

Media Release

General News South Australia Release (radio/major print)

South Australia ranks among the strongest states for property outlook, led by retail and industrial

The Australian Property Institute (API), the professional body for independent property experts in Australia, has released first-of-its-kind research capturing the views of expert property valuers on the near-term outlook for property prices, and the real-world drivers behind those price movements.

“South Australia is a key focus in this inaugural report. The API Property Market Outlook Index puts South Australia at 8.0 out of 10, against a national reading of 7.1. South Australia is firmly in the leading group, with retail sentiment the highest of the major states and industrial also strong,” said the author of the report Dr Sherman Chan (Chief Economist at the API).

“Looking across property types in South Australia, the industry sentiment scores for the three-month outlook are: Residential (8.2), Industrial (7.8), Agricultural (6.0), Retail (6.1) and Office (5.0),” she said.

“Office sentiment is hovering around neutral, with valuers watching business conditions and workplace policy closely. Industrial conditions are comparatively stronger, underpinned by logistics and warehousing demand,” said Dr Chan.

“For residential property, the ground-breaking aspect of the report is how clearly valuers pinpoint the main price drivers: construction costs (identified by 66.3% of residential valuers surveyed), interest rates (62.8%), population growth (60.5%), a lack of existing housing supply (59.9%) and a lack of new housing supply (58.7%).”

“In short, it tells us categorically that population growth isn’t being matched by our housing stock and pipeline and that meeting that demand is costing too much. It’s the perfect storm,” said Dr Chan.

“Across non-residential markets, the survey points to different engines of price movement: office is tied to business confidence and the economic outlook; retail tracks consumer confidence and rates; industrial is dominated by e-commerce and demand for warehouses; and agricultural values are led by commodity prices.”

“One of the strongest themes running through every asset class is interest rates - and beyond that, it is the interaction between global economic conditions, work-from-home patterns and e-commerce that is reshaping demand. At the same time, energy efficiency measures are not yet being seen as a major price driver across the market,” said Dr Chan.

“The report also highlights the pressure points facing property businesses in 2026, with the cost of doing business (identified by 60.1% of survey respondents) and finding the right

talent (46.0%) topping the list, followed by domestic economic uncertainties such as the interest rate outlook (43.5%),” she said.

The Australian Property Market Outlook Q1 2026 is the first issue of a quarterly report series published by the API. The inaugural survey drew 363 responses from across all states and territories, collected between 9 December 2025 and 4 January 2026.

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Media Contact: Dr. Sherman Chan, Chief Economist, Australian Property Institute, schan@api.org.



1800 111 274
info@api.org.au



Suite 1, Level 4/66 Clarence St,
Sydney NSW 2000