PROPERTY INVESTMENT PROFESSIONALS OF AUSTRALIA PIPA

MEDIA RELEASE

FOR IMMEDIATE RELEASE · FRIDAY THE 11TH OF SEPTEMBER 2026

Investor exodus drains rental pool as negative gearing and CGT reforms take hold

2026 PIPA Annual Investor Sentiment Survey

18.3%
of respondents had sold at least one property in the year to August

51.6%
of those sellers sold at least one property to an owner-occupier

62.3%
of investors are now in negative cash flow

Investor selling has risen for a third consecutive year in one of the first major industry-association surveys conducted since the Federal Government's changes to negative gearing and the Capital Gains Tax (CGT) discount became law.

The 2026 PIPA Annual Investor Sentiment Survey, released today by the Property Investment Professionals of Australia (PIPA), found 18.3% of respondents had sold at least one property in the year to August, up from 16.7% last year and 14.1% in 2024, 12.1% in 2023 – the highest rate of investor exits in the survey's recent history.

More than half of those sellers (51.6%) sold at least one property to an owner-occupier, up sharply from 37% last year, while 12.4% sold a property to a first-home buyer. Every one of those dwellings left the rental pool.

> "Last year, investors told us they would walk away if these reforms became law. This year's survey is the first national read by PIPA since the changes were legislated, and it shows a lot of them are doing exactly that," PIPA Chair Cate Bakos said.

> "This is no longer a hypothetical debate about tax policy. Rental homes are leaving the market now, and our members are seeing it play out in real time."

Selling into a market they don't rate

Strikingly, the highest rate of selling in the survey's recent history is occurring even though only 7.6% of investors believe now is a good time to sell, down dramatically from 36% in 2025.

Just 44.1% believe the next 12 months is a good time to invest in residential property, down sharply from nearly 60% last year.

> "Investors are not selling because they think it is a smart time to sell. Many are selling because the numbers no longer work for them," Ms Bakos said.

> "Increased holding costs, including higher interest rates, land tax and compliance costs are stretching investor capacity to financial discomfort."

Buying intentions stall

Investors flagged this a year out. In PIPA's 2025 survey, nearly 53% of respondents said they would stop investing in property if negative gearing changes were implemented, and 35% said the same if the Capital Gains Tax concession was reduced to 25%. With the changes now law, just 14.7% of investors say their intention to buy additional properties is unaffected by the changes to negative gearing and CGT. More than one in five (21.5%) say

they are unlikely to buy again unless the changes are repealed, 12.6% say they are less likely to buy and 11.8% have paused their buying plans.

> "A year ago, investors told us they would stop buying if these changes came in. This year's results show they meant it," Ms Bakos said.

Only 27.8% of investors now plan to buy another investment property in the future, down from 41% last year. Of those with no plans to buy again, 63% said the changes to negative gearing and CGT influenced that decision.

Some 9.7% of investors have already withdrawn one or more properties from the long-term rental market, 82% expect the reforms to reduce rental supply in their local area, and 27.8% say they are now more likely to put their money into other assets such as shares, managed funds and superannuation.

The changes are also affecting how long investors hold. While 46% said the policy changes had not influenced their decision to hold, sell or delay selling their existing properties, 18.7% said they are holding their properties longer because of policy uncertainty.

Confidence in policy stability has also been damaged: 87.2% of investors are not confident that future governments will maintain stable, predictable tax settings for property investors, with half (50.4%) not confident at all.

> "Once trust in the stability of the tax system is gone, it is extraordinarily hard for the government in power to win that trust back," Ms Bakos said.

Long-term landlords, not speculators

The investors leaving are seasoned owners. The most common holding period among those who sold was 10 to 20 years, nominated by 37.1% of sellers and up from 30.7% last year, followed by three to seven years (33%) and seven to 10 years (21.7%).

Increased general holding and compliance costs, such as insurance, minimum standards compliance and property management fees, was the most commonly cited reason for selling (37.1%), followed by increased land tax or government charges (29.9%) and conditions being good to realise a capital gain (21.7%).

Notably, reducing total debt exposure – last year's number one reason at 41.7% – fell away to just 14.4%.

> "These are not speculators flipping stock. These are people who have held a rental property for a decade or two and have decided they have had enough," Ms Bakos said.

Retirement plans in the firing line

Two-thirds of respondents (66.8%) expect the CGT changes to have a moderate, significant or severe impact on their retirement planning, including 12% who say the impact will be severe enough to require a major adjustment to their retirement plans.

> "Most property investors are not wealthy tycoons. They are everyday Australians using one or two properties to fund a self-sufficient retirement," Ms Bakos said.

Where investors are selling

Of the investors who sold at least one property in the past year, Queensland accounted for the largest share of sales at 37.1% (up from 35.5% last year), followed by Victoria on 29.9% and New South Wales, which rose notably to 22.7% from 11.8% in 2025.

At a city level, 23.7% of sellers sold at least one dwelling in Brisbane (up from 19.7% last year) and 19.6% in Melbourne (down from 22.1%). Sydney more than doubled to 13.4% from 6.3%, while Perth investors were comparatively sticky with their properties, with 7.2% selling at least one in the Western Australian capital, down from 11% last year.

Outside the capitals, Regional Queensland again topped the list at 13.4%, followed by Regional Victoria on 10.3% (up from 7.9%) and Regional NSW on 9.3% (up from 5.5% in 2025).

Victoria and the ACT rated the least investor-friendly

Western Australia was again rated the nation's most investor-friendly jurisdiction by a sizeable margin, with an average ranking score of 6.99 out of 8, followed by Queensland on 6.01.

At the other end of the scale, Victoria was ranked dead last by 62% of respondents – more than any other jurisdiction, and for at least the fourth consecutive year – while the ACT recorded the lowest average score of all (2.16, to Victoria's 2.21).

> "Victoria has now been at or near the bottom of this ranking for four years running, and the ACT is right there with it," Ms Bakos said. "Investors are voting with their feet, and it is renters in those jurisdictions who wear the consequences."

Costs climb, cash flow tightens

Some 41.7% of investors reported cost increases of 11% to 20% over the past year for expenses such as land tax, compliance and minimum standards, insurance and property management, up from 39% last year. More than 15% reported increases of 21% to 40%.

Most investors (62.3%) are now in negative cash flow, up from 56% last year and well above the low of 30% recorded in 2022, while 8.8% said they were drawing on savings to cover the shortfall and a further 41.5% described their cash flow as tight.

Despite this, most are absorbing the increases rather than passing them on, with 62.6% passing on 10% or less of their higher operational costs through rent rises. However, more than 55% said that, in response to legislative rental reforms, they would almost certainly need to pass on some or all of their higher compliance costs through higher rents.

> "Investors have been absorbing these increases, but the survey suggests there is a limit to how long that can continue," Ms Bakos said.

Support for professional standards remains strong

Virtually all respondents (96.1%) believe any provider of property investment advice should have formal training or education. About 82% were aware of PIPA, 77% said PIPA membership and operating under a code of conduct would positively influence their decision to work with a property investment professional, and 66% said a Qualified Property Investment Adviser (QPIA) qualification would influence their choice of adviser.

> "In a policy environment this volatile, qualified and accountable advice has never mattered more," Ms Bakos said.

ENDS

About the survey

The 2026 PIPA Annual Investor Sentiment Survey was conducted online in August 2026 and drew 626 respondents. Participants were sourced from PIPA and PICA's databases of property investors as well as member and non-member client databases. Some questions allowed multiple responses, so figures may total more than 100%. The full report is available at www.pipa.asn.au.

Media contact

For an interview with PIPA Chair Cate Bakos please contact:

Bricks & Mortar Media | kieran@bricksandmortarmedia.com.au | 0417 793 447

About PIPA

Property Investment Professionals of Australia (PIPA) is a not-for-profit association established by industry practitioners with the objective of representing and raising the professional standards of all operators involved within property investment. For more information visit www.pipa.asn.au.