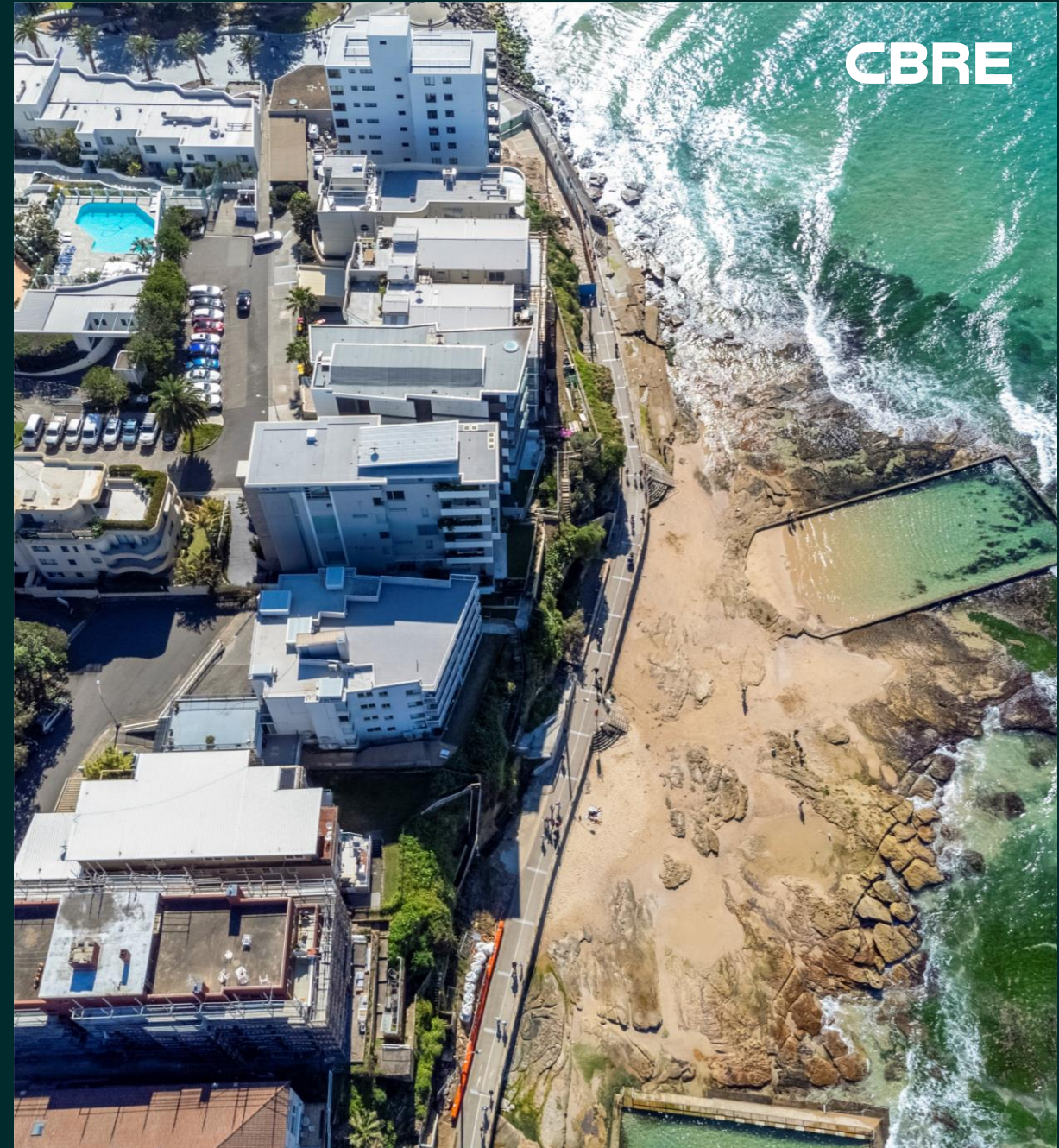


Intelligent Investment

Residential Valuer Insights Q3 2025

REPORT

CBRE RESEARCH
AUGUST 2025



Executive Summary

CBRE's Q3 2025 Residential Valuer Insights survey received ~175 responses from CBRE Valuers around Australia. In this release we delve into the latest insights, comparing them to the previous quarter and the same period last year (Q3 2024), giving us a detailed understanding of Australia's dynamic residential real estate landscape.

Buyer sentiment has improved

43% of Valuers reported 'strong' to 'very strong' demand this quarter, up from 28% last quarter. Only 5% of Valuers reported 'soft' or 'very limited' demand. Demand to purchase is strongest in Perth and Adelaide, with softer demand evident in Melbourne Metro and ACT.

Local investors/First home buyers

Local investor activity increased this quarter. First home buyers were also one of the most active buyer types. Upgraders are also active, while recent overseas migrants and interstate migrants are less active.

Established houses/New houses

Demand remains strongest for established houses, new houses, and recently renovated properties. Compared to last quarter, demand for established houses increased significantly. Softer conditions prevail for unrenovated properties and properties in secondary locations.

Future demand

In the Q3 2025 survey, more Valuers expect demand to increase in the next 12 months compared to last quarter and last year. Only 2% of Valuers expect demand to decrease. The strongest demand is expected in Adelaide, Sydney Metro, and Melbourne Metro.

House values next 12 months

Valuers are increasingly optimistic about house prices. 84% of Valuers expect house values to grow in the next 12 months, an increase from 74% in Q2 2025 and 59% in Q3 2024. The highest growth is expected in Perth, Sydney Metro, and Brisbane Metro.

Apartment values next 12 months

56% of Valuers expect an increase in apartment values in the next year. Nationally, ~10x 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

66% of Valuers expect vacant land values to increase over the next 12 months, a rise from 54% last quarter and 47% last year. 28% of Valuers expect values to remain stable. Only 6% expect values to decline. Most growth is expected in Perth, Brisbane Metro, and Adelaide.

Future supply (listings)

More than half of Valuers surveyed expect an increase in local stock available, although expectations remain stable compared to last quarter and last year. 52% expect supply to increase. Melbourne Metro and Sydney Outer Metro is where the largest supply increase is anticipated.



Recent demand

Demand conditions have improved compared to last quarter. More Valuers, at 43%, reported ‘strong’ or ‘very strong’ demand this quarter, up from 28% last quarter and similar to 42% in the prior year. 53% of Valuers reported moderate demand in recent months, a decrease from 61% in the previous quarter and in line with last year. The percentage of Valuers indicating ‘soft’ or ‘very limited’ demand decreased to 5%. Perth and Adelaide continue to exhibit the strongest demand. Melbourne Metro and ACT again experienced the weakest demand.

“Lower end of the market below \$3 million is still strong. Above this level is stable.” – Inner Perth, WA.

“New homes are being sold at a premium due to the new home-owner grant.” – North Adelaide, SA.

“Auction clearance rates have increased despite a slight uplift in volumes. Buyer confidence has returned.” – Sydney Inner West, NSW.

“The market remains stable, albeit cautious with uncertainty in the global economy impacting buyers' decision making.” – South East Melbourne, VIC.

“Demand has definitely increased since mid March 2025 ... values appear to be on the rise.” – Hobart, TAS.

Figure 1: Demand in local markets in the last 3 months, Australia wide.

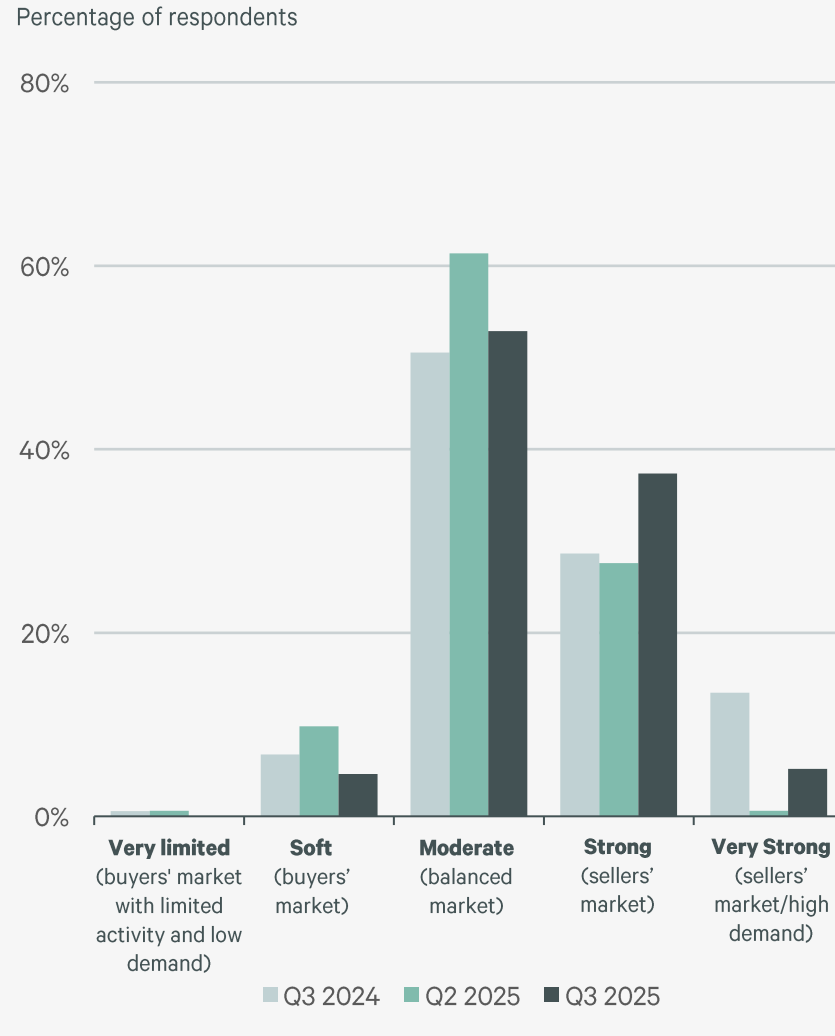
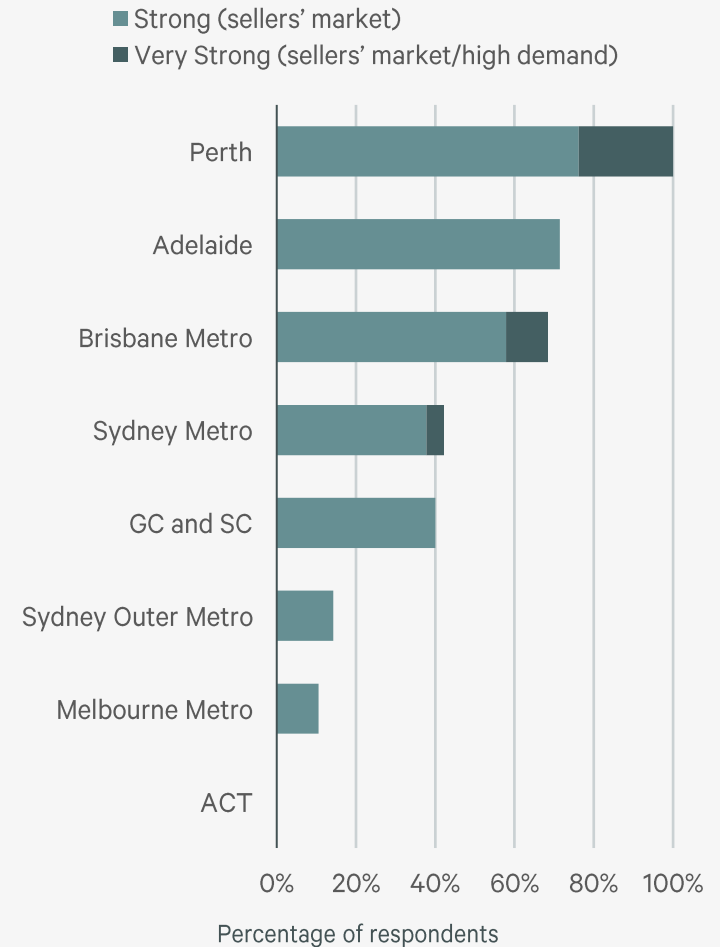


Figure 2: A closer look at responses for Q3 2025 indicating ‘strong’ or ‘very strong’ demand over the past 3 months.



Active buyers

The top three buyer groups remained consistent with the previous year. Local investors and first home buyers were identified as the most active by 63% of CBRE Valuers, followed by upgraders (53%). This aligns with Q3 2024, when Valuers reported first home buyers (63%), local investors (60%), and upgraders (53%) as the most active buyer groups. Local investor activity increased this quarter compared to the previous quarter, while recent overseas and interstate migrants were the least active buyer groups in Q3 2025.

First home buyer activity was highest in Melbourne Metro, and on the Gold and Sunshine Coasts. Local investors were most prevalent in Adelaide and Sydney Outer Metro. Interstate investors were most active in Adelaide, as reported by all Valuers in the state.

“There has been strong interstate investor demand for predominantly 1980's and 1990's houses on large lots in the middle-distant suburbs.” – North West Melbourne, VIC.

“There has been steady demand from interstate migrants/investors looking for new or fully renovated product.” – Gold Coast, QLD.

“Demand is strong from first home buyers, investors, and families, driven by tight rental markets, RBA rate cuts, and infrastructure upgrades like the Sydney Metro.” – Sydney Inner West, NSW.

“Downsizers are competing with first home buyers for apartments and townhouses.” – Inner Perth, WA.

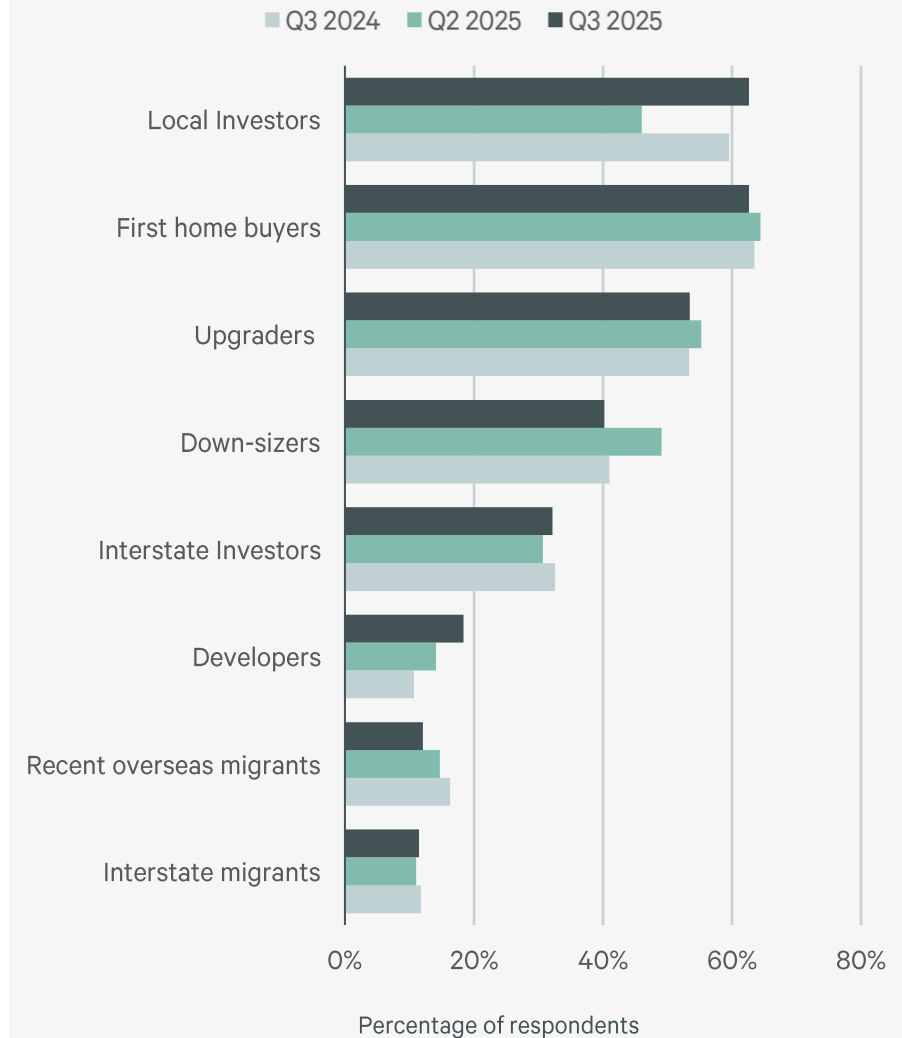
“Interstate buyers and local investors remain active within the Perth Inner and CBD Apartment markets.” – Inner Perth, WA.

“Continued migration into the area, coupled with perceived value for money for investors ... is impacting the ability of first home buyers to enter the market.” – Toowoomba, QLD.

“There has been noticeable activity from interstate investors, particularly for 1-bedroom units due to the high yields.” – Inner East Melbourne, VIC.

“There has been an influx of first home buyers entering the market within the Queanbeyan region.” – Queanbeyan, ACT/NSW.

Figure 3: 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

Demand remains strongest for established houses, new houses, and recently renovated properties. Demand for established houses increased significantly this quarter, reported by 41% of Valuers in Q2 2025 rising to 59% of Valuers in Q3 2025. Unrenovated properties and properties in secondary locations experienced the largest decrease in demand, consistent with last quarter and last year. While vacant land saw decreased demand last quarter and this time last year, this trend was less pronounced this quarter.

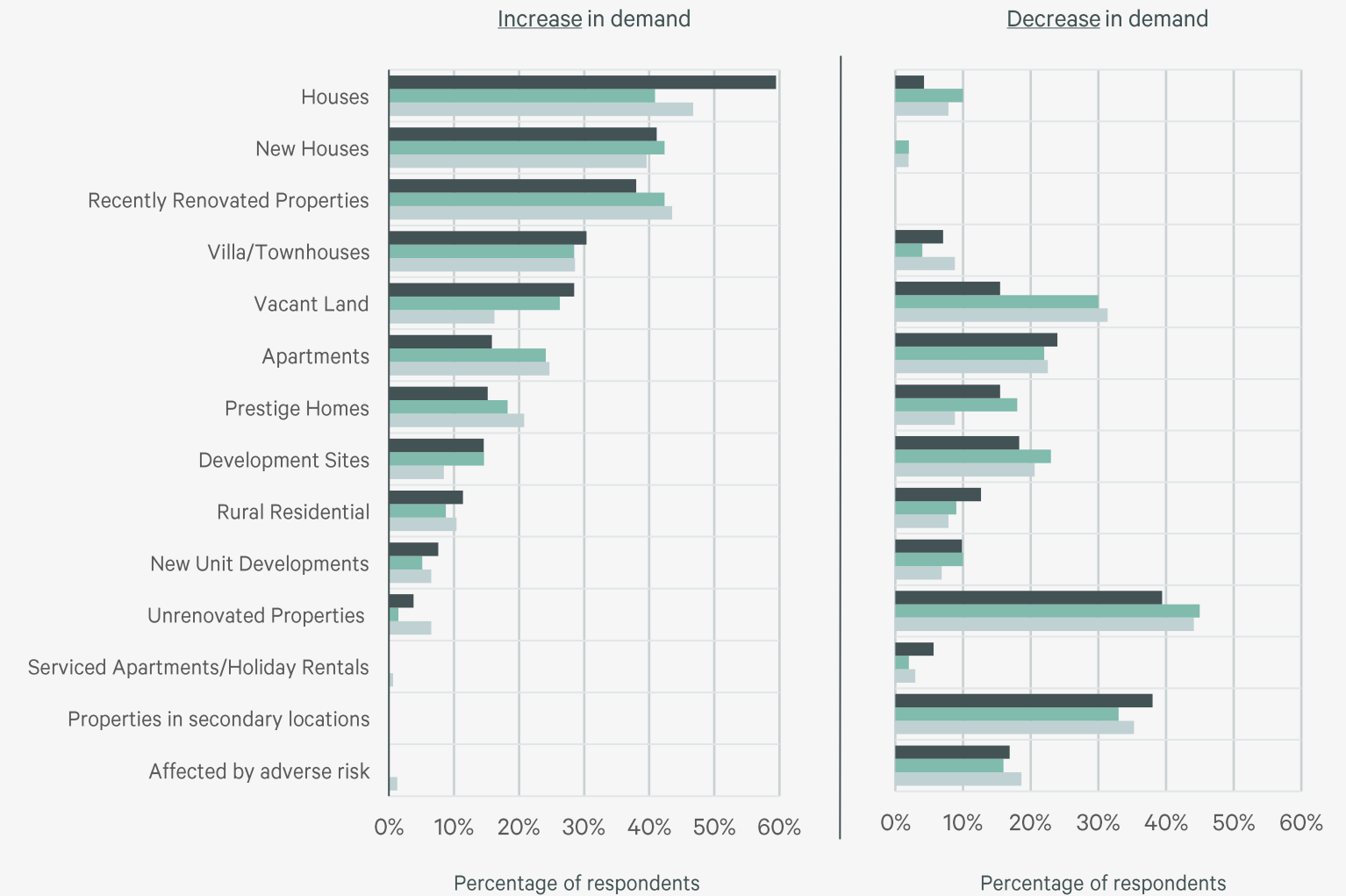
“Rising construction costs and prolonged planning approval timelines have contributed to a reduction in demand for properties requiring major improvements, particularly among smaller-scale developers.” – Inner Melbourne, VIC.

“A lot of buyers are keeping away from new unit developments and tend to be buying established units with a track record.” – Sydney Eastern Suburbs, NSW.

“Prestige properties are selling within a short period if they are a new high-quality build or a character home which has been renovated and extended.” – Adelaide Hills, SA.

“We have seen increasing demand for dual occupancy properties such as granny flats, for extended family living or extra rental income.” – North Sydney, NSW.

Figure 4: 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)

■ Q3 2024 ■ Q2 2025 ■ Q3 2025

House values

Valuers are increasingly optimistic about house prices. 84% of Valuers expect house values to grow in the next 12 months, an increase from 74% in Q2 2025 and 59% in Q3 2024. Valuers have mixed expectations on the amount of growth, with 44% of Valuers anticipating modest price growth of up to 5%, and 36% expecting growth of over 5%. Only 2% expect a decrease. The strongest growth is expected to be in Perth, Sydney Metro, and Brisbane Metro. Last quarter, 71% of Adelaide Valuers expected house values to increase by 5%-10%, while this quarter only 29% hold this view.

“The residential property market in Bunbury and surrounding districts is expected to experience continued growth in 2025 with potential price increases of up to 10%.” – Bunbury, WA.

“The Liverpool market is showing strong growth in house prices.” – Liverpool, NSW.

“A shift in market conditions is becoming evident with shortening marketing periods, particularly for detached houses within Canberra suburbs.” – Canberra, ACT.

“High demand for houses in certain suburbs, especially for those with potential to build a secondary dwelling.” – Camden, NSW.

Figure 5: Expectations of house value movement in the next 12 months, Australia wide.

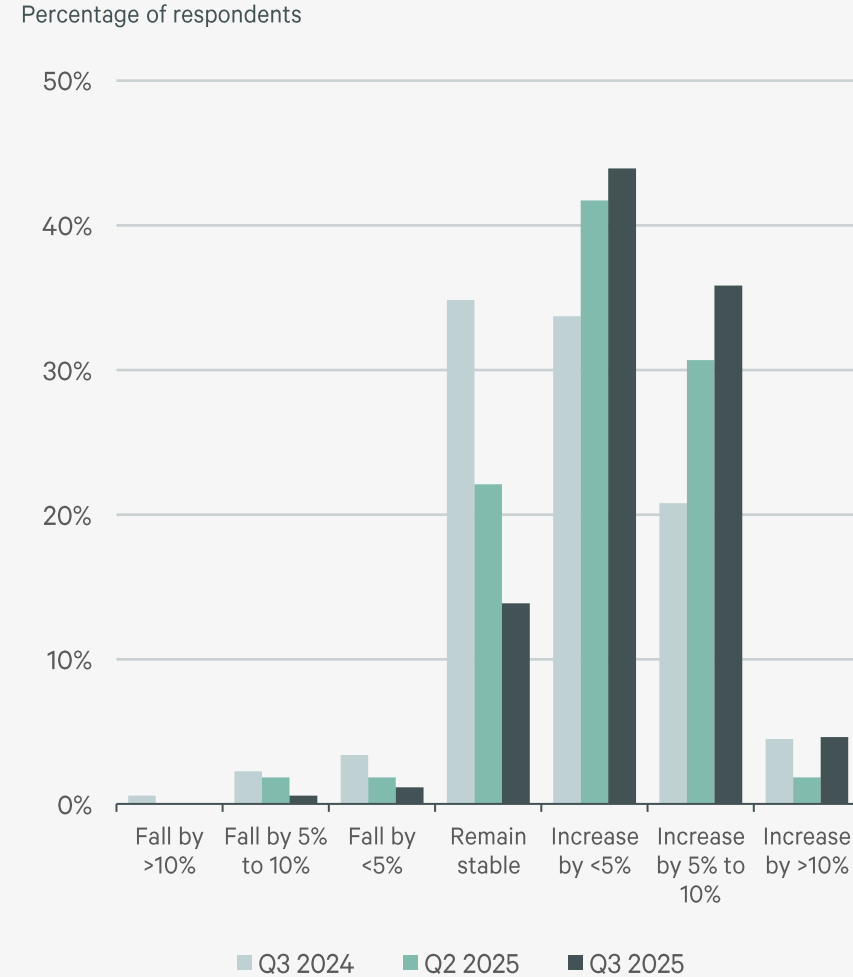
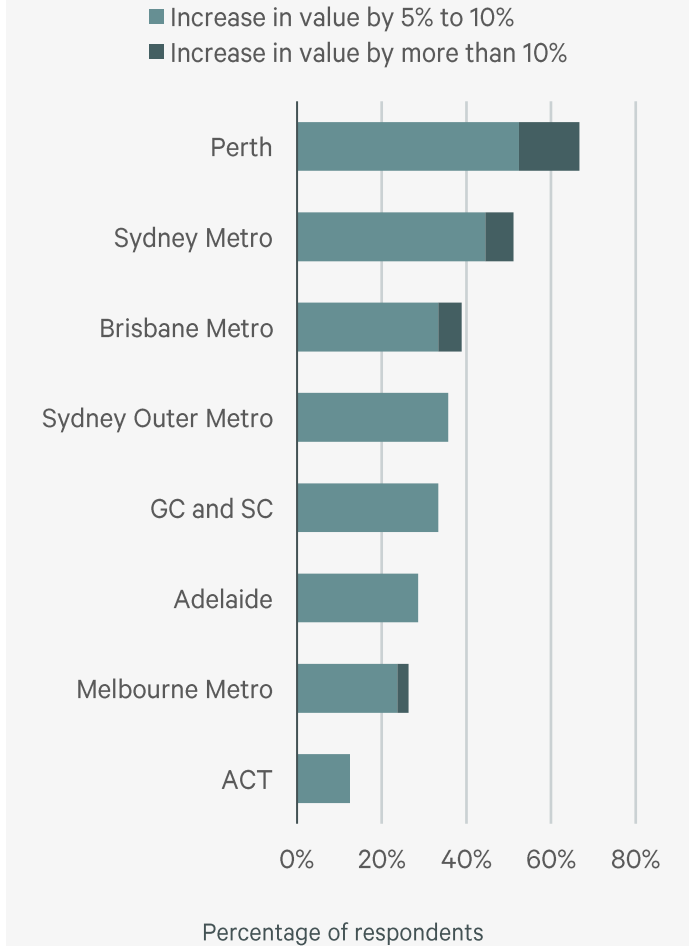


Figure 6: A closer look at responses for Q3 2025 indicating that house values are expected to increase by 5% or more.



Apartment values

56% of Valuers predict an increase in apartment values in the next 12 months, above 48% last quarter and 44% in Q3 2024. 38% anticipate stable prices compared to 41% last year. 6% expect a decrease, compared to 15% the year prior. The majority of Valuers expect unit value growth of up to 5%, with the most growth expected in Brisbane Metro, Perth, and the Gold and Sunshine Coasts, as in the previous quarter. Valuers expect price growth to be less than 5% in Sydney Outer Metro and Adelaide, with ACT Valuers not expecting apartment value growth in the next year.

“Entry level properties have shown the strongest growth performance, with the residential unit market mostly outperforming the housing market sector due to lower price point and greater affordability.” – Gold Coast, QLD.

“Market conditions for units continues to soften with an oversupply of both existing and new off the plan units. A large proportion of new unit stock appeals to interstate investors seeking a yield.” – Canberra, ACT.

“The townhouse and unit market continues to provide the most growth as people accept that a single dwelling is unaffordable and downsizers look for good quality unit or townhouse stock.” – South Brisbane, QLD.

Figure 7: Expectations of apartment value movement in the next 12 months, Australia wide.

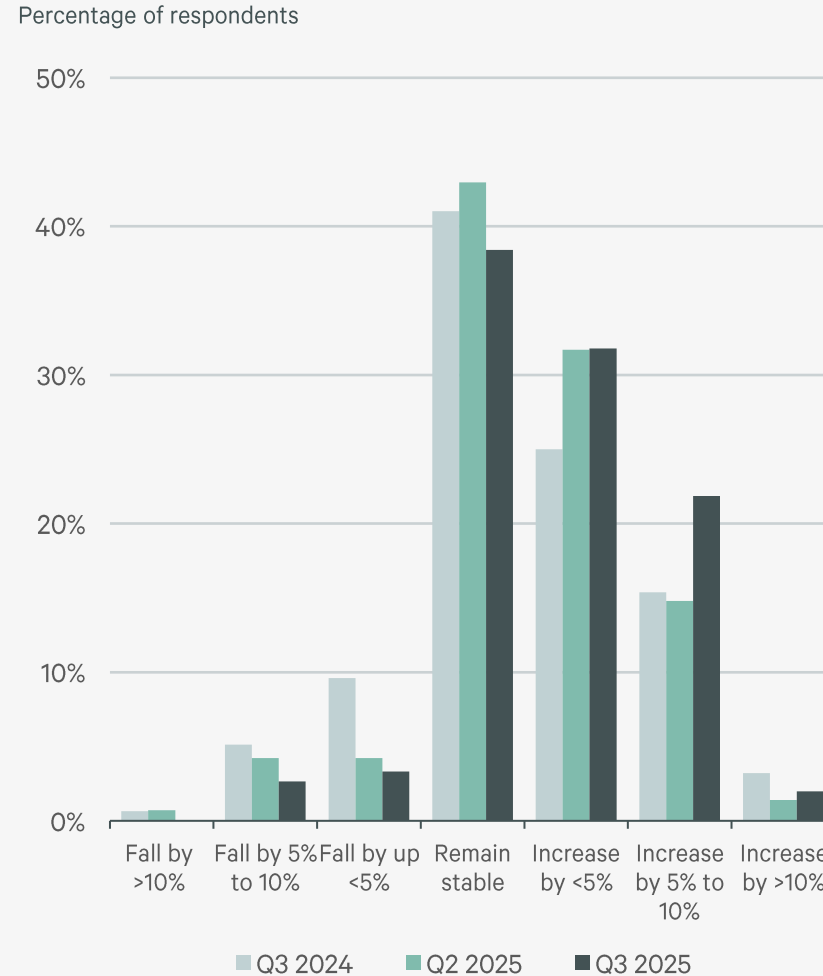
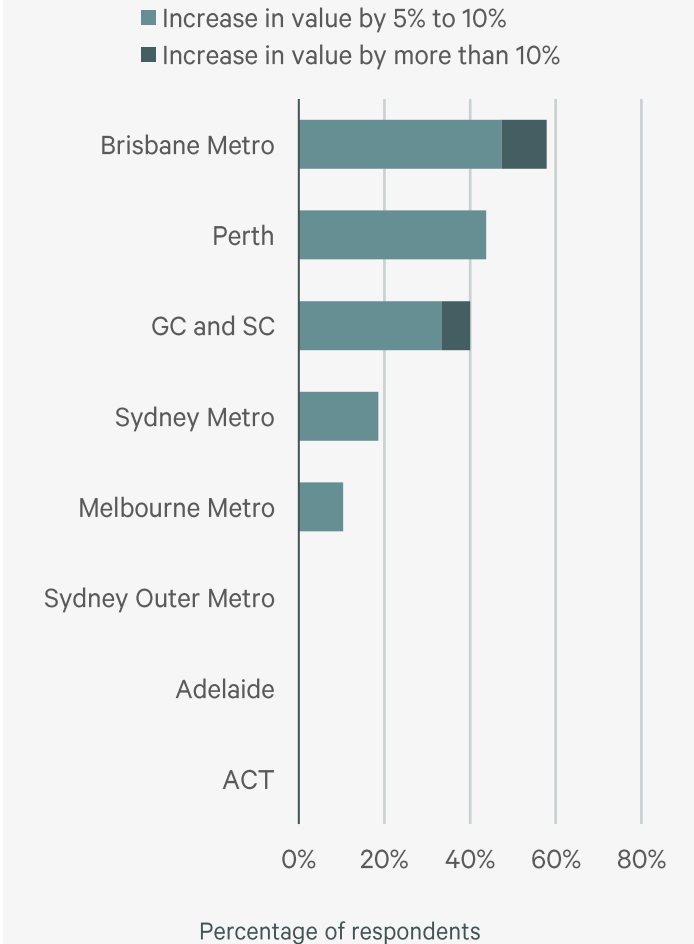


Figure 8: A closer look at responses for Q3 2025 indicating that apartment values are expected to increase by 5% or more.



Vacant land values

66% of Valuers expect vacant land values to increase over the next 12 months, a rise from 54% last quarter and 47% last year. 28% of Valuers expect values to remain stable, down from 37% last quarter and 39% last year. Only 6% of Valuers expect values to decline, a decrease from 14% last year. The most growth is expected in Perth, Brisbane Metro, and Adelaide, with a quarter of CBRE Valuers in Perth expecting price growth of more than 10%.

“Following the cancellation of a local shopping centre project, vacant land prices have fallen 5-10% compared to last year.” – West Melbourne, VIC.

“Current works by SA Water to infrastructure throughout the northern suburbs is expected to free up land sales which have been somewhat stymie by lack of sewerage connections.” – North Adelaide, SA.

“An increase in vacant land supply continues within Yass. A large number of blocks are impacted by topography and shape issues which will likely incur increased building costs.” – Yass, ACT/NSW.

“Vacant land, particularly in modern residential estates in Victoria Point and Redland Bay, are popular. Especially if the land is elevated.” – East Brisbane, QLD.

Figure 9: Expectations of vacant land value movement in the next 12 months, Australia wide.

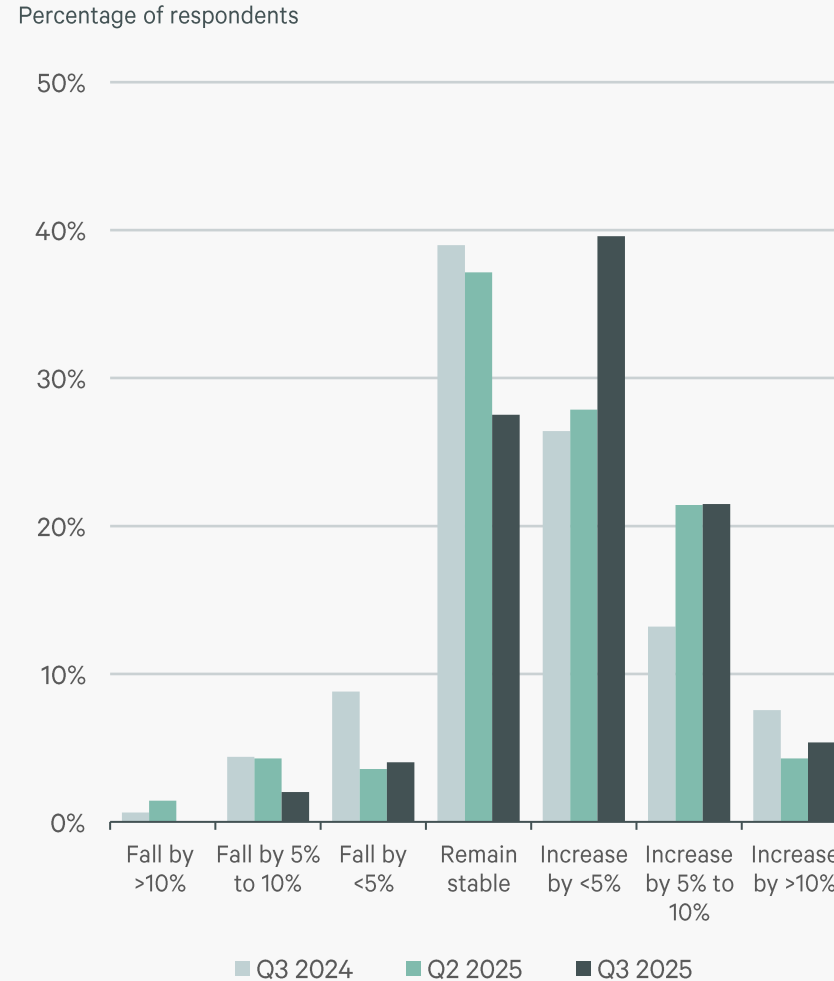
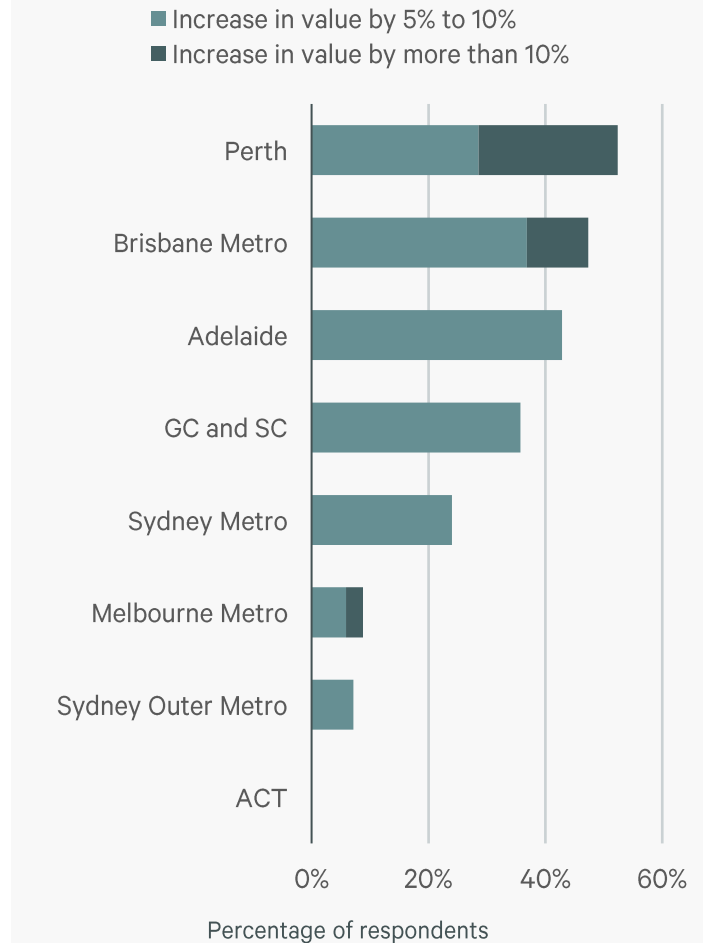


Figure 10: A closer look at responses for Q3 2025 indicating that vacant land values are expected to increase by 5% or more.



Future demand

In Q3 2025, 57% of Valuers expect demand to increase in the next 12 months, up from 53% last quarter and 40% last year. 41% expect demand to remain the same, in line with last quarter and below 53% last year. Just 2% of Valuers expect demand to decline. Adelaide, Sydney Metro, and Melbourne Metro are expected to see the strongest demand. Perth, Brisbane Metro, and ACT are expected to see more stable demand. Valuers' expectations for demand in Adelaide have improved. This quarter, 71% predict increased demand, compared to only 43% last quarter.

“Agents are still positive of extended market growth.” – Adelaide Hills, SA.

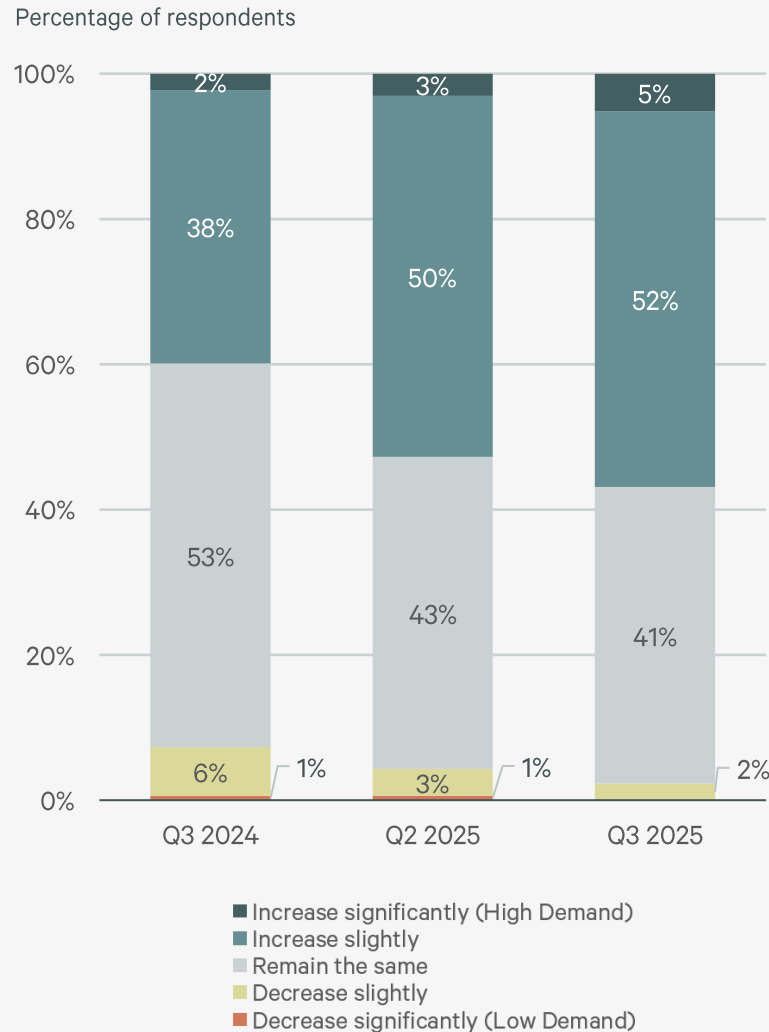
“The Northern Beaches property market is turning a corner. Buyer sentiment is slightly improving.” – Sydney Northern Beaches, NSW.

“We might be at the start of an uplift. Some single fronted homes are at similar levels of value that they were at the end of the 2017 boom so it could be argued that this market is under-valued and ready to move.” – North West Melbourne, VIC.

“Properties (the few for sale) remain on the market for longer, and agents are reporting buyers’ purchasing capacity is reaching a price ceiling.” – North East Perth, WA.

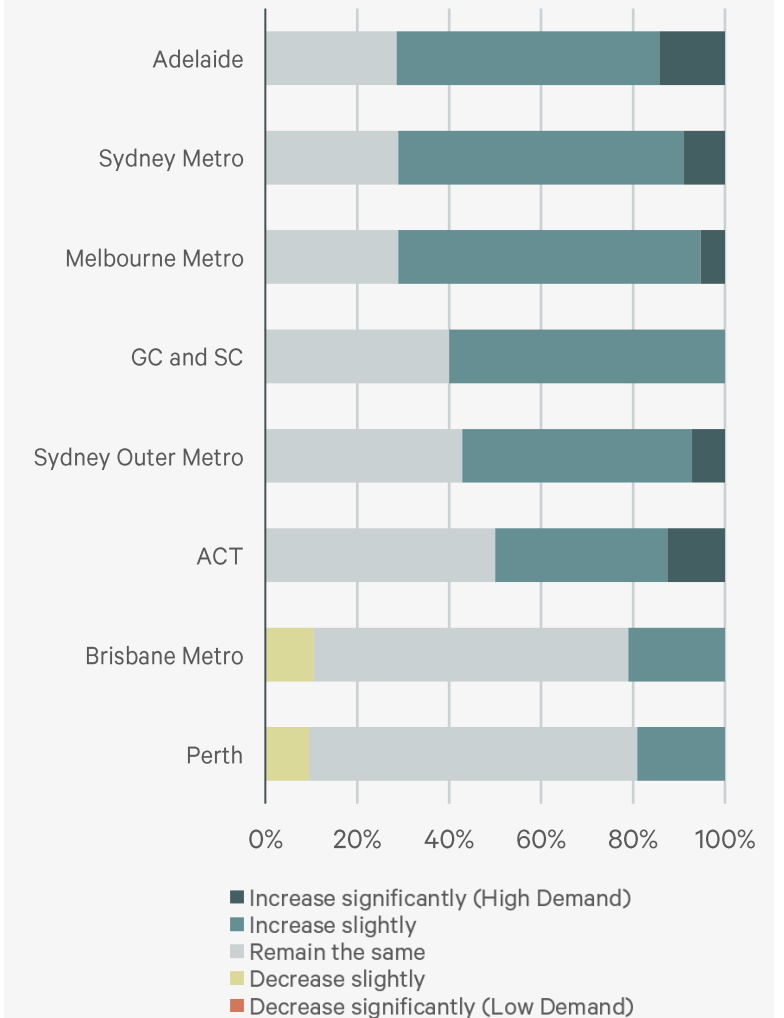
Note: Survey was conducted prior to the RBA’s interest rate decision on 12th August 2025.

Figure 11: Demand in local markets in the next 12 months, Australia wide.



Note: percentages may exceed 100% due to rounding.

Figure 12: A closer look at Q3 2025 expectations for demand in the different markets.



Future supply (listings)

Supply expectations are stable compared to both last quarter and last year. A majority of Valuers (53%) anticipate an increase in listings in their local markets, consistent with the previous quarter (55%) and previous year (54%). 40% predict stable supply. 7% expect listings to decline, also in line with last quarter and 6% last year. Increased supply is expected in Melbourne Metro, Sydney Outer Metro, and Sydney Metro.

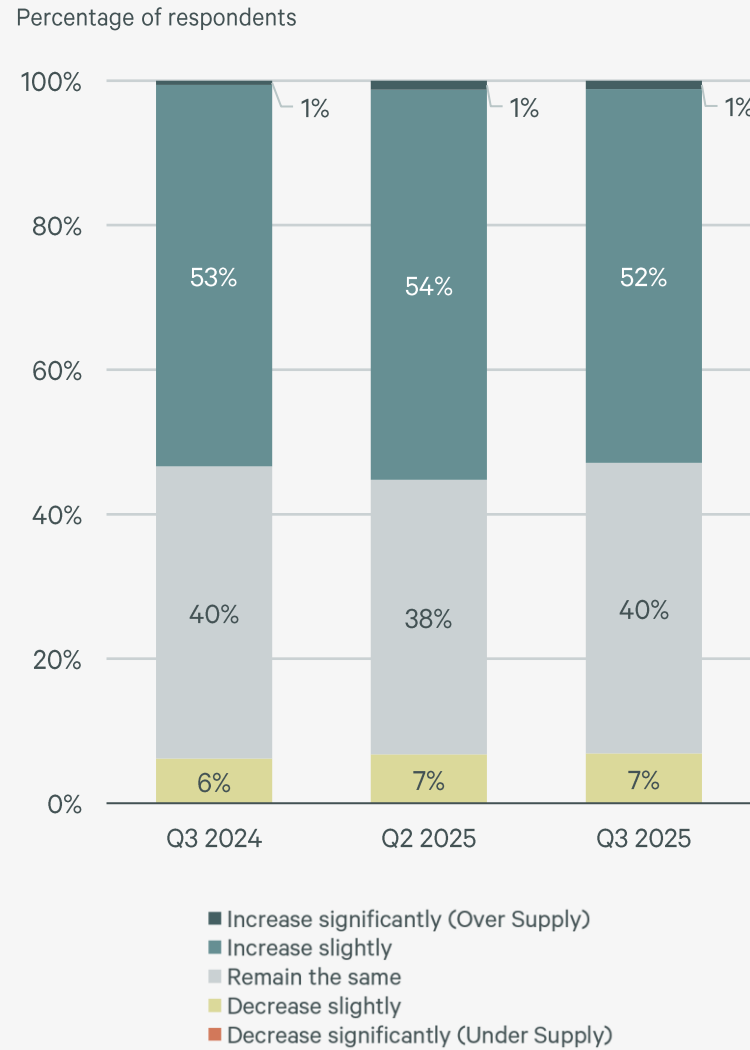
“Over the winter break, listings have been reduced with many local agents and buyers away on holidays.” – Sydney Eastern Suburbs, NSW.

“There are fewer properties on the market compared to last year, hence a lack of quality stock and in-demand locations. This has a trickle-down effect on the potential buyers who are happy to wait for the right property.” – South East Melbourne, VIC.

“Some investors are offloading properties that have been held for more than 3 years although not in large numbers. A number of new stages within subdivisions are planned and being launched in phases.” – South West Perth, WA.

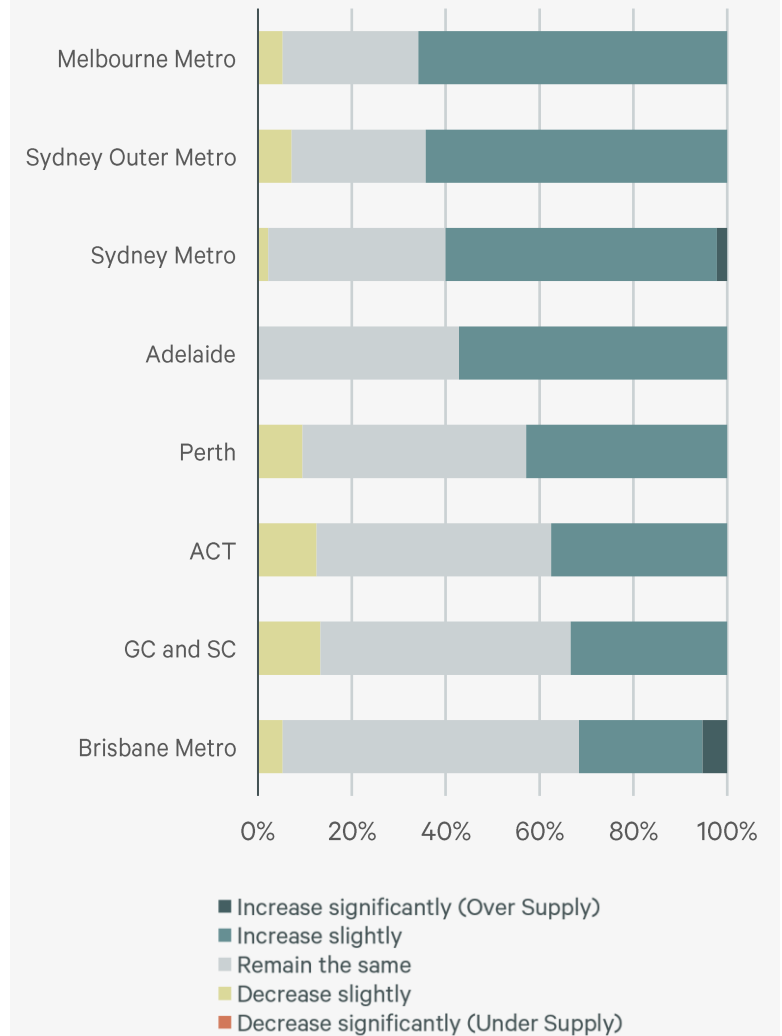
“Many sellers are waiting for the Spring market prior to listing their properties resulting in low stock volume.” – Sydney Eastern Suburbs, NSW.

Figure 13: Supply in local markets in the next 12 months, Australia wide.



Note: percentages may exceed 100% due to rounding.

Figure 14: A closer look at Q3 2025 expectations for supply in the different markets.



Survey Profile

The CBRE Research Q3 2025 Residential Valuations Property Market Survey was conducted in early–August of 2025 (prior to the RBA’s interest rate decision on 12th August 2025). A total of 174 responses were received. Valuer locations:

NSW

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

VIC

- Melbourne Metro
 - Melbourne

QLD

- Brisbane Metro
 - Brisbane
- Gold Coast
- Sunshine Coast

TAS

- Hobart

WA

- Perth

SA

- Adelaide

ACT

- Canberra
- Queanbeyan NSW
- Goulburn NSW
- Yass NSW



Contacts

Australia Research

Sameer Chopra

Head of Research, Pacific & ESG Asia Pacific
Sameer.Chopra@cbre.com

Craig Godber

Director, Head of Residential and BTR
Research
Craig.Godber@cbre.com

Izzy O'Hara

Senior Analyst
Izzy.Ohara@cbre.com

Valuations

Kat Hale

National Director, Australia
Kat.Hale@cbre.com.au

Tim Frazer

National Director, Quality & Risk Management
Tim.Frazer@cbre.com.au

Duncan Guthrie

Senior Managing Director, Pacific
Duncan.Guthrie@cbre.com.au

© Copyright 2025. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.