

API THE AUSTRALIAN PROPERTY INSTITUTE

Victorian Election 2026

Six Reforms For a Fairer Property Market

API calls on all parties and candidates to commit to these reforms before 28 November.

Sound decisions start with a **sound value.**

Independent valuations underpin some of the most significant financial and policy decisions made by Victorians and their governments, from property transactions and mortgage lending to government programs and property taxation. These decisions depend on accurate, reliable valuations undertaken by qualified professionals who are independent of the outcome.

About the Australian Property Institute.

The Australian Property Institute (API) is the national professional body for property professionals, representing over 7,000 members across Australia, including Certified Practising Valuers and Residential Property Valuers across Victoria. API sets professional standards for valuation and advocates for policy that protects consumers and supports a fair, transparent property market.



The Six Reforms At a Glance

API calls on all parties and candidates contesting the Victorian election on 28 November 2026 to commit to six reforms that ensure the valuations Victorians rely on are carried out by qualified professionals and are independent, trustworthy and defensible.

1.

Independent valuation before listing

Require every vendor to obtain an independent valuation, disclosed to buyers, before a home is listed for sale.

2.

Independent valuation in government-backed housing

Write independent valuation into every state housing program where public money or a government guarantee is at risk.

3.

Clear rules for AI and automated valuation

Require disclosure and independent oversight whenever AI or automated tools are used to value property in Victoria.

4.

A valuation workforce for Victoria's reforms

Fund cadetship and graduate pathways so Victoria has the valuers its housing, planning and tax reforms need.

5.

Prepare now for higher building standards

Work with the valuation profession during the building code pause so properties can be valued accurately once higher building standards come in.

6.

Fair valuation of Aboriginal community housing

Back a specialist framework for valuing Aboriginal community housing fairly, and apply it in Victoria.

> *Buying a home, approving a loan, issuing a tax assessment: some of the biggest decisions Victorians and their governments make depend on getting the value right. These reforms make sure the right people are involved when it counts, qualified and independent valuers who are accountable for their work. They are common-sense reforms, and most would cost government little or nothing.*

Victoria Gracie, Interim Chief Executive Officer, Australian Property Institute

Require an independent valuation before every home is listed

1.

Require every vendor to obtain an independent valuation, disclosed to buyers, before a home is listed for sale.

42%

of Victorian homes sold within their first advertised guide in the year to June 2026.

2 in 3

auction sales landed outside their first advertised guide.

Source: The Victorian Guide Gap, API and Homer, 2026.

The Issue.

The price guide buyers rely on is set by the agent, from the agent's own estimate, and the agent's commission is a percentage of the sale price. An agent who quotes low draws a bigger crowd and a more competitive auction. An agent who quotes high wins the listing, because vendors tend to choose the agent who promises the highest price. That conflict is built into the guide itself.

Victoria has strengthened its price guide rules five times since 2017: Statements of Information, a dedicated Underquoting Taskforce in 2022, a permanent enforcement program from 2024, tighter rules on comparable sales in 2025, and, from October 2026, a Property Price Statement and mandatory publication of the reserve price seven days before auction. Each step added rules around the agent's estimate. None changed who sets it.

API's report The Victorian Guide Gap, prepared with Homer, shows the result. In the year to June 2026, only 42.7% of Victorian homes sold within their first advertised guide, and 67.1% of auction sales landed outside it. Auction guides were set low and private-sale guides were mostly set high. The share of homes selling within their guide was 39.6% before the taskforce, 40.3% while it operated and 42.1% since it became permanent. Six homes in ten sold outside their guide in every period. Enforcement aimed at individual agents cannot fix a conflict of interest built into the instrument.

Since 29 June 2026, NSW Fair Trading has been able to require an agent to engage an independent valuer to verify its price estimates as a disciplinary sanction. If an independent valuation is the right remedy after a breach, it is the right prevention before one.

Our Ask.

We call on all parties to commit to requiring that:

- a vendor selling a residential property obtains an independent valuation before the agency agreement is signed and before the property is advertised, so it informs the agent's estimate rather than following it
- the valuation is a full valuation with an internal and external inspection, by a Certified Practising Valuer or Residential Property Valuer (or equivalent recognised qualification) who is independent of the agent, vendor and any buyer, for a fee fixed in advance that does not depend on the sale
- the valuation figure is disclosed to every prospective buyer for the whole campaign, alongside the Property Price Statement, with the full report available on request
- the advertised guide is not set below the valuation without documented justification.

Require an independent valuation before every home is listed

1.

What It Would Achieve.

Buyers would know from the first day of marketing what an independent professional with no stake in the result considers the home to be worth, and vendors would choose their agent on an honest figure. A standard full residential valuation typically costs between $440 and $880, about one-twentieth to one-tenth of one per cent of the median Victorian sale price at the 2025 peak ($792,000), and a fraction of what vendors already pay in marketing and commission. It would sit naturally beside the Government's commitment to vendor-provided building and pest inspections, giving buyers independent information on both the value and the condition of a home.

Impact dimension	Victoria
People affected	Every residential property vendor and buyer in Victoria. In the year to June 2026, 102,681 residential sales campaigns were recorded across Victoria (35,831 auctions and 66,850 private sales). Consumer Affairs Victoria's Underquoting Taskforce has received more than 8,800 complaints since 2022 and has issued more than 260 fines totalling $3 million (as at 24 July 2026). [1] Melbourne's auction-dominant market (Greater Melbourne holds 97% of Victoria's auctions) makes it particularly vulnerable to underquoting: two in three Victorian auction sales landed outside their first advertised guide in the year to June 2026. [2]
Buildings affected	All residential properties listed for sale in Victoria: 102,681 sold campaigns in the year to June 2026, with Greater Melbourne accounting for 78,122. [3] Victoria's price-transparency laws commenced on 1 October 2026 and apply to auctions and fixed-date sales from 16 October 2026: the reserve price must be published at least seven days before auction, and the Property Price Statement, which replaces the Statement of Information, must be updated with the sale price within seven days of the sale becoming unconditional. [4]
Financial impact	Cost: A full residential valuation at $440–$880 per property (0.06–0.11% of the median Victorian sale price at the November 2025 peak of $792,000). [5] Total annual cost to Victorian vendors at $660 average: at least $68 million (based on the 102,681 campaigns that sold in the year to June 2026; campaigns that did not sell would add to this) — a fraction of aggregate agent commissions. Benefit: Eliminates buyer costs wasted on properties underquoted beyond their reach. [6] Victoria's existing reform momentum (reserve price publication and the Property Price Statement from October 2026) creates a policy environment where mandatory pre-listing valuation is a logical next step.
Locations most affected	Greater Melbourne (auction-dominant market; Victorian mean dwelling price $918,400 in the June quarter 2026), particularly inner and eastern suburbs where competitive bidding is most intense. [7] Also relevant in strong regional markets: Geelong, Ballarat, Bendigo, and Mornington Peninsula.

[1] API, The Victorian Guide Gap; Consumer Affairs Victoria. [2] API, The Victorian Guide Gap.

[3] API, The Victorian Guide Gap. [4] Consumer Affairs Victoria. [5] API, The Victorian Guide Gap.

[6] API calculation from API, The Victorian Guide Gap. [7] Australian Bureau of Statistics.

Protect independent valuation in government-backed housing and lending

2.

Write independent valuation into every state housing program where public money or a government guarantee is at risk.

320,000+

Australians have bought or built a home with Home Guarantee Scheme support since 2020.

Source: Australian Government, 5% Deposit Scheme.

The Issue.

Government-backed lending is growing quickly. More than 320,000 Australians have bought or built a home with support from the Home Guarantee Scheme since 2020, and since October 2025 the 5% Deposit Scheme has been open to all first home buyers with no cap on places or income. The Help to Buy shared equity scheme, launched in December 2025, has 10,000 further places in 2026-27, and Housing Australia Future Fund projects add further public exposure.

In Victoria, the Development Facilitation Program fast-tracks projects that include at least 10% affordable housing, and the Minister's decisions on them cannot be appealed to VCAT. The Better Decisions Made Faster Act, which fully commences on 29 October 2027, will also limit third-party appeal rights more broadly. Fewer avenues of review make independent valuation of the underlying assets more important, not less, as a check on value.

Where public money or a government guarantee is at risk, an inaccurate or automated valuation exposes taxpayers, lenders and buyers to overpayment.

Our Ask.

We call on all parties to commit to:

- writing independent valuation requirements into the terms of all state housing programs, including the Development Facilitation Program and any future shared equity or affordable housing finance products
- ensuring automated valuation models do not replace an independent valuation wherever public funds or a government guarantee are at risk
- supporting the same requirement for Commonwealth schemes used by Victorians, including the First Home Guarantee, Help to Buy and Housing Australia Future Fund projects.

What It Would Achieve.

Independent valuation protects taxpayers, lenders and first home buyers from paying too much, and keeps an objective check on value where planning shortcuts have removed others.

Protect independent valuation in government-backed housing and lending

2.

Impact dimension	Victoria
People affected	Home Guarantee Scheme: Victoria had the highest participation of any state in 2023-24, followed by Queensland and Western Australia. Over 320,000 Australians have been helped by the Scheme since it commenced in 2020, and from 1 October 2025 the 5% Deposit Scheme has had no income caps and no waitlists. [8] Victorian participants in the Development Facilitation Program, which fast-tracks projects that deliver at least 10% of dwellings as affordable housing, determined by the Minister for Planning (or the Department of Transport and Planning under delegation) and exempt from third-party review at VCAT. [9] The removal of third-party appeal rights in streamlined pathways makes independent valuation the key remaining market integrity check.
Buildings affected	All properties transacted under government-supported lending schemes in Victoria. Development Facilitation Program projects with 10%+ affordable housing. Properties in Activity Centre precincts where government planning concessions create value uplift that must be independently verified.
Financial impact	Victoria's share of national government-backed lending exposure is significant, reflecting around 32% of national first home buyer loan commitments in the June quarter 2026 (9,407 of 29,319 owner-occupier first home buyer commitments), the largest share of any state. [10] Where an automated valuation model (AVM) rather than an independent valuation sits behind a government-guaranteed loan, any error in the value is carried by the buyer and, ultimately, the taxpayer. The Development Facilitation Program's fast-track pathway increases the risk that valuation shortcuts, including reliance on automated estimates, are used to meet compressed timeframes.
Locations most affected	Melbourne's growth corridors (Wyndham, Casey, Melton) where first home buyer activity is concentrated; Activity Centre precincts; any location where Development Facilitation Program projects proceed.

[8] *Housing Australia; Australian Government 5% Deposit Scheme.*

[9] *Planning Victoria.* [10] *Australian Bureau of Statistics, Lending Indicators.*

Set clear rules for AI and automated valuation

3.

Require disclosure and independent oversight whenever AI or automated tools are used to value property in Victoria.

Victorians should know when a machine has valued their property. AI should support qualified professional judgement, not replace it.

The Issue.

Artificial intelligence and automated valuation models are being used more and more in lending, taxation and government decisions, often without the people affected knowing a machine produced the value.

In Victoria, Valuer-General Victoria's mass valuation process produces the Australian Valuation Property Classification Code (AVPCC) classifications that the new commercial and industrial property tax relies on. As the volume of commercial and industrial assessments grows, that process will rely increasingly on automated tools. The shorter approval timeframes under the Better Decisions Made Faster Act may also create pressure to use automated valuation tools in planning assessments.

Our Ask.

We call on all parties to commit to:

- disclosure and independent oversight of any AI or automated valuation tools used by Valuer-General Victoria, in property taxation and in planning assessments
- requiring disclosure whenever an AI-generated valuation is used in a lending, taxation or government program decision
- supporting a national regulatory framework, and Commonwealth funded research into the effect of AI on valuation accuracy and market integrity.

What It Would Achieve.

AI tools would support, rather than replace, qualified professional judgement, and Victorians would know when, and how, a machine has valued their property.



Set clear rules for AI and automated valuation

3.

Impact dimension	Victoria
People affected	All Victorian users of property valuations. Valuer-General Victoria and the planning system represent a significant concentration of automated valuation model (AVM) and automated assessment activity. The commercial and industrial property tax (CIPT) relies on Australian Valuation Property Classification Code (AVPCC) classifications generated through the Valuer-General's mass valuation process, a system that will increasingly use automated tools as transaction volumes grow.
Buildings affected	All Victorian properties subject to Valuer-General mass valuation for land tax and CIPT purposes. Properties assessed under the Better Decisions Made Faster Act's streamlined approval pathways, where compressed timeframes (10–60 days) may create pressure to use automated valuation tools in planning assessments. [11]
Financial impact	The CIPT's reliance on AVPCC classifications means that systematic errors in Victoria's mass valuation system could affect billions of dollars in annual state revenue. Victoria's residential market of approximately $2.7 trillion means a 1% systematic AVM error represents approximately $27 billion in mispriced Victorian assets. [12] The Better Decisions Made Faster Act's compressed timeframes increase the risk of AI/AVM reliance without adequate oversight.
Locations most affected	All of Victoria. AVM use is most concentrated in high-volume residential markets (Melbourne inner and eastern suburbs) and in the CIPT mass valuation process (commercial and industrial property statewide).

[11] Planning Amendment (Better Decisions Made Faster) Act 2026. [12] Australian Bureau of Statistics.



Build the valuation workforce Victoria's reforms depend on

4.

Fund cadetship and graduate pathways so Victoria has the valuers its housing, planning and tax reforms need.

46%

of property professionals surveyed named finding the right talent as a top business pressure for 2026, second only to the cost of doing business.

Source: API Australian Property Market Outlook, Q1 2026.

The Issue.

The valuation profession is finding it hard to recruit. In API's 2026 member survey, 46% of respondents named finding the right talent as a top business challenge, the second most cited. Without targeted investment the profession faces a capacity crunch at the moment it is most needed.

Victoria's reform agenda is creating new and growing work for valuers on top of existing residential and commercial demand. This includes the Activity Centres program (10 pilot centres and 50 new train and tram zone centres), council housing target assessments, Development Facilitation Program feasibility analysis and commercial and industrial property tax classification reviews.

Our Ask.

We call on all parties to commit to:

- working with API, the Department of Jobs, Skills, Industry and Regions and Victorian universities with property and built environment faculties to establish dedicated cadetship and graduate pathways for valuers, including the specialist skills needed for Activity Centre and commercial and industrial property tax work
- supporting structured cadetship and graduate programs through existing apprenticeship incentives
- supporting the national case to list property valuation as a priority skill, streamline skilled migration for experienced valuers and fund university partnerships to lift graduate numbers.

What It Would Achieve.

Victoria would have enough qualified valuers to deliver its housing, planning and tax reforms on time.

Build the valuation workforce Victoria's reforms depend on

4.

Impact dimension	Victoria
People affected	Current and future Victorian property valuers. Victoria's reform agenda (Activity Centres, commercial and industrial property tax classifications, council housing targets and the Development Facilitation Program) creates a concentration of new valuation workstreams on top of existing demand. Finding the right talent was identified in the Q1 2026 API Property Market Outlook survey as the second most cited business pressure for 2026 (46% of the 363 property professionals surveyed nationally), behind the cost of doing business (60.1%). [13]
Buildings affected	Victoria's entire property stock requiring valuation services, including the $2.7 trillion residential market, commercial property under the CIPT regime, and agricultural land. [14] Specialist capacity gaps are most acute in commercial and industrial property tax classification advice and Activity Centre transition valuations.
Financial impact	Victoria's concentration of reform activity in the weakest property market of any state (API Property Market Outlook Index of 3.7 out of 10 for Q4 2026, down from 5.8 in Q1 2026) makes the workforce pipeline issue particularly acute. The Government's 800,000 homes target and the administration of the commercial and industrial property tax both require valuation inputs, a demand surge the Victorian profession may struggle to meet without targeted investment. [15] University partnership funding and cadetship incentives, particularly with Victorian universities with property and built environment faculties, represent a modest public investment with a large return.
Locations most affected	All of Victoria, with specialist capacity gaps in Activity Centre precincts (transition valuations), Melbourne CBD (commercial and industrial property tax and the office market) and regional Victoria (agricultural valuation).

[13] API Property Market Outlook Q1 2026. [14] Australian Bureau of Statistics.

[15] API Property Market Outlook Q4 2026; Victoria's Housing Statement.

Use the building code pause to prepare for higher standards

5.

Work with the valuation profession during the building code pause so properties can be valued accurately once higher building standards come in.

800,000

homes Victoria has committed to build over the next decade, each one needing a value it can rely on.

Source: Victoria's Housing Statement.

The Issue.

Australian Building Ministers have agreed to pause non-urgent residential changes to the National Construction Code (NCC) until mid-2029, with exceptions for essential safety and quality measures. The API supports the pause, which provides greater regulatory certainty for the construction sector and responds to industry concerns about project feasibility and rising construction costs.

Changes to commercial building requirements under NCC 2025 are still progressing, with jurisdictions able to commence adoption from 1 May 2026. These include enhanced waterproofing and water management provisions, improved car park fire safety requirements and higher energy efficiency standards, including provisions for on-site solar generation.

Victoria has committed to delivering 800,000 new homes over the next decade, while the Better Decisions Made Faster Act is scheduled to fully commence on 29 October 2027. Together with future NCC reforms, these changes will reshape the regulatory environment and have implications for construction costs, development feasibility and property values.

When the changes come, valuers will need to measure their effect on property values, construction costs and market acceptance.

Our Ask.

We call on all parties to commit to working with the valuation profession during the pause to:

- develop valuation methods that can assess the effect of higher building standards on property values
- train valuers on the commercial requirements of the 2025 Code
- establish baseline valuation data for before and after comparison of both the Code and planning reforms.

What It Would Achieve.

Victoria would be ready to measure the real cost and value of higher building standards when they resume, rather than relying on assumptions.

Use the building code pause to prepare for higher standards

5.

Impact dimension	Victoria
People affected	Victorian builders, developers, lenders, and valuers. Victoria's construction sector is under acute pressure: ABS Building Activity data shows 56,303 new homes completed in the year to June 2026 (seasonally adjusted), about 70% of the 80,000/year target and only seven more than the 56,296 completed in the year to June 2025. [16]
Buildings affected	All new residential construction in Victoria during the NCC pause period (to mid-2029): the Government's Housing Statement target is 80,000 new dwellings per year, though actual completions are running well below this. Commercial changes under NCC 2025, which jurisdictions can adopt from 1 May 2026, will affect all new commercial construction in Victoria. [17]
Financial impact	Construction costs were identified as the most significant driver of residential property prices nationally in Q1 2026 (66.3% of residential valuers surveyed), with structural housing undersupply confirmed in Q2 2026 as an ongoing upward driver of residential prices. [18] Victoria's housing completions gap (56,303 actual vs 80,000 target) represents a shortfall of approximately 23,700 dwellings per year. At the Victorian mean dwelling price of $918,400 (ABS, June quarter 2026), this represents approximately $22 billion in unrealised housing supply annually. [19] The NCC pause provides certainty but the Better Decisions Made Faster Act's full commencement on 29 October 2027 will create a compounding set of regulatory changes that valuers must be equipped to assess. [20]
Locations most affected	All of Victoria, with particular pressure in: Melbourne's growth corridors (Wyndham, Casey, Melton, Whittlesea); inner and middle-ring suburbs (where Activity Centre densification must compensate for outer-suburban shortfalls); and regional growth centres (Geelong, Ballarat).

[16] Australian Bureau of Statistics.

[17] Building Ministers' Meeting communiqué, October 2025; Victoria's Housing Statement; NCC 2025.

[18] API Property Market Outlook Q1 and Q2 2026. [19] Australian Bureau of Statistics. [20] Planning Victoria.

Value Aboriginal community housing fairly

6.

Back a specialist framework for valuing Aboriginal community housing fairly, and apply it in Victoria.

Standard valuation methods built for metropolitan markets do not suit Aboriginal and remote community housing. A specialist framework would support better government housing investment and lending decisions.

The Issue.

Standard valuation methods developed for metropolitan markets do not suit properties on Indigenous land, in remote locations or under community housing models. The issue is most pressing in the Northern Territory, Western Australia, South Australia and Queensland, but it also affects Victoria, where Aboriginal Housing Victoria and other Aboriginal community housing organisations manage homes for Aboriginal Victorians.

Our Ask.

We call on all parties to commit to:

- supporting national funding for a specialist valuation framework for remote and Indigenous community housing
- working with Aboriginal Housing Victoria and other Aboriginal housing providers to apply it in Victoria.

What It Would Achieve.

Better valuation would improve government housing investment decisions, support lending for community housing and ensure fair compensation in compulsory acquisition.



Value Aboriginal community housing fairly

6.

Impact dimension	Victoria
People affected	According to the 2021 Census, 65,646 people identified as Aboriginal and/or Torres Strait Islander in Victoria, representing about 1% of the state's total population. This demographic is relatively young, with around 50% of the Indigenous population in Victoria under the age of 25. [21] There are 5 registered Aboriginal housing providers in Victoria. [22] Nearly 4,000 Aboriginal and/or Torres Strait Islander Victorians are housed by Aboriginal Housing Victoria, the largest Aboriginal housing provider in the state, in 1,824 housing units (as at 30 June 2025). Several other Aboriginal-managed community housing organisations also house Aboriginal Victorians. [23]
Buildings affected	A small number of Aboriginal community-controlled housing dwellings in Victoria, primarily managed through Aboriginal Housing Victoria (AHV) and other community housing providers.
Financial impact	Victoria's Aboriginal community housing stock is small compared with jurisdictions that have large remote housing stocks, so a specialist valuation framework is best developed nationally and then applied in Victoria with Aboriginal housing providers.
Locations most affected	Metropolitan Melbourne and selected regional locations with Aboriginal community housing stock.

[21] Australian Bureau of Statistics, 2021 Census. [22] Homes Victoria. [23] Aboriginal Housing Victoria.





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