



HOUSING AFFORDABILITY REPORT

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ANZ CORELOGIC HOUSING AFFORDABILITY REPORT

From the end of September 2020, through to the end of March 2022, Australian home values saw an extraordinary upswing. During this period, the national CoreLogic Home Value Index increased 27.8%. Across Australian capital cities and broad 'rest-of-state' regions, increases in the index ranged from 14.7% across regional Northern Territory dwelling values, to 42.4% in regional NSW.

CoreLogic rent values have also seen significant growth, following a small decline at the national level that coincided with the onset of COVID-19. Between August 2020 and March 2022, the CoreLogic Rental Value Index increased 13.8%, with advertised rents now around 13% higher than they were prior to the pandemic.

While the upswing in rents and property values has generated increases in wealth and investment returns for many property owners, it has created greater affordability challenges for those who are renting, and those looking to purchase their first home. This report provides an update on the latest housing affordability metrics through to the March 2022 quarter, highlighting the challenges posed by rising rents (particularly in regional Australia), and the higher savings required for a deposit. Many of these metrics are considered relative to March 2020, which was the onset of COVID-19 in Australia.

As the Australian economy recovers, with strong increases in employment and inflation, the impact of future interest rate rises is also considered, including how this may shift affordability challenges from saving for a deposit to servicing a mortgage.

Definitions of the metrics used throughout the report are detailed in Appendix 1, while a full summary of metrics by region is provided in Appendix 2.

MEASURING HOUSING AFFORDABILITY

Not every Australian has the same relationship to housing. Whether paying down a mortgage, saving for a deposit, attaining a mortgage or finding somewhere to rent, multiple metrics should be used to assess the state of housing affordability.

The suite of metrics included within the ANZ CoreLogic Housing Affordability Report includes four key measures to understand housing affordability across each of Australia's housing markets. These are the ratio of dwelling values to household income, the number of years taken to save a 20% deposit, the portion of income required to service a new mortgage and the portion of household income required to service rent. CoreLogic values rents based on advertised listings, so it is worth noting these rent measures reflect the cost of servicing rent on a new lease.

Another challenge of providing useful insights on housing affordability is lagged income data. Despite monthly information on rent and values from CoreLogic, timely estimates of detailed household income data are not as readily available.

To overcome this challenge, this report utilises data from the ANU Centre for Social Research and Methods (ANU). ANU provides modelled estimates for household incomes, adjusted by information from the ABS National Accounts

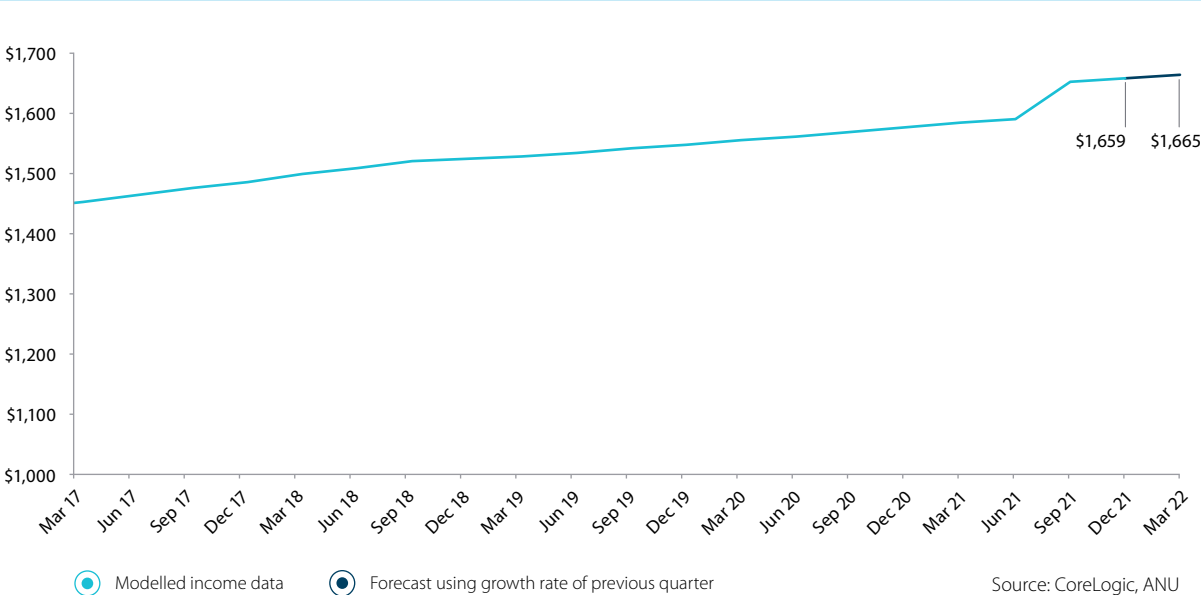
data. Through this method, the ANZ CoreLogic Housing Affordability Report presents the timeliest estimates of housing costs relative to income in the market.

For the latest edition of this report, we have estimated incomes for the March 2022 quarter. The chart below shows this at the national level, where income growth for the December quarter of 2021 has been applied to estimate income levels for the March quarter of 2022.

As new information becomes available, and the March 2022 income data is confirmed in the Q1 National Accounts due in early June, we will review our estimates of affordability. Historically, affordability measures are revised over time, based on revisions in the ABS national account data. These revisions may be slightly larger for the March 2022 quarter.

More information about the measures used and calculations is available in Appendix 1 of this report.

FIGURE 1. MEDIAN WEEKLY HOUSEHOLD INCOME - TIMESERIES OF MODELLED INCOME AND MARCH 2022 FORECAST



THE RATIO OF HOUSING VALUES TO HOUSEHOLD INCOME IS AT A RECORD HIGH OF 8.5

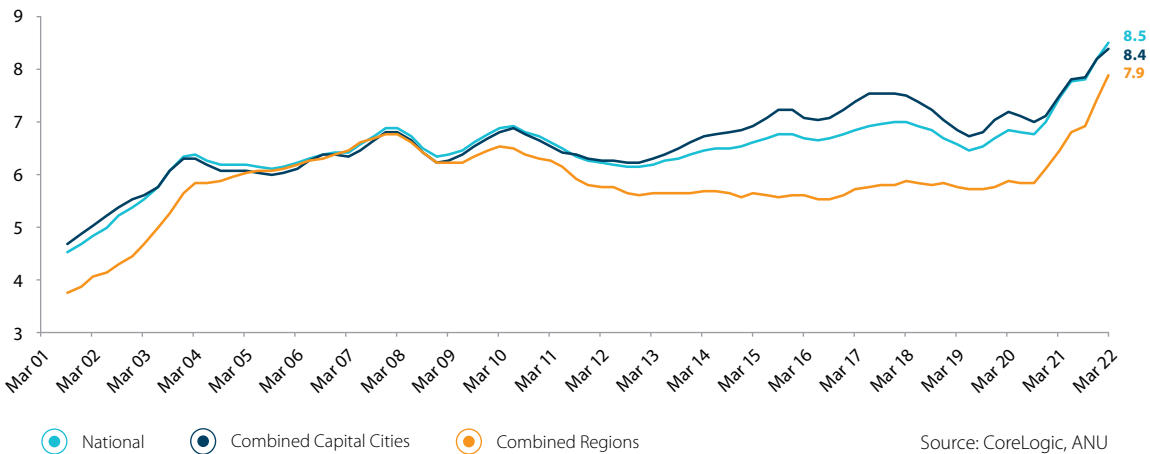
At March 2022, the national median dwelling value was an estimated 8.5 times the median annual household income level nationally. This is a record high for the series, and has increased from 6.8 since the onset of COVID-19 two years prior.

The increase in the dwelling value to income ratio was largest across regional Australia, where property prices have risen substantially more than incomes. Between March 2020 and March 2022, the value to household income ratio across combined regional Australia increased from 5.9 to 7.9, faster than the increase in the combined capital cities (Figure 2).

One of the unique features of the COVID-19 period has been the acceleration of remote work, where [ABS survey data](#) indicates more organisations are committed to remote, flexible working arrangements beyond the pandemic. While this has created opportunities for remote knowledge workers to consider relatively affordable housing options, it also has likely contributed to price pressures for long-established residents in the regions.

For example, median weekly income estimates for March 2022 suggest capital city incomes are around 32.6% higher than incomes in regional Australia. Comparing median capital city Australian incomes to the median dwelling value in the capitals, the value to income ratio is 8.4. But if we compared capital city incomes to regional dwelling values, that ratio is 6.0. So the comparative capacity to pay and compete for housing on median city earnings is significant. Increased competition for regional housing from relatively high income earners in capital cities is likely to be a contributing factor to rising housing costs in the regions.

FIGURE 2. VALUE TO INCOME RATIO - NATIONAL AGGREGATES



THE PORTION OF INCOME REQUIRED TO SERVICE RENT REACHES HIGHEST LEVEL ON RECORD IN REGIONAL AUSTRALIA, SMALLER CAPITAL CITIES

Following a brief decline between March and August 2020, rent values have increased substantially. This is due to a combination of stronger rental demand and lower supply. Rental supply was limited in the lead up to the pandemic, while the pandemic created further uncertainty for housing investors.

Despite the loss in overseas migration as a result of travel restrictions, rental demand has more recently been spurred by a strong economic and employment recovery, as well as a preference for larger work spaces at home. Moreover, changing migration trends lifted housing demand in traditionally smaller outer-suburban and regional rental markets.

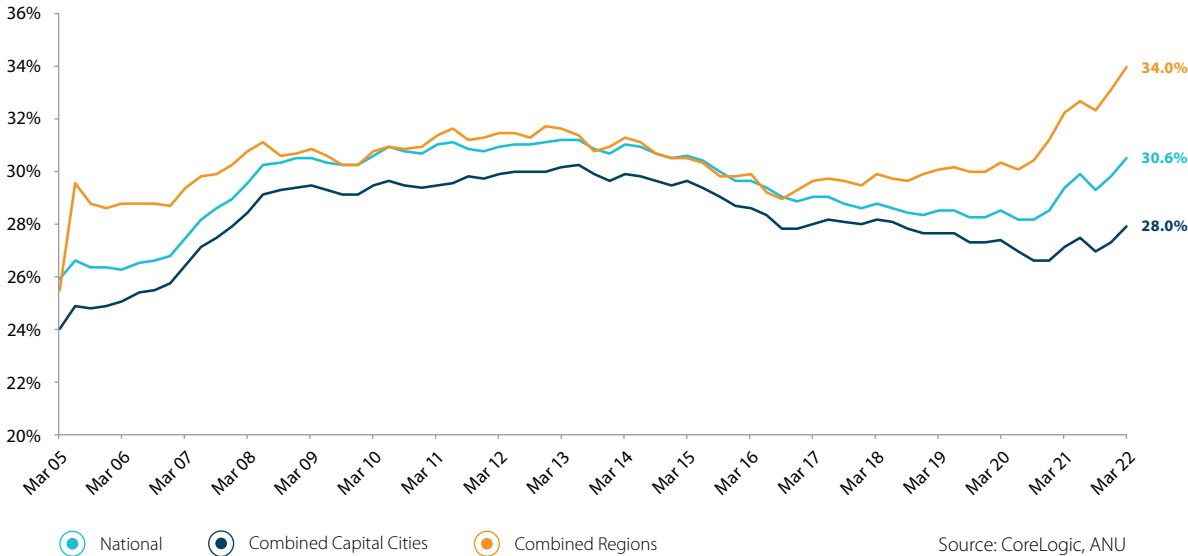
At the national level, the portion of household income required to service rent on a new lease increased to 30.6%, up from 29.8% in December 2021, and 28.5% in the March quarter of 2020.

Rental affordability conditions vary markedly between regions. Relatively weak rental market conditions across Sydney and Melbourne, especially across the unit sector through the first year of the pandemic, meant the level of income required to service rent on a new lease has actually fallen in these cities since March 2020.

However, the portion of income required to service rent hit a record high in Hobart (34.4%), and Adelaide (31.6%) through the March 2022 quarter. During the pandemic, rental demand has been lower in Sydney and Melbourne. The portion of income required to service rent on a new lease is now 30.5% for the median dwelling in Sydney, and 24.3% in Melbourne.

Across the combined regions, rental affordability has deteriorated more sharply relative to the combined capital cities. The portion of household income required to service rents at March 2022 hit a record high of 34.0% in regional Australia, well above the 28% of income required to service capital city rents (Figure 3).

FIGURE 3. PORTION OF INCOME REQUIRED TO SERVICE RENT - NATIONAL AGGREGATES



Across the broad regions of Australia, rental serviceability since the start of the pandemic has deteriorated most rapidly across the Richmond – Tweed market, which includes popular coastal destinations such as Byron Bay, where the portion of income required to pay median rents on a new lease has increased from 45.2% at March 2020 to 53.0% at March 2022. As shown in Figure 4, rent to income ratios across Australia have generally risen most sharply across 'lifestyle' markets that have traditionally been popular with 'tree change' and 'sea change' migration.

FIGURE 4. LARGEST VS SMALLEST CHANGES IN PORTION OF INCOME REQUIRED TO SERVICE RENT - MARCH 2020 TO MARCH 2022

Greater Region	SA4 Regional Name	Portion of income required to service rent			Change in median weekly rent valuations
		Mar 20	Mar 22	Change (percentage points)	
Largest changes in portion of income required to service rent on a new lease					
Rest of NSW	Richmond - Tweed	45.2%	53.0%	7.9%	\$140
Rest of NSW	Southern Highlands and Shoalhaven	38.6%	46.4%	7.8%	\$133
Rest of NSW	Mid North Coast	39.6%	46.3%	6.7%	\$102
Rest of NSW	Coffs Harbour - Grafton	41.9%	48.6%	6.7%	\$112
Rest of Qld	Sunshine Coast	35.7%	42.2%	6.5%	\$167
Rest of Qld	Gold Coast	33.3%	39.7%	6.4%	\$167
Rest of NSW	Newcastle and Lake Macquarie	33.4%	39.5%	6.1%	\$121
Rest of NSW	Central West	27.1%	33.1%	5.9%	\$103
Greater Sydney	Central Coast	34.5%	40.3%	5.8%	\$128
Rest of NSW	Murray	25.0%	30.8%	5.8%	\$97
Smallest changes in portion of income required to service rent on a new lease					
Greater Melbourne	Melbourne - Inner	30.8%	25.6%	-5.1%	-\$62
Greater Sydney	Sydney - City and Inner South	35.8%	32.1%	-3.7%	-\$25
Greater Melbourne	Melbourne - Inner South	29.0%	26.7%	-2.3%	-\$2
Greater Sydney	Sydney - Inner West	31.7%	29.6%	-2.1%	\$2
Greater Sydney	Sydney - Ryde	29.7%	27.8%	-1.9%	\$3
Greater Sydney	Sydney - Eastern Suburbs	34.2%	32.5%	-1.7%	\$24
Greater Melbourne	Melbourne - West	25.2%	23.5%	-1.6%	\$2
Greater Sydney	Sydney - Parramatta	30.0%	28.8%	-1.2%	\$17
Greater Melbourne	Melbourne - Inner East	29.6%	28.4%	-1.2%	\$13
Greater Melbourne	Melbourne - North West	27.3%	26.1%	-1.2%	\$13

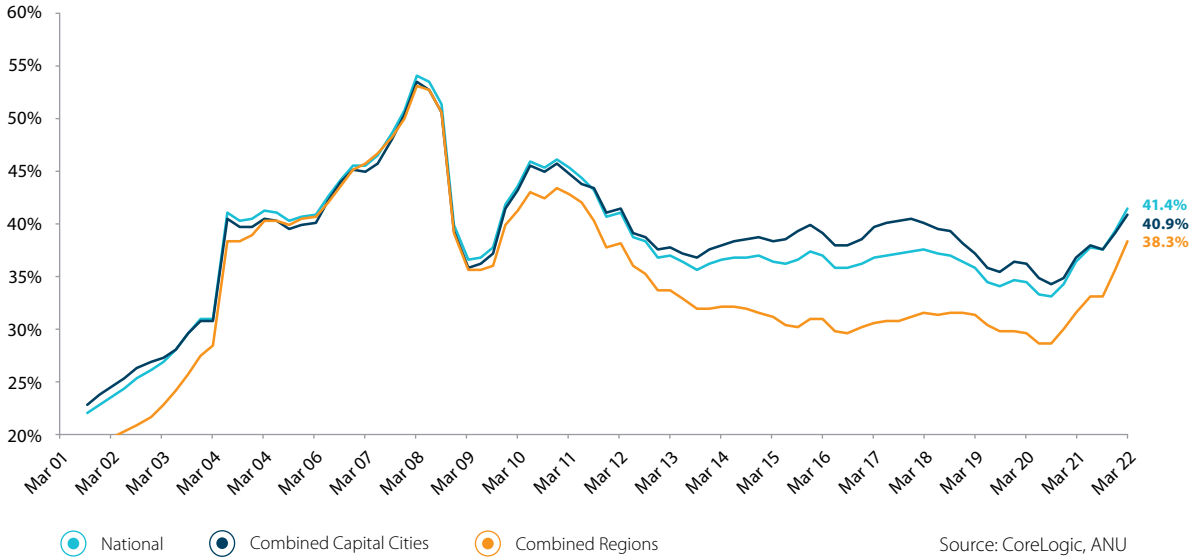
Source: CoreLogic, ANU

As noted in previous editions of the [Housing Affordability Report](#), areas with relatively high exposure to overseas holidaymakers and people working in tourism and hospitality saw downward pressure on rents through the pandemic to date. This has led to an improvement in the affordability metrics in some areas of Sydney and Melbourne. However, many of these rental markets recovered strongly through 2021 and early 2022. For example, the number of monthly rent listings in the Melbourne – Inner market fell to 10,513 in March 2022 from a peak of 21,222 in November 2020. Interestingly, rental markets with historically high exposure to overseas migration and tourism began this recovery trend well before international travel restrictions were eased. It is likely these markets will once again see increased demand as overseas tourism and increased migration returns, creating renewed upward pressure on housing costs.

PORTION OF INCOME REQUIRED TO SERVICE MORTGAGE REMAINS BELOW RECORD HIGHS, BUT HAS INCREASED FOR THREE CONSECUTIVE QUARTERS

The portion of household income required to service new mortgage repayments sat at 41.4% nationally in March 2022, above the decade average of 36.5%. This was the third consecutive increase at the national level (Figure 5), with higher average mortgage rates and property values contributing to the uplift.

FIGURE 5. PORTION OF INCOME REQUIRED TO SERVICE A NEW MORTGAGE - NATIONAL AGGREGATES



Affordability metrics on mortgage serviceability have remained below record highs seen in 2008, and below more recent highs in 2010, as the low cash rate environment has tempered interest costs, even at record price levels.

That said, ANZ expects the cash rate to rise to 2.35% by mid-2023, which would shift some of the challenges around housing affordability. Namely, housing values are expected to decline as interest costs rise. However, while lower house prices will lower the deposit hurdle, they won't necessarily make housing more affordable. The potential implications of higher rates for mortgage servicing are shown in Figures 6.1 and 6.2, which looks at different scenarios assuming an increase in average mortgage rates of 2.25 percentage points and various levels of nominal decline in housing values.

FIGURE 6.1 TRADE OFF BETWEEN LOWER PURCHASE PRICES AND HIGHER MORTGAGE RATE - 20% DEPOSIT

	Median Purchase Value	20% deposit	Mortgage Rate	Monthly Mortgage Repayment
Median dwelling value - March 2022	\$738,975	\$147,795	2.47%	\$2,327
No price decline	\$738,975	\$147,795	4.72%	\$3,073
Price decline of 5%	\$702,026	\$140,405	4.72%	\$2,920
Price decline of 10%	\$665,078	\$133,016	4.72%	\$2,766
Price decline of 15%	\$628,129	\$125,626	4.72%	\$2,612
Price decline of 20%	\$591,180	\$118,236	4.72%	\$2,459
Price decline of 25%	\$554,231	\$110,846	4.72%	\$2,305

Source: CoreLogic, RBA. Assumes monthly repayments on a 30-year term, 20% deposit and current median Australian dwelling value. Assumes the current average principal and interest mortgage rate for new owner occupier borrowers as reported by the RBA, and a full adjustment of 2.25 percentage points. No other fees or transaction costs are factored.

FIGURE 6.2 TRADE OFF BETWEEN LOWER PURCHASE PRICES AND HIGHER MORTGAGE RATE - 5% DEPOSIT

	Median Purchase Value	20% deposit	Mortgage Rate	Monthly Mortgage Repayment
Median dwelling value - March 2022	\$738,975	\$36,949	2.47%	\$2,763
No price decline	\$738,975	\$36,949	4.72%	\$3,649
Price decline of 5%	\$702,026	\$35,101	4.72%	\$3,467
Price decline of 10%	\$665,078	\$33,254	4.72%	\$3,284
Price decline of 15%	\$628,129	\$31,406	4.72%	\$3,102
Price decline of 20%	\$591,180	\$29,559	4.72%	\$2,920
Price decline of 25%	\$554,231	\$27,712	4.72%	\$2,737

Source: CoreLogic, RBA. Assumes monthly repayments on a 30-year term, 5% deposit and current median Australian dwelling value. Assumes the current average principal and interest mortgage rate for new owner occupier borrowers as reported by the RBA, and a full adjustment of 2.25 percentage points. No other fees or transaction costs are factored.

Figure 6.1 suggests that in a higher interest rate environment, mortgage serviceability may become more challenging, even as price levels (and therefore deposit hurdles), decline. In the above scenario of a 2.25 percentage point rise in the average mortgage rate, mortgage repayments will be higher under all scenarios except a 25% price decline.

Appendix 3 provides a full breakdown of how mortgage repayments change under higher rates and lower prices by region. Using the same parameters as above, the most expensive dwelling markets see substantially higher serviceability costs on new mortgages, even as prices decline, when interest rates rise. For example, in Sydney's Northern Beaches, monthly mortgage repayments would be \$970 higher if prices were to fall 15%, and mortgage rates saw a full 2.25% rise.

Recent government solutions to housing affordability constraints have focused on 'low deposit' home loans, such as through the First Home Loan Deposit Scheme, which allows eligible applicants to take on a mortgage with as little as a 5% deposit without having to pay lenders mortgage insurance (LMI). Based on figure 6.2, a 5% deposit home loan would leave borrowers with notably higher mortgage repayments under the higher interest rate scenario except under a fall in prices of 25%.

Actual future scenarios may be very different in terms of the eventual peak in mortgage rates (with financial markets currently pricing in a lift in the cash rate to peak closer to 3.5%), and the ultimate decline in housing prices. But weighing up higher interest costs with lower prices may be a key consideration for first homebuyers.

In turn, it is worth considering that mortgage repayments in these scenarios are not static over the life of the loan, and the interest rate cycle could drive interest costs higher or lower over time.

YEARS TO SAVE A DEPOSIT HITS NATIONAL RECORD HIGH OF 11.4 YEARS

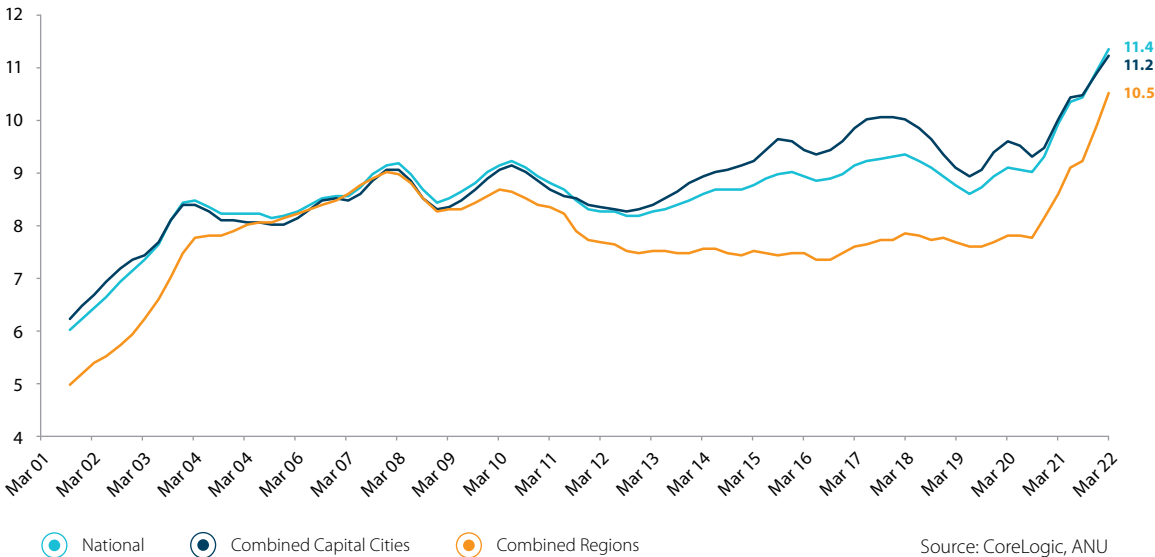
One of the most significant barriers to home ownership in Australia is the upfront costs for first homebuyers. This includes the deposit hurdle, where a 20% deposit for the current median dwelling value across Australia was \$147,795 in March 2022. Assuming a household income savings rate of 15% per annum, this puts the current time estimated to save a 20% deposit at 11.4 years nationally, a record high.

The median measure of years taken to save a 20% deposit has risen by 2.2 years since March 2020 nationally. Looking at the back series of this metric, which extends to 2001, this is the fastest uplift in the metric over a two-year period on record. It highlights the speed at which home values have risen through the current upswing, in which annual growth rates have been at their highest since the 1980s.

Rapid increases in housing values are a particular barrier for first homebuyers compared with other homebuyers. This is because those who already own property benefit from gains in home equity as dwelling values rise, while aspirational first homebuyers do not. Moreover, rising house prices lift the deposit hurdle for first homebuyers, especially as housing price increases have outpaced growth in incomes by a substantial margin over time.

Unsurprisingly, the region with the longest time required to save a deposit is Sydney, where the estimated time to save is now at a record high of 14.1 years. The greatest increase in the time needed to save a 20% deposit in the past 2 years across the capital cities was in Hobart, where the time required to save a deposit increased from 7 years at March 2020, to 9.7 years by March 2022.

FIGURE 7. YEARS REQUIRED TO SAVE A 20% DEPOSIT - NATIONAL AGGREGATES



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 in the March quarter of 2022. 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 the ANU median household income data together with the median weekly asking rent through March 2022, we measure what percentage of gross annual household income is required to pay 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, moving into a new rental where the weekly advertised 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			
	Mar-22	Dec-21	Mar-20	10 year average	Mar-22	Dec-21	Mar-20	10 year average	Mar-22	Dec-21	Mar-20	10 year average
Ratio of dwelling values to income												
National	8.5	8.2	6.8	6.8	9.3	8.9	7.0	7.0	7.1	7.0	6.5	6.4
Combined capitals	8.4	8.2	7.2	7.1	9.5	9.2	7.6	7.5	6.6	6.6	6.5	6.3
Combined regions	7.9	7.4	5.9	5.9	8.2	7.7	6.1	6.1	6.9	6.5	5.2	5.3
Greater Sydney	10.6	10.4	9.0	8.6	13.3	13.0	10.4	10.0	7.9	7.9	7.9	7.5
Greater Melbourne	8.6	8.5	8.0	7.5	10.6	10.7	9.4	8.7	6.7	6.7	6.8	6.4
Greater Brisbane	7.9	7.2	5.9	6.0	9.0	8.3	6.5	6.5	5.0	4.8	4.5	4.8
Greater Adelaide	7.9	7.5	6.2	6.4	8.6	8.2	6.8	6.8	5.3	5.1	4.7	4.9
Greater Perth	5.8	5.7	5.2	5.8	6.1	5.9	5.4	6.1	4.3	4.3	4.1	4.8
Greater Hobart	9.1	8.7	6.7	6.1	9.8	9.3	7.1	6.5	7.2	7.0	5.5	5.1
Greater Darwin	3.9	4.0	3.5	4.3	4.5	4.5	4.2	4.9	2.9	2.9	2.4	3.3
Canberra	7.2	7.0	5.2	5.2	8.2	7.9	5.9	5.7	4.7	4.5	3.7	3.9
Rest of NSW	10.3	9.7	7.1	6.9	10.8	10.1	7.3	7.1	8.2	7.9	6.1	6.0
Rest of Vic.	8.2	7.8	6.0	5.6	8.7	8.3	6.3	5.9	5.8	5.7	4.4	4.4
Rest of QLD	6.9	6.4	5.4	5.7	7.0	6.5	5.5	5.8	6.8	6.2	5.1	5.3
Rest of SA	5.0	4.7	4.2	4.5	5.2	4.8	4.3	4.6	3.8	3.8	3.2	3.7
Rest of WA	4.9	4.9	4.1	4.6	5.1	5.1	4.2	4.7	3.2	3.2	2.8	3.6
Rest of Tas.	8.0	7.6	5.6	5.2	8.3	7.9	5.8	5.3	6.2	6.0	4.5	4.3
Rest of NT	5.3	5.3	5.3	4.9	5.9	5.8	5.6	5.4	3.8	3.8	4.2	3.8
Years to save a deposit												
National	11.4	11.0	9.1	9.1	12.4	11.8	9.3	9.3	9.5	9.3	8.6	8.5
Combined capitals	11.2	10.9	9.6	9.5	12.7	12.3	10.1	10.1	8.8	8.8	8.7	8.4
Combined regions	10.5	9.9	7.8	7.9	10.9	10.3	8.1	8.1	9.2	8.7	6.9	7.1
Greater Sydney	14.1	13.9	12.0	11.5	17.7	17.4	13.9	13.3	10.5	10.6	10.5	10.0
Greater Melbourne	11.4	11.3	10.7	10.0	14.2	14.2	12.6	11.6	8.9	8.9	9.0	8.5
Greater Brisbane	10.5	9.6	7.8	8.0	12.0	11.0	8.6	8.6	6.7	6.3	6.0	6.4
Greater Adelaide	10.5	10.0	8.3	8.5	11.5	10.9	9.0	9.1	7.0	6.8	6.3	6.5
Greater Perth	7.7	7.6	6.9	7.7	8.1	7.9	7.2	8.1	5.8	5.7	5.4	6.4
Greater Hobart	12.1	11.5	8.9	8.1	13.1	12.4	9.5	8.7	9.6	9.4	7.4	6.7
Greater Darwin	5.2	5.3	4.6	5.7	6.0	6.0	5.6	6.5	3.9	3.9	3.2	4.4
Canberra	9.7	9.3	7.0	6.9	10.9	10.5	7.8	7.6	6.3	6.1	4.9	5.2
Rest of NSW	13.7	12.9	9.5	9.2	14.4	13.4	9.7	9.4	10.9	10.5	8.1	8.0
Rest of Vic.	11.0	10.4	8.0	7.4	11.7	11.1	8.5	7.9	7.8	7.6	5.9	5.9
Rest of QLD	9.2	8.6	7.2	7.6	9.3	8.7	7.3	7.8	9.0	8.3	6.8	7.1
Rest of SA	6.7	6.2	5.6	6.0	6.9	6.4	5.7	6.1	5.1	5.0	4.3	4.9
Rest of WA	6.6	6.5	5.4	6.1	6.8	6.7	5.7	6.3	4.2	4.2	3.7	4.8
Rest of Tas.	10.7	10.1	7.4	6.9	11.1	10.5	7.7	7.1	8.2	8.0	6.1	5.8
Rest of NT	7.1	7.0	7.0	6.6	7.9	7.7	7.4	7.2	5.1	5.1	5.5	5.1

	Dwellings				Houses				Units			
	Mar-22	Dec-21	Mar-20	10 year average	Mar-22	Dec-21	Mar-20	10 year average	Mar-22	Dec-21	Mar-20	10 year average
Portion of income required to service a new mortgage												
National	41.4%	39.3%	34.4%	36.5%	45.2%	42.4%	35.1%	37.5%	34.5%	33.4%	32.4%	34.1%
Combined capitals	40.9%	39.2%	36.1%	38.0%	46.3%	44.0%	38.0%	40.4%	32.2%	31.5%	32.7%	33.9%
Combined regions	38.3%	35.5%	29.5%	31.6%	39.8%	36.8%	30.4%	32.5%	33.4%	31.1%	26.1%	28.6%
Greater Sydney	51.3%	49.7%	45.2%	46.0%	64.4%	62.3%	52.3%	53.1%	38.3%	37.8%	39.5%	40.1%
Greater Melbourne	41.7%	40.6%	40.2%	40.1%	51.7%	51.0%	47.4%	46.7%	32.6%	32.0%	34.0%	34.3%
Greater Brisbane	38.3%	34.4%	29.4%	32.0%	43.7%	39.5%	32.4%	34.7%	24.5%	22.7%	22.5%	25.7%
Greater Adelaide	38.3%	35.8%	31.2%	34.2%	41.9%	39.0%	33.9%	36.7%	25.6%	24.2%	23.6%	26.3%
Greater Perth	28.2%	27.1%	25.8%	31.3%	29.5%	28.3%	26.9%	32.7%	21.1%	20.5%	20.3%	26.0%
Greater Hobart	44.2%	41.4%	33.6%	32.6%	47.8%	44.5%	35.7%	34.7%	34.9%	33.6%	27.7%	27.0%
Greater Darwin	19.1%	19.0%	17.5%	23.3%	22.0%	21.5%	21.1%	26.5%	14.1%	14.0%	12.2%	18.1%
Canberra	35.1%	33.3%	26.2%	27.7%	39.8%	37.8%	29.4%	30.5%	23.0%	21.7%	18.6%	20.9%
Rest of NSW	49.9%	46.1%	35.6%	36.7%	52.3%	48.1%	36.6%	37.8%	39.6%	37.7%	30.6%	31.9%
Rest of Vic.	39.9%	37.3%	30.0%	29.8%	42.5%	39.7%	31.8%	31.7%	28.4%	27.1%	22.2%	23.6%
Rest of QLD	33.5%	30.8%	27.0%	30.6%	33.8%	31.2%	27.6%	31.4%	32.8%	29.7%	25.5%	28.7%
Rest of SA	24.4%	22.3%	21.0%	24.2%	25.1%	22.8%	21.4%	24.6%	18.5%	17.9%	16.2%	20.0%
Rest of WA	23.9%	23.3%	20.5%	24.9%	24.8%	24.2%	21.3%	25.6%	15.4%	15.1%	14.1%	19.7%
Rest of Tas.	38.8%	36.1%	28.0%	27.7%	40.5%	37.6%	29.0%	28.5%	30.0%	28.8%	22.8%	23.2%
Rest of NT	25.8%	25.1%	26.5%	26.5%	28.6%	27.5%	27.9%	29.1%	18.4%	18.2%	20.8%	20.7%
Portion of income required to service rent												
National	30.6%	29.8%	28.5%	29.6%	31.7%	31.1%	28.5%	29.8%	28.1%	27.3%	28.6%	29.3%
Combined capitals	28.0%	27.3%	27.4%	28.4%	29.6%	29.0%	27.6%	28.9%	25.2%	24.5%	27.2%	27.5%
Combined regions	34.0%	33.1%	30.3%	30.6%	34.4%	33.5%	30.7%	31.0%	32.1%	31.3%	28.9%	29.2%
Greater Sydney	30.5%	29.8%	30.7%	32.1%	33.7%	33.1%	32.4%	33.9%	26.8%	26.1%	29.1%	30.5%
Greater Melbourne	25.9%	25.3%	27.7%	27.2%	27.6%	27.3%	27.7%	27.9%	24.3%	23.5%	27.7%	26.4%
Greater Brisbane	28.6%	27.8%	26.7%	27.6%	30.5%	29.7%	28.0%	28.5%	24.2%	23.5%	24.2%	25.7%
Greater Adelaide	31.6%	30.5%	29.2%	29.3%	33.0%	31.9%	30.2%	30.3%	26.1%	25.5%	25.2%	25.1%
Greater Perth	27.6%	27.0%	24.1%	26.8%	28.0%	27.5%	24.5%	27.3%	24.3%	23.6%	21.8%	24.4%
Greater Hobart	34.4%	33.8%	34.0%	30.7%	35.3%	34.9%	35.0%	31.9%	28.9%	28.3%	29.6%	25.9%
Greater Darwin	23.1%	23.3%	20.7%	25.4%	26.0%	25.8%	22.4%	27.3%	19.1%	19.4%	17.7%	21.4%
Canberra	27.2%	26.4%	25.0%	23.9%	30.0%	28.9%	26.4%	25.1%	22.6%	21.9%	21.5%	21.1%
Rest of NSW	37.8%	37.0%	32.9%	33.5%	39.0%	38.2%	33.8%	34.3%	33.7%	32.9%	29.0%	29.6%
Rest of Vic.	31.3%	30.5%	28.3%	27.6%	32.3%	31.5%	29.2%	28.6%	24.9%	24.7%	22.9%	22.7%
Rest of QLD	34.3%	33.2%	30.9%	31.6%	34.5%	33.5%	31.1%	31.8%	33.9%	32.7%	30.5%	31.3%
Rest of SA	27.7%	27.0%	25.3%	25.8%	28.1%	27.3%	25.8%	26.2%	22.5%	22.0%	20.0%	20.6%
Rest of WA	29.3%	28.5%	25.8%	26.3%	29.5%	28.6%	26.1%	26.5%	26.7%	25.7%	22.6%	23.9%
Rest of Tas.	33.9%	33.1%	30.3%	28.8%	35.2%	34.3%	31.5%	29.5%	28.6%	28.2%	24.9%	24.2%
Rest of NT	35.5%	34.3%	34.4%	32.8%	40.7%	37.8%	39.3%	35.8%	26.9%	26.3%	29.4%	26.8%

APPENDIX 3 – HOW WOULD MORTGAGE REPAYMENTS CHANGE UNDER LOWER PURCHASE PRICES AND HIGHER MORTGAGE RATES? ANALYSIS BY SA4 REGION

Assumes monthly repayments on a 30-year term, 20% deposit and current median Australian dwelling value. Assumes the current average principal and interest mortgage rate for new owner occupier borrowers as reported by the RBA, and a full adjustment of 2.25 percentage points. No other fees or transaction costs are factored.

Greater Capital City or Region	SA4 Region Name	Median Dwelling Value - March 2022	Current estimate Monthly Mortgage Repayments (based on mortgage rate of 2.47%)	Monthly Mortgage Repayments (based on mortgage rate of 4.72%)				
				5% decline in purchase price	10% decline in purchase price	15% decline in purchase price	20% decline in purchase price	25% decline in purchase price
Australian Capital Territory	Australian Capital Territory	\$932,704	\$2,937	\$3,685	\$3,491	\$3,297	\$3,103	\$2,909
Greater Adelaide	Adelaide - Central and Hills	\$792,921	\$2,497	\$3,133	\$2,968	\$2,803	\$2,638	\$2,473
Greater Adelaide	Adelaide - North	\$502,392	\$1,582	\$1,985	\$1,880	\$1,776	\$1,671	\$1,567
Greater Adelaide	Adelaide - South	\$627,030	\$1,974	\$2,477	\$2,347	\$2,216	\$2,086	\$1,956
Greater Adelaide	Adelaide - West	\$693,163	\$2,182	\$2,739	\$2,594	\$2,450	\$2,306	\$2,162
Greater Brisbane	Brisbane - East	\$877,346	\$2,762	\$3,466	\$3,284	\$3,101	\$2,919	\$2,736
Greater Brisbane	Brisbane - North	\$895,793	\$2,820	\$3,539	\$3,353	\$3,167	\$2,980	\$2,794
Greater Brisbane	Brisbane - South	\$1,003,978	\$3,161	\$3,967	\$3,758	\$3,549	\$3,340	\$3,131
Greater Brisbane	Brisbane - West	\$1,029,155	\$3,240	\$4,066	\$3,852	\$3,638	\$3,424	\$3,210
Greater Brisbane	Brisbane Inner City	\$742,228	\$2,337	\$2,932	\$2,778	\$2,624	\$2,469	\$2,315
Greater Brisbane	Ipswich	\$517,926	\$1,631	\$2,046	\$1,939	\$1,831	\$1,723	\$1,615
Greater Brisbane	Logan - Beaudesert	\$589,962	\$1,857	\$2,331	\$2,208	\$2,085	\$1,963	\$1,840
Greater Brisbane	Moreton Bay - North	\$664,238	\$2,091	\$2,624	\$2,486	\$2,348	\$2,210	\$2,072
Greater Brisbane	Moreton Bay - South	\$773,721	\$2,436	\$3,057	\$2,896	\$2,735	\$2,574	\$2,413
Greater Darwin	Darwin	\$494,635	\$1,557	\$1,954	\$1,851	\$1,748	\$1,646	\$1,543
Greater Hobart	Hobart	\$731,849	\$2,304	\$2,891	\$2,739	\$2,587	\$2,435	\$2,283
Greater Melbourne	Melbourne - Inner	\$668,874	\$2,106	\$2,643	\$2,503	\$2,364	\$2,225	\$2,086
Greater Melbourne	Melbourne - Inner East	\$1,370,568	\$4,315	\$5,415	\$5,130	\$4,845	\$4,560	\$4,275
Greater Melbourne	Melbourne - Inner South	\$1,199,536	\$3,777	\$4,739	\$4,490	\$4,240	\$3,991	\$3,741
Greater Melbourne	Melbourne - North East	\$801,711	\$2,524	\$3,167	\$3,001	\$2,834	\$2,667	\$2,501
Greater Melbourne	Melbourne - North West	\$723,665	\$2,278	\$2,859	\$2,709	\$2,558	\$2,408	\$2,257
Greater Melbourne	Melbourne - Outer East	\$967,762	\$3,047	\$3,823	\$3,622	\$3,421	\$3,220	\$3,018
Greater Melbourne	Melbourne - South East	\$798,877	\$2,515	\$3,156	\$2,990	\$2,824	\$2,658	\$2,492

Greater Capital City or Region	SA4 Region Name	Median Dwelling Value - March 2022	Current estimate Monthly Mortgage Repayments (based on mortgage rate of 2.47%)	Monthly Mortgage Repayments (based on mortgage rate of 4.72%)				
				5% decline in purchase price	10% decline in purchase price	15% decline in purchase price	20% decline in purchase price	25% decline in purchase price
Greater Melbourne	Melbourne - West	\$684,752	\$2,156	\$2,705	\$2,563	\$2,421	\$2,278	\$2,136
Greater Melbourne	Mornington Peninsula	\$923,635	\$2,908	\$3,649	\$3,457	\$3,265	\$3,073	\$2,881
Greater Perth	Mandurah	\$455,107	\$1,433	\$1,798	\$1,703	\$1,609	\$1,514	\$1,420
Greater Perth	Perth - Inner	\$909,482	\$2,864	\$3,593	\$3,404	\$3,215	\$3,026	\$2,837
Greater Perth	Perth - North East	\$522,907	\$1,646	\$2,066	\$1,957	\$1,848	\$1,740	\$1,631
Greater Perth	Perth - North West	\$584,297	\$1,840	\$2,308	\$2,187	\$2,065	\$1,944	\$1,822
Greater Perth	Perth - South East	\$516,105	\$1,625	\$2,039	\$1,932	\$1,824	\$1,717	\$1,610
Greater Perth	Perth - South West	\$546,368	\$1,720	\$2,159	\$2,045	\$1,931	\$1,818	\$1,704
Greater Sydney	Central Coast	\$985,929	\$3,104	\$3,895	\$3,690	\$3,485	\$3,280	\$3,075
Greater Sydney	Sydney - Baulkham Hills and Hawkesbury	\$1,835,720	\$5,780	\$7,253	\$6,871	\$6,489	\$6,107	\$5,726
Greater Sydney	Sydney - Blacktown	\$930,936	\$2,931	\$3,678	\$3,484	\$3,291	\$3,097	\$2,904
Greater Sydney	Sydney - City and Inner South	\$1,120,738	\$3,529	\$4,428	\$4,195	\$3,962	\$3,729	\$3,496
Greater Sydney	Sydney - Eastern Suburbs	\$1,806,834	\$5,689	\$7,138	\$6,763	\$6,387	\$6,011	\$5,636
Greater Sydney	Sydney - Inner South West	\$1,106,170	\$3,483	\$4,370	\$4,140	\$3,910	\$3,680	\$3,450
Greater Sydney	Sydney - Inner West	\$1,377,626	\$4,337	\$5,443	\$5,156	\$4,870	\$4,583	\$4,297
Greater Sydney	Sydney - North Sydney and Hornsby	\$1,700,002	\$5,352	\$6,716	\$6,363	\$6,009	\$5,656	\$5,302
Greater Sydney	Sydney - Northern Beaches	\$2,333,275	\$7,346	\$9,218	\$8,733	\$8,248	\$7,763	\$7,278
Greater Sydney	Sydney - Outer South West	\$867,776	\$2,732	\$3,428	\$3,248	\$3,068	\$2,887	\$2,707
Greater Sydney	Sydney - Outer West and Blue Mountains	\$894,388	\$2,816	\$3,534	\$3,348	\$3,162	\$2,976	\$2,790
Greater Sydney	Sydney - Parramatta	\$913,684	\$2,877	\$3,610	\$3,420	\$3,230	\$3,040	\$2,850
Greater Sydney	Sydney - Ryde	\$1,578,680	\$4,970	\$6,237	\$5,909	\$5,581	\$5,252	\$4,924
Greater Sydney	Sydney - South West	\$982,044	\$3,092	\$3,880	\$3,676	\$3,471	\$3,267	\$3,063
Greater Sydney	Sydney - Sutherland	\$1,520,168	\$4,786	\$6,006	\$5,690	\$5,374	\$5,058	\$4,741
Rest of NSW	Capital Region	\$745,878	\$2,348	\$2,947	\$2,792	\$2,637	\$2,482	\$2,326
Rest of NSW	Central West	\$548,172	\$1,726	\$2,166	\$2,052	\$1,938	\$1,824	\$1,710
Rest of NSW	Coffs Harbour - Grafton	\$752,449	\$2,369	\$2,973	\$2,816	\$2,660	\$2,503	\$2,347
Rest of NSW	Far West and Orana	\$270,678	\$852	\$1,069	\$1,013	\$957	\$901	\$844

Greater Capital City or Region	SA4 Region Name	Median Dwelling Value - March 2022	Current estimate Monthly Mortgage Repayments (based on mortgage rate of 2.47%)	Monthly Mortgage Repayments (based on mortgage rate of 4.72%)				
				5% decline in purchase price	10% decline in purchase price	15% decline in purchase price	20% decline in purchase price	25% decline in purchase price
Rest of NSW	Hunter Valley exc Newcastle	\$683,309	\$2,151	\$2,700	\$2,558	\$2,415	\$2,273	\$2,131
Rest of NSW	Illawarra	\$974,762	\$3,069	\$3,851	\$3,648	\$3,446	\$3,243	\$3,040
Rest of NSW	Mid North Coast	\$711,154	\$2,239	\$2,810	\$2,662	\$2,514	\$2,366	\$2,218
Rest of NSW	Murray	\$404,521	\$1,274	\$1,598	\$1,514	\$1,430	\$1,346	\$1,262
Rest of NSW	New England and North West	\$369,362	\$1,163	\$1,459	\$1,382	\$1,306	\$1,229	\$1,152
Rest of NSW	Newcastle and Lake Macquarie	\$871,162	\$2,743	\$3,442	\$3,261	\$3,079	\$2,898	\$2,717
Rest of NSW	Richmond - Tweed	\$944,918	\$2,975	\$3,733	\$3,537	\$3,340	\$3,144	\$2,947
Rest of NSW	Riverina	\$390,520	\$1,230	\$1,543	\$1,462	\$1,380	\$1,299	\$1,218
Rest of NSW	Southern Highlands and Shoalhaven	\$1,017,815	\$3,205	\$4,021	\$3,810	\$3,598	\$3,386	\$3,175
Rest of NT	Northern Territory - Outback	\$409,416	\$1,289	\$1,618	\$1,532	\$1,447	\$1,362	\$1,277
Rest of QLD	Cairns	\$444,672	\$1,400	\$1,757	\$1,664	\$1,572	\$1,479	\$1,387
Rest of QLD	Central Queensland	\$367,912	\$1,158	\$1,454	\$1,377	\$1,301	\$1,224	\$1,148
Rest of QLD	Darling Downs - Maranoa	\$297,404	\$936	\$1,175	\$1,113	\$1,051	\$989	\$928
Rest of QLD	Gold Coast	\$875,881	\$2,758	\$3,460	\$3,278	\$3,096	\$2,914	\$2,732
Rest of QLD	Mackay - Isaac - Whitsunday	\$389,945	\$1,228	\$1,541	\$1,460	\$1,378	\$1,297	\$1,216
Rest of QLD	Queensland - Outback	\$210,848	\$664	\$833	\$789	\$745	\$701	\$658
Rest of QLD	Sunshine Coast	\$992,908	\$3,126	\$3,923	\$3,716	\$3,510	\$3,303	\$3,097
Rest of QLD	Toowoomba	\$482,468	\$1,519	\$1,906	\$1,806	\$1,705	\$1,605	\$1,505
Rest of QLD	Townsville	\$349,398	\$1,100	\$1,380	\$1,308	\$1,235	\$1,162	\$1,090
Rest of QLD	Wide Bay	\$456,456	\$1,437	\$1,803	\$1,708	\$1,614	\$1,519	\$1,424
Rest of SA	Barossa - Yorke - Mid North	\$316,967	\$998	\$1,252	\$1,186	\$1,120	\$1,055	\$989
Rest of SA	South Australia - Outback	\$236,554	\$745	\$935	\$885	\$836	\$787	\$738
Rest of SA	South Australia - South East	\$367,134	\$1,156	\$1,450	\$1,374	\$1,298	\$1,221	\$1,145
Rest of Tas.	Launceston and North East	\$556,014	\$1,751	\$2,197	\$2,081	\$1,965	\$1,850	\$1,734
Rest of Tas.	South East	\$599,231	\$1,887	\$2,367	\$2,243	\$2,118	\$1,994	\$1,869
Rest of Tas.	West and North West	\$424,842	\$1,338	\$1,678	\$1,590	\$1,502	\$1,413	\$1,325
Rest of Vic.	Ballarat	\$599,836	\$1,889	\$2,370	\$2,245	\$2,120	\$1,996	\$1,871
Rest of Vic.	Bendigo	\$610,444	\$1,922	\$2,412	\$2,285	\$2,158	\$2,031	\$1,904
Rest of Vic.	Geelong	\$802,223	\$2,526	\$3,169	\$3,003	\$2,836	\$2,669	\$2,502
Rest of Vic.	Hume	\$538,387	\$1,695	\$2,127	\$2,015	\$1,903	\$1,791	\$1,679
Rest of Vic.	Latrobe - Gippsland	\$563,145	\$1,773	\$2,225	\$2,108	\$1,991	\$1,874	\$1,756

Greater Capital City or Region	SA4 Region Name	Median Dwelling Value - March 2022	Current estimate Monthly Mortgage Repayments (based on mortgage rate of 2.47%)	Monthly Mortgage Repayments (based on mortgage rate of 4.72%)				
				5% decline in purchase price	10% decline in purchase price	15% decline in purchase price	20% decline in purchase price	25% decline in purchase price
Rest of Vic.	North West	\$339,598	\$1,069	\$1,342	\$1,271	\$1,200	\$1,130	\$1,059
Rest of Vic.	Shepparton	\$423,336	\$1,333	\$1,673	\$1,584	\$1,496	\$1,408	\$1,320
Rest of Vic.	Warrnambool and South West	\$525,203	\$1,654	\$2,075	\$1,966	\$1,857	\$1,747	\$1,638
Rest of WA	Bunbury	\$466,168	\$1,468	\$1,842	\$1,745	\$1,648	\$1,551	\$1,454
Rest of WA	Western Australia - Outback (North)	\$391,377	\$1,232	\$1,546	\$1,465	\$1,383	\$1,302	\$1,221
Rest of WA	Western Australia - Outback (South)	\$315,697	\$994	\$1,247	\$1,182	\$1,116	\$1,050	\$985
Rest of WA	Western Australia - Wheat Belt	\$355,181	\$1,118	\$1,403	\$1,329	\$1,256	\$1,182	\$1,108



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