

# The Property Market is Changing

## What Buyers Need to Know

The Federal Government has confirmed major changes to negative gearing and capital gains tax (CGT) concessions as part of the 2026 Federal Budget reforms, announced on 12 May 2026.

What has changed:

### Negative Gearing

- Negative gearing is now restricted to newly built residential properties
- Established investment properties purchased after Budget Night no longer qualify for the same deductions
- Existing investment properties are grandfathered under current rules
- Certain build-to-rent projects and institutional investors are exempt

### Capital Gains Tax (CGT)

- The current 50% CGT discount will be replaced with an inflation-indexation model from 1 July 2027
- Existing gains accrued before 1 July 2027 retain current treatment
- New residential construction retains access to concession arrangements
- The principal place of residence exemption remains unchanged

### Current Investment Property Owners

Existing property owners retain current tax arrangements under grandfathering provisions.

Key points:

- Existing investment properties keep current negative gearing treatment
- Existing holdings retain current CGT arrangements on gains accrued before 1 July 2027
- Changes apply to future purchases under the new system

### Buyers Purchasing an Investment Property

Tax concessions for future investment purchases are now focused on newly built housing.

Key points:

- New apartments and townhomes retain access to negative gearing concessions
- Newly built residential property continues to receive favourable CGT treatment
- Established investment properties no longer receive the same investor tax concessions
- Government policy is now directed toward increasing new housing supply

### Principal Place of Residence

Owner-occupied housing remains unaffected by the investment property tax changes.

Key points:

- Principal places of residence remain exempt from capital gains tax
- The tax changes apply to investment properties only
- Owner-occupied property continues to receive separate tax treatment from investment assets

*"The single biggest winner from the budget: the tax free owner occupied home." Christopher Joye, AFR*

If you're considering making your next property move, talk to our team. Drawing on over 25 years of property experience, we help clients navigate changing market conditions with clarity and confidence.



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# What this means for the SEQ Property Market

## The Fundamentals Remain Strong

Brisbane continues to benefit from the three key drivers of long-term property growth.

### 1. Population Growth

Queensland continues to experience strong interstate migration and overseas migration, with Brisbane remaining one of the nation's fastest-growing capital cities. Migration remains a key driver of housing demand.

### 2. Infrastructure Investment

Billions of dollars are being invested into major infrastructure projects across South East Queensland, including transport upgrades, precinct revitalisation, health, education and lifestyle projects tied to the 2032 Olympic Games.

### 3. Employment & Economic Growth

Brisbane's economy continues to diversify across health, technology, education, construction and professional services, creating sustained employment growth and long-term housing demand.

### Brisbane Hosting the 2032 Olympics

The lead-up to the 2032 Olympic Games is expected to transform Brisbane on the global stage, accelerating infrastructure, investment and international attention over the next decade.

Historically, Olympic host cities experience:

- Significant infrastructure spending
- Urban renewal
- Population growth
- Increased investor confidence
- Long-term property value uplift in key precincts

### What Happens to Rents?

One of the likely unintended consequences of these reforms is increased rental pressure.

- fewer investors may purchase established homes,
- construction costs remain elevated,
- supply of new housing remains constrained,
- and Brisbane already has historically low vacancy rates.

If investor participation falls in the established housing market while population growth continues, rental shortages could intensify.

- rental growth to continue,
- vacancy rates to remain tight,
- and quality investment stock to remain in strong demand.

### The Biggest Winner: Principal Place of Residence (PPR)

The family home becomes even more attractive under these reforms.

- exempt from capital gains tax,
- and one of the most tax-effective wealth creation vehicles in Australia.

This may encourage:

- owner occupiers to upgrade homes,
- buyers to renovate or rebuild,
- and higher demand in premium Brisbane suburbs.

In a rising Brisbane market, many households may increasingly prioritise upgrading their primary residence over purchasing investment property.

**The fundamentals remain intact. The tax settings may change – but Brisbane's growth story continues.**

