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Market Essentials – November 2026

National Overview

Australia's housing correction has entered a new phase. The RBA lifted the cash rate to 4.85% on 3 November, the fifth increase this year, pushing borrowing costs to an 18-year high and extending the pressure on buyers, borrowers and developers. Values are now falling fastest in markets that had been leading the cycle, while rental growth is losing momentum and vacancies are rising. The key shift is that the correction is no longer confined to Sydney and Melbourne. Brisbane and Perth are now recording the steepest monthly falls, while the broader market is experiencing its fastest seven-month decline in four decades.

Australian Market Snapshot

- The RBA raised the cash rate by 25 basis points to 4.85% on 3 November, its fifth hike in 2026 and the highest rate since 2008.
- National dwelling values fell 1.2% in October, the seventh consecutive monthly decline, leaving values 6.7% below the March peak and 2.8% lower year-on-year.
- Combined capital values fell 1.4% in October and are 8.1% below their March peak, the fastest seven-month decline in 40 years.
- Brisbane (-2.0%) and Perth (-1.7%) led October's falls, overtaking Sydney (-1.6%) as the steepest monthly declines.
- Estimated capital-city sales in the three months to October were almost 23% lower than a year earlier; auction clearance rates remain very low.
- Rental growth is slowing: national rents rose 0.9% over the three months to October, the slowest quarterly pace since January 2025.
- Vacancy is rising but remains historically low: national vacancy reached 2.3%, the highest since January 2022, while gross yields lifted to 3.77% nationally.
- September dwelling approvals rose 5.1% to 17,948, but private house approvals fell 5.3%; the recovery is being driven by apartments, not detached housing.

New South Wales

- Sydney: -9.4% y/y; median now 10.1% below its February peak.
- Regional NSW continues to soften as affordability and borrowing-capacity constraints spread beyond the capital.
- Sydney vacancy rose to 1.8% in September; rental growth is easing but remains positive.
- Outlook: buyer leverage is strong and the upper end is repricing fastest; vendors need realistic pricing to transact.

Victoria

- Melbourne: -7.6% y/y; median $773,027.
- Melbourne remains the weakest major capital on annual growth and has the weakest approvals pipeline.
- Victorian approvals fell 28.9% in September; Melbourne was the only capital where annual approvals declined.
- Outlook: affordability is improving, but confidence, stock and weak construction momentum keep the market under pressure.

Queensland

- Brisbane: -2.0% m/m, -6.1% q/q, +0.4% y/y; median $1,018,401.
- Brisbane has moved from market leader to the steepest monthly decline; the former growth premium is being unwound.
- Queensland approvals reached 48,305 over the year, the highest since late 2016; Brisbane approvals rose 24%.
- Outlook: population growth and supply remain supportive, but the correction is now well established in the Brisbane market.

Western Australia

- Perth: -1.7% m/m, -5.7% q/q, +3.9% y/y; median $942,018.
- Perth has joined the decline after leading the national cycle; the two-speed market narrative is now over.
- Perth vacancy remains tight, but rental growth is slowing as values fall and yields rise.
- Outlook: annual growth remains positive, but momentum has clearly turned; price discipline is now essential for vendors.

South Australia

- Adelaide: -1.2% m/m, +3.7% y/y; median $916,860.
- Adelaide is no longer insulated: the monthly fall is now among the largest of the major capitals.
- Vacancy remains tight at 1.4%, the lowest large-capital rate, supporting rents but not preventing value declines.
- Outlook: affordability and rental depth help, but Adelaide is now fully exposed to the national repricing.

Tasmania

- Hobart values continue to soften, but the market remains supported by tight rental supply and relatively low stock.
- Hobart vacancy fell to 0.5% in September, with only 127 vacant properties; unit rents remain 14.6% higher year-on-year.
- Rental growth is slowing nationally, but Hobart's supply constraints remain a meaningful offset.

- Outlook: a thin construction pipeline and tight rentals support income, but affordability and interstate demand remain key risks.

Northern Territory

- Darwin remains the standout: +9.7% annual dwelling value growth and the strongest capital-city rental growth.
- Darwin's gross yield is 6.4%, the highest in the country, with house and unit rents both up more than 11% year-on-year.
- Vacancy has risen slightly to 0.6% but remains extremely tight.
- Outlook: strongest income and momentum, but the market remains small, volatile and heavily exposed to local economic conditions.

Australian Capital Territory

- Canberra: -3.7% y/y; the market remains soft but less volatile than the larger capitals.
- Vacancy eased to 1.9% in September; rental growth is broadly flat.
- Government employment continues to underpin demand, but higher borrowing costs are clearly affecting buyer capacity.
- Outlook: defensive rather than growth-led; stability is the main attraction, not capital growth.

Australian Market Summary

Key Takeaways

- The rate cycle has changed the market: five hikes in 2026 have materially reduced borrowing capacity and pushed the downturn into a faster, broader phase.
- Brisbane and Perth are now leading the decline, confirming that the correction is national rather than confined to Sydney and Melbourne.
- Buyers have real leverage: fewer sales, more stock, longer selling times and weak auction clearance give disciplined buyers the upper hand.
- Rental income is holding up, but the rental market is normalising: vacancy is rising and rent growth is slowing, so yield alone is not a reason to buy.
- Supply remains the medium-term support: approvals are recovering only through apartments, while detached-house approvals are falling and completions remain insufficient.