

Adelaide CBD – Q4 2025

Market Report

While the Adelaide CBD vacancy rate has edged higher to XX%, strong net absorption of more than 33,000 sqm in the second half of 2025, together with the delivery of new developments, indicates that the increase is largely driven by new supply rather than a weakening in demand.

Sublease availability also remains extremely limited, pointing to a stable leasing environment with minimal evidence of contraction or tenant consolidation.

The significant supply cycle seen in recent years has now begun to moderate. The next meaningful wave of premium, high-quality office stock comes with one tower in 2026 and looking further not until 2028 with major projects including the Entrepreneurial Innovation Centre (approximately 41,000 sqm) and Market Square (approximately 20,000 sqm).

In the meantime, the limited development pipeline is expected to place ongoing downward pressure on vacancy levels.

Typical Gross Rental Comparison

		
Vacancy	Average Rent	Net Absorption
15.0%	\$550 psm	33,000 sqm

Grade	Typical Gross Face Rental (\$/sqm)		Gross Incentive (%)	Gross Effective Rental (\$/sqm)	
	Low	High		Low	High
A New Gen	\$600	\$800	35%	\$390	\$520
A Old Gen	\$500	\$575	40%	\$300	\$345
B	\$400	\$500	40%	\$256	\$320

Note - Vacancy and absorption statistics sourced from Property Council of Australia

Occupier's Perspective



With new premium office supply showing 3% vacancy at practical completion, tenants seeking next-generation premium space should plan to enter the market 2-3 years in advance.



There were a number of well-located CBD towers undergoing premium refurbishments which are now completed.



We anticipate tenants will increasingly favour offices that provide strong amenities, precinct benefits, and convenient, central access for staff.

Market Trends

Many organisations continue to reassess and upgrade their office accommodation as part of broader strategies to encourage staff back into the workplace post-COVID. Upgraded buildings with new lobbies and amenities have allowed **rent to increase steadily over the past 24 months**. Tenant's looking for better quality assets should be aware that these come with a premium on the rent.