

Media Release

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HOUSING AFFORDABILITY PLUMMETS TO ITS LOWEST POINT IN ALMOST THREE DECADES

Over the June quarter 2024, housing affordability in Australia declined to the lowest point since REIA monitoring began in 1996.

REIA President, Leanne Pilkington said the analysis from REIA's latest *Housing Affordability Report* shows the average loan repayment now amounts to 48.1% of the median family income, 1.3 percentage points more than last quarter.

“The report highlights the impact interest rate increases and rising inflation have had on Australians in regards to both rent and home ownership.”

Ms Pilkington said that while Victoria saw a marginal improvement, and small improvements were also seen in the Northern Territory and the Australian Capital Territory, housing affordability declined in all other states.

“Declines ranged from 1.0 percentage points in Tasmania, to 1.8 percentage points in South Australia. Rental affordability also declined over the quarter.”

Ms Pilkington said that nationally, the proportion of income required to meet median rents increased 0.2 percentage points over the quarter to 24.6%.

“Across the states and territories, movement has been mixed: rental affordability improved over the quarter in New South Wales, Tasmania, and the Australian Capital Territory, and declined in all other states and territories.

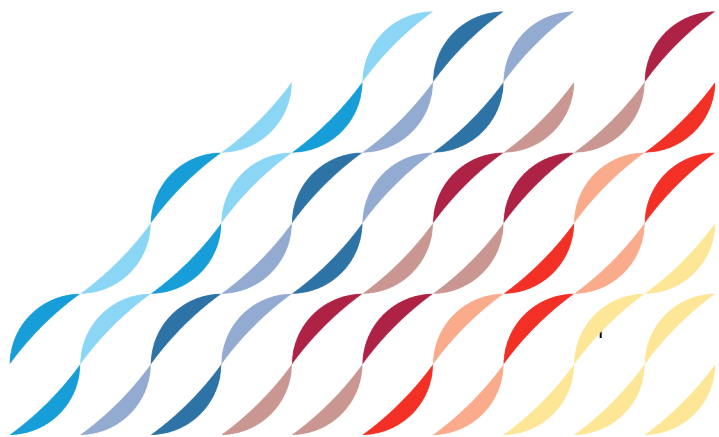
“Declines ranged from 0.2 percentage points in South Australia and the Northern Territory to 0.6 percentage points in Victoria. “

Ms Pilkington said that on a positive note, the number of first home buyers increased to 30,636, 18.6% more than last quarter, and 7.2% more than in the June quarter 2023.

“First home buyers now make up 36.6% of the owner occupier dwelling commitments, a decrease of 0.1 percentage points over the quarter but an increase of 0.1 percentage points over the year.

The Reserve Bank of Australia maintained the official cash rate at 4.35% throughout the June quarter. The quarterly average standard variable interest rate remained stable at 8.8%. The quarterly average 3 year fixed rate also remained stable at 6.8%

“Over the June quarter, the number of first home buyers increased in all states and territories. The smallest increase was seen in South Australia (9.2%) and the largest in the Northern Territory (39.3%), although with only 290 loans to first home buyers, the Northern Territory continues to be the nation's smallest market.



“The average loan size to first home buyers increased to \$532,429. This was an increase of 2.7% over the quarter and 6.8% over the past twelve months. The average loan size to first home buyers decreased in the Northern Territory and the Australian Capital Territory and increased in all six states. South Australia had the largest increase in average first home buyer loan size (4.9%) and Victoria the smallest (0.6%).”

“The total number of owner occupied dwelling loans increased to 83,599, an increase of 18.8% over the June quarter and 6.9% over the past year. The total number of loans for owner occupiers increased in all states and territories over the June quarter. Increases ranged from 9.8% in South Australia to 25.9% in New South Wales.

“Over the June quarter, the average loan size increased to \$629,249, an increase of 3.6% over the June quarter, and 7.9% over the past 12 months,” Ms Pilkington said.

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