

Creating Resilience

Australian CBD Retail Vacancy H2 2025

LOCAL RESPONSE
AUSTRALIA

CBRE RESEARCH
FEBRUARY 2026

CBRE

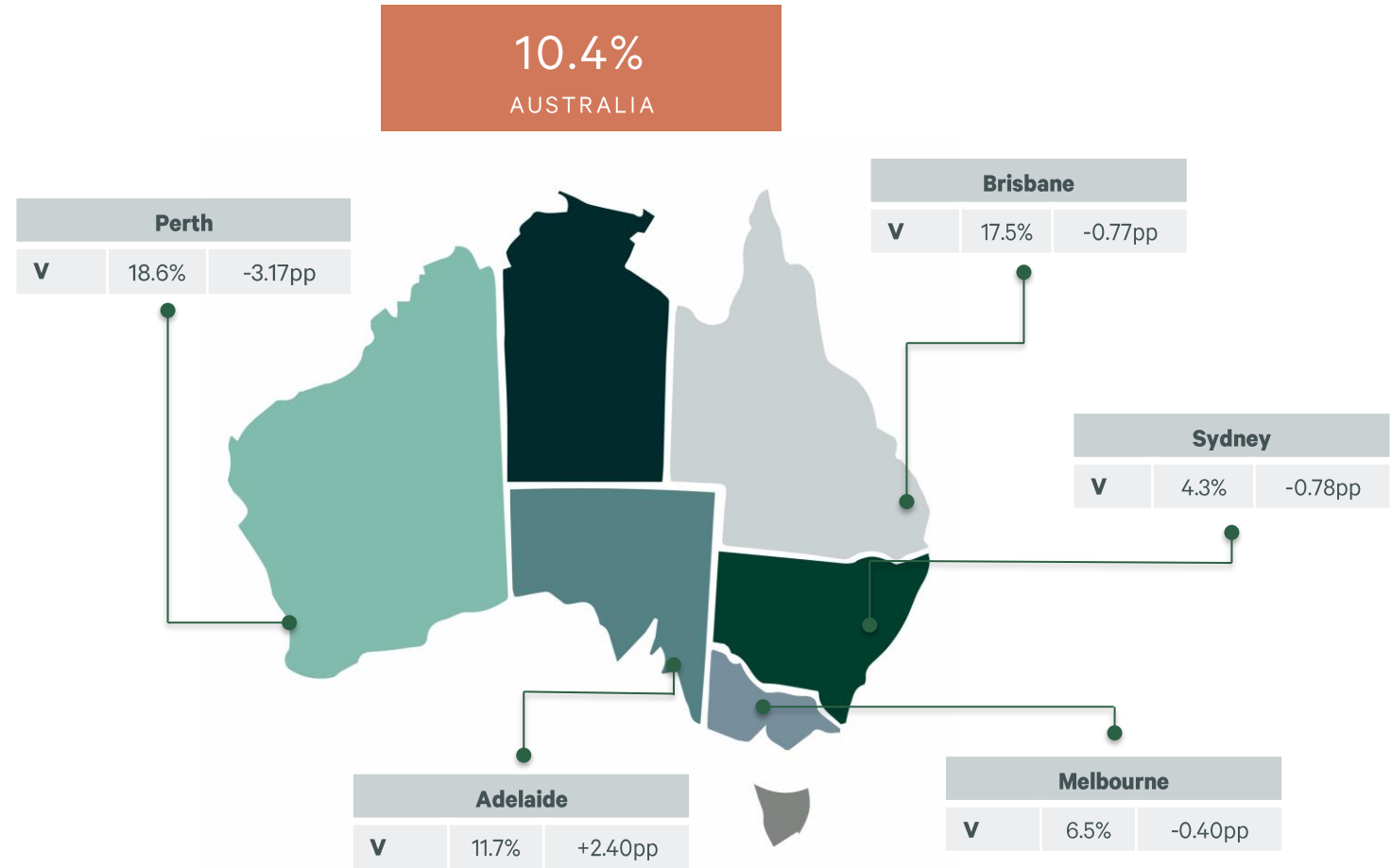


Executive Summary

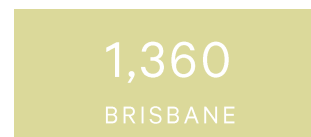
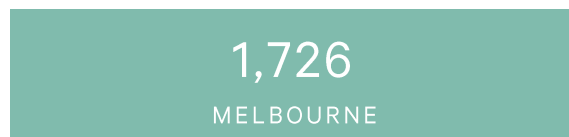
CBD retail vacancy in Australia, as surveyed by CBRE Research is 10.4% (weighted) as of H2 2025. This represents a 73 bp decrease from the previous figure of 11.1% recorded in H1 2025. Vacancy has tightened nationally to the lowest level since the count began in H1 2021. Continued return to office momentum, coupled with increased tourism, events, infrastructure and international student inflows, has led to increased foot traffic in CBDs, supporting occupier appetite for floorspace.

Of the five capital cities surveyed, Sydney recorded the lowest vacancy (4.3%) which was in part due to construction at the MetCentre removing a number of previous vacancies from the count. This was followed by Melbourne (6.5%) which saw vacancy decline despite two new centre openings. Perth's CBD retail vacancy experienced a significant improvement, decreasing by 317 bp during H2 2025 to 18.6%. This is the lowest Perth CBD retail vacancy rate that has been recorded since H1 2021, when the CBD retail vacancy series began. Brisbane saw a reduction of 77 bp to 17.5% while Adelaide saw a slight jump in vacancy to 11.7%, the only capital to see an increase.

CBRE surveyed 5,695 CBD retail outlets for this vacancy report. Due to its large CBD retail core, Melbourne has the highest number of surveyed CBD retail outlets of any city at 1,726 which is followed by Sydney (1,503), Brisbane (1,360), Perth (684) and Adelaide (422).



Total No. Surveyed CBD Retail Outlets = 5,695 stores



Note: "pp" represents percentage point.

Note: Vacancy is calculated by no. of retail tenancies vacant.

Australian Retail Outlook

Despite persistent cost-of-living pressures the Australian retail sector has demonstrated remarkable resilience. However, this optimism is tempered by slower domestic growth and ongoing uncertainty in global trade, which continue to weigh on overall expectations.

Household spend has remained buoyant, with discretionary spending expected to remain consistent in 2026. Household spending rose 1.0% in November, following a rise of 1.4% in October and 0.4% in September. Household spending is now 6.3% higher than the same time last year, bolstered by improving consumer confidence. Growth in household spending was broad, with eight of the nine spending categories rising in November, supported by Black Friday sales.

The Reserve Bank of Australia's decision to increase interest rates in its latest meeting tempered what could have been a strong gain in consumer sentiment. The Westpac-Melbourne Institute Consumer Sentiment Index declined 9.0% to 94.5 in December from 103.8 in November. Australian consumer confidence saw a year of ups and downs, ultimately ending on a more optimistic note. While a promising November bounce proved short-lived, confidence levels have stabilised and improved from the pessimism that marked much of the year. Although outright optimism remains a challenge, the Australian consumer appears to be cautiously optimistic as the year concludes.

Continued momentum for workers returning to the office has also played a key role in supporting CBD retail performance. Average office occupancy across Australian CBDs reached 73.5% of pre-COVID levels in Q3 2025, up from 72.7% in Q2 2025. The increased stability has positively influenced leasing momentum for occupiers, fostering greater confidence in daytime visitation.

Limited new retail development in CBDs has helped sustain tenant demand. Historically, CBDs have accounted for just 4.2% of total retail supply over the past decade. A number of new infrastructure projects such as the metro in Sydney and Melbourne as well as the opening of Mecca, 260 Collins and the Walk Arcade in Melbourne should help bring more people into the CBD and create more vibrancy in core precincts.

FIGURE 1

Historic Australia Retail Vacancy

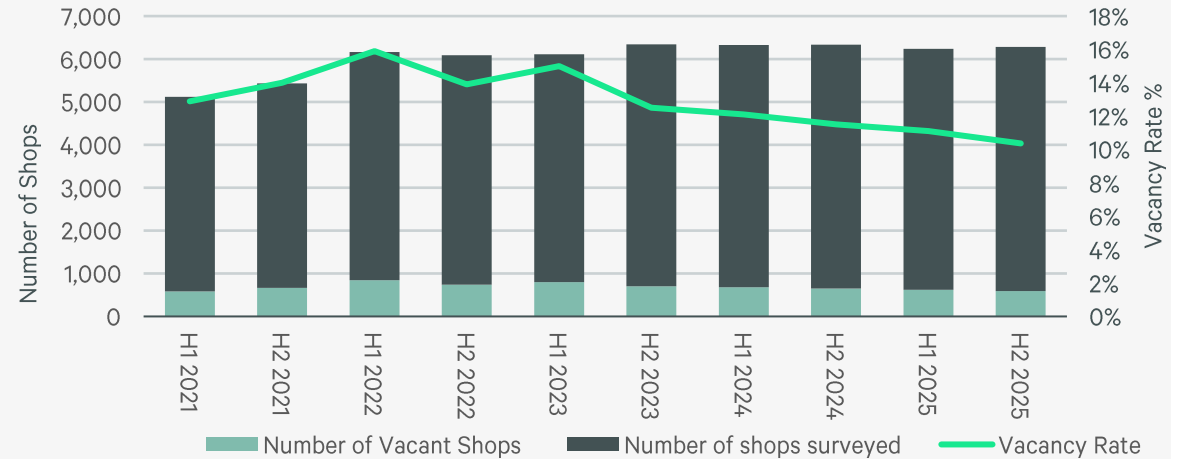


FIGURE 2

Westpac-Melbourne Institute Consumer Sentiment Index



Source: Westpac-Melbourne Institute CBRE Research

Sydney

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AUSTRALIA



Sydney – CBD Retail Breakdown

Sydney CBD retail vacancy tightened by 78 bp in H2 2025, marking the fifth consecutive half-year decline since H1 2023 from a previous peak of 10.8%, with total vacancy now at 4.3%. Arcade retail saw the largest fall, dropping 164 bp to 4.7%. Improved occupancy across CBD arcades, including the Dymocks Building (12% vs 18% previously), highlights the appeal of curated, heritage retail spaces where compact layouts and character allow retailers to stand out and capture concentrated foot traffic.

Strip retail vacancy fell 86 bp to 5.4%. The core CBD continues to attract global and domestic brands securing flagship positions, supported by limited prime space and improved trading conditions. Notable openings include Nespresso on Pitt Street and Cotti Coffee on Castlereagh Street. Occupiers remain focused on high-exposure sites to drive customer acquisition, omnichannel strategies and brand positioning.

Centre retail vacancy edged down to 3.4% (-20 bp), underpinned by stable consumer spending, extended trading hours and longer dwell times, with premium retailers and emerging food and beverage operators sustaining occupancy.

Two flagship Pop Mart stores opened in H2 2025 on Pitt Street and the George Street frontage of World Square. The brand’s growth reflects strong engagement with younger urban demographics, particularly Gen Z and early-career Millennials, supported by discretionary-spending-aligned product mixes, repeat visitation and strong sales density in CBD catchments.

Australia’s population is projected to rise 12% between September 2025 and 2034, with NSW growing 9% (Deloitte Access Economics). This expansion will enlarge the consumer base, supporting higher retail, hospitality and personal-services demand. CBRE estimates the demographic uplift could generate an additional \$4.7 billion in annual retail spending, with NSW capturing a disproportionate share as a key employment and education hub.

The Sydney Metro has reshaped CBD movement patterns, improving accessibility and redistributing pedestrian flows across core retail corridors. Enhanced connectivity between transport, commercial and leisure uses has increased dwell times and trading performance, driving demand from retailers seeking consistent, all-day foot traffic rather than reliance on peak office hours.

Source: CBRE Research

FIGURE 3

Breakdown of Sydney CBD Retail Tenancies

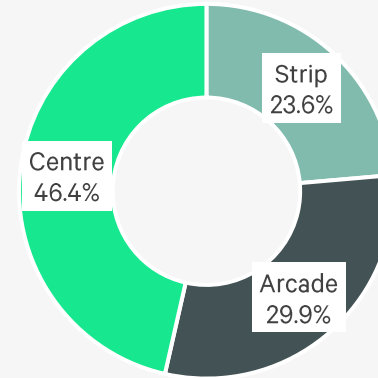


FIGURE 4

Historical Vacancy Rate

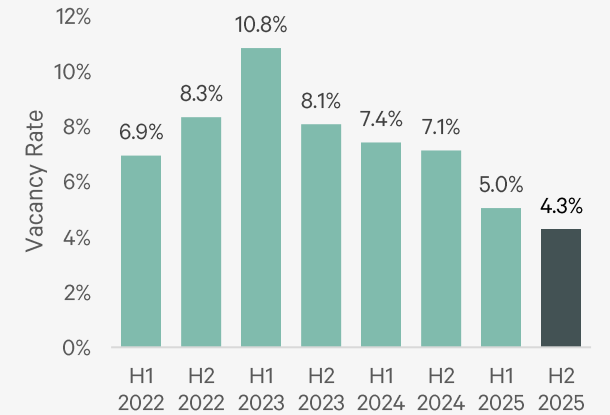


FIGURE 5

Breakdown of Sydney CBD Retail Vacancy

Strip	Arcade	Centre
5.4%	4.7%	3.4%
-86 bp	-164 bp	-20 bp

General Trends

1. Clothing and soft goods continue to be prominent within Sydney CBD, making up around one third of the assessed area.
2. Core vacancy compressed sharply, while non-core vacancy improved marginally.
3. Arcade and centre retail lead the tightening, while strip retail remains slightly higher but improving.

Sydney – CBD Retail Breakdown

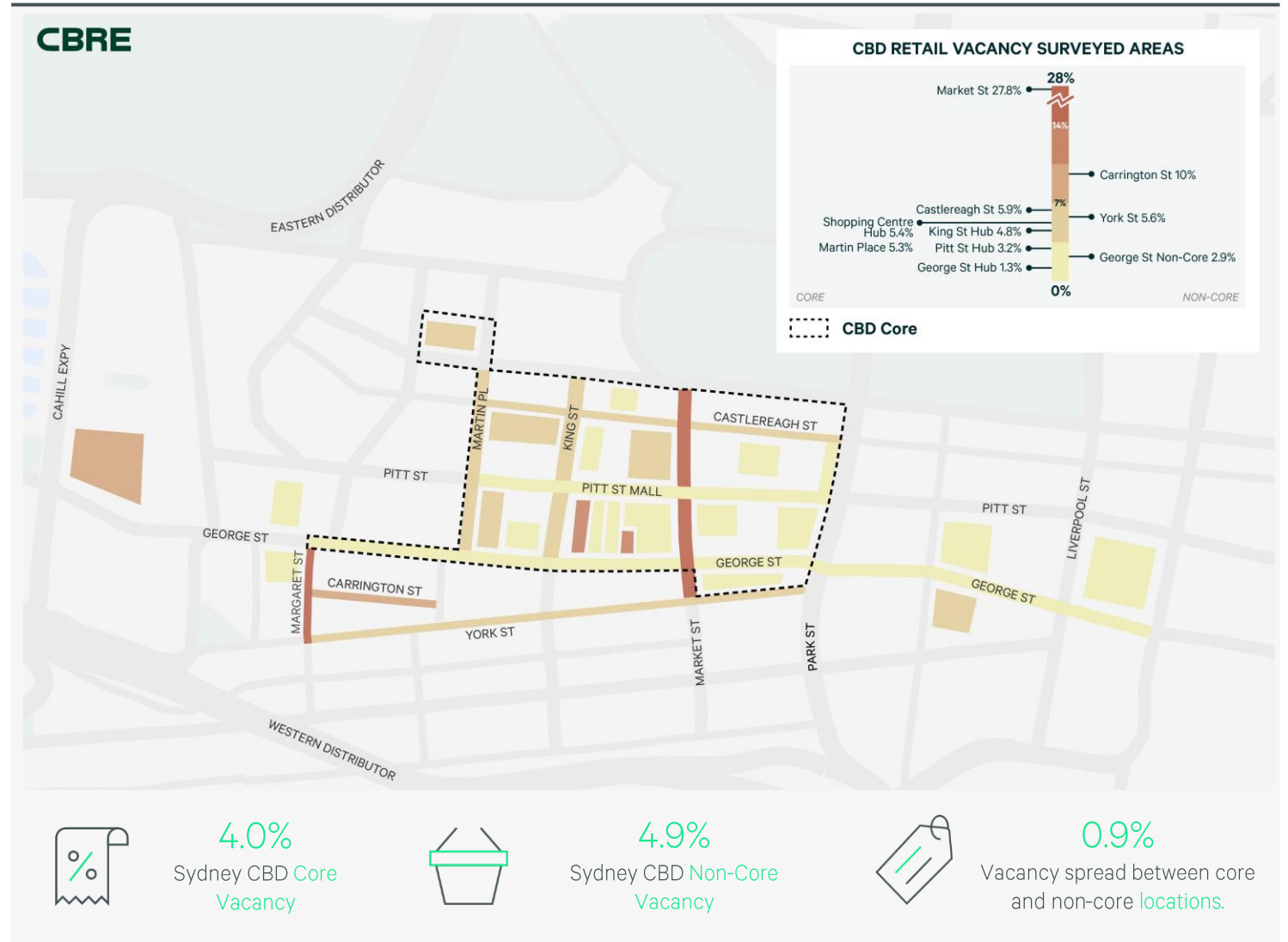
Core and non-core vacancy gap widens

The gap between core and non-core Sydney CBD retail vacancy has widened. As at H2 2025, core vacancy stood at 4.0% and non-core at 4.9%, compared to 5.0% and 5.2% six months earlier.

Core areas in CBD arcades recorded the most significant tightening, falling 151 bp to 4.4%. This was supported by active leasing within the Dymocks Building, including boutique stores like Diamonds Factory Australia. Core strip and core shopping centre vacancies compressed to 3.7% and 3.5% respectively.

Core vacancy in Sydney’s retail precincts is anticipated to continue tightening as strong underlying demand persists across the city’s prime corridors. This is being supported not only by enhanced accessibility from expanded metro and light rail networks and rising weekday foot traffic from returning office workers and tourists, but also by constrained volumes of new supply, robust household spending growth and inflows of international brands and experiential operators targeting flagship visibility in the CBD and key strip locations

In non-core areas, overall vacancy compressed to 4.9%, with arcades experiencing the highest vacancy at 9.1%. However, CBD shopping centres remained the most sought-after locations, with a vacancy rate of 3.3%, suggesting that in locations with more subdued pedestrian flows and lower office worker concentrations, retailers are increasingly gravitating towards centres anchored by dominant retail nodes and strong food-led offerings. Vacancy across non-core strip retail also edged lower to 7.2%, signalling a gradual improvement in leasing demand.



Melbourne

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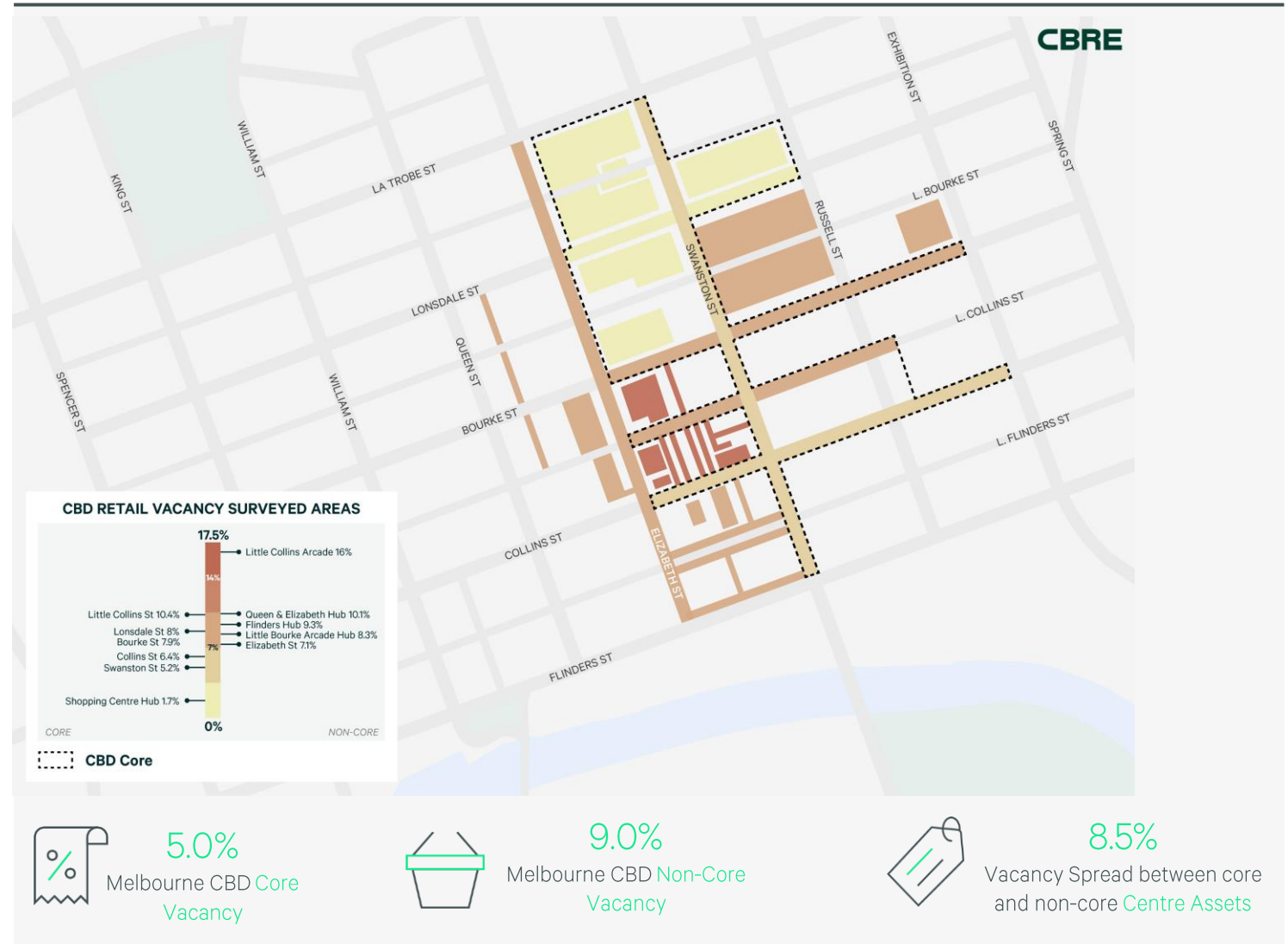
Melbourne - CBD Retail Breakdown

Experiential F&B offerings accelerate the revival of non-core precincts

Melbourne CBD vacancy levels continue to exhibit a distinct divergence between core and non-core areas, albeit at a slower pace. CBRE research estimates the core CBD vacancy rate at 5.0%, highlighting a stark contrast with non-core vacancy levels, which are estimated at 9.0%. Although non-core vacancy rates remain high, these areas have experienced robust activity in the past six months, evidenced by a 0.9% decline in non-core vacancy.

The gap between core and non-core retail precincts has further narrowed to 4%, down from 5% in H1 2025. Despite the challenges in the non-core areas (reduced visibility and lower footfall), average levels across key precincts match total vacancy levels observed in recent years. This indicates that the vacancy in non-core areas has been on a downward trajectory, although at a gradual pace. A key driver of this trend has been the rise of experiential, visually distinctive F&B concepts, which have gained strong traction with consumers. These operators are increasingly drawn to fringe and secondary locations due to more affordable rents, greater flexibility in fit-outs and a consistent level of demand. As a result, non-core precincts have become more appealing to tenants seeking to differentiate their brand offering while avoiding the cost pressures of prime high-street space. This shift has supported ongoing absorption in historically softer pockets of the city and contributed to the gradual tightening of vacancy across the broader retail landscape.

We expect Melbourne's CBD vacancy rates to slightly dip further in the short term, driven by the completion of significant developments, including mixed-use towers, transport infrastructure such as the Metro Tunnel and revitalised retail precincts.



Melbourne – CBD Retail Breakdown

Melbourne’s CBD retail vacancy nudges lower, while core-non-core converge further

Melbourne's CBD retail vacancy tightened by 40 bp over the six months to December 2025 (H2 2025), reaching an average of 6.5%.

Strip retail vacancy declined to 7.1% (-80 bp) over the past six months, reflecting a gradual improvement in occupancy as demand stabilises across high-visibility locations. Arcade vacancy also edged lower, easing to 9.6% (-30 bp), indicating modest gains in tenant retention and leasing activity. This soft contraction may be supported by rising foot traffic tied to tourism recovery; however, vacancy levels remain somewhat elevated, suggesting persistent structural challenges such as dated layouts, limited visibility, and operational constraints that continue to weigh on performance.

In contrast, centre vacancy increased to 4.5% (+10 bp), signalling a potential imbalance between tenant mix and shifting consumer preferences. Many centres are navigating a transition, with high-end athletic footwear and performance sportswear brands increasingly replacing traditional fashion retailers. This shift is prompting landlords to recalibrate leasing strategies and reconfigure precincts to attract wellness-oriented and lifestyle-driven operators, aligning centre offerings with contemporary demand patterns.

A wave of flagship stores and strategic upgrades is bringing renewed energy to CBD retail

Melbourne’s CBD is undergoing a major retail uplift, led by the Melbourne Walk redevelopment (309-325 Bourke Street), which is strengthening demand and activating surrounding precincts. Several arcades have also completed upgrades in H2 2025, including the repositioned 260 Collins Street, now offering a refined mix focused on health, wellness and fashion. Recent flagship openings continue to lift CBD momentum, with Lacoste unveiling a 190 sqm concept store, complemented by a new multi-level Mecca emporium and JD Sports’ 1,600 sqm, two-level flagship, expanding the city’s roster of major destination retail formats.

Together, these projects reflect a broader shift toward asset enhancement as landlords compete for higher-quality tenants. With newly delivered stock still moving through leasing and fit-out stages, the CBD is in a transitional absorption phase. As openings progress, retailers are expected to adopt more proactive leasing strategies, potentially tightening vacancy toward a long-term average of 4.0%.

Source: CBRE Research

FIGURE 6

Breakdown of Melbourne CBD Retail Tenancies

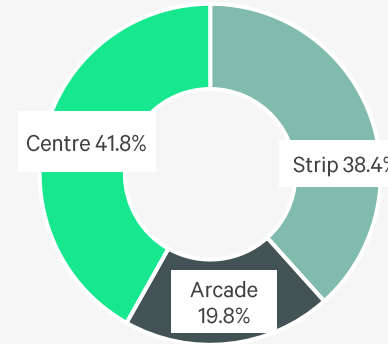


FIGURE 7

Historical Vacancy Rate

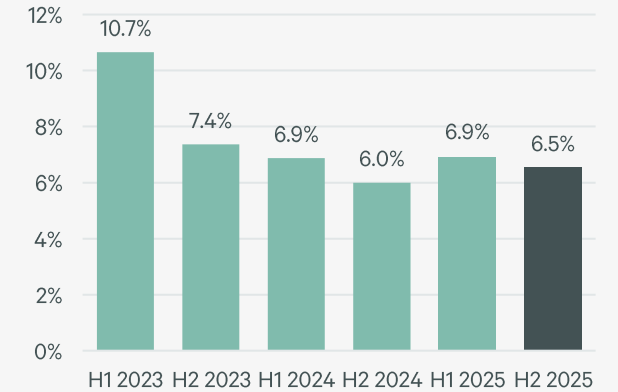


FIGURE 8

Breakdown of Melbourne CBD Retail Vacancy

Strip	Arcade	Centre
7.1%	9.6%	4.5%
-80 bp	-30 bp	+10 bp

General Trends

1. Food & beverage and fashion retailers continue to dominate Melbourne’s CBD, collectively accounting for approximately 51% of the surveyed area as of H2 2025.
2. Multiple asset owners are making significant investments in the redevelopment of existing properties, focusing on modernising spaces to meet evolving consumer needs. With many now completed, these are on track to attract more visitors and boost foot traffic in Melbourne's CBD.
3. Core areas like Bourke Street Mall, Collins Street and Elizabeth Street report the lowest vacancy rates due to high pedestrian traffic, mixed-use developments and infrastructure upgrades.

Brisbane

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Brisbane – CBD Retail Breakdown

Brisbane’s CBD retail vacancy continued to trend downward in H2 2025, decreasing by 77 bp to 17.5%. This represents the third consecutive half yearly decline since H2 2024. Brisbane’s retail sector has continued to benefit from the CBD’s strong growth in return to office numbers, with average attendance improving to 85.6% in Q3, compared to 81.2% in the prior quarter, while peak day attendance reached 92.8%. Queensland’s permanent 50 cent public transport fares has been a key driver of improved office attendance in the CBD. In addition, several new infrastructure and transport projects have enhanced accessibility, increasing CBD visitation and supporting retail activity. Notable projects include the Kangaroo Point Bridge, as well as the Brisbane Metro project. Major events have also supported increased foot traffic during the period, including the Brisbane Riverfire Festival in September and a range of Christmas celebrations, such as markets and festive events.

The decrease in overall CBD retail vacancy was partly attributable to an 18 bp decrease in CBD strip vacancy. Demand for core strip locations remains prevalent, with major retailers continuing to secure flagship tenancies in strip areas, with both food and beverage (F&B) and fashion retailers remaining prominent. The most notable flagship is the international F&B retailer, Wendy’s Burgers, opening a new store on the corner of Adelaide Street and Queen Street mall, a core CBD location. Leasing activity has also been evident among hospitality operators, with several new restaurants opening over the past 6-12 months, including Golden Avenue by the Andyday group on Edward street. Convenience retailer continues to expand across the CBD, with operators such as Quickstop and Ezymart opening multiple new stores over the past year. Whilst overall vacancy has declined over the period, a clear divergence remains between core and non-core areas, with non-core locations exhibiting significantly higher vacancy compared to core locations. Demand for core locations remains prominent among luxury retailers seeking flagship positions within prime strip locations.

Within CBD centres, overall vacancy decreased by 163 bp in H2 2025 to 27.3%. This improvement was largely driven by core centres, with the opening of several new F&B and apparel retailers, as well as a number of pop-up stores, which skew vacancy numbers. Arcade retail vacancy also tightened, declining by 303 bp to 7.6%, although this figure is skewed by the small survey size. Notably, Brisbane saw the opening of a new Birkenstock store within the Arcade during the period.

Source: CBRE Research

FIGURE 9

Breakdown of Brisbane CBD Retail Tenancies

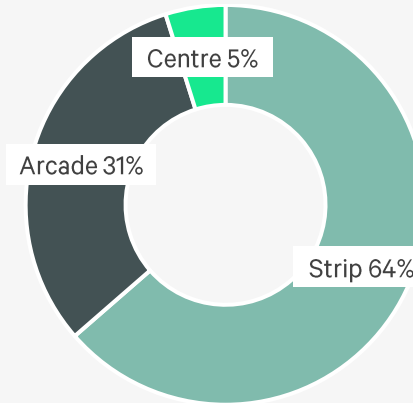


FIGURE 10

Historical Vacancy Rate

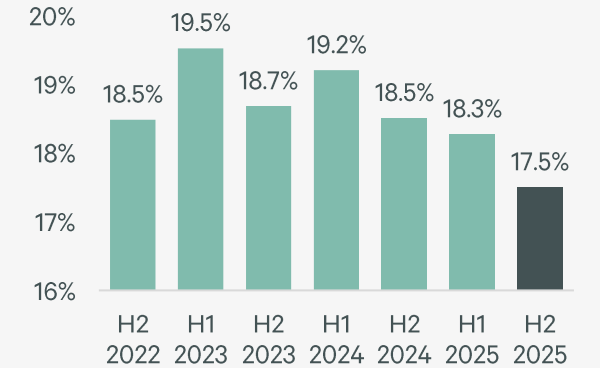


FIGURE 11

Breakdown of Brisbane CBD Retail Vacancy

Strip	Arcade	Centre
13.4%	7.6%	27.3%
-18 bp	-303 bp	-163 bp

General Trends

1. Food and Beverage (F&B) retailers continue to dominate Brisbane’s CBD, with several new openings across both strip and shopping centre locations.
2. Both core and non-core locations record tightening, largely led by shopping centres. Despite this improvement, a clear disparity remains between vacancy rates in Brisbane’s CBD core and non-core areas.
3. Queensland’s permanent 50 cent public transport fares has boosted food traffic in Brisbane’s CBD, attracting several new retail brands in both F&B and fashion sectors.

Brisbane – CBD Retail Breakdown

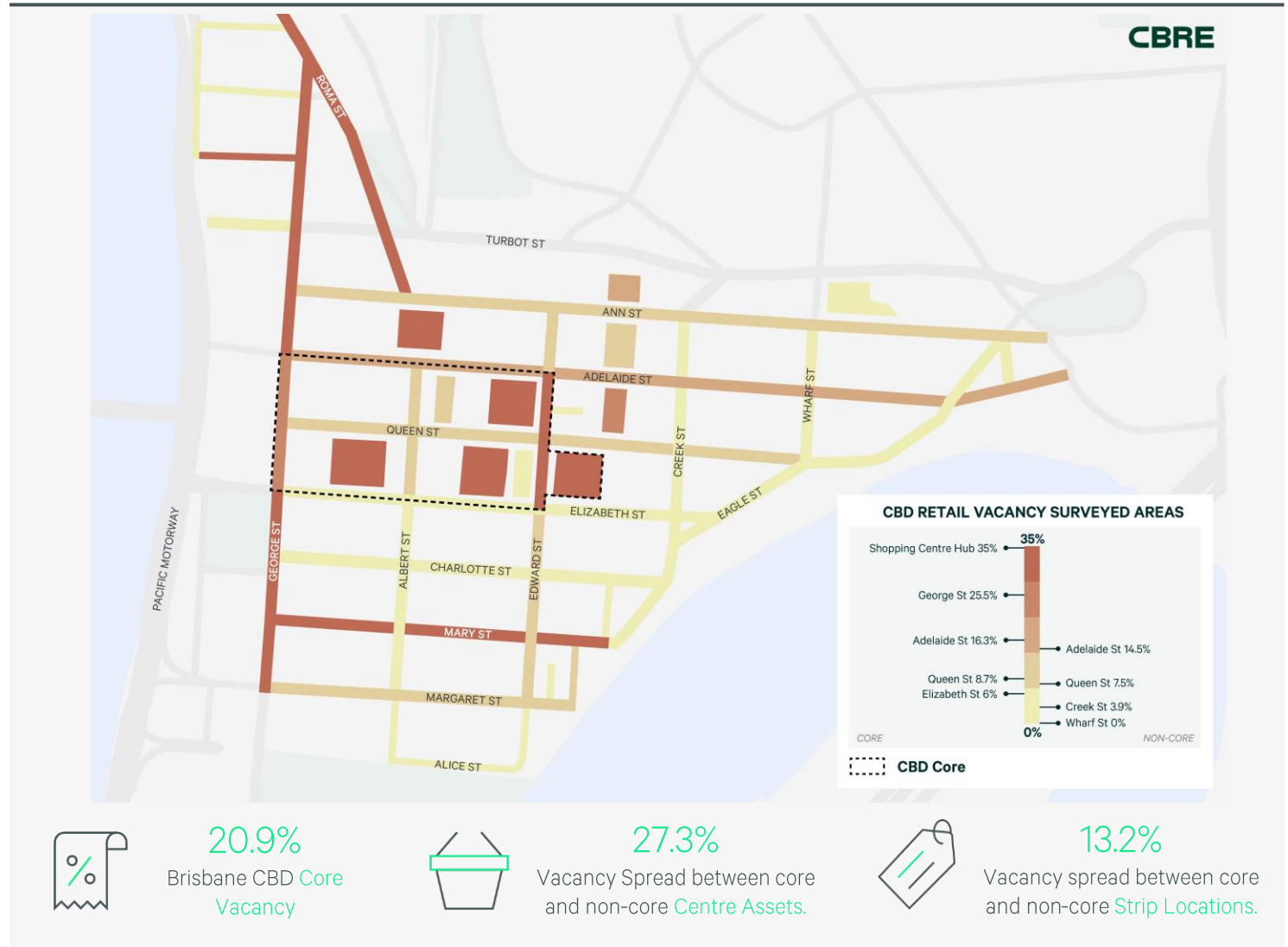
A clear divergence persists across CBD core and non-core

Brisbane CBD vacancy levels continue to show a clear disparity between core and non-core areas. CBRE research estimates core CBD vacancy at 20.9%, which is significantly tighter than non-core locations at 14.3% on average.

In the core CBD centres, vacancy tightened by 225 bp to 29.3%, largely driven by higher occupier demand for space within super prime grade centres. While non-core centre vacancy expanded by 135 bp to 17.57%, highlighting major tenant preference for high visibility locations in established centres.

The gap between core and non-core strip retail vacancy tightened, with non-core strip vacancy declining by 43 bp. However, a clear divergence remains, with core strip retail recording the tightest vacancy of 11.06%, contrasted by 13.9% in non-core strips. Tight vacancy in core strip locations can be attributed by strong demand for flagship retail spaces in the CBD.

Vacancy levels across core and non-core areas of the Brisbane CBD are expected to remain stable in the near term, supported by the completion of major transport and infrastructure developments. These projects, coupled with continued population growth, are expected to drive higher foot traffic across Brisbane’s CBD, which will aid in supporting vacancy levels, attract a diverse mix of retailers and as such, revitalise the CBD retail precinct.



Perth

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Perth – CBD Retail Breakdown

Perth’s CBD retail vacancy has continued its downtrend reaching 18.6% in H2 2025. This is the lowest vacancy rate seen in the Perth CBD since the CBD vacancy series began in H1 2021. During H2 2025 the vacancy rate decreased by 317 bp H-o-H to 18.6% and has now decreased by 790 bp since peaking at 26.5% during H1 2022.

During H2 2025 an improvement in retail vacancy was recorded across Perth CBD’s retail strips, centres and arcades. In the CBD retail strips overall vacancy decreased by 322 bp during H2 2025 and now sits at 19.0%. In the retail strips vacancy reductions were recorded across Murray Street, Hay Street Mall, King Street, Wesley Quarter and Barrack Street. Barrack Street has been improving with the opening of new Food & Beverage (F&B) offerings, while the opening of Dior and the new flagship Camera House store contributed to an improvement at Wesley Quarter and Hay Street Mall. Within the CBD centres the overall vacancy rate decreased slightly by 81 bp during H2 2025 to now sit at 17.1%. This was primarily due to an improvement in vacancy at Enex, which has been redeveloped with a smaller but better occupied retail footprint on the ground floor. Perth CBD’s retail arcades saw the biggest vacancy improvement, reducing by 498 bp during H2 2025 to now sit at 18.7%. This was driven by an improvement across the core and non-core retail arcades, including London Court, Piccadilly Arcade, Cloisters Arcade and Plaza Arcade.

The improving vacancy in Perth can be attributed to Western Australia’s robust economic performance leading to more favourable retail leasing market conditions. The jobs market remains strong with the unemployment rate in WA sitting at just 3.9% as of December 2025, below the national rate of 4.1% and lower than WA’s 10-year average of 5.0%. WA wages are growing at the fastest rate in the country, up 4.0% y-o-y in the September 2025 quarter, above the national growth rate of 3.4%. Furthermore, WA maintains the fastest population growth rate in the country, increasing by close to 65,600 people or 2.2% in the most recent financial year, above the national growth rate of 1.5%. Overall, these favourable macro-economic conditions in WA are flowing through to consumer spending activity and supporting Perth’s retail market. The latest data from the Australian Bureau of Statistics highlights WA’s household spending growth continuing to lead the nation, increasing by 7.4% y-o-y in December 2025, above the national growth of 5.0%. Household spending across discretionary and non-discretionary retail categories in WA increased 6.4% y-o-y and 9.1% y-o-y in December 2025, respectively.

The outlook for Perth CBD retail market remains positive with the development of ECU’s 65,000 sqm Perth CBD campus (ECU City) now complete and due to open to students in the semester one 2026. ECU City is expected to significantly boost activity and the population in the Perth CBD with the campus expected to cater over 8,100 students and over 1,100 staff from 2026, increasing to over 10,000 students and over 1,500 staff by 2030 according to ECU.

Source: CBRE Research

FIGURE 12

Breakdown of Perth CBD Retail Tenancies

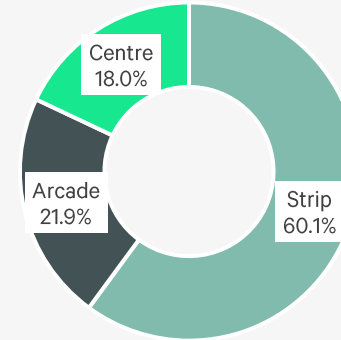


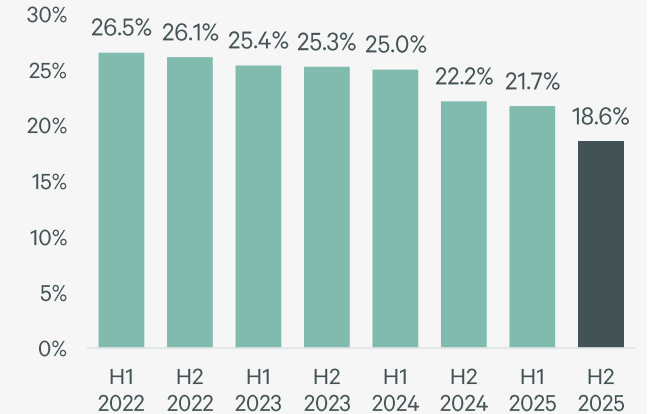
FIGURE 14

Breakdown of Perth CBD Retail Vacancy

Strip	Arcade	Centre
19.0%	17.1%	18.7%
-322 bp	-81 bp	-498 bp

FIGURE 13

Historical Vacancy Rate



General Trends

1. Heightened leasing conditions on Murray Street Mall and luxury precinct west of the Murray Street Mall. The relocation of Apple store there in H1 2025, and Dior opening its doors during H2 2025 has added to the consolidation of the major luxury brands in recent years. This is capturing the interest of additional international retailers, such as watch and jewellery retailers who are considering new stores in Perth.
2. Appetite for F&B retail is growing with new retailers considering options in the Perth CBD due to WA’s robust macro economic conditions, positive outlook due to the opening ECU City, growth in the city’s student accommodation sector and tourism numbers.
3. With an overall vacancy rate of 11.9% Perth’s core CBD strips (particularly Murray Street Mall) continue to significantly outperform non-core strips with a 10.4 percentage point vacancy spread as of H2 2025.

Perth – CBD Retail Breakdown

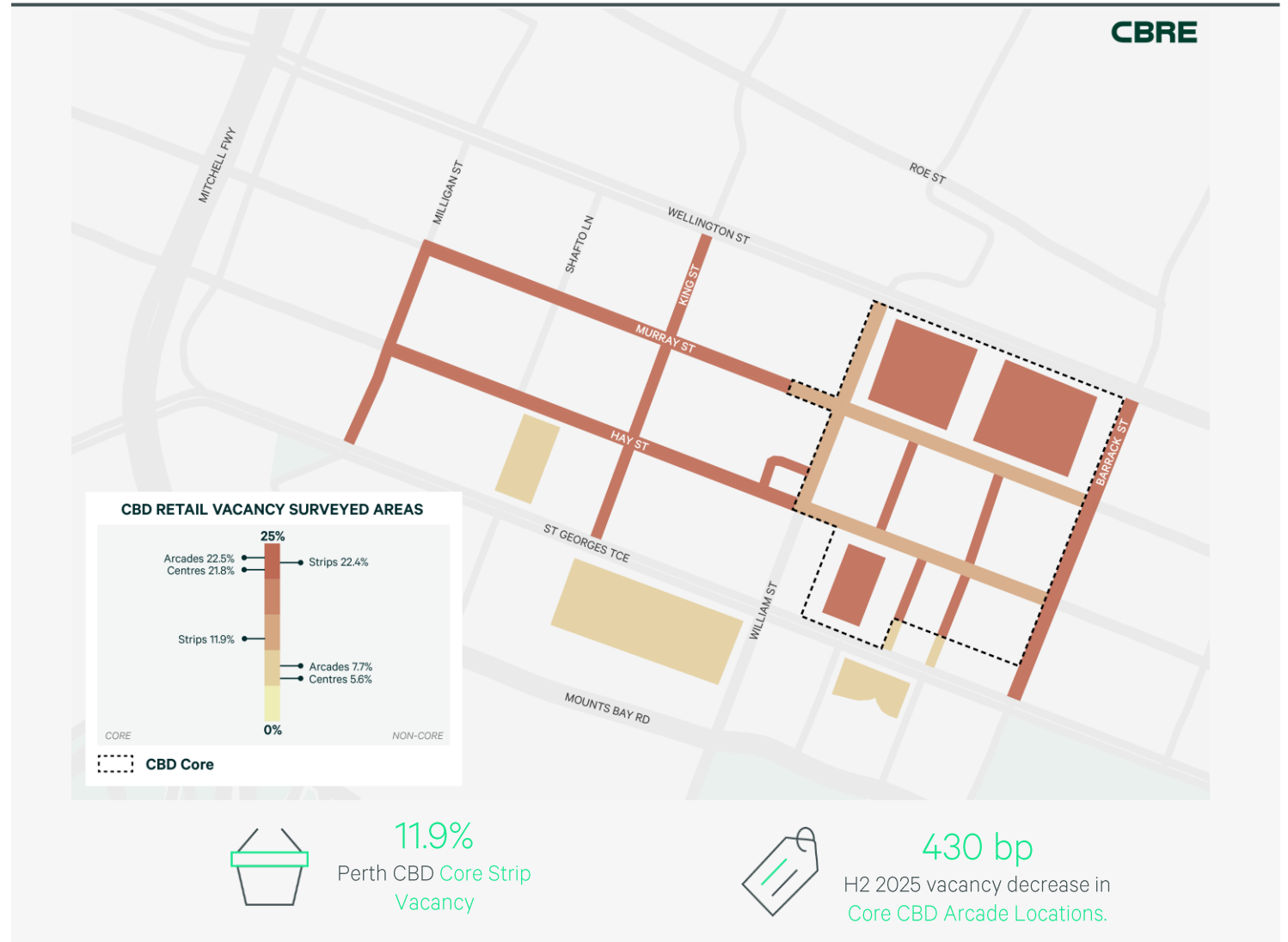
Core strips outperforming

Perth’s CBD retail vacancy levels show a clear divergence between core and non-core strips. Core strips which include the Hay Street Mall, Murray Street Mall, William Street and the luxury retail precinct west of the Murray Street Mall recorded an overall vacancy rate of 11.9% during H2 2025, improving by 84 bp H-o-H and remaining well below the non-core retail strip vacancy of 22.4%. The non-core retail strip vacancy (22.4%) also improved during H2 2025, decreasing from 26.7% in H1 2025.

In the core arcades which include Piccadilly Arcade, Trinity Arcade, Plaza Arcade and London Court, vacancy decreased to 22.5% in H2 2025, down from the 27.9% recorded in H1 2025. London Court showed the biggest improvement in vacancy over the past half.

In the core CBD centres, vacancy decreased to 21.8% from 23.0% in H1 2025. This was primarily due to an improvement at Enex which saw new retailers opening following its recent redevelopment.

Vacancy rates recorded in the non-core arcades and centres for H2 2025 was 7.7% and 5.6%, respectively and remains comparatively low, somewhat due to the current ‘basket size’ of outperforming arcades and centres in the survey location.



Adelaide

LOCAL RESPONSE
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Adelaide – CBD Retail Breakdown

Retail vacancy in the Adelaide CBD increased to 11.7% in H2 2025 vs 9.3% in H1 2025, reflecting a softening in tenant demand and ongoing challenges within the discretionary retail sector. The uplift in vacancy was driven by a combination of store consolidations, limited new leasing activity and the persistence of weaker foot traffic across parts of the city centre. While some prime locations continued to attract interest from national and international retailers, secondary precincts recorded a higher proportion of vacancies, contributing to the overall rise. In H2 2025, retail activity in the Adelaide CBD was bolstered by the arrival of several notable brands, including New Balance, which opened its first-ever South Australian store in Rundle Mall. The new flagship is also the largest New Balance store in Australia, highlighting strong retailer confidence in the precinct’s trading prospects. The period also saw The Body Shop return to the mall with a brand-new store in November 2025, further strengthening the CBD’s retail offering.

Within the CBD’s major centres - Rundle Place and the Myer Centre - vacancy edged higher in H2 2025, rising to 16.0%, up from 15.3% earlier in the year. The entertainment precinct on the top floor of Rundle Place continues to evolve, with several new and committed F&B operators scheduled to open in 2026. These additions are expected to further enhance the precinct’s broader entertainment offering and support future visitation. Regent Arcade continues to record some of the highest vacancy levels (27.6%) in the Adelaide CBD due to a mix of structural and market pressures, including consistently soft foot traffic along Grenfell Street, which attracts far fewer pedestrians than the Rundle Mall core. In addition, these location-specific challenges have been compounded by broader CBD-wide retail softness, particularly within discretionary categories.

South Australia’s population grew by 1.1% in 2025, remaining above the state’s long-term average and signalling a steadily expanding consumer base. At the same time, the unemployment rate held at 4.0% as of December 2025, well below the historical average of 6.3%, indicating a resilient labour market and stronger household income conditions. These macro fundamentals have underpinned tenant confidence and contributed to the ongoing appeal of the Adelaide CBD for new entrants and expansions, particularly in high-exposure precincts such as Rundle Mall.

Tourism remains a key driver in Adelaide CBD, ensuring a steady flow of visitors whose spending peaks during major event weekends, providing retailers with a valuable boost. In December 2025, Rundle Mall recorded its highest monthly spend on record of \$158 million, highlighting the crucial role of tourism, shopping and entertainment in city revenue. (Source: Adelaide Economic Development Agency)

Source: CBRE Research

FIGURE 15

Breakdown of Adelaide CBD Retail Tenancies

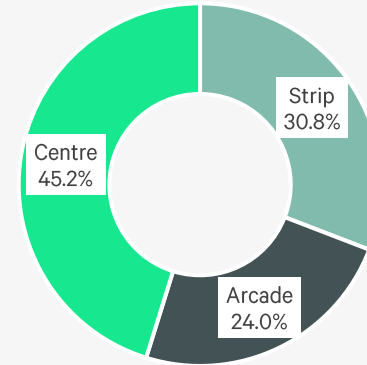


FIGURE 16

Historical Vacancy Rate

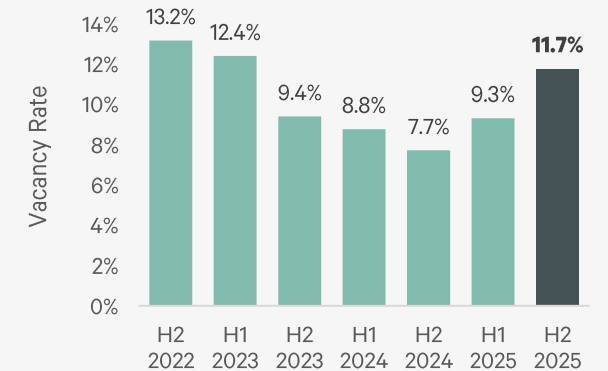


FIGURE 17

Breakdown of Adelaide CBD Retail Vacancy

Strip	Arcade	Centre
4.6%	12.9%	16.0%
+80 bp	+11.0 pp	+70 bp

General Trends

1. Retail conditions along the core Rundle Mall strip continued to soften, with the vacancy rate rising by 80 bp in H2 2025 to 4.6%, up from 3.8% in H1 2025.
2. Despite some easing in momentum, retail activity in the core Adelaide CBD showed encouraging signs in H2 2025, with new and returning retailers enhancing the tenant mix and signalling renewed confidence in the precinct. Rundle Mall continued to outperform the broader CBD, maintaining its position as the city’s strongest retail destination.
3. South Australia’s population continues to grow above historic trends, and its labour market remains historically strong, together supporting sustained growth in retail spending.

Adelaide - CBD Retail Breakdown

Rundle mall drives CBD momentum while secondary arcades see accelerating vacancy

Across the Adelaide CBD, core retail vacancy (which captures the Rundle Mall retail strip) softened by 80 bp to 4.6% in H2 2025, remaining well below the broader Adelaide CBD vacancy rate of 11.7% recorded over the same period. This divergence highlights the continued resilience of prime retail locations, where strong footfall and sustained tenant demand are supporting occupancy despite a subdued discretionary spending environment.

In contrast, non-core retail locations recorded a materially higher vacancy rate of 14.8% in H2 2025, rising from 12.3% in H1 2025. The deterioration suggests ongoing challenges for secondary retail precincts, where weaker pedestrian activity, fewer destination retailers, and competition from new suburban developments continue to exert pressure on smaller operators.

Within the non-core market, Adelaide Arcade remained the standout performer with a comparatively low vacancy rate of 5.7%. Rundle Place also performed relatively well at 8.2%, reflecting its draw as a key enclosed retail destination anchored by major fashion and lifestyle tenants.

Regent Arcade recorded the highest vacancy at 27.6%, underscoring a significant bifurcation within the CBD retail landscape.



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