

[Print this article](#)[Close this window](#)

CBD office shortage, rents to rise

Philip Hopkins

February 3, 2010 - 12:00AM

TENANTS are facing a shortage of office space in Melbourne's CBD, with the vacancy rate forecast to plummet to just 5.3 per cent by the middle of next year. Docklands will be a key location for new buildings and rents are set to rise.

Knight Frank leasing director Mark Rasmussen said all new city stock being built this year had been tenanted, and most of the space vacated by tenants moving to new premises had either been leased or withdrawn from the market.

No additional buildings would be completed before 2012, he said. "Tenants will have few options. Those requiring large floor plates will have to look far afield."

Tenants with signed leases include Marsh, BP and Channel Nine, which have taken a total of 37,000 square metres at 717 Bourke Street. The Australian Taxation Office has committed to 38,000 sq m in Collins Street.

Knight Frank associate director of research Richard Jenkins doubted that Melbourne's CBD office vacancy rate was close to its peak but it was unlikely to go above 7.5 per cent. Rents were set to rise by 13 per cent over the next year as white-collar employment and the economy continued to expand, Mr Jenkins said.

This story was found at: <http://www.theage.com.au/business/cbd-office-shortage-rents-to-rise-20100202-nb63.html>