



# HOUSING AFFORDABILITY REPORT

REFLECTIONS ON THE PANDEMIC  
AND THE RENTAL MARKET

RELEASED MAY 2023



# INTRODUCTION

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Challenges related to COVID-19 have exacerbated the shortcomings of Australia's private rental market. Fluctuations in interest rates, inflation and migration have created a mismatch of supply and demand that is slow to find equilibrium. The impact on households has been a deterioration of rental affordability.

This report unpacks the state of rental affordability in Australia, as well as the many ways in which the pandemic has ruptured supply and demand of rental accommodation. This helps create clarity around how Australia has entered a rental crisis, which may help the formulation of policy responses.

In the first section of this report, the state of rental affordability in Australia is explored. A combination of CoreLogic imputed rents and modelled income data from Australian National University reveals that the median income household would require 30.8% of income to service a new rent lease nationally, though at the lower household income and rent level, an unmanageable 51.6% of income would be required. While capital city rents continue to rise at a solid pace, there has been a slight easing in growth in regional Australian rents, with some regions showing outright falls.

The second section of this report investigates the supply-side issues that have contributed to low rental listings and low vacancy across Australia. As with sales volumes overall, individual, private investment purchases have declined amid rising interest rates and heightened economic uncertainty. Social housing supply has declined as a share of total housing stock, leading to additional rental demand pressures from low income households. A high inflationary and interest rate environment has also created constraints in the construction sector, making an increase in new housing supply difficult.

The next section of this report outlines changing demand for housing through migration and dwelling preferences, where two 'waves' of rental demand occurred through the COVID-19 period. The first wave was due to domestic movements, while a more recent surge in rents has stemmed from a strong bounce-back in overseas migration.

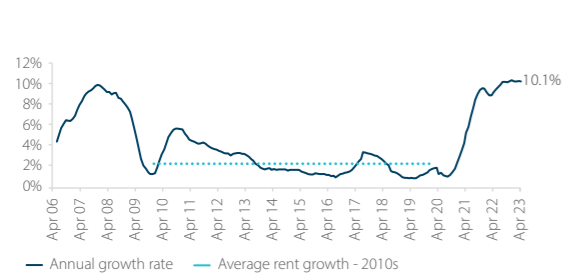
Overall, this report reveals many factors have contributed to the current affordability challenges in the rental market. There is a particular pain-point for low income households, which is leading to increased pressure on social housing providers and homelessness service providers.

Appendix 1 of this report provides a summary of how imputed rent values have changed across different house and unit markets of Australia, down to the SA4 region level. Appendix 2 provides a high-level summary of all affordability metrics across Australia, including the portion of income required to service a new housing loan, the time it would take to save a 20% deposit, and the median home value to income ratio.

## THE STATE OF RENTAL AFFORDABILITY IN AUSTRALIA

Growth in Australian rent values has gone from low, stable rates through much of the 2010s, to unprecedented levels in the past year. The CoreLogic hedonic rental value index<sup>1</sup> had an annual average growth rate of 2.1% nationally in the decade to January 2020, matching average headline inflation through the period. In December 2022, annual growth in the index hit a series high of 10.2%, and has shown marginal easing to 10.1% in the 12 months to March.

**FIGURE 1: ROLLING ANNUAL GROWTH IN AUSTRALIAN RENT VALUES**



Source: CoreLogic

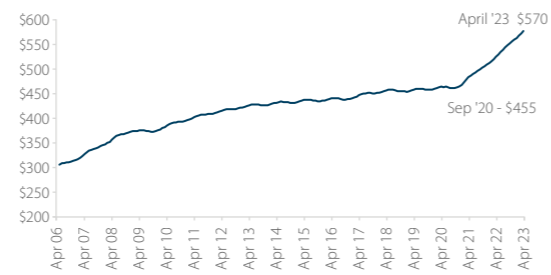
Figures 1 and 2 show the unusually strong pace of growth in rent values nationally from late 2020, where the estimated median weekly rent value across Australian dwellings increased by \$115 through to the end of April 2023.

The experience of the past few years are in stark contrast to conditions renters were accustomed to in the 2010s, a period which was characterised by high levels of property investment (from both domestic and foreign sources) and dwelling construction. In April 2015, ABS lending data showed the investor share of lending peaked at almost half (46.0%) of the value of new mortgage commitments, while Foreign Investment Review Board data shows approvals for foreign investment in residential real estate peaked in 2015-16.

This increased investor activity drove a material increase in dwelling construction, particularly apartments in major cities. Apartment completions peaked at just over 29,000 in the December quarter of 2016, more than double the long-run average, and well above the December 2022 quarter (Figure 3).

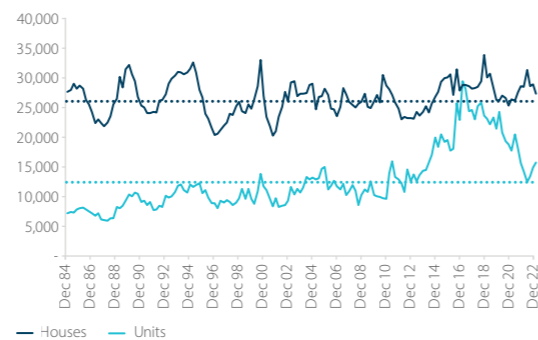
Domestic investor activity slowed sharply through 2015, after APRA, the banking regulator, introduced measures designed to slow riskier lending. Foreign investment in the residential sector has also faced higher fees and taxes since 2015-16.

**FIGURE 2: INDEXED MEDIAN WEEKLY RENT VALUE - NATIONAL, DWELLINGS**



Source: CoreLogic

**FIGURE 3: QUARTERLY HOUSE AND UNIT COMPLETIONS AND SERIES AVERAGE, NATIONAL**



Source: ABS

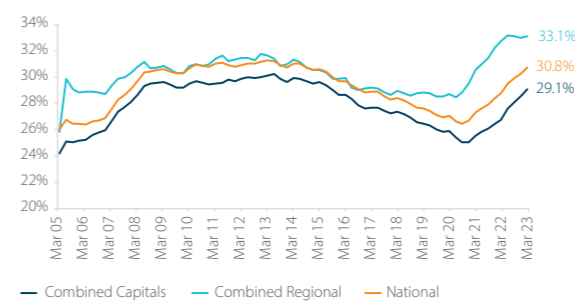


## AFTER SUCH A LONG PERIOD OF LOW GROWTH IN RENTS, HAS THE RECENT UPLIFT IN RENT VALUES ACTUALLY MADE THE MARKET UNAFFORDABLE?

Rental affordability is measured using the portion of median household income required to service rent on a new lease<sup>2</sup>. Figure 4 shows this measure over time nationally, and across capital cities and regions. The portion of income required to service rent nationally hit a low in September 2020 at 26.5% and was especially low across the combined capital cities at 25.0%. This was because the onset of the pandemic saw a stark drop in rental demand amid international border closures, and initial job losses which led to some young adults moving back in with their parents<sup>3</sup>.

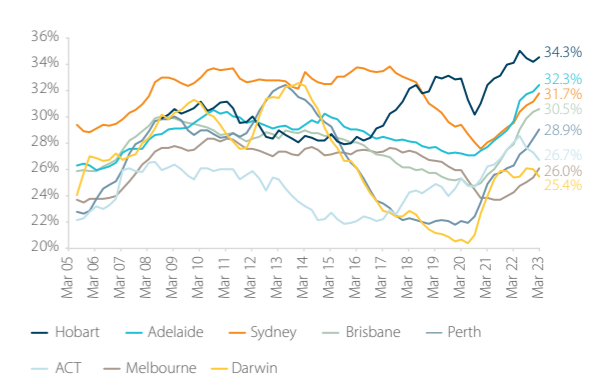
Rents started to rise in late 2020, and by April 2023 the portion of income required to service new rents nationally had lifted to 30.8%. This is the highest level since June 2014, before the boom in apartment completions. Rental affordability has deteriorated more rapidly across the combined regional market of Australia, with rents as a share of income rising from a low of 28.5% in June 2020, to 33.1% in March 2023. This was the result of a more rapid rise in rents across regional Australia from the start of the pandemic to date.

**FIGURE 4A: PORTION OF INCOME REQUIRED TO SERVICE RENT (MEDIAN)**



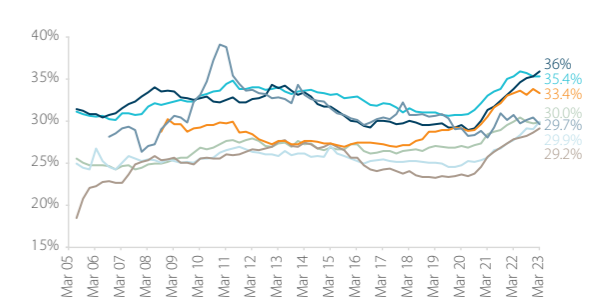
Source: CoreLogic, ANU

**FIGURE 4B: PORTION OF INCOME REQUIRED TO SERVICE RENT - CAPITAL CITIES (MEDIAN)**



Source: CoreLogic, ANU

**FIGURE 4C: PORTION OF INCOME REQUIRED TO SERVICE RENT - REGIONS (MEDIAN)**



Source: CoreLogic, ANU

Housing affordability metrics pertaining to home ownership usually show Sydney as the most unaffordable market. This was still the case in March 2023, where an estimated 51.6% of income would be required to service a new mortgage, and around 12 years would be required to accumulate a 20% deposit for a home. However, rental affordability is most strained across Hobart, Regional QLD and Regional NSW.

## PAYING MORE FOR RENT HAS HIT LOWER INCOME HOUSEHOLDS HARDER

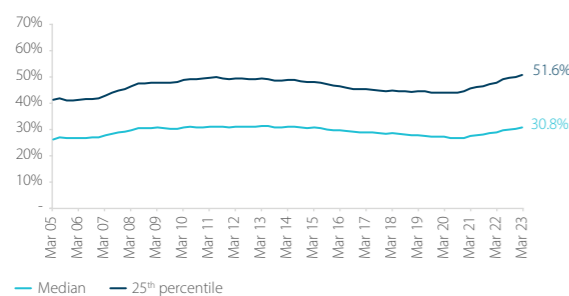
As home ownership has declined in Australia, a larger share of higher income and older households are now in the rental market. But, while rental affordability has deteriorated for median and high-income households, the median income household in most markets would still be able to live fairly comfortably spending just over 30% of income on rent.

Affordability for low income households has, however, become particularly stretched. We can get a better understanding of vulnerability in the rental market by looking at how lower incomes compare to rents. Figure 5 shows the portion of income required to service new rents nationally for a low income household and rent (utilising the 25th percentile income and rent valuation across Australia), next to the median income and rent measure.

Figure 5 shows rental costs for those on the 25th percentile income have risen to 51.6% of income. When considering this in line with the commonly used '30/40' rule as an indicator of true housing stress measured as payments of more than 30% of income among the lowest 40% of income earners,<sup>4</sup> this suggests extreme housing stress for this cohort.

History shows there is always a large differential between affordability for median and low income renters. Prior to the pandemic, low income renters required 47% of income to service rent on a new lease. However, this rose sharply through the pandemic, to 51.6% by March 2023. This has also led to a record-high gap in the portion of income required to service rents for median and low income households, suggesting low income households have been much harder hit by rising rent costs in recent years.

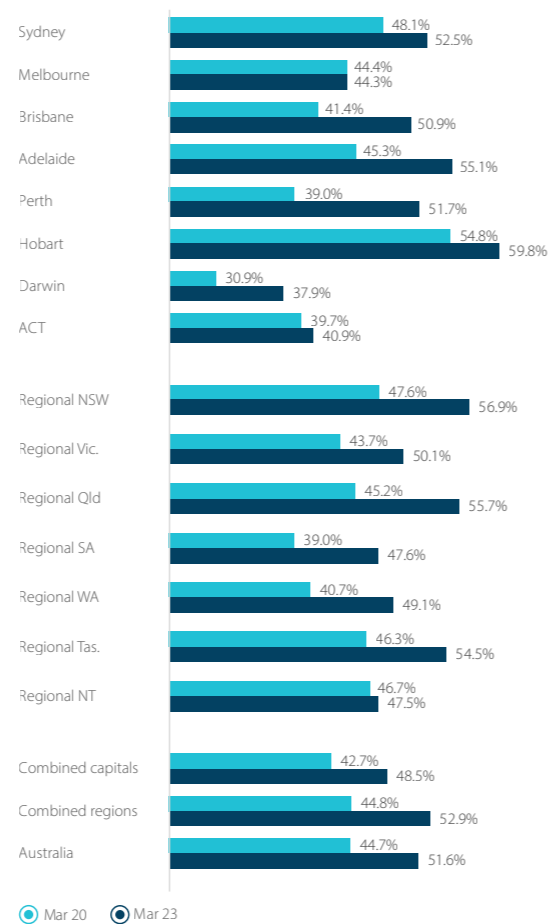
**FIGURE 5: PORTION OF INCOME REQUIRED TO SERVICE RENT - MEDIAN VERSUS LOWER-INCOME HOUSEHOLD**



Source: CoreLogic, ANU

Focusing in on this 25th percentile data across different geographical markets of Australia since the start of the pandemic (figure 6) shows a divergence in how much affordability has deteriorated by region.

**FIGURE 6: PORTION OF INCOME TO SERVICE NEW RENT (25TH PERCENTILE ANALYSIS)**



Source: CoreLogic, ANU

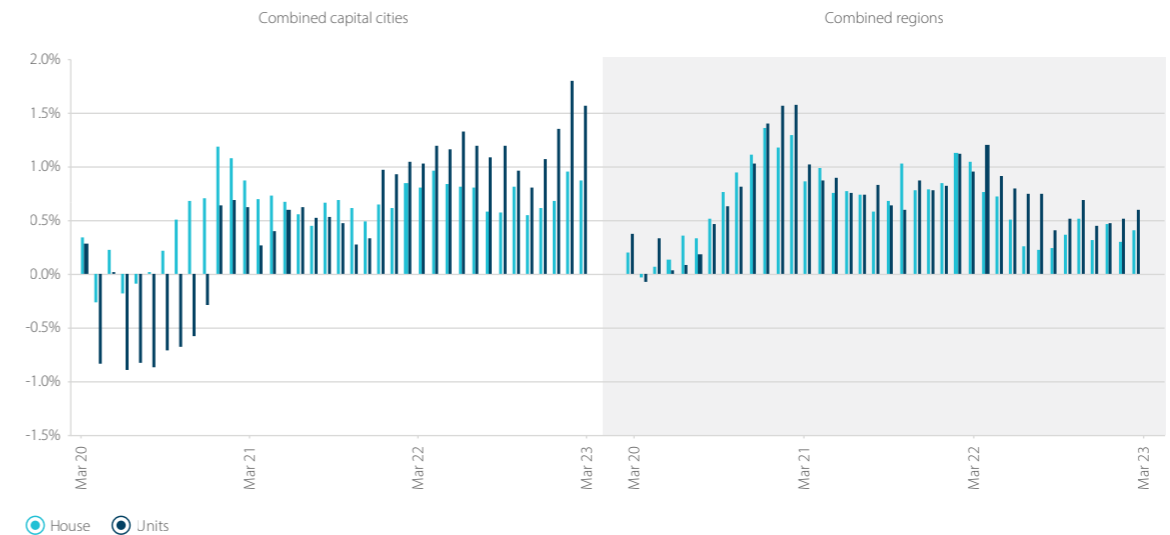
Conditions were relatively unchanged across Darwin for low income households since the start of the pandemic, and Melbourne has actually seen a slight reduction in the portion of income required to service rents (though it is still high). For Melbourne, this is because growth in income at the 25th percentile level has slightly outpaced growth in rents.

Meanwhile, Perth has seen the most rapid deterioration of rental affordability for low income households. At March 2020, 25th percentile income households required 39.0% of income for rent, compared with 51.7% as of March 2023. Hobart had the highest portion of income to service rent, at almost 60% for lower income households.

In reality, low income households may not be able to pay for rentals. As rental affordability has deteriorated, an increasing number of people have had to turn to over-crowded or insecure options for shelter. Reports from service providers suggest that these conditions are contributing to a rise in homelessness.

This is also reflected in the strained capacity of housing and homelessness service providers<sup>5</sup>. A recent report by the Productivity Commission found that in 2020-21, around 114,000 requests for specialist homelessness services went unassisted, up around 20% from 2016-17.

**FIGURE 7: MONTHLY CHANGE IN RENT VALUES**



Source: CoreLogic

## RENT GROWTH IS NOW EASING IN PARTS OF REGIONAL AUSTRALIA

Rent values have seen a broad-based increase since the onset of the pandemic. Analysis of rent valuations across regional SA4 dwelling markets shows that every market has seen a rise in rent values since March 2020. This ranges from a rise of 5.1% in Outback NT to 48.2% in Mandurah, in the south-west of Perth.

Since March 2020, rent values have increased more across the regional market at 28.8%, compared to a 24.4% uplift in the combined capital cities market of Australia. However, the growth trajectory for regional Australia and the capitals has diverged over recent years, with the rate of growth now easing in regional Australia (figure 7).

Most of the acceleration in regional rent growth was concentrated from June 2020 to March 2021. This likely reflects internal migration trends, where net regional migration spiked amid stricter lockdowns in the capital cities. In the capital cities, the growth trajectory has been almost the opposite. From March 2020 to December 2020, capital city unit rents declined -5.7%, and only started to see monthly growth surpassing 1% from the start of 2022. As discussed in the demand-side section of this report, this is most likely attributable to overseas migration trends.



## CORELOGIC ANALYSIS OF SA4 HOUSE AND UNIT RENT MARKETS SHOWED THAT IN THE THREE MONTHS TO APRIL 2023 RENT VALUES FELL IN ONLY 17 OF THE 176 MARKETS, ONLY TWO OF WHICH WERE CAPITAL CITY MARKETS (CANBERRA AND DARWIN HOUSE MARKETS).

The largest decline in rents across regional markets were units in the Southern Highlands and Shoalhaven region, where values fell -5.4% in the three months to April. This was followed by a -5.0% fall in unit rents and a -4.5% drop in houses across South East regional Tasmania. These declines are occurring after very strong rises in previous years. Rents in these three markets are still averaging 25% higher than at the onset of the pandemic.

Some dwelling markets have not yet seen rent value declines, but the pace of increase has started to ease, and declines in rents may not be far off. In Moreton Bay – South, and Brisbane – East, growth in house rents slowed to less than half-a-percent in the three months to April. This is also the case for unit rents across the Barossa – Yorke – Mid North region in South Australia.

House rents on the Gold Coast have seen growth falls for two consecutive quarters, and recorded a rise of just 0.5% in the three months to April. Gold Coast house rent values are 40.3% higher than in March 2020, so the slowdown in growth will offer little reprieve to renters who have been in the Gold Coast for a long period of time. Nonetheless, this data shows early signs that some of the large regional centres may be approaching a peak in rent values, while some are already shifting into a rental market downswing.

**FIGURE 8: WHERE ARE RENT VALUES STARTING TO FALL?**

| Property type | Capital city and region | SA4 name                            | Change in rent values to April 2023 |                  |                   | Median rental value |
|---------------|-------------------------|-------------------------------------|-------------------------------------|------------------|-------------------|---------------------|
|               |                         |                                     | Since March 2020                    | From recent peak | Past three months |                     |
| Units         | Regional NSW            | Southern Highlands and Shoalhaven   | 23.3%                               | -10.0%           | -5.4%             | \$488               |
| Units         | Regional Tas.           | South East                          | 23.1%                               | -10.3%           | -5.0%             | \$372               |
| Houses        | Regional Tas.           | South East                          | 29.9%                               | -4.5%            | -4.5%             | \$448               |
| Units         | Regional WA             | Western Australia - Wheat Belt      | 12.5%                               | -6.6%            | -4.4%             | \$351               |
| Units         | Regional NT             | Northern Territory - Outback        | 11.4%                               | -2.7%            | -2.1%             | \$434               |
| Houses        | Regional NSW            | Capital Region                      | 15.9%                               | -2.5%            | -1.7%             | \$576               |
| Units         | Regional Vic.           | Hume                                | 22.3%                               | -1.4%            | -1.4%             | \$334               |
| Houses        | Darwin                  | Darwin                              | 28.8%                               | -2.2%            | -1.3%             | \$650               |
| Houses        | Regional WA             | Western Australia - Wheat Belt      | 12.0%                               | -1.4%            | -1.2%             | \$404               |
| Houses        | ACT                     | ACT                                 | 14.8%                               | -3.3%            | -1.1%             | \$715               |
| Units         | Regional Tas.           | Launceston and North East           | 31.6%                               | -2.2%            | -1.0%             | \$398               |
| Units         | Regional Qld            | Queensland - Outback                | 11.0%                               | -2.4%            | -0.8%             | \$298               |
| Houses        | Regional NT             | Northern Territory - Outback        | 3.1%                                | -3.4%            | -0.8%             | \$595               |
| Houses        | Regional NSW            | Coffs Harbour - Grafton             | 26.1%                               | -0.7%            | -0.6%             | \$619               |
| Units         | Regional WA             | Western Australia - Outback (South) | 43.2%                               | -0.5%            | -0.5%             | \$403               |
| Units         | Regional NSW            | Richmond - Tweed                    | 32.6%                               | -0.3%            | -0.3%             | \$629               |
| Units         | Regional Qld            | Townsville                          | 18.1%                               | -0.1%            | -0.1%             | \$365               |

Source: CoreLogic

On the other end of the spectrum, the three months to April showed a rapid increase in rent valuations across Sydney - Eastern Suburbs houses and units (up 7.4% in the quarter), and Melbourne – Inner houses (where rents surged 6%). These markets showed an acceleration in quarterly growth, meaning that rent values not only increased, but the pace at which they increased was rising. A full list of SA4 region rent performance is summarised in Appendix 1 of this report.

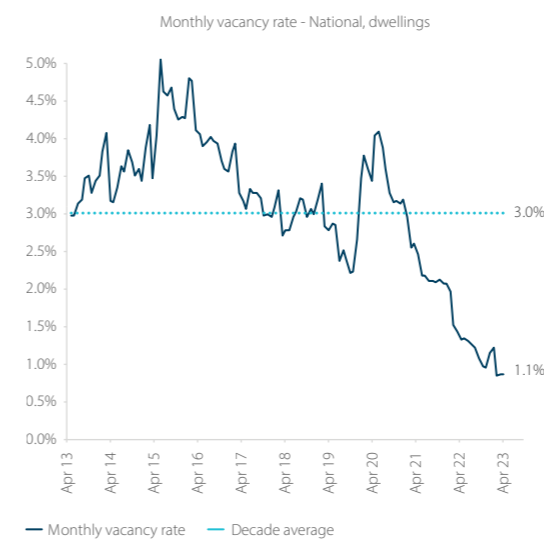
Overall, Australia's rental market remains very tight, with the acceleration of growth shifting from regions to capital cities. The following sections provide detail around the various contributing supply and demand factors at play.



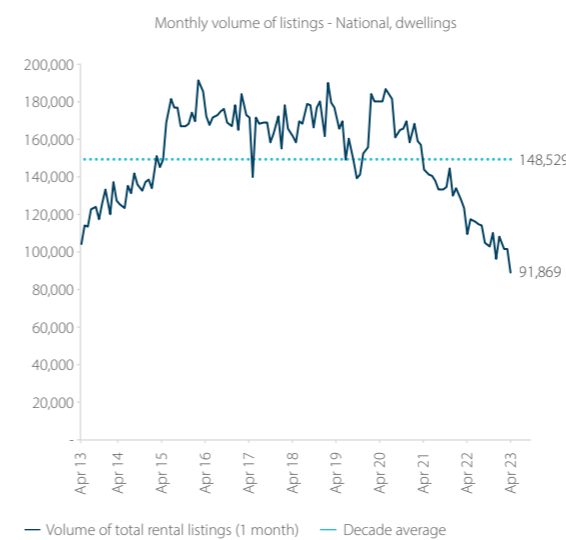
## SUPPLY-SIDE CONSTRAINTS IN THE RENTAL MARKET

Australia's rental market has seen a sharp decline in rental supply and vacancy for almost three years. Figure 9 summarises the falling levels of available rental stock across Australia through the pandemic period. At April 2023, CoreLogic observed 91,869 rental listings on the market, from a recent high of 181,493 in May 2020. Total rent listings are -38.1% below the previous decade average of 148,259. Rental vacancy rates were 1.1% nationally through the month, below a decade average of 3.0%.

**FIGURE 9: NATIONAL SUPPLY OF RENTALS**



Source: CoreLogic



Source: CoreLogic

The reduction in rental supply ultimately stems from a higher inflation and interest rate environment. High inflation has contributed to bottlenecks in the construction sector, and higher interest rates have reduced demand for new investment property.

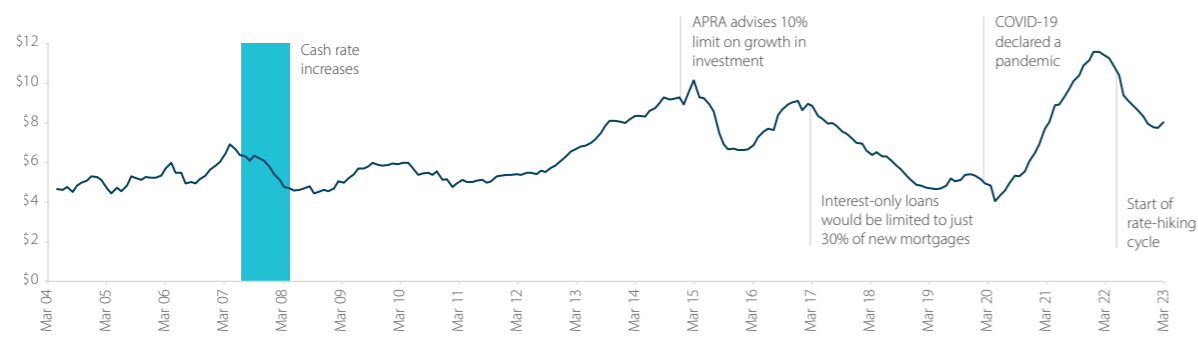
### DESPITE RISING RENTS, CONDITIONS HAVE NOT BEEN IDEAL FOR INVESTMENT

The 2021 ABS census indicated 26.7% of households in Australia occupy the private rental market (or 2.5 million households). A further 3.9% of households were renting from state or community housing providers or did not specify a landlord type. The vast majority of the supply of private rentals comes from individual investors, where ATO data reported 2.23 million individuals had interest in a rental property in the 2019-20 financial year.

A combination of tax incentives including negative gearing, and capital gains discounts on investment properties have historically enabled individual, private investors to make a loss on rental properties while making an after-tax capital gain. ATO data suggests most housing investors are negatively geared, and the largest investment markets of Sydney and Melbourne have relatively low gross rent yields, averaging 3.3% in both cities for the past decade. These same dwelling markets have seen strong capital growth, with total value increases over the decade of 76.6% and 55.0% respectively. Analysis of resales of investment properties in Australia in the December quarter of 2022 revealed a median nominal gain of \$166,000. Put simply, capital gain is likely the primary driver for individual investment property decisions in Australia, rather than rental income.

While investors may be inclined to buy housing at the prospect of capital growth, periods of housing market decline or uncertainty are associated with a fall in new investment purchases. Figure 10 shows the monthly volume of mortgage lending for new investment purchases nationally, and some of the factors that have reduced investor activity over time.

**FIGURE 10: MONTHLY VOLUME OF NATIONAL SECURED HOUSING FINANCE FOR INVESTMENT PROPERTY (BILLIONS)**



Source: : ABS

**FIGURE 11: WEEKLY RENT INCOME VERSUS NEW INVESTOR MORTGAGE LOAN PAYMENTS**



Source: : CoreLogic, RBA. Mortgage Payments are based on a 30 year mortgage with a 20% deposit on the median Australian dwelling value each month. Assumes average new variable rates for investors as reported by the RBA, adjusted for further rate increases. Rents are based on the median rent valuation, adjusted by changes in the hedonic rental value index.

Through the current downturn, rents have risen at unprecedented levels, but the combined value of housing finance lent to investors on a monthly basis has fallen -30.0% from a peak in January 2022, suggesting there has been a slower rate of new rental supply being added to the market at a time when rental demand is relatively strong.

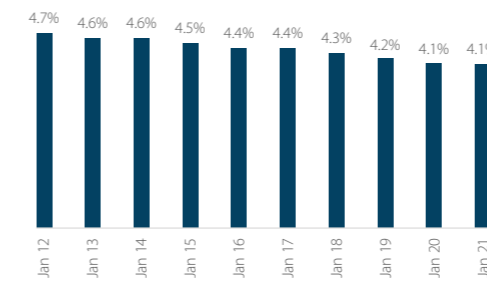
Typical mortgage repayments for new investment purchases have increased far more than rents at the median property value level, due to a sharp rise in interest rates (noting that investors typically have higher mortgage rates than for owner-occupier loans). Figure 11 shows how new rent values have changed since the start of the rental upswing against hypothetical investor mortgage repayments on the median Australian home value. While weekly rents have risen an estimated \$115 per week through to April, mortgage payments are estimated to have increased by \$318.

March housing finance data from the ABS did show a rise in investment lending coinciding with speculation that interest rate rises were nearing a peak. The combined value of secured investment housing finance was up 3.7% in the month nationally. If there is no further increase to the cash rate, the next few months may see a mild lift in investor interest in the property market which would add to rental supply.

### A DECLINE IN SOCIAL HOUSING STOCK

Demand from lower income households in the private rental market has risen over time, as social housing as a portion of housing stock has depleted. Figure 12 shows an estimated portion of Australian dwelling stock that is 'social housing' from June 2012 to June 2021. Social housing is comprised largely of public housing (68.0% as of 2021, though public housing as a share of social housing has also declined over time). Also encompassed in social housing is community housing, state-owned and managed Indigenous housing and Indigenous community housing.

**FIGURE 12: SOCIAL HOUSING AS A PORTION OF TOTAL DWELLING STOCK, NATIONAL**

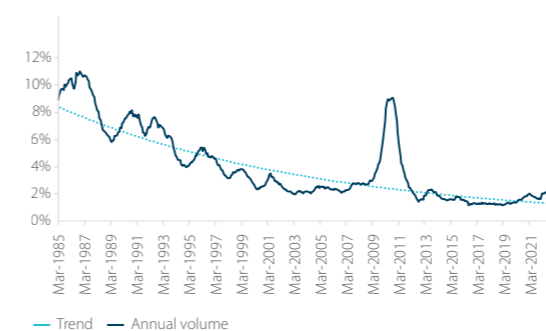


Source: : Australian Institute of Health and Welfare, ABS

Over a period of 10 years, social housing stock has increased 3.2%. However, this is a small increase relative to the 17.3% rise in the total number of dwellings reported by the ABS. The result is a decline in the share of Australian dwellings categorised as 'social' housing, from 4.7% to 4.1% over time. Research from AHURI notes that Australia has a relatively low portion of social housing stock when compared to waiting lists and applications for social housing, where approximately 164,000 Australians were on wait lists at the end of 2021<sup>7</sup>.

Figure 13 shows a more drastic shift away from public-sector housing over time. The chart shows the rolling annual portion of dwelling approvals where the dwelling would be owned by a government authority. This has shifted from an average of around 9% in the mid-to-late 1980's, to an average of just 1.6% in the past five years. There was a one-off spike in the portion of public sector dwellings approved between late 2009 and 2010, which was a social housing initiative under the Rudd government. In part, the investment in public sector housing was in response to the Global Financial Crisis, to support jobs in construction while playing catch-up in the delivery of social housing.

**FIGURE 13: PORTION OF DWELLINGS APPROVED THAT ARE PUBLIC SECTOR DWELLINGS, NATIONAL - ROLLING, ANNUAL**



Source: ABS

Tenants who cannot access social housing may have the private rental market as an option, but the private rental market does not offer longevity in tenure (according to the ABS around 90% of lease agreements in Australia are 12 months or less), and lower income households may be more likely to lose out on rentals when vacancies become low.

Low income households in the rental market also face a greater incidence of housing stress. ABS housing and occupancy cost data from 2019-20 (before the recent rate-hiking cycle), showed that 46.7% of lower income renting households were spending more than 30% of income on housing costs, compared with 37.4% of households with a mortgage, and just 1% of owners without a mortgage.

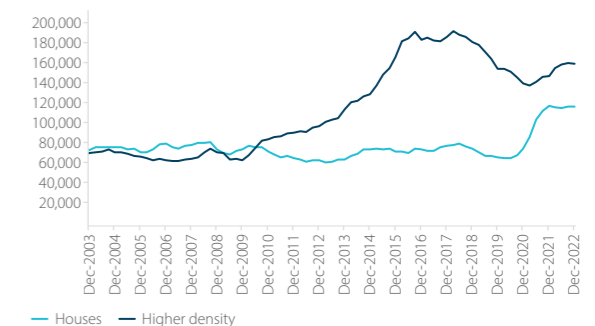
### THE CONSTRUCTION SECTOR

Another aspect of depleted housing supply, both for sale and for rent, is the construction of new homes. Inflation in the construction of new dwellings remains elevated. Construction materials have become more expensive and difficult to source, tight labour market conditions make it hard to find construction workers and trades, and high interest rates have made it harder for developers to secure finance for presales on large apartment projects, which is now stalling approvals.

There are several ways in which the slowdown in construction can affect the rental market. Limited housing supply against rising demand is likely to push property prices higher, compress rent yields, and keep renters from buying. Secondly, the unusually long delays in construction may mean that renters who have purchased a new home but are waiting for the property to be built may be living in the rental market, adding to demand.

This may be the case for some first home buyers who took up a HomeBuilder incentive or have purchased off the plan, or for owner-occupiers doing major renovations. This can be seen in the backlog of residential dwellings approved but not yet completed. Figure 14 shows the number of detached houses approved but not yet completed virtually doubled between March 2020 and the end of 2022, while apartments approved but yet to be completed have increased a smaller 15.5% from the start of 2021 to the end of last year.

**FIGURE 14: COUNT OF DWELLINGS APPROVED BUT NOT COMPLETED - QUARTERLY, NATIONAL**

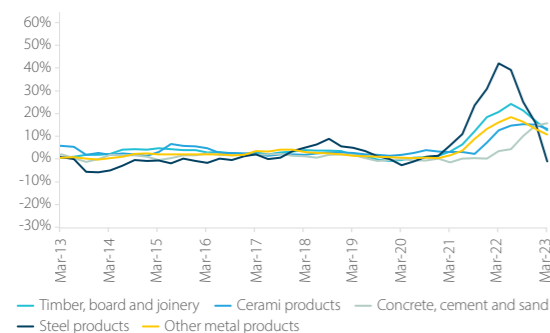


Source: ABS



CoreLogic's Cordell Construction Cost Index (CCCI) suggests costs for residential building increased 24% nationally since the onset of the pandemic. ABS producer price indices show extreme lifts in the cost of select residential construction inputs, including steel, timber and concrete. Even as inflation unwinds, and steel inputs had a year-on-year decline, the producer price index (PPI) for steel in residential construction is 49% higher than where it was in March 2020 (Figure 15).

**FIGURE 15: ROLLING ANNUAL GROWTH IN PRODUCER PRICE INDEX - RESIDENTIAL CONSTRUCTION INPUTS (WEIGHTED AVG OF 6 CAPITAL CITIES)**



Source: ABS

Beyond a build-up in the number of dwellings under construction, new dwelling approvals have been declining amid higher interest rates, and the expiry of the HomeBuilder and other pandemic incentives. ABS data shows, at a time when migration is at record highs, the number of monthly approvals has averaged around 15,000 per month for the past six months, compared to a peak of 23,237 in March 2021, and a decade average of around 17,300 per month.

Supply constraints are not easily or quickly resolved. There are long lags between approvals and completed housing, particularly in the unit market. Accordingly, short-term solutions to assist low income households were outlined in the Federal Budget for 2023-24. These included an increase to the JobSeeker supplement, a 15% increase to the maximum rate of Commonwealth Rent Assistance (CRA), and energy bill relief for some low income households. Further review of changes to CRA have previously been recommended by the Productivity Commission in 2022<sup>8</sup>, which might hold further policy options for the future.

Additionally, there is likely to be more of a demand response from tenants themselves as the rate of new rental supply slows. For example, the year ahead may see greater formation of share houses. Additionally, CoreLogic data has shown longer hold periods on rental properties through the pandemic, where tenants may find it easier to renegotiate a lease with their current landlord, rather than try and compete for a limited number of available rent listings.

## CHANGING DRIVERS OF DEMAND

The rental market upswing can be characterised with two almost separate surges in demand. One was changes in internal migration patterns and housing preferences early on in the pandemic, which saw high rent growth in regional markets of Australia, and house markets between early 2020 and late 2021. Capital city unit rents weakened by around -6%, as the closure of Australian borders to overseas migration created a negative shock to rental demand. When restrictions were lifted on overseas travel to Australia, a 'second wave' of demand came from a stronger-than-expected return in overseas arrivals. As a result, growth in rent markets is now more concentrated in capital city markets that are favoured by overseas migrants, and within these capital cities, unit rents are generally seeing higher rates of growth.

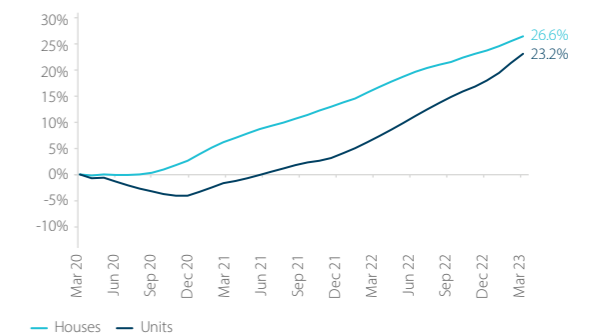
### RISING RENTS IN 2020-21: CHANGING HOUSEHOLD PREFERENCES

The pandemic drove a shift in housing preferences that has played out across sales, prices and rents. One of the major shifts during the pandemic was a pivot to living with fewer people. The RBA has noted a decline in group households in 2020 shifted the average people per household lower and added an estimated 120,000 additional households from domestic demand alone<sup>9</sup>. This rental demand for more space and fewer housemates has been maintained by relatively strong income growth in recent years, and for some it has been necessary as remote work became more normalised.

As well as share-housing becoming less popular, detached houses were clearly preferred to units during periods of lockdown. Between March 2020 and the end of 2021, house rents increased 13.0%, compared to a 3.1% lift in unit rents. As of April 2023, unit rentals have seen much stronger take up, and this is reflected in more comparable cumulative growth rates across house and unit rents (Figure 16). This may have been the result of prospective tenants trying to take advantage of relatively affordable unit rents, and a more recent recovery of population growth in high-density regions. Unit rents in April were 23.2% higher since March 2020, while house rents were 26.6% higher. Cumulative growth in house and unit rents is likely to further align in the months ahead, as monthly growth has been accelerating across units.

The RBA reported average household size remained near record-lows of 2.49 people per household in January 2023. However, strong rises in rents may start to see a reversal of this trend as current leases expire and affordability gets stretched.

**FIGURE 16: CUMULATIVE GROWTH IN HEDONIC RENT VALUE INDEX - NATIONAL**



Source: CoreLogic

Other demand-driven shifts in the rental market may see internal migration favouring more affordable markets. A good example is the recent shift in migration patterns across Queensland. In the year to June 2022, ABS data shows the Logan – Beaudesert and Ipswich SA4 regions with the first and third highest volumes of net internal migration across the country, overtaking the Gold Coast, which had the highest net internal migration in the year prior. These markets have relatively low median weekly rent valuations compared to the Greater Brisbane market. The ACT is another example where rent values are now consistently falling amid net-negative internal migration trends.

## OVERSEAS MIGRATION AND RENTAL MARKET TRENDS

In a 2020 edition of this report, it was noted that overseas migration flows had a notable and swift impact on the Australian rental market. This is because most overseas migrants are initially renters. According to ABS data, around 85% of migrant households were renters in the 2018 survey period, where they had arrived in Australia between 2013 and 2018. Home ownership was more common for migrant households that arrived in the country from 2012 or earlier, with the portion of renting households falling to around 30%.

Burke, T., Hulse, K., & Ralston, L. (2022). 'I Will Call Australia My Home': Migration and Housing Tenure. In Migration and Urban Transitions in Australia (pp. 127-148). Cham: Springer International Publishing.

Burke, Hulse and Rawson (2022) highlight many factors influencing tenure outcomes for overseas migrants, including the increasing emphasis on temporary migrants since the 1980s. International students and short-term skilled worker visa holders in particular would be less inclined to buy housing. Since COVID-related travel restrictions eased in March 2022, an average of 33.7% of overseas arrivals to Australia were classified as temporary visa holders.

Figure 17 shows the rolling annual volume of net overseas arrivals to Australia where the arrivals are intending to stay in Australia for at least 12 months. This includes returning residents and those born overseas. This volume represents total overseas arrivals minus departures on a rolling 12-month basis for the past five years.

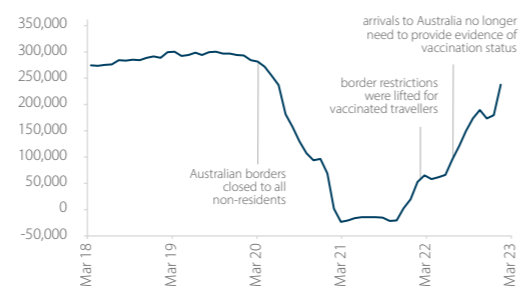
From February 2022 as border restrictions were eased, annual growth in rent values re-accelerated. Before border restrictions were lifted in February 2022, national growth in rents had actually started to slow.

There is a strong regional dimension to the way in which migration flows impact rental demand. For the past five years (excluding 2021 when net overseas migration was negative), ABS data shows the SA4 sub-regions accounting for the highest levels of net overseas migration have been Melbourne – Inner (averaging 7.1% of net overseas migration to Australia), Melbourne – South East (6.1%) and Melbourne – West (6.1%). Overall, Melbourne SA4 regions accounted for 31.1% of net overseas migration, while Sydney accounted for 29.9%.

Figure 18 shows growth across SA4 market rental values from February 2022 to date, against the average portion of net overseas migration accounted for in each region. The data shows a positive correlation between those with high exposure to net overseas migration and rent growth for this period.

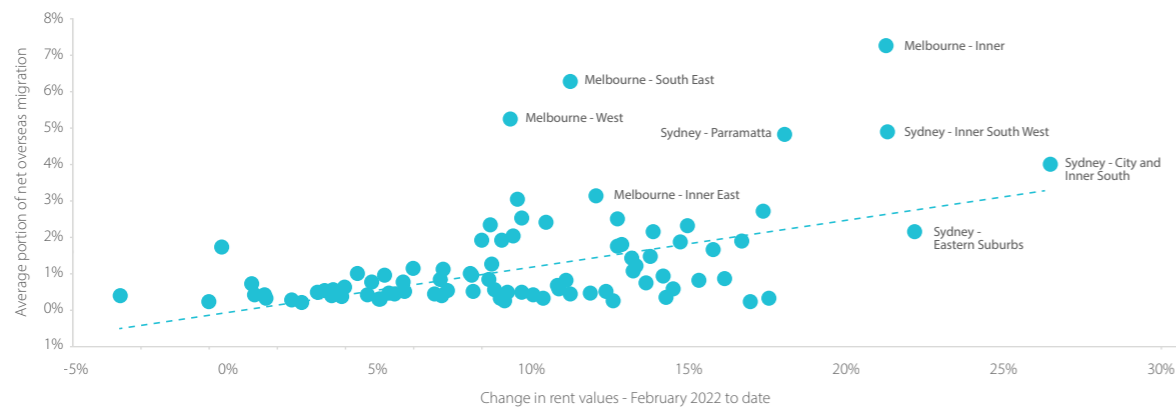
This is not to say areas with high overseas migration levels have seen the highest increase in rent values since March 2020. However, the data does imply that the more recent acceleration in rent values is likely to be concentrated in those markets exposed to high levels of overseas migrant arrivals. As some housing markets see an easing in rental growth, Sydney and Melbourne rental markets are likely to continue seeing high rates of growth as migration surpasses pre-pandemic levels.

**FIGURE 17: NET OVERSEAS ARRIVALS, PERMANENT AND LONG-TERM (ROLLING ANNUAL)**



Source: ABS, CoreLogic

**FIGURE 18: NET OVERSEAS MIGRATION VERSUS CHANGE IN RENTS**



Source: ABS, CoreLogic



CAN RENTAL SUPPLY GAP BE MET BY BUILD-TO-RENT?

## WHERE TO FROM HERE?

Looking forward, given low vacancy rates and high immigration, rents are likely to continue to rise solidly. Overseas migration patterns suggest that demand will remain skewed to Melbourne and Sydney markets, while expensive regional markets are likely to plateau against affordability constraints.

With constraints in new housing supply, and investor interest in the property market yet to see a material pick-up, there does not seem to be much short-term reprieve for renters. In some cases, this may lead to a growing number of Australians facing precarious housing situations.

Currently there are many policy responses to the rental crisis being explored. In the 2023-24 federal budget, tax incentives were announced for Build-to-Rent developments from 1 July 2024. Various state and territory governments have also introduced their own tax incentives for Build-to-Rent, which may be complimented by the federal changes and introduce more supply in the long run. However, Build-to-Rent developments may only relieve pressures in the rental market indirectly, as they are typically high amenity and located in expensive markets.

There are also demand-side policies which may be explored to improve the security and affordability of rental housing for tenants and there were several measures outlined in the Budget that make a start in assisting low income households. The 2022 Productivity Commission review into the National Housing and Homelessness Agreement considered a further review of CRA including whether government should index CRA to changes in rent increases, rather than just inflation more broadly.

Beyond the rental market, the past few years have seen immense pressure on organisations that provide assistance to vulnerable households, and specialist homelessness services. This may call for greater resourcing of community housing providers, charities, and providers of specialist homelessness services to step into the breach.



## DEFINITION OF AFFORDABILITY METRICS:

### 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.

### Serviceability

This measure looks at mortgage serviceability for median income households servicing a mortgage if they were to purchase in September 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.

### Rent to income

Utilising household income data together with the median weekly asking rent to September 2022, we measure what percentage of gross annual household income is required to rent on new leases.

## SOURCES:

1. The CoreLogic hedonic rent value index is a number that tracks monthly change in the imputed rental income of the Australian housing market. It utilizes property attributed and listings information to form a valuation of all dwellings across the housing market, not just those that are listed for rent. Because the index is trained off listings and not rents paid, it is a more dynamic valuation of what a property may rent for at a particular point in time.
2. The metric utilises up-to-date income modelling from the ANU centre for Social Research and Methods. The centre uses the latest census and GDP data to produce modelled income estimates to the December quarter, with the latest income growth rate extrapolated for the March quarter.
3. Ellis, E. (2022, May 25). Housing in the Endemic Phase. <https://www.rba.gov.au/speeches/2022/sp-ag-2022-05-25.html>
4. Source: <https://www.aihw.gov.au/reports/australias-welfare/housing-affordability>
5. Cassidy, C. (2022, December 5). Jump in homelessness as Australia's rental crisis pushes 'overwhelmed system to breaking point'. The Guardian. <https://www.theguardian.com/australia-news/2022/dec/05/jump-in-homelessness-as-australias-rental-crisis-pushes-overwhelmed-system-to-breaking-point>
6. Productivity Commission. (2022). In need of repair: the National Housing and Homelessness Agreement-study report.
7. AHURI. (2022, July 6). What is the right level of social housing for Australia? Brief. <https://www.ahuri.edu.au/analysis/brief/what-right-level-social-housing-australia>
8. Productivity Commission. (2022). In need of repair: the National Housing and Homelessness Agreement-study report.
9. Agarwal, N., Gao, R., & Garner, M. (2023). Renters, Rent Inflation and Renter Stress. 1. 1 Renters, Rent Inflation and Renter Stress 2. Fixed-rate Housing Loans: Monetary Policy Transmission and Financial 10 Stability Risks 3. 19 A New Measure of Average Household Size 4. 27 Non-bank Lending in Australia and the Implications for Financial Stability, 1.

## APPENDIX 1

### SUMMARY OF RENTAL MARKET PERFORMANCE - SA4 REGIONS

| Property type | Capital city and region | SA4 name                            | Change in rent values to April 2023 |                  |                   | Median weekly rental value |
|---------------|-------------------------|-------------------------------------|-------------------------------------|------------------|-------------------|----------------------------|
|               |                         |                                     | Since March 2020                    | From recent peak | Past three months |                            |
| Units         | Regional WA             | Western Australia - Outback (North) | 53.4%                               | 0.0%             | 3.2%              | \$619                      |
| Houses        | Perth                   | Mandurah                            | 49.0%                               | 0.0%             | 1.7%              | \$548                      |
| Units         | Regional WA             | Bunbury                             | 44.9%                               | 0.0%             | 5.4%              | \$489                      |
| Houses        | Regional NSW            | Murray                              | 44.3%                               | 0.0%             | 4.3%              | \$444                      |
| Units         | Regional WA             | Western Australia - Outback (South) | 43.2%                               | -0.5%            | -0.5%             | \$403                      |
| Units         | Regional Qld            | Gold Coast                          | 42.6%                               | 0.0%             | 3.1%              | \$704                      |
| Units         | Perth                   | Perth - North East                  | 42.5%                               | 0.0%             | 5.4%              | \$440                      |
| Houses        | Perth                   | Perth - South West                  | 41.1%                               | 0.0%             | 3.5%              | \$579                      |
| Units         | Perth                   | Mandurah                            | 40.7%                               | 0.0%             | 2.1%              | \$460                      |
| Houses        | Regional Qld            | Gold Coast                          | 40.3%                               | 0.0%             | 0.5%              | \$878                      |
| Houses        | Perth                   | Perth - South East                  | 40.2%                               | 0.0%             | 4.0%              | \$569                      |
| Houses        | Perth                   | Perth - North West                  | 39.3%                               | 0.0%             | 3.4%              | \$629                      |
| Houses        | Perth                   | Perth - North East                  | 38.6%                               | 0.0%             | 4.4%              | \$577                      |
| Units         | Perth                   | Perth - North West                  | 38.5%                               | 0.0%             | 5.9%              | \$510                      |
| Units         | Perth                   | Perth - South East                  | 38.3%                               | 0.0%             | 4.4%              | \$503                      |
| Units         | Perth                   | Perth - South West                  | 38.2%                               | 0.0%             | 3.9%              | \$505                      |
| Houses        | Regional WA             | Bunbury                             | 37.6%                               | 0.0%             | 3.1%              | \$561                      |
| Houses        | Regional Qld            | Sunshine Coast                      | 37.3%                               | 0.0%             | 1.9%              | \$792                      |
| Houses        | Brisbane                | Moreton Bay - North                 | 35.8%                               | 0.0%             | 2.3%              | \$571                      |
| Houses        | Regional WA             | Western Australia - Outback (North) | 35.7%                               | 0.0%             | 1.9%              | \$911                      |
| Houses        | Regional WA             | Western Australia - Outback (South) | 35.3%                               | 0.0%             | 3.9%              | \$471                      |
| Houses        | Regional Qld            | Central Queensland                  | 35.3%                               | 0.0%             | 3.0%              | \$489                      |
| Houses        | Regional Qld            | Wide Bay                            | 35.2%                               | 0.0%             | 0.7%              | \$493                      |
| Houses        | Brisbane                | Ipswich                             | 34.9%                               | 0.0%             | 1.7%              | \$526                      |
| Units         | Regional Qld            | Sunshine Coast                      | 34.7%                               | 0.0%             | 0.2%              | \$630                      |
| Units         | Regional NSW            | Coffs Harbour - Grafton             | 34.7%                               | -0.3%            | 0.5%              | \$503                      |
| Houses        | Regional SA             | Barossa - Yorke - Mid North         | 34.5%                               | 0.0%             | 2.5%              | \$383                      |
| Units         | Regional Vic.           | Shepparton                          | 33.8%                               | 0.0%             | 2.0%              | \$330                      |
| Houses        | Regional Qld            | Toowoomba                           | 32.9%                               | 0.0%             | 1.3%              | \$511                      |
| Units         | Brisbane                | Moreton Bay - North                 | 32.6%                               | 0.0%             | 3.1%              | \$467                      |
| Units         | Regional NSW            | Richmond - Tweed                    | 32.6%                               | -0.3%            | -0.3%             | \$629                      |
| Houses        | Brisbane                | Logan - Beaudesert                  | 32.6%                               | 0.0%             | 0.5%              | \$566                      |
| Units         | Regional SA             | South Australia - South East        | 31.7%                               | -1.8%            | 1.3%              | \$325                      |
| Units         | Regional Tas.           | Launceston and North East           | 31.6%                               | -2.2%            | -1.0%             | \$398                      |
| Houses        | Perth                   | Perth - Inner                       | 31.4%                               | 0.0%             | 4.2%              | \$938                      |
| Houses        | Regional SA             | South Australia - Outback           | 31.1%                               | 0.0%             | 5.2%              | \$366                      |
| Houses        | Brisbane                | Brisbane - East                     | 31.0%                               | 0.0%             | 0.4%              | \$694                      |
| Houses        | Sydney                  | Sydney - Eastern Suburbs            | 30.9%                               | 0.0%             | 7.4%              | \$1,677                    |
| Houses        | Brisbane                | Brisbane - South                    | 30.8%                               | 0.0%             | 2.0%              | \$702                      |
| Units         | Sydney                  | Sydney - Eastern Suburbs            | 30.6%                               | 0.0%             | 7.4%              | \$901                      |
| Units         | Regional NSW            | Murray                              | 30.5%                               | 0.0%             | 1.1%              | \$330                      |
| Units         | Perth                   | Perth - Inner                       | 30.3%                               | 0.0%             | 5.2%              | \$576                      |
| Units         | Regional Qld            | Toowoomba                           | 30.3%                               | 0.0%             | 1.3%              | \$366                      |
| Houses        | Brisbane                | Brisbane - West                     | 30.2%                               | 0.0%             | 2.1%              | \$763                      |
| Units         | Adelaide                | Adelaide - South                    | 30.0%                               | 0.0%             | 3.6%              | \$443                      |
| Houses        | Adelaide                | Adelaide - North                    | 30.0%                               | 0.0%             | 1.8%              | \$500                      |
| Houses        | Regional Tas.           | South East                          | 29.9%                               | -4.5%            | -4.5%             | \$448                      |

| Property type | Capital city and region | SA4 name                      | Change in rent values to April 2023 |                  |                   | Median weekly rental value |
|---------------|-------------------------|-------------------------------|-------------------------------------|------------------|-------------------|----------------------------|
|               |                         |                               | Since March 2020                    | From recent peak | Past three months |                            |
| Units         | Darwin                  | Darwin                        | 29.6%                               | -0.6%            | 0.1%              | \$504                      |
| Units         | Sydney                  | Sydney - City and Inner South | 29.6%                               | 0.0%             | 7.8%              | \$873                      |
| Units         | Regional Qld            | Central Queensland            | 29.5%                               | -0.1%            | 0.6%              | \$341                      |
| Units         | Regional NSW            | Central West                  | 29.5%                               | 0.0%             | 1.2%              | \$377                      |
| Units         | Regional NSW            | Hunter Valley exc Newcastle   | 29.4%                               | -0.2%            | 1.9%              | \$460                      |
| Houses        | Adelaide                | Adelaide - South              | 29.2%                               | 0.0%             | 1.5%              | \$552                      |
| Houses        | Brisbane                | Brisbane Inner City           | 29.1%                               | 0.0%             | 2.9%              | \$939                      |
| Houses        | Brisbane                | Brisbane - North              | 29.0%                               | 0.0%             | 1.5%              | \$663                      |
| Houses        | Regional NSW            | Richmond - Tweed              | 28.8%                               | -0.2%            | 1.3%              | \$792                      |
| Houses        | Brisbane                | Moreton Bay - South           | 28.8%                               | 0.0%             | 0.2%              | \$624                      |
| Houses        | Darwin                  | Darwin                        | 28.8%                               | -2.2%            | -1.3%             | \$650                      |
| Houses        | Regional NSW            | Mid North Coast               | 28.7%                               | 0.0%             | 2.2%              | \$562                      |
| Houses        | Regional Tas.           | Launceston and North East     | 28.6%                               | -0.1%            | 0.4%              | \$487                      |
| Units         | Brisbane                | Brisbane - East               | 28.6%                               | 0.0%             | 2.7%              | \$541                      |
| Houses        | Regional Qld            | Darling Downs - Maranoa       | 28.5%                               | 0.0%             | 1.5%              | \$403                      |
| Units         | Adelaide                | Adelaide - West               | 28.5%                               | 0.0%             | 4.2%              | \$435                      |
| Houses        | Adelaide                | Adelaide - West               | 28.3%                               | 0.0%             | 2.0%              | \$586                      |
| Units         | Regional Qld            | Wide Bay                      | 28.2%                               | 0.0%             | 2.4%              | \$365                      |
| Units         | Brisbane                | Brisbane Inner City           | 28.1%                               | 0.0%             | 4.0%              | \$606                      |
| Units         | Regional Qld            | Darling Downs - Maranoa       | 27.4%                               | 0.0%             | 1.3%              | \$281                      |
| Units         | Regional Qld            | Mackay - Isaac - Whitsunday   | 27.4%                               | 0.0%             | 2.5%              | \$412                      |
| Houses        | Regional Qld            | Cairns                        | 27.3%                               | 0.0%             | 2.1%              | \$575                      |
| Units         | Regional Vic.           | Warrnambool and South West    | 27.3%                               | 0.0%             | 4.8%              | \$382                      |
| Houses        | Adelaide                | Adelaide - Central and Hills  | 27.2%                               | 0.0%             | 2.5%              | \$654                      |
| Houses        | Regional NSW            | Hunter Valley exc Newcastle   | 27.1%                               | 0.0%             | 0.5%              | \$581                      |
| Units         | Regional NSW            | Mid North Coast               | 27.0%                               | 0.0%             | 0.8%              | \$454                      |
| Houses        | Regional NSW            | Riverina                      | 26.9%                               | 0.0%             | 2.2%              | \$445                      |
| Houses        | Sydney                  | Sydney - Inner South West     | 26.7%                               | 0.0%             | 3.7%              | \$788                      |
| Units         | Regional NSW            | Capital Region                | 26.6%                               | -0.6%            | 0.6%              | \$459                      |
| Houses        | Sydney                  | Central Coast                 | 26.5%                               | -0.3%            | 0.2%              | \$647                      |
| Units         | Brisbane                | Brisbane - West               | 26.2%                               | 0.0%             | 3.5%              | \$549                      |
| Houses        | Melbourne               | Mornington Peninsula          | 26.1%                               | -0.1%            | 1.4%              | \$629                      |
| Houses        | Regional NSW            | Coffs Harbour - Grafton       | 26.1%                               | -0.7%            | -0.6%             | \$619                      |
| Houses        | Regional Tas.           | West and North West           | 26.1%                               | 0.0%             | 0.5%              | \$409                      |
| Units         | Brisbane                | Ipswich                       | 26.0%                               | 0.0%             | 3.7%              | \$420                      |
| Units         | Brisbane                | Logan - Beaudesert            | 25.9%                               | 0.0%             | 4.1%              | \$409                      |
| Houses        | Sydney                  | Sydney - Northern Beaches     | 25.8%                               | 0.0%             | 2.2%              | \$1,341                    |
| Houses        | Regional NSW            | Central West                  | 25.8%                               | 0.0%             | 0.4%              | \$467                      |
| Units         | Regional Qld            | Cairns                        | 25.7%                               | 0.0%             | 0.6%              | \$435                      |
| Units         | Brisbane                | Moreton Bay - South           | 25.5%                               | -0.2%            | 0.9%              | \$467                      |
| Houses        | Regional NSW            | Newcastle and Lake Macquarie  | 25.4%                               | 0.0%             | 1.4%              | \$624                      |
| Houses        | Sydney                  | Sydney - Ryde                 | 25.3%                               | 0.0%             | 4.7%              | \$956                      |
| Units         | Regional NSW            | Riverina                      | 25.2%                               | 0.0%             | 2.0%              | \$349                      |
| Units         | Adelaide                | Adelaide - North              | 25.0%                               | 0.0%             | 2.9%              | \$401                      |
| Units         | Regional NSW            | Newcastle and Lake Macquarie  | 24.8%                               | 0.0%             | 1.8%              | \$547                      |
| Houses        | Sydney                  | Sydney - City and Inner South | 24.4%                               | 0.0%             | 6.2%              | \$1,043                    |
| Houses        | Regional Qld            | Mackay - Isaac - Whitsunday   | 24.4%                               | 0.0%             | 3.0%              | \$547                      |
| Units         | Regional Tas.           | West and North West           | 24.3%                               | -0.8%            | 4.8%              | \$338                      |
| Units         | Brisbane                | Brisbane - North              | 24.3%                               | 0.0%             | 4.0%              | \$493                      |
| Units         | Regional NSW            | Illawarra                     | 24.1%                               | 0.0%             | 2.4%              | \$545                      |

| Property type | Capital city and region | SA4 name                               | Change in rent values to April 2023 |                  |                   | Median weekly rental value |
|---------------|-------------------------|--|-------------------------------------|------------------|-------------------|----------------------------|
|               |                         |  | Since March 2020                    | From recent peak | Past three months |                            |
| Units         | Sydney                  | Sydney - Inner West                    | 23.8%                               | 0.0%             | 6.0%              | \$664                      |
| Units         | Regional NSW            | Far West and Orana                     | 23.7%                               | 0.0%             | 0.1%              | \$330                      |
| Houses        | Regional Vic.           | North West                             | 23.7%                               | 0.0%             | 1.5%              | \$371                      |
| Units         | Brisbane                | Brisbane - South                       | 23.7%                               | 0.0%             | 3.2%              | \$538                      |
| Houses        | Sydney                  | Sydney - Inner West                    | 23.7%                               | 0.0%             | 3.9%              | \$982                      |
| Houses        | Regional Vic.           | Hume                                   | 23.6%                               | 0.0%             | 1.7%              | \$475                      |
| Houses        | Regional NSW            | Southern Highlands and Shoalhaven      | 23.5%                               | -3.2%            | 0.5%              | \$598                      |
| Houses        | Sydney                  | Sydney - Sutherland                    | 23.5%                               | 0.0%             | 0.2%              | \$962                      |
| Houses        | Regional Vic.           | Latrobe - Gippsland                    | 23.5%                               | 0.0%             | 1.1%              | \$451                      |
| Units         | Regional Vic.           | Bendigo                                | 23.5%                               | 0.0%             | 1.6%              | \$377                      |
| Units         | Melbourne               | Mornington Peninsula                   | 23.4%                               | 0.0%             | 0.7%              | \$479                      |
| Houses        | Regional NSW            | Far West and Orana                     | 23.3%                               | -0.5%            | 0.2%              | \$423                      |
| Units         | Regional NSW            | Southern Highlands and Shoalhaven      | 23.3%                               | -10.0%           | -5.4%             | \$488                      |
| Houses        | Sydney                  | Sydney - Outer West and Blue Mountains | 23.2%                               | 0.0%             | 1.3%              | \$589                      |
| Units         | Regional Tas.           | South East                             | 23.1%                               | -10.3%           | -5.0%             | \$372                      |
| Units         | Sydney                  | Sydney - Inner South West              | 23.1%                               | 0.0%             | 5.8%              | \$575                      |
| Units         | Sydney                  | Central Coast                          | 23.1%                               | 0.0%             | 0.8%              | \$517                      |
| Houses        | Regional NSW            | Illawarra                              | 22.6%                               | 0.0%             | 0.8%              | \$709                      |
| Houses        | Sydney                  | Sydney - Baulkham Hills and Hawkesbury | 22.5%                               | 0.0%             | 2.2%              | \$884                      |
| Houses        | Regional Qld            | Townsville                             | 22.4%                               | 0.0%             | 0.9%              | \$479                      |
| Houses        | Sydney                  | Sydney - Parramatta                    | 22.3%                               | 0.0%             | 3.4%              | \$658                      |
| Units         | Regional Vic.           | Hume                                   | 22.3%                               | -1.4%            | -1.4%             | \$334                      |
| Houses        | Sydney                  | Sydney - Blacktown                     | 21.9%                               | 0.0%             | 1.2%              | \$603                      |
| Houses        | Sydney                  | Sydney - Outer South West              | 21.8%                               | 0.0%             | 1.1%              | \$587                      |
| Units         | Sydney                  | Sydney - Parramatta                    | 21.8%                               | 0.0%             | 4.8%              | \$560                      |
| Units         | Regional Vic.           | Latrobe - Gippsland                    | 21.7%                               | 0.0%             | 1.3%              | \$345                      |
| Units         | Sydney                  | Sydney - Ryde                          | 21.3%                               | 0.0%             | 4.7%              | \$613                      |
| Houses        | Regional Vic.           | Shepparton                             | 21.2%                               | 0.0%             | 1.1%              | \$454                      |
| Units         | Sydney                  | Sydney - Sutherland                    | 21.2%                               | 0.0%             | 5.1%              | \$647                      |
| Units         | Regional NSW            | New England and North West             | 21.2%                               | 0.0%             | 1.5%              | \$313                      |
| Houses        | Regional Vic.           | Geelong                                | 21.0%                               | 0.0%             | 1.8%              | \$524                      |
| Units         | Adelaide                | Adelaide - Central and Hills           | 20.7%                               | 0.0%             | 2.0%              | \$485                      |
| Houses        | Sydney                  | Sydney - South West                    | 20.5%                               | 0.0%             | 2.1%              | \$655                      |
| Houses        | Regional NSW            | New England and North West             | 20.2%                               | 0.0%             | 0.6%              | \$423                      |
| Units         | Sydney                  | Sydney - North Sydney and Hornsby      | 19.8%                               | 0.0%             | 5.8%              | \$755                      |
| Houses        | Sydney                  | Sydney - North Sydney and Hornsby      | 19.8%                               | 0.0%             | 1.0%              | \$1,233                    |
| Houses        | Regional Vic.           | Warrnambool and South West             | 19.4%                               | 0.0%             | 1.2%              | \$449                      |
| Houses        | Regional Vic.           | Bendigo                                | 19.3%                               | 0.0%             | 0.4%              | \$465                      |
| Units         | Hobart                  | Hobart                                 | 19.3%                               | 0.0%             | 2.9%              | \$501                      |
| Units         | Sydney                  | Sydney - Outer West and Blue Mountains | 19.0%                               | 0.0%             | 1.9%              | \$457                      |
| Units         | Sydney                  | Sydney - Blacktown                     | 18.7%                               | 0.0%             | 2.0%              | \$516                      |
| Houses        | Hobart                  | Hobart                                 | 18.7%                               | 0.0%             | 1.3%              | \$578                      |
| Houses        | Melbourne               | Melbourne - South East                 | 18.6%                               | 0.0%             | 3.1%              | \$538                      |
| Units         | Regional Qld            | Townsville                             | 18.1%                               | -0.1%            | -0.1%             | \$365                      |
| Units         | Regional Vic.           | Geelong                                | 17.8%                               | 0.0%             | 2.2%              | \$428                      |
| Units         | Sydney                  | Sydney - Baulkham Hills and Hawkesbury | 17.3%                               | 0.0%             | 3.1%              | \$653                      |
| Units         | Melbourne               | Melbourne - Inner                      | 17.3%                               | 0.0%             | 6.5%              | \$572                      |
| Houses        | Melbourne               | Melbourne - Outer East                 | 17.3%                               | 0.0%             | 3.0%              | \$587                      |
| Houses        | Regional Vic.           | Ballarat                               | 16.6%                               | 0.0%             | 1.5%              | \$427                      |
| Units         | Sydney                  | Sydney - Northern Beaches              | 16.4%                               | 0.0%             | 4.1%              | \$758                      |

| Property type | Capital city and region | SA4 name                       | Change in rent values to April 2023 |                  |                   | Median weekly rental value |
|---------------|-------------------------|--------------------------------|-------------------------------------|------------------|-------------------|----------------------------|
|               |                         |                                | Since March 2020                    | From recent peak | Past three months |                            |
| Houses        | Regional NSW            | Capital Region                 | 15.9%                               | -2.5%            | -1.7%             | \$576                      |
| Units         | Regional Vic.           | North West                     | 15.8%                               | 0.0%             | 2.8%              | \$311                      |
| Houses        | Melbourne               | Melbourne - Inner East         | 15.6%                               | 0.0%             | 5.9%              | \$750                      |
| Units         | Sydney                  | Sydney - South West            | 15.6%                               | 0.0%             | 3.2%              | \$425                      |
| Houses        | Regional Qld            | Queensland - Outback           | 15.3%                               | -1.4%            | 0.4%              | \$426                      |
| Houses        | Melbourne               | Melbourne - North East         | 15.2%                               | 0.0%             | 3.6%              | \$510                      |
| Units         | Sydney                  | Sydney - Outer South West      | 14.9%                               | 0.0%             | 1.7%              | \$446                      |
| Houses        | ACT                     | ACT                            | 14.8%                               | -3.3%            | -1.1%             | \$715                      |
| Units         | Regional Vic.           | Ballarat                       | 14.6%                               | 0.0%             | 3.4%              | \$345                      |
| Houses        | Melbourne               | Melbourne - Inner              | 14.4%                               | 0.0%             | 6.0%              | \$798                      |
| Houses        | Melbourne               | Melbourne - Inner South        | 14.3%                               | 0.0%             | 2.9%              | \$858                      |
| Houses        | Regional SA             | South Australia - South East   | 14.0%                               | -1.5%            | 1.3%              | \$411                      |
| Houses        | Melbourne               | Melbourne - North West         | 13.8%                               | 0.0%             | 3.2%              | \$488                      |
| Units         | ACT                     | ACT                            | 13.5%                               | 0.0%             | 0.6%              | \$586                      |
| Units         | Melbourne               | Melbourne - Inner South        | 13.4%                               | 0.0%             | 4.9%              | \$545                      |
| Units         | Melbourne               | Melbourne - South East         | 13.1%                               | 0.0%             | 3.6%              | \$458                      |
| Units         | Melbourne               | Melbourne - Inner East         | 13.0%                               | 0.0%             | 6.1%              | \$553                      |
| Units         | Melbourne               | Melbourne - Outer East         | 12.5%                               | 0.0%             | 2.8%              | \$470                      |
| Units         | Regional WA             | Western Australia - Wheat Belt | 12.5%                               | -6.6%            | -4.4%             | \$351                      |
| Houses        | Regional WA             | Western Australia - Wheat Belt | 12.0%                               | -1.4%            | -1.2%             | \$404                      |
| Units         | Regional NT             | Northern Territory - Outback   | 11.4%                               | -2.7%            | -2.1%             | \$434                      |
| Houses        | Melbourne               | Melbourne - West               | 11.2%                               | 0.0%             | 2.8%              | \$459                      |
| Units         | Regional Qld            | Queensland - Outback           | 11.0%                               | -2.4%            | -0.8%             | \$298                      |
| Units         | Melbourne               | Melbourne - West               | 10.8%                               | 0.0%             | 3.4%              | \$418                      |
| Units         | Regional SA             | Barossa - Yorke - Mid North    | 10.4%                               | 0.0%             | 0.4%              | \$282                      |
| Units         | Melbourne               | Melbourne - North West         | 10.3%                               | 0.0%             | 2.8%              | \$444                      |
| Units         | Melbourne               | Melbourne - North East         | 9.7%                                | 0.0%             | 3.1%              | \$444                      |
| Units         | Regional SA             | South Australia - Outback      | 8.1%                                | -0.8%            | 1.5%              | \$272                      |
| Houses        | Regional NT             | Northern Territory - Outback   | 3.1%                                | -3.4%            | -0.8%             | \$595                      |

## APPENDIX 2

### RATIO OF DWELLING VALUES TO INCOME

|                   | Dwellings |          |          |            |             | Houses   |          |          |             |             | Units    |          |          |            |             |
|-------------------|-----------|----------|----------|------------|-------------|----------|----------|----------|-------------|-------------|----------|----------|----------|------------|-------------|
|                   | Mar 2020  | Mar 2022 | Dec 2022 | Mar 2023   | 10 year avg | Mar 2020 | Mar 2022 | Dec 2022 | Mar 2023    | 10 year avg | Mar 2020 | Mar 2022 | Dec 2022 | Mar 2023   | 10 year avg |
| National          | 6.5       | 8.0      | 7.4      | <b>7.3</b> | 8.1         | 6.6      | 8.8      | 8.0      | <b>7.8</b>  | 8.9         | 6.1      | 6.7      | 6.2      | <b>6.1</b> | 6.7         |
| Combined capitals | 6.8       | 8.1      | 7.3      | <b>7.2</b> | 8.1         | 7.1      | 9.1      | 8.2      | <b>8.0</b>  | 9.2         | 6.2      | 6.3      | 5.8      | <b>5.8</b> | 6.6         |
| Combined regions  | 5.6       | 7.6      | 7.3      | <b>7.3</b> | 7.9         | 5.7      | 7.9      | 7.6      | <b>7.5</b>  | 8.2         | 4.9      | 6.6      | 6.4      | <b>6.4</b> | 6.8         |
| Greater Sydney    | 8.6       | 10.2     | 8.9      | <b>8.8</b> | 10.2        | 10.0     | 12.8     | 10.7     | <b>10.7</b> | 12.8        | 7.5      | 7.6      | 6.8      | <b>6.8</b> | 8.3         |
| Greater Melbourne | 7.5       | 8.0      | 7.2      | <b>7.1</b> | 8.2         | 8.8      | 10.0     | 8.7      | <b>8.6</b>  | 10.1        | 6.4      | 6.3      | 5.7      | <b>5.6</b> | 6.6         |
| Greater Brisbane  | 5.6       | 7.7      | 7.0      | <b>6.8</b> | 8.0         | 6.1      | 8.8      | 7.8      | <b>7.6</b>  | 9.1         | 4.2      | 4.9      | 4.9      | <b>4.8</b> | 5.1         |
| Greater Adelaide  | 5.8       | 7.4      | 7.7      | <b>7.5</b> | 7.8         | 6.3      | 8.1      | 8.3      | <b>8.1</b>  | 8.5         | 4.4      | 4.9      | 5.2      | <b>5.1</b> | 5.2         |
| Greater Perth     | 4.7       | 5.5      | 5.5      | <b>5.5</b> | 6.7         | 4.9      | 5.8      | 5.8      | <b>5.8</b>  | 7.0         | 3.7      | 4.1      | 4.0      | <b>4.0</b> | 5.6         |
| Greater Hobart    | 6.5       | 9.0      | 8.0      | <b>7.6</b> | 9.0         | 6.9      | 9.7      | 8.6      | <b>8.1</b>  | 9.7         | 5.3      | 7.1      | 6.3      | <b>6.1</b> | 7.1         |
| Greater Darwin    | 3.5       | 4.3      | 4.3      | <b>4.1</b> | 5.4         | 4.2      | 5.0      | 4.9      | <b>4.8</b>  | 5.9         | 2.4      | 3.2      | 3.2      | <b>3.1</b> | 4.5         |
| Canberra          | 5.3       | 7.4      | 6.5      | <b>6.3</b> | 7.4         | 5.9      | 8.4      | 7.4      | <b>7.2</b>  | 8.4         | 3.7      | 4.9      | 4.6      | <b>4.5</b> | 5.0         |
| Rest of NSW       | 6.6       | 9.6      | 8.8      | <b>8.6</b> | 9.8         | 6.8      | 10.1     | 9.1      | <b>9.0</b>  | 10.2        | 5.7      | 7.6      | 7.3      | <b>7.2</b> | 7.8         |
| Rest of Vic.      | 5.7       | 7.9      | 7.4      | <b>7.3</b> | 8.1         | 6.1      | 8.4      | 7.9      | <b>7.8</b>  | 8.6         | 4.2      | 5.6      | 5.4      | <b>5.4</b> | 5.6         |
| Rest of QLD       | 5.1       | 6.8      | 6.7      | <b>6.7</b> | 7.1         | 5.3      | 6.9      | 6.8      | <b>6.8</b>  | 7.1         | 4.9      | 6.7      | 6.6      | <b>6.6</b> | 6.9         |
| Rest of SA        | 4.1       | 5.0      | 5.4      | <b>5.4</b> | 5.4         | 4.2      | 5.2      | 5.5      | <b>5.6</b>  | 5.6         | 3.2      | 3.8      | 4.0      | <b>4.0</b> | 4.3         |
| Rest of WA        | 3.7       | 4.7      | 4.8      | <b>4.9</b> | 5.4         | 3.9      | 4.9      | 5.0      | <b>5.0</b>  | 5.5         | 2.6      | 3.0      | 3.1      | <b>3.1</b> | 4.8         |
| Rest of Tas.      | 5.4       | 7.9      | 7.7      | <b>7.5</b> | 8.2         | 5.6      | 8.2      | 8.0      | <b>7.7</b>  | 8.6         | 4.4      | 6.1      | 5.7      | <b>5.8</b> | 6.4         |
| Rest of NT        | 4.5       | 4.6      | 4.5      | <b>4.5</b> | 5.1         | 4.7      | 5.1      | 4.9      | <b>5.1</b>  | 5.5         | 3.5      | 3.3      | 3.4      | <b>3.2</b> | 4.2         |

### YEARS TO SAVE A DEPOSIT

|                   | Dwellings |          |          |             |             | Houses   |          |          |             |             | Units    |          |          |            |             |
|-------------------|-----------|----------|----------|-------------|-------------|----------|----------|----------|-------------|-------------|----------|----------|----------|------------|-------------|
|                   | Mar 2020  | Mar 2022 | Dec 2022 | Mar 2023    | 10 year avg | Mar 2020 | Mar 2022 | Dec 2022 | Mar 2023    | 10 year avg | Mar 2020 | Mar 2022 | Dec 2022 | Mar 2023   | 10 year avg |
| National          | 8.7       | 10.7     | 9.9      | <b>9.8</b>  | 9.1         | 8.9      | 11.7     | 10.6     | <b>10.5</b> | 9.4         | 8.2      | 8.9      | 8.3      | <b>8.2</b> | 8.3         |
| Combined capitals | 9.1       | 10.8     | 9.8      | <b>9.6</b>  | 9.4         | 9.5      | 12.2     | 10.9     | <b>10.7</b> | 10.1        | 8.2      | 8.5      | 7.8      | <b>7.7</b> | 8.2         |
| Combined regions  | 7.4       | 10.1     | 9.8      | <b>9.7</b>  | 7.9         | 7.7      | 10.5     | 10.1     | <b>10.0</b> | 8.2         | 6.6      | 8.8      | 8.5      | <b>8.5</b> | 7.1         |
| Greater Sydney    | 11.5      | 13.6     | 11.8     | <b>11.8</b> | 11.5        | 13.3     | 17.1     | 14.3     | <b>14.3</b> | 13.4        | 10.0     | 10.1     | 9.1      | <b>9.0</b> | 9.9         |
| Greater Melbourne | 10.0      | 10.7     | 9.7      | <b>9.5</b>  | 9.8         | 11.8     | 13.3     | 11.6     | <b>11.4</b> | 11.5        | 8.5      | 8.4      | 7.6      | <b>7.5</b> | 8.3         |
| Greater Brisbane  | 7.4       | 10.2     | 9.3      | <b>9.1</b>  | 8.0         | 8.2      | 11.7     | 10.4     | <b>10.1</b> | 8.7         | 5.6      | 6.6      | 6.5      | <b>6.4</b> | 6.3         |
| Greater Adelaide  | 7.7       | 9.8      | 10.2     | <b>10.1</b> | 8.5         | 8.4      | 10.7     | 11.0     | <b>10.8</b> | 9.1         | 5.8      | 6.6      | 6.9      | <b>6.8</b> | 6.4         |
| Greater Perth     | 6.3       | 7.4      | 7.3      | <b>7.3</b>  | 7.4         | 6.6      | 7.7      | 7.7      | <b>7.7</b>  | 7.8         | 5.0      | 5.5      | 5.3      | <b>5.3</b> | 6.1         |
| Greater Hobart    | 8.6       | 12.0     | 10.6     | <b>10.2</b> | 8.4         | 9.1      | 13.0     | 11.5     | <b>10.8</b> | 8.9         | 7.1      | 9.5      | 8.3      | <b>8.2</b> | 6.9         |
| Greater Darwin    | 4.7       | 5.7      | 5.7      | <b>5.5</b>  | 5.7         | 5.6      | 6.6      | 6.6      | <b>6.5</b>  | 6.5         | 3.2      | 4.2      | 4.3      | <b>4.1</b> | 4.4         |
| Canberra          | 7.1       | 9.9      | 8.7      | <b>8.4</b>  | 7.2         | 7.9      | 11.2     | 9.9      | <b>9.6</b>  | 8.0         | 5.0      | 6.5      | 6.2      | <b>6.1</b> | 5.3         |
| Rest of NSW       | 8.8       | 12.8     | 11.7     | <b>11.5</b> | 9.3         | 9.1      | 13.5     | 12.2     | <b>12.0</b> | 9.6         | 7.6      | 10.2     | 9.7      | <b>9.6</b> | 8.0         |
| Rest of Vic.      | 7.6       | 10.5     | 9.9      | <b>9.8</b>  | 7.6         | 8.1      | 11.2     | 10.5     | <b>10.4</b> | 8.1         | 5.6      | 7.5      | 7.2      | <b>7.1</b> | 5.9         |
| Rest of QLD       | 6.9       | 9.1      | 9.0      | <b>9.0</b>  | 7.6         | 7.0      | 9.2      | 9.0      | <b>9.1</b>  | 7.8         | 6.5      | 8.9      | 8.8      | <b>8.7</b> | 7.2         |
| Rest of SA        | 5.4       | 6.7      | 7.2      | <b>7.2</b>  | 6.0         | 5.6      | 6.9      | 7.4      | <b>7.4</b>  | 6.2         | 4.2      | 5.1      | 5.3      | <b>5.3</b> | 4.9         |
| Rest of WA        | 5.0       | 6.2      | 6.4      | <b>6.5</b>  | 5.9         | 5.2      | 6.5      | 6.7      | <b>6.7</b>  | 6.1         | 3.4      | 4.0      | 4.1      | <b>4.2</b> | 4.5         |
| Rest of Tas.      | 7.2       | 10.5     | 10.2     | <b>10.0</b> | 7.2         | 7.4      | 11.0     | 10.6     | <b>10.3</b> | 7.4         | 5.8      | 8.1      | 7.6      | <b>7.7</b> | 5.9         |
| Rest of NT        | 6.0       | 6.2      | 5.9      | <b>6.0</b>  | 6.1         | 6.3      | 6.8      | 6.5      | <b>6.7</b>  | 6.8         | 4.7      | 4.4      | 4.5      | <b>4.3</b> | 4.8         |

## PORTION OF INCOME REQUIRED TO SERVICE A NEW MORTGAGE

|                   | Dwellings |          |          |              |             | Houses   |          |          |              |             | Units    |          |          |              |             |
|-------------------|-----------|----------|----------|--------------|-------------|----------|----------|----------|--------------|-------------|----------|----------|----------|--------------|-------------|
|                   | Mar 2020  | Mar 2022 | Dec 2022 | Mar 2023     | 10 year avg | Mar 2020 | Mar 2022 | Dec 2022 | Mar 2023     | 10 year avg | Mar 2020 | Mar 2022 | Dec 2022 | Mar 2023     | 10 year avg |
| National          | 29.5%     | 34.4%    | 41.6%    | <b>42.7%</b> | 33.4%       | 30.2%    | 37.5%    | 44.7%    | <b>45.8%</b> | 34.6%       | 27.8%    | 28.6%    | 34.7%    | <b>35.9%</b> | 30.7%       |
| Combined capitals | 31.0%     | 34.6%    | 41.0%    | <b>42.1%</b> | 34.6%       | 32.5%    | 39.1%    | 45.8%    | <b>46.9%</b> | 37.0%       | 28.0%    | 27.2%    | 32.6%    | <b>33.7%</b> | 30.4%       |
| Combined regions  | 25.3%     | 32.6%    | 41.1%    | <b>42.5%</b> | 29.2%       | 26.1%    | 33.9%    | 42.5%    | <b>43.9%</b> | 30.0%       | 22.4%    | 28.4%    | 35.9%    | <b>37.3%</b> | 26.2%       |
| Greater Sydney    | 39.2%     | 43.6%    | 49.7%    | <b>51.6%</b> | 42.4%       | 45.3%    | 54.8%    | 60.1%    | <b>62.6%</b> | 49.3%       | 34.2%    | 32.6%    | 38.0%    | <b>39.5%</b> | 36.3%       |
| Greater Melbourne | 34.1%     | 34.4%    | 40.5%    | <b>41.6%</b> | 36.1%       | 40.2%    | 42.7%    | 48.7%    | <b>50.0%</b> | 42.4%       | 28.9%    | 26.9%    | 31.7%    | <b>32.7%</b> | 30.4%       |
| Greater Brisbane  | 25.3%     | 32.9%    | 39.2%    | <b>39.9%</b> | 29.5%       | 27.8%    | 37.6%    | 43.5%    | <b>44.2%</b> | 32.2%       | 19.3%    | 21.1%    | 27.2%    | <b>28.2%</b> | 23.1%       |
| Greater Adelaide  | 26.3%     | 31.6%    | 42.9%    | <b>44.1%</b> | 31.2%       | 28.5%    | 34.5%    | 46.4%    | <b>47.5%</b> | 33.6%       | 19.9%    | 21.2%    | 28.9%    | <b>29.9%</b> | 23.5%       |
| Greater Perth     | 21.5%     | 23.6%    | 30.8%    | <b>32.2%</b> | 27.5%       | 22.4%    | 24.8%    | 32.2%    | <b>33.7%</b> | 28.8%       | 16.9%    | 17.7%    | 22.3%    | <b>23.2%</b> | 22.5%       |
| Greater Hobart    | 29.3%     | 38.5%    | 44.6%    | <b>44.6%</b> | 30.7%       | 31.2%    | 41.7%    | 48.1%    | <b>47.4%</b> | 32.8%       | 24.1%    | 30.4%    | 35.0%    | <b>35.9%</b> | 25.3%       |
| Greater Darwin    | 15.9%     | 18.5%    | 23.8%    | <b>23.9%</b> | 21.0%       | 19.2%    | 21.3%    | 27.7%    | <b>28.3%</b> | 24.1%       | 11.1%    | 13.6%    | 18.0%    | <b>18.2%</b> | 16.2%       |
| Canberra          | 24.1%     | 31.9%    | 36.5%    | <b>36.9%</b> | 26.4%       | 27.0%    | 36.1%    | 41.4%    | <b>42.1%</b> | 29.3%       | 17.1%    | 20.8%    | 25.8%    | <b>26.5%</b> | 19.6%       |
| Rest of NSW       | 30.2%     | 41.2%    | 49.3%    | <b>50.5%</b> | 34.1%       | 31.1%    | 43.2%    | 51.1%    | <b>52.4%</b> | 35.1%       | 26.0%    | 32.7%    | 40.7%    | <b>42.0%</b> | 29.3%       |
| Rest of Vic.      | 26.0%     | 33.8%    | 41.6%    | <b>42.9%</b> | 28.0%       | 27.6%    | 35.9%    | 44.2%    | <b>45.5%</b> | 29.8%       | 19.2%    | 24.0%    | 30.1%    | <b>31.3%</b> | 21.7%       |
| Rest of QLD       | 23.4%     | 29.2%    | 37.6%    | <b>39.3%</b> | 28.0%       | 23.9%    | 29.5%    | 37.9%    | <b>39.8%</b> | 28.7%       | 22.1%    | 28.6%    | 36.9%    | <b>38.3%</b> | 26.5%       |
| Rest of SA        | 18.6%     | 21.6%    | 30.1%    | <b>31.6%</b> | 22.3%       | 19.0%    | 22.2%    | 30.9%    | <b>32.5%</b> | 22.7%       | 14.3%    | 16.4%    | 22.3%    | <b>23.4%</b> | 18.1%       |
| Rest of WA        | 17.0%     | 20.0%    | 27.0%    | <b>28.5%</b> | 21.9%       | 17.7%    | 20.8%    | 28.0%    | <b>29.5%</b> | 22.6%       | 11.7%    | 12.9%    | 17.1%    | <b>18.4%</b> | 16.8%       |
| Rest of Tas.      | 24.4%     | 33.9%    | 42.8%    | <b>43.6%</b> | 26.4%       | 25.3%    | 35.3%    | 44.7%    | <b>45.3%</b> | 27.3%       | 19.9%    | 26.2%    | 32.1%    | <b>33.9%</b> | 21.8%       |
| Rest of NT        | 20.4%     | 19.8%    | 24.9%    | <b>26.2%</b> | 22.7%       | 21.4%    | 22.0%    | 27.5%    | <b>29.6%</b> | 24.9%       | 16.0%    | 14.2%    | 19.1%    | <b>19.0%</b> | 17.6%       |

## PORTION OF INCOME REQUIRED TO SERVICE RENT

|                   | Dwellings |          |          |              |             | Houses   |          |          |              |             | Units    |          |          |              |             |
|-------------------|-----------|----------|----------|--------------|-------------|----------|----------|----------|--------------|-------------|----------|----------|----------|--------------|-------------|
|                   | Mar 2020  | Mar 2022 | Dec 2022 | Mar 2023     | 10 year avg | Mar 2020 | Mar 2022 | Dec 2022 | Mar 2023     | 10 year avg | Mar 2020 | Mar 2022 | Dec 2022 | Mar 2023     | 10 year avg |
| National          | 27.0%     | 28.8%    | 30.3%    | <b>30.8%</b> | 29.0%       | 27.0%    | 29.9%    | 31.1%    | <b>31.4%</b> | 29.2%       | 27.2%    | 26.4%    | 28.3%    | <b>29.2%</b> | 28.5%       |
| Combined capitals | 25.9%     | 26.8%    | 28.6%    | <b>29.1%</b> | 27.7%       | 26.0%    | 28.3%    | 29.8%    | <b>30.1%</b> | 28.3%       | 25.7%    | 24.1%    | 26.1%    | <b>26.9%</b> | 26.7%       |
| Combined regions  | 28.7%     | 32.7%    | 33.0%    | <b>33.1%</b> | 30.2%       | 29.0%    | 33.2%    | 33.2%    | <b>33.3%</b> | 30.5%       | 27.4%    | 30.9%    | 31.7%    | <b>32.0%</b> | 28.8%       |
| Greater Sydney    | 29.3%     | 29.5%    | 31.1%    | <b>31.7%</b> | 31.4%       | 30.9%    | 32.6%    | 33.6%    | <b>33.8%</b> | 33.3%       | 27.8%    | 25.9%    | 28.2%    | <b>29.4%</b> | 29.6%       |
| Greater Melbourne | 25.9%     | 24.2%    | 25.3%    | <b>26.0%</b> | 26.3%       | 25.9%    | 25.8%    | 26.5%    | <b>27.0%</b> | 27.1%       | 25.9%    | 22.7%    | 24.1%    | <b>24.9%</b> | 25.5%       |
| Greater Brisbane  | 25.3%     | 27.9%    | 30.2%    | <b>30.5%</b> | 27.2%       | 26.5%    | 29.8%    | 31.8%    | <b>31.9%</b> | 28.2%       | 22.9%    | 23.6%    | 25.9%    | <b>26.6%</b> | 25.0%       |
| Greater Adelaide  | 27.1%     | 29.5%    | 31.8%    | <b>32.3%</b> | 28.7%       | 28.0%    | 30.9%    | 33.2%    | <b>33.5%</b> | 29.8%       | 23.4%    | 24.4%    | 26.6%    | <b>26.9%</b> | 24.6%       |
| Greater Perth     | 22.1%     | 26.3%    | 28.2%    | <b>28.9%</b> | 25.8%       | 22.4%    | 26.7%    | 28.7%    | <b>29.4%</b> | 26.3%       | 20.0%    | 23.1%    | 24.5%    | <b>25.5%</b> | 23.4%       |
| Greater Hobart    | 32.8%     | 34.0%    | 34.0%    | <b>34.3%</b> | 30.8%       | 33.7%    | 34.9%    | 34.8%    | <b>34.8%</b> | 31.9%       | 28.5%    | 28.5%    | 29.8%    | <b>30.8%</b> | 26.1%       |
| Greater Darwin    | 20.7%     | 25.3%    | 26.0%    | <b>25.4%</b> | 25.3%       | 22.5%    | 28.5%    | 28.6%    | <b>27.9%</b> | 27.3%       | 17.7%    | 21.0%    | 22.3%    | <b>21.8%</b> | 21.3%       |
| Canberra          | 25.3%     | 28.0%    | 27.2%    | <b>26.7%</b> | 24.3%       | 26.8%    | 30.8%    | 28.9%    | <b>28.2%</b> | 25.6%       | 21.8%    | 23.2%    | 23.3%    | <b>23.2%</b> | 21.4%       |
| Rest of NSW       | 30.8%     | 35.4%    | 35.4%    | <b>35.4%</b> | 32.8%       | 31.6%    | 36.5%    | 36.4%    | <b>36.4%</b> | 33.6%       | 27.1%    | 31.5%    | 31.6%    | <b>31.8%</b> | 29.0%       |
| Rest of Vic.      | 27.0%     | 30.0%    | 29.8%    | <b>29.9%</b> | 27.4%       | 27.8%    | 31.0%    | 30.7%    | <b>30.7%</b> | 28.3%       | 21.9%    | 23.9%    | 24.1%    | <b>24.3%</b> | 22.4%       |
| Rest of QLD       | 29.6%     | 33.9%    | 35.4%    | <b>36.0%</b> | 31.4%       | 29.8%    | 34.1%    | 35.3%    | <b>35.9%</b> | 31.5%       | 29.2%    | 33.5%    | 35.8%    | <b>36.3%</b> | 31.2%       |
| Rest of SA        | 24.7%     | 27.8%    | 29.1%    | <b>30.0%</b> | 26.0%       | 25.2%    | 28.2%    | 29.6%    | <b>30.4%</b> | 26.4%       | 19.5%    | 22.5%    | 22.1%    | <b>23.2%</b> | 20.6%       |
| Rest of WA        | 23.6%     | 27.9%    | 28.7%    | <b>29.2%</b> | 25.6%       | 23.9%    | 28.0%    | 28.7%    | <b>29.2%</b> | 25.9%       | 20.7%    | 25.4%    | 27.9%    | <b>28.6%</b> | 23.4%       |
| Rest of Tas.      | 29.2%     | 33.4%    | 33.9%    | <b>33.4%</b> | 28.9%       | 30.3%    | 34.8%    | 34.7%    | <b>34.3%</b> | 29.7%       | 24.0%    | 28.3%    | 28.8%    | <b>28.2%</b> | 24.3%       |
| Rest of NT        | 29.1%     | 30.8%    | 30.5%    | <b>29.7%</b> | 30.7%       | 33.3%    | 35.4%    | 34.4%    | <b>34.0%</b> | 33.6%       | 24.9%    | 23.4%    | 25.4%    | <b>25.1%</b> | 25.1%       |



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