

**Question on Notice
No. 392
Asked on Wednesday 22 March 2017**

MR S MINNIKIN ASKED MINISTER FOR HOUSING AND PUBLIC WORKS AND MINISTER FOR SPORT (HON M DE BRENNI)

Will the Minister outline the number of new leases signed by the Queensland Government to occupy office space in the Brisbane CBD in 2015-16, including the average cost per lease and average cost per square metre?

ANSWER

The total amount of office space leased by the Queensland Government, including the average gross effective rent is shown in the table below.

Year	Government leased CBD (m ²)	Avg. Effective Rent (\$/m ²)	Gross Effective Rent (pa) ¹
2012-13	315,458	\$492	\$155,243,317
2013-14	305,813	\$548	\$167,622,396
2014-15	296,331	\$552	\$163,546,753
2015-16	304,508	\$569	\$173,286,513
2016-17 (Forecast)	311,576 (Other CBD properties)	\$579	\$180,340,256
	75,419 (1 William Street)	\$743 ²	\$56,036,317
2017-18 ³ (Projection)	276,083 (Other CBD properties)	\$599	\$165,334,268
	75,419 (1 William Street)	\$767 ⁴	\$57,809,173

The increase in net lettable area is the result of the relinquishment of the government owned Queens Wharf Brisbane Precinct buildings and the new leased office space in 1 William Street, while continuing to carry additional space in the portfolio to accommodate refurbishments and refits prior to the relinquishment of other expiring leases as planned under the Brisbane CBD Strategy Phase 1.

The table below outlines the details of lease commencements in 2015-16 and 2016-17 in the Brisbane CBD for the Queensland Government to occupy office space. The signing of new leases is a routine activity which occurs each year driven by the natural turnover of leases and properties.

Year	Number of lease commencements	Average costs per lease ⁵	Average cost (\$/m ²) ⁶
2015-16	12	\$710,129	\$450
2016-17	14 (Other CBD Properties)	\$1,446,046	\$460
	1 (1 William Street)	\$56,036,317	\$743

¹ Average annual gross effective rent as at June including building outgoings (where applicable) less any incentives taken as rent rebates.

² The cost to government per m² of leasing office space in 1 William Street.

³ Projection only based on current space planning and market rent forecasts.

⁴ The cost to government per m² of leasing office space in 1 William Street.

⁵ Average cost per lease is the total effective rent in the first year divided by the number of leases.

⁶ In order to account for the different sizes in areas, a weighted average is applied across the leases commenced for the period.