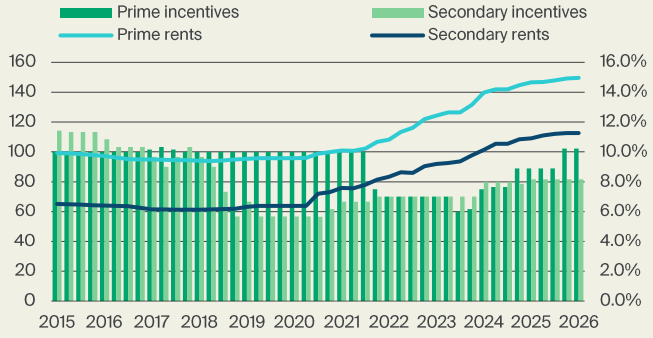
Adelaide Industrial State of the Market

Markets ease amid rising interest rates and global uncertainty Q3 2026

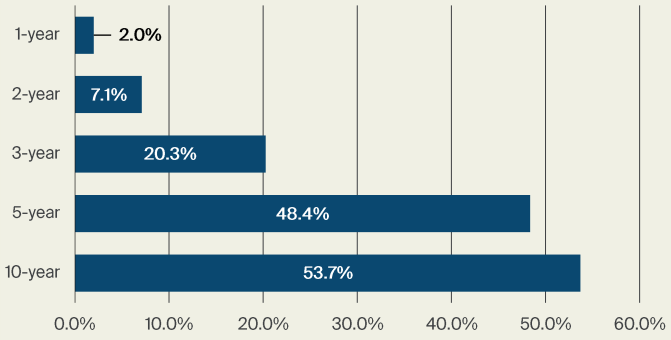
- Prime net face rents edge up 0.3% Q/Q to $150/sqm, while secondary rents were flat at $113/sqm.
- Prime core market yields softened a further 6bps Q/Q (22bps Y/Y) to 6.25%.
- Over the year, prime rental growth has been concentrated in the North (Outer 4.8% and Inner 3.8%) and Inner West (1.2%), with the South flat; secondary growth was confined to the outer precincts.
- Land values were flat across all precincts Q/Q, though still grew 3.4% (<5,000sqm) and 3.5% (1-5 ha) Y/Y.
- Incentives remained unchanged across all precincts in Q3, thus prime net effective rents also edged up 0.3%.
- Investment sales rose by $173m in Q3 to stand at $639m YTD – which is $130m shy of the 2025 total.

Industrial net face rents and incentives
By grade $/sqm (LHS), incentives, % (RHS)



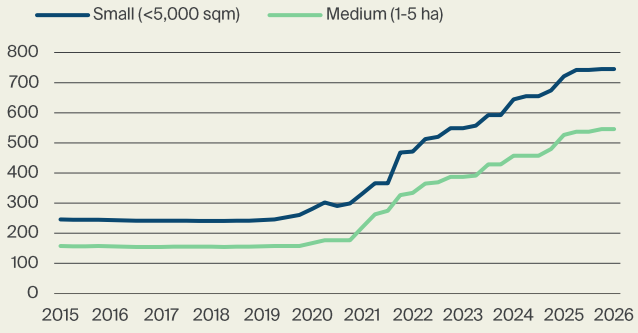
Source: Knight Frank Research

Prime industrial rental growth
Cumulative prime net face rental growth to Sept-26, %



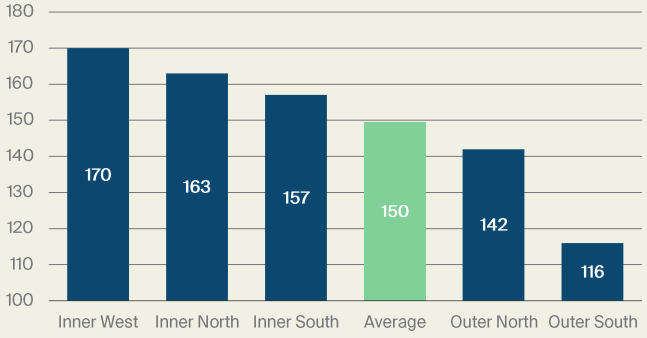
Source: Knight Frank Research

Industrial land values
By lot size, blended $/sqm



Source: Knight Frank Research

Adelaide industrial net face rents
By precinct, prime net face rents $/sqm



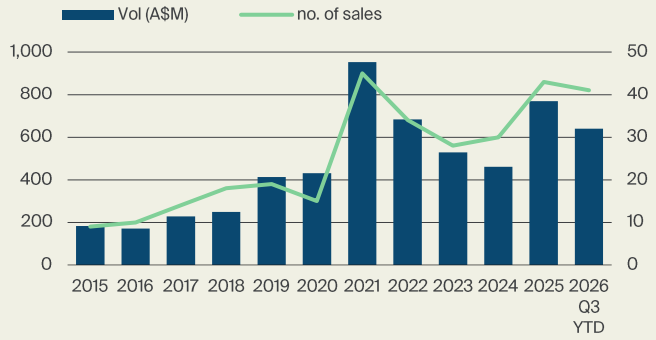
Source: Knight Frank Research

Industrial Market Indicators – Q3 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	0.0	1.2	9.6	154	5.88	6.46	1,092	825
Inner North	163	1.2	3.8	12.5	143	6.25	6.88	875	594
Outer North	142	0.0	4.8	11.5	126	6.18	7.05	379	322
Inner South	157	0.0	0.0	10.0	141	6.13	6.50	967	675
Outer South	116	0.0	0.0	7.5	107	6.81	7.59	413	313
Total Market									
Average	150	0.3	2.0	10.2	134	6.25	6.9	745	546

Adelaide investment volumes

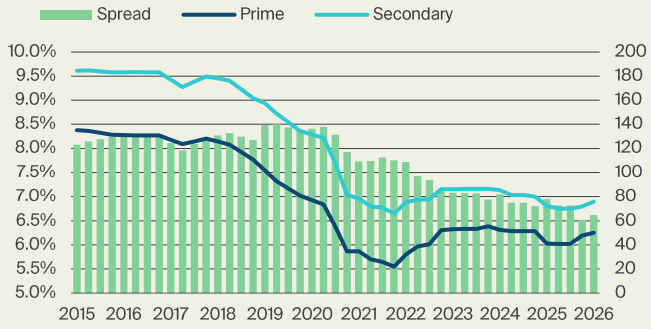
By volume, A$M (LHS), no. of sales (RHS)



Source: Knight Frank Research, MSCI

Adelaide industrial yields

By grade, % (LHS), spread in bps (RHS)



Source: Knight Frank Research

Recent Significant Tenant Commitments

Address	Precinct	Grade	Term	LCD	Building Size (sqm)	Net rent ($/sqm)
75-89 Hardys Rd.	Inner West	Prime	5	Aug-26	14,807	122[1]
6-14 Oxenham St.	Inner North	Prime	5	Jul-26	4,420	359[2]
5 Butler Blvd.	Inner West	Prime	5	Aug-26	1,298	180

[1] *Sale & leaseback,* [2] *73% office/27% industrial*

Source: Knight Frank Research

Recent Significant Sales

Property	Suburb	Precinct	Date	Price ($m)	Building size (sqm)	Land size (sqm)	Initial Yield (%)	Core Market Yield (%)	Type of Sale
29-33 Cormack Rd.	Wingfield	Inner North	U/C	11.9	5,170	2,292	3.81	5.04	Investment
2-28 Scotland Rd.	Mile End South	Inner West	U/C	15.0	4,687	9,816	4.22	4.22	Redevelopment & Leaseback
47/47A Naweena Rd.^	Regency Park	Inner North	Sep-26	10.9	5,370	9,720	4.76	5.42	Investment
75-89 Hardys Rd.	Underdale	Inner West	Aug-26	29.0	14,807	1,871	6.20	6.20	Sale & leaseback
5 Talisman Ave.^	Edwardstown	Inner South	Jul-26	21.5	9,856	15,670	4.70	6.92	Investment

^ Knight Frank Sale ,U/C = Under Contract

Source: Knight Frank Research, MSCI

Economic Indicators

	2023	2024	2025	2026 (f)	2027 (f)	2028 (f)	2029 (f)
South Australia							
Annual GVA Growth (%)	2.59	0.33	1.50	1.76	1.54	1.47	1.78
Annual Population Growth (%)	1.72	1.29	1.04	0.98	0.74	0.65	0.75
Unemployment Rate (%)	3.92	4.03	4.20	4.30	4.72	4.71	4.78
Australia							
CPI Inflation (%)	5.59	3.20	2.85	4.04	3.09	2.17	2.57
Cash Rate (%)*	4.35	4.35	3.60	4.85	4.85	3.85	3.35
10-year Govt Bond Yield (%) *	3.96	4.48	4.76	5.42	5.29	4.83	4.28

* End of year

Source: Knight Frank Research, Oxford Economics



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