

REAL ESTATE INSTITUTE OF
AUSTRALIA



Housing Affordability Report

JUNE QUARTER
2024



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Housing affordability declines to all-time low

STATE OF THE NATION

Over the June quarter 2024, housing affordability in Australia declined to the lowest point since REIA monitoring began in 1996. The average loan repayment now amounts to 48.1% of the median family income, an increase of 1.3 percentage points over the quarter.

While small improvements were seen in Victoria, the Northern Territory and the Australian Capital Territory, housing affordability declined in all other states. Declines ranged from 1.0 percentage points in Tasmania, to 1.8 percentage points in South Australia.

Rental affordability also declined over the quarter. Nationally, the proportion of income required to meet median rents increased 0.2 percentage points over the quarter to 24.6%.

Across the states and territories, movement has been mixed: rental affordability improved over the quarter in New South Wales, Tasmania and the Australian Capital Territory, and declined in all other states and territories. Declines ranged from 0.2 percentage points in South Australia and the Northern Territory to 0.6 percentage points in Victoria and Western Australia.

INTEREST RATES

The Reserve Bank of Australia maintained the official cash rate at 4.35% throughout the June quarter. The quarterly average standard variable interest rate remained stable at 8.8%. The quarterly average 3 year fixed rate also remained stable at 6.8%

FIRST HOME BUYERS

First home buyers made 30,636 new loan commitments during the June quarter 2024, 18.6% more than last quarter, and 7.2% more than in the June quarter 2023.

First home buyers accounted for 36.6% of all owner occupier dwelling loan commitments made during the June quarter, a marginal decrease over the quarter, but a marginal increase over the year.

Over the June quarter, the number of first home buyers increased in all states and territories. The smallest increase was seen in South Australia (8.3%) and the largest in the Northern Territory (39.3%), although with only 209 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 \$532,429. This was an increase of 2.7% over the quarter and 6.8% over the past twelve months.

The average loan size to first home buyers decreased in the Northern Territory and the Australian Capital Territory, but increased in all 6 states. South Australia had the largest increase in average first home buyer loan size (4.9%) and Victoria the smallest (0.6%).

LENDING TRENDS

In total, owner occupiers made 83,599 new loan commitments during the June quarter 2024, 18.8% more than last quarter, and 6.9% more than in the June quarter 2023.

The total number of loans for owner occupiers increased in all states and territories over the June quarter. Increases ranged from 9.8% in South Australia to 25.9% in New South Wales.

Over the June quarter, the average loan size increased to \$629,249, an increase of 3.6% over the June quarter, and 7.9% over the past 12 months. The average loan size decreased in the Northern Territory (-1.9%) and the Australian Capital Territory (-2.2%), but increased in all 6 states. Increases ranged from 0.4% in Victoria to 5.3% in Western Australia.

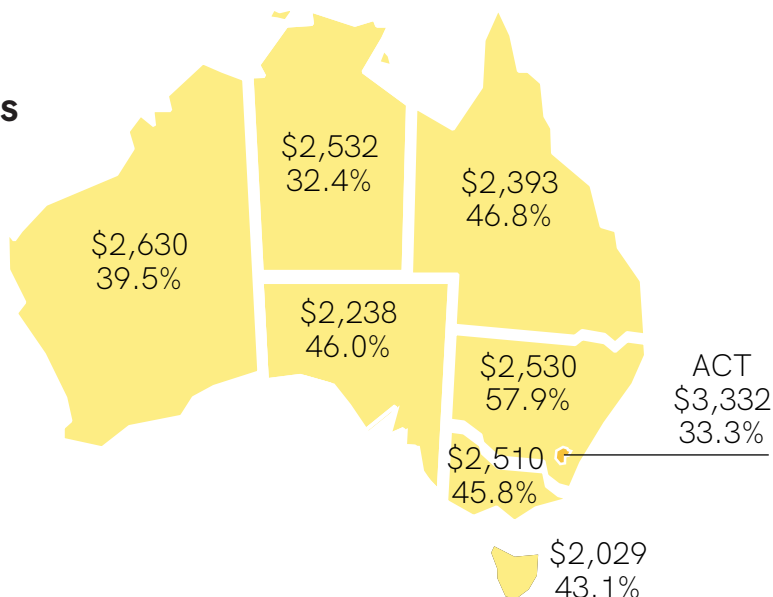
Comparable movement was also seen over the last 12 months: the average loan size decreased in the Northern Territory and the Australian Capital Territory, but increased in all 6 states.

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).

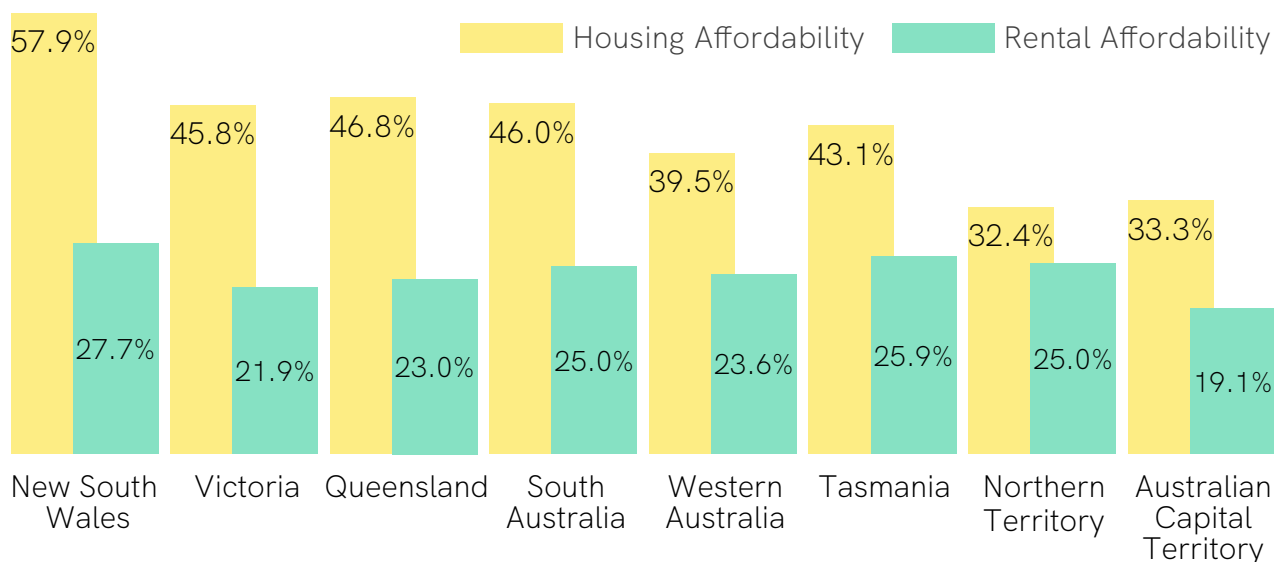


Family Income and Weekly Repayments

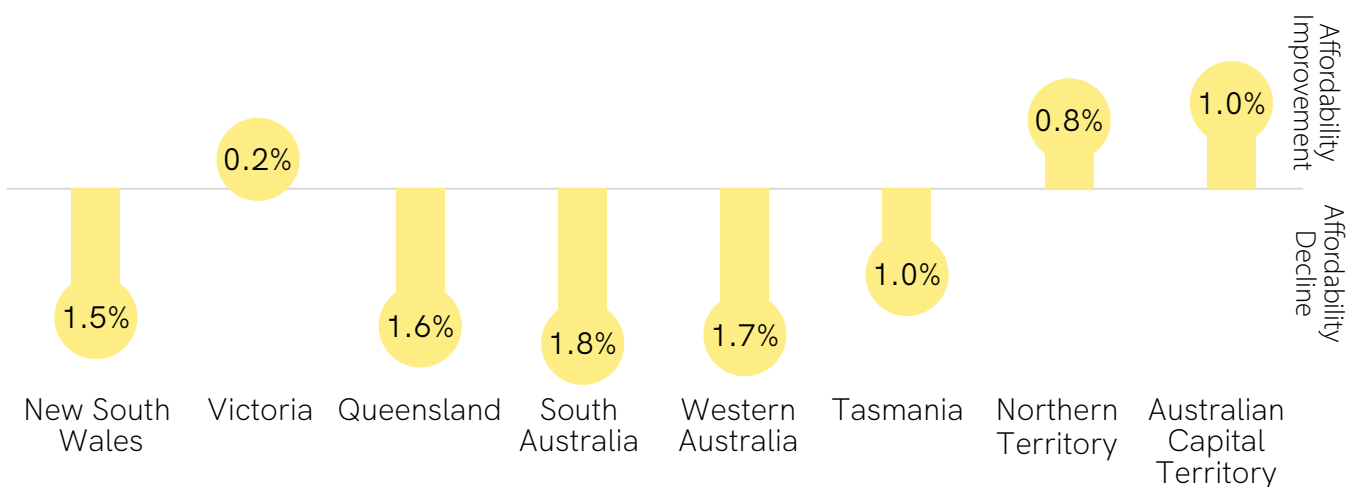
Median weekly family income and proportion required to meet loan repayments



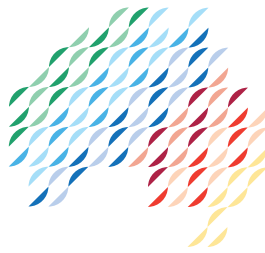
Housing and Rental Affordability



Quarterly Change Housing Affordability



PRESIDENT'S MESSAGE



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

REIA HAR Presidents Report June quarter 2024

The impact of rising inflation and interest rate increases has never been more apparent than over the June 2024 quarter.

Housing affordability in Australia has declined to the lowest point since REIA monitoring began in 1996. The average loan repayment nationally now amounts to 48.1% of the median family income, an increase of 1.3 percentage points over the quarter.

In real terms, for every dollar earned, just over 48 cents is going back into a home loan repayments.

While some small improvements were seen in Victoria, the Northern Territory and the Australian Capital Territory, housing affordability declined in all other states.

Declines ranged from 1.0 percentage points in Tasmania to 1.8 percentage points in South Australia.

Rental affordability also declined over the quarter but remains nowhere near the catastrophic lows of income to home loan affordability.

Nationally, the proportion of income required to meet median rents increased 0.2 percentage points over the quarter to 24.6%.

Across the states and territories, movement has been mixed: rental affordability improved over the quarter in New South Wales, Tasmania, and the Australian Capital Territory, and declined in all other states and territories.

Declines ranged from 0.2 percentage points in South Australia and the Northern Territory, to 0.6 percentage points in Victoria and Western Australia.

First home buyers remain active in their pursuit of the Great Australian Dream.

The number of first home buyers increased to 30,636, 18.6% more than last quarter, and 7.2% more than in the June quarter 2023.

As we approach the next federal election, it is evident that political parties will need to do more to assist homeowners and renters navigate these post pandemic economic challenges. We call on all candidates to put housing first in their promises to voters.

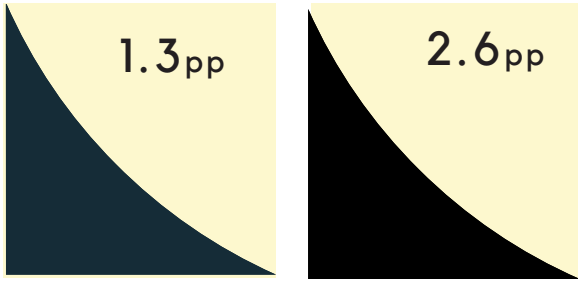
On a final note, I'd like to thank outgoing REIA CEO Anna Neelagama, who will finish at REIA in September 2024, for her drive and commitment to evidence based housing research, ensuring the REIA HAR remains Australia's leading guide to housing affordability.

Yours sincerely,

Leanne Pilkington
President
Real Estate Institute of Australia

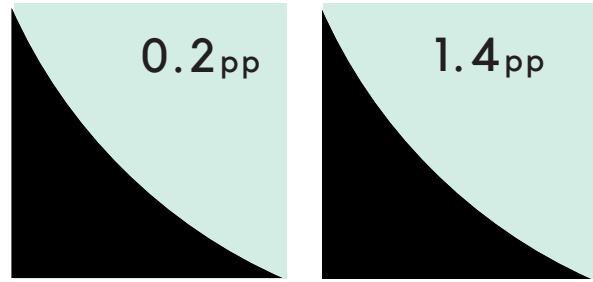


HOUSING AFFORDABILITY



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

	Jun Qtr 2024	Mar Qtr 2024	Jun Qtr 2023
NSW	57.9%	56.4%	55.4%
VIC	45.8%	46.0%	46.0%
QLD	46.8%	45.2%	42.0%
SA	46.0%	44.2%	41.6%
WA	39.5%	37.8%	34.7%
TAS	43.1%	42.1%	43.0%
NT	32.4%	33.2%	34.2%
ACT	33.3%	34.3%	34.5%
AUS	48.1%	46.8%	45.5%

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

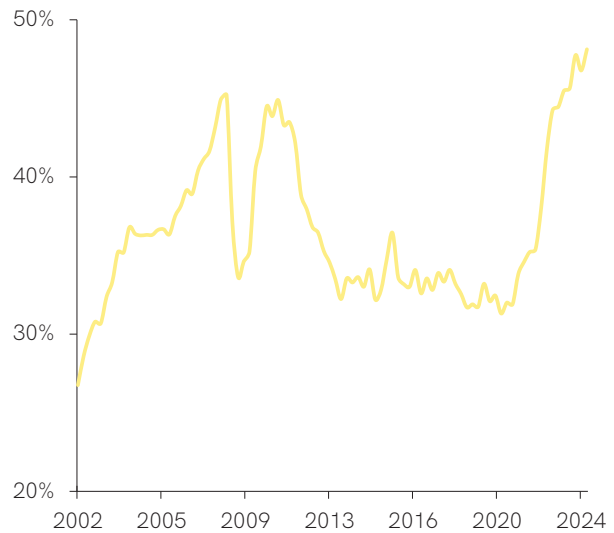
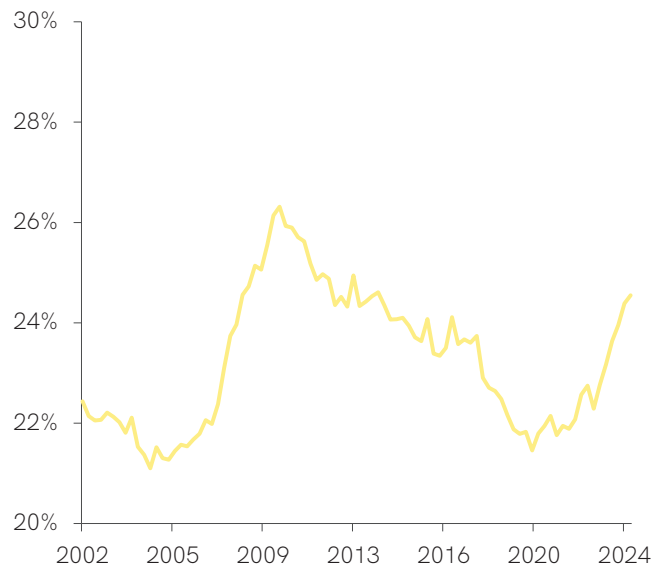


Chart 2: Proportion of median family income required to meet weighted average median rent



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 June quarter 2024, and over the past year. The proportion of income required to meet the median rent has increased to 24.6%. This was an increase of 0.2 percentage points over the quarter and 1.4 percentage points over the past 12 months.

Across the states and territories, movement has been mixed: rental affordability improved over the quarter in New South Wales, Tasmania and the Australian Capital Territory, and declined in Victoria, Queensland, South Australia, Western Australia, and the Northern Territory.

New South Wales, where median rent was 27.7% of the median family income (3.1 percentage points higher than the national average), remained the least affordable state or territory in which to rent a property. The Australian Capital Territory, where median rent is 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 30,636 new loan commitments during the June quarter 2024, 18.6% more than, and 7.2% more than the June quarter last year.

First home buyers accounted for 36.6% of all owner occupier dwelling loan commitments made during the June quarter, a marginal decrease over the quarter, but a marginal increase over the year.

The average loan size to first home buyers increased to \$532,429. This was an increase of 2.7% over the quarter and 6.8% 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 June 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

	Jun Qtr 2024	Mar Qtr 2023	Jun Qtr 2023
NSW	27.7%	27.9%	26.7%
VIC	21.9%	21.3%	19.9%
QLD	23.0%	22.7%	21.3%
SA	25.0%	24.8%	23.3%
WA	23.6%	23.0%	21.8%
TAS	25.9%	27.3%	27.0%
NT	25.0%	24.8%	25.4%
ACT	19.1%	19.7%	19.4%
AUS	24.6%	24.4%	23.2%

Fast Facts

Proportion of family income to meet

	Jun 2024	Mar 2024	Jun 2023
Home loan repayments	48.1%	46.8%	45.5%
Rent payments	24.6%	24.4%	23.2%

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

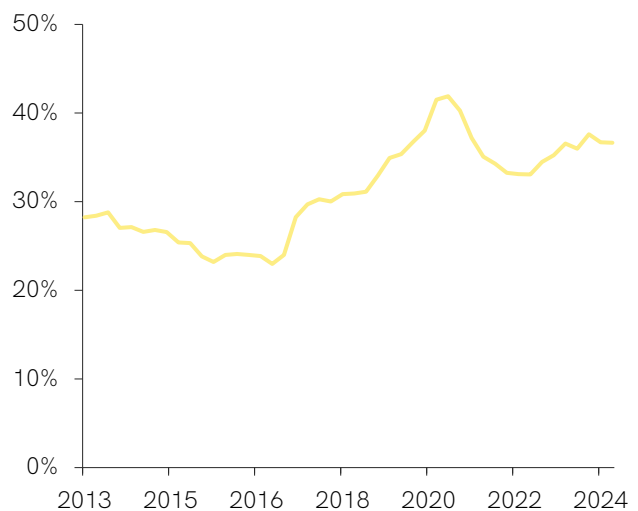
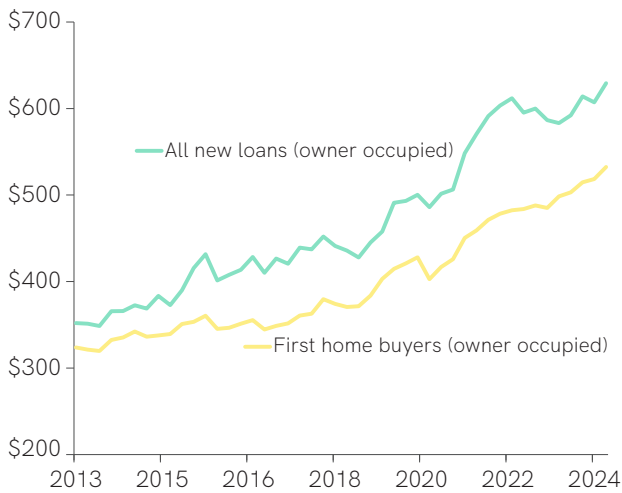


Chart 3b: Average loan size for first home buyers and all owner occupiers (\$'000s)

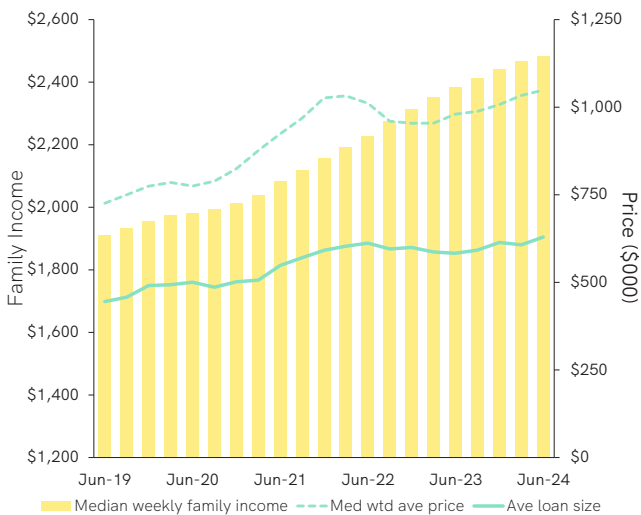


Factors influencing home loan affordability

- 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 \$1,049,136. This was an increase of 1.5% over the June quarter and 7.0% 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 September 11, 2024.

Median family income and average monthly loan repayments

The national median weekly family income increased to \$2,486 over the June quarter. This was an increase of 0.8% over the quarter and 4.2% over the past 12 months.

The average monthly loan repayment increased to \$5,182. This was an increase of 3.7% over the quarter and 10.2% over the past 12 months.

Average loan repayments now amount to 48.1% of the median family income, the highest proportion since the REIA started monitoring housing affordability in 1996. This was an increase of 1.3 percentage points over the quarter and 2.6 percentage points over the past year.

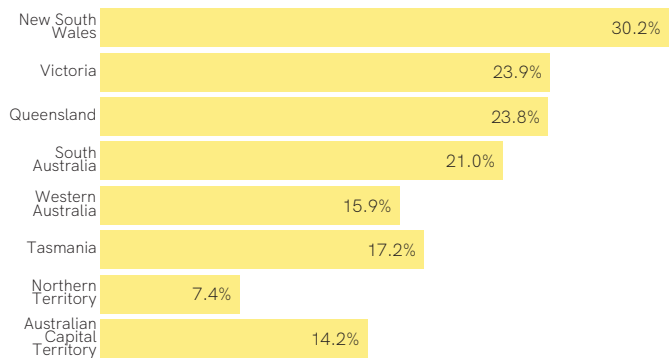
Loans to owner occupiers (all borrowers)

In total, owner occupiers made 83,599 new loan commitments during the quarter, 18.8% more than last quarter, and 6.9% more than in the June quarter 2023.

The average loan size increased to \$629,249, an increase of 3.6% over the June quarter, and 7.9% 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.



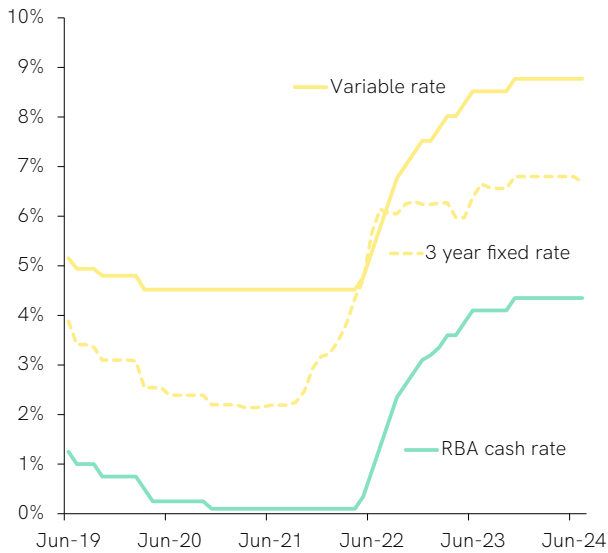
Interest Rates

The Reserve Bank of Australia maintained the official cash rate at 4.35% throughout the June quarter. The quarterly average standard variable interest rate remained stable at 8.8%. The quarterly average 3 year fixed rate also remained stable at 6.8%.

The standard variable interest rate was 2.0 percentage points higher than the 3 year fixed rate at the end of the June 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 16.2 percentage points over the past 5 years, 14.5 percentage points over the past 10 years and 11.3 percentage points over the past 20 years.

Rental affordability Australia-wide has declined by 2.4 percentage points over the past 5 years, 0.2 percentage points over the past 10 years and 3.0 percentage points over the past 20 years.

Table 3: Housing affordability compared with the current quarter

	5 years	10 years	20 years
NSW	-20.8	-19.9	-13.5
VIC	-13.2	-10.6	-10.1
QLD	-17.1	-16.0	-8.9
SA	-17.5	-16.3	-17.4
WA	-13.5	-8.8	-10.2
TAS	-16.3	-16.2	-15.3
NT	-8.6	-2.1	-4.5
ACT	-9.6	-10.5	-4.7
AUS	-16.2	-14.5	-11.3

Table 4: Rental affordability compared with the current quarter

	5 years	10 years	20 years
NSW	-2.5	-0.5	-4.7
VIC	-1.0	0.2	-1.7
QLD	-2.2	0.2	-0.8
SA	-3.5	-1.7	-4.6
WA	-6.5	-0.9	-5.9
TAS	3.0	-0.8	-2.2
NT	-4.5	8.7	-3.5
ACT	0.7	-1.2	0.1
AUS	-2.4	-0.2	-3.0



Chart 6 Housing and rental affordability over time (national)

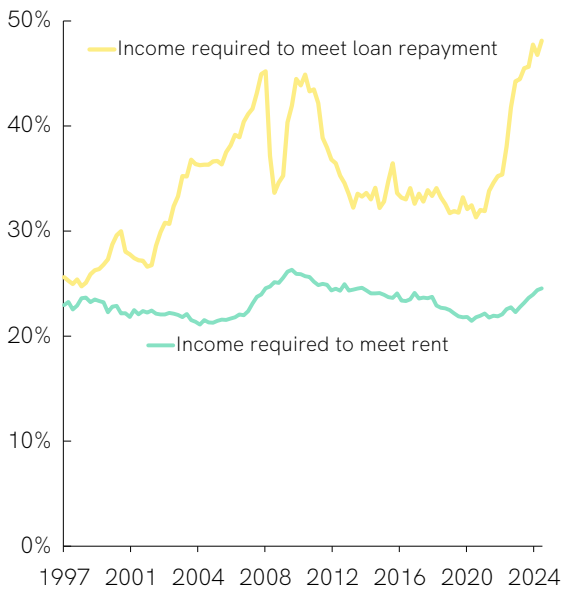


Chart 7 shows a long-term comparison between the movement of the Consumer Price Index (CPI) and the weighted average median rent for a three bedroom house in the eight Australian capital cities.

Chart 7 Australian rent and CPI

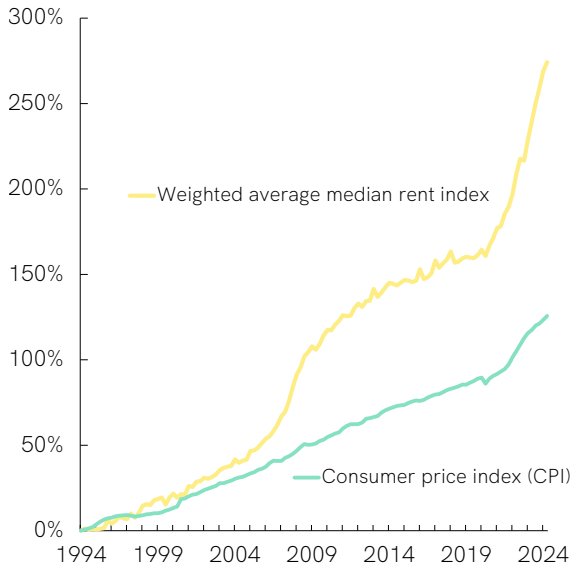


Table 5: Australia

	Jun 2024	Mar 2024	Jun 2023
Proportion of family income devoted to meeting average loan repayments	48.1%	46.8%	45.5%
Proportion of family income devoted to meeting median rents	24.6%	24.4%	23.2%
Median weekly family income	\$2,486	\$2,466	\$2,386
Average monthly loan repayment	\$5,182	\$4,999	\$4,704
Average loan size	\$629,249	\$607,095	\$583,154
Total number of loans	83,599	70,374	78,189
Number of loans to first home buyers	30,636	25,824	28,578
Average first home buyer loan	\$532,429	\$518,510	\$498,411
Banks			
Standard variable interest rate	8.8%	8.8%	8.5%
Three year fixed interest rate	6.8%	6.8%	6.4%

Table 6: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-16.2	-14.5	-11.3
Meeting rental payments	-2.4	-0.2	-3.1



NEW SOUTH WALES

Chart 8 New South Wales affordability

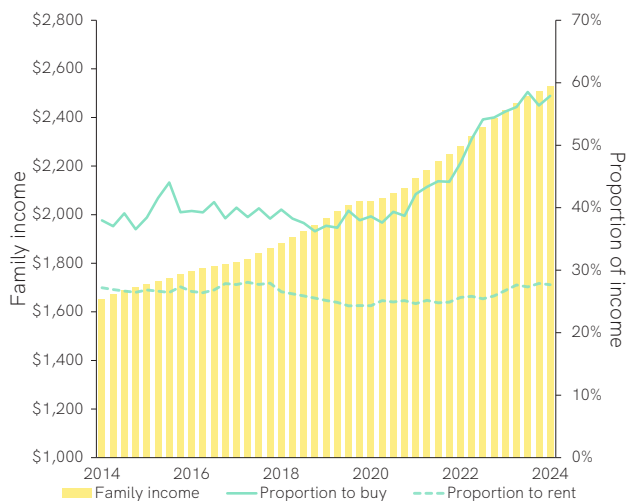
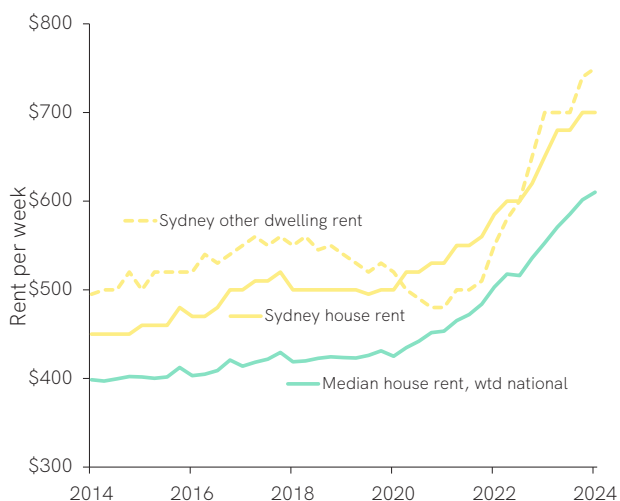


Chart 9 Median rents in Sydney



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 57.9% over the quarter. This was an increase of 1.5 percentage points over the quarter and 2.5 percentage points over the year.

Rental affordability in New South Wales improved over the quarter, but has declined over the year. The proportion of family income required to meet median rent decreased to 27.7%, a decrease of 0.2 percentage points over the quarter, but an increase of 1.0 percentage points 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

	Jun 2024	Mar 2024	Jun 2023
Proportion of family income devoted to meeting average loan repayments	57.9%	56.4%	55.4%
Proportion of family income devoted to meeting median rents	27.7%	27.9%	26.7%
Median weekly family income	\$2,530	\$2,510	\$2,430
Average monthly loan repayment	\$6,344	\$6,131	\$5,834
Average loan size	\$770,331	\$744,503	\$723,281
Total number of loans	21,443	17,026	19,926
Number of loans to first home buyers	7,502	6,073	7,121
Average first home buyer loan size	\$630,099	\$614,178	\$607,822

Table 8: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-20.8	-19.9	-13.5
Meeting rental payments	-2.5	-0.5	-4.7

The number of loans to first home buyers in New South Wales increased to 7,502. This was an increase of 23.5% over the quarter and 5.4% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 24.5% were from New South Wales. First home buyers made up 35.0% of the state's owner occupier market. In the June quarter 2024, the average loan to first home buyers increased to \$630,099. This was an increase of 2.6% over the quarter and 3.7% over the past year.

The total number of loans for all owner occupiers increased to 21,443. This was an increase of 25.9% over the quarter and 7.6% over the past year. The average loan size increased to \$770,331. This was an increase of 3.5% over the quarter and 6.5% over the past year.



VICTORIA

Chart 10 Victoria affordability

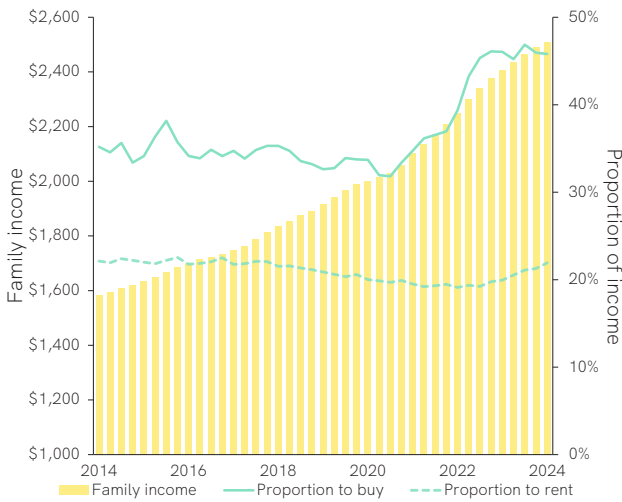
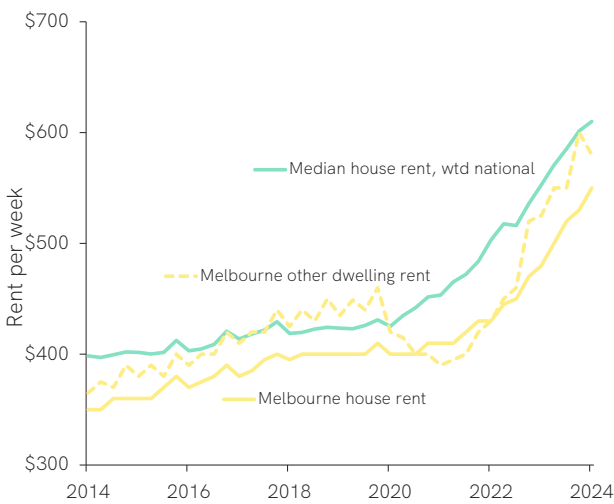


Chart 11 Median rents in Melbourne



Housing affordability improved in Victoria over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments decreased to 45.8% over the quarter. This was a decrease of 0.2 percentage points both over the quarter and over the year.

Rental affordability in Victoria 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 0.6 percentage points over the quarter and 2.0 percentage points over the year.

Table 9: Victoria

	Jun 2024	Mar 2024	Jun 2023
Proportion of family income devoted to meeting average loan repayments	45.8%	46.0%	46.0%
Proportion of family income devoted to meeting median rents	21.9%	21.3%	19.9%
Median weekly family income	\$2,510	\$2,490	\$2,407
Average monthly loan repayment	\$4,980	\$4,959	\$4,802
Average loan size	\$604,677	\$602,141	\$595,349
Total number of loans	24,693	20,175	21,696
Number of loans to first home buyers	10,074	8,037	8,693
Average first home buyer loan size	\$512,974	\$509,854	\$499,229

Table 10: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-13.2	-10.6	-10.1
Meeting rental payments	-1.0	0.2	-1.7

The number of loans to first home buyers in Victoria increased to 10,074. This was an increase of 25.3% over the quarter and 15.9% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 32.9% were from Victoria. Victoria continues to have the highest number of first home buyer loans. First home buyers made up 40.8% of the state's owner occupier market. In the June quarter 2024, the average loan to first home buyers increased to \$512,974. This was an increase of 0.6% over the quarter and 2.8% over the past year.

The total number of loans for all owner occupiers increased to 24,693. This was an increase of 22.4% over the quarter and 13.8% over the past year. The average loan size increased to \$604,677. This was an increase of 0.4% over the quarter and 1.6% over the past year.



QUEENSLAND

Chart 12 Queensland affordability

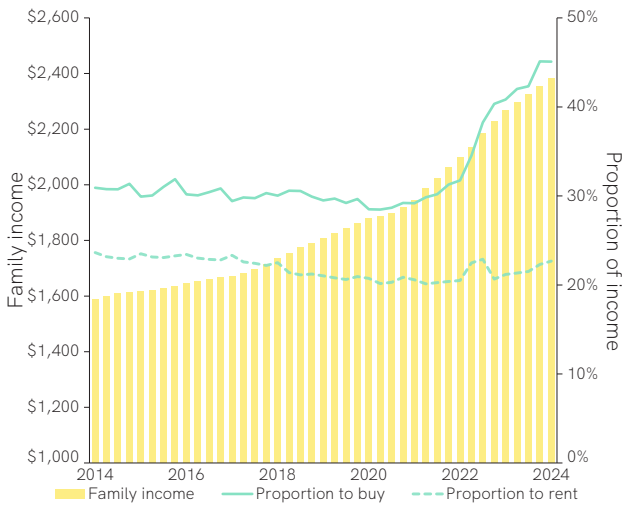
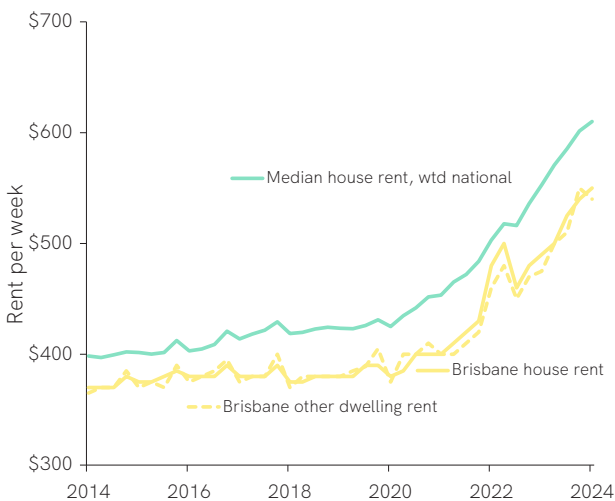


Chart 13 Median rents in Brisbane



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 46.8% over the quarter. This was an increase of 1.6 percentage points over the quarter and 4.8 percentage points over the year. Queensland, along with Western Australia, had the highest annual decline in housing affordability from among the states and territories.

Rental affordability in Queensland declined over the quarter and over the year. The proportion of family income required to meet median rent increased to 23.0%, an increase of 0.3 percentage points over the quarter and 1.7 percentage points over the year.

Table 11: Queensland

	Jun 2024	Mar 2024	Jun 2023
Proportion of family income devoted to meeting average loan repayments	46.8%	45.2%	42.0%
Proportion of family income devoted to meeting median rents	23.0%	22.7%	21.3%
Median weekly family income	\$2,393	\$2,374	\$2,297
Average monthly loan repayment	\$4,854	\$4,652	\$4,183
Average loan size	\$589,369	\$564,845	\$518,551
Total number of loans	17,392	15,338	16,910
Number of loans to first home buyers	5,680	5,037	5,440
Average first home buyer loan size	\$505,915	\$490,828	\$448,346

Table 12: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-17.1	-16.0	-8.9
Meeting rental payments	-2.2	0.2	-0.8

The number of loans to first home buyers in Queensland increased to 5,680. This was an increase of 12.8% over the quarter and 4.4% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 18.5% were from Queensland. First home buyers made up 32.7% of the state's owner occupier market. In the June quarter 2024, the average loan to first home buyers increased to \$505,915. This was an increase of 3.1% over the quarter and 12.8% over the past year.

The total number of loans for all owner occupiers increased to 17,392. This was an increase of 13.4% over the quarter and 2.9% over the past year. The average loan size increased to \$589,369. This was an increase of 4.3% over the quarter and 13.7% over the past year.



SOUTH AUSTRALIA

Chart 14 South Australia affordability

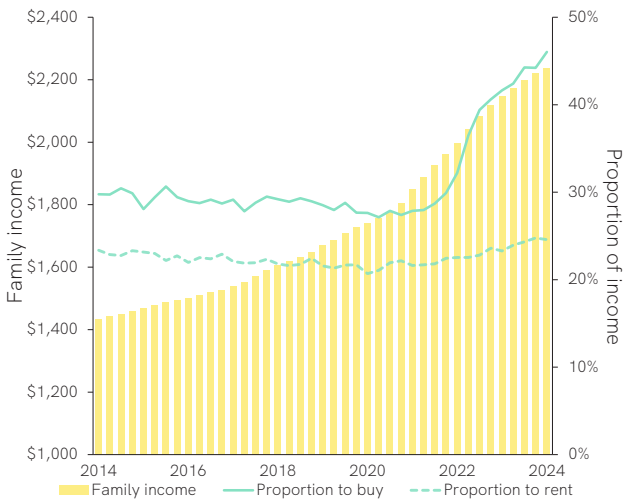
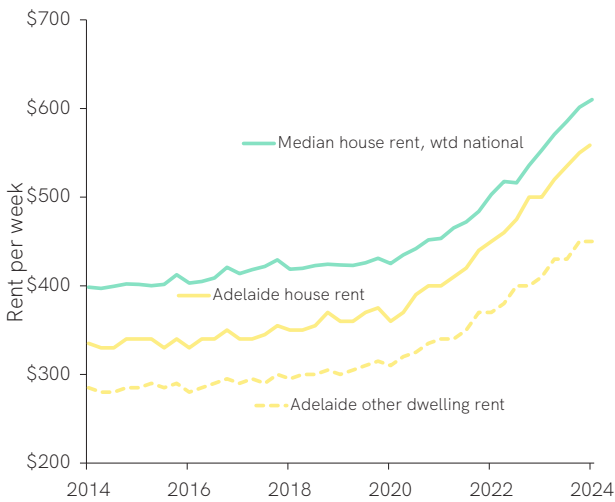


Chart 15 Median rents in Adelaide



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 46.0% over the quarter. This was an increase of 1.8 percentage points over the quarter and 4.4 percentage points over the year. South Australia had the largest decline in housing affordability over the quarter.

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 25.0%, an increase of 0.2 percentage points over the quarter and 1.7 percentage points over the year.

Table 13: South Australia

	Jun 2024	Mar 2024	Jun 2023
Proportion of family income devoted to meeting average loan repayments	46.0%	44.2%	41.6%
Proportion of family income devoted to meeting median rents	25.0%	24.8%	23.3%
Median weekly family income	\$2,238	\$2,221	\$2,147
Average monthly loan repayment	\$4,463	\$4,255	\$3,875
Average loan size	\$541,935	\$516,708	\$480,436
Total number of loans	5,344	4,866	5,602
Number of loans to first home buyers	1,804	1,665	1,838
Average first home buyer loan size	\$491,242	\$468,348	\$439,989

Table 14: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-17.5	-16.3	-17.4
Meeting rental payments	-3.5	-1.7	-4.6

The number of loans to first home buyers in South Australia increased to 1,804. This was an increase of 8.3% over the quarter, but a decrease of 1.8% 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 33.8% of the state’s owner occupier market. In the June quarter 2024, the average loan to first home buyers increased to \$491,242. This was an increase of 4.9% over the quarter and 11.6% over the past year.

The total number of loans for all owner occupiers increased to 5,344. This was an increase of 9.8% over the quarter, but a decrease of 4.6% over the past year. The average loan size increased to \$541,935. This was an increase of 4.9% over the quarter and 12.8% over the past year.



WESTERN AUSTRALIA

Chart 16 Western Australia affordability

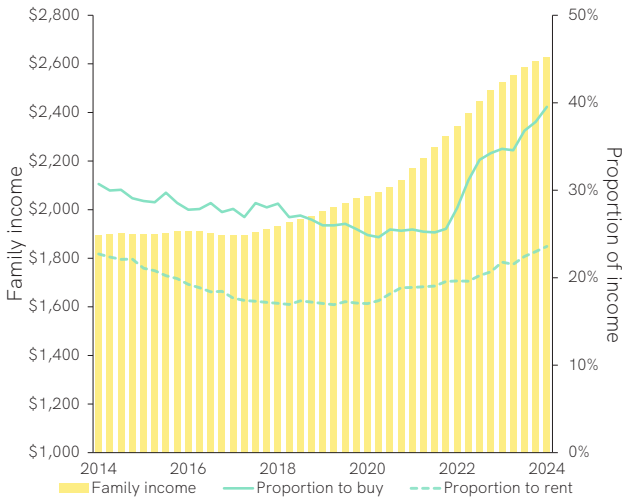
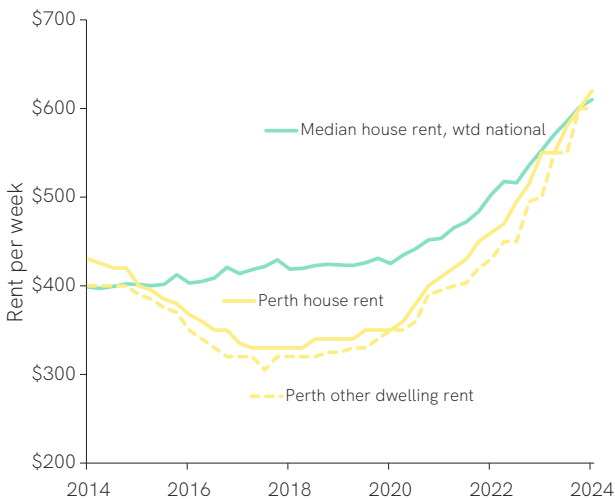


Chart 17 Median rents in Perth



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 39.5% over the quarter. This was an increase of 1.7 percentage points over the quarter and 4.8 percentage points over the year. Western Australia, along with Queensland, had the highest annual decline in housing affordability from among the states and territories.

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 23.6%, an increase of 0.6 percentage points over the quarter and 1.8 percentage points

Table 15: Western Australia

	Jun 2024	Mar 2024	Jun 2023
Proportion of family income devoted to meeting average loan repayments	39.5%	37.8%	34.7%
Proportion of family income devoted to meeting median rents	23.6%	23.0%	21.8%
Median weekly family income	\$2,630	\$2,610	\$2,525
Average monthly loan repayment	\$4,504	\$4,277	\$3,801
Average loan size	\$546,964	\$519,399	\$471,232
Total number of loans	10,836	9,588	10,119
Number of loans to first home buyers	4,133	3,785	4,028
Average first home buyer loan size	\$475,393	\$454,795	\$406,231

Table 16: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-13.5	-8.8	-10.2
Meeting rental payments	-6.5	-0.9	-5.9

over the year.

The number of loans to first home buyers in Western Australia increased to 4,133. This was an increase of 9.2% over the quarter and 2.6% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 13.5% were from Western Australia. First home buyers made up 38.1% of the state’s owner occupier market. In the June quarter 2024, the average loan to first home buyers increased to \$475,393. This was an increase of 4.5% over the quarter and 17.0% over the past year.

The total number of loans for all owner occupiers increased to 10,836. This was an increase of 13.0% over the quarter and 7.1% over the past year. The average loan size increased to \$546,964. This was an increase of 5.3% over the quarter and 16.1% over the past year. This was the largest increase in loan size of any state or territory, both over the quarter and over the year.



TASMANIA

Chart 18 Tasmania affordability

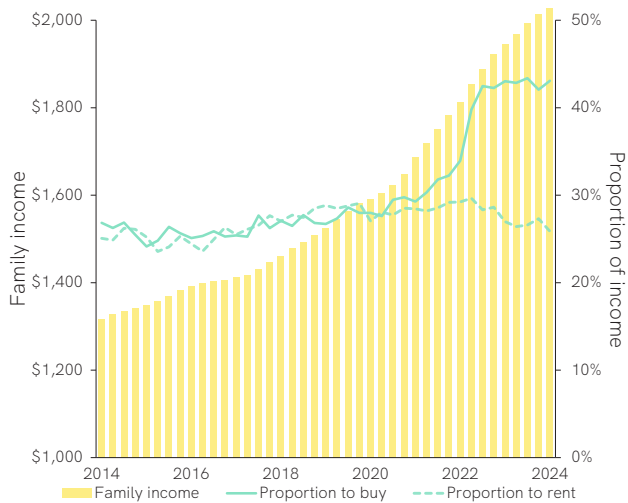
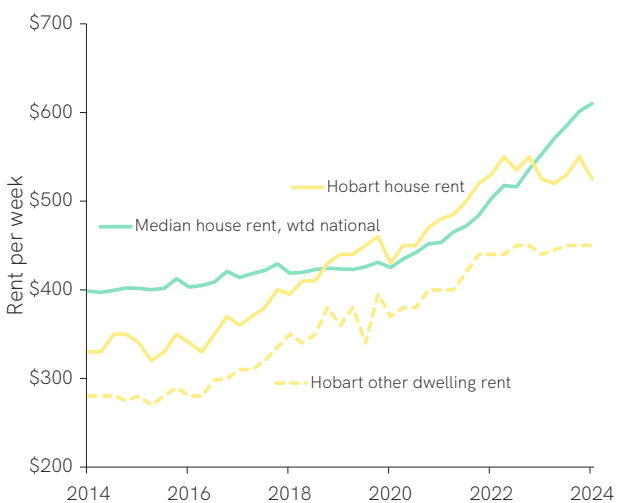


Chart 19 Median rents in Hobart



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 43.1% over the quarter. This was an increase of 1.0 percentage points over the quarter, but only a marginal increase of 0.1 percentage points over the year.

Rental affordability in Tasmania improved over the quarter and over the year. The proportion of family income required to meet median rent decreased to 25.9%, a decrease of 1.4 percentage points over the quarter and 1.1 percentage points over the year. Tasmania had the largest improvement in rental affordability both over the quarter and over the year.

Table 17: Tasmania

	Jun 2024	Mar 2024	Jun 2023
Proportion of family income devoted to meeting average loan repayments	43.1%	42.1%	43.0%
Proportion of family income devoted to meeting median rents	25.9%	27.3%	27.0%
Median weekly family income	\$2,029	\$2,013	\$1,946
Average monthly loan repayment	\$3,786	\$3,671	\$3,628
Average loan size	\$459,775	\$445,742	\$449,835
Total number of loans	1,509	1,362	1,515
Number of loans to first home buyers	499	424	484
Average first home buyer loan size	\$422,244	\$409,906	\$411,364

Table 18: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-16.3	-16.2	-15.3
Meeting rental payments	3.0	-0.8	-2.2

The number of loans to first home buyers in Tasmania increased to 499. This was an increase of 17.7% over the quarter and 3.1% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 1.6% were from Tasmania. First home buyers made up 33.1% of the state's owner occupier market. In the June quarter 2024, the average loan to first home buyers increased to \$422,244. This was an increase of 3.0% over the quarter and 2.6% over the past year.

The total number of loans for all owner occupiers increased to 1,509. This was an increase of 10.8% over the quarter, but a decrease of 0.4% over the past year. The average loan size increased to \$459,775. This was an increase of 3.1% over the quarter and 2.2% over the past year.



NORTHERN TERRITORY

Chart 20 Northern Territory affordability

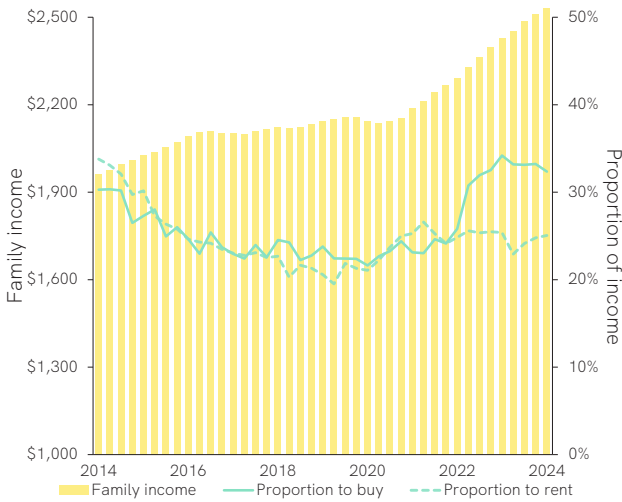
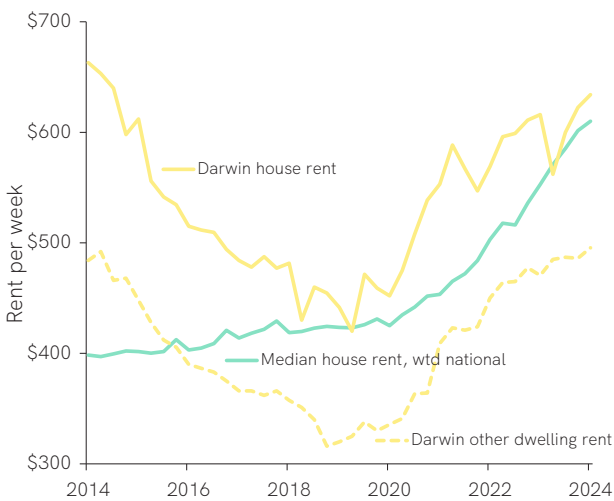


Chart 21 Median rents in Darwin



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 32.4% over the quarter. This was a decrease of 0.8 percentage points over the quarter and 1.8 percentage points over the year.

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 25.0%, an increase of 0.2 percentage points over the quarter, but a decrease of 0.4 percentage points over the year.

Table 19: Northern Territory

	Jun 2024	Mar 2024	Jun 2023
Proportion of family income devoted to meeting average loan repayments	32.4%	33.2%	34.2%
Proportion of family income devoted to meeting median rents	25.0%	24.8%	25.4%
Median weekly family income	\$2,532	\$2,512	\$2,427
Average monthly loan repayment	\$3,550	\$3,618	\$3,596
Average loan size	\$431,028	\$439,286	\$445,783
Total number of loans	506	448	498
Number of loans to first home buyers	209	150	176
Average first home buyer loan size	\$414,833	\$426,000	\$409,091

Table 20: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-8.6	-2.1	-4.5
Meeting rental payments	-4.5	8.7	-3.5

The number of loans to first home buyers in the Northern Territory increased to 209. This was an increase of 39.3% over the quarter and 18.8% over the past year. Of the total number of Australian first home buyers who purchased during the June quarter, 0.7% were from the Northern Territory. First home buyers made up 41.3% of the state's owner occupier market. In the June quarter 2024, the average loan to first home buyers decreased to \$414,833. This was a decrease of 2.6% over the quarter, but an increase of 1.4% over the past year.

The total number of loans for all owner occupiers increased to 506. This was an increase of 12.9% over the quarter and an increase of 1.6% over the past year. The average loan size decreased to \$431,028. This was a decrease of 1.9% over the quarter and 3.3% over the past year.



AUSTRALIAN CAPITAL TERRITORY

Chart 22 Australian Capital Territory affordability

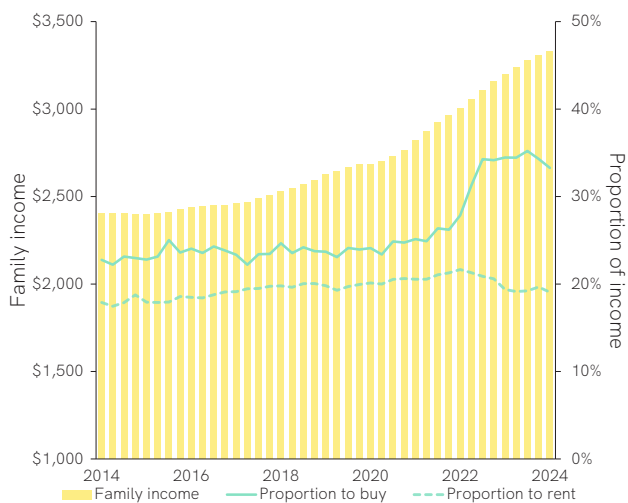
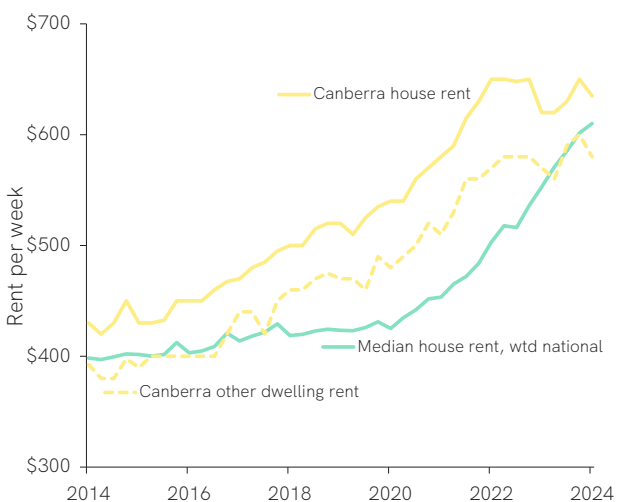


Chart 23 Median rents in Canberra



Housing affordability improved in the Australian Capital Territory over the quarter and over the year. The proportion of family income devoted to meeting average loan repayments decreased to 33.3% over the quarter. This was a decrease of 1.0 percentage points over the quarter and 1.2 percentage points over the year.

Rental affordability in the Australian Capital Territory improved over the quarter and over the year. The proportion of family income required to meet median rent decreased to 19.1%, a decrease of 0.6 percentage points over the quarter and 0.3 percentage points over the year.

Table 21: Australian Capital Territory

	Jun 2024	Mar 2024	Jun 2023
Proportion of family income devoted to meeting average loan repayments	33.3%	34.3%	34.5%
Proportion of family income devoted to meeting median rents	19.1%	19.7%	19.4%
Median weekly family income	\$3,332	\$3,306	\$3,199
Average monthly loan repayment	\$4,804	\$4,914	\$4,776
Average loan size	\$583,369	\$596,754	\$592,163
Total number of loans	1,876	1,571	1,863
Number of loans to first home buyers	735	653	798
Average first home buyer loan size	\$536,735	\$538,132	\$527,193

Table 22: Change in affordability over time

	5 years	10 years	20 years
Home loan affordability	-9.6	-10.5	-4.7
Meeting rental payments	0.7	-1.2	0.1

The number of loans to first home buyers in the Australian Capital Territory increased to 735, an increase of 12.6% over the quarter. Over the past year, the number of loans to first home buyers decreased 7.9%, the largest annual decrease in the number of first home buyers of any state or territory. Of the total number of Australian first home buyers who purchased during the June quarter, 2.4% were from the Australian Capital Territory. First home buyers made up 39.2% of the state's owner occupier market. In the June quarter 2024, the average loan to first home buyers decreased to \$536,735. This was a decrease of 0.3% over the quarter, but an increase of 1.8% over the past year.

The total number of loans for all owner occupiers increased to 1,876. This was an increase of 19.4% over the quarter and 0.7% over the past year. The average loan size decreased to \$583,369. This was a decrease of 2.2% over the quarter and 1.5% 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.

As of June 2024, CRA payments range 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 1,311,350 families or individuals receiving CRA in June 2024, 47,350 more than in June 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. In June 2024 CRA covered 18.1% of the weighted national median rent, 1.4 percentage points more than in June 2023 (16.7%). This table intends to serve as a guide for decision makers and will be incorporated in all future editions.

Commonwealth Rent Assistance Payments

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

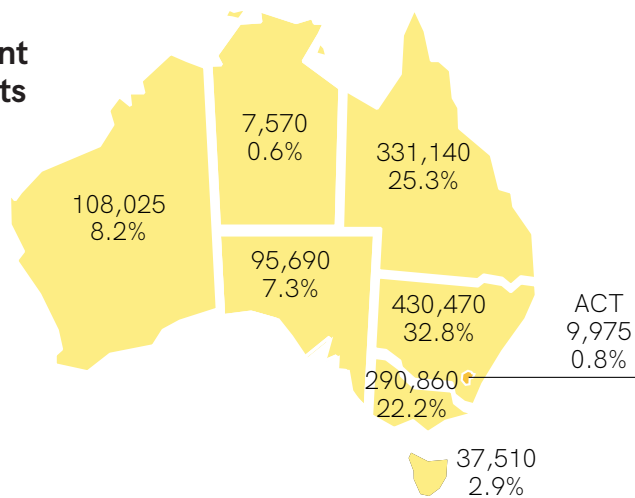


Table 23: Affordable rent on pensions and benefits

	30% of income + CRA	40% of income + CRA
Single - living alone	\$210	\$250
Single - sharer	\$180	\$220
Couple	\$300	\$370
Single Parent	\$325	\$395
Couple with 2 children	\$425	\$530
Couple with 4 children	\$515	\$645
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)

	Jun 24	Jun 23	Jun 02
Sydney	15.8%	14.2%	22.1%
Melbourne	20.1%	19.3%	26.6%
Brisbane	20.1%	18.9%	25.3%
Adelaide	19.8%	18.5%	28.7%
Perth	17.8%	16.8%	30.9%
Canberra	17.4%	14.9%	21.3%
Hobart	21.1%	17.6%	30.4%
Darwin	17.4%	15.0%	22.1%
Cap Cit	18.1%	16.7%	25.0%



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.

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

Website: www.reia.com.au

Email: reia@reia.com.au

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