

**Media Release
For Immediate Release**
9 June 2017

Affordability increases, first home buyers out in the cold

Housing affordability improved across all states and territories in the first quarter of 2017, however, the number of both first home buyers and loans decreased, according to the Real Estate Institute of Australia (REIA).

The latest *Adelaide Bank/REIA Housing Affordability Report* found the proportion of median family income required to meet average loan repayments decreased by 1.3 percentage points to 30.4 per cent.

REIA President Malcolm Gunning said first home buyers now make up 13.4 per cent of total owner occupied housing. This rate has been dropping steadily over the past 5 years yet seems to have stabilised over the past 18 months.

“The average loan size to first home buyers decreased by 3.2 per cent over the March quarter and decreased by 0.4 per cent over the past twelve months, to \$313,433. Over the quarter, the average loan size to first home buyers increased in South Australia and Tasmania,” Mr Gunning said.

“It will be interesting to see the effects that stamp duty exemptions and concessions announced in Victoria and more recently in NSW have on first home buyers.

“We anticipate that more first home buyers will be enticed to enter the market place. However, it will take time for any response to filter into our data as the changes do not come into effect until 1 July 2017 in either state,” Mr Gunning said.

Over the March quarter, the proportion of median family income required to meet rent payments increased by 0.1 percentage points to 24.6 per cent.

However, the results are variable across the states and territories with rental affordability improving marginally in New South Wales, South Australia, Western Australia and the Northern Territory.

Historically, rental affordability declined markedly from the June quarter 2007 reaching its lowest point in the March quarter 2010. Since then rental affordability has been showing a trend improvement reflecting the pickup in investment in housing from the end of 2011.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia.

For further information or to speak with REIA President Malcolm Gunning please contact Helen Hull via media@reia.com.au or 0419 642 961. A copy of the *Adelaide Bank/REIA Housing Affordability Report* is available on request.