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Queensland leads the nation as the southern states turn

Queensland scores 6.6 in Q3 2026, the strongest reading in the country for the first time, and is the only state with every sector above neutral

July 2026

Queensland is now the strongest property market in the country. The state scored 6.6 in Q3 2026, down from 7.5 in Q2 but enough to overtake Western Australia at the top of the national index for the first time in the survey's history.

The breadth of the result is its distinguishing feature. Queensland is the only state where every one of the five asset classes sits above neutral: residential leads the nation at 6.6, industrial is at 7.0, agricultural at 5.9, retail at 5.8 and office at 5.7, the strongest office reading in the country.

API Chief Economist Dr Sherman Chan said Queensland's result stood out for what had not happened.

"Every state slowed this quarter, including Queensland. The difference is that nothing in Queensland is below the line.

It is the only state where residential, office, retail, industrial and agricultural are all in positive territory, and that breadth is exactly what you want to see entering a more uncertain period. Population growth and infrastructure investment are still doing the heavy lifting."

What is driving Queensland's property market

Residential remains supported by population growth and the shortfall of housing and land supply, with the tax reforms and the interest rate outlook the main counterweights. Industrial draws on the same scarcity of stock and zoned land seen nationally. Office and retail, both above neutral, remain sensitive to business and consumer confidence, which valuers identify as the key variables ahead.

Dr Chan said the question was whether Queensland could hold the lead.

"Queensland has taken the top spot at a moment when the national market is turning, which makes the coming quarters a genuine test.



The tax reforms apply in Brisbane just as they do in Sydney and Melbourne, but Queensland's momentum, its population story and its more balanced sector mix give it a better chance than most of absorbing them."

Read the full report here: <https://www.api.org.au/professional-development/knowledge-hub/mixed-expectations-for-the-months-ahead/>

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Interviews Dr Sherman Chan is available Monday 20 July, Tuesday 21 July, Wednesday 22 July and Thursday 23 July. Contact Holly Reynolds to arrange.

About the API Property Market Outlook Launched in 2025, the API Property Market Outlook is a quarterly survey of Australian property professionals administered by the Australian Property Institute. The survey captures sentiment and price outlook expectations across residential, office, retail, industrial and agricultural property sectors. The Q3 2026 survey received 265 responses, with 80 per cent of respondents being property valuers.

About the Australian Property Institute The Australian Property Institute is the professional body for independent property experts in Australia, representing more than 7,000 members including property valuers, advisors, analysts and consultants. In its centenary year, the API continues its commitment to professional standards, policy engagement and evidence-based reform across Australia's \$12 trillion residential property market and beyond.

Note to editors: *The API Property Market Outlook Index operates on a scale of 0 (extremely weak) to 10 (extremely strong), with 5 representing a neutral outlook. The Q3 2026 readings represent expectations for the coming quarter, while Q2 2026 readings reflect actual outcomes. The Q3 2026 edition is the first to capture professional sentiment following the capital gains tax and negative gearing reforms announced in the May 2026 Federal Budget.*