Intelligent Investment

Residential Valuer Insights Q1 2026

REPORT

CBRE RESEARCH
FEBRUARY 2026

Executive Summary

CBRE's Q1 2026 Residential Valuer Insights survey received ~160 responses from CBRE Valuers around Australia. In this release we examine the latest insights relative to last quarter and Q1 2025, while introducing new questions on supply barriers and construction costs to deepen our understanding of Australia's dynamic residential real estate landscape.

Buyer sentiment remains strong

54% of Valuers reported 'strong' to 'very strong' demand this quarter, down slightly from 60% last quarter but still well above 26% this time last year. Demand to purchase is strongest in Perth and Brisbane Metro, with softer demand evident in Melbourne Metro and ACT.

First home buyers/Local investors

First home buyers, local investors, and upgraders were again the most active buyer types this quarter. Compared to this time last year, there has been an uptick in interstate investor activity and a slight dip in down-sizer activity.

Established houses/Vacant land

Demand has remained strong for established houses, new houses, and recently renovated properties. However, more Valuers reported increased demand for vacant land this quarter. Softer conditions prevail for unrenovated properties and properties in secondary locations.

Future demand

In the Q1 2026 survey, 36% of Valuers expect demand to increase in the next 12 months, whilst 53% anticipate demand will remain stable. Only 11% of Valuers expect demand to decrease. The strongest demand is expected in Melbourne Metro, Adelaide, and Sydney Metro.

House values next 12 months

Valuer expectations have tempered slightly for all property types this quarter. 70% of Valuers expect house values to grow in the next 12 months, down from 86% in Q4 2025 but still above 55% in Q1 2025. The highest growth is expected in Perth, Brisbane Metro, and Adelaide.

Apartment values next 12 months

54% of Valuers expect an increase in apartment values in the next year. Nationally, ~6x more Valuers expect price growth vs price decline. The highest growth is anticipated in Brisbane Metro, Perth, and the Gold and Sunshine Coasts.

Vacant land values next 12 months

68% of Valuers expect vacant land values to increase over the next 12 months, down from 76% last quarter, but above 43% last year. 29% of Valuers expect prices to remain stable. The most growth is expected in Adelaide, Perth, and Brisbane Metro.

Future supply (listings)

Supply expectations remain steady compared to the previous quarter, with views still split between anticipating increased listings or stable conditions in local markets. Melbourne Metro and Sydney Metro are where the largest supply increase is anticipated.

Development barriers

For the first time since launching the CBRE Residential Valuer Insights report, we are introducing a new feature. Each quarter, our Valuers will respond to a topical question and share observations from their local markets. This quarter, we asked them to identify the largest barriers to supply over the next 12 months and to outline their expectations for construction costs.

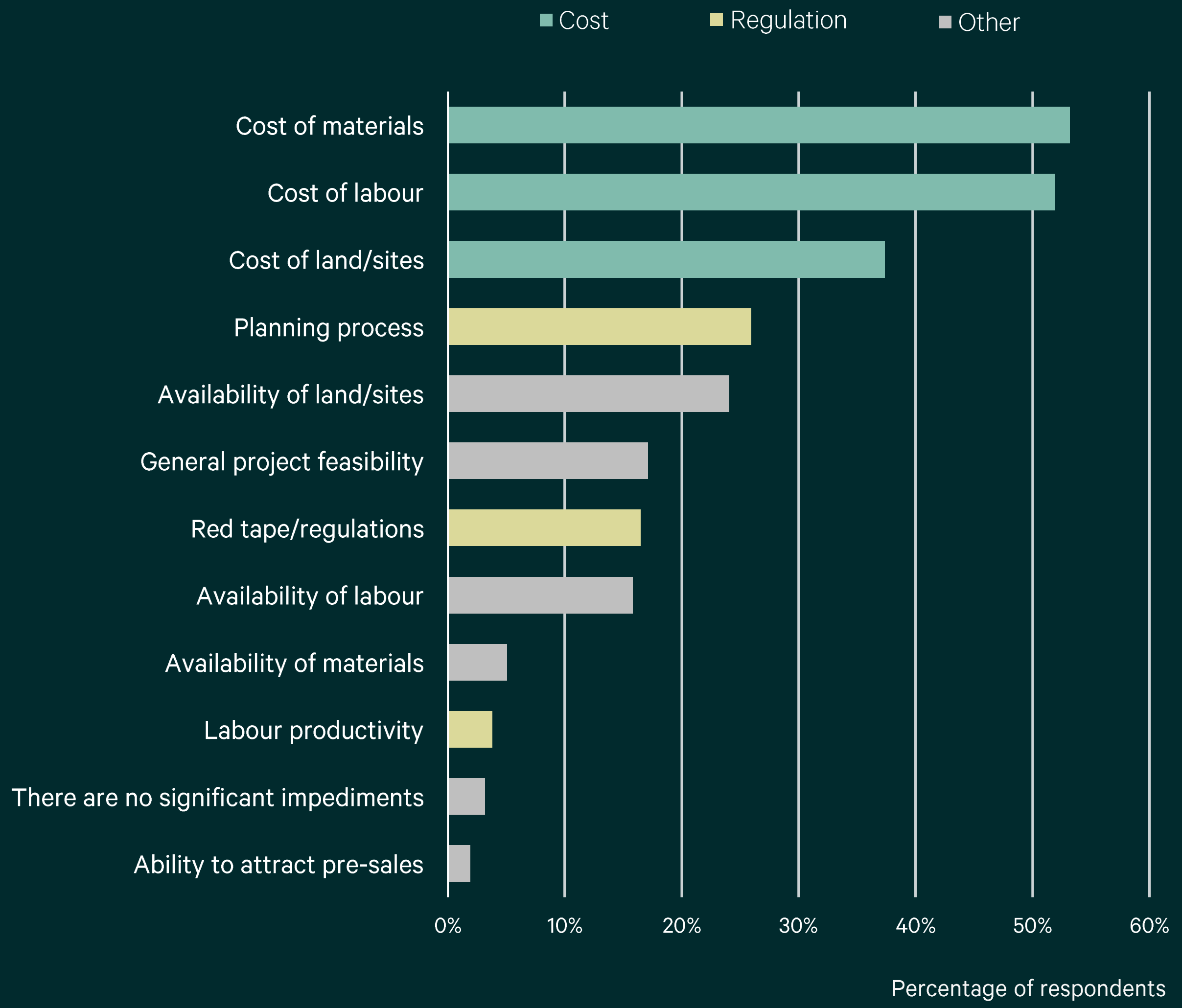
Valuers anticipate cost of materials and labour to be the most significant constraints on future supply over the year ahead. In Q1 2026, 53% of Valuers expect the cost of materials to be a primary barrier, while 52% of Valuers also expect cost of labour to be a significant barrier to development. 37% of Valuers reported cost of land or sites to be a key impediment to future supply, whereas only 2% believe attracting pre-sales will hinder new supply.

In Sydney Metro, material costs are seen as the dominant barrier (60% of Valuers), as is the case in Melbourne Metro (67% of Valuers). In Brisbane Metro, Valuers are more concerned around cost of labour (52% of Valuers). Both factors, however, were the top two barriers selected in all three cities. Cost of land or sites are considered the main constraint in Adelaide (88% of Valuers), while cost of labour is expected to be the largest barrier in Perth (43% of Valuers).

> "Builders have advised material costs have steadied, although labour costs have increased dramatically due to long term civil work being more appealing than current residential construction." – East Brisbane, QLD.

> "Construction costs remain elevated due to high material and labour prices, contributing to reduced appetite for building and moderating new housing supply." – Inner South West Sydney, NSW.

Figure 1: Largest barriers to future supply in the next 12 months, Australia wide.



Note: respondents were able to select multiple options (up to 3)

Construction costs

When asked about their expectations for construction cost movements in the next 12 months, 66% of Valuers anticipate construction costs will increase. The majority, at 41%, expect costs to increase by up to 5%, while 25% expect an increase of more than 5%. 30% of Valuers predict construction costs will remain stable, with only 4% expecting construction costs to decrease. Adelaide and Brisbane Metro are expected to see the largest increase in construction costs, with three-quarters of Valuers holding this view. 42% of Gold and Sunshine Coast Valuers expect costs to rise, with 58% predicting stability.

Figure 2: Expectations of construction costs for new supply in the next 12 months, Australia wide.

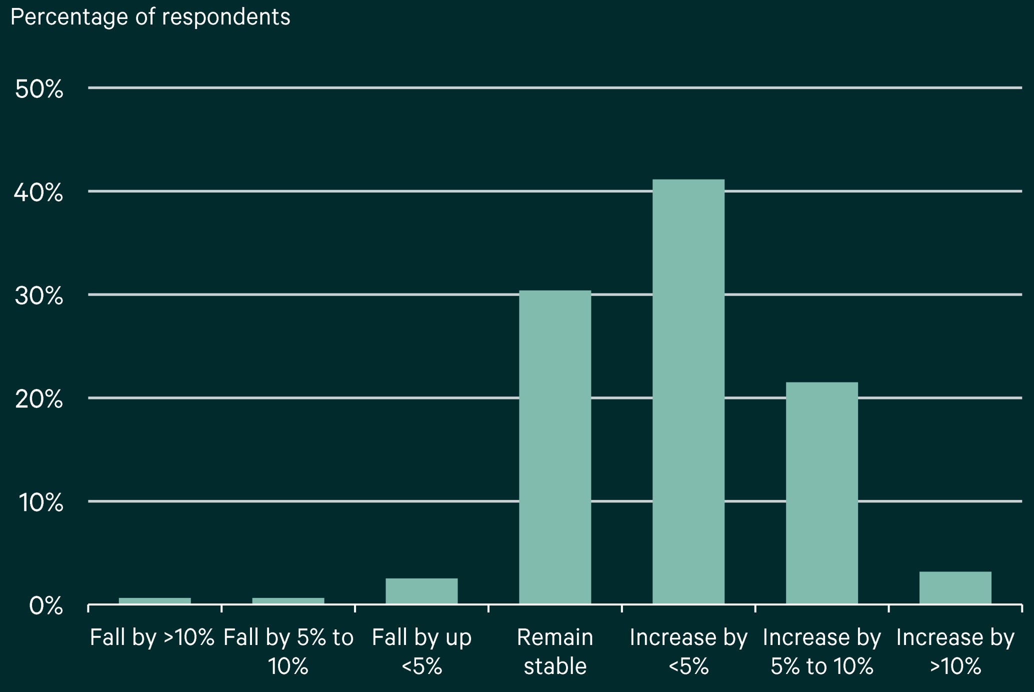
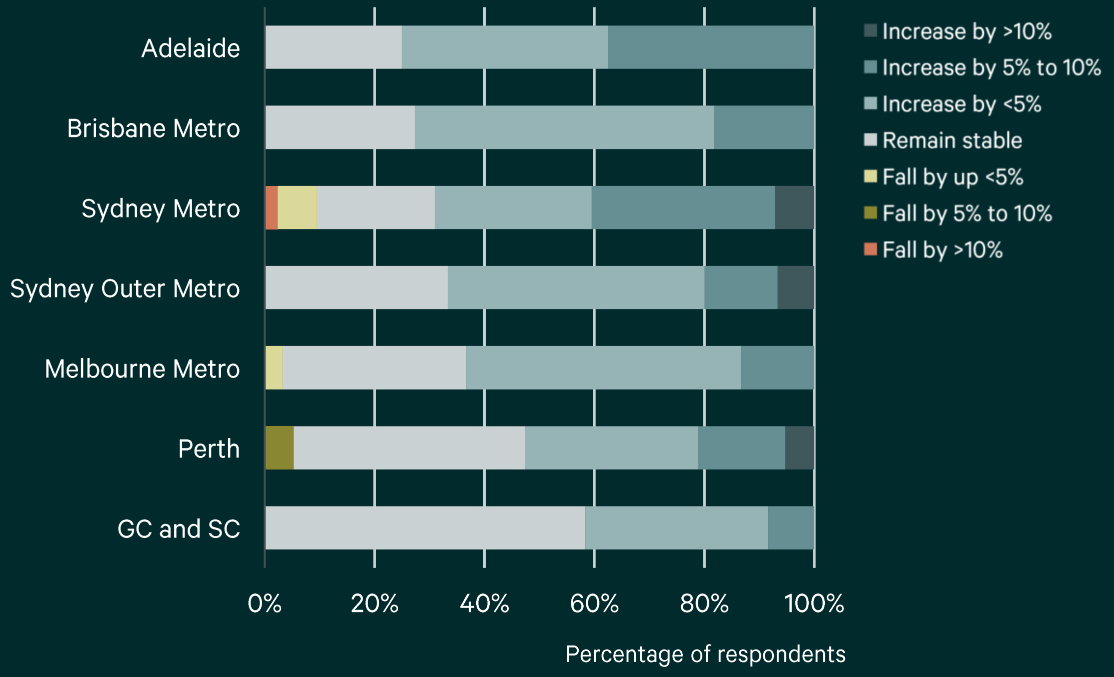


Figure 3: A closer look at responses for Q1 2026, at a precinct level.



Recent demand

Demand in the first quarter of the year has moderated slightly compared to the end of 2025. In Q1 2026, 54% of Valuers reported ‘strong’ or ‘very strong’ demand, down from 60% last quarter but still well above the level recorded this time last year (26%). 42% of Valuers reported moderate demand in recent months, an increase from 39% in Q4 2025. The percentage of Valuers indicating ‘soft’ or ‘very limited’ demand remained low at 4%, compared to 2% last quarter and 23% last year. Perth and Brisbane Metro exhibited the strongest demand. Melbourne Metro and ACT again experienced the weakest demand.

> “The market is characterised by historically low supply across all property types, alongside continued strong demand, tail winds from large migration intake, and a strong mining sector with continued low unemployment.” – Inner Perth, WA.

> “The market is very strong, with record sale prices and very short listing periods.” – North Brisbane, QLD.

> “The Lower North Shore’s housing market remains supported by steady owner-occupier demand, limited housing supply and strong lifestyle appeal.” – North Sydney, NSW.

> “Demand remains strong with continued under supply issues.” – West Adelaide, SA.

Figure 4: Demand in local markets in the last 3 months, Australia wide.

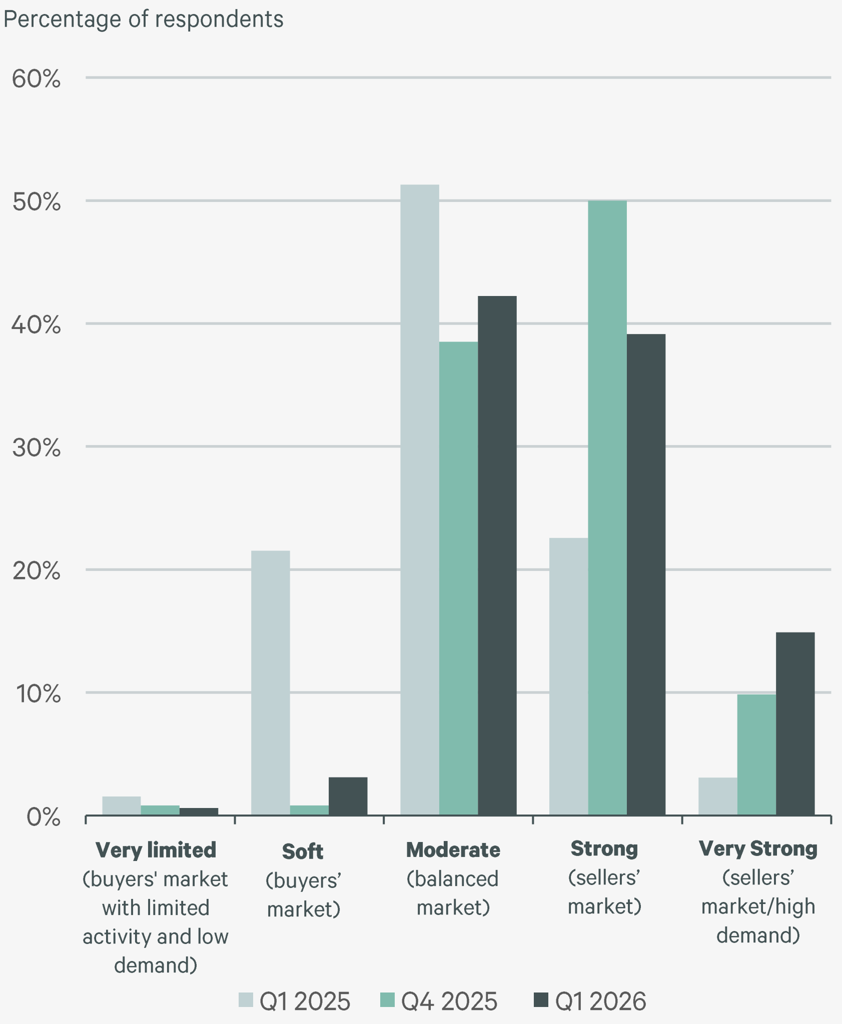
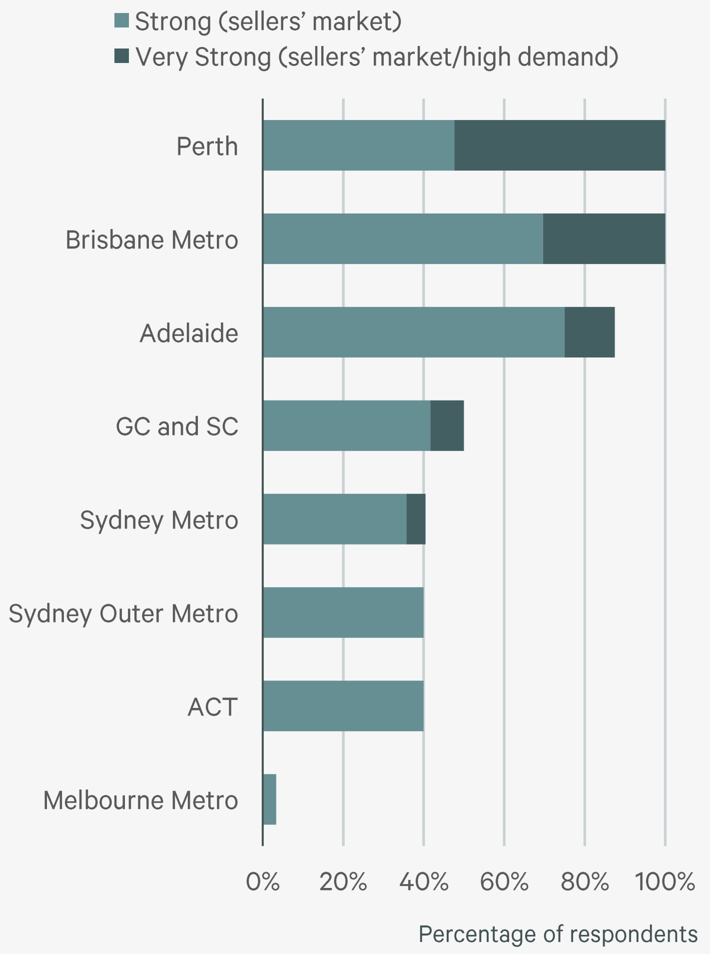


Figure 5: A closer look at responses for Q1 2026 indicating ‘strong’ or ‘very strong’ demand over the past 3 months.



Active buyers

The top three buyer groups have remained consistent with previous surveys. First home buyers were identified as active by 75% of CBRE Valuers, followed by local investors (57%), and upgraders (49%). This aligns with Q1 2025 results, although there has been a slight dip in the number of Valuers reporting down-sizers as active and an increase in interstate investor activity when compared to last year. Recent overseas migrants and interstate migrants were the least active buyer groups in Q1 2026, consistent with last quarter and last year.

First home buyer activity was highest in Melbourne Metro and Sydney Outer Metro. Local investors were most prevalent in Perth and Brisbane Metro. Upgraders were most active in Sydney Metro and ACT.

"The buyer market continues to be dominated by buyers purchasing a family home, down-sizers and upgraders." – Baulkham Hills, NSW.

"Agents have advised that a significant portion of their enquires come from interstate investors (particularly from NSW) as they see Melbourne as 'value'." – North West Melbourne, VIC.

"The Eastern Darling Downs/Southern Downs area continues to see strong immigration due to job opportunities and affordability for both owner occupiers and investors." – Darling Downs, QLD.

"There still seems to be pent-up demand from a growing buyer pool and people looking to up-size or upgrade." – Northern Beaches, NSW.

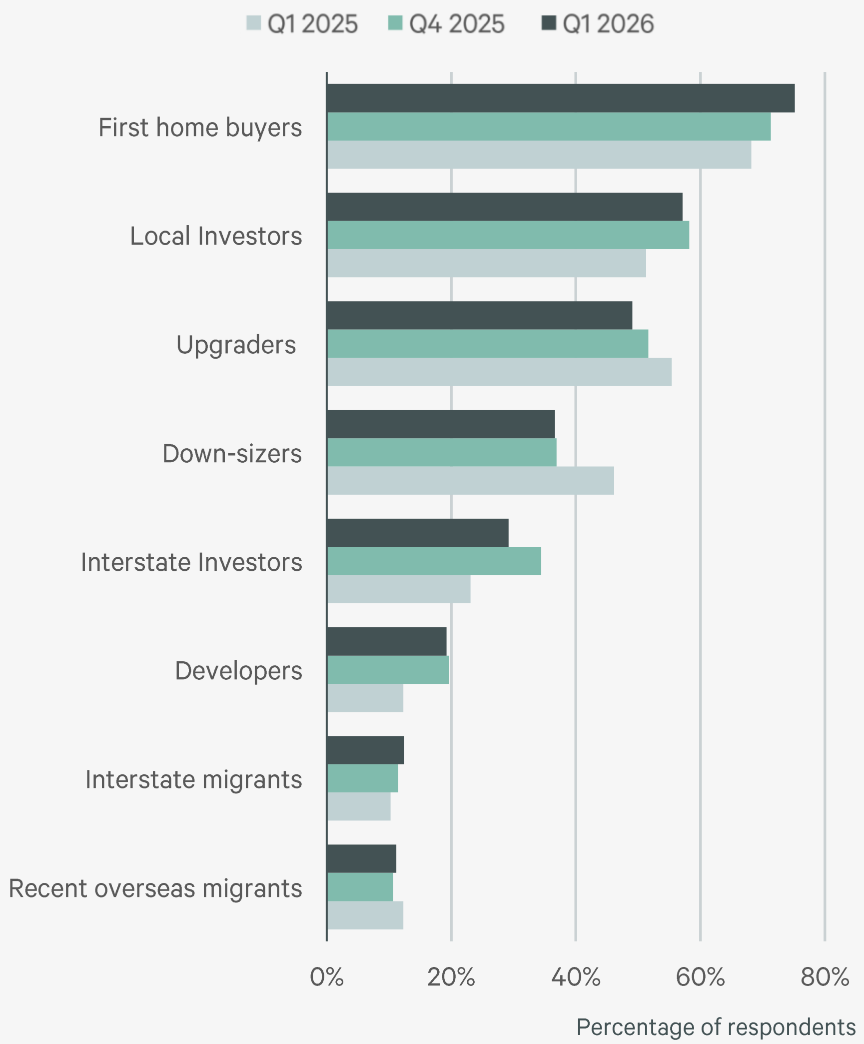
"There has been an increase of englobo land sales and houses with large land size attracting developers." – North Adelaide, SA.

"The local market has undergone re-zoning in recent times, and this has created a buzz amongst developers who are buying dated properties for development." – South East Melbourne, VIC.

"We have seen more first home buyers in the market in recent months as a result of the Federal Government's 5% Deposit Scheme." – Campbelltown, NSW.

"Interstate investors have been active due to the affordability of Melbourne's outer suburbs." – West Melbourne, VIC.

Figure 6: Most active buyers in the market in the last 3 months.



Note: respondents were able to select multiple options (up to 4)

Change in demand

In previous surveys, demand has typically been strongest for established houses, recently renovated properties, and new houses. Although solid demand was reported for established houses (59%), recently renovated properties (34%), and new houses (34%), vacant land experienced a notable uplift, with 35% of Valuers indicating increased demand for this property type. This is an increase from 30% last quarter and 22% at the same time last year. Simultaneously, less Valuers at 14% reported decreased demand for vacant land, down from 31% last year. Unrenovated properties and properties in secondary locations experienced the largest decrease in demand, consistent with last quarter and last year.

> “Demand remains for turnkey products which are newly constructed or have recently undergone high-quality renovations.” – Canberra, ACT.

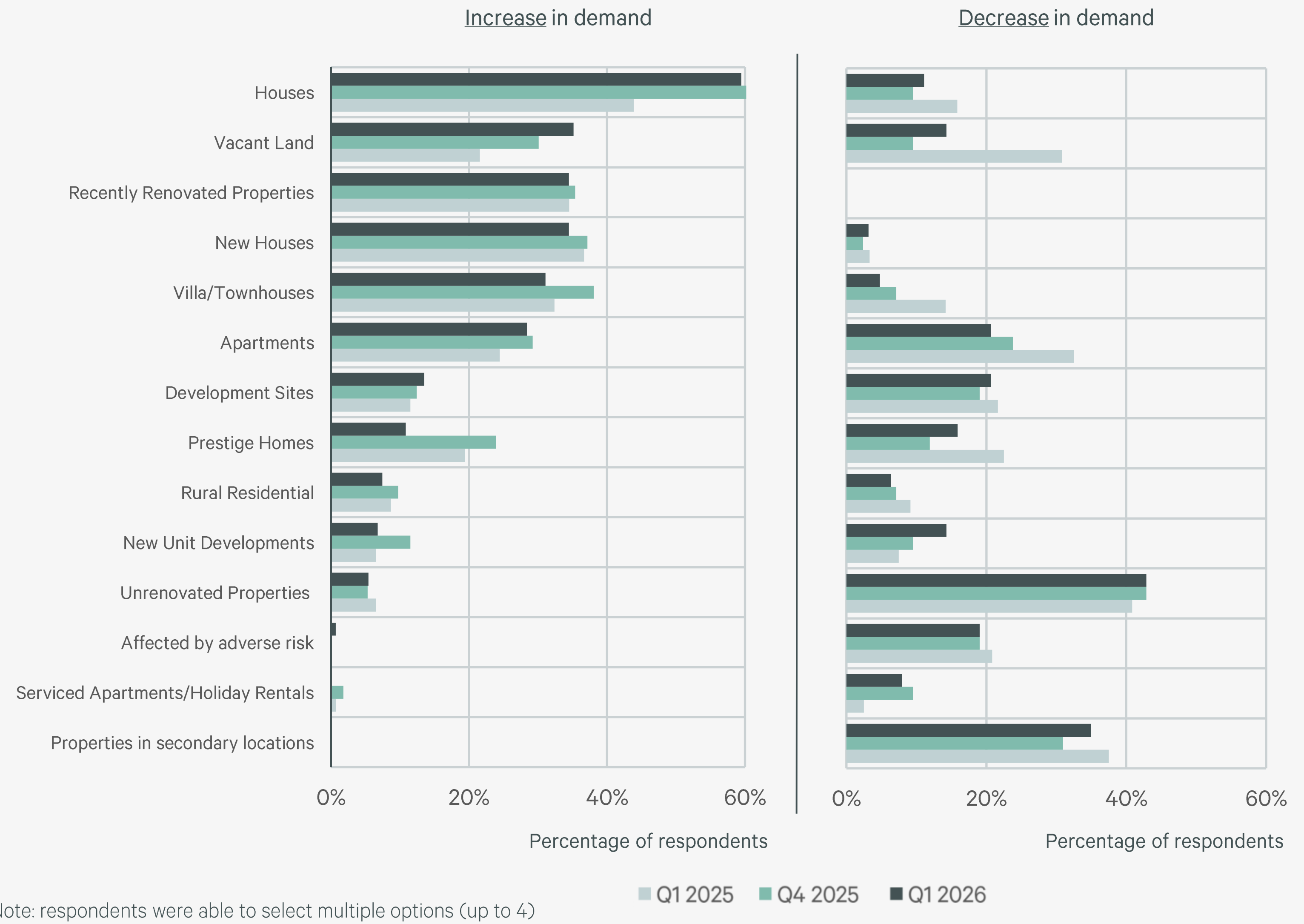
> “Unrenovated properties continue to see reduced demand given the increase in building costs.” – Inner Melbourne, VIC.

> “Renovated or modern homes are selling for a premium due to higher construction costs.” – Central Adelaide, SA.

> “The local market continues to demonstrate strong demand for vacant land, renovated dwellings, and well-located three-bedroom apartments.” – Hornsby, NSW.

> “Anything affected by trains, roads or other secondary issues has achieved noticeably lower results.” – Inner East Melbourne, VIC.

Figure 7: Properties that have experienced the biggest increase/decrease in market demand in the last 3 months.



Note: respondents were able to select multiple options (up to 4)

House values

Property price expectations have tempered slightly this quarter. 70% of Valuers expect house values to grow in the next 12 months, down from 86% in Q4 2025, but above 55% in Q1 2025. Valuers are also expecting more moderate price growth than they did last quarter, with 42% of Valuers anticipating modest price growth of up to 5% (31% last quarter) and 29% expecting strong growth of over 5% (55% last quarter). More Valuers, at 27%, expect prices to remain stable, up from 13% last quarter. Only 2% expect a decrease, down from 12% last year. The strongest growth is expected to be in Perth, Brisbane Metro, and Adelaide.

> "Low vacancy rates, people wanting turnkey properties, and good rental returns should see the market grow slightly even though interest rate rises may occur." – Inner West, NSW.

> "The market seems to still be on a steep upward trajectory, with up to 20% price growth in some cases over the last 12 months." – North West Perth, WA.

> "Property values remain firm and resilient at record highs with no immediate dynamics that will cause a softening." – Sunshine Coast, QLD.

> "Entry-level properties have seen prices increase due to first home buyer incentives, which caused values to rise." – Newcastle, NSW.

Figure 8: Expectations of house value movement in the next 12 months, Australia wide.

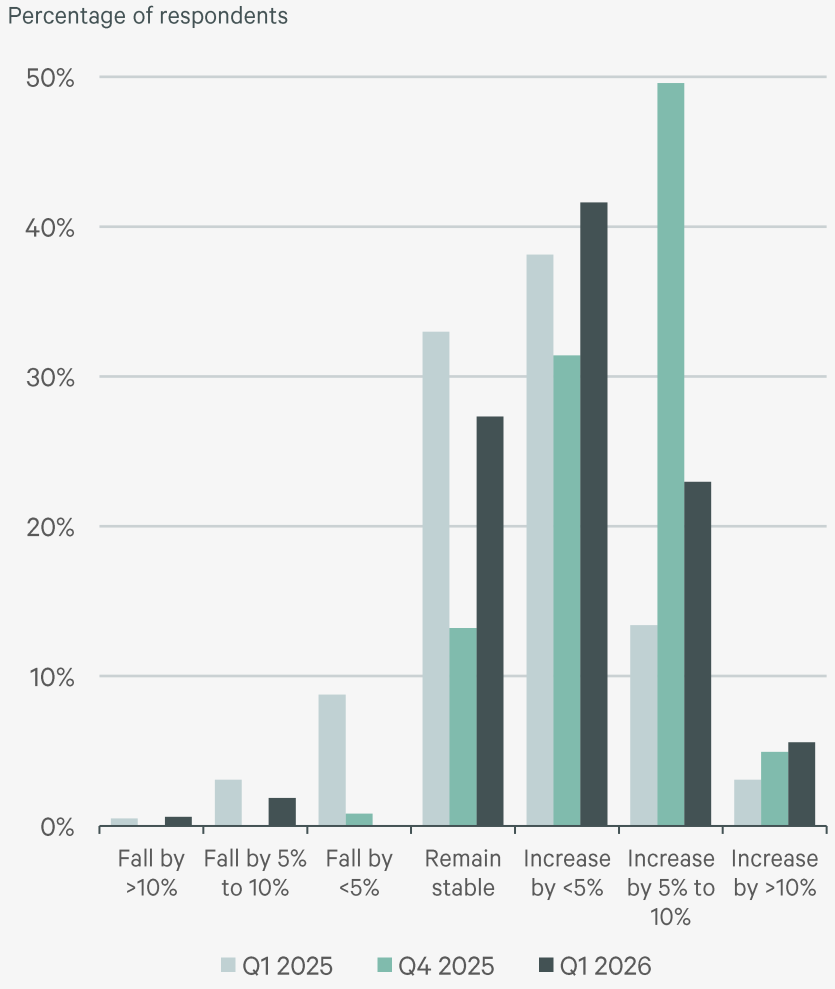
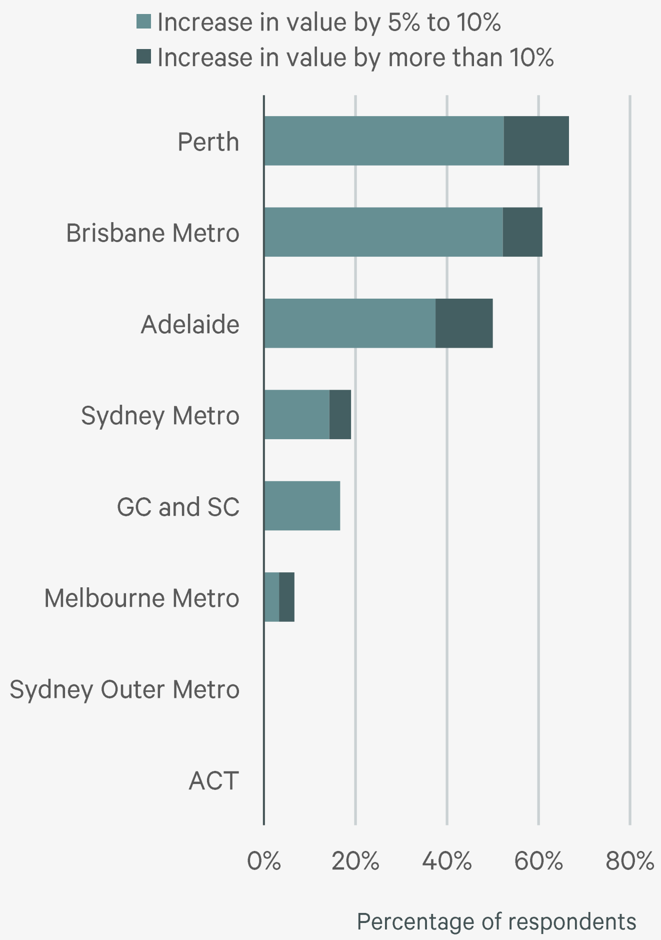


Figure 9: A closer look at responses for Q1 2026 indicating that house values are expected to increase by 5% or more.



Apartment values

54% of Valuers predict an increase in apartment values in the next 12 months, slightly below 62% last quarter but well above 35% in Q1 2025. 36% anticipate stable prices compared to 34% last quarter. More Valuers, at 10%, expect a decrease, compared to 5% the previous quarter, but still below 22% the year prior. The most growth is expected in Brisbane Metro, Perth, and the Gold and Sunshine Coasts, as in the previous quarter. In Sydney Metro, Valuers have divided expectations, with 44% expecting price growth of up to 5% and 44% expecting prices to remain stable. 100% of ACT Valuers expect prices to stay the same.

> "There has been an increase in demand and sales prices for modern units under $1 million." – Sunshine Coast, QLD.

> "Off the plan unit sales and new unit developments (that are not in the prestige sector) have seen interest reduced, with many potential buyers preferring existing low rise unit complexes with lower strata levies or strata issues." – Eastern Suburbs, NSW.

> "Investment grade stock, such as apartments, may see an oversupply as investors depart the market with a reduction in values likely." – South East Melbourne, VIC.

> "Apartment activity remains steady but generally softer than house demand, with price growth expected to be modest." – Inner South West Sydney, NSW.

Figure 10: Expectations of apartment value movement in the next 12 months, Australia wide.

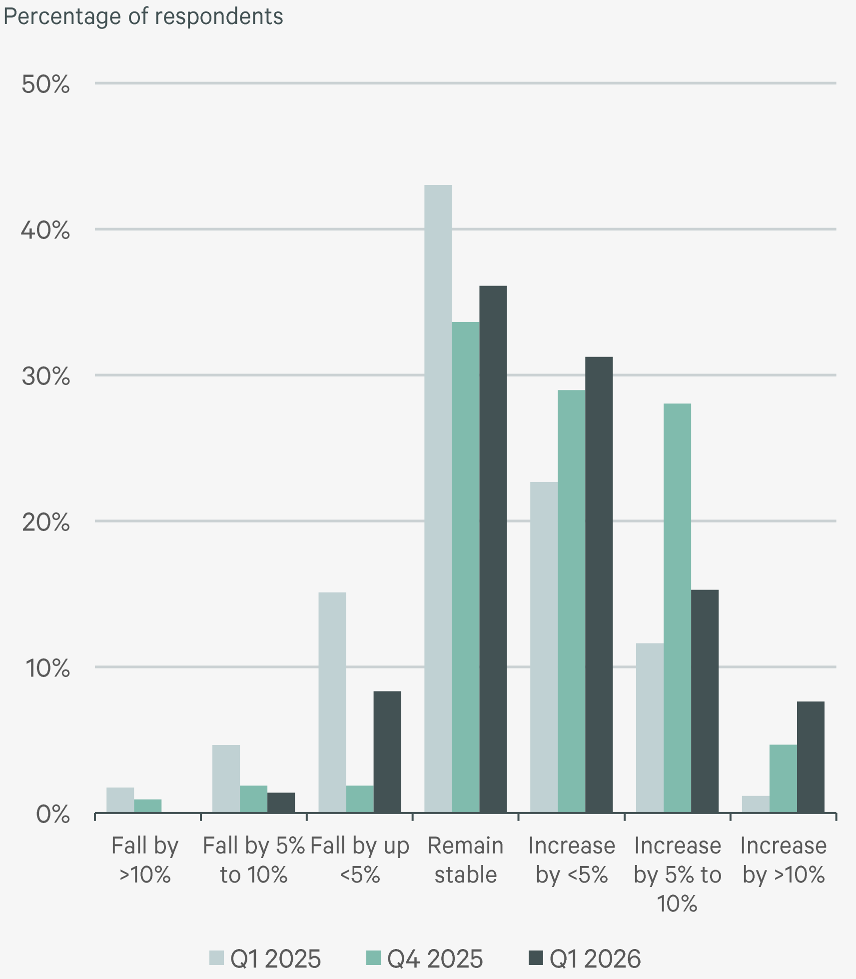
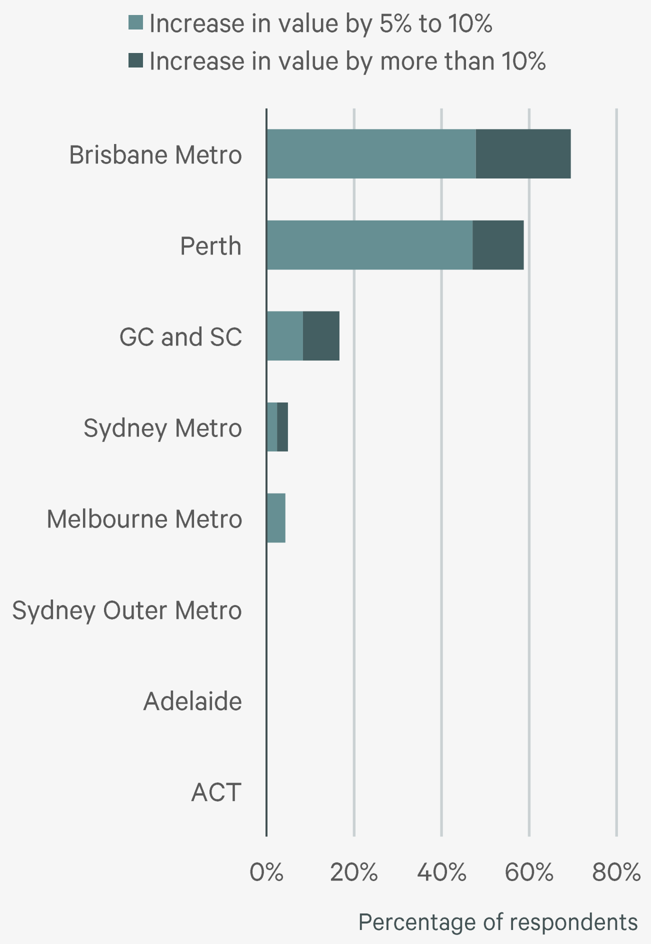


Figure 11: A closer look at responses for Q1 2026 indicating that apartment values are expected to increase by 5% or more.



Vacant land values

68% of Valuers expect vacant land values to increase over the next 12 months, down from 76% last quarter, but above 43% last year. 29% of Valuers expect values to remain stable, up from 23% last quarter but well below 45% last year. Only 4% of Valuers expect values to decline, a slight increase from the previous quarter (1%). The most growth is anticipated in Adelaide, Perth, and Brisbane Metro, with almost two-thirds of Adelaide Valuers, and half of Perth and Brisbane Metro Valuers expecting price growth of over 5%.

> "Vacant land in new estates are selling off the plan and are in high demand, with each new release seeing an increase in asking prices." – Mandurah, WA.
>
> "Vacant land and new home sales have remained relatively strong; however, activity has softened compared to previous periods." – North Adelaide, SA.
>
> "Higher build costs and build-time uncertainty have softened some vacant land appetite. We are seeing more incentives and discounting from builders to keep new-build stock moving." – West Melbourne, VIC.
>
> "Vacant land seems to have turned a corner and is selling again." – Southern Highlands, NSW.
>
> "Vacant land is in high demand with prices continuing to experience significant growth." – Sunshine Coast, QLD.

Figure 12: Expectations of vacant land value movement in the next 12 months, Australia wide.

Percentage of respondents

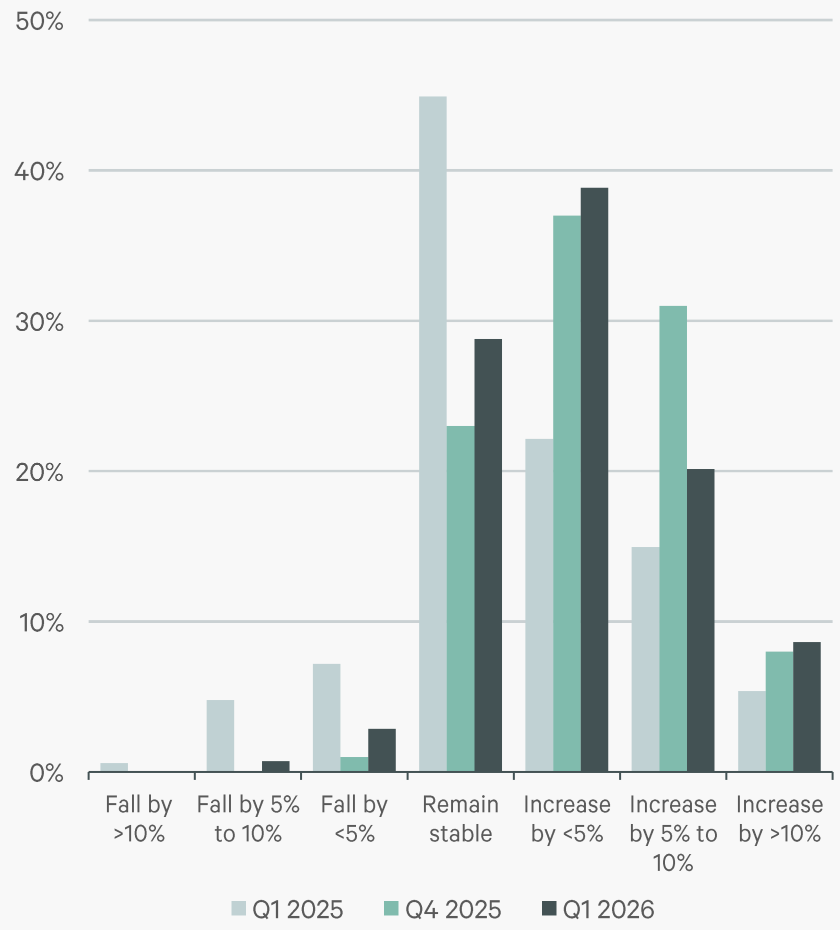
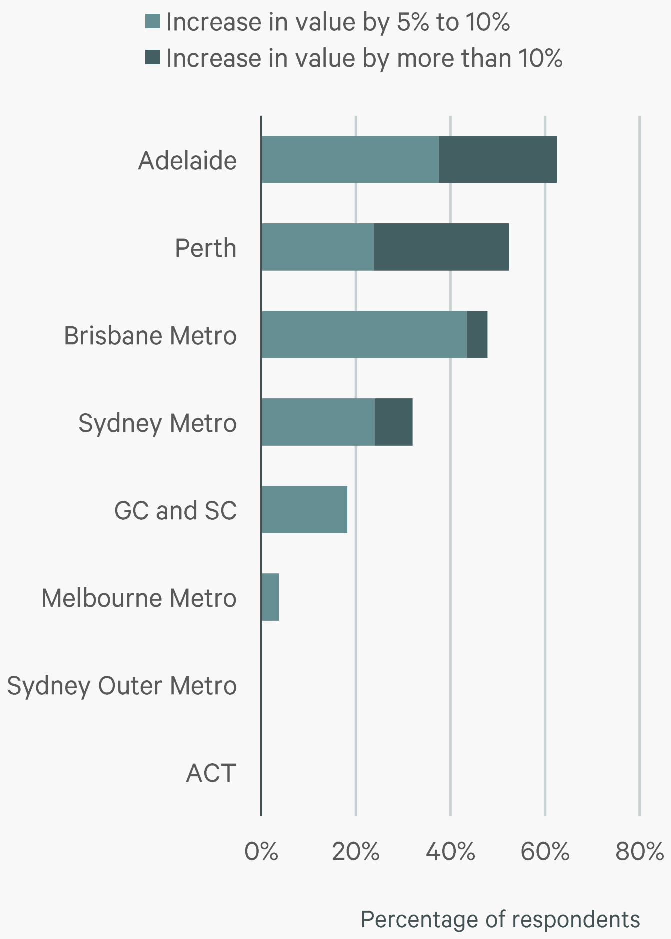


Figure 13 A closer look at responses for Q1 2026 indicating that vacant land values are expected to increase by 5% or more.



Future demand

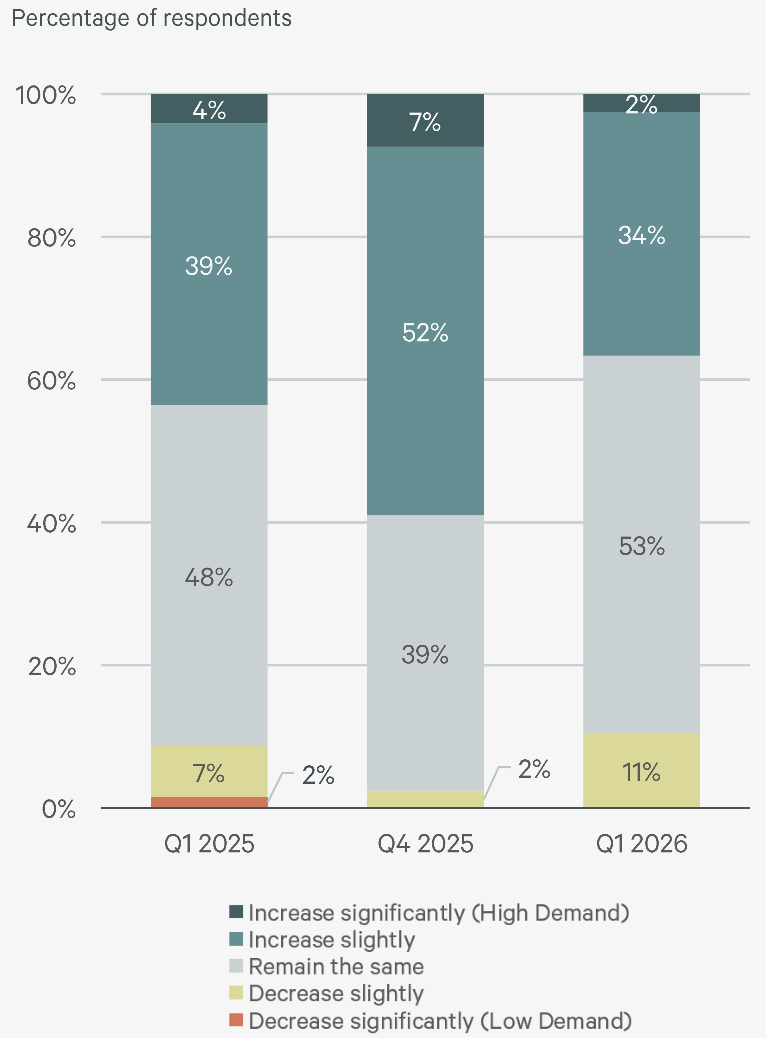
In Q1 2026, less Valuers, at 36%, expect demand to increase in their local markets over the next 12 months compared to last quarter (59%) and last year (43%). The majority, at 53%, expect demand to remain the same, above last quarter (39%) and last year (48%). 11% of Valuers expect demand to decline, up from 2% in Q4 2025. Melbourne Metro, Adelaide, and Sydney Metro are expected to see the strongest demand. The Gold and Sunshine Coasts and Perth are expected to see more stable demand. Valuers' expectations for demand in the Gold and Sunshine Coasts have notably softened since last quarter, with just 8% predicting increased demand, compared to 50% last quarter.

> "The Inner West property market will likely see steady growth over the next 12 months. These areas continue to perform well due to a lack of stock. People really want the vibe, the cafes, the parks and the shorter commutes. Big projects like the Metro West and Bays Precinct are making it even more connected." – Inner West, NSW.

> "Properties under $1 million will experience a huge increase in demand due to Government's 5% Deposit Scheme." – East Brisbane, QLD.

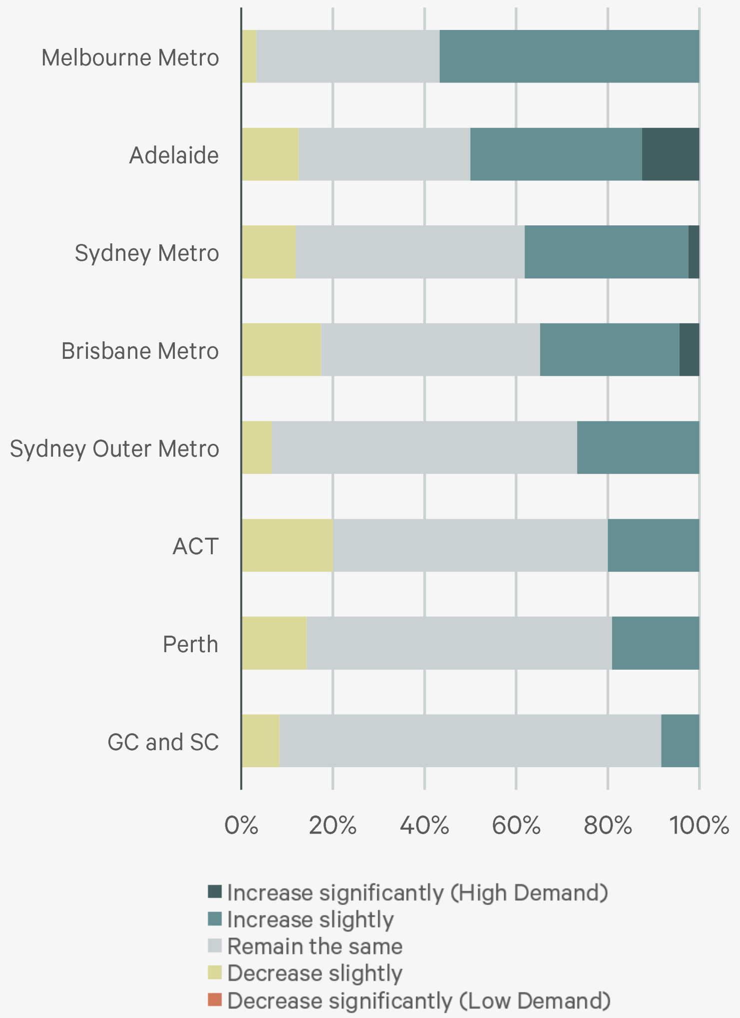
> "There are negative headwinds appearing in the local property market that suggest recent buyers may struggle with increased living costs and higher interest rates." – North East Perth, WA.

Figure 14 Demand in local markets in the next 12 months, Australia wide.



Note: percentages may exceed 100% due to rounding.

Figure 15: A closer look at Q1 2026 expectations for demand in the different markets.



Future supply (listings)

Supply expectations remain steady compared to the previous quarter, with views still split between anticipating increased listings or stable conditions in local markets. 49% of Valuers predict stable supply, consistent with the previous quarter (48%) and above the previous year (36%). 46% anticipate an increase in listings, down from 61% in Q1 2025. 5% expect listings to decline, also in line with last quarter (6%) and last year (3%). Increased supply is expected in Melbourne Metro, Sydney Metro, and Perth.

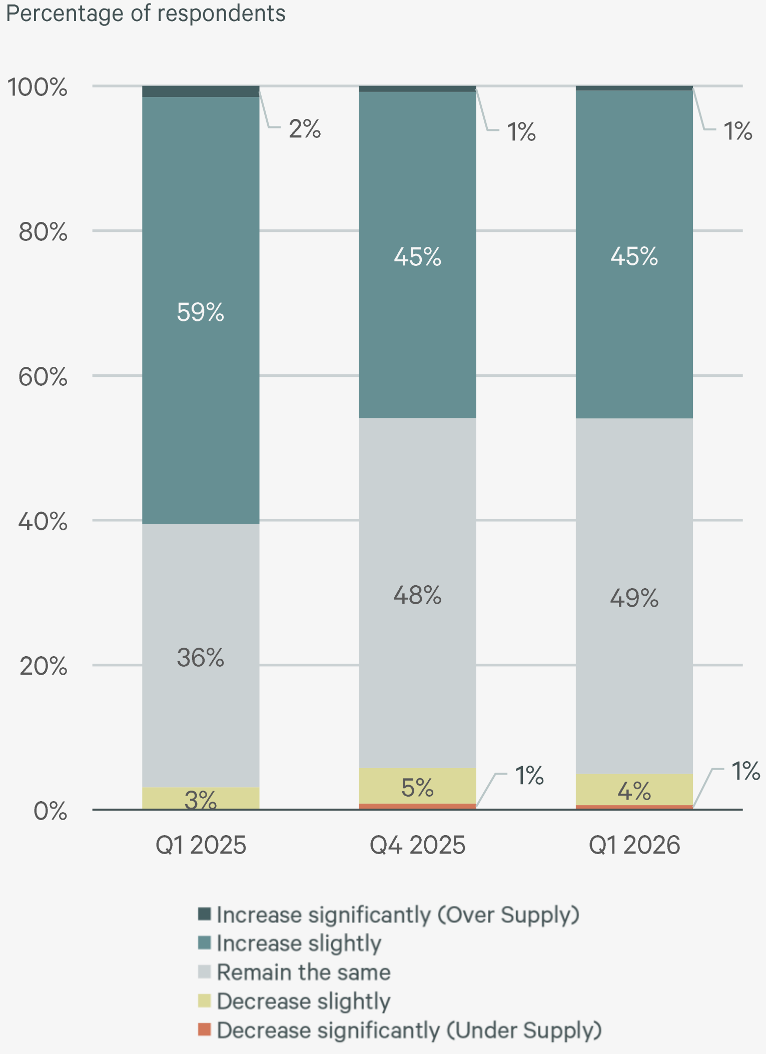
> "There are more properties on the market compared to last year, hence a greater selection for potential purchasers." – South East Melbourne, VIC.

> "Verbal enquiries with multiple local agents have advised of a significant amount of stock entering the market." – Eastern Suburbs, NSW.

> "There has been strong demand for all property types with an undersupply of properties." – Inner Perth, WA.

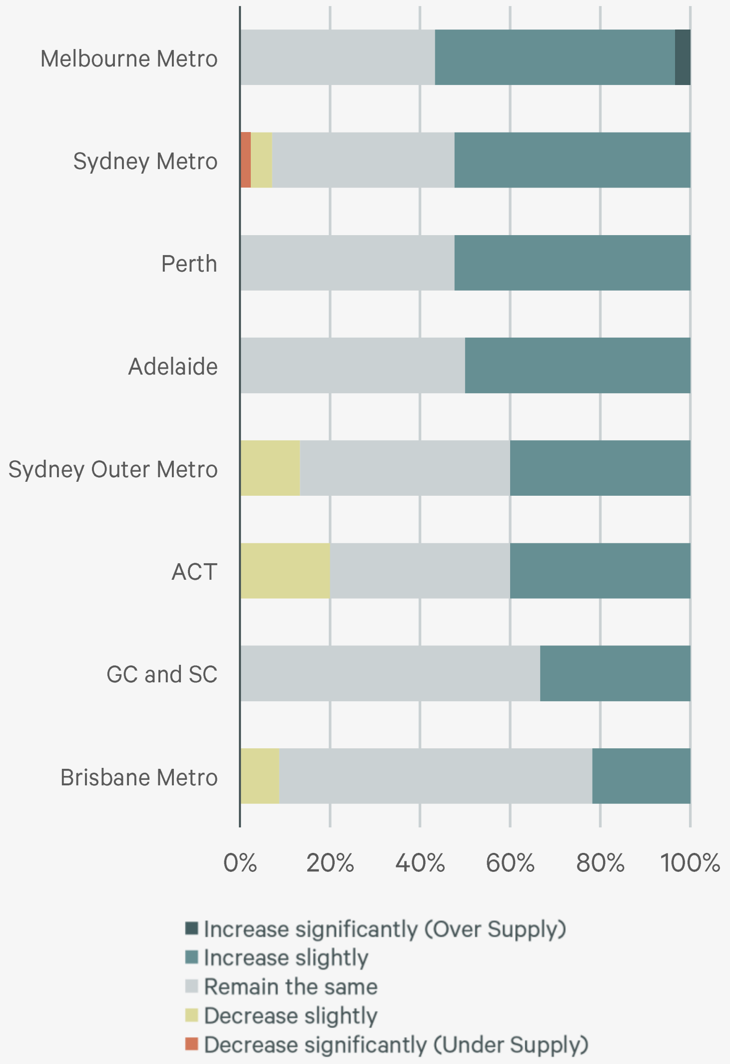
> "On the Northern Beaches, constrained supply remains a defining feature of the market. Well-located homes, quality apartments and properties positioned within reach of first-home buyers and upgraders are attracting strong enquiry and competitive bidding." – Northern Beaches, NSW.

Figure 16: Supply in local markets in the next 12 months, Australia wide.



Note: percentages may exceed 100% due to rounding.

Figure 17: A closer look at Q1 2026 expectations for supply in the different markets.



Survey Profile

The CBRE Research Q1 2026 Residential Valuations Property Market Survey was conducted in early–February of 2026 (after the RBA's interest rate decision on 3rd February 2026). A total of 161 responses were received. Valuer locations:

NSW

Sydney Metro
- Sydney

Sydney Outer Metro
- Central Coast
- Hawkesbury
- Hunter
- Illawarra
- Newcastle
- South Coast
- Southern Highlands

VIC

Melbourne Metro
- Melbourne

QLD

Brisbane Metro
- Brisbane

Gold Coast
Sunshine Coast

WA

- Perth

SA

- Adelaide

ACT

- Canberra
- Queanbeyan NSW
- Yass NSW

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