



The Week In Real Estate

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Regional Prices Soar

Regional property price growth continues to outpace capital city price growth, as more Australians move out of urban areas.

Combined regional dwelling values grew by 9.7% in the 12 months to February, compared with the combined capital cities, which grew by 8.4%, according to PropTrack data.

The regional price surge was driven by New South Wales, Victoria and Tasmania markets.

Cotality predicts that regional property price growth will continue to outpace that of the capital cities.

Domain Senior Economist Joel Bowman says price growth in the combined regional markets has been exceeding the combined capital cities' price growth for more than 12 months.

“Regional markets are likely to continue to outperform the capital cities in the near term. There’s a greater undersupply of housing, and we’re seeing greater rent pressure, and I think that’s supporting greater price growth,” he says.

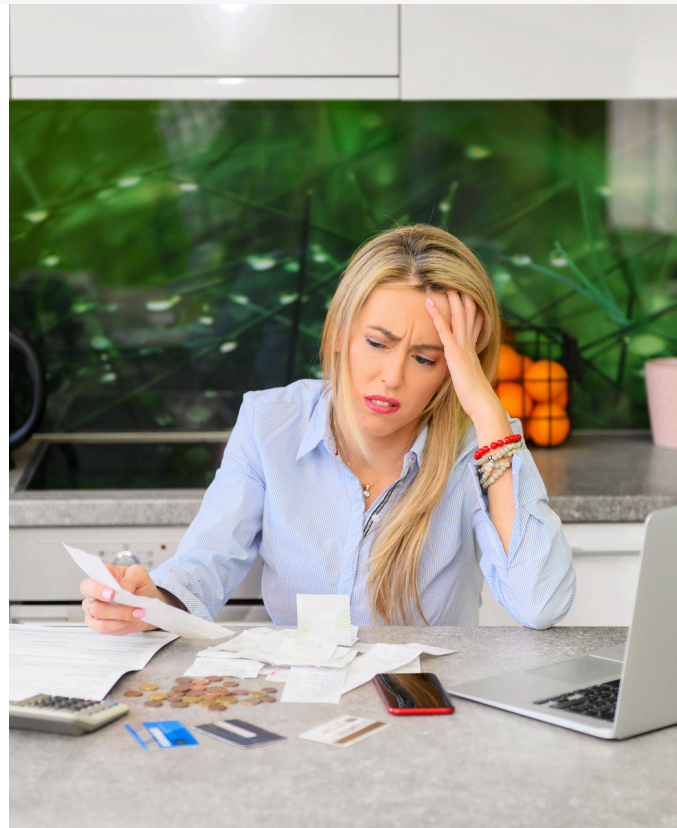
Investors Threaten to Leave

One in three investors is threatening to sell up if capital gains tax is increased, with a peak investment body warning it will make the rental crisis even worse. Research from the Property Investment Professionals of Australia (PIPA) found 35% of investors would stop investing in property if the capital gains tax amount is increased by changing the formula for calculating CGT.

Just the fear of changes to capital gains tax has been enough for some investors to already pull out, with 19% selling in the past year over concerns about federal tax reform. About half of the current investors surveyed say possible changes are making them consider selling within the next year or two.

PIPA chair Cate Bakos says it is renters who will feel the consequences first if investors pull out of the market. She says the exit will shrink the rental pool and intensify competition for housing at a time when vacancy rates remain tight.

“CGT is an investor issue, but the rental market impact is broader,” she says. “If investors keep exiting, renters end up competing harder for fewer homes, and that pushes rents up.”



Quote Of The Week

“While listings have lifted modestly (in January compared to December), the bigger picture is that stock levels remain well below last year, which continues to underpin prices in most capital cities.”

SQM Research head of property Sam Tate



Strong Start to Auctions

The 2026 auction season has started strongly with a strong national clearance rate above 70%. Cotality data shows the national clearance rate of 73.7% last week was the strongest result since mid-October last year.

Auction markets are generally fairly quiet at the start of the year but pick up pace from Australia Day onwards. More than 1590 homes were put under the hammer last week.

Adelaide continues to show that, despite fairly low auction numbers (117), it consistently achieves strong results. Its clearance rate of 83.6% was the highest in Australia last week.

Sydney was next with a clearance rate of 79.6%, followed by Melbourne, 67.9% and Brisbane, 69%.

Cotality figures show about 2,050 auctions will be held across the combined capitals this week, and 2,800 the following week.

Cotality analyst Caitlin Fono says the start of the 2026 auction season has been surprisingly strong, with the preliminary clearance rate rebounding from the low 60% range in mid-December.



Listings Rising

The number of properties listed for sale rose slightly in January, but remained much lower than at the same time last year. SQM Research data shows residential listings were up by 3.1% in January to 216,826 dwellings (from the seasonally low numbers in December), but were 11% lower than at the same time last year.

Listings are up in January in almost every capital city market, with Darwin the exception with its listings down by 0.7%. Listings are down in every market over the year. Melbourne has the highest number of properties listed for sale, 35,980, followed by Sydney, 28,922 and then Brisbane, 12,546 and Perth, 11,971.

SQM Research head of property Sam Tate says distressed listings are down again in January, which shows that there is limited forced selling. "While listings have lifted modestly, the bigger picture is that stock levels remain well below last year, which continues to underpin prices in most capital cities," he says.

He says overall, the market remains undersupplied and unless new listings rise materially in the coming months, upward pressure on prices - especially in Brisbane, Perth, and Adelaide - is likely to persist through the first half of 2026.



Mortgage Surge

Western Australia recorded the strongest mortgage growth of any state in the December quarter. Loan aggregator AFG says lodgements are up:

- In Western Australia, by 12.46% over the quarter and 37.49% over the year.
- Queensland is up 4.54% over the quarter and 27.87% over the year.
- Victoria is up 2.66% over the quarter and 24.45% over the year.
- South Australia is up 0.91% over the quarter and 22.47% over the year.
- New South Wales is down by 0.53% over the quarter and up 19.52% over the year.

AFG chief executive officer David Bailey says the figures show that the momentum of the Western Australia market is being sustained. "Strong demand, constrained supply and population growth are contributing to high levels of activity," he says. Loan sizes climbed across all major markets. New South Wales now has the highest average loan size of \$811,757, while Western Australia has the lowest at \$661,027. Loan Market Group data shows that first home buyers were a key driver of late-2025 momentum in mortgage activity.