

FIGURES | ADELAIDE RETAIL | Q4 2025

# Growth corridors drive pipeline as neighbourhood and LFR projects lead supply

▼ 1.3%

SA Economic Growth 2025-26<sup>1</sup>  
<sup>1</sup>Deloitte Access Economics

▲ 9.3%

CBD Vacancy Rate, H1 25

▲ 2.3%

Regional Centres y-o-y Net Face Rent Growth

▶ 6.05%

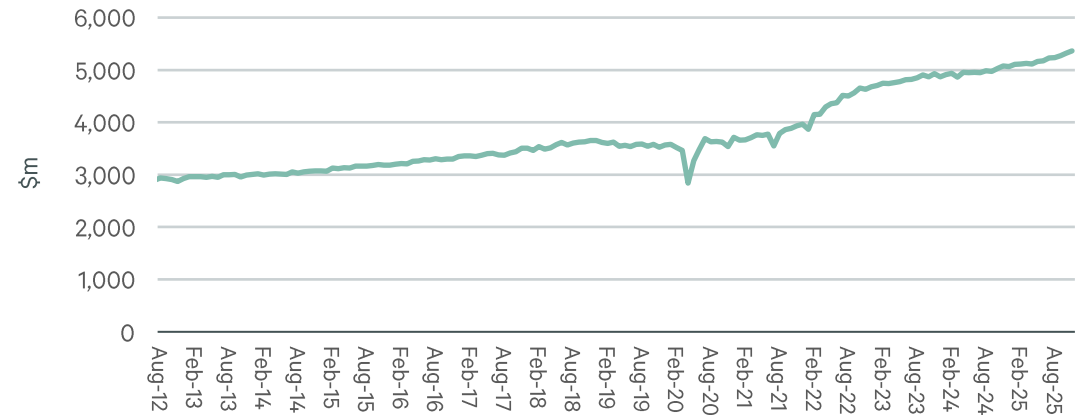
Large Format Retail Yield

Note: Arrows indicate change from previous quarter.

## Key Points

- Monthly household spending in South Australia rose by 5.7% y-o-y in November 2025, reflecting a solid rebound in consumer sentiment driven by easing cost-of-living pressures.
- There was 1,300 sqm of retail supply recorded for Q4 2025, following completion of ORTA On The Parade, a major mixed-use development. Retail supply in 2025 totalled c.22,800 sqm, slightly below the 10-year average of c.28,200 sqm p.a.
- Regional centre net face rents remained stable over the quarter but increased by 2.3% y-o-y to an average of \$1,600/sqm. Super prime CBD rents rose by 3.1% q-o-q, while LFR rents increased by 2.5% q-o-q. Average net face rents remained stable q-o-q across the other retail categories.
- Across Adelaide, c.\$261.2 million of transactions were recorded in 2025 (for transactions ≥ \$5 million).
- In Q4 2025, yields across all Adelaide retail asset classes remained stable. Over the year, regional centre yields compressed by 15 bp y-o-y to an average of 7.08%, while CBD super prime retail yields expanded by 25 bp q-o-q to an average of 5.00%.

FIGURE 1: South Australia Monthly Household Spending (Seasonally Adjusted)



+5.7%

Year-on-Year to November 25



+0.8%

Month-on-Month to November 25

Source: ABS, CBRE Research

## Economic Overview

### Australia maintains moderate growth while underlying inflation remains stubborn

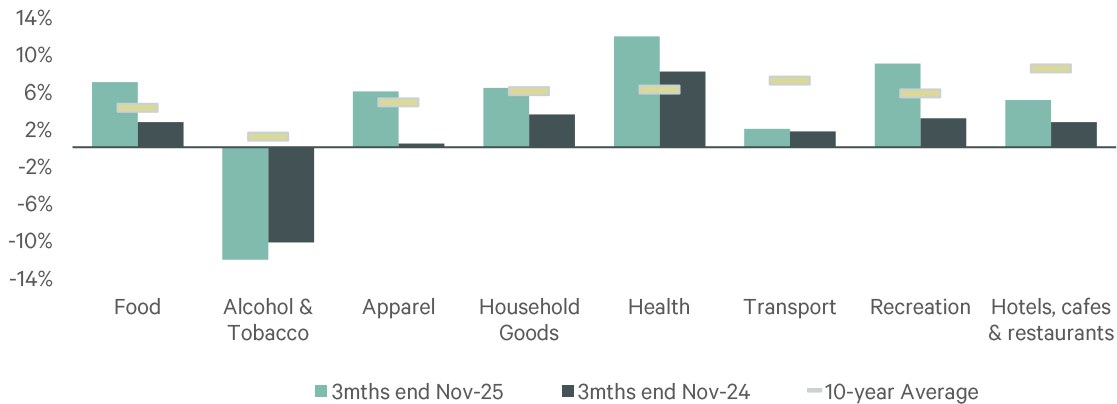
In Q3 2025, Australia's GDP grew by 0.4% q-o-q (seasonally adjusted, chain volume measures) and 2.1% y-o-y, maintaining its steady growth trajectory. GDP per capita was unchanged over the quarter, following a 0.3% increase in June.

Annual inflation rose to 3.4%, easing from a 3.8% rise in the 12 months to October 2025. Over the past year, the main contributors to inflation were Housing (+5.2%), Food and Non-alcoholic Beverages (+3.3%) and Transport (+2.7%). Underlying inflation continued to rise, driven by strong domestic demand and increasing administered prices.

### Targeted cost-of-living support underpins household spending resilience

Household expenditure continued to firm over the past year, with spending rising 5.7% y-o-y in November 2025. The state's energy bill relief, transport fare freezes and school cost subsidies played a meaningful role in stabilising household budgets. These measures were explicitly designed to ease day-to-day expenses for families, improving resilience in disposable incomes during a period of broader economic uncertainty.

FIGURE 2: South Australia Household Spending Y-o-Y by Category



Source: ABS, CBRE Research

### SA labour market hits new peak as high-value sectors drive growth

In November 2025, SA reached a new record high of 992,100 people employed, highlighting resilient hiring conditions across key industries, including healthcare, construction, defence and professional services - sectors that have been consistently expanding SA's job base. The unemployment rate held firm at 4.3%, hinting at a relatively tight labour market. Meanwhile, the participation rate inched up to 64.9% which reflects consistent engagement from the working-age population.

Adelaide's primary sectors are health and social work, which make up c.14.9% of total Gross Value Added and wholesale and retail trade, contributing c.10.3%. Adelaide is rapidly positioning itself as a global leader in biomedicine and defence-related research, anchored by the transformative Adelaide BioMed City precinct (an ongoing \$3.8 billion investment development).

FIGURE 3: Unemployment Rate by State (seasonally adjusted)



Source: ABS, CBRE Research

### International migration has become the primary engine of SA's population growth

As of June 2025 (latest available), SA's population growth is moderate yet steady, with a 1.1% y-o-y increase. According to the ABS, this growth is largely fuelled by strong net overseas migration (+18,735), which compensates for a negative net interstate migration (-1,295). In comparison to faster-growing states like Western Australia and Victoria, South Australia's growth remains subdued.

# Supply

## Retail supply holds steady in Q4 2025 as mixed-use and LFR projects shape SA’s pipeline

Retail supply in 2025 totalled c.22,800 sqm, slightly below the 10-year average of c.28,200 sqm. In Q4 2025, c.1,300 sqm of new retail space was delivered, primarily within the strip retail sector. This uplift was driven by the completion of ORTA On The Parade, a major mixed-use development spanning 120-132 The Parade & 5 Church Avenue, Norwood. The project delivers a new destination precinct comprising residential apartments, ground-floor retail and boutique commercial spaces.

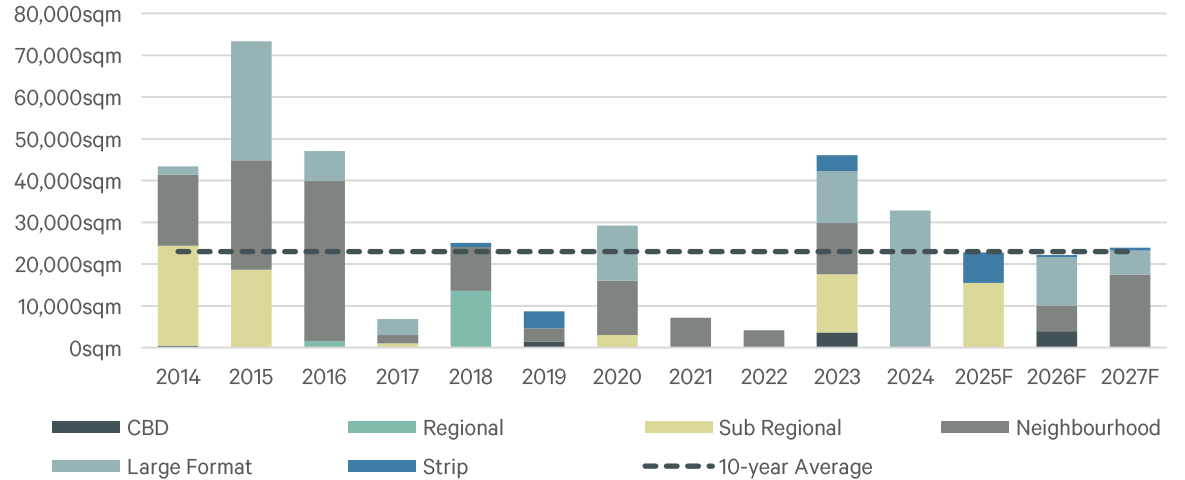
South Australia’s retail supply pipeline in 2026 is expected to reach c.22,163 sqm, in line with the long-term average. A major contributor is Angle Vale Home & Lifestyle Centre, a large format retail development, positioned in one of Adelaide’s fastest-growing northern suburbs, at the corner of Frisby Road and Curtis Road, adding 6,800 sqm. Another key project is the Market Square redevelopment in the CBD, which is set to deliver 4,000 sqm of ground-floor retail as part of a broader mixed-use precinct featuring offices, residences and a premium hotel.

In 2027, Adelaide is poised to see a notable wave of retail completions, particularly within neighbourhood centres (73%) and large format retail (24%), highlighting a growing trend of investment beyond the metropolitan core. Key projects include Old Port Wakefield Road’s Two Wells Town Centre (9,500 sqm) and Flagstaff Hill Neighbourhood Centre (Seventh Street) (8,000 sqm).

## Population growth in northern suburbs fuels strong retail development momentum

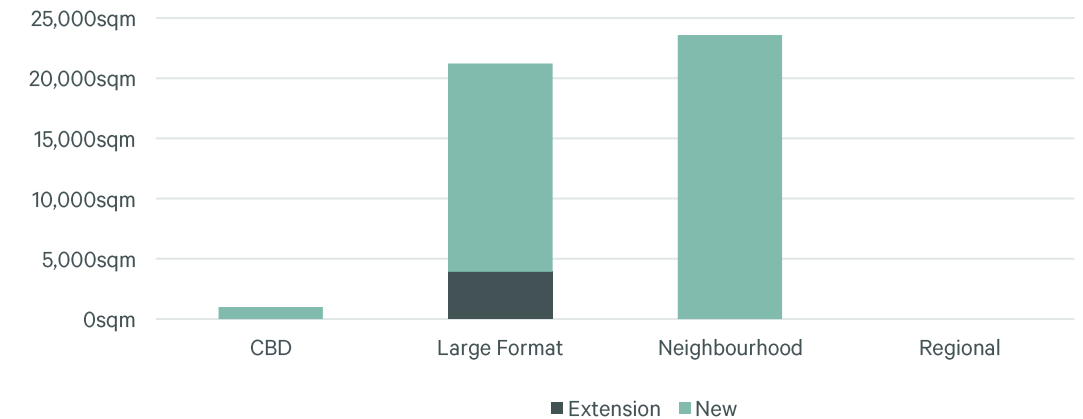
The pipeline for 2026 and 2027 is heavily weighted toward rapidly expanding outer-metropolitan regions, especially the northern growth corridor where Angle Vale, Two Wells and Munno Para are experiencing sustained population growth and housing development. As a result, LFR and neighbourhood centres are expected to outperform in growth corridors due to strong catchment expansion, lower development costs than CBD sites and retailer preference for larger footprints and efficient layouts.

FIGURE 4: Adelaide Retail Supply by Category



Source: CBRE Research

FIGURE 5: Adelaide Future Supply by Property and Development Type, 2026-2028



Source: CBRE Research

## Rental Performance

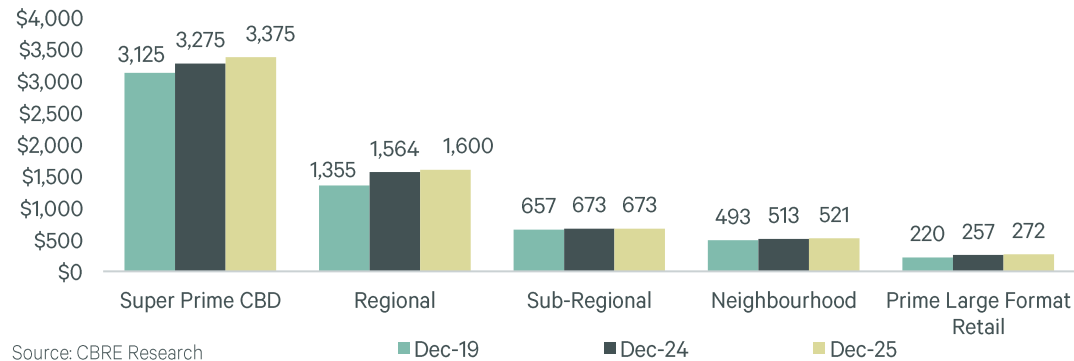
### Super prime CBD leads rent gains amid strengthening tenant demand

During Q4 2025, super prime CBD in Adelaide experienced the strongest rent uplift, with net face rents rising by 3.1% q-o-q and 3.1% y-o-y to reach an average of \$3,375/sqm. Large format retail also continued its steady upward trend, with rents increasing by 2.5% q-o-q and 5.7% y-o-y to \$272/sqm. Net face rents for the retail classes remained stable during the quarter.

Leasing incentives continued to recalibrate as landlord confidence improved. Although stable during Q4 2025, average incentives for super prime CBD assets declined by 174 bp y-o-y, while incentives for neighbourhood centres fell by 94 bp y-o-y. This ongoing contraction reflects strengthening tenant demand, particularly for high-quality, well-located assets.

Adelaide’s retail market is well-positioned for further rent growth over the next 12 months. A constrained development pipeline, combined with elevated construction costs, is keeping new supply limited, placing upward pressure on rents. The city’s population growth remains solid, supporting retail demand fundamentals. At the same time, consumer spending is expected to improve as real disposable incomes rise and confidence lifts, adding additional momentum to the leasing market into 2026.

FIGURE 6: Retail Net Face Rents (Q4 19 to Q4 25)



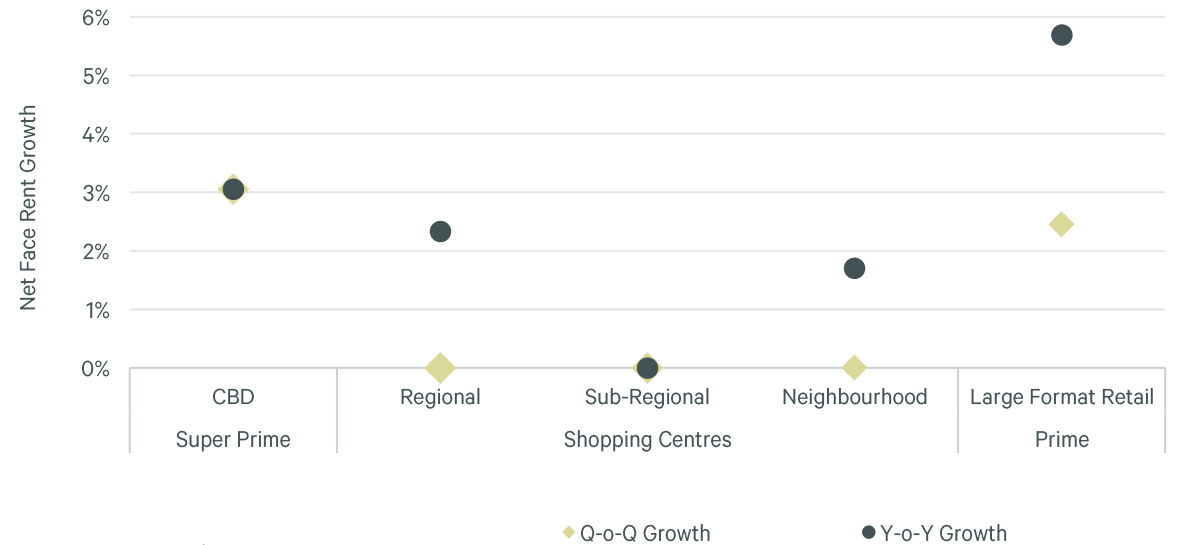
Source: CBRE Research

FIGURE 7: South Australia Key Leasing Rates by Retail Asset Category

Asset Type	NFR (AUD/sqm)			NER (AUD/sqm)			Incentives (%)		
	Q4 25	Q-o-Q Change	Y-o-y Change	Q4 25	Q-o-Q Change	Y-o-y Change	Q4 25	Q-o-Q Change	Y-o-y Change
<b>CBD Super Prime</b>	<b>3,375</b>	+3.1%	+3.1%	<b>3,094</b>	+3.1%	+5.0%	<b>8.3%</b>	Stable	-174bp
<b>Regional</b>	<b>1,600</b>	Stable	+2.3%	<b>1,363</b>	Stable	+2.3%	<b>14.8%</b>	Stable	Stable
<b>Sub Regional</b>	<b>673</b>	Stable	Stable	<b>578</b>	Stable	Stable	<b>14.2%</b>	Stable	Stable
<b>Neighbourhood</b>	<b>521</b>	Stable	+1.7%	<b>448</b>	Stable	+2.8%	<b>14.1%</b>	Stable	-94bp
<b>Large Format Retail</b>	<b>272</b>	Stable	+5.7%	<b>234</b>	+2.5%	+5.7%	<b>13.8%</b>	Stable	Stable

Source: CBRE Research

FIGURE 8: Net Face Rent Growth by Retail Asset Category



Source: CBRE Research

## Investment Market

### In 2025, transaction volumes cooled post-2024 peak

With a record \$1.1 billion in retail investment transactions recorded in 2024, investment activity in 2025 has been comparatively subdued. Across Adelaide, c.\$261.2 million in transactions had been recorded by the end of 2025 (for transactions ≥ \$5 million).

The most notable 2025 transaction was the sale of Kurralta Park Village, a sub-regional centre acquired by Taplin Group from Coles Group for \$74.6 million. This single deal accounts for nearly 26% of total YTD volume in Greater Adelaide, highlighting continued demand for neighbourhood and convenience-based retail centres, particularly those anchored by supermarkets or offering essential services. These assets are seen as resilient amid economic headwinds.

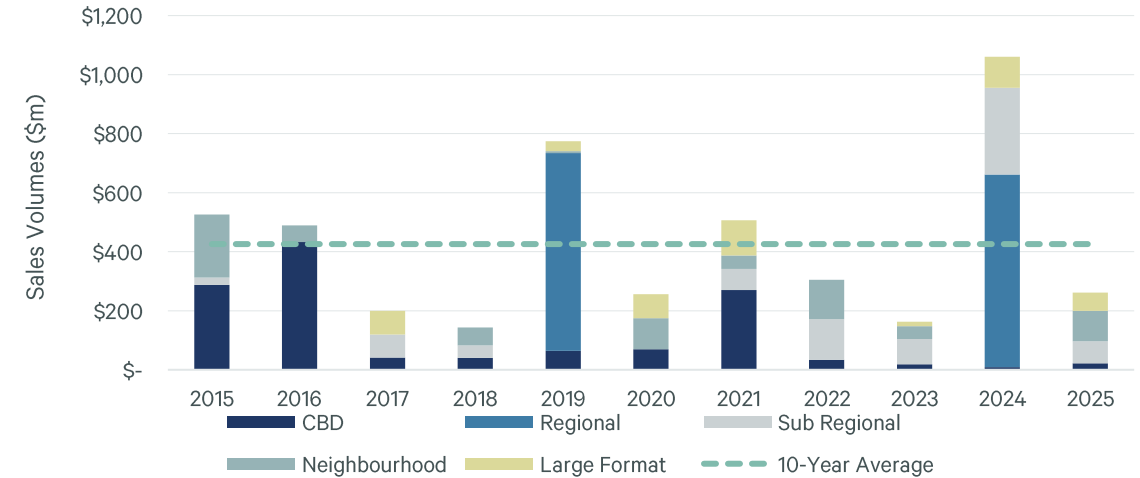
While volumes are down, pricing for quality assets remains firm as vendors are not under pressure to sell at discounts. Adelaide’s retail investment market is expected to moderately strengthen in 2026, supported by continued appetite for prime centres.

### Yield movements diverge as prime assets firm and secondary remain flat

In 2025, regional centre yields experienced a notable 15 bp y-o-y decrease, settling at an average of 7.08%, while super prime CBD yields expanded by 25 bp y-o-y to 5.00%. Yields also compressed across other retail formats, including regional (14 bp y-o-y), sub-regional (8 bp y-o-y) and large format retail (8 bp y-o-y).

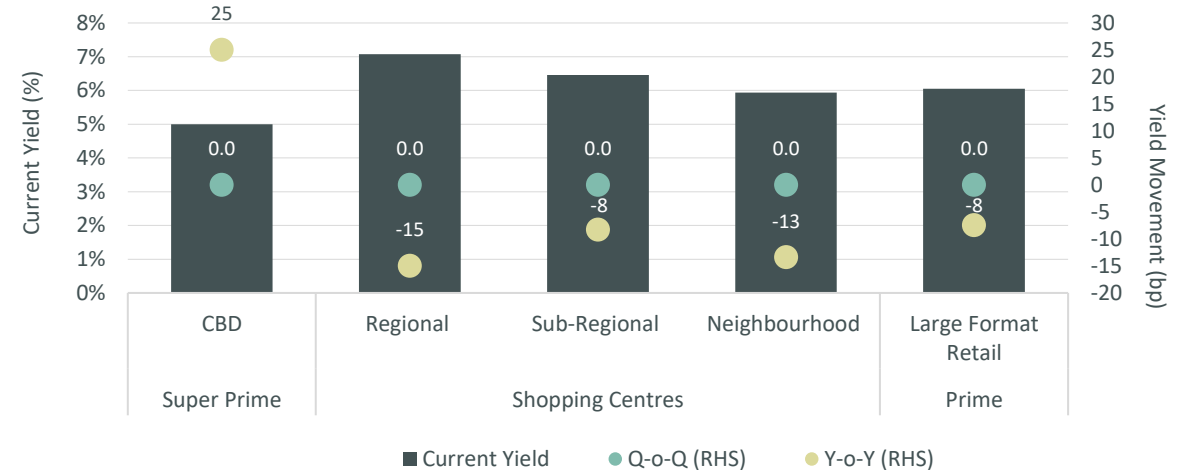
In 2026, Adelaide retail yields are expected to remain broadly stable, with some modest tightening for prime neighbourhood and sub-regional assets. Supermarket-anchored and essential-service centres may continue to see firming, supported by strong investor demand and limited availability of high-quality stock. However, with interest rates expected to remain flat, any compression is likely to be moderate, while secondary retail assets, already facing quality and repositioning pressures, are likely to hold steady, showing little to no yield movement.

FIGURE 9: Adelaide Retail Sales by Asset Category



Source: CBRE Research

FIGURE 10: Adelaide Retail Yields by Category



Source: CBRE Research

