Upstream PROPERTY SOLUTIONS

We take property advice to the next level.

Economic and Business Outlook

RBA Rate Increase · November 2026

On 3 November 2026 the Reserve Bank lifted the cash rate by 0.25% to 4.85%: the fifth increase this year; the highest level since late 2008; and a split decision, with six Board members voting to raise and three voting to hold.

4.85%
Cash rate 2026 to date, following the 0.25% increase on 3 November

5th
Increase this year, a total of 1.25% since February

6 – 3
Board vote, six to raise and three to hold

2008
Last time the cash rate was this high

WHY THE RBA MOVED AND WHAT IT MEANS FOR THE ECONOMY

Why the RBA moved

- **Inflation** remains high and is now broadly based across goods and services.
- **Forecasts** have been revised higher, with inflation not expected back within the 2 – 3% target range until late 2027, or at the midpoint until mid-2028.
- **Fuel and energy** costs linked to the Middle East conflict are flowing through to other prices.
- **Businesses** are reporting cost pressures and are passing them on to customers.
- **Expectations** of future inflation are rising, which the RBA continues to monitor closely.

What it means for the economy

The RBA expects the economy to keep slowing over the coming year, with unemployment rising further than previously forecast. Housing prices and new housing lending have fallen, weighing on household spending.

On the other hand, business investment is forecast to remain strong in the near term, including data centre related investment.

CASH RATE PATH, 2026

FEB	MAR	MAY	SEP	NOV
3.85%	4.10%	4.35%	4.60%	4.85%

FOR COMMERCIAL PROPERTY OWNERS

Values
Higher borrowing costs place upward pressure on yields, particularly for secondary office assets.

Sales activity
Leveraged buyers face tighter numbers, giving cash buyers and institutions greater negotiating power.

Tenant demand
A slowing economy is likely to make tenants more cautious on expansion and more focused on incentives.

Industrial
Strong business investment should continue to support industrial and logistics demand.

Rent reviews
Where reviews are CPI-linked, they will deliver higher increases, although tenant affordability requires monitoring.

OUTLOOK

Worth watching: The RBA has dropped its reference to further increases and the split vote suggests the Board is close to the end of the cycle, although it has not ruled out another move. The Adelaide commercial market continues to perform well, although the pace of transactions is slowing and enquiry is becoming more cautious; overall, conditions remain sound. Owners should review debt arrangements, lease expiry profiles and tenant covenant strength ahead of 2027.

KNOW SOMEONE WHO WOULD BENEFIT? Referrals from clients who know how we work are the best introductions we receive. If a colleague, friend or family member owns commercial property, please pass on our details; we would appreciate the introduction.

Want to know what these trends mean for your asset? Talk to our team, T 08 7084 5708


Nick Shinnick
Managing Director


David Shinnick
Director, Property Management


Jackie Daynes
Senior Property Manager


Stuart Finmore
Senior Facilities Manager


Renee Andrewartha
Property Assistant


Gareth Thomas
Analyst