CBRE

Intelligent Investment

Automotive

REPORT

CBRE RESEARCH
JUNE 2026

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Market Overview

Key Drivers

Automotive is one of Australia's most overlooked essential service sectors. Tyre operators, servicing centres and parts suppliers serve a need that doesn't go away in a downturn. Vehicles need maintenance regardless of the economy, and tenants back that with long-term net leases.

Structural fleet demand

Net overseas migration of approximately 300,000 persons per annum is growing Australia's vehicle-dependent population. The registered fleet exceeds 21.6 million vehicles, with an average vehicle age of 11.2 years.

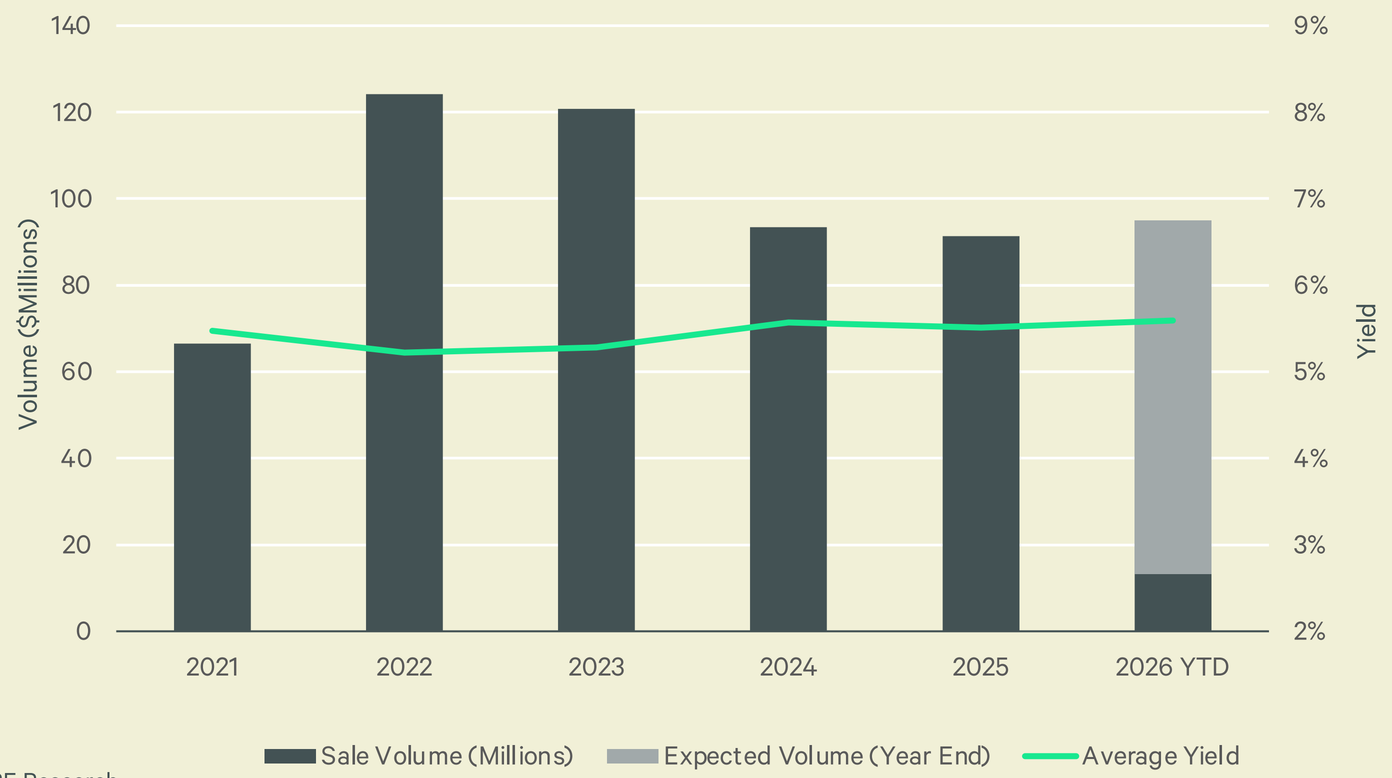
Resilient transaction activity

Volumes held firm through 2024 and 2025, with yields stable in a narrow range since 2022 despite elevated interest rates.

Growing investor interest

Accessible price points, long-term leases to household name tenants and potential policy changes in the residential investment space are directing private capital toward the sector.

Figure 1: Sector Transaction Volume (Millions) and Average Yield



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Demand Triple Boost

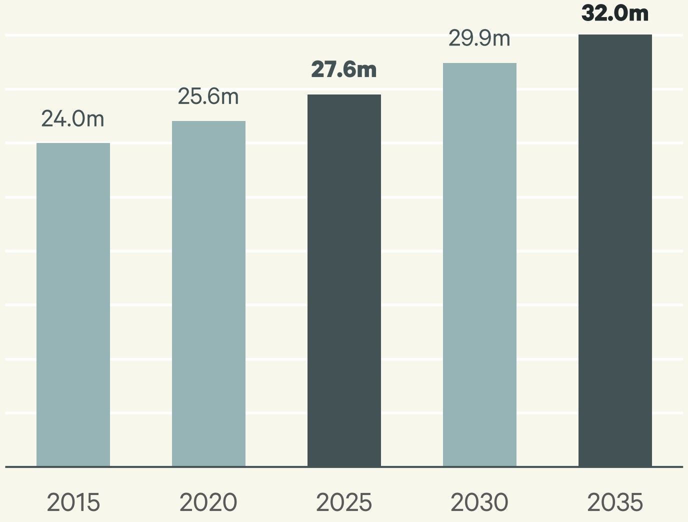
Consumer-facing real estate is set to benefit from a triple boost of rising population, employment and income. Collectively, this wealth effect will add ~$1,000bn of income over the next decade. Critically for this sector, a larger and wealthier population spread across Australia's car-dependent suburbs means a larger vehicle fleet — directly expanding long-term demand for automotive servicing, parts and tyre retailing.

FIGURE 2

Triple boost of population, jobs and income

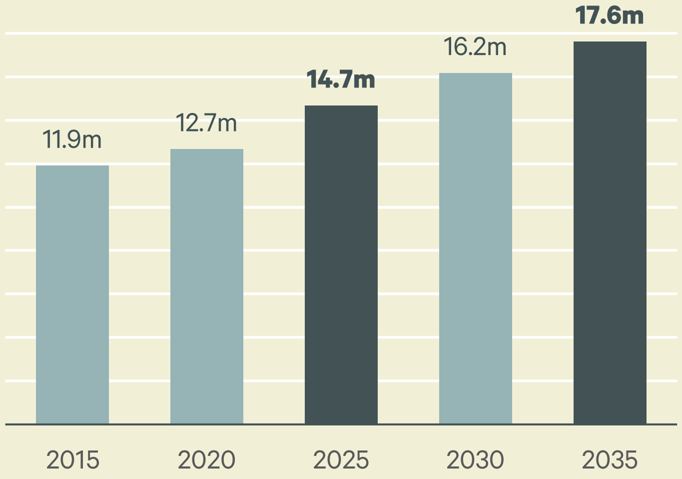
Population growth

Immigration is likely to contribute to two-thirds of Australia's population growth, from 27.6m in 2025 to 32.0m by 2035.



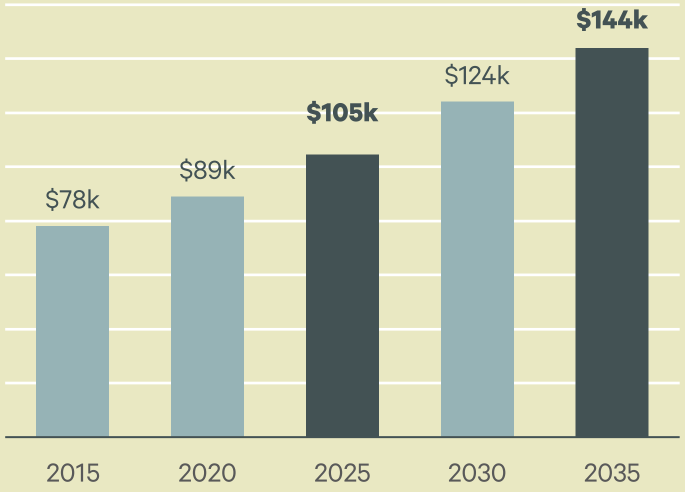
Jobs, jobs, jobs

The employment market has been particularly robust, adding 2.8m workers between 2020 and 2025. We see employment growing by another 2.9m to 2035.



Rising income & wealth

We see average annual income increasing from $105,000 currently to $144,000 pa by 2035.



Source: ABS, Population Statement, CBRE Research

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Key Players - Retail

The automotive retail market is dominated by four key players, each backed by an ASX or NYSE-listed parent, giving investors institutional-grade covenant quality at price points typically accessible to private capital.

Owned by Genuine Parts Company (NYSE-listed), one of the world's largest automotive parts distributors. Operates 400+ stores across Australia and New Zealand serving trade and retail customers; GPC's Asia Pacific segment generated $3.4 billion in revenue in 2024.

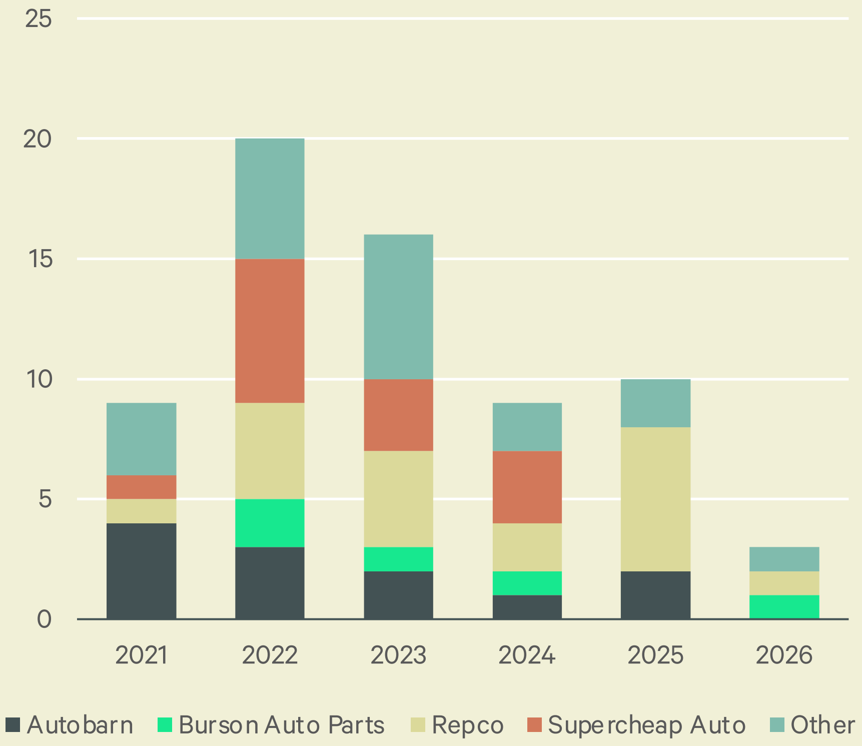
Owned by Super Retail Group (ASX-listed), whose portfolio also includes rebel, BCF and Macpac across the sports and outdoor-leisure categories. Operates 341 stores across Australia and New Zealand, supported by one of the country's largest retail loyalty bases with over nine million members group-wide.

Owned by Bapcor (ASX-listed), one of its two automotive retail brands alongside Burson Auto Parts. Operates 145 stores across Australia, focused on the retail and DIY market.

Bapcor's trade-focused counterpart to Autobarn, serving professional mechanics and workshops. Operates 220+ stores across Australia, supported by a digital ordering platform that drives strong operator loyalty.

These operators typically commit to 10-year net leases with fixed annual increases of 3–4% and multiple options to extend long-dated, predictable income with built-in rental growth.

Figure 3: Number of Retail Investment Sales since 2021



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Key Players - Servicing

The servicing market is anchored by global tyre manufacturers and national franchise networks. These are recognisable brands whose scale and essential, non-discretionary service offering underpin the same covenant strength investors value across the sector.

A subsidiary of Bridgestone Corporation, the world's largest tyre manufacturer. Operates a national network of around 350 outlets, comprising 200 Bridgestone Select Tyre & Auto stores and 150 regional Service Centres.

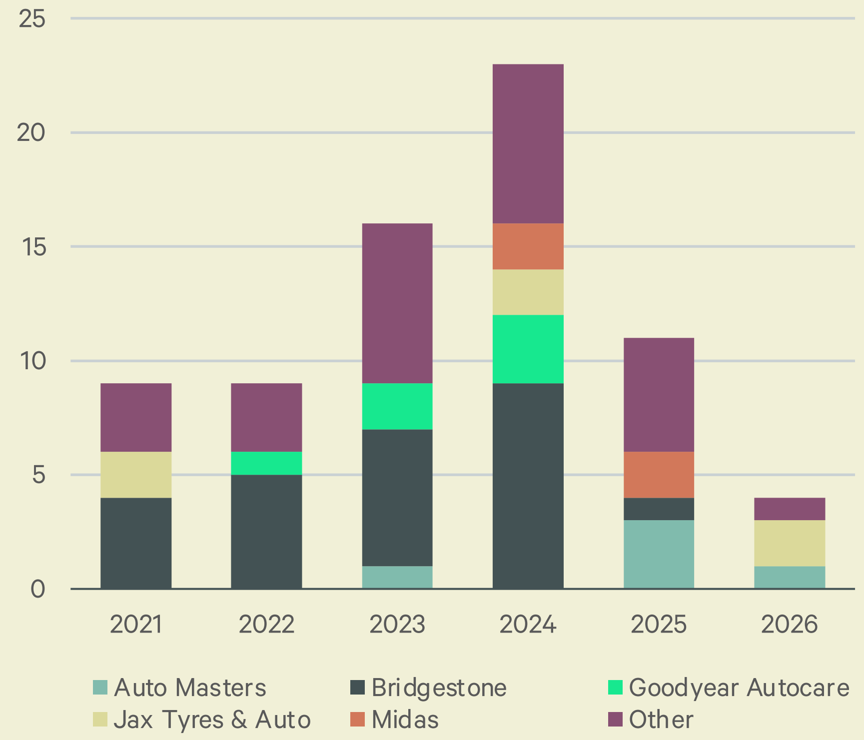
Part of the global Goodyear tyre group, one of the most recognised names in automotive. Operates a network of 199 Goodyear Autocare service locations across Australia.

A subsidiary of global tyre manufacturer Hankook since 2017. Operates a franchise network of 94 stores across Australia, combining tyre retail with mechanical servicing.

Owned by Bapcor (ASX-listed), the same parent as retail brands Autobarn and Burson. Operates a franchise network of 80 stores across Australia.

An Australian-owned servicing specialist operating a franchise network across Queensland, South Australia and Western Australia. The only franchised vehicle servicing specialist in Australia to hold ISO 9002 accreditation under the Australian Standards Quality Management System.

Figure 4: Number of Servicing Investment Sales since 2021



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National Transaction Activity since 2024

Key Observations

National breadth

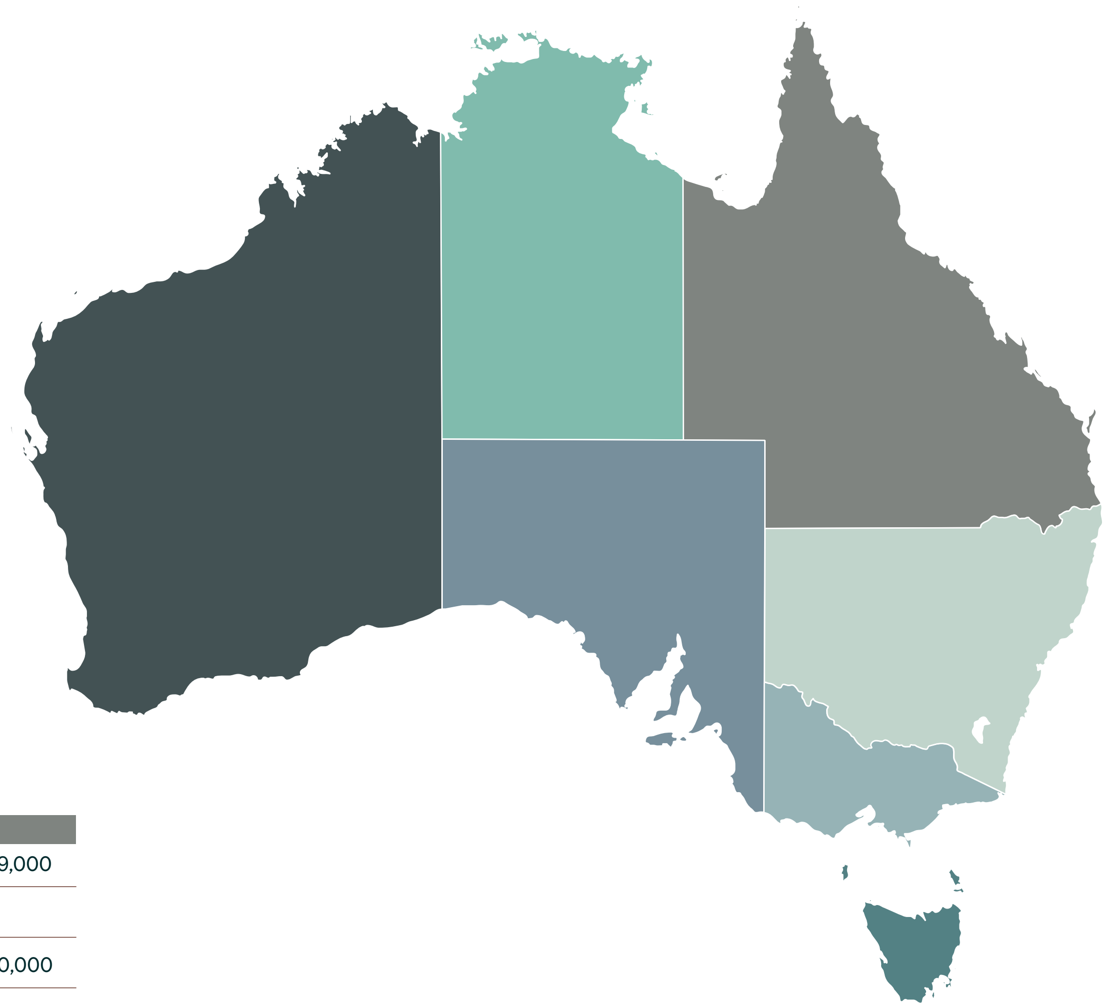
Queensland leads at 44% of transactions, reflecting South East Queensland's rapidly growing suburban population driven by interstate and overseas migration, major infrastructure projects and preparation for the 2032 Olympic Games.

Yield spread

Metro yields range from 4.14% to 5.82%, with regional markets offering up to 120 basis points of additional premium for investors comfortable with regional exposure.

Land value

High-profile corner sites and main road locations carry value beyond the tenancy itself, providing a capital floor that pure income assets cannot match.



	TAS	SA	WA	VIC	NSW	QLD
Metropolitan	$1,275,000	$26,310,000	NA	$24,000,000	$6,275,000	$62,069,000
	5.82%	4.14%	NA	4.56%	4.40%	5.21%
Regional	NA	NA	$3,455,000	$13,943,000	$21,613,000	$38,400,000
	NA	NA	5.12%	5.98%	5.56%	6.41%

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National Market Trends

Automotive yields have held broadly stable since 2021, with metro assets consistently pricing at a premium to regional markets across both retail and servicing. That resilience through a period of sharply rising interest rates is indicative of the sector's defensive appeal. As residential policy headwinds redirect private capital toward commercial property, competition for well-located, long-WALE automotive assets is set to intensify, placing renewed downward pressure on yields for premium stock over the medium term.

Figure 5: Leased Investment Sales by State

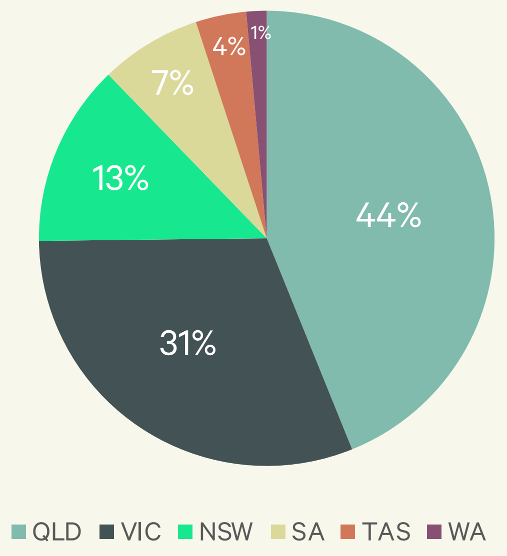


Figure 6: Retail Metropolitan and Regional Yields

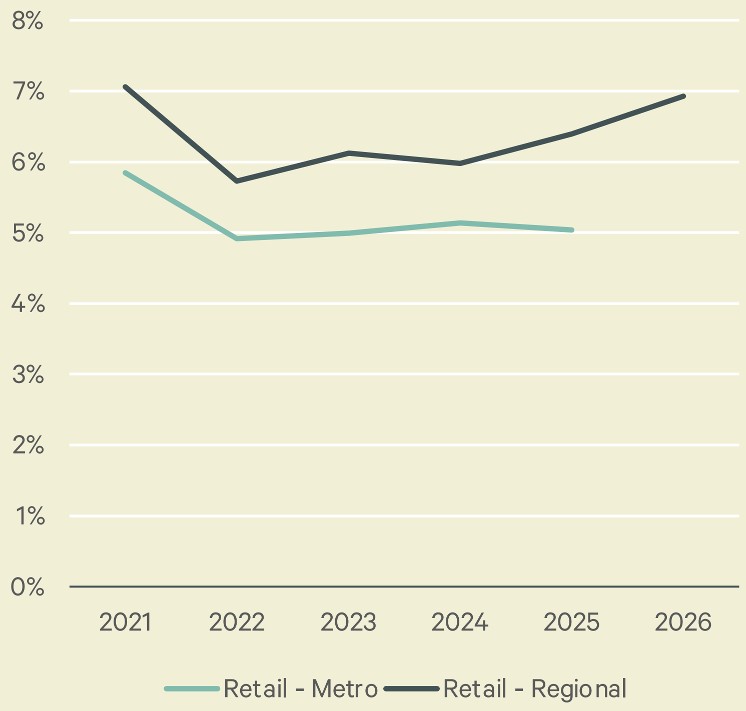
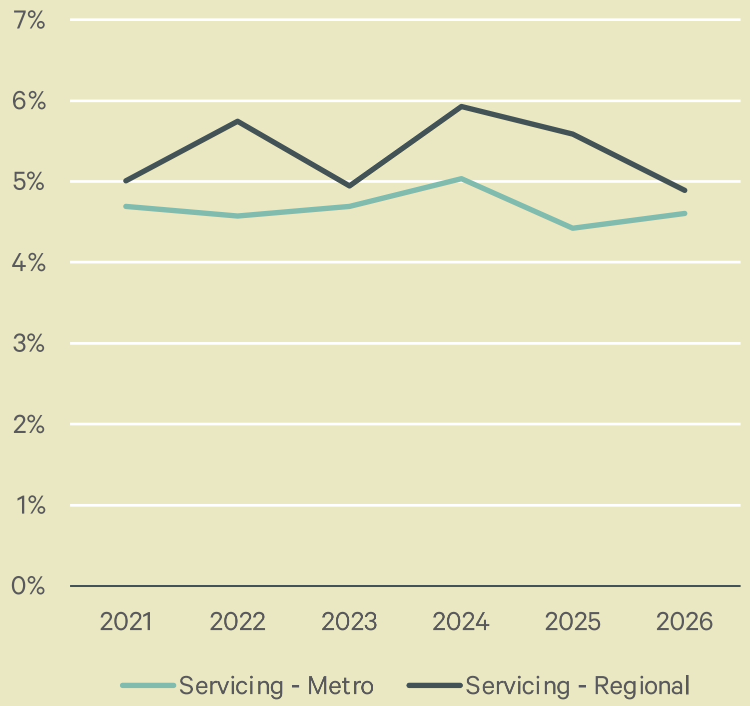


Figure 7: Servicing Metropolitan and Regional Yields



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Demand Drivers – EV uptake

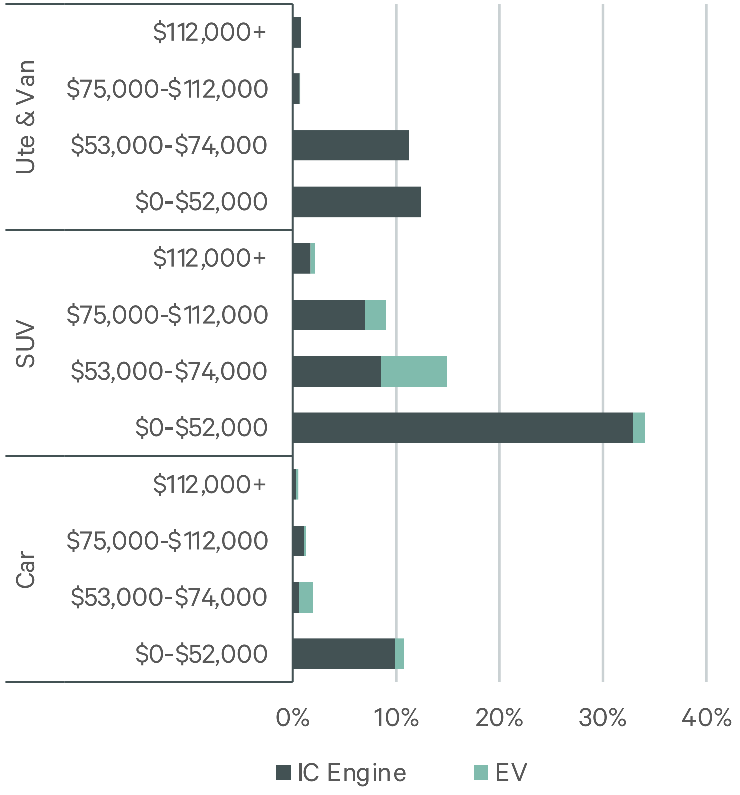
Internal combustion engines remain dominant, though EV market share has grown steadily since 2022, with accelerated growth since the start of 2026. Adoption is highly segment-specific, with the most EVs selling in the mid-tier SUV market, the typical family car.

For the service centres and retailers that occupy these assets, fleet size matters more than drivetrain mix. EVs still need regular servicing including tyres, brakes and suspension, lights, window wipers and air conditioning.

EVs also wear tyres faster than petrol equivalents due to their additional weight and instant torque. With the average vehicle staying on the road for 11.2 years, a car bought today will still be returning to a workshop into the late 2030s.

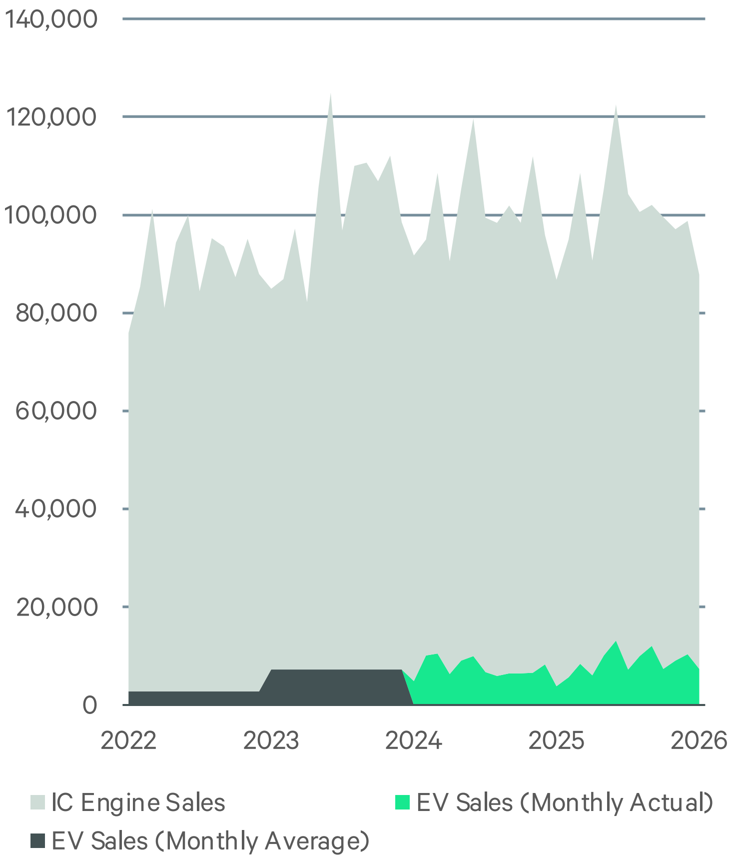
The result is a long demand runway for the operators that service and supply Australia's growing fleet, regardless of how those vehicles are powered.

Figure 8: Percentage of 2025 car sales segmented by price point, body type and engine type



The Drive, Marklines, CarExpert, EV Council, Aus Automobile Association

Figure 9: Monthly car sales segmented by engine type



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Transaction Highlight

**Lot 2011/2
Curtis Road
Munno Para SA**

SALE PRICE
$2,700,000

YIELD	**SALE DATE**
4.22%	April 2026

Tenant	Jax Tyres & Auto
Rental (Net)	$114,000pa
Rent Review	Fixed 3.5%
Lease Term	10 year net lease (to 2035) plus options to 2045
Land Area	1403 sqm
Zoning	Employment

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Transaction Highlight

298 Woolcock St
Garbutt QLD

SALE PRICE
$1,740,000

YIELD
4.89%

SALE DATE
April 2026

Tenant	Auto Masters
Rental (Net)	$85,000 pa
Rent Review	Fixed 3%
Lease Term	10 year net lease to 2035 plus 3 x 5 year options to 2050
Land Area	861 sqm
Zoning	Low Impact Industry

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CBRE Automotive Sales Highlights

North Rothbury NSW

$6,310,000 | 5.49% Yield

Grafton NSW

$4,200,000 | 5.51% Yield

Bathurst NSW

$2,650,000 | 5.66% Yield

Chuwar QLD

$2,107,000 | 3.99% Yield

Burpengary QLD

$2,110,000 | 4.50% Yield

Cleveland QLD

$10,650,000 | 5.55% Yield

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CBRE Automotive Sales Highlights

Bendigo VIC

$2,157,000 | 5.52% Yield

Kilsyth South VIC

$3,305,000 | 4.15% Yield

Frankston VIC

$6,000,000 | 4.96% Yield

Nuriootpa SA

$3,615,000 | 5.45% Yield

Launceston TAS

$3,750,000 | 6.00% Yield

Australind WA

$3,455,000 | 5.12% Yield

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