

# Adelaide Free Region Report

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## March 2025



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# Adelaide Property Market & Location Profile (2025)

## High-Growth Suburbs: Recent Price Trends & Forecasts

Adelaide’s property market has seen strong value gains in recent years, with particular suburbs poised for above-average growth. **Microburbs data** highlights several **high-growth forecast suburbs**, each with robust 4-year capital growth projections. For example, Microburbs projects annual house price growth of [Subscribe to Microburbs](#) in *Henley Beach* and [Subscribe to Microburbs](#) in *Sellicks Beach*, with many other suburbs forecast at [Subscribe to Microburbs](#) per annum. Notably, affluent inner suburbs like *Glenunga* (forecast [Subscribe to Microburbs](#)) and coastal areas like *Henley Beach* top the list. These forecasts indicate confidence in these locales’ fundamentals over the medium term.

Recent **price trends** in these high-growth areas have been generally positive, reflecting Adelaide’s broader upswing. For instance, *Henley Beach*’s median house price is about [Subscribe to Microburbs](#) after rising roughly **9.4%** over the past 12 months. Similarly, *Sellicks Beach* (an outer coastal suburb with more affordable prices) saw its median house value climb to around **\$715k**, up **8.3%** in the last year. Not all premium suburbs are booming equally, however – *Glenunga*’s median house price is roughly [Subscribe to Microburbs](#) and was actually down about **5–6%** year-on-year (after significant prior growth). This slight dip in 2024 followed earlier surges, and Microburbs still anticipates [Subscribe to Microburbs](#) ahead. Overall, Adelaide’s **2024 market momentum** was strong: dwelling values climbed about [Subscribe to Microburbs](#) over the year, lifting many suburb medians. High-demand pockets – whether **beachside, inner-city, or growth corridors** – have set new price benchmarks. The table below highlights a few of Adelaide’s top forecast suburbs, their current prices, and growth figures:

| Suburb (Region)             | Median House Price                      | Past Year Price Change | Microburbs 4-yr Growth Forecast         |
|-----------------------------|---|------------------------|---|
| Henley Beach (Coastal West) | <a href="#">Subscribe to Microburbs</a> | +9.4% annual           | <a href="#">Subscribe to Microburbs</a> |
| Sellicks Beach (Far South)  | ~\$715k                                 | +8.3% annual           | <a href="#">Subscribe to Microburbs</a> |
| Glenunga (Inner East)       | <a href="#">Subscribe to Microburbs</a> | –5.9% annual           | <a href="#">Subscribe to Microburbs</a> |

| Suburb (Region)               | Median House Price                      | Past Year Price Change | Microburbs 4-yr Growth Forecast         |
|-------------------------------|---|------------------------|---|
| Prospect (Inner North)        | ~\$1.2M                                 | Data: moderate growth  | <a href="#">Subscribe to Microburbs</a> |
| Elizabeth Grove (Outer North) | <a href="#">Subscribe to Microburbs</a> | +33% (2022)            | <a href="#">Subscribe to Microburbs</a> |

*Table: Examples of Adelaide suburbs with high 4-year growth forecasts (Microburbs) alongside recent prices. Suburbs span premium coastal, inner-city, and affordable outer areas.*

**(Data sources:** Microburbs forecasts; CoreLogic/ABS-based price data)

Overall, the **top forecast-growth suburbs** represent a mix of markets – from blue-chip coastal enclaves to developing fringe communities. Many enjoyed strong recent appreciation (some lower-priced areas even saw **30%+ annual jumps during the 2021–2022 boom**). This momentum, combined with local improvements and buyer demand, underpins the bullish 4-year outlook from Microburbs. Buyers and investors targeting these suburbs should still evaluate each on its merits – while forecasts are high, actual performance will depend on supply, demand, and economic conditions in the coming years.

## Broader Market Trends Influencing 2025

Adelaide enters **2025 with solid market fundamentals** and a cooler but still positive growth trajectory. After leading the nation's housing upswing through 2022–2024, Adelaide's price growth is expected to moderate somewhat in 2025. Major banks project continued rises in home values, albeit at a single-digit pace rather than the double-digit surge seen last year. Forecasts for 2025 range roughly from [Subscribe to Microburbs](#) for Adelaide dwelling values. For example, one bank anticipates about [Subscribe to Microburbs](#) growth in 2025, while another forecasts around [Subscribe to Microburbs](#). This tempering reflects higher interest rates and affordability constraints, but notably Adelaide is still viewed as one of the more resilient capitals. In fact, several analysts have pointed to Adelaide (along with Perth) as likely outperformers in 2025, given their relative affordability and ongoing demand.

**Economic conditions** in South Australia are providing a supportive backdrop. The state's economy has been punching above its weight, with [Subscribe to Microburbs](#) in GDP growth in 2022–23, the fastest of any state. Unemployment remains near record lows (~3.9% in mid-2024) and the job market is the strongest in the country on some measures. This robust local economy has buoyed buyer confidence. Adelaide also avoided the sharp interest-rate-driven downturn that hit Sydney/Melbourne; as a *more affordable city*, it proved less sensitive to rate rises, and prices held firmer. By late 2024, Adelaide home values were hitting **record highs** after rebounding vigorously

post-2022. Median dwelling price in Greater Adelaide was about [Subscribe to Microburbs](#) as of Nov 2024, up roughly **14%** annually. Houses ([Subscribe to Microburbs](#)) and units (~587k) both saw double-digit annual growth ([Subscribe to Microburbs](#) and 18% respectively) over the year to Nov.

A key trend has been the **imbalance of supply and demand**. Buyer demand has remained robust while listings have been scarce. As of late 2024, new listings in Adelaide were running [Subscribe to Microburbs](#) below the prior year's volume (and total homes for sale were ~2% lower), yet annual sales volumes were up about **+12–13%** – clear evidence of *more buyers chasing fewer properties*. This competition helped sustain price growth even as interest rates climbed. Properties also sold quickly: the average time on market was only [Subscribe to Microburbs](#) in late 2024, a slight improvement on the already brisk 30 days a year earlier. **Record-low vacancy rates** (around [Subscribe to Microburbs](#)) have kept rental supply tight, pushing rents upward and encouraging investor activity – further fueling demand for housing stock.

Looking ahead into 2025, broader **economic forces** are expected to influence Adelaide's market: interest rates are at their peak and likely to stabilize or even fall by late 2025 (easing borrowing costs), and population growth is accelerating. South Australia is attracting more residents via overseas migration and some interstate migration. In fact, Adelaide is forecast to gain roughly [Subscribe to Microburbs](#), equating to ~9,000 new households. This is a substantial influx (for a city of ~1.4 million) and adds **housing demand** across both owner-occupiers and rentals. However, housing construction isn't fully keeping up – only about [Subscribe to Microburbs](#) new dwellings were started in 2024. If those projections hold, Adelaide's **housing shortfall** will persist, keeping vacancy rates ultra-low (below 1%) and **supporting price growth and rents** in 2025. In summary, while the frantic boom of the pandemic period has cooled, Adelaide's 2025 property market is underpinned by **solid economic growth, population gains, and tight supply**, suggesting continued (if more gradual) upward trajectory.

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## Key Economic Drivers and Demographic Shifts

Several **key drivers** are propelling Adelaide's property market and shaping its high-growth suburbs:

- **Employment Hubs & Industries:** Adelaide's economy is diversified with growth in *defence, technology, health, and education*. The city has become a hub for **defence projects**, notably the **naval shipbuilding program** at Osborne. Massive long-term programs (like the AUKUS submarine construction and new frigates) are centered in Adelaide's north-west, bringing investment and jobs. Similarly, the **Lot Fourteen** innovation precinct in the CBD has attracted high-tech, space industry, and cyber security firms – for example, a major defence contractor is relocating its headquarters and approximately [Subscribe to Microburbs](#) staff to Lot Fourteen. These initiatives are creating skilled jobs and drawing workers to Adelaide. A strong **public sector and health sector** (with major hospitals and universities) also anchors employment. The net effect is a healthy job market – South Australia currently ranks **#1 nationally for job market strength** and enjoys historically low unemployment around **4%**.

Steady employment growth improves buyer capacity and confidence, directly impacting housing demand.

- **Population Growth & Migration:** After years of modest population gains, Adelaide is now seeing **accelerated growth**. Net overseas migration has jumped post-pandemic, and Adelaide's relative affordability is attracting some interstate migrants and returnees. The city's population growth rate hit ~1.7% in 2023, higher than its pre-2020 norm. Greenfield suburbs in the north and south are booming with young families and new arrivals – local data shows the outer City of Playford gaining [Subscribe to Microburbs](#) new residents per day recently. This *demographic expansion* fuels housing demand, especially in family-friendly suburbs and new estates. Importantly, many high-growth forecast suburbs correspond to areas of **rapid population increase** (for example, *Munno Para/Andrews Farm* in the north where large estates are expanding, or *Mount Barker* in the Adelaide Hills, which is projected to become SA's second-biggest city with population [Subscribe to Microburbs](#) by the 2030s).
- **Affordability & Lifestyle Preferences:** Adelaide remains one of the *most affordable capital cities* in Australia. This has drawn investors and homebuyers priced out of Sydney/Melbourne. With median house prices in the \$700–800k range (versus \$1M+ in larger capitals), Adelaide offers **better value for money**. This affordability, combined with the city's renowned liveability (discussed below), has increased its appeal. During the pandemic, lifestyle factors and remote work led some buyers to relocate to Adelaide for a more relaxed, affordable lifestyle – boosting demand for Adelaide's housing. The appeal of larger blocks, beaches, and a city that's easier to get around has kept **local buyer demand resilient** even as interest rates rose.
- **Infrastructure Investment:** Heavy investment in infrastructure and development (detailed later) is both **creating jobs** and **improving connectivity**, which in turn lifts property markets. Projects like the North-South corridor, new housing developments, and community facilities signal confidence and open up new areas for growth. For example, extension of rail and bus services in outer suburbs and new expressways reduce commute times, making suburbs in the peri-urban fringe more attractive for home buyers who get “more house for their dollar” if transport is manageable. Likewise, ongoing urban renewal in near-city areas (e.g. Bowden, Thebarton) adds housing supply and modern amenities, raising the profile of those suburbs.

In summary, **Adelaide's housing demand** is underpinned by a confluence of positive economic forces: **jobs growth in emerging industries, a rising population, relative affordability**, and strategic investments. These drivers especially benefit high-growth forecast areas – many of which are positioned near new job nodes (e.g. *Edinburgh/Direk* near the defense precinct, or *Prospect* and *Henley* offering lifestyle for professionals). Demographically, Adelaide's market is seeing **more young families and professionals** entering, sustaining pressure for family homes in suburbs with good schools and amenities. This economic and demographic vitality is a key reason Adelaide defied national housing downturns and continues to show growth potential into 2025.

## Liveability & Lifestyle Factors

Adelaide consistently ranks as one of the **most liveable cities** in Australia and the world. In 2024 it was rated the **11th most liveable city globally** (and third in Australia) by the Economist Intelligence Unit's index, reflecting strengths in stability, healthcare, environment, education, and infrastructure. This high liveability filters down to the suburb level, where many Adelaide neighbourhoods offer an attractive mix of **community, convenience, and lifestyle** – factors that both homeowners and tenants value highly.

According to Microburbs' local analytics, Adelaide suburbs tend to score well on **"liveability" metrics** such as community engagement, family friendliness, and access to amenities. For example, inner areas of Adelaide score [Subscribe to Microburbs](#) for Community (indicating strong community involvement and long-term residents) and **9/10 for Convenience** (due to plentiful shops, services, and public transport). Many of the high-growth forecast suburbs combine good growth prospects with such lifestyle appeal. Suburbs like *Colonel Light Gardens*, *Linden Park*, or *Prospect* boast leafy streets, parks, and cafes – yielding high **Lifestyle Scores (8–9/10)** on Microburbs' index. Likewise, *family-oriented suburbs* (e.g. *Glenunga*, *Henley Beach*, *Black Forest*) often rate highly for **Family Score** and **Safety**. In fact, some areas achieve a **perfect 10/10 Safety Score** with low crime rates, and very strong Family Scores around [Subscribe to Microburbs](#), reflecting an abundance of schools, playgrounds, and family-friendly amenities.

Key liveability factors evident in Adelaide's top suburbs include:

- **Community Engagement:** Adelaide has a reputation for tight-knit communities. Suburbs with high volunteerism and long-term residents (for instance, *prosperous inner suburbs and hills towns*) foster a sense of belonging. Community events, sporting clubs, and active councils (like Burnside, Unley, Prospect, etc.) enhance social cohesion. This *community vibe* can add desirability – a factor not lost on buyers with young families or those seeking a supportive neighbourhood.
- **Convenience & Accessibility:** Being a smaller capital, Adelaide offers excellent accessibility. Many high-growth suburbs are within a short commute of the CBD or major employment hubs. Areas like *Prospect* and *Clarence Park* have train/tram links or quick road access, plus local shopping precincts – scoring high in **convenience**. Even outer-growth areas are improving: new rail extensions (*Oaklands*, *Seaford* line) and express bus routes have increased the convenience of suburbs once considered far-flung. Adelaide's less congested roads and extensive parklands (the "green belt" around the city) also contribute to daily convenience and recreation.
- **Lifestyle & Leisure:** Lifestyle is a big drawcard in Adelaide. Coastal suburbs (from *West Beach* up to *Semaphore* and down to *Aldinga*) offer the classic Australian beach lifestyle – a reason why Henley Beach and others are in high demand. Café and restaurant culture is thriving in areas like *Prospect*, *Norwood*, and *Glenelg*, giving them high "hip" or entertainment scores. Wine regions on the doorstep (Barossa, McLaren Vale) and the Adelaide Hills provide weekend leisure options. The high-growth forecast suburbs often leverage these lifestyle



perks: for example, *Port Willunga/Sellicks Beach* offer seaside living at a relative bargain, while suburbs such as *Belair* and *Belglen Hills* (hills areas) offer nature and tranquillity. **Lifestyle scores** in many of these locales are well above average.

- **Family Appeal:** Many of Adelaide's growth suburbs are magnets for families due to **schools and safety**. Zoning for a top public school (such as Glenunga International High or Brighton Secondary) can notably boost a suburb's appeal – and price growth. Suburbs like *Linden Park*, *Glen Osmond* (zoned for Glenunga High) or *Henley Beach* (with good primary and high schools plus beachside lifestyle) are highly sought by upgraders with kids. These areas offer parks, sports facilities, and low crime, ticking all the boxes for family friendliness. As a result, they have sustained demand, supporting future price growth.

In summary, **liveability is a key part of Adelaide's property story**. The city's blend of urban convenience with a relaxed lifestyle underpins its popularity. High-growth forecast suburbs typically have either strong lifestyle drawcards (café culture, coast, nature) or outstanding family/community environments – in many cases **both**. This ensures they remain desirable places to live, not just speculative investments. Adelaide's **human-scale city charm**, community spirit, and easy living will continue to attract residents, which in turn supports property values.

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## Risk & Environmental Considerations

When evaluating Adelaide suburbs – even high-growth ones – it's important to factor in potential **risks and environmental considerations**. Different locations come with varying exposures to natural hazards and other risks, which can impact insurance, long-term desirability, and development.

- **Crime Rates & Safety:** Adelaide is generally a safe city with relatively low crime rates (it often scores well on safety nationally). However, crime can vary by suburb. Many inner and eastern suburbs enjoy *low crime levels* (Microburbs safety scores [Subscribe to Microburbs](#)), whereas some outer areas and disadvantaged pockets record higher crime incidences. For example, parts of the northern fringe (e.g. Elizabeth/Davoren Park) have historically had above-average crime rates compared to the city average. Conversely, suburbs like *St Peters*, *Unley*, or *Burnside* are known for safety. Overall, Adelaide's crime has been stable, but prospective buyers should review local crime stats. South Australia Police (SAPOL) provides suburb-level crime data which can highlight any hotspot. **Most high-growth forecast suburbs have moderate-to-low crime** – this includes beach areas (community vigilance is strong there) and family suburbs. It's wise to consider the **perception of safety**: suburbs with persistent crime or social issues may carry higher investment risk despite cheap entry prices. Encouragingly, community policing and renewal efforts are improving many areas.
- **Flood Zones:** Certain parts of Adelaide are prone to **flooding**, typically from rivers/creeks or heavy stormwater. Notable flood-risk zones include the **Gawler River catchment** in the far north (affecting suburbs around *Gawler* and *Munno Para*), the **Brown Hill–Keswick**

**Creek** catchment in the inner southwest (impacting areas like *Unley*, *Goodwood*, *West Torrens* in extreme events), and low-lying coastal fringes around **Port Adelaide** and the **Onkaparinga River delta** in the south. For instance, parts of *West Lakes* and *Seaford* have had flood mapping done for 1-in-100 year events. Flood mitigation projects are ongoing, but buyers in these zones should check council floodplain maps. Many high-growth suburbs are either elevated or coastal with cliffs (e.g. *Henley Beach* sits above sea level and has stormwater systems) and thus have **minimal flood risk**. However, some new developments on flat former farmland (e.g. *Direk*, *Andrews Farm*) might have localized flood considerations after heavy rain. Insurance premiums in designated flood zones can be higher, so it's an important due diligence item.

- Bushfire Risk:** The Adelaide Hills and foothills regions are renowned for their natural beauty – but they come with **bushfire risk**. Adelaide has a **Mediterranean climate** with hot, dry summers, and the hills face of the city is considered one of the most fire-prone areas in the world. Suburbs along or near the foothills (especially in the east and south) are in or adjacent to the bushfire risk zone. For example, parts of the City of Burnside (suburbs like *Waterfall Gully*, *Greenhill*, *Skye*) and areas like *Belair*, *Crafers*, *Stirling* in the hills are designated bushfire prone. Even some metro-adjacent suburbs (e.g. *Athelstone* or *Eden Hills*) have reserves that can carry fire. Bushfire risk means stringent building codes (for ember protection), the need for clearance of vegetation around homes, and having emergency plans. In extreme summers, these suburbs may face hazard. **Many high-growth forecast suburbs are not in bushfire zones** (since many are coastal or inner suburbs), but a few like *Belair* or *Springfield* are on the list and do have that exposure. Buyers drawn to a hills lifestyle must weigh this risk. The good news is South Australia's CFS (Country Fire Service) is well-prepared, and there are designated **"Bushfire Safer Places"** (e.g. the Adelaide CBD, certain ovals or town centers) where residents can shelter if needed. As climate change potentially extends fire seasons, bushfire risk management remains crucial in Adelaide's fringe areas.
- Climate Resilience:** Adelaide's climate is warming and drying, which poses long-term considerations. Heatwaves are becoming more frequent – the city can see multiple days over 40°C in summer. Suburbs with older housing stock or little tree cover can be uncomfortable in such heat and may require retrofitting for cooling. However, Adelaide's governments have initiatives for *urban greening* and better design. Coastal erosion and **sea level rise** are other concerns: areas like *Henley*, *Semaphore*, and *Aldinga Beach* will need ongoing coastal management to prevent erosion and inundation over coming decades. So far, significant impacts have been limited, but council development plans account for these. **Storms and extreme weather:** Adelaide doesn't get cyclones, and severe storms are less frequent than up north, but occasional hail or gust events occur. Most property risk from climate in Adelaide revolves around *water security* (the city has a desalination plant as backup for droughts) and *heat*. New developments are increasingly focusing on sustainability and climate resilience (e.g. water-sensitive urban design in places like *Lightsview*).
- Environmental Hazards:** Adelaide is free from many major natural disasters (no earthquakes of note, no cyclones). One environmental consideration is **soil movement** – some clay-rich



soils in Adelaide's north/south can cause foundation shifting (a risk manageable with proper engineering). Also, old industrial land (e.g. parts of *Port Adelaide* or *Thebarton*) may have soil contamination that needs remediation before housing development. These are typically addressed during development approval.

In evaluating risk, Adelaide's profile is generally *low to moderate risk* compared to many Australian cities. There are **no wide-scale catastrophic hazards common** (like Brisbane's river floods or North Queensland's cyclones). Still, micro-locations matter. Wise investors will **check the hazard maps**: a high-growth suburb that is cheap might be so for a reason – e.g., if it sits on a flood plain or has higher crime. Conversely, suburbs with virtually no environmental risk (e.g. elevated, established areas) often carry a price premium. **Insurance costs** vary accordingly – an inland suburban home with no flood/bushfire risk will be cheaper to insure than a hills property needing bushfire cover. Climate resilience is increasingly a value point too; suburbs investing in greening and drainage (like the Mitcham council area tackling flood mitigation) will remain more attractive long-term. Overall, factoring in these risks ensures a more **holistic investment decision** beyond just growth numbers.

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## Infrastructure & Major Development Projects

Adelaide's growth outlook is closely tied to a range of **infrastructure and development projects** across transport, commercial, and residential sectors. These projects not only improve amenity and connectivity but can also be catalysts for property value growth in the areas they impact. Below are some key infrastructure and development initiatives affecting Adelaide's future:

- **North-South Corridor (Major Transport Project):** The North-South Corridor is Adelaide's largest ever road project – a continuous motorway-standard route running through the metro area. A pivotal 10.5 km tunnel and motorway segment (River Torrens to Darlington) is underway, budgeted around [Subscribe to Microburbs](#) (with approximately ~\$7 billion to be spent by 2028). Expected completion is [Subscribe to Microburbs](#). This project will dramatically cut travel times from north and south of the city. Suburbs along this corridor (e.g. *Torrensville, Kilburn, Clovelly Park, Tonsley*) will benefit from improved accessibility. Some properties are being acquired for the project, but overall it's a boon for nearby real estate. Once complete, previously less-connected suburbs could see **uplift in demand** as commuting becomes easier.
- **Public Transport Upgrades:** Adelaide is investing in expanding and modernizing public transport. Recent examples include the electrification of the Gawler rail line (completed 2022) which improves train service to the northern suburbs, and additional bus services in the Adelaide Hills (rolled out in 2024) to better link growing communities with the city. There are also plans being formulated for an **integrated transport strategy** (2024–2028) to boost city connectivity, including improved cycling routes and potentially tram network extensions. In the longer term, revival of a city tram loop or spur to North Adelaide is mooted. Improved transit makes suburbs more accessible and thus more attractive – e.g., the rail extension

to *Seaford* a few years ago spurred development in that corridor. Continued transit investment will likely support values in outer suburbs by reducing the “tyranny of distance.”

- **Health and Education Infrastructure:** The South Australian government has several major health projects, such as the construction of a new **Women’s and Children’s Hospital** in the Adelaide BioMed precinct (adjacent to the new Royal Adelaide Hospital). This multi-billion dollar project will further cement the West End of the CBD as a medical/innovation hub. It brings jobs and will draw more professionals and students to live nearby (*Bowden, North Adelaide, CBD apartments*). Similarly, new schools are being built in high-growth areas: for example, a new public high school opened in *Angle Vale* (outer north) and another planned for *Aldinga* (outer south) to support those booming suburbs. *Mount Barker*, growing rapidly, is getting a new school and hospital expansion. These investments in social infrastructure enhance the liveability of growth areas and can make surrounding suburbs more appealing to families.
- **Urban Renewal & Housing Developments:** The government’s development agency **Renewal SA** has unveiled a pipeline of development projects worth over [Subscribe to Microburbs](#) to address housing supply and stimulate the economy. Five major sites are being released in late 2024 into 2025, with potential for **3,000+ new dwellings** across them. Notable projects include:
  - *274 North Terrace (CBD)* – a \$450M mixed-use development site.
  - *Tapangka/Franklin St (CBD)* – a \$500M project likely involving apartments and commercial space.
  - *Thebarton (inner west)* – a huge \$1B redevelopment (possibly the former West End Brewery site) to create a new mixed-use precinct.
  - *Bowden expansion (inner NW)* – \$110M for the next stage of the Bowden urban village.
  - *Playford Alive Extension (Munno Para, North)* – a **71-hectare expansion** of the Playford Alive housing project, adding **1,300 new homes** over 8 years.

These projects target key needs: more housing (including affordable housing quotas of up to 30% in some developments) and revitalization of underused land (like industrial brownfields in Thebarton/Bowden). As they materialize, they will create *entire new communities and commercial hubs*. For instance, the Playford Alive expansion is in response to “unprecedented demand” for housing land in that area, where blocks have been selling out quickly. Areas around these projects can expect **upgraded infrastructure (roads, parks)** and a buzz of construction activity – often a precursor to rising property values in adjacent established suburbs due to improved amenity.

- **Commercial and Job Centers:** Beyond housing, Adelaide is seeing new commercial developments that will influence real estate. In the CBD, the Lot Fourteen precinct (former Royal Adelaide Hospital site) continues to grow as a high-tech campus – hosting the Australian Space Agency, defence companies, and startups. It’s injecting hundreds of jobs and drawing interstate talent. In the industrial sphere, the **Edinburgh Parks** area in the north and *Tonsley* innovation district in the south (at the former Mitsubishi site) are attracting

manufacturing and tech firms. For example, Tonsley now houses a branch of a major university, automotive tech companies, and renewable energy startups – boosting suburbs like *Clovelly Park* and *Bedford Park*. Meanwhile, retail and entertainment projects like the \$400M redevelopment of the Adelaide Central Market precinct and upgrades to Westfield Marion keep those areas vibrant. On the horizon, there's talk of a new city arena and further expansion of Adelaide Airport (which completed an upgrade in 2021). Each major project has ripple effects: they create construction jobs in the short term and permanent jobs longer term, **supporting housing demand** nearby. They also often come with infrastructure improvements (e.g., road upgrades around Port Adelaide for defence freight, or improved utilities in new subdivisions).

- **20-Year Infrastructure Strategy:** South Australia has outlined a **20-Year State Infrastructure Strategy** which focuses on sustainable growth. For property investors, this provides a roadmap of likely future projects – such as potential extension of the electrified train network, major port upgrades, renewable energy projects (SA is big on wind/solar), and continued rollout of fibre/NBN internet (critical for work-from-home lifestyle). Adelaide's push toward becoming a "30-Year City" (the population goal in the 30-Year Plan for Greater Adelaide) means ongoing investment in roads, public transport, water infrastructure (stormwater, reservoirs), and community facilities. This steady pipeline ensures that even outer suburbs will gradually receive the infrastructure needed to thrive, thus **reducing investment risk** in those growth corridors over time.

In essence, Adelaide's landscape in 2025 and beyond is one of **active development**. Transport corridors are being upgraded, new housing estates are rising at city fringes, and old industrial sites are transforming into modern residential or commercial hubs. High-growth suburbs often either *benefit directly from these projects* (e.g. a new train station or shopping center nearby) or are chosen in anticipation of future growth zones. For example, *Sellicks Beach* and *Aldinga* in the far south have been flagged for growth and indeed a rail extension further south is contemplated – investors have been eyeing these affordable coastal towns ahead of such moves. By tracking infrastructure plans, one can identify **"up and coming" locations**. In Adelaide, the synergy of government investment and private development is unlocking value in pockets across the metropolitan area, underpinning the optimistic forecasts for many suburbs.

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## Investment Opportunities: Capital Growth and Rental Prospects

From an investment perspective, Adelaide in 2025 offers a compelling mix of **capital growth potential** and **attractive rental returns**, especially relative to other capitals. The city's recent performance – solid capital gains and an extremely tight rental market – has put it on the radar of many investors.

**Capital Growth Outlook:** As detailed, Adelaide's property values are forecast to keep rising, though at a moderated pace post-boom. Investors targeting capital growth should note that Adelaide's growth cycle **has outperformed** larger cities recently (e.g. [Subscribe to Microburbs](#) vs declines in Sydney/Melbourne). Going forward, growth is expected to continue albeit at mid-single digits annually, barring any major economic shocks. High-growth suburbs identified by Microburbs – such as *Henley Beach, Westbourne Park, Linden Park, Prospect, and Salisbury* – present opportunities to ride this growth. These areas have the ingredients for appreciation: desirable location or lifestyle, limited supply (especially true for inner suburbs with little new land), and strong demand. Moreover, Adelaide's **lower entry prices** mean investors can buy into growth suburbs at prices that would only afford far-flung properties in Sydney/Melbourne. For example, roughly [Subscribe to Microburbs](#) can secure a house in a growth corridor like *Seaford or Hallett Cove*, whereas in Sydney that budget might only buy an apartment. This lower base can potentially allow **higher percentage growth**. Indeed, some affordable Adelaide suburbs saw enormous jumps ([Subscribe to Microburbs](#)) during the boom, and while that pace won't persist, it shows the upside when demand surges on a constrained supply.

**Rental Market & Yields:** If capital growth is the long-term play, the **rental market currently provides immediate returns**. Adelaide's rental vacancy is around **0.7%** – one of the lowest in Australia – indicating a severe shortage of rental properties. This has driven rents up sharply: in the year to Nov 2024, median house rents rose **~6.5%** and unit rents jumped **~9.5%**. Many investors are finding they can achieve healthy rental yields even as prices climbed. Adelaide's gross rental yields sit around **3.7% on average** (houses), roughly on par with the national average, and significantly higher than yields in Sydney (~2.5–3%). In certain suburbs, especially more affordable ones, yields are even more attractive. For instance, in *Mount Barker* (a growth area), houses yield about **4.3%** on average with median rent \$570/week. Similarly, suburbs like *Elizabeth North, Davoren Park* (with very low entry prices sub-\$350k) can show yields above 5% – though investors must balance that against lower capital growth prospects and higher risk. The sweet spot many experts note is the middle-ring suburbs where rental demand from families is strong and prices are moderate, yielding 4% or above *and* decent growth.

With the current rental crunch, **rents are expected to continue rising** in 2025 (unless there's a large influx of new rentals). Forecasts suggest vacancy will remain under 1% given population growth, so landlords will have the upper hand to keep asking rents high. This boosts cash-flow for investors and makes Adelaide property potentially self-sustaining sooner than markets where you must heavily top-up the mortgage. As one report noted, "there is a compelling case for investors to consider an Adelaide house" due to reasonable entry prices and solid yields.

**Investor Hotspots:** Some suburbs stand out for **investment potential** combining growth and yield. A recent analysis of Adelaide investor picks (sub-\$700k budget) highlighted areas like *Kilburn, Christies Beach, Hallett Cove, Seaford, and Moana*, all with median house prices in the \$450k–\$600k range and double-digit annual price growth. For example, *Kilburn* (an inner-north suburb under renewal) had a median around [Subscribe to Microburbs](#) and saw 28% price growth in 12 months – it offers proximity to the city and improving amenity, making it ripe for gentrification. *Seaford* (outer-south beachside) around [Subscribe to Microburbs](#) median jumped 30%,

reflecting sea-change demand, yet it remains affordable for a coastal house and yields are decent. These kinds of areas may still have upside as they regenerate or as infrastructure (like the completed expressway to Seaford) boosts their appeal. Investors seeking higher yield might look at unit markets too – Adelaide units rose strongly in value ([Subscribe to Microburbs](#)), but many are still cheap relative to rents. Suburbs with new apartment supply (e.g. *Bowden, Prospect*) have modern units that attract young renters paying premium rents for location and lifestyle, often yielding ~5%.

Another angle is **student accommodation and inner-city rentals**. Adelaide hosts many international students (especially with two big universities in the CBD). The return of students post-COVID has tightened the rental market in city and inner-west areas. Buying an apartment or townhouse in the city, while historically slower for capital growth than houses, could fetch strong rents with low vacancy. However, one should be cautious about oversupply in the CBD apartment segment – Adelaide had a surge of new apartments in 2017–2019 and while demand has caught up, future large projects (like those on North Terrace) should be monitored.

Overall, Adelaide currently presents as an **investor-friendly market**: *relatively low buy-in cost, rising rents, and growth potential*. It's also seen as somewhat "defensive" – during the national downturn of 2022, Adelaide values dipped much less than others, suggesting downside risk is lower. That said, investors should still diversify and be mindful that no market is risk-free. A sharp rise in unemployment or oversupply in a particular pocket could affect returns. Yet with South Australia's economy robust and housing supply tight, the near-term outlook is positive.

For those seeking **rental income**, Adelaide's high-demand suburbs (near universities, hospitals, or major job hubs) and family suburbs with good amenities are likely to provide consistent tenancy. For **capital growth-focused investors**, targeting suburbs undergoing change (infrastructure, gentrification) or traditionally premium suburbs that consistently grow (e.g. eastern suburbs) could be strategies. In many cases, Adelaide offers a blend of both goals: moderate cash-flow plus capital appreciation – a balance that is appealing compared to the negative gearing required in pricier cities.

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## Comparing High-Growth Suburbs vs. Other Investment-Worthy Areas

While the Microburbs-identified **high-growth forecast suburbs** are strong contenders for investment, it's useful to compare them with other Adelaide areas on factors like affordability, supply-demand balance, and overall desirability. Here's how they stack up:

- **Price Point & Affordability:** The high-growth list includes both **upmarket and affordable suburbs**, whereas some other investment-worthy areas in Adelaide might be almost entirely in the affordable category. For example, suburbs like *Henley Beach* or *Glenunga* (on the high-growth list) have median prices well above [Subscribe to Microburbs](#) – they attract investors looking for blue-chip stability and long-term growth, but require a larger capital



outlay and usually yield lower percentages. In contrast, highly affordable areas such as *Davoren Park* or *Elizabeth South* (not top of Microburbs forecast but known for low entry cost) have medians under [Subscribe to Microburbs](#) and very high rental yield potential, but historically slower growth (aside from the recent spike) and higher risk. Other solid picks like *Para Hills*, *Ingle Farm* or *Hackham* offer mid-range prices ([Subscribe to Microburbs](#)) – somewhat similar to many in the high-growth list (since that list also has mid-priced picks like *Salisbury* or *Andrews Farm*). **Affordability-wise**, Adelaide offers plenty of choices – the high-growth suburbs identified by data often present a *value proposition relative to their advantages*. For instance, *Westbourne Park* (~[Subscribe to Microburbs](#)+) is cheaper than the nearby uber-premium suburbs but offers similar character homes and proximity, hence it's forecast for growth. Versus other non-listed suburbs, high-growth ones might not always be the cheapest, but they offer a compelling *price-to-benefit ratio*.

- **Supply vs Demand Factors:** One reason many suburbs are flagged for high growth is constrained housing supply amid strong demand. Established areas like *Prospect*, *Malvern*, or *Clarence Park* have very limited space for new development (heritage or fully built-out), so any uplift in demand (more buyers) translates quickly into price growth – these are in the high-growth cohort. Comparatively, some other investment areas (e.g. *Mount Barker* or *Munno Para*) have *mass land releases* and new construction (we discussed Playford Alive's 1,300 new lots, and Mount Barker's expansion). Those areas see high demand **and** high supply – meaning lots of transactions but potentially a cap on explosive price growth as new homes keep coming on. They're still good investments (especially for yield and steady growth as population fills in), but perhaps *less scarcity-driven* than inner suburbs. The high-growth suburbs list generally tilts toward those with **tight supply** (e.g., *Colonel Light Gardens* has strict heritage controls preventing densification, *Fitzroy* is a tiny prestigious enclave – both on the list with [Subscribe to Microburbs](#)). On the other hand, a suburb like *Mount Barker* (not in the Microburbs top 50 likely because of its future supply) still grew ~10% last year and is very “investment-worthy” for the long term, but its trajectory might be a steadier climb given continuous new housing stock.
- **Desirability & X-factors:** High-growth suburbs often have a **desirability edge** – be it character homes, beach proximity, school zones, or emerging café scenes – which gives them an extra demand driver. For example, *Prospect* (forecast [Subscribe to Microburbs](#)) has a trendy dining strip and cinemas that draw people in, whereas a cheaper suburb without those amenities might not see the same level of gentrification pressure. If we compare a high-growth pick like *Christies Beach* – which has coastal appeal and a refreshed main street – versus *Morphett Vale* (a larger, more homogenous inland suburb) which lacks a similar lifestyle hub, the one with the “X-factor” of beach is likely to outperform. **Family appeal** is another factor – many high-growth suburbs align with what families want (space, schools, safety). Other areas that also attract families (e.g. *Golden Grove* in the NE or *Woodcroft* in the south) might not have made the top forecast list, possibly due to being newer or slightly further out, but they remain relatively popular and could be **dark horses** for growth as their communities mature. It's often a matter of *timing*: the Microburbs high-growth suburbs tend to be either established desirable areas or ones on the cusp of broader discovery.



- **Rental Yield vs Growth Trade-off:** Interestingly, some high-growth forecast suburbs also coincide with decent rental yields (especially the more affordable ones like *Salisbury*, *Smithfield*, *Andrews Farm* on the list are all areas with yields above 5%). However, many top growth suburbs are **owner-occupier driven markets** (e.g., affluent inner suburbs where yields might be only ~3%). In contrast, certain other investment areas might be chosen primarily for yield with moderate growth (e.g., a unit in the CBD, or a house in Elizabeth). It's worth comparing: *Elizabeth Grove* appeared on the high-growth list likely due to recent growth momentum and future potential (it jumped 33% in 2022), but historically, areas in Elizabeth had very slow capital growth; they are now having a renaissance from a low base. If that momentum continues, great – but some investors might favor something like *Enfield* or *Para Vista* (middle-ring, steady growth, moderate yield) over the volatility of pure lower-end markets. The high-growth list actually bridges this gap, containing a mix. To an investor, this means you can potentially find **options that offer both** – e.g., *Kilburn* (just outside the list at forecast [Subscribe to Microburbs](#)) yields ~4% and is gentrifying.
- **Comparing Regions:** High-growth suburbs are scattered – west, north, south, east – which shows opportunities exist in all directions. But one might compare regions: **Inner East and Inner South** suburbs (e.g. Unley, Burnside areas) are traditionally the most sought-after and have shown dependable growth; they are well-represented in forecasts. **Outer North** (Playford region) has historically lagged but is now surging due to affordability and development; it features several times in the list (*Andrews Farm*, *Smithfield*, *Elizabeth Grove*, etc.). These outer-north spots might offer bigger percentage growth in the short term (catch-up effect) but could stabilize once prices reach a new equilibrium. **Outer South** (Onkaparinga region, like Seaford, Aldinga) similarly are experiencing a wave of demand. Meanwhile, **Adelaide Hills** towns (like Mount Barker, Nairne) aren't on the Microburbs top list likely due to supply dynamics, but they remain highly *liveable and popular*, so they shouldn't be overlooked by investors seeking long-term growth with lifestyle underpinning (they also often yield ~4% with tight vacancy). In essence, the **high-growth forecast suburbs give a snapshot of likely outperformers**, but they are part of a wider Adelaide market where nearly all areas are currently growing. Some other areas may be just outside the cutoff but still excellent – often a difference of a couple percentage points in forecast.

**In conclusion**, Adelaide offers a spectrum of investment options. The *data-driven picks* (Microburbs forecasts) highlight suburbs with an ideal blend of factors propelling them forward. Comparing them to other areas confirms that many of these have an **edge (scarcity, lifestyle, or recent momentum)** that could indeed lead to higher growth. However, smart investors will also consider the *broader picture*: sometimes an unfancied suburb can become the next hotspot if conditions change (for instance, a major employer setting up nearby or a big new shopping center). Thus, one might use the high-growth list as a guidepost while also weighing personal investment goals. **If prioritizing capital growth**, leaning towards those suburbs with proven demand and limited supply (often the ones in that list) makes sense. **If balancing yield**, some fringe areas or up-and-coming locales might be equally “investment-worthy” due to better cash flow, even if their 4-year growth forecast is a tad lower.

In any case, Adelaide's property market in 2025 is characterized by **strong fundamentals and multiple growth frontiers**. Whether one chooses a top forecast suburb or another promising area, the keys to success will be diligence about local factors (employment, infrastructure, supply pipeline) and aligning the choice with one's strategy. Adelaide's stability and sustained growth outlook make it a compelling city for both **capital growth investors and yield-focused landlords**, with high-growth suburbs offering particularly attractive prospects in the years ahead.

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