



Oliver Hume Land Index & Residential Outlook

A Proprietary 12-Month Roadmap for
Land & Housing Markets

June 2026 Quarter



Background & Approach

The Oliver Hume Land Index & Residential Outlook heralds a significant evolution in market intelligence from Oliver Hume Property Group Research division, drawing on more than 70 years of property expertise and one of the deepest proprietary datasets of new land and townhouse sales in Australia.

Combining extensive first-hand transactional data, access to third-party information sources, advanced data capture and analytics systems, and a highly experienced national Research team, the Index delivers a rigorous, evidence-based assessment of Australia's major land markets.

Covering Melbourne, Sydney, South-East Queensland, Perth and Adelaide, the Index provides a quarterly, data-driven status check of each market alongside a 12-month outlook for land sales volumes and price movements across both land and established housing markets.

The Index comprises two core components:

1. State of Key National Land Markets: a systematic assessment of current market conditions across major regions, enabling clear comparison of relative performance and identification of each market's position within the property cycle.
2. Residential Market Outlook: A 12-month outlook for the key market metrics of land sales volumes and price growth and an outlook for established market house price growth.

Each market is assigned a benchmark score from 1 to 10, where 5 represents long-term balance. Scores above 5 indicate above-trend conditions, while readings below 5 signal below-trend performance. This transparent scoring framework provides stakeholders with a clear and consistent measure of market conditions.

Designed to become one of Australia's most respected property benchmarks, the Oliver Hume Land Index & Residential Outlook will serve as an essential strategic guide for developers, governments, policymakers, media and investors seeking timely, independent and data-led insight into the nation's evolving land and residential housing markets.

National Market Summary

Oliver Hume's June 2026 quarter Land Index largely reflects the weaker established market conditions being observed across the major capitals. The June 2026 quarter was characterised by the highest level of economic uncertainty in over two years, particularly for the residential property market.

While the Middle East War commenced at the end of February, expectations of oil price impacts flowing through to domestic inflation peaked in April and May. The impacts of February and March rate hikes began to flow through, exacerbated by the May increase. And of course, the Federal Budget announced changes to investor taxation of established properties on May 12.

It was only December 2025 when four of the five major land markets were operating at levels above longer-term trend. In March, this shifted down to only three markets, and our June quarter Land Index results show that now that number has fallen to only two markets.

South-East Queensland and Perth markets still have the majority of indicators performing historically strongly, with SEQ the only market to see an increase in its score in June. Adelaide moved back towards equilibrium, while Sydney regressed from a balanced market to join Melbourne as operating below long-term average levels, right in line with their weaker established markets.

While the June quarter was characterised by heightened economic uncertainty, some of these risks have eased since the March Index publication. Despite the ongoing Middle East crisis, the impact on oil and domestic fuel prices has been less than expected, with the flow-through to domestic inflation also more limited than initially forecast.

However, after July's inflation data, the rates outlook remains the same with markets still fully pricing in one more rate hike in 2026, with major forecasters also falling in line with one more hike before the rate cutting cycle begins in the second half of 2027. As always, the rates outlook remains the key short-to-medium-term driver of the outlook.

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The hysteria related to the investor taxation announcements in the 2026 Federal Budget didn't take too long to abate. The established market was clearly slowing prior to the Budget due to the February and March rate hikes (and expectations of at least two more), and while clearly a short-term negative to sentiment, the rates environment and outlook was always going to remain the main driver of an established market slowdown.

Consumer sentiment has clearly moved past the bottom experienced in May and June as have other early residential market indicators such as auction clearance rates and open house attendance. They remain weak, and consistent with overall price easing, but aren't pointing to the generational house price falls many have been forecasting.

While housing finance available to consumers remains readily available via the banking and financial services industry, there has been an increased focus recently on private credit markets. The RBA has flagged the heavy exposure of local private credit funds to real estate and construction, and we are already seeing some disruption to some key markets. We'll be keeping a close eye on this going forward.

Our outlook for established market price growth over the next 12 months remains unchanged from March. We still expect falling established dwelling prices over the September quarter and possibly into the December quarter, particularly in Sydney and Melbourne. But as the rates outlook stabilises (with or without a final hike) and consumer expect the next move in rates to be down, we expect the established market recovery to commence by mid-2027. Most established markets remain undersupplied to various levels although this undersupply is expected to ease from recent highs, given the inevitable fall in investor demand.

As outlined in the March Index, we expect the long-term impacts of the Federal Budget changes to investor taxation to be net positive on new dwelling demand and still secondary compared to the impact of interest rate movements and supply and demand dynamics. Some evidence of this is already appearing, with the heavy falls in investor activity in the established market not being reflected in the new dwelling market, where loans for construction, newly built dwellings and land held up well in the June quarter Lending Finance figures.

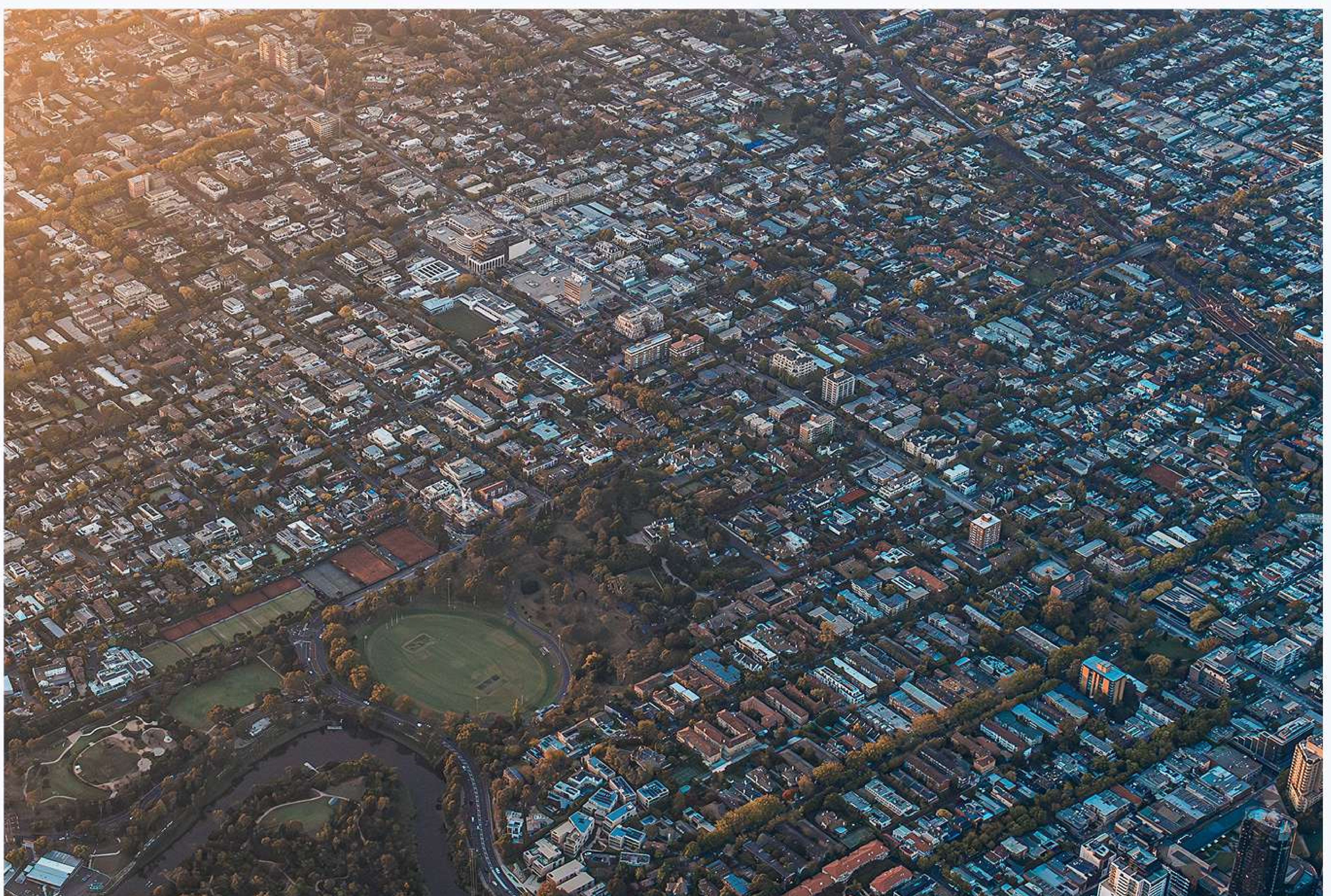
Overall, the national land market weakened in the 12-months to June 2026 as the three rate hikes delivered by the RBA impacted consumers, exacerbated by Federal Budget related sentiment. Still, unmet underlying demand remains strong, credit readily available and first home buyer incentives are still in place.

A weaker macroeconomic outlook for the second half of 2026, as the three rate hikes from the first half work their way through the broader economy and are potentially supplemented by a fourth,

combined with weaker established markets across the country, has pushed any land market recovery in those weaker markets well into 2027. We expect volumes to remain flat over the next 12-months in most markets, reflecting some easing in the short term but recovering in 2027 as the rates environment stabilises.

Prices are likely to remain weak in Sydney and Melbourne, with any recovery not coming until the second half of 2027, after volumes pick up. Land growth is expected to continue to ease, but remain positive in those undersupplied land markets of Perth, Brisbane and Adelaide.

In addition to these broader macro trends, we expect the shift in product mix to become increasingly important. With apartment delivery constrained by development costs and detached housing affordability remaining stretched, townhouses are likely to play a growing role in meeting future housing demand.



Land Market Performance

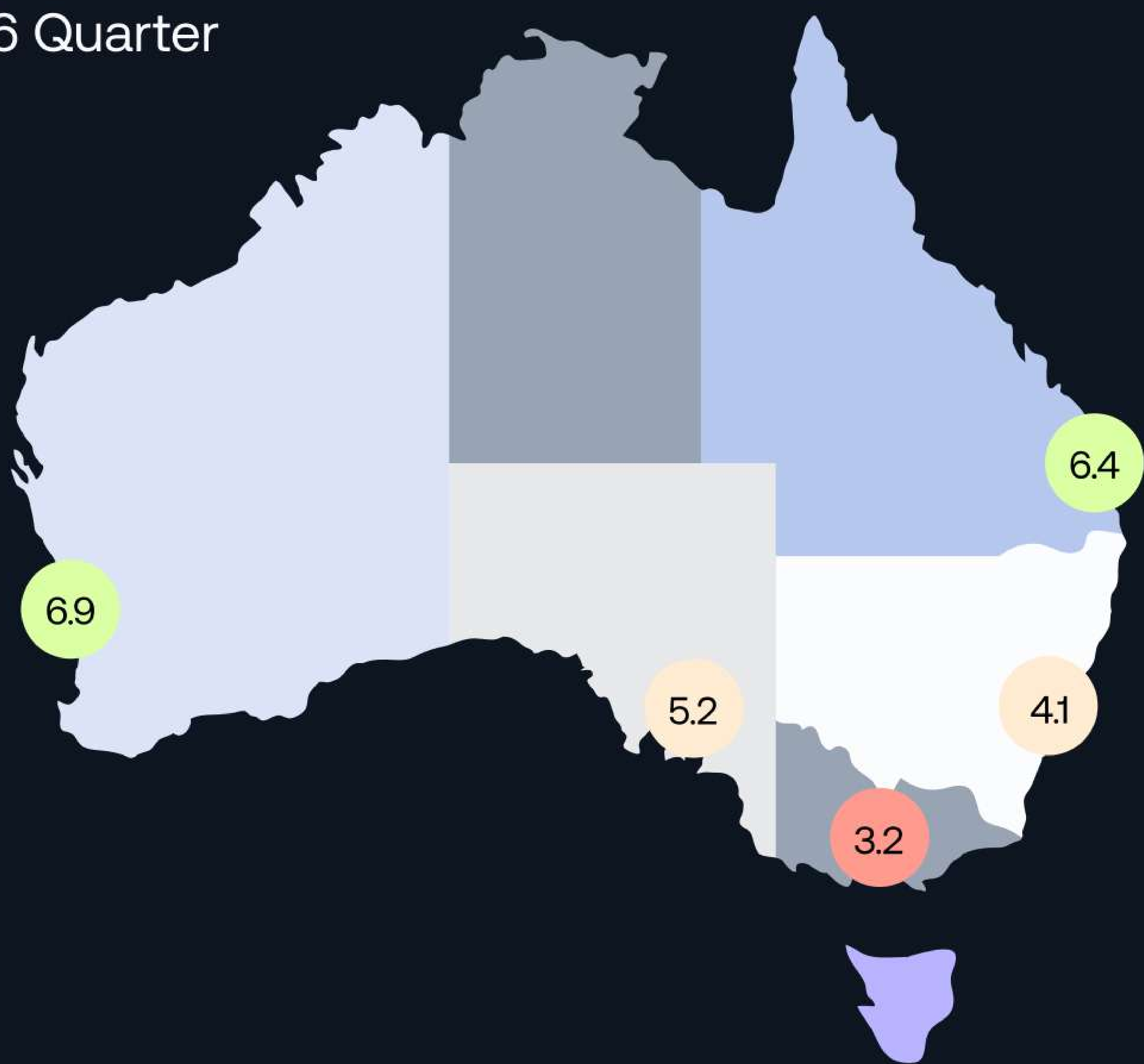
June 2026 Quarter

Market	Land Prices			Sales Volumes		
	Median Value	Quarterly % Change	Annual % Change	Quarterly Sales	Quarterly % Change	Annual % Change
Melbourne	\$402,000	↓0.8%	↑1.3%	1,640	↓13.1%	↓33.0%
Sydney	\$704,275	↓1.5%	↓2.9%	1,125	↓22.1%	↑7.2%
SEQ	\$540,900	↑2.4%	↑22.7%	1,117	↑21.1%	↓26.8%
Adelaide	\$390,000	↓6.6%	↑16.2%	297	↓20.4%	↓41.7%
Perth	\$438,882	↑3.5%	↑17.0%	2,254	↓9.3%	↓7.3%

Source: Oliver Hume Research, UDIA WA, Cotality, HIA.

Oliver Hume Land Index & Residential Outlook

June 2026 Quarter



Market	Land Market Index					Land Market Outlook	
	Supply & Demand	Market Sentiment	Price Trend	Overall		Price Trend	Volumes Trend
Melbourne	3.6	2.2	3.3	3.2		↔	↔
Sydney	3.7	5.0	3.7	4.1		↔	↔
SEQ	6.1	6.9	6.8	6.4		↗	↔
Adelaide	5.0	5.2	6.6	5.2		↗	↔
Perth	7.1	6.5	7.0	6.9		↗	↘

Source: Source: Oliver Hume Research, UDIA WA, HIA, ABS, RBA, Cotality.

- Each sub-indicator and the overall Index result will be scored from 0-10
- A score of 5 means the sub-indicator or overall market is operating at a balanced market level, largely in line with the long term performance of that market or indicator.
- Scores above 5 mean the indicator or market is outperforming the normalised (balanced) level of that market.
- Scores below 5 mean the indicator or market is underperforming the normalised (balanced) level of that market.
- We estimate that over 95% of outcomes will range between Index Scores of 2 and 8 (i.e. 5±3).

Established House Prices

Market	12-month Price Growth	
	Actual (FY26)	Forecast (FY27)
Melbourne	↓1.4%	↑2% - 4%
Sydney	↓0.1%	↑1% - 3%
Brisbane	↑16.0%	↑6% - 8%
Adelaide	↑11.3%	↑4% - 6%
Perth	↑21.7%	↑10% - 12%

Source: Oliver Hume Research, Cotality.

Melbourne

Market Position

Melbourne's overall Land Index was the biggest mover in the quarter. The total Index fell from 4.2 to 3.2 in the June quarter, moving the market now significantly below normalised levels, and further from any long-awaited recovery that seemed to be commencing this time last year. The move down was driven by a large deterioration in Market Sentiment, both from the consumer and developer perspective.

Cancellation rates rose and developer production fell in the quarter forcing the Market Sentiment sub-index score down from 4.4 to 2.2. On the Supply & Demand side, while unsold stock remained steady, falling quarterly sales volumes and clearance rates saw the sub-index score fall from 4.3 to 3.6. The Pricing sub-indicator remained weak but steady at 3.3 as price growth remained anemic and the relativity to the established house price remained steady and close to long-term average levels, forming a relatively healthy basis for future price growth once demand fundamentals take over and established house price growth returns.

Outlook

Since the March Index Outlook, the rates environment hasn't changed significantly but market expectations of established house price falls have increased. The downturn was inevitable once the three rate hikes were delivered, and the well-understood 6-9 month lag in impacts on housing markets were always going to start in the June and September quarters. Fundamental demand drivers remain in place. Population growth while easing remains strong and implies new dwelling demand well above what's being delivered in greenfield regions. Melbourne's relative affordability compared to other capital city markets continues to improve, first home buyer incentives remain in place and eventually the structural taxation advantages of new builds should see increased investor appetite.

FY26 land sales volumes ended around 7,600 for Greater Melbourne, and we expect FY27 volumes to be in line with that number. Previous cycles suggest Melbourne does not necessarily need rate cuts to recover. Greater certainty around the rate outlook could be enough to improve confidence relatively quickly, particularly given its significant relative affordability and pent-up demand.



Sydney

Market Position

Sydney's overall Land Index score fell from 5.0 to 4.1 in the June quarter, moving from a market operating right in line with long-term average levels to one now running moderately below them. The deterioration in the June quarter Index score was mainly driven by a fall in the Supply & Demand sub-index score from 5.2 to 3.7 as sales volumes eased by 22%.

The softening of prices continued in the June quarter in response to two further rate increases in March and May despite ongoing undersupply and underlying demand. The Price Trend sub-index remained steady as the June price movement was in line with both the March movement and movements in established house prices, keeping the land price relativity steady.

Outlook

As is being demonstrated in the established market, the worsening interest rate environment is likely to have an outsize impact on Sydney as the most highly interest rate sensitive market in the country.

Sales volumes are now well below long-term average levels and are likely to remain flat compared with the prior 12-month period. Prices are expected to record modest growth, as downward pressure through the remainder of 2026 is offset by some recovery in 2027. We still expect established market house price growth to improve to the 1%–3% range by the end of June 2027, with the weakness concentrated in the second half of 2026 before some recovery in 2027.



South-East Queensland

Market Position

SEQ was the only land market to see its Index score increase in the June quarter, based mainly in increased measures of consumer and developer sentiment driving the Market Sentiment sub-index from 5.9 to 6.9. Consumer cancellation rates fell and developer production rates increased. The uplift in the total score was primarily driven by stronger market sentiment, while other indicators remained more mixed. A rise in levels of unsold stock and a fall in conversion rate was offset by a rise in sales, keeping the Supply and Demand score constant, while pricing dynamics remained relatively stable and strong.

Other than continued constraints around land production, SEQ is still a land market operating well above long term average levels across most measures. Price growth slowed but remained positive for the quarter and the strongest of all our markets on an annual basis at 23%.

Outlook

The SEQ land market is showing some clear signs of moderation as affordability pressures, policy changes, rate hikes and a slowing established market all impact activity. Underlying demand remains strong and while some more moderation is expected, the market is likely to remain healthy. There remains potential upside for increases in sales volumes if the supply issue moderates but this is not our base case.

Land affordability compared to other capitals (with the exception of Perth) deteriorated for another quarter. Falls in established house prices and continued worsening of relative affordability should see price growth ease, but the ongoing undersupply of new land will keep upward pressure on prices.

Brisbane established house prices are expected to moderate over the second half of 2026 before stabilising in 2027 to end FY27 in the 6%-8% range, below half the current 16% rate of price growth.



Adelaide

Market Position

Adelaide recorded the second-largest movement in the Index score of our five markets in the June quarter, with the change reflecting a clear weakening in market conditions. The total Index score eased from 6.1 in March to 5.2 in June, moving Adelaide from a market operating above long-term average levels to one more in-line with them. The fall was concentrated in the heavier weighted sub-indexes of Supply & Demand and Market Sentiment.

All measures of Demand & Supply eased as sales levels fell by over 20% in the quarter. Clearance rates were down and unsold stock rose. Cancellation rates increased driving the Market Sentiment sub-index lower. While median prices fell in the June quarter, overall price growth remains strong. The quarterly slip in median price was driven by a significant decline in the median land size. In \$/sqm rate terms, price growth remains elevated, although down off recent highs.

Outlook

Adelaide land market is likely to continue to normalise as population growth slows and land prices remain elevated compared to established market levels. Price growth probably has further to ease (especially with the quickly slowing established market).

The outlook for established house price growth is for a continuation of the easing in price growth already seen in the last few months as rate hikes and slowing investor activity impacts. Adelaide remains historically expensive compared to other national housing markets, and is producing new dwellings at a relatively high level compared to underlying demand.



Perth

Market Position

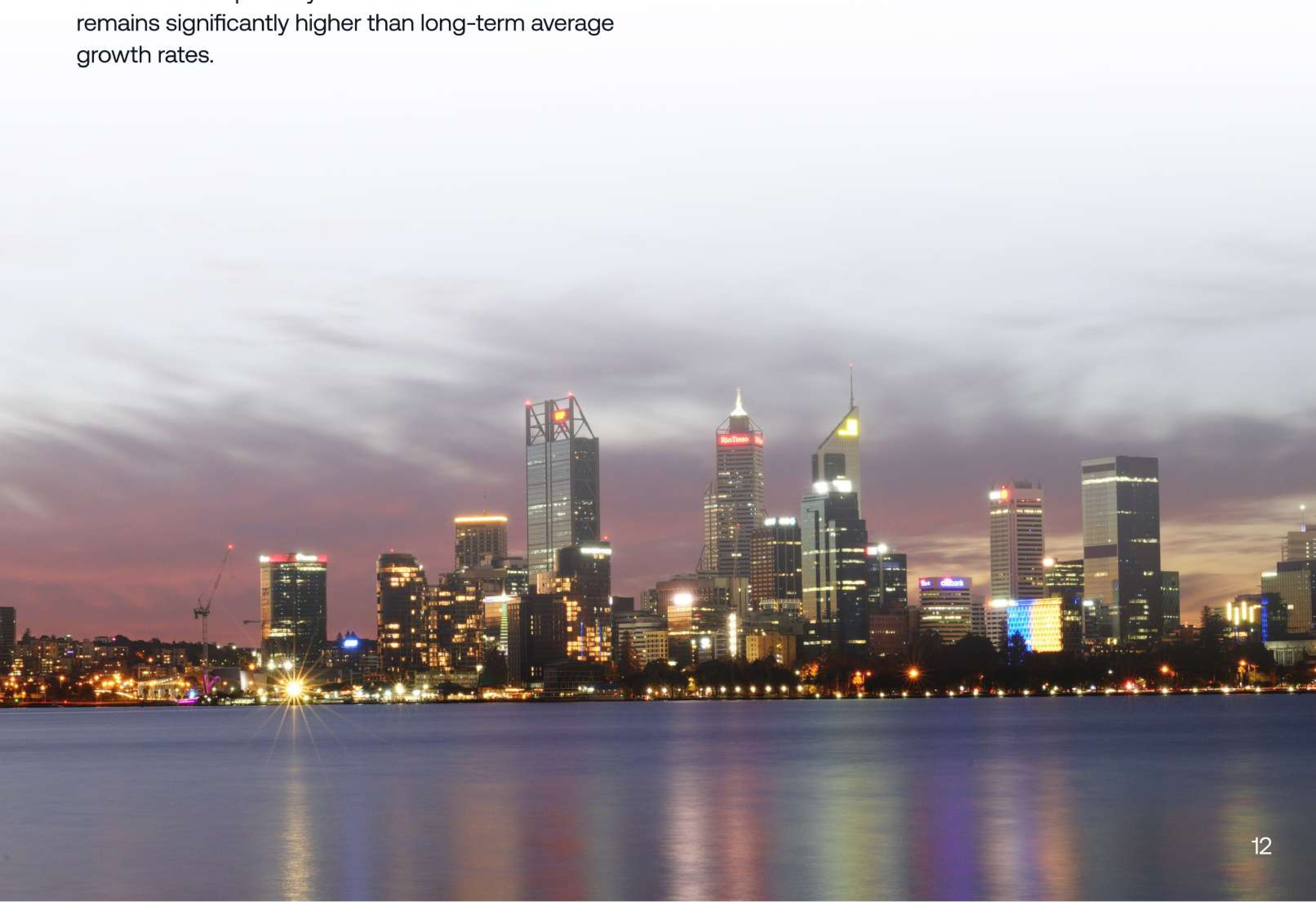
Still the best performing market for the third straight quarter, Perth is clearly moving from exceptionally strong to merely strong. The Index eased from 7.3 in March to 6.9 in June. It's fair to say that Perth is still operating significantly above long-term average levels across most measures but down off recent highs.

Despite a third consecutive fall in sales volumes in the June quarter, the level of land sales remains well above long term average levels. Level of unsold stock are still very low, but rising. Cancellation rates still remain significantly below long-term average levels but are also increasing. Lot price growth eased in both quarterly and annual terms but remains significantly higher than long-term average growth rates.

Outlook

The Perth market remains strong but is clearly moderating from record high levels of sales activity and price growth. Annual population growth is well down off post-COVID highs and this will impact demand.

Volumes are likely to continue to ease in the coming 12 months as demand eases and affordability, compared to both income and other land markets, deteriorates. Lower established house price growth is likely to impact price growth, which will slow from current strong levels toward long-term average levels.

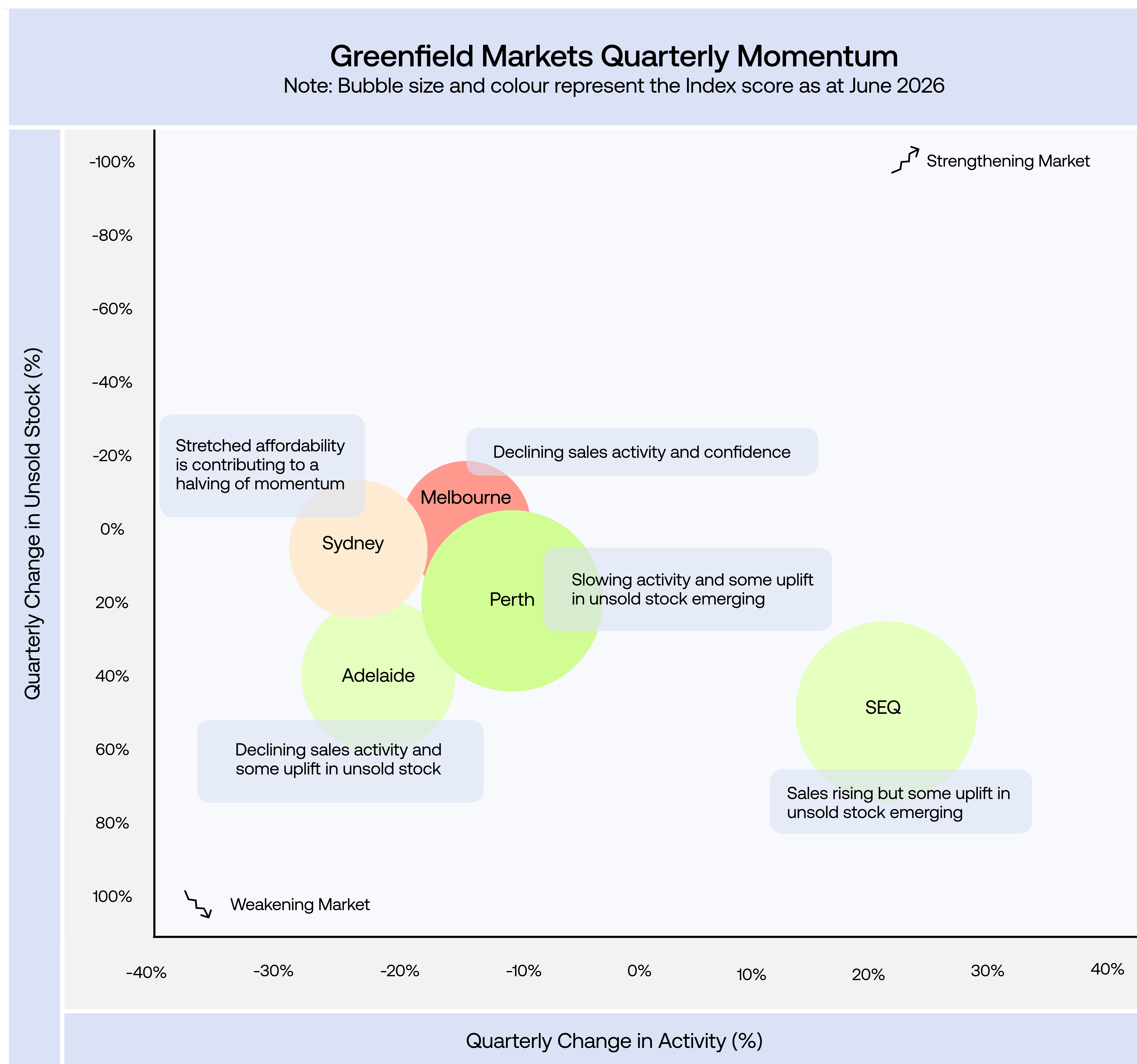


Index Deep Dive – Market Momentum

The analysis below captures both the current relative strength of each market (bubble size and colour) and the momentum of each market. It shows not only how strong each market is today, but also whether conditions are improving or weakening quarter-on-quarter. June results suggest that no market is currently strengthening across all indicators, highlighting a broader shift towards more moderate conditions.

SEQ and Perth remain the two strongest markets, although both are seeing some increase in unsold stock, suggesting some

moderation from recent strong performance that is likely to continue over the medium term. Melbourne is showing weaker demand, but supply has adjusted accordingly, with developers managing production levels and limiting the escalation in unsold stock. Adelaide, while still a relatively strong market, is also clearly moderating, with slowing demand and rising supply, with potential to move further towards the top-right of the chart in the medium term, as the market normalises.





Find Frequently Asked Questions [Here](#)

High Level Methodology

To assess where a greenfield land market is in the cycle, we examine drivers across three main themes:

- Supply and demand fundamentals
- Market sentiment
- Pricing.

For each market the methodology assigns multiple scores of each of the above theme's sub-indicators, based on the latest reading relative to the longer-term trend level.

Weightings are then applied to sub-indicators and main themes to produce an index reading for the current status of each vacant land market.

This approach normalises results for comparison across markets, allowing us to systematically assess performance and rank markets across the country.

To produce a forecast of future conditions in each market (the Market Outlook), the model combines:

- The assessment of the current status of each market as per the current Index reading
- Projections and forecasts of key drivers that are historically highly correlated to land markets (such as established market pricing, population growth, interest rates, land supply, etc.)
- Historical analysis of vacant land cycles in terms of length, depth, frequency and land market correlations.

The model then produces an outlook, both for where we see the index for each market in the future as well as the specific implications for price and volume changes.



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