HOUSING AFFORDABILITY REPORT

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CoreLogic

ANZ

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ANZ CORELOGIC HOUSING AFFORDABILITY REPORT

Australian home values are firmly in the downswing phase of the property cycle. The CoreLogic national home value index is down 2.0% since peaking in April, or the equivalent of a decline of around $15,000 in the median dwelling value. At the national level, the pace of decline in home values is the fastest observed since the Global Financial Crisis. However, we continue to see diversity in performance between markets.

Many indicators corroborate softer housing market conditions. In the three months to July, the median time a property took to sell rose to 32 days, up 11 days from the end of last year. Vendor discounting has deepened to -3.8%, from -2.9% at the end of last year. As properties have taken longer to sell, total advertised stock levels have accumulated, and in the capital cities advertised stock is around 6% higher than it was in August last year.

This shift in the Australian housing market is largely a result of the normalisation of monetary policy, as the Reserve Bank of Australia seeks to combat the highest inflation levels in Australia since 1991.

Lower home values may seem like good news for potential homebuyers. As dwelling values decline, some housing affordability metrics will begin to show improvement. In the combined capital city market, time needed to save a 20% deposit fell for the first time in almost two years (albeit marginally) in the June quarter. The dwelling value to income ratio also declined across the combined capital cities, led by Sydney and Melbourne, where home price falls have been more concentrated.

However, mortgage costs are rising, rents are rising, and household budgets are stretched. The portion of annual household income required to service a new mortgage nationally increased to 44.0% in June, up from 40.4% at March 2022. Additionally, there has been little relief in rental affordability, with new rental payments now at 30.9% of median household income, up from 30.3% in the previous period. Cash rate rises are yet to quell the supply and demand pressures behind other cost of living increases, leaving households to bear rising cost pressures on several fronts.

This report provides an overview of the four different indicators of housing affordability measured by ANZ and CoreLogic. The report uses updated estimates of income data, derived from the Australian National University Centre for Social Research and Methods (ANU), combined with median home values and rent values produced by CoreLogic. Definitions of the metrics used throughout the report are detailed in Appendix 1, while a full summary of metrics by region are provided in Appendix 2.

DEPOSIT HURDLE DECLINES ACROSS FOUR CAPITAL CITIES THROUGH JUNE

Time needed to accumulate a 20% home loan deposit is a particularly important metric for understanding challenges in the first homebuyer segment. This is because homeowners benefit from equity gains when housing values rise, whereas first homebuyer savings may not keep pace with the market.

This 'deposit hurdle' is reflected in the decline in home ownership rates to 66.2% in 2019-20, down from 68.3% in 2007-08, and 70.3% in 1997-98, as reported by the ABS.

As of June this year, CoreLogic estimates it would have taken 11.3 years for the median income household to accumulate a 20% home loan deposit. This reflects a median value of Australian homes at approximately $752,000, or a 20% deposit of just over $150,000.

At the national level, the time taken to save a 20% deposit increased 6%, or less than one month, on the previous quarter. This is a relatively small increase, however it takes the time needed to save a deposit to a series high, and is almost double the 6.7 years needed to save a deposit twenty years ago.

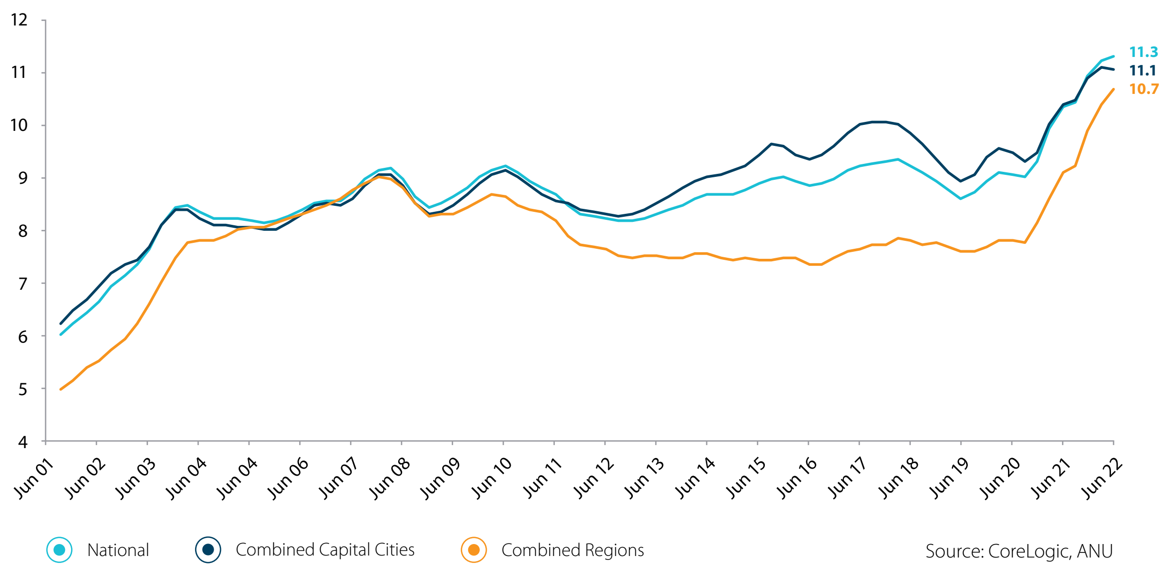
Across the combined regional Australian market, the time taken to save a deposit increased from 10.4 years in March 2022 to 10.7 years in June. Across the combined capital city markets, time taken to save a deposit actually saw a marginal fall from 11.14 years, to 11.11 years (or the equivalent of around 11 days).

Figure 1 shows that through the pandemic, the deposit hurdle faced by regional Australian households has caught up with the deposit hurdle challenges in capital cities. It would take just 5 months less for median income earners across regional Australia to accumulate a deposit, and this is the closest these metrics have been in over a decade, since June 2011.

Recent dwelling value declines are concentrated across more expensive Australian capital cities, where there has been some improvement in the metric of time taken to save a deposit. Both Sydney and Melbourne have recorded a three-month reduction in the metric, the biggest improvement since September 2020, when the onset of the COVID pandemic reduced demand for housing.

Canberra and Hobart have seen more subtle reductions in the time needed to save a deposit at June, of around one month. Aside from the Northern Territory region, all other broad capital city and regional markets of Australia continued to see a lift in the deposit hurdle.

FIGURE 1. YEARS REQUIRED TO SAVE A 20% DEPOSIT - NATIONAL AGGREGATES



Source: CoreLogic, ANU

WHERE HAS THE DEPOSIT HURDLE FALLEN MOST RAPIDLY?

Nationally, home values have declined just 2.0% between the end of April and July. However, looking at smaller geographic regions highlights relatively expensive housing markets that have experienced a greater fall in dwelling values.

Figure 2 shows the 20 SA3 regions where the deposit hurdle has improved most between March and June of this year. The regions have seen an average median dwelling value decline of 5.9% over the same period.

Figure 2 also shows that while there have been notable dollar value declines in median dwellings, 15 of the 20 regions still have a higher deposit hurdle than at the onset of COVID-19 in March 2020. The deposit hurdle remains a significant challenge in most of these areas, with only the Darebin – South market of Melbourne and the Sherwood – Indooroopilly markets of Brisbane having a metric below the national figure.

The accumulation of savings for a deposit may be particularly challenging amid rising inflation. Annual inflation across non-discretionary items like fuel, rent and groceries is particularly high, at 7.6% year-on-year in the June quarter. Aspiring first homebuyers, particularly renters, may find they are not able to divert as much saving to a home deposit as the price of necessary goods and services continue to rise.

However, there is some relief on the horizon. Amid the rising rate environment, home value declines are expected to become larger, and more widespread. Additionally, tight labour market conditions and high inflationary expectations have also contributed to an uplift (albeit gradual) in wages growth. The combination of an increase in wages growth and an acceleration of the housing market downturn should see the years required to save a home loan deposit reduce in the coming quarters.

FIGURE 2: GREATEST REDUCTION IN YEARS TO SAVE A 20% DEPOSIT, SA3 DWELLING MARKETS

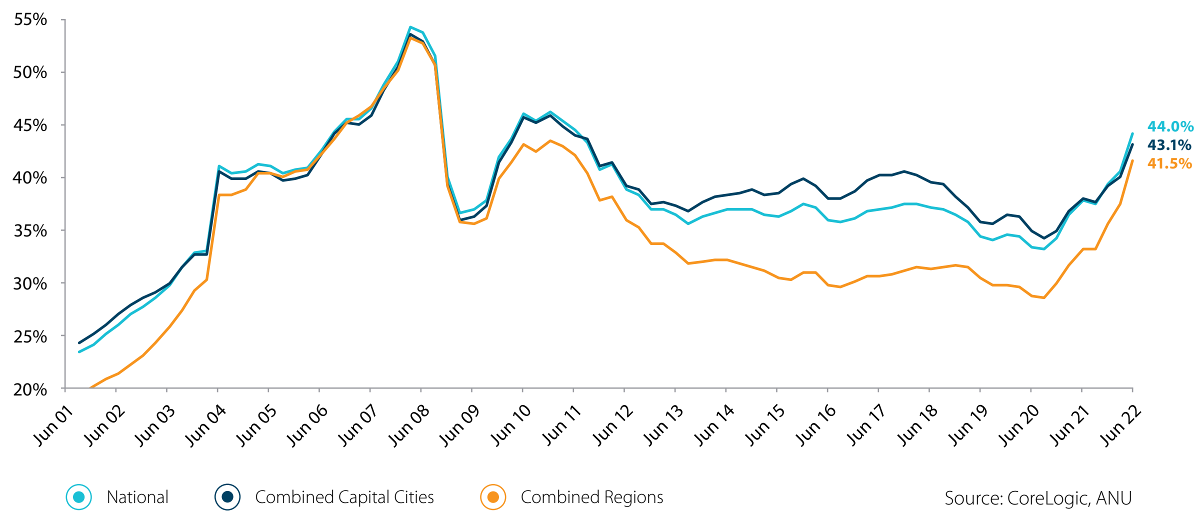
Greater capital city or region	SA3 region name	Years to save a 20% deposit				Quarterly change in time taken to save	Quarterly change in median dwelling value
		Mar 20	Jun 21	Mar 22	Jun 22		
Greater Sydney	Manly	17.6	21.6	23.2	20.7	-2.5	-$264,013
Greater Sydney	Pittwater	18.9	27.3	28.5	25.9	-2.5	-$204,484
Greater Sydney	Warringah	17.4	21.7	22.7	20.6	-2.1	-$176,713
Greater Sydney	Ku-ring-gai	21.3	26.5	27.6	26.0	-1.6	-$136,667
Greater Sydney	Leichhardt	18.7	20.7	20.0	18.5	-1.6	-$134,288
Greater Melbourne	Darebin - South	11.2	10.3	12.4	10.8	-1.6	-$116,164
Greater Melbourne	Monash	17.2	18.1	18.1	16.8	-1.3	-$76,413
Greater Brisbane	Sherwood - Indooroopilly	10.1	9.3	11.6	10.3	-1.3	-$91,377
Rest of Qld	Noosa	13.5	17.2	22.4	21.1	-1.3	-$64,175
Rest of NSW	Richmond Valley - Coastal	15.1	21.1	25.9	24.7	-1.2	-$49,915
Greater Melbourne	Bayside	15.1	17.3	19.0	17.8	-1.1	-$92,796
Greater Sydney	Eastern Suburbs - North	16.2	18.3	19.6	18.5	-1.1	-$94,762
Greater Sydney	Canterbury	15.9	13.6	17.2	16.2	-1.1	-$51,928
Greater Sydney	Cronulla - Miranda - Caringbah	14.8	18.4	20.1	19.0	-1.1	-$71,920
Greater Sydney	North Sydney - Mosman	14.6	15.1	15.9	14.9	-1.1	-$83,686
Greater Melbourne	Manningham - West	20.0	20.8	21.2	20.2	-1.0	-$48,881
Greater Melbourne	Boroondara	17.3	16.9	17.4	16.4	-0.9	-$67,665
Greater Sydney	Eastern Suburbs - South	15.5	16.5	17.2	16.3	-0.9	-$62,682
Greater Melbourne	Whitehorse - East	15.6	16.6	16.1	15.2	-0.9	-$50,343
Greater Melbourne	Yarra Ranges	11.0	12.7	13.4	12.6	-0.9	-$49,639

Source: CoreLogic, ANU

MORTGAGE SERVICEABILITY METRIC CLIMBS TO HIGHEST LEVEL IN A DECADE

As of June, CoreLogic estimates that a median income household would need 44.0% of income to service repayments on a new mortgage, the highest level since June 2011. This is up from 40.4% in March 2022, and has climbed from a recent low of 33.1% in September 2020. The end of September 2020 was preceded by three reductions in the cash rate, and a decline in property values of 2.1% over the previous five months, which had temporarily reduced this serviceability metric.

FIGURE 3. PORTION OF INCOME REQUIRED TO SERVICE A NEW MORTGAGE - NATIONAL AGGREGATES

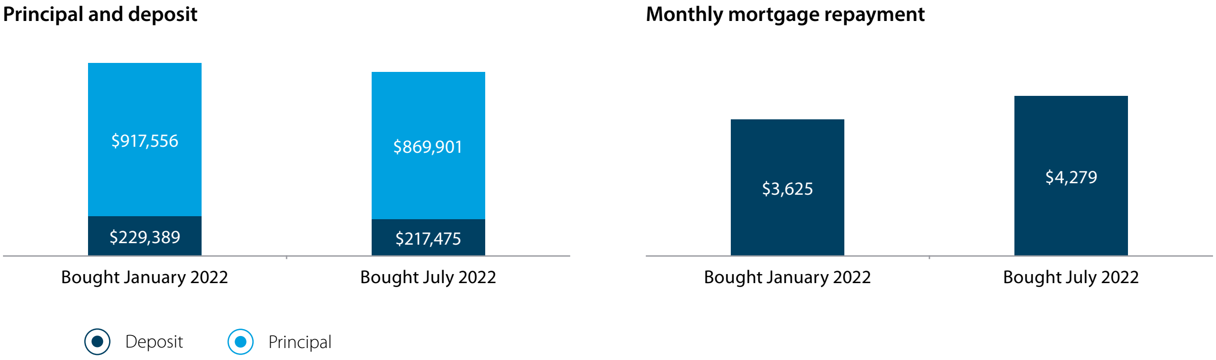


Source: CoreLogic, ANU

Across the capital cities, mortgage serviceability deteriorated most where property values continued to rise in the June quarter. The measure jumped 5.2 percentage points across Adelaide, from 37.4% in March, to 42.6% in June. Mortgage serviceability in Brisbane increased 4.5 percentage points from 37.3% to 41.8% in the same period. Even where property values declined in the June quarter, mortgage serviceability is still higher than in March.

Figure 4 demonstrates this scenario for new homebuyers in Sydney, where higher interest rates have reduced housing values relatively rapidly. Dwelling values fell 5.2% between a peak in January and the end of July. This is the equivalent of a reduction of around $60,000 at the median dwelling value level, and a $12,000 decline in the 20% deposit.

FIGURE 4: HOW HAVE HOUSING COSTS CHANGED AMID RISING RATES IN SYDNEY?



Source: CoreLogic, RBA, Analysis used median value at the end of July 2022, adjusted by changes in the home value index. Assumes a new mortgage on a 30 year loan term and a 20% deposit. No other transaction or loan fees are taken into account. January assumes an annual mortgage rate of 2.50%, based on the average new owner occupier loan rate reported by the RBA. July assumes the addition of 175 basis points to the average mortgage rate at January.

However, average owner-occupier mortgage rates in January across all loan types and institutions averaged just 2.50% for owner-occupiers. Adding the 1.75 percentage point lift to the cash rate to this average mortgage rate increases the mortgage repayment from $3,625 per month, to $4,279 per month, even at the lower price point in July. This demonstrates the current shift in affordability constraints from the deposit hurdle to mortgage repayments.

STRENGTHS IN SERVICEABILITY

Some commentators have also pointed to concerns about serviceability for recent buyers who purchased closer to the peak of the market, and now face interest rate rises. However, several factors create some protection for recent buyers against increased mortgage costs.

Many recent borrowers remain on low, fixed mortgage rates. The latest upswing in housing values saw an unusually high incidence of fixed-rate lending. ABS housing lending data shows the portion of housing finance secured on fixed-rate terms (including refinancing), peaked at 46% in August 2021, up from around 15% pre-pandemic. Around one-quarter of outstanding housing credit is on fixed-rate terms where the fixed term will end within the next two years[1]. Borrowers rolling off these fixed rates will likely face a large increase in repayments, but it's also possible that within this time, the official cash rate, and subsequently mortgage rates, could shift lower.

Borrower assessments take into account potential rate rises. Mortgage serviceability assessment buffers were increased from 2.5% to 3% by APRA from November 2021. Borrowers over the past nine months should be able to absorb mortgage rate rises three percentage points higher than the variable rate at the time their mortgage was initiated.

Given the cash rate has increased 175 basis points between April and August, there is likely some way to go before assessment buffers are surpassed for current mortgage holders.

Households have gone into the rate tightening cycle with high savings buffers. Another reassurance of stability in mortgage serviceability is the high savings buffers accumulated by households over the past few years. Initially, COVID restrictions led to a surge in the household savings rate of 23.7% in the June 2020 quarter. Though this rate eased to 11.4% through the March 2022 quarter, the savings rate remained above the decade average of 8.2%.

The pandemic period also saw high contributions to offset and redraw accounts. In June, the median owner-occupier borrower with a variable rate loan had a buffer equivalent to one-and-a-half years of prepayments[2]. This means as variable rates rise, most borrowers may have savings to draw on.

Wage growth is rising. As of July, the Australian unemployment rate was 3.4%, the lowest level since August 1974. Tight labour market conditions have led to signs of acceleration in wages growth. The ABS reported growth in the Wage Price Index increased to 2.6% in the year to June, a growth rate which has been increasing since December 2020. Average earnings per hour, which is a wider measure of wage costs and includes bonuses and promotions, rose over 5% in the year to March. The RBA liaison program indicated companies are starting to increase payments to employees to attract and retain talent, while the Fair Work Commission delivered an increase to minimum wages of 5.2% in June. Rising wages should help existing mortgage holders to better deal with serviceability amid rising interest rates.

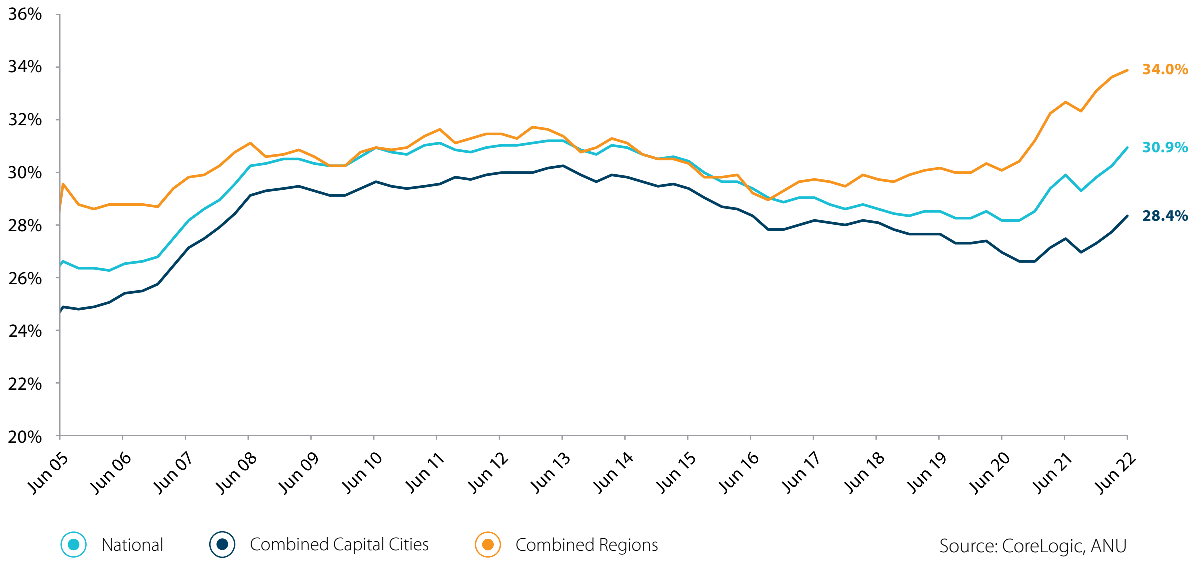
While affordability indicators around mortgage serviceability may deteriorate in the coming quarters, these factors should help households cope with the rising cost of mortgage repayments. Additionally, it is worth noting that serviceability may improve in 2024, when ANZ expects the RBA to cut the cash rate by 50 basis points by the end of the year.

1. Source: Reserve Bank of Australia 2022 OR Source: RBA 2022
2. Source: Reserve Bank of Australia 2022 OR Source: RBA 2022

AFFORDABILITY WORSENS FOR TENANTS AMID RENT RISES AND LOW VACANCIES

As of June, CoreLogic estimates that at the median household income level, 30.9% of income would be required to pay median rent on a new lease. This is up from 30.3% in the previous quarter, and 29.9% in June of 2021. Combined regional housing markets are less affordable relative to estimated local incomes, with 34.0% of income required to service rent on a new lease, compared with 28.4% of income across the combined capital city markets. A time series of these regions is presented in figure 5.

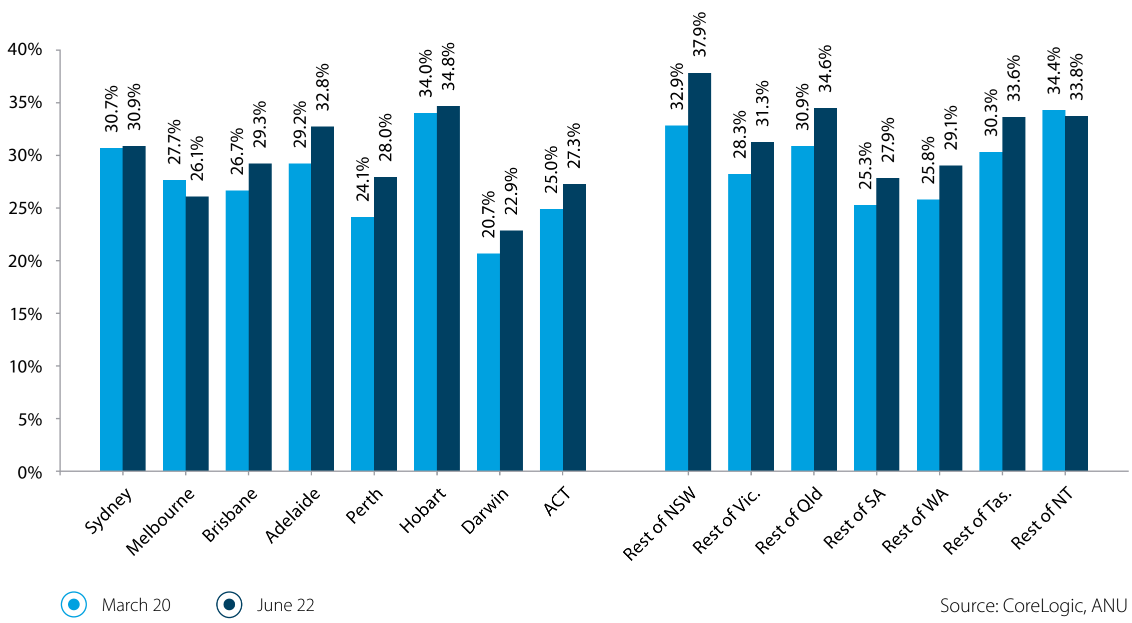
FIGURE 5. PORTION OF INCOME REQUIRED TO SERVICE RENT - NATIONAL AGGREGATES



Source: CoreLogic, ANU

Figure 6 compares rent serviceability with pre-pandemic levels across the major capital city and regional markets. The biggest deterioration in rental affordability has been seen in regional NSW, regional QLD, Perth and Adelaide.

FIGURE 6. PORTION OF INCOME REQUIRED TO SERVICE RENT - LATEST VERSUS PRE-PANDEMIC



Source: CoreLogic, ANU

Rental affordability pressures continued through to July 2022, with growth in the CoreLogic hedonic rent index hitting 9.8% over the year, the highest annual growth rate on record.

The shortage of available rentals is due to a combination of higher domestic demand and a slowdown in rental supply. RBA research[3] revealed a decline in the average number of people per household through the pandemic period. Renters were possibly motivated to seek more space amid an initial decline in rents and the need for more room at home, as remote working took place for many. This was reaffirmed in the ABS 2021 Census data, which shows the average number of people per household declined nationally from 2.6 in 2016, to 2.5 in 2021. The result of households 'spreading out' through the pandemic has likely led to greater absorption of housing stock, particularly for renters who are more mobile, and less limited by transaction costs.

In addition to this expansion of domestic housing demand, relaxed international travel restrictions and the return of overseas migration may yet compound this problem. Permanent and long-term arrivals remain well below pre-pandemic levels. (In May, net arrivals in this category were 6,750, compared to a pre-COVID decade average of 22,553). However, much of this incoming demand may be skewed to the rental market.

On the supply side, investor participation in the Australian housing market was relatively subdued between late 2017 and mid-2020, as macro-prudential regulation sought to curb potentially risky home lending. Australia currently also faces acute pressures in the construction industry, with increased material and labour costs delaying the delivery of new housing supply.

CoreLogic's ongoing engagement with real estate agents has revealed that in some markets, prospective tenants are enquiring about the rental availability of recently *sold* properties, in an attempt to find rental accommodation before it is listed. These conversations have also revealed some tenants are offering months of rental payments in advance, to try and secure a lease.

The increase in cost pressures for renters is particularly worrying, given that renters tend to have lower incomes than owner-occupiers, and face persistent affordability challenges in trying to attain home ownership. As rents rose another 0.9% through July, rental affordability will likely show a further deterioration in the September quarter. For renters with high savings, the current environment of falling property prices will likely prompt more home *buying* decisions. For lower income renters with little to no savings, the months ahead will be a particularly challenging time, which may lead to more market competition for rentals, and a gradual re-adjustment of average people per household.

3. Ellis, L. (2022, May 25). Housing in the Endemic Phase, Keynote Speech to the UDIA 2022 National Congress. RBA. https://www.rba.gov.au/speeches/2022/sp-ag-2022-05-25.html

DWELLING VALUE TO INCOME RATIO DECLINES IN THE COMBINED CAPITAL CITIES

Perhaps one of the more widely recognised measures of housing affordability, the dwelling value to income ratio measures the multiple of annual median household income to the median home value. At the national level, this multiple was 8.5 through June 2022. Figure 7 shows the national and regional Australia series at a record high.

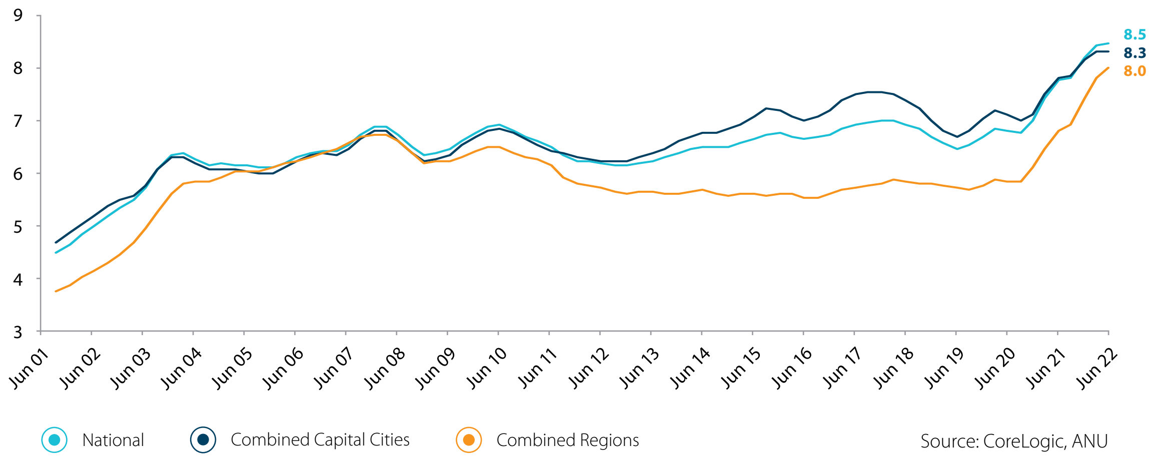
However, the combined capital city market has shown the first signs of improvement in this metric. The dwelling value to income ratio fell from a record high 8.4 in March 2022, to 8.3 in June.

The decline in this ratio reflects a fall in the median home value across the combined capital cities alongside a rise in household incomes. Amid rising rates, this decline is likely to accelerate in the capital cities, and become more widespread. Through July, the combined regional dwelling market declined 0.8% over the month, the first decline in combined regional home values in almost two years.

While the regional fall in home values was not as steep as the capital city result for the same month (a fall of 1.4%), it is a sign that regional markets are not immune to rate rises.

As discussed in previous sections of this report, there are signs that the acceleration in home value declines is coinciding with rises in income levels across Australia. While the next year presents challenges of rising interest rates, the deposit hurdle and value to income ratio affordability metrics are expected to show broad improvement through the housing market downswing.

FIGURE 7. VALUE TO INCOME RATIO - NATIONAL AGGREGATES



Source: CoreLogic, ANU

APPENDIX 1 – DEFINITION OF AFFORDABILITY METRICS

RATIO OF DWELLING VALUES TO INCOME

Utilising median household income data from ANU and median dwelling value data from CoreLogic, we determine the ratio of dwelling values to household income over time. The expressed figure is a multiple of median household income. For example, a city where the median dwelling value is $500,000 and the median household income is $100,000, the ratio would be 5.0 (dwelling values are 5 times higher than gross annual household incomes).

THE NUMBER OF YEARS IT TAKES TO SAVE A 20% DEPOSIT

Using the ANU median household income data, we provide a measure of affordability for those households that do not yet own a home. This analysis assumes a household can save 15% of their gross annual household income. Based on these savings, the result measures how many years it would take to save a 20% deposit. For example, based on a 15% savings objective, a household earning $100,000 gross per annum would save $15,000 per annum. If the median dwelling value across the city was $500,000, a 20% deposit would equate to $100,000. Based on the household savings, it would take 6.7 years to save a 20% deposit.

THE PROPORTION OF HOUSEHOLD INCOME REQUIRED TO SERVICE A NEW MORTGAGE

This measure looks at mortgage serviceability for median income households servicing a mortgage if they were to purchase through the June quarter of 2021. It assumes the owner has borrowed 80% of the median dwelling value and is paying the average discounted variable mortgage rate at that time for a term of 25 years. We measure the proportion of gross annual household income required to service the mortgage. For example, based on a median dwelling value of $500,000 and a 20% deposit, the loan principal would be $400,000. If the median household income was $100,000 and the current discounted variable mortgage rate was 4.5%, the household would be up for $26,660 in mortgage repayments each year, or 26.7% of their gross annual household income.

THE PROPORTION OF HOUSEHOLD INCOME REQUIRED TO PAY RENT

Utilising household income data together with the median weekly asking rent through June 2022, we measure what percentage of gross annual household income is required to rent on new leases. Unlike quarterly CPI, which surveys rents paid across public and private housing, CoreLogic's monthly rent valuations are a high frequency indication of how the rental market is shifting based on listings information from the private rental market. For example, a household earning $100,000 per annum in a city where the median weekly rent is $500 per week would be dedicating 26% of their gross annual household income towards paying their landlord.

APPENDIX 2 – METRICS BY NATIONAL, GREATER CAPITAL CITY AND REGIONAL MARKETS

	Dwellings				Houses				Units			
	Jun-22	Mar-22	Mar-20	10 year average	Jun-22	Mar-22	Mar-20	10 year average	Jun-22	Mar-22	Mar-20	10 year average
Ratio of dwelling values to income												
National	8.5	8.5	6.8	6.9	9.3	9.2	7.0	7.1	7.0	7.0	6.5	6.4
Combined capitals	8.3	8.4	7.2	7.1	9.4	9.5	7.6	7.6	6.5	6.6	6.5	6.3
Combined regions	8.0	7.8	5.9	5.9	8.3	8.1	6.1	6.1	7.0	6.8	5.2	5.4
Greater Sydney	10.3	10.5	9.0	8.6	12.8	13.1	10.4	10.0	7.6	7.8	7.9	7.5
Greater Melbourne	8.3	8.5	8.0	7.5	10.2	10.6	9.4	8.8	6.5	6.6	6.8	6.4
Greater Brisbane	8.1	7.8	5.9	6.0	9.2	8.9	6.5	6.5	5.2	5.0	4.5	4.8
Greater Adelaide	8.2	7.8	6.2	6.4	9.0	8.5	6.8	6.9	5.4	5.2	4.7	4.9
Greater Perth	5.8	5.7	5.2	5.8	6.1	6.0	5.4	6.1	4.3	4.3	4.1	4.8
Greater Hobart	9.0	9.0	6.7	6.2	9.7	9.8	7.1	6.6	7.1	7.1	5.5	5.1
Greater Darwin	4.0	3.9	3.5	4.3	4.6	4.5	4.2	4.9	2.9	2.9	2.4	3.3
Canberra	7.1	7.2	5.2	5.2	8.1	8.1	5.9	5.8	4.8	4.7	3.7	3.9
Rest of NSW	10.3	10.2	7.1	7.0	10.8	10.7	7.3	7.2	8.2	8.1	6.1	6.0
Rest of Vic.	8.3	8.2	6.0	5.7	8.8	8.7	6.3	6.0	5.8	5.8	4.4	4.4
Rest of QLD	7.1	6.8	5.4	5.7	7.1	6.9	5.5	5.9	6.9	6.7	5.1	5.4
Rest of SA	5.2	5.0	4.2	4.5	5.3	5.1	4.3	4.6	3.6	3.8	3.2	3.7
Rest of WA	5.0	4.9	4.1	4.6	5.1	5.1	4.2	4.8	3.1	3.1	2.8	3.6
Rest of Tas.	8.2	7.9	5.6	5.3	8.5	8.3	5.8	5.4	6.4	6.1	4.5	4.4
Rest of NT	5.3	5.3	5.3	4.9	5.8	5.8	5.6	5.4	3.8	3.8	4.2	3.8
Years to save a deposit												
National	11.3	11.3	9.1	9.2	12.4	12.3	9.3	9.4	9.4	9.4	8.6	8.5
Combined capitals	11.1	11.1	9.6	9.5	12.6	12.6	10.1	10.1	8.7	8.8	8.7	8.4
Combined regions	10.7	10.4	7.8	7.9	11.1	10.8	8.1	8.2	9.3	9.1	6.9	7.1
Greater Sydney	13.7	13.9	12.0	11.5	17.1	17.5	13.9	13.4	10.1	10.4	10.5	10.0
Greater Melbourne	11.1	11.3	10.7	10.0	13.6	14.1	12.6	11.7	8.7	8.9	9.0	8.5
Greater Brisbane	10.8	10.4	7.8	8.0	12.2	11.9	8.6	8.7	6.9	6.7	6.0	6.4
Greater Adelaide	11.0	10.4	8.3	8.5	12.0	11.4	9.0	9.2	7.2	7.0	6.3	6.5
Greater Perth	7.8	7.7	6.9	7.7	8.2	8.0	7.2	8.1	5.8	5.7	5.4	6.4
Greater Hobart	11.9	12.0	8.9	8.2	12.9	13.0	9.5	8.8	9.5	9.5	7.4	6.8
Greater Darwin	5.3	5.2	4.6	5.7	6.1	6.0	5.6	6.5	3.9	3.8	3.2	4.4
Canberra	9.5	9.6	7.0	7.0	10.8	10.8	7.8	7.7	6.4	6.2	4.9	5.2
Rest of NSW	13.7	13.6	9.5	9.3	14.4	14.2	9.7	9.6	10.9	10.8	8.1	8.0
Rest of Vic.	11.0	10.9	8.0	7.5	11.8	11.6	8.5	8.0	7.7	7.7	5.9	5.9
Rest of QLD	9.4	9.1	7.2	7.6	9.5	9.2	7.3	7.8	9.2	8.9	6.8	7.2
Rest of SA	6.9	6.6	5.6	6.0	7.1	6.8	5.7	6.1	4.8	5.0	4.3	4.9
Rest of WA	6.6	6.5	5.4	6.1	6.9	6.8	5.7	6.3	4.1	4.2	3.7	4.8
Rest of Tas.	11.0	10.6	7.4	7.0	11.4	11.0	7.7	7.2	8.5	8.2	6.1	5.8
Rest of NT	7.0	7.0	7.0	6.6	7.7	7.8	7.4	7.2	5.1	5.0	5.5	5.1

	Dwellings				Houses				Units			
	Jun-22	Mar-22	Mar-20	10 year average	Jun-22	Mar-22	Mar-20	10 year average	Jun-22	Mar-22	Mar-20	10 year average
Portion of income required to service a new mortgage												
National	44.0%	40.4%	34.4%	36.6%	48.1%	44.1%	35.1%	37.7%	36.3%	33.6%	33.3%	34.1%
Combined capitals	43.1%	39.9%	36.1%	38.1%	48.8%	45.2%	38.0%	40.5%	33.6%	31.4%	31.9%	33.8%
Combined regions	41.5%	37.4%	29.5%	31.7%	43.1%	38.8%	30.4%	32.6%	35.9%	32.6%	28.9%	28.6%
Greater Sydney	53.1%	50.0%	45.2%	46.2%	66.1%	62.8%	52.3%	53.4%	39.3%	37.3%	39.5%	40.1%
Greater Melbourne	43.1%	40.6%	40.2%	40.2%	52.7%	50.4%	47.4%	46.8%	33.6%	31.8%	34.0%	34.3%
Greater Brisbane	41.8%	37.3%	29.4%	32.3%	47.5%	42.7%	32.4%	35.0%	26.7%	23.9%	22.5%	25.7%
Greater Adelaide	42.6%	37.4%	31.2%	34.4%	46.3%	40.8%	33.9%	36.9%	28.1%	25.0%	23.6%	26.3%
Greater Perth	30.2%	27.4%	25.8%	31.2%	31.7%	28.8%	26.9%	32.7%	22.3%	20.6%	20.3%	25.9%
Greater Hobart	46.3%	43.1%	33.6%	32.9%	50.1%	46.6%	35.7%	35.0%	36.7%	34.0%	27.7%	27.2%
Greater Darwin	20.5%	18.6%	17.5%	23.3%	23.7%	21.4%	21.1%	26.5%	15.2%	13.7%	12.2%	18.0%
Canberra	36.8%	34.3%	26.2%	27.9%	41.8%	38.8%	29.4%	30.7%	24.7%	22.4%	18.6%	21.0%
Rest of NSW	53.2%	48.7%	35.6%	37.1%	55.7%	51.0%	36.6%	38.2%	42.4%	38.6%	30.6%	32.2%
Rest of Vic.	42.8%	39.0%	30.0%	30.1%	45.6%	41.4%	31.8%	32.0%	29.9%	27.7%	22.2%	23.7%
Rest of QLD	36.5%	32.6%	27.0%	30.7%	36.8%	32.9%	27.6%	31.5%	35.8%	32.0%	25.5%	28.8%
Rest of SA	26.9%	23.8%	21.0%	24.2%	27.6%	24.5%	21.4%	24.7%	18.7%	18.0%	16.2%	20.0%
Rest of WA	25.6%	23.3%	20.5%	24.9%	26.6%	24.2%	21.3%	25.6%	16.0%	15.0%	14.1%	19.6%
Rest of Tas.	42.5%	37.9%	28.0%	28.0%	44.1%	39.5%	29.0%	28.9%	33.0%	29.3%	22.8%	23.4%
Rest of NT	27.2%	25.2%	26.5%	26.5%	30.1%	27.9%	27.9%	29.1%	19.8%	18.0%	20.8%	20.7%
Portion of income required to service rent												
National	30.9%	30.3%	28.5%	29.6%	32.0%	31.4%	28.5%	29.8%	28.6%	27.8%	28.6%	29.2%
Combined capitals	28.4%	27.7%	27.4%	28.4%	29.9%	29.3%	27.6%	28.9%	25.7%	25.0%	27.2%	27.4%
Combined regions	34.0%	33.7%	30.3%	30.7%	34.3%	34.1%	30.7%	31.0%	32.2%	31.8%	28.9%	29.3%
Greater Sydney	30.9%	30.3%	30.7%	32.0%	33.8%	33.4%	32.4%	33.9%	27.4%	26.6%	29.1%	30.4%
Greater Melbourne	26.1%	25.7%	27.7%	27.1%	27.5%	27.3%	27.7%	27.8%	24.7%	24.1%	27.7%	26.3%
Greater Brisbane	29.3%	28.3%	26.7%	27.7%	31.3%	30.3%	28.0%	28.6%	24.6%	24.0%	24.2%	25.7%
Greater Adelaide	32.8%	31.3%	29.2%	29.4%	34.2%	32.7%	30.2%	30.4%	27.0%	25.9%	25.2%	25.1%
Greater Perth	28.0%	27.3%	24.1%	26.8%	28.4%	27.8%	24.5%	27.3%	24.5%	24.1%	21.8%	24.4%
Greater Hobart	34.8%	34.1%	34.0%	30.8%	35.5%	35.0%	35.0%	31.9%	30.1%	28.6%	29.6%	26.0%
Greater Darwin	22.9%	22.9%	20.7%	25.3%	25.7%	25.8%	22.4%	27.3%	19.2%	19.0%	17.7%	21.3%
Canberra	27.3%	27.0%	25.0%	24.0%	30.0%	29.7%	26.4%	25.2%	22.7%	22.4%	21.5%	21.1%
Rest of NSW	37.9%	37.5%	32.9%	33.6%	39.3%	38.7%	33.8%	34.5%	33.7%	33.4%	29.0%	29.7%
Rest of Vic.	31.3%	31.0%	28.3%	27.7%	32.3%	32.0%	29.2%	28.7%	25.0%	24.7%	22.9%	22.8%
Rest of QLD	34.6%	34.0%	30.9%	31.7%	34.6%	34.2%	31.1%	31.9%	34.6%	33.6%	30.5%	31.4%
Rest of SA	27.9%	27.5%	25.3%	25.8%	28.2%	27.9%	25.8%	26.3%	22.5%	22.3%	20.0%	20.6%
Rest of WA	29.1%	29.1%	25.8%	26.3%	29.2%	29.2%	26.1%	26.6%	26.8%	26.5%	22.6%	24.0%
Rest of Tas.	33.6%	33.6%	30.3%	28.9%	34.7%	34.9%	31.5%	29.6%	28.9%	28.4%	24.9%	24.3%
Rest of NT	33.8%	35.1%	34.4%	32.8%	36.3%	40.4%	39.3%	35.8%	28.7%	26.7%	29.4%	26.8%

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