MARKETBEAT
ADELAIDE
LOGISTICS & INDUSTRIAL Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.7% Vacancy Rate	▲	▲
5.97% Average Prime Yield	▼	▼
1.0% Prime QoQ Rental Growth	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.5% National GDP Growth	▲	▲
3.8% Gross State Product Growth	▲	▲
4.3% National Unemployment Rate	▲	▲

Source:ABS

ECONOMIC OVERVIEW

Economic conditions remain mixed, with growth moderating while inflationary pressures continue to build. GDP rose by 0.3% in the March quarter and 2.5% over the year, reflecting softer household and government consumption. Meanwhile, headline CPI rose 4.2% year-on-year in April, while trimmed mean inflation ticked higher to 3.4%.

The RBA held the cash rate at 4.35% in June following three increases earlier in 2026; however, the full impact of tighter monetary policy will continue to flow through the economy over coming months. South Australia is unlikely to be immune, with economic growth forecasts for 2026 revised down to just over 0.5% for the year.

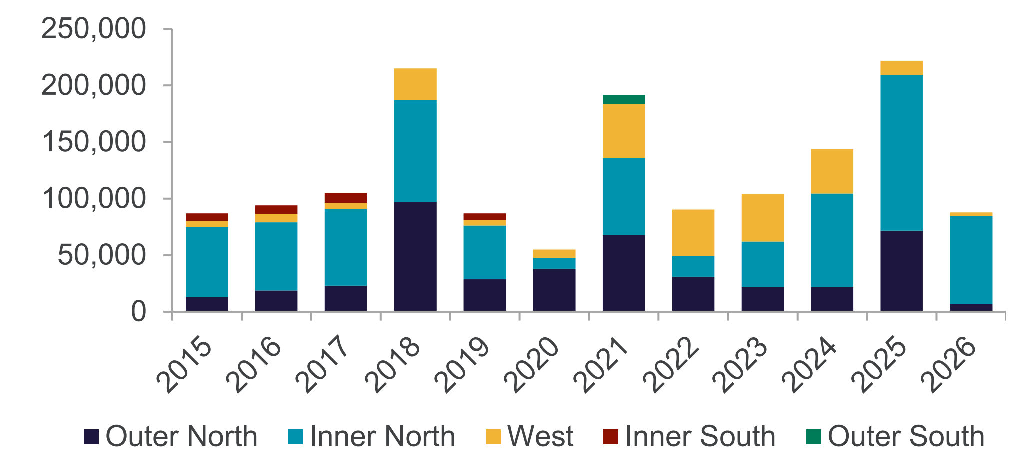
DEMAND

Adelaide's leasing market remained active through Q2 2026, with demand continuing to be underpinned by a diverse occupier base spanning transport and logistics, manufacturing, government and defence-related industries. Despite the healthy level of demand, occupiers continued to adopt a more measured approach to decision-making, reflecting ongoing cost pressures and limited availability of suitable space.

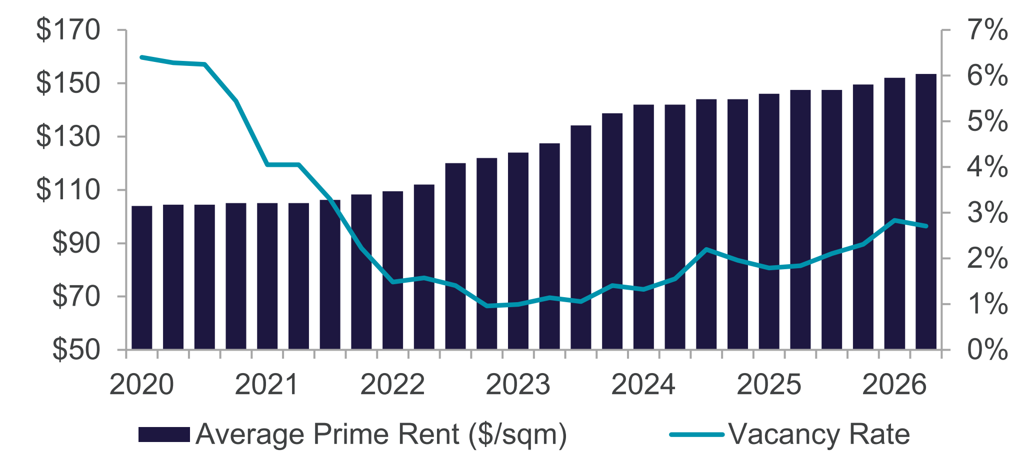
Gross take-up reached 65,000 sqm in Q2 2026, taking the year-to-date total to almost 100,000 sqm. Recent deals include the leasing of 13,782 sqm at 6-10 Senna Rd, Wingfield and Hallett Group leasing 9,239 sqm at 52 Ocean Steamers Road, Port Adelaide. Net absorption also turned positive, reaching 38,500 sqm for the quarter and was led by the northern submarkets.

Leasing activity remained concentrated in the 3,000 to 6,000 sqm segment, where underlying demand continues to outstrip supply. The shortage, combined with high relocation costs, has resulted in a high proportion of occupiers renewing existing leases.

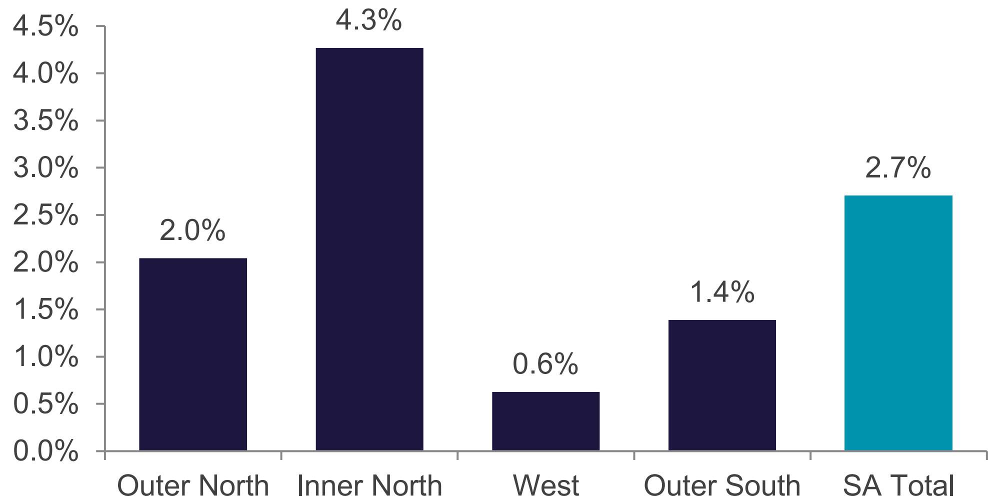
GROSS TAKE-UP (SQM)



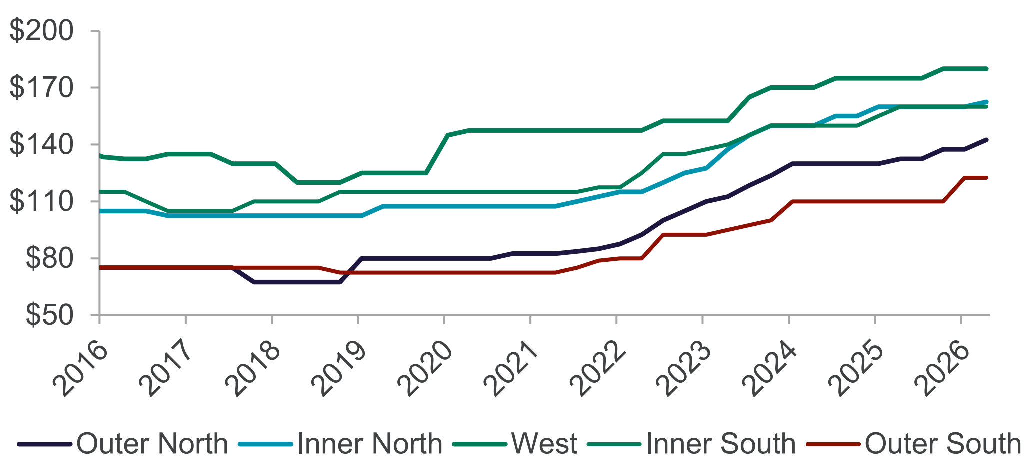
VACANCY & AVERAGE PRIME RENTS



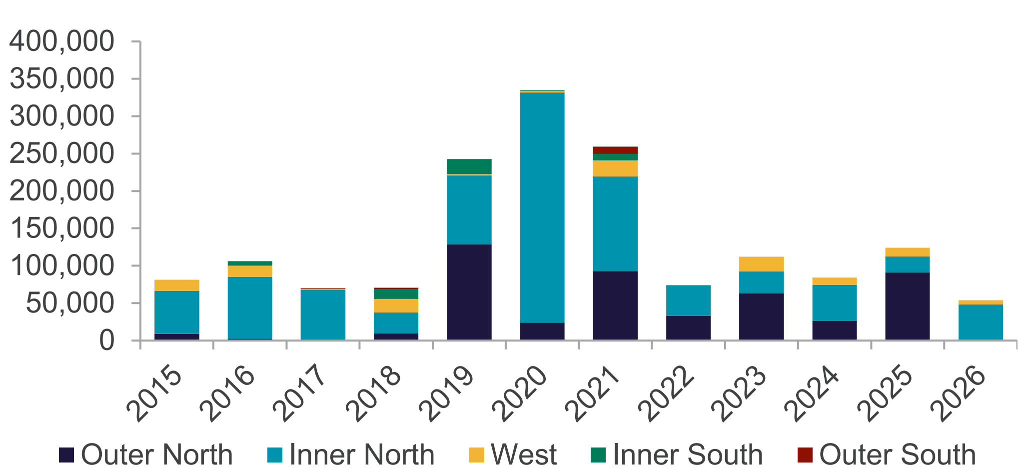
Q2 2026 VACANCY RATES BY SUBMARKET



PRIME NET FACE RENTS BY SUBMARKET ($/SQM)



SUPPLY BY SUBMARKET (SQM)



VACANCY

Vacancy across the Adelaide industrial market remained constrained through Q2 2026, edging lower to 2.7%, reflecting the ongoing imbalance between occupier demand and the limited supply of quality accommodation. The Inner North remains the only submarket with meaningful availability, recording a vacancy rate of 4.3%. Across the remainder of Adelaide, vacancy averages just 1.2%

Modern facilities in established precincts continue to be absorbed quickly, particularly where they offer high-clearance warehousing, appropriate hardstand or immediate access to key transport infrastructure. However, occupiers seeking prime-grade space face limited choice, with more than 70% of current availability comprising secondary stock. Prime, existing leasing opportunities are concentrated in only a handful of larger assets, including the 19,922 sqm facility at 1772 Main North Road, Salisbury Plain, and the 10,500 sqm Realside Ovest development at Ovest Business Park, Salisbury South.

RENTS & INCENTIVES

Prime-grade rents in Adelaide recorded modest growth of 1.0% this quarter, with the average now at $154/sqm net face. Most of this growth stemmed from the Outer North submarket, with the higher economic rents needed to activate new supply dragged up rents for existing assets. On an annual basis, prime rents grew by 4.1%, which was stronger than secondary at 2.5% for the same period.

Incentives remain unchanged at 0.0% to 15.0% for prime-grade. The broad range is due to the strong presence of private ownership within Adelaide, with a large spread in incentives offered between private and institutional groups.

SUPPLY

New supply for 2026 is concentrated in the Northern submarkets, particularly the Outer North and includes Centuria's recent development at Direk (Vicinity Industrial Base – 20,910 sqm) and DHL's 20,000 sqm facility at Edinburgh Park. For the year, supply is set to total almost 120,000 sqm, almost 80,000 sqm of which is speculative.

For 2027, there is the potential for an upswing in supply to around 200,000 sqm; however, a large share of this will only be activated following a pre-commitment.

OUTLOOK

- Occupier demand in Adelaide is expected to remain resilient over the next 12 months, supported by defence investment, infrastructure spending and the state's diversified industrial base. While businesses remain measured amid economic uncertainty, an improving interest rate outlook should support leasing activity.
- Supply is expected to remain constrained, with much of the future pipeline dependent on pre-commitments and limited development-ready land underpinning tight market conditions.
- Vacancy is forecast to remain below long-term averages, with just over 35,000 sqm of uncommitted stock scheduled to enter the market in H2 2026.
- Prime rental growth in the order of 3.80% is forecast in 2026, while incentives are expected to remain steady at their current levels.

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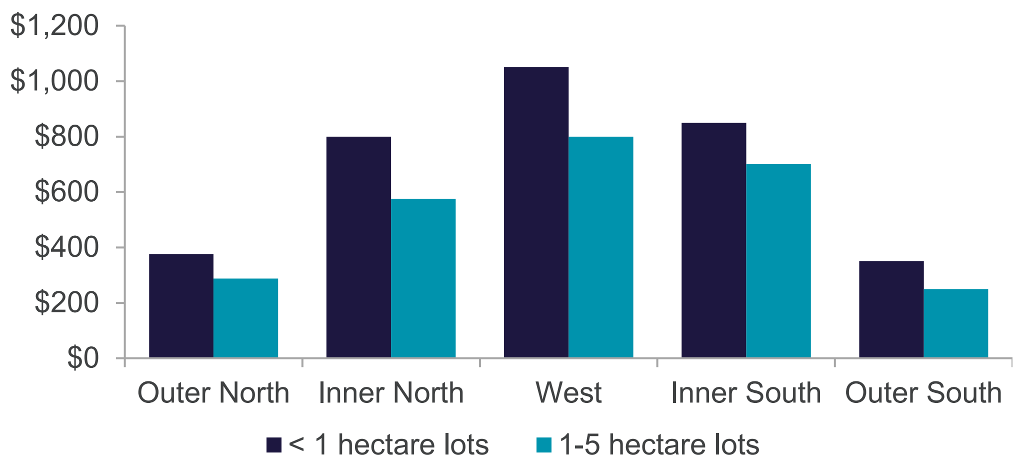
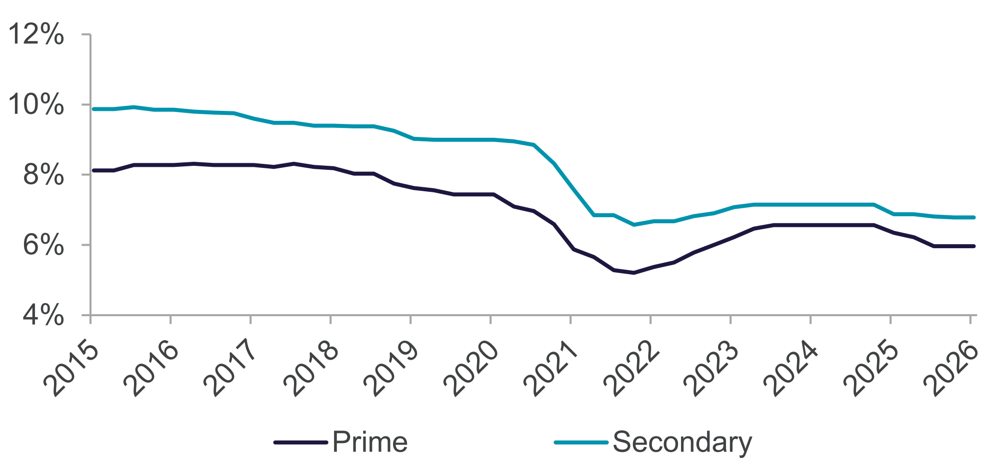
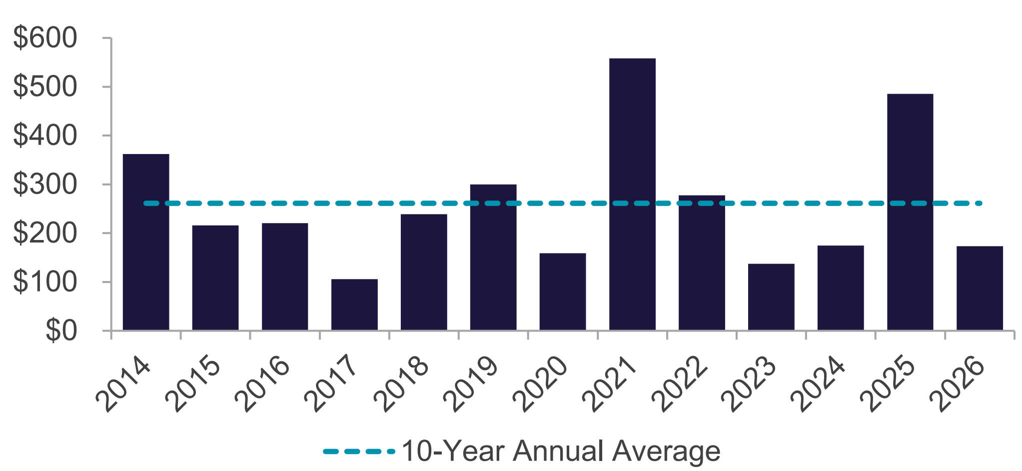
Q2 2026 LAND VALUES BY SIZE ($/SQM)



YIELDS BY GRADE



INVESTMENT VOLUMES ($M)



LAND VALUES

Development-ready land supply remains a key issue in Adelaide, with only 159 hectares considered active. With land take-up reaching almost 65 hectares in 2025, it wont take long for this land to be worked through.

This environment has placed upward pressure on land values across all size brackets, supported by solid owner-occupier demand. Land value growth over the past 12 months has averaged 5.6%, with the Outer North and Inner North recording growth of more than twice the city average.

At present, average land values are $685/sqm for lots under 10,000 sqm. Alternatively, values for 1-5 hectare lots are lower at $523/sqm. The highest land values are found in the West submarket at $800/sqm for 1-5 hectare lots, whereas the Outer North remains substantially lower at $288/sqm for the same size.

YIELDS

Investment market conditions across Adelaide remained relatively stable through Q2 2026, with industrial yields broadly holding firm despite ongoing volatility in capital markets (prime core market yields averaging almost 6.00% and secondary yields averaging 6.79%). Investor sentiment has been supported by the market's tight occupancy fundamentals, resilient rental growth and limited supply of prime-grade assets, offsetting the impact of an elevated interest rate environment.

While movements in government bond yields and the cost of debt continue to influence pricing expectations, markets increasingly expect the cash rate to have peaked, providing greater certainty for investors. As a result, yield expansion appears to have largely run its course, with well-leased prime industrial assets continuing to attract competitive interest from institutional and private capital.

INVESTMENT

Transaction volumes have reached almost $175 million in 2026, compared with $127.5 million over the same period in 2025. Volumes in Q2 2026 were underpinned by Centuria selling 50-64 Mirage Road, Direk for $50.0 million. The speculative facility reflected a rate of $2,391/sqm.

Other trades include 32-54 Kaurna Avenue, Edinburgh ($22.7 million) and 65-69 West Avenue & 12 Kaurna Avenue, Edinburgh ($18.1 million).

OUTLOOK

- Further growth in land values is expected over the medium term as Adelaide's supply of development-ready industrial land remains structurally constrained. Owner-occupiers and developers continue to compete for well-located sites.
- Investment market conditions are expected to improve as greater certainty around monetary policy supports transaction activity. However, with private owners dominating the ownership structure of the market, stock is expected to remain tightly held which will mute investment volumes.
- Prime industrial yields are likely to remain broadly steady in the near term. Any repricing is expected to be concentrated in secondary or functionally obsolete assets, where leasing risk and capital expenditure requirements remain more pronounced.

Q2 2026 ADELAIDE MARKET STATISTICS

SUBMARKET	VACANCY RATE (TOTAL MARKET)	YTD TAKE-UP (TOTAL MARKET SQM)	AVERAGE NET FACE RENT ($/SQM P.A.)	AVERAGE OUTGOINGS ($/SQM P.A.)	AVERAGE INCENTIVES	AVERAGE YIELDS	AVERAGE CAPITAL VALUES ($/SQM)	AVERAGE LAND VALUES (1-5ha, $/SQM)
PRIME								
Outer North	2.0%	6,680	$143	$25	10.0%	6.13%	$2,327	$288
Inner North	4.3%	77,855	$163	$25	7.5%	5.75%	$2,826	$575
West	0.6%	3,150	$180	$35	5.0%	5.75%	$3,130	$800
Inner South	0.0%	0	$160	$25	5.0%	6.13%	$2,612	$700
Outer South	1.4%	0	$123	$23	10.0%	6.25%	$1,960	$250
PRIME AVERAGE	**2.7%**	**87,685**	**$154**	**$27**	**7.5%**	**6.00%**	**$2,571**	**$523**
SECONDARY								
Outer North	-	-	$95	$20	5.0%	6.75%	$1,407	-
Inner North	-	-	$108	$25	5.0%	6.63%	$1,623	-
West	-	-	$120	$30	5.0%	6.63%	$1,811	-
Inner South	-	-	$105	$20	5.0%	6.80%	$1,544	-
Outer South	-	-	$80	$18	5.0%	7.13%	$1,123	-
SECONDARY AVERAGE			**$102**	**$23**	**5.0%**	**6.79%**	**$1,502**	**-**

DEFINITIONS:

Prime: *Built since 2010, with warehouse clearances above 10 metres (super prime above 13.5 metres), ESFR sprinkler systems, B-double approved access and strong ESG credentials, including Green Star and/or NABERS ratings.*

Secondary: *Built prior to 2010 with clearances between 8m and 11m, lower specifications than prime assets which provide lower warehouse efficiency.*

Gross Take-up: *The total floor space leased during a specified period above 3,000 sqm, excluding lease renewals.*

Net Absorption: *The net change in occupied floor space over a specified period, reflecting changes in tenant occupancy.*

Vacancy Rate: *Buildings above 3,000 sqm that are available now. This includes existing buildings, completed speculative buildings and sublease space.*

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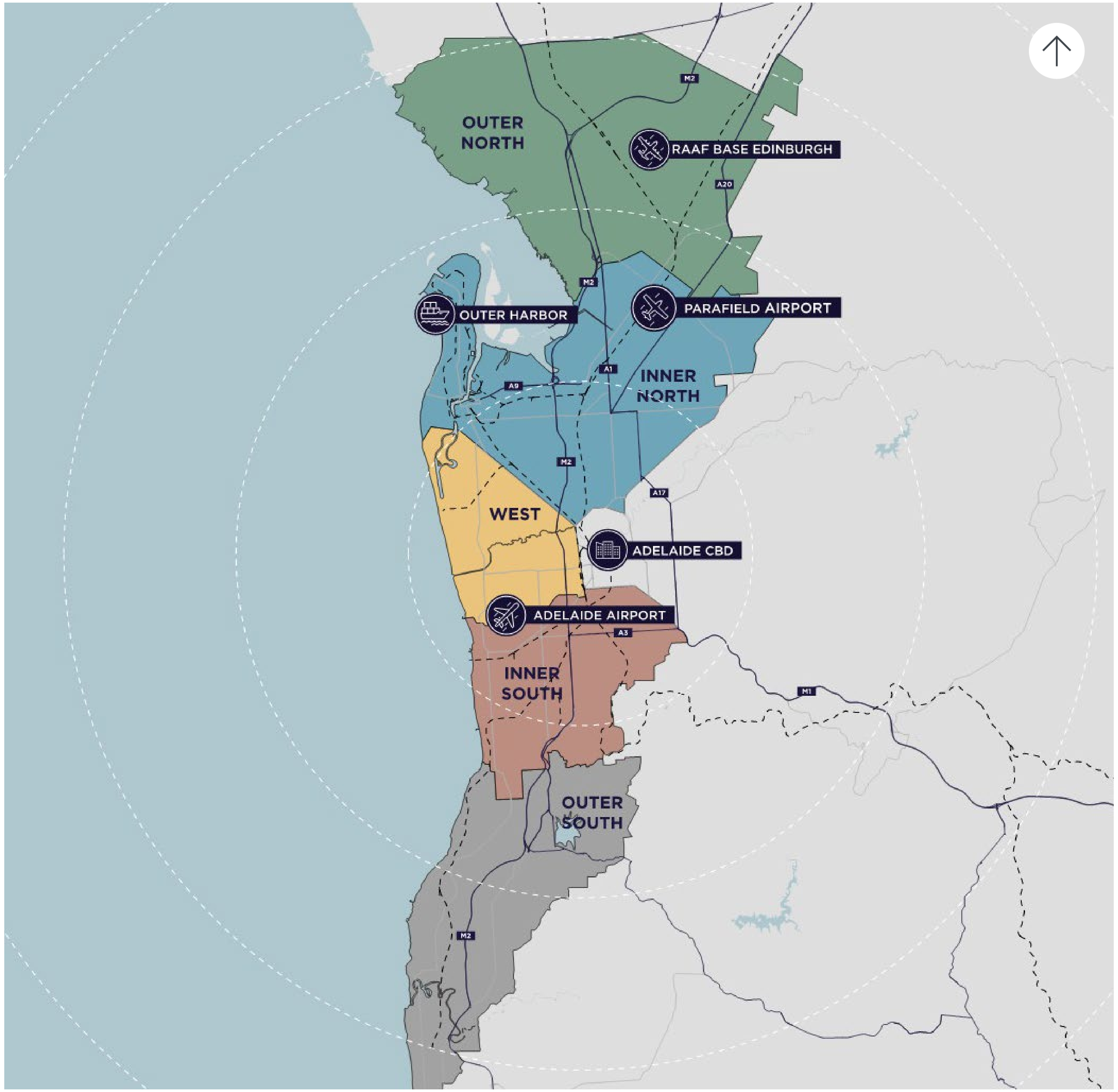
ADELAIDE SUBMARKET OVERVIEW



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