HOUSING AFFORDABILITY REPORT

'30'S' ARE THE NEW '20'S', '40'S' ARE THE NEW '30'S': THE SHIFT IN AUSTRALIAN RENT AND MORTGAGE COSTS

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CoreLogic

ANZ

INTRODUCTION

This edition of the ANZ CoreLogic Housing Affordability report looks at the deterioration in ongoing housing affordability. In the past few years, a rapid increase in housing costs (mortgages and rents) means that the portion of income required to service rents has shifted to the 30% range from the mid-20% range for median income earners in most parts of the country.

The report also takes a look at the vulnerability of low-income earners in the face of a changing rental market, where 25th percentile rent values have increased faster than at the median (50th percentile) and high end of the market. In fact, the 25th percentile rent in Australia has lifted $53 per week in the past year, almost fully absorbing the $48 increase in minimum wages set by the Fair Work Commission.

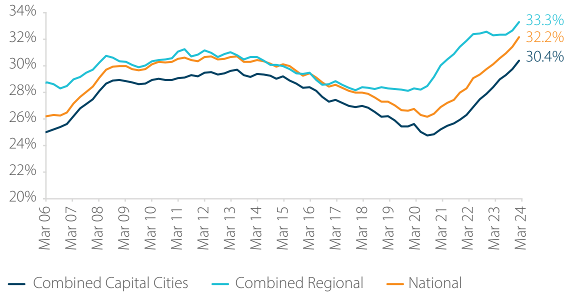
Mortgage serviceability has also deteriorated, as home values have continued to increase in a high interest rate environment. Around 37% of properties would be serviceable for buyers expending 40% of Australia's median income, compared to 17% of properties using 30% of median income.

First home buyers are arguably in the most challenging position. They face an increase in the deposit hurdle as prices rise, and are more likely to buy with a low deposit, increasing their interest costs.

ARE 30'S THE NEW 20'S FOR THE RENTAL MARKET? RENT TO INCOME RATIO HITS RECORD HIGH OF 32.2% FOR THE MEDIAN INCOME HOUSEHOLD

The portion of median income required to service median new rents reached a series high of 32.2% in March 2024, as median new rents reached $621 per week (Figure 1).

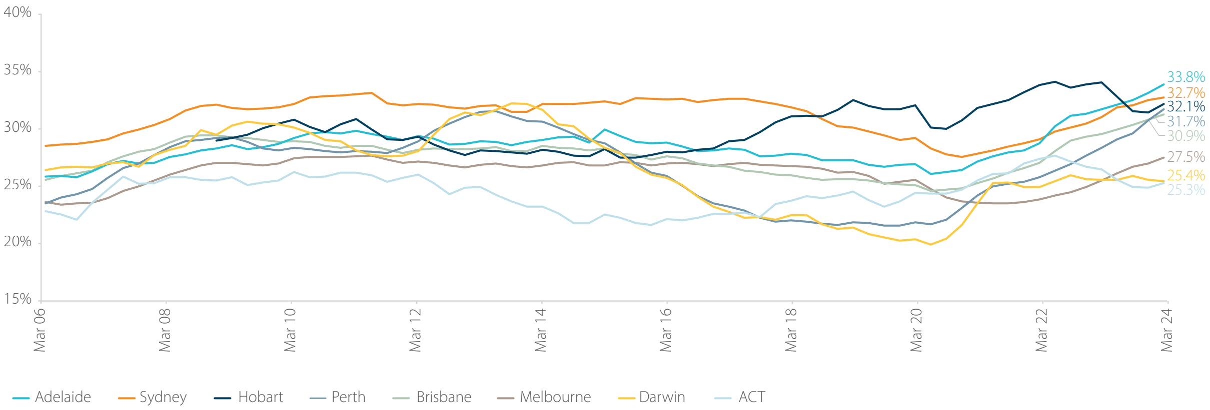
FIGURE 1: SHARE OF MEDIAN INCOME REQUIRED TO SERVICE MEDIAN RENT VALUE, QUARTERLY, DWELLINGS



Source: CoreLogic, ANU

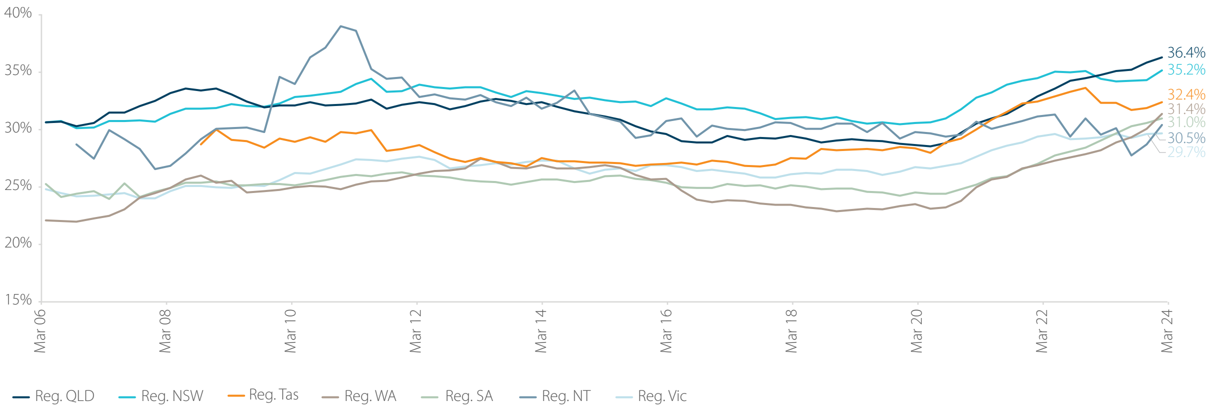
This is the fifth consecutive quarter in which the median income to rent ratio was above 30%, after 7.5 years where median rent had been under the 30% level. Across the 15 greater capital city and rest of state markets, 11 were recording a median rent to income ratio of 30% or more (Figure 2).

FIGURE 2A: SHARE OF MEDIAN INCOME REQUIRED TO SERVICE MEDIAN RENT VALUE, QUARTERLY, CAPITAL CITY DWELLINGS



Source: CoreLogic, ANU

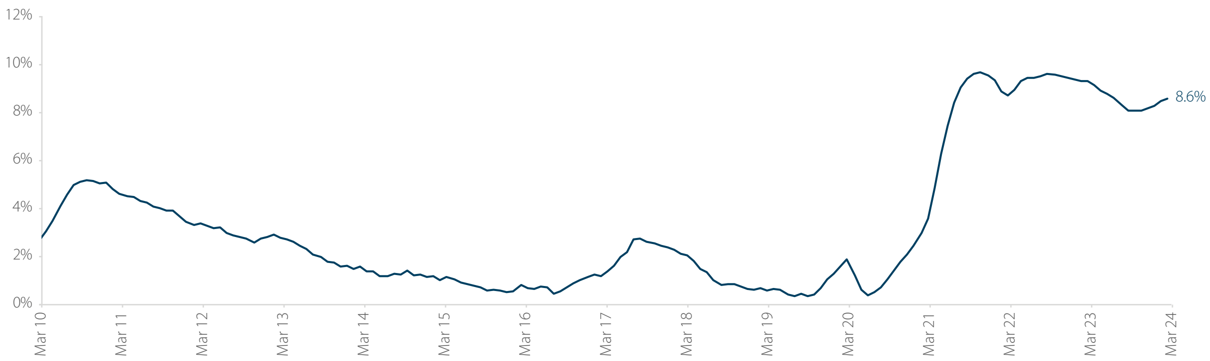
FIGURE 2B: SHARE OF MEDIAN INCOME REQUIRED TO SERVICE MEDIAN RENT VALUE, QUARTERLY, REGIONAL DWELLINGS



Source: CoreLogic, ANU

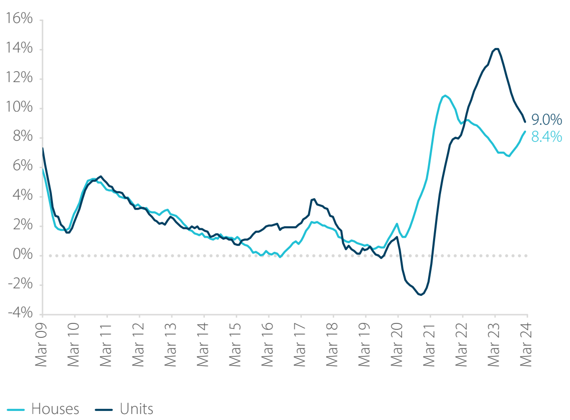
The start of 2024 has seen rent growth once again gathering pace. Nationally, annual rent growth has lifted from a recent low of 8.1% year-on-year in October 2023, to 8.6% year-on-year in March 2024 (Figure 3). The re-acceleration was particularly evident in house rents (Figure 4), where annual growth bottomed out at 6.8% in the year to September, and rose to 8.4% in the year to March 2024.

FIGURE 3: ANNUAL GROWTH IN RENTS - NATIONAL, DWELLINGS



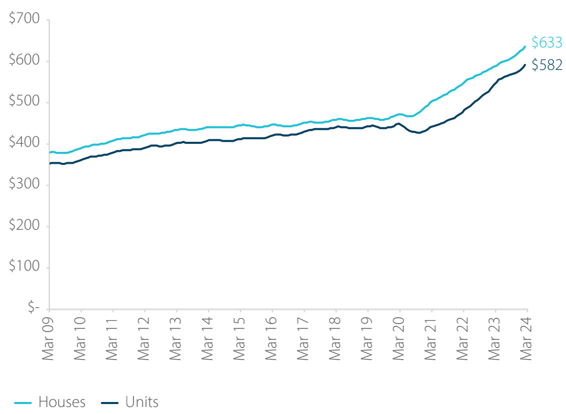
Source: CoreLogic

FIGURE 4A: ANNUAL GROWTH IN HOUSE AND UNIT RENTS, NATIONAL



Source: CoreLogic

FIGURE 4B: MEDIAN INDEXED RENT VALUE, NATIONAL



Source: CoreLogic

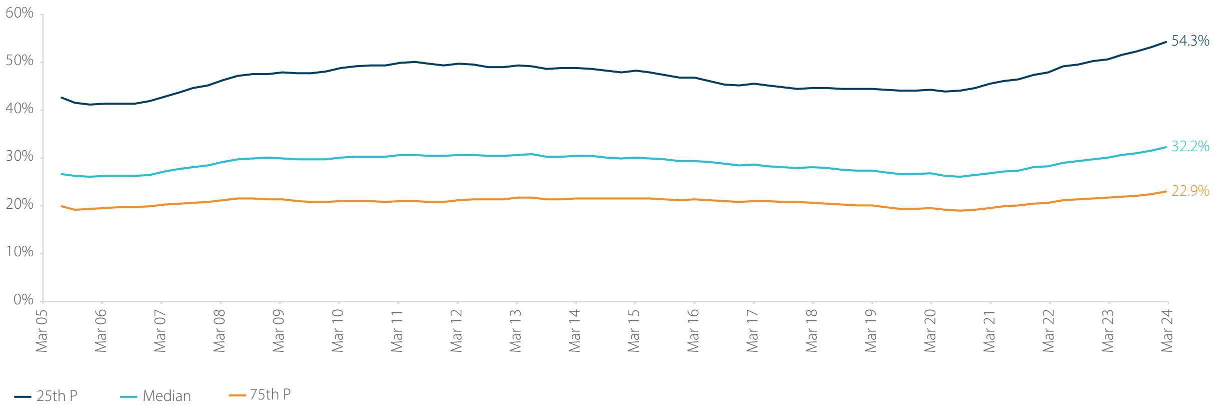
Even markets where rents had been falling are now showing rent values stabilising or rising again. In Hobart, rent values saw a downturn of -6.0% between March and October 2023. Since bottoming out in October, rents have now moved 5.0% higher to the end of March, and are just 1.0% off the record highs in March 2023. The Canberra rental market was the only other capital city to see a decline in rents in recent years, where rent values fell -3.8% between June 2022 and September 2023. Since then, Canberra rents have risen 3.5%, and are 1.0% from the record high.

The highest annual rates of rent growth are currently across Perth, including the SA3 markets of Serpentine – Jarrahdale (19.5%), Swan (18.7%), Armadale (17.9%) and Belmont - Victoria Park (17.9%).

RENTAL SQUEEZE ON LOW INCOME EARNERS, REQUIRING 54.3% OF INCOME ON RENT

For a household at the 25th percentile of income nationally (earning an estimated $961 per week), the 25th percentile rent value ($521 per week) would require payment of 54.3% of income. This is a series high for the low-income segment. Figure 5 compares the portion of income required to service rent for three different income percentiles and the equivalent percentile rent value. The table below shows the 25th percentile income and rent have seen the biggest deterioration in affordability since the start of the pandemic, jumping 10 percentage points.

FIGURE 5: PORTION OF INCOME TO SERVICE RENT - NATIONAL, DWELLINGS



Source: CoreLogic, ANU

PORTION OF INCOME TO SERVICE RENT - LOW, MID, HIGH - NATIONAL, DWELLINGS

		low (25th percentile)	Median	high (75th percentile)
Weekly income estimate	Mar-20	$828	$1,641	$2,784
	Mar-24	$961	$1,928	$3,268
Weekly rent value	Mar-20	$367	$439	$545
	Mar-24	$521	$621	$749
Rent to income ratio	Mar-20	44.3%	26.7%	19.6%
	Mar-24	54.3%	32.2%	22.9%

Source: CoreLogic, ANU

MINIMUM WAGE INCREASE OF $48 PER WEEK ABSORBED BY RENTAL INCREASE OF $53 PER WEEK

Those on lower incomes have seen faster income growth than other cohorts in recent years, due to higher than usual minimum wage increases, growth in average hours worked and a reduction in unemployment.[1] The Fair Work Commission also increased the minimum wage by 5.75% for the 2023-24 financial year, the equivalent of a $48 per week increase for full-time workers.

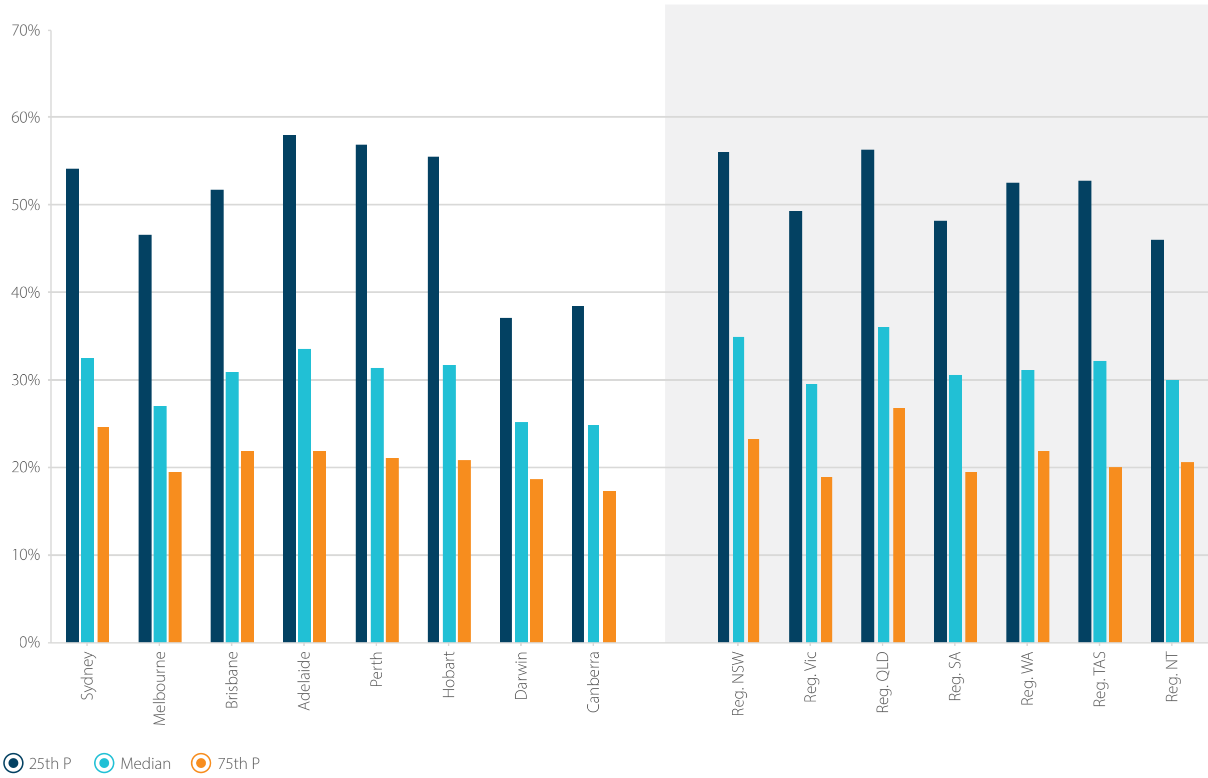
However, the increase in the minimum wage for a full-time worker is almost identical to the rent increase for a home at the 25th percentile price in the rental market. In the 12-months to March 2024, the 25th percentile rental value rose from $468 per week to $521, up $53 or 11.4% year-on-year, as a result of competition for rentals. The national rental vacancy rate was just 1.2% at the end of 2023, compared to a pre-COVID, five-year average of 3.3%.

Since the start of the pandemic in March 2020, national 25th percentile rents have risen the most in percentage terms, up 42.3% (or $155 per week), compared to a median rise of 41.4% ($182 per week) and an increase at the 75th percentile value of 37.4% ($204 per week).

Figure 6 provides a snapshot of the portion of income that would be required to service rents across the greater capital city and regional markets across the 25th percentile, median and 75th percentile income and rent levels as of March 2024.

The portion of income required to service rents at the 25th percentile rent and income levels was lowest across Darwin (37.4%) and Canberra (38.8%). The highest share of income required to service rent at this percentile was in Adelaide (58.6%). The regional Queensland market had the highest ratio of the rest of state markets at 57.0%.

FIGURE 6: PORTION OF INCOME REQUIRED TO SERVICE RENT - 25TH P, MEDIAN AND 75TH P, DWELLINGS



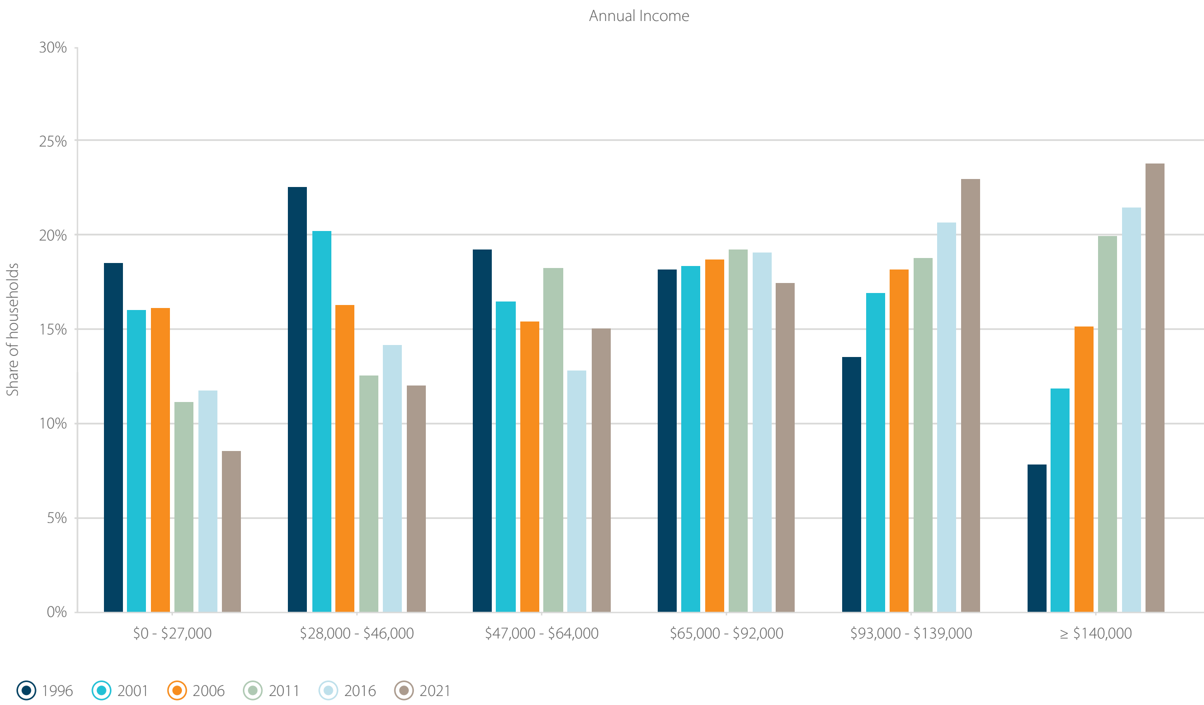
Source: CoreLogic, ANU

[1] RBA, February 2023. Statement on Monetary Policy, Accessed online: (https://www.rba.gov.au/publications/smp/2023/feb/)

HIGHER INCOME HOUSEHOLDS ARE BECOMING RELIANT ON THE PRIVATE RENTAL MARKET

An Australian Housing and Urban Research Institute (AHURI) paper published earlier this year, authored by Reynolds, Parkinson, De Vries and Hulse, demonstrates growth in the number of higher income households in the private rental market (Figure 7).

FIGURE 7: DISTRIBUTION OF WEEKLY INCOMES OF HOUSEHOLDS IN THE PRIVATE RENTAL MARKET, AUSTRALIA



Source: ABS customised matrices derived from the Australian Census of Population and Housing, in Reynolds, M., Parkinson, S., De Vries, J., & Hulse, K. (2024). Affordable private rental supply and demand: short-term disruption (2016–2021) and longer-term structural change (1996–2021). Data derived from table A5, p113. Note income data is in 2021 terms, and income categories are not quantiles of any form.

The researchers note that while renters with incomes of up to $46,000 per annum made up around 21% of private renting households in 2021, only 13% of rental stock was affordable to them (based on an affordability threshold of 30% of weekly income).

The higher income grouping with annual income of $140,000 per year (in 2021 dollars), went from 8% of the private rental market in 1996 to 24% in 2021.[2] Part of the reason for higher income households in the private rental market over time likely comes back to longer term declines in the rate of home ownership.

This demographic shift in the rental market may be creating greater competition for lower-income renting households. As noted in the Productivity Commission's review of the National Housing and Homelessness Agreement, high income earners can move to cheaper markets when rents rise, but that means low-income earners already renting in lower cost pockets of the market have fewer options.[3]

In the past four years, capital city rent values across Perth have seen the greatest increase, rising 56.0% or the equivalent of $236 per week at the median rent value level. Other resource-based rent markets have seen extraordinary uplift amid increased mining activity, increased employment opportunity and increased migration. These include East Pilbara where rent values rose 67.4% in the four years to March 2024, and Gladstone in Queensland, where rents are up 55.4% in the same period.

[2] Reynolds, M., Parkinson, S., De Vries, J., & Hulse, K. (2024). Affordable private rental supply and demand: short-term disruption (2016–2021) and longer-term structural change (1996–2021).

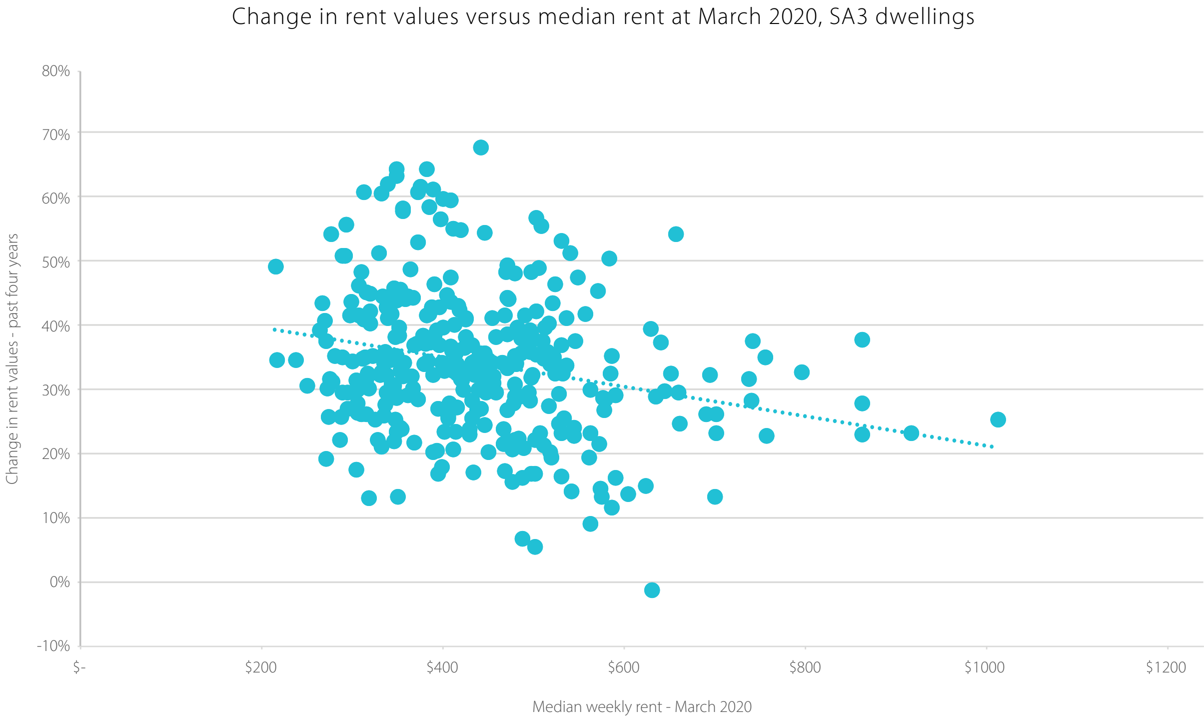
[3] Productivity Commission. (2022). In need of repair: the National Housing and Homelessness Agreement-study report.

60.6%

INCREASE IN RENT VALUE DURING 2021 AT TASMANIA'S CENTRAL HIGHLANDS

Figure 8 shows the relationship of cheaper rent markets seeing larger value increases, plotting growth in SA3 rent markets between March 2020 and March 2024 against the median rent value in March 2020.

FIGURE 8: CHEAPER RENT MARKETS HAVE SEEN A HIGHER LEVEL OF GROWTH IN THE PAST FOUR YEARS



Source: CoreLogic

RELATIVELY HIGH RENT GROWTH OVER THE PAST FOUR YEARS HAS ALSO BEEN OBSERVED IN REGIONAL, LOWER COST RENTAL MARKETS. THESE INCLUDE TASMANIA'S CENTRAL HIGHLANDS, WHERE RENT VALUES INCREASED 60.6%, AND BUNBURY, WHICH WAS UP 58.1%. THIS MAY BE THE RESULT OF LINGERING REMOTE WORK ARRANGEMENTS SET THROUGH THE PANDEMIC, WHERE NET INTERNAL REGIONAL MIGRATION FROM CITIES TO REGIONS SPIKED IN 2021, AND HAS REMAINED ELEVATED ON THE PRE-COVID AVERAGE.

A MISMATCH BETWEEN SUPPLY AND DEMAND IS PUTTING PRESSURE ON THE RENTAL MARKET

Supply and demand pressures remain high for Australia's rental market more broadly. On the demand side, there has been a rapid increase in the population alongside a decline in the number of people per home.

The Australian Bureau of Statistics (ABS) estimates suggest average household size continued to decline in 2023. This comes despite a material uplift in group households over the year to June 2023, which was far outpaced by a rise in lone and two-person households.

Net overseas migration in the year to September was more than 548,000 - with temporary visa holders accounting for over 90% of this figure. This means overseas arrivals were particularly likely to seek rental accommodation through the period. Assuming an average household size of 2.5 people, net overseas migration levels implied around 220,000 additional households in the year to September 2023. At a time where supply constraints persist in residential construction, with only 173,480 new dwellings completed in the same period.

This shortage is evident in CoreLogic data on residential vacancies. The CoreLogic national vacancy rate was 1.2% as at November 2023. Total rent listings have sunk to the lowest levels since 2013.

ABS housing lending data shows loans secured for new investment purchases were slowly recovering from a low in January 2023. Despite this trend, low rental stock levels persist. New investment purchases might lead to an additional rental property in the market, but this does not guarantee an increase in overall rent stock, especially if it is one investor selling to another. An increase in owner-occupier buyers may also take properties out of the rental market, for example in the event of an investor selling to a first home buyer. First home buyer purchases may also take some demand out of the rental market, but despite over 110,000 new first home buyer loans secured in the 12 months to January, this has clearly not been enough to mitigate overall demand for rentals.

THE RISE OF THE RENTAL CONVERSATION

As rental affordability deteriorates, there has been an increased focus on renters in the public policy debate. There is a growing recognition that the current rental market is failing to provide enough stable and affordable accommodation options. This was highlighted in the Productivity Commission's review into the National Housing and Homelessness Agreement, which noted deteriorating affordability for low-income renters was fuelling increased demand for homelessness services.[4] The National Cabinet's Better Deal for Renters was also recognition of the need for a more secure rental market, and the recent Tasmanian state election saw both major parties put housing at the centre of their policy platform.[5]

The National Cabinet's A Better Deal for Renters, announced in August last year, is a proposal toward a nationally consistent policy for reasonable grounds for eviction, minimum rental standards and limits on the frequency of rent increases to once a year.

In NSW, the government is considering plans to reform the state's eviction laws, and 'no grounds' evictions have been progressively banned in the past few years in the ACT, Victoria and South Australia, as well as for fixed term leases in Tasmania and Queensland.

On the supply side, the National Cabinet has set ambitious housing targets for well-located homes across Australia, as well as a commitment to boost social and affordable housing. The federal government has also announced halving the withholding tax on managed investment trusts investing in residential real estate, which may help the delivery of eligible build-to-rent projects. They have also committed to both the Housing Australia Future Fund (HAFF) and the National Housing Accord that are collectively designed to support the delivery of 20,000 new social and 20,000 new affordable homes over five years.

[4] Productivity Commission. (2021). National Housing and Homelessness Agreement Review: issues paper.

[5] Ziffer, D., (2024, March 20). Potential Airbnb ban, 'no deposit' home loans and rent subsidies: Radical policies show how housing might swing elections. Retrieved 22 March, 2024 from https://www.abc.net.au/news/2024-03-20/airbnb-ban-no-deposit-home-loans-landlord-subsidies-tas-election/103584528.

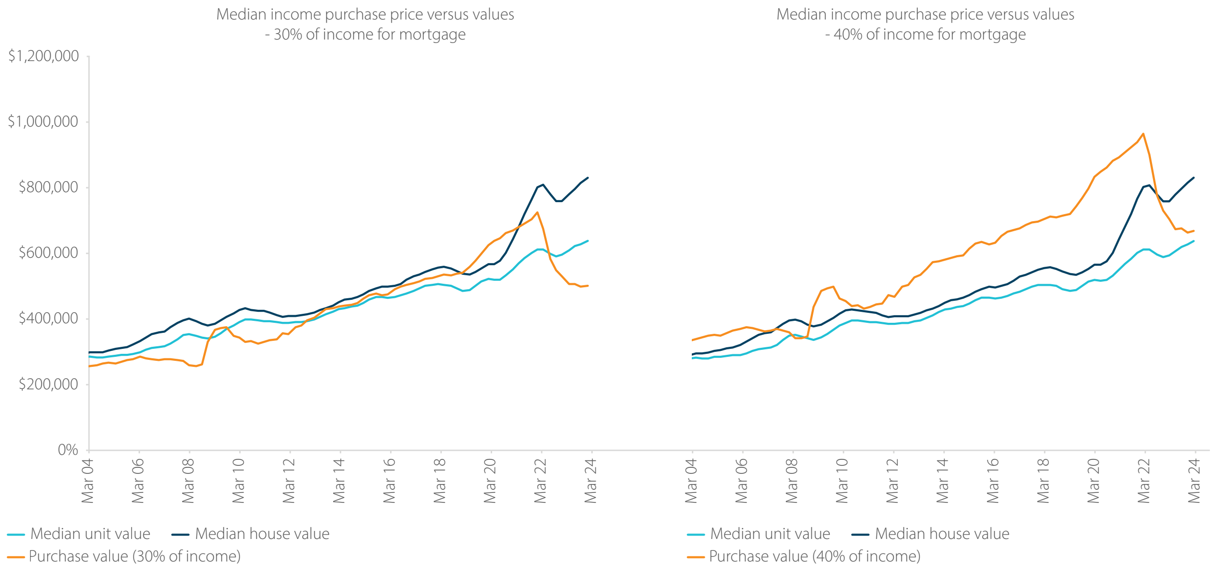
ARE 40'S THE NEW 30'S FOR MORTGAGE SERVICEABILITY?

The rapid increase in the cash rate target, and subsequent mortgage rate rises, have squeezed borrowing capacity and affordability for prospective buyers. Based on the latest estimate of median annual household income nationally ($100,244 before taxes), and assuming 30% of this income is used on mortgage payments at current average variable rates, an affordable dwelling purchase would be around $503,000.[6] However, ongoing increases in housing values mean that this affordable purchase price is below most actual dwelling values, with the median Australian unit price around $640,000, and the median house price around $834,000 across Australia. CoreLogic estimates that only 17.4% of dwelling stock is valued below $503,000.

This is shown in Figure 9, which compares the purchase price that is feasible for the median national income level at 30% or 40%, against the actual median house and unit value over time.

For the same household, extending the portion of income to service a mortgage allows more options, particularly in the unit segment. Under current interest rates, of around 6.3%, dedicating 40% of median household income to mortgage payments would push the dwelling price purchase level to $670,000. CoreLogic estimates that almost 37% of housing stock has a value of $670,000 or less. This is far from the median income household being able to afford the median dwelling value in Australia (which is currently $773,000).

FIGURE 9: PURCHASE PRICE OF HOME OVER TIME BASED ON MEDIAN HOUSEHOLD INCOME, VERSUS ACTUAL MEDIAN HOUSE AND UNIT VALUE, AUSTRALIA



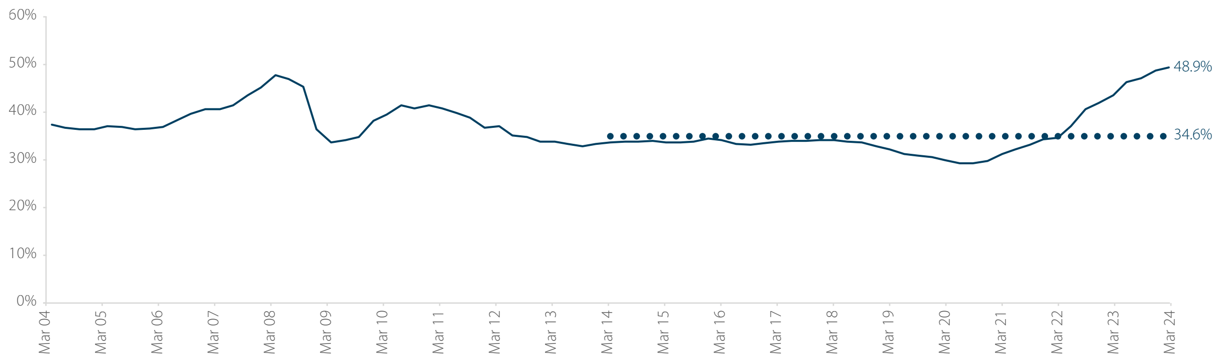
Source: CoreLogic, ANU, RBA

[6] This assumes 20% deposit and 30-year loan term.

PORTION OF INCOME REQUIRED TO SERVICE A MORTGAGE HITS SERIES HIGH

With home values reaching new record highs in November last year, and the cash rate rising a further 25 basis points in the same month, the portion of median income needed to service a new loan on the median dwelling value reached 48.9% nationally. This is a record high for the series, and sits well above the previous decade average of 34.6%. While the median income household is unlikely to be spending this high a portion of income on mortgage costs, it reinforces how out of step home values are with current income and interest rate levels.

FIGURE 10: PORTION OF INCOME TO SERVICE NEW LOAN, NATIONAL, DWELLINGS

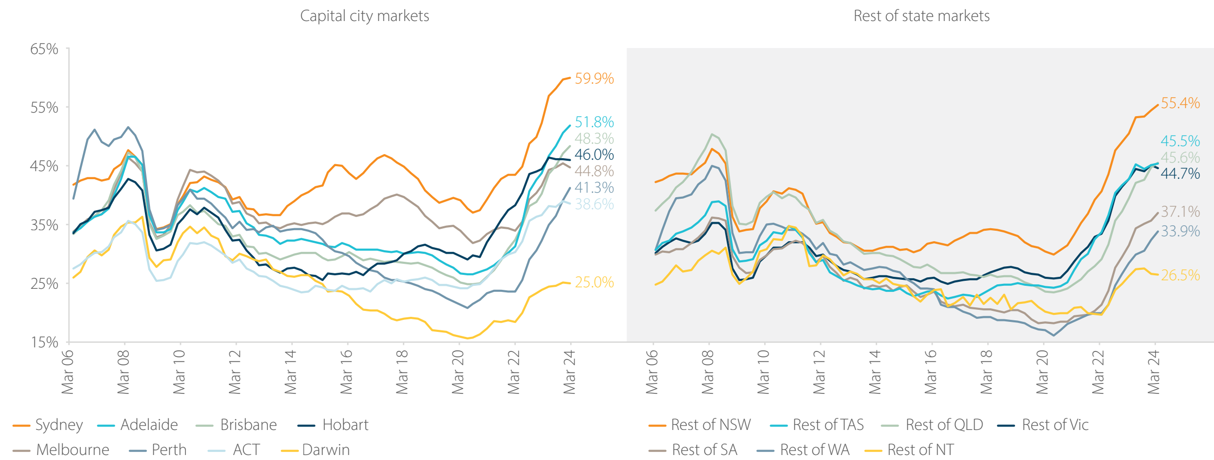


Source: CoreLogic, ANU

Figure 11 shows the time series of the portion of income required to service a new mortgage for the greater capital city and rest of state regions.

The mortgage serviceability indicator is highest across NSW, with just under 60% of median income required to service a new loan on the median Sydney dwelling value, and 55.4% in regional NSW.

FIGURE 11: MEDIAN INCOME REQUIRED TO SERVICE A NEW LOAN, QUARTERLY, DWELLINGS



Source: CoreLogic, ANU

These serviceability indicators, alongside a strong labour market, also help to explain why Perth is so attractive to overseas and interstate migrants. Despite Perth dwelling values sitting 56.0% higher than at the onset of the pandemic through to the end of March 2024, it has among the lowest portion of income required to service a mortgage. However, this metric has grown substantially from 21.4% in March 2020.

Looking ahead, there is little prospect for the mortgage serviceability indicator to move back into the 30%-range any time soon. This is because the cash rate is not expected to be cut until late 2024, and home values have continued to rise, even amid relatively high interest rate settings.

Based on current levels of income and dwelling values across Australia, and assuming a 20% home loan deposit, mortgage rates would need to fall to around 4.7% to get serviceability just under 40% of median income.

First home buyers face a particular challenge with respect to mortgage serviceability, because they are more likely to purchase a home with a low deposit. This is because first home buyers are often relatively young, so they have less savings, and no equity from increases in a previously owned property.[7] For existing home owners looking to upgrade, downsize or move home, price gains in their existing dwelling may enable a smaller loan-to-value ratio on their next purchase.

The ongoing rise in the deposit hurdle presents an additional challenge for first home buyers. Nationally, CoreLogic estimates it would take 10.3 years for a median income household to save a 20% deposit, assuming a savings rate of 15% per annum. In reality, the national household savings rate decreased to 3.2% in the December quarter of 2023, amid rapid increases in the price of goods and services, including rents.

These conditions are already resulting in some weakness in the first home buyer segment. The portion of owner-occupied lending secured for new first home buyer purchases fell to 28.3% in January 2024, down from a recent high of 30.1% in June 2023. As the year progresses, the share of first home buyer activity is likely to weaken further.

[7] Alfonzetti, M. (2022). Are First Home Buyer Loans More Risky. RBA Bull.

APPENDIX 1

DEFINITION OF AFFORDABILITY METRICS:

Affordability metrics are compiled using modelled income data from the Australian National University Centre for Social Research and Methods. The income measures are gross household income by region, estimated for the 25th, median and 75th percentile incomes. For this edition of the report, ANU has supplied modelled income data to December 2023, which CoreLogic has extrapolated one quarter to obtain the affordability measures for March.

Rent to income

Utilising household income data together with the median weekly rent values to March 2024, we measure what percentage of gross annual household income is required to pay rent on new leases. The median, 25th percentile and 75th percentile rent values are based on imputed rents across all properties observed by CoreLogic. Rent values are calculated using a combination of comparable asking rents on individual properties, as well as property attributes.

Serviceability

TThis measure looks at mortgage serviceability for median income households servicing a mortgage if they were to purchase in March 2024. 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.

ALSO FEATURED IN APPENDIX 2

Value to Income Ratio

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.

Years to save 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.

APPENDIX 2

RATIO OF DWELLING VALUES TO INCOME

	Dwellings					Houses					Units				
	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg	Mar 2020	Mar 2022	Dec 2022	**Mar 2023**	10 year avg
National	6.5	7.4	7.6	**7.7**	6.9	6.7	7.9	8.2	**8.3**	7.2	6.1	6.2	6.3	**6.4**	6.3
Combined capitals	6.8	7.2	7.6	**7.6**	7.1	7.2	8.1	8.5	**8.6**	7.7	6.1	5.8	5.9	**5.9**	6.2
Combined regions	5.6	7.3	7.3	**7.4**	6.1	5.8	7.5	7.5	**7.6**	6.3	5.0	6.3	6.5	**6.6**	5.5
Greater Sydney	8.6	8.9	9.4	**9.5**	8.9	10.0	10.9	11.7	**11.7**	10.4	7.5	6.8	7.0	**7.0**	7.4
Greater Melbourne	7.5	7.1	7.2	**7.1**	7.4	8.8	8.6	8.7	**8.5**	8.8	6.3	5.6	5.6	**5.6**	6.2
Greater Brisbane	5.5	6.9	7.5	**7.6**	6.2	6.1	7.7	8.3	**8.5**	6.8	4.3	4.9	5.3	**5.5**	4.7
Greater Adelaide	5.9	7.5	8.0	**8.2**	6.5	6.3	8.1	8.6	**8.8**	7.0	4.5	5.1	5.5	**5.6**	4.8
Greater Perth	4.7	5.5	6.2	**6.5**	5.5	4.9	5.8	6.5	**6.8**	5.8	3.7	4.0	4.3	**4.6**	4.4
Greater Hobart	6.5	7.6	7.3	**7.3**	6.5	6.9	8.1	7.8	**7.7**	7.0	5.4	6.2	6.0	**5.8**	5.3
Greater Darwin	3.5	4.1	4.0	**3.9**	4.1	4.2	4.8	4.6	**4.5**	4.7	2.5	3.0	3.0	**2.9**	3.1
Canberra	5.3	6.3	6.2	**6.1**	5.5	5.9	7.1	7.1	**7.0**	6.1	3.7	4.5	4.3	**4.2**	4.0
Rest of NSW	6.7	8.7	8.6	**8.7**	7.3	6.9	9.0	9.0	**9.1**	7.5	5.8	7.2	7.2	**7.2**	6.2
Rest of Vic.	5.7	7.3	7.1	**7.1**	6.0	6.1	7.8	7.6	**7.4**	6.4	4.3	5.4	5.1	**5.1**	4.5
Rest of QLD	5.2	6.8	7.1	**7.2**	5.8	5.3	6.8	7.2	**7.2**	5.9	4.9	6.6	6.9	**7.2**	5.6
Rest of SA	4.1	5.4	5.7	**5.8**	4.6	4.2	5.5	5.8	**6.0**	4.7	3.1	4.0	4.3	**4.2**	3.7
Rest of WA	3.7	4.9	5.1	**5.3**	4.4	3.9	5.0	5.3	**5.5**	4.6	2.5	3.2	3.5	**3.5**	3.3
Rest of Tas.	5.4	7.3	7.1	**7.2**	5.7	5.6	7.6	7.4	**7.5**	5.9	4.4	5.7	5.4	**5.6**	4.6
Rest of NT	4.5	4.5	4.2	**4.2**	4.5	4.8	5.0	4.6	**4.6**	5.0	3.4	3.2	2.8	**3.1**	3.4

YEARS TO SAVE A DEPOSIT

	Dwellings					Houses					Units				
	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg
National	8.7	9.8	10.2	**10.3**	9.2	8.9	10.5	11.0	**11.1**	9.6	8.2	8.3	8.4	**8.5**	8.4
Combined capitals	9.1	9.7	10.1	**10.1**	9.5	9.6	10.8	11.3	**11.4**	10.2	8.2	7.7	7.9	**7.9**	8.2
Combined regions	7.5	9.7	9.8	**9.9**	8.2	7.7	10.0	10.1	**10.2**	8.4	6.6	8.5	8.6	**8.8**	7.3
Greater Sydney	11.5	11.9	12.6	**12.6**	11.8	13.3	14.5	15.6	**15.6**	13.9	10.0	9.1	9.3	**9.3**	9.9
Greater Melbourne	10.0	9.5	9.6	**9.4**	9.9	11.7	11.5	11.5	**11.3**	11.7	8.4	7.5	7.5	**7.4**	8.2
Greater Brisbane	7.4	9.2	9.9	**10.2**	8.2	8.1	10.2	11.1	**11.3**	9.0	5.8	6.5	7.1	**7.3**	6.3
Greater Adelaide	7.8	10.0	10.7	**10.9**	8.7	8.4	10.8	11.5	**11.7**	9.4	5.9	6.8	7.3	**7.5**	6.4
Greater Perth	6.3	7.4	8.3	**8.7**	7.3	6.5	7.7	8.6	**9.1**	7.7	4.9	5.3	5.8	**6.1**	5.9
Greater Hobart	8.7	10.2	9.7	**9.7**	8.7	9.2	10.8	10.3	**10.3**	9.3	7.2	8.3	8.0	**7.8**	7.1
Greater Darwin	4.7	5.4	5.3	**5.3**	5.5	5.6	6.3	6.1	**6.1**	6.3	3.3	4.1	4.0	**3.9**	4.2
Canberra	7.1	8.4	8.2	**8.1**	7.3	7.9	9.5	9.4	**9.3**	8.2	5.0	6.0	5.8	**5.7**	5.3
Rest of NSW	8.9	11.5	11.5	**11.6**	9.7	9.2	12.0	11.9	**12.1**	10.0	7.8	9.6	9.5	**9.6**	8.3
Rest of Vic.	7.6	9.8	9.5	**9.4**	8.0	8.1	10.3	10.1	**9.9**	8.5	5.8	7.1	6.8	**6.8**	6.0
Rest of QLD	6.9	9.0	9.5	**9.6**	7.7	7.1	9.1	9.5	**9.6**	7.9	6.6	8.8	9.3	**9.6**	7.4
Rest of SA	5.4	7.2	7.5	**7.8**	6.1	5.6	7.4	7.7	**8.0**	6.2	4.1	5.4	5.7	**5.5**	4.9
Rest of WA	5.0	6.5	6.9	**7.1**	5.9	5.2	6.7	7.1	**7.3**	6.1	3.4	4.3	4.7	**4.7**	4.4
Rest of Tas.	7.2	9.8	9.5	**9.6**	7.6	7.4	10.2	9.9	**9.9**	7.8	5.9	7.7	7.3	**7.4**	6.1
Rest of NT	5.9	6.0	5.6	**5.6**	6.1	6.4	6.7	6.1	**6.1**	6.7	4.5	4.2	3.7	**4.1**	4.6

PORTION OF INCOME REQUIRED TO SERVICE A NEW MORTGAGE

	Dwellings					Houses					Units				
	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg
National	29.6%	43.1%	48.3%	**48.9%**	34.8	30.3%	46.2%	52.0%	**52.7%**	36.2	27.9%	36.2%	40.0%	**40.5%**	31.5%
Combined capitals	31.0%	42.3%	47.8%	**48.3%**	35.8%	32.6%	47.1%	53.8%	**54.4%**	38.5%	27.9%	33.9%	37.3%	**37.5%**	30.8%
Combined regions	25.4%	42.5%	46.4%	**47.1%**	30.8%	26.2%	44.0%	47.7%	**48.3%**	31.7%	22.6%	37.1%	40.8%	**41.7%**	27.5%
Greater Sydney	39.2%	52.3%	59.7%	**59.9%**	44.5%	45.3%	63.6%	73.9%	**74.4%**	52.3%	34.1%	39.8%	44.1%	**44.1%**	37.2%
Greater Melbourne	34.0%	41.7%	45.4%	**44.8%**	37.1%	39.8%	50.2%	54.7%	**53.7%**	44.0%	28.7%	32.8%	35.5%	**35.2%**	30.8%
Greater Brisbane	25.2%	40.2%	47.1%	**48.3%**	31.1%	27.7%	44.8%	52.5%	**53.8%**	34.1%	19.6%	28.5%	33.5%	**34.7%**	23.8%
Greater Adelaide	26.7%	43.8%	50.7%	**51.8%**	32.9%	28.8%	47.2%	54.3%	**55.5%**	35.5%	20.2%	29.9%	34.5%	**35.6%**	24.2%
Greater Perth	21.4%	32.3%	39.1%	**41.3%**	27.7%	22.3%	33.8%	40.9%	**43.1%**	29.0%	16.8%	23.4%	27.4%	**29.1%**	22.2%
Greater Hobart	29.6%	44.5%	46.1%	**46.0%**	32.6%	31.4%	47.3%	49.0%	**49.1%**	34.9%	24.6%	36.4%	37.7%	**37.0%**	26.8%
Greater Darwin	15.9%	23.9%	25.1%	**25.0%**	20.6%	19.0%	27.8%	29.1%	**28.8%**	23.8%	11.3%	17.8%	18.8%	**18.5%**	15.7%
Canberra	24.1%	36.6%	39.1%	**38.6%**	27.6%	27.0%	41.8%	44.7%	**44.4%**	30.8%	17.0%	26.4%	27.5%	**26.9%**	20.1%
Rest of NSW	30.5%	50.6%	54.5%	**55.4%**	36.5%	31.3%	52.5%	56.6%	**57.6%**	37.6%	26.5%	41.9%	45.2%	**45.5%**	31.2%
Rest of Vic.	26.1%	42.8%	45.1%	**44.7%**	30.1%	27.6%	45.4%	47.9%	**47.2%**	32.0%	19.7%	31.3%	32.1%	**32.3%**	22.8%
Rest of QLD	23.7%	39.5%	44.9%	**45.6%**	29.3%	24.2%	40.0%	45.3%	**45.7%**	29.8%	22.4%	38.5%	43.9%	**45.5%**	28.1%
Rest of SA	18.4%	31.5%	35.8%	**37.1%**	23.2%	19.0%	32.3%	36.5%	**38.0%**	23.7%	14.0%	23.6%	26.9%	**26.4%**	18.7%
Rest of WA	17.1%	28.5%	32.5%	**33.9%**	22.2%	17.8%	29.4%	33.5%	**34.9%**	23.0%	11.5%	18.8%	22.4%	**22.5%**	16.5%
Rest of Tas.	24.4%	42.9%	45.2%	**45.5%**	28.5%	25.3%	44.5%	47.1%	**47.3%**	29.6%	20.1%	33.5%	34.4%	**35.4%**	23.1%
Rest of NT	20.3%	26.3%	26.6%	**26.5%**	22.7%	21.7%	29.2%	28.9%	**28.9%**	25.0%	15.4%	18.6%	17.8%	**19.4%**	17.2%

PORTION OF INCOME REQUIRED TO SERVICE RENT

	Dwellings					Houses					Units				
	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg	Mar 2020	Mar 2023	Dec 2023	**Mar 2024**	10 year avg
National	26.7%	30.1%	31.5%	**32.2%**	28.6%	26.8%	30.8%	32.0%	**32.8%**	28.9%	26.7%	28.5%	30.0%	**30.6%**	27.8%
Combined capitals	25.6%	28.4%	29.8%	**30.4%**	27.2%	25.8%	29.5%	30.8%	**31.5%**	27.9%	25.2%	26.2%	27.7%	**28.1%**	25.9%
Combined regions	28.3%	32.3%	32.7%	**33.3%**	29.9%	28.7%	32.5%	32.9%	**33.6%**	30.2%	26.0%	31.1%	31.3%	**31.9%**	28.4%
Greater Sydney	29.2%	31.0%	32.4%	**32.7%**	30.8%	31.0%	33.0%	34.8%	**34.5%**	32.8%	27.7%	28.6%	30.0%	**30.4%**	28.9%
Greater Melbourne	25.5%	25.5%	26.9%	**27.5%**	25.9%	25.8%	26.5%	28.2%	**28.6%**	26.8%	25.3%	24.3%	25.4%	**26.1%**	24.8%
Greater Brisbane	25.1%	29.5%	30.7%	**31.2%**	27.0%	26.3%	31.0%	31.9%	**32.4%**	28.2%	22.6%	25.9%	27.8%	**28.2%**	24.5%
Greater Adelaide	26.9%	31.6%	33.1%	**33.8%**	28.7%	27.8%	33.0%	34.3%	**35.1%**	29.8%	23.2%	26.6%	27.7%	**28.0%**	24.4%
Greater Perth	21.8%	28.3%	30.7%	**31.7%**	25.1%	22.2%	28.8%	31.2%	**32.2%**	25.7%	19.4%	25.0%	27.6%	**28.6%**	22.5%
Greater Hobart	32.0%	34.0%	31.4%	**32.1%**	30.7%	32.7%	34.8%	32.2%	**33.2%**	31.7%	28.1%	29.4%	27.1%	**27.7%**	26.0%
Greater Darwin	20.4%	25.5%	25.5%	**25.4%**	24.2%	22.4%	27.9%	28.3%	**28.1%**	26.4%	17.1%	21.4%	21.3%	**21.0%**	20.4%
Canberra	24.4%	26.4%	24.8%	**25.3%**	24.1%	25.7%	27.6%	26.2%	**26.9%**	25.4%	21.3%	22.8%	22.0%	**22.1%**	21.2%
Rest of NSW	30.6%	34.5%	34.3%	**35.2%**	32.5%	31.6%	35.3%	35.2%	**36.1%**	33.4%	26.6%	31.2%	30.9%	**31.3%**	28.6%
Rest of Vic.	26.8%	29.4%	29.6%	**29.7%**	27.3%	27.6%	30.2%	30.3%	**30.4%**	28.2%	21.4%	23.9%	24.2%	**24.4%**	22.2%
Rest of QLD	28.7%	34.8%	35.9%	**36.4%**	30.9%	29.0%	34.7%	35.9%	**36.3%**	31.0%	27.8%	35.0%	35.9%	**36.4%**	30.8%
Rest of SA	24.5%	29.1%	30.6%	**31.0%**	26.1%	25.0%	29.6%	31.2%	**31.6%**	26.5%	19.5%	22.0%	22.7%	**23.4%**	20.5%
Rest of WA	23.5%	28.2%	30.1%	**31.4%**	25.4%	23.8%	28.3%	30.2%	**31.5%**	25.7%	20.0%	27.4%	29.0%	**29.9%**	23.1%
Rest of Tas.	28.4%	32.4%	31.9%	**32.4%**	29.1%	29.3%	33.3%	32.6%	**33.1%**	29.8%	22.7%	28.1%	26.9%	**27.0%**	24.3%
Rest of NT	29.8%	29.6%	28.7%	**30.4%**	30.3%	33.4%	32.0%	30.9%	**32.9%**	33.2%	24.1%	25.0%	23.0%	**23.8%**	24.6%

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