

Media Release
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Renters, first home buyers see more affordable market: report

Affordability has improved for renters and the number of first home buyers increased during the second quarter of 2018, according to research from the Real Estate Institute of Australia and Adelaide Bank.

REIA President Malcolm Gunning said the June quarter 2018 edition of the *Adelaide Bank/REIA Housing Affordability Report* found rental affordability improved in all states and territories except for the Australian Capital Territory and the Northern Territory.

“South Australia was the only state or territory to show an improvement in both rental and home purchase affordability,” Mr Gunning said.

“However, housing affordability has declined for purchases in all other states and territories in Australia.”

Mr Gunning said over the quarter the proportion of median family income required to meet average loan repayments increased by 0.9 percentage points to 32.2 per cent, while the proportion of median family income required to meet rent payments decreased by 0.7 percentage point to 24.1 per cent.

“Across the country, the number of loans increased by 8.3 per cent, with increases in all states and territories and the largest in New South Wales (12.6 per cent).

Mr Gunning said some increase in the number of home loans was expected over the quarter, due to traditional low rates over the first quarter.

“However, there has been a decline of 3.8 per cent in the number of new loans since the same quarter last year,” he said.

“All states and territories showed an annual decline in new loans except for Tasmania where there was a 2.6 per cent increase. The decline ranged from 13.6 per cent in Western Australia to 0.2 per cent in Victoria.

“Despite falls in affordability the number of first home buyers entering the market increased by 20.6 per cent year on year. There were large increases in New South Wales, Victoria and Tasmania but declines in Western Australia, Australian Capital Territory and Queensland.

“State based incentives appear to be working with the number of loans to first home buyers in NSW increasing 11.5 per cent over the quarter and 68.8 per cent compared to the June quarter 2017, while in Victoria the number of loans to first home buyers increased to 10.3 per cent over the quarter and 35.5 per cent compared to the June quarter 2017,” 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 or 0419 642 961.