



The Week In Real Estate

Mitchells Realty
07 4125 2950
40 Miller St Urangan Qld 4655
www.mitchellsrealty.com.au

25 April 2026



Where Investors Want To Buy

More than one in five investors believe Brisbane, Perth and Melbourne are the most attractive cities to invest in right now.

Momentum Wealth's 2026 Property Sentiment Report shows a record 73% of investors are open to buying in a state they don't live in.

It says cities such as Perth appeal to older investors - those over 55 - while Sydney is on the radar of a younger cohort.

The affordability of the Melbourne market has also put it back on the wish list as an investment destination.

According to the report, established houses continue to be the preferred choice for investors, particularly in Western Australia, although in New South Wales, where property prices are higher, investors are keener on units.

More than 40% of investors say they are also keen on house and land projects, which Momentum Wealth managing director Damian Collins says is likely because of the better depreciation benefits.

While the analysis shows a strong interest in investing, a survey by the Property Investment Professionals of Australia (PIPA) warns that 53% of investors would cease their investment in property if changes are made to the negative gearing policy.

Construction Prices Jump

The cost of building an average house has already increased by 1% since the start of the war in the Middle East.

While 1% may not sound like much, that equates to \$3,500 to \$4,000 on a fairly standard build.

The HIA is warning that the fuel-driven increase in the cost of construction alone is likely to keep a lid on the number of purchases of new homes this year.

Master Builders Australia says many builders on fixed-price contracts are being forced to absorb much higher bills for fuel, concrete and even plastic pipes, which are up by between 20% and 30%.

Master Builders CEO Paul Bidwell says building companies are reporting rises across the board.

"From early on, we've been hearing consistent reports of materials cost hikes of between 5% and 50% and the cost to build a new house rising by \$10,000 to \$15,000," he says.

ASIC data shows 3,490 construction companies became insolvent in 2025.



Quote Of The Week

"People who are priced out of buying a home in a greater capital city are looking to regional markets."

REA Group senior economist Anne Flaherty



More People = Fewer Vacancies

Vacancy rates tightened further in March with just over 31,000 properties available for rent throughout the country.

SQM Research data shows the national vacancy rate fell to just 1% - down from 1.1% in February. Managing director Louis Christopher says the imbalance between supply and demand continues.

“Without a significant increase in new housing supply or stabilisation of population growth rates, it is likely that rental pressures will remain elevated throughout 2026,” he says.

Data from the Australian Bureau of Statistics shows there were more than 3400 people per day arriving in Australia in February.

Vacancy rates are tightest at just 0.4% in Darwin and Hobart, followed by Perth at just 0.5%.

Melbourne has the highest vacancy rate, although it is still a very tight 1.4%, which is well below the 3% considered to represent a balanced rental market.

The Housing Industry Association is warning that the increase in demand for houses - which predominantly comes about from migration - will exceed the supply of homes every year for the next five years, leading to a shortage of rental properties.



No Stopping Price Growth

House prices rose in 70% of Australian suburbs during the first three months of the year and 71% of unit markets.

New valuations data from PropTrack shows that the more affordable regional markets and outer capital city suburbs had some of the biggest gains.

REA Group senior economist Anne Flaherty says that six of the top 10 performing suburbs for price growth during the quarter had a median house value below \$1 million.

In the house market the highest growth is 16% in Moree in New South Wales and Gelorup in Western Australia.

In the unit market, Geraldton in Western Australia is up 17% and Palmwoods on the Sunshine Coast in Queensland is up by 16%.

Flaherty says regional locations rank highly among the suburbs with the fastest rising home values.

“People who are priced out of buying a home in a greater capital city are looking to regional markets,” she says.

“We have been seeing population growth in the regions, and as the population grows, there is a need for more goods and services, which also creates new jobs and more opportunities in those markets.”



Rents Taking Up Larger Share of Household Income

Australian tenants are spending a record share of their gross median household income on rent. Nationally, rents are up by 2.1% in the three months to March 2026, according to Cotality data - that's a 1.2% increase on the last quarter of 2025.

Cotality Australia Head of Research Gerard Burg says households are now spending a record 33.1% of gross median household income on rent, compared to 26.2% in September 2020. The increase has added about \$202 per week to the typical Australian household rent.

"Rent growth had moderated through much of 2024 and into mid-2025, but there's been a lack of supply to meet the demand, which is placing immense pressure on the rental market," Burg says. Darwin rents rose the most in the year to March, by 9.2% (\$699 per week). Perth (\$761) and Brisbane (\$720) are both up 6.7% and Hobart is up by 6.4%.

Sydney (\$824) is up 5.9%, Melbourne (\$632), 4.4%, Adelaide (\$646), 3.6% and Canberra (\$696), 2.6%.