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NAB Residential Property Survey Q1 2026



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Housing market sentiment eased modestly in the March quarter but remains strongly positive with the NAB Residential Property Index (+58) still well above its long-run average. Conditions diverged widely across the major markets. SA and NSW improved, while VIC recorded the sharpest pullback, with conditions also easing in QLD and WA. Survey expectations for house price growth over both 12 months and two years were revised down (with prices in the ACT and VIC falling), as rental growth expectations edged higher. Demand is increasingly supported by first home buyers (particularly for new builds), while investor participation softened, and supply-side frictions continue to constrain new development (construction costs, planning delays and labour shortages). Overall, the survey points to a market transitioning from broad-based acceleration to a more uneven, supply-constrained expansion. NAB is forecasting a 5% increase in the national dwelling price index over 2026.

Key Findings:

Recent improvements in housing market sentiment eased a little in the March quarter, though the **NAB Residential Property Index (+58 down from +65)** remains well above its long-run average (+22), following a strong rise over the past year.

Sentiment diverged across the major home markets, with a fall in VIC (+37, down from +59 in Q4), QLD (+68, vs +76 Q4), and WA (+82 vs +84). In contrast, both NSW (+57 vs +51 Q4) and SA (+90 vs +89 Q4) recorded a strong improvement.

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 still rising (30% though down from 39% Q4). Others saw the market as approaching its peak (20% vs 18% Q4), or at the start of a decline (15% vs 6% Q4).

Confidence levels are still elevated, though have eased from Q4. Over the next 12 months confidence levels are +55 (vs +68 in Q4) and +54 over the next 2 years (vs +66 Q3). Short-term confidence is highest in NT (+100), and WA (+71). It was broadly steady in NSW (+57 from +60 in Q4 but fell notably in VIC (down 24 pts +36).

On average, property professions are forecasting more moderate price growth in the next 12 months (2.1% from 3.6% in Q4) and in 2 years' time (2.9% from 3.8%). NT was the only market where expectations were higher over the next 12 months and also the most positive (7.9% up from 6.3% Q4). Expected house price growth in ACT (-3.8%) was lowest, with price falls also predicted for VIC (-0.3%). Longer term projections were also pared back in all states bar NT, where a strong increase was recorded, and leads the way (7.3%). The outlook is lowest in ACT (-4.7%).

According to Cotality data, the 8-Capital City dwelling price index rose by 0.2% mom in April, led by gains in Perth (2.1% mom), Darwin (1.3% mom), Brisbane (1.2% mom) and Adelaide (1.1% mom). Sydney (-0.6% mom) and Melbourne (-0.6% mom) recorded falls. Looking ahead, we expect the national capital city dwelling price to rise around 5% in 2026.

Overall, surveyed property professionals are slightly more bullish about growth in rents, with expectations for the next year now 3.1% (2.8% in Q4) and 3.5% in 2 years' time (3.2% in Q4). Expectations for the next year were mostly positive across the country, with NSW, QLD, SA, TAS, ACT, and NT accelerating on the previous quarter, while VIC, and WA slowed. Rental returns in two years' time were more diverse. While expectations were positive across all states, VIC, WA, ACT, and TAS eased, with all other markets accelerating.

The market share of First Home Buyers (FHBs) in *new* housing markets in the March quarter increased to 40.7% (33.1% in Q4) while sales to owner occupiers (net of FHBs) eased further (34.1%, from 36.5% in Q4), to slightly below long-term average trends. With interest rate pressures growing, local investors were less active (19.9% down from 24.6%), and the share of sales to foreign investors continued to fall (4.4% vs 5.2% Q4).

Construction costs are still seen as the main hurdle to starting new housing developments according to 65% of property professionals, though this eased again from the previous quarter. Delays getting planning permits (53%) is still the second greatest concern, rising from 47% in Q4), and concern over labour availability rising from 40% from 34% in Q4. Concern over interest rates continues to grow (28%), just behind worries over a lack of development sites (33%). By state, construction costs were the main barrier in all states except WA this concern was also split with interest rates, and development sites.

Buying activity in *established* housing markets continued to be dominated by owner occupiers (net of FHBs), with their overall market share increasing slightly (41.2% from 39.6% in Q4). FHBs overall share was unchanged (34.3% vs 34.4% in Q4). The share of sales to local investors eased slightly to 19.8% (20.4% in Q4). Foreign buyer's share also inched up (3.4% vs 3.0% Q4).

Price levels are still the biggest constraint for established home buyers, with interest rates pipping lack of stock as the second greatest concern. But this was mixed across the country with NSW joining VIC this quarter listing interest rates, while a lack of stock for was the key concern for QLD, SA, and WA.

The number of property professionals expecting that a rate change would boost demand fell to the 'not very' range, well down from the high in September. Also in this quarter, most property professionals expect the government 5% deposit scheme to have 'somewhat' of an effect on house prices, down from the 'significant' range recorded in December. . Finally, this quarter we asked whether property professionals are seeing an increase in 'RentVestors', with the response generally being no. Those that they did identify 'RentVestors' said they were 'somewhat' likely to be younger and or first home buyers.

NAB Residential Property Index

Chart 1: NAB Residential Property Index

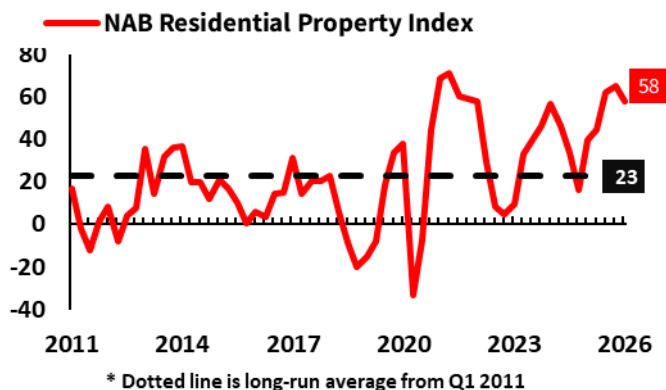


Chart 3: NAB Residential Property Index: Next 1-2 years

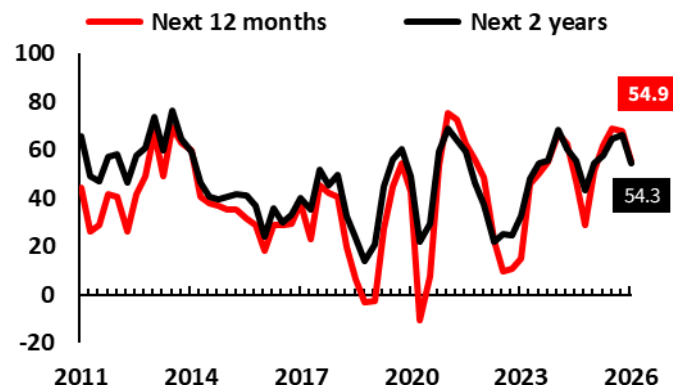


Table 1: NAB Residential Property Index: States

	Dec-25	Mar-26	Next 12 months	Next 2 years
NAB Residential Property Index	65	58	55	54
Victoria	59	37	36	47
New South Wales	51	57	57	59
Queensland	76	68	63	64
South Australia	89	90	70	70
Western Australia	84	82	71	38
Australian Capital Territory	25	-25	-13	0
Northern Territory	80	90	100	80
Tasmania	80	50	67	50

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

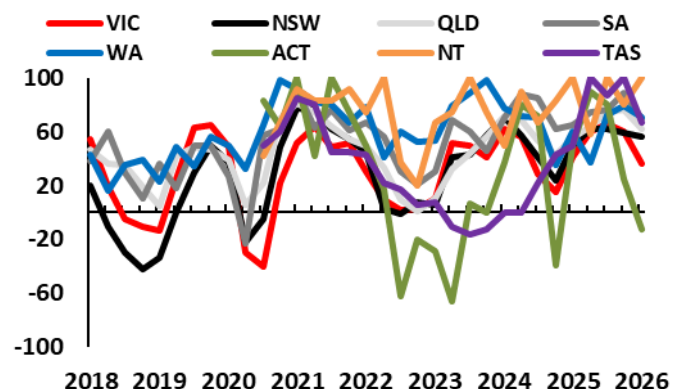


Chart 2: NAB Residential Property Index: States

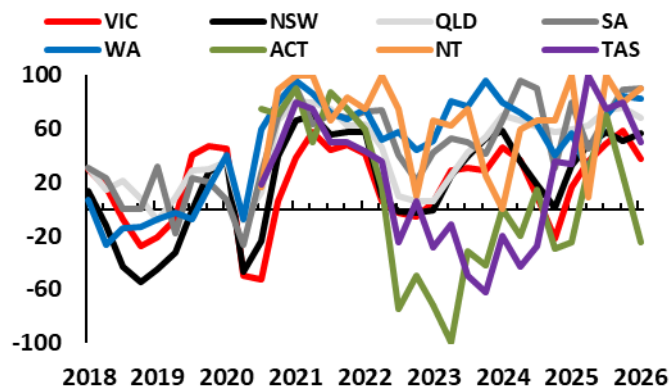
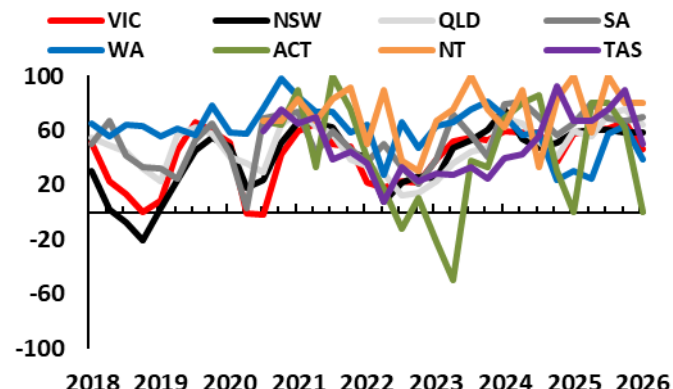


Chart 5: Residential Property Index: States - Next 2 years



Survey House Price Expectations

Table 2: Avg Survey House Price Forecasts (%)

	Next 12 months		In 2 years	
	Dec-25	Mar-26	Dec-25	Mar-26
Australia	3.6	2.1	3.8	2.9
Victoria	2.3	-0.3	2.7	1.1
New South Wales	2.4	1.3	3.3	2.6
Queensland	4.4	3.8	4.8	4.6
South Australia	5.3	4.1	4.4	3.6
Western Australia	6.6	5.5	5.4	5.1
Australian Capital Territory	1.5	-3.8	2.0	-4.7
Northern Territory	6.3	7.9	3.0	7.3
Tasmania	5.8	3.4	4.4	3.1

Survey Rent Expectations

Table 3: Avg Survey Rent Forecasts (%)

	Next 12 months		In 2 years	
	Dec-25	Mar-26	Dec-25	Mar-26
Australia	2.8	3.1	3.2	3.5
Victoria	3.2	2.5	3.6	2.6
New South Wales	2.4	3.8	3.0	4.7
Queensland	3.0	3.0	3.4	3.7
South Australia	3.5	4.1	2.8	5.0
Western Australia	3.3	2.4	2.1	1.8
Australian Capital Territory	-1.1	0.9	3.1	1.4
Northern Territory	3.4	4.4	4.0	4.5
Tasmania	4.4	4.6	5.1	2.6

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

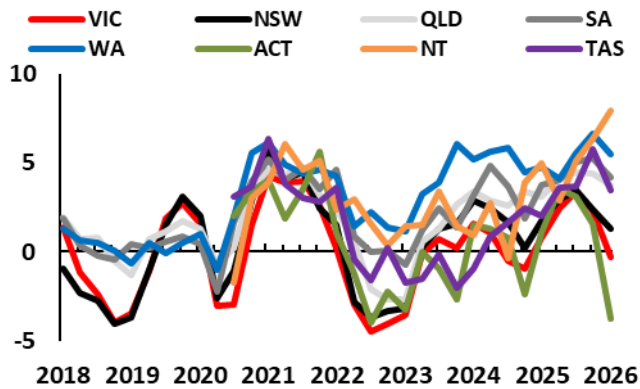


Chart 8: Avg Survey Rent Forecasts: States - Next 12 months (%)

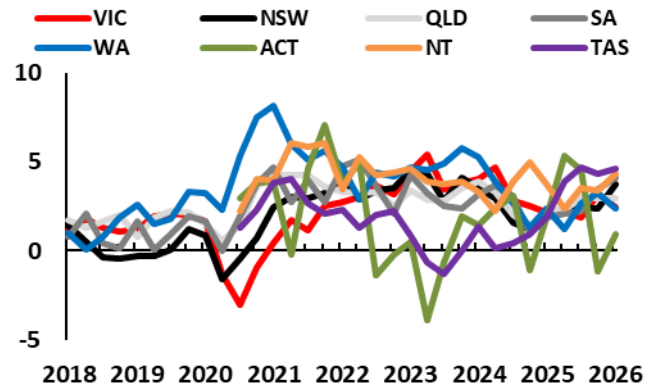


Chart 7: Avg Survey House Price Forecasts: States - Next 2 years (%)

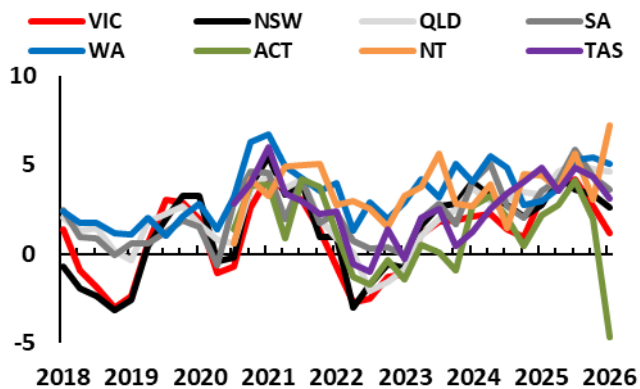


Chart 9: Avg Survey Rent Forecasts: States - Next 2 years (%)

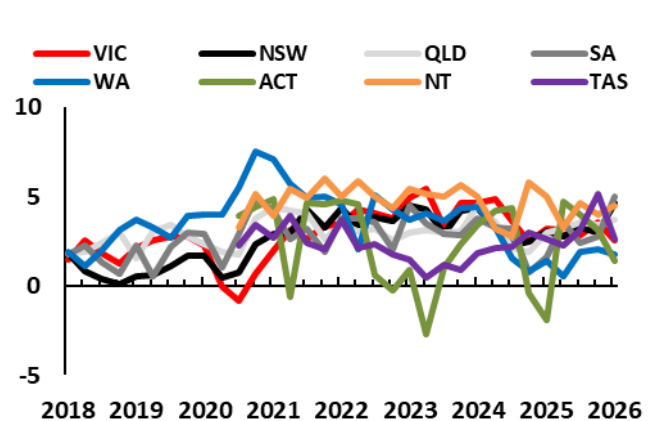


Chart 10: Housing Demand/Supply Balance for Rental Properties (net balance) - Main States

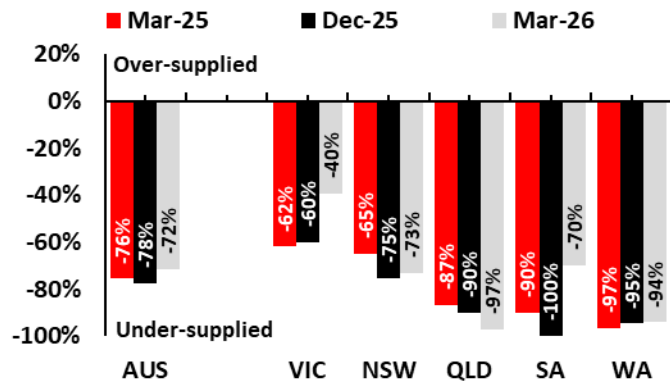
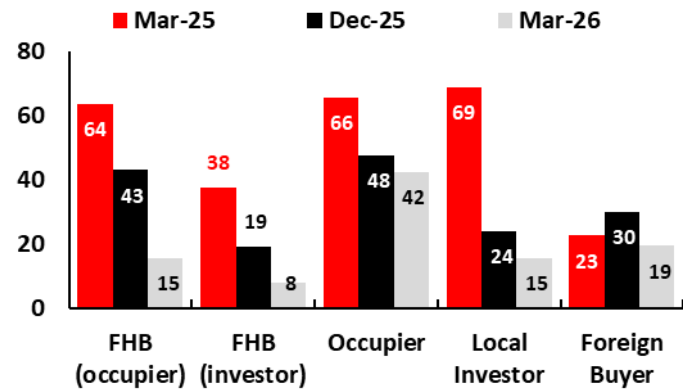


Chart 12: Expected Change in Share of New Property Buyers in Next 12m (net balance)



New Housing Markets

Chart 11: Buyers: New Developments (% share)

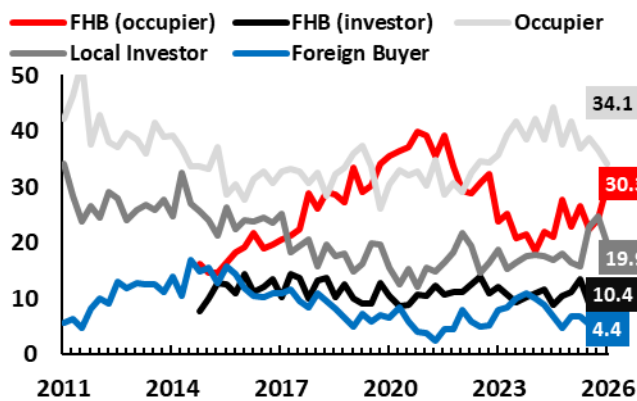


Table 4: Buyers: New Developments: Main States Q1 2026 (%)

	VIC	NSW	QLD	SA	WA
FHB (occupier)	28.8	28.0	30.0	50.0	30.0
FHB (investor)	14.8	11.0	5.0	2.0	5.0
Owner Occupier	28.8	33.6	40.0	35.0	50.0
Local Investor	23.8	20.0	20.0	10.0	10.0
Foreign Buyer	2.8	6.4	5.0	0.0	5.0

Barriers to Starting New Housing Projects

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

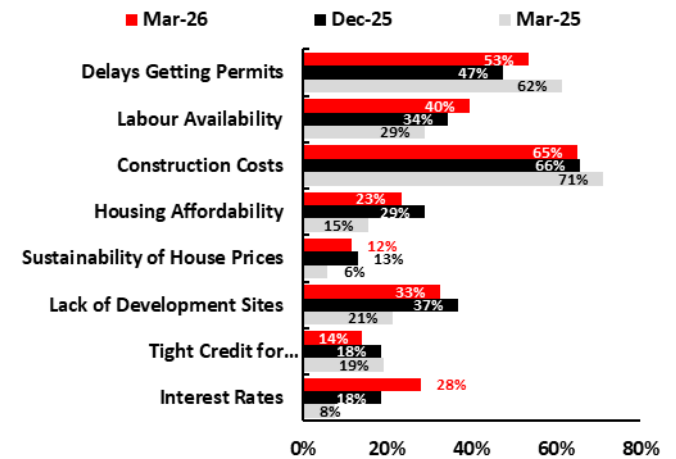


Table 5: Main Barriers to Starting New Developments: Main States Q1 2026 (%)

	VIC	NSW	QLD	WA
Rising Interest Rates	43%	24%	0%	0%
Tight Credit for Developments	29%	29%	0%	0%
Lack of Development Sites	0%	41%	50%	75%
Sustainability of House Prices	29%	12%	17%	0%
Housing Affordability	43%	29%	0%	50%
Construction Costs	86%	71%	0%	75%
Labour Availability	29%	29%	17%	75%
Delays Getting Permits	43%	53%	67%	25%

Established Property

Chart 14: Buyers: Established Property (% share)

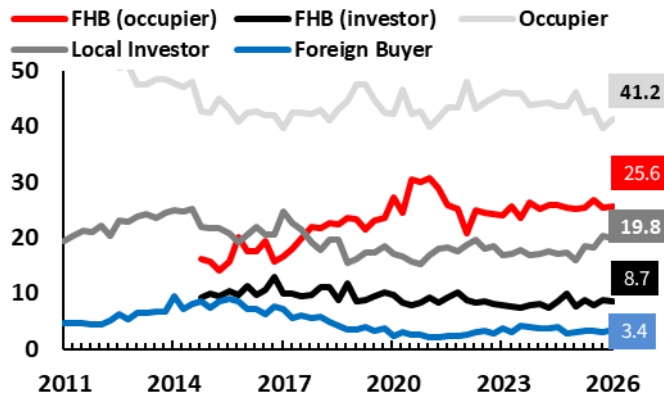
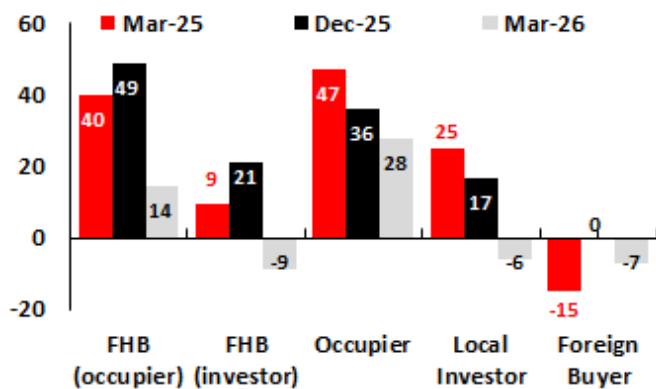


Table 6: Buyers: Established Housing: Main States Q1 2026 (%)

	VIC	NSW	QLD	SA	WA
FHB (occupier)	33.3	19.8	21.1	36.7	30.9
FHB (investor)	9.2	7.6	8.3	13.7	9.2
Owner Occupier	35.4	48.1	40.2	26.7	42.2
Local Investor	18.3	19.9	23.0	17.5	14.2
Foreign Buyer	3.0	3.6	4.6	3.0	2.9

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



Established Housing Constraints

Chart 16: Constraints: Established Home Buyers

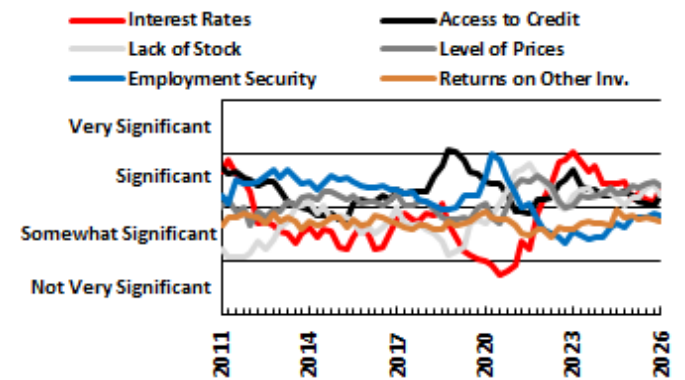
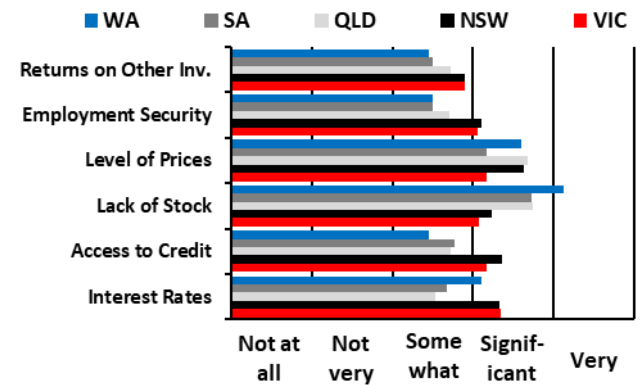


Chart 17: Constraints: Established Home Buyers - Main States Q1 2026



Foreign Buyers

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

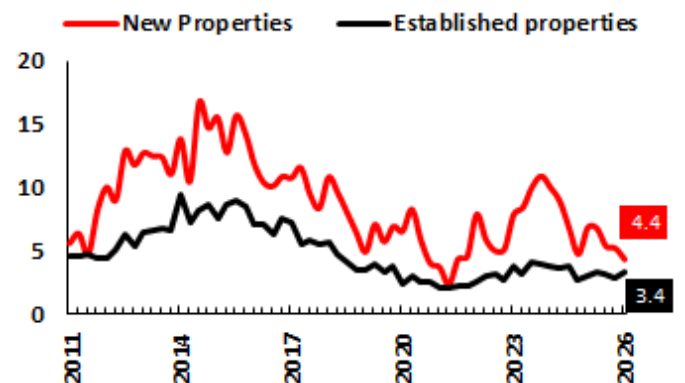


Chart 19: Share of Total Demand for New Property: Foreign buyers - Main States (%)

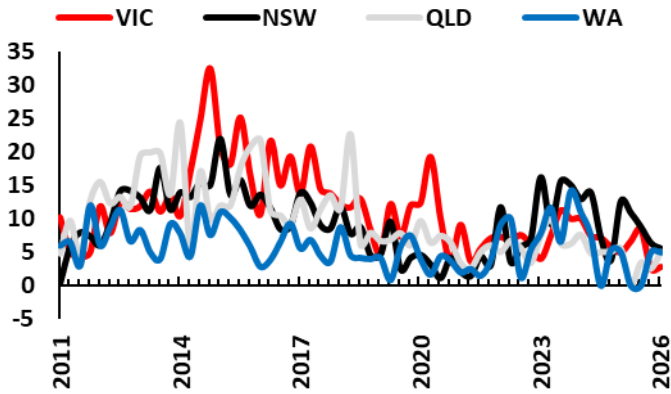


Chart 20: Share of Total Demand for Established Property: Foreign buyers - Main States (%)

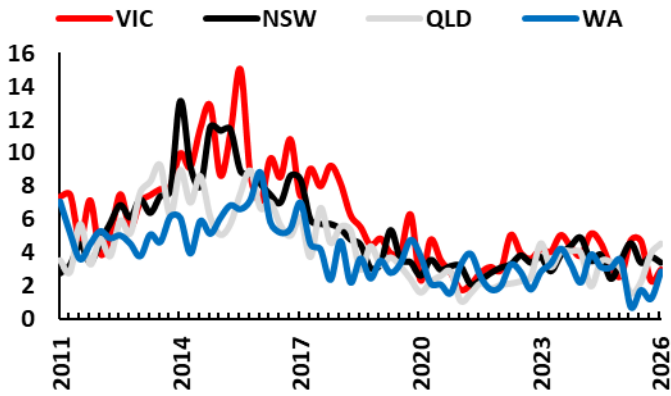
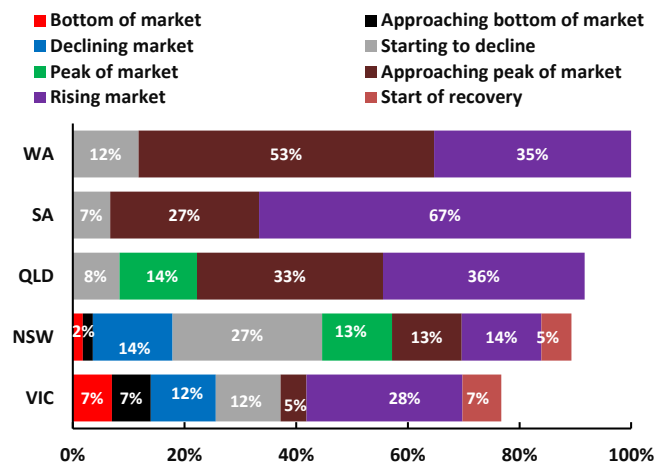


Chart 21: Degree to which rate change will boost demand



Special questions:

Chart 22: Degree to which rate change will boost demand

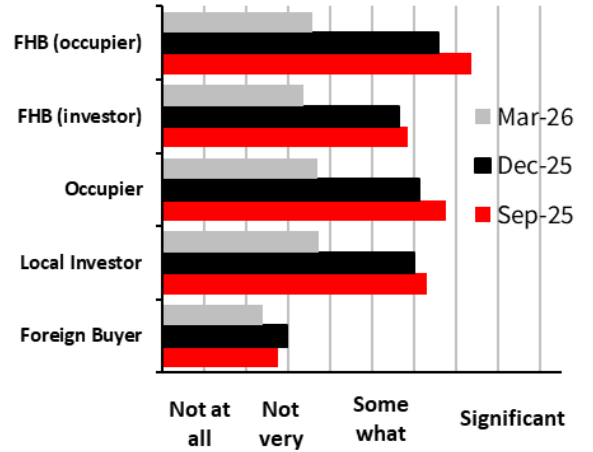


Chart 23: Degree to which the Federal Government 5% deposit will increase new home demand for First Home Buyers in the following property segments.

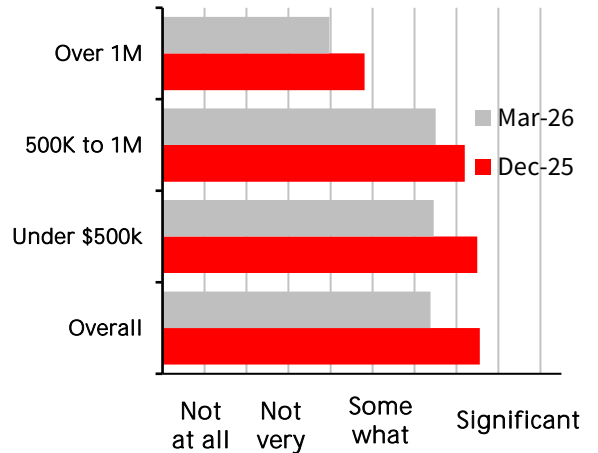


Chart 24: An increase in 'RentVestors' - someone who buys an investment property to lease out while continuing to rent a home to live in?

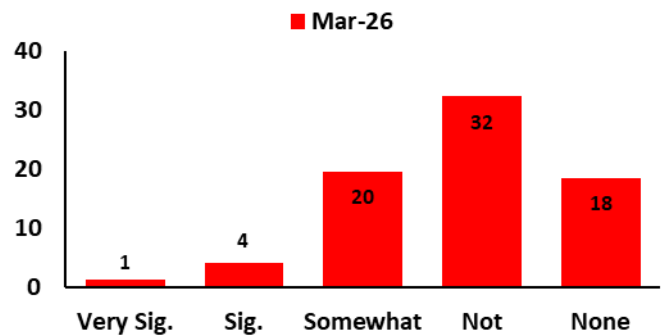
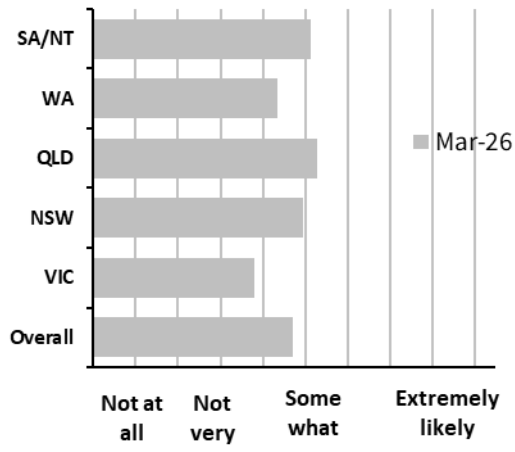


Chart 25: Are 'RentVestors' likely to be younger/ First Home Buyers?



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

Around 248 property professionals participated in the Q1 2026 survey.

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Contact the authors

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

Dean Pearson,
Head of Behavioural & Industry Economics
Dean.Pearson@nab.com.au
+61 457 517 342

Robert De Iure
Senior Economist, Behavioural & Industry Economics
Robert.De.Iure@nab.com.au
+61 477 723 769
+61 434 611

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