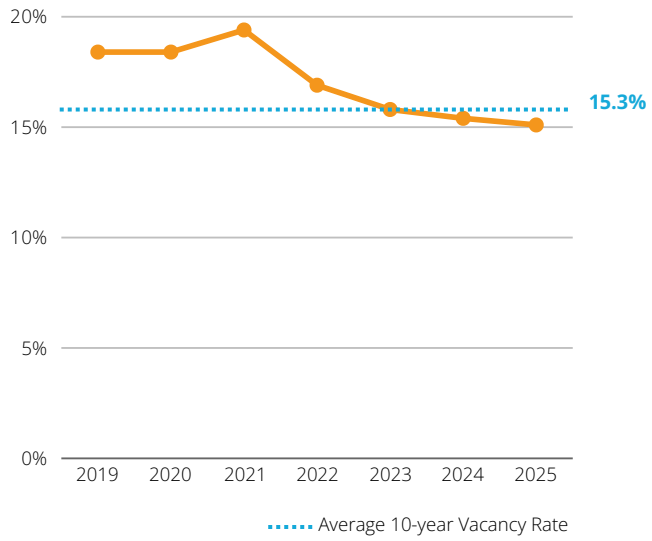


H1 2025 Office Snapshot
Adelaide CBD

Vacancy Rate Over Time



H1 2025 - High-level Overview

15%
Average Vacancy

$464 /sqm
A-Grade Net Face Rent

40%
Average Gross Incentive

~0.4%
Subleasing Availability

	A-Grade	B-Grade
Net Face Rent/sqm	$464	$339
Net Effective Rent/sqm	$244	$145
Average Gross Incentive	37%	43%
Average Vacancy	15.1%	14.9%

Upcoming Supply

Supply remained steady, with minor additions offset by withdrawals. 50 Franklin Street's 21,000 sqm completion in mid-2025 is expected to lift vacancy into early 2026.

- **Market Square** (22,000 sqm) - due late 2026
- **Festival Tower 2** (50,000 sqm)
- **Central Market Tower** (15,000 sqm) - expected in 2028

Rents + Incentives

Adelaide CBD rents were mostly flat in H1 2025, with prime edging to $464/sqm and secondary holding at $339/sqm. Minor moves in effective rents and incentives reinforce a two-speed market, with prime stable and secondary lagging with landlords offering more to secure quality tenants in these buildings.

Market Trends

- **CBD Consolidation Strengthens -** More tenants are moving from suburban and fringe offices back into the CBD, seeking amenity-rich, centralised locations. This shift has driven strong demand, with Adelaide recording some of the highest net absorption nationally.
- **ESG and Flight to Quality -** Demand is heavily concentrated in prime, ESG-aligned buildings, driving 22,326 sqm of positive net absorption in H1 2025, while Secondary saw a small decline. Vacancy sits near 10% in newer energy-efficient assets versus 35%+ in older prime stock, highlighting a clear performance gap.
- **Owner-Occupation Remains Strong -** Investment activity stayed subdued with only $76 million transacted across two CBD deals, keeping institutional buyers cautious. Owner-occupiers remain active, and recent rate cuts open a favourable window for tenants considering long-term leases or acquisitions.

Tenant Movements

- **RAA** – 150 Grenfell Street (9,000 sqm)
- **Elders** – 80 Grenfell Street (3,183 sqm)
- **AGL Energy** – 100 King William Street (3,000 sqm)

Subleasing

Sublease availability remains very low in Adelaide's CBD, sitting at 6,000 sqm (0.4% of stock) - down from 0.9% in late 2024 as several listings converted to direct deals. The city continues to record one of the lowest sublease vacancy rates nationally.

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