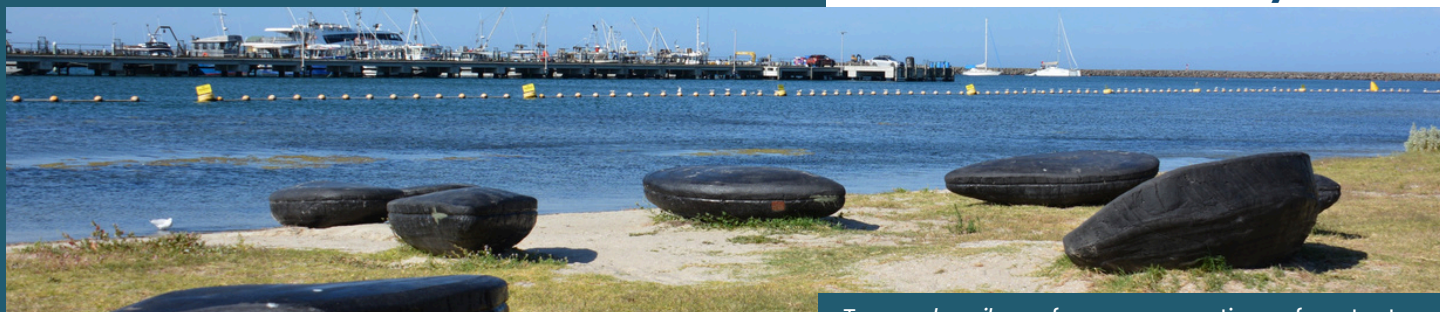




A More Balanced Chapter for Property in 2026

If 2025 felt like a year of strong momentum in Australia's residential property market, **2026 has brought a noticeable change in pace**. Rather than a sharp downturn, what we're seeing is more of a reset – a period where the market is catching its breath after several years of rapid growth.

For many buyers and sellers, **this shift has felt uncertain at times**. The Reserve Bank's decision to lift interest rates earlier this year, beginning in February, has played a key role. Higher borrowing costs have naturally made some buyers pause and reconsider, while vendors are finding that expectations from last year don't always align with today's conditions.

This change in sentiment is completely understandable. Households are also navigating broader cost-of-living pressures, with higher fuel prices and ongoing global uncertainty continuing to keep inflation elevated. Against that backdrop, **it's no surprise that confidence has softened across the market**.

The recent Federal Budget has added another layer to the conversation. Proposed changes to investment property settings, including negative gearing and capital gains tax, have created some hesitation among investors. While these reforms are designed to support housing supply over the longer term, in the short term they've contributed to a more measured, wait-and-see approach.

Importantly, it's worth remembering that **there is no single "Australian property market"**. Conditions are varying widely by location. While Sydney and Melbourne have seen some softening, other cities such as Brisbane, Perth and Adelaide have shown greater resilience, supported by ongoing population growth and limited housing supply.

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Kista Finance acknowledges the **Wadawurrung People** as the Traditional Owners of the land and waters on which we live and work and pays respect to Elders past, present and emerging.

Important dates for the Month:

- 01Jul26 – *Payday Super commences*
- 14Jul26 – Single Touch Payroll finalisation for 2026 financial year
- 21Jul26 – Monthly BAS & IAS
- 28Jul26 – Quarterly BAS & IAS for non e-Lodgers
- 28Jul26 – Superannuation Guarantee contributions

Self-Care Tip for the Month.....

Practice self-acceptance and embrace imperfection: Embrace your flaws and imperfections as a natural part of being human. Practice self-acceptance and let go of the need for perfection.

Remember, it's okay to make mistakes and learn from them.

Joke of the Month.....

What's the difference between a good loan and a bad joke?

a good loan has strong backing...
a bad joke just has me.



Community.....

Portarlington Football & Netball Club

Portarlington Recreation Reserve, Sproat St, Portarlington

Home Games:

- 11Jul2026: Football (men & women) & Netball
- 25Jul2026: Football (men) & Netball

NAIDOC Week activities (early July)

- Across Geelong & Bellarine: cultural performances, workshops, art, storytelling events
- Celebrates Aboriginal & Torres Strait Islander culture

July seems to be a quieter winter month on the Bellarine, but still plenty on with markets, family theatre, magnificent wineries, etc.

This highlights one of the **key themes emerging in 2026: a more balanced, selective market**. Buyers are taking their time, doing their research, and negotiating with greater confidence. At the same time, vendors are adjusting their expectations and focusing on realistic pricing strategies.

Despite the current challenges, **there are solid reasons for optimism**. Australia continues to face a structural undersupply of housing, rental markets remain tight, and population growth is providing ongoing demand. These fundamentals have historically supported the market over the long term.

So while the year so far has required a degree of patience, it is also creating a more sustainable foundation. As inflation begins to ease and interest rate settings stabilise, confidence is likely to gradually return.

For both buyers and sellers, the message is one of perspective. **The market hasn't disappeared – it's simply evolving**. And with that evolution comes opportunity for those who are well-prepared and well-advised.

Looking ahead, **2026 is shaping up not as a year of decline, but as a year of recalibration** – one that sets the stage for a steadier and more resilient property market in the years to come.



Quote of the Month.....

Mevlana Jalaluddin Rumi

The 7 Universal Rules of Life

Mevlana famously offered seven pieces of advice for human conduct, often expressed as metaphors for natural elements:

- **Generosity:** Be like a flowing river in generosity and helping others.
- **Compassion:** Be like the sun in showing mercy and compassion.
- **Tolerance:** Be like the ocean in your capacity for tolerance.
- **Humility:** Be like the earth in humility and humbleness.
- **Concealing Faults:** Be like the night when hiding others' defects and faults.
- **Self-Control:** Be like the dead in moments of intense anger or fury.
- **Authenticity:** Either seem as you are, or be as you seem.



Interest Rate Outlook

Interest rates in Australia are still sitting at relatively high levels, with the Reserve Bank (RBA) holding the cash rate at 4.35% while it keeps a close eye on inflation.

The overall **message from the RBA in recent updates is one of caution**. Inflation is easing, but it hasn't come down far enough yet, and the Bank wants to be confident it will stay within the 2–3% target range before considering any rate cuts. Cost-of-living pressures and higher service prices are still playing a role here.

On the economic front, things are starting to soften slightly. The job market remains strong, but we're seeing early signs of it easing, and consumer spending has slowed as households adjust to higher borrowing costs.

Looking ahead over the next six months, most of the **major banks expect interest rates to stay on hold for now**. The general view is that **the next move is more likely to be down rather than up** — but the timing is still uncertain.

If inflation continues to trend lower and the economy slows a little further, we could start to see the RBA move towards rate cuts later in the year. For now, it appears we're in a holding pattern as the Bank balances the need to control inflation without putting too much pressure on the broader economy.



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