



PR & Media Helen Hull  
16 Thesiger Court, Deakin ACT 2600  
Phone 0419 642 961 | Fax 02 6285 2444  
www.reia.com.au | media@reia.com.au

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## **Housing affordability improves across Australia: report**

Housing affordability has improved across the country despite falls in Victoria, South Australia and ACT during the first quarter of 2018, according to research from the Real Estate Institute of Australia and Adelaide Bank.

REIA President Malcolm Gunning said the March quarter 2018 edition of the *Adelaide Bank/REIA Housing Affordability Report* found the proportion of median family income required to meet average loan repayments decreased by 0.3 percentage points to 31.3 per cent.

Mr Gunning said rental affordability declined in all states and territories except for Western Australia and the Northern Territory with the proportion of median family income required to meet rent payments increasing by 0.1 percentage points to 24.8 per cent.

“Western Australia and the Northern Territory were the only states or territories to show improvements in both rental and home purchase affordability,” he said.

Mr Gunning said the number of loans also decreased across the country by 16.0 per cent, with falls in all states and territories including the largest decrease of 17.9 per cent in New South Wales and Victoria.

“Whilst some decline in the number of loans for this period, which includes the summer holiday break, can be expected, the reduction reflects a changing sentiment in the market.

“In Sydney and Melbourne – the two cities which have had the largest price increases over the past few years – the drop in loans is attributable to APRA restrictions on investment loans and more stringent home lending criteria,” he said.

“Since the last edition of this report the east coast residential property market has moved relatively quickly from a seller’s to a buyer’s market.

“The March quarter showed an overall decline in first home purchasers entering the market, with the Northern Territory experiencing the highest decline of 21.0 per cent. However, the number of first home buyers is 28 per cent higher than in the March quarter 2017 and represents 26.3 per cent of the total (excluding refinancing),” Mr Gunning said.

**The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information, a copy of the report or to speak with REIA President Malcolm Gunning please contact Helen Hull via [media@reia.com.au](mailto:media@reia.com.au) or 0419 642 961.**