



WESTERN **S**YDNEY INSIGHTS

Western Sydney Industrial

Contents

Western Sydney Industrial

4

Executive
Summary

6

Overview

10

Outer West

Supply, Land Values,
Net Face Rents, Yields

16

South West

Supply, Land Values,
Net Face Rents, Yields

22

Inner Central West

 Supply, Land Values,
Net Face Rents, Yields

28

North West

Supply, Land Values,
Net Face Rents, Yields

34

Investment

38

Property
Management

40

Outlook

42

Our Team



Executive Summary

Western Sydney's industrial market is in a holding pattern. Four interest rate rises this year, higher fuel, materials and labour costs and global economic uncertainty have slowed decisions across development, leasing and investment. Yet the region continues to attract the bulk of Sydney's industrial capital, Western Sydney International Airport is now operating and the NSW Government's new Sydney Plan has set out how industrial land will be protected and released.

INVESTMENT VOLUMES

Investment volumes reached \$5.8 billion over the year to September 2026, a record 78% of Sydney's industrial sales, as sales across the rest of Sydney fell to their lowest level since 2016. Buyers are following supply west, where modern logistics assets and larger sites offer scale. The buyer mix has also shifted. Listed groups made 52% of purchases this year, while offshore buyers fell from 41% to 18% over the last year. Preliminary figures point to a quieter September quarter as buyers become increasingly cautious.

RETURNS

Total returns reached 14.3% in the Outer West and 8.8% in the Central West in the year to June, with capital growth doing most of the work. Since then, yields have softened 35 to 55 basis points across the four precincts, with averages now between 5.50% and 5.75%. The tightest yields have lifted to 5.00%, their highest level since early 2020 and the spread between the best and weakest assets has widened to as much as 300 basis points.

PRIME FACE RENTS

Prime face rents have held flat for two years, from \$182/sqm in the North West to \$230/sqm in the Inner Central West. Landlords are protecting face rents and competing through incentives, which now exceed 20% across all precincts. New, purpose-built facilities still command a premium for higher clearances, better loading and stronger ESG credentials, while older stock is taking longer to lease. Many occupiers are choosing to renew rather than relocate to keep costs certain.

LAND VALUES

Land values are stable. After strong growth through to 2022 and 2023, values have barely moved, with few transactions to test pricing. Inner Central West small lots reached a record \$2,270/sqm and large Outer West lots rose 3.1%, but feasibility, not demand, is holding the market back. Large sites are in short supply, with Western Sydney holding 286 of Greater Sydney's 293 undeveloped lots over 5 ha, almost all in the Outer and South West.

SUPPLY PIPELINE

The supply pipeline across the four precincts has contracted 39% to 6.3 million sqm, with just 719,000 sqm under construction. Fewer developers are lodging new applications and approved projects are waiting for costs to ease or pre-commitments to arrive. Data centres account for around 280,000 sqm of the pipeline, concentrated in the Outer West and in Macquarie Park and North Ryde, competing directly with logistics users for serviced land. In the inner markets, smaller unit developments are attracting owner-occupiers and private investors, including SMSFs, looking for an alternative to residential property.

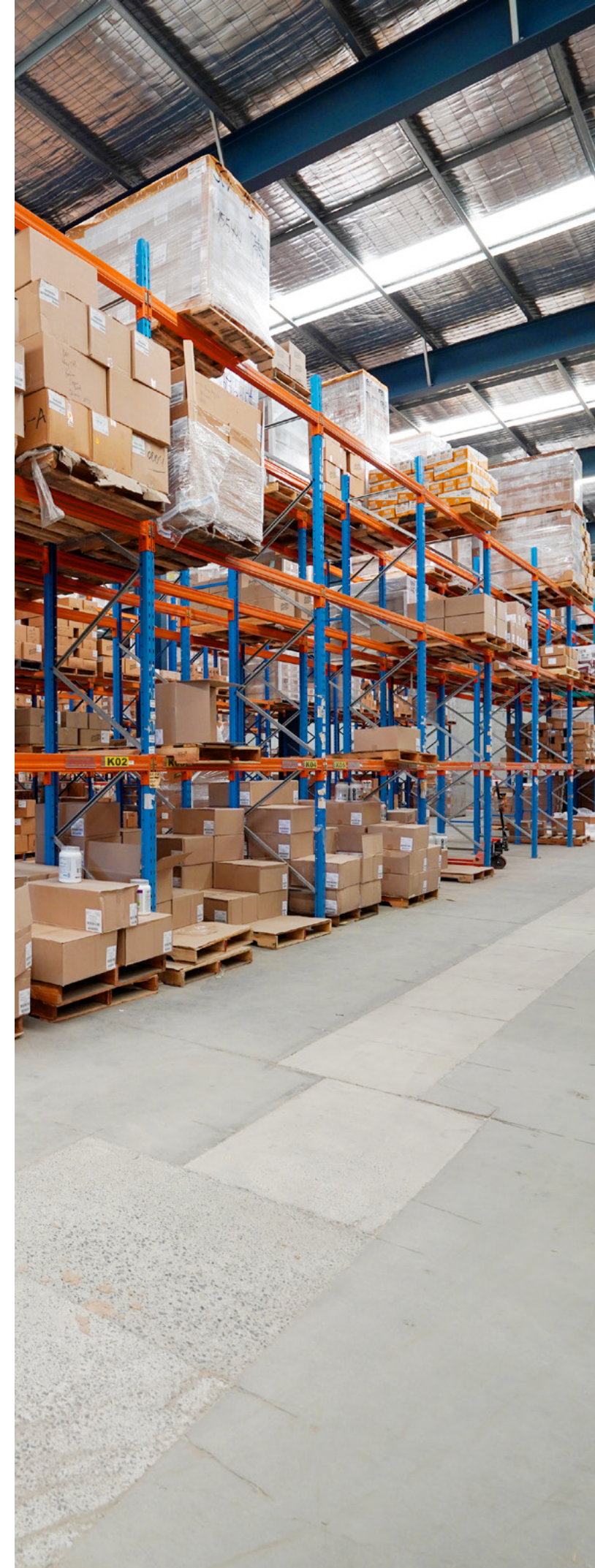
SYDNEY PLAN

The Sydney Plan confirms the scale of the supply challenge. Only 3% of Sydney's industrial land is undeveloped and development ready, against a benchmark of 250ha needed each year and 2,500 ha of Aerotropolis land is targeted to be development ready by 2027.

If you'd like to discuss this report in more detail, we would be delighted to engage in a conversation with you.

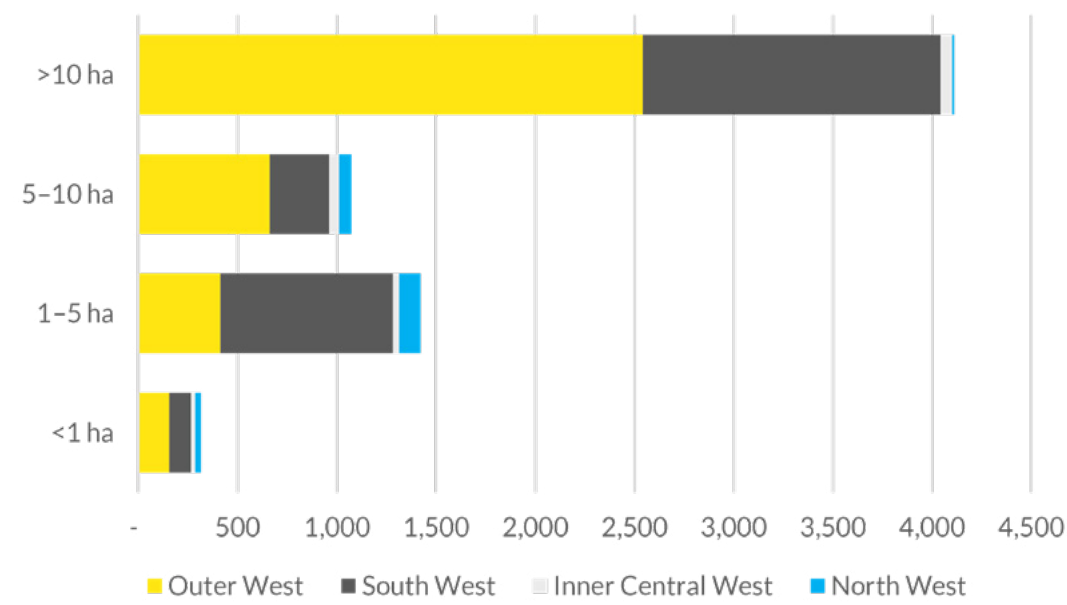


PETER VINES
Managing Director
RWC Western Sydney
0449 857 100



Large Sites *Concentrated* in the Outer And South West

UNDEVELOPED EMPLOYMENT LAND BY LOT SIZE, HA
BY REGIONS



SOURCE: NSW DEPT OF PLANNING & ENVIRONMENT, RWCWS *2025

Lot size, rather than total hectares, is now the more useful measure of Western Sydney's land supply. Data centres, freight operators and airport-related logistics users increasingly need sites of 5 ha or more and the latest NSW Employment Lands Development Monitor shows that this land sits almost entirely in two precincts. The data is a January 2025 snapshot, so it predates much of the recent activity around the airport.

SHARE OF UNDEVELOPED LAND IN LOTS OVER 5 HA

OUTER WEST

85% of 3,771 HA
WITH PENRITH HOLDING
77 LOTS OVER 10 HA

INNER CENTRAL WEST

66% of 166 HA
THOUGH JUST TWO
LOTS EXCEED 10 HA

SOUTH WEST

65% of 2,778 HA
LED BY LIVERPOOL WITH
34 LOTS OVER 10 HA

NORTH WEST

35% of 207 HA
WITH A SINGLE LOT OVER
10 HA IN THE HILLS

Large users will compete for the same limited pool of big sites in the Outer and South West, which is likely to support land values for well-located, serviced parcels. In the Inner Central West and North West, the story is different. Most remaining lots are small, so new space will largely come from intensifying existing sites rather than new estates.



“
Western Sydney's four precincts hold 286 of Greater Sydney's 293 undeveloped lots over 5 hectares. For users needing scale, there are few alternatives.

The Sydney Plan: New Rules for Industrial Land

The NSW Government's Sydney Plan, released in August 2026, is the first strategic plan to formally rank every industrial precinct in Sydney by its importance.

The previous Retain and Manage approach no longer applies. All 22,971 ha of industrial land now falls into one of three categories:

Category	Area (ha)	Share of area
State significant	4,028	18%
Regionally significant	18,007	78%
Locally significant	936	4%

The category matters. State and regionally significant land is firmly protected for industrial use. Locally significant land has a clearer pathway to other uses, which may change how some sites are assessed. Councils are due to review their locally significant land by 2028.

BY THE NUMBERS

250 HA of development-ready land needed each year to keep a healthy pipeline.

165 HA average annual take-up over the past seven years.

3% of Sydney's industrial land is undeveloped and development ready.

50% of zoned but unserviced land sits in the Western Sydney Aerotropolis.

WHERE NEW LAND IS COMING FROM

The Plan identifies Employment Land Investigation Areas, where government will work with councils to resolve infrastructure and other constraints. Seven sit within our four precincts, five of them near term.

Investigation area	Precinct	Timeframe
Box Hill Business Park	North West	Near (0–5 years)
Annangrove	North West	Near (0–5 years)
Marsden Park Business Park	Outer West	Near (0–5 years)
Camellia-Rosehill	Inner Central West	Near (0–5 years)
Glenlee	South West	Near (0–5 years)
Riverstone West	Outer West	Medium (6–10 years)
Maldon	South West	Long (11–20 years)

In the Aerotropolis, the Plan targets about 2,500 ha of development-ready land by 2027, 4,450 ha by 2030 and more than 5,000 ha by 2040. The targets are ambitious. The 250 ha benchmark sits well above recent take-up and the first Aerotropolis milestone is little more than a year away. In 2027, the government will also identify industrial land suitable for data centres and align the ELDM with the new categories.

“
Only 3% of Sydney's industrial land is undeveloped and development ready, against a benchmark of 250ha of development-ready land needed every year.

Sydney's *Outer West*

Western Sydney's supply engine, now turning towards the airport. The pipeline has contracted 22% to 3.9 million sqm across 131 projects. Kemps Creek and Badgerys Creek account for 37% of it, as freight flights operate at Western Sydney International and data centres compete for serviced land.

Land values have edged higher (small lots ~\$1,925/sqm). Large lots over 5 ha rose 3.1% to \$1,650/sqm, the strongest gain of any lot size across the four precincts.

Prime rents have held at \$218/sqm for two years (secondary ~\$203/sqm) while incentives have climbed above 20%. Average prime yields have softened 40 basis points to 5.50%.



SUPPLY



NET FACE RENTS



LAND VALUES



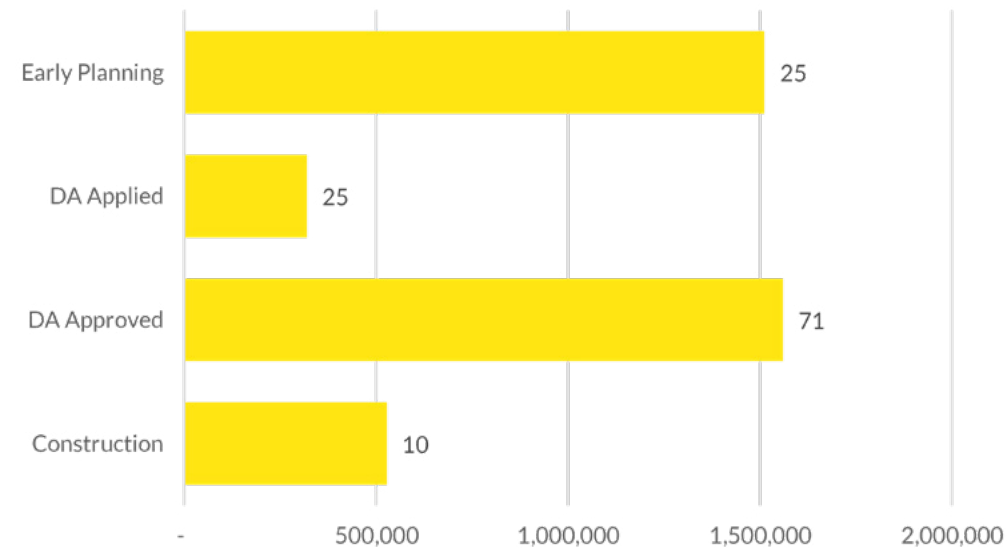
YIELDS

LGAs of Fairfield, Blacktown, Penrith and Blue Mountains



Pipeline Contracts as Development Gravitates to the Airport

INDUSTRIAL SUPPLY PIPELINE (SQM)
OUTER WEST, BY DEVELOPMENT STAGE



SOURCE: CORDELL CONNECT, RWCWS

The Outer West pipeline has contracted to 131 projects and 3.9 million sqm, down 22% from 5.0 million sqm in our last reporting.

The sharpest fall is in DA Applied, down 56% to 318,225 sqm, a clear sign fewer developers are lodging new applications.

AIRPORT CORRIDOR

Kemps Creek and Badgerys Creek account for 1.45 million sqm, more than a third of the pipeline. With freight flights operating at Western Sydney International since July, expect demand for logistics and cold storage close to the airport to service import and export.

“
Kemps Creek and Badgerys Creek account for 1.45 million sqm, or 37% of the Outer West pipeline, as development shifts towards the airport.

DATA CENTRES

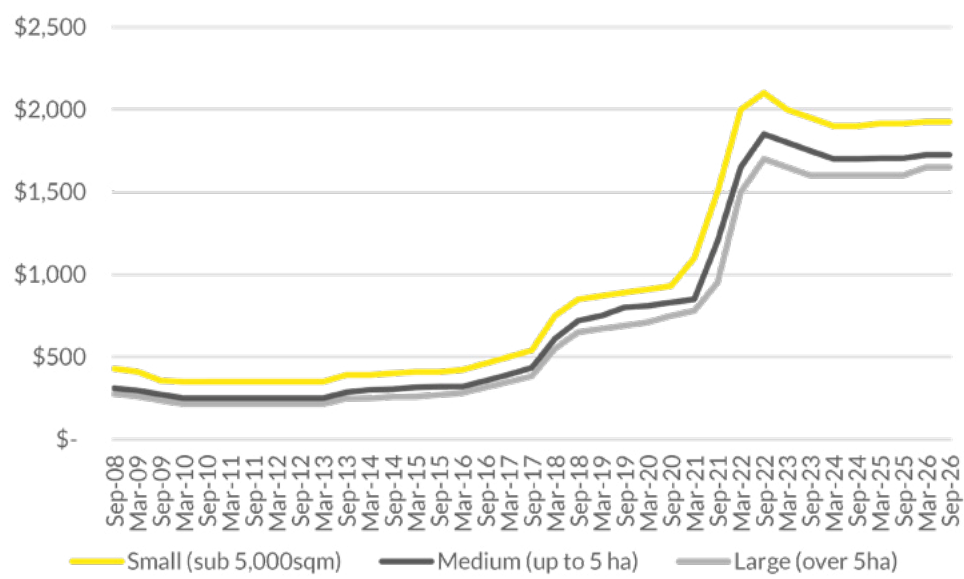
Four data centre projects totalling 150,000 sqm are in the pipeline, two under construction and two in planning, across Minchinbury, Glendenning, Horsley Park and Wetherill Park in the Blacktown and Fairfield LGAs. All four sit in established precincts where power and infrastructure are already in place, competing directly with logistics users for serviced land.

MAKING PROJECTS STACK UP

Higher fuel costs, rising concrete and electrical prices and a limited labour pool are stretching feasibilities. Pre-commitments will drive what gets built, but they will need to set new rental benchmarks for projects to proceed.

Large Lots Lead as Values Edge Higher

SYDNEY INDUSTRIAL LAND VALUES
OUTER WEST, BY SIZE RANGE (\$/SQM)



SOURCE: RWCWS

After rising more than fourfold between 2016 and 2022, Outer West land values have settled into a period of stability.

Small lots edged up 0.5% over the year to \$1,925/sqm and medium lots 1.2% to \$1,725/sqm. Large lots over 5 ha recorded the strongest gain of any lot size across the four precincts, up 3.1% to \$1,650/sqm.

BIG SITES HOLD THEIR APPEAL

Large, well-located sites near the airport remain the most sought after, with logistics, cold storage and data centre users all competing for scale. Data centre operators in particular can pay above typical industrial land values,

which is supporting the large-lot end of the market. Sites with water, wastewater and heavy vehicle access already in place are also commanding a premium, given their shorter path to development.

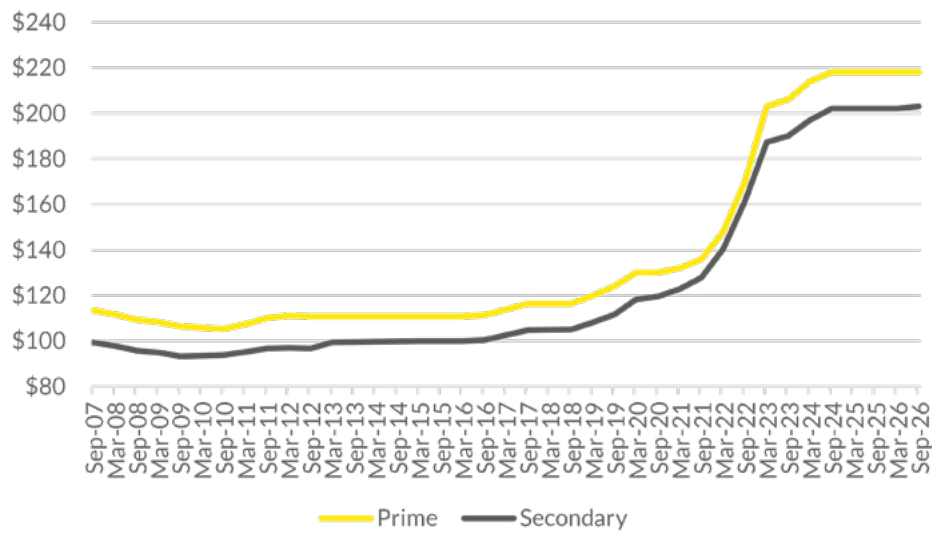
FEASIBILITY, NOT DEMAND, IS THE CONSTRAINT

Transactions remain thin and values across all lot sizes are still below their 2022 peaks. Scarcity is keeping a floor under prices, but construction costs, fuel and four interest rate rises this year leave developers with little room to pay more for land. Owner-occupiers, who are less reliant on development margins, are providing much of the demand that does exist, while many vendors are prepared to hold rather than discount.

“
Large Outer West lots have risen 3.1% over the year to \$1,650/sqm, the strongest gain of any lot size across the four precincts.

Face Rents Hold, But *Incentives* Do the Talking

INDUSTRIAL NET FACE RENTS
OUTER WEST, BY QUALITY GRADE (\$/SQM)



SOURCE: RWCWS

After rising 51% between September 2021 and September 2023, Outer West prime net face rents have now held at \$218/sqm for two years.

Secondary rents edged up 0.5% to \$203/sqm, narrowing the gap between the two grades to just \$15/sqm.

INCENTIVES ON THE RISE

Landlords are protecting face rents and competing through incentives instead. Prime incentives in the Outer West are now over 20%, up approximately 150 basis points on a year ago. With vacancy higher and new speculative space completing, effective rents are softer than headline figures suggest.

A PREMIUM FOR THE NEWEST STOCK

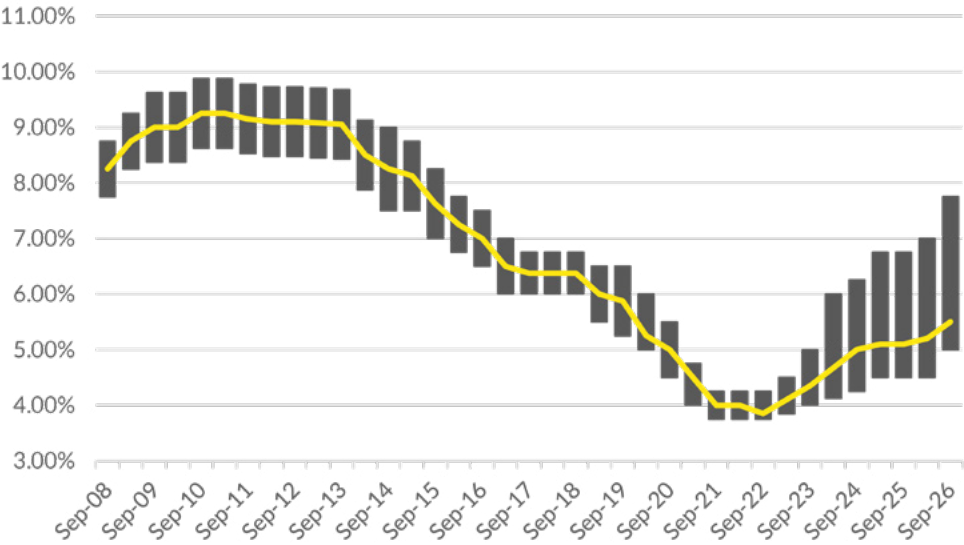
There is a clear premium for new, purpose-built facilities. With construction costs where they are,

new developments need higher rents to stack up and occupiers are prepared to pay for higher clearances, greater pallet density, better loading and stronger ESG credentials. The top of the prime range is now being set by these new buildings, while older stock is taking longer to lease as rising outgoings and lower efficiency weigh on tenant decisions. For most occupiers, though, fuel, labour and interest rate rises this year remain the main constraints on what they can afford.

“
Outer West prime rents have held at \$218/sqm for two years, while incentives have climbed to average over 20%.

Softer Yields as Rate Rises Reach Pricing

PRIME INDUSTRIAL YIELD RANGE
OUTER WEST



SOURCE: RWCWS

Outer West yields have softened through 2026, with the average prime yield moving out 40 basis points over the year to 5.50%.

The range now sits between 5.00% and 7.75%. Even the sharp end has lifted, with the tightest yields now at 5.00%, their highest level since early 2020.

RATE RISES REACH PRICING

Four interest rate rises this year have flowed through to pricing, reversing the gains made during the 2025 rate cuts. Transaction evidence supports the shift, with the average yield on Western Sydney industrial sales in the September quarter rising 28 basis points on a year earlier to 4.81%.

QUALITY STILL COMMANDS A PREMIUM

Demand for the best assets remains strong. Western Sydney captured a record share of Sydney’s industrial

sales and listed groups have been the dominant buyers this year, targeting modern, well-leased facilities. These assets continue to trade at the sharp end of the range. Older buildings with shorter leases, rising incentives and higher outgoings sit at the other end and the spread between the two has widened to 275 basis points. Capital returns were strong to June, but with yields now softer, that momentum is likely to moderate over the coming year.

“
The tightest Outer West yields have lifted to 5.00%, their highest level since early 2020, as four interest rate rises flow through to pricing.

Sydney's *South West*

Sydney's airport precinct. With freight flights now operating at Western Sydney International, construction has lifted to 159,197 sqm. That's despite the pipeline contracting 28% to 1.47 million sqm across 98 projects, led by Liverpool and Luddenham on the airport's doorstep.

Land values are waiting for evidence (small lots ~\$1,760/sqm), sitting around 2% below their March 2023 peak as vendors hold and buyers struggle to make projects stack up.

Prime rents remain at \$205/sqm (secondary ~\$186/sqm) with incentives above 20%.

Average prime yields have moved out 35 basis points to 5.50%, and airport-adjacent assets are holding the tight end of the range.



SUPPLY



NET FACE RENTS



LAND VALUES



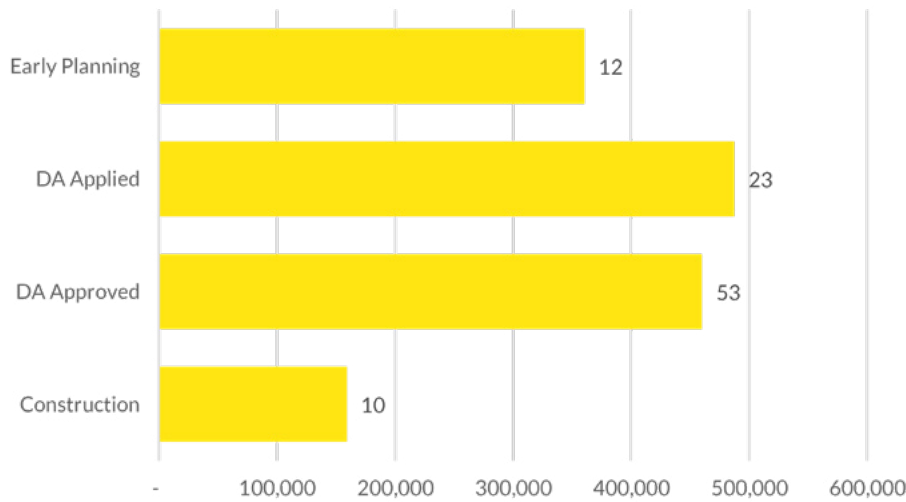
YIELDS

LGAs of Canterbury/Bankstown, Liverpool, Camden, Campbelltown and Wollondilly



Construction Lifts Even as the Pipeline Shrinks

INDUSTRIAL SUPPLY PIPELINE (SQM)
SOUTH WEST, BY DEVELOPMENT STAGE



SOURCE: CORDELL CONNECT, RWCWS

The South West pipeline has fallen 28% since our last reporting earlier this year to 98 projects and 1.47 million sqm.

Unlike the Outer West, however, construction has grown, with 10 projects and 159,197 sqm underway, double the number of projects in our last edition.

WHERE THE ACTIVITY IS

Liverpool LGA still leads with 677,153 sqm, anchored by Luddenham (279,676 sqm) on the airport’s doorstep. Camden accounts for 59% of the space under construction, while 32 smaller infill projects across Canterbury-Bankstown total 304,116 sqm.

“
Construction space in the South West has risen to 159,197 sqm, with Camden accounting for 59% of the activity underway.

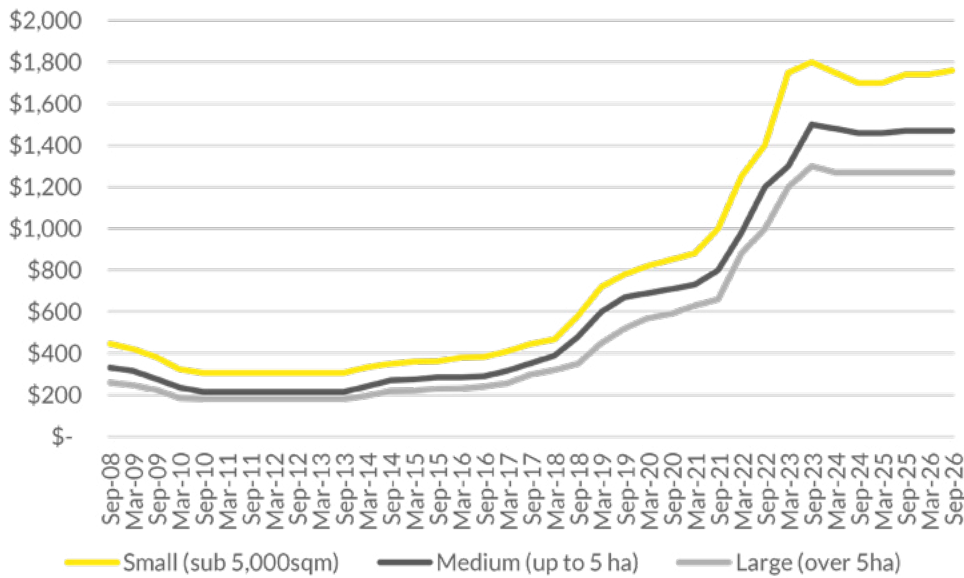
Four interest rate rises this year have added to the pressure from fuel, materials and labour costs. DA Approved space has fallen 32% and DA Applied 40% as developers wait for feasibility to improve.

SMARTER USE OF SPACE

AI-driven warehouse management, automated racking and better use of building height are allowing occupiers to do more with less. Some businesses may consolidate or reduce their footprint as technology improves and is adopted, which could temper demand for new space even as the airport lifts activity.

Airport Opens, But Values Wait for Evidence

SYDNEY INDUSTRIAL LAND VALUES
SOUTH WEST, BY SIZE RANGE (\$/SQM)



SOURCE: RWCWS

Freight flights began at Western Sydney International in July, with passenger services starting in late October.

Yet South West land values have barely moved. After more than quadrupling between 2016 and 2023, values have held around 2% below their March 2023 peaks for more than three years.

- Small lots (sub 5,000 sqm)**
up 1.1% over the year to \$1,760/sqm
- Medium lots (up to 5 ha)**
unchanged at \$1,470/sqm
- Large lots (over 5 ha)**
unchanged at \$1,270/sqm

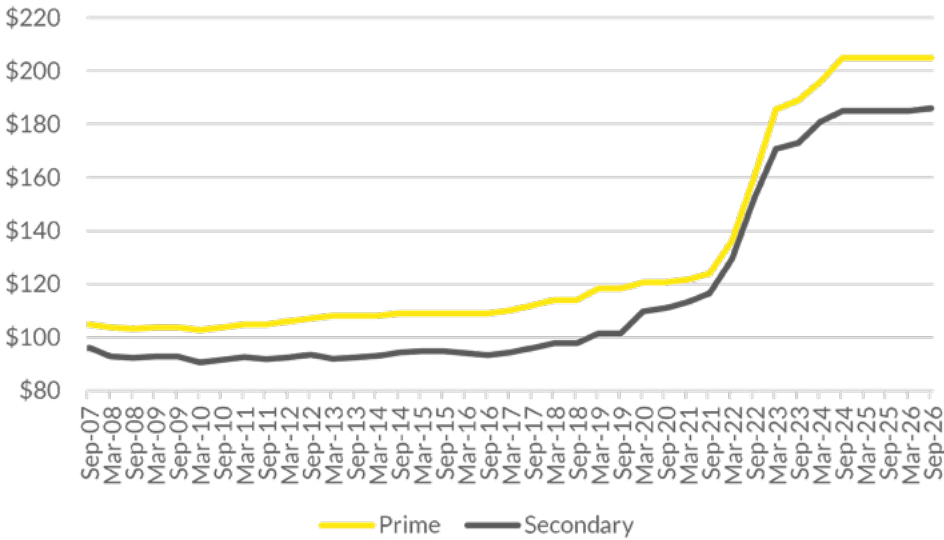
“
South West land values remain around 2% below their March 2023 peaks, despite freight flights starting at Western Sydney International in July.

Thin transaction volumes mean there is little evidence yet to test vendor expectations around the airport. Many landowners are holding rather than selling, confident the airport will deliver longer-term uplift. Buyers, meanwhile, are struggling to make projects work at current land prices given elevated build and funding costs. With much of the precinct’s land still awaiting water, wastewater and road connections, the timing of infrastructure matters as much as the price.

Until the gap between vendor and buyer expectations closes, values are likely to stay where they are. As more land sales close to the airport complete, these will be closely watched and are likely to set the tone for the precinct over the next year.

Airport Demand Meets Cost-Conscious Occupiers

INDUSTRIAL NET FACE RENTS
SOUTH WEST, BY QUALITY GRADE (\$/SQM)



SOURCE: RWCWS

South West prime net face rents remain at \$205/sqm, unchanged for two years after a 52% jump between 2021 and 2023. Secondary rents edged up 0.5% to \$186/sqm.

WHAT OCCUPIERS ARE FACING

- 1 Prime incentives averaging over 20%, up 150 basis points over the year
- 2 Higher fuel and transport costs, felt most by freight and logistics businesses
- 3 Four interest rate rises this year, adding to business costs and caution

With freight now moving through Western Sydney International, demand for well-located space near the airport is building, particularly for logistics and cold storage. New facilities here will need to command a premium given what it now costs to build and pre-commitments will set the benchmark.

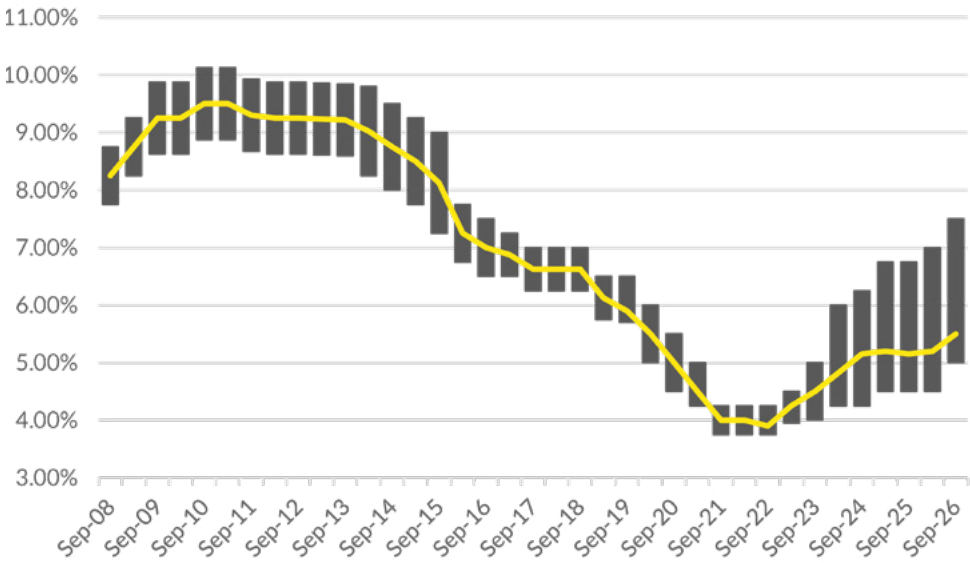
For existing stock, landlords are prioritising occupancy over rent growth. Many tenants are choosing to renew rather than relocate, keeping costs certain and avoiding disruption while the economic outlook remains unclear. Over time, the airport should support stronger demand and rents across the precinct. For now, occupiers remain cautious and that benefit is yet to show in headline figures.

“

South West prime incentives now average over 20%, as landlords hold face rents at \$205/sqm and compete on effective terms.

Airport Assets Hold Firm as the Range Widens

PRIME INDUSTRIAL YIELD RANGE
SOUTH WEST



SOURCE: RWCWS

South West yields have moved out 35 basis points over the year to an average of 5.50%, with the range now spanning 5.00% to 7.50%.

- 1 The softest yields sit at 7.50%, the lowest top end across the four precincts
- 2 The spread between the best and weakest assets has widened to 250 basis points
- 3 The tightest yields have lifted to 5.00%, in line with the other three precincts

The airport is providing some support. With freight flights operating at Western Sydney International since July,

well-located logistics assets with long leases to quality tenants remain in demand from listed and institutional buyers, keeping the sharp end of the range intact. Holders of these assets have little reason to sell, which limits stock and keeps competition firm for what does come to market.

Further from the airport, older stock and assets with short lease terms are under more pressure. Four interest rate rises this year have increased funding costs for private buyers, who are now more selective and are pricing in rising incentives and the cost of upgrading older buildings. Offshore buyers, active through 2025, have also stepped back this year. With buyers more disciplined, yields are likely to stay around current levels until the interest rate outlook becomes clearer.

“

South West yields have the lowest top end across the four precincts at 7.50%, with airport proximity supporting pricing for well-located logistics assets.

Sydney's *Inner Central West*

Sydney's scarcity market. The pipeline has fallen to 525,420 sqm across 41 projects, mostly small unit developments in Cumberland and Parramatta. These suit owner-occupiers and private investors, including SMSFs looking beyond residential.

Small lot values have reached a record \$2,270/sqm, the only lot size across the four precincts above its previous peak, with just 166 ha of undeveloped land remaining.

Prime rents eased slightly to \$230/sqm, still the highest across the four precincts, with secondary at \$220/sqm and incentives at 20%. Average prime yields have softened 50 basis points to 5.60% because so few sales have traded that pricing leans on broader market evidence.



SUPPLY



NET FACE RENTS



LAND VALUES



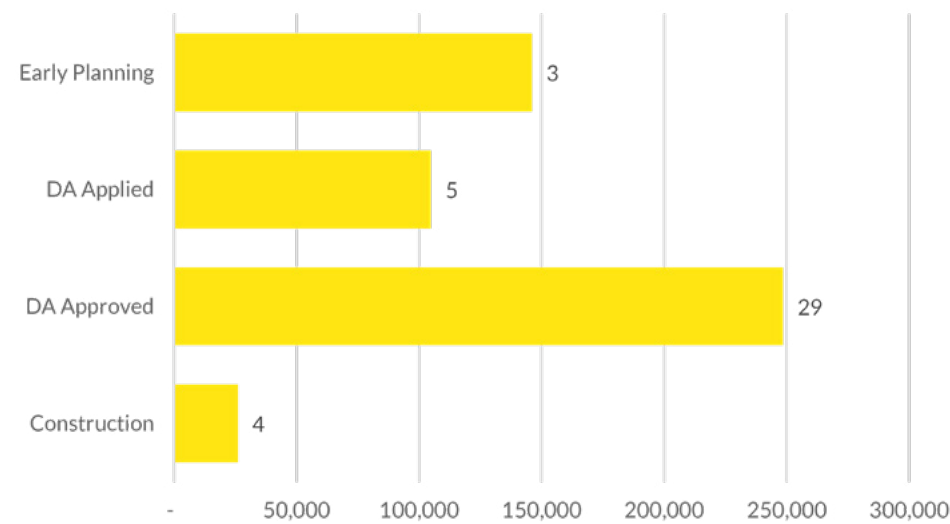
YIELDS

LGAs of Burwood, Strathfield, Canada Bay, Cumberland and Parramatta



Smaller Projects Suit a New Wave of Private Buyers

INDUSTRIAL SUPPLY PIPELINE (SQM)
INNER CENTRAL WEST, BY DEVELOPMENT STAGE



SOURCE: CORDELL CONNECT, RWCWS

The Inner Central West pipeline has reduced sharply to 41 projects and 525,420 sqm, from 2.87 million sqm in our last edition.

What remains is small in scale, with an average project size of under 13,000 sqm with a strong weighting to unit development.

- 1 Cumberland LGA**
21 projects totalling 399,622 sqm, or 76% of the pipeline
- 2 City of Parramatta**
15 projects totalling 95,726 sqm
- 3 Largest locations**
Yennora (140,000 sqm) and Smithfield (110,155 sqm)

Just four projects totalling 25,994 sqm are under construction. Rising costs and four interest rate rises this year are keeping many of the 29 approved projects on hold.

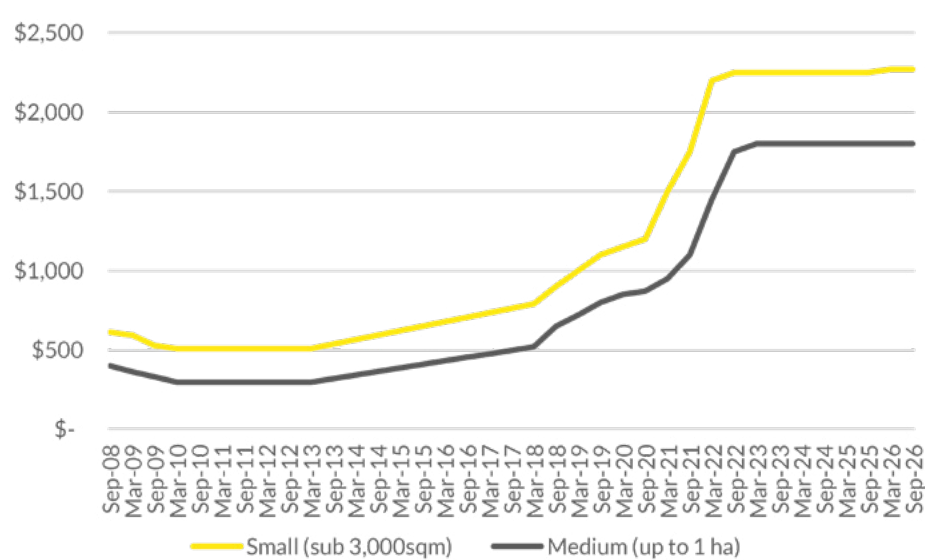
The smaller scale suits owner-occupiers and private investors. With negative gearing wound back for residential property, private investors (including SMSFs) are increasingly looking to commercial assets that still offer these benefits. Small industrial units in established inner locations are a natural fit on location, price point and potential returns, with new facilities also offering depreciation benefits.

Self-storage also has a growing role in this market, giving small businesses flexible, short-term space as an alternative to leasing premises.

“Excluding Yennora, the average Inner Central West project is under 10,000 sqm, a scale suited to owner-occupiers and private investors rather than institutions.”

Sydney’s Most Expensive Industrial Land Reaches a New High

SYDNEY INDUSTRIAL LAND VALUES
INNER CENTRAL WEST, BY SIZE RANGE (\$/SQM)



SOURCE: RWCWS

Small lot values in the Inner Central West tripled between 2016 and 2022 before levelling out.

Over the past year they edged up 0.9% to \$2,270/sqm, a new record and the only lot size across the four precincts now above its previous peak. Medium lots are unchanged at \$1,800/sqm, where they have held since March 2023.

\$2,270/sqm	\$1,800/sqm
Small lots	Medium lots

Scarcity is doing the heavy lifting. With just 166 ha of undeveloped land and ongoing competition from residential and other higher value uses, very few sites trade and each sale effectively sets the benchmark for the precinct.

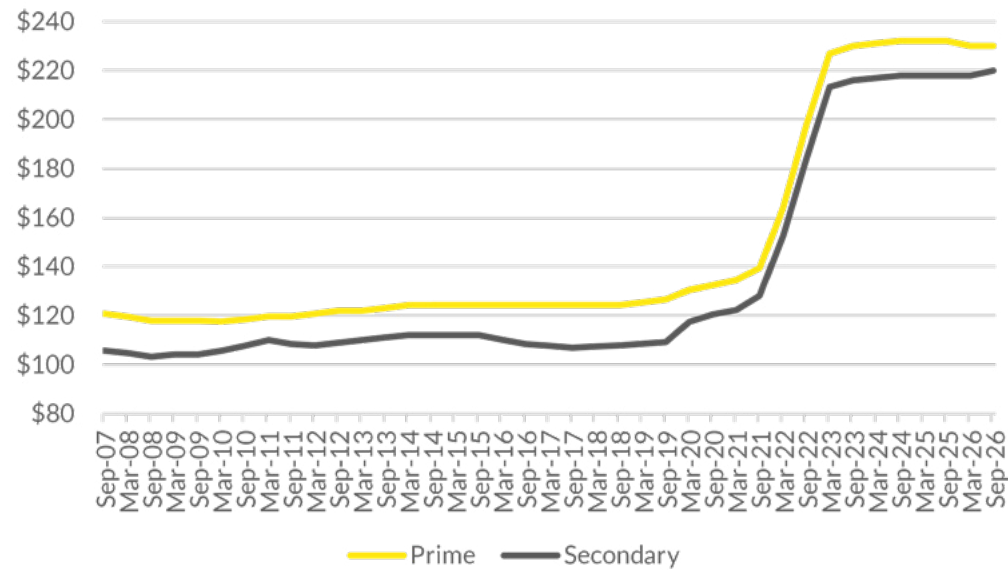
Feasibility is harder here than in any other precinct. At these land prices, new development generally only works through intensification or multi-level product. That brings more cost, complexity and risk, particularly after four interest rate rises this year.

Owner-occupiers and private investors willing to pay for location are underpinning demand for small sites, keeping values firm even as development activity slows. With Parramatta and the city close by and very little new land to come, that demand is unlikely to fade.

“At \$2,270/sqm, small lots in the Inner Central West have reached a new high, the only lot size across the four precincts above its previous peak.”

Sydney's *Highest* Rents Ease

INDUSTRIAL NET FACE RENTS
INNER CENTRAL WEST, BY QUALITY GRADE (\$/SQM)



SOURCE: RWCWS

Prime rents in the Inner Central West slipped 0.9% over the year to \$230/sqm, while secondary rents edged up 0.9% to \$220/sqm.

After growing 65% between 2021 and 2023, the precinct still commands the highest rents across our four precincts, but the gap between prime and secondary has narrowed to just \$10/sqm.

- 1 **\$230/sqm**
Prime
- 2 **\$220/sqm**
Secondary
- 3 **20%**
Average prime incentive

Incentives have increased by 175 basis points over the year, driven by newly completed speculative space at Rosehill and Lidcombe. That new stock still

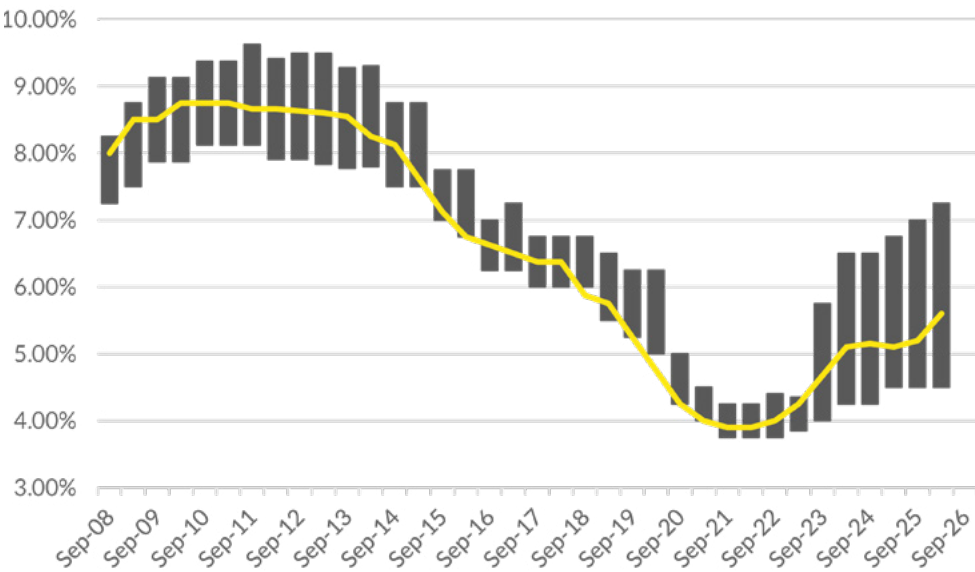
achieves rents at the top of the range, reflecting a clear premium for modern, purpose-built facilities in a precinct where new space is rare. Landlords are focused on securing tenants rather than pushing face rents.

Smaller, older units remain in demand from local businesses, trades and last-mile operators, which is keeping secondary rents firm. Rising fuel costs and higher interest rates are keeping a lid on what those occupiers can afford. With little new supply to come, any return to rental growth is likely to start here, but not before operating costs ease.

“
The gap between prime and secondary rents in the Inner Central West has narrowed to just \$10/sqm, as incentives on new stock reach 20%.

Few Sales, Softer Evidence

PRIME INDUSTRIAL YIELD RANGE
INNER CENTRAL WEST



SOURCE: RWCWS

Inner Central West yields have softened 50 basis points over the year to an average of 5.60%, one of the larger movements across the four precincts.

- Average prime yield**
5.60%
- Yield range**
5.00% to 7.75%
- Yield spread**
~275 basis points

For a precinct with Sydney’s highest rents and land values, this may seem surprising, but it reflects how little stock has traded. Sales across Sydney outside the west fell to their lowest level since early 2016 and the Inner Central West is caught in that slowdown. With few transactions to anchor pricing, valuers are leaning on broader market evidence and four interest rate rises this year have pushed that evidence higher.

Rents add to the pressure. Prime rents slipped slightly over the year and incentives on new space have climbed to around 20%, softening the income that underpins value.

The sharp end of the range continues to hold for well-located, modern assets, which remain sought after by institutions and owner-occupiers alike. Smaller units in particular are attracting private investors and SMSFs looking for an alternative to residential property, buyers who are often more focused on location and long-term security than on yield. For older, larger buildings needing investment, buyers are pricing in that cost and the upper end of the range reflects it.

“
Inner Central West yields have softened 50 basis points over the year to 5.60%, as limited sales leave pricing reliant on broader market evidence.

Sydney's *North West*

Two markets in one. The steady 409,000 sqm pipeline across 29 projects splits between data centres in Macquarie Park and North Ryde (~130,000 sqm) and local business units in The Hills. Bella Vista has the first project under construction in several editions.

Land values haven't moved since March 2023 (small lots ~\$1,450/sqm), keeping it the most affordable precinct for small industrial sites.

Prime rents eased to \$182/sqm, while secondary rose 1.2% to \$172/sqm, the strongest secondary growth across the four precincts. Average prime yields have softened 55 basis points to 5.75%, and at 5.00%–8.00% the range is the widest of any precinct.



SUPPLY



NET FACE RENTS



LAND VALUES



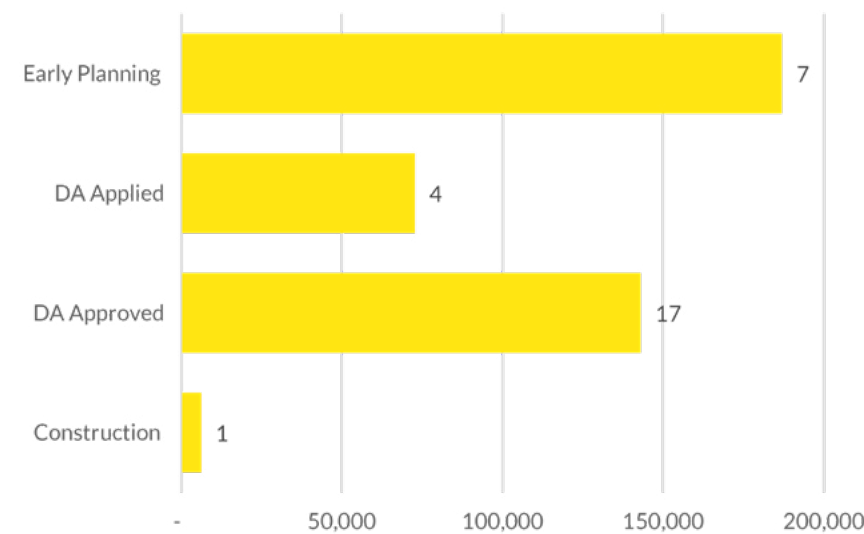
YIELDS

LGAs of Ryde, Ku-ring-gai, Hornsby and The Hills Shire



Data Centres in Ryde, Small Business *in the Hills*

INDUSTRIAL SUPPLY PIPELINE (SQM)
NORTH WEST, BY DEVELOPMENT STAGE



SOURCE: CORDELL CONNECT, RWCWS

The North West pipeline is steady at 29 projects and 408,998 sqm and for the first time in several editions a project is under construction: 6,226 sqm at Bella Vista.

Interest rate rises and construction costs continue to weigh on the remaining 28. Beneath the headline figure sit two very different markets.

RYDE: DATA CENTRES DOMINATE

Five data centre projects totalling around 130,000 sqm are at various stages of planning across Macquarie Park and North Ryde. That is close to a third of the entire North West pipeline and 71% of the space proposed in those two suburbs, leaving few new options for traditional industrial users.

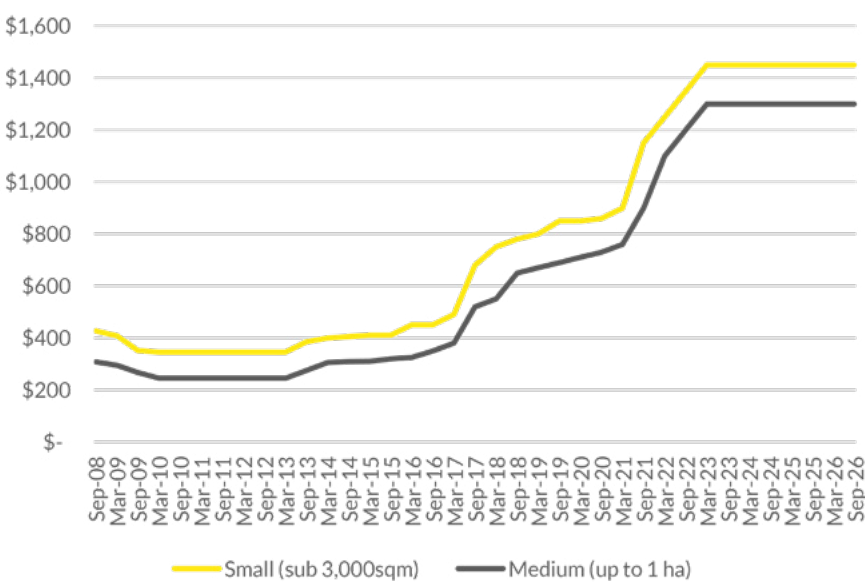
THE HILLS: BUILT FOR LOCAL BUSINESS

The Hills Shire accounts for 182,990 sqm across 14 projects, led by Box Hill (84,929 sqm) and Rouse Hill (70,582 sqm). Box Hill is also one of the Sydney Plan’s near-term Employment Land Investigation Areas. Smaller units here suit owner-occupiers servicing the area’s growing residential population, as well as private investors and SMSFs shifting from residential to commercial property following the changes to negative gearing.

“Data centres account for around 130,000 sqm, close to a third of the North West’s industrial pipeline, all within Macquarie Park and North Ryde.”

Three and a Half Years *Without a Change*

SYDNEY INDUSTRIAL LAND VALUES
NORTH WEST, BY SIZE RANGE (\$/SQM)



SOURCE: RWCWS

North West land values tripled between 2016 and 2023, but have not moved since.

Small lots remain at \$1,450/sqm, medium lots at \$1,300/sqm and large lots at \$1,200/sqm, making this the most affordable precinct for small industrial sites. With so few sales, there has been very little new evidence to test values over that time.

WHAT’S HOLDING VALUES STEADY

- 1 Very limited undeveloped land, with just one lot over 10 ha in The Hills
- 2 Owner-occupiers and local businesses servicing a growing residential population around Box Hill and Rouse Hill
- 3 Data centre interest in Macquarie Park and North Ryde, where those users can outbid traditional industrial buyers

WHAT’S KEEPING A LID ON THEM

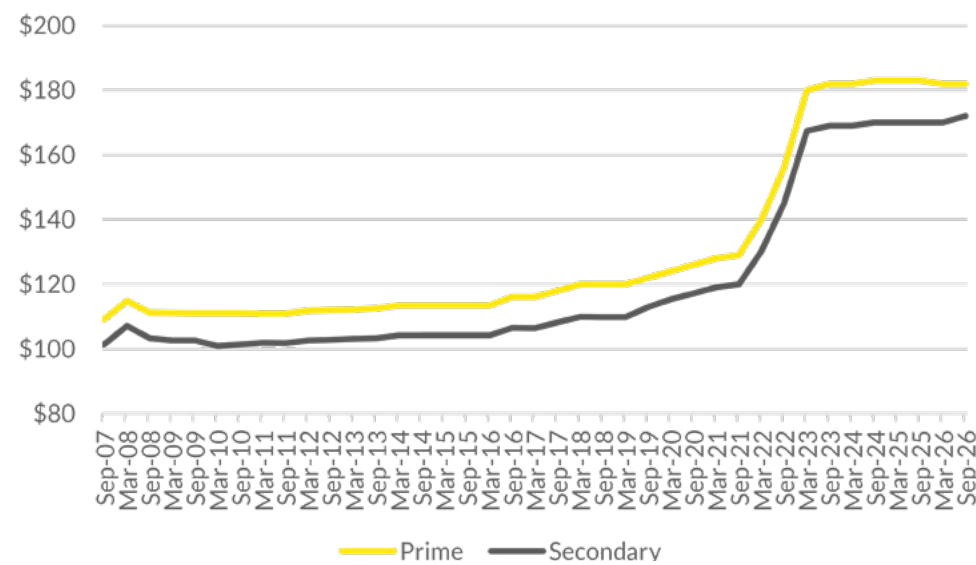
- 1 Few transactions to set new benchmarks
- 2 Construction costs and interest rate rises this year, which make new projects hard to justify
- 3 A buyer pool dominated by price-sensitive local businesses and private investors

With limited supply on one side and stretched feasibilities on the other, the North West is likely to remain one of Sydney’s most stable industrial land markets. Any movement is more likely to come from data centre demand in Ryde than from traditional industrial users.

“North West land values have not moved since March 2023, with small lots holding at \$1,450/sqm.”

Local Businesses Keep Rents *Steady*

INDUSTRIAL NET FACE RENTS
NORTH WEST, BY QUALITY GRADE (\$/SQM)



SOURCE: RWCWS

North West prime rents eased 0.5% to \$182/sqm over the year, while secondary rents rose 1.2% to \$172/sqm, the strongest secondary growth across the four precincts.

Rents grew 41% between 2021 and 2023, but have been broadly flat since.

WHAT'S CHANGED

Incentives. Across Sydney, incentives on the newest, highest quality facilities now average around 20% and North West landlords are also leaning on incentives rather than cutting face rents.

“

North West secondary rents rose 1.2% to \$172/sqm, the strongest secondary growth across the four precincts.

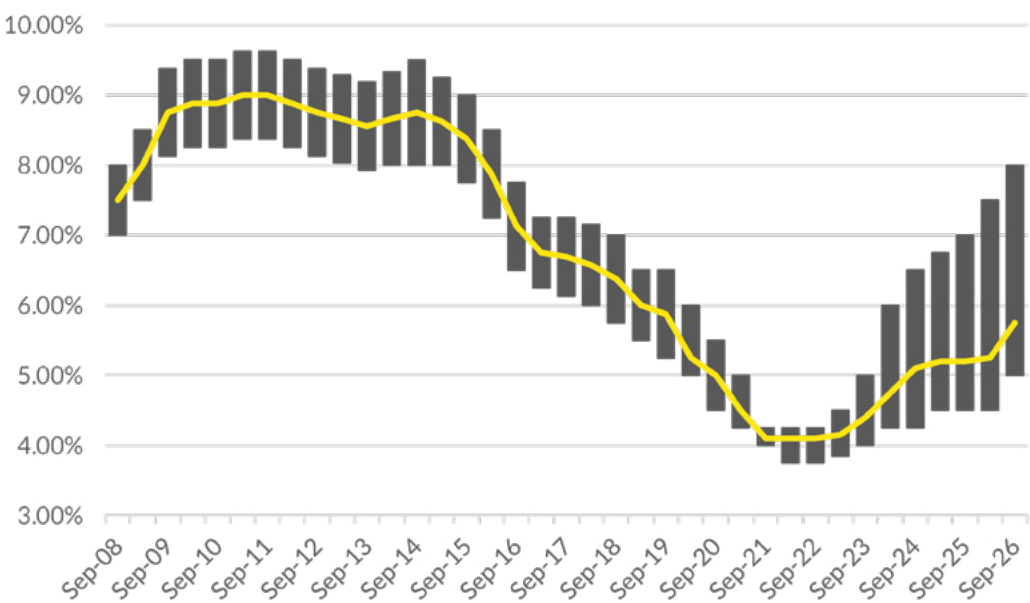
WHAT HASN'T

The occupier base. Trade, service and local businesses supporting a growing residential population dominate demand and many are choosing to renew rather than relocate to keep costs certain. With limited new supply and just one project under construction, older, well-located units are holding their appeal, which is supporting secondary rents.

New purpose-built space, such as that proposed at Box Hill, will need to achieve a premium to cover today's construction costs. Higher fuel costs and interest rates will test how much local occupiers are willing to pay. For now, steady demand from local businesses means the North West remains one of the more predictable rental markets in Western Sydney.

The Widest Range Across the Four Precincts

PRIME INDUSTRIAL YIELD RANGE
NORTH WEST



SOURCE: RWCWS

North West yields have recorded the largest movement across the four precincts, with the average softening 55 basis points over the year to 5.75%.

The range now spans 5.00% to 8.00%, the widest of any precinct at 300 basis points.

THE SHARP END

Modern, well-leased assets in established locations such as Norwest and Macquarie Park continue to attract demand at the lower end of the range. Data centre interest in Macquarie Park and North Ryde adds a further layer of support, with those users able to pay well above typical industrial pricing for the right site. Owner-occupiers and private investors are also active for smaller units, often prioritising location and security over yield.

THE OTHER END

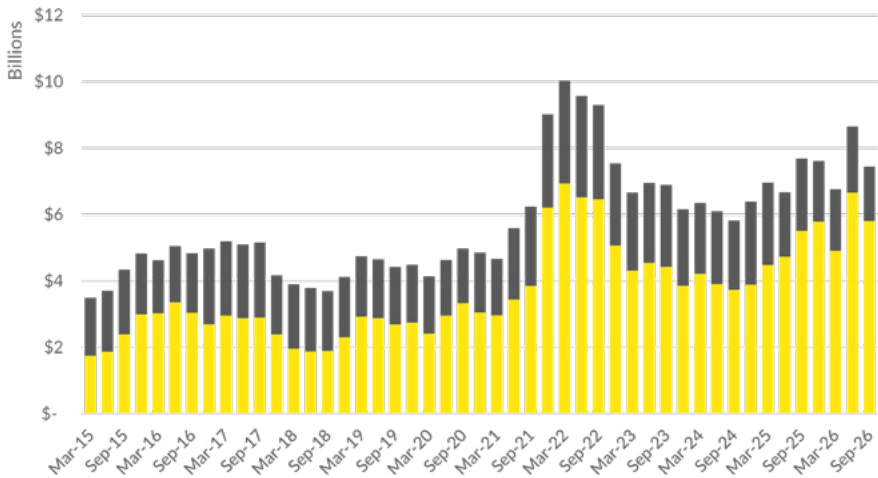
Older stock and properties with short leases are where the softening has been greatest. The North West has a small, tightly held investment market, so a handful of sales can shift pricing. Four interest rate rises this year, rising incentives and limited institutional interest outside the core locations have pushed the upper end of the range to 8.00%, the highest across the four precincts. With rents flat and little transaction evidence to test values, yields are likely to remain wide until conditions settle and more stock trades.

“

North West yields have softened 55 basis points over the year to 5.75%, with the range now spanning 300 basis points, the widest across the four precincts.

Western Sydney Takes a *Record Share* of Industrial Sales

INDUSTRIAL ANNUAL SALES VOLUME, ROLLING 4-QUARTERS
SYDNEY METROPOLITAN AREA, (EX. DATA CENTRES)



SOURCE: RWCWS, REAL CAPITAL ANALYTICS

Western Sydney now accounts for 78% of Sydney’s industrial investment volume, the highest share on record.

Over the year to September 2026, \$5.8 billion of industrial assets traded across the region, up 5.5% on a year earlier. Sales across the rest of Sydney fell 25% to \$1.6 billion, their lowest level since early 2016.

WHY THE SWING WEST

This is as much about stock as demand. Established markets such as South Sydney are tightly held, with little available to buy. Buyers are following supply west, where modern logistics assets, larger sites and the airport offer scale.



Western Sydney accounted for 78% of Sydney’s industrial investment volume over the past year, a record share, as sales across the rest of Sydney fell to their lowest level since 2016.

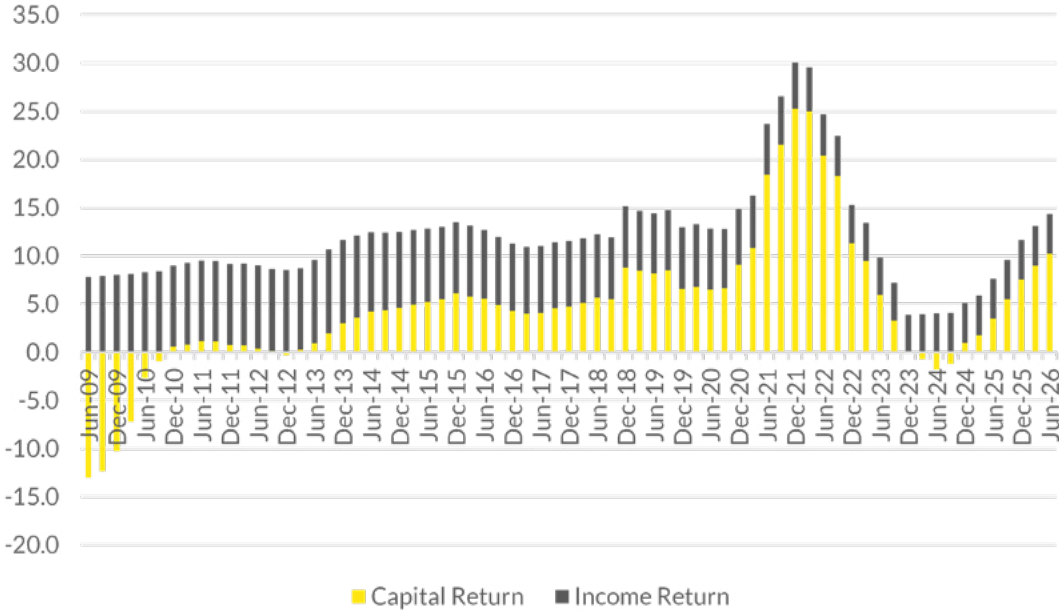
WHO'S BUYING

- 1 Portfolio sales drove the growth, up 52% to \$2.6 billion, while individual property sales fell 16%
- 2 Listed and REIT buyers have made 52% of purchases so far in 2026, up from just 5% in 2025
- 3 Offshore buyers have pulled back, from 41% of purchases in 2025 to 18% this year
- 4 Goodman has been the most active buyer over the past two years, properties worth \$2.2 billion

Preliminary figures show a quieter September quarter, with \$765 million traded, down 53% on a year earlier, as global and local economic uncertainty and interest rate rises this year made buyers more cautious. Year-to-date volume is still tracking in line with 2025.

Outer West Returns Climb *Despite Rate Rises*

OUTER WESTERN SYDNEY INDUSTRIAL RETURNS
% ANNUAL RETURNS BY TYPE



SOURCE: PCA/MSCI

Income return (year to June 2026)	4.1%
Capital return	10.2%
Total return	14.3%

The Outer West’s total return lifted to 14.3% in the year to June 2026, almost double the 7.6% recorded a year earlier.

Capital returns of 10.2% are the strongest since late 2022, a sharp turnaround from the -1.8% recorded in mid-2024.



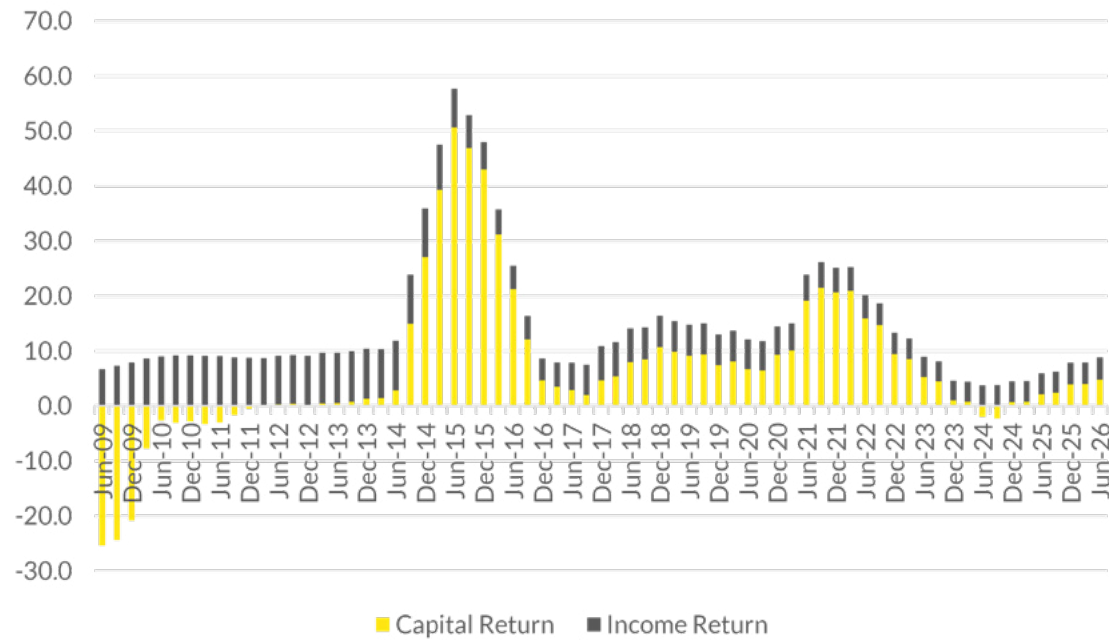
Outer West industrial capital returns reached 10.2% in the year to June 2026, the strongest result since late 2022.

That growth has come despite flat rents and four interest rate rises this year. It reflects the weight of capital moving west. With record transaction volumes, strong competition for modern logistics assets and the airport now operating, buyers have been prepared to hold pricing and valuations have followed.

Income returns have held steady at around 4.1% for more than two years, reflecting the lower yields set during the 2021 to 2022 boom. With face rents flat and incentives rising, income growth is unlikely to contribute much in the near term. Capital growth will continue to do the heavy lifting and that depends on buyer depth holding up as funding costs rise. Some moderation is likely over the next year, but the Outer West remains the strongest performing industrial market in Western Sydney.

Central West Delivers *Steadier Gains*

CENTRAL WESTERN SYDNEY INDUSTRIAL RETURNS
% ANNUAL RETURNS BY TYPE



SOURCE: PCA/MSCI

Central West industrial assets returned 8.8% over the year to June 2026, made up of capital growth of 4.8% and an income return of 4.0%.

That is a solid lift from 5.9% a year earlier, but well behind the Outer West.

WHY THE GAP

Capital has favoured the scale and modern stock of the Outer West. In the Central West, prime rents have eased slightly, incentives are rising on newly completed space and older assets are taking longer to lease. With fewer sales outside the west, there is also less evidence to drive values higher.

“

Central West industrial returns reached 8.8% in the year to June 2026, with income returns edging up to 4.0%, their highest level since 2022.

WHY IT STILL MATTERS

The Central West offers something the outer markets can't: proximity to Parramatta, established infrastructure and a deep pool of last-mile and local business occupiers. Land is scarce and new supply limited, which provides a floor under values in softer conditions. Income returns have edged up to 4.0%, their highest level since 2022, adding a steady base to total returns. For owner-occupiers and investors seeking long-term security over short-term growth, it remains one of Sydney's most dependable industrial markets.



Five Priorities for Industrial Owners In 2027



Start renewal conversations early

With face rents flat for two years and incentives above 20%, keeping a good tenant is almost always cheaper than finding a new one. Many occupiers are already choosing to renew rather than relocate, so landlords who start discussions 12 to 18 months before expiry are best placed to secure them. Early engagement uncovers changes in a tenant's operations, including plans to consolidate or reduce space and gives owners time to agree terms before the tenant tests the market.



Structure incentives with value in mind

How an incentive is delivered matters as much as its size. Rent-free periods, fitout contributions and staged rent reductions each affect cash flow, effective rent and valuation differently. Fitout contributions that improve the building, such as better lighting, solar or upgraded amenities, add lasting value, while rent-free periods do not. Owners should also check that face rents and incentive terms will hold up to valuation scrutiny, as valuers increasingly look through headline rents to effective rents.



Know where your asset sits between prime and secondary

Secondary rents are now within \$10–20/sqm of prime across the four precincts, yet yields between the best and weakest assets have widened to as much as 300 basis points. Investors are pricing in the risk and cost of older buildings even where rents hold up. Targeted capital works, such as improved hardstand, truck access, lighting or clearances, can move an asset up the scale and protect its value at sale.



Cut outgoings and lift ESG credentials together

Fuel, labour and four interest rate rises this year are squeezing occupier margins and outgoings are an increasing factor in tenant decisions. Energy audits, solar, LED upgrades and better waste management lower costs for tenants and lift a building's environmental performance at the same time. As NABERS and Green Star ratings become an expectation rather than a bonus, these upgrades can be a longer-lasting leasing tool than offering more rent-free.



Prepare for automation and higher power demand

AI-driven warehouse management and automated storage are changing what occupiers need, including more power, stronger floor loads, reliable data connections and the clearances to stack higher. Some tenants will use this technology to operate from less space, so owners should understand how their buildings compare with these requirements. With data centres competing for power and serviced land, existing power capacity is becoming a valuable selling point in its own right.



Outlook

The year ahead will be shaped by a gap between Western Sydney’s long-term drivers and its short-term costs.

The airport, the Sydney Plan and the flow of capital west all point to a stronger market over time. Interest rates, construction costs and occupier cost pressures are holding it back for now.

Pricing may well adjust further before it settles. Yields have moved quickly in 2026 and the strong capital returns recorded to June are likely to moderate as that softening flows through valuations. The gap between modern, well-leased assets and older stock will remain wide, with secondary assets on short leases feeling the most pressure. Investment volumes are likely to hold rather than surge, with listed groups, private investors and owner-occupiers filling the space left by offshore buyers until the interest rate outlook becomes clearer.

Less new supply is coming. The pipeline has contracted sharply; approvals are sitting idle and few speculative projects stack up at today’s costs. Pre-commitments will decide what gets built and they will need to set new rental benchmarks to cover construction. That points to a shortage of modern stock in 2027 and 2028, which should support rents for new facilities once demand returns.

For occupiers, conditions favour negotiation. Incentives are likely to stay elevated in the near term before easing as new supply slows. Many businesses will renew rather than relocate and AI-driven warehouse management and automation will allow some to do more with less space. Demand is shifting from quantity to quality and older buildings will need investment in power, clearances and ESG credentials to stay competitive.

The airport’s first full year of operations will be closely watched. Freight and logistics operators, cold storage

providers and import and export businesses will look for space close by, but the timing of roads, water and wastewater will decide how quickly land can be activated. The first land sales and pre-commitments near the airport will set the benchmarks for the South West and Outer West.

2027 is a test year for the Sydney Plan. The government has committed to about 2,500 ha of development-ready Aerotropolis land, to identifying land suitable for data centres and to aligning the ELDM with the new categories. Councils will review locally significant land by 2028 and owners in those areas should watch closely. Data centres will keep competing for large, serviced sites and where government directs them will shape land values across the region.

Smaller assets have their own story. Changes to negative gearing are prompting private investors and SMSFs to look at commercial property and small industrial units in established locations offer an accessible entry point. This demand, alongside owner-occupiers, will support values in the Inner Central West and North West.

Western Sydney’s industrial market is likely to remain stable rather than strong through 2027. When interest rates and costs ease, the region is well placed to respond, with scarce land, a new airport and a planning framework that, for the first time, ranks industrial land by its importance.



PETER VINES
Managing Director
RWC Western Sydney
0449 857 100



OUR OFFICE

With a strong foundation of experience and expertise, we bring a winning combination of dynamism and operational rigour to the commercial agency space.

Our People are
Your Advantage.

SALES



PETER VINES
Managing Director



JOSEPH ASSAF
Co-Owner & Director



VICTOR SHEU
Director



TROY WANG
Sales Executive



OWEN WHITE
Sales Executive



ANDREW SACCO
Sales Executive



MARCUS AUDDINO
Sales Executive



NATASHA SANDERS
Sales Executive



HARRY VEALL
Sales Associate



DANIEL HELWEH
Sales Associate



MARCUS TOLE
Property Analyst



CHRISTIAN FINIANOS
Property Researcher



BILLY MINNETT
Research Assistant



CHANTEL BRILLANTES
Marketing & Brand



MONH LY
Campaign Manager



SARA COPTIL
EA to Peter Vines



CHRISTOPHER BAISSARI
EA to Joseph Assaf

LEASING



SAMUEL GONG
Senior Leasing Executive



CRAIG GOSPO
Leasing Executive



JACK TALTY
Leasing Associate

OPERATIONS



RUBY ROZENTAL
Director of Strategy



HANNAH CARNEY
Director of Operations



PAULINE WATERFORD
Finance Manager



CHRISTIAN BRILLANTES
Office Manager



DAKOTA SINGLETON
Administrative Assistant

ASSET MANAGEMENT



JOYCE ELKOUBERCI
Director



CALLUM MCKAY
Asset Manager



ADRIAN HARB
Assistant



ANNIKA WARD
Assistant



MARCUS FUNG
Assistant



HARRY LAHOOD
Assistant



JACKIE AMYOUNI
Lease Audit Administrator

*Who we are,
what we do,
why we do it*





RWC WESTERN SYDNEY

Level 1, 15-17 Argyle Street
Parramatta NSW 2150

(02) 8074 4884

rwcws.com