

Sydney housing: New survey paints dire picture for Harbour City's middle-income earners

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Photo: Once seen as slums, terraces in Sydney's Glebe are now hot property. (ABC News: Ursula Malone)

Sydney's housing has been rated less affordable than global metropolises New York and London in a new survey that paints a dire picture for the city's middle-income earners.

KEY POINTS:

- A new survey has put the spotlight on Sydney's real estate
- It rated property as "severely unaffordable" for middle-income households
- The report took in nine countries, including the USA, UK and Japan

The Harbour City's eye-watering house prices were trumped by only Hong Kong in the Annual Demographia International Housing Affordability Survey, which examined more than

400 cities in nine countries including the United States, United Kingdom, Australia and Canada.

After being sworn in as New South Wales Premier yesterday, Gladys Berejiklian used her first press conference to [put the spotlight on housing affordability](#).

The report ranked middle-income housing affordability using a "median multiple" score, which is calculated by dividing the average house price by the average household income.

Anything with a score of 5.1 and over is dubbed "severely unaffordable", so let's break it down:

Rank: Least affordable	City	Median multiple
1	Hong Kong	18.1
2	Sydney, NSW	12.2
3	Vancouver, Canada	11.8
4	Santa Cruz, USA	11.6
5	Santa Barbara, USA	11.3
6	Auckland, NZ	10
7	Wingcaribbee, NSW	9.8
8	Tweed Heads, NSW	9.7
9	San Jose, USA	9.6
10	Melbourne, VIC	9.5

Sydney was not the only place with a housing-affordability headache in NSW.

Also in the top 10 was the Wingecarribee area — about 110km south of the capital — which includes several affluent and historic towns like Bowral, Mittagong and Moss Vale.

The tourist hot spot of Tweed Heads, near the Queensland border, came in at number eight.

SYDNEYSIDERS PAYING 'FOUR TIMES' TOO MUCH

The report's co-author, Hugh Pavletich, described Sydney's housing issue as "remarkable".

"Sydney is after Hong Kong, which is sitting at 18 times household earnings, as the second worst in the world so it's just remarkable with so much land that Australia has got that it should have this problem," he said.

"Sydney house prices are about 12.2 times annual household incomes which is grossly excessive.

"What housing should be in normal markets is at or below three times household earnings, so Sydney is four times what it should be."

Mr Pavletich said decentralisation was also an issue. Of the 7.7 million people who call NSW home, more than 4.8 million live in the greater Sydney area.

"There is not enough decentralisation in Australia. State and local governments have lost the control of their costs and their capacity to finance infrastructure properly," he said.

Ms Berejiklian wasted no time addressing the hot-button issue of Sydney real estate yesterday.

"I want to make sure that every average hard-working person in this state can aspire to own their own home," she said.

NSW Opposition Leader Luke Foley is calling for the new Premier to host a housing summit to look at the issue of affordability.



Photo: [Gladys Berejiklian said housing affordability would be a priority for her.](#) (AAP: Sam Moov)