Mitchells Realty
The Week In Real Estate

24th October 2026

Big Regional Push Continues

The number of people moving from capital cities into regional Australia hit an equal-highest level in the June quarter.

The Regional Movers Index shows that migration from cities to the regions is now at the same level it was during the Covid boom.

Capital city residents moving to regional Australia continue to outnumber those moving in the opposite direction by 30%.

Regional Australia Institute CEO Liz Ritchie says the latest results show that the appeal of country living remains strong.

“It shows Australians are increasingly considering a broader range of regional communities when deciding where to live, with the benefits of regional living extending beyond popular coastal towns and inland communities,” Ritchie says.

The two largest capital cities, Sydney and Melbourne, continue to be the major source of those leaving cities behind for a regional lifestyle.

The top five destinations for regional movers are the Sunshine Coast, Greater Geelong, Lake Macquarie, Fraser Coast and Moorabool.





Region Prices Hold Steady

Regional home values are continuing to outperform their capital city counterparts.

Regional dwelling values are up by 5.6% over the 12 months to October, while capital city values fell by 1.8% during the same period.

Cotality research director Tim Lawless says not all capital city markets have recorded growth in the past year, although the regional markets have.

The best performer is Regional Western Australia with median dwelling values up by 14.1%, followed by Regional Tasmania (11.6%), Regional South Australia (10.7%) and Regional Queensland (6.3%).

Regional Northern Territory is up 4.4% year on year, while Regional Victoria is up 3.6% and Regional New South Wales is up by 3.4%.

“Regional markets continue to show greater resilience,” Lawless says, although even in regional markets values are generally trending lower over the past four months.

PropTrack senior economist Eleanor Creagh says the ga between capital city and regional housing performanc remains pronounced.

She says the regional markets with the highest growth in th 12 months to October 2026 are Darling Downs – Maranoa Western Australia Wheat Belt and the Western Australi Outback.

Quote Of The Week

“We will be watching closely over the coming months to see whether the softening in unit rents continues through the spring leasing season and broadens into a moderation in rental growth overall.”

SQM Research managing director, Louis Christopher



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Stamp Duty Discouraging Downsizers

The high cost of stamp duty is one of the leading financial concerns for homeowners who want to downsize.

The 2026 Downsizing Australia report says it can add tens of thousands of dollars to the cost of moving.

A quarter of those surveyed for the realestate.com.au and GemLife report say it is holding them back from moving.

Somewhat surprisingly, their biggest concern is not about money, but about the inconvenience of moving, with almost a third of respondents saying they are put off by the hassle of moving.

GemLife managing director Adrian Puljich says millions of older Australians are living in huge homes with spare bedrooms sitting empty but the cost of downsizing is putting them off selling.

Realestate.com.au senior economist Anne Flaherty says encouraging older households to downsize will ensure Australian housing is used more efficiently.

The report shows 88% of households aged 55 and over have at least one spare bedroom, while 60% have two or more spare bedrooms.



Vacancy Rates Record Slight Rise

National vacancy rates have increased slightly but remain very tight.

According to SQM Research, the national rate increased to 1.4% in September 2026, up from 1.3% in August.

This represents about 42,290 vacant dwellings – about 1250 more than the previous month.

The national increase is driven in part by easing in both Sydney and Melbourne, where vacancy rates rose to 1.8% and 1.9% respectively. Canberra (1.9%) is the only other capital with a vacancy rate above 1%, with Brisbane, Perth, Adelaide, Darwin and Hobart all below that level.

In Brisbane there are only about 3,222 dwellings available for rent; Perth has about 1,189 available, Adelaide has 948, Darwin 162 and Hobart 127.

SQM Research managing director, Louis Christopher, says the slight easing of the national vacancy rate suggests the beginning of a gradual easing in rental conditions.

“We will be watching closely over the coming months to see whether the softening in unit rents continues through the spring leasing season and broadens into a moderation in rental growth overall.”



Housing Shortage Continues

Despite a small increase in September, new home sales are at the lowest quarterly level in 18 months, according to the Housing Industry Association. New home sales increased by 3.4% over the month, but are down 17.5% in the September quarter, according to the HIA New Home Sales report which surveys Australia’s largest volume home builders.

HIA chief economist Tim Reardon says new home sales are well below the same time last year. “This deterioration has occurred amid higher interest rates, increased taxes and broader economic uncertainty,” he says. “The modest increase in sales in September should not be mistaken for a turning point in the market. Industry feedback indicates that display village visits, enquiries, leads and conversions remain very weak.”

The rate of cancellations of new home contracts is also up slightly, according to the HIA. Reardon says this is typical when interest rates are rising, as home buyers who had conditional finance to build a new home have that finance removed. The largest decline in new home sales is in Queensland (-26.3%), followed by Victoria (-23.3%), NSW (-17.4%), South Australia (-7.6%) and Western Australia (-1.7%).