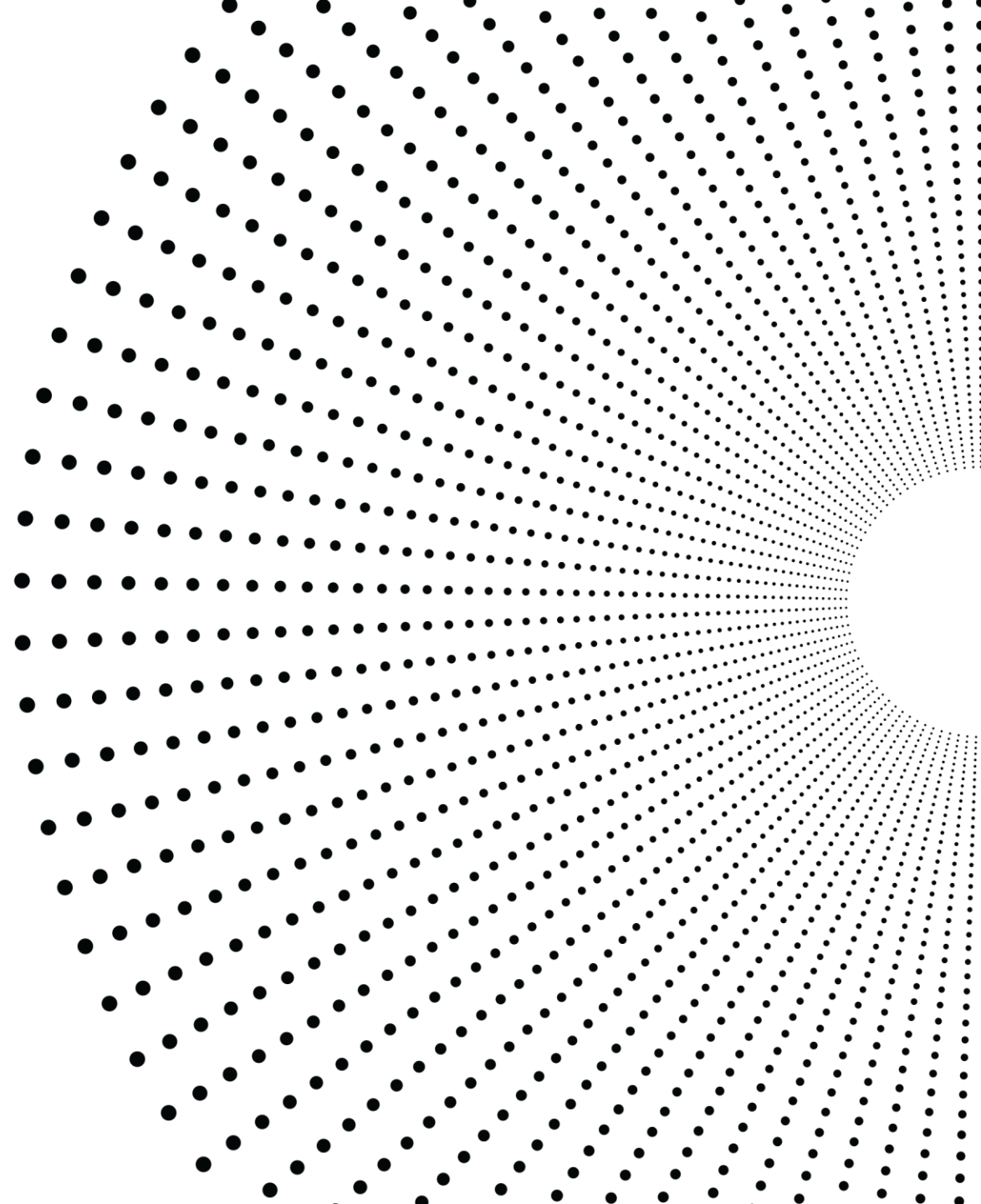


The Leadership Challenge:

Adapting to change in a
dynamic market

2026 Real Estate industry
benchmarking results

Macquarie Business Banking



What we'll cover

01 Respondent profile

02 Key observations

03 Business performance

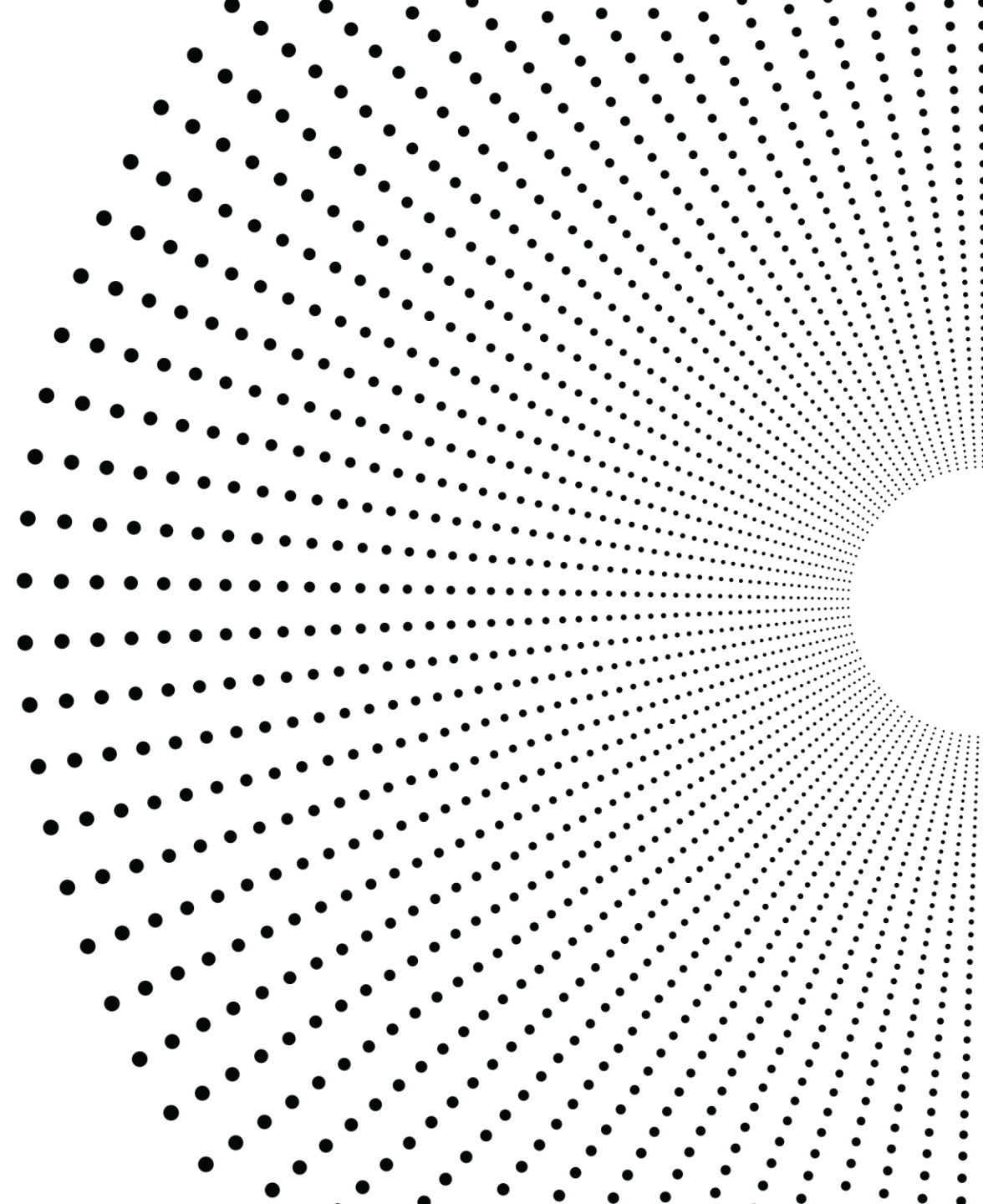
04 Property sales

05 Property management

06 People and culture

07 Succession and acquisition

08 What lies ahead?



01

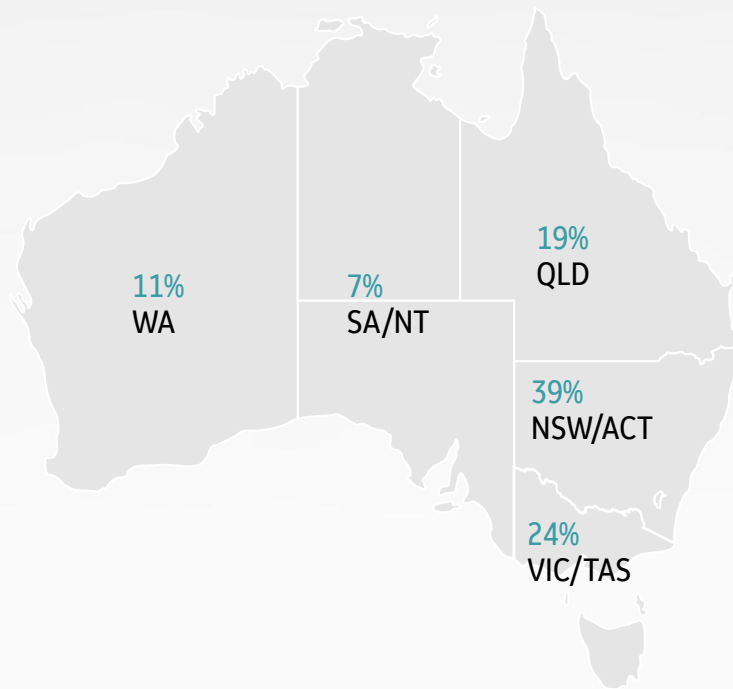
Respondent profile

Who shared their **views and experience**?

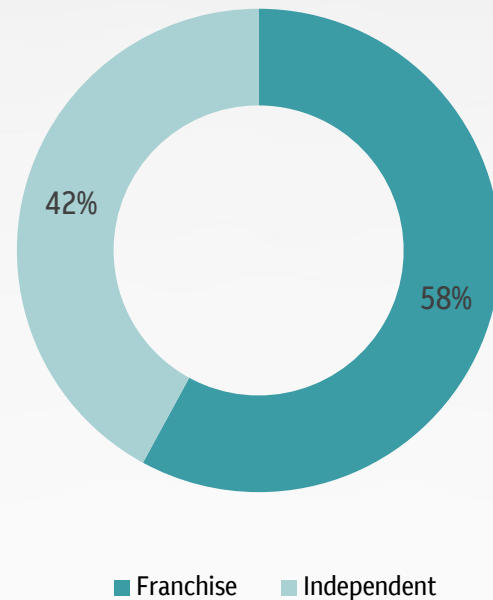
Respondent profile

Our 2026 study is based on a focused survey of 428 real estate agencies across Australia

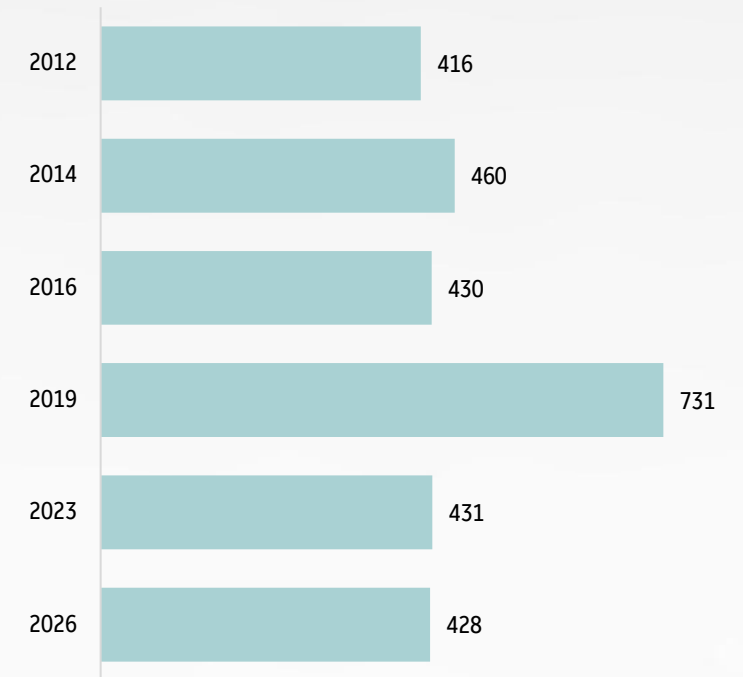
Main office location



Type of agency



Respondents



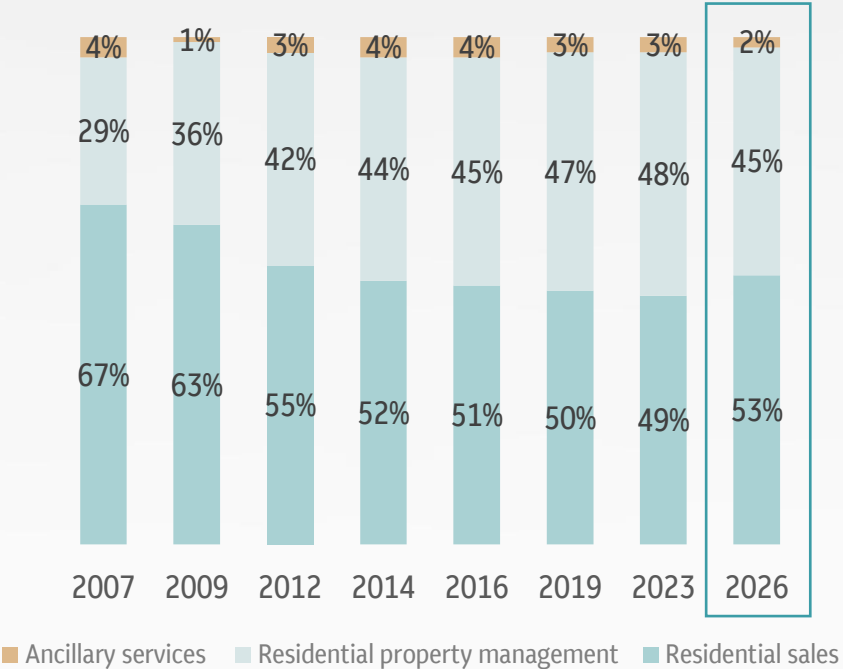
Q: Which postcode is your business' head office located in?
Q: Which is the most appropriate description for your agency?

NB: 2019 study was a short (<5 min) industry sentiment and pulse check, not full benchmarking

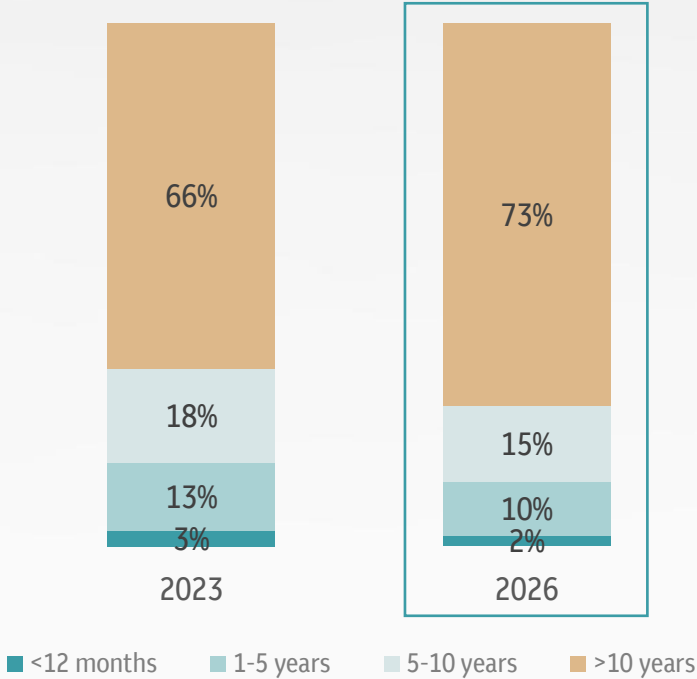
A snapshot of the **industry**

Years of historical data reflect a snapshot of the industry

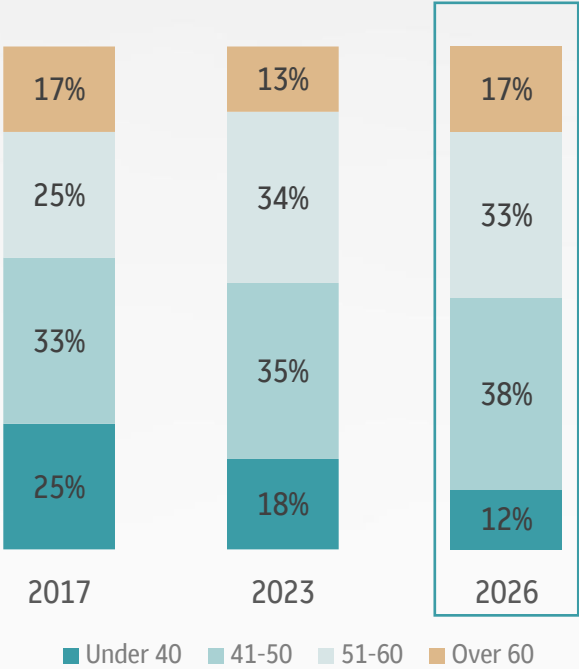
Business structure



Tenure of operation



Age of principal



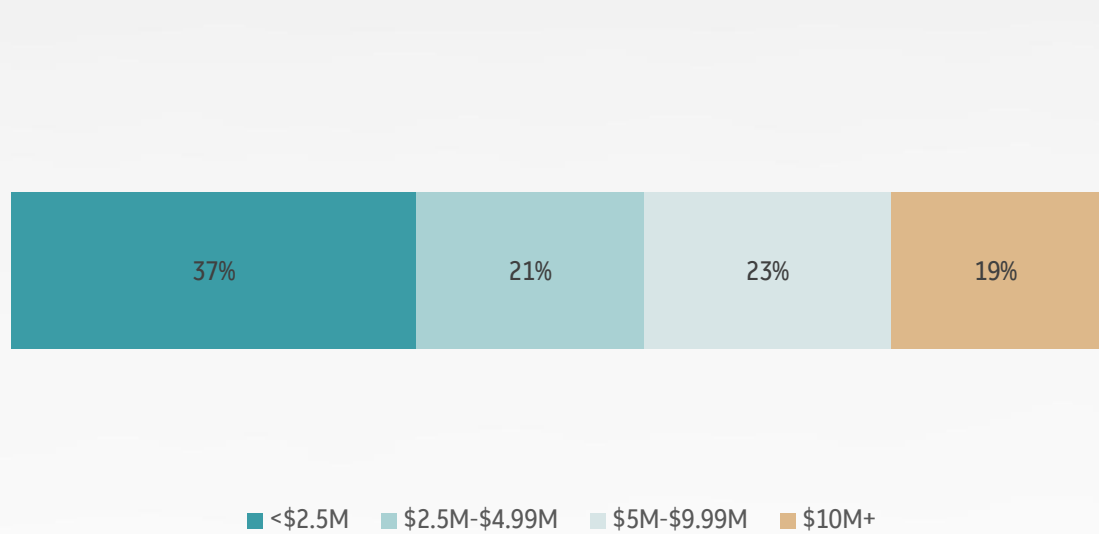
Q: For the past 12 months, what portion of your residential real estate revenue has been derived from the following?
Q: How long has your business been operating?
Q: What is the age of the principal business owner of your agency?

Responses spread across **business size**

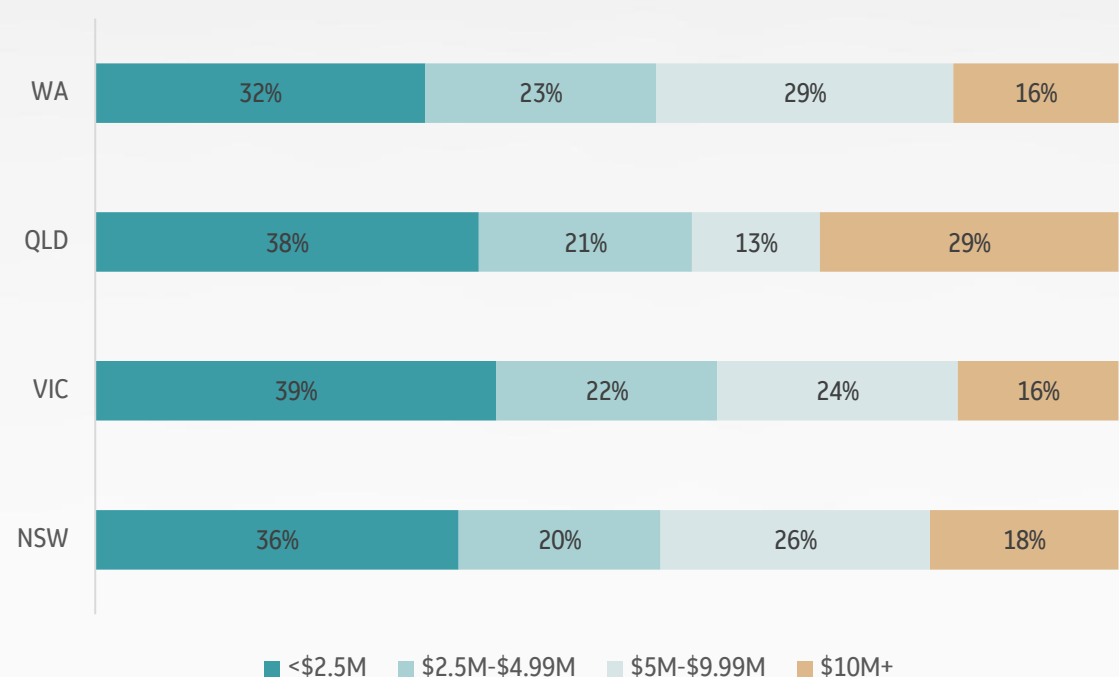
Respondent profile

A larger portion of smaller businesses than previous studies

Total respondent profile by revenue



State respondent profile by revenue

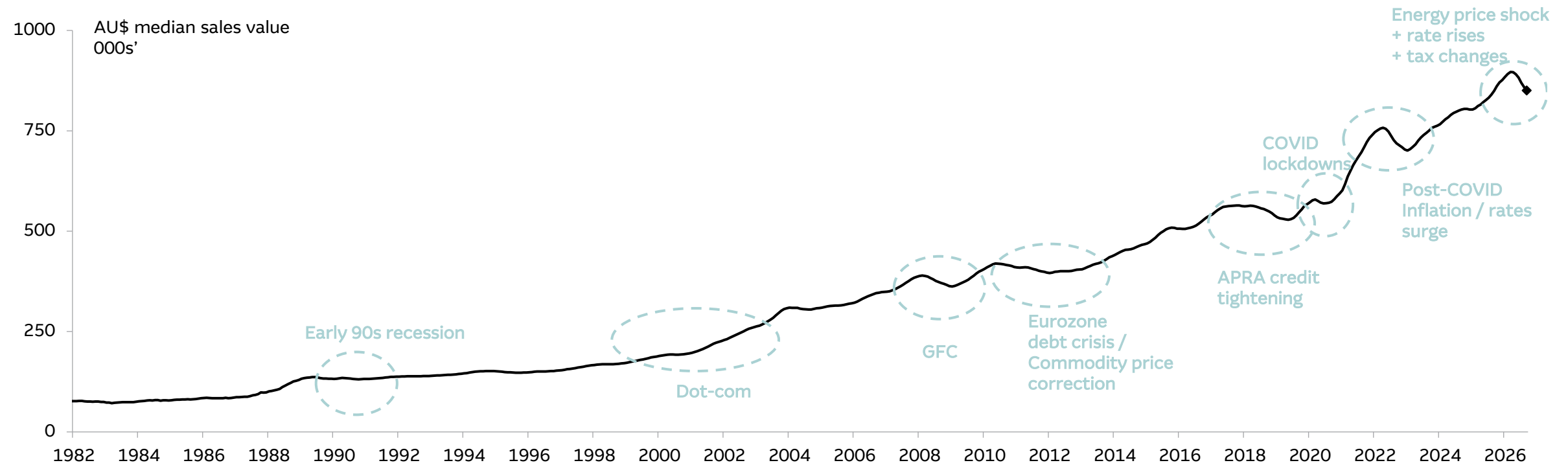


02

Key observations

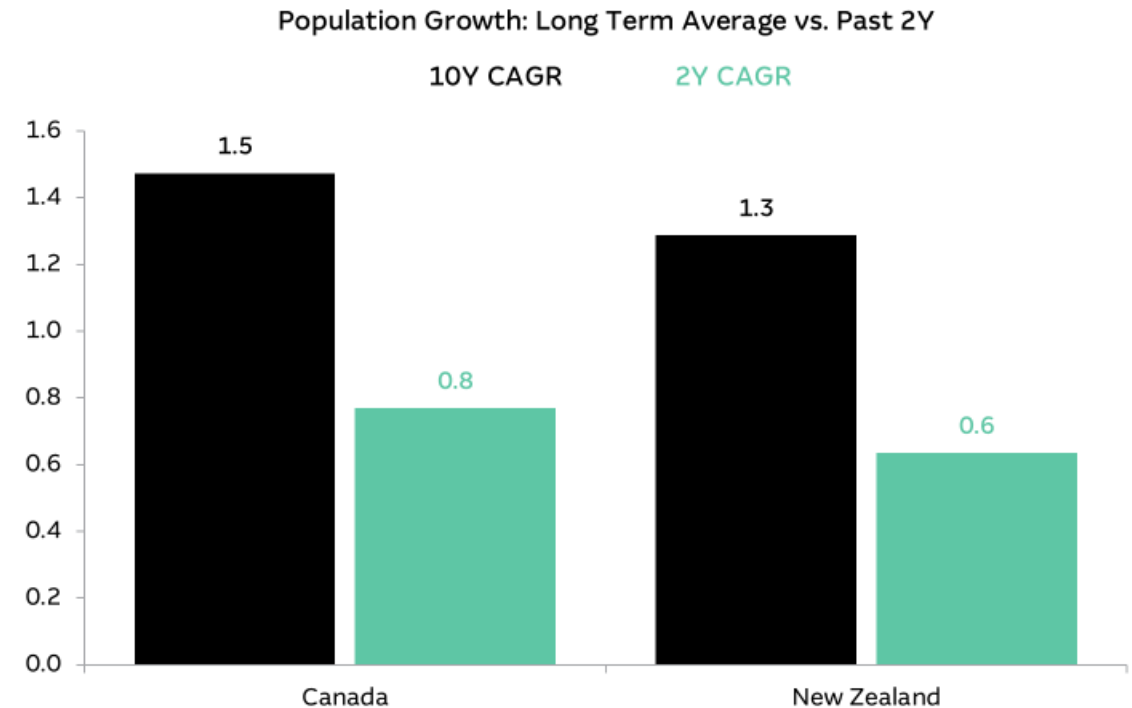
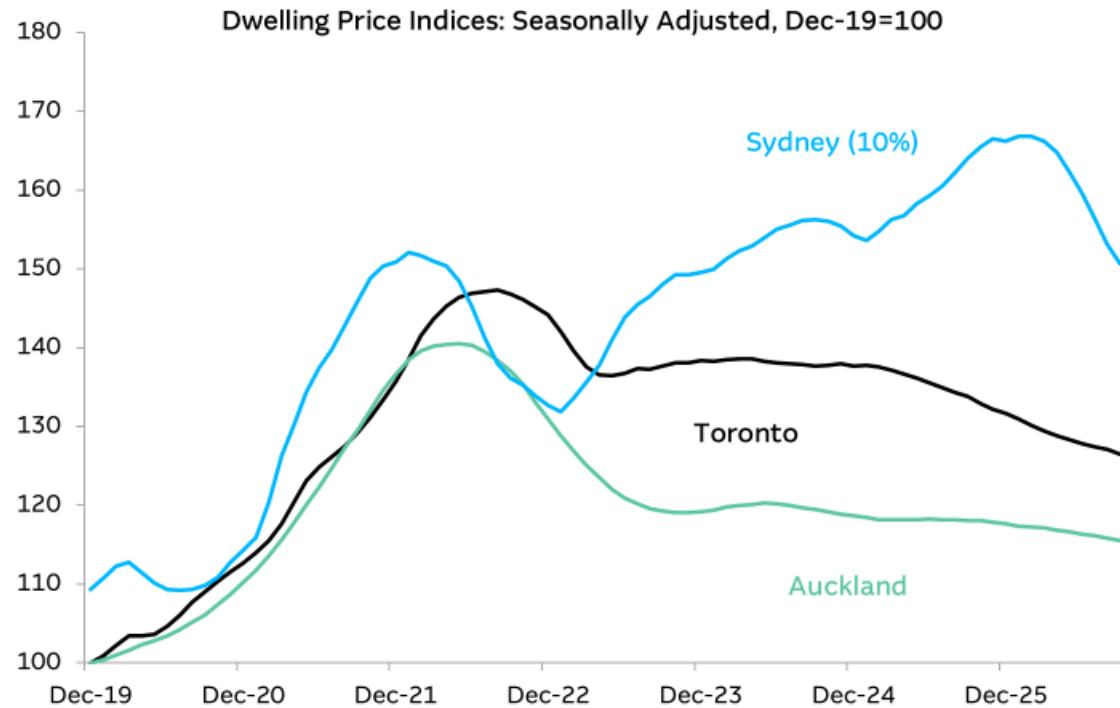
National house prices have held up or rebounded strongly after every major shock over the past 40+ years

Nationwide hedonic sales price index, houses and apartments, all cities and regions



Source: Macrobond, MAM Real Estate Strategy, as at October 2026. Past Performance is not indicative of future results.

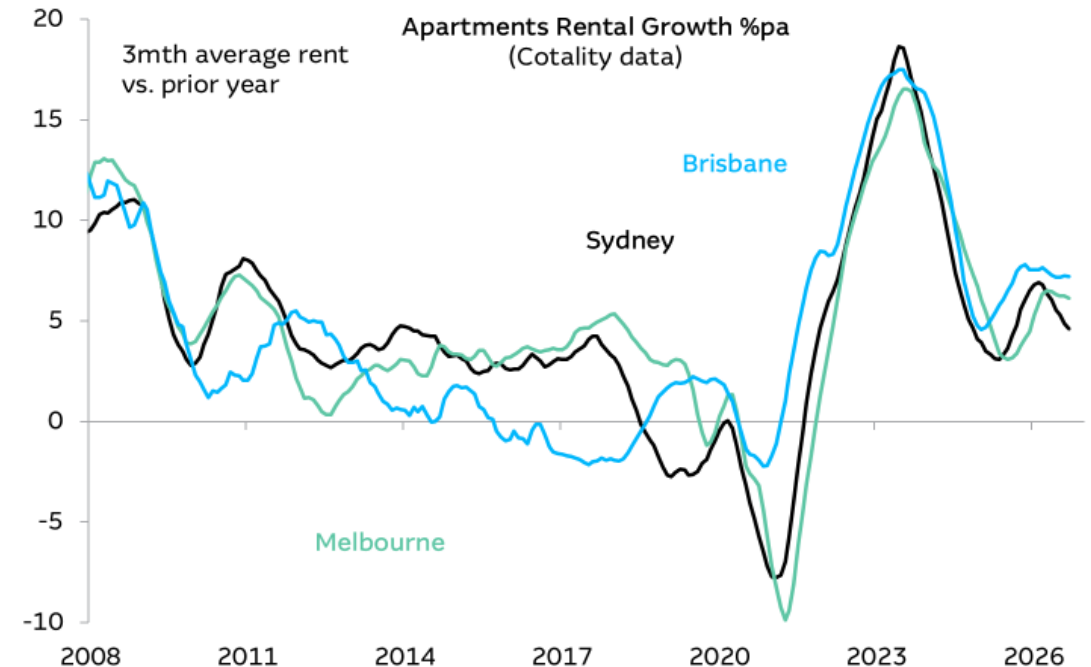
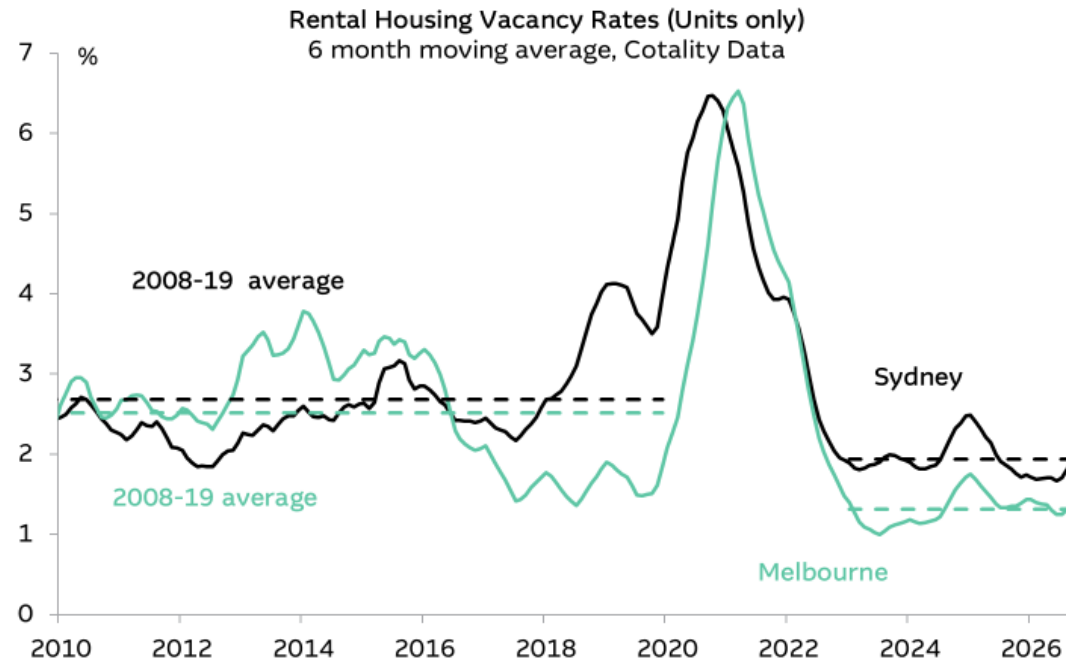
Canada & New Zealand have seen sharper housing corrections since post-covid peaks, partly reflecting the slowdown in population growth



Source: Macrobond, MAM Real Estate Strategy, as at October 2026. Past Performance is not indicative of future results.

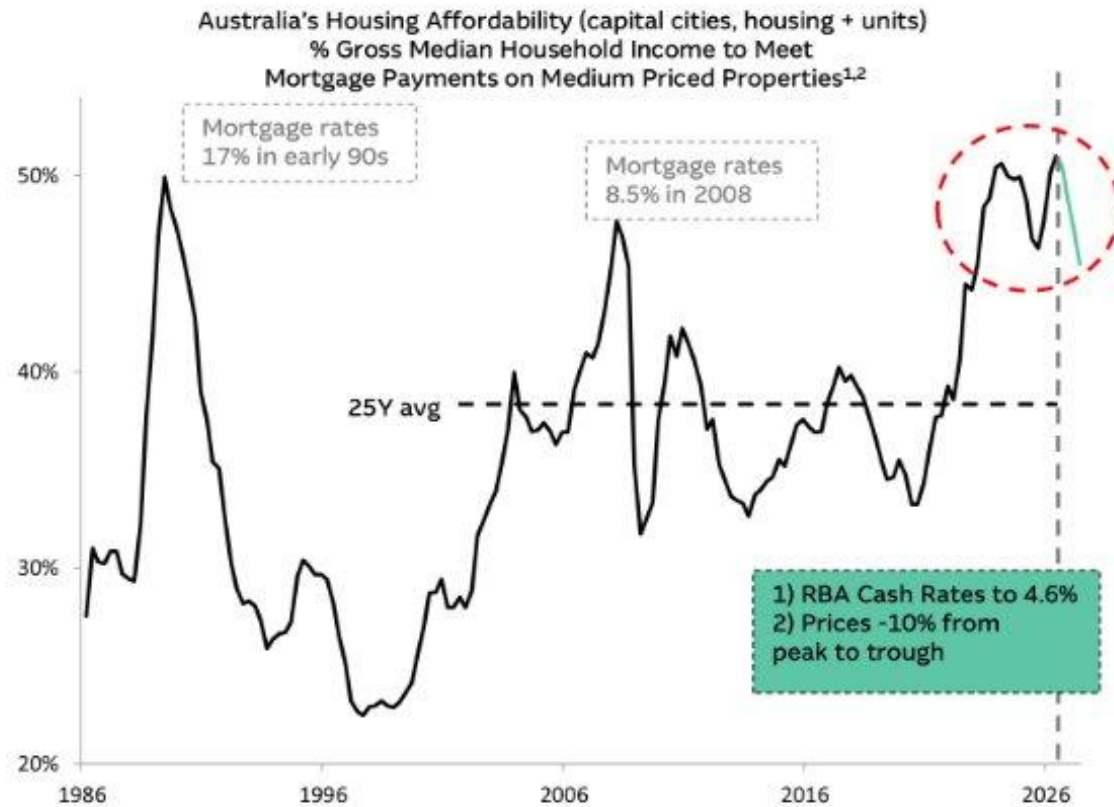
Rental markets remain tight, reflecting solid demand, low vacancy and constrained new supply

Rising gross yields will eventually attract investors (including more institutional capital) back into the market, along with broad expectations that prices will resume growing again



Source: MAM Real Estate Strategy, Macrobond, as at October 2026. Past Performance is not indicative of future results.

Housing affordability for purchase remains stretched for potential new home buyers with limited equity

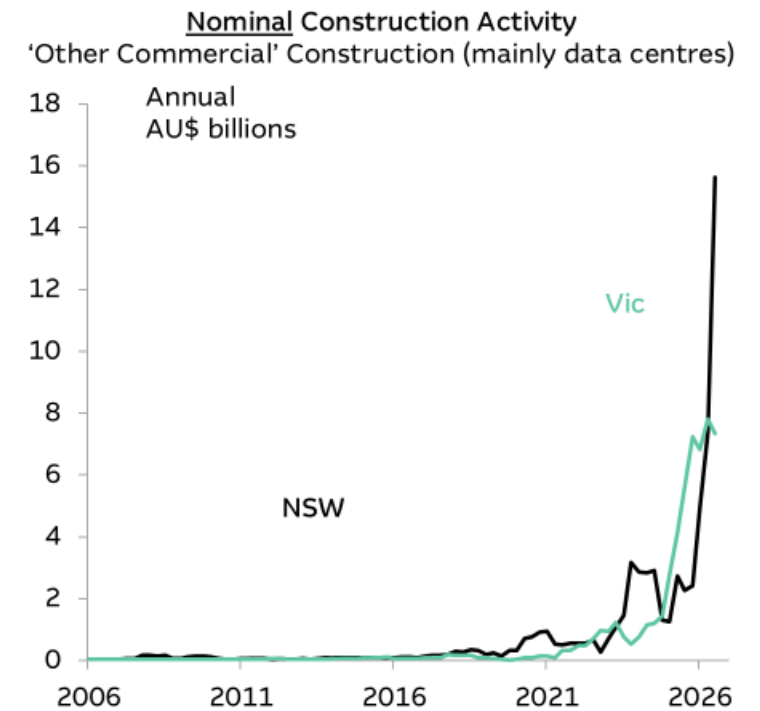
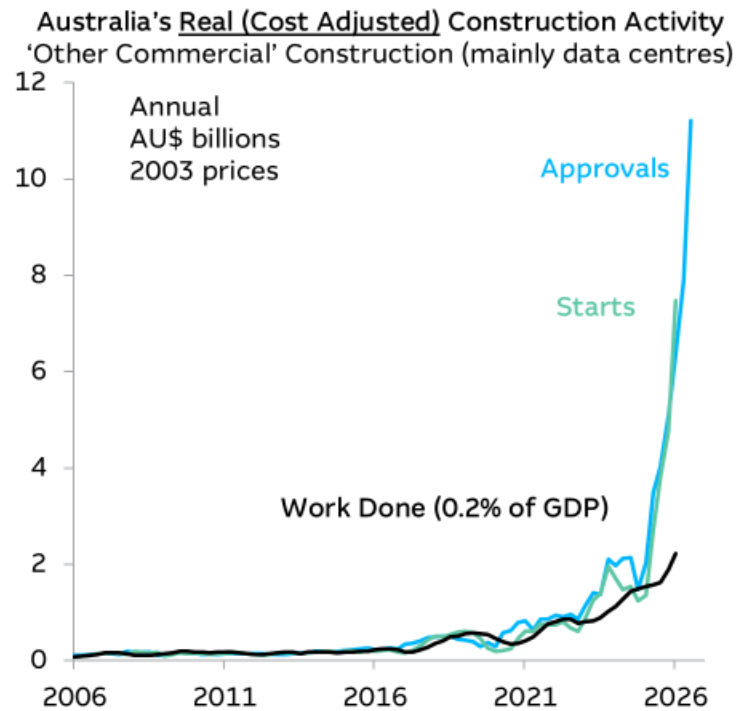
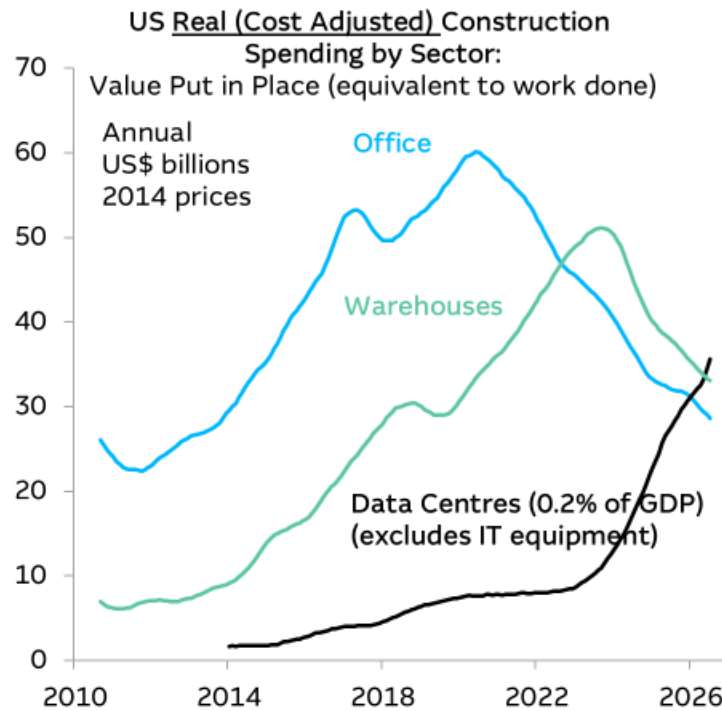


How can housing become affordable again?

- Further near-term prices adjustments
- Incomes need to rise relative to prices for a sustained period
- Supply needs to rise relative to household formation rates (proxy for demand)
- Mortgage rates need to come down (eventually)

Source: MAM Real Estate Strategy, APM, Macrobond, as at September 2026. 1. Assumptions: LTV 75%, 25-year term, P&I loan, Median city household incomes (ABS / Oxford Economics), Median city prices (APM), Standard discounted variable rates (RBA). 2. Implicitly includes an interest rate buffer as the analysis is based on the RBA's standard discounted variable rates which are higher than newly funded loans.

The surge in AI capex and data centre development is drawing in significant amounts of capital, energy and labour



Source: MAM Real Estate Strategy, Macrobond, as at September 2026. Past Performance is not indicative of future results.

Structural strength, cyclical opportunities

Structural growth intact, market rate risk skewed up

Sizeable correction, not a crash

Housing leads the economy (Disinflation effects underestimate)

Construction stays constrained (Data Centers)

The real estate industry **challenge**

Key observations

To stay ahead, agencies need to lead the change in all areas of business.



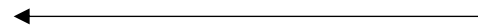
Profitability continues to be impacted by operating costs and margin pressure. More automation but MUCH more regulation and compliance



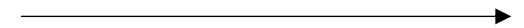
People and productivity have never been more important. Effective leadership to model and optimise will be core to business sustainability and scale



Planning for the future and a new generation of leaders requires consideration in a challenging environment



Significant changes in the sector particularly regulatory change and tech disruption are creating cost, volatility and unpredictability.



Finding a **new normal**.

FY26 data shows that performance was stabilising – even improving. How will agencies maintain this with the market turning?



Average margins

16.4%

2 in 3 grew profits
in FY26, up from
1 in 3 in FY23.

The portion of businesses reporting **increased revenues** has risen by **35%** since FY23.

The portion of businesses reporting **decreased revenues** has **halved**.

Smaller businesses made higher margins in FY26

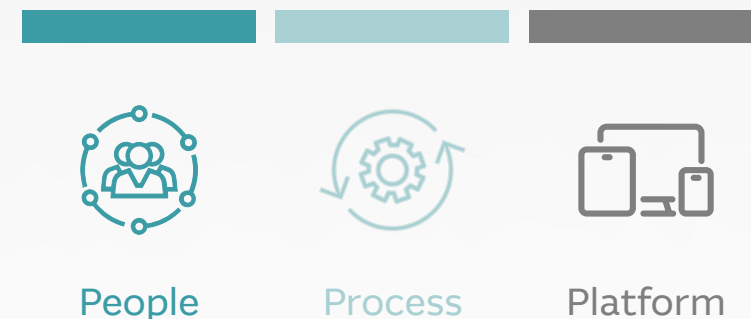
18% **-3.2%pt** margin growth on FY25
Businesses <\$2.5M revenue

But larger businesses' margins are more stable year on year.

16% **1%pt** margin growth on FY25
Businesses >\$2.5M revenue

Key observations

Key investment strategies



Focus on productivity

Key observations

The keys to maintaining and elevating business performance

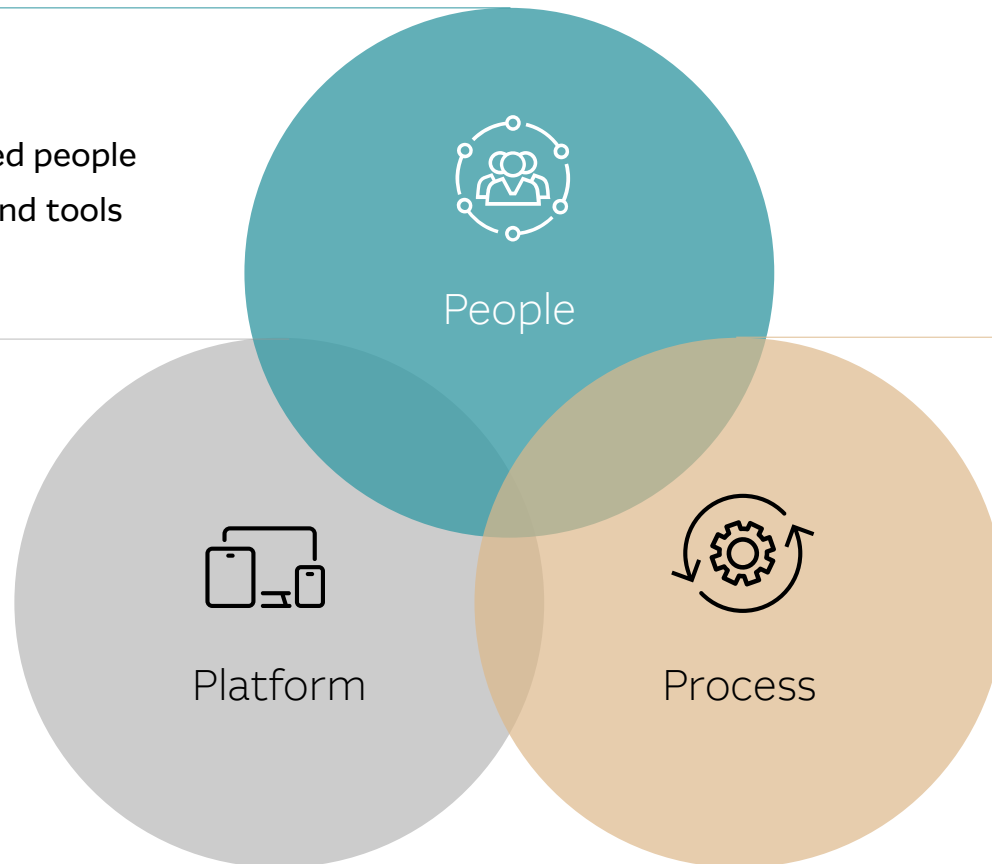
People

- Attract and retain talented people
- Support with processes and tools
- Nurture soft skills

Platform

Technology investment that boosts:

- Client experience
- Employee experience
- Operational efficiency



Process

- Documentation
- Support for people
- Automate, outsource, offshore
- Improve administrative clarity
- Ensure understanding and adherence



Increase efficiency

Improve profitability

Reduce staff turnover



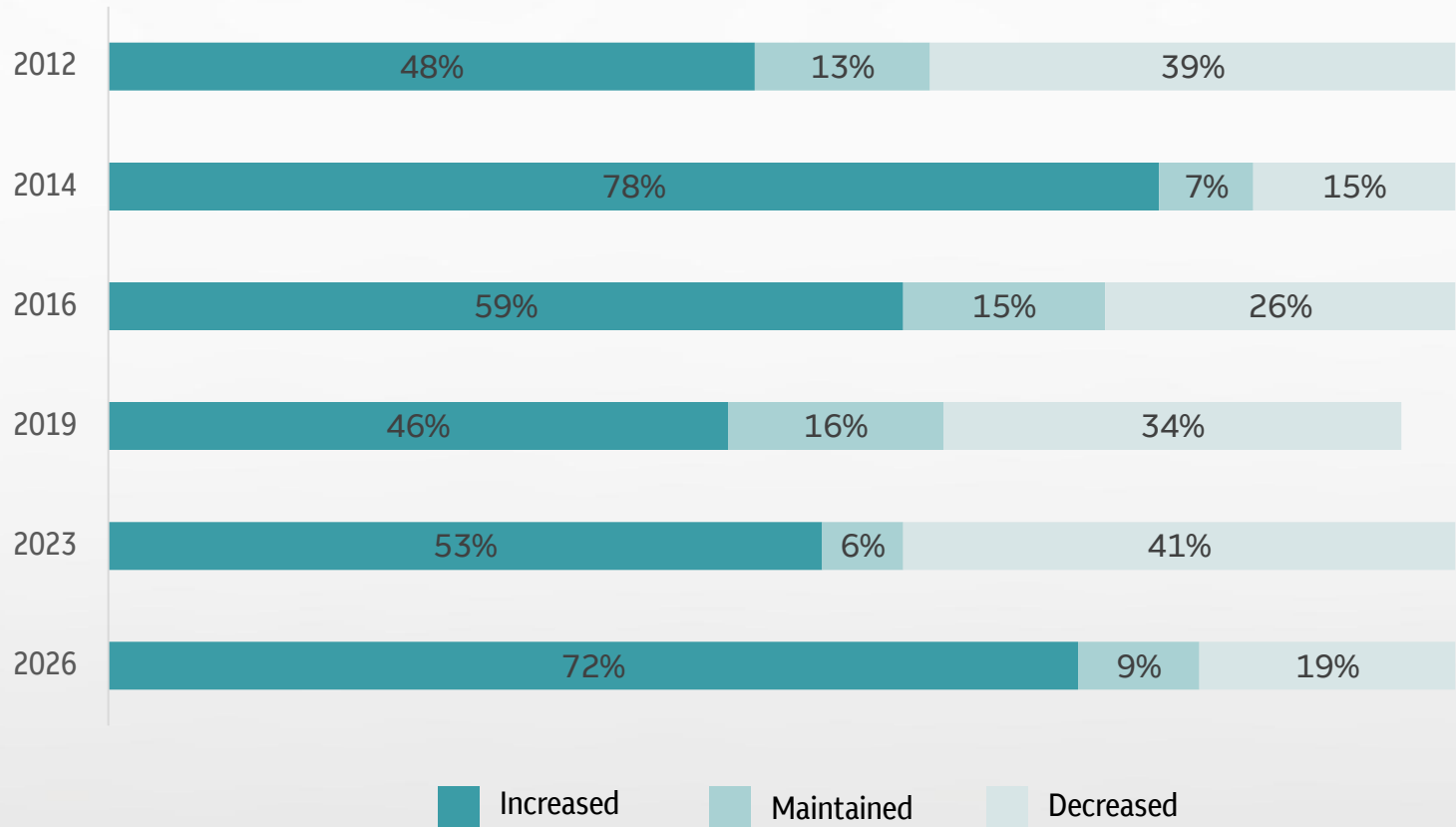
03

Business performance

Revenue **change**

Revenue performance is at its steadiest 12-month trend since 2014.

Change in revenue over prior year



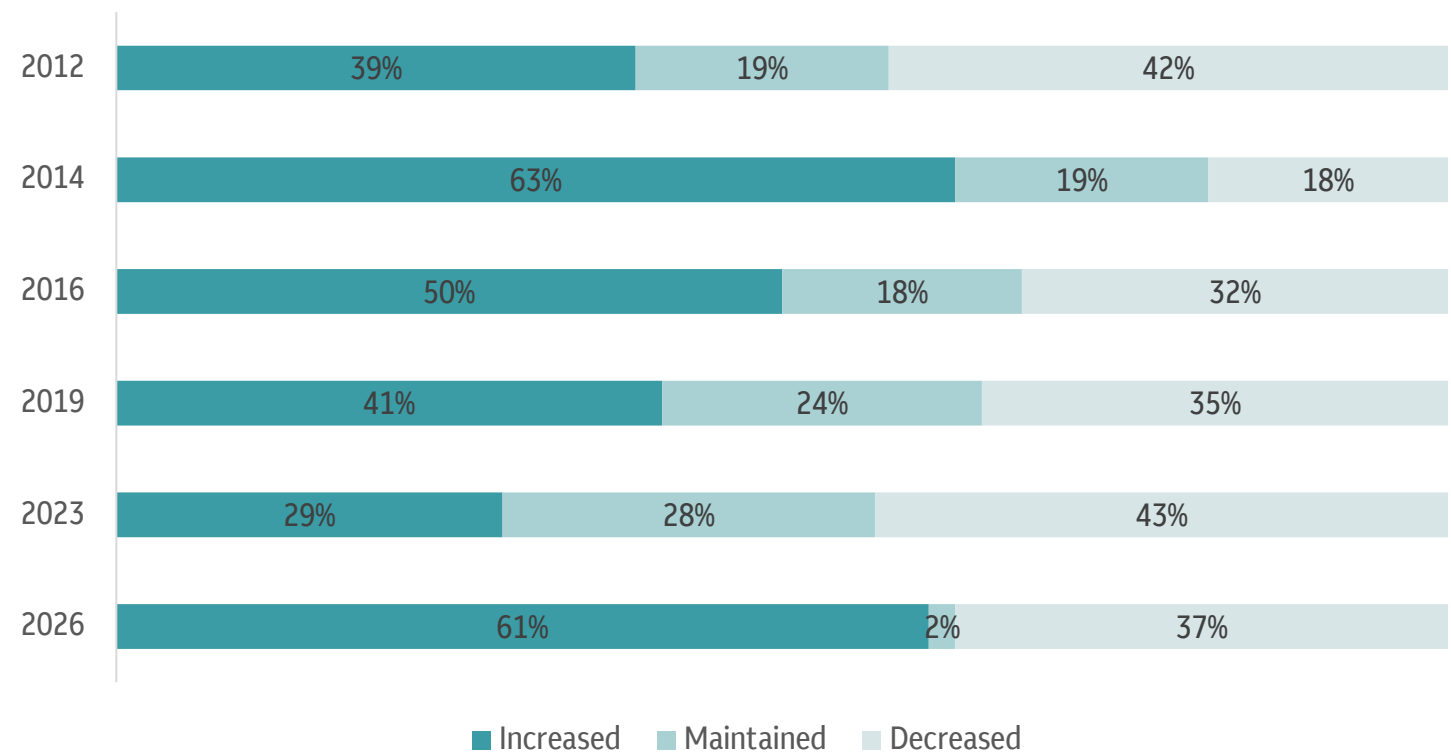
The portion of agencies reporting decreased revenues has halved; from 41% in 2023 to 19% in 2026.

Q: What is your gross revenue for the financial year ending June 2026?
Q: What was your gross revenue for the financial year ending June 2025 (the previous financial year)?

Current FY profit change

Year on year performance has improved overall, though a third of the industry is still seeing a decrease in margin on FY25.

Change in profit v prior financial year



63%
of agencies maintained
or grew profits in FY26

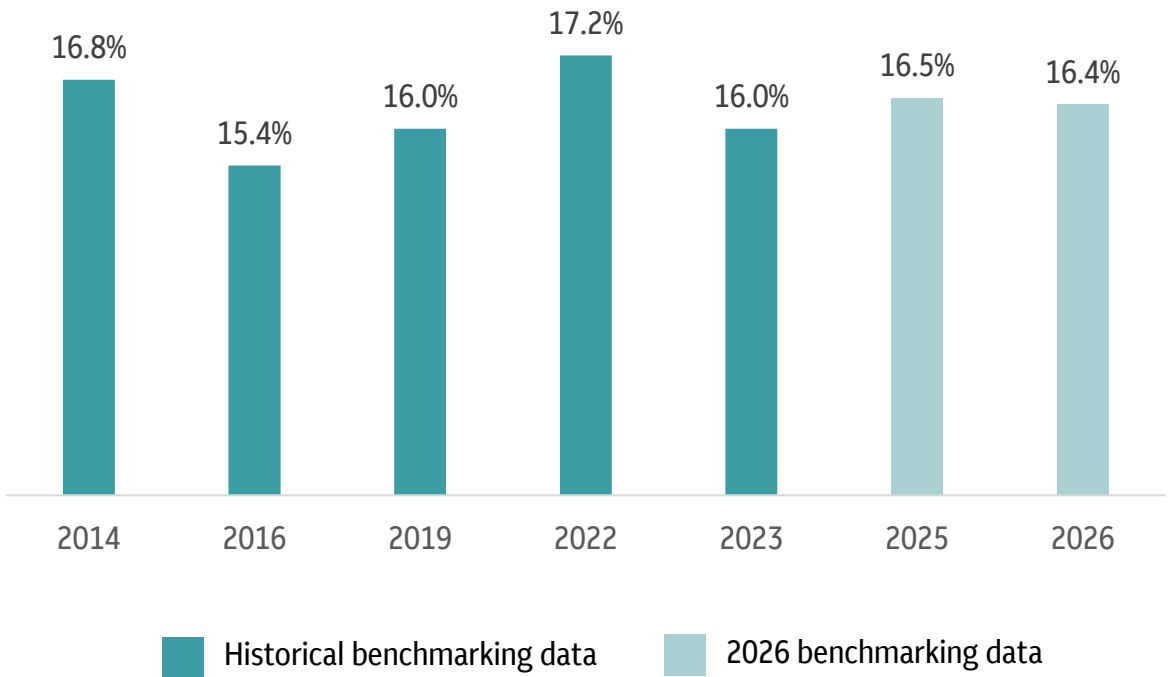
Up from
57% in FY23

Q: What is your predicted net profit for the financial year ending June 2026?
Q: What was your net profit for the financial year ending June 2025 (the previous financial year)?

Profit performance

Profit margins have not made any significant moves since our last study.

Net profit margin over time



Business performance



While margins have remained steady, profits in dollar terms have seen healthier growth.

\$626,839

2023

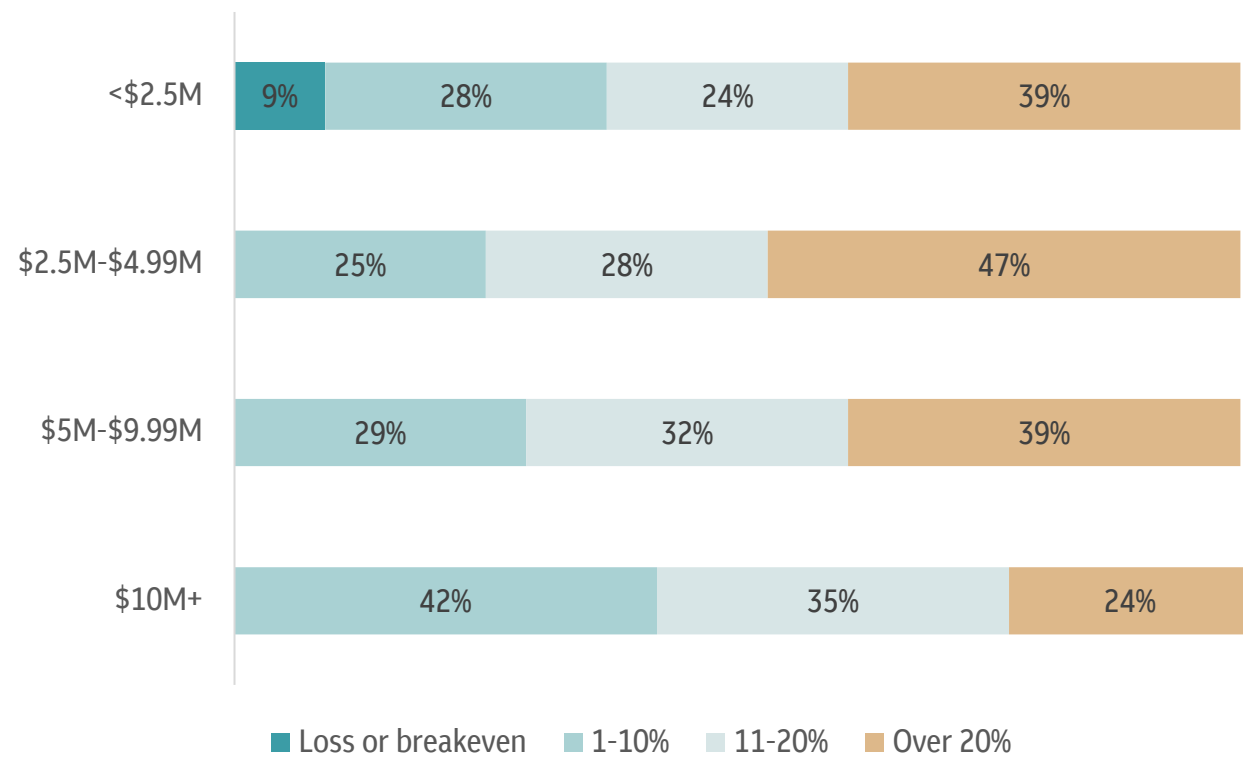
\$790,441

2026

Profit profile **by business size**

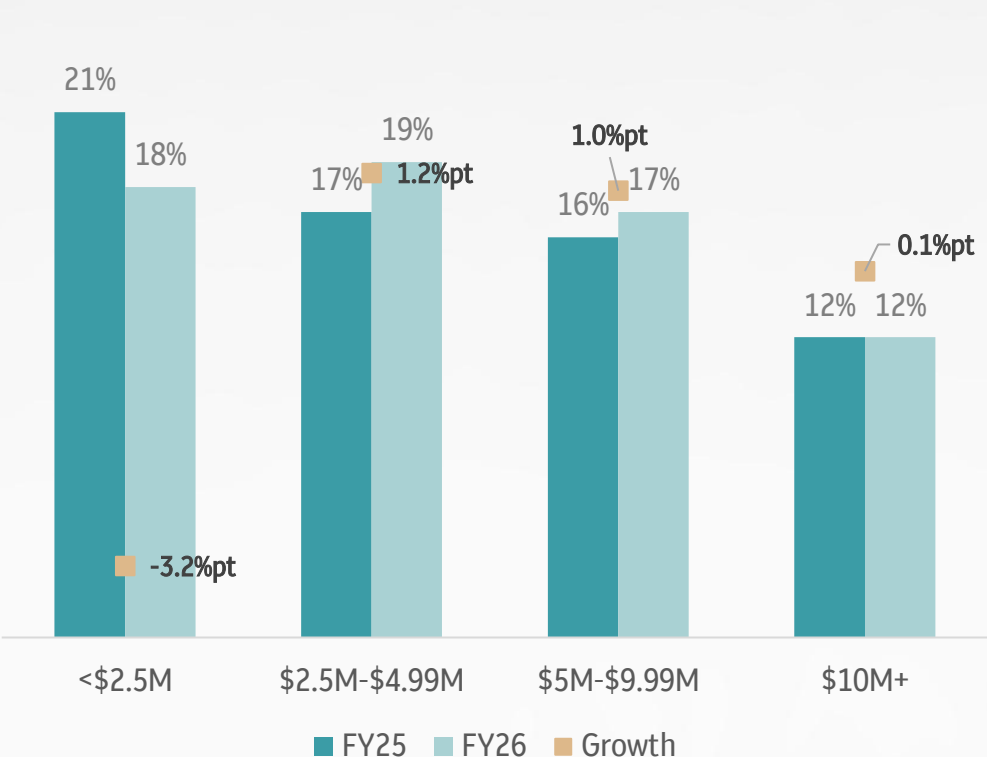
Profit margins fluctuate as businesses grow and scale.

FY26 profile by business size



Smaller businesses have the highest FY25/26 margins but have seen negative growth.

YOY margin and change by business size

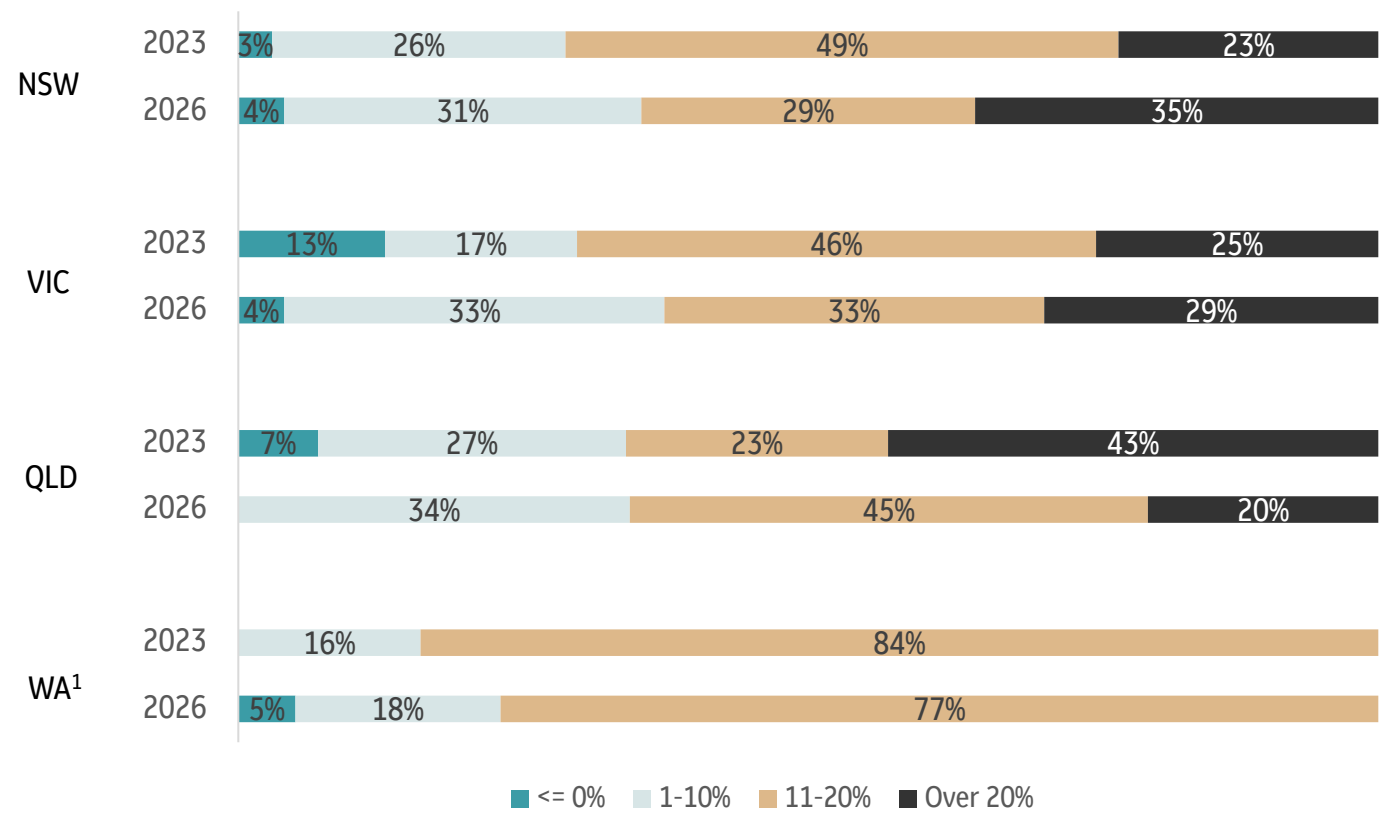


Q: What is your predicted net profit for the financial year ending June 2026?
Q: What was your net profit for the financial year ending June 2025 (the previous financial year)?

Profit performance **by state**

Profit by state clearly reflects each state's market characteristics.

Profit profile by state



NSW and VIC data reflects the more challenging markets agencies are operating in.

QLD and WA performance echoes their far stronger and flourishing markets.

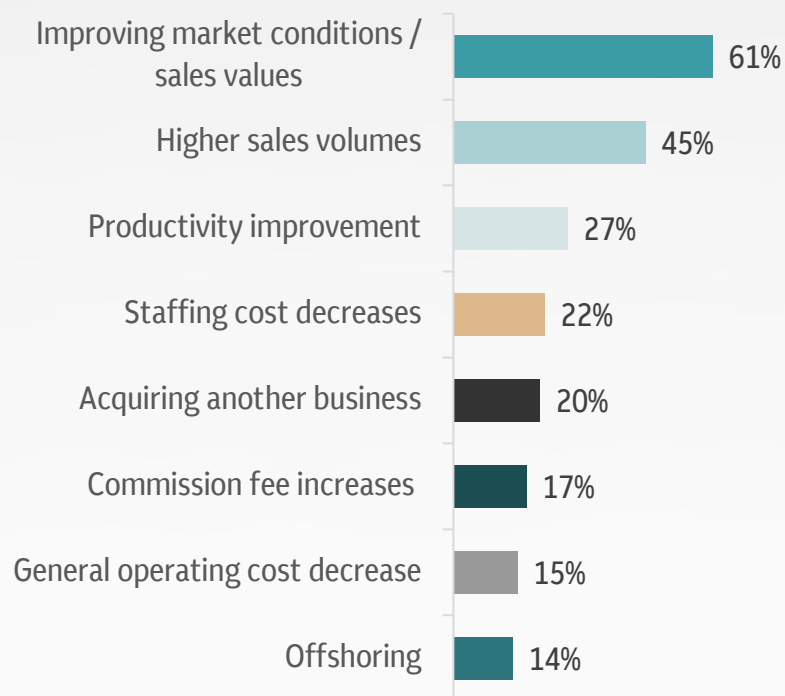
Q: What is your predicted net profit for the financial year ending June 2026?
¹ WA a smaller sample size with outlying trends

Drivers of FY26 profit growth

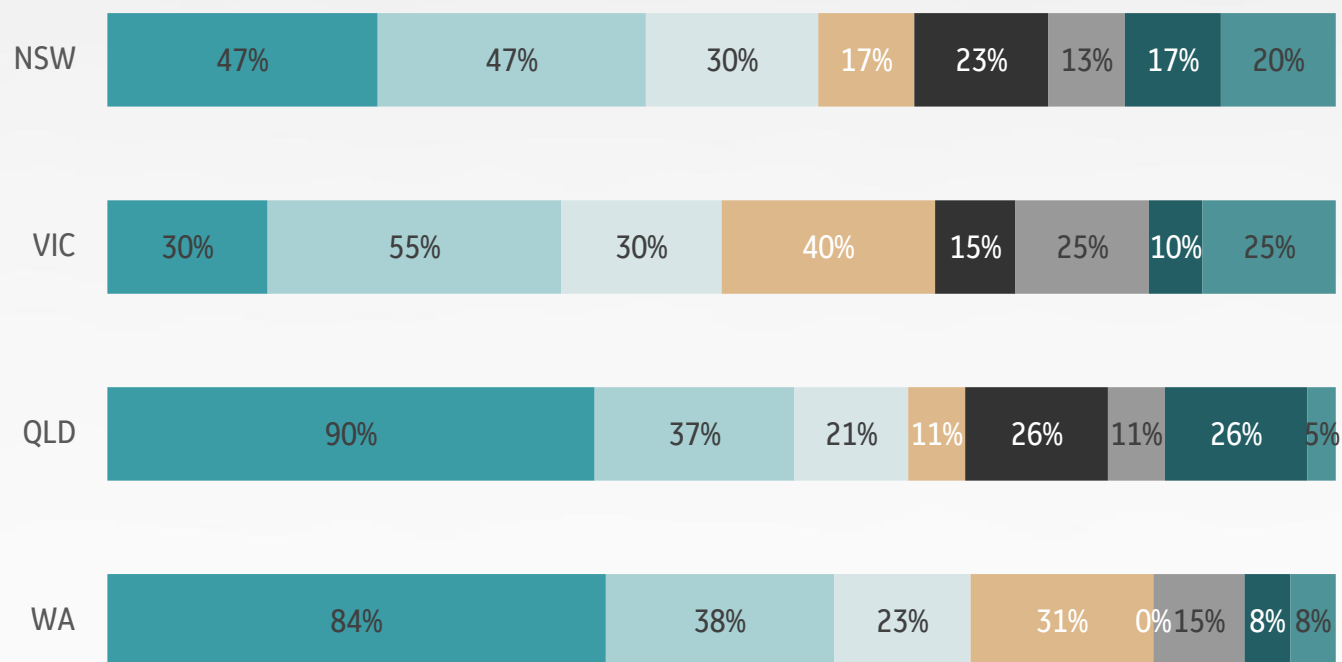
Looking backwards, a buoyant market has been the main driver of growth

Drivers of profit growth in FY26

National



By state



- Improved market conditions / sales values
- Higher sales volumes
- Productivity improvement
- Staffing cost decreases
- Acquiring another business

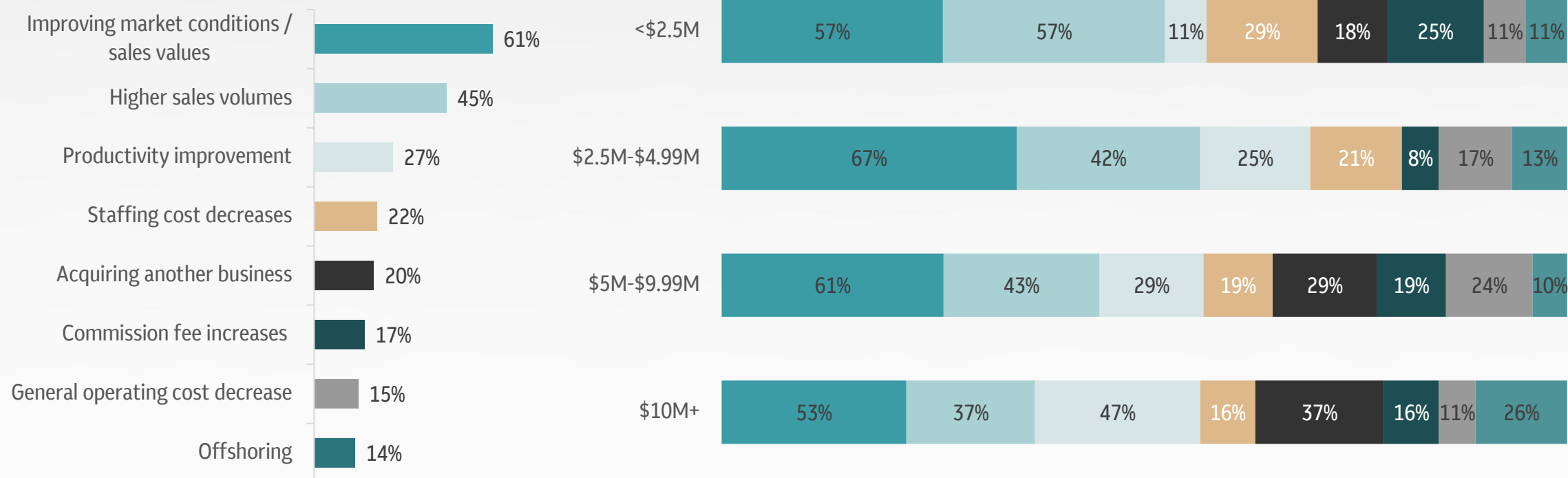
Drivers of FY26 profit growth

Looking backwards, businesses have already begun focusing on productivity gains as the market cycles

Drivers of profit growth in FY26

National

By business size



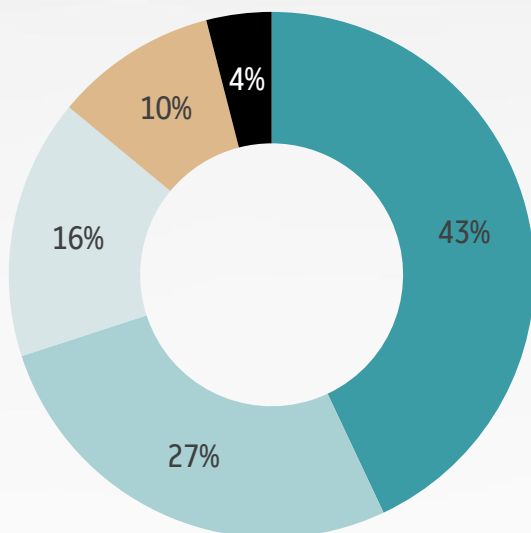
- Improved market conditions / sales values
- Higher sales volumes
- Productivity improvement
- Staffing cost decreases
- Acquiring another business

Focus areas to **maintain performance**

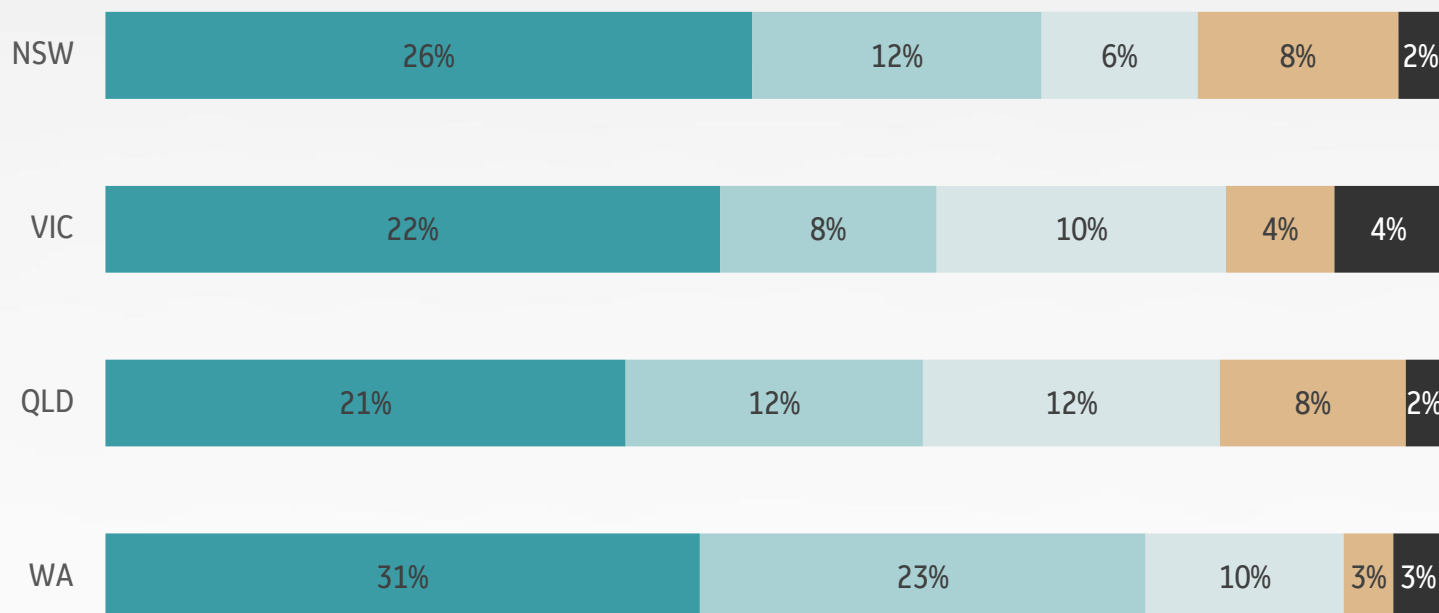
Looking to the future, operational efficiency and organic growth strategies are key.

Focus areas to maintain performance

National



By state



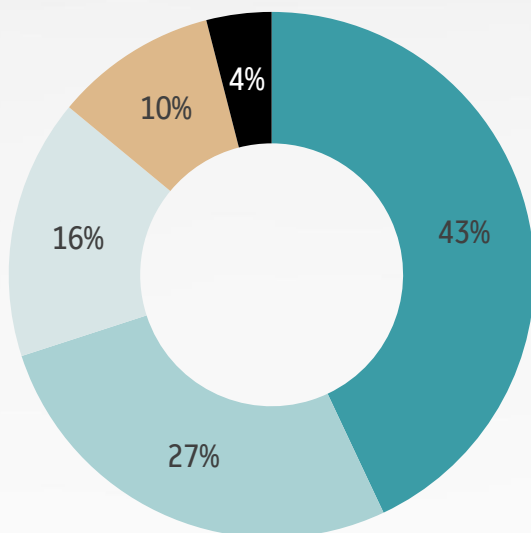
Operational efficiency Organic client retention and growth Cost rationalisation
Inorganic growth and expansion Pricing

Focus areas to **maintain performance**

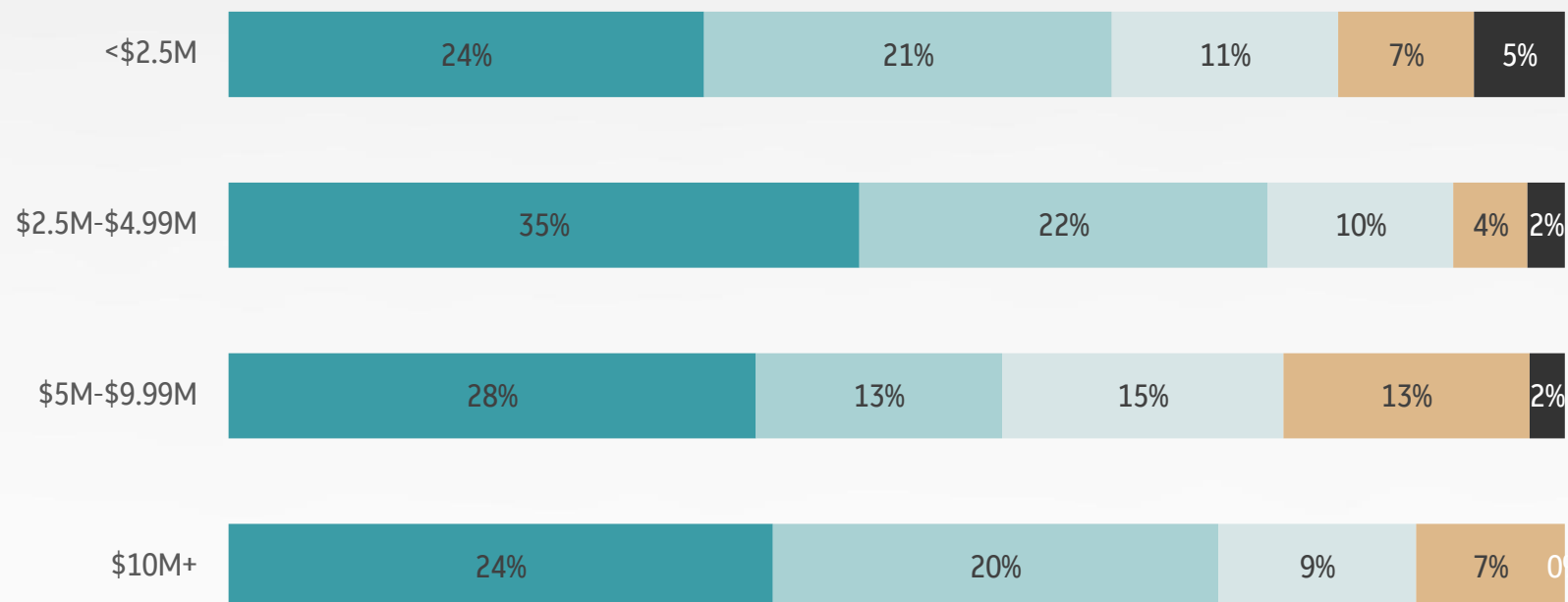
Looking to the future, operational efficiency and organic growth strategies are key.

Focus areas to maintain performance

National



By business size

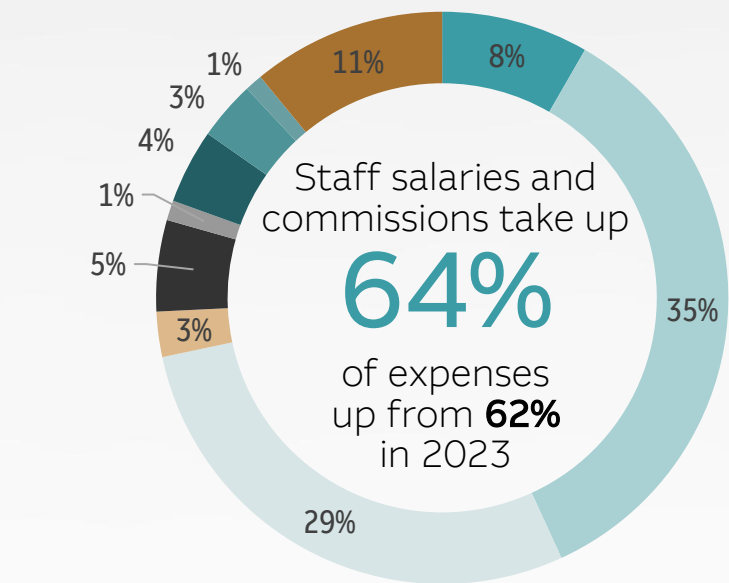


■ Operational efficiency ■ Organic client retention and growth ■ Cost rationalisation
■ Inorganic growth and expansion ■ Pricing

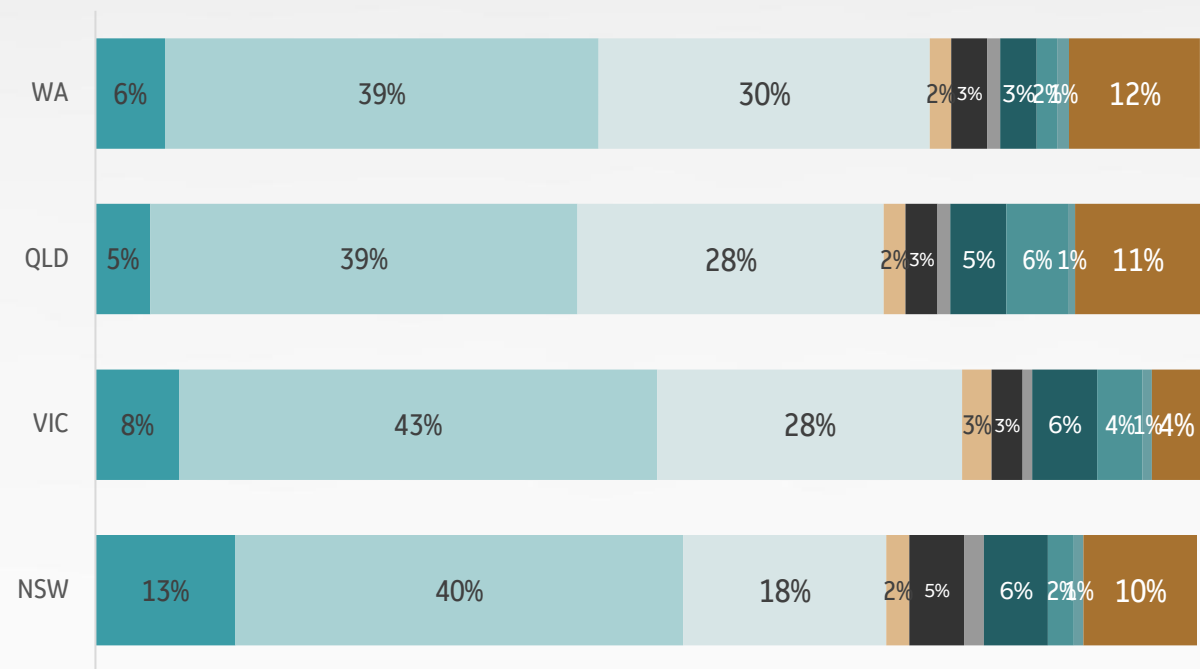
Expenses

Salaries and commissions are agencies' most significant expense.

Expense profile - national



Expense profile - by state



- Principals' remuneration

■ Salaries

■ Sales commissions

■ IT and comms

■ Marketing
- Training and HR

■ Rent and premises

■ Franchise fees

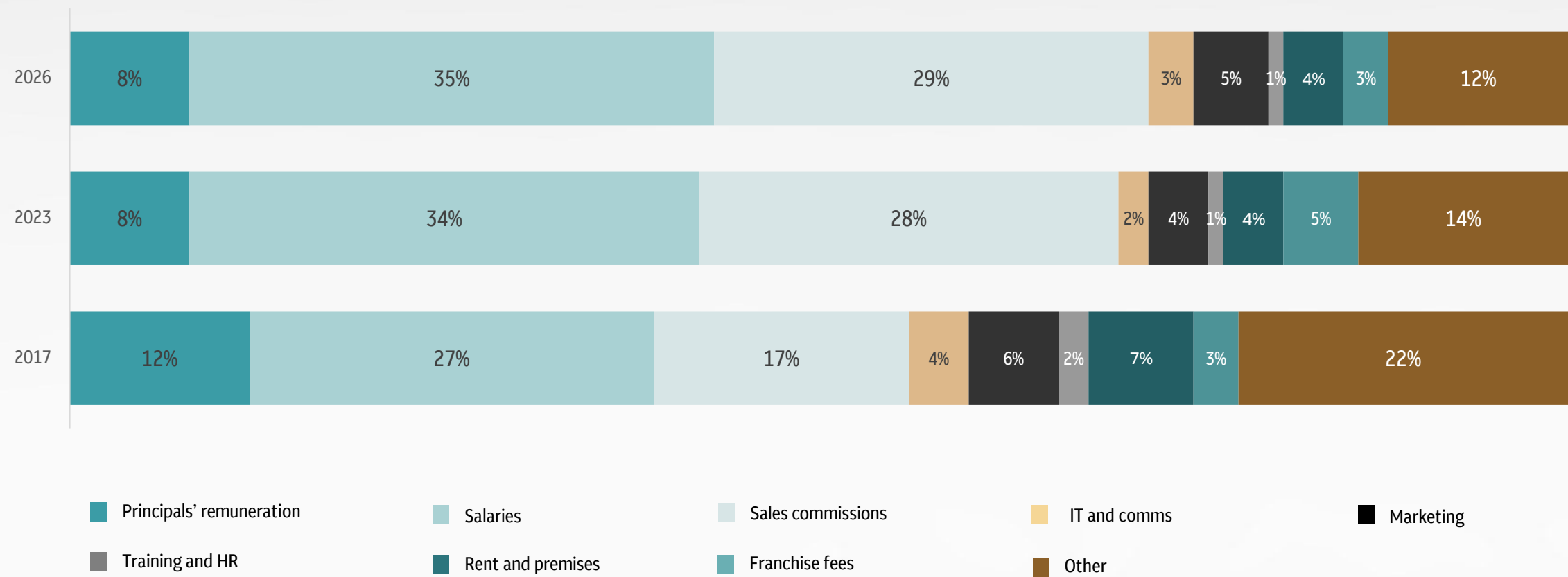
■ Compliance and regulatory

■ Other

Expenses

Salaries and commissions are agencies' most significant expense.

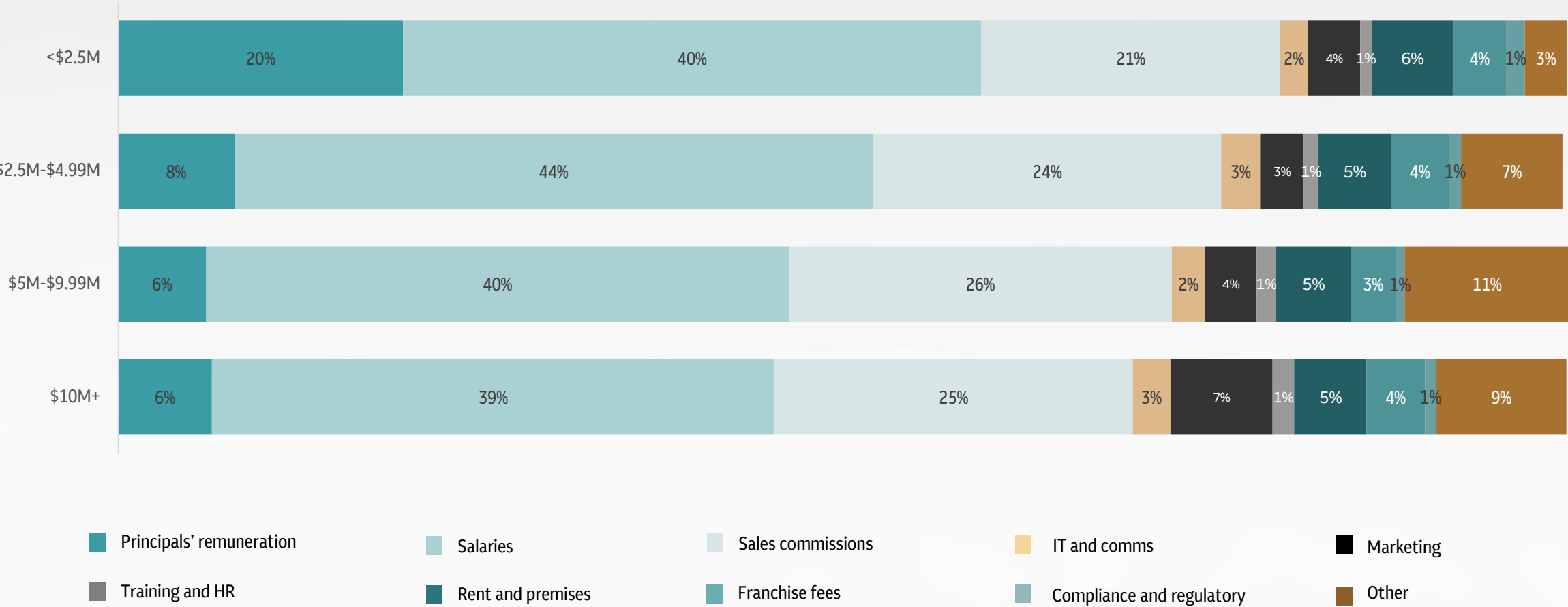
Expense profile trends over time



Expenses by business size

Expenses outside salaries, commissions and principals' remuneration climb as revenue grows.

Expense profile – by size



A look at the outliers

A significant sized group of agencies are best placed to navigate this turbulent environment well, achieving profits of over 20% and growing revenues in FY26.

Defining traits	Outliers	Other agencies
Property management core to revenue	53%	43%
Lower sales volume but more sales per agent	124 44	165 25
Fewer PUM but more PUM per PM staff	613 95	657 88
Higher property management commissions	7.3%	6.5%
Less likely to lose PUM to competitors	14%	86%

Strategic drivers

Focus areas



Cybersecurity vulnerabilities

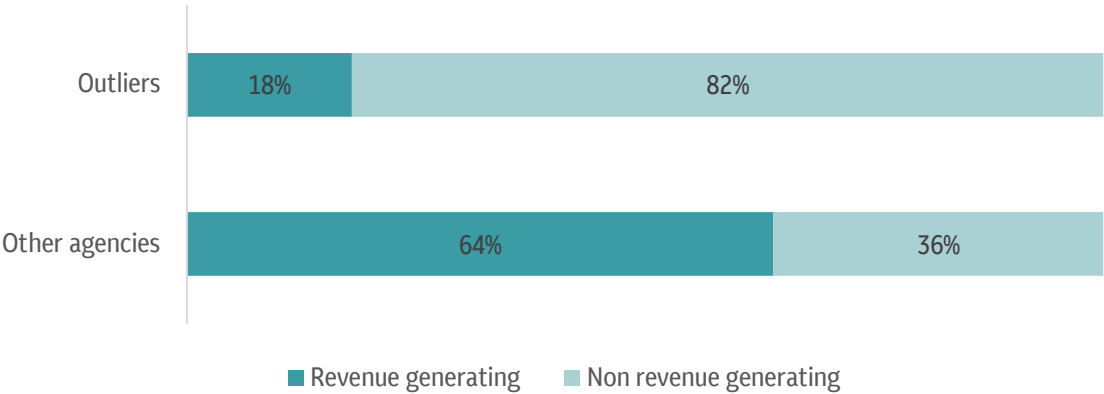


Economic conditions



Margin compression

More principals aligned to strategy



04

Property sales



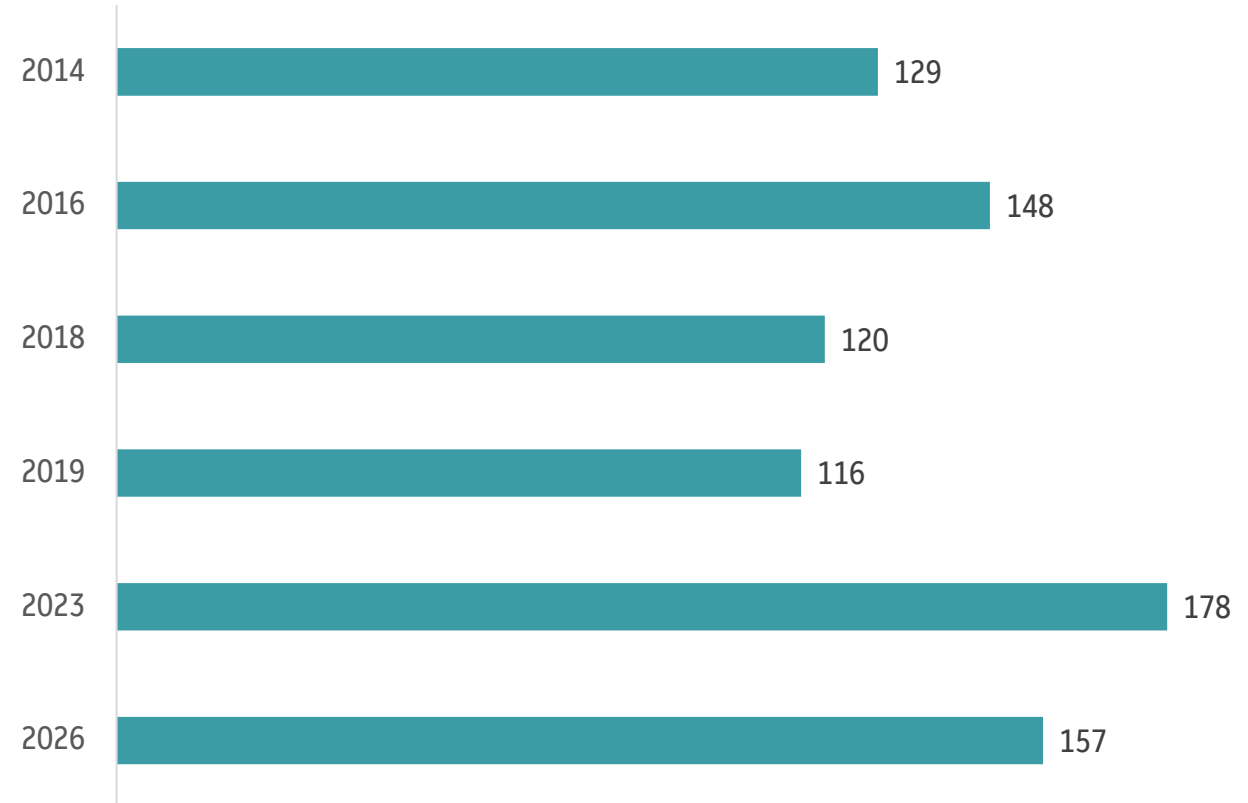
Number of properties sold

Sales performance is trending back down, reflective of market downturn.

Q: In the past 12 months, what was the total number of sales completed by your business?

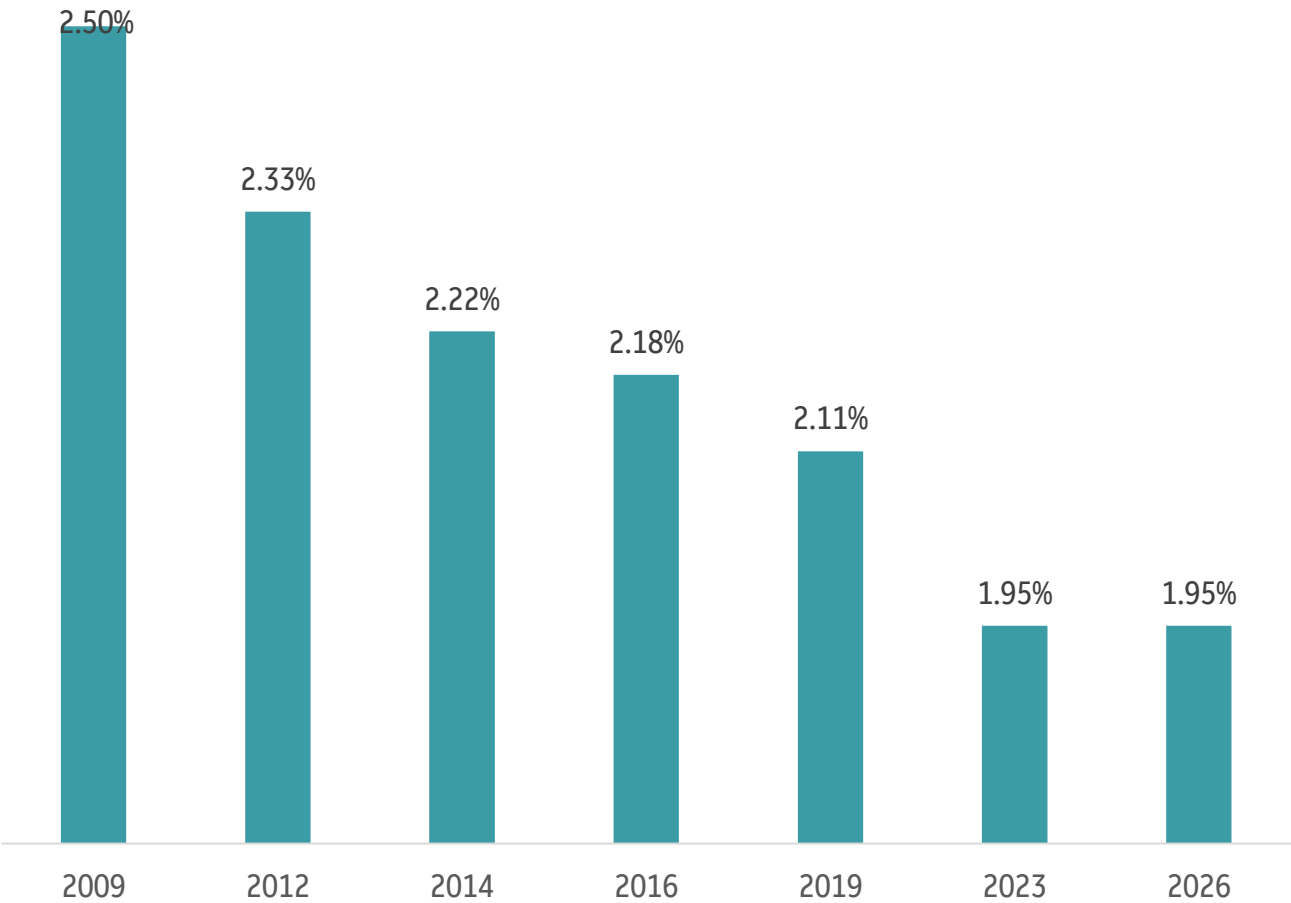
Property sales

Average number of sales by agency



Sales commission **trends**

Commission rates over time



Commission averages did not move since our last benchmarking study.

Agencies must keep their focus on articulating and delivering a strong value proposition.

Q: What is your average commission rate charged to vendors following the sale of a property (excluding GST)?

Sales commissions trends **by state**

Sales commission trends are reflective of their state property markets.

Sales commission rates by state



Property sales



In stronger markets, sales commissions fell slightly but remain higher than the rest of the country.

In softer markets, it is even more critical to ensure value and quality are a part of your winning proposition.

05

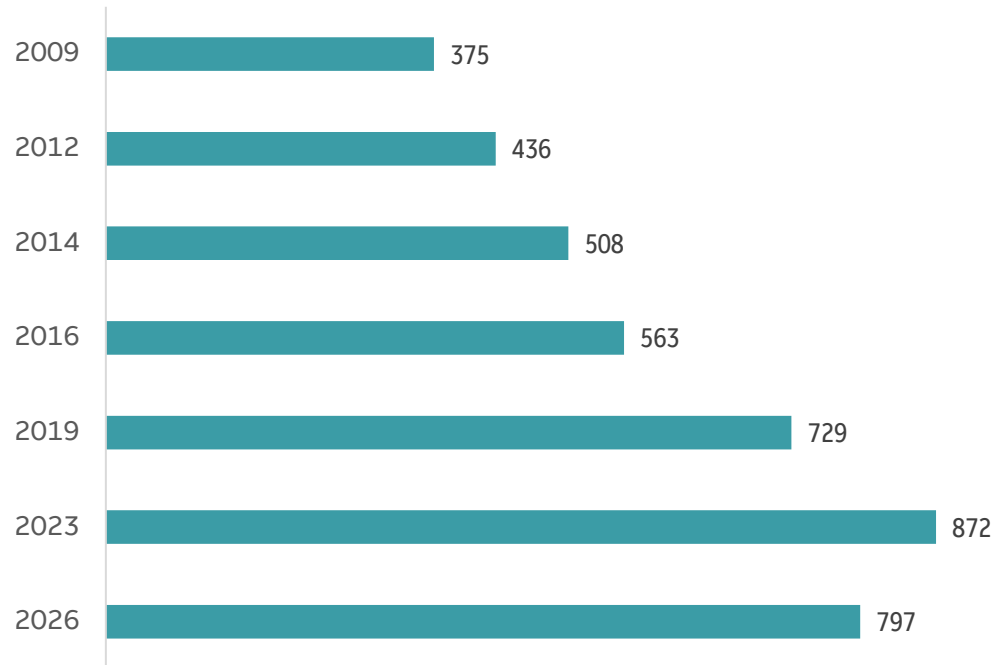
Property management

Property management **portfolios**

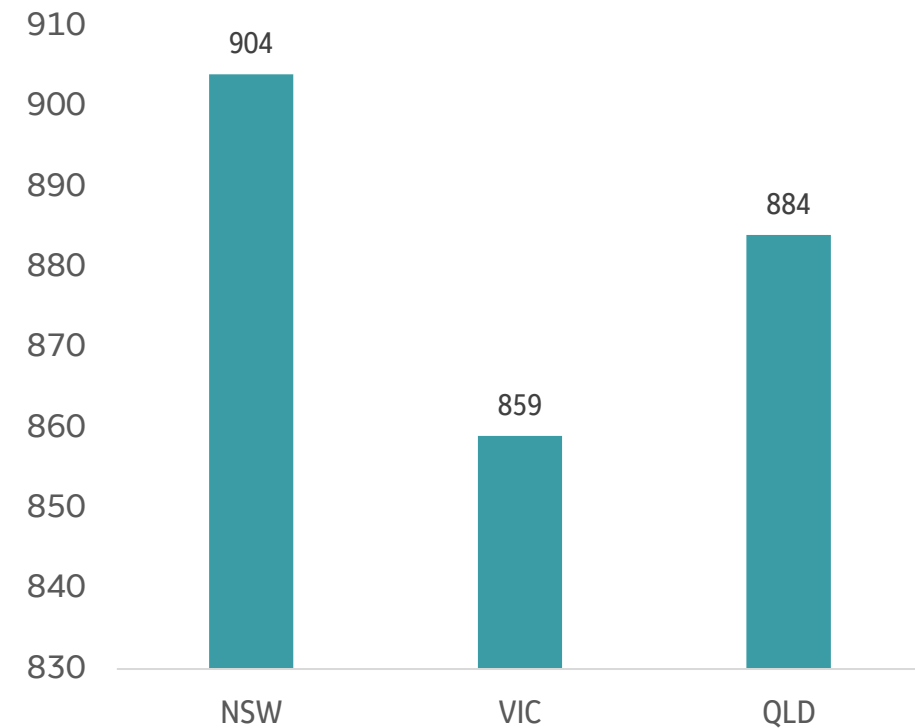
Property management

At a national level, property management portfolios have compressed slightly.

Properties under management – national trend



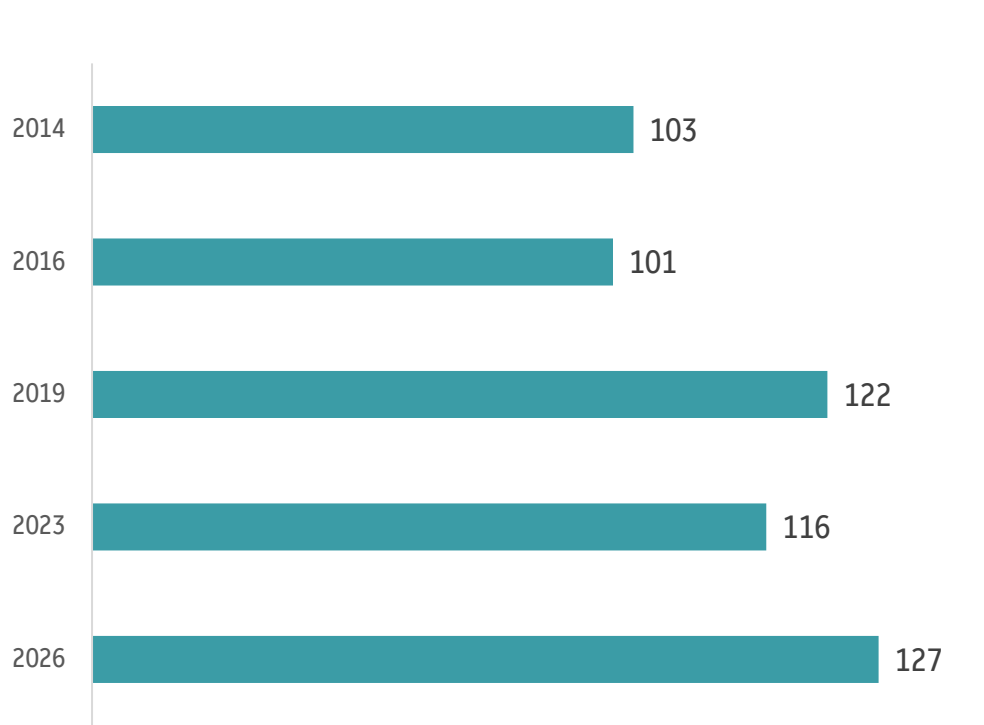
Properties under management – by state



Property management **productivity**

Despite an overall decrease in average PUM, the industry has seen a significant uptick in property management productivity.

Properties under management per property manager



Properties under management per property manager – by state

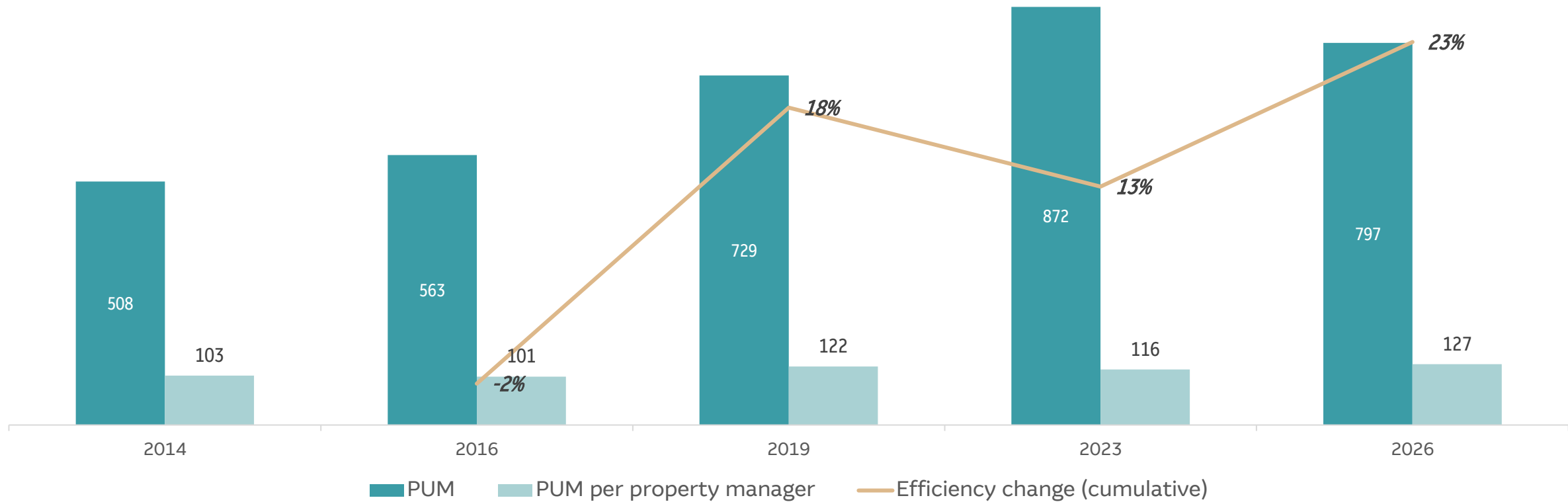


Q: How many properties does your business currently manage?

Property management **over time**

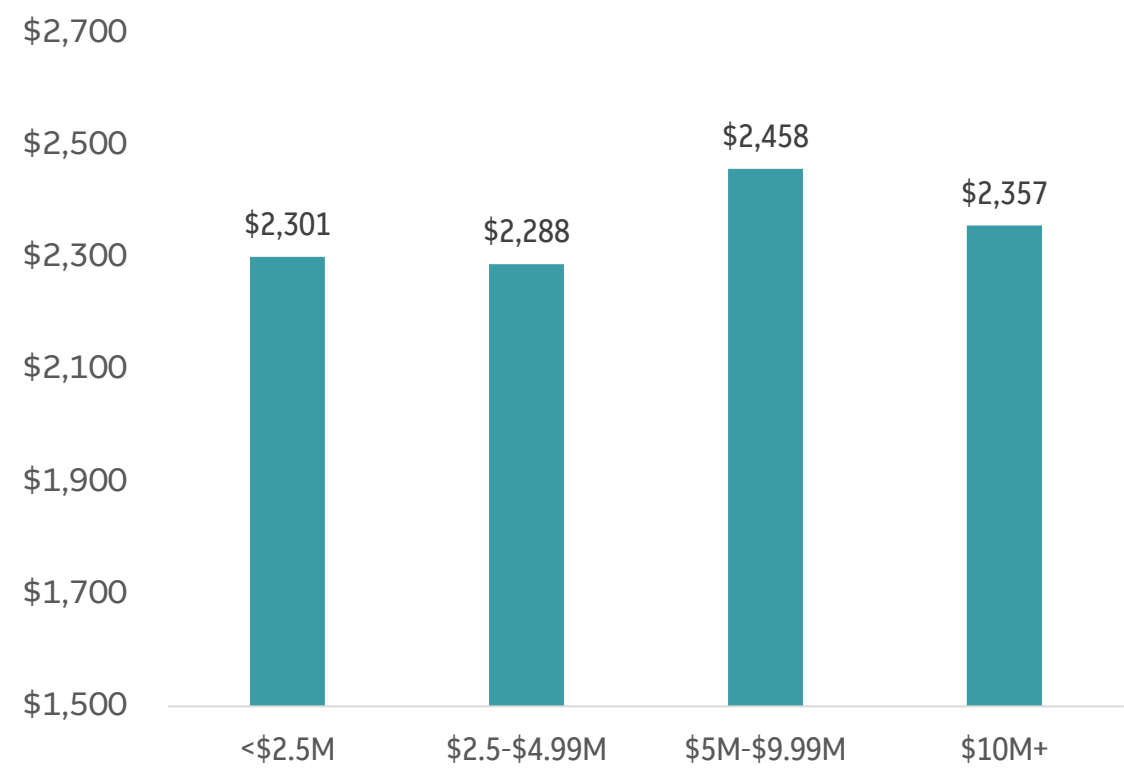
How are you enabling increased productivity of your property management team in line with the increasing importance of property management as a revenue stream?

Property management portfolio productivity over time

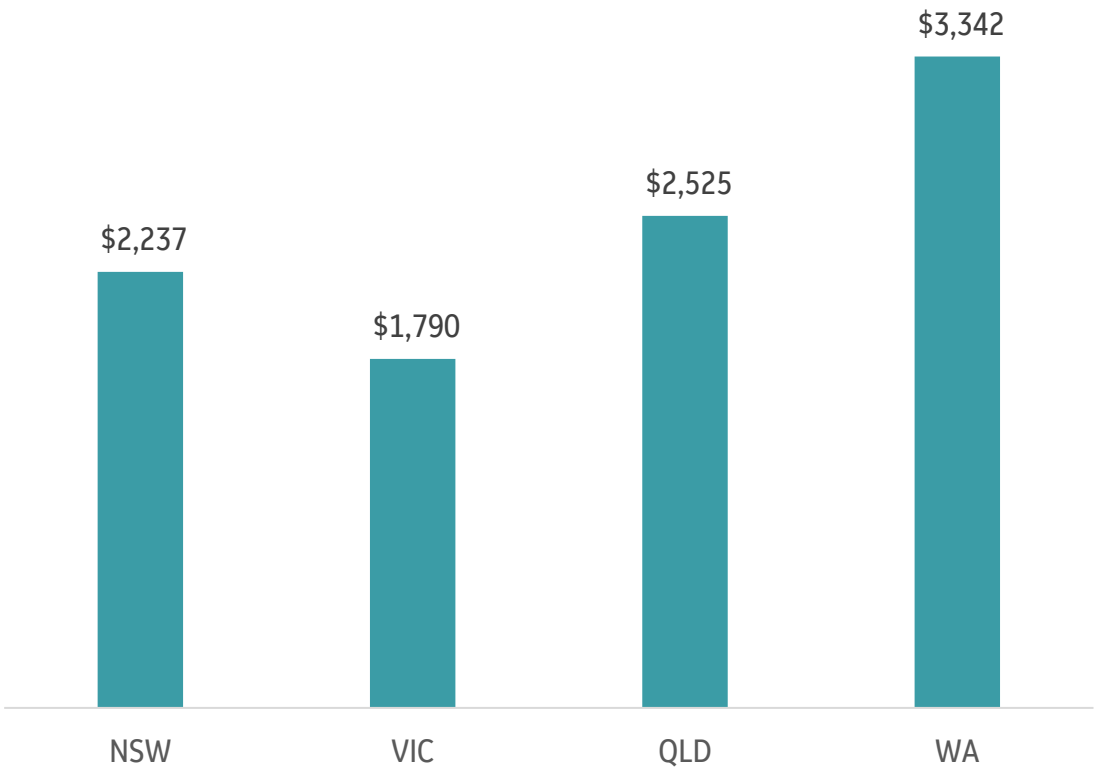


Property management **income**

Income per property -
by business size



Income per property -
by state

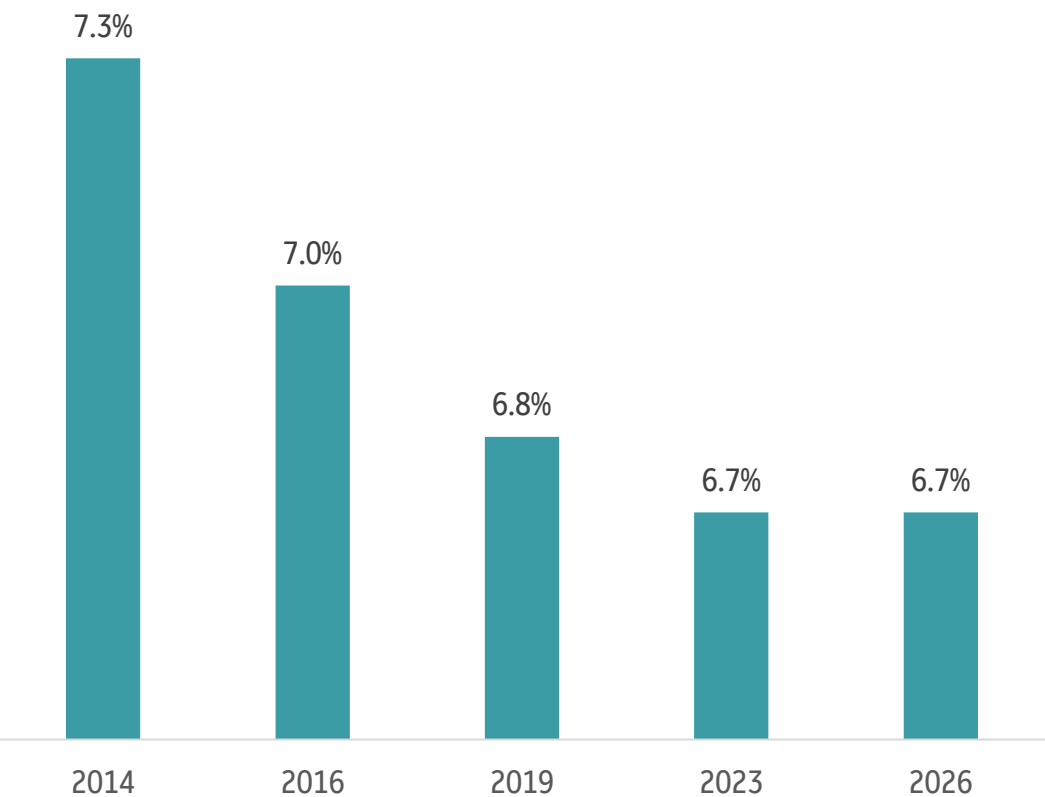


Property management **commissions**

PM commission squeeze, like sales, has slowed significantly. It's critical to prioritise levers other than pure price to win business.

Property management commission rate:

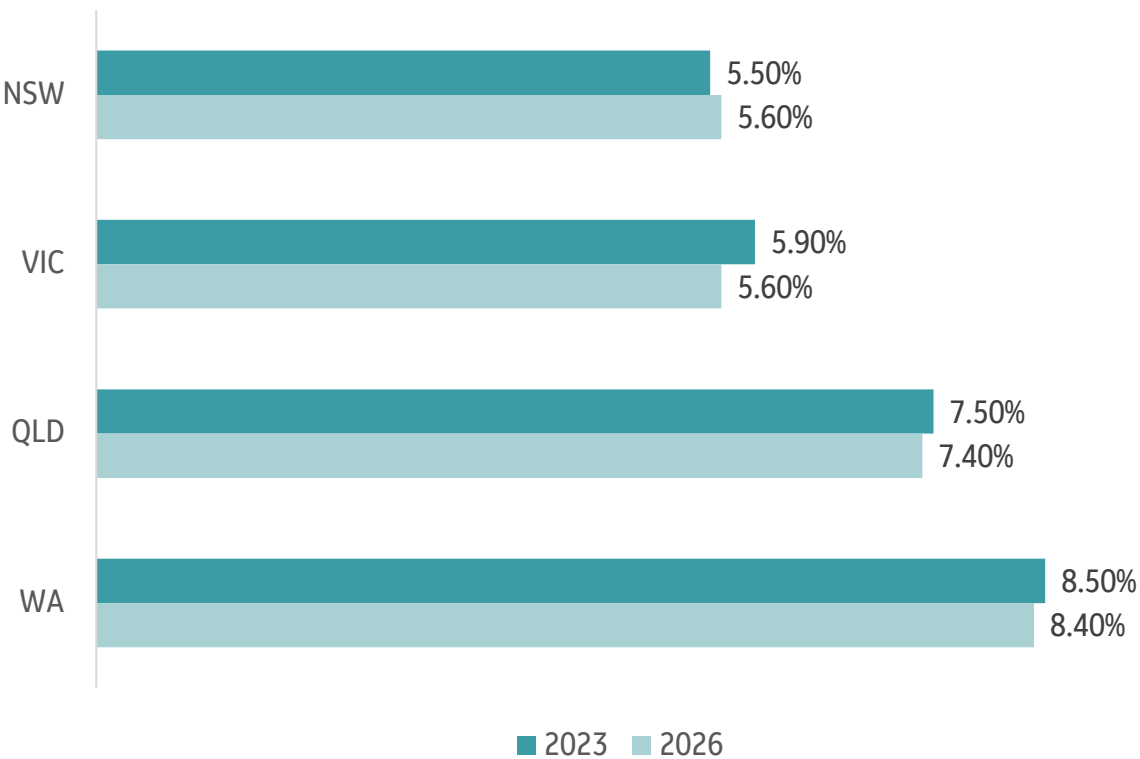
National trend



Q: What is your average property management commission rate, excluding GST and add-ons such as statement fees?

Property management commission rate

By state



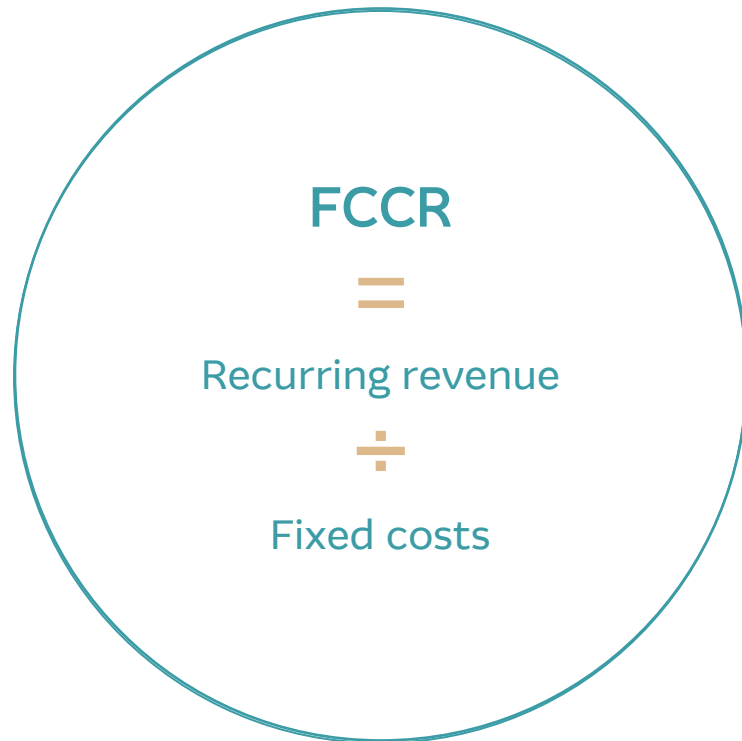
Getting the balance **right**

Property management

Do you know your Fixed Cost Coverage Ratio and Sales To Breakeven?

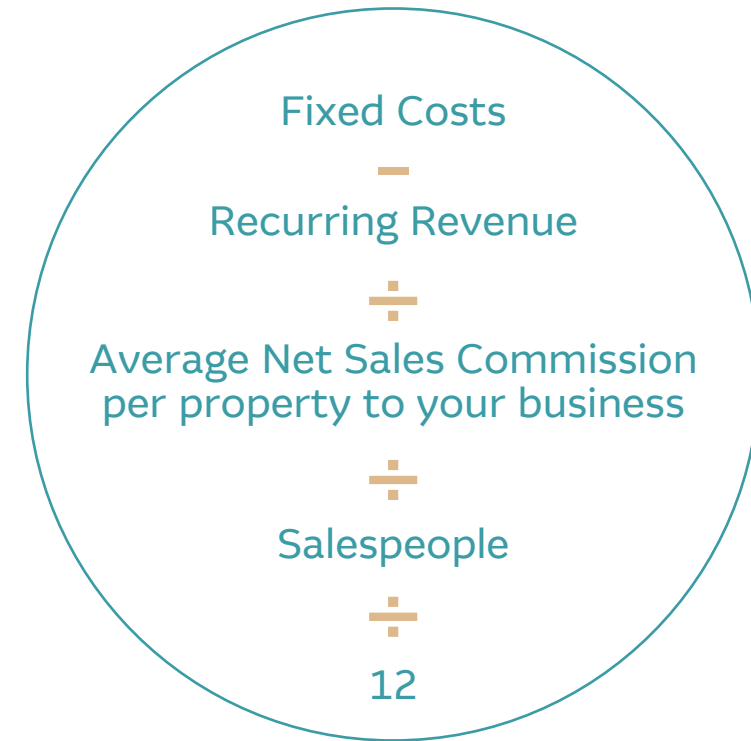
Fixed Cost Coverage Ratio

(FCCR)



Sales to Break Even

(S2BE) Per salesperson, per month



06

People and culture

Staff turnover

75% of agencies maintained or grew their team size in FY26, taking average headcounts from 22 to over 30.

Employees: current numbers, exits, and entries



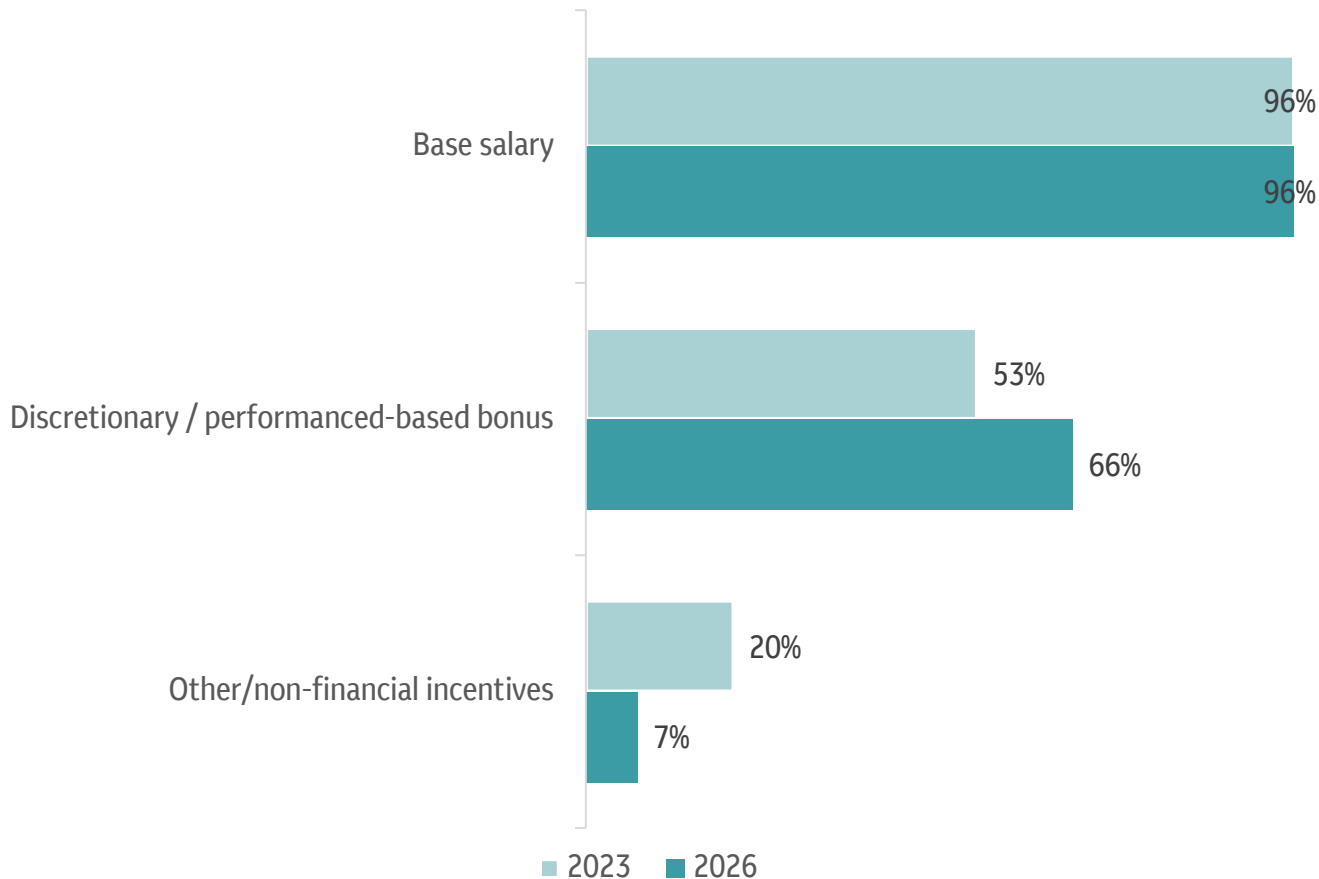
27%
of property managers changed employers in FY26
v 35% in FY23.

Q: How many people in the following roles are currently employed in the business, onshore and offshore?
Q: In the last 12 months, how many employees in the following roles have left your business?
Q: In the last 12 months, how many staff have you recruited into the following roles?

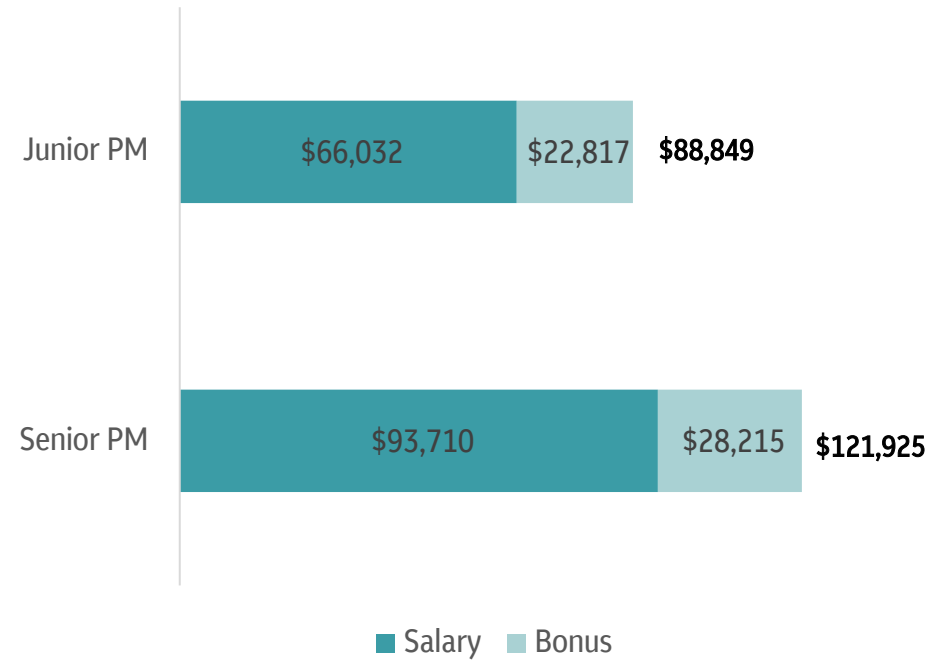
Property management remuneration

Nationally, salary composition has trended towards incentivising performance with bonus

Remuneration types offered



Property manager salaries



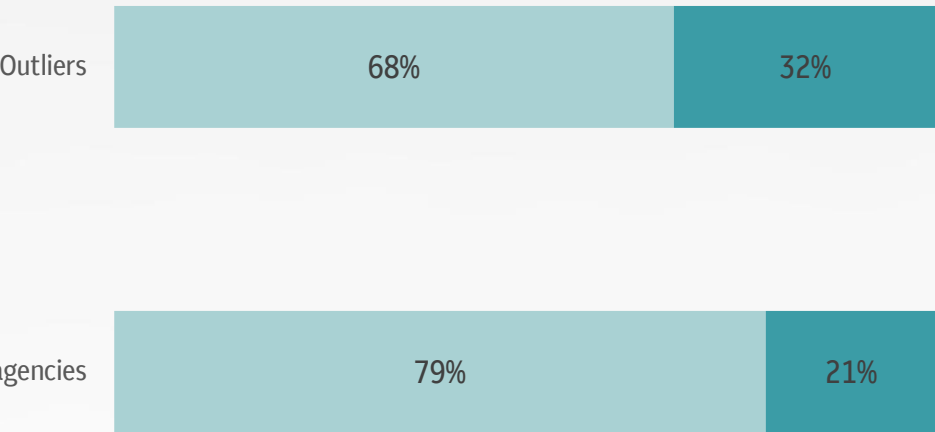
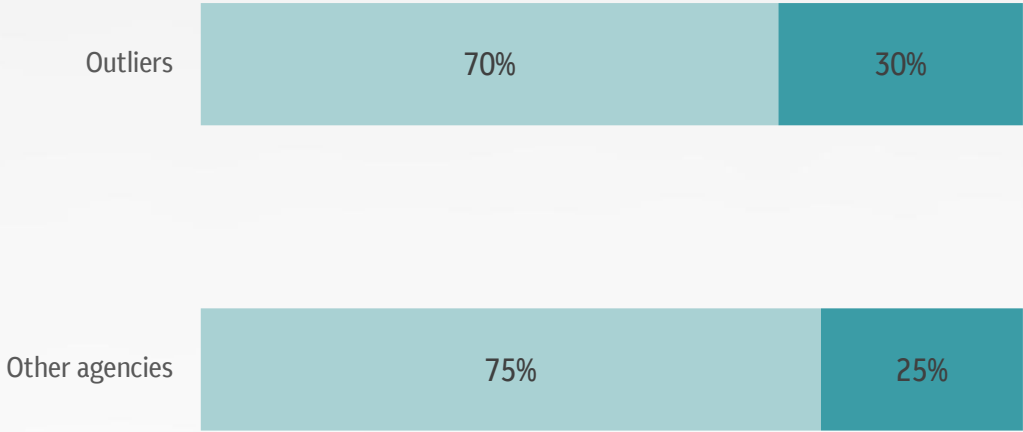
Q: When it comes to your property managers, how do you typically remunerate them?
Q: What is the current average remuneration for your property management team on an annual basis?

A look at the outliers

Outlier agencies have more productive property management teams who are incentivised by performance-based bonuses.

Junior property manager remuneration

Senior property manager remuneration



Base salary
Bonus and incentives

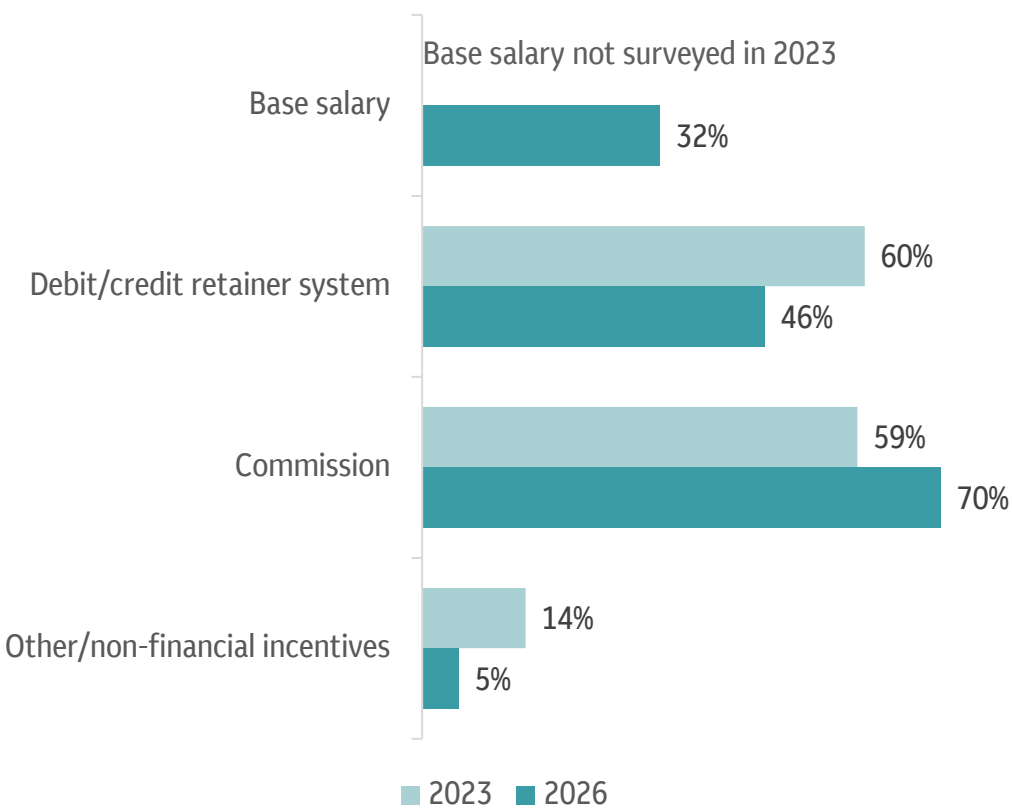
PUM per property management FTE



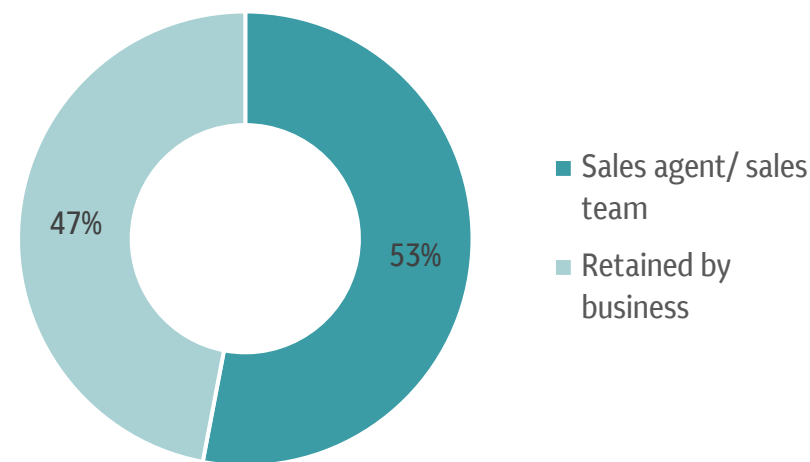
Sales remuneration

There has been a shift towards commissions across the states.

Remuneration types offered



Sales commission split



Average GCI
per sales agent

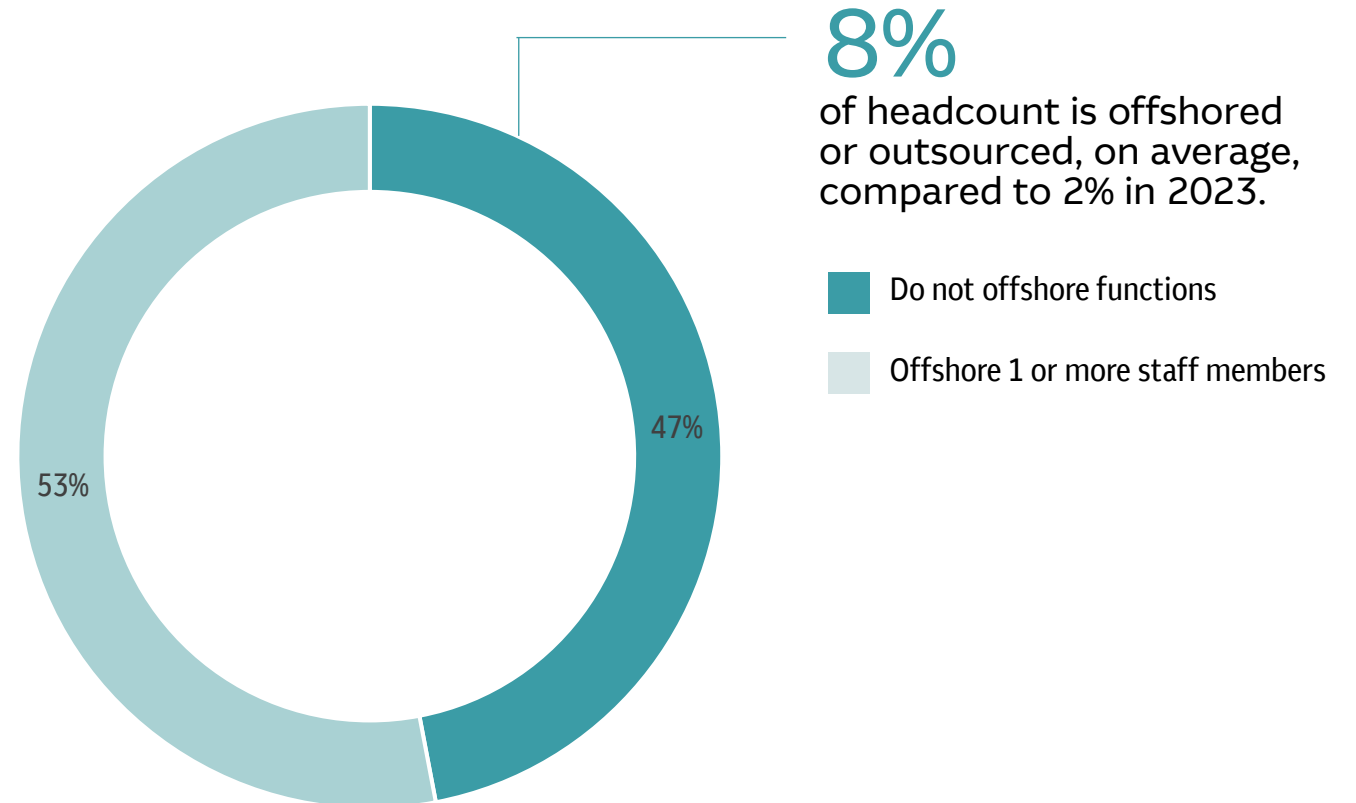
\$199,119

Q: When it comes to your sales staff, how do you typically remunerate them?
Q: What is the average sales commission split in your business?
Q: What is the average GCI earned per sales agent, pre-commission split?

Offshoring and outsourcing models

Offshoring remains a popular model amongst real estate agencies.

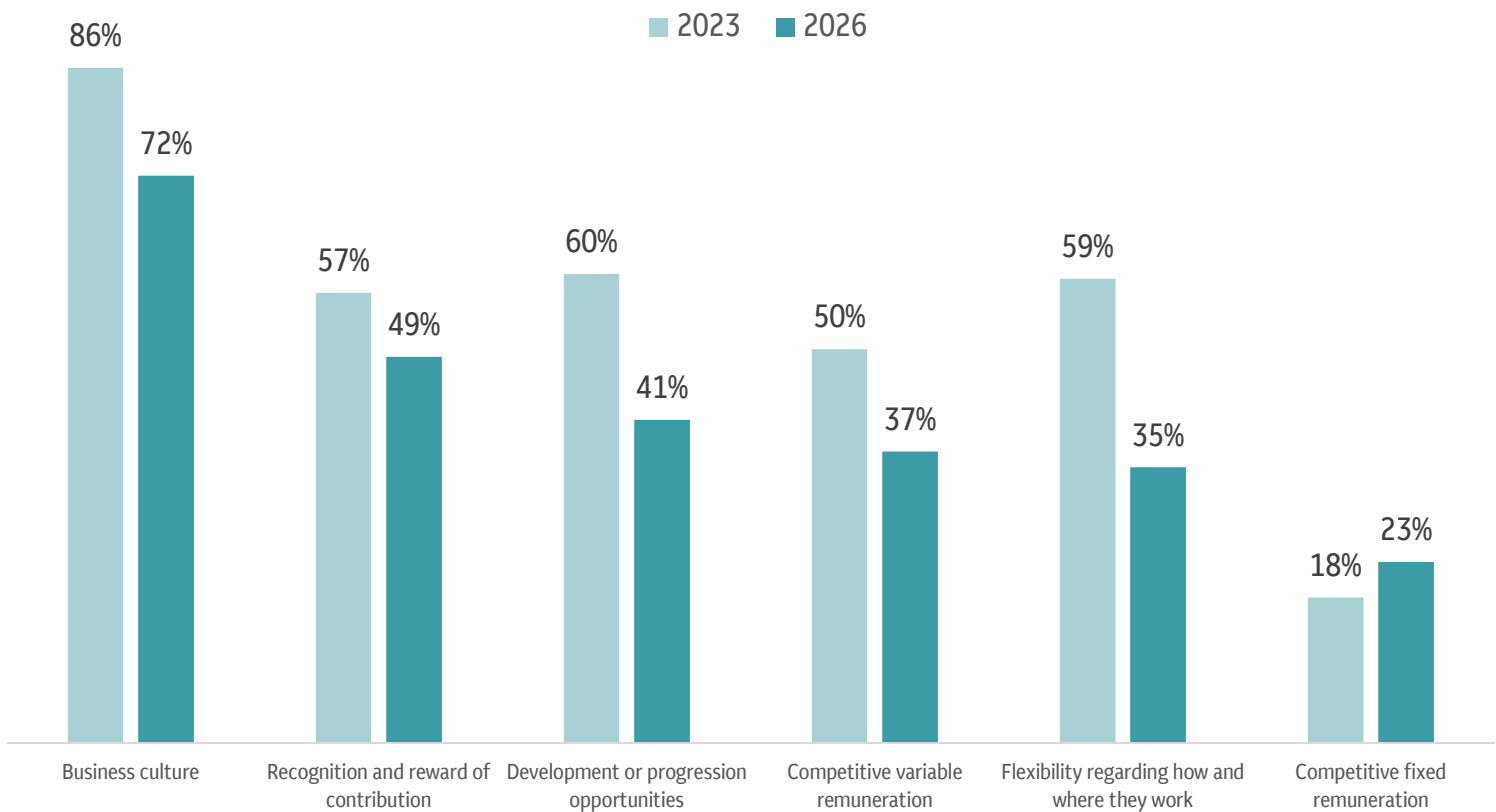
Onshore, outsourced and offshore staffing solutions



Retention **strategies**

Business culture and rewarding contribution remain the most valued way to retain staff.

Retention strategies most valued

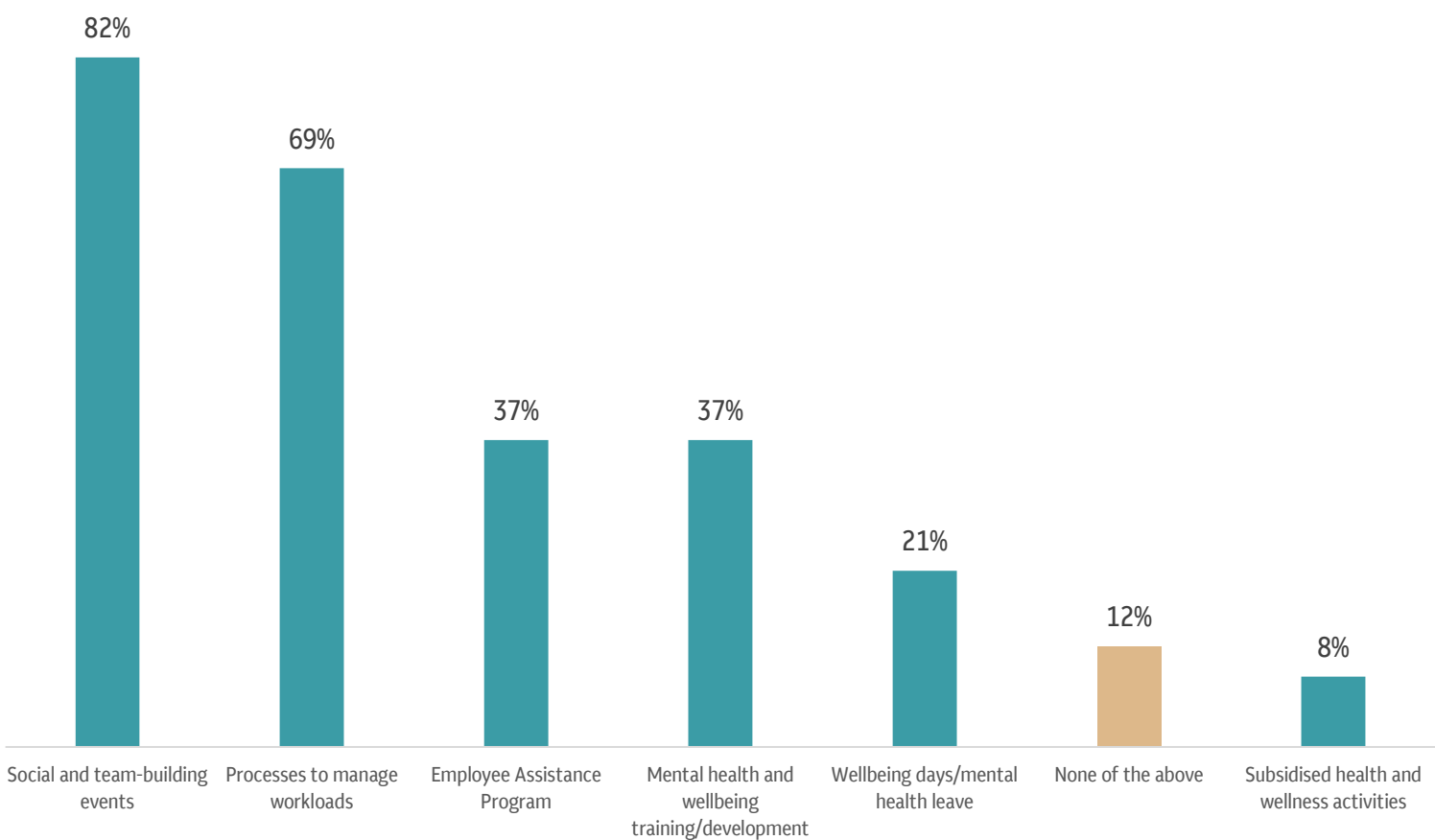


Flexible work may be becoming less of a driving factor in employee value propositions.

Mental health and **wellbeing**

Increasingly important as staff become more productive and efficient with larger workloads and more complex portfolios

Mental health and wellbeing support offered



Over 10% of respondents don't offer wellbeing support at their agency.

Q: When it comes to retaining your staff and supporting their mental health and wellbeing, which of the following strategies do you value most?

Some alarming facts



80%

Experience
anxiety relating
to workload



54%

Struggle with
mental health &
switching off



76%

Experience
symptoms of
burnout



53%

Deal with
aggression
& abuse



**13 people
per 100,000**

Average annual
suicide rate for
real estate
employees

Source: Revive Project 2020-2021

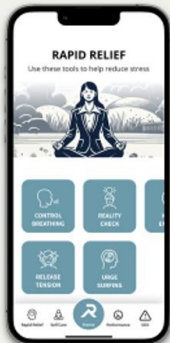
MRI Voice of Australian Property Managers 2024, Victorian Coroners Office

RÍSE

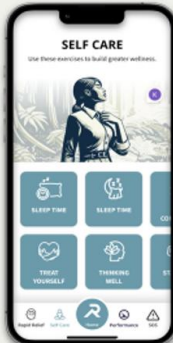
Mental health and **wellbeing**

If you're looking for more information on how you can support your team and their wellbeing, consider the **Rise Initiative**. It's a wellness charity dedicated to empowering real estate professionals.

A wellness coach in your pocket



Rapid Relief



Self Care



Performance



SOS Help

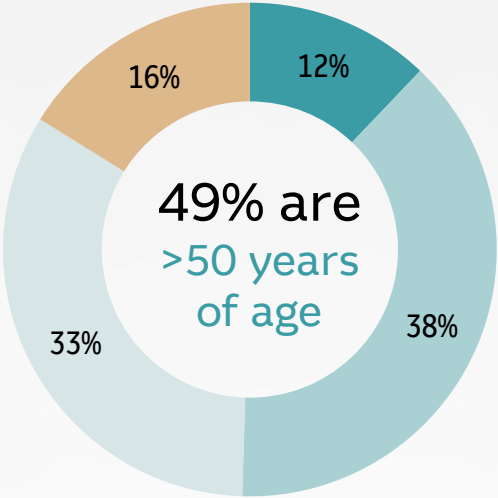


07

Succession and acquisition

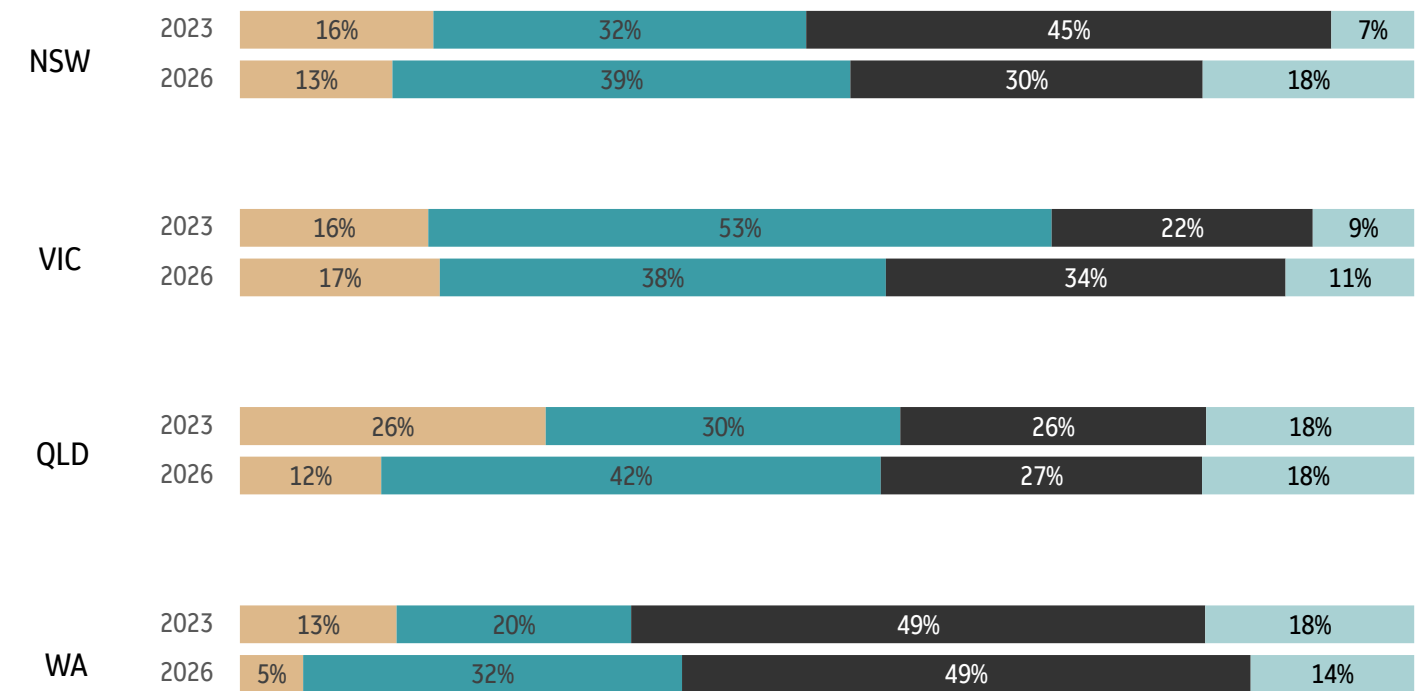
Demographics by state

Age of principal - national



■ Under 40 ■ 41-50 ■ 51-60 ■ Over 60

Age of principal – by state

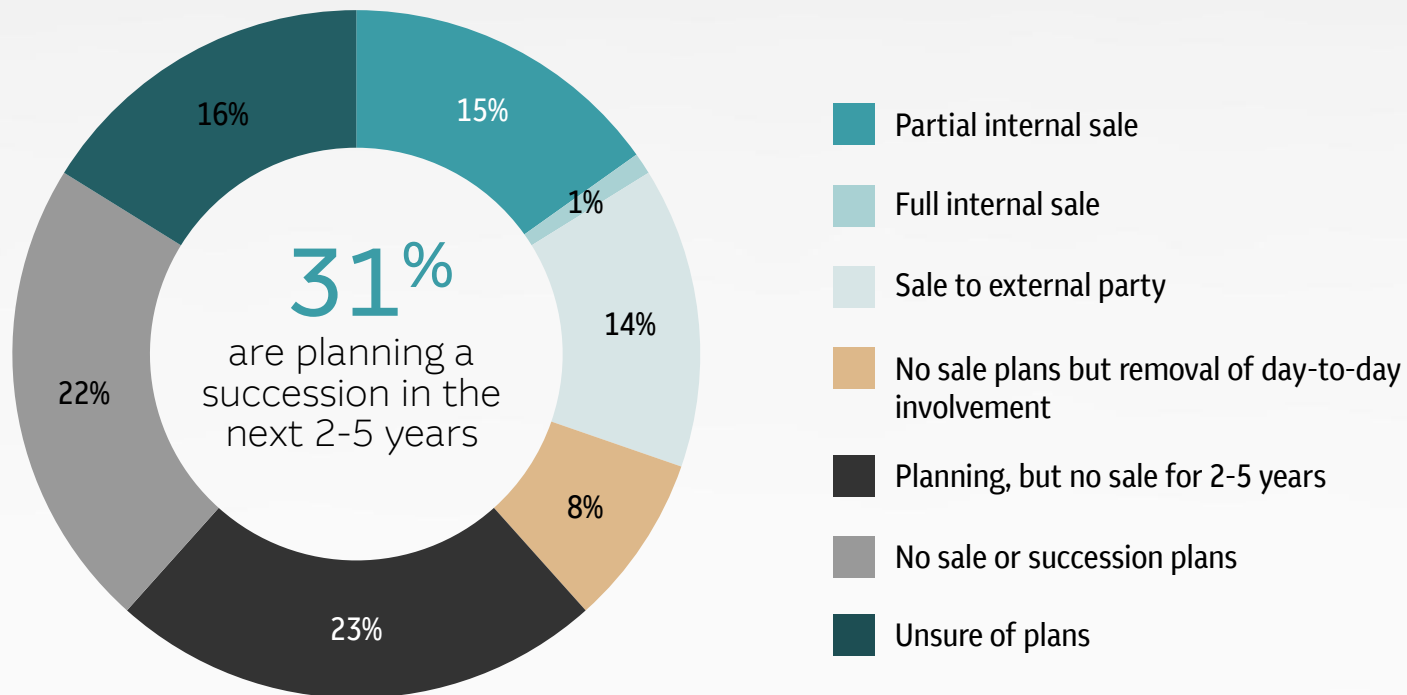


■ Under 40 ■ 41 to 50 ■ 51 to 60 ■ Over 60

Realising business **value**

The environment to realise value through succession and exit is becoming complex.

Future plans: ownership and involvement



37%

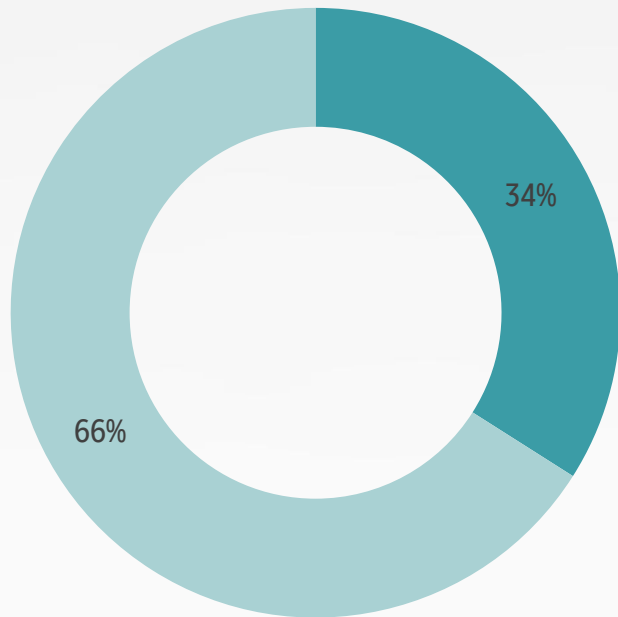
of respondents do not have a documented succession plan.

No matter the age or tenure of your business, planning for your next generation is critical.

The acquisition **market**

A third of respondents have immediate acquisition plans, and most have their sights set on scale.

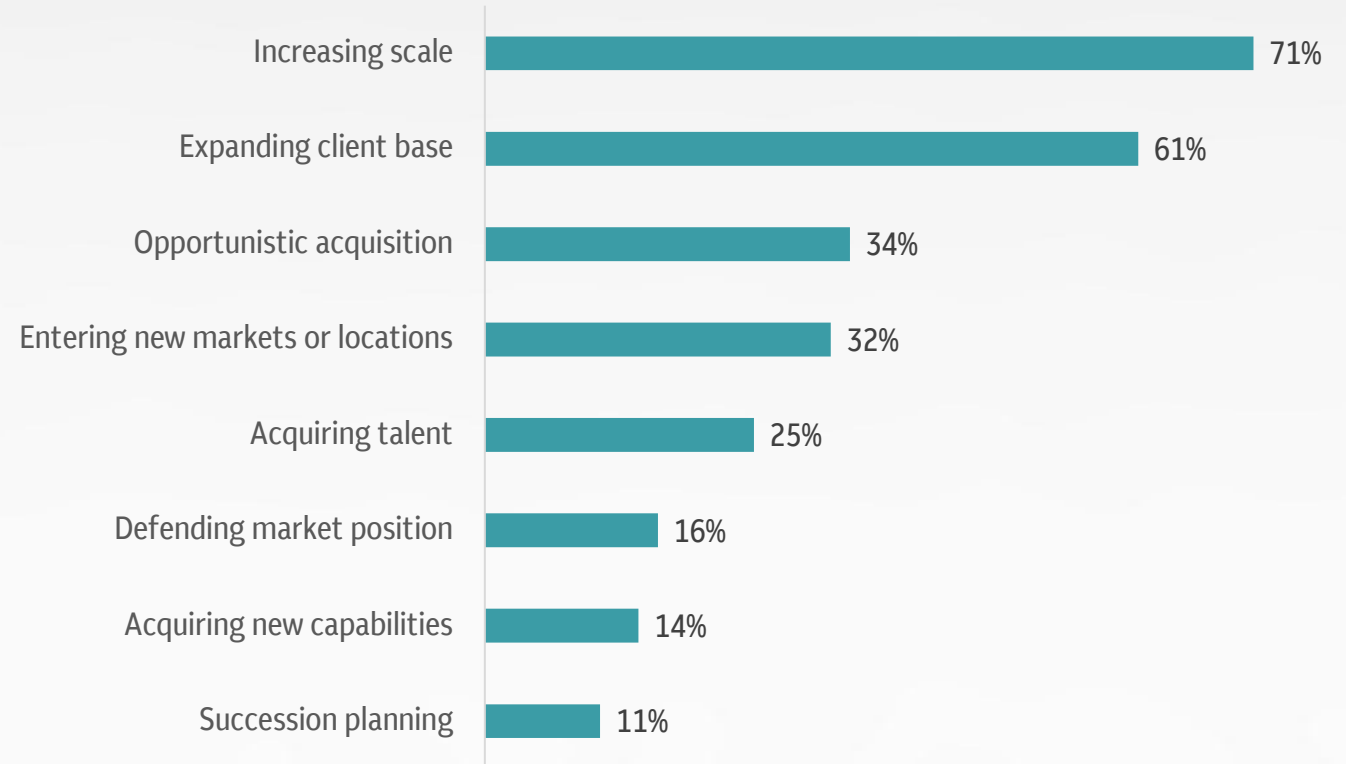
Respondents planning to acquire



34%

looking to acquire in the
next 2-5 years

Reasons for acquisition



08

What lies ahead?

Factors affecting the industry

What lies ahead?

Impact of issues vs preparedness

Least prepared for the impacts of:

- Economic conditions
- Talent shortages and wage pressures
- Margin pressures
- AI disruption



Q: How much of an impact do you feel the following industry issues will have on your business and future decision-making in the next 2 years?

Q: And how prepared does your business feel to manage for these issues and challenges?

IMPACT ON BUSINESS (% SIGNIFICANT IMPACT)

Why AI, **why now?**

The pace of change is only accelerating

84%

of Australians using AI at work¹

27%

increase in revenue growth per employee²

64%

predict AI use has increased their revenue, profit and/or cash flow³

1 hour

on average saved by each employee per day by using AI⁴

74%

are seeing return on investment from generative AI⁵

From Chatbots to Agents

AI now handles complex, multi-step workflows. Your team shifts from 'doers' to 'reviewers and strategic partners'.

Barriers Have Collapsed

Plummeting costs and no-code builders mean your team can create AI tools without data scientists.

The End of Search?

Conversational AI provides instant, synthesised answers to complex questions, replacing manual research.

¹ Future Ready: Australians and AI Workplace Tech, Tech Council of Australia

² AI Jobs Barometer, PWC

³ AI Adoption in Australian Businesses 2025 Q1, Department of Industry, Science and Resources

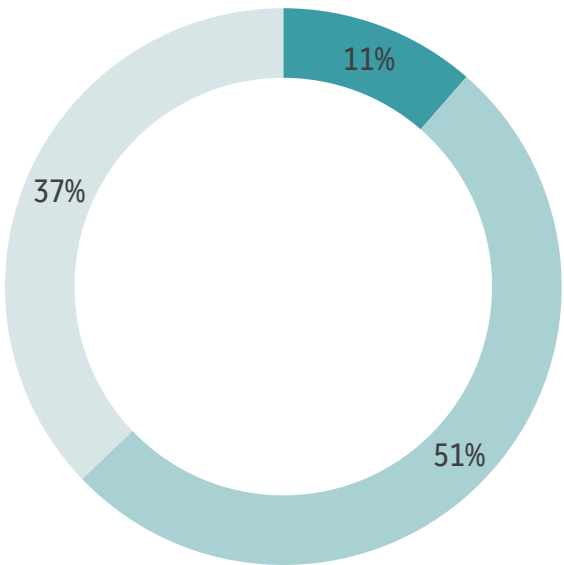
⁴ Working Through Change, Adecco Group

⁵ Google Cloud's Generative AI Index, Google Cloud

Artificial intelligence

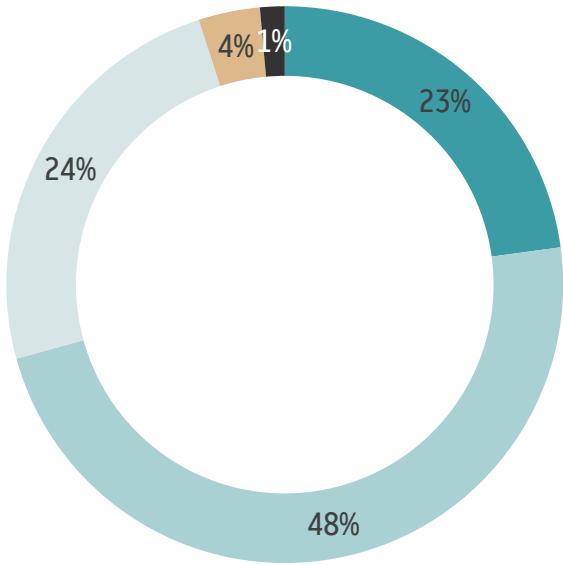
AI use in the real estate industry is broad, but not deep.

Impact of AI implementation in agency



- Significant change
- Some change
- No change

Levels of AI adoption



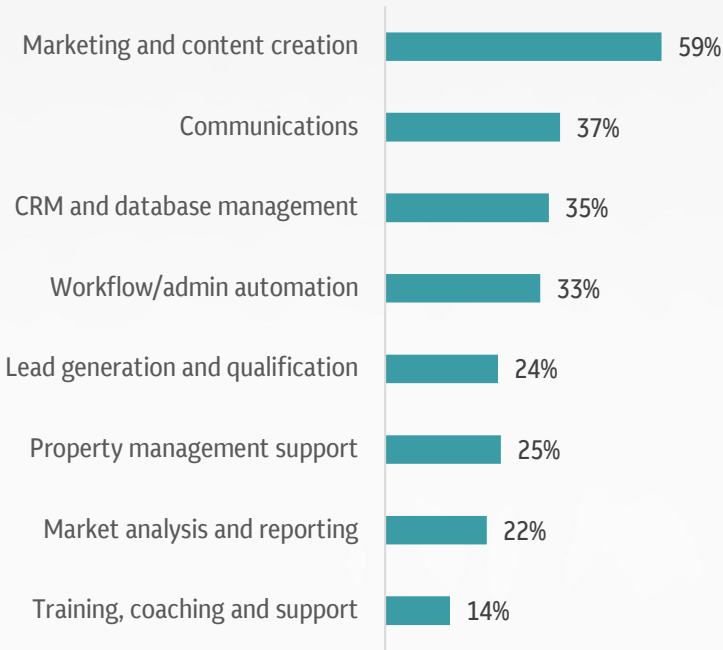
- Exploring
- Experimental
- Operational
- Strategic
- Transformational

What lies ahead?

AI use in the real estate agency

84% of respondents use AI in their agency

AI use cases

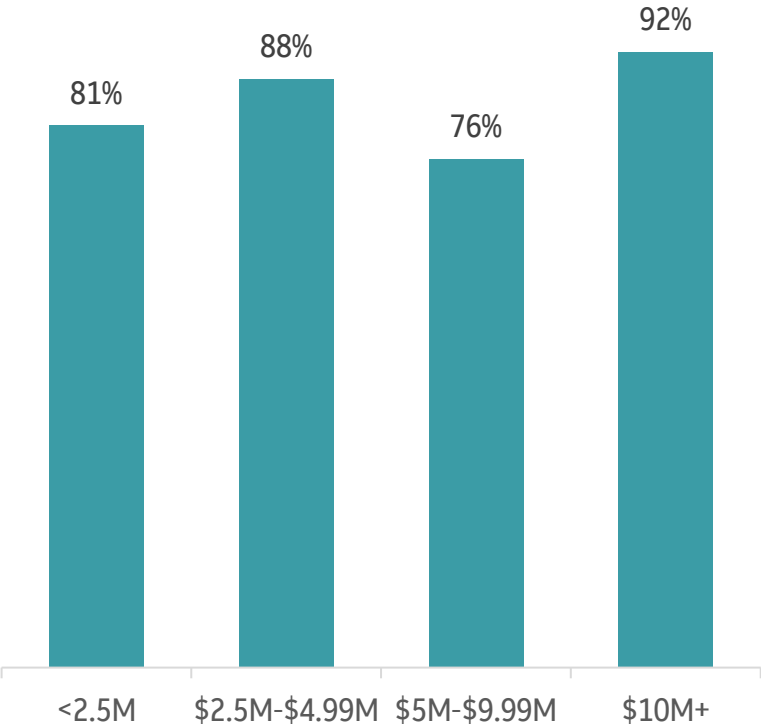


Q: Has AI fundamentally changed any business processes?
Q: Which of the following statements best describes your business's current stage of AI adoption?
Q: If you use AI in your agency, which of the following are you using it for?

AI by business size

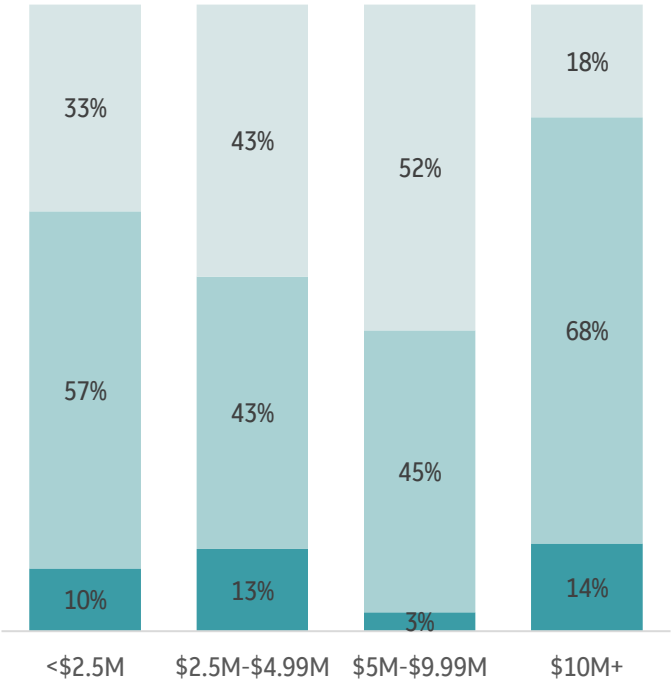
What lies ahead?

AI use - by business size



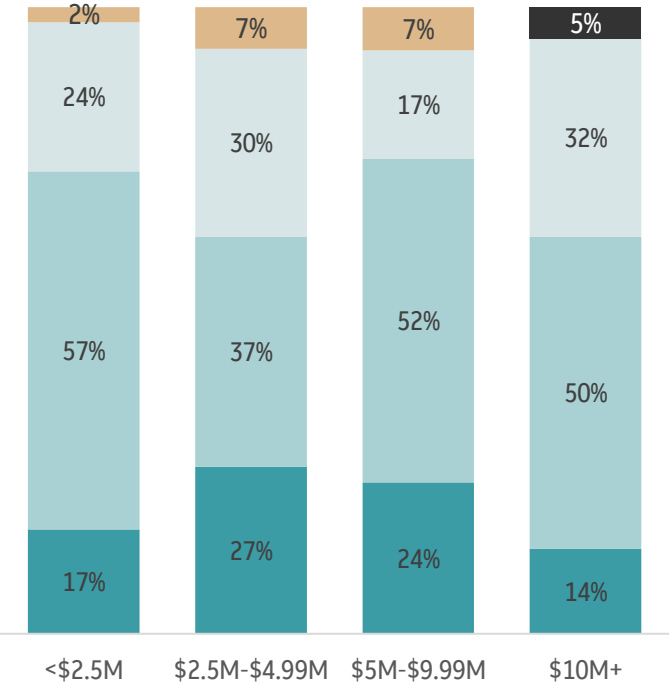
Impact of AI implementation in agency

By business size



Levels of AI adoption

By business size



Q: Has AI fundamentally changed any business processes?
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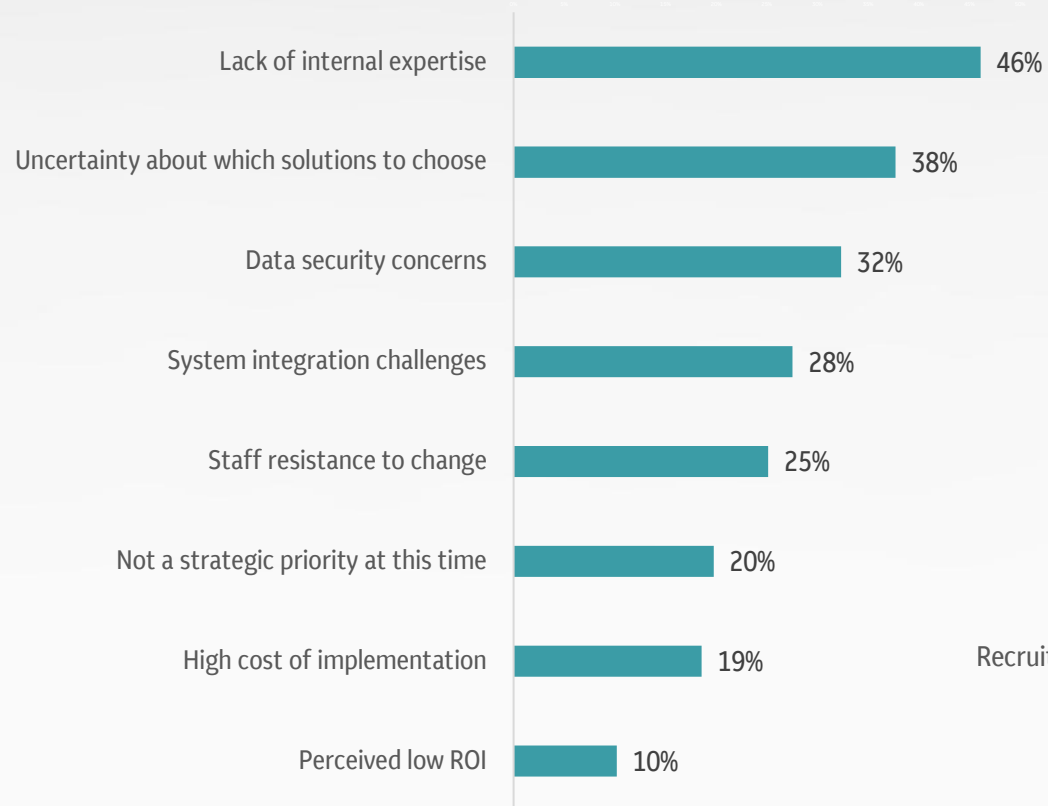
Exploring
Experimenting
Operational
Strategic
Transformational

AI barriers

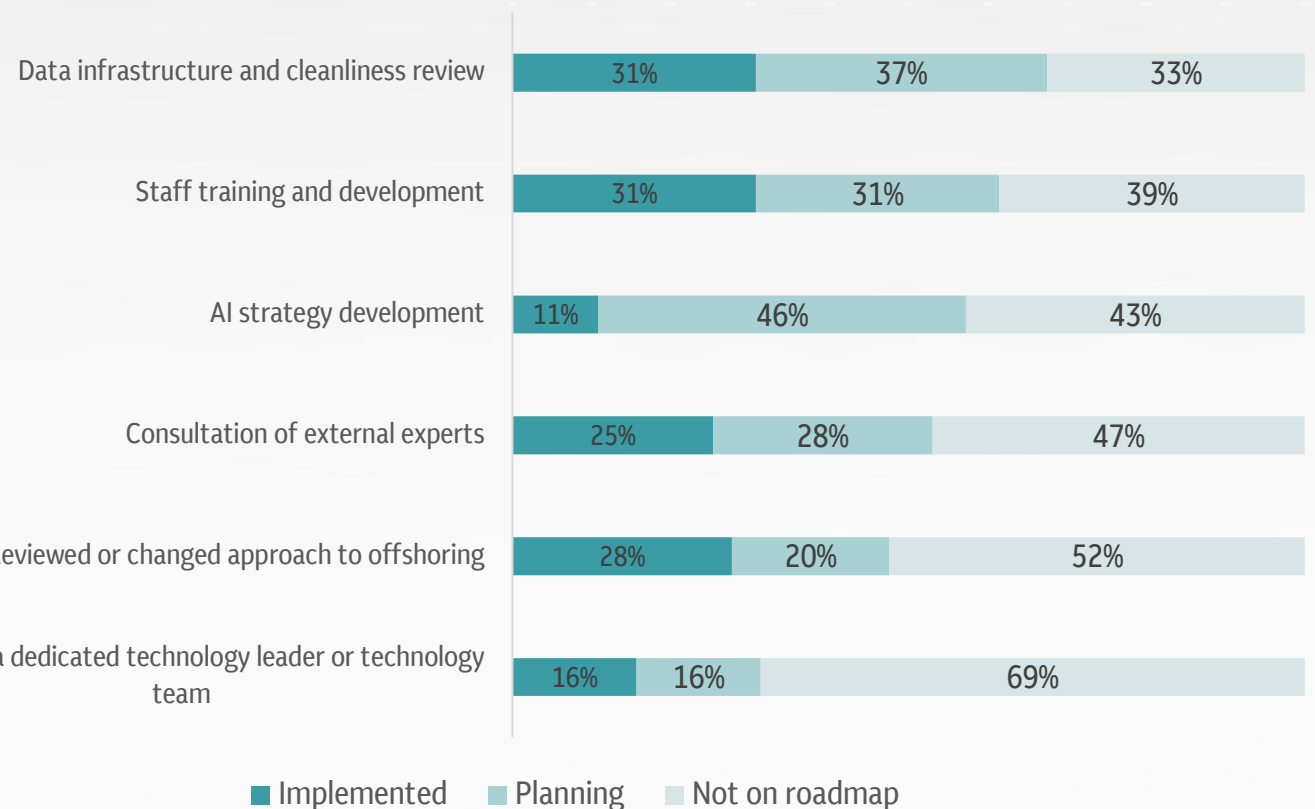
What lies ahead?

Strategic AI use and implementation is less prevalent in the industry, largely due to a lack of confidence in options, security and systems. However, a large portion are planning to solve for these gaps.

Barriers to AI adoption



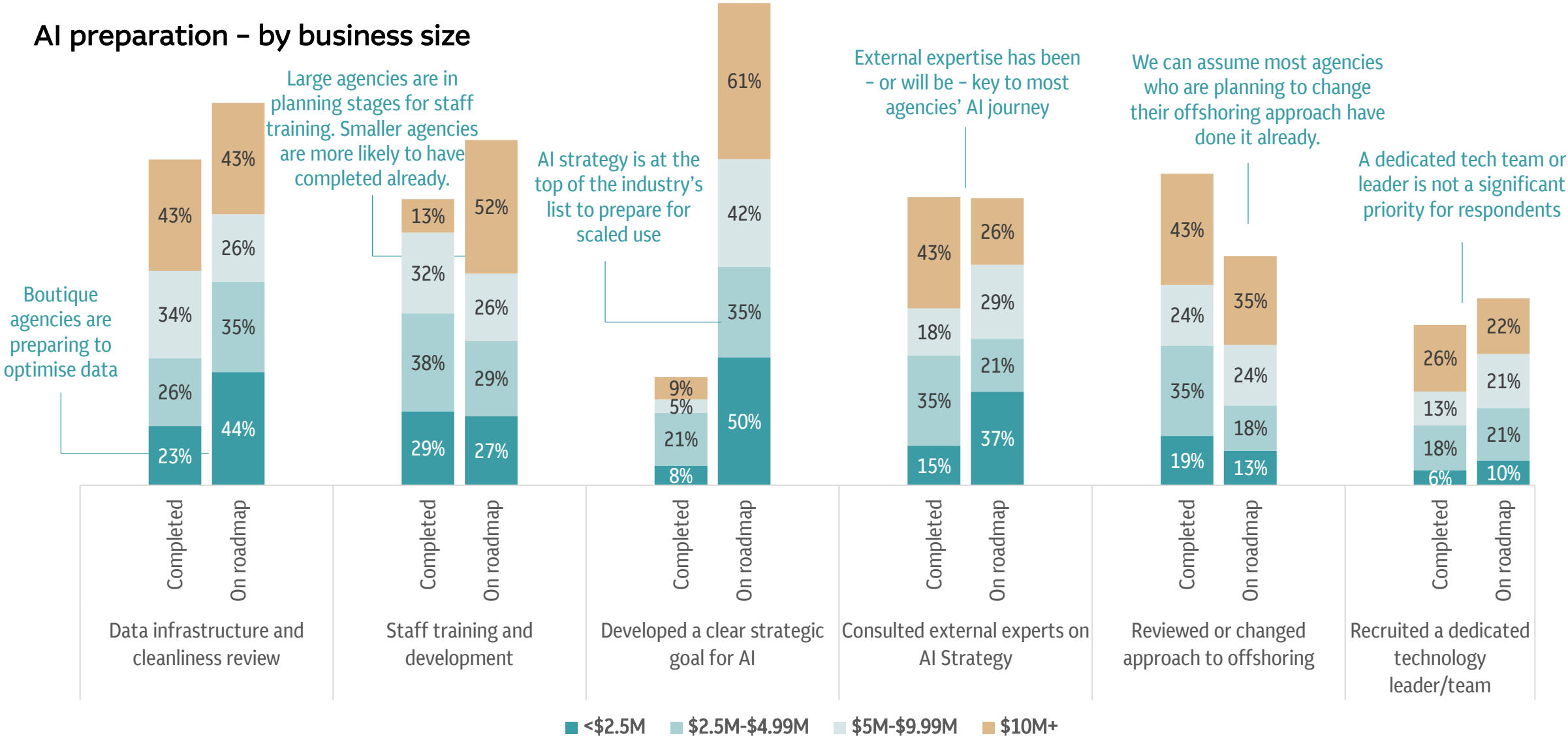
Preparation for AI



Preparing your business for AI

What lies ahead?

AI preparation – by business size



Three things **we've learned**

AI's true potential is unlocked when a clear business strategy is championed by an empowered team and fuelled by your own unique knowledge.

1 Business Strategy Before AI

The best AI initiatives **start with a business objective**, not a tool. AI is a powerful enabler of strategy, not the strategy itself.

Start here:

Identify your top 3 strategic priorities. Then ask: how can AI help?

2 Adoption is Everything

Deploying AI is the easy part. Getting people to embrace it is the challenge. Combine **visible leadership** commitment with organisation-wide empowerment.

Start here:

Leaders go first. Give every employee access to a core AI tool and training.

3 Your Knowledge is Your Moat

Off-the-shelf AI is a commodity your competitors can buy too. Your edge is applying AI to **your proprietary knowledge**. Make it centralised and machine-readable.

Start here:

Identify your most critical, inaccessible knowledge. Pilot centralising it and making it AI ready.

How will your business **respond**?

What lies ahead?

Business leaders have more to navigate as the market complexifies.

Continue the trajectory of managing costs, nurturing productive staff and staying agile in a challenging market.



People

- Enable efficiency and productivity
- Support wellbeing and workload
- Client service is key in a relationship-driven industry
- Consider succession as part of your long-term strategy



Process

- Increased expenses require increased output
- Streamline repetitive, time-consuming tasks to increase value-add activity



Platform

- Create a technology and AI plan tailored to your business
- Start with tech strategy and process mapping before committing to platforms
- Foster a learning environment amongst your people

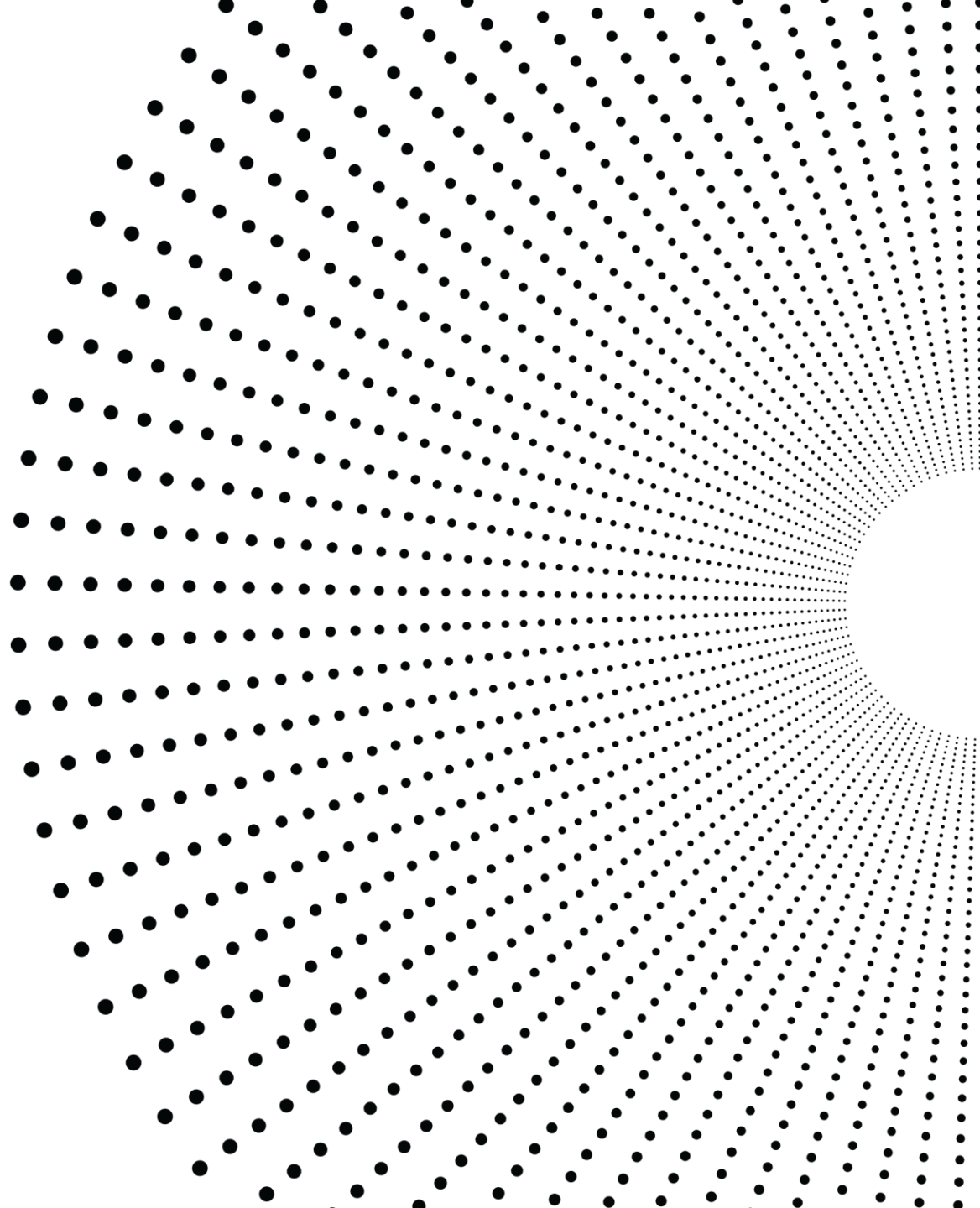
Talk with us

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