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FIRST HOME BUYERS DOMINATE AUSTRALIA'S PROPERTY MARKET FOR THE FIRST TIME IN A DECADE

Australia has recorded a ten-year high for first homes buyers in the last quarter, according to the latest REIA's "*The Housing Affordability Report (HAR)*".

The report revealed a ten-year high for first home ownership and an overall improvement in housing affordability across Australia.

REIA President, Mr Adrian Kelly, said that a combination of factors meant that housing affordability has faced a bright spot for those who entered the market during the September 2020 quarter.

"Market entry has experienced its largest year on year increase since 2009 and largest quarterly increase since 2010."

"With a September quarter increase of 36.1%, first home buyers now make up 40.8% of the owner-occupied dwelling market. This is particularly good news given the large challenges faced by tenants at the outset of the COVID-19 pandemic.

"The average loan size to first home buyers decreased to \$406,223, a decrease of 5.4% over the quarter, but an increase of 0.8% over the past 12 months.

Mr Kelly said that first home buyers are responding to the stable market and historically low interest rates.

"Banks could do more to further improve affordability by passing on in full interest cuts and help even more Australian's buy homes."

"HAR shows us that Australian families experienced a small income increase of 0.5 % while the average loan repayment decreased by 2.5 %."

"For homeowners, affordability improved with income to loan repayments decreasing 1.1 percentage points to 33.9% over the quarter."

"For renters, affordability declined in the September quarter and over the past year with the proportion of income required to meet rent payments increasing by 0.4 percentage points to 23.7%. This is mainly attributed to the increase in rents in a number of capital cities."

The next HAR will be released on 3 March 2021 showing the full impact of CV-19 on housing affordability for 2020. Subscriptions can be accessed [here](#).

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