AUGUST 2026

Your Property Market Update

Australia's Housing Market Downturn Broadens

Australia's housing market weakened further in July, with the national dwelling values declining 0.7%, the largest monthly fall since December 2022. This sees values now 1.9% lower over the past three months, although remain 5.3% higher than a year ago. The slowdown has broadened beyond Sydney and Melbourne, with previously stronger markets now also experiencing declines.

Sydney and Melbourne remain the weakest performing capitals, with values falling 1.4% and 1.2% respectively during July. Brisbane and Adelaide also recorded declines, while Perth was broadly flat. Darwin remains the strongest capital, with values rising 0.8% during July and 16.3% over the past year.

The downturn is increasingly being driven by affordability and serviceability pressures, higher borrowing costs and weaker buyer confidence. Interestingly, the lower end of the market has shown some resilience, with lower-quartile values rising 0.3% over the past three months, compared with a 3.2% decline across the upper quartile.

	Change in dwelling values				
Index Results as at 31 July	**Month**	**Quarter**	**Annual**	**Total Return**	**Median Value**
Sydney	-1.4%	-4.0%	-2.0%	1.0%	$1,244,617
Melbourne	-1.2%	-3.4%	-2.8%	0.7%	$797,354
Brisbane	-0.6%	-0.6%	14.8%	18.6%	$1,104,094
Adelaide	-0.2%	0.1%	10.5%	14.4%	$944,909
Perth	0.1%	-0.3%	20.5%	25.2%	$1,029,797
Hobart	0.1%	1.4%	9.3%	14.1%	$756,951
Darwin	0.8%	2.4%	16.3%	23.5%	$642,175
Canberra	-1.0%	-2.1%	1.0%	5.2%	$883,138
National	**-0.7%**	**-1.9%**	**5.3%**	**8.9%**	**$928,421**

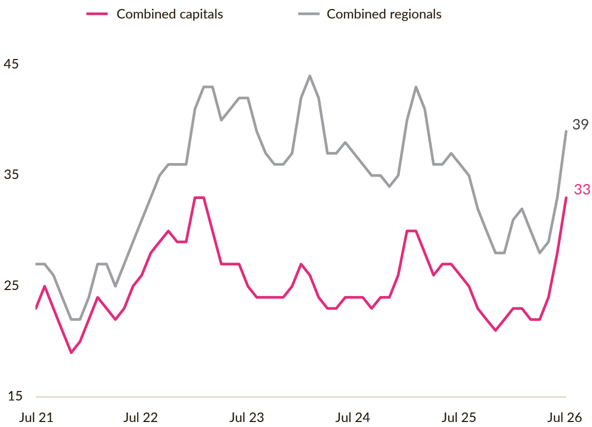
Source: Cotality Home Value Index August 2026.

Buyers Gain More Negotiating Power

Selling conditions have softened as properties take longer to sell and vendors increasingly accept lower offers. Nationally, the median time on market rose to 35 days, up from 32 days in June. The increase was more pronounced across the capital cities, where median selling time jumped from 26 to 33 days, while regional markets increased from 36 to 39 days.

Vendor discounting has also widened. Across the combined capitals, the median discount increased to 3.9%, up from 3.2% in the three months to April. Regional discounting also increased, reaching 3.7%, compared with 3.3% previously. The combination of longer selling times and deeper discounts points to a market where buyers have greater negotiating power and vendors are becoming more willing to adjust expectations.

Median days on market

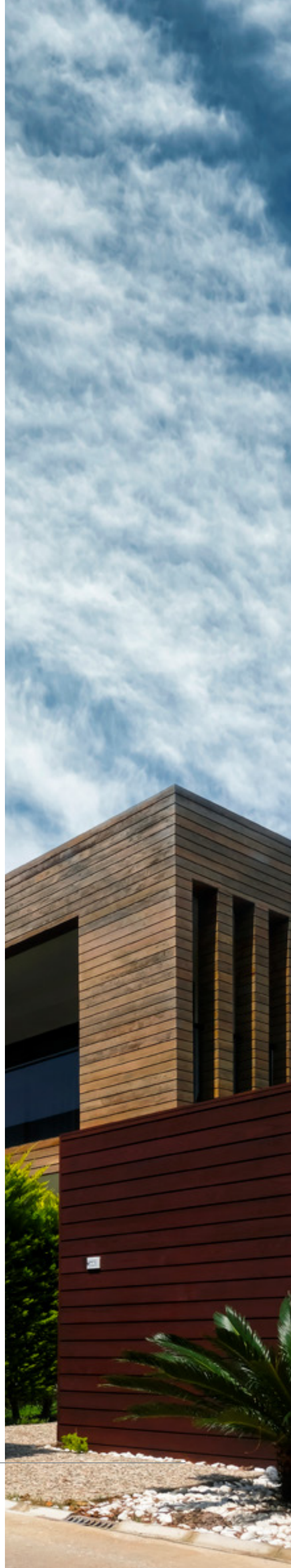


Source: Cotality Monthly Housing Chart Pack August 2026.

Regional Markets and Houses Still Outperform, But the Gaps are Narrowing

Regional Australia continues to outperform the capital cities, although the difference is narrowing as weaker demand begins to flow through to regional markets. Over the past year, combined regional dwelling values have increased 9.7%, compared with 3.9% across the capital cities. During July however, regional values fell 0.2%, marking the first monthly decline in the combined regional values since January 2023.

Houses have continued to outperform units nationally, with annual growth of 5.7% for houses compared with 3.9% for units. However, both segments have weakened over the past quarter, with house values falling 2.0% and unit values down 1.4%.



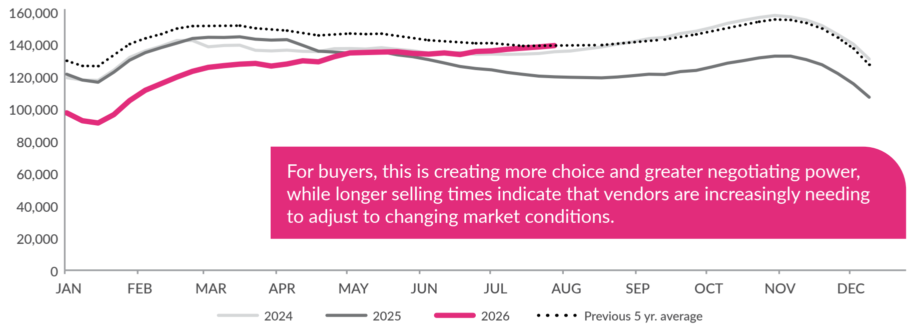
More Properties on the Market as Buyer Demand Softens

The number of properties advertised for sale has continued to rise, with 135,008 total listings nationally over the four weeks to 9 August. This is 14.9% higher than a year ago and now sits just above the five-year average. Importantly, the increase is being driven by fewer homes selling rather than a surge in new listings activity.

National home sales declined 0.8% over the past year, with sales across the capital cities down 3.5%. New listings were only 1.0% higher than a year ago and remained 7.1% below the five-year average, highlighting that the growing stock of properties is primarily a result of weaker buyer demand.

For buyers, this is creating more choice and greater negotiating power, while longer selling times indicate that vendors are increasingly needing to adjust to changing market conditions.

Total National Property Listings



Source: Cotality Monthly Housing Chart Pack August 2026.

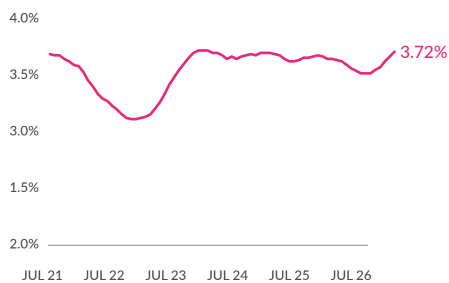
Rental Yields Continue to Rise

Gross rental yields have continued to increase as rents remain stable while property values fall. The gross rental yield across the combined capitals reached 3.56% in July, its highest level since August 2019.

Rental growth has remained steady, with national rents increasing 5.9% over the past year, unchanged for the third consecutive month. The national vacancy rate edged up to 1.7% but remains well below the long-term average of 2.4%.

Overall, the market is moving into a softer phase, with falling values, lower sales activity and rising stock giving buyers more leverage.

Annual change in rental rates - National



Source: Cotality Monthly Housing Chart Pack August 2026.

Home Loan Solutions For The Self-Employed

Whether you are looking to buy a new property or refinance an existing loan, **Rate Money** can help tailor a loan for your specific needs.

We understand that everyone's situation is different, particularly for the self-employed who may not have up-to-date financials. **Rate Money** offers:

- Alternative income verification options that make qualifying for finance easier
- Flexible loans to reflect how you actually earn, including Low Doc
- No-fee home loan options with fast turnaround times
- Less paperwork and a flexible assessment process
- Help with complex loan scenarios
- Expert support throughout the whole process.

Our team of lending specialists work with self-employed Aussies who are often told "no" by traditional lenders, despite running successful businesses.

If you're a business owner and looking for lending solutions, or a professional service provider wanting to refer a client,
Rate Money can help.

Who is Rate Money?

Rate Money is a specialist mortgage manager focused on helping self-employed Australians achieve their property goals. We offer competitive home loan solutions, flexible lending options for self-employed borrowers and personalised service through our national branch network.

Contact Us

1300 936 668

ratemoney.com.au

Level 4, Suite 402, 54 Miller Street
North Sydney, NSW 2060

rate money
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