more than money

NAB Residential Property Survey

Q3 2026

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The NAB Residential Property Survey index fell for a third consecutive quarter in the September quarter and moved into negative territory for the first time since the pandemic. The decline in the index was primarily driven by house price expectations, while rental growth expectations were broadly unchanged. Housing sentiment weakened across forward-looking indicators and most states, particularly SA and QLD, and was the weakest in NSW. Owner occupiers continue to account for the largest share of buyers in both established and new housing markets, while the share of local investors has fallen since late 2025. Construction costs remain the key constraint for new developments, but Interest rates are now the second largest concern for new developments and remain the highest concern for established housing. This quarter we also asked property professionals about the impact that property taxes have on the market. Two thirds of respondents also indicated that stamp duty acts a barrier for first or newer home buyers.

Key Findings:

The **NAB Residential Property Index** fell 18pts to -4 in the September quarter, moving into **negative territory for the first time in six years.** This was led by a decline in house price expectations, while rent growth expectations were little changed. The index has now fallen for three consecutive quarters and is well below its long-run average (+22). This follows a period of above average housing sentiment over 2025.While **sentiment weakened across most states and territories**, except NT and TAS, it was by far the weakest in NSW (-22, down from +3 in Q2), along with QLD (-9, from +22 Q2), and VIC (-5, from -3 Q2).

Confidence remains below the long-run average and fell again this quarter. Over the next twelve months confidence levels fell 13pts to +2, while sentiment over the next two years declined by a more modest 5pts to +22. Short-term confidence was lowest for a second consecutive quarter in NSW (-11, down from +4 in Q2) along with QLD (-1, down from +22 in Q1).

Property professionals now expect larger declines in annual house prices, with a 4.2% decline over the next 12 months (from -2.5% in Q2) and 1.9% fall over the next two years (from -0.9% in Q2). The largest falls over the next 12 months are expected in SA (-5.4%, from -1.1% in Q2) and NSW (-5.1%, from -3.2% Q2). Expectations in TAS remained positive (unchanged on Q2, +4.6%), with ACT improving (+0.1% from -4.0% Q2). TAS is the most optimistic in two years' time (7.1%), with VIC the most pessimistic (-3.2%).

Expectations for annual growth in rental prices eased in the quarter but remain elevated. Respondents expect annual rents to increase by 3.7% over the next year (down from 3.9% in Q2) and by 4.0% in 2 years' time (4.3% in Q2). WA and SA (6.4%) led expectations for the next year, accelerating on the previous quarter. By contrast NSW eased, recording the lowest near-term expectations (2.2%). Rental returns in two years' time were also highest in WA, with NT and TAS close behind, while ACT (negative) and NSW trail.

When property professionals were asked to best describe the state of the housing market in areas where they operate, compared to the previous quarter, the largest share suggested the market was declining (53% up from 33% Q2), along with those that suggested the market was starting to decline (14% down from 25%). Those suggesting that the market is approaching the bottom increased (13%, up from 4%).

In *new* housing markets, the share of FHBs fell further in the September quarter to 25.2% (from 38.6% in Q2), while the share of owner occupiers (net of FHBs) increased further to 49.8% (from 37.8% in Q2), leaving it well above its long-term average. **The share of local investors increased in Q3**, (16.4% up from 14.8% Q2), while the share of sales to foreign investors held gains from the previous quarter (7.6% vs 7.7% Q2), especially in VIC (10.5%).

Construction costs remain the main barrier to starting *new* housing developments, according to 77% of property professionals. **Interest rates are now the second most significant constraint**, with the share of respondents citing rates as a barrier rising to 58.3% from 39.6% in Q2. As a result, interest rates have overtaken delays getting planning permits (54.1%) for the first time since Q4 2023. By state, construction costs were the main barrier across all states, with interest rates second for all except QLD (permit delays).

Buying activity in *established* housing markets continued to be dominated by owner occupiers (net of FHBs), with their overall market share increasing for a third straight quarter (45.6% from 43.2% in Q2). The Local investor share (14.7 vs 13.7 Q2) and foreign buyer (2.7% vs 2.2%) also increased, while FHBs overall share eased to 34.4% (39.0% Q2).

Interest rates remained the biggest constraint on established home buyers for a second quarter, followed by access to credit. The relative returns available on alternative investments have continued to rise in importance since Q1 2026 and are now the third largest constraint. Meanwhile, the level of prices, which has been the leading constraint since 2025, have fallen to fourth place.

Also in this quarter, while most property professionals expect the government 5% deposit scheme to have 'somewhat' of an effect on house prices, this continues to ease. Finally, this quarter we asked property professionals about the impact of stamp duty on the property market. **Two thirds indicated that stamp duty adds a barrier to first or newer home buyers**, with this view most prevalent in WA (78%). Professionals also indicated that stamp duty creates friction in the market by encouraging people to stay in their current home (61%), and that it discourages downsizing (43%), again particularly strong in WA (57%).

NAB Residential Property Index

Chart 1: NAB Residential Property Index

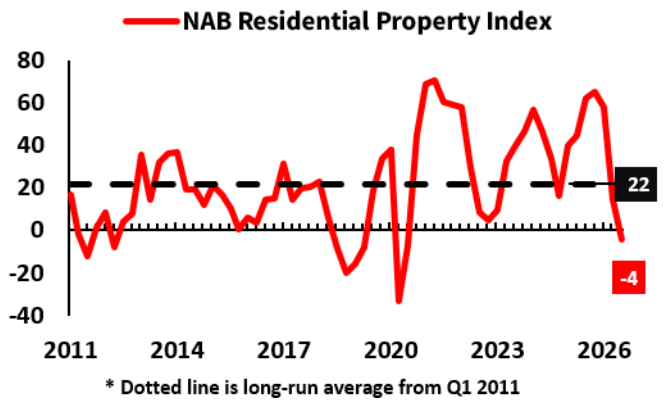


Table 1: NAB Residential Property Index: States

	Jun-26	Sep-26	Next 12 months	Next 2 years
NAB Residential Property Index	**14**	**-4**	**2**	**22**
Victoria	-3	-5	1	21
New South Wales	3	-22	-11	19
Queensland	24	-9	-1	17
South Australia	43	0	0	30
Western Australia	38	22	25	47
Australian Capital Territory	75	50	42	-17
Northern Territory	0	17	17	33
Tasmania	50	100	75	100

Chart 2: NAB Residential Property Index: States

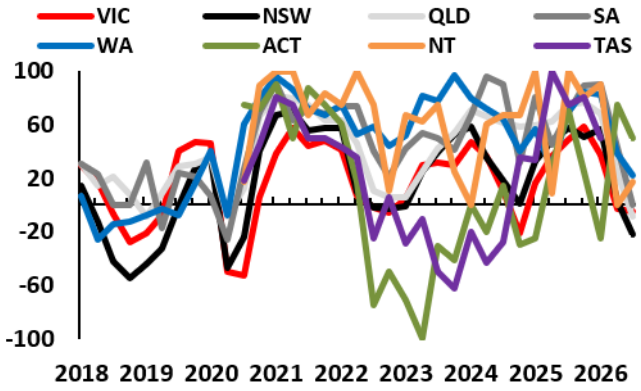


Chart 3: NAB Residential Property Index: Next 1-2 years

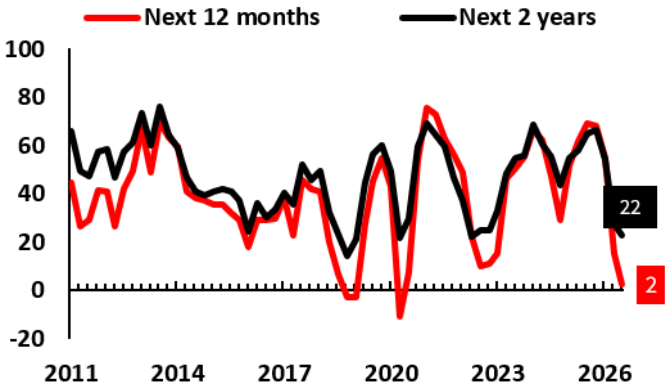


Chart 4: Residential Property Index: States - Next 12 months

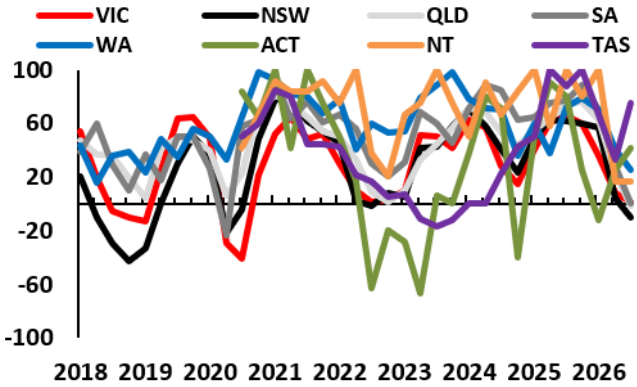
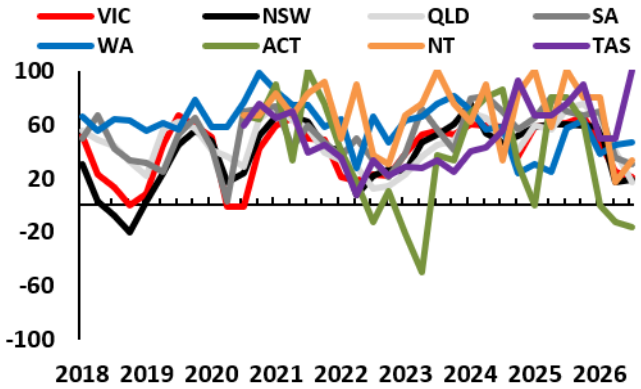


Chart 5: Residential Property Index: States - Next 2 years



Survey House Price Expectations

Table 2: Avg Survey House Price Forecasts (%)

	Next 12 months		In 2 years	
	Jun-26	Sep-26	Jun-26	Sep-26
Australia	**-2.5**	**-4.2**	-0.9	-1.9
Victoria	-4.5	-4.8	-2.6	-3.2
New South Wales	-3.2	-5.1	-1.5	-2.3
Queensland	-1.5	-3.9	0.7	-1.4
South Australia	-1.1	-5.4	0.0	-2.0
Western Australia	-0.4	-2.9	1.1	0.3
Australian Capital Territory	-4.0	0.1	-8.0	-2.7
Northern Territory	-1.7	-3.8	-1.6	-1.6
Tasmania	4.6	4.6	3.8	7.1

Chart 6: Avg Survey House Price Forecasts: States - Next 12 months (%)

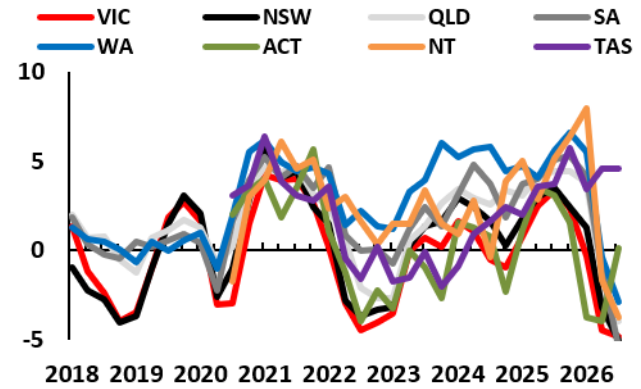
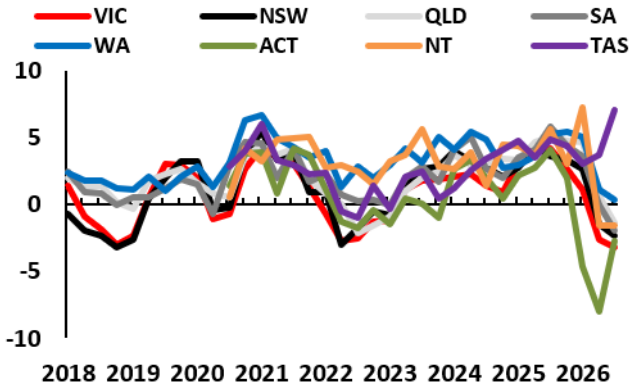


Chart 7: Avg Survey House Price Forecasts: States - Next 2 years (%)



Survey Rent Expectations

Table 3: Avg Survey Rent Forecasts (%)

	Next 12 months		In 2 years	
	Jun-26	Sep-26	Jun-26	Sep-26
Australia	**3.9**	**3.7**	**4.3**	**4.0**
Victoria	5.0	4.5	5.2	5.5
New South Wales	3.0	2.2	3.7	2.5
Queensland	4.6	3.1	5.4	3.1
South Australia	2.6	6.4	3.2	3.6
Western Australia	4.7	6.4	4.5	7.8
Australian Capital Territory	3.4	3.0	-1.5	-1.3
Northern Territory	1.8	5.4	4.6	7.1
Tasmania	0.0	4.4	1.3	6.5

Chart 8: Avg Survey Rent Forecasts: States - Next 12 months (%)

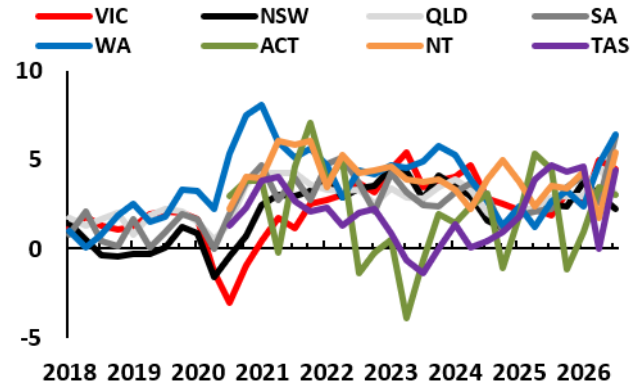


Chart 9: Avg Survey Rent Forecasts: States - Next 2 years (%)

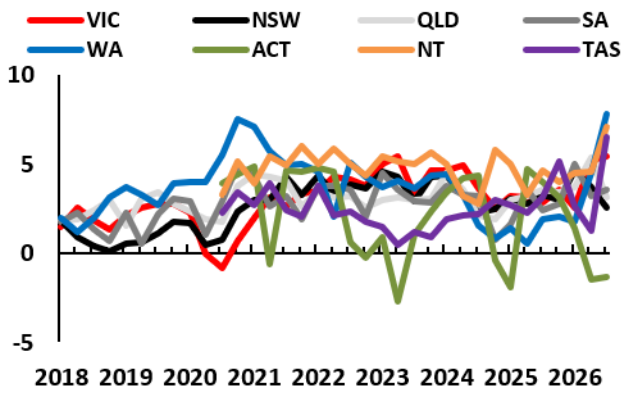
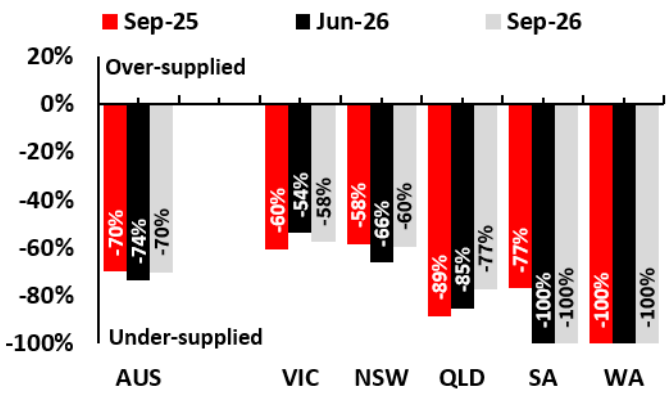


Chart 10: Housing Demand/Supply Balance for Rental Properties (net balance) - Main States



New Housing Markets

Chart 11: Buyers: New Developments (% share)

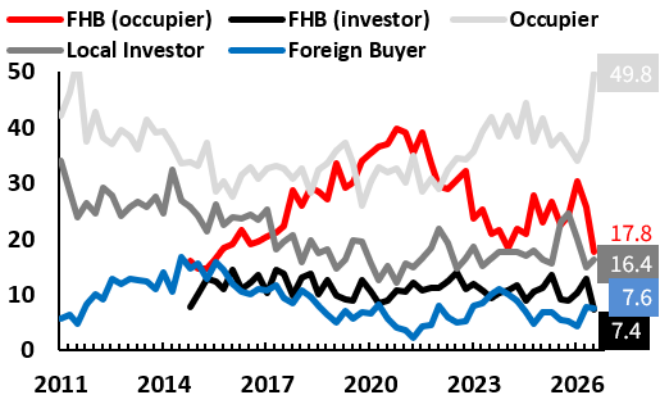
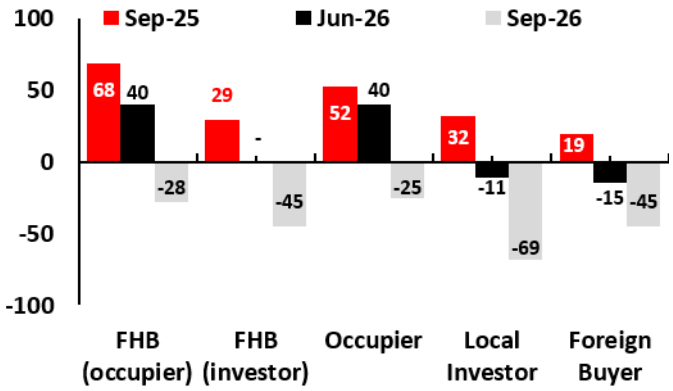


Table 4: Buyers: New Developments: Main States Q3 2026 (%)

	VIC	NSW	QLD	SA	WA
FHB (occupier)	20.0	20.0	13.7	.	20.0
FHB (investor)	11.7	9.3	4.4	.	3.3
Owner Occupier	29.2	48.8	63.6	.	60.0
Local Investor	26.7	14.5	12.1	.	8.3
Foreign Buyer	10.5	5.0	6.1	.	8.3

Chart 12: Expected Change in Share of New Property Buyers in Next 12m (net balance)



Barriers to Starting New Housing Projects

Chart 13: Main Barriers to Starting New Housing Developments (%)

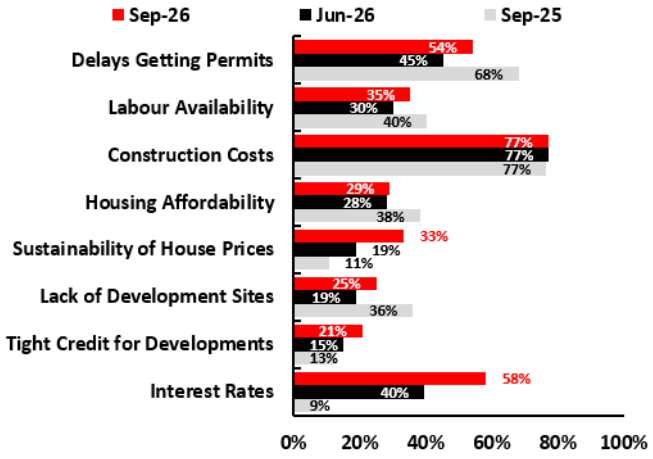


Table 5: Main Barriers to Starting New Developments: Main States Q3 2026 (%)

	VIC	NSW	QLD	WA
Interest Rates	60%	64%	60%	67%
Tight Credit for Developments	33%	7%	20%	33%
Lack of Development Sites	27%	7%	50%	33%
Sustainability of House Prices	53%	7%	40%	50%
Housing Affordability	47%	29%	10%	33%
Construction Costs	80%	71%	70%	100%
Labour Availability	27%	29%	40%	67%
Delays Getting Permits	53%	43%	70%	67%

Established Property

Chart 14: Buyers: Established Property (% share)

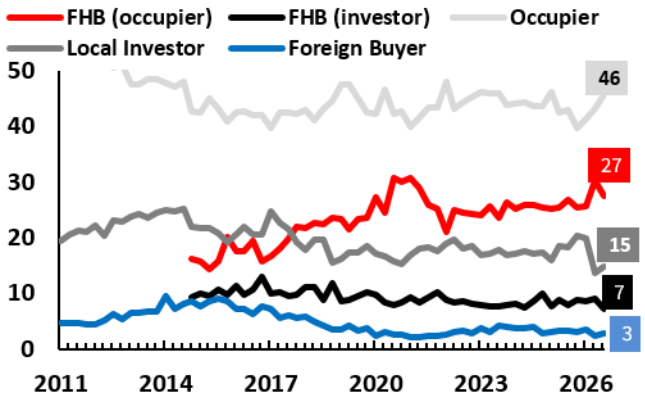
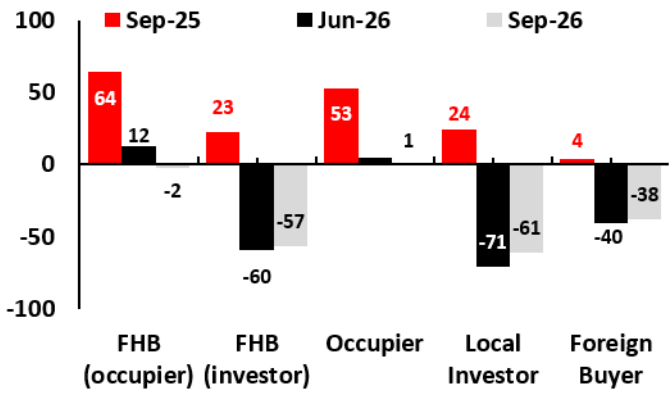


Table 6: Buyers: Established Housing: Main States Q3 2026 (%)

	VIC	NSW	QLD	SA	WA
FHB (occupier)	30.8	30.9	17.2	20.0	34.2
FHB (investor)	6.4	8.8	6.0	14.6	3.3
Owner Occupier	43.4	36.5	58.7	43.0	50.8
Local Investor	15.0	16.6	12.6	16.4	8.3
Foreign Buyer	2.8	2.9	3.3	2.0	2.3

Chart 15: Expected Change in Share of Established Property Buyers in Next 12m (net balance)



Established Housing Constraints

Chart 16: Constraints: Established Home Buyers

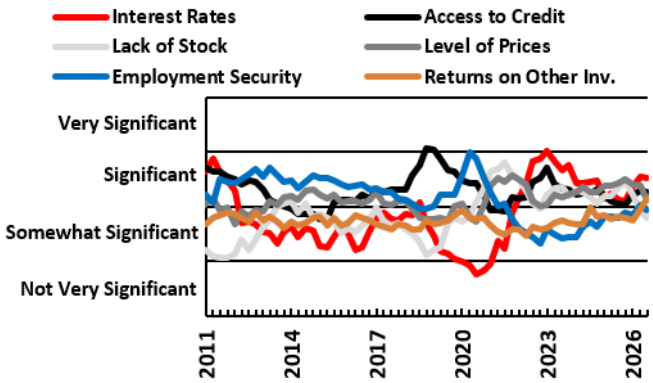
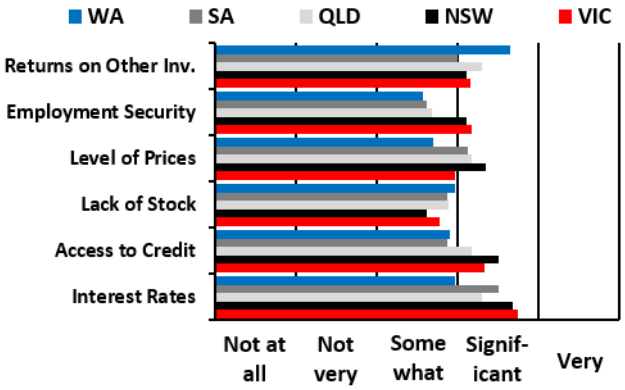


Chart 17: Constraints: Established Home Buyers – Main States Q3 2026



Foreign Buyers

Chart 18: Share of Total Demand for New & Established Housing: Foreign Buyers (%)

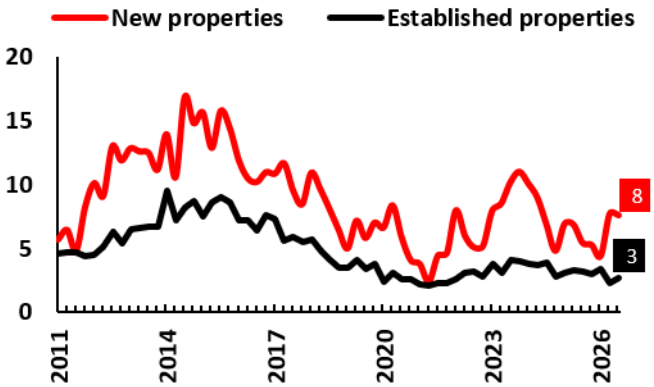


Chart 19: Share of Total Demand for New Property: Foreign buyers - Main States (%)

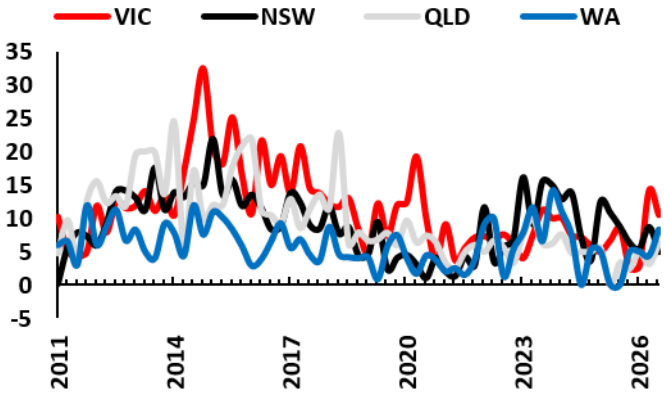


Chart 20: Share of Total Demand for Established Property: Foreign buyers - Main States (%)

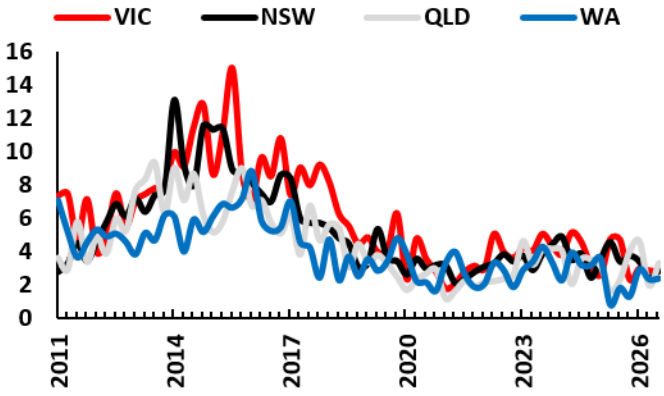
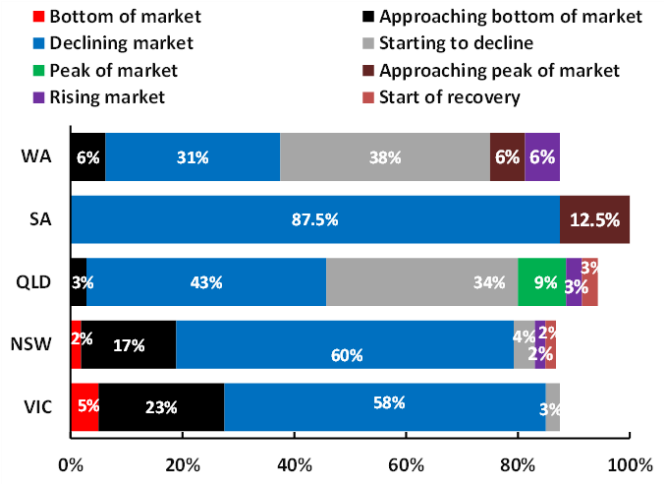


Chart 21: Current State of Residential Property Market - States (%)



Special Questions:

Chart 22: Degree to which rate change will boost demand

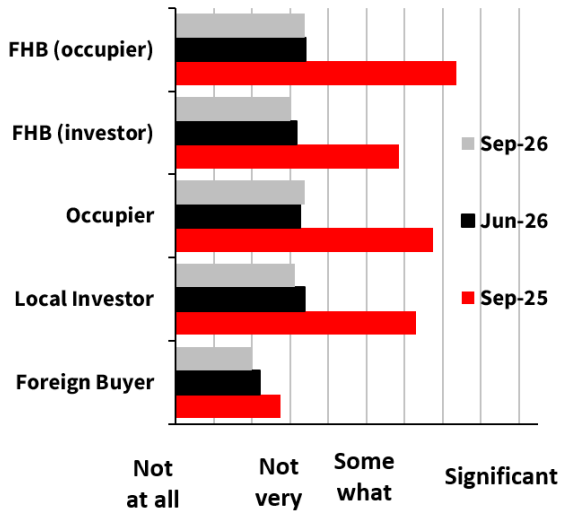


Chart 23: Degree to which the Federal Government 5% deposit will increase new home demand for First Home Buyers in the following property segments.

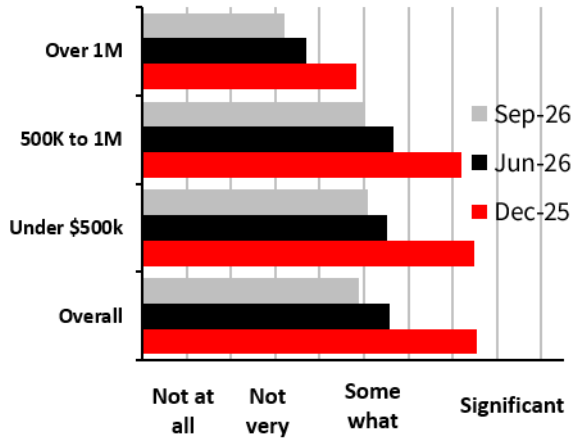


Chart 24: Impact of Stamp Duty on the residential property market:

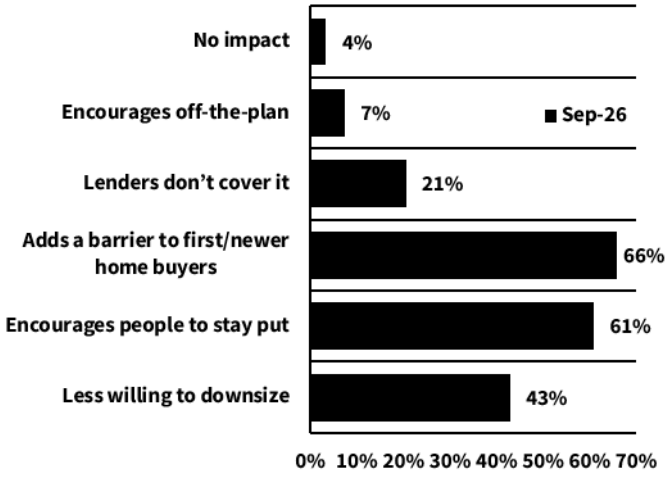
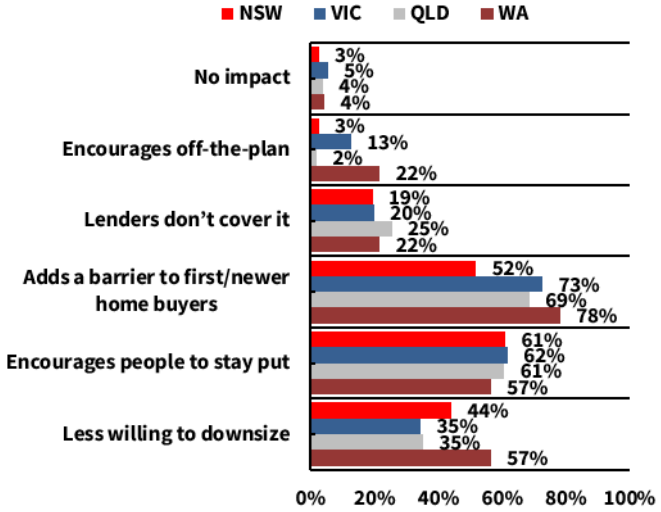


Chart 25: Impact of Impact of Stamp Duty on the residential property market- Main States



About the survey

The NAB Quarterly Australian Residential Property survey was first launched in Q1 2011.

The survey was expanded from NAB's Quarterly Australian Commercial Property Survey, which was launched in April 2010.

Given the large number of respondents who are also directly exposed to the residential market, NAB expanded the survey questionnaire to focus more extensively on the Australian residential property market.

The property index is a weighted calculation of the net balance of property professionals view of house prices and rents.

The large external panel of respondents consists of Real Estate Agents/Managers, Property Developers, Asset/Fund Managers and Owners/Investors.

Around 228 property professionals participated in the Q3 2026 survey.

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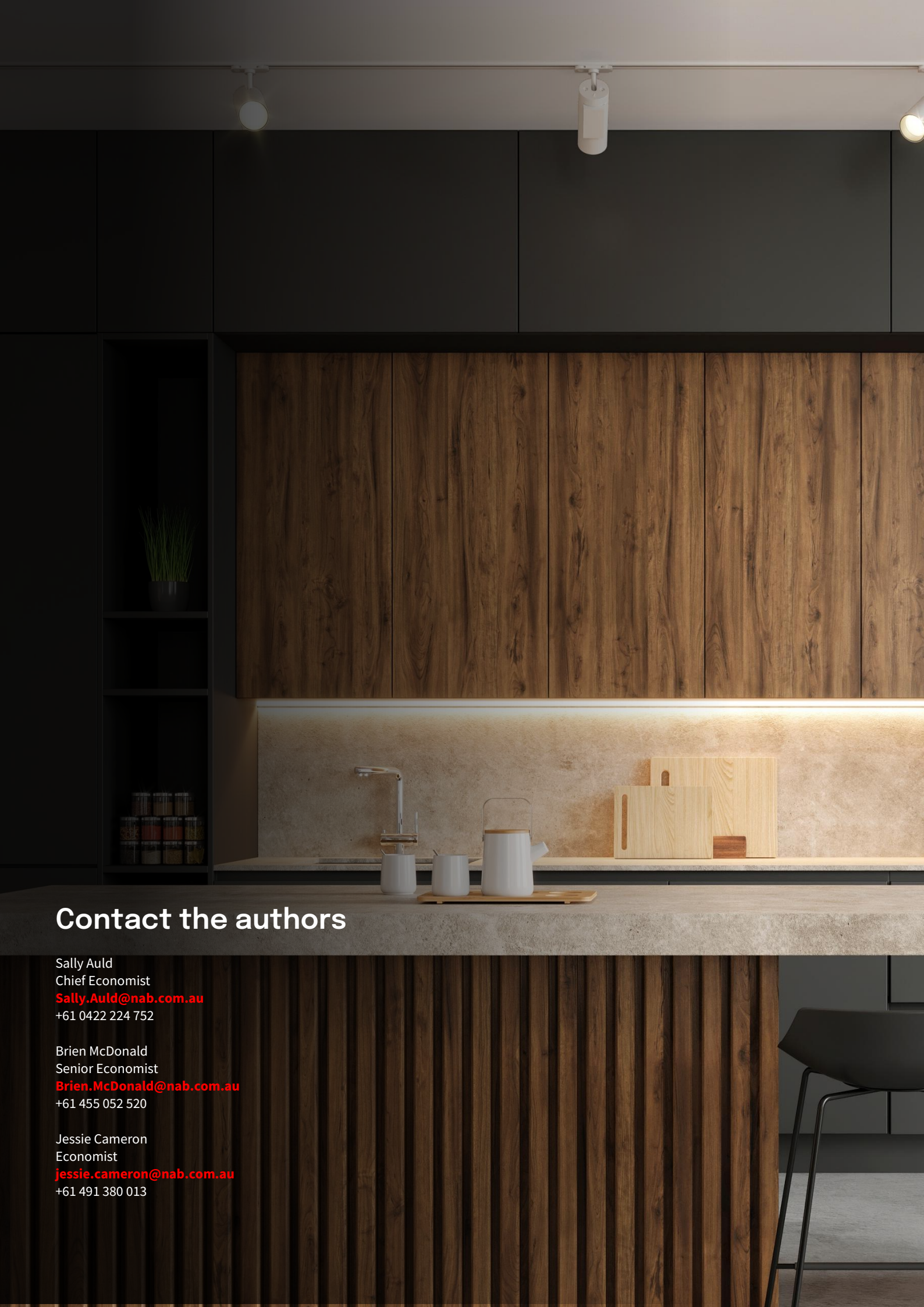

Contact the authors

Sally Auld
Chief Economist
Sally.Auld@nab.com.au
+61 0422 224 752

Brien McDonald
Senior Economist
Brien.McDonald@nab.com.au
+61 455 052 520

Jessie Cameron
Economist
jessie.cameron@nab.com.au
+61 491 380 013