PRD. REAL ESTATE

Blue Mountains Market Update
2nd Half 2026

OVERVIEW

In Q2 2026, Blue Mountains* recorded a median house price of $1,071,000 and a median unit price of $800,000. This is an annual (Q2 2025 – Q2 2026) growth of 10.7% for houses, but a slight -2.1% softening for units. Comparing Q2 2025 and Q2 2026, sales declined by -24.6% (to 304 sales in Q2 2026) for houses and -8.8% (to 31 sales in Q2 2026) for units. There is an undersupply in the market, in particular for houses, which resulted in a price growth even with higher interest rates in 2026. Now is an ideal time for home-owners to transact. The unit market is slightly more affordable in Q2 2026, which is an opportunity for first home buyers. With very little new housing built, buyers must act fast before any further price growth.

CHANGE FROM LAST	YEAR	HALF YEAR
HOUSE SALES	↓	↓
HOUSE MEDIAN PRICE	↑	↑
HOUSE RENTAL PRICE	↑	↑
UNIT SALES	↓	↑
UNIT MEDIAN PRICE	↓	↑
UNIT RENTAL PRICE	↑	↓

MARKET CONDITIONS

SALES

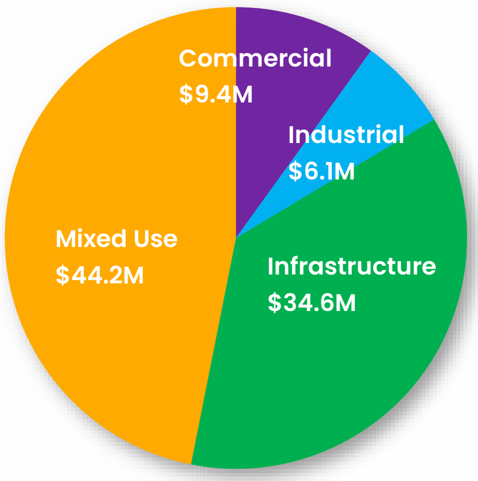
	House	Unit
MEDIAN PRICE Q2 2026	$1.07M	$800K
AVERAGE DAYS ON MARKET Q2 2026	58	40

RENTALS

	House	Unit
MEDIAN PRICE Q2 2026	$750	$520
AVERAGE DAYS ON MARKET Q2 2026	18	21

FUTURE DEVELOPMENTS**

Blue Mountains£ will see approximately **$94.2M of all new projects that are due to commence construction in 2026**.



A key infrastructure project is the Blaxland Town Centre. This is a Local Government update which will improve civil, landscaping, and lighting works. Combined with other infrastructure projects in the pipeline this will create a better quality of life for new and existing residents in the local area.

New housing stock will be delivered in the form of a mixed-use development, which include (but not limited to):

- 3 Euroka Road (2 Units)
- 109 Great Western Highway (4 Dwellings)

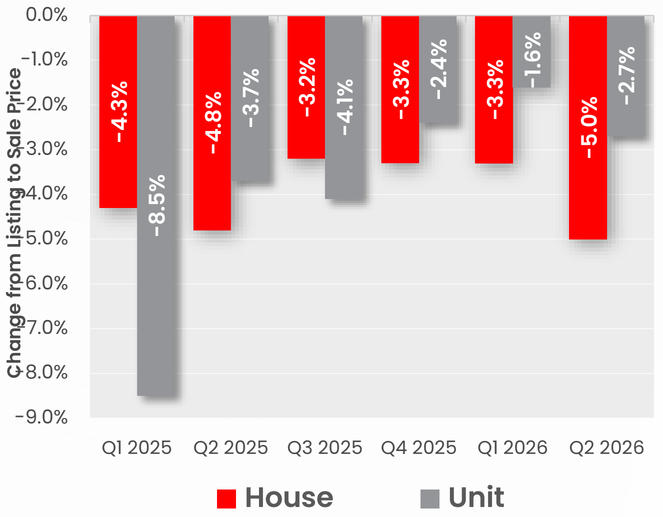
Although there are a few projects that will deliver new housing to the Blue Mountains£ it is not enough to answer market demand; especially as there were 304 house sales in Q2 2026 alone. This suggest a high likelihood of more price growth in the short and long term.

2 Units/ Apartments

4 Dwellings

AVERAGE VENDOR DISCOUNT*

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

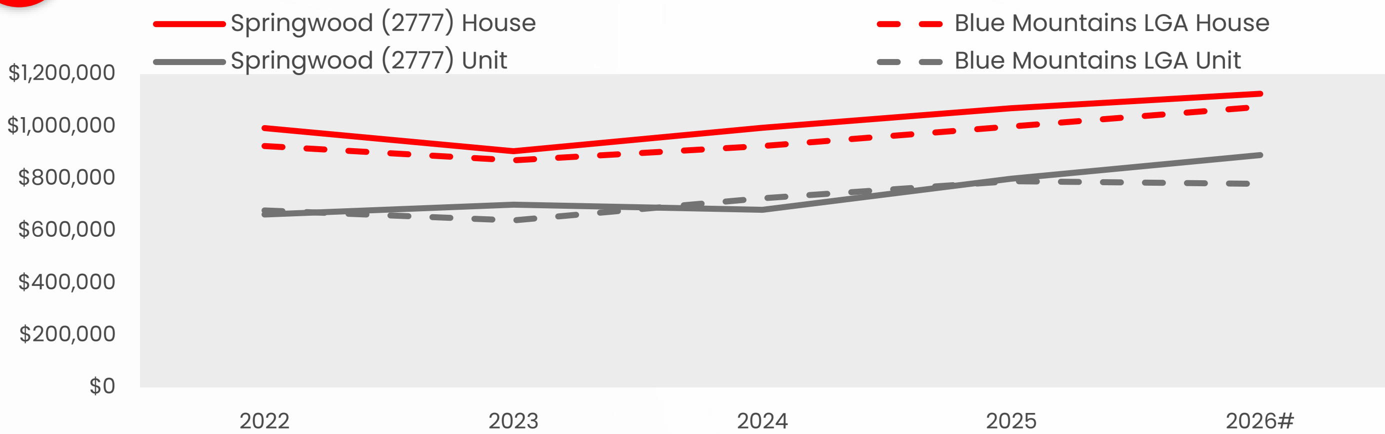


Average vendor discount for houses have slightly widened between Q2 2025-Q2 2026, to a larger discount of -5.0%. At the same time average vendor discount for units have tightened, to -2.7%. The Blue Mountains* market still favours buyers, where vendors are willing to accept below the initial listed price. That said, with very little new housing stock in the pipeline there is a higher chance of less discount soon, thus buyers must act fast and secure their property.

The suburb of Springwood has recorded a relatively on par median house and unit price with the wider Blue Mountains Local Government Area (LGA) in for the past 5 years. 2026# shows a price increase in Springwood, for houses and units, placing them as a premium market compared to the wider Blue Mountain LGA; especially more so in the unit market.

Most of the homes sold in Blue Mountains* in 2026# were split evenly between the most affordable price bracket of less than $849,999 (24.0%) and the premium price point, of $1.3M and above (22.3%). Units had most sales (28.5%) in the most affordable price bracket of less than $649,999 (28.5%), in good news for first home buyers. This indicates there is a home for every budget in Blue Mountains*.

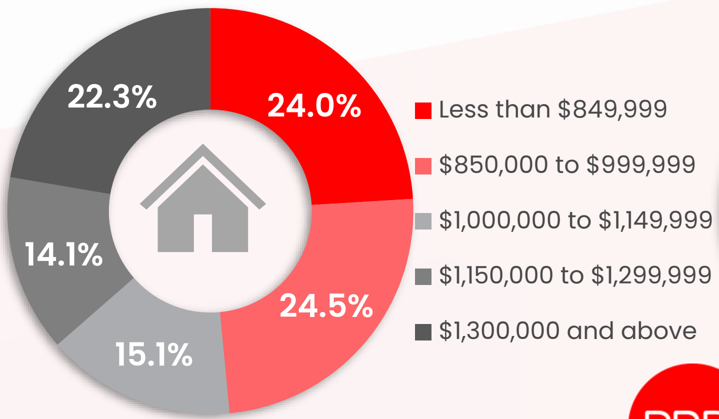
MARKET COMPARISON



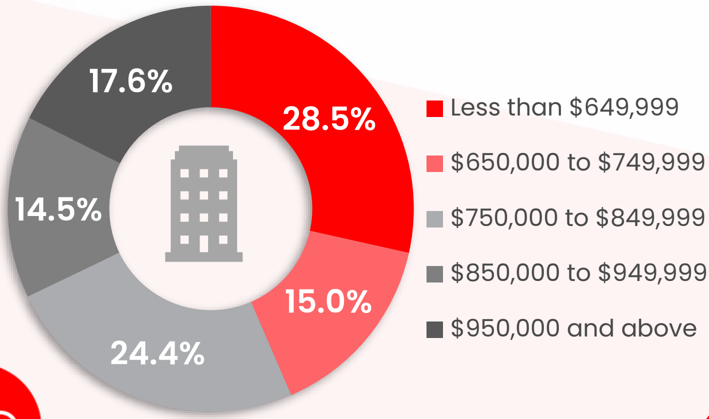
The market comparison graph provides a comparative trend for median price of houses and units over the past 5 years. The main LGA chosen was based on their proximity to the main suburb analysed, which is Springwood.

PRICE BREAKDOWN 2026#

HOUSES SOLD



UNITS SOLD



PRD.

RENTAL GROWTH 2026€

House rental yields in Springwood¥ was 3.1% as of June 2026, slightly above the Blue Mountains LGA (2.9%) and the Sydney Metro (3.0%). Furthermore, median house rental price increased by 10.3% in the past 12 months to Q2 2026, at $750 per week. In the same timeframe the number of houses rented decreased, by -17.2% (to 24 houses) in Q2 2026; suggesting an undersupply. This indicates a highly demanded and competitive house rental market in Blue Mountains¥, which is beneficial to investor – especially with a more affordable entry price than Sydney Metro.

2-bedroom houses have provided investors with +7.4% rental growth annually, achieving a median rent of $580 per week.

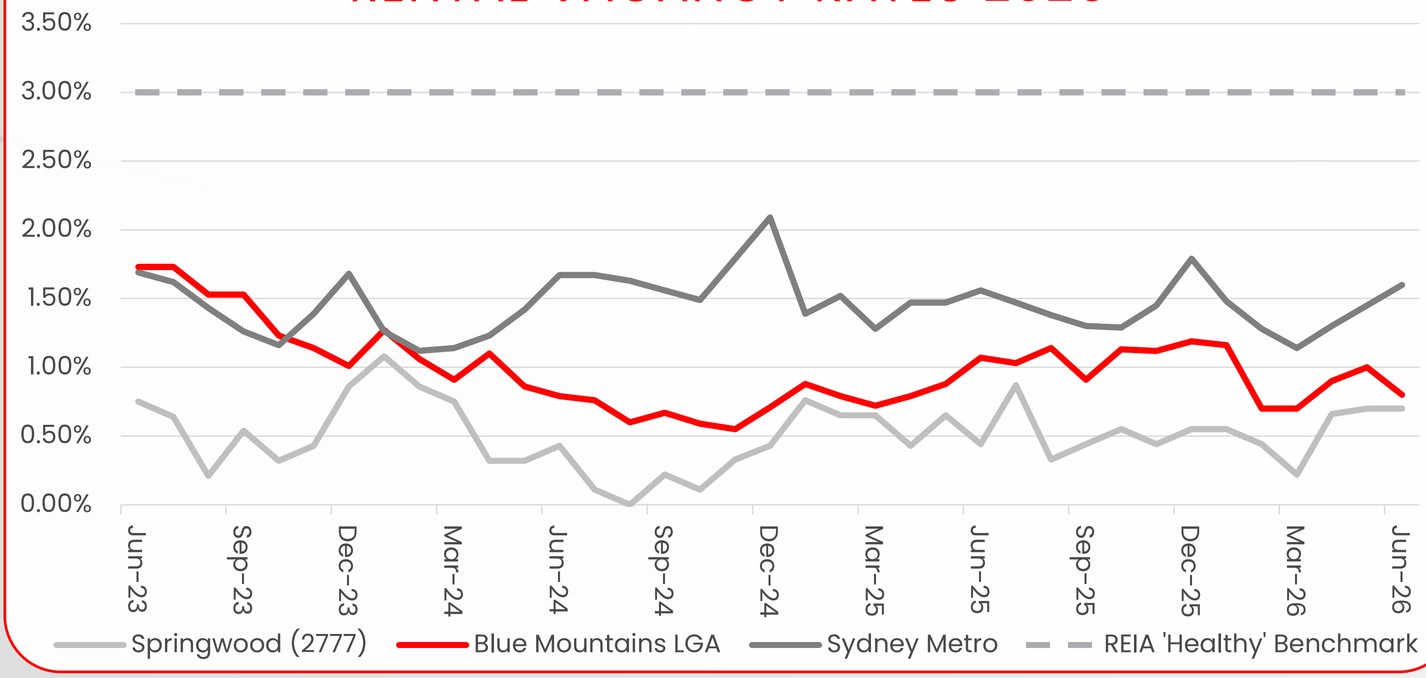
Springwood¥ recorded a vacancy rate of 0.7% in June 2026, below Blue Mountains LGA (0.8%) and Sydney Metro's 1.6%. Vacancy rates fluctuated in the past 12 months, with a sight increase in the past 3 months, due to more investors entering the market. That said, a 0.7% vacancy rate is significantly below the Real Estate Institution of Australia's healthy benchmark of 3.0%. There is quicker occupancy of rental homes in Springwood¥, which is conducive for investors.

2 BEDROOMS **+7.4%**

3 BEDROOMS **+2.2%**

4+ BEDROOMS **-4.9%**

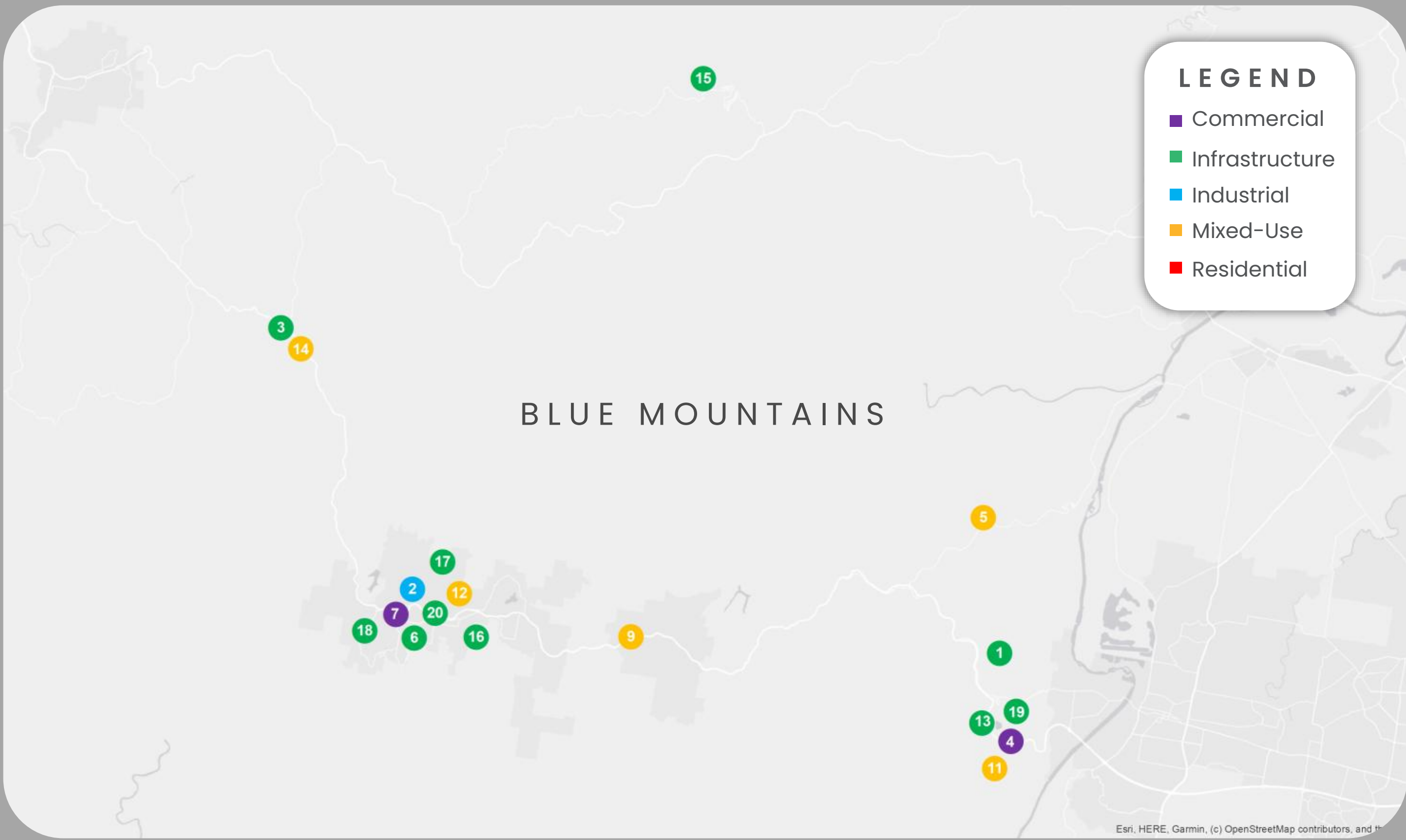
RENTAL VACANCY RATES 2026



RENTAL YIELD 2026§

Springwood (2777)¥	Blue Mountains LGA	Sydney Metro	Springwood (2777)¥	Blue Mountains LGA	Sydney Metro
3.1%	2.9%	3.0%	3.4%	4.0%	4.2%

TOP 20 PROJECT DEVELOPMENT MAP 2026



#	Project£	Type	Estimated Value	Commence Date
1	Blaxland Town Centre Civil Landscaping & Lighting Works (Local Government)	Infrastructure	$8,020,000	13/07/2026
2	24-26 Mistral Street Light Industrial Units & Gymnasium	Industrial	$6,098,235	11/12/2026
3	Great Western Highway Mitchells Causeway Reinstatement Works (State Government)	Infrastructure	$5,000,000	14/09/2026
4	Glenbrook Town Centre Upgrade	Commercial	$4,000,000	18/05/2026
5	60 White Cross Road Child Care Centre & Café (Child Care Centre / Café)	Mixed Use	$3,900,525	26/02/2026
6	Echo Point Night-lit Walk Upgrade Stage 2 - Consultancy For Engineering Assessment & Design Works (Local Government)	Infrastructure	$3,500,000	16/11/2026
7	3 Explorers Motel Katoomba Alterations	Commercial	$3,180,000	10/06/2026
8	Raaf Glenbrook Refurbishment (State Government) (Not Mapped)	Infrastructure	$3,000,000	6/11/2026
9	287-289 Great Western Highway Retail & Offices (3 Retail / 3 Offices)	Mixed Use	$2,258,000	6/10/2026
10	Lawson Swim Centre Incoming Power Upgrade Works (Local Government) (Not Mapped)	Infrastructure	$2,000,000	11/12/2026
11	3 Euroka Road Units & Shops (2 Units / 3 Office / Retail / Café)	Mixed Use	$1,752,202	13/03/2026
12	5-7 Camp Street Dwellings & Church (4 Dwellings / Church)	Mixed Use	$1,585,675	21/10/2026
13	Blue Mountains City Council Active Transport Links (Local Government)	Infrastructure	$1,500,000	13/04/2026
14	109 Great Western Highway Service Station (Service Station / Convenience Store)	Mixed Use	$1,200,000	20/01/2026
15	Mount Irvine Rural Fire Service Station (State Government)	Infrastructure	$1,07,0041	6/02/2026
16	Sublime Point Road Active Transport Link Improvement Works Stages 1 & 2 (Local Government)	Infrastructure	$1,000,000	9/02/2026
17	Katoomba Resource Recovery & Waste Management Facility Platform (Local Government)	Infrastructure	$1,000,000	7/12/2026
18	Katoomba Falls Reserve Roadworks Intersection & Parking Upgrade (Local Government)	Infrastructure	$1,000,000	7/12/2026
19	Green Street Glenbrook Carpark (Local Government)	Infrastructure	$990,000	10/08/2026
20	Leura Cascades Recreational Reserve Walking Track & Stairs Upgrade (Local Government)	Infrastructure	$950,000	16/03/2026

PRD. REAL ESTATE

Your home of the latest property market insights.

RESEARCH SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products, and include:

- Advisory and consultancy
- Market analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market analysis
- Geographic information mapping
- Project analysis including product and pricing recommendations
- Rental and investment return analysis

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

Angela Murphy

+61 418 203 427

ang@prd.net.au

Angelina Latty

+61 425 259 155

angelina@prd.net.au

GET IN TOUCH WITH US TODAY

PRD Blue Mountains

Your trusted local real estate agency

02 4751 7777

bluemountains@prd.net.au

PRD.com.au/bluemountains/

124 Macquarie Road,
Springwood, NSW, 2777

REFERENCES

* Blue Mountains sales market data and key indicators encapsulates aggregate property market conditions within the suburbs of Blue Mountains Local Government Area (LGA).

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2026 encapsulates sales transactions for the 2026 full year (01/01/2026 – 30/06/2026).

€ Annual rental growth is a comparison between Q2 2025 (01/04/2025 – 30/06/2025) and Q2 2026 (01/04/2026 – 30/06/2026) house median rent figures.

¥ Springwood rental market data encapsulates aggregate property conditions within the postcode of 2777.

§ Rental yields shown are as reported as of June 2026.

₳ Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Projects refers to the top developments within the suburb of Blue Mountains LGA.

µ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricefinder, Cordell Connect database, SQM Research, Esri ArcGIS.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

PRD. REAL ESTATE