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SMASH 
PROPERTY



DECEMBER
PROPERTY
MARKET
UPDATE



BIG PICTURE

Prices nationally rose 1% in November, this is the third consecutive strong month.

Some markets are strong now, others are strengthening quietly.

- Perth, Brisbane - strong now but; vendor behavior is firm, negotiation limited and competition is high.
- Sydney & Melbourne - quieter in data, stronger in real life buying conditions.
- Regionals are still affordable, steady but slower moving.

Interest rates are staying higher for longer which means borrowing power won't rise much soon - so market selection matters more than timing and we also have APRA tightening lending in 2026 so many investors are prioritising strong income bases and rental depth.

Listings remain tight in many cities and with this low supply it continues to support price growth. Units are becoming more attractive with affordability pressures and rental demand pushing buyers back toward well located units.



CAPITAL CITY PERFORMANCE

City	Month %	Month \$	Quarter %	Annual %	Median Value
Perth	+2.4%	+\$21k	7.4%	13.1%	\$914k
Brisbane	+1.9%	+\$19k	5.5%	12.8%	\$1.01m
Adelaide	+1.9%	+\$17k	4.4%	8.2%	\$891k
Darwin	+1.9%	+\$11k	5.7%	17%	\$579k
Hobart	+1.2%	+\$8k	2.4%	4.7%	\$703k
Canberra	+1.0%	+\$9k	2.2%	4.2%	\$892k
Sydney	+0.5%	+\$6k	1.8%	5.1%	\$1.27m
Melbourne	+0.3%	+\$2k	1.6%	4.2%	\$823k



WHAT'S DRIVING IT

Demand Drivers:

- Population growth & migration
- Low rental vacancies
- Investors returning
- Units regaining popularity
- Bank competition improving borrowing rates slightly

Supply Constraints:

- Builder insolvencies
- High construction costs
- Slow planning approvals
- Fewer projects commencing

On-the-ground Insights:

- Perth & Brisbane homes often sell before the first open
- Sydney/Melbourne units are moving faster than headline data suggests
- Regionals have realistic vendors with more negotiation room

OPPORTUNITIES

Melbourne - Early-cycle, mispriced, negotiable

Why it works on paper:

- Strong momentum reappearing
- Units and houses undervalued
- Low vendor power, high buyer leverage

On the ground:

- DOM 25–40 days = time to negotiate
- Vendors meeting market
- Investors not crowding the space (yet)

Sydney - Strong wage base, early cycle

Why it works on paper:

- Clear demand surge
- Strong rental demand
- Momentum rebuilding

On the ground:

- Good stock sells before first open
- Buyers must act fast
- Boutique blocks are premium target

OPPORTUNITIES

Brisbane - Still the consistency king

Why it works on paper:

- 12–18 months of consistent growth
- Low supply, high migration

On the ground:

- DOM 7–18 days
- Multiple offers
- Contracts signed quickly
- Building, flood and insurance risks

Regional VIC - Affordable, early cycle

Why it works on paper:

- Rising sales volumes
- Tight rents
- Underpriced relative to capital cities

On the ground:

- DOM 25–50 days
- Vendor negotiation possible
- Clean deals available

RISKS

Regional QLD — Looks good on paper

- Vendor price expectations unrealistic
- DOM rising
- Thin buyer depth
- High insurance
- Flood risk in many pockets

Outer-ring Perth — Late cycle & higher defect risk

- Cracking common
- Limited negotiation
- Prices bid up beyond fundamentals
- Insurance rising in coastal belts

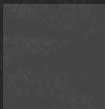
Sydney/Melbourne fringe estates

- Oversupply
- No scarcity value
- Buyer demand softening
- Rental oversupply risk



WHERE TO FOCUS – UNDER \$600K

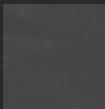
Location	State	Price	Yield	Trend	Strategy	SPI View
Regional NSW	NSW	\$480K– \$600K	4.0– 5.2%	Stable	Balanced	Stable regional centres with strong tenant depth, diverse local economies, and realistic vendors. Good long-term stability in areas like Albury and Wagga Wagga
Regional VIC	VIC	\$430k– \$580k	4.0-5.2%	Rising	Balanced	Tight rentals, rising demand and good buyability in markets like Wodonga, Shepparton/Mooroopna, Warrnambool, Sale, Bairnsdale, Colac and parts of Yarrawonga. Just be selective around flood pockets and slower resale areas.





WHERE TO FOCUS – OVER \$600K

Location	State	Price	Yield	Trend	Strategy	SPI View
Brisbane Middle Ring	QLD	\$650K–\$900K	4.5%	Rising	Steady	Target strong owner occupied suburbs with solid incomes and tight stock. Key areas: Chermside West, Everton Park, Stafford Heights, Aspley, Strathpine, Warner, Bray Park, Shailer Park.
Melbourne Middle Ring	VIC	\$600K–\$800K	4%	Recovering	Growth	Good buyability and improving demand in pockets like Frankston, Sunbury, Glenroy, Hadfield, Oak Park, Altona Meadows. Just allow for stamp duty, land tax and B&P on older homes.
Sydney Units	NSW	\$650K–\$950K	4.4–4.8%	Recovering	Growth	Focus on older boutique blocks in Marrickville, Petersham, Summer Hill, Ryde, Lane Cove, Jannali, Gymea. Avoid new high-rise due to defects and insurance risk.



NICK'S TAKE

Based on current data and on-the-ground buying conditions, 2026 appears to be shaping into a year where strategic market selection is more important than perfect timing.

Some cities — like Perth and Brisbane — continue to show strong momentum. Others — like Melbourne and Sydney — appear to be building the early foundations of the next cycle. Regionals provide accessible price points and rental strength but require longer hold periods due to lower liquidity.

The investors who typically perform well in these environments are those who:

- focus on fundamentals
- choose quality assets
- assess risks clearly
- remain patient and disciplined
- avoid emotional or reactive decisions

There is meaningful opportunity ahead — with the right approach, clear filtering, and strong execution.

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