

REAL ESTATE INSTITUTE OF
AUSTRALIA



Housing Affordability Report

SEPTEMBER QUARTER
2024



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Real Estate Institute of Australia

Housing affordability declines to all time low

STATE OF THE NATION

Over the September quarter 2024, housing affordability in Australia declined to the lowest point since REIA monitoring began in 1996. The average loan repayment now amounts to 48.6% of the median family income, an increase of 0.4 percentage points over the quarter.

While improvements were seen in Tasmania and the Northern Territory, housing affordability declined in all other states. Declines ranged from 0.1 percentage points in New South Wales, to 1.4 percentage points in the Australian Capital Territory.

Rental affordability also declined over the quarter. Nationally, the proportion of income required to meet median rents increased 0.3 percentage points over the quarter to 24.9%.

Across the states and territories, rental affordability improved marginally over the quarter in Victoria and Queensland, remained stable in the Australian Capital Territory, and declined in all other states and territories. Declines ranged from 0.2 percentage points in the Western Australia to 1.0 percentage points in New South Wales.

INTEREST RATES

The Reserve Bank of Australia maintained the official cash rate at 4.35% throughout the September quarter. The quarterly average standard variable interest rate remained stable at 8.8%. The quarterly average 3 year fixed rate decreased to 6.3%, a decrease of 0.5 percentage points over the quarter.

FIRST HOME BUYERS

First home buyers made 29,445 new loan commitments during the September quarter 2024, 3.9% fewer than last quarter, but 9.4% more than over the September quarter 2023.

First home buyers accounted for 36.0% of all owner occupier dwelling loan commitments made during the September quarter, decreasing 0.8% over the quarter, but remaining stable over the year.

Over the September quarter, the number of first home buyers decreased in all states and territories, except Queensland and Tasmania where there was an increase. The smallest decrease was seen in South Australia (-3.0%) and the largest in the Northern Territory (-25.8%), although with only 155 loans to first home buyers, the Northern Territory continues to be the nation's smallest market.

The average loan size to first home buyers increased to \$536,561. This was an increase of 0.8% over the quarter and 6.7% over the past twelve months.

The average loan size to first home buyers decreased in New South Wales, Tasmania and the Australian Capital Territory, but increased in all other states and territories. Queensland had the largest increase in average first home buyer loan size (3.0%) and South Australia the smallest (0.7%).

LENDING TRENDS

In total, owner occupiers made 81,732 new loan commitments during the September quarter 2024, 1.9% fewer than last quarter, but 9.2% more than over the September quarter 2023.

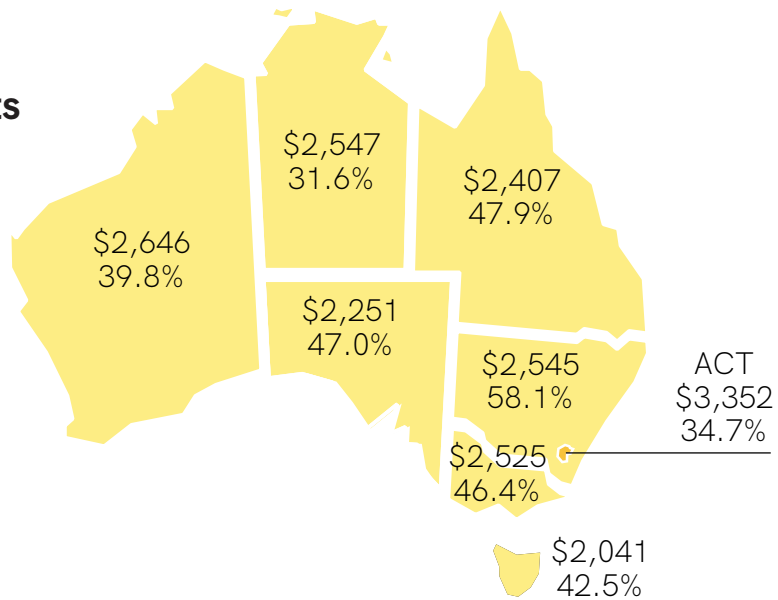
The total number of loans for owner occupiers increased in Queensland and Tasmania over the quarter, but decreased in all other states and territories. Decreases ranged from 1.9% in South Australia to 10.3% in the Australian Capital Territory.

Over the September quarter, the average loan size increased to \$639,764, an increase of 1.6% over the September quarter, and 8.0% over the past 12 months. The average loan size decreased in Tasmania (-0.8%) and the Northern Territory (-1.7%), but increased in all other states and territories. Increases ranged from 0.9% in New South Wales to 5.0% in the Australian Capital Territory.

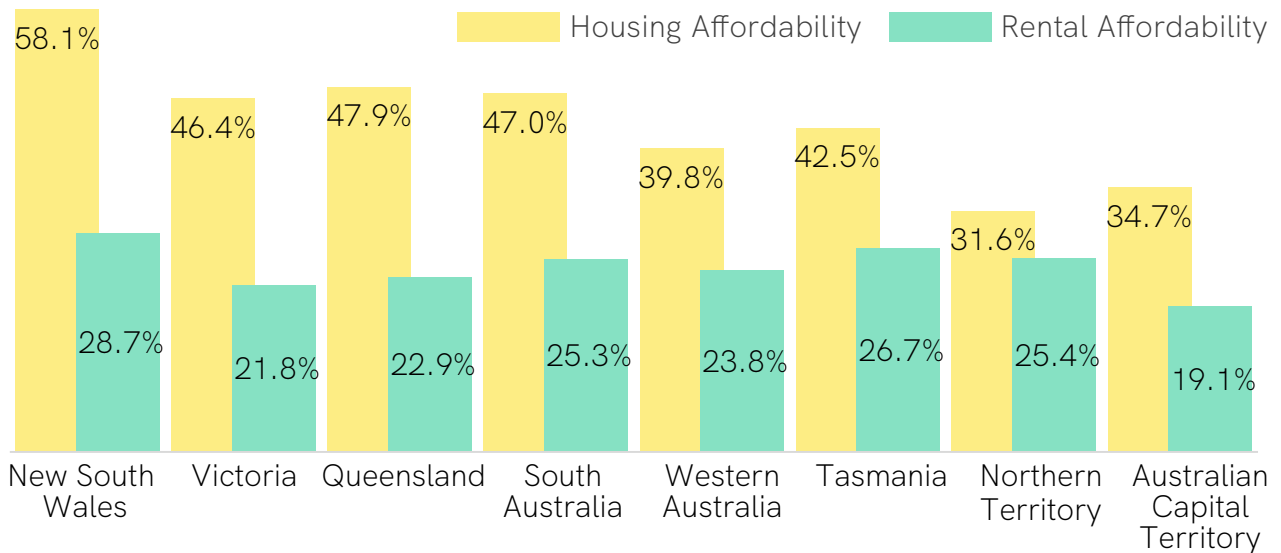


Family Income and Weekly Repayments

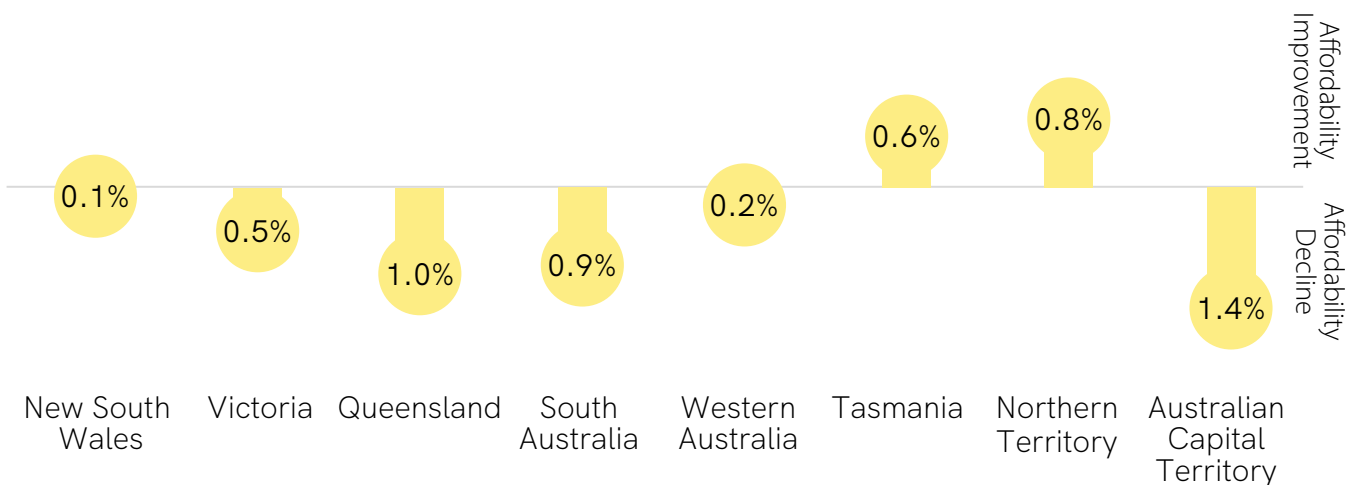
Median weekly family income and proportion required to meet loan repayments



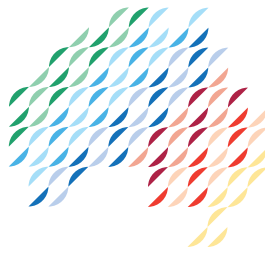
Housing and Rental Affordability



Quarterly Change Housing Affordability



PRESIDENT'S MESSAGE



**100 YEARS OF SERVING
THE REAL ESTATE INDUSTRY**

REIA HAR Presidents Report September quarter 2024

Welcome to the last REIA Housing Affordability Report for 2024.

Following the decline in housing affordability in the June quarter to its lowest point since REIA monitoring began in 1996, the September quarter 2024 saw it decline even further. It has hit an all-time low of 48.6% of the median family income required for the average loan repayment. This is an increase of 0.4 percentage points over the quarter and compares to the increase of 1.3 percentage points in the June quarter.

Affordability declined in all states and territories other than Tasmania and the Northern Territory where modest improvements were seen. The declines ranged from 0.1 percentage points in New South Wales to 1.4 percentage points in the Australian Capital Territory.

The decline in affordability can be attributed to larger mortgages required to purchase even though the national median weekly family income increased 0.7% over the September quarter and 3.8% over the past 12 months to \$2,501 and interest rates remained largely unchanged - the quarterly average standard variable interest rate remained stable but the quarterly average 3 year fixed rate decreased 0.5 percentage points to 6.3%.

The average loan size to first-time home buyers increased by 0.8% over the quarter and 6.7% over the past twelve months to \$536,561.

Reflecting the declining affordability, first home buyers made 3.9 % fewer loan applications during the September quarter 2024 than over the September quarter 2023. Over the year, however, the proportion of all owner occupier loan commitments to first home buyers remained stable.

Rental affordability also declined over the quarter. Nationally, the proportion of income required to meet median rents increased by 0.3 percentage points over the quarter to 24.9%. Rental affordability declined in all states and territories except Victoria, Queensland and the Australian Capital Territory. The declines ranged from 0.3 percentage points in Western Australia to 1.0 percentage points in New South Wales.

To end the year on a more positive note there are signs that both housing and rental affordability will improve in 2025. There are signs that house prices are easing in some market segments and vacancy rates - a precursor to rental rates - are improving. Importantly, the RBA is expected to start cutting official interest rates in the first half of next year.

The passage by the Senate in the last Parliamentary sitting day of 2024 of the Help to Buy and Build to Rent Bills, both seen as vital steps in addressing the nation's housing crisis, are also positive longer-term measures.

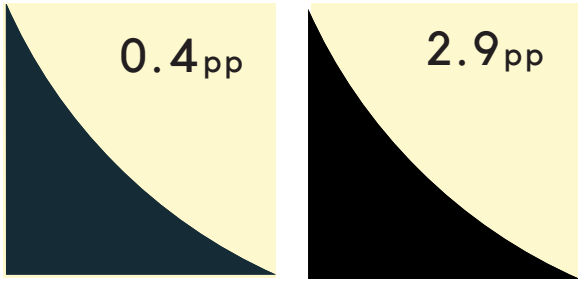
Wishing you, your families and loved ones an enjoyable Christmas and summer break.

Yours sincerely,

Leanne Pilkington
President
Real Estate Institute of Australia

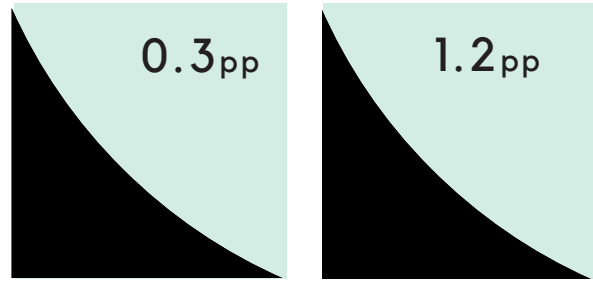


HOUSING AFFORDABILITY



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 median family income needed to meet average loan repayments.

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

	Sep Qtr 2024	Jun Qtr 2024	Sep Qtr 2023
NSW	58.1%	58.0%	56.2%
VIC	46.4%	45.9%	45.3%
QLD	47.9%	46.9%	42.4%
SA	47.0%	46.1%	42.5%
WA	39.8%	39.6%	34.6%
TAS	42.5%	43.1%	42.9%
NT	31.6%	32.4%	33.2%
ACT	34.7%	33.3%	34.5%
AUS	48.6%	48.2%	45.7%

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

Chart 2 shows movement in rental affordability.

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

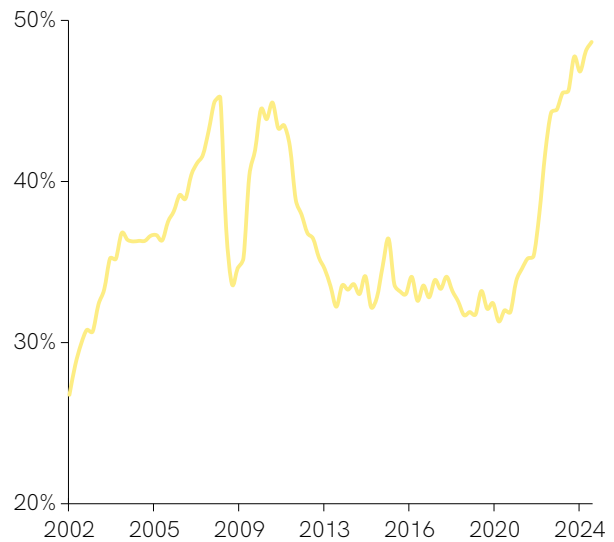
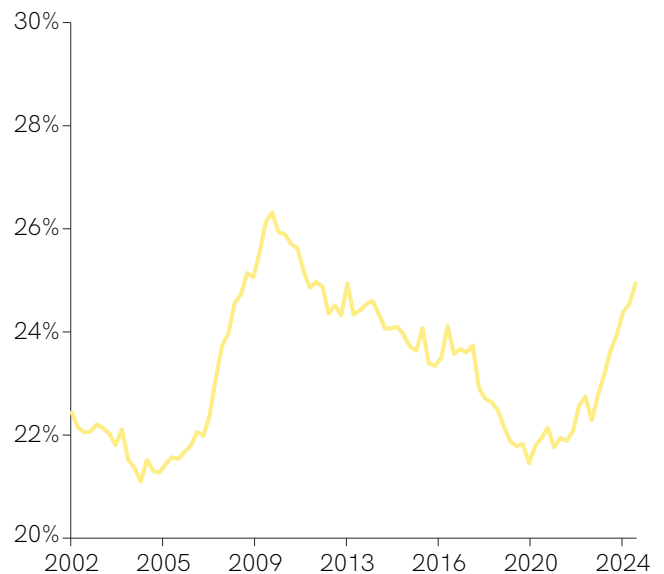


Chart 2: Proportion of median family income required to meet weighted average median rent



Rental Affordability

The median rent for each state or territory is based on data for three bedroom houses sourced from the REIA Real Estate Market Facts publication. To determine the median rent for Australia, an average is calculated of median rents from each state or territory, weighted according to housing statistics from the Australian Census.

Nationally, rental affordability has declined over the September quarter 2024, and over the past year. The proportion of income required to meet the median rent has increased to 24.9%. This was an increase of 0.3 percentage points over the quarter and 1.2 percentage points over the past 12 months.

Across the states and territories, rental affordability improved marginally over the quarter in Victoria and Queensland, remained stable the Australian Capital Territory, and declined in New South Wales, South Australia, Western Australia, Tasmania, and the Northern Territory.

New South Wales, where median rent was 28.7% of the median family income (3.8 percentage points higher than the national average), remains the least affordable state or territory in which to rent a property. The Australian Capital Territory, where median rent was only 19.1% of the median family income, remains the most affordable.

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

First home buyers made 29,455 new loan commitments during the September quarter 2024, 3.9% fewer than the previous quarter, but 9.4% more than the September quarter last year.

First home buyers accounted for 36.0% of all owner occupier dwelling loan commitments made over the September quarter, decreasing 0.6 percentage points over the quarter, but remaining stable over the year.

The average loan size to first home buyers increased to \$536,561. This was an increase of 0.8% over the quarter and 6.7% over the past twelve months.

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

Chart 3a shows first home buyers as a share of all dwellings financed from the March quarter 2013 to the September quarter 2024.

Chart 3b compares the size of average first home buyer loans to all new owner occupier loans.

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

	Sep Qtr 2024	Jun Qtr 2024	Sep Qtr 2023
NSW	28.7%	27.7%	27.7%
VIC	21.8%	21.9%	20.6%
QLD	22.9%	23.0%	21.6%
SA	25.3%	25.0%	24.0%
WA	23.8%	23.6%	21.6%
TAS	26.7%	25.9%	26.5%
NT	25.4%	25.1%	23.0%
ACT	19.1%	19.1%	19.2%
AUS	24.9%	24.6%	23.7%

Fast Facts

Proportion of family income to meet

	Sep 2024	Jun 2024	Sep 2023
Home loan repayments	48.6%	48.2%	45.7%
Rent payments	24.9%	24.6%	23.7%

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

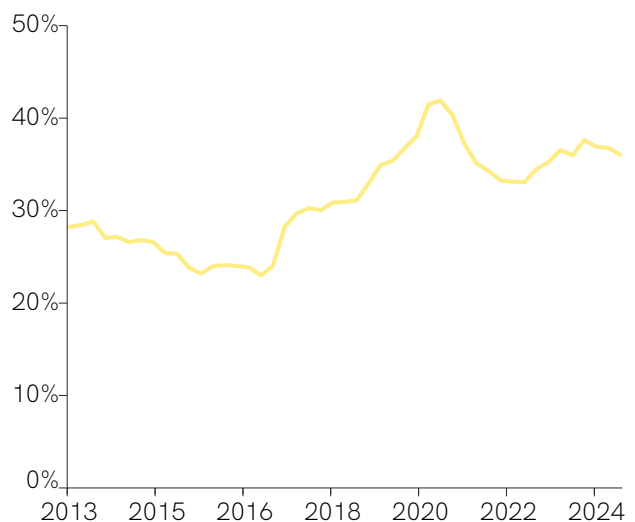
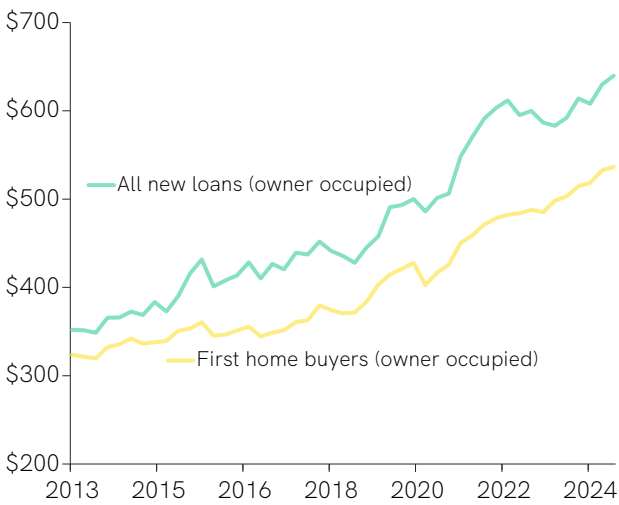


Chart 3b: Average loan size for first home buyers and all owner occupiers (\$'000s)

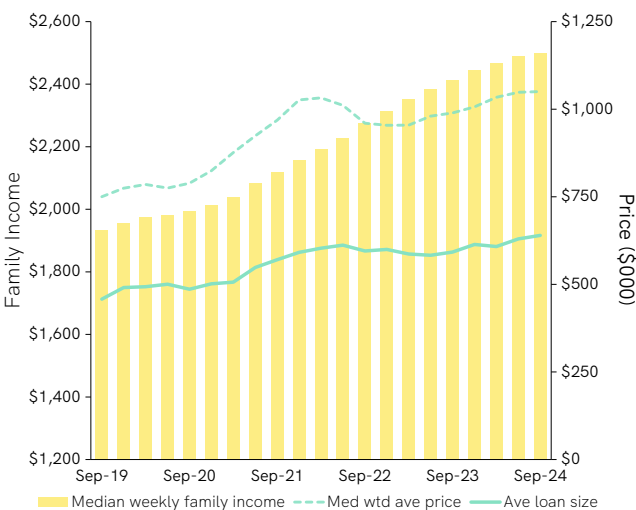


Factors influencing home loan affordability

- Each loan is determined by the price of the property being purchased, less whatever deposit the borrower is able to furnish.
- Loan repayments are determined by the size of the loan, interest rates, and the period of the loan.
- The borrower’s ability to meet repayments 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.

Chart 4: House price, family income and loan size



Median house prices

The weighted average capital city median house price increased to \$1,050,370. This was an increase of 0.2% over the September quarter and 6.2% over the past 12 months.

Detailed data on median prices for houses and other dwellings is available in the REIA Real Estate Market Facts publication, which is released on December 11, 2024.

Median family income and average monthly loan repayments

The national median weekly family income increased to \$2,501 over the September quarter. This was an increase of 0.7% over the quarter and 3.8% over the past 12 months.

The average monthly loan repayment increased to \$5,269. This was an increase of 1.6% over the quarter and 10.3% over the past 12 months.

Average loan repayments now amount to 48.6% of the median family income, the highest proportion since the REIA started monitoring housing affordability in 1996. This was an increase of 0.4 percentage points over the quarter and 2.9 percentage points over the past year.

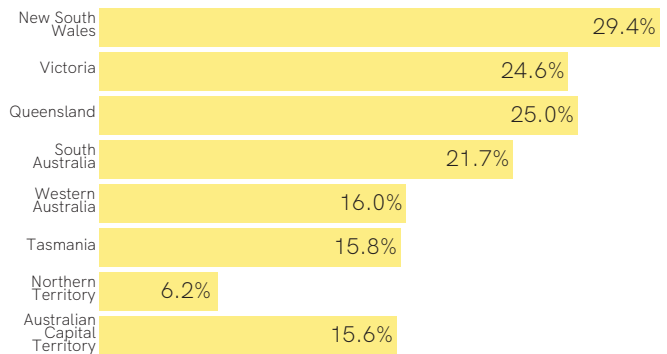
Loans to owner occupiers (all borrowers)

In total, owner occupiers made 81,732 new loan commitments during the quarter, 1.9% fewer than last quarter, but 9.2% more than over the September quarter 2023.

The average loan size increased to \$639,764, an increase of 1.6% over the September quarter, and 8.0% over the past 12 months.

Rent-buy differential

The rent-buy differential shows the difference between rental and housing affordability. That is, how much greater a percentage of the median family income is required to meet average loan repayments compared to median rent payments.



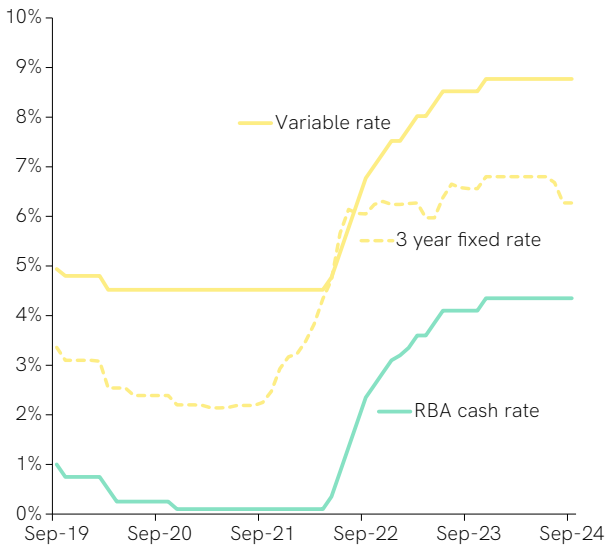
Interest Rates

The Reserve Bank of Australia maintained the official cash rate at 4.35% throughout the September quarter. The quarterly average standard variable interest rate remained stable at 8.8%. The quarterly average 3 year fixed rate decreased 0.5 percentage points to 6.3%.

The standard variable interest rate was 2.5 percentage points higher than the 3 year fixed rate at the end of the September quarter.

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 16.8 percentage points over the past 5 years, 15.6 percentage points over the past 10 years and 12.2 percentage points over the past 20 years.

Rental affordability Australia-wide has declined by 3.0 percentage points over the past 5 years, 0.9 percentage points over the past 10 years and 3.6 percentage points over the past 20 years.

Table 3: Housing affordability compared with the current quarter

	5 years	10 years	20 years
NSW	-21.2	-21.1	-14.0
VIC	-13.6	-11.8	-10.6
QLD	-18.7	-17.2	-10.7
SA	-19.0	-17.2	-18.8
WA	-13.8	-9.8	-10.5
TAS	-15.1	-16.2	-13.6
NT	-9.1	-1.3	-3.2
ACT	-11.6	-12.5	-5.9
AUS	-16.8	-15.6	-12.2

Table 4: Rental affordability compared with the current quarter

	5 years	10 years	20 years
NSW	-3.8	-1.8	-6.0
VIC	-1.2	0.2	-1.8
QLD	-2.2	0.1	-0.6
SA	-4.0	-2.4	-4.8
WA	-6.9	-1.4	-6.2
TAS	1.8	-1.8	-2.9
NT	-5.8	7.7	-2.3
ACT	0.2	-1.6	-0.2
AUS	-3.0	-0.9	-3.6



Chart 6 Housing and rental affordability over time (national)

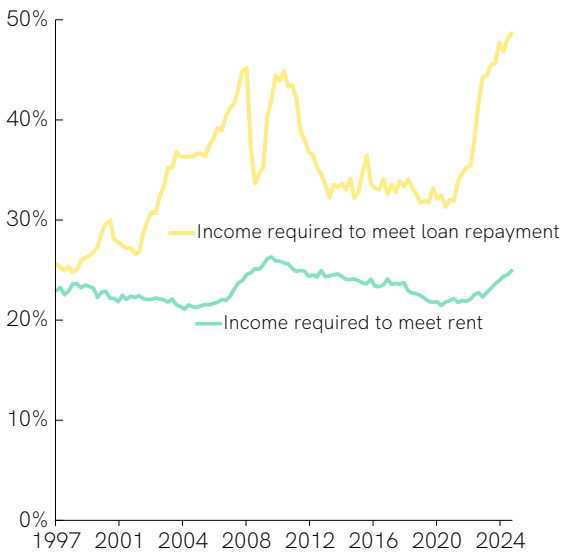


Chart 7 shows a long-term comparison between the movement of the Consumer Price Index (CPI), median family income and the weighted average median rent for a three bedroom house in the eight Australian capital cities.

Chart 7 Australian rent and CPI

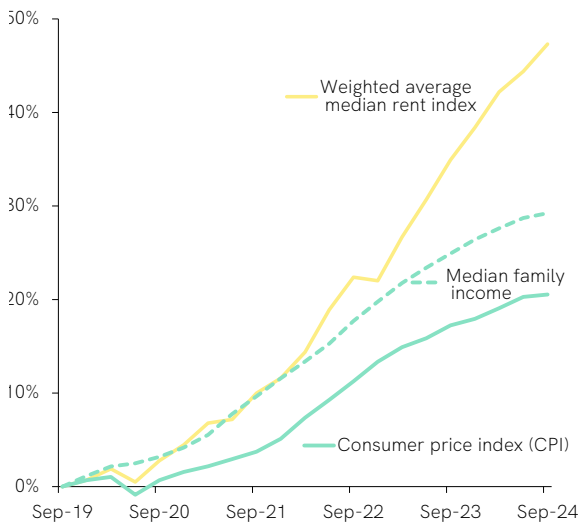


Table 5: Australia

	Sep 2024	Jun 2024	Sep 2023
Proportion of family income devoted to meeting average loan repayments	48.6%	48.2%	45.7%
Proportion of family income devoted to meeting median rents	24.9%	24.6%	23.7%
Median weekly family income	\$2,501	\$2,483	\$2,410
Average monthly loan repayment	\$5,269	\$5,186	\$4,776
Average loan size	\$639,764	\$629,768	\$592,140
Total number of loans	81,732	83,303	74,855
Number of loans to first home buyers	29,455	30,636	26,928
Average first home buyer loan	\$536,561	\$532,429	\$503,082
Banks			
Standard variable interest rate	8.8%	8.8%	8.5%
Three year fixed interest rate	6.3%	6.8%	6.6%

Table 6: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-16.8	-15.6	-12.2
Meeting rental payments	-3.0	-0.9	-3.6



NEW SOUTH WALES

Chart 8 New South Wales affordability

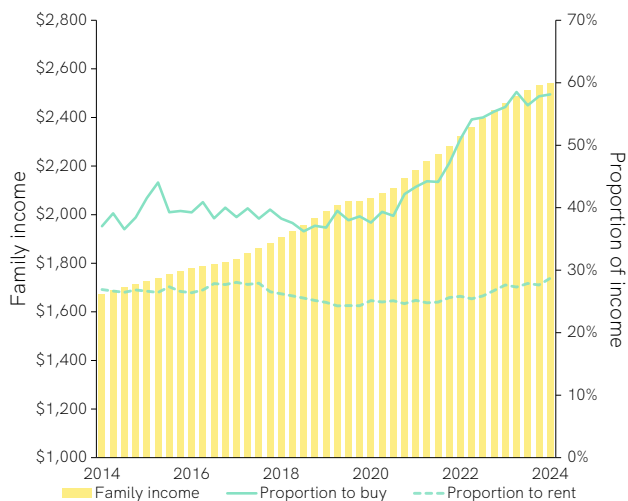
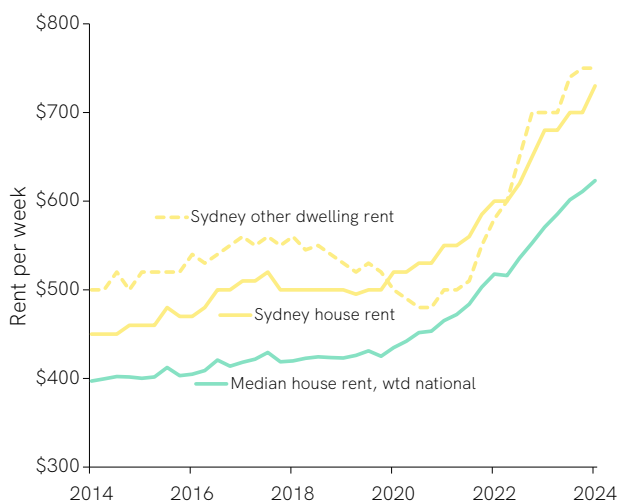


Chart 9 Median rents in Sydney



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 58.1% over the quarter. This was a marginal increase of 0.1 percentage points over the quarter and 1.9 percentage points over the year.

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 28.7%, an increase of 1.0 percentage points both over the quarter and over the year.

New South Wales remains the least affordable state or territory in which to reside, whether meeting average home loan repayments or median weekly rental payments.

Table 7: New South Wales

	Sep 2024	Jun 2024	Sep 2023
Proportion of family income devoted to meeting average loan repayments	58.1%	58.0%	56.2%
Proportion of family income devoted to meeting median rents	28.7%	27.7%	27.7%
Median weekly family income	\$2,545	\$2,527	\$2,455
Average monthly loan repayment	\$6,407	\$6,347	\$5,985
Average loan size	\$778,020	\$770,724	\$742,003
Total number of loans	20,773	21,400	19,313
Number of loans to first home buyers	7,123	7,502	6,664
Average first home buyer loan size	\$624,681	\$630,099	\$611,660

Table 8: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-21.2	-21.1	-14.0
Meeting rental payments	-3.8	-1.8	-6.0

The number of loans to first home buyers in New South Wales decreased to 7,123. This was a decrease of 5.1% over the quarter, but an increase of 6.9% over the past year. Of the total number of Australian first home buyers who purchased during the September quarter, 24.2% were from New South Wales. First home buyers made up 34.3% of the state's owner occupier market. Over the September quarter 2024, the average loan to first home buyers decreased to \$624,681. This was a decrease of 0.9% over the quarter, but an increase of 2.1% over the past year.

The total number of loans for all owner occupiers decreased to 20,773. This was a decrease of 2.9% over the quarter, but an increase of 7.6% over the past year. The average loan size increased to \$778,020. This was an increase of 0.9% over the quarter and 4.9% over the past year.



VICTORIA

Chart 10 Victoria affordability

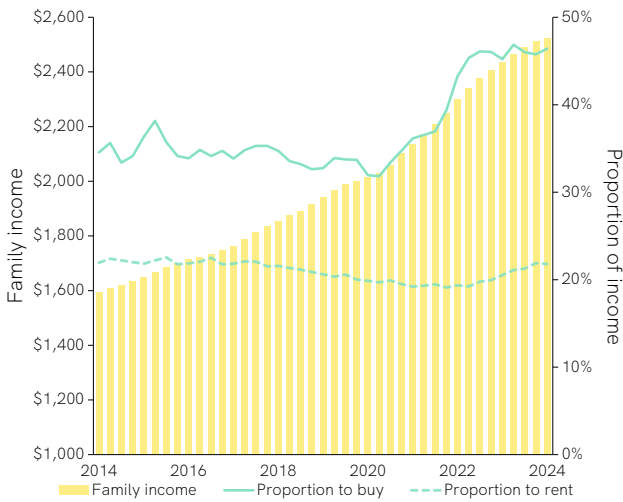
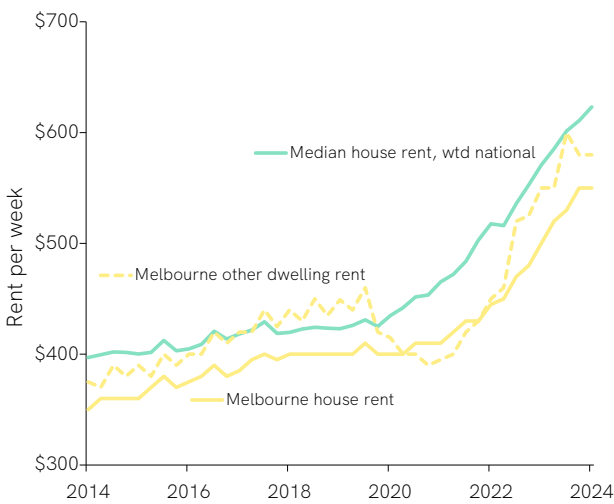


Chart 11 Median rents in Melbourne



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 46.4% over the quarter. This was an increase of 0.5 percentage points over the quarter and 1.1 percentage points over the year.

Rental affordability in Victoria improved over the quarter, but has declined over the year. The proportion of family income required to meet median rent decreased to 21.8%, a marginal decrease of 0.1 percentage points over the quarter, but an increase of 1.2 percentage points over the year. Victoria (along with Queensland) is one of only two states or territories where rental affordability improved over the quarter, although this improvement was only marginal in both cases.

Table 9: Victoria

	Sep 2024	Jun 2024	Sep 2023
Proportion of family income devoted to meeting average loan repayments	46.4%	45.9%	45.3%
Proportion of family income devoted to meeting median rents	21.8%	21.9%	20.6%
Median weekly family income	\$2,525	\$2,508	\$2,430
Average monthly loan repayment	\$5,075	\$4,982	\$4,771
Average loan size	\$616,233	\$605,030	\$591,543
Total number of loans	23,612	24,592	21,472
Number of loans to first home buyers	9,531	10,074	8,624
Average first home buyer loan size	\$518,907	\$512,974	\$496,417

Table 10: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-13.6	-11.8	-10.6
Meeting rental payments	-1.2	0.2	-1.8

Despite a quarterly decrease, the number of loans to first home buyers in Victoria remains the highest from among the states, with 9,531 loan commitments made over the quarter accounting for 32.4% of national total. This was 5.4% fewer than last quarter, but 10.5% more than the September quarter last year. First home buyers made up 40.4% of the state's owner occupier market, the highest proportion of all states and territories. Over the September quarter 2024, the average loan to first home buyers increased to \$518,907. This was an increase of 1.2% over the quarter and 4.5% over the past year.

The total number of loans for all owner occupiers decreased to 23,612. This was a decrease of 4.0% over the quarter, but an increase of 10.0% over the past year. The average loan size increased to \$616,233. This was an increase of 1.9% over the quarter and 4.2% over the past year.



QUEENSLAND

Chart 12 Queensland affordability

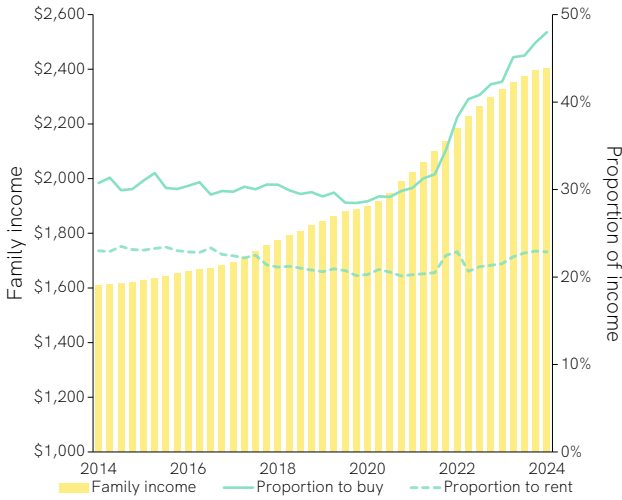
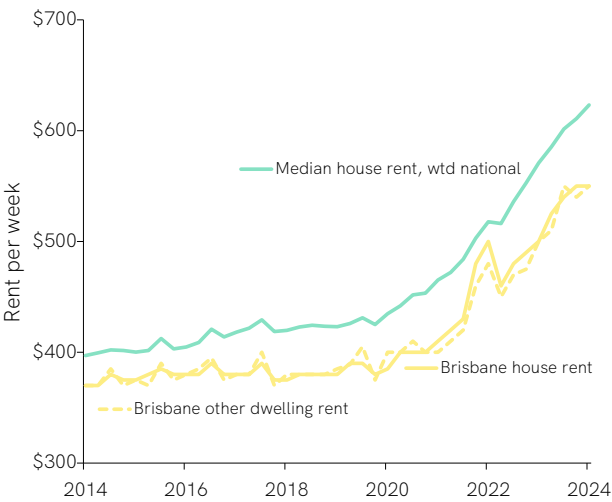


Chart 13 Median rents in Brisbane



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 47.9% over the quarter. This was an increase of 1.0 percentage points over the quarter and 5.5 percentage points over the year. Queensland had the highest decline in housing affordability over the year.

Rental affordability in Queensland improved over the quarter, but has declined over the year. The proportion of family income required to meet median rent decreased to 22.9%, a marginal decrease of 0.1 percentage points over the quarter, but an increase of 1.3 percentage points over the year.

Table 11: Queensland

	Sep 2024	Jun 2024	Sep 2023
Proportion of family income devoted to meeting average loan repayments	47.9%	46.9%	42.4%
Proportion of family income devoted to meeting median rents	22.9%	23.0%	21.6%
Median weekly family income	\$2,407	\$2,390	\$2,320
Average monthly loan repayment	\$5,000	\$4,859	\$4,263
Average loan size	\$607,200	\$590,050	\$528,542
Total number of loans	18,223	17,316	16,120
Number of loans to first home buyers	5,972	5,680	5,072
Average first home buyer loan size	\$521,266	\$505,915	\$462,342

Table 12: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-18.7	-17.2	-10.7
Meeting rental payments	-2.2	0.1	-0.6

Queensland (along with Victoria) is one of only two states or territories where rental affordability improved over the quarter, albeit marginally.

The number of loans to first home buyers in Queensland increased to 5,972. This was an increase of 5.1% over the quarter and 17.7% over the past year. Of the total number of Australian first home buyers who purchased during the September quarter, 20.3% were from Queensland. First home buyers made up 32.8% of the state's owner occupier market. Over the September quarter 2024, the average loan to first home buyers increased to \$521,266. This was an increase of 3.0% over the quarter and 12.7% over the past year.

The total number of loans for all owner occupiers increased to 18,223. This was an increase of 5.2% over the quarter and 13.0% over the past year. The average loan size increased to \$607,200. This was an increase of 2.9% over the quarter and 14.9% over the past year.



SOUTH AUSTRALIA

Chart 14 South Australia affordability

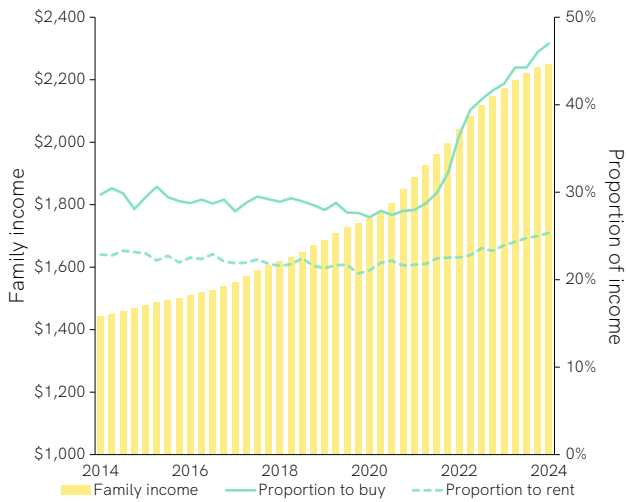
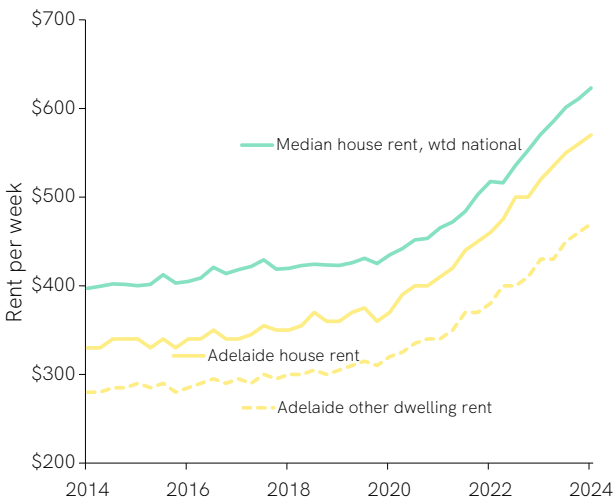


Chart 15 Median rents in Adelaide



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 47.0% over the quarter. This was an increase of 0.9 percentage points over the quarter and 4.5 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 25.3%, an increase of 0.3 percentage points over the quarter and 1.3 percentage points over the year.

Table 13: South Australia

	Sep 2024	Jun 2024	Sep 2023
Proportion of family income devoted to meeting average loan repayments	47.0%	46.1%	42.5%
Proportion of family income devoted to meeting median rents	25.3%	25.0%	24.0%
Median weekly family income	\$2,251	\$2,236	\$2,167
Average monthly loan repayment	\$4,581	\$4,468	\$3,991
Average loan size	\$556,311	\$542,600	\$494,808
Total number of loans	5,221	5,324	4,988
Number of loans to first home buyers	1,750	1,804	1,692
Average first home buyer loan size	\$494,857	\$491,242	\$437,707

Table 14: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-19.0	-17.2	-18.8
Meeting rental payments	-4.0	-2.4	-4.8

The number of loans to first home buyers in South Australia decreased to 1,750. This was a decrease of 3.0% over the quarter, but an increase of 3.4% over the past year. Of the total number of Australian first home buyers who purchased during the September quarter, 5.9% were from South Australia. First home buyers made up 33.5% of the state's owner occupier market. Over the September quarter 2024, the average loan to first home buyers increased to \$494,857. This was an increase of 0.7% over the quarter and 13.1% over the past year.

The total number of loans for all owner occupiers decreased to 5,221. This was a decrease of 1.9% over the quarter, but an increase of 4.7% over the past year. The average loan size increased to \$556,311. This was an increase of 2.5% over the quarter and 12.4% over the past year.



WESTERN AUSTRALIA

Chart 16 Western Australia affordability

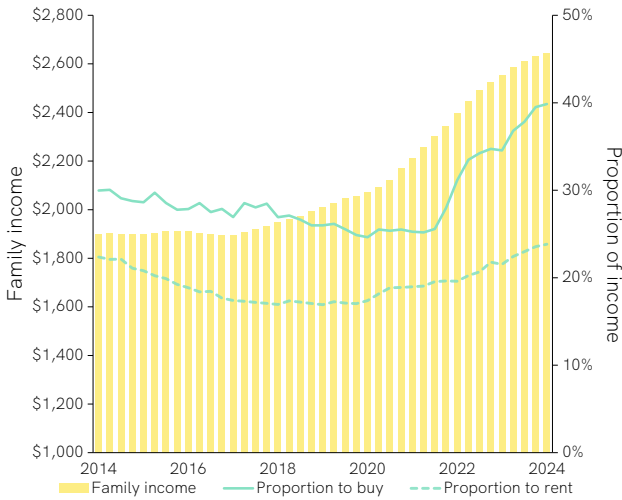
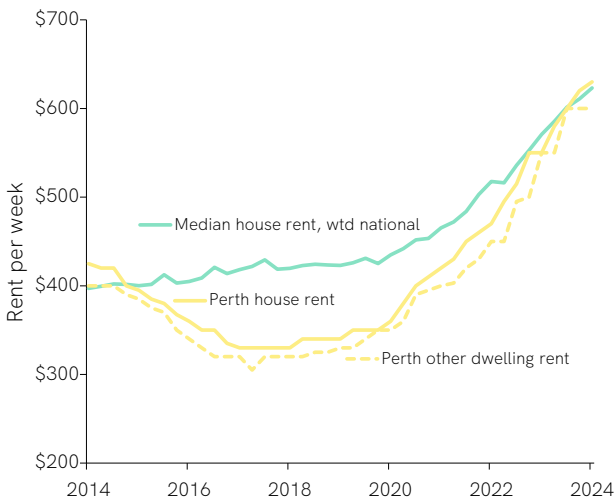


Chart 17 Median rents in Perth



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 39.8% over the quarter. This was an increase of 0.2 percentage points over the quarter and 5.2 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 23.8%, an increase of 0.2 percentage points over the quarter and 2.2 percentage points over the year.

Table 15: Western Australia

	Sep 2024	Jun 2024	Sep 2023
Proportion of family income devoted to meeting average loan repayments	39.8%	39.6%	34.6%
Proportion of family income devoted to meeting median rents	23.8%	23.6%	21.6%
Median weekly family income	\$2,646	\$2,628	\$2,550
Average monthly loan repayment	\$4,566	\$4,508	\$3,827
Average loan size	\$554,459	\$547,385	\$474,474
Total number of loans	10,114	10,801	9,457
Number of loans to first home buyers	3,713	4,133	3,648
Average first home buyer loan size	\$482,359	\$475,393	\$419,792

Table 16: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-13.8	-9.8	-10.5
Meeting rental payments	-6.9	-1.4	-6.2

The number of loans to first home buyers in Western Australia decreased to 3,713. This was a decrease of 10.2% over the quarter, but an increase of 1.8% over the past year. Of the total number of Australian first home buyers who purchased during the September quarter, 12.6% were from Western Australia. First home buyers made up 36.7% of the state's owner occupier market. Over the September quarter 2024, the average loan to first home buyers increased to \$482,359. This was an increase of 1.5% over the quarter and 14.9% over the past year.

The total number of loans for all owner occupiers decreased to 10,114. This was a decrease of 6.4% over the quarter, but an increase of 6.9% over the past year. The average loan size increased to \$554,459. This was an increase of 1.3% over the quarter and 16.9% over the past year.



TASMANIA

Chart 18 Tasmania affordability

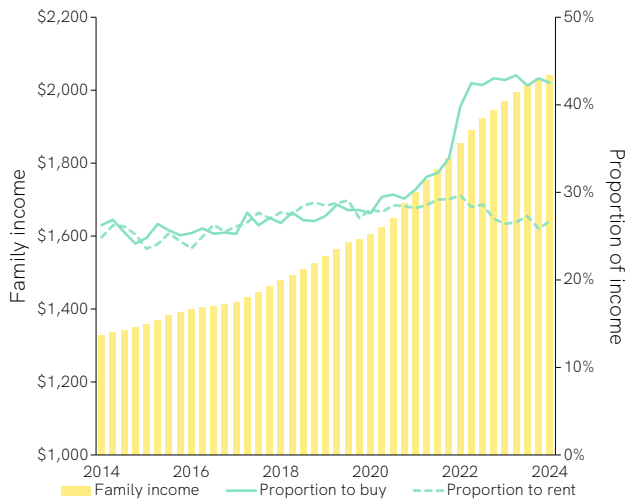
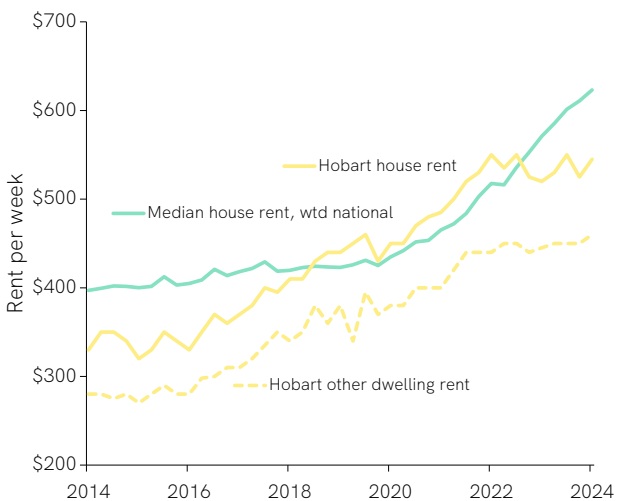


Chart 19 Median rents in Hobart



Housing affordability improved in Tasmania over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments decreased to 42.5% over the quarter. This was a decrease of 0.6 percentage points over the quarter and 0.4 percentage points over the year. Tasmania (along with the Northern Territory) is one of only two states or territories where housing affordability improved over the quarter.

Rental affordability in Tasmania declined over the quarter, and over the year. The proportion of family income required to meet median rent increased to 26.7%, an increase of 0.8 percentage points over the quarter and 0.2 percentage points over the year.

Table 17: Tasmania

	Sep 2024	Jun 2024	Sep 2023
Proportion of family income devoted to meeting average loan repayments	42.5%	43.1%	42.9%
Proportion of family income devoted to meeting median rents	26.7%	25.9%	26.5%
Median weekly family income	\$2,041	\$2,027	\$1,965
Average monthly loan repayment	\$3,757	\$3,789	\$3,656
Average loan size	\$456,250	\$460,053	\$453,219
Total number of loans	1,568	1,497	1,336
Number of loans to first home buyers	527	499	419
Average first home buyer loan size	\$421,063	\$422,244	\$431,742

Table 18: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-15.1	-16.2	-13.6
Meeting rental payments	1.8	-1.8	-2.9

The number of loans to first home buyers in Tasmania increased to 527. This was an increase of 5.6% over the quarter and 25.8% over the past year. Of the total number of Australian first home buyers who purchased during the September quarter, 1.8% were from Tasmania. First home buyers made up 33.6% of the state's owner occupier market. Over the September quarter 2024, the average loan to first home buyers decreased to \$421,063. This was a decrease of 0.3% over the quarter and 2.5% over the past year.

The total number of loans for all owner occupiers increased to 1,568. This was an increase of 4.7% over the quarter and 17.4% over the past year. The average loan size decreased to \$456,250. This was a decrease of 0.8% over the quarter, but an increase of 0.7% over the past year.



NORTHERN TERRITORY

Chart 20 Northern Territory affordability

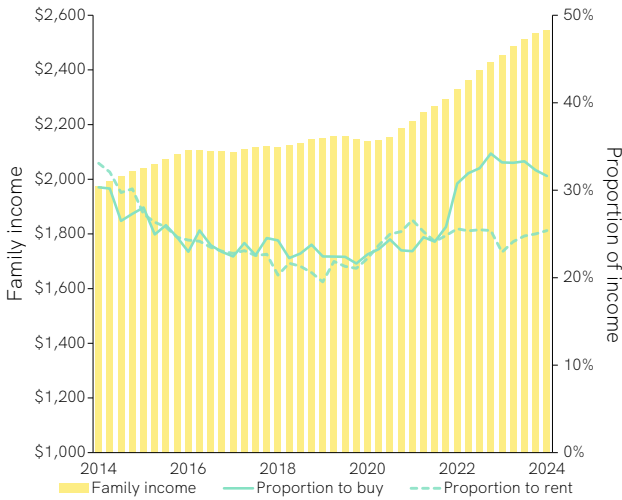


Table 19: Northern Territory

	Sep 2024	Jun 2024	Sep 2023
Proportion of family income devoted to meeting average loan repayments	31.6%	32.4%	33.2%
Proportion of family income devoted to meeting median rents	25.4%	25.1%	23.0%
Median weekly family income	\$2,547	\$2,529	\$2,448
Average monthly loan repayment	\$3,488	\$3,547	\$3,526
Average loan size	\$423,554	\$430,693	\$437,185
Total number of loans	484	505	476
Number of loans to first home buyers	155	209	152
Average first home buyer loan size	\$421,935	\$414,833	\$411,184

Chart 21 Median rents in Darwin

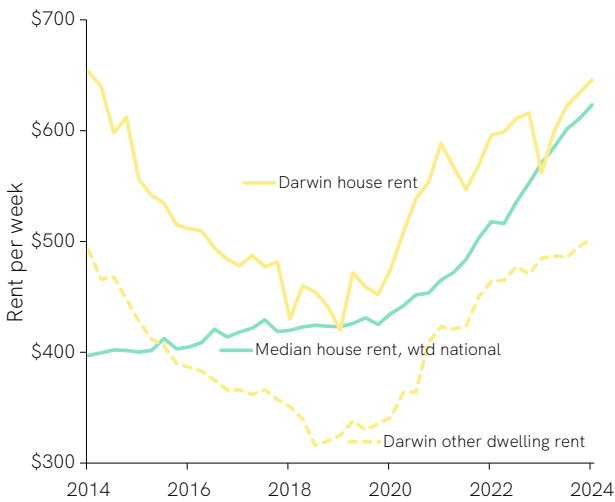


Table 20: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-9.1	-1.3	-3.2
Meeting rental payments	-5.8	7.7	-2.3

Housing affordability improved in the Northern Territory over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments decreased to 31.6% over the quarter. This was a decrease of 0.8 percentage points over the quarter and 1.6 percentage points over the year. The Northern Territory (along with Tasmania) is one of only two states or territories where housing affordability improved over the quarter.

Rental affordability in the Northern Territory declined over the quarter, and over the year. The proportion of family income required to meet median rent increased to 25.4%, an increase of 0.3 percentage points over the quarter and 2.4 percentage points over the year.

The number of loans to first home buyers in the Northern Territory decreased to 155. This was a decrease of 25.8% over the quarter, but an increase of 2.0% over the past year. Of the total number of Australian first home buyers who purchased during the September quarter, 0.5% were from the Northern Territory. First home buyers made up 32.0% of the state's owner occupier market. Over the September quarter 2024, the average loan to first home buyers increased to \$421,935. This was an increase of 1.7% over the quarter and 2.6% over the past year.

The total number of loans for all owner occupiers decreased to 484. This was a decrease of 4.2% over the quarter, but an increase of 1.7% over the past year. The average loan size decreased to \$423,554. This was a decrease of 1.7% over the quarter and 3.1% over the past year.



AUSTRALIAN CAPITAL TERRITORY

Chart 22 Australian Capital Territory affordability

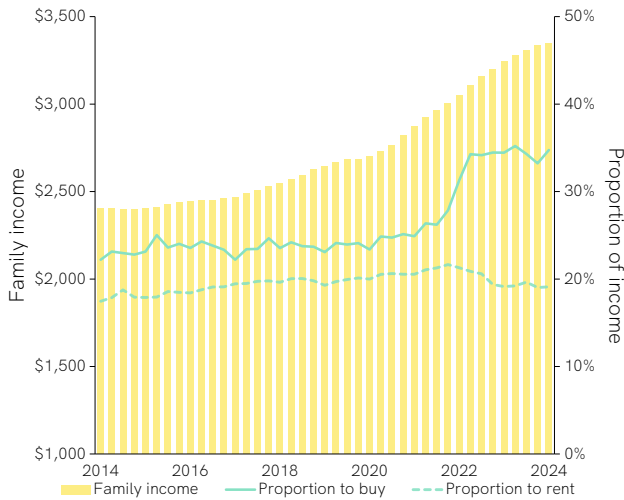
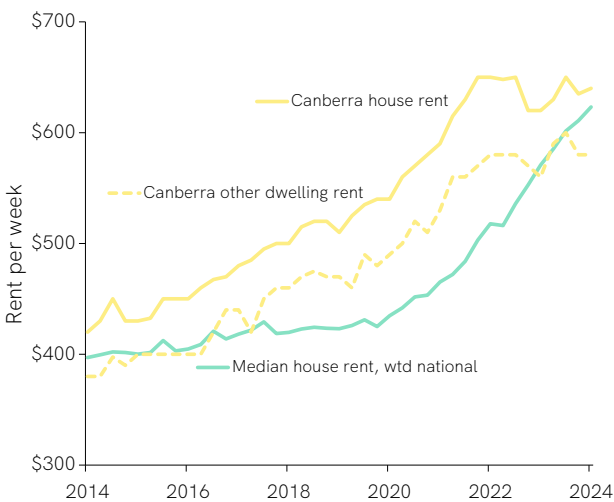


Chart 23 Median rents in Canberra



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 34.7% over the quarter. This was an increase of 1.4 percentage points over the quarter and 0.2 percentage points over the year.

Rental affordability in the Australian Capital Territory remained stable over the quarter, but declined over the year. The proportion of family income required to meet median rent remained stable over the quarter at 19.1%, decreasing to this figure by a marginal 0.1 percentage points over the year.

Table 21: Australian Capital Territory

	Sep 2024	Jun 2024	Sep 2023
Proportion of family income devoted to meeting average loan repayments	34.7%	33.3%	34.5%
Proportion of family income devoted to meeting median rents	19.1%	19.1%	19.2%
Median weekly family income	\$3,352	\$3,329	\$3,233
Average monthly loan repayment	\$5,042	\$4,803	\$4,836
Average loan size	\$612,239	\$583,244	\$599,554
Total number of loans	1,675	1,868	1,569
Number of loans to first home buyers	684	735	657
Average first home buyer loan size	\$514,474	\$536,735	\$501,370

Table 22: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-11.6	-12.5	-5.9
Meeting rental payments	0.2	-1.6	-0.2

The number of loans to first home buyers in the Australian Capital Territory decreased to 684. This was a decrease of 6.9% over the quarter, but an increase of 4.1% over the past year. Of the total number of Australian first home buyers who purchased during the September quarter, 2.3% were from the Australian Capital Territory. First home buyers made up 40.8% of the state's owner occupier market. Over the September quarter 2024, the average loan to first home buyers decreased to \$514,474. This was a decrease of 4.1% over the quarter, but an increase of 2.6% over the past year.

The total number of loans for all owner occupiers decreased to 1,675. This was a decrease of 10.3% over the quarter, but an increase of 6.8% over the past year. The average loan size increased to \$612,239. This was an increase of 5.0% over the quarter and 2.1% over the past year.



RENT ASSISTANCE AND AFFORDABLE RENT ON CENTRELINK PAYMENTS

Commonwealth Rent Assistance (CRA) is an income supplement provided by the Federal Government to offset the cost of rent for eligible people receiving a Centrelink payment.

Over the September quarter 2024, CRA payments ranged from a maximum of \$62.74 per week for a single sharer, to \$124.95 per week for a family with 3 or more dependent children.

According to the most recent release of data, there were 1,341,665 families and individuals receiving CRA in September 2024, 62,770 more than in September 2023.

Table 23 shows affordable rents for various Centrelink payments at 30% and 40% of income plus CRA. Table 24 shows an annual increase in the proportion of median rent covered by CRA for a family with two children on the maximum possible payment. Over the September quarter 2024 CRA covered 17.7% of the weighted national median rent. This is an improvement of 1.5 percentage points over the September quarter 2023 (16.2%). A further improvement in rental affordability is expected for households receiving CRA due to the 10% increase in this payment that came into effect on 20 September 2024.

Commonwealth Rent Assistance Payments

Number of payments and percentage of the Australian total of Commonwealth Rent Assistance payments to each state and territory.

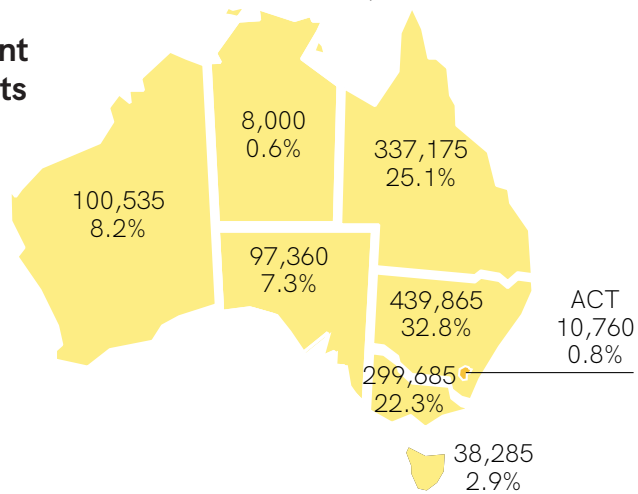


Table 23: Affordable rent on pensions and benefits

	30% of income + CRA	40% of income + CRA
Single - living alone	\$210	\$250
Single - sharer	\$180	\$220
Couple	\$300	\$370
Single Parent	\$325	\$400
Couple with 2 children	\$430	\$535
Couple with 4 children	\$520	\$655
Single Aged or disability pension	\$250	\$300
Couple Aged or disability pension	\$320	\$400

Table 24: Commonwealth rent assistance as a proportion of weekly rent (3 bed house)

	Sep 24	Sep 23	Sep 02
Sydney	15.2%	13.6%	22.1%
Melbourne	20.1%	18.5%	26.6%
Brisbane	20.1%	18.5%	24.7%
Adelaide	19.4%	17.8%	28.7%
Perth	17.6%	16.8%	29.8%
Canberra	17.3%	14.9%	20.8%
Hobart	20.3%	17.8%	30.4%
Darwin	17.1%	16.5%	21.7%
Cap Cit	17.7%	16.2%	24.8%



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 occupier 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 occupier standard variable provided by the RBA.

Median Weekly Family Income: In September 2022, 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.

The Real Estate Institute of Australia is a federation of state and territory Real Estate Institutes. Formed in 1924, it represents the real estate industry in Australia at national and international levels.

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