



State of the Nation

The latest insights across the Nations' changing real estate landscape, to help guide your decision-making.

April 2026

THE  AGENCY

Australia's real estate.



Property market

The last month has highlighted how quickly things can change in the economy and as a result, we could see a complete change of trajectory for the residential housing market in Australia.

The Reserve Bank has just delivered back-to-back 25 basis point increases to the cash rate and there is a strong likelihood of another increase when they next meet in May. Furthermore, after May, there are expectations for two additional increases to the cash rate before the end of this year.

These changed conditions are expected to have repercussions for all segments of the housing market and the rental market too.

The Cotality Home Value Index for March 2026 showed that national home values were 0.7 per cent higher over the month but the rate of growth across individual markets continued to diverge significantly.

The quarterly change in home values has varied from falls of 0.6 per cent in Melbourne, a fall of 0.2 per cent in Sydney and growth of just 1.4 per cent in Canberra to increases of as much as 7.3 per cent in Perth, 6.2 per cent in regional Western Australia and a 5.2 per cent increase in regional Tasmania.



The combined regional markets continue to see much stronger increases in home values over the quarter than the combined capital cities with increases of 3.3 per cent and 1.8 per cent respectively.

On an annual basis, home values in Perth (+24.3%), regional Western Australia (+20.4%) and Darwin (+19.7%) have seen the largest increases while Melbourne (+3.4%), Sydney (+4.8%) and Canberra (+6.1%) have recorded the slowest growth rates.

It is noteworthy that although values in Sydney and Melbourne are lower over the month and quarter, they remain higher than they were a year ago, although we expect we will continue to see a deceleration in the annual rate of growth in these cities over the coming months.

The data highlights that the more affordable properties have seen stronger home value growth than more expensive properties. This isn't really a surprise given that first home buyers are receiving significant stimulus, investors are more active and higher interest rates are reducing borrowing capacities driving more buyers towards lower valued properties.



Rental market

Brisbane, Perth and Darwin have seen the strongest value increases over the past year. They have also seen the lowest stock of properties for sale and the largest increases in rents. It's a perfect storm for anyone seeking property in these markets as values are rising quickly, there's very little stock to purchase, and limited opportunities to rent.

According to Cotality, the monthly growth in rents has been steady at 0.7 per cent for each month so far this year, taking rents 2.1 per cent higher so far this year, the same rate of growth as home values have seen.

Rental rates are now 5.7 per cent higher over the past year and not only is this rate of growth well above inflation, it is also the largest annual rate of growth since October 2024.

With rents rising nationally at a rate above inflation, renters are likely to be increasingly limited in their capacity to pay more for a rental property. Landlords should be mindful of this when it's time to discuss lease renewals.







What can we expect from here?

With interest rates already elevated and inflationary pressures expected to increase from here, pushing interest rates higher and keeping them elevated for longer may cause some challenges for the housing market.

Short-term there could be some weakening of demand for housing and lower values similar to what is already being experienced in Sydney and Melbourne. However this will depend on the propensity of homeowners to sell.

While there may be some short-term weakness in established housing values it is important to remember that this is mainly driven by the cost of housing and borrowing capacities. Longer-term there is still insufficient housing and significant demand to purchase homes.

With higher interest rates likely to dampen new housing construction activity as fewer new projects remain feasible, this will exacerbate the overall shortage of housing. As a result, once any short-term weakness in housing values ends, affordability improves, and borrowing costs reduce, we expect further increases in home values due to stronger demand and the persistent undersupply of housing.

Home values are still higher than they were a year ago across most of the country. However, there has been a noticeable slowing of value growth and a softening of auction clearance rates in recent months in our largest capital cities. These cities also have an elevated volume of stock available for sale.



National statistics

State	Monthly dwelling value* (3 months to Mar. 2026)	Annual dwelling value* (12 months to Mar. 2026)	Change in sales volumes* (12 months to Mar. 2026)	Median days on market* (3 months to Mar. 2026)	Annual change in rental rates* (Mar. 2026)
Western Australia	7.3%	24.3%	-5.3%	9 days	6.7%
Northern Territory	3.4%	19.7%	29.2%	47 days	9.2%
Queensland	5.1%	19.0%	-1.7%	19 days	6.7%
New South Wales	-0.2%	4.8%	0.6%	33 days	5.9%
Australian Capital Territory	1.4%	6.1%	9.8%	43 days	2.6%
Victoria	-0.6%	3.4%	9.2%	35 days	4.4%
South Australia	3.6%	11.4%	8.0%	32 days	3.6%
Tasmania	2.5%	7.8%	7.1%	29 days	6.4%

*Cotality April 2026 Monthly Housing Chart Pack. Metropolitan statistics only.

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