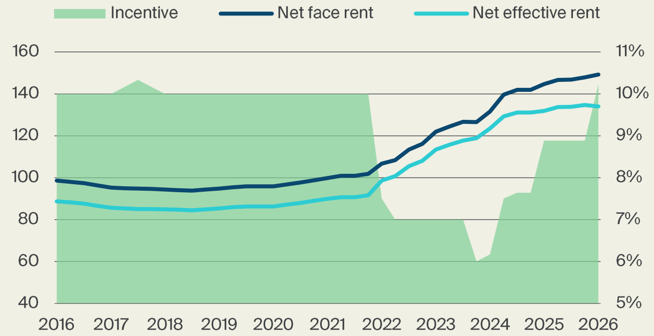
Adelaide Industrial State of the Market

Prime yields hold near record lows, but the softening has begun — Q2 2026

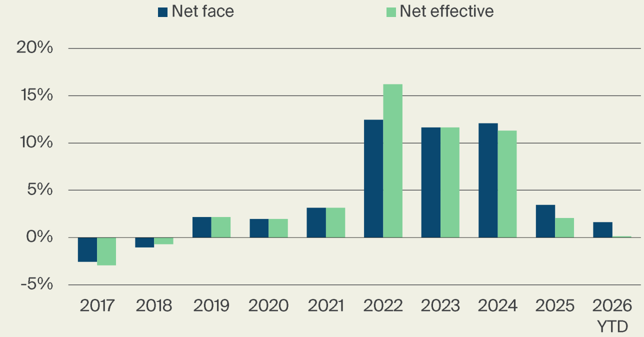
- Adelaide prime rental growth has slowed but remains moderate, with rents up 0.9% q/q and 3.1% y/y to average $149/sqm.
- Prime rents vary by precinct, most expensive in the Inner West at $170/sqm, cheapest in the Outer South at $116/sqm.
- Incentives have risen from 8.9% to 10.2%, moderating net effective rental growth, now $134/sqm, up 1.5% y/y.
- Land values continue to rise strongly, up 10.5% y/y for small lots (<5,000 sqm) and 13.9% for medium lots (1–5 ha).
- Industrial investment volumes started the year strongly, with 24 sales YTD totalling $404 million in Adelaide.

Adelaide industrial rents and incentives
Net face and effective rent $/sqm (LHS), and incentive % (RHS)



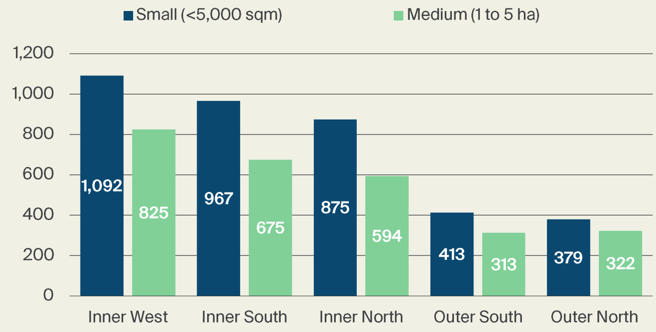
Source: Knight Frank Research

Adelaide industrial rental growth
Net face and effective annual rental growth, %



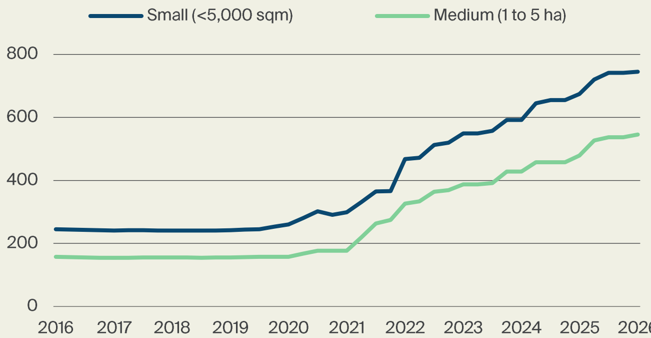
Source: Knight Frank Research

Adelaide industrial land values
By precinct and lot size, $/sqm



Source: Knight Frank Research

Adelaide industrial land values
By lot size, $/sqm



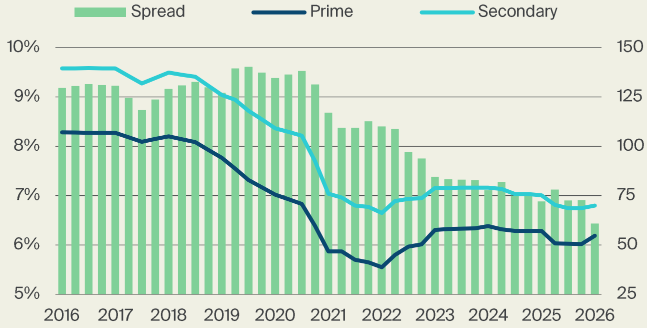
Source: Knight Frank Research

Industrial Market Indicators – Q2 2026

	Prime Indicators					Yields		Land-values $/sqm	
	NFR ($/sqm)	Quarterly growth (%)	Annual growth (%)	Net Incentive (%)	NER ($/sqm)	Prime (%)	Secondary (%)	Small (<5,000 sqm)	Medium (1-5 ha)
Precinct									
Inner West	170	0.6	4.1	9.6	154	5.83	6.39	1,092	825
Inner North	161	1.9	2.6	12.5	141	6.13	6.63	875	594
Outer North	142	3.6	4.8	11.5	126	6.05	6.88	379	322
Inner South	157	-0.6	0.2	10.0	141	6.13	6.50	967	675
Outer South	116	-0.9	4.3	7.5	107	6.81	7.59	413	313
Total Market									
Average	149	0.9	3.1	10.2	134	6.19	6.80	745	546

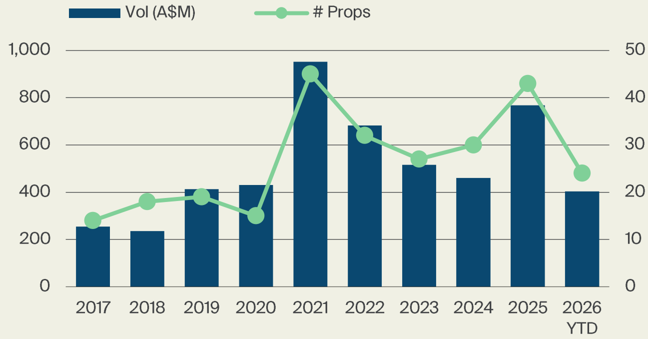
Source: Knight Frank Research

Adelaide industrial yields
By grade, core market yield % (LHS), and spread in bps (RHS)



Source: Knight Frank Research

Adelaide investment volumes
By volume AUD$ millions (LHS), and #sales (RHS)



Source: Knight Frank Research, MSCI

Recent Significant Sales

Property	Suburb	Precinct	Date	Price ($M)	Building size (sqm)	Land size (sqm)	Core Market Yield (%)	Type of Sale
75 Kaurna Avenue^	Edinburgh	Outer North	UC	Conf.	6,767	15,730	5.55*	Investment
591A Grand Junction Road^	Gepps Cross	Inner North	UC	c11.0	4,912	13,449	5.72	Investment
5 Talisman Avenue^	Edwardstown	Inner South	UC	Conf.	9,856	15,670	6.92	Investment
2-28 Scotland Road	Mile End South	Inner West	UC	c15.0	4,687	9,816	4.22	Redevelopment w/ leaseback
Allotment 1 Francis Road	Wingfield	Inner North	UC	c15.0	N/A	14,800	N/A	Vacant land with leaseback
32-54 Kaurna Avenue	Edinburgh	Outer North	Jul-26	27.7	12,825	65,210	6.48	Investment
28 Park Avenue	Woodville North	Inner North	Jul-26	10.1	4,779	13,450	5.77	Investment
6-14 Oxenham Street^	Dudley Park	Inner North	Jun-26	25.3	4,420	9,000	6.25	Investment
68-70 Kapara Road	Gillman	Inner North	Jun-26	22.2	7,186.5	24,570	N/A	Owner Occupier
50-64 Mirage Road	Direk	Outer North	Jun-26	50.0	21,500	40,000	VP	Owner Occupier
65-69 West Ave & 12 Kaurna Avenue^	Edinburgh	Outer North	Mar-26	18.1	12,238	43,670	7.39	Investment
Turin Place & Bremen Drive^	Salisbury South	Outer North	Feb-26	18.5	7,660	14,795	7.39	Investment
46-58 Ashwin Parade^	Torrensville	Inner West	Jan-26	22.3	6,762	18,030	5.25	Investment

*UC= Under Contract, VP = Vacant Possession, ^Knight Frank Sale , * Reflects 10% rental cap scenario; uncapped equivalent market yield 7.34%*

Source: Knight Frank Research

Economic Indicators

	2023	2024	2025	2026 (f)	2027 (f)	2028 (f)	2029 (f)
South Australia							
Annual GSP Growth (%)	2.78	1.00	0.23	1.66	2.22	2.05	2.24
Annual Population Growth (%)	1.72	1.29	1.08	1.01	0.87	0.85	0.86
Unemployment Rate (%)	3.90	4.02	4.20	4.29	4.71	4.73	4.79
Australia							
CPI Inflation (%)	4.05	2.42	3.65	4.07	2.54	2.40	2.60
Cash Rate (%)	4.32	4.34	3.60	4.35	4.10	3.60	3.35
10-year Government Bond Yield (%)	3.96	4.48	4.76	5.01	4.88	4.34	4.28

Source: Knight Frank Research, Oxford Economics

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