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Queensland property market holds firm as rate rises dampen national confidence

Queensland scores 7.3 in Q2 2026, second strongest in the nation, as broader market momentum slows

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Queensland's property market is holding up better than most. The state scored 7.3 in the Australian Property Institute's (API) Property Market Outlook Index for Q2 2026, down from 8.3 in Q1 but still the second-strongest result nationally and well into positive territory.

Queensland's residential sector scores 7.4, supported by population growth, housing supply shortfalls and the federal government's 5% Deposit Scheme. Industrial is at 7.2, driven by e-commerce demand, infrastructure investment and mining activity. Office (5.6) and retail (5.9) both remain above neutral, well ahead of the national averages for those sectors. Agricultural sentiment eased to 5.8.

API Chief Economist Dr Sherman Chan said Queensland's result reflected the strength of the state's fundamentals. "Queensland continues to be one of the more resilient markets in the country. The softening this quarter is broad-based and driven by the rate environment, not any structural weakness particular to this state. Population growth and infrastructure spending are still underpinning confidence here."

What is driving Queensland's property market

The interest rate outlook is the main drag on sentiment across all asset classes. In residential, population growth, land supply shortfalls and the 5% Deposit Scheme remain supports for prices. E-commerce performance, roads and transportation development and mining activity are keeping industrial confidence well above neutral. In office and retail, business and consumer confidence are the key variables to watch heading into Q3.

Dr Chan said Queensland's above-neutral ratings across most sectors put it in a stronger position than most heading into Q3. "Queensland is one of the few markets where office and retail are both above neutral, and that is not something we are seeing elsewhere this quarter. The question for Q3 is whether consumer and business confidence hold up as rate pressure continues, or whether Queensland starts to follow the pattern we are seeing in NSW and Victoria." Access the full report [here](#).

