



2026 EDITION

Investor Insights

for Mortgage Brokers

Understand the market, identify clients and create opportunity.



Let's unpack

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An Introduction from Tim Lawless

At 41% of mortgage demand, we haven't seen investors comprising this much share of the market since the final quarter of 2016. Similarly, credit growth for investment housing is rising at the fastest pace since December 2014. Clearly investor confidence remains strong across the housing market despite stretched affordability and relatively low rental yields.

A key risk as we head into 2026 stems from high inflation and the risk that interest rates will be in a 'higher for longer' holding pattern. The chances of another rate cut look slim next year which could weigh on housing confidence. Another risk comes in the form of credit tightening. APRA has already made a light touch adjustment to credit policy, announcing a 20% limit on high debt to income ratio lending that goes live on February 1st. It seems likely that APRA will be on alert for any further rise in investor credit growth or a pickup in household debt levels which could trigger further credit policy adjustments for ADI's.

Overall, we aren't expecting housing growth to be as strong in 2026 as it was in 2025, but its hard to price moving into reverse while we have such as significant undersupply of housing and low listings.



Tim Lawless
Executive, Research Director



PART 1

Making Sense of the Investor Market

Property investors make up a critical segment of the housing market, essential for providing a steady stock of rental accommodation and helping smooth out changes in owner-occupier demand. Investor activity in the **Australian property market has nearly doubled over the past 10 years; increasing from \$23 billion in 2015 to a record high of \$39 billion in 2025ⁱⁱ.**

While this rise broadly mirrors the national change in house prices, a deeper analysis reveals regional hotspots of investor activity focused on optimising portfolios for a mix of high rental returns and capital gains.



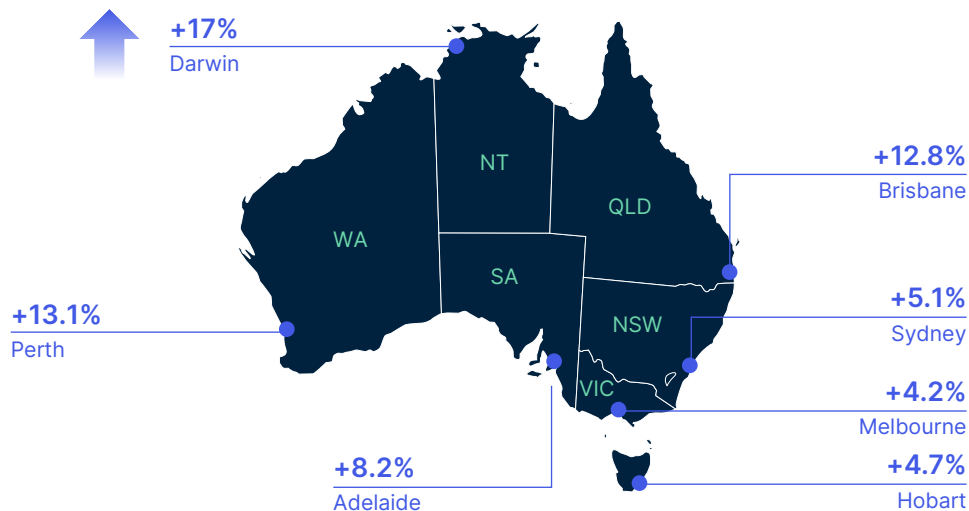
ⁱⁱABS lending indicator

Shifting Geography of Growth

Australia’s property market is big business. **Now worth \$12 trillionⁱ, 2025 saw records broken across our capitals**, key regions and the country. Doubling in size over the past decade, high-paced growth rates are no longer limited to the traditional hotspots of Sydney and Melbourne. **Darwin was the nation’s biggest growth capital, rising 17% throughout 2025** to reach a new record highⁱ.

This trend is not isolated; other capitals also reached record highs and pushed double-digit annual growth. Brisbane (+12.8%), Perth (+13.1%), Adelaide (+8.2%) and even Sydney (+5.1%) all reached record highs in the second half of 2025ⁱ, setting the scene for broker and investor opportunities in the new year.

Annual change in dwelling valuesⁱ



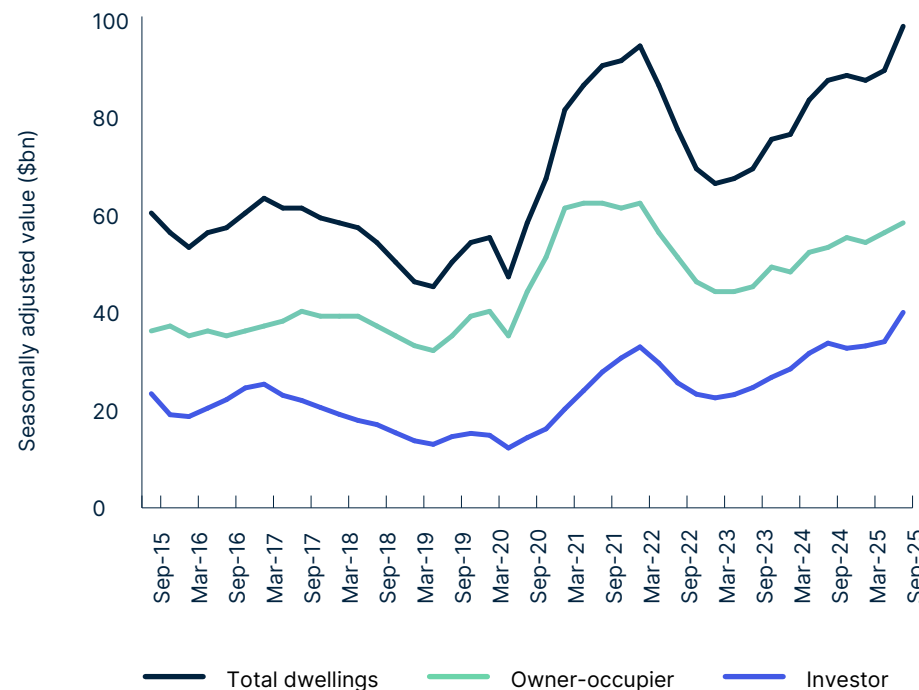
ⁱCotality Monthly Housing Charts, December 2025

ⁱⁱABS Lending Indicators, September Quarter 2025

Drivers of Investor Demand

The basic principles of supply and demand are at play, as low listings fueling competition for limited stock. **With listings 18.3% below the 5-year average and 14% down year-on-yearⁱ**, this indicates a correlation between growth markets and listing shortages. Prices may continue to rise without the room to increase existing density levels, shown through the increased value of new loan commitments.

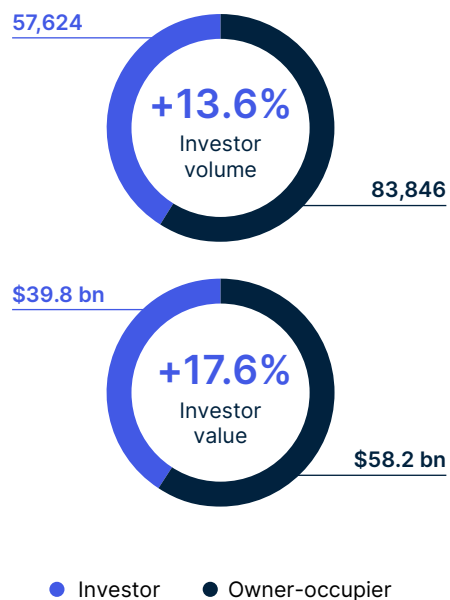
New loan commitmentsⁱⁱ



Resurgence Investor Lending

The rise in new investor loan commitments outpaced owner-occupier loans by a factor of more than 6x, rising at 13.6% in the September 2025 quarter (versus 2% for owner-occupiers)ⁱⁱ. All markets aside from the ACT now see investors making up a significant proportion of the market, outpacing 10-year averages, especially in key capital growth markets like the Northern Territory and Western Australia. This trend signals a potential appetite for capital gains in these key markets.

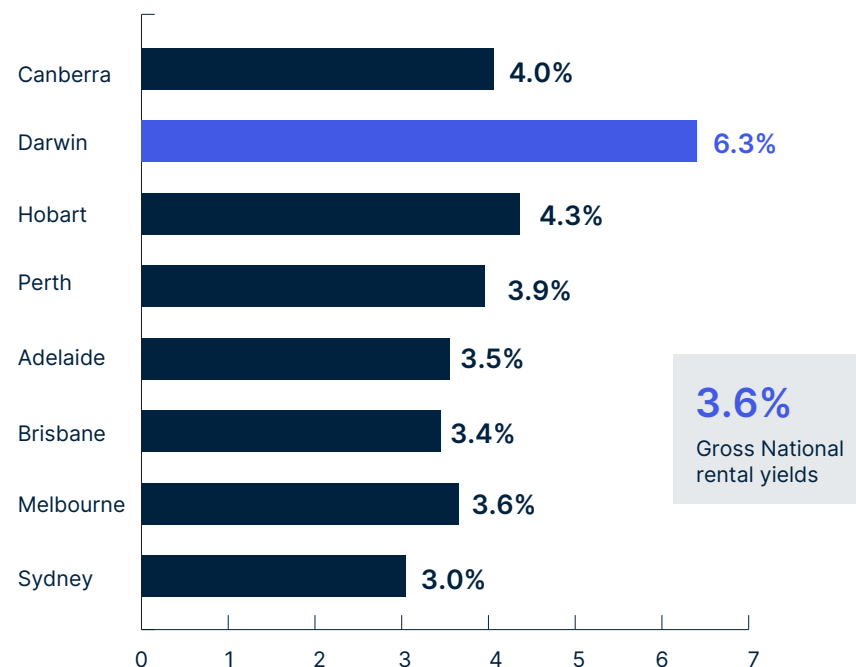
Quarterly change in loan commitmentsⁱⁱ



Yield and Rental Growth

While rental income has recovered from their Covid-19 dips, **headline residential rents continue to rise across both regional markets (+6.2%) and capitals (+4.5%)ⁱ**. Despite the headline rental growth, yields have softened as increases in house prices continue to outstrip headline rental growth.

Gross rental yields (Sep '25)ⁱ



ⁱCotality Monthly Housing Charts, December 2025

ⁱⁱABS Lending Indicators, September Quarter 2025



PART 2

The Broker's Opportunity

For brokers, every client that walks through your door represents a chance to turn ambition into achievement. The real power lies in knowing the full spectrum of solutions available, and understanding how non-bank lending options can help open doors. Looking beyond the traditional PAYG investor clients could uncover broader opportunities by matching customers to the right specialist solution.

While a specialist solution could be the difference between an approval or decline, sometimes it might help amplify a customer's borrowing capacity – putting new properties in reach, radically changing their property search.





The real opportunity for brokers lies in being a true partner – one who can deliver an approval when others may only see complexity. It's about unlocking borrowing power for clients who don't fit the traditional mould, finding solutions to complex scenarios and helping to bring their property ambitions to life. And the key to a brokers success in this space is partnering with a lender that won't let them down – on solutions and service.



Tony MacRae,
Chief Commercial Officer
Bluestone Home Loans

Optimise Client Positioning

Understanding the best way to position your client to a lender is crucial early on, as this could help frame their property search.

For example, while a self-employed customer might initially fit the criteria for a full doc loan with their past two years of tax returns, in certain circumstances, using their Business Activity Statement (BAS) could allow you to use their past six months of trading activity to calculate their borrowing power. This may help improve borrowing power if their financial position or business activity has changed recently.

Partner and Build Trust

In order to help your clients at every turn, proactive networking with their broader finance network can earn your place in their 'adviser village', forming the foundations for a long-term strategic partnership.

Embracing non-bank lender solutions could also elevate your reputation with referral partners. Accountants deal with tax debt and business restructuring daily, yet many are unaware that long-term lending solutions exist to help their clients consolidate these debts.

By bringing these solutions to the table, you transition from being a broker to a strategic problem solver. While adhering to your professional scope, encouraging your client to consult their licensed financial adviser or planner could provide the crucial insight they need.



SMSF lending is a chance to really prove your worth to high value clients. When you can provide the right guidance, you can become an indispensable part of your client's finance network, sitting alongside their accountants, planners and advisers.



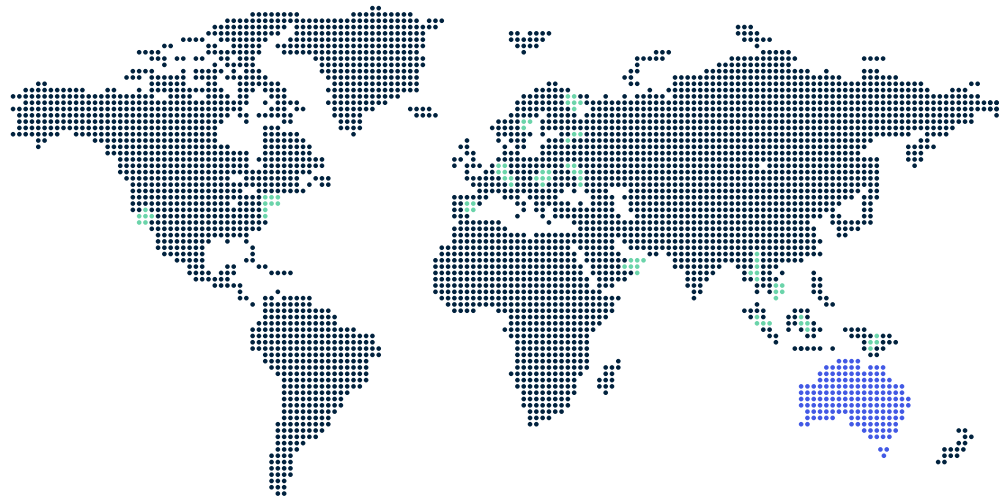
Richard Chesworth,
Head of Specialised Distribution
Bluestone Home Loans



Be an International Liaison

Representing about 3% of the Australian population, there are approximately one million Aussies living and working overseas at any one timeⁱⁱⁱ. These expats are often subject to different tax arrangements, income levels and local laws, which can affect their appetite for property investment. Utilising a specialist lender with a dedicated expat solution could help increase their serviceability and eligibility, by offering less income shading and accepting a wider range of currencies and countries of residence.

Any relationship with expats is founded on trust and knowledge – your clients require a broker partner they can trust to manage and process the loan in their absence.



ⁱⁱⁱGlobal Australians Report, Accessed November 2025



People often assume that expat property purchases are limited to the realm of cash buyers, but it's not always the case. With income only shaded by 10% and hundreds of countries and currency combinations considered, it's very much within reach.



Aaron Taylor,
Head of Non-Standard Lending
Bluestone Home Loans

Build Solutions and Portfolios

Delivering a successful client solution requires not just an understanding of their serviceability, but a deep understanding of their current portfolio, requirements and objectives.

For example, investors could refinance to release equity which might then be used to fund major renovations, undertake a knock-down rebuild or provide capital to purchase a new property. Brokers can explore unique ways to structure loans that align with investor goals, with loan terms impacting cash flow and equity release providing opportunities for portfolio growth.



PART 3

Identifying Investor Clients

Deep client knowledge is essential for proactively identifying the right solutions. Choosing the wrong lender could delay the process or limit their serviceability, causing a crucial investment opportunity to potentially slip away.

Investors come in all shapes and sizes, from small residential portfolios to those with a multi-asset mixed-use strategy. It's important to never look at clients in isolation; always think of what their next milestone could look like and what an appropriate solution might be.



Traditional Income

Those with a traditional income form the lion's share of property investors, but that doesn't mean they're limited to using the big banks.

They may still benefit from specialist support if they're recovering from a credit issue, have recently changed jobs, or need a unique solution that works to help grow their portfolio.

Investment Drivers:



Start a portfolio

Simply purchasing a new investment property, using rental income to cover repayments.



Rentvesting

Getting on the property ladder by purchasing an investment property they can afford, while renting in an area that suits their lifestyle.



Unlock equity

Refinance to obtain cash-out and purchase another investment property or undertake renovations to improve the value or yield of their asset.

Complex Income

Because someone is focusing on building a business doesn't mean they aren't equally ambitious to build a property portfolio. Sometimes self-employed borrowers find it hard to get on the property ladder or grow their portfolio due to complex documentation required to prove their business income.

It's not just self-employed borrowers that have complex income streams either. Borrowers with an existing portfolio could have complex income, which may include rent from different sources and assets being treated differently by the major lenders.

Investment Drivers:



Debt consolidation

Refinance an existing investment property and use the equity to pay off business debts or fund the purchase of a new asset or investment.



Commercial acquisition

Buy a commercial property to use for their business or lease out as an income-generating asset.



Residential duplex development

Blending their home with an investment, or creating two investment properties.



Self-Managed Super Funds

Representing upwards of \$28 bn in borrowings^{iv}, the size of the superannuation property investment market may be small, but what it lacks in size is made up for with its client base of sophisticated and active investors.

For mortgage brokers to add value to this segment, they need to understand the loan structure (a limited recourse borrowing arrangement), regulatory limitations (such as not borrowing to improve the property) and the ongoing compliance and reporting framework.

Once brokers understand these structures, they can unlock a new segment of high-value clients, that often have investments and properties outside of their SMSF as well.

Investment Drivers:



Long-term yield

A residential or commercial property, typically with long-term tenants, providing a stable income stream to the fund.



Diversification

With other assets in equity or capital markets, real property provides a diversification opportunity for SMSFs funds.



Lease-back strategy

Subject to certain rules, SMSFs may purchase a commercial property and lease it back to their business.

Australian Expats

At any one time there are around one million Australians living and working overseasⁱⁱⁱ. While some of these may have an investment property before moving overseas, if they were to restructure or refinance their loan, they would likely face challenges with traditional lenders to validate their overseas income.

Investment Drivers:



Market exposure

For those who may not have the right to purchase a property in their new country of residence, an expat home loan allows them to maintain exposure to the Australian property market while overseas.



Refinancing

They might want to refinance their current property; to either manage finances, release equity or restructure their loan. Traditional home loans may not be adequately suited for supporting clients through this.



Setting up for a return home

Allowing families preparing for a return home to purchase a property and secure a foothold in the Australian market in advance.

ⁱⁱⁱGlobal Australians Report, Accessed November 2025

^{iv}SMSF Quarterly Statistical Report, September 2025



PART 4

Navigating Lending Solutions





Residential Investor Home Loans

Bluestone helps you deliver smarter solutions with straightforward applications and fast assessments for your clients.

Key Features

- ✓ Borrow \$100k – \$5m*
- ✓ Up to 5 years Interest Only
- ✓ Up to 90% LVR**
- ✓ Up to 30-year loan term
- ✓ Prime, Near Prime and Specialist borrowers
- ✓ Full Doc and Alt Doc options
- ✓ Metro and non-metro security locations acceptable
- ✓ Unlimited cash out, including for business use

The Bluestone Difference...

- ✓ Only 1 form of income verification required for Alt Doc
- ✓ Redraw and Offset sub-account options
- ✓ Unlimited debt consolidation (including business and ATO[^])
- ✓ 6-month clawback[^]

Product information is correct as at December 2025

**Large loans (\$3–5m) only available for Prime and Near Prime (max LVR 65%)*

***Prime & Near Prime only. 85% LVR for the Specialist product and 80% LVR for the Specialist+ product*

[^]Applies to Prime (Alt Doc), Near Prime, Specialist and Specialist+ products



Commercial Property Loans

From retail to offices and warehouses, Bluestone delivers flexible solutions for commercial borrowers - including SMSFs and investors.

Key Features

- ✓ Borrow \$100k – \$3m
- ✓ Up to 80% LVR
- ✓ Up to 30-year term (max 5 years IO)
- ✓ Purchase or refinance commercial property
- ✓ Prime, Near Prime and SMSF borrowers. SMSF borrowers can have up to 6 members
- ✓ Metro and non-metro locations
- ✓ Unlimited cash out available (excluding SMSF borrowers)

The Bluestone Difference...

- ✓ No clawback
- ✓ Prime Full Doc and Alt Doc available
- ✓ Offset sub-account option available (excluding SMSF borrowers)
- ✓ Wide range of acceptable securities
- ✓ Flexible ways to prove income
- ✓ Fully integrated with ApplyOnline





SMSF Investment Loans

Meet your clients' property investment goals with SMSF lending made easy and backed by a dedicated Bluestone SMSF specialist.

Key Features

- ✓ Borrow between \$100K and \$1.5m (resi) or \$3m (commercial)
- ✓ Up to 80% LVR
- ✓ Up to 30-year loan term
- ✓ Residential - investment only. Commercial - investment or business related.
- ✓ Available to SMSFs with up to 6 members
- ✓ Metro and non-metro security locations acceptable

The Bluestone Difference...

- ✓ Flexible ways to prove income
- ✓ Access to SMSF lending specialists
- ✓ No minimum SMSF liquidity requirement
- ✓ No high-density restrictions
- ✓ Additional SMSF contributions considered in application
- ✓ Fully integrated with ApplyOnline
- ✓ Short SLA for assessments (currently 1 day!)



Expat Investment Loans

Helping your expat clients invest back home. Whether they're growing their property portfolio or planning a return to Australia, Bluestone makes expat lending simple.

Key Features

- ✓ Borrow \$100k – \$3m
- ✓ Up to 80% LVR
- ✓ Up to 30-year loan term
- ✓ Prime borrowers only
- ✓ Metro security locations only (Category 1 and 2)
- ✓ Unlimited cash out

The Bluestone Difference...

- ✓ 150+ countries of residence accepted
- ✓ 90% net verifiable foreign income used for servicing
- ✓ Available for self-employed borrowers





Construction Loans

Building made simple. For borrowers without traditional proof of income, Bluestone construction loans make financing new builds or major renovations easy from start to finish. Investors could use this to construct a new investment or even build a duplex and rent out half of the property, securing long-term income.

Key Features

- ✓ Borrow \$100k – \$3m
- ✓ Up to 80% LVR
- ✓ Up to 30-year term (including construction period)
- ✓ Prime and Near Prime borrowers[^]
- ✓ Metro locations only (Category 1 and 2)

The Bluestone Difference...

- ✓ Available to finance new build single dwellings or duplexes or structural renovations or extensions
- ✓ Only 1 form of income verification required for Alt Doc
- ✓ Dedicated team for managing progress payments

Product information is correct as at December 2025

[^]No owner-builders or related builders accepted

Let's work together

We're here to help. Our BDMs are a dedicated bunch, looking after brokers and workshopping deals across the country.

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