

FIGURES | ADELAIDE CBD OFFICE | Q4 2025

Robust demand continues but new supply lifts vacancy slightly in the Adelaide CBD

▲ 15.5%

Overall Vacancy Rate (Jan-26)

▲ \$655/sqm

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

▶ 35.0%

CBD Prime Incentives (stable q-o-q)

▲ 7.75%

Prime Yield as of Q4-25

Note: Arrows indicate change from previous quarter.

Key Points

- Total enquiry volume (sqm) of c.55,000 sqm was recorded across Adelaide’s office market during 4Q25, easing from the c.65,000 sqm in 4Q24. The number of enquiries received in the quarter totalled 125, 12% higher than 4Q24
- For 2H25 net absorption eased to 10,697 sqm, down from 22,606 sqm in the same period in 2024. Net absorption for CY2025 totals 33,023 sqm, significantly above the 10-year annual average of c.15,500 sqm.
- The Adelaide CBD overall vacancy rate as of January 2026 was at 15.5%, increasing from the 15.0% rate in July 2025.
- 50 Franklin Street reached completion in 2H25, adding 21,412 sqm and increasing the vacancy.
- Prime gross rents ended 2025 at an average of \$655 per sqm, increasing by 0.4% q-o-q and 3.7% y-o-y. Prime incentive rates remained stable q-o-q averaging 35%.
- 2025 investment transaction volumes reached c.\$263 million across Adelaide’s office market below the 10-year annual average of c.\$555 million.
- As of 4Q25 prime CBD midpoint yields sit at 7.75% and secondary at 9.5%.

FIGURE 1a: Adelaide CBD Office | Market Summary

Adelaide CBD	Jan 2026	July 2025	Jan 2025	H-o-H Change	Y-o-Y Change
Vacancy Rate	15.5%	15.0%	16.4%	+50 bps	-90 bps

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

Adelaide CBD	Q4 2025	Q3 2025	Q4 2024	Q-o-Q Change	Y-o-Y Change
GFR	\$655/sqm	\$652/sqm	\$631/sqm	+0.4%	+3.7%
NFR	\$502/sqm	\$499/sqm	\$481/sqm	+0.5%	+4.3%
Incentives	35.0%	35.0%	35.5%	Stable	-50 bps
Yield	7.75%	7.71%	7.70%	+4 bps	+5 bps

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

Office Demand

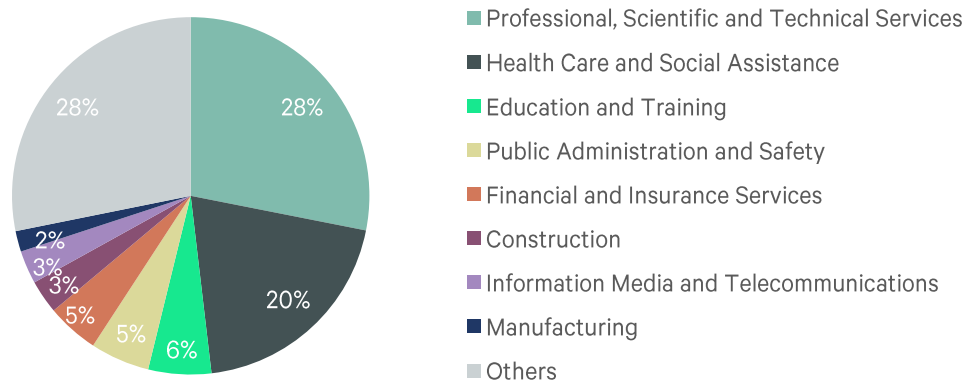
Net absorption eases from recent highs but remains above average

Total enquiry volumes (sqm) of c.55,000 sqm was recorded across Adelaide’s office market during 4Q25, easing from the c.65,000 sqm in 4Q24. Despite the seasonally lower enquiry during 4Q25, total enquiry for CY2025 came to c.287,000 sqm, 2% higher than 2024 and 18% higher than the 10-year average. The number of enquiries received in the quarter totalled 125, 12% higher than 4Q24. The average enquiry size during the quarter decreased to 439 sqm, down from 481 sqm in 4Q24.

Adelaide’s CBD market had seen historically high net absorption levels since 1H24. For 2H25 net absorption eased to 10,697 sqm, down from 22,606 sqm in the same period in 2024 but still well above the 10-year six month average of c.7,700 sqm.

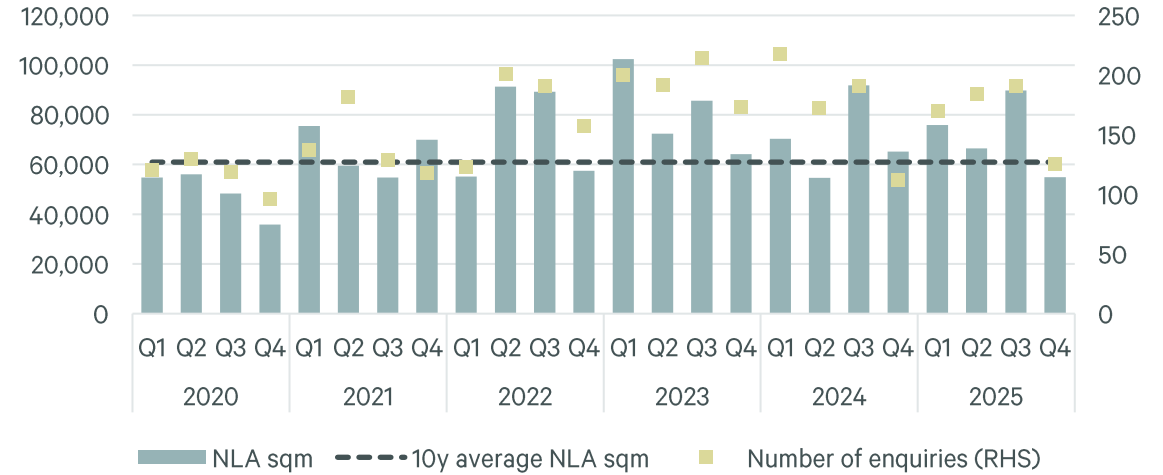
Demand during 2H25 was positive across both the prime and secondary grade market. Prime grade net absorption for 2H25 totalled 7,128 sqm, just below the 10-year six month average of c.9,300 sqm. Secondary grade net absorption for 2H25 came to 3,569 sqm, above the 10-year six month average of c.500 sqm.

FIGURE 2: Adelaide 4Q25 Enquiry Volume (sqm) by Industry



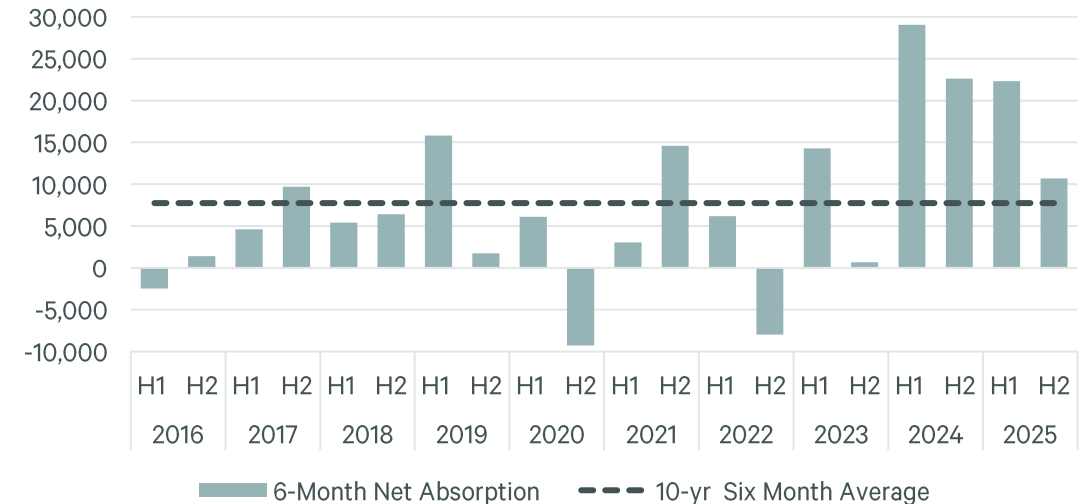
Source: CBRE Research

FIGURE 3: Adelaide Office | Enquiry Volumes



Source: CBRE Research

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



Source: PCA, CBRE Research

Supply

Completion of 50 Franklin Street adds 21,412 sqm of new stock

Having seen a record high of 78,109 sqm of net supply added to the market in 2023, Adelaide’s CBD supply level had been running below average since 1H24. During 2H25 net supply lifted to 22,848 sqm, well above the 10-year average of c.10,000 sqm, largely due to completion of 50 Franklin Street.

The completion of 50 Franklin Street in 2H25 introduced 21,412 sqm of new A grade stock while refurbishment of 139 Frome Street added 2,170 sqm of stock. Stock withdrawn from the market during 2H25 was minimal, totalling just 734 sqm.

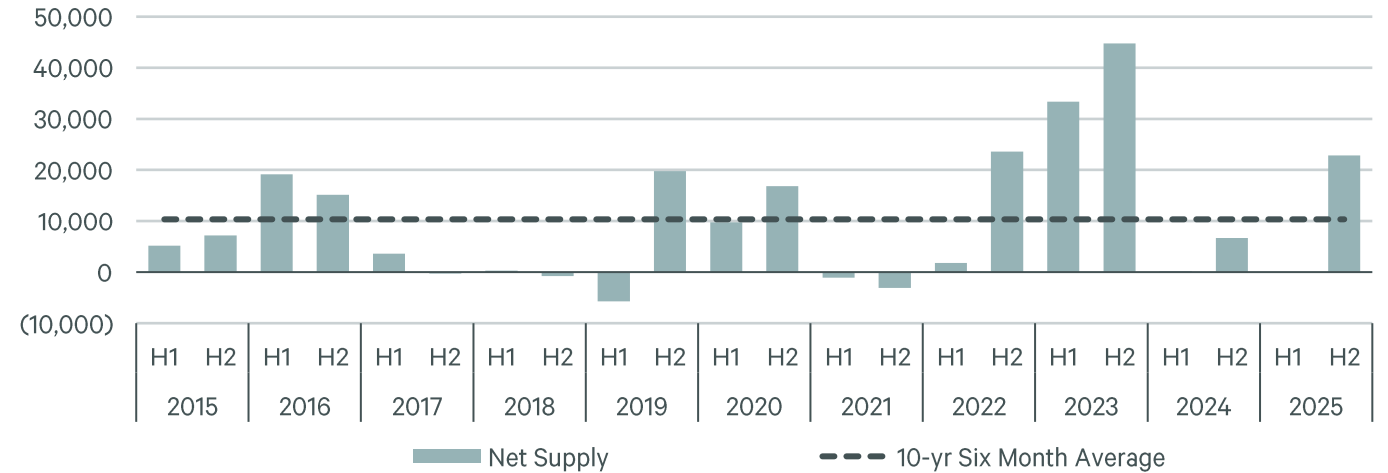
Limited confirmed supply in pipeline

The Market Square development on Gouger Street is currently the only major project under construction as of 4Q25. It comprises of c.22,000 sqm of office space and is expected to reach completion around Q3 2026, with close to 57% of this space already been taken up. This development will represent 1.4% of the current Adelaide CBD office stock.

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

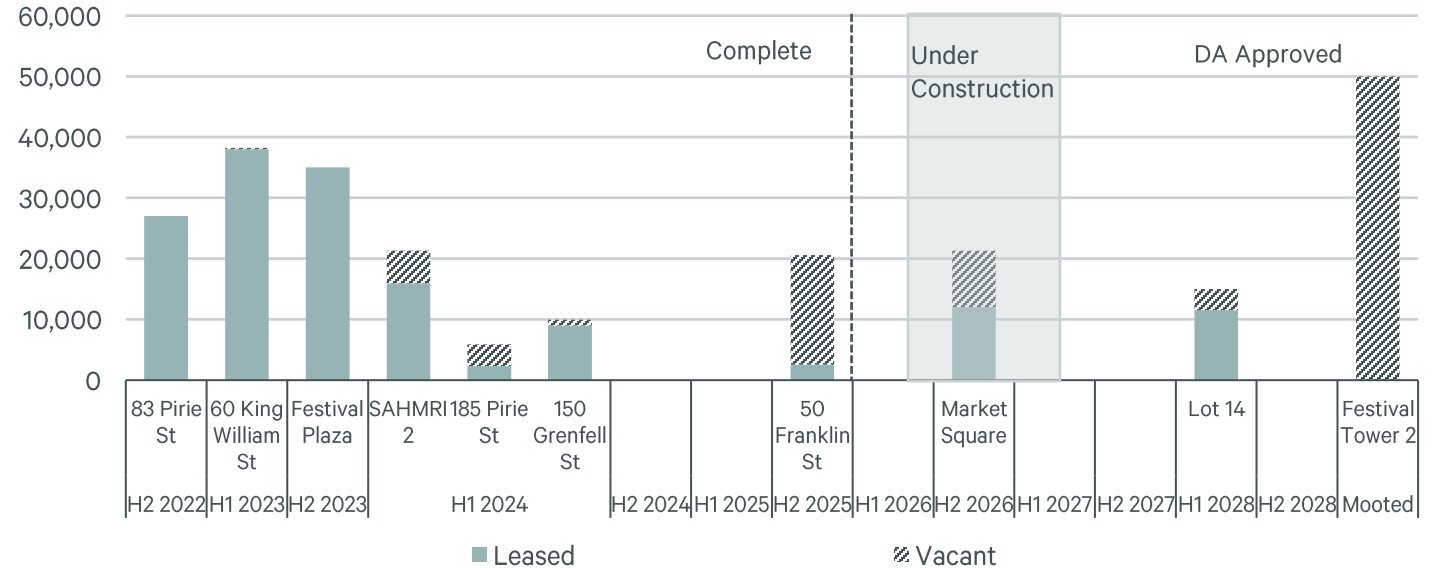
Walker Corporation’s Festival Tower 2 development (c.50,000 sqm) is the other major project in the pipeline however, given the scale of this project it will require pre-commitments.

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

New supply lifts prime vacancy rate by 1.4 percentage points

The Adelaide CBD overall vacancy rate increased by 0.5 percentage points to 15.5% as at January 2026. Given demand for the half was solid (net absorption = 10,697 sqm), the vacancy increase was driven entirely by net new supply which totalled 22,848 sqm and largely due to completion of 50 Franklin Street which had a large part of the building vacant on completion.

For the prime grade market, the vacancy rate increased by 1.4 percentage points to 16.5% in January 2026 (up from 15.1% in July 2025). Prime grade net supply totalled 21,412 sqm during 2H25 (50 Franklin St) which offset the positive 7,128 sqm of net demand and resulting in the prime vacancy increase for the half.

Secondary grade vacancy decreased slightly by 0.3 percentage points during 2H25 and now sits at 14.6%. Partial refurbishment of 139 Frome Street added 2,170 sqm in the secondary market, while 734 sqm of stock was withdrawn (net supply = 1,436 sqm). Combined with net demand of 3,569 sqm in the secondary market, the vacancy rate decreased slightly for the half.

Minimal sublease space in Adelaide CBD

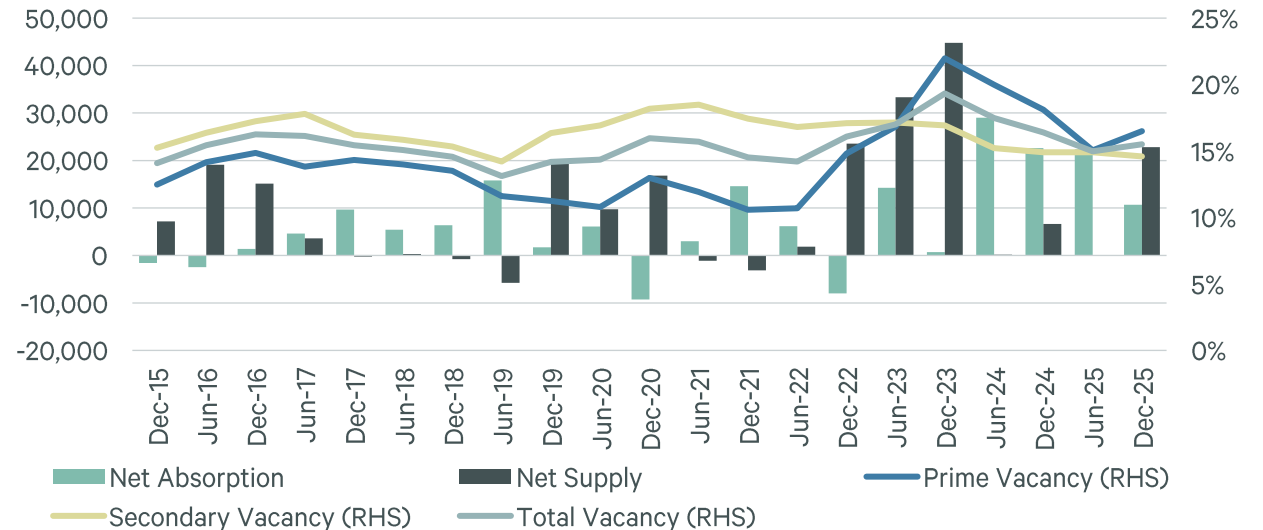
As per the CBRE 4Q25 sublease barometer, the Adelaide CBD had minimal sublease space available, totalling c.4,185 sqm, up slightly on the 3,019 sqm at the end of 3Q25. Over the past 12 months sublease space available in the Adelaide CBD has decreased by close to 9,612 sqm, given the strong leasing market conditions. Per CBRE’s sublease barometer, the sublease vacancy rate in the Adelaide CBD was just as 0.3% as of 4Q25.

FIGURE 7: Adelaide CBD Office | Leasing Market Summary

Market/Grade	Inventory Jan 26	Vacant Space Jan 26	Vacancy Rate Jan 26 (6month Diff)	Net Absorption 6 months
Prime	774,750 sqm	127,691 sqm	16.5% (+1.4 pp)	7,128 sqm
Secondary	818,465 sqm	119,569 sqm	14.6% (-0.3 pp)	3,569 sqm
Total	1,593,215 sqm	247,260 sqm	15.5% (+0.5 pp)	10,697 sqm

Source: PCA, CBRE Research

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

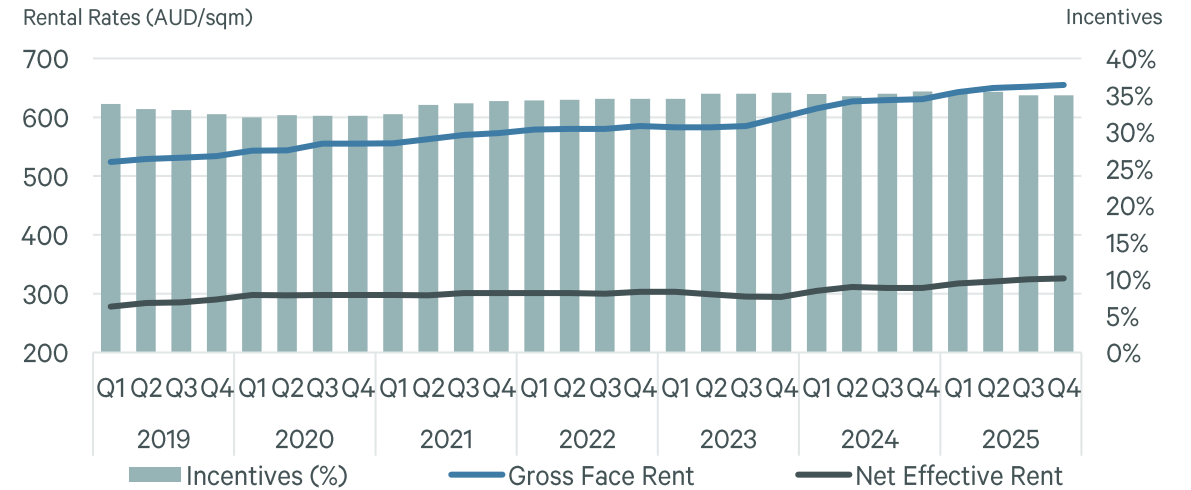
Adelaide CBD rents have been seeing strong growth rates with the robust tenant demand backdrop over the past two years. Rent growth has been more prominent in prime grade assets over the past two years given the stronger demand and repositioning of Gen1 assets that are commanding higher average rental rates. Regenerated buildings with upgraded lobbies and amenities have attracted strong interest as tenants seek quality at more affordable price points than brand new towers.

During the quarter average prime gross rents increased by 0.4% q-o-q and 3.7% y-o-y to \$655 per sqm. Prime incentives remained stable q-o-q and have decreased slightly by 50 basis points over the past year to now average 35%. This has led to prime net effective rent growth of 0.5% q-o-q and 5.2% y-o-y to now average \$326/sqm.

Rents in the secondary grade market remained stable during Q4, and are up 4.1% y-o-y to now average \$413/sqm (gross basis). Some changes to enhance the sample basket of properties during Q2 has contributed to the stronger y-o-y comparison. Average secondary grade incentives remained stable during Q4 at 42% and are down marginally by 15 basis points y-o-y.

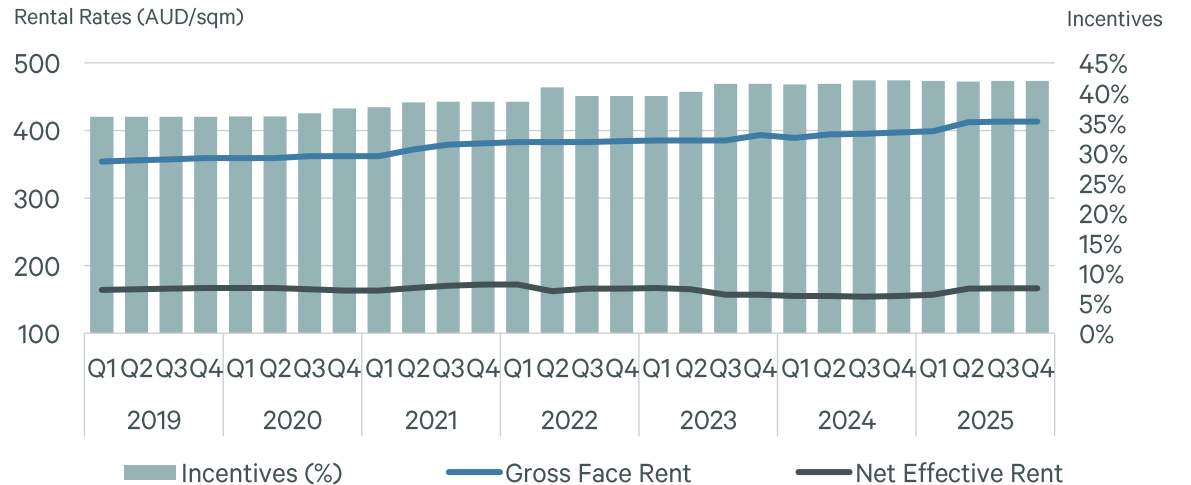
Looking ahead, Adelaide’s office market is expected to see continued rental growth driven by the positive demand fundamentals and the repositioning of Gen1 assets which are attracting strong tenant interest and rental premiums. The rental growth rate this year, however, may moderate from the high levels seen in the past two years due to the recent supply addition of 50 Franklin Street and upcoming Market Square development weighing on vacancy and a rising interest rate environment which is likely to create additional uncertainty for occupiers.

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

Improving Adelaide CBD office investment pipeline expected in 2026

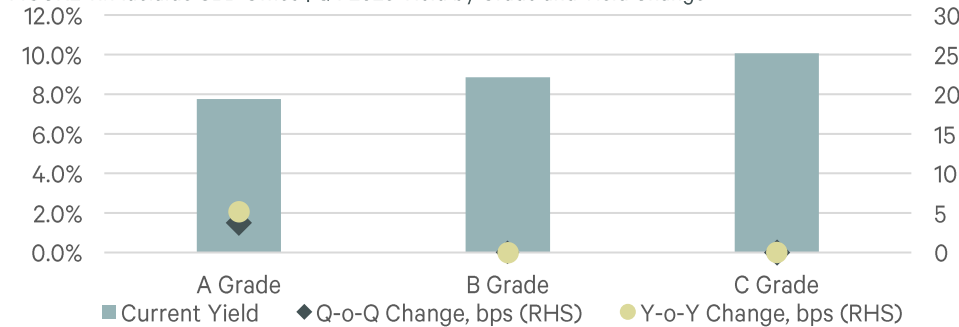
Investment transaction volumes in Adelaide’s office market remained muted in 2025. Around \$263 million of transactions have been recorded in the CBD and suburban markets (transactions ≥ \$5 million) in 2025, below the 10-year annual average of c.\$555 million. In the CBD, the most notable transaction in 2025 was Centennial’s acquisition of 63 Pirie Street, acquired from Raptis Investments for \$50.5 million. Other smaller CBD investment sales recorded during 4Q25 include Karygroup Pty Ltd’s purchase of 25 King William Street for \$10m.

Adelaide CBD office midpoint yields changed only slightly during 4Q25. Prime grade yields currently average 7.75%, up marginally by 4 bps q-o-q and secondary grade yields average 9.5%, remaining stable q-o-q.

Adelaide CBD investment volumes are expected see an uplift in 2026 due to an improving investment supply pipeline for the year. With office cap rates having softened significantly since 2022, a more attractive pricing environment and the relative value in office is expected to capture the interest of buyers, and is expected to be led by private syndicators.

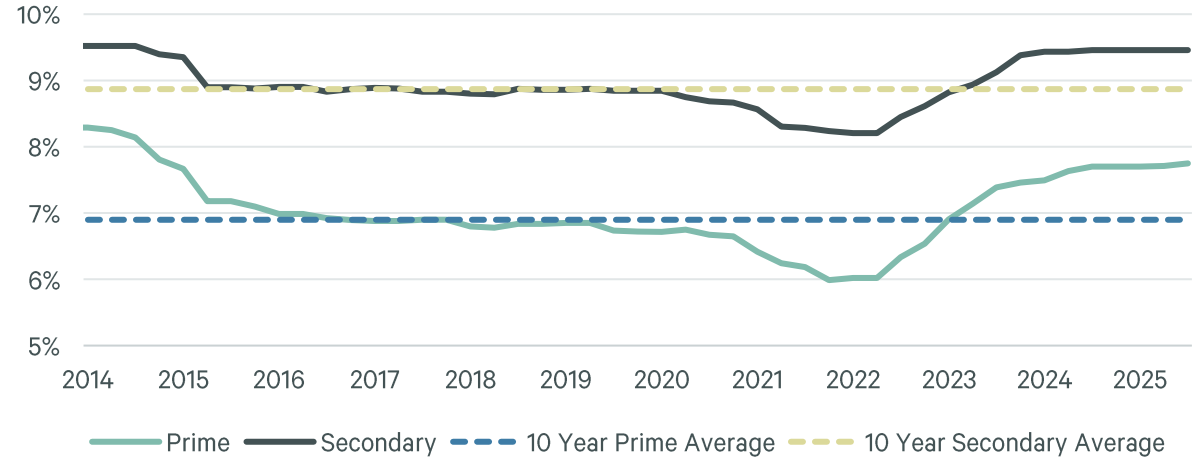
The RBA increased the Cash Rate by 25 basis points in February 2026 to 3.85%, reversing the easing cycle which began in February 2025. Market expectations imply a further c.35 bps of interest rate increase over the rest 2026 – as per the 3 February 2026 ASX 30 Day Interbank Cash Rate Futures Implied Yield Curve.

FIGURE 11: Adelaide CBD Office | Q4 2025 Yield by Grade and Yield Change



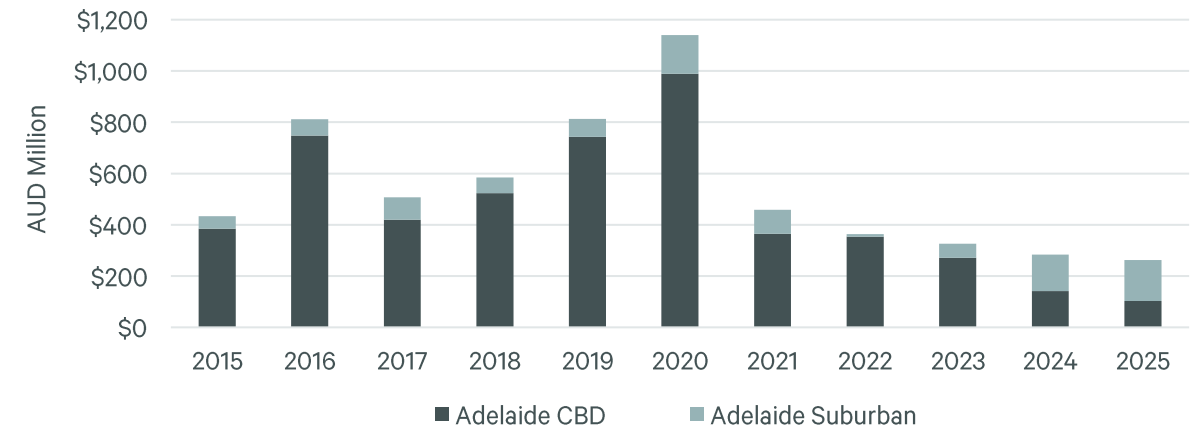
Source: CBRE Research

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

Eza Ranjbar

Associate Director
Research, WA & SA
Eza.ranjbar@cbre.com