

FUTURELAND PROPERTY GROUP

# FLPG Monthly Property Report

## June 2026 Property Market Report

EDITION 07

*Precision, not panic. Australia's market has entered a selective, policy-sensitive and rate-driven phase.*

| National median | Annual growth | 2026 forecast | Vacancy |
|---|---|---|---|
| $940,048 | +9.8% | +1.0% | 1.6% |

Prepared 1 June 2026 | Sources: Cotality, PropTrack, SQM, Westpac, AIHW/ABS, Australian Property Update, Metropole and CBRE.

# Australia's Property Market Is Now Selective, Not Soft

Australia's housing market has shifted from broad-based growth into a more selective cycle. The key June 2026 message is clear: the national market is still supported by tight supply, rental pressure and population demand, but the easy momentum phase is over.

The latest data does not point to a simple crash. It points to fragmentation. Perth, Brisbane, Adelaide and Darwin continue to post strong annual growth, while Sydney and Melbourne are now showing monthly and quarterly weakness. At the same time, tax reform, higher rates and construction feasibility are reshaping investor behaviour.

**Futureland view: The market is not dead. The lazy market is dead.**

The next stage will reward proper acquisition strategy, local market knowledge, income discipline, conservative feasibility and a clear understanding of where demand is deep enough to absorb higher rates and affordability pressure.

## 1. Executive Market Summary

The June 2026 report is based on the latest supplied data released across late May and early June, with most price data reflecting April 2026 results. The most important signal is that different datasets agree on the same direction even where the monthly numbers differ slightly: momentum is slowing and market selection matters more than national averages.

Cotality/NAB data shows national dwelling values rose 0.3% in April, the slowest monthly growth rate since January 2025, with quarterly growth easing to 1.6% and annual growth holding at 9.8%. The national median dwelling value was $940,048. PropTrack, using its own methodology, recorded a national monthly decline of 0.1%, annual growth of 8.5% and a national median of $910,000.

The practical interpretation is simple: the market is not falling apart, but buyer urgency has weakened. Sydney and Melbourne are leading the slowdown, while Perth, Brisbane, Adelaide and Darwin remain the main growth engines. Regional markets are also still outperforming combined capitals on recent momentum.

**Bottom line: June is a selection market. The headline is less important than the suburb, product, price point and buyer depth.**

## 2. Major Data Points Reviewed

### 2.1 National Market Signals

| Metric | Result | Source / Interpretation |
|---|---|---|
| **Cotality national dwelling value movement** | +0.3% monthly / +9.8% annual | Growth positive, but momentum slowing |
| **Cotality national median dwelling value** | $940,048 | Higher than PropTrack due to methodology and index differences |
| **PropTrack national home price movement** | -0.1% monthly / +8.5% annual | First monthly decline signal in supplied PropTrack data |
| **Capital city momentum** | Cotality +0.2% monthly / PropTrack -0.2% | Both show capital city moderation |
| **Regional momentum** | Cotality +0.9% monthly / PropTrack +0.2% | Regional markets continue to outperform |
| **National vacancy rate** | 1.6% | Rental conditions remain tight |
| **Annual rental growth** | +5.7% | Fastest since October 2024 in supplied update |

The difference between Cotality and PropTrack is not a problem. It is a useful reminder that one monthly number should never be treated as the whole market. Both datasets support the same high-level conclusion: growth is uneven, affordability is biting, and capital is rotating toward more affordable and supply-constrained segments.

## 2.2 Capital City Performance - Cotality

| Market | Monthly | Quarterly | Annual | Median dwelling | Annual sales | DOM |
|---|---|---|---|---|---|---|
| **Sydney** | -0.6% | -0.9% | +4.2% | $1.292m | 96,572 | 30 |
| **Melbourne** | -0.6% | -1.5% | +2.0% | $822,969 | 99,644 | 30 |
| **Brisbane** | +1.2% | +4.7% | +19.7% | $1.116m | 50,696 | 18 |
| **Adelaide** | +1.1% | +3.5% | +12.2% | $944,673 | 28,346 | 30 |
| **Perth** | +2.1% | +6.8% | +26.0% | $1.04m | 42,528 | 10 |
| **Hobart** | +0.2% | +2.6% | +8.5% | $744,296 | 4,237 | 23 |
| **Darwin** | +1.3% | +3.0% | +19.6% | $619,351 | 4,397 | 40 |
| **Canberra** | +0.0% | +0.4% | +5.6% | $898,242 | 9,291 | 46 |
| **Regional AUS** | +0.9% | +3.1% | +12.0% | - | - | - |

Perth remains the strongest capital city by a clear margin, followed by Brisbane and Darwin. Adelaide continues to perform strongly, while Hobart and Canberra are more moderate. Sydney and Melbourne have shifted into negative monthly territory, with weakness concentrated in higher-priced segments.

## 2.3 Capital City Performance - PropTrack

| Market | Monthly | Annual | Median value |
|---|---|---|---|
| **National** | -0.1% | +8.5% | $910,000 |
| **Capital Cities** | -0.2% | +7.7% | $1.017m |
| **Regional Areas** | +0.2% | +10.7% | $719,000 |
| **Sydney** | -0.5% | +3.8% | $1.247m |
| **Melbourne** | -0.3% | +1.9% | $853,000 |
| **Brisbane** | +0.2% | +17.5% | $1.078m |
| **Adelaide** | +0.2% | +13.9% | $947,000 |
| **Perth** | +0.2% | +21.5% | $1.024m |
| **Hobart** | +0.3% | +10.5% | $728,000 |
| **Darwin** | +0.1% | +16.9% | $615,000 |
| **ACT** | +0.0% | +4.0% | $878,000 |

PropTrack reinforces the split-cycle theme: Perth, Brisbane, Darwin and Adelaide are still strong on an annual basis, while Sydney and Melbourne are lagging. The national market question is now too broad. The better question is: which city, which submarket, which product and at what price?

# 3. Key Market Drivers

## 3.1 Interest Rates Are Back in Control

The rate environment is again shaping buyer capacity. CBRE reports the official cash rate at 4.35% in May 2026 following three hikes over the prior six months, while lender expectations remain divided on the path ahead. Westpac's housing forecast also assumes a more restrictive rate backdrop, with the cash rate potentially moving toward 4.85% and staying elevated for longer.

Higher rates do not impact every market equally. They hit the most expensive, low-yield and debt-sensitive assets first. This helps explain why Sydney and Melbourne premium segments are cooling faster, while more affordable segments and unit markets remain more resilient.

**Futureland angle: Higher rates do not kill every market. They expose weak assumptions.**

## 3.2 Affordability Is Now the Main Constraint

Affordability pressure is visible across multiple datasets. Lower-priced quartiles are outperforming higher-priced segments across most capital city markets, and unit values are holding up better than houses in several locations. Buyers are not disappearing; they are moving down the price ladder.

- well-located units and townhouses

- dual-income and secondary-income assets

- smaller detached homes in high-demand suburbs

- regional and outer-metro markets with better affordability

- new dwellings where tax settings and rental demand improve the after-tax equation

This supports the core Futureland position: the market now requires sharper product selection, not broad growth assumptions.

## 3.3 Sydney and Melbourne Are the Main Weakness Points

Sydney fell 0.6% over the month and 0.9% over the quarter in the Cotality data, while Melbourne fell 0.6% monthly and 1.5% quarterly. PropTrack also shows Sydney down 0.5% and Melbourne down 0.3% for April. These markets are not broken, but they are more exposed to stretched affordability, higher listings and weaker buyer urgency.

The key nuance is that the weakness is not uniform. Lower quartile values are holding up better than premium housing. This matters because it means the market is not rejecting housing generally; it is rejecting stretched pricing and weak value equations.

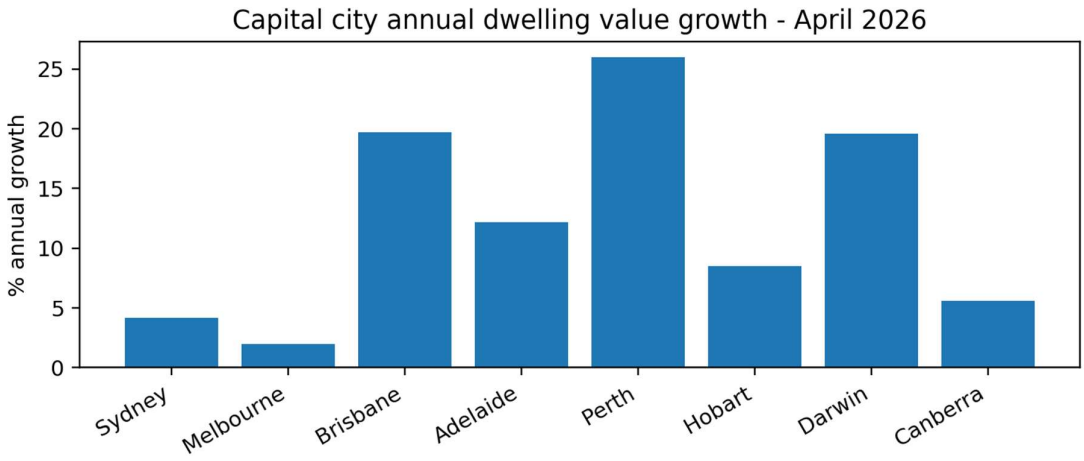
**Futureland angle: Premium markets are not immune. In this cycle, the most expensive stock can be the most fragile.**

## 3.4 Brisbane, Perth, Adelaide and Darwin Still Have Momentum - But Discipline Matters

The outperforming capitals are still the clear growth story. Perth recorded +26.0% annual dwelling growth, Brisbane +19.7%, Darwin +19.6% and Adelaide +12.2% in the Cotality city reports. PropTrack also shows annual strength in Perth (+21.5%), Brisbane (+17.5%), Darwin (+16.9%) and Adelaide (+13.9%).

However, strong recent growth does not automatically make a market low-risk. The stronger the price run, the more important it becomes to test entry price, rental yield, insurance, local wages, infrastructure, vacancy and resale depth.

**Futureland angle: Momentum is useful. Overpaying is not.**




Source: Cotality / supplied capital city market insight reports, April 2026.

## 4. Policy Risk: Tax Reform and Investor Behaviour

Policy risk is the defining new variable in the June data pack. Westpac expects the proposed Federal Budget tax changes to materially affect Australia's housing market by reducing the relative attractiveness of leveraged investment in established housing and increasing the relative appeal of newly built dwellings.

- Capital gains tax treatment is expected to shift from the existing 50% discount toward inflation indexation and a minimum 30% tax rate under the proposed settings.

- Negative gearing on established investment properties is expected to be removed for future purchases, while qualifying new builds retain more favourable treatment.

- Westpac expects new investor activity to fall by around 34% in the near term, with the mix skewing toward newly built dwellings.

- Westpac expects total housing market turnover to decline by around 20%.

- The share of newly built dwellings in investor finance approvals could potentially rise toward 40-50%, compared with around 18% currently.

Australian Property Update also cited modelling suggesting investors buying new properties could receive roughly $248,500 to nearly $280,000 in estimated tax advantage over 10 years compared with established properties under selected assumptions.

**Futureland interpretation: Policy may redirect investor demand. It does not remove the need for proper due diligence.**

New builds may receive stronger buyer interest, but investors still need to check purchase premium, body corporate risk, land value, tenant depth, settlement valuation risk and realistic net yield. A tax benefit can disappear quickly if the property is overpriced.

# 5. Supply, Demand and Construction Feasibility

The long-term support for Australian property remains the structural shortage of housing. Population growth, rental pressure, limited new supply, high construction costs and constrained development feasibility continue to limit the speed at which the market can add completed dwellings.

The AIHW dashboard shows residential building work commenced and completed at elevated dollar values, but the broader data still points to a slow and uneven supply response. Approvals do not equal completed homes. A DA does not house anyone until funding, construction, presales, delivery and settlement occur.

## 5.1 Parking Requirements and the Hidden Cost of Supply

One of the strongest supply-side insights in the June data pack is the cost of mandatory parking. Australian Property Update summarises Grattan Institute research arguing that minimum parking requirements can add between roughly $62,000 and $137,000 to the cost of a typical two-bedroom apartment depending on the city.

The same article reports that abolishing parking minimums could make around 140,000 additional dwellings commercially feasible in Sydney and Melbourne and free about $5.2 billion in construction capacity over five years. This matters because feasibility is not only about planning approval; it is about whether the final product can be delivered at a price buyers can afford.

**Futureland angle: Australia does not just need more approvals. It needs feasible, financeable, buildable stock.**

## 5.2 Lender Caution Is Part of the Supply Constraint

CBRE's H1 2026 Australia Lender Sentiment Survey shows that lender appetite remains positive overall, with 45% of lenders wanting to grow commercial real estate exposure and only 5% intending to reduce their book. However, the same survey identifies elevated construction costs, interest rate uncertainty and feasibility constraints as key concerns.

This creates a supply paradox: housing demand is strong, but development finance is more selective, presale requirements remain important and acquisition/development loan activity is expected to stay subdued. The market needs new dwellings, but the cost and capital stack are still difficult.

# 6. Rental Market and Yield Pressure

Rental conditions remain tight at a national level. Cotality reports rents rose 0.6% in April, lifting annual rental growth to 5.7%, with the national vacancy rate holding at 1.6%. All capital cities recorded vacancy rates below 1.8% in the supplied national update.

The strongest rental yield markets in the supplied city data are Darwin, Hobart and Canberra, while Sydney and Brisbane show more compressed yields due to high purchase prices. Brisbane's city report is especially clear: rents are still rising, but yields are compressed because values have run ahead.

| Market | Median dwelling rent / week | Rental signal |
|---|---|---|
| **Sydney** | $775 | Strong rents but compressed yields due to high values |
| **Melbourne** | $590 | Firm rental conditions, better yield than Sydney |
| **Brisbane** | $680 | Rents rising, but price growth has compressed yields |
| **Adelaide** | $615 | Tight vacancy and steady rental growth |
| **Perth** | $725 | Strong rental growth and very tight vacancy |
| **Hobart** | $590 | Yields remain relatively attractive |
| **Darwin** | $690 | Highest capital city yield profile in the supplied data |
| **Canberra** | $640 | Rental growth modest, yield still comparatively resilient |

**Futureland angle: Yield is no longer optional. Cash flow discipline is back.**

# 7. Asking Prices and Vendor Sentiment

SQM Research asking price data for the week ending 26 May 2026 shows a softer vendor sentiment picture. National combined asking prices were up 0.1% on a rolling monthly basis, but the capital city average was down 0.5%.

| Market | Combined asking price | Rolling monthly change |
|---|---|---|
| **Sydney** | $1.639m | -0.3% |
| **Melbourne** | $1.123m | -1.1% |
| **Brisbane** | $1.279m | -1.0% |
| **Perth** | $1.175m | -0.8% |
| **Adelaide** | $1.034m | -1.7% |
| **Canberra** | $1.012m | +1.4% |
| **Darwin** | $696,466 | +0.3% |
| **Hobart** | $877,009 | +2.1% |
| **National** | $994,869 | +0.1% |
| **Capital city average** | $1.341m | -0.5% |

This supports the practical field observation that vendors are no longer all in control. Strong markets still exist, but buyers have more leverage where stock is sitting, pricing is ambitious or the property sits in a segment affected by affordability constraints.

# 8. Forecast Comparison

## 8.1 Westpac Forecast

| Market | 10-year avg | 2023 | 2024 | 2025 | 2026f | 2027f |
|---|---|---|---|---|---|---|
| **Sydney** | 4.9% | 11.3% | 2.8% | 6.2% | -3% | +2% |
| **Melbourne** | 3.4% | 4.2% | -2.0% | 5.1% | -4% | +5% |
| **Brisbane** | 7.8% | 13.5% | 11.4% | 14.7% | +9% | +3% |
| **Perth** | 6.8% | 16.2% | 18.4% | 16.7% | +13% | +5% |
| **Adelaide** | 7.5% | 8.8% | 13.6% | 8.3% | +7% | +4% |
| **Australia** | 6.9% | -1.8% | 0.6% | 7.4% | +1% | +3% |

Westpac's base case is slower growth and divergence rather than a broad collapse. Sydney and Melbourne are forecast to fall in 2026, while Brisbane, Perth and Adelaide remain positive but moderate from recent boom conditions.

## 8.2 Downside Risk Scenario

The downside case remains a sharper correction if higher rates, unemployment, weak sentiment and supply growth combine. The June data does not prove that scenario, but it does mean investors should stop modelling best-case assumptions as if they are base case.

**Futureland interpretation: The base case is slower growth and market divergence. The risk case is a cyclical correction if rates, unemployment and confidence deteriorate together.**

## 9. City-by-City Strategy View

| Market | Current signal | Strategy view | Main risk |
|---|---|---|---|
| **Sydney** | Monthly and quarterly decline; premium weakness | Tactical only. Seek motivated vendors, unit affordability plays or value-add stock below replacement value. | Low yield, high entry price and rising listings. |
| **Melbourne** | Weak monthly/quarterly growth; lower quartile resilience | Selective recovery market. Focus on affordable family corridors and well-located units with rental depth. | Policy, tax, high stock levels and weak investor sentiment. |
| **Brisbane** | Strong annual growth, tight stock, compressed yields | Still attractive, but buy only where rent, land value and end-buyer depth support the price. | Overpaying after rapid growth; yield compression. |
| **Perth** | National leader with very fast sales and broad growth | High-conviction market, but avoid late-cycle pricing. Prioritise scarcity and affordability. | Momentum risk, valuation catch-up and FOMO buying. |
| **Adelaide** | Resilient growth and tight vacancy | Solid defensive growth market; focus on affordability, infrastructure and rental depth. | Affordability is tightening after strong growth. |
| **Darwin** | Strong yield and annual growth | Best suited to yield-aware investors comfortable with smaller-market liquidity. | Volatility and thinner resale depth. |
| **Canberra** | Stable values and moderate rental growth | Defensive, income-supported market. Look for value rather than momentum. | Slower growth and policy/employment concentration risk. |
| **Hobart** | Moderate growth and attractive yield | Selective income play, especially where rental demand is proven. | Small market size and inconsistent unit demand. |

## 10. Strategy Lens by Buyer Type

| Buyer profile | Best-fit markets | Why it works now | Key risk |
|---|---|---|---|
| **Growth-focused investor** | Perth, Brisbane, Adelaide, selected SEQ and WA corridors | Momentum, population growth and tight supply | Do not overpay after rapid growth |
| **Value / recovery buyer** | Select Sydney and Melbourne submarkets | Softer sentiment may create buying leverage | Avoid low-yield assets with weak demand |
| **Yield / cash-flow investor** | Darwin, Hobart, regional QLD/WA, dual-income assets | Rental demand and affordability support tenant depth | Verify insurance, vacancy and maintenance |
| **New-build investor** | Selected townhouse, house-and-land and completed new apartment stock | Tax reform may redirect demand toward new dwellings | Avoid paying away the tax advantage through inflated pricing |
| **Developer / site buyer** | Infill townhouse, low-rise and boutique coastal sites | Supply shortage supports the right product | Feasibility must survive tougher assumptions |

## 11. Futureland View: What This Means for Buyers

For buyers, this is a better market for discipline than emotion. Softer conditions in Sydney and Melbourne, lower clearance rates and more selective sentiment create room to negotiate. However, not every discount is an opportunity. Some assets are falling because they are overpriced, poorly located, yield-poor, high maintenance, strata-heavy, flood exposed or simply not aligned with current buyer demand.

- Prioritise income, affordability and resale depth.

- Avoid emotional overbidding in markets that have already run hard.

- Stress-test repayments at higher rates.

- Focus on scarcity, land value, infrastructure and tenant depth.

- Negotiate harder where vendor urgency is visible.

- Do not confuse cheaper with good value.

# 12. Futureland View: What This Means for Investors

Investors are entering a more serious phase of the cycle. Higher rates, yield compression and policy uncertainty mean the old strategy of buying anything in a rising market is dangerous. The better approach is to buy risk-adjusted income with upside.

## Best investor opportunities

- high-yield assets with strong employment drivers
- dual-income or secondary-income properties
- affordable houses in land-constrained growth corridors
- value-add properties with renovation or rental uplift
- well-located units where affordability is driving demand
- new-build stock where tax benefits, tenant depth and purchase price all stack up

## Higher-risk acquisitions

- premium houses with low yields
- investor stock with high body corporate fees
- properties dependent purely on capital growth
- suburbs where prices have outpaced wages and rents
- development sites where feasibility only works under aggressive resale assumptions

**Futureland investor message: In 2026, the best investors will not be chasing growth. They will be buying risk-adjusted income with upside.**

# 13. Futureland View: What This Means for Developers

For developers, June 2026 is a mixed environment. Demand for housing remains structurally strong, but feasibility is harder. Higher finance costs, construction cost pressure, presale risk, tax changes and lender caution all matter. The opportunity is not in building more stock. The opportunity is in building the right stock.

## Strongest development opportunities

- boutique infill projects
- townhouse and low-rise apartment projects
- downsizer-friendly stock
- affordable coastal and lifestyle apartments
- projects in high-income, supply-constrained suburbs
- sites with existing approvals that can be optimised
- projects with staged risk and flexible exit strategies

## Weakest development opportunities

- overcapitalised luxury stock in softening premium markets
- projects reliant on speculative capital growth
- large schemes without presale depth
- sites with unresolved infrastructure or parking costs

- projects where construction pricing is not locked

- land bought at peak market assumptions

**Futureland development message: The feasibility model is the truth serum. It may taste terrible, but it saves money.**

# 14. Futureland Insight

The next phase belongs to disciplined buyers. The Australian housing market is not collapsing, but it is no longer forgiving poor decisions. For the past few years, rising prices covered a lot of mistakes. Buyers could overpay, investors could accept weak yields, and developers could rely on growth assumptions to make feasibility models look better than they really were.

That phase is ending. Higher interest rates, stretched affordability, tax uncertainty and weaker sentiment are now testing every assumption. Buyers are more cautious. Lenders are more selective. Investors are watching cash flow more closely. Developers are being forced to sharpen feasibility, product mix and exit pricing.

A more selective market creates opportunity for those who are prepared. It gives disciplined buyers more leverage, exposes overpriced assets and rewards those who can properly assess value before the broader market catches up.

**At Futureland, we believe the best opportunities in 2026 will come from assets that combine three things: genuine demand, limited supply and a clear value equation.**

The easy market is over. The intelligent market has begun.

# 15. Final Takeaways

## What has changed

- National price momentum has weakened.

- Sydney and Melbourne are leading the slowdown.

- Higher rates are reducing borrowing capacity.

- Buyers are shifting toward more affordable stock.

- Investor yields are compressed in several high-growth markets.

- Policy risk is back on the table.

- New-build investment may become more attractive under proposed tax settings.

## What has not changed

- Australia remains structurally undersupplied.

- Population growth remains a major long-term support.

- Rental markets remain tight in many locations.

- Construction costs and feasibility constraints continue to limit supply.

- Strong local markets still exist.

- Scarcity still matters.

## What to do now

The next phase requires sharper due diligence and more disciplined acquisition strategy. Buyers should look for motivated vendors, realistic pricing and genuine scarcity. Investors should focus on net cash flow, tenant depth and risk-adjusted income. Developers should focus on feasible, affordable, well-located product with clear end-buyer demand.

**The opportunity is still there. It just requires more precision.**

## Source Data Reviewed

- Cotality / NAB, National Property Market Insights - April 2026.
- Cotality city market insight reports for Sydney, Melbourne, Brisbane, Perth, Adelaide, Canberra, Darwin and Hobart - April 2026.
- PropTrack Home Price Index - April 2026, downloaded 1 June 2026.
- AIHW Housing Data Export, including ABS, APRA, RBA and Cotality dashboard outputs.
- SQM Research Asking Prices Index - week ending 26 May 2026.
- Westpac Housing Forecast Update - 26 May 2026.
- Australian Property Update articles by Scott Kuru, 25-27 May 2026.
- Michael Yardney / Metropole, Australian Property Market Update - 26 May 2026.
- CBRE Australian Office Sublease Barometer - March 2026.
- CBRE H1 2026 Australia Lender Sentiment Survey - May 2026.

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For suburb-level insights, feasibility assessments or strategic advice on your next acquisition or development opportunity, reach out to the Futureland team. We help buyers, investors and developers make informed, forward-looking property decisions.

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