

REAL ESTATE INSTITUTE OF  
AUSTRALIA



# Housing Affordability Report

JUNE QUARTER  
2022

# Both housing affordability and rental affordability have declined in the June quarter 2022

## STATE OF THE NATION

Housing affordability has declined over the June quarter of 2022, with the proportion of income required to meet loan repayments increasing to 38.4%, an increase of 2.7 percentage points.

Housing affordability declined in all states and territories, with New South Wales having the highest decline with the proportion of income increasing 3.2 percentage points and the Australian Capital Territory and the Northern Territory having the lowest decline with the proportion of income increasing 1.7 percentage points.

Rental affordability declined less than housing affordability with the proportion of income required to meet median rent increasing by 0.4 percentage points to 22.9%. Rental affordability declined in all states and territories except Victoria.

## CASH RATE

The Reserve Bank of Australia (RBA) increased the official cash rate to 0.85% in the June quarter. The quarterly average variable standard interest rate increased to 5.3%. The quarterly average three-year fixed rate increased to 5.7% by the end of the quarter.

## FIRST HOME BUYERS

The number of first home buyers increased to 29,127, an increase of 0.1% during the quarter but a decrease of 32.6% compared to the June quarter 2021.

First home buyers now make up 31.0% of owner occupier dwelling commitments, a decrease of 0.6 percentage points over the quarter and 6.2 percentage points over the year.

The number of first home buyers increased in the June quarter in all states and territories except Western Australia. Increases ranged from 0.1% in New South Wales to 26.1% in the Australian Capital Territory.

The average loan size to first home buyers increased to \$479,710. This was an increase of 0.9% over the quarter and an increase of 6.5% over the past twelve months.

The average loan size to first home buyers increased in all states and territories, except New South Wales and the Australian Capital Territory where it decreased. Increases ranged from 0.5% in Tasmania to 1.9% in the Northern Territory.

## LENDING TRENDS

The total number of owner occupied dwelling loans increased to 93,956, an increase of 2.2% over the June quarter but a decrease of 19.2% over the past 12 months. This is the highest annual decrease in new loans since December 2010.

The total number of loans for owner occupied dwellings increased in all states and territories over the June quarter except in Western Australia where there was a decrease. Increases ranged from 1.6% in Queensland to 20.2% in the Australian Capital Territory.

Over the June quarter, the average loan size increased to \$612,079, an increase of 1.4% over the quarter and an increase of 11.6% over the past 12 months.

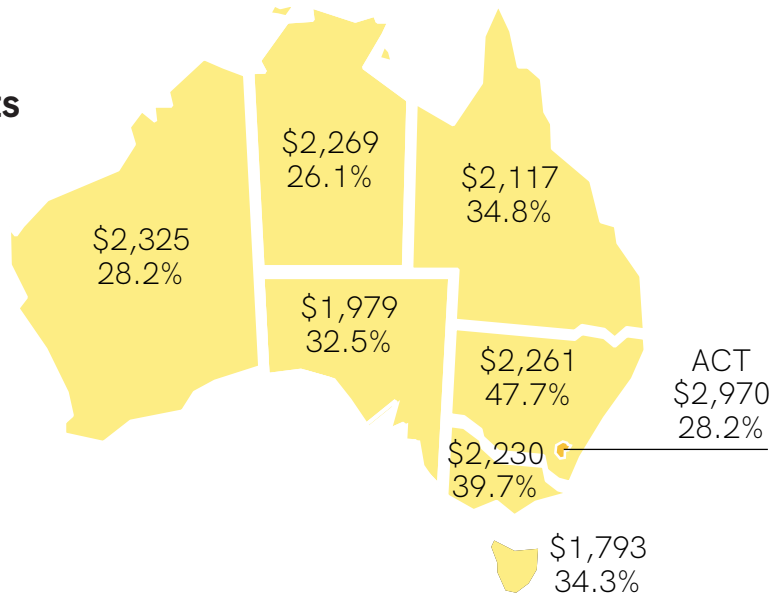
Over the quarter, the average loan size increased in all states and territories except Tasmania and the Australian Capital Territory. Increases ranged from 0.4% in the Northern Territory to 3.3% in Western Australia. Over the past 12 months, the average loan size increased in all states and territories with South Australia recording the highest annual increase of 15.7%.

*Please note: The REIA updated the methodology used for calculating median family income. This has been revised from December 1996. The new family income amounts are available on subscription on the REIA website (HLAR 4 - Median weekly family income by state and nationally from 1996).*

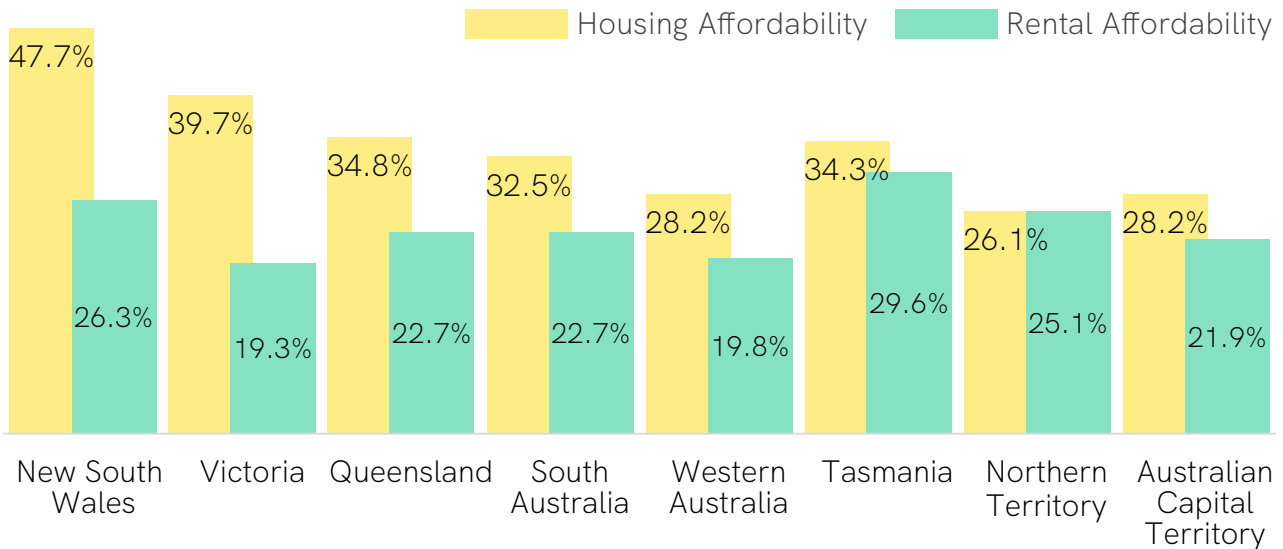


## Family Income and Weekly Repayments

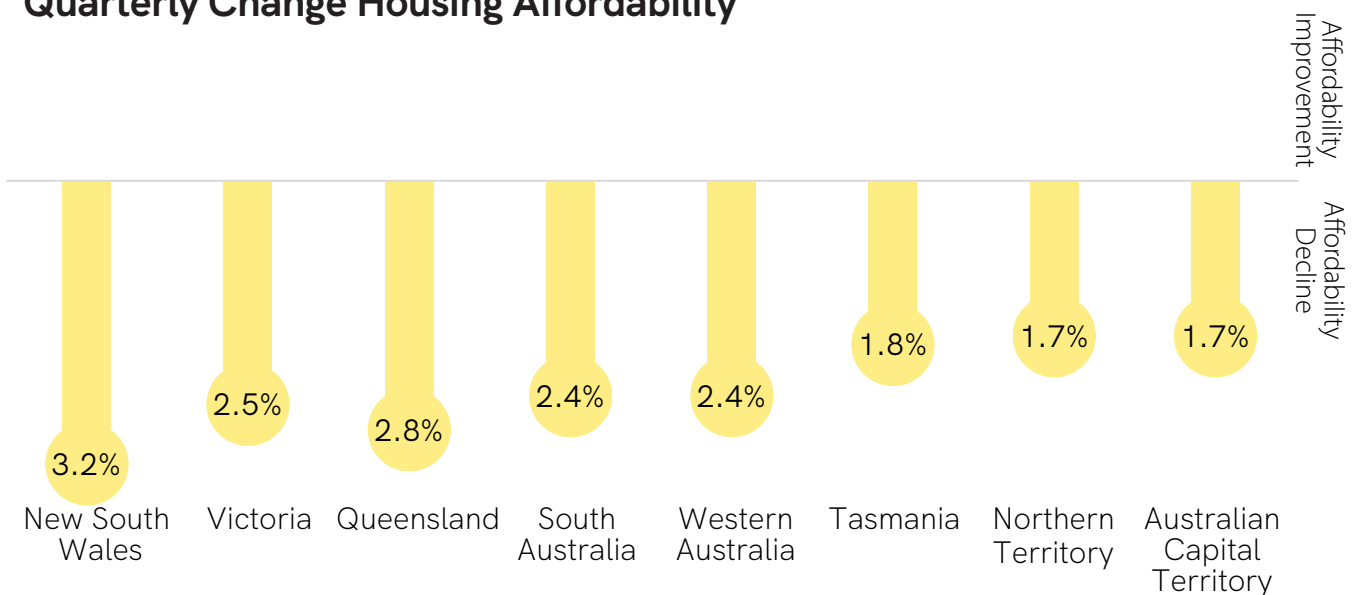
Median weekly family income and proportion required to meet loan repayments



## Housing and Rental Affordability



## Quarterly Change Housing Affordability



## PRESIDENT'S MESSAGE



Welcome to the REIA Housing Affordability Report (HAR) for the June 2022 quarter.

The June 2022 quarter presented, once again, many changes and challenges across Australia's economic and political spectrum.

In early May 2022, the cash rate rose for the first time since November 2010 by 25 points.

In mid-May, we had an election and a change of government, with the Hon. Anthony Albanese sworn in as our 31st Prime Minister with a majority of 77 seats.

In early June, the cash rate increased again by 50 points, the largest one-off increase since February 2000.

This corresponded with an increase in the standard variable interest rate of 0.8 percentage points to 5.3% and an increase in the fixed 3-year rate of 1.9 percentage points to 5.7%. For the first time since October 2010 the 3-year fixed rate is higher than the variable rate.

The release of CPI figures at the end of the quarter shows an annual increase of 6.1%, the largest annual increase since the series began in 2002.

Over the year new loans have decreased 17.2% to 93,956 and loans for first home buyers decreased by a significant 32.6% to 29,127.

However, loan values increased by 11.6% over the year with the average loan size now \$612,079.

### **Affordability for renters worsens**

Rental affordability declined in the June quarter of 2022, with the proportion of income required to meet median rent increasing to 22.9%.

This was an increase of 0.4 percentage points over the quarter and an increase of 1.2 percentage points over the past 12 months.

Over the quarter, rental affordability improved in Victoria but declined in all other states and territories.

The least affordable state or territory in which to rent a property was Tasmania.

### **Housing affordability and first home ownership**

The decline in housing affordability over the June quarter (down 2.7 percentage points) outpaced the decline in rental affordability (down 0.4 percentage points).

Nationally, the proportion of income required to meet average loan repayments increased to 38.4%, an increase of 4.7 percentage points over the past year.

This is due to a combination of rising interest rates and higher average loans with average loan repayments increasing over the past year by \$621 per month.

Housing affordability has declined in all states and territories over the past year with New South Wales having the largest decline down 5.7 percentage points).

### **Supply driving market conditions**

With rental and home sale listings remaining in historical low ranges, it is anticipated the supply will remain constrained for the near future.

Supply chain challenges, building costs and labour shortages mean the pipeline of new homes for sale and rent will remain limited.

REIA's key focus is to better utilise our existing housing stock, and at the time of writing REIA had launched a new Axe the Tax Campaign.

The phase out of stamp duty could increase listings on the market by up to 50% and it is in these big picture economic and productivity reforms we must invest in during the 47th Parliament.

### **Revision of HAR Methodologies**

Due to the ongoing rollout of the ABS 2021 Census data, we have updated the number of properties in each State and Territory and re-weighted each jurisdiction share of properties.

This is used to calculate the Australian weighted average median house price and median weekly rent. We have also recalibrated the family income model back to September 2016 resulting in changes in the reported family incomes.

### **The Final Word**

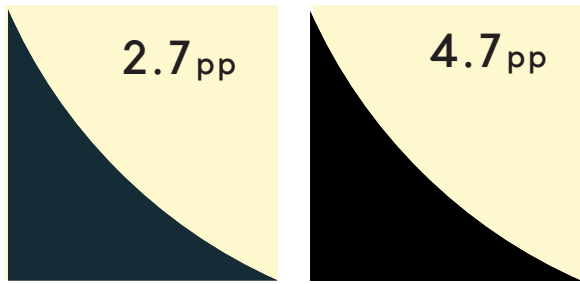
Whilst the outlook for housing affordability remains relatively gloomy, the next REIA HAR, to be released in December 2022 should paint a clearer picture of the long-term impacts of inflation control measures.

I implore all governments to come to the table to meaningfully address supply issues.

**Hayden Groves**  
**President**  
**Real Estate Institute of Australia**



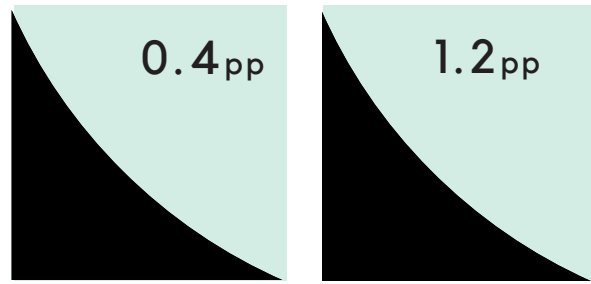
## HOUSING AFFORDABILITY



Quarterly Decline

Annual Decline

## RENTAL AFFORDABILITY



Quarterly Decline

Annual Decline

## THE NATIONAL SNAPSHOT

### Proportion of family income required to meet loan repayments

Table 1 shows the proportion of family income needed to meet loan repayments.

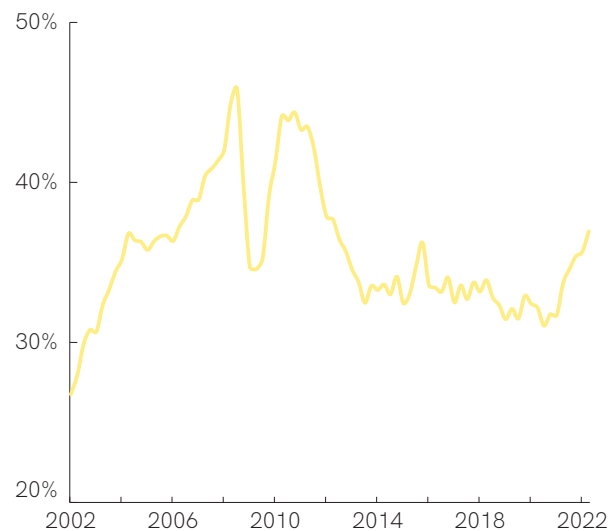
Table 1: Proportion of family income needed to meet loan repayments

	Jun Qtr 2022	Mar Qtr 2022	Jun Qtr 2021
NSW	47.7%	44.5%	42.0%
VIC	39.7%	37.2%	34.6%
QLD	34.8%	32.0%	29.7%
SA	32.5%	30.1%	27.8%
WA	28.2%	25.8%	25.4%
TAS	34.3%	32.5%	29.2%
NT	26.1%	24.4%	23.0%
ACT	28.2%	26.5%	25.1%
AUS	38.4%	35.7%	33.7%

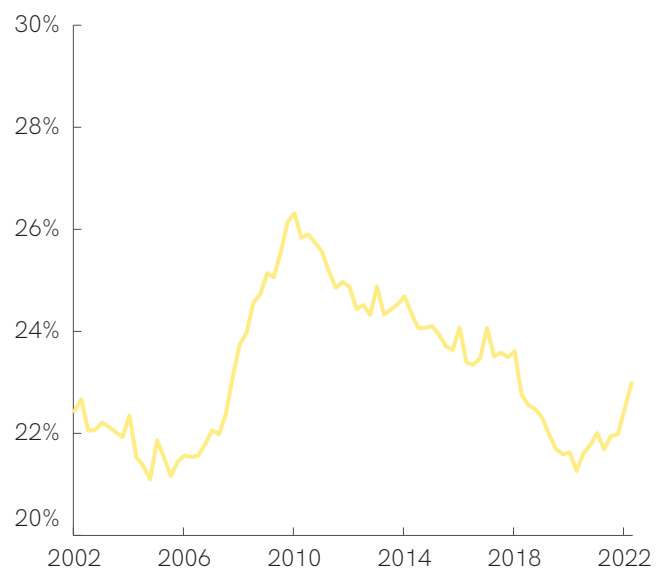
**Chart 1** shows the movement in the proportion of family income required to meet average home loan repayments since the June quarter of 2002.

**Chart 2** shows the movement in rental affordability.

**Chart 1:** Proportion of family income required to meet average loan repayments



**Chart 2 :** Proportion of family income required to meet weighted average median rent



## Rental Affordability

The Australian weighted average median rent for three-bedroom houses is calculated using Census data and median rents published in REIA Real Estate Market Facts.

Rental affordability declined in the June quarter of 2022, with the proportion of income required to meet median rent increasing to 22.9%. This was an increase of 0.4 percentage points over the quarter and an increase of 1.2 percentage points over the past 12 months.

Over the quarter, rental affordability improved in Victoria but declined in all other states and territories.

The least affordable state or territory in which to rent a property continued to be Tasmania, where the proportion of income required to meet median rent increased to 29.6%. This was 6.7 percentage points higher than the national average. Victoria remained the most affordable, where the proportion of income required to meet median rent was 19.3%.

Table 2 shows rental affordability expressed as the proportion of median weekly family income required to meet the median weekly rent for a three bedroom house.

## First Home Buyers

The number of first home buyers increased to 29,127, an increase of 0.1% during the quarter but a decrease of 32.6% compared to the June quarter of 2021.

The average loan size to first home buyers increased to \$479,710, an increase of 0.9% over the quarter and an increase of 6.5% over the past twelve months.

First home buyers accounted for 31.0% of the owner occupier dwelling market, the lowest proportion since December 2018.

Please note, owner occupier first home buyers includes those purchasing residential land.

**Chart 3a** shows first home dwelling commitments as a share of all dwellings financed from the June quarter of 2012 to the June quarter of 2022.

**Chart 3b** shows the difference in average owner occupied dwelling loans for first home buyers and all new loans.

Table 2: Proportion of family income needed to meet rent payments

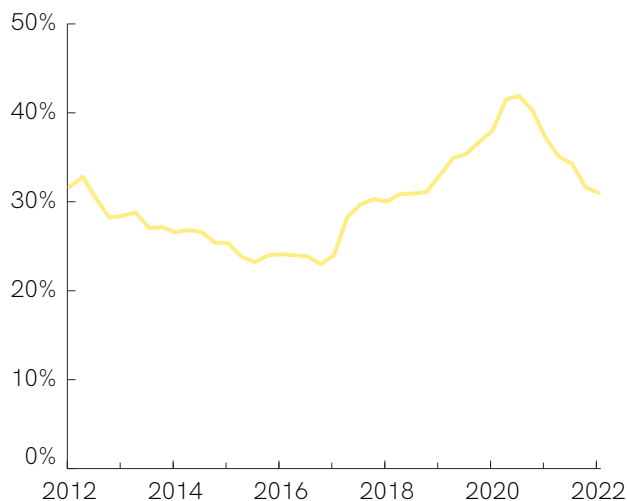
	Jun Qtr 2022	Mar Qtr 2022	Jun Qtr 2021
NSW	26.3%	25.7%	24.6%
VIC	19.3%	19.6%	19.4%
QLD	22.7%	20.7%	20.1%
SA	22.7%	22.6%	21.5%
WA	19.8%	19.7%	18.8%
TAS	29.6%	29.4%	28.3%
NT	25.1%	24.4%	25.2%
ACT	21.9%	21.5%	20.5%
AUS	22.9%	22.5%	21.7%

## Fast Facts

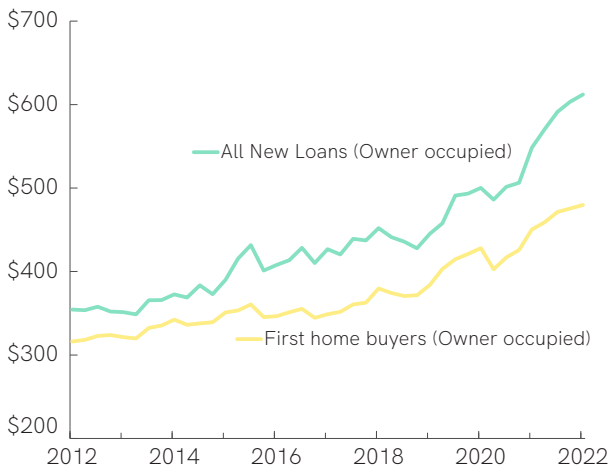
### Proportion of family income to meet

	Jun 2022	Mar 2022	Jun 2021
Home loan repayments	38.4%	35.7%	33.7%
Rent payments	22.9%	22.5%	21.7%

Chart 3a: First home buyers' share of dwellings financed



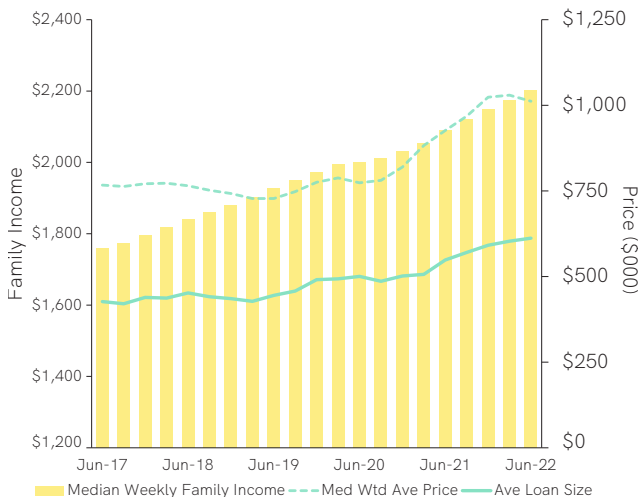
**Chart 3b:** Average home loans for first home buyers and all new buyers (\$'000s)



**Factors influencing home loan affordability**

- The amount to be borrowed reflects the price of the property being purchased and the borrower’s equity situation.
- The average loan repayment is determined by the size of the loan, interest rates, and the period of the loan.
- The ability to repay the mortgage depends upon the family income.

**Chart 4** shows the relationship between the Australian weighted average median house price, median weekly family income, and average loan size.



**Median House Prices**

The weighted average capital city median house price increased to \$1,012,230. This was a decrease of 1.8% over the June quarter but an increase of 9.2% over the past twelve months.

Detailed data on median prices for houses and other dwellings is available in the REIA Real Estate Market Facts publication, which will be released on September 21, 2022.

**Median family income and average monthly loan repayments**

The national median weekly family income increased to \$2,209. This was an increase of 1.5% during the June quarter and an increase of 5.7% over the past 12 months.

The average monthly loan repayment increased to \$3,675 during the June quarter of 2022. This was an increase of 9.4% over the quarter and an increase of 20.3% over the past 12 months.

The proportion of family income required to meet loan repayments increased to 38.4% during the June quarter of 2022. This was an increase of 2.7 percentage points over the previous quarter and 4.7 percentage points over the past year.

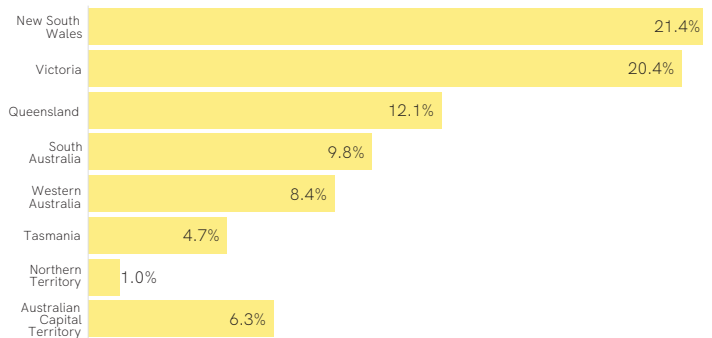
**Average loan (all borrowers)**

The total number of loans increased to 93,956. This was an increase of 2.2% over the quarter but a decrease of 19.2% over the past year.

The average loan size increased to \$612,079. This was an increase of 1.4% over the June quarter and an increase of 11.6% over the past year.

**Rent-buy differential**

The rent-buy differential shows the difference in affordability between median rent and average mortgage repayments, as a proportion of family income.

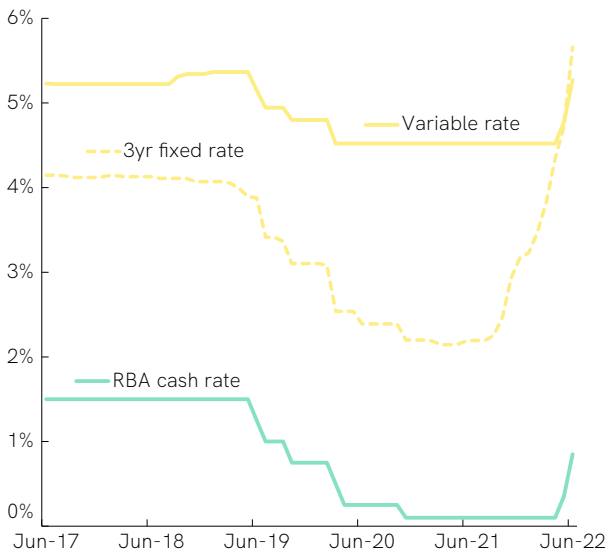


## Interest Rates

The Reserve Bank of Australia (RBA) increased the official cash rate to 0.85% in the June quarter. The gap between variable and three-year fixed rates was 0.4 percentage points. The June variable standard interest rate increased by 0.8 percentage points to 5.3% since the previous quarter. The quarterly average three-year fixed rate increased by 1.9 percentage points to 5.7% during the quarter. This is the first time since October 2010 that the 3 year fixed rate is higher than the variable rate.

**Chart 5** shows the movement of the RBA cash rate, the quarterly average standard variable rate, and the quarterly average 3 year fixed rate over the last five years.

**Chart 5 Quarterly Interest Rates**



## Affordability Over Time

Table 3 and Table 4 show the extent of improvement (+) or decline (-) in housing affordability and rental affordability in this quarter compared with the same quarter 5 years ago, 10 years ago and 20 years ago.

Housing affordability Australia-wide has declined by 4.9 percentage points over the past 5 years ago, 1.6 percentage points over the past 10 years and 9.8 percentage points over the past 20 years.

Rental affordability Australia-wide has improved by 0.6 percentage points over the past 5 years and 1.5 percentage points over the past 10 years but declined by 0.3 percentage points over the past 20 years.

**Table 3: Housing affordability compared with the current quarter**

	5 years	10 years	20 years
NSW	-7.8	-5.9	-14.0
VIC	-5.1	-2.4	-11.4
QLD	-5.1	0.8	-7.5
SA	-3.5	-0.5	-11.5
WA	-0.4	3.0	-2.8
TAS	-9.0	-3.0	-15.5
NT	-3.3	7.9	-6.9
ACT	-4.9	-2.5	-7.3
AUS	-4.9	-1.6	-9.8

**Table 4: Rental Affordability compared with the current quarter**

	5 years	10 years	20 years
NSW	1.3	0.9	-2.3
VIC	2.4	3.1	2.9
QLD	-0.1	0.4	0.8
SA	-0.7	0.5	-1.7
WA	-2.2	2.3	-1.8
TAS	-4.1	-3.2	-7.2
NT	-2.2	5.2	-2.4
ACT	-2.8	-2.4	-3.3
AUS	0.6	1.5	-0.3



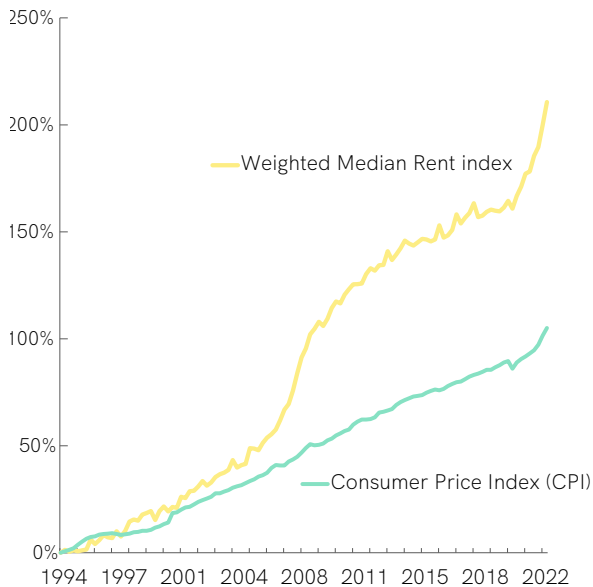


**Chart 6**  
Home loan affordability indicator over time



A long-term series of the quarterly movements in the Australian CPI and the weighed average median three bedroom house rent for the eight Australian capital cities are shown in Chart 7.

**Chart 7 Australian rent and CPI**



**Table 5: Australia**

	Jun 2022	Mar 2022	Jun 2021
Proportion of family income devoted to meeting average loan repayments	38.4%	35.7%	33.7%
Proportion of family income devoted to meeting median rents	22.9%	22.5%	21.7%
Median weekly family income	\$2,209	\$2,175	\$2,090
Average monthly loan repayment	\$3,675	\$3,361	\$3,054
Average loan	\$612,079	\$603,395	\$548,323
Total number of loans	93,956	91,922	116,248
Number of loans to first home buyers	29,127	29,093	43,226
Average first home buyer loan	\$479,710	\$475,544	\$450,467
<b>Banks</b>			
Standard variable interest rate	5.3%	4.5%	4.5%
Fixed interest rate	5.7%	3.8%	2.2%

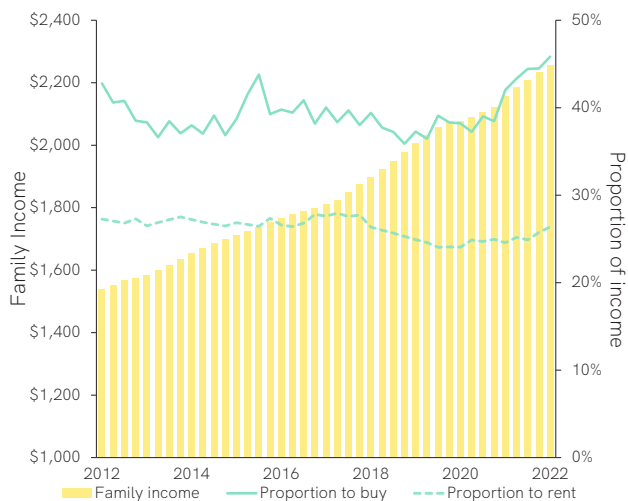
**Table 6: Change in affordability over time**

	5 years	10 years	20 years
Home Loan Affordability	-4.9	-1.6	-9.8
Meeting rental payments	0.6	1.5	-0.3

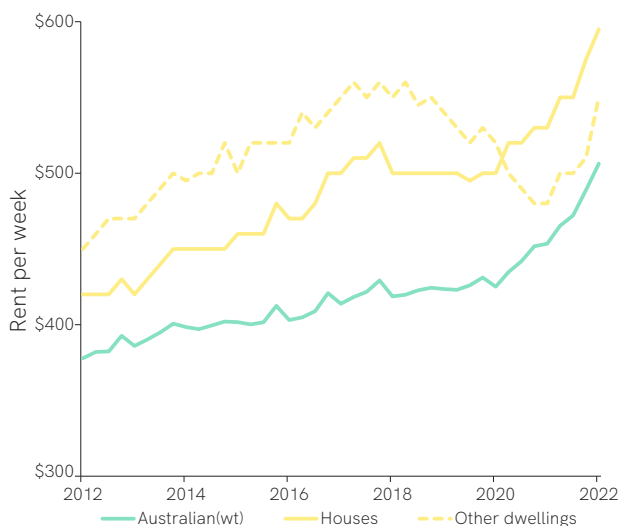


# NEW SOUTH WALES

**Chart 8 New South Wales affordability**



**Chart 9 Median rents in Sydney**



Housing affordability declined in New South Wales over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments increased to 47.7% over the quarter. This was an increase of 3.2 percentage points over the quarter and 5.7 percentage points over the year. New South Wales had the largest decline in housing affordability and continues to be the least affordable state or territory to meet home loan repayments.

Rental affordability in New South Wales declined over the quarter and over the year. The proportion of family income required to meet median rent increased to 26.3%, an increase of 0.6 percentage points over the quarter and 1.7 percentage points over the year.

**Table 7: New South Wales**

	Jun 2022	Mar 2022	Jun 2021
Proportion of family income devoted to meeting average loan repayments	47.7%	44.5%	42.0%
Proportion of family income devoted to meeting median rents	26.3%	25.7%	24.6%
Median weekly family income	\$2,261	\$2,233	\$2,158
Average monthly loan repayment	\$4,669	\$4,305	\$3,930
Average loan	\$777,568	\$772,837	\$705,658
Total number of loans	23,538	22,744	30,453
Number of loans to first home buyers	6,405	6,306	10,228
Average first home buyer loan	\$579,938	\$585,538	\$557,724

**Table 8: Change in affordability over time**

	5 years	10 years	20 years
Home Loan Affordability	-7.8	-5.9	-14.0
Meeting rental payments	1.3	0.9	-2.3

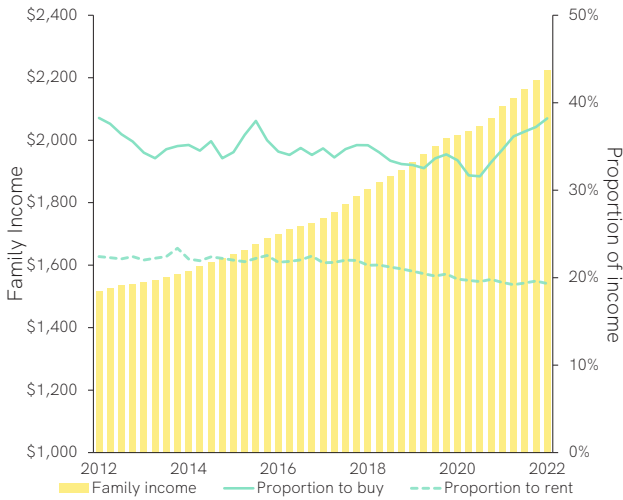
The number of loans to first home buyers in New South Wales increased to 6,405. This was an increase of 1.6% over the quarter but a decrease of 37.4% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 22.0% were from New South Wales. First home buyers made up 27.2% of the state's owner-occupier market. In the June quarter of 2022, the average loan to first home buyers decreased to \$579,938. This was a decrease of 1.0% over the quarter but an increase of 4.0% over the past year.

The total number of loans increased to 23,538. This was an increase of 3.5% over the quarter but a decrease of 22.7% over the past year. The average loan size increased to \$777,568. This was an increase of 0.6% over the quarter and an increase of 10.2% over the past year.

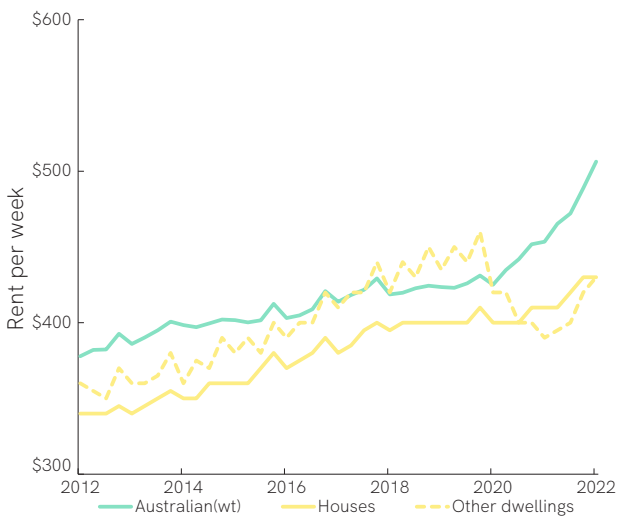


# VICTORIA

**Chart 10 Victoria affordability**



**Chart 11 Median rents in Melbourne**



Housing affordability declined in Victoria over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments increased to 39.7% over the quarter. This was an increase of 2.5 percentage points over the quarter and 5.1 percentage points over the year.

Rental affordability in Victoria improved over the quarter and over the year. The proportion of family income required to meet median rent decreased to 19.3%, a decrease of 0.3 percentage points over the quarter and 0.1 percentage points over the year. Victoria continues to be the most affordable state to meet rental payments.

**Table 9: Victoria**

	Jun 2022	Mar 2022	Jun 2021
Proportion of family income devoted to meeting average loan repayments	39.7%	37.2%	34.6%
Proportion of family income devoted to meeting median rents	19.3%	19.6%	19.4%
Median weekly family income	\$2,230	\$2,192	\$2,108
Average monthly loan repayment	\$3,838	\$3,536	\$3,165
Average loan	\$639,231	\$634,934	\$568,188
Total number of loans	27,300	26,673	33,538
Number of loans to first home buyers	9,471	9,328	13,717
Average first home buyer loan	\$502,629	\$498,585	\$469,294

**Table 10: Change in affordability over time**

	5 years	10 years	20 years
Home Loan Affordability	-5.1	-2.4	-11.4
Meeting rental payments	2.4	3.1	2.9

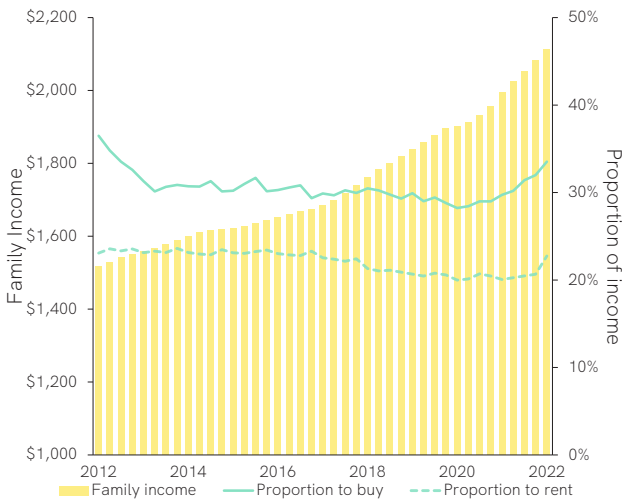
The number of loans to first home buyers in Victoria increased to 9,471. This was an increase of 1.5% over the quarter but a decrease of 31.0% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 32.5% were from Victoria. First home buyers made up 34.7% of the state's owner-occupier market. In the June quarter of 2022, the average loan to first home buyers increased to \$502,629. This was an increase of 0.8% over the quarter and an increase of 7.1% over the past year.

The total number of loans increased to 27,300. This was an increase of 2.4% over the quarter but a decrease of 18.6% over the past year. The average loan size increased to \$639,231. This was an increase of 0.7% over the quarter and an increase of 12.5% over the past year.

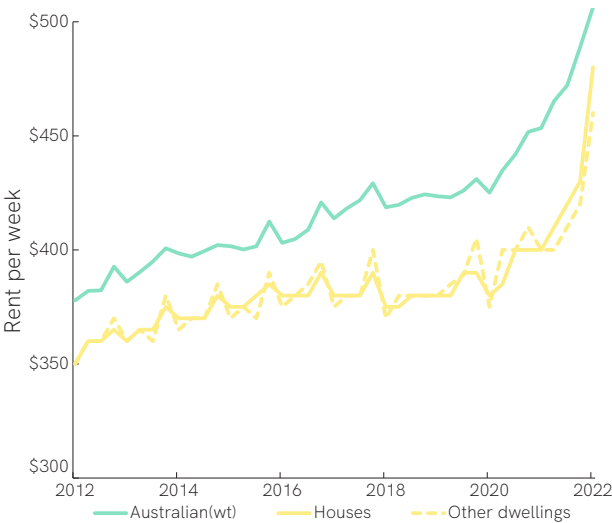


# QUEENSLAND

**Chart 12 Queensland affordability**



**Chart 13 Median rents in Brisbane**



Housing affordability declined in Queensland over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments increased to 34.8% over the quarter. This was an increase of 2.8 percentage points over the quarter and 5.1 percentage points over the year. Rental affordability in Queensland declined over the quarter and over the year. The proportion of family income required to meet median rent increased to 22.7%, an increase of 2.0 percentage points over the quarter and 2.6 percentage points over the year. Queensland had the highest decline in rental affordability over the June quarter

**Table 11: Queensland**

	Jun 2022	Mar 2022	Jun 2021
Proportion of family income devoted to meeting average loan repayments	34.8%	32.0%	29.7%
Proportion of family income devoted to meeting median rents	22.7%	20.7%	20.1%
Median weekly family income	\$2,117	\$2,082	\$1,994
Average monthly loan repayment	\$3,196	\$2,886	\$2,570
Average loan	\$532,310	\$518,082	\$461,414
Total number of loans	19,641	19,340	24,133
Number of loans to first home buyers	5,723	5,690	8,313
Average first home buyer loan	\$431,539	\$424,499	\$393,227

**Table 12: Change in affordability over time**

	5 years	10 years	20 years
Home Loan Affordability	-5.1	0.8	-7.5
Meeting rental payments	-0.1	0.4	0.8

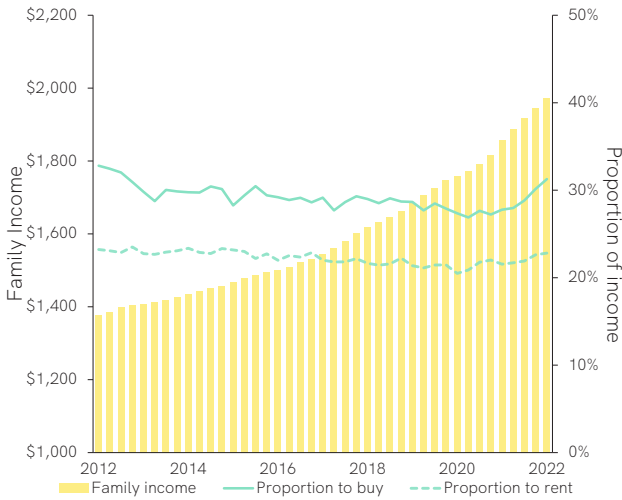
The number of loans to first home buyers in Queensland increased to 5,723. This was an increase of 0.6% over the quarter but a decrease of 31.2% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 19.6% were from Queensland. First home buyers made up 29.1% of the state's owner-occupier market. In the June quarter of 2022, the average loan to first home buyers increased to \$431,539. This was an increase of 1.7% over the quarter and an increase of 9.7% over the past year.

The total number of loans increased to 19,641. This was an increase of 1.6% over the quarter but a decrease of 18.6% over the past year. The average loan size increased to \$532,310. This was an increase of 2.7% over the quarter and an increase of 15.4% over the past year.

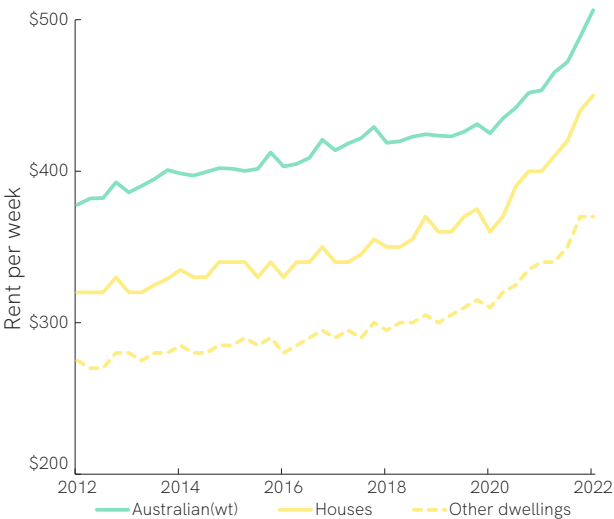


# SOUTH AUSTRALIA

**Chart 14 South Australia affordability**



**Chart 15 Median rents in Adelaide**



Housing affordability declined in South Australia over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments increased to 32.5% over the quarter. This was an increase of 2.4 percentage points over the quarter and 4.7 percentage points over the year.

Rental affordability in South Australia declined over the quarter and over the year. The proportion of family income required to meet median rent increased to 22.7%, an increase of 0.1 percentage points over the quarter and 1.2 percentage points over the year.

**Table 13: South Australia**

	Jun 2022	Mar 2022	Jun 2021
Proportion of family income devoted to meeting average loan repayments	32.5%	30.1%	27.8%
Proportion of family income devoted to meeting median rents	22.7%	22.6%	21.5%
Median weekly family income	\$1,979	\$1,946	\$1,856
Average monthly loan repayment	\$2,786	\$2,542	\$2,234
Average loan	\$464,054	\$456,366	\$401,109
Total number of loans	6,827	6,385	8,388
Number of loans to first home buyers	1,715	1,687	2,779
Average first home buyer loan	\$390,321	\$384,292	\$351,601

**Table 14: Change in affordability over time**

	5 years	10 years	20 years
Home Loan Affordability	-3.5	-0.5	-11.5
Meeting rental payments	-0.7	0.5	-1.7

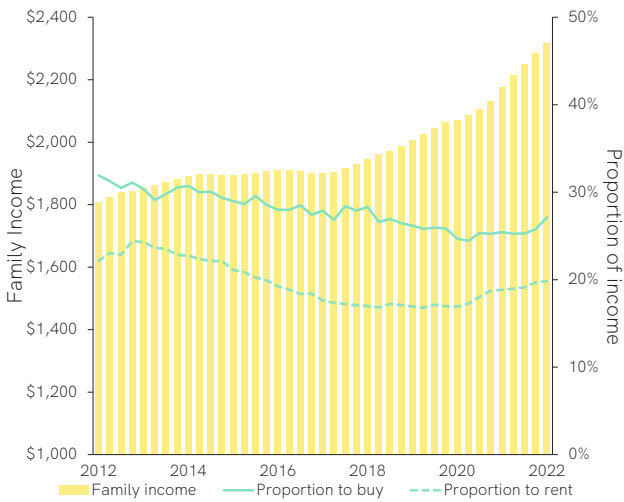
The number of loans to first home buyers in South Australia increased to 1,715. This was an increase of 1.7% over the quarter but a decrease of 38.3% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 5.9% were from South Australia. First home buyers made up 25.1% of the state's owner-occupier market. In the June quarter of 2022, the average loan to first home buyers increased to \$390,321. This was an increase of 1.6% over the quarter and an increase of 11.0% over the past year.

The total number of loans increased to 6,827. This was an increase of 6.9% over the quarter but a decrease of 18.6% over the past year. The average loan size increased to \$464,054. This was an increase of 1.7% over the quarter and an increase of 15.7% over the past year.

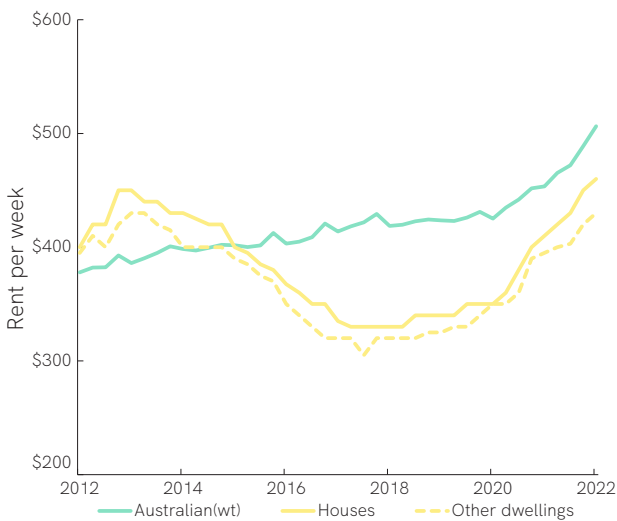


# WESTERN AUSTRALIA

**Chart 16 Western Australia affordability**



**Chart 17 Median rents in Perth**



Housing affordability declined in Western Australia over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments increased to 28.2% over the quarter. This was an increase of 2.4 percentage points over the quarter and 2.8 percentage points over the year.

Rental affordability in Western Australia declined over the quarter and over the year. The proportion of family income required to meet median rent increased to 19.8%, an increase of 0.1 percentage points over the quarter and 1.0 percentage points over the year.

**Table 15: Western Australia**

	Jun 2022	Mar 2022	Jun 2021
Proportion of family income devoted to meeting average loan repayments	28.2%	25.8%	25.4%
Proportion of family income devoted to meeting median rents	19.8%	19.7%	18.8%
Median weekly family income	\$2,325	\$2,284	\$2,177
Average monthly loan repayment	\$2,841	\$2,550	\$2,399
Average loan	\$473,217	\$457,899	\$430,805
Total number of loans	11,649	12,401	14,069
Number of loans to first home buyers	4,274	4,780	6,221
Average first home buyer loan	\$387,646	\$381,360	\$368,028

**Table 16: Change in affordability over time**

	5 years	10 years	20 years
Home Loan Affordability	-0.4	3.0	-2.8
Meeting rental payments	-2.2	2.3	-1.8

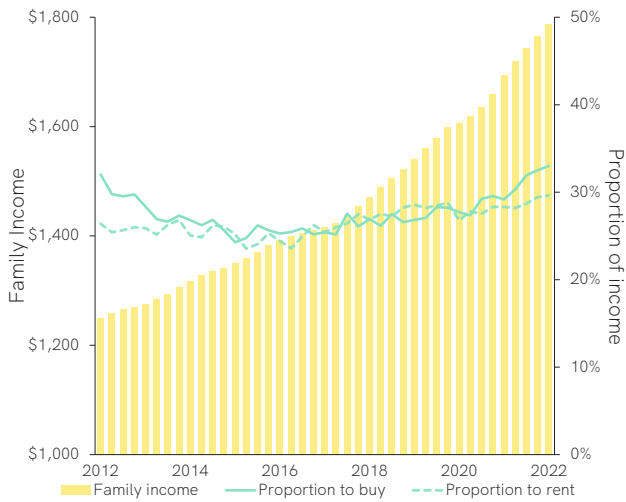
The number of loans to first home buyers in Western Australia decreased to 4,274. This was a decrease of 10.6% over the quarter and 31.3% over the past year. Western Australia was the only state and territory in which the number of loans to first home buyers decreased over the June quarter. Of the total number of Australian first home buyers who purchased during the June quarter, 14.7% were from Western Australia. First home buyers made up 36.7% of the state's owner-occupier market. In the June quarter of 2022, the average loan to first home buyers increased to \$387,646. This was an increase of 1.6% over the quarter and an increase of 5.3% over the past year.

The total number of loans decreased to 11,649. This was a decrease of 6.1% over the quarter and a decrease of 17.2% over the past year. The average loan size increased to \$473,217. This was an increase of 3.3% over the quarter and an increase of 9.8% over the past year. Western Australia had the largest increase in average loan over the June quarter.

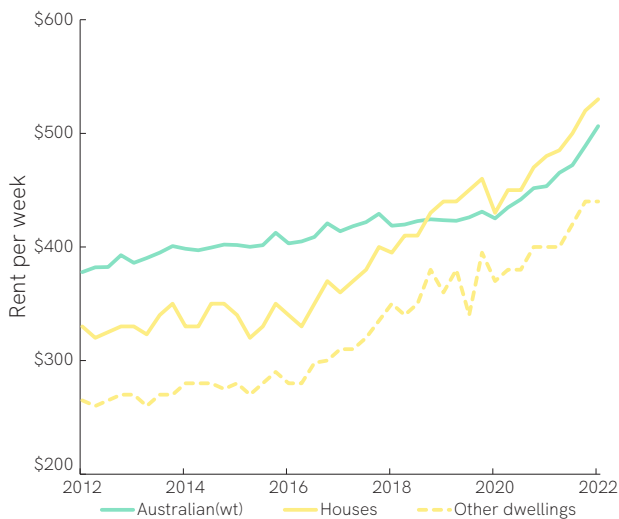


# TASMANIA

**Chart 18 Tasmania affordability**



**Chart 19 Median rents in Hobart**



Housing affordability declined in Tasmania over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments increased to 34.3% over the quarter. This was an increase of 1.8 percentage points over the quarter and 5.1 percentage points over the year.

Rental affordability in Tasmania declined over the quarter and over the year. The proportion of family income required to meet median rent increased to 29.6%, an increase of 0.2 percentage points over the quarter and 1.3 percentage points over the year. Tasmania continues to be the least affordable state to meet weekly rental payments.

**Table 17: Tasmania**

	Jun 2022	Mar 2022	Jun 2021
Proportion of family income devoted to meeting average loan repayments	34.3%	32.5%	29.2%
Proportion of family income devoted to meeting median rents	29.6%	29.4%	28.3%
Median weekly family income	\$1,793	\$1,766	\$1,694
Average monthly loan repayment	\$2,665	\$2,489	\$2,142
Average loan	\$443,829	\$446,910	\$384,525
Total number of loans	1,750	1,586	2,126
Number of loans to first home buyers	485	457	741
Average first home buyer loan	\$390,309	\$388,403	\$333,333

**Table 18: Change in affordability over time**

	5 years	10 years	20 years
Home Loan Affordability	-9.0	-3.0	-15.5
Meeting rental payments	-4.1	-3.2	-7.2

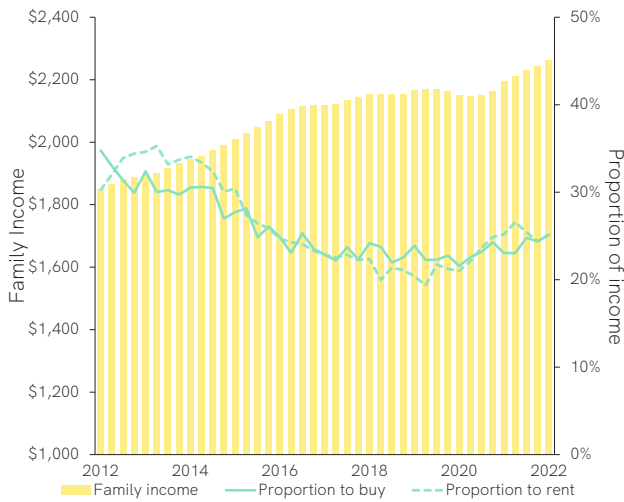
The number of loans to first home buyers in Tasmania increased to 485. This was an increase of 6.1% over the quarter but a decrease of 34.5% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 1.7% were from Tasmania. First home buyers made up 27.7% of the state's owner-occupier market. In the June quarter of 2022, the average loan to first home buyers increased to \$390,309. This was an increase of 0.5% over the quarter and an increase of 17.1% over the past year.

The total number of loans increased to 1,750. This was an increase of 10.3% over the quarter but a decrease of 17.7% over the past year. The average loan size decreased to \$443,829. This was a decrease of 0.7% over the quarter but an increase of 15.4% over the past year.

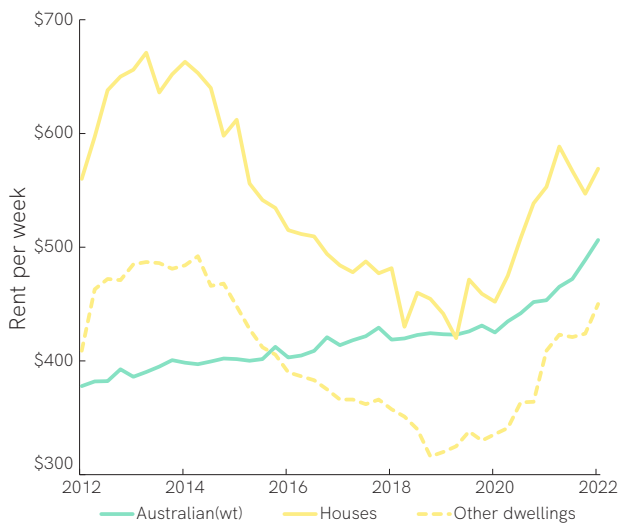


# NORTHERN TERRITORY

**Chart 20 Northern Territory affordability**



**Chart 21 Median rents in Darwin**



Housing affordability declined in the Northern Territory over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments increased to 26.1% over the quarter. This was an increase of 1.7 percentage points over the quarter and 3.1 percentage points over the year. The Northern Territory continues to be the most affordable state or territory to meet home loan repayments.

Rental affordability in the Northern Territory declined over the quarter but has improved over the year. The proportion of family income required to meet median rent increased to 25.1%, an increase of 0.7 percentage points over the quarter but a decrease of 0.1 percentage points over the year.

**Table 19: Northern Territory**

	Jun 2022	Mar 2022	Jun 2021
Proportion of family income devoted to meeting average loan repayments	26.1%	24.4%	23.0%
Proportion of family income devoted to meeting median rents	25.1%	24.4%	25.2%
Median weekly family income	\$2,269	\$2,243	\$2,196
Average monthly loan repayment	\$2,565	\$2,370	\$2,193
Average loan	\$427,259	\$425,493	\$393,757
Total number of loans	686	659	865
Number of loans to first home buyers	189	159	350
Average first home buyer loan	\$421,693	\$413,836	\$366,286

**Table 20: Change in affordability over time**

	5 years	10 years	20 years
Home Loan Affordability	-3.3	7.9	-6.9
Meeting rental payments	-2.2	5.2	-2.4

The number of loans to first home buyers in the Northern Territory increased to 189. This was an increase of 18.9% over the quarter but a decrease of 46.0% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 0.6% were from the Northern Territory. First home buyers made up 27.6% of the state's owner-occupier market. In the June quarter of 2022, the average loan to first home buyers increased to \$421,693. This was an increase of 1.9% over the quarter and an increase of 15.1% over the past year.

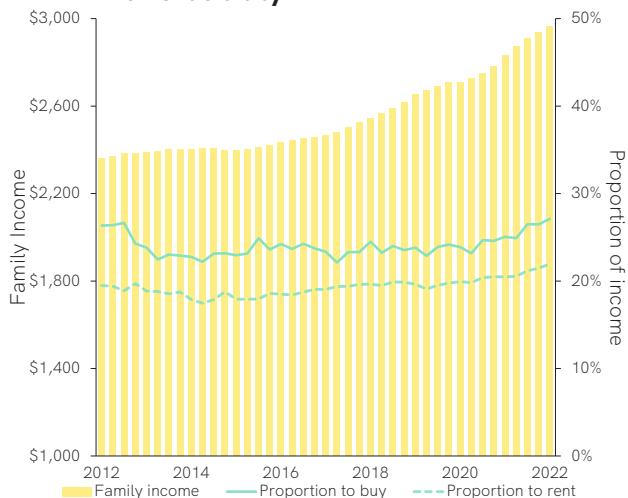
The total number of loans increased to 686. This was an increase of 4.1% over the quarter but a decrease of 20.7% over the past year. The average loan size increased to \$427,259. This was an increase of 0.4% over the quarter and an increase of 8.5% over the past year. The Northern Territory has had the lowest annual increase in average loan size.



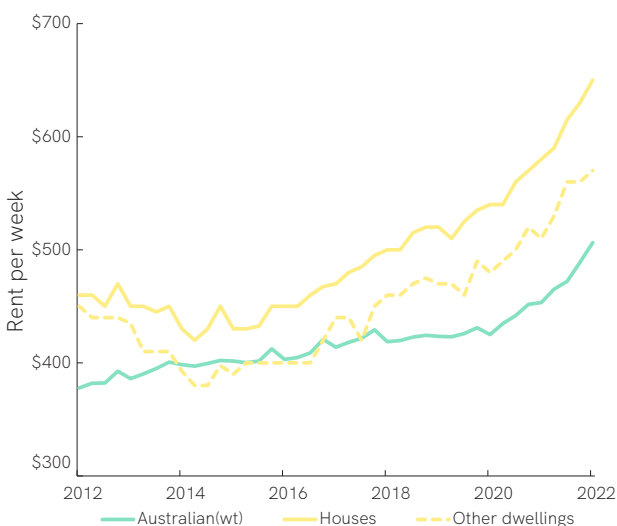


# AUSTRALIAN CAPITAL TERRITORY

**Chart 22 Australian Capital Territory affordability**



**Chart 23 Median rents in Canberra**



Housing affordability declined in the Australian Capital Territory over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments increased to 28.2% over the quarter. This was an increase of 1.7 percentage points over the quarter and 3.1 percentage points over the year.

Rental affordability in the Australian Capital Territory declined over the quarter and over the year. The proportion of family income required to meet median rent increased to 21.9%, an increase of 0.4 percentage points over the quarter and 1.4 percentage points over the year.

**Table 21: Australian Capital Territory**

	Jun 2022	Mar 2022	Jun 2021
Proportion of family income devoted to meeting average loan repayments	28.2%	26.5%	25.1%
Proportion of family income devoted to meeting median rents	21.9%	21.5%	20.5%
Median weekly family income	\$2,970	\$2,935	\$2,833
Average monthly loan repayment	\$3,627	\$3,368	\$3,075
Average loan	\$604,094	\$604,780	\$552,093
Total number of loans	2,565	2,134	2,676
Number of loans to first home buyers	865	686	877
Average first home buyer loan	\$500,462	\$527,551	\$478,563

**Table 22: Change in affordability over time**

	5 years	10 years	20 years
Home Loan Affordability	-4.9	-2.5	-7.3
Meeting rental payments	-2.8	-2.4	-3.3

The number of loans to first home buyers in the Australian Capital Territory increased to 865. This was an increase of 26.1% over the quarter but a decrease of 1.4% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 3.0% were from the Australian Capital Territory. First home buyers made up 33.7% of the state's owner-occupier market. In the June quarter of 2022, the average loan to first home buyers decreased to \$500,462. This was a decrease of 5.1% over the quarter but an increase of 4.6% over the past year. The Australian Capital Territory had the highest increase in the number of loans to first home buyers of all states and territories.

The total number of loans increased to 2,565. This was an increase of 20.2% over the quarter but a decrease of 4.1% over the past year. The average loan size decreased to \$604,094. This was a decrease of 0.1% over the quarter but an increase of 9.4% over the past year.



# Housing Affordability Report

REIA Housing Affordability Report is based on data from all major lending institutions. It is a comprehensive and accurate assessment of the ability of Australians to meet the cost of home purchase. Any differences between information contained in this report and previous editions of the REIA Housing Affordability Report are due to revisions in the database that may be necessary from time to time.

**Loans:** Average home loans to owner occupied and first home buyers are averaged over the quarter, based on all lender data from the Australian Bureau of Statistics (ABS).

**Average Monthly Loan Repayment:** Loan repayment figures are calculated from data provided by the ABS and financial institutions across Australia. From the December quarter of 2020, interest rates are calculated using the owner occupied standard variable provided by the RBA.

**Median Weekly Family Income:** In June 2021, REIA undertook a thorough review of our data methodology and have readjusted the income methodology based on previous census results. Incomes are subject to change based on updated data from the Australian Bureau of Statistics.

A family is defined as a couple with or without dependent children. The major part of family income is adult wages and salaries. Income data are sourced from ABS records, and updated on the basis of movements in average weekly earnings.

**Quarterly Median House Prices:** House price and vacancy data are taken from REIA Real Estate Market Facts publication.

**Proportion of Family Income to Meet Rent Payments:** The percentage of Median Weekly Family Income required to meet the median rent for a three bedroom house. Rents are obtained from REIA Real Estate Market Facts publication.

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Real Estate House  
16 Thesiger Court, Deakin, ACT  
PO Box 234, Deakin West, ACT 2600  
Phone: (02) 6282 4277

Website: [www.reia.com.au](http://www.reia.com.au)

Email: [reia@reia.com.au](mailto:reia@reia.com.au)


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