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Market Essentials – June 2026

National Market Overview

- **Prices:** National dwelling values were flat in May 2026 (0.0%),
- **Property wealth:** Australian residential real estate is valued at $12.6 trillion, representing 55.8% of total household wealth.
- **Cycle position:** Every capital city is now losing momentum.
- **Vendor discounting:** Median capital city vendor discount rose from 2.9% to 3.1%; homes are taking a median of 27 days to sell nationally.

Federal Budget 2026–27 — Property Impact

- Expanded first-home buyer support measures introduced — expected to stimulate demand, particularly at the entry-level.
- New housing supply initiatives announced, though most analysts believe demand will increase faster than supply.
- Potential future changes to negative gearing, CGT, and land tax creating uncertainty among investors — particularly in NSW and VIC.
- Seller behaviour is being influenced by the possibility of future tax reforms, especially among long-term property holders.

New South Wales

- **Sydney:** Prices ~0.9% below the November 2025 peak; weakness concentrated in higher-value segments. Lower-quartile properties fell 2.7% over the quarter.
- **Annual growth:** +4.2% — positive but trajectory is clearly downward.
- **Market dynamic:** Buyers taking longer to commit; vendor discounting increasing.
- **Regional NSW:** Continues to outperform — up 9.1% annually.

Victoria

- **Annual growth:** +2.0% — the weakest of all capitals. Lower-quartile properties down 2.9% — steepest decline of any segment nationally.
- **Regional VIC:** Annual growth of +7.9%.
- **Outlook:** Recovery likely to be gradual. Melbourne may become a relative value proposition if rates stabilise.

Queensland

- **Stock levels:** Advertised stock 29% below the five-year average; sales volumes up 8.3% over the year.
- **Regional QLD:** Migration and lifestyle demand remain key drivers — annual growth of +15.0%.
- **Olympics uplift:** Brisbane 2032 infrastructure investment underpins long-term investor confidence.
- **Outlook:** Growth to continue, though moderating as affordability tightens.

Western Australia

- **Sales volumes:** Up 29.1% over the year — the strongest volume growth of any capital. Stock levels 40%+ below the five-year average.
- **Broad-based:** Growth across all price segments.
- **Structural drivers:** Population growth, relative affordability, tight supply, critical minerals sector, and AUKUS defence investment.
- **Regional WA:** — annual growth of +21.7%.

South Australia

- **Adelaide:** Consistent, steady growth. One of Australia's lowest-volatility housing markets.
- **Sales volumes:** Up 9.6% over the year. Demand supported by relative affordability and low stock levels.
- **Trend:** Houses outperforming, but units also stable.
- **Regional SA:** Annual growth of +11.2%.
- **Outlook:** Continued steady growth. Adelaide remains one of Australia's most resilient housing markets.

Tasmania

- **Market dynamic:** Days on market have risen sharply — from 34 days a year ago to 54 days in April 2026 — reflecting a more buyer-friendly environment.
- **Regional TAS:** Outperforming the capital with annual growth of +11.2%.
- **Outlook:** Earlier boom now transitioning to a stable, low-growth phase.

Northern Territory

- **Darwin:** Strong percentage growth but generally cyclical fluctuations.
- **Sales volumes:** Up 30.2% over the year — the highest volume growth of any capital city.

- **Yields:** Rental yields remain among the highest in Australia; smaller market with higher yields but lower liquidity.
- **Outlook:** Cyclical — strong periods followed by corrections.

Australian Capital Territory

- **Canberra:** Values remain 1.4% below the May 2022 record high.
- **Sales volumes:** Down 3.5% over the year — one of the softer volume outcomes among capitals.

Summary

- **Owner-occupiers:** Buyers more cautious and stress-testing repayments at sustained elevated rates.
- **Global conflict:** Middle East tensions driving oil prices higher → inflation pressure → reduced likelihood of near-term rate cuts.
- **Inflation outlook:** Risk of further rate hikes, potentially toward ~4.6–4.8%.
- **Supply:** Remains constrained. Construction costs rising and new approvals lagging. Australia's undersupply is the single most powerful long-term price support.
- **Bottom line:** The broad-based boom is over. But Australia's market is slowing, not crashing — underpinned by persistent undersupply, strong migration and low unemployment. Opportunity remains for buyers and investors focused on affordability, population growth and infrastructure investment.