

FIGURES | ADELAIDE INDUSTRIAL & LOGISTICS | Q1 2026

Owner-occupier demand continues to support industrial land values in Adelaide



Note: Arrows indicate change from previous quarter.

Key Points

- Gross take-up of c.13,000 sqm was recorded in 1Q26. The 12-month rolling total stands at c.276,000 sqm, above the 10-year annual average of c.174,000 sqm.
- There was c.78,600 sqm of new industrial stock added over the quarter and c.248,000 sqm over the past 12 months.
- The development pipeline for 2026–2028 averages c.123,000 sqm per annum, above the 10-year average, with a pre-commitment rate of around 65%.
- Net face rents increased q-o-q for super prime and prime assets. Super prime net face rents increased 0.6% q-o-q and 4.7% y-o-y to an average of AUD 156/sqm. Super prime incentives increased by 1.0 percentage point q-o-q to an average of 13%.
- Constrained industrial land supply and strong owner-occupier demand across Adelaide’s core industrial precincts have driven land values higher, with 0.25 ha lots increasing 17.4% y-o-y to AUD 1,056/sqm and 1.6 ha lots increasing 22.6% y-o-y to AUD 728/sqm.
- Super prime midpoint yields increased by 13 bps q-o-q and now sit at 6.0%.

Demand

Gross take-up volumes ease in 1Q26, following the strong year in 2025

Leasing activity moderated during 1Q26, with gross take-up of c.13,000 sqm recorded, below the c.52,000 sqm recorded in 1Q25 (for transactions exceeding 3,000 sqm). Occupier market conditions have eased, contributing to longer letting-up periods amid broader global economic uncertainty.

The 12-month rolling total stands at c.276,000 sqm, well above the 10-year average of c.174,000 sqm, supported by strong activity through 2025.

During 1Q26, activity was concentrated in Adelaide's North precinct (for transactions exceeding 3,000 sqm). Over the past 12 months, the Outer North has captured 57% of total activity, while Adelaide's northern precincts more broadly (Outer North, North and North-West) accounted for around 91% of gross take-up.

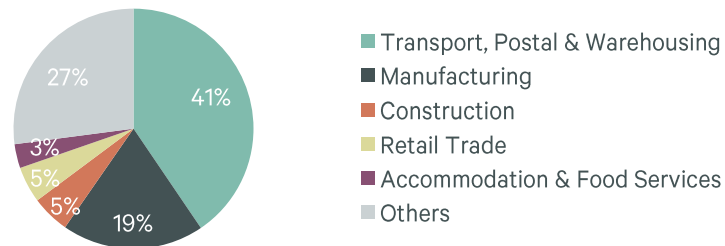
The northern precincts continue to drive demand, supported by strong road connectivity, proximity to Port Adelaide and the Osborne Naval Shipyard, and greater availability of developable land, particularly in the Outer North.

Notable transactions during the quarter included:

- National manufacturer taking up c.5,200 sqm in Green Fields
- Drive Group Australia taking up c.3,500 sqm in Pooraka.

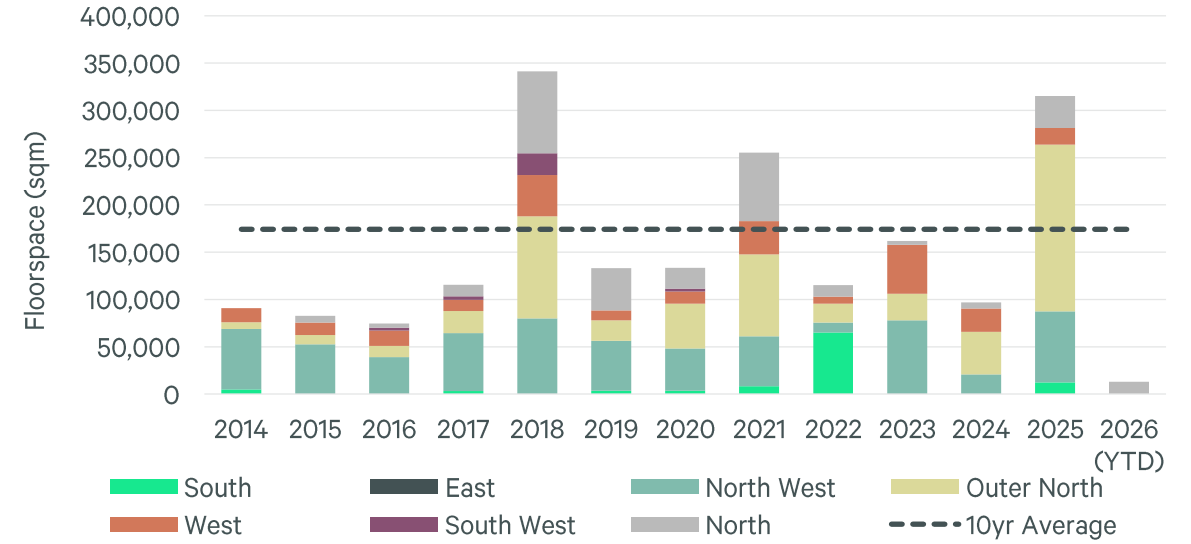
By industry, Transport, Postal & Warehousing has accounted for the largest share of gross take-up since 2024 (41%), followed by Manufacturing (19%), Construction (5%), Retail Trade (5%), and Accommodation & Food Services (3%). Over the past decade, manufacturing has consistently been a key driver of Adelaide's leasing activity, accounting for close to 30% of total leased floorspace, reflecting its ongoing importance to South Australia's economic base.

FIGURE 1: Adelaide Take-Up 2024-1Q26 by Industry Sector



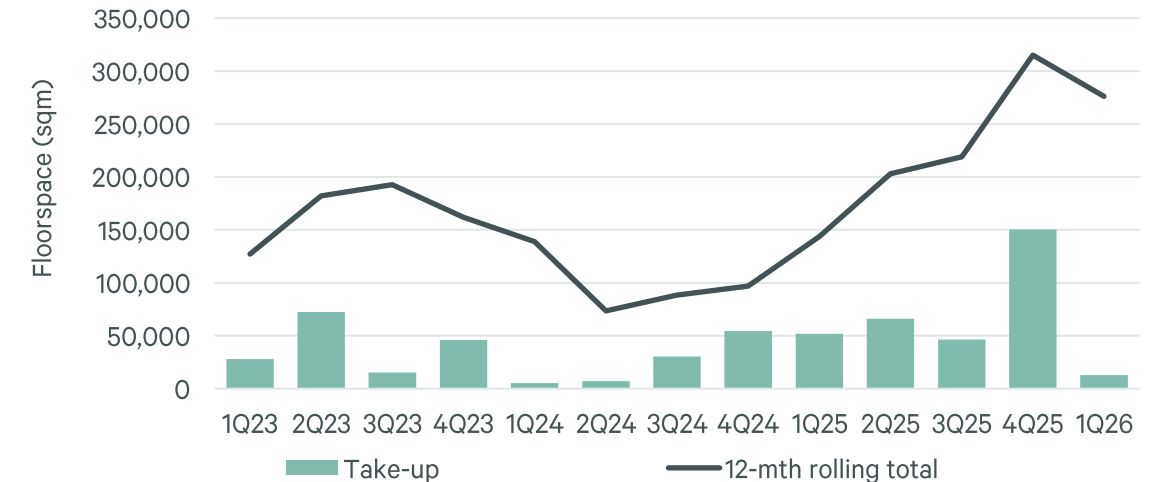
Source: CBRE Research

FIGURE 2: Adelaide gross take-up 2014-2026, by precinct



Source: CBRE Research

FIGURE 3: Adelaide quarterly gross take-up, 1Q23-1Q26



Source: CBRE Research

Supply

Pre-commitment rates across the forward pipeline remain elevated

Total development completions of c.78,600 sqm were recorded in 1Q26, lifting the 12-month total to c.248,000 sqm, well above the 10-year annual average of c.102,000 sqm (for projects exceeding 3,000 sqm).

Approximately 70% of the projected 2026 supply pipeline reached practical completion during the quarter, with around 53% pre-committed.

Quarterly completions were concentrated in the Outer North precinct, accounting for 87% of delivered supply, followed by the North West (13%).

Notable completions during the quarter included:

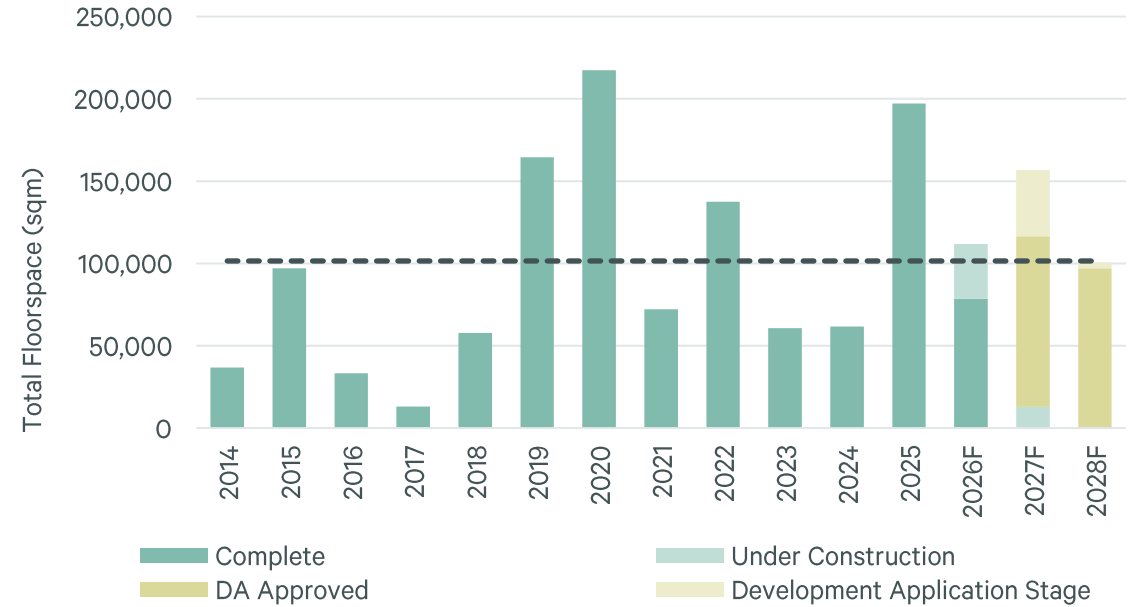
- Aircraft maintenance defence facility in Penfield (c.21,000 sqm)
- Centuria’s spec facility at 50-64 Mirage Road in Direk (c.20,000 sqm)
- Harmony Property’s Warehouses A1 & A2 at Gillman Industrial (c.10,000 sqm).

The 2026 development pipeline totals c.112,000 sqm as at 1Q26, with approximately 70% completed and the balance under construction and scheduled for delivery throughout 2026.

Other notable projects expected to reach PC over the balance of 2026 include the DHL facility in Edinburgh (c.20,000 sqm).

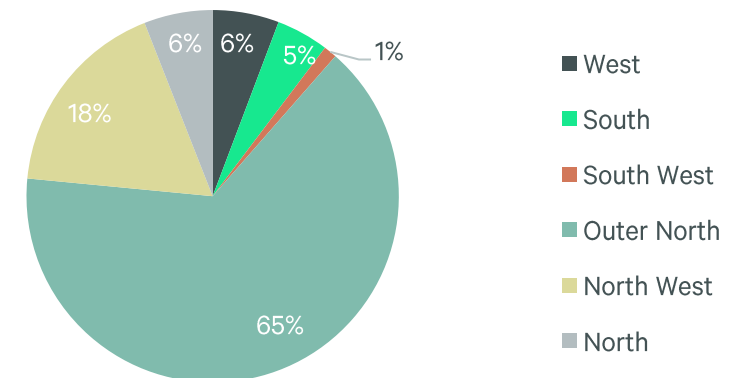
The 2027–2028 pipeline averages c.129,000 sqm per annum. While only one project has commenced construction to date, identified projects are earmarked for delivery across this period, with approximately 65% currently pre-committed.

FIGURE 4: Development Supply Pipeline 2014-2028F



To note: reflects projects ≥ 3,000 sqm.
Source: CBRE Research. As at 1Q26

FIGURE 5: Development Supply 2026-2028F, Floorspace Share by Precinct



Source: CBRE Research, 1Q26

Leasing Market

Rental growth continues for super prime and prime assets

Super prime net face rents increased 0.6% q-o-q to an average of AUD 156/sqm and are up 4.7% y-o-y. With tight vacancy (1.8% as at 2H25), Adelaide’s industrial market continues to record rental growth. However, the pace of growth has eased to a more normalised level compared to the elevated growth rates of the past 18–24 months. This reflects moderating leasing conditions, with occupiers adopting a more cautious approach amid a softer economic backdrop.

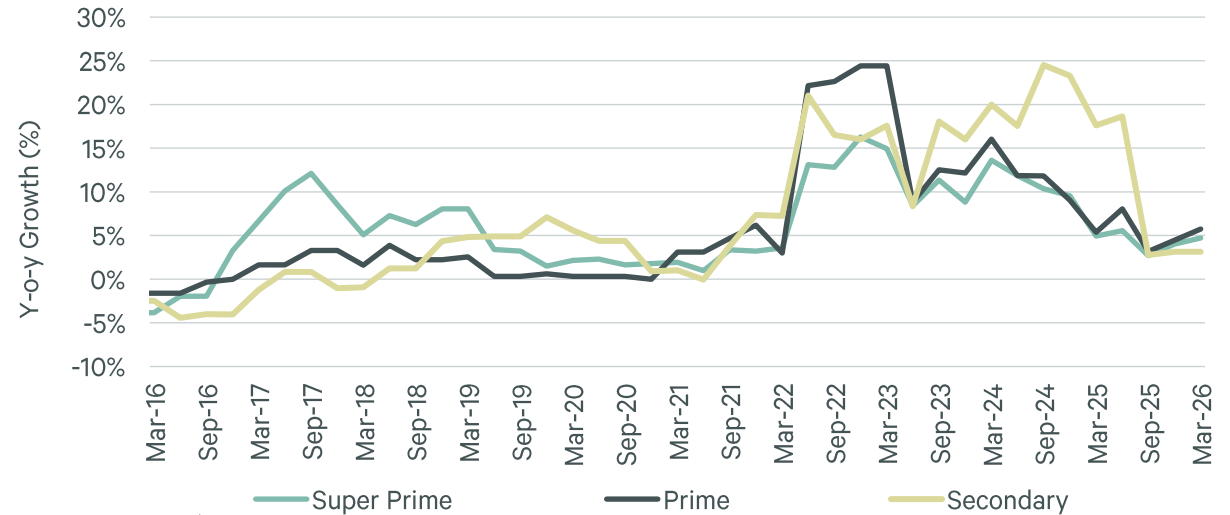
Super prime rental growth during the quarter was driven by the North West precinct, where average net face rents increased 3.2% q-o-q to AUD 165/sqm (+6.7% y-o-y). Across other precincts, super prime net face rents remained stable q-o-q.

Super prime incentives increased slightly by 1.0 percentage point q-o-q to 13%, resulting in net effective rents declining modestly by 0.5% q-o-q, although they remain 3.5% higher y-o-y at AUD 137/sqm.

Prime net face rents increased 1.2% q-o-q and 5.7% y-o-y to AUD 138/sqm. Secondary net face rents remained stable q-o-q and increased 3.1% y-o-y to AUD 109/sqm.

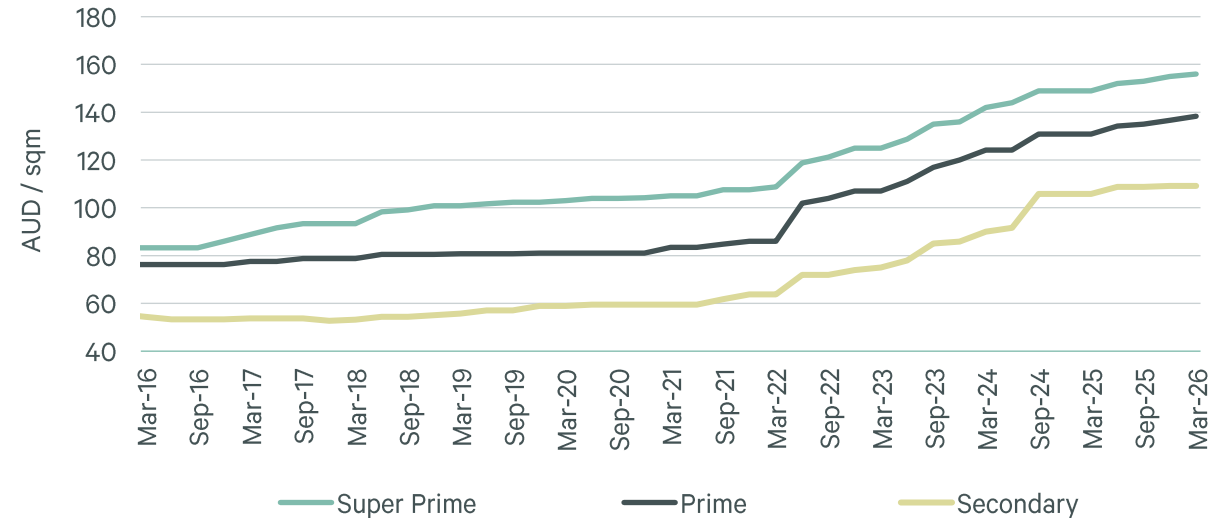
Adelaide’s vacancy rate increased modestly to 1.8% as at 2H25 (from 1.6%), reflecting easing demand in larger format space, increased sublease availability and the completion of several speculative developments.

FIGURE 6: Average net face rent growth by grade



Source: CBRE Research

FIGURE 7: Adelaide average net face rents by grade



Source: CBRE Research

Land Values

Industrial land values in Adelaide continue to appreciate

The limited release of serviced industrial-zoned land across Adelaide’s industrial precincts has led to continued appreciation in land values. Strong demand for developable industrial land, combined with constrained supply, has placed upward pressure on land values during 1Q26.

More recently, growth has been driven largely by owner-occupiers, who are less sensitive to higher cap rates and increased financing and construction costs compared to developers.

During 1Q26, land values for 1.6 ha lots across core precincts increased 3.1% q-o-q and 22.6% y-o-y to AUD 728/sqm. The North West precinct recorded the strongest growth, up 5.8% q-o-q and 31% y-o-y to AUD 688/sqm.

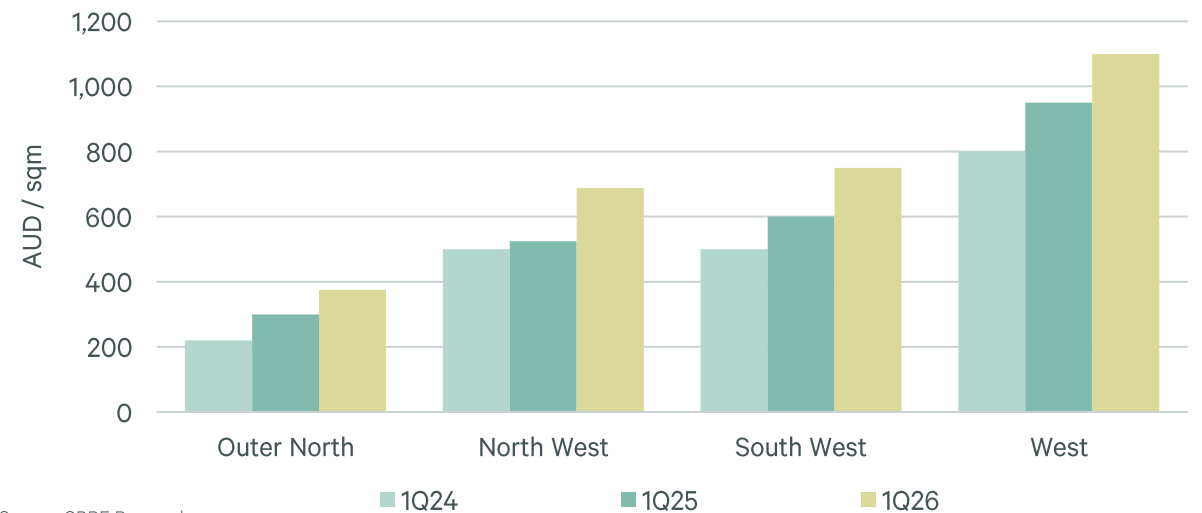
Adelaide’s West precinct continues to command the highest land values due to limited land availability and its proximity to the CBD and Adelaide Airport. Average 1.6ha land values in the West precinct remained stable during 1Q26 and have increased 15.8% y-o-y to AUD 1,100/sqm.

Land values for the smaller 0.25 ha lots across the North West, Outer North, West and South West precincts increased by 3.0% q-o-q and are up 17.4% y-o-y to an average of AUD 1,056/sqm. In the more affordable Outer North precinct 0.25 ha land values remained stable q-o-q but have seen the largest increase over the past year – up 28.6% to AUD 450/sqm.

FIGURE 8: Adelaide Industrial 0.25 ha land values by precinct (1Q24 to 1Q26)



FIGURE 9: Adelaide Industrial 1.6 ha land values by precinct (1Q24 to 1Q26)



Source: CBRE Research

Investment Market

Adelaide yields increase in response to higher interest rates

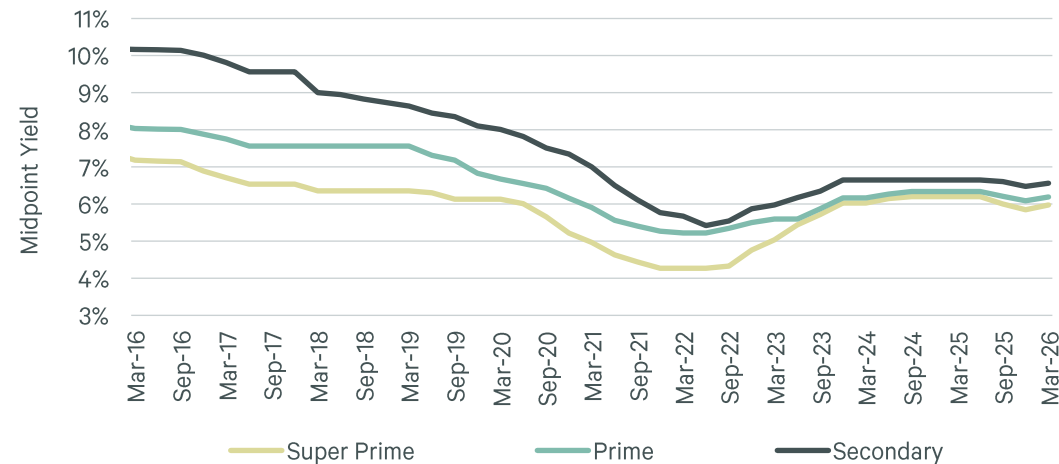
Following a strong year of transaction volumes in 2025, activity moderated in 1Q26, with AUD 89 million in sales recorded (for transactions ≥ AUD 5 million). An uptick in Australia’s inflation rate led the Reserve Bank of Australia to increase the cash rate by 50 bps during 1Q26. This, combined with global economic uncertainty, has contributed to increased investor caution.

Notable sales recorded over 1Q26 include:

- Accord acquiring 60-80 Purling Avenue in Edinburgh for AUD 24.5 million from QIC
- Centennial acquiring 2-10 & 9-13 Turin Place and 26-28 Bremen Drive in Salisbury South for AUD 18.5 million.

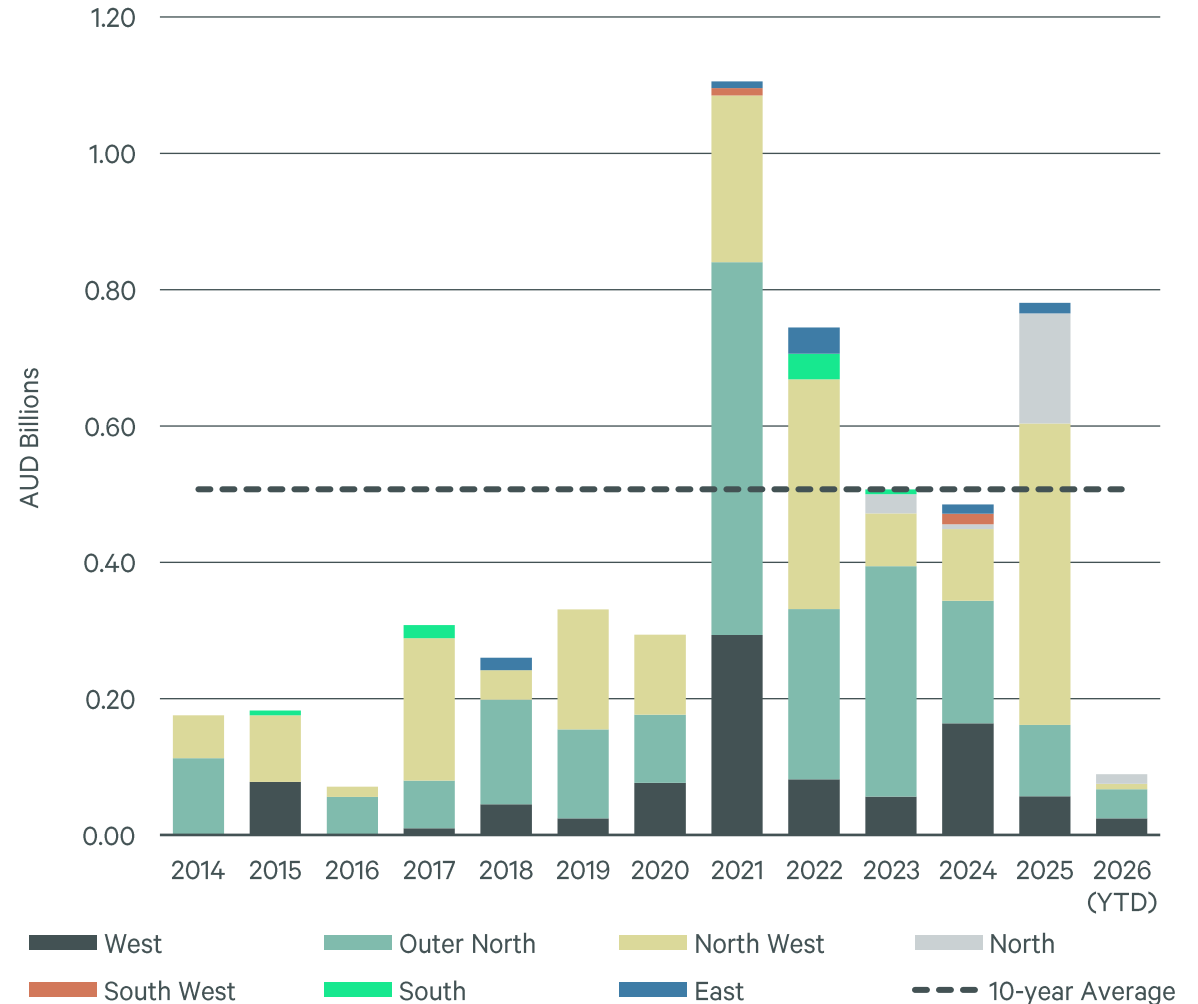
During 1Q26, industrial midpoint yields increased across all grades. Super prime yields increased by 13 bps q-o-q to 6.0%, while prime yields increased by 10 bps to 6.2% and secondary yields by 8 bps to 6.6%. We expect yields to soften further over the remainder of 2026, given expectations of additional rate increases, with the market currently pricing in around 50 bps of further tightening by year-end.

FIGURE 10: Midpoint yields (1Q16-1Q26)



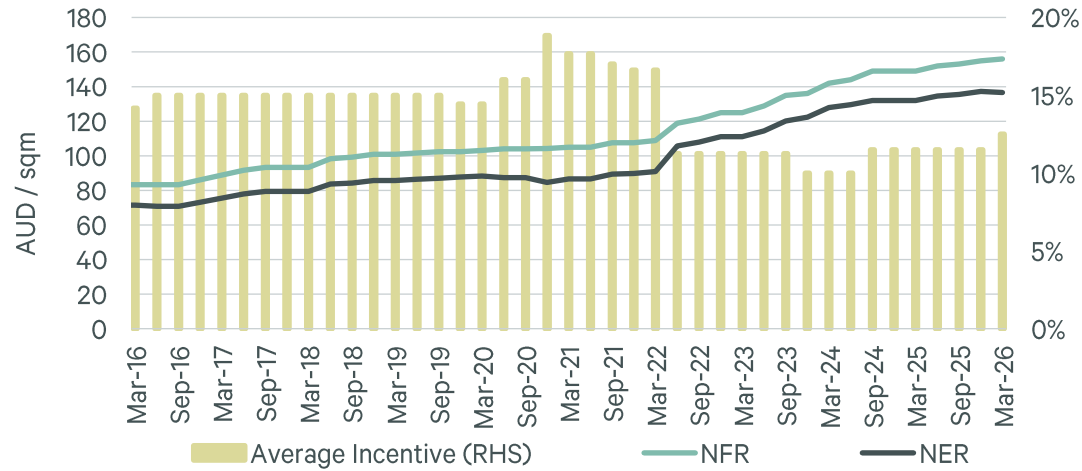
Source: CBRE Research

FIGURE 11: Adelaide Industrial investment sales 2014-2026 (greater than AUD 5 million)



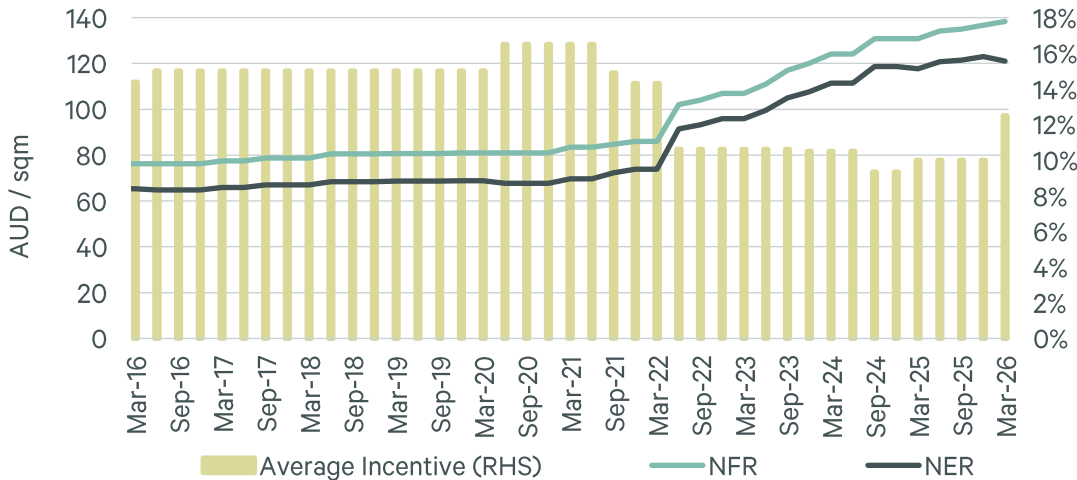
Source: CBRE Research

FIGURE 12: Average super prime net face rents, net effective rents and incentives



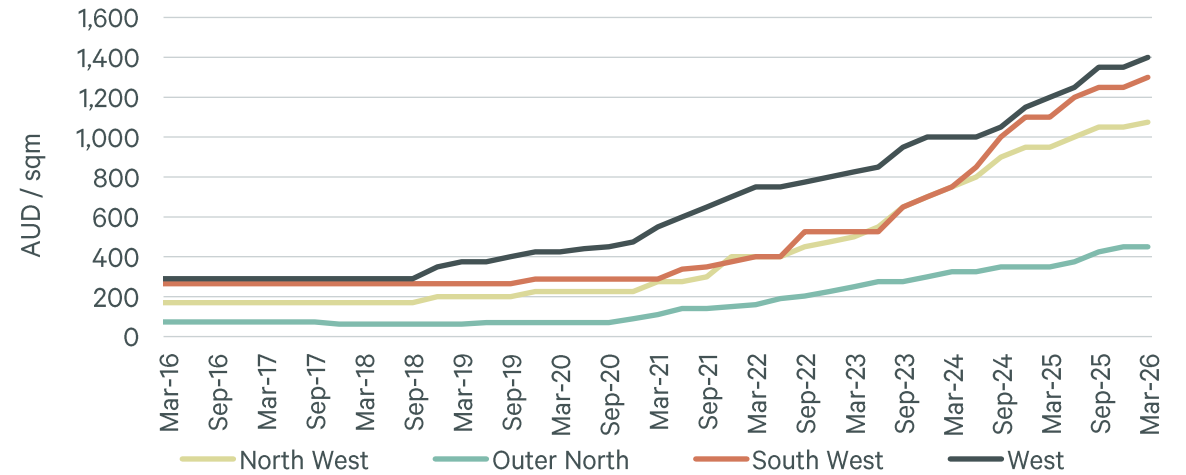
Source: CBRE Research Q1 2026

FIGURE 13: Average prime net face rents, net effective rents and incentives



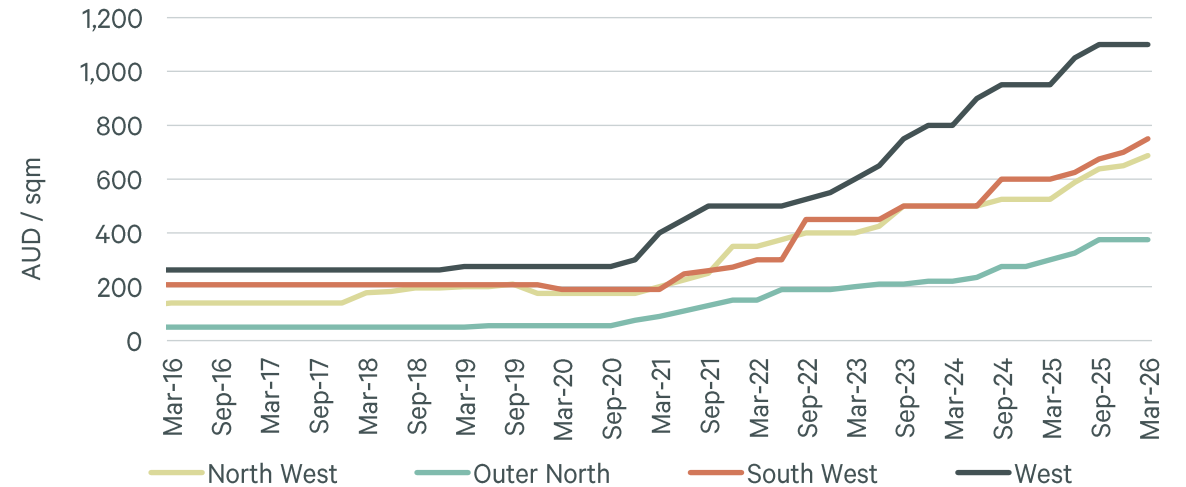
Source: CBRE Research Q1 2026

FIGURE 14: Average land values (0.25 ha lots), by precinct



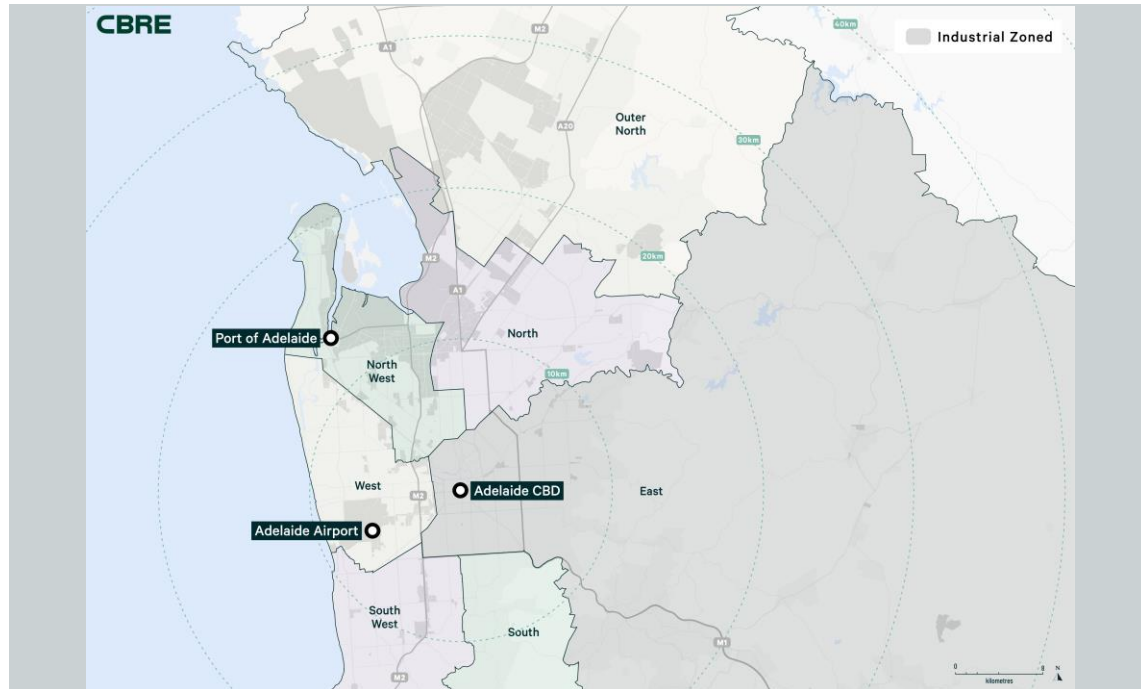
Source: CBRE Research Q1 2026

FIGURE 15: Average land values (1.6 ha lots), by precinct



Source: CBRE Research Q1 2026

Market Area Overview



Definitions

Super Prime:

Less than 6 years old, height clearance between 13.7m and 14.6m. Buildings showcasing design excellence with combination of ESFR sprinklers and docks / on-grade doors, as well as strong truck articulation for loading/unloading.

Prime:

Generally, between 6 and 15 years old, height clearance over 10m and up to 13.7m.

Secondary:

Buildings that are older style but still very functional, height clearance in the ranges of 8-11m, Over 15 years old.

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