

Media release

Wednesday December 5 2012

Quiet Confidence Continues for Home Owners as Housing Affordability Rises

The Real Estate Institute of Australia (REIA) says the September quarter of 2012 recorded a minor improvement in housing affordability.

REIA President Ms Pamela Bennett says, "The proportion of income required to meet loan repayments decreased slightly, just 0.1 percentage points to 31.8%. Housing affordability has been improving very gradually for five consecutive quarters."

New South Wales, Queensland and the Northern Territory contributed to the improvement and compared to the same time last year, Victoria recorded the largest rise in housing affordability across the country with the proportion of family income required to meet loan repayments decreasing 4.4 percentage points.

The proportion of income required to meet loan repayments increased 1.7 percentage points in the Australian Capital Territory. The Territory had the largest decrease in housing affordability with the proportion of income required to meet loan repayments at 18.9%, which is 12.9 percentage points below the national average.

The proportion of income required to meet loan repayments in New South Wales is 36.5%, making it the least affordable state or territory in which to buy a home.

"First home buyers made up 19.0% of the market compared to 17.9% in the June quarter. Although increased, this proportion is dramatically down from the 30.8% level of the June 2009 quarter," said Ms Bennett.

The average loan size to first home buyers increased 0.8% to \$289,800 with rises in New South Wales, Queensland, South Australia and the Northern Territory.

The average home loan increased 1.0% over the quarter and 5.7% compared to the September quarter of the previous year to \$320,542.

With rental affordability, Tasmania had the largest rise with the proportion of median income required to meet average rents decreasing 1.2 percentage points. Queensland, Western Australia and the Northern Territory recorded increases in the proportion of median weekly family income required to meet weekly rent for a three bedroom house, up 0.4, 0.2 and 1.3 percentage points respectively.

"Overall, the figures show a quiet confidence in the market," concluded Ms Bennett.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or interview opportunities, please contact:

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