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Tasmania emerges as the quiet achiever of the national property market

Tasmania scores 5.8 in Q3 2026, third strongest in the nation, sitting above the national reading in four of the five asset classes

July 2026

Tasmania has quietly produced one of the strongest results in this quarter's survey. The state scored 5.8 in Q3 2026, the third strongest reading in the country behind Queensland (6.6) and Western Australia (6.4), and above the national index of 5.1.

The breadth of the result is what stands out. Tasmania sits above the national reading in four of the five asset classes: residential at 5.8 ranks third nationally behind Queensland and Western Australia, office at 5.4 is second only to Queensland, industrial is strong at 6.9, and agricultural at 6.3 is second only to Western Australia. Retail, at 4.8, is the one sector below the national line, though it carries its own distinction: it is the only reading anywhere in this quarter's survey, across every state and sector, that did not fall.

API Chief Economist Dr Sherman Chan said Tasmania rarely received the attention its numbers deserved.

"Tasmania does not often feature in the national property conversation, and this quarter it probably should."

"The state is outperforming the national reading almost across the board, its office market is holding above neutral while Sydney and Melbourne struggle, and its retail sector was the only corner of the entire survey that did not lose ground. That is a genuinely resilient result in a quarter when every other number in the country fell."

What is driving Tasmania's property market

Tasmania's property market moves on a different mix of forces from the mainland capitals. Its smaller office market carries less exposure to the CBD pressures weighing on Sydney and Melbourne, its industrial sector benefits from the same scarcity of stock and zoned land seen nationally, and its agricultural reading reflects durable demand for the state's produce.



In residential, the national tension between undersupply and the new tax settings applies, but from a stronger starting position than the southern mainland states.

Dr Chan said the state's steadiness was the story.

"The mainland conversation this quarter is about turning points and sharp falls. Tasmania's is about stability.

It may be a smaller market, but it enters the new quarter above neutral in four of five sectors, and there are larger states that cannot say the same."

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

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Released by:

Holly Reynolds | Left Field Communications | holly@leftfield.com.au | 0409 462 112

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.