Monthly Newsletter JUNE Issue 2026

Property Market: Keeping You Updated

Rented:

5/2A Rosa St Oatley

47 Fiddens Wharf Rd Killara

For rent:

73 Woodlands Ave Lugarno

604/7 Garrigarrang Ave Kogarah

For sale:

5 Arthur St Carlton

34/232 Railway Pde Kogarah

604/7 Garrigarrang Ave Kogarah

B63/105 Church St Ryde

Featured Property

3 bed / 2 bath / 2 car

Contact: Olive Li

Phone: 0424 873 428

5 Arthur Street, Carlton 2218

Offers Invited

- Beautifully renovated single-level full-brick family home in a quiet location, north-east facing
- Open plan living/dining room with timber floor and AC
- Kitchen with stone bench tops and stainless steel appliances
- 3 bedrooms all with BIRs, main with sunroom
- 2 bathrooms, main includes bathtub; internal laundry
- Timber deck overlooks sweeping sun washed lawns
- Double LUG plus multiple off street car spaces
- Approx. 800m to Allawah Station and footsteps from local shops, schools, cafes and restaurants

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Phone: 0424 873 428
Email: sales@opacrealty.com.au
Website: www.opacrealty.com.au

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OPAC realty

How the Budget tax changes will affect housing markets

The 2026 Federal Budget introduces the most significant reforms to property investment taxation in decades. The changes, a restructured capital gains tax discount and the removal of negative gearing for established residential property, will reshape property investment. Both changes take effect from 1 July 2027, are grandfathered for existing holdings, and newly built homes are exempt from both. Policies that reduce investor participation carry a higher risk of tightening rental supply.

Short-term effects

Home prices are likely to be a bit lower than they would have been absent the changes. The change to the treatment of capital gains will likely boost turnover as some investors look to sell due to less generous capital gains treatment making their investment less attractive.

The grandfathering of negative gearing likely depresses turnover as existing homeowners look to defer selling to retain existing, more generous, negative gearing treatment.

Medium-term effects

New residential construction may see a small boost as newly built homes are exempt from the changes. The boost from investors selling ahead of / due to the capital gains changes will not be as strong post 1 July 2027, while the 'lock-in' effect of grandfathering negative gearing persists and discourages some investors from selling.

Long-term effects

Home prices are likely to be a little lower, estimates are in the order of 1-5% lower. Homeownership will be a little higher, as existing homes shuffle between investors and owner-occupiers. Government estimates are for a modest 75,000 extra first-home buyers over a decade. Rents are likely a little higher in the long-term due to the smaller stock of rental properties.

Construction loans after the budget carve out

The federal budget has paved the way for more brand new homes to be built, but ensuring borrowers can finance these is crucial.

Construction loans are different from regular home loans, due to building works requiring ongoing payments as the construction progresses. Designed for both building a new home or completing major structural renovations, construction loans are an important part of the lender landscape in Australia. In general, construction home loans have a variable rate, with a maximum Loan-to-Ratio value of 95%. This varies depending on lenders, and most major lenders offer construction loans. Lenders also often set a maximum timeframe for the complete draw-down of the loan, usually around six months. Once a home is built, borrowers transition to a regular, usually variable, home loan.

New residential land is hard to come by in many parts of the country, with wait lists of first home buyers and owner-occupiers wanting to secure a parcel of land common.

Getting an early understanding of construction loans and eligibility is vital.

While the measures that came out of the budget are pro-housing and heavily designed to boost construction activity and affordability, getting borrowers to a point where finance is needed for a new build project is getting progressively harder.

Data from the Australian Bureau of Statistics shows that housing construction weakened in the first quarter of 2026.

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