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## **AUSTRALIANS AT RISK OF BEING PRICED OUT OF HOME OWNERSHIP**

Housing affordability continued its decline over the December quarter of 2021, with the proportion of income required to meet loan repayments reaching 37%, the latest Real Estate Institute of Australia (REIA) *Housing Affordability Report* has found.

REIA President, Hayden Groves said affordability for both home buyers and renters has become a key issue for Australians and with interest rate rises looming, affordability could worsen.

“We are urging governments to get on the front foot with this issue by prioritizing housing supply shortages which is the most effective way of getting affordability under control,” he said.

Mr Groves said housing affordability declined in most states and territories ranging from a decrease of 0.1 percentage points in Western Australia to 5.9 percentage points in New South Wales.

Mr Groves said the number of first home buyers decreased to 37,620, a fall of 0.4% during the quarter with first home buyers now making up 34.1% of owner occupier dwelling commitments, a decrease of 7.8 percentage points over the year.

“The average loan size to first home buyers increased to \$470,548. This was an increase of 2.5% over the quarter and an increase of 12.9% over the past twelve months. The average loan size to first home buyers increased in all states and territories except Tasmania where it decreased 0.4 percentage points. Increases ranged from 0.8% in Western Australia to 2.9% in both New South Wales and Victoria.

“The total number of owner occupied dwelling loans increased to 110,230 an increase of 2.2% over the December quarter, and a marginal increase of 0.3% over the past 12 months.

“The total number of loans for owner occupied dwellings increased in Victoria (4.1%), Queensland (1.2%), South Australia (5.1%), Western Australia (2.7%) and Tasmania (5.0%) but decreased in New South Wales (0.1%), Northern Territory (5.5%) and the Australia Capital Territory (3.7%).

“Over the December quarter, the average loan size increased to \$590,482, an increase of 3.5% over the quarter and an increase of 17.7% over the past 12 months. This is the largest annual increase since the current series began in 2002.

“The average loan size increased in all states and territories with the Northern Territory having the highest increase of 7.9%. The average loan size increased in all states and territories over the past 12 months, with Victoria recording the highest annual increase at 22.6%,” Mr Groves said.

# Media Release



Mr Groves added that the proportion of income required to meet median rent increased to 23.0%, a 0.1% change over the quarter and a 0.3% change over the year.

## **ENDS**

For any further information please contact Olwyn Conrau, REIA Media Consultant, 0413 600 350 [olwyn.conrau@reia.com.au](mailto:olwyn.conrau@reia.com.au)

Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit [www.reia.com.au](http://www.reia.com.au)