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## Market Essentials – 2026 Year ahead

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### NATIONAL OVERVIEW – 2026

- 2026 is expected to be a growth-and-normalisation year, not a speculative boom.
- Houses remain the primary driver of capital growth, but apartments improve materially as affordability pressures redirect demand.
- Rental markets stay structurally tight, supporting yields despite rising values.
- Western Australia, Queensland and Victoria are forecast to outperform.
- Interest rates, housing supply constraints and population growth are the dominant forces shaping outcomes.

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### NEW SOUTH WALES

- Outlook: Moderate growth, affordability constrained
- Houses: Modest growth, strongest in outer Sydney and major regional centres (Newcastle, Central Coast).
- Apartments: Improved performance as buyers trade down from houses.
- Rentals: Vacancy rates remain tight; rent growth continues but slows.
- Highs: Regional lifestyle markets; transport-linked suburbs.
- Lows: Premium Sydney housing faces affordability ceilings.

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### VICTORIA

- Outlook: Re-emergence year
- Houses: Solid recovery driven by affordability relative to NSW and renewed migration.
- Apartments: One of the strongest turnaround stories of 2026, especially inner and middle-ring Melbourne.
- Rentals: Strong rental yields in inner-city unit markets; student and migrant demand critical.
- Highs: Melbourne growth corridors; Geelong, Ballarat, Bendigo.
- Lows: New high-density developments without demand drivers.

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### QUEENSLAND

- Outlook: Continued outperformance
- Houses: Strong capital growth expected in Brisbane and SEQ.
- Apartments: Rising appeal due to affordability; good investor demand.
- Rentals: Persistent rental pressure, particularly in SEQ and coastal regions.
- Highs: Sunshine Coast, Gold Coast, Brisbane middle-ring.
- Lows: Smaller regional markets sensitive to supply increases.

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## WESTERN AUSTRALIA

- Outlook: National growth leader
- Houses: Among the strongest capital growth forecasts nationally.
- Apartments: Attractive yields and improving demand.
- Rentals: Some of the tightest rental conditions in Australia.
- Highs: Perth metro; select regional centres.
- Lows: Resource-dependent towns vulnerable to commodity cycles.

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## SOUTH AUSTRALIA

- Outlook: Stable and defensive
- Houses: Steady growth supported by affordability and population retention.
- Apartments: Moderate gains, strongest near Adelaide CBD and transport.
- Rentals: Firm rental demand; yields hold up well.
- Highs: Adelaide metro and lifestyle regions.
- Lows: Lower growth ceiling compared to east coast markets.

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## TASMANIA

- Outlook: Steady, selective
- Houses: Moderate growth in regional centres with employment drivers.
- Apartments: Limited supply supports values.
- Rentals: Tight conditions in Hobart, Launceston and Burnie.
- Highs: Northern and North-West regions.
- Lows: Slower population growth limits upside.

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## NORTHERN TERRITORY

- Outlook: High risk, high variance
- Houses & Units: Potential upside if infrastructure and defence spending continue.
- Rentals: Strong yields but cyclical.
- Highs: Darwin houses.
- Lows: Market volatility due to small size.

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## AUSTRALIAN CAPITAL TERRITORY

- Outlook: Consistent, low volatility
- Houses: Steady growth supported by government employment.
- Apartments: Gradual improvement with affordability-driven demand.
- Rentals: Reliable rental demand.
- Highs: Inner Canberra.
- Lows: Limited growth upside compared to larger capitals.

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## 2026 HIGHS

- Western Australia leading growth and yields
- Melbourne apartment recovery
- Continued rental undersupply supporting investors
- Regional Queensland resilience

## 2026 LOWS / RISKS

- Affordability ceilings in Sydney
- Oversupply risk in select apartment corridors
- Policy and interest rate uncertainty

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## Summary

2026 is shaping up as a disciplined growth year, favouring:  
Houses in affordable, supply-constrained locations.  
Apartments where affordability and rental demand intersect.  
Markets with population inflows and employment stability.  
It is less about speculation and more about selectivity, yield support and medium-term fundamentals.

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