



Australian Property

Month in Review

September 2026 - Commercial

The Month in Review identifies the latest movements and trends for property markets across Australia.

National Retail Overview

The entry-level retail sector is sparsely reported and largely ignored by institutional investors, but it is a fundamental part of a start-up investment strategy for first-time investors.

The sector is very broad, with a wide diversity of investment types, from corner and strip shops to small large-format properties, to medical centres, to strata retail opportunities. In many senses it is a 'messy' end of the market with varying degrees of manager skill, great diversity of tenants and more regular vacancies. Shops are frequently of variable size and sometimes less than desirable layouts. Nonetheless, they offer a significant degree of opportunity, particularly if you are prepared to be a more hands-on owner.



Alistair Weir
Commercial Director



The entry-level retail sector is sparsely reported and largely ignored by institutional investors, but it is a fundamental part of a start-up investment strategy for first-time investors.

The opportunity presented by properties in the low end of the market includes refurbishment and repositioning prospects, value-add through tenancy enhancement, occasional potential to add to the GLAR and the capacity to lift rents where such properties are under-rented.

The principal attraction of the low end of the market is the entry-level pricing, with many properties available in the main capital cities at a sub \$2 million price tag, and in regional towns, many are available below \$1 million.

Yields are extremely variable, ranging from sub-5 % where there is a solid long-term prime tenant. Such properties may include branded fast food restaurants, tyre centres or prime strip centres. Typically, however, tenants are of a lesser quality, and yields reflect the higher levels of risk. At the present time, yields for average quality sub \$3 million investment properties in the capital cities are generally between 5.5% and 6.5%. For the regional towns, yields would generally be 50 to 100bp higher.

When considering investing in entry-level retail investment property, there are several key checklist items. These include checking for tenant stress (i.e. are the rents at market, or too high?). If too high, the risk of tenant failure is significantly greater.

Are the physical characteristics of the building good? i.e. is the structure sound, well maintained, of good design?

Does the property have good exposure, access, and parking? These factors are crucial in determining the ability of the property to be re-let in the event of vacancy.

Has the tenant been there for a long time, and how long is the outstanding lease term? Are they sticky tenants who are unlikely to leave?

If a strata retail property, are the outgoings reasonable, and are there any issues with the Body Corporate?

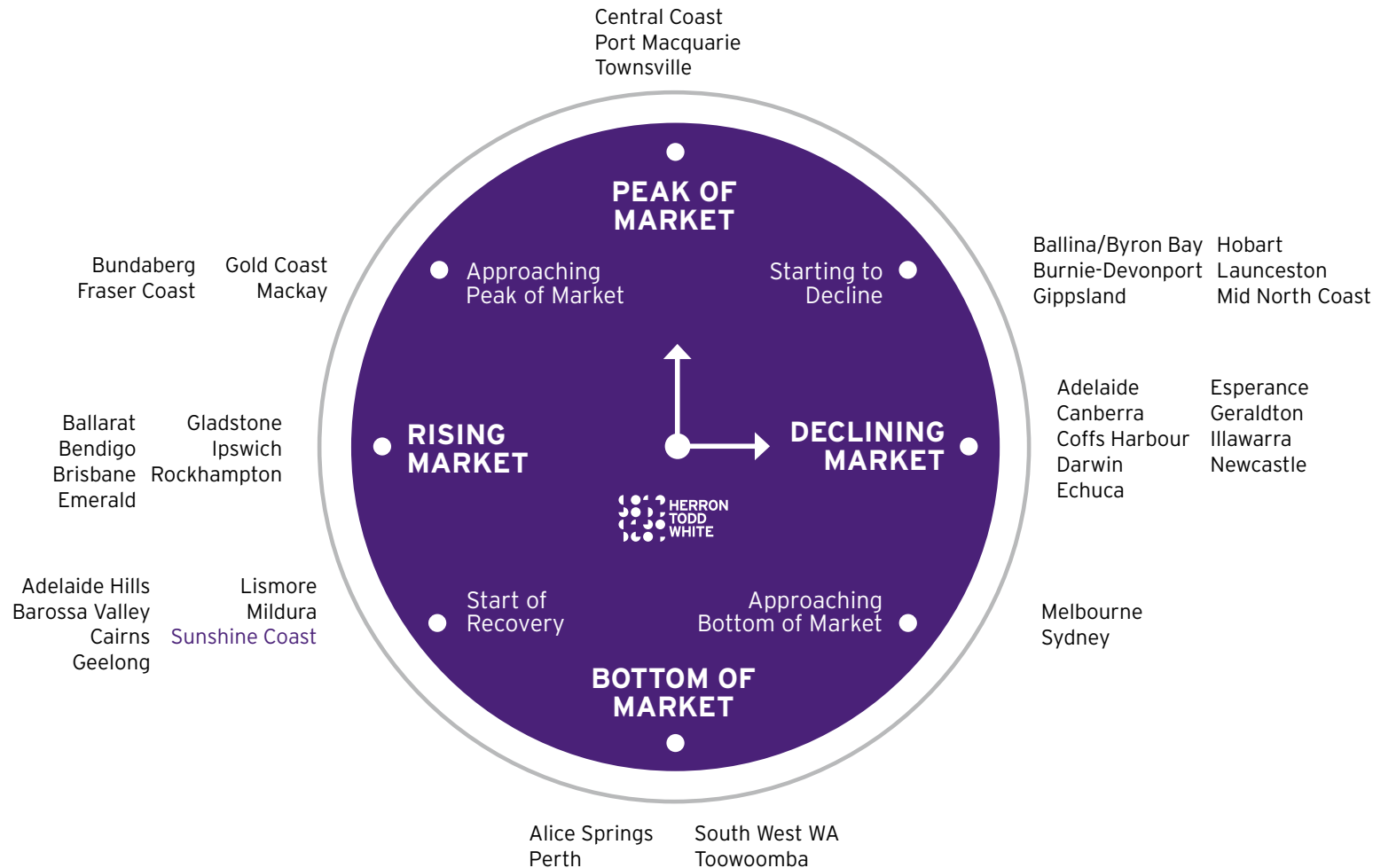
On the positive side, there may be properties where rents are below market, where there is refurbishment potential, or where there is unutilised land.

Given the above, an investor must decide whether they want a truly passive set and forget investment, or a hands-on property with upside. The beauty of the low-end investment market is that it does cater to all needs, albeit it may take a period of time and patience to find a property that fulfils your personal investment goals.



National Property Clock: *Retail*

Entries coloured purple indicate positional change from last month.



Month in Review
September 2026



COMMERCIAL
- RETAIL

New South Wales - Retail 2026

Sydney

Persistent inflationary pressures and the resulting decline in overall consumer spending continue to drive a challenging economic climate for the Sydney retail market. Consequently, transaction volumes have noticeably decreased, and general activity remains subdued. Together, these factors have led to a distinct softening of market conditions, a trend expected to continue in the near to medium term.

In response to this challenging landscape, retail sector investors remain highly cautious. Capital demand is strictly selective, targeting high-performing assets backed by strong lease covenants and clear growth prospects. Prime assets – especially those secured by national anchor tenants – have demonstrated notable resilience and growth, exceeding expectations. In contrast, secondary properties lacking premier locations or high-calibre tenants face significant hurdles in attracting capital and sustaining valuations, driving yields higher across the market.

Despite the broader market cautiousness, the current conditions have created an opportunity within the entry-level retail asset segment. A fair amount of stock is available, especially for those seeking opportunities below the \$1 million price point. This segment is predominantly strata retail units located on the ground floor of mixed-use

developments. These units, largely out of favour with the broader investment community due to perceived challenges, often come to market as bare shells with vacant possession.

Purchasers of these units should be prepared to factor in incentives and potentially longer letting-up periods. However, a well-located vacant suite, followed by the successful securing of a strong tenant, can provide uplift in value and potentially generate reasonable returns.

A great example of an entry-level opportunity is the sale of a strata shop in Chippendale. The shop is 65 square metres and was sold with a lease in place to a convenience store. The shop has a generous frontage and benefits from a car space and storage. The sale at \$460,000 reflects a rate of approximately \$7000 per square metre.



Chippendale shop space

Source: Richardson & Wrench Newtown

Over the next 12 months we anticipate continued challenges for the retail market. This may create opportunities for speculative investors to enter the market, but caution is warranted, as the market may decline further.



Angeline Mann
Director, Commercial

Month in Review
September 2026



COMMERCIAL
- RETAIL

 *In response to this challenging landscape, retail sector investors remain highly cautious.*

Victoria - Retail 2026

Melbourne

The Melbourne retail property market has remained relatively flat, with a continuation of the subdued sales and leasing volumes experienced towards the beginning of the year. There appears to be a range of factors influencing the local market, including the elevated interest rate environment, continued high inflation, heightened geopolitical uncertainty and local factors. The Victorian state election, scheduled for late November, is widely seen as a contributor to the drop in local transactions as buyers and sellers await the outcome. Nationally, changes to negative gearing rules for existing residential properties as announced in the 2026-27 federal budget do not apply to commercial property. This policy shift may incentivise everyday investors to seek out entry-level opportunities in the retail sector as a viable alternative to residential property.

While the wider Victorian property market may be seen as a more affordable option in comparison to some other Australian capital cities, entry-level opportunities are generally concentrated in two main segments.

First are strata-titled premises (units within larger complexes that often include common areas such as shared kitchenettes, amenities, and car parking), typically found in middle-ring suburbs.

Second are smaller, older-style freehold properties, which are often vacant and in secondary or outer metropolitan locations.

Investing in entry-level retail is heavily reliant on the overall health of the surrounding shopping precinct.

The financial entry points and potential yields vary significantly between these two types. Small strata-titled retail premises within modern complexes can start at the \$200,000 to \$300,000 price point. However, these generally transact as cold-shells, meaning they lack basic fitouts such as flooring, wall coverings, ceilings or kitchen amenities. Yields for strata units typically reflect the 6.0% to 8.0% range, depending on the level of landlord investment required to secure a tenant. In contrast, secondary freestanding properties in fair condition towards the fringes of metropolitan Melbourne can be secured for \$500,000 to \$750,000, reflecting yields in the 4.0% to 6.0% range.

Investing in entry-level retail is heavily reliant on the overall health of the surrounding shopping precinct, specifically its ability to attract foot traffic through a diverse mix of businesses and easy access to public transport or parking. For a first-time investor, vacancy is the primary risk. Letting-up allowances (the cost and time associated with finding a new tenant) can be significant and landlords often must offer inducements like up-front cash contributions or rent-free periods to attract quality operators. To mitigate this, some purchasers successfully secure tenant pre-commitment during their due-diligence period, significantly reducing vacancy risk. Properties with secure, long leases to well-regarded tenants

continue to receive reasonable levels of demand from investors.

Over the past 12 months, market performance has been mixed. Capital values for many properties have decreased from the peaks achieved during the historical low-interest-rate environment, and rental rates have largely stagnated, with further softening noted along some retail strips. From the tenant's perspective, rental affordability is an ongoing challenge. Weaker economic conditions, the high cost of living and elevated operational costs erode business profitability, impacting their ability to maintain steady rental payments.

Ultimately, while the yields in Melbourne's retail sector remain attractive compared to residential assets, first-time investors must exercise a high degree of caution. Navigating volatile pricing, vacancy expenses and more complex commercial lending practices requires thorough due diligence. Beginners should prioritise properties with existing, long-term leases to established tenants, or partner with a commercial property specialist to verify precinct health before committing capital.



Nathaniel Ramage
Associate Director, Commercial



Queensland - Retail 2026

Month in Review
September 2026



COMMERCIAL
- RETAIL

Brisbane

Brisbane's retail property market is undergoing a distinct market correction following three recent interest rate rises and the government's tax reforms. This shift marks the end of the aggressive retail boom that ran from 2024 through to early 2026. Peak market conditions during that period saw yields compress to record lows while landlords comfortably secured full face rents across most retail categories.

This correction is now being clearly demonstrated through yield movement within the neighbourhood retail sector. In November 2024, a prime neighbourhood centre in Camp Hill traded at a sharp 4.84% yield during the height of the market. By April 2026, comparable neighbourhood assets were transacting closer to 5.87%, reflecting a

Despite broader market softness, capital remains active for high-quality income streams.

clear softening as higher debt costs and realistic underwriting take effect.

At the tenancy level, many small businesses are now struggling to support the peak rents established over the past two years. Softer consumer spending combined with high occupancy costs are resulting in higher vacancy rates and reduced overall performance for secondary retail assets. This rebalancing phase is expected to play out over the next 12 to 24 months as the market works through elevated vacancies and rents adjust to sustainable levels.

Direct discussions with commercial property agents active in neighbourhood retail sales and leasing across south-east Queensland highlight a noticeable decline in market momentum. On the transaction side, agents report a reduction in overall buyer enquiries and fewer formal offers submitted per sales campaign compared to the peak levels seen throughout 2024 and 2025.

Investors are applying far more cautious underwriting standards, enforcing stricter hurdle rates and debt assumptions. Consequently, unanchored neighbourhood assets and properties with short WALE profiles are facing intense scrutiny regarding upcoming tenant rollovers and capital expenditure requirements.

In the leasing sector, agents report widespread tenant hesitation and growing rental resistance among small business operators. Squeezed profit margins and rising occupancy costs have made tenants increasingly reluctant to commit to top-of-market face rents. This shift is extending lease negotiation timelines and driving higher demand for landlord incentive packages across the market.

Despite broader market softness, capital remains active for high-quality income streams. Private buyers and syndicates continue to pay strong premiums for assets featuring long lease terms and blue-chip covenants. Drive-through QSR and



Camp Hill Neighbourhood Centre (November 2024 sale at 4.84% passing)
Lot 10, 4 Newman Avenue, Camp Hill QLD 4152

Sale Date	Sale Price	Site Area	Lettable Area	\$/sqm Site Area	\$/sqm Lettable Area	Service Type/Unit of Measure
22/11/2024	\$4,000,000	531	444	\$7,533	\$9,009	
Net Passing	Net Market	WALE (Income)	Passing Yield	Market Yield	IRR	Specialised Rate (\$/sqm)
\$193,558	\$187,183	9.52 years	4.84%	4.68%	0.00%	



Comparative Neighbourhood Centre (April 2026 sale at 5.87% passing)
459 Old Cleveland Road, Camp Hill QLD 4152

Sale Date	Sale Price	Site Area	Lettable Area	\$/sqm Site Area	\$/sqm Lettable Area	Service Type/Unit of Measure
8/5/2026	\$4,015,000	936	348	\$4,290	\$11,491	
Net Passing	Net Market	WALE (Income)	Passing Yield	Market Yield	IRR	Specialised Rate (\$/sqm)
\$235,670	\$228,186	2.26 years	5.87%	5.71%	0.00%	



403 Elizabeth Avenue, Kippa-ring QLD 4021							
Sale Date	Sale Price	Site Area	Lettable Area	\$/sqm Site Area	\$/sqm Lettable Area	Service Type/Unit of Measure	
16/6/2026	\$5,325,000	2003	247	\$2,659	\$21,559		
Net Passing	Net Market	WALE (Income)	Passing Yield	Market Yield	IRR	Specialised Rate (\$/sqm)	
\$240,187	\$240,187	12.01 years	4.51%	4.51%	0.00%		



3 Montpelier Road, Bowen Hills QLD 4006							
Sale Date	Sale Price	Site Area	Lettable Area	\$/sqm Site Area	\$/sqm Lettable Area	Service Type/Unit of Measure	
6/7/2026	\$27,500,000	5141	3397	\$5,349	\$7,435		
Net Passing	Net Market	WALE (Income)	Passing Yield	Market Yield	IRR	Specialised Rate (\$/sqm)	
\$1,180,657	\$1,134,915	2.97 years	4.29%	4.49%	0.00%		

large-format retail operators such as GYG, KFC and Bunnings are still seeing strong competition, with investors prioritising secure cash flow and long WALE over secondary yield plays.

Looking ahead, development activity will remain constrained by elevated construction costs and softer realisation yields. Developers are maintaining a cautious approach, prioritising sites in strong growth corridors with strong demographic support and secure anchor-tenant pre-commitments before starting construction.



Toby Weston
Valuation Analyst

Gold Coast

As the Gold Coast retail property market enters the final quarter of 2026, private investors, particularly those transitioning from the residential market, are increasingly turning their attention to retail assets. Unlike the high-flying industrial sector, retail properties offer greater variance. For astute and active investors, this

variance creates unique opportunities to add significant value through repositioning, whether by negotiating higher rental rates, securing stronger tenant covenants, or restructuring lease terms.

While the broader retail sector remains sensitive to prevailing economic conditions, well-leased assets in established commercial precincts continue to attract healthy demand. For everyday property investors looking to secure their first commercial asset, navigating this sector requires a clear understanding of local supply dynamics, tenant requirements, and the distinct risk-versus-return profiles of each sub-market.

In the Gold Coast retail sector, entry-level assets typically fall into two categories, with availability and pricing heavily dictated by geography:

1. Strata-Titled Retail Units: This represents the most accessible and common entry point. These units are typically situated on the ground floor of mixed-use or high-rise residential towers, or within established suburban commercial and convenience centres.

2. Small Freestanding Buildings: Highly prized for their land content and lack of body corporate restrictions, freestanding options are extremely scarce. When they do arise, they are typically found on the suburban fringes, regional hinterlands, or established coastal villages, carrying a higher capital threshold.

Compared to comparable entry-level industrial assets, entry-level retail properties generally offer higher income returns (yields). However, investors must recognise that this premium reflects a higher risk profile, specifically associated with longer vacancy periods and a more challenging leasing market when a tenant vacates. Key performance drivers such as tenant quality, lease structures, physical exposure, ease of access, and dedicated customer parking remain critical to ensuring long-term asset performance.

The central Gold Coast core, anchored by Surfers Paradise and Southport, and extending to suburban commercial nodes like Ashmore and Nerang, remains the most fertile ground for entry-level buyers. These areas are some of the few regions where genuine commercial opportunities remain available below \$500,000, offering a highly accessible entry point for private syndicates and self-managed super funds.

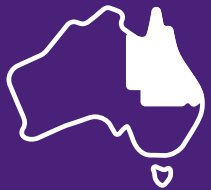
Recent cash rate increases have exerted upward pressure on investment yields in this segment. However, well-leased assets in established, high-traffic locations continue to draw robust competition. Recent transaction benchmarks from the Southport Central precinct highlight the current pricing and yield climate:

► **Lot 401, Southport Central:** This strata retail unit sold in February 2026 for \$800,000, reflecting a building area rate of \$11,111 per square metre and an analysed yield of 6.25%.

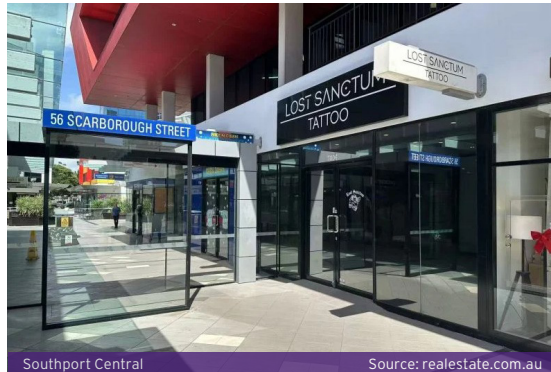
Month in Review
September 2026



COMMERCIAL
- RETAIL



► **Unit 407, Southport Central:** Selling in March 2026 for \$550,000, this smaller strata unit achieved a stronger building area rate of \$12,500 per square metre and a yield of 6.32%.



In the southern Gold Coast, predominantly Palm Beach, Burleigh Heads, and converging on Coolangatta, the entry-level market operates under vastly different parameters. Here, entry-level opportunities typically sit within the \$500,000 to \$1 million price bracket.

This sub-market is currently experiencing an unprecedented structural squeeze. A sustained residential apartment development boom has led to the acquisition and demolition of several older commercial and retail strip buildings for redevelopment into modern residential towers. This ongoing loss of retail footprint has restricted available supply, pushing values to all-time highs and compressing yields.

Standard investment sales in these prime southern coastal suburbs are transacting at very tight yields, generally in the low-to-mid 5% range, unless rents are heavily under-market.

This supply contraction has created an acute landlord's market along the coastal strip. Facing fewer local options, tenants are seeing rents pushed upward. Consequently, many retail and boutique hospitality operators are being forced to move outward into historically less-desirable retail markets, with Tweed Heads and Tweed Heads South experiencing a resurgence in activity.

This shifting dynamic represents a key target for opportunistic buyers. In prime coastal pockets, upside exists in targeting retail properties occupied by longstanding tenants where rents have not been reviewed recently and where current market rental growth has outpaced the historic lease terms.

For buyers seeking affordable freestanding options or suburban retail exposure, the northern Gold Coast, southern Logan City and Scenic Rim hinterland present viable alternatives. While transaction volumes in these regional corridors are generally low, they offer unique mixed-use and tourist-facing retail assets.

Tamborine Mountain and Canungra offer a range of affordable freestanding retail properties that bypass body corporate constraints. A prominent benchmark from mid-year is the June 2026 sale of a freestanding, mixed-use property at 147 Long Road, Tamborine Mountain (Gallery Walk). Situated in the heart of the main tourist strip, the property

features two retail tenancies and a two-bedroom residence. It sold fully leased for \$1.55 million, reflecting a passing yield of 6.51%, but with only a short WALE of 0.74 years by income.



Affordable strata-titled retail units can be found in expanding growth corridors such as Upper Coomera, Beenleigh, Pacific Pines, Hope Island, Yarrabilba, Beaudesert and Flagstone. These units are typically priced under \$1 million and generally reflect yield profiles ranging from 5.50% to 6.50% (averaging circa 6.00%).

For first-time commercial investors, the most critical risk in the retail strata market is the miscalculation of recoverable and non-recoverable outgoings. While retail yields appear highly attractive on paper compared to industrial yields, high body corporate levies, municipal rates and administrative fees can quickly erode net returns if not meticulously audited during the due diligence period.

While retail yields appear highly attractive on paper compared to industrial yields, high body corporate levies, municipal rates and administrative fees can quickly erode net returns if not meticulously audited during the due diligence period.



A recent analysis conducted by our commercial team highlighted a 70 square metre strata retail unit purchased for \$750,000 (\$10,714 per square metre). Based on market rental rates and estimated standard outgoings, the property initially projected a healthy net yield of 6.11%. However, post-sale analysis revealed substantial, non-disclosed body corporate levies and administrative costs. Once these actual statutory outgoings were accounted for, the investor's net yield was diluted down to 5.24%.

In summary, the Gold Coast retail property market in late 2026 is far from uniform, and the key to retail investment success lies in thorough due diligence and active asset management.



Ryan Kohler
Director, Commercial

Sunshine Coast

Although the market has remained relatively stable since we last covered this topic in late 2025, the Sunshine Coast still offers opportunities, particularly for entry-level investors and small business owners. While prime, highly exposed assets remain tightly held, entry-level retail investments are readily found in secondary locations and hinterland townships, where pricing remains favourable and yields more attractive.

The residential property landscape has shifted significantly following recent federal budget tax reforms targeting residential negative gearing and capital gains tax rules. As tax benefits on established residential dwellings are phased out, a growing wave of residential investors is expected to pivot toward entry-level commercial property. Smaller commercial assets offer distinct advantages in this environment, including

uninhibited tax-deductible gearing, net lease structures where tenants cover outgoings, longer lease terms and higher yields, making entry-level commercial a natural, tax-effective destination for private capital looking to exit residential holdings.

Entry-level retail assets come in various forms, from small strata-titled spaces in central commercial hubs like Mooloolaba and Maroochydore to freestanding sites in regional townships.

- ▶ **Strata-titled stock:** Typically ranges from \$400,000 to \$1 million.
- ▶ **Standalone properties:** Extend above \$1 million depending on location, building scale and site exposure.
- ▶ **Rental yields:** Broadly sit between 5.50% and 8.50% across the region, heavily influenced by location, building quality and tenant covenant strength.

While elevated borrowing costs and broader economic headwinds continue to weigh on market activity, strong structural fundamentals, namely ongoing population growth, major infrastructure delivery and tight supply, continue to underpin asset values across the Sunshine Coast.



Jaydon McDowell
Associate Director, Commercial

Mackay

The Mackay retail market consists mainly of big box retail properties to the northern side of Mackay in Mount Pleasant and North Mackay. Smaller properties can be interchangeable between office use and retail use depending on the tenant. The retail market is generally

performing well with rental rates and purchase prices increasing over the past 12 months. It is expected that rental rates will increase another five per cent before stabilising. Entry level opportunities consist of smaller freestanding strip or strata titled buildings which typically range from \$400,000 to \$1 million. Owner-occupiers tend to favour the lower end of the range while investors target the higher end opportunities. The freestanding strip retail or detached shop properties are generally found within or near the Mackay city centre. The big box retail properties in Mount Pleasant and North Mackay command higher price points.

Some recent entry level retail sales include:

- ▶ **1/118 Sams Road, Mount Pleasant** sold in vacant possession for \$520,000 in October 2025.
- ▶ **2/118 Sams Road, Mount Pleasant** sold for \$850,000 in November 2025 with an analysed market yield 6.93% and an unexpired lease term of 1.59 years.
- ▶ **115 Sydney Street, Mackay** sold for \$850,000 in March 2026 with an analysed market yield 6.75% and an unexpired lease term of 3.97 years.



Emily Davies
Valuer, Commercial

Toowoomba

Toowoomba's retail market has performed in line with expectations throughout the first half of 2026 which is in line with broader property market trends. Sale volumes remain subdued with low supply continuing to be a limiting market factor, however the sales that have occurred indicate an increasing median price point. Sales between \$1

million and \$1.5 million are now commonplace for entry-level retail assets.

The above is attributed to strong investor and owner-occupier demand which is reflected in former yields with sales routinely transacting at yields of 5.0% to 6.0% and several sales achieving sub 5.0% yields.

Entry-level opportunities are limited and generally restricted to multi-tenant buildings in or within the Toowoomba CBD or at slightly lower price points for standalone premises located in fringe CBD areas, often older vacant premises with refurbishment potential.

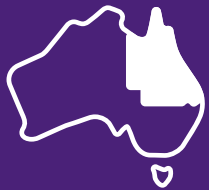
Current market conditions tend to favour tenants. Current rental rates encourage owner-occupiers to purchase premises, contributing to limited growth in rental rates and moderate growth in capital values.

New construction continues to be restricted due to increased construction costs and availability of suitable sites. It is also generally considered that planning hurdles continue to be a deterrent for developers within the Toowoomba Regional Council local government area.

In summary, the Toowoomba retail market is stable with a low level of both sales and leasing but strong values. Investors will be seeking increased returns from properties and an uplift in rental rates is likely.



Ian Douglas
Director, Commercial



South Australia - Retail 2026

Month in Review
September 2026



COMMERCIAL
- RETAIL

Adelaide

Sentiment towards the retail property sector has improved, with the latest NAB Commercial Property Survey recording a lift in retail property confidence across South Australia and the Northern Territory. Retail sentiment strengthened over the June 2026 quarter and the outlook remains positive over the next 12 months, reflecting a more favourable environment for retail property.

Chart 6: Retail Property Index by State

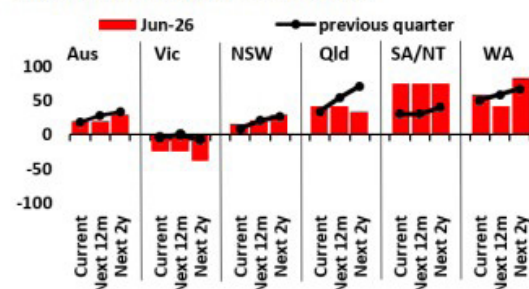


Figure: NAB Commercial Property Survey - Retail Property Index by State

In Adelaide, retail market conditions have remained relatively stable, supported by continued growth in household spending. Rental performance varied across retail asset classes during the June 2026 quarter, with growth recorded in regional shopping centres while rents remained stable across other sectors. Investment yields also remained broadly

stable, with some compression evident for regional centres and prime strip retail, indicating continued demand for quality retail assets. These dynamics flow through to the smaller end of the market, where well-located strata shops and small retail suites are benefiting from the same underlying demand, albeit with greater sensitivity to tenant covenant and location.

Based on publicly listed and reported transactions, entry-level retail investment opportunities below \$1 million are relatively limited across metropolitan Adelaide and regional South Australia. These opportunities primarily appear as small strata shops in suburban strips or smaller standalone retail properties.

The biggest risks in this sector are unforeseen costs from poorly managed or ageing body corporates, or from internal fitouts. Fitouts are particularly problematic because changing uses can be costly and tenant turnover is often higher. In retail, position is critical, and unless the user is a go-to tenant, relying on exposure and pedestrian traffic can be risky. Look at the historical occupants; has the site had a history of turnover or poor occupancy?

4/107-115 Marlborough Street, Henley Beach, marketed through McGees Property Adelaide, sold for \$400,000 in February 2026. The 50 square metre strata-titled ground-floor retail premises was

offered with vacant possession and demonstrates the relatively low capital entry point available through smaller-format premises in an established metropolitan location.



4/107-115 Marlborough Street, Henley Beach Source: realcommercial.com.au



4/107-115 Marlborough Street, Henley Beach Source: realcommercial.com.au

1/155 Waymouth Street, Adelaide marketed through Ray White Adelaide City sold for \$600,000 in May 2026. The 174 square metre strata-titled ground-floor premises was offered with vacant possession and provides flexible accommodation suitable for

The biggest risks in this sector are unforeseen costs from poorly managed or ageing body corporates, or from internal fitouts.

retail, office or service-based uses, representing an accessible CBD entry point for owner-occupiers and investors.



1/155 Waymouth Street, Adelaide Source: realcommercial.com.au



1/155 Waymouth Street, Adelaide Source: realcommercial.com.au

10/173 Port Road, Aldinga, marketed through Harris Real Estate Wine Coast, sold for \$645,000 in April 2026. The 200 square metre property comprised two leased premises generating a combined annual rental of \$33,000 excluding GST plus outgoings, reflecting an indicative passing yield of approximately 5% with leases extending

to February 2027 plus a three-year option and December 2028 respectively.

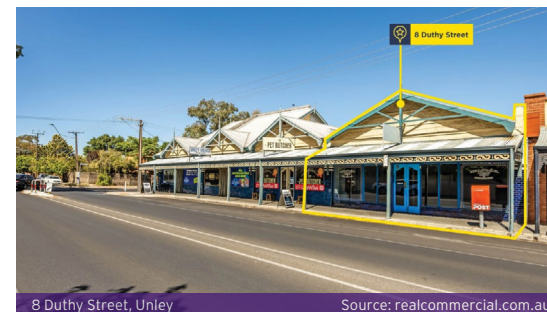


10/173 Port Road, Aldinga Source: realcommercial.com.au



10/173 Port Road, Aldinga Source: realcommercial.com.au

8 Duthy Street, Unley marketed through Savills Adelaide, sold for \$935,000 in March 2026. The 101 square metre retail premises within the established Duthy Street precinct sold with vacant possession. The property offers flexibility for retail, café, or food and beverage uses and highlights the higher capital requirement for entry-level retail within a tightly held inner-metropolitan location.



8 Duthy Street, Unley Source: realcommercial.com.au



8 Duthy Street, Unley Source: realcommercial.com.au

Overall, entry-level retail in Adelaide generally comprises smaller strata or grouped premises, with greater size and income potential available further from the CBD. Recent evidence suggests entry points from around \$400,000, depending on location, tenancy and property characteristics.

The sector appeals to both investors and owner-occupiers, with lower capital requirements offset by risks such as vacancy, lease exposure, strata costs and capital expenditure. From a tenant perspective, smaller premises can also offer more manageable occupancy costs and flexibility for a range of retail and service-based uses.



Chris Winter
Director, Commercial

Month in Review
September 2026



COMMERCIAL
- RETAIL



Western Australia - Retail 2026

Month in Review
September 2026



COMMERCIAL
- RETAIL

Perth

The Western Australian retail property market has transitioned out of its bottom-of-cycle phase into a period of cautious resilience. Strong population growth, tight new retail supply and robust performance in residential growth corridors have helped underpin retail fundamentals. However, household disposable income remains under pressure due to cost-of-living constraints and sustained interest rate increases in early 2026, with the potential for further rate rises in the coming months. While consumer discretionary spending remains subdued, necessity-based retail continues to perform strongly, supporting yield stability for entry-level assets.

In the Perth metropolitan market, entry-level retail opportunities typically manifest in two primary formats:

- ▶ **Strata Retail Shops:** Commercial tenancies located on the ground floor of mixed-use residential developments or modern outer-suburban retail strips or small shopping centres; and
- ▶ **Small Scale Green Titled Buildings:** Strip retail shops or single-tenant retail and showroom buildings primarily in outer suburban locations (more than 15 kilometres from the Perth CBD) which tend to be at a lower price point for entry-level investors compared to higher value inner city retail precincts such as Victoria Park, East Victoria Park, Highgate, Mt Lawley and Leederville.

The Western Australian retail property market has transitioned out of its bottom-of-cycle phase into a period of cautious resilience.

These accessible entry points are predominantly found in:

- ▶ Newly developed master-planned residential estates in outer growth corridors (e.g., Ellenbrook, Alkimos, Baldivis).
- ▶ Re-energised middle-ring suburban activity centres and community strip centres offering daily convenience services.

Entry-level retail assets in Perth are typically priced under \$1.5 million, with some strata titled retail units starting as low as \$300,000 to \$500,000.

These assets generally trade at yields between 6.0% and 7.0%, reflecting a slight risk premium over higher value assets that tend to be underpinned by blue-chip lease covenants such as

fast-food outlets (McDonalds, Hungry Jacks etc.) which generally fall in the \$4 million plus bracket and hence are not attainable for entry-level or first-time investors.

These higher yields generally result from heavy reliance on local mum-and-dad operators or start-up franchisees, which carry a higher risk of lease default. Strata overheads, tenant vacancy risk and economic sensitivity in outer suburbs that are often characterised by lower socio-economic demographics with less discretionary spending power remain key considerations.

Notwithstanding the above, these lower value retail assets represent a lower capital barrier to entry, can provide generally reliable income streams from essential service tenancies and long-term land-value appreciation in the case of Green Titled assets.

Over the past 12 months, entry-level retail properties have demonstrated solid transaction activity, largely insulated by sustained buyer demand from local self-managed superannuation funds and private investors seeking yields higher than those available from residential property. Looking forward, while tight monetary policy will keep yield compression in check, low retail completions across Western Australia due to the high construction cost environment will keep vacancy rates tight and should help protect net



Ellenbrook Central, in Perth's northern growth corridor. Source: Vicinity Centres

rental rates. It is also likely that changes to negative gearing and CGT in the federal budget could push more investors into the retail property sector away from traditional residential investment.

Tenants in this segment are primarily convenience, medical, food and beverage or local service-based businesses. Rental affordability relative to gross turnover remains the primary driver during lease negotiations. While owner-occupier activity has historically been strong, current interest rate levels have led more small businesses to favour leasing over capital deployment, stabilising tenancy absorption.

Entry-level retail in Western Australia offers an accessible entry point for everyday investors to secure commercial real estate. Focussing on strong locational fundamentals, non-discretionary tenant mixes, and manageable lease terms will remain key to mitigating tenant default risk and securing long-term returns.



Greg Mullins
Director, Commercial



Northern Territory - Retail 2026

Darwin

The retail property sector in Darwin is dominated by major retail destinations at Casuarina, Yarrowonga (Gateway) and Coolalinga. Retail property opportunities are mainly limited to areas immediately surrounding these centres, and some smaller neighbourhood retail precincts. Even in the CBD, pure retail opportunities are limited for investors because these tenancies mostly sit under larger office and residential towers.

The retail tourism sector is also dominated, this time by the Waterfront Precinct where the retail property is effectively under single ownership, but the smaller Cullen Bay precinct offers some competition in the retail space, especially along the marina frontage.

In a relatively small market such as Darwin, retail property moves in concert with other commercial property, and investors tend to look at any opportunity that may arise in the commercial property sector.

In recent months, we have seen the sale of some mixed medical and retail type assets at Casuarina and Palmerston. When these types of assets become available for sale, they are generally highly sought-after by local investors who are attracted

to very visible assets compared to more common industrial type property.

There has been a steady improvement in the general Darwin economy over the past 12 months. If this continues, consumer discretionary spending should increase, leading to better trading conditions for retailers. Even most retail tourism operators had a modestly successful year after a very slow start, which coincided with concerns about fuel supplies. Many tourists cancelled or deferred their travel plans to Darwin, at least until they had more certainty that fuel would be available.

Those considering investing in Darwin retail property should carefully consider the fundamentals, especially around location and future growth potential. They should be aware that, even at entry level, local investors generally show strong interest in the limited supply of this type of property.



Terry Roth
Director, Commercial

Those considering investing in Darwin retail property should carefully consider the fundamentals, especially around location and future growth potential.





Australia's Property Partner

Herron Todd White is Australia's leading valuation and property advisory firm, with more than 58 years of experience and a team of over 800 property experts. We are guided by trust, independence, and collaboration in everything we do. By combining national reach, technology-enabled solutions, and deep local knowledge, we help clients navigate complexity and make confident, well-informed property decisions.

Herron Todd White specialises in property advisory and valuation services nationwide across:

- Residential
- Commercial
- Industrial
- Agribusiness
- Government



1300 880 489
htw.com.au