

PIPA Annual Investor Sentiment Survey 2025



Introduction

Australia's property investment landscape is undergoing a seismic shift. The 2025 PIPA Annual Property Investor Sentiment Survey – now in its 11th year – offers the most comprehensive snapshot yet of the nation's investor psyche, revealing a community grappling with rising costs, legislative uncertainty, and a growing sense of vulnerability. Yet, amid the turbulence, optimism persists.

This year, 16.7% of respondents reported selling at least one investment property over the year to August – up from 14.1% in 2024 and 12.1% in 2023. It's the highest rate of investor exits recorded in the survey's recent history and marks a continuation of a four-year trend that's steadily eroding Australia's rental housing supply.

While 42% of these properties were purchased by other investors (a notable jump from 31% last year and just 24% in 2023), the remainder were absorbed by owner-occupiers (37%) and first-home buyers (25%), effectively removing them from the rental pool.

This shift is not just statistical – it's structural.

The steady offloading of rental dwellings is fundamentally reshaping the market, with fewer homes available for tenants and increased pressure on affordability. The impact is being felt most acutely in Australia's largest capital cities.

Capital cities in the crosshairs

Melbourne and Brisbane continue to lead the charge in investor sales. In Melbourne,

22.1% of respondents sold at least one property – up slightly from 21.7% last year. Brisbane saw a decline, with 19.7% selling compared to 26.1% in 2024, but remains a key market for investor exits.

Perth made a notable debut in the top five, with 11% of investors selling in the Western Australian capital – its first appearance in this tier. Sydney, by contrast, saw a sharp drop in investor sales, falling to just 6.3% from 14.9% last year. This decline may be linked to easing interest rates, which have helped reduce mortgage repayment pressures.

Regional markets: A tale of contrasts

In regional Australia, the story is equally dynamic. Regional Queensland surged to the

“
More than half
of respondents said
they will stop investing in
property if changes to
negative gearing are
implemented.”



top of the sales list, with 15.8% of investors selling – more than doubling last year’s figure of 7.4%. Regional Victoria followed at 7.9%, down slightly from 9.3% last year, while Regional NSW saw a dramatic fall to 5.51%, down from 10.5% in 2024.

At the state and territory level, Queensland led the nation in investor sales, with 35.5% of respondents selling – up from 33.4% last year, though down from 39.7% in 2023. Victoria held steady at 30%, while New South Wales saw a steep decline to 11.8%, down from 25.4% last year.

Looking ahead, Brisbane remains the top location for future sales, with 20% of investors indicating plans to sell there over the next 12 to 24 months. Melbourne follows on 15.2%, and Perth on 11.6%. Among regional areas, Queensland again leads with 14.9%, followed by Regional NSW at 12.3%.

Who’s selling and why?

The majority of those who sold over the past year were seasoned investors. More than half had held their property for at least five years, with the most common holding period being 10 to 20 years (30.7%), followed by three to seven years (29.1%) and seven to 10 years (20.5%). These figures mirror last year’s results, reinforcing the trend that long-term investors are increasingly choosing to exit the market.

Their reasons are sobering. The top motivation was to reduce overall debt exposure, cited

by 41.7% of respondents (up from 32.9% last year). Rising general holding and compliance costs, including insurance, property management fees, and minimum standards, were the second most common reason at 40.4%, though down from 44.1% in 2024. Nearly one-third of investors pointed to increased land tax and government charges as a key factor—consistent with previous years.

Policy uncertainty is a growing threat

This year’s survey introduced three new policy questions, and the results were striking. When asked whether they would continue investing if negative gearing was changed, nearly 53% said they would stop. Only 22% said they would continue, while 25% remained unsure.

Similarly, if the Capital Gains Tax concession was reduced to 25% after 12 months of ownership, 35% of investors said they would exit the market. Another 29% were undecided, with the remainder indicating they would continue investing.

These findings underscore the fragility of investor confidence in the face of potential federal reforms. The mere suggestion of

changes to longstanding tax concessions is enough to trigger widespread hesitation – and in many cases, withdrawal.

Communication breakdown

Compounding the issue is a lack of clear communication from state governments about tenancy reforms. A staggering 64% of respondents were unaware of Victoria’s new vacant residential land tax. And around

60% of respondents said they had only moderate or limited knowledge of changes to tenancy laws across Australia.

Alarming, 10% reported never having heard from their state or territory government regarding tenancy law changes.

This disconnect is not just a failure of policy – it’s a failure of engagement. Investors are being asked to navigate increasingly complex regulatory environments with little support or clarity, and the consequences are playing out in real time.

State Sentiment: Winners and Losers

For the second consecutive year, Victoria was named the least accommodating state for property investors, followed by the ACT and NSW. These jurisdictions were consistently viewed as hostile to investment, with policies perceived as punitive or overly restrictive.

At the other end of the spectrum, Western Australia was again crowned the most pro-investment state, followed by Queensland. The margin between these poles is significant, and it reflects a broader divergence in how different governments approach housing policy.

Selling pressure builds

Investor sentiment around selling is intensifying. This year, 36% of respondents said it was a good time to sell – up from 29% last year. The top reason for considering a sale over the next 12 to 24 months was the future risk of federal reforms, including changes to negative gearing and Capital Gains Tax (51.3%). This was followed by increased compliance costs (49.8%), land tax and government charges (49.8%), potential rental freezes or caps (37.1%), and concerns about proposed tenancy legislation (32.4%).

Rising costs, tight cash flow

Operational costs continue to climb. Some 39% of investors reported cost increases of between 11% and 20% over the past year (up from 36% last year). More than 21% said costs had risen by 21% to 41%, and 5% reported increases of 41% to 60%.

These pressures are translating into real financial strain. Eight per cent of respondents said they were drawing on savings to cover cash flow shortfalls, while 36.3% described their cash flow as tight. Yet, despite these challenges, most investors are absorbing the

“
For the second consecutive year, Victoria was named the least accommodating state for property investors.”

costs rather than passing them on to tenants. A full 65% (up from 54.6% last year) said they had passed on just 10% or less of their increased costs through rent increases. Only 12% (down from 20.1%) said they had passed on 11% to 20%.

A glimmer of optimism

Amid the uncertainty, there are signs of renewed confidence. Nearly 60% of investors believe the next 12 months is a good time to invest in residential property – up from 45.7% last year and approaching the 62% recorded in 2021, when interest rates were at historic lows.

Melbourne leads as the preferred investment destination, with 41% of respondents identifying it as the best place to buy (up sharply from 26.3% last year). Brisbane held steady at 16.5%, while Perth dropped to 9.2% from 25.2% in 2023.

About two per cent of respondents said Darwin (up from 0.2% last year) but Canberra/ACT scored zero per cent with survey respondents.

Regional Queensland attracted 8% of investor interest (down slightly from 9%), Regional NSW rose to 5.5% from 2.8% from last year, with Regional VIC on 4.1%.

Professional standards matter

Investor support for professional standards remains strong. A resounding 94% believe that property investment advisors should

have formal training or education. Awareness of PIPA continues to grow, with 75% of respondents familiar with the organization. Importantly, 85% said that PIPA membership and adherence to a code of conduct would positively influence their decision to work with a property professional – up from 75% last year.

Final thoughts

The 2025 PIPA Annual Property Investor Sentiment Survey paints a vivid picture of a sector in flux. Investors are navigating rising costs, policy uncertainty, and shifting market dynamics with resilience – but also with caution. As governments consider reforms and the market continues to evolve, the voice of the investor has never been more critical.

Our sincere thanks go to the 854 investors from across Australia who contributed to our annual survey.

Lachlan Vidler

LACHLAN VIDLER,
CHAIR, PROPERTY INVESTMENT PROFESSIONALS OF
AUSTRALIA
SEPTEMBER 2025

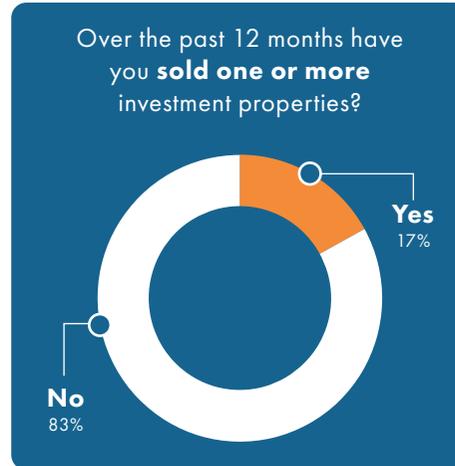


Key findings

Investors selling and fewer buying

This year's survey found an increase in the percentage of investors who sold at least one property in the past year (16.7%) and a rise in the percentage of investors (28.4%) who had purchased a property over the same period compared to last year (24.1%).

However, this percentage is still down from the 37% recorded in 2022.



Longer term investors exiting market

Of those investors who sold over the past year, more than 50% had owned the property for at least five years with the number one holding period for investors who sold being 10 to 20 years (30.7%), followed by three to seven years (29.1%), and seven to 10 years (20.5%).

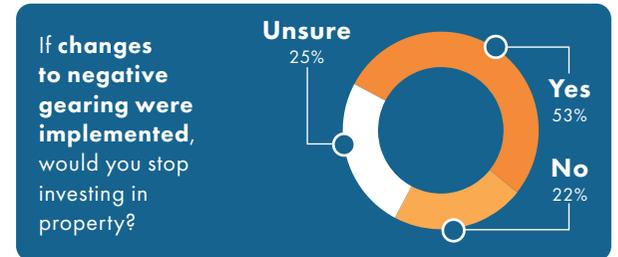
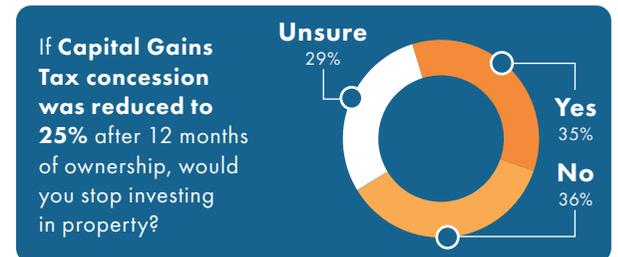
What was the **holding period of the investment property** you sold?



Policy impacts

Nearly 53% of respondents indicated they would stop investing in property if negative gearing changes were implemented, with 35% doing so if the Capital Gains Tax concession reduced to 25%.

About 64% of survey respondents are not aware of the new vacant residential land tax in Victoria and about 60% said they are moderately informed, have some or limited knowledge about changes to tenancy laws of Australia.





Key findings

Higher holding costs and taxes

When asked which reasons contributed to selling one or more of their investment properties over the past year, survey respondents indicated it was predominantly to reduce their overall debt exposure (41.7% up from 32.9% last year), followed by increased general holding and compliance costs such as insurance, minimum standards, property management fees, etc. (40.4% down from 44.1% last year). Nearly a third of investors indicated they sold because of increased land tax or government charges – a similar percentage to last year.



Victoria worst state for property investors... again

For the second year in a row, Victoria was named as the least accommodating state or territory in the nation for property investors, again followed by the ACT, and NSW, which were all seen as anti-property

investment. At the other end of the spectrum – by a sizeable margin it must be said – investors again believe that Western Australia is the most pro-property investment state in the nation, followed by Queensland.

Rank in order from **best to worst**, which State or Territory Government is pro-property investment or anti-property investment. In considering your answers take into account stamp duty, land tax fees, duties, levies, any incentives on offer as well as how supportive their tenancy legislation is towards the property owner.





Key findings

Investors selling in Melbourne and Brisbane

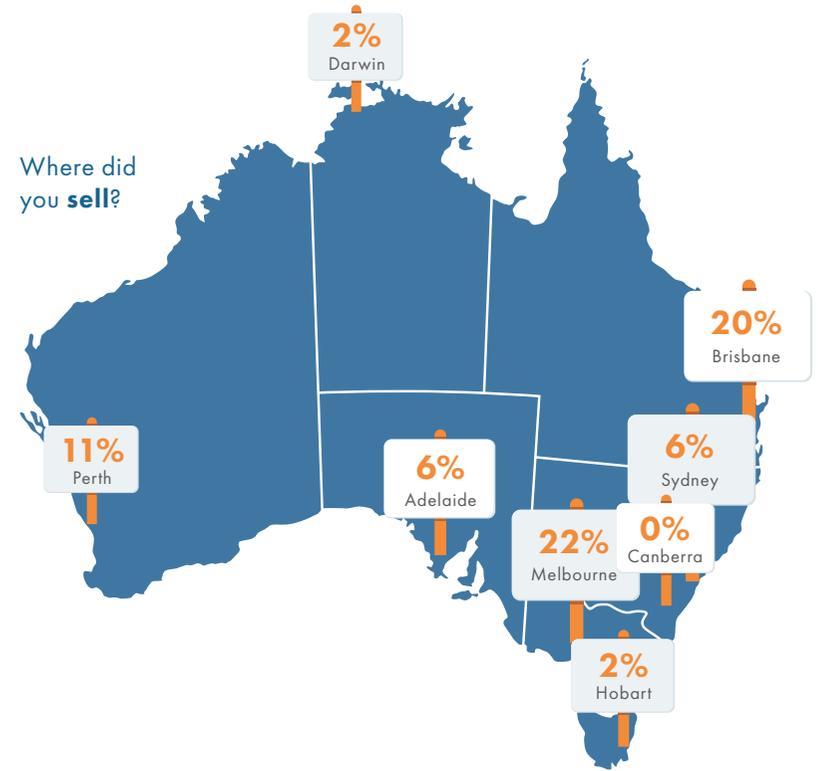
The areas where the reduction of rental supply are being most keenly felt are our two of our biggest cities with survey respondents indicating they had sold at least one dwelling in Melbourne (22.1% up from 21.7% last year) and Brisbane (19.7% down from 26.1% last year.) Perth makes a new entrance in the list at number four with 11% of investors selling at least one dwelling in the Western Australian capital over the

year to August. Fewer investors sold in Sydney compared to last year (6.3% compared to 14.9% in 2024), possibly due to lower interest rates reducing mortgage repayments.

When it comes to investors selling in regional areas, the number one location this year was Regional Qld (15.8% up significantly from 7.4% last year), followed by Regional VIC on 7.9% (down slightly from 9.3% last year). After coming in at number

four overall last year, only 5.51% of investor sold a dwelling in Regional NSW over the past year (down from 10.5% in 2024).

At a State or Territory level, Queensland experienced the most investor sales over the past year (35.5% up from 33.4% last year but down from 39.7% in 2023), followed closely by Victoria (on 30% (similar to last year), with NSW (11.8% down from 25.4% last year).



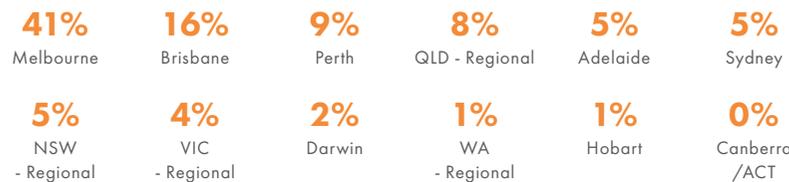
Investor sentiment improving... finally

In positive news, nearly 60% of investors (up from 45.7% last year) believe that the next 12 months is a good time to invest in residential property – similar to the percentage (62%) recorded back in 2021.

About 41% of survey respondents believe Melbourne is the best place to buy right now (up strongly from 26.3% last year), following by Brisbane on 16.5% (similar to last year), and Perth on 9.2% (down from 25.2% in 2023). Regional Queensland is the place to buy for eight per cent of investors (9% last year), followed by Regional NSW on 5.5% (down from 10.5% from last year).



Where is the **best place to invest** in Australia right now?



Investor lending issues

About 32% of survey respondents indicated they are currently unable to refinance to an amount they were previously able to borrow.

However, nearly 80% of respondents indicated they secured their last property investment loan through a mortgage broker with 16% directly from a bank/lender.

Do you currently find yourself in a position where you are **unable to refinance** to an amount you were previously able to borrow?



Property investors returning to market

Nearly 60% of survey respondents believe it is a good time to invest in residential property, which is up strongly from the 45.7% recorded last year and similar to the 62% recorded in 2021.

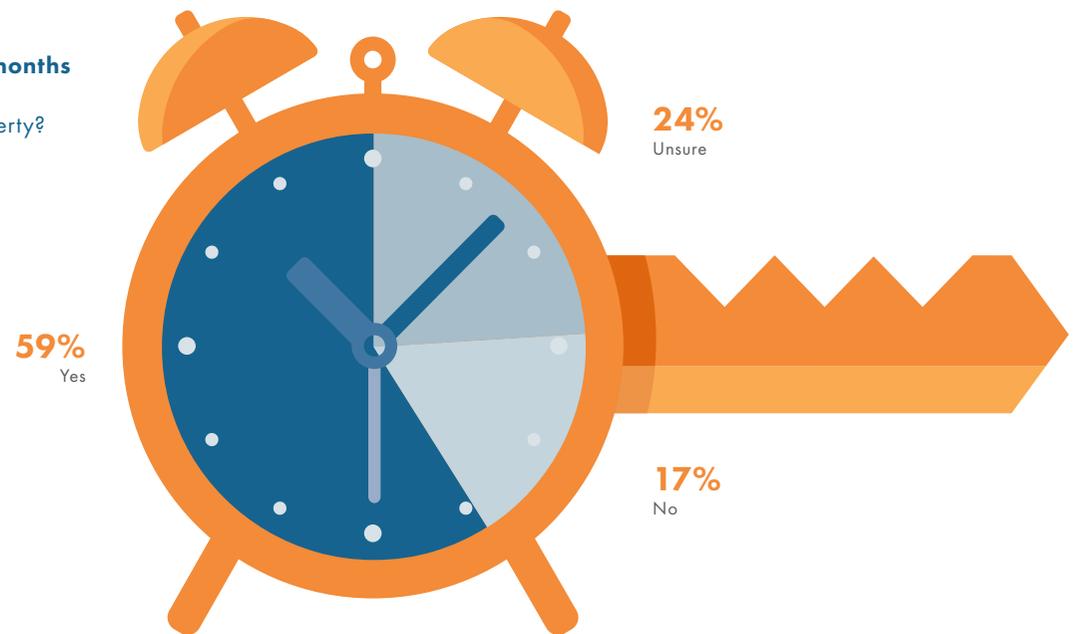
About 28% of investors purchased a property over the past 12 months, up from 24% last year, but down from the 37% recorded in 2022 with nearly 73% indicating they bought one property.

The top locations for property investment purchases over the past year were Melbourne (24.3%), Regional VIC (19.3%), Perth (16.1%), Brisbane (13.8%), and Regional Qld (13.3%).

Last year, the top locations were Brisbane, Perth, and Regional Qld.

About 41% of respondents indicated they had plans to buy another investment property in the future (down from 44% last year).

Do you think the **next 12 months is a good time to buy a residential investment property?**



What **location/s did you buy** in the past 12 months?



Investor sales higher... yet again

This year's survey found 16.7% of respondents sold at least one investment property in the past year – an increase from 14.1% last year and 12.1% in 2023.

Of those investors exiting the market, their property was bought by another investor in 42% of transactions (up from 31% last year and the 24% reported in 2023). However, those rental homes were bought by existing homeowners 37% of the time or first-home buyers in 25% of reported transactions.

The areas where the reduction of rental supply are being most keenly felt are two of our biggest cities with survey respondents indicating they had sold at least one dwelling in Melbourne (22.1% up from 21.7% last year) and Brisbane (19.7% down from 26.1% last year).

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Of those investors exiting the market, their property was bought by another investor in 42% of transactions

Perth makes a new entry in the top five list, coming in at number four, with 11% of investors selling at least one dwelling in the Western Australian capital last year. Fewer investors sold in Sydney compared to last year (6.3% compared to 14.9% in 2024), possibly due to lower interest rates reducing mortgage repayments.

When it comes to investors selling in regional areas, the number one location this year was Regional Qld (15.8% up significantly from 7.4% last year), followed by Regional VIC on 7.9% (down slightly from 9.3% last year). After coming in at number four overall last year, only 5.51% of investors sold a dwelling in Regional NSW over the past year (down from 10.5% in 2024).

At a State or Territory level, Queensland experienced the most investor sales over the past year (35.5% up from 33.4% last year but down from 39.7% in 2023), followed closely by Victoria (on 30% (similar to last year), with NSW (11.8% down sharply from 25.4% last year).

How many **properties did you sell** in the past 12 months?



What **type of buyer** purchased your property?



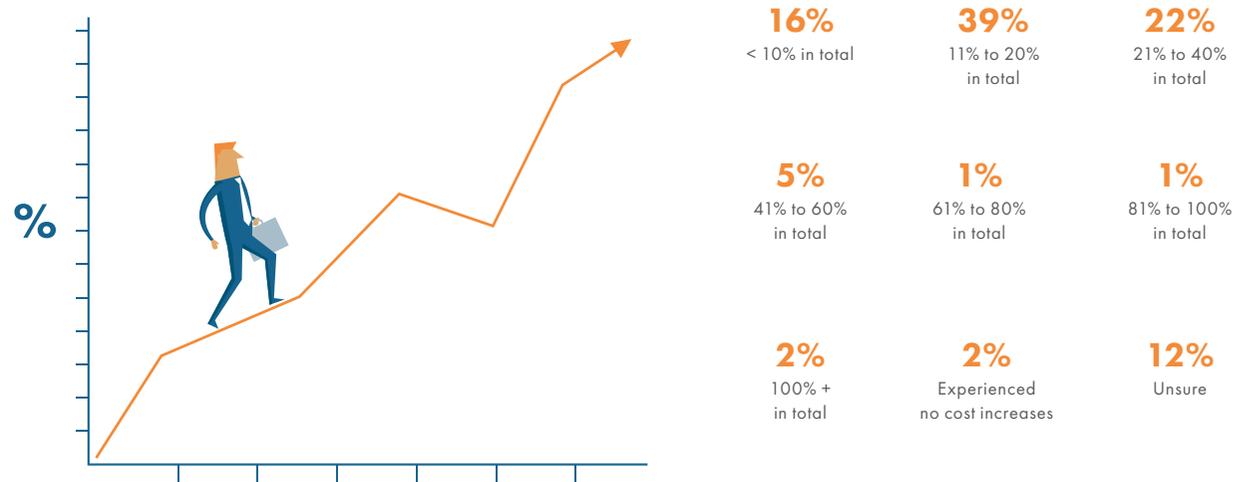
Holding costs higher

Some 39% of survey responses indicated they have experienced costs increases of between 11% and 20% over the past year for such expenses as higher land taxes, compliance and minimum standards improvements, property insurances, property management (up from 36% last year). More than 21% said costs had increased 21% to 41% and five per cent said their costs had increased 41% to 60%.

As a result, eight per cent of respondents reported experiencing difficulty covering the cash flow shortfall at present and were drawing on their savings, with a further 36.3% saying cash flows were tight.

Despite perceptions inflamed by some politicians and the media, most investors (65% up from 54.6% last year) are passing on just 10% or less of their higher total operation costs to tenants in the form of rent increases with about 12% (down from 20.1% last year) indicating they had passed on 11% to 20%.

Excluding loan interest and regular maintenance costs, **what costs increases** for higher land tax, new minimum standards and compliance, property management and property insurance costs have you had to deal with over the past year?



What percentage of your **total operational cost increases** have you been able to pass on in rental increases?



Government interference increasing rents

Government intervention in the rental market via new reforms and potentially changing policies such as rental freezes or caps are increasing rents are reducing supply, according to the survey.

Nearly 50% of survey respondents indicated they were aware of an investor who had decided to sell one or more of their investment properties due in part or in full to tenancy reforms.

When asked what their action would need to be if governments continued to increase costs, 31.7% of survey respondents said they would have no choice but to increase rents to help subsidise some of these increased total operating costs, followed by highly likely to increase rents (27.7%), and having no choice but to increase rents to help subsidise all of these increased operating costs (20.3%).

The constant shifting of policy settings by various levels of government – often framed as tenant-friendly reforms – is steadily eroding investor confidence and constraining rental housing supply.

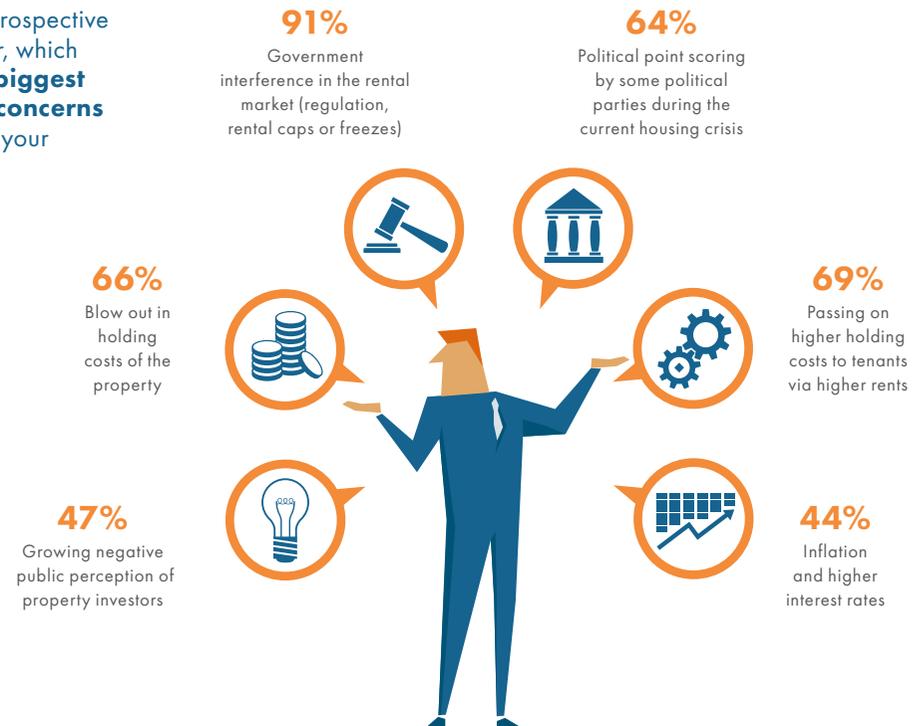
When asked what the biggest challenges or concerns were that might derail their property investment strategy, a whopping 91.2% said it was government interference in the rental market (regulation, rental caps or freezes) – up from 86.8% last year, being unable to pass on higher holding costs to tenants via higher rents (69.5%), and by a blow out in holding costs of the property (65.9%).

Nearly 50% of respondents said it was the growing negative public perception of property investors.

If governments continue to increase costs, what would your action need to be on rents?



As a current or prospective property investor, which are some of the biggest challenges or concerns that might derail your strategy?



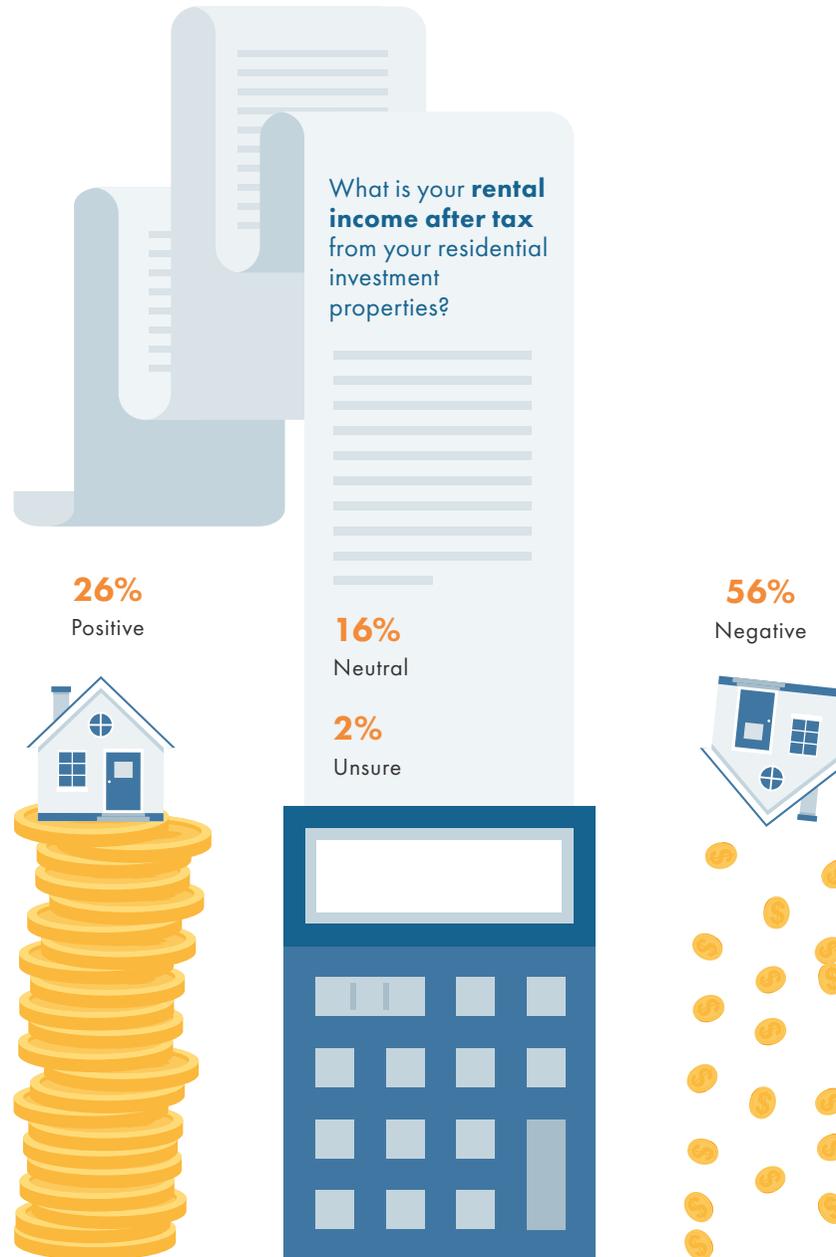
More investors negative cash flow than positive

While lower interest rates have improved the cash flow situation for investors over the past year, the majority are still in negative cash flow.

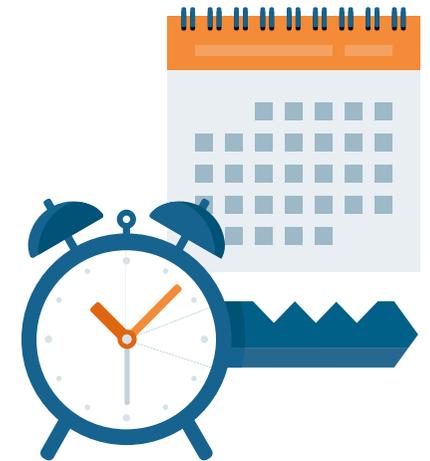
When asked what their rental income was from their residential investment property or portfolio of residential properties, about 56% said it was negative cash flow (requiring their financial support), down from 64% last year, and up from a low of just 30% in 2022.

Just 26% of respondents say their property investment portfolio is in positive cash flow territory, which was similar to last year, but a marked reduction from 38% in 2022.

For those investors with negative cash flow, about 26% believe their property will become positively geared in three to five years, with a further 38% indicating five to seven years or seven to 10 years.



If negative, **how long until you expect** it will generate positive cash flow for you?



Investors targeting Melbourne

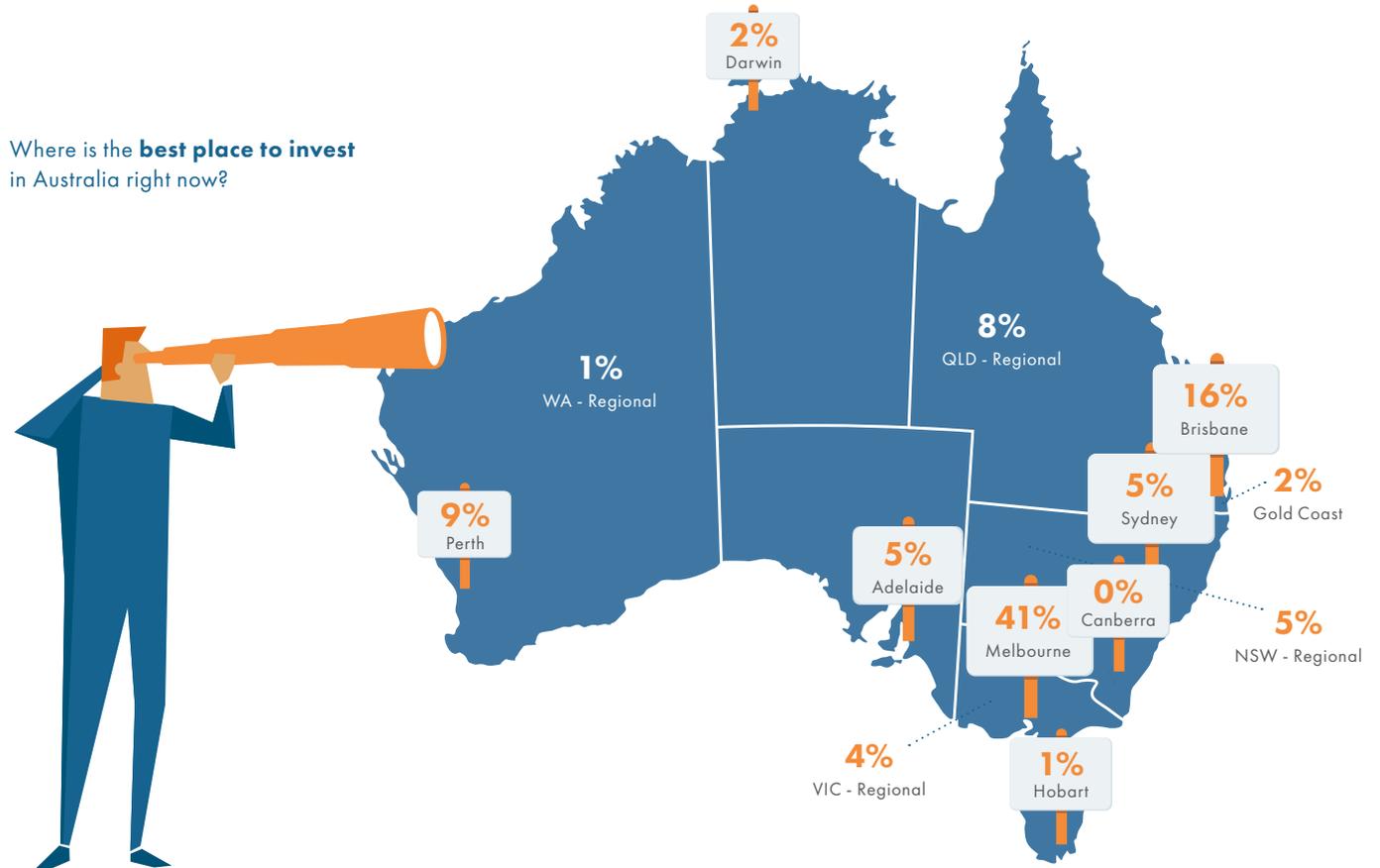
About 41% of survey respondents believe Melbourne is the best place to buy right now (up strongly from 26.3% last year), following by Brisbane on 16.5% (similar to last year), and Perth on 9.2% (down from 25.2% in 2024 and the top place-getter in 2023).

Regional Queensland is the place to buy for eight per cent of investors (9% last year), followed by Regional NSW on 5.5% (up from 2.8% from last year) and Regional VIC on 4.1% (down from 9.2% last year).

About two per cent of investors believe Darwin is the best place to buy – up from 0.2% last year – while not one investor believes Canberra is a good place to purchase at present.

The number one reason why investors believe these locations are the best to invest in right now was good long-term capital growth prospects (70.3%), followed by good population growth (58.5%) and major capital city (52.1%).

Where is the **best place to invest** in Australia right now?



Why do you think now is a **good time to buy** in this location?



Property investors employ professionals

About 90% of investors employ the services of a professional property manager.

Nearly 41% of survey respondents have sought advice from Qualified Property Investment Advisers (QPIA) over the past year.

Mortgage brokers were the top professionals for investors in this year's survey (43% but down from 52.2% last year), followed by QPIAs, and accountants and buyers' agents/advocates on 40.3%.

Of those that sought a professional investment adviser, 55% paid the advisor a fee directly.

While many investors divested some, or even all, of their portfolio over the past few years, 30% continue to have a hold and never sell approach (down from 34.6% last year). About 49.5% (up from 41.4% last year and 31% in 2022) said they were considering selling down some or all of their portfolio.

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 Nearly 41% of survey respondents have sought advice from Qualified Property Investment Advisers (QPIA) over the past year.



Do you employ the services of a **property manager**?

90%
Yes

6%
No

4%
Unsure

What is your property investment **exit strategy**?



30%
Hold and never sell



50%
Sell down some/all



4%
Live off the equity



16%
Unsure at this stage



Where have you sought **property investment advice**?

41%
Qualified Property
Investment Adviser
(QPIA)

8%
Property
Investment
Adviser (non
QPIA)

20%
Property
Manager

9%
Property
Educator / Coach
without formal
qualifications

21%
Financial
Planner

43%
Mortgage
Broker

12%
Other

40%
Accountant

7%
Free Service
Provider

16%
Property Educator /
Coach with formal
qualifications

11%
Family or
Friend

11%
Real Estate
Sales Agent

40%
Buyers' Agent/
Advocate

8%
Not
applicable



Savvy investors not keen on short-term rentals

Some 92% of survey respondents indicated that none of their residential properties are let in short-term rental accommodation (STRA).

Only about 30% believed that STRA properties represented a better return on investment than long-term rental accommodation with 48% saying they were unsure.

However, 60% believe that the risk of property damage in STRA properties is higher than long-term rentals with nearly 62% saying STRA properties are more work as well.

Nearly 90% of survey respondents had not rented a property out on the short-term market over the past five years.

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60% believe that the risk of property damage in STRA properties is higher than long-term rentals.”



How does the **risk of property damage in STRA** compare to long-term rentals in your opinion?

60%
Higher in STRA

6%
Lower in STRA

33%
Unsure

How does **owning a STRA property compare** to owning a long-term rental property in your opinion?

62%
STRA is more work

2%
Stra is less work

22%
Not applicable

14%
Unsure



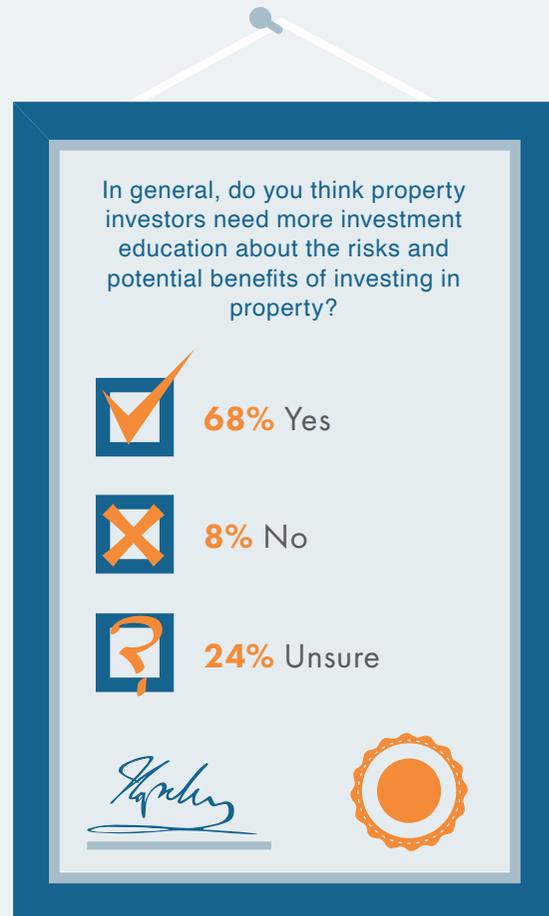
Investors looking for educated and qualified advisers

Virtually all (93%) investors continue to think that any provider of property investment advice should have formal training or education.

About 85% of survey respondents indicated they were aware of PIPA (up from 75% last year) with 77% saying that PIPA membership and operating under a code of conduct would positively influence their decision whether to work with a property investment professional.

About 68% of respondents said a QPIA qualification would influence their decision to work with a particular property investment professional, up from 62% last year.

Would a **QPIA qualification influence your decision** to work with an individual with this professional qualification?



Are you aware of the **Property Investment Professionals of Australia (PIPA)** who is the peak membership association for property investment professionals?



Respondents profile

Some **38%** of respondents reside in NSW, while **25%** live in Victoria, and **20%** live in Queensland.

About **86%** own their own home.

The majority (**33%**) are aged 46 to 55 with **31%** between 36 and 45.

About **72%** were male while **26%** were female.

Some **95%** own residential property in their personal names with **71%** investing with their partner.



About the survey

The 2025 PIPA Annual Property Investor Sentiment Survey was conducted online in August 2025. Respondents were sourced from PIPA and PICA's databases of property investors as well as member and non-member client databases.

PIPA's membership base includes qualified property investment advisers, as well as a range of professionals whose business operations form part of the property investment process. These include financial planners, property buyers and advocates, accountants, mortgage brokers, real estate agents, conveyancers, depreciation specialists, lenders, and developers.

PICA is the non-profit association for Australian property investors.



To download a full copy of the results visit
www.pipa.asn.au