

News Release

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Housing affordability has peaked, new ANZ CoreLogic report finds

Housing affordability peaked in June and property prices could reach record highs in the first half of 2020 if they continue at current rates, according to new ANZ and CoreLogic research.

Released today, the research shows real estate values fell 8.4 per cent nationally from the 2017 peak to the June 2019 trough, which provided some temporary relief to housing affordability.

It also revealed national dwelling values were 6.5 times higher than gross annual household incomes in June, the lowest level since December 2013.

Senior ANZ Economist, Felicity Emmett said: "Although affordability has improved following a downturn in housing values, June 2019 marked a turning point as dwelling values again began to outpace household incomes across capital cities, with the exception of Perth and Darwin.

"The rebound in prices is being driven by a number of factors including record low interest rates, easier access to credit and more certainty around tax arrangements," Ms Emmett said.

CoreLogic's Head of Research, Tim Lawless said: "We see more urgency coming back into the market, especially in Melbourne and Sydney where housing values have risen 6 per cent and 5.3 per cent since May. If this trend continues, we could see property prices reach new highs early next year.

"However, there is still some good news for prospective buyers and renters. The research shows households are now dedicating the smallest proportion of their incomes towards paying a new mortgage since early 2004 and renters are spending the lowest proportion of their income on accommodation since 2007.

"This year, we have also seen an increase in the number of areas where it is cheaper to buy than rent, which can be attributed to the lowest interest rates since the 1950's together with lower housing prices relative to the market peak," Mr Lawless said.

Further information:

- A full version of the report can be downloaded from the [ANZ Newsroom](#).
- A list of regions where it is cheaper to buy than rent can be downloaded [here](#).
- A summary of the most and least affordable metro areas is available [here](#).

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Affordability measures across the regions as at June 2019

Region	Dwelling value to income ratio	Yrs to save a 20% deposit based on saving 15% of household income	% of household income required to service an 80% LVR mortgage	% of household income required to rent a home
Sydney	8.2	11.0	43.7%	31.9%
Melbourne	7.2	9.6	38.4%	27.7%
Brisbane	5.8	7.7	30.8%	27.0%
Adelaide	6.2	8.2	32.8%	28.8%
Perth	5.2	6.9	27.4%	23.8%
Hobart	6.5	8.6	34.3%	33.9%
Darwin	3.4	4.5	17.9%	20.7%
Canberra	5.0	6.7	26.6%	24.4%
Regional NSW	7.0	9.3	37.1%	33.1%
Regional Vic	5.6	7.5	29.9%	27.8%
Regional Qld	5.4	7.1	28.5%	31.2%
Regional SA	4.1	5.5	21.9%	25.2%
Regional WA	4.2	5.6	22.3%	25.1%
Regional Tas	5.2	7.0	27.8%	29.9%
Regional NT	5.0	6.6	26.4%	34.4%
Combined capital cities	6.5	8.7	34.5%	26.8%
Combined regional areas	5.1	6.8	27.0%	31.2%