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Housing and rental affordability improves across Australia: report

Housing affordability has shown improvement across Australia, except for Queensland where it has remained stable, according to research from the Real Estate Institute of Australia and Adelaide Bank.

REIA President Malcolm Gunning said the September quarter 2018 edition of the *Adelaide Bank/REIA Housing Affordability Report* found rental affordability improved in all states and territories except for Victoria and Tasmania.

“New South Wales showed the most improvement in housing affordability over the quarter and the Northern Territory show the most improvement in rental affordability,” Mr Gunning said.

“Over the quarter the proportion of median family income required to meet average loan repayments decreased by 0.8 percentage points to 31.4 per cent, while the proportion of median family income required to meet rent payments decreased by 0.2 percentage points to 23.9 per cent.”

Across the country, the number of loans decreased by 4.8 per cent, with decreases in all states and territories, the largest in the Australian Capital Territory (-7.8 per cent). New loans also decreased by 11.9% from the same quarter in 2017. All states and territories showed an annual decline in new loans except for Tasmania where there was a 2.7 per cent increase. The decline ranged from 17.6 per cent in Western Australia to 4.4 per cent in South Australia.

“Despite improved housing affordability, the number of first home buyers decreased by 2.0 per cent over the quarter. However, the results are mixed around the country with large increases in the Northern Territory (14.7 per cent) and a decline in Western Australia (-5.7 per cent).

“The decline in first home buyers is systematic of the credit squeeze that is emerging. While APRA’s restrictions were designed to curb high risk lending practices the current practice of reducing loan amounts and increasing approval times across the board is becoming a constraint on economic growth,” 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.