

Housing Affordability Report - September Quarter 2018

Source: Real Estate Institute of Australia

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ACT
Government

Chief Minister, Treasury and
Economic Development

Home loan affordability in the ACT improved in the September quarter 2018

ACT

The proportion of family income needed to meet average loan repayments decreased by 0.9 of a percentage point to 20.0 per cent in the September quarter 2018.

Through the year¹ to the September quarter 2018, the proportion of family income needed to meet average loan repayments increased by 1.5 percentage points.

The proportion of weekly family income needed to meet median rent payments decreased by 0.2 of a percentage point to 18.4 per cent in the September quarter 2018.

Through the year to the September quarter 2018, the proportion of family income needed to meet median rent payments increased by 0.3 of a percentage point.

National

The proportion of family income needed to meet average loan repayments decreased by 0.8 of a percentage point to 31.4 per cent in the September quarter 2018.

Through the year to the September quarter 2018, the proportion of family income needed to meet average loan repayments increased by 1.1 percentage points.

The proportion of weekly family income needed to meet median rent payments decreased by 0.2 of a percentage point to 23.9 per cent in the September quarter 2018.

Through the year to the September quarter 2018, the proportion of family income needed to meet median rent payments decreased by 0.5 of a percentage point.

Key Indicators, ACT and Australia – September Quarter 2018

| Indicator | Level | Change | |
|------------------------------------------------------------------------|---------|----------|------------------|
| | | Quarter | tty ¹ |
| ACT | | | |
| Proportion of family income needed to meet average loan repayments (%) | 20.0 | -0.9ppts | 1.5ppts |
| Proportion of family income needed to meet median rent payments (%) | 18.4 | -0.2ppts | 0.3ppts |
| Median monthly family income (\$)² | 11,769 | 1.0% | 2.4% |
| Average monthly loan repayment (\$) | 2,353 | -3.3% | 10.9% |
| Average loan (\$) | 397,144 | -3.5% | 10.1% |
| Total number of new loans(a) | 2,215 | -7.8% | -13.4% |
| Australia | | | |
| Proportion of family income needed to meet average loan repayments (%) | 31.4 | -0.8ppts | 1.1ppts |
| Proportion of family income needed to meet median rent payments (%) | 23.9 | -0.2ppts | -0.5ppts |
| Median monthly family income (\$)² | 7,605 | 1.0% | 2.6% |
| Average monthly loan repayment (\$) | 2,386 | -1.4% | 6.1% |
| Average loan (\$) | 402,632 | -1.8% | 5.5% |
| Total number of new loans(a) | 104,012 | -4.8% | -11.9% |

Source: Real Estate Institute of Australia (a) Excludes refinancing ppts – percentage points

¹Through the year growth is the percentage change from the same period in the previous year.

²REIA median weekly family income data has been converted to monthly.

Commentary

ACT

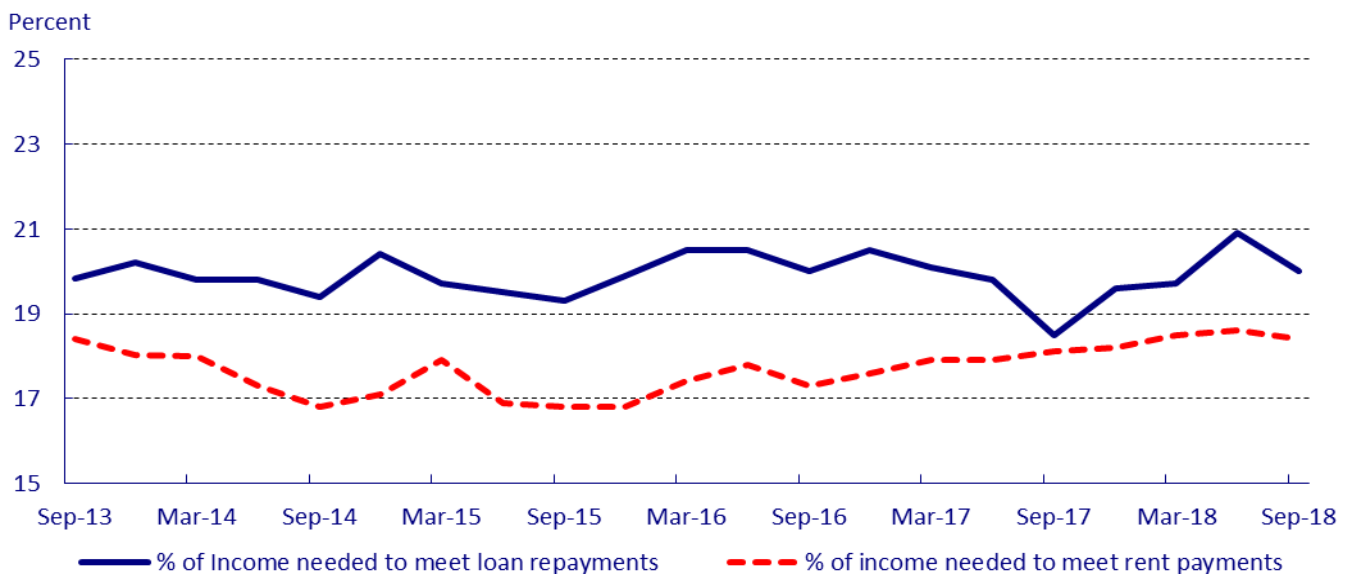
The Home Loan Affordability Indicator (HLAI)¹ increased by 4.4 per cent (from 47.9 to 50.0) in the September quarter 2018. Through the year to the September quarter 2018, the HLAI decreased by 7.7 per cent (from 54.2 to 50.0).

In the September quarter 2018, the ACT continues to be the most affordable jurisdiction to buy, largely due to the ACT's higher income levels. In terms of rental affordability, the ACT is the second most affordable state to rent, behind Western Australia.

National

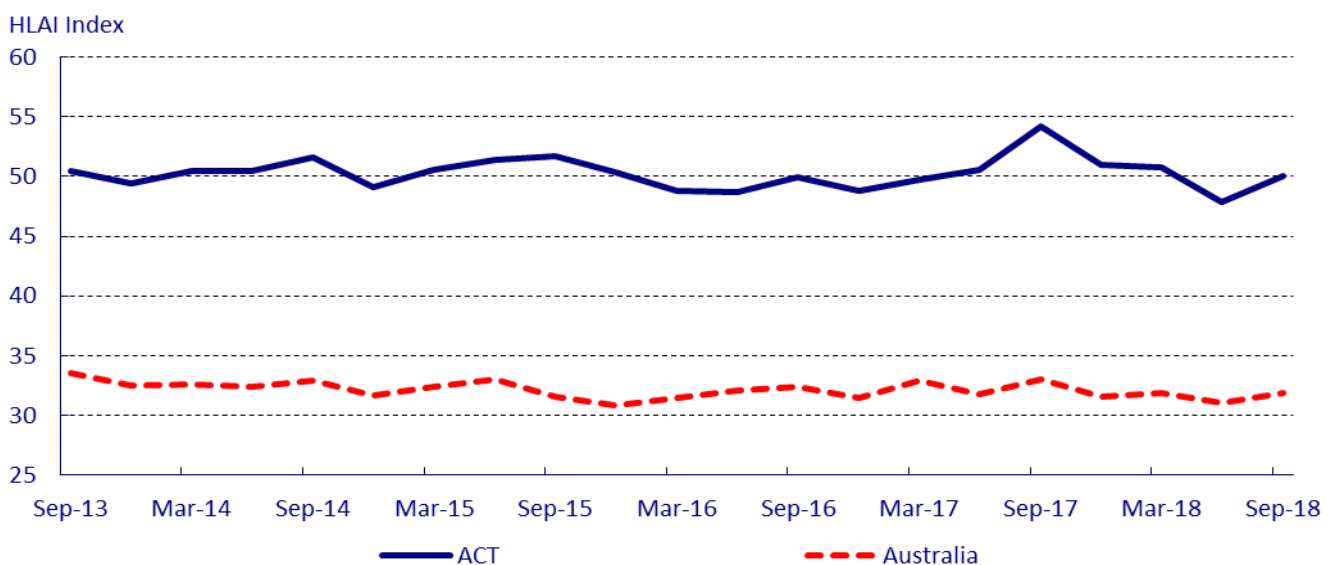
The HLAI increased by 2.6 per cent (from 31.1 to 31.9) in the September quarter 2018. Through the year to the September quarter 2018, the HLAI decreased by 3.3 per cent (from 33.0 to 31.9).

Proportion of income needed to meet loan repayments and rent payments, ACT



Source: Real Estate Institute of Australia

Real Estate Institute of Australia - Home Loan Affordability Indicator, ACT and Australia



Source: Real Estate Institute of Australia

Note:

1. The Home Loan Affordability Indicator (HLAI) is calculated based on the ratio between family incomes and home loan repayments. Increased HLAI means an improvement in home loan affordability and vice versa.