Intelligent Investment

Residential Valuer Insights Q3 2026

REPORT

CBRE RESEARCH
SEPTEMBER 2026

Executive Summary

CBRE's Q3 2026 Residential Valuer Insights survey received 169 responses from CBRE Valuers around Australia. In this release we examine the latest insights relative to last quarter, as well as making comparisons to Q3 2024 and Q3 2025. It also again explores expected impacts following the Federal Budget CGT and Negative Gearing announcements on 12th May 2026, with Q3 expectations compared with the Q2 results.

Demand conditions soften further

More than half of Valuers (56%) reported 'soft' or 'very limited' demand in their local markets. This was more than twice the level recorded in Q2 and the first time since the survey began in 2024 that the majority of Valuers have reported in the negative.

First home buyers the main buyer group

First home buyers have become more dominant as the main buyer group, identified as active by 78% of Valuers in Q3, their highest share in the 11 surveys undertaken and the fourth consecutive survey where their share has been 70% or higher.

Demand spread across property types

Solid levels of increased demand was reported across a range of property types this quarter, including vacant land, recently renovated properties and houses generally. Softer demand was noted for existing houses, unrenovated properties, villas/townhouses and existing apartments.

Future demand

Valuers' expectations for demand remains soft this quarter, with 41% expecting demand in their local markets to decrease over the next 12-months and 43% anticipating stability. Adelaide presented the strongest outlook.

House values next 12 months

Price expectations have softened noticeably this quarter. Almost two-thirds of Valuers now expect house prices to fall over the next 12-months, with 36% expecting a fall of up to 5% and 26% up to 10%. The negative measure is the first time more than half of Valuers have identified price falls.

Apartment values next 12 months

Like houses, around two-third of Valuers now expect prices to fall over the next 12-months. This includes 29% expecting a fall of up to 5% and 31% expecting a fall of between 5% and 10%.

Vacant land values next 12 months

41% of Valuers expect vacant land values to fall over the next 12 months, up from 25% last quarter, and just 6% this time last year. As in Q2, the most positive growth conditions are anticipated in Adelaide, Perth, and Brisbane Metro

Future supply (listings)

Most Valuers expect supply (listings) to increase this quarter, with 55% expecting a slight increase and 7% a significant increase. Both are a little higher than last quarter and the corresponding quarter in 2025.

Federal Budget

Each quarter, our CBRE Residential Valuers respond to a topical question and share observations from their local markets. Following the Federal Budget on 12th May 2026, Valuers were asked in the Q2 survey to identify the key influences on residential market performance over the 12-months ahead. They were also asked about the expected impact of the changes to Capital Gains Tax (CGT) and Negative Gearing on prices, new development, and rents. With several months now passed since the budget, the same questions were asked in the Q3 survey to ascertain how sentiment may have changed.

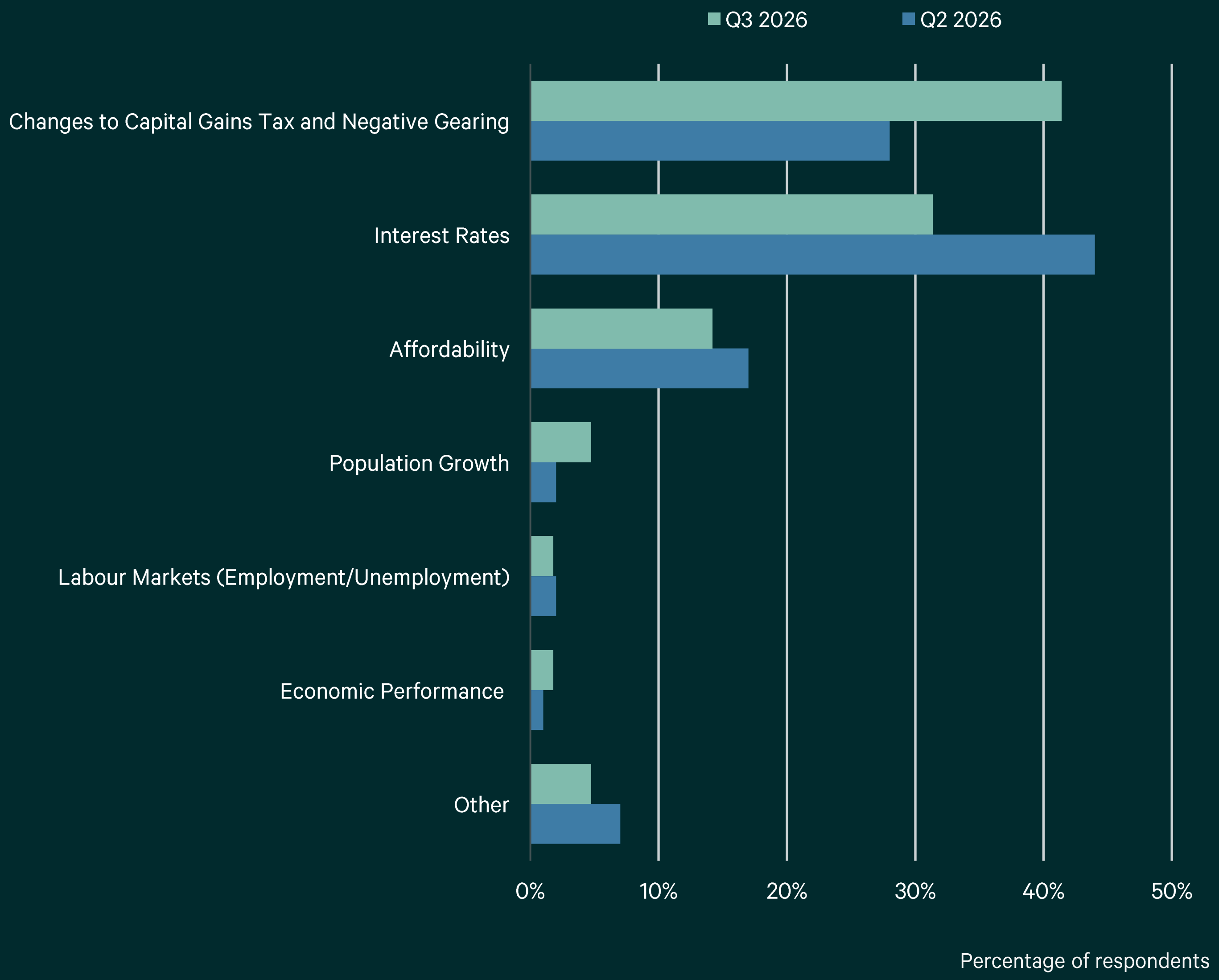
Valuers now expect the biggest influence on performance in the year ahead will be the changes to CGT and Negative Gearing (41%), followed by interest rates (31%), a reversal of the sentiment recorded immediately post-budget. General affordability issues remained the third biggest influence (14%), similar to the Q2 result.

There was some variation noted between markets, however. In Melbourne Metro, interest rates (45%) were still considered the main influence, whilst in Sydney Metro, interest rates and taxation changes (43%) were considered equally important. In all other major markets, taxation changes were identified as the biggest influence.

> "Higher interest rates and government tax changes are resulting in reduced supply in the under $1M price bracket." – North West Melbourne, Vic.

> "The changes to capital gains tax concessions, negative gearing, and the less-publicised restrictions on limited recourse borrowing arrangements (LRBAs) within SMSF structures have already had a noticeable impact on investor demand. " – Canberra, ACT.

Figure 1: Biggest influence on residential market performance in the next 12 months, Australia wide.



Capital Gains Tax (CGT)

For the short-term (the next 12 months), the large majority of Valuers (83%) this quarter now expect changes to Capital Gains Tax to put downward pressure on prices. This share has risen considerably from the 50% recorded in the Q2 survey, undertaken immediately after the budget was handed down. Similarly, over the long-term 63% of Valuers now expect the changes to decrease prices, up from 51% in Q2. In both cases, the largest share of Valuers expect price falls to be 5% or less. In relation to new development, the outlook has changed little with 45% of Valuers expecting the short-term impact to be neutral. The share anticipating the changes supporting new development, however, has fallen across both the short-term (26% from 30%) and long-term (32% from 42%). Valuers continue to anticipate upward pressure on rents in both the short and long-term. In the next 12 months, 66% expect rents to increase, with most forecasting growth of up to 5%. Over the longer term, 71% of Valuers expect rents to rise.

Figure 2: CGT expected impact on Prices

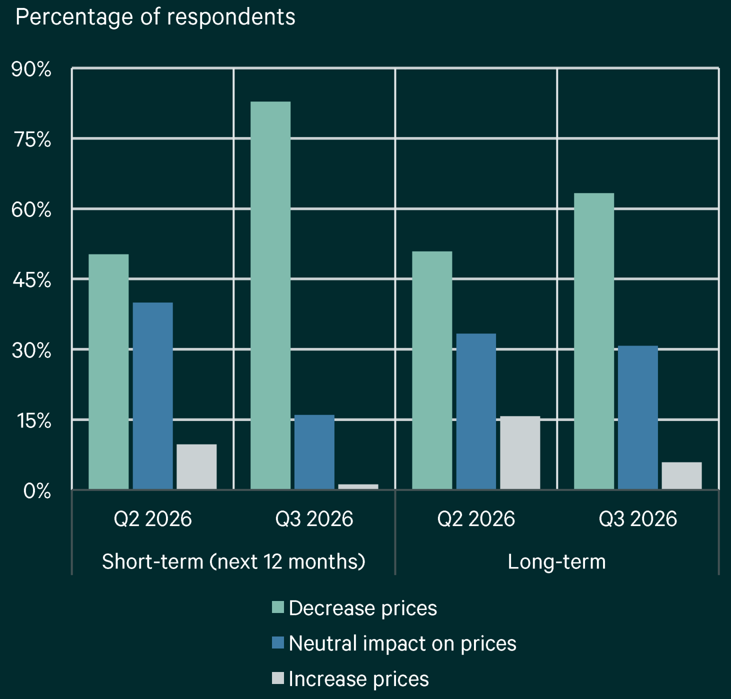


Figure 3: CGT expected impact on New Development

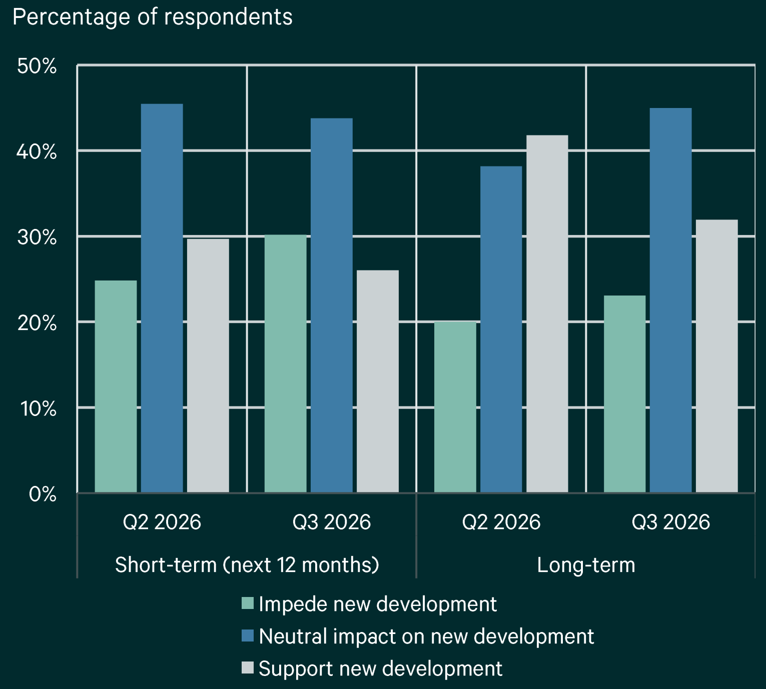
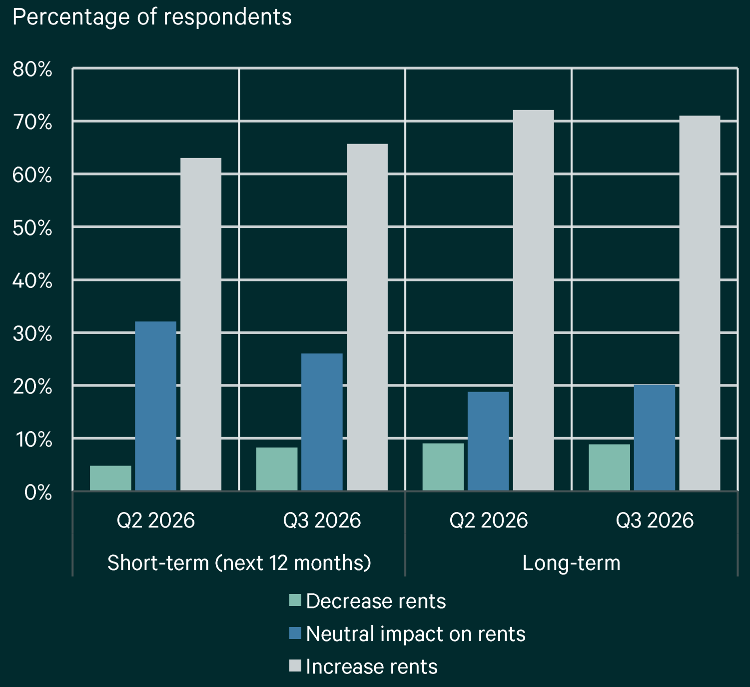


Figure 4: CGT expected impact on Rents



Negative Gearing

Most Valuers continue to expect changes to Negative Gearing to place downward pressure on prices in both the short and long-term, particularly in the short-term with 80% now expecting price declines over the next 12-months (up from a 48% share in Q2). Negative sentiment towards pricing over the long-term has risen from 52% to 62%. Sentiment towards the changes supporting new development has softened, with the share of values expecting the changes to support new development over the short-term easing from 36% in Q2 to 33% in Q3 and over the long-term falling from 48% in Q2 to 37% in Q3. Looking at expectations for rents, 70% anticipate rents will rise over the next 12 months (up from 67% in Q2) with 72% expecting rises over the long-term. Most Valuers anticipate rents will increase by less than 5% in the short-term. In the long-run, 26% of Valuers expect an increase of more than 5%. This has moderated from Q2 when 35% of Valuers were expecting a 5% plus increase.

Figure 5: Negative Gearing expected impact on Prices

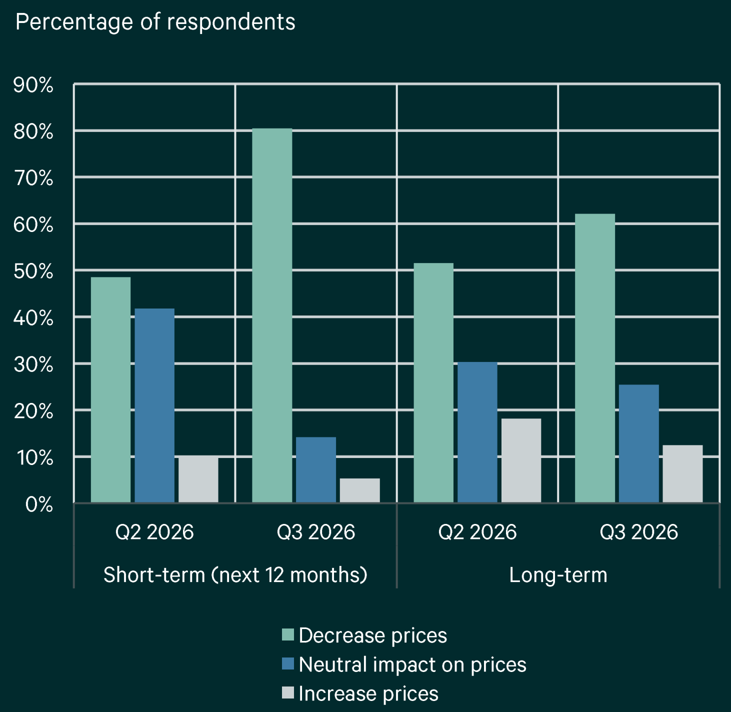


Figure 6: Negative Gearing expected impact on New Development

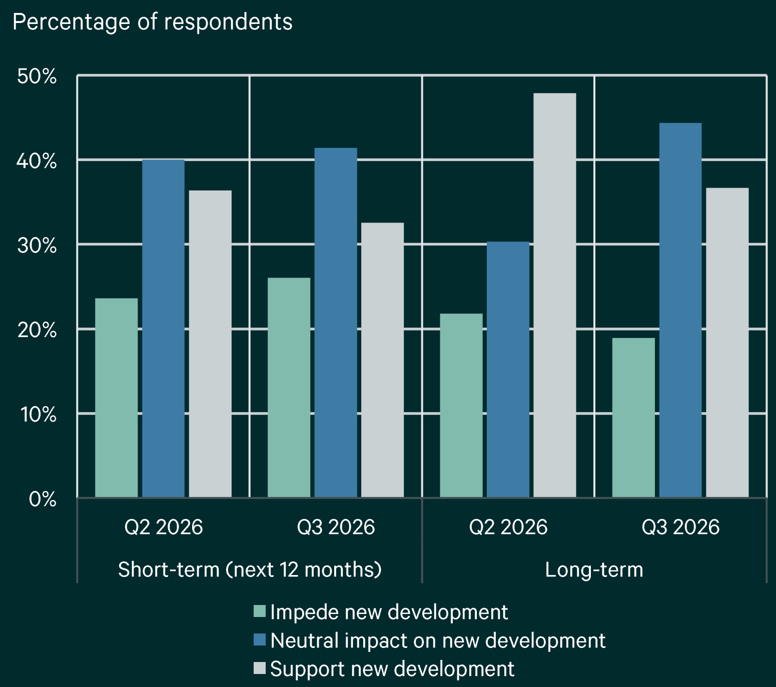
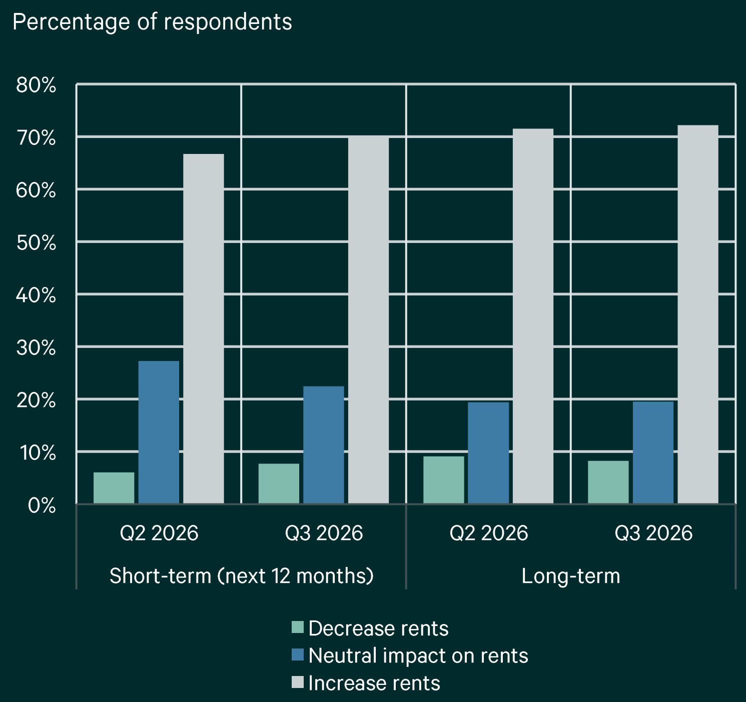


Figure 7: Negative Gearing expected impact on Rents



Recent demand

Demand conditions have continued to soften as high interest rates, the changes to negative gearing and CGT, broader cost of living pressures, and ongoing geopolitical uncertainty weigh on sentiment.

In Q3 2026, 56% of Valuers reported ‘soft’ (48%) or ‘very limited’ (8%) demand in their local markets. This was more than twice the level recorded in Q2 and the first time since the survey began in 2024 that the majority of Valuers have reported in the negative. A further 36% reported moderate (or balanced) demand this quarter.

There remained some variation between markets, however, most noticeably in Perth and Adelaide, where a third of Valuers were still reporting ‘strong’ demand. Demand was still considered more balanced in Brisbane Metro, Sydney Outer Metro and Gold Coast and Sunshine Coast markets.

> “Local markets have remained resilient although being described as more traditional with fewer buyers, longer sale periods and often terms.” – Sunshine Coast, Qld.
>
> “Longer selling periods and increased price sensitivity are evident, with buyers remaining cautious amid affordability constraints.” – Inner Melbourne, Vic.
>
> “Most deals are getting done with one interested party. Homes are sitting on the market for longer. No urgency from buyers. Sellers are readjusting pricing to sell.” – Inner West Sydney, NSW.

Figure 8: Demand in local markets in the last 3 months, Australia wide.

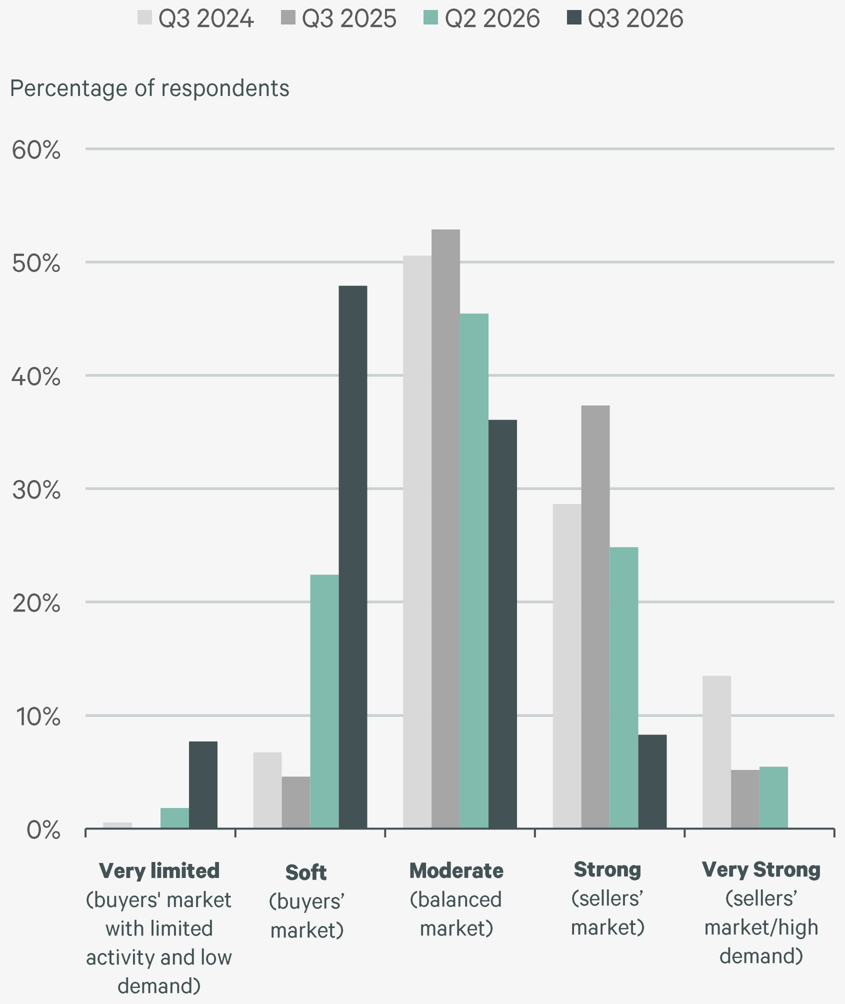
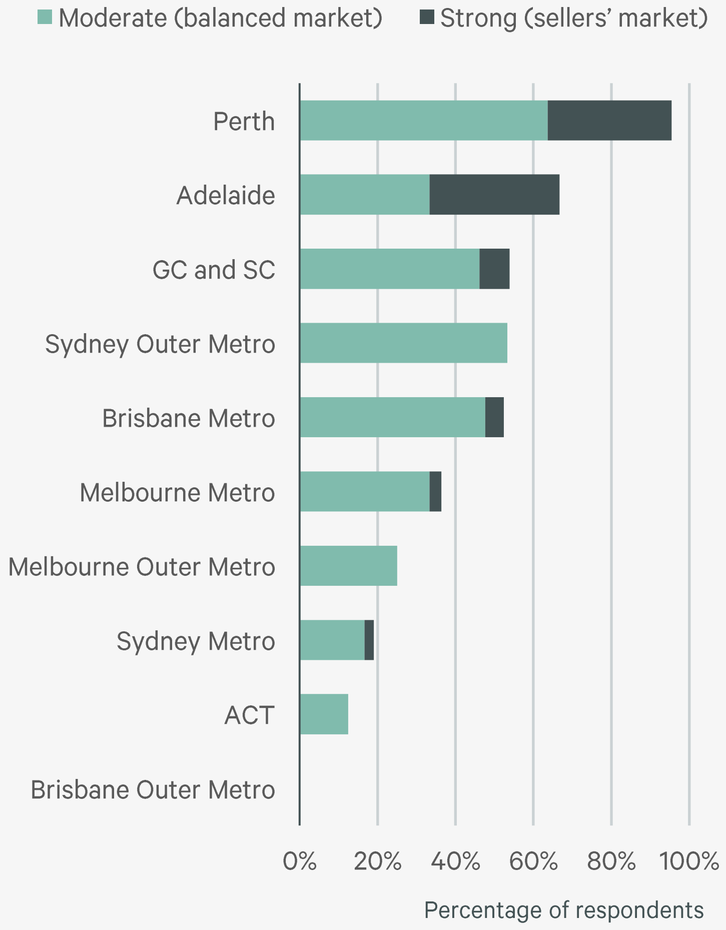


Figure 9: A closer look at responses for Q3 2026 indicating ‘moderate’ or ‘strong’ demand over the past 3 months.



Active buyers

First home buyers have become more dominant as the main buyer group in Q3, identified as active by 78% of Valuers, their highest share in the 11 quarterly surveys undertaken and the fourth consecutive survey where their share has been 70% or higher. Upgraders (52%) have maintained their share while down-sizers (46%) have become more active.

Reflecting the impacts of taxation changes and higher interest rates, investor activity has dipped, with both local investors (26%) and interstate investors (18%) recording their lowest active buyer levels since the survey began in 2024.

First home buyer activity was highest in Melbourne Metro, the ACT and Sydney Outer Metro and lowest in Brisbane Metro and Brisbane Outer Metro. Local investors were most active in Sydney Outer Metro and interstate investors in Melbourne Outer Metro.

"There is an uptick in first home buyer's purchasing affordable properties from investors divesting." – Inner Melbourne, Vic.

"Since the budget announcement investor activity for existing dwellings is almost non existent, however we are still seeing some activity for new builds." – North West Perth, WA.

"The market is softening with agents advising there is little interest beyond a small number of first home buyers." – Campbelltown-Camden, Sydney, NSW.

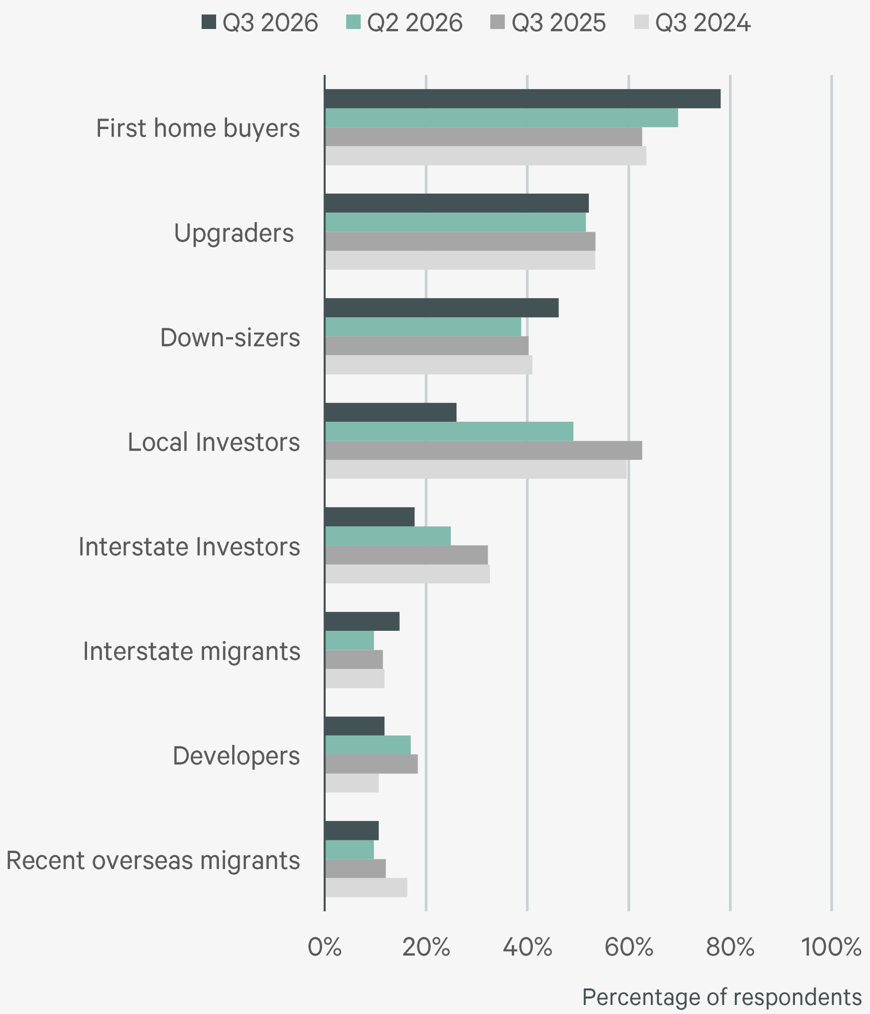
"Longer selling periods for anything that isn't first home buyer market. Prestige and rural properties over $2M struggle to sell." – Maitland, NSW

"Concerns for decrease in demand for existing investor stock such as duplex, dual occupancies and townhouses. Growing marketing periods with very little investor interest being reported by agents" – Ipswich, Qld.

"Agents advise a significant reduction in investor enquiry/activity predominantly impacting the market below $1,200,000." – Gold Coast, Qld

"The local market is seeing a decrease in demand from all types of buyers since the federal budget changes occurred. Buyer confidence is low and fewer properties are transacting." – North East, Melbourne Vic.

Figure 10: 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

Solid levels of increased demand was reported across a range of property types this quarter, including vacant land, recently renovated properties and houses (new and established). All were nominated by around a third of Valuers. Increased house demand, however, was less evident that was recorded in Q2 and a year ago.

Higher levels of decreased demand were reported for existing houses and unrenovated properties (41% each). Villas/townhouses (19%) and existing apartments (31%) also recorded rises in decreased demand levels.

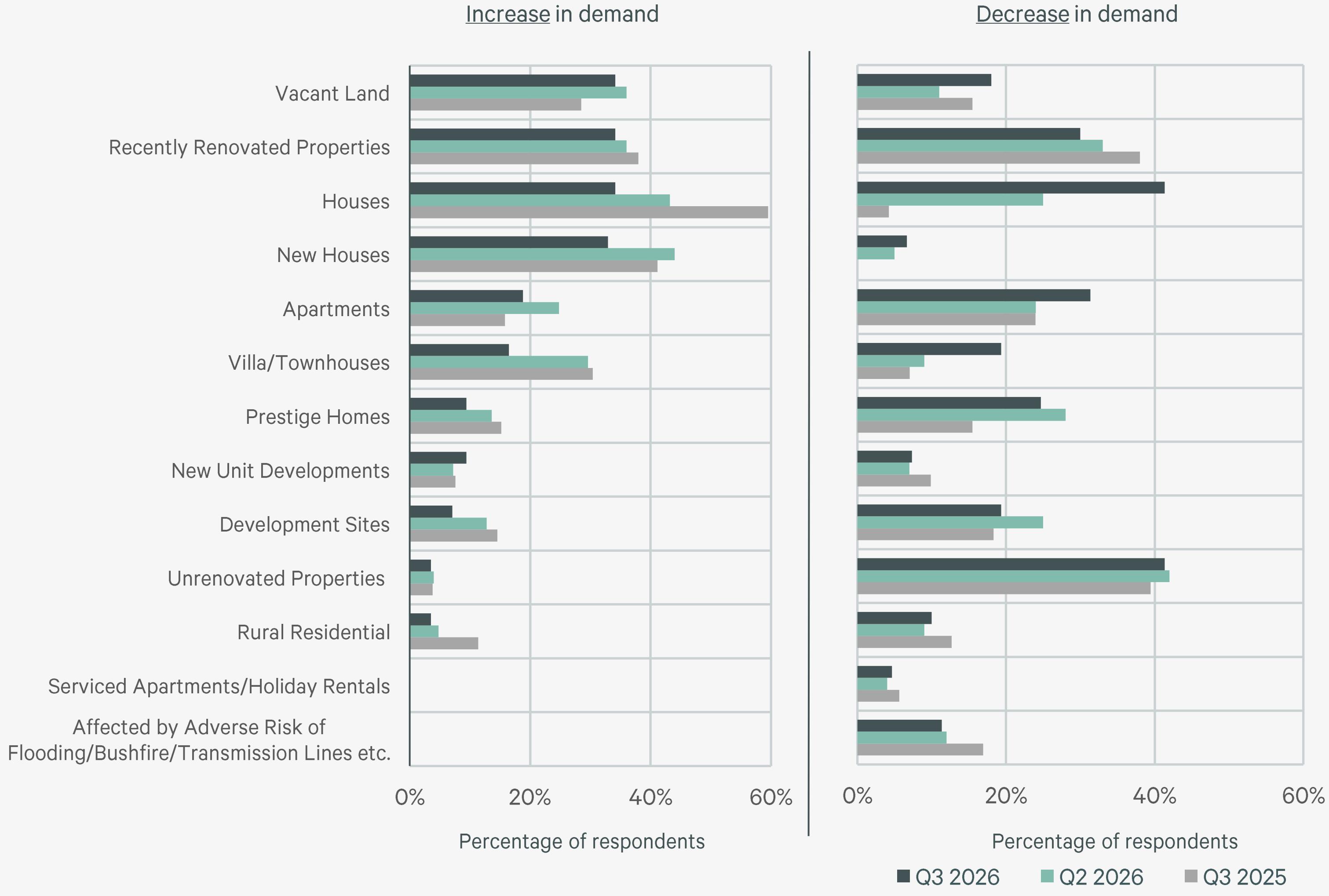
> "Weakening demand, buyers acting more prudently and without compulsion. Back to a more balanced market." – Sunshine Coast, Qld.

> "Slowing market with longer selling periods. Premiums to secure a property that existed in the more buoyant market of six months ago have now disappeared." – Ipswich, Qld

> "The vacant land (particularly titled land) and new build market is continuing to show slight growth while existing properties, particularly averagely presented properties are selling at a discount. " North West Perth WA.

> "South West Sydney is popular for first home buyers, people with a limited budget and renters. As investors become less active in the area. First home buyers are gaining more opportunities. However, it is possible that there will be less supply of rental properties." – Campbelltown/Camden, NSW.

Figure 11: 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

Price expectations across all property types have softened noticeably in Q3. Almost two-thirds of Valuers now expect **house prices** to fall over the next 12-months, with 36% expecting a fall of up to 5% and 26% expecting a fall of between 5% and 10%. A further 25% of Valuers are anticipating stability. The negative measure is the first time more than half of Valuers have identified price falls, and contrasts with a year ago, when 84% were expecting rises.

Growth expectations are strongest in Adelaide (44% expecting a rise and 33% stability) and Perth (27% each rise and stability), whilst Valuers in Melbourne and Sydney were the most negative.

> “Longer selling periods, reduction in asking prices.” – South West Perth, WA.
>
> “Fewer numbers at open homes. Asking prices are being reduced as sellers adjust to market expectations. If priced correctly properties sell quickly.” – Gold Coast, Qld.
>
> “The market has demonstrated a more measured pace of activity with purchasers increasingly focused on value and using greater discretion when assessing opportunities. Buyers are more price sensitive resulting in increased negotiation and more frequent adjustments to initial asking prices. ” – Inner East Melbourne, Vic.
>
> “Entry level properties and first home buyers are keeping the lower segment stable.“ - Central Coast, NSW.

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

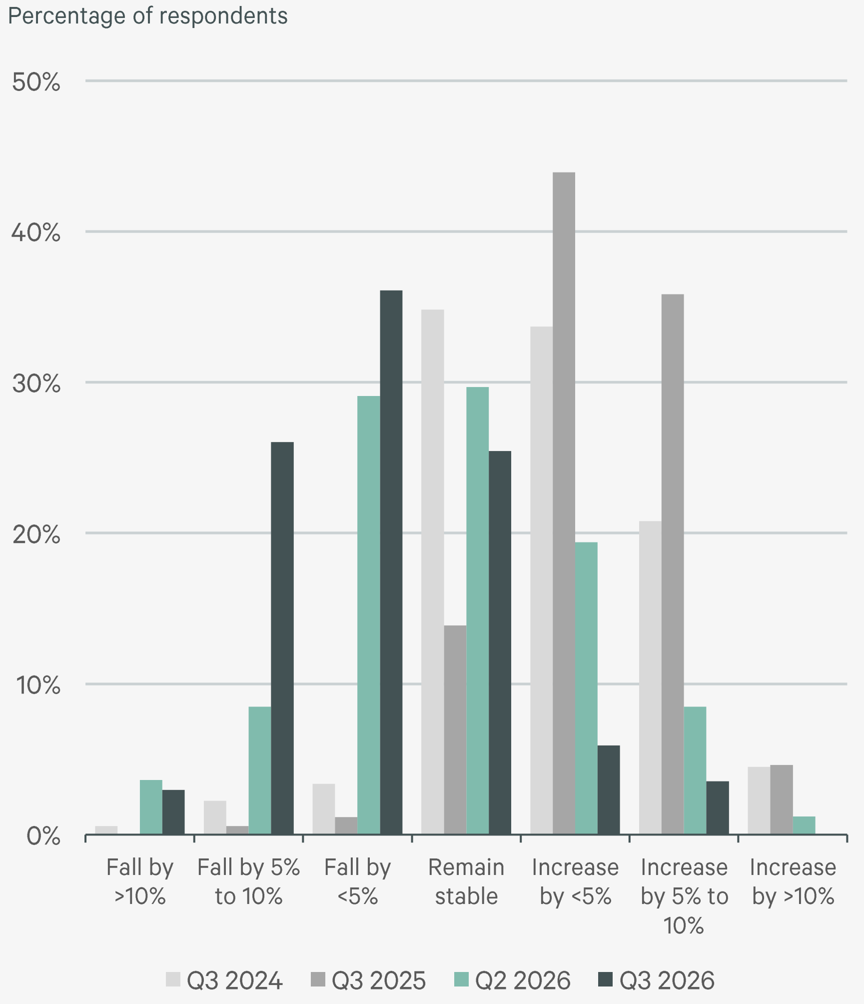
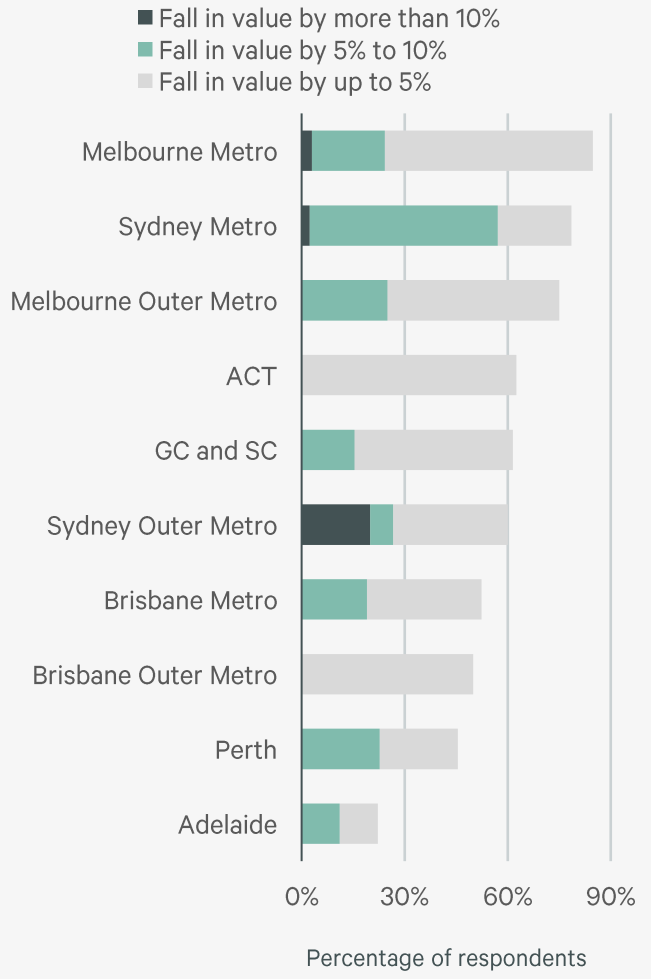


Figure 13: A closer look at responses for Q3 2026 indicating that house values are expected to fall.



Apartment values

Apartment price expectations have also turned negative this quarter. Like houses, around two-third of Valuers now expect prices to fall over the next 12-months. This includes 29% expecting a fall of up to 5% and 31% expecting a fall of between 5% and 10%. Just over a quarter of Valuers (26%) are expecting price stability. Again, this is the first time in the survey's history the majority of Valuers are expecting price falls. By contrast, this time a year ago, 56% of Valuers were expecting price rises.

Adelaide was the only market where stability (50%)/price rises (17%) outweighed negative sentiment.

> "DDmand for investment properties has decreased due to changes to negative gearing. The owner-occupier market has softened due to interest rates." – Liverpool, NSW.

> "Buyers remain cautious although properties that have realistic asking prices are still selling within normal selling periods." – South East Melbourne, Vic.

> "Stock levels have increased slightly from historic lows creating a more balanced market after several years of strong capital growth. Investors have left the market for established properties which cannot be negatively geared." – Inner Perth, WA.

> "A grade stock is still transacting." – North West Melbourne, Vic.

Figure 14: Expectations of apartment value movement in the next 12 months, Australia wide.

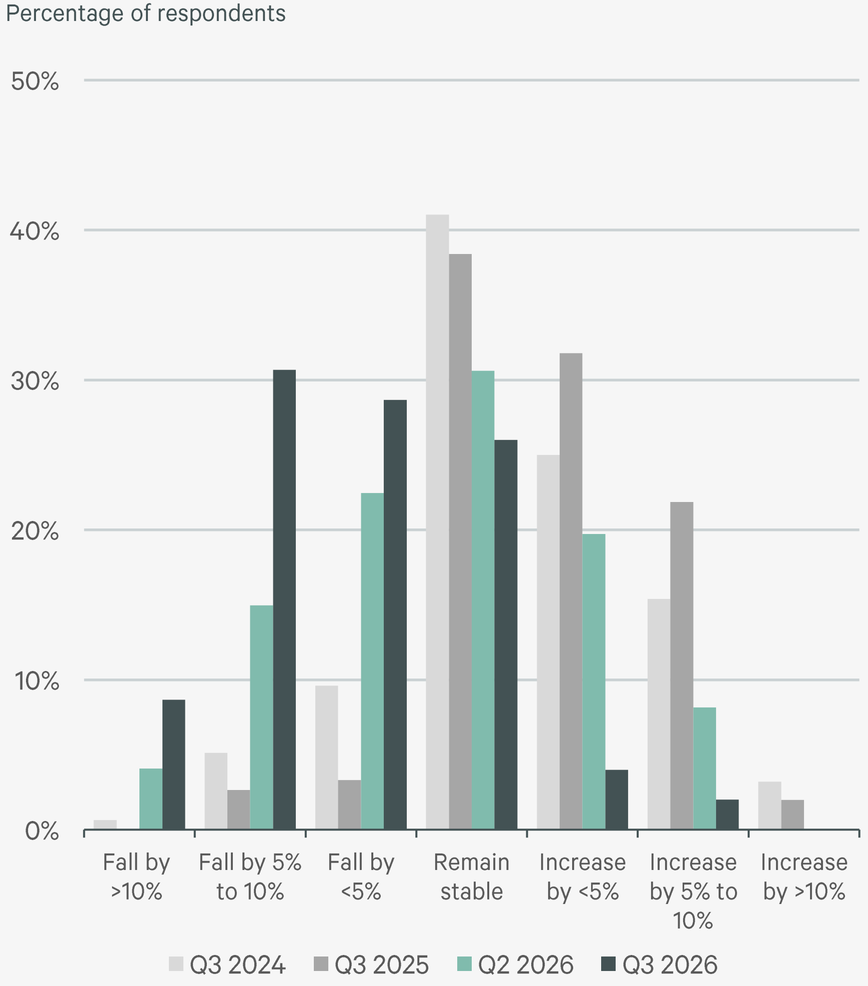
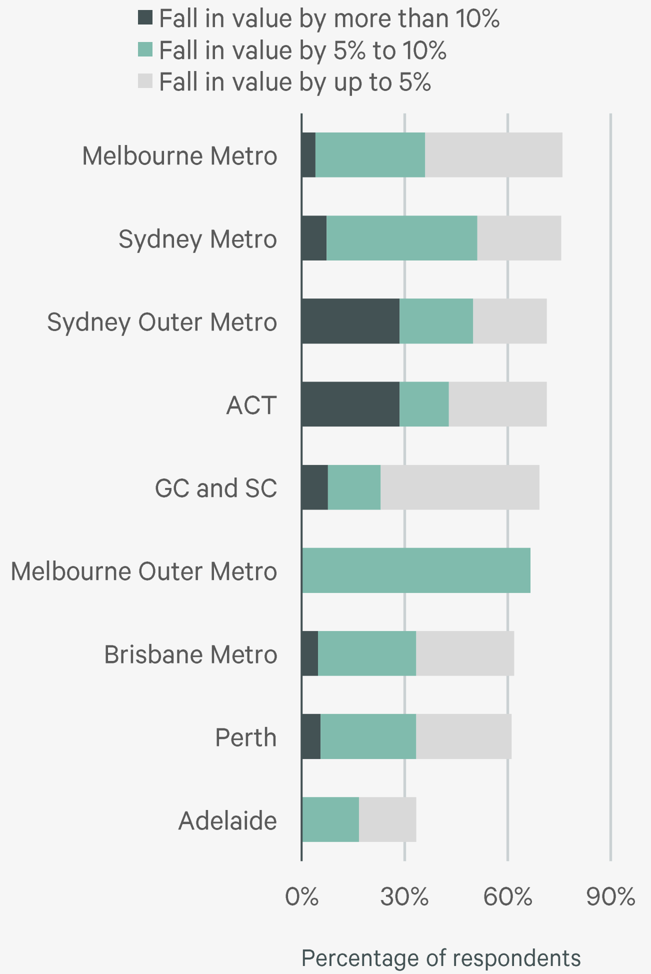


Figure 15: A closer look at responses for Q3 2026 indicating that apartment values are expected to fall.



Vacant land values

41% of Valuers expect **vacant land values** to fall over the next 12 months, up from 25% last quarter, and just 6% this time last year. A further 40% expect values to remain stable, the same share as last quarter. Rises are expected from 18% of Valuers, compared with 66% a year ago.

As in Q2, the most positive growth conditions are anticipated in Adelaide, Perth, and Brisbane Metro, with 50% of Adelaide Valuers, and roughly 40% of Perth and Brisbane Metro Valuers expecting price growth over the year ahead. The ACT, Melbourne Metro and Sydney Metro are expected to see the weakest conditions.

> "Elevated construction costs and broader economic uncertainty continue to moderate buyer confidence, particularly for development sites and vacant land." – Inner Melbourne, Vic.
>
> "Within the greenfield land market, the supply of vacant residential allotments remains abundant. Buyer sentiment indicates a heightened focus on development feasibility and construction risk." – Canberra, ACT.
>
> "Strong demand for vacant land, land developers are continuing to develop further stages and sales of uncreated lots is strong." Mandurah - WA.
>
> "Vacant land remains in demand in certain locations; however, this is likely due to supply constraints as opposed to any other reason." – Campbelltown-Camden, NSW.

Figure 16: Expectations of vacant land value movement in the next 12 months, Australia wide.

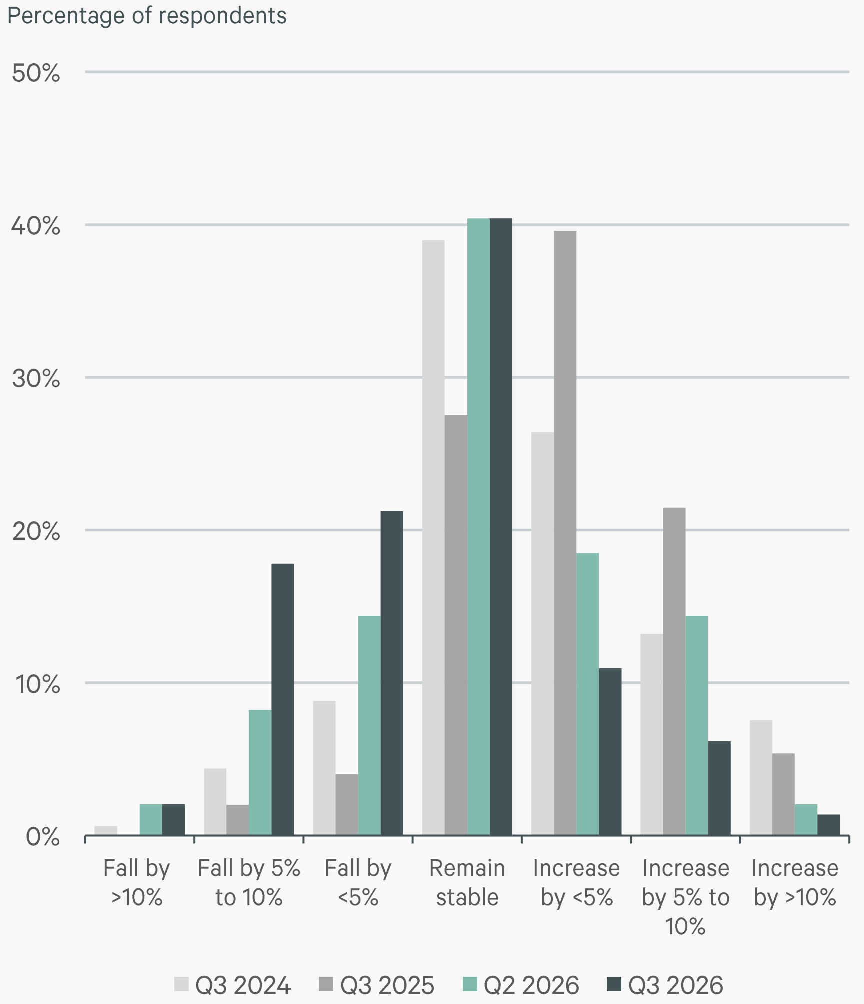
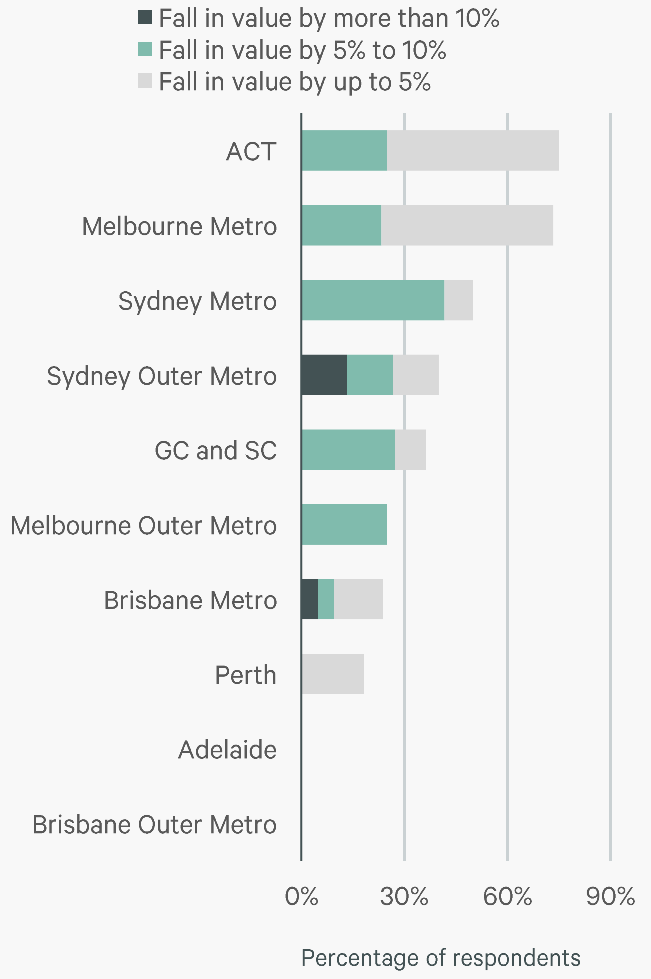


Figure 17: A closer look at responses for Q3 2026 indicating that vacant land values are expected to fall.



Future demand

Valuers' expectations for demand remains soft this quarter, with 41% expecting demand in their local markets to decrease over the next 12-months and 43% anticipating stability. These splits are similar to last quarter, although considerably weaker than 12-months ago. In all markets, the majority of Valuers were expecting demand conditions over the next 12-months to remain stable or decline. Adelaide presented the strongest outlook, including a third of Valuers anticipating slightly increased demand followed by Melbourne Outer Metro.

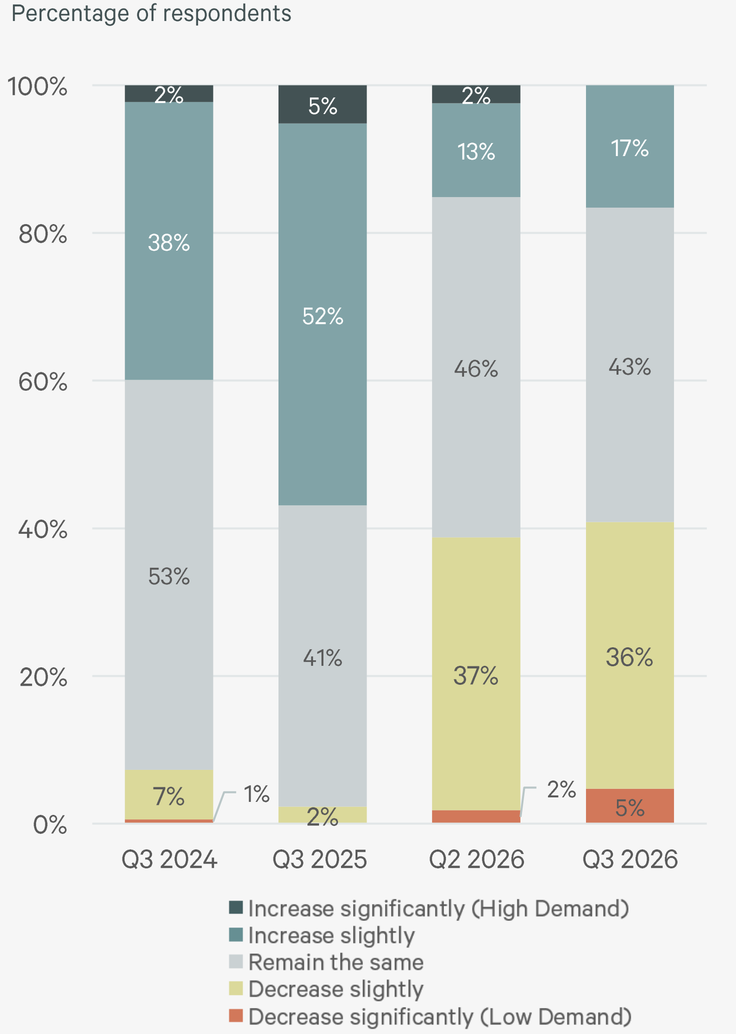
> "Middle to high-end market segments are taking the biggest hit in terms of market demand, time on market and vendors having to adjust asking prices. Entry level property seems to be still underpinned by an overall housing supply shortage." – Illawarra, NSW.

> "The first month after the governments tax changes saw a significant pull back on market confidence and a drop in values, but in the last three weeks the market has stabilised and is in a more normal cycle with demand and supply being more in balance." – North East Perth, WA.

> "There is widespread agreement that demand has fallen, fewer people at open homes, longer selling periods and fewer buyers." – South Brisbane, Qld.

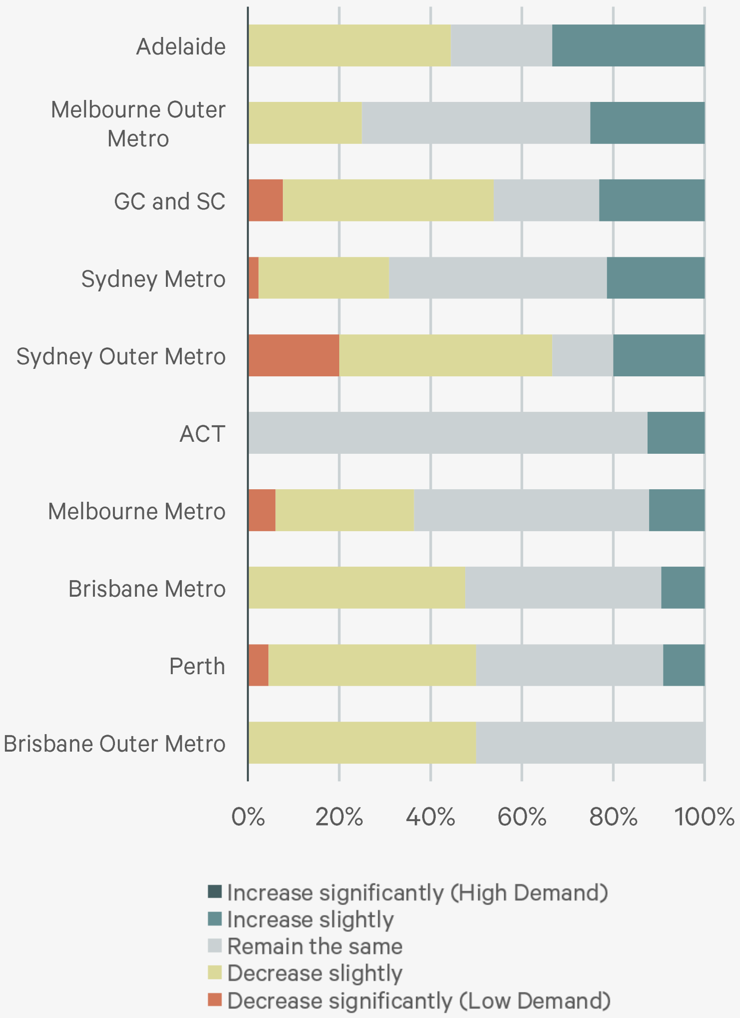
> "The market in general is certainly softer and as such we are starting to see more private sale campaigns as opposed to auctions" – Inner South Melbourne, Vic.

Figure 18: Demand in local markets in the next 12 months, Australia wide.



Note: percentages may exceed 100% due to rounding.

Figure 19: A closer look at Q3 2026 expectations for demand in the different markets.



Future supply (listings)

Most Valuers expect supply (listings) to increase this quarter, with 55% expecting a slight increase and 7% a significant increase. Both are a little higher than last quarter and the corresponding quarter in 2025. Eleven percent expect supply to decline, again slightly higher than earlier quarters. Just 27% of Valuers expect supply levels to remain the same, suggesting markets are reacting to the range of disrupters currently evident.

"Demand has dropped significantly but there was so much demand previously there still seems to be enough to maintain market at moment. This could change though as listing numbers have increased for the first time in a very long time." – South Brisbane Qld.

"Some listings have been withdrawn following limited buyer interest over the past two to three months." – Rouse Hill/McGraths Hill/ Baulkham Hills NSW.

"The past few months has seen a reduction in stock in certain areas, as people have held back listing knowing they would not achieve the same price they would have previously." – Inner East Melbourne, Vic

"Stock levels have increased slightly from historic lows creating a more balanced market after several years of strong capital growth. Investors have left the market for established properties which cannot be negatively geared. This is likely to put upward pressure on rents." – Inner Perth, WA

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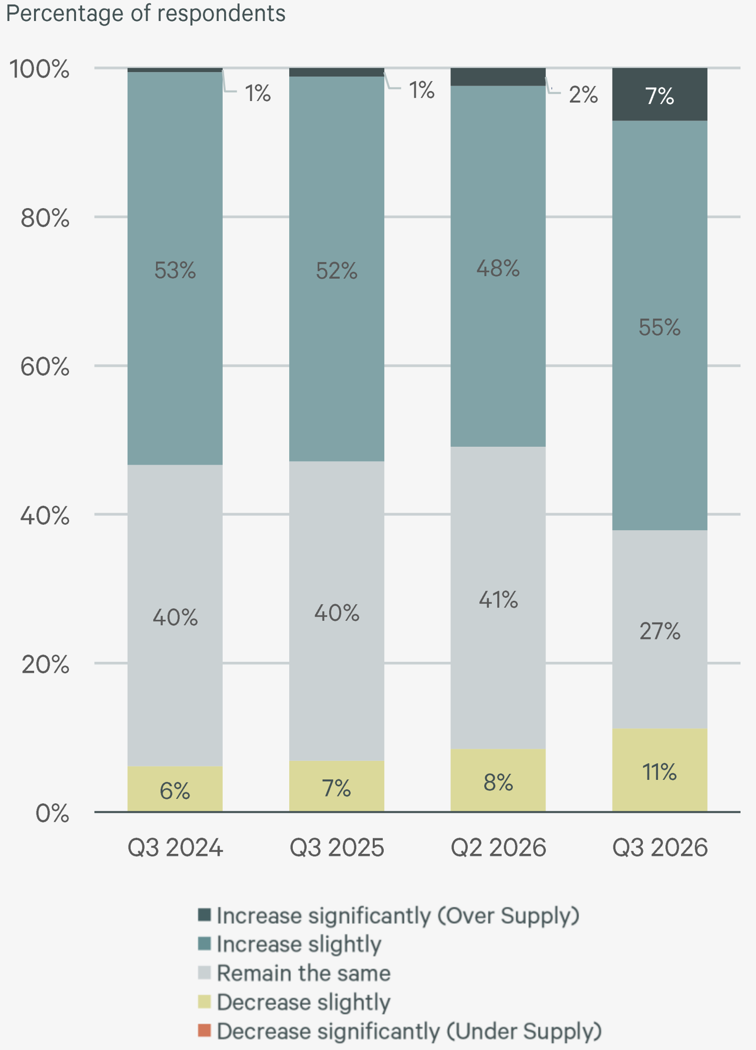
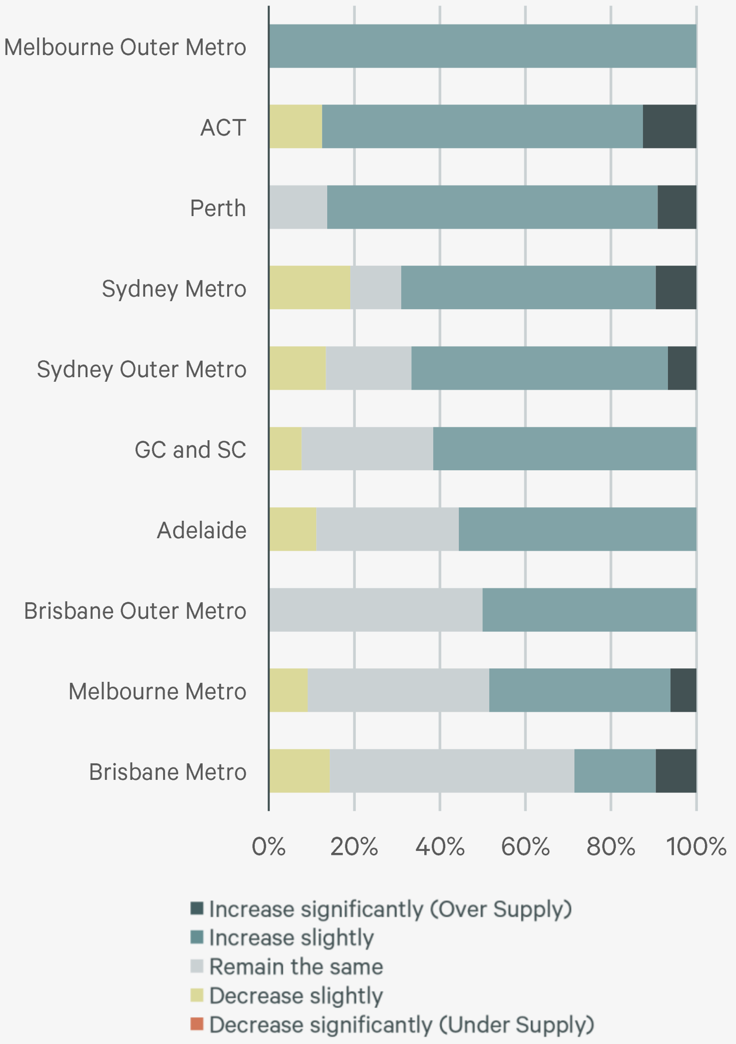
Figure 20: Supply in local markets in the next 12 months, Australia wide.



Note: percentages may exceed 100% due to rounding.

Figure 21: A closer look at Q3 2026 expectations for supply in the different markets.



Survey Profile

The CBRE Research Q3 2026 Residential Valuations Property Market Survey was conducted in the first two weeks of August of 2026. A total of 169 responses were received. Valuer locations:

NSW

Sydney Metro
- Sydney

Sydney Outer Metro
- Central Coast
- Hunter
- Illawarra
- Newcastle
- Blue Mountains
- Southern Highlands

VIC

Melbourne Metro
- Melbourne
- Melbourne Outer

QLD

Brisbane Metro
- Brisbane
- Brisbane Outer

Gold Coast
Sunshine Coast

WA

- Perth

SA

- Adelaide

ACT

- Canberra
- Queanbeyan NSW
- Yass NSW
- Goulburn NSW

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