Creating Resilience

Australian CBD Retail Vacancy H1 2026

LOCAL RESPONSE
AUSTRALIA

CBRE RESEARCH
AUGUST 2026

Executive Summary

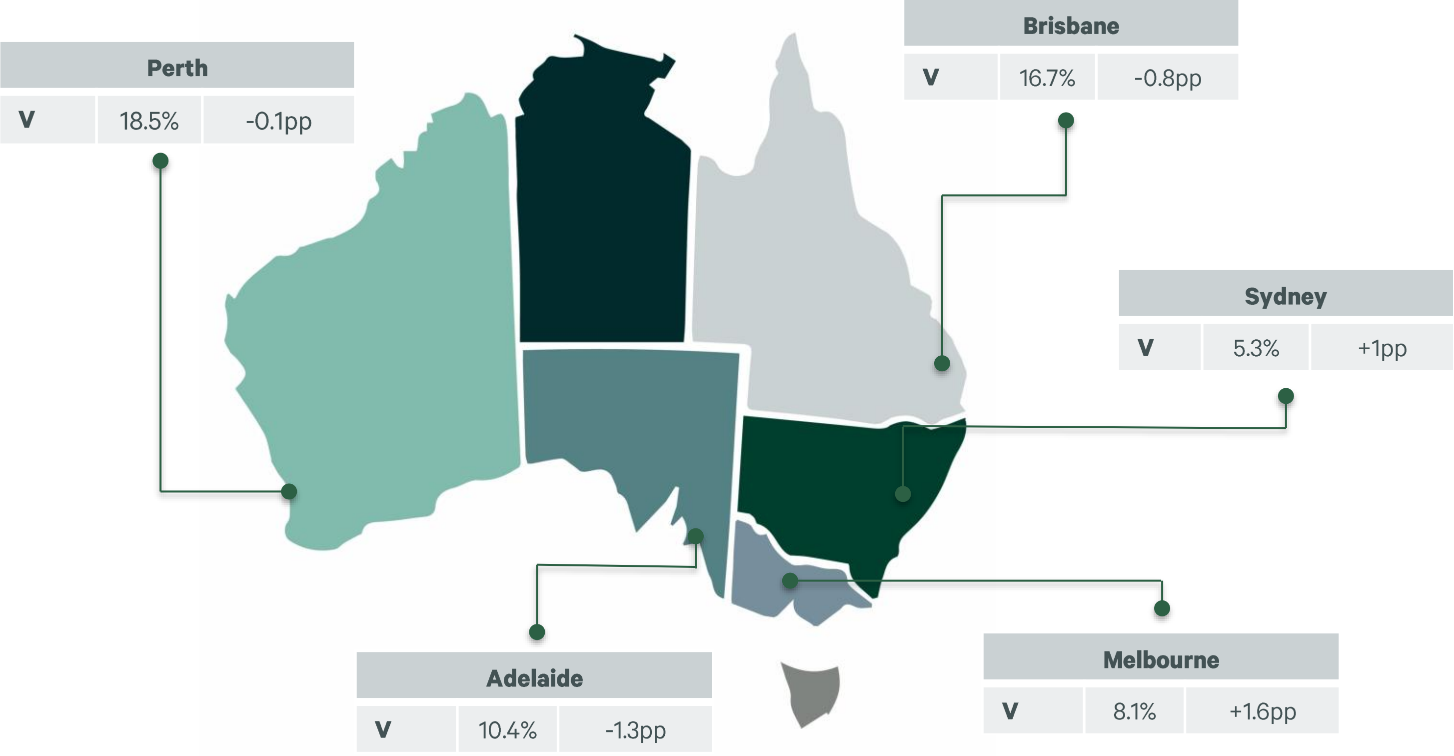
CBD retail vacancy across Australia, as surveyed by CBRE Research, stood at 10.8% (weighted) in H1 2026, representing a modest 40 bp increase from 10.4% in H2 2025. Despite the increase, vacancy remains relatively low by historical standards since the series commenced in H1 2021, reflecting generally healthy occupier demand across CBD retail markets. Continued return-to-office momentum, rising tourism activity, major events, infrastructure investment and strong international student arrivals have supported CBD foot traffic and leasing demand.

The increase in the national vacancy rate was largely attributable to Melbourne, where vacancy rose to 8.1% following the opening of two new retail centres that introduced additional vacant floorspace into the survey. This suggests the increase was primarily supply-driven rather than reflective of weakening leasing demand.

Of the five capital cities surveyed, Sydney recorded the lowest CBD retail vacancy rate at 5.3%. Melbourne followed at 8.1%, maintaining the second-lowest vacancy rate nationally despite the increase associated with new supply. Perth's CBD retail vacancy remained broadly stable during H1 2026, declining marginally by 10 bp to 18.5%. While Perth continues to record one of the higher vacancy rates nationally, the current figure remains among the lowest levels observed since CBRE's CBD vacancy survey commenced in H1 2021. Brisbane recorded a notable improvement, with vacancy declining by 80 bp to 16.7%, while Adelaide experienced the strongest improvement among surveyed markets, falling 130 bp to 10.4%.

CBRE surveyed 5,669 CBD retail outlets across Australia's five major capital cities. Given Melbourne's substantial weighting within the survey, movements in its vacancy rate can have a significant influence on the national result.

10.8%
AUSTRALIA



Total No. Surveyed CBD Retail Outlets = 5,669 stores

1,736 MELBOURNE	1,503 SYDNEY	1,360 BRISBANE	671 PERTH	399 ADELAIDE

Note: "pp" represents percentage point.

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

Australian Retail Outlook

Consumer spending has proven more resilient than anticipated despite continued pressure on household finances, supporting performance across Australia's retail sector. Nevertheless, the operating environment remains complex, with slower economic growth, cost pressures and evolving global trade conditions likely to temper confidence and limit the pace of expansion over the near term.

Household spending increased by 0.8% m-o-m in June 2026 (seasonally adjusted) and was 6.0% higher than June 2025 in current price terms. In real (volume) terms, spending rose 0.7% over the June quarter and 2.4% y-o-y, indicating that consumption growth continued to outpace inflation. The strongest-performing spending categories in June were transport (+3.0% m-o-m), driven largely by higher new vehicle purchases, particularly electric and hybrid vehicles, followed by recreation and culture (+1.4%) and alcohol and tobacco (+1.0%). Essential retail categories continue to outperform discretionary segments, highlighting the resilience of necessity-based spending despite ongoing cost-of-living pressures.

The RBA notes that household income growth has recovered and private demand strengthened during late 2025 and into 2026. However, inflation remains above target, and higher interest rates continue to pressure household budgets.

The Westpac–Melbourne Institute Consumer Sentiment Index increased by 4.1% from 80.6 in June to 83.9 in July. While sentiment remains firmly in pessimistic territory, concerns around fuel prices and the risk of further interest rate increases have eased. Consumers continue to hold a cautious view of both the broader economy and major household purchase decisions, although job security perceptions have improved, with unemployment expectations returning closer to long-run averages. Homebuyer sentiment has also continued to recover from historically low levels, supported by improving affordability conditions, though households remain less certain about the outlook for house prices.

Limited new retail development in CBDs has helped sustain tenant demand, with CBD retail accounting for just 4.2% of total retail supply over the past decade. Demand is being further supported by continued expansion from luxury and premium retailers, particularly in Melbourne and Sydney. Rising office utilisation rates, increasing visitation and a growing calendar of major events are expected to support foot traffic across core precincts. Meanwhile, the emergence of experience-led retail formats, including F&B, entertainment and wellness offerings, is contributing to placemaking initiatives and reinforcing the appeal of CBD retail destinations.

FIGURE 1

Historic Australia Retail Vacancy

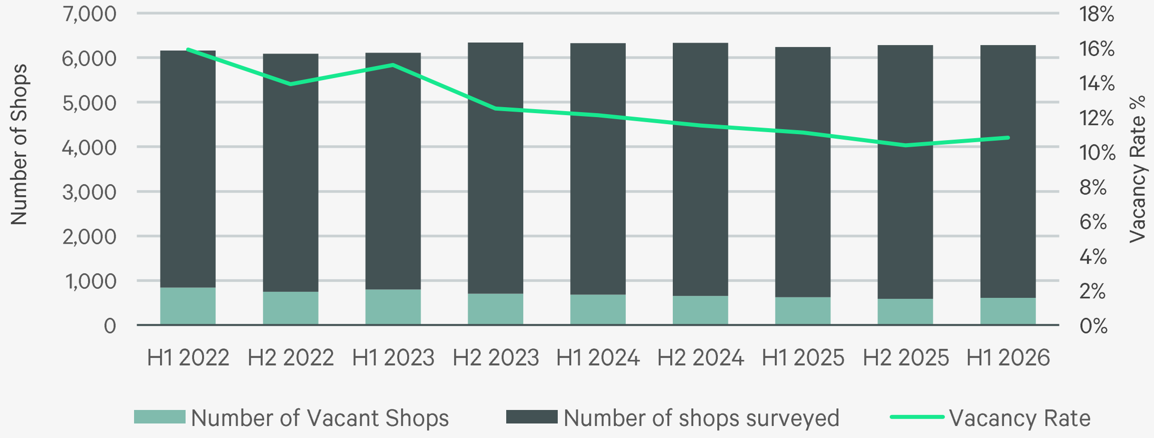


FIGURE 2

Westpac-Melbourne Institute Consumer Sentiment Index

Source: Westpac-Melbourne Institute CBRE Research

Sydney

LOCAL RESPONSE
AUSTRALIA

Sydney – CBD Retail Breakdown

Sydney CBD vacancy compression ends due to a growing divide between retail formats

Sydney CBD retail vacancy increased by 100 bp in H1 2026 to 5.3%, marking the first increase since the market recovery began in H1 2023. This halted a sustained period of vacancy compression from the cycle peak of 10.8%, suggesting that new supply and pockets of tenant churn temporarily outweighed leasing absorption during the period.

The increase was driven almost entirely by the arcade retail segment, where vacancy expanded sharply by 380 bp to 8.5%. Elevated vacancy within several CBD arcades, including the Dymocks Building, where vacancy increased to c.20% vs. 12% previously, highlights the challenges faced by secondary retail formats. While CBD foot traffic and tourism activity remain supportive, retailers continue to prioritise highly visible, high-traffic strip locations, leaving some arcade assets more exposed to tenant churn and slower backfilling of vacancies.

In contrast, strip retail demonstrated resilience, with vacancy holding steady at 5.4%. The stability of this segment reflects ongoing demand for prime street-front space along Sydney's major retail corridors, supported by strong pedestrian flows, tourism recovery and continued preference from F&B and experiential retailers for prominent, accessible locations. The divergence between arcade and strip performance indicates that occupier demand remains healthy overall but is increasingly concentrated in the most productive retail environments.

Centre retail vacancy continued to edge down to 2.8% (-60 bp), underpinned by stable consumer spending, extended trading hours and longer dwell times, with premium retailers and emerging food and beverage operators sustaining occupancy.

Several major retail flagships have opened in the Sydney CBD during 2026, featuring high-profile brands like Harrolds in Westfield Sydney, Montblanc on George Street, Arc'teryx in the Queen Victoria Building, HOKA on Pitt Street and MINISO near Wynyard.

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.

Source: CBRE Research

FIGURE 3

Breakdown of Sydney CBD Retail Tenancies

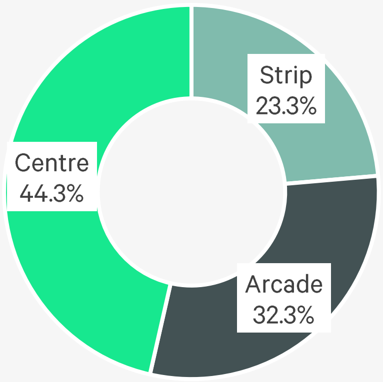


FIGURE 4

Historical Vacancy Rate

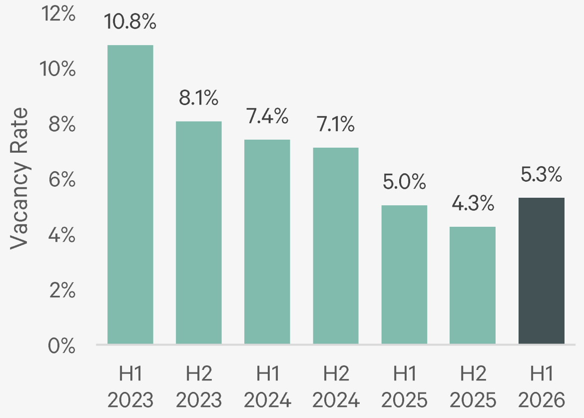


FIGURE 5

Breakdown of Sydney CBD Retail Vacancy

Strip	Arcade	Centre
5.4%	8.5%	2.8%
Stable	+380 bp	-60 bp

General Trends

1. Clothing and soft goods sector remains a key driver of leasing activity in 2026, supported by the concentration of flagship stores along prime retail corridors and ongoing demand from international and premium brands seeking exposure to the CBD's growing worker, tourist and resident populations.
2. While core vacancy edged higher, non-core vacancy compressed marginally.
3. Centre retail experienced the greatest reduction in vacancy, while arcade retail vacancy increased over the year. Meanwhile, strip retail vacancy remained stable.

Sydney - CBD Retail Breakdown

Flight to quality narrows the core-non-core vacancy gap while supporting long-term CBD retail demand

The gap between core and non-core Sydney CBD retail vacancy has narrowed, with core vacancy rising to 5.5% and non-core vacancy easing to 4.7% as at H1 2026 vs. 4.0% and 4.9%, respectively, six months earlier.

The increase in core vacancy was primarily driven by CBD arcades, where vacancy expanded by 362 bp to 5.5%. This reflects a degree of tenant churn within arcade locations, potentially highlighting changing retailer preferences towards higher-exposure street frontages and centre-based retail formats. Despite the recent increase, vacancy levels across both core and non-core precincts remain relatively aligned, indicating broadly balanced leasing conditions across the Sydney CBD retail market.

Despite the recent increase, core vacancy in Sydney's retail precincts is expected to resume a tightening trend over the medium term as strong underlying demand persists across the city's prime corridors. This is supported by enhanced accessibility from expanded metro and light rail infrastructure, increasing weekday foot traffic from office workers and tourists, constrained new retail supply, resilient consumer spending and continued interest from international brands and experiential operators seeking flagship representation in the CBD and key strip retail locations.

In non-core areas, overall vacancy compressed to 4.7%, with arcades experiencing the highest vacancy at 9.5%. 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 up to 7.4%, signalling a more challenging leasing environment for standalone retailers outside major retail hubs.

5.5%
Sydney CBD Core Vacancy

4.7%
Sydney CBD Non-Core Vacancy

0.8%
Vacancy spread between core and non-core locations

Melbourne

LOCAL RESPONSE
AUSTRALIA

Melbourne - CBD Retail Breakdown

Melbourne CBD retail recovery stalls amid rising vacancy across all formats

Melbourne CBD's overall retail vacancy rate increased by 160 bp to 8.1% over the six months to June 2026, indicating that the recovery in occupier demand has not been sufficient to absorb available space. The rise suggests that leasing activity has been unable to keep pace with elevated tenant churn and the addition of refurbished or newly delivered retail stock entering the market.

Strip retail vacancy increased marginally by 20 bp to 7.3%, reflecting the continued appeal of prime street frontages along key pedestrian corridors where retailers benefit from visibility, accessibility and tourist activity. Luxury retailers, F&B operators and experiential concepts continue to favour these locations.
Arcade vacancy rose by 70 bp to 10.2%, as these assets continue to face structural headwinds due to their reliance on discretionary foot traffic and reduced visibility compared with street-facing premises. Many arcade locations are dependent on office worker patronage and pedestrian flow-through, both of which remain below pre-pandemic levels in some parts of the CBD.

Centre vacancy recorded the largest increase, rising 330 bp to 7.8%. The sharp increase reflects a combination of tenant departures and the delivery of refurbished retail space, which has temporarily outpaced leasing demand. Shopping centre-style retail within the CBD continues to face a period of transition as landlords reposition assets, refresh tenant mixes and accommodate evolving retailer requirements.

Melbourne CBD recovery remains uneven

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. With newly delivered stock still moving through leasing and fit-out stages, the CBD is in a transitional absorption phase.

Office attendance, tourism and consumer spending have improved substantially, but recovery remains uneven across precincts. The stronger leasing performance in some non-core precincts suggests demand is broadening across the CBD. However, foot traffic patterns have changed, and not all locations have benefited equally from the recovery.

Source: CBRE Research

FIGURE 6

Breakdown of Melbourne CBD Retail Tenancies

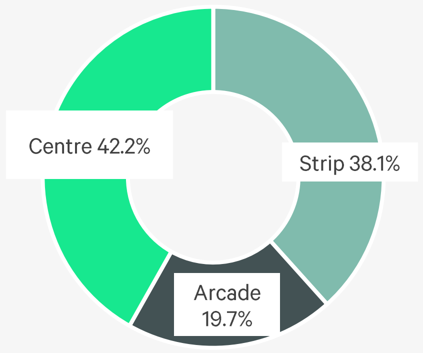


FIGURE 7

Historical Vacancy Rate

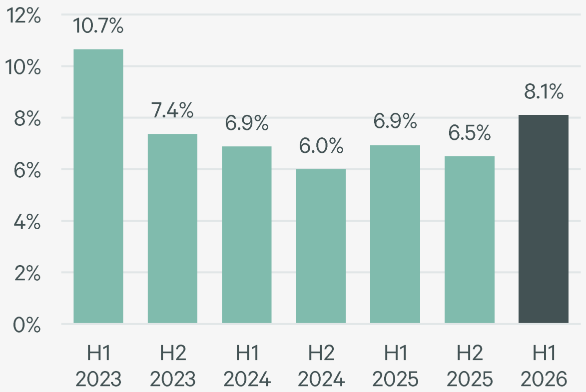


FIGURE 8

Breakdown of Melbourne CBD Retail Vacancy

Strip	Arcade	Centre
7.3%	10.2%	7.8%
+20 bp	+70 bp	+330 bp

General Trends

1. Food & beverage and fashion retailers continue to dominate Melbourne's CBD, collectively accounting for c.51% of surveyed retail floorspace in H1 2026.

2. Multiple asset owners are making significant investments in the redevelopment of existing properties, focusing on modernising spaces to meet evolving consumer needs. Leasing demand remains concentrated in locations offering high visibility, strong pedestrian flows and premium brand exposure.

3. While Melbourne CBD continues to attract new concepts and flagship retailers, tenant turnover remains elevated.

Melbourne - CBD Retail Breakdown

Leasing momentum builds beyond the core as vacancy gap narrows

Melbourne CBD vacancy levels continue to exhibit a divergence between core and non-core precincts, although the gap is narrowing. CBRE research estimates the core CBD retail vacancy rate at 7.0% vs. 10.0% across non-core locations. While non-core precincts continue to record a higher vacancy profile, occupier demand increasingly extended beyond Melbourne's traditional retail hubs during H1 2026. Vacancy in non-core areas increased marginally by 10 bp over the period, reflecting ongoing leasing activity that was nevertheless insufficient to fully offset new vacancies and tenant churn. As a result, the vacancy differential narrowed to 3.0%, down from 4.0% in H2 2025, signalling a gradual improvement in leasing conditions across a broader cross-section of the CBD retail market.

Experiential operators boost the appeal of non-core retail locations

Despite ongoing challenges in non-core precincts, including reduced visibility and lower pedestrian volumes, vacancy levels across many fringe locations remain broadly in line with historical averages. A key factor supporting performance has been the growing popularity of experiential and visually distinctive F&B concepts, which continue to resonate strongly with consumers. These operators are increasingly attracted to secondary locations due to more affordable occupancy costs, greater flexibility in store design and fit-outs and access to established local demand. As a result, non-core precincts have become more attractive to tenants seeking to create differentiated offerings while avoiding the rental premiums associated with prime retail strips. While leasing demand has not yet been sufficient to offset all new vacancies and tenant churn, it has helped underpin activity across historically softer precincts and supported a gradual broadening of occupier demand beyond Melbourne's traditional retail core.

7.0%
Melbourne CBD Core Vacancy

10.0%
Melbourne CBD Non-Core Vacancy

7.0%
Vacancy Spread between core and non-core Centre Assets

Brisbane

LOCAL RESPONSE
AUSTRALIA

Brisbane – CBD Retail Breakdown

Brisbane's CBD retail vacancy continued to trend downward in H1 2026, decreasing by 81 bp to 16.7%. This represents the fourth consecutive half-yearly decline since H2 2024. Brisbane's retail sector continues to benefit from robust CBD office attendance rates, with Queensland's permanent 50 cent public transport fares helping drive return to office numbers. In addition, new transport projects have allowed for increased visitation, which has supported retail activity. Notable projects include the Kangaroo Point Bridge and the Brisbane Metro project. Major events during the period have also supported increased foot traffic, including the NRL Magic Round in May and a range of markets and festivals in the same month, such as the Paniyiri Greek Festival and Brisbane Comedy Festival. Looking ahead, the city's significant infrastructure and transport development pipeline in association with the 2032 Olympics will further enhance the CBD's accessibility, supporting foot traffic and increasing retail activity.

The decrease in overall CBD retail vacancy was partly attributable to a 35 bp decrease in CBD strip vacancy. Demand for core strip locations remains prevalent, with major retailers continuing to secure flagship tenancies in strip areas, particularly food and beverage (F&B) and fashion retailers. The most notable opening was international shoe retailer, HOKA, on Queen Street Mall - a core CBD location. Leasing activity has also been evident among hospitality operators, with several new takeaway food stores and restaurants opening over the past 6-12 months, including The French Exit by the Anyday group on Mary Street. Convenience retailers continue 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. Demand for core locations remains strong, reflected by a tightening in vacancy, while non-core locations have experienced a marginal increase in vacancy.

Within CBD centres, overall vacancy decreased by 186 bp in H1 2026 to 25.4%. This improvement was largely driven by core centres, with the opening of new F&B and apparel retailers as well as several pop-up stores, which skew vacancy numbers. Arcade retail vacancy remained unchanged, although this figure is skewed by the small survey size.

Source: CBRE Research

FIGURE 9

Breakdown of Brisbane CBD Retail Tenancies

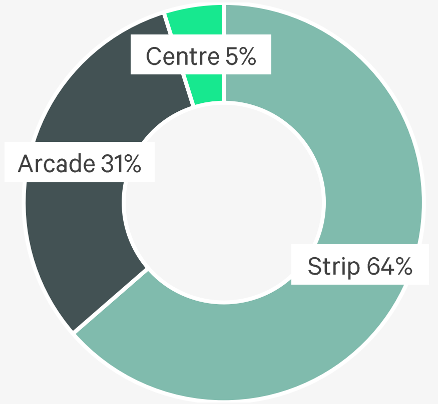


FIGURE 10

Historical Vacancy Rate

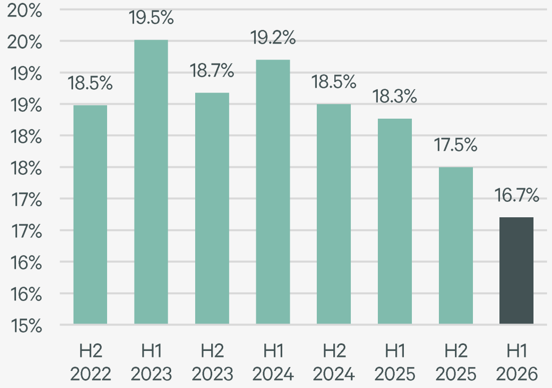


FIGURE 11

Breakdown of Brisbane CBD Retail Vacancy

Strip	Arcade	Centre
13.1%	7.6%	25.4%
-35 bp	Stable	-186 bp

General Trends

1. F&B retailers continue to dominate Brisbane's CBD, with several new openings across both strip and shopping centre locations.

2. A clear disparity remains between vacancy rates in Brisbane's CBD core and non-core areas. Core locations recorded tightening, largely led by shopping centres while non-core locations experienced an increase in vacancy.

3. Queensland's permanent 50 cent public transport fares and recent infrastructure and transport projects have supported foot traffic in Brisbane's CBD, helping grow retail activity.

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 has tightened by 245 bp to 18.5%, and non-core locations have increased by 85 bp to 15.2% on average.

In the core CBD centres, vacancy tightened by 366 bp to 25.6%, largely driven by high occupier demand for space within super prime grade centres. While non-core centre vacancy expanded by 811 bp to 25.7%, highlighting major tenant preference for high visibility locations in established centres.

The gap between core and non-core strip retail vacancy tightened, with core strip vacancy declining by 133 bp and non-core strip vacancy remaining unchanged. However, a clear divergence remains, with core strip retail recording the tightest vacancy of 9.7%, 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, supported by the completion of major transport and infrastructure developments. Additionally, the announcement of the redevelopment of the Wintergarden shopping centre in the upcoming years will absorb some core CBD centre stock, supporting vacancy levels. These projects, coupled with continued population growth, are expected to drive higher retail activity across Brisbane's CBD, attract a diverse mix of retailers and as such, revitalise the CBD retail precinct.

18.5%
Brisbane CBD Core Vacancy

25.6%
Vacancy Spread between core and non-core Centre Assets

12.8%
Vacancy spread between core and non-core Strip Locations

Perth

LOCAL RESPONSE
AUSTRALIA

Perth – CBD Retail Breakdown

Perth's CBD retail vacancy reduced marginally to 18.5% in H1 2026, down from 18.6% in H2 2025. This is the lowest vacancy rate recorded for the Perth CBD since the CBD vacancy series began in H1 2021. The improvement during H1 2026 was only marginal given the RBA increased interest rates by 75 bp in the past half, impacting consumer and retailer sentiment.

In the CBD retail strips overall vacancy decreased by 23 bp during H1 2026 and now sits at 18.8%. In the retail strips, the vacancy reductions were recorded across Barrack Street, Milligan Street and Hay Street Mall. Barrack Street has been improving with the opening of new Food & Beverage (F&B) offerings, while the opening of Prison Island reduced a large part of the vacancy on Milligan Street. Hay Street Mall improved marginally due to one new deal on the western end and removal of a few tenancies from the CBD stock due to the proposed redevelopment of St Martins Centre.

Perth CBD's retail arcades saw vacancy improve by 67 bp overall during H1 2026 to 18.0%. The improvement was due to the opening of new tenancies recorded at Trinity and Piccadilly arcades. In the CBD centres, the overall vacancy rate increased by 111 bp to 18.2% during H1 2026, driven primarily by a rise in vacancy at Enex and Brookfield Place.

Perth's CBD vacancy improved marginally as Western Australia's economic indicators continue to show healthy fundamentals amid increased economic outlook uncertainty nationally, due to the rise in interest rates. The jobs market remains healthy with the unemployment rate in WA sitting at 4.2% as of June 2026, below the national rate of 4.4% and lower than WA's 10-year average of 5.0%. WA wages are growing amongst the fastest rate in the country, up 3.6% y-o-y in the March 2026 quarter, above the national growth rate of 3.2%. Furthermore, WA maintains the fastest population growth rate in the country, increasing by close to 65,500 people or 2.2% in the calendar year 2025, above the national growth rate of 1.5%. Overall, the continued 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 9.5% y-o-y in June 2026, above the national growth of 6.0%. WA household spending across discretionary consumer categories remained high, rising 11.0% y-o-y in June 2026, while non discretionary categories rose 7.1% y-o-y in June 2026.

ECU's 65,000 sqm Perth CBD campus (ECU City) opened to students in the semester one 2026. By hosting around 8,500 students and staff from semester one 2026, the extra foot traffic has had a positive impact on the Perth CBD retail market, particularly on the lower price point F&B retailers in proximity to the ECU campus.

Source: CBRE Research

FIGURE 12

Breakdown of Perth CBD Retail Tenancies

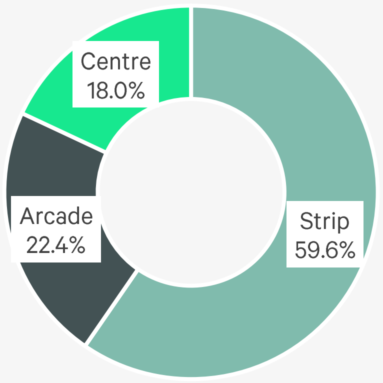


FIGURE 13

Historical Vacancy Rate

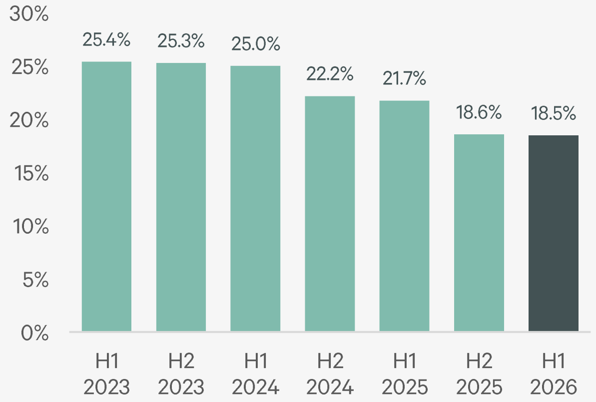


FIGURE 14

Breakdown of Perth CBD Retail Vacancy

Strip	Arcade	Centre
18.8%	18.0%	18.2%
-23 bp	-67 bp	+111 bp

General Trends

1. Heightened leasing conditions on Murray Street Mall and luxury precinct west of the Murray Street Mall. Watches of Switzerland are due to open its second store west of Murray Street Mall and the relocation of Apple store in 2025 has added to the consolidation of the major luxury brands in recent years. This is capturing the interest of national and international retailers, who are considering new stores in Perth.
2. Appetite for F&B retail is healthy with new retailers considering options in the Perth CBD due to WA's healthy macro economic conditions, the opening ECU City, growth in the city's student accommodation sector and tourism numbers.
3. With an overall vacancy rate of 8.7% Perth's core CBD strips (particularly Murray Street Mall) continue to significantly outperform non-core strips with a 14.6 percentage point vacancy spread as of H1 2026.

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 8.7% during H1 2026, improving by 320 bp H-o-H and widening the gap to the non-core retail strip vacancy of 23.4%. The non-core retail strip vacancy (23.4%) increased slightly from the 22.4% rate in H2 2025.

In the core arcades which include Piccadilly Arcade, Trinity Arcade, Plaza Arcade and London Court, vacancy decreased to 20.9% in H1 2026, down from the 22.5% recorded in H2 2025. London Court maintains the tightest vacancy in the core arcades, though remaining stable over the past half.

In the core CBD centres, vacancy increased marginally to 22.4% from 21.8% in H2 2025, with the slight vacancy increase at Enex contributing to this.

Vacancy rates recorded in the non-core arcades and centres for H1 2026 was 10.0% and 8.3%, respectively and remains comparatively low, somewhat due to the current 'basket size' of outperforming arcades and centres in the survey location.

8.7%
Perth CBD Core Strip Vacancy

321 bp
H1 2026 vacancy decrease in Core CBD Arcade Locations.

Adelaide

LOCAL RESPONSE
AUSTRALIA

Adelaide – CBD Retail Breakdown

Retail vacancy in the Adelaide CBD decreased marginally to 10.4% in H1 2026 down from 11.7% in H2 2025, reflecting ongoing healthy employment market conditions and household spending growth in South Australia, supporting the retail market.

During H1 2026 vacancy along the core Rundle Mall retail strip increased slightly, though it remains relatively low compared to the broader CBD as retailers continue to favour prime retailing locations with high foot traffic. Highlighting this is luggage retailer Strand and its luxury British subsidiary Antler which have recently teamed up to open a new look concept store in the Rundle Mall.

Within the CBD's major centres - Rundle Place and the Myer Centre - vacancy improved marginally over the past half and now sits at 15.4%, down from 16.0% in H2 2025. Retailer activity at Rundle Place was relatively while Myer Centre saw store openings including from jewellery retailer Harli + Harper, bridal shop MyDasma and hospitality operators Pressed & Co and Matchacha.

South Australia's economic indicators continue to show healthy fundamentals amid increased economic outlook uncertainty nationally. Driven by strong net overseas migration, South Australia's population grew by c.20,000 people (1.0%) in the year ended 2025, remaining above the state's long-term average growth.

At the same time, the employment market remains healthy in SA with the unemployment rate sitting at 4.3% as of June 2026, well below the historical average of 6.1% and slightly below the national rate of 4.4%. This is underpinning household spending activity in South Australia and supporting retail trade conditions. According the Australian Bureau of Statistics, householding spending in South Australia increased by 7.0% y-o-y in June 2026, accelerating from the 5.9% y-o-y growth in December 2025 and 4.3% growth a year earlier. Household spending across the discretionary consumer categories remained strong increasing by 8.0% y-o-y in June 2026, while non discretionary categories rose 5.3% y-o-y.

Source: CBRE Research

FIGURE 15

Breakdown of Adelaide CBD Retail Tenancies

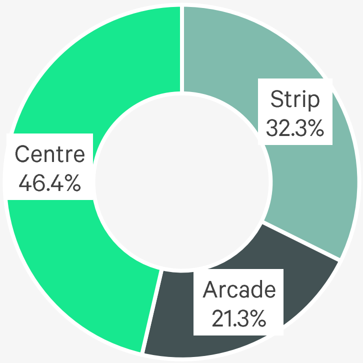


FIGURE 16

Historical Vacancy Rate

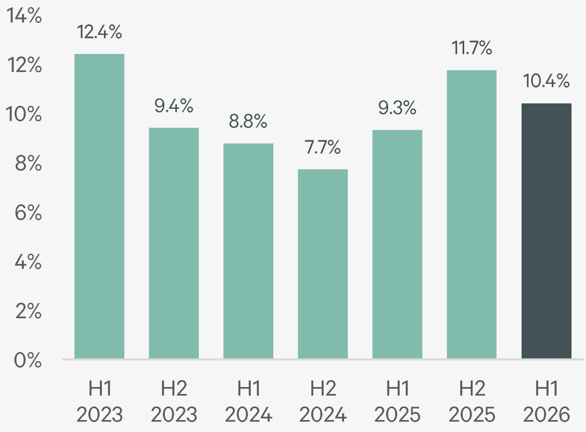


FIGURE 17

Breakdown of Adelaide CBD Retail Vacancy

Strip	Arcade	Centre
6.2%	5.9%	15.4%
+159 bp	-699 bp	-61 bp

General Trends

1. Retail conditions along the core Rundle Mall strip softened slightly, with the vacancy rate rising to 6.2% in H1 2026, up from 4.6% H2 2025.
2. Notwithstanding the slight softening in Rundle Mall during H1 2026, tenants continue to favour prime locations with high pedestrian foot traffic, highlighted by a 6.2 percentage point vacancy spread in core vs non core retail locations.
3. Driven by strong overseas migration, South Australia's population continues to grow, and its labour market remains historically strong, together supporting sustained growth in retail spending.

Adelaide – CBD Retail Breakdown

Rundle mall continues to remain tight compared to the broader market

Across the Adelaide CBD, core retail vacancy (which captures the Rundle Mall retail strip) softened by 159 bp to 6.2% in H1 2026, though remaining well below the broader Adelaide CBD vacancy rate of 10.4% 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 increased uncertainty impacting retailer sentiment.

Non-core retail locations recorded a materially higher vacancy rate of 12.4% in H1 2026, though this is concentrated in just two of the non core retail surveyed locations.

Within the non-core market, Adelaide Arcade was the standout performer with a comparatively low vacancy rate of 2.0% on the ground floor retail while Rundle Place also performed strongly with the vacancy at 5.6%, reflecting its draw as a key enclosed retail destination anchored by major fashion and lifestyle tenants.

6.2%

Adelaide CBD Core Retail Vacancy

6.2 pp

Vacancy spread between core retail and non-core retail Locations

Contacts

Australia Research

Hannah Edy
Research Analyst - QLD
Hannah.Edy@cbre.com

Eza Ranjbar
Associate Director - WA & SA
Eza.Ranjbar@cbre.com

Katya Ezhova
Senior Research Analyst - NSW & VIC
Katya.Ezhova@cbre.com

Australia Research

Sameer Chopra
Head of Research, Pacific & ESG Asia Pacific
Sameer.Chopra@cbre.com

CBRE