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South Australia property market eases but holds well above neutral

South Australia scores 6.7 in Q2 2026, third strongest in the nation, with the country's strongest retail market this quarter

April 2026

South Australia's property market has softened in Q2 2026 but remains in positive territory. The state scored 6.7 in the Australian Property Institute's (API) Property Market Outlook Index, down from 8.1 in Q1. The 1.4-point fall reflects the national pattern of rate-driven confidence decline rather than any state-specific weakness.

South Australia's industrial sector leads at 7.3, one of the strongest industrial ratings in the country. Residential is at 6.7 and agricultural at 6.0, both well above neutral. Office sentiment in the state is 5.3, one of only two states where office remains above neutral. Retail at 6.5 is the strongest retail result of any state in Australia this quarter.

API Chief Economist Dr Sherman Chan said South Australia's retail result was a highlight of the quarter. "While retail is struggling in most states, SA is bucking that trend, and the State's industrial and agricultural ratings point to something broader than a single strong sector."

What is driving South Australia's property market

The interest rate outlook is the main downward pressure across asset classes. In residential, the 5% Deposit Scheme, population growth and insufficient housing supply continue to support prices. The retail market is held up by the appeal of shopping centres, suburb amenity and public transport development. Industrial confidence draws on e-commerce demand, mining activity and infrastructure investment.

Dr Chan said South Australia's result showed the value of a diversified property market. "South Australia has balance across its sectors that other states don't have this quarter. That kind of spread holds up better when conditions tighten, and it gives SA a more stable footing heading into Q3 than the national picture might suggest."

Access the full report [here](#).

