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# NAB Residential Property Survey Q4 2025



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Sentiment in the housing market improved again in the December quarter of 2025 with the NAB Residential Property Index at +65 from +62 in September, continuing at a four year high. Sentiment was a little mixed, with all but NSW, ACT, and NT recording an increase. The sentiment increase for VIC and contemporaneous drop in NSW has the former overtaking the latter for the first time in over a year. While current house price expectations for these two markets eased, rental expectations in VIC improved, contributing strongly to the index. Most property professionals assess market conditions as rising, or as a second response, approaching the peak. In VIC however, the second highest ranked response indicates that the market is at the start of a recovery. Our forecast for the 8-capital city dwelling price index expects growth of around 5% over 2026.

## Highlights:

The improvement in housing market sentiment continued in the December quarter, albeit more mildly relative to the jump in Q3. Overall, the **NAB Residential Property Index (+65)** is now well above its long-run average, following a strong rise over the past year.

Improved sentiment was mixed in the largest property markets, VIC (+59, up from +49 in Q3), but NSW lower (+51, down from +58). Both SA (+89) and WA (+84) recorded a strong improvement and lead the current index.

When property professionals were asked to best describe the state of the housing market in areas where they operate compared to the previous quarter, the largest share of responses suggested the market was either still rising (39%), is approaching the peak (18%), or in the start of a recovery (9%).

When asked for their view on both short-term and long-term confidence, property professionals see both still elevated. Over the next 12 months confidence levels are +68 (vs +69 in Q3) and +66 over the next 2 years (vs +65 Q3). Short-term confidence is highest in TAS (+100), and SA (+89). While NSW and VIC (both +60) recorded the lowest readings for short-term confidence, they continue well above the long run average.

The average survey expectation for house price growth eased slightly to 3.6% for the next 12 months (from 4.0% in Q3) and 3.8% in 2 years' time (from 4.4%). Over the next 12 months expectations for house price growth accelerated and remain the most positive in WA (6.6%), along with TAS (5.8%) and NT (6.3%). Expectations for the two largest housing markets, VIC (2.3%) and NSW (2.4%) eased in December (previously 3.3% and 3.5% respectively). Longer term (2Y) projections eased in all states bar WA, where a modest increase was recorded. The outlook is strongest for WA (5.4%) and lowest in ACT (2.0%).

According to Cotality (formerly CoreLogic) data, the 8-Capital City dwelling price index rose by 0.5% mom in December, led by gains in Perth (1.9% mom), Adelaide (1.9% mom) and Brisbane (1.6% mom). Canberra (0.2% mom) recorded modest gain while both Sydney (-0.1% mom) and Melbourne (-0.1% mom) recorded moderate declines.

Recent data shows a marked out-performance of growth in dwelling prices in mid-tier capital cities (Perth, Brisbane and Adelaide). Growth in dwelling prices in Sydney and Melbourne has been slower in recent months, likely hampered by affordability constraints in Sydney and relative population dynamics in

Melbourne. Looking ahead, we expect the national capital city dwelling price to rise around 5% in 2026.

Surveyed property professionals expect rental growth to accelerate slightly, with expectations for the next year raised slightly to 2.8% (2.5% Q3) and 3.2% in 2 years' time (3.0% previously). Expectations over the next year was mixed by region, with SA, WA, VIC and QLD accelerating on the previous quarter, while NSW, NT, and TAS slowed, and ACT expect near term rents to fall. Income returns in 2 years' time were also mixed. While rental growth expectations were positive across all states, VIC, TAS, SA, and WA accelerated, with the remainder easing.

The market share of First Home Buyers (FHBs) in *new* housing markets in the December quarter increased to 33.1% (31.7% in Q3) while sales to owner occupiers (net of FHBs) eased slightly (36.5%, from 38.7% in Q3), just above the long run average. Local investors were more active (24.6% up from 22.9%), and the share of sales to foreign investors continued to fall (5.2% vs 5.4% Q3).

Construction costs are still seen as the main hurdle to starting *new* housing developments according to 66% of property professionals, although this has eased from the previous quarter. Delays getting planning permits (47%), remains the second greatest concern, though this has also eased relative to the previous quarter. While still lower in terms of ranking, concern over interest rates increased this quarter (18%), along with tight credit for development (also 18%). By state, construction costs were the main barrier across all states except QLD (0 responses). For that state, delays in obtaining permits ranked highest.

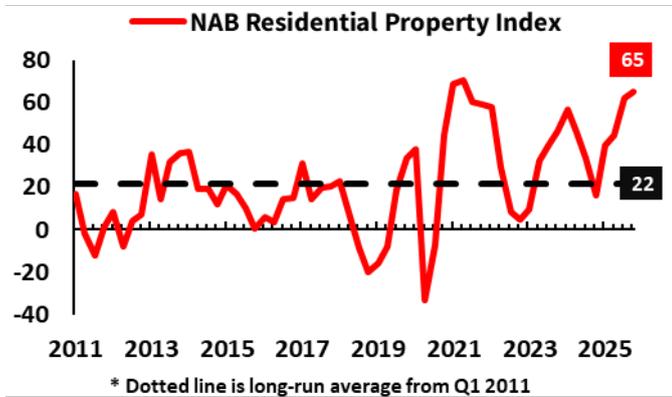
Buying activity in *established* housing markets continued to be dominated by owner occupiers (net of FHBs), although their overall market share fell slightly in December (39.6%, from 43% in Q3). FHBs overall share was almost unchanged (34.4% vs 34.7% Q3). The market share of sales to local investors increased to 20.4% (18.4% Q3). Foreign buyer share continued to fall (3.0% vs 3.2% Q3).

Price levels, and lack of stock remain the biggest constraints for established home buyers. Price levels were the biggest constraint for home buyers in NSW, with QLD, SA, and WA listing lack of stock, and for VIC it remains interest rates.

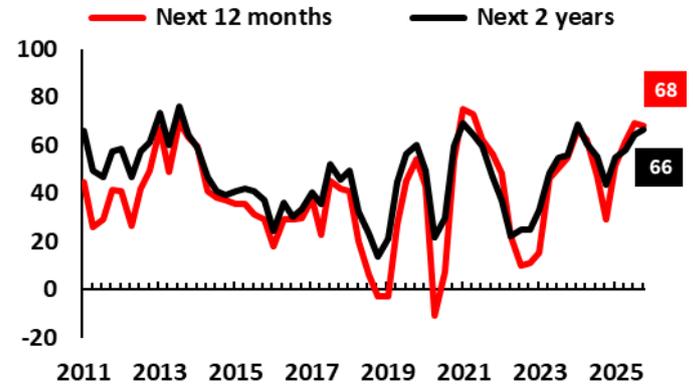
For the special questions this quarter, the number of respondents expecting that rate cuts would boost demand eased from the high in September. Also this quarter, the bulk of respondents expect the government 5% deposit scheme to have a significant effect on house prices, especially for houses under \$500k.

# NAB Residential Property Index

**Chart 1: NAB Residential Property Index**



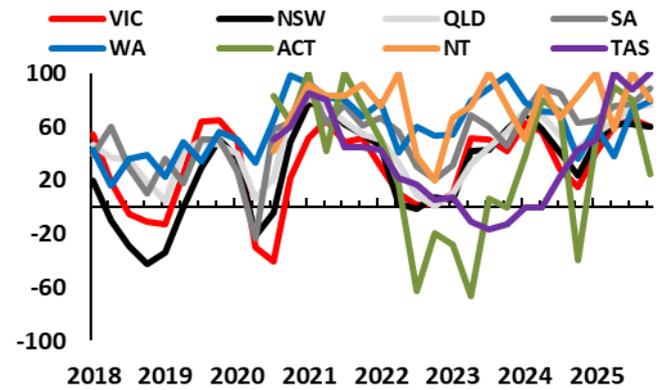
**Chart 3: NAB Residential Property Index: Next 1-2 years**



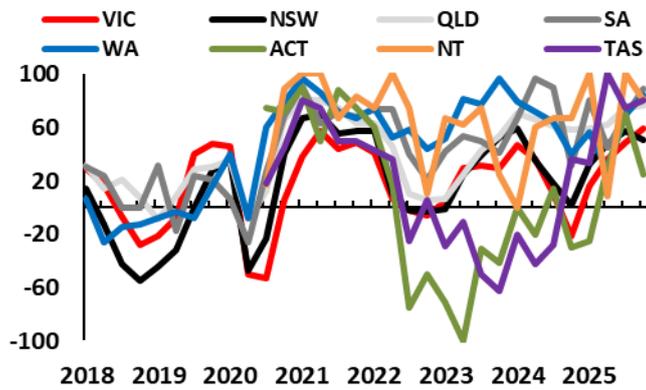
**Table 1: NAB Residential Property Index: States**

	Sep-25	Dec-25	Next 12 months	Next 2 years
<b>NAB Residential Property Index</b>	62	65	68	66
Victoria	49	59	60	66
New South Wales	58	51	60	59
Queensland	74	76	76	75
South Australia	69	89	89	67
Western Australia	70	84	79	63
Australian Capital Territory	70	25	25	63
Northern Territory	100	80	80	80
Tasmania	75	80	100	90

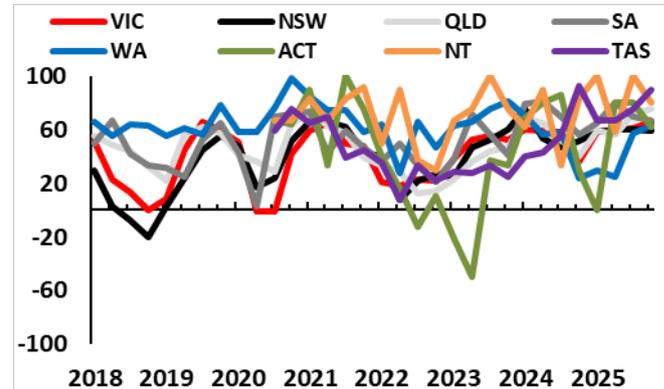
**Chart 4: Residential Property Index: States - Next 12 months**



**Chart 2: NAB Residential Property Index: States**



**Chart 5: Residential Property Index: States - Next 2 years**



## Survey House Price Expectations

**Table 2: Avg Survey House Price Forecasts (%)**

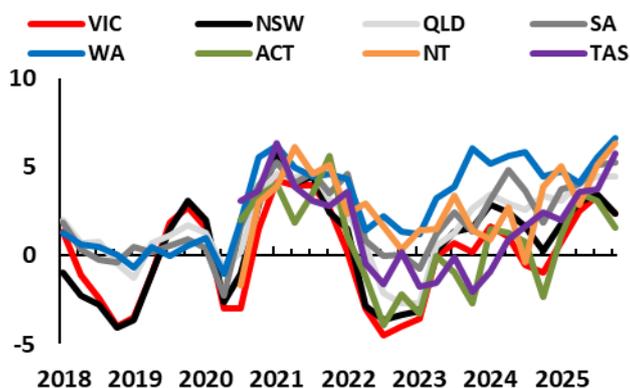
	Next 12 months		In 2 years	
	Sep-25	Dec-25	Sep-25	Dec-25
Australia	4.0	3.6	4.4	3.8
Victoria	3.3	2.3	4.2	2.7
New South Wales	3.5	2.4	3.6	3.3
Queensland	4.4	4.4	5.0	4.8
South Australia	5.1	5.3	5.8	4.4
Western Australia	5.6	6.6	5.3	5.4
Australian Capital Territory	3.1	1.5	4.1	2.0
Northern Territory	5.1	6.3	5.6	3.0
Tasmania	3.7	5.8	4.9	4.4

## Survey Rent Expectations

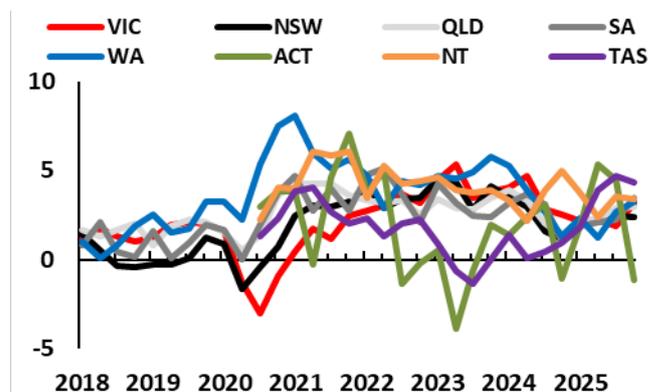
**Table 3: Avg Survey Rent Forecasts (%)**

	Next 12 months		In 2 years	
	Sep-25	Dec-25	Sep-25	Dec-25
Australia	2.5	2.8	3.0	3.2
Victoria	1.9	3.2	2.8	3.6
New South Wales	2.5	2.4	3.3	3.0
Queensland	2.9	3.0	3.6	3.4
South Australia	2.2	3.5	2.4	2.8
Western Australia	2.7	3.3	1.9	2.1
Australian Capital Territory	4.5	-1.1	4.0	3.1
Northern Territory	3.5	3.4	4.6	4.0
Tasmania	4.7	4.4	3.1	5.1

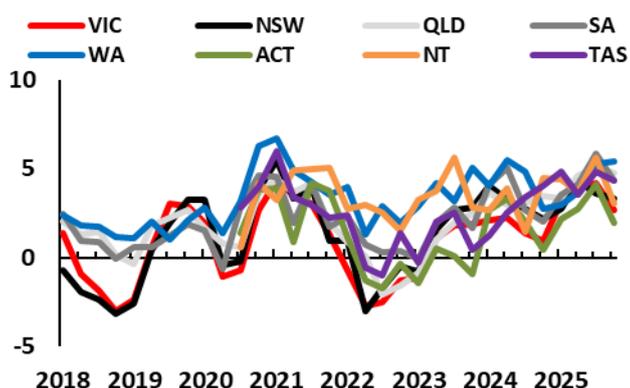
**Chart 6: Avg Survey House Price Forecasts: States - Next 12 months (%)**



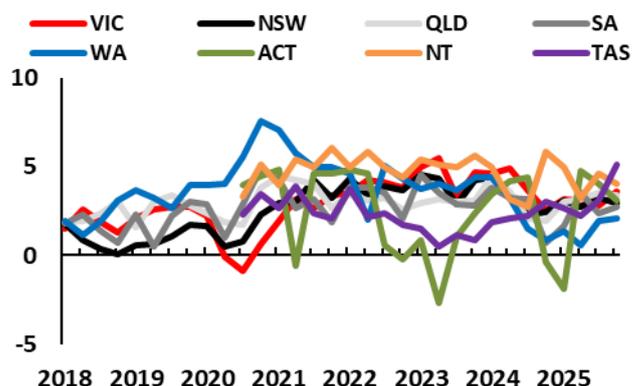
**Chart 8: Avg Survey Rent Forecasts: States - Next 12 months (%)**



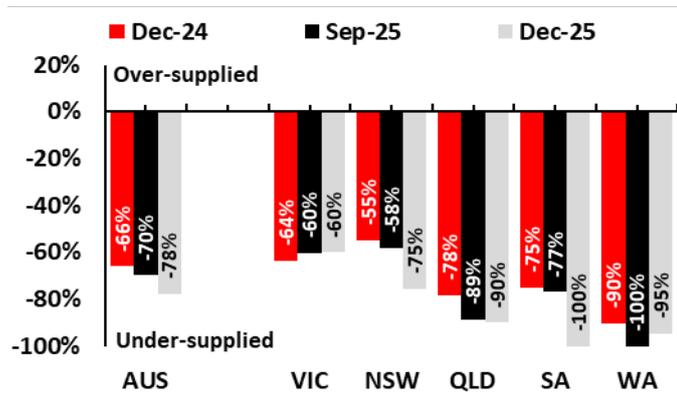
**Chart 7: Avg Survey House Price Forecasts: States - Next 2 years (%)**



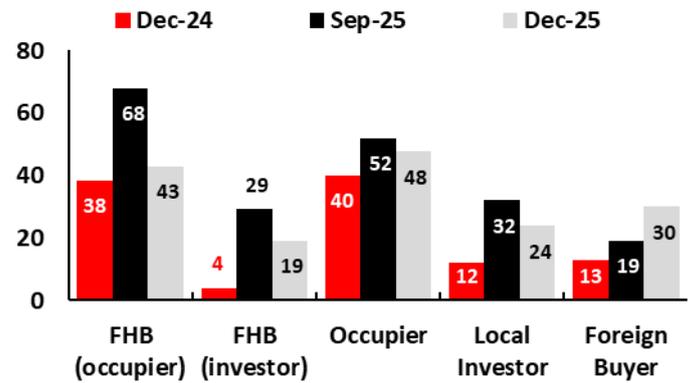
**Chart 9: Avg Survey Rent Forecasts: States - Next 2 years (%)**



**Chart 10: Housing Demand/Supply Balance for Rental Properties (net balance) - Main States**

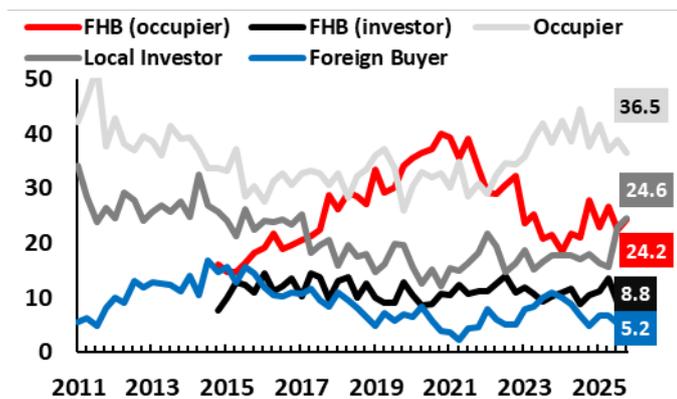


**Chart 12: Expected Change in Share of New Property Buyers in Next 12m (net balance)**



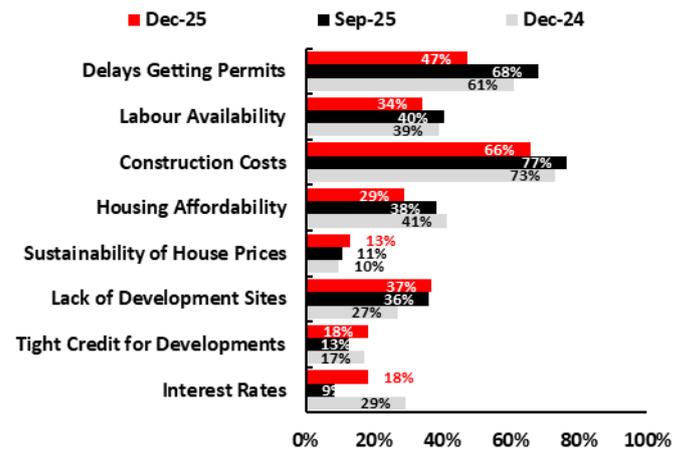
**New Housing Markets**

**Chart 11: Buyers: New Developments (% share)**



**Barriers to Starting New Housing Projects**

**Chart 13: Main Barriers to Starting New Housing Developments (%)**



**Table 4: Buyers: New Developments: Main States Q4 2025 (%)**

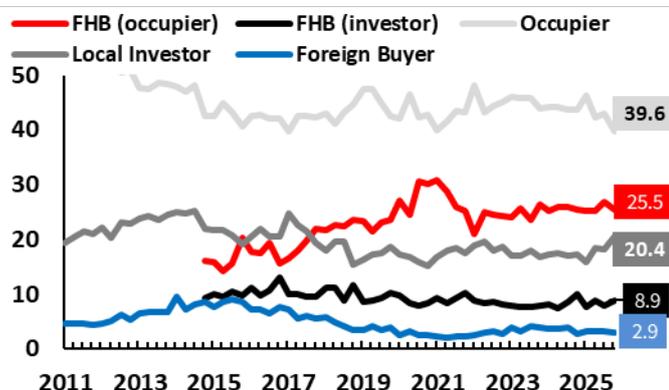
	VIC	NSW	QLD	SA	WA
FHB (occupier)	10.0	16.4	40.0	60.0	40.0
FHB (investor)	5.0	7.1	15.0	15.0	10.0
Owner Occupier	40.0	45.0	22.5	10.0	25.0
Local Investor	42.5	23.6	20.0	10.0	20.0
Foreign Buyer	2.5	6.9	2.5	5.0	5.0

**Table 5: Main Barriers to Starting New Developments: Main States Q4 2025 (%)**

	VIC	NSW	QLD	WA
Rising Interest Rates	43%	24%	0%	0%
Tight Credit for Developments	29%	29%	0%	0%
Lack of Development Sites	0%	41%	50%	75%
Sustainability of House Prices	29%	12%	17%	0%
Housing Affordability	43%	29%	0%	50%
Construction Costs	86%	71%	0%	75%
Labour Availability	29%	29%	17%	75%
Delays Getting Permits	43%	53%	67%	25%

## Established Property

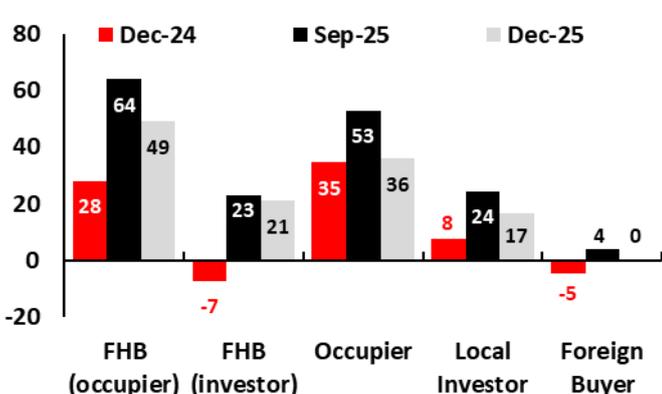
**Chart 14: Buyers: Established Property (% share)**



**Table 6: Buyers: Established Housing: Main States Q4 2025 (%)**

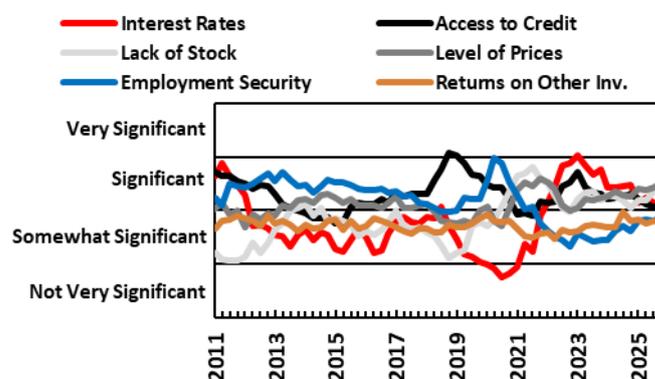
	VIC	NSW	QLD	SA	WA
FHB (occupier)	29.8	23.6	23.1	26.7	26.2
FHB (investor)	7.9	10.4	7.9	12.5	8.3
Owner Occupier	39.7	37.7	40.1	43.5	40.7
Local Investor	18.7	20.8	24.7	16.2	14.8
Foreign Buyer	2.3	3.8	4.0	1.2	1.3

**Chart 15: Expected Change in Share of Established Property Buyers in Next 12m (net balance)**



## Established Housing Constraints

**Chart 16: Constraints: Established Home Buyers**

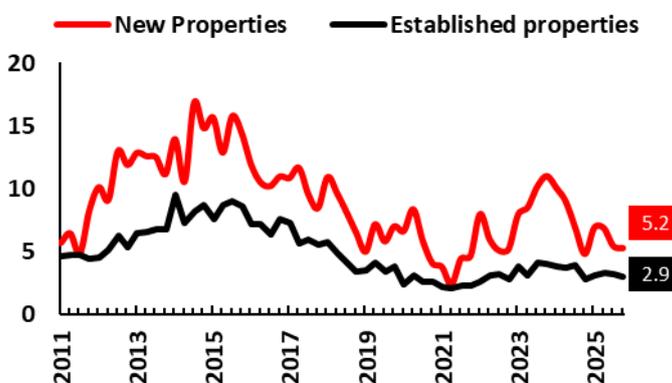


**Chart 17: Constraints: Established Home Buyers - Main States Q4 2025**

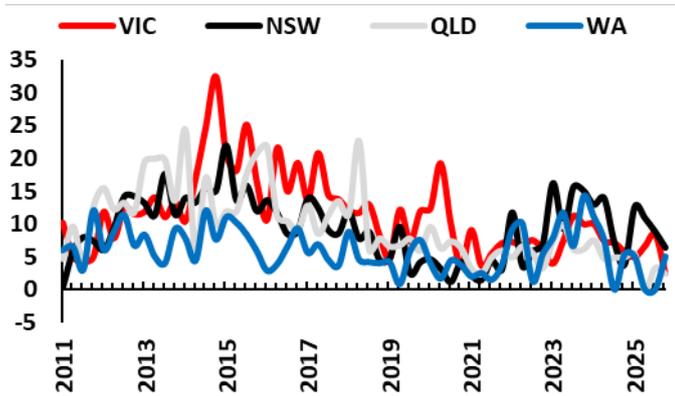


## Foreign Buyers

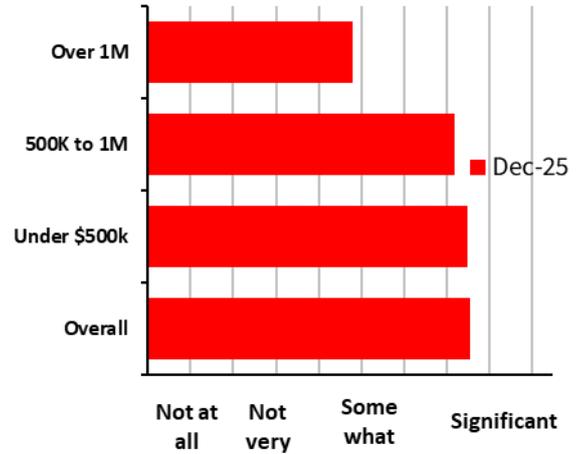
**Chart 18: Share of Total Demand for New & Established Housing: Foreign Buyers (%)**



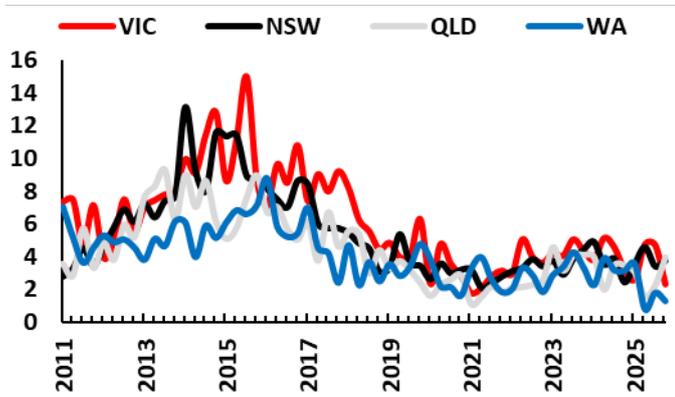
**Chart 19: Share of Total Demand for New Property: Foreign buyers - Main States (%)**



**Chart 22: Degree to which the Federal Government 5% deposit will increase new home demand for First Home Buyers in the following property segments.**

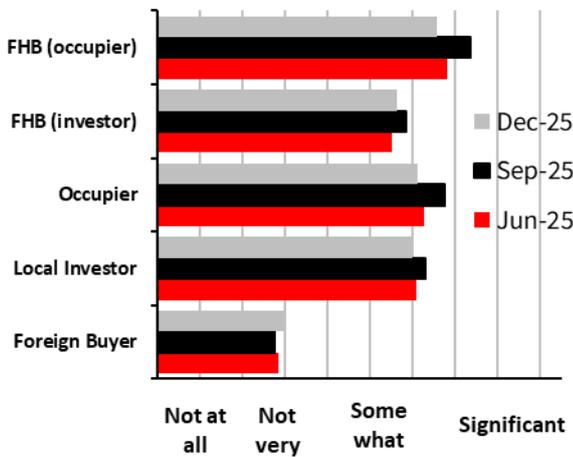


**Chart 20: Share of Total Demand for Established Property: Foreign buyers - Main States (%)**



**Special questions: Interest rate cuts**

**Chart 21: Degree to which rate cuts will boost demand**



# About the survey

The NAB Quarterly Australian Residential Property survey was first launched in Q1 2011.

The survey was expanded from NAB's Quarterly Australian Commercial Property Survey, which was launched in April 2010.

Given the large number of respondents who are also directly exposed to the residential market, NAB expanded the survey questionnaire to focus more extensively on the Australian residential property market.

The large external panel of respondents consists of Real Estate Agents/Managers, Property Developers, Asset/Fund Managers and Owners/Investors.

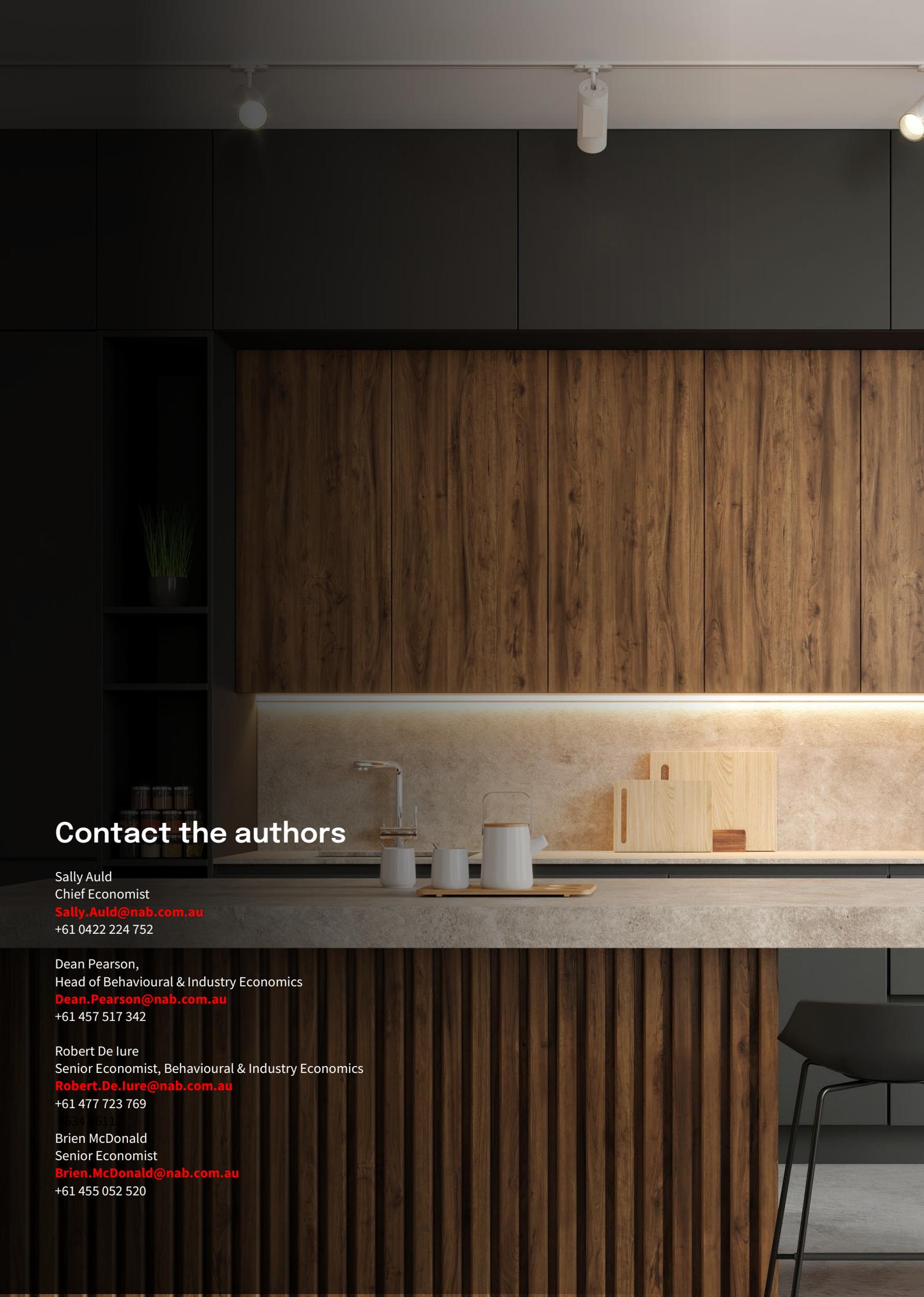
Around 250 property professionals participated in the Q4 2025 survey.

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