

CBRE

Intelligent Investment

# Residential Valuer Insights Q2 2026

REPORT

CBRE RESEARCH  
JUNE 2026



# Executive Summary

CBRE's Q2 2026 Residential Valuer Insights survey received 165 responses from CBRE Valuers around Australia. In this release we examine the latest insights relative to last quarter, as well as making comparisons to Q2 2024 and Q2 2025. It also explores expected impacts following the Federal Budget CGT and Negative Gearing announcements on 12<sup>th</sup> May 2026.

## Demand moderates amid market uncertainty

Just under a third of Valuers reported 'strong' to 'very strong' demand this quarter, down from 54% last quarter and aligning with 28% this time last year. Demand to purchase is strongest in Adelaide and Perth, with softer demand evident in Sydney Outer Metro and Canberra.

## First home buyers/Upgraders

First home buyers, upgraders, and local investors were again the most active buyer types this quarter. There has been a slight dip in down-sizer activity compared to last year, and a decrease in local investor activity compared to last quarter.

## New houses/Established houses

Valuers reported increased demand for new houses this quarter. Demand for established houses remained solid, though fewer Valuers reported an increase in Q2 2026. Softer conditions prevail for unrenovated properties and properties in secondary locations.

## Future demand

Valuers' expectations for demand has softened this quarter, with most Valuers (46%) expecting demand to remain the same in their local markets over the next 12 months, and a further 39% expecting demand to decrease. The strongest demand is expected in Perth and Adelaide.

## House values next 12 months

Price expectations shifted this quarter. 29% of Valuers expect house prices to increase, down from 70% last quarter. Meanwhile, 41% anticipate price declines, up from 2% last quarter, with most expecting falls of less than 5%. The highest growth is expected in Adelaide and Perth.

## Apartment values next 12 months

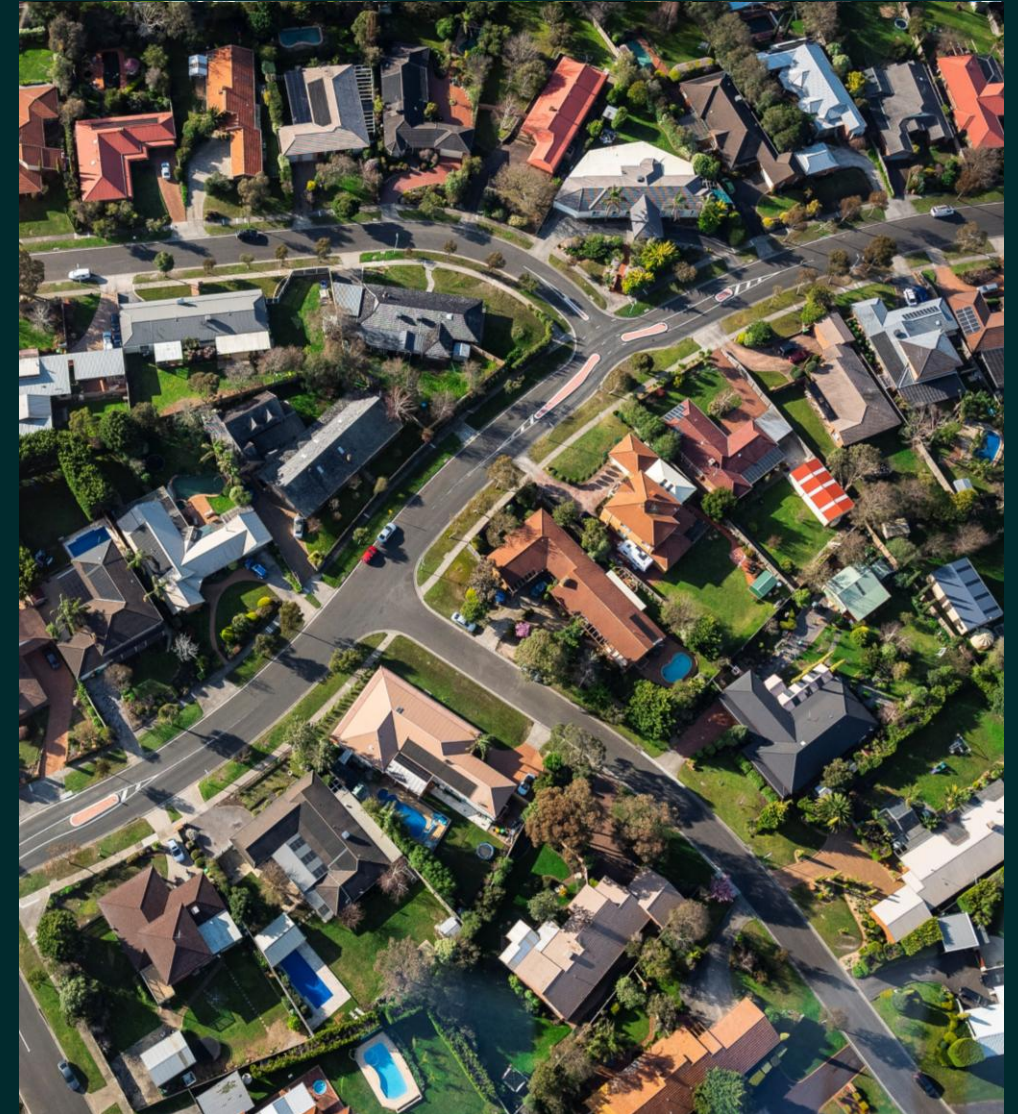
28% of Valuers expect an increase in apartment values in the next year, while 31% of Valuers expect prices to remain stable. The highest growth is anticipated in Adelaide, the Gold and Sunshine Coasts, and Brisbane Metro.

## Vacant land values next 12 months

35% of Valuers expect vacant land values to increase over the next 12 months, down from 68% last quarter and 54% last year. 40% of Valuers expect prices to remain stable. The most growth is expected in Adelaide, Perth, and Brisbane Metro.

## Future supply (listings)

Half of CBRE's Valuers expect supply to increase over the next 12 months in their local markets, compared to 46% last quarter. 41% predict listing levels to remain the same. Increased supply is expected in Canberra, Sydney Outer Metro, and Perth.



# Federal Budget

Each quarter, our CBRE Residential Valuers respond to a topical question and share observations from their local markets. Following the announcement of the Federal Budget on 12<sup>th</sup> May 2026, Valuers were asked to identify the key influences on residential market performance over the next 12 months, including the expected impact of proposed changes to Capital Gains Tax (CGT) and Negative Gearing on prices, new development, and rents.

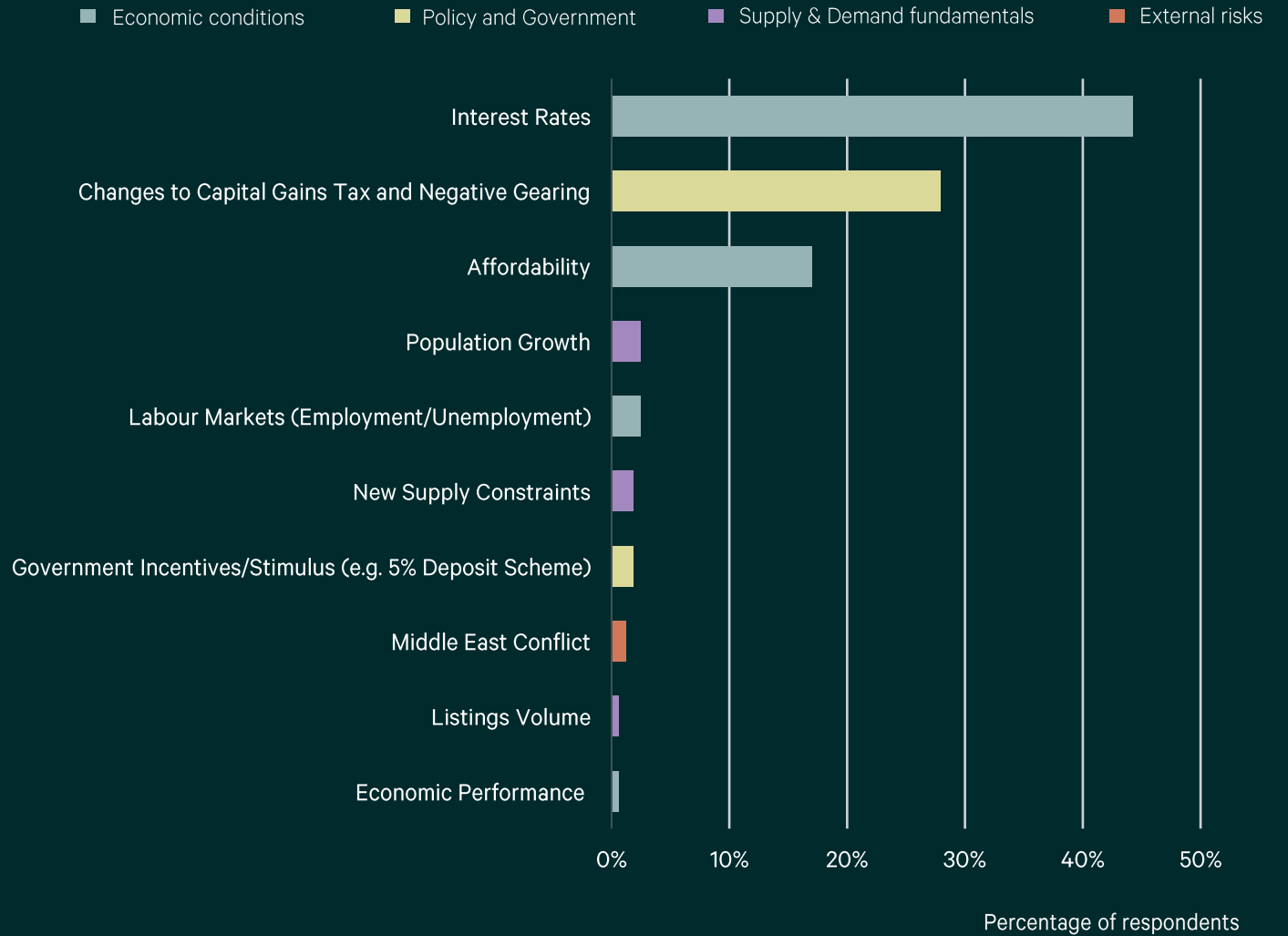
Valuers anticipate that interest rates will be the most significant driver of residential market performance over the year ahead, followed by the proposed tax changes. 44% of Valuers expect interest rates to be the primary influence, while 28% expect the biggest influence to be changes to CGT and Negative Gearing. A further 17% expect affordability to be a major factor shaping market conditions.

Across most major markets, including Sydney Metro, Melbourne Metro, Brisbane Metro, and the Gold and Sunshine Coasts, interest rates are expected to be the primary influence on residential market performance over the next 12 months. In smaller cities such as Adelaide and Perth, as well as outer metro regions like Sydney Outer Metro, changes to CGT and Negative Gearing are expected to be a key driver, alongside, or in some cases as significant as, interest rates.

“The residential market on the Gold Coast is on an upward trajectory and will likely continue despite these CGT and Negative Gearing changes. Rents will likely increase in the longer term to recover some investment returns.” – Gold Coast, QLD.

“Although new developments may receive exemptions from some of these Federal Budget changes, significant short-term impacts are not expected due to current economic challenges such as high construction costs, cost-of-living pressures, and weaker market conditions.” – West Melbourne, VIC.

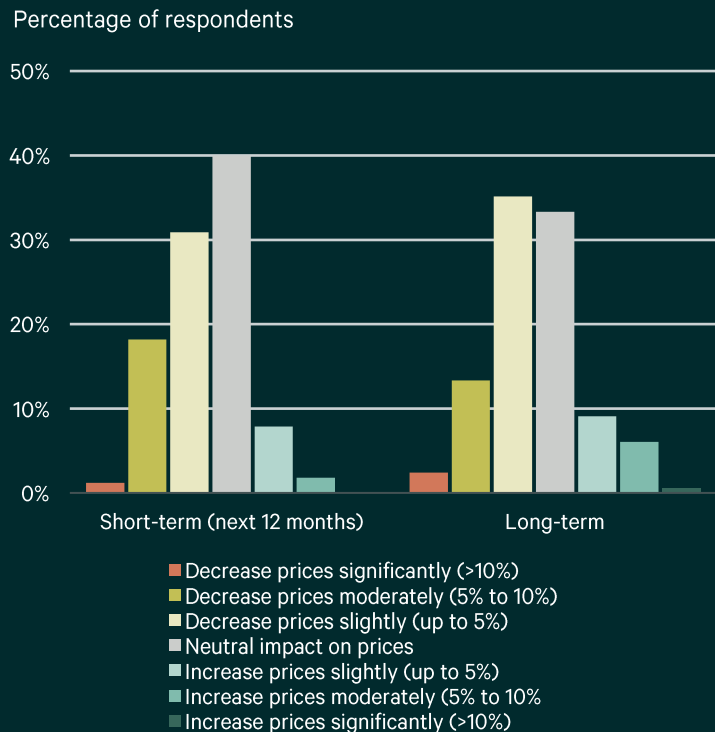
Figure 1: Biggest influence on residential market performance in the next 12 months, Australia wide.



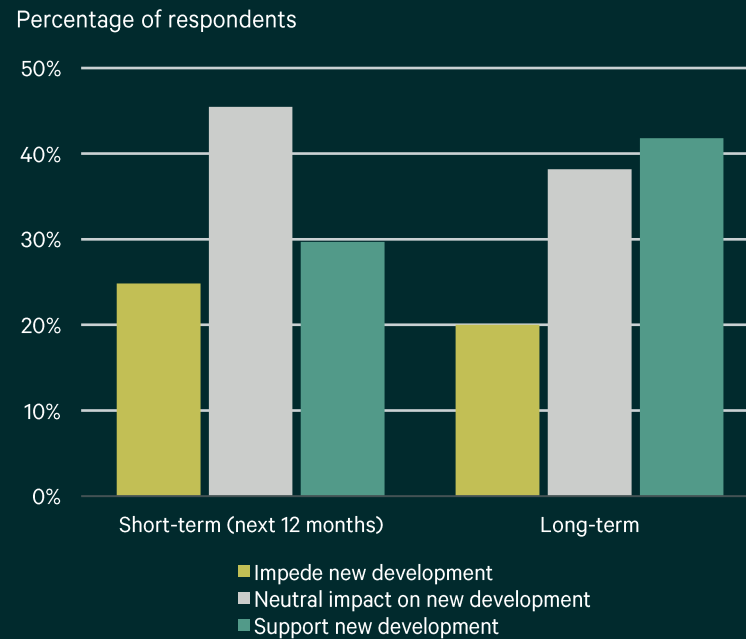
# Capital Gains Tax (CGT)

In the short-term (over the next 12 months), the majority of Valuers (50%) expect changes to Capital Gains Tax to put downward pressure on prices, while 40% anticipate a neutral impact. Over the longer term, 51% of Valuers expect prices to decrease as a result, with 35% of Valuers expecting prices to fall by less than 5%. A further 33% expect a neutral impact. In relation to new development, 45% of Valuers expect the short-term impact of CGT changes to be neutral. However, over the long-term, 42% believe these changes will support new development activity. Valuers anticipate upward pressure on rents in both the short and long-term as a result of the proposed changes to CGT. In the next 12 months, 63% expect rents to increase, with most forecasting growth of up to 5%. Over the longer term, 72% of Valuers expect rents to rise.

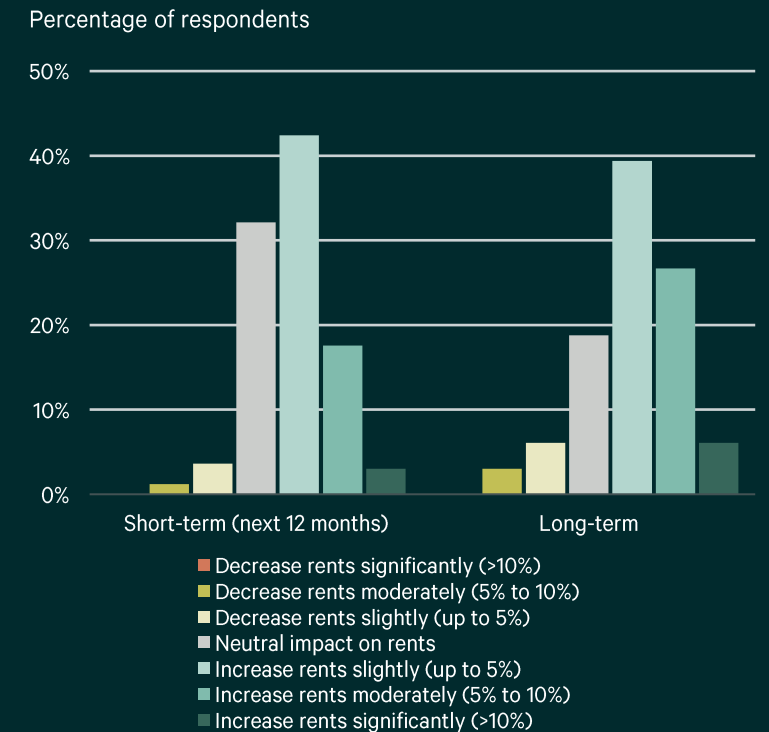
**Figure 2: CGT expected impact on Prices**



**Figure 3: CGT expected impact on New Development**



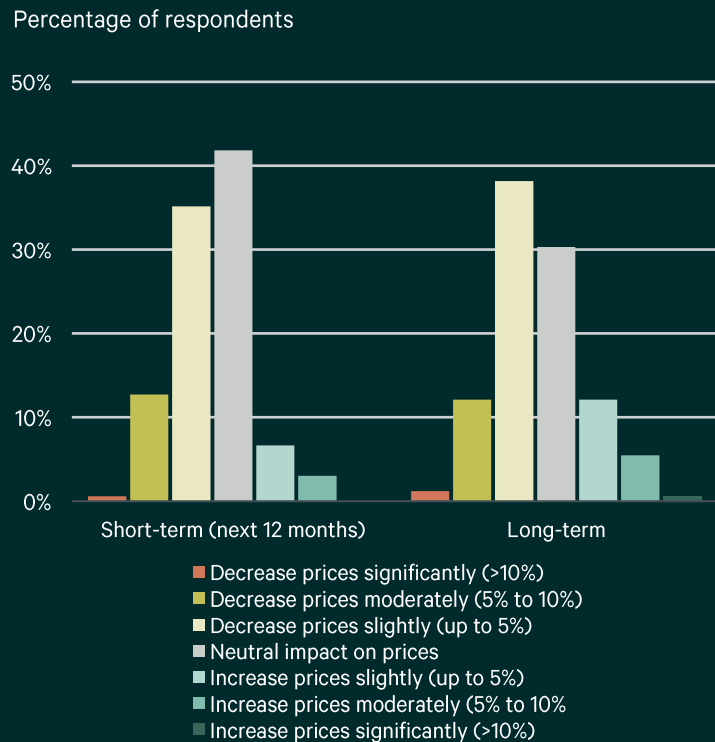
**Figure 4: CGT expected impact on Rents**



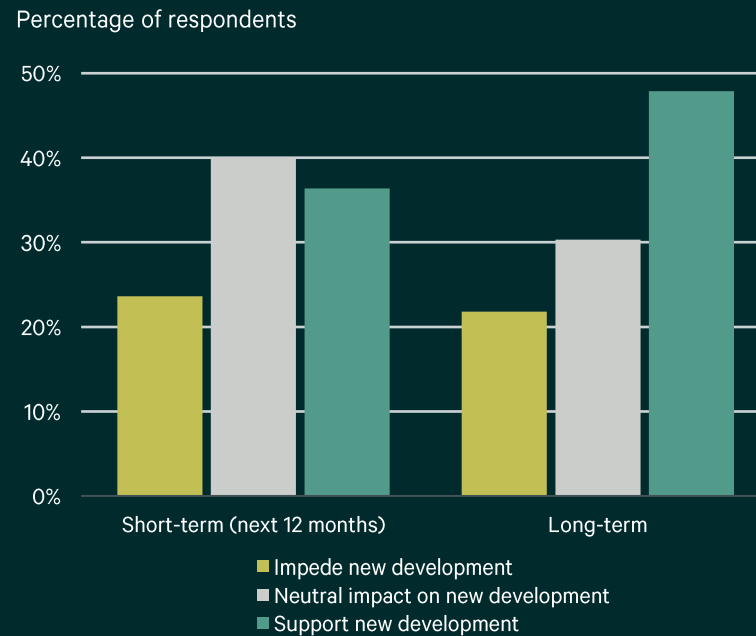
# Negative Gearing

Overall, most Valuers expect changes to Negative Gearing to place downward pressure on prices in both the short and long-term, with 48% and 52% anticipating declines respectively. The majority of Valuers expect a slight decline in prices (up to 5%). 42% of Valuers expect changes to Negative Gearing to have a neutral impact on prices in the short-term. Looking at expectations for new development, 48% of Valuers expect these changes to Negative Gearing to support new development in the long-term, although in the short-term, changes are expected to have a more neutral impact. Looking at expectations for rents, 67% anticipate rents will rise over the next 12 months, increasing to 72% of Valuers when asked about the long-term. Most Valuers anticipate rents will increase by less than 5% in the short-term, however in the long-run, 35% of Valuers expect an increase of more than 5%.

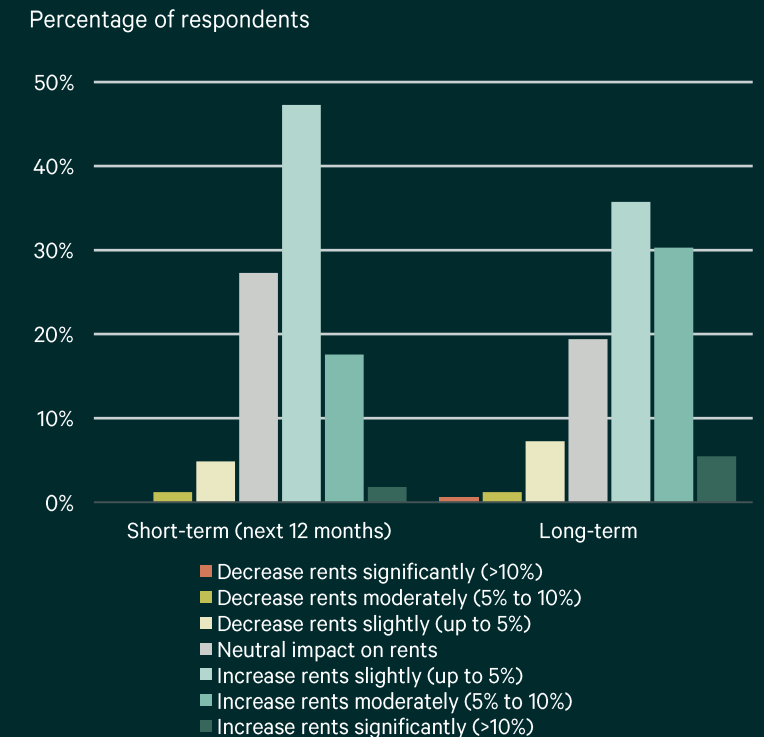
**Figure 5: Negative Gearing expected impact on Prices**



**Figure 6: Negative Gearing expected impact on New Development**



**Figure 7: Negative Gearing expected impact on Rents**



# Recent demand

Demand has moderated since Q1 2026, not unexpected amid high interest rates, proposed tax changes, and ongoing geopolitical uncertainty. In Q2 2026, 30% of Valuers reported ‘strong’ or ‘very strong’ demand, down from 54% last quarter, aligning more closely with Q2 last year (28%). Most Valuers (45%) reported moderate demand in recent months. The percentage of Valuers indicating ‘soft’ or ‘very limited’ demand increased to 24%, the highest Q2 result since the survey’s beginning and above 4% last quarter. Adelaide and Perth exhibited the strongest demand. Sydney Outer Metro and ACT experienced the weakest demand.

“Adelaide’s overall market remains resilient, underpinned by low housing supply, population growth, migration, and affordability relative to eastern-state capitals.” – West Adelaide, SA.

“Demand levels remain strong with a lack of supply still evident.” – North East Perth, WA.

“The market is still considered to be solid however demand has eased over the last six weeks.” – East Brisbane, QLD.

“Investors are taking a more measured approach. However, the North Shore and Upper North Shore benefit from strong fundamentals including limited housing supply, quality schooling, transport infrastructure and enduring owner-occupier appeal.” – North Sydney, NSW.

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

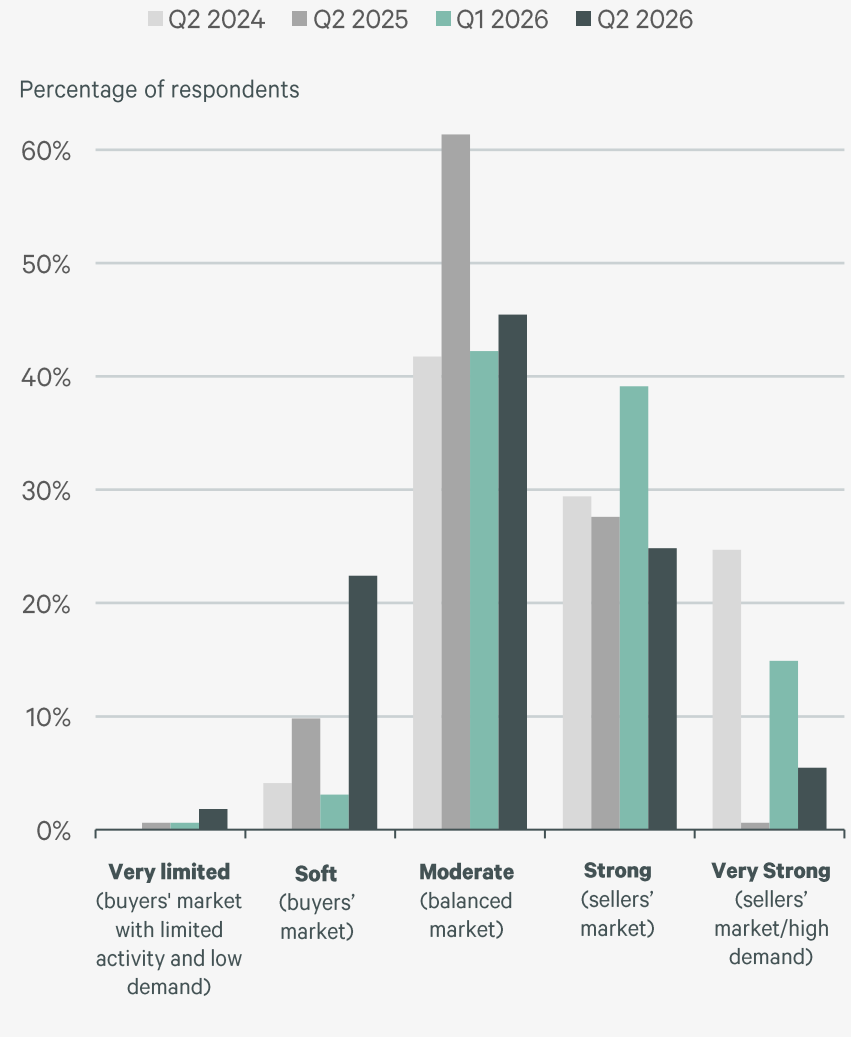
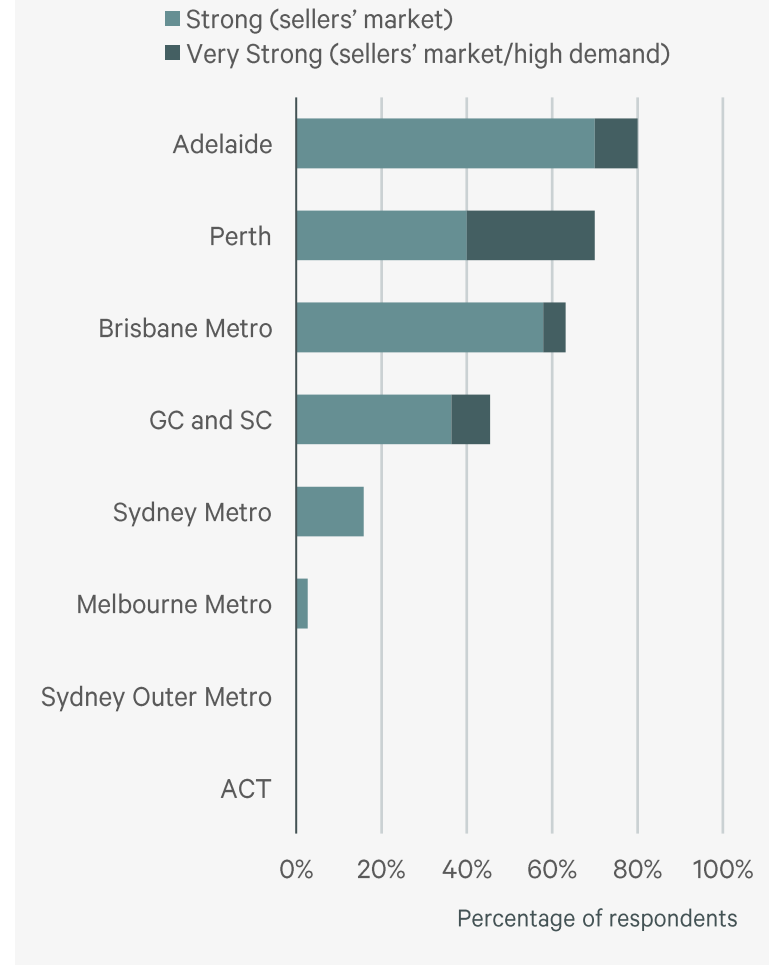


Figure 9: A closer look at responses for Q2 2026 indicating ‘strong’ or ‘very strong’ demand over the past 3 months.



# Active buyers

The top three buyer groups have remained consistent with previous surveys. First home buyers were identified as active by 70% of CBRE Valuers, followed this quarter by upgraders (52%) and local investors (49%). There has been a slight dip in down-sizer activity compared to last year, and a decrease in local investor activity compared to last quarter. Recent overseas migrants and interstate migrants were the least active buyer groups in Q2 2026, consistent with the previous quarter.

First home buyer activity was highest in the Gold and Sunshine Coasts, Canberra, and Melbourne Metro. Upgraders were most active in Sydney Metro, Perth, and Canberra, while local investors were most prevalent in Perth, the Gold and Sunshine Coasts, and Brisbane Metro.

“The first home buyer market is still strong however multiple interest rate rises has taken some steam out of this sector.” – Gold Coast, QLD.

“The local market has shown early signs of a decline in both investor and first home buyer activity, along with a general decrease in market confidence.” – Hunter, NSW.

“The local market is influenced by recent overseas migrants and overseas investors looking to get into the outer metro suburbs.” – South West Perth, WA.

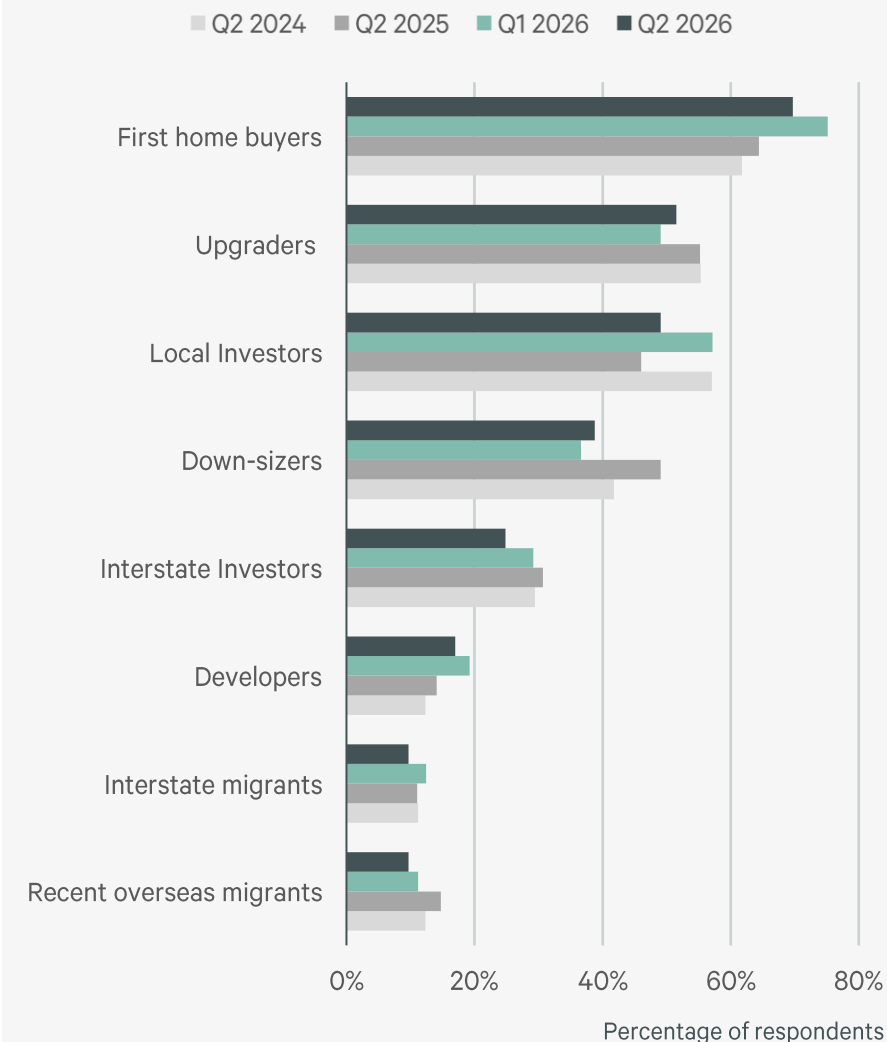
“Less investors and more local home buyers have been active in the market. This includes first home buyers, as well as down-sizers and upgraders.” – Gold Coast, QLD.

“The investment market remains strong due to entry-level pricing and solid rental income. In the owner-occupier market, price levels enable first home buyers to enter, while other areas support those looking to upgrade.” – Liverpool, NSW.

“There has been an increase in interstate investors purchasing off the plan, land/build packages within new land estates, which is being driven by SMSF’s.” – Geelong, VIC.

“Renovated homes and character prestige homes remain in demand. The developer market appears to be moving again.” – Adelaide Hills, SA.

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

In Q2 2026, Valuers reported increased demand for new houses at 44%, up from 34% last quarter and in line with this time last year. Demand for established houses remained solid, though fewer Valuers reported an increase (43%, down from 59%), while those noting a decline rose to 25% (from 11%). Demand for vacant land remained steady, with 36% reporting increased demand. 36% of Valuers also reported increased demand for recently renovated properties. Unrenovated properties and properties in secondary locations experienced the largest decrease in demand, consistent with last quarter and last year. More Valuers also reported weakening demand for prestige homes (28%, up from 16%).

“Development sites and vacant land will be the beneficiaries of the changes to CGT and Negative Gearing, therefore increasing the demand for these types of properties. New dwellings will be sold at a premium.” – North East Melbourne, VIC.

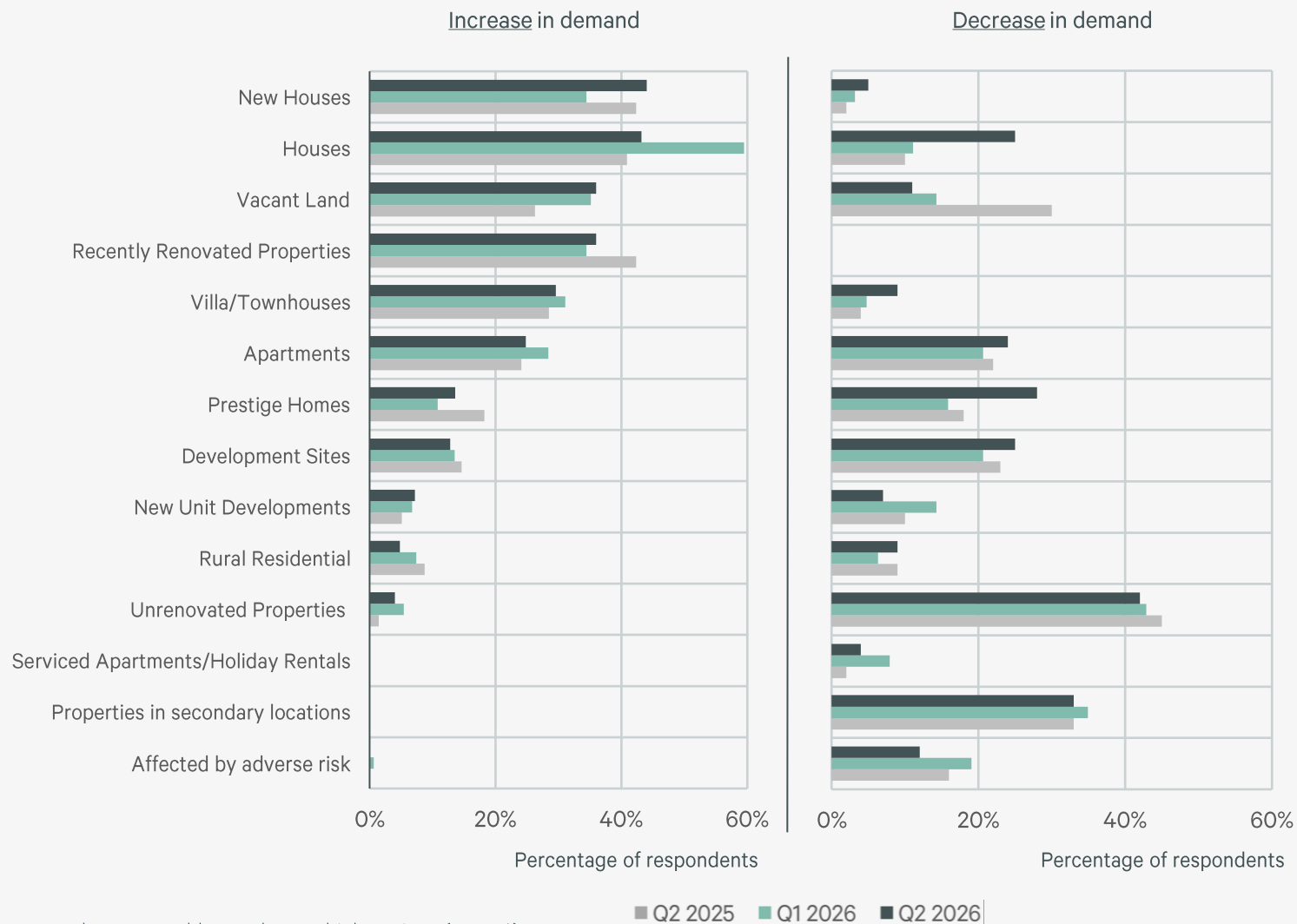
“Demand remains strong, particularly for two and three-bedroom apartments, renovated houses, and vacant land.” – Hornsby, NSW.

“Weaker conditions have been noted within the holiday rental and serviced apartment sectors.” – Central Coast, NSW.

“Anything unrenovated or needing work will not sell easily unless heavily discounted” – Inner East Melbourne, VIC.

“Well-presented properties in desirable locations continue to attract reasonable buyer interest.” – Barossa, SA.

**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)

■ Q2 2025 ■ Q1 2026 ■ Q2 2026

# House values

Price expectations across all property types shifted notably this quarter. Just 29% of Valuers expect house prices to rise over the next 12 months, down from 70% last quarter and below 74% and 70% in Q2 2025 and Q2 2024. Meanwhile, 41% anticipate price declines, a significant increase from 2% last quarter and 4% a year ago, with most expecting a decline of less than 5%. A further 30% expect values to remain stable. Growth expectations are strongest in Adelaide and Perth, while Valuers in Sydney and Melbourne anticipate stable conditions, and those in Canberra expect prices to decline.

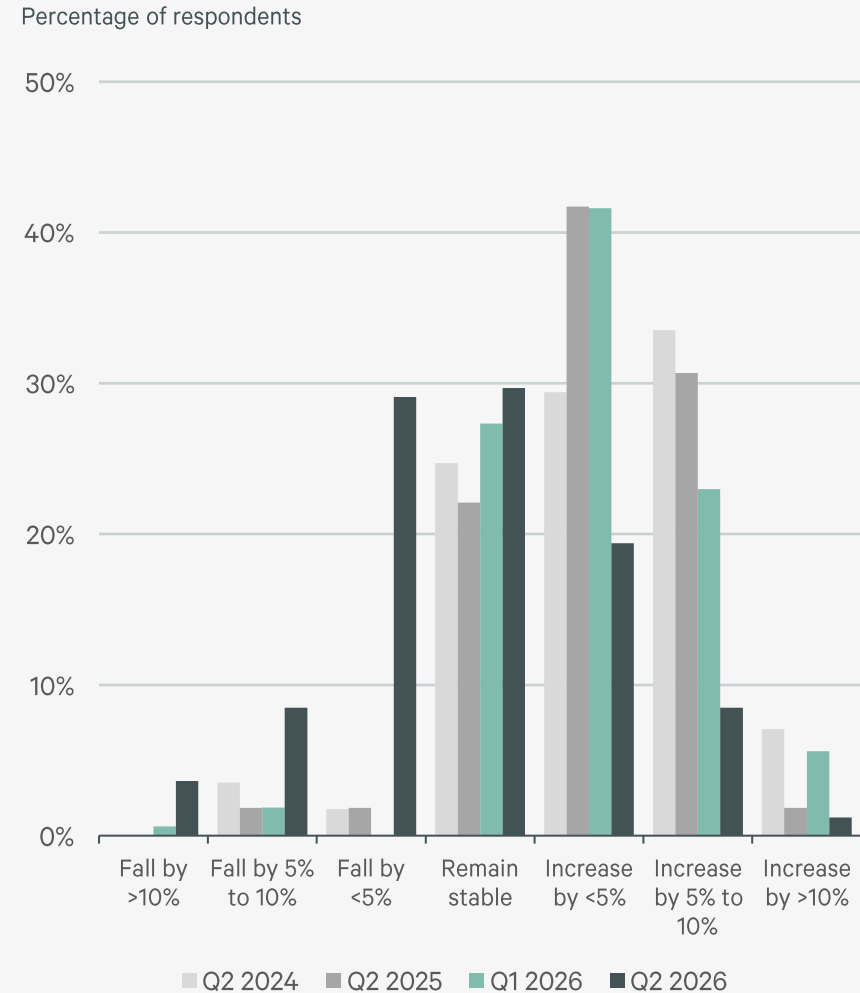
“The mid-to-upper market in this region has seen prices decrease by approximately 5-10% since November 2025.” – Blacktown, NSW.

“Agents are reporting that houses are remaining on the market slightly longer than previously however demand remains strong at present.” – South East Perth, WA.

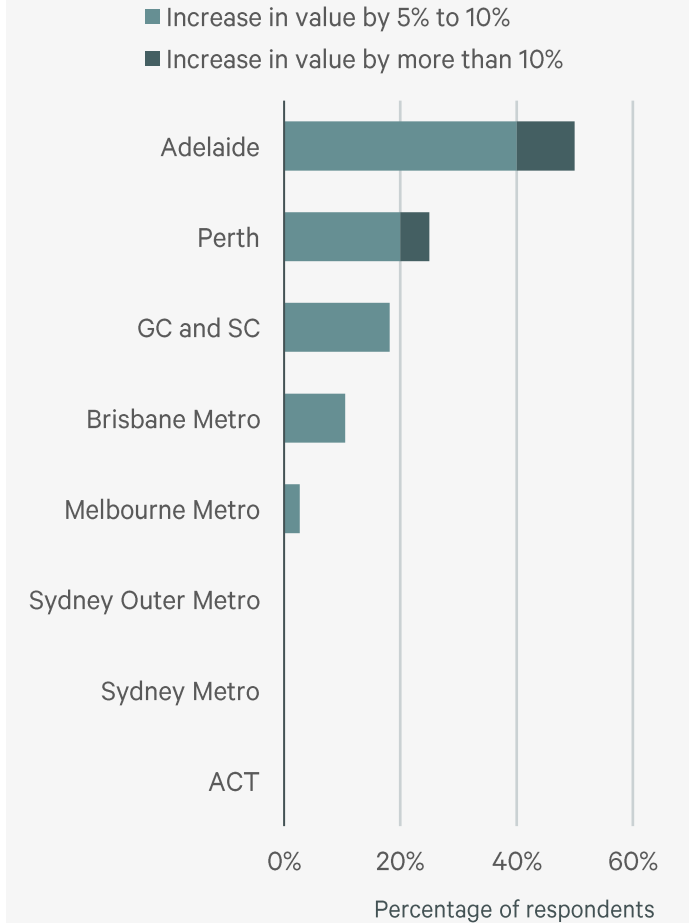
“Agents are reporting that there are less buyers in the market. More rate rises will likely knock all confidence out of the market and we will see decreases in values commence.” – Logan, QLD.

“Overall, the Bayside market is seeing a reduction in values as evidenced by properties that have sold in the last three years and are now reselling at lower prices. Buyers are very cautious and hold the upper hand in the current climate.” – West Melbourne, VIC.

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



**Figure 13: A closer look at responses for Q2 2026 indicating that house values are expected to increase by 5% or more.**



# Apartment values

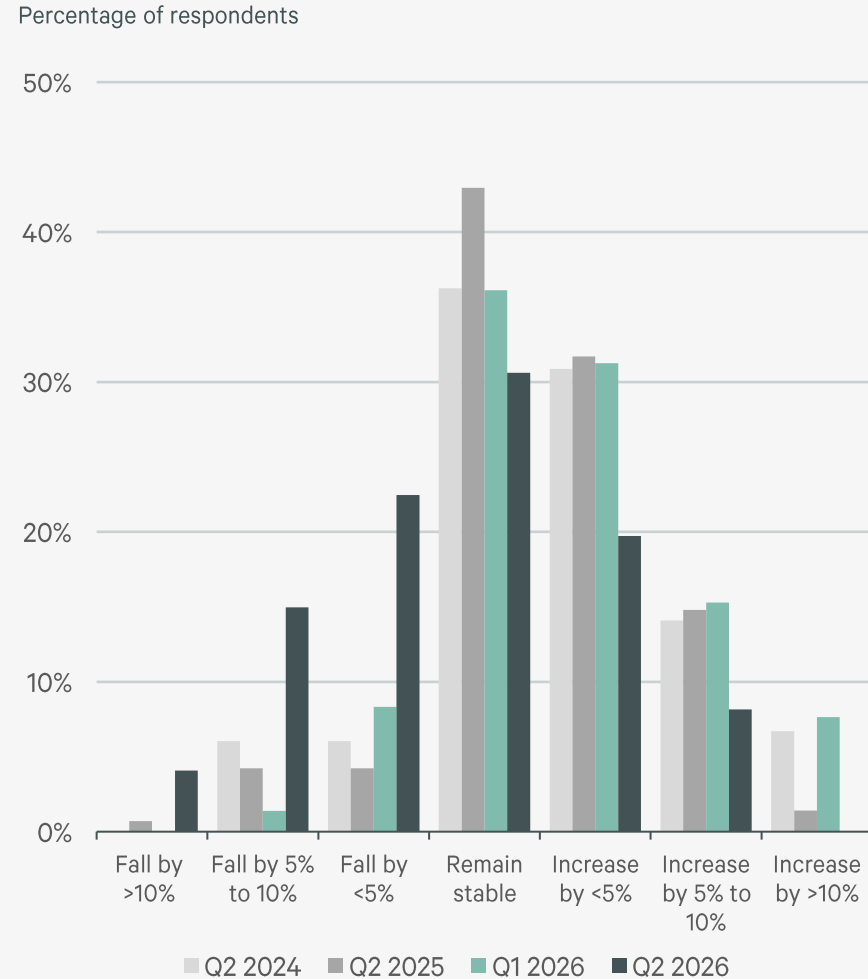
28% of Valuers predict an increase in apartment values over the next 12 months, down from 54% last quarter and below 48% in Q2 2025 and 52% in Q2 2024. 31% expect prices to remain stable, compared to 36% last quarter and 43% a year ago. Meanwhile, 41% of Valuers anticipate declines, up significantly from 10% last quarter, 9% last year, and 12% two years ago. Of those expecting growth, most anticipate prices to increase by less than 5%, while declines are generally expected to be less than 10%. The most growth is expected in Adelaide, the Gold and Sunshine Coasts, and Brisbane Metro.

“There is high demand for sub million-dollar properties. Increase in demand and sale prices has been noted for modern units.” – Sunshine Coast, QLD.

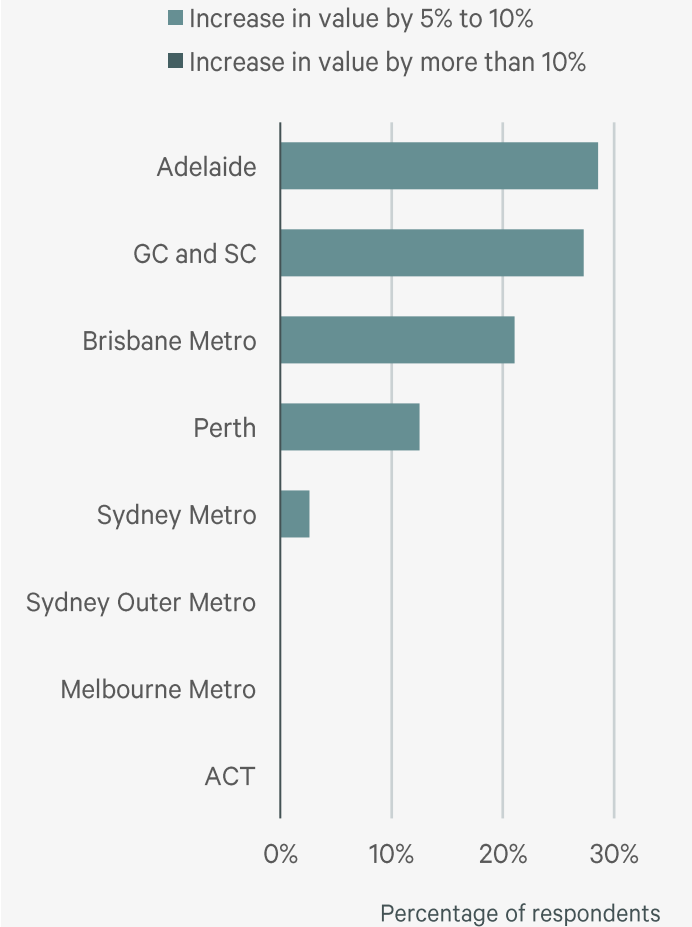
“Older style, three-level walk-up unit complexes and Art Deco units appear to be performing well, with agents reporting balanced demand. Modern and new units are taking slightly longer to sell.” – Eastern Suburbs, NSW.

“There is a noticeable increase in investor-grade apartment stock entering the market, with widespread discounting on asking prices to attract home buyers, as activity is now largely driven by owner-occupiers.” – Canberra, ACT.

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



**Figure 15: A closer look at responses for Q2 2026 indicating that apartment values are expected to increase by 5% or more.**



# Vacant land values

35% of Valuers expect vacant land values to increase over the next 12 months, down from 68% last quarter, and 54% this time last year. The majority of Valuers (40%) expect values to remain stable, up from 29% last quarter. 25% of Valuers expect values to decline, an increase from the previous quarter (4%) and the previous year (9%). As in Q1 2026, the most growth is anticipated in Adelaide, Perth, and Brisbane Metro, with 60% of Adelaide Valuers, and roughly a quarter of Perth and Brisbane Metro Valuers expecting price growth of more than 5%.

“We are seeing growth in vacant land prices. This is believed to be related to an increase in confidence in the construction sector.” – East Brisbane, QLD.

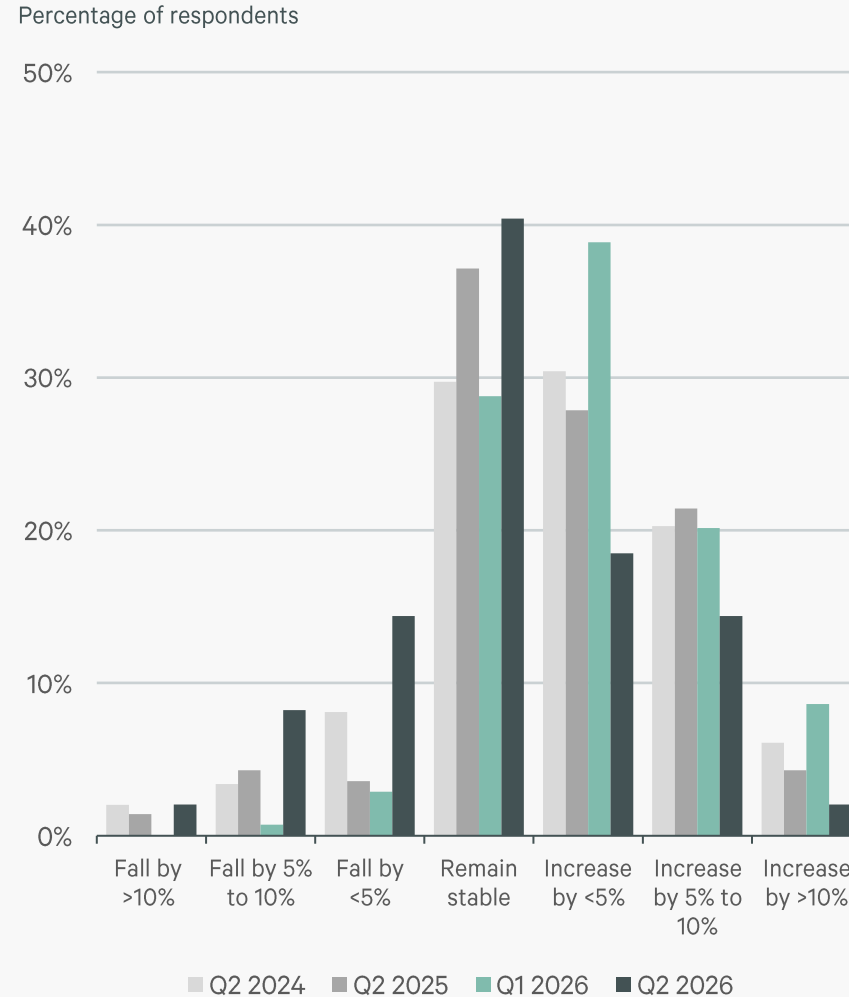
“Vacant land supply is slow to come to market, pushing land prices up.” – South West Perth, WA.

“Demand for vacant land has softened as rising construction and building material costs continue to impact new home feasibility.” – Inner Melbourne, VIC.

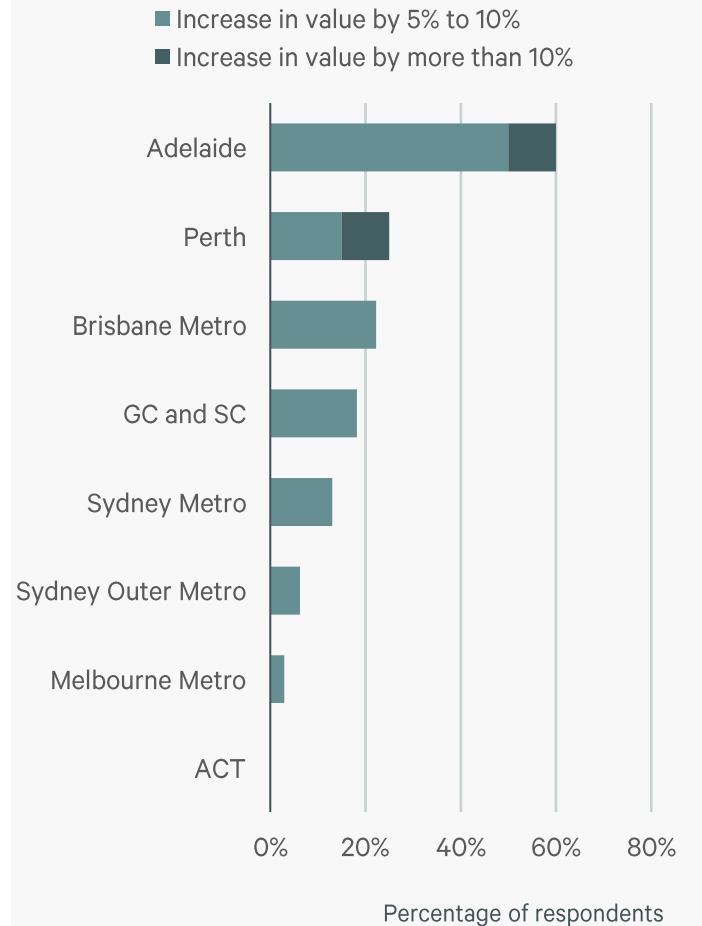
“Vacant land in growth areas is still in high demand, and new dwellings are being constructed at a rapid pace. This is unlikely to change due to the recent Federal Budget announcement.” – Campbelltown, NSW.

“Vacant land demand remains softer, with elevated construction costs making buyers more cautious toward house-and-land packages.” – West Melbourne, VIC.

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



**Figure 17: A closer look at responses for Q2 2026 indicating that vacant land values are expected to increase by 5% or more.**



# Future demand

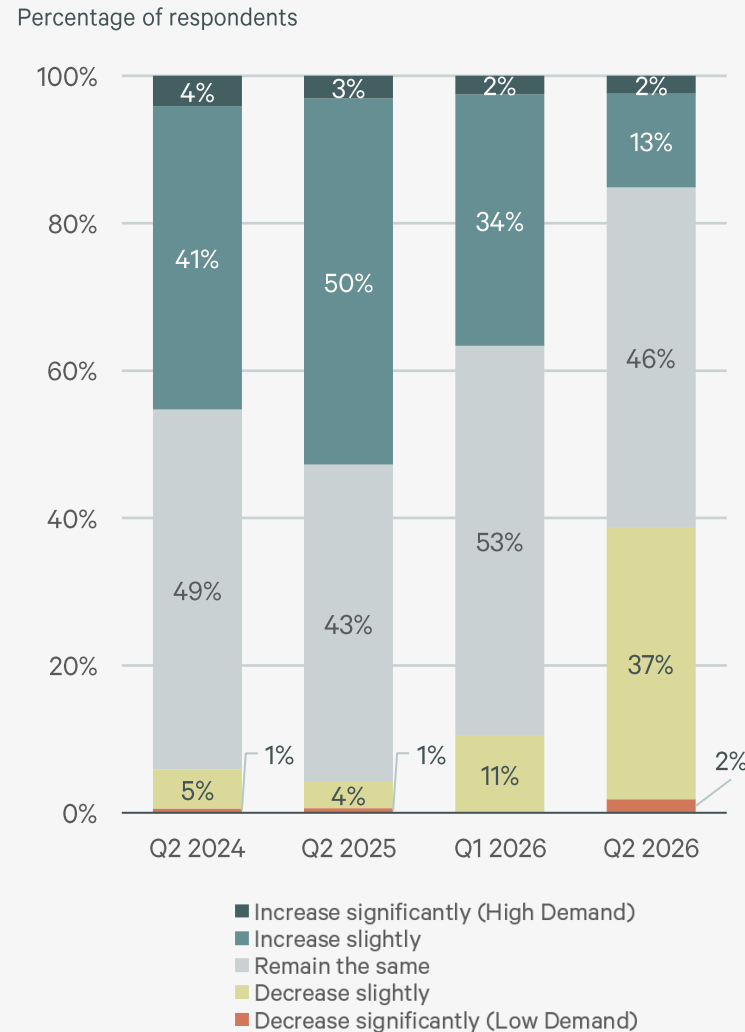
Valuers' expectations for demand has softened this quarter, with most Valuers expecting demand to remain the same in their local markets over the next 12 months. More Valuers, at 39%, expect demand to decrease compared to last quarter (11%), last year (5%), and this time two years ago (6%). Only 15% of Valuers expect demand to increase over the next year, the lowest level since the survey's beginning, and well below 53% in Q2 2025. Perth, Adelaide, and Sydney Outer Metro are expected to see the strongest demand, although even in these markets most Valuers anticipate demand to remain stable or even decrease slightly.

“The announcement relating to the Inland Rail Project has the potential to change market dynamics, with uncertainty now a factor for a number of projects linked to the railway that were expected to drive continued employment growth and strong migration to the region.” – Darling Downs East, QLD.

“In Adelaide’s western suburbs, limited housing supply and continued buyer demand are supporting residential values and rental growth.” – West Adelaide, SA.

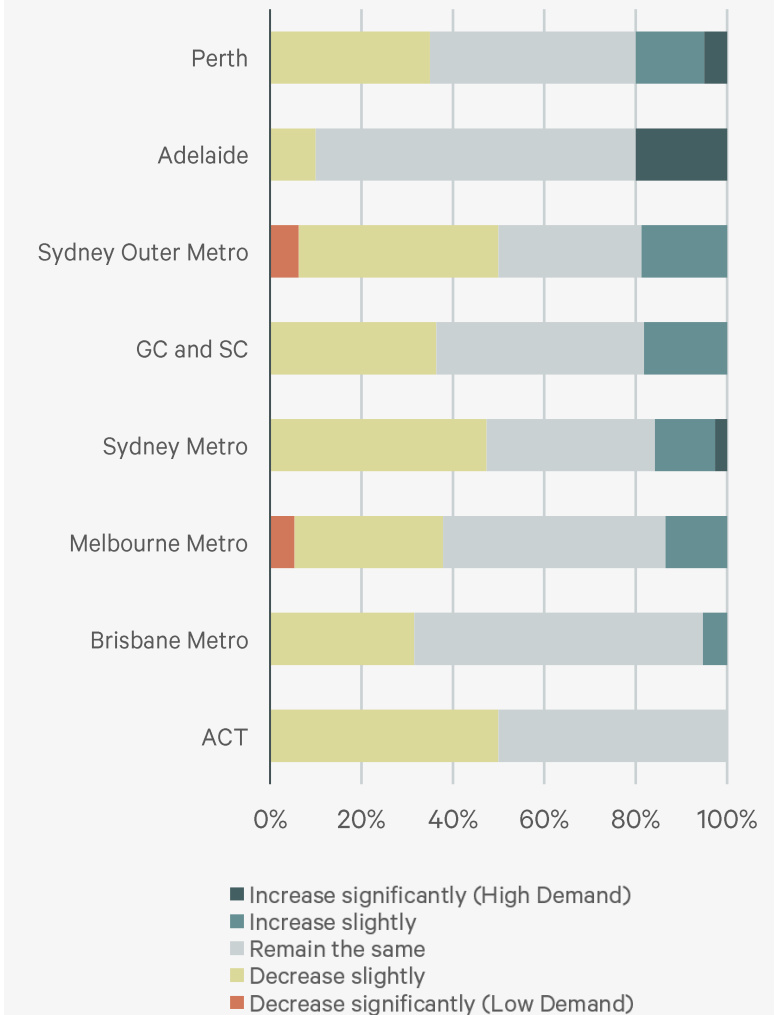
“There has been reduced buyer confidence due to global concerns. Currently, agents have reported a 5% pull back in the market. However, this is expected to stabilise or increase again in the next 12 months.” – Baulkham Hills, NSW.

**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 Q2 2026 expectations for demand in the different markets.**



# Future supply (listings)

More Valuers expect supply (listings) to increase this quarter. 50% of Valuers expect supply to increase over the next 12 months in their local markets, compared to 46% last quarter, but still below 55% this time last year. 41% predict listing levels to remain the same, down from 49% in Q1 2026. 8% expect listings to decline, slightly above last quarter (5%) and in line with Q2 2025 (7%) and Q2 2024 (8%). Increased supply is expected in Canberra, Sydney Outer Metro, and Perth.

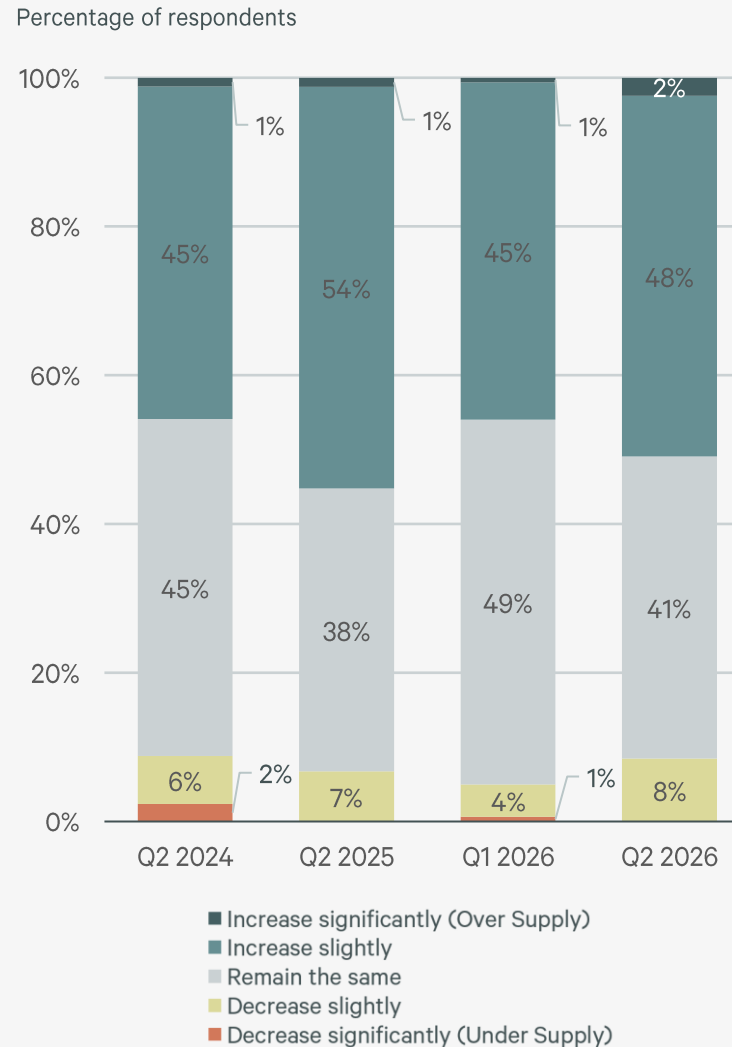
“Listings are increasing with buyers now being more prudent. Marketing periods remain under three months for the majority of sales. Overall, prices are still strong to date.” – Sunshine Coast, QLD.

“Low housing supply in sought-after suburbs like Mosman continues to support strong demand, while planning changes and development opportunities are also influencing how and when properties come to market.” – Hornsby, NSW.

“We have noticed a decrease in demand for housing within the Penrith area, as well as more supply coming onto the market.” – Penrith, NSW.

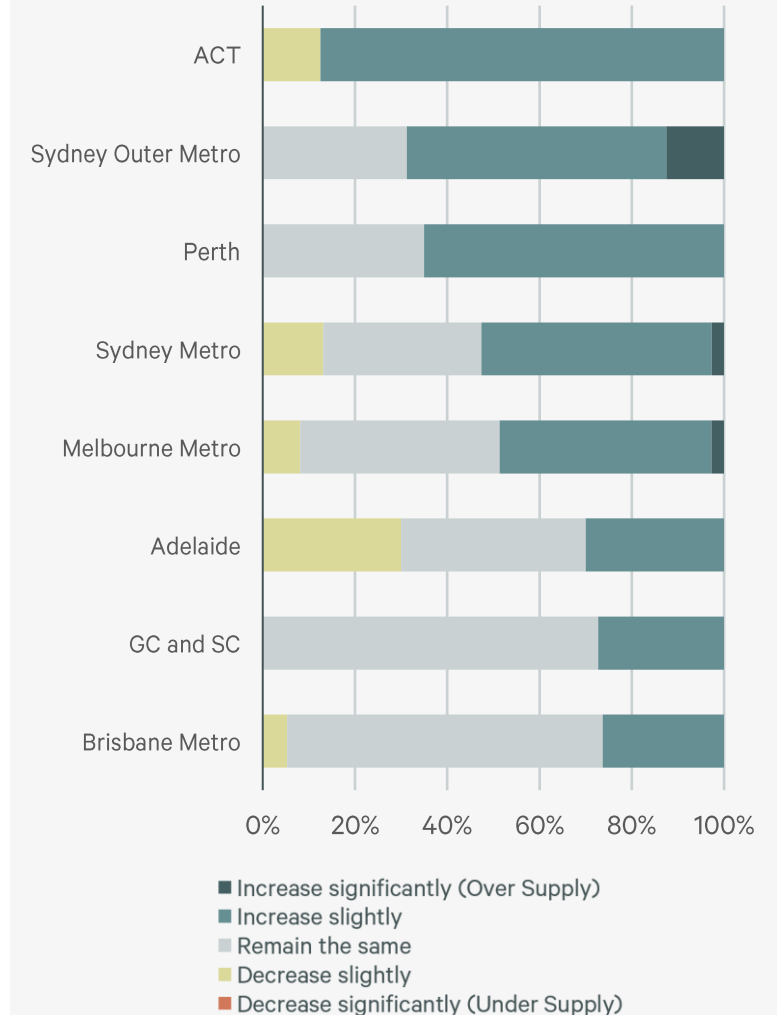
“The lack of skilled labour to build new homes will impact future supply of homes. This will also adversely impact prices for vacant land and development sites, and therefore, long term the availability of new property supply.” – South East Melbourne, VIC.

**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 Q2 2026 expectations for supply in the different markets.**



# Survey Profile

The CBRE Research Q2 2026 Residential Valuations Property Market Survey was conducted in late-May of 2026. A total of 165 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

## QLD

- Brisbane Metro
  - Brisbane
- Gold Coast
- Sunshine Coast

## WA

- Perth

## SA

- Adelaide

## ACT

- Canberra
- Queanbeyan NSW
- Yass NSW
- Goulburn NSW



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