

UNDERSTANDING PERTH'S COMMERCIAL REAL ESTATE MARKET



By Renie Shone

ABSTRACT

Perth's commercial real estate market has become a key area of focus for investors, offering unique opportunities amidst strong economic growth. With a booming population, ongoing urban development, and investments driven largely by the mining industry, Perth has emerged as a top-performing city in Australia. Commercial properties, including office spaces, retail centers, and industrial sites, are seeing increasing demand, fueled by interstate migration and the city's strategic position within the national and global markets. This has led to a dynamic market environment with rising rental yields and low vacancy rates, making Perth an attractive destination for commercial real estate investment.



As the city continues to develop, several factors are expected to drive further growth in the market, including infrastructure upgrades, evolving business needs, and a surge in demand for flexible workspaces. Perth's commercial real estate is also benefiting from the diverse economic sectors, particularly the strong presence of mining, retail, and tourism. The city's commercial property market presents opportunities across various sectors and locations, from the thriving CBD to emerging suburban hubs. Investors looking to capitalize on the growing demand must understand the trends, legal considerations, and financing options to navigate this lucrative yet evolving market.

LET'S GET STARTED

Perth's commercial real estate market has become a key player in Australia's overall property sector, driven by a strong economy, population growth, and significant investments, especially from the mining industry. The city has experienced robust development, attracting both local and interstate migration, which has, in turn, increased demand for various types of commercial properties, including office spaces, retail outlets, and industrial warehouses. Perth's commercial real estate market is particularly appealing due to its high rental yields, decreasing vacancy rates, and the growing interest in mixed-use developments that blend residential and commercial functions.

The city's commercial property landscape is also supported by major infrastructure projects and government initiatives aimed at boosting economic activity. With Perth's central location and connectivity, businesses are increasingly looking to establish themselves here, further strengthening the demand for commercial properties. As Perth continues to expand, investors can find promising opportunities across diverse sectors, from high-demand CBD office spaces to suburban industrial sites. Understanding these key drivers and trends is essential for investors looking to navigate Perth's commercial real estate market successfully.

KEY INDUSTRIES THAT RAISE PERTH ECONOMY

Perth's economy is driven by several key industries that contribute significantly to its growth and development. The major industries include:

1. Mining and Resources

Perth is known as the mining capital of Australia, with significant contributions from the mining, oil, and gas sectors. The city is a hub for exploration, extraction, and resource management, especially for minerals like iron ore, gold, and lithium. The mining industry remains a major economic driver, attracting investments and providing employment opportunities.

2. Energy and Renewables

The energy sector, including both traditional oil and gas, and emerging renewable energy technologies, plays a crucial role in Perth's economy. The city is home to numerous energy companies and is advancing in renewable energy projects, such as solar and wind, positioning itself as a future leader in sustainable energy.

3. Construction and Infrastructure

As urban development continues to grow, the construction sector has seen significant demand. Residential, commercial, and infrastructure projects, including roads, ports, and airports, contribute greatly to the local economy. This sector also supports many jobs and attracts investment.

4. Agriculture and Agribusiness

Perth benefits from a strong agricultural sector, particularly in Western Australia's wheat, livestock, and horticulture industries. The agribusiness sector is vital for both domestic consumption and exports, and it supports Perth's economy through processing, packaging, and export activities.

5. Tourism

Perth's natural beauty, cultural landmarks, and outdoor attractions make tourism a major contributor to the local economy. The city's beaches, national parks, and vibrant arts scene draw both domestic and international visitors, supporting hospitality, travel, and event industries.

6. Technology and Innovation

Perth has seen growth in its tech and innovation sectors, with startups and tech companies increasing across various fields, including artificial intelligence, software development, and mining tech. The city is fostering a growing ecosystem of innovation, attracting investment and talent.

7. Education and Research

Education, particularly through universities and research institutions, is another key contributor to Perth's economy. The city is home to several renowned

universities and research organizations, attracting international students and fostering innovation in various sectors, including science, technology, and healthcare.

8. Healthcare and Medical Research

Perth has a growing healthcare industry, with world-class medical facilities and research institutions. The sector is supported by both public and private services and plays a significant role in the local economy, providing jobs and fostering advancements in medical research.

9. Real Estate Sector

Perth's real estate sector is thriving, driven by strong demand in both residential and commercial markets. The city's growing population, coupled with ongoing urban development, has led to rising property values and high rental yields. The mining industry plays a significant role, with many professionals investing in the housing market. Commercial real estate is also experiencing growth, particularly in office spaces and industrial properties. With low vacancy rates and increasing demand, Perth's real estate market presents lucrative opportunities for investors.

These industries not only fuel Perth's economic growth but also attract investment, support job creation, and ensure the city's economic stability and diversity.



INTRODUCTION TO COMMERCIAL REAL ESTATE

Commercial real estate (CRE) is property used for business-related purposes or to provide workspace rather than living space. Most often, commercial real estate is leased by tenants to conduct income-generating activities. This broad category of real estate can include everything from a single storefront to a massive factory or a warehouse.

The business of commercial real estate involves the construction, marketing, management, and leasing of property for business use.

There are many categories of commercial real estate such as retail and office space, hotels and resorts, strip malls, restaurants, and healthcare facilities.

Understanding Commercial Real Estate (CRE)

Commercial real estate and residential real estate are the two primary categories of the real estate property business.

Residential properties are structures reserved for human habitation rather than commercial or industrial use. As its name implies, commercial real estate is used in commerce, and multiunit rental properties that serve as residences for tenants are classified as commercial activity for the landlord.

Commercial real estate is typically categorized into four classes, depending on function:

- Office space
- Industrial use
- Multifamily rental
- Retail

Managing Commercial Real Estate

Owning and maintaining leased commercial real estate requires ongoing management by the owner or a professional management company.

Property owners may wish to employ a commercial real estate management firm to help them find, manage, and retain tenants, oversee leases and financing options,

and coordinate property upkeep. Local knowledge can be important as the rules and regulations governing commercial property vary by state, county, municipality, industry, and size.

The landlord must often strike a balance between maximizing rents and minimizing vacancies and tenant turnover. Turnover can be costly because space must be adapted to meet the specific needs of different tenants—for example, if a restaurant is moving into a property formerly occupied by a yoga studio.



BEST INVESTMENT SUBURBS IN PERTH COMMERCIAL REAL ESTATE

Despite slow economic growth in other parts of the country, Perth is making giant strides towards development. The capital of Western Australia has been ranked as the best economic performer, with businesses flourishing in the city. One of the biggest reasons for the stunning figures is the increasing population and booming housing market. A lot of investment in the housing sector comes from people associated with the mining industry. Perth has become an attractive destination for them because of its exceptional lifestyle, economic prowess, and proximity to mining sites.

Urban development has also led to increased interstate migration and house prices. Consequently, rental yield is excellent for investors who can easily diversify their portfolios. Besides a boom in the residential sector, commercial real estate Perth has also displayed significant growth. The CBD office market offers investors the best rental income, and vacancy rates are decreasing. So, here is a list of the best Perth suburbs for commercial real estate investment. These will help you find the right spots for buying property.



1. High Growth Region of West Perth

This inner suburb of Perth has become the favourite hotspot for commercial property investment because of several office buildings across Colin Street, Ord Street, and Outram Street. Hay Street is a popular commercial precinct that houses most retail stores. Office vacancies for B-grade assets have decreased considerably in West Perth in the past few years.

The current vacancy rate of 15.6% may seem high but it is much lower than 22.7% in 2021. It has become a prominent business zone after property owners started offering incentives to tenants along with refurbished and value-added structures.

2. Active Commercial Zone of Osborne Park

Osborne Park is gaining prominence among investors looking for commercial real estate Perth because of its growing commercial zone. The suburb has many warehouses, restaurants, cafes, and other small businesses, including the largest car yard precinct on Scarborough Beach Road.

Over 3000 local businesses operate in Osborne Park, and its industrial area is home to various offices and retail stores. It is a well-known employment hub, which has helped in its population growth. The suburb recently added another feather to its cap by establishing Herdsman Business Park, which houses the most renowned employer – West Australian Newspapers.

3. Rising Development in Burswood

One of the most picturesque destinations in WA, Burswood is positioned across the beautiful Swan River and in proximity to the Perth CBD. It has a diversified and vibrant economy and is home to Burswood Point, the largest urban development in WA. The upcoming zone will have a 5-star hotel, commercial district, malls, etc.

The \$3.8 billion project will include residential apartments, offices and retail outlets. It is the best commercial investment opportunity in the region at present. Burswood also has the only licensed casino in the state and hosts many events that attract many celebrities and wealthy individuals.

4. Increasing Prosperity in Gosnells

Located 20 km from Perth CBD, Gosnells is a part of the City of Gosnells. The city has many opportunities for investors seeking Perth commercial real estate that can generate excellent results. It is well-connected to the port city of Fremantle and is home to several businesses operating in transport, construction and technical industries.

Gosnells is experiencing a steady rise in its population, which has led to an increase in the median house price. The city's gross regional product was \$5,086

million in 2022-23, which shows its viability for commercial property buying and selling.

5. Proximity Benefits For Subiaco

Subiaco is only 3 km from the Perth CBD and is part of the City of Subiaco. The suburb is known for its architecture, high-end shopping precincts and food scene. It is dotted with restaurants, bars and theatres that make its nightlife quite exciting.

More than 400 businesses operate in the suburb, making it an inviting place for commercial property investors. The suburb is perfect for acquiring property and leasing it to premium businesses looking for top amenities in the buildings.

6. Glittering Nightlife of Northbridge

Northbridge is located close to the Perth CBD and has a significant number of commercial and residential properties. It has become a nightlife spot for locals because of many bars, cafes, eateries, and clubs. It is home to Chinatown and other landmarks like the Digital Tower, Northbridge Piazza, and Yagan Square.

Northbridge is often called the entertainment capital of the city of Perth because of the glamorous nightlife that captivates locals and tourists. It has many accommodations and hotels, making it perfect for commercial real estate investment.

7. Growing Industry of Balcatta

Balcatta is among the largest suburbs on the northern side of Perth and is known as a busy commercial and industrial centre. The multicultural region employs a significant population and has more than 1670 businesses. The industrial zone of Balcatta houses retail stores, wholesale businesses, offices, and light industries.

Those looking for commercial real estate in Perth often choose this hotspot to put their money into a property. With a fast-growing population and increasing median weekly household income, it is an ideal investment destination for wealthy buyers with diversified portfolios.

8. Connectivity Advantage of Beckenham

This suburb is located in the City of Gosnells and is connected to the CBD by rail, which takes only 15 minutes to reach Beckenham. It is close to the Canning River and Greater Brixton Street Wetlands, which make it a family-friendly suburb. It has many industrial properties up for grabs near the Albany highway and William Street.

Investors can also put their money in development sites and land as well as retail stores. The connectivity of the Beckenham to the CBD makes it highly prominent for future development and commercial activity.

9. Commerce and Industry of Belmont

Another investment destination close to the CBD is Belmont, which is positioned on the southern side of the Swan River. The suburb has a mix of commercial and residential properties with the western part dedicated to commerce and industry while the east and north are filled with residences.

It is also known for housing a wide range of motels and accommodation options across the Great Eastern Highway. The presence of several industrial properties and retail stores makes it a viable opportunity for investing in Perth commercial real estate.

Wrapping Up

The suburbs mentioned above are brimming with opportunities for buyers and tenants looking for commercial properties. It is vital to research the market for trending rental prices and the current vacancy rates to choose the right real estate.

BEST PRACTICES WHEN BUYING COMMERCIAL REAL ESTATE

Many investors find commercial real estate to be a lucrative endeavor. However, it's essential to understand that potentially increased rewards often involve more responsibilities. Hence, investors must exercise due diligence and follow sound practices when buying commercial real estate.

As most would expect, investing in CRE differs from buying single-family properties. Buying commercial real estate requires investors to crunch more numbers and raise more capital. Nonetheless, investing in commercial real estate can be done with the proper dedication. As a commercial real estate broker and investor, below are my tips on what you need to know when buying commercial real estate.

Seven Steps For Buying Commercial Real Estate

Investing in commercial real estate can be highly rewarding, but it requires careful planning and strategic decision-making. Here's a detailed guide on the seven key steps to buying commercial property successfully.

1. Define Your Investment Goals

Before diving into the market, clearly define your objectives. Ask yourself:

- Are you looking for long-term capital growth or rental income?
- What type of commercial property suits your goals—office spaces, retail shops, industrial warehouses, or mixed-use developments?
- What is your risk tolerance and expected return on investment (ROI)?

Having a well-defined strategy will help you focus on properties that align with your financial goals.

2. Research the Market

Thorough market research is crucial to making informed decisions. Consider the following:

- Location Analysis: Look for high-growth areas with strong demand.
- Market Trends: Analyze vacancy rates, rental yields, and future developments.
- Economic Factors: Understand how local industries, infrastructure projects, and government policies impact the real estate market.
- Comparable Sales: Study similar properties that have been sold recently to assess fair market value.

Using real estate reports, talking to local agents, and reviewing economic forecasts can provide valuable insights.

3. Secure Financing and Budget Planning

Commercial real estate requires a substantial investment, so planning your finances is essential. Steps to consider:

- Assess your borrowing capacity and get pre-approved for a loan.
- Understand different financing options such as traditional bank loans, commercial mortgages, or private lenders.
- Account for additional costs like stamp duty, legal fees, property taxes, maintenance, and potential renovations.
- Consider future expenses, such as ongoing property management costs.

A solid financial plan ensures you invest within your means and avoid unexpected financial burdens.



4. Find the Right Property

Once you have a budget and investment strategy, start searching for properties that match your criteria.

- Work with commercial real estate agents, property consultants, and online listing platforms.
- Conduct site visits to assess the property's condition, accessibility, and potential for growth.
- Evaluate tenant demand in the area if you plan to lease out the property.
- Check the zoning regulations and land use restrictions to ensure your intended use is permitted.

Finding the right property requires patience and due diligence to make a profitable investment.

5. Conduct Due Diligence and Property Evaluation

Before finalizing the purchase, conduct thorough due diligence to identify any potential risks. Key aspects to check include:

- **Legal Compliance:** Verify land titles, zoning laws, and environmental regulations.
- **Property Condition:** Inspect the building structure, plumbing, electrical systems, and overall maintenance.
- **Lease Agreements:** If the property has existing tenants, review lease terms, rental income, and tenant history.
- **Financial Performance:** Assess the property's income-generating potential and expenses.
- **Potential for Growth:** Consider future development plans in the area that may impact property value.

Hiring a property lawyer, surveyor, and inspector ensures you identify any hidden liabilities before making a commitment.

6. Negotiate and Make an Offer

Once you have completed due diligence, it's time to negotiate the best deal.

- Compare prices of similar properties to make a competitive yet reasonable offer.
- Negotiate terms such as the purchase price, deposit, settlement period, and any contingencies.
- Consider asking for inclusions like furniture, fittings, or lease extensions if tenants are involved.
- Ensure the contract includes exit clauses to protect yourself if unforeseen issues arise.

Working with a professional real estate agent or lawyer can help secure favorable terms during negotiations.

7. Finalize the Purchase and Manage Your Investment

After the offer is accepted, follow these steps to finalize the transaction:

- Sign the contract and pay the required deposit.
- Complete the legal paperwork and fulfill financial obligations (loan approvals, stamp duty, etc.).
- Ensure a smooth settlement process by coordinating with your lawyer and financial institution.
- Once ownership is transferred, set up a property management plan.
- If leasing out the property, hire a property manager to handle tenants, maintenance, and rent collection.

Managing your commercial real estate investment effectively ensures long-term profitability and sustainable returns.

Final Thoughts

Buying commercial real estate is a significant financial decision that requires careful planning and strategic execution. By following these seven steps—defining

your goals, researching the market, securing financing, finding the right property, conducting due diligence, negotiating, and finalizing the purchase—you can make a smart investment with high growth potential. Always seek professional advice to navigate complexities and maximize your returns.

CHALLENGES AND OPPORTUNITIES FOR THE AUSTRALIAN ECONOMY

The rapid growth of commercial real estate in Australia presents both challenges and opportunities for the economy. As demand for office spaces, retail properties, and industrial warehouses increases, it influences various economic sectors, employment, and infrastructure development. Below is a detailed analysis of the challenges and opportunities this growth brings to the Australian economy.



Opportunities

1. Economic Growth and Investment Inflow

The rise in commercial real estate boosts economic activity by attracting local and international investments. Investors, developers, and businesses inject capital into infrastructure projects, leading to expansion in various sectors, including construction, retail, and technology. This growth increases Australia's global economic standing and enhances trade partnerships.

2. Job Creation Across Multiple Sectors

Expanding commercial real estate leads to job creation in construction, real estate, finance, and property management. The demand for office spaces, warehouses, and retail stores results in increased hiring across different industries, supporting long-term economic stability.

3. Urban Development and Infrastructure Expansion

With the rise in commercial properties, urban areas see significant development, including improved transport networks, roads, and public utilities. Government and private sectors invest in smart cities and mixed-use developments, which enhance overall urban livability and economic sustainability.

4. Increased Government Revenue Through Taxes and Fees

The commercial real estate sector generates substantial revenue for the government through property taxes, stamp duties, and business rates. These funds can be reinvested in public services, healthcare, education, and infrastructure projects, fostering overall national development.

5. Diversification of the Economy

A strong commercial real estate market encourages diversification in the economy by supporting various industries such as retail, technology, logistics, and hospitality. This reduces reliance on specific industries (e.g., mining) and strengthens economic resilience against downturns.

6. Growth in the Retail and E-commerce Sectors

The increase in commercial real estate supports the retail and e-commerce industries by providing more space for businesses. Warehousing, distribution centers, and physical retail stores benefit from well-located commercial properties, boosting sales and consumer confidence.

7. Rising Demand for Sustainable and Green Buildings

As businesses and investors prioritize sustainability, commercial real estate is shifting toward eco-friendly buildings with energy-efficient designs. This creates opportunities for green technology, environmental consulting firms, and innovation in sustainable urban planning.

Challenges

1. Rising Property Prices and Rental Costs

As demand for commercial properties increases, prices and rental costs rise, making it difficult for small businesses and startups to afford prime locations. This can lead to business closures or shifts to alternative areas, potentially affecting economic diversity.

2. High Interest Rates and Financing Difficulties

A surge in commercial real estate investment often leads to higher borrowing costs. Investors and businesses relying on loans may struggle to secure affordable financing, limiting growth opportunities. Rising interest rates also increase the financial burden on existing property owners.

3. Market Volatility and Economic Uncertainty

Global economic shifts, interest rate hikes, and geopolitical factors can impact the commercial real estate sector. A downturn in the property market could lead to reduced investments, falling property values, and financial instability, affecting overall economic growth.

4. Oversupply and Vacancy Risks

An excessive supply of commercial properties, especially in office and retail sectors, may lead to high vacancy rates. If businesses fail to occupy these spaces, investors may experience financial losses, and economic growth could slow in affected areas.

5. Infrastructure Strain and Urban Congestion

The rapid expansion of commercial properties requires advanced infrastructure planning. If cities fail to keep up with growth, traffic congestion, inadequate public transport, and utility shortages may arise, negatively impacting economic productivity.

6. Impact on Housing Affordability

As commercial real estate expands, land prices in key locations rise, potentially reducing space for residential development. This could lead to housing shortages and increased property prices, affecting affordability for residents.

7. Environmental and Sustainability Concerns

Uncontrolled commercial real estate growth may contribute to environmental degradation, deforestation, and increased carbon emissions. Stricter environmental regulations may be required to balance economic growth with sustainability.

The rise in commercial real estate presents a mixed impact on Australia's economy. While it fosters economic growth, job creation, and infrastructure development, it also poses challenges such as rising costs, market volatility, and environmental concerns. To maximize benefits, policymakers must implement balanced strategies that support sustainable development, economic diversification, and long-term stability. Smart planning, innovative financing solutions, and sustainability-focused investments will be crucial in shaping the future of Australia's commercial real estate sector.

FUTURE OUTLOOK FOR PERTH'S COMMERCIAL REAL ESTATE MARKET

Perth's commercial real estate market is poised for significant growth, driven by strong economic fundamentals, increasing demand for office and industrial spaces, and ongoing infrastructure developments. As Western Australia's capital city continues to expand, the commercial property sector presents both exciting opportunities and challenges for investors, businesses, and policymakers. Here's a detailed analysis of what the future holds for Perth's commercial real estate market.

1. Continued Economic Growth and Investment

Perth's economy is expected to remain strong, fueled by the mining and resources sector, population growth, and increased business activity. Western Australia has maintained a stable economic outlook due to global demand for commodities such as iron ore, lithium, and natural gas. This economic strength will continue to drive demand for commercial properties, including office spaces, industrial warehouses, and retail establishments.

Additionally, foreign and domestic investors are showing increased interest in Perth's real estate market due to its affordability compared to Sydney and Melbourne. Investment in commercial properties is likely to rise as businesses expand and establish new operations in the city.

2. Growth in the Office Space Market

- **Increasing Demand for Prime Office Spaces**

The demand for high-quality office spaces in Perth's Central Business District (CBD) and surrounding areas is expected to rise as businesses return to office-based operations. Flexible workspaces and co-working environments are also gaining popularity, with many companies seeking hybrid office solutions.

- **Declining Vacancy Rates**

Recent trends indicate a decrease in office vacancy rates, particularly in well-located buildings with modern amenities. As companies prioritize

employee well-being, office buildings with sustainable features, high energy efficiency, and premium facilities will likely see higher occupancy rates.

- **Tech and Innovation Hub Expansion**

Perth is becoming an emerging hub for technology startups, innovation centers, and research facilities. The growth of fintech, cybersecurity, and renewable energy industries will increase demand for office spaces designed for collaboration and technological advancements.

3. Industrial and Logistics Sector Boom

- **E-commerce and Warehousing Growth**

The rise of online shopping and last-mile delivery services has fueled demand for industrial warehouses and logistics hubs. Companies are expanding their storage and distribution networks to meet consumer demand, making Perth an attractive location for logistics investments.

- **Infrastructure Development Supporting Industrial Growth**

Government investments in major infrastructure projects such as the Westport Project (a new port in Kwinana) and road network expansions will support industrial real estate growth. Improved connectivity will attract more businesses to establish warehouses and manufacturing facilities in the region.

- **Mining and Resource Industry Demand**

Perth's proximity to major mining operations in Western Australia ensures continued demand for industrial properties, including workshops, storage facilities, and transport hubs. The push for renewable energy and electric vehicle (EV) batteries is also driving demand for lithium-processing plants and associated industrial spaces.

4. Retail and Hospitality Sector Recovery

- **Shifting Consumer Trends and Retail Evolution**

While traditional brick-and-mortar retail has faced challenges, Perth's retail sector is expected to adapt with experiential shopping concepts, mixed-use

developments, and entertainment-focused retail spaces. Shopping centers and high-street retail locations will integrate digital innovations, pop-up stores, and interactive experiences to attract customers.

- **Tourism Growth Driving Hospitality Investments**

With international travel recovering, Perth's tourism and hospitality industries are set to expand. More hotels, serviced apartments, and short-term rental accommodations are being developed to cater to business travelers, tourists, and event-goers. The growth of eco-tourism and cultural tourism will also lead to investments in commercial properties supporting these industries.



5. Sustainability and Green Building Innovations

- **Growing Demand for Energy-Efficient Properties**

As environmental concerns and carbon emission regulations tighten, sustainable commercial buildings will become a priority. Businesses are increasingly opting for energy-efficient office spaces, green warehouses, and eco-friendly retail outlets to align with ESG (Environmental, Social, and Governance) goals.

- **Government Policies and Incentives**

The Western Australian government is expected to introduce more incentives for developers who incorporate sustainable building practices. This includes tax benefits, grants, and regulatory support for solar-powered offices, green rooftops, and carbon-neutral buildings.

- **Smart Cities and Digital Integration**

Perth is gradually embracing smart city technologies, integrating AI-driven building management systems, smart lighting, and IoT-enabled security features in commercial properties. This trend will enhance operational efficiency, reduce maintenance costs, and increase property values in the long term.

6. Challenges Facing Perth's Commercial Real Estate Market

Despite the promising outlook, there are some potential challenges:

- **Rising Interest Rates and Financing Costs:** Higher borrowing costs may slow down commercial real estate transactions and impact investor sentiment.
- **Economic Uncertainty and Global Market Trends:** Global supply chain disruptions, fluctuating commodity prices, and economic slowdowns could affect investment levels.
- **Oversupply Risks in Certain Sectors:** A rapid increase in new office spaces or retail outlets could lead to higher vacancy rates in certain areas.
- **Changing Work Patterns:** Remote work trends may reduce demand for traditional office spaces, requiring landlords to adapt with flexible leasing models.

7. Future Investment Opportunities in Perth's Commercial Market

Best Areas for Commercial Real Estate Investment

- Perth CBD – Ideal for office spaces and corporate expansions.

- Subiaco & West Perth – Emerging commercial hubs with growing retail and hospitality sectors.
- Kwinana & Henderson – Industrial and logistics growth hotspots due to port and transport developments.
- Joondalup & Midland – Expanding suburban business districts with rising demand for mixed-use commercial properties.

Emerging Trends to Watch

- Co-working and flexible office spaces – Businesses are seeking adaptable leasing options.
- Health and wellness-focused commercial spaces – Medical centers, fitness hubs, and mental wellness facilities will gain traction.
- Technology-driven properties – AI-powered security, automated energy management, and digital leasing platforms will reshape the market.



CONCLUSION

Perth's commercial real estate market is set for steady growth, driven by strong economic fundamentals, infrastructure development, and increasing demand across office, industrial, and retail sectors. While challenges such as rising interest rates, market fluctuations, and evolving work patterns exist, the city's strategic location, thriving mining industry, and push for sustainable development create significant investment opportunities. As Perth continues to expand, investors and businesses that adapt to emerging trends—such as green buildings, flexible workspaces, and e-commerce-driven logistics—will be well-positioned for long-term success in this dynamic market.

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