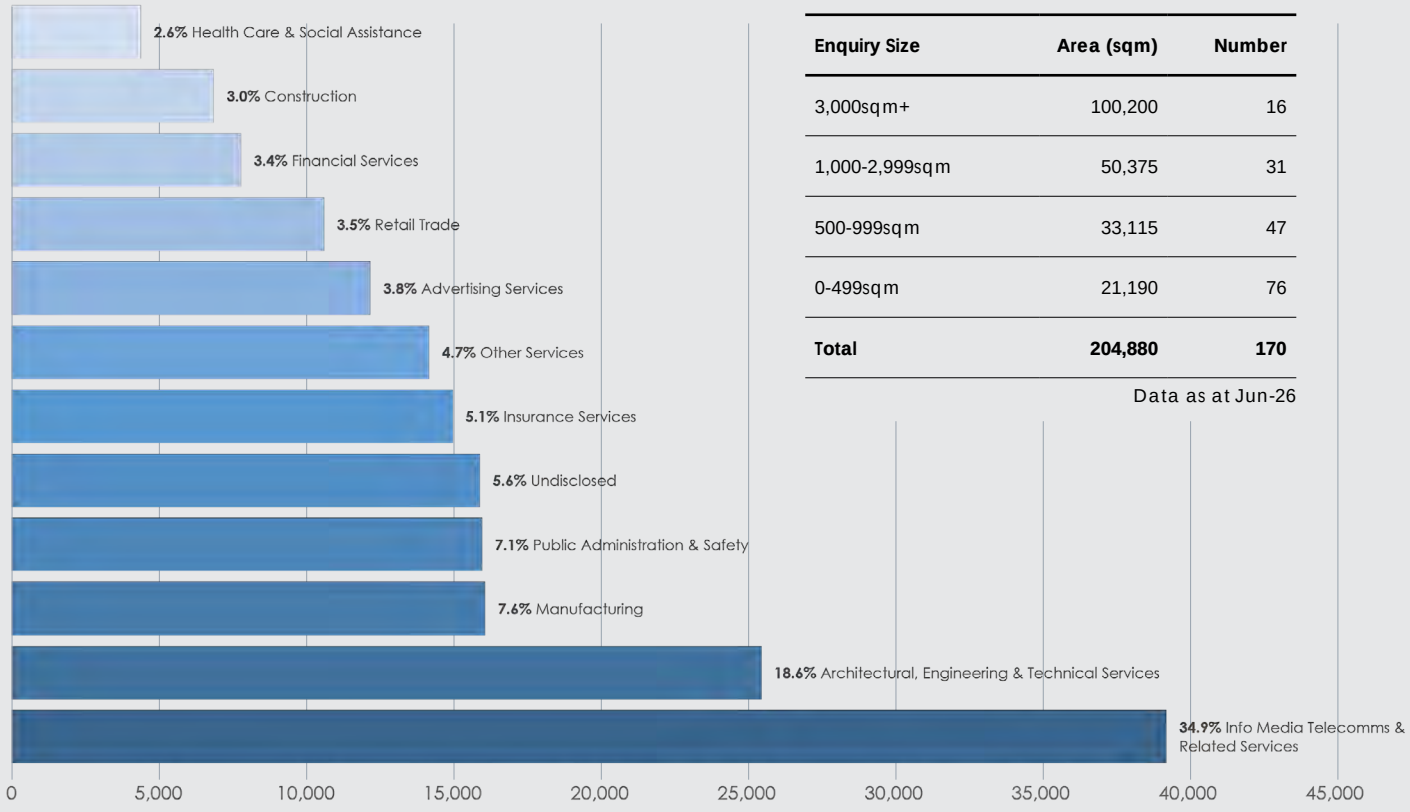




Large enquiries to have entered the market recently include (clockwise from top left) **TikTok**, **Teva Pharma**, **BG&E** and **MYOB.**

Current Tenant Enquiry **by Industry Sector**

Total = 204,880sqm



Current Tenant Enquiries **by Size**

Enquiry Size	Area (sqm)	Number
3,000sqm+	100,200	16
1,000-2,999sqm	50,375	31
500-999sqm	33,115	47
0-499sqm	21,190	76
Total	**204,880**	**170**

Data as at Jun-26

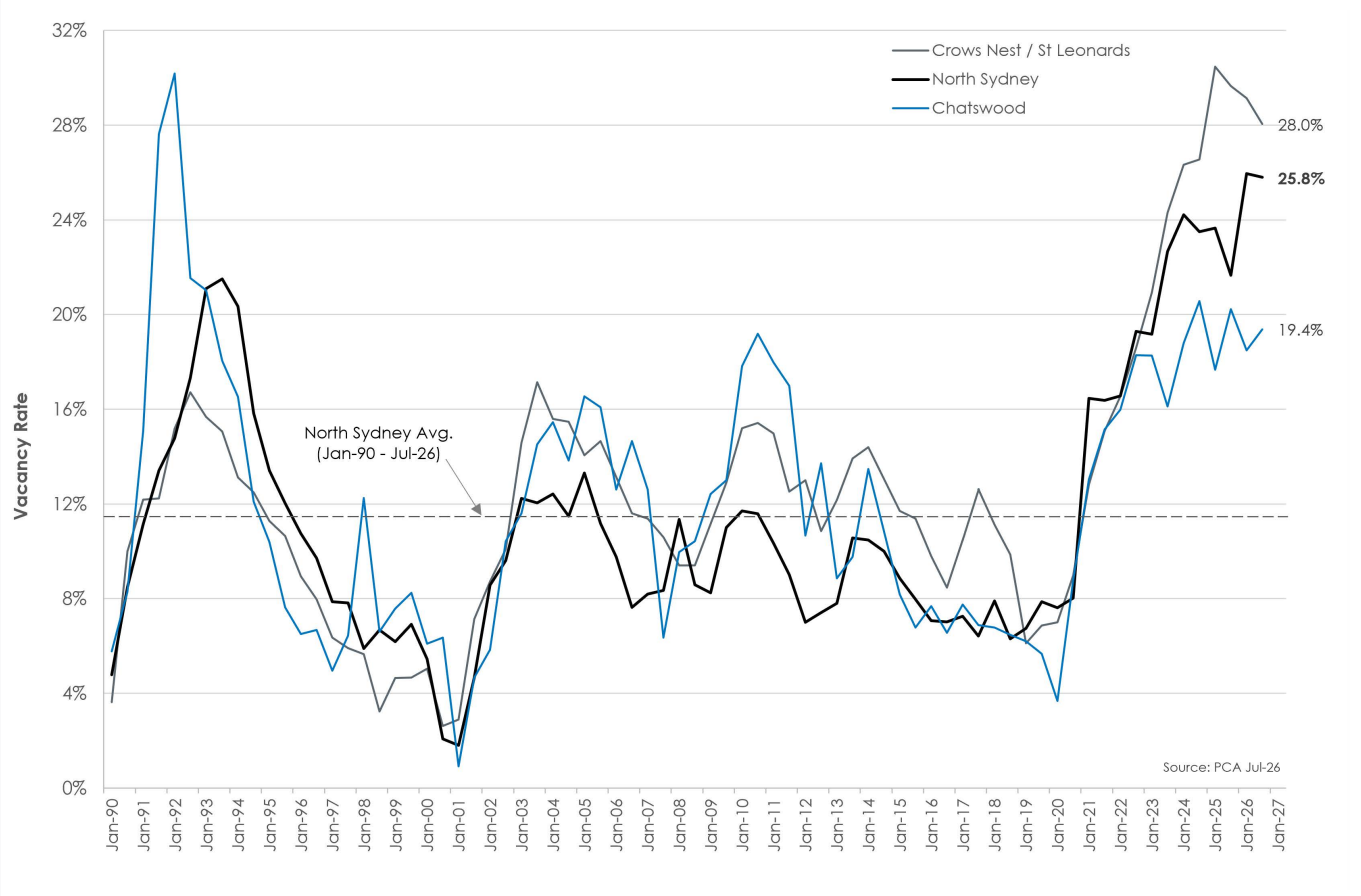
Cadigal

Vacancy

The overall vacancy rate for the North Shore edged lower over the first half of the year, down from a 36-year high of 25.4%, to 25.2%. This was mirrored by the major precinct, **North Sydney** (25.9% to 25.8%) whilst **Crows Nest / St Leonards** saw a more pronounced fall (29.1% to 28.0%), but vacancy in the smallest precinct, **Chatswood**, rose from 18.5% to 19.4%.

By *building grade*, the insignificant **D grade** (accounting for 1% of total stock) continues to have the lowest vacancy rate (18.6%) whilst **B grade** still remains the highest (30.5%). **Premium** space, comprising 12% of total stock and all located in North Sydney, still has higher vacancy (26.0%) than the overall rate despite falling by 160 basis points over the first half of the year.

Total Vacancy Rates (Jan 1990 - Jul 2026)



Vacancy Rate by **Precinct**

Precinct	As at Jul-26	As at Jan-26
North Sydney	**25.8%**	25.9%
Crosws Nest / St Leonards	**28.0%**	29.1%
Chatswood	**19.4%**	18.5%
Sydney North Shore	**25.2%**	25.4%

Source: PCA Jul-26

Vacancy Rate by **Building Grade**

Buiding Grade	As at Jul-26	As at Jan-26
Premium	**26.0%**	27.6%
A Grade	**22.4%**	24.6%
B Grade	**25.8%**	28.8%
C Grade	**21.6%**	20.7%
D Grade	**18.6%**	18.1%
Sydney North Shore	**25.2%**	25.4%

Source: PCA Jul-26



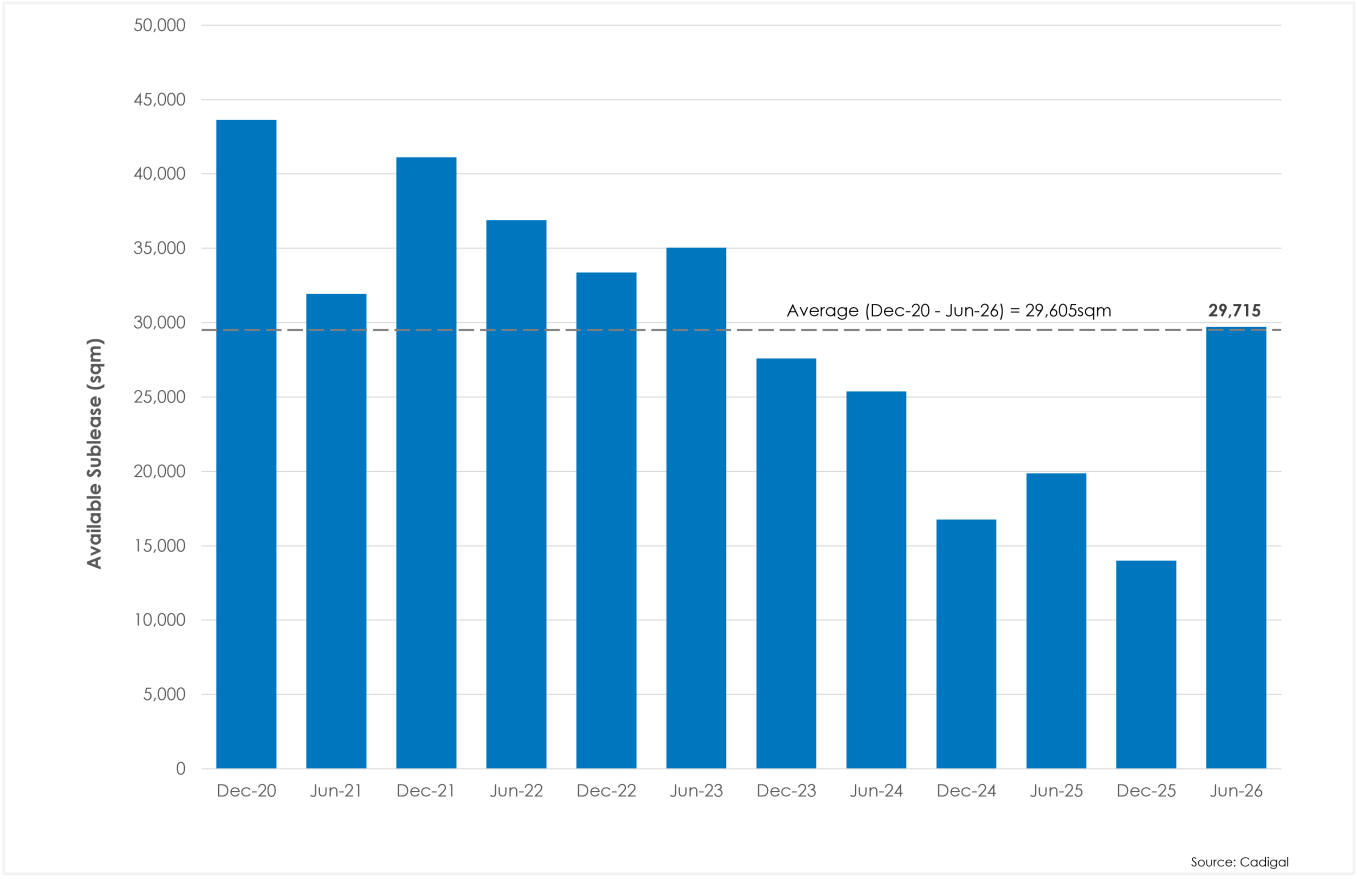
Cadigal

Sublease Availability

Available sublease space on the North Shore totalled 29,715sqm as at Jun-26, more than doubling over the first half of the year. The sharp increase was driven by the inclusion of 5,658sqm from **Allianz** at **101 Miller Street** and 2,541sqm from **CPB Contractors** at **177 Pacific Highway**, both in North Sydney.

Other substantial tranches of sublease include 3,428sqm from **TPG Telecom** and 2,998sqm from **Helia Group**. Despite the sharp rise, total available sublease accounts for less than 2% of total stock and is currently at about the average (from Dec-20 to Jun-26).

Sublease Availability



Source: Cadigal



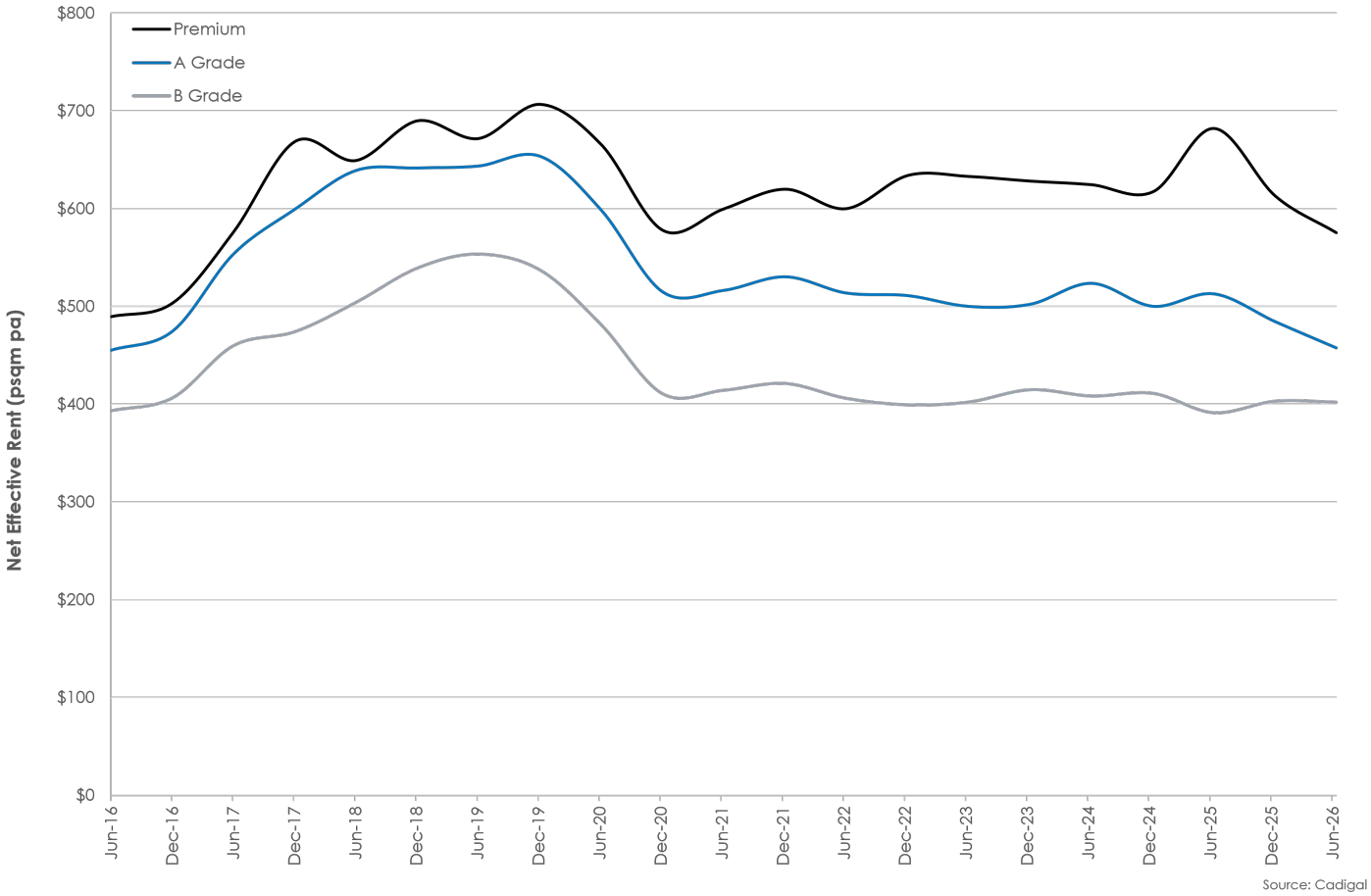
Rents

Face rental growth across the North Shore spanned a wide range (-1.4% to 9.6%) over the 12 months to Jun-26, led by **B grade** then followed by **A grade**. **Premium** face rents saw a minor fall driven by a spike in the *vacancy rate*, from 0.9% in Jun-25 to 26.0% as at Jun-26. Across the *precincts*, rental growth was strongest in **Crows Nest / St Leonards** after growth in the sub-market had lagged in recent periods.

In general, *tenant incentives* on the North Shore have continued to rise and typically span between 42% and 47% currently. **Premium** incentives have risen the most over the year and **B grade** the least.

The impact of incentives on face rents has resulted in slower *effective rental growth* compared to face rental growth. **B grade** rents led effective growth whilst **Premium** underperformed with effective rents falling 11.0%-15.6% in the 12 months to Jun-26. For effective rents growth was, again, strongest in the **Crows Nest / St Leonards** precinct at 3.0%-10.5%.

Net Effective Rent - North Sydney



Source: Cadigal

Face & Effective Rents - North Shore

	PREMIUM			A GRADE			B GRADE		
Rent	**Average Rate (psqm)**	6 month change	12 month change	**Average Rate (psqm)**	6 month change	12 month change	**Average Rate (psqm)**	6 month change	12 month change
North Sydney									
Net Face	**$1,158**	0.0%	-1.4%	**$999**	-0.1%	-1.1%	**$864**	2.5%	3.5%
Gross Face	**$1,388**	0.0%	-0.7%	**$1,195**	1.0%	1.0%	**$1,028**	2.7%	3.5%
Net Effective	**$575**	-6.1%	-15.6%	**$458**	-5.5%	-10.8%	**$402**	-0.3%	2.8%
Gross Effective	**$805**	-4.4%	-11.0%	**$653**	-2.0%	-4.7%	**$566**	0.9%	3.1%
Crows Nest / St Leonards									
Net Face	**-**	-	-	**$726**	3.6%	3.6%	**$538**	2.4%	8.0%
Gross Face	**-**	-	-	**$906**	2.9%	3.9%	**$701**	4.2%	9.6%
Net Effective	**-**	-	-	**$314**	4.4%	3.0%	**$222**	1.2%	7.5%
Gross Effective	**-**	-	-	**$493**	2.9%	3.9%	**$385**	5.1%	10.5%
Chatswood									
Net Face	**-**	-	-	**$701**	0.7%	1.5%	**$584**	0.0%	2.0%
Gross Face	**-**	-	-	**$841**	0.2%	0.8%	**$740**	0.5%	2.0%
Net Effective	**-**	-	-	**$318**	-2.1%	-7.0%	**$251**	-6.0%	-4.8%
Gross Effective	**-**	-	-	**$458**	-2.2%	-5.7%	**$407**	-3.0%	-2.2%
North Shore									
Net Face	**$1,158**	0.0%	-1.4%	**$853**	0.9%	0.4%	**$783**	2.3%	3.8%
Gross Face	**$1,388**	0.0%	-0.7%	**$1,030**	1.3%	1.6%	**$946**	2.7%	4.1%
Net Effective	**$575**	-6.1%	-15.6%	**$385**	-2.8%	-7.3%	**$358**	-0.6%	2.6%
Gross Effective	**$805**	-4.4%	-11.0%	**$562**	-1.0%	-3.0%	**$521**	1.0%	3.4%

Data as at Jun-26

Outlook

The last ***new supply*** development to be delivered on the North Shore was **Victoria Cross Tower** (55,318sqm) in North Sydney at the end of 2025. No new supply is expected until 2030, at least. However, 28,500sqm of refurbished A grade space will be returned to North Sydney, expected in 2027 via **105 Miller Street**.

Consecutive 6-month periods of ***positive net absorption*** is encouraging for the market, as is total active enquiry remaining above-average for three consecutive half-years. We believe *centralisation* into the dominant precinct of North Sydney will continue to underpin tenant demand.

Whilst an extended period of no new supply will limit further increases to ***vacancy rates***, the return of 105 Miller Street will delay the likelihood of substantial vacancy rate falls.

The lack of new supply will also prevent ***incentives*** from climbing materially higher, leading to more meaningful ***effective rental growth*** returning to the market.



MARKET PULSE

Research Contact



Lok So
Research Director
0421 283 865
lok.so@cadigal.com.au

cadigal.com.au

Cadigal

DISCLAIMER
The information in this publication is indicative only and is subject to change. Cadigal Office Leasing advises that whilst all care has been taken in compiling the information contained in this document, it does not warrant that this information is accurate or complete and disclaims all liability from use or reliance upon this information. Cadigal Office Leasing and its employees and agents will not be liable for any loss, damage cost or expense (whether direct or indirect) incurred as a result of your reliance upon the information provided in this document. © Copyright Cadigal Office Leasing Pty Limited