



HOUSING AFFORDABILITY REPORT

DECEMBER 2016



Introduction

Approaching its five year anniversary, the current upswing in housing values has shown unprecedented longevity. The past five years has seen national dwelling prices rise by 19%, while simultaneously, modelled income estimates from the ANU Centre for Social Research and Methods (ANU) suggest household incomes rose by just 9.2%.

The obvious divergence between dwelling values and income growth has occurred against a backdrop of lower mortgage rates, the lowest wages growth on record and disparate economic conditions across the states and territories.

Generally, Australian's demonstrate a high elasticity of demand for housing, with lower mortgage rates driving high levels of demand in certain dwelling markets which has contributed towards pushing housing values higher. As a result of low mortgage rates, we have seen a reduction in the costs associated with servicing a mortgage, while the 'deposit hurdle' has increased, creating a financial barrier for new entrants to the market.

The contrast between improved debt servicing and the larger 'deposit hurdle' is reflected in the CoreLogic affordability indicators. These latest indicators show improved affordability via measures that are sensitive to interest rates, such as the proportion of household income required to service a mortgage. However, other affordability measures which exclude the cost of debt, namely, the dwelling price to income ratio, or the proportion of household income required for a 20% deposit, are a worsening trend in housing affordability.

Other than the relationship between incomes, interest rates and housing prices, there are many additional factors impacting housing affordability. On the supply side, government policies associated with housing supply and land releases are known to have a profound impact on the cost of housing. Additionally,

developers pay significant fees to the government, which has a flow-on effect to the cost of new housing, as well as higher construction costs which have consistently risen at a faster pace than inflation.

From a demand side perspective, many factors have led to rapid growth in specific housing markets. Net overseas migration to Australia remains well above the long term average, despite the recent slowdown in migration into the mining states. High migration has increased dwelling demand, particularly in Sydney and Melbourne which are still seeing historically high rates of migration.

Another factor driving high housing demand is the disproportionate level of investment. Low interest rates, shallow returns from bonds and cash, as well as high volatility across equity and commodity markets have funneled investment demand into housing. The latest data from the Australian Bureau of Statistics shows investors comprise 47% of mortgage demand (excluding refinanced loans), with investors accounting for more than 55% of mortgage demand across the New South Wales market.

Another factor influencing affordability are high transaction costs. The expense of stamp duty is creating an additional barrier for new housing market entrants. Stamp duty costs on the median priced dwelling are now more than \$30,000 across both Sydney and Melbourne which is adding to the savings challenge for prospective buyers looking to participate in home ownership.

Finally, in city areas, a lack of decentralization in major working centres has focussed housing demand within close proximity to the largest capital cities which has in turn reduced affordability around city centres and driven the importance of efficient transport linkages in areas located further from the city centre. Insufficient transport linkages to outer

lying greenfield housing locations detracts from their desirability despite their more affordable housing profile.

Clearly, addressing the issue of housing affordability is a complex task which is multi-dimensional, multidisciplinary and requires the cooperation of local, state and federal governments as well as the private sector. What is particularly required is a coordinated housing policy coupled with a strategy that blends land release, zoning changes, infrastructure development and decentralizing employment opportunities into areas where housing costs are substantially lower.

Australia has multiple housing and finance arrangements which can be used in finding a place to live; measures of affordability should be diverse to reflect this.

This report includes four measures of housing affordability, including rental affordability, which show different outcomes. The commonality across each measure is that housing affordability shows substantial diversity from region-to-region, and across product types.

The four measures utilised by CoreLogic are outlined below. Each measure relies on median dwelling prices and rental rates calculated by CoreLogic, median household incomes which have been modelled by the Australian National University (ANU) and the cost of debt (we have used the average discounted variable mortgage rate).

- 1. The ratio of dwelling prices to annual household income.** Median house, unit and dwelling (ie combined houses and units) prices are compared with median household incomes to provide a ratio of dwelling prices to household income. For example, a dwelling price to income ratio of 5 implies that the typical household will spend five times their annual gross income to purchase the typical dwelling within the same region.

- 2. The proportion of household income required for a 20% deposit.** This analysis looks at the percentage of annual household income required to pay a deposit of 20% on the median priced dwelling. This measure is most relevant for new buyers who will generally need to save a deposit before purchasing.
- 3. The proportion of household income required to service an 80% loan to valuation ratio (LVR) mortgage.** This measure is based on mortgage serviceability and is more applicable for households that already own a dwelling. Assuming the owner has borrowed 80% of the median selling price and are paying the discounted variable mortgage rate, we measure the proportion of annual household income required to service the mortgage.
- 4. The proportion of household income required to pay the rent.** This component of affordability relies upon median rental rates and median household income to measure what percentage of household income is required to pay the rent.

The CoreLogic Affordability Report provides valuable insights, particularly when analysed over time. However, it is important to remember that the analysis considers the median household income and dwelling prices, and therefore may not capture all household demographics such as single income families, the quality of housing and housing size. Furthermore, measures of affordability can be skewed in some regions such as coastal and lifestyle markets, where a large proportion of retirees and/or absentee owners (holiday homes) can cause a downwards bias in household income measures.

National affordability measures

Housing affordability has generally worsened over recent years in Australia.

Price to income ratio

As at September 2016, the national price to income ratio was recorded at 6.9x (7.2x for houses and 6.4x for units). 15 years ago the national ratio was recorded at 4.3x (4.2x for houses and 4.8x for units). The recent slowing of median price growth has seen both measures actually fall a little from their recent peaks.

Proportion of household income required for a 20% deposit

It took 138.9% of a households income in September 2016 for a 20% deposit on a home, 143.2% for a house and 128.9% for a unit. In September 2001 it took 85.9% of a households income to purchase a home, with figures of 83.4% for a house and 95.7% for a unit. The data shows that as property prices have continued to surge it has become increasingly difficult to save for a deposit especially considering minimal household income growth.

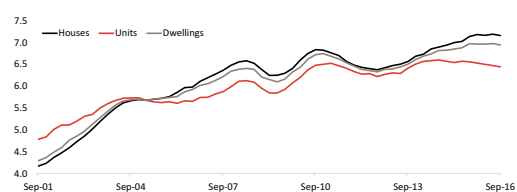
Proportion of household income required to service an 80% LVR mortgage

36.8% of a household's income was required to service an 80% LVR mortgage for a home in September 2016 with the figures 38.0% for a house and 34.2% for units. In September 2001 it took 26.0% of household income with a figure of 26.0% for a house and 29.8% for units. This analysis is particularly influenced by interest rates. Although interest rates are currently the lowest they've been over the past 15 years, a mortgage is consuming as much of the household income as it was in March 2004 when interest rates were 215 basis points higher.

Proportion of household income required to rent a home

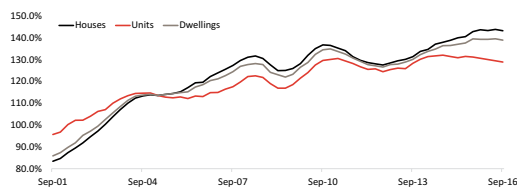
Renters spent 29.0% of their household income on rent in September 2016. The accompanying chart shows that over recent years there has been little change in the proportion of household income required to pay rent. This highlights that rental growth has generally tracked closely to household income growth (unlike property prices).

National price to income ratio



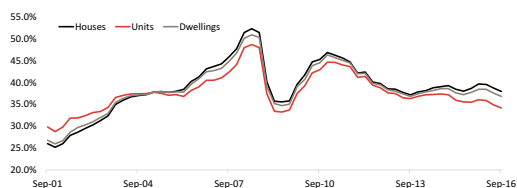
Source: CoreLogic, ANU

National proportion of household income required for a 20% deposit



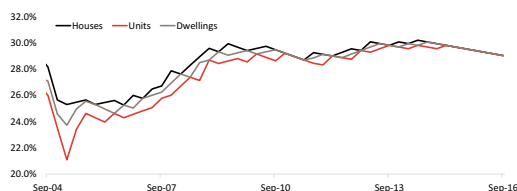
Source: CoreLogic, ANU

National proportion of household income required to service an 80% LVR mortgage



Source: CoreLogic, ANU

National proportion of household income required to rent a home

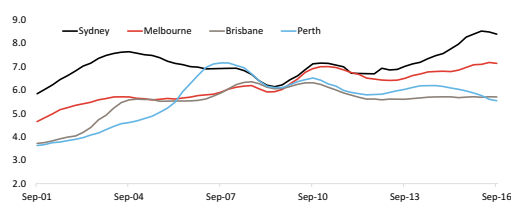


Source: CoreLogic, ANU

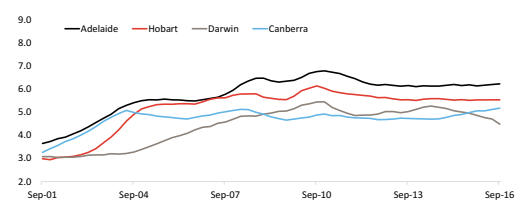
Affordability measures across the capital cities

The following charts highlight the four affordability metrics over time across each of the capital city housing markets, highlighting that affordability trends differ immensely across the capitals.

Capital city price to income ratio

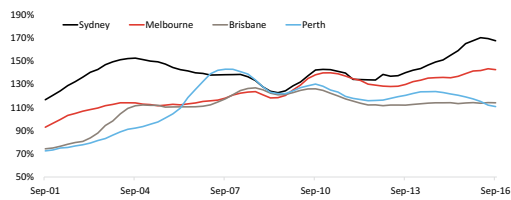


Source: CoreLogic, ANU

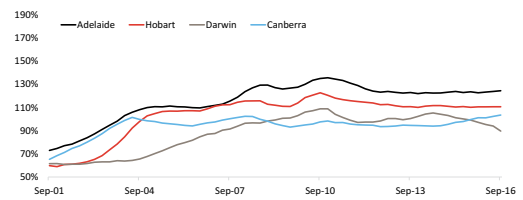


Source: CoreLogic, ANU

Capital city proportion of household income required for a 20% deposit

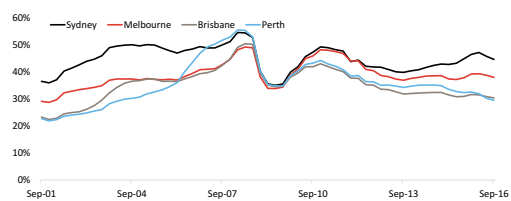


Source: CoreLogic, ANU

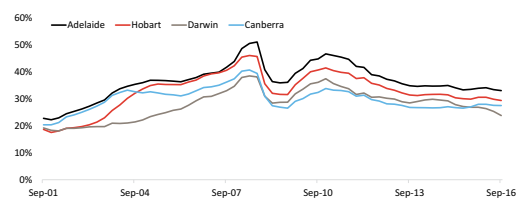


Source: CoreLogic, ANU

Capital city proportion of household income required to service an 80% LVR mortgage

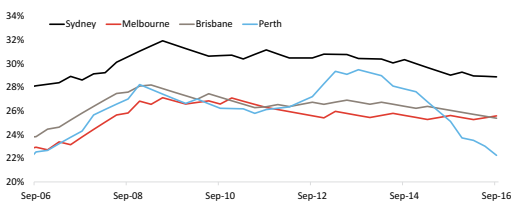


Source: CoreLogic, ANU

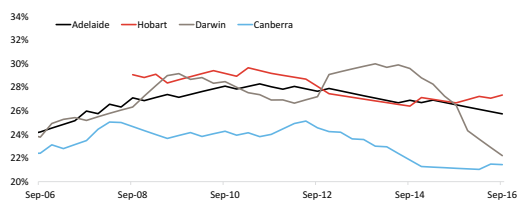


Source: CoreLogic, ANU

Capital city proportion of household income required to rent a home



Source: CoreLogic, ANU



Source: CoreLogic, ANU

Major region affordability measure summary

The table below shows the affordability measures across each of the major regions nationally. What becomes abundantly clear is that affordability pressures are much more prevalent in Sydney and Melbourne than they are elsewhere in the country. With property prices continuing to rise and income growth much lower, affordability continues to deteriorate.

Keep in mind that Sydney and Melbourne account for almost 40% of the national population so deteriorating affordability in these two cities impacts a large proportion of the overall population.

Affordability measures across the regions as at September 2016

Region	Price to income ratio	% of household income required for a 20% deposit	% of household income required to service an 80% LVR mortgage	% of household income required to rent a home
Sydney	8.3	167.7%	44.5%	28.9%
Regional NSW	6.6	132.9%	35.2%	29.9%
Melbourne	7.1	142.8%	37.9%	25.6%
Regional Vic	5.6	111.2%	29.5%	27.0%
Brisbane	5.7	114.1%	30.3%	25.4%
Regional Qld	6.7	134.0%	35.5%	30.0%
Adelaide	6.2	124.5%	33.0%	25.7%
Regional SA	4.8	95.7%	25.4%	24.9%
Perth	5.5	110.9%	29.4%	22.2%
Regional WA	5.1	101.4%	26.9%	26.0%
Hobart	5.5	110.7%	29.4%	27.4%
Regional Tas	5.0	99.6%	26.4%	26.7%
Darwin	4.5	89.7%	23.8%	22.2%
Regional NT	4.7	93.5%	24.8%	28.1%
Australian Capital Territory	5.2	103.5%	27.5%	21.4%
National	6.9	138.9%	36.8%	29.0%
Combined capital cities	6.7	133.8%	35.5%	25.7%
Combined regional areas	6.3	125.3%	33.2%	28.6%

Source: CoreLogic, ANU





New South Wales

The following charts highlight the four affordability metrics over time across each of the capital city housing markets, highlighting that affordability trends differ immensely across the capitals.



Median prices and household incomes (weekly)

\$785k

\$1,800

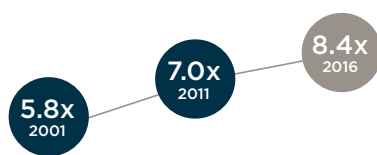
\$405k

\$1,172

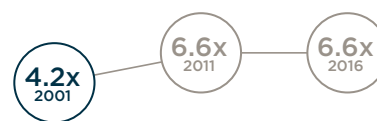
Sydney

Regional NSW

Price to Income Ratio



Sydney



Regional NSW



Proportion of household income required for a 20% deposit



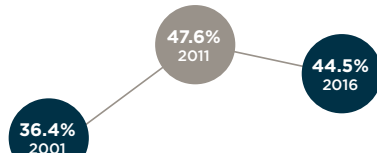
Sydney



Regional NSW



Proportion of household income required to service an 80% LVR mortgage



Sydney



Regional NSW



Proportion of household income required to rent a home



Sydney



Regional NSW

Sydney



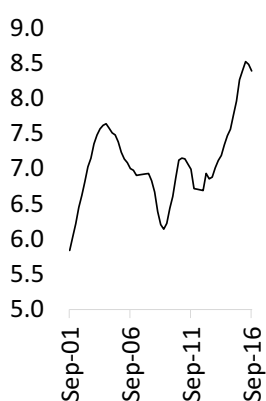
MEDIAN DWELLING PRICE

\$785,000 (five years ago: \$525,000)

Dwelling price to income ratio

8.4

(five years ago: 7.0)

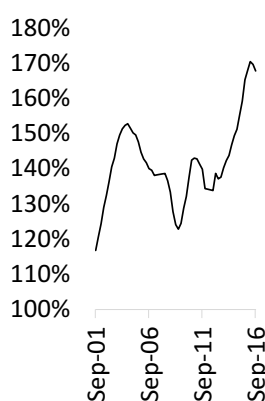


The median dwelling across Sydney costs 8.4 times the median annual household income.

% of annual household income required for a 20% deposit

168%

(five years ago: 140%)



A 20% deposit on the median priced dwelling now costs \$157,000 equating to 168% of the annual household income.

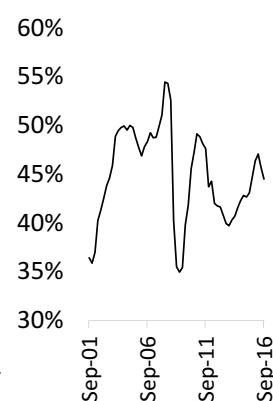
MEDIAN ANNUAL HOUSEHOLD INCOME

\$93,593 (five years ago: \$75,088)

% of annual household income required to service an 80% LVR mortgage

44.5%

(five years ago: 47.6%)

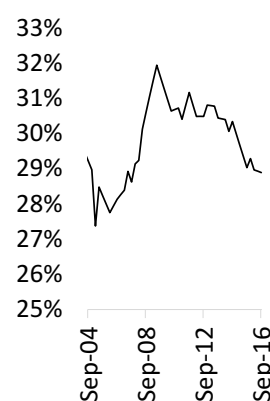


Annual loan repayments on the median priced dwelling with an 80% LVR is \$41,642, equating to 44.5% of the annual household income.

% of annual household income required to pay the rent

28.9%

(five years ago: 31.2%)



Annual rental payments on the median dwelling was \$27,040 in September 2016, comprising 28.9% of the annual household income.

Regional NSW



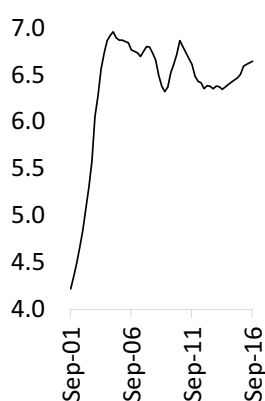
MEDIAN DWELLING PRICE

\$405,000 (five years ago: \$330,000)

Dwelling price to income ratio

6.6

(five years ago: 6.6)

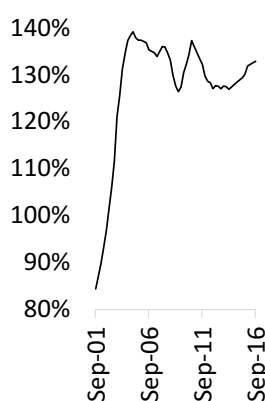


The median dwelling across Regional NSW costs 6.6 times the median annual household income

% of annual household income required for a 20% deposit

133%

(five years ago: 132%)



A 20% deposit on the median priced dwelling now costs \$81,000 equating to 133% of the annual household income.

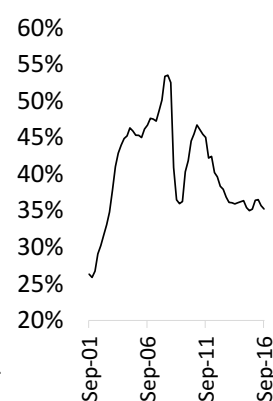
MEDIAN ANNUAL HOUSEHOLD INCOME

\$60,959 (five years ago: \$49,920)

% of annual household income required to service an 80% LVR mortgage

35.2%

(five years ago: 45%)

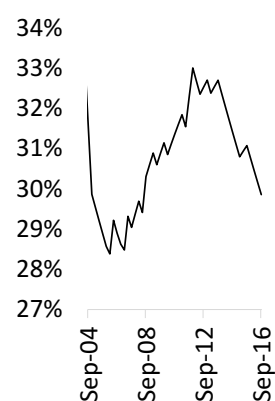


Annual loan repayments on the median priced dwelling with an 80% LVR is \$21,484, equating to 35.2% of the annual household income.

% of annual household income required to pay the rent

29.9%

(five years ago: 32.3%)



Annual rental payments on the median dwelling was \$18,200 in September 2016, comprising 29.9% of the annual household income.



Victoria

Median prices and household incomes (weekly)

\$566k

\$1,524

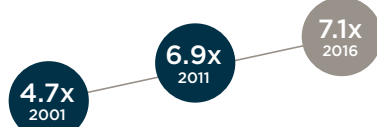
\$300k

\$1,038

Melbourne

Regional VIC

Price to Income Ratio



Melbourne



Regional VIC

Proportion of household income required for a 20% deposit

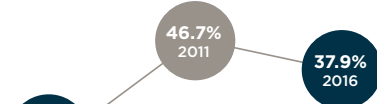


Melbourne



Regional VIC

Proportion of household income required to service an 80% LVR mortgage



Melbourne



Regional VIC

Proportion of household income required to rent a home



Melbourne



Regional VIC

Melbourne



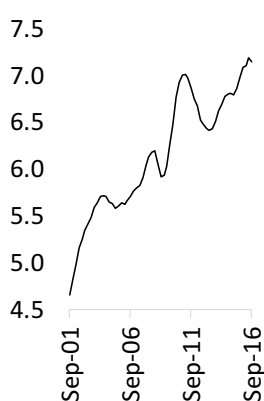
MEDIAN DWELLING PRICE

\$566,000 (five years ago: \$475,000)

Dwelling price to income ratio

7.1

(five years ago: 6.9)

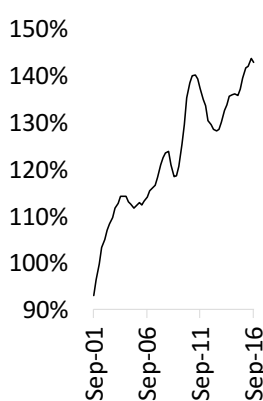


The median dwelling across Melbourne costs 7.1 times the median annual household income.

% of annual household income required for a 20% deposit

143%

(five years ago: 137%)



A 20% deposit on the median priced dwelling now costs \$113,200 equating to 143% of the annual household income.

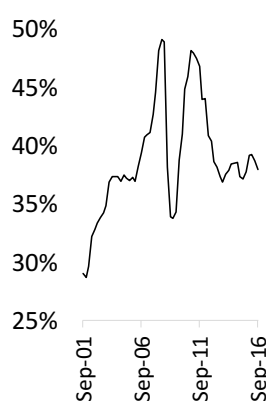
MEDIAN ANNUAL HOUSEHOLD INCOME

\$79,266 (five years ago: \$69,212)

% of annual household income required to service an 80% LVR mortgage

37.9%

(five years ago: 46.7%)

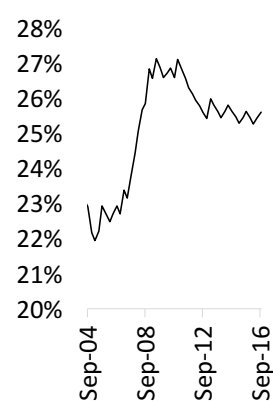


Annual loan repayments on the median priced dwelling with an 80% LVR is \$30,024, equating to 37.9% of the annual household income.

% of annual household income required to pay the rent

25.6%

(five years ago: 26.3%)



Annual rental payments on the median dwelling was \$20,280 in September 2016, comprising 25.6% of the annual household income.

Regional VIC



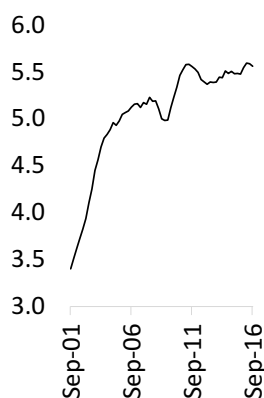
MEDIAN DWELLING PRICE

\$300,000 (five years ago: \$273,001)

Dwelling price to income ratio

5.6

(five years ago: 5.6)



The median dwelling across Regional Vic costs 5.6 times the median annual household income.

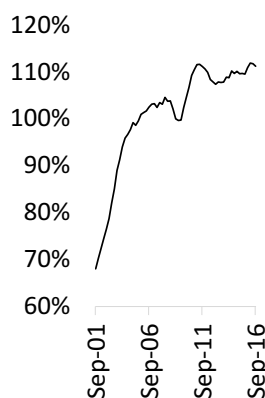
MEDIAN ANNUAL HOUSEHOLD INCOME

\$53,969 (five years ago: \$49,140)

% of annual household income required for a 20% deposit

111%

(five years ago: 111%)

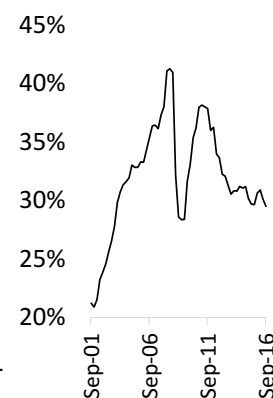


A 20% deposit on the median priced dwelling now costs \$60,000 equating to 111% of the annual household income.

% of annual household income required to service an 80% LVR mortgage

29.5%

(five years ago: 37.8%)

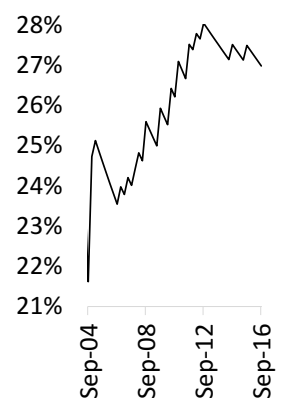


Annual loan repayments on the median priced dwelling with an 80% LVR is \$15,914, equating to 29.5% of the annual household income.

% of annual household income required to pay the rent

27.0%

(five years ago: 27.5%)



Annual rental payments on the median dwelling was \$14,560 in September 2016, comprising 27.0% of the annual household income.



Queensland

Median prices and household incomes (weekly)

\$468k

\$1,575

\$400k

\$1,148

Brisbane

Regional QLD

Price to Income Ratio

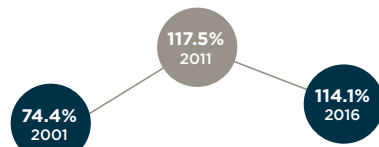


Brisbane



Regional QLD

Proportion of household income required for a 20% deposit



Brisbane

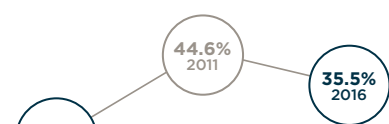


Regional QLD

Proportion of household income required to service an 80% LVR mortgage



Brisbane



Regional QLD

Proportion of household income required to rent a home



Brisbane



Regional QLD

Brisbane



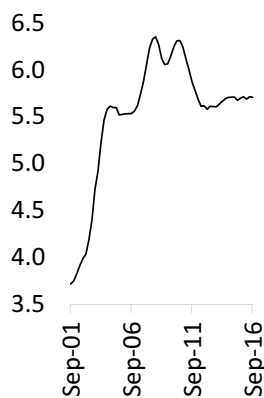
MEDIAN DWELLING PRICE

\$467,500 (five years ago: \$423,000)

Dwelling price to income ratio

5.7

(five years ago: 5.9)

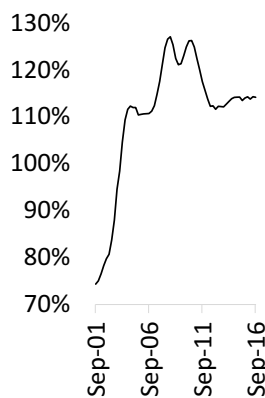


The median dwelling across Brisbane costs 5.7 times the median annual household income.

% of annual household income required for a 20% deposit

114%

(five years ago: 118%)



A 20% deposit on the median priced dwelling now costs \$93,500 equating to 114% of the annual household income.

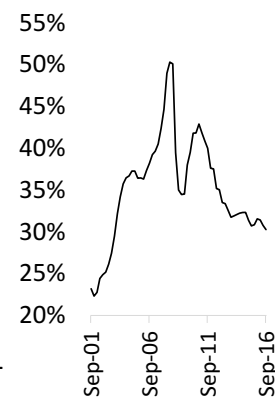
MEDIAN ANNUAL HOUSEHOLD INCOME

\$81,922 (five years ago: \$72,020)

% of annual household income required to service an 80% LVR mortgage

30.3%

(five years ago: 40.0%)

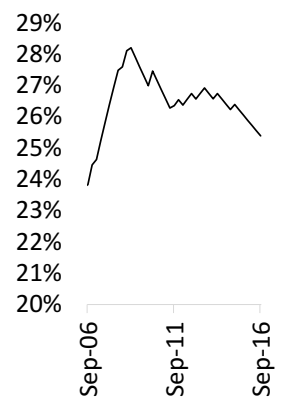


Annual loan repayments on the median priced dwelling with an 80% LVR is \$24,799, equating to 30.3% of the annual household income.

% of annual household income required to pay the rent

25.4%

(five years ago: 26.4%)



Annual rental payments on the median dwelling was \$20,540 in September 2016, comprising 25.4% of the annual household income.

Regional QLD



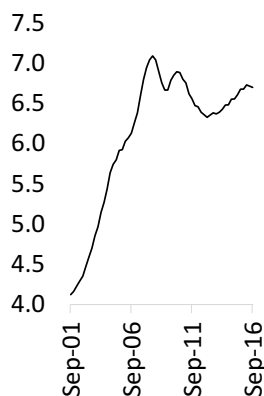
MEDIAN DWELLING PRICE

\$400,000 (five years ago: \$374,000)

Dwelling price to income ratio

6.7

(five years ago: 6.6)

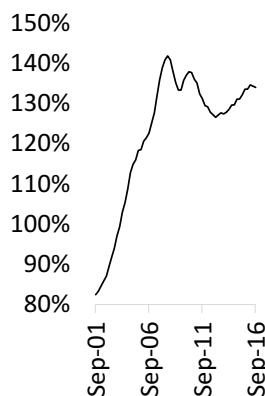


The median dwelling across Regional Qld costs 6.7 times the median annual household income.

% of annual household income required for a 20% deposit

134%

(five years ago: 131%)



A 20% deposit on the median priced dwelling now costs \$80,000 equating to 134% of the annual household income.

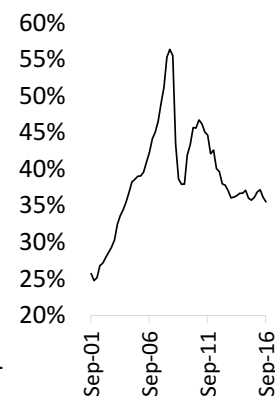
MEDIAN ANNUAL HOUSEHOLD INCOME

\$59,718 (five years ago: \$57,044)

% of annual household income required to service an 80% LVR mortgage

35.5%

(five years ago: 44.6%)

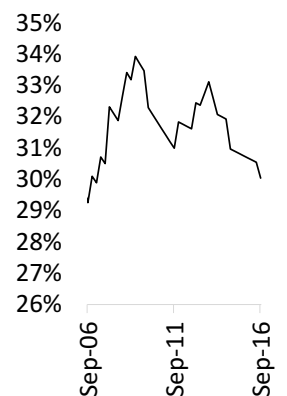


Annual loan repayments on the median priced dwelling with an 80% LVR is \$21,219, equating to 35.5% of the annual household income.

% of annual household income required to pay the rent

30.0%

(five years ago: 31.0%)



Annual rental payments on the median dwelling was \$17,680 in September 2016, comprising 30.0% of the annual household income.



South Australia

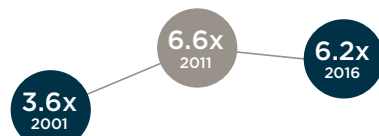
Median prices and household incomes (weekly)



Adelaide

Regional SA

Price to Income Ratio

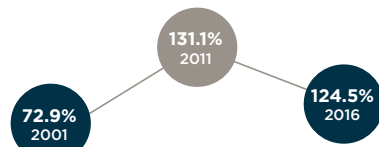


Adelaide



Regional SA

Proportion of household income required for a 20% deposit

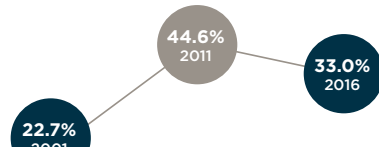


Adelaide



Regional SA

Proportion of household income required to service an 80% LVR mortgage



Adelaide



Regional SA

Proportion of household income required to rent a home



Adelaide



Regional SA

Adelaide



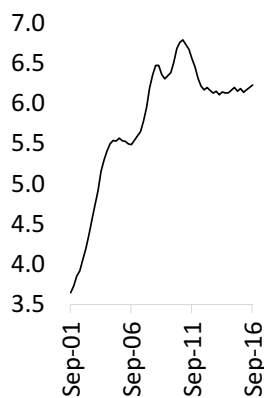
MEDIAN DWELLING PRICE

\$415,000 (five years ago: \$376,600)

Dwelling price to income ratio

6.2

(five years ago: 6.6)

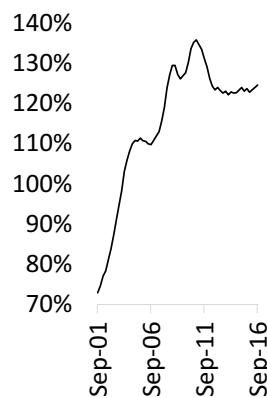


The median dwelling across Adelaide costs 6.2 times the median annual household income.

% of annual household income required for a 20% deposit

125%

(five years ago: 131%)



A 20% deposit on the median priced dwelling now costs \$83,000 equating to 125% of the annual household income.

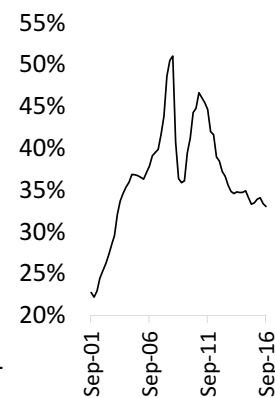
MEDIAN ANNUAL HOUSEHOLD INCOME

\$66,642 (five years ago: \$57,460)

% of annual household income required to service an 80% LVR mortgage

33.0%

(five years ago: 44.6%)

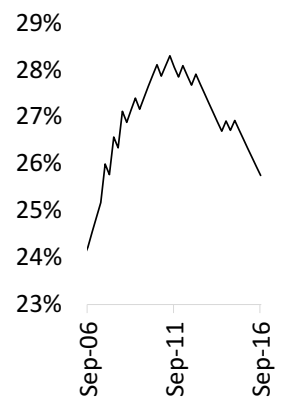


Annual loan repayments on the median priced dwelling with an 80% LVR is \$22,014, equating to 33.0% of the annual household income.

% of annual household income required to pay the rent

25.7%

(five years ago: 28.1%)



Annual rental payments on the median dwelling was \$17,420 in September 2016, comprising 25.7% of the annual household income.

Regional SA



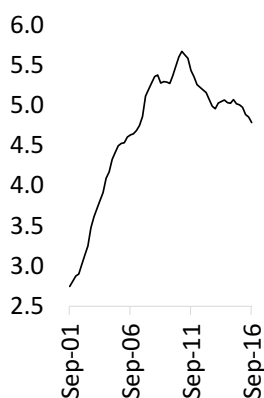
MEDIAN DWELLING PRICE

\$250,000 (five years ago: \$250,000)

Dwelling price to income ratio

4.8

(five years ago: 5.4)

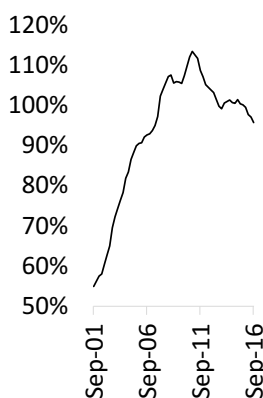


The median dwelling across Regional SA costs 4.8 times the median annual household income.

% of annual household income required for a 20% deposit

96%

(five years ago: 109%)



A 20% deposit on the median priced dwelling now costs \$50,000 equating to 96% of the annual household income.

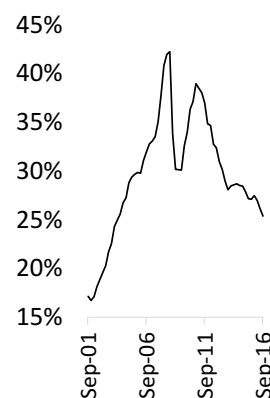
MEDIAN ANNUAL HOUSEHOLD INCOME

\$52,253 (five years ago: \$46,020)

% of annual household income required to service an 80% LVR mortgage

25.4%

(five years ago: 37.0%)

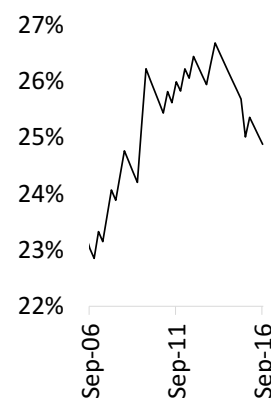


Annual loan repayments on the median priced dwelling with an 80% LVR is \$13,262, equating to 25.4% of the annual household income.

% of annual household income required to pay the rent

24.9%

(five years ago: 26.0%)



Annual rental payments on the median dwelling was \$12,740 in September 2016, comprising 24.9% of the annual household income.



Western Australia

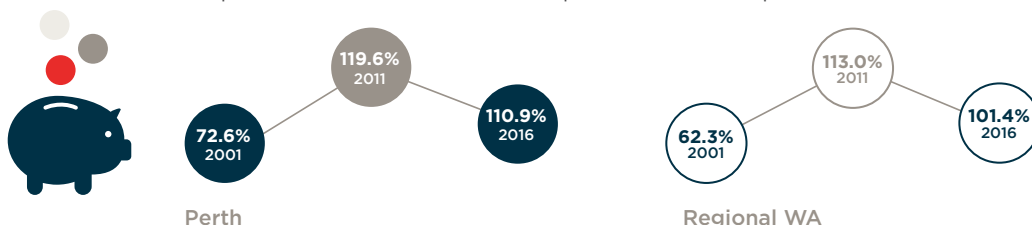
Median prices and household incomes (weekly)



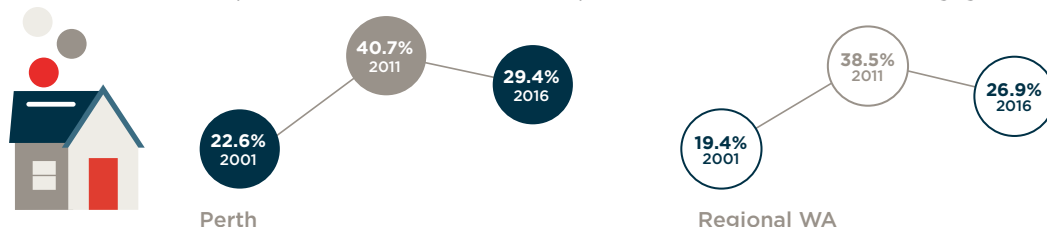
Price to Income Ratio



Proportion of household income required for a 20% deposit



Proportion of household income required to service an 80% LVR mortgage



Proportion of household income required to rent a home



Perth



MEDIAN DWELLING PRICE

\$499,000 (five years ago: \$452,500)

MEDIAN ANNUAL HOUSEHOLD INCOME

\$90,012 (five years ago: \$75,660)

Dwelling price to income ratio

5.5

(five years ago: 6.0)

% of annual household income required for a 20% deposit

111%

(five years ago: 120%)

% of annual household income required to service an 80% LVR mortgage

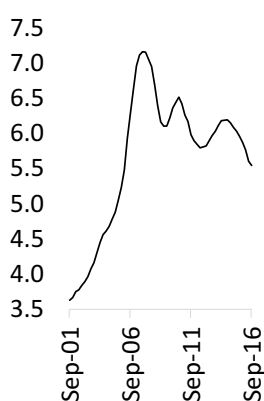
29.4%

(five years ago: 40.7%)

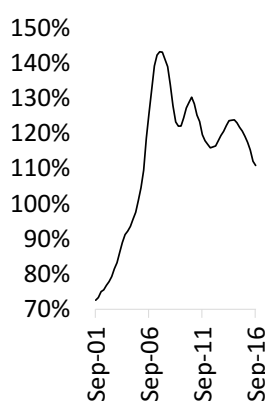
% of annual household income required to pay the rent

22.2%

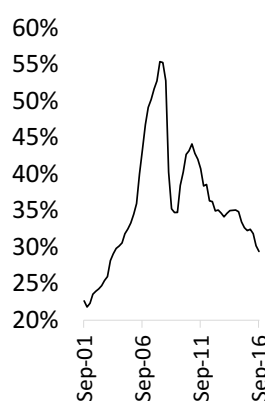
(five years ago: 26.1%)



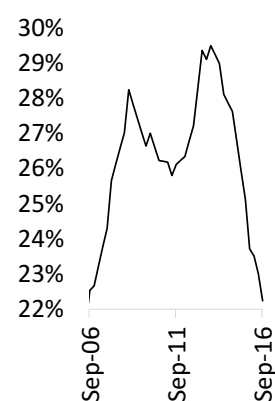
The median dwelling across Perth costs 5.5 times the median annual household income.



A 20% deposit on the median priced dwelling now costs \$99,800 equating to 111% of the annual household income.



Annual loan repayments on the median priced dwelling with an 80% LVR is \$26,470, equating to 29.4% of the annual household income.



Annual rental payments on the median dwelling was \$19,240 in September 2016, comprising 22.2% of the annual household income.

Regional WA



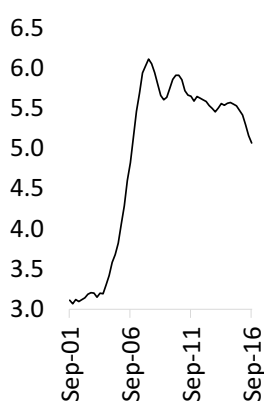
MEDIAN DWELLING PRICE

\$350,000 (five years ago: \$362,500)

Dwelling price to income ratio

5.1

(five years ago: 5.6)

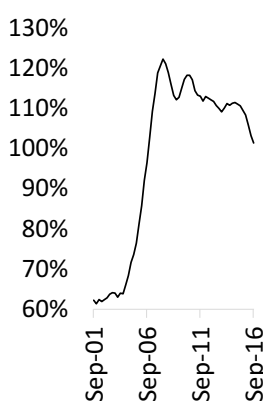


The median dwelling across Regional WA costs 5.1 times the median annual household income.

% of annual household income required for a 20% deposit

101%

(five years ago: 113%)



A 20% deposit on the median priced dwelling now costs \$70,000 equating to 101% of the annual household income.

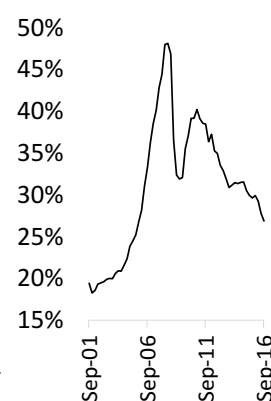
MEDIAN ANNUAL HOUSEHOLD INCOME

\$69,066 (five years ago: \$64,168)

% of annual household income required to service an 80% LVR mortgage

26.9%

(five years ago: 38.5%)

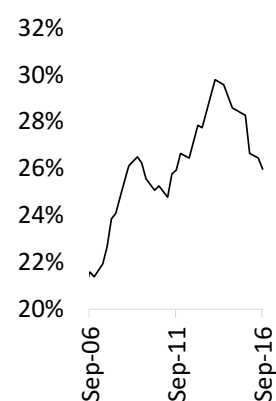


Annual loan repayments on the median priced dwelling with an 80% LVR is \$18,566, equating to 26.9% of the annual household income.

% of annual household income required to pay the rent

26.0%

(five years ago: 25.9%)



Annual rental payments on the median dwelling was \$17,160 in September 2016, comprising 26.0% of the annual household income.



Tasmania

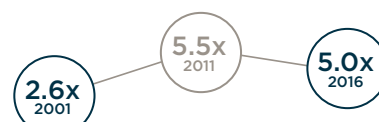
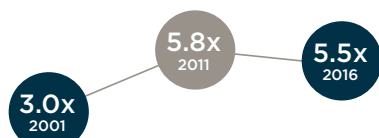
Median prices and household incomes (weekly)



Hobart

Regional TAS

Price to Income Ratio



Hobart

Regional TAS

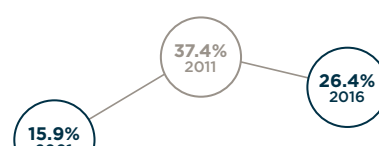
Proportion of household income required for a 20% deposit



Hobart

Regional TAS

Proportion of household income required to service an 80% LVR mortgage



Hobart

Regional TAS

Proportion of household income required to rent a home



Hobart

Regional TAS

Hobart



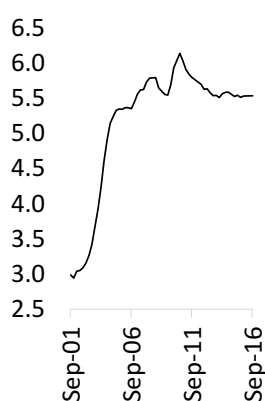
MEDIAN DWELLING PRICE

\$342,000 (five years ago: \$320,000)

Dwelling price to income ratio

5.5

(five years ago: 5.8)

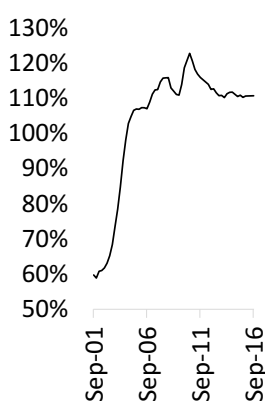


The median dwelling across Hobart costs 5.5 times the median annual household income.

% of annual household income required for a 20% deposit

111%

(five years ago: 116%)



A 20% deposit on the median priced dwelling now costs \$68,400 equating to 111% of the annual household income.

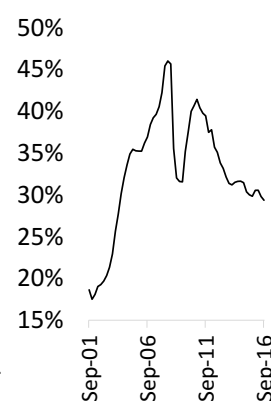
MEDIAN ANNUAL HOUSEHOLD INCOME

\$61,785 (five years ago: \$55,224)

% of annual household income required to service an 80% LVR mortgage

29.4%

(five years ago: 39.5%)

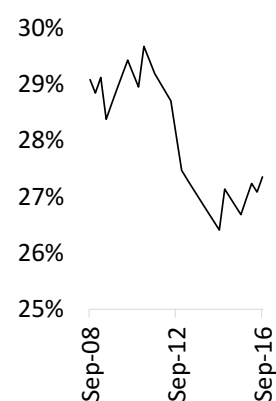


Annual loan repayments on the median priced dwelling with an 80% LVR is \$18,142, equating to 29.4% of the annual household income.

% of annual household income required to pay the rent

27.4%

(five years ago: 29.2%)



Annual rental payments on the median dwelling was \$16,640 in September 2016, comprising 27.4% of the annual household income.

Regional TAS



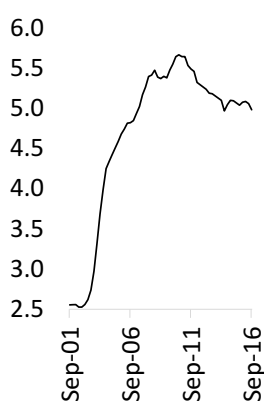
MEDIAN DWELLING PRICE

\$252,500 (five years ago: \$250,000)

Dwelling price to income ratio

5.0

(five years ago: 5.5)

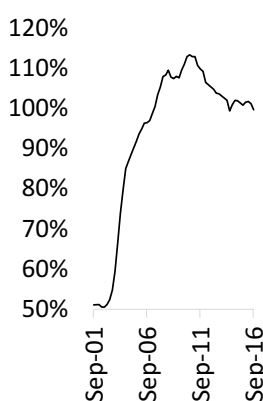


The median dwelling across Regional Tas costs 5.0 times the median annual household income.

% of annual household income required for a 20% deposit

100%

(five years ago: 110%)



A 20% deposit on the median priced dwelling now costs \$50,500 equating to 100% of the annual household income.

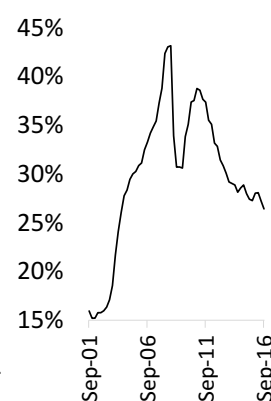
MEDIAN ANNUAL HOUSEHOLD INCOME

\$50,693 (five years ago: \$45,552)

% of annual household income required to service an 80% LVR mortgage

26.4%

(five years ago: 37.4%)

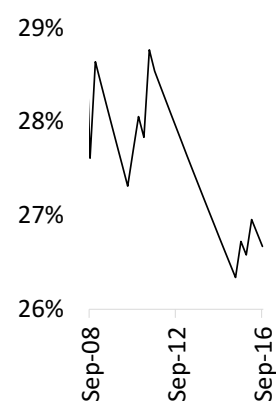


Annual loan repayments on the median priced dwelling with an 80% LVR is \$13,394, equating to 26.4% of the annual household income.

% of annual household income required to pay the rent

26.7%

(five years ago: 28.5%)



Annual rental payments on the median dwelling was \$13,394 in September 2016, comprising 26.7% of the annual household income.



Northern Territory

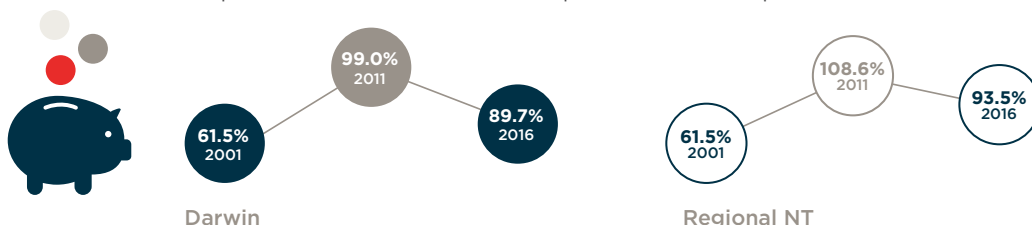
Median prices and household incomes (weekly)



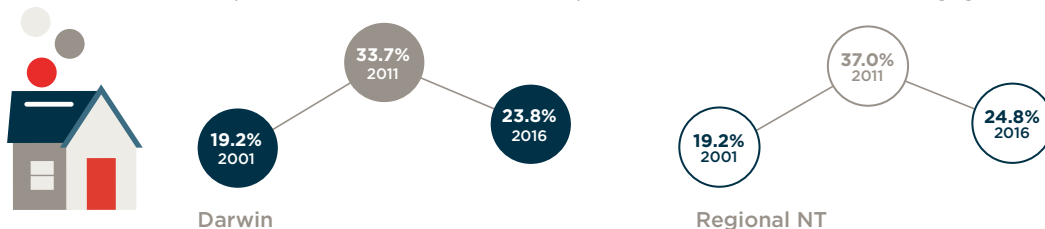
Price to Income Ratio



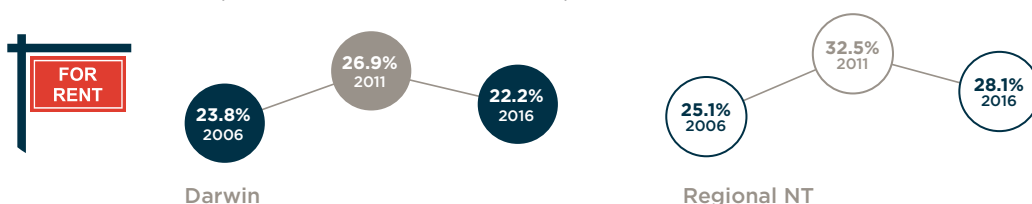
Proportion of household income required for a 20% deposit



Proportion of household income required to service an 80% LVR mortgage



Proportion of household income required to rent a home



Darwin



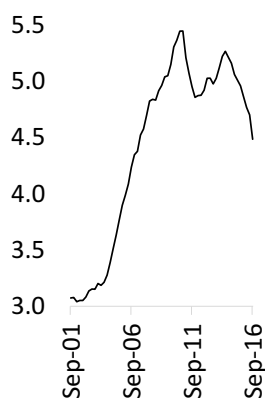
MEDIAN DWELLING PRICE

\$504,000 (five years ago: \$454,250)

Dwelling price to income ratio

4.5

(five years ago: 5.0)

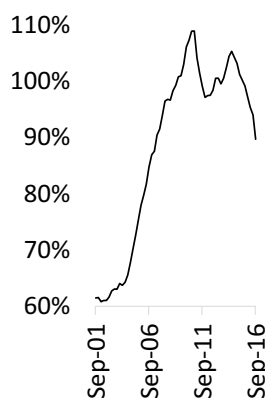


The median dwelling across Darwin costs 4.5 times the median annual household income.

% of annual household income required for a 20% deposit

90%

(five years ago: 99%)



A 20% deposit on the median priced dwelling now costs \$100,800 equating to 90% of the annual household income.

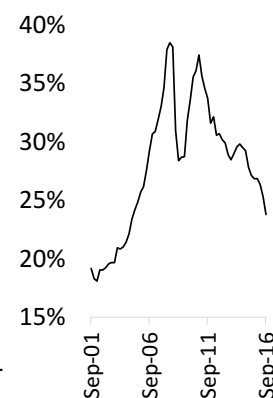
MEDIAN ANNUAL HOUSEHOLD INCOME

\$112,394 (five years ago: \$91,728)

% of annual household income required to service an 80% LVR mortgage

23.8%

(five years ago: 33.7%)

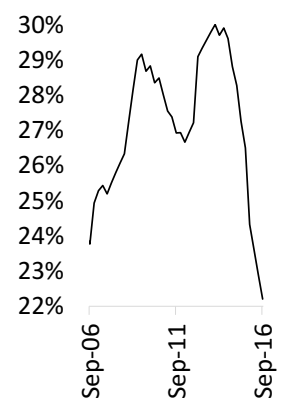


Annual loan repayments on the median priced dwelling with an 80% LVR is \$26,736, equating to 23.8% of the annual household income.

% of annual household income required to pay the rent

22.2%

(five years ago: 26.9%)



Annual rental payments on the median dwelling was \$23,400 in September 2016, comprising 22.2% of the annual household income.

Regional NT



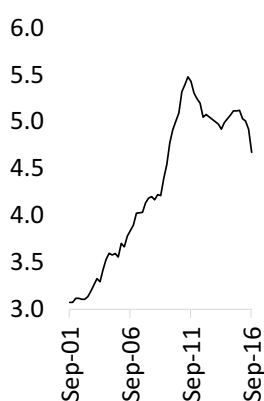
MEDIAN DWELLING PRICE

\$372,500 (five years ago: \$391,000)

Dwelling price to income ratio

4.7

(five years ago: 5.4)

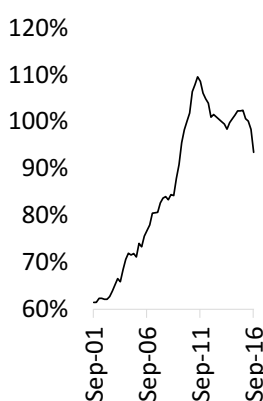


The median dwelling across Regional NT costs 4.7 times the median annual household income.

% of annual household income required for a 20% deposit

94%

(five years ago: 109%)



A 20% deposit on the median priced dwelling now costs \$74,500 equating to 94% of the annual household income.

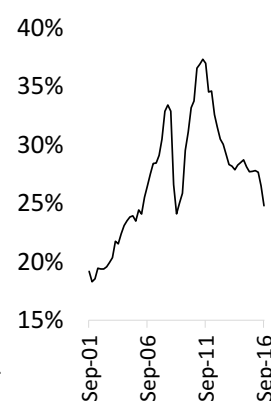
MEDIAN ANNUAL HOUSEHOLD INCOME

\$79,708 (five years ago: \$72,020)

% of annual household income required to service an 80% LVR mortgage

24.8%

(five years ago: 37.0%)

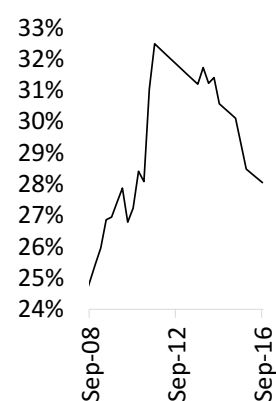


Annual loan repayments on the median priced dwelling with an 80% LVR is \$19,760, equating to 24.8% of the annual household income.

% of annual household income required to pay the rent

28.1%

(five years ago: 32.5%)



Annual rental payments on the median dwelling was \$21,840 in September 2016, comprising 28.1% of the annual household income.



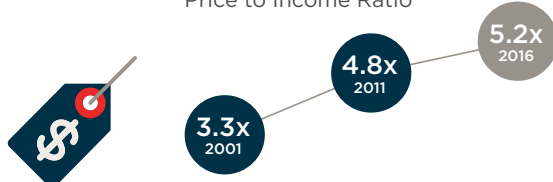
Australian Capital Territory

Median prices and household incomes (weekly)

 **\$540k**  **\$2,006**

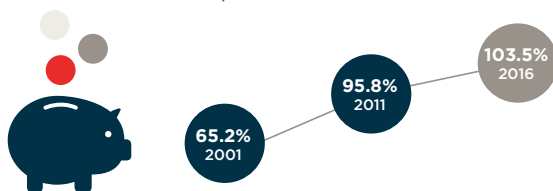
Canberra

Price to Income Ratio



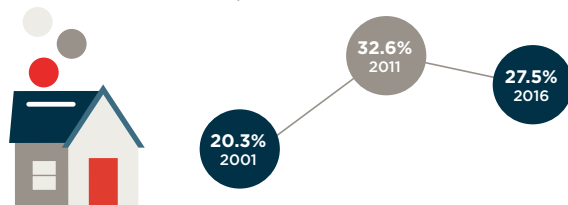
Canberra

Proportion of household income required for a 20% deposit



Canberra

Proportion of household income required to service an 80% LVR mortgage



Canberra

Proportion of household income required to rent a home



Canberra

Canberra



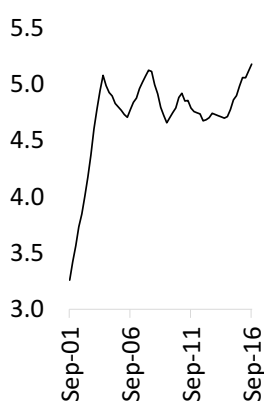
MEDIAN DWELLING PRICE

\$540,000 (five years ago: \$477,000)

Dwelling price to income ratio

5.2

(five years ago: 4.8)

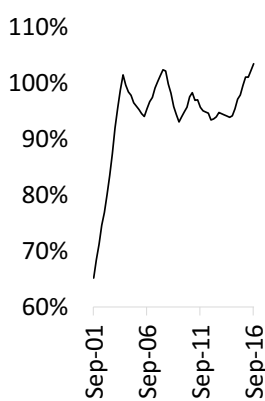


The median dwelling across Canberra costs 5.2 times the median annual household income.

% of annual household income required for a 20% deposit

104%

(five years ago: 96%)



A 20% deposit on the median priced dwelling now costs \$108,000 equating to 104% of the annual household income.

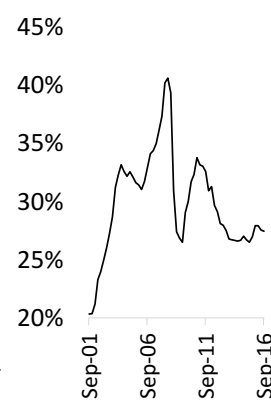
MEDIAN ANNUAL HOUSEHOLD INCOME

\$104,298 (five years ago: \$99,632)

% of annual household income required to service an 80% LVR mortgage

27.5%

(five years ago: 32.6%)

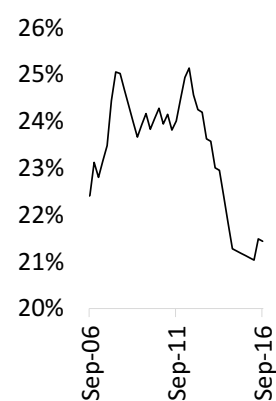


Annual loan repayments on the median priced dwelling with an 80% LVR is \$28,645, equating to 27.5% of the annual household income.

% of annual household income required to pay the rent

21.4%

(five years ago: 24.0%)



Annual rental payments on the median dwelling was \$22,360 in September 2016, comprising 21.4% of the annual household income.



Appendix 1

Affordability measures across the regions of Australia



NEW SOUTH WALES & VICTORIA

Region	Price to income ratio	% of household income required for a 20% deposit	% of household income required to service an 80% LVR mortgage	% of household income required to rent a home
Capital Region	5.7	114.2%	30.5%	26.3%
Central Coast	8.8	175.4%	46.8%	35.5%
Central West	4.9	98.3%	26.2%	24.7%
Coffs Harbour - Grafton	7.4	147.8%	39.4%	36.5%
Far West And Orana	4.3	86.4%	23.0%	25.7%
Hunter Valley Exc Newcastle	5.1	102.8%	27.4%	22.7%
Illawarra	8.4	168.2%	44.8%	33.5%
Mid North Coast	8.1	161.1%	43.0%	39.0%
Murray	4.7	94.5%	25.2%	25.1%
New England And North West	5.1	102.6%	27.4%	27.6%
Newcastle And Lake Macquarie	6.5	130.7%	34.9%	27.1%
Richmond - Tweed	8.6	171.2%	45.6%	39.7%
Riverina	4.6	92.1%	24.6%	25.5%
Southern Highlands And Shoalhaven	8.9	177.7%	47.4%	35.5%
Sydney - Baulkham Hills And Hawkesbury	8.6	172.6%	46.0%	25.1%
Sydney - Blacktown	7.1	142.5%	38.0%	24.7%
Sydney - City And Inner South	8.4	167.7%	44.7%	30.0%
Sydney - Eastern Suburbs	11.0	219.5%	58.5%	28.3%
Sydney - Inner South West	11.3	225.5%	60.1%	34.8%
Sydney - Inner West	10.3	206.8%	55.1%	26.6%
Sydney - North Sydney And Hornsby	9.0	180.6%	48.1%	23.9%
Sydney - Northern Beaches	10.8	216.1%	57.6%	28.5%
Sydney - Outer South West	6.6	132.2%	35.3%	24.8%
Sydney - Outer West And Blue Mountains	7.0	139.9%	37.3%	26.2%
Sydney - Parramatta	9.4	187.0%	49.9%	30.4%
Sydney - Ryde	11.9	237.5%	63.3%	26.7%
Sydney - South West	9.7	193.0%	51.5%	32.7%
Sydney - Sutherland	8.6	171.0%	45.6%	24.9%

Source: CoreLogic, ANU

Region	Price to income ratio	% of household income required for a 20% deposit	% of household income required to service an 80% LVR mortgage	% of household income required to rent a home
Ballarat	5.4	108.0%	28.8%	25.7%
Bendigo	5.8	116.5%	31.1%	26.2%
Geelong	6.7	133.4%	35.6%	26.7%
Hume	5.3	106.4%	28.4%	27.7%
Latrobe - Gippsland	5.2	103.4%	27.6%	25.3%
Melbourne - Inner	7.0	140.3%	37.4%	24.4%
Melbourne - Inner East	12.0	239.4%	63.8%	24.2%
Melbourne - Inner South	9.6	192.7%	51.4%	24.2%
Melbourne - North East	7.0	139.0%	37.1%	23.2%
Melbourne - North West	6.5	130.4%	34.8%	25.8%
Melbourne - Outer East	7.9	157.4%	42.0%	25.1%
Melbourne - South East	7.1	141.2%	37.6%	26.8%
Melbourne - West	5.8	116.4%	31.0%	23.8%
Mornington Peninsula	7.9	157.7%	42.0%	29.0%
North West	4.4	87.6%	23.4%	27.4%
Shepparton	5.1	102.0%	27.2%	28.4%
Warrnambool And South West	5.1	102.1%	27.2%	25.6%

Source: CoreLogic, ANU

QUEENSLAND, SOUTH AUSTRALIA & WESTERN AUSTRALIA

Region	Price to income ratio	% of household income required for a 20% deposit	% of household income required to service an 80% LVR mortgage	% of household income required to rent a home
Brisbane - East	6.0	119.5%	31.9%	26.5%
Brisbane - North	5.9	118.5%	31.6%	24.4%
Brisbane - South	6.7	133.1%	35.5%	24.8%
Brisbane - West	5.5	109.2%	29.1%	20.9%
Brisbane Inner City	5.4	107.2%	28.6%	20.4%
Cairns	6.5	130.3%	34.7%	33.7%
Darling Downs - Maranoa	4.6	91.8%	24.5%	23.9%
Fitzroy	3.6	71.4%	19.0%	16.7%
Gold Coast	7.7	153.6%	40.9%	36.5%
Ipswich	5.1	102.2%	27.2%	25.6%
Logan - Beaudesert	5.4	107.6%	28.7%	26.1%
Mackay	3.3	65.3%	17.4%	14.8%
Moreton Bay - North	6.7	133.9%	35.7%	31.7%
Moreton Bay - South	4.6	92.5%	24.7%	20.8%
Queensland - Outback	3.4	68.1%	18.2%	24.2%
Sunshine Coast	9.3	185.1%	49.3%	41.8%
Toowoomba	6.0	120.3%	32.1%	26.9%
Townsville	4.4	88.4%	23.6%	21.9%
Wide Bay	6.6	131.3%	35.0%	34.7%

Source: CoreLogic, ANU

Region	Price to income ratio	% of household income required for a 20% deposit	% of household income required to service an 80% LVR mortgage	% of household income required to rent a home
Adelaide - Central And Hills	7.3	146.0%	38.9%	24.3%
Adelaide - North	5.4	107.2%	28.6%	25.3%
Adelaide - South	6.1	122.5%	32.7%	25.7%
Adelaide - West	7.2	143.4%	38.2%	28.4%
Barossa - Yorke - Mid North	4.7	94.2%	25.1%	25.0%
South Australia - Outback	3.7	73.7%	19.6%	20.6%
South Australia - South East	5.4	107.6%	28.7%	26.4%

Source: CoreLogic, ANU

Region	Price to income ratio	% of household income required for a 20% deposit	% of household income required to service an 80% LVR mortgage	% of household income required to rent a home
Bunbury	6.0	119.5%	31.9%	27.7%
Mandurah	7.0	139.5%	37.2%	32.0%
Perth - Inner	6.4	128.1%	34.1%	19.0%
Perth - North East	5.5	109.5%	29.2%	22.1%
Perth - North West	5.5	109.4%	29.2%	21.5%
Perth - South East	5.5	111.0%	29.6%	22.2%
Perth - South West	5.4	107.7%	28.7%	21.5%
Western Australia - Outback	3.4	68.0%	18.1%	20.3%
Western Australia - Wheat Belt	5.7	114.6%	30.6%	31.8%

Source: CoreLogic, ANU

TASMANIA, NORTHERN TERRITORY & AUSTRALIAN CAPITAL TERRITORY

Region	Price to income ratio	% of household income required for a 20% deposit	% of household income required to service an 80% LVR mortgage	% of household income required to rent a home
Hobart	5.5	110.7%	29.5%	27.4%
Launceston And North East	5.0	100.2%	26.7%	27.1%
South East	5.7	114.8%	30.6%	28.0%
West And North West	4.6	92.7%	24.7%	26.0%

Source: CoreLogic, ANU

Region	Price to income ratio	% of household income required for a 20% deposit	% of household income required to service an 80% LVR mortgage	% of household income required to rent a home
Darwin	4.5	89.7%	23.9%	22.2%
Northern Territory - Outback	4.7	93.5%	24.9%	28.1%

Source: CoreLogic, ANU

Region	Price to income ratio	% of household income required for a 20% deposit	% of household income required to service an 80% LVR mortgage	% of household income required to rent a home
Australian Capital Territory	5.2	103.5%	27.6%	21.4%

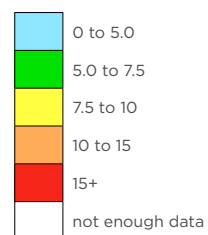
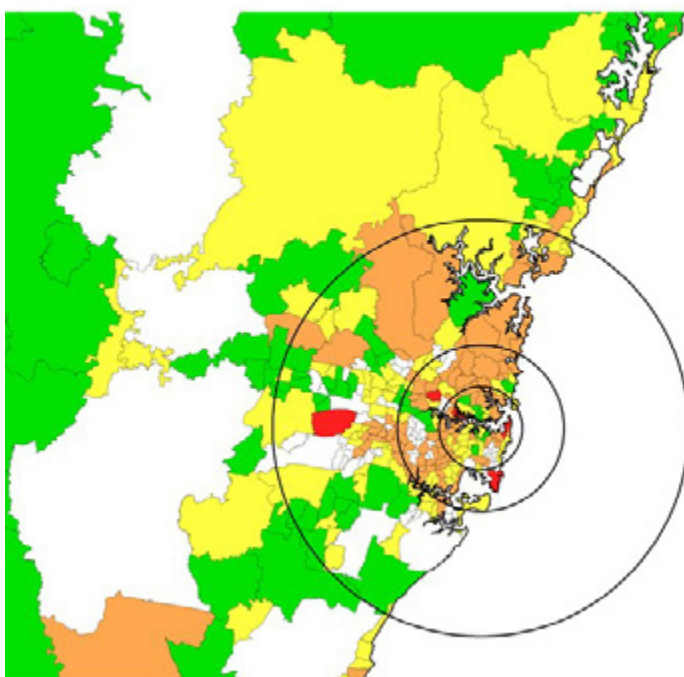
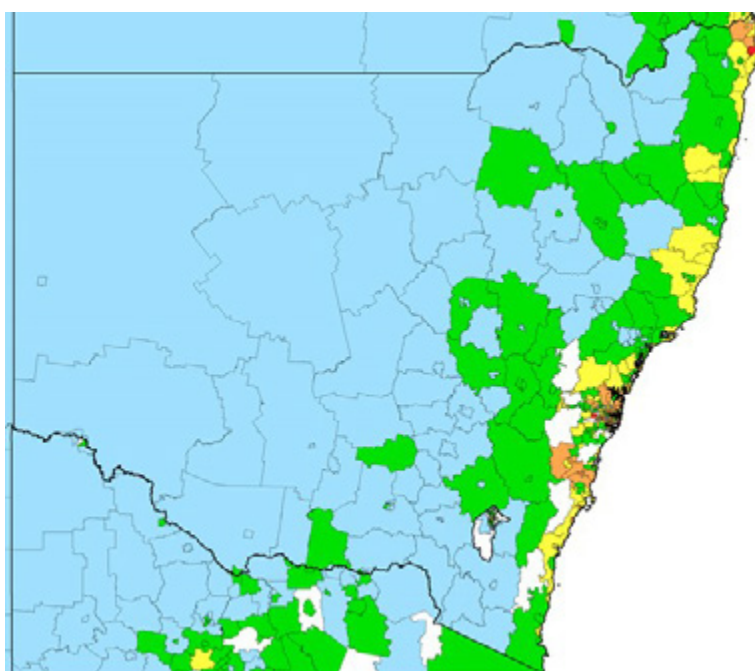
Source: CoreLogic, ANU

Appendix 2

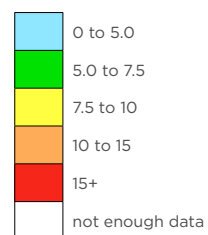
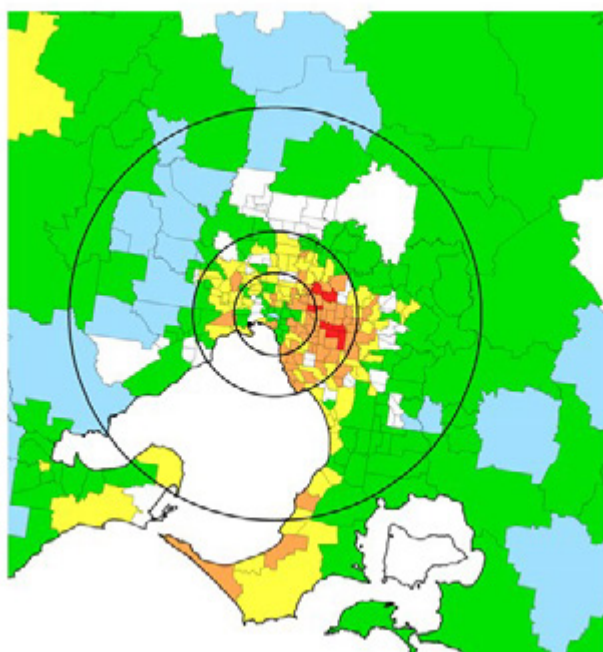
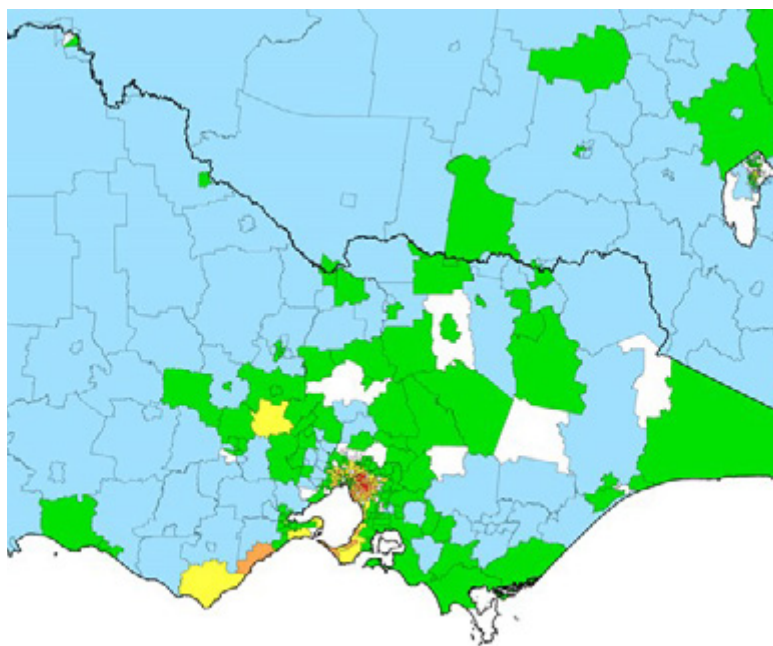
Thematic maps of state and capital city dwelling price to income ratios



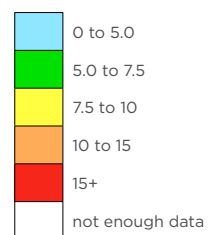
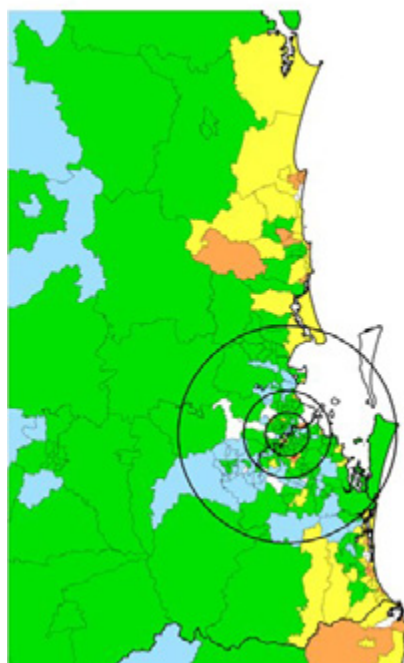
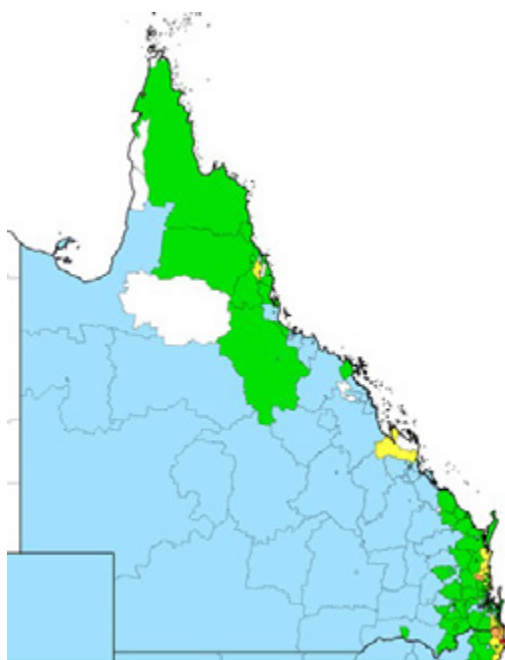
NEW SOUTH WALES & SYDNEY



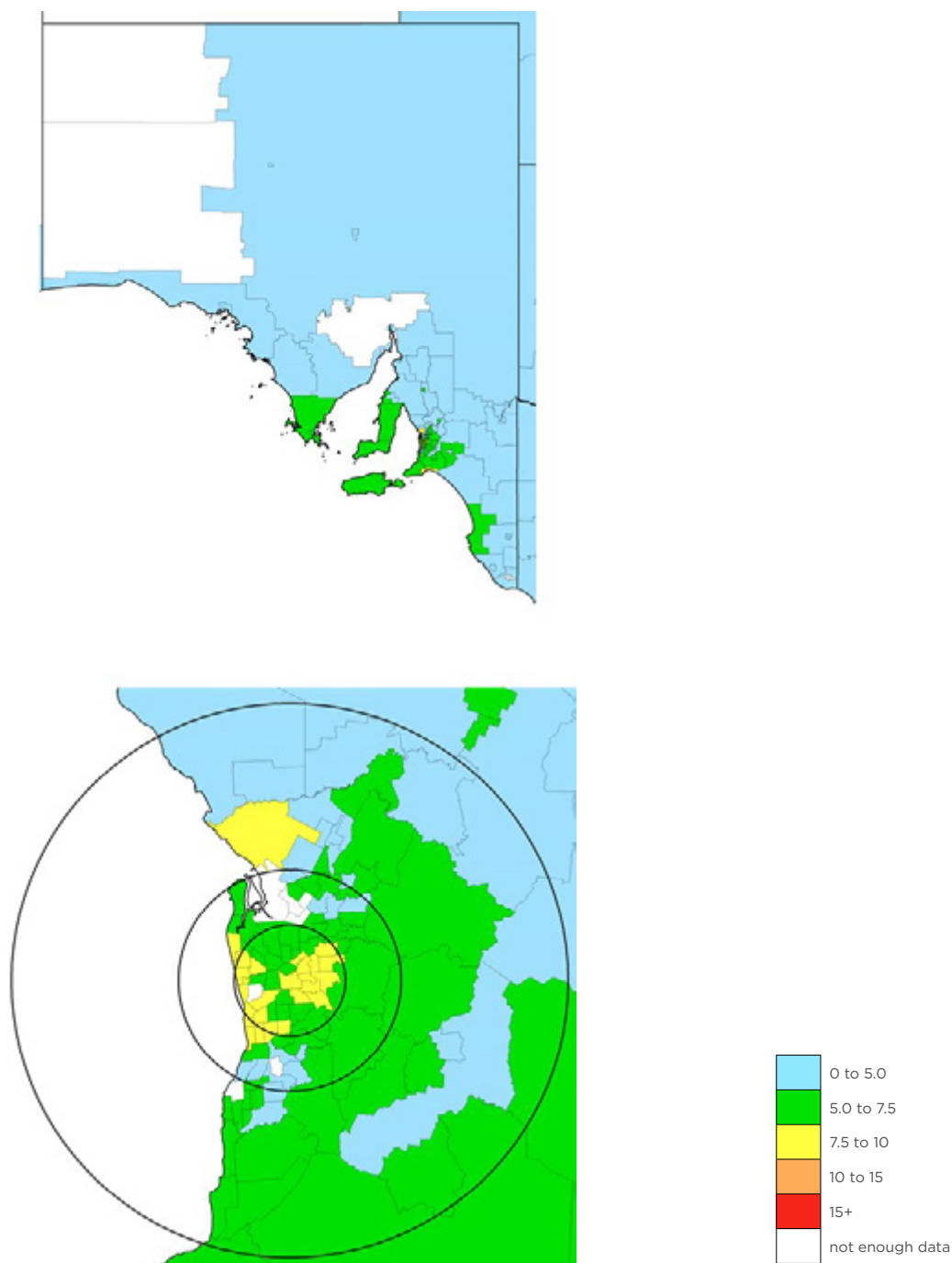
VICTORIA & MELBOURNE



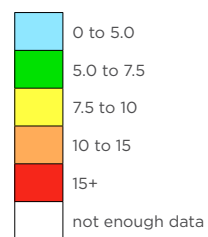
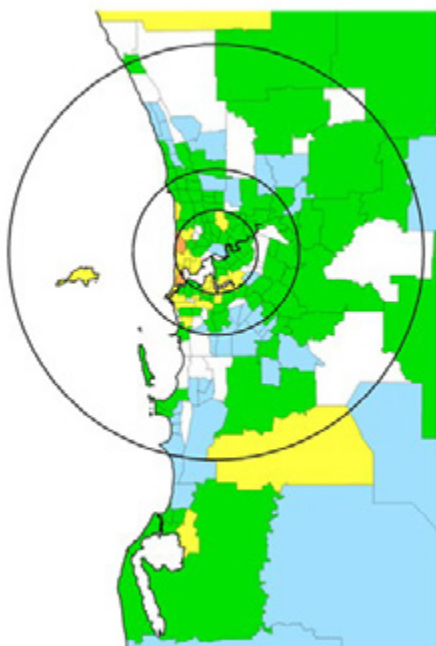
QUEENSLAND & THE SOUTH-EAST CORNER



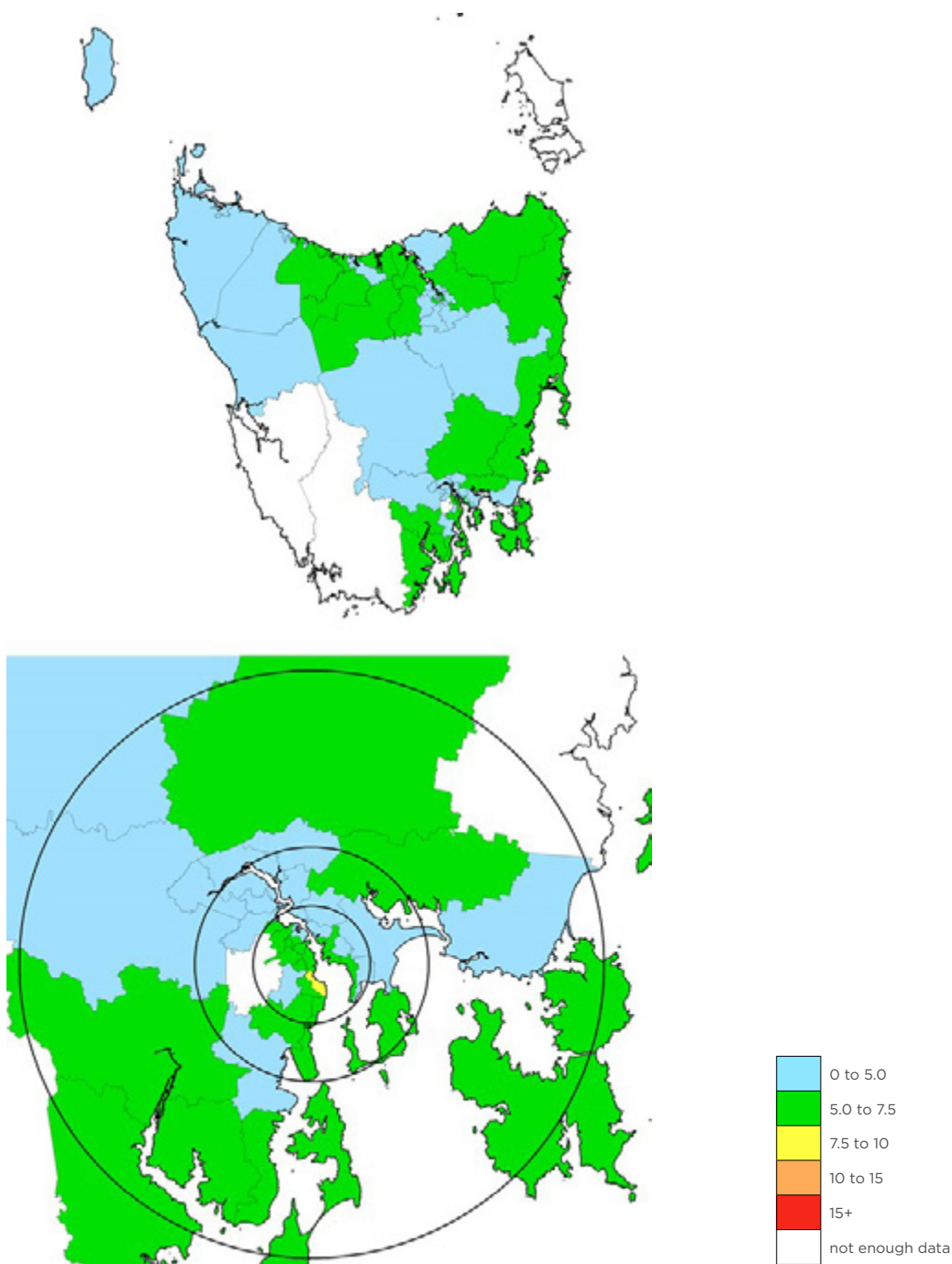
SOUTH AUSTRALIA & ADELAIDE



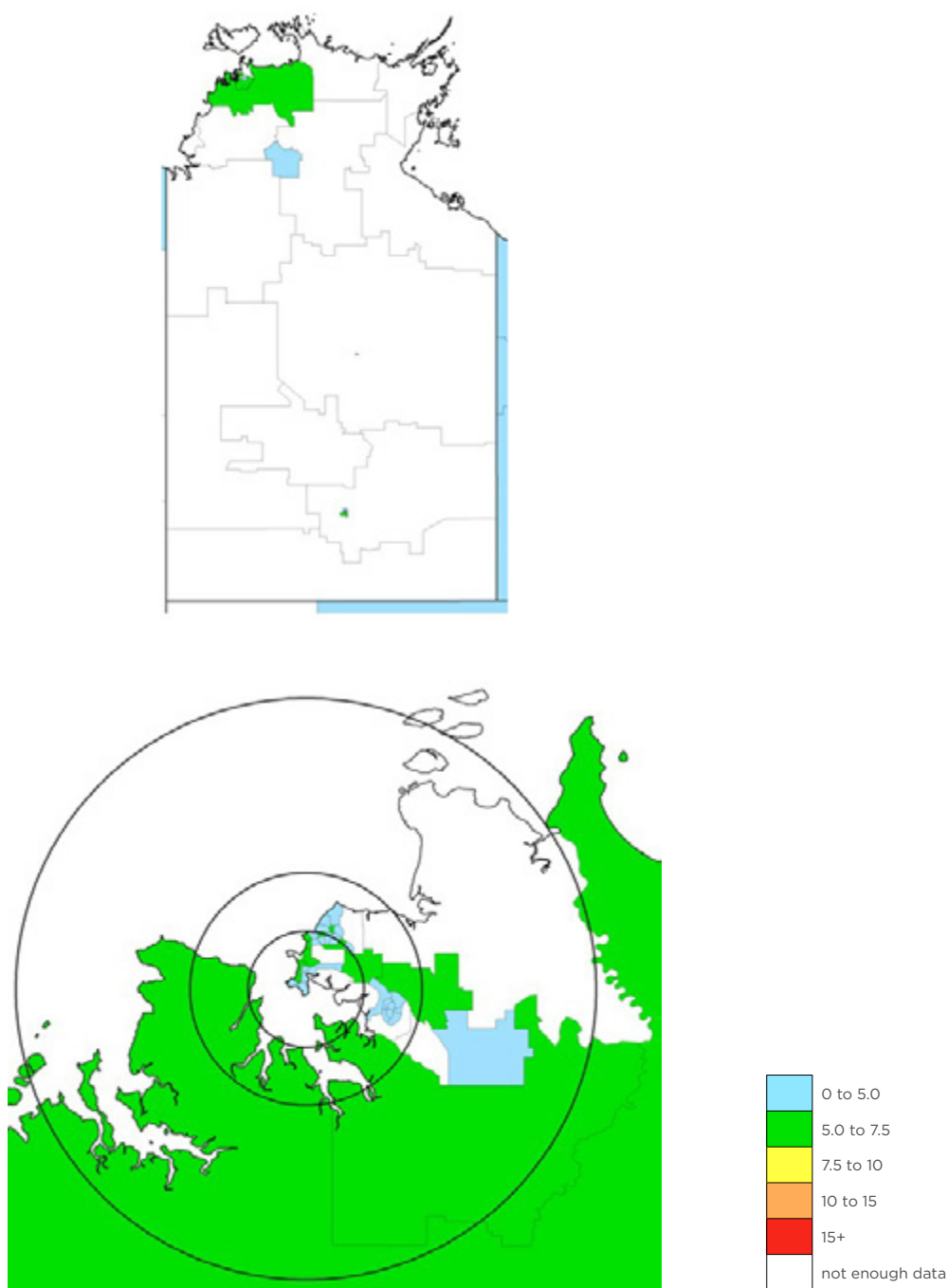
WESTERN AUSTRALIA & PERTH



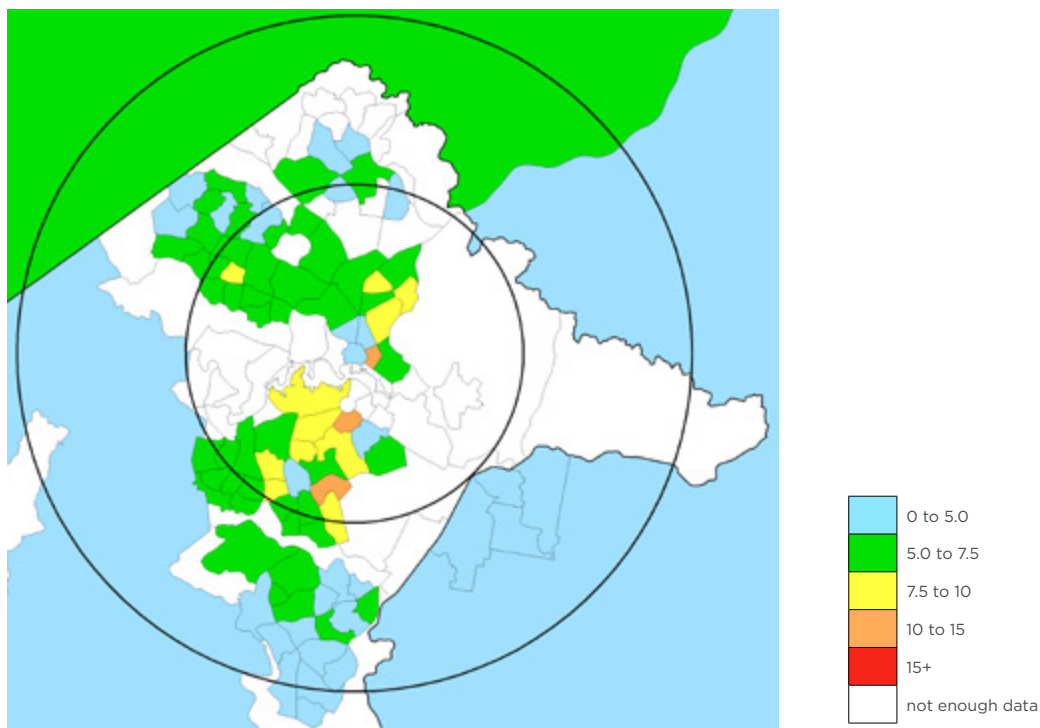
TASMANIA & HOBART



NORTHERN TERRITORY & DARWIN



CANBERRA





About CoreLogic

CoreLogic Australia, previously RP Data, is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), which is the largest property data and analytics company in the world. CoreLogic provides property information, analytics and services across Australia, New Zealand and Asia, and recently expanded its service offering through the purchase of project activity and building cost information provider Cordell. With Australia's most comprehensive property databases, the company's combined data offering is derived from public, contributory and proprietary sources and includes over 4.4 billion decision points spanning over three decades of collection, providing detailed coverage of property and other encumbrances such as tenancy, location, hazard risk and related performance information.

With over 20,000 customers and 150,000 end users, CoreLogic is the leading provider of property data, analytics and related services to consumers, investors, real estate, mortgage, finance, banking, building services, insurance, developers, wealth management and government. CoreLogic delivers value to clients through unique data, analytics, workflow technology, advisory and geo spatial services. Clients rely on CoreLogic to help identify and manage growth opportunities, improve performance and mitigate risk. CoreLogic employs over 650 people across Australia and in New Zealand. For more information call 1300 734 318 or visit www.corelogic.com.au

In compiling this publication, RP Data Pty Ltd trading as CoreLogic has relied upon information supplied by a number of external sources. CoreLogic does not warrant its accuracy or completeness and to the full extent allowed by law excludes liability in contract, tort or otherwise, for any loss or damage sustained by subscribers, or by any other person or body corporate arising from or in connection with the supply or use of the whole or any part of the information in this publication through any cause whatsoever and limits any liability it may have to the amount paid to CoreLogic for the supply of such information.

Queensland Data

Based on or contains data provided by the State of Queensland (Department of Natural Resources and Mines) 2016. In consideration of the State permitting use of this data you acknowledge and agree that the State gives no warranty in relation to the data (including accuracy, reliability, completeness, currency or suitability) and accepts no liability (including without limitation, liability in negligence) for any loss, damage or costs (including consequential damage) relating to any use of the data. Data must not be used for direct marketing or be used in breach of the privacy laws.

South Australian Data

This information is based on data supplied by the South Australian Government and is published by permission. The South Australian Government does not accept any responsibility for the accuracy or completeness of the published information or suitability for any purpose of the published information or the underlying data.

New South Wales Data

Contains property sales information provided under licence from the Land and Property Information ("LPI"). CoreLogic is authorised as a Property Sales Information provider by the LPI.

Victorian Data

The State of Victoria owns the copyright in the Property Sales Data which constitutes the basis of this report and reproduction of that data in any way without the consent of the State of Victoria will constitute a breach of the Copyright Act 1968 (Cth). The State of Victoria does not warrant the accuracy or completeness of the information contained in this report and any person using or relying upon such information does so on the basis that the State of Victoria accepts no responsibility or liability whatsoever for any errors, faults, defects or omissions in the information supplied.

Western Australian Data

Based on information provided by and with the permission of the Western Australian Land Information Authority (2015) trading as Landgate.

Australian Capital Territory Data

The Territory Data is the property of the Australian Capital Territory. No part of it may in any form or by any means (electronic, mechanical, microcopying, photocopying, recording or otherwise) be reproduced, stored in a retrieval system or transmitted without prior written permission. Enquiries should be directed to: Director, Customer Services ACT Planning and Land Authority GPO Box 1908 Canberra ACT 2601.

Tasmanian Data

This product incorporates data that is copyright owned by the Crown in Right of Tasmania. The data has been used in the product with the permission of the Crown in Right of Tasmania.

The Crown in Right of Tasmania and its employees and agents:

a) give no warranty regarding the data's accuracy, completeness, currency or suitability for any particular purpose; and

b) do not accept liability howsoever arising, including but not limited to negligence for any loss resulting from the use of or reliance upon the data.

Base data from the LIST © State of Tasmania
<http://www.thelist.tas.gov.au>



CoreLogic®