



# The Week In Real Estate

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## New Housing Construction Lift

Construction of new dwellings is on the way up, although it remains below what is needed to hit government targets. The latest Australian Bureau of Statistics Building Activity data shows that dwelling commencements in the 12 months to September 2025 increased by 11.2%.

HIA Senior Economist Maurice Tapang says while it is good that the number of dwellings under construction is on the rise, levels are still below what is needed. “The volume of home commencements remains below the 240,000 new homes per annum needed to build to the Australian Government’s target of 1.2 million homes over five years,” he says.

“In order to increase the supply of homes, governments need to help lower the cost of delivering new homes to market. Demand is not the challenge. Delivery is. Land supply, infrastructure timing, planning bottlenecks and workforce capacity will shape the 2026 experience more than interest rates.”

According to the ABS, there were 230,003 dwellings under construction in the September quarter, of which 87,323 were new houses. During the quarter the total number of dwellings completed was up by 7.5%.

## Retail: A Good Investment Option

The retail sector has emerged as the most sought-after commercial property for investment, according to analysis by CBRE. It says increasing consumption, tight vacancy rates and limited land supply are pushing retail to the top of commercial investors’ wish lists for 2026. In 2025 the value of retail property transactions increased by almost 20% to \$11.3 billion.

CBRE head of retail capital markets, Simon Rooney, says regional markets in particular are growing in demand. “The sector offers strong performance fundamentals, underpinned by minimal new supply, increasing population off the back of high immigration, and strict planning regimes, which protect incumbent regional shopping centre assets,” he says.

Rooney describes demand for retail in properties in 2025 as “almost insatiable”. He says continuing population growth will be the major driver of the strong performance in regional shopping centres. It is forecasting rental growth for Australian shopping centres to be in the mid-single digits through 2026, with Perth expected to outperform.



## Quote Of The Week

*“In order to increase the supply of homes, governments need to help lower the cost of delivering new homes to market.”*

HIA Senior Economist Maurice Tapang





## More Cities Join The \$1 Million Club

Strong price growth in 2025 means that six capital cities are now in the \$1 million median club. Analysis by Domain says across the combined capital cities, the median house price rose by 9.6% and units are up by 6.8%.

Perth's strong results, with its median up 9.9%, meant its median breached the \$1 million mark for the first time. Perth, Sydney, Melbourne, Brisbane, Adelaide and Canberra now all have a median house price above \$1 million.

Domain chief of research and economics, Nicola Powell, says strong demand from people moving to Western Australia has driven up prices in Perth. "Once Perth and Adelaide were described as affordable but with both cities joining the \$1 million-dollar club in the past 12 months, it's very hard to call them that today," she says.

She predicts the Sydney median could reach a \$2 million by 2027 and expects Brisbane real estate prices to grow in the lead up to the 2032 Olympic and Paralympic Games. According to Domain, median house values in all capital cities, apart from Canberra, are now at their highest-ever levels.



## Where Properties Sell Fastest

Australia's fastest-selling suburbs are in Melbourne, Perth and Adelaide, with many homes changing hands within only two weeks of being listed. New data from PropTrack shows that the fastest-selling suburb in Australia for houses is Carrum Downs in Melbourne's southwest, where it takes on average just 12 days for a house to sell.

It is followed by Woodvale in the Joondalup LGA in Western Australia, where it takes 13 days. Bridgewater in the Adelaide Hills is the fastest-selling suburb in South Australia, with houses taking on average 14 days to change hands. In Queensland the top performer is Upper Brookfield in the western suburbs of Brisbane, where it takes 15 days. Also in the top ten fastest-selling suburbs is Moulden in the Northern Territory, where it also takes an average of 15 days to sell a house.

The fastest-selling unit market is Daglish in Western Australia, where it takes on average just 8 days to sell and The Gardens in the Northern Territory and Springfield Lakes in Queensland, where it takes ten days on average to sell. According to PropTrack, the short-selling times reflect that strong underlying demand and suggest momentum will continue and prices will rise even further in 2026.



## Call To Cut Red Tape

The housing industry is calling for the Federal Government to cut \$12 billion in red tape costs which is making housing unaffordable. It says reducing red tape costs by 25% could make the construction sector more productive.

In its budget submission, Master Builders Australia says the cut is critical if the government wants to meet its housing targets. Master Builders chief executive Danita Wawn says to have any chance of meeting the National Housing Accord target, productivity needs to return to the level it was at ten years ago.

In 2025 the Australian Productivity Commission estimated that regulation added up to \$320,000 to the cost of a new house and \$175,000 to the cost of a new unit. It says that for units, paperwork costs make up about 33% to 36% of the total regulatory cost.