Occupier demand and constrained supply continue to support Adelaide's industrial market

▼ c.18,200 sqm
New supply completed Q2 2026

▲ c.98,500 sqm
Gross Take-Up Q2 2026

▲ 6.0%
Super Prime midpoint yield Q2 2026

Note: Arrows indicate change from previous quarter.

Key Points

- Leasing activity strengthened during Q2, lifting annual take-up well above the long-term average as occupier demand remained resilient despite a more cautious economic backdrop.
- Development activity remains elevated, although strong pre-commitment levels continue to limit speculative supply and support market fundamentals.
- Tight vacancy continues to underpin rental growth, with super prime and prime assets outperforming while incentives remain broadly stable.
- Owner-occupier demand and limited serviced industrial land continue to drive land value growth, particularly across Adelaide's northern and western precincts.
- Investment activity remains resilient, supported by Adelaide's strong economic fundamentals, defence-related investment and sustained demand for quality industrial assets.
- Industrial yields softened only marginally during the quarter, reflecting broader capital market conditions while remaining well supported by occupier fundamentals.

Demand

Leasing momentum improves through H1 2026

Leasing activity strengthened during Q2 2026, with gross take-up comfortably above the long-term quarterly average. The improvement reflects resilient occupier demand despite a more cautious economic backdrop, lifting leasing activity over the past 12 months to well above historic norms.

While leasing activity improved, occupiers remain selective amid broader economic uncertainty. Market fundamentals across Adelaide remain healthy, although more measured decision-making is expected to continue in the near term.

Activity remained concentrated across Adelaide's northern precincts, which continue to benefit from strong transport connectivity, proximity to Port Adelaide and greater availability of development-ready land.

The northern precincts are expected to remain Adelaide's primary source of leasing activity, supported by ongoing infrastructure investment, availability of pre-lease opportunities and continued demand from industrial occupiers.

Transport, Postal & Warehousing continues to account for the largest share of leasing demand, while manufacturing remains a key contributor to Adelaide's industrial market, reflecting the state's diversified industrial economy.

Source: CBRE Research

FIGURE 1: Adelaide Gross Take-Up 2016-2026YTD by Precinct

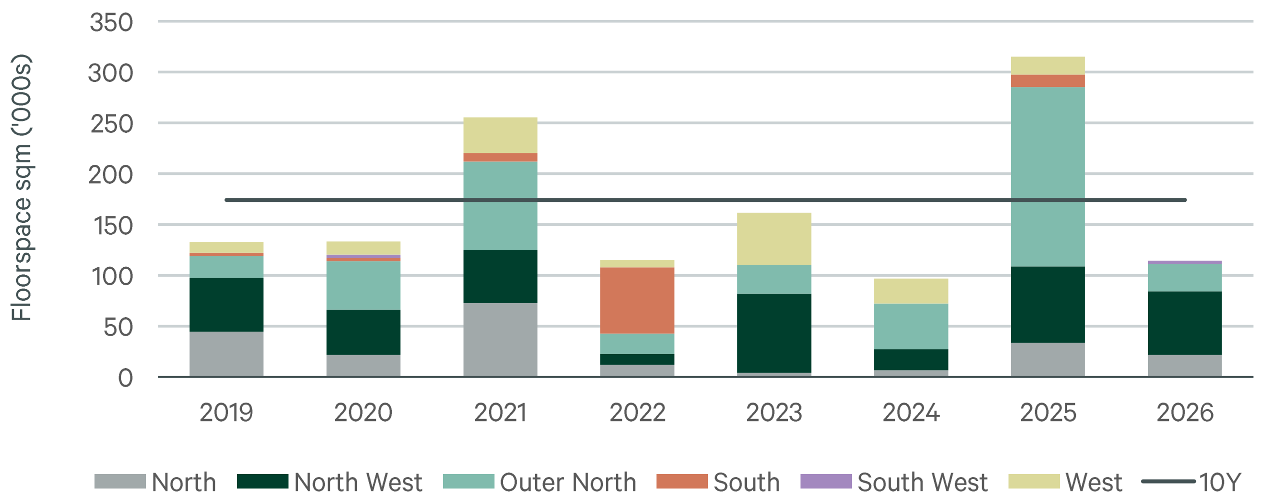
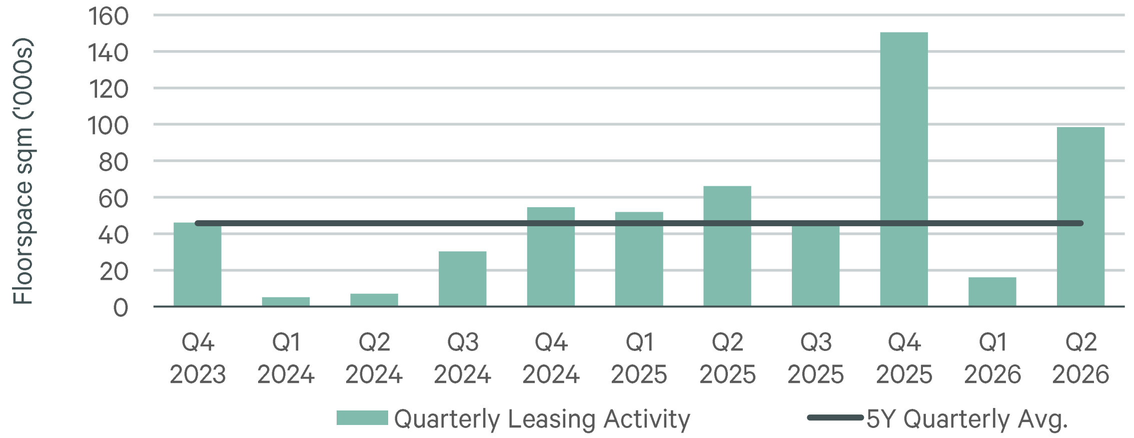


FIGURE 2: Adelaide Quarterly Gross Take-Up, 4Q23-2Q26



To note: Reflects leasing transactions >3,000sqm
Source: CBRE Research Q2 2026

Supply

Strong pre-commitment levels continue to support market fundamentals

Development completions continued through the quarter, lifting annual supply well above the long-term average. Despite this elevated delivery, strong pre-commitment levels continue to limit speculative supply entering the market.

A meaningful proportion of the 2026 pipeline reached completion during the quarter, with around two-thirds of forecast annual supply now delivered through the first half of the year.

Completions remained concentrated across the Outer North, North and South precincts, reinforcing the importance of Adelaide's northern growth corridor.

While the development pipeline remains above historical averages, a high proportion is already pre-committed, limiting near-term vacancy risk and supporting market fundamentals.

A significant proportion of the forward pipeline has either commenced construction or progressed through planning approvals, providing confidence in Adelaide's medium-term supply outlook.

Notable projects expected to reach PC over the balance of 2026 include:

- The DHL facility in Edinburgh (c.20,000 sqm)
- Trio Group Australia facility in Green Fields (c12,400 sqm).

FIGURE 3: Adelaide Development Supply Pipeline 2019-2029F

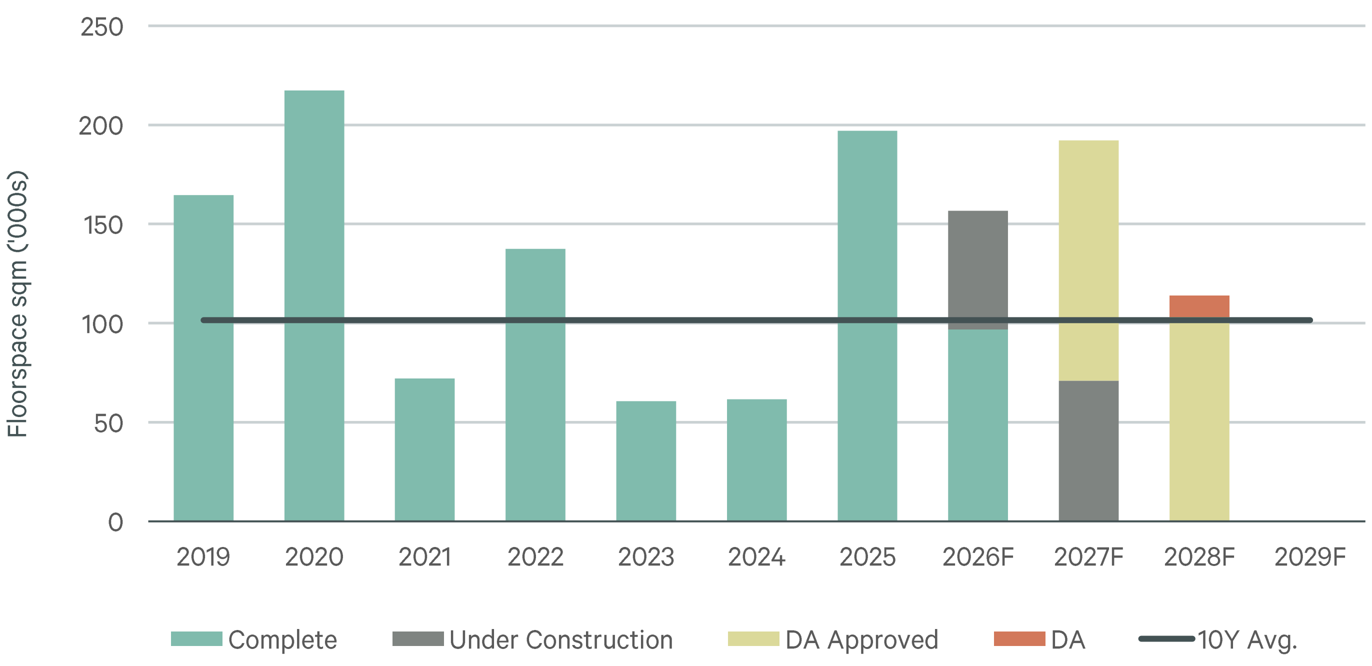
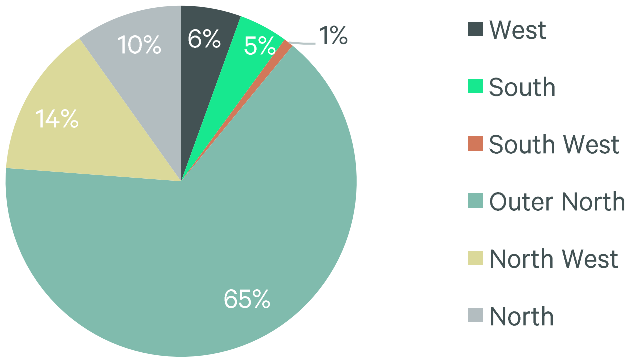


FIGURE 4: Development Supply 2026F-2028F Floorspace Share, by Precinct



To note: Reflects new projects >3,000 sqm.
Source: CBRE Research Q2 2026

Leasing Market

Rental growth remains supported by tight market conditions

Adelaide's constrained vacancy continues to underpin rental growth across the industrial market. While rental growth has moderated from the exceptional pace recorded during 2022–2024, market fundamentals remain supportive of further rental appreciation.

Super prime rents continued to record the strongest growth during the quarter, particularly across Adelaide's northern precincts where occupier demand remains concentrated.

The West precinct continues to command Adelaide's highest rental levels, supported by its proximity to the CBD, Adelaide Airport and ongoing land scarcity.

Incentives remained broadly stable at around 13%, supporting continued growth in net effective rents.

Prime assets continued to record healthy rental growth, while rental growth across secondary assets moderated as occupier demand became increasingly focused on higher-quality accommodation.

FIGURE 5: Average Adelaide Net Effective Rent Growth y-o-y, by Asset Grade (2020-2026)

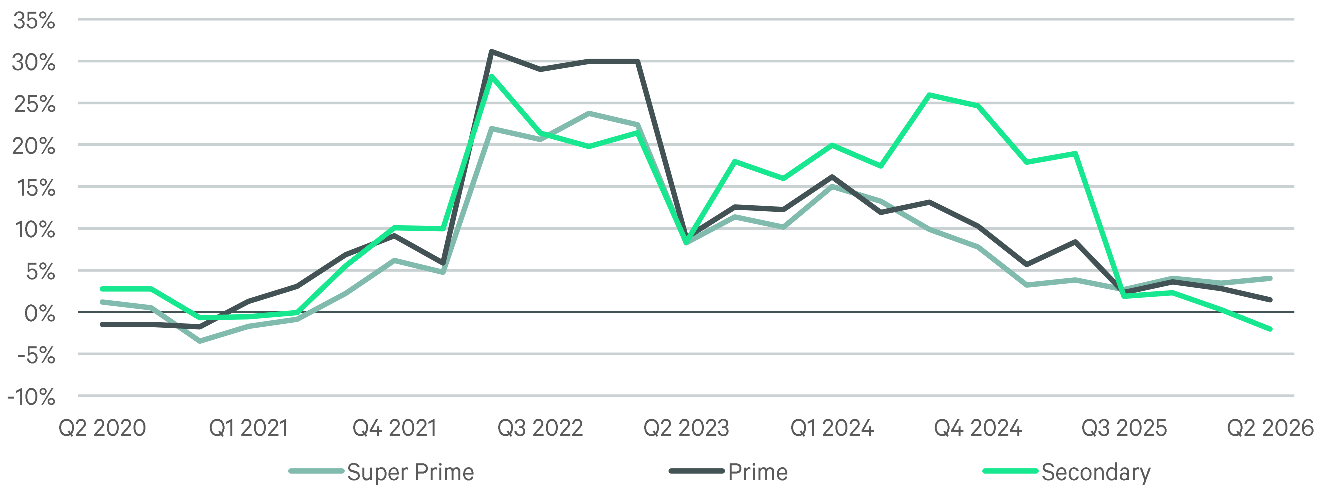
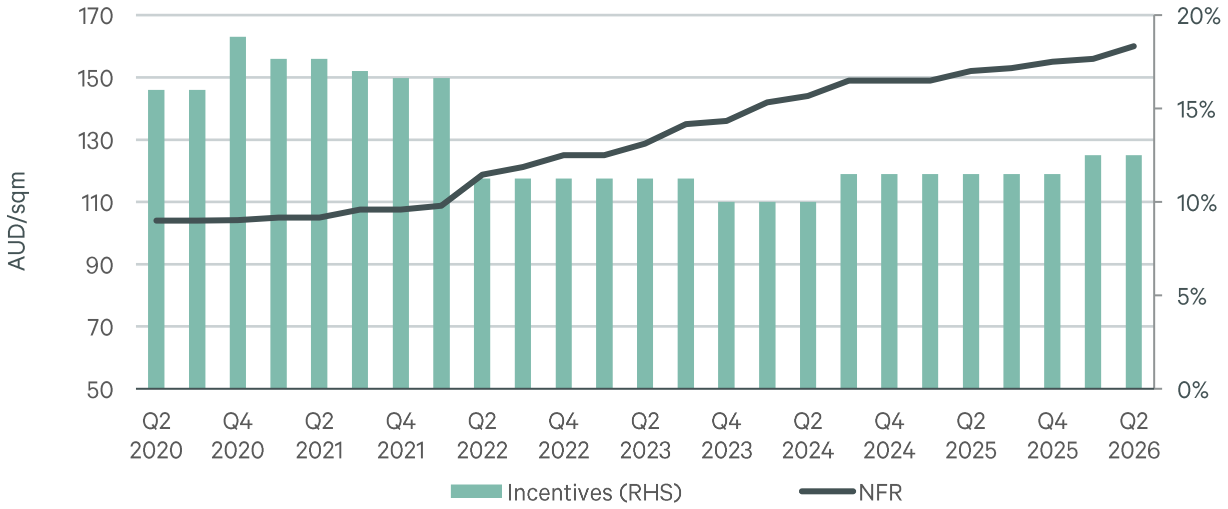


FIGURE 6: Average Super Prime Net Face Rents and Incentives (2020-2026)



Source: CBRE Research Q2 2026

Land Values

Owner-occupier demand continues to support land value growth

Limited availability of serviced industrial land continues to support land value growth across Adelaide. Strong owner-occupier demand, together with constrained development opportunities, is maintaining upward pressure on land prices.

Recent growth has been increasingly driven by owner occupiers, who remain active despite higher financing and construction costs. Demand for well-located serviced land continues to outweigh available supply.

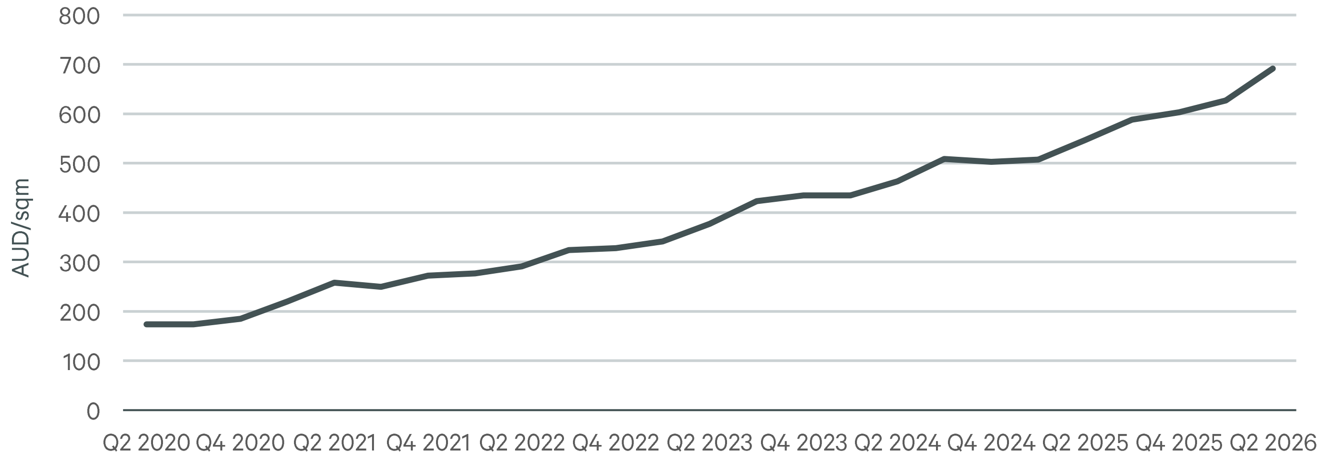
During Q2 2026, larger industrial lots recorded further quarterly growth, with annual land value increases of around 27%. The North West precinct continued to outperform, reflecting strong occupier demand and proximity to Port Adelaide.

Adelaide's West precinct continues to command the highest land values, supported by its strategic location near the CBD and Adelaide Airport.

Smaller industrial lots also continued to appreciate, supported by limited supply and strong owner-occupier demand, particularly across Adelaide's southern precincts.

FIGURE 7: Average Land Values, 1.6 ha lots, by Precinct (2Q25 vs. 2Q26)

FIGURE 8: Average Land Values, 1.6 ha lots (2020-2026)



Source: CBRE Research Q2 2026

Investment Market

Investment activity remains resilient despite economic uncertainty

Investment activity remained resilient through the first half of 2026 and is on track to exceed long-term average transaction volumes. While higher interest rates and global uncertainty continue to influence investor sentiment, Adelaide's strong market fundamentals and ongoing defence-related investment continue to underpin demand.

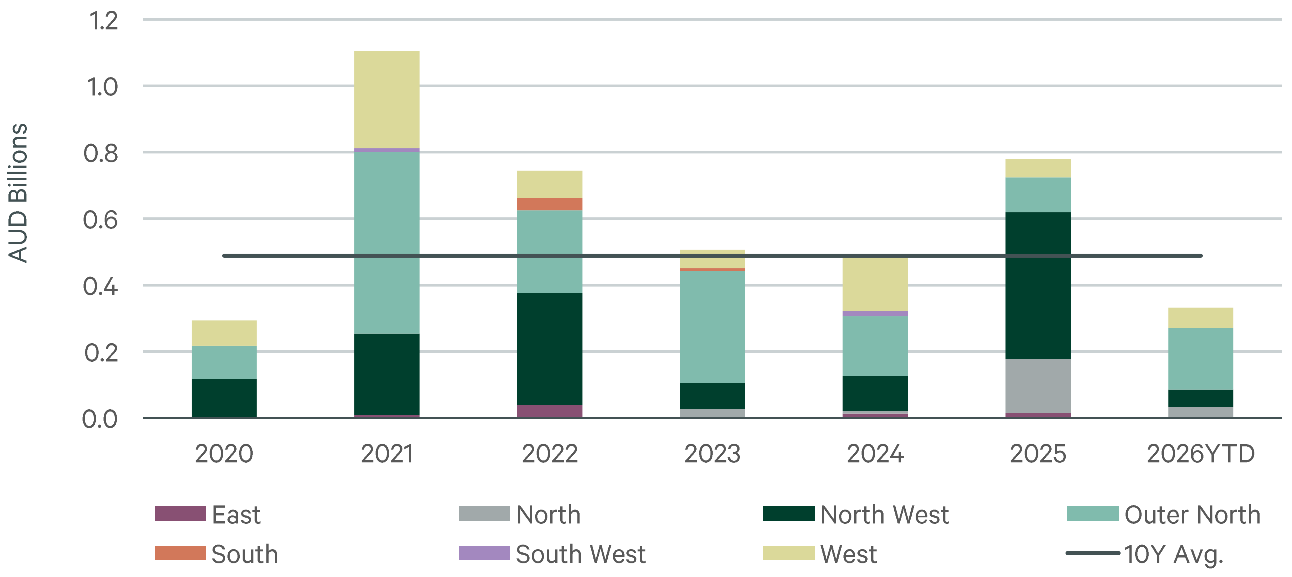
Transactions recorded this quarter included: Centuria selling its spec development at 50-64 Mirage Road to a local owner-occupier for AUD 50 million, along with its Mine Tech Engineering occupied facility at 32-54 Kaurna Avenue to a local private for AUD 27.7 million, highlighting continued activity from owner occupiers and private investor capital.

Industrial yields softened marginally during the quarter, reflecting broader capital market conditions. Despite modest outward movement across selected asset grades, demand for quality industrial assets remains well supported.

Source: CBRE Research Q2 2026

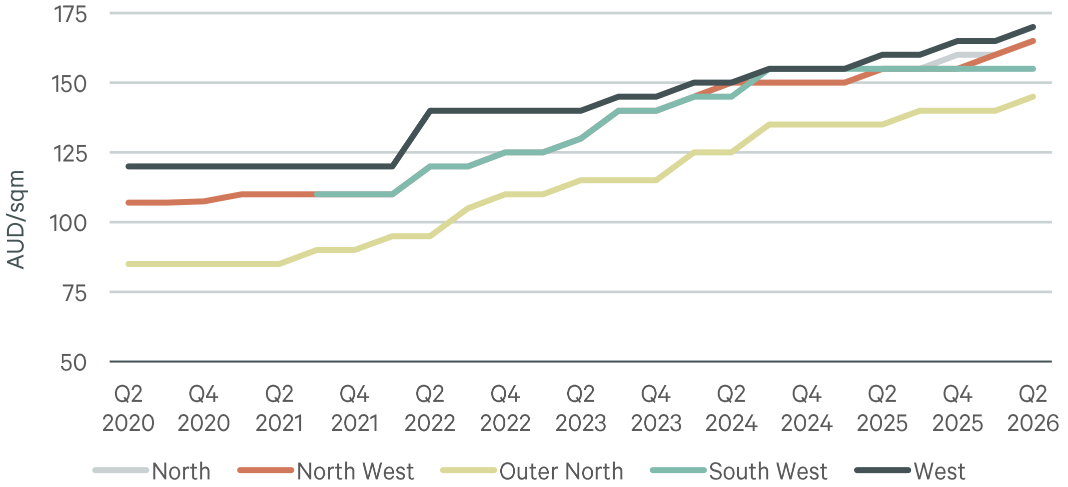
FIGURE 9: Super Prime Midpoint Yield, by Precinct

FIGURE 10: Adelaide Industrial Investment Sales (≥ AUD 5 million)



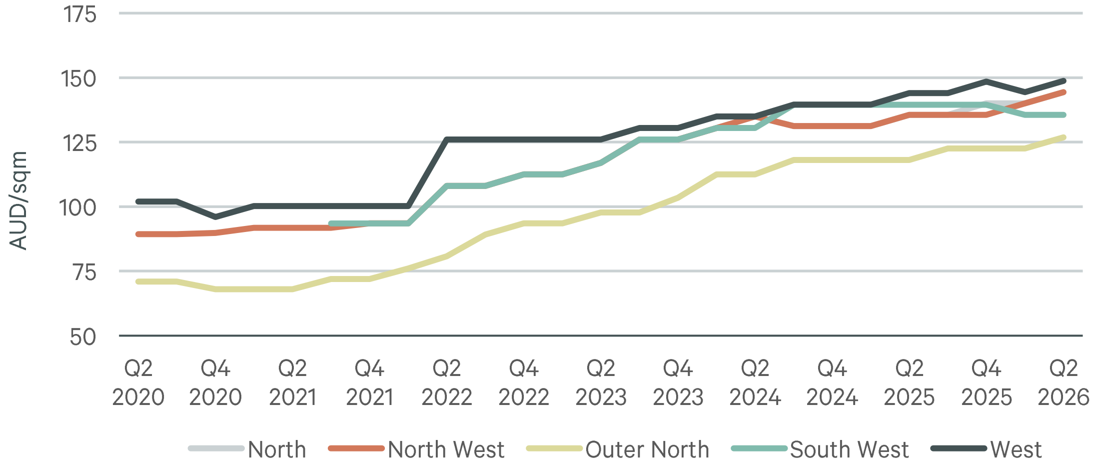
Source: CBRE Research Q2 2026

FIGURE 11: Average Super Prime Net Face Rents, by Precinct (2020-2026)



Source: CBRE Research Q2 2026

FIGURE 13: Average Adelaide Super Prime Net Effective Rents, by Precinct (2020-2026)

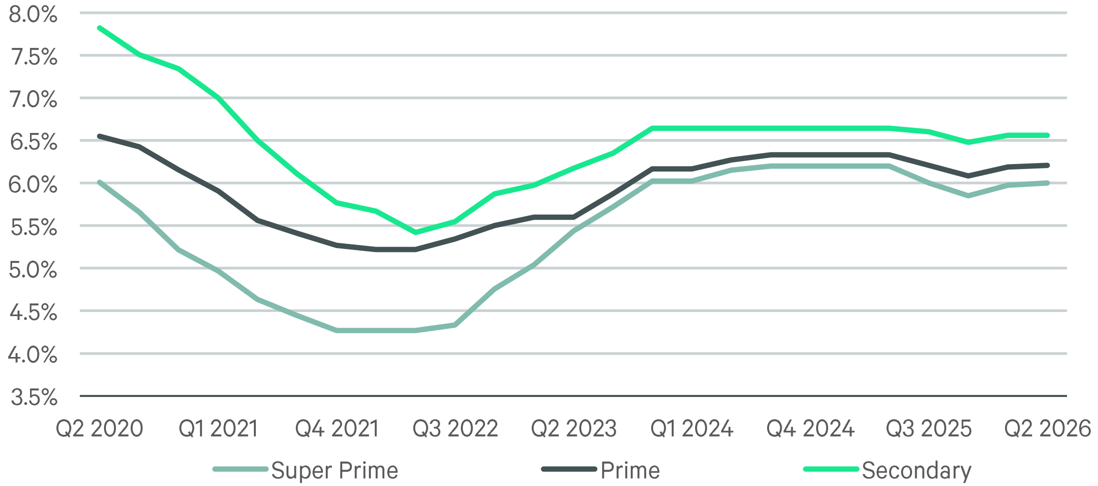


Source: CBRE Research Q2 2026

FIGURE 12: Average Super Prime Incentives, by Precinct (2020-2026)

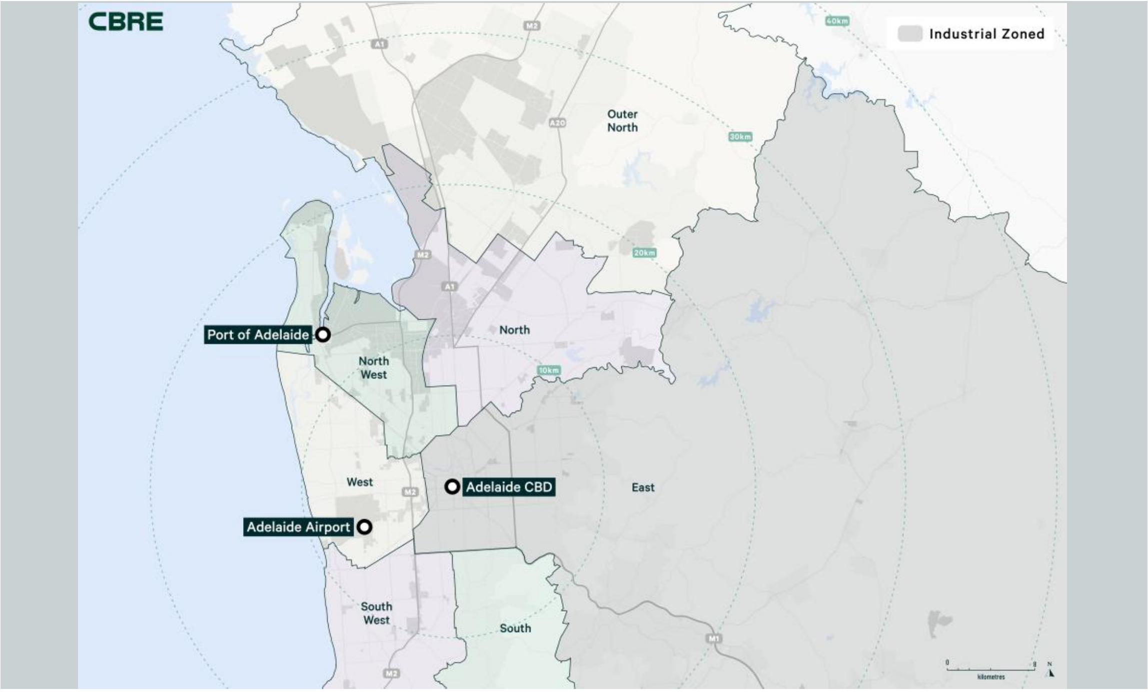
Source: CBRE Research Q2 2026

FIGURE 14: Midpoint Sydney Yields, by Asset Grade (2020-2026)



Source: CBRE Research Q2 2026

Market Area Overview



Definitions

Super Prime:
Less than 6 years old, height clearance between 13.7m and 14.6m. Buildings showcasing design excellence with combination of ESFR sprinklers and docks / on-grade doors, as well as strong truck articulation for loading/unloading.
Prime:
Generally, between 6 and 15 years old, height clearance over 10m and up to 13.7m.
Secondary:
Buildings that are older style but still very functional, height clearance in the ranges of 8-11m, Over 15 years old.

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