

2008:

The Best & Worst of Australian Housing Affordability

The Residential Development Council, in conjunction with RPData, looked at housing affordability across the country for the 2008 calendar year.

Capital cities proved the most unaffordable markets to buy, with Australians having to spend up to 94% of their income to service their mortgage payments. Major regional centres were more affordable, with the median house and unit purchase demanding as little as 24% of income. For renters, up to 38% of income was used to pay rent, with some regional centres requiring just 18% of income.

In any given year, there have been clear winners and losers in the property stakes, and these highlights provide a look back on the year that was for both home purchasers and renters across Australia.

With interest rates falling and increased government assistance to first home buyers, deciding where to purchase is clearly a numbers game. Markets previously unaffordable may now offer better value, while regional centres continue to be significantly more affordable for both home buyers and renters.

Purchases:

Top 10 most unaffordable markets (houses)

	Urban centre	State	% of income used for mortgage payments
1	Gold Coast	QLD	93%
2	Sydney	NSW	82%
3	Sunshine Coast	QLD	81%
4	Perth	WA	76%
5	Ballina	NSW	74%
6	Brisbane	QLD	71%
7	Adelaide	SA	67%
8	Melbourne	VIC	67%
9	Mandurah	WA	66%
10	Mackay	QLD	65%

Top 10 most affordable markets (houses)

	Urban centre	State	% of income used for mortgage payments
1	Latrobe Valley	VIC	29%
2	Mildura ^a	VIC	35%
3	Dubbo ^a	NSW	38%
4	Ballarat ^a	VIC	38%
5	Bendigo ^a	VIC	39%
6	Tamworth ^a	NSW	40%
7	Greater Taree ^a	NSW	40%
8	Shepparton ^a	VIC	42%
9	Wagga Wagga ^a	NSW	43%
10	Albury-Wodonga ^a	NSW	43%

Houses

^a Urban centres with % of income spent on housing above 30 per cent defined as unaffordable. This table includes those that are unaffordable but the best of those studied.

Purchases:

New Houses

Top 10 most unaffordable markets (new houses)

	Urban centre	State	% of income used for mortgage payments
1	Gold Coast	QLD	94%
2	Sydney	NSW	88%
3	Sunshine Coast	QLD	85%
4	Perth	WA	84%
5	Brisbane	QLD	74%
6	Mackay	QLD	72%
7	Gladstone	QLD	71%
8	Ballina	NSW	71%
9	Adelaide	SA	69%
10	Mandurah	WA	68%

Top 10 most affordable markets (new houses)

	Urban centre	State	% of income used for mortgage payments
1	Latrobe Valley ^a	VIC	33%
2	Mildura ^a	VIC	36%
3	Dubbo ^a	NSW	39%
4	Bendigo ^a	VIC	40%
5	Ballarat ^a	VIC	40%
6	Tamworth ^a	NSW	42%
7	Greater Taree ^a	NSW	42%
8	Shepparton ^a	VIC	43%
9	Darwin ^a	NT	44%
10	Orange ^a	NSW	45%

Units

Top 10 most unaffordable markets (units)

	Urban centre	State	% of income used for mortgage payments
1	Sydney	NSW	64%
2	Gold Coast	QLD	62%
3	Perth	WA	61%
4	Sunshine Coast	QLD	61%
5	Melbourne	VIC	60%
6	Brisbane	QLD	59%
7	Ballina	NSW	57%
8	Wingecarribee	NSW	56%
9	Adelaide	SA	54%
10	Townsville	QLD	51%

Top 10 most affordable markets (units)

	Urban centre	State	% of income used for mortgage payments
1	Dubbo	NSW	24%
2	Latrobe Valley	VIC	24%
3	Mildura	VIC	27%
4	Albury-Wodonga	NSW	29%
5	Tamworth	NSW	30%
6	Ballarat ^a	VIC	31%
7	Shepparton ^a	VIC	32%
8	Darwin ^a	NT	32%
9	Wagga Wagga ^a	NSW	33%
10	Orange ^a	NSW	33%

New Units

Top 10 most unaffordable markets (new units)

	Urban centre	State	% of income used for mortgage payments
1	Gold Coast	QLD	85%
2	Sunshine Coast	QLD	74%
3	Sydney	NSW	69%
4	Wingecarribee	NSW	69%
5	Perth	WA	66%
6	Brisbane	QLD	65%
7	Mackay	QLD	61%
8	Adelaide	SA	61%
9	Melbourne	VIC	60%
10	Ballina	NSW	58%

Top 10 most affordable markets (new units)

	Urban centre	State	% of income used for mortgage payments
1	Latrobe Valley	VIC	26%
2	Mildura	VIC	28%
3	Dubbo	NSW	30%
4	Albury-Wodonga ^a	NSW	32%
5	Darwin ^a	NT	33%
6	Ballarat ^a	VIC	33%
7	Bendigo ^a	VIC	34%
8	Shepparton ^a	VIC	35%
9	Wagga Wagga ^a	NSW	36%
10	Tamworth ^a	NSW	37%

^a Urban centres with % of income spent on housing above 30 per cent defined as unaffordable. This table includes those that are unaffordable but the best of those studied.

Rentals:

Houses

Top 10 most unaffordable markets (houses)

	Urban centre	State	% of income used to pay rent
1	Sydney	NSW	38%
2	Gold Coast	QLD	37%
3	Sunshine Coast	QLD	35%
4	Mackay	QLD	35%
5	Brisbane	QLD	32%
6	Perth	WA	31%
7	Melbourne	VIC	31%
8	Cairns	QLD	31%
9	Ballina	NSW	31%
10	Gladstone	QLD	31%

Top 10 most affordable markets (houses)

	Urban centre	State	% of income used to pay rent
1	Latrobe Valley	VIC	18%
2	Ballarat	VIC	20%
3	Mildura	VIC	20%
4	Greater Taree	NSW	20%
5	Dubbo	NSW	21%
6	Eurobodalla	NSW	21%
7	Bendigo	VIC	22%
8	Shepparton	VIC	22%
9	Albury-Wodonga	NSW	22%
10	Tamworth	NSW	22%

Units

Top 10 most unaffordable markets (units)

	Urban centre	State	% of income used to pay rent
1	Sydney	NSW	35%
2	Gold Coast	QLD	31%
3	Brisbane ^b	QLD	30%
4	Sunshine Coast ^b	QLD	30%
5	Perth ^b	WA	30%
6	Melbourne ^b	VIC	28%
7	Townsville ^b	QLD	28%
8	Rockhampton ^b	QLD	28%
9	Mackay ^b	QLD	28%
10	Wingecarribee ^b	NSW	27%

Top 10 most affordable markets (units)

	Urban centre	State	% of income used to pay rent
1	Latrobe Valley	VIC	13%
2	Dubbo	NSW	15%
3	Mildura	VIC	16%
4	Shepparton	VIC	16%
5	Albury-Wodonga	NSW	16%
6	Wagga Wagga	NSW	16%
7	Greater Taree	NSW	16%
8	Ballarat	VIC	17%
9	Orange	NSW	17%
10	Bendigo	VIC	17%

^b Urban centres with % of income spent on housing above 30 per cent defined as unaffordable. This table includes those that are affordable but the worst of those studied.



Residential Development Council
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