**MEDIA RELEASE**

Sydney NSW 2000

March 5, 2024

Australian CBD Office Markets Subject to Further Structural Changes

**FOR IMMEDIATE RELEASE**

ResolveXO’s recent data analysis reveals significant shifts in the Australian CBD office markets over the past four years, driven by the evolving landscape influenced by the COVID-19 pandemic.

According to comprehensive research conducted by ResolveXO, all CBD markets have witnessed office contractions on average over the last four years 2020 to 2023 (inclusive), reflecting the profound structural changes induced by the pandemic in the office sector.

One notable trend highlighted in the research is the fluctuation in office sizes across different industries and cities.

In 2021, Melbourne recorded the largest average increase in office size at 60%. This growth was primarily attributed to significant expansions within the legal and medical industries. However, since then, a consistent trend of downsizing has been observed.

The year 2022 marked the most significant contraction in office space over the four years, with all CBD markets experiencing reductions in average office size. Adelaide and Melbourne were particularly affected, both recording a 31% reduction. This reduction was largely driven by the > 5,000 sqm office size category across various industries such as Media, Financial Services, Legal, and Telecommunications.

**“In 2023, the research noted a plateau in office size reductions, indicating a potential stabilisation as working practices are decided upon. Despite a rise in relocations last year, which would typically suggest larger reductions when considering recent history, the Australian CBD office market experienced the lowest level of contraction with a decrease of only -5%.”**

**– Kristina Mastrullo, Head of Research & Property Strategist**



*Source: ResolveXO Research*

**“The first quarter of 2024 has already shown signs of stabilisation as companies solidify their work arrangements, be it flexible, hybrid or traditional office model. However economic uncertainty and an increasing number of stranded assets are key drivers as continued structural change is expected in the Australian office market.”**

**– Kristina Mastrullo, Head of Research & Property Strategist**



*Source: ResolveXO Research*

ResolveXO's analysis points to a sustained preference for high-quality office space, with tenants favouring prime and refurbished character buildings over less desirable options.

ResolveXO remains committed to providing insights and analysis to navigate the evolving landscape of the Australian CBD office markets for office occupiers.

###

**About ResolveXO**

ResolveXO exclusively represents business occupiers of commercial and industrial premises to strategically plan, negotiate and secure the best achievable property outcome.

* Full analysis chart pack (confidential) is attached in email for reference.

**Contact**

Kristina Mastrullo

Head of Research & Property Strategist

[kristina.mastrullo@resolvexo.com.au](mailto:kristina.mastrullo@resolvexo.com.au)

+61 422 126 379

www.resolvexo.com