

Adelaide CBD – Q1 2026

Market Report

The Adelaide CBD office market continues to demonstrate resilient occupier demand despite a recent increase in overall vacancy levels. As at January 2026, the CBD vacancy rate increased to approximately 15.5%, primarily reflecting the delivery of new office developments and associated backfill space entering the market. Importantly, the rise in vacancy has occurred alongside strong positive net absorption throughout 2025, indicating that demand remains healthy and that the increase is largely supply-driven rather than a consequence of weakening leasing activity.

Occupier demand remains supported by the growth of South Australia's defence, technology, education and government sectors, which continue to generate leasing activity across both new and existing office stock. Adelaide has also benefited from business investment linked to major defence projects, infrastructure spending and population growth, providing a stable foundation for long-term office demand.

Typical Gross Rental Comparison



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



Sublease availability remains among the lowest of Australia's major CBD office markets, highlighting the absence of significant corporate downsizing and providing further evidence of a relatively balanced leasing environment. The limited volume of sublease space has helped maintain leasing momentum and reduced competitive pressure on direct vacancy.



Government occupiers remain a significant source of demand and continue to underpin leasing activity across the CBD.

Market Trends

Following the significant development cycle experienced over recent years, Adelaide's future supply pipeline is becoming increasingly constrained. While a limited amount of premium-grade stock is expected to be delivered during 2026, the next major wave of development is not anticipated until later in the decade, including projects such as the Entrepreneurial Innovation Centre and Market Square. This moderation in new supply is expected to assist in gradually reducing vacancy levels as existing space is absorbed by the market.