Charter Hall

Research Quarterly Report

30 June 2025

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Acknowledgement of Country

Charter Hall acknowledges the Traditional Custodians of the lands on which we work and gather. We pay our respects to Elders past and present and recognise their continued care and contribution to Country.

Maku wunkun / Towards tomorrow, 2022 Tiarna Herczeg

Cover: Waverley Gardens Shopping Centre, Glen Waverley, VIC (CCRF)
Charter Hall Convenience Retail Fund (CCRF) exchanged unconditional contracts in June for the acquisition of Waverley Gardens Shopping Centre, reflecting a core cap rate of 6.50%. The property comprises a 39,737 sqm sub-regional Shopping Centre, located 26km southeast of Melbourne CBD in Mulgrave. The centre is anchored by Coles, Woolworths, Aldi and Big W, together with 9 mini-majors, 93 specialties, a childcare centre, 7 Eleven and car wash.

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01 Executive summary

Sydney CBD, NSW Aerial photo showcasing construction underway at Chifley South

The Chifley South development is located in the super core precinct of the Sydney CBD and is progressing with construction above ground level. Chifley South is now in the main construction program and once completed in mid-2027 will be home to approximately 10,000 workers. The precinct will house Australia's leading businesses, with UBS, Morgan Stanley, Gilbert + Tobin and Charter Hall among existing and committed tenants.

Overview

02 Economy
Pages 6-14

Global growth projections have eased as markets assess the potential for structural change across the major economies. Given the ongoing trade negotiations, some major economies face the prospect of stickier inflation, policy uncertainty, financial market volatility and slower growth. By contrast, the Australian economic outlook is characterised by stable growth, low inflation and accommodative monetary policy.

Growth is forecast to accelerate over the year as the lower inflationary results accelerate the unwinding of the restrictive monetary policy environment. Given the lower exposure to trade diplomacy, the outlook is less anchored by tariff-induced disruptions, and corporate caution.

Australian GDP growth increased by 0.2% q/q and 1.3% y/y. Public sector demand petered over the quarter (-0.5 q/q), largely attributed to short-term volatility rather than the overall trend. Australia's growth is forecast to reach 1.8% in 2025, positioning it among the strongest performers across advanced economies.

The Public Fiscal position remains stimulatory. The FY25 Australian Government Budget forecasts have materially strengthened over recent revisions, with the deficit reduced to $10bn, an improvement to the May forecast of $27.6bn.

Labour market conditions eased but still remained tight on historical benchmarks. The unemployment rate drifted up to from 4.1% to 4.3%.

Australian retail sales accelerated in June, rising 1.2% m/m and 4.9% y/y – the fastest increase since Mar-23. The strong result was driven by promotional activity and new product launches.

03 Office
Pages 15-21

The momentum in Prime leasing demand continued over 2Q25, with annual occupied stock growth at the highest level since Jun-22; +42% above the 10-year average.

The growth in Prime occupied stock continued to be led by the conviction markets, with net-absorption increasing by +8.6% over the last 24 months. By comparison, the growth across the Prime non-conviction markets has increased +3.3% over the same period.

Higher cost of capital and construction challenges have continued to reduce forward supply activity. New building completions peaked in Dec-2022. Over the past 20 years, stock across the national market increased by 2.0% (3yr rolling annual). This is projected to trend down toward 1.2% by 2030.

The momentum in occupier activity coupled with the contraction in development activity translated into material rental growth. Prime Rental growth accelerated across Prime Net Effective CBD rents increasing by +5.8% y/y – the highest level since Sep-2018. Notable y/y gains were recorded across the conviction markets, led by the Brisbane Fringe (+14.4%), Brisbane CBD (+13.1%). Rents across Sydney Core (+11.1%) and Melbourne Eastern Core (+6.6%) also surged over the year.

Office investment transaction activity remained steady, with continued participation from global investors across the Sydney and Brisbane CBDs.

Forward-looking indicators highlighted the ongoing value recovery across the Office market. Net Total Returns of MSCI Office Core Funds over the year to Jun-25 improved from -8.5% (May-25) to -1.2% (Jun-25).

04 Industrial
Pages 22-28

Total leasing volumes during 2Q25 totalled 799,123 sqm, 2% above the 10-year rolling quarterly average, driven by a normalisation in demand and restricted by relatively low vacancy across markets. Leasing growth over the past year was +16% above the 10yr rolling annual average.

Feasibility of developments continue to be challenged, particularly for those developers that bought land at peak values. Forward supply will continue to be restricted by the supply of serviced and zoned industrial land.

Latest house view forecasts at 2Q25 estimate 2.6 million sqm of new supply will complete in CY25. This represents a -21% reduction compared to the 3.3 million sqm of new stock that completed during CY24.

Australia's national average vacancy rate has drifted upwards through 2024 and into the first half of 2025 to 2.8% at Jun-25. This has been broadly in line with expectations as conditions normalise. Australia's markets remain some of the lowest vacancy rates globally.

Prime industrial rental growth moderated, yet remained solid: growing +0.3% q/q. On an annual basis prime rents increased by +4.9% to Jun-25.

Total transaction volumes were $10.1 billion in the 12-months to Jun-25, 23% above the 10-year rolling average of $8.2 billion. 363 transactions completed during the period, the highest number on record.

Net Total Returns of Core Industrial Funds over the year to Jun-25 increased to +5.5%, the highest level since Aug-23 (+5.9%). Industrial Funds reported the 12th consecutive monthly gain in total returns, with a monthly net total return of +1.0% in Jun-25.

05 Retail
Pages 29-34

Construction activity across the retail markets remains extremely limited. High construction costs and limited development stock have reduced forward supply. Completions over CY25 are forecast to equate to the lowest level of retail supply for the last ~30 years.

Approximately ~39,000 sqm of new stock was completed over 2Q25. A further ~127,000 sqm of developments are currently under construction and expected to complete over CY25. CY25 will be the lowest level of retail supply for the last ~30 years.

Given the stronger fundamentals, Neighbourhood Centres have represented the greatest activity contributing 42% to the CY25 pipeline.

National Large Format weighted prime rents grew by +3.2% y/y, followed by Regional (+1.7% y/y), Sub-Regional (+1.4% y/y) and Neighbourhood (+1.3% y/y). Annual rental growth of these sub-sectors outperformed the 3-year, 5-year and 10-year averages.

Charter Hall managed Neighbourhood Centres' annual rental growth reached 2.8% y/y, well above indicative National Neighbourhood growth (1.3% y/y).

Investment activity for the 12-months to 2Q25 totalled $9.0 billion driven by activity across Regional, Neighbourhood and Sub-regional sub-sectors. This was well above the 10-year average of $7.9 billion.

Total Returns across the Sub Regional and Neighborhood sectors increased by the highest level since late-2022. Over the year to Jun-25, indicative returns increased by +8.3%, and +5.9% respectively.

06 Living
Pages 35-39

High financing costs, labour shortages, and a restrictive planning system have contributed to an undersupply of new housing. Current forecasts anticipate the National Housing Accord target of 1.2 million well-located dwellings by Jun-29 will be missed by one third or more (~395,000 to 462,000 dwelling shortfall).

The apartment sector will be increasingly critical to support a ramp up in housing supply. However, the recovery of higher-density housing will take longer due to the lag between approvals and completions.

A continuation of undersupply coupled with solid population growth is placing downward pressure on vacancy rates in the national rental market.

Construction costs escalations have eased from the significant growth rates recorded over recent years. As such, conditions will favour developers with strong balance sheets and well-located sites.

Latest forecasts estimate that national apartment vacancy will reach 1.5% by the end of the financial year and will fall further to an average of 1.2% by FY27. The stabilised market vacancy rate for the rental apartment market sits around 4-5%.

National median apartment rents are forecast to increase by +24% over the next 5 years to FY30, driven by the imbalance between tenant demand and available apartments. Demand will continue to be supported by rising population, jobs and income growth.

Snapshot

02 Economy
Pages 6-14

1.3%
annual growth at 1Q25,
▼ the 10yr avg of 2.3% y/y

4.3%
unemployment rate at Jun-25,
▼ the 10yr avg of 5.0%

1.7%
annual population growth rate (Dec-24),
▲ the 40yr avg of 1.4% y/y

14.3%
online retailing penetration rate at May-25
▲the highest number since COVID

03 Office
Pages 15-21

464,000 sqm
annual growth in Prime occupied stock, strongest level of annual growth since Jun-22

34%
▼ downward revision in forecast CY25-CY28 national CBDs supply since 1H24 forecasts

5.8%
National prime effective annual rental growth across National CBD markets, highest level of annual growth since Sep-18,
▲ the 10yr avg of 3.0% y/y

$7.7 bn
annual transaction volumes, with global investors actively purchasing major assets across Sydney and Brisbane CBDs

04 Industrial
Pages 22-28

3.6 million sqm
of leasing activity in the 12-months To Jun-25, 16% above the 10yr rolling annual average

2.6 million sqm
▼fall in supply y/y in CY25, down 21% compared to CY24

2.8%
National vacancy rate, one of the lowest globally

$10.1 bn
industrial transactions in the 12-months to Jun-25, across 363 deals
▲the highest number of deals on record

05 Retail
Pages 29-34

179,000 sqm
new completions forecast over CY25
▼ the 10yr annual avg of 421,000 sqm

1.2%
Vacancy across Charter Hall shopping centre and net lease platform below the market avg across retail subsectors

2.8%
annual rental growth for CHC Neighbourhood Centres at 2Q25
▲ the market avg of 1.3% y/y for National Neighbourhood Centres

$9.0 bn
annual transactions volumes,
▲ the 10yr annual avg of $7.9 bn

06 Living
Pages 35-39

1.2 million
National Housing Accord 5-year supply target

~462,000
Forecast supply shortfall in 5 years

1.5%
national apartment vacancy rate by Jun-25

+24%
▲ Increase in national median apartment rents between FY25-FY30

02

Economy

Ascent on Bourke, Alexandria, NSW (CLP)

Ascent on Bourke is Sydney's newest multi-storey warehouse and office facility, reaching practical completion in March 2025. Ascent on Bourke is located in the inner city of Alexandria, with direct entry to the Westconnex M8 connecting to the wider intra- and inter- state arterial road network, providing access to a population of 4.9 million people within a 60-minute drive time. The development is 75% leased to Schindler and Coles Group.

Economy

Economic Growth

1.3%
annual growth to Mar-25

Global growth projections have eased as markets assess the potential for structural change across the major economies. Given the ongoing trade negotiations, some major economies face the prospect of stickier inflation, policy uncertainty, financial market volatility and slower growth. By contrast, the Australian economic outlook is characterised by stable growth, low inflation and accommodative monetary policy. Growth is forecast to accelerate over the year as the of lower inflationary results accelerate the unwinding of the restrictive monetary policy environment. Given the lower exposure to trade diplomacy, the outlook is less anchored by tariff-induced disruptions and corporate caution.

Australian GDP growth increased by 0.2% q/q and 1.3% y/y. Public sector demand petered over the quarter (-0.5 q/q), largely attributed to short-term volatility rather than the overall trend. A number of significant state and territory infrastructure projects are winding down, leaving a temporary void until the new projects commence. The pipeline of Public sector construction work to be done remains near record highs and the Federal and State budget has shown significant commitments.

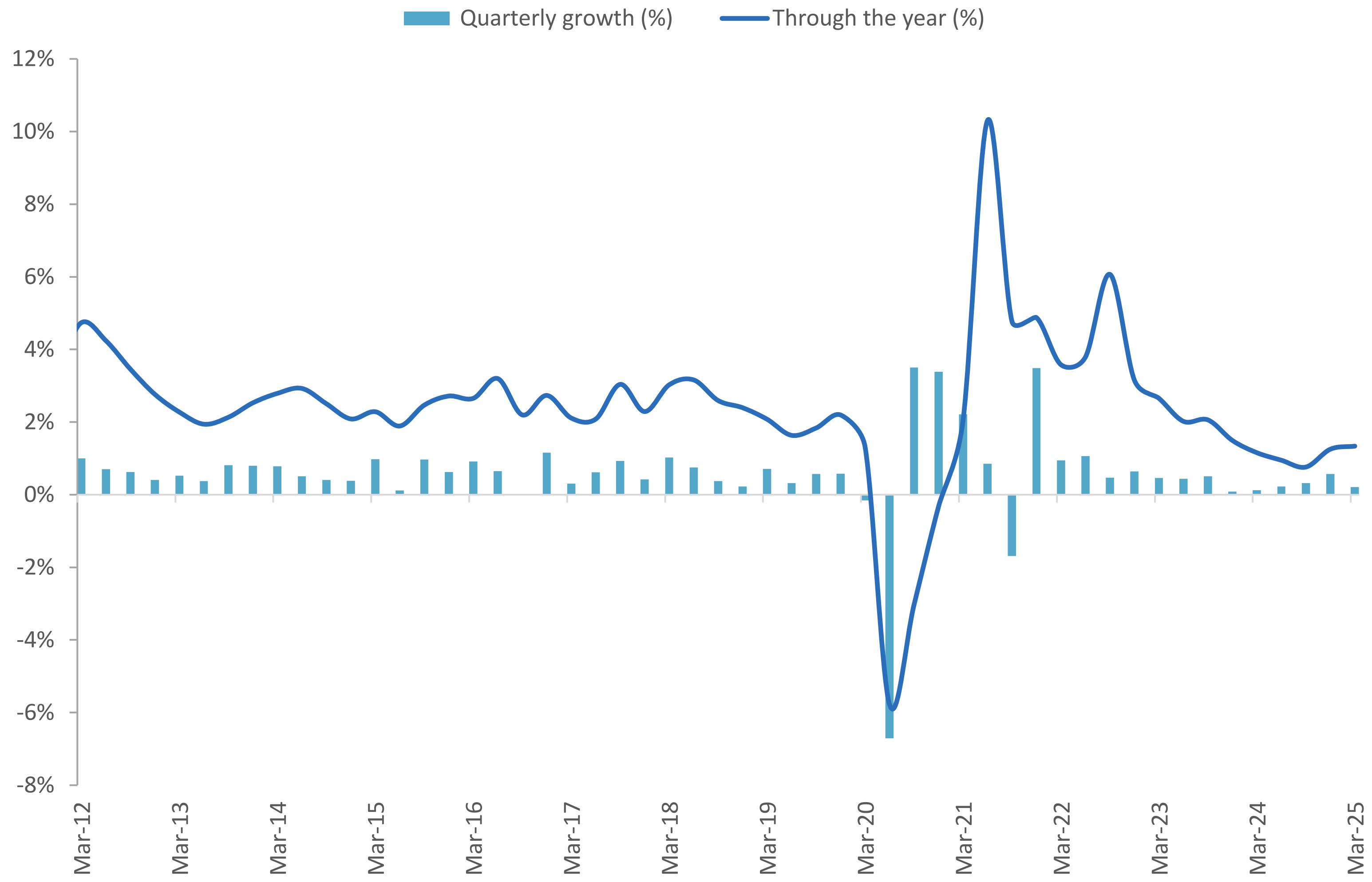
The quarterly result was also moderated by Cyclone Alfred-related disruptions to coal exports and household spending. Despite this, commodity exports remained resilient and is forecast to improve amidst the stimulus expectations from China, and improved overseas demand.

The Reserve Bank priorities have shifted from curbing inflation to supporting growth. Given the inflationary results and softer economic growth result, expectations and timing of rate cuts have intensified.

The Public Fiscal position remains stimulatory. The FY25 Australian Government Budget forecasts have materially strengthened over recent revisions, with the deficit reduced to $10bn - an improvement to the May forecast of $27.6bn. Government spending remains significant at 9% y/y. Credit growth accelerated to 6.9% y/y in May, the highest level since April 2023. Household income growth remained solid, with spending remaining steady, as a greater share of income from rate-cuts shifted to savings. In FY25 household deposits rose by $137.5 bn (+10.1% y/y growth), the largest annual dollar increase since FY22. Further RBA rate cuts over coming months are expected to stablise household savings ratios. As such, nominal consumption should more closely align with nominal household income. Real household disposable incomes increased 1.7% q/q and 3.4% y/y, a similar rate to that shortly prior to the pandemic.

Source: ABS, Charter Hall Research. At Mar-25.

Australia - GDP



Economic Forecasts

1.8%

Australia's forecast economic (GDP) growth in CY25

GDP: Consensus Forecasts

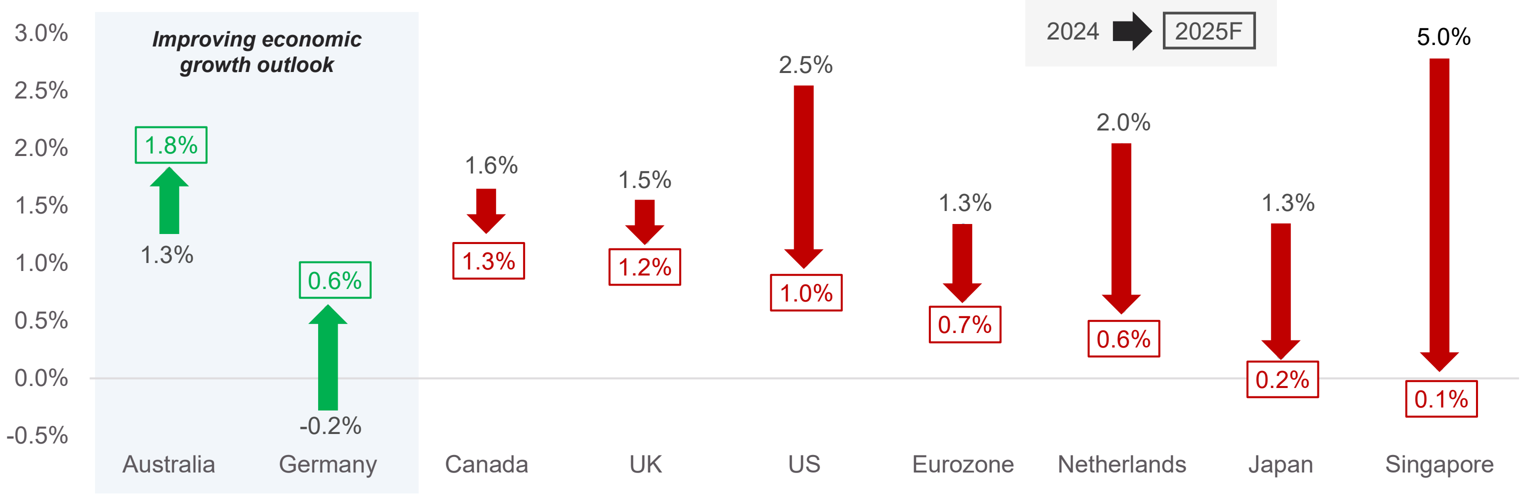
	2024	2025F	Difference
Australia	1.3%	1.8%	▲0.5%
Germany	-0.2%	0.6%	▲0.8%
Canada	1.6%	1.3%	▼0.3%
UK	1.5%	1.2%	▼0.3%
US	2.5%	1.0%	▼1.5%
Eurozone	1.3%	0.7%	▼0.6%
Netherlands	2.0%	0.6%	▼1.4%
Japan	1.3%	0.2%	▼1.1%
Singapore	5.0%	0.1%	▼4.9%

Cash Rate: Consensus Forecasts

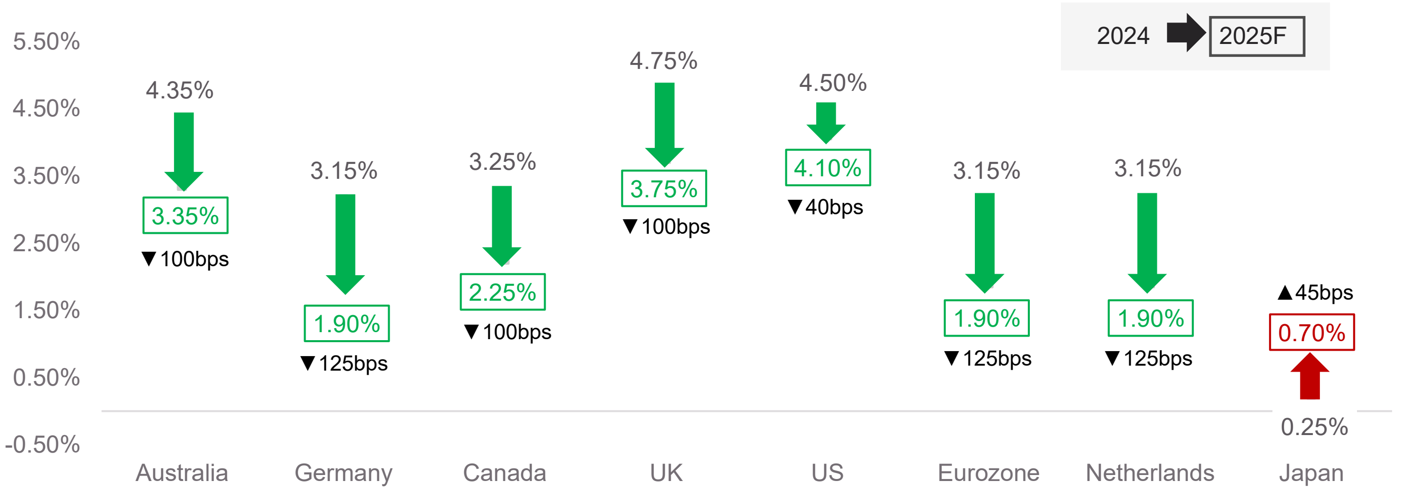
	2024	2025F	Difference
Australia	4.35%	3.35%	▼100bps
Germany	3.15%	1.90%	▼125bps
Canada	3.25%	2.25%	▼100bps
UK	4.75%	3.75%	▼100bps
US	4.50%	4.10%	▼40bps
Eurozone	3.15%	1.90%	▼125bps
Netherlands	3.15%	1.90%	▼125bps
Japan	0.25%	0.70%	▲45bps

Source: Consensus Economist Forecasts, RBA, Bloomberg,Charter Hall Research at Jul-25

GDP: Australia to have strongest economic growth in CY25



Cash Rate: Australia's rate cuts in line with other advanced economies



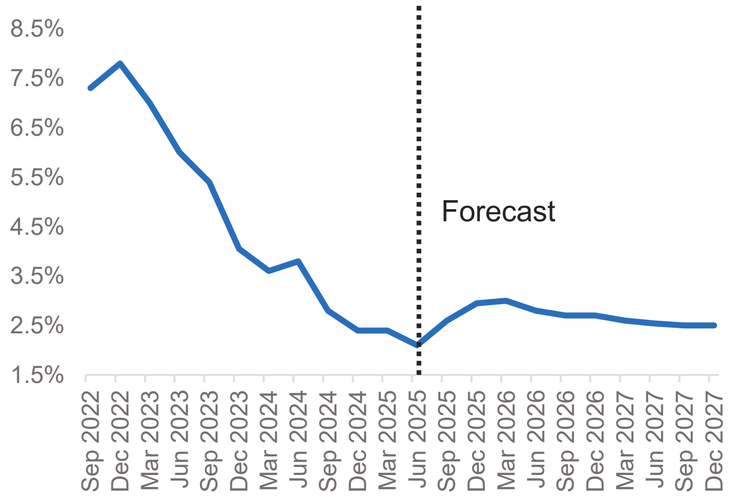
Rates forecast to reduce beyond inflection point and cap rates expected to follow

Real Estate capitalisation rates are forecast to compress as bond rates and interest rates continue to normalise.

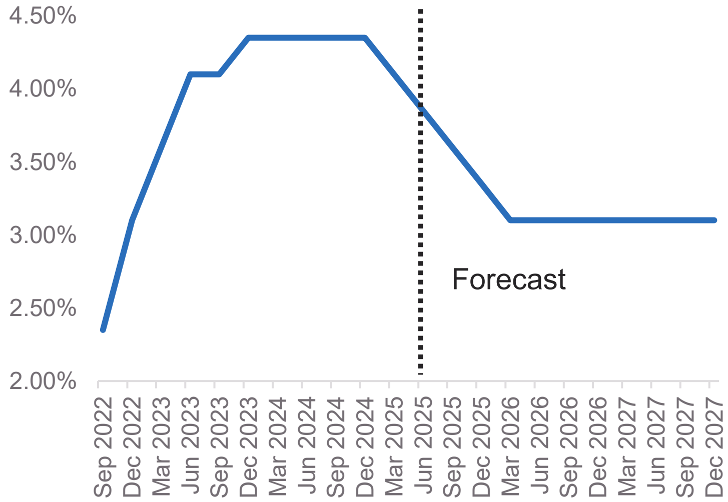
The disinflationary progress and broader global market uncertainty have accelerated the expectations for monetary easing. Consensus economist forecasts expect 100bps of cuts to the Reserve bank Cash Rate over CY25.

Actual / **Forecasts**	CPI (%)	Cash Rate (%)	10yr Bond Rate (%)
Jun-23	6.0%	4.10%	3.92%
Jun-25	2.1%	3.85%	4.21%
Dec-27	**2.5%**	**3.35%**	**3.91%**

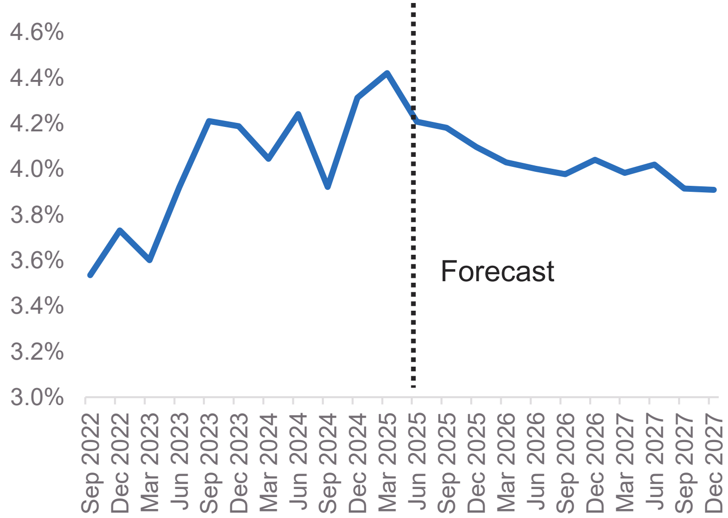
CPI Projection (%)



Cash Rate Projection (%)



10yr Bond Yield Projection (%)



Source: Consensus Economist Forecasts, RBA, Bloomberg, and Charter Hall Research. As at 2Q25.

Labour Market

4.3%
unemployment rate

Labour market conditions eased, however, still remained tight on historical benchmarks. The unemployment rate drifted up from 4.1% to 4.3%, the highest level in four years; reinforcing the impetus for RBA rate cuts.

Some of the weakness in the unemployment rate reflects the increase in the participation rate, with returning job seekers contributing to higher readings as they commence their job search.

Employment growth has moderated, but remains solid. Total employment increased by +2.0% year-on-year, broadly in line with long-run averages. However, the monthly pace of growth has slowed to 15,000, down from an average of 33,000 in 2024.

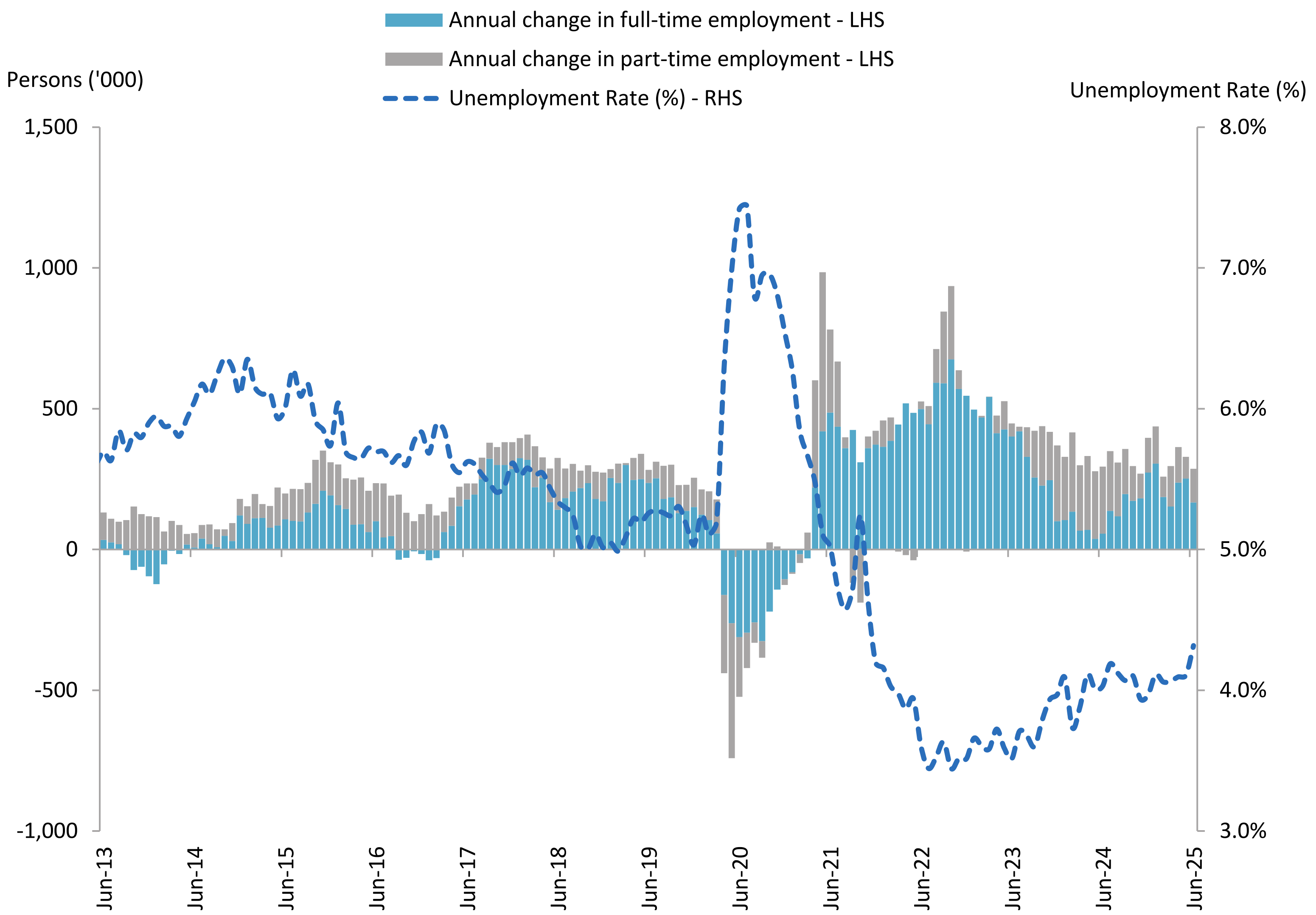
Forward-looking indicators are mixed. Firms report less significant labour constraints, job-switching activity has declined further, and hiring surveys and job advertisements have remained relatively stable.

The unemployment rate is forecast to ease to 4.4% by year-end, a level below the RBA's estimated Non-Accelerating Inflation Rate of Unemployment (NAIRU) of approximately 4.5%.

While job growth is expected to slow in the coming months, it is still projected to outpace most major economies, with annual growth between 1% and 2%.

Source: ABS, Charter Hall Research. At 2Q25 (Jun-25).

Employment activity



Economy

Population Growth

1.7%

annual growth rate to Dec-24

Australia's population growth rate continued to normalise in 2024, yet remained above long-run averages. The national population increased by +1.7%, supported by strong net overseas migration of 340,800 people.

Natural increase also contributed meaningfully, adding 105,200 people, a +1.9% y/y increase.

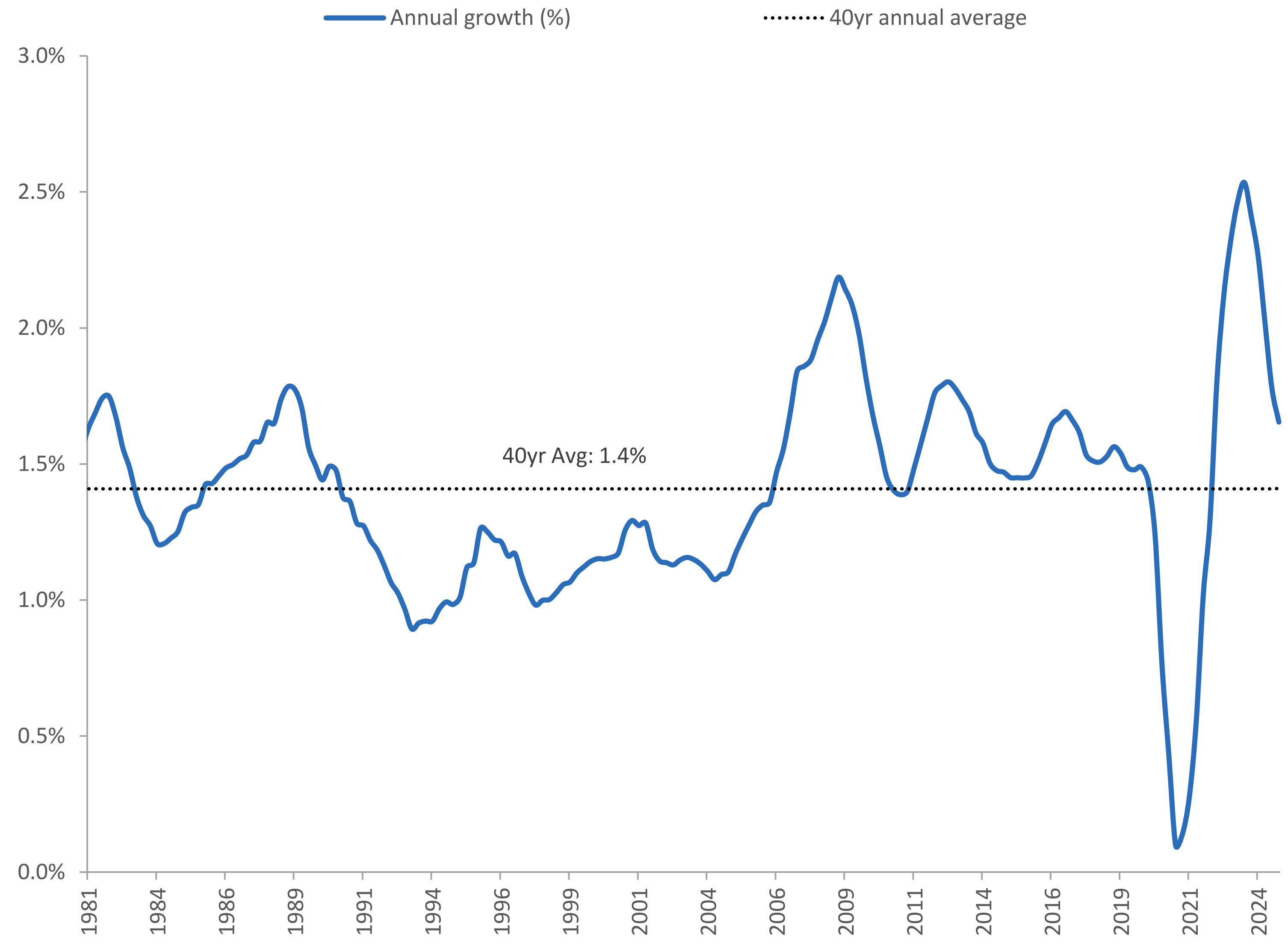
Western Australia recorded the highest population growth, increasing by +2.4% over the year, followed by Victoria and Queensland, each with +1.9% growth.

These increases were largely driven by migration flows, both overseas and interstate.

	Annual population growth (%)
New South Wales	1.3%
Victoria	1.9%
Queensland	1.9%
South Australia	1.1%
Western Australia	2.4%
Tasmania	0.3%
Northern Territory	1.2%
Australian Capital Territory	1.4%
Australia (a)	1.7%

Source: ABS, Oxford Economics, Charter Hall Research. At Dec-24.

National annual population growth (%)



Economy

Retail

4.9%
annual retail sales growth

Australian retail sales accelerated in June, rising +1.2% m/m and +4.9% y/y – the fastest increase since Mar-23.

The strong result was driven by promotional activity and new product launches, notably the release of the Nintendo Switch 2.

However, retail trade volumes improved but remained soft over the quarter, increasing just +0.3% q/q, following a weak Q1 result of +0.1% q/q. This improvement contributed to a growth of +1.5% y/y – the highest level 3Q22. This subdued trend reflects consumer preference for saving their additional income from recent RBA rate cuts, rather than increasing discretionary spending. This is consistent with other indicators, such as household deposits, which surged +9.3% y/y in May 2025.

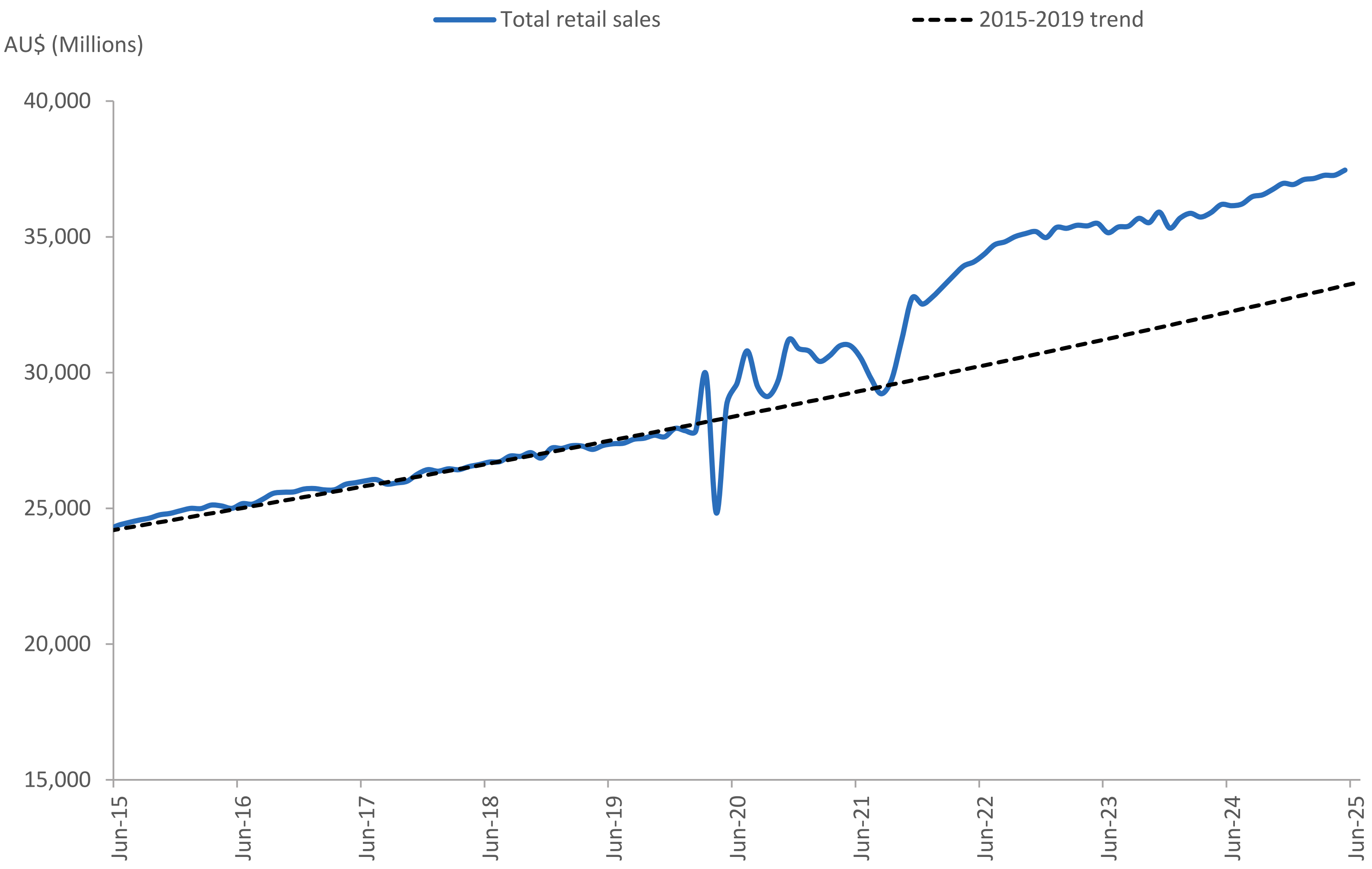
Notwithstanding this, revisions to May and the strong June result now puts the increase over the 3-months to Jun-25 at +1.0%, or an annualised pace of 4.0%.

Excluding food and dining out, retail trade volumes posted a stronger 0.8% q/q growth, led by household goods and 'other retail' categories, which include recreational goods. In contrast, food-related volumes declined, with the increase in value attributed to price inflation rather than higher consumption.

The recent print is consistent with the ongoing recovery in consumption activity. This is expected to continue through the remainder of 2025, supported by additional RBA rate cuts. So far, however, the impact of monetary easing has largely supported dwelling prices, credit growth, and savings, rather than translating into a meaningful lift in real spending activity.

Source: ABS, Charter Hall Research. At Jun-25.

National retail sales (AU$ millions)



Online Retailing

14.3%

Online retail penetration rate at May-25

Online retail sales continued to accelerate, reaching $63 billion over the past 12 months. The penetration rate increased to 14.3%, marking the highest level since the pandemic and reflecting a sustained increase in digital retailing.

Growth was led by the Department Store category, which surged by approximately 30% y/y, and Games and Toys, which rose by 23% y/y, driven by strong demand for recreational and entertainment products.

Department Stores and Homewares & Appliances account for the largest share of online retail spending, underscoring the dominance of discretionary and household categories in the eCommerce landscape.

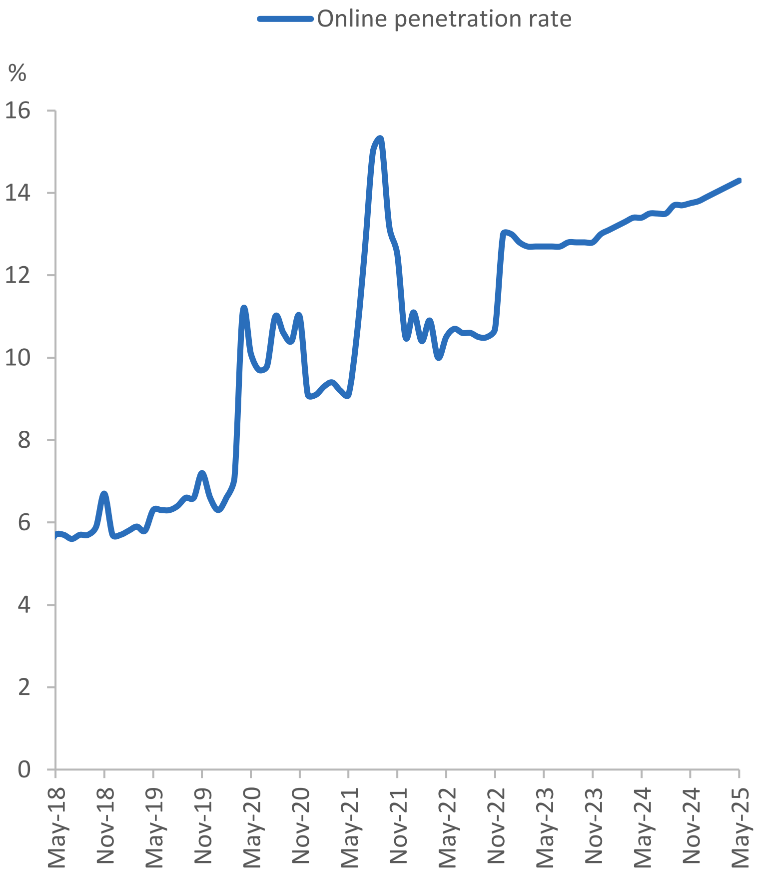
Since Mar-24 online retail sales volumes have maintained an annual growth rate of ~13.0%.

	Share of online retailing sales (%)
Department stores	20.4%
Homewares and appliances	19.0%
Grocery and Liquor	14.7%
Personal and Recreational	11.8%
Fashion	10.1%
Games and Toys	8.1%
Takeaway Food	8.1%
Media	7.7%

Source: NAB, Charter Hall Research. At May-25.

Online annual retail sales growth, pcp

Online penetration rate



Economy

Construction costs

30.1%
growth of national construction costs since Mar-21

Construction cost inflation has continued over the year, with national costs increasing by ~4.1%.

Build costs have continued notable growth, with total costs between ~25% and ~35% above the pre-covid trend.

Construction costs escalations have eased from the significant growth rates recorded over recent years. However, this will be diverged by developers. Conditions are favoring groups with strong balance sheets, capabilities and superior sites.

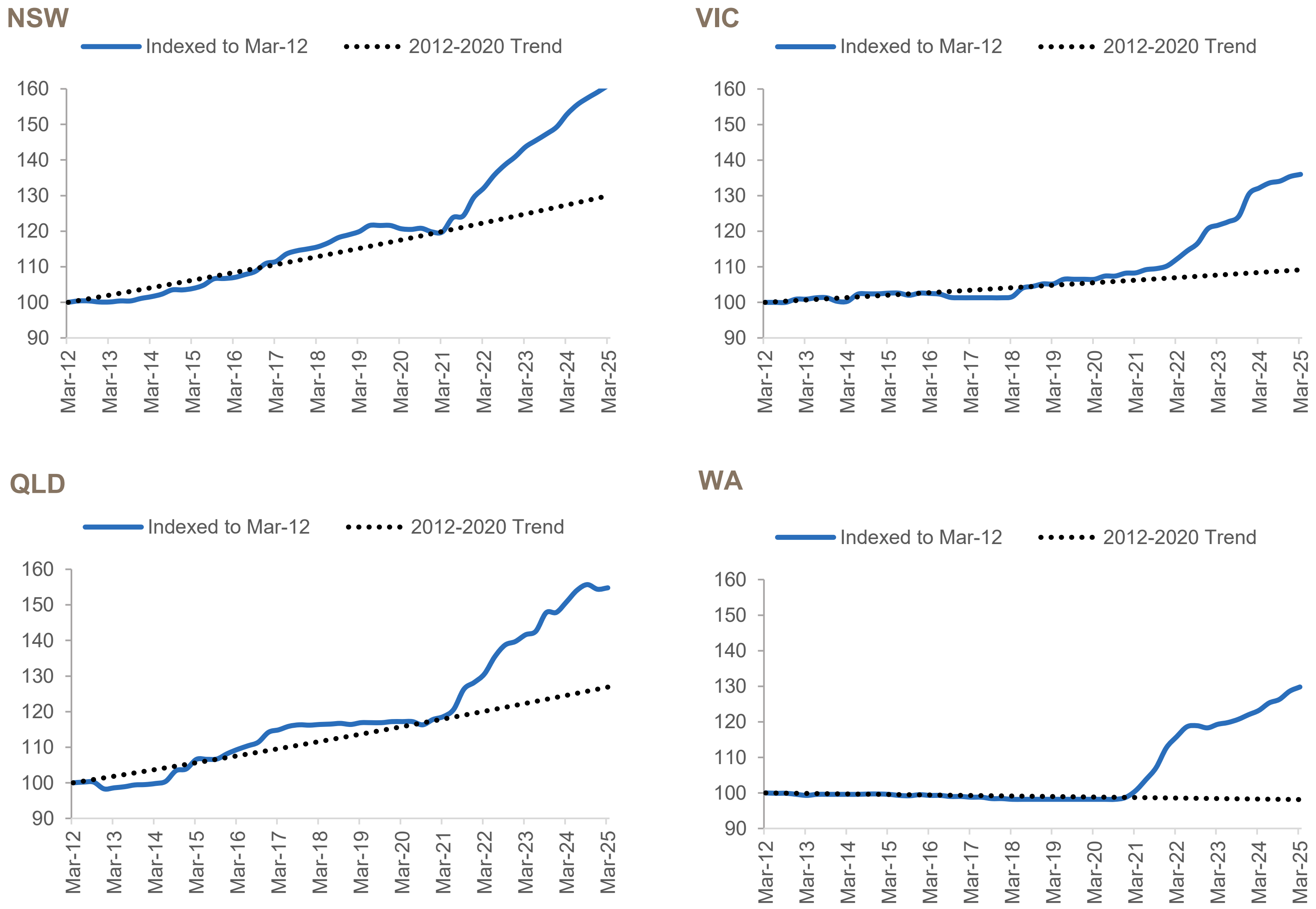
Certain sectors like the industrial and logistics sector have seen some easing in costs given the comparatively lower labour intensity.

Medium-term supply, however, will be influenced by the supply of zoned land and access to supporting infrastructure.

Notwithstanding this, overall required economic rents continue to restrict supply pipelines across all the sectors.

Source: ABS, Charter Hall Research (Mar-25) National weighted by GSP of 5 largest states.

Growth of construction costs since Mar-12



03
Office

Wesley Place, 150 Lonsdale Street, Melbourne, VIC (CHOT)
Wesley Place, owned and managed by Charter Hall Office Trust (CHOT), secured new and renewal leasing with Superloop and Plan International during 2Q25.

Office

Demand

464,000 sqm

annual growth in Prime occupied stock, the largest increase since June-22

The momentum in Prime leasing demand continued over 2Q25, with annual occupied stock growth at the highest level since Jun-22; +42% above the 10-year average of +327,000 sqm. Secondary office demand continued to decline, a reduction of-300,000 sqm over the year.

Prime leasing volumes over 2Q25 was led by the National CBD markets, with an increase of +295,000 sqm – the highest since Jun-19 and +34% above the 10-year average of +220,000 sqm.

By market, Sydney CBD reported the strongest Prime leasing volume annual growth, increasing at more than double the long-run average (106,300 vs 53,000 sqm). Strengthening conditions were also observed across the Melbourne CBD (89,500 vs 57,000 sqm), Adelaide CBD (41,000 vs 18,700 sqm) and Canberra (34,000 vs 25,000 sqm) markets.

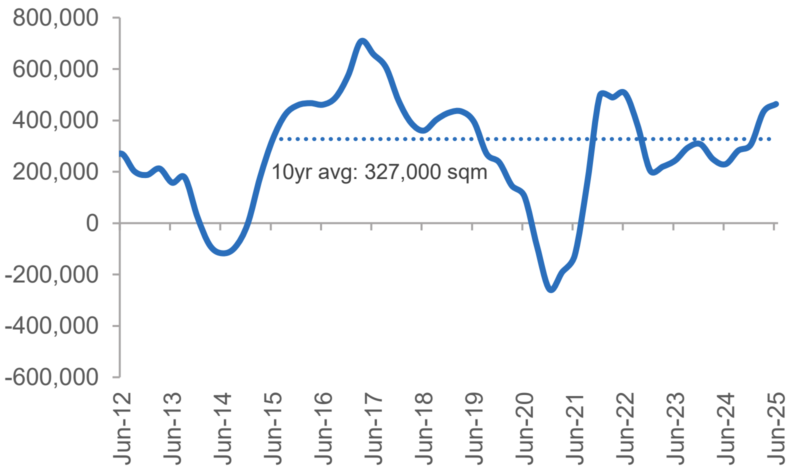
The growth in Prime occupied stock continued to be led by the conviction markets, with net-absorption increasing by +8.6% over the last 24 months. By comparison, the growth across the Prime non-conviction markets has increased +3.3% over the same period.

The quarterly result was led by Allens (a net increase of +2,500 sqm) at 33 Alfred Street, Sydney CBD; EY (+2,300 sqm) at 9 The Esplanade in Perth CBD; Maddocks (+1,800) to 33 Alfred Street, Sydney CBD and Department of Foreign Affairs & Trade (+1,700 sqm) to 345 Queen Street, Brisbane CBD.

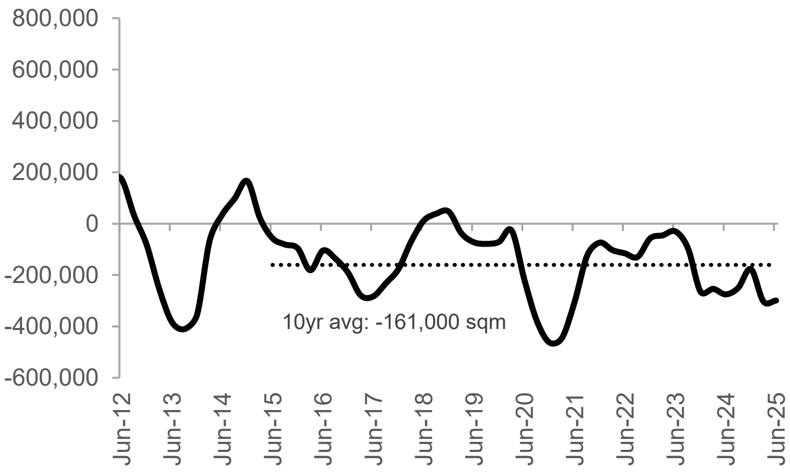
Source: JLL, Charter Hall Research. At 2Q25.

Change in office occupied stock, annual sqm

Primary occupied stock

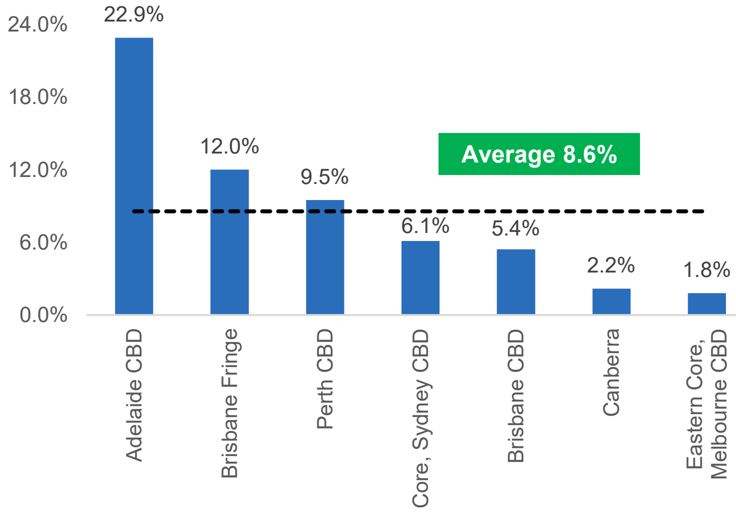


Secondary occupied stock

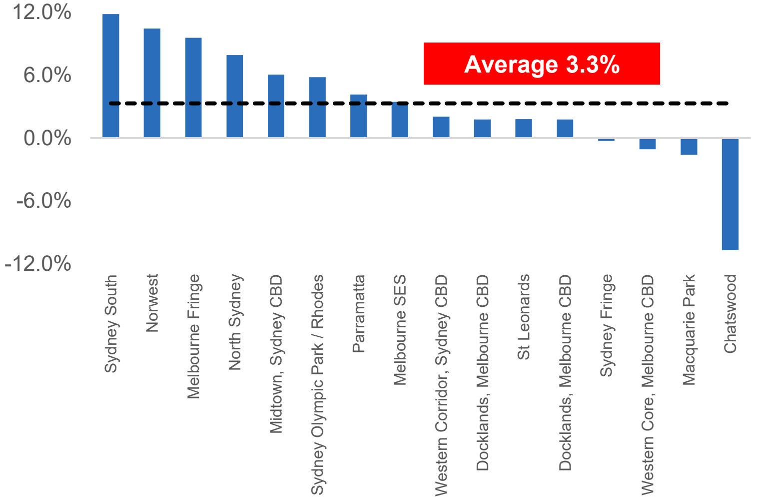


Change in Prime office occupied stock over 24-months (%)

Conviction markets



Non-conviction markets



Supply Pipeline

34%
reduction in CY25-CY28 national CBDs' supply forecast since 1H24

Higher cost of capital and construction challenges have continued to reduce forward supply activity. National forecasts over CY25-CY28 have reduced by -34% since 1H24 forecasts.

Approximately 45,000 sqm of new-built stock additions were reported over 2Q25 nationally, well below the 10-year average of 123,000 sqm.

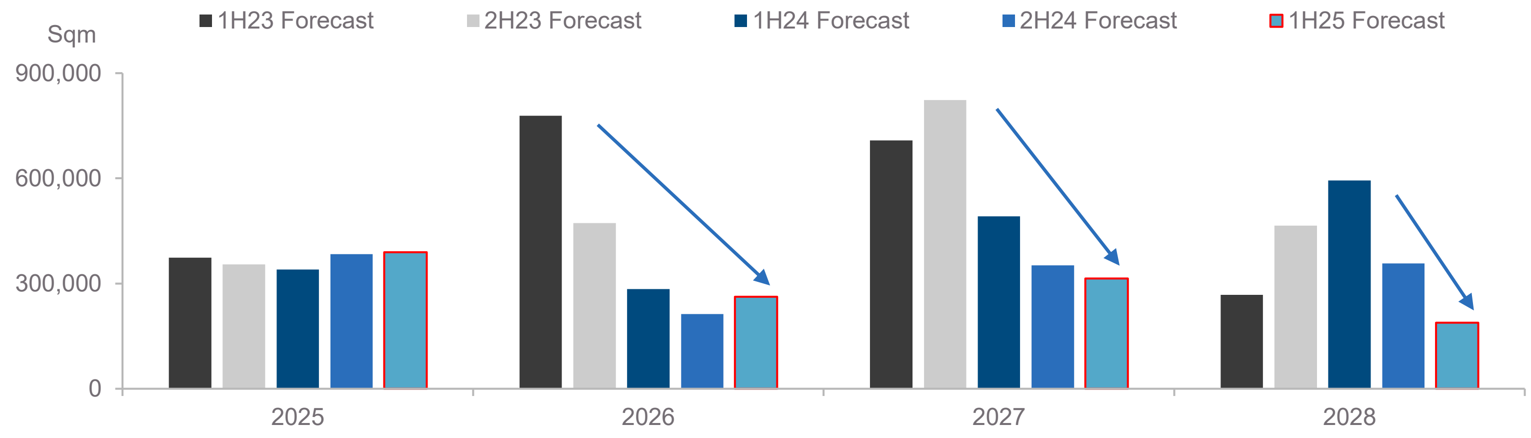
By market, three new-built completions were recorded nationally in 2Q25, including 9 The Esplanade, Perth CBD (31,000 sqm), 121 Castlereagh Street, Sydney CBD (11,500 sqm) and 16 Yarra Street, Melbourne Fringe (2,000 sqm).

New building completions peaked in Dec-2022. New additions as a % of total stock are forecast to reduce over the coming years. Over the past 20 years, stock across the national market increased by ~2.1% (3 year rolling annual). This is forecast to trend toward ~1.2% by 2030.

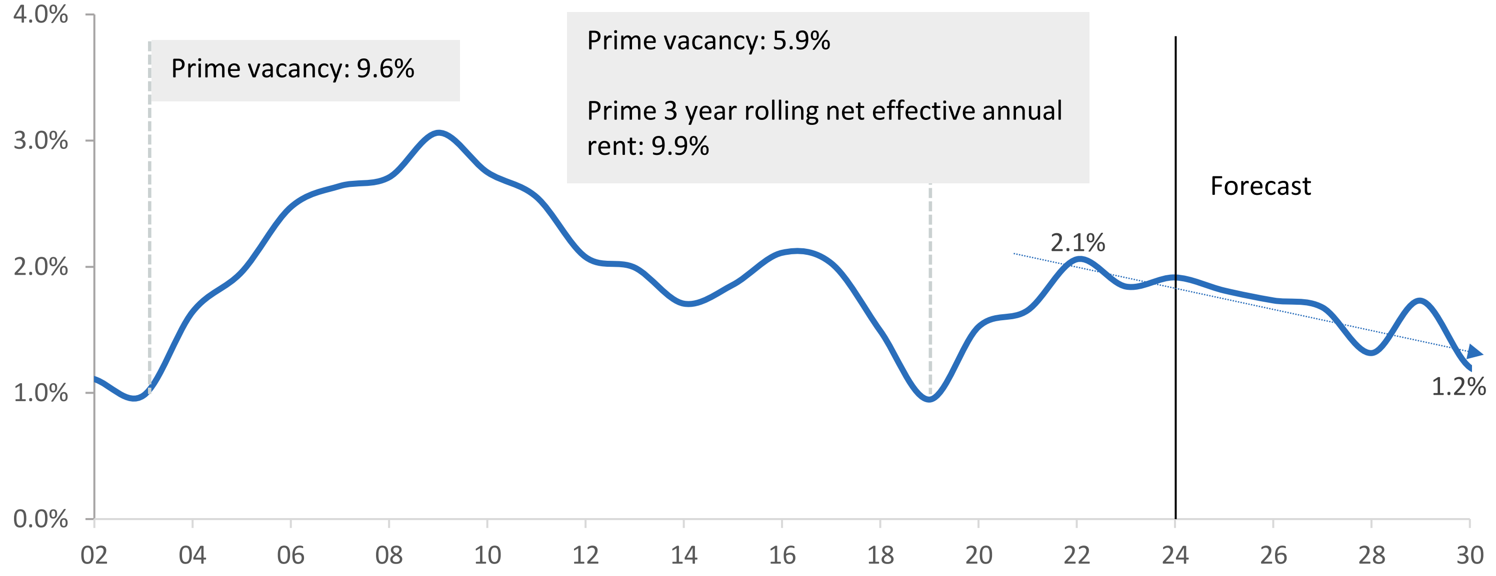
Forward development capacities has continued to decline. From an initial 5.9 million sqm of mooted/proposed developments, only 1.7 million sqm is expected to be delivered nationally over the next five years. Only two new-built assets will be under construction in each of Sydney and Brisbane CBDs markets over the next five years.

Source: Charter Hall Research. At 1H25.

Cumulative forecast supply – CBDs (sqm)



Growth in CBD office stock, 3yr rolling annual



Office

Vacancy Rates

8.1%

vacancy for premium assets in the conviction markets

Prime vacancy reduced across all the Office CBD markets in 2Q25 as solid demand was coupled with a downward trajectory in supply.

Vacancy continued to be concentrated across older assets, particularly across the non-conviction markets.

Buildings built or refurbished within the past 10-years across Brisbane CBD and Sydney CBD markets exhibited materially lower vacancy rates: 4.0% and 9.7%, respectively. By precinct, assets below the age of 10-years across Sydney CBD Core, Melbourne CBD Western Core and Eastern Core reported low vacancy rates: 7.3%, 9.5% and 14.6% respectively.

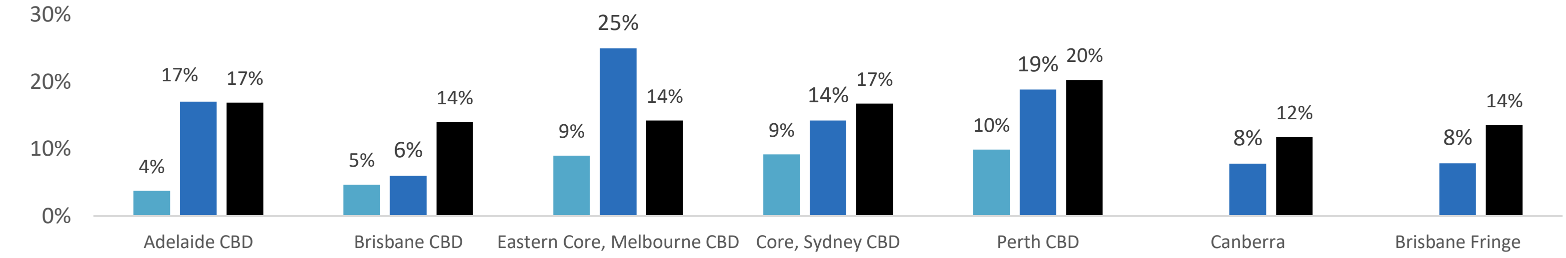
Over the quarter, notable q/q vacancy reductions were recorded across all the Prime CBD markets, led by Adelaide CBD (-77bps to 12.5%) and Brisbane CBD (-50bps to 6.8%). Solid reductions were also reported across the Sydney CBD (32bps to 15.8%), Canberra (-28bps to 7.8%) and Melbourne CBD (-14bps to 18.5%).

At 2Q25, Brisbane CBD Prime vacancy (6.8%) reached the lowest level since Dec-12. Brisbane Fringe Prime vacancy (7.9%) reported the lowest level since Mar-13. Canberra Prime vacancy has remained to below 10% since Sep-15.

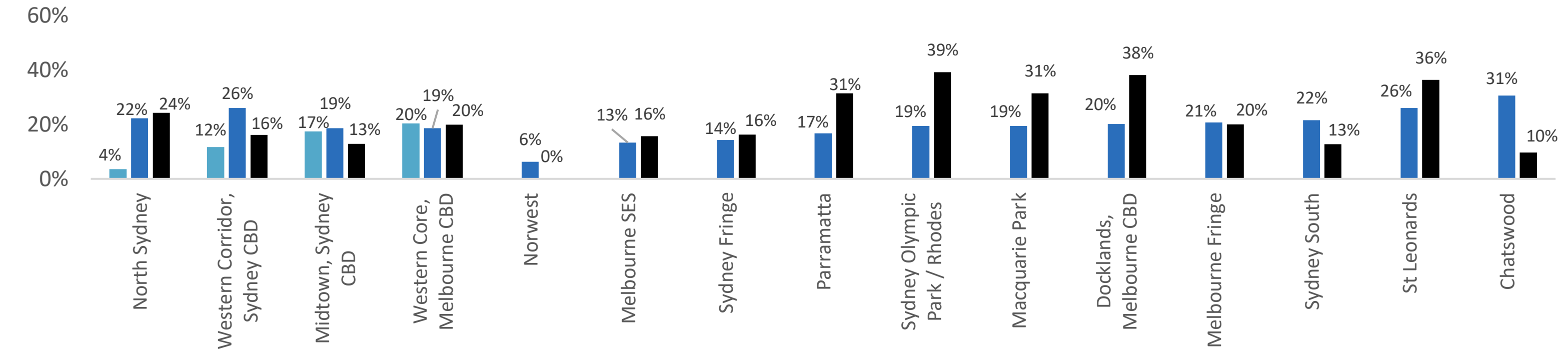
Source: Charter Hall Research. At 2H25.

Vacancy rates by grade

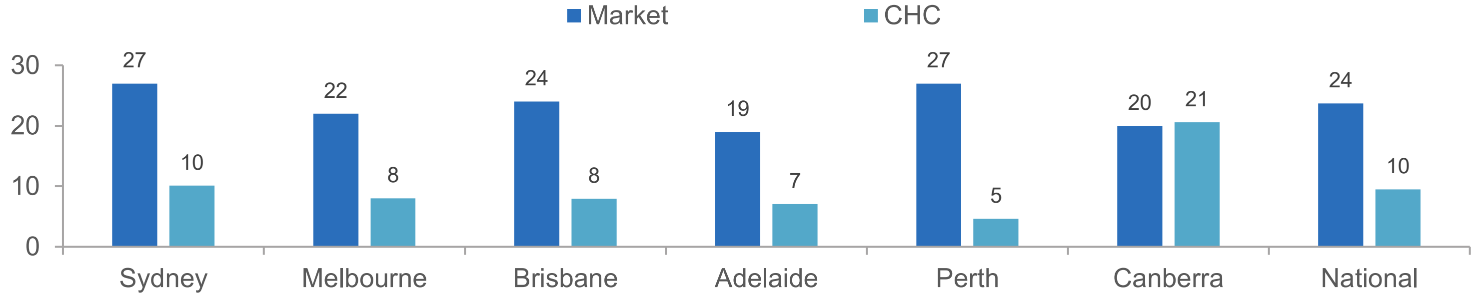
Conviction markets



Non-conviction markets



Average Prime grade building age



Charter Hall portfolio highlights the occupier demand for modern stock, with average age being ~14 years younger than the national average, reflecting our 96% occupancy rate vs national average of 84%.

Office

Rental Growth

5.8%

Prime net effective annual rental growth for National CBD markets at 2Q25

Prime Rental growth accelerated across National CBD markets over the quarter. Prime Net Effective CBD rents increased by +5.8% y/y – the highest level since Sep-2018 and well above the 10-year average of +3.0% y/y.

Prime Face y/y rental growth across the National CBD markets was +6.0% - the highest since Dec-17 and well above the 10-year averages (+4.4%). National Metro markets reported +2.0% y/y, below the 10-year average of +4.0% y/y.

Prime Net Effective y/y rental growth continued to be led by the National CBD (+5.8% y/y) markets - the strongest levels since Sep-2018. National Metro markets improved to -1.1%; the highest result since the pandemic. The momentum was driven by the stablisation and contraction in incentives and vacancy across National Prime CBD markets.

Prime Net Effective y/y rental movements were more diverged across conviction markets (+6.9%) and non-conviction markets (-4.2%).

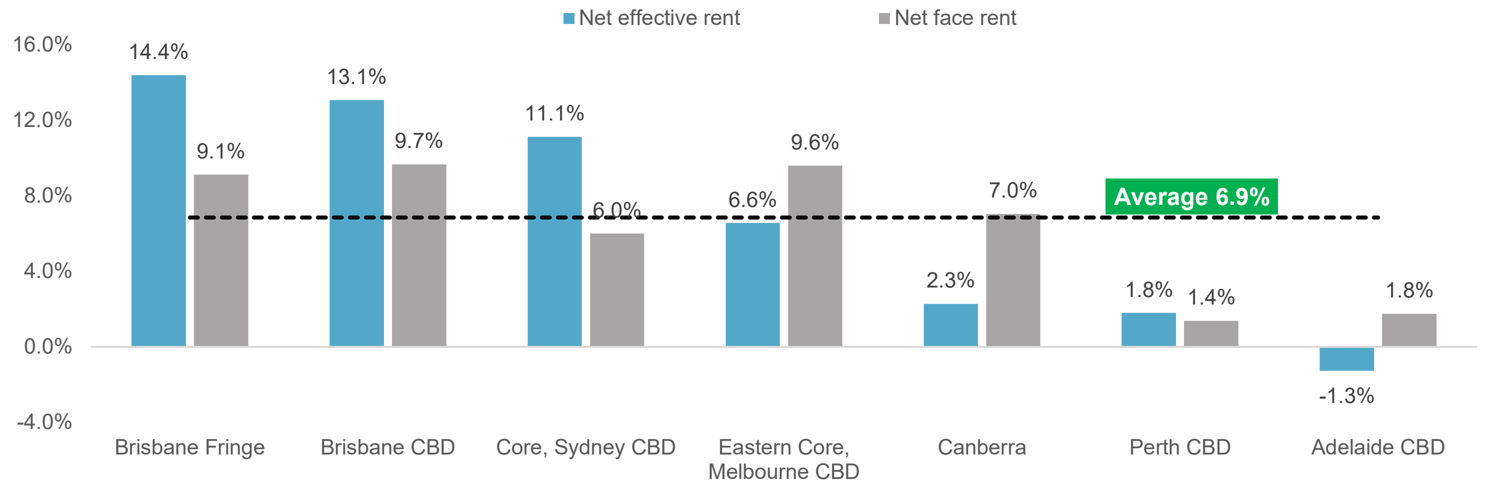
By precinct, notable Prime Net Effective y/y gains recorded across the conviction markets, led by the Brisbane Fringe (+14.4%), Brisbane CBD (+13.1%). Rents across Sydney Core (+11.1%) and Melbourne Eastern Core (+6.6%) also surged over the past year.

Across the non-conviction markets, Sydney South reported -12.1% y/y, while discounting continued across Docklands (-11.6% y/y) and Melbourne Western Core (-5.7% y/y).

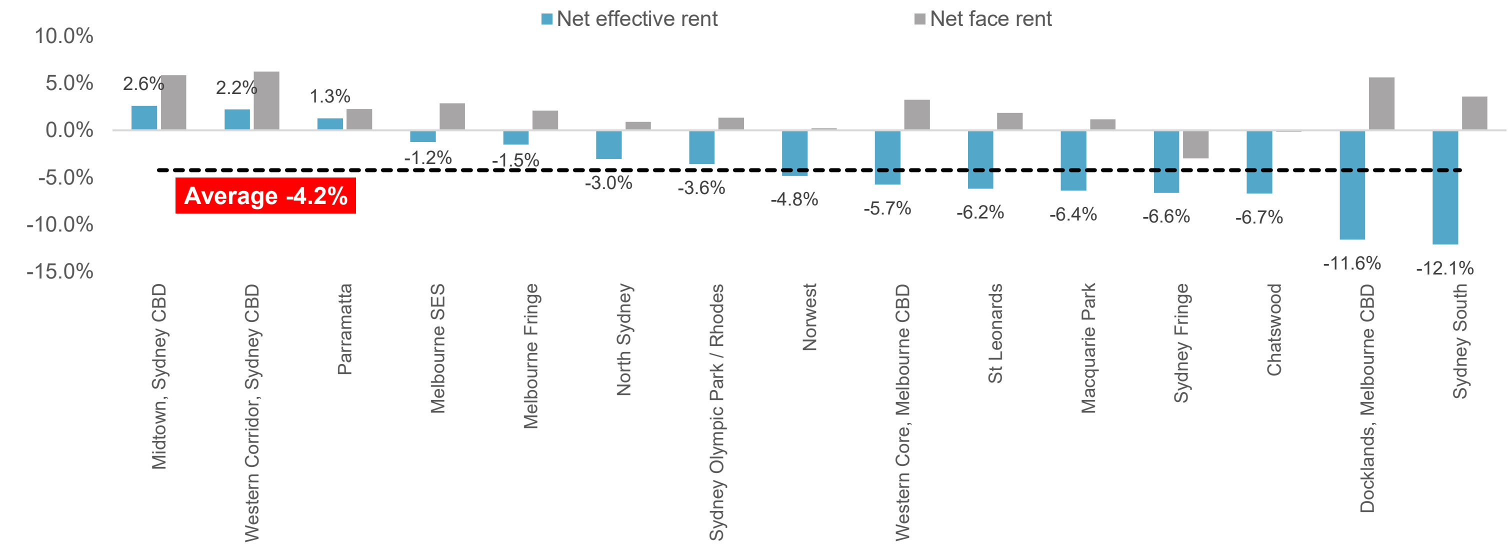
Source: JLL, Charter Hall Research. At 2Q25.

Prime net effective and net face rental growth (y/y%)

Conviction markets



Non-conviction markets



Office

Investment Volumes

$7.7 billion

rolling annual transactions
recovering from the lowest level since Dec-23

Office investment transaction activity remained steady, with continued participation from global investors across the Sydney and Brisbane CBDs.

Over 2Q25 volumes reached $864 million. By market, the quarterly transactions were led by Sydney ($489 million) and Brisbane ($186 million) markets. Over the year to 2Q25, transaction volumes reached $7.7 billion across 98 transactions.

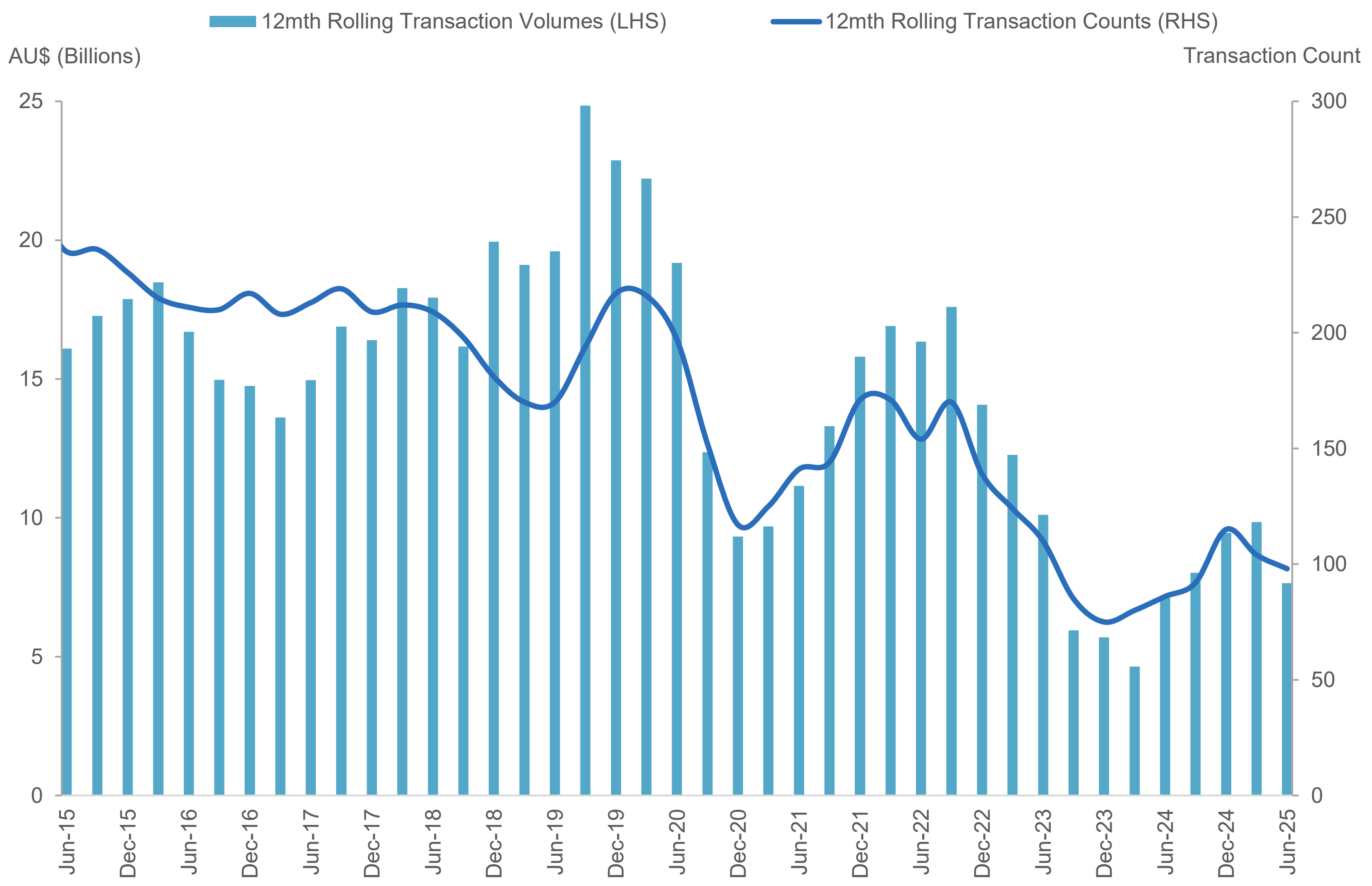
Annual volumes were again led by National CBD markets, accounting for ~75% of national annual transactions. Sydney CBD ($3.5 billion) accounted for almost half of national annual transactions. This was followed by Melbourne CBD ($861 million) and Brisbane CBD ($724 million).

Over the year to 2Q25, the Top 10 largest transactions were mostly acquired by global investors across Japan, Germany, Singapore, Hong Kong and the US. The largest transaction was 135 King Street (Sydney CBD) purchased by Daibiru (Japan) from Investa Commercial Property Fund (ICPF), with a value of $625 million. 20 Bond St (Sydney CBD) sold to BGO (US) for $580 million from Mirvac JVs Morgan Stanley REI. A 50% stake in 388 George Street (Sydney CBD) was acquired by Singapore Land (Singapore) for $368 million from Brookfield AM.

Indicative Prime yields stabilised across National CBD markets over the quarter, while indicative CBD capital values increased by +3.9% (y/y).

Source: JLL, Charter Hall Research. At 2Q25.

Transaction volumes ($ billions) and transaction count



Office

Capital Values & Total Returns

3.9%

increase in capital values indicator y/y

Forward-looking indicators highlighted the ongoing value recovery across the Office market.

Office indicative capital values continued to grow during the quarter, up +1.3% q/q to $13,522m²/per annum. This equates to a +3.9% increase in capital values y/y.

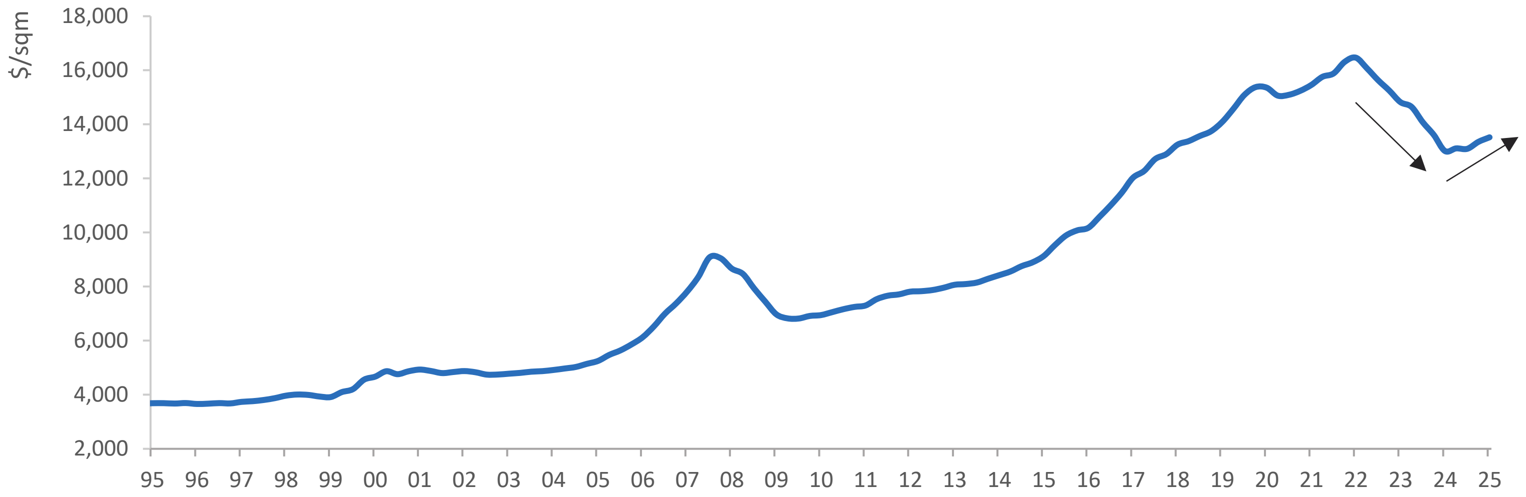
Net Total Returns of Office Funds over the year to Jun-25 significantly improved from -8.5% (May-25) to -1.2%. This was the sixth consecutive monthly gain in total returns, with a monthly net return of +0.4% in Jun-25.

Note: These indicators are indicative and typically lead valuations by ~ 6 to 12 months.

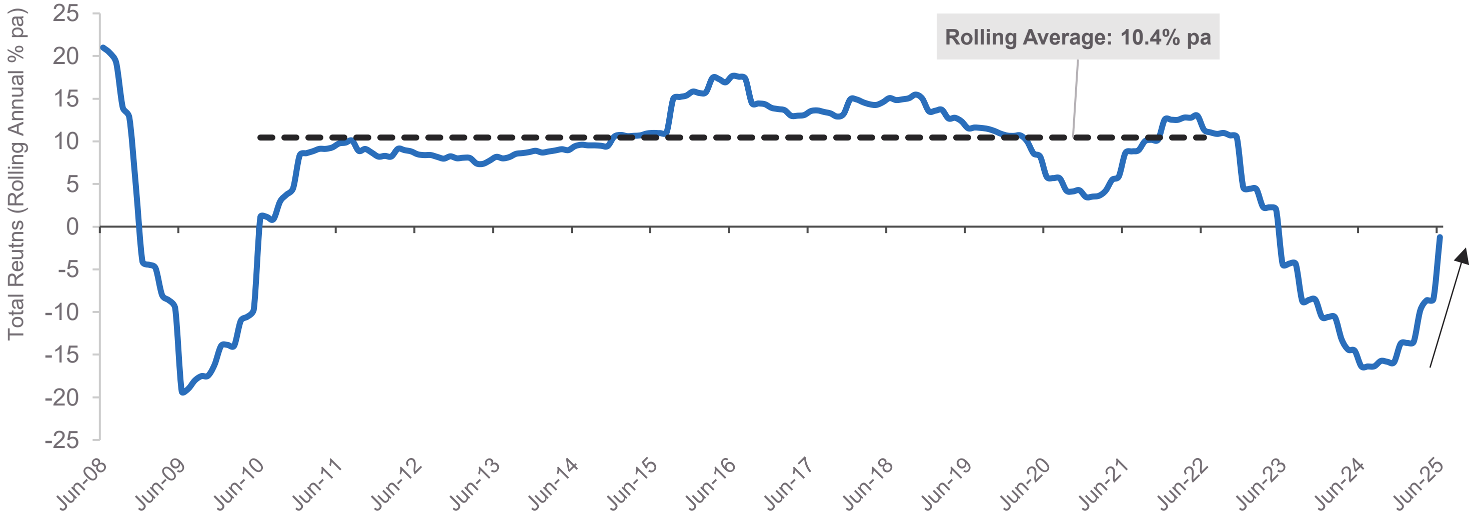
	Capital Value %	Total Returns %
Peak to trough (Inflation Crisis)	-21.0%	-24.3%
Trough to 2Q25	+3.9%	+2.1%

Source: JLL, MSCI Core Wholesale Property Fund Index, Charter Hall Research. At 2Q25.
Note: Total Returns based on Office Specialist Funds Index

JLL Capital Values (Prime indicative market average)



MSCI Total Returns (Rolling Annual % pa) – Office Specialist Funds



04

Industrial & Logistics

Edinburgh Logistics Park (Smiths - PepsiCo), SA (CLP)

Practical completion was reached at Smiths (PepsiCo) Edinburgh Logstics Park, SA in May 2025. The warehouse extends to 15,480 sqm and will benefit from surrounding infrastructure including the Northern Expressway, Port Wakefield Road and Main North Road to the north, east and west respectively.

Demand

3.6 million sqm

of leasing activity in the 12-months to Jun-25, 16% above the 10-year rolling average

Total leasing volumes during 2Q25 totalled 799,123 sqm, 2% above the 10-year rolling quarterly average. Leasing volumes were in line with the previous quarter, and similar to 2Q24, driven by a normalisation in demand and restricted by relatively low vacancy across markets.

Leasing activity by market was highest in Sydney, contributing 39% to the 2Q25 total. This was followed by Melbourne at 27%. Brisbane and Perth contributed 15%, respectively.

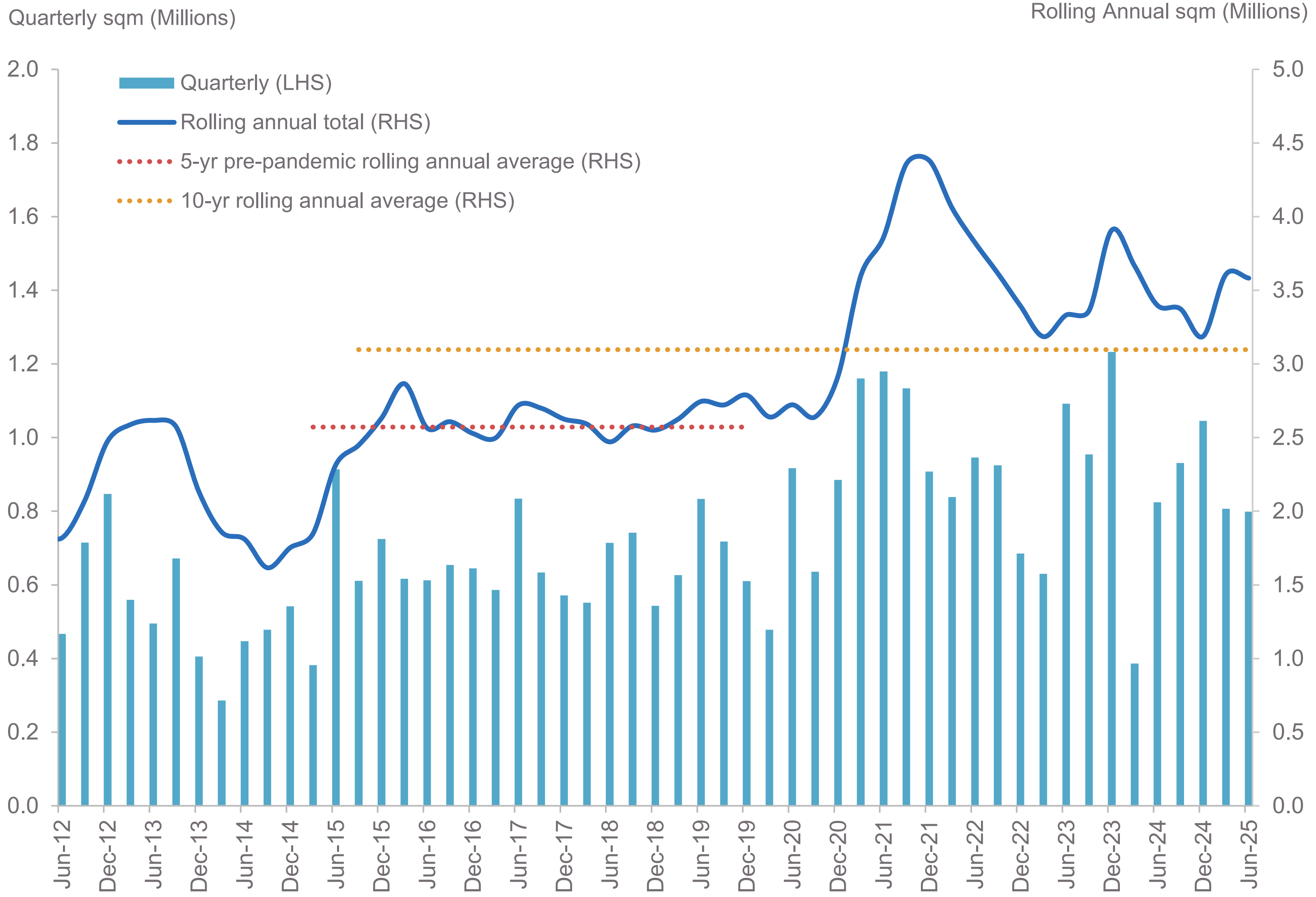
The largest contributions by precinct were Sydney's Outer South West representing 27% of 2Q25's total. The result was led by a pre-lease to Kmart at Moorebank Intermodal. The second most active precinct was Melbourne West at 20% of total activity where transport and logistics occupiers were the most active.

Total leasing volumes for the 12-months to Jun-25 reached 3.6 million sqm, +16% above the 10-year rolling annual average of 3.1 million sqm, and up +5% y/y. Across the year to Jun-25, leasing activity was strongest in Melbourne and Sydney, both contributing 33% of the annual total across 1.2 million sqm of leasing.

Leasing activity continued to be led within existing buildings, with direct leases and sub-leases contributing 70% of the quarters leasing. Pre-leasing activity continues to be restricted by challenges in getting authority approvals, particularly in "greenfield" locations where accessing the infrastructure required (power, water, roads) is being delayed.

Source: JLL, Charter Hall Research. At 2Q25.

Gross leasing (sqm)



Supply Pipeline

2.6 million sqm

supply in CY25 outlook

Construction cost escalations have eased from prior highs. However, feasibility of developments continue to be challenged particularly for those developers that bought land at peak values. Forward supply will continue to be restricted by the supply of serviced, zoned industrial land.

Latest house view forecasts at 2Q25 estimate 2.6 million sqm of new supply will complete in CY25. This represents a -21% reduction compared to the 3.3 million sqm of new stock that completed during CY24.

At 2Q25, 57% of this CY25 supply is already pre-committed, as demand remains high for modern high-quality assets. This figure has risen from 47% in March and will continue to rise over the coming months as projects near completion, with commitment rates expected to be in line with the 81% commitment levels recorded in CY24.

Modern and well-located assets will continue to benefit from resilient demand, while older assets are likely to face growing obsolescence risk.

By market, the largest contributions to CY25 supply will be in Sydney (0.9 million sqm, down 11% y/y). This is followed by Melbourne (0.8 million sqm, down 30% y/y) and Brisbane (0.6 million sqm, down 30% y/y).

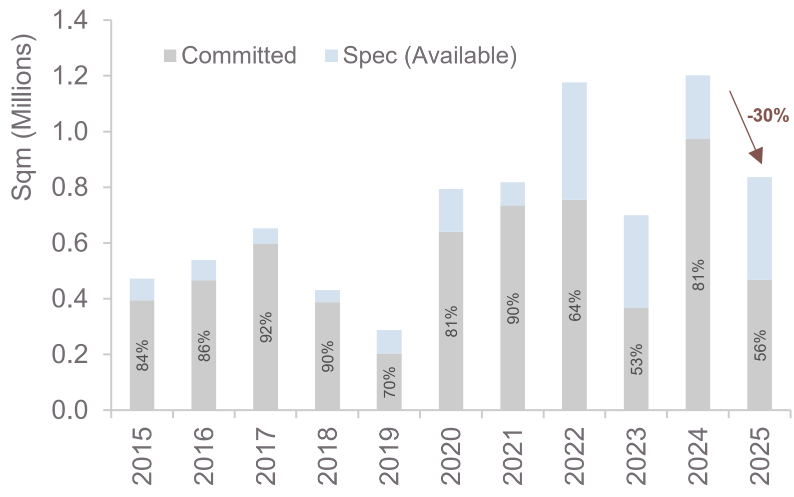
At 2Q25, the outlook for CY26 estimates 3.1 million sqm of new stock will complete. 1.4 million sqm of this space is under construction. A clearer outlook for CY26 will continue to develop as the year progresses.

Source: JLL, Charter Hall Research. At 2Q25.

National Supply (sqm)

Sydney Supply (sqm)

Melbourne Supply (sqm)



Brisbane Supply (sqm)

Note: Historic data CY15 to CY23 from JLL. CY24 and CY25 outlook Charter Hall House View as at Jun-25. 2025 Commitment rate at Jun-25, not forecast for full year.

Vacancy Rates

2.8%

national vacancy rate

Australia's national average vacancy rate has drifted upwards through 2024 and into the first half of 2025 to 2.8% at Jun-25. This has been broadly in line with expectations as conditions normalise. Australia's markets remain some of the of the lowest vacancy rates globally.

While the vacancy rate has increased across the markets, they continue to remain below the ~5% market 'equilibrium'. By market, vacancy in Sydney and Brisbane rose more gradually than initially anticipated, each edging up only 40 bps over the past six months. Meanwhile Adelaide's vacancy rate held steady at 1.6%, and Perth recorded a modest decline to 1.2%.

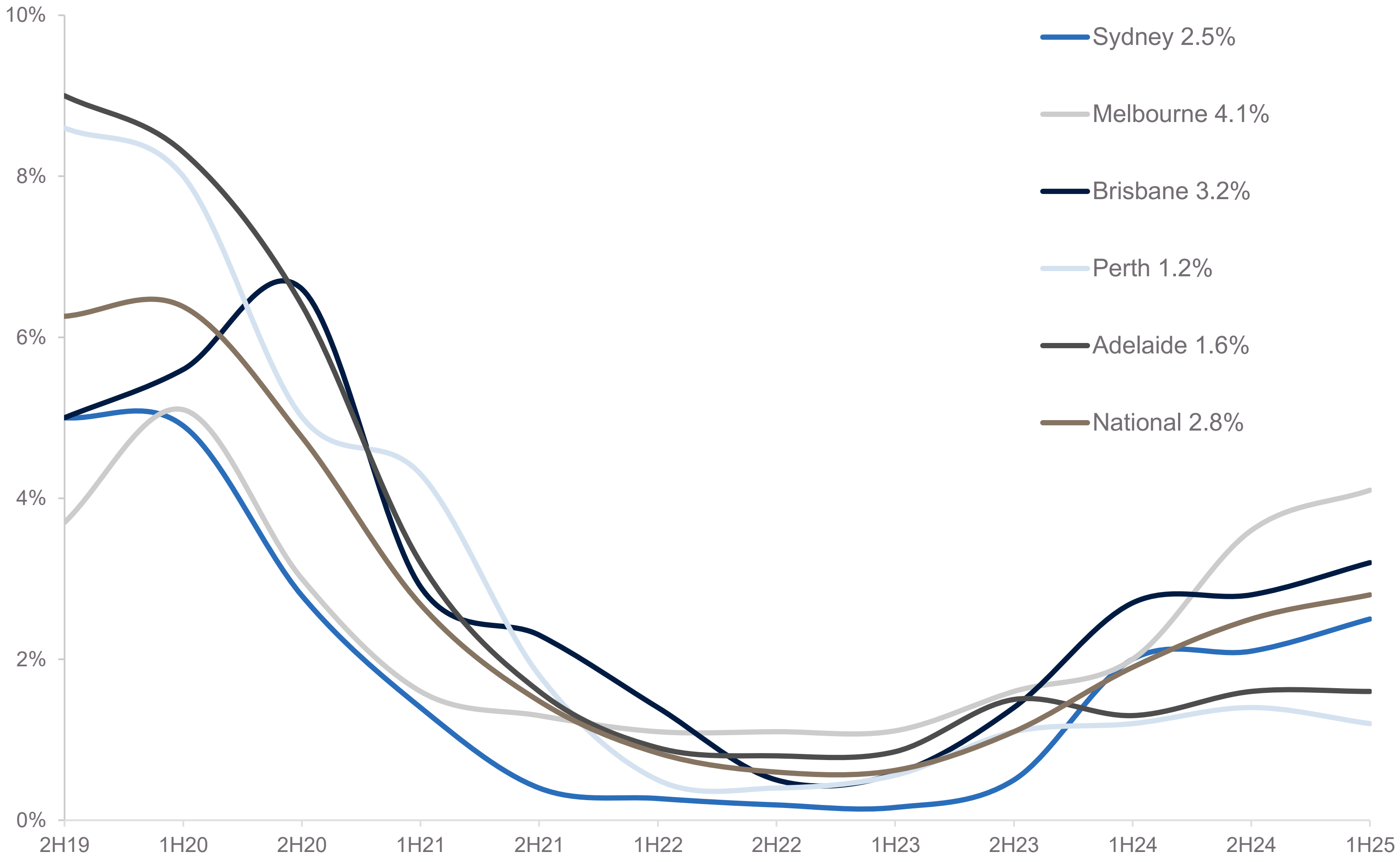
Melbourne continues to record the highest vacancy rate across markets at 4.1%; however, this remains bifurcated across precincts. The South East's vacancy remains tight, below 2%, while other precincts report vacancy rates exceeding 5%. This has also diverged between with the Inner West and Outer West precinct. This has been due to a lagged uptick in supply following the huge demand period.

The national vacancy rate is expected to continue to normalise but remain below equilibrium, restricted by the supply of serviced, zoned industrial land which will limit development pipelines.

This is coupled with developers increasingly seeking pre-commitments ahead of construction commencement, a movement away from the heightened speculative development seen in recent years. Higher economic rents have also reduced expectations on supply.

Source: CBRE, Charter Hall Research. At 1H25.

Vacancy rate (%) by market



Rental Growth

4.9%
face rental growth over the 12-months to 2Q25

Prime industrial rental growth moderated in 2Q24 growing 0.3% q/q. On an annual basis national prime rents grew +4.9% to Jun-25, this was down from +7.6% in 1Q25. Rental growth fell to below the 10-year average of +6.5%.

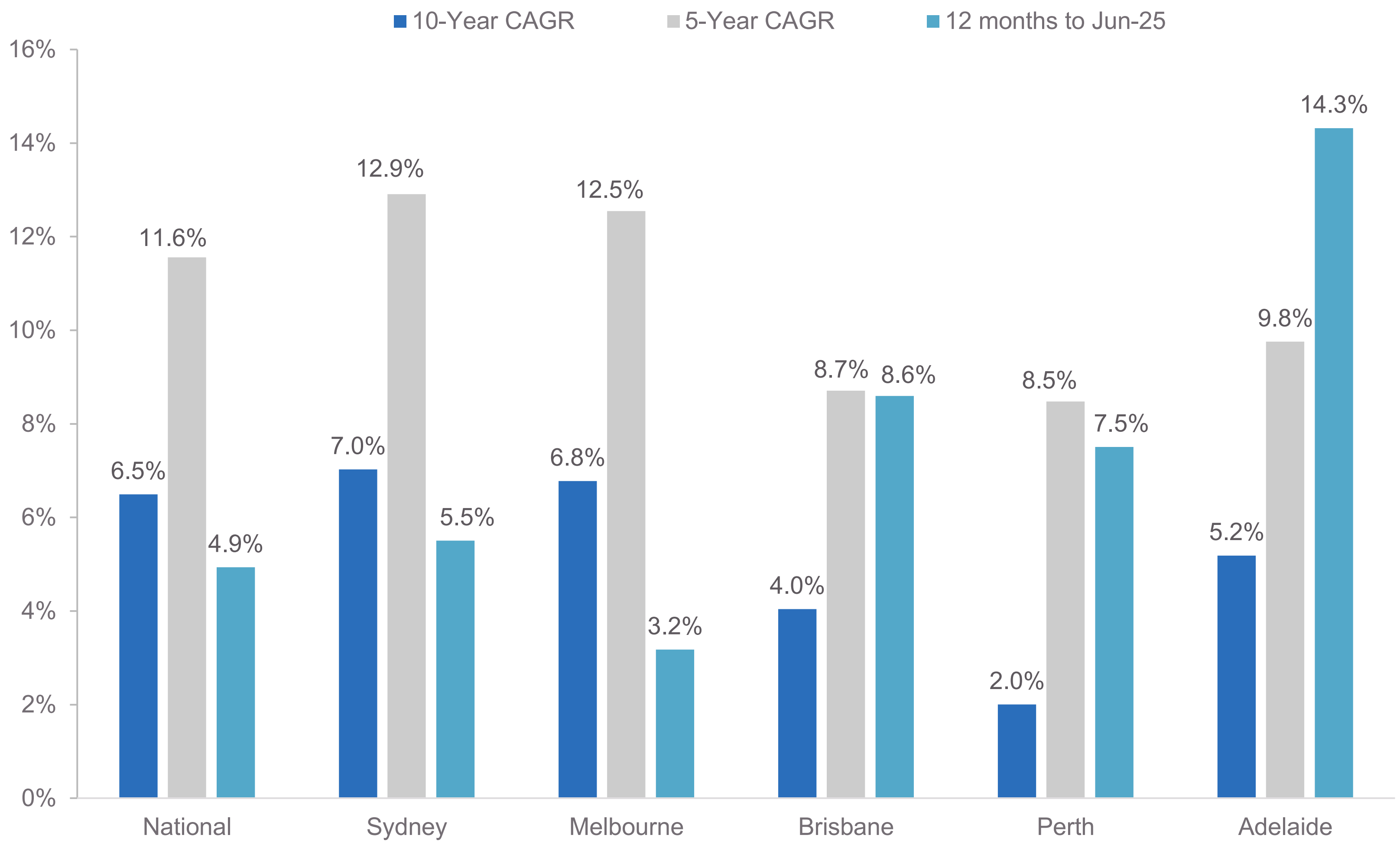
National supply weighted rental growth continued to be underpinned by significant rental growth in Adelaide (+14.3%), followed by Brisbane (+8.6%) and Perth (+7.5%). Sydney and Melbourne continued to see rental growth moderate as rents stabilised across most precincts q/q.

By precinct, Adelaide submarkets continued to record the highest growth y/y. Adelaide Outer South grew by +24.6%, followed by Outer North (+17.0%), Inner South (+16.8%), North West (+15.6%) and North East (+12.1%).

Other submarkets with significant growth across the 12-months to Jun-25 included Brisbane Southern (+9.7%), Perth North (+8.0%), Sydney North (+7.8%) and Perth North (+7.6%).

Source: JLL, Charter Hall Research. At 2Q25.

Prime industrial rent growth (%)



Investment Volumes

363

industrial transaction deals in 12-months to Jun-25, highest on record

Total transaction volumes were $10.1 billion in the 12-months to Jun-25, +23% above the 10-year rolling average of $8.2 billion. 363 transactions completed during the period, the highest number on record and +43% above the 10-year rolling average of 254 deals.

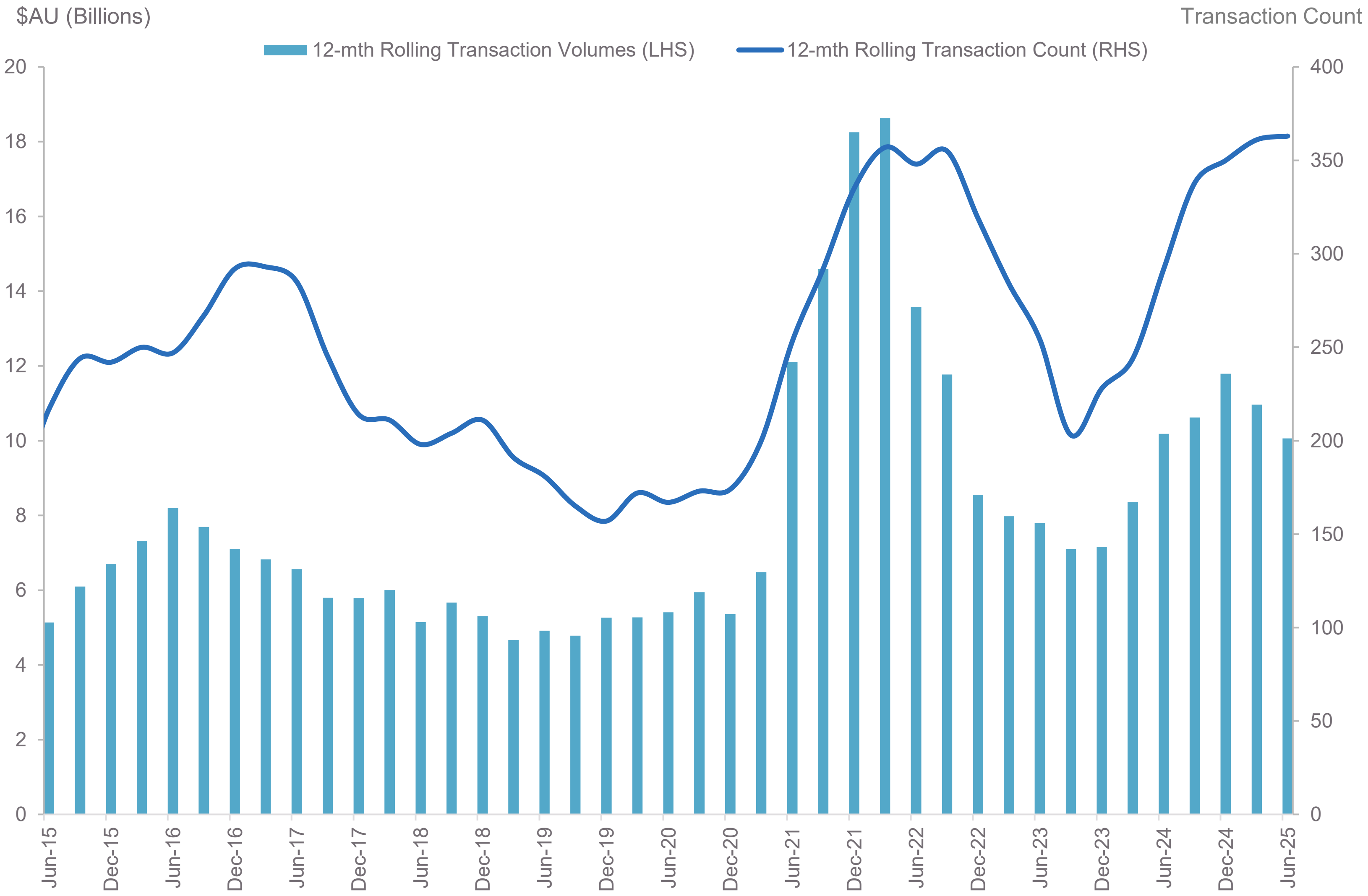
On a quarterly basis, transaction volumes totalled $2.6 billion, a +41% increase q/q, and 23% below the 10-year rolling average. 92 deals completed during the quarter, including 6 portfolios. This was up from 80 deals the previous quarter.

Elevated investment activity is being driven by closer pricing alignment between vendor and purchasers, resulting in increased liquidity of capital to the sector.

By market, Sydney led transaction volumes during 1Q25, contributing 36%, followed by Melbourne and Brisbane at 28% and 24% respectively.

In the 12-months to Jun-25 Sydney contributed 44% to transaction volumes ($4.4 billion), followed by Melbourne at 29% ($2.9 billion). By precinct, Sydney's Outer Central West led transactions ($1.6 billion) followed by Melbourne's South East ($1.2 billion).

Transaction volumes ($ billions) and transaction count



Source: JLL, Charter Hall Research. At 2Q25. *Transactions $5mil and above.

Capital Values & Total Returns

7.3%

increase in capital values indicator y/y

Forward looking value indicators remained solid for the industrial and logistics sector, with continued growth.

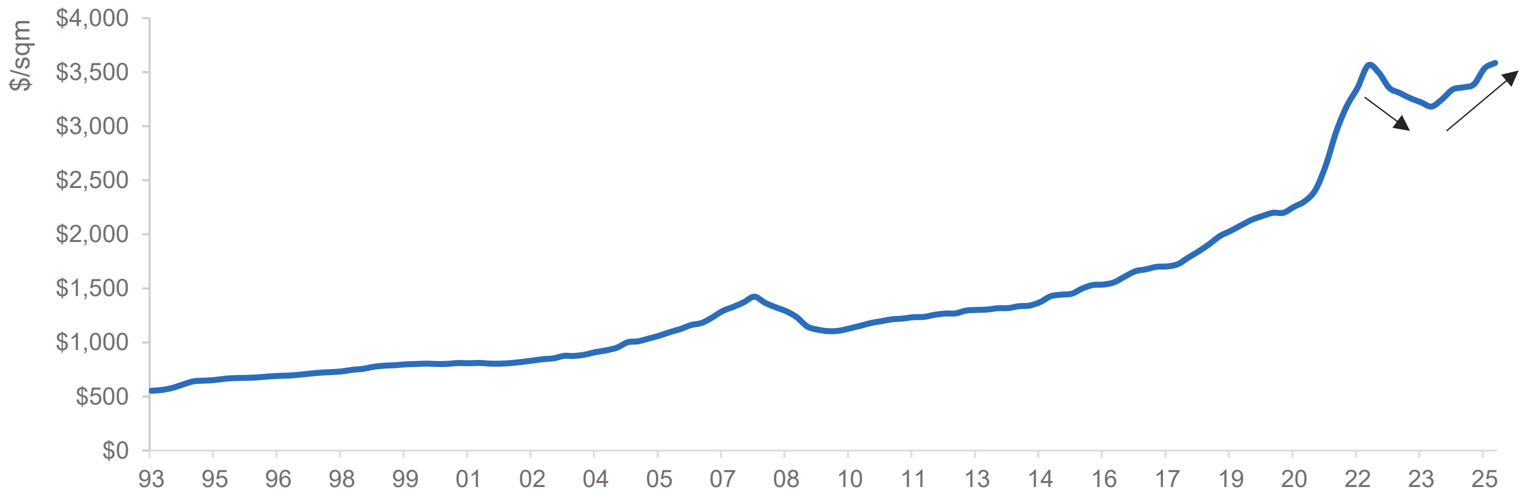
Industrial indicative capital values continued to grow during the quarter, up +1.4% q/q to $3,586m²/per annum. This was the sixth consecutive quarter of positive capital value growth.

Net Total Returns of Core Industrial Funds over the year to Jun-25 increased to +5.5%, the highest level since Aug-23 (+5.9%). Industrial Funds reported the 12th consecutive monthly gain in total returns, with a monthly net total return of +1.0% in Jun-25.

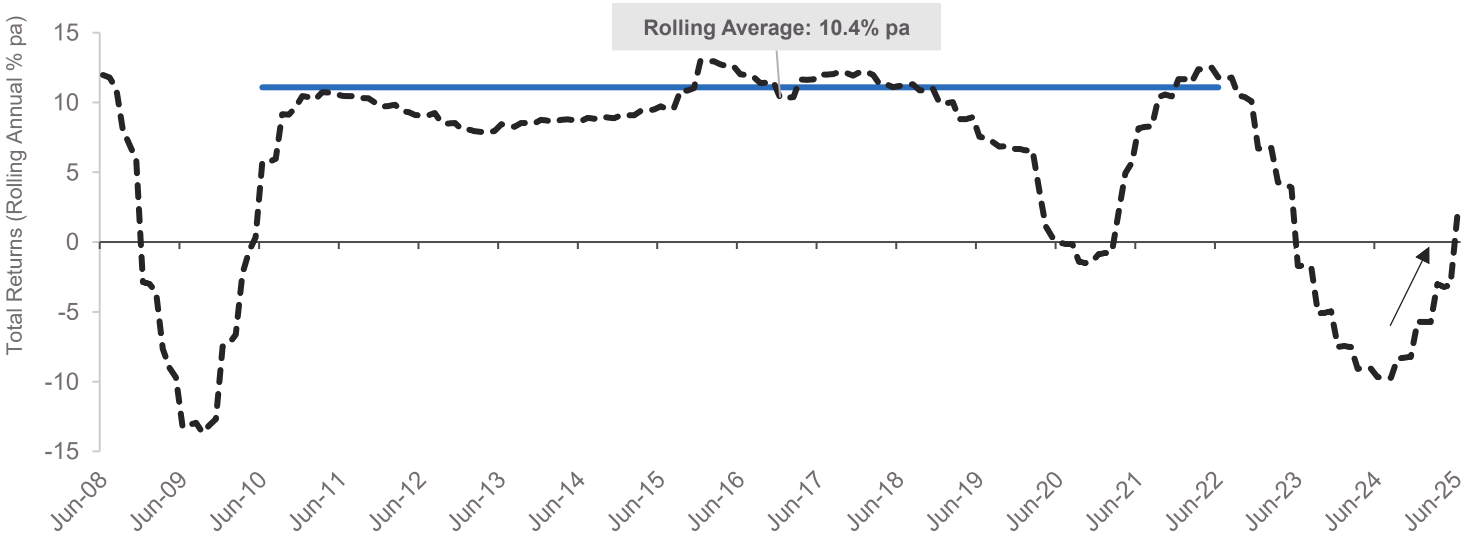
Note: These indicators are indicative and lead portfolio valuations by ~6 to 12 months.

	Capital Value %	Total Returns %
Peak to trough (Inflation Crisis)	-10.7%	-6.7%
Trough to 2Q25	+12.7%	+5.5%

JLL Capital Values (Prime indicative market average)



Total Returns (Rolling Annual % pa) – Industrial Specialist Funds



Source: JLL, MSCI Core Wholesale Property Fund Index, Charter Hall Research. At 2Q25.
Note: Total Returns based on Industrial Specialist Funds Index

05
Retail

Corio Village Shopping Centre, Corio, VIC (RP1)

Charter Hall Retail Partnership No.1 (RP1) exchanged contracts in April for the acquisition of Corio Village Shopping Centre reflecting a passing yield of 7.21%. The property comprises a convenience focused, 33,613 sqm sub-regional shopping centre, located 72km southwest of Melbourne CBD in north Geelong. The centre is anchored by Coles, Woolworths and Kmart, together with 6 mini-majors, 68 specialties, a level 1 office component and a Star Carwash pad site.

Retail

Supply Pipeline

179,000 sqm

of new stock forecast for completion over CY25, the lowest level in 30 years

Construction activity across the retail markets remains extremely limited. High construction costs and limited development stock have reduced forward supply.

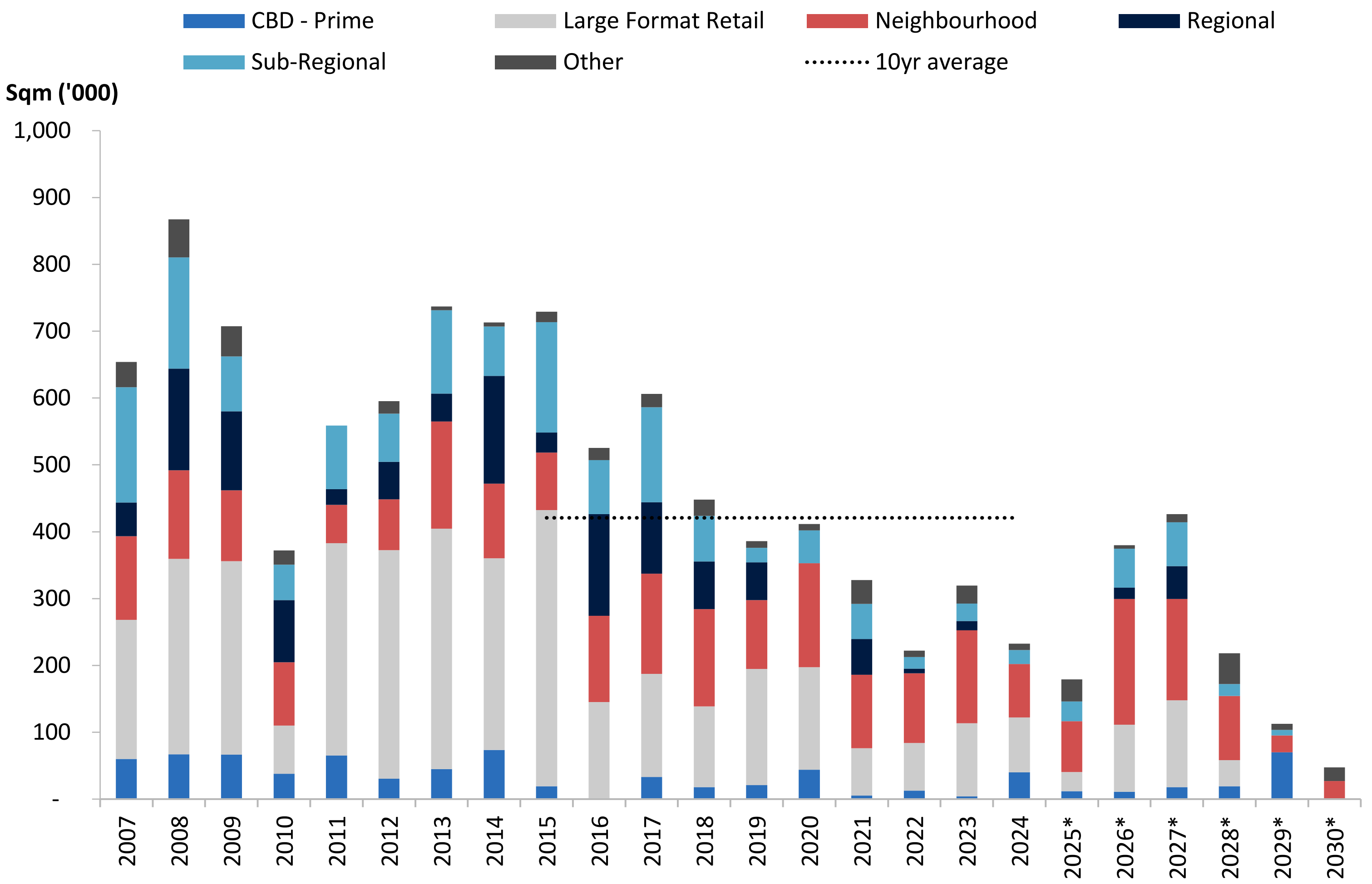
Approximately ~39,000 sqm of new stock was completed over 2Q25. A further ~127,000 sqm of developments are currently under construction and expected to complete over CY25. CY25 will be the lowest level of retail supply for the last ~30 years.

Given the stronger fundamentals, Neighbourhood Centres have represented the greatest activity contributing 42% to the CY25 pipeline. Over the next five years, Neighbourhood Centres will account for ~40% of new retail supply, followed by Large Format (22%), Sub-Regional (13%) and Regional Centres (5%). Notwithstanding the, the feasibility of these developments continue to be challenged by the divergence between economic rents and replacement costs.

Based on the 5-year population projections and historical requirements, approximately 600,000 sqm of additional Neighbourhood Centre space will be required. There is currently ~493,000 sqm forecast for completion over this period.

Source: JLL, Charter Hall Research. At 2Q25.

National supply by sub-sector (sqm)



Note: Pipelines include completed, under construction, plans approved and submitted

Retail

Vacancy Rates

1.2%

specialty vacancy across Charter Hall retail platform compared to the market Neighbourhood rate of 4.4%

Overall retail vacancy rates continued to trend downwards, since peaking in Jun-22. The momentum in occupier demand and challenging environment have placed downward pressure on vacant stock.

Regional centres had the lowest vacancy amongst sub-sectors, reporting a vacancy rate of 1.9% as of 1H25, followed by Large Format (2.7%), Neighbourhood (4.4%) and Sub-regional (5.5%). CBD Prime had the highest vacancy rate of 9.1%.

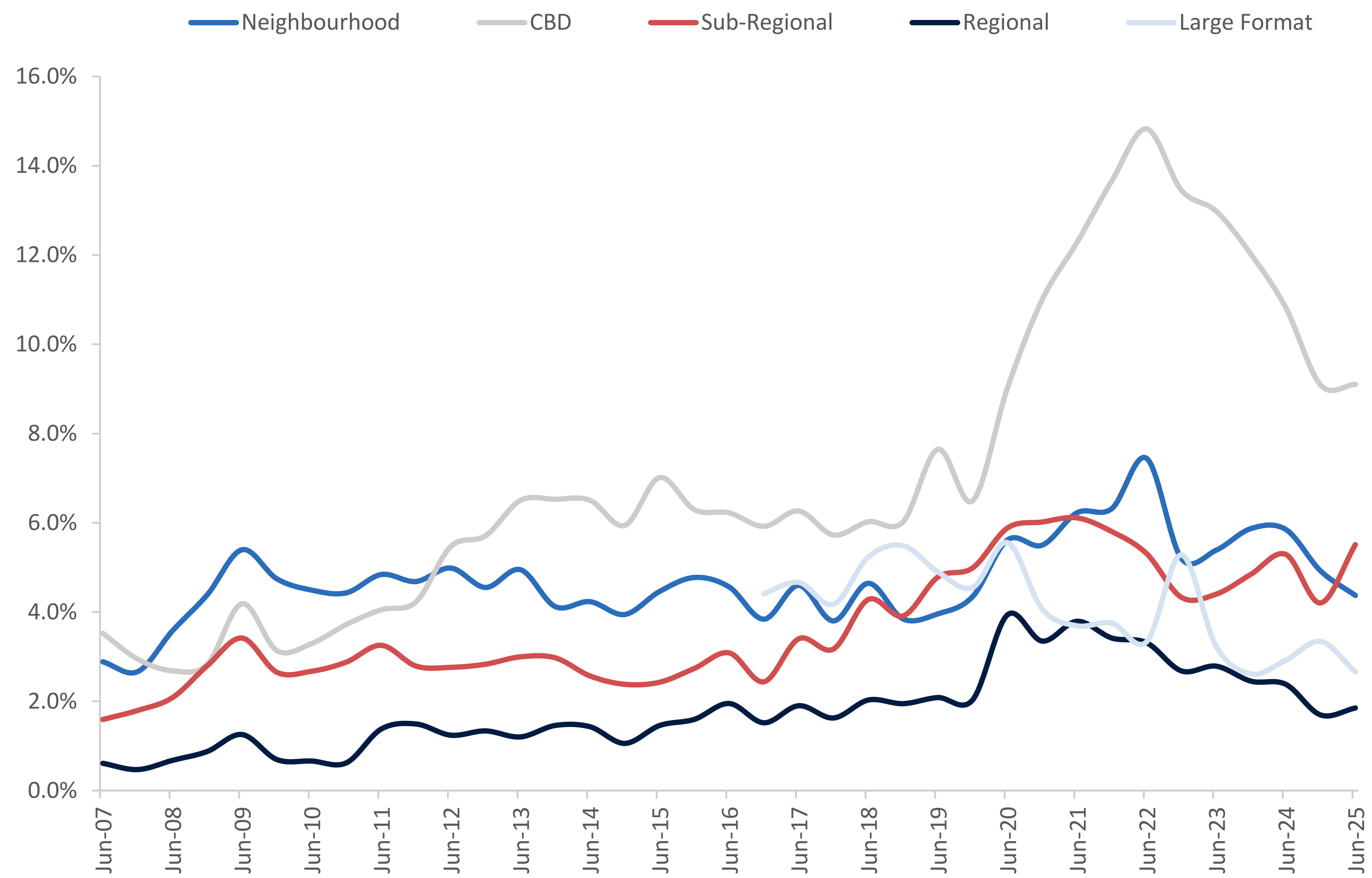
Neighbourhood and CBD Prime reached the lowest level since the onset of Pandemic. Regional reported the second lowest record since Dec-17.

Vacancy rates are expected to continue to trend down over the short and medium term, given the solid market fundamentals, namely RBA interest rate cuts, improving consumer environment, solid population growth and chronic undersupply of retail space.

Vacancy across the Charter Hall shopping centre and net lease platform was 1.2%* at 2Q25 – well below the market average across retail subsectors.

Source: JLL, Charter Hall Research. At 2Q25. *Weighted by GLA.

Vacancy rate by sub-sector (%)



Specialty Rental Growth

2.8%
annual rental growth of
Charter Hall Neighbourhood centres

Retail specialty rents have continued to diverge across asset classes. Annual rental growth was solid across the Large Format, Regional, Sub-Regional and Neighbourhood categories.

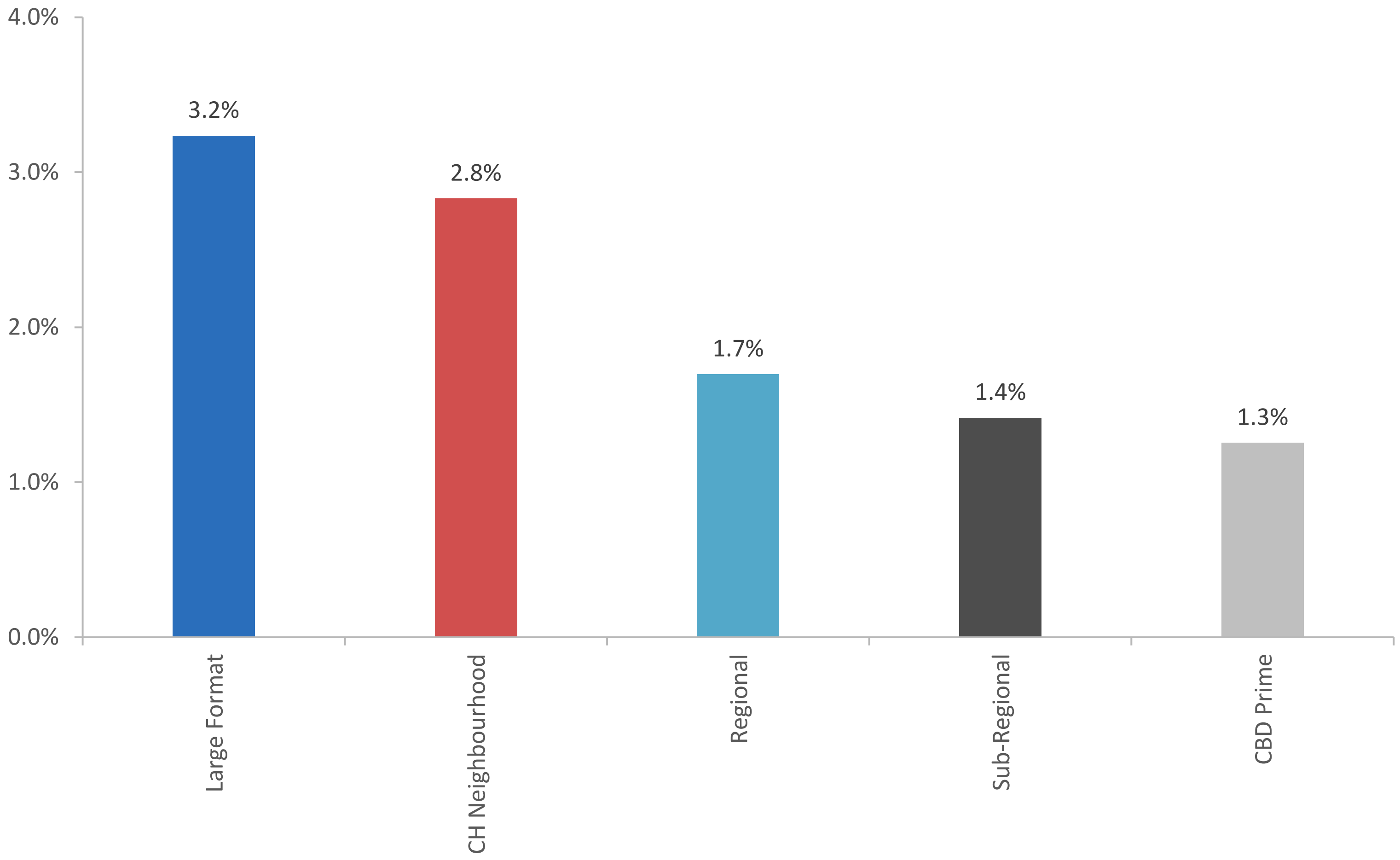
National Large Format weighted prime rents grew by +3.2% y/y, followed by Regional (+1.7% y/y), Sub-Regional (+1.4% y/y) and Neighbourhood (+1.3% y/y). Annual rental growth of these sub-sectors outperformed the 3-year, 5-year and 10-year averages.

Charter Hall managed Neighbourhood Centres' annual rental growth was 2.8% y/y, well above indicative National Neighbourhood growth (1.3% y/y) and other retail subsectors.

Retail rental growth is expected to improve over coming quarters for non-CBD retail centres, underpinned by high pressure of construction costs, limited supply and expected downward trend in vacancy, as well as RBA interest rate cuts and solid retail sales.

Source: JLL, Charter Hall Research. At 2Q25.

Specialty store annual rental growth by sub-sector (%)



Investment Volumes

$9.0 billion

rolling annual transactions
the highest level since Sep-22

Investment activity for the 12-months to 2Q25 totalled $9.0 billion driven by activity across Regional, Neighbourhood and Sub-regional sub-sectors. This 12-month volume was well above the 10-year average of $7.9 billion.

Transaction volumes totalled $2.4 billion over 2Q25, with solid activity reported across the sectors: Neighbourhood ($862 million), Regional ($441 million) and Sub-Regional ($363 million).

By number of transactions, 43 transactions were recorded over 1Q25. Neighbourhood had the most activity with 15 deals, followed by Large Format (10 deals) and Sub-Regional (2 deals).

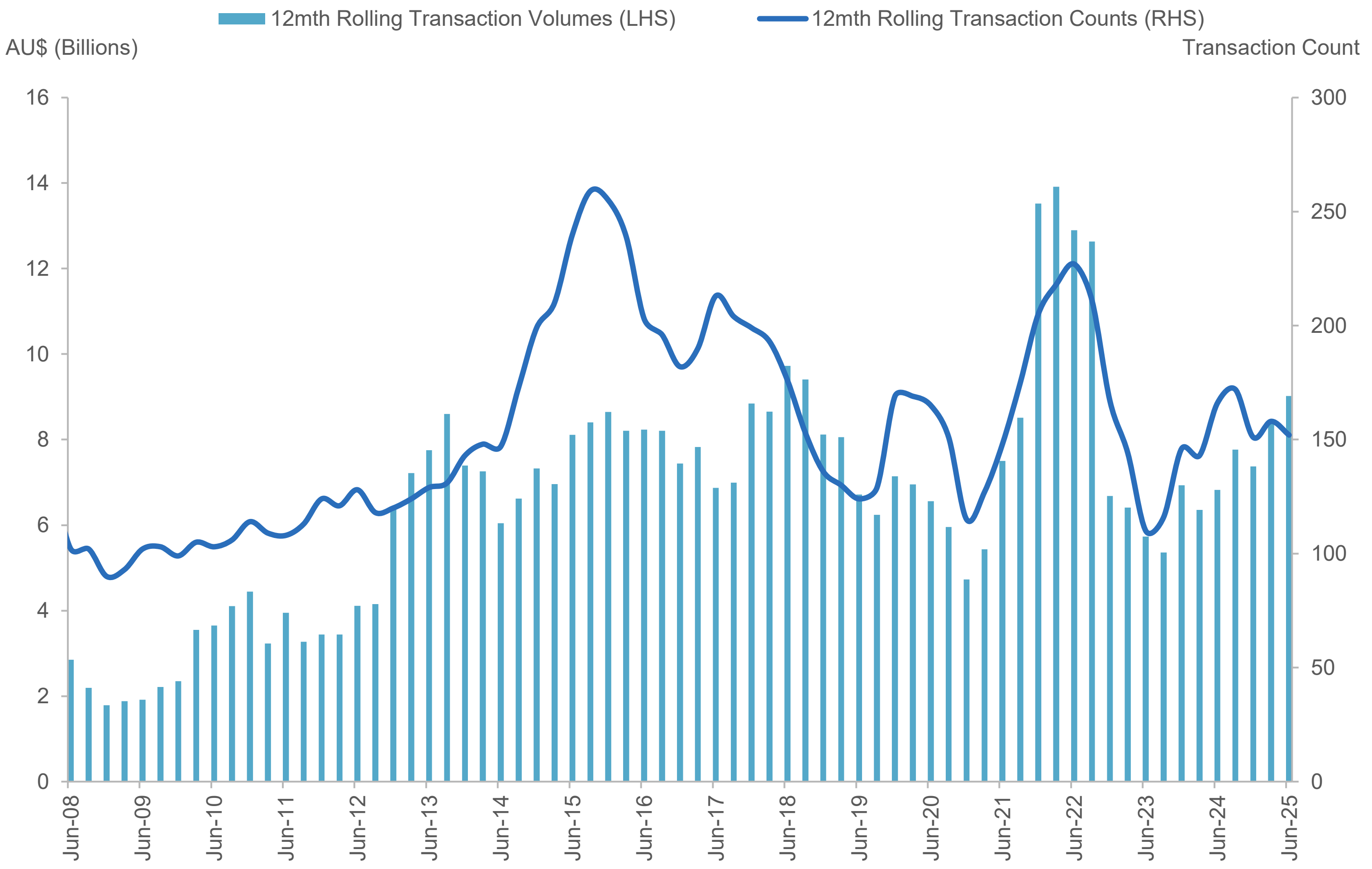
The total deal number over the 12-month period to 2Q25 was 152, below the 10-year rolling average of 172 deals.

Nearly all transactions have been at or above book values as cap rate expansion reaches an inflection point across subsectors. Going forward, the strong fundamentals of rental growth and low supply are expected to have a greater influence on valuations.

Forward-looking value indicators continued to strengthen. Sub-Regional retail centres recorded capital value y/y growth for the fourth consecutive quarter, up +4.6% (y/y). Regional retail centres also recorded an uptick in capital at +2.0% growth y/y.

Source: JLL, Charter Hall Research. At 2Q25.

Transaction volumes ($ billions) and transaction count



Capital Values & Total Returns

4.6%
increase in capital values indicator y/y (sub-regional retail)

Retail (sub-regional) capital values continued their positive trajectory during 2Q25, increasing 4.6% y/y. This was the fifth consecutive quarter of positive capital value growth.

Total Returns of Sub Regional retail centres grew over the year to Jun-25 up +8.3%, the highest level since Sep-22 (+9.9%). Neighbourhood centre returns also continued to grow y/y to +5.9%. This was the highest level since Dec-22 (+8.6%).

The retail sector has generated the highest returns across the Core CRE sectors since June-24.

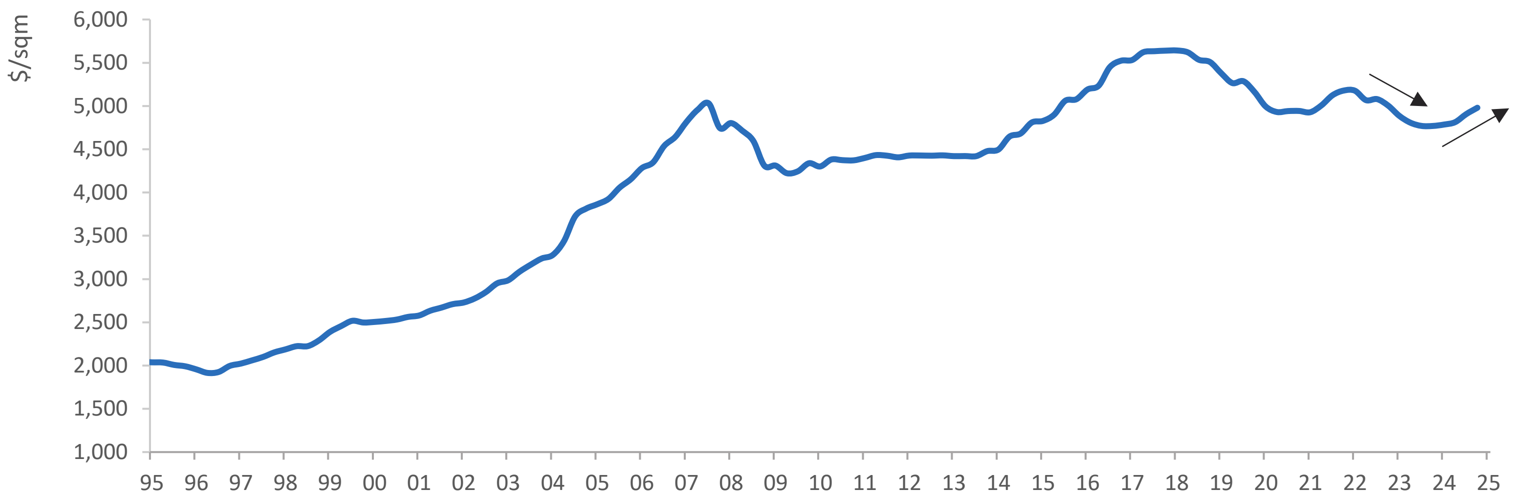
Note: These indicators are indicative and lead valuations by ~ 6 to 12 months.

	Capital Value %	Total Returns %
Peak to trough (Inflation Crisis)	-7.9%	-2.4%
Trough to 2Q25	+5.0%	+7.5%

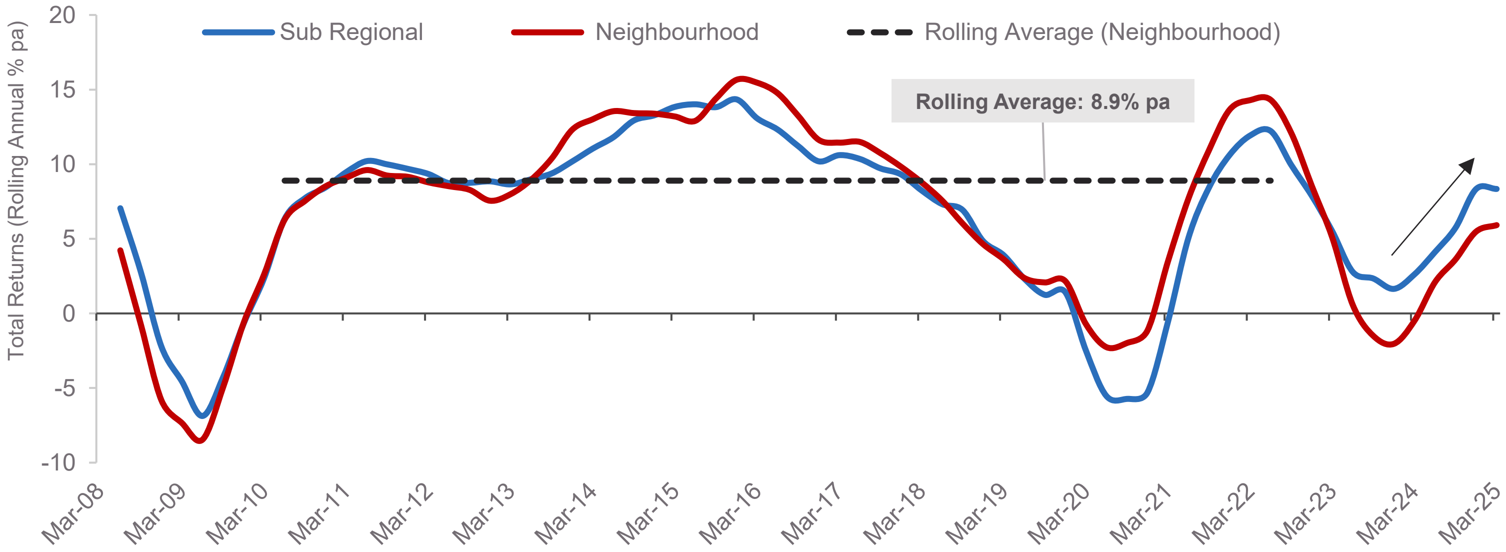
Source: PCA/MSCI All Property Index, Charter Hall Research. At 2Q25.

Note: Capital Value % based on Sub Regional, total returns % based on Neighbourhood retail MSCI all property index

JLL Capital Values (Prime indicative market average, Sub Regional)



Total Returns (Rolling Annual % pa) – Neighbourhood & Sub Regional



06
Living Sectors

Westmead Multifamily Development, Sydney, NSW

Westmead Innovation Quarter Multifamily Development Project comprises more than 244 apartments, with complementary amenity and ground floor retail. The project is forecast to commence in Q3 2025, and complete in early 2027.

Artists Impression

Residential Outlook

1.2 million

Dwellings targeted over next 5 years (to Jun-29) by the National Housing Accord

High construction and financing costs, labour shortages, and a restrictive planning system are contributing to an undersupply of new housing. Current forecasts anticipate the national target will be missed by one third or more (~395,000[1] to 462,000[2] dwelling shortfall). This could be further impacted by the outcome of the upcoming election and responding policy changes.

Australia's housing market has experienced affordability challenges, with costs substantially outpacing income growth. The time taken to save for a 20% house deposit has increased to 10.6 years in Sep-24. Affordability has worsened during the inflation crisis, driven by high interest rates. Assuming current average mortgage rates for owner occupiers, a 20% deposit and a 25-year loan term, more than half of the median household income is required to service a new home loan (50.6%).

Latest PCA commissioned analysis reported that at current build rates a projected ~738,000 well-located homes will be built by FY29, a 462,000-home shortfall to targets. This is particularly evident in NSW with a ~185,000 shortfall (49% of target).

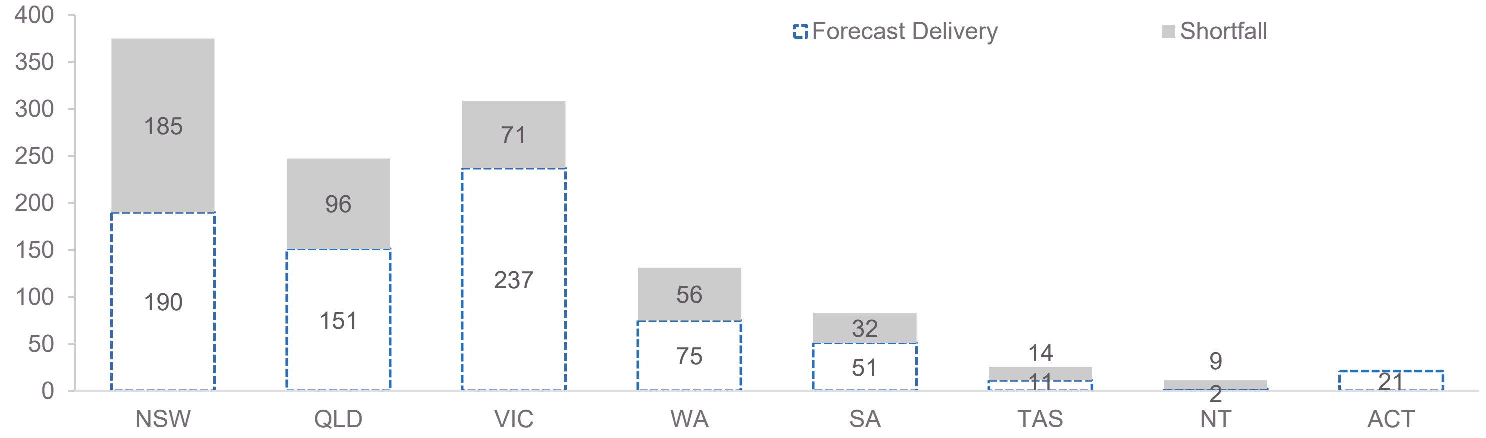
If National Housing Accord targets were met it would result in a renters saving of $90 per week (national average) and would support a -0.2% decrease p.a. in forecast housing price growth.

The apartment sector will be increasingly critical to support a ramp up in housing supply. However, the recovery of higher-density housing will take longer due to the lag between approvals and completions.

Source: PCA, ABS[6], Urban Development Institute of Australia[1], Mandala[2], National Housing Supply and Affordability Council, CBRE[3], Oxford Economics[4], Census 2021[5], ANZ[7], Charter Hall Research at 2Q25.

Progress on the 1.2 million new homes target by state

Number of new homes ('000s), FY25 to FY29



Residential market metrics

	National	NSW	VIC	QLD
Population growth % y/y (Dec-24)[6]	1.7%	1.3%	1.9%	1.9%
Population growth forecast – 5 yrs (2024 to 2029)[4]	6.3%	-	-	-
Avg. household size (persons per dwelling)[5]	2.5	2.6	2.5	2.5
Total no. of existing dwellings (at Jun-22)[6]	10.9 million	3.4 million	2.8 million	2.2 million
National Housing Accord target – 5 yrs (to Jun-29)[2]	1.2 million	375,000	308,000	247,000
Incremental target increase on total dwellings	11%	11%	11%	7%
Forecast total dwelling supply – 5 yrs (to Jun-29)[2]	738,000	190,000	237,000	151,000
Total dwelling shortfall – 5 yrs (at Jun-29)[2]	462,000	185,000	71,000	96,000
Dwelling value to income ratio (at Sep-24)[7]	8.0x	9.8x	7.0x	8.2x
Years to save a 20% deposit (at Sep-24)[7]	10.6	13.1	9.3	10.9
Apartment vacancy rate forecast (at Jun-25)[3]	1.5%	1.7%	1.7%	1.0%
Apartment rental growth – 5 yrs (to Jun-30)	23.6%	23.6%	23.9%	24.2%

Note: National population growth forecast from Oxford Economics as at July-25. State population growth forecasts from the ABS have not been updated since Nov-23 so these have not been included as they are not reflective of current national growth projections. Dwelling value to income is the median home value of a region, divided by the annual household income estimate.

Vacancy Rates

1.5%

National apartment vacancy rate forecast at Jun-25*

A continuation of undersupply coupled with solid population growth is placing downward pressure on vacancy rates in the national rental market.

Latest forecasts estimate that national apartment vacancy will reach 1.5% by the end of the financial year and will fall further to an average of 1.2% by FY27. The stabilised market vacancy rate for the rental apartment market sits around 4-5%.

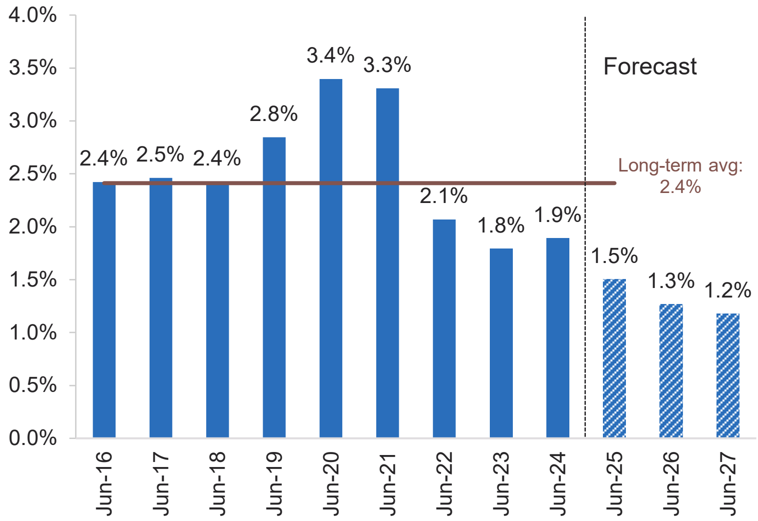
CBRE forecast the future supply of apartments is likely to hover around 60,000 p.a. over 2025-29. Approximately 75,000 new apartments p.a. are required based on Australia's current migration quotas and forecasts population growth. This would lead to a potential cumulative deficit of ~75,000 units over the forecast period, effectively one year's worth of supply.

Sydney, Melbourne and Brisbane have all seen sharp tightening of their vacancy rates over recent years. Latest forecasts expect vacancy rates to fall to 1.7%, 1.7% and 1.0% respectively by June.

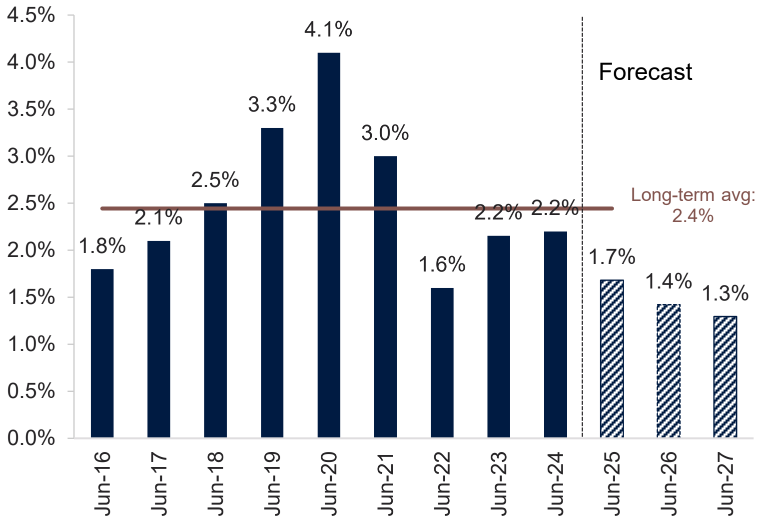
These cities are forecast to continue to see apartment vacancy rates fall, with Brisbane projected to sit below the national vacancy rate average at 0.8% in FY27.

Source: CBRE, Charter Hall Research. At 1Q25. *National weighted by Sydney, Melbourne, Brisbane and Adelaide.

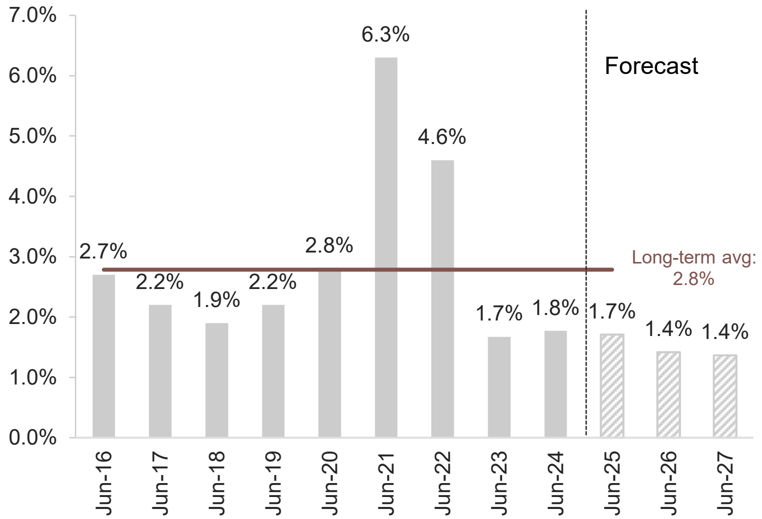
National Vacancy Rates* (apartments)



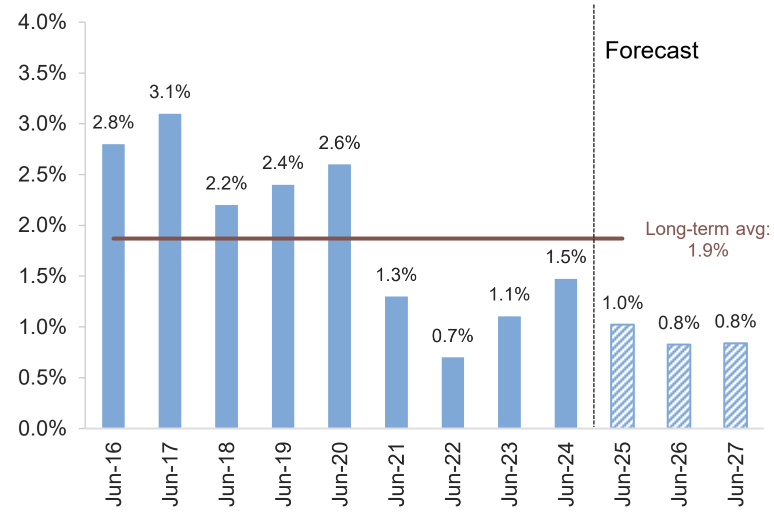
Sydney Vacancy Rates (apartments)



Melbourne Vacancy Rates (apartments)



Brisbane Vacancy Rates (apartments)



Living Sectors

Rental Growth

24%
Growth in national apartment rents over next 5 years

National median apartment rents are forecast to increase by +24% over the next 5 years to FY30, driven by the imbalance between tenant demand and available apartments. Demand will continue to be supported by rising population, jobs and income growth.

Rental growth during FY25 is expected to moderate to +3.1%, down from +9.2% during FY24, due to an increase in supply, cost-of-living pressures, and an easing in overseas migration. FY25 growth will be underpinned by Perth (+5.6%) and Brisbane (+4.6%) which both benefitted form interstate migration, followed by Melbourne (+3.0%), Adelaide (+3.0%) and Sydney (+2.5%).

Going forward, national median apartment rates are forecast to increase at +4.3%pa over the next 5-years which would reflect a $165 increase between FY25 and FY30. In well located areas with close proximity to public transport and employment, rental growth is anticipated to exceed these forecasts.

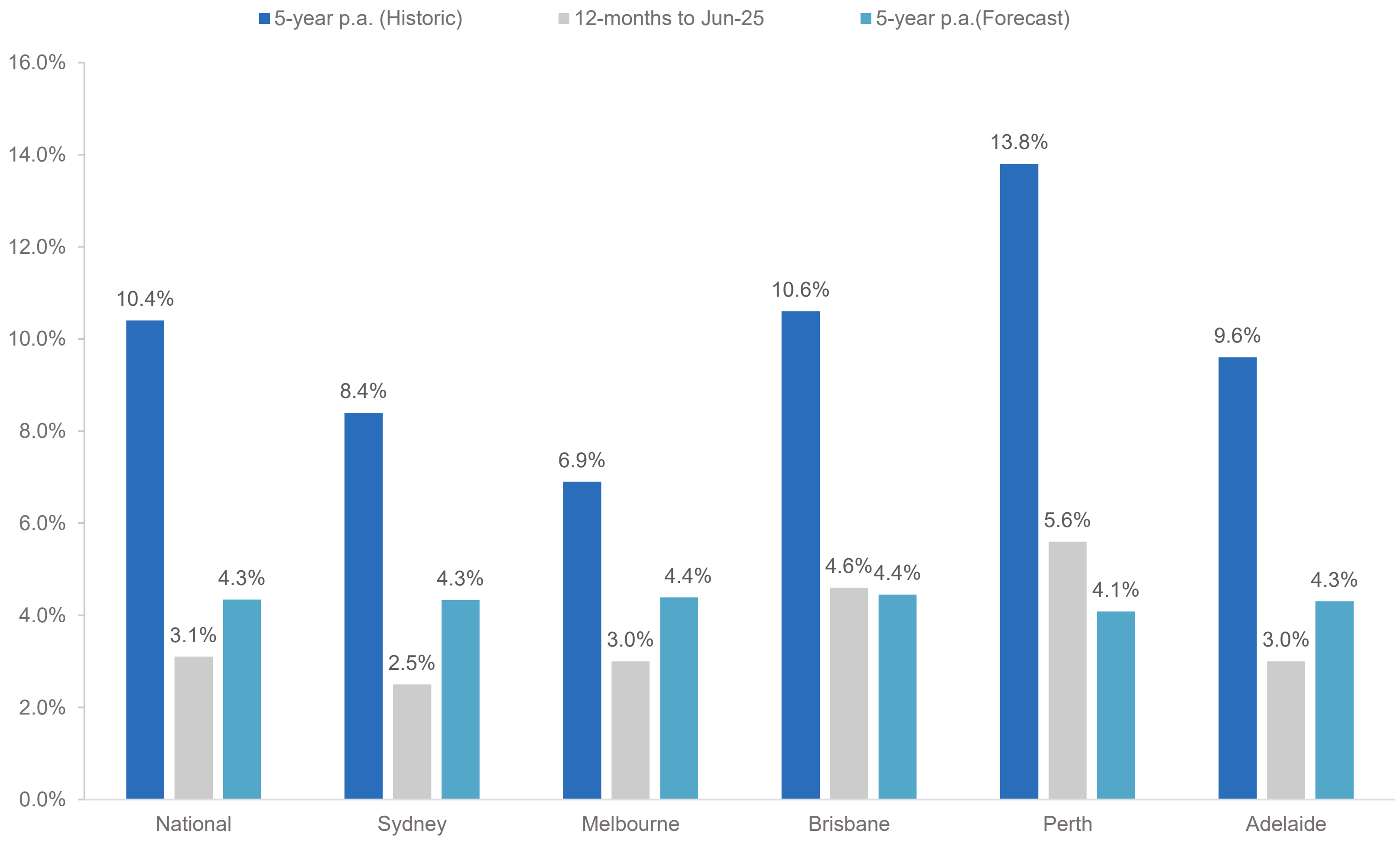
18 precincts are forecast to achieve over +25% growth over the next five years, including Sydney Eastern Suburbs, Sydney CBD, Melbourne Inner East, Melbourne South East, South East Brisbane, South West Perth and Adelaide City.

High construction costs and amenity offerings have placed upward pressure on rents for new builds. In Sydney, apartments <15 years in age have rents at a ~20-35% premium to older apartments. Similarly in Melbourne newer apartments have rents between ~0-20% higher than those of older vintage.

Source: CBRE, Charter Hall Research. At 1Q25

Note: Rents by age analysis from CBRE Research based on a study of ~3,000 apartments across a selection of suburbs which have both recent and older vintage apartments.

Historical stock-weighted apartment average annual growth rate (p.a) (%)



Note: 5-year p.a. (Historic) includes FY25

Deep Dive: Multifamily (Build-to-Rent)

2Q25: Number of operational MfH buildings

39

2Q25: Number of operational MfH apartments

11,600

2029F: Number of operational MfH buildings

▲133

2029F: Number of operational MfH apartments

▲43,660

Multifamily housing (Build-to-Rent) is a large-scale rental model, held in single ownership and professionally managed. It often provides tenants with inclusive amenities and utilities tailored to the needs of renters.

At 2Q25, 11,600 multifamily apartments were operational nationally across 39 buildings. This was inclusive of ~1,200 new units that completed in the first half of 2025.

A further ~3,350 apartments are under construction and expected to complete by the end of 2025. By 2029 it is forecast that there will be ~43,660 operational apartments nationally, across 133 buildings.

Melbourne is forecast to lead the way with the largest Multifamily project pipeline at 48%, followed by NSW (26%) and Brisbane (20%).

At present, the average size of an operational asset is 297 apartments. Projects currently under construction average 366 apartments, with those in early planning stages smaller at an average of 262 units per building.

Despite limited transactional evidence, indicative prime multifamily cap rates remain some of the tightest of all asset classes in the Australian market ranging between 4.00% and 4.75%. This is in line with transactional evidence in comparable markets overseas.

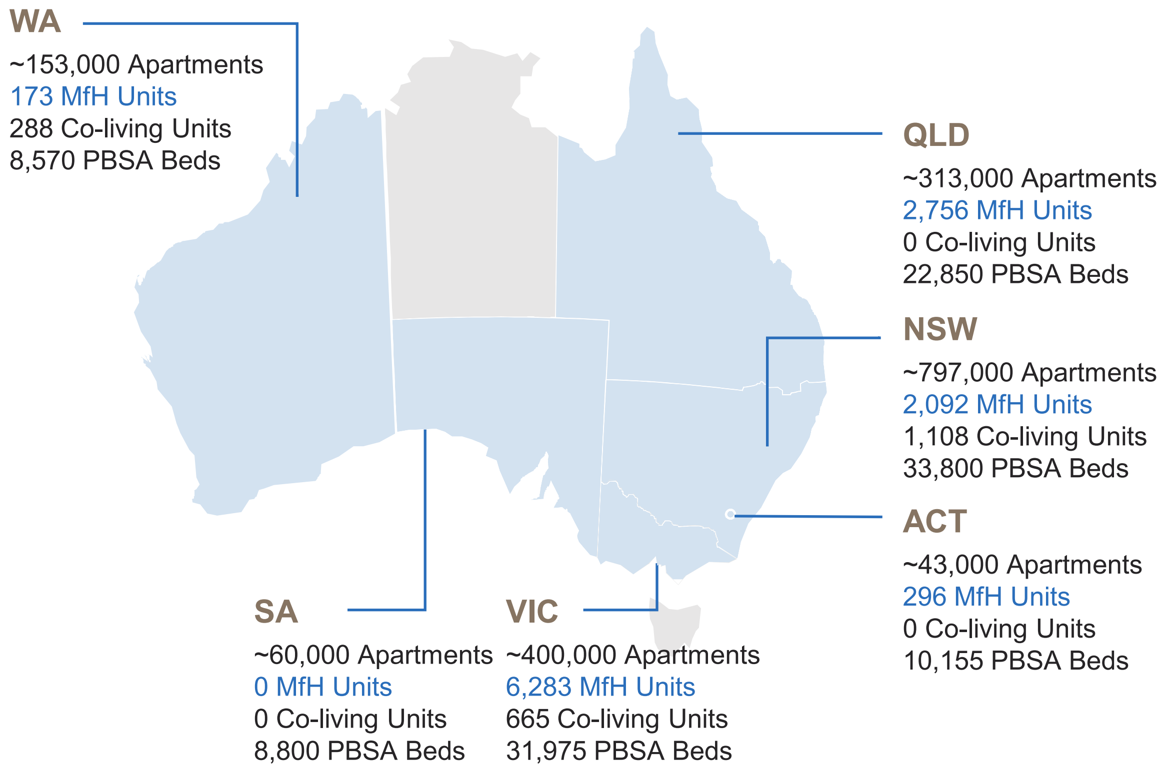
Indicative cap rates remain 50 to 75 bps below Co-living and 100 to 125 bps below PBSA. Recent transactions of operational product, including the Arklife Portfolio in Brisbane and Dickson Village in Canberra are supportive of this cap rate range. Multifamily cap rates sit relatively low compared to core property sectors, however they are skewed by the young age of assets.

Multifamily assets are becoming increasingly of interest to institutional investors as they look to diversify their portfolios.

Source: CBRE Research, JLL Research, ABS Census 2021, Urbis, UKO Co-Living, Charter Hall Research. At 2Q25

1. ABS, 2. JLL Research 3. UKO Co-Living, 4. Urbis

Scale of Target Sectors – Operational Dwellings



	Apartments[1]	MfH Units[2]	Co-living Units[3]	PBSA Beds[4]
Operational Total	1.7 million	11,600	2,061	119,485
No. Buildings	-	39	46	~440
Average (apts/beds)	-	297	46	270

Multifamily: Operational Dwellings and Buildings per state[2]

	VIC	QLD	NSW	ACT	WA	SA
Operational Total	6,283	2,756	2,092	296	173	0
No. Buildings	17	11	7	2	2	0

Thank you

Charter Hall