

HTAG RESEARCH

Australia's Investor Exposure Index

Where investor ownership is most concentrated ahead of the proposed 2027 negative-gearing and capital-gains-tax changes — a suburb-level map of structural policy exposure.

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National · Houses & units · Suburb level



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The exposure is real, concentrated, and not where the debate assumes

The Australian Government's proposed 2027 reforms would quarantine negative-gearing losses to investment income and replace the 50% capital-gains-tax discount with a CPI-indexed cost base. The stock most affected is property that is investor-held and run at a rental loss today. This index ranks suburbs on exactly that structural signature — investor (renter) concentration combined with negative-gearing intensity (low gross yield) — to show, at suburb level, where that ownership is most concentrated. It is a map of positioning, not a forecast of prices.

26

suburbs nationally meet the high-confidence exposure screen

58%

of the exposed cohort sits in New South Wales

2.7%

median gross yield across the exposed set

60%

median renter share — investor-dominated ownership

- Just **26 suburbs** nationally combine renter-majority ownership with sub-3% gross yields at high data confidence — the structural signature of stock most reliant on negative gearing.
- Exposure is **concentrated, not nationwide**: NSW 15, Queensland 7, Victoria 3, South Australia 1.
- It is heaviest in **established inner-city markets** — East Brisbane, Surry Hills, Glebe, Potts Point, Redfern — not the outer mortgage belt the policy debate usually points to.
- **Seven** exposed suburbs sit in the bottom four socio-economic deciles, where a thinner owner-occupier buyer pool offers less of a price cushion if investors list together.

CONTEXT

What the 2027 reforms change

Two measures drive the exposure. First, **negative-gearing quarantine**: rental losses could no longer be deducted against wage and salary income, only carried forward against future investment income. The deeper a property's current rental loss — that is, the lower its yield relative to price — the larger the deduction at stake. Second, the **capital-gains-tax change**: replacing the 50% discount with a CPI-indexed cost base raises the effective tax on nominal gains, weighing most on long-held, highly-appreciated holdings.

Together they bear hardest on a specific kind of stock: **investor-owned property running at a rental loss**. That is what this index locates. Where many such properties cluster in one suburb, any behavioural response — whether holding, listing, or repricing — is most likely to be visible at the suburb level first.

How exposure is measured

Universe

All Australian house and unit markets in the HTAG warehouse at suburb level (May 2026), restricted to High data-confidence and the all-bedroom median. This is a deliberately strict screen designed to surface structural exposure, not every investor suburb.

Exposure signature

A suburb enters the exposed set when it is renter-majority (renter-to-owner ratio above 0.55) and runs a sub-3% gross yield — the Extreme-Risk signature defined in HTAG’s Budget Knock-On Classifier (v3.0).

Exposure Score (0–100)

Within the exposed set, each suburb is scored on two equally-weighted, transparent components: negative-gearing intensity (lower gross yield scores higher) and investor concentration (higher renter share scores higher). The score is relative to the exposed cohort — it ranks exposure within the most-exposed group, not against the whole market.

Socio-economic context (IRSAD)

The ABS IRSAD decile (1 = most disadvantaged, 10 = most advantaged) is reported for each suburb. Where high investor concentration meets a low decile, the owner-occupier buyer pool that would normally absorb investor selling is thinner — a structural amplifier, reported alongside the score rather than folded into it.

Editorial governance

One suburb that cleared the screen (Burwood, NSW) was held out of the ranking as a data anomaly — a \$3.28m house median against roughly \$993/week rent implies a sub-1.6% yield and a 175-year years-to-own, consistent with redevelopment-skewed medians rather than a representative rental. HTAG flags such cases rather than silently dropping them.

Anchor research

The classification framework is anchored to Fedoseev & Djolic (2026), the HTAG AR(2) study across 7,200 Australian suburbs, and the HTAG Budget Effects working memo (May 2026).

NATIONAL FINDINGS

The most budget-exposed suburbs in Australia

Ranked by HTAG Exposure Score (higher = greater concentration of investor-owned, negatively-g geared stock). All values are HTAG warehouse figures for the all-bedroom suburb median, May 2026, high-confidence suburbs.

#	SUBURB	STATE	TYPE	MEDIAN PRICE	YIELD	RENTER	IRSAD	SCORE
1	East Brisbane	QLD	House	\$1,901,296	2.25%	62%	10	78
2	Surry Hills	NSW	House	\$2,752,720	2.56%	65%	10	74
3	Glebe	NSW	House	\$2,786,835	2.27%	61%	10	71

#	SUBURB	STATE	TYPE	MEDIAN PRICE	YIELD	RENTER	IRSAD	SCORE
4	Potts Point	NSW	Unit	\$2,185,402	2.62%	65%	10	69
5	Redfern	NSW	House	\$2,483,922	2.51%	62%	10	60
6	Chermside	QLD	House	\$1,350,131	2.63%	63%	5	58
7	Clayton	VIC	House	\$1,384,637	2.47%	61%	7	57
8	Bondi Beach	NSW	Unit	\$2,070,748	2.94%	66%	10	53
9	Liverpool	NSW	House	\$1,310,984	2.57%	61%	1	51
10	Darlinghurst	NSW	Unit	\$2,018,581	2.74%	62%	10	45
11	South Yarra	VIC	House	\$2,199,067	2.76%	62%	10	43
12	Elizabeth Bay	NSW	Unit	\$2,397,234	2.55%	59%	10	41
13	Adelaide	SA	House	\$1,228,590	2.97%	64%	9	40
14	Toowoomba City	QLD	House	\$999,689	2.69%	59%	2	31
15	Penrith	NSW	House	\$1,142,234	2.83%	60%	3	28
16	Kirribilli	NSW	Unit	\$1,816,288	2.93%	61%	10	26
17	Fairfield	NSW	House	\$1,298,270	2.72%	58%	1	24
18	Lethbridge Park	NSW	House	\$1,021,748	2.65%	57%	1	23
19	Newtown	NSW	House	\$2,280,982	2.77%	58%	10	20
20	Birtinya	QLD	House	\$1,436,994	2.98%	60%	9	17
21	St Kilda	VIC	House	\$1,715,406	2.99%	60%	10	17
22	Southport	QLD	House	\$1,556,747	2.83%	58%	4	16
23	Redbank Plains	QLD	House	\$931,956	2.97%	58%	1	7
24	Pimpama	QLD	House	\$1,218,568	2.90%	57%	5	6
25	Mascot	NSW	House	\$2,081,536	2.95%	57%	10	3

Yield is gross (annualised weekly rent ÷ median price); renter is the renter-to-owner ratio; IRSAD is the socio-economic decile. Burwood (NSW) cleared the screen but is held out of the ranking as a data anomaly (see methodology).

Where it concentrates

BY STATE

New South Wales carries the majority — 15 of 26 — led by Sydney's inner-east apartment cluster (Potts Point, Elizabeth Bay, Darlinghurst, Kirribilli, Bondi Beach). Queensland's seven split between inner-Brisbane and South-East growth corridors; Victoria's three are inner-Melbourne; South Australia contributes inner Adelaide.

BY STRUCTURE

The cohort is 21 houses and 5 units. The most-exposed markets are established, high-IRSAD inner suburbs where investor ownership is high and yields are thin because prices have run well ahead of rents — the opposite of the outer mortgage-belt framing the policy debate usually assumes.

INTERPRETATION

What it means — and what it does not

For buyers and their agents

The index flags where post-reform listing volume is most likely to concentrate, and therefore where negotiating conditions could shift first. It is a watchlist of where to be attentive, not a buy or sell signal.

For owners

It shows whether a holding sits inside or outside the structurally exposed cohort — a starting point for a conversation with a licensed adviser, not a recommendation.

A positioning map, not a price forecast

The index identifies where investor exposure is concentrated today. Whether and how that translates into listings or price movement depends on the final legislation, grandfathering provisions and interest-rate conditions — none of which this index predicts.

Go deeper than the headline

This report publishes the full national high-confidence screen. The live Investor Exposure dataset — every qualifying suburb across all confidence bands and bedroom segments, with street-level renter concentration, hold-period and forward-supply signals, refreshed monthly — is available to HTAG members and through the HTAG Developer Portal.

htag.com.au · developer.htag.com.au

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ABOUT HTAG RESEARCH

HTAG Research is the data-research arm of HTAG Analytics (htag.com.au), Australia's property intelligence platform. It publishes original, methodology-led analysis built on the HTAG warehouse — suburb-level price, rent, yield, supply, demand and socio-economic data across the national market — to help investors, buyers' agents and the wider market make evidence-based decisions.

Important. This report is not financial advice. It is HTAG's classification of policy exposure based on the v3.0 cascade and composite scoring framework. The underlying HTAG model has a typical error of 1.4 percentage points on annual price growth. We rank exposure; we do not predict prices. Treatment of the proposed reforms — including grandfathering and any principal-residence-conversion provisions — is subject to final legislation and ATO confirmation. Data source: HTAG Analytics property warehouse, accessed via the HTAG Intelligence API, May 2026.

