

Property Market update

Historically, proposed changes to federal property tax settings, particularly surrounding negative gearing and capital gains tax (CGT) discounts, have the potential to place downward pressure on property values across many Queensland coastal and holiday destinations.

These markets are often more reliant on investor activity than metropolitan owner-occupier markets. Investors play a significant role in purchasing holiday homes, permanent rental properties and lifestyle investments in coastal communities. Any reduction in the financial incentives associated with property investment is likely to reduce buyer demand, particularly for established homes.

If negative gearing concessions are limited or the CGT discount is reduced, investors may reconsider the attractiveness of residential property compared with other investment options. Lower investor participation typically translates into fewer buyers competing for available properties, which can soften price growth and, in some locations, result in price declines. Regional coastal markets can be particularly sensitive to these changes. Communities throughout Queensland's coastline often experience lower transaction volumes than major cities, meaning even a modest reduction in demand can have a greater impact on property values.

Property of the Month: 18 Rumbalara Ave, Rainbow Beach



Relaxed Coastal Living with Poolside Paradise

Imagine spending your days relaxing beside the sparkling pool, listening to the birdsong from the native bushland beyond your backyard, before gathering family and friends for summer BBQs under the expansive outdoor entertaining area. Beautifully renovated, this inviting low-set home offers the perfect blend of comfort, style and easy coastal living. Set on a fully fenced, landscaped block backing onto a nature reserve, this spacious residence has been designed for effortless entertaining and relaxed family living.

4 BED, 2 BATH, 2 CAR, POOL

\$1,190,000

Property Market update continued....

Slower sales, longer days on market and increased negotiation by buyers may become more common. Beyond property prices, reduced investment can also affect the supply of rental accommodation. If fewer investors purchase rental properties, vacancy rates may tighten over time, placing additional pressure on rental affordability despite softer property values.

While the full impact would depend on the final structure of any tax reforms and broader economic conditions, significant changes to negative gearing and CGT concessions have the potential to dampen confidence, reduce investment activity and place additional pressure on property markets throughout Queensland's coastal and holiday regions.

Anecdotally, there has been a noticeable decline in buyer enquiry and confidence over the past two months. There is no tangible evidence of a reduction in property values across the Cooloola Coast as yet; however, with a lack of buyer enthusiasm and optimism; it may only be a matter of time before we see a shift in prices.



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