SMASH PROPERTY

INVESTOR REPORT

august property market update.

A SMASH PROPERTY RESOURCE
MONTHLY REPORT // AUGUST 2026

ABN
24 665 622 202

THE BIG PICTURE

national market snapshot.

Australia's national Home Value Index fell 0.7% in July - the largest single month decline since December 2022, and confiration that the downturn is broadening rather than fading. Last month six of eight capital cities were still rising.

This month the picture flipped: five of eight capital cities fell, and for the first time this cycle the drop pulled in previously resilient mid-sized markets - Brisbane and Adelaide both went negative.

To keep it in perspective, thought: this is monthly momentum turning negative while annual growth is still positive and unwinding from a high base. This is a market coming off the boil, not one in free fall. And put that -0.7% in real money: on a typical $928k home that's about $6,500 off in a single month — real, but hardly the roof caving in.

- **National home value growth: -0.7% (steepest monthly fall since Dec 2022)**
- **Annual Change: +5.3% (down from +7.3% last month)**
- **National median value: $928,421 (down from $937,722 last month)**
- **Combined capitals: -0.9% (quarter -2.5%)**
- **Combined regionals: -0.2% (first negative print since Jan 2023)**

A month ago only two cities were falling, now it's five — Brisbane and Adelaide have joined for the first time. But it's still an orderly downturn: more stock on the market and wider seller discounts. Buyer leverage has widened from two cities to nearly all of them — the opportunity for a prepared buyer, the warning for a stretched one.

AUGUST 2026 // CITY-BY-CITY

capital city performance.

How the eight capital markets stacked up over the past month and year.
Median values rounded.

	MONTHLY %	ANNUAL %	MEDIAN	MONTHLY $
Darwin	+0.8%	+16.3%	$642,175	+$5k
Perth	+0.1%	+20.5%	$1,029,797	+$1k
Hobart	+0.1%	+9.3%	$756,951	+$1k
Adelaide	-0.2%	+10.5%	$944,909	-$2k
Brisbane	-0.6%	+14.8%	$1,104,094	-$7k
Canberra	-1.0%	+1.0%	$833,138	-$9k
Melbourne	-1.2%	-2.8%	$797,354	-$10k
Sydney	-1.4%	-2.0%	$1,244,617	-$18k

Biggest mover: Darwin (+0.8% - the only capital with real momentum)
Weakest performer: Sydney (-1.4%)

These numbers still hide two markets moving in opposite directions. Perth values are up 85.5% over five years; Melbourne is -1.6% - opposite cycles. And even as the headlines soften, the cheapest quarter of homes is still outperforming the most expnesive quarter in every capital. The catch this month: the gap is still there, but the pace has faded.

AUGUST 2026 // CITY-BY-CITY

the breakdown.

We split each city into three price bands — the cheapest quarter of homes, the middle half, and the priciest quarter — and track them separately, because a city's one headline number hides what's really going on underneath.

	LOWEST 25%	MIDDLE 50%	TOP 25%	SPREAD
Sydney	-1.4%	-3.4%	-5.2%	3.8%
Melbourne	-1.2%	-2.8%	-4.6%	3.4%
Brisbane	+0.5%	-0.6%	-1.2%	1.7%
Adelaide	+0.4%	-0.1%	+0.1%	0.3%
Perth	+0.5%	-0.3%	-0.8%	1.3%
Hobart	+2.6%	+1.9%	+0.2%	2.4%
Darwin	+4.0%	+2.0%	+2.2%	1.8%
Canberra	-1.6%	-1.7%	-2.7%	1.1%

Quarterly change in the stratified hedonic dwelling index, 3 months to July 2026 (Cotality)

In every capital the cheapest quarter beat the most expensive quarter. And it's not a one-quarter fluke: over the past year the cheapest quarter of homes is up 10.8% while the priciest is up just 0.7%. Prestige vendors are wearing the correction; first-rung buyers are the relative winners.

AUGUST 2026 // CITY-BY-CITY

rental market overview

Gross rental yields, annual rent growth (houses & units) and yield direction by capital city. Sorted high-to-low yield.

	GROSS YIELD	HOUSE RENT YoY	UNIT RENT YoY	MOVEMENT
Darwin	6.2%	+11.1%	+9.4%	↑
Hobart	4.3%	+8.3%	+6.9%	↓
Canberra	4.2%	+4.0%	+1.5%	→
Melbourne	4.0%	+5.2%	+4.9%	↑
Perth	3.8%	+8.1%	+7.8%	↑
Adelaide	3.5%	+6.2%	+6.0%	→
Brisbane	3.5%	+6.7%	+6.2%	↑
Sydney	3.3%	+6.1%	+4.4%	→

Highest yield: Darwin (6.2%) - up from last month
Lowest yield: Sydney (3.3%) - stable

Combined-capital gross yields just hit their highest level since August 2019. Rents are still climbing, but the bigger lift is coming from the values falling faster than rents rising. Melbourne now offers the best yield of the big-three east-coast markets while sitting below its 2022 peak. But be realistic: with investor loan rates around 6.4% most of these places still cost you money to hold each week.

BUYING BY PRICE POINT

budget bands.

If your budget is under $500K…

Melbourne Units: Affordable entry points, tight vacancy, stronger yields and major employment/infrastructure drivers.

Sydney Units: Western Sydney Airport and surrounds, very affordable, extremely tight vacancy with strong employment drivers around.

BRINGING IT TOGETHER

final take.

It is easy for new investors to read these numbers and get nervous. Last month I told you the cycle had turned. This month it turned harder and wider than expected - the decine diidn’t stay parked over Sydney and Melbourne, it rolled into Brisbane and Adelaide and national values just had their worst month since 2022. If you only read the headlines this is the part where you’d assume the wheels are coming off.

The reality is, yes, values are falling across most of the country and borrowing capacity is still tight. One thing that could turn this from an orderly slide into something ugly is unemployment. Right now it’s still low but rising, and a job market that keeps loosening is what would force sellers who today don’t have to sell. That is the number im watching more closely than the RBA cash rate.

But that aside, this is a standard downturn, one that we have seen many times before - low unemployment, solid population growth and vendors pulling listings rather than dumping them. Rents are still climbing, vacancy is near record lows and combined capital yields just hit their best level since 2019. The expensive end is falling fastest while the affordable end holds. Falling prices, fewer competing buyers and more time to negotiate is for the prepared buyer, a better set up than the frenzy of eighteen months ago.

The playbook is this: don’t chance the steepest growht line, that momentum faded, buy where the demand outstrips supply, fundamentals stack up and credit can still reach - those are your filters now. If your cash buffers are alread thin, then it may be a signal to wait.

READY TO TALK?
Book a clarity call — we'll map your next deal against the data above.
www.smashpropertyinvesting.com.au

IMPORTANT INFORMATION

disclaimers, warnings & disclosures.

Editorial, Projection, and Market Promotion

The information provided in this Report is for generalinformational andeducational purposes only. It is not intended as, and should not be relied upon as, financial, investment, tax, legal, accounting, or property advice. Any references to past performance, market forecasts, or projected outcomes are based on publicly available data and the author's interpretation at the time of writing — and may change without notice.

Reliance on Data

While care has been taken to use accurate, up-to-date data and source it appropriately, no guarantee is given as to the accuracy, completeness, or currency of the information provided. Readers should make their own enquiries and seek independent professional advice before making any property, financial, or investment decisions. Smash Property Investing accepts no liability for any decisions made on the basis of this Report.

No Personal Advice

This document doesnot consider your personal circumstances, financial position, or objectives. Any examples, case studies, or scenarios are illustrative only and should not be construed as a recommendation to buy, sell, or hold any specific property or asset class.

SMASH PROPERTY

INVESTOR REPORT // JULY 2026

Built on data. Grounded in strategy.

www.smashpropertyinvesting.com.au

ABN 24 665 622 202