

# Media Release



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## RENTAL AFFORDABILITY SEES SLIGHT IMPROVEMENT BUT NO JOY FOR MORTGAGE HOLDERS

The Real Estate Institute of Australia's (REIA) Housing Affordability Report (HAR) story for the December quarter 2022 is all about interest rates at 3.1% and increased home loan repayments, with no joy in sight for mortgage holders.

REIA President, Hayden Groves said the report found housing affordability declined across the nation over the December quarter 2022, with the proportion of income required to meet the average loan repayment increasing to 44.7%, an increase of 2.4 percentage points.

"New South Wales had the highest decline with the proportion of income increasing 3.1 percentage points and the Northern Territory had the lowest decline with the proportion of income rising 1.1 percentage points.

"Rental affordability improved with the proportion of income required to meet median rent decreasing by 0.1 percentage points to 22.9%. Rental affordability improved in all states and territories, except South Australia and Western Australia, where it declined."

Mr Groves said nationally, the proportion of income required to meet the average loan repayment increased to 44.7%.

"New South Wales had the highest decline with the proportion of income increasing 3.1 percentage points to a huge 54.8% and the Northern Territory had the lowest decline with the proportion of income increasing 1.1 percentage points to 32.2%.

"Rental affordability improved with the proportion of income required to meet median rent decreasing by 0.1 percentage points to 22.9%.

"In particular, the median rent remained stable in Sydney and only went up \$5 in Melbourne. These markets account for 60% of the national rental cohort.

"The primary factor in this improvement was the increase in family income.

"Times remain tough for first home buyers with the number of first home buyers dropping to 25,753, a decrease of 2.2% during the quarter and a fall of 31.4% compared to the December quarter 2021.

"The total number of loans for owner occupied dwellings decreased in all states and territories over the December quarter. Decreases ranged from 1.6% in Western Australia to 9.4% in the Australian Capital Territory and the Northern Territory," he said.

The next REIA HAR will more fully articulate the impacts of the rate hikes on renters, owners, first time buyers and investors.

## ENDS

For any further information please contact Olwyn Conrau, REIA Media Consultant, 0413 600 350 [olwyn.conrau@reia.com.au](mailto:olwyn.conrau@reia.com.au)

Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit [www.reia.com.au](http://www.reia.com.au)