

Australia ranked the third least affordable housing market in the world

THE Australian dream is getting further out of reach with Aussies now dropping a whopping 13 times their annual income to buy a home, and the average mortgage hitting an all-time high.

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THE average Australian mortgage has cracked half a million dollars for the first time, making breaking into the housing market that much harder for many Aussies.

That means Australians are forking out almost 13 times their annual income to buy property, according to the 14th Annual Demographia International Housing Affordability Survey.

In the last three months of 2017, the average loan size nationally ballooned to more than \$500,400, a report from comparison website comparethemarket.com.au shows.

NSW pulled the national average up, with mortgagees in that state owing an average of more than \$613,000.

In Victoria, the average loan size was more than \$496,800.

Sydney and Melbourne were also this week named among the least affordable major housing markets in the world, according to the survey.

Sydney was ranked the second least affordable, behind only Hong Kong in a list of 92 major metropolitan markets. Vancouver was the third least affordable, followed by California's San Jose, with Melbourne rising one place from last year to fifth.



Australia was ranked the third least affordable country when it comes to buying real estate. Picture: Glenn Ferguson Source: News Corp Australia

Australia was considered the third least affordable country behind Hong Kong and New Zealand.

Of Australia's overpriced market, Dr Donald Bush, the former Governor of the Reserve Bank of New Zealand said, "Australia is perhaps the least densely populated major country in the world, but state governments there have contrived to drive land prices in major urban areas to very high levels, with the result that in that country housing in major state capitals has become severely unaffordable."

Former Family First Senator Bob Day also blamed governments for the housing crisis.

"The real culprit ... was the refusal of ... governments ... to provide an adequate and affordable supply of land for new housing stock to meet demand," he is reported as saying in the survey.

"The 'scarcity' that drove up land prices is wholly contrived — it is a matter of political choice, not geographic reality," he said.

Capital city home prices fell by 0.2 per cent last week, but Sydney values fell twice as fast as the national average.



Auction at 18 Hope St, Geelong West. The original Victorian style house is a true renovator's delight with only a new roof and stumps started for the buyers. Auctioneer John Moran, Whitford Real Estate picture: Glenn Ferguson Source: *News Corp Australia*

Sydney's cooling market led the losses with a 0.4 per cent decrease in the week to January 21, according to property group CoreLogic.

Melbourne dipped 0.1 per cent, while Brisbane, Adelaide and Perth's prices were steady.

In the past year, average home values across those five capital cities have risen 3.6 per cent, with the biggest lift in Melbourne, rising 8.4 per cent.

Median house prices for private treaty sales:

Sydney	\$815,000
Melbourne	\$680,000
Canberra	\$650,000
Brisbane	\$525,000
Perth	\$495,000
Darwin	\$470,000
Adelaide	\$440,000
Hobart	\$423,000

Source: CoreLogic Property Market Indicator Summary week ending January 21, 2017.