INVESTOR REPORT

september property market update.

A SMASH PROPERTY RESOURCE
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THE BIG PICTURE

national market snapshot.

Australia's national Home Value Index fell 0.9% in August - a fifth consecutive monthly decline, and national values are now 3.6% below the March peak.

Last month five of eight capital cities were falling. This month it's seven of eight, and the spread went deeper than the city level: 93% of capital city suburbs recorded a fall over winter, up from 45.8% in autumn.

Keep it in perspective: monthly momentum is negative while annual growth is still positive off a high base. And put that -0.9% in real money: on a typical $913k home that's about $8,200 off in a single month — real, but this is a market unwinding, not collapsing.

- **National home value growth: -0.9% (fifth consecutive monthly fall)**
- **Annual Change: +2.7% (down from +5.3% last month)**
- **National median value: $912,885 (down from $928,421 last month)**
- **Combined capitals: -1.1% (quarter -3.7%)**
- **Combined regionals: -0.4% (quarter -1.2%)**

Listings are up 24% on a year ago — but new listings are down 6%. That's not sellers rushing the exits, it's stock sitting longer because buyers aren't showing up. Clearance rates under 50%, longer selling times, wider discounts. More leverage for a prepared buyer, more downward pressure for everyone.

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capital city performance.

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

	MONTHLY %	ANNUAL %	MEDIAN	MONTHLY $
Darwin	+0.6%	+14.6%	$647,259	+$4k
Hobart	-0.2%	+8.1%	$752,397	-$2k
Adelaide	-0.8%	+8.6%	$937,207	-$8k
Perth	-0.8%	+15.6%	$999,987	-$8k
Brisbane	-1.0%	+10.8%	$1,080,142	-$11k
Melbourne	-1.1%	-4.7%	$786,718	-$9k
Canberra	-1.1%	-0.4%	$864,998	-$10k
Sydney	-1.4%	-4.6%	$1,222,718	-$17k

Biggest mover: Darwin (+0.6% - the only capital still rising)
Weakest performer: Sydney (-1.4%)

Sydney is now 7.1% below its February peak - a steeper fall than the 2022-23 correction at the same point (-6.6%). Meanwhile Perth is still +15.6% and Brisbane +10.8% over the year. Same country, opposite cycles. Annual numbers are the rear-view mirror; monthly is the windscreen.

SEPTEMBER 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) - August pack pending

The affordable end is still outperforming the expensive end - but that shield is thinning. Cotality's August commentary has lower-quartile values now falling too as the downturn broadens. Cheaper stock is holding up better; it is no longer holding up outright.

SEPTEMBER 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	6.3%	+12.0%	+10.5%	↑
Hobart	4.4%	+8.5%	+6.0%	↑
Canberra	4.3%	+4.0%	+1.4%	↑
Melbourne	4.0%	+5.1%	+4.9%	→
Perth	3.9%	+8.1%	+7.4%	↑
Adelaide	3.6%	+5.8%	+6.0%	↑
Brisbane	3.4%	+6.7%	+5.6%	↓
Sydney	3.3%	+5.3%	+3.9%	→

Highest yield: Darwin (6.3%) - up from last month
Lowest yield: Sydney (3.3%) - stable

The national gross rental yield hit 3.79% - its best since September 2019. Most of that lift is values falling faster than rents rising, not a rental boom. Vacancy has crept up to 1.9%, off February's 1.5% record low. Still historically tight, but the squeeze is easing. With investor rates around 6.4%, most of these markets still cost you money each week.

BUYING BY PRICE POINT

budget bands.

If your budget is under $500K…

Melbourne Units: Best unit yields of any capital, sub-3% vacancies and a sales cycle rebuilding off a low base.

Canberra Units: Cheap access to the capital, fast population growth and yields well above Canberra houses.

BRINGING IT TOGETHER

final take.

Last month I said the cycle had turned harder and wider than expected. This month it went wider again - 93% of capital city suburbs fell over winter, and Sydney is now falling faster than it did in 2022-23. Seven of eight capitals are going backwards.

Here's what changed, and it matters. Core inflation came in higher than expected, and a growing number of economists now think the RBA could raise the cash rate in September or November. Two months ago the debate was when cuts arrive. That's a different game - higher rates would cut borrowing capacity again and squeeze existing holders.

I'm still watching unemployment more closely than the cash rate. It's low but loosening. Low unemployment is what keeps this an orderly downturn instead of a disorderly one, because it's what stops people who don't have to sell becoming people who do. That hasn't broken yet.

The set-up for a prepared buyer is the best it's been in years: 24% more stock, sub-50% clearance rates, vendors getting realistic, yields at 2019 highs and rents still climbing. But my filters haven't changed - buy where demand outstrips supply, fundamentals stack up and credit can still reach. Don't chase the steepest growth line; that momentum has already faded. And if your buffers are thin with a rate rise on the table, waiting is a strategy, not a failure.

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