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Market Essentials – March 2026

National

- Upswing continuing: Australia's housing cycle is *still in an upswing* — not collapsing — though momentum is maturing as the cycle nears a peak. Demand remains strong across most capitals.
 - Median capital city prices hit new records: median house prices have now breached \$1 million nationally for the first time, rising ~0.5% in February 2026. Growth has been broad-based across most capitals.
 - Interest rates rising but price growth resists.
 - Affordability remains squeezed: First-home buyer affordability has *further deteriorated*, with repayments absorbing larger shares of income and many entry-level houses now beyond reach for typical households.
 - Strong credit demand persists: Investor loans grew ~8% over the year — outpacing owner-occupier loan growth.
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New South Wales (Sydney)

- Market continues to grow *modestly* with high prices but less dynamic momentum relative to smaller capitals.
 - First-home buyers face some of the toughest conditions nationally with affordability stresses particularly acute.
 - Sydney remains a *core demand hub*, benefiting from employment and migration flows, although price rises have been steadier than explosive.
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Victoria (Melbourne)

- Melbourne's pricing has been *relatively subdued* compared to other major capitals but is now in recovery after past softness.
 - Local policy and supply increases have helped ease affordability pressure somewhat, but demand continues to push values upward.
 - First-home buyer conditions remain tight, reflecting national affordability strains.
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Queensland (Brisbane)

- Brisbane remains one of the *hottest markets* with strong annual gains and entry-level prices rising rapidly.
 - One-bedroom units in inner Brisbane have been increasing sharply, illustrating intense demand at the more affordable end of the market.
 - Despite affordability headwinds, Brisbane's relative value and demand drivers continue to support growth.
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Western Australia (Perth)

- Perth continues a standout performance, with strong monthly and annual price growth resisting recent rate rises.
- Regional WA also showing strength, partly supported by local economic factors and population growth.
- Affordability remains comparatively better than Sydney/Melbourne, attracting intra-state and interstate demand.

South Australia (Adelaide)

- Adelaide's market continues steady growth, and relative affordability compared with larger capitals is a notable positive.
- Entry-level buyers still find limited relief due to broad price increases across market segments.

Tasmania (Hobart)

- Hobart leads some monthly price growth metrics — partly reflecting low listings and constrained supply.
- However, affordability remains challenging for first-home buyers compared with earlier years.

Northern Territory (Darwin)

- Darwin continues to outperform many expectations for a smaller jurisdiction, with strong relative price momentum attracting investor interest.

Australian Capital Territory (Canberra)

- Canberra shows moderate and consistent growth; demand remains solid due to stable employment base and limited stock.

Summary

- First-home buyer pressures: affordability has *worsened* nationwide.
 - Rent vs income: While rental growth has slowed from earlier peaks, rents have *historically outpaced wages* in many cities.
 - Mortgage stress: households with mortgage debt are spending significantly more of their income on housing costs relative to a decade ago.
 - Unless significant supply improvements or affordability initiatives take effect, the current dynamic — higher prices, competitive bidding, and investor participation — looks set to persist.
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