



## Property Market: Keeping You Updated

### Rented:

6043/74B Belmore St Ryde

A31/3-5 Porter St Ryde

### For rent:

3/21-23 Gladstone St Burwood

2 Swan Ave Strathfield

### For sale:

45/77-87 Fifth Ave Campsie

1/34-36 Gover St Peakhurst

22/37-43 Forest Rd Hurstville

B63/105 Church St Ryde

## Featured Property: Coming Soon...



### B63/105 Church St, Ryde

Offers Invited

- Massive penthouse apartment with view to Parramatta River
- Total area 173m<sup>2</sup>
- Sunny open plan living/dining area opens onto an entertaining balcony overlooking the river
- 2 bedrooms both have BIRs and fully enclosed sunroom
- 2 luxury bathrooms and internal laundry
- 2 security car space plus storage
- Ducted air conditioner throughout

2 bed / 2 bath / 2 car

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## Investors turn to rental yields as capital gains slow

Rental yields will be a big focus for investors in 2026 as property price growth moderates, and rents continue to rise. After strong growth in the Australian property market in 2025, median houses prices ended the year 8.8% higher. With slower growth of between 6% and 8% is anticipated this year, investors are now looking to ramp up their opportunities.

“When the market shifts from strong capital growth to steadier conditions, investors naturally start looking harder at cash flow, and what the property is actually delivering week to week,” LJ Hooker Head of Research and Business Intelligence Mathew Tiller says. But how are yields determined? Gross rental yield is essentially the cash flow



relative to the cost of the home, REA Group executive manager of economics Angus Moore explains.

“That is the way it's calculated – it's the total rent you earn over a year, divided by the price of buying that home. So you can kind of think of it like the interest you would earn on a bank account, or the dividends on a share in a way,” he says. “It's sort of an indication of the ongoing return that you can expect to get from any new investment (and) it is important to note they are gross.

Typically, units carried higher gross rental yields than detached houses, and regional areas had higher gross yields than their capital city counterparts, Mr Moore notes.

“That's not strictly true for all regional areas versus all city areas, but as a sort of general rule that largely holds,” he adds. “Similarly, smaller capitals tend to carry higher gross rental yields, again not uniformly. Mr Tiller notes higher yields are typical in regional markets due to having a lower median price point, fewer dwellings, and fewer sales transactions.

## Westpac and CBA hike fixed rates

Australian borrowers have been hit with another brutal blow, with two of the big four banks announcing new hikes on fixed mortgage rates. It's a clear warning shot that banks are anticipating another cash rate hike, with fixed rates movements often a strong indicator of which way lenders are betting the cash rate will go.

The Reserve Bank earlier this month announced a 0.25% hike in the cash rate, but numerous lenders are now going further, lifting rates by much higher margins across fixed rates. Since the RBA move, close to a dozen lenders have already hiked their rates on more than 200 fixed loan products, with the typical hike 0.33% – much higher than the last cash rate increase. The latest to join the fray are Westpac and Commonwealth Bank, with the former announcing it will increase rates on one-, two- and three-year fixed loan products by 0.3%. It comes as new ABS data released Wednesday showed trimmed mean inflation over the 12 months to January was 3.4%, up from 3.3% over the 12 months to December.

It means new borrowers are now staring down the barrel of higher certainty loans, with fixed rates no longer offering the safety net they once did.

Mortgage brokers say borrowers rushing to lock in rates are finding the deals vanish overnight, replaced by sharper pricing that bakes in expectations of further tightening.

