

FIGURES | ADELAIDE CBD OFFICE | Q3 2025

Robust effective rent growth in Adelaide CBD office last 12 months

▼ 15.0%

Overall Vacancy Rate (Jul-25)

▲ \$652/sqm

CBD Prime Gross Face Rents (+3.7% y-o-y)

▼ 35.0%

CBD Prime Incentives (-45 bps q-o-q)

▶ 7.7%

Prime Yield as of Q3-25

Note: Arrows indicate change from previous quarter.

Key Points

- Tenant enquiry volumes totalling c.90,000 sqm was recorded in Adelaide during Q3 2025, down 2% y-o-y. Enquiry volumes received over the past 12 months is 30% higher than the 10-year average.
- Net absorption remained strong totalling 22,326 sqm for H1 2025. Net absorption in the past 12 months has been 44,932 sqm, significantly above the 10-year annual average of c.12,500 sqm.
- The Adelaide CBD overall vacancy rate as of July 2025 was at 15.0% decreasing from 16.4% in January 2025, driven entirely by the strong net absorption.
- Prime gross rents ended Q3 2025 at an average of \$652 per sqm, increasing by 0.3% q-o-q and 3.7% y-o-y. Prime incentive rates decreased by 45 bps q-o-q and now average 35%.
- 50 Franklin Street (c.21,000 sqm) has effectively reached practical completion during Q3 2025 and will be added to the stock level this half – weighing on market vacancy.
- Year to date c.\$170 million of investment transaction volumes recorded across Adelaide office, running below the 10-year annual average of c.\$570 million.
- Midpoint yields remained largely stable q-o-q with prime currently at 7.7% and secondary at 9.5%.

FIGURE 1a: Adelaide CBD Office | Market Summary

Adelaide CBD	July 2025	Jan 2025	July 2024	H-o-H Change	Y-o-Y Change
Vacancy Rate	15.0%	16.4%	17.5%	-140 bps	-250 bps

FIGURE 1b: Adelaide CBD Office | Summary of Prime Market Indicators

Adelaide CBD	Q3 2025	Q2 2025	Q3 2024	Q-o-Q Change	Y-o-Y Change
GFR	\$652/sqm	\$650/sqm	\$629/sqm	+0.3%	+3.7%
NFR	\$499/sqm	\$497/sqm	\$478/sqm	+0.5%	+4.4%
Incentives	35.0%	35.5%	35.2%	-45 bps	-17 bps
Yield	7.7%	7.7%	7.6%	+1 bps	+8 bps

\$ = Australian Dollar AUD
 CBD = Core & Frame markets
 Source: CBRE Research

Office Demand

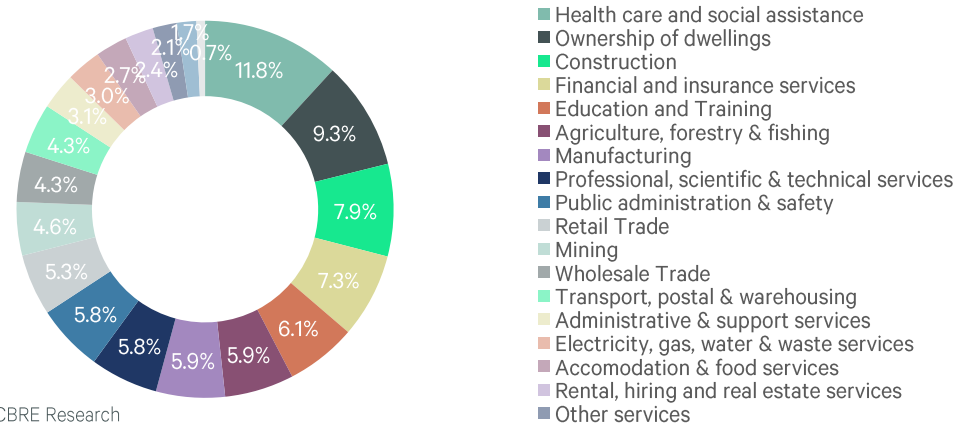
Strong enquiry volume recorded last 12 months

Total enquiry volumes (sqm) across Adelaide’s office market decreased slightly by 2% y-o-y in Q3 2025, totalling c.90,000 sqm. The number of enquiries received in the quarter was inline with the same period last year totalling 191. Over the past 12 months c.297,000 sqm of enquiries have been recorded, 30% higher than the 10-year average. Despite demand in Adelaide being healthy, occupier caution was notable in the quarter from national and international based occupiers likely due to the softening national/global economic landscape.

South Australia boasts a diversified economy across many industries (figure 2), which provides the office occupier market resilience. More recently occupier demand has been broad based across a range of industries including professional services, information media & telecommunications, financial services, healthcare, defence and government.

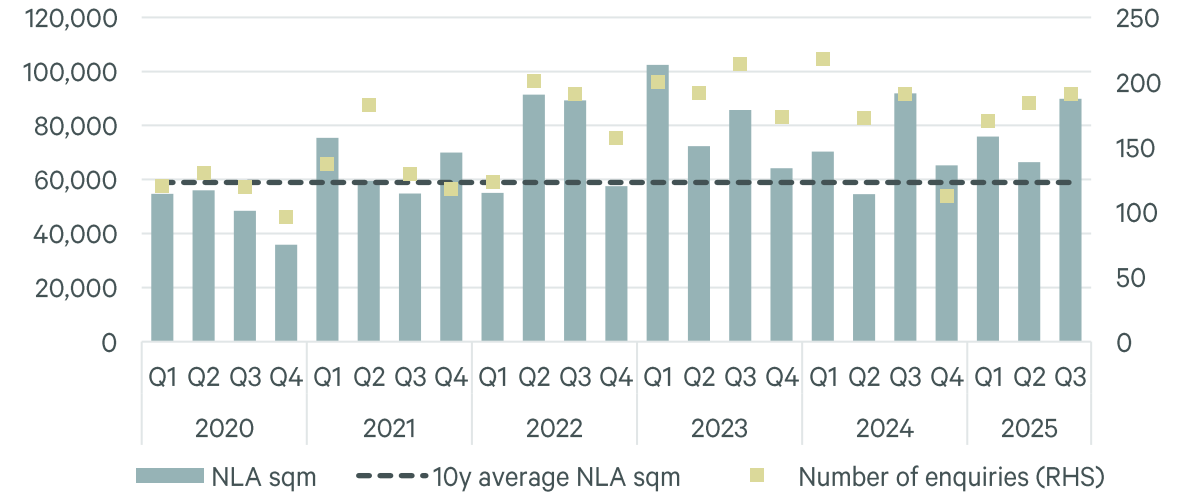
During H1 2025 strong net absorption of 22,326 sqm was recorded, continuing the high demand level seen in the start of 2024 (H2 2024 = 22,606 sqm, H1 2024 = 29,041 sqm). Net absorption has been significantly above the 10-year six month average of c.6,000 sqm. Demand during H1 2025 was driven by prime grade assets totalling 22,683 sqm. The secondary market recorded net absorption of -357 sqm during H1 2025.

FIGURE 2: South Australia FY24 Economic Composition by Industry Gross Value Add



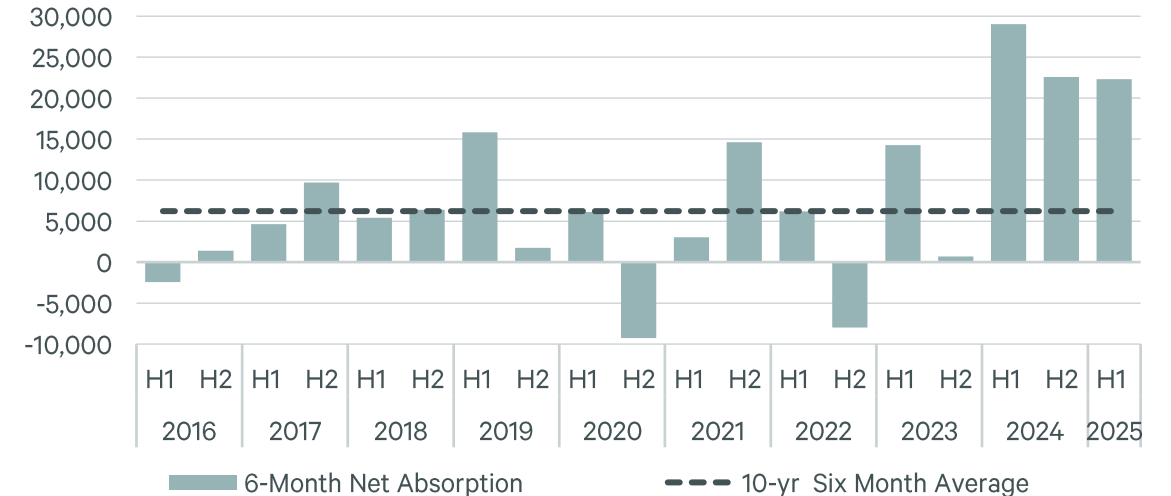
Source: ABS, CBRE Research

FIGURE 3: Adelaide Office | Enquiry Volumes



Source: CBRE Research

FIGURE 4: Adelaide CBD Office | 6-Month Net Absorption (sqm)



Source: PCA, CBRE Research

Supply

No net supply added during H1 2025

Having seen a record high of 78,109 sqm of net supply added to the market in 2023, Adelaide’s CBD supply level has been muted during H1 2025, where there was a net withdrawal of stock totalling just 9 sqm.

There was just 911 sqm of total supply in H1 2025, which included the addition of 656 sqm from refurbishment of 61 Carrington Street. The total supply was offset by 920 of stock withdrawn in relation to 228-230 Pirie Street for demolition.

50 Franklin Street to add c.21,000 sqm to market

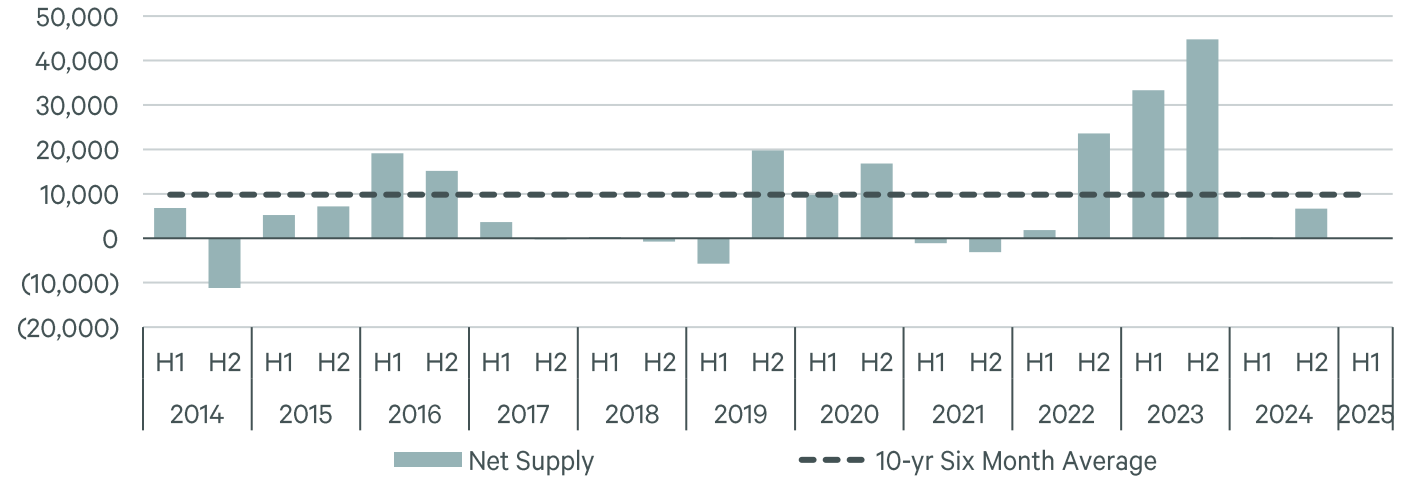
50 Franklin Street has effectively reached practical completion, adding c.21,000 sqm to the market. A large portion of the building remains vacant and is therefore expected to weigh on the market vacancy rate in the January 2026 Property Council of Australia update.

Market Square which comprises c.22,000 sqm of office is expected to reach completion around Q3 2026 and close to 57% of this space has already been taken up. These two projects currently account for 2.7% of the Adelaide CBD office stock.

The Innovation Centre at the Lot Fourteen development (c.15,000 sqm) is now confirmed to proceed and will be delivered by the SA Government. Construction is expected to commence in 2026 with completion expected in 2028. The pre-commitment rate for Lot Fourteen currently sits around 77%.

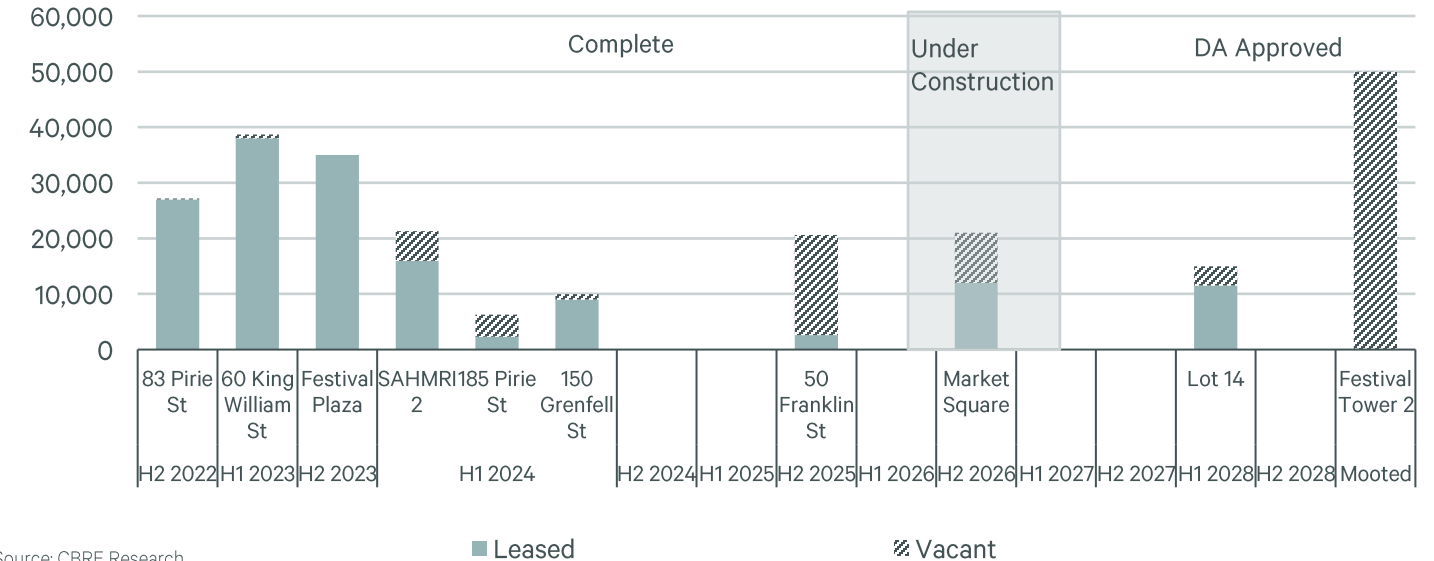
Walker Corporation’s Festival Tower 2 development (c.50,000 sqm) is the other major project in the pipeline however, given the scale of this project it will require pre-commitments.

Figure 5: Adelaide CBD Historic Net Supply (sqm)



Source: Property Council of Australia, CBRE Research

FIGURE 6: Adelaide CBD Supply, Recent Completions and Pipeline (sqm)



Source: CBRE Research

Vacancy

Prime vacancy decreases 3.0 percentage points during H1 2025 as tenant demand for quality space continues

Adelaide’s CBD vacancy rate tightened by 1.4 percentage points to 15.0% as at July 2025. The vacancy decline half on half was driven entirely by the strong net absorption of 22,326 sqm recorded, given that net supply was virtually nil (net withdrawal just 9 sqm).

The vacancy rate in prime grade buildings decreased substantially by 3.0 percentage points to 15.1% in July 2025 (down from 20% in January 2025). Prime vacancy has now decreased by 6.9 percentage points since the recent peak of 22.0% reached in January 2024 (due to a large amount of supply). The vacancy reduction during H1 2025 was driven by continued tenant demand for prime grade stock as net absorption of 22,683 sqm was recorded for prime grade buildings.

Secondary grade vacancy remained stable during H1 2025 at 14.9%. This was due to net absorption for the secondary grade part of the market being muted at -357 sqm. In addition, there was minimal supply in the secondary grade market.

Minimal sublease space in Adelaide CBD

As per the CBRE Q3 2025 sublease barometer, the Adelaide CBD had minimal sublease space available, totalling c.3,000 sqm. Over the past 12 months sublease space available in the Adelaide CBD has decreased by close to 7,700 sqm, given the strong leasing market conditions.

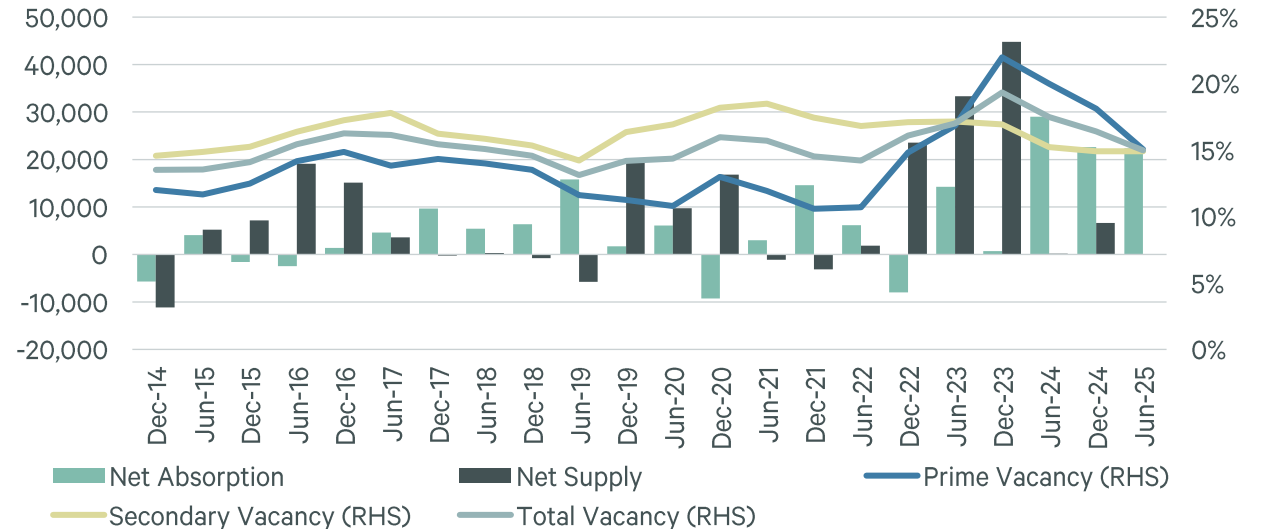
The Adelaide CBD sublease vacancy rate as of Q3 2025 stood at just 0.2% with all available sublease space attributed to tenants contracting their space.

FIGURE 7: Adelaide CBD Office | Leasing Market Summary

Market/Grade	Inventory Jul 25	Vacant Space Jul 25	Vacancy Rate Jul 25 (6month Diff)	Net Absorption 6 months
Prime	753,338 sqm	113,407 sqm	15.1% (-3.0 pp)	22,683 sqm
Secondary	817,029 sqm	121,702 sqm	14.9% (-0.0 pp)	-357 sqm
Total	1,570,367 sqm	235,109 sqm	15.0% (-1.4 pp)	22,326 sqm

Source: PCA

FIGURE 8: Adelaide CBD Office | Six Month Net Absorption (sqm) Net Supply (sqm) and Vacancy (%)



Sources: PCA, CBRE Research

Rental Performance

Solid rent growth in the Adelaide CBD office market

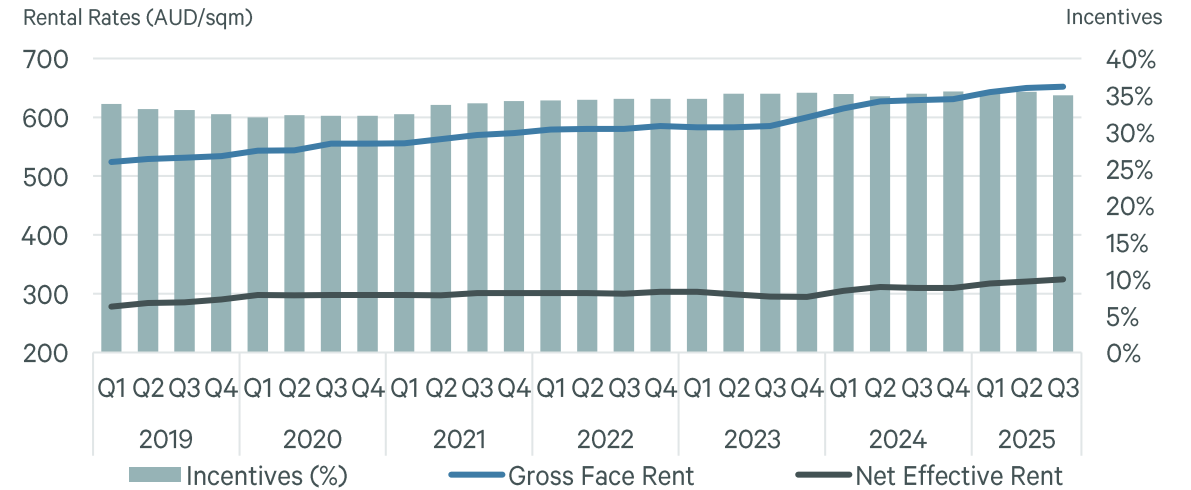
Gross rents in the Adelaide CBD have been seeing solid growth over the past 24 months as face rents have trended up due to the strong occupier market and increases in outgoings. Rent growth has been more prominent in prime grade assets over the past 24 months given the stronger demand and repositioning of Gen1 assets that are commanding higher average rental rates. Regenerated buildings with upgraded lobbies and amenities are attracting strong interest as tenants seek quality at more affordable price points than brand new towers.

During the quarter average prime gross rents increased by 0.3% q-o-q and 3.7% y-o-y to \$652 per sqm. Prime incentives decreased slightly by 45 bps q-o-q to now average 35% leading to average prime net effective rent growth of 1.2% q-o-q and 4.6% y-o-y to now average \$324/sqm.

Rents in the secondary grade market also saw continued growth during Q3, increasing by 0.2% q-o-q and 4.5% y-o-y to now average \$413/sqm (gross basis). Some changes to enhance the sample basket of properties in the prior quarter has contributed to the stronger y-o-y comparison. Secondary grade incentives remained stable during Q3 averaging 42%.

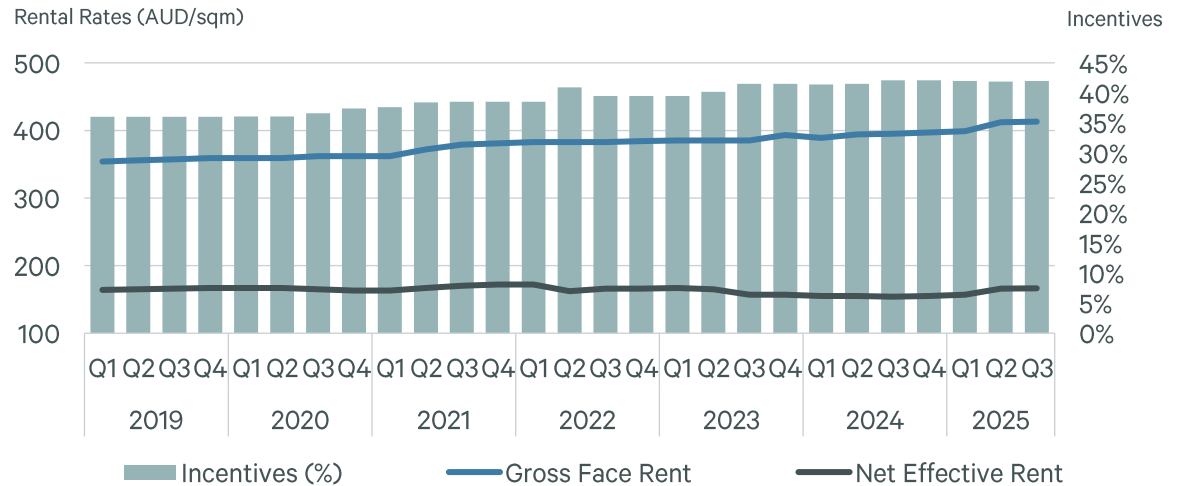
Looking ahead, Adelaide’s office market is expected to see continued rental growth driven by the positive demand fundamentals and the repositioning of Gen1 assets which are attracting strong tenant interest and rental premiums. The upcoming supply from 50 Franklin St and Market Square developments, however present a headwind to market vacancy.

FIGURE 9: Adelaide CBD Office | Prime Gross Face Rents, Net Effective Rents, and Incentives



Source: CBRE Research

FIGURE 10: Adelaide CBD Office | Secondary Gross Face Rents, Net Effective Rents, and Incentives



Source: CBRE Research

Investment Market

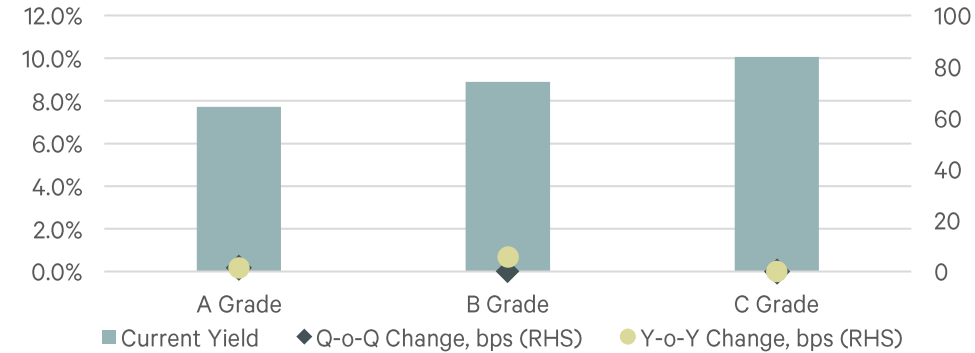
Adelaide office market yields largely stable in Q3

Investment transaction volumes in Adelaide’s office market in the first nine months have remained muted relative to historic activity. Around \$170 million of transactions have been recorded in the CBD and suburban markets (transactions ≥ \$5 million) year to date, running below the 10-year annual average of c.\$570 million. In the CBD, the most notable transaction this year has been Centennial’s acquisition of 63 Pirie Street acquired from Raptis Investments for \$50.5 million. Notable assets to transact outside the CBD during Q3 2025 include 176-180 Port Road which was divested by Maxima Training for \$15.2 million and 134 Fullarton Road in Rose Park which has sold for \$11.1 million.

Adelaide CBD office midpoint yields remained largely stable during Q3 2025. Prime grade yields currently average 7.7% and secondary grade yields average 9.5%.

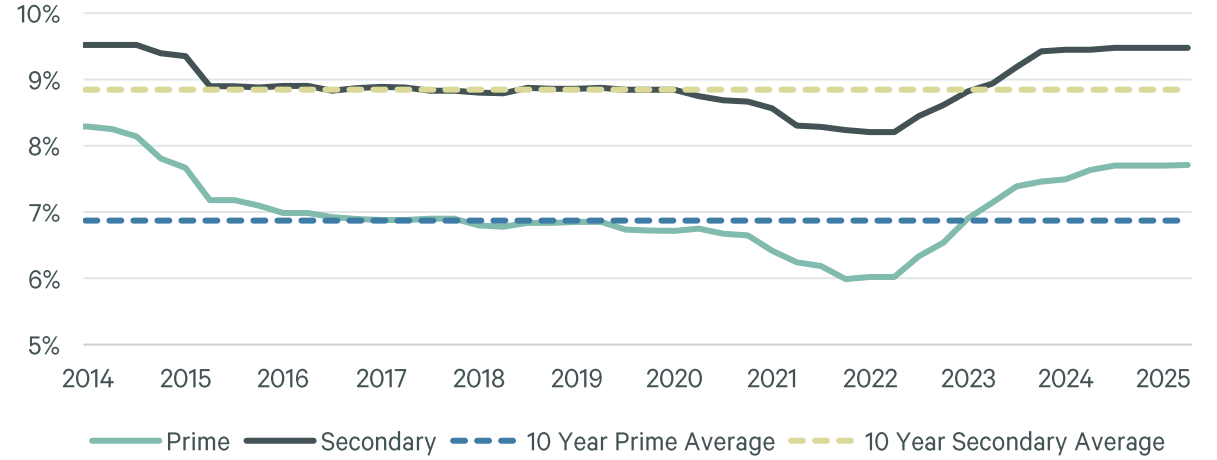
Investment volumes should begin to see an uplift given the improving clarity emerging for the office investment market due to falling interest rates. The Reserve Bank of Australia has cut interest rates by 75 basis points (as of Oct-25), and market expectations imply a further 35 bps of rate cuts in the coming year – as per the 02 October 2025 ASX 30 Day Interbank Cash Rate Futures Implied Yield Curve. The relative value of Adelaide should also start to attract buyers back into the market, in addition to the significant government investment in the defence sector which is driving solid leasing market fundamentals.

FIGURE 11: Adelaide CBD Office | Q3 2025 Yield by Grade and Yield Change



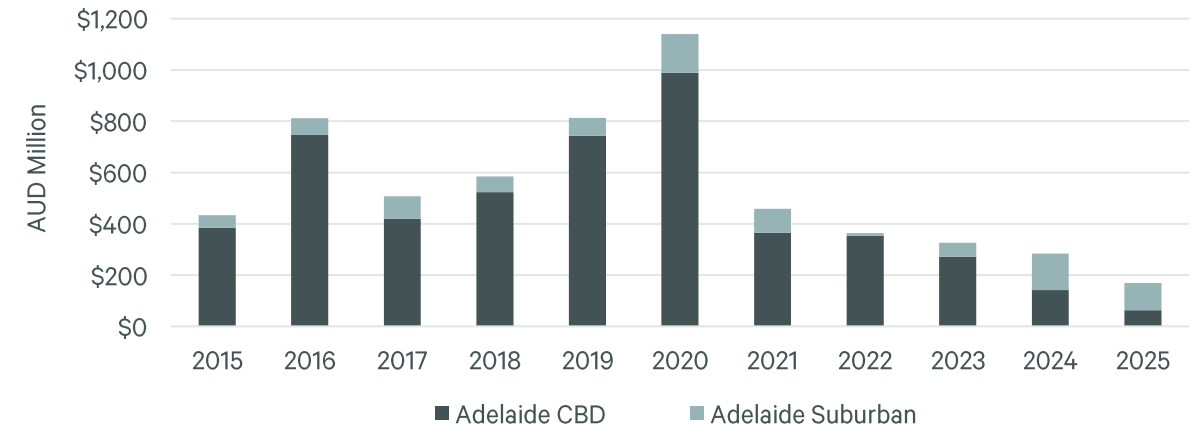
Source: CBRE Research

FIGURE 12: Adelaide CBD Office | Prime and Secondary Yields vs 10-year Averages



Source: CBRE Research

FIGURE 13: Adelaide Office | Investment Sales by Submarket ≥ \$5m (AUD millions)



Source: CBRE Research
To note: Includes medical offices.

Contact

Research

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